

# EFFECT OF THE 2017 LEGISLATIVE PROGRAM ON THE FINANCIAL CONDITION OF THE STATE



DEPARTMENT OF LEGISLATIVE SERVICES 2017

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# **Effect of the 2017 Legislative Program on the Financial Condition of the State**

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

**July 2017**

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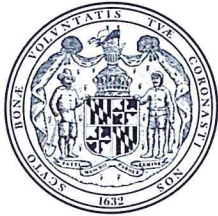
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DEPARTMENT OF LEGISLATIVE SERVICES  
OFFICE OF POLICY ANALYSIS  
MARYLAND GENERAL ASSEMBLY

Warren G. Deschenaux  
Executive Director

July 2017

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 2017 Legislative Program on the Financial Condition of the State*.

This document is divided into five chapters.

**Chapter 1** highlights the major components of the fiscal 2018 operating budget (**House Bill 150/Chapter 150**).

**Chapter 2** summarizes the fiscal 2018 capital budget program, including the 2017 capital budget bill (**House Bill 151/Chapter 22**).

**Chapter 3** identifies enacted legislation from the 2017 session other than **House Bill 150** and **House Bill 151** 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 4** identifies enacted legislation from the 2017 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.

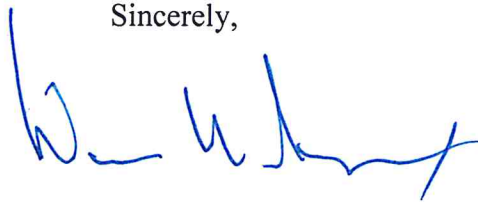
**Chapter 5** identifies 2017 bills vetoed by the Governor for policy reasons and the bills' associated fiscal impact if they had been enacted. However, 2017 bills for which the vetoes were subsequently overridden are discussed with the enacted legislation.

Further information on issues considered during the 2017 session may be found in *The 90 Day Report – A Review of the 2017 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 2017  
Page 2

The enclosed report is prepared by the staff of the Office of Policy Analysis. Mya Dempsey, Richard Duncan, Scott Gates, David Juppe, Kathleen Kennedy, Scott Kennedy, Matthew Klein, Steven McCulloch, Robert Rehrmann, and Sasika Subramaniam each contributed to the content or editing of the report. The work was coordinated by Jennifer Botts and reviewed by David Romans. 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  
Executive Director

WGD/mpd

# Contents

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Transmittal Letter.....	iii
Abbreviations .....	vii
Fiscal Effects of the 2017 Legislative Program .....	1
<b>Chapter 1. Operating Budget.....</b>	<b>3</b>
Overview .....	5
Budget in Brief .....	5
Framing the Session: 2016 Interim Activity .....	8
Governor’s Spending Plan as Introduced.....	10
Legislative Consideration of the Budget .....	13
Outlook for Future Budgets.....	18
Selected Budgetary Initiatives and Enhancements.....	26
By the Numbers.....	27
<b>Chapter 2. State Capital Program.....</b>	<b>35</b>
Summary .....	37
PAYGO Capital.....	65
Debt Affordability .....	66
Higher Education.....	70
School Construction .....	72
Transfer Tax – Fiscal 2018 Transfer Modification .....	74
<b>Chapter 3. Impact of Legislation on State Revenues and Expenditures .....</b>	<b>77</b>
Legislation Affecting State Revenues .....	79
Totals by Fund Type/Summary of Quantifiable Revenue Effects .....	96
Legislation Affecting State Expenditures .....	97
Quantifiable Expenditures by Agency .....	126
Totals by Fund Type/Summary of Quantifiable Expenditure Effects.....	130
Regular Positions Needed by Agency .....	131
Contractual Positions Needed by Agency .....	133

<b>Chapter 4. Local Government</b>	135
State Aid to Local Governments	137
Summary of State Mandates	159
Legislation Affecting Local Government Revenues	160
Legislation Affecting All/Multiple Local Jurisdictions	160
Legislation Affecting Local Governments by Subdivision	168
Allegany County	168
Anne Arundel County	168
Baltimore City	169
Baltimore County	170
Calvert County	170
Carroll County	170
Charles County	170
Frederick County	171
Howard County	171
Kent County	171
Montgomery County	171
Prince George's County	172
Queen Anne's County	173
St. Mary's County	173
Washington County	174
Worcester County	174
Legislation Affecting Local Government Expenditures	175
Legislation Affecting All/Multiple Local Jurisdictions	175
Legislation Affecting Local Governments by Subdivision	181
Anne Arundel County	181
Baltimore City	181
Baltimore County	182
Calvert County	182
Carroll County	182
Cecil County	183
Charles County	183
Frederick County	183
Harford County	183
Montgomery County	184
Prince George's County	184
Queen Anne's County	185
St. Mary's County	185
Somerset County	185
Washington County	185
<b>Chapter 5. Vetoed Legislation</b>	187
Vetoed Legislation	189

## Abbreviations

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BOND	—	Bond
Ch.	—	Chapter
FF	—	Federal Fund
FY	—	Fiscal Year
GF	—	General Fund
HB	—	House Bill
HE	—	Higher Education
MAIF	—	Maryland Automobile Insurance Fund
MARBIDCO	—	Maryland Agricultural and Resource-Based Industry Development Corporation
MHBE	—	Maryland Health Benefit Exchange
M-NCPPC	—	Maryland-National Capital Park and Planning Commission
NB	—	Nonbudgeted
PAYGO	—	pay-as-you-go
SB	—	Senate Bill
SF	—	Special Fund
SITF	—	State Insurance Trust Fund
TEDCO	—	Technology Development Corporation
( )	—	Indicates Decrease





## **Fiscal Effects of the 2017 Legislative Program**

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The fiscal 2018 budget (operating budget bill), House Bill 150 (Chapter 150) of 2017, provides \$43.6 billion in appropriations for fiscal 2018, a 1.2% (\$500.0 million) increase above fiscal 2017. The appropriations consist of 39.5% in general fund spending, 29.8% in federal fund spending, 20.7% in special fund spending, and 10.0% in spending of higher education revenue.

The Maryland Consolidated Capital Bond Loan (MCCBL) of 2017 (capital budget bill), House Bill 151 (Chapter 22), authorizes \$1.1 billion in general obligation (GO) bonds for capital spending. The overall capital budget program passed by the General Assembly for fiscal 2018 totals \$4.6 billion, consisting primarily of the \$1.1 billion in GO bonds authorized under the MCCBL of 2017, \$2.6 billion for the transportation program (consisting of revenue bond funding and pay-as-you-go (PAYGO) special and federal funding), \$491.8 million in other PAYGO funding, and \$381.1 million in revenue bonds issued by the Maryland Department of the Environment and the University System of Maryland.

The fiscal 2018 budget and the MCCBL of 2017 are consistent with numerous recommendations of the Spending Affordability Committee (SAC). The fiscal 2018 budget reduces the projected fiscal 2018 structural deficit by \$331 million, which meets the SAC goal of reducing the general fund structural deficit by at least 50%. The estimated balance of the Rainy Day Fund (\$860.3 million) complies with the SAC recommendation to maintain a balance in the Rainy Day Fund at 5% of estimated revenues. The net amount of new GO bond authorizations in the MCCBL of 2017 (\$1.065 billion in new GO bond authorizations) is the amount recommended by SAC.

While the fiscal effect of enacted legislation other than the fiscal 2018 operating and capital budget bills cannot be fully quantified overall due to certain fiscal impacts that could not be reliably estimated, the impacts of legislation that have been quantified in fiscal and policy notes, including those under the Budget Reconciliation and Financing Act (BRFA) of 2017, House Bill 152 (Chapter 23), total to a net increase in general fund revenues of \$1.6 million and a net decrease in general fund expenditures of \$145.1 million in fiscal 2018, an overall positive general fund impact of \$146.7 million. However, the quantified impacts of 2017 legislation have a significant negative net general fund impact, in the range of \$93-\$167 million each year, in fiscal 2019 through 2022. Special fund revenues decrease by a net amount of \$35.9 million, and special fund expenditures increase by a net amount of \$24.7 million in fiscal 2018. Federal fund revenues increase by a net amount of \$0.5 million, and federal fund expenditures decrease by a net amount of \$1.6 million in fiscal 2018. In addition, fiscal and policy notes in which personnel impacts were able to be quantified included an overall net increase of 65.5 regular and contractual positions beginning in fiscal 2018.

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**Total of Quantified General Fund Impacts of 2017 Legislation  
(exclusive of the operating and capital budget bills)**

	<u><b>FY 2018</b></u>	<u><b>FY 2019</b></u>	<u><b>FY 2020</b></u>	<u><b>FY 2021</b></u>	<u><b>FY 2022</b></u>
General Fund Revenues	\$1,593,224	(\$21,856,318)	(\$53,239,177)	(\$27,359,798)	(\$23,176,681)
General Fund Expenditures	(\$145,089,822)	\$71,700,030	\$114,213,275	\$117,787,513	\$115,111,989
Net General Fund Impact	\$146,683,046	(\$93,556,348)	(\$167,452,452)	(\$145,147,311)	(\$138,288,670)

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A number of the expenditure impacts of 2017 legislation are reflected in the fiscal 2018 budget; however, impacts of certain enacted legislation expected to require increased expenditures beginning in fiscal 2018 are not accounted for in the fiscal 2018 budget. Of the impacts that have been quantified in fiscal and policy notes, \$26.0 million in general fund expenditure increases are not accounted for in the fiscal 2018 budget and may result in deficiency appropriations for the affected agencies in the next budget bill, or agencies may absorb the added costs into their existing budgets. In the case of special and federal fund expenditure increases that are not reflected in the enacted budget, State agencies may add special and federal funds through the budget amendment process, and in certain cases the expenditure impacts are offset by corresponding revenue increases.

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**Fiscal 2018 Expenditure Increases (Resulting from 2017 Legislation)  
Not Included in the Budget**

<u><b>General Funds</b></u>	<u><b>Special Funds</b></u>	<u><b>Federal Funds</b></u>
\$25,992,469	\$47,494,727	\$511,698

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Although not contributing to the totals shown above and in Chapter 3 of 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 2017 enacted legislation (aside from the fiscal 2018 budget and MCCBL of 2017) are based on the assumptions stated in the fiscal and policy notes for the bills.

Chapter 4 includes a discussion of State aid to local governments and briefly describes impacts on local governments of legislation enacted in 2017 other than the fiscal 2018 budget and the MCCBL of 2017.

# Chapter 1. Operating Budget

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- Overview
- Budget in Brief
- Framing the Session: 2016 Interim Activity
- Governor's Spending Plan as Introduced
- Legislative Consideration of the Budget
- Outlook for Future Budgets
- Selected Budgetary Initiatives and Enhancements
- By the Numbers



## Overview

A lackluster economy and slow wage growth caused fiscal 2016 to close with \$250 million in less revenue than expected and the Board of Revenue Estimates (BRE) to revise its outlook for fiscal 2017 downward by \$365 million. Governor Lawrence J. Hogan, Jr. withdrew \$83.3 million in agency spending through the Board of Public Works (BPW) in November 2016. BRE adopted further revisions in December 2016, with a nominal impact on fiscal 2017 and 2018. More significantly, lower economic expectations drove the fiscal 2019 through 2022 revenue estimate downward by \$442 million.

In December 2016, the Spending Affordability Committee (SAC) projected a structural general fund shortfall of \$377 million and recommended that it be reduced by at least one-half, leaving a shortfall of no more than \$189 million. The budget introduced by the Governor for fiscal 2018 proposed to eliminate the entire structural shortfall, leaving a structural surplus of \$47.0 million. This plan relied upon nearly \$250 million in general fund reductions contingent upon budget reconciliation legislation, including proposed reductions or repeal of legislation passed at the 2016 session. Legislative action concurred with some of the Administration's proposals, limited reductions to fiscal 2018 only for several programs, and kept other mandates intact as legislative priorities. The fiscal 2018 budget grows by 1.2%, to \$43.6 billion. Final action on the budget leaves an estimated \$91.1 million in the General Fund as well as \$860.3 million (5.0%) in the Revenue Stabilization Account (a.k.a. the Rainy Day Fund). The legislature also met nearly all of the SAC recommendations, including those related to the structural shortfall, personnel, reserve fund balance, and revenue volatility.

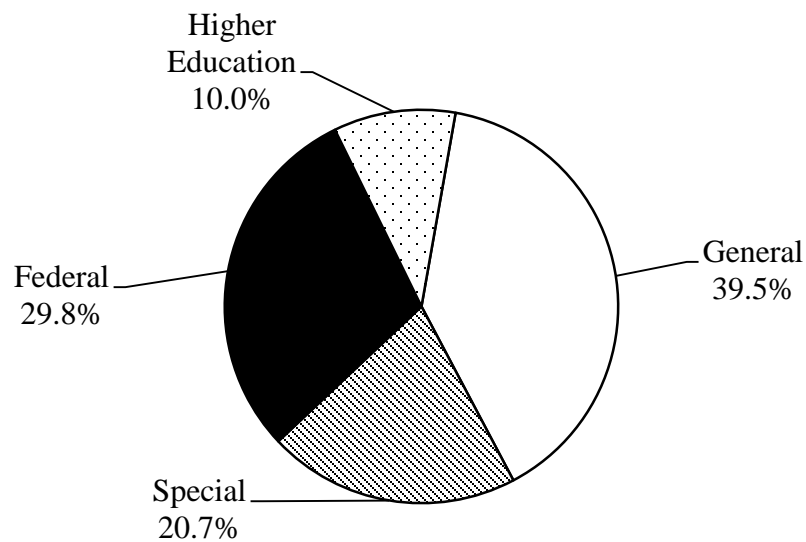
While the State's fiscal position is positive in fiscal 2018, the outlook is less favorable in the out-years. The Administration will need to take action to address a shortfall in excess of \$700 million in fiscal 2019 and is required to submit a report by July 2017 on how this gap will be resolved. The forecast projects a general fund structural shortfall of \$1.5 billion by fiscal 2022, without accounting for the uncertainty surrounding federal aid to the states or the potential impact of reductions to the federal workforce, which may take shape under the newly elected President.

## Budget in Brief

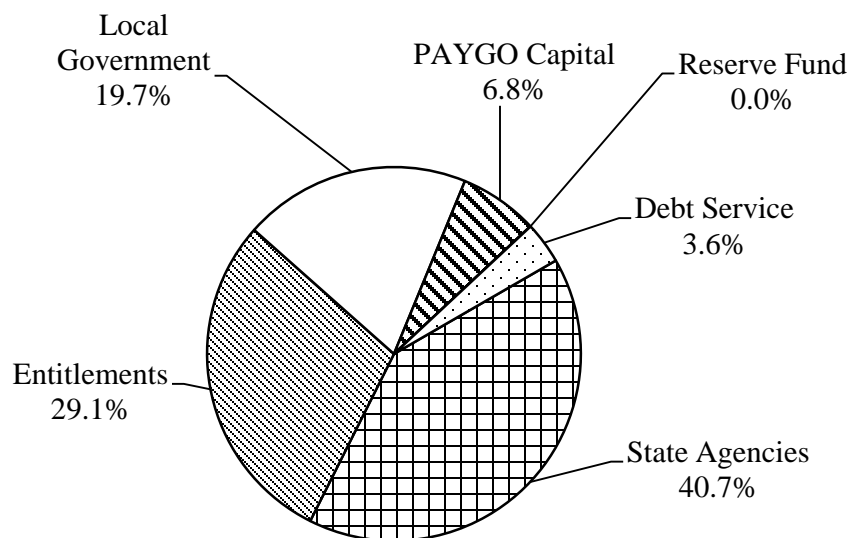
The Fiscal Year 2018 Budget Bill, **House Bill 150 (Chapter 150)**, provides \$43.6 billion in appropriations for fiscal 2018 – an increase of \$500.0 million (1.2%) above fiscal 2017. **Exhibit 1.1** illustrates funding by type of revenue. General fund spending accounts for 39.5% of the total budget. Federal funds support 29.8% of all spending. Special funds constitute 20.7% of the budget, and higher education revenue provides the remaining 10.0%. State agency operations constitute the largest area of spending, accounting for 40.7% of the total budget. Entitlements represent 29.1% of the budget, and 19.7% 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 an appropriation to the Rainy Day Fund.

**Exhibit 1.1**  
**Maryland's \$43.6 Billion Fiscal 2018 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 are essentially level funded in fiscal 2018, increasing by only \$78.5 million, or 0.5%, over the fiscal 2017 working appropriation. The most significant general fund growth is within the Medicaid program, which increases by \$172.2 million, or 5.7%, to support rate increases for managed care organizations in calendar 2016 and 2017. State agency spending increases by \$68.1 million, or 1.0%, in fiscal 2018. Additional funding within the health department provides for an expansion of placements within the Developmental Disabilities Administration (DDA), rate increases for community providers, and additional funding to address the ongoing heroin and opioid crisis. General funds are also utilized to limit resident tuition growth at State higher education institutions to 2.0%. These increases are offset by a \$145.4 million reduction in the appropriation to the State Reserve Fund, maintaining a balance of 5.0% of estimated general fund revenues. Fiscal 2018 funding for general fund PAYGO declines by 84.7%, primarily due to less availability of general fund revenues for capital projects compared to fiscal 2017.

Special funds grow by \$240.5 million, or 2.7%, compared to the fiscal 2017 working appropriation. Funding for transportation accounts for the majority of the increase, as additional funds are provided for transit operating costs, highway user and local government capital grants, and debt service. Nearly \$75.0 million of the total increase is attributable to additional revenues from the Annuity Bond Fund to cover the cost of GO bond debt service. Additional revenues from the Education Trust Fund (ETF) increase special fund education aid to local governments by \$47.5 million. This special fund growth is offset by large decreases for uncompensated care and environment-related capital projects.

Federal fund spending increases by \$100.0 million, or 0.8%. Federal fund support of \$65.2 million is provided for the Maryland Total Human-services Information NetworK information technology project, which seeks to create a cloud-based shared infrastructure and data repository that will integrate a majority of the State's human services systems. Federal aid to education provides an additional \$56.5 million, including over \$15.0 million to fund case services for clients of the Maryland State Department of Education's Division of Rehabilitation Services and relocation of the Disability Determination Services program. Funding for the Medicaid program also increases modestly (0.8%) due to enrollment increases in the Affordable Care Act (ACA) expansion population. Federal fund growth in fiscal 2018 is offset by reductions in Supplemental Nutrition Assistance Program (SNAP) payments based on declining caseloads and federal spending on transportation capital projects.

Funding for public higher education institutions increases by \$108.6 million in total funds (unrestricted and restricted funds), or 1.9%, in fiscal 2018. This includes funding to limit resident tuition increases to 2.0%. Aid to community colleges also increases by \$3.4 million to \$317.7 million. Aid to nonpublic colleges and universities grows by \$4.2 million, providing a total of \$51.0 million in fiscal 2018.

With respect to personnel, the size of the regular State workforce decreases by 0.6%, or 447 positions, to 80,119 regular positions in fiscal 2018. There is no funding for merit or general salary increases for State employees. There is funding to provide retroactive step increases



for law enforcement officers that missed step increases from fiscal 2010 to 2013, per a collective bargaining agreement with the State Law Enforcement Officers' Labor Alliance.

## **Framing the Session: 2016 Interim Activity**

Fiscal 2016 closed with a balance of \$384.5 million in the General Fund, including \$83.1 million in funding restricted for legislative priorities that was not released by the Administration. While revenues for fiscal 2016 reflected an overall increase of 1.7%, the \$16.2 billion collected was still \$250.1 million below estimate. Weakness in wage growth and general economic uncertainty were largely attributable for the underperformance. The continuation of this weakened economic outlook caused BRE to revise its fiscal 2017 revenue estimate downward by a combined \$378.9 million at its September and December 2016 meetings.

In recognition of this outlook, Governor Hogan again declined to release \$87.9 million in funds restricted for legislative priorities in fiscal 2017 and also acted to withdraw \$83.3 million in general and special fund spending through BPW in November 2016.

Acknowledging the State's fiscal situation, SAC advised of a fiscal 2017 estimated shortfall of \$209.4 million and a fiscal 2018 structural deficit totaling \$377.0 million. SAC recommended reducing the fiscal 2018 structural imbalance by at least 50%, leaving a gap of no more than \$189.0 million and requesting a detailed plan from the Administration for how to resolve the structural deficit in fiscal 2019.

## **BPW Withdrawn Appropriations**

BPW's November 2, 2016 action reduced fiscal 2017 general fund spending by \$82.3 million and special fund spending by \$982,000.

## **Fund Swaps**

There were \$28.8 million in fund swaps, in which general funds are replaced with a like amount of special funds. Most of this amount consisted of special funds from the Cigarette Restitution Fund (\$20.0 million) in lieu of general fund appropriations in Medicaid. Other large swaps entailed the use of \$4.1 million in balance from the Higher Education Investment Fund and \$3.1 million from the Need-based Student Financial Aid Assistance Fund to replace general funds in the Educational Excellence Awards Program.

## **State Agencies**

State agencies were reduced by \$20.6 million. Some of the larger general fund actions included:

- \$9.1 million from the Department of Juvenile Services in recognition of lower residential per diem payments for out-of-home placements, based on continued declines in residential caseloads; and
- \$4.0 million in aid to private colleges and universities through the Sellinger program in the Maryland Higher Education Commission.

Special funds for the State Lottery and Gaming Control Agency (SLGCA) were reduced by \$982,000, as the agency had sufficient funding to cover vendor fees based on sales projections. Since any unspent appropriations from the lottery revert to the General Fund, an equivalent amount was credited as a general fund revenue.

### **PAYGO**

PAYGO capital programs for the Department of Housing and Community Development (DHCD) were reduced by \$7.0 million.

### **Higher Education**

Cuts of \$16.0 million were allotted to State institutions. Larger actions included:

- \$12.5 million to reflect the abolition of 113 positions (72 vacant and 41 filled) at the University System of Maryland (USM) (\$11.5 million/60 vacant and 41 filled positions) and Morgan State University (MSU) (\$1.0 million/12 vacant positions); and
- \$3.5 million in general operating expenses from USM, MSU, and the Baltimore City Community College.

### **Entitlements**

Based on lower caseloads, reductions totaled \$7.1 million. This included \$3.7 million from the Temporary Cash Assistance (TCA) program in the Department of Human Resources (DHR) and \$3.4 million from the homeowners' tax credit in the State Department of Assessments and Taxation (SDAT).

### **Local Aid**

Local aid was reduced by \$3.9 million in the Disparity Grant program. Reductions were made to the grants to Cecil, Prince George's, Washington, and Wicomico counties.

## **SAC Recommendations**

SAC prepared its final report to the Governor in December 2016, which recommended a return to the methodology to address the structural imbalance in the General Fund, in lieu of a recommended growth limit.

### **Spending Limit and Sustainability**

Based on forecasts that estimated the fiscal 2018 structural deficit at \$377 million, SAC recommended that the budget, as introduced and enacted, reduce the structural deficit for fiscal 2018 by at least 50%, leaving a structural gap of no more than \$189 million. In addition, the committee recommended that the Administration prepare a detailed report with specific proposals for achieving structural balance in fiscal 2019.

### **Fund Balances**

SAC recommended that the balance in the Rainy Day Fund be maintained at 5% of estimated revenues and authorized the use of any funds above that balance to address imminent cash shortfalls in fiscal 2017 and 2018. In addition, the committee recommended that the General Fund maintain a minimum ending balance of at least \$100 million for fiscal 2018.

### **Revenue Volatility**

In response to a review of Maryland's revenue structure that determined nonwithholding personal income tax revenues to be extremely volatile and difficult to accurately forecast, SAC recommended the consideration of legislation that would limit estimated revenues from nonwithholding income tax revenues by placing a cap, or collar, on the amount of nonwithholding income tax revenues assumed during the budget process, in order to mitigate the impact of revenue volatility on the State budget.

### **Personnel**

The committee recommended that the current complement of 80,323 regular positions was appropriate for the delivery of 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. In addition, the committee recommended language be included in the fiscal 2018 budget regarding chronic staffing issues plaguing State agencies.

## **Governor's Spending Plan as Introduced**

For fiscal 2017, the Governor proposed over \$1.0 billion in deficiency appropriations, the majority of which (\$965.1 million) was provided for the Medicaid program. In addition to the \$82.3 million in mid-year general fund reductions adopted by BPW in November 2016, the

estimated closing fund balance of \$68.5 million relied on \$16.2 million in additional assumed revenues, a \$170.0 million proposed transfer from the Rainy Day Fund, and \$155.8 million in assumed reversions. The \$43.1 billion in total spending reflected a nearly \$3.5 billion (8.8%) increase over fiscal 2016 actual expenditures.

The fiscal plan submitted by the Administration provided for \$43.8 billion in total spending for fiscal 2018, including \$247.8 million in contingent reductions proposed to address the entire \$377.0 million structural deficit (with an estimated \$47.0 million structural surplus as calculated by the Department of Legislative Services). The Governor's proposed spending plan estimated a closing fiscal 2018 general fund balance of \$144.2 million, which also relied upon revenue and reversion assumptions and transfers to the General Fund. **Exhibit 1.2** details the Governor's original general fund spending plan for fiscal 2017 and 2018.

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**Exhibit 1.2**  
**Governor's Original Budget Plan**  
**Fiscal 2017-2018**  
**(\$ in Millions)**

	<u><b>2017</b></u>	<u><b>2018</b></u>
<b>Opening Balance</b>	<b>\$384.5</b>	<b>\$68.5</b>
Board of Revenue Estimates Revenues	\$16,621.3	\$17,180.3
Additional Revenues	45.7	26.5
Transfers	170.0	2.5
<b>Subtotal</b>	<b>\$16,837.0</b>	<b>\$17,209.4</b>
Appropriations/Contingent Reductions/Deficiencies	\$17,308.9	\$17,164.8
Targeted Reversions	-125.8	-1.2
Reversions	-30.0	-30.0
<b>Subtotal</b>	<b>\$17,153.1</b>	<b>\$17,133.6</b>
<b>Closing Balance</b>	<b>\$68.5</b>	<b>\$144.2</b>

Source: Maryland Budget Highlights, Fiscal 2018

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## **Fiscal 2017 Assumptions**

### **Revenue Assumptions**

The Governor's spending plan assumed \$16.2 million in additional general fund revenues, including the \$982,000 generated from the November BPW cut to SLGCA. The majority of the additional revenue, \$12.0 million, results from a nationwide settlement agreement with Volkswagen. Other assumptions included \$2.0 million from the Maryland Environmental Service,

and the proposed repeal of Chapter 727 of 2016 establishing the Maryland International thoroughbred race, which was expected to generate \$1.0 million in lottery revenue savings to be credited to the General Fund.

### **Deficiencies**

Fiscal 2017 deficiency appropriations totaled slightly more than \$1.0 billion, including \$155.6 million in general funds. The majority of the fiscal 2017 funding (\$965.1 million) was needed for the Medicaid program, including \$837.1 million in federal funds mainly to support unanticipated enrollment for the ACA expansion population. Additional funds were provided for teacher retirement costs, programs to address the ongoing heroin and opioid crisis, an appropriation to the Sunny Day Fund to fulfill terms of an agreement with Marriott International Inc., additional State support for higher education, and a variety of other miscellaneous increases across State government.

### **Reversions**

General fund reversions of \$155.8 million were assumed, consisting of \$30.0 million in unspecified reversions and \$125.8 million in targeted reversions. Approximately \$87.9 million of the targeted reversions consisted of restricted funds not released by the Administration. Other significant reversions included:

- \$17.1 million from DDA based on projected expenditures;
- \$9.8 million from the Maryland Department of the Environment (MDE) general fund PAYGO, which can otherwise be supported with the use of GO bonds;
- \$5.0 million in assumed personnel savings within the Department of Public Safety and Correctional Services (DPSCS) due to high vacancy rates; and
- \$5.0 million in anticipated overfunding for nonpublic placements.

### **Fund Transfers**

The Administration proposed the transfer of \$170.0 million from the Rainy Day Fund to the General Fund in order to balance fiscal 2017, contingent on a provision in **House Bill 152 (Chapter 23)**, the Budget Reconciliation and Financing Act (BRFA) of 2017. This transfer drew down the balance in the fund to 5% of estimated general fund revenues.

## **Fiscal 2018 Assumptions**

### **Contingent Reductions**

The Governor proposed \$247.8 million in fiscal 2018 general fund reductions, contingent on the enactment of the BRFA of 2017. Some of the larger actions include:

- \$48.8 million from the elimination of the pension sweeper requirement for one year;
- \$40.0 million reduced from the statutorily required \$50.0 million appropriation to the Rainy Day Fund;
- \$25.0 million from a one-year delay in the Medicaid deficit assessment buy down; and
- \$10.9 million from increasing the local cost share for SDAT operations to 70%.

### **Revenue Assumptions**

The Governor's spending plan assumed a net \$1.1 million in additional revenues, primarily generated from the previously discussed proposed repeal of Chapter 727 of 2016.

### **Reversions**

General fund reversions of \$31.2 million were assumed, consisting of \$30.0 million in unspecified reversions and \$1.2 million in expected reversions from the Judicial and Legislative branches to recognize the same retirement reductions made to the Executive Branch from the one-year elimination of the pension sweeper requirement.

### **Fund Transfers**

Fiscal 2018 was also balanced in part by a \$2.5 million proposed transfer to the General Fund from the Maryland Correctional Enterprises Revolving Loan Fund.

## **Legislative Consideration of the Budget**

### **Revenue and Spending Changes**

Following submission of the budget in January 2017, the Governor submitted two supplemental budgets, and revenues were revised by BRE in March 2017 by a net -\$33.0 million across fiscal 2017 and 2018.

### Revenue Revisions

In March 2017, BRE revised its general fund projection for fiscal 2017 downward by -\$35.3 million, based largely on expected losses of income tax withholding and sales taxes related to a federal hiring freeze. The fiscal 2018 estimate was increased by \$2.3 million.

### Spending Changes

Following submission of the budget in January 2017, the Governor introduced two supplemental budgets, which proposed a total of \$94.3 million in additional spending. **Exhibit 1.3** summarizes the supplemental budgets by fund type.

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**Exhibit 1.3**  
**Summary of Supplemental Budgets**  
**2017 Session**  
**(\$ in Millions)**

	<b><u>General</u> <u>Funds</u></b>	<b><u>Special</u> <u>Funds</u></b>	<b><u>Federal</u> <u>Funds</u></b>	<b><u>Total</u></b>
Supplemental Budget No. 1	\$45.6	\$17.7	\$2.9	\$66.1
Supplemental Budget No. 2	28.2	0.0	0.0	28.2
<b>Total</b>	<b>\$73.8</b>	<b>\$17.7</b>	<b>\$2.9</b>	<b>\$94.3</b>

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#### Supplemental Budget No. 1

The Governor provided a net \$66.1 million in additional spending in the first supplemental budget, consisting of \$36.3 million in fiscal 2017 deficiency appropriations and \$29.8 million in fiscal 2018 spending. Some of the larger items of expenditure included \$26.0 million for collective bargaining costs and other expenses in the Maryland Department of Transportation's (MDOT) Maryland Transit Administration (MTA), \$10.0 million in the Military Department for combatting opioid addiction, and \$8.1 million in the Department of Information Technology to fund several Major Information Technology Development Projects (MITDP) in DPSCS and MDE. This supplemental budget also reflected approximately \$56.1 million in fund swaps due to the need to provide general funds in place of gaming revenue (-\$32.5 million) following the write down by BRE in March 2017 and the availability of special funds from bond premiums (\$23.6 million) to fund debt service costs.

#### Supplemental Budget No. 2

The second supplemental budget appropriated a net \$28.2 million in general funds in fiscal 2018. This provided funds to implement **House Bill 684 (Chapter 6)**, which provides grants to local education agencies (LEA) with declining enrollments (\$17.2 million) as well as to

LEAs that provide full-day kindergarten. This supplemental budget also added \$10.0 million in the Department of Health and Mental Hygiene (DHMH) for programs to combat opioid addiction, offset by an amendment withdrawing the \$10.0 million in funding for this purpose allocated in Supplemental Budget No. 1.

### **Reductions**

Fiscal 2017 appropriations were reduced by a net \$21.6 million in all funds. The largest action entailed a \$15.0 million general fund reduction to the Department of Commerce (Commerce) appropriation for the Sunny Day Fund. A related provision in the BRFA of 2017 mandates this amount over fiscal 2019 through 2021. A \$10.0 million special fund cut was made in recognition that uncompensated care funds could not legally be utilized to support the Medicaid program. Another \$3.7 million was withdrawn through the BRFA of 2017 from the budgets of the Department of General Services (DGS) and DHMH DDA based on audit findings. Offsetting these actions was the restoration of \$7.5 million in general funds for the Prince George's County Regional Medical Center.

In total, the fiscal 2018 budget was reduced by a net \$280.7 million. Of this, \$162.5 million relates to net reductions that are contingent on the BRFA of 2017. Chief among these was a one-time \$55.8 million reduction to the pension sweeper supplemental contribution, a \$40.0 million cut to the appropriation to the Rainy Day Fund (leaving a 5% fund balance projected at the end of fiscal 2018), \$45.6 million in PAYGO capital appropriations to DHCD (\$36.6 million was replaced with GO bonds), and a \$25.0 million one-year delay to the statutory reduction in the Medicaid Hospital Assessment. Another \$118.2 million in noncontingent cuts were adopted, including:

- \$16.9 million from the Small, Minority, and Women-Owned Small Business Account (SMWOBA). Large unspent balances allowed the legislature to credit gaming revenues to the General Fund, via the BRFA of 2017, instead of to this account;
- \$14.6 million in local PAYGO grants from the Secretary's Office in MDOT, leaving \$213.9 million to the local jurisdictions from Highway User Revenue (HUR) grants (\$175.5 million) and PAYGO grants (\$38.4 million);
- \$13.9 million from the Judiciary related to denying new positions to limit growth in the State workforce and the elimination of employee merit increases in keeping with no funding provided in the Executive Branch; and
- \$13.3 million from DHR. DHR's budget was pared based on the availability of \$9.3 million in additional federal funds and the overestimation of caseloads in the Assistance Payments program.



## **Final Actions Related to SAC**

### **Limiting Spending Growth**

**Exhibit 1.4** indicates that final revenue and spending actions by the legislature reduced the projected fiscal 2018 structural deficit by \$331 million, or 88%, at the 2017 session. **The goal to reduce the fiscal 2018 general fund structural deficit by at least 50%, or no more than \$189 million, was met.**

### **Personnel**

The budget, as introduced, funded 80,123 positions, staying within the cap set by SAC. The legislature abolished 4 positions, including 3 positions in the Maryland Department of Aging and 1 position in the Uninsured Employers' Fund. At 80,119 positions, the fiscal 2018 personnel complement is 204 positions below the 80,323 cap recommended by SAC for the 2017 session. **The final action for State employment is consistent with the SAC recommendation.**

### **General Fund and State Reserve Fund Balances**

Final legislative action yielded an estimated closing fiscal 2018 balance of \$91.1 million, which is below the \$100.0 million general fund balance recommended by SAC. (At the time that the budget was passed, a \$100.0 million balance was available. Subsequent legislation reduced the available balance.) With respect to the Rainy Day Fund, an appropriation of \$10.0 million results in an estimated \$860.3 million balance. This level of balance is equal to 5% of estimated general fund revenues. **Final action on the budget complied with the SAC recommendation to maintain a balance in the Rainy Day Fund at 5% of estimated revenues.**

### **Revenue Volatility**

**House Bill 503 (Chapter 4)** directs a portion of nonwithholding income tax revenue to either be retained in the Rainy Day Fund or the Fiscal Responsibility Fund. **Action by the legislature met the SAC recommendation to limit the impact of revenue volatility on the State budget.**

## **Summary of 2017 Legislative Session Activity**

**Exhibit 1.5** shows the impact of the legislative budget on the general fund balance for fiscal 2017 and 2018. The fiscal 2017 balance is estimated to be \$93.3 million, assuming \$155.8 million in reversions. At the end of fiscal 2018, the closing balance is estimated to be \$91.1 million, assuming \$30.3 million in reversions.

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

**Target**

Estimated Structural Gap (December 2016)	-\$377
Target Reduction	-189

**Revenues**

Ongoing Revenues	\$17,208
Small, Minority, and Women-Owned Business Account	-16
Other One-time Items	-1

***Subtotal*** ***\$17,191***

**Spending** **\$17,210**

**One-time Spending**

Rainy Day Fund	-\$10
Pay-as-you-go Capital	-10
Supplemental Budget No. 1 One-time Spending	-1
Other	4

**Temporary Fund Swaps**

Hospital Deficit Assessment	\$25
Medicaid Cigarette Restitution Funds	16
Other Temporary Fund Swaps	4

***Subtotal*** ***\$17,238***

**Amount Reduced from Structural Shortfall** **\$331**

**Surplus/(Deficit)** **-\$47**

Source: Department of Legislative Services

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**Exhibit 1.5**  
**Final Legislative Budget Action with HB 150**  
**Fiscal 2017-2018**  
**(\$ in Millions)**

	<u><b>2017</b></u>	<u><b>2018</b></u>
<b>Opening Balance</b>	<b>\$384.5</b>	<b>\$93.3</b>
Board of Revenue Estimates Revenues	\$16,586.0	\$17,182.6
Additional Revenues	33.4	23.7
Legislation	18.5	1.6
Transfers	202.5	0.0
<b>Subtotal</b>	<b>\$16,840.4</b>	<b>\$17,207.9</b>
Appropriations/Deficiencies	\$17,308.9	\$17,412.6
Supplemental Budgets	-8.7	82.5
Reductions/Contingent Reductions	-12.8	-254.9
Targeted Reversions	-125.8	0.0
Reversions	-30.0	-30.3
<b>Subtotal</b>	<b>\$17,131.5</b>	<b>\$17,210.1</b>
<b>Closing Balance</b>	<b>\$93.3</b>	<b>\$91.1</b>

Source: Department of Legislative Services

## Outlook for Future Budgets

As shown in **Exhibit 1.6**, fiscal 2018 is projected to end with a \$91 million fund balance. In fiscal 2018, ongoing spending exceeds ongoing revenues by \$47 million.

The structural deficit of \$47 million in fiscal 2018 is an improvement from the \$318 million projected structural deficit in fiscal 2017. The structural deficit grows in each following year and is projected to exceed \$1.5 billion in fiscal 2022. Between fiscal 2018 and 2022, ongoing revenues are projected to grow at an average annual rate of 3.5%, while ongoing spending is projected to grow at an average annual rate of 5.4%.

**Exhibit 1.6**  
**General Fund Budget Outlook**  
**Fiscal 2017-2022**  
**(\$ in Millions)**

	2017	2018	2019	2020	2021	2022	2018-22
<u>Revenues</u>	<u>Working</u>	<u>Leg. Approp.</u>	<u>Est.</u>	<u>Est.</u>	<u>Est.</u>	<u>Est.</u>	<u>Avg. Annual Change</u>
Opening Fund Balance	\$385	\$93	\$91	\$0	\$0	\$0	
Transfers	203	0	42	37	36	33	
One-time Revenues/Legislation	66	17	0	0	0	0	
<b>Subtotal One-time Revenue</b>	<b>\$653</b>	<b>\$110</b>	<b>\$133</b>	<b>\$37</b>	<b>\$36</b>	<b>\$33</b>	
Ongoing Revenues	\$16,572	\$17,205	\$17,735	\$18,364	\$19,040	\$19,767	
Revenue Adjustments and Legislation	0	-14	-22	-53	-27	-23	
<b>Subtotal Ongoing Revenue</b>	<b>\$16,572</b>	<b>\$17,191</b>	<b>\$17,713</b>	<b>\$18,311</b>	<b>\$19,012</b>	<b>\$19,744</b>	<b>3.5%</b>
<b>Total Revenues and Fund Balance</b>	<b>\$17,225</b>	<b>\$17,301</b>	<b>\$17,846</b>	<b>\$18,348</b>	<b>\$19,048</b>	<b>\$19,777</b>	<b>3.4%</b>
<b>Ongoing Spending</b>							
Operating Spending	\$17,362	\$17,897	\$18,943	\$19,869	\$20,902	\$21,781	
VLT Revenues Supporting Education <sup>1</sup>	-459	-522	-545	-553	-545	-553	
Ongoing (Reductions)/Additions	-13	-137	-37	-40	-50	-55	
Ongoing Spending – Legislation	0	0	72	99	75	78	
<b>Subtotal Ongoing Spending</b>	<b>\$16,890</b>	<b>\$17,238</b>	<b>\$18,434</b>	<b>\$19,375</b>	<b>\$20,382</b>	<b>\$21,250</b>	<b>5.4%</b>
<b>One-time Spending</b>							
PAYGO Capital	\$62	\$56	\$108	\$80	\$80	\$61	
One-time Reductions	-19	-118	-49	-20	-20	-20	
Legislation/One-time Adjustments/Swaps	43	-16	3	3	3	3	
Appropriation to Rainy Day Fund	155	50	91	50	83	83	
<b>Subtotal One-time Spending</b>	<b>\$241</b>	<b>-\$28</b>	<b>\$154</b>	<b>\$113</b>	<b>\$146</b>	<b>\$127</b>	
<b>Total Spending</b>	<b>\$17,132</b>	<b>\$17,210</b>	<b>\$18,588</b>	<b>\$19,488</b>	<b>\$20,528</b>	<b>\$21,377</b>	<b>5.6%</b>
<b>Ending Balance</b>	<b>\$93</b>	<b>\$91</b>	<b>-\$742</b>	<b>-\$1,140</b>	<b>-\$1,480</b>	<b>-\$1,601</b>	
Rainy Day Fund Balance	\$831	\$860	\$886	\$918	\$952	\$989	
Balance Over 5% of GF Revenues	2	0	0	0	0	0	
As % of GF Revenues	5.01%	5.00%	5.00%	5.00%	5.00%	5.00%	
<b>Structural Balance</b>	<b>-\$318</b>	<b>-\$47</b>	<b>-\$721</b>	<b>-\$1,064</b>	<b>-\$1,370</b>	<b>-\$1,506</b>	

<sup>1</sup> The Education Trust Fund is supported by revenues from video lottery terminals and table games.

GF: general fund

PAYGO: pay-as-you-go

VLT: video lottery terminal

The forecast is impacted by legislation enacted during the 2017 session. This includes impacts on revenues and spending. Legislation with a major impact on revenues (at least \$20 million over five years) includes:

- **Senate Bill 317 (Chapter 149)** establishes the More Jobs for Marylanders Program, to be administered by Commerce. A new manufacturing business that locates within certain counties may be entitled to a 10-year (1) income tax credit based on the number of jobs created at a qualifying facility; (2) State property tax credit equal to 100% of the tax imposed on the facility's real property; (3) sales and use tax refund for specified purchases; and (4) exemption from paying corporate filing fees. Existing manufacturing businesses located within the State may qualify for the 10-year income tax credit. The Act also allows any manufacturer located in the State to claim increased expensing amounts under the State income tax by conforming State law to the maximum aggregate costs of expensing allowed under Section 179 of the Internal Revenue Code (IRC) and to claim any bonus depreciation amounts provided under Section 168(k) of IRC. In addition to establishing manufacturing tax incentives, **Senate Bill 317** also establishes an income tax credit for businesses that employ an eligible apprentice. General funds are projected to decrease by \$500,000 in fiscal 2019 and 2020, by \$25.1 million in fiscal 2020, and by \$4.9 million and \$2.9 million in fiscal 2021 and 2022, respectively.
- **Senate Bill 597/House Bill 100 (Chapters 153 and 154)** allow retirement income to qualify for the State pension exclusion if the individual is at least 55 years old and the retirement income is attributable to employment as a law enforcement officer or as fire, rescue, or emergency services personnel of the United States, the State, or a local jurisdiction. The maximum exclusion in the tax year is limited to \$15,000. It is estimated that expansion of the subtraction modification will decrease State revenues by \$3.7 million in fiscal 2018 and by about \$4.0 million annually thereafter.

Legislation with a major impact on expenditures (at least \$20 million over five years) includes:

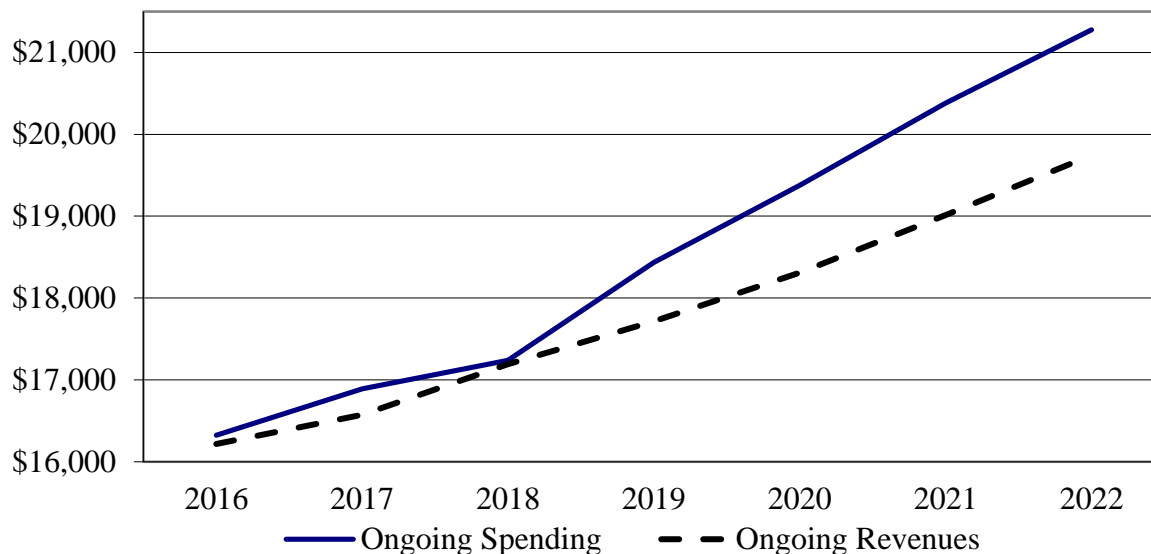
- **Senate Bill 967/House Bill 1329 (Chapters 571 and 572)** (1) express the intent of the General Assembly that the Judiciary request an appropriation of at least \$2.0 million in additional funding in fiscal 2019 for grants to expand the scope of drug courts; (2) establish that DHMH may take certain actions relating to a controlled dangerous substance registration; (3) authorize local fatality review teams to review nonfatal overdoses; (4) require DHMH to establish crisis treatment centers, a crisis hotline, and disseminate specified opioid use disorder information; (5) require each health care facility and system to make the services of specified providers available to patients; (6) repeal certification requirements within the Overdose Response Program; (7) require DHMH to establish guidelines for co-prescribing opioid overdose reversal drugs; (8) require the Governor's proposed budget for fiscal 2019 through 2021 to include specified rate adjustments for community behavioral health providers; (9) require hospitals to develop and report certain discharge protocols; and (10) require DPSCS and local jails and detention centers to

develop plans for substance use disorder treatment. Beginning January 1, 2018, the bills also authorize specified carriers to apply a prior authorization requirement for an opioid antagonist only under specified circumstances. Finally, the bills, on an emergency basis, express the intent of the General Assembly that the \$10.0 million for the opioid crisis in the fiscal 2018 budget be used to implement the bills' provisions. General fund expenditures net of fiscal 2018 funding and expenditure growth assumed in base forecast are projected to grow by \$13.4 million in fiscal 2019, \$23.6 million in fiscal 2020, \$29.8 million in fiscal 2021, and \$30.4 million in fiscal 2022.

