

EFFECT OF THE 2012 LEGISLATIVE PROGRAM ON THE FINANCIAL CONDITION OF THE STATE



DEPARTMENT OF LEGISLATIVE SERVICES 2012

Effect of the 2012 Legislative Program on the Financial Condition of the State

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

August 2012

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

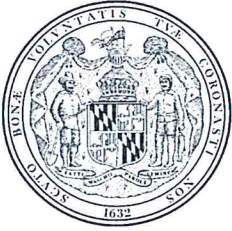
TTY: 410-946-5401 • 301-970-5401

TTY users may also use the Maryland Relay Service
to contact the General Assembly.

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 age, ancestry, color, creed, marital status, national origin, race, religion, gender, sexual orientation, or disability in the admission or access to its programs, services, 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

August 2012

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 2012 Legislative Program on the Financial Condition of the State*.

This document is divided into four chapters.

Chapter One highlights the major components of the fiscal 2013 operating budget (Senate Bill 150/Chapter 148).

Chapter Two summarizes the fiscal 2013 capital budget and the State's capital program (Senate Bill 151/Chapter 444).

Chapter Three identifies enacted legislation from the 2012 session and the first special session of 2012 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 2012 session and the first special session of 2012 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 2012 bills vetoed by the Governor for policy reasons. The fiscal implications of those bills are also noted.

Further information on issues considered during the 2012 session may be found in *The 90 Day Report – A Review of the 2012 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
August 2012
Page 2

The enclosed report is prepared by the staff of the Office of Policy Analysis. The work was coordinated by Robert J. Rehrmann with additional assistance provided by Michael F. Bender, Jennifer K. Botts, Hiram L. Burch, Amy A. Devadas, Patrick S. Frank, Scott P. Gates, David B. Juppe, Matthew D. Klein, Amanda M. Mock, and Nancy C. Scaggs. 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 2012 Legislative Program	1
Chapter One – Operating Budget	3
Overview	5
Budget in Brief.....	5
Framing the Session: 2011 Interim Activity	8
Governor’s Spending Plan as Introduced	8
Legislative Consideration of the Budget.....	10
First Special Session of 2012.....	12
Outlook for Future Budgets	21
Additional Provision of Budget Reconciliation Legislation	23
By the Numbers	26
Chapter Two – State Capital Program	35
Summary	37
Operating Budget Relief and Fund Transfers	54
Debt Affordability	58
Higher Education	61
School Construction.....	62
Transfer Tax.....	65
Chapter Three – Impact of Legislation on State Revenues and Expenditures	69
Legislation Affecting State Revenues.....	71
Totals by Fund Type/Summary of Quantifiable Revenue Effects.....	84
Legislation Affecting State Expenditures	85
Expenditures by Agency	107
Totals by Fund Type/Summary of Quantifiable Expenditure Effects	112
Regular Positions Needed by Agency.....	113
Contractual Positions Needed by Agency.....	114

Chapter Four – Local Government	115
State Aid to Local Governments	117
State Mandates on Local Governments	137
Legislation Affecting Local Government Revenues	139
Legislation Affecting All/Multiple Local Jurisdictions	139
Legislation Affecting Local Governments by Subdivision	145
Allegany County	145
Anne Arundel County	145
Baltimore City	145
Baltimore County	146
Carroll County	146
Cecil County	146
Charles County	147
Frederick County	147
Garrett County	147
Harford County	147
Montgomery County	148
Prince George’s County	148
Talbot County	149
Washington County	149
Wicomico County	149
Worcester County	150
Legislation Affecting Local Government Expenditures	151
Legislation Affecting All/Multiple Local Jurisdictions	151
Legislation Affecting Local Governments by Subdivision	158
Allegany County	158
Baltimore City	158
Calvert County	158
Carroll County	159
Charles County	159
Frederick County	159
Garrett County	159
Harford County	159
Howard County	160
Montgomery County	160
Prince George’s County	160
Washington County	161
Wicomico County	161
Worcester County	161
Chapter Five – Vetoed Legislation	163

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 2012 Legislative Program

The 2012 session included continued efforts to reduce the size of the structural deficit, representing the second year in a three-year effort to eliminate the ongoing shortfall between general fund revenues and spending. However, failure to reach agreement on a package of revenues and budget reconciliation legislation led to the activation of \$463.3 million in general fund contingent reductions. A three-day special session called in May 2012 resulted in a package of legislation that raised revenues, implemented contingent and other reductions, and restored most of the contingent reductions enacted by the fiscal 2013 budget adopted in the 2012 session. This report includes the impact of legislation enacted in the 2012 session and first special session of 2012.

During the first special session of 2012 the legislature passed two bills with significant budget impacts – the Budget Reconciliation and Financing Act of 2012 (BRFA) and the State and Local Revenue and Financing Act of 2012 (Chapter 2 First Special Session of 2012). The BRFA reduced general fund expenditures by \$236.3 million in fiscal 2013, about half of which was due to a shift in certain teachers' retirement costs to local governments. However, the BRFA also restored most of the \$463.3 million in contingent reductions enacted in the 2012 session due to the failure of revenue and budget reconciliation legislation. This was accomplished by creating a Budget Restoration Fund (BRF) and diverting to BRF new general fund revenues generated by the State and Local Revenue and Financing Act of 2012 (Chapter 2 First Special Session of 2012) as well as special fund balances. Chapter 2 increased general fund revenues by \$262.4 million in fiscal 2013 through a variety of revenue actions; the largest impact resulted from changes to personal income tax rates and exemptions. The BRFA diverts \$259.7 million in general fund revenues to BRF in fiscal 2013, resulting in a net decrease of \$250.5 million in general fund revenues.

Including the impacts of all other enacted legislation with a quantifiable effect, general fund revenues are expected to increase by \$17.1 million and general fund expenditures decrease by \$253.2 million in fiscal 2013, an overall positive impact on the general fund of \$270.3 million. The table below summarizes the quantifiable fiscal 2013 to 2017 general fund impact of all enacted legislation from the 2012 regular session and first special session of 2012.

	<u>FY 2013</u>	<u>FY 2014</u>	<u>FY 2015</u>	<u>FY 2016</u>	<u>FY 2017</u>
GF Revenues					
Chapter 2	\$262,406,300	\$208,220,400	\$214,454,900	\$226,896,400	\$241,455,700
BRFA*	(\$250,523,364)	\$6,180,000	(\$31,480,309)	(\$31,667,804)	(\$31,853,355)
All Other Legislation	\$5,228,396	(\$1,245,429)	\$1,054,474	(\$856,929)	(\$1,830,182)
Total	\$17,111,332	\$213,154,971	\$184,029,065	\$194,371,667	\$207,772,163
GF Expenditures					
BRFA Restorations**	\$0	\$409,316,820	\$411,396,765	\$423,512,531	\$436,181,346
New BRFA Provisions	(\$236,312,058)	(\$172,542,988)	(\$224,149,558)	(\$292,596,437)	(\$304,546,198)
All Other Legislation	(\$16,850,951)	(\$13,394,227)	(\$10,940,463)	(\$7,612,043)	\$2,529,566
Total	(\$253,163,009)	\$223,379,605	\$176,306,744	\$123,304,051	\$134,164,714
Net GF Impact	\$270,274,341	(\$10,224,634)	\$7,722,321	\$71,067,616	\$73,607,449

*Fiscal 2013 impact includes \$259.7 million that is transferred to the BRF.

**Fiscal 2013 budget restorations are paid through the BRF, not with general funds.

Beginning in fiscal 2014, maintaining the restoration of contingent reductions will require over \$400 million annually in general fund expenditures. Combined with the expenditure reductions enacted in the BRFA and revenue generated by Chapter 2 of the first special session 2012, there will be a minor overall impact on the general fund in fiscal 2014 and 2015 and a positive impact of a little over \$70 million in each of fiscal 2016 and 2017.

Enacted legislation is expected to increase fiscal 2013 special fund expenditures by \$399.1 million largely reflecting actions enacted by the BRFA. BRF expenditures to restore contingent general fund reductions total \$430.3 million and are partially offset by a \$47.3 million reduction in other special fund reductions. The BRFA was enacted after the regular session and as a result, unlike in prior years, many of its impacts are not included in the budget. Nonbudgeted special fund expenditures total \$397.2 million while general fund reductions of \$225.8 million were not incorporated into the fiscal 2013 budget. Slightly under \$200 million of these nonbudgeted general fund expenditure reductions reflect BRFA. The other significant source of nonbudgeted general fund expenditure reductions is a \$27.9 million impact on the Public Defender's Office, which reflects the avoidance of certain costs rather than an actual reduction in the amount appropriated to the office. Nonbudgeted reductions in federal fund expenditures also reflect BRFA actions. The table below details changes to budgeted and nonbudgeted expenditures resulting from enacted 2012 legislation.

	<u>General Funds</u>	<u>Special Funds</u>	<u>Federal Funds</u>
Total Expenditures	(\$253,163,009)	\$399,128,358	(\$15,614,913)
Budgeted Expenditures	(\$27,402,343)	\$1,919,067	\$21,275,711
Nonbudgeted Expenditures	(\$225,760,666)	\$397,209,291	(\$36,890,624)

An estimated 30.7 regular and contractual positions will be required in fiscal 2013 to implement enacted legislation from the 2012 legislative program, and 1.0 additional regular position could be necessary in fiscal 2014, bringing the two-year total to 31.7 new regular and 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 unquantified impact is listed in Chapter 3 with an indication of whether it is expected to have a positive or negative impact on the budget. All estimates of the impact of 2012 enacted legislation are based on the assumptions stated in the fiscal and policy notes for the bills.

Chapter One – Operating Budget

- Overview
- Budget in Brief
- Framing the Session: 2011 Interim Activity
- Governor's Spending Plan as Introduced
- Legislative Consideration of the Budget
- First Special Session of 2012
- Outlook for Future Budgets
- Additional Provisions of Budget Reconciliation Legislation
- By the Numbers

Overview

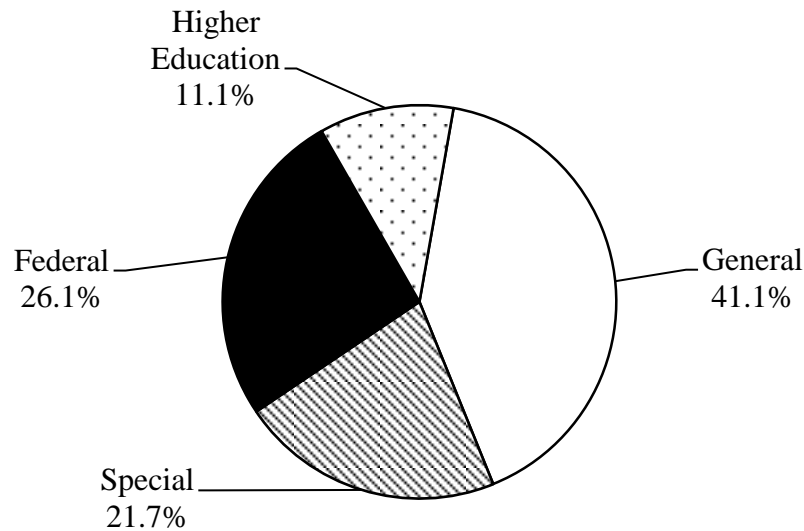
Budget activity at the 2012 session focused on continued efforts to reduce the size of the structural deficit, representing the second year in a three-year effort to eliminate the ongoing shortfall between general fund revenues and spending. However, failure to reach agreement on a package of revenues and budget reconciliation legislation led to the activation of \$436.3 million in contingent reductions. A three-day special session called in May 2012 resulted in a package of legislation that raised revenues, implemented contingent and other reductions, and restored most of the \$436.3 million in contingent reductions that went into effect.

Budget in Brief

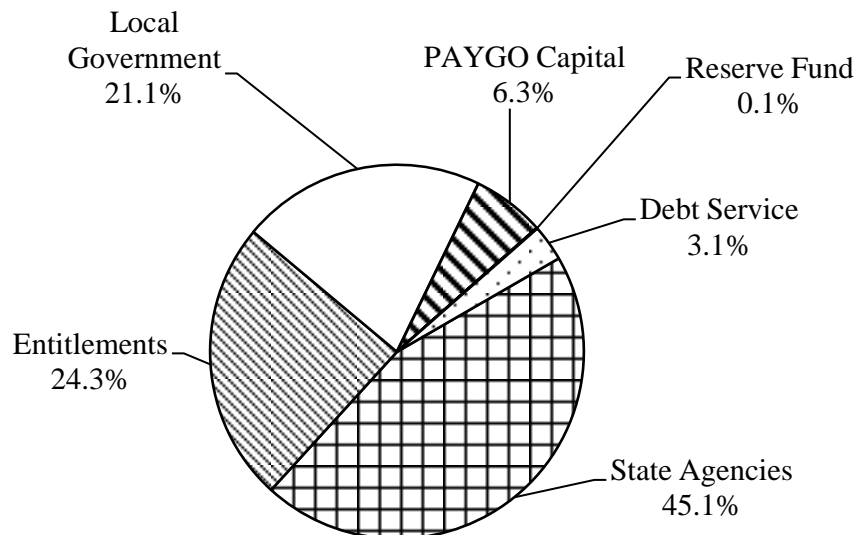
The Fiscal Year 2013 Budget Bill, **Senate Bill 150 (Chapter 148)**, provides \$35.5 billion in appropriations for fiscal 2013 – an increase of \$936.9 million (2.7%) above fiscal 2012. Per the methodology recommended by the Spending Affordability Committee (SAC), the enacted budget reduced the projected fiscal 2013 general fund structural deficit by \$559 million, or 51%. The general fund cash balance is estimated at \$200.4 million at the end of fiscal 2013 in addition to 5% reserves totaling \$718.7 million in the Rainy Day Fund. **Exhibit 1.1** illustrates funding by type of revenue.

General fund spending accounts for 41% of the total budget. Federal funds support 26% of all spending. Special funds constitute about 22% of the budget, and higher education revenue provides the remaining 11%. State agency operations constitute the largest area of spending, representing 45% of the total budget. Aid to local governments accounts for 21% of the budget, and 24% supports entitlement programs. Remaining appropriations fund pay-as-you-go (PAYGO) capital spending, debt service on State general obligation bonds, and transfers to the State Reserve Fund.

Exhibit 1.1
Maryland's \$35.5 Billion Fiscal 2013 Budget
Where It Comes From: Budget by Fund Source



Where It Goes: Budget by Purpose



PAYGO: pay-as-you-go capital

General fund appropriations decrease by \$342.7 million, or 2.3%, below fiscal 2012. Reductions of \$436.3 million in Sections 42 and 43 of the budget bill went into effect due to the failure of **Senate Bill 152 (failed)** and **Senate Bill 523 (failed)**. However \$430.3 million of this amount is restored as special funds. Absent this accounting change for this spending, the general fund budget increases by about \$87.6 million, mostly for State contributions for employee health and retirement costs. The Administration must abolish 100 regular positions by January 2, 2013, along with an associated \$6.0 million in general fund savings. PAYGO capital spending also decreases chiefly due to one-time spending for school construction in fiscal 2012 that was funded from the increase in the sales tax on alcoholic beverages.

Special funds grow by \$1.2 billion, or 18.0%, compared to the fiscal 2012 working appropriation. Of this, \$430.3 million is related to the restoration of general fund reductions through special funds via by the Budget Restoration Fund (BRF) created by **Senate Bill 1301 (Chapter 1 First Special Session of 2012)**. Large growth is also seen in PAYGO capital programs for transportation, bay restoration, water quality, and drinking water related projects supported by fund balances and an increase in the Bay Restoration fee. Due to the timing of the opening of the Video Lottery Terminal (VLT) facility in Anne Arundel County as well as the license fee revenue for the site proposed in Baltimore City, special funds for education aid were withdrawn in fiscal 2012. Thus VLT revenue to the school boards increases by more than \$160.0 million in fiscal 2013. Smaller increases are found in the budget for debt service on State general obligation bonds and payments to VLT operators.

Federal fund spending decreases by a net \$10.8 million, or 0.1%. Increases due to Medicaid enrollment, and additional federal aid for transportation PAYGO capital are offset however, by lower food stamp caseloads, which are entirely federally funded, and the end of one-time mortgage assistance aid received in fiscal 2012.

The budgets for public higher education institutions increase by \$116.5 million in total funds, or 3.1%, in fiscal 2013. This growth is in non-State funds derived from tuition and fees, grants and contracts, and auxiliary sources which support operations of higher education institutions, including the University System of Maryland, Morgan State University, St. Mary's College of Maryland (SMCM), and Baltimore City Community College (BCCC). Aid to community colleges increases by \$0.6 million in fiscal 2013 to \$214.8 million. Aid to nonpublic colleges and universities is reduced by \$0.4 million, to \$38.1 million.

With respect to personnel, the size of the regular State workforce increases by 0.1%, or 89.8 positions, to 79,210.3 regular positions in fiscal 2013. State employees receive a 2% general salary increase in fiscal 2013; however, a statutory prohibition on merit increments remains in force until April 1, 2014. The addition of coinsurance to the Preferred Provider Organization (PPO) and Point of Service (POS) plans increases costs for State employees in these plans that require hospital services. Health insurance copays also increase in fiscal 2013. The Governor is required to abolish 100 positions by January 2, 2013.

Framing the Session: 2011 Interim Activity

Board of Revenue Estimates Revenue Revisions

In December 2011 the Board of Revenue Estimates (BRE) increased the fiscal 2012 general fund revenue estimate by \$195.0 million, to \$14.1 billion, or 4.2%, growth. This was due to stronger performance in the individual income tax, offset by declines in corporate income taxes, sales tax receipts, and interest income. BRE noted that economic growth remained sluggish, with possible downside risks based on future federal deficit reduction and financial conditions in Europe. Modest downward adjustments were adopted for fiscal 2012 and 2013.

SAC Recommendations

SAC prepared its final report to the Governor in December 2011, which continued the methodology adopted for the 2011 session to eliminate the State's general fund structural deficit over three years.

Spending Limit and Sustainability

The committee recommended that the budget submitted by the Governor and approved by the General Assembly for fiscal 2013 reduce the general fund structural deficit by 50%. This action would reduce the projected \$1.1 billion structural deficit to approximately \$552.5 million.

Personnel

The committee recommended that the current complement of 79,119 regular positions was appropriate for the delivery of State services given the fiscal condition of the State. It was recommended that any new positions be accommodated within the current overall level, with exceptions provided for critical security issues in State facilities, reduced costs attributed to converting contracts to State operations, and positions necessary to implement and execute an accelerated capital program.

State Reserve Fund

SAC recommended that the balance of the Rainy Day Fund should be maintained at or above 5% of estimated revenues.

Governor's Spending Plan as Introduced

For fiscal 2012, the Governor proposed \$325.7 million of fiscal 2012 deficiencies. The largest items include \$144.7 million to support Medicaid provider reimbursements and mental hygiene fee for service expenses, and \$101.2 million based on the delayed opening of a new VLT facility. The fiscal plan submitted by the Administration provided for \$36.3 billion in total

spending for fiscal 2013. Relative to the 50.0% recommendation made by SAC, the budget reduced 61.8%, or \$682.4 million, from the projected fiscal 2013 structural deficit. The Governor's proposed spending plan estimated a closing fiscal 2013 general fund balance of \$163.6 million, including a \$315.0 million transfer from the Rainy Day Fund. **Exhibit 1.2**, details the Governor's original general fund spending plan for fiscal 2012 and 2013. As shown, general fund spending increases by \$284.0 million in the fiscal 2013 allowance.

Exhibit 1.2
Governor's Original Budget Plan
Fiscal 2012-2013
(\$ in Millions)

	<u>2012</u>	<u>2013</u>
Opening Balance	\$990.1	\$285.3
BRE Revenues	\$14,055.2	\$14,423.0
Additional Revenues	52.4	298.8
Transfers	228.3	481.0
Subtotal	\$14,335.9	\$15,202.9
Appropriations and Deficiencies	\$15,077.8	\$15,727.2
Contingent Reductions	0.0	-367.6
Targeted Reversions	-7.1	-5.0
Subtotal	\$15,070.7	\$15,354.7
Reversions	-\$30.0	-\$30.0
Closing Balance	\$285.3	\$163.6

BRE: Board of Revenue Estimates

Source: Maryland Budget Highlights, Fiscal 2013

Slightly more than half of the increase in spending was covered by additional ongoing revenues estimated by BRE. The remainder was addressed through additional revenue assumptions, proposed fund transfers, and spending cuts contingent upon legislative action through budget reconciliation legislation.

Revenue Assumptions

The Governor's fiscal 2013 spending plan assumed \$335.9 million in additional revenues, as well as an offsetting loss of \$37.1 million. Of this, proposed changes to income tax deductions and exemptions would raise a combined \$182.3 million. The Administration also

assumed \$39.0 million based on an extension of a federal payroll tax cut that was set to expire at the end of February 2012. Another \$31.1 million was based on expansion of the sales tax to remote Internet sellers, and the proposed repeal of selected sales tax exemptions. An increased tax on tobacco products was assumed to yield \$19.9 million. These increases would be offset by the loss of \$37.1 million from local jurisdiction payments for retirement contributions for federally funded teachers. The Governor proposed to repeal these payments as part of a larger package of offsets related to the shift of teacher and librarian retirement costs to local jurisdictions.

Fund Transfers

Fiscal 2012 was balanced in part by \$225.5 million in transfers approved at the 2011 session, largely from the Transfer Tax (\$94.5 million) and the Bay Restoration Fund (\$90.0 million). For fiscal 2013, the Governor proposed \$466.3 million in fund balance transfers, including \$315.0 million from the Rainy Day Fund balance above 5%, another \$96.9 million from the transfer tax, \$50.0 million from the Injured Workers' Insurance Fund and smaller miscellaneous transfers. The transfer tax was proposed to be replaced by general obligation debt in fiscal 2013 through 2015.

Contingent Reductions

The Governor also proposed \$367.6 million in general fund reductions, contingent on the enactment of **Senate Bill 152 (failed)**. Larger provisions would transfer a portion of teacher and librarian retirement costs to local jurisdictions (\$124.4 million), defer repayment of a prior year transfer from Program Open Space (\$50.0 million), and level funding mandated formula increases (\$33.5 million). Another \$35.8 million in reductions, mostly in the Medicaid area, were intended to be replaced with either one-time or ongoing sources of special fund revenues or balances.

Legislative Consideration of the Budget

Board of Revenue Estimates Revisions

In March 2012 BRE revised the general fund estimate downward by a total of \$130.8 million (-\$80.0 million for fiscal 2012 and -\$50.8 million for fiscal 2013). This was based on lower estimated personal income tax payments, offset by slightly improved corporate income taxes.

Supplemental Budget No. 1

The Governor introduced one supplemental budget that increased spending by a total of \$72.3 million. Some of the larger items that were funded include \$24.5 million in special funds for low-income weatherization programs; \$14.6 million in federal Race To The Top education

aid; \$13.0 million in federal aid for information technology upgrades in the Department of Labor, Licensing, and Regulation; and \$8.4 million for bail review hearings in the Office of the Public Defender. Spending increases are offset by withdrawn appropriations, including \$60.0 million in over budgeted Medicaid funding in fiscal 2012 and \$12.7 million in savings based on a new prescription drug contract for State employees.

Reductions

Including action at the first special session, the legislature reduced the fiscal 2012 budget by \$235.2 million, with most of this in Medicaid based on revised estimates of funding needs and due to the availability of other funding. Changes adopted in the fiscal 2013 budget eliminated 125 regular positions and reduced \$824.6 billion in all funds. Of this amount, \$57.9 million in general fund cuts are intended to be replaced by special funds.

Notable reductions included:

- \$362.7 million in mandated appropriations to the Dedicated Purpose Account (\$50.0 million) and the Revenue Stabilization Account (\$312.7 million) of the State Reserve Fund. A corresponding provision in the budget bill prohibits the transfer of Rainy Day Fund balance to the general fund, effectively avoiding the redundant movement of the fiscal 2011 unappropriated surplus to reserve and back to the general fund in support of the fiscal 2013 budget; and
- \$181.4 million from Medicaid including a reduction of \$80.0 based on enrollment trends, 1% cut to managed care organization rates (\$32.0 million) and early takeover of the Maryland Medicaid Information System and fiscal agent operations (\$24.5 million).

The budget does not reflect \$57.9 million in special funds that are intended to replace general funded items which were reduced at the 2012 session and the first special session of 2012, but which have yet to be appropriated. As shown in **Exhibit 1.3**, the largest amount is in Medicaid where \$39.3 million is replaced through use of balances from the Cigarette Restitution Fund, Community Health Resources Commission (CHRC), and the Senior Prescription Drug Assistance Program Fund as well as an increase in nursing home provider rates. Approximately \$8.0 million in the Aid to Education budget is replaced by higher attainment of VLT revenue from the Education Trust Fund. Funds totaling \$6.2 million in the Mental Hygiene Administration of the Department of Health and Mental Hygiene (DHMH) are also replaced by balances in the CHRC. Additional speed camera revenue supplants general funds in the Department of State Police (DSP). Finally, increased Higher Education Investment Funds (HEIF) replace \$246,160 in higher education spending.

Exhibit 1.3
General Fund Reductions to Be Replaced by Special Funds
(\$ in Millions)

Medicaid	\$39.3
Aid to Education	8.0
Department of Health and Mental Hygiene	6.2
Department of State Police	4.2
Higher Education	0.2
Total	\$57.9

Contingent Reductions

Legislative action on the budget included two sections of contingent general fund reductions, embodied in Sections 42 and 43 of **Senate Bill 150 (Chapter 148)**. Section 42 contains \$262.2 million in reductions that were contingent on the failure of **Senate Bill 152 (failed)** containing a provision to implement sharing of a portion of teacher retirement costs with local jurisdictions. **Exhibit 1.4** includes a detailed list of the reductions that went into effect when **Senate Bill 152** did not pass. This includes elimination of the GCEI (\$128.8 million), local law enforcement grants (\$20.8 million), and supplemental disparity grants (\$19.6 million). Because constitutionally mandated aid to education cannot be reduced without enacting changes in underlying education statute, \$75.9 million of the reductions in Section 42 cannot be implemented.

Exhibit 1.4 also shows the effects of Section 43, which contains \$250.0 million in general fund reductions contingent on the failure of **Senate Bill 523 (failed)**. Larger reductions include \$50.0 million through an 8% cut in agency operating expenses, a 3% reduction in higher education funding of \$38.5 million, a savings of \$33.8 million from the State employee 2% general salary increase, \$30.0 million related to the abolition of 500 regular positions, and \$15.0 million tied to higher health insurance premium costs for State employees. Smaller reductions are made to tax credit programs, legislative scholarships, provider increases, community colleges and nonpublic higher education grants, stem cell research, and reduced capacity at Regional Institutes for Children and Adolescents. While the contingent reductions in both sections went into effect, they were largely restored in legislation passed at the first special session of 2012.

First Special Session of 2012

On May 9, 2012, Governor O'Malley issued Executive Order 01.01.2012.10 to convene a special session to address the fiscal 2013 budget. Its purpose was to balance the budget through

a package of ongoing revenues that had been included in **Senate Bill 523 (failed)**, to implement contingent reductions tied to the provisions of **Senate Bill 152 (failed)**, to adopt additional budget reductions, and to restore the contingent reductions in Sections 42 and 43 in the fiscal 2013 Budget Bill, **Senate Bill 150 (Chapter 148)**. The special session was convened on May 14, 2012, completing its work on May 16, 2012. As it relates to the operating budget, the legislature passed two bills. This included the Budget Reconciliation and Financing Act of 2012 (BRFA) **Senate Bill 1301 (Chapter 1 First Special Session of 2012)** and the State and Local Revenue and Financing Act of 2012 **Senate Bill 1302 (Chapter 2 First Special Session of 2012)**.

Exhibit 1.4
Section 42 and 43 Contingent Reductions

Section 42	<u>\$ in Millions</u>
<i>Contingent on Failure of SB 152 Local Contributions of Retirement Costs for Teachers</i>	
Eliminate GCEI	\$128.8
Eliminate National Board Certification fees	5.2
Reduce disparity grant by 10%	12.0
Supplemental disparity grant	19.6
Eliminate local law enforcement grants	20.8
<i>Subtotal</i>	<i>\$186.3</i>
<i>Contingent Reductions that are Invalid due to Failure of SB 152</i>	
Reduce per pupil foundation amount from \$6,761 to \$6,650	\$70.9
Reduce library and State library network funding by 10%	5.0
<i>Subtotal</i>	<i>\$75.9</i>
<i>Total Section 42</i>	<i>\$262.2</i>
Section 43	
<i>Contingent on Failure of SB 523 Raising General Fund Revenues</i>	
Eliminate Stem Cell Research Fund	\$10.4
Eliminate Biotechnology Tax Credit	8.0
Eliminate Sustainable Communities Tax Credit	7.0
Eliminate provider increases for DDA, MHA, foster care, nonpublic placements	15.2
Reduce capacity at RICAs; patients can be absorbed in private RTCs	6.5
Reduce public higher education 10%	38.5
Reduce funding for community colleges 10% below BRFA	19.9
Reduce nonpublic higher education grants by 10%	3.8
Eliminate Delegate and Senatorial scholarships	11.8
Eliminate State employee COLA	33.8
Increase employee share of health insurance costs	15.0
Eliminate 500 positions	30.0
Reduce agency operating expenses by 8%	50.0
<i>Total Section 43</i>	<i>\$250.0</i>
Grand Total	<i>\$436.3</i>

BRFA: Budget Reconciliation and Financing Act
COLA: cost-of-living adjustment
DDA: Developmental Disabilities Administration
GCEI: Geographic Cost of Education Index
MHA: Mental Hygiene Administration
RTC: Residential Treatment Center

Budget Reductions

Senate Bill 1301 (Chapter 1 First Special Session of 2012) implements actions necessary to balance the fiscal 2013 budget. First, it implements the fund swaps and reductions as intended in the budget bill, listed in **Exhibit 1.5**.

Exhibit 1.5 Budget Reductions Implemented by SB 1301 Originally in SB 150

<u>Program</u>	<u>General</u>	<u>Special</u>	<u>Federal</u>
DNR – Outdoor Recreation Land Loan		\$49,249,882	
DNR – Watershed Services		8,000,000	
Agriculture – Capital Appropriation		16,253,258	
DHMH – Mental Health Community Services	\$6,247,276		
DHMH – Medicaid Provider Payments	6,909,654		
DHMH – Medicaid Provider Payments	4,500,000		
DHMH – Medicaid Provider Payments	1,250,000		\$1,250,000
DHMH – Kidney Disease Services	2,000,000		
Aid to Education – Foundation Program	1,867,000		
Aid to Education – Local Fringe Benefits	136,644,952		
MHEC – Aid to Nonpublic Higher Education	1,344,148		
State Support for Public Higher Education	246,160		
Department of State Police	4,173,658		
Total	\$165,182,848	\$73,503,140	\$1,250,000

In addition, the BRFA specifies several additional budget reductions that can be made due to changed cash flow needs and favorable revenue and expenditure trends that were identified subsequent to the completion of the regular session work on the budget. Favorable Medicaid trends account for \$80 million of the general fund and \$80 million of the federal fund reductions across fiscal 2012 and 2013. The total of these reductions are shown in **Exhibit 1.6**.

Exhibit 1.6
Additional Budget Reductions in SB 1301
Fiscal 2012-2013

<u>Fiscal Year</u>	<u>General</u>	<u>Federal</u>
2012	\$40,578,000	\$40,000,000
2013	62,428,000	40,750,000

Budget Restoration Fund

The BRFA creates the BRF and provides funding for \$430.3 million of the \$436.3 million reduced for the programs and purposes identified in Sections 42 and 43 of the budget bill. The \$6.0 million difference is tied to the abolition of 100 State positions, inclusive of the 64 required to be reduced by the Budget Bill, by January 2, 2013. The specific revenues and transfers credited to the fund, as well as its uses, are shown in **Exhibit 1.7**.

Exhibit 1.7
Budget Restoration Fund
Sources and Uses

Revenues	
Income Tax	\$247,300,000
Transfers	156,954,179
Lottery Revenue	8,800,000
Chesapeake Bay 2010 Fund	8,000,000
Corporate Income Tax	7,428,400
Tobacco Tax	5,000,000
Subtotal	\$433,482,579
Expenditure Restorations	
Section 42 Contingent Reductions	-\$186,277,543
Section 43 Contingent Reductions	-244,000,000
Subtotal	-\$430,277,543
Balance to the General Fund	\$3,205,036

Revenues

Revenues to the BRF are mostly derived from the provisions of **Senate Bill 1302 (Chapter 2 First Special Session of 2012)**. As it pertains to the BRF the legislation:

- increases income tax revenues by:
 - increasing State income tax rates and establishing new individual income tax brackets beginning in tax year 2012;
 - reducing and eliminating personal exemptions for certain taxpayers;
 - repealing the corporate income tax credit for telecommunications property taxes; and
 - implementing a tax compliance measure for Electing Small Business Trusts; and
- increases the other tobacco products tax.

The legislation also includes the following actions with the revenue credited to the general fund:

- increased sales and use tax revenues by repealing the State sales and use tax exemption for cylinder demurrage charges; and
- increased State fee revenue by increasing (1) the maximum filing fee from \$125 to \$150 for an appeal of a decision by the Motor Vehicle Administration to suspend or revoke a driver's license; and (2) fees to obtain specified death certificates issued by DHMH.

It also applies the recordation tax to an “indemnity mortgage” which will largely benefit local governments.

Transfers

As shown in **Exhibit 1.8**, the BRFA transfers \$157.0 million to the BRF.

Exhibit 1.8
Fund Balance Transfers to the Budget Restoration Fund
Fiscal 2012-2013

<u>Transfers</u>	<u>Fiscal 2012</u>	<u>Fiscal 2013</u>
Helicopter Replacement Fund	\$1,000,000	
Baltimore City Community College	1,800,000	
University System of Maryland		\$5,000,000
Maryland Correctional Enterprises Revolving Fund		500,000
Spinal Cord Injury Research Trust Fund		500,000
Horse Racing Impact Aid		351,000
State Board of Physicians		320,392
Morgan State University		250,000
State Insurance Trust Fund		206,000
State Board of Examiners for Audiologists, Hearing Aid Dispensers, and Speech-Language Pathologists		96,350
Division of State Documents Special Fund		50,000
State Board of Morticians and Funeral Directors		9,788
Transfer Tax – Program Open Space		96,870,649
Injured Workers’ Insurance Fund		50,000,000
Total	\$2,800,000	\$154,154,179

The BRF terminates at the end of fiscal 2013 with the estimated \$3.2 million remaining balance to be transferred to the general fund.

Other Fund Balance Transfers

The BRFA also authorizes the following transfers to support specific programmatic uses:

- \$1,867,000 from the Small, Minority, and Women-Owned Business Account to the Education Trust Fund;
- \$1,159,000 over two years from the Problem Gambling Account to the Education Trust Fund;
- \$4,500,000 from the Senior Prescription Drug Assistance Program to Medicaid;

- \$5,000,000 from the Senior Prescription Drug Assistance Program to the Medicaid Kidney Disease Program;
- \$2,000,000 from the administrative account of the Strategic Energy Investment Fund to the Office of Home Energy Programs; and
- \$5,000,000 from the Revenue Stabilization Fund to fund the Teacher Retirement Supplemental Grant program.

Final Actions Related to SAC

Limiting Spending Growth

Exhibit 1.9 indicates that final revenue and spending actions by the legislature reduced the fiscal 2013 structural deficit by \$559 million. This represents a reduction of 51% of the \$1.1 billion deficit, meeting the recommended goal.

Personnel

The budget as introduced funded 79,244.3 positions. Exemptions for enhanced facility security, in-sourcing, and facilitation of accelerated capital projects, result in 79,115.8 positions on a spending affordability basis. Supplemental Budget No. 1 created 91.0 positions, chiefly for bail review hearing representation by the Office of the Public Defender. The legislature abolished 25.0 positions and required the Governor to abolish another 100.0 positions. At 79,081.8 positions, the fiscal 2013 complement is below the 79,119 cap recommended by SAC for the 2012 session. Thus, the final action for State employment is consistent with the SAC recommendation.

State Reserve Fund Balance

No funds are transferred to support fiscal 2013 spending, maintaining a \$718.7 million balance in the Rainy Day Fund. This constitutes a 5% balance. Final action on the budget complied with the SAC recommendation to maintain at least a 5% balance.

Exhibit 1.9
Operating Budget Affordability Limit
(\$ in Millions)

Target

Estimated Structural Gap (December 2011)	-\$1,105
Target Reduction	-553
Target Reduction Percentage	50%

Ongoing Revenues	\$14,639
Federal Payroll Tax Cut Extension	-39
Other One-time Items	-24

Subtotal **\$14,577**

Ongoing Spending	\$14,593
One-time Reductions	502
Rainy Day Fund	-23
CHIPRA Bonus in Medicaid	28
Supplemental Budget No. 1	16
Local Management Board Fund Swap: Earned Reinvestment	7
Pay-as-you-go Capital	-1

Subtotal **\$15,122**

Structural Reductions from Baseline Spending **-\$559**

Percent of Fiscal 2013 Structural Deficit **-51%**

CHIPRA: Children's Health Insurance Program Reauthorization Act

Summary of Fiscal 2013 Legislative Activity

Exhibit 1.10 shows the impact of legislative action on the general fund balance for fiscal 2012 and 2013, including the first special session of 2012. The fiscal 2012 balance is estimated to be \$320.3 million, assuming \$7.1 million in targeted reversions and another \$30.0 million in unspecified reversions. At the end of fiscal 2013, the closing balance is estimated to be \$200.4 million assuming \$30.0 million in unspecified reversions.

