

# EFFECT OF THE 2014 LEGISLATIVE PROGRAM ON THE FINANCIAL CONDITION OF THE STATE



DEPARTMENT OF LEGISLATIVE SERVICES 2014

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# **Effect of the 2014 Legislative Program on the Financial Condition of the State**

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

**July 2014**

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Executive Director

DEPARTMENT OF LEGISLATIVE SERVICES  
OFFICE OF POLICY ANALYSIS  
MARYLAND GENERAL ASSEMBLY

Warren G. Deschenaux  
Director

July 2014

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 2014 Legislative Program on the Financial Condition of the State*.

This document is divided into five chapters.

**Chapter One** highlights the major components of the fiscal 2015 operating budget (**Senate Bill 170/Chapter 462**).

**Chapter Two** summarizes the fiscal 2015 capital budget and the State's capital program (**Senate Bill 171/Chapter 463**).

**Chapter Three** identifies enacted legislation from the 2014 session other than **Senate Bill 170 and 171** 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 2014 session that affects local governments. This chapter also identifies State mandates on units of local government and provides an overview of State aid to local governments.

**Chapter Five** identifies the one 2014 bill vetoed by the Governor for policy reasons and its associated fiscal impact if it had been enacted.

Further information on issues considered during the 2014 session may be found in *The 90 Day Report – A Review of the 2014 Legislative Session*, issued by the Department of Legislative Services following the adjournment of the General Assembly.

The Honorable Thomas V. Mike Miller, Jr.  
The Honorable Michael E. Busch  
Members of the Maryland General Assembly  
July 2014  
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The enclosed report is prepared by the staff of the Office of Policy Analysis. The work was coordinated by Scott D. Kennedy with additional assistance provided by Jennifer K. Botts, Mya P. Coover, Richard L. Duncan, Patrick S. Frank, Scott P. Gates, David B. Juppe, Kathleen P. Kennedy, Matthew D. Klein, Robert J. Rehrmann, John W. Rohrer, 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/mpc

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## Abbreviations

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BOND	–	Bond
Ch.	–	Chapter
FF	–	Federal Fund
FY	–	Fiscal Year
GF	–	General Fund
GO	–	General Obligation
HB	–	House Bill
HE	–	Higher Education
HJ	–	House Joint Resolution
JR	–	Joint Resolution
MEMSOF	–	Maryland Emergency Medical System Operations Fund
M-NCPPC	–	Maryland-National Capital Park and Planning Commission
NB	–	Nonbudgeted
REIM	–	Reimbursable Funds
SB	–	Senate Bill
SF	–	Special Fund
SJ	–	Senate Joint Resolution
VLT	–	Video Lottery Terminal Program
WSSC	–	Washington Suburban Sanitary Commission
( )	–	Indicates Decrease



## Fiscal Effects of the 2014 Legislative Program

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The fiscal 2015 budget, Senate Bill 170 (Chapter 462) of 2014, provides \$38.9 billion in appropriations for fiscal 2015, a 4.3% (\$1.6 billion) increase above fiscal 2014. The appropriations consist of 41.3% in general fund spending, 21.0% in special fund spending, 27.1% in federal fund spending, and 10.6% in spending of higher education revenue. The Maryland Consolidated Capital Bond Loan (MCCBL) of 2014 (capital budget bill), Senate Bill 171 (Chapter 463), authorizes \$1.2 billion in general obligation (GO) bonds for capital spending. The overall capital budget program passed by the General Assembly for fiscal 2015 totals \$4.0 billion, consisting primarily of the \$1.2 billion in GO bonds authorized under the MCCBL of 2014, \$2.4 billion for the transportation program (consisting of revenue bond funding and pay-as-you-go (PAYGO) special and federal funding), and \$0.3 billion in other PAYGO funding. The fiscal 2015 budget and the MCCBL of 2014 are consistent with recommendations of the Spending Affordability Committee (SAC) and Capital Debt Affordability Committee.

Other enacted legislation with a quantifiable effect, including the Budget Reconciliation and Financing Act of 2014 (Senate Bill 172/Chapter 464), is expected to result in a net increase in general fund revenues of \$92.9 million and a net decrease in general fund expenditures of \$166.3 million in fiscal 2015, an overall positive impact on the general fund of \$259.2 million. The table below summarizes the quantifiable fiscal 2015 to 2019 general fund impact of that legislation. By fiscal 2019, various measures enacted in 2014 that reduce revenues or increase spending largely after fiscal 2015 are expected to result in a net decrease in general fund revenues of \$129.7 million and a net increase in general fund expenditures of \$113.7 million, an overall negative impact on the general fund of \$243.5 million in fiscal 2019. The final revenue and spending actions of the legislature met the SAC recommendation of decreasing the general fund structural deficit (difference between ongoing revenues and ongoing spending) in fiscal 2015 by at least \$125 million, but the fiscal implications of 2014 legislation in subsequent fiscal years contribute to a later widening of the deficit.

	<b>FY 2015</b>	<b>FY 2016</b>	<b>FY 2017</b>	<b>FY 2018</b>	<b>FY 2019</b>
<b>General Fund Revenues</b>	\$92,873,847	(\$34,268,280)	(\$57,757,149)	(\$94,580,227)	(\$129,740,406)
<b>General Fund Expenditures</b>	(\$166,323,079)	(\$76,263,877)	(\$7,202,407)	\$51,469,004	\$113,721,452
<b>Net General Fund Impact</b>	\$259,196,927	\$41,995,597	(\$50,554,741)	(\$146,049,231)	(\$243,461,858)

The net positive impact on the general fund of \$259.2 million in fiscal 2015 is almost entirely due to increased revenues and decreased expenditures under the BRFA of 2014. Chapter 1 of this report and the fiscal and policy note for Senate Bill 172 provide greater detail for the various actions under the bill. The increased revenues and decreased expenditures under the BRFA of 2014 are offset to a limited extent by other legislation that decreases revenues

and/or increases expenditures in fiscal 2015, including tax relief measures (SB 596/HB 923 and HB 510), education initiatives (SB 332 and SB 876/HB 811), medical marijuana legislation (SB 923/HB 881), and the establishment of the Cybersecurity Investment Fund (SB 603/HB 740).

The net negative impact on the general fund of \$243.5 million by fiscal 2019 results from various actions, most significantly (1) a phased-in increase in the estate tax exemption (HB 739); (2) a phased-in expansion of the State refundable earned income credit program (HB 198); (3) funding of the newly established Maryland E-Innovation Initiative Program (SB 601/HB 741); (4) a phased-in increase in the minimum wage and increased reimbursement rates paid to community service providers (HB 295); (5) higher pension costs (BRFA of 2014); (6) education/library funding and initiatives (BRFA of 2014, SB 332, SB 419, SB 430, SB 666/HB 1432, SB 785/HB 1215); and (7) increased Maryland Park Service funding (BRFA of 2014).

Special fund revenues decrease overall by \$84.7 million in fiscal 2015 due largely to actions under the BRFA of 2014, most significantly a reduction in the Maryland Health Insurance Plan (MHIP) assessment. Special fund expenditures decrease overall by \$74.0 million in fiscal 2015, also due to actions under the BRFA of 2014, most significantly a transfer of transfer tax revenues otherwise used for land conservation programs to the general fund (programmed to be replaced by GO bond funding in future years) and reduced pension reinvestment payments. Federal fund revenues decrease overall by \$4.1 million in fiscal 2015 due primarily to reduced Medicaid costs under the BRFA of 2014 (resulting from the reduced MHIP assessment) and federal fund expenditures decrease by \$12.7 million in fiscal 2015 due primarily to reduced pension reinvestment payments and reduced Medicaid costs under the BRFA of 2014.

An estimated \$5.0 million in net general fund expenditures from enacted legislation with a quantifiable effect is not accounted for in the fiscal 2015 budget (“nonbudgeted”). Those nonbudgeted expenditures may result in deficiency appropriations for the affected agencies, or agencies may absorb the added costs into their existing budgets. An estimated \$9.3 million in special fund expenditures and a \$4.4 million net reduction in federal fund expenditures are also nonbudgeted. State agencies may add special and federal funds to their budgets through the budget amendment process and in certain cases the expenditure impacts are offset by corresponding revenue impacts. The table below details the extent to which expenditure impacts resulting from enacted 2014 legislation are budgeted or nonbudgeted in fiscal 2015. Virtually all of the fiscal 2015 expenditure reductions under the BRFA of 2014 are budgeted, considerably outweighing a lesser amount of budgeted expenditure increases from other legislation (reflected in the negative “Net Budgeted Expenditures” amounts).

	<b>General Funds</b>	<b>Special Funds</b>	<b>Federal Funds</b>
<b>Net Total Expenditures</b>	(\$166,323,079)	(\$74,021,653)	(\$12,695,487)
<b>Net Budgeted Expenditures</b>	(\$171,361,628)	(\$83,291,163)	(\$8,303,979)
<b>Net Nonbudgeted Expenditures</b>	\$5,038,549	\$9,269,510	(\$4,391,508)

Policy initiatives or changes adopted during the 2014 legislative session create a need for an estimated 38.3 additional regular and contractual positions beginning in fiscal 2015 to implement the respective legislation.

The analysis of the impact on the State of the 2014 legislative program 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 2014 enacted legislation (aside from the fiscal 2015 budget and MCCBL of 2014) are based on the assumptions stated in the fiscal and policy notes for the bills.

Several measures enacted in 2014 affect State aid to local governments, resulting in a net decrease of \$128.7 million in fiscal 2015, due largely to decreases in retirement State aid and Program Open Space funding that outweigh State aid enhancements in other areas. Chapter 4 includes a discussion of State aid to local governments and briefly describes impacts on local governments of legislation enacted in 2014 other than the fiscal 2015 budget and the MCCBL of 2014.



# Chapter One – Operating Budget

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- Overview
- Budget in Brief
- Framing the Session: 2013 Interim Activity
- Governor's Spending Plan as Introduced
- Legislative Consideration of the Budget
- Outlook for Future Budgets
- Budget Reconciliation and Financing Legislation
- By the Numbers



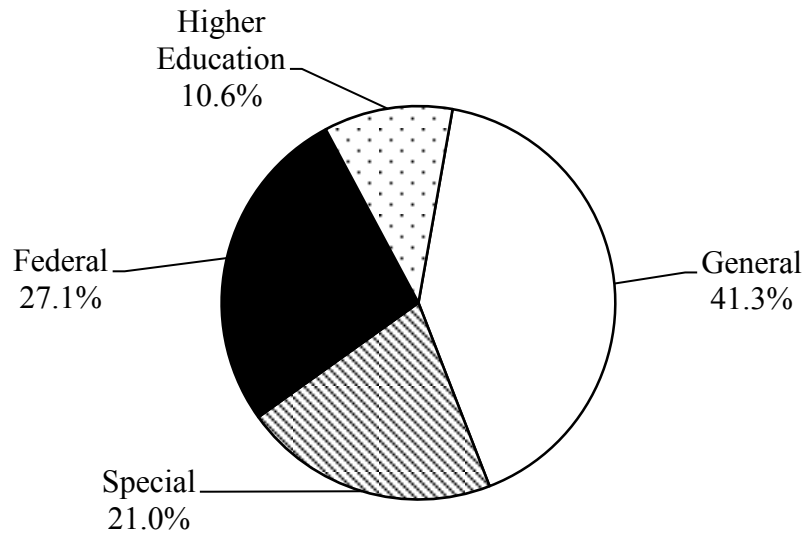
## Overview

The fiscal 2015 budget grows by 4.3%, to \$38.9 billion. Aside from a large influx of federal dollars due to Affordable Care Act (ACA) enrollment growth in Medicaid, this is essentially a current services budget. Funding is provided for entitlements and mandated cost increases for K-12 education and other formula-based programs. State employment remains virtually flat, with nominal compensation growth of a 2.0% general salary increase. Merit increases are fully funded for the first time since fiscal 2009. Final action on the budget leaves an estimated general fund cash balance of \$83.5 million at the end of fiscal 2015, in addition to \$794.9 million in the Rainy Day Fund. The legislature also met all of the recommendations of the Spending Affordability Committee (SAC).

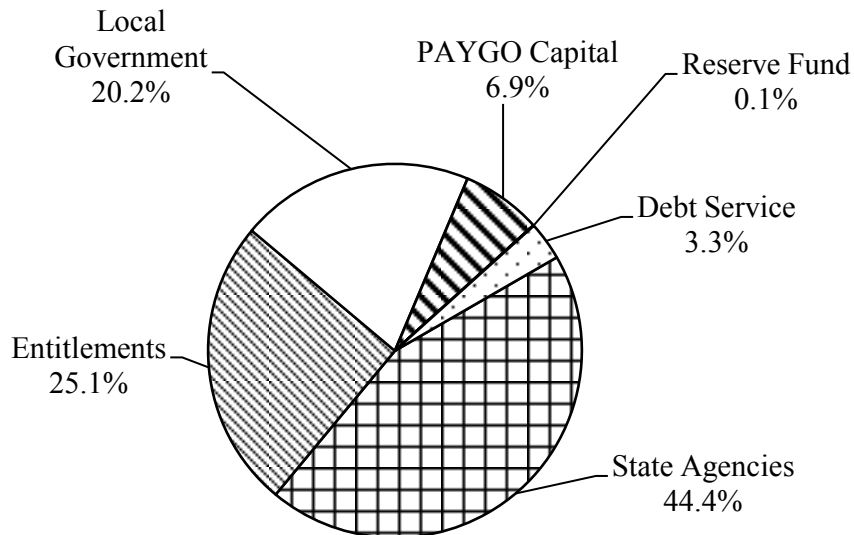
## Budget in Brief

The Fiscal Year 2015 Budget Bill, **Senate Bill 170 (Chapter 462)**, provides \$38.9 billion in appropriations for fiscal 2015 – an increase of \$1.6 billion (4.3%) above fiscal 2014. **Exhibit 1.1** illustrates funding by type of revenue. General fund spending accounts for 41.3% of the total budget. Federal funds support 27.1% of all spending. Special funds constitute 21.0% of the budget, and higher education revenue provides the remaining 10.6%. State agency operations constitute the largest area of spending, representing 44.4% of the total budget. Entitlements account for 25.1% of the budget, and 20.2% is provided as aid to local governments. Remaining appropriations fund pay-as-you-go (PAYGO) capital spending, debt service on State general obligation (GO) bonds, and transfers to the State Reserve Fund.

**Exhibit 1.1**  
**Maryland's \$38.9 Billion Fiscal 2015 Budget**  
**Where It Comes From: Budget by Fund Source**



**Where It Goes: Budget by Purpose**



PAYGO: pay-as-you-go

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General fund appropriations increase by \$478.7 million, or 3.1%, over the fiscal 2014 working appropriation. About one-half of the increase is related to State employee compensation, net of offsetting health insurance savings due to a surplus balance. Annualization of the fiscal 2014 general salary increase and merit increases accounts for \$120.6 million. A 2.0% general salary increase effective January 1, 2015, merit increases, and selected position reclassifications add \$119.5 million. Another cost driver is mandated education and library aid, including funds to continue phasing in Net Taxable Income adjustments to education formulas and an initiative to expand prekindergarten programs. Debt service on GO bonds requires an increase of \$57.0 million. Additional aid to higher education provides funding to meet mandated expenses and to limit tuition growth to 3.0%. Formula aid to community colleges increases by \$13.1 million in fiscal 2015 to \$226.1 million. Aid to nonpublic colleges and universities grows by \$3.1 million, to \$44.4 million. Various provider inflation adjustments were also funded.

Special funds grow by \$409.9 million, or 5.3%, compared to the fiscal 2014 working appropriation. The bulk of this relates to the increase in the transportation PAYGO capital program following the enactment of Chapter 429 of 2013, which substantially increased revenue to the Transportation Trust Fund. The Maryland Department of Transportation also received over 350 new positions to convert temporary positions in the Maryland Transit Administration to full-time regular status and to implement an initiative to reduce wait times at Motor Vehicle Administration branch offices and call centers. Transportation-related debt service also rises by \$43.1 million due to previously issued bonds. Other growth in special fund appropriations is found in K-12 education aid as gaming revenue continues to climb, low-income energy assistance based on greater attainment of Strategic Energy Investment Funds, and Medicaid. Decreases are seen in the Maryland Health Insurance Plan (MHIP) as enrollees shift to the Maryland Health Benefit Exchange (MHBE) and lower attainment from corporate income taxes, which are credited to the Higher Education Investment Fund.

Federal fund spending increases by \$633.3 million, or 6.4%. Most of the increase is for Medicaid expansion due to the federal ACA. Other federal increases are provided for transportation PAYGO capital for new planned transit lines and highway projects, and for rising caseloads in the 100.0% federally funded Supplemental Nutrition Assistance Program. Federal funds decrease in the Maryland State Department of Education due to a loss in one-time fiscal agent Partnership for Assessment of Readiness for College and Careers funds and a decline in Race to the Top expenditures as projects are wrapping up. There are also decreases for major information technology (IT) project development in MHBE and for the Broadband Exchange under the Department of Information Technology. Finally, decreases are realized as MHIP enrollees shift to the State's MHBE, and the Department of Human Resources realigns its estimate of anticipated Low Income Home Energy Assistance Program funds in fiscal 2015.

The budgets for public higher education institutions increase by \$185.3 million in total funds, or 3.5%, in fiscal 2015. Of this amount, \$143.7 million is from general funds, which in part, is intended to limit tuition growth to 3.0% at most institutions.

With respect to personnel, the size of the regular State workforce increases by 0.65%, or 522 positions, to 80,744 regular positions in fiscal 2015. State employees receive a 2.0% general salary increase on January 1, 2015, and merit increments on July 1, 2014, or January 1, 2015,

based on their date of employment. There is funding for a limited number of Annual Salary Review reclassifications. State employees will also receive four additional health insurance premium holidays and five additional service reduction days.

## **Framing the Session: 2013 Interim Activity**

### **Board of Revenue Estimates Revenue Revisions**

In September 2013, the Board of Revenue Estimates (BRE) revised the fiscal 2014 estimate downward by \$61.9 million, due mainly to underperformance of the corporate income tax and the sales tax. In its December 2013 revision, the board adopted a transfer of \$99.5 million to the local income tax reserve fund to correct for fiscal 2013 underfunding. The estimate for fiscal 2015 was increased by \$143.7 million based on expected employment growth and increased sales taxes. Sales tax revenue was boosted partly on the expected establishment of an Amazon distribution center in Baltimore City. Overall, revenue growth was forecasted at 2.3% in fiscal 2014 and 5.2% in fiscal 2015.

### **Spending Affordability Committee Recommendations**

SAC prepared its final report to the Governor in December 2013, which recommended continuing efforts to reduce the ongoing structural imbalance in the general fund, as well as the more traditional limit on the rate of growth in spending.

### **Spending Limit and Sustainability**

The committee recommended that the budget submitted by the Governor and approved by the General Assembly for fiscal 2015 reduce the general fund structural deficit by at least \$125 million. This action would reduce the projected \$362 million structural deficit to approximately \$237 million. Moreover, the committee adopted a 4% limit on spending growth for the 2014 session.

### **Personnel**

The committee recommended that the current complement of 80,688 regular positions was appropriate for the delivery of State services given the fiscal condition of the State. It was recommended that any additional positions necessary for new activities or facilities be accommodated within the current overall level, with exceptions provided for:

- up to 100 new correctional officers;
- up to 333 new public defenders and related personnel, in response to the *DeWolfe v. Richmond* decision;

- the conversion of contractual employees; or
- positions required to address deficiencies identified in legislative audits.

### **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 2014, the Governor proposed \$198.7 million in deficiency appropriations. Additional funding was provided for Medicaid, computer operations in MHBE, overtime and other inmate-related costs in the Department of Public Safety and Correctional Services, K-12 school assessment contracts, Educational Excellence scholarships, public defender operating expenses, and a variety of miscellaneous increases across State government. A large portion of deficiency spending was offset by a reduction of \$86.1 million for supplemental retirement system contributions, as well as across-the-board reductions due to a surplus in the State employee health care account and overbudgeted funds for development of a statewide Personnel IT system. General fund reversions of \$71.8 million were assumed, consisting of \$30.0 million in unspecified reversions and \$41.8 million in targeted reversions.

The fiscal plan submitted by the Administration provided for \$39.2 billion in total spending for fiscal 2015, net of \$30.0 million in unspecified reversions. Relative to the recommendation made by SAC to reduce the structural deficit by at least \$125.0 million, the proposed budget reduced \$152.0 million from the projected fiscal 2015 structural deficit. The Governor's proposed spending plan estimated a closing fiscal 2015 general fund balance of \$36.9 million, including a \$204.5 million transfer from the Rainy Day Fund. **Exhibit 1.2** details the Governor's original general fund spending plan for fiscal 2014 and 2015.

The Governor's budget plan was balanced in part through additional revenue assumptions, proposed fund transfers, and spending cuts contingent upon legislative action through budget reconciliation legislation.

### **Revenue Assumptions**

The Governor's fiscal 2015 spending plan assumed \$45.4 million in additional revenues. This included the diversion of revenue from the sale of Medevac helicopters from the Annuity Bond Fund to the general fund (\$17.6 million) and the Chesapeake and Atlantic Coastal Bays 2010 Trust Fund (\$11.2 million). A proposed reduction in lottery commissions would yield \$8.8 million, and the balance was expected from settlements and smaller miscellaneous revenues. These increases would be offset by the loss of \$7.3 million from new or expanded tax credit programs. The Governor proposed to expand the film tax credit program by \$3.5 million, to add \$2.0 million to the biotechnology tax credit, \$1.0 million to the cybersecurity tax credit, and to increase the Research & Development tax credit.

**Exhibit 1.2**  
**Governor's Original Budget Plan**  
**Fiscal 2014-2015**  
**(\$ in Millions)**

	<u><b>2014</b></u>	<u><b>2015</b></u>
Opening Balance	<b>\$501.9</b>	<b>\$84.7</b>
Board of Revenue Estimates Revenues	\$15,230.6	\$16,005.3
Additional Revenues	14.2	23.9
Transfers	22.1	348.2
<b>Subtotal</b>	<b>\$15,266.9</b>	<b>\$16,377.4</b>
Appropriations and Deficiencies	\$15,755.9	\$16,557.6
Contingent Reductions	0.0	-97.8
Targeted Reversions	-41.8	-4.7
Reversions	-30.0	-30.0
<b>Subtotal</b>	<b>\$15,684.2</b>	<b>\$16,425.1</b>
<b>Closing Balance</b>	<b>\$84.7</b>	<b>\$36.9</b>

Source: Maryland Budget Highlights, Fiscal 2015

### **Fund Transfers**

Fiscal 2014 and 2015 were balanced in part by \$370.3 million in proposed transfers to the general fund. The largest included a transfer of \$204.5 million from the Rainy Day Fund, and \$69.1 million from Program Open Space, which in combination with the \$75.1 million to be transferred in fiscal 2015 per Chapter 425 of 2013, represents about 75% of estimated transfer tax revenues. The Governor also proposed transfers of \$47.6 million from tax credit balances, \$25.8 million from the University System of Maryland fund balance, \$19.1 million from cancelled Sustainable Community Tax Credit projects, and \$4.2 million from other funds.

### **Contingent Reductions**

Finally, the Governor proposed \$99.7 million in general fund reductions, contingent on the enactment of the Budget Reconciliation and Financing Act (BRFA) of 2014, **Senate Bill 172 (Chapter 464)**. The largest element was a proposed ongoing reduction of \$88.3 million (\$100.0 million in all funds) of supplemental retirement contributions. Smaller reductions were proposed to Aid to Community Colleges, Aid to Private Colleges and Universities, the Maryland Agricultural and Resource-Based Industry Development Corporation (MARBIDCO), and Medicaid. The BRFA of 2014 also included a provision to allow use of special Charter Unit funds in the State Department of Assessments and Taxation (SDAT) to be used to replace general funds in support of administrative expenses.

## **Legislative Consideration of the Budget**

### **Revenue and Spending Changes**

#### **Revenue Revision**

Legislative consideration of the budget was made more challenging in March 2014 when BRE revised general fund revenues downward by a combined \$237.8 million. This included a write-down of \$126.7 million in fiscal 2014 and \$111.1 million in fiscal 2015. Growth in both the sales and personal income tax were tempered as the economy grew more slowly than expected. This lowered the rate of growth to 1.5% in fiscal 2014, while the expectation of a stronger 5.2% growth in fiscal 2015 remained. Additionally, gaming revenue to the Education Trust Fund was lowered by \$9.7 million in fiscal 2015, which would necessitate a general fund appropriation to ensure that education formulas were fully funded.

#### **Supplemental Budget No. 1**

The Governor introduced one supplemental budget that increased spending by a total of \$160.7 million (net of double-counted funds for higher education). Some of the larger items that were funded include \$55.0 million in special funds for debt service, due to the recognition of anticipated bond premiums in fiscal 2015, \$32.0 million in general and federal dollars to account for enrollment growth and managed care organization (MCO) rate increases for the Children's Health Insurance Program in Medicaid, \$20.1 million in special funds for low-income energy assistance due to severe winter weather, and \$15.8 million in mostly federal funds for continued IT improvements for MHBE. Spending increases were offset by anticipated reversions from Medicaid of \$9.3 million in fiscal 2014, and \$0.3 million in fiscal 2015.

The supplemental budget also boosted the fiscal 2014 fund balance by withdrawing \$20.8 million in health insurance spending while increasing the fiscal 2015 budget by a like amount.

#### **Reductions**

The legislature reduced the fiscal 2014 budget by \$204.5 million and the fiscal 2015 budget by \$661.7 million. The combined reduction equals \$866.2 million. Nearly one-half of this amount relates to the reduction of supplemental retirement contributions, which are made above the actuarially required contribution per pension reform adopted at the 2011 session. In lieu of the Governor's proposed ongoing reduction of \$100.0 million, the legislature chose to reduce \$200.0 million in each of fiscal 2014 and 2015, phasing back to the \$300.0 million contribution level by fiscal 2019.

Other major actions include a reduction of \$208.5 million from the appropriation to the Rainy Day Fund, consistent with an action to forego a planned transfer of \$204.5 million from the fund to the general fund. This more accurately portrays spending in the budget. Debt service was reduced by \$55.0 million due to a larger than expected bond premium in fiscal 2014 and the decision to recognize a portion of bond premiums expected to be realized in fiscal 2015. Spending for Program Open Space is reduced by \$69.1 million, related to the transfer of revenue to the general fund. Medicaid was reduced by \$49.2 million, mostly for MCO cost containment and the deletion of funding due to delays in a new IT system.

## Final Actions Related to SAC

### Limiting Spending Growth

**Exhibit 1.3** indicates that final revenue and spending actions by the legislature reduced the fiscal 2015 structural deficit by \$127.0 million, which exceeds the SAC recommendation to reduce the structural general fund deficit by at least \$125.0 million. Spending growth as measured on a SAC basis grows by 2.76% at the 2014 session, which is far below the 4.0% limit that was recommended.

### Personnel

The budget as introduced funded 80,927.9 positions. Exemptions for contractual conversions, 100.0 additional correctional officers, and positions to address deficiencies identified by legislative audits reduced this amount by 291.1 resulting in 80,636.8 positions on a spending affordability basis. Supplemental Budget No. 1 created 7.0 positions. The legislature also abolished 191.0 positions from the base budget. At 80,452.8 positions, the fiscal 2015 personnel complement is below the 80,688.0 cap recommended by SAC for the 2014 session. Thus, the final action for State employment is consistent with the SAC recommendation.

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### Exhibit 1.3 Operating Budget Affordability Limit (\$ in Millions)

#### Target

Estimated Structural Gap (December 2013)	-\$362
Target Reduction	-125

Ongoing Revenues	\$16,060
March 2014 Revenue Revision	-111
Supplemental Budget No. 1	1
Legislation	-1
Medevac Sale	-18
Other One-time Items	-8

<b>Subtotal</b>	<b>\$15,923</b>
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Ongoing Spending	\$16,061
Rainy Day Fund	-20
Tobacco Arbitration	40
One-time Attorney Expense	-10
One-time Reduction to Mandated Appropriations	1
One-time Supplemental Retirement Contribution	88
Supplemental Budget No. 1 One-time Spending	1
Pay-as-you-go Capital	-1

<b>Subtotal</b>	<b>\$16,159</b>
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<b>Amount Reduced from Structural Shortfall</b>	<b>\$127</b>
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<b>Remaining Structural Gap</b>	<b>\$235</b>
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Source: Department of Legislative Services

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### State Reserve Fund Balance

No funds are transferred to support fiscal 2015 spending, maintaining a \$794.9 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.

### Summary of Fiscal 2015 Legislative Activity

**Exhibit 1.4** shows the impact of the legislative budget on the general fund balance for fiscal 2014 and 2015. The fiscal 2014 balance is estimated to be \$127.0 million, assuming \$46.2 million in targeted reversions and another \$30.0 million in unspecified reversions. At the end of fiscal 2015, the closing balance is estimated to be \$83.5 million assuming \$30.3 million in reversions.

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**Exhibit 1.4**  
**Final Legislative Budget Action on Chapter 462**  
**Fiscal 2014-2015**  
**(\$ in Millions)**

	<u><b>2014</b></u>	<u><b>2015</b></u>
<b>Opening Balance</b>	<b>\$501.9</b>	<b>\$127.0</b>
Board of Revenue Estimates Revenues	\$15,103.9	\$15,894.2
Additional Revenues	37.7	23.4
Legislation	8.0	30.3
Transfers	58.2	70.1
<b>Subtotal</b>	<b>\$15,207.9</b>	<b>\$16,018.0</b>
Appropriations/Supplemental/Deficiencies	\$15,841.3	\$16,591.8
Reductions	-7.9	-318.7
Contingent Reductions	-174.5	-181.4
Reversions	-76.2	-30.3
<b>Subtotal</b>	<b>\$15,582.8</b>	<b>\$16,061.5</b>
<b>Closing Balance</b>	<b>\$127.0</b>	<b>\$83.5</b>

Source: Department of Legislative Services

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### Outlook for Future Budgets

As shown in **Exhibit 1.5**, fiscal 2015 is projected to end with an \$83 million fund balance. This is \$44 million less than the projected fiscal 2014 fund balance. The structural

deficit increases to \$407 million in fiscal 2016, which is \$172 million more than fiscal 2015. Fiscal 2016 also has an estimated \$397 million cash shortfall. The cash shortfall is attributable to the following cost increases and reduces revenues:

- \$247 million for additional debt service costs;
- \$67 million for increased employee and retiree health insurance costs;
- \$50 million for the mandated Program Open Space repayment;
- \$50 million for the phase-in of the \$300 million supplemental retirement payment;
- \$38 million to annualize the State employees' fiscal 2015 general salary increase;
- \$33 million lower revenues related to estate, earned income, and E-Nnovation legislation (discussed further, below); and
- \$15 million to support cost increases related to the minimum wage increase, library formulas, and E-Nnovation (discussed further, below).

General fund revenues are expected to increase by 4.6% from fiscal 2015 to 2016. To eliminate the imbalance between ongoing revenues and spending in fiscal 2016, ongoing revenues would need to grow 7.1%.

State law provides that a \$50 million appropriation is required if the Rainy Day Fund balance is less than 7.5% of revenues and a \$100 million appropriation if the fund balance is less than 3.0% of revenues. The out-year forecast assumes \$50 million appropriations from fiscal 2016 to 2019.

**Exhibit 1.5**  
**General Fund Budget Outlook**  
**Fiscal 2014-2019**  
**(\$ in Millions)**

	2014	2015	2016	2017	2018	2019	2015-19
	<u>Working</u>	<u>Leg.</u> <u>Approp.</u>	<u>Est.</u>	<u>Est.</u>	<u>Est.</u>	<u>Est.</u>	<u>Avg</u> <u>Annual</u> <u>Change</u>
<b><u>Revenues</u></b>							
Opening Fund Balance	\$502	\$127	\$83	\$0	\$0	\$0	
Transfers	86	94	27	28	30	35	
One-time Revenues and Legislation	4	1	0	0	0	0	
<b><i>Subtotal One-time Revenue</i></b>	<b><i>\$592</i></b>	<b><i>\$222</i></b>	<b><i>\$110</i></b>	<b><i>\$28</i></b>	<b><i>\$30</i></b>	<b><i>\$35</i></b>	<b><i>-37.0%</i></b>
Ongoing Revenues	\$15,118	\$15,924	\$16,686	\$17,475	\$18,243	\$18,930	
Revenue Adjustments and Legislation	0	-1	-35	-64	-104	-139	
<b><i>Subtotal Ongoing Revenue</i></b>	<b><i>\$15,118</i></b>	<b><i>\$15,923</i></b>	<b><i>\$16,651</i></b>	<b><i>\$17,411</i></b>	<b><i>\$18,139</i></b>	<b><i>\$18,790</i></b>	<b><i>4.2%</i></b>
<b>Total Revenues and Fund Balance</b>	<b>\$15,710</b>	<b>\$16,145</b>	<b>\$16,762</b>	<b>\$17,439</b>	<b>\$18,169</b>	<b>\$18,825</b>	<b>3.9%</b>
<b><u>Ongoing Spending</u></b>							
Operating Spending	\$15,995	\$16,556	\$17,444	\$18,128	\$18,945	\$19,741	
VLT Revenues Supporting Education	-385	-407	-419	-535	-563	-570	
Multi-year Commitments	10	10	10	10	0	0	
Ongoing Spending – Legislation	0	0	22	36	44	54	
<b><i>Subtotal Ongoing Spending</i></b>	<b><i>\$15,620</i></b>	<b><i>\$16,159</i></b>	<b><i>\$17,058</i></b>	<b><i>\$17,639</i></b>	<b><i>\$18,426</i></b>	<b><i>\$19,224</i></b>	<b><i>4.4%</i></b>
<b><u>One-time Spending</u></b>							
PAYGO Capital	\$33	\$3	\$1	\$1	\$1	\$1	
One-time Reductions	-126	-119	0	0	0	0	
Appropriation to State Reserve Fund	55	20	100	50	50	50	
<b><i>Subtotal One-time Spending</i></b>	<b><i>-\$38</i></b>	<b><i>-\$97</i></b>	<b><i>\$101</i></b>	<b><i>\$51</i></b>	<b><i>\$51</i></b>	<b><i>\$51</i></b>	
<b>Total Spending</b>	<b>\$15,583</b>	<b>\$16,061</b>	<b>\$17,159</b>	<b>\$17,690</b>	<b>\$18,477</b>	<b>\$19,275</b>	<b>4.7%</b>
<b>Ending Balance</b>	<b>\$127</b>	<b>\$83</b>	<b>-\$397</b>	<b>-\$251</b>	<b>-\$308</b>	<b>-\$450</b>	
Rainy Day Fund Balance	\$763	\$795	\$835	\$874	\$913	\$947	
Balance Over 5% of GF Revenues	7	0	0	0	0	0	
As % of GF Revenues	5.05%	5.00%	5.00%	5.00%	5.00%	5.00%	
<b>Structural Balance</b>	<b>-\$502</b>	<b>-\$236</b>	<b>-\$407</b>	<b>-\$228</b>	<b>-\$287</b>	<b>-\$434</b>	

GF: general fund

PAYGO: pay-as-you-go

VLT: video lottery terminal

As previously noted, the forecast is impacted by legislation adopted during the 2014 session. This includes reductions in taxes and increased expenditures. The most significant legislation affecting out-year revenues include:

- **House Bill 739 (Chapter 612)** conforms the Maryland estate tax to the value of the unified credit under the federal estate tax. The bill is phased in from calendar 2016 to 2019. The practical effect is to increase the amount that can be excluded from \$1.5 million in calendar 2015 to an estimated \$5.9 million in 2019. The legislation is expected to reduce general fund revenues by \$21.3 million in fiscal 2016. This increases to \$104.7 million in fiscal 2019. When fully phased in, reduced revenues total \$153.6 million in fiscal 2021;
- **House Bill 198 (Chapter 389)** expands the refund for low- and moderate-income individuals from 25% to 28% of the federal earned income credit. Low- and moderate-income workers may be eligible for a federal credit. If the credit exceeds taxes due, the worker can receive a direct payment. Maryland has a similar provision that is linked to the federal credit. The increased credit is phased in over four years. Revenues decrease from \$4.2 million in fiscal 2016 to \$26.6 million in fiscal 2019; and
- **Senate Bill 601//House Bill 741 (Chapters 532 and 533)** creates a fund into which revenues attributable to a portion of the State admissions and amusement tax and additional required contributions are deposited. The purpose of the fund is to provide higher education research endowments, upon securing private matching funds. The law requires that the fund receive at least \$8.5 million from fiscal 2016 to 2021. Lost revenues are expected to range between \$5.1 million and \$7.3 million between fiscal 2016 and 2019. To the extent that revenue is insufficient to provide a total of \$8.5 million annually, a general fund appropriation to make up the difference is required.

Legislation affecting expenditures include:

- **House Bill 295 (Chapter 262)** increases the State's minimum wage for most workers from \$7.25 an hour to \$10.10 an hour. The increase is phased in over four years beginning in January 2015. The law also requires that community providers for the developmentally disabled receive a 3.5% increase annually through fiscal 2019. The current services forecast assumes a 2.0% annual increase for community providers. The 3.5% requirement is expected to add \$7.8 million to fiscal 2016 expenditures. By fiscal 2019, State costs are expected to increase by \$34.5 million;
- **Senate Bill 430 (Chapter 500)** increases the per capita funding amount that must be provided to regional resource centers and county public libraries. This increases fiscal 2016 costs by \$3.2 million. Costs are expected to grow over the forecast period to \$6.2 million in fiscal 2019; and
- **Senate Bill 419 (Chapter 498)** establishes minimum funding for the Maryland Library for the Blind and Physically Handicapped, which is now required to receive a grant that is at least 25% of the State funding provided to the State Library Resource Center. This increases fiscal 2016 expenditures by \$2.4 million. This grant increases modestly each year and totals \$2.7 million in fiscal 2019.

**Exhibit 1.6** shows that the structural deficit increases from \$236 million in fiscal 2015 to \$434 million in fiscal 2019. In March 2014, the Board of Revenue Estimates reduced projected fiscal 2015 general fund revenues by \$111 million. This increased the fiscal 2015 structural deficit. In addition, as discussed, the General Assembly passed legislation increasing expenditures and decreasing revenues, which also widens the structural deficit in the out-years to about 2% of ongoing general fund spending.