- **Senate Bill 317 (Chapter 149)** establishes Workforce Development Sequence Scholarships for eligible students who are enrolled in a job skills program at a community college; requires specified vocational goals to be established for high school students; and requires State agencies to analyze and report specified information on registered apprenticeship programs. General fund expenditures are projected to increase by \$11.2 million in fiscal 2019 and by approximately \$21.1 million annually thereafter.
- **House Bill 684 (Chapter 6)** provides declining enrollment and prekindergarten supplemental grants to eligible local boards of education for fiscal 2018 through 2020. A local board is eligible for an enrollment-based supplemental grant if the county's most recent prior three-year average full-time equivalent (FTE) enrollment is greater than the FTE enrollment in the previous school year. A local board is eligible for a prekindergarten grant if the local board offers a full-day program for all four-year-olds who are enrolled in public prekindergarten. Fifty percent of the amount is provided in fiscal 2018, 75% in fiscal 2019, and 100% in fiscal 2020. General fund expenditures increase by \$31.2 million in fiscal 2019, by \$35.0 million in fiscal 2020, and by nearly \$2 million in both fiscal 2021 and 2022.

**Exhibit 1.7** illustrates the current projections for the general fund structural balance from fiscal 2017 through 2022. Structural balance was nearly achieved in fiscal 2018, when the difference between ongoing revenues and ongoing spending was -\$47 million. Over the term of the forecast, ongoing revenues outpace ongoing spending by 1.9 percentage points per year on average. A deficit projected at -\$721 million in fiscal 2019 grows to an estimated -\$1.5 billion by fiscal 2022. This is due to a combination of tepid revenue growth, fueled by a lackluster economy, and growth in mandated spending and entitlements. Action at the 2017 session negatively impacted revenues and spending by approximately \$100 million per year, except for fiscal 2020 due to spikes related to **Senate Bill 317**. Two of the larger drivers of spending growth include debt service and Medicaid. Significant challenges lie ahead, starting with the preparation of the fiscal 2019 budget. The magnitude of the projected shortfalls suggests that discussion will need to focus not only on what services are provided by the State but also the fundamental revenue structure currently in place.

**Exhibit 1.7**  
**The General Fund Structural Deficit**  
**Is Projected to Exceed \$1.5 Billion by Fiscal 2022**  
**Fiscal 2016-2022**  
**(\$ in Millions)**



Source: Department of Legislative Services

### Budget Reconciliation and Financing Legislation

**House Bill 152**, the BRFA of 2017, implements \$421.9 million in actions to the benefit of the General Fund for fiscal 2017 and 2018 (as shown in **Exhibit 1.8**) and includes certain actions that reduce the State's structural imbalance. The provisions in the BRFA of 2017 can be categorized into six groups: use of special or other funds; general fund revenue actions; cost control measures and mandate relief; program oversight and administration; provisions affecting local government; and other provisions.

**Exhibit 1.8**  
**Summary of Actions in the Budget Reconciliation and Financing Act of 2017**  
**(\$ in Millions)**

Fiscal 2017 Fund Transfers	\$202.5
Fiscal 2017 Revenues	18.5
Fiscal 2017 Expenditure Reductions	2.4
Fiscal 2018 Revenues	15.7
Fiscal 2018 Expenditure Reductions	182.8
<b>Total Budgetary Action</b>	<b>\$421.9</b>

### **Use of Special or Other Funds**

The BRFA of 2017 contains several provisions that alter the use of special or other fund sources for State agency operations and programs. Specifically, the legislation allows the use of the Senior Prescription Drug Assistance Program and the Community Health Resources Commission Fund for mental health services for the uninsured in fiscal 2018. The legislation allows the use of GO bond funds to fulfill the mandated funding requirement for several DHCD programs (the Shelter and Transitional Housing Facilities Grant Program, the Strategic Demolition and Smart Growth Impact Fund, the Seed Community Development Anchor Institution Fund, and the Baltimore Regional Neighborhood Initiative). Similarly, the legislation allows MDE to use revenue bond proceeds and funds in the Bay Restoration Fund for Biological Nutrient Removal upgrades of wastewater treatment plants. The legislation also allows funds from the Jane E. Lawton Conservation Fund to be used by the State Agency Loan Program under the Maryland Energy Administration.

Additionally, the BRFA of 2017 specifies grants to be distributed from the Special Fund for the Preservation of Cultural Arts in Maryland: \$450,000 to the Maryland Academy of Sciences; \$100,000 to the Columbia 50<sup>th</sup> Birthday Celebration, Inc.; \$25,000 to Arts Every Day; and \$25,000 to 901 Arts. The legislation also authorizes the transfer between programs under the State Board of Elections and authorizes the use of the MITDP program for operations and maintenance of the Agency Election Management System in fiscal 2018. Finally, the legislation authorizes the use of the Catastrophic Event Account to offset operating deficiencies resulting from lost federal funds and to reimburse clients of DDA for overpayments.

### **General Fund Revenue Actions**

Several provisions in the BRFA of 2017 affect general fund revenues in fiscal 2017 and 2018. Specifically, the legislation repeals a provision that would have directed lottery proceeds to a horse racing special fund because the funds were unnecessary. Additionally, the legislation requires that a portion of the fiscal 2018 revenue from video lottery terminals (VLT) be dedicated to the General Fund to pay a portion of the costs for grants provided to specified school systems under **House Bill 684 (Chapter 6)** of 2017. This provision also increases the share of VLT revenues dedicated to the ETF in fiscal 2019 and 2020. Additionally, the BRFA of 2017 includes provisions to transfer specific special funds to the General Fund, including \$2.5 million from the Maryland Correctional Enterprises Revolving Loan Fund, \$170.0 million from the Revenue Stabilization Account, and \$30.0 million from the USM fund balance. Finally, the legislation requires the Comptroller of Maryland to transfer \$24.0 million from two legal settlements to the General Fund.

### **Cost Control Measures and Mandate Relief**

The BRFA of 2017 includes several provisions that implement cost control and mandate relief, primarily in fiscal 2018. Specifically, the legislation lowers fiscal 2018 mandated funding for several education programs, including the Teacher Induction, Retention, and Advancement Pilot Program; statewide and Anne Arundel County teacher stipends; and the Public School



Opportunities Enhancement Program. Additionally, the legislation reduces the fiscal 2018 mandated funding level for local jurisdictions under the Core Public Health Services and the State Aid for Police Protection programs to the fiscal 2017 level. The legislation also allows DHMH to charge the Maryland Health Care Commission and the Health Services Cost Review Commission a higher indirect cost rate.

Related to the disparity grant, the BRFA of 2017 reduces the minimum grant amount, in fiscal 2018 only, from 67.5% to 63.75% of the disparity grant calculation provided for counties with a tax rate of at least 3.2%. The legislation also saves \$50 million of general funds by repealing the mandate, for fiscal 2018 only, for an appropriation to the State Retirement and Pension System equal to one-half of the amount by which the unappropriated general fund surplus exceeded \$10 million in fiscal 2016.

The BRFA of 2017 also requires funding for a specified business retention incentive to be provided under the Sunny Day program for fiscal 2019 through 2021 so that fiscal 2017 costs for the program could be reduced. The legislation also reduces the mandated funding under the Maryland Resource-Based Industry Development Corporation's Next Generation Farmland Acquisition program in fiscal 2018 and extends funding to fiscal 2019. Further, the legislation postpones the reduction to the Medicaid Deficit Assessment in fiscal 2018 but increases the reduction to the assessment in fiscal 2019 and 2020. The legislation also reduces mandated funding for the Prince George's County Regional Medical Center in fiscal 2018 but increases the mandated funding for fiscal 2019 through 2028.

Additionally, the BRFA of 2017 limits growth in fiscal 2018 rates paid to providers with rates set by the Interagency Rates Committee to no more than 2% over the rates in effect in fiscal 2017. The legislation also reduces the mandated fiscal 2018 funding to the Revenue Stabilization Account by \$40 million. Finally, the BRFA of 2017 reduces the fiscal 2017 general fund appropriation of two agencies: under DDA for unexecuted utilization review contracts and under DGS because special funds are available from eMaryland Marketplace fees.

### **Program Oversight and Administration**

The BRFA of 2017 includes a number of provisions that affect program oversight and administration. First, the legislation clarifies an existing mandate related to the Maryland State Arts Council by specifying that \$1 million from the revenue from the admissions and amusement tax on certain electronic bingo machines be allocated to the Maryland State Arts Council and that revenue be included in the calculation of the mandated increase in general funds. Additionally, the legislation expands legislative review of any programmatic change that results in a federal block grant by broadening the definition of block grant. Similarly, the legislation extends legislative review, for two years, to program changes that would make it harder to qualify for benefits, expand beneficiary cost sharing, or impose limitations on benefits in relation to Medicaid and SNAP. The legislation also establishes a triennial review cycle and annual reporting requirement related to certain interagency agreements. Additionally, it requires the Department of Budget and Management to publish personnel and agency performance data online, in addition to the annual printed budget books.

Related to MDOT, the BRFA of 2017 prohibits, for years beyond the budget request year, the inclusion of nonmandated transportation grants to local governments in the *Consolidated Transportation Program* and the withholding or reserving of funds in the Transportation Trust Fund forecast for grants to local governments for roads and highways. Additionally, the legislation instructs the Secretary of Transportation, in coordination with Montgomery and Prince George's counties' transportation departments, to engage with their counterparts in Virginia and Washington, DC, to revisit the Washington Metropolitan Area Transit Authority (WMATA) compact to ensure the viability of WMATA.

The BRFA of 2017 also establishes the Comptroller of Maryland as the administering agency for the Maryland Emergency Medical System Operations Fund. Finally, the legislation requires DHR to use savings in the TCA program in fiscal 2017 to reduce the Temporary Assistance for Needy Families deficit.

### **Provisions Affecting Local Government**

The BRFA of 2017 includes a provision that allocates a portion of the admissions and amusement tax revenue accruing to the Special Fund for the Preservation of Cultural Arts to a grant for the Arts Council of Anne Arundel County beginning in fiscal 2019. Related to Baltimore City Public Schools (BCPS), the legislation requires \$4.6 million in excess Baltimore City contributions to the Baltimore City Public School Construction Financing Fund to be credited to BCPS to provide a portion of its required contribution in fiscal 2018 instead of the Comptroller intercepting State education aid and expresses the intent that this provision would only apply in fiscal 2018. The legislation requires a quarterly report on the Baltimore City Public School System structural deficit in fiscal 2018, 2019, and 2020. Finally, the legislation authorizes, for fiscal 2018 only, Baltimore City to use its HUR to pay for students to ride MTA buses and prohibits MTA from charging Baltimore City more than a specified amount for this service.

### **Other Provisions**

The BRFA of 2017 includes several other provisions, including one that requires Senatorial scholarship funding to grow in the same manner as Delegate scholarship funding reflecting growth in tuition and fees at public four-year institutions starting in fiscal 2020. Further, the legislation includes a provision that clarifies that the requirement to budget 100% of the Maryland Park Service's own-sourced revenues is based on the actual revenues from two fiscal years preceding the proposed fiscal year. Finally, it withdraws a fiscal 2017 special fund appropriation of \$187,500 under DHCD and returns the funds to the SMWOBA within Commerce.

## **Selected Budgetary Initiatives and Enhancements**

### **Heroin/Opioid Addiction**

The fiscal 2018 allowance, as introduced, contained approximately \$13.5 million in funding for programs specifically tied to the heroin and opioid crisis. The majority of this funding is carryover from prior years and is based on the recommendations of the Governor's Heroin and Opioid Emergency Task Force. New funding appropriated this session, included (1) a \$2.0 million deficiency appropriation, which is also included in fiscal 2018, to fund residential treatment services for court-ordered individuals (\$1.5 million) and the Opioid Operational Command Center (\$0.5 million); (2) \$1.9 million in new special and federal funding for the Prescription Drug Monitoring Program; and (3) \$10.0 million in general funds for additional programming to combat the heroin and opioid epidemic, in response to the Governor's declaration of a State of Emergency on March 1, 2017. Language included in the supplemental item provided specific purposes for which the funding may be used, authorized the Governor's Inter-Agency Heroin and Opioid Coordinating Council to distribute the funding, and required the council to report to the General Assembly on a quarterly basis on how the funds have been used. The General Assembly added additional language that restricted the funding decisions based on the provisions of either **House Bill 1329/Senate Bill 967 (Chapters 571 and 572)** and required DHMH to distribute the funds, contingent upon the enactment of those bills.

The General Assembly also added language to the budget bill restricting an additional \$750,000 for a pilot study regarding management of opioid-related pain medication.

### **K-12 Education Enhancements**

On March 27, 2017, Governor Hogan provided a supplemental budget that included \$28.2 million in education aid to provide grants to certain LEAs, all of which was contingent on the enactment of **House Bill 684**. As directed under the bill, this funding is provided in two parts: (1) enrollment-based supplemental grants; and (2) prekindergarten supplemental grants.

An LEA is eligible for an enrollment-based supplemental grant if it has declining enrollment, as determined by the LEA's most recent prior three-year moving average FTE exceeding its FTE in the previous school year. In fiscal 2018, the eligible LEAs include Baltimore City and Allegany, Calvert, Carroll, Cecil, Garrett, Harford, Kent, Queen Anne's, and Talbot counties. The supplemental budget provides \$17.2 million for these grants.

An LEA is eligible for a prekindergarten supplemental grant based on it offering a full-day public prekindergarten program for all four-year-olds whose parents enroll them. In fiscal 2018, the eligible LEAs include Baltimore City and Garrett, Kent, and Somerset counties. The supplemental budget includes \$10.9 million for these grants.

Of the funding provided under these two supplemental grants, \$23.7 million is being provided to Baltimore City. This supplemental appropriation will assist Baltimore City in addressing its fiscal 2018 budget gap.

## **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 two supplemental budgets, legislative reductions, and final appropriations for fiscal 2017 and 2018 by fund source. The Governor's original request provided for \$43.8 billion in fiscal 2018 expenditures and \$1.0 billion in fiscal 2017 deficiencies.

The Governor added \$36.3 million in fiscal 2017 spending in a supplemental budget. Net of legislative reductions of \$21.6 million, the fiscal 2017 appropriation is \$43.1 billion. The fiscal 2018 budget was increased by \$58.0 million through two supplemental budgets offset by net legislative reductions totaling \$280.7 million. This resulted in a final appropriation of \$43.6 billion.

**Exhibit 1.10** lists \$7.2 million in general and special fund appropriations that represent additional restrictions throughout the budget to be used only to implement legislative initiatives. Each item can be considered separately by the Governor, and those items that are not used for the restricted purpose either revert to the General Fund at the end of the fiscal year or are canceled. Canceled special funds will be credited to Program Open Space (POS).

**Exhibit 1.11** illustrates budget changes by major expenditure category by fund. Total spending increases by \$500.0 billion, or 1.2%. Debt service grows by \$75.2 million, or 5.0%, based on the issuance of GO and transportation debt. Aid to local government increases by \$171.5 million, or 2.0%, largely due to formula-based education aid. Lesser increases are also found in county transportation grants, POS spending, and gaming impact grants. Entitlement spending grows by \$189.7 million, or 1.5%, driven by Medicaid enrollment, utilization, and provider rate increases as well as fee-for-service community behavioral health expenditures. State agency spending increases by \$263.5 million, or 1.5%, largely due to growth in higher education spending and increased transportation spending for transit operating expenses. PAYGO capital expenditures decrease by -\$54.5 million, or -1.8%, due mostly to less general funds provided for this purpose.

**Exhibit 1.9**  
**Fiscal Note – Summary of the Fiscal 2018 Budget Bill – House Bill 150**

	<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 2017 Budget	\$17,153,079,306	\$8,755,242,228	\$12,875,570,384	\$4,290,391,574	\$43,074,283,492 <sup>(1)</sup>
Fiscal 2018 Budget	17,382,637,677	9,078,690,271	12,979,328,363	4,371,344,992	43,812,001,303 <sup>(2)</sup>
<b>Supplemental Budgets</b>					
Fiscal 2017 Deficiencies	-\$8,738,039	\$42,446,190	\$2,617,666	\$0	\$36,325,817
Fiscal 2018 Budget	82,532,721	-24,760,102	232,925	0	58,005,544
<b>Subtotal</b>	<b>\$73,794,682</b>	<b>\$17,686,088</b>	<b>\$2,850,591</b>	<b>\$0</b>	<b>\$94,331,361</b>
<b>Budget Reconciliation and Financing Act of 2017</b>					
Fiscal 2017 Deficiencies	-\$2,428,000	\$780,500	-\$1,040,000	\$0	-\$2,687,500
Fiscal 2018 Budget	-182,788,083	22,395,541	-2,078,909	0	-162,471,451
<b>Total Reductions</b>	<b>-\$185,216,083</b>	<b>\$23,176,041</b>	<b>-\$3,118,909</b>	<b>\$0</b>	<b>-\$165,158,951</b>
<b>Legislative Reductions</b>					
Fiscal 2017 Deficiencies	-\$10,380,000	-\$8,500,000	\$0	\$0	-\$18,880,000
Fiscal 2018 Budget	-72,064,201	-45,809,640	-358,044	0	-118,231,885
<b>Total Reductions</b>	<b>-\$82,444,201</b>	<b>-\$54,309,640</b>	<b>-\$358,044</b>	<b>\$0</b>	<b>-\$137,111,885</b>
<b>Appropriations</b>					
Fiscal 2017 Budget	\$17,131,533,267	\$8,789,968,918 <sup>(3)</sup>	\$12,877,148,050	\$4,290,391,574	\$43,089,041,809
Fiscal 2018 Budget	17,210,068,114 <sup>(4)</sup>	9,030,516,070 <sup>(3)</sup>	12,977,124,335	4,371,344,992	43,589,053,511
<b>Change</b>	<b>\$78,534,847</b>	<b>\$240,547,152</b>	<b>\$99,976,285</b>	<b>\$80,953,418</b>	<b>\$500,011,702</b>

<sup>(1)</sup> \$1.0 billion in proposed deficiencies, including \$155.6 million in general funds, \$73.9 million in special funds, \$814.8 million in federal funds, and \$4.1 million in current unrestricted funds. Reversion assumptions total \$155.8 million in general funds, including \$30.0 million in unspecified reversions and \$125.8 million in targeted reversions.

<sup>(2)</sup> Reversion assumptions total \$30.0 million in unspecified general fund reversions. Across-the-board reductions total \$16.9 million, reflecting a reduction in the Department of Public Safety and Correctional Services.

<sup>(3)</sup> Fiscal 2017 appropriations assume \$2.5 million in special funds to backfill general fund reductions. Fiscal 2018 appropriations assume \$30.4 million in special funds to backfill general fund reductions.

<sup>(4)</sup> Reflects a targeted reversion of \$0.3 million.

**Exhibit 1.10**  
**Additional Legislative Budget Priorities**  
**Fiscal 2018**

	<b><u>General Funds</u></b>	<b><u>Special Funds</u></b>
DHR: TDAP Monthly Benefit Increase	\$2,000,000	
Judiciary: Indigency Determination	1,500,000	
DNR: Purchase La Grange Property		\$980,000
DoIT: Public Broadcasting Video Streaming	500,000	
BCCC: USM Shady Grove New Academic Programming	450,000	
DHMH: PACT Helping Children Program	400,000	
DHMH: Medicaid Provider Reimbursements	375,000	
MSDE: Bard High School Early College Baltimore	300,000	
MHEC: Educational Excellence Awards	282,135	
MSDE: Maryland Education Development Collaborative	250,000	
BCCC: USM Hagerstown New Academic Programming	150,000	
<b>Total</b>	<b>\$6,207,135</b>	<b>\$980,000</b>

BCCC: Baltimore City Community College  
DoIT: Department of Information Technology  
DNR: Department of Natural Resources  
DHMH: Department of Health and Mental Hygiene  
DHR: Department of Human Resources  
MHEC: Maryland Higher Education Commission  
MSDE: Maryland State Department of Education  
TDAP: Temporary Disability Assistance Program  
USM: University System of Maryland

Source: Department of Legislative Services

**Exhibit 1.11**  
**State Expenditures – General Funds**  
**Fiscal 2016-2018**  
**(\$ in Millions)**

<b>Category</b>	<b>2016 Actual</b>	<b>2017 Working Approp.</b>	<b>2018 Legislative Approp.</b>	<b>2017-2018</b>	
				<b>\$ Change</b>	<b>% Change</b>
Debt Service	\$252.4	\$259.4	\$259.6	\$0.3	0.1%
County/Municipal	\$252.1	\$262.5	\$271.6	\$9.1	3.5%
Community Colleges	301.8	314.3	317.7	3.4	1.1%
Education/Libraries	5,833.5	5,924.7	5,936.1	11.4	0.2%
Health	45.8	49.5	51.1	1.6	3.2%
<b>Aid to Local Governments</b>	<b>\$6,433.2</b>	<b>\$6,551.1</b>	<b>\$6,576.5</b>	<b>\$25.5</b>	<b>0.4%</b>
Foster Care Payments	\$183.7	\$177.8	\$184.5	\$6.7	3.7%
Assistance Payments	56.7	64.5	63.3	-1.2	-1.8%
Medical Assistance	2,631.9	2,995.7	3,167.9	172.2	5.7%
Property Tax Credits	78.1	82.3	87.5	5.2	6.3%
<b>Entitlements</b>	<b>\$2,950.4</b>	<b>\$3,320.3</b>	<b>\$3,503.1</b>	<b>\$182.8</b>	<b>5.5%</b>
Health	\$1,310.7	\$1,369.2	\$1,428.8	\$59.6	4.4%
Human Resources	371.9	406.6	383.4	-23.3	-5.7%
Children's Cabinet Interagency Fund	22.5	16.6	18.6	2.0	11.7%
Juvenile Services	269.8	272.4	272.9	0.5	0.2%
Public Safety/Police	1,454.8	1,522.0	1,506.4	-15.6	-1.0%
Higher Education	1,345.7	1,422.2	1,448.5	26.3	1.9%
Other Education	407.6	417.5	438.9	21.3	5.1%
Agriculture/Natural Res./Environment	114.7	119.8	122.5	2.7	2.3%
Other Executive Agencies	671.2	696.0	680.7	-15.3	-2.2%
Judiciary	450.7	481.7	490.4	8.7	1.8%
Legislative	84.5	89.2	90.3	1.1	1.3%
<b>State Agencies</b>	<b>\$6,504.2</b>	<b>\$6,813.1</b>	<b>\$6,881.2</b>	<b>\$68.1</b>	<b>1.0%</b>
<b>Total Operating</b>	<b>\$16,140.2</b>	<b>\$16,943.9</b>	<b>\$17,220.6</b>	<b>\$276.7</b>	<b>1.6%</b>
Capital <sup>(1)</sup>	\$26.5	\$62.3	\$9.5	-\$52.8	-84.7%
<b>Subtotal</b>	<b>\$16,166.7</b>	<b>\$17,006.2</b>	<b>\$17,230.1</b>	<b>\$223.9</b>	<b>1.3%</b>
Reserve Funds	\$72.5	\$155.4	\$10.0	-\$145.4	-93.6%
<b>Appropriations</b>	<b>\$16,239.2</b>	<b>\$17,161.5</b>	<b>\$17,240.1</b>	<b>\$78.5</b>	<b>0.5%</b>
Reversions	\$0.0	-\$30.0	-\$30.0	\$0.0	0.0%
<b>Grand Total</b>	<b>\$16,239.2</b>	<b>\$17,131.5</b>	<b>\$17,210.1</b>	<b>\$78.5</b>	<b>0.5%</b>

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

Note: The fiscal 2017 working appropriation includes \$146.9 million in deficiencies and supplemental deficiencies, \$125.8 million in targeted reversions, and legislative cuts to the deficiencies including \$2.4 million that is contingent on **House Bill 152**, the Budget Reconciliation and Financing Act (BRFA) of 2017. The fiscal 2018 legislative appropriation includes \$182.8 million in reductions contingent on the BRFA of 2017.

**Exhibit 1.11 (Continued)**  
**State Expenditures – Special and Higher Education Funds\***  
**Fiscal 2016-2018**  
**(\$ in Millions)**

<b><u>Category</u></b>	<b><u>2016 Actual</u></b>	<b><u>2017 Working Approp.</u></b>	<b><u>2018 Legislative Approp.</u></b>	<b><u>2017-2018 \$ Change</u></b>	<b><u>% Change</u></b>
Debt Service	\$1,116.4	\$1,229.7	\$1,304.6	\$74.9	6.1%
County/Municipal	\$289.1	\$342.4	\$399.5	\$57.1	16.7%
Community Colleges	0.0	0.0	0.0	0.0	n/a
Education/Libraries	382.4	474.6	522.1	47.5	10.0%
Health	0.0	0.0	0.0	0.0	n/a
<b><i>Aid to Local Governments</i></b>	<b><i>\$671.5</i></b>	<b><i>\$817.0</i></b>	<b><i>\$921.6</i></b>	<b><i>\$104.6</i></b>	<b><i>12.8%</i></b>
Foster Care Payments	\$4.3	\$2.2	\$4.3	\$2.1	94.1%
Assistance Payments	11.3	13.3	12.5	-0.8	-6.2%
Medical Assistance	1,001.9	974.7	995.3	20.6	2.1%
Property Tax Credits	0.0	0.0	0.0	0.0	n/a
<b><i>Entitlements</i></b>	<b><i>\$1,017.5</i></b>	<b><i>\$990.2</i></b>	<b><i>\$1,012.1</i></b>	<b><i>\$21.9</i></b>	<b><i>2.2%</i></b>
Health	\$394.7	\$518.1	\$467.2	-\$51.0	-9.8%
Human Resources	100.9	98.1	93.5	-4.5	-4.6%
Children's Cabinet Interagency Fund	0.0	0.0	0.0	0.0	n/a
Juvenile Services	3.3	3.9	3.2	-0.6	-16.2%
Public Safety/Police	216.8	224.8	221.6	-3.2	-1.4%
Higher Education	4,138.3	4,360.6	4,442.9	82.2	1.9%
Other Education	56.8	70.0	69.9	0.0	0.0%
Transportation	1,821.8	1,837.4	1,907.7	70.3	3.8%
Agriculture/Natural Res./Environment	241.1	281.8	291.9	10.1	3.6%
Other Executive Agencies	596.6	711.2	688.6	-22.6	-3.2%
Judiciary	50.9	59.3	66.3	7.0	11.9%
Legislative	0.0	0.0	0.0	0.0	n/a
<b><i>State Agencies</i></b>	<b><i>\$7,621.3</i></b>	<b><i>\$8,165.1</i></b>	<b><i>\$8,252.8</i></b>	<b><i>\$87.7</i></b>	<b><i>1.1%</i></b>
<b>Total Operating</b>	<b>\$10,426.7</b>	<b>\$11,202.0</b>	<b>\$11,491.2</b>	<b>\$289.2</b>	<b>2.6%</b>
Capital	\$1,688.4	\$1,878.4	\$1,910.7	\$32.3	1.7%
Transportation	1,446.9	1,554.5	1,575.1	20.5	1.3%
Environment	183.3	210.1	187.1	-23.0	-10.9%
Other	58.2	113.8	148.5	34.8	30.5%
<b>Grand Total</b>	<b>\$12,115.1</b>	<b>\$13,080.4</b>	<b>\$13,401.9</b>	<b>\$321.5</b>	<b>2.5%</b>

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

Note: The fiscal 2017 working appropriation reflects deficiencies and supplemental deficiencies of \$116.3 million, legislative reductions to the deficiencies including \$0.2 million contingent on **House Bill 152**, the BRFA of 2017, and \$2.5 million in additional special fund spending due to funding swaps. The fiscal 2018 legislative appropriation reflects \$6.7 million in reductions contingent on the BRFA of 2017 and \$30.4 million in additional special fund spending due to funding swaps.



**Exhibit 1.11 (Continued)**  
**State Expenditures – Federal Funds**  
**Fiscal 2016-2018**  
**(\$ in Millions)**

<b><u>Category</u></b>	<b><u>2016 Actual</u></b>	<b><u>2017 Working Approp.</u></b>	<b><u>2018 Legislative Approp.</u></b>	<b><u>2017-2018 \$ Change</u></b>	<b><u>% Change</u></b>
Debt Service	\$11.5	\$11.5	\$11.5	\$0.0	0.0%
County/Municipal	\$39.5	\$87.5	\$72.4	-\$15.1	-17.3%
Community Colleges	0.0	0.0	0.0	0.0	n/a
Education/Libraries	828.1	936.8	993.3	56.5	6.0%
Health	4.5	4.5	4.5	0.0	0.0%
<b><i>Aid to Local Governments</i></b>	<b><i>\$872.1</i></b>	<b><i>\$1,028.7</i></b>	<b><i>\$1,070.1</i></b>	<b><i>\$41.4</i></b>	<b><i>4.0%</i></b>
Foster Care Payments	\$79.6	\$82.3	\$73.8	-\$8.4	-10.3%
Assistance Payments	1,220.0	1,255.6	1,196.4	-59.2	-4.7%
Medical Assistance	5,933.1	6,866.6	6,919.1	52.6	0.8%
Property Tax Credits	0.0	0.0	0.0	0.0	n/a
<b><i>Entitlements</i></b>	<b><i>\$7,232.7</i></b>	<b><i>\$8,204.4</i></b>	<b><i>\$8,189.3</i></b>	<b><i>-\$15.1</i></b>	<b><i>-0.2%</i></b>
Health	\$865.4	\$975.7	\$990.4	\$14.7	1.5%
Human Resources	473.9	481.9	557.0	75.1	15.6%
Children's Cabinet Interagency Fund	0.0	0.0	0.0	0.0	n/a
Juvenile Services	5.4	4.8	4.8	0.0	-0.3%
Public Safety/Police	32.8	43.0	37.3	-5.7	-13.3%
Higher Education	0.0	0.0	0.0	0.0	n/a
Other Education	223.1	254.2	275.1	20.9	8.2%
Transportation	87.3	98.7	97.5	-1.2	-1.2%
Agriculture/Natural Res./Environment	62.3	69.1	66.1	-3.0	-4.4%
Other Executive Agencies	545.3	614.4	622.4	8.0	1.3%
Judiciary	0.7	1.1	0.1	-1.0	-94.8%
<b><i>State Agencies</i></b>	<b><i>\$2,296.3</i></b>	<b><i>\$2,543.0</i></b>	<b><i>\$2,650.6</i></b>	<b><i>\$107.6</i></b>	<b><i>4.2%</i></b>
<b>Total Operating</b>	<b>\$10,412.6</b>	<b>\$11,787.7</b>	<b>\$11,921.6</b>	<b>\$134.0</b>	<b>1.1%</b>
Capital	\$811.1	\$1,089.5	\$1,055.5	-\$34.0	-3.1%
Transportation	683.2	1,016.3	949.6	-66.7	-6.6%
Environment	44.9	44.3	42.6	-1.7	-3.8%
Other	83.0	28.9	63.3	34.4	119.3%
<b>Grand Total</b>	<b>\$11,223.8</b>	<b>\$12,877.1</b>	<b>\$12,977.1</b>	<b>\$100.0</b>	<b>0.8%</b>

Note: The fiscal 2017 working appropriation includes \$817.5 million in deficiencies and supplemental deficiencies and legislative reductions to the deficiencies including \$1.0 million contingent on **House Bill 152**, the BRFA of 2017. The fiscal 2018 legislative appropriation includes \$2.1 million in reductions contingent on the BRFA of 2017.

**Exhibit 1.11 (Continued)**  
**State Expenditures – State Funds**  
**Fiscal 2016-2018**  
**(\$ in Millions)**

<u>Category</u>	<u>2016 Actual</u>	<u>2017 Working Approp.</u>	<u>2018 Legislative Approp.</u>	<u>2017-2018 \$ Change</u>	<u>% Change</u>
Debt Service	\$1,368.8	\$1,489.1	\$1,564.3	\$75.2	5.0%
County/Municipal	\$541.1	\$604.9	\$671.1	\$66.2	10.9%
Community Colleges	301.8	314.3	317.7	3.4	1.1%
Education/Libraries	6,215.9	6,399.3	6,458.2	58.9	0.9%
Health	45.8	49.5	51.1	1.6	3.2%
<b>Aid to Local Governments</b>	<b>\$7,104.7</b>	<b>\$7,368.0</b>	<b>\$7,498.2</b>	<b>\$130.1</b>	<b>1.8%</b>
Foster Care Payments	\$188.0	\$180.0	\$188.8	\$8.8	4.9%
Assistance Payments	68.0	77.8	75.8	-2.0	-2.6%
Medical Assistance	3,633.8	3,970.4	4,163.2	192.8	4.9%
Property Tax Credits	78.1	82.3	87.5	5.2	6.3%
<b>Entitlements</b>	<b>\$3,967.9</b>	<b>\$4,310.5</b>	<b>\$4,515.3</b>	<b>\$204.7</b>	<b>4.7%</b>
Health	\$1,705.4	\$1,887.3	\$1,895.9	\$8.6	0.5%
Human Resources	472.9	504.7	476.9	-27.8	-5.5%
Children's Cabinet Interagency Fund	22.5	16.6	18.6	2.0	11.7%
Juvenile Services	273.1	276.2	276.1	-0.1	0.0%
Public Safety/Police	1,671.6	1,746.7	1,728.0	-18.7	-1.1%
Higher Education	5,483.9	5,782.8	5,891.3	108.6	1.9%
Other Education	464.4	487.5	508.8	21.3	4.4%
Transportation	1,821.8	1,837.4	1,907.7	70.3	3.8%
Agriculture/Natural Res./Environment	355.9	401.6	414.4	12.8	3.2%
Other Executive Agencies	1,267.8	1,407.2	1,369.4	-37.8	-2.7%
Judiciary	501.6	541.0	556.7	15.7	2.9%
Legislative	84.5	89.2	90.3	1.1	1.3%
<b>State Agencies</b>	<b>\$14,125.4</b>	<b>\$14,978.2</b>	<b>\$15,134.1</b>	<b>\$155.9</b>	<b>1.0%</b>
<b>Total Operating</b>	<b>\$26,566.9</b>	<b>\$28,145.9</b>	<b>\$28,711.8</b>	<b>\$565.9</b>	<b>2.0%</b>
Capital <sup>(1)</sup>	\$1,714.9	\$1,940.7	\$1,920.2	-\$20.5	-1.1%
Transportation	1,446.9	1,554.5	1,575.1	20.5	1.3%
Environment	183.7	210.3	187.6	-22.7	-10.8%
Other	84.3	175.8	157.5	-18.3	-10.4%
<b>Subtotal</b>	<b>\$28,281.8</b>	<b>\$30,086.5</b>	<b>\$30,631.9</b>	<b>\$545.4</b>	<b>1.8%</b>
Reserve Funds	\$72.5	\$155.4	\$10.0	-\$145.4	-93.6%
<b>Appropriations</b>	<b>\$28,354.3</b>	<b>\$30,241.9</b>	<b>\$30,641.9</b>	<b>\$400.0</b>	<b>1.3%</b>
Reversions	\$0.0	-\$30.0	-\$30.0	\$0.0	0.0%
<b>Grand Total</b>	<b>\$28,354.3</b>	<b>\$30,211.9</b>	<b>\$30,611.9</b>	<b>\$400.0</b>	<b>1.3%</b>

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

Note: The fiscal 2017 working appropriation reflects deficiencies and supplemental deficiencies of \$263.2 million, \$125.8 million in targeted reversions, legislative reductions to the deficiencies including \$2.6 million contingent on **House Bill 152**, the BRFA of 2017, and \$2.5 million in additional special fund spending due to funding swaps. The fiscal 2018 legislative appropriation reflects \$189.5 million in reductions contingent on the BRFA of 2017 and \$30.4 million in additional special fund spending due to funding swaps.

**Exhibit 1.11 (Continued)**  
**State Expenditures – All Funds**  
**Fiscal 2016-2018**  
**(\$ in Millions)**

<u>Category</u>	<u>2016 Actual</u>	<u>2017 Working Approp.</u>	<u>2018 Legislative Approp.</u>	<u>2017-2018 \$ Change</u>	<u>% Change</u>
Debt Service	\$1,380.3	\$1,500.6	\$1,575.8	\$75.2	5.0%
County/Municipal	\$580.7	\$692.3	\$743.5	\$51.1	7.4%
Community Colleges	301.8	314.3	317.7	3.4	1.1%
Education/Libraries	7,044.0	7,336.1	7,451.5	115.4	1.6%
Health	50.3	54.0	55.6	1.6	3.0%
<b><i>Aid to Local Governments</i></b>	<b><i>\$7,976.9</i></b>	<b><i>\$8,396.7</i></b>	<b><i>\$8,568.3</i></b>	<b><i>\$171.5</i></b>	<b><i>2.0%</i></b>
Foster Care Payments	\$267.6	\$262.3	\$262.6	\$0.3	0.1%
Assistance Payments	1,288.0	1,333.4	1,272.2	-61.2	-4.6%
Medical Assistance	9,566.9	10,836.9	11,082.3	245.4	2.3%
Property Tax Credits	78.1	82.3	87.5	5.2	6.3%
<b><i>Entitlements</i></b>	<b><i>\$11,200.6</i></b>	<b><i>\$12,514.9</i></b>	<b><i>\$12,704.6</i></b>	<b><i>\$189.7</i></b>	<b><i>1.5%</i></b>
Health	\$2,570.9	\$2,863.0	\$2,886.3	\$23.3	0.8%
Human Resources	946.8	986.6	1,033.9	47.3	4.8%
Children's Cabinet Interagency Fund	22.5	16.6	18.6	2.0	11.7%
Juvenile Services	278.4	281.1	281.0	-0.1	0.0%
Public Safety/Police	1,704.4	1,789.8	1,765.3	-24.4	-1.4%
Higher Education	5,483.9	5,782.8	5,891.3	108.6	1.9%
Other Education	687.5	741.7	783.9	42.1	5.7%
Transportation	1,909.1	1,936.1	2,005.2	69.1	3.6%
Agriculture/Natural Res./Environment	418.2	470.7	480.5	9.7	2.1%
Other Executive Agencies	1,813.1	2,021.6	1,991.8	-29.8	-1.5%
Judiciary	502.3	542.1	556.7	14.6	2.7%
Legislative	84.5	89.2	90.3	1.1	1.3%
<b><i>State Agencies</i></b>	<b><i>\$16,421.7</i></b>	<b><i>\$17,521.2</i></b>	<b><i>\$17,784.7</i></b>	<b><i>\$263.5</i></b>	<b><i>1.5%</i></b>
<b>Total Operating</b>	<b>\$36,979.5</b>	<b>\$39,933.5</b>	<b>\$40,633.4</b>	<b>\$699.9</b>	<b>1.8%</b>
Capital <sup>(1)</sup>	\$2,526.0	\$3,030.1	\$2,975.7	-\$54.5	-1.8%
Transportation	2,130.2	2,570.8	2,524.6	-46.3	-1.8%
Environment	228.5	254.6	230.2	-24.4	-9.6%
Other	167.3	204.7	220.9	16.2	7.9%
<b><i>Subtotal</i></b>	<b><i>\$39,505.6</i></b>	<b><i>\$42,963.7</i></b>	<b><i>\$43,609.1</i></b>	<b><i>\$645.4</i></b>	<b><i>1.5%</i></b>
Reserve Funds	\$72.5	\$155.4	\$10.0	-\$145.4	-93.6%
<b>Appropriations</b>	<b>\$39,578.1</b>	<b>\$43,119.0</b>	<b>\$43,619.1</b>	<b>\$500.0</b>	<b>1.2%</b>
Reversions	\$0.0	-\$30.0	-\$30.0	\$0.0	0.0%
<b>Grand Total</b>	<b>\$39,578.1</b>	<b>\$43,089.0</b>	<b>\$43,589.1</b>	<b>\$500.0</b>	<b>1.2%</b>

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

Note: The fiscal 2017 working appropriation reflects deficiencies and supplemental deficiencies of \$1,080.7 million, \$125.8 million in targeted reversions, legislative reductions to the deficiencies including \$3.7 million contingent on **House Bill 152**, the BRFA of 2017, and \$2.5 million in additional special fund spending due to funding swaps. The fiscal 2018 legislative appropriation reflects \$191.6 million in reductions contingent on the BRFA of 2017 and \$30.4 million in additional special fund spending due to funding swaps.

## **Chapter 2. State Capital Program**

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- Summary
- PAYGO Capital
- Debt Affordability
- Higher Education
- School Construction
- Transfer Tax – Fiscal 2018 Transfer Modification



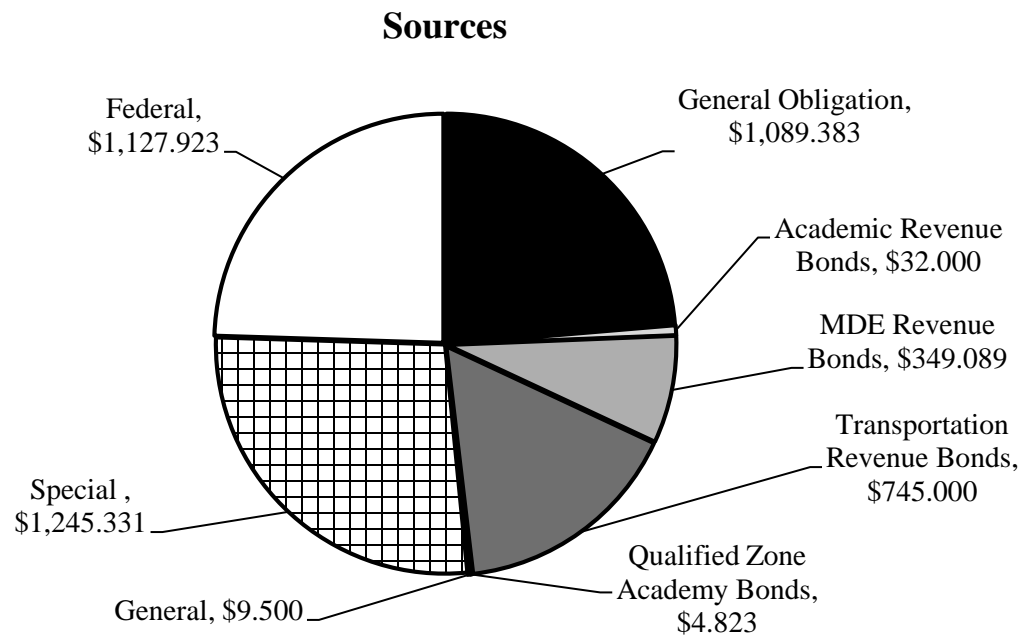
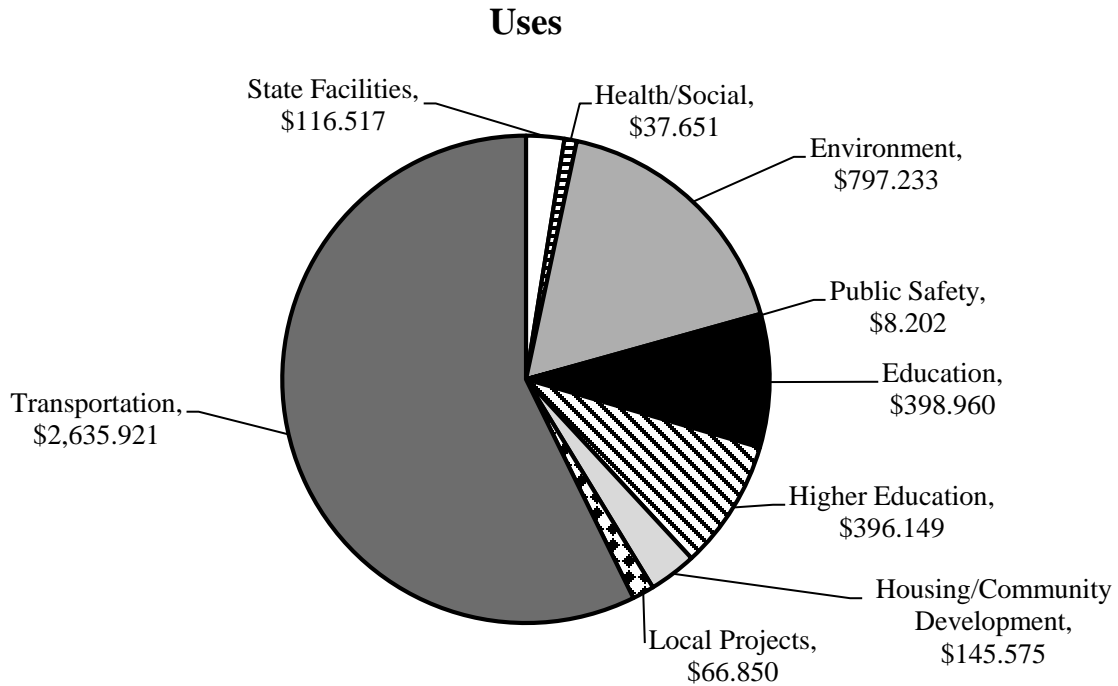
## Summary

The 2017 General Assembly passed a fiscal 2018 capital program totaling \$4.579 billion, including \$2.636 billion for the transportation program but excluding deficiencies that effect fiscal 2017. Apart from transportation, the program totals \$1.962 billion: \$1.089 billion is funded with general obligation (GO) bonds authorized in the Maryland Consolidated Capital Bond Loan (MCCBL) of 2017, the 2017 capital budget **House Bill 151 (Chapter 22 – enacted under Article II, Section 17(b) of the Maryland Constitution without the signature of the Governor)**; \$4.823 million is funded with Qualified Zone Academy Bonds (QZAB) authorized in **House Bill 153 (Chapter 32)**; \$491.8 million is funded on a pay-as-you-go (PAYGO) basis in the operating budget; \$32.0 million is funded with Academic Revenue Bonds (ARB) for University System of Maryland facilities authorized in **House Bill 717 (Chapter 143)**; and \$349.1 million in revenue bonds to be issued by the Maryland Department of the Environment (MDE) to fund various drinking and water quality infrastructure projects.

**Exhibit 2.1** provides a summary of the capital program by uses and sources, **Exhibit 2.2** presents an overview of the State's capital program for fiscal 2018, **Exhibit 2.3** provides a detailed list of capital projects and programs by function and fund source, and **Exhibit 2.4** provides the individual legislative initiative projects funded in the MCCBL of 2017. The MCCBL of 2017 includes funding for:

- State facilities, including colleges and universities, hospitals, Department of Disabilities accessibility modifications, correctional facilities, Department of the Military 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.