Exhibit 1.10
Final Legislative Budget Action
Fiscal 2012-2013
(\$ in Millions)

	<u>FY 2012</u>	<u>FY 2013</u>
Opening Balance	\$990.1	\$320.3
BRE Revenues	\$13,975.1	\$14,372.3
Additional Revenues	65.0	93.8
Legislation	0.0	7.1
Transfers	225.7	0.0
Subtotal	\$14,265.8	\$14,473.1
Appropriations/Supplementals/Deficiencies	\$15,091.3	\$15,741.2
Reductions	-77.9	-895.6
Contingent Reductions	-40.6	-222.6
Targeted Reversions	-37.1	-30.0
Subtotal	\$14,935.7	\$14,593.0
Closing Balance	\$320.3	\$200.4

BRE: Board of Revenue Estimates

Outlook for Future Budgets

As shown in **Exhibit 1.11**, there is a cash balance of \$200 million projected at the end of fiscal 2013, while ongoing spending exceeds ongoing revenues by \$545 million. The fiscal 2013 cash deficit is closed by the use of the fiscal 2012 fund balance (\$120 million), one-time revenues (\$155 million), one-time reductions (\$71 million), and other budget actions. The budget also includes \$430 million in Budget Restoration Fund expenditures. The fund source is the revenue enhancements enacted during the special session. These funds support ongoing general fund expenditures and are included in the ongoing operating spending.

Exhibit 1.11
General Fund Budget Outlook
Fiscal 2012-2017
(\$ in Millions)

	2012	2013	2014	2015	2016	2017	2013-17
	<u>Working</u>	<u>Leg. Approp.</u>	<u>Est.</u>	<u>Est.</u>	<u>Est.</u>	<u>Est.</u>	<u>Avg Annual Change</u>
<u>Revenues</u>							
Opening Fund Balance	\$990	\$320	\$200	\$0	\$0	\$0	
Transfers ¹	240	-259	65	63	57	49	
One-time Revenues and Legislation	50	155	-5	0	0	0	
Subtotal One-time Revenue	\$1,280	\$217	\$261	\$63	\$57	\$49	-31.1%
Ongoing Revenues	\$13,976	\$14,571	\$15,146	\$15,863	\$16,594	\$17,402	
Revenue Adjustments and Legislation	0	5	4	1	1	0	
Subtotal Ongoing Revenue	\$13,976	\$14,577	\$15,150	\$15,865	\$16,594	\$17,401	4.5%
Total Revenues and Fund Balance	\$15,256	\$14,793	\$15,410	\$15,927	\$16,651	\$17,450	4.2%
<u>Ongoing Spending</u>							
Operating Spending	\$14,967	\$15,369	\$16,140	\$16,898	\$17,564	\$18,347	
VLT Revenues Supporting Education	-101	-254	-297	-483	-513	-524	
Multi-year Commitments	7	7	7	7	7	7	
Ongoing Spending – Legislation	0	0	12	14	18	28	
Subtotal Ongoing Spending	\$14,873	\$15,122	\$15,862	\$16,436	\$17,076	\$17,859	4.2%
<u>One-time Spending</u>							
PAYGO Capital	\$48	\$1	\$1	\$1	\$1	\$1	
One-time Reductions	0	-71	0	0	0	0	
One-time Adjustments/Fund Swaps ²	0	-481	0	0	0	0	
Appropriation to Reserve Fund	15	23	150	100	100	100	
Subtotal One-time Spending	\$63	-\$529	\$151	\$101	\$101	\$101	n/a
Total Spending	\$14,936	\$14,593	\$16,013	\$16,537	\$17,177	\$17,960	5.3%
Ending Balance	\$320	\$200	-\$602	-\$609	-\$526	-\$510	
Rainy Day Fund Balance	\$673	\$724	\$757	\$793	\$830	\$870	
Balance Over 5% of GF Revenues	-26	5	0	0	0	0	
As % of GF Revenues	4.82%	5.04%	5.00%	5.00%	5.00%	5.00%	
Structural Balance	-\$897	-\$545	-\$712	-\$571	-\$482	-\$458	

¹\$433 million is transferred to the Budget Restoration Fund in fiscal 2013.

²Includes \$430 million in Budget Restoration Fund expenditures in fiscal 2013.

GF: general fund

PAYGO: pay-as-you-go

VLT: video lottery terminal

The actions taken by the Governor and the General Assembly reduce the fiscal 2013 structural deficit from over \$1.0 billion (estimated in the December 2011 SAC report) to \$545 million. However, the structural deficit increases to \$712 million in fiscal 2014 due to a number of factors, the largest of which is increased local aid. After fiscal 2014, revenue and expenditure growth rates are essentially the same. The structured deficit declines to \$458 million by fiscal 2017 primarily due to the significant increases in video lottery revenues available to fund education aid.

Legislation also affecting out-year deficits includes:

- **Senate Bill 864 (Chapter 603)**, makes permanent the authority for existing qualified organizations and commercial bingo licensees to operate electronic instant bingo machines. The legislation also alters the admissions and amusement tax rate. This is expected to increase revenues by \$9.5 million annually beginning in fiscal 2013; and
- **House Bill 444 (Chapter 449)/Senate Bill 294 (Chapter 448)** exempt from the estate tax up to \$5.0 million of qualified agricultural property. The legislation is expected to reduce general fund revenues by \$1.8 million in fiscal 2013 and increases to \$2.8 million in fiscal 2017.

Additional Provisions of Budget Reconciliation Legislation

Teacher Retirement Cost Sharing and Related Provisions

The single most significant provision in the BRFA involves cost sharing between the State and local boards of education for teacher retirement expenses. The Act shifts the normal cost (*i.e.*, the current cost of retirement for active employees) over a period of four years, with concurrent increases in county-paid maintenance of effort. In fiscal 2013, this provision results in a general fund reduction of \$136.7 million. Savings reach \$255.0 million when fully phased-in in fiscal 2016.

The Act lays out the process for determining the annual aggregate earnable compensation for each local employer and the method by which the State Retirement Agency will determine and collect the required contributions. During the phase-in period, to reduce the uncertainty for local boards and counties, the contribution for each county for each year, as well as the concomitant increase in county maintenance of effort payment, is listed in the legislation.

The Act also contains a number of measures to mitigate the impact of this cost to both school boards and county governments. A new Teacher Retirement Supplemental Grant totaling \$27.7 million is provided to nine counties; this new grant also encompasses the funds which were previously provided to Baltimore City as a miscellaneous grant, which is repealed by the Act. All counties are relieved of the requirement to replenish the Local Income Tax Reserve Account, saving \$367 million over the next 10 years. The Act also repeals, effective for

fiscal 2015, the requirement that local school boards reimburse the State for the retirement costs of teachers whose salaries are paid with federal funds, resulting in estimated savings to school boards of more than \$37 million annually.

Mandate Relief and Cost Control

Several spending mandates are also adjusted under the BRFA. The annual appropriation for the Maryland Agricultural and Resource-Based Industry Development Corporation is set at \$2,875,000 for fiscal 2013 and 2014 and at \$4,000,000 for fiscal 2015-2020. The growth in mandated formulas in higher education is constrained by adjustments to the applicable percentage of selected public university per-student funding. The Cade formula for community college aid is set at \$199.2 million for fiscal 2013; for fiscal 2014-2017, funding will be the greater of \$1,839.47 per full-time equivalent student or the specified percentages. Beginning in fiscal 2018, funding is calculated as a percentage of four-year funding, increasing annually to reach 29% in fiscal 2023. Similarly, the formulas for BCCC and the Sellinger aid for private colleges set the fiscal 2013 amounts at \$39.9 million and \$38.1 million, respectively, with per-student minimums of \$5,695.63 and \$875.53, respectively, for fiscal 2014-2017.

The Act defers until fiscal 2014 the requirement that the Maryland Transportation Authority receive the final repayment for costs associated with the InterCounty Connector. DHMH is no longer required to pay a nursing facility for days when a Medicaid recipient is in the hospital. The BRFA defers until September 2016 the requirement that the Geographic Cost of Education Index be updated and limits the rates paid for group home and nonpublic placements to 1% over the rates in effect on January 18, 2012.

Special Fund Revenues and Uses of Special Funds

To support health programs, the BRFA of 2012 authorizes that CareFirst payments in lieu of premium tax and funds in the Maryland Health Insurance Plan may be used to provide mental health services to the uninsured. The quality assessment that is levied on nursing facilities is increased from 5.5% to 6.0% of operating revenue. The Health Services Cost Review Commission is authorized to modify the method by which hospitals are assessed for Disproportionate Share Hospital payments so that the Medicaid program saves general funds; savings of at least \$9.1 million in general funds are required. Finally, the Act authorizes the use of the corpus as well as the interest earnings of the Mental Hygiene Community-Based Services Fund.

For the Transportation Trust Fund, the BRFA authorizes the Baltimore-Washington International Airport Fire and Rescue Department to begin charging fees for ambulance transports. Regarding environmental programs, the authorized uses of the Community Right-to-Know Fund and the State Recycling Trust Fund are modified to provide additional flexibility to fund programs in the Maryland Department of the Environment.

A portion of the revenues derived from speed camera operations are directed to DSP for roadside enforcement activities. The distribution of funds from the moving violation surcharge is clarified, and a distribution is added for the Maryland State Firemen's Association. SMCM is added to the list of eligible institutions to receive funds from the HEIF and specified funds are authorized to offset tuition increases for SMCM. In fiscal 2014, \$2 million from the Fair Campaign Financing Fund is to be used to begin implementation of a new optical scan voting system.

The BRFA creates a new nonlapsing special fund, the Mortgage Loan Services Practices Settlement Fund, to receive and provide for the uses of the proceeds of the national mortgage practices settlement. In addition, the bill authorizes the Developmental Disabilities Administration to carry forward \$5 million in unexpended general funds in a separate account to be used for services in fiscal 2013.

Other Miscellaneous Provisions

In the education area, the BRFA establishes a mechanism to require local boards of education to budget the costs to satisfy a final court judgment, and if the State is required to make the judgment payment, the aid to that local board will be reduced in the subsequent fiscal year. A county board of education is eligible for an additional State grant to ensure that direct education aid in fiscal 2013 does not decrease by more than 5% compared to fiscal 2012. The funding for the Aging Schools program is set out by county for fiscal 2013 and each year thereafter. Local boards of education are authorized to amend their budgets after adoption to appropriate funds that may be received directly from the State Comptroller under the provisions in **Senate Bill 848 (Chapter 6)**. A county that did not meet maintenance of effort in fiscal 2012 may reduce its fiscal 2013 maintenance of effort requirement to the fiscal 2012 appropriation if it sets its local income tax level at 3.2% and its property tax rate at the maximum level allowable under the county's charter prior to July 1, 2012. The Act clarifies that the salary of the State Superintendent of Schools is set by the State Board of Education, and as such, may differ from the amount specified in the budget bill.

The BRFA authorizes DHMH to implement a claims processing charge for Medicaid claims made by hospitals in the District of Columbia. The Act clarifies that the transfer from the Injured Workers Insurance Fund resolves any claim that the State has to the property or assets of the Fund and that the amount of the transfer is subject to a determination by the Insurance Commissioner of the value the fund has received from the State. Funds added to the budget by budget amendment that derive from the merger settlement between Exelon and Constellation Energy will be subject to review by the Legislative Policy Committee as well as the budget committees. DHMH is authorized to amend the calendar 2012 disincentive payments that may be charged to managed care organizations; the department is prohibited from altering the requirements for medical loss ratio payments retroactively. Similar to a provision in the BRFA of 2011, the existing prohibition against merit increases for State employees contains an exception for fiscal 2013 for operationally critical staff.

By the Numbers

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

Exhibit 1.12, the fiscal note on the budget bill, depicts the Governor's allowance, funding changes made through Supplemental Budget No. 1, legislative reductions, and final appropriations for fiscal 2012 and 2013 by fund source. The Governor's original request provided for \$325.7 million in fiscal 2012 deficiencies and \$36.2 billion in fiscal 2013 expenditures.

The Governor added \$72.3 million in fiscal 2012 and 2013 spending in the supplemental budget. The legislature made \$235.2 million in reductions to fiscal 2012 appropriations, resulting in a net appropriation of \$34.6 billion. The fiscal 2013 budget was reduced by a net of \$824.6 million. This consists of \$1.3 billion in total fund reductions offset by \$5.0 million in general funds authorized to be transferred from the Rainy Day Fund for teacher retirement supplemental grants and \$488.2 million in special funds that replace general fund cuts. This resulted in a final appropriation of \$35.5 billion.

Exhibit 1.12
Fiscal Note – Summary of the Fiscal 2013 Budget Bill (Senate Bill 1301)

	<u>General Funds</u>	<u>Special Funds</u>	<u>Federal Funds</u>	<u>Education Funds</u>	<u>Total Funds</u>
Governor's Allowance					
Fiscal 2012 Budget	\$15,040,713,009	\$6,544,124,381	\$9,437,921,197	\$3,812,660,171	\$34,835,418,758 ⁽¹⁾
Fiscal 2013 Budget	15,697,220,337	7,254,467,259	9,342,921,799	3,929,128,287	36,223,737,682 ⁽²⁾
Supplemental Budget No. 1					
Fiscal 2012 Deficiencies	\$13,490,910	-\$16,856,611	-\$29,500,000	\$0	-\$32,865,701
Fiscal 2013 Budget	14,022,956	53,214,511	37,942,028	0	105,179,495
Subtotal	\$27,513,866	\$36,357,900	\$8,442,028	\$0	\$72,313,794
Budget Reconciliation and Financing Act of 2012					
Fiscal 2012 Deficiencies	-\$40,578,000	\$0	-\$40,000,000	\$0	-\$80,578,000
Fiscal 2013 Contingent Reductions	-222,610,848 ⁽³⁾	397,318,211 ⁽⁴⁾	-42,000,000	0	132,707,363
Subtotal	-\$263,188,848	\$397,318,211	-\$82,000,000	\$0	\$52,129,363
Legislative Reductions					
Fiscal 2012 Deficiencies	-\$77,933,214	\$0	-\$76,660,000	\$0	-\$154,593,214
Fiscal 2013 Budget	-895,628,565	-3,765,095 ⁽⁴⁾	-57,917,065	0	-957,310,725
Total Reductions	-\$973,561,779	-\$3,765,095	-\$134,577,065	\$0	-\$1,111,903,939
Appropriations					
Fiscal 2012 Budget	\$14,935,692,705	\$6,527,267,770	\$9,291,761,197	\$3,812,660,171	\$34,567,381,843
Fiscal 2013 Budget	14,593,003,880	7,701,234,886	9,280,946,762	3,929,128,287	35,504,313,815
Change	-\$160,207,428	\$1,173,967,116	-\$10,814,435	\$116,468,116	\$936,931,972

⁽¹⁾ Reflects \$325.7 million in proposed deficiencies, including \$296.7 million in general funds, -\$11.7 million in special funds, \$40.5 million in federal funds, and \$150,000 in current unrestricted funds. Reversion assumptions total \$37.1 million, including \$30.0 million in unspecified reversions and \$7.1 million in targeted reversions.

⁽²⁾ Reflects estimated general fund reversions of \$30.0 million.

⁽³⁾ Includes a \$5.0 million general fund offset for a Teachers' Retirement Supplemental Grant, as authorized in **Senate Bill 1301 (Chapter 1 First Special Session of 2012)**.

⁽⁴⁾ Includes \$57.9 million in special funds that will be added back to the budget by budget amendment to replace general fund reductions and \$430.3 million added back from the Budget Restoration Fund which replaces reductions effected by Sections 42 and 43 within **Senate Bill 150 (Chapter 148)**.

Exhibit 1.13 illustrates budget changes by major expenditure category by fund. Total spending increases by \$936.9 million, or 2.7%, after accounting for the special fund appropriations that replace general funds cuts during the session. Debt service grows by 4.4%; aid to local government increases by 3.4% almost entirely due to additional general and federal fund education formula aid. Entitlement spending grows by 0.3% as growth in Medicaid is offset by expected decreases in Temporary Cash Assistance caseloads. State agency spending (net of across-the-board reductions) increases by 1.9%. PAYGO capital expenditures increase by 15.5%, buoyed by additional spending for transportation and water/wastewater projects from fund balances and an increase in the Bay Restoration fee.

Exhibit 1.13
State Expenditures – General Funds
(\$ in Millions)

Category	Actual FY 2011	Working Approp. FY 2012	Legislative Approp. FY 2013	FY 2012 to FY 2013	
				\$ Change	% Change
Debt Service	\$0.0	\$0.0	\$0.0	\$0.0	n/a
County/Municipal	185.6	186.6	164.4	-22.2	-11.9%
Community Colleges	258.1	263.3	249.4	-13.9	-5.3%
Education/Libraries	4,900.1	5,620.2	5,454.6	-165.7	-2.9%
Health	37.3	38.3	37.3	-1.0	-2.6%
Aid to Local Governments	\$5,381.1	\$6,108.4	\$5,905.6	-\$202.8	-3.3%
Foster Care Payments	212.3	237.7	234.3	-3.4	-1.4%
Assistance Payments	47.1	87.8	81.7	-6.1	-6.9%
Medical Assistance	1,813.6	2,469.0	2,484.7	15.7	0.6%
Property Tax Credits	75.9	81.8	82.0	0.1	0.2%
Entitlements	\$2,148.9	\$2,876.4	\$2,882.7	\$6.3	0.2%
Health	1,384.8	1,446.3	1,466.6	20.3	1.4%
Human Resources	295.5	276.5	275.9	-0.6	-0.2%
Children's Cabinet Interagency Fund	13.9	23.5	16.9	-6.6	-28.0%
Juvenile Services	257.5	269.2	263.5	-5.7	-2.1%
Public Safety/Police	1,169.8	1,275.3	1,297.8	22.5	1.8%
Higher Education	1,145.6	1,133.9	1,108.4	-25.5	-2.2%
Other Education	369.4	382.3	337.7	-44.6	-11.7%
Agric./Natural Res./Environment	102.5	105.8	103.8	-2.0	-1.9%
Other Executive Agencies	541.1	547.1	580.4	33.3	6.1%
Legislative	74.9	76.8	78.3	1.5	1.9%
Judiciary	370.0	374.6	387.4	12.8	3.4%
Across-the-board Reductions	0.0	0.0	-105.6	-105.6	n/a
State Agencies	\$5,725.0	\$5,911.4	\$5,811.2	-\$100.2	-1.7%
Total Operating	\$13,255.0	\$14,896.2	\$14,599.5	-\$296.6	-2.0%
Capital ⁽¹⁾	10.8	54.5	0.7	-53.8	-98.7%
Reserve Funds	15.0	15.0	22.8	7.8	51.7%
Appropriations	\$13,280.8	\$14,965.7	\$14,623.0	-\$342.7	-2.3%
Reversions	0.0	-30.0	-30.0	0.0	0.0%
Grand Total	\$13,280.8	\$14,935.7	\$14,593.0	-\$342.7	-2.3%

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

Note: The fiscal 2012 working appropriation includes deficiencies, targeted reversions, and legislative reductions to the deficiencies.

Exhibit 1.13 (Cont.)
State Expenditures – Special and Higher Education Funds*
(\$ in Millions)

<u>Category</u>	<u>Actual FY 2011</u>	<u>Working Approp. FY 2012</u>	<u>Legislative Approp. FY 2013</u>	<u>FY 2012 to FY 2013</u>	
				<u>\$ Change</u>	<u>% Change</u>
Debt Service	\$981.4	\$1,055.9	\$1,102.4	\$46.6	4.4%
County/Municipal	199.5	205.1	280.7	75.6	36.9%
Community Colleges	0.0	0.8	20.5	19.8	2612.0%
Education/Libraries	432.8	107.0	431.9	324.9	303.7%
Health	0.0	0.0	0.0	0.0	n/a
<i>Aid to Local Governments</i>	<i>\$632.3</i>	<i>\$312.8</i>	<i>\$733.1</i>	<i>\$420.3</i>	<i>134.4%</i>
Foster Care Payments	0.6	0.0	2.5	2.5	9892.1%
Assistance Payments	16.7	16.4	19.4	3.0	18.3%
Medical Assistance	593.9	910.3	948.7	38.4	4.2%
Property Tax Credits	0.0	0.0	0.0	0.0	n/a
<i>Entitlements</i>	<i>\$611.3</i>	<i>\$926.7</i>	<i>\$970.6</i>	<i>\$43.9</i>	<i>4.7%</i>
Health	405.2	491.3	525.6	34.3	7.0%
Human Resources	87.5	78.0	81.9	3.9	5.0%
Children's Cabinet Interagency Fund	0.0	0.0	0.0	0.0	n/a
Juvenile Services	0.4	3.6	2.7	-0.9	-25.5%
Public Safety/Police	200.9	214.7	216.9	2.2	1.0%
Higher Education	3,647.7	3,878.3	4,024.8	146.4	3.8%
Other Education	45.6	50.2	70.4	20.2	40.2%
Transportation	1,446.7	1,479.8	1,514.8	35.0	2.4%
Agric./Natural Res./Environment	188.2	207.2	211.8	4.6	2.2%
Other Executive Agencies	409.5	607.7	741.3	133.6	22.0%
Legislative	0.2	0.1	0.0	-0.1	-100.0%
Judiciary	37.3	52.7	56.3	3.6	6.7%
Across-the-board Reductions	0.0	0.0	86.1	86.1	n/a
<i>State Agencies</i>	<i>\$6,469.1</i>	<i>\$7,063.6</i>	<i>\$7,532.5</i>	<i>\$468.8</i>	<i>6.6%</i>
Total Operating	\$8,694.0	\$9,359.0	\$10,338.6	\$979.6	10.5%
Capital	757.7	980.9	1,291.7	310.8	31.7%
Grand Total	\$9,451.7	\$10,339.9	\$11,630.4	\$1,290.4	12.5%

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

Note: The fiscal 2012 working appropriation includes deficiencies. The fiscal 2013 legislative appropriation includes \$488.2 million in additional spending fund spending that will be added by budget amendment to replace general fund reductions.

Exhibit 1.13 (Cont.)
State Expenditures – Federal Funds
(\$ in Millions)

<u>Category</u>	<u>Actual FY 2011</u>	<u>Working Approp. FY 2012</u>	<u>Legislative Approp. FY 2013</u>	<u>FY 2012 to FY 2013</u>	
				<u>\$ Change</u>	<u>% Change</u>
Debt Service	\$9.2	\$11.5	\$12.0	\$0.5	4.0%
County/Municipal	94.6	57.6	51.9	-5.8	-10.0%
Community Colleges	0.0	0.0	0.0	0.0	n/a
Education/Libraries	1,477.8	760.2	796.9	36.7	4.8%
Health	4.5	4.5	4.5	0.0	0.0%
<i>Aid to Local Governments</i>	<i>\$1,576.9</i>	<i>\$822.3</i>	<i>\$853.3</i>	<i>\$31.0</i>	<i>3.8%</i>
Foster Care Payments	86.4	86.3	79.5	-6.8	-7.9%
Assistance Payments	1,146.4	1,293.1	1,141.9	-151.2	-11.7%
Medical Assistance	3,775.0	3,424.4	3,560.4	136.0	4.0%
Property Tax Credits	0.0	0.0	0.0	0.0	n/a
<i>Entitlements</i>	<i>\$5,007.8</i>	<i>\$4,803.8</i>	<i>\$4,781.8</i>	<i>-\$22.0</i>	<i>-0.5%</i>
Health	964.5	1,098.9	1,153.5	54.6	5.0%
Human Resources	503.3	547.3	552.5	5.2	0.9%
Children's Cabinet Interagency Fund	7.3	0.0	0.0	0.0	n/a
Juvenile Services	14.2	10.6	8.3	-2.3	-21.5%
Public Safety/Police	107.5	30.5	29.0	-1.5	-4.9%
Higher Education	0.0	0.0	0.0	0.0	n/a
Other Education	228.3	279.2	263.1	-16.1	-5.8%
Transportation	90.7	87.7	85.4	-2.3	-2.6%
Agric./Natural Res./Environment	70.1	75.8	70.2	-5.6	-7.4%
Other Executive Agencies	657.4	624.7	532.6	-92.1	-14.7%
Judiciary	4.4	3.6	3.4	-0.2	-5.3%
Across-the-board Reductions	0.0	0.0	-2.2	-2.2	n/a
<i>State Agencies</i>	<i>\$2,647.7</i>	<i>\$2,758.4</i>	<i>\$2,695.8</i>	<i>-\$62.6</i>	<i>-2.3%</i>
Total Operating	\$9,241.6	\$8,396.0	\$8,342.8	-\$53.1	-0.6%
Capital	709.7	895.8	938.1	42.3	4.7%
Grand Total	\$9,951.3	\$9,291.8	\$9,280.9	-\$10.8	-0.1%

Note: The fiscal 2012 working appropriation reflects deficiencies and legislative reductions to the deficiencies.

Exhibit 1.13 (Cont.)
State Expenditures – State Funds
(\$ in Millions)

Category	Actual FY 2011	Working Approp. FY 2012	Legislative Approp. FY 2013	FY 2012 to FY 2013	
				\$ Change	% Change
Debt Service	\$981.4	\$1,055.9	\$1,102.4	\$46.6	4.4%
County/Municipal	385.1	391.7	445.0	53.3	13.6%
Community Colleges	258.1	264.1	270.0	5.9	2.2%
Education/Libraries	5,332.9	5,727.2	5,886.5	159.3	2.8%
Health	37.3	38.3	37.3	-1.0	-2.6%
Aid to Local Governments	\$6,013.4	\$6,421.2	\$6,638.7	\$217.5	3.4%
Foster Care Payments	212.9	237.8	236.8	-0.9	-0.4%
Assistance Payments	63.9	104.2	101.1	-3.1	-2.9%
Medical Assistance	2,407.5	3,379.3	3,433.4	54.1	1.6%
Property Tax Credits	75.9	81.8	82.0	0.1	0.2%
Entitlements	\$2,760.2	\$3,803.1	\$3,853.4	\$50.2	1.3%
Health	1,790.0	1,937.6	1,992.2	54.6	2.8%
Human Resources	383.0	354.5	357.8	3.3	0.9%
Children's Cabinet Interagency Fund	13.9	23.5	16.9	-6.6	-28.0%
Juvenile Services	257.9	272.8	266.2	-6.6	-2.4%
Public Safety/Police	1,370.7	1,489.9	1,514.7	24.7	1.7%
Higher Education	4,793.3	5,012.2	5,133.1	120.9	2.4%
Other Education	415.0	432.6	408.2	-24.4	-5.6%
Transportation	1,446.7	1,479.8	1,514.8	35.0	2.4%
Agric./Natural Res./Environment	290.6	313.0	315.6	2.6	0.8%
Other Executive Agencies	950.6	1,154.8	1,321.7	166.9	14.5%
Legislative	75.0	76.9	78.3	1.4	1.8%
Judiciary	407.3	427.4	443.7	16.3	3.8%
Across-the-board Reductions	0.0	0.0	-19.5	-19.5	n/a
State Agencies	\$12,194.1	\$12,975.0	\$13,343.7	\$368.6	2.8%
Total Operating	\$21,949.0	\$24,255.2	\$24,938.2	\$683.0	2.8%
Capital ⁽¹⁾	768.5	1,035.4	1,292.4	257.0	24.8%
Reserve Fund	15.0	15.0	22.8	7.8	51.7%
Appropriations	\$22,732.5	\$25,305.6	\$26,253.4	\$947.7	3.7%
Reversions	0.0	-30.0	-30.0	0.0	0.0%
Grand Total	\$22,732.5	\$25,275.6	\$26,223.4	\$947.7	3.7%

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

Note: The fiscal 2012 working appropriation includes deficiencies, targeted reversions and legislative reductions to the deficiencies. The fiscal 2013 legislative appropriation includes \$488.2 million in special funds that will be added by budget amendment to replace general fund reductions.

Exhibit 1.13 (Cont.)
State Expenditures – All Funds
(\$ in Millions)

<u>Category</u>	<u>Actual FY 2011</u>	<u>Working Approp. FY 2012</u>	<u>Legislative Approp. FY 2013</u>	<u>FY 2012 to FY 2013 \$ Change</u>	<u>% Change</u>
Debt Service	\$990.6	\$1,067.4	\$1,114.4	\$47.0	4.4%
County/Municipal	479.7	449.3	496.9	47.6	10.6%
Community Colleges	258.1	264.1	270.0	5.9	2.2%
Education/Libraries	6,810.7	6,487.4	6,683.4	196.0	3.0%
Health	41.8	42.8	41.8	-1.0	-2.3%
<i>Aid to Local Governments</i>	<i>\$7,590.3</i>	<i>\$7,243.5</i>	<i>\$7,492.0</i>	<i>\$248.5</i>	<i>3.4%</i>
Foster Care Payments	299.4	324.1	316.4	-7.7	-2.4%
Assistance Payments	1,210.3	1,397.3	1,243.0	-154.3	-11.0%
Medical Assistance	6,182.5	6,803.7	6,993.8	190.1	2.8%
Property Tax Credits	75.9	81.8	82.0	0.1	0.2%
<i>Entitlements</i>	<i>\$7,768.1</i>	<i>\$8,606.9</i>	<i>\$8,635.2</i>	<i>\$28.3</i>	<i>0.3%</i>
Health	2,754.4	3,036.5	3,145.7	109.2	3.6%
Human Resources	886.3	901.8	910.2	8.5	0.9%
Children's Cabinet Interagency Fund	21.2	23.5	16.9	-6.6	-28.0%
Juvenile Services	272.1	283.4	274.5	-8.9	-3.1%
Public Safety/Police	1,478.2	1,520.5	1,543.7	23.2	1.5%
Higher Education	4,793.3	5,012.2	5,133.1	120.9	2.4%
Other Education	643.3	711.8	671.3	-40.5	-5.7%
Transportation	1,537.5	1,567.5	1,600.2	32.7	2.1%
Agric./Natural Res./Environment	360.7	388.8	385.8	-3.0	-0.8%
Other Executive Agencies	1,608.0	1,779.6	1,854.3	74.8	4.2%
Legislative	75.0	76.9	78.3	1.4	1.8%
Judiciary	411.7	431.0	447.1	16.1	3.7%
Across-the-board Reductions	0.0	0.0	-21.8	-21.8	n/a
<i>State Agencies</i>	<i>\$14,841.8</i>	<i>\$15,733.4</i>	<i>\$16,039.5</i>	<i>\$306.1</i>	<i>1.9%</i>
Total Operating	\$31,190.7	\$32,651.2	\$33,281.0	\$629.8	1.9%
Capital ⁽¹⁾	1,478.1	1,931.2	2,230.5	299.4	15.5%
Reserve Funds	15.0	15.0	22.8	7.8	51.7%
Appropriations	\$32,683.8	\$34,597.4	\$35,534.3	\$936.9	2.7%
Reversions	0.0	-30.0	-30.0	0.0	0.0%
Grand Total	\$32,683.8	\$34,567.4	\$35,504.3	\$936.9	2.7%

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

Note: The fiscal 2012 working appropriation includes deficiencies, targeted reversions and legislative reductions to the deficiencies. The fiscal 2013 legislative appropriation includes \$488.2 million in special funds that will be added by budget amendment to replace general fund reductions.

Chapter Two – State Capital Program

- Summary
- Operating Budget Relief and Fund Transfers
- Debt Affordability
- Higher Education
- School Construction
- Transfer Tax

Summary

The 2012 General Assembly passed a capital budget program totaling \$3.410 billion, including \$1.773 billion for the transportation program. Apart from transportation, the program totals \$1.637 billion: \$1.075 billion is funded with general obligation (GO) bonds authorized in the Maryland Consolidated Capital Bond Loan of 2012 (MCCBL), the 2012 capital budget **Senate Bill 151 (Chapter 444)**; \$15.324 million is funded with Qualified Zone Academy Bonds (QZAB) authorized in **Senate Bill 1303 (Chapter 3 First Special Session of 2012)**; \$512.0 million is funded on a pay-as-you-go (PAYGO) basis in the operating budget; and \$32.0 million is funded with Academic Revenue Bonds (ARB) for University System of Maryland facilities authorized in **Senate Bill 1036 (Chapter 638)**.

Exhibit 2.1 presents an overview of the State's capital program for fiscal 2013, **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 MCCBL of 2012. The MCCBL of 2012 includes funding for:

- State facilities, including colleges and universities, hospitals, Department of Disabilities accessibility modifications, correctional facilities, and the public safety communication system;
- grants to local governments for public school construction, community college facilities, and local detention centers;
- health and social services facilities, such as juvenile services facilities, community health and addiction facilities, and low-income housing;
- environmental programs, such as the Chesapeake Bay Water Quality programs, Community Parks and Playgrounds, Program Open Space (POS), Maryland Agricultural Land Preservation, 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 general, special, and federal funds appropriated in the operating budget referred to as PAYGO funds which are used primarily to support housing and environmental programs. The use of PAYGO funds is generally restricted to capital grant and loan programs for which the use of tax-exempt debt is limited under federal tax guidelines, programs that are administered through the use of special nonlapsing funds for which revenue from principal and interest payments are used to support additional appropriations, and in instances where federal funds assist in the capitalization of State revolving grant and loan fund programs.