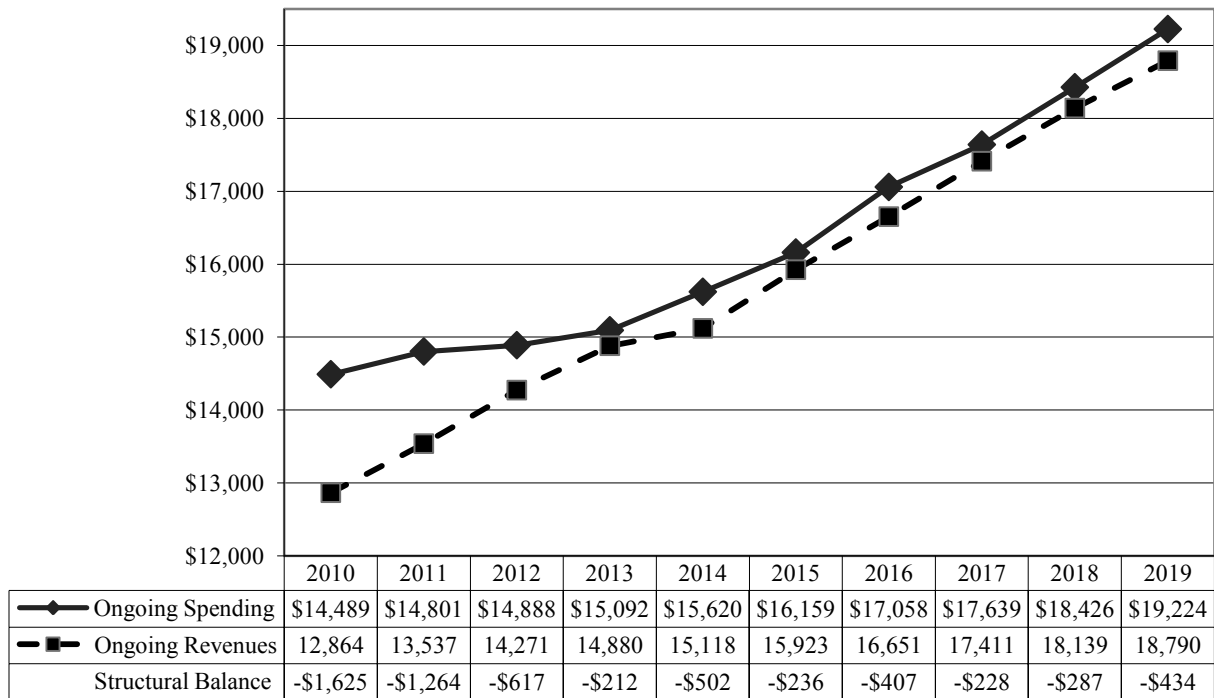
## **Budget Reconciliation and Financing Legislation**

**Senate Bill 172**, the BRFA of 2014, implements \$523.5 million in actions to the benefit of the general fund for fiscal 2014 and 2015 (as shown in **Exhibit 1.7**) and includes certain actions that reduce the State's structural imbalance. The provisions in the BRFA of 2014 can be categorized into six groups: use of special fund revenues, general fund revenue actions, cost control measures and modifications to mandates, program oversight and administration, provisions that benefit local governments, and other provisions.

### **Use of Special Funds**

The BRFA of 2014 contains a number of provisions to expand the use of special funds for State agency operations and programs. SDAT is authorized to use Charter Unit Fund revenues to cover up to 5% of the administrative expenses of the Office of the Director. The Department of General Services is authorized to use monies in the Not-For-Profit Development Fund to evaluate the participation of not-for-profit entities in State procurement. The Department of Business and Economic Development may use funds from the Economic Development Opportunities (Sunny Day) Fund and the Special Fund for the Preservation of Cultural Arts to provide grants to supplement tax credits awarded under the film production activity tax credit program.

**Exhibit 1.6**  
**The General Fund Structural Deficit Widens by Fiscal 2019**  
**Fiscal 2010-2019**  
**(\$ in Millions)**



Note: Fiscal 2009 through 2011 data reflects ongoing general fund spending supplanted by the American Recovery and Reinvestment Act of 2009. Fiscal 2013 data reflects ongoing spending and revenues associated with the Budget Restoration Fund.

**Exhibit 1.7**  
**Summary of Actions in the Budget Reconciliation and Financing Act of 2014**  
**(\$ in Millions)**

Fiscal 2014 Fund Transfers	\$58.2
Fiscal 2015 Fund Transfers	70.1
Fiscal 2014 Revenues	8.0
Fiscal 2015 Revenues	31.3
Fiscal 2014 Expenditure Reductions	174.5
Fiscal 2015 Expenditure Reductions	181.4
<b>Total Budgetary Action</b>	<b>\$523.5</b>

The BRFA of 2014 designates at least \$7 million annually, for fiscal 2016 through 2018, for State police vehicles and related equipment and requires an increasing percentage of Maryland Park Service revenues be provided to the Maryland Park Service for its operations. The BRFA of 2014 permanently establishes the allocation of proceeds from the Regional Greenhouse Gas Initiative across programs in several State agencies.

The BRFA of 2014 also designates special fund revenues for grants to external entities, such as an annual grant to the Maryland State Firemen's Association Widows' and Orphans' Fund from the proceeds of the moving violation surcharge. For fiscal 2015 through 2019, \$500,000 is designated annually from certain video lottery terminal revenues to supplement racetrack impact aid in the communities around Laurel Park. Finally, the BRFA of 2014 specifies grants to be distributed from the Special Fund for the Preservation of Cultural Arts: \$100,000 to Arena Players, Inc.; \$150,000 to the Great Blacks in Wax Museum, Inc; \$200,000 to the Prince George's African-American Museum and Cultural Center at North Brentwood, Inc.; and \$800,000 to the Maryland School for the Blind.

### **General Fund Revenue Actions**

Revenue actions that benefit the general fund include permanently establishing lottery agent commissions at 5.5% of gross receipts from ticket sales and directing the proceeds from the sale of the Dauphin 365N Medevac helicopters to the general fund instead of the Annuity Bond Fund. The revenue from the sales tax on vehicle rentals that is directed to the general fund instead of the Chesapeake and Atlantic Coastal Bays 2010 Trust Fund is increased by \$8.0 million in fiscal 2014 and \$6.2 million in fiscal 2015, and an additional \$69.1 million of transfer tax revenues is directed to the general fund in fiscal 2015. Contingent on the enactment of **House Bill 510 (Chapter 601)**, \$19.0 million from the Sustainable Communities Tax Credit Reserve Fund is directed to the general fund; this represents the amount of commercial tax credit certificates issued in fiscal 2006 through 2010 that have not been claimed or extended.

As seen in **Exhibit 1.8**, balances in the following funds are transferred to the general fund:

**Exhibit 1.8**  
**Budget Reconciliation and Financing Act of 2014**  
**General Fund Transfers**  
**Fiscal 2014-2015**  
**(\$ in Millions)**

	<u><b>2014</b></u>	<u><b>2015</b></u>
Radiation Control Fund	\$300,000	
Biotechnology Investment Tax Credit Reserve Fund	650,000	
Senior Prescription Drug Assistance Program	1,000,000	
Maryland Correctional Enterprises Revolving Fund	1,800,000	\$1,000,000
Morgan State University	2,000,000	
Chesapeake and Atlantic Coastal Bays 2010 Trust Fund	2,400,000	
Sustainable Communities Tax Credit (Unallocated)	125,000	
Sustainable Communities Tax Credit (Unclaimed Credit)	18,971,632	
University System of Maryland	31,000,000	
Program Open Space		69,126,544
<b>Total</b>	<b>\$58,246,632</b>	<b>\$70,126,544</b>

Source: Department of Legislative Services

### **Cost Control Measures and Modifications to Mandates**

The fiscal 2015 appropriation for MARBIDCO is reduced to \$2,875,000, and the period for the corporation to receive a grant is extended to fiscal 2021. The percentage of per-student funding that is used to calculate the Cade formula for community college aid is modified for fiscal 2016 through 2019; the Sellinger formula for private colleges and universities is similarly modified for fiscal 2016 through 2020. The Targeted Public Health formula is clarified so that the inflation and population adjustments are applied to the prior year's grant.

The annual amount of supplemental contribution that is to be paid into the State Employees and Teachers Retirement System is specified, reaching \$300 million by fiscal 2019. The supplemental contribution ends when the system is 85% funded and has exited the corridor funding method. The Board of Trustees is to undertake a study and submit a report based on an actuarial valuation that examines, among other things, the effects of exiting the corridor funding method and of this change in the supplemental contribution.

The annual hospital assessment levied for MHIP is reduced to a maximum of 0.3%, and the increase in rates paid to group homes for fiscal 2015 is limited to 1.5% over the rates in effect on January 15, 2014. Statute is clarified to state that a community college is only eligible to receive a payment under the hold harmless component of the community college funding

formula if the county government(s) meets maintenance of effort. Finally, the BRFA of 2014 establishes that costs for attorneys appointed to implement the holding in *DeWolfe v. Richmond* beyond the amount expressly provided for this purpose in the State budget are to be billed to and paid by the county in which the representation is provided.

### **Program Oversight and Administration**

The Maryland Amusement Game Advisory Committee is established to advise the State Lottery and Gaming Control Commission on issues related to the amusement industry, and a workgroup is established within SDAT to study issues related to the calculation and administration of tax credits and exemptions. The Secretary of Information Technology is authorized to designate any project of MHBE as a Major Information Technology Project and subject, therefore, to those statutory requirements. The process for determining future reductions of the Medicaid deficit hospital assessment based on savings to the Medicaid program that result from the new All-payer Model Contract is modified.

The BRFA of 2014 repeals legislative committees that are obsolete or duplicative – the Joint Committee on Welfare Reform, the Joint Committee on Access to Mental Health Services, and the Joint Committee on Health Care Delivery and Financing. The Joint Advisory Committee on Legislative Data Systems and the Joint Committee on Transparency and Open Government are consolidated to become the Joint Committee on Legislative Information Technology Systems and Open Government. The Joint Information Technology and Biotechnology Committee is modified to become the Joint Committee on Cybersecurity, Information Technology, and Biotechnology. Statute governing code revision is clarified to state that the Department of Legislative Services' Office of Policy Analysis may bring the work to completion.

### **Provisions that Benefit Local Governments**

The rate of interest for income tax refunds for tax years 2006 through 2014 paid as a result of the *Comptroller v. Brian Wynne* case is set at the average prime rate of fiscal 2015. All charter counties are authorized to impose a hotel rental tax. Local education maintenance of effort requirements are clarified to specify that wealth per pupil is calculated using September 1 net taxable income for fiscal 2015 through 2017; beginning in fiscal 2018, November 1 net taxable income will be used. The Maryland Department of the Environment is authorized to enter into a memorandum of understanding with Carroll County or Frederick County by December 1, 2014, to establish an alternative source of revenue to be deposited into a local watershed protection and restoration fund.

### **Other Provisions**

A statutory provision that maintains the certificate of title fee for rental vehicles at \$50 is extended through fiscal 2016. The Health Services Cost Review Commission is authorized in fiscal 2015 only to include \$15.0 million in hospital rates to fund costs incurred by hospitals to implement the new All-payer Model Contract and to fund statewide or regional proposals to support the Model Contract. The Maryland State Police is authorized to donate one of its surplus Dauphin Medevac helicopters to the Smithsonian Institution.

## **By the Numbers**

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

**Exhibit 1.9**, 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 2014 and 2015 by fund source. The Governor's original request provided for \$39.4 billion in fiscal 2015 expenditures and \$198.7 million in fiscal 2014 deficiencies.

The Governor added \$160.7 million in fiscal 2014 and 2015 spending in the supplemental budget. The legislature made \$204.5 million in reductions to fiscal 2014 appropriations, resulting in a net appropriation of \$37.3 billion for fiscal 2014. The fiscal 2015 budget was reduced by a net of \$661.7 million, consisting of \$661.8 billion in total fund reductions offset by \$0.1 million in special funds that replace general fund cuts. This resulted in a final appropriation of \$38.9 billion.

**Exhibit 1.10** illustrates budget changes by major expenditure category by fund. Total spending increases by \$1.6 billion, or 4.3%. Debt service grows by 8.3% because the State has issued additional GO debt in recent years. Aid to local government increases by 2.7% largely due to formula-based education aid. Entitlement spending grows by 8.8% due to Medicaid expansion to 138.0% of the federal poverty level as part of the federal ACA. State agency spending only increases by 1.3%. PAYGO capital expenditures increase by 10.7%, due mostly to greater spending on transportation projects funded by the revenue increase adopted at the 2013 session.

**Exhibit 1.9**  
**Fiscal Note – Summary of the Fiscal 2015 Budget Bill – Senate Bill 170**

	<u>General Funds</u>	<u>Special Funds</u>	<u>Federal Funds</u>	<u>Education Funds</u>	<u>Total Funds</u>
<b>Governor's Allowance</b>					
Fiscal 2014 Budget	\$15,775,377,975	\$7,740,284,179	\$9,858,731,182	\$4,054,412,900	\$37,428,806,236 <sup>(1)</sup>
Fiscal 2015 Budget	16,527,609,954	8,199,702,176	10,560,748,098	4,117,413,398	39,405,473,626 <sup>(2)</sup>
<b>Supplemental Budget No. 1</b>					
Fiscal 2014 Deficiencies	-\$10,251,823 <sup>(3)</sup>	\$26,947,686	\$31,085,064	\$0	\$47,780,927
Fiscal 2015 Budget	33,921,058 <sup>(3)</sup>	71,269,459	7,871,738	-155,945	112,906,310
<b>Subtotal</b>	<b>\$23,669,235</b>	<b>\$98,217,145</b>	<b>\$38,956,802</b>	<b>-\$155,945</b>	<b>\$160,687,237</b>
<b>Budget Reconciliation and Financing Act of 2014</b>					
Fiscal 2014 Contingent Reductions	-\$174,463,553	-\$12,295,546	-\$8,770,214	\$0	-\$195,529,313
Fiscal 2015 Contingent Reductions	-181,359,500	-87,642,176 <sup>(4)</sup>	-8,258,002	0	-277,259,678
<b>Total Reductions</b>	<b>-\$355,823,053</b>	<b>-\$99,937,722</b>	<b>-\$17,028,216</b>	<b>\$0</b>	<b>-\$472,788,991</b>
<b>Legislative Reductions</b>					
Fiscal 2014 Deficiencies	-\$7,856,516	-\$128,532	-\$1,028,557	\$0	-\$9,013,605
Fiscal 2015 Budget	-318,675,326	-18,665,553	-47,064,802	0	-384,405,681
<b>Total Reductions</b>	<b>-\$326,531,842</b>	<b>-\$18,794,085</b>	<b>-\$48,093,359</b>	<b>\$0</b>	<b>-\$393,419,286</b>
<b>Appropriations</b>					
Fiscal 2014 Budget	\$15,582,806,083	\$7,754,807,787	\$9,880,017,475	\$4,054,412,900	\$37,272,044,245
Fiscal 2015 Budget	16,061,496,186	8,164,663,906	10,513,297,032	4,117,257,453	38,856,714,577
<b>Change</b>	<b>\$478,690,103</b>	<b>\$409,856,119</b>	<b>\$633,279,557</b>	<b>\$62,844,553</b>	<b>\$1,584,670,332</b>

<sup>(1)</sup> Reflects \$198.7 million in proposed deficiencies, including \$137.3 million in general funds, \$0.3 million in special funds, and \$61.1 million in federal funds. Reversion assumptions total \$66.9 million, including \$30.0 million in unspecified reversions and \$36.9 million in targeted reversions.

<sup>(2)</sup> Reflects estimated general fund reversions of \$30.0 million and across-the-board reductions for overbudgeted health insurance.

<sup>(3)</sup> Reflects targeted reversions of \$9.3 million in fiscal 2014 and \$0.3 million in fiscal 2015.

<sup>(4)</sup> Includes \$0.1 million in special funds that will be added back to the budget by budget amendment to replace general fund reductions.

**Exhibit 1.10**  
**State Expenditures – General Funds**  
(\$ in Millions)

<u>Category</u>	<u>Actual FY 2013</u>	<u>Adjusted Wrk. Approp. FY 2014</u>	<u>Legislative Approp. FY 2015</u>	<u>FY 2014 to 2015 \$ Change</u>	<u>% Change</u>
Debt Service	\$0.0	\$83.0	\$140.0	\$57.0	68.7%
County/Municipal	159.0	245.0	254.5	9.5	3.9%
Community Colleges	252.4	281.3	297.3	16.0	5.7%
Education/Libraries	5,453.8	5,605.5	5,729.3	123.8	2.2%
Health	37.3	41.7	46.9	5.1	12.3%
<b><i>Aid to Local Governments</i></b>	<b><i>\$5,902.4</i></b>	<b><i>\$6,173.6</i></b>	<b><i>\$6,328.1</i></b>	<b><i>\$154.5</i></b>	<b><i>2.5%</i></b>
Foster Care Payments	203.1	256.9	232.6	-24.3	-9.5%
Assistance Payments	84.9	71.5	73.9	2.4	3.4%
Medical Assistance	2,311.7	2,478.8	2,452.3	-26.5	-1.1%
Property Tax Credits	81.9	80.2	82.0	1.7	2.2%
<b><i>Entitlements</i></b>	<b><i>\$2,681.5</i></b>	<b><i>\$2,887.4</i></b>	<b><i>\$2,840.7</i></b>	<b><i>-\$46.7</i></b>	<b><i>-1.6%</i></b>
Health	1,470.5	1,573.2	1,634.4	61.3	3.9%
Human Resources	372.3	331.1	337.9	6.8	2.0%
Children's Cabinet Interagency Fund	13.4	20.1	21.8	1.7	8.6%
Juvenile Services	269.5	278.7	290.7	12.0	4.3%
Public Safety/Police	1,309.2	1,384.9	1,451.9	67.0	4.8%
Higher Education	1,106.6	1,214.2	1,357.9	143.7	11.8%
Other Education	366.9	386.3	386.1	-0.2	-0.1%
Agric./Nat'l. Res./Environment	107.5	114.4	118.3	3.9	3.4%
Other Executive Agencies	594.6	663.4	694.1	30.7	4.6%
Legislative	77.3	79.6	83.3	3.7	4.6%
Judiciary	384.2	404.3	433.0	28.7	7.1%
Across-the-board cuts	0.0	-42.1	-58.7	-16.5	39.2%
<b><i>State Agencies</i></b>	<b><i>\$6,072.0</i></b>	<b><i>\$6,408.1</i></b>	<b><i>\$6,750.8</i></b>	<b><i>\$342.6</i></b>	<b><i>5.3%</i></b>
<b>Total Operating</b>	<b>\$14,656.0</b>	<b>\$15,552.1</b>	<b>\$16,059.6</b>	<b>\$507.5</b>	<b>3.3%</b>
Capital <sup>(1)</sup>	3.2	42.7	12.5	-30.2	-70.7%
<b><i>Subtotal</i></b>	<b><i>\$14,659.2</i></b>	<b><i>\$15,594.8</i></b>	<b><i>\$16,072.1</i></b>	<b><i>\$477.3</i></b>	<b><i>3.1%</i></b>
Reserve Funds	37.8	55.3	19.7	-35.5	-64.3%
<b>Appropriations</b>	<b>\$14,697.0</b>	<b>\$15,650.0</b>	<b>\$16,091.8</b>	<b>\$441.8</b>	<b>2.8%</b>
Reversions	0.0	-67.2	-30.3	36.9	-55.0%
<b>Grand Total</b>	<b>\$14,697.0</b>	<b>\$15,582.8</b>	<b>\$16,061.5</b>	<b>\$478.7</b>	<b>3.1%</b>

<sup>(1)</sup> Includes the Sustainable Communities Tax Credit Reserve Fund.

Note: The fiscal 2014 working appropriation includes deficiencies, supplemental deficiencies, \$255.3 million in cost containment, \$51.0 million in targeted reversions, and legislative reductions to the deficiencies.

**Exhibit 1.10 (Continued)**  
**State Expenditures – Special and Higher Education Funds\***  
(\$ in Millions)

<u>Category</u>	<u>Actual</u> <u>FY 2013</u>	<u>Work.</u> <u>Approp.</u> <u>FY 2014</u>	<u>Legislative</u> <u>Approp.</u> <u>FY 2015</u>	<u>FY 2014 to 2015</u>	
				<u>\$ Change</u>	<u>% Change</u>
Debt Service	\$1,078.2	\$1,100.0	\$1,143.3	\$43.3	3.9%
County/Municipal	277.3	277.0	265.9	-11.1	-4.0%
Community Colleges	19.9	0.0	0.0	0.0	n/a
Education/Libraries	422.2	389.7	407.3	17.6	4.5%
Health	0.8	0.0	0.0	0.0	n/a
<b><i>Aid to Local Governments</i></b>	<b><i>\$720.1</i></b>	<b><i>\$666.6</i></b>	<b><i>\$673.2</i></b>	<b><i>\$6.6</i></b>	<b><i>1.0%</i></b>
Foster Care Payments	7.1	5.5	5.5	0.0	0.3%
Assistance Payments	18.7	18.6	18.6	0.0	0.0%
Medical Assistance	985.6	833.5	960.6	127.1	15.2%
Property Tax Credits	0.0	0.0	0.0	0.0	n/a
<b><i>Entitlements</i></b>	<b><i>\$1,011.5</i></b>	<b><i>\$857.5</i></b>	<b><i>\$984.6</i></b>	<b><i>\$127.1</i></b>	<b><i>14.8%</i></b>
Health	504.7	538.4	482.0	-56.4	-10.5%
Human Resources	81.2	98.7	97.0	-1.7	-1.7%
Children's Cabinet Interagency Fund	0.0	0.0	0.0	0.0	n/a
Juvenile Services	3.1	4.4	5.0	0.5	11.9%
Public Safety/Police	213.7	226.4	219.2	-7.2	-3.2%
Higher Education	3,965.5	4,144.4	4,186.0	41.6	1.0%
Other Education	63.4	72.7	56.9	-15.8	-21.7%
Transportation	1,558.6	1,606.0	1,660.1	54.1	3.4%
Agric./Nat'l. Res./Environment	197.9	225.2	247.3	22.1	9.8%
Other Executive Agencies	572.7	638.6	658.9	20.3	3.2%
Legislative	0.4	0.0	0.0	0.0	n/a
Judiciary	48.4	53.8	63.1	9.3	17.2%
Across-the-board cuts	0.0	-12.3	-12.5	-0.2	1.3%
<b><i>State Agencies</i></b>	<b><i>\$7,209.7</i></b>	<b><i>\$7,596.3</i></b>	<b><i>\$7,663.0</i></b>	<b><i>\$66.7</i></b>	<b><i>0.9%</i></b>
<b>Total Operating</b>	<b>\$10,019.5</b>	<b>\$10,220.5</b>	<b>\$10,464.1</b>	<b>\$243.6</b>	<b>2.4%</b>
Capital	1,218.9	1,588.7	1,817.8	229.1	14.4%
<b>Grand Total</b>	<b>\$11,238.4</b>	<b>\$11,809.2</b>	<b>\$12,281.9</b>	<b>\$472.7</b>	<b>4.0%</b>

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

Note: The fiscal 2014 working appropriation reflects deficiencies, supplemental deficiencies, and \$18.9 million in cost containment. The fiscal 2015 appropriation includes \$0.1 million in additional special funds due to funding swaps.

**Exhibit 1.10 (Continued)**  
**State Expenditures – Federal Funds**  
(\$ in Millions)

<u>Category</u>	<u>Actual FY 2013</u>	<u>Work. Approp. FY 2014</u>	<u>Legislative Approp. FY 2015</u>	<u>FY 2014 to 2015 \$ Change</u>	<u>% Change</u>
Debt Service	\$12.1	\$12.4	\$11.5	-\$0.9	-7.2%
County/Municipal	72.1	59.3	55.3	-4.0	-6.7%
Community Colleges	0.0	0.0	0.0	0.0	n/a
Education/Libraries	748.3	754.3	802.3	48.0	6.4%
Health	4.5	4.5	4.5	0.0	0.0%
<b><i>Aid to Local Governments</i></b>	<b><i>\$824.9</i></b>	<b><i>\$818.1</i></b>	<b><i>\$862.1</i></b>	<b><i>\$44.0</i></b>	<b><i>5.4%</i></b>
Foster Care Payments	88.2	84.0	90.6	6.7	7.9%
Assistance Payments	1,269.9	1,197.7	1,353.1	155.4	13.0%
Medical Assistance	3,466.9	3,936.4	4,484.0	547.6	13.9%
Property Tax Credits	0.0	0.0	0.0	0.0	n/a
<b><i>Entitlements</i></b>	<b><i>\$4,825.0</i></b>	<b><i>\$5,218.0</i></b>	<b><i>\$5,927.7</i></b>	<b><i>\$709.6</i></b>	<b><i>13.6%</i></b>
Health	1,177.2	1,400.3	1,356.4	-43.9	-3.1%
Human Resources	478.8	521.0	519.2	-1.9	-0.4%
Children's Cabinet Interagency Fund	0.0	0.0	0.0	0.0	n/a
Juvenile Services	8.6	7.4	7.2	-0.3	-3.4%
Public Safety/Police	30.3	29.5	29.6	0.1	0.2%
Higher Education	0.0	0.0	0.0	0.0	n/a
Other Education	235.4	338.7	241.3	-97.3	-28.7%
Transportation	72.4	97.2	92.6	-4.6	-4.7%
Agric./Nat'l. Res./Environment	61.5	68.1	66.6	-1.5	-2.2%
Other Executive Agencies	596.7	573.3	546.3	-27.0	-4.7%
Judiciary	5.5	5.4	0.3	-5.1	-94.3%
Across-the-board cuts	0.0	-8.8	-8.3	0.5	-5.1%
<b><i>State Agencies</i></b>	<b><i>\$2,666.4</i></b>	<b><i>\$3,032.1</i></b>	<b><i>\$2,851.1</i></b>	<b><i>-\$181.0</i></b>	<b><i>-6.0%</i></b>
<b>Total Operating</b>	<b>\$8,328.4</b>	<b>\$9,080.6</b>	<b>\$9,652.4</b>	<b>\$571.8</b>	<b>6.3%</b>
Capital	855.8	799.4	860.9	61.5	7.7%
<b>Grand Total</b>	<b>\$9,184.2</b>	<b>\$9,880.0</b>	<b>\$10,513.3</b>	<b>\$633.3</b>	<b>6.4%</b>

Note: The fiscal 2014 working appropriation includes deficiencies, supplemental deficiencies, \$13.1 million in cost containment, and legislative reductions to the deficiencies.

**Exhibit 1.10 (Continued)**  
**State Expenditures – State Funds**  
**(\$ in Millions)**

<u>Category</u>	<u>Actual FY 2013</u>	<u>Adjusted Work. Approp. FY 2014</u>	<u>Legislative Approp. FY 2015</u>	<u>FY 2014 to 2015</u>	
				<u>\$ Change</u>	<u>% Change</u>
Debt Service	\$1,078.2	\$1,183.0	\$1,283.3	\$100.3	8.5%
County/Municipal	436.3	522.0	520.4	-1.6	-0.3%
Community Colleges	272.3	281.3	297.3	16.0	5.7%
Education/Libraries	5,875.9	5,995.2	6,136.6	141.5	2.4%
Health	38.1	41.7	46.9	5.1	12.3%
<b><i>Aid to Local Governments</i></b>	<b><i>\$6,622.5</i></b>	<b><i>\$6,840.2</i></b>	<b><i>\$7,001.3</i></b>	<b><i>\$161.1</i></b>	<b><i>2.4%</i></b>
Foster Care Payments	210.2	262.4	238.1	-24.3	-9.3%
Assistance Payments	103.6	90.1	92.5	2.4	2.7%
Medical Assistance	3,297.3	3,312.3	3,412.8	100.6	3.0%
Property Tax Credits	81.9	80.2	82.0	1.7	2.2%
<b><i>Entitlements</i></b>	<b><i>\$3,693.0</i></b>	<b><i>\$3,744.9</i></b>	<b><i>\$3,825.4</i></b>	<b><i>\$80.4</i></b>	<b><i>2.1%</i></b>
Health	1,975.2	2,111.6	2,113.2	1.6	0.1%
Human Resources	453.5	429.8	433.5	3.6	0.8%
Children's Cabinet Interagency Fund	13.4	20.1	21.8	1.7	8.6%
Juvenile Services	272.6	283.2	294.5	11.4	4.0%
Public Safety/Police	1,522.9	1,611.3	1,662.9	51.6	3.2%
Higher Education	5,072.1	5,358.6	5,539.7	181.1	3.4%
Other Education	430.3	459.0	442.5	-16.5	-3.6%
Transportation	1,558.6	1,606.0	1,657.5	51.5	3.2%
Agric./Nat'l. Res./Environment	305.4	339.5	364.6	25.0	7.4%
Other Executive Agencies	1,167.3	1,302.1	1,376.5	74.5	5.7%
Legislative	77.8	79.6	83.3	3.7	4.6%
Judiciary	432.6	458.1	496.1	37.9	8.3%
Across-the-board cuts	0.0	-54.4	-71.1	-16.7	30.6%
<b><i>State Agencies</i></b>	<b><i>\$13,281.8</i></b>	<b><i>\$14,004.4</i></b>	<b><i>\$14,414.9</i></b>	<b><i>\$410.5</i></b>	<b><i>2.9%</i></b>
<b>Total Operating</b>	<b>\$24,675.5</b>	<b>\$25,772.6</b>	<b>\$26,524.9</b>	<b>\$752.3</b>	<b>2.9%</b>
Capital <sup>(1)</sup>	1,222.1	1,631.4	1,829.1	197.7	12.1%
<b>Subtotal</b>	<b>\$25,897.6</b>	<b>\$27,404.0</b>	<b>\$28,354.0</b>	<b>\$950.0</b>	<b>3.5%</b>
Reserve Funds	37.8	55.3	19.7	-35.5	-64.3%
<b>Appropriations</b>	<b>\$25,935.3</b>	<b>\$27,459.2</b>	<b>\$28,373.7</b>	<b>\$914.5</b>	<b>3.3%</b>
Reversions	0.0	-67.2	-30.3	36.9	-55.0%
<b>Grand Total</b>	<b>\$25,935.3</b>	<b>\$27,392.0</b>	<b>\$28,343.4</b>	<b>\$951.4</b>	<b>3.5%</b>

<sup>(1)</sup> Includes the Sustainable Communities Tax Credit Reserve Fund.

Note: The fiscal 2014 working appropriation includes deficiencies, supplemental deficiencies, \$274.2 million in cost containment, \$51.0 million in targeted reversions, and legislative reductions to the deficiencies. The fiscal 2015 appropriation includes \$0.1 million in additional special funds due to funding swaps.

**Exhibit 1.10 (Continued)**  
**State Expenditures – All Funds**  
**(\$ in Millions)**

<u>Category</u>	<u>Actual FY 2013</u>	<u>Adjusted Work. Approp. FY 2014</u>	<u>Legislative Approp. FY 2015</u>	<u>FY 2014 to 2015 \$ Change</u>	<u>% Change</u>
Debt Service	\$1,090.3	\$1,195.3	\$1,294.8	\$99.4	8.3%
County/Municipal	508.4	581.3	575.7	-5.6	-1.0%
Community Colleges	272.3	281.3	297.3	16.0	5.7%
Education/Libraries	6,624.2	6,749.5	6,939.0	189.5	2.8%
Health	42.5	46.2	51.4	5.1	11.1%
<b>Aid to Local Governments</b>	<b>\$7,447.5</b>	<b>\$7,658.3</b>	<b>\$7,863.4</b>	<b>\$205.1</b>	<b>2.7%</b>
Foster Care Payments	298.4	346.3	328.7	-17.6	-5.1%
Assistance Payments	1,373.5	1,287.7	1,445.6	157.8	12.3%
Medical Assistance	6,764.2	7,248.7	7,896.8	648.2	8.9%
Property Tax Credits	81.9	80.2	82.0	1.7	2.2%
<b>Entitlements</b>	<b>\$8,518.0</b>	<b>\$8,963.0</b>	<b>\$9,753.0</b>	<b>\$790.1</b>	<b>8.8%</b>
Health	3,152.4	3,511.9	3,472.8	-39.1	-1.1%
Human Resources	932.3	950.8	954.1	3.2	0.3%
Children's Cabinet Interagency Fund	13.4	20.1	21.8	1.7	8.6%
Juvenile Services	281.2	290.6	302.9	12.3	4.2%
Public Safety/Police	1,553.2	1,640.8	1,700.7	59.9	3.6%
Higher Education	5,072.1	5,358.6	5,543.9	185.3	3.5%
Other Education	665.7	797.7	684.3	-113.4	-14.2%
Transportation	1,631.0	1,703.1	1,752.7	49.6	2.9%
Agric./Nat'l. Res./Environment	366.9	407.6	432.1	24.5	6.0%
Other Executive Agencies	1,763.9	1,875.3	1,899.2	23.9	1.3%
Legislative	77.8	79.6	83.3	3.7	4.6%
Judiciary	438.1	463.5	496.4	32.8	7.1%
Across-the-board cuts	0.0	-63.2	-79.4	-16.2	25.7%
<b>State Agencies</b>	<b>\$15,948.2</b>	<b>\$17,036.5</b>	<b>\$17,264.8</b>	<b>\$228.3</b>	<b>1.3%</b>
<b>Total Operating</b>	<b>\$33,003.9</b>	<b>\$34,853.2</b>	<b>\$36,176.1</b>	<b>\$1,322.9</b>	<b>3.8%</b>
Capital <sup>(1)</sup>	2077.9	2,430.8	2,691.2	260.4	10.7%
<b>Subtotal</b>	<b>\$35,081.8</b>	<b>\$37,284.0</b>	<b>\$38,867.3</b>	<b>\$1,583.3</b>	<b>4.2%</b>
Reserve Funds	37.8	55.3	19.7	-35.5	-64.3%
<b>Appropriations</b>	<b>\$35,119.5</b>	<b>\$37,339.3</b>	<b>\$38,887.0</b>	<b>\$1,547.7</b>	<b>4.1%</b>
Reversions	0.0	-67.2	-30.3	36.9	-55.0%
<b>Grand Total</b>	<b>\$35,119.5</b>	<b>\$37,272.0</b>	<b>\$38,856.7</b>	<b>\$1,584.7</b>	<b>4.3%</b>

<sup>(1)</sup> Includes the Sustainable Communities Tax Credit Reserve Fund.

Note: The fiscal 2014 working appropriation includes deficiencies, supplemental deficiencies, \$287.3 million in cost containment, \$51.0 million in targeted reversions, and legislative reductions to the deficiencies. The fiscal 2015 appropriation includes \$0.1 million in additional special funds due to funding swaps.

## **Chapter Two – State Capital Program**

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



## Summary

The 2014 General Assembly passed a capital budget program totaling \$3.954 billion, including \$2.421 billion for the transportation program. Apart from transportation, the program totals \$1.533 billion: \$1.180 billion is funded with general obligation (GO) bonds authorized in the Maryland Consolidated Capital Bond Loan (MCCBL) of 2014, the 2014 capital budget **Senate Bill 171 (Chapter 463)**; \$4.624 million is funded with Qualified Zone Academy Bonds (QZAB) authorized in **Senate Bill 218 (Chapter 475)**; \$336.0 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 998 (Chapter 575)**.

**Exhibit 2.1** presents an overview of the State's capital program for fiscal 2015, **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 2014. The MCCBL of 2014 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.

## PAYGO Capital

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. The more recent fiscal situation continues to constrain the PAYGO general fund support for the capital program.