**Exhibit 2.1**  
**Fiscal 2018 Capital Program Uses and Sources**  
(\$ in Millions)



MDE: Maryland Department of the Environment

**Exhibit 2.2**  
**Capital Program Summary for the 2017 Session**  
(\$ in Millions)

<u>Function</u>	<u>Bonds</u>		<u>Current Funds (PAYGO)</u>			<u>Total</u>
	<u>GO</u>	<u>Revenue</u>	<u>General</u>	<u>Special</u>	<u>Federal</u>	
<b>State Facilities</b>						<b>\$116.5</b>
Facilities Renewal	\$15.0	\$0.0	\$0.0	\$0.0	\$0.0	
State Facilities – Other	58.2	0.0	0.0	0.0	43.3	
<b>Health/Social</b>						<b>\$37.7</b>
Health – Other	7.4	0.0	0.0	0.0	0.0	
Private Hospitals	30.2	0.0	0.0	0.0	0.0	
<b>Environment</b>						<b>\$797.2</b>
Agriculture	8.6	0.0	0.0	33.9	0.0	
Energy	0.0	0.0	0.0	2.6	0.0	
Environment	21.5	349.1	0.5	187.1	42.6	
MD Environmental Services	19.7	0.0	0.0	0.0	0.0	
Natural Resources	9.8	0.0	0.0	117.9	3.9	
<b>Public Safety</b>						<b>\$8.2</b>
Local Jails	4.5	0.0	0.0	0.0	0.0	
State Corrections	3.3	0.0	0.0	0.0	0.0	
State Police	0.4	0.0	0.0	0.0	0.0	
<b>Education</b>						<b>\$394.1</b>
Education – Other	40.5	0.0	0.0	0.0	0.0	
School Construction	353.6	0.0	0.0	0.0	0.0	
<b>Higher Education</b>						<b>\$396.1</b>
Community Colleges	57.6	0.0	0.0	0.0	0.0	
Morgan State University	10.4	0.0	0.0	0.0	0.0	
Private Colleges/Universities	14.7	0.0	0.0	0.0	0.0	
St. Mary's College	9.8	0.0	0.0	0.0	0.0	
University System	271.7	32.0	0.0	0.0	0.0	
<b>Housing and Community Development</b>						<b>\$145.6</b>
Housing	83.9	0.0	0.0	34.6	16.2	
Housing – Other	1.6	0.0	9.0	0.3	0.0	
<b>Local Projects</b>						<b>\$66.9</b>
Local Projects – Administration	22.5	0.0	0.0	0.0	0.0	
Local Projects – Legislative*	44.4	0.0	0.0	0.0	0.0	



<u>Function</u>	<u>Bonds</u>		<u>Current Funds (PAYGO)</u>			<u>Total</u>
	<u>GO</u>	<u>Revenue</u>	<u>General</u>	<u>Special</u>	<u>Federal</u>	
<b>De-authorizations</b>						<b>-\$24.4</b>
De-authorizations	-17.3	0.0	0.0	0.0	0.0	
De-authorizations – Other	-7.1	0.0	0.0	0.0	0.0	
<b>Total</b>	<b>\$1,065.0</b>	<b>\$381.1</b>	<b>\$9.5</b>	<b>\$376.3</b>	<b>\$106.0</b>	<b>\$1,937.9</b>
<b>Fiscal 2017 Deficiencies</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>\$1.0</b>	<b>\$0.0</b>	<b>\$1.0</b>
<b>Qualified Zone Academy Bonds</b>	<b>\$4.8</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>\$4.8</b>
<b>Transportation CTP</b>	<b>\$0.0</b>	<b>\$745.0</b>	<b>\$0.0</b>	<b>\$869.0</b>	<b>\$1,021.9</b>	<b>\$2,635.9</b>
<b>Grand Total</b>	<b>\$1,069.8</b>	<b>\$1,126.1</b>	<b>\$9.5</b>	<b>\$1,246.3</b>	<b>\$1,127.9</b>	<b>\$4,579.6</b>

CTP: *Consolidated Transportation Program*

GO: general obligation

PAYGO: pay-as-you-go

\*Includes \$27.5 million of initiatives originally proposed as bond bills and \$16.9 million of other projects added by the General Assembly.

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**Exhibit 2.3**  
**Capital Program for the 2017 Session**

<u>Budget Code</u>	<u>Project Title</u>	<b>Bonds</b>		<b>Current Funds (PAYGO)</b>			<u>Total Funds</u>
		<u>General Obligation</u>	<u>Revenue</u>	<u>General</u>	<u>Special</u>	<u>Federal</u>	
	<b>State Facilities</b>						
D55P04A	DVA: Cemetery Program	\$0	\$0	\$0	\$0	\$7,720,000	\$7,720,000
DA0201A	MDOD: Accessibility Modifications	750,000	0	0	0	0	750,000
DE0201A	BPW: Construction Contingency Fund	2,500,000	0	0	0	0	2,500,000
DE0201B	BPW: Facilities Renewal Fund	15,014,121	0	0	0	0	15,014,121
DE0201C	BPW: Annapolis Post Office	3,738,000	0	0	0	0	3,738,000
DE0201D	BPW: Harriet Tubman and Frederick Douglass Statues	300,000	0	0	0	0	300,000
DE0201E	BPW: New Catonsville District Court	18,880,000	0	0	0	0	18,880,000
DH0104A	MIL: Easton Readiness Center	3,587,000	0	0	0	2,666,000	6,253,000
DH0104B	MIL: Freedom Readiness Center	214,000	0	0	0	19,000,000	19,214,000
DH0104C	MIL: Havre de Grace CSMS Automotive Maintenance Facility	0	0	0	0	10,000,000	10,000,000
DH0104D	MIL: Camp Frettered Complex Access Control	0	0	0	0	2,530,000	2,530,000
DH0104E	MIL: Havre de Grace CSMS Surface Equipment Maintenance Facility	0	0	0	0	1,378,000	1,378,000

<u>Budget Code</u>	<u>Project Title</u>	<b>Bonds</b>		<b>Current Funds (PAYGO)</b>			<u>Total Funds</u>
		<u>General Obligation</u>	<u>Revenue</u>	<u>General</u>	<u>Special</u>	<u>Federal</u>	
FB04A	DoIT: Public Safety Communication System	27,000,000	0	0	0	0	27,000,000
RP00A	MPBC: Maryland Public Television Transmission Systems Replacement	550,000	0	0	0	0	550,000
RP00B	MPBC: Studio A Renovation and Addition	690,000	0	0	0	0	690,000
	<b><i>Subject Category Subtotal</i></b>	<b><i>\$73,223,121</i></b>	<b><i>\$0</i></b>	<b><i>\$0</i></b>	<b><i>\$0</i></b>	<b><i>\$43,294,000</i></b>	<b><i>\$116,517,121</i></b>
	<b>Health/Social</b>						
DA0701A	MDOA: Senior Centers Capital Grant Program	\$946,000	\$0	\$0	\$0	\$0	\$946,000
MA01A	DHMH: Community Health Facilities Grant Program	5,742,000	0	0	0	0	5,742,000
RQ00A	UMMS: Capital Infrastructure Improvements	10,000,000	0	0	0	0	10,000,000
RQ00B	UMMS: R Adams Cowley Shock Trauma Center Phase II	1,600,000	0	0	0	0	1,600,000
VE01A	DJS: Baltimore City Juvenile Justice Center Education Expansion	758,000	0	0	0	0	758,000
ZA00U	MISC: Sinai Hospital of Baltimore Community Primary and Specialty Care Complex	2,000,000	0	0	0	0	2,000,000
ZA00X	MISC: Union Hospital Helipad	300,000	0	0	0	0	300,000

Effect of the 2017 Legislative Program on the Financial Condition of the State

<u>Budget Code</u>	<u>Project Title</u>	<b>Bonds</b>		<b>Current Funds (PAYGO)</b>			<u>Total Funds</u>
		<u>General Obligation</u>	<u>Revenue</u>	<u>General</u>	<u>Special</u>	<u>Federal</u>	
ZA00R	MISC: Prince George's Hospital System	11,300,000	0	0	0	0	11,300,000
ZA01A	MISC: Anne Arundel Health System Pathways Treatment Center	118,000	0	0	0	0	118,000
ZA01B	MISC: Anne Arundel Health System Rebecca Clatanoff Pavilion for Women's and Children's Services	472,000	0	0	0	0	472,000
ZA01C	MISC: Atlantic General Hospital Cancer Care Center	681,000	0	0	0	0	681,000
ZA01D	MISC: Baltimore Washington Medical Center Adult Inpatient Psychiatric Unit	577,000	0	0	0	0	577,000
ZA01E	MISC: Carroll Hospital Center Family Centered Neonatal Couplet Care	524,000	0	0	0	0	524,000
ZA01F	MISC: Garrett County Memorial Hospital	472,000	0	0	0	0	472,000
ZA01G	MISC: MedStar Montgomery Medical Center Addiction and Mental Health Center	95,000	0	0	0	0	95,000
ZA01H	MISC: Suburban Hospital Inc. Behavioral Health Crisis Area	283,000	0	0	0	0	283,000
ZA01I	MISC: Union Hospital of Cecil County Behavioral	786,000	0	0	0	0	786,000

<u>Budget Code</u>	<u>Project Title</u>	<b>Bonds</b>		<b>Current Funds (PAYGO)</b>			<u>Total Funds</u>
		<u>General Obligation</u>	<u>Revenue</u>	<u>General</u>	<u>Special</u>	<u>Federal</u>	
ZA01J	Health Crisis Assessment and Stabilization Area						
	MISC: University of Maryland Medical Center Midtown Campus	577,000	0	0	0	0	577,000
ZA01K	MISC: University of Maryland, St. Joseph Medical Center	420,000	0	0	0	0	420,000
	<b>Subject Category Subtotal</b>	<b>\$37,651,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$37,651,000</b>
	<b>Environment</b>						
DA1302	MEA: Jane E. Lawton Program	\$0	\$0	\$0	\$850,000	\$0	\$850,000
DA1303	MEA: State Agency Loan Program	0	0	0	1,700,000	0	1,700,000
KA0510A	DNR: Natural Resources Development Fund	0	0	0	11,797,000	0	11,797,000
KA0510B	DNR: Critical Maintenance Program	0	0	0	6,000,000	0	6,000,000
KA0510C	DNR: Program Open Space – Stateside	0	0	0	31,476,662	3,000,000	34,476,662
KA0510D	DNR: Program Open Space – Local	0	0	0	37,213,279	0	37,213,279
KA05A	DNR: Community Parks and Playgrounds	2,500,000	0	0	0	0	2,500,000
KA05B	DNR: Rural Legacy Program	4,000,000	0	0	18,913,725	0	22,913,725
KA0906A	DNR: Ocean City Beach Maintenance	0	0	0	2,000,000	0	2,000,000

<u>Budget Code</u>	<u>Project Title</u>	<b>Bonds</b>		<b>Current Funds (PAYGO)</b>			<u>Total Funds</u>
		<u>General Obligation</u>	<u>Revenue</u>	<u>General</u>	<u>Special</u>	<u>Federal</u>	
KA1401A	DNR: Waterway Improvement Program	0	0	0	10,500,000	900,000	11,400,000
KA1402A	DNR: Coastal Resiliency Program	540,000	0	0	0	0	540,000
KA1701A	DNR: Oyster Restoration Program	2,729,000	0	0	0	0	2,729,000
LA1111A	MDA: Agricultural Land Preservation Program	0	0	0	32,923,775	0	32,923,775
LA1205A	MDA: Salisbury Animal Health Laboratory Replacement	630,000	0	0	0	0	630,000
LA1213A	MDA: Tobacco Transition Program	0	0	0	1,000,000	0	1,000,000
LA15A	MDA: Maryland Agricultural Cost Share Program	8,000,000	0	0	0	0	8,000,000
UA0104	MDE: Hazardous Substance Cleanup Program	0	0	500,000	0	0	500,000
UA0110	MDE: Biological Nutrient Removal Program	0	49,089,000	0	0	0	49,089,000
UA0111	MDE: Bay Restoration Fund Wastewater Projects	0	0	0	60,000,000	0	60,000,000
UA0112	MDE: Bay Restoration Fund Septic System Program	0	0	0	15,000,000	0	15,000,000
UA0114	MDE: Energy Water Infrastructure Program	0	0	0	8,000,000	0	8,000,000
UA01A	MDE: Maryland Drinking Water Revolving Loan Fund	5,825,000	100,000,000	0	12,879,000	10,299,000	129,003,000

<u>Budget Code</u>	<u>Project Title</u>	<b>Bonds</b>		<b>Current Funds (PAYGO)</b>			<u>Total Funds</u>
		<u>General Obligation</u>	<u>Revenue</u>	<u>General</u>	<u>Special</u>	<u>Federal</u>	
UA01B	MDE: Maryland Water Quality Revolving Loan Fund	13,255,000	200,000,000	0	91,222,000	32,315,000	336,792,000
UA01C	MDE: Mining Remediation Program	500,000	0	0	0	0	500,000
UA01D	MDE: Water Supply Financial Assistance Program	1,944,000	0	0	0	0	1,944,000
UB00A	MES: Infrastructure Improvement Fund	19,732,000	0	0	0	0	19,732,000
	<b>Subject Category Subtotal</b>	<b>\$59,655,000</b>	<b>\$349,089,000</b>	<b>\$500,000</b>	<b>\$341,475,441</b>	<b>\$46,514,000</b>	<b>\$797,233,441</b>
	<b>Public Safety</b>						
QR0202A	DPSCS: Housing Unit Windows and Heating Systems Replacement	\$663,000	\$0	\$0	\$0	\$0	\$663,000
QS0101A	DPSCS: Jessup Regional Electrical Infrastructure Upgrade	467,000	0	0	0	0	467,000
QT04A	DPSCS: Demolition of Buildings at the Baltimore City Correctional Complex	2,200,000	0	0	0	0	2,200,000
WA01A	DSP: New Cumberland Barrack and Garage	360,000	0	0	0	0	360,000
ZB02A	DPSCS: Anne Arundel County Detention Center Central Holding and Processing Center	1,800,000	0	0	0	0	1,800,000

<u>Budget Code</u>	<u>Project Title</u>	<b>Bonds</b>		<b>Current Funds (PAYGO)</b>			<u>Total Funds</u>
		<u>General Obligation</u>	<u>Revenue</u>	<u>General</u>	<u>Special</u>	<u>Federal</u>	
ZB02B	DPSCS: Calvert County Detention Center Security Improvements	508,000	0	0	0	0	508,000
ZB02C	DPSCS: Montgomery County Pre-Release Center Renovations	1,204,000	0	0	0	0	1,204,000
ZB02D	DPSCS: Prince George's County Correctional Center Renovation and Expansion	1,000,000	0	0	0	0	1,000,000
	<b><i>Subject Category Subtotal</i></b>	<b><i>\$8,202,000</i></b>	<b><i>\$0</i></b>	<b><i>\$0</i></b>	<b><i>\$0</i></b>	<b><i>\$0</i></b>	<b><i>\$8,202,000</i></b>
	<b>Education</b>						
DE0202A	BPW: Aging Schools Program	\$6,109,000	\$0	\$0	\$0	\$0	\$6,109,000
DE0202B	BPW: Public School Construction Program	285,000,000	0	0	0	0	285,000,000
DE0202C	BPW: Nonpublic Aging Schools Program	3,500,000	0	0	0	0	3,500,000
DE0202D	BPW: Supplemental Capital Grant Program	62,500,000	0	0	0	0	62,500,000
RA01A	MSDE: Public Library Grant Program	5,000,000	0	0	0	0	5,000,000
RA01B	MSDE: State Library Resource Center	32,028,000	0	0	0	0	32,028,000
	<b><i>Subject Category Subtotal</i></b>	<b><i>\$394,137,000</i></b>	<b><i>\$0</i></b>	<b><i>\$0</i></b>	<b><i>\$0</i></b>	<b><i>\$0</i></b>	<b><i>\$394,137,000</i></b>



<u>Budget Code</u>	<u>Project Title</u>	<b>Bonds</b>		<b>Current Funds (PAYGO)</b>			<u>Total Funds</u>
		<u>General Obligation</u>	<u>Revenue</u>	<u>General</u>	<u>Special</u>	<u>Federal</u>	
	<b>Higher Education</b>						
RB21A	UMB: Central Electric Substation and Electrical Infrastructure Upgrade	\$2,890,000	\$0	\$0	\$0	\$0	\$2,890,000
RB21B	UMB: Health Sciences Research Facility III and Surge Building	3,600,000	0	0	0	0	3,600,000
RB22A	UMCP: A. James Clark Hall New Bioengineering Building	25,452,000	5,000,000	0	0	0	30,452,000
RB22B	UMCP: Brendan Iribe Center for Computer Science and Innovation	63,650,000	10,000,000	0	0	0	73,650,000
RB22C	UMCP: New Cole Field House	8,770,000	0	0	0	0	8,770,000
RB22D	UMCP: School of Public Policy	3,000,000	0	0	0	0	3,000,000
RB24A	TU: Science Facility	26,000,000	0	0	0	0	26,000,000
RB24B	TU: Athletic Turf Field	300,000	0	0	0	0	300,000
RB25A	UMES: School of Pharmacy and Allied Health Professions	3,048,000	0	0	0	0	3,048,000
RB26A	FSU: Education Professions and Health Sciences Center	1,000,000	0	0	0	0	1,000,000
RB27A	CSU: Percy Julian School of Business and Graduate Studies	1,336,000	0	0	0	0	1,336,000
RB28A	UB: Langsdale Library	3,750,000	0	0	0	0	3,750,000

<u>Budget Code</u>	<u>Project Title</u>	<b>Bonds</b>		<b>Current Funds (PAYGO)</b>			<u>Total Funds</u>
		<u>General Obligation</u>	<u>Revenue</u>	<u>General</u>	<u>Special</u>	<u>Federal</u>	
RB31A	UMBC: Interdisciplinary Life Sciences Building	40,249,000	0	0	0	0	40,249,000
RB36A	USMO: Shady Grove Educational Center – Biomedical Sciences and Engineering Education Building	88,651,000	0	0	0	0	88,651,000
RB36B	USMO: Capital facilities Renewal Program	0	17,000,000	0	0	0	17,000,000
RD00A	SMCM: Academic Building and Auditorium	9,832,000	0	0	0	0	9,832,000
RI00A	MHEC: Community College Facilities Grant Program	57,552,000	0	0	0	0	57,552,000
RM00A	MSU: Behavioral and Social Sciences Building	2,105,000	0	0	0	0	2,105,000
RM00B	MSU: New Student Services Support Building	8,255,000	0	0	0	0	8,255,000
ZA00N	MICUA: Goucher College New Science Building	4,000,000	0	0	0	0	4,000,000
ZA00O	MICUA: McDaniel College Gill Physical Education Learning Center	3,000,000	0	0	0	0	3,000,000
ZA00P	MICUA: St. John's College McDowell Hall	2,700,000	0	0	0	0	2,700,000
	<b>Subject Category Subtotal</b>	<b>\$359,140,000</b>	<b>\$32,000,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$391,140,000</b>

<u>Budget Code</u>	<u>Project Title</u>	<b>Bonds</b>		<b>Current Funds (PAYGO)</b>			<u>Total Funds</u>
		<u>General Obligation</u>	<u>Revenue</u>	<u>General</u>	<u>Special</u>	<u>Federal</u>	
	<b>Housing and Community Development</b>						
DW0111A	MDOP: Maryland Historical Trust Capital Grant Fund	\$600,000	\$0	\$0	\$300,000	\$0	\$900,000
DW0111B	MDOP: African American Heritage Preservation Grant Program	1,000,000	0	0	0	0	1,000,000
DW0112	MDOP: Sustainable Communities Tax Credit	0	0	9,000,000	0	0	9,000,000
SA1514A	DHCD: MD-BRAC Preservation Loan Fund	0	0	0	3,000,000	0	3,000,000
SA2402A	DHCD: Community Development Block Grant Program	0	0	0	0	9,000,000	9,000,000
SA24A	DHCD: Baltimore Regional Neighborhood Initiative	8,000,000	0	0	0	0	8,000,000
SA24B	DHCD: Community Legacy Program	6,000,000	0	0	0	0	6,000,000
SA24C	DHCD: Neighborhood Business Development Program	3,100,000	0	0	1,900,000	0	5,000,000
SA24D	DHCD: Strategic Demolition and Smart Growth Impact Fund	25,625,000	0	0	0	0	25,625,000
SA2515A	DHCD: Housing and Building Energy Programs	0	0	0	9,850,000	700,000	10,550,000
SA25A	DHCD: Homeownership Programs	7,600,000	0	0	1,500,000	0	9,100,000

*Effect of the 2017 Legislative Program on the Financial Condition of the State*

<u>Budget Code</u>	<u>Project Title</u>	<u>Bonds</u>		<u>Current Funds (PAYGO)</u>			<u>Total Funds</u>
		<u>General Obligation</u>	<u>Revenue</u>	<u>General</u>	<u>Special</u>	<u>Federal</u>	
SA25B	DHCD: Partnership Rental Housing Program	6,000,000	0	0	0	0	6,000,000
SA25C	DHCD: Rental Housing Program	20,000,000	0	0	15,500,000	4,500,000	40,000,000
SA25D	DHCD: Shelter and Transitional Housing Facilities Grant Program	3,000,000	0	0	0	0	3,000,000
SA25E	DHCD: Special Loan Programs	4,600,000	0	0	2,800,000	2,000,000	9,400,000
	<b><i>Subject Category Subtotal</i></b>	<b><i>\$85,525,000</i></b>	<b><i>\$0</i></b>	<b><i>\$9,000,000</i></b>	<b><i>\$34,850,000</i></b>	<b><i>\$16,200,000</i></b>	<b><i>\$145,575,000</i></b>
	<b>Local Projects</b>						
DB01A	HSMCC: Maryland Dove	\$500,000	\$0	\$0	\$0	\$0	\$500,000
ZA00A	MISC: Allegany County Animal Shelter Adoption and Care Center	500,000	0	0	0	0	500,000
ZA00B	MISC: Angel's Watch Shelter	750,000	0	0	0	0	750,000
ZA00C	MISC: Carroll County Public Safety Training Center	1,650,000	0	0	0	0	1,650,000
ZA00D	MISC: Chesapeake Bay Maritime Museum	250,000	0	0	0	0	250,000
ZA00E	MISC: Chesapeake Grove Senior Housing and Intergenerational Center	1,000,000	0	0	0	0	1,000,000
ZA00F	MISC: Cumberland Investment Plan	500,000	0	0	0	0	500,000
ZA00G	MISC: Hagerstown Revitalization	1,500,000	0	0	0	0	1,500,000

<u>Budget Code</u>	<u>Project Title</u>	<b>Bonds</b>		<b>Current Funds (PAYGO)</b>			<u>Total Funds</u>
		<u>General Obligation</u>	<u>Revenue</u>	<u>General</u>	<u>Special</u>	<u>Federal</u>	
ZA00H	MISC: Historic Annapolis	1,000,000	0	0	0	0	1,000,000
ZA00I	MISC: Imagination Stage	400,000	0	0	0	0	400,000
ZA00J	MISC: Jewish Social Services Montrose Road Building	1,000,000	0	0	0	0	1,000,000
ZA00K	MISC: Kennedy Krieger Institute Comprehensive Autism Center	1,000,000	0	0	0	0	1,000,000
ZA00L	MISC: Lexington Market	2,000,000	0	0	0	0	2,000,000
ZA00M	MISC: Maryland Center for the Arts	1,000,000	0	0	0	0	1,000,000
ZA00Q	MISC: Maryland Zoo in Baltimore	4,000,000	0	0	0	0	4,000,000
ZA00S	MISC: Ronald McDonald House	1,000,000	0	0	0	0	1,000,000
ZA00T	MISC: Salisbury Revitalization	1,000,000	0	0	0	0	1,000,000
ZA00V	MISC: Strathmore Hall	3,000,000	0	0	0	0	3,000,000
ZA00W	MISC: Takoma Park Silver Spring Cooperative	500,000	0	0	0	0	500,000
ZA00Y	MISC: Western Maryland Scenic Railroad	400,000	0	0	0	0	400,000
ZA00Z	MISC: Center Stage	2,000,000	0	0	0	0	2,000,000
ZA00AA	MISC: Maryland Hall for the Creative Arts	1,000,000	0	0	0	0	1,000,000
ZA00AB	MISC: Baltimore Museum of Art	2,000,000	0	0	0	0	2,000,000

<u>Budget Code</u>	<u>Project Title</u>	<b>Bonds</b>		<b>Current Funds (PAYGO)</b>			<u>Total Funds</u>
		<u>General Obligation</u>	<u>Revenue</u>	<u>General</u>	<u>Special</u>	<u>Federal</u>	
ZA00AC	MISC: Poolesville Grape Crushing Economic Development Facility	1,000,000	0	0	0	0	1,000,000
ZA00AD	MISC: Rash Field	1,000,000	0	0	0	0	1,000,000
ZA00AE	MISC: Baltimore Food Hub	900,000	0	0	0	0	900,000
ZA00AF	MISC: Rosewood Property Environmental Abatement	5,000,000	0	0	0	0	5,000,000
ZA00AG	MISC: YWCA Domestic Violence and Trafficking Shelters	400,000	0	0	0	0	400,000
ZA00AH	MISC: The Arc of the Central Chesapeake Region	200,000	0	0	0	0	200,000
ZA00AI	MISC: Bestgate Park	200,000	0	0	0	0	200,000
ZA00AJ	MISC: Hot Sox Park	200,000	0	0	0	0	200,000
ZA00AK	MISC: Franklin High School Infrastructure Improvements	250,000	0	0	0	0	250,000
ZA00AL	MISC: Randallstown High School Infrastructure Improvements	20,000	0	0	0	0	20,000
ZA00AM	MISC: Deer Park Middle School Infrastructure Improvements	80,000	0	0	0	0	80,000
ZA00AN	MISC: Innovative Center for Autonomous Systems	250,000	0	0	0	0	250,000
ZA00AO	MISC: National Cryptologic Museum – Cyber Center of Education and Innovation	500,000	0	0	0	0	500,000

<u>Budget Code</u>	<u>Project Title</u>	<b>Bonds</b>		<b>Current Funds (PAYGO)</b>			<u>Total Funds</u>
		<u>General Obligation</u>	<u>Revenue</u>	<u>General</u>	<u>Special</u>	<u>Federal</u>	
ZA00AP	MISC: BARCO Open Works Project	300,000	0	0	0	0	300,000
ZA00AQ	MISC: Municipal Marina Repair	500,000	0	0	0	0	500,000
ZA00AR	MISC: Route 1 Revitalization	1,300,000	0	0	0	0	1,300,000
ZA00AS	MISC: Ocean City Convention Center	500,000	0	0	0	0	500,000
ZA00AT	MISC: Merriweather Post Pavilion	8,000,000	0	0	0	0	8,000,000
ZA00AU	MISC: Downtown Frederick Hotel and Conference Center	4,000,000	0	0	0	0	4,000,000
ZA00AV	MISC: Medstar Franklin Square Hospital	2,000,000	0	0	0	0	2,000,000
ZA00AW	MISC: Southern Maryland Studies Center	500,000	0	0	0	0	500,000
ZA00AX	MISC: Cross Street Market	200,000	0	0	0	0	200,000
ZA00AY	MISC: Hampden Family Center	50,000	0	0	0	0	50,000
ZA00AZ	MISC: College of Southern Maryland Entrepreneur and Innovation Institute	200,000	0	0	0	0	200,000
ZA00BA	MISC: Remsberg Park Multipurpose Youth Sports Field	100,000	0	0	0	0	100,000
ZA00BB	MISC: Maryland State Fairgrounds	500,000	0	0	0	0	500,000

<u>Budget Code</u>	<u>Project Title</u>	<b>Bonds</b>		<b>Current Funds (PAYGO)</b>			<u>Total Funds</u>
		<u>General Obligation</u>	<u>Revenue</u>	<u>General</u>	<u>Special</u>	<u>Federal</u>	
ZA00BC	MISC: Baltimore Metropolitan Council	250,000	0	0	0	0	250,000
ZA00BD	MISC: Arthur Perdue Stadium	500,000	0	0	0	0	500,000
ZA02	MISC: Local House Initiatives	7,500,000	0	0	0	0	7,500,000
ZA03	MISC: Local Senate Initiatives	7,500,000	0	0	0	0	7,500,000
	<b>Subject Category Subtotal</b>	<b>\$71,850,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$71,850,000</b>
	<b>Current Year</b>						
	<b>Nontransportation Total</b>	<b>\$1,089,383,121</b>	<b>\$381,089,000</b>	<b>\$9,500,000</b>	<b>\$376,325,441</b>	<b>\$106,008,000</b>	<b>\$1,962,305,562</b>
	<b>De-authorizations</b>						
ZF00	De-authorizations as Introduced	-\$17,262,000	\$0	\$0	\$0	\$0	-\$17,262,000
ZF00A	Additional De-authorizations	-7,121,121	0	0	0	0	-7,121,121
	<b>Subject Category Subtotal</b>	<b>-\$24,383,121</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>-\$24,383,121</b>
	<b>Adjusted Nontransportation Total</b>	<b>\$1,065,000,000</b>	<b>\$381,089,000</b>	<b>\$9,500,000</b>	<b>\$376,325,441</b>	<b>\$106,008,000</b>	<b>\$1,937,922,441</b>
	<b>Transportation CTP</b>	<b>\$0</b>	<b>\$745,000,000</b>	<b>\$0</b>	<b>\$869,006,186</b>	<b>\$1,021,915,000</b>	<b>\$2,635,921,186</b>
DE0202QZ	BPW: Qualified Zone Academy Bond Program	\$4,823,000	\$0	\$0	\$0	\$0	\$4,823,000
	<b>Current Year Total</b>	<b>\$1,069,823,000</b>	<b>\$1,126,089,000</b>	<b>\$9,500,000</b>	<b>\$1,245,331,627</b>	<b>\$1,127,923,000</b>	<b>\$4,578,666,627</b>
	<b>Fiscal 2017 Deficiencies</b>						
DA1303	MEA: State Agency Loan Program	\$0	\$0	\$0	\$1,000,000	\$0	\$1,000,000



<u>Budget Code</u>	<u>Project Title</u>	<b>Bonds</b>		<b>Current Funds (PAYGO)</b>			<u>Total Funds</u>
		<u>General Obligation</u>	<u>Revenue</u>	<u>General</u>	<u>Special</u>	<u>Federal</u>	
	<i>Subject Category Subtotal</i>	\$0	\$0	\$0	\$1,000,000	\$0	\$1,000,000
	<b>Grand Total</b>	<b>\$1,069,823,000</b>	<b>\$1,126,089,000</b>	<b>\$9,500,000</b>	<b>\$1,246,331,627</b>	<b>\$1,127,923,000</b>	<b>\$4,579,666,627</b>

BPW: Board of Public Works  
 CSMS: Combined Support Maintenance Shop  
 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 Veterans Affairs  
 FSU: Frostburg State University  
 HSMCC: Historic St. Mary's City Commission  
 MIL: Military Department  
 MD-BRAC: Maryland Base Realignment and Closure  
 MDA: Maryland Department of Agriculture  
 MDE: Maryland Department of the Environment  
 MDOA: Maryland Department of Aging  
 MDOD: Maryland Department of Disabilities

MDOP: Maryland Department of Planning  
 MEA: Maryland Energy Administration  
 MES: Maryland Environmental Service  
 MHEC: Maryland Higher Education Commission  
 MICUA: Maryland Independent College and University Association  
 MISC: miscellaneous  
 MPBC: Maryland Public Broadcasting Commission  
 MSDE: Maryland State Department of Education  
 MSU: Morgan State University  
 PAYGO: pay-as-you-go  
 SMCM: St. Mary's College of Maryland  
 TU: Towson University  
 UB: University of Baltimore  
 UMB: University of Maryland, Baltimore Campus  
 UMBC: University of Maryland Baltimore County  
 UMCP: University of Maryland, College Park Campus  
 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.

**Exhibit 2.4**  
**Legislative Projects – 2017 Session**

<b><u>Project Title</u></b>	<b><u>House Initiative</u></b>	<b><u>Senate Initiative</u></b>	<b><u>Other</u></b>	<b><u>Total Funding</u></b>	<b><u>Match Requirements</u></b>
<b>Statewide</b>					
Hancock’s Resolution Visitor Center and Barn		\$250,000		\$250,000	Hard
Maryland Center for Veterans Education and Training		200,000		200,000	Grant
Resiliency and Education Center at Kuhn Hall		500,000		500,000	Soft (1,2)
Stella Maris Transitional Care Center		250,000		250,000	Hard
<b>Subtotal</b>	<b>\$0</b>	<b>\$1,200,000</b>	<b>\$0</b>	<b>\$1,200,000</b>	
<b>Allegany</b>					
Coal Miner Memorial Statue		\$75,000		\$75,000	Hard
Cumberland YMCA Youth Center		75,000		75,000	Hard
<b>Subtotal</b>	<b>\$0</b>	<b>\$150,000</b>	<b>\$0</b>	<b>\$150,000</b>	
<b>Anne Arundel</b>					
Arundel Lodge		\$60,000		\$60,000	Soft (all)
Arundel Volunteer Fire Department Community Center		125,000		125,000	Soft (all)
Bestgate Park			\$200,000	200,000	Grant
Chesapeake Region Accessible Boating Project	\$75,000			75,000	Soft (1,2)
Downs Park Amphitheater	100,000			100,000	Soft (all)
Harambee House Community Outreach Center	50,000			50,000	Soft (1)
Historic Annapolis Museum		90,000		90,000	Grant
Hot Sox Park			200,000	200,000	Soft (3)
Loopers Field Improvement Project		50,000		50,000	Soft (all)
Mandrin Inpatient Care Center		100,000		100,000	Hard
Maryland Hall for the Creative Arts			1,000,000	1,000,000	Grant

<b><u>Project Title</u></b>	<b><u>House Initiative</u></b>	<b><u>Senate Initiative</u></b>	<b><u>Other</u></b>	<b><u>Total Funding</u></b>	<b><u>Match Requirements</u></b>
The Arc of the Central Chesapeake Region			200,000	200,000	Hard
Tick Neck Park Athletic Fields	200,000			200,000	Hard
YWCA Domestic Violence and Trafficking Shelters			400,000	400,000	Soft (1,3)
<b><i>Subtotal</i></b>	<b><i>\$425,000</i></b>	<b><i>\$425,000</i></b>	<b><i>\$2,000,000</i></b>	<b><i>\$2,850,000</i></b>	
<b>Baltimore City</b>					
Baltimore Museum of Art			\$2,000,000	\$2,000,000	Hard
Baybrook Park Athletic Field			250,000	250,000	Soft (3)
Bon Secours Youth Development Center	\$300,000			300,000	Soft (all)
Center Stage			2,000,000	2,000,000	Soft (3)
Community Empowerment and Wellness Center		\$125,000		125,000	Soft (1,2)
Creative Alliance		125,000		125,000	Soft (all)
Cross Street Market			200,000	200,000	Soft (2,3)
Cylburn Arboretum Carriage House and Nature Museum	200,000			200,000	Soft (all)
Darley Park Community Park	50,000			50,000	Hard
Downtown Cultural Art Center	100,000			100,000	Soft (2)
Hampden Family Center		50,000	50,000	100,000	Soft (3)
Harford Road Assisted Living and Medical Adult Day Care Center	50,000	200,000		250,000	Soft (3)
Historic Diamond Press Building		100,000		100,000	Grant
Manna House		50,000		50,000	Hard
Meals on Wheels Kitchen Improvements	100,000	25,000		125,000	Hard
Most Worshipful Prince Hall Grand Lodge	100,000			100,000	Soft (2,3)
National Great Blacks in Wax Museum	200,000			200,000	Soft (all)
Progressive Education Center Playground		125,000		125,000	Soft (U,3)
Rash Field Improvement Project			1,000,000	1,000,000	Soft (all)
Roberta's House	250,000			250,000	Grant
Shake and Bake Family Fun Center	20,000			20,000	Soft (2)
St. Francis Neighborhood Center		55,000		55,000	Soft (all)

<b><u>Project Title</u></b>	<b><u>House Initiative</u></b>	<b><u>Senate Initiative</u></b>	<b><u>Other</u></b>	<b><u>Total Funding</u></b>	<b><u>Match Requirements</u></b>
Woodbourne Center Vocational Program		150,000		150,000	Hard
<b><i>Subtotal</i></b>	<b><i>\$1,370,000</i></b>	<b><i>\$1,005,000</i></b>	<b><i>\$5,500,000</i></b>	<b><i>\$7,875,000</i></b>	
<b>Baltimore</b>					
Bais Yaakov Middle School		\$100,000		\$100,000	Soft (1)
Camp Puh'tok		100,000		100,000	Soft (2)
Community College of Baltimore County Catonsville Campus Artificial Turf Field		250,000		250,000	Hard
Double Rock Park	\$250,000			250,000	Soft (all)
Jewish Teen Advancement Program House	100,000			100,000	Soft (1)
Liberty Community Development Youth Center	250,000			250,000	Soft (2)
Maryland Council for Special Equestrians	120,000			120,000	Hard
Morning Star Family Life Center	150,000			150,000	Soft (all)
National Center on Institutions and Alternatives Expansion	200,000			200,000	Hard
Ner Israel Rabbinical College	90,000	100,000		190,000	Hard
Perry Hall High School Stadium Turf Project	75,000	75,000		150,000	Hard
Phoenix Wildlife Center	50,000	50,000		100,000	Hard
Project Genesis: New Beginnings, Inc. Community Center	75,000	125,000		200,000	Soft (3)
St. Luke's United Methodist Church Fellowship Hall	50,000	150,000		200,000	Grant
Towson High School Stadium	30,000			30,000	Hard
White Marsh Volunteer Fire Company		75,000		75,000	Hard
<b><i>Subtotal</i></b>	<b><i>\$1,440,000</i></b>	<b><i>\$1,025,000</i></b>	<b><i>\$0</i></b>	<b><i>\$2,465,000</i></b>	
<b>Calvert</b>					
End Hunger In Calvert County Warehouse		\$50,000		\$50,000	Soft (all)
<b><i>Subtotal</i></b>	<b><i>\$0</i></b>	<b><i>\$50,000</i></b>	<b><i>\$0</i></b>	<b><i>\$50,000</i></b>	

<b><u>Project Title</u></b>	<b><u>House Initiative</u></b>	<b><u>Senate Initiative</u></b>	<b><u>Other</u></b>	<b><u>Total Funding</u></b>	<b><u>Match Requirements</u></b>
<b>Caroline</b>					
Benedictine School	\$175,000	\$125,000		\$300,000	Hard
<b>Subtotal</b>	<b>\$175,000</b>	<b>\$125,000</b>	<b>\$0</b>	<b>\$300,000</b>	
<b>Carroll</b>					
Boys and Girls Club of Westminster	\$80,000			\$80,000	Soft (1)
Mt. Airy Caboose and Visitor Center Pavilion		\$25,000		25,000	Hard
Union Mills Homestead Restoration		100,000		100,000	Hard
<b>Subtotal</b>	<b>\$80,000</b>	<b>\$125,000</b>	<b>\$0</b>	<b>\$205,000</b>	
<b>Cecil</b>					
Fair Hill Race Course		\$100,000		\$100,000	Hard
<b>Subtotal</b>	<b>\$0</b>	<b>\$100,000</b>	<b>\$0</b>	<b>\$100,000</b>	
<b>Charles</b>					
Farming 4 Hunger Community Agricultural Facility		\$75,000		\$75,000	Soft (2,3)
Maryland Veterans Memorial Museum Land Acquisition		150,000		150,000	Soft (all)
Old Pomonkey High School		50,000		50,000	Soft (1,2)
Southern Maryland Carousel	\$180,000			180,000	Soft (1)
Southern Maryland Studies Center			\$500,000	500,000	Grant
<b>Subtotal</b>	<b>\$180,000</b>	<b>\$275,000</b>	<b>\$500,000</b>	<b>\$955,000</b>	
<b>Dorchester</b>					
Chesapeake Grove Senior Housing and Intergenerational Center			\$1,000,000	\$1,000,000	Soft (1)
<b>Subtotal</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,000,000</b>	<b>\$1,000,000</b>	

<b><u>Project Title</u></b>	<b><u>House Initiative</u></b>	<b><u>Senate Initiative</u></b>	<b><u>Other</u></b>	<b><u>Total Funding</u></b>	<b><u>Match Requirements</u></b>
<b>Frederick</b>					
Heritage Frederick Capital Improvements		\$25,000		\$25,000	Soft (3)
YMCA of Frederick County	\$50,000	50,000		100,000	Soft (all)
<b>Subtotal</b>	<b>\$50,000</b>	<b>\$75,000</b>	<b>\$0</b>	<b>\$125,000</b>	
<b>Garrett</b>					
Believe in Tomorrow Children's House at Deep Creek Lake	\$200,000			\$200,000	Hard
<b>Subtotal</b>	<b>\$200,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$200,000</b>	
<b>Harford</b>					
McComas School Museum		\$25,000		\$25,000	Soft (all)
National Center for Manufacturing Sciences	\$100,000			100,000	Grant
The Epicenter at Edgewood	50,000			50,000	Grant
<b>Subtotal</b>	<b>\$150,000</b>	<b>\$25,000</b>	<b>\$0</b>	<b>\$175,000</b>	
<b>Howard</b>					
Carrollton Hall Restoration		\$125,000		\$125,000	Hard
Chrysalis Pavilion in Merriweather Park at Symphony Woods	\$150,000			150,000	Soft (1,3)
Harriet Tubman Community Center and Museum	300,000			300,000	Soft (1)
ManneqART Museum and Maryland Fashion Institute	50,000			50,000	Soft (all)
Tau Pi Mentoring Program	25,000			25,000	Soft (2)
The Arc of Howard County HVAC System Replacement		250,000		250,000	Hard
<b>Subtotal</b>	<b>\$525,000</b>	<b>\$375,000</b>	<b>\$0</b>	<b>\$900,000</b>	

<u>Project Title</u>	<u>House Initiative</u>	<u>Senate Initiative</u>	<u>Other</u>	<u>Total Funding</u>	<u>Match Requirements</u>
<b>Montgomery</b>					
A Wider Circle Community Service Center	\$125,000			\$125,000	Soft (2,3)
Bender Jewish Community Center of Greater Washington		\$100,000		100,000	Hard
Bethesda Graceful Growing Together Community Center	100,000			100,000	Soft (all)
Boyd's Negro School		16,000		16,000	Soft (2)
Community Services for Autistic Adults and Children	45,000			45,000	Hard
Consumer Product Safety Commission Site	100,000	100,000		200,000	Hard
Easter Seals Inter-Generational Center	150,000			150,000	Hard
Friends House		50,000		50,000	Soft (3)
Good Hope Local Park		50,000		50,000	Soft (all)
Halpine Hamlet Community Center		175,000		175,000	Soft (2)
Interfaith Watershed Restoration and Outreach Project	15,000		\$45,000	60,000	Soft (2)
King Farm Farmstead Dairy Barns	100,000			100,000	Hard
Korean Community Service Center Branch Office	100,000			100,000	Hard
Laytonsville Lions Club Medical Equipment Loan Building	5,000			5,000	Hard
Madison Fields Therapeutic Equestrian Center	60,000			60,000	Soft (1,3)
MdBioLab STEM Education Equipment	50,000	50,000		100,000	Hard
Melvin J. Berman Hebrew Academy	50,000	100,000		150,000	Soft (all)
Olney Boys and Girls Community Park Expansion	75,000	75,000		150,000	Soft (1)
Poolesville Grape Crushing Economic Development Facility			1,000,000	1,000,000	Soft (1)
Potomac Community Resources Home	175,000			175,000	Hard
Stewarttown Local Park		125,000		125,000	Soft (all)
Takoma Park Library	50,000	100,000		150,000	Hard
The Quince Orchard Colored School	90,000	110,000		200,000	Soft (3)
Woodend Nature Sanctuary Accessible Trail	150,000			150,000	Hard

<b><u>Project Title</u></b>	<b><u>House Initiative</u></b>	<b><u>Senate Initiative</u></b>	<b><u>Other</u></b>	<b><u>Total Funding</u></b>	<b><u>Match Requirements</u></b>
YMCA Bethesda-Chevy Chase	100,000			100,000	Soft (2,3)
Young Israel Shomrai Emunah Social Hall		50,000		50,000	Soft (all)
<b><i>Subtotal</i></b>	<b><i>\$1,540,000</i></b>	<b><i>\$1,101,000</i></b>	<b><i>\$1,045,000</i></b>	<b><i>\$3,686,000</i></b>	
<b>Prince George's</b>					
Accokeek First Church of God Center of Excellence		\$50,000		\$50,000	Soft (1)
Alpha House	\$75,000			75,000	Soft (1)
Camp Springs Elks Lodge No. 2332		25,000		25,000	Soft (2)
Champ House	50,000			50,000	Grant
College Park Woods Hiker/Biker Connector Trail		50,000		50,000	Hard
Collington Station Safety and Surveillance Systems		24,000		24,000	Hard
District Heights Veterans Park		170,000		170,000	Soft (U,1,2)
Duvall Field Renovation	75,000	75,000		150,000	Hard
Hard Bargain Farm Environmental Center	200,000			200,000	Soft (1)
Hyattsville Veteran's Memorial		30,000		30,000	Soft (2,3)
Maryland Milestones Heritage Center	50,000			50,000	Soft (all)
Maryland Multicultural Youth Centers		75,000		75,000	Soft (2)
My Sister's Keeper		50,000		50,000	Soft (1)
New Horizons Disability Job Training and Recycling Center		40,000		40,000	Soft (all)
Patuxent River 4-H Center Dennis Cooper Cabin	250,000			250,000	Grant
Riverdale Park Station		85,000		85,000	Soft (all)
Riverdale Park Station Pedestrian Improvements	350,000			350,000	Soft (all)
Southern Market Place		25,000		25,000	Soft (2)
St. Ann's Center for Children, Youth and Families	50,000			50,000	Hard
St. Nicholas Catholic Church Parish Hall		50,000		50,000	Hard
Susan D. Mona Center		100,000		100,000	Soft (1)
Transit Oriented Development Public Art Projects	150,000	125,000		275,000	Grant
<b><i>Subtotal</i></b>	<b><i>\$1,250,000</i></b>	<b><i>\$974,000</i></b>	<b><i>\$0</i></b>	<b><i>\$2,224,000</i></b>	



<b><u>Project Title</u></b>	<b><u>House Initiative</u></b>	<b><u>Senate Initiative</u></b>	<b><u>Other</u></b>	<b><u>Total Funding</u></b>	<b><u>Match Requirements</u></b>
<b>St. Mary's</b>					
Maryland Dove			\$500,000	\$500,000	Grant
St. Clement's Island North Pier		\$100,000		100,000	Grant
<b>Subtotal</b>	<b>\$0</b>	<b>\$100,000</b>	<b>\$500,000</b>	<b>\$600,000</b>	
<b>Talbot</b>					
St. Luke's Preschool	\$20,000			\$20,000	Soft (3)
<b>Subtotal</b>	<b>\$20,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$20,000</b>	
<b>Washington</b>					
Hagerstown Urban Improvement Project	\$45,000	\$155,000	\$1,500,000	\$1,700,000	Hard
Williamsport American Legion Post 202 World War II Monument		65,000		65,000	Soft (1,2)
<b>Subtotal</b>	<b>\$45,000</b>	<b>\$220,000</b>	<b>\$1,500,000</b>	<b>\$1,765,000</b>	
<b>Wicomico</b>					
Lower Shore Clinic Day Program for Seniors with Disabilities Facility	\$50,000	\$50,000		\$100,000	Hard
<b>Subtotal</b>	<b>\$50,000</b>	<b>\$50,000</b>	<b>\$0</b>	<b>\$100,000</b>	
<b>Worcester</b>					
Believe in Tomorrow Cottage By the Sea		\$100,000		\$100,000	Hard
Ocean City Convention Center Phase 3			\$500,000	500,000	Hard
<b>Subtotal</b>	<b>\$0</b>	<b>\$100,000</b>	<b>\$500,000</b>	<b>\$600,000</b>	
<b>Grand Total</b>	<b>\$7,500,000</b>	<b>\$7,500,000</b>	<b>\$12,545,000</b>	<b>\$27,545,000</b>	

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

## 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. Excluding transportation funding, the capital program uses \$9.5 million of general funds, \$376.3 million of special funds, and \$106.0 million of federal funds. Total transportation PAYGO funding is \$1,890.9 billion of special and federal funds.

The fiscal situation has constrained the use of PAYGO general fund support for the capital program since the onset of the great recession. In the 2016 session, the general fund revenue outlook reflected some improvement, and the General Assembly passed several pieces of legislation that created mandated general fund capital spending on programs administered by the Department of Housing and Community Development for a variety of housing and community development initiatives. However, the Board of Revenue Estimates' downward revision in general fund revenue estimates for fiscal 2017 and 2018 constrained general fund support of the capital program in fiscal 2018 and through the five-year programming period covered in the 2017 *Capital Improvement Program* (CIP). To address this, the budget as submitted included mandate relief that eliminates \$45.6 million of forecasted general fund PAYGO for fiscal 2018 and partially replaced these funds with \$31.6 million of GO bonds. Actions taken by the General Assembly ultimately increased the GO bond replacement funds to a total of \$36.6 million. Moreover, amendments adopted in **House Bill 152 (Chapter 23)**, the Budget Reconciliation and Financing Act (BRFA) of 2017, fully restored the mandated amounts for each of the programs in future years while providing flexibility to use either general funds or GO bond funds to meet each mandate.