Exhibit 2.1
Capital Program Summary for the 2012 Session
(\$ in Millions)

<u>Function</u>	<u>Bonds</u>		<u>Current Funds (PAYGO)</u>			<u>Total</u>
	<u>General Obligation</u>	<u>Revenue</u>	<u>General</u>	<u>Special</u>	<u>Federal</u>	
State Facilities						\$142.3
Facilities Renewal	\$33.4	\$0.0	\$0.0	\$0.0	\$0.0	
State Facilities – Other	37.8	0.0	0.7	0.0	70.4	
Health/Social						43.5
Health – Other	1.2	0.0	0.0	0.0	0.0	
Health – State Facilities	9.0	0.0	0.0	0.0	0.0	
Private Hospitals	33.4	0.0	0.0	0.0	0.0	
Environment						599.3
Agriculture	10.6	0.0	0.0	9.6	0.0	
Energy	0.0	0.0	0.0	4.3	0.0	
Environment	62.6	0.0	0.0	307.7	44.8	
MD Environmental Service	7.5	0.0	0.0	0.0	0.0	
Natural Resources	143.3	0.0	0.0	5.4	3.6	
Public Safety						51.3
Local Jails	0.1	0.0	0.0	0.0	0.0	
State Corrections	4.7	0.0	0.0	0.0	7.9	
State Police	38.7	0.0	0.0	0.0	0.0	
Education						382.8
Education – Other	10.0	0.0	0.0	0.0	0.0	
School Construction	372.8	0.0	0.0	0.0	0.0	
Higher Education						309.6
Community Colleges	44.3	0.0	0.0	0.0	0.0	
Higher Education – Other	3.0	0.0	0.0	0.0	0.0	
Morgan State University	29.7	0.0	0.0	0.0	0.0	
Private Colleges/Universities	11.0	0.0	0.0	0.0	0.0	
St. Mary’s College	0.3	0.0	0.0	0.0	0.0	
University System	189.3	32.0	0.0	0.0	0.0	
Housing/Community Development						110.1
Housing	51.3	0.0	0.0	26.4	24.2	
Housing – Other	1.2	0.0	7.0	0.1	0.0	
Local Projects						39.9
Local Project Administration	16.4	0.0	0.0	0.0	0.0	
Local Project Legislative	23.4	0.0	0.0	0.0	0.0	

<u>Function</u>	Bonds		Current Funds (PAYGO)			<u>Total</u>
	<u>General Obligation</u>	<u>Revenue</u>	<u>General</u>	<u>Special</u>	<u>Federal</u>	
De-authorizations						-44.4
De-authorizations Introduced	-37.7	0.0	0.0	0.0	0.0	
De-authorizations – Additional	-6.7	0.0	0.0	0.0	0.0	
Total	\$1,090.3	\$32.0	\$7.7	\$353.4	\$150.9	\$1,634.4
Fiscal 2012 Deficiencies	\$0.0	\$0.0	\$0.0	\$0.8	\$2.4	\$3.1
Transportation CTP	\$0.0	\$315.0	\$0.0	\$618.9	\$839.0	\$1,773.0
Grand Total	\$1,090.3	\$347.0	\$7.7	\$973.1	\$992.3	\$3,410.5

CTP: Consolidated Transportation Program

PAYGO: pay-as-you-go

Exhibit 2.2
Capital Program Summary for the 2012 Session

Budget Code	Project Title	Bonds		Current Funds (PAYGO)			Total Funds
		General Obligation	Revenue	General	Special	Federal	
	State Facilities						
D55P04A	DVA: Crownsville Veterans Cemetery Expansion and Burial Capacity Phase III	\$0	\$0	\$700,000	\$0	\$0	\$700,000
DA0201A	MDOD: Accessibility Modifications	1,600,000	0	0	0	0	1,600,000
DE0201B	BPW: Annapolis Post Office	3,782,000	0	0	0	0	3,782,000
DE0201C	BPW: Saratoga State Center – Garage Improvements	4,445,000	0	0	0	0	4,445,000
DE0201D	BPW: William Donald Schaefer Tower – Fire Alarm System	2,475,000	0	0	0	0	2,475,000
DE0201E	BPW: Facilities Renewal Fund	20,592,000	0	0	0	0	20,592,000
DE0201F	BPW: Asbestos Abatement Program	157,000	0	0	0	0	157,000
DE0201G	BPW: Court of Appeals Building – Lobby and ADA Improvements	340,000	0	0	0	0	340,000
DE0201H	BPW: New Catonsville District Court	250,000	0	0	0	0	250,000
DH0104A	MD: Dundalk Readiness Center – Alterations and Addition	5,691,000	0	0	0	15,723,000	21,414,000
DH0104B	MD: Gunpowder Military Reservation Firing Range	0	0	0	0	3,000,000	3,000,000
FB04A	DoIT: Public Safety Communications System	25,250,000	0	0	0	0	25,250,000
FB04B	DoIT: One Maryland Broadband Network	5,000,000	0	0	0	51,678,068	56,678,068
PA1301	DLLR: 1100 North Eutaw Street Elevator Replacements	1,620,000	0	0	0	0	1,620,000
	Subject Category Subtotal:	\$71,202,000	\$0	\$700,000	\$0	\$70,401,068	\$142,303,068

Effect of the 2012 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	MDOA: Senior Citizens Activities Center Grant Program	\$1,150,000	\$0	\$0	\$0	\$0	\$1,150,000
MA01A	DHMH: Federally Qualified Health Centers Grant Program	2,871,000	0	0	0	0	2,871,000
MI0401B	DHMH: Deer’s Head Hospital Center	313,000	0	0	0	0	313,000
MM06C	DHMH: Henryton Center – Abate Asbestos and Raze Buildings	3,530,000	0	0	0	0	3,530,000
MM06D	DHMH: Dorsey Run – Secure Evaluation and Therapeutic Treatment Center	2,150,000	0	0	0	0	2,150,000
RQ00A	UMMS: Trauma, Critical Care, and Emergency Medicine Services Expansion	10,000,000	0	0	0	0	10,000,000
RQ00B	UMMS: R Adams Cowley Shock Trauma Center Renovation – Phase I	3,500,000	0	0	0	0	3,500,000
VE01A	DJS: Baltimore Regional Treatment Center	3,000,000	0	0	0	0	3,000,000
ZA00G	MISC: Kennedy Krieger Institute	1,000,000	0	0	0	0	1,000,000
ZA00P	MISC: Prince George’s Hospital System	10,000,000	0	0	0	0	10,000,000
ZA00Q	MISC: Sinai Hospital	1,000,000	0	0	0	0	1,000,000
ZA01A	MHA: Kennedy Krieger Children’s Hospital	500,000	0	0	0	0	500,000
ZA01B	MHA: Howard County General Hospital	707,500	0	0	0	0	707,500
ZA01C	MHA: Franklin Square Hospital Center	1,000,000	0	0	0	0	1,000,000
ZA01D	MHA: Brook Lane Health Services	1,100,000	0	0	0	0	1,100,000
ZA01E	MHA: Northwest Hospital Center	700,000	0	0	0	0	700,000
ZA01F	MHA: Union Memorial Hospital	242,500	0	0	0	0	242,500
ZA01G	MHA: Upper Chesapeake Medical Center	750,000	0	0	0	0	750,000
	Subject Category Subtotal:	\$43,514,000	\$0	\$0	\$0	\$0	\$43,514,000
	Environment						
DA1302	MEA: Jane E. Lawton Program	\$0	\$0	\$0	\$1,750,000	\$0	\$1,750,000
DA1303	MEA: State Agency Loan Program	0	0	0	2,500,000	0	2,500,000
KA05A	DNR: Community Parks and Playgrounds	2,500,000	0	0	0	0	2,500,000
KA05B	DNR: Natural Resources Development Fund	10,874,000	0	0	0	0	10,874,000

Budget Code	Project Title	Bonds		Current Funds (PAYGO)			
		General Obligation	Revenue	General	Special	Federal	Total Funds
KA05C	DNR: Program Open Space	60,649,000	0	0	2,500,000	3,000,000	66,149,000
KA05D	DNR: Critical Maintenance Program	10,119,000	0	0	0	0	10,119,000
KA05E	DNR: Waterway Improvement Fund	7,431,000	0	0	2,879,000	600,000	10,910,000
KA05F	DNR: Rural Legacy Program	5,622,000	0	0	0	0	5,622,000
KA1402A	DNR: Chesapeake Bay 2010 Trust Fund	38,013,000	0	0	0	0	38,013,000
KA17A	DNR: Oyster Restoration Program	8,060,000	0	0	0	0	8,060,000
LA11A	MDA: Maryland Agricultural Land Preservation Program	8,706,000	0	0	8,753,000	0	17,456,000
LA12A	MDA: Tobacco Transition Program	1,894,000	0	0	842,000	0	2,736,000
UA010312	MDE: Septic System Upgrade Program	0	0	0	17,000,000	0	17,000,000
UA01A	MDE: Enhanced Nutrient Removal	18,175,000	0	0	105,700,000	0	123,875,000
UA01B	MDE: Maryland Water Quality Revolving Loan Fund	7,143,000	0	0	156,571,000	34,286,000	198,000,000
UA01C	MDE: Maryland Drinking Water Revolving Loan Fund	3,004,000	0	0	28,436,000	10,560,000	42,000,000
UA04A1	MDE: Biological Nutrient Removal Program	24,760,000	0	0	0	0	24,760,000
UA04A2	MDE: Supplemental Assistance Program	7,000,000	0	0	0	0	7,000,000
UA04B	MDE: Water Supply Financial Assistance Program	2,500,000	0	0	0	0	2,500,000
UB00A	MES: Infrastructure Improvement Fund	7,462,000	0	0	0	0	7,462,000
	Subject Category Subtotal:	\$223,912,000	\$0	\$0	\$326,928,000	\$48,446,000	\$599,286,000
	Public Safety						
QB02A	DPSCS: Maryland House of Correction Deconstruction Project	\$3,500,000	\$0	\$0	\$0	\$0	\$3,500,000
QB0604A	DPSCS: Dorsey Run Correctional Facility – 560-bed Minimum Security Compound	1,200,000	0	0	0	7,900,000	9,100,000
WA01A	DSP: State Police Helicopter Replacement	38,674,000	0	0	0	0	38,674,000
ZB02A	DPSCS: Wicomico County Detention Center	50,000	0	0	0	0	50,000
	Subject Category Subtotal:	\$43,424,000	\$0	\$0	\$0	\$7,900,000	\$51,324,000

		Bonds		Current Funds (PAYGO)			
Budget Code	Project Title	General Obligation	Revenue	General	Special	Federal	Total Funds
Education							
DE0202A	BPW: Public School Construction Program	\$326,393,000	\$0	\$0	\$0	\$0	\$326,393,000
DE0202AQ	BPW: Qualified Zone Academy Bond Program	15,324,000	0	0	0	0	15,324,000
DE0202B	BPW: Aging Schools Program	31,109,000	0	0	0	0	31,109,000
RA01A	MSDE: Public Library Capital Grant Program	5,000,000	0	0	0	0	5,000,000
ZA00M	MISC: Maryland School for the Blind	5,000,000	0	0	0	0	5,000,000
	Subject Category Subtotal:	\$382,826,000	\$0	\$0	\$0	\$0	\$382,826,000
Higher Education							
RB21A	UMB: Health Sciences Research Facility III	\$4,672,000	\$0	\$0	\$0	\$0	\$4,672,000
RB22A	UMCP: Physical Sciences Complex	29,550,000	0	0	0	0	29,550,000
RB22B	UMCP: Campuswide Building System and Infrastructure Improvements	5,000,000	5,000,000	0	0	0	10,000,000
RB22C	UMCP: University Learning and Teaching Center	2,050,000	0	0	0	0	2,050,000
RB22D	UMCP: Remote Library Storage Facility	435,000	0	0	0	0	435,000
RB22E	UMCP: University of Maryland Athletic Fields	1,000,000	0	0	0	0	1,000,000
RB22F	UMCP: New Bioengineering Building	5,000,000	0	0	0	0	5,000,000
RB23A	BSU: Campuswide Site Improvements	2,166,000	0	0	0	0	2,166,000
RB23B	BSU: Natural Sciences Center	3,100,000	0	0	0	0	3,100,000
RB24A	TU: Campuswide Safety and Circulation Improvements	6,000,000	0	0	0	0	6,000,000
RB24B	TU: Smith Hall Expansion and Renovation	5,700,000	0	0	0	0	5,700,000
RB26A	FSU: New Center For Communications and Information Technology	44,550,000	0	0	0	0	44,550,000
RB27A	CSU: New Science and Technology Center	28,775,000	10,000,000	0	0	0	38,775,000
RB28A	UB: New Law School Building	4,037,000	0	0	0	0	4,037,000
RB29A	SU: New Library	1,900,000	0	0	0	0	1,900,000
RB31A	UMBC: New Performing Arts and Humanities Facility	33,225,000	0	0	0	0	33,225,000
RB31B	UMBC: Campus Traffic and Safety Circulation Improvements	1,000,000	0	0	0	0	1,000,000

Budget Code	Project Title	Bonds		Current Funds (PAYGO)			Total Funds
		General Obligation	Revenue	General	Special	Federal	
RB34A	UMCES: New Environmental Sustainability Research Laboratory	1,150,000	0	0	0	0	1,150,000
RB36A	USMO: Facilities Renewal Program	10,000,000	17,000,000	0	0	0	27,000,000
RC00A	BCCC: Main Building Renovation	6,686,000	0	0	0	0	6,686,000
RD00A	SMCM: Anne Arundel Hall Reconstruction	310,000	0	0	0	0	310,000
RI00A	MHEC: Community College Facilities Grant Program	37,629,000	0	0	0	0	37,629,000
RM00A	MSU: New School of Business Complex and Connecting Bridge	20,685,000	0	0	0	0	20,685,000
RM00B	MSU: Facilities Renewal Projects	5,000,000	0	0	0	0	5,000,000
RM00C	MSU: New Jenkins Behavioral and Social Sciences Center	3,500,000	0	0	0	0	3,500,000
RM00D	MSU: Soper Library Demolition	500,000	0	0	0	0	500,000
ZA00H	MICUA: Johns Hopkins University	4,000,000	0	0	0	0	4,000,000
ZA00I	MICUA: McDaniel College	1,500,000	0	0	0	0	1,500,000
ZA00J	MICUA: Notre Dame of Maryland University	4,000,000	0	0	0	0	4,000,000
ZA00K	MICUA: St. John's College	1,500,000	0	0	0	0	1,500,000
ZA00S	MISC: High Performance Computing Data Center	3,000,000	0	0	0	0	3,000,000
	Subject Category Subtotal:	\$277,620,000	\$32,000,000	\$0	\$0	\$0	\$309,620,000
	Housing/Community Development						
D40W1112	MDOP: Sustainable Communities Tax Credit Program	\$0	\$7,000,000	\$0	\$0	\$0	\$7,000,000
DW0110A	MDOP: African American Heritage Preservation Program	1,000,000	0	0	0	0	1,000,000
DW0110B	MDOP: Maryland Historical Trust Capital Grant Fund	150,000	0	0	120,000	0	270,000
S00A2502	DHCD: Community Development Block Grant Program	0	0	0	0	12,300,000	12,300,000
S00A2514	DHCD: MD-BRAC Preservation Loan Fund	0	0	0	4,000,000	0	4,000,000
SA24A	DHCD: Community Legacy Program	6,000,000	0	0	0	0	6,000,000

Budget Code	Project Title	Bonds		Current Funds (PAYGO)			Total Funds
		General Obligation	Revenue	General	Special	Federal	
SA24B	DHCD: Neighborhood Business Development Program	2,350,000	0	0	1,900,000	0	4,250,000
SA24C	DHCD: Strategic Demolition and Smart Growth Impact Project Fund	2,500,000	0	0	0	0	2,500,000
SA25A	DHCD: Partnership Rental Housing Program	6,000,000	0	0	0	0	6,000,000
SA25B	DHCD: Homeownership Programs	8,000,000	0	0	500,000	1,900,000	10,400,000
SA25C	DHCD: Shelter and Transitional Housing Facilities Grant Program	2,000,000	0	0	0	0	2,000,000
SA25D	DHCD: Special Loan Programs	6,900,000	0	0	500,000	3,000,000	10,400,000
SA25E	DHCD: Rental Housing Program	17,500,000	0	0	19,475,000	7,000,000	43,975,000
	Subject Category Subtotal:	\$52,400,000	\$7,000,000	\$0	\$26,495,000	\$24,200,000	\$110,095,000
	Local Projects						
DA03A	MSA: Ocean City Convention Center	\$2,200,000	\$0	\$0	\$0	\$0	\$2,200,000
ZA00A	MISC: Alice Ferguson Foundation – Potomac Watershed Study Center	1,700,000	0	0	0	0	1,700,000
ZA00B	MISC: Annapolis High School	2,000,000	0	0	0	0	2,000,000
ZA00C	MISC: Baltimore Museum of Art	2,500,000	0	0	0	0	2,500,000
ZA00D	MISC: Baltimore City Convention Center	2,500,000	0	0	0	0	2,500,000
ZA00E	MISC: Charles E. Smith Life Communities – Revitz House Renovation	675,000	0	0	0	0	675,000
ZA00F	MISC: Everyman Theatre	1,000,000	0	0	0	0	1,000,000
ZA00L	MISC: Maryland Science Center	550,000	0	0	0	0	550,000
ZA00N	MISC: Maryland Zoo in Baltimore	5,000,000	0	0	0	0	5,000,000
	Infrastructure Improvements						
ZA00O	MISC: Mount Vernon Square Redevelopment	1,000,000	0	0	0	0	1,000,000
ZA00R	MISC: USS Constellation Education Center and Heritage Center	1,000,000	0	0	0	0	1,000,000
ZA00T	MISC: Green Branch Athletic Complex	1,000,000	0	0	0	0	1,000,000
ZA00U	MISC: Hospice of the Chesapeake	600,000	0	0	0	0	600,000
ZA00V	MISC: Coastal Hospice	500,000	0	0	0	0	500,000

Budget Code	Project Title	Bonds		Current Funds (PAYGO)			
		General Obligation	Revenue	General	Special	Federal	Total Funds
ZA00W	MISC: National Aquarium Infrastructure Improvements	2,500,000	0	0	0	0	2,500,000
ZA00X	MISC: YWCA Counseling and Community Service	125,000	0	0	0	0	125,000
ZA02	Local Senate Initiatives	7,500,000	0	0	0	0	7,500,000
ZA03	Local House Initiatives	7,500,000	0	0	0	0	7,500,000
	Subject Category Subtotal:	\$39,850,000	\$0	\$0	\$0	\$0	\$39,850,000
	De-authorizations						
ZF00	De-authorizations as Introduced	-\$37,724,000	\$0	\$0	\$0	\$0	-\$37,724,000
ZF00A	Additional De-authorizations	-6,700,000	0	0	0	0	-6,700,000
	Subject Category Subtotal:	-\$44,424,000	\$0	\$0	\$0	\$0	-\$44,424,000
	Current Year Total	\$1,090,324,000	\$32,000,000	\$7,700,000	\$353,423,000	\$150,947,068	\$1,634,394,068
	Fiscal 2012 Deficiencies						
DH0104B	MD: Gunpowder Military Reservation Firing Range	\$0	\$0	\$0	\$0	\$250,000	\$250,000
QB0604A	DPSCS: Dorsey Run Correctional Facility – 560-bed Minimum Security Compound	0	0	0	0	2,100,000	2,100,000
SA25E	DHCD: Rental Housing Program	0	0	0	775,000	0	775,000
	Subject Category Subtotal:	\$0	\$0	\$0	\$775,000	\$2,350,000	\$3,125,000

Budget Code	Project Title	Bonds		Current Funds (PAYGO)			Total Funds
		General Obligation	Revenue	General	Special	Federal	
	Entire Budget Total	\$1,090,324,000	\$32,000,000	\$7,700,000	\$354,198,000	\$153,297,068	\$1,637,519,068
	Transportation Consolidated Transportation Program	\$0	\$315,000,000	\$0	\$618,945,317	\$839,030,000	\$1,772,975,317
	Grand Total	\$1,090,324,000	\$347,000,000	\$7,700,000	\$973,143,457	\$992,327,068	\$3,410,494,385

ADA: Americans with Disabilities Act
 BCCC: Baltimore City Community College
 BPW: Board of Public Works
 BSU: Bowie State University
 CSU: Coppin State University
 DHCD: Department of Housing and Community Development
 DHMH: Department of Health and Mental Hygiene
 DLLR: Department of Labor, Licensing, and Regulation
 DJS: Department of Juvenile Services
 DoIT: Department of Information Technology
 DNR: Department of Natural Resources
 DPSCS: Department of Public Safety and Correctional Services
 DSP: Department of State Police
 DVA: Department of Veterans Affairs
 FSU: Frostburg State University
 MD: Military Department
 MDA: Maryland Department of Agriculture
 MD-BRAC: Maryland Base Realignment and Closure
 MDE: Maryland Department of the Environment
 MDOA: Maryland Department of Aging
 MDOD: Maryland Department of Disabilities
 MDOP: Maryland Department of Planning

MEA: Maryland Energy Administration
 MES: Maryland Environmental Service
 MHA: Maryland Hospital Association
 MHEC: Maryland Higher Education Commission
 MICUA: Maryland Independent College and University Association
 MISC: miscellaneous
 MSDE: Maryland State Department of Education
 MSA: Maryland Stadium Authority
 MSU: Morgan State University
 PAYGO: pay-as-you-go
 SMCM: St. Mary's College of Maryland
 SU: Salisbury University
 TU: Towson University
 UB: University of Baltimore
 UMB: University of Maryland, Baltimore
 UMBC: University of Maryland Baltimore County
 UMCES: University of Maryland Center for Environmental Science
 UMCP: University of Maryland, College Park
 UMMS: University of Maryland Medical System
 USMO: University System of Maryland Office
 YWCA: Young Women's Christian Association

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

Exhibit 2.3
Legislative Projects – 2012 Session
(Project Count: 122)

<u>Project Title</u>	<u>Senate Initiative</u>	<u>House Initiative</u>	<u>Other</u>	<u>Total Funding</u>	<u>Match/ Requirements</u>
Allegany					
Allegany Museum	\$100,000	\$100,000		\$200,000	Soft (1, 2) Hist. Ease.
Friends Aware, Inc. Site and Project Development	125,000	125,000		250,000	Hard
Subtotal:				\$450,000	
Anne Arundel					
Annapolis and Anne Arundel County Conference and Visitors Bureau – Roof Replacement	100,000			\$100,000	Soft (all)
Coordinating Center for Home and Community Care Building Facilities		200,000		200,000	Hard
Deale Elementary School Technology Enhancement Project	23,000			23,000	Hard
Hospice of the Chesapeake Renovation Phase 1			600,000	600,000	Soft (all)
Meade High School Concession Stand	150,000			150,000	Hard
Samaritan House Addition	100,000			100,000	Hard
Shiplap House		250,000		250,000	Soft (all)
YWCA Counseling and Community Service Building Renovation	75,000	125,000	125,000	325,000	Soft (all)
Subtotal:				\$1,748,000	
Baltimore City					
Academy of Success Community Empowerment Center	100,000	100,000		\$200,000	Soft (all)
Arch Social Club Historic Site Restoration	50,000	68,000		118,000	Hard Hist. Ease.
Baltimore Design School	100,000			100,000	Hard
Brooks Robinson Statue – Babe Ruth Birthplace Foundation	100,000			100,000	Soft (all)
Community Resource Center	175,000			175,000	Soft (all)
East Baltimore Historical Library	100,000	150,000		250,000	Grant Hist. Ease.

Effect of the 2012 Legislative Program on the Financial Condition of the State

<u>Project Title</u>	<u>Senate Initiative</u>	<u>House Initiative</u>	<u>Other</u>	<u>Total Funding</u>	<u>Match/ Requirements</u>
Garrett-Jacobs Mansion		200,000		200,000	Soft (2, 3)
Grace Outreach Center	90,000			90,000	Soft (U, 1, 2)
Healthy Start Client Service Center	100,000			100,000	Hard
Meals on Wheels Green Building	75,000	75,000		150,000	Soft (3)
Miles Washington Family Support Center	175,000			175,000	Soft (U, 1, 3) Hist. Ease
Mt. Lebanon CDC Community Center and Gymnasium	50,000	50,000		100,000	Soft (3)
National Aquarium Infrastructure			2,500,000	2,500,000	Soft (2, 3)
Patterson Park Public Charter School Facade Restoration		50,000		50,000	Soft (3)
PMO Community Youth Center	125,000			125,000	Soft (2)
Roland Water Tower Stabilization		250,000		250,000	Soft (2, 3)
	<i>Subtotal:</i>			<i>\$4,683,000</i>	
Baltimore					
Acorn Hill Natural Play Area		215,000		\$215,000	Soft (2)
Arrow Child and Family Ministries		154,000		154,000	Hard
Catonsville Family Center Y	235,000	265,000		500,000	Hard
Children's Home Therapeutic Group Home Building	200,000	200,000		400,000	Soft (2)
Lansdowne Volunteer Fire Department	20,000			20,000	Soft (all)
Lighthouse Youth and Family Services Center	34,000			34,000	Soft (2)
Neighbor-Space of Baltimore County	150,000			150,000	Soft (3)
Owings Mills High School Stadium	100,000			100,000	Soft (U, 2)
Turf Field Security Investment		50,000		50,000	Soft (1, 2)
	<i>Subtotal:</i>			<i>\$1,623,000</i>	
Calvert					
Calvert Marine Museum Exhibition Building	250,000			\$250,000	Hard
Chesapeake Beach Skate Park	125,000			125,000	Soft (all)
End Hunger Kitchen	100,000			100,000	Soft (all)
North Beach Fishing Platform	100,000			100,000	Soft (all)
	<i>Subtotal:</i>			<i>\$575,000</i>	

<u>Project Title</u>	<u>Senate Initiative</u>	<u>House Initiative</u>	<u>Other</u>	<u>Total Funding</u>	<u>Match/ Requirements</u>
Caroline					
Senior Housing for the Disabled		250,000		\$250,000	Hard
The Wharves at Choptank Crossing Heritage and Welcome Center	165,000			165,000	Soft (2, 3)
<i>Subtotal:</i>				<u><i>\$415,000</i></u>	
Carroll					
Goodwill Industries of Monocacy Valley – Westminster Renovation	75,000			\$75,000	Hard
<i>Subtotal:</i>				<u><i>\$75,000</i></u>	
Cecil					
Jacob Tome Gas House		80,000		\$80,000	Soft (2) Hist. Ease.
Milburn Stone Theatre		100,000		100,000	Hard
<i>Subtotal:</i>				<u><i>\$180,000</i></u>	
Charles					
Heritage House		100,000		\$100,000	Soft (all)
Indian Head Center for the Arts Renovation	100,000	70,000		170,000	Soft (all)
Jude House	50,000			50,000	Soft (U, 2)
Southern Maryland Carousel	25,000			25,000	Soft (2)
<i>Subtotal:</i>				<u><i>\$345,000</i></u>	
Frederick					
Downtown Frederick Hotel and Conference Center		250,000		\$250,000	Grant Hist. Ease.
Goodwill Industries of Monocacy Valley	75,000			75,000	Soft (3)
Mental Health Association Building	75,000			75,000	Soft (2, 3)
<i>Subtotal:</i>				<u><i>\$400,000</i></u>	
Harford					
Aberdeen Youth Baseball Field		150,000		\$150,000	Hard
<i>Subtotal:</i>				<u><i>\$150,000</i></u>	

<u>Project Title</u>	<u>Senate Initiative</u>	<u>House Initiative</u>	<u>Other</u>	<u>Total Funding</u>	<u>Match/ Requirements</u>
Howard					
Carroll Baldwin Hall	100,000	50,000		\$150,000	Soft (1)
Roger Carter Recreation Center	65,000	300,000		365,000	Hard
Supported Living Facility	130,000			130,000	Hard
<i>Subtotal:</i>				<u>\$645,000</u>	
Montgomery					
City of Rockville – Swim and Fitness Center		200,000		\$200,000	Hard
Homecrest House – Edwards Building	40,000			40,000	Soft (all)
Inter-Generational Center Expansion for Programs – Easter Seals	100,000			100,000	Hard
Greater Washington-Baltimore Region					
Lower Montgomery County Bikesharing System		250,000		250,000	Grant
Montgomery Village Sports Association	125,000			125,000	Hard
Muslim Community Center	125,000	100,000		225,000	Soft (1, 2)
National Center for Children and Families Youth Activities Center	225,000	25,000		250,000	Soft (2, 3)
Olney Police Satellite Station		10,000		10,000	Hard
Potomac Community Resources Home	50,000			50,000	Hard
Quebec Terrace Lighting	58,000	62,000		120,000	Soft (2)
TLC’s Katherine Thomas School	150,000	125,000		275,000	Hard
VisArts	25,000			25,000	Hard
Woodlawn Barn Visitor’s Center	50,000	250,000		300,000	Soft (all) Hist. Ease.
<i>Subtotal:</i>				<u>\$1,970,000</u>	
Prince George’s					
Dinosaur Park Improvements	25,000			\$25,000	Soft (2)
Elizabeth Seton High School Window Upgrades	50,000			50,000	Hard
Family Crisis Center Security System	70,000			70,000	Soft (2)
Forestville Military Academy Track	50,000			50,000	Soft (U,all)
Fort Foote Elementary School Marquee Project		8,000		8,000	Soft (2)
Gateway Arts Center at Brentwood		20,000		20,000	Hard

<u>Project Title</u>	<u>Senate Initiative</u>	<u>House Initiative</u>	<u>Other</u>	<u>Total Funding</u>	<u>Match/ Requirements</u>
Glenarden Veterans Memorial	75,000	150,000		225,000	Soft (1)
Green Branch Athletic Complex			1,000,000	1,000,000	Soft (1)
Hamilton Street Parking		250,000		250,000	Soft (1)
Harbor Light Community Development Center	40,000			40,000	Hard
Knights of St. John Woodville School Building		50,000		50,000	Soft (1)
Labor of Love Learning Center	100,000	100,000		200,000	Hard
Largo High School PTSA Track Renovation	225,000			225,000	Soft (U,all)
Laurel Boys and Girls Club Renovation	150,000	50,000		200,000	Soft (all)
Riverdale Park Youth and Community Center	150,000	133,000		283,000	Hard
Riverdale Sportsplex		350,000		350,000	Soft (2, 3)
Southern Area Indoor Aquatic Center	75,000	25,000		100,000	Hard
<i>Subtotal:</i>				<u><i>\$3,146,000</i></u>	
St. Mary's					
Sotterley Plantation Post-Hurricane Restoration		50,000		<u>\$50,000</u>	Soft (2) Hist. Ease.
<i>Subtotal:</i>				<u><i>\$50,000</i></u>	
Talbot					
Easton Head Start Center		250,000		<u>\$250,000</u>	Hard
<i>Subtotal:</i>				<u><i>\$250,000</i></u>	
Washington					
Antietam Chapter #312 Korean War Veterans Monument	40,000			\$40,000	Soft (all)
Lockhouse 44, Lock 44, and Western MD Railroad Lift Bridge	175,000			<u>175,000</u>	Soft (2, 3)
<i>Subtotal:</i>				<u><i>\$215,000</i></u>	
Worcester					
Coastal Hospice at the Ocean Residence Project			500,000	\$500,000	Soft (1, 3)
Ocean City Center for the Arts	180,000	70,000		<u>250,000</u>	Soft (2)
<i>Subtotal:</i>				<u><i>\$750,000</i></u>	

<u>Project Title</u>	<u>Senate Initiative</u>	<u>House Initiative</u>	<u>Other</u>	<u>Total Funding</u>	<u>Match/ Requirements</u>
Statewide					
Broad Creek Memorial Scout Reservation		200,000		\$200,000	Soft (1, 2)
Chesapeake Grove Senior Housing and Intergenerational Center	60,000	190,000		250,000	Soft (1)
Food & Friends, Inc.	155,000			155,000	Hard
Linwood Center	345,000	155,000		500,000	Hard
Maryland Alliance of Boys and Girls Clubs – Renovations		250,000		250,000	Hard
Maryland Food Bank Sustainability Project	250,000	50,000		300,000	Hard
Patricia and Arthur Modell Performing Arts Center at the Lyric	250,000			250,000	Hard Hist. Ease.
Port Discovery		150,000		150,000	Hard
				<u>\$2,055,000</u>	
<i>Subtotal:</i>					
Total Senate and House Initiatives	\$7,500,000	\$7,500,000			

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

Operating Budget Relief and Fund Transfers

As shown in **Exhibit 2.4**, the GO bond program was used to reduce operating budget appropriations and to replace funds transferred from various capital accounts to the general fund. The fiscal situation continues to limit the use of PAYGO funds to support the capital program and has resulted in the shift of \$83.5 million of funding for certain grant and loan programs to the bond program. GO bond funding of \$38.5 million reflects the phased multi-year funding for the acquisition of new Medevac helicopters in place of special funds from the Helicopter Replacement Fund. The 2012 capital program also includes \$107.0 million of GO bond authorizations provided as part of a multi-year replacement for revenue and fund balance transfers. Of this amount, \$98.8 million reflects GO bond replacement for transfers made in prior year budgets and budget reconciliation and financing acts (BRFA) and the use of GO bonds to support the Tobacco Transition Program. The MCCBL of 2012 also provides an additional \$8.2 million of GO bonds for Department of Natural Resources (DNR) programs traditionally supported with transfer tax revenue special fund appropriations (\$4.0 million for the Critical Maintenance Program and \$4.2 million for the Natural Resources Development Fund). **Exhibit 2.5** illustrates the transfers and multi-year replacement associated with both fiscal 2011 through 2013 as they overlap and planned out-year GO bond replacement pre-authorized in the MCCBL of 2012.

Exhibit 2.4
Use of General Obligation Bond Program to Support Operating Budget Relief
(\$ in Millions)

	Fiscal 2013
<ul style="list-style-type: none"> Special Fund Revenue and Fund Balance Replacement: The budgets and the Budget Reconciliation and Financing Acts (BRFA) of 2010 and 2011 provided for the transfer of \$611.3 million of unexpended fund balance and estimated fiscal 2011 and 2012 revenue from multiple capital program accounts. The multi-year general obligation (GO) bond replacement plan accounts for \$98.8 million of GO bond authorizations in the Maryland Consolidated Capital Bond Loan (MCCBL) of 2012. In addition, the MCCBL of 2012 provided \$8.2 million of GO bond replacement (\$4.0 million for the Department of Natural Resources' (DNR) Critical Maintenance Program and \$4.2 million for the DNR Natural Resources Development Fund). 	\$107.0
<ul style="list-style-type: none"> Medevac Helicopter Replacement: Multi-year plan to use GO bond funds to fund the replacement of the Medevac helicopter fleet in place of using special funds from the Helicopter Replacement Fund. 	38.5
<ul style="list-style-type: none"> Use of GO Bond Funds to Fund Capital Programs Traditionally Funded with General Funds: This principally includes funding for grant and loan programs administered by the Department of Housing and Community Development and the Maryland Department of the Environment and use of bonds to fund the Aging Schools Program. 	83.5
Total	\$229.0

Exhibit 2.5
Fiscal 2010 through 2013 Fund Transfers and Multi-year General Obligation Bond Replacement Plan
(\$ in Millions)

<u>Program</u>	<u>Transfers</u>						<u>Fund Replacement</u>						Total Amount of Fund Transfers to Be Replaced in the CIP	Not Replaced
	<u>Special Fund Balances</u>	<u>Special Funds 2010</u>	<u>Special Funds 2011</u>	<u>Special Funds 2012</u>	<u>Special Funds 2013</u>	<u>Total Transfers</u>	<u>Replaced 2010</u>	<u>Replaced 2011</u>	<u>Replaced 2012</u>	<u>Replaced 2013</u>	<u>Replaced 2014</u>	<u>Replaced 2015</u>		
Waterway Improvement Program	\$12.5	\$0.0	\$3.9	\$1.1	\$0.0	\$17.5	\$0.0	\$10.2	\$7.3	\$0.0	\$0.0		\$17.5	\$0.0
Program Open Space (POS) – Stateside	172.3	4.6	13.1	24.2	14.7	228.9	172.3	11.0	4.8	12.8	15.1	7.9	223.9	4.9 ***
POS – Local	103.1	0.0	12.4	24.0	13.6	153.1	0.0	54.1	23.6	46.6	17.9	10.9	153.1	0.0
Rural Legacy	10.6	0.0	12.6	14.2	12.8	50.2	0.0	17.0	4.5	5.6	9.4	4.9	41.4	8.9 ***
Ocean City Beach Replenishment – POS	2.1	0.0	1.0	1.0		4.1	0.0	3.1	1.0	0.0	0.0		4.1	0.0
Ocean City Beach Replenishment – Local	3.4	0.0	0.0	0.0		3.4	0.0	3.4	0.0	0.0	0.0		3.4	0.0
Natural Resources Development Fund	17.7	0.0	0.0	4.6	4.2	26.5	0.0	10.1	3.5	8.9	0.0		22.5	4.0 *
Critical Maintenance Program	3.2	0.0	3.2	4.0	4.0	14.4	0.0	6.3	3.0	4.0	0.0		13.3	1.0 *
Dam Rehabilitation Program	0.7	0.0	0.0	0.5		1.2	0.0	0.2	1.0	0.0	0.0		1.2	0.0
House Assessment Program	0.9	0.0	0.0	0.0		0.9	0.0	0.3	0.4	0.1	0.0		0.8	0.2 *
Hurricane Isabel Funds	0.2	0.0	0.0	0.0		0.2	0.0	0.0	0.0	0.0	0.0		0.0	0.2 *
Neighborhood Business Development	3.6	0.0	3.2	0.0		6.8	0.0	6.7	0.0	0.0	0.0		6.7	0.1 **
Community Legacy Program	0.4	0.0	0.0	0.0		0.4	0.0	0.4	0.0	0.0	0.0		0.4	0.0
Homeownership Programs	0.0	0.0	3.0	1.5		4.5	0.0	3.0	1.5	0.0	0.0		4.5	0.0
Special Loan Programs	2.1	0.0	2.5	2.2		6.8	0.0	4.7	2.2	0.0	0.0		6.9	0.0
Tobacco Transition Program	0.0	0.0	2.0	1.5	1.9	5.4	0.0	2.0	1.5	1.9	0.0		5.4	0.0

Effect of the 2012 Legislative Program on the Financial Condition of the State

Program	<u>Transfers</u>						<u>Fund Replacement</u>						Total Amount of Fund Transfers to Be Replaced	Not Replaced	
	<u>Special Fund Balances</u>	<u>Special Funds 2010</u>	<u>Special Funds 2011</u>	<u>Special Funds 2012</u>	<u>Special Funds 2013</u>	<u>Total Transfers</u>	<u>Replaced 2010</u>	<u>Replaced 2011</u>	<u>Replaced 2012</u>	<u>Replaced 2013</u>	<u>Replaced 2014</u>	<u>Replaced 2015</u>	<u>Replaced in the CIP</u>		
Agricultural Land Preservation Program	10.0	0.0	11.8	21.1	16.2	59.1	0.0	17.8	4.4	8.7	12.7	6.1	49.7	9.4	***
Bay Restoration Fund	205.0	0.0	45.0	40.0		290.0	0.0	125.0	146.8	18.2	0.0		290.0	0.0	
Helicopter Replacement Fund	113.7	0.0	0.0	0.0		113.7	52.5	0.0	22.7	38. 5	0.0		113 .7	0.0	****
Total	\$661.5	\$4.6	\$113.7	\$139.9	\$67.4	\$987.1	\$224.8	\$275.3	\$228.2	\$145.3	\$55.1	\$29.8	\$958.5	\$28.7	

* Indicates amount not to be replaced based on other budget priorities or funds not needed to complete projects.

** The Budget Reconciliation and Financing Act (BRFA) of 2011 included the transfer of \$2.1 million of special funds from the Neighborhood Business Development Program that was replaced with \$2.1 million in general obligation (GO) bonds. The 2012 capital budget bill deletes the bonds replaced in recognition that the program received \$2.1 million of special fund appropriation through budget amendment, thereby making the replacement unnecessary.

*** In the 2010 session, the General Assembly also reduced the fiscal 2011 GO bond amount for the Maryland Agricultural Land Preservation Foundation (MALPF) by \$4.0 million to reflect the availability of special funds available from funds not used by the Maryland Agricultural and Resource-Based Industry Development Corporation. In the 2011 session, the General Assembly reduced the fiscal 2012 GO bond amount for Rural Legacy by \$4.6 million which is not being replaced. In the 2012 session, the General Assembly reduced the fiscal 2013 GO bond replacement funding for Stateside Program Open Space (POS) by \$4.908 million, Rural Legacy by \$4.267 million, and MALPF by \$5.418 million and made no provision to replace these funds in future years choosing instead to redirect the funds to provide additional funding for shovel-ready environmental and natural resources projects.

**** Helicopter Replacement Fund transfers include both fund balance transfers and revenue diversions – the amount needed to complete the new fleet purchase will exceed the amount transferred; therefore, the amount shown as replacement only reflects replacement of the transfers and diversions.

Note: The BRFA of 2012 (SB 1301) included \$96.9 million of special fund revenue transfers. The Maryland Consolidated Capital Bond Loan (MCCBL) of 2012 includes GO bond replacement provisions for these revenue diversions over a three-year period (fiscal 2013 through 2015). The final actions on the MCCBL of 2012 included an additional \$2.6 million of GO bond replacement for the Waterway Improvement Fund. The House and Senate agreed to strike the provision that would have transferred the \$2.6 million of revenue with the intent of providing an additional source of funding for shovel-ready projects to be undertaken in fiscal 2013. With respect to the transfer tax revenue GO bond replacement, the final actions on the MCCBL of 2012 resulted in the deletion of the \$19.1 million of planned GO bond replacement for POS (Stateside and Local), Rural Legacy, and MALPF. Instead, these authorizations were used to fund shovel-ready projects, of which \$14.6 million was directed to environmental and natural resources projects. The MCCBL of 2012 did include \$4.0 million and \$4.2 million, respectively, of GO bond replacement to the Department of Natural Resources' Critical Maintenance Program and Natural Resources' Development Fund which results in \$8.2 million of additional funding from what was intended from the transfer tax revenue diversion and GO bond replacement plan. The \$4.5 million for local POS, while not provided for in fiscal 2013, was added to the out-year pre-authorizations.