**Exhibit 2.1**  
**Capital Program Summary for the 2014 Session**  
(\$ in Millions)

<b>Function</b>	<b>Bonds</b>		<b>Current Funds (PAYGO)</b>			<b>Total</b>
	<b>GO</b>	<b>Revenue</b>	<b>General</b>	<b>Special</b>	<b>Federal</b>	
<b>State Facilities</b>						<b>\$55.7</b>
Facilities Renewal	\$16.3	\$0.0	\$0.0	\$0.0	\$0.0	
State Facilities – Other	34.1	0.0	0.4	0.0	4.9	
<b>Health/Social</b>						<b>\$77.6</b>
Health Other	7.5	0.0	0.0	0.0	0.0	
Health State Facilities	34.0	0.0	0.0	0.0	0.0	
Private Hospitals	36.2	0.0	0.0	0.0	0.0	
<b>Environment</b>						<b>\$479.4</b>
Agriculture	21.4	0.0	0.0	12.3	0.0	
Energy	0.0	0.0	0.0	3.0	0.0	
Environment	86.0	0.0	1.0	197.6	41.3	
MD Environmental Services	9.1	0.0	0.0	0.0	0.0	
Natural Resources	92.4	0.0	0.0	11.9	3.5	
<b>Public Safety</b>						<b>\$38.7</b>
State Corrections	29.9	0.0	0.0	0.0	0.0	
State Police	8.8	0.0	0.0	0.0	0.0	
<b>Education</b>						<b>\$308.3</b>
Education – Other	19.1	0.0	0.0	0.0	0.0	
School Construction	289.2	0.0	0.0	0.0	0.0	
<b>Higher Education</b>						<b>\$406.5</b>
Community Colleges	65.4	0.0	0.0	0.0	0.0	
Higher Education – Other	1.0	0.0	0.0	0.0	0.0	
Morgan State University	16.2	0.0	0.0	0.0	0.0	
Private Colleges/Universities	24.0	0.0	0.0	0.0	0.0	
St. Mary's College of Maryland	17.9	0.0	0.0	0.0	0.0	
University System	250.0	32.0	0.0	0.0	0.0	
<b>Housing/Community Development</b>						<b>\$125.0</b>
Housing	65.3	0.0	0.0	31.0	16.9	
Housing – Other	1.5	0.0	10.0	0.2	0.0	
<b>Local Projects</b>						<b>\$61.1</b>
Administration	41.1	0.0	1.1	0.0	0.0	
Legislative Initiatives	18.9	0.0	0.0	0.0	0.0	
<b>De-authorizations</b>						<b>-\$20.5</b>
De-authorizations – Introduced	-6.1	0.0	0.0	0.0	0.0	
De-authorizations – Additional	-14.5	0.0	0.0	0.0	0.0	
<b>Total</b>	<b>\$1,164.6</b>	<b>\$32.0</b>	<b>\$12.5</b>	<b>\$256.0</b>	<b>\$66.7</b>	<b>\$1,531.8</b>
<b>Fiscal 2014 Deficiencies</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>\$0.4</b>	<b>\$0.5</b>	<b>\$0.9</b>
<b>Transportation CTP</b>	<b>\$0.0</b>	<b>\$740.0</b>	<b>\$0.0</b>	<b>\$832.2</b>	<b>\$849.2</b>	<b>\$2,421.4</b>
<b>Grand Total</b>	<b>\$1,164.6</b>	<b>\$772.0</b>	<b>\$12.5</b>	<b>\$1,088.6</b>	<b>\$916.4</b>	<b>\$3,954.1</b>

CTP: Consolidated Transportation Program

GO: general obligation

PAYGO: pay-as-you-go

## Exhibit 2.2 Capital Program for the 2014 Session

<b>Budget Code</b>	<b>Project Title</b>	<b>Bonds</b>		<b>Current Funds (PAYGO)</b>			<b>Total Funds</b>
		<b>General Obligation</b>	<b>Revenue</b>	<b>General</b>	<b>Special</b>	<b>Federal</b>	
	<b>State Facilities</b>						
D55P04A	DVA: Eastern Shore Veterans Cemetery Burial Expansion	\$0	\$0	\$0	\$0	\$2,980,000	\$2,980,000
D55P04B	DVA: Rocky Gap Veterans Cemetery Burial Expansion	0	0	400,000	0	0	400,000
DA0201A	MDOD: Accessibility Modifications	1,600,000	0	0	0	0	1,600,000
DE02011A	BPW: Catonsville District Court	2,150,000	0	0	0	0	2,150,000
DE02011B	BPW: Courts of Appeals Building Lobby and Americans with Disabilities Improvements	3,700,000	0	0	0	0	3,700,000
DE0201A	BPW: Facilities Renewal Fund	15,000,000	0	0	0	0	15,000,000
DE0201B	BPW: Fuel Storage Tank Replacement Program	1,000,000	0	0	0	0	1,000,000
DE0201C	BPW: State House Complex Security Upgrades	250,000	0	0	0	0	250,000
DH0104A	MD: Hagerstown Readiness Center Parachute Rigging Facility	120,000	0	0	0	1,950,000	2,070,000
FB04A	DoIT: Public Safety Communication System	26,100,000	0	0	0	0	26,100,000
RP0005A	MPBC: Broadcasting Transmission Equipment Replacement	400,000	0	0	0	0	400,000
	<b>Subject Category Subtotal</b>	<b>\$50,320,000</b>	<b>\$0</b>	<b>\$400,000</b>	<b>\$0</b>	<b>\$4,930,000</b>	<b>\$55,650,000</b>
	<b>Health/Social</b>						
MA01A	DHMH: Community Health Facilities Grant Program	\$5,183,000	\$0	\$0	\$0	\$0	\$5,183,000
MA01B	DHMH: Federally Qualified Health Centers Grant Program	2,276,000	0	0	0	0	2,276,000

Budget Code	Project Title	Bonds		Current Funds (PAYGO)			
		General Obligation	Revenue	General	Special	Federal	Total Funds
RQ00A	UMMS: R Adams Cowley Shock Trauma Center – Phase II	3,000,000	0	0	0	0	3,000,000
RQ00B	UMMS: New Ambulatory Care Pavilion and NICU and Labor and Delivery Units	10,000,000	0	0	0	0	10,000,000
VE01A	DJS: Cheltenham Youth Facility – New Detention Center	31,521,000	0	0	0	0	31,521,000
VE01B	DJS: New Thomas J. S. Waxter Children’s Center	830,000	0	0	0	0	830,000
VE01C	DJS: Lower Shore Treatment Center	1,600,000	0	0	0	0	1,600,000
ZA00AD	MISC: Prince George’s Hospital System	15,000,000	0	0	0	0	15,000,000
ZA00AF	MISC: Sinai Hospital of Baltimore and Levendale Hebrew Geriatric Center and Hospital	1,500,000	0	0	0	0	1,500,000
ZA00P	MISC: Kennedy Krieger Institute	1,500,000	0	0	0	0	1,500,000
ZA01A	MISC: Anne Arundel Medical Center	500,000	0	0	0	0	500,000
ZA01B	MISC: Holy Cross Hospital	500,000	0	0	0	0	500,000
ZA01C	MISC: MedStar Good Samaritan Hospital	375,000	0	0	0	0	375,000
ZA01D	MISC: Washington Adventist Hospital	480,000	0	0	0	0	480,000
ZA01E	MISC: Meritus Medical Center	500,000	0	0	0	0	500,000
ZA01F	MISC: Shady Grove Adventist Hospital	500,000	0	0	0	0	500,000
ZA01G	MISC: Adventist Rehabilitation Hospital of Maryland	200,000	0	0	0	0	200,000
ZA01H	MISC: Doctors Hospital	88,000	0	0	0	0	88,000
ZA01I	MISC: MedStar Montgomery Medical Center	300,000	0	0	0	0	300,000
ZA01J	MISC: Sinai Hospital of Baltimore	1,000,000	0	0	0	0	1,000,000
ZA01K	MISC: University of Maryland St. Joseph’s Medical Center	750,000	0	0	0	0	750,000
	<b>Subject Category Subtotal</b>	<b>\$77,603,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$77,603,000</b>

Budget Code	Project Title	Bonds		Current Funds (PAYGO)			Total Funds
		General Obligation	Revenue	General	Special	Federal	
	<b>Environment</b>						
DA131302	MEA: Jane E. Lawton Loan Program	\$0	\$0	\$0	\$1,750,000	\$0	\$1,750,000
DA131303	MEA: State Agency Loan Program	0	0	0	1,200,000	0	1,200,000
JB0101A	MDOT: Chesapeake Bay Restoration Plan State Highway Administration TMDL Project	45,000,000	0	0	0	0	45,000,000
KA0510A	DNR: Critical Maintenance Program	0	0	0	4,588,000	0	4,588,000
KA05A	DNR: Community Parks and Playgrounds	2,500,000	0	0	0	0	2,500,000
KA05B	DNR: Natural Resources Development Fund	408,000	0	0	0	0	408,000
KA05C1	DNR: Program Open Space Stateside	18,872,000	0	0	1,500,000	2,500,000	22,872,000
KA05C2	DNR: Program Open Space Local	22,763,000	0	0	0	0	22,763,000
KA05D	DNR: Rural Legacy Program	15,231,000	0	0	803,000	0	16,034,000
KA0906	DNR: Ocean City Beach Maintenance	0	0	0	1,000,000	0	1,000,000
KA1102A	DNR: Waterway Improvement Program	0	0	0	4,000,000	1,000,000	5,000,000
KA1402A	DNR: Chesapeake Bay 2010 Trust Fund	25,000,000	0	0	0	0	25,000,000
KA1701A	DNR: Oyster Restoration Program	7,600,000	0	0	0	0	7,600,000
LA11A	MDA: Maryland Agricultural Land Preservation Program	15,188,000	0	0	9,596,966	0	24,784,966
LA12A	MDA: Tobacco Transition Program	0	0	0	2,716,000	0	2,716,000
LA15A	MDA: Maryland Agricultural Cost-Share Program	6,190,000	0	0	0	0	6,190,000
UA0104	MDE: Hazardous Substance Cleanup Program	0	0	1,000,000	0	0	1,000,000
UA0111	MDE: Enhanced Nutrient Removal Program	0	0	0	81,000,000	0	81,000,000
UA0112	MDE: Septic System Upgrade Program	0	0	0	15,000,000	0	15,000,000
UA01A	MDE: Maryland Water Quality Revolving Loan Program	6,459,000	0	0	91,250,000	32,291,000	130,000,000
UA01B	MDE: Maryland Drinking Water Revolving Loan Program	2,614,000	0	0	10,370,000	9,016,000	22,000,000

<b>Budget Code</b>	<b>Project Title</b>	<b>Bonds</b>		<b>Current Funds (PAYGO)</b>			<b>Total Funds</b>
		<b>General Obligation</b>	<b>Revenue</b>	<b>General</b>	<b>Special</b>	<b>Federal</b>	
UA01C1	MDE: Biological Nutrient Removal Program	21,200,000	0	0	0	0	21,200,000
UA01C2	MDE: Supplemental Assistance Program	5,864,000	0	0	0	0	5,864,000
UA01D	MDE: Water Supply Financial Assistance Program	4,357,000	0	0	0	0	4,357,000
UA01E	MDE: Mining Remediation Program	500,000	0	0	0	0	500,000
UB00A1	MES: Rocky Gap State Park – Wastewater Treatment Plant Improvements	712,000	0	0	0	0	712,000
UB00A2	MES: Charlotte Hall Veterans Home – Wastewater Collection System	1,190,000	0	0	0	0	1,190,000
UB00A3	MES: Southern Maryland Pre-Release Unit – New Water Treatment Plant	1,500,000	0	0	0	0	1,500,000
UB00A4	MES: Freedom District – Wastewater Treatment Plant Improvements	2,155,000	0	0	0	0	2,155,000
UB00A5	MES: Cunningham Falls State Park – Wastewater Collection System	575,000	0	0	0	0	575,000
UB00A6	MES: MCI – Hagerstown – Wastewater Treatment Plant Improvements	2,000,000	0	0	0	0	2,000,000
UB00A7	MES: Cheltenham Youth Center Wastewater Treatment Plant	600,000	0	0	0	0	600,000
UB00A8	MES: Camp Fretterd – Wastewater Treatment Plant Upgrades	197,000	0	0	0	0	197,000
UB00A9	MES: Western Correctional Institution – Wastewater Pump Station Improvements	150,000	0	0	0	0	150,000
	<b>Subject Category Subtotal</b>	<b>\$208,825,000</b>	<b>\$0</b>	<b>\$1,000,000</b>	<b>\$224,773,966</b>	<b>\$44,807,000</b>	<b>\$479,405,966</b>
	<b>Public Safety</b>						
QP00A	DPSCS: New Youth Detention Center	\$9,506,000	\$0	\$0	\$0	\$0	\$9,506,000
QR0202A	DPSCS: Housing Unit Windows and Heating Systems Replacement	5,085,000	0	0	0	0	5,085,000
QS0209	DPSCS: 560-bed Minimum Security Compound	15,314,000	0	0	0	0	15,314,000

Effect of the 2014 Legislative Program on the Financial Condition of the State

<b>Budget Code</b>	<b>Project Title</b>	<b>Bonds</b>		<b>Current Funds (PAYGO)</b>			<b>Total Funds</b>
		<b>General Obligation</b>	<b>Revenue</b>	<b>General</b>	<b>Special</b>	<b>Federal</b>	
WA01A	DSP: Helicopter Replacement and New Flight Training Facility	7,775,000	0	0	0	0	7,775,000
WA01B	DSP: Tactical Services Garage	1,053,000	0	0	0	0	1,053,000
	<b>Subject Category Subtotal</b>	<b>\$38,733,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$38,733,000</b>
	<b>Education</b>						
DE0202A	BPW: Public School Construction Program	\$275,000,000	\$0	\$0	\$0	\$0	\$275,000,000
DE0202B	BPW: Aging Schools Program	6,109,000	0	0	0	0	6,109,000
DE0202C	BPW: Nonpublic Aging Schools Program	3,500,000	0	0	0	0	3,500,000
DE0202QZ	BPW: Qualified Zone Academy Bond Program	4,625,000	0	0	0	0	4,625,000
RA01A	MSDE: Public Library Capital Grant Program	5,000,000	0	0	0	0	5,000,000
RA01B	MSDE: State Library Resource Center	12,095,000	0	0	0	0	12,095,000
RE01A	MSD: New Fire Alarm and Emergency Notification System – Frederick Campus	1,705,000	0	0	0	0	1,705,000
RE01B	MSD: Water Main Replacement Project – Frederick Campus	300,000	0	0	0	0	300,000
	<b>Subject Category Subtotal</b>	<b>\$308,334,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$308,334,000</b>
	<b>Higher Education</b>						
RB21A	UMB: Health Sciences Research Facility III	\$49,000,000	\$0	\$0	\$0	\$0	\$49,000,000
RB22A	UMCP: Campuswide Building System and Infrastructure Improvements	5,000,000	5,000,000	0	0	0	10,000,000
RB22C	UMCP: Edward St. John Learning and Teaching Center	18,260,000	0	0	0	0	18,260,000
RB22D	UMCP: H. J. Patterson Hall – Wing I Renovation	1,686,000	10,000,000	0	0	0	11,686,000
RB22E	UMCP: New Bioengineering Building	2,500,000	0	0	0	0	2,500,000
RB23A	BSU: New Natural Sciences Center	23,342,000	0	0	0	0	23,342,000
RB23B	BSU: Track and Field Improvements	500,000	0	0	0	0	500,000

<b>Budget Code</b>	<b>Project Title</b>	<b>Bonds</b>		<b>Current Funds (PAYGO)</b>			
		<b>General Obligation</b>	<b>Revenue</b>	<b>General</b>	<b>Special</b>	<b>Federal</b>	<b>Total Funds</b>
RB24A	TU: Softball Facility	1,500,000	0	0	0	0	1,500,000
RB25A	UMES: New Engineering and Aviation Science Building	60,755,000	0	0	0	0	60,755,000
RB26A	FSU: Public Safety Facility	400,000	0	0	0	0	400,000
RB27A	CSU: New Science and Technology Center	10,300,000	0	0	0	0	10,300,000
RB28A	UB: Langsdale Library	2,775,000	0	0	0	0	2,775,000
RB29A	SU: New Academic Commons	45,000,000	0	0	0	0	45,000,000
RB31A	UMBC: Campus Traffic Safety and Circulation Improvements	10,006,000	0	0	0	0	10,006,000
RB31B	UMBC: Interdisciplinary Life Sciences Building	4,100,000	0	0	0	0	4,100,000
RB34A	UMCES: New Environmental Sustainability Research Laboratory	10,604,000	0	0	0	0	10,604,000
RB36A	USMO: Shady Grove Educational Center – Biomedical Sciences and Engineering Education Building	4,300,000	0	0	0	0	4,300,000
RB36B	USMO: Southern Maryland Regional Higher Education Facility	1,000,000	0	0	0	0	1,000,000
RB36RB	USMO: Capital Facilities Renewal	0	17,000,000	0	0	0	17,000,000
RD00A	SMCM: Anne Arundel Hall Reconstruction	17,850,000	0	0	0	0	17,850,000
RI00A	MHEC: Community College Facilities Grant Program	65,405,000	0	0	0	0	65,405,000
RM00A	MSU: New School of Business Complex and Connecting Bridge	3,000,000	0	0	0	0	3,000,000
RM00C	MSU: Campuswide Utilities Upgrade	6,070,000	0	0	0	0	6,070,000
RM00D	MSU: Athletic Facilities Renovation	1,000,000	0	0	0	0	1,000,000
RM00E	MSU: New Behavioral and Social Sciences Center	4,500,000	0	0	0	0	4,500,000
RM00F	MSU: New Student Services Support Building	1,600,000	0	0	0	0	1,600,000

<b>Budget Code</b>	<b>Project Title</b>	<b>Bonds</b>		<b>Current Funds (PAYGO)</b>			<b>Total Funds</b>
		<b>General Obligation</b>	<b>Revenue</b>	<b>General</b>	<b>Special</b>	<b>Federal</b>	
ZA00K	MISC: High Performance Computing Data Center	15,000,000	0	0	0	0	15,000,000
ZA00R	MICUA: Loyola University of Maryland Capital Projects	1,800,000	0	0	0	0	1,800,000
ZA00S	MICUA: Stevenson University Academic Building	3,600,000	0	0	0	0	3,600,000
ZA00T	MICUA: Washington College Academic Building	3,600,000	0	0	0	0	3,600,000
	<b>Subject Category Subtotal</b>	<b>\$374,453,000</b>	<b>\$32,000,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$406,453,000</b>
	<b>Housing/Community Development</b>						
DW0108A	MDOP: Jefferson Patterson Park and Museum	\$350,000	\$0	\$0	\$0	\$0	\$350,000
DW0110A	MDOP: African American Heritage Preservation Grant Program	1,000,000	0	0	0	0	1,000,000
DW0110B	MDOP: Maryland Historical Trust Capital Loan Fund	150,000	0	0	200,000	0	350,000
DW0112	MDOP: Sustainable Communities Tax Credit	0	0	10,000,000	0	0	10,000,000
SA2402A	DHCD: Community Development Block Grant Program	0	0	0	0	10,000,000	10,000,000
SA24A	DHCD: Community Legacy Program	6,000,000	0	0	0	0	6,000,000
SA24B	DHCD: Neighborhood Business Development Program	2,300,000	0	0	1,950,000	0	4,250,000
SA24C	DHCD: Strategic Demolition and Smart Growth Impact Project Fund	7,500,000	0	0	0	0	7,500,000
SA24D	DHCD: Baltimore Regional Neighborhoods Demonstration Initiative	1,680,000	0	0	0	0	1,680,000
SA2514	DHCD: Maryland BRAC Preservation Loan Fund	0	0	0	3,000,000	0	3,000,000
SA25A	DHCD: Partnership Rental Housing Program	6,000,000	0	0	0	0	6,000,000
SA25B	DHCD: Homeownership Programs	9,500,000	0	0	1,000,000	700,000	11,200,000

Budget Code	Project Title	Bonds		Current Funds (PAYGO)			Total Funds
		General Obligation	Revenue	General	Special	Federal	
SA25C	DHCD: Shelter and Transitional Housing Facilities Grant Program	1,500,000	0	0	0	0	1,500,000
SA25D	DHCD: Special Loan Programs	6,100,000	0	0	800,000	3,000,000	9,900,000
SA25E	DHCD: Rental Housing Programs	24,730,000	0	0	24,275,000	3,225,000	52,230,000
	<b>Subject Category Subtotal</b>	<b>\$66,810,000</b>	<b>\$0</b>	<b>\$10,000,000</b>	<b>\$31,225,000</b>	<b>\$16,925,000</b>	<b>\$124,960,000</b>
	<b>Local Projects</b>						
D06E021	MISC: Eastern Family Resource Center	\$0	\$0	\$1,000,000	\$0	\$0	\$1,000,000
D06E022	MISC: Chesapeake Shakespeare Company's Downtown Theatre	0	0	100,000	0	0	100,000
ZA00A	MISC: Alice Ferguson Foundation – Potomac Watershed Study Center	2,400,000	0	0	0	0	2,400,000
ZA00B	MISC: Allegany Museum	250,000	0	0	0	0	250,000
ZA00C	MISC: Annapolis High School Athletic Facilities	2,200,000	0	0	0	0	2,200,000
ZA00D	MISC: Baltimore Food Hub	750,000	0	0	0	0	750,000
ZA00E	MISC: Center Stage	1,000,000	0	0	0	0	1,000,000
ZA00F	MISC: Central Baltimore Partnership	1,500,000	0	0	0	0	1,500,000
ZA00G	MISC: Creative Alliance	600,000	0	0	0	0	600,000
ZA00H	MISC: East Baltimore Biotechnology Park	5,000,000	0	0	0	0	5,000,000
ZA00I	MISC: Eastern Shore Food Hub	500,000	0	0	0	0	500,000
ZA00J	MISC: Green Branch Athletic Complex	3,000,000	0	0	0	0	3,000,000
ZA00M	MISC: Hospice of the Chesapeake	1,000,000	0	0	0	0	1,000,000
ZA00N	MISC: Inner Harbor Infrastructure	2,000,000	0	0	0	0	2,000,000
ZA00O	MISC: Jewish Community Center of Greater Washington	1,000,000	0	0	0	0	1,000,000
ZA00Q	MISC: Maryland Hall for the Creative Arts	1,000,000	0	0	0	0	1,000,000
ZA00U	MISC: Maryland Science Center	417,000	0	0	0	0	417,000
ZA00V	MISC: Maryland Zoo in Baltimore	5,000,000	0	0	0	0	5,000,000
ZA00W	MISC: Mount Auburn Cemetery	100,000	0	0	0	0	100,000
ZA00X	MISC: Mount Vernon Place Restoration	1,000,000	0	0	0	0	1,000,000
ZA00Y	MISC: National Aquarium in Baltimore	2,120,000	0	0	0	0	2,120,000

<b>Budget Code</b>	<b>Project Title</b>	<b>Bonds</b>		<b>Current Funds (PAYGO)</b>			<b>Total Funds</b>
		<b>General Obligation</b>	<b>Revenue</b>	<b>General</b>	<b>Special</b>	<b>Federal</b>	
ZA00Z	MISC: National Cryptologic Museum	1,000,000	0	0	0	0	1,000,000
ZA00AA	MISC: National Cyber Security Center of Excellence	2,000,000	0	0	0	0	2,000,000
ZA00AB	MISC: National Sailing Hall of Fame	250,000	0	0	0	0	250,000
ZA00AC	MISC: The Patricia and Arthur Modell Performing Arts Center at the Lyric	500,000	0	0	0	0	500,000
ZA00AE	MISC: Sailwinds Park Wharf Replacement	1,000,000	0	0	0	0	1,000,000
ZA00AG	MISC: South River High School Athletic Facilities	1,300,000	0	0	0	0	1,300,000
ZA00AH	MISC: Sports Legends Museum Renovations	500,000	0	0	0	0	500,000
ZA00AI	MISC: Sultana New Education Center	500,000	0	0	0	0	500,000
ZA00AJ	MISC: USS Constellation	1,250,000	0	0	0	0	1,250,000
ZA00AK	MISC: Wye River Upper School	1,000,000	0	0	0	0	1,000,000
ZA00AL	MISC: YWCA of Annapolis and Anne Arundel County Domestic Violence Shelter	1,000,000	0	0	0	0	1,000,000
ZA00AN	MISC: Rich Hill Farm House	750,000	0	0	0	0	750,000
ZA00AO	MISC: Second District Volunteer Fire Department Storage Facility	75,000	0	0	0	0	75,000
ZA00AP	MISC: Wicomico Youth and Civic Center	1,000,000	0	0	0	0	1,000,000
ZA00AQ	MISC: Henry Parker Athletic Complex	1,000,000	0	0	0	0	1,000,000
ZA00AR	MISC: Suitland Redevelopment	500,000	0	0	0	0	500,000
ZA00AS	MISC: Bay District Volunteer Fire Department Training Tower	100,000	0	0	0	0	100,000
ZA00AT	MISC: The Writer's Center	200,000	0	0	0	0	200,000
ZA00AU	MISC: Kingsville Volunteer Fire Department	100,000	0	0	0	0	100,000
ZA00AV	MISC: Governor Thomas Johnson High School Stadium	50,000	0	0	0	0	50,000
ZA00AW	MISC: Havre de Grace Opera House	50,000	0	0	0	0	50,000
ZA00AX	MISC: Havre de Grace Maritime Museum	50,000	0	0	0	0	50,000

Budget Code	Project Title	Bonds		Current Funds (PAYGO)			
		General Obligation	Revenue	General	Special	Federal	Total Funds
ZA00AY	MISC: Historical Society of Harford County Facility Restoration	50,000	0	0	0	0	50,000
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
	<b>Subject Category Subtotal</b>	<b>\$60,062,000</b>	<b>\$0</b>	<b>\$1,100,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$61,162,000</b>
	<b>De-authorizations</b>						
ZF00	De-authorizations as Introduced	-\$6,065,377	\$0	\$0	\$0	\$0	-\$6,065,377
ZF00A	Additional De-authorizations	-14,450,000	0	0	0	0	-14,450,000
	<b>Subject Category Subtotal</b>	<b>-\$20,515,377</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>-\$20,515,377</b>
	<b>Current Year Total</b>	<b>\$1,164,624,623</b>	<b>\$32,000,000</b>	<b>\$12,500,000</b>	<b>\$255,998,966</b>	<b>\$66,662,000</b>	<b>\$1,531,785,589</b>
	<b>Fiscal 2014 Deficiencies</b>						
SA25E	DHCD: Rental Housing Programs	\$0	\$0	\$0	\$350,000	\$0	\$350,000
SA25B	DHCD: Homeownership Programs	0	0	0	0	500,000	500,000
	<b>Deficiencies Subtotal</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$350,000</b>	<b>\$500,000</b>	<b>\$850,000</b>
	<b>Entire Budget Total</b>	<b>\$1,164,624,623</b>	<b>\$32,000,000</b>	<b>\$12,500,000</b>	<b>\$256,348,966</b>	<b>\$67,162,000</b>	<b>\$1,532,635,589</b>
	<b>Transportation CTP</b>	<b>\$0</b>	<b>\$740,000,000</b>	<b>\$0</b>	<b>\$832,214,000</b>	<b>\$849,234,000</b>	<b>\$2,421,448,000</b>
	<b>Grand Total</b>	<b>\$1,164,624,623</b>	<b>\$772,000,000</b>	<b>\$12,500,000</b>	<b>\$1,088,569,966</b>	<b>\$916,396,000</b>	<b>\$3,954,083,589</b>

BPW: Board of Public Works  
 BRAC: Base realignment and closure  
 BSU: Bowie State University  
 CSU: Coppin State University  
 CTP: *Consolidated Transportation Program*  
 DHCD: Department of Housing and Community Development  
 DHMH: Department of Health and Mental Hygiene  
 DJS: Department of Juvenile Services  
 DNR: Department of Natural Resources  
 DPSCS: Department of Public Safety and Correctional Services  
 DoIT: Department of Information Technology  
 DSP: Department of State Police  
 DVA: Department of Veteran Affairs  
 FSU: Frostburg State University  
 MCI: Maryland Correctional Institution  
 MD: Military Department  
 MDA: Maryland Department of Agriculture  
 MDE: Maryland Department of the Environment  
 MDOD: Maryland Department of Disabilities  
 MDOP: Maryland Department of Planning  
 MDOT: Maryland Department of Transportation  
 MEA: Maryland Energy Administration

MES: Maryland Environmental Service  
 MHEC: Maryland Higher Education Commission  
 MICUA: Maryland Independent College and University Association  
 MISC: Miscellaneous  
 MPBC: Maryland Public Broadcasting Commission  
 MSD: Maryland School for the Deaf  
 MSDE: Maryland State Department of Education  
 MSU: Morgan State University  
 NICU: neonatal intensive care unit  
 PAYGO: pay as you go  
 SMCM: St. Mary's College of Maryland  
 SU: Salisbury University  
 TMDL: Total Maximum Daily Load  
 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  
 UMES: University of Maryland Eastern Shore  
 UMMS: University of Maryland Medical System  
 USMO: University System of Maryland Office

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

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**Exhibit 2.3**  
**Legislative Projects – 2014 Session**  
*(Project Count: 156)*

<b><u>Project Title</u></b>	<b><u>Senate Initiative</u></b>	<b><u>House Initiative</u></b>	<b><u>Other</u></b>	<b><u>Total Funding</u></b>	<b><u>Match/ Requirements</u></b>
<b>Statewide</b>					
Baltimore Museum of Industry Capital Improvements	\$250,000	\$250,000		\$500,000	Soft (1)
Benedictine School	125,000	125,000		250,000	Soft (3)
Camp Whippoorwill Living Shoreline Project	125,000	125,000		250,000	Soft (all)
Maryland Food Bank Creating Capacity While Serving Communities Project	250,000	250,000		500,000	Hard
Prince Hall Grand Lodge	250,000	50,000		300,000	Grant
<b>Subtotal</b>				<b>\$1,800,000</b>	
<b>Allegany</b>					
Allegany County Animal Shelter Adoption and Care Center	\$50,000	\$50,000		\$100,000	Soft (3)
Friends Aware Facility	50,000	50,000		100,000	Soft (all)
<b>Subtotal</b>				<b>\$200,000</b>	
<b>Anne Arundel</b>					
1 Martin Street Renovation	\$150,000	\$100,000		\$250,000	Hard
206 West Social Enterprise Project	150,000	100,000		250,000	Hard
Annapolis Police Department Firing Range		200,000		200,000	Hard
Bestgate Park		150,000		150,000	Grant
Calvary Food Bank	75,000			75,000	Soft (1)

<b><u>Project Title</u></b>	<b><u>Senate Initiative</u></b>	<b><u>House Initiative</u></b>	<b><u>Other</u></b>	<b><u>Total Funding</u></b>	<b><u>Match/ Requirements</u></b>
Captain Avery Museum Window Repair and Restoration		40,000		40,000	Soft (2)
Chesapeake Arts Center	75,000	75,000		150,000	Grant
Southern Middle School and Southern High School Improvements		50,000		50,000	Hard
<b><i>Subtotal</i></b>				<b><i>\$1,165,000</i></b>	
<b>Baltimore City</b>					
4500 Harford Road Development Project		\$250,000		\$250,000	Soft (U, 2, 3)
Arena Players Project	\$125,000			125,000	Soft (1)
Baltimore Design School	100,000			100,000	Hard
BARCO North Avenue Arts Building		100,000		100,000	Soft (all)
Chesapeake Shakespeare Company's Downtown Theatre	25,000	100,000	\$100,000	225,000	Hard
Coppin Heights Urban Revitalization Project – Phase I		100,000		100,000	Hard
Creative Alliance Project	50,000			50,000	Soft (1)
DHF Tech Center	15,000			15,000	Soft (2)
East Baltimore Historical Library	50,000	50,000		100,000	Grant
Epiphany House & Micah House Projects	53,000			53,000	Soft (2, 3)
Everyman Theatre	25,000			25,000	Soft (3)
Garrett-Jacobs Mansion	25,000			25,000	Soft (2, 3)
Gaudenzia's Park Heights Facility Renovation	150,000	50,000		200,000	Hard
Greenmount Construction Jobs Training Center	50,000			50,000	Soft (1, 2)
Habitat for Humanity of the Chesapeake		250,000		250,000	Hard
Kappa Alpha Psi Youth and Community Center	175,000	25,000		200,000	Soft (all)
Leadenhall Community Outreach Center	45,000			45,000	Soft (all)

<b><u>Project Title</u></b>	<b><u>Senate Initiative</u></b>	<b><u>House Initiative</u></b>	<b><u>Other</u></b>	<b><u>Total Funding</u></b>	<b><u>Match/ Requirements</u></b>
Orianda Mansion Preservation		150,000		150,000	Soft (2)
Rita R. Church Foundation & Teach Educate Assist Mentor Office	42,000			42,000	Soft (1, 2)
Skatepark of Baltimore at Roosevelt Park	75,000	50,000		125,000	Soft (1, 2)
SS Philip and James Church Hall Renovation and Repair	30,000			30,000	Hard
Upton Planning Committee Project		50,000		50,000	Soft (U, 2)
Winchester Street Potter's House		75,000		75,000	Soft (all)
<b><i>Subtotal</i></b>				<b><i>\$2,385,000</i></b>	
<b>Baltimore</b>					
Arbutus Recreation Center Project	\$30,000			\$30,000	Hard
Chesapeake High Stadium	40,000	\$40,000		80,000	Hard
Dundalk Renaissance Office and Incubator Project	100,000	75,000		175,000	Soft (1, 3)
Greenspring Montessori School		100,000		100,000	Hard
Jewish Community Services Alternative Living Units	50,000			50,000	Hard
Kingsville Volunteer Fire Company	150,000		\$100,000	250,000	Soft (3)
Leadership Through Athletics	65,000			65,000	Soft (1)
Lutherville Volunteer Fire Company Station Expansion	70,000			70,000	Hard
Towson High School Stadium	55,000			55,000	Hard
Youth in Transition School	150,000	200,000		350,000	Hard
<b><i>Subtotal</i></b>				<b><i>\$1,225,000</i></b>	

<b><u>Project Title</u></b>	<b><u>Senate Initiative</u></b>	<b><u>House Initiative</u></b>	<b><u>Other</u></b>	<b><u>Total Funding</u></b>	<b><u>Match/ Requirements</u></b>
<b>Calvert</b>					
Bayfront Park and Sculptural Garden	\$100,000			\$100,000	Soft (all)
End Hunger Warehouse	25,000			25,000	Soft (all)
<b><i>Subtotal</i></b>				<b><i>\$125,000</i></b>	
<b>Carroll</b>					
The Arc of Carroll County Building Renovation	\$175,000			\$175,000	Soft (2)
<b><i>Subtotal</i></b>				<b><i>\$175,000</i></b>	
<b>Cecil</b>					
Department of Parks and Recreation Project		\$125,000		\$125,000	Soft (2)
Historic Tome School		100,000		100,000	Soft (all)
<b><i>Subtotal</i></b>				<b><i>\$225,000</i></b>	
<b>Charles</b>					
Lifestyles Homeless Services Center	\$100,000			\$100,000	Soft (2, 3)
Lions Camp Merrick	50,000	\$100,000		150,000	Soft (1)
Piscataway Indian Museum		100,000		100,000	Soft (all)
Rich Hill Farm House			\$750,000	750,000	Soft (all)
<b><i>Subtotal</i></b>				<b><i>\$1,100,000</i></b>	
<b>Dorchester</b>					
Chesapeake Grove Senior Housing and Intergenerational Center	\$50,000	\$50,000		\$100,000	Soft (1)
Choptank River Lighthouse Museum Artifact Acquisition Project	25,000	25,000		50,000	Soft (3)
<b><i>Subtotal</i></b>				<b><i>\$150,000</i></b>	

<b><u>Project Title</u></b>	<b><u>Senate Initiative</u></b>	<b><u>House Initiative</u></b>	<b><u>Other</u></b>	<b><u>Total Funding</u></b>	<b><u>Match/ Requirements</u></b>
<b>Frederick</b>					
15sq Arts Center	\$125,000			\$125,000	Soft (1, 3)
Barbara Hauer Fritchie Foundation Facility	50,000			50,000	Hard
Culler Lake Stormwater Management Project		\$125,000		125,000	Soft (2)
Forgeman's House Renovation	100,000			100,000	Soft (all)
Governor Thomas Johnson High School Stadium			\$50,000	50,000	Grant
Unified Community Connections Adult Day Habilitation Facility		127,000		127,000	Soft (1)
<b>Subtotal</b>				<b>\$577,000</b>	
<b>Garrett</b>					
Christian Crossing Thrift Shop	\$50,000	\$50,000		\$100,000	Soft (all)
HART Animal Center	50,000	50,000		100,000	Hard
<b>Subtotal</b>				<b>\$200,000</b>	
<b>Harford</b>					
Edgewood Community Support Center Facility Completion		\$50,000		\$50,000	Grant
Havre de Grace Maritime Museum			\$50,000	50,000	Hard
Havre de Grace Opera House Renovation			50,000	50,000	Soft (3)
Historical Society of Harford County Facility Restoration			50,000	50,000	Soft (2, 3)
Ladew Topiary Gardens	\$110,000			110,000	Hard
<b>Subtotal</b>				<b>\$310,000</b>	

<b><u>Project Title</u></b>	<b><u>Senate Initiative</u></b>	<b><u>House Initiative</u></b>	<b><u>Other</u></b>	<b><u>Total Funding</u></b>	<b><u>Match/ Requirements</u></b>
<b>Howard</b>					
Community Action Council Food Bank Facility	\$165,000	\$85,000		\$250,000	Hard
Day Resource Center	100,000	150,000		250,000	Hard
Head Start Program Retrofitting		200,000		200,000	Hard
Historic Belmont Property and Historic Garden Restoration	65,000			65,000	Hard
<b><i>Subtotal</i></b>				<b><i>\$765,000</i></b>	
<b>Montgomery</b>					
Ann L. Bronfman Center	\$120,000			\$120,000	Hard
Black Box Theater	100,000			100,000	Grant
Casey Community Center	50,000	\$80,000		130,000	Hard
Homecrest House		60,000		60,000	Soft (2, 3)
Imagination Stage HVAC System	45,000			45,000	Hard
Inter-Generational Center Expansion		200,000		200,000	Hard
Jewish Social Service Agency Montrose Office Renovation	45,000	85,000		130,000	Hard
MdBio STEM Education Equipment Project	200,000			200,000	Grant
Melvin J. Berman Hebrew Academy	55,000			55,000	Soft (all)
Muslim Community Center	50,000	25,000		75,000	Soft (all)
Olney Theatre Center		100,000		100,000	Soft (1, 3)
Potomac Community Recreation Center	25,000	75,000		100,000	Hard
Potomac Community Resources Home	50,000	125,000		175,000	Soft (1)
Rockville Science Center	75,000			75,000	Soft (2)
Sandy Spring Museum		75,000		75,000	Soft (2, 3)
Sandy Spring VFD Station 40 Expansion	75,000	75,000		150,000	Hard

<b><u>Project Title</u></b>	<b><u>Senate Initiative</u></b>	<b><u>House Initiative</u></b>	<b><u>Other</u></b>	<b><u>Total Funding</u></b>	<b><u>Match/ Requirements</u></b>
Seneca Store Restoration	50,000			50,000	Soft (1)
Silver Spring Learning Center Expansion	60,000			60,000	Hard
Silver Spring Volunteer Fire Department Station #16		100,000		100,000	Hard
The Writer's Center	100,000		\$200,000	300,000	Hard
University Gardens Senior Apartments	40,000	100,000		140,000	Hard
Warner Manor	100,000			100,000	Soft (1)
<b><i>Subtotal</i></b>				<b><i>\$2,540,000</i></b>	
<b>Prince George's</b>					
Art Works Now Project		\$50,000		\$50,000	Hard
Bowie Boys and Girls Club Pole Barn Structure		100,000		100,000	Hard
Bowie Gymnasium Roof Replacement	\$65,000	65,000		130,000	Hard
Brentwood Town Center Project	100,000	50,000		150,000	Hard
Capitol Heights Public Works Facility	50,000			50,000	Hard
Dinosaur Park Improvements	25,000			25,000	Soft (all)
District Heights Family and Youth Services Bureau Facility Project	100,000	150,000		250,000	Soft (1, 2)
Educare Resource Center	75,000	100,000		175,000	Soft (1, 2)
Elizabeth Seton High School Sports Facilities Renovation	25,000	75,000		100,000	Hard
Experience Salubria Project	37,000	43,000		80,000	Hard
Fairmount Heights Municipal Center	100,000			100,000	Soft (1)
Forest Heights Town Hall Renovation		50,000		50,000	Soft (all)
Knights of St. John Hall	60,000			60,000	Soft (all)
Laurel Armory-Anderson & Murphy Community Center	75,000	75,000		150,000	Hard

<b><u>Project Title</u></b>	<b><u>Senate Initiative</u></b>	<b><u>House Initiative</u></b>	<b><u>Other</u></b>	<b><u>Total Funding</u></b>	<b><u>Match/ Requirements</u></b>
Laurel Park Path System Improvements	75,000	75,000		150,000	Hard
New Carrollton Playground and Open Space Project	100,000			100,000	Soft (1, 2)
Olde Mill Community and Teaching Center		150,000		150,000	Soft (all)
Redevelopment of 4510 41st Avenue and 4516 41st Avenue	25,000	100,000		125,000	Soft (1, 2)
Riverdale Welcome Center	50,000	100,000		150,000	Hard
Southern Friendship Health and Wellness Campus	113,000			113,000	Soft (1, 2)
<b><i>Subtotal</i></b>				<b><i>\$2,258,000</i></b>	
<b>St. Mary's</b>					
Cedar Lane Senior Living Community Project – Phase 4		\$100,000		\$100,000	Soft (2, 3)
Firemen's Heritage Museum	\$105,000			105,000	Soft (1, 2)
St. Peter Claver Museum of St. Inigoes, Maryland	45,000			45,000	Grant
<b><i>Subtotal</i></b>				<b><i>\$250,000</i></b>	
<b>Talbot</b>					
Easton Head Start Center	\$25,000	\$50,000		\$75,000	Soft (3)
Oyster House Project	100,000			100,000	Hard
<b><i>Subtotal</i></b>				<b><i>\$175,000</i></b>	
<b>Washington</b>					
Doey's House Initiative	\$125,000	\$125,000		\$250,000	Soft (2)
The Maryland Theatre		125,000		125,000	Hard
<b><i>Subtotal</i></b>				<b><i>\$375,000</i></b>	

<b><u>Project Title</u></b>	<b><u>Senate Initiative</u></b>	<b><u>House Initiative</u></b>	<b><u>Other</u></b>	<b><u>Total Funding</u></b>	<b><u>Match/ Requirements</u></b>
<b>Wicomico</b>					
Willards Lions Club	\$50,000			\$50,000	Grant
YMCA of the Chesapeake	100,000	\$200,000		300,000	Hard
<b><i>Subtotal</i></b>				<b><i>\$350,000</i></b>	
<b>Total Senate and House Initiatives</b>	<b>\$7,500,000</b>	<b>\$7,500,000</b>	<b>\$1,350,000</b>	<b>\$16,350,000</b>	

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

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## **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 \$70.4 million of funding for certain grant and loan programs to the bond program. In addition, the 2014 capital program authorizes \$45.0 million of GO bonds to assist the State Highway Administration (SHA) with Watershed Implementation Plan (WIP) compliance projects as set forth in the Transportation Infrastructure Investment Act of 2013, which requires \$395.0 million from fiscal 2015 through 2019 as follows: \$45.0 million in fiscal 2015, \$65.0 million in fiscal 2016, \$85.0 million in fiscal 2017, and \$100.0 million in both fiscal 2018 and 2019. The 2014 capital program also includes \$67.1 million of GO bond authorizations provided as part of a multi-year replacement for revenue and fund balance transfers all of which reflects GO bond replacement for transfers made in prior year budgets and Budget Reconciliation and Financing Acts (BRFA). **Exhibit 2.5** illustrates the transfers and multi-year replacement as they overlap and planned out-year GO bond replacement pre-authorized in the MCCBL of 2014.