## Revenue Bonds

A significant feature of the fiscal 2018 capital budget is a change in the funding mechanism for the Biological Nutrient Removal (BNR) Program. In prior years, grants to local governments for upgrades of wastewater treatment plants to the BNR standard were funded with general obligation bonds. A provision in the BRFA of 2017 authorizes the use of up to \$60 million of tax-supported revenue bonds from the Bay Restoration Fund (BRF) to fund BNR projects, while **House Bill 384 (Chapter 369)** permanently expands the allowable uses of the BRF to include BNR projects.

The fiscal 2018 capital budget bill de-authorizes \$11 million of GO bonds authorized at the 2016 session for BNR projects and funds these projects and \$49 million of new BNR projects from the revenue bond issuance.

The fiscal 2018 capital budget also includes \$300 million of planned non-tax supported revenue bond issuances by MDE to further capitalize the Water Quality Revolving Loan Fund and the Drinking Water Revolving Loan Fund to fund loans to local governments for various water quality and drinking water infrastructure projects. MDE will issue the debt over the next several years as project funding proposals from local governments dictate.

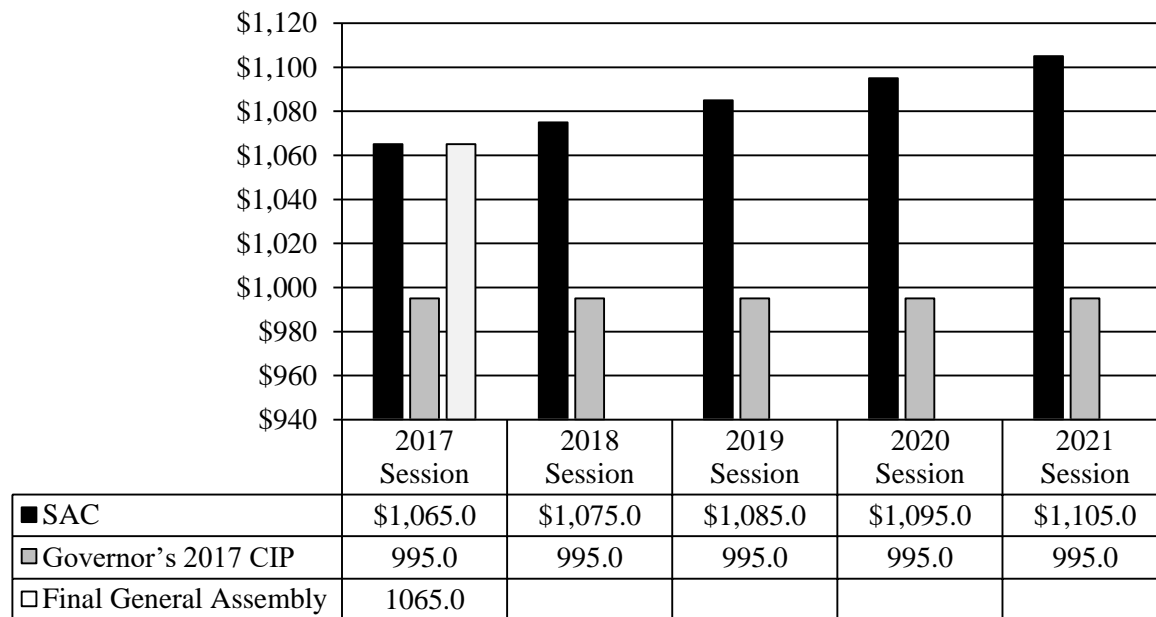
## **Debt Affordability**

In the 2016 report, the Capital Debt Affordability Committee (CDAC) recommended that a maximum of \$995 million in GO bonds may be authorized in the 2017 session and for each year in the five-year planning period included in the annual CIP. The recommendation, the same recommendation made by the committee in its 2015 report, is intended to slow the growth in debt service costs and provide additional debt capacity in the out-years.

The CDAC's recommendation is advisory, and the Spending Affordability Committee (SAC) is not bound by the recommendation. While supporting the objective to slow the growth in debt service costs and reduce the debt service to revenue ratio, SAC was concerned that the CDAC recommendation to freeze the authorization level through the planning period would reduce the purchasing power of the capital program due to the impact of construction inflation. To address this concern, SAC recommended that new GO bond authorizations for the 2017 session and through the five-year planning period increase by 1% annually using the fiscal 2016 level of \$1.045 billion as the starting point. This too was the same recommendation made by the committee in its 2015 report. The goal of the SAC recommendation was to moderate GO bond authorization levels to the projected State property tax revenue increases, which in recent years and projections increase at an average annual rate of 1.7%. The SAC recommendation would reduce the ratio of debt service to revenue in the out-years while also allowing authorizations to increase slightly to account for the impact of construction inflation.

The Governor's 2017 session capital budget proposed a net new GO bond authorization of \$995.0 million keeping the State within the limit recommended by CDAC. The MCCBL of 2017 passed by the General Assembly totals \$1.065 billion of net new GO debt authorizations, which is the amount recommended by SAC. An additional \$24.4 million in GO bonds from prior years is de-authorized in the MCCBL of 2017, thereby increasing the amount of new GO debt included in the 2017 session capital program to \$1.089 billion. **Exhibit 2.5** illustrates the different recommended new GO authorization levels and the final amount included in the MCCBL of 2017.

**Exhibit 2.5**  
**New General Obligation Bond Authorization Levels**  
**Governor's Capital Improvement Program – Spending Affordability Committee**  
**2017-2021 Legislative Sessions**  
**(\$ in Millions)**



CIP: Capital Improvement Program

SAC: Spending Affordability Committee

The State's capital program for fiscal 2018 also includes other actions that affect debt affordability, debt issuance, and future capital budgets.

- The MCCBL of 2017 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. From 2008 through 2013, prior authorizations were rolled into one omnibus prior authorization bill. However, beginning with the 2014 session, all amendments to prior authorizations are included in the capital bill, since the changes amend authorizations made in prior capital budget bills.
- The MCCBL of 2017 includes \$335.8 million of GO bond authorizations that will not take effect until fiscal 2019 and \$162.6 million that will not take effect until fiscal 2020. Many

of these pre-authorizations either continue the funding for existing construction contracts or allow projects expected to be contracted during fiscal 2018 to proceed without the full amount of the construction authorization provided in the fiscal 2018 budget. Some pre-authorizations express the General Assembly's support of local projects, which are not contracted by the State but rather by local governments and local and private organizations. **Exhibit 2.6** shows the pre-authorizations for the 2018 and 2019 sessions included in the MCCBL of 2017.

- **House Bill 153 (Chapter 32)** authorizes the State to issue \$4.823 million in QZABs. Although the bonds are issued as full faith and credit debt, the authorizations are not counted within the GO bond authorization debt limits. The proceeds are used by the Interagency Committee on School Construction (IAC) and the Maryland State Department of Education for the renovation, repair, and capital improvements of qualified zone academies, including public charter schools, as defined by the federal Internal Revenue Code. Qualified zone academies must either be located in a federal Enterprise or Empowerment Zone, or have at least 35% of their student population on free or reduced-price meals (FRPM).

**Exhibit 2.6**  
**Pre-authorizations Included in the Maryland Consolidated Capital Bond Loan**  
**2018-2019 Sessions**

<b><u>Project Title</u></b>	<b><u>Fiscal 2019</u></b>	<b><u>Fiscal 2020</u></b>
BPW: Judiciary New Catonsville District Court	\$12,000,000	
BPW: Annapolis Post Office	1,500,000	
MIL: Freedom Readiness Center	3,975,000	\$3,015,000
MSDE: State Library Resource Center	3,512,000	
UMCP: A. James Clark Hall – New Bioengineering Building	3,533,000	
UMCP: Brendan Iribe Center for Computer Science and Innovation	500,000	
UMCP: New Cole Field House	16,879,000	
UMCP: School of Public Policy	9,000,000	8,000,000
TU: Science Facility	61,650,000	63,319,000
UMBC: Interdisciplinary Life Sciences Building	56,855,000	
USMO: Shady Grove Educational Center	14,765,000	
MHEC: Community College Facilities Grant Program	41,919,000	9,100,000
MSU: New Student Services Support Building	45,720,000	20,036,000
MES: Infrastructure Improvement Fund	11,870,000	5,000,000
DJS: New Female Detention Center	22,649,000	21,178,000
MISC: Rosewood Property Environmental Abatement	5,000,000	6,000,000
MISC: Merriweather Post Pavilion	8,000,000	
MISC: Strathmore Hall	3,000,000	
MISC: Downtown Frederick Hotel and Conference Center	7,500,000	3,500,000
MISC: Ocean City Convention Center Phase 3	835,000	18,665,000
MISC: Sheppard Pratt at Elkridge	5,125,000	4,750,000
<b>Total</b>	<b>\$335,787,000</b>	<b>\$162,563,000</b>

BPW: Board of Public Works  
DJS: Department of Juvenile Services  
MES: Maryland Environmental Service  
MHEC: Maryland Higher Education Commission  
MIL: Military Department  
MISC: miscellaneous  
MSDE: Maryland State Department of Education

MSU: Morgan State University  
TU: Towson University  
UMBC: University of Maryland Baltimore County  
UMCP: University of Maryland, College Park Campus  
USMO: University System of Maryland Office

## Higher Education

The State-funded portion of the fiscal 2018 capital program for all segments of higher education is \$398.1 million, including both GO bonds and ARBs. Of the total funding, public four-year institutions, including regional higher education centers, receive \$323.9 million, or 81.4% of funding, and independent institutions receive \$14.7 million, or 3.7% of funding. Community colleges receive \$59.6 million in fiscal 2018 GO bonds, or 14.9% of higher education funding. This includes \$2.0 million of recycled GO bond funds leftover from prior local community college projects. Community college funding is also matched by \$54.3 million in local support in fiscal 2018. **Exhibit 2.7** shows the fiscal 2018 capital funding by institution.

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**Exhibit 2.7**  
**Fiscal 2018 Higher Education Capital Funding by Institution**  
(\$ in Thousands)

<u>Institution</u>	<u>Capital Funding</u>
University of Maryland, Baltimore Campus	\$6,490
University of Maryland, College Park Campus	115,872
Towson University	26,300
University of Maryland Eastern Shore	3,048
Frostburg State University	1,000
Coppin State University	1,336
University of Baltimore	3,750
University of Maryland Baltimore County	40,249
USM – Facility Renewal	17,000
USM – Regional Higher Education Centers	88,651
Morgan State University	10,360
St. Mary’s College of Maryland	9,832
Independent Institutions	14,700
Community Colleges	59,552
<b>Total</b>	<b>\$398,140</b>

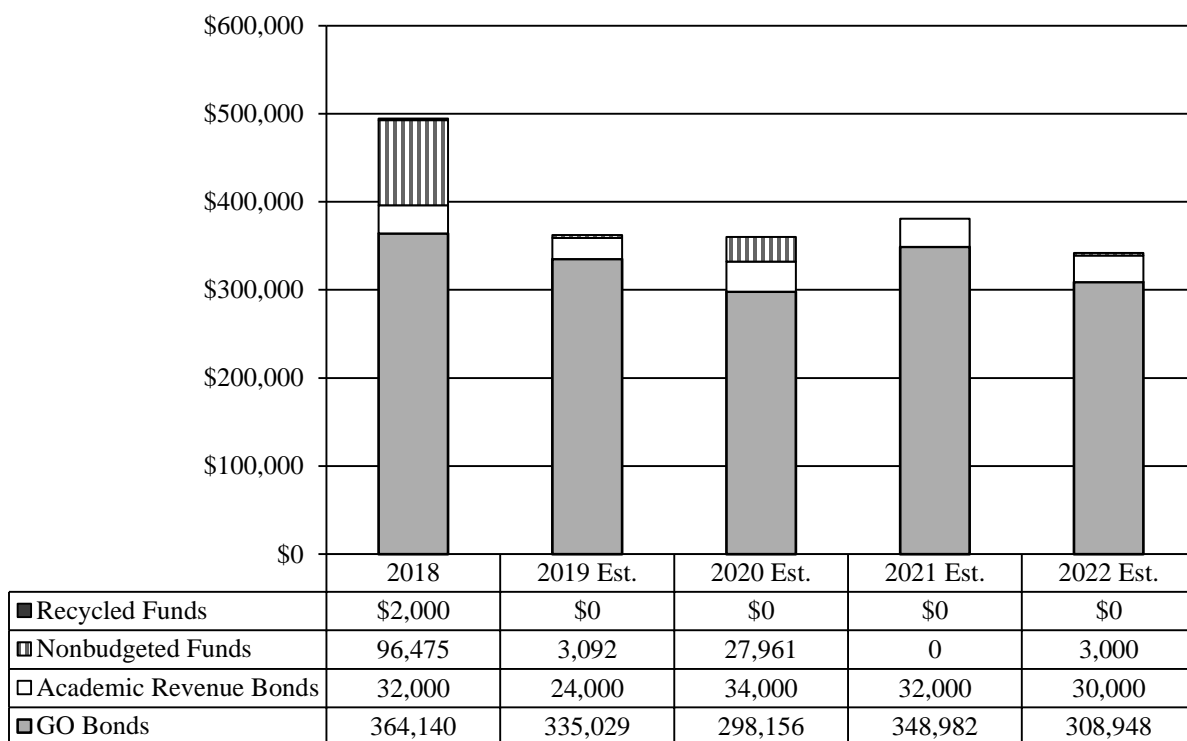
USM: University System of Maryland

Note: Includes general obligation bonds, academic revenue bonds, and community college facility grant fund balance.

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Including legislative changes made to fiscal 2018, the 2017 CIP shows \$1.937 billion in State capital spending for higher education projects from fiscal 2018 through 2022 across all funds. **Exhibit 2.8** shows the fiscal 2018 legislative appropriation for higher education capital projects and the funds anticipated in the CIP for fiscal 2019 through 2022. The CIP out-years are not yet informed by one project accelerated in fiscal 2018, so the forthcoming 2018 CIP will need to be restructured to show increased higher education capital spending in fiscal 2019 and later years to reflect the accelerated project. This, combined with several projects that were already scheduled to be completed in fiscal 2018 and 2019, leads to the decline in GO bond support from fiscal 2018 to 2020 in Exhibit 2.8.

**Exhibit 2.8**  
**Higher Education Authorized and Planned Out-year Capital Funding**  
**Fiscal 2018-2022 Est.**  
**(\$ in Thousands)**



GO: general obligation

Note: Fiscal 2019 through 2022 do not yet reflect funding changes made to the fiscal 2018 capital budget by the General Assembly.



## **School Construction**

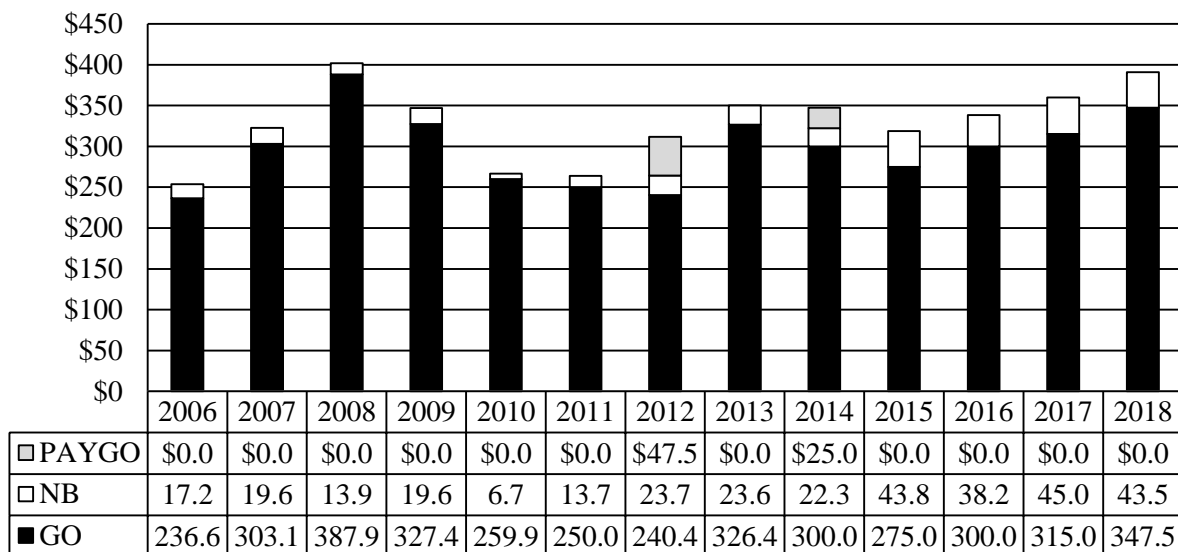
The fiscal 2018 capital budget includes \$347.5 million in GO bonds for public school construction. This includes \$285.0 million for the traditional Public School Construction Program (PSCP), an increase of \$5.0 million above the Governor's submission. The additional \$5.0 million is restricted for Baltimore County to replace \$5.0 million withheld by the Board of Public Works (BPW) in fiscal 2017. Another action in the MCCBL of 2017 de-authorizes \$5.0 million authorized for the PSCP in the MCCBL of 2016, representing the funds that were withheld by BPW. The General Assembly also added language to the school construction authorization that, for fiscal 2018, IAC shall allocate 100% of the funds available for public school construction projects, including available contingency funds. Under the language, the IAC allocations are not subject to BPW approval and are deemed approved pursuant to State law. IAC made recommendations for 75% of the preliminary school construction allocation for fiscal 2018 in December 2016, which were approved by BPW on January 25, 2017. By March 1, 2017, IAC made recommendations for the allocation of 90% of the school construction allocation in the capital budget (which included the initial 75% approved by BPW). On May 5, 2017, following enactment of the capital budget bill, the IAC made final recommendations for the fiscal 2018 Public School Construction Program and despite the language making the IAC recommendations final and not subject to BPW approval the IAC voted to make the recommendations subject to BPW consideration. The IAC did not vote on an allocation of the \$5.0 million restricted for the purpose of replacing the \$5.0 million withheld by BPW from Baltimore County's fiscal 2017 allocation.

An additional \$62.5 million is funded through the Capital Grant Program for Local School Systems with Significant Enrollment Growth or Relocatable Classrooms established by Chapter 355 of 2015. Chapter 355 of 2015 established a mandated appropriation in the capital budget of \$20.0 million annually beginning in fiscal 2017 for local school systems impacted by significant enrollment growth and reliance on relocatable classrooms. Chapter 665 of 2016, increased the funding mandate from \$20.0 million to \$40.0 million. In the 2017 session the General Assembly increased the amount authorized for the program by \$22.5 million for a total of \$62.5 million. The additional \$22.5 million is not mandated and only applicable to the MCCBL of 2017. While § 5-313 of the Education Article establishes a funding formula for the eligible counties, the additional \$22.5 million is allocated outside of the statutory formula with specific allocations to the participating jurisdictions set forth in the MCCBL of 2017. Significant enrollment growth is defined as having full-time equivalent enrollment growth that exceeds 150% of the statewide average over the past five years, and significant relocatable classrooms means an average of at least 300 relocatable classrooms over the past five years. Currently, Anne Arundel, Baltimore, Howard, Montgomery, and Prince George's counties are eligible.

An additional \$43.5 million in unexpended funds from prior years is available from the Statewide Contingency Fund with all but \$244,000 allocated to specific local school systems. Language added to the MCCBL of 2017 states the General Assembly's intent that an additional \$5.0 million in contingency funds be allocated for air conditioning projects in Baltimore City Public Schools.

The Public School Facilities Act of 2004 established a State goal to provide \$2.0 billion in State funding over eight years, or \$250.0 million per year through fiscal 2013. The \$2.0 billion goal was met in fiscal 2012, one year early. As shown in **Exhibit 2.9**, between fiscal 2006 and 2017, the State has invested \$4.250 billion for school construction projects throughout the State.

**Exhibit 2.9**  
**Public School Construction Funding**  
**Fiscal 2006-2018**  
**(\$ in Millions)**



GO: general obligation  
 NB: nonbudgeted  
 PAYGO: pay-as-you-go

Note: Figures include new GO bonds, PAYGO funds, and unexpended funds that were previously authorized. Fiscal 2012 includes \$47.5 million supplementary appropriation.

Source: Public School Construction Program Capital Improvement Programs, Fiscal 2006-2018

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

The capital budget bill provides \$6.1 million in GO bonds for the Aging Schools Program allocated as grants to county boards of education as specified in § 5-206 of the Education Article.

The fiscal 2018 capital budget also provides \$3.5 million of GO bond funds 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.

Public school construction funding is further supplemented with \$4.823 million of QZABs authorized in **House Bill 153**. 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 FRPM. QZAB funds are distributed to local school systems through competitive grants including grants to the Breakthrough Center and public charter schools.

## **Transfer Tax – Fiscal 2018 Transfer Modification**

The property transfer tax is the primary funding source for State land conservation programs. In order to reduce the State's structural deficit, recent BRFA legislation authorized the transfer of \$517.6 million of transfer tax revenue to the General Fund over five years, beginning with fiscal 2014. The fiscal 2018 budget reflects the modification of the overall plan of transfer tax diversions to the General Fund that were originally authorized by Chapter 425 of 2013 and subsequently modified by Chapter 464 of 2014, Chapter 489 of 2015, and Chapter 10 of 2016. In conjunction, Chapter 10 of 2016 and the fiscal 2018 operating budget bill:

- reduce the fiscal 2018 authorized transfer by \$40.0 million from \$86.0 million to \$46.0 million;
- repurpose the \$40.0 million in fiscal 2018 for PAYGO capital programs to be appropriated as follows:
  - POS – State – \$3,412,000;
  - POS – Local – \$11,000,000;
  - Rural Legacy Program – \$9,000,000;
  - Critical Maintenance Program – \$2,000,000;
  - Natural Resources Development Fund – \$5,088,000;
  - Ocean City Beach Maintenance – \$500,000; and
  - Maryland Agricultural Land Preservation Foundation – \$9,000,000; and
- specify a new allocation of POS – State allocation for Baltimore City in the amount of \$1.5 million in fiscal 2017, \$3.5 in fiscal 2018, \$5.5 million in fiscal 2019, and \$6.0 million in fiscal 2020 and each subsequent fiscal year.

**Exhibit 2.10** shows the fiscal 2018 allocation with the enhancement. The proposed program reductions under the full transfers authorized by Chapter 425 were implemented based on the reduction of roughly half of the capital program distributions instead of by reducing the revenue that would flow through the transfer tax formula, and thus affecting all operating and capital programs equally. The enhancement funding is allocated based on the Department of Budget and Management's estimate of program funding need. As can be seen, the \$40.0 million enhancement – allocated per Chapter 10 of 2016 – provides for \$135.3 million in capital program funding from the transfer tax in fiscal 2018.

**Exhibit 2.10**  
**Transfer Tax Distribution for Capital Programs Receiving Enhancements**  
**Fiscal 2018**

<b><u>Program</u></b>	<b><u>Statutory Allocation</u></b>	<b><u>BRFA of 2013 General Fund Transfer</u></b>	<b><u>Estimated Allowance Before Enhancement</u></b>	<b><u>Enhancement</u></b>	<b><u>Allowance</u></b>
DNR – Land Acquisition and Planning					
Program Open Space – State Share	\$52,821,663	-\$24,757,000	\$28,064,663	\$3,412,000	\$31,476,663
Program Open Space – Local Share	49,960,279	-23,747,000	26,213,279	11,000,000	37,213,279
Rural Legacy Program	19,279,725	-9,366,000	9,913,725	9,000,000	18,913,725
Natural Resources Development Fund	14,308,000	-7,599,000	6,709,000	5,088,000	11,797,000
Critical Maintenance Program	6,000,000	-2,000,000	4,000,000	2,000,000	6,000,000
Ocean City Beach Maintenance	1,000,000	-500,000	500,000	500,000	1,000,000
Maryland Department of Agriculture – Maryland Agricultural Land Preservation Foundation	37,982,775	-18,059,000	19,923,775	9,000,000	28,923,775
<b>Distribution for Programs with Enhancements</b>	<b>\$181,352,442</b>	<b>-\$86,028,000</b>	<b>\$95,324,442</b>	<b>\$40,000,000</b>	<b>\$135,324,442</b>

BRFA: Budget Reconciliation and Financing Act

DNR: Department of Natural Resources

Note: The Program Open Space – State share fiscal 2018 funding includes \$3,500,000 for the Baltimore City Direct Grant. Of this amount, \$2,000,000 is required by Chapter 10 of 2016, as amended by **House Bill 1154** to be used for the following purposes: Herring Run Park – \$400,000; Clifton Park – \$500,000; Druid Hill Park Trail Head – \$300,000; James Mosher Park – \$300,000; Patterson Park – \$300,000; and Frederick B. Leidig Recreation Center – \$200,000.

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

## Programs Traditionally Funded with Transfer Tax Revenue

**Exhibit 2.11** shows the fiscal 2018 allocation of funding for programs traditionally funded with transfer tax revenue. Program funding is distinguished between transfer tax regular special funds and transfer tax enhancement special funds provided for by the \$40 million reduction to the fiscal 2018 authorized transfer.

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<b>Exhibit 2.11</b> <b>Programs Traditionally Funded with Transfer Tax Revenue</b> <b>Fiscal 2018</b> <b>(\$ in Thousands)</b>						
	<b>Transfer Tax Regular Special Funds</b>	<b>Transfer Tax Enhancement Special Funds</b>	<b>Other Special Funds</b>	<b>Federal</b>	<b>GO Bonds</b>	<b>Total</b>
<b>Department of Natural Resources</b>						
Program Open Space						
State <sup>1</sup>	\$24,004	\$3,412	\$0	\$3,000	\$0	\$30,416
Local	26,213	11,000	0	0	0	37,213
Capital Development <sup>2</sup>	11,209	7,588	0	0	0	18,797
Rural Legacy Program	9,914	9,000	0	0	4,000	22,914
Heritage Conservation Fund	4,061	0	0	0	0	4,061
<b>Department of Agriculture</b>						
Agricultural Land Preservation <sup>3</sup>	19,924	9,000	4,000	0	0	32,924
<b>Total</b>	<b>\$95,325</b>	<b>\$40,000</b>	<b>\$4,000</b>	<b>\$3,000</b>	<b>\$4,000</b>	<b>\$146,325</b>

GO: general obligation

<sup>1</sup> The Baltimore City Direct Grant of \$3.5 million comes out of the \$27.4 million in transfer tax special funds for Program Open Space (POS) – State. The \$3.0 million in federal funds reflected for POS – State could also be used by POS – Local.

<sup>2</sup> The Capital Development funding is allocated as follows: transfer tax regular special funds – Natural Resources Development Fund (\$6,709,000), Critical Maintenance Program (\$4,000,000), and Ocean City Beach Maintenance (\$500,000); and transfer tax enhancement special funds – Natural Resources Development Fund (\$5,088,000), Critical Maintenance Program (\$2,000,000), and Ocean City Beach Maintenance (\$500,000).

<sup>3</sup> The Agricultural Land Preservation funding reflects \$4.0 million in county participation funding.

Note: Numbers may not sum due to rounding.

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## **Chapter 3. 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>Fund</u>	<u>FY 2018</u>	<u>FY 2019</u>	<u>FY 2020</u>	<u>FY 2021</u>	<u>FY 2022</u>	<u>Comments</u>
<b>SB 21/HB 137</b>	<b>Unemployment Insurance – Recovery of Benefits – Collection by Assessment (Ch. 244/Ch. 245)</b>						
	NB	\$0	increase	increase	increase	increase	Potential unemployment insurance recovery revenues.
<b>SB 22</b>	<b>Criminal Procedure – Criminal Injuries Compensation Board – Claimant Award Basis (Ch. 7)</b>						
	FF	\$0	\$0	\$0	\$22,500	\$54,000	
<b>SB 23/HB 877</b>	<b>Handgun Permits – Alternative Expiration Date – Private Detectives, Security Guards, and Special Police Officers (Ch. 190/Ch. 191)</b>						
	GF	\$0	\$0	decrease	decrease	decrease	Potential significant fee revenues.
<b>SB 31</b>	<b>Title Insurance – Rate Making – Use of Rating Organizations for Filings (Ch. 38)</b>						
	SF	decrease	decrease	decrease	decrease	decrease	Minimal fee revenues.
<b>SB 34</b>	<b>Motor Vehicles – Leased Vehicles – Inspections, Insurance, and Excise Tax (Ch. 344)</b>						
	GF/SF	increase	increase	increase	increase	increase	Minimal fine revenues.
<b>SB 40</b>	<b>Title Insurance Producers – Licensing of Business Entities and On-Site Reviews (Ch. 41)</b>						
	SF	decrease	decrease	decrease	decrease	decrease	Minimal fee revenues.
<b>SB 46</b>	<b>Hunting and Fishing Licenses – Active Military, Former Prisoners of War, Recipients of the Purple Heart Award, and Disabled Veterans (Ch. 463)</b>						
	SF	decrease	decrease	decrease	\$0	\$0	Fee revenues.
<b>SB 57</b>	<b>Income Tax Credit – Class F Vehicles – Modification and Extension (Ch. 502)</b>						
	GF	(\$407,300)	(\$407,300)	(\$407,300)	\$0	\$0	
	SF	(\$65,700)	(\$65,700)	(\$65,700)	\$0	\$0	Transportation Trust Fund.
	SF	(\$27,000)	(\$27,000)	(\$27,000)	\$0	\$0	Higher Education Investment Fund.
<b>SB 61/HB 675</b>	<b>Health Insurance – Coverage for Digital Tomosynthesis (Ch. 677/Ch. 676)</b>						
	SF	increase	\$0	\$0	\$0	\$0	Minimal fee revenues.
<b>SB 70</b>	<b>Unemployment Insurance – Exemption From Covered Employment – Youth Sports Workers (Ch. 262)</b>						
	NB	decrease	decrease	decrease	decrease	decrease	Minimal unemployment insurance employer tax revenues.



## Legislation Affecting State Revenues

80

	<u>Fund</u>	<u>FY 2018</u>	<u>FY 2019</u>	<u>FY 2020</u>	<u>FY 2021</u>	<u>FY 2022</u>	<u>Comments</u>
<b>SB 73/HB 735</b>	<b>Estates and Trusts – Share of Intestate Estate Inherited by Surviving Spouse (Ch. 627/Ch. 626)</b>						
	GF	decrease	decrease	decrease	decrease	decrease	Minimal estate tax revenues.
<b>SB 106/HB 219</b>	<b>Carroll County – Local Government Tort Claims Act (Ch. 45/Ch. 46)</b>						
	GF	(\$1,350)	(\$1,800)	(\$1,800)	(\$1,800)	(\$1,800)	
<b>SB 111/HB 363</b>	<b>Recordation and Transfer Taxes – Exemptions – Property Conveyed From Sole Proprietorship to Limited Liability Company (Ch. 63/Ch. 64)</b>						
	GF	decrease	decrease	decrease	decrease	decrease	Tax collection commission revenues.
	SF	decrease	decrease	decrease	decrease	decrease	Transfer tax revenues.
<b>SB 154</b>	<b>Vehicle Laws – School Bus Monitoring Cameras – Civil Penalty (Ch. 744)</b>						
	GF	increase	increase	\$0	\$0	\$0	Minimal penalty revenues.
<b>SB 158</b>	<b>Maryland Oil Disaster Containment, Clean-Up and Contingency Fund and Oil Contaminated Site Environmental Cleanup Fund (Ch. 390)</b>						
	SF	\$2,137,500	\$2,850,000	\$712,500	\$0	\$0	
<b>SB 169</b>	<b>Health – Cost of Emergency Room Visits to Treat Dental Conditions and Coverage of Dental Services Under Medicaid – Study (Ch. 721)</b>						
	FF	\$0	increase	increase	increase	increase	Potential significant Medicaid matching revenues. FF expenditures increase by same amount.
<b>SB 180</b>	<b>Independent Living Tax Credit Act (Ch. 229)</b>						
	GF	\$0	\$0	(\$1,000,000)	(\$1,000,000)	(\$1,000,000)	
<b>SB 200</b>	<b>Income Tax Credit – Qualified Research and Development Expenses – Credit Amounts (Ch. 743)</b>						
	GF	(\$1,942,000)	(\$2,081,000)	(\$2,219,000)	(\$2,219,000)	(\$2,219,000)	
	SF	(\$334,000)	(\$358,000)	(\$382,000)	(\$382,000)	(\$382,000)	Transportation Trust Fund.
	SF	(\$137,000)	(\$147,000)	(\$157,000)	(\$157,000)	(\$157,000)	Higher Education Investment Fund.
<b>SB 202/HB 437</b>	<b>Higher Education – University System of Maryland – Quasi-Endowment Funds (Ch. 742/Ch. 741)</b>						
	HE	\$0	\$1,440,000	\$1,440,000	\$1,440,000	\$1,440,000	

Effect of the 2017 Legislative Program on the Financial Condition of the State

### Legislation Affecting State Revenues

	<u>Fund</u>	<u>FY 2018</u>	<u>FY 2019</u>	<u>FY 2020</u>	<u>FY 2021</u>	<u>FY 2022</u>	<u>Comments</u>
<b>SB 228/HB 300</b>	<b>Video Lottery Terminals – Disposition of Unclaimed Winnings (Ch. 452/Ch. 451)</b>						
	SF	\$9,300	\$12,500	\$12,700	\$12,900	\$13,100	Small, Minority, and Women-Owned Business Account. SF expenditures increase by same amount.
	SF	\$332,600	\$449,400	\$456,200	\$463,000	\$469,900	Education Trust Fund. SF expenditures increase by same amount.
	SF	\$42,200	\$57,000	\$57,800	\$58,700	\$59,600	Department of Labor, Licensing, and Regulation. SF expenditures increase by same amount.
	SF	(\$9,400)	(\$12,700)	(\$12,800)	(\$13,000)	(\$13,200)	State Lottery and Gaming Control Agency. SF expenditures decrease by same amount.
<b>SB 235</b>	<b>Sales and Use Tax – Declaration of Legislative Intent – Services (Ch. 230)</b>						
	GF	decrease	decrease	decrease	decrease	decrease	Potential sales tax revenues.
<b>SB 272</b>	<b>Guardianship and Child in Need of Assistance Proceedings – Jurisdiction and Authority of Juvenile Court (Ch. 655)</b>						
	FF	increase	increase	increase	increase	increase	Potential significant Medicaid matching revenues. FF expenditures increase by same amount.
<b>SB 278/HB 586</b>	<b>Maryland Farms and Families Act (Ch. 396/Ch. 395)</b>						
	SF	\$0	\$500,000	\$500,000	\$500,000	\$500,000	SF expenditures increase by same amount.
<b>SB 279/HB 291</b>	<b>Homeowner’s Insurance – Notices (Ch. 124/Ch. 123)</b>						
	SF	increase	\$0	\$0	\$0	\$0	Minimal fee revenues.
<b>SB 290</b>	<b>Motor Vehicle Liability Insurance Policies – Placement and Reinstatement (Ch. 725)</b>						
	GF	increase	increase	increase	increase	increase	Minimal insurance premium tax revenues.
	NB	\$77,000	\$102,690	\$102,690	\$102,690	\$102,690	Likely additional insurance premium revenues (in addition to amount shown).
	SF	increase	\$0	\$0	\$0	\$0	Minimal fee revenues.

## Legislation Affecting State Revenues

82

	<u>Fund</u>	<u>FY 2018</u>	<u>FY 2019</u>	<u>FY 2020</u>	<u>FY 2021</u>	<u>FY 2022</u>	<u>Comments</u>
<b>SB 291</b>	<b>Maryland Environmental Service – Collective Bargaining (Ch. 15)</b>						
	NB	increase	increase	increase	increase	increase	Fee revenues. NB expenditures increase by a similar amount.
<b>SB 304</b>	<b>Taxpayer Protection Act (Ch. 379)</b>						
	GF	increase	increase	increase	increase	increase	Potential fine revenues.
<b>SB 313/HB 410</b>	<b>Economic Development – Maryland Energy Innovation Institute (Ch. 365/Ch. 364)</b>						
	SF	\$1,500,000	\$1,500,000	\$1,500,000	\$1,500,000	\$1,500,000	SF expenditures increase by same amount.
<b>SB 317</b>	<b>More Jobs for Marylanders Act of 2017 (Ch. 149)</b>						
	GF	(\$457,000)	(\$474,000)	(\$25,133,000)	(\$4,922,000)	(\$2,927,000)	
	SF	(\$124,000)	(\$370,000)	(\$610,000)	(\$818,000)	(\$996,000)	Annuity Bond Fund.
	SF	(\$37,000)	(\$37,000)	(\$3,685,000)	(\$721,000)	(\$425,000)	Transportation Trust Fund.
	SF	(\$15,000)	(\$15,000)	(\$1,515,000)	(\$296,000)	(\$174,000)	Higher Education Investment Fund.
<b>SB 319</b>	<b>Pathways in Technology Early College High (P-TECH) School Act of 2017 (Ch. 591)</b>						
	HE	\$22,316	\$54,201	\$97,085	\$139,500	\$183,000	HE expenditures increase by same amount.
<b>SB 367</b>	<b>Income Tax – Subtraction Modification – Mortgage Forgiveness Debt Relief (Ch. 231)</b>						
	GF	(\$3,898,800)	(\$3,898,800)	\$0	\$0	\$0	
<b>SB 369/HB 403</b>	<b>Maryland Patient Referral Law – Compensation Arrangements Under Federally Approved Programs and Models (Ch. 226/Ch. 225)</b>						
	SF	increase	increase	increase	increase	increase	Minimal fee revenues.
<b>SB 371/HB 503</b>	<b>State Budget – Appropriations – Income Tax Revenue Estimate Cap and Revenue Stabilization Account (Ch. 550/Ch. 4)</b>						
	GF	\$0	\$0	decrease	decrease	decrease	Redirection of income tax revenues.
	SF	\$0	\$0	increase	increase	increase	Fiscal Responsibility Fund. Redirection of income tax revenues.
	SF	\$0	\$0	increase	increase	increase	Revenue Stabilization Account (Rainy Day Fund). Redirection of income tax revenues.

Effect of the 2017 Legislative Program on the Financial Condition of the State

## Legislation Affecting State Revenues

	<u>Fund</u>	<u>FY 2018</u>	<u>FY 2019</u>	<u>FY 2020</u>	<u>FY 2021</u>	<u>FY 2022</u>	<u>Comments</u>
<b>SB 387</b>	<b>Crimes – Solicitation to Commit Murder or Arson – Statute of Limitations (Ch. 648)</b>						
	GF	\$0	increase	increase	increase	increase	Minimal fine revenues.
<b>SB 393/HB 406</b>	<b>Clean Cars Act of 2017 (Ch. 363/Ch. 362)</b>						
	SF	(\$2,400,000)	(\$2,400,000)	(\$2,400,000)	\$0	\$0	Strategic Energy Investment Fund.
	SF	(\$600,000)	(\$600,000)	(\$600,000)	\$0	\$0	Transportation Trust Fund.
<b>SB 396/HB 477</b>	<b>Natural Resources – Protection and Restoration of State-Owned Lakes (Ch. 405/Ch. 404)</b>						
	SF	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000	SF expenditures increase by same amount.
<b>SB 403/HB 5</b>	<b>Private Passenger Motor Vehicle Liability Insurance – Enhanced Underinsured Motorist Coverage (Ch. 815/Ch. 20)</b>						
	GF	\$0	increase	increase	increase	increase	Insurance premium tax revenues.
	NB	\$0	increase	increase	increase	increase	Insurance premium revenues.
	SF	increase	\$0	\$0	\$0	\$0	Minimal fee revenues.
<b>SB 416/HB 472</b>	<b>Income Tax Credit – Qualified Farms – Food Donation Pilot Program (Ch. 232/Ch. 233)</b>						
	GF	(\$250,000)	(\$250,000)	(\$250,000)	\$0	\$0	
<b>SB 424</b>	<b>The Textbook Cost Savings Act of 2017 (Ch. 763)</b>						
	HE	increase	increase	\$0	\$0	\$0	Potential grant revenues. HE expenditures increase by same amount.
<b>SB 433</b>	<b>Substance Use Treatment – Inpatient and Intensive Outpatient Programs – Consent by Minor (Ch. 578)</b>						
	FF	increase	increase	increase	increase	increase	Medicaid and Maryland Children’s Health Program matching revenues. FF expenditures increase by same amount.
<b>SB 441</b>	<b>Veterans Affairs – Maryland Veterans Service Animal Program – Establishment (Ch. 416)</b>						
	SF	\$36,612	\$20,000	\$20,000	\$20,000	\$20,000	SF expenditures increase by same amounts in FY 2018. Assumes minimal ongoing private donations.
<b>SB 449</b>	<b>Estates and Trusts – Vehicle Transfers – Excise Tax and Fee Exemption (Ch. 663)</b>						
	SF	(\$373,000)	(\$373,000)	(\$373,000)	(\$373,000)	(\$373,000)	

## Legislation Affecting State Revenues

84

	<u>Fund</u>	<u>FY 2018</u>	<u>FY 2019</u>	<u>FY 2020</u>	<u>FY 2021</u>	<u>FY 2022</u>	<u>Comments</u>
<b>SB 495</b>	<b>Gaming – Video Lottery Terminals – Transfer of Ownership and Local Impact Grants (Ch. 339)</b>						
	SF	\$1,748,685	\$3,188,915	\$3,026,749	\$2,862,150	\$2,695,082	Education Trust Fund. SF expenditures increase by same amount.
	SF	(\$454,990)	(\$461,815)	(\$468,742)	(\$475,773)	(\$482,910)	State Lottery and Gaming Control Agency.
<b>SB 496</b>	<b>Gaming – Reconciliation of Proceeds – Licensee Payments (Ch. 445)</b>						
	SF	(\$1,815,000)	(\$1,837,600)	(\$1,865,200)	(\$1,893,300)	(\$1,921,700)	SF expenditures decrease by same amount.
<b>SB 558/HB 1035</b>	<b>Motor Vehicles – Seasonal Exceptional Milk Hauling Permit (Ch. 76/Ch. 77)</b>						
	GF	decrease	decrease	decrease	decrease	decrease	Minimal fine revenues. GF revenues also decrease in FY 2017.
	SF	increase	increase	increase	increase	increase	SF revenues also increase in FY 2017.
<b>SB 597/HB 100</b>	<b>Income Tax Subtraction Modification – Retirement Income of Law Enforcement, Fire, Rescue, and Emergency Services Personnel (Ch. 153/Ch. 154)</b>						
	GF	(\$3,690,000)	(\$3,782,000)	(\$3,877,000)	(\$3,975,000)	(\$4,075,000)	
<b>SB 622/HB 530</b>	<b>Sales and Use Tax – Tax-Free Period for Back-to-School Shopping – Sale of Backpacks and Bookbags (Ch. 236/Ch. 237)</b>						
	GF	decrease	decrease	decrease	decrease	decrease	Potential significant sales tax revenues.
<b>SB 701/HB 462</b>	<b>Higher Education – Tuition Waivers for Foster Care Recipients and Unaccompanied Homeless Youth – Alterations (Ch. 320/Ch. 321)</b>						
	HE	decrease	decrease	decrease	decrease	decrease	Potential significant tuition revenues.
<b>SB 714</b>	<b>Criminal Procedure – Indigent Individual – Indigency Determination (Ch. 606)</b>						
	GF	\$0	(\$5,000)	(\$5,000)	(\$5,000)	(\$5,000)	
<b>SB 758</b>	<b>Income Tax Credit – Energy Storage Systems (Ch. 389)</b>						
	GF	\$0	(\$634,100)	(\$634,100)	(\$634,100)	(\$634,100)	
	SF	\$0	(\$82,100)	(\$82,100)	(\$82,100)	(\$82,100)	Transportation Trust Fund.
	SF	\$0	(\$33,800)	(\$33,800)	(\$33,800)	(\$33,800)	Higher Education Investment Fund.
<b>SB 799</b>	<b>Driver Improvement Program and Failure to Pay Child Support – Driver’s License Suspensions – Penalties and Assessment of Points (Ch. 488)</b>						
	GF	decrease	decrease	decrease	decrease	decrease	Potential significant fine revenues.

Effect of the 2017 Legislative Program on the Financial Condition of the State

## Legislation Affecting State Revenues

	<u>Fund</u>	<u>FY 2018</u>	<u>FY 2019</u>	<u>FY 2020</u>	<u>FY 2021</u>	<u>FY 2022</u>	<u>Comments</u>
<b>SB 807/HB 349</b>	<b>Income Tax Credit – Wages Paid to Qualified Veteran Employees (Hire Our Veterans Act of 2017) (Ch. 180/Ch. 181)</b>						
	GF	(\$448,515)	(\$448,515)	(\$448,515)	(\$448,515)	(\$448,515)	
	SF	(\$36,485)	(\$36,485)	(\$36,485)	(\$36,485)	(\$36,485)	Transportation Trust Fund.
	SF	(\$15,000)	(\$15,000)	(\$15,000)	(\$15,000)	(\$15,000)	Higher Education Investment Fund.
<b>SB 811/HB 972</b>	<b>Civil Cases – Maryland Legal Services Corporation Fund – Surcharges – Repeal of Sunset (Ch. 797/Ch. 798)</b>						
	SF	\$0	\$5,798,656	\$5,798,656	\$5,798,656	\$5,798,656	SF expenditures increase by same amount.
<b>SB 856</b>	<b>Maryland Legal Services Corporation Funding – Abandoned Property Funds (Ch. 839)</b>						
	GF	(\$500,000)	(\$500,000)	(\$500,000)	(\$500,000)	(\$500,000)	
	SF	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000	SF expenditures increase by same amount.
<b>SB 872</b>	<b>James W. Hubbard Inclusive Higher Education Grant Program (Ch. 612)</b>						
	HE	increase	increase	increase	increase	increase	Potential grant and tuition revenues. HE expenditures increase by same amount.
<b>SB 873</b>	<b>Economic Development – Job Creation Tax Credit – Alteration (Ch. 489)</b>						
	GF	\$0	(\$377,000)	(\$647,000)	(\$1,941,000)	(\$2,588,000)	
	SF	\$0	(\$53,000)	(\$90,000)	(\$271,000)	(\$362,000)	Transportation Trust Fund.
	SF	\$0	(\$22,000)	(\$37,000)	(\$112,000)	(\$149,000)	Higher Education Investment Fund.
<b>SB 898/HB 1147</b>	<b>Health Insurance – Prescription Drugs – Dispensing Synchronization (Ch. 767/Ch. 766)</b>						
	SF	\$0	increase	\$0	\$0	\$0	Minimal fee revenues.
<b>SB 906</b>	<b>Child Support -Noncompliance With Court Order – License Suspension (Ch. 204)</b>						
	FF	\$241,297	\$0	\$0	\$0	\$0	FF expenditures increase by same amount.
<b>SB 910</b>	<b>Maryland Automobile Insurance Fund – Operations (Ch. 509)</b>						
	GF	(\$800,000)	(\$1,600,000)	(\$1,600,000)	(\$1,600,000)	(\$1,600,000)	
	NB	\$1,200,000	\$2,000,000	\$2,000,000	\$2,000,000	\$2,000,000	Potential significant insurance premium revenues beginning in FY 2018 (in addition to amount shown).