Debt Affordability

As shown in **Exhibit 2.6**, the long-range plan adopted by the Capital Debt Affordability Committee (CDAC) in December 2011 provides for a total of over \$5.885 billion in debt authorizations from 2012 to 2017. In December 2011, CDAC increased its recommended level of new GO bond authorizations for the 2012 session by \$150 million over what was recommended by the committee last year. However, the long-range plan remains unchanged because the committee adjusted the planned 2017 session level downward by \$150 million. This restructuring in the level of authorizations keeps the State within affordability ratios which limit State debt outstanding to 4% of State personal income and limit State debt service cost to no more than 8% of revenues supporting State debt.

Exhibit 2.6
Capital Debt Affordability Committee Recommended Levels of
General Obligation Bond Authorizations
2012-2017 Legislative Sessions
(\$ in Millions)

<u>Session</u>	<u>2010 Report Recommended Authorizations</u>	<u>2011 Report Recommended Authorizations</u>	<u>Authorization Change</u>
2012	\$925	\$1,075	\$150
2013	925	925	0
2014	935	935	0
2015	945	945	0
2016	955	955	0
2017	1,200	1,050	-150
Total	\$5,885	\$5,885	\$0

Source: *Report of the Capital Debt Affordability Committee on Recommended Debt Authorizations*, November 2010 and November 2011

The MCCBL of 2012 passed by the General Assembly is consistent with the \$1,075.0 million level of new GO debt authorizations recommended by CDAC. An additional \$15.3 million in QZABs which are not counted in the debt limit and an additional \$44.4 million in GO bonds from prior years de-authorized in the 2012 capital budget increases the amount of new GO debt included in the capital program to \$1.090 billion. Included in the \$1.090 billion of new debt is \$183.8 million authorized in the MCCBL of 2011 to complete the funding for

various projects that were split-funded over fiscal 2011 through 2013 as a mechanism to allow the projects to be bid and construction to commence during fiscal 2011 and 2012.

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

- **Senate Bill 1037 (Chapter 639)** amends prior authorization bond bills by extending matching fund deadlines, extending deadlines for expending or encumbering funds, altering the purposes for which funds may be used, modifying certification requirements, renaming grant recipients, or altering project locations which are consolidated into an omnibus bill. Prior to the 2008 session, individual prior authorization bills were passed by the General Assembly. For the 2011 session, the prior authorization bills approved by the General Assembly were included in the MCCBL of 2011 rather than through an omnibus prior authorization bill, but for the 2012 session, the separate prior authorization bill (**Senate Bill 1037**) was passed.
- The MCCBL of 2012 includes \$338.9 million of GO bond authorizations that will not take effect until fiscal 2014. Of this amount, \$183.8 million is needed to either continue the funding for existing construction contracts or allow projects expected to be contracted during fiscal 2012 and 2013 to proceed without the full amount of the construction authorization provided in the fiscal 2012 and 2013 budgets, \$62.2 million provides pre-authorizations for various GO bond replacement funding for special fund transfers, \$21.5 million is pre-authorized for the final installment for the InterCounty Connector, \$24.2 million is needed to provide an authorization for the contract for the replacement of the State's Medevac helicopters, and \$47.2 million reflects future commitments to projects. The MCCBL of 2012 also provides another \$104.8 million that will not take effect until fiscal 2014 and \$51.2 million that will not take effect until fiscal 2015. **Exhibit 2.7** shows the pre-authorizations for the 2013 through 2015 sessions.

Exhibit 2.7

Pre-authorizations Included in the MCCBL of 2012 for 2013 through 2015 Sessions

<u>Project Title</u>	<u>2013 Session</u>	<u>2014 Session</u>	<u>2015 Session</u>
BPW: Old Senate Chamber	\$5,100,000		
DNR: Program Open Space – Local	17,846,000	\$10,899,000	
DNR: Program Open Space – Stateside	15,093,000	7,900,000	
DNR: Rural Legacy	9,456,000	4,867,000	
MDA: Agricultural Land Preservation Program	12,653,000	6,134,000	
DHMH: Henryton Center – Abate Asbestos and Raze Buildings	3,050,000		
DPSCS: House of Correction Deconstruction	3,022,000		
UMCP: New Bioengineering	5,000,000		
TU: Campuswide Safety and Circulation	7,812,000		
FSU: Center for Communications and Information Technology	4,700,000		
CSU: New Science and Technology Center	47,050,000		
SU: New Library	4,000,000	49,000,000	\$51,200,000
UMBC: Campuswide Safety and Circulation	10,000,000		
UMBC: New Performing Arts Complex	30,600,000		
USM: Biomedical Sciences Engineering Shady Grove	5,000,000		
MHEC: Community College Grant Program	30,437,000		
MSU: New School of Business Complex	43,550,000	3,050,000	
DJS: Southern Maryland Children's Center	2,068,000		
DSP: Helicopter Replacement	24,250,000	8,000,000	
MISC: InterCounty Connector	21,475,000		
MISC: Ocean City Convention Center Expansion	3,500,000		
MISC: Maryland School for the Blind	5,000,000		
MISC: Johns Hopkins High Performance Data Center	12,000,000	15,000,000	
MISC: Southern Maryland Higher Education Center	10,000,000		
MISC: St. Mary's County Detention Center	6,266,000		
Total	\$338,928,000	\$104,850,000	\$51,200,000

BPW: Board of Public Works
 CSU: Coppin State University
 DJS: Department of Juvenile Services
 DNR: Department of Natural Resources
 DHMH: Department of Health and Mental Hygiene
 DPSCS: Department of Public Safety and Correctional Services
 DSP: Department of State Police
 FSU: Frostburg State University
 MCCBL: Maryland Consolidated Capital Bond Loan

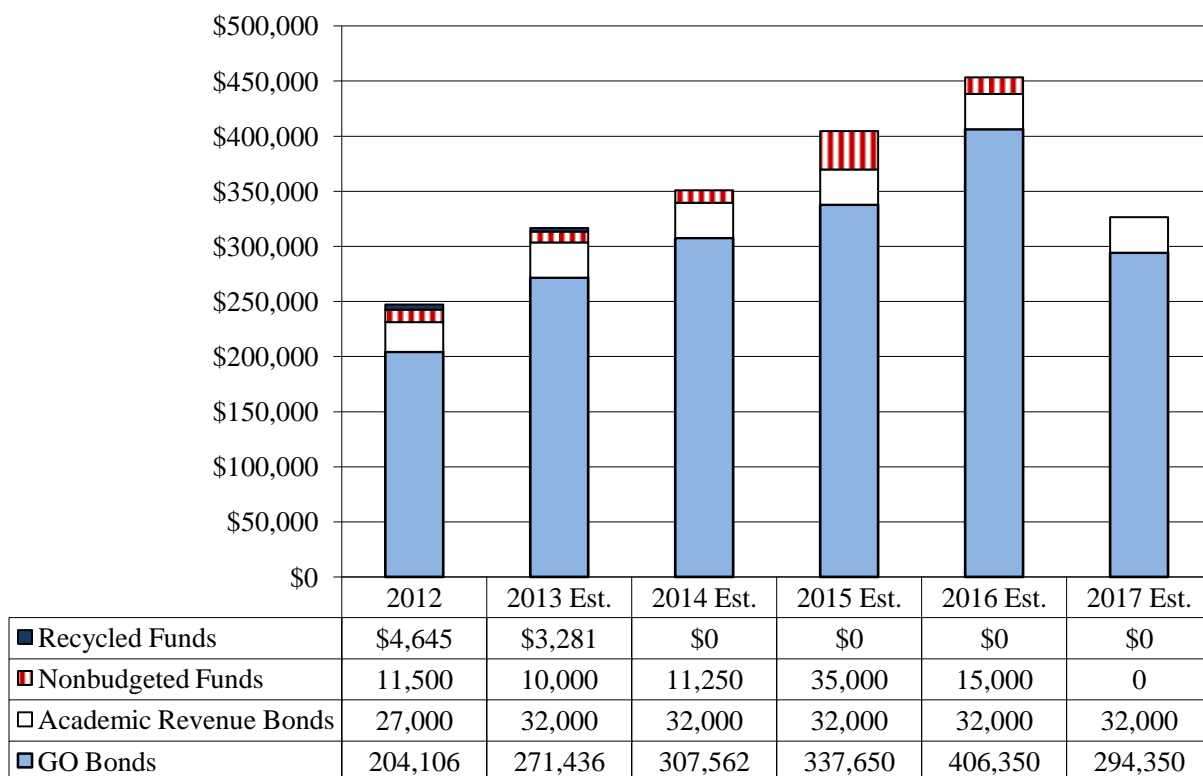
MDA: Maryland Department of Agriculture
 MHEC: Maryland Higher Education Commission
 MISC: miscellaneous
 MSU: Morgan State University
 SU: Salisbury University
 TU: Towson University
 UMBC: University of Maryland Baltimore County
 UMCP: University of Maryland, College Park
 USM: University System of Maryland Office

Note: The proposed pre-authorization for the MHEC Community College Grant Program would allow for the split funding of community college projects started last session by the legislature. This year's list includes \$11.7 million for the Cecil College Engineering and Math Building; \$1.1 million for the Anne Arundel Community College Administration Building Renovation and Expansion; \$12.95 million for the Community College of Baltimore County Catonsville F Building Renovation and Expansion; and \$4.7 million for the Harford Community College New Nursing and Allied Health Building.

Higher Education

The fiscal 2013 capital program for all segments of higher education is \$309.6 million, including GO bonds and ARBs. Of the total funding, four-year public institutions receive \$251.3 million, and independent colleges receive \$14.0 million. Community colleges, including Baltimore City Community College, receive \$44.3 million in fiscal 2013. The *Capital Improvement Program* (CIP), after legislative changes to the fiscal 2013 capital budget, shows \$1.617 billion in State capital spending for higher education projects from fiscal 2013 through 2017 all funds. **Exhibit 2.8** shows the fiscal 2012 and 2013 legislative appropriation for higher education capital projects and the funds anticipated in the CIP for fiscal 2014 through 2017. **Exhibit 2.9** shows the fiscal 2013 capital funding by institution.

Exhibit 2.8
Higher Education Authorized and Planned Out-year Capital Funding
Fiscal 2012-2017
(\$ in Thousands)



GO: general obligation

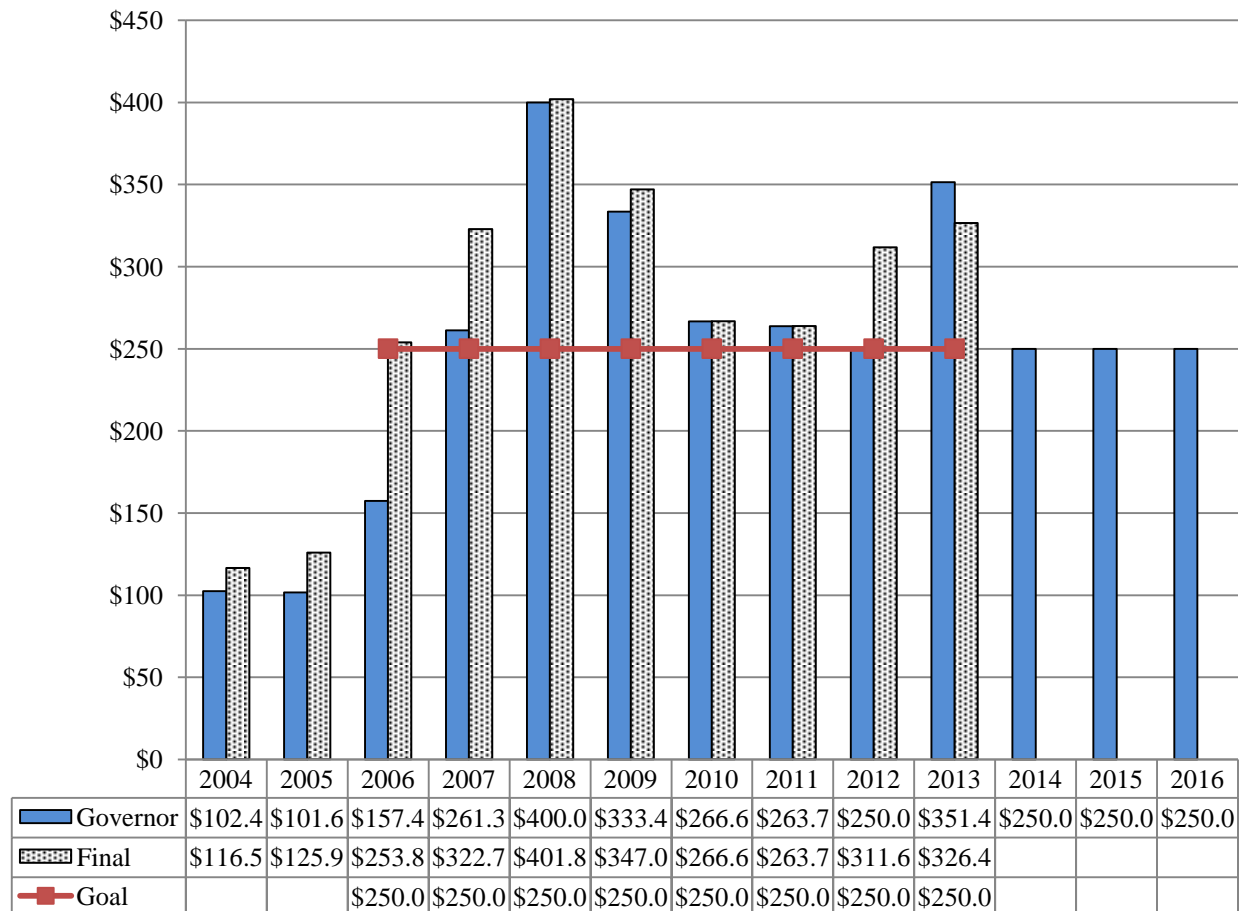
Exhibit 2.9
Fiscal 2013 Higher Education Capital Funding by Institution
 (\$ in Thousands)

<u>Institution</u>	<u>Capital Funding</u>
University of Maryland, Baltimore	\$4,672
University of Maryland, College Park	48,035
Towson University	11,700
Coppin State University	38,775
University of Baltimore	4,037
Bowie State University	5,266
Salisbury University	1,900
University System of Maryland – Facility Renewal	27,000
University of Maryland Eastern Shore	1,150
Frostburg State University	44,550
University of Maryland Baltimore County	34,225
Morgan State University	29,685
Independent Colleges	14,000
Community Colleges	44,315
St. Mary's College of Maryland	310
Total	\$309,620

School Construction

The fiscal 2013 capital budget includes \$326.4 million in GO bonds for public school construction, of which \$25.0 million is restricted to fund projects that improve the energy efficiency of schools including renewable energy systems. The local school systems requested approximately \$576.2 million for fiscal 2013, of which \$444.5 million is eligible for State funding. The Public School Facilities Act of 2004 (Chapters 306 and 307) established a State goal to provide \$2.0 billion in State funding over eight years to address school construction needs, or \$250.0 million per year from fiscal 2006 to 2013. Fiscal 2013 will be the eighth consecutive year that the goal has been met or exceeded, with the State providing a total of \$2.48 billion for school construction since fiscal 2006, as illustrated in **Exhibit 2.10**.

Exhibit 2.10
Public School Construction Funding
 (\$ in Millions)



Aging Schools and Qualified Zone Academy Bond Programs

The Aging Schools Program is funded with GO bond funds in fiscal 2013. The capital budget as passed by the General Assembly includes \$31.1 million in GO bonds allocated as grants to county boards of education as provided for under § 5-206 of the Education Article, as shown in **Exhibit 2.11**.

Exhibit 2.11
Aging Schools Program

<u>County</u>	<u>FY 2013</u>	<u>Add \$25 M</u>	<u>Total</u>
Allegany	\$97,791	\$400,193	\$497,984
Anne Arundel	506,039	2,070,874	2,576,913
Baltimore City	1,387,926	5,679,842	7,067,769
Baltimore	874,228	3,577,625	4,451,853
Calvert	38,292	156,703	194,996
Caroline	50,074	204,919	254,993
Carroll	137,261	561,717	698,978
Cecil	96,024	392,962	488,986
Charles	50,074	204,919	254,993
Dorchester	38,292	156,703	194,996
Frederick	182,622	747,349	929,972
Garrett	38,292	156,703	194,996
Harford	217,379	889,586	1,106,966
Howard	87,776	359,208	446,984
Kent	38,292	156,703	194,996
Montgomery	602,652	2,466,246	3,068,898
Prince George's	1,209,428	4,949,370	6,158,798
Queen Anne's	50,074	204,919	254,993
St. Mary's	50,074	204,919	254,993
Somerset	38,292	156,703	194,996
Talbot	38,292	156,703	194,996
Washington	134,904	552,072	686,976
Wicomico	106,627	436,353	542,980
Worcester	38,292	156,703	194,996
Total	\$6,109,000	\$25,000,000	\$31,109,000

Public school construction funding is further supplemented with \$15.3 million of QZABs authorized in **Senate Bill 1303 (Chapter 3 First Special Session of 2012)**. QZABs may be used in schools located in federal Enterprise or Empowerment Zones or in schools in which 35% of the student population qualifies for free or reduced price meals. QZAB funds are distributed to local school systems through competitive grants. However, **Senate Bill 1303** makes the Breakthrough Center and public charter schools eligible for QZAB distributions, as was the case with the QZAB bill from the 2011 session.

Transfer Tax

The property transfer tax is the primary funding source for State land conservation programs. The Governor proposed the transfer of \$96.9 million in special funds to the general fund through the BRFA of 2012. This was comprised of \$65.5 million in fiscal 2013 transfer tax special fund appropriation from programs that purchase conservation easements and acquire land and from programs for capital development, as well as \$31.4 million in fiscal 2013 unallocated revenues. The Governor proposed to replace a portion of the fiscal 2013 transfer tax special fund appropriation with GO bond authorizations in fiscal 2013 and pre-authorizations in fiscal 2014 and 2015. The General Assembly agreed with the transfers but reduced the fiscal 2013 GO bond authorization replacement funding programmed to purchase conservation easements and acquire land.

With the exception of POS – Local, there are fiscal 2014 and 2015 GO bond pre-authorizations in the MCCBL of 2012 for the programs that purchase conservation easements and acquire land in order to replace funding for two-thirds of the fiscal 2013 transfer tax special funds that were transferred to the general fund. POS – Local is fully funded by additional pre-authorizations for fiscal 2014 and 2015. **Exhibit 2.12** shows the fiscal 2013 allocation of funding for programs traditionally funded with transfer tax revenue. **Exhibit 2.13** shows the fiscal 2013 allocation of GO bonds provided for the State's land acquisition and land easement programs.

Exhibit 2.12
Programs Traditionally Funded with Transfer Tax Revenue
Fiscal 2013
(\$ in Millions)

	<u>Transfer Tax Special Funds</u>	<u>Other Special Funds</u>	<u>Federal</u>	<u>GO Bonds</u>	<u>Total</u>
Department of Natural Resources					
Program Open Space					
State ¹	\$3.7	\$0.0	\$3.0	\$14.1	\$20.8
Local ²	0	0.0	0.0	46.6	46.6
Capital Development ³	0	0.0	0.0	21.0	21.0
Rural Legacy Program ⁴	0	0.0	0.0	5.6	5.6
Heritage Conservation Fund	1.7	0.0	0.0	0.0	1.7
Department of Agriculture					
Agricultural Land Preservation ⁵	0	8.8	0.0	8.7	17.5
Total	\$5.4	\$8.8	\$3.0	\$96.0	\$113.2

GO: general obligation

Note: Numbers may not sum to total due to rounding. The budget includes the transfer \$96.9 million in transfer tax special fund appropriation through the Budget Reconciliation and Financing Act (BRFA) of 2012. This funding is comprised of the following: Program Open Space (POS) – State (\$14.7 million), POS – Local (\$13.6 million), POS – Capital Development (\$8.2 million), Rural Legacy Program (\$12.8 million), Agricultural Land Preservation (\$16.3 million), and unallocated revenues from fiscal 2013 (\$31.4 million).

¹ The POS – State funding reflects \$3.7 million in special funds from the transfer tax as follows: Baltimore City Direct Grant (\$1.5 million), operating expenses per the BRFA of 2011 (\$1.2 million), and land acquisition costs that are not general obligation (GO) bond eligible (\$1.0 million). The \$3.0 million in federal funding reflects estimated revenue appropriations from three separate federal grant sources. The \$14.1 million in GO bond authorization reflects an additional \$1.3 million for the Baltimore City Direct Grant and a total of \$12.8 million in replacement of transfer tax transferred to the general fund comprised of funding transferred before fiscal 2011 (\$1.6 million), in fiscal 2011 (\$1.4 million), from fiscal 2010 overattainment (\$2.6 million), and in fiscal 2012 (\$7.2 million). There is an additional \$15.1 million in GO debt pre-authorized for fiscal 2014 and \$7.9 million pre-authorized for fiscal 2015 to replace transfers to the general fund.

² The POS – Local funding reflects \$46.6 million in GO bond authorization reflects the replacement of transfer tax transferred to the general fund comprised of funding transferred before fiscal 2011 (\$36.4 million), from fiscal 2010 overattainment (\$3.2 million), and in fiscal 2012 (\$6.9 million). There is an additional \$17.8 million in GO debt pre-authorized for fiscal 2014 and \$10.9 million pre-authorized for fiscal 2015 to replace transfers to the general fund.

³ The Capital Development funding of \$21.0 million GO bond authorizations reflects \$10.9 million for the Natural Resources Development Fund and \$10.1 million for the Critical Maintenance Program.

⁴ The Rural Legacy Program funding reflects \$5.6 million in GO bond authorization. The GO bond authorization reflects the replacement of transfer tax transferred to the general fund comprised of funding transferred in fiscal 2011 (\$0.6 million), from fiscal 2010 overattainment (\$0.4 million), and in fiscal 2012 (\$4.6 million). There is an additional \$9.5 million in GO debt pre-authorized for fiscal 2014 and \$4.9 million for fiscal 2015 to replace transfers to the general fund.

⁵ The Agricultural Land Preservation funding reflects \$ \$8.8 million in other special funds from agricultural transfer tax and county funds. The GO bond authorization of \$8.7 million reflects the replacement of transfer tax transferred to the general fund comprised of funding transferred from fiscal 2010 overattainment (\$1.5 million), and in fiscal 2012 (\$7.2 million). There is an additional \$12.7 million in GO debt pre-authorized for fiscal 2014 and \$6.1 million for fiscal 2015 to replace transfers to the general fund.

Exhibit 2.13
Land Acquisition/Easement Program GO Bond Funding

<u>Program</u>	<u>Time Period</u>	<u>Allowance FY 2013</u>	<u>Final FY 2013</u>	<u>Difference</u>
POS – State	Prior Transfers	\$1.600	\$1.600	\$0.000
	FY 2011 Transfers	1.393	1.393	0.000
	FY 2012 Transfers	7.193	7.193	0.000
	FY 2010 Overattainment	2.606	2.606	0.000
	FY 2013 Transfers	4.908	0.000	-4.908
	<i>Subtotal</i>	<i>\$17.700</i>	<i>\$12.792</i>	<i>-\$4.908</i>
POS – Local	Prior Transfers	\$36.401	\$36.401	\$0.000
	FY 2011 Transfers	0.000	0.000	0.000
	FY 2012 Transfers	6.947	6.947	0.000
	FY 2010 Overattainment	3.239	3.239	0.000
	FY 2013 Transfers	4.522	0.000	-4.522
	<i>Subtotal</i>	<i>\$51.109</i>	<i>\$46.587</i>	<i>-\$4.522</i>
Rural Legacy	FY 2011 Transfers	\$0.602	\$0.602	\$0.000
	FY 2012 Transfers	4.589	4.589	0.000
	FY 2010 Overattainment	0.431	0.431	0.000
	FY 2013 Transfers	4.267	0.000	-4.267
	FY 2013 Statutory Amount	5.000	0.000	-5.000
	<i>Subtotal</i>	<i>\$14.889</i>	<i>\$5.622</i>	<i>-\$9.267</i>
MALPF	FY 2012 Transfers	\$7.236	\$7.236	\$0.000
	FY 2010 Overattainment	1.470	1.470	0.000
	FY 2013 Transfers	5.418	0.000	-5.418
	<i>Subtotal</i>	<i>\$14.124</i>	<i>\$8.706</i>	<i>-\$5.418</i>
Tobacco Transition	FY 2013	\$1.894	\$1.894	\$0.000
	<i>Subtotal</i>	<i>\$1.894</i>	<i>\$1.894</i>	<i>\$0.000</i>
Total		\$99.716	\$75.601	-\$24.115

GO: general obligation

MALPF: Maryland Agricultural Land Preservation Foundation

POS: Program Open Space

Note: The Maryland Consolidated Capital Bond Loan (MCCBL) of 2012 as introduced included \$99.7 million of GO bond funding for the State's land acquisition and easement purchase programs. This funding reflects phased and multi-year replacement for both prior year transfer tax diversions to the general fund and partial replacement for fiscal 2013 transfer tax revenues diverted to the general fund in SB 1301 – the Budget Reconciliation and Financing Act (BRFA) of 2012. The final actions on the MCCBL of 2012 resulted in the deletion of the \$19.1 million of planned GO bond replacement for POS (Stateside and Local), Rural Legacy, and MALPF. Instead these authorizations were used to fund shovel-ready projects, of which \$14.6 million was directed to environmental and natural resources projects. The \$4.5 million for Local POS, while not provided for in fiscal 2013, was added to the out-year pre-authorizations (the out-year pre-authorizations provided \$21.4 million in each of fiscal 2014 and 2015 to complete the replacement funding of the transfer tax despite the revenues not being transferred to the general fund due to the failure of the BRFA of 2012).

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 2013</u>	<u>FY 2014</u>	<u>FY 2015</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>Comments</u>
SB 8	Maryland Income Tax Refund – Anne Arundel County – Warrants (Ch. 451)						
	GF	increase	decrease	\$0	\$0	\$0	Minimal income tax revenues.
SB 19/HB 319	Sales and Use Tax – Exemption – Veterans’ Organizations (Ch. 452/Ch. 453)						
	GF	(\$87,037)	(\$88,013)	(\$89,001)	(\$90,002)	(\$91,106)	
SB 40/HB 1301	Sales and Use Tax – Machinery and Equipment – Energy Star Windows and Doors (Ch. 456/Ch. 457)						
	GF	(\$255,000)	(\$255,000)	(\$255,000)	(\$255,000)	(\$255,000)	
SB 82	Maryland Automobile Insurance Fund – Claims for Bodily Injury or Death – Payment Limitation (Ch. 460)						
	GF	\$0	(\$328,995)	(\$342,812)	(\$356,525)	(\$370,429)	
	NB	\$0	\$328,995	\$342,812	\$356,525	\$370,429	
SB 108	Maryland Horse Industry Board – Licensing (Ch. 19)						
	SF	\$6,250	\$12,500	\$18,750	\$25,000	\$31,250	SF expenditures may increase by similar amount beginning in FY 2015.
SB 111	Vehicle Laws – Identification Cards and Drivers’ Licenses Period of Validity (Ch. 175)						
	SF	\$5,364,297	\$4,210,278	\$6,222,650	\$6,634,033	\$7,310,009	
SB 113	Weights and Measures – Registration Fees (Ch. 22)						
	SF	\$292,863	\$292,863	\$292,863	\$292,863	\$292,863	
SB 114	Environment – Controlled Hazardous Substance Driver Certification – Elimination (Ch. 176)						
	SF	(\$2,560)	(\$2,560)	(\$2,560)	(\$2,560)	(\$2,560)	
SB 123	Real Property – Foreclosure Sale of Residential Property – Notice to Local Supervisor of Assessments (Ch. 461)						
	SF	increase	increase	increase	increase	increase	Potential significant property tax revenues.
SB 127	Natural Resources – Marine Gathering Permit – Establishment (Ch. 178)						
	SF	increase	increase	increase	increase	increase	Minimal permit fee revenues beginning in FY 2012. SF expenditures increase by same amount.

Legislation Affecting State Revenues

	<u>Fund</u>	<u>FY 2013</u>	<u>FY 2014</u>	<u>FY 2015</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>Comments</u>
SB 131/HB 115	Criminal Procedure – Warrantless Arrests – Theft Crimes (Ch. 29/Ch. 30)						
	GF	increase	increase	increase	increase	increase	Minimal fine revenues.
SB 132/HB 334	Health Occupations – State Board of Pharmacy – Jurisdiction Over Nonresident Pharmacies (Ch. 182/Ch. 183)						
	SF	\$147,000	\$0	\$110,250	\$0	\$110,250	
SB 134	State Real Estate Commission – Sunset Extension and Program Evaluation (Ch. 184)						
	SF	increase	increase	increase	increase	increase	Potential minimal fine and license fee revenues.
SB 142	Secretary of Agriculture – Farm Food Safety (Ch. 32)						
	FF	\$0	increase	increase	increase	increase	Potential program reimbursement revenues.
	SF	\$0	increase	increase	increase	increase	Potential fee revenues. SF expenditures increase by same amount.
SB 144	Department of Labor, Licensing, and Regulation – Occupational and Professional Licensing – Licensees on Military Deployment (Ch. 33)						
	GF/SF	decrease	decrease	decrease	decrease	decrease	Minimal license fee revenues.
SB 145	State Real Estate Commission – Continuing Education – Documentation (Ch. 34)						
	GF/SF	decrease	decrease	decrease	decrease	decrease	Minimal fine and license fee revenues.
SB 167	Tax Credits for Qualifying Employees with Disabilities – Sunset Extension (Ch. 467)						
	GF	(\$35,700)	(\$53,300)	(\$11,600)	\$0	\$0	
	SF	(\$3,000)	(\$9,900)	(\$2,200)	\$0	\$0	Transportation Trust Fund.
	SF	(\$2,200)	(\$3,600)	(\$800)	\$0	\$0	Higher Education Investment Fund.
SB 174/HB 114	Subsequent Injury Fund and Uninsured Employers' Fund – Assessments on Settlement Agreements (Ch. 40/Ch. 41)						
	SF	(\$1,652,851)	(\$1,669,380)	(\$1,686,073)	(\$1,702,934)	(\$1,719,963)	Subsequent Injury Fund.
	SF	(\$508,569)	(\$513,655)	(\$518,791)	(\$523,979)	(\$529,219)	Uninsured Employers' Fund.
SB 179/HB 243	Kathleen A. Mathias Chemotherapy Parity Act of 2012 (Ch. 4/Ch. 5)						
	SF	increase	\$0	\$0	\$0	\$0	Minimal form filing fee revenue.

Legislation Affecting State Revenues

	<u>Fund</u>	<u>FY 2013</u>	<u>FY 2014</u>	<u>FY 2015</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>Comments</u>
SB 214/HB 350	Criminal Law – Possession of Marijuana – De Minimis Quantity (Ch. 193/Ch. 194)						
	GF	decrease	decrease	decrease	decrease	decrease	Minimal fine revenues.
SB 236	Sustainable Growth and Agricultural Preservation Act of 2012 (Ch. 149)						
	SF	decrease	decrease	decrease	decrease	decrease	Significant residential development-related tax and fee revenues.
SB 262/HB 276	Health Occupations – Psychologists – Penalties for Misrepresentation and Practicing Without a License (Ch. 204/Ch. 205)						
	GF/SF	increase	increase	increase	increase	increase	Potential fine revenues.
SB 290	Financial Institutions – Savings Banks – Conversions (Ch. 52)						
	SF	\$5,000	increase	increase	increase	increase	Minimal fee revenues.
SB 291	Unemployment Insurance – Coverage – Victims of Domestic Violence (Ch. 53)						
	NB	\$17,937	\$32,142	\$32,677	\$33,112	\$33,593	
SB 294/HB 444	Family Farm Preservation Act of 2012 (Ch. 448/Ch. 449)						
	GF	(\$1,759,000)	(\$2,416,000)	(\$2,561,000)	(\$2,715,000)	(\$2,796,000)	
SB 296	Income Tax Credit – Security Clearances – Employer Costs (Ch. 478)						
	GF	\$0	\$0	(\$1,421,300)	(\$1,421,300)	(\$1,457,100)	
	SF	\$0	\$0	(\$303,600)	(\$303,600)	(\$267,800)	Transportation Trust Fund.
	SF	\$0	\$0	(\$110,100)	(\$110,100)	(\$110,100)	Higher Education Investment Fund.
SB 297/HB 463	Property and Casualty Insurance – Certificates of Insurance and Certificate of Insurance Forms (Ch. 479/Ch. 480)						
	SF	increase	increase	increase	increase	increase	Minimal form filing fee revenues.
SB 302	Financial Institutions – Commissioner of Financial Regulation – Investigative and Enforcement Powers and Regulation of Mortgage Lenders (Ch. 55)						
	SF	\$55,000	\$50,000	\$50,000	\$50,000	\$50,000	

Legislation Affecting State Revenues

	<u>Fund</u>	<u>FY 2013</u>	<u>FY 2014</u>	<u>FY 2015</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>Comments</u>
SB 306/HB 476	Baltimore City – Vehicle Height Monitoring Systems (Ch. 376/Ch. 375)						
	GF	increase	increase	increase	increase	increase	Minimal fine revenues.
SB 309/HB 149	Mopeds and Motor Scooters – Titling, Insurance, and Required Use of Protective Headgear (Ch. 210/Ch. 211)						
	GF	decrease	decrease	decrease	decrease	decrease	Potential significant sales tax revenues.
	SF	increase	increase	increase	increase	increase	Potential significant TTF revenues.
SB 328/HB 13	Baltimore City – 45th Legislative District – Alcoholic Beverages – Landlords – Licensed Premises (Ch. 217/Ch. 218)						
	GF	increase	increase	increase	increase	increase	Minimal fine revenues.
SB 332/HB 71	Family Security Trust Fund – Requirement to Transfer Interest to the General Fund – Exemption (Ch. 483/Ch. 484)						
	GF	(\$6,149)	(\$7,546)	(\$8,960)	\$0	\$0	
	SF	\$6,149	\$7,546	\$8,960	\$0	\$0	
SB 353/HB 318	Estates – Small Estate Administration – Eligibility Thresholds (Ch. 62/Ch. 63)						
	GF	decrease	decrease	decrease	decrease	decrease	Potential inheritance tax revenues.
SB 377	Alcoholic Beverages – Baltimore City – False Advertising (Ch. 223)						
	GF	increase	increase	increase	increase	increase	Minimal fine revenues.
SB 401	Motor Vehicles – Towing Practices and Procedures (Ch. 228)						
	GF	increase	increase	increase	increase	increase	Potential significant fine revenues.
SB 477/HB 1107	Job Creation Tax Credit – Termination Provisions (Ch. 521/Ch. 522)						
	GF	\$0	\$0	(\$318,000)	(\$636,000)	(\$646,000)	
	SF	\$0	\$0	(\$15,000)	(\$30,000)	(\$30,000)	Higher Education Investment Fund.
	SF	\$0	\$0	(\$42,000)	(\$84,000)	(\$74,000)	Transportation Trust Fund.
SB 487/HB 435	Vehicle Laws – Salvage – Defective, Lost, or Destroyed Certificates of Title (Ch. 76/Ch. 77)						
	SF	increase	increase	increase	increase	increase	Minimal fee revenues.
SB 506/HB 292	Vehicle Laws – Provisional Driver’s Licenses – Driver Education Requirements (Ch. 245/Ch. 246)						
	GF/SF	increase	increase	increase	increase	increase	Potential significant fee revenues.

Legislation Affecting State Revenues

	<u>Fund</u>	<u>FY 2013</u>	<u>FY 2014</u>	<u>FY 2015</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>Comments</u>
SB 545	Money Transmitters – Licensing Requirements and Participation in Nationwide Licensing System (Ch. 78)						
	SF	\$43,000	\$43,000	\$43,000	\$43,000	\$43,000	Potential minimal fee revenue in FY 2012.
SB 546	Financial Institutions – Mortgage Lenders and Mortgage Loan Originators (Ch. 254)						
	SF	\$80,625	\$80,625	\$80,625	\$80,625	\$80,625	
SB 579/HB 1126	Alcoholic Beverages – Farm Brewery Manufacturer’s License (Ch. 542/Ch. 543)						
	GF	increase	increase	increase	increase	increase	Minimal license fee revenues.
SB 580/HB 600	Income Tax – Subtraction Modification – Mortgage Forgiveness Debt Relief (Ch. 544/Ch. 545)						
	GF	\$0	(\$4,900,000)	\$0	\$0	\$0	
SB 603	Health Care Practitioners – Licensed Dentists, Physicians, and Podiatrists – Personally Preparing and Dispensing Prescription Drugs and Devices (Ch. 267)						
	GF	\$0	increase	increase	increase	increase	Significant permit fee revenues. GF expenditures increase by similar amount.
SB 649/HB 1262	Environment – Asbestos Worker Protection (Ch. 278/Ch. 279)						
	SF	increase	increase	increase	increase	increase	Potential significant fine revenues. Special fund expenditures increase by same amount.
SB 650/HB 631	Public Safety— Impersonating a Police Officer – WMATA Metro Transit Police (Ch. 280/Ch. 281)						
	GF	increase	increase	increase	increase	increase	Potential minimal fine revenues.
SB 656/HB 53	Higher Education – Community Colleges – Tuition Waiver for Disabled Individuals (Ch. 82/Ch. 83)						
	HE	decrease	decrease	decrease	decrease	decrease	Baltimore City Community College revenues.
SB 674/HB 1219	Primary and Secondary Education – Online Courses and Services – Development or Review and Approval (Ch. 287/Ch. 288)						
	SF	\$84,627	\$90,439	\$94,651	\$99,062	\$103,678	SF revenues increase by \$11,200 in FY 2012. SF expenditures increase by same amount.