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

	<b><u>Fiscal</u></b> <b><u>2015</u></b>
<p><b>Special Fund Revenue and Fund Balance Replacement:</b> The budgets and the Budget Reconciliation and Financing Acts (BRFA) of 2010, 2011, 2012, and 2013 provided for the transfer of \$1,397.8 million of unexpended fund balance and estimated fiscal 2011 through 2014 revenue from multiple capital program accounts. Through fiscal 2015, a total of \$1,003.0 million of general obligation (GO) bond funds have been used to replace the transfers with out-year authorizations scheduled to replace most of the remaining transfers, which includes \$67.1 of fiscal 2015 authorizations. The BRFA of 2014 included an additional \$69.1 million diversion of estimated transfer tax revenues to the general fund. The Maryland Capital Consolidated Bond Loan of 2014 includes GO bond replacement of \$494.9 million scheduled over a multi-year period through fiscal 2020.</p>	\$67.1
<p><b>State Highway Administration:</b> The Transportation Infrastructure Investment Act of 2013 requires the Governor to budget funds for the State Highway Administration to use in complying with the Watershed Implementation Plan. The Act requires \$395.0 million from fiscal 2015 through 2019 as follows: \$45.0 million in fiscal 2015, \$65.0 million in fiscal 2016, \$85.0 million in fiscal 2017, and \$100.0 million in both fiscal 2018 and 2019.</p>	45.0
<p><b>Use of GO Bond Funds to Fund Capital Programs Traditionally Funded with General Funds:</b> This principally includes funding for grant and loan programs administered by the Department of Housing and Community Development and the Maryland Department of the Environment and the use of bonds to fund the Aging Schools Program.</p>	70.4
<b>Total</b>	<b>\$182.5</b>

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

<u>Program</u>	<u>Transfers</u>					<u>Fund Replacement</u>				
	<u>Special Fund Balances</u>	<u>Revenues FY 2010-14</u>	<u>Special Funds FY 2015</u>	<u>Revenues FY 2016-18</u>	<u>Total Transfers</u>	<u>Replaced FY 2010-14</u>	<u>Replaced FY 2015</u>	<u>Replaced FY 2016-20</u>	<u>Total Amount of Fund Transfers to Be Replaced</u>	<u>Not Replaced</u>
Waterway Improvement Program	\$12.5	\$5.0		\$0.0	\$17.5	\$17.5	\$0.0	\$0.0	\$17.5	\$0.0
Program Open Space (POS) – Stateside	172.3	78.6	\$41.8	70.3	363.0	216.0	18.9	123.1	358.0	4.9 <sup>3</sup>
POS – Local	103.1	73.7	43.5	68.1	288.4	142.2	22.8	123.4	288.4	0.0
Rural Legacy	10.6	50.3	17.0	27.5	105.4	35.2	10.2	49.9	95.3	10.2 <sup>3</sup>
Ocean City Beach Replenishment – POS	2.1	2.0	0.5	1.5	6.1	4.1		2.0	6.1	0.0
Ocean City Beach Replenishment – Local	3.4	0.0	0.0	0.0	3.4	3.4		0.0	3.4	0.0
Natural Resources Development Fund	17.7	19.0	6.3	21.4	64.4	27.0		27.6	54.6	9.7 <sup>1</sup>
Critical Maintenance Program	3.2	15.7	2.0	6.0	26.9	17.8		8.0	25.8	1.0 <sup>1</sup>
Dam Rehabilitation Program	0.7	0.5		0.0	1.2	1.2		0.0	1.2	0.0
House Assessment Program	0.9	0.0		0.0	0.9	0.8		0.0	0.8	0.2 <sup>1</sup>
Hurricane Isabel Funds	0.2	0.0		0.0	0.2	0.0		0.0	0.0	0.2 <sup>1</sup>
Neighborhood Business Development	3.6	3.2		0.0	6.8	6.7		0.0	6.7	0.1 <sup>2</sup>
Community Legacy Program	0.4	0.0		0.0	0.4	0.4		0.0	0.4	0.0
Homeownership Programs	0.0	4.5		0.0	4.5	4.5		0.0	4.5	0.0
Special Loan Programs	2.1	4.7		0.0	6.8	6.9		0.0	6.9	0.0
Tobacco Transition Program	0.0	7.3		0.0	7.3	7.3		0.0	7.3	0.0
Agricultural Land Preservation Program	10.0	67.2	33.1	51.8	162.1	41.2	15.2	93.8	150.2	11.8 <sup>3</sup>
Bay Restoration Fund	205.0	85.0		0.0	290.0	290.0		0.0	290.0	0.0
Helicopter Replacement Fund	113.7	0.0		0.0	113.7	113.7		0.0	113.7	0.0 <sup>4</sup>
<b>Total</b>	<b>\$661.5</b>	<b>\$416.7</b>	<b>\$144.2</b>	<b>\$246.6</b>	<b>\$1,469.0</b>	<b>\$935.9</b>	<b>\$67.1</b>	<b>\$427.8</b>	<b>\$1,430.8</b>	<b>\$38.1</b>

<sup>1</sup>Indicates amount not to be replaced based on other budget priorities or funds not needed to complete projects.

<sup>2</sup>The Budget Reconciliation and Financing Act 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.

<sup>3</sup>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 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. In the 2013 session, the General Assembly reduced the fiscal 2014 bond replacement funding for the Rural Legacy Program by \$1.3 million and the Agricultural Land Preservation Program by \$2.4 million and made no provision to replace these funds in future years.

<sup>4</sup>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.

Source: Department of Budget and Management

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## Debt Affordability

The Transportation Infrastructure Investment Act of 2013 (Chapter 429 of 2013) requires the Governor to include general funds or GO bond funds in the budget to comply with the SHA portion of the Chesapeake WIP funding requirement. Citing the need to accommodate these expenses, the Capital Debt Affordability Committee (CDAC) voted to increase the amount of GO bond authorizations through the five-year planning period. The CDAC recommendation increased annual new GO bond authorizations by \$75 million annually for the 2014 through 2018 sessions for a total increase of \$375 million over what the committee recommended prior to the 2013 session. As shown in **Exhibit 2.6**, the long range plan adopted by CDAC in December 2013 provides for a total of \$6.1 billion in debt authorizations from 2014 to 2018. The increased level of authorizations is 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. The Spending Affordability Committee only approved a \$75 million increase for the 2014 session and deferred consideration of additional out-year increases requested by the Administration and adopted by CDAC. The Governor's 2014 session five-year *Capital Improvement Program* (CIP) reflects the use of general funds to satisfy the SHA WIP requirement, and the use of general funds is included in the Administration's general fund forecast. Committee narrative adopted by the budget committees requests that the Governor use GO bond funds to satisfy the SHA WIP requirement.

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**Exhibit 2.6**  
**Capital Debt Affordability Committee Recommended Levels of**  
**General Obligation Bond Authorizations**  
**2014-2018 Legislative Sessions**  
**(\$ in Millions)**

<u>Session</u>	<u>2012 Report Recommended Authorizations</u>	<u>2013 Report Recommended Authorizations</u>	<u>Authorization Change</u>
2014	\$1,085	\$1,160	\$75
2015	1,095	1,170	75
2016	1,105	1,180	75
2017	1,200	1,275	75
2018	1,240	1,315	75
<b>Total</b>	<b>\$5,725</b>	<b>\$6,100</b>	<b>\$375</b>

Source: *Report of the Capital Debt Affordability Committee on Recommended Debt Authorizations*, November 2012 and November 2013

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The MCCBL of 2014, passed by the General Assembly, is consistent with the \$1.160 billion level of new GO debt authorizations recommended by CDAC. An additional \$4.5 million in QZABs, which are not counted in the debt limit, and an additional \$20.6 million in GO bonds from prior years is de-authorized in the 2014 capital budget, thereby increasing the amount of new GO debt included in the capital program to \$1.185 billion. Included in the \$1.185 billion of new debt is \$213.4 million authorized in the MCCBL of 2014 to complete the funding for various projects that were split-funded over fiscal 2012 through 2014 as a mechanism to allow the projects to be bid and construction to commence without having to authorize the full amount of construction funding needed to complete a project.

The State's capital program for fiscal 2014 also includes other actions that affect debt affordability, debt issuance, and future capital budgets.

- The MCCBL of 2014 includes amendments to prior authorizations that, among other changes, extend matching fund deadlines, extend deadlines for expending or encumbering funds, alter the purposes for which funds may be used, modify certification requirements, rename grant recipients, or alter project locations. Prior to the 2008 session, individual prior authorization bills were passed by the General Assembly, and since 2008, they were rolled into one omnibus prior authorization bill. However, for the 2014 session, all amendments to prior authorizations are included in the capital budget bill since all the changes amend authorizations made in prior capital budget bills.
- The MCCBL of 2014 includes \$538.3 million of GO bond authorizations that will not take effect until fiscal 2016. Of this amount, \$433.5 million is needed to either continue the funding for existing construction contracts or to allow projects expected to be contracted during fiscal 2015 through 2017 to proceed without the full amount of the construction authorization provided in the fiscal 2015 budget. Another \$93.4 million provides pre-authorizations for GO bonds to replace special fund transfers. The remaining \$11.4 million provides earmarks for future projects either accelerated or added to the five-year capital program. The MCCBL of 2014 also provides another \$280.7 million that will not take effect until fiscal 2017, \$119.1 million that will not take effect until fiscal 2018, \$74.5 million that will not take effect until fiscal 2019, and \$37.9 million that will not take effect until fiscal 2020. Much of the pre-authorizations scheduled for fiscal 2016 through 2020 (\$390.3 million) reflect GO bond replacement tied to the replacement of diverted transfer tax revenues included in the BRFA of 2013 and the BRFA of 2014. **Exhibit 2.7** shows the pre-authorizations for the 2015 through 2020 sessions.

**Exhibit 2.7**  
**Pre-authorizations Included in the Maryland Consolidated Capital Bond Loan**  
**2015-2019 Sessions**

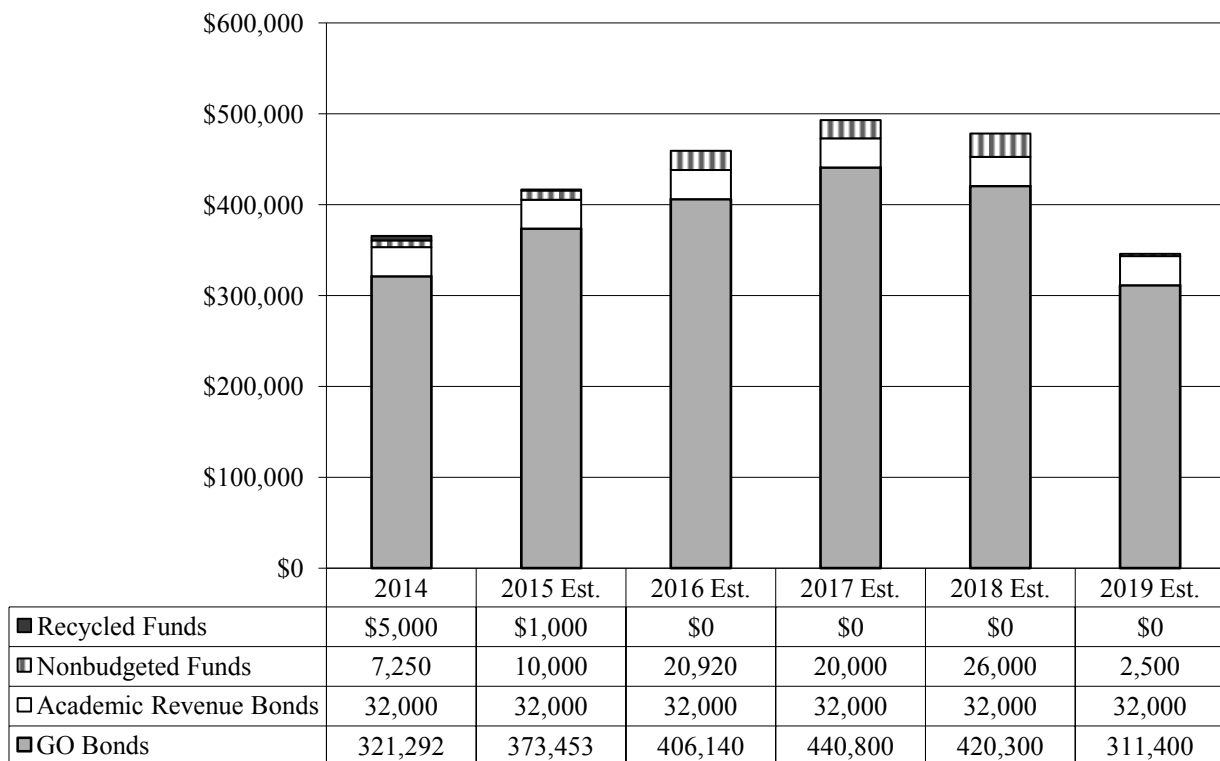
<b><u>Project/Program Title</u></b>	<b><u>2015 Session</u></b>	<b><u>2016 Session</u></b>	<b><u>2017 Session</u></b>	<b><u>2018 Session</u></b>	<b><u>2019 Session</u></b>	<b><u>Total</u></b>
Military Department – Havre de Grace Readiness Center	\$225,000	\$0	\$0	\$0	\$0	\$225,000
Department of Natural Resources (DNR) – Program Open Space	58,225,000	57,066,000	59,434,000	47,505,000	24,252,000	246,482,000
DNR – Rural Legacy Program	12,494,000	11,561,000	11,793,000	9,268,000	4,683,000	49,799,000
Department of Agriculture – Maryland Agricultural Land Preservation Program	22,726,000	21,851,000	22,635,000	17,726,000	9,030,000	93,968,000
Department of Public Safety and Correctional Services (DPSCS) – New Youth Detention Center	18,350,000	3,880,000	0	0	0	22,230,000
DPSCS – Maryland Correctional Training Center	3,900,000	0	0	0	0	3,900,000
DPSCS – Dorsey Run Correctional Facility	3,575,000	0	0	0	0	3,575,000
Maryland State Department of Education – State Library Resource Center	25,850,000	23,200,000	23,200,000	0	0	72,250,000
University of Maryland, Baltimore – Health Sciences III	81,550,000	70,500,000	2,000,000	0	0	154,050,000
University of Maryland, College Park (UMCP) – Edward St. John Learning and Teaching Center	65,650,000	5,100,000	0	0	0	70,750,000
UMCP: Bioengineering Building	42,200,000	41,400,000	0	0	0	83,600,000
University of Maryland (USM) Sports Performance and Academic Research Building	5,000,000	0	0	0	0	5,000,000
Bowie State University New Natural Sciences Center	48,300,000	7,500,000	0	0	0	55,800,000

<b><u>Project/Program Title</u></b>	<b><u>2015 Session</u></b>	<b><u>2016 Session</u></b>	<b><u>2017 Session</u></b>	<b><u>2018 Session</u></b>	<b><u>2019 Session</u></b>	<b><u>Total</u></b>
University of Maryland Eastern Shore – New Engineering and Aviation Sciences Building	1,500,000	0	0	0	0	1,500,000
Coppin State University – Percy Julian Building	1,200,000	0	0	0	0	1,200,000
University of Baltimore – Langsdale Library	11,600,000	0	0	0	0	11,600,000
Salisbury University – New Academic Commons	47,550,000	0	0	0	0	47,550,000
University of Maryland Center for Environmental Science – New Environmental Sustainability Research Laboratory	758,000	0	0	0	0	758,000
USM – Southern Maryland Higher Education Facility	5,000,000	0	0	0	0	5,000,000
St. Mary's College of Maryland – Anne Arundel Hall Reconstruction	8,700,000	0	0	0	0	8,700,000
Maryland Higher Education Commission – Community College Facilities Grant Program	32,033,000	13,052,000	0	0	0	45,085,000
Morgan State University (MSU) – Campuswide Utilities Upgrade	3,700,000	0	0	0	0	3,700,000
MSU: New Behavioral and Social Sciences Complex	32,250,000	25,550,000	0	0	0	57,800,000
Maryland Environmental Service	6,012,000	0	0	0	0	6,012,000
<b>Total</b>	<b>\$538,348,000</b>	<b>\$280,660,000</b>	<b>\$119,062,000</b>	<b>\$74,499,000</b>	<b>\$37,965,000</b>	<b>\$1,050,534,000</b>

## Higher Education

The State funded portion of the fiscal 2015 capital program for all segments of higher education is \$406.5 million, including GO bonds, ARBs, and recycled funds. Of the total funding, four-year public institutions receive \$317.1 million, and independent colleges receive \$24.0 million. Community colleges receive \$65.4 million in fiscal 2015. The CIP, after legislative changes to the fiscal 2015 capital budget, shows \$2.193 billion in State capital spending for higher education projects from fiscal 2015 through 2019 all funds. **Exhibit 2.8** shows the fiscal 2014 and 2015 legislative appropriation for higher education capital projects and the funds anticipated in the CIP for fiscal 2016 through 2019. **Exhibit 2.9** shows the fiscal 2015 capital funding by institution.

**Exhibit 2.8**  
**Higher Education Authorized and Planned Out-year Capital Funding**  
**Fiscal 2014-2019 Est.**  
**(\$ in Thousands)**



GO: general obligation

**Exhibit 2.9**  
**Fiscal 2015 Higher Education Capital Funding by Institution**  
**(\$ in Thousands)**

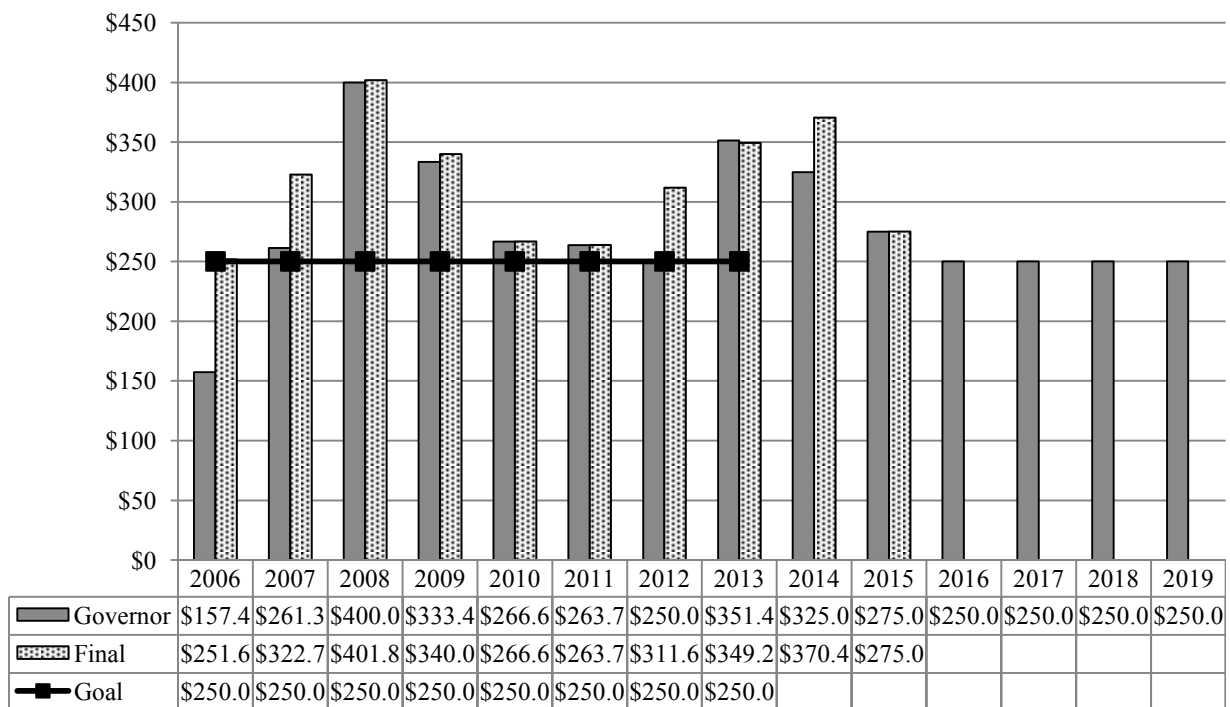
<b><u>Institution</u></b>	<b><u>Capital Funding</u></b>
University of Maryland, Baltimore	\$49,000
University of Maryland, College Park	42,446
Bowie State University	23,842
Towson University	1,500
University of Maryland Eastern Shore	60,755
Frostburg State University	400
Coppin State University	10,300
University of Baltimore	2,775
Salisbury University	45,000
University of Maryland Baltimore County	14,106
University of Maryland Center for Environmental Science	10,604
University System of Maryland – Facility Renewal	17,000
University System of Maryland – Regional Higher Education Centers	5,300
Morgan State University	16,170
Independent Colleges	24,000
Community Colleges	65,405
St. Mary's College of Maryland	17,850
<b>Total</b>	<b>\$406,453</b>

Note: Excludes nonbudgeted funds

## **School Construction**

The fiscal 2015 capital budget, **Senate Bill 171 (Chapter 463)**, includes \$275.0 million in GO bonds for public school construction. An additional \$38.5 million in unexpended funds from prior years is available from the Statewide Contingency Fund, and another \$6.5 million of unallocated fiscal 2014 air conditioning initiative project funding is allocated in fiscal 2015 bringing the total allocation for fiscal 2015 to \$320.0 million. As shown in **Exhibit 2.10**, the Public School Facilities Act of 2004 established a State goal to provide \$2.0 billion in State funding over eight years to address deficiencies, or \$250.0 million per year through fiscal 2013. The \$2.0 billion goal was met in fiscal 2012, one year early. Between fiscal 2006 and 2015, the State has invested \$3.084 billion for school construction projects throughout the State.

**Exhibit 2.10**  
**Public School Construction Funding**  
**Fiscal 2006-2019**  
**(\$ in Millions)**



### **Aging Schools and Qualified Zone Academy Bond Programs**

The Aging Schools Program is funded with GO bond funds in fiscal 2015. The capital budget, as passed by the General Assembly, includes \$6.1 million in GO bonds allocated as grants to county boards of education as specified in § 5-206 of the Education Article.

The fiscal 2015 capital budget also provides \$3.5 million for nonpublic schools to receive grants for school construction projects that are eligible under the Aging Schools Program, including school security improvements. Only nonpublic schools currently meeting the eligibility requirements for Aid to Non-Public Schools for textbooks and computer hardware and software may receive these Aging Schools grants, which will be distributed on a per-school basis up to \$100,000, contingent on certain criteria being met. If sufficient funds are not available to fully fund the grants, the Maryland State Department of Education shall prorate the grants except that \$250,000 shall be made available to fund grants to schools that qualify for \$5,000 grants.

Public school construction funding is further supplemented with \$4.6 million of QZABs authorized in **Senate Bill 218 (Chapter 475)**. 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 including grants to the Breakthrough Center and public charter schools.

## **Transfer Tax**

The property transfer tax is the primary funding source for State land conservation programs. In order to reduce the State's structural deficit, as part of the BRFA of 2013, the Governor proposed the transfer of \$410.7 million of transfer tax revenue to the general fund over five years, beginning with fiscal 2014. For fiscal 2014, 67% of the capital-eligible transfer tax allocations for land preservation programs and 100% of the capital-eligible transfer tax allocation for capital development programs were proposed to be transferred to the general fund with bond replacement for land preservation programs scheduled in fiscal 2015 and 2016. For fiscal 2015 through 2018, the Governor proposed to transfer amounts estimated to be 50% of the capital-eligible transfer tax allocation to the general fund and replace the funds with GO bonds in the following two fiscal years.

As part of the BRFA of 2014, the Governor modified the fiscal 2015 transfer tax transfer in order to transfer an additional \$69.1 million. This additional \$69.1 million is to be replaced over three fiscal years, fiscal 2016 through 2018. The General Assembly concurred with the modified transfer and replacement plan. The \$69.1 million in additional fiscal 2015 revenues are attributable to \$51.9 million in the Department of Natural Resources including POS – State share (\$20.8 million), POS – Local share (\$22.7 million), and Rural Legacy Program (\$8.3 million); and \$17.3 million in Maryland Agricultural Land Preservation Program funding. The multi-year replacement plan includes the use of GO bond funds to replace the majority of proposed transfers via fiscal 2015 funding and pre-authorizations that span five years.

**Exhibit 2.11** shows the fiscal 2015 allocation of funding for programs traditionally funded with transfer tax revenue. Relative to the Governor's allowance, the General Assembly increased the GO bond authorization for the Natural Resources Development Fund by \$0.3 million for the St. Clement's Island Shore Erosion Control project. **Exhibit 2.12** shows the overall transfer tax diversion, replacement schedule, and the particular program level aspects, respectively.

**Exhibit 2.11**  
**Programs Traditionally Funded with Transfer Tax Revenue**

	<b><u>Transfer Tax Special Funds</u></b>	<b><u>Other Special Funds</u></b>	<b><u>Federal</u></b>	<b><u>GO Bonds</u></b>	<b><u>Total</u></b>
Department of Natural Resources					
Program Open Space					
State <sup>1</sup>	\$1,500,000	\$0	\$2,500,000	\$18,872,000	\$22,872,000
Local <sup>2</sup>	0	0	0	22,763,000	22,763,000
Capital Development <sup>3</sup>	9,623,821	0	0	408,000	10,031,821
Rural Legacy Program <sup>4</sup>	803,975	0	0	15,231,000	16,034,975
Heritage Conservation Fund	0	0	0	0	0
Department of Agriculture					
Agricultural Land Preservation <sup>5</sup>	0	9,596,966	0	15,188,000	24,784,966
<b>Total</b>	<b>\$11,927,796</b>	<b>\$9,596,966</b>	<b>\$2,500,000</b>	<b>\$72,462,000</b>	<b>\$96,486,762</b>

GO: general obligation

<sup>1</sup> The Program Open Space (POS) – State funding reflects \$1.5 million in special funds for the Baltimore City Direct Grant. The \$2.5 million in federal funding reflects estimated revenue appropriations. The \$18.9 million in GO bond authorization reflects replacement of transfer tax transferred to the general fund comprised of funding transferred in fiscal 2011 (\$3.0 million), fiscal 2013 (\$4.9 million), and fiscal 2014 (\$11.0 million). Of the \$18.9 million in GO bond authorization, \$6.0 million is restricted for Baltimore City to construct capital improvements to the Gwynns Falls/Leakin Park Urban Children in Nature Campus project, and \$300,000 is restricted to the Board of Directors of the Royal Theater and Community Heritage Corporation. There is \$123.1 million in GO debt pre-authorized for fiscal 2016 through 2020 to replace 2014 through 2018 transfers.

<sup>2</sup> The POS – Local funding reflects \$22.8 million in GO bond authorization for the purchase of conservation easements, acquisition of land, and development of recreational facilities. The GO bond authorization reflects the replacement of transfer tax transferred to the general fund comprised of funding transferred in fiscal 2011 (\$4.1 million), fiscal 2013 (\$6.8 million), and fiscal 2014 (\$11.9 million). There is \$123.4 million in GO debt pre-authorized for fiscal 2016 through 2020 to replace fiscal 2014 through 2018 transfers.

<sup>3</sup> The Capital Development funding of \$9.6 million in transfer tax special funds reflects \$4.5 million for the Natural Resources Development Fund and \$5.1 million for the Critical Maintenance Program. The \$0.4 million in GO bond authorization reflects \$0.3 million for the St. Clement's Island Shore Erosion Control project added by the General Assembly, and \$0.1 million for the Sassafra Natural Resources Management Area (Phase II), both in the Natural Resources Development Fund. The Administration has planned on, but not actually pre-authorized, \$27.6 million in GO bonds for the Natural Resources Development Fund and \$8.0 million in GO bonds for the Critical Maintenance Program in fiscal 2016 through 2020 to replace fiscal 2016 through 2018 transfers.

<sup>4</sup> The Rural Legacy Program funding reflects \$0.8 million in transfer tax special funds, which provides for easement costs which are not eligible for GO bonds, and \$15.2 million in GO bond authorization. The \$15.2 million GO bond authorization reflects the \$5.0 million mandated in statute and the replacement of transfer tax transferred to the general fund comprised of funding transferred in fiscal 2011 (\$0.6 million), fiscal 2013 (\$4.3 million), and fiscal 2014 (\$5.4 million). There is \$49.8 million in GO debt pre-authorized for fiscal 2016 through fiscal 2020 to replace fiscal 2014 through 2018 transfers.

<sup>5</sup> The Agricultural Land Preservation funding reflects \$9.6 million in other special funds, primarily from county funds. The GO bond authorization of \$15.2 million reflects the replacement of transfer tax transferred to the general fund comprised of funding transferred in fiscal 2011 (\$0.7 million), fiscal 2013 (\$5.4 million), and fiscal 2014 (\$9.1 million). There is \$94.0 million in GO debt pre-authorized for fiscal 2016 through fiscal 2020 to replace fiscal 2014 through 2018 transfers.

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

**Exhibit 2.12**  
**Special Fund Transfers and General Obligation Bond Replacement Plan for**  
**Transfer Tax Funded Programs**  
**Fiscal 2014-2020**  
**(\$ in Millions)**

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>Total</u>
<b>Total Transferred Bond Replacement</b>								
<i><b>Transfer</b></i>								
BRFA of 2013	\$89.20	\$75.06	\$77.66	\$82.78	\$86.03	\$0.00	\$0.00	\$410.73
BRFA of 2014	0.00	69.13	0.00	0.00	0.00	0.00	0.00	69.13
<b>Total</b>	<b>\$89.20</b>	<b>\$144.19</b>	<b>\$77.66</b>	<b>\$82.78</b>	<b>\$86.03</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$479.86</b>
<i><b>Replacement</b></i>								
Fiscal 2014								
Capital Budget	\$9.03	\$37.25	\$74.79	\$76.36	\$80.22	\$84.40	\$43.01	\$405.06
Fiscal 2015								
Capital Budget	0.00	0.00	23.04	23.04	23.04	0.00	0.00	69.12
<b>Total</b>	<b>\$9.03</b>	<b>\$37.25</b>	<b>\$97.83</b>	<b>\$99.40</b>	<b>\$103.26</b>	<b>\$84.40</b>	<b>\$43.01</b>	<b>\$474.18</b>
<b>Department of Natural Resources</b>								
<i><b>Transfer</b></i>								
BRFA of 2013	\$71.09	\$59.23	\$61.30	\$65.38	\$67.97	\$0.00	\$0.00	\$324.97
BRFA of 2014	0.00	51.85	0.00	0.00	0.00	0.00	0.00	51.85
<b>Total</b>	<b>\$71.09</b>	<b>\$111.08</b>	<b>\$61.30</b>	<b>\$65.38</b>	<b>\$67.97</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$376.82</b>
<i><b>Replacement</b></i>								
Fiscal 2014								
Capital Budget	\$9.03	\$28.20	\$57.82	\$60.27	\$63.34	\$66.67	\$33.98	\$319.31
Fiscal 2015								
Capital Budget	0.00	0.00	17.28	17.28	17.28	0.00	0.00	51.84
<b>Total</b>	<b>\$9.03</b>	<b>\$28.20</b>	<b>\$75.10</b>	<b>\$77.55</b>	<b>\$80.62</b>	<b>\$66.67</b>	<b>\$33.98</b>	<b>\$371.15</b>
<b>Maryland Department of Agriculture</b>								
<i><b>Transfer</b></i>								
BRFA of 2013	\$18.11	\$15.83	\$16.36	\$17.40	\$18.06	\$0.00	\$0.00	\$85.76
BRFA of 2014	0.00	17.28	0.00	0.00	0.00	0.00	0.00	17.28
<b>Total</b>	<b>\$18.11</b>	<b>\$33.11</b>	<b>\$16.36</b>	<b>\$17.40</b>	<b>\$18.06</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$103.04</b>
<i><b>Replacement</b></i>								
Fiscal 2014								
Capital Budget	\$0.00	\$9.05	\$16.97	\$16.09	\$16.88	\$17.73	\$9.03	\$85.75
Fiscal 2015								
Capital Budget	0.00	0.00	5.76	5.76	5.76	0.00	0.00	17.28
<b>Total</b>	<b>\$0.00</b>	<b>\$9.05</b>	<b>\$22.73</b>	<b>\$21.85</b>	<b>\$22.64</b>	<b>\$17.73</b>	<b>\$9.03</b>	<b>\$103.03</b>

BRFA: Budget Reconciliation and Financing Act

## **Chapter Three – Impact of Legislation on State Revenues and Expenditures**

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- Legislation Affecting State Revenues
- Totals by Fund Type/Summary of Quantifiable Revenue Effects
- Legislation Affecting State Expenditures
- Quantifiable 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><b>Fund</b></u>	<u><b>FY 2015</b></u>	<u><b>FY 2016</b></u>	<u><b>FY 2017</b></u>	<u><b>FY 2018</b></u>	<u><b>FY 2019</b></u>	<u><b>Comments</b></u>
<b>SB 11</b>	<b>Food Processing Plants – License Fees – Civic and Nonprofit Organizations (Ch. 118)</b>						
	GF	(\$1,000)	(\$1,000)	(\$1,000)	(\$1,000)	(\$1,000)	
<b>SB 33</b>	<b>Vehicle Laws – Rules of the Road – Use of High Occupancy Vehicle (HOV) Lanes (Ch. 6)</b>						
	GF	indeterminate	indeterminate	indeterminate	indeterminate	indeterminate	Potential fine revenues.
<b>SB 75/HB 359</b>	<b>Alcoholic Beverages – Maximum Alcohol Content (Ch. 271/Ch. 272)</b>						
	GF	increase	increase	increase	increase	increase	Potential minimal penalty revenues.
<b>SB 79</b>	<b>Limited Lines – Travel Insurance (Ch. 15)</b>						
	SF	decrease	decrease	decrease	decrease	decrease	Potential significant fee revenues.
<b>SB 93</b>	<b>Natural Resources – Recreational Incentives Pilot Program (Ch. 22)</b>						
	SF	increase	increase	increase	increase	increase	Potential fee revenues.
<b>SB 96</b>	<b>Health Insurance – Conformity With and Implementation of the Federal Patient Protection and Affordable Care Act (Ch. 23)</b>						
	SF	increase	increase	increase	increase	increase	Minimal fee revenues.
<b>SB 100</b>	<b>Insurance – Premiums and Charges – Review of Administrative Expenses (Ch. 27)</b>						
	SF	increase	\$0	\$0	\$0	\$0	Minimal fee revenues.
<b>SB 106</b>	<b>Recordation and Transfer Taxes – Transfer of Property Between Business Entities – Reorganizations – Exemption (Ch. 129)</b>						
	SF	decrease	decrease	decrease	decrease	decrease	Minimal transfer tax revenues.
<b>SB 110</b>	<b>Institutions of Higher Education – Fully Online Distance Education – Registration and Fees (Ch. 132)</b>						
	GF	decrease	decrease	decrease	decrease	decrease	Potential minimal fee revenues.
<b>SB 123</b>	<b>Major Information Technology Development Project Fund – Revenue Sources and Authorized Expenditures (Ch. 137)</b>						
	GF/SF	increase	increase	increase	increase	increase	Potential minimal resource sharing revenues.

## Legislation Affecting State Revenues

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	<u>Fund</u>	<u>FY 2015</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>FY 2018</u>	<u>FY 2019</u>	<u>Comments</u>
<b>SB 172</b>	<b>Budget Reconciliation and Financing Act of 2014 (Ch. 464)</b>						
	FF	(\$4,723,799)	(\$8,231,967)	(\$8,367,739)	(\$8,505,750)	(\$8,646,038)	FF expenditures decrease by same amount.
	GF	\$101,472,377	\$9,103,150	\$9,192,182	\$9,282,103	\$9,372,924	GF revenues increase by \$66,263,299 in FY 2014.
	SF	(\$17,600,000)	\$0	\$0	\$0	\$0	Annuity Bond Fund.
	SF	(\$6,200,000)	\$0	\$0	\$0	\$0	Chesapeake and Atlantic Coastal Bays 2010 Trust Fund. SF revenues decrease by \$8.0 million in FY 2014.
	SF	(\$4,200,000)	(\$4,200,000)	\$0	\$0	\$0	Transportation Trust Fund.
	SF	(\$67,486,650)	(\$91,466,300)	(\$92,974,877)	(\$94,508,336)	(\$96,067,081)	Maryland Health Insurance Plan Fund.
<b>SB 198/HB 802</b>	<b>Maryland Medical Assistance Program – Telemedicine (Ch. 141/Ch. 426)</b>						
	FF	increase	increase	increase	increase	increase	Significant Medicaid matching revenues. FF expenditures increase by same amount.
<b>SB 218</b>	<b>Creation of a State Debt – Qualified Zone Academy Bonds (Ch. 475)</b>						
	BOND	\$4,625,000	\$0	\$0	\$0	\$0	Bond expenditures increase by same amount.
<b>SB 221</b>	<b>Farm Area Motor Vehicles – Registration and Authorized Use (Ch. 146)</b>						
	SF	decrease	decrease	decrease	decrease	decrease	MEMSOF. Minimal surcharge revenues beginning in FY 2014.
	SF	decrease	decrease	decrease	decrease	decrease	Transportation Trust Fund. Fee revenues beginning in FY 2014.
<b>SB 225</b>	<b>State Board of Examiners of Psychologists – Psychology Associates – Registration (Ch. 147)</b>						
	SF	\$67,000	\$42,000	\$79,000	\$54,000	\$79,000	
<b>SB 226</b>	<b>Alcoholic Beverages – Brewing Company Off-Site Permit (Ch. 280)</b>						
	GF	increase	increase	increase	increase	increase	Minimal fee, sales tax, and alcoholic beverages tax revenues.

Effect of the 2014 Legislative Program on the Financial Condition of the State

## Legislation Affecting State Revenues

	<u>Fund</u>	<u>FY 2015</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>FY 2018</u>	<u>FY 2019</u>	<u>Comments</u>
SB 247/HB 73	<b>Civil Actions – Personal Injury or Death Caused by Dog – Rebuttable Presumption (Ch. 48/Ch. 49)</b>						
	GF	indeterminate	indeterminate	indeterminate	indeterminate	indeterminate	Premium tax revenues.
	SF	\$0	\$0	\$0	\$0	\$0	Minimal fee revenue increase in FY 2014.
SB 250	<b>Somerset County – Alcoholic Beverages – Micro-Brewery Licenses (Ch. 286)</b>						
	GF	\$500	\$500	\$500	\$500	\$500	
SB 259	<b>Agriculture – Easements – Renewable Energy Generation Facilities (Ch. 287)</b>						
	SF	increase	increase	increase	increase	increase	Facility owner payment and cost recovery revenues.
SB 310	<b>Montgomery County – Micro-Brewery Licenses and Class D Beer and Light Wine Licenses (Ch. 55)</b>						
	GF	increase	increase	increase	increase	increase	Minimal fee revenues.
SB 314/HB 402	<b>Health Occupations – State Board of Physicians – Naturopathic Doctors (Ch. 153/Ch. 399)</b>						
	GF	\$0	increase	increase	increase	increase	Potential minimal penalty revenues.
	SF	\$0	increase	increase	increase	increase	Significant fee revenues. SF expenditures increase by similar amount.
SB 332	<b>Prekindergarten Expansion Act of 2014 (Ch. 2)</b>						
	SF	\$4,300,000	\$4,300,000	\$4,300,000	\$4,300,000	\$4,300,000	SF expenditures increase by same amount.
SB 348/HB 1212	<b>Use of Text Messaging Device or Handheld Telephone While Driving – Accidents Resulting in Death or Serious Injury – Penalties (Ch. 260/Ch. 248)</b>						
	GF	increase	increase	increase	increase	increase	Potential significant fine and minimal fee revenues.
	SF	increase	increase	increase	increase	increase	Minimal fee revenues.