## Legislation Affecting State Revenues

86

	<u>Fund</u>	<u>FY 2018</u>	<u>FY 2019</u>	<u>FY 2020</u>	<u>FY 2021</u>	<u>FY 2022</u>	<u>Comments</u>
<b>SB 917</b>	<b>Motor Vehicles – Seasonal Exceptional Poultry Hauling Permit (Ch. 353)</b>						
	GF	decrease	decrease	decrease	decrease	decrease	Minimal fine revenues.
	SF	\$37,500	\$37,500	\$37,500	\$37,500	\$37,500	
<b>SB 919/HB 740</b>	<b>President Jimmy Carter Cancer Treatment Access Act (Ch. 679/Ch. 678)</b>						
	SF	increase	\$0	\$0	\$0	\$0	Minimal fee revenues.
<b>SB 949</b>	<b>Criminal Procedure – Expungement – Possession of Marijuana (Ch. 801)</b>						
	GF	increase	increase	increase	increase	increase	Potential significant fee revenues.
<b>SB 951/HB 1149</b>	<b>Maryland Securities Act – Vulnerable Adults (Ch. 838/Ch. 837)</b>						
	GF	\$36,750	\$49,000	\$49,000	\$49,000	\$49,000	
	SF	\$2,250,000	\$3,000,000	\$3,000,000	\$3,000,000	\$3,000,000	
<b>SB 967/HB 1329</b>	<b>Heroin and Opioid Prevention Effort (HOPE) and Treatment Act of 2017 (Ch. 572/Ch. 571)</b>						
	FF	increase	\$18,648,242	\$36,873,399	\$52,824,485	\$52,824,485	Medicaid matching revenues. FF expenditures increase by same amount.
	SF	increase	\$0	\$0	\$0	\$0	Minimal fee revenues.
<b>SB 1009/HB 1469</b>	<b>Public Assistance – Family Investment Program – Child Support Pass Through (Ch. 738/Ch. 737)</b>						
	SF	\$0	\$0	(\$3,824,573)	(\$3,824,573)	(\$3,824,573)	SF expenditures decrease by same amount.
<b>SB 1125/HB 1537</b>	<b>Video Lottery Facilities – Donation of Coins From Gaming Payouts – Expansion (Ch. 450/Ch. 449)</b>						
	SF	increase	increase	increase	increase	increase	Minimal donation revenues.
<b>SB 1138</b>	<b>Alcoholic Beverages – Family Beer and Wine Facility Permit (Ch. 469)</b>						
	GF	increase	increase	increase	increase	increase	Minimal fee revenues.
<b>SB 1149</b>	<b>Baltimore City – Maryland Transit Administration – Transit Services for Public School Students (Ch. 785)</b>						
	SF	\$0	(\$6,000,000)	(\$6,000,000)	(\$6,000,000)	\$0	
<b>SB 1158</b>	<b>Department of Natural Resources – Solar Generation Facilities – Pollinator-Friendly Designation (Ch. 372)</b>						
	GF	increase	increase	increase	increase	increase	Fee revenues.

Effect of the 2017 Legislative Program on the Financial Condition of the State

## Legislation Affecting State Revenues

	<u>Fund</u>	<u>FY 2018</u>	<u>FY 2019</u>	<u>FY 2020</u>	<u>FY 2021</u>	<u>FY 2022</u>	<u>Comments</u>
<b>SB 1169</b>	<b>Unemployment Insurance – Charge of Benefits – Waiver Due to Natural Disaster (Ch. 733)</b>						
	NB	decrease	decrease	decrease	decrease	decrease	Unemployment Insurance employer tax revenues.
<b>HB 3</b>	<b>Income Tax – Subtraction Modification – Olympic, Paralympic, Special Olympic, and Deaflympic Games Medals and Prizes (Ch. 501)</b>						
	GF	decrease	decrease	decrease	decrease	decrease	Minimal income tax revenues.
<b>HB 5/SB 403</b>	<b>See entry for SB 403.</b>						
<b>HB 11</b>	<b>Vehicle Laws – Causing Diesel Emissions to Discharge Onto Another – Prohibition (Ch. 697)</b>						
	GF	increase	increase	increase	increase	increase	Minimal fine revenues.
<b>HB 28</b>	<b>Unappropriated General Fund Surplus – Appropriation to Pension Fund and Postretirement Health Benefits Trust Fund (Ch. 557)</b>						
	SF	\$0	\$0	\$0	decrease	decrease	Revenue Stabilization Account (Rainy Day Fund). Unappropriated General Fund Surplus.
	SF	\$0	\$0	\$0	increase	increase	Postretirement Health Benefits Trust Fund. Unappropriated General Fund Surplus.
	SF	\$0	\$0	\$0	increase	increase	State Retirement and Pension System Trust Fund. Unappropriated General Fund Surplus.
<b>HB 68</b>	<b>Hunting and Fishing – Discounted Licenses – Purple Heart Recipients (Ch. 461)</b>						
	SF	decrease	decrease	decrease	\$0	\$0	Fee revenues (duplicative of impact of SB 46).
<b>HB 83</b>	<b>Income Tax – Subtraction Modification – Discharged Student Loan Debt (Ch. 685)</b>						
	GF	(\$560,000)	(\$560,000)	(\$560,000)	(\$560,000)	(\$560,000)	
<b>HB 100/SB 597</b>	<b>See entry for SB 597.</b>						



## Legislation Affecting State Revenues

88

	<u>Fund</u>	<u>FY 2018</u>	<u>FY 2019</u>	<u>FY 2020</u>	<u>FY 2021</u>	<u>FY 2022</u>	<u>Comments</u>
<b>HB 112</b>	<b>Interest Rate on Tax Deficiencies and Refunds – Rounding (Ch. 506)</b>						
	GF	(\$1,035,294)	(\$1,035,294)	(\$1,035,294)	(\$1,035,294)	(\$1,035,294)	
	SF	(\$18,043)	(\$18,043)	(\$18,043)	(\$18,043)	(\$18,043)	Transportation Trust Fund.
	SF	(\$7,418)	(\$7,418)	(\$7,418)	(\$7,418)	(\$7,418)	Higher Education Investment Fund.
<b>HB 119</b>	<b>Washington Metropolitan Area Transit Authority – Washington Metrorail Safety Commission – Establishment and Compact (Ch. 3)</b>						
	FF	increase	increase	increase	increase	increase	Significant grant revenues potentially beginning in FY 2017.
<b>HB 120</b>	<b>Department of Agriculture – Seafood and Aquaculture Product Marketing (Ch. 101)</b>						
	SF	\$190,000	\$190,000	\$190,000	\$190,000	\$190,000	Maryland Department of Agriculture. SF expenditures increase by same amount.
	SF	(\$190,000)	(\$190,000)	(\$190,000)	(\$190,000)	(\$190,000)	Department of Natural Resources. SF expenditures decrease by same amount.
<b>HB 121</b>	<b>Environment – Hazardous Material Security – Repeal (Ch. 375)</b>						
	SF	\$0	\$0	\$0	(\$82,500)	\$0	
<b>HB 123</b>	<b>Health Insurance – Required Conformity With Federal Law (Ch. 720)</b>						
	SF	increase	\$0	\$0	\$0	\$0	Minimal fee revenues.
<b>HB 127</b>	<b>Department of Health and Mental Hygiene – Board of Review – Repeal (Ch. 103)</b>						
	GF/SF	decrease	decrease	decrease	decrease	decrease	Minimal fee revenues.
<b>HB 137/SB 21</b>	<b>See entry for SB 21.</b>						
<b>HB 147</b>	<b>Healthy Aging Program (Ch. 206)</b>						
	FF	\$0	increase	increase	increase	increase	Potential grant revenues. FF expenditures increase by same amount.

Effect of the 2017 Legislative Program on the Financial Condition of the State

### Legislation Affecting State Revenues

	<u>Fund</u>	<u>FY 2018</u>	<u>FY 2019</u>	<u>FY 2020</u>	<u>FY 2021</u>	<u>FY 2022</u>	<u>Comments</u>
<b>HB 152</b>	<b>Budget Reconciliation and Financing Act of 2017 (Ch. 23)</b>						
	FF	\$187,283	\$198,520	\$210,431	\$223,057	\$236,440	FF revenues decrease by \$1.04 million in FY 2017. FF expenditures correspondingly decrease/increase in FY 2017 through 2022.
	GF	\$15,688,068	\$0	\$0	\$0	\$0	GF revenues increase by \$221.0 million in FY 2017.
	SF	(\$15,688,068)	(\$15,889,466)	(\$16,127,808)	\$0	\$0	Small, Minority, and Women-Owned Businesses Account. SF expenditures correspond.
	SF		\$5,000,000	\$5,000,000	\$5,000,000	\$0	Sunny Day Fund. SF expenditures correspond.
	SF	\$30,200,024	\$20,387,261	\$10,583,238	\$10,788,427	\$11,003,332	Medicaid Deficit Assessment, Health Services Cost Review Commission Fund, and Maryland Health Care Commission Fund. SF expenditures increase by similar amount in FY 2018 and by same amount annually thereafter.
	SF	\$0	\$0	\$0	\$0	\$0	Horse Racing Special Fund revenues decrease by \$500,000 in FY 2017.
	SF	(\$55,769,368)	\$0	\$4,000,000	\$4,100,000	\$4,200,000	State Retirement and Pension System Trust Fund.
	SF	\$0	15,889,446	16,127,808	\$0	\$0	Education Trust Fund. SF expenditures increase by same amount.
<b>HB 153</b>	<b>Creation of a State Debt – Qualified Zone Academy Bonds (Ch. 32)</b>						
	BOND	\$4,823,000	\$0	\$0	\$0	\$0	Anticipated in FY 2018 capital budget. Bond expenditures increase by same amount.

## Legislation Affecting State Revenues

90

	<u>Fund</u>	<u>FY 2018</u>	<u>FY 2019</u>	<u>FY 2020</u>	<u>FY 2021</u>	<u>FY 2022</u>	<u>Comments</u>
<b>HB 182</b>	<b>Commissioner of Financial Regulation and State Collection Agency Licensing Board – Licensees – Revisions (Ch. 253)</b>						
	GF	\$0	(\$246,700)	(\$246,700)	(\$246,700)	(\$246,700)	
	SF	\$0	decrease	decrease	decrease	decrease	Nondepository Special Fund. Minimal fee revenues.
	SF	(\$15,192)	(\$15,192)	(\$15,192)	(\$15,192)	(\$15,192)	Department of Public Safety and Correctional Services.
<b>HB 188</b>	<b>Public Health – Advance Directives – Witness Requirements, Advance Directives Services, and Fund (Ch. 667)</b>						
	GF	decrease	decrease	decrease	decrease	decrease	Minimal interest revenues.
	SF	increase	increase	increase	increase	increase	Minimal interest revenues.
<b>HB 219/SB 106</b>	<b>See entry for SB 106.</b>						
<b>HB 246</b>	<b>Department of Labor, Licensing, and Regulation – State Occupational Mechanical Licensing Boards – Fund and Fees (Ch. 254)</b>						
	GF	\$0	(\$695,872)	(\$594,975)	(\$603,740)	(\$612,911)	
	SF	\$0	\$768,484	\$775,303	\$768,484	\$775,303	SF expenditures increase by similar amount in FY 2019 and by same amount annually thereafter.
<b>HB 248</b>	<b>Maryland Home Improvement Commission – Special Fund and Fees (Ch. 255)</b>						
	GF	\$0	(\$2,205,519)	(\$2,111,734)	(\$2,127,648)	(\$2,144,004)	
	SF	\$0	\$2,544,959	\$2,371,063	\$2,595,858	\$2,418,485	SF expenditures increase by similar amount in FY 2019 and by same amount annually thereafter.
<b>HB 250</b>	<b>State Board of Barbers and State Board of Cosmetologists – Special Fund and Fees (Ch. 256)</b>						
	GF	\$0	(\$988,983)	(\$889,710)	(\$900,109)	(\$910,922)	
	SF	\$0	\$1,152,074	\$1,200,494	\$1,152,074	\$1,200,494	SF expenditures increase by similar amount in FY 2019 and by same amount annually thereafter.
<b>HB 291/SB 279</b>	<b>See entry for SB 279.</b>						
<b>HB 300/SB 228</b>	<b>See entry for SB 228.</b>						

Effect of the 2017 Legislative Program on the Financial Condition of the State

### Legislation Affecting State Revenues

	<u>Fund</u>	<u>FY 2018</u>	<u>FY 2019</u>	<u>FY 2020</u>	<u>FY 2021</u>	<u>FY 2022</u>	<u>Comments</u>
<b>HB 346</b>	<b>Montgomery County – Property Tax Credit – Public Safety Officers MC 1-17 (Ch. 118)</b>						
	SF	\$166,400	\$166,400	\$166,400	\$166,400	\$166,400	SF expenditures increase by same amount.
<b>HB 349/SB 807</b>	See entry for SB 807.						
<b>HB 363/SB 111</b>	See entry for SB 111.						
<b>HB 397</b>	<b>Montgomery County – Alcoholic Beverages – Licenses MC 17-17 (Ch. 306)</b>						
	GF	increase	increase	increase	increase	increase	Minimal fee revenues.
<b>HB 403/SB 369</b>	See entry for SB 369.						
<b>HB 406/SB 393</b>	See entry for SB 393.						
<b>HB 410/SB 313</b>	See entry for SB 313.						
<b>HB 437/SB 202</b>	See entry for SB 202.						
<b>HB 441</b>	<b>Education – Debt Service for Transferred Schools – County Reimbursement Grace Period (Ch. 594)</b>						
	SF	decrease	decrease	decrease	decrease	decrease	Deferred debt service payments.
<b>HB 443</b>	<b>Assisted Living Programs – Licensure Fees (Ch. 772)</b>						
	GF	(\$128,835)	(\$128,835)	(\$128,835)	(\$128,835)	(\$128,835)	
<b>HB 462/SB 701</b>	See entry for SB 701.						
<b>HB 469</b>	<b>Recordation and Transfer Tax – Principal Residence Surrendered in Bankruptcy – Exemption (Ch. 538)</b>						
	GF	decrease	decrease	decrease	decrease	decrease	Tax collection commission revenues.
	SF	decrease	decrease	decrease	decrease	decrease	Transfer tax revenues.
<b>HB 472/SB 416</b>	See entry for SB 416.						
<b>HB 477/SB 396</b>	See entry for SB 396.						

## Legislation Affecting State Revenues

92

	<u>Fund</u>	<u>FY 2018</u>	<u>FY 2019</u>	<u>FY 2020</u>	<u>FY 2021</u>	<u>FY 2022</u>	<u>Comments</u>
<b>HB 492</b>	<b>Vehicle Laws – Certificate of Title – Transfer-on-Death Beneficiary Designation (Ch. 684)</b>						
	SF	increase	increase	increase	increase	increase	Minimal fee revenues.
<b>HB 493</b>	<b>Long-Term Care Insurance – Premium Rates (Ch. 672)</b>						
	SF	increase	\$0	\$0	\$0	\$0	Minimal fee revenues.
<b>HB 503/SB 371</b>	<b>See entry for SB 371.</b>						
<b>HB 523</b>	<b>Electronic Nicotine Delivery Systems and Vaping Liquid – Licensing (Ch. 814)</b>						
	GF	increase	increase	increase	increase	increase	Minimal fee revenues.
<b>HB 530/SB 622</b>	<b>See entry for SB 622.</b>						
<b>HB 586/SB 278</b>	<b>See entry for SB 278.</b>						
<b>HB 601</b>	<b>Senior Call-Check Service and Notification Program – Establishment (Ch. 673)</b>						
	SF	\$126,000	\$126,000	\$126,000	\$126,000	\$126,000	SF expenditures increase by same amount.
<b>HB 627</b>	<b>Motor Fuel Tax Refund – Demand Response Trips (Ch. 522)</b>						
	SF	(\$796,400)	(\$1,122,200)	(\$1,171,200)	(\$1,224,200)	(\$1,281,300)	
<b>HB 631</b>	<b>Public Health – Essential Off-Patent or Generic Drugs – Price Gouging – Prohibition (Ch. 818)</b>						
	FF	\$83,118	\$106,940	\$111,242	\$115,745	\$120,462	FF expenditures increase by same amount.
<b>HB 653</b>	<b>Crimes – Solicitation to Commit Murder or Arson – Statute of Limitations (Ch. 647)</b>						
	GF	\$0	increase	increase	increase	increase	Minimal fine revenues. (Duplicative of impact for SB 387.)
<b>HB 675/SB 61</b>	<b>See entry for SB 61.</b>						
<b>HB 713</b>	<b>Sales and Use Tax – Light Rail Vehicles – Exemption (Ch. 718)</b>						
	GF	\$0	\$0	(\$9,409,614)	(\$2,971,457)	\$0	

Effect of the 2017 Legislative Program on the Financial Condition of the State

## Legislation Affecting State Revenues

	<u>Fund</u>	<u>FY 2018</u>	<u>FY 2019</u>	<u>FY 2020</u>	<u>FY 2021</u>	<u>FY 2022</u>	<u>Comments</u>
<b>HB 717</b>	<b>Academic Facilities Bonding Authority (Ch. 143)</b>						
	BOND	\$32,000,000	\$0	\$0	\$0	\$0	Anticipated in FY 2018 capital budget. Bond expenditures increase by same amount.
<b>HB 730</b>	<b>Health Insurance – Coverage for Diabetes Test Strips – Prohibition on Deductible, Copayment, and Coinsurance (Ch. 227)</b>						
	SF	increase	\$0	\$0	\$0	\$0	Minimal fee revenues.
<b>HB 735/SB 73</b>	See entry for SB 73.						
<b>HB 740/SB 919</b>	See entry for SB 919.						
<b>HB 744</b>	<b>Corporations – Maryland General Corporation Law – Miscellaneous Provisions (Ch. 674)</b>						
	SF	\$3,600	\$4,800	\$4,800	\$4,800	\$4,800	
<b>HB 786</b>	<b>Education – Individualized or Group Behavioral Counseling Services – Establishment (Ch. 583)</b>						
	SF	increase	\$0	\$0	\$0	\$0	Minimal fee revenues.
<b>HB 822</b>	<b>Income Tax – Subtraction Modification – Police Auxiliaries and Reserve Volunteers (Ch. 155)</b>						
	GF	(\$13,000)	(\$16,000)	(\$20,000)	(\$20,000)	(\$20,000)	
<b>HB 836</b>	<b>Criminal Procedure – Expungement – Common Law Battery (Ch. 703)</b>						
	GF/SF	increase	increase	increase	increase	increase	Minimal fee revenues.
<b>HB 873</b>	<b>Income Tax Credit – Security Clearances – Employer Costs – Extension (Ch. 240)</b>						
	GF	\$0	(\$1,569,100)	(\$1,569,100)	(\$1,569,100)	(\$1,569,100)	
	SF	\$0	(\$200,900)	(\$200,900)	(\$200,900)	(\$200,900)	Transportation Trust Fund.
	SF	\$0	(\$82,600)	(\$82,600)	(\$82,600)	(\$82,600)	Higher Education Investment Fund.
<b>HB 877/SB 23</b>	See entry for SB 23.						
<b>HB 879</b>	<b>Public Integrity Act of 2017 (Ch. 31)</b>						
	GF	increase	increase	increase	increase	increase	Minimal fine revenues.

## Legislation Affecting State Revenues

94

	<u>Fund</u>	<u>FY 2018</u>	<u>FY 2019</u>	<u>FY 2020</u>	<u>FY 2021</u>	<u>FY 2022</u>	<u>Comments</u>
<b>HB 887</b>	<b>Health Insurance – Prior Authorization for Drug Products to Treat an Opioid Use Disorder – Prohibition (Ch. 581)</b>						
	SF	increase	\$0	\$0	\$0	\$0	Minimal fee revenues beginning in FY 2017.
<b>HB 898</b>	<b>Election Law – Campaign Finance – Coordinated Expenditures (Ch. 852)</b>						
	SF	increase	increase	increase	increase	increase	Potential significant penalty revenues.
<b>HB 924</b>	<b>Natural Resources – Oyster Management – Prohibited Actions (Ch. 27)</b>						
	SF	decrease	decrease	\$0	\$0	\$0	Potential oyster fishery revenues.
<b>HB 929</b>	<b>Garrett County – Alcoholic Beverages – Licenses and Sunday Sales (Ch. 144)</b>						
	GF	\$500	\$500	\$500	\$500	\$500	
<b>HB 941</b>	<b>Criminal Law – Animal Abuse Emergency Compensation Fund – Establishment (Ch. 410)</b>						
	GF	decrease	decrease	decrease	decrease	\$0	Fine revenues.
	SF	increase	increase	increase	increase	\$0	Fine revenues. SF expenditures increase by same amount.
<b>HB 972/SB 811</b>	<b>See entry for SB 811.</b>						
<b>HB 979</b>	<b>Property Tax Credit – Public Safety Officers (Ch. 686)</b>						
	SF	increase	increase	increase	increase	increase	Administrative cost reimbursements. SF expenditures increase by same amount.
<b>HB 1002</b>	<b>Electric Universal Service Program – Unexpended Funds (Ch. 777)</b>						
	SF	\$0	increase	increase	increase	increase	Significant electricity surcharge revenues. SF expenditures increase by same amount.
<b>HB 1035/SB 558</b>	<b>See entry for SB 558.</b>						
<b>HB 1147/SB 898</b>	<b>See entry for SB 898.</b>						
<b>HB 1149/SB 951</b>	<b>See entry for SB 951.</b>						

Effect of the 2017 Legislative Program on the Financial Condition of the State

### Legislation Affecting State Revenues

	<u>Fund</u>	<u>FY 2018</u>	<u>FY 2019</u>	<u>FY 2020</u>	<u>FY 2021</u>	<u>FY 2022</u>	<u>Comments</u>
<b>HB 1150</b>	<b>Vehicle Laws – Off-Highway Recreational Vehicles (Ch. 757)</b>						
	SF	(\$125,903)	(\$167,870)	(\$167,870)	(\$167,870)	(\$167,870)	
<b>HB 1325</b>	<b>Oil and Natural Gas – Hydraulic Fracturing – Prohibition (Ch. 13)</b>						
	GF/SF	decrease	decrease	decrease	decrease	decrease	Potential tax revenues.
<b>HB 1329/SB 967</b>	See entry for SB 967.						
<b>HB 1335</b>	<b>Vehicle Laws – Obstruction Hanging From Rearview Mirror – Enforcement (Ch. 756)</b>						
	GF	decrease	decrease	decrease	decrease	decrease	Minimal fine revenues.
<b>HB 1345</b>	<b>National Capital Strategic Economic Development Fund (Ch. 523)</b>						
	SF	\$1,500,000	\$2,000,000	\$2,000,000	\$2,000,000	\$2,000,000	SF expenditures increase by same amount.
<b>HB 1427</b>	<b>Natural Resources – Apprentice Hunting License – Establishment (Ch. 403)</b>						
	SF	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	
<b>HB 1456</b>	<b>Vehicle Laws – Passing to the Right – Use of Shoulder (Ch. 759)</b>						
	GF	decrease	decrease	decrease	decrease	decrease	Potential significant fine revenues.
<b>HB 1464</b>	<b>Make Office Vacancies Extinct Program (Ch. 846)</b>						
	SF	\$822,128	\$1,091,372	\$1,095,365	\$1,694,517	\$1,698,417	SF expenditures increase by same amount.
<b>HB 1469/SB 1009</b>	See entry for SB 1009.						
<b>HB 1513</b>	<b>Maryland Historic Trust Grant Fund Improvement Act (Ch. 513)</b>						
	SF	\$1,300,000	\$1,300,000	\$1,300,000	\$1,300,000	\$1,300,000	SF expenditures increase by same amount.
<b>HB 1537/SB 1125</b>	See entry for SB 1125.						
<b>HB 1600</b>	<b>State Board of Cosmetologists – License Renewal – Continuing Education (Ch. 784)</b>						
	GF	\$0	decrease	decrease	decrease	decrease	Minimal fee revenues.



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

<b><u>Fund Type</u></b>	<b><u>FY 2018</u></b>	<b><u>FY 2019</u></b>	<b><u>FY 2020</u></b>	<b><u>FY 2021</u></b>	<b><u>FY 2022</u></b>
GF	\$1,593,224	(\$21,856,318)	(\$53,239,177)	(\$27,359,798)	(\$23,176,681)
SF	(\$35,851,418)	\$38,193,848	\$20,601,145	\$27,446,712	\$28,585,978
FF	\$511,698	\$18,953,702	\$37,195,072	\$53,185,787	\$53,235,387
BOND	\$36,823,000	\$0	\$0	\$0	\$0
HE	\$22,316	\$1,494,201	\$1,537,085	\$1,579,500	\$1,623,000
NB	\$1,277,000	\$2,102,690	\$2,102,690	\$2,102,690	\$2,102,690

*Effect of the 2017 Legislative Program on the Financial Condition of the State*

## Legislation Affecting State Expenditures

	<u>Fund</u>	<u>Agency</u>	<u>FY 2018</u>	<u>FY 2019</u>	<u>FY 2020</u>	<u>FY 2021</u>	<u>FY 2022</u>	<u>Comments</u>
<b>SB 4</b>	<b>Minority Business Enterprises – Program Participation – Requirements and Reauthorization (Ch. 340)</b>							
	SF	Transportation	\$0	\$0	\$0	\$2,625,000	\$875,000	
<b>SB 6/HB 138</b>	<b>Occupational and Professional Licensing Boards, Commissions, and Regulatory Entities – Notifications of Applicants, Licensees, Registrants, and Permit Holders (Ch. 246/Ch. 247)</b>							
	GF	Labor Lic. & Reg.	\$0	\$0	(\$9,375)	(\$12,500)	(\$12,500)	Minimal administrative costs.
	GF	State Police	\$0	\$0	decrease	decrease	decrease	
	SF	Labor Lic. & Reg.	\$0	\$0	(\$9,375)	(\$12,500)	(\$12,500)	
<b>SB 21/HB 137</b>	<b>Unemployment Insurance – Recovery of Benefits – Collection by Assessment (Ch. 244/Ch. 245)</b>							
	NB	Labor Lic. & Reg.	\$0	(\$25,000)	(\$25,000)	(\$25,000)	(\$25,000)	
<b>SB 22</b>	<b>Criminal Procedure – Criminal Injuries Compensation Board – Claimant Award Basis (Ch. 7)</b>							
	SF	Public Sfty. & Corr. Srvcs.	\$37,500	\$90,000	\$90,000	\$90,000	\$90,000	
<b>SB 25</b>	<b>Maryland Transit Administration – Transit Service – Contracted Taxicab Service (Ch. 716)</b>							
	SF	Transportation	(\$720,000)	(\$720,000)	(\$720,000)	(\$720,000)	(\$720,000)	Expenditures also decrease by \$60,000 in FY 2017.
<b>SB 57</b>	<b>Income Tax Credit – Class F Vehicles – Modification and Extension (Ch. 502)</b>							
	SF	Transportation	\$91,500	\$0	\$0	\$0	\$0	
<b>SB 61/HB 675</b>	<b>Health Insurance – Coverage for Digital Tomosynthesis (Ch. 677/Ch. 676)</b>							
	GF/SF/FF	Budget & Mgt.	increase	increase	increase	increase	increase	Minimal program costs.
<b>SB 137/HB 165</b>	<b>State Government – Maryland Uniform Electronic Legal Materials Act (Ch. 554/Ch. 553)</b>							
	GF	Leg. Services	\$28,500	\$20,500	\$20,500	\$20,500	\$20,500	
<b>SB 142/HB 192</b>	<b>Task Force to Study Bicycle Safety on Maryland Highways (Ch. 836/Ch. 835)</b>							
	SF	Transportation	increase	\$0	\$0	\$0	\$0	Minimal implementation costs beginning in FY 2017.

## Legislation Affecting State Expenditures

98

	<u>Fund</u>	<u>Agency</u>	<u>FY 2018</u>	<u>FY 2019</u>	<u>FY 2020</u>	<u>FY 2021</u>	<u>FY 2022</u>	<u>Comments</u>
<b>SB 158</b>	<b>Maryland Oil Disaster Containment, Clean-Up and Contingency Fund and Oil Contaminated Site Environmental Cleanup Fund (Ch. 390)</b>							
	SF	Environment	\$178,125	\$237,500	\$59,375	\$0	\$0	Included in FY 2018 budget.
<b>SB 169</b>	<b>Health – Cost of Emergency Room Visits to Treat Dental Conditions and Coverage of Dental Services Under Medicaid – Study (Ch. 721)</b>							
	FF	Hlth. & Mental Hyg.	\$0	increase	increase	increase	increase	Potential significant Medicaid expenditures. FF revenues increase by same amount.
	GF	Hlth. & Mental Hyg.	\$0	increase	increase	increase	increase	Potential significant Medicaid expenditures.
<b>SB 180</b>	<b>Independent Living Tax Credit Act (Ch. 229)</b>							
	GF	Comptroller	\$53,000	\$0	\$0	\$0	\$0	
	GF	Housing & Commtty Dvlpt.	\$46,269	\$84,709	\$88,408	\$92,307	\$96,420	
<b>SB 194/HB 1484</b>	<b>Workers' Compensation – Medical Benefits – Payment of Medical Services and Treatment (Ch. 568/Ch. 567)</b>							
	GF/SF/FF	All or Multiple Agencies	decrease	decrease	decrease	decrease	decrease	Minimal workers' compensation costs.
<b>SB 202/HB 437</b>	<b>Higher Education – University System of Maryland – Quasi-Endowment Funds (Ch. 742/Ch. 741)</b>							
	HE	Univ. Sys. of MD	\$50,000,000	\$0	\$0	\$0	\$0	
<b>SB 217/HB 429</b>	<b>Criminal Law – Sexual Offenses – Physical Resistance (Ch. 160/Ch. 163)</b>							
	GF	Public Sfty. & Corr. Svcs.	increase	increase	increase	increase	increase	Minimal incarceration costs.
	GF	State Police	increase	increase	increase	increase	increase	Potential significant evidence testing costs.
<b>SB 220/HB 1279</b>	<b>Police Training Commission – Training Requirements – Human Trafficking (Ch. 645/Ch. 644)</b>							
	GF	Public Sfty. & Corr. Svcs.	\$4,546	\$0	\$0	\$0	\$0	

Effect of the 2017 Legislative Program on the Financial Condition of the State

## Legislation Affecting State Expenditures

	<u>Fund</u>	<u>Agency</u>	<u>FY 2018</u>	<u>FY 2019</u>	<u>FY 2020</u>	<u>FY 2021</u>	<u>FY 2022</u>	<u>Comments</u>
<b>SB 228/HB 300</b>	<b>Video Lottery Terminals – Disposition of Unclaimed Winnings (Ch. 452/Ch. 451)</b>							
	GF	Education	(\$332,600)	(\$449,400)	(\$456,200)	(\$463,000)	(\$469,900)	
	GF	Lottery Agency	\$9,400	\$12,700	\$12,800	\$13,000	\$13,200	
	SF	Commerce	\$9,300	\$12,500	\$12,700	\$12,900	\$13,100	SF revenues increase by same amount.
	SF	Education	\$332,600	\$449,400	\$456,200	\$463,000	\$469,900	SF revenues increase by same amount.
	SF	Labor Lic. & Reg.	\$42,200	\$57,000	\$57,800	\$58,700	\$59,600	SF revenues increase by same amount.
	SF	Lottery Agency	(\$9,400)	(\$12,700)	(\$12,800)	(\$13,000)	(\$13,200)	SF revenues decrease by same amount.
<b>SB 229/HB 635</b>	<b>Criminal Law – Homicide by Motor Vehicle or Vessel While Impaired by Controlled Dangerous Substance – Penalties (Ch. 167/Ch. 168)</b>							
	GF	Public Sfty. & Corr. Srvcs.	\$0	\$0	\$0	increase	increase	Minimal incarceration costs.
<b>SB 235</b>	<b>Sales and Use Tax – Declaration of Legislative Intent – Services (Ch. 230)</b>							
	GF	Comptroller	\$81,300	\$0	\$0	\$0	\$0	
<b>SB 257/HB 267</b>	<b>Program Open Space – Authorized Transfer to the Maryland Heritage Areas Authority Financing Fund – Increase (Ch. 661/Ch. 660)</b>							
	SF	Natural Resources	(\$3,000,000)	(\$3,000,000)	(\$3,000,000)	(\$3,000,000)	(\$3,000,000)	
	SF	Planning	\$3,000,000	\$3,000,000	\$3,000,000	\$3,000,000	\$3,000,000	
<b>SB 272</b>	<b>Guardianship and Child in Need of Assistance Proceedings – Jurisdiction and Authority of Juvenile Court (Ch. 655)</b>							
	FF	Hlth. & Mental Hyg.	increase	increase	increase	increase	increase	Potential significant Medicaid expenditures. FF revenues increase by same amount.
	GF	Hlth. & Mental Hyg.	increase	increase	increase	increase	increase	Potential significant compliance costs.
	GF	Human Resources	increase	increase	increase	increase	increase	Potential significant compliance costs.

## Legislation Affecting State Expenditures

100

	<u>Fund</u>	<u>Agency</u>	<u>FY 2018</u>	<u>FY 2019</u>	<u>FY 2020</u>	<u>FY 2021</u>	<u>FY 2022</u>	<u>Comments</u>
<b>SB 273</b>	<b>State Forest, State Park, and Wildlife Management Area Revenue Equity Program (Ch. 692)</b>							
	GF	Natural Resources	\$0	\$2,468,980	\$2,468,980	\$2,468,980	\$2,468,980	Mandated appropriation beginning in FY 2019.
	SF	Natural Resources	\$0	(\$798,513)	(\$798,513)	(\$798,513)	(\$798,513)	
<b>SB 278/HB 586</b>	<b>Maryland Farms and Families Act (Ch. 396/Ch. 395)</b>							
	GF	Agriculture	\$0	\$500,000	\$500,000	\$500,000	\$500,000	SF revenues increase by same amount.
	SF	Agriculture	\$0	\$500,000	\$500,000	\$500,000	\$500,000	
<b>SB 290</b>	<b>Motor Vehicle Liability Insurance Policies – Placement and Reinstatement (Ch. 725)</b>							
	NB	MAIF	increase	increase	increase	increase	increase	Insurance claim payments.
<b>SB 291</b>	<b>Maryland Environmental Service – Collective Bargaining (Ch. 15)</b>							
	GF/SF/FF	All or Multiple Agencies	increase	increase	increase	increase	increase	Higher cost recovery expenditures.
	NB	MD. Environmental Svcs.	increase	increase	increase	increase	increase	Potential significant salary expenditures. NB revenues increase by a similar amount.
<b>SB 304</b>	<b>Taxpayer Protection Act (Ch. 379)</b>							
	GF	Judiciary	\$37,500	\$0	\$0	\$0	\$0	
	GF	Labor Lic. & Reg.	\$18,634	\$6,478	\$4,861	\$3,648	\$2,739	
<b>SB 307</b>	<b>Maryland Open Transportation Investment Decision Act – Application and Evaluation (Ch. 30)</b>							
	SF	Transportation	(\$500,000)	(\$75,000)	(\$275,000)	(\$550,000)	(\$550,000)	
<b>SB 309</b>	<b>State Finance and Procurement – Small and Minority Business Participation (Ch. 438)</b>							
	GF	Gov. Office of Minority Affairs	\$131,200	\$165,418	\$172,800	\$180,614	\$188,840	
	SF	Transportation	\$0	\$0	\$0	\$0	\$0	SF expenditures increase by \$60,000 in FY 2017.

Effect of the 2017 Legislative Program on the Financial Condition of the State

## Legislation Affecting State Expenditures

	<u>Fund</u>	<u>Agency</u>	<u>FY 2018</u>	<u>FY 2019</u>	<u>FY 2020</u>	<u>FY 2021</u>	<u>FY 2022</u>	<u>Comments</u>
<b>SB 311/HB 426</b>	<b>Promoting Efficiencies in State Procurement (Ch. 588/Ch. 589)</b>							
	GF/SF/FF	All or Multiple Agencies	decrease	decrease	decrease	decrease	decrease	Potential administrative and procurement costs.
<b>SB 313/HB 410</b>	<b>Economic Development – Maryland Energy Innovation Institute (Ch. 365/Ch. 364)</b>							
	SF	Energy Administration	\$1,500,000	\$1,500,000	\$1,500,000	\$1,500,000	\$1,500,000	Included in FY 2018 budget. Mandated appropriation in FY 2019 through 2022.
	SF	Univ. Sys. of MD	\$1,500,000	\$1,500,000	\$1,500,000	\$1,500,000	\$1,500,000	SF revenues increase by same amount.
<b>SB 317</b>	<b>More Jobs for Marylanders Act of 2017 (Ch. 149)</b>							
	GF	Commerce	\$74,000	\$10,071,000	\$20,074,000	\$20,077,000	\$20,081,000	Mandated appropriation of \$ 10.0 million beginning in FY 2019.
	GF	Comptroller	\$64,000	\$0	\$0	\$0	\$0	
	GF	Higher Ed. Comm.	\$60,000	\$1,054,000	\$1,052,000	\$1,054,000	\$1,057,000	Mandated appropriation of \$ 1.0 million beginning in FY 2019.
	GF	Labor Lic. & Reg.	\$47,800	\$40,500	\$41,900	\$0	\$0	
<b>SB 319</b>	<b>Pathways in Technology Early College High (P-TECH) School Act of 2017 (Ch. 591)</b>							
	GF	Education	\$841,270	\$603,175	\$948,840	\$1,288,832	\$1,820,033	Included in FY 2018 budget. Mandated appropriation beginning in FY 2019.
	GF	Higher Ed. Comm.	\$55,739	\$179,921	\$356,547	\$638,305	\$1,236,131	Mandated appropriation beginning in FY 2019.
	HE	Baltimore City Community College	\$22,316	\$54,201	\$97,085	\$139,500	\$183,000	HE revenues increase by same amount.
<b>SB 347/HB 457</b>	<b>Charles County – State’s Attorney’s Office and Child Support Enforcement Administration – Transfer of Personnel (Ch. 135/Ch. 134)</b>							
	GF	Human Resources	\$277,845	\$267,190	\$279,039	\$291,543	\$304,747	

## Legislation Affecting State Expenditures

102

	<u>Fund</u>	<u>Agency</u>	<u>FY 2018</u>	<u>FY 2019</u>	<u>FY 2020</u>	<u>FY 2021</u>	<u>FY 2022</u>	<u>Comments</u>
<b>SB 348/HB 593</b>	<b>State Compensation for Erroneous Conviction and Imprisonment – Certification of Error (Ch. 799/Ch. 800)</b>							
	GF	Public Works, Board of	increase	increase	increase	increase	increase	Potential significant compensation claim payments.
<b>SB 367</b>	<b>Income Tax – Subtraction Modification – Mortgage Forgiveness Debt Relief (Ch. 231)</b>							
	GF	Comptroller	\$53,000	\$0	\$0	\$0	\$0	
<b>SB 369/HB 403</b>	<b>Maryland Patient Referral Law – Compensation Arrangements Under Federally Approved Programs and Models (Ch. 226/Ch. 225)</b>							
	SF	Insur. Admin.	\$80,895	\$77,763	\$81,210	\$84,847	\$88,689	
<b>SB 371/HB 503</b>	<b>State Budget – Appropriations – Income Tax Revenue Estimate Cap and Revenue Stabilization Account (Ch. 550/Ch. 4)</b>							
	GF	All or Multiple Agencies	\$0	\$0	decrease	decrease	decrease	Redirection of income tax revenues.
	SF	All or Multiple Agencies	\$0	\$0	\$0	increase	increase	Potential significant PAYGO expenditures. Mandated appropriation beginning in FY 2022.
<b>SB 380/HB 774</b>	<b>Insurance – Short-Term Medical Insurance – Study (Ch. 224/Ch. 223)</b>							
	SF	Insur. Admin.	increase	\$0	\$0	\$0	\$0	Minimal contractual costs.
<b>SB 385/HB 482</b>	<b>Maryland Nurse Practice Act – Revisions (Ch. 516/Ch. 515)</b>							
	SF	Hlth. & Mental Hyg.	\$16,280	\$21,776	\$21,776	\$21,776	\$21,776	
<b>SB 387</b>	<b>Crimes – Solicitation to Commit Murder or Arson – Statute of Limitations</b>							
	GF	Public Sfty. & Corr. Svcs.	\$0	increase	increase	increase	increase	Minimal incarceration costs.
<b>SB 393/HB 406</b>	<b>Clean Cars Act of 2017 (Ch. 363/Ch. 362)</b>							
	SF	Energy Administration	\$1,200,000	\$1,200,000	\$1,200,000	\$0	\$0	Included in FY 2018 budget.

Effect of the 2017 Legislative Program on the Financial Condition of the State

## Legislation Affecting State Expenditures

	<u>Fund</u>	<u>Agency</u>	<u>FY 2018</u>	<u>FY 2019</u>	<u>FY 2020</u>	<u>FY 2021</u>	<u>FY 2022</u>	<u>Comments</u>
<b>SB 396/HB 477</b>	<b>Natural Resources – Protection and Restoration of State-Owned Lakes (Ch. 405/Ch. 404)</b>							
	GF	Natural Resources	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000	
	SF	Natural Resources	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000	SF revenues increase by same amount.
<b>SB 403/HB 5</b>	<b>Private Passenger Motor Vehicle Liability Insurance – Enhanced Underinsured Motorist Coverage (Ch. 815/Ch. 20)</b>							
	NB	MAIF	\$200,000	increase	increase	increase	increase	Insurance claim payments beginning in FY 2018 (in addition to the \$200,000).
<b>SB 416/HB 472</b>	<b>Income Tax Credit – Qualified Farms – Food Donation Pilot Program (Ch. 232/Ch. 233)</b>							
	GF	Agriculture	\$22,999	\$22,992	\$23,763	\$0	\$0	
	GF	Comptroller	\$32,000	\$0	\$0	\$0	\$0	
<b>SB 424</b>	<b>The Textbook Cost Savings Act of 2017</b>							
	GF	Univ. Sys. of MD	increase	\$100,000	\$0	\$0	\$0	Mandated appropriation in FY 2019.
	HE	Baltimore City Community College	increase	increase	\$0	\$0	\$0	Potential minimal grant expenditures. HE revenues increase by same amount.
	HE	Morgan St. Univ.	increase	increase	\$0	\$0	\$0	Potential minimal grant expenditures. HE revenues increase by same amount.
	HE	St. Mary's College	increase	increase	\$0	\$0	\$0	Potential minimal grant expenditures. HE revenues increase by same amount.
	HE	Univ. Sys. of MD	increase	increase	\$0	\$0	\$0	Potential minimal grant expenditures. HE revenues increase by same amount.



## Legislation Affecting State Expenditures

104

	<u>Fund</u>	<u>Agency</u>	<u>FY 2018</u>	<u>FY 2019</u>	<u>FY 2020</u>	<u>FY 2021</u>	<u>FY 2022</u>	<u>Comments</u>
<b>SB 426/HB 1294</b>	<b>Workers' Compensation – Permanent Total Disability – Survival of Claim (Ch. 69/Ch. 70)</b>							
	GF/SF/FF	All or Multiple Agencies	increase	increase	increase	increase	increase	Minimal workers' compensation costs.
	NB	Injured Workers Ins. Fnd.	increase	increase	increase	increase	increase	Minimal insurance claim payments.
<b>SB 427/HB 522</b>	<b>Maryland Institute for Emergency Medical Services Systems – Automated External Defibrillators – Study (The Joe Sheya Act) (Ch. 34/Ch. 35)</b>							
	SF	MIEMSS	\$10,000	\$0	\$0	\$0	\$0	
<b>SB 433</b>	<b>Substance Use Treatment – Inpatient and Intensive Outpatient Programs – Consent by Minor (Ch. 578)</b>							
	GF	Hlth. & Mental Hyg.	increase	increase	increase	increase	increase	Medicaid and Maryland Children's Health Program expenditures.
	FF	Hlth. & Mental Hyg.	increase	increase	increase	increase	increase	Medicaid and Maryland Children's Health Program expenditures. FF revenues increase by same amount.
<b>SB 441</b>	<b>Veterans Affairs – Maryland Veterans Service Animal Program – Establishment (Ch. 416)</b>							
	GF	Veterans Affairs	\$16,612	\$0	\$0	\$0	\$0	
	SF	Veterans Affairs	\$36,612	increase	increase	increase	increase	SF revenues increase by same amount in FY 2018. Potential significant additional program costs.
<b>SB 449</b>	<b>Estates and Trusts – Vehicle Transfers – Excise Tax and Fee Exemption (Ch. 674)</b>							
	SF	Transportation	\$53,100	\$0	\$0	\$0	\$0	
<b>SB 452</b>	<b>Education – Accountability Program – Assessments (More Learning, Less Testing Act of 2017) (Ch. 731)</b>							
	GF	Education	(\$2,000,000)	\$0	\$0	\$0	\$0	Funding decrease assumed in FY 2018 budget.

Effect of the 2017 Legislative Program on the Financial Condition of the State

## Legislation Affecting State Expenditures

	<u>Fund</u>	<u>Agency</u>	<u>FY 2018</u>	<u>FY 2019</u>	<u>FY 2020</u>	<u>FY 2021</u>	<u>FY 2022</u>	<u>Comments</u>
<b>SB 485</b>	<b>Education – Remote Classroom Technology Grant Program – Establishment (Peyton’s Bill) (Ch. 322)</b>							
	GF	Education	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	
<b>SB 488/HB 1317</b>	<b>Prince George’s County – Alcoholic Beverages Regulation Reform Act of 2017 (Ch. 811/Ch. 812)</b>							
	GF	Leg. Services	\$94,603	\$121,118	\$126,124	\$131,374	\$136,882	Minimal contractual costs beginning in FY 2017.
<b>SB 495</b>	<b>Gaming – Video Lottery Terminals – Transfer of Ownership and Local Impact Grants (Ch. 339)</b>							
	GF	Education	\$10,651,315	\$10,811,085	\$10,973,251	\$11,137,850	\$11,304,918	
	GF	Lottery Agency – VLT	(\$12,400,000)	(\$14,000,000)	(\$14,000,000)	(\$14,000,000)	(\$14,000,000)	
	SF	Education	\$1,748,685	\$3,188,915	\$3,026,749	\$2,862,150	\$2,695,082	SF revenues increase by same amount.
<b>SB 496</b>	<b>Gaming – Reconciliation of Proceeds – Licensee Payments (Ch. 445)</b>							
	GF	Education	\$1,815,000	\$1,837,600	\$1,865,200	\$1,893,300	\$1,921,700	
	SF	Education	(\$1,815,000)	(\$1,837,600)	(\$1,865,200)	(\$1,893,300)	(\$1,921,700)	SF revenues decrease by same amount.
<b>SB 515</b>	<b>Collective Bargaining – Firefighters – Martin State Airport (Ch. 182)</b>							
	GF	Military Dept.	\$51,830	\$48,890	\$51,450	\$54,171	\$57,066	Potential significant salary expenditures (in addition to amount shown).
<b>SB 517/HB 628</b>	<b>Secretaries of Principal Departments – Supervision and Review of Decisions and Actions by Units Within Departments (Ch. 614/Ch. 613)</b>							
	GF/SF	Hlth. & Mental Hyg.	\$0	increase	increase	increase	increase	Potential administrative costs.
<b>SB 521</b>	<b>Community Colleges – Small Community Colleges – Funding (Ch. 330)</b>							
	GF	Higher Ed. Comm.	\$0	\$1,702,514	\$1,762,106	\$1,824,485	\$1,883,416	Mandated appropriation beginning in FY 2019.