Legislation Affecting State Revenues

	<u>Fund</u>	<u>FY 2013</u>	<u>FY 2014</u>	<u>FY 2015</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>Comments</u>
SB 781/HB 1149	Health Insurance – Coverage for Services Delivered Through Telemedicine (Ch. 579/Ch. 580)						
	SF	increase	\$0	\$0	\$0	\$0	Minimal form filing fee revenues.
SB 791/HB 1187	Renewable Energy Portfolio Standard – Solar Energy and Solar Water Heating Systems (Ch. 583/Ch. 584)						
	SF	\$0	increase	increase	increase	increase	Potential fine revenues.
SB 792/HB 571	Linked Deposit Program for Small Businesses – Lend Local Act of 2012 (Ch. 585/Ch. 586)						
	GF	decrease	decrease	decrease	decrease	decrease	Potential significant investment return decrease of up to \$1 million annually.
SB 807	Income Tax – Subtraction Modification – Land Acquisition for Department of Transportation (Ch. 587)						
	GF	(\$373,700)	(\$373,700)	(\$373,700)	(\$373,700)	(\$373,700)	
SB 811/HB 1094	Insurance – Fraud Violations – Fines and Administrative Penalties (Ch. 588/Ch. 589)						
	GF	increase	increase	increase	increase	increase	Potential significant fine revenues.
SB 814/HB 89	Public Safety – Elevators – Accessibility Lift Mechanic License (Ch. 306/Ch. 307)						
	SF	\$4,000	\$6,000	\$4,000	\$6,000	\$4,000	
SB 843/HB 1223	Institutions of Postsecondary Education – Fully Online Distance Education Programs – Registration (Ch. 595/Ch. 596)						
	SF	\$121,319	\$152,221	\$162,618	\$170,260	\$178,271	SF expenditures increase by same amount.
SB 852/HB 918	Sales and Use Tax – Alcoholic Beverages – Calculation of Tax (Ch. 597/Ch. 598)						
	GF	(\$750,000)	(\$750,000)	(\$750,000)	(\$750,000)	(\$750,000)	
SB 864	Gaming – Electronic Machines – Regulation (Ch. 603)						
	GF	\$9,529,206	\$9,529,206	\$9,529,206	\$9,529,206	\$9,529,206	
	SF	\$4,581,112	\$4,581,112	\$4,581,112	\$4,581,112	\$4,581,112	SF expenditures increase by same amount.
SB 868/HB 862	Residential Child and Youth Care Practitioners – Certification – Modifications (Ch. 312/Ch. 313)						
	GF	\$0	\$0	\$0	decrease	decrease	Minimal license fee revenues.
SB 889/HB 349	Criminal Law – Misdemeanor Possession of Child Pornography – Statute of Limitations (Ch. 316/Ch. 317)						
	GF	increase	increase	increase	increase	increase	Minimal fine revenues.

Legislation Affecting State Revenues

	<u>Fund</u>	<u>FY 2013</u>	<u>FY 2014</u>	<u>FY 2015</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>Comments</u>
SB 895/HB 753	Maryland State Board of Morticians and Funeral Directors – Permits and Registration Required to Remove and Transport Human Remains (Ch. 614/Ch. 615)						
	SF	\$20,000	\$0	\$20,000	\$0	\$20,000	SF expenditures increase by similar amount.
SB 969/HB 1207	State Board of Professional Counselors and Therapists – Licensure of Clinical Professional Art Therapists (Ch. 628/Ch. 629)						
	SF	\$42,000	\$0	\$48,000	\$0	\$48,000	SF expenditures increase by similar amount.
SB 1018/HB 1316	Alcoholic Beverages – Rectifiers – Tours, Samples, and Sales (Ch. 636/Ch. 637)						
	GF	increase	increase	increase	increase	increase	Potential minimal sales and alcoholic beverages tax revenues.
SB 1036	Academic Facilities Bonding Authority (Ch. 638)						
	BOND	\$32,000,000	\$0	\$0	\$0	\$0	Bond expenditures increase by same amount.
SB 1301	Budget Reconciliation and Financing Act of 2012 (Ch. 1 of 2012 Special Session)						
	FF	(\$2,102,248)	(\$1,892,315)	(\$1,676,084)	(\$1,453,366)	(\$1,223,967)	FF Medicaid expenditures decrease by same amount.
	GF	(\$250,523,364)	\$6,180,000	(\$31,480,309)	(\$31,667,804)	(\$31,853,355)	
	HE	(\$383,840)	(\$395,355)	(\$407,216)	(\$419,432)	(\$432,015)	
	SF	\$327,080,770	\$12,301,128	\$12,655,162	\$13,019,817	\$13,395,412	
SB 1302	State and Local Revenue and Financing Act of 2012 (Ch. 2 of 2012 Special Session)						
	GF	\$261,600,000	\$208,200,000	\$214,500,000	\$227,100,000	\$241,500,000	Transportation Trust Fund. Higher Education Investment Fund.
	SF	\$1,586,900	\$1,634,500	\$1,683,500	\$1,529,500	\$1,575,400	
	SF	\$575,400	\$592,700	\$610,500	\$628,800	\$647,700	
SB 1303	Creation of a State Debt – Qualified Zone Academy Bonds (Ch. 3 of 2012 Special Session)						
	BOND	\$15,324,000	\$0	\$0	\$0	\$0	Bond expenditures increase by same amount.
HB 13/SB 328	See entry for SB 328.						

78

Effect of the 2012 Legislative Program on the Financial Condition of the State

Legislation Affecting State Revenues

	<u>Fund</u>	<u>FY 2013</u>	<u>FY 2014</u>	<u>FY 2015</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>Comments</u>
HB 431	Vehicle Laws – Use of School Bus Monitoring Cameras (Ch. 124)						
	GF/SF	increase	increase	increase	increase	increase	Fine revenues.
HB 435/SB 487	See entry for SB 487.						
HB 438	Civil Marriage Protection Act (Ch. 2)						
	GF	decrease	decrease	decrease	decrease	decrease	Minimal inheritance tax revenues.
	GF	increase	increase	increase	increase	increase	Potential sales and use tax revenues.
HB 442	Economic Development – Maryland Technology Development Corporation – Maryland Innovation Initiative (Ch. 450)						
	SF	\$5,800,000	\$5,800,000	\$5,800,000	\$5,800,000	\$5,800,000	SF expenditures increase by same amount.
HB 444/SB 294	See entry for SB 294.						
HB 446	Environment – Bay Restoration Fund – Fees and Uses (Ch. 150)						
	SF	\$53,114,592	\$54,740,000	\$55,287,000	\$55,839,000	\$56,397,000	\$64,033,200 assumed in FY 2013 budget.
HB 463/SB 297	See entry for SB 297.						
HB 476/SB 306	See entry for SB 306.						
HB 511	State Board of Environmental Health Specialists – Transfer of Responsibilities (Ch. 667)						
	GF	(\$68,475)	(\$16,628)	(\$69,500)	(\$16,794)	(\$70,890)	
	SF	\$123,800	\$16,628	\$125,038	\$16,794	\$126,288	Aggregate SF expenditures increase by similar amount.
HB 544	Vehicle Laws – Motor Carriers – Application of Federal Safety Regulations (Ch. 126)						
	GF	increase	increase	increase	increase	increase	Potential minimal fine revenues.
HB 571/SB 792	See entry for SB 792.						

Legislation Affecting State Revenues

80

	<u>Fund</u>	<u>FY 2013</u>	<u>FY 2014</u>	<u>FY 2015</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>Comments</u>
HB 592	Tax Credit for Businesses That Create New Jobs – Enhanced Credit – Extension (Ch. 128)						
	GF	\$0	\$0	\$0	(\$809,547)	(\$834,184)	
	SF	\$0	\$0	\$0	(\$172,989)	(\$153,265)	Transportation Trust Fund.
	SF	\$0	\$0	\$0	(\$62,715)	(\$63,029)	Higher Education Investment Fund.
HB 595	Alcoholic Beverages – Manufacturer’s Licenses (Ch. 385)						
	GF	increase	increase	increase	increase	increase	Potential minimal license fee revenues.
HB 600/SB 580	See entry for SB 580.						
HB 631/SB 650	See entry for SB 650.						
HB 644	Environment – Reducing the Incidence of Lead Poisoning (Ch. 387)						
	SF	increase	increase	increase	increase	increase	Significant fee revenues.
HB 717	Alcoholic Beverages – Distilleries – Tours, Samples, and Sales (Ch. 391)						
	GF	increase	increase	increase	increase	increase	Minimal sales and alcoholic beverages tax revenues.
HB 753/SB 895	See entry for SB 895.						
HB 770	Public Service Commission – Electric Companies – New Generation Facilities and Customer Credits and the Electric Universal Service Program (Ch. 679)						
	SF	increase	increase	increase	increase	increase	Potential rate credit revenues. SF expenditures increase by same amount.
HB 862/SB 868	See entry for SB 868.						
HB 879	Environment – Statewide Electronics Recycling Program (Ch. 400)						
	SF	decrease	decrease	decrease	decrease	decrease	Significant fee revenues.
HB 918/SB 852	See entry for SB 852.						
HB 919	Prince George’s County – Issuance, Transfer, and Renewal of Alcoholic Beverages Licenses – Payment of Taxes PG 302-12 (Ch. 690)						
	GF/SF	increase	increase	increase	increase	increase	Potential income, sales, and other taxes.

Effect of the 2012 Legislative Program on the Financial Condition of the State

Legislation Affecting State Revenues

	<u>Fund</u>	<u>FY 2013</u>	<u>FY 2014</u>	<u>FY 2015</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>Comments</u>
HB 920	Maryland Uniform Athlete Agents Act – Definitions and Prohibitions (Ch. 691)						
	GF	increase	increase	increase	increase	increase	Minimal license fee revenues.
HB 929	Environment – Recycling Rates and Waste Diversion – Statewide Goals (Ch. 692)						
	GF/SF/FF	\$0	\$0	increase	increase	increase	Potential minimal recycled material reimbursements.
HB 975	Income Tax – Subtraction Modification – Forest Conservation and Management Program Expenses (Ch. 693)						
	GF	decrease	decrease	decrease	decrease	decrease	Minimal income tax revenues.
HB 1081	Homestead Property Tax Credit Reform Act of 2012 (Ch. 701)						
	SF	increase	increase	increase	increase	increase	Potential Annuity Bond Fund revenues.
HB 1094/SB 811	See entry for SB 811.						
HB 1107/SB 477	See entry for SB 477.						
HB 1126/SB 579	See entry for SB 579.						
HB 1149/SB 781	See entry for SB 781.						
HB 1187/SB 791	See entry for SB 791.						
HB 1207/SB 969	See entry for SB 969.						
HB 1219/SB 674	See entry for SB 674.						
HB 1223/SB 843	See entry for SB 843.						
HB 1238	Maryland Legal Services Corporation Fund – Net Interest Earnings (Ch. 711)						
	GF	decrease	decrease	decrease	decrease	decrease	Minimal interest income.
	SF	increase	increase	increase	increase	increase	Minimal interest income.

Legislation Affecting State Revenues

82

	<u>Fund</u>	<u>FY 2013</u>	<u>FY 2014</u>	<u>FY 2015</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>Comments</u>
HB 1254	Small Business Development Center Network Fund – Minimum Appropriation (Ch. 712)						
	FF	\$0	\$200,000	\$200,000	\$200,000	\$200,000	FF expenditures increase by same amount.
	SF	\$0	\$400,000	\$400,000	\$400,000	\$400,000	SF expenditures increase by same amount.
HB 1262/SB 649	See entry for SB 649.						
HB 1289	Economic Development – Qualified Distressed Counties – One Maryland Economic Development Tax Credit (Ch. 715)						
	GF	(\$965,749)	(\$1,585,453)	(\$2,273,859)	(\$2,962,267)	(\$3,714,979)	
	SF	decrease	decrease	decrease	decrease	decrease	Minimal foregone fee revenues.
	SF	(\$65,268)	(\$236,782)	(\$339,593)	(\$442,404)	(\$480,909)	Transportation Trust Fund.
	SF	(\$48,582)	(\$85,864)	(\$123,147)	(\$160,429)	(\$197,711)	Higher Education Investment Fund.
HB 1301/SB 40	See entry for SB 40.						
HB 1304	Department of Agriculture – Animal Waste Technology Fund (Ch. 429)						
	SF	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000	SF expenditures increase by same amount.
HB 1306	Department of Natural Resources – Aquaculture Leasing (Ch. 717)						
	SF	increase	increase	increase	increase	increase	Potential significant lease fee revenues beginning in FY 2012.
HB 1316/SB 1018	See entry for SB 1018.						
HB 1356	Health Insurance – Dental Preventive Care – Coverage (Ch. 720)						
	SF	increase	\$0	\$0	\$0	\$0	Minimal form filing fee revenues.
HB 1372	Natural Resources – Commercial Fishing Licenses, Authorizations, and Permits (Ch. 435)						
	SF	increase	increase	increase	increase	increase	License fee revenues. SF expenditures increase by a similar amount.
HB 1373	Real Property – Foreclosed Property Registry (Ch. 155)						
	SF	\$330,000	\$660,000	\$660,000	\$660,000	\$660,000	

Effect of the 2012 Legislative Program on the Financial Condition of the State

Legislation Affecting State Revenues

	<u>Fund</u>	<u>FY 2013</u>	<u>FY 2014</u>	<u>FY 2015</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>Comments</u>
HB 1374	Real Property – Foreclosures and Mediation (Ch. 156)						
	GF	decrease	decrease	decrease	decrease	decrease	Potential significant income tax revenues.
	SF	increase	increase	increase	increase	increase	Potential significant fee revenues.
HB 1411	Environment – Water Management Administration – Wetlands and Waterways Program Fees (Ch. 722)						
	SF	\$307,760	\$307,760	\$307,760	\$307,760	\$307,760	

Totals by Fund Type/Summary of Quantifiable Revenue Effects

<u>Fund Type</u>	<u>FY 2013</u>	<u>FY 2014</u>	<u>FY 2015</u>	<u>FY 2016</u>	<u>FY 2017</u>
GF	\$17,111,332	\$213,154,971	\$184,029,065	\$194,371,667	\$207,772,163
SF	\$396,925,634	\$83,707,559	\$86,372,575	\$87,042,416	\$88,784,062
FF	(\$2,102,248)	(\$1,692,315)	(\$1,476,084)	(\$1,253,366)	(\$1,023,967)
BOND	\$47,324,000	\$0	\$0	\$0	\$0

Legislation Affecting State Expenditures

	<u>Fund Type</u>	<u>Agency</u>	<u>FY 2013</u>	<u>FY 2014</u>	<u>FY 2015</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>Comments</u>
SB 8	Maryland Income Tax Refund – Anne Arundel County – Warrants (Ch. 451)							
	GF	Comptroller	increase	\$0	\$0	\$0	\$0	Minimal notification expenses.
SB 14/HB 70	State Board of Morticians and Funeral Directors – Examinations of Applicants and Licensees (Ch. 157/Ch. 158)							
	SF	Hlth. & Mental Hyg.	increase	increase	increase	increase	increase	Minimal implementation costs.
SB 30/HB 65	Injured Workers’ Insurance Fund – Cancellation of Policies – Failure to Pay a Premium (Ch. 10/Ch. 11)							
	NB	Injured Workers Ins. Fnd.	(\$200,000)	(\$200,000)	(\$200,000)	(\$200,000)	(\$200,000)	
SB 70	Family Law – Permanency Planning and Guardianship Review Hearings – Court Procedures (Ch. 169)							
	GF	Judiciary	increase	increase	increase	increase	increase	Minimal court costs.
SB 82	Maryland Automobile Insurance Fund – Claims for Bodily Injury or Death – Payment Limitation (Ch. 460)							
	NB	MAIF	\$213,850	\$278,467	\$278,467	\$278,467	\$278,467	
SB 108	Maryland Horse Industry Board – Licensing (Ch. 19)							
	SF	Agriculture	\$0	\$0	increase	increase	increase	Potential personnel costs. SF revenues increase by similar amount.
SB 127	Natural Resources – Marine Gathering Permit – Establishment (Ch. 178)							
	SF	Natural Resources	increase	increase	increase	increase	increase	Minimal administrative costs beginning in FY 2012. SF revenues increase by same amount.
SB 131/HB 115	Criminal Procedure – Warrantless Arrests – Theft Crimes (Ch. 29/Ch. 30)							
	GF	Public Sfty. & Corr. Svcs.	increase	increase	increase	increase	increase	Minimal incarceration costs.

Legislation Affecting State Expenditures

	<u>Fund Type</u>	<u>Agency</u>	<u>FY 2013</u>	<u>FY 2014</u>	<u>FY 2015</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>Comments</u>
SB 133/HB 316	State Board of Pharmacy – Wholesale Distributor Permits – Permit and Application Requirements (Ch. 462/Ch. 463)							
	SF	Hlth. & Mental Hyg.	decrease	decrease	decrease	decrease	decrease	Minimal inspection costs.
SB 134	State Real Estate Commission – Sunset Extension and Program Evaluation (Ch. 184)							
	NB	Labor Lic. & Reg.	increase	increase	increase	increase	increase	Potential minimal Real Estate Guaranty Fund expenditures.
SB 142	Secretary of Agriculture Farm Food Safety (Ch. 32)							
	FF/SF	Agriculture	\$0	increase	increase	increase	increase	Potential program implementation expenditures. SF revenues increase by same amount.
SB 174/HB 114	Subsequent Injury Fund and Uninsured Employers’ Fund – Assessments on Settlement Agreements (Ch. 40/Ch. 41)							
	GF/SF/FF	All or Multiple Agencies	decrease	decrease	decrease	decrease	decrease	Minimal workers’ compensation costs.
	NB	Injured Workers Ins. Fnd.	(\$540,355)	(\$545,759)	(\$551,216)	(\$556,728)	(\$562,296)	
SB 179/HB 243	Kathleen A. Mathias Chemotherapy Parity Act of 2012 (Ch. 4/Ch. 5)							
	FF	Budget & Mgt.	\$0	\$5,667	increase	increase	increase	State employee and retiree health and welfare benefits expenditures.
	GF	Budget & Mgt.	\$0	\$30,394	increase	increase	increase	
	SF	Budget & Mgt.	\$0	\$15,455	increase	increase	increase	
SB 214/HB 350	Criminal Law – Possession of Marijuana – De Minimis Quantity (Ch. 193/Ch. 194)							
	GF	Public Sfty. & Corr. Svcs.	decrease	decrease	decrease	decrease	decrease	Minimal incarceration costs.

Legislation Affecting State Expenditures

	<u>Fund Type</u>	<u>Agency</u>	<u>FY 2013</u>	<u>FY 2014</u>	<u>FY 2015</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>Comments</u>
SB 231	Individuals with Disabilities – Attendant Care Program (Ch. 468)							
	GF	Disabilities	increase	increase	increase	increase	increase	Potential significant attendant care expenditures.
SB 234	Maryland Health Improvement and Disparities Reduction Act of 2012 (Ch. 3)							
	GF	Comptroller	\$42,000	\$0	\$0	\$0	\$0	Included in FY 2013 budget.
	SF	Hlth. & Mental Hyg.	\$4,000,000	\$4,000,000	\$4,000,000	\$4,000,000	\$4,000,000	
SB 235/HB 440	Procurement – Investment Activities in Iran (Ch. 446/Ch. 447)							
	GF	Public Works, Board of	\$5,000	\$5,050	\$5,100	\$5,151	\$5,203	
SB 236	Sustainable Growth and Agricultural Preservation Act of 2012 (Ch. 149)							
	GF/SF/FF	All or Multiple Agencies	decrease	decrease	decrease	decrease	decrease	Potential significant Watershed Implementation Plan compliance costs.
SB 262/HB 276	Health Occupations – Psychologists – Penalties for Misrepresentation and Practicing Without a License (Ch. 204/Ch. 205)							
	GF	Public Sfty. & Corr. Srvcs.	increase	increase	increase	increase	increase	Potential minimal incarceration costs.
SB 291	Unemployment Insurance – Coverage – Victims of Domestic Violence (Ch. 53)							
	GF	Labor Lic. & Reg.	\$2,439	\$4,344	\$4,438	\$4,488	\$4,554	
	SF	Labor Lic. & Reg.	\$813	\$1,448	\$1,479	\$1,496	\$1,518	
	FF	Labor Lic. & Reg.	\$813	\$1,448	\$1,479	\$1,496	\$1,518	
	NB	Labor Lic. & Reg.	\$386,072	\$522,484	\$530,321	\$538,276	\$546,350	

Legislation Affecting State Expenditures

88

	<u>Fund Type</u>	<u>Agency</u>	<u>FY 2013</u>	<u>FY 2014</u>	<u>FY 2015</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>Comments</u>
SB 292	Education – Veterans of the Afghanistan and Iraq Conflicts Scholarship – Extension (Ch. 475)							
	GF	Higher Ed. Comm.	\$0	\$0	\$0	\$0	increase	Potential tuition assistance.
SB 293/HB 1227	Education – Core Content Areas – Accountability Program (Ch. 476/Ch. 477)							
	GF	Education	\$3,500,000	\$2,000,000	\$2,000,000	\$2,000,000	\$2,000,000	Included in FY 2013 budget.
SB 294/HB 444	Family Farm Preservation Act of 2012 (Ch. 448/Ch. 449)							
	GF	Comptroller	\$22,000	\$0	\$0	\$0	\$0	
SB 296	Income Tax Credit – Security Clearances – Employer Costs (Ch. 478)							
	GF	Comptroller	\$0	\$80,000	\$0	\$0	\$0	
	SF	Bus. & Econ. Dvlpmnt.	\$0	\$98,867	\$103,449	\$108,248	\$113,660	
SB 309/HB 149	Mopeds and Motor Scooters – Titling, Insurance, and Required Use of Protective Headgear (Ch. 210/Ch. 211)							
	GF/FF	Hlth. & Mental Hyg.	decrease	decrease	decrease	decrease	decrease	Potential significant Medicaid and DDA expenditures.
	SF	Transportation	increase	increase	increase	increase	increase	Significant personnel and programming costs.
SB 335	Judges’ Retirement System – Contribution Rates and Vesting Requirements (Ch. 485)							
	GF	Judiciary	\$0	(\$728,000)	(\$754,000)	(\$780,000)	(\$807,000)	
SB 352/HB 607	National Human Trafficking Resource Center Hotline Information – Sign Posting Requirements (Ch. 491/Ch. 492)							
	SF	Transportation	\$3,500	\$0	\$0	\$0	\$0	
SB 362	Education – Age for Compulsory Public School Attendance Exemptions (Ch. 494)							
	GF	Education	\$0	\$0	increase	increase	\$8,800,000	Potential significant State aid for local school systems.
SB 364/HB 613	Loan Assistance Repayment Program – Nancy Grasmick Teacher Scholars (Ch. 495/Ch. 496)							
	GF	Higher Ed. Comm.	\$378,004	\$359,334	\$360,677	\$362,034	\$363,404	

Effect of the 2012 Legislative Program on the Financial Condition of the State

Legislation Affecting State Expenditures

	<u>Fund Type</u>	<u>Agency</u>	<u>FY 2013</u>	<u>FY 2014</u>	<u>FY 2015</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>Comments</u>
SB 401	Motor Vehicles – Towing Practices and Procedures (Ch. 228)							
	GF	Judiciary	increase	increase	increase	increase	increase	Potential minimal personnel costs.
	GF	Public Sfty. & Corr. Srvcs.	increase	increase	increase	increase	increase	Minimal incarceration costs.
SB 422/HB 261	Criminal Procedure – Criminal Defendants – Citations and Appearances (Ch. 504/Ch. 505)							
	GF	Judiciary	decrease	decrease	decrease	decrease	decrease	Potential significant enforcement costs.
	GF	Public Defender	(\$27,160,516)	(\$27,432,121)	(\$27,706,442)	(\$27,983,507)	(\$28,263,342)	GF expenditures decrease by \$2.5 million in FY 2012. \$706,303 included in FY 2013 budget.
	GF	Public Sfty. & Corr. Srvcs.	decrease	decrease	decrease	decrease	decrease	Potential significant enforcement costs.
	GF	State Police	decrease	decrease	decrease	decrease	decrease	Potential significant enforcement costs.
SB 497/HB 630	Employees' Retirement and Pension Systems – Reemployment of Retirees – Parole and Probation Employees (Ch. 526/Ch. 527)							
	GF/SF/FF	All or Multiple Agencies	increase	increase	increase	increase	increase	Potential minimal pension liabilities.
SB 506/HB 292	Vehicle Laws – Provisional Driver's Licenses – Driver Education Requirements (Ch. 245/Ch. 246)							
	SF	Transportation	increase	\$0	\$0	\$0	\$0	Administrative costs increase by less than \$100,000.
SB 540/HB 470	Maryland Health Care Commission – Preauthorization of Health Care Services – Benchmarks (Ch. 534/Ch. 535)							
	GF/SF/FF	Budget & Mgt.	increase	increase	increase	increase	increase	Potential State employee and retiree health and welfare benefits expenditures.

Legislation Affecting State Expenditures

90

	<u>Fund Type</u>	<u>Agency</u>	<u>FY 2013</u>	<u>FY 2014</u>	<u>FY 2015</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>Comments</u>
SB 545	Money Transmitters – Licensing Requirements and Participation in Nationwide Licensing System (Ch. 78)							
	SF	Labor Lic. & Reg.	increase	increase	increase	increase	increase	Potential minimal administrative costs.
SB 549	Small Business Reserve Program – Definition of Small Business – Revision (Ch. 538)							
	GF	Gen. Services	\$125,000	\$25,000	\$0	\$0	\$0	
SB 551/HB 425	Procurement – Required Disclosure – Conflict Minerals Originated in the Democratic Republic of the Congo (Ch. 257/Ch. 258)							
	GF/SF/FF	All or Multiple Agencies	increase	increase	increase	increase	increase	Potential minimal procurement costs.
SB 580/HB 600	Income Tax – Subtraction Modification – Mortgage Forgiveness Debt Relief (Ch. 544/Ch. 545)							
	GF	Comptroller	\$0	\$22,000	\$0	\$0	\$0	
SB 591/HB 678	Real Property – Manufactured Homes – Affixation to and Severance from Real Property (Ch. 546/Ch. 547)							
	SF	Transportation	\$20,000	\$0	\$0	\$0	\$0	
SB 597/HB 250	Elections – Baltimore City – Election Dates (Ch. 548/Ch. 549)							
	GF	Election Board, State	\$0	\$0	\$0	(\$270,000)	\$0	
SB 603	Health Care Practitioners – Licensed Dentists, Physicians, and Podiatrists --Personally Preparing and Dispensing Prescription Drugs and Devices (Ch. 267)							
	GF	Hlth. & Mental Hyg.	\$0	\$234,309	\$194,838	\$207,551	\$217,082	GF revenues increase by similar amount.
SB 640/HB 209	Public Safety – Possession of Firearms – Crimes Committed in Other States (Ch. 276/Ch. 277)							
	GF	Public Sfty. & Corr. Srvcs.	increase	increase	increase	increase	increase	Potential minimal incarceration costs.
SB 647/HB 1146	Domestically Related Crimes – Reporting (Ch. 554/Ch. 555)							
	GF	Judiciary	\$77,994	\$0	\$0	\$0	\$0	

Effect of the 2012 Legislative Program on the Financial Condition of the State

Legislation Affecting State Expenditures

	<u>Fund Type</u>	<u>Agency</u>	<u>FY 2013</u>	<u>FY 2014</u>	<u>FY 2015</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>Comments</u>
SB 649/HB 1262	Environment – Asbestos Worker Protection (Ch. 278/Ch. 279)							
	SF	Environment	increase	increase	increase	increase	increase	Potential significant program implementation costs. SF revenues increase by same amount.
SB 650/HB 631	Public Safety – Impersonating a Police Officer – WMATA Metro Transit Police (Ch. 280/Ch. 281)							
	GF	Public Sfty. & Corr. Srvcs.	increase	increase	increase	increase	increase	Potential minimal incarceration costs.
SB 656/HB 53	Higher Education – Community Colleges – Tuition Waiver for Disabled Individuals (Ch. 82/Ch. 83)							
	GF	Higher Ed. Comm.	\$0	\$0	increase	increase	increase	Community college aid.
	GF/FF	Education	decrease	decrease	decrease	decrease	decrease	Tuition assistance.
SB 659/HB 865	State Procurement – Disclosure – Location of the Performance of Services (Ch. 559/Ch. 560)							
	GF/SF/FF	All or Multiple Agencies	increase	increase	increase	increase	increase	Potential significant procurement costs.
SB 672/HB 806	State Retirement and Pension System – Investment Division – Salary Setting (Ch. 561/Ch. 562)							
	FF	All or Multiple Agencies	\$4,671	\$8,542	\$12,492	\$16,520	\$20,629	
	GF	All or Multiple Agencies	\$14,012	\$25,627	\$37,475	\$49,559	\$61,886	
	SF	All or Multiple Agencies	\$4,671	\$8,542	\$12,492	\$16,520	\$20,629	
SB 674/HB 1219	Primary and Secondary Education – Online Courses and Services – Development or Review and Approval (Ch. 287/Ch. 288)							
	SF	Education	\$84,627	\$90,439	\$94,651	\$99,062	\$103,678	SF expenditures increase by \$11,200 in FY 2012. SF revenues increase by same amount.
SB 680	State Personnel Management System – Criminal History Records Check (Ch. 289)							
	FF	All or Multiple Agencies	\$4,950	\$4,950	\$4,950	\$4,950	\$4,950	
	GF	All or Multiple Agencies	\$14,850	\$14,850	\$14,850	\$14,850	\$14,850	
	SF	All or Multiple Agencies	\$4,950	\$4,950	\$4,950	\$4,950	\$4,950	

Legislation Affecting State Expenditures

	<u>Fund Type</u>	<u>Agency</u>	<u>FY 2013</u>	<u>FY 2014</u>	<u>FY 2015</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>Comments</u>
SB 689/HB 745	Education – Maryland Advisory Council for Virtual Learning – Establishment (Ch. 290/Ch. 291)							
	GF	Education	\$35,955	\$45,404	\$48,341	\$50,479	\$52,712	
SB 691/HB 670	Earned Compliance Credit and Reinvestment Act of 2012 (Ch. 564/Ch. 565)							
	GF	Public Sfty. & Corr. Srvcs.	\$50,000	\$0	\$0	\$0	\$0	
SB 739	Tax Credit Evaluation Act (Ch. 568)							
	GF	Leg. Services	\$255,529	\$296,814	\$305,170	\$312,126	\$319,350	
SB 745	Injured Workers' Insurance Fund – Conversion to Chesapeake Employers' Insurance Company (Ch. 570)							
	NB	Injured Workers' Ins. Fnd.	indeterminate	indeterminate	indeterminate	indeterminate	indeterminate	Administrative costs.
SB 764/HB 885	Fraudulent Insurance Acts – Individual Sureties – Contracts of Surety Insurance (Ch. 299/Ch. 300)							
	SF	Insur. Admin.	\$128,407	\$59,312	\$0	\$0	\$0	
SB 769	Garrett County – Animal Control Ordinance – Enabling Authority (Ch. 90)							
	GF	Judiciary	increase	increase	increase	increase	increase	Potential minimal court costs.
SB 779/HB 916	State Retirement and Pension System – Study of Asset Management (Ch. 577/Ch. 578)							
	GF	Executive Dept.	\$40,000	\$0	\$0	\$0	\$0	
SB 781/HB 1149	Health Insurance – Coverage for Services Delivered Through Telemedicine (Ch. 579/Ch. 580)							
	GF/SF/FF	Budget & Mgt.	\$0	increase	increase	increase	increase	Potential State employee and retiree health and welfare benefits expenditures.
SB 783/HB 537	State Personnel – Collective Bargaining – Applicability (Ch. 581/Ch. 582)							
	GF	Budget & Mgt.	\$27,792	\$34,489	\$36,840	\$38,577	\$40,397	
	GF	Executive Dept.	\$57,977	\$53,934	\$40,298	\$42,164	\$44,118	

Legislation Affecting State Expenditures

	<u>Fund Type</u>	<u>Agency</u>	<u>FY 2013</u>	<u>FY 2014</u>	<u>FY 2015</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>Comments</u>
SB 791/HB 1187	Renewable Energy Portfolio Standard – Solar Energy and Solar Water Heating Systems (Ch. 583/Ch. 584)							
	GF/SF/FF	All or Multiple Agencies	\$0	\$150,000	\$262,500	\$525,000	\$600,000	
SB 807	Income Tax – Subtraction Modification – Land Acquisition for Department of Transportation (Ch. 587)							
	GF	Comptroller	\$22,000	\$0	\$0	\$0	\$0	
SB 811/HB 1094	Insurance – Fraud Violations – Fines and Administrative Penalties (Ch. 588/Ch. 589)							
	SF	Insur. Admin.	\$126,490	\$151,965	\$162,361	\$169,970	\$177,943	
SB 814/HB 89	Public Safety – Elevators – Accessibility Lift Mechanic License (Ch. 306/Ch. 307)							
	SF	Labor Lic. & Reg.	\$20,000	\$0	\$0	\$0	\$0	
SB 820	Transportation – Toll, Fee, or Other Charge Increases – Required Procedures (Ch. 592)							
	NB	Transportation	increase	increase	increase	increase	increase	Potential significant public hearing costs.
SB 843/HB 1223	Institutions of Postsecondary Education – Fully Online Distance Education Programs – Registration (Ch. 595/Ch. 596)							
	SF	Higher Ed. Comm.	\$121,319	\$152,221	\$162,618	\$170,260	\$178,271	SF revenues increase by same amount.
SB 848	Education – Maintenance of Effort (Ch. 6)							
	GF	Education	\$0	\$4,632,039	\$5,185,198	\$5,620,752	\$5,914,355	
SB 864	Gaming – Electronic Machines – Regulation (Ch. 603)							
	SF	Comptroller	\$4,581,112	\$4,581,112	\$4,581,112	\$4,581,112	\$4,581,112	SF revenues increase by same amount.
SB 869/HB 940	Maryland Building Performance Standards – Hotels – Mandatory Master Control Device (Ch. 606/Ch. 607)							
	GF	Housing & Commty Dvlpt.	\$10,000	\$0	\$0	\$0	\$0	
SB 880/HB 801	State Retirement and Pension System – Transfer of Members Between Systems (Ch. 608/Ch. 609)							
	GF/SF/FF	All or Multiple Agencies	increase	increase	increase	increase	increase	Potential significant pension liabilities.

Legislation Affecting State Expenditures

	<u>Fund Type</u>	<u>Agency</u>	<u>FY 2013</u>	<u>FY 2014</u>	<u>FY 2015</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>Comments</u>
SB 889/HB 349	Criminal Law – Misdemeanor Possession of Child Pornography – Statute of Limitations (Ch. 316/Ch. 317)							
	GF	Public Sfty. & Corr. Srvcs.	increase	increase	increase	increase	increase	Minimal incarceration costs.
SB 894/HB 1261	Baltimore City – Representation of Child Support Enforcement Administration – Transfer of Employees (Ch. 612/Ch. 613)							
	FF	Human Resources	\$687,144	\$874,485	\$933,718	\$976,051	\$1,020,363	\$675,954 included in FY 2013 budget.
	GF	Human Resources	\$353,984	\$450,493	\$481,006	\$502,814	\$525,642	\$384,220 included in FY 2013 budget.
SB 895/HB 753	Maryland State Board of Morticians and Funeral Directors – Permits and Registration Required to Remove and Transport Human Remains (Ch. 614/Ch. 615)							
	SF	Hlth. & Mental Hyg.	increase	\$0	increase	\$0	increase	Minimal administrative costs. SF revenues increase by similar amount.
SB 899/HB 930	Correctional Services – Correctional Officer – Emergency Suspension Rescinded (Ch. 616/Ch. 617)							
	GF	Public Sfty. & Corr. Srvcs.	increase	increase	increase	increase	increase	Potential employee compensation costs of \$22,300 per case.
SB 918/HB 1103	Election Law – Campaign Contributors – Occupation and Employer (Ch. 320/Ch. 321)							
	GF	Election Board, State	\$5,000	\$0	\$0	\$0	\$0	
SB 921	State Board of Nursing – Sunset Extension and Revisions (Ch. 621)							
	SF	Hlth. & Mental Hyg.	increase	\$0	\$0	\$0	\$0	Potential significant contracting expenditures of up to \$100,000.
SB 967	Maryland Higher Education Commission – Student Transfer Advisory Committee (Ch. 327)							
	GF	Higher Ed. Comm.	\$32,031	\$40,141	\$42,893	\$44,897	\$46,995	
SB 969/HB 1207	State Board of Professional Counselors and Therapists – Licensure of Clinical Professional Art Therapists (Ch. 628/Ch. 629)							
	SF	Hlth. & Mental Hyg.	\$29,906	\$0	\$19,815	\$0	\$23,059	SF revenues increase by similar amount.