## Legislation Affecting State Revenues

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	<u>Fund</u>	<u>FY 2015</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>FY 2018</u>	<u>FY 2019</u>	<u>Comments</u>
SB 350	<b>Speed Monitoring Systems Reform Act of 2014 (Ch. 490)</b>						
	GF	decrease	decrease	decrease	decrease	decrease	Minimal citation revenues beginning in FY 2014.
	SF	decrease	decrease	decrease	decrease	decrease	Potential significant fee revenues.
SB 364	<b>Criminal Law – Possession of Marijuana – Civil Offense (Ch. 158)</b>						
	GF	decrease	decrease	decrease	decrease	decrease	Potential significant fine revenues.
	SF	increase	increase	increase	increase	increase	Fine revenues. SF expenditures increase by same amount.
SB 382	<b>Business Regulation – Automated Purchasing Machines – Licensing of Buyers and Required Records (Ch. 161)</b>						
	GF	increase	increase	increase	increase	increase	Minimal fee revenues.
SB 390	<b>Criminal Law – Illegal Dumping and Litter Control Law – Driver’s License – Points (Ch. 493)</b>						
	SF	increase	increase	increase	increase	increase	Minimal fee revenues.
SB 391/HB 228	<b>Estates and Trusts – Registers of Wills – Records (Ch. 296/Ch. 297)</b>						
	GF	\$45,000	\$60,000	\$60,000	\$60,000	\$60,000	
SB 413	<b>Health Occupations – Dentists With Permits to Dispense Dental Products – Exclusion From Maryland Pharmacy Act (Ch. 496)</b>						
	GF	decrease	decrease	decrease	decrease	decrease	Minimal fee revenues.
SB 456	<b>Insurance – Definition of Premium – Inclusion of Motor Vehicle Driving Record Report and Accident History Report Fees (Ch. 169)</b>						
	GF	increase	increase	increase	increase	increase	Minimal premium tax revenues.
	SF	increase	\$0	\$0	\$0	\$0	Minimal fee revenues.
SB 458/HB 953	<b>Baltimore City – Alcoholic Beverages – Micro-Brewery Licenses (Ch. 298/Ch. 299)</b>						
	GF	increase	increase	increase	increase	increase	Potential minimal fee, sales tax, and alcoholic beverages tax revenues.
SB 460	<b>Criminal Law – Person in a Position of Authority – Sexual Offenses With a Minor (Ch. 170)</b>						
	GF	increase	increase	increase	increase	increase	Minimal fine revenues.

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## Legislation Affecting State Revenues

	<u>Fund</u>	<u>FY 2015</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>FY 2018</u>	<u>FY 2019</u>	<u>Comments</u>
SB 481	<b>Criminal Law – Table Games and Video Lottery Terminals – Individual Under the Age of 21 Years (Ch. 173)</b>						
	GF	increase	increase	increase	increase	increase	Minimal fine revenues.
	SF	increase	increase	increase	increase	increase	Minimal revenues from court costs.
SB 486	<b>Income Tax Credit – Endow Maryland (Ch. 511)</b>						
	GF	\$0	(\$225,900)	(\$226,800)	(\$226,800)	(\$226,800)	
	SF	\$0	(\$7,600)	(\$6,700)	(\$6,700)	(\$6,700)	Transportation Trust Fund.
	SF	\$0	(\$2,800)	(\$2,800)	(\$2,800)	(\$2,800)	Higher Education Investment Fund.
SB 490	<b>Limited Lines Insurance Licenses – Self-Service Storage Producers (Ch. 174)</b>						
	SF	increase	\$0	increase	\$0	increase	Fee revenues.
SB 558	<b>Carroll County – Local Government Tort Claims Act – Industrial Development Authority (Ch. 303)</b>						
	GF	(\$30)	(\$30)	(\$30)	(\$30)	(\$30)	
SB 564/HB 834	<b>Environment – Water Pollution Control – Penalty (Ch. 65/Ch. 66)</b>						
	SF	increase	increase	increase	increase	increase	Potential significant penalty revenues.
SB 570	<b>Income Tax Credit – Qualified Research and Development Expenses – Credit Amounts (Ch. 525)</b>						
	GF	(\$391,000)	(\$551,000)	(\$729,000)	(\$729,000)	(\$729,000)	
	SF	(\$83,000)	(\$118,000)	(\$134,000)	(\$134,000)	(\$134,000)	Transportation Trust Fund.
	SF	(\$30,000)	(\$43,000)	(\$55,000)	(\$55,000)	(\$55,000)	Higher Education Investment Fund.
SB 572/HB 227	<b>Homestead Tax Credit – Eligibility – Definition of Legal Interest (Ch. 526/Ch. 527)</b>						
	SF	decrease	decrease	decrease	decrease	decrease	Annuity Bond Fund (property tax) revenues.
SB 596/HB 923	<b>Income Tax Subtraction Modification – Mortgage Forgiveness Debt Relief – Extension (Ch. 528/Ch. 529)</b>						
	GF	(\$6,630,000)	(\$6,630,000)	\$0	\$0	\$0	
SB 600/HB 742	<b>Regional Institution Strategic Enterprise Zone Program (Ch. 530/Ch. 531)</b>						
	GF/SF	\$0	decrease	decrease	decrease	decrease	Potential significant income tax revenues.

## Legislation Affecting State Revenues

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	<u>Fund</u>	<u>FY 2015</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>FY 2018</u>	<u>FY 2019</u>	<u>Comments</u>
SB 601/HB 741	<b>Business and Economic Development – Maryland E-Innovation Initiative Program (Ch. 532/Ch. 533)</b>						
	GF	\$0	(\$7,300,000)	(\$5,300,000)	(\$5,200,000)	(\$5,100,000)	
	HE	\$0	\$582,179	\$582,151	\$583,551	\$583,184	Morgan State University.
	HE	\$0	\$5,239,611	\$5,239,355	\$5,251,956	\$5,248,659	University System of Maryland.
	SF	\$0	\$8,500,000	\$8,500,000	\$8,500,000	\$8,500,000	SF expenditures increase by same amount.
SB 603/HB 740	<b>Economic Development – Maryland Technology Development Corporation – Cybersecurity Investment Fund (Ch. 534/Ch. 535)</b>						
	SF	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	SF expenditures increase by same amount.
SB 622/HB 1233	<b>Health Insurance – Step Therapy or Fail-First Protocol (Ch. 316/Ch. 317)</b>						
	SF	increase	\$0	\$0	\$0	\$0	Minimal fee revenues.
SB 624/HB 679	<b>Insurance – Title Insurers – Title Insurance Commitment and Binders (Ch. 318/Ch. 319)</b>						
	SF	\$2,000	\$0	\$0	\$0	\$0	
SB 630/HB 264	<b>Income Tax – Subtraction Modification – Student Loan Debt (Ch. 320/Ch. 321)</b>						
	GF	(\$500,000)	(\$500,000)	(\$500,000)	(\$500,000)	(\$500,000)	
SB 641/HB 625	<b>Kathleen A. Mathias Oral Chemotherapy Improvement Act of 2014 (Ch. 67/Ch. 68)</b>						
	SF	\$0	\$0	\$0	\$0	\$0	Minimal fee revenue increase in FY 2014.
SB 659	<b>Crimes Relating to Animals – Surgery on Dogs – Penalties (Ch. 185)</b>						
	GF	increase	increase	increase	increase	increase	Minimal fine revenues.
SB 660/HB 667	<b>Crimes Relating to Animals – Unauthorized Surgical Devocalization of Cat or Dog – Penalties (Ch. 186/Ch. 187)</b>						
	GF	increase	increase	increase	increase	increase	Minimal fine revenues.
SB 678	<b>Maryland Oil Disaster Containment, Clean-Up and Contingency Fund and Oil Contaminated Site Environmental Cleanup Fund (Ch. 325)</b>						
	SF	\$3,614,716	\$4,699,633	\$4,582,633	\$2,457,700	\$1,742,919	

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## Legislation Affecting State Revenues

	<u>Fund</u>	<u>FY 2015</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>FY 2018</u>	<u>FY 2019</u>	<u>Comments</u>
SB 694	<b>Health Occupations – Maryland Behavior Analysts Act (Ch. 328)</b>						
	SF	\$23,125	\$1,250	\$14,200	\$1,950	\$14,900	SF expenditures increase by similar amount.
SB 700/HB 621	<b>Registration of Pesticides – Fee Increase – Disposition of Fees (Ch. 546/Ch. 547)</b>						
	SF	\$130,000	\$130,000	\$130,000	\$130,000	\$130,000	SF expenditures increase by same amount.
SB 763/HB 805	<b>Talbot County – Child Support Enforcement – Transfer of Personnel (Ch. 552/Ch. 553)</b>						
	FF	(\$45,977)	(\$47,286)	(\$49,367)	(\$51,539)	(\$53,807)	FF expenditures decrease by same amount.
SB 811/HB 1243	<b>Corporations and Associations – Maryland Securities Act – Registration and Filing Exemptions (Ch. 557/Ch. 558)</b>						
	GF	increase	increase	increase	increase	increase	Potential minimal fee revenues.
SB 849/HB 908	<b>State Board of Nursing – Nurses, Nursing Assistants, Medication Technicians, and Electrologists – Licensing, Certification, Regulation, Violations, and Penalties (Ch. 559/Ch. 560)</b>						
	GF	increase	increase	increase	increase	increase	Potential fine revenues.
SB 852/HB 1029	<b>Health Occupations – Dispensers of Devices and Equipment – Exclusion From the Maryland Pharmacy Act (Ch. 562/Ch. 563)</b>						
	SF	decrease	decrease	decrease	decrease	decrease	Minimal permit revenues beginning in FY 2014.
SB 854/HB 1218	<b>State Board of Pharmacy – Registered Pharmacy Interns (Ch. 564/Ch. 565)</b>						
	SF	\$13,500	increase	increase	increase	increase	Minimal fee revenues in FY 2016 and following years.
SB 875/HB 1165	<b>Jane E. Lawton Conservation Loan Program (Ch. 348/Ch. 349)</b>						
	SF	increase	increase	increase	increase	increase	Potential loan repayment and fee revenues.
SB 889/HB 1060	<b>Northeastern Maryland Additive Manufacturing Innovation Authority (Ch. 570/Ch. 571)</b>						
	SF	\$150,000	\$150,000	\$150,000	\$150,000	\$150,000	SF expenditures increase by same amount.

## Legislation Affecting State Revenues

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	<u>Fund</u>	<u>FY 2015</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>FY 2018</u>	<u>FY 2019</u>	<u>Comments</u>
<b>SB 908/HB 1345</b>	<b>Electric Vehicles and Recharging Equipment – Rebates and Tax Credits (Ch. 359/Ch. 360)</b>						
	SF	(\$1,287,000)	(\$1,287,000)	(\$1,287,000)	increase	\$0	Strategic Energy Investment Fund.
	SF	(\$513,000)	(\$513,000)	(\$513,000)	\$0	\$0	Potential available revenues in FY 2018. Transportation Trust Fund.
<b>SB 923/HB 881</b>	<b>Medical Marijuana – Natalie M. LaPrade Medical Marijuana Commission (Ch. 256/Ch. 240)</b>						
	SF	\$0	increase	increase	increase	increase	Potential significant fee revenues. SF expenditures increase by same amount.
<b>SB 985</b>	<b>Maryland Clean Energy Center – Green Banks and Clean Bank Financing – Study (Ch. 365)</b>						
	NB	\$125,000	\$0	\$0	\$0	\$0	NB expenditures increase by same amount.
<b>SB 998</b>	<b>Academic Facilities Bonding Authority (Ch. 575)</b>						
	BOND	\$32,000,000	\$0	\$0	\$0	\$0	Bond expenditures increase by same amount.
<b>SB 1054</b>	<b>Economic Development – Arts and Entertainment Districts – Qualifying Residing Artists (Ch. 576)</b>						
	GF	decrease	decrease	decrease	decrease	decrease	Minimal income tax revenues.
<b>SB 1070/HB 1228</b>	<b>Income Tax – Subtraction Modification – Volunteer Fire, Rescue, and Emergency Medical Services Members (Ch. 371/Ch. 372)</b>						
	GF	(\$150,000)	(\$300,000)	(\$450,000)	(\$600,000)	(\$750,000)	
<b>HB 6</b>	<b>Maryland Home Improvement Commission – Guaranty Fund – Claims (Ch. 211)</b>						
	NB	increase	increase	increase	increase	increase	Potential minimal reimbursement revenues.
<b>HB 35</b>	<b>Electric Reliability – Priorities and Funding (Ch. 581)</b>						
	GF	decrease	decrease	decrease	decrease	decrease	Civil penalty revenues (redirected).
	SF	increase	increase	increase	increase	increase	Civil penalty revenues. SF expenditures increase by same amount.
<b>HB 43</b>	<b>Criminal Law – Harassment – Revenge Porn (Ch. 583)</b>						
	GF	increase	increase	increase	increase	increase	Minimal fine revenues.

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## Legislation Affecting State Revenues

	<u>Fund</u>	<u>FY 2015</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>FY 2018</u>	<u>FY 2019</u>	<u>Comments</u>
HB 73/SB 247	See entry for SB 247.						
HB 198	<b>Income Tax – Earned Income Credit – Refundable Amount (Ch. 389)</b>						
	GF	\$0	(\$4,225,000)	(\$8,635,000)	(\$17,583,000)	(\$26,634,000)	
HB 217	<b>Maryland Income Tax Refund – Washington County – Warrants (Ch. 590)</b>						
	GF	\$27,000	\$20,000	\$7,000	\$7,000	\$7,000	
HB 227/SB 572	See entry for SB 572.						
HB 228/SB 391	See entry for SB 391.						
HB 229	<b>Public Health – Child Care Products Containing Flame-Retardant Chemicals – TDCPP – Prohibition (Ch. 391)</b>						
	GF	increase	increase	increase	increase	increase	Minimal penalty revenues.
HB 243	<b>Vehicle Laws – Unauthorized Use of Rented Motor Vehicle – Repeal (Ch. 591)</b>						
	GF	decrease	decrease	decrease	decrease	decrease	Minimal fine revenues.
HB 264/SB 630	See entry for SB 630.						
HB 295	<b>Maryland Minimum Wage Act of 2014 (Ch. 262)</b>						
	FF	\$60,225	\$160,600	\$240,900	\$321,200	\$457,710	Department of Aging. FF expenditures increase by same amount.
	FF	\$0	\$14,389,624	\$29,565,034	\$45,271,583	\$61,527,862	Department of Health and Mental Hygiene. FF expenditures increase by same amount.
HB 298	<b>Health Services Cost Review Commission – Powers and Duties, Regulation of Facilities, and Maryland All-Payer Model Contract (Ch. 263)</b>						
	FF	\$257,219	\$212,219	\$245,907	\$280,944	\$317,382	FF expenditures increase by same amount.
	SF	\$2,857,986	\$2,357,986	\$2,732,305	\$3,121,598	\$3,526,462	SF expenditures increase by same amount.

## Legislation Affecting State Revenues

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	<u>Fund</u>	<u>FY 2015</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>FY 2018</u>	<u>FY 2019</u>	<u>Comments</u>
HB 313	<b>Maryland Income Tax Refund – Baltimore City – Warrants (Ch. 594)</b>						
	GF	\$156,000	\$115,000	\$37,000	\$37,000	\$37,000	
HB 337	<b>Farm Breweries – Location and Self-Distribution (Ch. 394)</b>						
	GF	increase	increase	increase	increase	increase	Potential minimal fee, sales tax, and alcoholic beverages tax revenues.
HB 359/SB 75	See entry for SB 75.						
HB 402/SB 314	See entry for SB 314.						
HB 436	<b>Vehicle Laws – Operation of Vehicle When Approaching a Tow Truck (Ch. 406)</b>						
	GF	increase	increase	increase	increase	increase	Potential significant fine revenues.
HB 464	<b>Alcoholic Beverages – Micro-Brewery Licenses – Retail Sale – Prepackaged Beer (Ch. 407)</b>						
	GF	increase	increase	increase	increase	increase	Minimal sales tax and alcoholic beverages tax revenues.
HB 482	<b>Higher Education – Unaccompanied Homeless Youth – Tuition Exemption (Ch. 600)</b>						
	HE	decrease	decrease	decrease	decrease	decrease	Potential significant tuition revenues.
HB 510	<b>Sustainable Communities Tax Credit Program – Extension and Alteration (Ch. 601)</b>						
	GF	(\$906,000)	(\$2,271,000)	(\$4,633,000)	(\$1,731,000)	(\$338,000)	Also effectuates transfer of \$19.0 million to GF in FY 2014 under SB 172.
	SF	\$303,400	\$305,100	\$311,500	\$0	\$0	SF expenditures increase by same amount.
HB 553	<b>Housing – Energy-Efficient Homes Construction Loan Program (Ch. 410)</b>						
	SF	\$0	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	SF expenditures increase by similar amount in FY 2016 and following years.
HB 621/SB 700	See entry for SB 700.						

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## Legislation Affecting State Revenues

	<u>Fund</u>	<u>FY 2015</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>FY 2018</u>	<u>FY 2019</u>	<u>Comments</u>
HB 625/SB 641	See entry for SB 641.						
HB 667/SB 660	See entry for SB 660.						
HB 679/SB 624	See entry for SB 624.						
HB 693	<b>Health Insurance – Essential Health Benefits – Pediatric Dental Benefits (Ch. 610)</b>						
	SF	\$0	\$0	\$0	\$0	\$0	Minimal fee revenue increase in FY 2014.
HB 697	<b>Crimes – Threat of Mass Violence (Ch. 236)</b>						
	GF	increase	increase	increase	increase	increase	Minimal fine revenues.
HB 699	<b>Income Tax – Subtraction Modification – Unreimbursed Expenses of Foster Parents (Ch. 419)</b>						
	GF	(\$249,000)	(\$251,000)	(\$254,000)	(\$256,000)	(\$259,000)	
HB 714	<b>Criminal Law – Identity Fraud – Prohibitions (Ch. 237)</b>						
	GF	increase	increase	increase	increase	increase	Minimal fine revenues.
HB 739	<b>Maryland Estate Tax – Unified Credit (Ch. 612)</b>						
	GF	\$0	(\$21,312,000)	(\$46,325,000)	(\$77,140,000)	(\$104,680,000)	
HB 740/SB 603	See entry for SB 603.						
HB 741/SB 601	See entry for SB 601.						
HB 742/SB 600	See entry for SB 600.						
HB 786	<b>Sales and Use Tax – Tax-Free Weekend – Exemption for Light-Emitting Diode (LED) Lights (Ch. 424)</b>						
	GF	decrease	decrease	decrease	\$0	\$0	Sales tax revenues.
HB 802/SB 198	See entry for SB 198.						
HB 805/SB 763	See entry for SB 763.						

## Legislation Affecting State Revenues

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	<u>Fund</u>	<u>FY 2015</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>FY 2018</u>	<u>FY 2019</u>	<u>Comments</u>
HB 834/SB 564	See entry for SB 564.						
HB 881/SB 923	See entry for SB 923.						
HB 882	<b>Motor Vehicles – Low Speed Vehicles – Power Source (Ch. 241)</b>						
	GF	increase	increase	increase	increase	increase	Minimal premium tax revenues beginning in FY 2014 potentially offset by decrease in sales tax revenues.
	SF	increase	increase	increase	increase	increase	MEMSOF. Minimal surcharge revenues beginning in FY 2014.
	SF	increase	increase	increase	increase	increase	Transportation Trust Fund. Minimal excise tax and fee revenues beginning in FY 2014.
HB 907	<b>Video Lottery Facility Payouts – Intercepts for Child Support Payments (Ch. 622)</b>						
	SF	increase	increase	increase	increase	increase	Potential minimal child support collections.
HB 908/SB 849	See entry for SB 849.						
HB 923/SB 596	See entry for SB 596.						
HB 929/SB 350	See entry for SB 350.						
HB 950	<b>Property Tax – Charitable, Educational, or Religious Properties – Tax on Formerly Exempt Property (Ch. 433)</b>						
	SF	increase	increase	increase	increase	increase	Annuity Bond Fund (property tax) revenues.
HB 953/SB 458	See entry for SB 458.						
HB 1015	<b>Drunk Driving – Transporting a Minor – Ignition Interlock System Program (Ch. 631)</b>						
	GF	increase	increase	increase	increase	increase	Minimal fee revenues.
	SF	increase	increase	increase	increase	increase	Minimal fee revenues.

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### Legislation Affecting State Revenues

	<u>Fund</u>	<u>FY 2015</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>FY 2018</u>	<u>FY 2019</u>	<u>Comments</u>
HB 1029/SB 852	See entry for SB 852.						
HB 1060/SB 889	See entry for SB 889.						
HB 1165/SB 875	See entry for SB 875.						
HB 1212/SB 348	See entry for SB 348.						
HB 1218/SB 854	See entry for SB 854.						
HB 1228/SB 1070	See entry for SB 1070.						
HB 1233/SB 622	See entry for SB 622.						
HB 1243/SB 811	See entry for SB 811.						
HB 1246	<b>Motor Vehicles – Exceptional Milk Hauling Permit – Establishment (Ch. 450)</b>						
	SF	increase	increase	increase	increase	increase	Potential significant fee revenues.
HB 1345/SB 908	See entry for SB 908.						
HB 1351	<b>Baltimore City – Special Police Officers and School Police Officers (Ch. 453)</b>						
	GF	increase	increase	increase	increase	increase	Potential minimal fee revenues.
HB 1352	<b>Secretary of State and Attorney General – Charitable Enforcement and Protection of Charitable Assets (Ch. 654)</b>						
	SF	\$206,625	\$275,000	\$292,400	\$310,399	\$328,388	
HB 1417	<b>Unemployment Insurance – Work Sharing (Ch. 251)</b>						
	FF	\$350,000	increase	\$0	\$0	\$0	Minimal federal reimbursement in FY 2016.

## Totals by Fund Type/Summary of Quantifiable Revenue Effects

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<u>Fund Type</u>	<u>FY 2015</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>FY 2018</u>	<u>FY 2019</u>
GF	\$92,873,847	(\$34,268,280)	(\$57,757,149)	(\$94,580,227)	(\$129,740,406)
SF	(\$84,731,298)	(\$74,876,731)	(\$71,881,339)	(\$73,681,189)	(\$75,493,912)
FF	(\$4,102,332)	\$6,483,190	\$21,634,735	\$37,316,438	\$53,603,109
BOND	\$36,625,000	\$0	\$0	\$0	\$0

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## Legislation Affecting State Expenditures

	<u>Fund Type</u>	<u>Agency</u>	<u>FY 2015</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>FY 2018</u>	<u>FY 2019</u>	<u>Comments</u>
<b>SB 50</b>	<b>Crimes – Use of Personal Identifying Information or the Identity of Another – Sexual Crimes (Ch. 119)</b>							
	GF	Public Sfty. & Corr. Srvs.	increase	increase	increase	increase	increase	Minimal incarceration costs.
<b>SB 88</b>	<b>Department of Transportation – Special Bonds and Borrowing – Revenue-Backed Bonds (Ch. 274)</b>							
	SF	Transportation	decrease	decrease	decrease	decrease	decrease	Potential minimal bond issuance costs.
<b>SB 90</b>	<b>Public Ethics – Regulated Lobbyists – Certification to Authorize Lobbying and Electronic Filing of Registration (Ch. 19)</b>							
	SF	Ethics Commission	\$25,000	\$0	\$0	\$0	\$0	
<b>SB 107</b>	<b>State Lottery – Retailer Licenses – Background Investigations (Ch. 130)</b>							
	SF	Lottery Agency	\$10,766	\$14,355	\$14,355	\$14,355	\$14,355	
<b>SB 123</b>	<b>Major Information Technology Development Project Fund – Revenue Sources and Authorized Expenditures (Ch. 137)</b>							
	REIM	All or Multiple Agencies	decrease	decrease	decrease	decrease	decrease	Potential minimal information technology costs.
<b>SB 127</b>	<b>Department of Agriculture – Manure Transportation Project (Ch. 36)</b>							
	GF/SF	Agriculture	increase	increase	increase	increase	increase	Potential significant grant expenditures.
<b>SB 134</b>	<b>Maryland Health Insurance Plan – Access for Bridge Eligible Individuals (Ch. 1)</b>							
	SF	Maryland Health Insurance Program	increase	\$0	\$0	\$0	\$0	SF expenditures increase by \$104,300 in FY 2014. Potential minimal insurance costs in FY 2015.
<b>SB 154</b>	<b>Commercial Law – Interference With Internet Ticket Sales – Prohibition (Ch. 42)</b>							
	GF	Attorney General's Office	\$29,123	\$33,740	\$35,323	\$36,984	\$38,724	

## Legislation Affecting State Expenditures

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SB 172

### Budget Reconciliation and Financing Act of 2014 (Ch. 464)

<u>Fund Type</u>	<u>Agency</u>	<u>FY 2015</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>FY 2018</u>	<u>FY 2019</u>	<u>Comments</u>
FF	All or Multiple Agencies	(\$8,258,002)	(\$5,945,761)	(\$3,550,941)	(\$1,032,250)	\$1,362,570	Included in FY 2015 budget. FF expenditures decrease by \$8,770,214 in FY 2014.
FF	Hlth. & Mental Hyg.	(\$4,723,799)	(\$8,231,967)	(\$8,367,739)	(\$8,505,750)	(\$8,646,038)	FF revenues decrease by same amount.
GF	Agriculture	(\$1,125,000)	\$0	\$0	\$0	\$0	Included in FY 2015 budget.
GF	All or Multiple Agencies	(\$176,515,776)	(\$127,091,359)	(\$75,901,784)	(\$22,064,472)	\$29,125,103	Included in FY 2015 budget. GF expenditures decrease by \$174,200,000 in FY 2014.
GF	Assessments & Tax.	(\$118,724)	(\$152,347)	(\$161,488)	\$0	\$0	Included in FY 2015 budget. GF expenditures decrease by \$303,550 in FY 2014.
GF	Comptroller	\$0	\$17,600,000	\$0	\$0	\$0	
GF	Higher Ed. Comm.	\$0	\$15,088,851	\$25,054,931	\$20,046,629	\$11,231,926	
GF	Hlth. & Mental Hyg.	(\$4,723,799)	(\$8,231,967)	(\$8,367,739)	(\$8,505,750)	(\$8,646,038)	(\$4,700,000) included in FY 2015 budget.
GF	Human Resources	(\$5,671,752)	(\$23,506,250)	(\$25,106,576)	(\$27,090,762)	(\$28,211,423)	Accounted for in FY 2015 budget.
GF	Military Dept.	(\$275,000)	(\$275,000)	(\$275,000)	(\$275,000)	(\$275,000)	Assumed in FY 2015 budget.
GF	Natural Resources	\$0	\$1,271,360	\$3,956,403	\$6,641,446	\$6,641,446	
NB	All or Multiple Agencies	(\$2,766,866)	(\$1,992,144)	(\$1,189,752)	(\$345,858)	\$456,533	
SF	Agriculture	(\$17,275,034)	\$0	\$0	\$0	\$0	Included in FY 2015 budget.
SF	All or Multiple Agencies	(\$12,459,356)	(\$8,970,736)	(\$5,357,523)	(\$1,557,420)	\$2,055,794	Included in FY 2015 budget. SF expenditures decrease by \$12,295,546 in FY 2014.

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## Legislation Affecting State Expenditures

	<u>Fund Type</u>	<u>Agency</u>	<u>FY 2015</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>FY 2018</u>	<u>FY 2019</u>	<u>Comments</u>
	SF	Assessments & Tax.	\$143,724	\$152,347	\$161,488	\$0	\$0	SF expenditures increase by \$303,550 in FY 2014.
	SF	Natural Resources	(\$58,051,510)	\$0	\$0	\$0	\$0	Included in FY 2015 budget.
<b>SB 198/HB 802</b>	<b>Maryland Medical Assistance Program – Telemedicine (Ch. 141/Ch. 426)</b>							
	FF	Hlth. & Mental Hyg.	increase	increase	increase	increase	increase	Significant Medicaid expenditures. FF revenues increase by same amount.
	GF	Hlth. & Mental Hyg.	increase	increase	increase	increase	increase	Significant Medicaid expenditures.
<b>SB 205/HB 176</b>	<b>Correctional Services – Correctional Facilities – Officers and Inspection Standards (Ch. 142/Ch. 143)</b>							
	GF	Public Sfty. & Corr. Srvs.	decrease	decrease	decrease	decrease	decrease	Potential personnel costs.
<b>SB 206/HB 175</b>	<b>Criminal Law – Contraband – Telecommunication Devices and Accessories – Penalty (Ch. 144/Ch. 145)</b>							
	GF	Public Sfty. & Corr. Srvs.	increase	increase	increase	increase	increase	Minimal incarceration costs.
<b>SB 218</b>	<b>Creation of a State Debt – Qualified Zone Academy Bonds (Ch. 475)</b>							
	BOND	School Construction	\$4,625,000	\$0	\$0	\$0	\$0	Anticipated in FY 2015 capital budget. Bond revenues increase by same amount.
	SF	Treasurer	\$154,166	\$308,333	\$308,333	\$308,333	\$308,333	
<b>SB 225</b>	<b>State Board of Examiners of Psychologists – Psychology Associates – Registration (Ch. 147)</b>							
	SF	Hlth. & Mental Hyg.	\$9,285	\$7,008	\$7,036	\$7,064	\$7,093	
<b>SB 236</b>	<b>Constitutional Officers – Salaries (Ch. 283)</b>							
	GF	Attorney General's Office	\$7,594	\$17,618	\$22,478	\$27,338	\$29,768	
	GF	Comptroller	\$7,594	\$17,618	\$22,478	\$27,338	\$29,768	
	GF	Secretary of State	\$5,731	\$13,372	\$17,192	\$21,013	\$22,923	
	GF	Treasurer	\$7,594	\$17,618	\$22,478	\$27,338	\$29,768	

## Legislation Affecting State Expenditures

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	<u>Fund Type</u>	<u>Agency</u>	<u>FY 2015</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>FY 2018</u>	<u>FY 2019</u>	<u>Comments</u>
<b>SB 257</b>	<b>Task Force to Study Access to Pharmacy Services in Maryland (Ch. 150)</b>							
	GF	Hlth. & Mental Hyg.	increase	\$0	\$0	\$0	\$0	Minimal administrative costs.
<b>SB 290</b>	<b>Baltimore County – Board of Education – Selection of Members (Ch. 480)</b>							
	GF	Election Board, State	\$0	\$0	\$0	\$0	increase	Minimal election costs.
<b>SB 314/HB 402</b>	<b>Health Occupations – State Board of Physicians – Naturopathic Doctors (Ch. 153/Ch. 399)</b>							
	SF	Hlth. & Mental Hyg.	\$58,563	\$75,061	\$26,566	\$27,486	\$28,465	SF revenues increase by similar amount.
<b>SB 332</b>	<b>Prekindergarten Expansion Act of 2014 (Ch. 2)</b>							
	GF	Education	\$4,300,000	\$4,300,000	\$4,300,000	\$4,300,000	\$4,300,000	Included in FY 2015 budget.
	SF	Education	\$4,300,000	\$4,300,000	\$4,300,000	\$4,300,000	\$4,300,000	SF revenues increase by same amount.
<b>SB 348/HB 1212</b>	<b>Use of Text Messaging Device or Handheld Telephone While Driving – Accidents Resulting in Death or Serious Injury – Penalties (Ch. 260/Ch. 248)</b>							
	GF	Public Sfty. & Corr. Srvs.	increase	increase	increase	increase	increase	Minimal incarceration costs.
	SF	Transportation	increase	increase	increase	increase	increase	Minimal hearing costs.
<b>SB 350</b>	<b>Speed Monitoring Systems Reform Act of 2014 (Ch. 490)</b>							
	GF	Public Sfty. & Corr. Srvs.	\$30,617	\$27,085	\$28,381	\$29,741	\$31,168	
	SF	Transportation	\$0	\$0	\$0	\$0	\$0	SF expenditures increase by \$20,000 in FY 2014.
<b>SB 354</b>	<b>Maryland Renters Tax Credit Program – Marketing Campaign (Ch. 492)</b>							
	GF	Assessments & Tax.	\$100,000	\$0	\$0	\$0	\$0	

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## Legislation Affecting State Expenditures

	<u>Fund Type</u>	<u>Agency</u>	<u>FY 2015</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>FY 2018</u>	<u>FY 2019</u>	<u>Comments</u>
<b>SB 364</b>	<b>Criminal Law – Possession of Marijuana – Civil Offense (Ch. 158)</b>							
	GF	Judiciary	\$127,735	increase	increase	increase	increase	Minimal tracking costs in FY 2015 (in addition to the \$127,735) and following years.
	GF	Public Sfty. & Corr. Srvs.	decrease	decrease	decrease	decrease	decrease	Minimal incarceration costs.
	SF	Hlth. & Mental Hyg.	increase	increase	increase	increase	increase	Program costs. SF revenues increase by same amount.
<b>SB 382</b>	<b>Business Regulation – Automated Purchasing Machines – Licensing of Buyers and Required Records (Ch. 161)</b>							
	GF	Labor Lic. & Reg.	\$36,933	\$31,007	\$32,476	\$34,016	\$35,632	
	GF	State Police	increase	increase	increase	increase	increase	Minimal registration costs.
<b>SB 390</b>	<b>Criminal Law – Illegal Dumping and Litter Control Law – Driver’s License – Points (Ch. 493)</b>							
	GF	Judiciary	\$56,200	\$0	\$0	\$0	\$0	
<b>SB 404</b>	<b>Maryland Uniform Commercial Code – Secured Transactions – Notice of Filing of Financing Statement (Ch. 58)</b>							
	SF	Assessments & Tax.	\$49,034	\$53,164	\$55,596	\$58,146	\$60,823	
<b>SB 413</b>	<b>Health Occupations – Dentists With Permits to Dispense Dental Products – Exclusion From Maryland Pharmacy Act (Ch. 496)</b>							
	GF	Hlth. & Mental Hyg.	decrease	decrease	decrease	decrease	decrease	Minimal inspection costs.
<b>SB 419</b>	<b>Libraries – Maryland Library for the Blind and Physically Handicapped – Funding (Ch. 498)</b>							
	GF	Education	\$0	\$2,391,554	\$2,501,227	\$2,612,584	\$2,725,654	
<b>SB 430</b>	<b>Libraries – Regional Resource Centers and County Public Libraries – Funding (Ch. 500)</b>							
	GF	Education	\$0	\$3,229,557	\$5,492,659	\$5,901,062	\$6,198,642	
<b>SB 454/HB 701</b>	<b>Criminal Law – Child Kidnapping for the Purpose of Committing a Sexual Crime – Penalty (Ch. 168/Ch. 420)</b>							
	GF	Public Sfty. & Corr. Srvs.	increase	increase	increase	increase	increase	Minimal incarceration costs.

## Legislation Affecting State Expenditures

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	<u>Fund Type</u>	<u>Agency</u>	<u>FY 2015</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>FY 2018</u>	<u>FY 2019</u>	<u>Comments</u>
<b>SB 460</b>	<b>Criminal Law – Person in a Position of Authority – Sexual Offenses With a Minor (Ch. 170)</b>							
	GF	Public Sfty. & Corr. Srvcs.	increase	increase	increase	increase	increase	Minimal incarceration costs.
<b>SB 483</b>	<b>Labor and Employment – Nursing Homes and Health Care Facilities – Workplace Safety Assessment and Safety Program (Ch. 510)</b>							
	GF	Hlth. & Mental Hyg.	increase	increase	increase	increase	increase	Potential minimal administrative costs.
<b>SB 486</b>	<b>Income Tax Credit – Endow Maryland (Ch. 511)</b>							
	GF	Comptroller	\$0	\$79,000	\$0	\$0	\$0	
	GF	Housing & Commtty Dvlpt.	\$39,157	\$71,632	\$74,993	\$78,513	\$82,204	
<b>SB 508/HB 480</b>	<b>Office of the Attorney General – Establishment of a Consumer Affairs Satellite Office in Prince George’s County (Ch. 300/Ch. 301)</b>							
	GF	Attorney General’s Office	\$31,203	\$178,576	\$186,373	\$194,513	\$203,012	
	SF	Attorney General’s Office	\$136,751	\$0	\$0	\$0	\$0	Included in FY 2015 budget.
<b>SB 534/HB 814</b>	<b>Education – State Grant to Counties With Small and Declining Student Enrollment (Ch. 515/Ch. 516)</b>							
	GF	Education	\$593,055	\$0	\$0	\$0	\$0	Included in FY 2015 budget.
<b>SB 547/HB 172</b>	<b>Economic Development – Baltimore Region – Baltimore Metropolitan Council and Advisory Board and Baltimore Region Transportation Board (Ch. 519/Ch. 520)</b>							
	GF	Bus. & Econ. Dvlpmt.	\$154,010	\$199,030	\$208,204	\$217,808	\$227,865	
<b>SB 585</b>	<b>Commercial Law – Patent Infringement – Assertions Made in Bad Faith (Ch. 307)</b>							
	GF	Attorney General’s Office	\$220,201	\$260,976	\$271,492	\$282,485	\$293,976	
	HE	Univ. Sys. of MD	decrease	decrease	decrease	decrease	decrease	Potential significant legal and settlement costs.

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## Legislation Affecting State Expenditures

	<u>Fund Type</u>	<u>Agency</u>	<u>FY 2015</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>FY 2018</u>	<u>FY 2019</u>	<u>Comments</u>
<b>SB 600/HB 742</b>	<b>Regional Institution Strategic Enterprise Zone Program (Ch. 530/Ch. 531)</b>							
	GF	Assessments & Tax.	\$0	\$79,664	\$78,816	\$82,505	\$86,372	
	GF	Bus. & Econ. Dvlpmt.	\$0	\$102,928	\$103,104	\$107,862	\$112,845	
	GF	Comptroller	\$0	\$164,600	\$0	\$0	\$0	
<b>SB 601/HB 741</b>	<b>Business and Economic Development – Maryland E-Innovation Initiative Program (Ch. 532/Ch. 533)</b>							
	GF	Bus. & Econ. Dvlpmt.	\$0	\$1,200,000	\$3,200,000	\$3,300,000	\$3,400,000	
	HE	Morgan St. Univ.	\$0	increase	increase	increase	increase	Potential significant research expenditures.
	HE	Univ. Sys. of MD	\$0	increase	increase	increase	increase	Potential significant research expenditures.
	SF	Bus. & Econ. Dvlpmt.	\$0	\$8,500,000	\$8,500,000	\$8,500,000	\$8,500,000	SF revenues increase by same amount.
<b>SB 603/HB 740</b>	<b>Economic Development – Maryland Technology Development Corporation – Cybersecurity Investment Fund (Ch. 534/Ch. 535)</b>							
	GF	Bus. & Econ. Dvlpmt.	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	Included in FY 2015 budget.
	SF	Bus. & Econ. Dvlpmt.	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	SF revenues increase by same amount.
<b>SB 606</b>	<b>Developmental Disabilities Administration – Deputy Secretary – Establishment (Ch. 539)</b>							
	GF	Hlth. & Mental Hyg.	increase	increase	increase	increase	increase	Minimal personnel costs.
<b>SB 608</b>	<b>Correctional Services – Swift and Certain Sanctions Pilot Program – Expansion (Ch. 182)</b>							
	GF	Public Sfty. & Corr. Srvs.	\$75,000	\$0	\$0	\$0	\$0	
<b>SB 622/HB 1233</b>	<b>Health Insurance – Step Therapy or Fail-First Protocol (Ch. 316/Ch. 317)</b>							
	FF	Budget & Mgt.	\$8,250	\$8,250	\$8,250	\$8,250	\$8,250	
	GF	Budget & Mgt.	\$44,250	\$44,250	\$44,250	\$44,250	\$44,250	
	SF	Budget & Mgt.	\$22,500	\$22,500	\$22,500	\$22,500	\$22,500	
	SF	Hlth. & Mental Hyg.	\$25,000	\$25,000	\$0	\$0	\$0	
<b>SB 630/HB 264</b>	<b>Income Tax – Subtraction Modification – Student Loan Debt (Ch. 320/Ch. 321)</b>							
	GF	Comptroller	\$48,000	\$0	\$0	\$0	\$0	

## Legislation Affecting State Expenditures

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	<u>Fund Type</u>	<u>Agency</u>	<u>FY 2015</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>FY 2018</u>	<u>FY 2019</u>	<u>Comments</u>
<b>SB 644</b>	<b>State Government – Open Data Policy – Council on Open Data (Ch. 69)</b>							
	GF	Department of Information Technology	\$119,904	\$118,620	\$124,048	\$129,728	\$135,672	
<b>SB 659</b>	<b>Crimes Relating to Animals – Surgery on Dogs – Penalties (Ch. 185)</b>							
	GF	Public Sfty. & Corr. Srves.	increase	increase	increase	increase	increase	Minimal incarceration costs.
<b>SB 660/HB 667</b>	<b>Crimes Relating to Animals – Unauthorized Surgical Devocalization of Cat or Dog – Penalties (Ch. 186/Ch. 187)</b>							
	GF	Public Sfty. & Corr. Srves.	increase	increase	increase	increase	increase	Minimal incarceration costs.
<b>SB 665</b>	<b>Correctional Officers' Retirement System – Membership (Ch. 188)</b>							
	FF	All or Multiple Agencies	\$0	\$0	\$80,244	\$92,556	\$105,412	
	GF	All or Multiple Agencies	\$0	\$0	\$240,732	\$277,668	\$316,236	
	SF	All or Multiple Agencies	\$0	\$0	\$80,244	\$92,556	\$105,412	
<b>SB 666/HB 1432</b>	<b>Teaching Fellows for Maryland Scholarship Program (Ch. 542/Ch. 543)</b>							
	GF	Higher Ed. Comm.	\$0	\$497,320	\$913,239	\$1,410,955	\$1,937,711	
<b>SB 678</b>	<b>Maryland Oil Disaster Containment, Clean-Up and Contingency Fund and Oil Contaminated Site Environmental Cleanup Fund (Ch. 325)</b>							
	SF	Environment	\$180,736	\$234,982	\$229,132	\$55,857	\$0	
<b>SB 694</b>	<b>Health Occupations – Maryland Behavior Analysts Act (Ch. 328)</b>							
	SF	Hlth. & Mental Hyg.	\$22,252	\$171	\$12,720	\$175	\$13,644	SF revenues increase by similar amount.
<b>SB 698</b>	<b>Criminal Procedure – Electronic Device Location Information – Order (Ch. 191)</b>							
	GF	Judiciary	increase	increase	increase	increase	increase	Minimal administrative costs.
<b>SB 700/HB 621</b>	<b>Registration of Pesticides – Fee Increase – Disposition of Fees (Ch. 546/Ch. 547)</b>							
	SF	Agriculture	\$130,000	\$130,000	\$130,000	\$130,000	\$130,000	SF revenues increase by same amount.