## Legislation Affecting State Expenditures

106

	<u>Fund</u>	<u>Agency</u>	<u>FY 2018</u>	<u>FY 2019</u>	<u>FY 2020</u>	<u>FY 2021</u>	<u>FY 2022</u>	<u>Comments</u>
<b>SB 531/HB 269</b>	<b>Housing Navigator and Aftercare Program (Ch. 638/Ch. 637)</b>							
	GF	Housing & Commty Dvlpt.	\$0	\$258,414	\$258,414	\$258,414	\$258,414	
<b>SB 539</b>	<b>Criminal Law – Distribution of Controlled Dangerous Substances – Fentanyl (Ch. 569)</b>							
	GF	Public Sfty. & Corr. Svcs.	increase	increase	increase	increase	increase	Potential significant incarceration costs beginning in FY 2017.
<b>SB 558/HB 1035</b>	<b>Motor Vehicles – Seasonal Exceptional Milk Hauling Permit (Ch. 76/Ch. 77)</b>							
	SF	Transportation	increase	increase	increase	increase	increase	Minimal highway maintenance costs.
<b>SB 580</b>	<b>State Personnel – Leap Year – Personal Leave (Ch. 680)</b>							
	GF/SF/FF	All or Multiple Agencies	\$0	\$0	increase	\$0	\$0	Significant personnel costs.
<b>SB 587/HB 1094</b>	<b>Education – Libraries – Reorganization of Governance Structure (Ch. 337/Ch. 338)</b>							
	GF	MD State Library	\$128,073	\$207,756	\$216,141	\$224,946	\$234,203	Significant personnel and operating costs shift to new agency. Significant personnel and operating costs shift from existing agency.
	GF/FF	Education	decrease	decrease	decrease	decrease	decrease	
	GF/FF	MD State Library	increase	increase	increase	increase	increase	
<b>SB 600/HB 775</b>	<b>Public Health – Maternal Mental Health (Ch. 222/Ch. 221)</b>							
	GF	Hlth. & Mental Hyg.	increase	\$0	\$0	\$0	\$0	Minimal program costs.
<b>SB 622/HB 530</b>	<b>Sales and Use Tax – Tax-Free Period for Back-to-School Shopping – Sale of Backpacks and Bookbags (Ch. 236/Ch. 237)</b>							
	GF	Comptroller	\$81,300	\$0	\$0	\$0	\$0	
<b>SB 625/HB 1067</b>	<b>Public Schools and Shelters – Homeless Girls and Women – Feminine Hygiene Products (Ch. 642/Ch. 641)</b>							
	GF	Housing & Commty Dvlpt.	\$268,237	\$268,237	\$268,237	\$268,237	\$268,237	

Effect of the 2017 Legislative Program on the Financial Condition of the State

## Legislation Affecting State Expenditures

	<u>Fund</u>	<u>Agency</u>	<u>FY 2018</u>	<u>FY 2019</u>	<u>FY 2020</u>	<u>FY 2021</u>	<u>FY 2022</u>	<u>Comments</u>
<b>SB 650/HB 1081</b>	<b>Correctional Officers' Retirement System – Membership (Ch. 689/Ch. 688)</b>							
	FF	All or Multiple Agencies	\$0	\$890,000	\$948,000	\$1,022,000	\$1,102,000	
	GF	All or Multiple Agencies	\$0	\$2,670,000	\$2,844,000	\$3,066,000	\$3,306,000	
	SF	All or Multiple Agencies	\$0	\$890,000	\$948,000	\$1,022,000	\$1,102,000	
<b>SB 664</b>	<b>Correctional Officers' Retirement System – Membership (Ch. 690)</b>							
	FF	All or Multiple Agencies	\$0	\$116,000	\$124,000	\$134,000	\$146,000	
	GF	All or Multiple Agencies	\$0	\$348,000	\$372,000	\$402,000	\$438,000	
	SF	All or Multiple Agencies	\$0	\$116,000	\$124,000	\$134,000	\$146,000	
<b>SB 714</b>	<b>Criminal Procedure – Indigent Individual – Indigency Determination (Ch. 606)</b>							
	GF	Judiciary	\$1,522,494	\$1,707,041	\$1,781,933	\$1,860,786	\$1,943,851	Potential funding restricted in FY 2018 budget.
	GF	Labor Lic. & Reg.	\$0	(\$5,000)	(\$5,000)	(\$5,000)	(\$5,000)	
	GF	Public Defender	(\$429,962)	(\$596,621)	(\$626,493)	(\$658,200)	(\$691,871)	
<b>SB 734</b>	<b>Sexual Assault Victims Resources Act of 2017 (Ch. 659)</b>							
	GF	Attorney General's Office	\$90,282	\$104,474	\$108,914	\$113,578	\$118,482	Mandated appropriation beginning in FY 2019.
	GF	Governor's Office of Crime Control and Prevention	\$67,576	\$1,404,292	\$1,447,616	\$1,492,330	\$1,538,480	
<b>SB 758</b>	<b>Income Tax Credit – Energy Storage Systems (Ch. 389)</b>							
	GF	Comptroller	\$0	\$32,000	\$0	\$0	\$0	

## Legislation Affecting State Expenditures

108

	<u>Fund</u>	<u>Agency</u>	<u>FY 2018</u>	<u>FY 2019</u>	<u>FY 2020</u>	<u>FY 2021</u>	<u>FY 2022</u>	<u>Comments</u>
<b>SB 799</b>	<b>Driver Improvement Program and Failure to Pay Child Support – Driver’s License Suspensions – Penalties and Assessment of Points (Ch. 488)</b>							
	GF	Judiciary	\$33,695	\$0	\$0	\$0	\$0	
<b>SB 807/HB 349</b>	<b>Income Tax Credit – Wages Paid to Qualified Veteran Employees (Hire Our Veterans Act of 2017) (Ch. 180/Ch. 181)</b>							
	GF	Comptroller	\$32,000	\$0	\$0	\$0	\$0	
<b>SB 811/HB 972</b>	<b>Civil Cases – Maryland Legal Services Corporation Fund – Surcharges – Repeal of Sunset (Ch. 797/Ch. 798)</b>							
	SF	Judiciary	\$0	\$5,798,656	\$5,798,656	\$5,798,656	\$5,798,656	SF revenues increase by same amount.
<b>SB 856</b>	<b>Maryland Legal Services Corporation Funding – Abandoned Property Funds (Ch. 839)</b>							
	SF	Judiciary	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000	SF revenues increase by same amount.
<b>SB 872</b>	<b>James W. Hubbard Inclusive Higher Education Grant Program (Ch. 612)</b>							
	GF	Higher Ed. Comm.	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000	Funding for similar purpose included in FY 2018 budget.
	HE	Baltimore City Community College	increase	increase	increase	increase	increase	Potential program costs. HE revenues increase by same amount.
	HE	Morgan St. Univ.	increase	increase	increase	increase	increase	Potential program costs. HE revenues increase by same amount.
	HE	St. Mary’s College	increase	increase	increase	increase	increase	Potential program costs. HE revenues increase by same amount.
	HE	Univ. Sys. of MD	increase	increase	increase	increase	increase	Potential program costs. HE revenues increase by same amount.
<b>SB 875/HB 1048</b>	<b>Residential Property – Notice of Foreclosure (Ch. 348/Ch. 349)</b>							
	GF	Labor Lic. & Reg.	\$0	\$43,700	\$10,000	\$10,000	\$10,000	

Effect of the 2017 Legislative Program on the Financial Condition of the State

## Legislation Affecting State Expenditures

	<u>Fund</u>	<u>Agency</u>	<u>FY 2018</u>	<u>FY 2019</u>	<u>FY 2020</u>	<u>FY 2021</u>	<u>FY 2022</u>	<u>Comments</u>
<b>SB 906</b>	<b>Child Support – Noncompliance With Court Order – License Suspension (Ch. 204)</b>							
	FF	Human Resources	\$241,297	\$0	\$0	\$0	\$0	FF revenues increase by same amount.
	GF	Human Resources	\$124,304	\$0	\$0	\$0	\$0	
<b>SB 908</b>	<b>Maryland Education Development Collaborative – Established (Ch. 849)</b>							
	GF	MD Educ. Dev. Collaborative	\$250,000	\$187,318	\$193,248	\$199,381	\$51,430	Potential funding restricted in FY 2018 budget.
<b>SB 910</b>	<b>Maryland Automobile Insurance Fund – Operations (Ch. 509)</b>							
	NB	MAIF	increase	increase	increase	increase	increase	Potential significant insurance claim payments.
<b>SB 917</b>	<b>Motor Vehicles – Seasonal Exceptional Poultry Hauling Permit (Ch. 353)</b>							
	SF	Transportation	\$65,000	increase	increase	increase	increase	Minimal highway maintenance costs beginning in FY 2018 (in addition to the \$65,000).
<b>SB 941/HB 739</b>	<b>Public Safety – SWAT Teams – Standards (Ch. 803/Ch. 802)</b>							
	GF	Public Sfty. & Corr. Srvcs.	\$24,800	\$0	\$0	\$0	\$0	
<b>SB 944/HB 647</b>	<b>Criminal Law – Sexual Offenses – Classification (Ch. 161/Ch. 162)</b>							
	GF	Judiciary	\$5,070	\$0	\$0	\$0	\$0	
<b>SB 949</b>	<b>Criminal Procedure – Expungement – Possession of Marijuana (Ch. 801)</b>							
	GF	Judiciary	increase	increase	increase	increase	increase	Potential significant personnel costs.
	GF	Public Sfty. & Corr. Srvcs.	increase	increase	increase	increase	increase	Potential significant personnel costs.

## Legislation Affecting State Expenditures

	<u>Fund</u>	<u>Agency</u>	<u>FY 2018</u>	<u>FY 2019</u>	<u>FY 2020</u>	<u>FY 2021</u>	<u>FY 2022</u>	<u>Comments</u>
<b>SB 951/HB 1149</b>	<b>Maryland Securities Act – Vulnerable Adults (Ch. 838/Ch. 837)</b>							
	GF	Human Resources	\$185,669	\$233,519	\$243,865	\$254,787	\$266,320	
	SF	Attorney General's Office	\$521,857	\$589,543	\$608,325	\$628,116	\$648,984	
<b>SB 967/HB 1329</b>	<b>Heroin and Opioid Prevention Effort (HOPE) and Treatment Act of 2017 (Ch. 572/Ch. 571)</b>							
	FF	Hlth. & Mental Hyg.	increase	\$18,648,242	\$36,873,399	\$52,824,485	\$52,824,485	Medicaid expenditures. FF revenues increase by same amount.
	GF	Hlth. & Mental Hyg.	\$1,359,840	\$22,604,818	\$42,195,614	\$59,849,441	\$59,853,554	Mandated appropriation beginning in FY 2019. \$10.0 million included in FY 2018 budget.
	GF	Judiciary	\$0	\$2,000,000	increase	increase	increase	Program costs likely continue beyond FY 2019.
<b>SB 979</b>	<b>Vehicle Laws – All-Terrain Vehicles and Snowmobiles (Ch. 694)</b>							
	SF	Transportation	\$10,000	\$0	\$0	\$0	\$0	
<b>SB 986/HB 1183</b>	<b>State Board of Social Work Examiners – Revisions (Ch. 549/Ch. 548)</b>							
	SF	Hlth. & Mental Hyg.	\$0	\$0	\$0	\$23,818	\$39,637	
<b>SB 1009/HB 1469</b>	<b>Public Assistance – Family Investment Program – Child Support Pass Through (Ch. 738/Ch. 737)</b>							
	GF	Human Resources	\$0	\$0	\$3,824,573	\$3,824,573	\$3,824,573	
	SF	Human Resources	\$0	\$0	(\$3,824,573)	(\$3,824,573)	(\$3,824,573)	SF revenues decrease by same amount.
<b>SB 1024/HB 684</b>	<b>Education – State Grants for Education Aid (Ch. 607/Ch. 6)</b>							
	GF	Education	\$28,145,506	\$31,172,960	\$35,004,036	\$1,821,975	\$1,730,462	Included in FY 2018 budget. Mandated appropriation in FY 2019 and 2020.

## Legislation Affecting State Expenditures

	<u>Fund</u>	<u>Agency</u>	<u>FY 2018</u>	<u>FY 2019</u>	<u>FY 2020</u>	<u>FY 2021</u>	<u>FY 2022</u>	<u>Comments</u>
<b>SB 1033</b>	<b>Residential Property – Vacant and Abandoned Property – Expedited Foreclosure (Ch. 617)</b>							
	SF	Housing & Commty Dvlpt.	(\$37,500)	(\$50,000)	(\$50,000)	(\$50,000)	(\$50,000)	
<b>SB 1034</b>	<b>Maryland Public Broadcasting Commission – Funding and Video Streaming (Ch. 816)</b>							
	GF	Public Bdcst. Comm.	\$500,000	\$228,972	\$499,399	\$785,434	\$1,094,509	Potential funding restricted in FY 2018 budget. Mandated appropriation beginning in FY 2019.
<b>SB 1040</b>	<b>Environment – Water and Sewer and Solid Waste Management Plan Approval (Ch. 387)</b>							
	GF	Environment	\$114,828	\$143,795	\$150,458	\$157,496	\$164,935	
<b>SB 1060/HB 1082</b>	<b>Heroin and Opioid Education and Community Action Act of 2017 (Start Talking Maryland Act) (Ch. 574/Ch. 573)</b>							
	GF	Education	\$0	\$3,000,000	\$0	\$0	\$0	Mandated appropriation in FY 2019.
	GF	Hlth. & Mental Hyg.	increase	increase	increase	increase	increase	Potential significant implementation costs.
	HE	All or Multiple Agencies	increase	increase	increase	increase	increase	Potential significant implementation costs.
<b>SB 1081/HB 1083</b>	<b>Health – Family Planning Services – Continuity of Care (Ch. 810/Ch. 28)</b>							
	GF	Hlth. & Mental Hyg.	increase	increase	increase	increase	increase	Potential significant program costs.
<b>SB 1127/HB 1595</b>	<b>Baltimore City Community College – Realignment (Ch. 848/Ch. 847)</b>							
	GF	Baltimore City Community College	\$150,000	\$0	\$0	\$0	\$0	Included in FY 2018 budget.
<b>SB 1158</b>	<b>Department of Natural Resources – Solar Generation Facilities – Pollinator-Friendly Designation (Ch. 372)</b>							
	GF	Natural Resources	increase	increase	increase	increase	increase	Potential program costs.



## Legislation Affecting State Expenditures

112

	<u>Fund</u>	<u>Agency</u>	<u>FY 2018</u>	<u>FY 2019</u>	<u>FY 2020</u>	<u>FY 2021</u>	<u>FY 2022</u>	<u>Comments</u>
<b>SB 1191</b>	<b>Schools and Child Care Centers – State Grant Program – Security Upgrades for Facilities at Risk of Hate Crimes or Attacks (Ch. 732)</b>							
	GF	State Police	increase	increase	increase	increase	increase	Potential grant expenditures.
<b>SB 1198</b>	<b>Prince George’s County Regional Medical Center Act of 2017 (Ch. 19)</b>							
	BOND	Other	(\$56,200,000)	\$0	\$56,200,000	\$0	\$0	Anticipated in FY 2018 capital budget (duplicative of costs for HB 152).
	GF	Hlth. & Mental Hyg.	(\$2,000,000)	\$12,000,000	\$10,000,000	\$10,000,000	\$10,000,000	Anticipated in FY 2018 operating budget. Existing mandated appropriations modified beginning in FY 2018. New mandated appropriations beginning in FY 2022. Duplicative of costs for HB 152.
<b>HB 3</b>	<b>Income Tax – Subtraction Modification – Olympic, Paralympic, Special Olympic, and Deaflympic Games Medals and Prizes (Ch. 501)</b>							
	GF	Comptroller	\$52,000	\$0	\$0	\$0	\$0	
<b>HB 5/SB 403</b>	<b>See entry for SB 403.</b>							
<b>HB 12</b>	<b>Senatorial and Delegate Scholarships – Eligibility, Award Amounts, and Use of Funds (Ch. 543)</b>							
	GF	Higher Ed. Comm.	\$0	\$0	\$194,580	\$394,997	\$601,427	Duplicative of costs for HB 152.
<b>HB 66</b>	<b>Environment – Lead and Mercury Wheel Weights – Prohibited (Ch. 385)</b>							
	SF	Environment	\$0	\$0	\$89,822	\$93,726	\$97,116	
<b>HB 119</b>	<b>Washington Metropolitan Area Transit Authority – Washington Metrorail Safety Commission – Establishment and Compact (Ch. 3)</b>							
	SF	Transportation	\$544,666	\$544,666	\$544,666	\$544,666	\$544,666	

Effect of the 2017 Legislative Program on the Financial Condition of the State

### Legislation Affecting State Expenditures

	<u>Fund</u>	<u>Agency</u>	<u>FY 2018</u>	<u>FY 2019</u>	<u>FY 2020</u>	<u>FY 2021</u>	<u>FY 2022</u>	<u>Comments</u>
<b>HB 120</b>	<b>Department of Agriculture – Seafood and Aquaculture Product Marketing (Ch. 101)</b>							
	SF	Agriculture	\$190,000	\$190,000	\$190,000	\$190,000	\$190,000	SF revenues increase by same amount.
	SF	Natural Resources	(\$190,000)	(\$190,000)	(\$190,000)	(\$190,000)	(\$190,000)	SF revenues decrease by same amount.
<b>HB 121</b>	<b>Environment – Hazardous Material Security – Repeal (Ch. 375)</b>							
	SF	Environment	decrease	decrease	decrease	(\$38,000)	decrease	Minimal program costs (in addition to the \$38,000 in FY 2021).
<b>HB 127</b>	<b>Department of Health and Mental Hygiene – Board of Review – Repeal (Ch. 103)</b>							
	GF	Hlth. & Mental Hyg.	(\$7,913)	(\$15,825)	(\$15,825)	(\$15,825)	(\$15,825)	
<b>HB 134</b>	<b>Homelessness and Supportive Services – Transfer to Department of Housing and Community Development (Ch. 105)</b>							
	GF	Housing & Commty Dvlpt.	\$5,226,192	\$5,207,632	\$5,207,632	\$5,207,632	\$5,207,632	
	GF	Human Resources	(\$5,207,632)	(\$5,207,632)	(\$5,207,632)	(\$5,207,632)	(\$5,207,632)	
<b>HB 135</b>	<b>Unemployment Insurance – Electronic Transmission of Information and Documents – Authority (Ch. 250)</b>							
	NB	Labor Lic. & Reg.	decrease	decrease	decrease	decrease	decrease	Minimal notification costs.
<b>HB 137/SB 21</b>	<b>See entry for SB 21.</b>							
<b>HB 138/SB 6</b>	<b>See entry for SB 6.</b>							
<b>HB 147</b>	<b>Healthy Aging Program (Ch. 206)</b>							
	FF	Aging	\$0	increase	increase	increase	increase	Potential program costs. FF revenues increase by same amount.

## Legislation Affecting State Expenditures

114

	<u>Fund</u>	<u>Agency</u>	<u>FY 2018</u>	<u>FY 2019</u>	<u>FY 2020</u>	<u>FY 2021</u>	<u>FY 2022</u>	<u>Comments</u>
<b>HB 152</b>	<b>Budget Reconciliation and Financing Act of 2017 (Ch. 23)</b>							
	BOND	Hlth. & Mental Hyg.	(\$56,200,000)	\$0	\$56,200,000	\$0	\$0	Anticipated in FY 2018 capital budget. Duplicative of costs for SB 1198.
	FF	Hlth. & Mental Hyg.	\$187,283	\$198,520	\$210,431	\$223,057	\$236,440	FF expenditures decrease by \$1.04 million in FY 2017. FF revenues correspondingly decrease/increase in FY 2017 through 2022. Included in FY 2018 budget.
	FF	All or Multiple Agencies	(\$2,078,909)	\$0	\$320,000	\$328,000	\$336,000	Included in FY 2018 budget.
	GF	Commerce	\$0	\$5,000,000	\$5,000,000	\$5,000,000	(\$1,040,000)	
	GF	Housing & Commty Dvlpt.	(\$45,625,000)	(\$3,000,000)	(\$3,000,000)	(\$3,000,000)	(\$3,000,000)	Included in FY 2018 budget.
	GF	Hlth. & Mental Hyg.	(\$32,745,993)	(\$4,699,691)	\$3,255,274	\$3,207,668	\$3,158,150	\$31.8 million included in FY 2018 budget. GF expenditures decrease by \$1.46 million in FY 2017. Some provisions, which impact mandated appropriations, are duplicative of costs for SB 1198.
	GF	Governor's Office of Crime Control and Prevention	(\$465,142)	\$0	\$0	\$0	\$0	Included in FY 2018 budget.
	GF	MARBIDCO	(\$2,500,000)	\$2,500,000	\$0	\$0	\$0	Included in FY 2018 budget.
	GF	Higher Ed. Comm.	\$0	\$0	\$194,580	\$394,997	\$601,427	Duplicative of costs for HB 12.

Effect of the 2017 Legislative Program on the Financial Condition of the State

## Legislation Affecting State Expenditures

<u>Fund</u>	<u>Agency</u>	<u>FY 2018</u>	<u>FY 2019</u>	<u>FY 2020</u>	<u>FY 2021</u>	<u>FY 2022</u>	<u>Comments</u>
GF	Education	(\$9,950,000)	(\$15,889,466)	(\$16,127,808)	\$0	\$0	Included in FY 2018 budget.
GF	General Services	\$0	\$0	\$0	\$0	\$0	GF expenditures decrease by \$968,000 in FY 2017.
GF	None	(\$42,414,665)	\$0	\$0	\$0	\$0	Included in FY 2018 budget.
GF	All or Multiple Agencies	(\$50,000,000)	\$0	\$3,360,000	\$3,444,000	\$3,528,000	Included in FY 2018 budget.
GO Bonds	Housing & Commty Dvlpt.	\$36,625,000	\$3,000,000	\$3,000,000	\$3,000,000	\$3,000,000	Anticipated in FY 2018 capital budget.
GO Bonds	Environment	(\$49,089,000)	\$0	\$0	\$0	\$0	GO bond expenditures decrease by \$11.0 million in FY 2017.
Revenue Bonds	Environment	\$49,089,000	\$0	\$0	\$0	\$0	Revenue bond expenditures increase by \$10.9 million in FY 2017.
SF	Commerce	(\$15,688,068)	(\$10,889,466)	(\$11,127,808)	\$5,000,000	\$0	SF revenues correspond.
SF	Hlth. & Mental Hyg.	\$31,286,024	\$20,387,261	\$10,583,238	\$10,788,427	\$11,003,332	SF revenues increase by similar amount in FY 2018 and by same amount annually thereafter.
SF	Environment	\$2,700,000	\$2,700,000	\$6,195,000	\$6,197,725	\$6,198,250	SF expenditures increase by \$89,000 in FY 2017.
SF	General Services	\$0	\$0	\$0	\$0	\$0	SF expenditures increase by \$968,000 in FY 2017.
SF	All or Multiple Agencies	(\$3,690,459)	\$0	\$320,000	\$328,000	\$336,000	Included in FY 2018 budget.
SF	Education	\$0	\$15,889,446	\$16,127,808	\$0	\$0	SF revenues increase by same amount.

## Legislation Affecting State Expenditures

116

	<u>Fund</u>	<u>Agency</u>	<u>FY 2018</u>	<u>FY 2019</u>	<u>FY 2020</u>	<u>FY 2021</u>	<u>FY 2022</u>	<u>Comments</u>
<b>HB 153</b>	<b>Creation of a State Debt – Qualified Zone Academy Bonds (Ch. 32)</b>							
	BOND	School Construction	\$4,823,000	\$0	\$0	\$0	\$0	Anticipated in FY 2018 capital budget. Bond revenues increase by same amount.
	SF	Debt Service	\$160,767	\$321,533	\$321,533	\$321,533	\$321,533	
<b>HB 155</b>	<b>Maryland Agricultural Land Preservation Foundation – Easement Termination (Ch. 114)</b>							
	SF	Agriculture	decrease	decrease	decrease	decrease	decrease	Minimal administrative costs.
<b>HB 165/SB 137</b>	<b>See entry for SB 137.</b>							
<b>HB 185</b>	<b>Department of Health and Mental Hygiene – Distribution of Tobacco Products to Minors – Prohibition and Enforcement (Ch. 773)</b>							
	GF	Judiciary	\$13,080	\$0	\$0	\$0	\$0	
<b>HB 192/SB 142</b>	<b>See entry for SB 142.</b>							
<b>HB 232</b>	<b>Correctional Services – Commissioner’s Duties – Staffing Report (Ch. 829)</b>							
	GF	Public Sfty. & Corr. Srvcs.	increase	\$0	increase	\$0	increase	Minimal personnel costs.
<b>HB 246</b>	<b>Department of Labor, Licensing, and Regulation – State Occupational Mechanical Licensing Boards – Fund and Fees (Ch. 254)</b>							
	GF	Labor Lic. & Reg.	\$0	(\$365,477)	(\$367,305)	(\$369,141)	(\$370,987)	
	SF	Labor Lic. & Reg.	\$0	\$668,484	\$775,303	\$768,484	\$775,303	SF revenues increase by similar amount in FY 2019 and by same amount annually thereafter.

Effect of the 2017 Legislative Program on the Financial Condition of the State

## Legislation Affecting State Expenditures

	<u>Fund</u>	<u>Agency</u>	<u>FY 2018</u>	<u>FY 2019</u>	<u>FY 2020</u>	<u>FY 2021</u>	<u>FY 2022</u>	<u>Comments</u>
<b>HB 248</b>	<b>Maryland Home Improvement Commission – Special Fund and Fees (Ch. 255)</b>							
	GF	Labor Lic. & Reg.	\$0	(\$1,788,085)	(\$1,797,025)	(\$1,806,010)	(\$1,815,041)	
	SF	Labor Lic. & Reg.	\$0	\$2,444,959	\$2,371,063	\$2,595,858	\$2,418,485	SF revenues increase by similar amount in FY 2019 and by same amount annually thereafter.
<b>HB 250</b>	<b>State Board of Barbers and State Board of Cosmetologists – Special Fund and Fees (Ch. 256)</b>							
	GF	Labor Lic. & Reg.	\$0	(\$690,536)	(\$693,988)	(\$697,458)	(\$700,945)	
	SF	Labor Lic. & Reg.	\$0	\$1,052,074	\$1,200,494	\$1,152,074	\$1,200,494	SF revenues increase by similar amount in FY 2019 and by same amount annually thereafter.
<b>HB 253</b>	<b>State Board of Nursing – Registered Nurses and Licensed Practical Nurses – Renewal of Licenses – Continuing Education Units (Ch. 623)</b>							
	SF	Hlth. & Mental Hyg.	\$50,000	\$0	\$0	\$0	\$0	
<b>HB 267/SB 257</b>	<b>See entry for SB 257.</b>							
<b>HB 269/SB 531</b>	<b>See entry for SB 531.</b>							
<b>HB 270</b>	<b>Environment – Testing for Lead in Drinking Water – Public and Nonpublic Schools (Ch. 386)</b>							
	GF	Environment	\$495,293	\$320,184	\$334,455	\$349,511	\$365,401	
	GF	Hlth. & Mental Hyg.	\$0	increase	increase	increase	increase	Potential significant testing costs.
<b>HB 287</b>	<b>Hunger-Free Schools Act of 2017 (Ch. 665)</b>							
	GF	Education	\$0	indeterminate	indeterminate	indeterminate	indeterminate	Potential State aid expenditures.
<b>HB 295</b>	<b>Criminal Procedure – Criminal Injuries Compensation Board – Impaired Boating (Ch. 671)</b>							
	SF	Public Sfty. & Corr. Srvcs.	increase	increase	increase	increase	increase	Minimal compensation claim payments.

## Legislation Affecting State Expenditures

118

	<u>Fund</u>	<u>Agency</u>	<u>FY 2018</u>	<u>FY 2019</u>	<u>FY 2020</u>	<u>FY 2021</u>	<u>FY 2022</u>	<u>Comments</u>
HB 300	See entry for SB 228.							
HB 346	<b>Montgomery County – Property Tax Credit – Public Safety Officers MC 1-17 (Ch. 118)</b>							
	SF	Assessments & Tax.	\$166,400	\$166,400	\$166,400	\$166,400	\$166,400	SF revenues increase by same amount.
HB 349/SB 807	See entry for SB 807.							
HB 403/SB 369	See entry for SB 369.							
HB 406	See entry for SB 393.							
HB 410/SB 313	See entry for SB 313.							
HB 426/SB 311	See entry for SB 311.							
HB 429/SB 217	See entry for SB 217.							
HB 437/SB 202	See entry for SB 202.							
HB 457/SB 347	See entry for SB 347.							
HB 467	<b>Providing Our Workers Education and Readiness (POWER) – Apprenticeship Act (Ch. 782)</b>							
	SF	Gen. Services	\$82,017	\$78,858	\$82,427	\$86,191	\$90,163	
	SF	Labor Lic. & Reg.	\$108,996	\$65,820	\$68,946	\$72,250	\$75,750	
HB 469	<b>Recordation and Transfer Tax – Principal Residence Surrendered in Bankruptcy – Exemption (Ch. 538)</b>							
	GF	Judiciary	\$20,000	\$0	\$0	\$0	\$0	
HB 472/SB 416	See entry for SB 416.							
HB 477/SB 396	See entry for SB 396.							
HB 482/SB 385	See entry for SB 385.							

Effect of the 2017 Legislative Program on the Financial Condition of the State

### Legislation Affecting State Expenditures

	<u>Fund</u>	<u>Agency</u>	<u>FY 2018</u>	<u>FY 2019</u>	<u>FY 2020</u>	<u>FY 2021</u>	<u>FY 2022</u>	<u>Comments</u>
<b>HB 492</b>	<b>Vehicle Laws – Certificate of Title – Transfer-on-Death Beneficiary Designation (Ch. 684)</b>							
	SF	Transportation	\$76,200	\$0	\$0	\$0	\$0	
<b>HB 493</b>	<b>Long-Term Care Insurance – Premium Rates (Ch. 672)</b>							
	SF	Insur. Admin.	increase	increase	increase	increase	increase	Minimal administrative and contractual costs.
<b>HB 503/SB 371</b>	See entry for SB 371.							
<b>HB 522/SB 427</b>	See entry for SB 427.							
<b>HB 523</b>	<b>Electronic Nicotine Delivery Systems and Vaping Liquid – Licensing (Ch. 814)</b>							
	GF	Judiciary	\$18,000	\$0	\$0	\$0	\$0	
<b>HB 530/SB 622</b>	See entry for SB 622.							
<b>HB 534</b>	<b>Railroad Grade Crossings – Exempt Highway-Rail Grade Crossing Plaque (Ch. 136)</b>							
	SF	Transportation	\$10,000	\$0	\$0	\$0	\$0	
<b>HB 556</b>	<b>Higher Education – St. Mary’s College of Maryland – Funding (Ch. 420)</b>							
	GF	Baltimore City Community College	\$0	\$0	\$0	\$0	\$114,826	Mandated appropriation beginning in FY 2022.
	GF	Higher Ed. Comm.	\$0	\$360,650	\$597,379	\$932,807	\$1,281,718	Mandated appropriation beginning in FY 2019.
	GF	St. Mary’s College	\$0	\$824,378	\$1,468,816	\$2,156,879	\$2,891,929	Mandated appropriation beginning in FY 2019.
<b>HB 586/SB 278</b>	See entry for SB 278.							
<b>HB 592</b>	<b>Real Property Tax – Assessment Appeals Process – Dwellings (Ch. 537)</b>							
	GF	Assessment Appeals Bd.	\$189,839	\$134,002	\$59,023	\$61,991	\$65,140	
<b>HB 593/SB 348</b>	See entry for SB 348.							



## Legislation Affecting State Expenditures

120

	<u>Fund</u>	<u>Agency</u>	<u>FY 2018</u>	<u>FY 2019</u>	<u>FY 2020</u>	<u>FY 2021</u>	<u>FY 2022</u>	<u>Comments</u>
<b>HB 601</b>	<b>Senior Call-Check Service and Notification Program – Establishment (Ch. 673)</b>							
	SF	Aging	\$126,000	\$126,000	\$126,000	\$126,000	\$126,000	
	SF	Department of Information Technology	\$126,000	\$126,000	\$126,000	\$126,000	\$126,000	SF revenues increase by same amount.
<b>HB 628/SB 517</b>	<b>See entry for SB 517.</b>							
<b>HB 631</b>	<b>Public Health – Essential Off-Patent or Generic Drugs – Price Gouging – Prohibition (Ch. 818)</b>							
	FF	Hlth. & Mental Hyg.	\$83,118	\$106,940	\$111,242	\$115,745	\$120,462	FF revenues increase by same amount.
	GF	Hlth. & Mental Hyg.	\$27,706	\$35,647	\$37,081	\$38,582	\$40,154	
<b>HB 635/SB 229</b>	<b>See entry for SB 229.</b>							
<b>HB 647/SB 944</b>	<b>See entry for SB 944.</b>							
<b>HB 653</b>	<b>Crimes – Solicitation to Commit Murder or Arson – Statute of Limitations (Ch. 647)</b>							
	GF	Public Sfty. & Corr. Srvcs.	\$0	increase	increase	increase	increase	Minimal incarceration costs. (Duplicative of impact for SB 387.)
<b>HB 669</b>	<b>Public Schools – Boards of Education – Anonymous Two-Way Electronic Tip Programs (Ch. 197)</b>							
	GF	Education	increase	increase	increase	increase	increase	Potential grant expenditures.
<b>HB 675/SB 61</b>	<b>See entry for SB 61.</b>							
<b>HB 684/SB 1024</b>	<b>See entry for SB 1024.</b>							
<b>HB 713</b>	<b>Sales and Use Tax – Light Rail Vehicles – Exemption (Ch. 718)</b>							
	SF	Transportation	\$0	\$0	(\$9,409,614)	(\$2,971,457)	\$0	

Effect of the 2017 Legislative Program on the Financial Condition of the State

## Legislation Affecting State Expenditures

	<u>Fund</u>	<u>Agency</u>	<u>FY 2018</u>	<u>FY 2019</u>	<u>FY 2020</u>	<u>FY 2021</u>	<u>FY 2022</u>	<u>Comments</u>
<b>HB 717</b>	<b>Academic Facilities Bonding Authority (Ch. 143)</b>							
	BOND	Univ. Sys. of MD	\$32,000,000	\$0	\$0	\$0	\$0	Anticipated in FY 2018 capital budget. Bond revenues increase by same amount.
	HE	Univ. Sys. of MD	\$0	\$2,658,000	\$2,658,000	\$2,658,000	\$2,658,000	
<b>HB 738</b>	<b>Criminal Law – Sex Offenses – Out-of-State Convictions (Ch. 650)</b>							
	GF	Public Sfty. & Corr. Srvcs.	increase	increase	increase	increase	increase	Minimal incarceration costs.
<b>HB 739/SB 941</b>	<b>See entry for SB 941.</b>							
<b>HB 773</b>	<b>Clean Energy – Energy Storage Technology Study (Ch. 382)</b>							
	GF	Natural Resources	\$125,000	\$125,000	\$0	\$0	\$0	
<b>HB 774/SB 380</b>	<b>See entry for SB 380.</b>							
<b>HB 775/SB 600</b>	<b>See entry for SB 600.</b>							
<b>HB 786</b>	<b>Education – Individualized or Group Behavioral Counseling Services – Establishment (Ch. 583)</b>							
	GF	Hlth. & Mental Hyg.	increase	\$0	\$0	\$0	\$0	Minimal contractual costs.
<b>HB 836</b>	<b>Criminal Procedure – Expungement – Common Law Battery (Ch. 703)</b>							
	GF	Judiciary	increase	increase	increase	increase	increase	Minimal compliance costs.
<b>HB 879</b>	<b>Public Integrity Act of 2017 (Ch. 31)</b>							
	GF	Ethics Commission	\$35,000	\$0	\$0	\$0	\$0	
<b>HB 887</b>	<b>Health Insurance – Prior Authorization for Drug Products to Treat an Opioid Use Disorder – Prohibition (Ch. 581)</b>							
	GF/SF/FF	Budget & Mgt.	increase	increase	increase	increase	\$0	Minimal program costs.

## Legislation Affecting State Expenditures

122

	<u>Fund</u>	<u>Agency</u>	<u>FY 2018</u>	<u>FY 2019</u>	<u>FY 2020</u>	<u>FY 2021</u>	<u>FY 2022</u>	<u>Comments</u>
<b>HB 898</b>	<b>Election Law – Campaign Finance – Coordinated Expenditures (Ch. 852)</b>							
	GF	Election Board, State	increase	increase	increase	increase	increase	Potential enforcement costs.
<b>HB 913</b>	<b>Attorney General – Powers – Maryland Defense Act of 2017 (Ch. 26)</b>							
	GF	Attorney General’s Office	\$0	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	Mandated appropriation beginning in FY 2019.
<b>HB 941</b>	<b>Criminal Law – Animal Abuse Emergency Compensation Fund – Establishment (Ch. 410)</b>							
	GF	Judiciary	\$4,440	\$0	\$0	\$0	\$0	Reimbursement and potential administrative costs. SF revenues increase by same amount.
	SF	Governor’s Office of Crime Control and Prevention	increase	increase	increase	increase	\$0	
<b>HB 950</b>	<b>University System of Maryland – Constituent Institutions – Alcohol and Drug Addiction Recovery Program (Ch. 582)</b>							
	HE	Univ. Sys. of MD	increase	increase	increase	increase	increase	Potential significant program costs.
<b>HB 972/SB 811</b>	<b>See entry for SB 811.</b>							
<b>HB 979</b>	<b>Property Tax Credit – Public Safety Officers (Ch. 686)</b>							
	SF	Assessments & Tax.	increase	increase	increase	increase	increase	Administrative costs. SF revenues increase by same amount.
<b>HB 1002</b>	<b>Electric Universal Service Program – Unexpended Funds (Ch. 777)</b>							
	SF	Human Resources	\$0	increase	increase	\$0	\$0	Significant energy assistance costs. SF revenues increase by same amount.

Effect of the 2017 Legislative Program on the Financial Condition of the State

## Legislation Affecting State Expenditures

	<u>Fund</u>	<u>Agency</u>	<u>FY 2018</u>	<u>FY 2019</u>	<u>FY 2020</u>	<u>FY 2021</u>	<u>FY 2022</u>	<u>Comments</u>
HB 1035/SB 558	See entry for SB 558.							
HB 1045	<b>On-Site Sewage Disposal Systems – Membrane Bioreactor (MBR) Technology – Regulations (Ch. 391)</b>							
	GF	Environment	\$82,188	\$78,238	\$81,685	\$85,322	\$89,164	
HB 1048/SB 875	See entry for SB 875.							
HB 1067/SB 625	See entry for SB 625.							
HB 1081/SB 650	See entry for SB 650.							
HB 1082/SB 1060	See entry for SB 1060.							
HB 1083/SB 1081	See entry for SB 1081.							
HB 1094/SB 587	See entry for SB 587.							
HB 1107	<b>Procurement – Intergovernmental Cooperative Purchasing Agreements (Ch. 774)</b>							
	GF/SF/FF	All or Multiple Agencies	indeterminate	indeterminate	indeterminate	indeterminate	indeterminate	Potential procurement costs.
HB 1144	<b>Payroll Recovery Act (Ch. 783)</b>							
	GF	Admin. Hearings, Ofc.	\$159,770	\$140,931	\$118,858	\$123,812	\$129,016	Potential significant payments for awarded damages in FY 2018 and 2019 (in addition to the \$159,770 and \$140,931).
HB 1149/SB 951	See entry for SB 951.							
HB 1163	<b>Criminal Procedure – Conditional Release – Electronic Monitoring (Amber’s Law) (Ch. 643)</b>							
	GF	Judiciary	\$29,310	\$0	\$0	\$0	\$0	
	GF	Public Sfty. & Corr. Srvcs.	increase	increase	increase	increase	increase	Minimal supervision costs.

## Legislation Affecting State Expenditures

124

	<u>Fund</u>	<u>Agency</u>	<u>FY 2018</u>	<u>FY 2019</u>	<u>FY 2020</u>	<u>FY 2021</u>	<u>FY 2022</u>	<u>Comments</u>
HB 1183/SB 986	See entry for SB 986.							
HB 1240	<b>Individualized Education Programs – Studies (Ch. 715)</b>							
	GF	Education	\$255,498	\$521,210	\$125,000	\$0	\$0	
HB 1279/SB 220	See entry for SB 220.							
HB 1294/SB 426	See entry for SB 426.							
HB 1317	See entry for SB 488.							
HB 1329/SB 967	See entry for SB 967.							
HB 1345	<b>National Capital Strategic Economic Development Fund (Ch. 523)</b>							
	GF	Housing & Commty Dvlpt.	\$1,562,673	\$2,078,858	\$2,082,427	\$2,086,191	\$2,090,163	
	SF	Housing & Commty Dvlpt.	\$1,500,000	\$2,000,000	\$2,000,000	\$2,000,000	\$2,000,000	SF revenues increase by same amount.
HB 1414	<b>Renewable Energy Portfolio Standard – Study (Ch. 393)</b>							
	GF	Natural Resources	\$288,333	\$288,333	\$288,333	\$0	\$0	
HB 1432	<b>Health Care Providers – Prescription Opioids – Limits on Prescribing (The Prescriber Limits Act of 2017) (Ch. 570)</b>							
	SF	Hlth. & Mental Hyg.	increase	increase	increase	increase	increase	Minimal program costs.
HB 1464	<b>Make Office Vacancies Extinct Program (Ch. 846)</b>							
	GF	Commerce	\$822,128	\$1,091,372	\$1,095,365	\$1,694,517	\$1,698,417	
	SF	Commerce	\$822,128	\$1,091,372	\$1,095,365	\$1,694,517	\$1,698,417	SF revenues increase by same amount.
HB 1469/SB 1009	See entry for SB 1009.							
HB 1484/SB 194	See entry for SB 194.							

Effect of the 2017 Legislative Program on the Financial Condition of the State

## Legislation Affecting State Expenditures

	<u>Fund</u>	<u>Agency</u>	<u>FY 2018</u>	<u>FY 2019</u>	<u>FY 2020</u>	<u>FY 2021</u>	<u>FY 2022</u>	<u>Comments</u>
<b>HB 1513</b>	<b>Maryland Historic Trust Grant Fund Improvement Act (Ch. 513)</b>							
	GF	Planning	\$1,300,000	\$1,300,000	\$1,300,000	\$1,300,000	\$1,300,000	
	SF	Planning	\$1,300,000	\$1,300,000	\$1,300,000	\$1,300,000	\$1,300,000	SF revenues increase by same amount.
<b>HB 1526</b>	<b>Criminal Procedure – Postsentencing – Victim Notification (Ch. 622)</b>							
	GF	Public Sfty. & Corr. Srvcs.	\$0	increase	increase	increase	increase	Potential significant personnel costs.
<b>HB 1595/SB 1127</b>	<b>See entry for SB 1127.</b>							
<b>HB 1600</b>	<b>State Board of Cosmetologists – License Renewal – Continuing Education (Ch. 784)</b>							
	GF	Labor Lic. & Reg.	\$70,599	\$117,262	\$123,001	\$129,083	\$135,531	
<b>HB 1619</b>	<b>Maryland Stadium Authority – Maryland Sports and Affiliated Foundations – Establishment (Ch. 575)</b>							
	NB	Stadium Authority	increase	increase	increase	increase	increase	Potential significant grant expenditures.

## Quantifiable Expenditures by Agency

126

<b>Administrative Hearings</b>	GF	\$159,770	\$140,931	\$118,858	\$123,812	\$129,016
<b>Aging</b>	SF	\$126,000	\$126,000	\$126,000	\$126,000	\$126,000
<b>Agriculture</b>	GF	\$22,999	\$522,992	\$523,763	\$500,000	\$500,000
	SF	\$190,000	\$690,000	\$690,000	\$690,000	\$690,000
<b>All or Multiple Agencies</b>	GF	(\$50,000,000)	\$3,018,000	\$6,576,000	\$6,912,000	\$7,272,000
	SF	(\$3,690,459)	\$1,006,000	\$1,392,000	\$1,484,000	\$1,584,000
	FF	(\$2,078,909)	\$1,006,000	\$1,392,000	\$1,484,000	\$1,584,000
<b>Assessment Appeals Board</b>	GF	\$189,839	\$134,002	\$59,023	\$61,991	\$65,140
<b>Assessments &amp; Taxation</b>	SF	\$166,400	\$166,400	\$166,400	\$166,400	\$166,400
<b>Attorney General's Office</b>	GF	\$90,282	\$1,104,474	\$1,108,914	\$1,113,578	\$1,118,482
	SF	\$521,857	\$589,543	\$608,325	\$628,116	\$648,984
<b>Baltimore City Community College</b>	GF	\$150,000	\$0	\$0	\$0	\$114,826
	HE	\$22,316	\$54,201	\$97,085	\$139,500	\$183,000
<b>Commerce</b>	GF	\$896,128	\$16,162,372	\$26,169,365	\$26,771,517	\$20,739,417
	SF	(\$14,856,640)	(\$9,785,594)	(\$10,019,743)	\$6,707,417	\$1,711,517
<b>Comptroller</b>	GF	\$448,600	\$32,000	\$0	\$0	\$0
<b>Debt Service</b>	SF	\$160,767	\$321,533	\$321,533	\$321,533	\$321,533
<b>Department of Information Technology</b>	SF	\$126,000	\$126,000	\$126,000	\$126,000	\$126,000
<b>Education</b>	GF	\$29,525,989	\$31,707,164	\$32,432,319	\$15,778,957	\$16,407,213
	SF	\$266,285	\$17,690,161	\$17,745,557	\$1,431,850	\$1,243,282
<b>Education Development Collaborative</b>	GF	\$250,000	\$187,318	\$193,248	\$199,381	\$51,430
<b>Energy Administration</b>	SF	\$2,700,000	\$2,700,000	\$2,700,000	\$1,500,000	\$1,500,000

Effect of the 2017 Legislative Program on the Financial Condition of the State

## Quantifiable Expenditures by Agency (Continued)

<u>Agency</u>	<u>Fund</u>	<u>FY 2018</u>	<u>FY 2019</u>	<u>FY 2020</u>	<u>FY 2021</u>	<u>FY 2022</u>
<b>Environment</b>	GF	\$692,309	\$542,217	\$566,598	\$592,329	\$619,500
	SF	\$2,878,125	\$2,937,500	\$6,344,197	\$6,253,451	\$6,295,366
<b>Ethics Commission</b>	GF	\$35,000	\$0	\$0	\$0	\$0
<b>Executive Department</b>	GF	\$131,200	\$165,418	\$172,800	\$180,614	\$188,840
<b>General Services</b>	SF	\$82,017	\$78,858	\$82,427	\$86,191	\$90,163
<b>Governor's Office of Crime Control &amp; Prevention</b>	GF	(\$397,566)	\$1,404,292	\$1,447,616	\$1,492,330	\$1,538,480
<b>Higher Education Commission</b>	GF	\$365,739	\$3,547,085	\$4,212,612	\$5,094,594	\$6,309,692
<b>Health &amp; Mental Hygiene<sup>1</sup> (Maryland Department of Health)</b>	GF	(\$31,366,360)	\$17,924,949	\$45,472,144	\$63,079,866	\$63,036,033
	SF	\$31,352,304	\$20,409,037	\$10,605,014	\$10,834,021	\$11,064,745
	FF	\$270,401	\$18,953,702	\$37,195,072	\$53,163,287	\$53,181,387
	BOND	(\$56,200,000)	\$0	\$56,200,000	\$0	\$0
<b>Housing &amp; Community Development</b>	GF	(\$38,521,629)	\$4,897,850	\$4,905,118	\$4,912,781	\$4,920,866
	SF	\$1,462,500	\$1,950,000	\$1,950,000	\$1,950,000	\$1,950,000
	BOND	\$36,625,000	\$3,000,000	\$3,000,000	\$3,000,000	\$3,000,000
<b>Human Resources<sup>2</sup> (Department of Human Services)</b>	GF	(\$4,619,814)	(\$4,706,923)	(\$860,155)	(\$836,729)	(\$811,992)
	SF	\$0	\$0	(\$3,824,573)	(\$3,824,573)	(\$3,824,573)
	FF	\$241,297	\$0	\$0	\$0	\$0
<b>Insurance Administration</b>	SF	\$80,895	\$77,763	\$81,210	\$84,847	\$88,689

<sup>1</sup> Senate Bill 82 (Chapter 214) renames the Department of Health and Mental Hygiene to be the Maryland Department of Health.

<sup>2</sup> House Bill 103 (Chapter 205) renames the Department of Human Resources to be the Department of Human Services.