Legislation Affecting State Expenditures

	<u>Fund Type</u>	<u>Agency</u>	<u>FY 2013</u>	<u>FY 2014</u>	<u>FY 2015</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>Comments</u>
SB 990	Ocean City Convention Center – Financial Obligations and Taxing Authority (Ch. 630)							
	GF	Stadium Authority	\$0	\$0	\$0	\$926,000	\$1,907,000	
SB 1006	Maryland Automobile Insurance Fund – Fund Producers – Commissions (Ch. 336)							
	NB	MAIF	increase	increase	increase	increase	increase	Significant insurance commission payments.
SB 1033/HB 1285	Election Law – Campaign Finance – Requirements (Ch. 338/Ch. 339)							
	GF	Election Board, State	decrease	decrease	decrease	decrease	decrease	Potential minimal notification costs.
SB 1036	Academic Facilities Bonding Authority (Ch. 638)							
	BOND	Univ. Sys. of MD	\$32,000,000	\$0	\$0	\$0	\$0	Authorized in FY 2013 capital budget. Bond revenues increase by same amount.
	HE	Univ. Sys. of MD	\$0	\$2,660,000	\$2,660,000	\$2,660,000	\$2,660,000	
SB 1301	Budget Reconciliation and Financing Act of 2012 (Ch. 1 of the 2012 Special Session)							
	BOND	School Construction	\$0	(\$25,000,000)	(\$25,000,000)	(\$25,000,000)	(\$25,000,000)	
	BOND	Transportation	(\$21,500,000)	\$21,500,000	\$0	\$0	\$0	Assumed in the FY 2013 capital budget.
	FF	All or Multiple Agencies	\$26,897,552	\$32,944,419	\$33,877,348	\$34,908,988	\$35,987,981	Included in FY 2013 budget.
	FF	Hlth. & Mental Hyg.	(\$42,852,248)	(\$1,892,315)	(\$1,676,084)	(\$1,453,366)	(\$1,223,967)	(\$5,850,000) included in FY 2013 budget.
								(\$40,000,000) in FY 2012 FF expenditures.
	FF	Human Resources	(\$399,258)	\$0	\$0	\$0	\$0	Assumed in FY 2013 budget.
	FF	Juvenile Services	(\$48,537)	\$0	\$0	\$0	\$0	Assumed in FY 2013 budget.
	GF	Agriculture	(\$125,000)	(\$1,125,000)	\$0	\$0	\$0	Assumed in FY 2013 budget.
	GF	All or Multiple Agencies	\$0	\$160,914,600	\$166,918,799	\$172,886,336	\$179,122,328	

Legislation Affecting State Expenditures

<u>Fund Type</u>	<u>Agency</u>	<u>FY 2013</u>	<u>FY 2014</u>	<u>FY 2015</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>Comments</u>
GF	Baltimore City Community College	\$0	(\$640,595)	(\$1,010,022)	(\$3,437,611)	(\$3,946,582)	
GF	Bus. & Econ. Dvlpmt.	(\$578,000)	\$18,400,000	\$18,400,000	\$18,400,000	\$18,400,000	(\$578,000) in FY 2012 GF expenditures.
GF	Department of Information Technology	(\$5,000,000)	\$700,000	\$0	\$0	\$0	
GF	Education	(\$146,764,701)	(\$44,166,287)	(\$89,386,422)	(\$119,936,906)	(\$109,103,434)	(\$4,019,749) included in FY 2013 budget.
GF	Election Board, State	\$0	(\$2,000,000)	\$0	\$0	\$0	
GF	Executive Dept.	\$0	\$20,768,000	\$20,768,000	\$20,768,000	\$20,768,000	
GF	Higher Ed. Comm.	(\$1,344,148)	\$14,341,869	\$6,419,413	(\$22,133,886)	(\$40,305,156)	Included in FY 2013 budget.
GF	Hlth. & Mental Hyg.	(\$76,256,930)	\$5,785,556	\$6,325,399	\$6,595,082	\$6,868,933	(\$25,506,930) included in FY 2013 budget.
							(\$40,000,000) in FY 2012 GF expenditures.
GF	Human Resources	(\$1,386,630)	\$1,435,000	\$1,485,225	\$1,514,930	\$1,545,229	Assumed in FY 2013 budget.
GF	Juvenile Services	(\$436,831)	\$0	\$0	\$0	\$0	Assumed in FY 2013 budget.
GF	Morgan St. Univ.	\$0	\$2,478,624	\$2,589,742	\$2,705,045	\$2,824,326	
GF	Payments to Civil Divisions	\$0	\$24,583,661	\$24,583,661	\$24,583,661	\$24,583,661	
GF	Planning, Office of	\$0	\$7,000,000	\$0	\$0	\$0	
GF	St. Mary's College	\$0	\$593,477	\$606,890	\$621,941	\$637,800	
GF	State Police	(\$4,173,658)	(\$7,327,176)	(\$6,687,985)	(\$9,071,182)	(\$8,466,361)	Included in FY 2013 budget.
GF	Univ. Sys. of MD	(\$246,160)	\$35,032,103	\$36,234,507	\$37,420,684	\$38,706,344	
GF/SF/FF	All or Multiple Agencies	increase	increase	increase	increase	increase	Potential employee salary costs.
HE	Morgan St. Univ.	increase	increase	increase	increase	increase	Potential employee salary costs.
HE	St. Mary's College	increase	increase	increase	increase	increase	Potential employee salary costs.

Legislation Affecting State Expenditures

<u>Fund Type</u>	<u>Agency</u>	<u>FY 2013</u>	<u>FY 2014</u>	<u>FY 2015</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>Comments</u>
HE	Univ. Sys. of MD	increase	increase	increase	increase	increase	Potential employee salary costs.
SF	Agriculture	(\$21,601,258)	\$0	\$0	\$0	\$0	(\$5,348,000) assumed in FY 2013 budget.
SF	All or Multiple Agencies	\$152,546,237	\$38,818,407	\$39,979,231	\$41,279,354	\$42,638,644	\$29,746,237 included in FY 2013 budget.
SF	Baltimore City	\$1,299,855	\$0	\$0	\$0	\$0	
	Community College						
SF	Bus. & Econ. Dvlpmt.	\$18,400,000	\$0	\$0	\$0	\$0	
SF	Education	\$139,110,660	\$0	\$0	\$0	\$0	
SF	Election Board, State	\$0	\$2,000,000	\$0	\$0	\$0	
SF	Executive Dept.	\$20,768,000	\$0	\$0	\$0	\$0	
SF	Higher Ed. Comm.	\$35,548,693	\$0	\$0	\$0	\$0	
SF	Hlth. & Mental Hyg.	\$35,657,406	\$11,801,128	\$12,155,162	\$12,519,817	\$12,895,412	(\$500,000) assumed in FY 2013 budget.
SF	Human Resources	\$3,400,000	\$0	\$0	\$0	\$0	
SF	Morgan St. Univ.	\$2,371,234	\$0	\$0	\$0	\$0	
SF	Natural Resources	(\$83,269,391)	\$0	\$0	\$0	\$0	(\$26,019,509) assumed in FY 2013 budget.
SF	Payments to Civil Divisions	\$36,576,334	\$0	\$0	\$0	\$0	
SF	Planning, Office of	\$7,000,000	\$0	\$0	\$0	\$0	
SF	St. Mary's College	\$965,167	\$395,355	\$407,216	\$419,432	\$432,015	
SF	Univ. Sys. of MD	\$34,247,440	\$0	\$0	\$0	\$0	
SB 1303	Creation of a State Debt – Qualified Zone Academy Bonds (Ch. 3 of 2012 Special Session)						
BOND	Education	\$15,324,000	\$0	\$0	\$0	\$0	Authorized in FY 2013 capital budget. Bond revenues increase by same amount.
SF	Debt Service	\$510,800	\$1,021,600	\$1,021,600	\$1,021,600	\$1,021,600	
SF	School Construction	\$48,842	\$46,761	\$0	\$0	\$0	Included in FY 2013 budget.

Legislation Affecting State Expenditures

98

	<u>Fund Type</u>	<u>Agency</u>	<u>FY 2013</u>	<u>FY 2014</u>	<u>FY 2015</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>Comments</u>
SJ 3	Judicial Compensation Commission – Recommendations (JR 5)							
	GF	Judiciary	\$0	\$859,413	\$3,064,656	\$5,336,170	\$5,336,170	
	GF	Public Defender	\$0	\$2,025	\$7,459	\$13,056	\$13,056	
	GF	State Pros.	\$0	\$2,025	\$7,459	\$13,056	\$13,056	
	GF	Workers' Compensation Commission	\$0	\$23,290	\$77,628	\$133,600	\$133,600	
HB 19	State Retirement and Pension System – Military Service Credit – Reservists (Ch. 646)							
	GF/SF/FF	All or Multiple Agencies	\$0	\$0	increase	increase	increase	Minimal pension liabilities.
HB 53/SB 656	See entry for SB 656.							
HB 65/SB 30	See entry for SB 30.							
HB 70/SB 14	See entry for SB 14.							
HB 89/SB 814	See entry for SB 814.							
HB 96	Criminal Procedure – Probation Before Judgment – Possession of a Controlled Dangerous Substance (Ch. 352)							
	GF	Judiciary	increase	increase	increase	increase	increase	Minimal drug court costs.
	GF	Public Sfty. & Corr. Srvcs.	decrease	decrease	decrease	decrease	decrease	Minimal incarceration costs.
HB 114/SB 174	See entry for SB 174.							
HB 115/SB 131	See entry for SB 131.							
HB 149/SB 309	See entry for SB 309.							
HB 167	Agriculture – Commercial Feed – Arsenic Prohibition (Ch. 652)							
	GF/SF	Agriculture	\$0	increase	increase	increase	increase	Potential personnel and program implementation expenditures.

Effect of the 2012 Legislative Program on the Financial Condition of the State

Legislation Affecting State Expenditures

	<u>Fund Type</u>	<u>Agency</u>	<u>FY 2013</u>	<u>FY 2014</u>	<u>FY 2015</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>Comments</u>
HB 209/SB 640	See entry for SB 640.							
HB 213	Baltimore City Community Enhancement Transit-Oriented Development Fund (Ch. 654)							
	GF	Comptroller	increase	increase	increase	increase	increase	Potential administrative and personnel costs.
	GF/SF/FF	All or Multiple Agencies	increase	increase	increase	increase	increase	Potential minimal administrative costs.
HB 243/SB 179	See entry for SB 179.							
HB 250/SB 597	See entry for SB 597.							
HB 261/SB 422	See entry for SB 422.							
HB 271	Housing and Community Development – Disaster Relief Housing Program (Ch. 117)							
	GF/SF/FF	Housing & Commty Dvlpt.	increase	increase	increase	increase	increase	Potential significant disaster relief financial assistance.
HB 276/SB 262	See entry for SB 262.							
HB 292/SB 506	See entry for SB 506.							
HB 316/SB 133	See entry for SB 133.							
HB 349/SB 889	See entry for SB 889.							
HB 350/SB 214	See entry for SB 214.							
HB 404	Higher Education – Edward T. Conroy Memorial Scholarship Program – Eligibility (Ch. 123)							
	GF	Higher Ed. Comm.	increase	increase	increase	increase	increase	Potential minimal tuition assistance.

Legislation Affecting State Expenditures

100

	<u>Fund Type</u>	<u>Agency</u>	<u>FY 2013</u>	<u>FY 2014</u>	<u>FY 2015</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>Comments</u>
HB 421	Workers' Compensation – Death Benefits – Determination of Benefits (Ch. 663)							
	GF/SF/FF	All or Multiple Agencies	decrease	decrease	decrease	decrease	decrease	Minimal workers' compensation costs.
	NB	Injured Workers' Ins. Fnd.	decrease	decrease	decrease	decrease	decrease	Minimal workers' compensation costs.
HB 425/SB 551	See entry for SB 551.							
HB 438	Civil Marriage Protection Act (Ch. 2)							
	GF	All or Multiple Agencies	increase	increase	increase	increase	increase	Minimal payroll taxes.
HB 440/SB 235	See entry for SB 235.							
HB 442	Economic Development – Maryland Technology Development Corporation – Maryland Innovation Initiative (Ch. 450)							
	GF	Bus. & Econ. Dvlpmt.	\$5,000,000	\$5,000,000	\$5,000,000	\$5,000,000	\$5,000,000	Included in FY 2013 budget.
	HE	Morgan St. Univ.	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	Included in FY 2013 budget.
	HE	Univ. Sys. of MD	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000	Included in FY 2013 budget.
	SF	Bus. & Econ. Dvlpmt.	\$5,800,000	\$5,800,000	\$5,800,000	\$5,800,000	\$5,800,000	SF revenues increase by same amount.
HB 443	Maryland Health Benefit Exchange Act of 2012 (Ch. 152)							
	SF	Insur. Admin.	increase	increase	increase	increase	increase	Minimal administrative costs.
HB 444/SB 294	See entry for SB 294.							
HB 446	Environment – Bay Restoration Fund – Fees and Uses (Ch. 150)							
	GF/SF	All or Multiple Agencies	increase	increase	increase	increase	increase	Significant Bay Restoration fee expenditures.

Effect of the 2012 Legislative Program on the Financial Condition of the State

Legislation Affecting State Expenditures

	<u>Fund Type</u>	<u>Agency</u>	<u>FY 2013</u>	<u>FY 2014</u>	<u>FY 2015</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>Comments</u>
HB 470/SB 540	See entry for SB 540.							
HB 472	Workgroup on Lead Liability Protection for Rental Property (Ch. 373)							
	SF	Insur. Admin.	increase	\$0	\$0	\$0	\$0	Potential significant contracting costs in FY 2012 and 2013.
HB 511	State Board of Environmental Health Specialists – Transfer of Responsibilities (Ch. 667)							
	GF	Environment	(\$7,598)	(\$7,674)	(\$7,751)	(\$7,828)	(\$7,907)	
	SF	Hlth. & Mental Hyg.	\$67,812	\$64,008	\$66,874	\$69,044	\$71,307	Aggregate SF revenues increase by similar amount.
HB 537/SB 783	See entry for SB 783.							
HB 545	Crimes – Theft from a Motor Vehicle (Ch. 382)							
	GF	Public Sfty. & Corr. Srvcs.	increase	increase	increase	increase	increase	Minimal incarceration costs.
HB 600/SB 580	See entry for SB 580.							
HB 607/SB 352	See entry for SB 352.							
HB 613/SB 364	See entry for SB 364.							
HB 630/SB 497	See entry for SB 497.							
HB 631/SB 650	See entry for SB 650.							
HB 644	Environment – Reducing the Incidence of Lead Poisoning (Ch. 387)							
	SF	Environment	increase	increase	increase	increase	increase	Significant personnel and administrative costs.
HB 670/SB 691	See entry for SB 691.							

Legislation Affecting State Expenditures

102

	<u>Fund Type</u>	<u>Agency</u>	<u>FY 2013</u>	<u>FY 2014</u>	<u>FY 2015</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>Comments</u>
HB 678/SB 591	See entry for SB 591.							
HB 680	Education – Task Force to Explore Incorporating the Subject of Agriculture in Existing Curricular Areas (Ch. 672)							
	GF	Education	\$0	\$0	\$16,479	\$0	\$0	
HB 725	Montgomery County – County Council Special Elections – Voting by Mail MC 5-12 (Ch. 677)							
	GF	Election Board, State	decrease	decrease	decrease	decrease	decrease	Potential election administration costs.
HB 745/SB 689	See entry for SB 689.							
HB 753/SB 895	See entry for SB 895.							
HB 770	Public Service Commission – Electric Companies – New Generation Facilities and Customer Credits and the Electric Universal Service Program (Ch. 679)							
	SF	Human Resources	increase	increase	increase	increase	increase	Potential low-income energy assistance expenditures. SF revenues increase by same amount.
HB 801/SB 880	See entry for SB 880.							
HB 806/SB 672	See entry for SB 672.							
HB 834	Child Abuse and Neglect – Alternative Response (Ch. 397)							
	FF	Human Resources	\$90,000	\$0	\$0	\$0	\$0	
	GF	Human Resources	\$60,000	\$0	\$0	\$0	\$0	
HB 835	Workers’ Compensation – Permanent Partial Disability Benefits – Washington Metropolitan Area Transit Authority (Ch. 398)							
	SF	Transportation	increase	increase	increase	increase	increase	Potential significant grant funding.
HB 865/SB 659	See entry for SB 659.							

Effect of the 2012 Legislative Program on the Financial Condition of the State

Legislation Affecting State Expenditures

	<u>Fund Type</u>	<u>Agency</u>	<u>FY 2013</u>	<u>FY 2014</u>	<u>FY 2015</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>Comments</u>
HB 879	Environment – Statewide Electronics Recycling Program (Ch. 400)							
	SF	Environment	\$72,309	\$60,909	\$64,810	\$67,767	\$70,867	
HB 885/SB 764	See entry for SB 764.							
HB 916/SB 779	See entry for SB 779.							
HB 929	Environment – Recycling Rates and Waste Diversion – Statewide Goals (Ch. 692)							
	GF/SF/FF	All or Multiple Agencies	\$0	\$0	decrease	decrease	decrease	Potential significant waste disposal expenditures.
HB 930/SB 899	See entry for SB 899.							
HB 940/SB 869	See entry for SB 869.							
HB 975	Income Tax – Subtraction Modification – Forest Conservation and Management Program Expenses (Ch. 693)							
	GF	Comptroller	\$22,000	\$0	\$0	\$0	\$0	
HB 987	Stormwater Management – Watershed Protection and Restoration Program (Ch. 151)							
	GF/SF/FF	All or Multiple Agencies	decrease	decrease	decrease	decrease	decrease	Potential significant administrative costs.
HB 1094/SB 811	See entry for SB 811.							
HB 1101	Workers’ Compensation – Medical Presumptions and Study (Ch. 445)							
	GF/SF/FF	All or Multiple Agencies	increase	increase	increase	increase	increase	Potential minimal workers’ compensation costs.
	NB	Injured Workers’ Ins. Fnd.	increase	increase	increase	increase	increase	Potential minimal workers’ compensation costs.
HB 1103/SB 918	See entry for SB 918.							

Legislation Affecting State Expenditures

104

	<u>Fund Type</u>	<u>Agency</u>	<u>FY 2013</u>	<u>FY 2014</u>	<u>FY 2015</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>Comments</u>
HB 1123	Environment – Presumptive Impact Areas – Contamination Caused by Gas Wells in Deep Shale Deposits (Ch. 703)							
	GF/SF/FF	All or Multiple Agencies	decrease	decrease	decrease	decrease	decrease	Potential significant environmental remediation costs.
HB 1146/SB 647	See entry for SB 647.							
HB 1149/SB 781	See entry for SB 781.							
HB 1187/SB 791	See entry for SB 791.							
HB 1188	State Department of Education – Lacrosse Opportunities Program (Ch. 706)							
	GF	Education	\$0	\$40,000	\$40,000	\$40,000	\$40,000	
HB 1207/SB 969	See entry for SB 969.							
HB 1214	Education – Public Schools – Maximum Student Enrollment Policy – Study (Ch. 709)							
	GF	Education	\$0	increase	increase	increase	increase	Potential significant contracting costs.
HB 1219/SB 674	See entry for SB 674.							
HB 1223/SB 843	See entry for SB 843.							
HB 1227/SB 293	See entry for SB 293.							
HB 1254	Small Business Development Center Network Fund – Minimum Appropriation (Ch. 712)							
	GF	Univ. Sys. of MD	\$0	\$200,000	\$200,000	\$200,000	\$200,000	FF revenues increase by same amount.
	SF	Univ. Sys. of MD	\$0	\$400,000	\$400,000	\$400,000	\$400,000	SF revenues increase by same amount.
HB 1261/SB 894	See entry for SB 894.							
HB 1262/SB 649	See entry for SB 649.							

Effect of the 2012 Legislative Program on the Financial Condition of the State

Legislation Affecting State Expenditures

	<u>Fund Type</u>	<u>Agency</u>	<u>FY 2013</u>	<u>FY 2014</u>	<u>FY 2015</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>Comments</u>
HB 1285/SB 1033	See entry for SB 1033.							
HB 1289	Economic Development – Qualified Distressed Counties – One Maryland Economic Development Tax Credit (Ch. 715)							
	GF	Comptroller	\$19,360	\$0	\$0	\$0	\$0	
HB 1304	Department of Agriculture – Animal Waste Technology Fund (Ch. 429)							
	GF	Agriculture	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000	
	SF	Agriculture	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000	SF revenues increase by same amount.
HB 1306	Department of Natural Resources – Aquaculture Leasing (Ch. 717)							
	SF	Natural Resources	(\$12,000)	(\$12,000)	(\$12,000)	(\$12,000)	(\$12,000)	SF expenditures decrease by \$1,000 in FY 2012.
HB 1370	Procurement – Minority Business Participation (Ch. 154)							
	SF	Transportation	\$0	\$0	\$1,047,375	\$349,125	\$0	
HB 1372	Natural Resources – Commercial Fishing Licenses, Authorizations, and Permits (Ch. 435)							
	GF/SF	Natural Resources	(\$260,000)	(\$260,000)	(\$260,000)	(\$260,000)	(\$260,000)	
	SF	Natural Resources	increase	increase	increase	increase	increase	Licensing expenditures. Partially offset by SF revenues.
HB 1373	Real Property – Foreclosed Property Registry (Ch. 155)							
	SF	Labor Lic. & Reg.	\$204,084	\$174,905	\$183,771	\$190,381	\$197,310	
HB 1374	Real Property – Foreclosures and Mediation (Ch. 156)							
	GF	Comptroller	\$22,000	\$0	\$0	\$0	\$0	
	SF	Admin. Hearings, Ofc.	\$40,339	increase	increase	increase	increase	Included in FY 2013 budget. Potential significant personnel costs.

Expenditures by Agency

<u>Agency</u>	<u>Fund</u>	<u>FY 2013</u>	<u>FY 2014</u>	<u>FY 2015</u>	<u>FY 2016</u>	<u>FY 2017</u>
Agriculture						
	GF	\$125,000	(\$875,000)	\$250,000	\$250,000	\$250,000
	SF	(\$21,351,258)	\$250,000	\$250,000	\$250,000	\$250,000
All or Multiple Agencies						
	GF	\$31,301	\$161,049,421	\$167,133,062	\$173,270,233	\$179,563,618
	SF	\$152,556,671	\$38,863,347	\$40,050,652	\$41,407,320	\$42,785,741
	FF	\$26,907,986	\$32,989,359	\$33,948,769	\$35,036,954	\$36,135,078
Baltimore City Community College						
	GF	\$0	(\$640,595)	(\$1,010,022)	(\$3,437,611)	(\$3,946,582)
	SF	\$1,299,855	\$0	\$0	\$0	\$0
Budget & Management						
	GF	\$27,792	\$64,883	\$36,840	\$38,577	\$40,397
	SF	-	\$15,455	\$0	\$0	\$0
	FF	-	\$5,667	\$0	\$0	\$0
Business & Economic Development						
	GF	\$4,422,000	\$23,400,000	\$23,400,000	\$23,400,000	\$23,400,000
	SF	\$24,200,000	\$5,898,867	\$5,903,449	\$5,908,248	\$5,913,660
Comptroller						
	GF	\$149,360	\$102,000	\$0	\$0	\$0
	SF	\$4,581,112	\$4,581,112	\$4,581,112	\$4,581,112	\$4,581,112
Debt Service						
	SF	\$510,800	\$1,021,600	\$1,021,600	\$1,021,600	\$1,021,600
Department of Information Technology						
	GF	(\$5,000,000)	\$700,000	\$0	\$0	\$0

Expenditures by Agency (cont'd)

<u>Agency</u>	<u>Fund</u>	<u>FY 2013</u>	<u>FY 2014</u>	<u>FY 2015</u>	<u>FY 2016</u>	<u>FY 2017</u>
Education						
	GF	(\$143,228,746)	(\$37,448,844)	(\$82,096,404)	(\$112,225,675)	(\$92,296,367)
	SF	\$139,195,287	\$90,439	\$94,651	\$99,062	\$103,678
	BOND	\$15,324,000	\$0	\$0	\$0	\$0
Election Board						
	GF	\$5,000	(\$2,000,000)	\$0	(\$270,000)	\$0
	SF	\$0	\$2,000,000	\$0	\$0	\$0
Environment						
	GF	(\$7,598)	(\$7,674)	(\$7,751)	(\$7,828)	(\$7,907)
	SF	\$72,309	\$60,909	\$64,810	\$67,767	\$70,867
Executive Department						
	GF	\$97,977	\$20,821,934	\$20,808,298	\$20,810,164	\$20,812,118
	SF	\$20,768,000	\$0	\$0	\$0	\$0
General Services						
	GF	\$125,000	\$25,000	\$0	\$0	\$0
Health & Mental Hygiene						
	GF	(\$76,256,930)	\$6,019,865	\$6,520,237	\$6,802,633	\$7,086,015
	SF	\$39,755,124	\$15,865,136	\$16,241,851	\$16,588,861	\$16,989,778
	FF	(\$42,852,248)	(\$1,892,315)	(\$1,676,084)	(\$1,453,366)	(\$1,223,967)
Higher Education Commission						
	GF	(\$934,113)	\$14,741,344	\$6,822,983	(\$21,726,955)	(\$39,894,757)
	SF	\$35,670,012	\$152,221	\$162,618	\$170,260	\$178,271
Housing & Community Development						
	GF	\$10,000	\$0	\$0	\$0	\$0

Expenditures by Agency (cont'd)

<u>Agency</u>	<u>Fund</u>	<u>FY 2013</u>	<u>FY 2014</u>	<u>FY 2015</u>	<u>FY 2016</u>	<u>FY 2017</u>
Human Resources						
	GF	(\$972,646)	\$1,885,493	\$1,966,231	\$2,017,744	\$2,070,871
	SF	\$3,400,000	\$0	\$0	\$0	\$0
	FF	\$377,886	\$874,485	\$933,718	\$976,051	\$1,020,363
Injured Workers' Insurance Fund						
	NB	(\$740,355)	(\$745,759)	(\$751,216)	(\$756,728)	(\$762,296)
Insurance Administration						
	SF	\$254,897	\$211,277	\$162,361	\$169,970	\$177,943
Judiciary						
	GF	\$77,994	\$131,413	\$2,310,656	\$4,556,170	\$4,529,170
Juvenile Services						
	GF	(\$436,831)	\$0	\$0	\$0	\$0
	FF	(\$48,537)	\$0	\$0	\$0	\$0
Labor, Licensing, & Regulation						
	SF	\$224,084	\$174,905	\$183,771	\$190,381	\$197,310
	NB	\$386,072	\$522,484	\$530,321	\$538,276	\$546,350
Legislative Services						
	GF	\$127,765	\$249,407	\$254,595	\$259,094	\$263,735
MAIF						
	NB	\$213,850	\$278,467	\$278,467	\$278,467	\$278,467
Morgan State University						
	GF	\$0	\$2,478,624	\$2,589,742	\$2,705,045	\$2,824,326
	SF	\$2,371,234	\$0	\$0	\$0	\$0
	HE	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000
Natural Resources						
	SF	(\$83,281,391)	(\$12,000)	(\$12,000)	(\$12,000)	(\$12,000)

Expenditures by Agency (cont'd)

<u>Agency</u>	<u>Fund</u>	<u>FY 2013</u>	<u>FY 2014</u>	<u>FY 2015</u>	<u>FY 2016</u>	<u>FY 2017</u>
Payments to Civil Divisions						
	GF	\$0	\$24,583,661	\$24,583,661	\$24,583,661	\$24,583,661
	SF	\$36,576,334	\$0	\$0	\$0	\$0
Planning						
	GF	\$0	\$7,000,000	\$0	\$0	\$0
	SF	\$7,000,000	\$0	\$0	\$0	\$0
Public Defender						
	GF	(\$27,160,516)	(\$27,430,096)	(\$27,698,983)	(\$27,970,451)	(\$28,250,286)
Public Safety & Correctional Services						
	GF	\$50,000	\$0	\$0	\$0	\$0
Public Works, Board of						
	GF	\$5,000	\$5,050	\$5,100	\$5,151	\$5,203
School Construction						
	SF	\$48,842	\$46,761	\$0	\$0	\$0
	BOND	\$0	(\$25,000,000)	(\$25,000,000)	(\$25,000,000)	(\$25,000,000)
St. Mary's College						
	GF	\$0	\$593,477	\$606,890	\$621,941	\$637,800
	SF	\$965,167	\$395,355	\$407,216	\$419,432	\$432,015
Stadium Authority						
	GF	\$0	\$0	\$0	\$926,000	\$1,907,000
State Police						
	GF	(\$4,173,658)	(\$7,327,176)	(\$6,687,985)	(\$9,071,182)	(\$8,466,361)
State Prosecutor						
	GF	\$0	\$2,025	\$7,459	\$13,056	\$13,056

Expenditures by Agency (cont'd)

<u>Agency</u>	<u>Fund</u>	<u>FY 2013</u>	<u>FY 2014</u>	<u>FY 2015</u>	<u>FY 2016</u>	<u>FY 2017</u>
Transportation						
	SF	\$23,500	\$0	\$1,047,375	\$349,125	\$0
	BOND	(\$21,500,000)	\$21,500,000	\$0	\$0	\$0
University System of Maryland						
	GF	(\$246,160)	\$35,232,103	\$36,434,507	\$37,620,684	\$38,906,344
	SF	\$34,247,440	\$400,000	\$400,000	\$400,000	\$400,000
	HE	\$500,000	\$3,160,000	\$3,160,000	\$3,160,000	\$3,160,000
	BOND	\$32,000,000	\$0	\$0	\$0	\$0
Workers' Compensation Commission						
	GF	\$0	\$23,290	\$77,628	\$133,600	\$133,600

Totals by Fund Type/Summary of Quantifiable Expenditure Effects

<u>Fund Type</u>	<u>FY 2013</u>	<u>FY 2014</u>	<u>FY 2015</u>	<u>FY 2016</u>	<u>FY 2017</u>
GF	(\$253,163,009) ¹	\$223,379,605	\$176,306,744	\$123,304,051	\$134,164,714
SF	\$399,128,358 ²	\$70,015,384	\$70,559,466	\$71,611,138	\$73,089,975
FF	(\$15,614,913) ³	\$31,977,196	\$33,206,403	\$34,559,639	\$35,931,474
BOND	\$25,824,000 ⁴	(\$3,500,000)	(\$25,000,000)	(\$25,000,000)	(\$25,000,000)

¹(\$225,760,666 is not included in the FY 2013 budget.

²\$397,209,291 is not included in the FY 2013 budget.

³(\$36,890,624) is not included in the FY 2013 budget.

⁴\$0 is not included in the FY 2013 budget.

Regular Positions Needed by Agency

<u>Agency</u>	<u>Fund</u>	<u>Beginning in FY 2013</u>	<u>Beginning in FY 2014</u>
Budget & Management	GF	0.5	0
Business & Economic Development	GF	0	1.0
Education	GF	0.5	0
	SF	1.0*	0
Environment	SF	1.0	0
Executive Department	GF	0.4	0
Health & Mental Hygiene	GF	0	3.0
	SF	0.5	0
Higher Education Commission	GF	0.5	0
	SF	2.1	0
Human Resources	GF/FF	12.2	0
Insurance Administration	SF	2.0	0
Labor, Licensing, & Regulation	SF	2.0	0
Legislative Services	GF	1.0	0
Interagency Committee on School Construction	SF	1.0	0
Total		24.7	4.0

*Position filled beginning in fiscal 2012.

Contractual Positions Needed by Agency

<u>Agency</u>	<u>Fund</u>	<u>Beginning in FY 2013</u>	<u>Beginning in FY 2014</u>
Administrative Hearings	SFC	1.0	0
Executive Department	GFC	0.5	0
Health & Mental Hygiene	SFC	2.5	(1.0)
Insurance Administration	SFC	2.0	(2.0)
Total		6.0	(3.0)

Chapter Four – Local Government

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

State Aid to Local Governments

Overview

State aid to local governments will total \$6.7 billion in fiscal 2013, representing a \$134.7 million increase over the prior year. Direct aid will increase by \$207.1 million; whereas State funding for retirement payments will decrease by \$72.4 million which reflects the start of the State-local cost sharing arrangement for teacher retirement payments. As in prior years, local school systems will receive most of the increase in State aid, while funding to county and municipal governments continues to increase slightly after several years of substantial funding reductions. Over the last five years, State aid to local school systems has increased by \$485.8 million, while funding to county and municipal governments has decreased by \$448.6 million. **Exhibit 4.1** compares State aid by governmental entity in fiscal 2012 and 2013. **Exhibit 4.2** shows the annual change in State aid over the last five years.

Exhibit 4.1
State Aid to Local Governments
Fiscal 2012 and 2013
(\$ in Millions)

	<u>FY 2012</u>	<u>FY 2013</u>	<u>Difference</u>	<u>% Difference</u>
Public Schools	\$4,948.7	\$5,085.7	\$137.0	2.8%
Libraries	48.8	49.7	0.9	1.9%
Community Colleges	230.4	232.1	1.7	0.7%
Health	38.3	37.3	-1.0	-2.6%
County/Municipal	387.5	456.0	68.4	17.7%
Subtotal – Direct Aid	\$5,653.7	\$5,860.8	\$207.1	3.7%
Retirement Payments	882.2	809.8	-72.4	-8.2%
Total State Aid	\$6,535.9	\$6,670.6	\$134.7	2.1%

Source: Department of Legislative Services

Exhibit 4.2
Annual Change in State Aid
Fiscal 2009-2013
(\$ in Millions)

	<u>FY 2009</u>	<u>FY 2010</u>	<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013</u>	<u>Total</u>
Public Schools	\$157.6	-\$10.2	\$117.8	\$83.7	\$137.0	\$485.8
Libraries	-1.3	-2.1	-0.1	0.1	0.9	-2.5
Community Colleges	11.1	-3.6	-2.5	6.0	1.7	12.8
Health	-9.6	-20.1	0	1.0	-1.0	-29.7
County/Municipal	-168.5	-338.9	-16.5	6.9	68.4	-448.6
Subtotal – Direct Aid	-\$10.8	-\$374.8	\$98.6	\$97.7	\$207.1	\$17.8
Retirement Payments	57.9	142.7	96.4	-17.7	-72.4	206.9
Total State Aid	\$47.1	-\$232.1	\$195.0	\$80.0	\$134.7	\$224.7

Source: Department of Legislative Services

Legislative Actions

State aid allocations for fiscal 2013 are impacted by the enactment of the Budget Reconciliation and Financing Act (BRFA) of 2012; and the State and Local Revenue and Financing Act of 2012. This legislation in conjunction with the State budget bill comprised the General Assembly's fiscal 2013 budget plan. As a result of the budget plan not being adopted on the final day of the regular legislative session, the General Assembly reconvened at a special session to implement the budget plan agreed to by the conference committees for the legislation. The budget plan includes \$164.3 million in reductions to State aid programs as illustrated in **Exhibit 4.3** and \$54.2 million in funding enhancements to local programs. In addition, the budget plan includes \$103.9 million in local revenue enhancements. The revenue enhancements included (1) reducing/eliminating the income tax personal exemption for certain taxpayers; (2) applying the recordation tax to an indemnity mortgage; and (3) eliminating the requirement that counties replenish the income tax reserve fund. In total, local governments will realize a net loss of \$6.3 million in fiscal 2013 due to the adoption of the State's budget plan as compared to current law funding amounts. **Exhibit 4.4** shows the net effect on local governments from the adopted State budget plan for each county. A detailed listing of State aid reductions and enhancements for each county by program is provided in **Exhibits 4.5** and **4.6**.

Changes by Program

State aid for public schools, libraries, community colleges, and county and municipal governments will increase in fiscal 2013; whereas State aid for local health departments and teachers retirement payments decrease. While overall State funding trends upwards, several local governments will receive less funding in fiscal 2013 than in prior years. Specifically, 16 counties will receive an increase in State aid in fiscal 2013, while 8 counties will receive a decrease in State aid. **Exhibit 4.7** summarizes the distribution of direct aid by governmental unit and shows the estimated State retirement payments for local government employees. **Exhibit 4.8** shows total State aid in fiscal 2012 and 2013 by program.

Exhibit 4.3
State Aid Actions and Local Revenue Enhancements
Fiscal 2013
(\$ in Millions)

State Aid Reductions

Police Aid Formula	-\$21.4
Local Health Formula Aid	-1.9
Baltimore City Miscellaneous Grant ¹	-3.1
Horse Racing Impact Grants	-1.3
Retirement Payment Cost Shift	-136.6
<i>Subtotal</i>	<i>-\$164.3</i>

State Aid Enhancements

Aging Schools Program	\$25.0
Teacher Retirement Supplemental Grants	27.7
Hold Harmless Grant for Garrett County Public Schools	1.2
Prince George's County State's Attorney Grant	0.4
<i>Subtotal</i>	<i>\$54.2</i>

Local Revenue Enhancements

Income Tax – Limitations on Exemptions	\$31.5
Income Tax Reserve – Eliminate Requirement that Counties Replenish	36.7
Recordation Tax – Indemnity Mortgages	35.7
<i>Subtotal</i>	<i>\$103.9</i>

Total Effect	-\$6.3
---------------------	---------------

¹Funding for the Baltimore City Miscellaneous Grant is now included under the Teacher Retirement Supplemental Grants.