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## Legislation Affecting State Expenditures

	<u>Fund Type</u>	<u>Agency</u>	<u>FY 2015</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>FY 2018</u>	<u>FY 2019</u>	<u>Comments</u>
<b>SB 701/HB 798</b>	<b>Education – Children With Disabilities – Habilitative Services Information (Ch. 329/Ch. 330)</b>							
	FF	Education	\$2,700	\$1,240	\$1,240	\$1,240	\$1,240	
<b>SB 763/HB 805</b>	<b>Talbot County – Child Support Enforcement – Transfer of Personnel (Ch. 552/Ch. 553)</b>							
	GF	Human Resources	\$39,447	\$41,577	\$43,406	\$45,316	\$47,310	Included in FY 2015 budget.
	FF	Human Resources	(\$45,977)	(\$47,286)	(\$49,367)	(\$51,539)	(\$53,807)	Included in FY 2015 budget.
<b>SB 785/HB 1215</b>	<b>Higher Education – 2+2 Transfer Scholarship (Ch. 339/Ch. 340)</b>							
	GF	Higher Ed. Comm.	\$78,056	\$1,027,085	\$1,028,381	\$1,029,741	\$1,031,168	
	SF	Higher Ed. Comm.	\$2,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	
<b>SB 811/HB 1243</b>	<b>Corporations and Associations – Maryland Securities Act – Registration and Filing Exemptions (Ch. 557/Ch. 558)</b>							
	GF	Attorney General's Office	increase	increase	increase	increase	increase	Minimal implementation costs.
<b>SB 813</b>	<b>Motor Vehicle Administration – Drivers' Licenses and Identification Cards – Organ Donor Designation (Ch. 343)</b>							
	SF	Transportation	\$13,766	\$0	\$0	\$0	\$0	
<b>SB 818/HB 559</b>	<b>State Government – Human Trafficking Address Confidentiality Program (Ch. 344/Ch. 345)</b>							
	GF	Secretary of State	increase	increase	increase	increase	increase	Minimal program costs.
<b>SB 849/HB 908</b>	<b>State Board of Nursing – Nurses, Nursing Assistants, Medication Technicians, and Electrologists – Licensing, Certification, Regulation, Violations, and Penalties (Ch. 559/Ch. 560)</b>							
	SF	Hlth. & Mental Hyg.	\$103,750	\$132,539	\$138,638	\$145,034	\$151,739	
<b>SB 852/HB 1029</b>	<b>Health Occupations – Dispensers of Devices and Equipment – Exclusion From the Maryland Pharmacy Act (Ch. 562/Ch. 563)</b>							
	SF	Hlth. & Mental Hyg.	decrease	decrease	decrease	decrease	decrease	Minimal permit costs beginning in FY 2014.
<b>SB 875/HB 1165</b>	<b>Jane E. Lawton Conservation Loan Program (Ch. 348/Ch. 349)</b>							
	SF	Energy Administration	increase	increase	increase	increase	increase	Potential significant loan expenditures.

## Legislation Affecting State Expenditures

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	<u>Fund Type</u>	<u>Agency</u>	<u>FY 2015</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>FY 2018</u>	<u>FY 2019</u>	<u>Comments</u>
<b>SB 876/HB 811</b>	<b>Education – Summer Career Academy Pilot Program (Ch. 568/Ch. 569)</b>							
	GF	Education	\$1,306,400	\$2,644,700	\$2,973,900	\$842,100	\$0	
<b>SB 889/HB 1060</b>	<b>Northeastern Maryland Additive Manufacturing Innovation Authority (Ch. 570/Ch. 571)</b>							
	GF	Bus. & Econ. Dvlpmt.	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	
	SF	New Agency	\$150,000	\$150,000	\$150,000	\$150,000	\$150,000	SF revenues increase by same amount.
<b>SB 923/HB 881</b>	<b>Medical Marijuana – Natalie M. LaPrade Medical Marijuana Commission (Ch. 256/Ch. 240)</b>							
	GF	Hlth. & Mental Hyg.	\$1,040,866	\$0	\$0	\$0	\$0	GF expenditures increase by \$56,004 in FY 2014.
	GF/SF	Hlth. & Mental Hyg.	\$0	\$695,703	\$717,922	\$750,349	\$785,390	SF revenues increase by same amount as SF expenditures.
<b>SB 940</b>	<b>Victims of Crime – Legal Representatives of Minors and Disabled and Elderly Persons (Ch. 207)</b>							
	SF/FF	Public Sfty. & Corr. Srvcs.	increase	increase	increase	increase	increase	Minimal grant expenditures.
<b>SB 952</b>	<b>Pharmacy Benefits Managers – Pharmacy Contracts – Maximum Allowable Cost Pricing (Ch. 363)</b>							
	GF/SF/FF	Budget & Mgt.	increase	increase	increase	increase	increase	Potential prescription drug costs.
<b>SB 966</b>	<b>Charles County and St. Mary’s County – Deer Hunting (Ch. 574)</b>							
	GF	Natural Resources	\$92,553	\$66,126	\$68,934	\$0	\$0	
<b>SB 975</b>	<b>Small Business Reserve Program – Definition of Small Business – Repeal of Sunset Provision (Ch. 76)</b>							
	GF/SF/FF	All or Multiple Agencies	\$0	decrease	decrease	decrease	decrease	Potential minimal procurement costs.
<b>SB 985</b>	<b>Maryland Clean Energy Center – Green Banks and Clean Bank Financing – Study (Ch. 365)</b>							
	NB	Other	\$125,000	\$0	\$0	\$0	\$0	NB revenues increase by same amount.

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	<u>Fund Type</u>	<u>Agency</u>	<u>FY 2015</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>FY 2018</u>	<u>FY 2019</u>	<u>Comments</u>
<b>SB 998</b>	<b>Academic Facilities Bonding Authority (Ch. 575)</b>							
	BOND	Univ. Sys. of MD	\$32,000,000	\$0	\$0	\$0	\$0	Anticipated in FY 2015 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	
<b>SB 1082/HB 1483</b>	<b>State Reformed Contributory Employees' and Teachers' Pension Systems – Prior Eligibility Service (Ch. 577/Ch. 578)</b>							
	GF/SF/FF	All or Multiple Agencies	\$0	increase	increase	increase	increase	Pension contributions.
<b>SB 1099</b>	<b>Workers' Compensation – Occupational Disease Presumptions – Paid Rescue Squad Members and Paid Advanced Life Support Unit Members (Ch. 374)</b>							
	NB	Injured Workers Ins. Fnd.	increase	increase	increase	increase	increase	Potential significant workers' compensation costs.
	SF	Transportation	increase	increase	increase	increase	increase	Potential minimal workers' compensation costs.
<b>SJ 3/HJ 3</b>	<b>Governor's Salary Commission – Salary Recommendations for Governor and Lieutenant Governor (JR 1/JR 2)</b>							
	GF	Executive Dept.	\$16,706	\$38,880	\$49,815	\$60,750	\$66,218	
<b>HB 6</b>	<b>Maryland Home Improvement Commission – Guaranty Fund – Claims (Ch. 211)</b>							
	NB	Labor Lic. & Reg.	increase	increase	increase	increase	increase	Potential minimal claim payments.
<b>HB 11</b>	<b>Environment – Bay Restoration Fund – Authorized Uses (Ch. 80)</b>							
	SF	Environment	increase	increase	increase	increase	increase	Potential grant and loan expenditures beginning in FY 2014.
<b>HB 12</b>	<b>Bay Restoration Fund – Authorized Uses – Local Entities (Ch. 379)</b>							
	SF	Environment	increase	increase	increase	increase	increase	Potential grant expenditures.

## Legislation Affecting State Expenditures

	<u>Fund Type</u>	<u>Agency</u>	<u>FY 2015</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>FY 2018</u>	<u>FY 2019</u>	<u>Comments</u>
<b>HB 35</b>	<b>Electric Reliability – Priorities and Funding (Ch. 581)</b>							
	SF	Public Svc. Comm.	increase	increase	increase	increase	increase	Reliability expenditures. SF revenues increase by same amount.
<b>HB 43</b>	<b>Criminal Law – Harassment – Revenge Porn (Ch. 583)</b>							
	GF	Public Sfty. & Corr. Srvcs.	increase	increase	increase	increase	increase	Minimal incarceration costs.
<b>HB 172/SB 547</b>	See entry for SB 547.							
<b>HB 175/SB 206</b>	See entry for SB 206.							
<b>HB 176/SB 205</b>	See entry for SB 205.							
<b>HB 198</b>	<b>Income Tax – Earned Income Credit – Refundable Amount (Ch. 389)</b>							
	GF	Comptroller	\$0	\$48,000	\$0	\$0	\$0	
<b>HB 217</b>	<b>Maryland Income Tax Refund – Washington County – Warrants (Ch. 590)</b>							
	GF	Comptroller	\$47,446	\$59,220	\$62,035	\$64,986	\$68,082	Duplicative of costs for HB 313.
<b>HB 246</b>	<b>Motor Vehicles – Inspection Certificates for Used Vehicles – Procedures (Ch. 91)</b>							
	GF	State Police	decrease	decrease	decrease	\$0	\$0	Minimal administrative costs.
<b>HB 264/SB 630</b>	See entry for SB 630.							

## Legislation Affecting State Expenditures

	<u>Fund Type</u>	<u>Agency</u>	<u>FY 2015</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>FY 2018</u>	<u>FY 2019</u>	<u>Comments</u>
<b>HB 295</b>	<b>Maryland Minimum Wage Act of 2014 (Ch. 262)</b>							
	FF	Aging	\$60,225	\$160,600	\$240,900	\$321,200	\$457,710	FF revenues increase by same amount.
	FF	Hlth. & Mental Hyg.	\$0	\$14,389,624	\$29,565,034	\$45,271,583	\$61,527,862	FF revenues increase by same amount.
	GF	Hlth. & Mental Hyg.	\$0	\$18,314,067	\$37,628,225	\$57,618,379	\$78,308,188	
	GF	Labor Lic. & Reg.	\$312,122	\$472,487	\$493,502	\$515,515	\$538,571	Included in FY 2015 budget.
	GF/SF/FF	Hlth. & Mental Hyg.	\$8,767	\$18,788	\$33,368	\$44,147	\$67,275	
	GF/SF/FF	Natural Resources	\$10,716	\$22,963	\$40,783	\$53,958	\$82,225	
	HE	Univ. Sys. of MD	\$1,069,813	\$3,125,950	\$5,305,756	\$7,770,613	\$12,561,768	
<b>HB 298</b>	<b>Health Services Cost Review Commission – Powers and Duties, Regulation of Facilities, and Maryland All-Payer Model Contract (Ch. 263)</b>							
	FF	Hlth. & Mental Hyg.	\$257,219	\$212,219	\$245,907	\$280,944	\$317,382	FF revenues increase by same amount.
	GF	Hlth. & Mental Hyg.	\$257,219	\$212,219	\$245,907	\$280,944	\$317,382	
	SF	Hlth. & Mental Hyg.	\$2,857,986	\$2,357,986	\$2,732,305	\$3,121,598	\$3,526,462	Included in FY 2015 budget. SF revenues increase by same amount.
<b>HB 313</b>	<b>Maryland Income Tax Refund – Baltimore City – Warrants (Ch. 594)</b>							
	GF	Comptroller	\$94,900	\$118,400	\$124,100	\$130,000	\$136,200	
<b>HB 355</b>	<b>Criminal Procedure – Programs for Survivors of Homicide Victims (Ch. 223)</b>							
	GF	Governor’s Office of Crime Control & Prevention	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000	Included in FY 2015 budget.
<b>HB 397</b>	<b>Peace Orders and Protective Orders – Consent Orders – Shielding (Ch. 227)</b>							
	GF	Judiciary	\$30,320	\$0	\$0	\$0	\$0	
<b>HB 402/SB 314</b>	<b>See entry for SB 314.</b>							

## Legislation Affecting State Expenditures

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	<u>Fund Type</u>	<u>Agency</u>	<u>FY 2015</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>FY 2018</u>	<u>FY 2019</u>	<u>Comments</u>
<b>HB 413</b>	<b>Special Education – Individualized Education Program Parental Notice Requirements and Service Models List (Ch. 400)</b>							
	GF	Education	\$20,900	\$0	\$0	\$0	\$0	
<b>HB 451</b>	<b>Neighborhood Business Development Program – Financial Assistance for Food Deserts (Ch. 228)</b>							
	BOND	Housing & Commty Dvlpt.	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	Included in FY 2015 capital budget.
<b>HB 480/SB 508</b>	<b>See entry for SB 508.</b>							
<b>HB 510</b>	<b>Sustainable Communities Tax Credit Program – Extension and Alteration (Ch. 601)</b>							
	GF	Planning, Office of	\$10,000,000	\$10,000,000	\$10,000,000	\$0	\$0	Included in FY 2015 budget.
	SF	Planning, Office of	\$303,400	\$305,100	\$311,500	\$0	\$0	SF revenues increase by same amount.
<b>HB 546</b>	<b>Higher Education – Janet L. Hoffman Loan Assistance Repayment Program – Modifications (Ch. 409)</b>							
	GF	Higher Ed. Comm.	\$15,651	\$15,504	\$16,238	\$17,007	\$17,816	
<b>HB 553</b>	<b>Housing – Energy-Efficient Homes Construction Loan Program (Ch. 410)</b>							
	BOND	Housing & Commty Dvlpt.	\$0	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	
	SF	Housing & Commty Dvlpt.	\$1,572,786	\$1,093,455	\$1,096,917	\$1,100,537	\$1,104,320	\$1,500,000 included in FY 2015 budget. SF revenues increase by similar amount in FY 2016 and following years.
<b>HB 559/SB 818</b>	<b>See entry for SB 818.</b>							
<b>HB 579</b>	<b>Commissioner of Labor and Industry – Authority – Enforcement of Local Minimum Wage Laws (Ch. 411)</b>							
	GF	Labor Lic. & Reg.	\$359,858	\$408,517	\$426,757	\$445,873	\$465,906	Duplicative of costs for HB 295.
<b>HB 589</b>	<b>Governor’s Office of Crime Control and Prevention – Juvenile Charged as Adult Population Forecast (Ch. 412)</b>							
	GF	Executive Dept.	\$50,000	\$50,000	\$50,000	\$10,000	\$0	

Effect of the 2014 Legislative Program on the Financial Condition of the State

## Legislation Affecting State Expenditures

	<u>Fund Type</u>	<u>Agency</u>	<u>FY 2015</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>FY 2018</u>	<u>FY 2019</u>	<u>Comments</u>
<b>HB 621/SB 700</b>	See entry for SB 700.							
<b>HB 629</b>	<b>Environmentally Preferable Procurement – Maryland Green Purchasing Committee (Ch. 604)</b>							
	GF/SF/FF	All or Multiple Agencies	increase	increase	increase	increase	increase	Procurement costs.
<b>HB 653</b>	<b>Education – Deaf Culture Digital Library (Ch. 606)</b>							
	GF	Education	\$234,584	\$308,219	\$317,145	\$326,443	\$336,128	
<b>HB 661</b>	<b>Health – Statistics and Records – Electronic Filing of Death Certificates (Ch. 608)</b>							
	GF	Hlth. & Mental Hyg.	\$3,000	\$28,634	\$28,920	\$29,209	\$29,501	
<b>HB 667/SB 660</b>	See entry for SB 660.							
<b>HB 697</b>	<b>Crimes – Threat of Mass Violence (Ch. 236)</b>							
	GF	Public Sfty. & Corr. Svcs.	increase	increase	increase	increase	increase	Minimal incarceration costs.
<b>HB 699</b>	<b>Income Tax – Subtraction Modification – Unreimbursed Expenses of Foster Parents (Ch. 419)</b>							
	GF	Comptroller	\$48,000	\$0	\$0	\$0	\$0	
<b>HB 701/SB 454</b>	See entry for SB 454.							
<b>HB 714</b>	<b>Criminal Law – Identity Fraud – Prohibitions (Ch. 237)</b>							
	GF	Public Sfty. & Corr. Svcs.	increase	increase	increase	increase	increase	Minimal incarceration costs.
<b>HB 740/SB 603</b>	See entry for SB 603.							
<b>HB 741/SB 601</b>	See entry for SB 601.							
<b>HB 742/SB 600</b>	See entry for SB 600.							
<b>HB 765</b>	<b>State Personnel – Authority to Set Compensation (Ch. 613)</b>							
	GF/SF/FF	All or Multiple Agencies	decrease	decrease	decrease	decrease	decrease	Minimal personnel costs.

## Legislation Affecting State Expenditures

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	<u>Fund Type</u>	<u>Agency</u>	<u>FY 2015</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>FY 2018</u>	<u>FY 2019</u>	<u>Comments</u>
<b>HB 779</b>	<b>Maryland Health Care Commission – Health Care Provider-Carrier Workgroup (Ch. 614)</b>							
	SF	Hlth. & Mental Hyg.	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	
<b>HB 794</b>	<b>Maryland Unaccompanied Homeless Youth and Young Adult Count Demonstration Project (Ch. 425)</b>							
	GF	Housing & Commty Dvlpt.	increase	increase	increase	increase	\$0	Contractual services costs. \$200,000 included in FY 2015 budget.
<b>HB 798/SB 701</b>	See entry for SB 701.							
<b>HB 802/SB 198</b>	See entry for SB 198.							
<b>HB 805/SB 763</b>	See entry for SB 763.							
<b>HB 807</b>	<b>Criminal Law – Burglary in the First Degree – Home Invasion (Ch. 238)</b>							
	GF	Public Sfty. & Corr. Srvcs.	increase	increase	increase	increase	increase	Minimal incarceration costs.
<b>HB 811/SB 876</b>	See entry for SB 876.							
<b>HB 814/SB 534</b>	See entry for SB 534.							
<b>HB 878</b>	<b>State Highway Administration – Compost and Compost-Based Products – Specification (Ch. 430)</b>							
	SF	Transportation	\$25,000	\$40,000	increase	increase	increase	Minimal reporting costs in FY 2017 and following years.
<b>HB 881/SB 923</b>	See entry for SB 923.							
<b>HB 883</b>	<b>Department of Health and Mental Hygiene – Study of Safe and Healthy School Hours for Maryland Public Schools (Ch. 620)</b>							
	GF	Hlth. & Mental Hyg.	\$35,000	\$0	\$0	\$0	\$0	

Effect of the 2014 Legislative Program on the Financial Condition of the State

## Legislation Affecting State Expenditures

	<u>Fund Type</u>	<u>Agency</u>	<u>FY 2015</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>FY 2018</u>	<u>FY 2019</u>	<u>Comments</u>
<b>HB 907</b>	<b>Video Lottery Facility Payouts – Intercepts for Child Support Payments (Ch. 622)</b>							
	SF	Lottery Agency – VLT	\$340,859	\$0	\$0	\$0	\$0	
<b>HB 908/SB 849</b>	See entry for SB 849.							
<b>HB 929/SB 350</b>	See entry for SB 350.							
<b>HB 963</b>	<b>Hospitals – Protocol for Sexual Assault Medical Forensic Examinations and Planning Committee (Ch. 627)</b>							
	GF/FF	Hlth. & Mental Hyg.	increase	increase	increase	increase	increase	Potential reimbursement costs.
<b>HB 1015</b>	<b>Drunk Driving – Transporting a Minor – Ignition Interlock System Program (Ch. 631)</b>							
	SF	Transportation	increase	increase	increase	increase	increase	Minimal hearing costs.
<b>HB 1029/SB 852</b>	See entry for SB 852.							
<b>HB 1060/SB 889</b>	See entry for SB 889.							
<b>HB 1118</b>	<b>Economic Development – Office of the Business Ombudsman – Establishment (Ch. 641)</b>							
	GF	Executive Dept.	\$124,662	\$160,194	\$167,659	\$175,482	\$183,676	
<b>HB 1165/SB 875</b>	See entry for SB 875.							
<b>HB 1212/SB 348</b>	See entry for SB 348.							
<b>HB 1215/SB 785</b>	See entry for SB 785.							
<b>HB 1233/SB 622</b>	See entry for SB 622.							
<b>HB 1235</b>	<b>Community Integrated Medical Home Program (Ch. 449)</b>							
	GF	Hlth. & Mental Hyg.	\$37,500	\$12,500	\$0	\$0	\$0	
<b>HB 1238</b>	<b>Developmental Disabilities Administration – Payment of Providers (Ch. 648)</b>							
	GF	Hlth. & Mental Hyg.	\$300,000	\$0	\$0	\$0	\$0	Included in FY 2015 budget.

## Legislation Affecting State Expenditures

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	<u>Fund Type</u>	<u>Agency</u>	<u>FY 2015</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>FY 2018</u>	<u>FY 2019</u>	<u>Comments</u>
HB 1243/SB 811	See entry for SB 811.							
HB 1246	<b>Motor Vehicles – Exceptional Milk Hauling Permit – Establishment (Ch. 450)</b>							
	SF	Transportation	\$24,000	increase	increase	increase	increase	Potential significant highway system costs in FY 2015 (in addition to the \$24,000) and following years.
HB 1317	<b>Higher Education – Maryland Technology Internship Program (Ch. 652)</b>							
	GF	Univ. Sys. of MD	\$191,696	\$177,724	\$180,358	\$183,114	\$186,000	
HB 1352	<b>Secretary of State and Attorney General – Charitable Enforcement and Protection of Charitable Assets (Ch. 654)</b>							
	GF	All or Multiple Agencies	increase	increase	increase	increase	increase	Potential personnel costs.
	SF	Secretary of State	\$76,026	\$98,179	\$502,708	\$207,449	\$212,413	
HB 1415	<b>Chief Executive Officer or County Executive – Special Election to Fill a Vacancy in Office (Ch. 261)</b>							
	GF	Election Board, State	increase	increase	increase	increase	increase	Potential election costs of over \$100,000 per special election.
HB 1432/SB 666	See entry for SB 666.							
HB 1453/SB 290	See entry for SB 290.							
HB 1483/SB 1082	See entry for SB 1082.							
HJ 3/SJ 3	See entry for SJ 3.							

Effect of the 2014 Legislative Program on the Financial Condition of the State

### Quantifiable Expenditures by Agency

<u>Agency</u>	<u>Fund</u>	<u>FY 2015</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>FY 2018</u>	<u>FY 2019</u>
<b>Aging</b>	FF	\$60,225	\$160,600	\$240,900	\$321,200	\$457,710
<b>Agriculture</b>	GF	(\$1,125,000)	\$0	\$0	\$0	\$0
	SF	(\$17,145,034)	\$130,000	\$130,000	\$130,000	\$130,000
<b>All or Multiple Agencies</b>	GF	(\$176,515,776)	(\$127,091,359)	(\$75,661,052)	(\$21,786,804)	\$29,441,339
	SF	(\$12,459,356)	(\$8,970,736)	(\$5,277,279)	(\$1,464,864)	\$2,161,206
	FF	(\$8,258,002)	(\$5,945,761)	(\$3,470,697)	(\$939,694)	\$1,467,982
	NB	(\$2,766,866)	(\$1,992,144)	(\$1,189,752)	(\$345,858)	\$456,533
<b>Assessments &amp; Taxation</b>	GF	(\$18,724)	(\$72,683)	(\$82,672)	\$82,505	\$86,372
	SF	\$192,758	\$205,511	\$217,084	\$58,146	\$60,823
<b>Attorney General's Office</b>	GF	\$288,121	\$490,910	\$515,666	\$541,320	\$565,480
	SF	\$136,751	\$0	\$0	\$0	\$0
<b>Budget &amp; Management</b>	GF	\$44,250	\$44,250	\$44,250	\$44,250	\$44,250
	SF	\$22,500	\$22,500	\$22,500	\$22,500	\$22,500
	FF	\$8,250	\$8,250	\$8,250	\$8,250	\$8,250
<b>Business &amp; Economic Development</b>	GF	\$1,254,010	\$2,601,958	\$4,611,308	\$4,725,670	\$4,840,710
	SF	\$1,000,000	\$9,500,000	\$9,500,000	\$9,500,000	\$9,500,000

## Quantifiable Expenditures by Agency (cont'd)

<u>Agency</u>	<u>Fund</u>	<u>FY 2015</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>FY 2018</u>	<u>FY 2019</u>
<b>Comptroller</b>	GF	\$198,494	\$18,027,618	\$146,578	\$157,338	\$165,968
<b>Department of Information Technology</b>	GF	\$119,904	\$118,620	\$124,048	\$129,728	\$135,672
<b>Education</b>	GF	\$6,454,939	\$12,874,030	\$15,584,931	\$13,982,189	\$13,560,424
	SF	\$4,300,000	\$4,300,000	\$4,300,000	\$4,300,000	\$4,300,000
	FF	\$2,700	\$1,240	\$1,240	\$1,240	\$1,240
<b>Environment</b>	SF	\$180,736	\$234,982	\$229,132	\$55,857	\$0
<b>Ethics Commission</b>	SF	\$25,000	\$0	\$0	\$0	\$0
<b>Executive Department</b>	GF	\$691,368	\$749,074	\$767,474	\$746,232	\$749,894
<b>Health &amp; Mental Hygiene</b>	GF	(\$3,044,954)	\$10,942,429	\$30,173,256	\$50,099,619	\$70,734,788
	SF	\$3,103,589	\$2,726,523	\$3,048,939	\$3,435,186	\$3,865,858
	FF	(\$4,464,827)	\$6,373,634	\$21,449,876	\$37,055,606	\$53,212,661
<b>Higher Education Commission</b>	GF	\$93,707	\$16,628,760	\$27,012,789	\$22,504,332	\$14,218,621
	SF	\$2,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000

## Quantifiable Expenditures by Agency (cont'd)

<u>Agency</u>	<u>Fund</u>	<u>FY 2015</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>FY 2018</u>	<u>FY 2019</u>
<b>Housing &amp; Community Development</b>						
	GF	\$39,157	\$71,632	\$74,993	\$78,513	\$82,204
	SF	\$1,572,786	\$1,093,455	\$1,096,917	\$1,100,537	\$1,104,320
	BOND	\$1,000,000	\$2,000,000	\$2,000,000	\$2,000,000	\$2,000,000
<b>Human Resources</b>						
	GF	(\$5,632,305)	(\$23,464,673)	(\$25,063,170)	(\$27,045,446)	(\$28,164,113)
	FF	(\$45,977)	(\$47,286)	(\$49,367)	(\$51,539)	(\$53,807)
<b>Judiciary</b>						
	GF	\$214,255	\$0	\$0	\$0	\$0
<b>Labor, Licensing, &amp; Regulation</b>						
	GF	\$480,854	\$503,494	\$525,978	\$549,531	\$574,203
<b>Lottery Agency – VLT</b>						
	SF	\$340,859	\$0	\$0	\$0	\$0
<b>Lottery Agency</b>						
	SF	\$10,766	\$14,355	\$14,355	\$14,355	\$14,355
<b>Maryland Clean Energy Center</b>						
	NB	\$125,000	\$0	\$0	\$0	\$0
<b>Military Department</b>						
	GF	(\$275,000)	(\$275,000)	(\$275,000)	(\$275,000)	(\$275,000)
<b>Natural Resources</b>						
	GF	\$98,983	\$1,351,264	\$4,049,807	\$6,673,821	\$6,690,781
	SF	(\$58,049,367)	\$4,593	\$8,157	\$10,792	\$16,445
	FF	\$2,143	\$4,593	\$8,157	\$10,792	\$16,445

## Quantifiable Expenditures by Agency (cont'd)

<u>Agency</u>	<u>Fund</u>	<u>FY 2015</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>FY 2018</u>	<u>FY 2019</u>
<b>Northeastern Maryland Additive Manufacturing Innovation Authority</b>						
	SF	\$150,000	\$150,000	\$150,000	\$150,000	\$150,000
<b>Planning</b>						
	GF	\$10,000,000	\$10,000,000	\$10,000,000	\$0	\$0
	SF	\$303,400	\$305,100	\$311,500	\$0	\$0
<b>Public Safety &amp; Correctional Services</b>						
	GF	\$105,617	\$27,085	\$28,381	\$29,741	\$31,168
<b>School Construction</b>						
	BOND	\$4,625,000	\$0	\$0	\$0	\$0
<b>Secretary of State</b>						
	GF	\$5,731	\$13,372	\$17,192	\$21,013	\$22,923
	SF	\$76,026	\$98,179	\$502,708	\$207,449	\$212,413
<b>Transportation</b>						
	SF	\$62,766	\$40,000	\$0	\$0	\$0
<b>Treasurer</b>						
	GF	\$7,594	\$17,618	\$22,478	\$27,338	\$29,768
	SF	\$154,166	\$308,333	\$308,333	\$308,333	\$308,333
<b>University System of Maryland</b>						
	GF	\$191,696	\$177,724	\$180,358	\$183,114	\$186,000
	HE	\$1,069,813	\$5,785,950	\$7,965,756	\$10,430,613	\$15,221,768
	BOND	\$32,000,000	\$0	\$0	\$0	\$0

### Totals by Fund Type/Summary of Quantifiable Expenditure Effects

<u>Fund Type</u>	<u>FY 2015</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>FY 2018</u>	<u>FY 2019</u>
GF	(\$166,323,079) <sup>1</sup>	(\$76,263,877)	(\$7,202,407)	\$51,469,004	\$113,721,452
SF	(\$74,021,653) <sup>2</sup>	\$11,162,794	\$15,562,345	\$18,828,291	\$22,846,253
FF	(\$12,695,487) <sup>3</sup>	\$555,269	\$18,188,358	\$36,405,855	\$55,110,481
BOND	\$37,625,000 <sup>4</sup>	\$2,000,000	\$2,000,000	\$2,000,000	\$2,000,000

<sup>1</sup> \$5,038,549 is not included in the fiscal 2015 budget.

<sup>2</sup> \$9,269,510 is not included in the fiscal 2015 budget.

<sup>3</sup> (\$4,391,508) is not included in the fiscal 2015 budget.

<sup>4</sup> \$0 is not included/anticipated in the fiscal 2015 capital budget.



## Regular Positions Needed by Agency

<u>Agency</u>	<u>Fund</u>	<u>Beginning in FY 2015</u>	<u>Beginning in FY 2016</u>
<b>Assessments &amp; Taxation</b>	GF	0	1.0
	SF	1.0	0
<b>Attorney General's Office</b>	GF	2.5	0
<b>Business &amp; Economic Development</b>	GF	0	1.0
	SF	1.0	1.0
<b>Comptroller</b>	GF	2.0	0
<b>Department of Information Technology</b>	GF	1.0	0
<b>Education</b>	GF	2.0	0
<b>Executive Department</b>	GF	2.0	0
<b>Health &amp; Mental Hygiene</b>	GF	1.0	0
	SF	3.0	0
	GF/SF	0	2.0

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Higher Education Commission	GF	0.8	0	Effect of the 2014 Legislative Program on the Financial Condition of the State
Housing & Community Development	GF	1.0	0	
	SF	1.0	0	
Human Resources	GF/FF	2.0	0	
Labor, Licensing, & Regulation	GF	6.5	0	
New Agency	SF	1.0	0	
Secretary of State	SF	1.0	0	
University System of Maryland	GF	0.5	0	
<hr/>				
Total		29.3	5.0	

## Contractual Positions Needed by Agency

<u>Agency</u>	<u>Fund</u>	<u>Beginning in FY 2015</u>	<u>Beginning in FY 2016</u>
Attorney General's Office	GFC	0	3.0
	GF/SFC	3.0	(3.0)
Education	GFC	1.0	0
Health & Mental Hygiene	SFC	0.5	(0.5)
Labor, Licensing, & Regulation	GFC	2.0	0
Natural Resources	GFC	2.0	0
University System of Maryland	GFC	0.5	0
<b>Total</b>		<b>9.0</b>	<b>(0.5)</b>



## **Chapter Four – Local Government**

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



## **State Aid to Local Governments**

### **Overview**

State aid to local governments will total \$7.0 billion in fiscal 2015, representing a \$174.2 million, or 2.5%, increase from the prior year. Direct aid will increase by \$160.7 million, and State funding for retirement payments will increase by \$13.4 million, reflecting the decision to phase in supplemental payments to reduce unfunded pension liabilities. Local school systems, as in prior years, will receive the largest increase in State funding. Between fiscal 2012 and 2015, State aid to local school systems has increased by \$469.3 million, while funding to county and municipal governments has increased by \$163.0 million. **Exhibit 4.1** compares State aid by governmental entity in fiscal 2014 and 2015. **Exhibit 4.2** shows the annual change in State aid for fiscal 2012 through 2015.

### **Legislative Actions**

The General Assembly approved several measures during the 2014 session that affect State funding for local governments. As shown in **Exhibit 4.3**, State aid to local governments decreases by \$128.7 million from either statutorily mandated amounts or current discretionary funding levels. Direct aid to public schools, community colleges, and county and municipal governments is affected along with State funding for Program Open Space. The overall decrease is driven by a total reduction of \$131.9 million in retirement State aid. These changes are shown for each county in **Exhibit 4.4**.

**Exhibit 4.1**  
**State Aid to Local Governments**  
**Fiscal 2014 and 2015**  
**(\$ in Millions)**

	<u><b>2014</b></u>	<u><b>2015</b></u>	<u><b>Difference</b></u>	<u><b>% Difference</b></u>
Public Schools	\$5,206.5	\$5,334.4	\$127.8	2.5%
Libraries	50.2	50.8	0.6	1.1%
Community Colleges	243.3	257.0	13.8	5.7%
Health	41.7	46.9	5.1	12.3%
County/Municipal	530.2	543.7	13.4	2.5%
<b><i>Subtotal – Direct Aid</i></b>	<b><i>\$6,072.0</i></b>	<b><i>\$6,232.7</i></b>	<b><i>\$160.7</i></b>	<b><i>2.6%</i></b>
Retirement Payments	784.5	797.9	13.4	1.7%
<b>Total</b>	<b>\$6,856.4</b>	<b>\$7,030.6</b>	<b>\$174.2</b>	<b>2.5%</b>

Source: Department of Legislative Services

**Exhibit 4.2**  
**Annual Change in State Aid**  
**Fiscal 2012-2015**  
**(\$ in Millions)**

	<u><b>2012</b></u>	<u><b>2013</b></u>	<u><b>2014</b></u>	<u><b>2015</b></u>	<u><b>Total</b></u>
Public Schools	\$80.5	\$140.0	\$121.0	\$127.8	\$469.3
Libraries	0.1	0.9	0.5	0.6	2.1
Community Colleges	6.0	4.7	8.1	13.8	32.6
Health	1.0	-1.0	4.5	5.1	9.6
County/Municipal	5.2	61.8	82.5	13.4	163.0
<b><i>Subtotal – Direct Aid</i></b>	<b><i>\$92.9</i></b>	<b><i>\$206.5</i></b>	<b><i>\$216.6</i></b>	<b><i>\$160.7</i></b>	<b><i>\$676.7</i></b>
Retirement Payments	-18.1	-72.5	-24.8	13.4	-101.9
<b>Total</b>	<b>\$74.8</b>	<b>\$134.0</b>	<b>\$191.8</b>	<b>\$174.2</b>	<b>\$574.8</b>

Source: Department of Legislative Services

**Exhibit 4.3**  
**State Aid Enhancements and Reductions**  
**Fiscal 2015**  
**(\$ in Millions)**

**Enhanced Public School Funding**

Prekindergarten Expansion Program	\$4.3
School Breakfast Pilot Program	1.7
Foundation Special Grants	0.6
<b><i>Subtotal</i></b>	<b><i>\$6.6</i></b>

**Enhanced County/Municipal Government Funding**

Municipal Transportation Grants ( <i>Continuation of One-time Grants</i> )	\$16.0
Program Open Space – Baltimore City	5.3
State’s Attorney’s Grant – Prince George’s County	0.7
<b><i>Subtotal</i></b>	<b><i>\$22.0</i></b>

<b>Total Enhanced State Funding</b>	<b>\$28.6</b>
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**Reductions**

Retirement Payments	-\$131.9
Early College Innovation	-0.6
Community College Cade Formula	-2.2
Program Open Space*	-22.7

<b>Total Reductions</b>	<b>-\$157.3</b>
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<b>Net Effect on State Funding to Local Governments</b>	<b>-\$128.7</b>
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\* Under the Administration’s budget plan, the reduction is replaced with general obligation bonds in subsequent years.