## Quantifiable Expenditures by Agency (Continued)

128

<u>Agency</u>	<u>Fund</u>	<u>FY 2018</u>	<u>FY 2019</u>	<u>FY 2020</u>	<u>FY 2021</u>	<u>FY 2022</u>
<b>Judiciary</b>	GF	\$1,683,589	\$3,707,041	\$1,781,933	\$1,860,786	\$1,943,851
	SF	\$500,000	\$6,298,656	\$6,298,656	\$6,298,656	\$6,298,656
<b>Labor, Licensing, &amp; Regulation</b>	GF	\$137,033	(\$2,641,158)	(\$2,692,931)	(\$2,747,378)	(\$2,756,203)
	SF	\$151,196	\$4,288,337	\$4,464,231	\$4,634,866	\$4,517,132
	NB	\$0	(\$25,000)	(\$25,000)	(\$25,000)	(\$25,000)
<b>Legislative Services</b>	GF	\$123,103	\$141,618	\$146,624	\$151,874	\$157,382
<b>Lottery Agency</b>	GF	\$9,400	\$12,700	\$12,800	\$13,000	\$13,200
	SF	(\$9,400)	(\$12,700)	(\$12,800)	(\$13,000)	(\$13,200)
<b>Lottery Agency – VLT</b>	GF	(\$12,400,000)	(\$14,000,000)	(\$14,000,000)	(\$14,000,000)	(\$14,000,000)
<b>MAIF</b>	NB	\$200,000	\$0	\$0	\$0	\$0
<b>MARBIDCO</b>	GF	(\$2,500,000)	\$2,500,000	\$0	\$0	\$0
<b>Maryland State Library</b>	GF	\$128,073	\$207,756	\$216,141	\$224,946	\$234,203
<b>MIEMSS</b>	SF	\$10,000	\$0	\$0	\$0	\$0
<b>Military Department</b>	GF	\$51,830	\$48,890	\$51,450	\$54,171	\$57,066
<b>Natural Resources</b>	GF	\$613,333	\$3,082,313	\$2,957,313	\$2,668,980	\$2,668,980
	SF	(\$2,990,000)	(\$3,788,513)	(\$3,788,513)	(\$3,788,513)	(\$3,788,513)
<b>None<sup>3</sup></b>	GF	(\$42,414,665)	\$0	\$0	\$0	\$0

<sup>3</sup> Reflects House Bill 152 (Chapter 23), which reduced the fiscal 2018 appropriations for the Rainy Day Fund and the local income tax disparity grant.

Effect of the 2017 Legislative Program on the Financial Condition of the State

## Quantifiable Expenditures by Agency (Continued)

<u>Agency</u>	<u>Fund</u>	<u>FY 2018</u>	<u>FY 2019</u>	<u>FY 2020</u>	<u>FY 2021</u>	<u>FY 2022</u>
<b>Planning</b>	GF	\$1,300,000	\$1,300,000	\$1,300,000	\$1,300,000	\$1,300,000
	SF	\$4,300,000	\$4,300,000	\$4,300,000	\$4,300,000	\$4,300,000
<b>Public Broadcasting Commission</b>	GF	\$500,000	\$228,972	\$499,399	\$785,434	\$1,094,509
<b>Public Defender</b>	GF	(\$429,962)	(\$596,621)	(\$626,493)	(\$658,200)	(\$691,871)
<b>Public Safety &amp; Correctional Services</b>	GF	\$29,346	\$0	\$0	\$0	\$0
	SF	\$37,500	\$90,000	\$90,000	\$90,000	\$90,000
<b>School Construction</b>	BOND	\$4,823,000	\$0	\$0	\$0	\$0
<b>St. Mary's College</b>	GF	\$0	\$824,378	\$1,468,816	\$2,156,879	\$2,891,929
<b>Transportation</b>	GF	\$10,000	\$0	\$0	\$0	\$0
	SF	(\$379,534)	(\$250,334)	(\$9,859,948)	(\$1,071,791)	\$149,666
<b>University System of Maryland</b>	GF		\$100,000	\$0	\$0	\$0
	SF	\$1,500,000	\$1,500,000	\$1,500,000	\$1,500,000	\$1,500,000
	BOND	\$32,000,000	\$0	\$0	\$0	\$0
	HE	\$50,000,000	\$2,658,000	\$2,658,000	\$2,658,000	\$2,658,000
<b>Veterans Affairs</b>	GF	\$16,612	\$0	\$0	\$0	\$0
	SF	\$36,612	\$0	\$0	\$0	\$0

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

130

<u>Fund Type</u>	<u>FY 2018</u>	<u>FY 2019</u>	<u>FY 2020</u>	<u>FY 2021</u>	<u>FY 2022</u>
GF	(\$145,089,822)	\$71,700,030	\$114,213,275	\$117,787,513	\$115,111,989
SF	\$24,722,425	\$51,508,647	\$32,085,973	\$40,515,471	\$36,835,847
FF	(\$1,567,211)	\$19,959,702	\$38,587,072	\$54,647,287	\$54,765,387
BOND	\$17,248,000	\$3,000,000	\$59,200,000	\$3,000,000	\$3,000,000
HE	\$50,022,316	\$2,712,201	\$2,755,085	\$2,797,500	\$2,841,000
NB	\$200,000	(\$25,000)	(\$25,000)	(\$25,000)	(\$25,000)

Effect of the 2017 Legislative Program on the Financial Condition of the State

### Regular Positions Needed by Agency

<u>Agency</u>	<u>Fund</u>	<u>Beginning in FY 2018</u>	<u>Beginning in FY 2019</u>
Administrative Hearings	GF	1	0
Assessment Appeals Board	GF	1	0
Attorney General's Office	GF	1	5
	SF	5	0
Commerce	GF	1	0
	SF	1	0
Education	GF	1	0
	GF/FF	(28)	0
Environment	GF	7	0
Executive Department	GF	2	0
General Services	SF	1	0
Governor's Office of Crime Control & Prevention	GF	1	0
Higher Education Commission	GF	0.5	0
Health & Mental Hygiene (Maryland Department of Health)	GF	0	1
	GF/FF	1	0
Housing & Community Development	GF	6	0
Human Resources (Department of Human Services)	GF	(1)	0
	GF/FF	10	0
Insurance Administration		1	0
Judiciary	GF	19	0
Labor, Licensing, & Regulation	GF	1.5	0
	SF	1	6

## Regular Positions Needed by Agency (Continued)

<u>Agency</u>	<u>Fund</u>	<u>Beginning in FY 2018</u>	<u>Beginning in FY 2019</u>
Legislative Services	GF	1	0
Maryland Environmental Service	NB	2	0
Maryland State Library	GF	1	0
	GF/FF	28	0
Military Department	GF	0.5	0
Public Defender	GF	(11)	0
<b>Total</b>		<b>54.5</b>	<b>12</b>

### Contractual Positions Needed by Agency

<u>Agency</u>	<u>Fund</u>	<u>Beginning in FY 2018</u>	<u>Beginning in FY 2019</u>
Administrative Hearings	GF	1	0
Agriculture	GF	0.5	0
Assessment Appeals Board	GF	3	0
Education	GF	3	(3)
	GF/FF	(2)	0
Education Development Collaborative	GF	3	0
Labor, Licensing, & Regulation	GF	1	0
	SF	0.5	(0.5)
Public Safety & Correctional Services	GF	0.5	(0.5)
Veterans Affairs	GF	0.5	(0.5)
<b>Total</b>		<b>11<sup>1</sup></b>	<b>(4.5)</b>

<sup>1</sup> Does not reflect a potential increase in staff for the Governor's Office of Crime Control and Prevention under House Bill 941 (Chapter 410).



## **Chapter 4. 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 \$7.5 billion in fiscal 2018, representing a \$134.5 million, or 1.8%, increase from the prior year. Direct aid will increase by \$189.4 million, and State funding for retirement payments will decrease by \$54.9 million. As in prior years, local school systems will receive the largest increase in State funding. **Exhibit 4.1** compares State aid by governmental entity in fiscal 2017 and 2018.

**Exhibit 4.1**  
**State Aid to Local Governments**  
**Fiscal 2017 and 2018**  
**(\$ in Millions)**

	<u>2017</u>	<u>2018</u>	<u>Difference</u>	<u>% Difference</u>
Public Schools	\$5,537.5	\$5,651.2	\$113.6	2.1%
Libraries	53.4	58.4	5.0	9.4%
Community Colleges	267.9	273.1	5.2	1.9%
Local Health	49.5	51.1	1.6	3.2%
County/Municipal	630.3	694.2	63.9	10.1%
<b>Subtotal – Direct Aid</b>	<b>\$6,538.6</b>	<b>\$6,727.9</b>	<b>\$189.4</b>	<b>2.9%</b>
Retirement Payments	\$854.3	\$799.4	-\$54.9	-6.4%
<b>Total</b>	<b>\$7,392.9</b>	<b>\$7,527.3</b>	<b>\$134.5</b>	<b>1.8%</b>

Source: Department of Legislative Services

### Legislative Actions

The General Assembly approved several measures during the 2017 legislative session that affect State funding for local governments. **Exhibit 4.2** shows reductions to State aid by county and governmental entity in fiscal 2018, totaling \$56.6 million. The reductions include \$300,000 redirected within local aid to the Bard High School Early College Baltimore.

**Exhibit 4.2**  
**Reductions to State Aid Programs by County**  
**Fiscal 2018**

County	Direct Aid				Retirement Aid			Total
	Public Schools <sup>1</sup>	Police Aid Formula <sup>2</sup>	Health Grants	Disparity Grants	Public Schools	Libraries	Community Colleges	
Allegany	\$0	\$8,591	-\$21,261	\$0	-\$338,973	-\$5,248	-\$59,485	-\$416,376
Anne Arundel	-950,000	-65,984	-62,979	0	-3,001,796	-53,703	-169,277	-4,303,739
Baltimore City	0	0	-124,100	0	-3,144,989	-73,336	0	-3,342,425
Baltimore	0	-59,522	-81,859	0	-4,150,513	-85,218	-241,530	-4,618,642
Calvert	0	-1,555	-9,099	0	-633,482	-13,183	-14,053	-671,372
Caroline	0	-351	-10,960	0	-210,559	-4,858	-7,550	-234,278
Carroll	0	742	-25,174	0	-920,970	-28,167	-30,061	-1,003,630
Cecil	0	-1,225	-16,969	0	-615,441	-13,136	-19,219	-665,990
Charles	0	-12,447	-21,941	0	-1,028,257	-18,160	-49,049	-1,129,854
Dorchester	0	-2,117	-9,377	0	-181,822	-2,412	-5,950	-201,678
Frederick	0	-3,525	-30,702	0	-1,518,387	-29,715	-61,591	-1,643,920
Garrett	0	3,654	-9,654	0	-146,797	-3,517	-16,025	-172,339
Harford	0	1,111	-34,860	0	-1,284,620	-41,495	-71,412	-1,431,276
Howard	0	-46,140	-26,179	0	-2,664,136	-69,352	-106,123	-2,911,930
Kent	0	-1,642	-8,245	0	-79,674	-2,731	-2,528	-94,820
Montgomery	0	-142,670	-59,910	0	-7,427,890	0	-389,481	-8,019,951
Prince George's	0	-140,793	-95,674	-1,816,307	-5,331,234	-66,320	-182,135	-7,632,463
Queen Anne's	0	-724	-8,680	0	-288,936	-5,797	-9,175	-313,312
St. Mary's	0	-8,731	-16,078	0	-627,139	-12,475	-15,428	-679,851
Somerset	0	-1,138	-8,736	-114,083	-125,274	-2,287	-4,034	-255,552
Talbot	0	2,645	-7,339	0	-161,632	-5,263	-8,697	-180,286
Washington	0	-350	-27,135	0	-796,339	-16,494	-48,549	-888,867
Wicomico	0	-11,737	-19,738	-484,274	-575,582	-7,312	-24,578	-1,123,221
Worcester	0	18,766	-10,627	0	-324,119	-7,886	-10,920	-334,786
Unallocated	-14,300,000	0	0	0	0	0	0	-14,300,000
<b>Total</b>	<b>-\$15,250,000</b>	<b>-\$465,142</b>	<b>-\$747,276</b>	<b>-\$2,414,664</b>	<b>-\$35,578,561</b>	<b>-\$568,065</b>	<b>-\$1,546,849</b>	<b>-\$56,570,557</b>

<sup>1</sup> Includes reductions for Nonpublic Placements (\$5 million), Teacher Development (\$5 million, including \$950,000 for Anne Arundel County), Public School Opportunities Enhancement Program (\$5 million), and Next Generation Scholars (\$300,000). The reduction to Next Generation Scholars was redirected within local aid to the Bard High School Early College Baltimore.

<sup>2</sup> Statewide level-funding the Police Aid Formula results in increases in police aid for some counties.

### **Declining Enrollment and Prekindergarten Supplemental Grants**

**Senate Bill 1024 (Chapter 607)** and **House Bill 684 (Chapter 6)** provide declining enrollment and prekindergarten supplemental grants to eligible local boards of education for fiscal 2018 through 2020; prekindergarten supplemental grant award amounts are phased in over a three-year period, from 50% in fiscal 2018 to 75% in fiscal 2019, and reaching 100% in fiscal 2020. A local board is eligible for an enrollment-based supplemental grant if the county's most recent prior three-year moving average full-time equivalent (FTE) enrollment is greater than the FTE enrollment in the previous school year. A local board is eligible for a prekindergarten grant if the local board offers a full-day program for all four-year olds who are enrolled in public prekindergarten. In order for Baltimore City Public Schools to receive additional State funds under the bill, Baltimore City must increase its local contribution by specified amounts each year.

Under this legislation, State aid increases by \$28.2 million in fiscal 2018, including \$17.2 million for declining enrollment supplemental grants and \$10.9 million for prekindergarten grants; most of the increased aid is received by Baltimore City. Ten counties, including Baltimore City, receive declining enrollment supplemental grants. Baltimore City as well as Garrett, Kent, and Somerset counties receive prekindergarten supplemental grants. **Exhibit 4.3** shows the estimated funding by county in fiscal 2018 to 2020.

**Exhibit 4.3**  
**Declining Enrollment and Prekindergarten Supplemental Grants**  
**(\$ in Thousands)**

County	Supplemental PreK Grants <sup>1</sup>			Declining Enrollment Grants			Total Change under the Bill		
	50% FY 2018	75% FY 2019	100% FY 2020	FY 2018	FY 2019	FY 2020	FY 2018	FY 2019	FY 2020
Allegany	\$0	\$0	\$0	\$793	\$0	\$262	\$793	\$0	\$262
Anne Arundel	0	0	0	0	0	0	0	0	0
Baltimore City	10,174	15,261	22,370	13,546	10,043	5,809	23,719	25,305	28,179
Baltimore	0	0	0	0	0	0	0	0	0
Calvert	0	0	0	240	310	321	240	310	321
Caroline	0	0	0	0	0	0	0	0	0
Carroll	0	0	0	1,606	1,492	1,622	1,606	1,492	1,622
Cecil	0	0	0	190	0	0	190	0	0
Charles	0	0	0	0	0	0	0	0	0
Dorchester	0	0	0	0	0	0	0	0	0
Frederick	0	0	0	0	0	0	0	0	0
Garrett	248	372	504	209	154	112	457	526	616
Harford	0	0	0	356	532	727	356	533	727
Howard	0	0	0	0	0	0	0	0	0
Kent	73	117	169	142	0	0	215	117	169
Montgomery	0	0	0	0	0	0	0	0	0
Prince George's	0	0	0	0	0	0	0	0	0
Queen Anne's	0	0	0	22	0	0	22	0	0
St. Mary's	0	0	0	0	0	0	0	0	0
Somerset	455	695	956	0	0	0	455	695	956
Talbot	0	0	0	133	64	31	133	64	31
Washington	0	0	0	0	0	0	0	0	0
Wicomico	0	0	0	0	0	160	0	0	160
Worcester	0	0	0	0	0	0	0	0	0
<b>Total <sup>1</sup></b>	<b>\$10,949</b>	<b>\$16,446</b>	<b>\$23,999</b>	<b>\$17,237</b>	<b>\$12,595</b>	<b>\$9,044</b>	<b>\$28,186</b>	<b>\$29,041</b>	<b>\$33,042</b>

<sup>1</sup> To the extent that the bill provides sufficient incentive for local school systems that do not presently offer universal full-day prekindergarten, the effect beginning in fiscal 2019 may be substantially larger.

### **Teacher Retirement**

**House Bill 152 (Chapter 23)**, the Budget Reconciliation and Financing Act (BRFA) of 2017, repeals the requirement, for fiscal 2018 only, that the Governor include an appropriation to the State Retirement and Pension System trust fund equal to one-half of the amount by which the unappropriated general fund surplus exceeds \$10.0 million in the second preceding fiscal year, up to a maximum of \$50.0 million. State retirement aid to local jurisdictions is reduced by a total of \$37.7 million in fiscal 2018: \$35.6 million for public schools; \$1.5 million for community colleges; and \$0.6 million for libraries. These differences are shown by county in Exhibit 4.2.

Also, **House Bill 1109 (Chapter 5)** relieves county boards of education from their fiscal 2017 obligation to pay \$19.7 million of their share of the employer normal cost for their employees who are members of the Teachers' Retirement System or Teachers' Pension System. This measure, which is accounted for in the budget, effectively increases State retirement aid by \$19.7 million in fiscal 2017.

### **Changes by Program**

Direct State aid for most counties in Maryland increases in fiscal 2018; however, direct aid decreases slightly for Calvert and Carroll counties.

**Exhibit 4.4** summarizes the distribution of direct aid by governmental unit and shows the estimated State retirement payments for local government employees. **Exhibit 4.5** shows total State aid in fiscal 2017 and 2018 by program. A more detailed discussion of the changes in State aid in fiscal 2018 follows the exhibits.

**Exhibit 4.4**  
**State Aid to Local Governments**  
**Fiscal 2018 Legislative Appropriation**  
**(\$ in Thousands)**

County	County – Municipal	Community Colleges	<i>Direct State Aid</i>				Retirement	Total	Change Over FY 2017	Percent Change
			Public Schools	Libraries	Health	Subtotal				
Allegany	\$14,806	\$6,215	\$81,357	\$787	\$1,636	\$104,801	\$8,872	\$113,673	\$1,344	1.2%
Anne Arundel	50,745	31,335	359,052	2,252	4,171	447,554	68,476	516,030	8,695	1.7%
Baltimore City	306,790	0	859,637	9,250	8,219	1,183,896	67,144	1,251,040	-544	0.0%
Baltimore	29,100	43,622	659,752	5,971	5,421	743,865	95,228	839,093	21,867	2.7%
Calvert	5,062	2,691	82,295	450	690	91,188	13,883	105,071	-1,972	-1.8%
Caroline	4,800	1,572	54,818	300	761	62,251	4,711	66,962	2,737	4.3%
Carroll	6,373	8,667	133,106	995	1,702	150,843	20,732	171,575	-3,850	-2.2%
Cecil	8,420	6,156	108,079	805	1,159	124,619	13,657	138,275	1,451	1.1%
Charles	4,640	9,217	172,692	1,057	1,488	189,094	23,167	212,261	3,785	1.8%
Dorchester	4,608	1,239	42,733	285	814	49,678	3,998	53,676	2,182	4.2%
Frederick	9,302	10,945	242,509	1,445	2,138	266,340	34,021	300,361	7,342	2.5%
Garrett	5,299	3,990	22,242	151	797	32,479	3,599	36,078	318	0.9%
Harford	8,614	12,060	209,262	1,604	2,326	233,867	29,835	263,702	679	0.3%
Howard	10,035	19,714	247,368	940	1,751	279,809	60,158	339,967	3,110	0.9%
Kent	1,254	526	10,145	95	616	12,636	1,800	14,437	176	1.2%
Montgomery	34,877	49,810	688,822	3,120	3,968	780,596	167,701	948,297	15,762	1.7%
Prince George's	102,606	30,500	1,114,116	7,402	6,354	1,260,977	117,316	1,378,293	32,893	2.4%
Queen Anne's	2,137	1,911	34,757	170	645	39,620	6,405	46,025	90	0.2%
St. Mary's	3,365	3,097	105,675	719	1,065	113,921	13,792	127,714	4,220	3.4%
Somerset	6,780	839	32,512	287	596	41,014	2,772	43,786	3,263	8.1%
Talbot	2,693	1,811	14,223	113	539	19,378	3,747	23,125	484	2.1%
Washington	7,713	9,389	175,692	1,294	1,885	195,972	18,339	214,311	6,472	3.1%
Wicomico	14,413	5,111	146,005	1,051	1,342	167,922	12,812	180,735	5,230	3.0%
Worcester	7,370	2,271	19,851	155	1,002	30,648	7,245	37,893	217	0.6%
Unallocated	42,396	10,404	34,461	17,707	0	104,969	0	104,969	18,517	21.4%
<b>Total</b>	<b>\$694,197</b>	<b>\$273,093</b>	<b>\$5,651,160</b>	<b>\$58,404</b>	<b>\$51,083</b>	<b>\$6,727,938</b>	<b>\$799,410</b>	<b>\$7,527,348</b>	<b>\$134,468</b>	<b>1.8%</b>

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

**Exhibit 4.4 (Cont.)**  
**State Aid to Local Governments**  
**Fiscal 2017 Working Appropriation**  
**(\$ in Thousands)**

<b>County</b>	<i>Direct State Aid</i>						<b>Retirement</b>	<b>Total</b>
	<b>County – Municipal</b>	<b>Community Colleges</b>	<b>Public Schools</b>	<b>Libraries</b>	<b>Health</b>	<b>Subtotal</b>		
Allegany	\$14,271	\$6,245	\$79,887	\$762	\$1,408	\$102,573	\$9,756	\$112,329
Anne Arundel	43,025	31,000	353,401	2,194	4,171	433,791	73,544	507,335
Baltimore City	290,538	0	874,118	6,144	8,219	1,179,019	72,565	1,251,584
Baltimore	25,734	43,620	638,106	5,687	5,421	718,568	98,659	817,226
Calvert	4,481	2,629	83,124	425	603	91,262	15,782	107,044
Caroline	4,722	1,592	51,885	286	726	59,210	5,015	64,225
Carroll	5,567	8,661	135,825	956	1,667	152,676	22,748	175,424
Cecil	7,623	6,191	106,407	763	1,124	122,108	14,717	136,825
Charles	3,943	9,150	168,563	1,011	1,453	184,120	24,356	208,476
Dorchester	4,388	1,244	40,809	272	621	47,335	4,159	51,495
Frederick	8,332	10,687	233,822	1,387	2,033	256,261	36,757	293,018
Garrett	4,986	3,939	22,143	142	639	31,850	3,910	35,760
Harford	7,457	12,045	207,505	1,535	2,309	230,850	32,173	263,023
Howard	8,466	19,289	241,095	899	1,734	271,484	65,373	336,857
Kent	1,256	552	9,808	86	546	12,248	2,013	14,261
Montgomery	30,901	49,940	665,055	2,997	3,968	752,860	179,676	932,535
Prince George's	83,452	30,531	1,094,245	7,239	6,336	1,221,802	123,597	1,345,399
Queen Anne's	1,819	1,981	34,525	157	575	39,057	6,879	45,936
St. Mary's	2,937	2,881	101,683	666	1,065	109,231	14,263	123,494
Somerset	6,623	874	29,173	277	579	37,526	2,997	40,523
Talbot	2,158	1,750	14,112	109	486	18,615	4,026	22,641
Washington	6,896	9,336	168,657	1,238	1,797	187,924	19,914	207,838
Wicomico	13,355	5,070	141,049	1,001	1,307	161,781	13,723	175,504
Worcester	7,137	2,243	19,752	150	704	29,986	7,690	37,676
Unallocated	40,238	6,426	22,771	17,017	0	86,453	0	86,453
<b>Total</b>	<b>\$630,308</b>	<b>\$267,876</b>	<b>\$5,537,519</b>	<b>\$53,396</b>	<b>\$49,488</b>	<b>\$6,538,588</b>	<b>\$854,292</b>	<b>\$7,392,880</b>

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



**Exhibit 4.4 (Cont.)**  
**State Aid to Local Governments**  
**Dollar Difference Between Fiscal 2018 Legislative Appropriation and Fiscal 2017 Working Appropriation**  
**(\$ in Thousands)**

<b>County</b>	<i>Direct State Aid</i>						<b>Retirement</b>	<b>Total</b>
	<b>County – Municipal</b>	<b>Community Colleges</b>	<b>Public Schools</b>	<b>Libraries</b>	<b>Health</b>	<b>Subtotal</b>		
Allegany	\$534	-\$31	\$1,470	\$26	\$228	\$2,227	-\$884	\$1,344
Anne Arundel	7,720	335	5,650	58	0	13,763	-5,068	8,695
Baltimore City	16,252	0	-14,481	3,107	0	4,877	-5,422	-544
Baltimore	3,366	2	21,646	284	0	25,298	-3,431	21,867
Calvert	581	62	-829	25	88	-74	-1,899	-1,972
Caroline	78	-20	2,933	15	35	3,041	-304	2,737
Carroll	807	6	-2,720	38	35	-1,833	-2,016	-3,850
Cecil	797	-34	1,672	42	35	2,511	-1,060	1,451
Charles	697	67	4,130	46	35	4,974	-1,189	3,785
Dorchester	219	-5	1,924	12	193	2,343	-161	2,182
Frederick	970	258	8,687	58	105	10,078	-2,736	7,342
Garrett	313	51	99	9	158	629	-311	318
Harford	1,157	16	1,757	69	18	3,017	-2,338	679
Howard	1,569	425	6,273	41	18	8,325	-5,215	3,110
Kent	-3	-25	337	9	70	389	-213	176
Montgomery	3,976	-130	23,767	124	0	27,736	-11,975	15,762
Prince George's	19,154	-31	19,871	163	18	39,175	-6,281	32,893
Queen Anne's	318	-71	232	13	70	563	-474	90
St. Mary's	428	216	3,993	54	0	4,690	-470	4,220
Somerset	157	-35	3,339	11	18	3,489	-225	3,263
Talbot	535	61	111	3	53	763	-279	484
Washington	816	53	7,034	56	88	8,047	-1,575	6,472
Wicomico	1,058	42	4,956	51	35	6,141	-911	5,230
Worcester	234	28	99	4	298	662	-445	217
Unallocated	2,158	3,978	11,690	690	0	18,517	0	18,517
<b>Total</b>	<b>\$63,889</b>	<b>\$5,217</b>	<b>\$113,641</b>	<b>\$5,008</b>	<b>\$1,594</b>	<b>\$189,350</b>	<b>-\$54,882</b>	<b>\$134,468</b>

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

**Exhibit 4.4 (Cont.)**  
**State Aid to Local Governments**  
**Percent Change: Fiscal 2018 Legislative Appropriation over Fiscal 2017 Working Appropriation**

<b>County</b>	<i>Direct State Aid</i>						<b>Retirement</b>	<b>Total</b>
	<b>County – Municipal</b>	<b>Community Colleges</b>	<b>Public Schools</b>	<b>Libraries</b>	<b>Health</b>	<b>Subtotal</b>		
Allegany	3.7%	-0.5%	1.8%	3.4%	16.2%	2.2%	-9.1%	1.2%
Anne Arundel	17.9%	1.1%	1.6%	2.7%	0.0%	3.2%	-6.9%	1.7%
Baltimore City	5.6%	n/a	-1.7%	50.6%	0.0%	0.4%	-7.5%	0.0%
Baltimore	13.1%	0.0%	3.4%	5.0%	0.0%	3.5%	-3.5%	2.7%
Calvert	13.0%	2.4%	-1.0%	5.8%	14.5%	-0.1%	-12.0%	-1.8%
Caroline	1.7%	-1.2%	5.7%	5.2%	4.8%	5.1%	-6.1%	4.3%
Carroll	14.5%	0.1%	-2.0%	4.0%	2.1%	-1.2%	-8.9%	-2.2%
Cecil	10.4%	-0.6%	1.6%	5.4%	3.1%	2.1%	-7.2%	1.1%
Charles	17.7%	0.7%	2.4%	4.6%	2.4%	2.7%	-4.9%	1.8%
Dorchester	5.0%	-0.4%	4.7%	4.6%	31.0%	4.9%	-3.9%	4.2%
Frederick	11.6%	2.4%	3.7%	4.2%	5.2%	3.9%	-7.4%	2.5%
Garrett	6.3%	1.3%	0.4%	6.3%	24.7%	2.0%	-8.0%	0.9%
Harford	15.5%	0.1%	0.8%	4.5%	0.8%	1.3%	-7.3%	0.3%
Howard	18.5%	2.2%	2.6%	4.5%	1.0%	3.1%	-8.0%	0.9%
Kent	-0.2%	-4.6%	3.4%	10.8%	12.8%	3.2%	-10.6%	1.2%
Montgomery	12.9%	-0.3%	3.6%	4.1%	0.0%	3.7%	-6.7%	1.7%
Prince George's	23.0%	-0.1%	1.8%	2.3%	0.3%	3.2%	-5.1%	2.4%
Queen Anne's	17.5%	-3.6%	0.7%	8.6%	12.2%	1.4%	-6.9%	0.2%
St. Mary's	14.6%	7.5%	3.9%	8.0%	0.0%	4.3%	-3.3%	3.4%
Somerset	2.4%	-4.1%	11.4%	3.9%	3.0%	9.3%	-7.5%	8.1%
Talbot	24.8%	3.5%	0.8%	2.8%	10.8%	4.1%	-6.9%	2.1%
Washington	11.8%	0.6%	4.2%	4.5%	4.9%	4.3%	-7.9%	3.1%
Wicomico	7.9%	0.8%	3.5%	5.1%	2.7%	3.8%	-6.6%	3.0%
Worcester	3.3%	1.2%	0.5%	2.9%	42.3%	2.2%	-5.8%	0.6%
Unallocated	5.4%	61.9%	51.3%	4.1%	n/a	21.4%	0.0%	21.4%
<b>Total</b>	<b>10.1%</b>	<b>1.9%</b>	<b>2.1%</b>	<b>9.4%</b>	<b>3.2%</b>	<b>2.9%</b>	<b>-6.4%</b>	<b>1.8%</b>

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

**Exhibit 4.5**  
**Total State Aid to Local Governments**

<b><u>Program</u></b>	<b><u>FY 2017</u></b>	<b><u>FY 2018</u></b>	<b><u>Difference</u></b>
Foundation Aid	\$2,961,988,396	\$3,005,269,724	\$43,281,328
Supplemental Program	46,620,083	46,620,083	0
Geographic Cost of Education Index	136,898,081	139,126,929	2,228,848
Net Taxable Income Education Grant	39,701,813	49,169,986	9,468,173
Foundation – Special Grants	19,429,858	0	-19,429,858
Declining Enrollment Education Grants	0	17,236,916	17,236,916
Compensatory Education	1,309,146,300	1,305,545,022	-3,601,278
Student Transportation – Regular	245,728,167	250,620,360	4,892,193
Student Transportation – Special Education	25,073,000	25,721,000	648,000
Special Education – Formula	279,607,502	284,873,467	5,265,965
Special Education – Nonpublic Placements	121,617,896	123,617,898	2,000,002
Special Education – Infants and Toddlers	10,389,104	10,389,104	0
Limited English Proficiency Grants	227,019,762	248,683,743	21,663,981
Guaranteed Tax Base	54,511,367	50,304,279	-4,207,088
Aging Schools	0	6,108,990	6,108,990
Teacher Quality Incentives	3,104,000	7,154,000	4,050,000
Adult Education	8,011,987	8,011,987	0
Food Service	11,236,663	11,236,664	1
Out-of-county Foster Placements	1,967,328	2,200,000	232,672
Head Start	1,800,000	1,800,000	0
Prekindergarten Expansion Program	4,300,000	7,972,000	3,672,000
Prekindergarten Supplemental Grants	0	10,949,191	10,949,191
SEED School	10,300,895	10,372,414	71,519
Judy Hoyer Centers	10,575,000	10,575,000	0
Next Generation Scholars	0	4,700,000	4,700,000
Public School Opportunities	0	2,500,000	2,500,000
Other Education Aid	8,492,000	10,401,705	1,909,705
<b>Total Primary and Secondary Education</b>	<b>\$5,537,519,202</b>	<b>\$5,651,160,462</b>	<b>\$113,641,260</b>
Library Formula	\$36,379,660	\$40,697,196	\$4,317,536
Library Network	17,016,786	17,707,258	690,472
<b>Total Libraries</b>	<b>\$53,396,446</b>	<b>\$58,404,454</b>	<b>\$5,008,008</b>

<b><u>Program</u></b>	<b><u>FY 2017</u></b>	<b><u>FY 2018</u></b>	<b><u>Difference</u></b>
Community College Formula	\$234,375,190	\$235,154,742	\$779,552
Grants for ESOL Programs	5,523,780	5,500,075	-23,705
Optional Retirement	16,873,000	17,328,002	455,002
Small College Grants	4,678,382	4,705,898	27,516
Other Community College Aid	6,425,998	10,404,492	3,978,494
<b>Total Community Colleges</b>	<b>\$267,876,350</b>	<b>\$273,093,209</b>	<b>\$5,216,859</b>
Highway User Revenue	\$177,413,088	\$175,501,536	-\$1,911,552
Elderly and Disabled Transportation Aid	4,305,908	4,305,908	0
Paratransit Grants	2,930,039	1,726,068	-1,203,971
Municipal Transportation Grants	19,000,000	20,109,553	1,109,553
County Transportation Grants	6,000,000	18,281,411	12,281,411
<b>Total Transportation</b>	<b>\$209,649,035</b>	<b>\$219,924,476</b>	<b>\$10,275,441</b>
Police Aid	\$73,714,998	\$73,714,998	\$0
Fire and Rescue Aid	15,000,000	15,000,000	0
Vehicle Theft Prevention	1,869,602	1,869,160	-442
9-1-1 Grants	14,400,000	14,400,000	0
Drug Enforcement Grants	1,214,610	1,214,610	0
Violent Crime Grants	2,292,489	2,292,489	0
Baltimore City Direct Police Grant	7,180,112	9,180,112	2,000,000
State's Attorney Grants	3,228,840	3,228,840	0
Safe Streets Program	4,589,746	4,589,746	0
Other Public Safety Aid	3,756,509	6,061,509	2,305,000
<b>Total Public Safety</b>	<b>\$127,246,906</b>	<b>\$131,551,464</b>	<b>\$4,304,558</b>
Program Open Space	\$27,190,972	\$40,713,279	\$13,522,307
Critical Area Grants	251,900	253,900	2,000
Wastewater Treatment – Nutrient Removal	5,000,000	7,000,000	2,000,000
<b>Total Recreation/Environment</b>	<b>\$32,442,872</b>	<b>\$47,967,179</b>	<b>\$15,524,307</b>
<b>Local Health Formula</b>	<b>\$49,488,474</b>	<b>\$51,082,940</b>	<b>\$1,594,466</b>
<b>Disparity Grant</b>	<b>\$132,796,186</b>	<b>\$138,825,071</b>	<b>\$6,028,885</b>
PILOT	\$1,013,153	\$1,070,492	\$57,339
PILOT – Park Service	2,498,953	2,623,953	125,000

<b><u>Program</u></b>	<b><u>FY 2017</u></b>	<b><u>FY 2018</u></b>	<b><u>Difference</u></b>
PILOT – Forest Service	479,950	282,898	-197,052
Gaming Impact Grants	66,776,809	91,416,693	24,639,884
Instant Bingo	1,863,242	2,031,606	168,364
Senior Citizens Activities Center	500,000	764,003	264,003
Statewide Voting Systems	5,881,902	4,455,521	-1,426,381
Teachers Retirement Supplemental Grants	27,658,662	27,658,662	0
Neighborhood Revitalization	21,500,000	25,625,000	4,125,000
<b>Total Other Direct Aid</b>	<b>\$128,172,671</b>	<b>\$155,928,828</b>	<b>\$27,756,157</b>
<b>Total Direct Aid</b>	<b>\$6,538,588,142</b>	<b>\$6,727,938,083</b>	<b>\$189,349,941</b>
Retirement – Teachers	\$786,950,016	\$734,454,251	-\$52,495,765
Retirement – Libraries	20,883,337	20,338,949	-544,388
Retirement – Community Colleges	46,458,676	44,616,771	-1,841,905
<b>Total Payments-in-behalf</b>	<b>\$854,292,029</b>	<b>\$799,409,971</b>	<b>-\$54,882,058</b>
<b>Total State Aid</b>	<b>\$7,392,880,171</b>	<b>\$7,527,348,054</b>	<b>\$134,467,883</b>

ESOL: English for Speakers of Other Languages

PILOT: Payments in Lieu of Taxes

SEED: School for Education Evolution and Development

### 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 is \$7,012, an increase of 0.7%, which is well below the 5.0% cap on the annual growth in the per pupil foundation amount. The student enrollment count used for the program totals 852,520 students. Enrollment for the formula is based on the September 30, 2016 FTE enrollment count. Less affluent local school systems, as measured by assessable base and net taxable income, receive relatively more aid per pupil than wealthier school systems. The State provides funding for approximately 50.0% of the program's cost. State aid under the foundation program will total \$3.0 billion in fiscal 2018, a \$43.3 million, or 1.5%, increase from the prior year.

In addition, \$46.6 million in supplemental grants will be provided to nine local school systems in fiscal 2018. The supplemental grants were established during the 2007 special session to guarantee increases of at least 1.0% in State education aid for all local school systems during 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 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 scheduled phase-in of the grants was delayed by one year beginning in fiscal 2016. Fiscal 2018 funding of NTI Grants totals \$49.2 million, a \$9.5 million, or 23.8% increase compared to fiscal 2017. Fiscal 2018 grants are based on an 80.0% phase-in schedule, with the grants being fully funded beginning in fiscal 2019.

***Declining Enrollment and Tax Increment Financing Grants:*** As discussed above and shown in Exhibit 4.3, under **Senate Bill 1024 (Chapter 607)** and **House Bill 684 (Chapter 6)**, school systems in 10 counties benefit from \$17.2 million in declining enrollment grants in fiscal 2018. Chapter 258 of 2016 requires grants, for fiscal 2018 and 2019, to counties that establish a tax increment financing (TIF) development district after May 1, 2016, and that qualify for State disparity grant funding. State education aid must be calculated twice for eligible counties: once including the assessed value of property in a TIF district and once excluding the increase in the value of property in the TIF district. A county would receive a State grant to ensure it receives the higher amount of State aid for education between the two calculations. Baltimore City receives a grant of \$422,100 in fiscal 2018.

***Geographic Cost of Education Index:*** This 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 provided in fiscal 2009 for the first time. The Governor's fiscal 2016 State budget included 50% funding for the GCEI formula. The fiscal 2016 budget adopted by the General Assembly provided for 100% funding of the GCEI (\$136.2 million); however, restoration of half the GCEI funding was at the discretion of the Governor. Chapter 477 of 2015 made funding of the program mandatory rather than discretionary, contingent upon full funding *not* being provided in the fiscal 2016 operating budget; since the Governor did not release funds set aside by the General Assembly (\$68.1 million) to fund the GCEI at 100% in fiscal 2016, full funding is mandatory beginning in fiscal 2017. Thirteen local school systems receive a total of \$139.1 million in fiscal 2018 from the GCEI formula, an increase of \$2.2 million over fiscal 2017.

***Compensatory Education Program:*** The Compensatory Education Program provides additional funding based on the number of economically disadvantaged students. The formula recognizes disparities in local wealth by adjusting the grants per eligible student by local wealth. The formula is calculated based on 97.0% of the annual per pupil amount used in the foundation program and the number of students eligible for free and reduced-price meals. The State share of program cost is 50.0%, with the State paying no less than 40.0% of the funding for each local school system. State aid under the compensatory education program will total \$1.3 billion in fiscal 2018, representing a \$3.6 million, or 0.3%, decrease versus the prior year due to declining enrollment. The student enrollment count used for the program totals 369,210.

***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 program 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 106,058. State formula funding for public special education programs will total \$284.9 million in fiscal 2018, representing a \$5.3 million, or a 1.9%, increase over the prior year. Funding for nonpublic placements totals \$123.6 million in fiscal 2018, an increase of \$2.0 million. The costs for these students, who are placed in nonpublic day or residential facilities, are shared by the local school system and the State. The local school system contributes an amount equal to the local share of the basic cost of educating a child without disabilities plus two times the total basic cost. Any costs above this are split 70.0% State/30.0% local.

***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. 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 2018 State budget includes \$250.6 million for regular transportation services and \$25.7 million for special transportation services. This represents a \$5.5 million, or 2%, increase from the prior year.

***Limited English Proficiency:*** The State provides grants based on non- and limited-English proficient (LEP) students using a definition consistent with federal guidelines. The LEP formula is based on 99.0% 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 \$248.7 million in fiscal 2018, representing a \$21.7 million, or 9.5%, increase over the prior year due to enrollment increases. The number of LEP students totals 69,079 for the 2016-2017 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 \$50.3 million in fiscal 2018, a decrease of \$4.2 million.

***Innovative Programs:*** The Governor's plan for the fiscal 2018 budget would have provided no funding for the Public School Opportunities Enhancement Program, the Next Generation Scholars of Maryland Program, the Early College Innovative Fund, and the Robotics

Grant Program. The General Assembly restored much of this funding, as described below. Also, the General Assembly reduced from \$336,600 to \$236,600 the Governor's planned funding for the LYNX (Linking Youth to New eXperiences) initiative, which provides individualized, self-directed learning opportunities for certain Frederick County high school students.

The Public School Opportunities Enhancement Program helps to expand or create extended day and summer enhancement programs and to assist in expanding or supporting existing educational programming during the school day. The General Assembly restored \$2.5 million of the mandated \$7.5 million in annual funding for fiscal 2018. The fiscal 2018 budget includes full funding (\$250,000) for the Robotics Grant Program, which provides grants to public schools and nonprofit robotics clubs to support existing robotics programs and increase the number of robotics programs in the State.

The Next Generation Scholars of Maryland Program assists students in school systems in which at least 50% of the students are from low-income families. Mentorship, graduation guidance, and an intensive summer bridge program are provided to specified students eligible for the Guaranteed Access scholarship for qualified low-income students to attend an institution of higher education. The General Assembly restored \$4.7 million out of the required \$5.0 million, while redirecting the remaining \$300,000 to the Early College Innovative Fund, which assists early college high schools that allow students to earn an associate's degree or credential alongside a high school diploma.

***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. The General Assembly restricted \$6.1 million in fiscal 2017 general funds for the program, but the Governor chose not to provide funding in that year. The fiscal 2018 budget includes \$6.1 million in bond funding for the program.

***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 2018 State budget includes \$10.6 million for Judy Hoyer programs and \$1.8 million for Head Start programs.

***Infants and Toddlers Program:*** This program involves a statewide community-based interagency system of comprehensive early intervention services for eligible children until the beginning of the school year following a child's fourth birthday. State funding for infants and toddlers programs will total \$10.4 million in fiscal 2018, the same annual amount that has been provided since fiscal 2009.

***Teacher Development:*** Funds for Quality Teacher Incentives are used to recruit and retain quality teachers by providing stipends to teachers achieving the National Board of Certification



(NBC). The BRFA of 2017 reduces the maximum State match for stipends for teachers who hold NBC and work in a comprehensive needs school from \$4,000 to \$2,000 in fiscal 2018. The BRFA of 2017 also reduces the State match of stipends for specified Anne Arundel County Public Schools classroom teachers from a maximum of \$1,500 per teacher to \$750 in fiscal 2018.

Chapter 740 of 2016 established the Teacher Induction, Retention, and Advancement Pilot Program for first-year teachers. The pilot program, in effect through fiscal 2022, is to afford first-year teachers and experienced mentor teachers selected by their local school systems more time on specified professional development activities. Any costs incurred must be borne 80% by the State (up to \$5.0 million annually). The BRFA of 2017 reduces the funding level in fiscal 2018 from \$5.0 million to \$2.1 million. The fiscal 2018 State budget also includes \$96,000 for the Governor's Teacher Excellence Award Program, which distributes awards to teachers for outstanding performance and \$600,000 for additional NBC 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 2018 State budget includes \$11.2 million for food and nutrition services, level with the prior year.

***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 GED tests or the National External Diploma Program. The State budget includes \$8 million for adult education programs in fiscal 2018, level with fiscal 2017 funding.

***School-based Health Centers:*** The fiscal 2018 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 virtually 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. Fiscal 2018 funding remains level at \$4.6 million.

***Prekindergarten Funding:*** The Prekindergarten Expansion Act of 2014 expanded 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 \$8.0 million for the grant program in fiscal 2018, an increase of \$3.7 million over the prior year. Also, in fiscal 2018, Baltimore City as well as Garrett, Kent, and Somerset counties receive prekindergarten supplemental grants totaling \$10.9 million.

***Teachers' Retirement Payments:*** State retirement costs for public school teachers and other professional public school personnel will total an estimated \$734.5 million in fiscal 2018, representing a \$52.5 million (6.7%) decrease. This decrease is largely attributed to the one-time addition of \$19.7 million in fiscal 2017 under Senate Bill 1001 and the elimination of the sweeper provision in fiscal 2018 only under the BRFA of 2017; both provisions are discussed above.

### **Local Libraries**

Under Chapters 714 and 715 of 2016, the Governor must provide \$3 million in the State budget for fiscal 2018 through 2022 to support additional operating expenses for branches of the Enoch Pratt Free Library (EPFL) that increase their operating hours above the hours in effect as of January 1, 2016. To receive grant funding from the State, Baltimore City must provide a 25% funding match to support additional EPFL operating expenses.

Chapter 549 of 2016 accelerated scheduled increases to the per capita funding amounts that must be provided to the State Library Resource Center, regional resource centers, and county public library systems participating in the State's library program beginning in fiscal 2018.

***Library Aid 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 is set at \$15.00 for fiscal 2018 and is scheduled to increase to \$16.70 annually, beginning in fiscal 2022. Fiscal 2018 funding totals \$37.7 million, a \$1.3 million increase compared to fiscal 2017. In addition, Baltimore City will receive \$3.0 million to support expanded operations throughout the library system.

***State Library Network:*** The State provides funds to libraries designated as resource centers, including the State Library Resource Center in Baltimore City, and to regional resource centers, including the Eastern Resource Center in Salisbury, the Southern Resource Center in Charlotte Hall, and the Western Resource Center in Hagerstown. Participating regional resource centers must receive a minimum amount of funding for each resident of the area served to be used for operating and capital expenses. Per resident funding for regional resource centers is set at \$7.55 in fiscal 2018 and will phase up to \$8.75 per resident by fiscal 2022. Fiscal 2018 State library network funding totals \$17.7 million, an increase of \$690,500 over fiscal 2017.

***Retirement Payments:*** The State pays 100% of the retirement costs for local library employees. Fiscal 2018 funding totals \$20.3 million, a decrease of \$544,400 compared to fiscal 2017.

### **Community Colleges**

***Senator John A. Cade Formula Funding:*** The Cade funding formula aid is based on a percentage (21% in fiscal 2018) 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. Fiscal 2018 funding totals \$235.2 million, an increase of \$779,600 over fiscal 2017 funding.

**Special Programs:** The fiscal 2018 budget includes \$4 million for one-time supplemental grants to community colleges. This funding is to be divided among all 16 community colleges based on Cade funding formula-eligible enrollment. To be eligible, the Maryland Higher Education Commission must first determine that the institution has not raised its tuition by more than 2% for the 2017-2018 academic year. To the extent that any institutions are not eligible, the total funding is to be redistributed to other (eligible) institutions.

State funding in fiscal 2018 will total \$4.1 million for the small college grants and \$600,000 for the Allegany/Garrett counties unrestricted grants. **Senate Bill 521 (Chapter 330)** increases unrestricted grants to small colleges by approximately \$1.7 million annually, beginning in fiscal 2019. Funding for statewide and regional programs will total \$6.4 million. The English as a Second Language Program will receive \$5.5 million, nearly level with the prior year.

**Retirement Payments:** Fiscal 2018 funding totals \$44.6 million, a decrease of \$1.8 million compared to fiscal 2017. However, State funding for the optional retirement program will increase by \$455,000 to a total of \$17.3 million in fiscal 2018.