Exhibit 4.4
State Aid Actions and Local Revenue Enhancements
Fiscal 2013

County	<i>Local Revenue Enhancements</i>				State Aid Enhancements	State Aid Reductions	Net Effect
	Individual Income Tax	Income Tax Reserve	Recordation Tax	Total Enhancements			
Allegany	\$70,000	\$245,023	\$107,000	\$422,023	\$2,032,299	-\$1,875,282	\$579,040
Anne Arundel	3,018,000	3,355,846	2,925,000	9,298,846	2,070,874	-14,458,836	-3,089,116
Baltimore City	1,011,000	2,104,714	400,000	3,515,714	15,727,439	-16,910,761	2,332,392
Baltimore	3,237,000	4,839,885	2,100,000	10,176,885	6,577,625	-19,598,462	-2,843,952
Calvert	599,000	554,364	550,000	1,703,364	156,704	-3,113,401	-1,253,333
Caroline	35,000	100,213	100,000	235,213	890,027	-937,168	188,073
Carroll	1,057,000	1,086,772	800,000	2,943,772	561,717	-4,622,396	-1,116,907
Cecil	270,000	440,845	2,195,000	2,905,845	392,962	-2,859,875	438,932
Charles	842,000	822,650	1,000,000	2,664,650	204,919	-4,471,158	-1,601,589
Dorchester	31,000	96,702	185,000	312,702	465,617	-815,406	-37,087
Frederick	1,444,000	1,531,193	5,000,000	7,975,193	747,350	-6,800,827	1,921,716
Garrett	28,000	95,943	220,000	343,943	1,724,113	-765,440	1,302,616
Harford	1,291,000	1,530,887	1,020,000	3,841,887	889,587	-6,640,995	-1,909,521
Howard	3,514,000	2,918,127	2,903,000	9,335,127	359,208	-11,222,048	-1,527,713
Kent	45,000	91,369	70,000	206,369	156,704	-456,618	-93,545
Montgomery	10,203,000	10,503,112	11,000,000	31,706,112	2,466,246	-32,884,523	1,287,835
Prince George's	3,273,000	4,097,314	2,500,000	9,870,314	14,928,072	-22,439,452	2,358,934
Queen Anne's	266,000	292,934	500,000	1,058,934	204,919	-1,281,240	-17,387
St. Mary's	590,000	635,562	500,000	1,725,562	204,919	-2,873,390	-942,909
Somerset	11,000	57,711	40,000	108,711	538,703	-591,897	55,516
Talbot	117,000	208,563	565,000	890,563	156,704	-805,696	241,571
Washington	279,000	584,688	455,000	1,318,688	552,072	-3,697,050	-1,826,290
Wicomico	167,000	376,141	350,000	893,141	2,004,190	-2,637,809	259,522
Worcester	53,000	107,304	250,000	410,304	156,704	-1,526,557	-959,549
Unallocated	0	0	0	0	0	0	0
Total	\$31,451,000	\$36,677,862	\$35,735,000	\$103,863,862	\$54,169,675	-\$164,286,289	-\$6,252,751

Exhibit 4.5
Reductions to State Aid to Local Governments
Fiscal 2013

County	Police Protection	Health Grants	Horse Racing	Miscellaneous Grant	Teachers Retirement	Total
Allegany	-\$343,682	-\$43,858	\$0	\$0	-\$1,487,742	-\$1,875,282
Anne Arundel	-2,466,426	-159,726	-339,000	0	-11,493,684	-14,458,836
Baltimore City	34,859	-338,758	-609,000	-3,075,000	-12,922,862	-16,910,761
Baltimore	-3,569,413	-223,247	-50,000	0	-15,755,802	-19,598,462
Calvert	-257,835	-19,628	0	0	-2,835,938	-3,113,401
Caroline	-117,593	-25,641	0	0	-793,934	-937,168
Carroll	-555,540	-61,074	0	0	-4,005,782	-4,622,396
Cecil	-359,903	-40,153	0	0	-2,459,819	-2,859,875
Charles	-484,689	-49,953	0	0	-3,936,516	-4,471,158
Dorchester	-138,142	-20,721	0	0	-656,543	-815,406
Frederick	-832,001	-75,365	0	0	-5,893,461	-6,800,827
Garrett	-79,809	-20,917	0	0	-664,714	-765,440
Harford	-1,024,587	-86,667	0	0	-5,529,741	-6,640,995
Howard	-1,253,275	-62,957	-84,750	0	-9,821,066	-11,222,048
Kent	-74,552	-15,919	0	0	-366,147	-456,618
Montgomery	-5,493,692	-163,278	0	0	-27,227,553	-32,884,523
Prince George's	-2,456,773	-259,051	-169,049	0	-19,554,579	-22,439,452
Queen Anne's	-155,233	-20,480	0	0	-1,105,527	-1,281,240
St. Mary's	-347,817	-39,876	0	0	-2,485,697	-2,873,390
Somerset	-91,261	-20,512	0	0	-480,124	-591,897
Talbot	-161,114	-16,126	0	0	-628,456	-805,696
Washington	-535,329	-67,608	0	0	-3,094,113	-3,697,050
Wicomico	-417,788	-46,428	0	0	-2,173,593	-2,637,809
Worcester	-238,940	-16,056	0	0	-1,271,561	-1,526,557
Unallocated	0	0	0	0	0	0
Total	-\$21,420,535	-\$1,894,001	-\$1,251,799	-\$3,075,000	-\$136,644,954	-\$164,286,289

Exhibit 4.6
Enhancements to State Aid to Local Governments
Fiscal 2013

County	Aging Schools	Supplemental Grants	Garrett County Hold Harmless	State's Attorney	Total
Allegany	\$400,193	\$1,632,106	\$0	\$0	\$2,032,299
Anne Arundel	2,070,874	0	0	0	2,070,874
Baltimore City	5,679,843	10,047,596	0	0	15,727,439
Baltimore	3,577,625	3,000,000	0	0	6,577,625
Calvert	156,704	0	0	0	156,704
Caroline	204,919	685,108	0	0	890,027
Carroll	561,717	0	0	0	561,717
Cecil	392,962	0	0	0	392,962
Charles	204,919	0	0	0	204,919
Dorchester	156,704	308,913	0	0	465,617
Frederick	747,350	0	0	0	747,350
Garrett	156,704	406,400	1,161,009	0	1,724,113
Harford	889,587	0	0	0	889,587
Howard	359,208	0	0	0	359,208
Kent	156,704	0	0	0	156,704
Montgomery	2,466,246	0	0	0	2,466,246
Prince George's	4,949,370	9,628,702	0	350,000	14,928,072
Queen Anne's	204,919	0	0	0	204,919
St. Mary's	204,919	0	0	0	204,919
Somerset	156,704	381,999	0	0	538,703
Talbot	156,704	0	0	0	156,704
Washington	552,072	0	0	0	552,072
Wicomico	436,353	1,567,837	0	0	2,004,190
Worcester	156,704	0	0	0	156,704
Unallocated	0	0	0	0	0
Total	\$25,000,004	\$27,658,662	\$1,161,009	\$350,000	\$54,169,675

Exhibit 4.7
State Assistance to Local Governments
Fiscal 2013 Legislative Appropriation
(\$ in Thousands)

County	<i>Direct State Aid</i>						Retirement	Total	Change Over FY 2012	Percent Change
	County/ Municipal	Community Colleges	Public Schools	Libraries	Health	Subtotal				
Allegany	\$10,848	\$6,006	\$75,956	\$767	\$909	\$94,486	\$9,910	\$104,396	-\$1,648	-1.6%
Anne Arundel	26,710	29,753	314,364	2,114	3,142	376,082	68,756	444,838	23,610	5.6%
Baltimore City	239,140	0	890,182	6,034	6,675	1,142,032	73,436	1,215,468	24,415	2.0%
Baltimore	16,411	37,638	558,569	5,256	4,302	622,176	95,396	717,572	19,068	2.7%
Calvert	1,725	2,226	82,391	367	370	87,078	16,375	103,453	-1,480	-1.4%
Caroline	3,960	1,519	44,909	268	538	51,193	4,737	55,931	2,906	5.5%
Carroll	3,209	7,638	141,060	941	1,232	154,080	23,683	177,763	-1,986	-1.1%
Cecil	7,113	5,423	98,288	703	806	112,333	14,437	126,770	-34	0.0%
Charles	2,643	7,377	157,136	861	995	169,012	23,222	192,234	-595	-0.3%
Dorchester	3,557	1,310	33,518	249	429	39,063	3,885	42,948	1,490	3.6%
Frederick	4,788	9,181	224,982	1,298	1,512	241,761	34,656	276,417	3,509	1.3%
Garrett	3,673	3,421	22,355	119	437	30,007	4,108	34,115	-768	-2.2%
Harford	4,492	10,610	205,555	1,487	1,737	223,881	33,221	257,102	-5,578	-2.1%
Howard	5,620	14,441	221,162	812	1,215	243,250	58,120	301,369	2,545	0.9%
Kent	774	602	9,969	85	336	11,765	2,162	13,927	23	0.2%
Montgomery	18,371	43,527	595,167	2,721	3,015	662,800	162,301	825,101	16,420	2.0%
Prince George's	56,056	23,644	913,485	6,289	5,007	1,004,481	114,776	1,119,258	43,658	4.1%
Queen Anne's	1,208	1,674	32,815	134	418	36,249	6,475	42,724	-32	-0.1%
St. Mary's	1,921	2,506	95,338	590	809	101,165	14,426	115,591	2,280	2.0%
Somerset	6,227	726	23,987	263	429	31,632	2,814	34,447	234	0.7%
Talbot	1,176	1,459	12,149	106	329	15,219	3,812	19,030	399	2.1%
Washington	3,038	8,065	158,090	1,158	1,381	171,732	18,716	190,449	3,249	1.7%
Wicomico	6,013	4,862	120,480	897	947	133,200	12,840	146,040	5,453	3.9%
Worcester	4,052	1,940	19,025	144	313	25,473	7,494	32,967	167	0.5%
Unallocated	23,271	6,601	34,759	16,059	0	80,690	0	80,690	-2,589	-3.1%
Total	\$455,994	\$232,148	\$5,085,691	\$49,724	\$37,283	\$5,860,840	\$809,758	\$6,670,598	\$134,716	2.1%

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

Exhibit 4.7 (Cont.)
State Assistance to Local Governments
Fiscal 2012 Working Appropriation
(\$ in Thousands)

County	County/ Municipal	Community Colleges	<i>Direct State Aid</i>				Retirement	Total
			Public Schools	Libraries	Health	Subtotal		
Allegany	\$9,128	\$5,995	\$78,695	\$747	\$1,012	\$95,575	\$10,469	\$106,044
Anne Arundel	10,027	29,507	302,530	1,965	3,221	347,249	73,979	421,228
Baltimore City	218,396	0	879,990	6,346	6,675	1,111,407	79,645	1,191,053
Baltimore	10,800	37,397	539,359	5,180	4,303	597,039	101,465	698,504
Calvert	1,425	2,165	83,237	384	408	87,619	17,314	104,933
Caroline	3,139	1,549	42,417	272	564	47,942	5,084	53,025
Carroll	2,761	7,599	141,119	1,009	1,286	153,774	25,976	179,749
Cecil	6,848	5,391	97,533	712	849	111,332	15,472	126,804
Charles	2,147	7,178	156,243	817	1,066	167,450	25,379	192,830
Dorchester	3,112	1,336	31,969	238	469	37,123	4,335	41,458
Frederick	4,409	8,959	218,902	1,222	1,561	235,053	37,855	272,908
Garrett	3,073	3,403	23,304	129	476	30,385	4,498	34,883
Harford	3,817	10,563	208,911	1,523	1,788	226,603	36,077	262,680
Howard	4,487	14,329	216,232	824	1,269	237,140	61,684	298,824
Kent	739	614	9,690	91	368	11,502	2,401	13,903
Montgomery	16,171	42,242	564,871	2,720	3,015	629,020	179,661	808,682
Prince George's	42,880	23,531	869,810	5,606	5,012	946,839	128,761	1,075,600
Queen Anne's	966	1,707	32,513	139	444	35,769	6,987	42,756
St. Mary's	1,523	2,438	92,726	588	837	98,113	15,198	113,311
Somerset	5,734	718	24,022	258	460	31,192	3,021	34,213
Talbot	1,080	1,487	11,509	102	352	14,529	4,101	18,631
Washington	2,758	8,044	153,417	1,146	1,453	166,818	20,382	187,200
Wicomico	4,564	4,807	115,022	834	1,008	126,233	14,353	140,586
Worcester	3,832	1,918	18,476	138	379	24,742	8,058	32,800
Unallocated	23,734	7,565	36,176	15,803	0	83,278	0	83,278
Total	\$387,547	\$230,443	\$4,948,672	\$48,791	\$38,273	\$5,653,726	\$882,156	\$6,535,882

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

Exhibit 4.7 (Cont.)
State Assistance to Local Governments
Dollar Difference between Fiscal 2013 Legislative Appropriation and Fiscal 2012 Working Appropriation
(\$ in Thousands)

County	County/ Municipal	Community Colleges	<i>Direct State Aid</i>				Retirement	Total
			Public Schools	Libraries	Health	Subtotal		
Allegany	\$1,721	\$11	-\$2,739	\$20	-\$103	-\$1,089	-\$559	-\$1,648
Anne Arundel	16,683	245	11,834	149	-79	28,833	-5,223	23,610
Baltimore City	20,744	0	10,192	-312	0	30,624	-6,209	24,415
Baltimore	5,611	241	19,210	76	0	25,138	-6,069	19,068
Calvert	299	60	-846	-16	-38	-541	-939	-1,480
Caroline	821	-30	2,491	-4	-26	3,252	-346	2,906
Carroll	449	39	-59	-68	-54	307	-2,293	-1,986
Cecil	265	33	755	-9	-43	1,001	-1,035	-34
Charles	496	199	893	45	-71	1,562	-2,157	-595
Dorchester	445	-26	1,549	11	-40	1,940	-450	1,490
Frederick	379	221	6,080	77	-49	6,708	-3,199	3,509
Garrett	600	18	-948	-10	-39	-379	-390	-768
Harford	675	46	-3,356	-36	-51	-2,722	-2,856	-5,578
Howard	1,133	112	4,930	-12	-54	6,110	-3,564	2,545
Kent	35	-12	279	-6	-32	263	-240	23
Montgomery	2,200	1,285	30,295	0	0	33,780	-17,361	16,420
Prince George's	13,176	113	43,676	683	-5	57,643	-13,985	43,658
Queen Anne's	242	-33	302	-6	-26	480	-512	-32
St. Mary's	398	68	2,612	2	-28	3,052	-772	2,280
Somerset	493	8	-35	6	-31	440	-207	234
Talbot	96	-29	641	4	-23	689	-290	399
Washington	280	21	4,673	12	-71	4,915	-1,666	3,249
Wicomico	1,450	55	5,458	63	-60	6,967	-1,513	5,453
Worcester	220	22	549	7	-66	732	-565	167
Unallocated	-464	-964	-1,417	256	0	-2,589	0	-2,589
Total	\$68,448	\$1,705	\$137,018	\$933	-\$989	\$207,114	-\$72,398	\$134,716

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

Exhibit 4.7 (Cont.)
State Assistance to Local Governments
Percent Change: Fiscal 2013 Legislative Appropriation over Fiscal 2012 Working Appropriation

County	County/ Municipal	Community Colleges	<i>Direct State Aid</i>				Retirement	Total
			Public Schools	Libraries	Health	Subtotal		
Allegany	18.9%	0.2%	-3.5%	2.7%	-10.2%	-1.1%	-5.3%	-1.6%
Anne Arundel	166.4%	0.8%	3.9%	7.6%	-2.4%	8.3%	-7.1%	5.6%
Baltimore City	9.5%	n/a	1.2%	-4.9%	0.0%	2.8%	-7.8%	2.0%
Baltimore	52.0%	0.6%	3.6%	1.5%	0.0%	4.2%	-6.0%	2.7%
Calvert	21.0%	2.8%	-1.0%	-4.2%	-9.4%	-0.6%	-5.4%	-1.4%
Caroline	26.1%	-1.9%	5.9%	-1.5%	-4.6%	6.8%	-6.8%	5.5%
Carroll	16.3%	0.5%	0.0%	-6.7%	-4.2%	0.2%	-8.8%	-1.1%
Cecil	3.9%	0.6%	0.8%	-1.3%	-5.0%	0.9%	-6.7%	0.0%
Charles	23.1%	2.8%	0.6%	5.5%	-6.7%	0.9%	-8.5%	-0.3%
Dorchester	14.3%	-1.9%	4.8%	4.6%	-8.6%	5.2%	-10.4%	3.6%
Frederick	8.6%	2.5%	2.8%	6.3%	-3.1%	2.9%	-8.4%	1.3%
Garrett	19.5%	0.5%	-4.1%	-7.4%	-8.1%	-1.2%	-8.7%	-2.2%
Harford	17.7%	0.4%	-1.6%	-2.4%	-2.8%	-1.2%	-7.9%	-2.1%
Howard	25.2%	0.8%	2.3%	-1.4%	-4.2%	2.6%	-5.8%	0.9%
Kent	4.8%	-1.9%	2.9%	-7.0%	-8.8%	2.3%	-10.0%	0.2%
Montgomery	13.6%	3.0%	5.4%	0.0%	0.0%	5.4%	-9.7%	2.0%
Prince George's	30.7%	0.5%	5.0%	12.2%	-0.1%	6.1%	-10.9%	4.1%
Queen Anne's	25.1%	-1.9%	0.9%	-4.0%	-5.8%	1.3%	-7.3%	-0.1%
St. Mary's	26.2%	2.8%	2.8%	0.4%	-3.4%	3.1%	-5.1%	2.0%
Somerset	8.6%	1.2%	-0.1%	2.2%	-6.7%	1.4%	-6.8%	0.7%
Talbot	8.9%	-1.9%	5.6%	4.2%	-6.6%	4.7%	-7.1%	2.1%
Washington	10.1%	0.3%	3.0%	1.1%	-4.9%	2.9%	-8.2%	1.7%
Wicomico	31.8%	1.2%	4.7%	7.6%	-6.0%	5.5%	-10.5%	3.9%
Worcester	5.7%	1.2%	3.0%	4.7%	-17.4%	3.0%	-7.0%	0.5%
Unallocated	-2.0%	-12.7%	-3.9%	1.6%	n/a	-3.1%	n/a	-3.1%
Total	17.7%	0.7%	2.8%	1.9%	-2.6%	3.7%	-8.2%	2.1%

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

Exhibit 4.8
Total State Assistance to Local Governments

<u>Program</u>	<u>FY 2012</u>	<u>FY 2013</u>	<u>Difference</u>
Foundation Aid	\$2,773,083,702	\$2,810,405,122	\$37,321,420
Supplemental Program	47,916,276	47,657,425	-258,851
Geographic Cost of Education Index	127,328,154	128,752,660	1,424,506
Compensatory Education	1,083,838,457	1,146,261,309	62,422,852
Student Transportation – Regular	224,353,387	228,064,845	3,711,458
Student Transportation – Special Education	23,890,000	23,264,000	-626,000
Special Education – Formula	264,259,713	266,494,716	2,235,003
Special Education – Nonpublic Placements	112,770,182	113,897,886	1,127,704
Special Education – Infants and Toddlers	10,389,104	10,389,104	0
Limited English Proficiency Grants	162,699,226	177,405,509	14,706,283
Aging Schools	8,608,996	31,109,001	22,500,005
Teacher Quality Incentives	7,681,204	5,294,000	-2,387,204
Adult Education	6,933,622	6,933,622	0
Food Service	7,156,664	7,716,664	560,000
Out-of-county Foster Placements	5,842,000	5,410,989	-431,011
Head Start	1,800,001	1,800,002	1
Judy Hoyer Centers	10,575,000	10,575,000	0
Guaranteed Tax Base	50,063,544	44,205,671	-5,857,873
Other Programs	19,483,025	20,053,112	570,087
Total Primary and Secondary Education	\$4,948,672,257	\$5,085,690,637	\$137,018,380
Library Formula	\$32,987,938	\$33,664,772	\$676,834
Library Network	15,803,108	16,058,820	255,712
Total Libraries	\$48,791,046	\$49,723,592	\$932,546
Community College Formula	\$194,407,431	\$199,176,112	\$4,768,681
Grants for ESOL Programs	4,380,729	5,397,957	1,017,228
Optional Retirement	15,409,000	17,104,001	1,695,001
Small College Grant/Allegany and Garrett Grant	3,916,669	3,869,010	-47,659
Other Community College Aid	12,329,284	6,601,040	-5,728,244
Total Community Colleges	\$230,443,113	\$232,148,120	\$1,705,007
Highway User Revenue	\$146,926,008	\$162,984,602	\$16,058,594
Elderly and Handicapped Transportation Aid	4,305,938	4,305,938	0
Paratransit	2,926,702	2,926,702	0
Total Transportation	\$154,158,648	\$170,217,242	\$16,058,594

<u>Program</u>	<u>FY 2012</u>	<u>FY 2013</u>	<u>Difference</u>
Police Aid	\$45,420,982	\$45,420,982	\$0
Fire and Rescue Aid	10,000,000	10,000,000	0
Vehicle Theft Prevention	1,610,000	1,680,092	70,092
9-1-1 Grants	14,400,000	14,400,000	0
Community Policing	1,974,000	1,974,000	0
Foot Patrol/Drug Enforcement Grants	4,228,210	4,228,210	0
Law Enforcement Training Grants	50,000	50,000	0
Stop Gun Violence Grants	928,478	928,478	0
Violent Crime Grants	4,750,714	4,750,714	0
State's Attorney Grant	1,959,195	2,809,195	850,000
Domestic Violence Grants	196,354	196,354	0
War Room/Sex Offender Grant	1,445,313	1,445,313	0
Safe Streets Grant	623,109	2,150,158	1,527,049
School Vehicle Safety Grant	550,000	554,409	4,409
Body Armor	49,088	49,088	0
Total Public Safety	\$88,185,443	\$90,636,993	\$2,451,550
Program Open Space	\$8,847,000	\$15,064,000	\$6,217,000
Critical Area Grants	265,900	263,900	-2,000
Total Recreation/Environment	\$9,112,900	\$15,327,900	\$6,215,000
Local Health Formula	\$38,272,819	\$37,283,484	-\$989,335
Disparity Grant	\$119,747,040	\$119,926,717	\$179,677
Payments in Lieu of Taxes	1,053,843	1,103,550	49,707
Video Lottery Terminal Impact Aid	10,333,310	28,854,100	18,520,790
Senior Citizens Activities Center	500,000	500,000	0
Statewide Voting Systems	4,455,755	1,769,317	-2,686,438
Teacher Retirement Supplemental Grant	0	27,658,661	27,658,661
Total Other Direct Aid	\$16,342,908	\$59,885,628	\$43,542,720
Total Direct Aid	\$5,653,726,174	\$5,860,840,313	\$207,114,139
Retirement – Teachers	\$832,978,012	\$755,545,301	-\$77,432,711
Retirement – Libraries	16,559,768	17,032,759	472,991
Retirement – Community Colleges	32,618,330	37,179,636	4,561,306
Total Payments-on-behalf	\$882,156,110	\$809,757,696	-\$72,398,414
Total State Assistance	\$6,535,882,284	\$6,670,598,009	\$134,715,725

ESOL: English for Speakers of Other Languages

Primary and Secondary Education

Foundation Program: The foundation program is the basic State education funding mechanism for public schools which ensures a minimum per pupil funding level and requires county governments to provide a local match. The formula is calculated based on a per pupil foundation amount and student enrollment. The per pupil foundation amount for fiscal 2013 is set at \$6,761. The student enrollment count used for the program totals 823,452 students. Enrollment for the formula is based on the September 30, 2011, full-time equivalent student enrollment count. Less affluent local school systems, as measured by assessable base and net taxable income, receive relatively more aid per pupil than wealthier school systems. The State provides funding for roughly 50% of the program's cost.

State aid under the foundation program will total \$2.8 billion in fiscal 2013, a \$37.3 million, or 1.3%, increase from the prior year. In addition, \$47.7 million in supplemental grants will be provided to nine local school systems. The supplemental grants were established during the 2007 special session to guarantee increases of at least 1.0% in State education aid for all local school systems during the two years, fiscal 2009 and 2010, that inflationary increases for the per pupil foundation amount were eliminated. Supplemental grants continued at fiscal 2010 levels in fiscal 2011, less a \$4.7 million reduction that recaptured overpayments to eight local school systems due to a miscalculation in school system wealth bases in fiscal 2009. Fiscal 2012 supplemental grants remained at the fiscal 2011 level. However, the BRFA of 2011 limited decreases in direct education aid to 6.5% from fiscal 2011 to 2012, resulting in a \$779,300 grant to Allegany County and a \$640,600 grant to Garrett County for fiscal 2012. The BRFA of 2012 (Chapter 1 of the special session) provides an education grant of approximately \$1.2 million to Garrett County by limiting the annual decrease in specified education aid to 5.0%.

Geographic Cost of Education Index: This is a discretionary formula that provides additional State funds to local school systems where costs for educational resources are higher than the State average. Funding for the geographic cost of education index (GCEI) formula was provided in fiscal 2009 for the first time. Funding of GCEI, which is received by 13 local school systems for fiscal 2013, totals \$128.8 million.

Compensatory Education: The compensatory education program provides additional funding based on the number of economically disadvantaged students. The formula recognizes disparities in local wealth by adjusting the grants per eligible student by local wealth. The formula is calculated based on 97% of the annual per pupil amount used in the foundation program and the number of students eligible for free and reduced-price meals. The State provides funding for 50% of the program's cost. State aid under the compensatory education program will total \$1.1 billion in fiscal 2013, representing a \$62.4 million, or 5.8%, increase over the prior year. The per pupil State funding amount for fiscal 2013 is set at \$3,279, and the student enrollment count used for the program totals 335,978.

Special Education: State aid for special education recognizes the additional costs associated with providing programs for students with disabilities. Most special education students receive services in the public schools; however, if an appropriate program is not

available in the public schools, students may be placed in a private school offering more specialized services. The State and local school systems share the costs of these nonpublic placements.

The special education formula is calculated based on 74% of the annual per pupil foundation amount and the number of special education students from the prior fiscal year, with the State providing funding for 50% of the program's cost. The per pupil State funding amount for fiscal 2013 is set at \$2,502, and the student enrollment count used for the program totals 102,649. State funding for public special education programs will total \$266.5 million in fiscal 2013, representing a \$2.2 million, or a 0.8% increase over the prior year. Funding for nonpublic placements increases from \$112.8 million in fiscal 2012 to \$113.9 million in fiscal 2013. A local school system pays its respective local share of the basic cost of education for each nonpublic placement plus two times the total basic cost of education in the system, as well as 30% of any expense above that sum. The State pays 70% of the costs above the base local funding.

Student Transportation: The State provides grants to assist local school systems with the cost of transporting students to and from school. The grants consist of three components: regular student ridership funds; special education student ridership funds; and additional enrollment funds. The regular student ridership funds are based on the local school system's grant in the previous year increased by inflation. The BRFA of 2010 set the inflation rate for student transportation grants at 1.0% for fiscal 2011 through 2015 and reduced the minimum annual inflation adjustment from 3.0 to 1.0%. 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 2013 State budget includes \$228.1 million for regular transportation services and \$23.3 million for special transportation services. This represents a \$3.1 million, or 1.2%, increase from the prior year.

Limited English Proficiency: The State provides grants based on non- and limited-English proficient (LEP) students using a definition consistent with federal guidelines. The LEP formula is based on 99% of the annual per pupil foundation amount, with the State providing funding for 50% of the program's cost. The fiscal 2013 grant per LEP student is \$3,347. State funding for the program will total \$177.4 million in fiscal 2013, representing a \$14.7 million, or 9%, increase over the prior year. The number of LEP students in Maryland totals 51,600 for the 2011-2012 school year.

Guaranteed Tax Base Program: Jurisdictions with less than 80% of statewide per pupil wealth that contributed more than the minimum required local share under the foundation program in the prior year receive funding under this program. Grants are based on local support for education relative to local wealth. A grant cannot exceed 20% of the per pupil foundation amount. Nine local school systems will qualify for grants totaling \$44.2 million in fiscal 2013.

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 \$31.1 million in fiscal 2013, a \$22.5 million increase over the prior year.

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 2013 State budget includes \$7.6 million for Judy Center grants, \$3.0 million for school readiness and program accreditation, and \$1.8 million for Head Start programs.

Quality Teacher Incentives: The State provides salary enhancements for teachers obtaining national certification and a stipend for teachers and other nonadministrative certificated school employees working in low-performing schools. The fiscal 2013 State budget includes \$4.2 million for quality teacher incentives; \$96,000 for the Governor's Teacher Excellence Award Program which distributes awards to teachers for outstanding performance; and \$1.1 million for teacher quality and national certification grants. This funding amount is \$2.4 million less than was provided in the prior fiscal year, due to the elimination of supplemental funding that was included in the fiscal 2012 State budget.

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 2013 State budget includes \$7.7 million for food and nutrition services, an increase of \$560,000.

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 2013, the same amount that was provided in each of the past four years.

Adult Education: The State provides funding for adult education services, including adult secondary education, an external diploma program, tutoring, and family literacy instruction. The State budget includes \$6.9 million for adult education programs in fiscal 2013, the same amount that was provided in the prior year.

School-based Health Centers: The fiscal 2013 State budget includes \$2.6 million (the same amount as the prior year) 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.

Healthy Families/Home Visits Program: The Healthy Families program aims to promote positive parenting to enhance child health and development to prevent child abuse and neglect through home visits prenatally through early childhood. The program had been funded

through federal Temporary Assistance for Needy Families funds. However, general funds totaling \$4.6 million each year will be used in fiscal 2012 and 2013.

Science and Math Education Initiative: This program includes summer sessions for teachers and an equipment incentive fund to strengthen science and math education. The State budget includes \$2.2 million for this initiative in fiscal 2013, the same amount provided in the prior year.

Teachers' Retirement Payments: The State has paid 100% of the employers' 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 BRFA of 2012 (Chapter 1 of the special session) phases in over four years the requirement that local school systems pay a portion of teacher retirement costs. Counties are required to increase their appropriations to the local school boards to fund these teacher retirement costs. The local government share in fiscal 2013 totals \$136.6 million, which is equivalent to the reduction in State aid from the previous statutory amount. Due to the cost sharing, State funding for teacher retirement will total \$755.5 million in fiscal 2013. This amounts to a decrease of \$77.4 million, or 9.3% compared to fiscal 2012.

Local Libraries

Minimum Per Capita Library Program: The State provides assistance to public libraries through a formula that determines the State and local shares of a minimum per capita library program. The minimum library program is specified in statute. Overall, the State provides 40% of the minimum program, and the counties provide 60%. The State/local share of the minimum program varies by county depending on local wealth. The BRFA of 2011 set per capita funding for local library grants at \$14 through fiscal 2016 and phases the per capita grant up to \$15 in fiscal 2019. The fiscal 2013 State budget includes \$33.7 million for local library grants, a 2.1% increase.

State Library Network: The network consists of the Central Library of the Enoch Pratt Free Library System in Baltimore City, three regional resource centers, and metropolitan cooperative service programs. The Enoch Pratt Free Library operates as the designated State Library Resource Center. In addition to the State center, regional resource centers serve Western Maryland (Hagerstown), Southern Maryland (Charlotte Hall), and the Eastern Shore (Salisbury). The BRFA of 2011 set per capita funding for regional resource centers at \$6.75 through fiscal 2016 and increases the rate to reach \$7.50 in fiscal 2019. Similarly, per capita funding for the State Library Resource Center is set at \$1.67 through fiscal 2016 and increases to \$1.85 in fiscal 2019. State funding in fiscal 2013 will total \$9.6 million for the State Library Resource Center and \$6.4 million for the regional centers.

Retirement Payments: The State pays 100% of the employers' share of retirement costs for local library employees in the Teachers' Retirement and Pension Systems maintained by the

State. State funding for library retirement payments will total \$17.0 million in fiscal 2013, a 2.9%, increase from the prior year.

Community Colleges

Senator John A. Cade Funding Formula: The Senator Cade funding formula is based on several factors including the amount of State aid received in the previous year and enrollment. There is a hold harmless provision to ensure that no community college receives less funding than in the prior year. The BRFA of 2010 reduced funding under the Cade formula to \$194.4 million in fiscal 2011 and 2012 and reset the phase-in of scheduled formula enhancements. The BRFA of 2011 did not impact fiscal 2012 funding but revised the phase-in of formula enhancements. Under the formula three colleges would have received an increase in fiscal 2013; however, the General Assembly reduced these amounts to level fund the formula grants.

In addition, local community colleges received additional funding in fiscal 2012 if the colleges held tuition rate increases to 3% or less for the 2011-2012 academic year. All community colleges held tuition growth to 3% or less and received a share of the additional funding which totaled \$4.8 million. For fiscal 2013, the BRFA of 2012 adds these amounts to each college's fiscal 2012 Cade formula funding. There is no new funding provided under this program in fiscal 2013.

Special Programs: State funding in fiscal 2013 will total \$3.3 million for the small college grants and \$0.6 million for the Allegany/Garrett counties unrestricted grants. Funding for statewide and regional programs will total \$6.6 million. The English as a Second Language program will receive \$5.4 million, representing a \$1.0 million increase.

Retirement Payments: The State pays 100% 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 \$37.2 million in fiscal 2013, a 14% increase. In addition, State funding for the optional retirement program will total \$17.1 million in fiscal 2013, representing a \$1.7 million, or 11%, increase.

Local Health Departments

The State provides funds to support the delivery of public health services in each of Maryland's 24 jurisdictions. These services include child health, communicable disease prevention, maternal health, family planning, environmental health, and administration of the departments. Due to declining State revenues, the fiscal 2010 appropriation for grants to local health departments was reduced from \$57.4 million to \$37.3 million by the Board of Public Works (BPW) in August 2009. Under the statute, funding would have increased to \$41.0 million in fiscal 2011; however, the BRFA of 2010 reduced the base appropriation for the targeted local health formula for fiscal 2011 and 2012 to \$37.3 million. However, due to one-time employee bonuses, fiscal 2012 targeted aid totaled \$38.3 million. The fiscal 2013 budget resumes funding at the \$37.3 million level.

County and Municipal Governments

Highway User Revenues: The State shares various transportation revenues, commonly referred to as highway user revenues (HUR), with the counties and municipalities. Due to declining State revenues, local highway user grants were significantly reduced in fiscal 2010 to \$163.5 million, with the State's general fund receiving a share of highway user revenues.

Prior to the fiscal 2010 reductions, Maryland local governments received 30.0% of HUR. Most recently, in accordance with the BRFA of 2011 (Chapter 397), from the \$1.65 billion in estimated fiscal 2012 HUR local aid was distributed as follows: \$123.8 million (7.5%) to Baltimore City; \$13.2 million (0.8%) to counties; and \$9.9 million (0.6%) to municipalities. In fiscal 2013, \$132.0 million (8.1%) is distributed to Baltimore City; \$24.4 million (1.5%) is distributed to counties; and \$6.5 million (0.4%) is distributed to municipalities. The remaining funds accrue to the Maryland Department of Transportation. Under the BRFA of 2011, other Transportation Trust Fund (TTF) revenues, primarily the TTF share of the State sales tax, were shifted to the general fund.

Other Transportation Aid: State funding for elderly/disabled transportation grants will total \$4.3 million in fiscal 2013, while State funding for paratransit grants will total \$2.9 million.

Police Aid Formula: Maryland's counties and municipalities receive grants for police protection through the police aid formula. The police aid formula allocates funds on a per capita basis, and jurisdictions with a higher population density receive greater per capita grants. Municipalities receive additional grants based on the number of sworn officers. The Maryland State Police recovers 30% of the State crime laboratories costs relating to evidence-testing services from each county's formula allocation. Due to declining State revenues, the fiscal 2010 appropriation for police aid was reduced from \$66.0 million to \$45.4 million by BPW in August 2009. The BRFA of 2010 limits the amount a local government may receive through the police aid formula in both fiscal 2011 and 2012 to the amount the jurisdiction receives in fiscal 2010. In fiscal 2013, police aid remains at the \$45.4 million level as a result of a \$21.4 million reduction to the \$66.8 million statutory level.

Public Safety Grants: State funding for targeted public safety grants will total \$18.0 million. They 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, vehicle theft prevention, and the body armor grants. The \$18.0 million also includes \$2.2 million provided through the Safe Streets program, which expands to several cities in fiscal 2013; only Annapolis and Salisbury received grants in fiscal 2012. In fiscal 2013, \$2.5 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 \$350,000 will be provided to the Prince George's County State's Attorney Office to prosecute violent, repeat and chronic offenders.

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. Fiscal 2013 funding remains at \$10 million.

9-1-1 Emergency Systems Grant: The State imposes a 25-cent fee per month on telephone subscribers that is deposited into a trust fund that provides reimbursements to counties for improvements and enhancements to their 9-1-1 systems. Counties may only use the trust fund money to supplement their spending, not to supplant it. State funding to local 9-1-1 emergency systems will total \$14.4 million in fiscal 2013.

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. POS is funded from State transfer tax revenues; however, in recent years the transfer tax has been shifted to the State's general fund and POS grants have been funded with State general obligation bonds. The State capital budget bill, **Senate Bill 151 (Chapter 444)**, authorizes \$13.6 million in bond funds for local grants over several years, resulting in a \$6.2 million increase in authorized open space grants as compared to fiscal 2012 authorizations. In addition, Baltimore City will receive \$1.5 million in special POS grant funding.

Horse Racing Impact Aid: To assist services and facilities for communities within two miles of the Pimlico racetrack and three miles of the Laurel racetrack, the State has provided impact aid for live racing. Also, the City of Bowie has received aid for each day training facilities are open at the Bowie Training Center. In addition, for each day wagering is conducted at a track where live racing is not held, there has been impact aid provided for simulcast wagering. However, the fiscal 2011 budget transferred \$500,000 of the \$1.2 million allocated for local impact aid to the general fund and the fiscal 2012 and 2013 budgets include no funding for horse racing impact aid.