**Exhibit 4.4**  
**State Aid Enhancements and Reductions**  
**Fiscal 2015**

County	PreK Expansion	School Breakfast	Municipal Transportation	Special Grants	Retirement Payments	Community College Aid	Program Open Space	Total
Allegany	\$0	\$0	\$809,832	\$0	-\$1,545,751	-\$46,960	-\$250,538	-\$1,033,417
Anne Arundel	0	0	698,158	0	-11,181,462	-279,502	-2,666,348	-13,429,154
Baltimore City	0	0	0	5,300,000	-12,106,225	0	-2,391,045	-9,197,270
Baltimore	0	0	0	0	-15,701,020	-375,799	-3,016,287	-19,093,106
Calvert	0	0	198,831	0	-2,555,818	-22,910	-264,225	-2,644,123
Caroline	0	0	286,110	0	-774,271	-13,474	-117,299	-618,935
Carroll	0	0	925,146	0	-3,828,641	-72,179	-598,810	-3,574,485
Cecil	0	0	463,297	0	-2,331,854	-50,290	-308,694	-2,227,542
Charles	0	0	264,130	0	-3,883,931	-77,779	-543,293	-4,240,873
Dorchester	0	0	329,211	0	-645,191	-10,088	-100,095	-426,163
Frederick	0	0	1,764,578	0	-5,801,343	-86,849	-619,332	-4,742,947
Garrett	0	0	262,429	464,103	-621,012	-25,017	-123,348	-42,845
Harford	0	0	775,904	0	-5,406,356	-105,192	-887,199	-5,622,843
Howard	0	0	0	0	-9,942,449	-147,468	-1,572,850	-11,662,767
Kent	0	0	170,016	128,952	-340,999	-4,848	-74,620	-121,498
Montgomery	0	0	2,546,645	0	-26,913,535	-389,411	-3,961,611	-28,717,912
Prince George's	0	0	3,276,302	650,000	-17,306,605	-247,919	-3,408,643	-17,036,865
Queen Anne's	0	0	109,824	0	-1,020,434	-15,639	-159,424	-1,085,672
St. Mary's	0	0	70,845	0	-2,349,673	-25,752	-300,485	-2,605,066
Somerset	0	0	122,127	0	-453,732	-6,402	-72,151	-410,158
Talbot	0	0	437,810	0	-640,953	-14,549	-167,200	-384,893
Washington	0	0	1,051,976	0	-3,147,943	-75,065	-471,790	-2,642,822
Wicomico	0	0	892,293	0	-2,142,687	-43,940	-315,175	-1,609,508
Worcester	0	0	544,537	0	-1,215,828	-18,247	-297,476	-987,015
Unallocated	4,300,000	1,720,000	0	-595,085	0	0	0	5,424,915
<b>Total</b>	<b>\$4,300,000</b>	<b>\$1,720,000</b>	<b>\$16,000,000</b>	<b>\$5,947,970</b>	<b>-\$131,857,712</b>	<b>-\$2,155,280</b>	<b>-\$22,687,940</b>	<b>-\$128,732,962</b>

Note: Special Grants include \$5.3 million under Program Open Space for Baltimore City, \$650,000 under the State's Attorney's grant for Prince George's County, \$593,055 for Foundation Special Grants, and an offsetting \$595,085 reduction to the Early College Innovation Program.

### **Reduction in Retirement Supplemental Contribution**

The Budget Reconciliation and Financing Act (BRFA) of 2014, **Senate Bill 172 (Chapter 464)**, reduces the mandated State retirement supplemental contribution from \$300.0 million to \$100.0 million in fiscal 2014 and 2015 and then increases the contribution by \$50.0 million annually until it reaches \$300.0 million in fiscal 2019 and thereafter, until certain conditions are met. The BRFA of 2014 also requires the State Retirement and Pension System Board of Trustees to perform a study of various aspects of the system's funding and report its results to specified committees of the General Assembly by January 1, 2015. In fiscal 2014, this results in a decrease of \$132.0 million in State aid on behalf of local government employees, including \$124.7 million for teachers' retirement, \$2.0 million for local librarians, and \$5.3 million for community college employees. Similarly, in fiscal 2015, State aid on behalf of local government employees is reduced by \$131.9 million, including \$124.6 million for teachers' retirement, \$2.0 million for local library employees, and \$5.2 million for community college employees.

### **Prekindergarten Expansion Grant Program**

**Senate Bill 332 (Chapter 2)**, the Prekindergarten Expansion Act of 2014, expands prekindergarten services to four-year-old children from families whose income is no more than 300% of the federal poverty guidelines by establishing a competitive grant program to provide funding to qualified public and private prekindergarten providers. The State budget includes \$4.3 million for the grant program in fiscal 2015. At least the same amount must be provided in subsequent years.

### **Changes by Program**

Of the 24 counties in Maryland, 21 will receive increased State aid in fiscal 2015. **Exhibit 4.5** summarizes the distribution of direct aid by governmental unit and shows the estimated State retirement payments for local government employees. **Exhibit 4.6** shows total State aid in fiscal 2014 and 2015 by program.

**Exhibit 4.5**  
**State Aid to Local Governments**  
**Fiscal 2015 Legislative Appropriation**  
**(\$ in Thousands)**

County	County – Municipal	Community Colleges	<i>Direct State Aid</i>				Retirement	Total	Change Over FY 2014	Percent Change
			Public Schools	Libraries	Health	Subtotal				
Allegany	\$13,376	\$6,235	\$76,561	\$744	\$1,175	\$98,091	\$9,504	\$107,595	\$517	0.5%
Anne Arundel	30,690	31,597	330,265	2,101	3,939	398,593	67,586	466,179	4,939	1.1%
Baltimore City	261,545	0	913,427	6,053	8,365	1,189,389	72,437	1,261,826	25,179	2.0%
Baltimore	21,262	42,224	593,702	5,327	5,413	667,928	95,543	763,471	17,397	2.3%
Calvert	3,355	2,587	81,902	385	479	88,709	15,114	103,823	21	0.0%
Caroline	4,461	1,629	48,790	270	668	55,818	4,685	60,503	2,047	3.5%
Carroll	4,964	8,364	133,782	902	1,537	149,549	23,042	172,590	-2,200	-1.3%
Cecil	7,225	6,035	100,798	719	1,008	115,785	13,998	129,783	4,999	4.0%
Charles	3,668	8,782	161,746	920	1,244	176,360	23,567	199,927	3,199	1.6%
Dorchester	4,120	1,220	37,502	252	545	43,639	3,910	47,549	2,183	4.8%
Frederick	7,803	10,005	231,966	1,334	1,889	252,997	35,184	288,182	3,570	1.3%
Garrett	4,116	3,864	20,632	114	553	29,279	3,711	32,990	-588	-1.8%
Harford	6,697	11,556	202,901	1,450	2,171	224,774	32,745	257,520	1,813	0.7%
Howard	7,650	17,103	222,484	838	1,528	249,603	60,772	310,375	4,436	1.5%
Kent	1,096	586	9,626	81	427	11,816	2,037	13,853	-272	-1.9%
Montgomery	28,265	47,428	624,368	2,813	3,825	706,698	165,932	872,630	21,758	2.6%
Prince George's	70,398	27,666	1,001,170	6,759	6,297	1,112,291	101,741	1,214,031	64,398	5.6%
Queen Anne's	1,592	1,891	33,909	138	521	38,051	6,077	44,128	475	1.1%
St. Mary's	2,534	2,907	97,259	612	1,009	104,322	14,091	118,413	3,201	2.8%
Somerset	6,505	739	28,575	268	535	36,622	2,721	39,343	505	1.3%
Talbot	1,940	1,759	13,093	107	409	17,307	3,926	21,233	720	3.5%
Washington	6,809	9,005	165,081	1,172	1,720	183,786	19,259	203,045	6,209	3.2%
Wicomico	13,621	5,070	128,271	943	1,179	149,084	12,997	162,080	6,234	4.0%
Worcester	5,600	2,105	19,591	144	442	27,882	7,318	35,200	486	1.4%
Unallocated	24,399	6,679	56,960	16,323	0	104,360	0	104,360	2,961	2.9%
<b>Total</b>	<b>\$543,692</b>	<b>\$257,033</b>	<b>\$5,334,358</b>	<b>\$50,769</b>	<b>\$46,879</b>	<b>\$6,232,732</b>	<b>\$797,896</b>	<b>\$7,030,628</b>	<b>\$174,188</b>	<b>2.5%</b>

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

**Exhibit 4.5 (Cont.)**  
**State Aid to Local Governments**  
**Fiscal 2014 Working Appropriation**  
**(\$ in Thousands)**

<b>County</b>	<b>County – Municipal</b>	<b>Community Colleges</b>	<i>Direct State Aid</i>				<b>Retirement</b>	<b>Total</b>
			<b>Public Schools</b>	<b>Libraries</b>	<b>Health</b>	<b>Subtotal</b>		
Allegany	\$13,798	\$6,039	\$75,827	\$753	\$1,051	\$97,468	\$9,609	\$107,077
Anne Arundel	34,772	30,516	323,421	2,126	3,507	394,342	66,898	461,240
Baltimore City	243,343	0	907,323	6,035	7,449	1,164,149	72,498	1,236,647
Baltimore	22,957	39,982	578,462	5,250	4,812	651,464	94,609	746,074
Calvert	3,660	2,369	81,318	379	426	88,152	15,650	103,802
Caroline	4,633	1,637	46,708	268	597	53,843	4,614	58,456
Carroll	5,452	7,996	135,995	924	1,371	151,738	23,052	174,790
Cecil	6,732	5,705	96,872	713	899	110,921	13,862	124,784
Charles	4,061	8,050	159,309	895	1,109	173,424	23,304	196,728
Dorchester	4,336	1,345	35,096	249	488	41,513	3,853	45,366
Frederick	8,329	9,822	229,356	1,327	1,685	250,519	34,092	284,612
Garrett	4,391	3,552	21,094	119	495	29,650	3,928	33,578
Harford	7,269	10,763	201,966	1,454	1,936	223,388	32,318	255,706
Howard	8,300	15,837	221,297	821	1,359	247,614	58,324	305,939
Kent	1,297	586	9,752	82	383	12,100	2,026	14,126
Montgomery	29,851	44,178	612,445	2,771	3,388	692,634	158,237	850,871
Prince George's	65,121	25,992	943,608	6,524	5,599	1,046,844	102,789	1,149,633
Queen Anne's	1,819	1,827	33,291	135	465	37,537	6,115	43,652
St. Mary's	2,826	2,673	94,465	601	900	101,465	13,747	115,212
Somerset	6,626	717	27,978	270	479	36,071	2,767	38,838
Talbot	2,079	1,621	12,617	106	365	16,789	3,724	20,513
Washington	6,779	8,431	160,113	1,155	1,536	178,013	18,823	196,837
Wicomico	12,286	4,966	124,285	911	1,053	143,501	12,345	155,846
Worcester	5,432	1,981	19,499	144	393	27,449	7,265	34,714
Unallocated	24,093	6,665	54,444	16,197	0	101,399	0	101,399
<b>Total</b>	<b>\$530,243</b>	<b>\$243,250</b>	<b>\$5,206,542</b>	<b>\$50,211</b>	<b>\$41,743</b>	<b>\$6,071,989</b>	<b>\$784,451</b>	<b>\$6,856,440</b>

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

**Exhibit 4.5 (Cont.)**  
**State Aid to Local Governments**  
**Dollar Difference Between Fiscal 2015 Legislative Appropriation and Fiscal 2014 Working Appropriation**  
**(\$ in Thousands)**

County	County – Municipal	<i>Direct State Aid</i>					Retirement	Total
		Community Colleges	Public Schools	Libraries	Health	Subtotal		
Allegany	-\$422	\$196	\$734	-\$10	\$125	\$622	-\$105	\$517
Anne Arundel	-4,082	1,082	6,844	-25	432	4,251	688	4,939
Baltimore City	18,202	0	6,104	18	916	25,240	-61	25,179
Baltimore	-1,696	2,242	15,240	76	601	16,464	934	17,397
Calvert	-305	217	584	6	54	557	-536	21
Caroline	-171	-8	2,082	2	70	1,975	71	2,047
Carroll	-488	367	-2,213	-22	166	-2,190	-10	-2,200
Cecil	492	330	3,927	6	109	4,864	135	4,999
Charles	-393	731	2,437	26	135	2,936	263	3,199
Dorchester	-215	-125	2,405	3	58	2,126	57	2,183
Frederick	-526	183	2,610	6	205	2,478	1,092	3,570
Garrett	-275	312	-462	-5	58	-371	-217	-588
Harford	-572	793	934	-4	235	1,386	427	1,813
Howard	-650	1,265	1,187	18	170	1,989	2,448	4,436
Kent	-200	0	-126	-2	45	-284	11	-272
Montgomery	-1,587	3,250	11,923	42	436	14,064	7,694	21,758
Prince George's	5,277	1,674	57,562	235	698	65,447	-1,048	64,398
Queen Anne's	-227	63	618	3	56	513	-38	475
St. Mary's	-292	235	2,794	12	108	2,857	344	3,201
Somerset	-121	21	597	-3	56	551	-46	505
Talbot	-139	138	476	0	44	518	201	720
Washington	30	574	4,968	18	184	5,773	436	6,209
Wicomico	1,335	104	3,986	32	126	5,582	652	6,234
Worcester	169	124	92	0	48	433	53	486
Unallocated	306	14	2,515	126	0	2,961	0	2,961
<b>Total</b>	<b>\$13,449</b>	<b>\$13,783</b>	<b>\$127,816</b>	<b>\$559</b>	<b>\$5,135</b>	<b>\$160,743</b>	<b>\$13,445</b>	<b>\$174,188</b>

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

**Exhibit 4.5 (Cont.)**  
**State Aid to Local Governments**  
**Percent Change: Fiscal 2015 Legislative Appropriation and Fiscal 2014 Working Appropriation**

County	County – Municipal	Community Colleges	<i>Direct State Aid</i>				Subtotal	Retirement	Total
			Public Schools	Libraries	Health				
Allegany	-3.1%	3.2%	1.0%	-1.3%	11.8%	0.6%		-1.1%	0.5%
Anne Arundel	-11.7%	3.5%	2.1%	-1.2%	12.3%	1.1%		1.0%	1.1%
Baltimore City	7.5%	n/a	0.7%	0.3%	12.3%	2.2%		-0.1%	2.0%
Baltimore	-7.4%	5.6%	2.6%	1.4%	12.5%	2.5%		1.0%	2.3%
Calvert	-8.3%	9.2%	0.7%	1.7%	12.7%	0.6%		-3.4%	0.0%
Caroline	-3.7%	-0.5%	4.5%	0.9%	11.8%	3.7%		1.5%	3.5%
Carroll	-8.9%	4.6%	-1.6%	-2.4%	12.1%	-1.4%		0.0%	-1.3%
Cecil	7.3%	5.8%	4.1%	0.8%	12.1%	4.4%		1.0%	4.0%
Charles	-9.7%	9.1%	1.5%	2.9%	12.2%	1.7%		1.1%	1.6%
Dorchester	-5.0%	-9.3%	6.9%	1.4%	11.9%	5.1%		1.5%	4.8%
Frederick	-6.3%	1.9%	1.1%	0.5%	12.1%	1.0%		3.2%	1.3%
Garrett	-6.3%	8.8%	-2.2%	-4.0%	11.8%	-1.3%		-5.5%	-1.8%
Harford	-7.9%	7.4%	0.5%	-0.3%	12.1%	0.6%		1.3%	0.7%
Howard	-7.8%	8.0%	0.5%	2.1%	12.5%	0.8%		4.2%	1.5%
Kent	-15.5%	0.0%	-1.3%	-2.0%	11.7%	-2.3%		0.6%	-1.9%
Montgomery	-5.3%	7.4%	1.9%	1.5%	12.9%	2.0%		4.9%	2.6%
Prince George's	8.1%	6.4%	6.1%	3.6%	12.5%	6.3%		-1.0%	5.6%
Queen Anne's	-12.5%	3.5%	1.9%	2.0%	12.0%	1.4%		-0.6%	1.1%
St. Mary's	-10.3%	8.8%	3.0%	1.9%	12.1%	2.8%		2.5%	2.8%
Somerset	-1.8%	3.0%	2.1%	-1.0%	11.8%	1.5%		-1.7%	1.3%
Talbot	-6.7%	8.5%	3.8%	0.2%	12.0%	3.1%		5.4%	3.5%
Washington	0.4%	6.8%	3.1%	1.5%	12.0%	3.2%		2.3%	3.2%
Wicomico	10.9%	2.1%	3.2%	3.5%	12.0%	3.9%		5.3%	4.0%
Worcester	3.1%	6.3%	0.5%	0.1%	12.3%	1.6%		0.7%	1.4%
Unallocated	1.3%	0.2%	4.6%	0.8%	n/a	2.9%		n/a	2.9%
<b>TOTAL</b>	<b>2.5%</b>	<b>5.7%</b>	<b>2.5%</b>	<b>1.1%</b>	<b>12.3%</b>	<b>2.6%</b>		<b>1.7%</b>	<b>2.5%</b>

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

**Exhibit 4.6**  
**Total State Aid to Local Governments**  
**Fiscal 2014-2015**

<b><u>Program</u></b>	<b><u>FY 2014</u></b>	<b><u>FY 2015</u></b>	<b><u>Difference</u></b>
Foundation Aid	\$2,850,478,884	\$2,882,444,199	\$31,965,315
Supplemental Program	46,496,416	46,620,083	123,667
Geographic Cost of Education Index	130,789,740	132,684,798	1,895,058
Net Taxable Income Education Grant	8,325,400	26,860,206	18,534,806
Foundation – Special Grants	0	593,055	593,055
Compensatory Education	1,195,984,922	1,251,675,638	55,690,716
Student Transportation – Regular	229,811,492	234,187,692	4,376,200
Student Transportation – Special Education	24,717,000	24,192,000	-525,000
Special Education – Formula	269,309,239	271,702,888	2,393,649
Special Education – Nonpublic Placements	109,819,450	110,917,897	1,098,447
Special Education – Infants and Toddlers	10,389,104	10,389,104	0
Limited English Proficiency Grants	193,427,735	197,658,807	4,231,072
Guaranteed Tax Base	52,317,464	59,390,154	7,072,690
Aging Schools	8,108,990	6,108,986	-2,000,004
Teacher Development Grants	11,604,000	12,904,000	1,300,000
Adult Education	8,833,620	8,433,620	-400,000
Food Service	9,516,664	11,236,664	1,720,000
Out-of-county Foster Placements	3,843,426	3,881,000	37,574
Head Start	5,900,000	1,800,000	-4,100,000
Prekindergarten Expansion Program	0	4,300,000	4,300,000
SEED School	10,100,000	10,146,460	46,460
Judy Hoyer Centers	10,575,000	10,575,000	0
Other Education Aid	16,193,503	15,656,247	-537,256
<b>Total Primary and Secondary Education</b>	<b>\$5,206,542,049</b>	<b>\$5,334,358,498</b>	<b>\$127,816,449</b>
Library Formula	\$34,014,134	\$34,446,211	\$432,077
Library Network	16,196,779	16,323,271	126,492
<b>Total Libraries</b>	<b>\$50,210,913</b>	<b>\$50,769,482</b>	<b>\$558,569</b>
Community College Formula	\$212,967,179	\$226,110,315	\$13,143,136
Grants for ESOL Programs	5,278,022	5,516,744	238,722
Optional Retirement	14,260,987	14,301,000	40,013
Small College Grants	3,479,435	3,826,335	346,900
Other Community College Aid	7,264,544	7,278,830	14,286
<b>Total Community Colleges</b>	<b>\$243,250,167</b>	<b>\$257,033,224</b>	<b>\$13,783,057</b>

<b><u>Program</u></b>	<b><u>FY 2014</u></b>	<b><u>FY 2015</u></b>	<b><u>Difference</u></b>
Highway User Revenue	\$163,896,192	\$169,686,146	\$5,789,954
Elderly and Handicapped Transportation	4,305,938	4,305,938	0
Paratransit Grants	2,926,702	2,926,702	0
Municipal Transportation Grants	15,379,979	16,000,001	620,022
County Pothole Repair Grants	10,000,000	0	-10,000,000
<b>Total Transportation</b>	<b>\$196,508,811</b>	<b>\$192,918,787</b>	<b>-\$3,590,024</b>
Police Aid	\$67,318,326	\$67,876,377	\$558,051
Fire and Rescue Aid	10,000,000	11,700,001	1,700,001
Vehicle Theft Prevention	1,869,160	1,860,000	-9,160
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 Grants	3,309,195	3,959,195	650,000
Domestic Violence Grants	196,354	196,354	0
War Room/Sex Offender Grants	1,445,313	1,445,313	0
Safe Streets Program	2,830,158	2,830,352	194
School Vehicle Safety Grant	550,000	550,000	0
Body Armor	49,088	49,088	0
<b>Total Public Safety</b>	<b>\$113,898,996</b>	<b>\$116,798,082</b>	<b>\$2,899,086</b>
Program Open Space	\$28,092,000	\$26,446,000	-\$1,646,000
Critical Area Grants	243,900	243,900	0
<b>Total Recreation/Environment</b>	<b>\$28,335,900</b>	<b>\$26,689,900</b>	<b>-\$1,646,000</b>
<b>Local Health Formula</b>	<b>\$41,743,209</b>	<b>\$46,878,532</b>	<b>\$5,135,323</b>
<b>Disparity Grant</b>	<b>\$127,808,075</b>	<b>\$135,797,163</b>	<b>\$7,989,088</b>
Horse Racing Impact Aid	\$73,000	\$73,000	\$0
Payments in Lieu of Taxes	1,123,928	1,123,928	0
Video Lottery Terminal Impact Aid	31,510,627	39,051,403	7,540,776
Instant Bingo	1,078,206	1,019,846	-58,360
Senior Citizens Activities Center	500,000	500,000	0
Statewide Voting Systems	1,746,935	2,061,485	314,550
Teacher Retirement Supplemental Grant	27,658,661	27,658,661	0
<b>Total Other Direct Aid</b>	<b>\$63,691,357</b>	<b>\$71,488,323</b>	<b>\$7,796,966</b>
<b>Total Direct Aid</b>	<b>\$6,071,989,477</b>	<b>\$6,232,731,991</b>	<b>\$160,742,514</b>

<b><u>Program</u></b>	<b><u>FY 2014</u></b>	<b><u>FY 2015</u></b>	<b><u>Difference</u></b>
Retirement – Teachers	\$728,115,712	\$738,575,043	\$10,459,331
Retirement – Libraries	18,273,642	19,028,258	754,616
Retirement – Community Colleges	38,061,149	40,292,675	2,231,526
<b>Total Payments-in-behalf</b>	<b>\$784,450,503</b>	<b>\$797,895,976</b>	<b>\$13,445,473</b>
<b>Total State Assistance</b>	<b>\$6,856,439,980</b>	<b>\$7,030,627,967</b>	<b>\$174,187,987</b>

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 2015 is set at \$6,860. This represents a 0.5% increase over fiscal 2014, consistent with Chapter 397 of 2011, which limits the increase in the per pupil amount for fiscal 2013 through 2015 to the lesser of two inflation rates or 1.0%. The implicit price deflator for local governments increases by 0.5%. The student enrollment count used for the program totals 834,524 students. Enrollment for the formula is based on the September 30, 2013, full-time equivalent student enrollment count. The State provides funding for roughly 50.0% of the program's cost. Less affluent local school systems, as measured by the property tax base and net taxable income, receive relatively more aid per pupil than wealthier school systems. State aid under the foundation program will total \$2.9 billion in fiscal 2015, a \$32.0 million, or 1.1%, increase from the prior year.

In addition, \$46.6 million in supplemental grants will be provided to nine local school systems. The supplemental grants were established during the 2007 special session to guarantee increases of at least 1% in State education aid for all local school systems during the two years, fiscal 2009 and 2010, that inflationary increases for the per pupil foundation amount were eliminated. Supplemental grants continued at fiscal 2010 levels in fiscal 2011, less a \$4.7 million reduction that recaptured overpayments to eight local school systems due to a miscalculation in school system wealth bases in fiscal 2009.

**Net Taxable Income and Special Grants:** Pursuant to Chapter 4 of 2013, State education aid formulas that include a local wealth component are to be calculated twice, once using a net taxable income (NTI) amount for each county based on tax returns filed by September 1 and once using an NTI amount based on tax returns filed by November 1. Each local school system then receives the higher State aid amount resulting from the two calculations. The increase in State aid is phased in over a five-year period, beginning in fiscal 2014. Fiscal 2015 funding provided to 18 counties totals \$26.9 million, an increase of \$18.5 million.

Chapter 425 of 2013 provided that, for fiscal 2014 only, if a county's total direct education aid in the current fiscal year is less than the prior year by more than 1%, the State must provide a grant equal to 25% of the decrease in total direct education aid from the prior fiscal year to the current fiscal year. While this resulted in a calculated grant of \$2.1 million to be shared by Carroll, Garrett, Harford, and Kent counties, funding for this grant was not mandatory and, although the General Assembly restricted funds in the State budget, the Governor did not transfer the funds. The fiscal 2015 State budget includes a negative deficiency to revert the funds to the general fund.

**Senate Bill 534/House Bill 814 (Chapters 515 and 516)** require the State to provide a grant in fiscal 2015 through 2017 to a local board of education if "total direct education aid" in the current fiscal year is less than the prior fiscal year by more than 1% and full-time equivalent enrollment is both less than 5,000 and less than in the prior year. The grant must equal 50% of the decrease in total direct education aid. Grants will total \$593,055 in fiscal 2015, including \$464,103 for Garrett County and \$128,952 for Kent County.

**Geographic Cost of Education Index:** This discretionary formula 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 first provided in fiscal 2009. Under **House Bill 114** and **Senate Bill 726 (both failed)** funding through the program would have become mandatory rather than discretionary. Thirteen local school systems receive a total of \$132.7 million in fiscal 2015 from the GCEI formula.

**Compensatory Education:** The compensatory education program provides additional funding based on the number of economically disadvantaged students. The formula recognizes disparities in local wealth by adjusting the grants per eligible student by local wealth. The formula is calculated based on 97% of the annual per pupil amount used in the foundation program and the number of students eligible for free and reduced-price meals (FRPM). The State share of the formula cost is 50%, with the State paying no less than 40% of formula funding for each local school system. State aid under the compensatory education program will total \$1.3 billion in fiscal 2015, representing a \$55.7 million, or 4.7%, increase over the prior year due to a 4.0% increase in the student enrollment count and a 0.5% increase in per pupil funding. The student enrollment count used for the program totals 360,420.

**Senate Bill 128 (failed)** would have altered the enrollment count used to calculate compensatory aid in fiscal 2016 and 2017 for local boards of education that participate in the U.S. Department of Agriculture Community Eligibility Provision, thus mitigating the potential reduction in the FRPM count and, therefore, compensatory aid for participating counties.

**Special Education:** State aid for special education recognizes the additional costs associated with providing programs for students with disabilities. Most special education students receive services in the public schools; however, if an appropriate program is not available in the public schools, students may be placed in a private school offering more specialized services. The State and local school systems share the costs of these nonpublic placements.

The special education formula is calculated based on 74.0% of the annual per pupil foundation amount and the number of special education students from the prior fiscal year. The State share of the formula cost is 50.0% statewide with a floor of 40.0% for each local school system. The student enrollment count used for the program totals 102,882. State formula funding for public special education programs will total \$271.7 million in fiscal 2015, representing a \$2.4 million, or a 0.9% increase over fiscal 2014. Funding for nonpublic placements totals \$110.9 million in fiscal 2015, an increase of \$1.1 million. 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 30.0% of any expense above that sum. The State pays 70.0% 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 when applicable. 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 2015 State budget includes \$234.2 million for regular transportation services and \$24.2 million for special transportation services. This represents a \$3.9 million, or 1.5%, increase from the prior year.

***Limited English Proficiency:*** The State provides grants based on non- and limited-English proficient (LEP) students using a definition consistent with federal guidelines. The LEP formula is based on 99.0% of the annual per pupil foundation amount, with the State providing funding for 50.0% of the program's cost. State funding for the program will total \$197.7 million in fiscal 2015, representing a \$4.2 million, or 2.2%, increase over the prior year. The number of LEP students totals 56,047 for the 2013-2014 school year.

***Guaranteed Tax Base Program:*** The Bridge to Excellence in Public Schools Act included an add-on grant for jurisdictions with less than 80% of statewide per pupil wealth that contributed more than the minimum required local share under the foundation program in the prior year. The grant is based on local support for education relative to local wealth. The grant cannot exceed 20% of the per pupil foundation amount. Nine local school systems will qualify for grants totaling \$59.4 million in fiscal 2015.

***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. The BRFA of 2011 authorized mandated funding to be provided in the operating or capital budget. State funding for the Aging Schools Program will total \$6.1 million in fiscal 2015. An additional \$42,100 is targeted for school wiring in fiscal 2015.

***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. The programs also provide funding to support childhood educators, and statewide implementation of an early childhood assessment system. The fiscal 2015 State budget includes \$7.6 million for Judy Center grants, \$3.0 million for school readiness and program accreditation, and \$1.8 million for Head Start programs.

***Teacher Development:*** 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 2015 State budget includes \$12.3 million for teacher quality incentives and \$96,000 for the Governor’s Teacher Excellence Award Program, which distributes awards to teachers for outstanding performance. The fiscal 2015 State budget also includes \$600,000 for teacher quality and national board certification grants.

***Food and Nutrition Services:*** In addition to federal funds provided under the School Lunch Act of 1946, the State provides matching funds to support food and nutrition programs for low-income children. The programs provide free and reduced-price breakfasts, lunches, and snacks to public or private nonprofit school students. All public schools in the State are required to provide subsidized or free nutrition programs for eligible students. The fiscal 2015 State budget includes \$11.2 million for food and nutrition services, including a \$1.7 million increase for Maryland Meals for Achievement to provide breakfast to approximately 40,000 additional students.

***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. **House Bill 428 (Chapter 404)** expands eligibility for the program by allowing a child to participate in the program until the beginning of the school year following a child’s fourth birthday. The bill codifies current practice and is therefore not estimated to have an effect on State finances. State funding for infants and toddlers programs will total \$10.4 million in fiscal 2015, the same annual amount that has been provided since fiscal 2009.

***Adult Education:*** The State provides funding for adult education services, including classes on basic skills in reading, writing, and math, or learning to speak and understand the English language. Grants also assist adults to prepare to earn a high school diploma through the general education development tests or the National External Diploma Program. The State budget includes \$8.4 million for adult education programs in fiscal 2015.

***School-based Health Centers:*** The fiscal 2015 State budget includes \$2.6 million for school-based health centers, which provide primary medical care as well as social, mental health, and health education services for students and their families. This amount reflects level funding since fiscal 2012.

***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, beginning in fiscal 2012, general funds are used. Fiscal 2015 funding remains level at \$4.6 million.

***Science and Mathematics Education Initiative:*** This program includes summer sessions for teachers and an equipment incentive fund to strengthen science and math education. The State budget includes \$2.6 million for this initiative in fiscal 2015, an increase of \$100,000.

***Digital Learning Innovation Fund:*** This fund supports competitive grants to local school systems to create digital learning environments such as multimedia assets to students and teachers; differentiated instruction; differentiated assignments and materials for students advancing at different paces; training and support to educators and students; and offering more current information than traditional textbooks on an ongoing basis. Fiscal 2015 funds must be distributed to local education agencies in need of funds to accelerate their transition to digital learning and upgrade their information technology infrastructure to be compatible with and to implement the Partnership for Assessment of Readiness for College and Careers tests online. Fiscal 2015 funding totals \$3.5 million.

***Early College Innovation Fund:*** This fund supports an expansion of early college access programs that provide accelerated pathways for students seeking career and technical education or training in science, technology, engineering, and math disciplines. The Maryland State Department of Education makes competitive grants to partnerships of local school systems and higher education institutions that are formed to create early college high schools and other forms of early college access. Funds are intended as bridge funding to assist in the start-up costs associated with creating new early college programs. Fiscal 2015 funding totals \$1.4 million.

***Lacrosse Opportunities Program:*** The Lacrosse Opportunities Program provides increased opportunities for minority students to participate in lacrosse in their communities. The fiscal 2015 State budget includes \$40,000 for the program.

***Prekindergarten Expansion Program:*** As discussed above, this initiative is funded at \$4.3 million in fiscal 2015 and must receive at least as much funding in subsequent years.

***Teachers' Retirement Payments:*** The BRFA of 2011 reduced costs for teachers' retirement in fiscal 2012 through the restructuring of the State's pension system. It also required local boards of education to pay a share of the administrative costs for the State Retirement Agency. The BRFA of 2012 (Chapter 1 of the first special session of 2012) phased in school board payments of the annual normal cost over four years (with increased county maintenance of effort (MOE) requirements equal to the required payments). After fiscal 2016, each school board is responsible for paying the actual normal costs associated with its employees. As discussed above, the BRFA of 2014, **Chapter 464** reduces the mandated State retirement supplemental contribution and, therefore, State retirement aid on behalf of local government employees, including teachers. Fiscal 2014 funding totals \$728.1 million, a decrease of \$27.3 million

compared to fiscal 2013; fiscal 2015 funding totals \$738.6 million, an increase of \$10.5 million over fiscal 2014.

### **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. 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 per-resident amount was set at \$14 for fiscal 2012 through 2016, phasing up to \$15 by fiscal 2019 and in subsequent years. Under **Senate Bill 430 (Chapter 500)**, per-resident funding increases to \$15 in fiscal 2016 and phases up to \$16.70 per resident by fiscal 2019. Fiscal 2015 funding totals \$34.4 million.

**State Library Network:** The State provides funds to libraries designated as resource centers including the State Library Resource Center in Baltimore City, the Eastern Resource Center in Salisbury, the Southern Resource Center in Charlotte Hall, and the Western Resource Center in Hagerstown. The BRFA of 2011 (Chapter 397) set State Library Resource Center funding at \$1.67 per resident for fiscal 2012 through 2016, before a phase in to \$1.85 in fiscal 2019 and in subsequent years. The BRFA of 2011 also set funding for regional resource centers at \$6.75 per resident of each region for fiscal 2012 through 2016, before phasing up to \$7.50 per resident in fiscal 2019 and in subsequent years. However, under **Chapter 500** per-resident funding for regional resource centers increases to \$7.50 in fiscal 2016 and phases up to \$8.75 per resident by fiscal 2019. Fiscal 2015 funding totals \$16.3 million.

**Retirement Payments:** As discussed above, the BRFA of 2014, **Chapter 464** reduces the mandated State retirement supplemental contribution and therefore State retirement aid on behalf of local government employees, including local library employees. Fiscal 2014 funding totals \$18.3 million, an increase of \$1.6 million compared to fiscal 2013. Fiscal 2015 funding totals \$19.0 million, an increase of \$754,600 over fiscal 2014.

### **Community Colleges**

**Senator John A. Cade Formula Funding:** The Cade funding formula aid is based on a percentage of the current year's State aid to selected four-year public higher education institutions and the total number of full-time equivalent students at the community colleges. The total is then distributed to each college based on the previous year's direct grant, enrollment, and a small-size factor. Chapter 333 of 2006 phased in a 5 percentage point increase in the formula over five years, ending in fiscal 2013. State fiscal difficulties have delayed the formula enhancement, and full funding is currently expected in fiscal 2023. The BRFA of 2014, **Chapter 464** alters the factor of the formula related to four-year institutions by increasing the percentage used in each of fiscal 2016 through 2019. It is estimated that this change will increase community college State aid by \$12.0 million in fiscal 2016. The Governor's proposed budget included a \$4.6 million contingent reduction to Cade formula funding in fiscal 2015, or 2.0%; instead, the General Assembly reduced funding by \$2.2 million, or 0.9%, compared to the

preexisting statutory level for fiscal 2015. Cade formula funding totals \$226.1 million in fiscal 2015.

***Special Programs:*** State funding in fiscal 2015 will total \$3.8 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 \$6.7 million. The English as a Second Language program will receive \$5.5 million.

***Retirement Payments:*** The State helps to fund the retirement plans of community college faculty. The State pays for the employee benefits while, effective in fiscal 2012 community colleges pay for the administrative costs of the State Retirement Agency. As discussed above, the BRFA of 2014, **Chapter 464** reduces the mandated State retirement supplemental contribution and therefore State retirement aid on behalf of local government employees, including community college employees. Fiscal 2014 funding totals \$38.1 million, an increase of \$889,100 compared to fiscal 2013; fiscal 2015 funding totals \$40.3 million, an increase of \$2.2 million over fiscal 2014. In addition, State funding for the optional retirement program will total \$14.3 million in fiscal 2015.

### **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 in August 2009. The BRFA of 2010 maintained the base appropriation for the targeted local health formula for fiscal 2011 and 2012 at \$37.3 million and provided for increases to the program in fiscal 2013. The formula adjustment combines an inflation factor with a population growth factor. The BRFA of 2014, **Chapter 464**, clarifies that the local health funding formula inflationary adjustments are made to the prior year's formula allocation (consistent with practice) rather than to the \$37.3 million base funding level. The fiscal 2015 budget includes \$46.9 million, or \$5.1 million above the prior year amount.

### **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. In fiscal 2015, \$136.1 million (7.7%) is distributed to Baltimore City; \$26.5 million (1.5%) is distributed to counties; and \$7.1 million (0.4%) is distributed to municipalities, for a total of \$169.7 million. This represents an increase of \$5.8 million, or 3.5%, from the prior year. Allocations to counties and municipalities are based on the percentage of road miles and vehicle registrations within each local jurisdiction.

***Other Transportation Aid:*** The BRFA of 2013 (Chapter 425) included \$15.4 million in fiscal 2014 to fund transportation grants to municipal governments. Grants are allocated in a manner consistent with the HUR formula. The fiscal 2015 State budget funds the municipal

transportation grants for a second year at \$16.0 million. State funding for elderly/disabled transportation grants will total \$4.3 million in fiscal 2015, while State funding for paratransit grants will total \$2.9 million. The supplemental budget includes \$10.0 million in grant funding to counties in fiscal 2014 only for the purpose of pothole repairs; funding is distributed on the basis of county road miles.

***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 laboratory costs relating to evidence-testing services from each county’s formula allocation. Fiscal 2015 funding totals \$67.9 million.

***Targeted Public Safety Grants:*** State funding for targeted public safety grants will total \$14.2 million in fiscal 2015. These grants include violent crime grants for Baltimore City and Prince George’s County, police foot patrol and community policing grants for Baltimore City, a drug enforcement grant for Prince George’s County, S.T.O.P. gun violence grants, school bus traffic enforcement grants, domestic violence grants, law enforcement and correctional officers training grants, Baltimore City war room, sex offender and compliance enforcement, and the body armor grants. Also, \$2.5 million is provided in fiscal 2015 to the Baltimore City State’s Attorney Office to assist in the prosecution of gun offenses and repeat violent offenders, and \$1.5 million will be provided to support the Community Prosecution, Special Investigations, and Collateral Offender Units of the Prince George’s County State’s Attorney Office. Also, Safe Streets program funding totals \$2.8 million.

***Vehicle Theft Prevention Program:*** This program provides grants to law enforcement agencies, prosecutors’ offices, local governments, and community organizations for vehicle theft prevention, deterrence, and educational programs. Funds are used to enhance the prosecution and adjudication of vehicle theft crimes. Funding for the program is provided through the Vehicle Theft Prevention Fund, a nonlapsing dedicated fund that receives up to \$2.0 million a year from penalties collected for lapsed or terminated insurance coverage. Additional funds are received from inspection fees collected for salvaged vehicle verification. State funding for this program will total \$1.9 million in fiscal 2015.

***Fire, Rescue, and Ambulance Services:*** The State provides formula grants through the Senator William H. Amoss Fire, Rescue, and Ambulance Fund to the counties, Baltimore City, and qualifying municipalities for local and volunteer fire, rescue, and ambulance services. The program supports the purchase of fire and rescue equipment and capital building improvements and is funded through the Maryland Emergency Medical System Operations Fund (MEMSOF). Chapter 429 of 2013 increased the annual vehicle registration fee surcharge from \$13.50 to \$17.00, with the additional fees credited to MEMSOF. Revenues from the surcharge increase will in part be used to support increased appropriations to the Amoss Fund. The legislation specifies that the annual appropriation to the fund will be \$11.7 million in fiscal 2015, \$13.3 million in fiscal 2016, and \$15.0 million in fiscal 2017. **House Bill 365 (Chapter 225)**

alters the distribution of, and permissible uses of, Amoss funds, alters MOE provisions, and establishes certain waivers from MOE provisions.

**9-1-1 Emergency Systems Grants:** 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 2015.

**Program Open Space:** Program Open Space (POS) was established in 1969 to expedite the acquisition of outdoor recreation and open space, before property cost and development made it impossible, and to accelerate the development of outdoor recreation facilities. In fiscal 2015, a total of \$22.7 million is transferred from the POS local share. Under the Administration's budget plan, all of these local funds will be replaced with general obligation bonds in subsequent years. Funding in fiscal 2015 totals \$18.6 million. In addition, Baltimore City will receive \$1.5 million in special POS funding, and the capital budget includes \$6.0 million in POS funding for the city's Gwynn Falls/Leakin Park Urban Children in Nature Campus Project as well as \$300,000 in POS funding for the Royal Theater and Community Heritage Corporation for the acquisition, clearance, and site preparation of land and the design of athletic and open spaces.

**Horse Racing Impact Aid:** Horse racing impact aid consists of grants to counties and municipalities that contain or are located close to thoroughbred tracks. Grant funding is derived in part from the collection of the tax on horse race wagering. The amounts granted to each jurisdiction are mandated by statute and are largely based on the number of racing days held each year. In the past few years, revenues have been insufficient to fulfill the expected allocation to each jurisdiction and to the other mandated uses. The BRFA of 2013 requires the Comptroller, in any fiscal year that revenues to the horse racing special fund are not sufficient to fully fund local impact aid, to proportionately reduce the amount of grants required to be paid. Fiscal 2015 funding totals \$73,000.

**Video Lottery Terminal Local Impact Grants:** From the proceeds generated by video lottery terminals (VLT) at video lottery facilities in the State, 5.5% is distributed to local governments in which a video lottery facility is operating. Of this amount, 18.0% would go for 20 years (starting in fiscal 2012 and ending in fiscal 2032) to Baltimore City through the Pimlico Community Development Authority and to Prince George's County for the community surrounding Rosecroft (\$1.0 million annually), except that the 18.0% dedication does not apply to facilities located in Allegany, Cecil, and Worcester counties upon issuance of the Baltimore City license. Furthermore, under the BRFA of 2014, **Chapter 464**, for fiscal 2015 through 2019, \$500,000 of the 18.0% dedication is distributed to communities within three miles of Laurel Race Course, resulting in \$89,300 for Howard County and an additional \$357,100 for Anne Arundel County and \$53,600 for Laurel in each of these five fiscal years. Upon issuance of a Prince George's County license, 5.0% of table game revenues will be distributed to local jurisdictions where a video lottery facility is located. VLT local impact grants total \$39.1 million in fiscal 2015, an increase of \$7.5 million, or 23.9%.

***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 75.0% 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 75.0% 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. The BRFA of 2013 modified the formula to add a minimum grant amount based on local tax effort of eligible counties and raises from 2.4 to 2.6% the local income tax rate required to be eligible to receive a grant. Disparity grant funding totals \$135.8 million in fiscal 2015.

***Teacher Retirement Supplemental Grants:*** The BRFA of 2012 established this grant program, beginning in fiscal 2013. Grants totaling \$27.7 million are distributed annually (including fiscal 2015) to nine counties (including Baltimore City) to help offset the impact of sharing teachers' retirement costs with the counties.

<b>Summary of State Mandates</b>	
Community Colleges	1
Finances and Taxes	1
Indigent Legal Representation	1
M-NCPPC	1
Personnel	1
Public Safety/Law Enforcement	2
Public Schools	4
Workers' Compensation	1
<b>Total</b>	<b>12</b>

\***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>
<b>Legislation Affecting All/Multiple Local Jurisdictions</b>			
SB 50	Crimes – Use of Personal Identifying Information or the Identity of Another – Sexual Crimes (Ch. 119)	Minimal fine revenues.	No
SB 106	Recordation and Transfer Taxes – Transfer of Property Between Business Entities – Reorganizations – Exemption (Ch. 129)	Minimal decrease in local recordation tax revenues.	No
SB 172	Budget Reconciliation and Financing Act of 2014 (Ch. 464)	<p>Direct State aid for community colleges increases by a total of \$58.8 million from FY 2016 through 2019.</p> <p>Potential reduction in interest paid on specified income tax returns by a total of \$38.4 million beginning in FY 2015, thereby increasing local income tax revenues.</p> <p>A total of \$22.7 million in Program Open Space local share is transferred to the State general fund in FY 2015, but is planned to be replaced with general obligation bonds in FY 2016 through 2018.</p> <p>Local impact aid grants increase for three jurisdictions by a total of \$500,000 annually from FY 2015 through 2019, with corresponding decreases for Baltimore City.</p> <p>Chesapeake and Atlantic Coastal Bays 2010 Trust Fund revenues may decrease by up to \$16.6 million in FY 2015 or subsequent years.</p>	No
SB 206/HB 175	Criminal Law – Contraband – Telecommunication Devices and Accessories – Penalty (Ch. 144/Ch. 145)	Potential minimal fine revenues.	No
SB 218	Creation of a State Debt – Qualified Zone Academy Bonds (Ch. 475)	Revenues for public school renovation and repair increase by a maximum of \$4.6 million in FY 2015.	No

## Legislation Affecting Local Government Revenues

<u>Bill #</u>	<u>Title</u>	<u>Comment</u>	<u>Mandate</u>
SB 221	Farm Area Motor Vehicles – Registration and Authorized Use (Ch. 146)	Minimal decrease in local highway user revenues between FY 2015 and 2019.	No
SB 332	Prekindergarten Expansion Act of 2014 (Ch. 2)	Potential State grant revenues.	No
SB 348/HB 1212	Use of Text Messaging Device or Handheld Telephone While Driving – Accidents Resulting in Death or Serious Injury – Penalties (Ch. 260/Ch. 248)	Potential significant fine revenues.	No
SB 350	Speed Monitoring Systems Reform Act of 2014 (Ch. 490)	Significant decrease in fine revenues beginning in FY 2014.	Yes
SB 364	Criminal Law – Possession of Marijuana – Civil Offense (Ch. 158)	Minimal decrease in fine revenues.	No
SB 401/HB 947	Public Safety – Building Codes – Balcony Railing Inspections (Jonathan’s Law) (Ch. 494/Ch. 495)	Potential fee revenues.	No
SB 430	Libraries – Regional Resource Centers and County Public Libraries – Funding (Ch. 500)	State library aid increases by \$3.2 million in FY 2016 and by \$5.6 million in FY 2019.	No
SB 460	Criminal Law – Person in a Position of Authority – Sexual Offenses With a Minor (Ch. 170)	Minimal fine revenues.	No
SB 486	Income Tax Credit – Endow Maryland (Ch. 511)	Local highway user revenues decrease minimally beginning in FY 2016. Income tax revenues increase by approximately \$6,200 annually beginning in FY 2016 due to add-back provision.	No
SB 534/HB 814	Education – State Grant to Counties With Small and Declining Student Enrollment (Ch. 515/Ch. 516)	State education aid in FY 2015 increases by \$464,100 for Garrett County and by \$129,000 for Kent County.	No

## Legislation Affecting Local Government Revenues

<b><u>Bill #</u></b>	<b><u>Title</u></b>	<b><u>Comment</u></b>	<b><u>Mandate</u></b>
SB 546/HB 208	Alcoholic Beverages – Refillable Containers – Permits and Labels (Ch. 517/Ch. 518)	Minimal permit fee revenues for Baltimore, Carroll, Harford, Prince George’s, and St. Mary’s counties.	No
SB 570	Income Tax Credit – Qualified Research and Development Expenses – Credit Amounts (Ch. 525)	Local highway user revenues decrease by \$8,000 in FY 2015, by \$11,000 in FY 2016, and by \$13,000 annually thereafter.	No
SB 572/HB 227	Homestead Tax Credit – Eligibility – Definition of Legal Interest (Ch. 526/Ch. 527)	Decrease in property tax revenues.	No
SB 596/HB 923	Income Tax Subtraction Modification – Mortgage Forgiveness Debt Relief – Extension (Ch. 528/Ch. 529)	Local income tax revenues decrease by \$4.3 million annually through FY 2016.	No
SB 600/HB 742	Regional Institution Strategic Enterprise Zone Program (Ch. 530/Ch. 531)	Property tax revenues decrease and bond revenues potentially increase in participating jurisdictions. Local highway user revenues decrease beginning in FY 2016.	No
SB 605	Property Tax Credit – Commercial Structures – Rehabilitation (Ch. 538)	Potential significant decrease in property tax revenues.	No
SB 630/HB 264	Income Tax – Subtraction Modification – Student Loan Debt (Ch. 320/Ch. 321)	Local income tax revenues decrease by \$315,800 annually.	No
SB 659	Crimes Relating to Animals – Surgery on Dogs – Penalties (Ch. 185)	Minimal fine revenues.	No
SB 660/HB 667	Crimes Relating to Animals – Unauthorized Surgical Devocalization of Cat or Dog – Penalties (Ch. 186/Ch. 187)	Minimal fine revenues.	No
SB 781	Environment – Recycling – Special Events (Ch. 338)	Potential minimal revenues from civil penalties and sales of recyclable material. Potential minimal decrease in fee revenues.	No

## Legislation Affecting Local Government Revenues

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<u>Bill #</u>	<u>Title</u>	<u>Comment</u>	<u>Mandate</u>
SB 908/HB 1345	Electric Vehicles and Recharging Equipment – Rebates and Tax Credits (Ch. 359/Ch. 360)	Local highway user revenues decrease by \$49,300 annually through FY 2017.	No
SB 1040	Maryland Community Health Resources Commission – Sunset Extension (Ch. 368)	Potential grant revenues continue to be available.	No
SB 1054	Economic Development – Arts and Entertainment Districts – Qualifying Residing Artists (Ch. 576)	Minimal decrease in local income tax revenues.	No
SB 1070/HB 1228	Income Tax – Subtraction Modification – Volunteer Fire, Rescue, and Emergency Medical Services Members (Ch. 371/Ch. 372)	Local income tax revenues decrease by \$98,000 in FY 2015, by \$196,000 in FY 2016, by \$294,000 in FY 2017, by \$392,000 in FY 2018, and by \$489,000 in FY 2019.	No
HB 11	Environment – Bay Restoration Fund – Authorized Uses (Ch. 80)	Potential grant revenues.	No
HB 12	Bay Restoration Fund – Authorized Uses – Local Entities (Ch. 379)	Cost recovery grant revenues increase in most counties; minimal decrease in grant revenues for other counties.	No
HB 43	Criminal Law – Harassment – Revenge Porn (Ch. 583)	Minimal fine revenues.	No
HB 175/SB 206	See entry for SB 206.		No
HB 208/SB 546	See entry for SB 546.		No
HB 223	Property Tax Credit – Urban Agricultural Property – Applicability (Ch. 390)	Property tax revenues decrease.	No
HB 227/SB 572	See entry for SB 572.		No
HB 264/SB 630	See entry for SB 630.		No

## Legislation Affecting Local Government Revenues

<b><u>Bill #</u></b>	<b><u>Title</u></b>	<b><u>Comment</u></b>	<b><u>Mandate</u></b>
HB 296	Natural Resources – Wildlands – Designation of New Wildlands (Ch. 465)	Potential increase or decrease in timber harvest revenues.	No
HB 365	Public Safety – Fire, Rescue, and Ambulance Funds – Distribution (Ch. 225)	Potential minimal redistribution of State aid.	No
HB 482	Higher Education – Unaccompanied Homeless Youth – Tuition Exemption (Ch. 600)	Potential significant decrease in community college tuition revenues.	Yes
HB 510	Sustainable Communities Tax Credit Program – Extension and Alteration (Ch. 601)	Potential decrease in local highway user revenues beginning in FY 2016.	No
HB 579	Commissioner of Labor and Industry – Authority – Enforcement of Local Minimum Wage Laws (Ch. 411)	Civil penalty revenues decrease between \$87,500 and \$125,000 annually.	No
HB 667/SB 660	See entry for SB 660.		No
HB 697	Crimes – Threat of Mass Violence (Ch. 236)	Minimal fine revenues.	No
HB 699	Income Tax – Subtraction Modification – Unreimbursed Expenses of Foster Parents (Ch. 419)	Local income tax revenues decrease by \$162,000 in FY 2015 and by a minimum of \$164,000 annually thereafter.	No
HB 714	Criminal Law – Identity Fraud – Prohibitions (Ch. 237)	Minimal fine revenues.	No
HB 742/SB 600	See entry for SB 600.		No
HB 772	Local Government Investments – Self-Insurance Funds and Trust Fund Accounts of Political Subdivisions (Ch. 423)	Potential minimal impact on investment revenues.	No
HB 814/SB 534	See entry for SB 534.		No

## Legislation Affecting Local Government Revenues

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<u>Bill #</u>	<u>Title</u>	<u>Comment</u>	<u>Mandate</u>
HB 863	Property Tax – Exemption – Community-Managed Open Space (Ch. 618)	Potential minimal decrease in property tax revenues.	No
HB 923/SB 596	See entry for SB 596.		No
HB 937	Wastewater Treatment Facilities – Distribution of Financial Assistance (Ch. 432)	Potential redistribution of financial assistance to local governments.	No
HB 947/SB 401	See entry for SB 401.		No
HB 950	Property Tax – Charitable, Educational, or Religious Properties – Tax on Formerly Exempt Property (Ch. 433)	Property tax revenues.	No
HB 973	Washington Suburban Sanitary Commission – Commission Infractions – Watershed Regulations PG/MC 102-14 (Ch. 628)	Minimal WSSC fine revenues.	No
HB 1212/SB 348	See entry for SB 348.		No
HB 1228/SB 1070	See entry for SB 1070.		No
HB 1345/SB 908	See entry for SB 908.		No
HB 1506	Wicomico County – Northeast Maryland Waste Disposal Authority (Ch. 459)	Potential authority revenues of \$100,000. Potential additional revenue impact for future projects.	No

*Effect of the 2014 Legislative Program on the Financial Condition of the State*

## Legislation Affecting Local Government Revenues

<u>Bill #</u>	<u>Title</u>	<u>Comment</u>	<u>Mandate</u>
<b>Legislation Affecting Local Governments by Subdivision</b>			
<i><b>Anne Arundel County</b></i>			
SB 1015	Anne Arundel County – Alcoholic Beverages – Tasting Licenses (Ch. 367)	License fee revenues increase by a minimum of \$10,300 annually.	No
<i><b>Baltimore City</b></i>			
SB 141	Baltimore City – Tax Sales – Nonpayment of Environmental Citations (Ch. 471)	Potential significant revenues from additional tax sales.	No
SB 267/HB 314	Baltimore City – Property Tax Credit – Newly Constructed Dwellings (Ch. 478/Ch. 479)	Property tax revenues continue to decrease by approximately \$3.5 million annually through FY 2019.	No
SB 846/HB 831	Baltimore City – Alcoholic Beverages Act of 2014 (Ch. 346/Ch. 347)	Potential minimal increase or decrease in license fee and/or fine revenues depending on the board's practices.	No
SB 1103	Baltimore City – Alcoholic Beverages – Class C Licenses (Ch. 210)	Minimal license fee revenues.	No
HB 313	Maryland Income Tax Refund – Baltimore City – Warrants (Ch. 594)	Local income tax revenues increase by \$101,600 in FY 2015, by \$74,900 in FY 2016, and by \$24,500 annually thereafter through FY 2019.	No
HB 314/SB 267	See entry for SB 267.		No
HB 831/SB 846	See entry for SB 846.		No
HB 920	Baltimore City Residential Retention Act (Ch. 623)	Property tax revenues decrease by up to \$3.0 million annually through FY 2019.	Yes

## Legislation Affecting Local Government Revenues

<u>Bill #</u>	<u>Title</u>	<u>Comment</u>	<u>Mandate</u>
<b><i>Calvert County</i></b>			
SB 168	Calvert County – Public Facilities Bonds (Ch. 43)	Bond revenue proceeds increase by a maximum of \$12.65 million.	No
SB 341/HB 1079	Calvert County – Alcoholic Beverages – Refillable Container Permit (Ch. 486/Ch. 487)	Minimal permit fee revenues.	No
SB 548	Calvert County – Alcoholic Beverages – Special Event (Festival) Beer, Wine and Liquor Permit (Ch. 521)	Minimal permit fee revenues.	No
HB 1079/SB 341	See entry for SB 341.		No
<b><i>Carroll County</i></b>			
SB 40	Courts and Judicial Proceedings – Circuit Court for Carroll County – Fees for Appearance of Counsel (Ch. 8)	Fee revenues increase by \$21,500 in FY 2015 and by \$28,700 annually thereafter.	No
SB 555	Carroll County – Public Facilities Bonds (Ch. 63)	Bond revenue proceeds increase by a maximum of \$20.0 million.	No
SB 560/HB 156	Carroll County – Alcoholic Beverages – License Fees (Ch. 523/Ch. 524)	License fee revenues increase by \$8,700 annually through FY 2017 and by \$14,800 annually thereafter.	No
HB 156/SB 560	See entry for SB 560.		No
<b><i>Charles County</i></b>			
HB 248	Charles County – Alcoholic Beverages – Beer, Wine and Liquor Licenses (Ch. 219)	License fee revenues increase by approximately \$8,800 annually.	No
HB 932	Charles County – Property Tax Credit – Senior Citizens Receiving Social Security Benefits (Ch. 431)	Potential significant decrease in property tax revenues.	No

## Legislation Affecting Local Government Revenues

<u>Bill #</u>	<u>Title</u>	<u>Comment</u>	<u>Mandate</u>
<b><i>Frederick County</i></b>			
SB 613/HB 323	Frederick County – Hotel Rental Tax – Transient Charge (Ch. 311/Ch. 312)	Hotel rental tax revenues increase by approximately \$140,000 annually.	No
SB 618	Frederick County – Alcoholic Beverages – Country Inn Licenses (Ch. 313)	Minimal license fee revenues.	No
HB 321	Frederick County – Property Tax – Exemption for Property Owned by Affordable Housing Land Trust (Ch. 595)	Potential minimal decrease in property tax revenues.	No
HB 323/SB 613	See entry for SB 613.		No
HB 433	Frederick County – Alcoholic Beverages Act of 2014 (Ch. 405)	Minimal license fee revenues.	No
<b><i>Garrett County</i></b>			
HB 690	Garrett County – Alcoholic Beverages – Sunday Sales for Off-Premises Consumption (Ch. 418)	Potential minimal license fee revenues.	No
HB 1097	Garrett County – Alcoholic Beverages – Sunday Sales for On-Premises Consumption (Ch. 445)	Potential minimal license fee revenues.	No
<b><i>Kent County</i></b>			
SB 49	Kent County – Alcoholic Beverages Act of 2014 (Ch. 266)	Minimal license fee revenues.	No

## Legislation Affecting Local Government Revenues

<u>Bill #</u>	<u>Title</u>	<u>Comment</u>	<u>Mandate</u>
<b><i>Montgomery County</i></b>			
SB 310	Montgomery County – Micro-Brewery Licenses and Class D Beer and Light Wine Licenses (Ch. 55)	Minimal license fee revenues.	No
SB 459	Montgomery County – Alcoholic Beverages – Class B Beer, Wine and Liquor (Clubhouse/Lodge) License (Ch. 504)	Minimal license fee revenues.	No
SB 657	Montgomery County – Alcoholic Beverages – Beer, Wine and Liquor Licenses (Ch. 324)	Minimal license fee revenues.	No
HB 135	Montgomery County – Town of Kensington – Alcoholic Beverages – Special B-K Licenses MC 15-14 (Ch. 385)	License fee revenues increase by \$3,000 in FY 2015 and by \$2,500 annually thereafter.	No
HB 136	Alcoholic Beverages – Montgomery County – Beer Festivals MC 11-14 (Ch. 386)	Minimal license fee revenues.	No
HB 137	Montgomery County – Alcoholic Beverages – Beauty Salon License MC 9-14 (Ch. 387)	Minimal license fee revenues.	No
HB 144	Montgomery County – Alcoholic Beverages – Class B Beer, Wine and Liquor Licenses MC 12-14 (Ch. 586)	Minimal license fee revenues.	No
HB 146	Montgomery County – Alcoholic Beverages – Special BWL Community Performing Arts Facility License MC 7-14 (Ch. 388)	Minimal license fee revenues.	No

## Legislation Affecting Local Government Revenues

<u>Bill #</u>	<u>Title</u>	<u>Comment</u>	<u>Mandate</u>
<b><i>Prince George's County</i></b>			
HB 1048	Prince George's County – School Facilities Surcharge Exemption – Capitol College Student Housing and Residential Revitalization Projects PG 408-14 (Ch. 637)	Potential significant decrease in school facilities surcharge revenues.	Yes
<b><i>St. Mary's County</i></b>			
HB 1530	St. Mary's County Metropolitan Commission – Unpaid Charges (Ch. 254)	Potential decrease in commission revenues.	No
HB 1531	St. Mary's County Metropolitan Commission – Water and Sewer Service Charges – Volunteer Fire Departments and Rescue Squads – Exemption (Ch. 255)	Minimal decrease in commission revenues.	No
<b><i>Somerset County</i></b>			
SB 250	Somerset County – Alcoholic Beverages – Micro-Brewery Licenses (Ch. 286)	Minimal license fee revenues.	No
<b><i>Talbot County</i></b>			
HB 58	Talbot County – Chesapeake Bay Critical Area – Prosecution or Civil Suit for Certain Violations (Ch. 380)	Minimal fine and penalty revenues.	No
<b><i>Washington County</i></b>			
SB 692	Washington County – Alcoholic Beverages – Restaurant Seating Capacity and License Quota (Ch. 327)	Minimal license fee revenues.	No

## Legislation Affecting Local Government Revenues

<u>Bill #</u>	<u>Title</u>	<u>Comment</u>	<u>Mandate</u>
HB 217	Maryland Income Tax Refund – Washington County – Warrants (Ch. 590)	Local income tax revenues increase by \$18,200 in FY 2015, by \$13,300 in FY 2016, and by \$3,800 annually thereafter through FY 2019.	No
<i><b>Worcester County</b></i>			
SB 1079	Worcester County – Alcoholic Beverages Licenses (Ch. 373)	Minimal license fee revenues.	No

## Legislation Affecting Local Government Expenditures

<u>Bill #</u>	<u>Title</u>	<u>Comment</u>	<u>Mandate</u>
<b>Legislation Affecting All/Multiple Local Jurisdictions</b>			
SB 123	Major Information Technology Development Project Fund – Revenue Sources and Authorized Expenditures (Ch. 137)	Potential minimal decrease in subscriber fees.	No
SB 172	Budget Reconciliation and Financing Act of 2014 (Ch. 464)	Potential significant attorney compensation expenditures in FY 2015.	Yes
SB 186/HB 202	Clean Energy Loan Programs – Private Lenders – Collection of Loan Payments (Ch. 472/Ch. 473)	Potential program costs.	No
SB 206/HB 175	Criminal Law – Contraband – Telecommunication Devices and Accessories – Penalty (Ch. 144/Ch. 145)	Minimal decrease in incarceration costs.	No
SB 232/HB 727	Procurement – Prevailing Wage – Applicability (Ch. 281/Ch. 282)	Potential significant school construction costs in certain counties.	Yes
SB 247/HB 73	Civil Actions – Personal Injury or Death Caused by Dog – Rebuttable Presumption (Ch. 48/Ch. 49)	Potential decrease in animal shelter and control costs. Potential minimal decrease in expenditures relating to liability claims.	No
SB 332	Prekindergarten Expansion Act of 2014 (Ch. 2)	Potential school system costs are likely covered by State grant revenues.	No
SB 348/HB 1212	Use of Text Messaging Device or Handheld Telephone While Driving – Accidents Resulting in Death or Serious Injury – Penalties (Ch. 260/Ch. 248)	Minimal incarceration costs.	No
SB 350	Speed Monitoring Systems Reform Act of 2014 (Ch. 490)	Potential significant program costs.	Yes
SB 364	Criminal Law – Possession of Marijuana – Civil Offense (Ch. 158)	Significant decrease in incarceration costs. Potential minimal local health department expenditures.	No

## Legislation Affecting Local Government Expenditures

<u>Bill #</u>	<u>Title</u>	<u>Comment</u>	<u>Mandate</u>
SB 390	Criminal Law – Illegal Dumping and Litter Control Law – Driver’s License – Points (Ch. 493)	Potential significant decrease in litter removal costs.	No
SB 391/HB 228	Estates and Trusts – Registers of Wills – Records (Ch. 296/Ch. 297)	Minimal decrease in storage costs.	No
SB 401/HB 947	Public Safety – Building Codes – Balcony Railing Inspections (Jonathan’s Law) (Ch. 494/Ch. 495)	Potential inspection costs.	Yes
SB 416	Health Maintenance Organizations – Payments to Nonparticipating Providers – Repeal of Termination Date (Ch. 163)	Potential employee health care costs.	No
SB 438	Municipal Elections – Inclusion of Offices and Questions on the State Ballot (Ch. 501)	Potential increase or decrease in election costs for a participating municipality.	No
SB 460	Criminal Law – Person in a Position of Authority – Sexual Offenses With a Minor (Ch. 170)	Minimal incarceration costs.	No
SB 503/HB 1366	Public Schools – Cardiopulmonary Resuscitation and Automated External Defibrillator Instruction (Breanna’s Law) (Ch. 175/Ch. 176)	Potential training costs beginning in FY 2016.	Yes
SB 547/HB 172	Economic Development – Baltimore Region – Baltimore Metropolitan Council and Advisory Board and Baltimore Region Transportation Board (Ch. 519/Ch. 520)	Potential contribution costs for certain jurisdictions.	No
SB 564/HB 834	Environment – Water Pollution Control – Penalty (Ch. 65/Ch. 66)	Potential significant administrative penalty costs.	No
SB 600/HB 742	Regional Institution Strategic Enterprise Zone Program (Ch. 530/Ch. 531)	Potential significant debt service expenditures and potential minimal administrative costs in participating jurisdictions.	No

## Legislation Affecting Local Government Expenditures

<b><u>Bill #</u></b>	<b><u>Title</u></b>	<b><u>Comment</u></b>	<b><u>Mandate</u></b>
SB 622/HB 1233	Health Insurance – Step Therapy or Fail-First Protocol (Ch. 316/Ch. 317)	Potential employee health care costs.	No
SB 659	Crimes Relating to Animals – Surgery on Dogs – Penalties (Ch. 185)	Minimal incarceration costs.	No
SB 660/HB 667	Crimes Relating to Animals – Unauthorized Surgical Devocalization of Cat or Dog – Penalties (Ch. 186/Ch. 187)	Minimal incarceration costs.	No
SB 698	Criminal Procedure – Electronic Device Location Information – Order (Ch. 191)	Minimal compliance costs.	No
SB 781	Environment – Recycling – Special Events (Ch. 338)	Potential compliance and enforcement costs.	No
SB 860/HB 1200	Public Safety – Eyewitness Identification – Procedures (Ch. 201/Ch. 202)	Potential minimal compliance costs.	No
SB 889/HB 1060	Northeastern Maryland Additive Manufacturing Innovation Authority (Ch. 570/Ch. 571)	Potential combined contribution costs of at least \$50,000 annually for Cecil and Harford counties.	No
SB 952	Pharmacy Benefits Managers – Pharmacy Contracts – Maximum Allowable Cost Pricing (Ch. 363)	Potential employee health care costs.	No
SB 1099	Workers’ Compensation – Occupational Disease Presumptions – Paid Rescue Squad Members and Paid Advanced Life Support Unit Members (Ch. 374)	Potential significant workers’ compensation costs in certain jurisdictions.	Yes
HB 11	Environment – Bay Restoration Fund – Authorized Uses (Ch. 80)	Potential grant expenditures.	No
HB 43	Criminal Law – Harassment – Revenge Porn (Ch. 583)	Minimal incarceration costs.	No

## Legislation Affecting Local Government Expenditures

<u>Bill #</u>	<u>Title</u>	<u>Comment</u>	<u>Mandate</u>
HB 73/SB 247	See entry for SB 247.		No
HB 172/SB 547	See entry for SB 547.		No
HB 175/SB 206	See entry for SB 206.		No
HB 202/SB 186	See entry for SB 186.		No
HB 228/SB 391	See entry for SB 391.		No
HB 295	Maryland Minimum Wage Act of 2014 (Ch. 262)	Significant personnel costs for certain jurisdictions.	Yes
HB 413	Special Education – Individualized Education Program Parental Notice Requirements and Service Models List (Ch. 400)	Potential minimal implementation costs.	No
HB 579	Commissioner of Labor and Industry – Authority – Enforcement of Local Minimum Wage Laws (Ch. 411)	Montgomery County enforcement costs decrease by \$350,000 annually. Prince George’s County enforcement costs decrease by \$385,000 annually.	No
HB 667/SB 660	See entry for SB 660.		No
HB 697	Crimes – Threat of Mass Violence (Ch. 236)	Potential minimal decrease in law enforcement costs.	No
HB 714	Criminal Law – Identity Fraud – Prohibitions (Ch. 237)	Minimal incarceration costs.	No
HB 727/SB 232	See entry for SB 232.		Yes
HB 742/SB 600	See entry for SB 600.		No
HB 812	Education – Middle Schools – Automated External Defibrillators (Ch. 616)	Potential training and significant equipment costs for certain counties.	Yes
HB 834/SB 564	See entry for SB 564.		No

## Legislation Affecting Local Government Expenditures

<u>Bill #</u>	<u>Title</u>	<u>Comment</u>	<u>Mandate</u>
HB 947/SB 401	See entry for SB 401.		Yes
HB 977	Maryland-National Capital Park and Planning Commission Park Police – Workers’ Compensation – Lyme Disease Presumption – Repeal of Termination Date PG/MC 110-14 (Ch. 629)	Potential significant M-NCPPC workers’ compensation costs.	Yes
HB 1060/SB 889	See entry for SB 889.		No
HB 1200/SB 860	See entry for SB 860		No
HB 1212/SB 348	See entry for SB 348.		No
HB 1233/SB 622	See entry for SB 622.		No
HB 1246	Motor Vehicles – Exceptional Milk Hauling Permit – Establishment (Ch. 450)	Potential highway maintenance costs.	No
HB 1282	Public Health – Drug Overdose Deaths – Local Fatality Review Teams (Ch. 650)	Potential significant personnel costs.	No
HB 1366/SB 503	See entry for SB 503.		Yes
HB 1415	Chief Executive Officer or County Executive – Special Election to Fill a Vacancy in Office (Ch. 261)	Potential significant election costs for certain counties.	No
HB 1506	Wicomico County – Northeast Maryland Waste Disposal Authority (Ch. 459)	Potential \$100,000 fee for Wicomico County. Potential authority expenditures for future projects.	No
HB 1510	Behavioral Health Administration – Establishment and Duties (Ch. 460)	Potential accreditation costs.	No

## Legislation Affecting Local Government Expenditures

<u>Bill #</u>	<u>Title</u>	<u>Comment</u>	<u>Mandate</u>
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### Legislation Affecting Local Governments by Subdivision

#### *Anne Arundel County*

HB 1381	Anne Arundel County – Sheriff – Salary Increases (Ch. 108)	Salary expenditures increase minimally in FY 2015 and decrease by at least \$1,600 annually thereafter.	No
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#### *Baltimore City*

SB 846/HB 831	Baltimore City – Alcoholic Beverages Act of 2014 (Ch. 346/Ch. 347)	Information technology costs increase by \$175,000 in FY 2015.	No
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HB 313	Maryland Income Tax Refund – Baltimore City – Warrants (Ch. 594)	Personnel costs of \$99,300 in FY 2015 and a maximum of \$156,600 annually through FY 2019 are likely fully offset by a decrease in warrant service expenditures.	No
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HB 354	Baltimore City – AIDS Prevention Sterile Needle and Syringe Exchange Program (Ch. 396)	Health department expenditures increase by \$19,500 annually through FY 2017 and by a maximum of \$16,250 annually thereafter.	No
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HB 831/SB 846	See entry for SB 846.		No
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HB 1206	Baltimore City – Orphans’ Court Judges – Salary and Pension (Ch. 247)	Salary expenditures and pension costs increase by a minimum of \$22,000 in FY 2015 and by a minimum of \$41,000 annually thereafter.	No
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#### *Baltimore County*

SB 290/HB 1453	Baltimore County – Board of Education – Selection of Members (Ch. 480/Ch. 481)	Minimal board compensation and election costs.	No
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HB 1453/SB 290	See entry for SB 290.		No
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## Legislation Affecting Local Government Expenditures

<u>Bill #</u>	<u>Title</u>	<u>Comment</u>	<u>Mandate</u>
<b><i>Calvert County</i></b>			
SB 168	Calvert County – Public Facilities Bonds (Ch. 43)	Debt service expenditures increase by \$434,600 annually over a 15-year period and by \$463,300 annually over a 25-year period.	No
SB 612	Calvert County – Salaries of County Officials and County Commissioner Retirement Plan Participation (Ch. 310)	Salary expenditures increase by \$3,700 in FY 2015 and by \$7,600 annually thereafter.	No
<b><i>Carroll County</i></b>			
SB 555	Carroll County – Public Facilities Bonds (Ch. 63)	Debt service expenditures increase by \$1.4 million annually over a 20-year period.	No
SB 556	Carroll County – Orphans’ Court Judges – Salary (Ch. 179)	Salary expenditures increase by \$11,600 in FY 2015 and by \$19,800 annually thereafter.	No
SB 557	Carroll County – Sheriff – Salary (Ch. 64)	Salary expenditures increase by \$11,500 in FY 2015 and by \$19,700 annually thereafter.	No
SB 558	Carroll County – Local Government Tort Claims Act – Industrial Development Authority (Ch. 303)	Insurance costs decrease by \$1,500 annually.	No
<b><i>Cecil County</i></b>			
SB 936	Cecil County – Sheriff and Orphans’ Court Judges – Salary (Ch. 206)	Salary expenditures increase by \$8,100 in FY 2016 and by a minimum of \$14,500 annually thereafter.	No
<b><i>Charles County</i></b>			
SB 203	Charles County – Board of Education – Salaries and Expenses (Ch. 279)	Board compensation costs increase by \$12,100 in FY 2015 and by \$23,200 annually thereafter.	No

## Legislation Affecting Local Government Expenditures

<u>Bill #</u>	<u>Title</u>	<u>Comment</u>	<u>Mandate</u>
HB 914	Charles County – Orphans’ Court Judges – Salary (Ch. 243)	Salary expenditures increase by \$825 in FY 2015 and by a minimum of \$2,500 annually thereafter.	No
<b><i>Dorchester County</i></b>			
SB 57	Office of the State’s Attorney – Dorchester County – Authority to Appoint Criminal Investigators (Ch. 121)	Potential personnel costs of approximately \$34,500 annually.	No
<b><i>Frederick County</i></b>			
SB 614/HB 476	Frederick County – Payment of Wages (Ch. 540/Ch. 541)	Potential decrease of \$14,000 annually in payroll processing costs.	No
SB 617	Frederick County – Sheriff – Salary (Ch. 184)	Salary expenditures increase by \$16,600 in FY 2015 and by \$33,200 annually thereafter.	No
SB 897/HB 1112	Frederick County – Orphans’ Court Judges – Salary (Ch. 356/Ch. 357)	Salary expenditures increase by \$7,900 in FY 2015 and by \$13,500 annually thereafter.	No
HB 476/SB 614	See entry for SB 614.		No
HB 1112/SB 897	See entry for SB 897.		No
<b><i>Howard County</i></b>			
HB 1093	Howard County Board of Education – Members – Salary Increase Ho. Co. 2-14 (Ch. 444)	Board compensation costs increase by \$12,500 in FY 2015 and by a minimum of \$17,900 annually thereafter.	No
<b><i>Montgomery County</i></b>			
HB 198	Income Tax – Earned Income Credit – Refundable Amount (Ch. 389)	Potential significant increase in Earned Income Credit program expenditures beginning in FY 2017.	No

## Legislation Affecting Local Government Expenditures

<u>Bill #</u>	<u>Title</u>	<u>Comment</u>	<u>Mandate</u>
<b><i>Prince George's County</i></b>			
HB 976	Prince George's County – State's Attorney – Salary PG 310-14 (Ch. 245)	Salary expenditures increase by \$31,900 in FY 2015 and by \$63,800 annually thereafter.	No
HB 1046	City of College Park Employees – Participation in the Employees' Pension System PG 404-14 (Ch. 635)	Potential significant pension costs in FY 2015. Potential minimal impact on pension costs annually thereafter.	No
HB 1047	Employees' Pension System – Prince George's County Officials – Membership PG 418-14 (Ch. 636)	Potential minimal decrease in pension costs.	No
HB 1057	Prince George's County – University of Maryland, College Park Bus Service – Motor Carrier Permit Exemption – Removal of Sunset PG 403-14 (Ch. 442)	Minimal transportation expenditures for the City of College Park continue beyond FY 2014.	No
<b><i>St. Mary's County</i></b>			
HB 1390	St. Mary's County – Public Officials – Salaries (Ch. 454)	Salary expenditures increase by \$16,500 in FY 2015 and by a minimum of \$35,900 annually thereafter.	No
HB 1393	St. Mary's County – John Hanson Briscoe Circuit Courthouse for St. Mary's County (Ch. 455)	Potential circuit court expenditures of \$25,000 in FY 2015.	No
HB 1530	St. Mary's County Metropolitan Commission – Unpaid Charges (Ch. 254)	Potential debt service expenditures.	No
<b><i>Somerset County</i></b>			
SB 440	Somerset County – Service Award Program for Emergency Medical Services and Fire and Rescue Personnel (Ch. 166)	Program costs increase by \$50,400 in FY 2016 and by a minimum of \$52,700 annually thereafter.	No

## Legislation Affecting Local Government Expenditures

<u>Bill #</u>	<u>Title</u>	<u>Comment</u>	<u>Mandate</u>
<b><i>Talbot County</i></b>			
SB 477/HB 350	Education – Talbot County Board of Education – Lease of Public School Facility (Ch. 508/Ch. 509)	Potential minimal decrease in school maintenance costs.	No
SB 763/HB 805	Talbot County – Child Support Enforcement – Transfer of Personnel (Ch. 552/Ch. 553)	Minimal decrease in personnel costs.	No
HB 58	Talbot County – Chesapeake Bay Critical Area – Prosecution or Civil Suit for Certain Violations (Ch. 380)	Potential minimal incarceration costs.	No
HB 350/SB 477	See entry for SB 477.		No
HB 805/SB 763	See entry for SB 763.		No
<b><i>Washington County</i></b>			
HB 1399	Washington County – Sheriff and County Commissioners – Salaries (Ch. 250)	Salary expenditures increase by \$10,000 in FY 2015 and by \$17,200 annually thereafter.	No
<b><i>Wicomico County</i></b>			
HB 1552	Wicomico County – Orphans' Court Judges – Salaries (Ch. 110)	Salary expenditures increase by \$5,600 in FY 2015 and by \$9,500 annually thereafter.	No
<b><i>Worcester County</i></b>			
SB 441	Worcester County – Bingo Board – Repeal (Ch. 60)	Board expenditures of approximately \$1,000 annually are eliminated.	No

## **Chapter Five – Vetoed Legislation**

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## **Vetoed Legislation**

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

HB 1168                      Electricity – Certificate – Wind Turbines – Limitation

*The bill would not have directly affected State or local government finances.*