Video Lottery Terminal Local Impact Grants: From the proceeds generated at video lottery terminal (VLT) facilities in the State, 5.5% is distributed in the form of local impact grants to local governments where video lottery facilities are located; 18.0% of which is distributed for 15 years (starting in fiscal 2012 and ending in fiscal 2027) to Baltimore City through the Pimlico Community Development Authority, except for \$1.0 million annually which is provided to Prince George's County for the community surrounding Rosecroft. VLT local impact grants total \$28.9 million in fiscal 2013, an increase of \$18.5 million. The significant increase reflects the June 2012 opening of the VLT facility in Anne Arundel County.

Disparity Grants: Disparity grants address the differences in the abilities of counties to raise revenues from the local income tax, which is the third largest revenue source for counties after State aid and property taxes. Through fiscal 2011, counties with per capita local income tax revenues less than 75% of the State's average received grants. Aid received by a county equaled the dollar amount necessary to raise the county's per capita income tax revenues to 75% of the State average. The BRFA of 2009 included a provision, beginning in fiscal 2011, that capped each county's funding under the program at the fiscal 2010 level. Under the BRFA of 2011, for

fiscal 2012 only, the disparity grant is based on income tax revenues below 77% of the State average, instead of 75%. This change solely benefits Prince George's County, which received \$8.8 million above the grant that would have resulted under previous law. Disparity grant funding totals \$119.9 million in fiscal 2013, an \$180,000 or 0.2% increase from the prior year.

Teacher Retirement Supplemental Grant: The BRFA of 2012 (Chapter 1 of the 2012 special session) establishes this grant program, beginning in fiscal 2013. Grants totaling \$27.7 million will be distributed to nine counties (including Baltimore City) in fiscal 2013 to help offset the impact of sharing teachers' retirement costs with the counties. This funding level includes \$3.1 million that had been designated for the Baltimore City miscellaneous grant which was permanently repealed by Chapter 1.

Summary of State Mandates	
Circuit Courts	1
Finance and Taxes	1
Land Use Planning and Development	1
Procurement	1
Public Schools	3
Stormwater Management	1
Transportation Safety	1
Washington Suburban Sanitary Commission	1
Total	10

***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 123	Real Property – Foreclosure Sale of Residential Property – Notice to Local Supervisor of Assessments (Ch. 461)	Potential significant property tax revenues.	No
SB 131/HB 115	Criminal Procedure – Warrantless Arrests – Theft Crimes (Ch. 29/Ch. 30)	Minimal fine revenues.	No
SB 167	Tax Credits for Qualifying Employees with Disabilities – Sunset Extension (Ch. 467)	Local highway user revenues decrease minimally through FY 2015.	No
SB 208/HB 1	Environment – Recycling – Apartment Buildings and Condominiums (Ch. 191/Ch. 192)	Potential revenues from civil penalties and sales of recycled material beginning in FY 2015.	No
SB 214/HB 350	Criminal Law – Possession of Marijuana – De Minimis Quantity (Ch. 193/Ch. 194)	Minimal decrease in fine revenues.	No
SB 234	Maryland Health Improvement and Disparities Reduction Act of 2012 (Ch. 3)	Potential grant revenues.	No
SB 236	Sustainable Growth and Agricultural Preservation Act of 2012 (Ch. 149)	Potential significant decrease in residential development-related tax and fee revenues.	Yes
SB 262/HB 276	Health Occupations – Psychologists – Penalties for Misrepresentation and Practicing Without a License (Ch. 204/Ch. 205)	Potential minimal fine revenues.	No
SB 306/HB 476	Baltimore City – Vehicle Height Monitoring Systems (Ch. 376/Ch. 375)	Significant fine revenues.	No
SB 309/HB 149	Mopeds and Motor Scooters – Titling, Insurance, and Required Use of Protective Headgear (Ch. 210/Ch. 211)	Minimal local highway user revenues.	No

Legislation Affecting Local Government Revenues

<u>Bill #</u>	<u>Title</u>	<u>Comment</u>	<u>Mandate</u>
SB 362	Education – Age for Compulsory Public School Attendance – Exemptions (Ch. 494)	Formula-based State aid increases by an estimated \$8.8 million in FY 2017 and by \$35.6 million in FY 2018. Potential additional significant increase in State aid for program implementation beginning in FY 2015. State aid will decrease for counties with low dropout rates.	No
SB 401	Motor Vehicles – Towing Practices and Procedures (Ch. 228)	Potential decrease in fine revenues for certain jurisdictions.	Yes
SB 477/HB 1107	Job Creation Tax Credit – Termination Provisions (Ch. 521/Ch. 522)	Minimal decrease in local highway user revenues beginning in FY 2015.	No
SB 506/HB 292	Vehicle Laws – Provisional Driver’s Licenses – Driver Education Requirements (Ch. 245/Ch. 246)	Minimal local highway user revenues.	No
SB 580/HB 600	Income Tax – Subtraction Modification – Mortgage Forgiveness Debt Relief (Ch. 544/Ch. 545)	Income tax revenues decrease by \$3.1 million in FY 2014.	No
SB 591/HB 678	Real Property – Manufactured Homes – Affixation to and Severance from Real Property (Ch. 546/Ch. 547)	Potential circuit court fee revenues.	No
SB 627	Multiple Jurisdictions – Alcoholic Beverages – Class B and Class BLX Licenses – Restaurants (Ch. 275)	Potential minimal license fee revenues in Baltimore City and Anne Arundel, Baltimore, Calvert, Charles, Howard, Montgomery, and Prince George’s counties.	No
SB 650/HB 631	Public Safety – Impersonating a Police Officer – WMATA Metro Transit Police (Ch. 280/Ch. 281)	Potential minimal fine revenues.	No
SB 656/HB 53	Higher Education – Community Colleges – Tuition Waiver for Disabled Individuals (Ch. 82/Ch. 83)	Minimal decrease in tuition revenues beginning in FY 2013, partially offset by an increase in State aid beginning in FY 2015.	No

Legislation Affecting Local Government Revenues

<u>Bill #</u>	<u>Title</u>	<u>Comment</u>	<u>Mandate</u>
SB 674/HB 1219	Primary and Secondary Education – Online Courses and Services – Development or Review and Approval (Ch. 287/Ch. 288)	Fee revenues may increase to cover school system expenditures.	No
SB 807	Income Tax – Subtraction Modification – Land Acquisition for Department of Transportation (Ch. 587)	Income tax revenues decrease by \$236,000 annually.	No
SB 848	Education – Maintenance of Effort (Ch. 6)	Potential local property tax revenues. Education aid to Anne Arundel, Montgomery, and Queen Anne’s counties increase by \$30.6 million in FY 2013 due to elimination of aid penalties. Potential increases in education aid to Dorchester and Wicomico counties beginning in FY 2014 due to increased county school appropriations.	No
SB 864	Gaming – Electronic Machines – Regulation (Ch. 603)	Significant tax and fee revenues for Anne Arundel and Calvert counties. Potential decrease in Anne Arundel County grant revenues.	No
SB 869/HB 940	Maryland Building Performance Standards – Hotels – Mandatory Master Control Device (Ch. 606/Ch. 607)	Potential minimal building permit fee revenues.	No
SB 889/HB 349	Criminal Law – Misdemeanor Possession of Child Pornography – Statute of Limitations (Ch. 316/Ch. 317)	Minimal fine revenues.	No
SB 1301	Budget Reconciliation and Financing Act of 2012 (Ch. 1)	Net local impact of \$96.9 million in FY 2013, including restoration of \$184.7 million in State aid that was cut due to the failure of SB 152 and SB 523. Net local impact is of similar magnitude beginning in FY 2014.	No
SB 1302	State and Local Revenue and Financing Act of 2012 (Ch. 2)	Local revenues increase by \$67.3 million in FY 2013, \$67.2 million in FY 2014, \$62.6 million in FY 2015, and by about \$61.0 million annually thereafter.	No
SB 1303	Creation of a State Debt – Qualified Zone Academy Bonds (Ch. 3)	Revenues for public school renovation increase by a maximum of \$15.3 million in FY 2013.	No

Legislation Affecting Local Government Revenues

<u>Bill #</u>	<u>Title</u>	<u>Comment</u>	<u>Mandate</u>
HB 1/SB 208	See entry for SB 208.		No
HB 53/SB 656	See entry for SB 656.		No
HB 96	Criminal Procedure – Probation Before Judgment – Possession of a Controlled Dangerous Substance (Ch. 352)	Minimal decrease in fine revenues.	No
HB 115/SB 131	See entry for SB 131.		No
HB 125	Frederick County and Washington County – Property Tax Credit – Job Creation by Small Businesses (Ch. 650)	Potential decrease in Frederick and Washington county property tax revenues.	No
HB 149/SB 309	See entry for SB 309.		No
HB 158	Property Tax – High Performance Building Tax Credit – National Green Building Standards (Ch. 356)	Potential decrease in county and municipal property tax revenues.	No
HB 190	Environment – Noise Control (Ch. 360)	Potential minimal fine revenues.	No
HB 215	Baltimore City – Investment in Our Youth (IO-YOUth) Pilot Program (Ch. 655)	Potential decrease in income tax revenues through FY 2016. Baltimore City revenues may increase to cover program expenditures.	No
HB 276/SB 262	See entry for SB 262.		No
HB 292/SB 506	See entry for SB 506.		No
HB 349/SB 889	See entry for SB 889.		No
HB 350/SB 214	See entry for SB 214.		No
HB 431	Vehicle Laws – Use of School Bus Monitoring Cameras (Ch. 124)	Potential significant fine revenues.	No

Legislation Affecting Local Government Revenues

<u>Bill #</u>	<u>Title</u>	<u>Comment</u>	<u>Mandate</u>
HB 438	Civil Marriage Protection Act (Ch. 2)	Potential minimal marriage fee revenues.	No
HB 446	Environment – Bay Restoration Fund – Fees and Uses (Ch. 150)	Grant revenues for wastewater treatment plant and septic system upgrades increase by approximately \$258 million between FY 2013 and 2017.	No
HB 476/SB 306	See entry for SB 306.		No
HB 573	Criminal Procedure – Bail Bondsman Solicitation – Penalty (Ch. 383)	Potential minimal fine revenues.	No
HB 592	Tax Credit for Businesses That Create New Jobs – Enhanced Credit – Extension (Ch. 128)	Montgomery County property tax revenues decrease by approximately \$1.9 million in FY 2016 increasing to \$3.1 million by FY 2027. Local highway user revenues distributed to all counties decrease by \$16,600 in FY 2016 and by \$15,000 annually beginning in FY 2017.	No
HB 600/SB 580	See entry for SB 580.		No
HB 631/SB 650	See entry for SB 650.		No
HB 678/SB 591	See entry for SB 591.		No
HB 879	Environment – Statewide Electronics Recycling Program (Ch. 400)	Potential minimal decrease in grant revenues.	No
HB 923	Property Tax Credit – Neighborhood Conservation Act of 2012 (Ch. 141)	Potential decrease in property tax revenues.	No
HB 929	Environment – Recycling Rates and Waste Diversion – Statewide Goals (Ch. 692)	Potential minimal revenues from the sale of recycled material beginning in FY 2016; potential decrease in fee revenues.	No
HB 940/SB 869	See entry for SB 869.		No
HB 975	Income Tax – Subtraction Modification – Forest Conservation and Management Program Expenses (Ch. 693)	Minimal decrease in income tax revenues.	No

Legislation Affecting Local Government Revenues

<u>Bill #</u>	<u>Title</u>	<u>Comment</u>	<u>Mandate</u>
HB 987	Stormwater Management – Watershed Protection and Restoration Program (Ch. 151)	Significant fee revenues for certain jurisdictions.	No
HB 1081	Homestead Property Tax Credit Reform Act of 2012 (Ch. 701)	Potential property tax revenues.	No
HB 1107/SB 477	See entry for SB 477.		No
HB 1188	State Department of Education – Lacrosse Opportunities Program (Ch. 706)	Baltimore City and Prince George’s County grant revenues increase by a total of at least \$40,000 annually beginning in FY 2014.	No
HB 1219/SB 674	See entry for SB 674.		No
HB 1289	Economic Development – Qualified Distressed Counties – One Maryland Economic Development Tax Credit (Ch. 715)	Minimal decrease in local highway user revenues.	No
HB 1374	Real Property – Foreclosures and Mediation (Ch. 156)	Potential significant decrease in income tax revenues. Potential minimal fee revenues offset by administrative costs.	No
HB 1391	Public School Construction Program – Maryland School for the Blind (Ch. 144)	Potential decrease in local school construction capital funds.	No

Legislation Affecting Local Government Revenues

<u>Bill #</u>	<u>Title</u>	<u>Comment</u>	<u>Mandate</u>
Legislation Affecting Local Governments by Subdivision			
<i>Allegany County</i>			
HB 150	Allegany County – Solicitation of Money or Donations from Occupants of Vehicles – Prohibitions and Permit Program (Ch. 104)	Potential minimal fee revenues.	No
<i>Anne Arundel County</i>			
SB 32/HB 59	Anne Arundel County – Property Tax Payment Deferral – Eligibility (Ch. 162/Ch. 163)	Potential minimal decrease in property tax revenues.	No
SB 1024	Anne Arundel County – Alcoholic Beverages – Multiple Licenses (Ch. 337)	License fee revenues increase by approximately \$9,600 annually.	No
HB 59/SB 32	See entry for SB 32.		No
<i>Baltimore City</i>			
SB 354	Baltimore City – Alcoholic Beverages – Licenses (Ch. 493)	License fee revenues increase by \$1,350 annually.	No
SB 377	Alcoholic Beverages – Baltimore City – False Advertising (Ch. 223)	Potential minimal fine revenues.	No
SB 874/HB 401	Baltimore City – Alcoholic Beverages – Refillable Containers (Ch. 93/Ch. 92)	License fee revenues increase by approximately \$20,000 annually.	No
SB 883/HB 962	Baltimore City – Alcoholic Beverages – Video Lottery Facility and Video Lottery Concessionaire Licenses (Ch. 94/Ch. 95)	License fee revenues increase by approximately \$40,000 annually beginning in FY 2014.	No

Legislation Affecting Local Government Revenues

<u>Bill #</u>	<u>Title</u>	<u>Comment</u>	<u>Mandate</u>
SB 975/HB 1319	Baltimore City – Alcoholic Beverages – Zoo License (Ch. 328/Ch. 329)	License fee revenues may increase by \$335 annually.	No
SB 984	Baltimore City – Alcoholic Beverages – Beer, Wine, and Liquor Tasting License (Ch. 332)	Minimal license fee revenues.	No
HB 213	Baltimore City Community Enhancement Transit-Oriented Development Fund (Ch. 654)	Potential transit-oriented development funds.	No
HB 401/SB 874	See entry for SB 874.		No
HB 962/SB 883	See entry for SB 883.		No
HB 1319/SB 975	See entry for SB 975.		No
<i>Baltimore County</i>			
SB 654	Baltimore County – Alcoholic Beverages Licenses (Ch. 558)	Potential minimal license fee revenues.	No
<i>Carroll County</i>			
SB 666	Carroll County – Property Tax Credit for Housing Units at Independent Living Retirement Communities (Ch. 284)	Property tax revenues may decrease by at least \$1.1 million annually.	No
<i>Cecil County</i>			
HB 254	Cecil County – Alcoholic Beverages – Class BLX Licenses (Ch. 363)	Potential minimal license fee revenues.	No

Legislation Affecting Local Government Revenues

<u>Bill #</u>	<u>Title</u>	<u>Comment</u>	<u>Mandate</u>
<i>Charles County</i>			
HB 1054	Charles County – Property Tax Credit – Conservation Easements (Ch. 413)	Potential decrease in property tax revenues.	No
HB 1161	Charles County – Assessment for Abatement of Zoning Violation (Ch. 419)	Cost-recovery revenues increase by \$12,000 annually.	No
<i>Frederick County</i>			
SB 300	Frederick County – Public Facilities Bonds (Ch. 54)	Bond revenue proceeds increase by a maximum of \$100.0 million.	No
HB 1368	Frederick County – Middletown Wine Festival License (Ch. 721)	Minimal license fee revenues.	No
<i>Garrett County</i>			
SB 769	Garrett County – Animal Control Ordinance – Enabling Authority (Ch. 90)	Potential minimal fine revenues.	No
HB 224	Garrett County – Hotel Rental Tax (Ch. 362)	Hotel rental tax revenues increase by \$280,000 annually.	No
HB 512	Environment – Garrett County Sanitary District – Imposition of Late Fees (Ch. 378)	County sanitary district fee revenues increase by \$30,000 in FY 2013 and by \$40,000 annually thereafter.	No
<i>Harford County</i>			
HB 205	Harford County – Alcoholic Beverages – Wine Festival License (Ch. 109)	Potential minimal license fee revenues.	No
HB 248	Harford County – Alcoholic Beverages Licenses – Class C-3 Club License (Ch. 114)	License fee revenues increase by a minimum of \$1,400 annually.	No

Legislation Affecting Local Government Revenues

<u>Bill #</u>	<u>Title</u>	<u>Comment</u>	<u>Mandate</u>
HB 1326	Harford County – Disposition of Fee for Performing Marriage Ceremony – Funds for Historical Society (Ch. 432)	Marriage fee revenues decrease by \$10,500 in FY 2013 and by \$14,000 annually thereafter.	No
<i>Montgomery County</i>			
HB 687	Montgomery County – Alcoholic Beverages License – Rock Spring Centre MC 2-12 (Ch. 132)	License fee revenues increase by approximately \$6,300 in FY 2014 and by \$5,000 annually thereafter.	No
HB 690	Damascus – Class H Beer and Light Wine Licenses – Repeal of Prohibition MC 6-12 (Ch. 133)	Minimal license fee revenues.	No
HB 691	Montgomery County – Alcoholic Beverages – Special Art Gallery Beer and Wine License MC 18-12 (Ch. 134)	Minimal license fee revenues.	No
HB 721	Montgomery County – Solicitation and Collection of Money or Donations from Occupants of Vehicles – Adoption of a Permit Program MC 10-12 (Ch. 392)	Fee revenues may increase significantly to cover program costs.	No
HB 726	Montgomery County – Property Tax Credit – Benefit Corporations and Benefit Limited Liability Companies MC 13-12 (Ch. 135)	Potential decrease in property tax revenues.	No
<i>Prince George's County</i>			
HB 805	Prince George's County Board of Education – Recycling Program – School Facilities PG 403-12 (Ch. 396)	Potential minimal revenues from the sale of recycled material.	No

Legislation Affecting Local Government Revenues

<u>Bill #</u>	<u>Title</u>	<u>Comment</u>	<u>Mandate</u>
HB 813	Prince George’s County – Hyattsville – Arts and Entertainment District – Licensed Alcoholic Beverages Establishments – Distance from Places of Worship PG 308-12 (Ch. 136)	License fee revenues increase by \$6,000 in FY 2013 and by \$4,600 annually thereafter.	No
HB 897	Prince George’s County – Property Tax – Installment Payment Schedule PG 416-12 (Ch. 401)	Potential minimal decrease in interest income beginning in FY 2014.	No
HB 898	Prince George’s County – Property Tax – Payment in Lieu of Taxes Agreements PG 418-12 (Ch. 402)	Potential property tax revenue decrease offset by negotiated payment in lieu of tax agreements.	No
HB 919	Prince George’s County – Issuance, Transfer, and Renewal of Alcoholic Beverages Licenses – Payment of Taxes PG 302-12 (Ch. 690)	Potential tax revenues.	No
<i>Talbot County</i>			
HB 60	Talbot County – Zoning Regulations – Enforcement (Ch. 349)	Potential minimal fine revenues.	No
<i>Washington County</i>			
HB 216	Washington County – Distribution of Amounts to Town of Williamsport – Payments in Lieu of Property Taxes on Electricity Generation Facilities (Ch. 112)	Potential significant decrease in Town of Williamsport municipal revenues distributed by Washington County.	No
<i>Wicomico County</i>			
SB 1044	Wicomico County – Alcoholic Beverages – Class D Licenses (Ch. 640)	License fee revenues may increase by \$1,800 annually.	No

Legislation Affecting Local Government Revenues

<u>Bill #</u>	<u>Title</u>	<u>Comment</u>	<u>Mandate</u>
<i>Worcester County</i>			
SB 990	Ocean City Convention Center – Financial Obligations and Taxing Authority (Ch. 630)	Significant State aid and local tax revenues for Ocean City.	No
HB 1436	Worcester County – Alcoholic Beverages – Beer and Wine Festivals (Ch. 439)	License fee revenues increase by a maximum of \$6,000 annually.	No

Legislation Affecting Local Government Expenditures

<u>Bill #</u>	<u>Title</u>	<u>Comment</u>	<u>Mandate</u>
Legislation Affecting All/Multiple Local Jurisdictions			
SB 41	Caroline County, Dorchester County, and Talbot County – Prospective Employees and Volunteers – Criminal History Records Check (Ch. 165)	Potential minimal expenditures for criminal history records checks.	No
SB 70	Family Law – Permanency Planning and Guardianship Review Hearings – Court Procedures (Ch. 169)	Potential significant circuit court expenditures in FY 2013 only.	Yes
SB 115	Environment – Waterworks and Wastewater Works Certified Operators (Ch. 23)	Potential decrease in personnel costs for certain counties and municipalities.	No
SB 117	Environment – Water Appropriation Permits – Construction Dewatering Projects (Ch. 24)	Potential significant decrease in project development costs.	No
SB 131/HB 115	Criminal Procedure – Warrantless Arrests – Theft Crimes (Ch. 29/Ch. 30)	Minimal incarceration costs.	No
SB 173/HB 2	Public School Buildings – Carbon Monoxide Detection and Warning Equipment (Ch. 38/Ch. 39)	Minimal construction and monitoring costs for new and renovated schools.	Yes
SB 174/HB 114	Subsequent Injury Fund and Uninsured Employers' Fund – Assessments on Settlement Agreements (Ch. 40/Ch. 41)	Minimal decrease in workers' compensation costs.	No
SB 179/HB 243	Kathleen A. Mathias Chemotherapy Parity Act of 2012 (Ch. 4/Ch. 5)	Potential minimal employee health care costs.	No
SB 208/HB 1	Environment – Recycling – Apartment Buildings and Condominiums (Ch. 191/Ch. 192)	Potential significant enforcement and compliance costs.	No
SB 214/HB 350	Criminal Law – Possession of Marijuana – De Minimis Quantity (Ch. 193/Ch. 194)	Minimal decrease in incarceration costs and circuit court expenditures.	No

Legislation Affecting Local Government Expenditures

<u>Bill #</u>	<u>Title</u>	<u>Comment</u>	<u>Mandate</u>
SB 234	Maryland Health Improvement and Disparities Reduction Act of 2012 (Ch. 3)	Potential minimal administrative costs.	No
SB 236	Sustainable Growth and Agricultural Preservation Act of 2012 (Ch. 149)	Potential significant implementation costs. Potential significant decrease in Watershed Implementation Plan compliance costs.	Yes
SB 262/HB 276	Health Occupations – Psychologists – Penalties for Misrepresentation and Practicing Without a License (Ch. 204/Ch. 205)	Potential minimal incarceration costs.	No
SB 291	Unemployment Insurance – Coverage – Victims of Domestic Violence (Ch. 53)	UITF reimbursement expenditures increase minimally.	No
SB 362	Education – Age for Compulsory Public School Attendance – Exemptions (Ch. 494)	Potential significant increase in minimum local school system appropriations in FY 2016; significant increases in minimum local appropriations are required by FY 2017.	No
SB 401	Motor Vehicles – Towing Practices and Procedures (Ch. 228)	Potential minimal enforcement and incarceration costs for most jurisdictions.	Yes
SB 422/HB 261	Criminal Procedure – Criminal Defendants – Citations and Appearances (Ch. 504/Ch. 505)	Potential significant decrease in expenditures for correctional facilities, law enforcement agencies, and State’s Attorneys’ Offices.	No
SB 540/HB 470	Maryland Health Care Commission – Preauthorization of Health Care Services – Benchmarks (Ch. 534/Ch. 535)	Potential minimal employee health care costs.	No
SB 621/HB 497	Public Schools – Epinephrine Availability and Use – Policy Requirements (Ch. 552/Ch. 553)	Minimal school system expenditures.	No
SB 650/HB 631	Public Safety – Impersonating a Police Officer – WMATA Metro Transit Police (Ch. 280/Ch. 281)	Potential minimal incarceration costs.	No
SB 659/HB 865	State Procurement – Disclosure – Location of the Performance of Services (Ch. 559/Ch. 560)	Potential significant procurement costs.	Yes

Legislation Affecting Local Government Expenditures

<u>Bill #</u>	<u>Title</u>	<u>Comment</u>	<u>Mandate</u>
SB 672/HB 806	State Retirement and Pension System – Investment Division – Salary Setting (Ch. 561/Ch. 562)	Minimal administrative costs.	No
SB 674/HB 1219	Primary and Secondary Education – Online Courses and Services – Development or Review and Approval (Ch. 287/Ch. 288)	Potential school system expenditures offset by fee revenues.	No
SB 755/HB 228	Consuming Wine Not Bought on Premises – Restaurants, Clubs, and Hotels (Ch. 86/Ch. 87)	Potential minimal enforcement expenditures.	No
SB 781/HB 1149	Health Insurance – Coverage for Services Delivered Through Telemedicine (Ch. 579/Ch. 580)	Potential minimal employee health care costs.	No
SB 848	Education – Maintenance of Effort (Ch. 6)	Minimum county school appropriations increase in certain counties in FY 2013 and annually beginning in FY 2015.	Yes
SB 864	Gaming – Electronic Machines – Regulation (Ch. 603)	Regulatory expenditures continue for Anne Arundel and Calvert counties.	No
SB 869/HB 940	Maryland Building Performance Standards – Hotels – Mandatory Master Control Device (Ch. 606/Ch. 607)	Potential minimal inspection costs.	No
SB 880/HB 801	State Retirement and Pension System – Transfer of Members Between Systems (Ch. 608/Ch. 609)	Potential minimal pension costs for participating local governments.	No
SB 889/HB 349	Criminal Law – Misdemeanor Possession of Child Pornography – Statute of Limitations (Ch. 316/Ch. 317)	Minimal incarceration costs.	No
SB 941/HB 1257	Fiduciary Institutions – Protection of Elder Adults from Financial Abuse – Reporting Requirements (Ch. 324/Ch. 325)	Potential personnel costs.	No

Legislation Affecting Local Government Expenditures

<u>Bill #</u>	<u>Title</u>	<u>Comment</u>	<u>Mandate</u>
SB 1301	Budget Reconciliation and Financing Act of 2012 (Ch. 1)	Local school boards will pay \$136.6 million towards teacher pensions in FY 2013, and minimum county school appropriations increase by an equal amount. Payments increase to more than \$200 million annually by FY 2016. Annual FY 2013 through 2022 county payments to replenish the Local Income Tax Reserve Account are eliminated.	Yes
SJ 3	Judicial Compensation Commission – Recommendations (JR 5)	Minimal salary expenditures for certain counties.	No
HB 1/SB 208	See entry for SB 208.		No
HB 2/SB 173	See entry for SB 173.		Yes
HB 19	State Retirement and Pension System – Military Service Credit – Reservists (Ch. 646)	Minimal pension costs for participating local governments.	No
HB 96	Criminal Procedure – Probation Before Judgment – Possession of a Controlled Dangerous Substance (Ch. 352)	Minimal decrease in incarceration costs, offset by increase in circuit court expenditures.	No
HB 111	Criminal Law – Failure to Return Rental Vehicle – Notice (Ch. 354)	Potential minimal decrease in incarceration costs.	No
HB 114/SB 174	See entry for SB 174.		No
HB 115/SB 131	See entry for SB 131.		No
HB 190	Environment – Noise Control (Ch. 360)	Potential minimal enforcement expenditures likely offset by fine revenues.	No
HB 228/SB 755	See entry for SB 755.		No
HB 243/SB 179	See entry for SB 179.		No
HB 261/SB 422	See entry for SB 422.		No
HB 276/SB 262	See entry for SB 262.		No

Legislation Affecting Local Government Expenditures

<u>Bill #</u>	<u>Title</u>	<u>Comment</u>	<u>Mandate</u>
HB 349/SB 889	See entry for SB 889.		No
HB 350/SB 214	See entry for SB 214.		No
HB 421	Workers' Compensation – Death Benefits – Determination of Benefits (Ch. 663)	Minimal decrease in workers' compensation costs.	No
HB 438	Civil Marriage Protection Act (Ch. 2)	Potential significant health and retirement benefit costs.	No
HB 446	Environment – Bay Restoration Fund – Fees and Uses (Ch. 150)	Minimal administration costs offset by fee revenues.	No
HB 470/SB 540	See entry for SB 540.		No
HB 497/SB 621	See entry for SB 621.		No
HB 545	Crimes – Theft from a Motor Vehicle (Ch. 382)	Minimal incarceration costs.	No
HB 631/SB 650	See entry for SB 650.		No
HB 644	Environment – Reducing the Incidence of Lead Poisoning (Ch. 387)	Potential minimal health department expenditures and potential significant compliance costs for locally owned housing entities.	No
HB 801/SB 880	See entry for SB 880.		No
HB 806/SB 672	See entry for SB 672.		No
HB 865/SB 659	See entry for SB 659.		Yes
HB 890	Washington Suburban Sanitary Commission – Pipeline Construction – Contracts PG/MC 104-12 (Ch. 140)	Potential minimal decrease in WSSC contracting costs.	No
HB 896	The Washington Suburban Sanitary District Transparency and Rate Relief Act of 2012 PG/MC 107-12 (Ch. 685)	Potential minimal task force expenditures for WSSC. Potential minimal administrative costs for WSSC and Prince George's County.	No

Legislation Affecting Local Government Expenditures

<u>Bill #</u>	<u>Title</u>	<u>Comment</u>	<u>Mandate</u>
HB 901	Washington Suburban Sanitary Commission – High Performance Buildings PG/MC 110-12 (Ch. 403)	Potential WSSC construction and renovation project costs.	Yes
HB 924	Vehicle Laws – Local Authority – Use of Highways by Snowmobiles (Ch. 406)	Potential minimal transportation expenditures.	No
HB 929	Environment – Recycling Rates and Waste Diversion – Statewide Goals (Ch. 692)	Potential minimal implementation costs beginning in FY 2016; potentially offset by waste disposal cost savings.	No
HB 940/SB 869	See entry for SB 869.		No
HB 987	Stormwater Management – Watershed Protection and Restoration Program (Ch. 151)	Administrative costs offset by fee revenues in certain jurisdictions.	Yes
HB 1031	Criminal Procedure – Right of Appeal from Final Judgments – Conditional Guilty Plea (Ch. 410)	Potential minimal decrease in circuit court expenditures.	No
HB 1101	Workers’ Compensation – Medical Presumptions and Study (Ch. 445)	Potential significant workers’ compensation costs.	No
HB 1123	Environment – Presumptive Impact Areas – Contamination Caused by Gas Wells in Deep Shale Deposits (Ch. 703)	Potential decrease in environmental remediation costs.	No
HB 1149/SB 781	See entry for SB 781.		No
HB 1188	State Department of Education – Lacrosse Opportunities Program (Ch. 706)	Potential minimal matching grant expenditures for Baltimore City and Prince George’s County beginning in FY 2014.	No
HB 1219/SB 674	See entry for SB 674.		No
HB 1257/SB 941	See entry for SB 941.		No

Legislation Affecting Local Government Expenditures

<u>Bill #</u>	<u>Title</u>	<u>Comment</u>	<u>Mandate</u>
HB 1289	Economic Development – Qualified Distressed Counties – One Maryland Economic Development Tax Credit (Ch. 715)	Potential decrease in matching grant payments for certain counties.	No
HB 1374	Real Property – Foreclosures and Mediation (Ch. 156)	Potential minimal administrative costs partially offset by fee revenues.	No

Legislation Affecting Local Government Expenditures

<u>Bill #</u>	<u>Title</u>	<u>Comment</u>	<u>Mandate</u>
Legislation Affecting Local Governments by Subdivision			
<i>Allegany County</i>			
HB 150	Allegany County – Solicitation of Money or Donations from Occupants of Vehicles – Prohibitions and Permit Program (Ch. 104)	Potential minimal program costs.	No
HB 516	Allegany County – Orphans’ Court Judges – Pension (Ch. 379)	Minimal personnel costs.	No
<i>Baltimore City</i>			
SB 243	Baltimore City – Hotel Room Tax – Convention Center Promotion (Ch. 197)	Mandatory expenditures for convention center marketing and tourism promotion continue through FY 2017.	No
SB 306/HB 476	Baltimore City – Vehicle Height Monitoring Systems (Ch. 376/Ch. 375)	Procurement costs increase by \$61,200 in FY 2013.	No
SB 597/HB 250	Elections – Baltimore City – Election Dates (Ch. 548/Ch. 549)	Election costs decrease by approximately \$3.7 million in FY 2016.	No
HB 215	Baltimore City – Investment in Our Youth (IO-YOUTH) Pilot Program (Ch. 655)	Program expenditures are funded through donations.	No
HB 250/SB 597	See entry for SB 597.		No
HB 476/SB 306	See entry for SB 306.		No
<i>Calvert County</i>			
HB 1308	Calvert County – School Buses – Length of Operation (Ch. 431)	School transportation expenditures decrease by approximately \$689,000 through FY 2015 and significantly thereafter.	No

Legislation Affecting Local Government Expenditures

<u>Bill #</u>	<u>Title</u>	<u>Comment</u>	<u>Mandate</u>
<i>Carroll County</i>			
HB 135	Carroll County – Board of Elections – Membership (Ch. 102)	Board compensation costs increase minimally in FY 2015 and by \$3,600 annually thereafter.	No
<i>Charles County</i>			
HB 245	Charles County – School Buses – Length of Operation (Ch. 656)	School transportation expenditures decrease by approximately \$754,000 annually through FY 2015 and significantly thereafter.	No
HB 1182	Charles County Sheriff – Collective Bargaining – Binding Arbitration (Ch. 422)	Potential employee compensation costs.	No
<i>Frederick County</i>			
SB 300	Frederick County – Public Facilities Bonds (Ch. 54)	Debt service expenditures increase by \$6.6 million annually over a 20-year period.	No
HB 518	Frederick County – Tax Sales – Auctioneer’s Fees (Ch. 380)	Auction expenditures decrease by \$1,400 annually.	No
<i>Garrett County</i>			
SB 769	Garrett County – Animal Control Ordinance – Enabling Authority (Ch. 90)	Potential significant animal control expenditures and potential minimal incarceration costs.	No
<i>Harford County</i>			
SB 345	Harford County – Water and Sewer Authorities – Number of Directors (Ch. 61)	Potential minimal compensation costs.	No
SB 425	Harford County – Tax Sales – Auctioneer Fees (Ch. 232)	Auction expenditures decrease by \$2,100 annually.	No

Legislation Affecting Local Government Expenditures

<u>Bill #</u>	<u>Title</u>	<u>Comment</u>	<u>Mandate</u>
<i>Howard County</i>			
HB 1175	Howard County – Workers’ Compensation – Students in Unpaid Work-Based Learning Experiences Ho. Co. 9-12 (Ch. 420)	Potential workers’ compensation costs.	No
HB 1189	Howard County – Deputy Sheriffs – Collective Bargaining Ho. Co. 11-12 (Ch. 423)	Potential employee compensation costs.	No
HB 1264	Howard County – Massage Establishment, Pawnbroker or Secondhand Dealer Establishment, and Taxicab Licenses – Criminal History Records Checks Ho. Co. 8-12 (Ch. 713)	Expenditures increase by \$2,300 annually for criminal history records checks.	No
<i>Montgomery County</i>			
HB 721	Montgomery County – Solicitation and Collection of Money or Donations from Occupants of Vehicles – Adoption of a Permit Program MC 10-12 (Ch. 392)	Potential significant program costs likely offset by fee revenues.	No
HB 725	Montgomery County – County Council Special Elections – Voting by Mail MC 5-12 (Ch. 677)	Potential significant decrease in election costs.	No
<i>Prince George’s County</i>			
HB 802	Education – Prince George’s County School Board Budgets – Transparency PG 410-12 (Ch. 394)	Programming expenditures increase by approximately \$20,000 in FY 2013 and minimally thereafter.	No
HB 805	Prince George’s County Board of Education – Recycling Program – School Facilities PG 403-12 (Ch. 396)	Potential minimal recycling costs.	Yes

Legislation Affecting Local Government Expenditures

<u>Bill #</u>	<u>Title</u>	<u>Comment</u>	<u>Mandate</u>
<i>Washington County</i>			
HB 216	Washington County – Distribution of Amounts to Town of Williamsport – Payments in Lieu of Property Taxes on Electricity Generation Facilities (Ch. 112)	Potential significant decrease in Washington County expenditures distributed to the Town of Williamsport.	No
<i>Wicomico County</i>			
HB 63	Wicomico County – Employees – Criminal History Records Checks (Ch. 98)	Expenditures may increase by \$7,300 annually for criminal history records checks.	No
<i>Worcester County</i>			
SB 374	Town of Ocean City – Criminal History Records Check – Taxi Driver Applicants (Ch. 65)	Ocean City expenditures increase by approximately \$13,200 annually for criminal history records checks.	No
SB 990	Ocean City Convention Center – Financial Obligations and Taxing Authority (Ch. 630)	Ocean City debt service payments and expenditures increase significantly.	No

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 365 Higher Education – The Charles W. Riley Fire and Emergency Medical Services Scholarship

General fund expenditures would have increased by \$35,000 in fiscal 2013. No effect on revenues.

SB 153 Creation of a State Debt – Qualified Zone Academy Bonds

Although this bill was vetoed, identical legislation was enacted. In the first special session of 2012 (SB 1303, Chapter 3 of the first special session).