### **Local Health Departments**

The State provides funds to support the delivery of public health services, including child health, communicable disease prevention, maternal health, family planning, environmental health, and administration of the departments. Funding is adjusted annually for inflation and statewide population growth for the second preceding fiscal year. The annual adjustment is generally allocated to each county based on its percentage share of State funds distributed in the previous fiscal year. The need to address a substantial change in community health need, as determined by the Secretary of Health and Mental Hygiene, may also affect allocations of the annual adjustment. **House Bill 152 (Chapter 23)**, the BRFA of 2017, level funds the local health formula amount at the fiscal 2017 levels. However, the budget bill, **House Bill 150 (Chapter 150)**, allows for increases for contractual health insurance costs in certain counties so that total fiscal 2018 funding is \$51.1 million, an increase of \$1.6 million over the fiscal 2017 amount.

### **County and Municipal Governments**

**Highway User Revenue:** The State shares various transportation revenues, commonly referred to as Highway User Revenues (HUR), with the counties and municipalities. Allocations to counties and municipalities are based on the percentage of road miles and vehicle registrations within each local jurisdiction. In fiscal 2018, \$140.8 million (7.7% of HUR) is distributed to Baltimore City; \$27.4 million (1.5%) is distributed to counties; and \$7.3 million (0.4%) is distributed to municipalities, for a total of \$175.5 million.

**Other Transportation Aid:** The BRFA of 2013 (Chapter 425) included \$15.4 million in fiscal 2014 to fund transportation grants to municipal governments allocated in a manner consistent with the HUR formula. In addition, county governments received \$10.0 million in fiscal 2014 for the purpose of pothole repairs. The fiscal 2015 State budget funded the municipal transportation grants for a second year at \$16.0 million. The fiscal 2016 and 2017 budgets included a total of \$25.0 million for transportation grants to Baltimore City, counties, and municipalities. The fiscal 2018 State budget increases the funding for these special grants to \$38.4 million – \$5.5 million for Baltimore City, \$12.8 million for counties, and \$20.1 million for municipalities. State funding for elderly/disabled transportation grants will total \$4.3 million in fiscal 2018, while State funding for paratransit grants will total \$1.7 million.

**Police Aid Formula:** Maryland’s counties and municipalities receive grants for police protection through the police aid formula. The police aid formula allocates funds on a per capita basis, and jurisdictions with a higher population density receive greater per capita grants. Municipalities receive additional grants based on the number of sworn officers. The Maryland State Police recovers 30% of the State crime laboratory costs relating to evidence-testing services from each county’s formula allocation. As a cost containment measure, the police aid formula was level funded in fiscal 2015 and 2016 at the fiscal 2014 formula amount of \$67.3 million. Cost containment also factors into the fiscal 2018 funding as the BRFA of 2017, **House Bill 152**, level funds the fiscal 2018 police aid formula at the fiscal 2017 level of \$73.7 million.

**Targeted Public Safety Grants:** State funding for targeted public safety grants will total \$26.6 million in fiscal 2018, representing a \$4.3 million increase from the prior year. This funding includes \$9.9 million in targeted grants for Baltimore City and \$3.5 million in targeted grants for Prince George’s County. This funding also includes \$9.9 million for several statewide initiatives (*i.e.*, Safe Streets Program, S.T.O.P. gun violence grants, school bus traffic enforcement grants, domestic violence grants, law enforcement and correctional officers training grants, sex offender and compliance enforcement, and body armor grants). Two new initiatives will provide funding in fiscal 2018 for the Internet Crimes Against Children Task Force and the Community Program Fund.

Chapter 516 of 2016 established the Internet Crimes Against Children Task Force Fund administered by the Executive Director of the Governor’s Office of Crime Control and Prevention (GOCCP) to (1) provide grants to local law enforcement agencies for salaries, training, and equipment to be used for the investigation and prosecution of Internet crimes against children; (2) support the ongoing operations of the task force established by the Department of State Police; and (3) provide funding to specified child advocacy centers. Chapter 516 requires the Governor to include in the annual budget bill an appropriation of not less than \$2 million to the fund beginning in fiscal 2018. The fiscal 2018 budget includes \$2 million for the fund.

Chapter 519 of 2016 makes changes relating to public safety and policing generally consistent with the recommendations of the Public Safety and Policing Workgroup, including establishing a Community Program Fund within GOCCP to assist (1) local law enforcement agencies in establishing community programs and (2) agencies of local government in establishing

violence intervention programs. Beginning in fiscal 2018, the Governor must include \$500,000 in the annual budget bill for the fund. The fiscal 2018 budget includes \$500,000 for the fund.

In addition, \$2 million is provided in fiscal 2018 to the Baltimore City State's Attorney Office to assist in the prosecution of gun offenses and repeat violent offenders.

***Vehicle Theft Prevention:*** 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 and from inspection fees collected for salvaged vehicle verification. State funding for this program will total \$1.9 million in fiscal 2018, the same amount as in fiscal 2017.

***Fire, Rescue, and Ambulance Service:*** 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 expressed the intent 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. Fiscal 2018 funding totals \$15.0 million, which is the same as the fiscal 2017 amount.

***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 2018, level with fiscal 2017 funding.

***Program Open Space (POS):*** This program 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. Chapter 10 of 2016 altered the local share of POS funding beginning in fiscal 2018. The legislation allocated an additional \$11.0 million to local funding for fiscal 2018. In future years, local funding through fiscal 2029 increases overall due to mandated general fund appropriations to the transfer tax special fund (from which the local share of POS receives funding) representing reimbursement for prior transfers from the fund. In fiscal 2018, the POS formula allocates \$37.2 million to the counties, which is an increase of \$15.5 million over the fiscal 2017 amount due to Chapter 10 of 2016 and additional growth in transfer tax revenues. In addition, Baltimore City will receive \$3.5 million in special POS funding, which is a \$2 million decrease from fiscal 2017.

***Maryland Forest Service and Maryland Park Service – Payments in Lieu of Taxes:*** Each county in which any State forest or park is located annually receives 15% of the net revenues

derived from the forest or park located in that county, including concession operations. If the forest or park reserve comprises 10% or more of its total land area, the county annually receives 25% of the net revenues derived from the reserve. The original intent of the county payments was to offset the loss in property taxes to counties in which the State owned a significant amount of acreage. In fiscal 2017, Forest Service payments to local governments total \$480,000, and Park Service payments to local governments total \$2.5 million. In fiscal 2018, Forest Service payments to local governments total \$282,898, and Park Service payments to local governments total \$2.6 million.

**Senate Bill 273 (Chapter 692)** establishes a State Forest, State Park, and Wildlife Management Area Revenue Equity Program to make annual payments, beginning in fiscal 2019, to counties that have a certain amount of State forests, State parks, and wildlife management areas that are exempt from property tax. The annual payment to each county is equal to the county's property tax rate multiplied by the assessed value, as determined by the State Department of Assessments and Taxation, of the State forests, State parks, and wildlife management areas in the county that are exempt from property tax. The payments replace payments in lieu of taxes payments in the affected counties. It is estimated that net payments to the affected counties (Allegany, Garrett, and Somerset) will increase by approximately \$1.7 million annually beginning in fiscal 2019.

**Wastewater Treatment – Nutrient Removal Program:** The Maryland Department of the Environment provides grants to local governments to assist with operation and maintenance costs associated with enhanced nutrient removal at wastewater treatment facilities. The grant program is funded at \$5 million in fiscal 2017. The fiscal 2018 budget includes an additional \$2 million in funding for a total of \$7 million in fiscal 2018.

**Senior Citizen Activities Center Operating Fund:** The Senior Citizen Activities Center Operating Fund is a nonlapsing fund that consists of appropriations from the State budget. The fund supplements any other funding for senior citizen activities centers in the State budget; it may not be used to replace existing funding. Money is distributed to counties based on a competitive grant process, with at least 50% of the funds distributed based on need for senior citizen activities centers in counties determined by the Maryland Department of Aging to meet criteria related to economic distress. The fiscal 2017 budget included \$500,000 for the fund. Chapter 17 of 2016 increased, from \$500,000 to \$750,000, the required annual appropriation to the Senior Citizen Activities Center Operating Fund beginning in fiscal 2018, required additional expenditures under specified circumstances, and altered how the funds are distributed to counties within the State. The fiscal 2018 budget includes \$764,000 for the program.

**Gaming Impact Grants:** From the proceeds generated by video lottery terminals at video lottery facilities in the State, generally 5.5% is distributed to local governments in which a video lottery facility is operating. Of this amount, 18.0% is distributed 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 Allegany, Cecil, and Worcester county facilities. Furthermore, under the BRFA of 2014, 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, an additional \$357,100 for Anne Arundel County, and \$53,600 for the City of Laurel in each of these five fiscal years. In addition, 5.0% of table game revenues are distributed to local jurisdictions where a video lottery facility is located. Gaming impact grants total \$91.4 million in fiscal 2018, an increase of \$24.6 million, or 36.9%, over fiscal 2017 levels, due to the opening of a casino in Prince George's County in December 2016.

**Disparity Grants:** Disparity grants were initiated to address the differences in the abilities of counties to raise revenues from the local income tax, which is one of the larger revenue sources for counties. Counties with per capita local income tax revenues less than 75.0% of the statewide average receive grants, assuming that all counties impose a 2.54% local tax rate. Chapter 487 of 2009 capped each county's funding under the program at the fiscal 2010 level. Chapter 425 further modified the program in order to provide a floor funding level in conjunction with the fiscal 2010 cap for an eligible county based on the income tax rate of that county. Beginning in fiscal 2014, an eligible county or Baltimore City may receive no more than the amount distributed in fiscal 2010 or a minimum of (1) 20.0% of the total grant if the local income tax rate is at least 2.8% but less than 3.0%; (2) 40.0% of the total grant if the rate is at least 3.0% but less than 3.2%; or (3) 60.0% of the total grant if the rate is set at 3.2%. The fiscal 2017 budget included \$136.7 million in disparity grant funding; however, the Board of Public Works reduced total disparity grant funding to \$132.8 million for fiscal 2017.

Based on the statutory formula, Baltimore City and nine counties (Allegany, Caroline, Cecil, Dorchester, Garrett, Prince George's, Somerset, Washington, and Wicomico) will qualify for disparity grants in fiscal 2018. Chapter 738 of 2016 altered the calculation of the Disparity Grant program for counties with a local income tax rate of 3.2% by increasing the minimum grant amount (funding floor) to 67.5% of the formula calculation in both fiscal 2018 and 2019. However, **House Bill 152** modifies the formula by lowering the minimum grant amount (funding floor) from 67.5% to 63.75% of the formula calculation for fiscal 2018. Due to this action, funding for disparity grants will total \$138.8 million in fiscal 2018.

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

**Neighborhood Revitalization:** Chapter 30 of 2016 required the Governor to include \$25.6 million in the State budget for fiscal 2018 and \$28.5 million in fiscal 2019 for the Strategic Demolition Fund. Of this amount, \$3.5 million is targeted to projects outside of Baltimore City, and the remainder is targeted for projects within Baltimore City (\$22.1 million in fiscal 2018 and \$25.0 million in fiscal 2019). The Strategic Demolition Fund provides funding to assist with demolition, land assembly, housing development or redevelopment, and revitalization. Funding is awarded on a competitive basis to local governments and community development organizations. The program seeks to accelerate economic development, job creation, and smart growth in existing Maryland communities.

Summary of State Mandates	
Community Colleges	1
Finances and Taxes	7
Law Enforcement	1
Personnel	1
Public Schools	4
Public Schools/Community Colleges	2
Public Works	2
<b>Total</b>	<b>18</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

160

<u>Bill #</u>	<u>Title</u>	<u>Comment</u>	<u>Mandate</u>
<b>Legislation Affecting All/Multiple Local Jurisdictions</b>			
SB 26	Maryland False Claims Act – Municipal Corporations (Ch. 632)	Potential significant revenues from civil penalties and damages awarded.	No
SB 29/HB 617	Natural Resources – Forest Conservation Act – Forest Conservation Thresholds and Afforestation and Reforestation Requirements (Ch. 794/Ch. 795)	Potential fee-in-lieu revenues.	No
SB 57	Income Tax Credit – Class F Vehicles – Modification and Extension (Ch. 502)	Local highway user revenues decrease by \$6,300 annually through FY 2020.	No
SB 108	Property Tax Credit – Erosion Control Measures – Nonstructural and Structural Shoreline Stabilization (Ch. 228)	Minimal decrease in property tax revenues.	No
SB 111/HB 363	Recordation and Transfer Taxes – Exemptions – Property Conveyed From Sole Proprietorship to Limited Liability Company (Ch. 63/Ch. 64)	Potential decrease in recordation and transfer tax revenues.	No
SB 154	Vehicle Laws – School Bus Monitoring Cameras – Civil Penalty (Ch. 744)	Minimal fine revenues in FY 2018 and 2019. Potential significant fine revenues in Montgomery County.	No
SB 200	Income Tax Credit – Qualified Research and Development Expenses – Credit Amounts (Ch. 743)	Local highway user revenues decrease by \$32,000 in FY 2018 and by a minimum of \$34,000 annually thereafter. Minimal income tax revenues.	No
SB 228/HB 300	Video Lottery Terminals – Disposition of Unclaimed Winnings (Ch. 452/Ch. 451)	Local impact grant revenues increase by approximately \$37,000 in FY 2018 and by a minimum of \$50,000 annually thereafter.	No
SB 257/HB 267	Program Open Space – Authorized Transfer to the Maryland Heritage Areas Authority Financing Fund – Increase (Ch. 661/Ch. 660)	Grant/loan revenues.	No

*Effect of the 2017 Legislative Program on the Financial Condition of the State*

## 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 261	Property Tax Credit – Residential Property Damaged by Natural Disaster (Ch. 745)	Potential decrease in property tax revenues.	No
SB 262/HB 771	Public Health – Mobile Food Service Facilities – Licensing and Inspection by County Health Departments (Ch. 215/Ch. 216)	Minimal impact on license fee revenues.	No
SB 273	State Forest, State Park, and Wildlife Management Area Revenue Equity Program (Ch. 692)	Certain counties share \$1.7 million annually in State aid revenues beginning in FY 2019.	No
SB 282	Property Tax Credit – Disabled or Fallen Law Enforcement Officers and Rescue Workers – Alterations (Ch. 173)	Potential decrease in property tax revenues.	No
SB 314/HB 417	Clean Water Commerce Act of 2017 (Ch. 367/Ch. 366)	Potential reallocation of grant revenues.	No
SB 317	More Jobs for Marylanders Act of 2017 (Ch. 149)	Net local revenues decrease minimally in FY 2018 and 2019, by \$3.4 million in FY 2020, by \$0.7 million in FY 2021, and by \$0.4 million in FY 2022.	No
SB 319	Pathways in Technology Early College High (P-TECH) School Act of 2017 (Ch. 591)	Increased State aid for P-TECH schools. Increased revenues for community colleges with P-TECH students.	No
SB 343/HB 384	Bay Restoration Fund – Eligible Costs – Expansion (Ch. 368/Ch. 369)	Potential reallocation of grant revenues.	No
SB 367	Income Tax – Subtraction Modification – Mortgage Forgiveness Debt Relief (Ch. 231)	Income tax revenues decrease by \$2.5 million annually in FY 2018 and 2019.	No
SB 371/HB 503	State Budget – Appropriations – Income Tax Revenue Estimate Cap and Revenue Stabilization Account (Ch. 550/Ch. 4)	Potential revenues for public school construction and capital projects beginning in FY 2022.	No
SB 387	Crimes – Solicitation to Commit Murder or Arson – Statute of Limitations (Ch. 648)	Minimal fine revenues.	No

## Legislation Affecting Local Government Revenues

162

<u>Bill #</u>	<u>Title</u>	<u>Comment</u>	<u>Mandate</u>
SB 393/HB 406	Clean Cars Act of 2017 (Ch. 363/Ch. 362)	Local highway user revenues decrease by \$57,600 annually through FY 2020.	No
SB 397/HB 1433	Local Income Tax Overpayments – Local Reserve Account Repayment – Forgiveness (Ch. 699/Ch. 698)	Income tax revenue losses of between \$21 million and \$24 million will be prevented in certain jurisdictions in FY 2024 through 2034.	No
SB 416/HB 472	Income Tax Credit – Qualified Farms – Food Donation Pilot Program (Ch. 232/Ch. 233)	Minimal decrease in local highway user revenues through FY 2020.	No
SB 424	The Textbook Cost Savings Act of 2017 (Ch. 763)	Potential community college grant revenues in FY 2018 and 2019.	No
SB 449	Estates and Trusts – Vehicle Transfers – Excise Tax and Fee Exemption (Ch. 663)	Local highway user revenues decrease by \$25,000 annually.	No
SB 485	Education – Remote Classroom Technology Grant Program – Establishment (Peyton’s Bill) (Ch. 322)	Potential grant revenues.	No
SB 491/HB 292	Alcoholic Beverages – Nonrefillable Containers – Draft Beer (Ch. 318/Ch. 317)	Minimal permit fee revenues.	No
SB 496	Gaming – Reconciliation of Proceeds – Licensee Payments (Ch. 445)	Local impact grant revenues decrease by approximately \$605,000 in FY 2018 and by a minimum of \$612,500 annually thereafter.	No
SB 521	Community Colleges – Small Community Colleges – Funding (Ch. 330)	State aid for community colleges in certain jurisdictions increases by a minimum of \$425,600 beginning in FY 2019.	No
SB 531/HB 269	Housing Navigator and Aftercare Program (Ch. 638/Ch. 637)	Potential grant revenues.	No
SB 573/HB 334	Local Government – Regulation of Animals – Kennel Licenses (Ch. 415/Ch. 414)	Minimal license fee revenues.	No

*Effect of the 2017 Legislative Program on the Financial Condition of the State*

## 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 597/HB 100	Income Tax Subtraction Modification – Retirement Income of Law Enforcement, Fire, Rescue, and Emergency Services Personnel (Ch. 153/Ch. 154)	Income tax revenues decrease by \$2.5 million in FY 2018 and by a minimum of \$2.6 million annually thereafter.	No
SB 625/HB 1067	Public Schools and Shelters – Homeless Girls and Women – Feminine Hygiene Products (Ch. 642/Ch. 641)	Potential grant revenues.	No
SB 701/HB 462	Higher Education – Tuition Waivers for Foster Care Recipients and Unaccompanied Homeless Youth – Alterations (Ch. 320/Ch. 321)	Potential significant decrease in community college tuition revenues.	Yes
SB 703	Maryland Agricultural Land Preservation Foundation – Participation in the Readiness and Environmental Protection Integration Program (Ch. 394)	Potential federal fund revenues.	No
SB 734	Sexual Assault Victims Resources Act of 2017 (Ch. 659)	Potential grant revenues.	No
SB 758	Income Tax Credit – Energy Storage Systems (Ch. 389)	Local highway user revenues decrease by \$7,900 annually in FY 2019 through 2023.	No
SB 807/HB 349	Income Tax Credit – Wages Paid to Qualified Veteran Employees (Hire Our Veterans Act of 2017) (Ch. 180/Ch. 181)	Local highway user revenues decrease by \$3,500 annually.	No
SB 872	James W. Hubbard Inclusive Higher Education Grant Program (Ch. 612)	Potential community college grant revenues.	No
SB 873	Economic Development – Job Creation Tax Credit – Alteration (Ch. 489)	Local highway user revenues decrease by \$5,000 in FY 2019, by \$8,000 in FY 2020, and by a minimum of \$26,000 annually thereafter.	No
SB 949	Criminal Procedure – Expungement – Possession of Marijuana (Ch. 801)	Minimal filing fee revenues.	No

## Legislation Affecting Local Government Revenues

<u>Bill #</u>	<u>Title</u>	<u>Comment</u>	<u>Mandate</u>
SB 957/HB 1168	Counties and Municipalities – Land Bank Authorities (Ch. 619/Ch. 618)	Potential revenues from the creation of land bank authorities.	No
SB 967/HB 1329	Heroin and Opioid Prevention Effort (HOPE) and Treatment Act of 2017 (Ch. 572/Ch. 571)	Potential significant grant revenues in FY 2019 may continue in future years.	No
SB 1024/HB 684	Education – State Grants for Education Aid (Ch. 607/Ch. 6)	Significant increase in State aid for multiple school systems.	No
SB 1060/HB 1082	Heroin and Opioid Education and Community Action Act of 2017 (Start Talking Maryland Act) (Ch. 574/Ch. 573)	Potential significant grant revenues in FY 2019.	No
SB 1138	Alcoholic Beverages – Family Beer and Wine Facility Permit (Ch. 469)	Minimal license fee revenues.	No
SB 1190	Bay Restoration Fund – Upgraded Wastewater Facilities – Grants to Counties and Municipalities (Ch. 397)	Reallocation of grant revenues.	No
HB 3	Income Tax – Subtraction Modification – Olympic, Paralympic, Special Olympic, and Deaflympic Games Medals and Prizes (Ch. 501)	Minimal decrease in income tax revenues.	No
HB 83	Income Tax – Subtraction Modification – Discharged Student Loan Debt (Ch. 685)	Income tax revenues decrease by \$354,000 annually.	No
HB 100/SB 597	See entry for SB 597.		No
HB 112	Interest Rate on Tax Deficiencies and Refunds – Rounding (Ch. 506)	Local income tax and highway user revenues decrease by a combined \$705,400 in FY 2019, 2021, and 2023.	No
HB 152	Budget Reconciliation and Financing Act of 2017 (Ch. 23)	Direct State aid decreases by \$13.6 million in FY 2018. State retirement aid decreases by \$37.7 million in FY 2018. Baltimore City Public Schools revenues increase by \$4.6 million in FY 2018.	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 153	Creation of a State Debt – Qualified Zone Academy Bonds (Ch. 32)	Revenues for public school renovation and repair increase by a maximum of \$4.82 million between FY 2018 and 2020.	No
HB 185	Department of Health and Mental Hygiene – Distribution of Tobacco Products to Minors – Prohibition and Enforcement (Ch. 773)	Minimal penalty revenues.	No
HB 199	Capital Grants for Senior Citizen Activities Centers (Ch. 116)	Potential significant grant revenues.	No
HB 231	Property Tax Credit – Disabled or Fallen Law Enforcement Officers and Rescue Workers – Alterations (Ch. 174)	Potential decrease in property tax revenues.	No
HB 263	School Bus Monitoring Cameras – Exclusion of Vehicle Rental Companies – Repeal and Notification Requirement (Ch. 683)	Minimal fine revenues.	No
HB 267/SB 257	See entry for SB 257.		No
HB 269/SB 531	See entry for SB 531.		No
HB 287	Hunger-Free Schools Act of 2017 (Ch. 665)	Potential impact on State aid for school systems through FY 2022.	No
HB 292/SB 491	See entry for SB 491.		No
HB 300/SB 228	See entry for SB 228.		No
HB 334/SB 573	See entry for SB 573.		No
HB 349/SB 807	See entry for SB 807.		No
HB 363/SB 111	See entry for SB 111.		No
HB 384/SB 343	See entry for SB 343.		No
HB 406/SB 393	See entry for SB 393.		No

## Legislation Affecting Local Government Revenues

166

Effect of the 2017 Legislative Program on the Financial Condition of the State

<u>Bill #</u>	<u>Title</u>	<u>Comment</u>	<u>Mandate</u>
HB 417/SB 314	See entry for SB 314.		No
HB 462/SB 701	See entry for SB 701.		Yes
HB 469	Recordation and Transfer Tax – Principal Residence Surrendered in Bankruptcy – Exemption (Ch. 538)	Potential significant decrease in recordation and transfer tax revenues.	No
HB 472/SB 416	See entry for SB 416.		No
HB 492	Vehicle Laws – Certificate of Title – Transfer-on-Death Beneficiary Designation (Ch. 684)	Minimal local highway user revenues.	No
HB 503/SB 371	See entry for SB 371.		No
HB 523	Electronic Nicotine Delivery Systems and Vaping Liquid – Licensing (Ch. 814)	Minimal license fee revenues.	No
HB 556	Higher Education – St. Mary’s College of Maryland – Funding (Ch. 420)	State aid for community colleges increases beginning in FY 2019.	No
HB 617/SB 29	See entry for SB 29.		No
HB 627	Motor Fuel Tax Refund – Demand Response Trips (Ch. 522)	Local highway user revenues decrease by \$53,800 in FY 2018 and by a minimum of \$73,000 annually thereafter.	No
HB 631	Public Health – Essential Off-Patent or Generic Drugs – Price Gouging – Prohibition (Ch. 818)	Potential civil penalty revenues.	No
HB 653	Crimes – Solicitation to Commit Murder or Arson – Statute of Limitations (Ch. 647)	Minimal fine revenues. (Duplicative of impact for SB 387.)	No
HB 684/SB 1024	See entry for SB 1024.		No
HB 771/SB 262	See entry for SB 262.		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 822	Income Tax – Subtraction Modification – Police Auxiliaries and Reserve Volunteers (Ch. 155)	Income tax revenues decrease by a minimum of \$9,000 annually.	No
HB 836	Criminal Procedure – Expungement – Common Law Battery (Ch. 703)	Minimal filing fee revenues.	No
HB 873	Income Tax Credit – Security Clearances – Employer Costs – Extension (Ch. 240)	Local highway user revenues decrease by \$19,300 annually in FY 2019 through 2023. Income tax revenues increase by \$700 annually in FY 2019 through 2023.	No
HB 879	Public Integrity Act of 2017 (Ch. 31)	Minimal fine revenues.	No
HB 941	Criminal Law – Animal Abuse Emergency Compensation Fund – Establishment (Ch. 410)	Minimal animal control unit reimbursement revenues.	No
HB 979	Property Tax Credit – Public Safety Officers (Ch. 686)	Potential significant decrease in property tax revenues.	No
HB 1067/SB 625	See entry for SB 625.		No
HB 1082/SB 1060	See entry for SB 1060.		No
HB 1109	Teachers’ Retirement and Pension Systems – County Boards of Education Payments (Ch. 5)	Reallocation of grant revenues in FY 2017.	No
HB 1163	Criminal Procedure – Conditional Release – Electronic Monitoring (Amber’s Law) (Ch. 643)	Potential monitoring fee revenues.	No
HB 1168/SB 957	See entry for SB 957.		No
HB 1234	Property Tax – Credit for Retired Military Service Members – Eligibility (Ch. 184)	Potential significant decrease in property tax revenues.	No
HB 1323	Property Tax – Credit for Revitalization Districts (Ch. 241)	Potential decrease in property tax revenues.	No



## Legislation Affecting Local Government Revenues

<u>Bill #</u>	<u>Title</u>	<u>Comment</u>	<u>Mandate</u>
HB 1325	Oil and Natural Gas – Hydraulic Fracturing – Prohibition (Ch. 13)	Potential decrease in tax revenues for Allegany and Garrett counties.	No
HB 1329/SB 967	See entry for SB 967.		No
HB 1345	National Capital Strategic Economic Development Fund (Ch. 523)	Potential grant revenues.	No
HB 1433/SB 397	See entry for SB 397.		No
HB 1513	Maryland Historic Trust Grant Fund Improvement Act (Ch. 513)	Grant revenues.	No

## Legislation Affecting Local Governments by Subdivision

### *Allegany County*

SB 495	Gaming – Video Lottery Terminals – Transfer of Ownership and Local Impact Grants (Ch. 339)	Local impact grant revenues increase by \$455,000 in FY 2018 and by similar amounts annually thereafter through FY 2023.	No
SB 592/HB 923	Allegany County – Property Tax Credits – Community Organizations and Lions Center (Ch. 693/Ch. 470)	Property tax revenues may decrease by \$54,300 annually beginning in FY 2017. Annual property tax revenues for the City of Cumberland and the City of Frostburg may decrease by \$56,600 and \$2,600, respectively, beginning in FY 2017.	No
HB 923/SB 592	See entry for SB 592.		No

### *Anne Arundel County*

SB 251/HB 1269	Anne Arundel County – Property Tax – Credit for Seniors of Limited Income (Ch. 59/Ch. 60)	Potential significant decrease in property tax revenues.	No
SB 897	Anne Arundel County – Alcoholic Beverages – Class H Beer and Light Wine Licenses (Ch. 92)	Minimal license fee revenues.	No

## Legislation Affecting Local Government Revenues

<u>Bill #</u>	<u>Title</u>	<u>Comment</u>	<u>Mandate</u>
SB 930/HB 695	Anne Arundel County – Property Tax – Payment in Lieu of Taxes Agreements – Economic Development Projects (Ch. 95/Ch. 96)	Potential decrease in property tax revenues, at least partially offset by payment in lieu of taxes agreements.	No
HB 85	Anne Arundel County – Charitable Gaming (Ch. 474)	Minimal license fee revenues.	No
HB 695/SB 930	See entry for SB 930.		No
HB 1269/SB 251	See entry for SB 251.		No
<b><i>Baltimore City</i></b>			
SB 384	Baltimore City – Alcoholic Beverages – Licenses (Ch. 81)	License fee revenues increase by \$9,600 in FY 2018 and by \$6,850 annually thereafter.	No
SB 479/HB 289	Baltimore City – Alcoholic Beverages – Marketplace License (Ch. 602/Ch. 778)	License fee revenues increase by \$13,200 in FY 2018 and by \$12,000 annually thereafter.	No
SB 998/HB 837	Baltimore City – Alcoholic Beverages – Beer, Wine, and Liquor Tasting License (Ch. 300/Ch. 301)	License fee revenues increase by a maximum of \$1,350 in FY 2018 and by a maximum of \$800 annually thereafter.	No
SB 1122	Alcoholic Beverages – Baltimore City – Transfer of License – Hardship Extension (Ch. 465)	Application fee revenues increase by a maximum of \$2,000 annually.	No
HB 289/SB 479	See entry for SB 479.		No
HB 837/SB 998	See entry for SB 998.		No
HB 1348	Baltimore City – 46th District Alcoholic Beverages Act of 2017 (Ch. 600)	Potential license fee revenues.	No

## Legislation Affecting Local Government Revenues

170

Effect of the 2017 Legislative Program on the Financial Condition of the State

<u>Bill #</u>	<u>Title</u>	<u>Comment</u>	<u>Mandate</u>
<b><i>Baltimore County</i></b>			
SB 559	Baltimore County – Alcoholic Beverages – Issuance of Licenses Near Places of Worship (Ch. 664)	Minimal license fee revenues.	No
SB 782/HB 74	Maryland Consolidated Capital Bond Loan of 2014 – Baltimore County – Chesapeake High Stadium (Ch. 87/Ch. 21)	Grant revenues increase by \$80,000.	No
HB 74/SB 782	See entry for SB 782.		No
<b><i>Calvert County</i></b>			
SB 473	Calvert County – Bonding Authority (Ch. 80)	Bond revenue proceeds increase by a maximum of \$17.62 million.	No
<b><i>Carroll County</i></b>			
SB 324	Carroll County – Mechanical Musical Devices – Licensing Requirements – Repeal (Ch. 434)	Minimal decrease in license fee revenues.	No
HB 251	Carroll County – Public Facilities Bonds (Ch. 435)	Bond reserve proceeds increase by a maximum of \$25.0 million.	No
<b><i>Charles County</i></b>			
SB 569/HB 649	Charles County – Property Tax Credit – Priority Funding Areas (Ch. 84/Ch. 85)	Potential decrease in property tax revenues.	No
HB 649/SB 569	See entry for SB 569.		No
HB 712	Charles County – Alcoholic Beverages – Selling to Underage Individual – Penalties (Ch. 138)	Minimal fine revenues.	No
HB 1320	Southern Maryland Code Counties – Towing Companies – Authority to Regulate (Ch. 735)	Potential license fee 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>			
HB 179	Frederick County – Beer and Wine Licenses – Barbershops (Ch. 493)	Minimal license fee revenues.	No
<b><i>Howard County</i></b>			
HB 566	Howard County – Property Tax – Exemption for Personal Property of Business Located in Historic District Ho. Co. 10-17 (Ch. 131)	Potential significant decrease in property tax revenues through FY 2022.	No
HB 572	Howard County – Property Tax Credit for Commercial Real Property – Flood Damage Ho. Co. 9-17 (Ch. 137)	Potential decrease in property tax revenues.	No
HB 1604	Howard County – Transfer Tax Exemption and Rate Reduction – Law Enforcement Officers and Fire and Rescue Services Members Ho. Co. 17-17 (Ch. 148)	Potential significant decrease in transfer tax revenues.	Yes
<b><i>Kent County</i></b>			
SB 389/HB 302	Kent County – Property Tax Credit – Commerce Zones (Ch. 126/Ch. 125)	Potential decrease in property tax revenues beginning in FY 2017.	No
HB 302/SB 389	See entry for SB 389.		No
<b><i>Montgomery County</i></b>			
HB 306	Montgomery County – Alcoholic Beverages – Tasting at Dispensaries MC 19-17 (Ch. 127)	Minimal alcoholic beverage sales revenues beginning in FY 2017.	No

## Legislation Affecting Local Government Revenues

172

Effect of the 2017 Legislative Program on the Financial Condition of the State

<u>Bill #</u>	<u>Title</u>	<u>Comment</u>	<u>Mandate</u>
HB 307	Montgomery County – Alcoholic Beverages – Limited Distilleries – Class B and Class D Licenses MC 6-17 (Ch. 117)	Minimal license fee revenues.	No
HB 309	Montgomery County – Beer, Wine, and Liquor Festival License MC 7-17 (Ch. 305)	Minimal license fee revenues.	No
HB 311	Montgomery County – Alcoholic Beverages – Class H-BW Licenses MC 9-17 (Ch. 128)	Minimal license fee revenues.	No
HB 315	Montgomery County – Alcoholic Beverages – Contracts to Sell Liquor for Off-Premises Consumption MC 18-17 (Ch. 442)	Potential alcoholic beverage sales revenues.	No
HB 346	Montgomery County – Property Tax Credit – Public Safety Officers MC 1-17 (Ch. 118)	Property tax revenues may decrease by approximately \$4.2 million annually.	No
HB 386	Montgomery County – Economic Development – Business Improvement Districts MC 12-17 (Ch. 444)	Potential business improvement tax revenues.	No
<b><i>Prince George’s County</i></b>			
HB 1551	Prince George’s County Local Management Board – Strategic Plan, Report, and Study PG 426-17 (Ch. 456)	Potential significant grant revenues.	No
HB 1573	Prince George’s County – Tax Sales – Limited Auction and Foreclosure for Abandoned Property PG 411-17 (Ch. 819)	Potential significant decrease in bid premium revenues.	Yes
HB 1576	Prince George’s County – Student Loan Refinancing Authority PG 419-17 (Ch. 311)	Potential reimbursement revenues in future years.	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 1578	Prince George's County – Property Tax Exemption for Economic Development Projects – Sunset Extension PG 407-17 (Ch. 147)	Potential continued decrease in property tax revenues through FY 2021, at least partially offset by payment in lieu of taxes agreements.	No
HB 1636	Prince George's County – School Facilities and Public Safety Surcharges – Maryland Transit Administration Station PG 430-17 (Ch. 455)	Potential decrease in school facilities surcharge revenues.	Yes
<b><i>Queen Anne's County</i></b>			
SB 820/HB 47	Queen Anne's County – Alcoholic Beverages – Class D Beer, Wine, and Liquor and Class 9 Limited Distillery Licenses (Ch. 88/Ch. 89)	Minimal license fee revenues.	No
HB 47/SB 820	See entry for SB 820.		No
<b><i>St. Mary's County</i></b>			
SB 737	St. Mary's County – Bonds and Other Evidences of Indebtedness – Limitations and Repayment (Ch. 424)	Potential decrease in bond revenue proceeds.	No
HB 526	St. Mary's County – Alcoholic Beverages – Art Establishment License (Ch. 288)	Minimal license fee revenues.	No
HB 538	St. Mary's County – Alcoholic Beverages – Beauty Salon License (Ch. 289)	Minimal license fee revenues.	No
HB 892	St. Mary's County – Public Facility Bonds (Ch. 427)	Bond revenue proceeds increase by a maximum of \$26.3 million, likely in FY 2021.	No

## Legislation Affecting Local Government Revenues

174

<u>Bill #</u>	<u>Title</u>	<u>Comment</u>	<u>Mandate</u>
<b><i>Washington County</i></b>			
SB 204/HB 605	PenMar Development Corporation – Dissolution – Authority of Washington County Over Fort Ritchie (Ch. 142/Ch. 141)	Revenues transferred from the PenMar Development Corporation increase by approximately \$500,000 in FY 2017.	No
SB 620	Washington County – Alcoholic Beverages – Wineries – Special Event Permits (Ch. 432)	Permit fee revenues increase by a maximum of \$2,000 in FY 2018 and 2019.	No
HB 605/SB 204	See entry for SB 204.		No
HB 1430	Washington County – Alcoholic Beverages – Class CT (Cinema/Theater License) (Ch. 429)	License fee revenues increase by \$250 annually.	No
<b><i>Worcester County</i></b>			
SB 1102	Worcester County – Ocean City Convention Center – Beer and Wine Tasting License (Ch. 564)	Minimal license fee revenues.	No

*Effect of the 2017 Legislative Program on the Financial Condition of the State*

## Legislation Affecting Local Government Expenditures

<u>Bill #</u>	<u>Title</u>	<u>Comment</u>	<u>Mandate</u>
<b>Legislation Affecting All/Multiple Local Jurisdictions</b>			
SB 26	Maryland False Claims Act – Municipal Corporations (Ch. 632)	Potential litigation costs for municipalities.	No
SB 29/HB 617	Natural Resources – Forest Conservation Act – Forest Conservation Thresholds and Afforestation and Reforestation Requirements (Ch. 794/Ch. 795)	Potential reforestation/afforestation expenditures and development project costs.	No
SB 61/HB 675	Health Insurance – Coverage for Digital Tomosynthesis (Ch. 677/Ch. 676)	Minimal employee health care costs.	No
SB 116	Program Open Space – Attainment of Acquisition Goals – Local Government Apportionment and Use of Funds (Ch. 406)	Potential impact on Program Open Space spending in certain counties.	No
SB 194/HB 1484	Workers’ Compensation – Medical Benefits – Payment of Medical Services and Treatment (Ch. 568/Ch. 567)	Minimal decrease in workers’ compensation costs.	No
SB 217/HB 429	Criminal Law – Sexual Offenses – Physical Resistance (Ch. 160/Ch. 163)	Potential evidence testing costs.	No
SB 257/HB 267	Program Open Space – Authorized Transfer to the Maryland Heritage Areas Authority Financing Fund – Increase (Ch. 661/Ch. 660)	Grant/loan and matching fund expenditures.	No
SB 291	Maryland Environmental Service – Collective Bargaining (Ch. 15)	Potential significant cost recovery expenditures.	No
SB 314/HB 417	Clean Water Commerce Act of 2017 (Ch. 367/Ch. 366)	Expenditures are affected correspondingly with any reallocation of grant revenues. Potential decrease in long-term bay restoration expenditures.	No
SB 317	More Jobs for Marylanders Act of 2017 (Ch. 149)	Potential significant program costs.	Yes



## Legislation Affecting Local Government Expenditures

176

Effect of the 2017 Legislative Program on the Financial Condition of the State

<u>Bill #</u>	<u>Title</u>	<u>Comment</u>	<u>Mandate</u>
SB 319	Pathways in Technology Early College High (P-TECH) School Act of 2017 (Ch. 591)	School system costs for P-TECH schools. Community college costs correspond with increased revenues.	No
SB 343/HB 384	Bay Restoration Fund – Eligible Costs – Expansion (Ch. 368/Ch. 369)	Expenditures are affected correspondingly with any reallocation of grant revenues.	No
SB 349/HB 255	Criminal Procedure – Sexual Assault Victims’ Rights – Disposal of Rape Kit Evidence and Notification (Ch. 158/Ch. 159)	Minimal law enforcement compliance costs.	Yes
SB 424	The Textbook Cost Savings Act of 2017 (Ch. 763)	Potential community college grant expenditures in FY 2018 and 2019.	No
SB 426/HB 1294	Workers’ Compensation – Permanent Total Disability – Survival of Claim (Ch. 69/Ch. 70)	Minimal workers’ compensation costs.	No
SB 485	Education – Remote Classroom Technology Grant Program – Establishment (Peyton’s Bill) (Ch. 322)	Potential grant expenditures.	No
SB 531/HB 269	Housing Navigator and Aftercare Program (Ch. 638/Ch. 637)	Potential grant expenditures.	No
SB 625/HB 1067	Public Schools and Shelters – Homeless Girls and Women – Feminine Hygiene Products (Ch. 642/Ch. 641)	Potential grant expenditures.	No
SB 703	Maryland Agricultural Land Preservation Foundation – Participation in the Readiness and Environmental Protection Integration Program (Ch. 394)	Potential federal fund expenditures.	No
SB 710	Education – Children With Disabilities – Individualized Education Program Process – Parental Consent (Ch. 727)	Potential school system administrative costs.	Yes

## 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 734	Sexual Assault Victims Resources Act of 2017 (Ch. 659)	Potential grant expenditures.	No
SB 872	James W. Hubbard Inclusive Higher Education Grant Program (Ch. 612)	Potential grant expenditures.	No
SB 917	Motor Vehicles – Seasonal Exceptional Poultry Hauling Permit (Ch. 353)	Minimal highway maintenance costs, potentially through FY 2022, for certain counties.	No
SB 949	Criminal Procedure – Expungement – Possession of Marijuana (Ch. 801)	Potential significant compliance costs.	No
SB 951/HB 1149	Maryland Securities Act – Vulnerable Adults (Ch. 838/Ch. 837)	Potential investigative costs.	No
SB 957/HB 1168	Counties and Municipalities – Land Bank Authorities (Ch. 619/Ch. 618)	Potential implementation costs.	No
SB 967/HB 1329	Heroin and Opioid Prevention Effort (HOPE) and Treatment Act of 2017 (Ch. 572/Ch. 571)	Potential significant grant expenditures in FY 2019 may continue in future years.	No
SB 1024/HB 684	Education – State Grants for Education Aid (Ch. 607/Ch. 6)	School system expenditures increase by the amount of increased State aid. Additional compliance costs for Baltimore City.	Yes
SB 1060/HB 1082	Heroin and Opioid Education and Community Action Act of 2017 (Start Talking Maryland Act) (Ch. 574/Ch. 573)	Potential significant school system costs, partially offset by grant revenues in FY 2019. Potential significant health department costs. Potential compliance costs for community colleges.	Yes
SB 1190	Bay Restoration Fund – Upgraded Wastewater Facilities – Grants to Counties and Municipalities (Ch. 397)	Expenditures are affected correspondingly with any reallocation of grant revenues.	No
HB 124	Environment – Solid Waste and Recycling Facilities (Ch. 376)	Potential significant impact on recycling facility operation costs.	No

## Legislation Affecting Local Government Expenditures

178

<u>Bill #</u>	<u>Title</u>	<u>Comment</u>	<u>Mandate</u>
HB 125	Environment – Emergency Action Plans for Dams (Ch. 377)	Potential significant compliance costs.	Yes
HB 152	Budget Reconciliation and Financing Act of 2017 (Ch. 23)	Baltimore City Public Schools expenditures decrease by \$5.5 million in FY 2018. Baltimore City expenditures increase by \$5.5 million in FY 2018.	Yes
HB 153	Creation of a State Debt – Qualified Zone Academy Bonds (Ch. 32)	School system costs for renovation and repair increase by a maximum of \$4.82 million between FY 2018 and 2020 in accordance with grant revenues.	No
HB 199	Capital Grants for Senior Citizen Activities Centers (Ch. 116)	Potential significant grant and matching fund expenditures.	No
HB 255/SB 349	See entry for SB 349.		Yes
HB 267/SB 257	See entry for SB 257.		No
HB 269/SB 531	See entry for SB 531.		No
HB 270	Environment – Testing for Lead in Drinking Water – Public and Nonpublic Schools (Ch. 386)	Potential significant school system compliance costs beginning in FY 2019.	Yes
HB 321	Maryland-National Capital Park and Planning Commission – Audit Committee and Office of the Inspector General MC/PG 110-17 (Ch. 361)	M-NCPPC expenditures increase by \$45,000 annually.	No
HB 384/SB 343	See entry for SB 343.		No
HB 417/SB 314	See entry for SB 314.		No
HB 429/SB 217	See entry for SB 217.		No
HB 441	Education – Debt Service for Transferred Schools – County Reimbursement Grace Period (Ch. 594)	Counties may defer debt service expenditures. Likely only affects Baltimore City.	No
HB 467	Providing Our Workers Education and Readiness (POWER) – Apprenticeship Act (Ch. 782)	Potential capital construction costs.	No

Effect of the 2017 Legislative Program on the Financial Condition of the State

## 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>
HB 523	Electronic Nicotine Delivery Systems and Vaping Liquid – Licensing (Ch. 814)	Minimal circuit court costs.	No
HB 617/SB 29	See entry for SB 29.		No
HB 626	Agriculture – Animal Shelters – Standards of Care and Protocol Implementation and Enforcement (Ch. 409)	Potential compliance costs.	No
HB 627	Motor Fuel Tax Refund – Demand Response Trips (Ch. 522)	Motor fuel tax expenditures decrease by \$742,000 in FY 2018 and by about \$1.1 million annually thereafter in certain jurisdictions.	No
HB 675/SB 61	See entry for SB 61.		No
HB 684/SB 1024	See entry for SB 1024.		Yes
HB 747	Public Health – Cigarette Restitution Fund Programs – Modifications (Ch. 139)	Potential decrease in administrative costs.	No
HB 811	Allegany County and Prince George’s County – Video Lottery Terminal Proceeds – Use of Local Impact Grants (Ch. 472)	Reallocation of local impact grant expenditures in Allegany and Prince George’s counties.	No
HB 836	Criminal Procedure – Expungement – Common Law Battery (Ch. 703)	Minimal compliance costs.	No
HB 887	Health Insurance – Prior Authorization for Drug Products to Treat an Opioid Use Disorder – Prohibition (Ch. 581)	Minimal employee health care costs.	No
HB 920	Primary and Secondary Education – Certificated School Personnel – Training Requirement (Ch. 335)	Potential significant school system training costs.	Yes
HB 979	Property Tax Credit – Public Safety Officers (Ch. 686)	Reimbursement costs.	Yes

## Legislation Affecting Local Government Expenditures

180

<u>Bill #</u>	<u>Title</u>	<u>Comment</u>	<u>Mandate</u>
HB 1021	Reorganization of State Procurement (Ch. 590)	Potential impact on procurement costs.	No
HB 1045	On-Site Sewage Disposal Systems – Membrane Bioreactor (MBR) Technology – Regulations (Ch. 391)	Potential implementation costs.	No
HB 1067/SB 625	See entry for SB 625.		No
HB 1082/SB 1060	See entry for SB 1060.		Yes
HB 1109	Teachers' Retirement and Pension Systems – County Boards of Education Payments (Ch. 5)	Pension costs for local school boards decrease by \$2.8 million in FY 2017.	No
HB 1149/SB 951	See entry for SB 951.		No
HB 1163	Criminal Procedure – Conditional Release – Electronic Monitoring (Amber's Law) (Ch. 643)	Potential law enforcement costs.	No
HB 1168/SB 957	See entry for SB 957.		No
HB 1253	State Boat Act – Removal of Abandoned or Sunken Vessels (Ch. 408)	Potential decrease in expenditures relating to liability claims.	No
HB 1294/SB 426	See entry for SB 426.		No
HB 1329/SB 967	See entry for SB 967.		No
HB 1345	National Capital Strategic Economic Development Fund (Ch. 523)	Potential grant and matching fund expenditures.	No
HB 1349	Environment – Compostable, Degradable, and Biodegradable Plastic Products – Labeling (Ch. 374)	Potential enforcement costs.	No
HB 1464	Make Office Vacancies Extinct Program (Ch. 846)	Potential program costs.	No

*Effect of the 2017 Legislative Program on the Financial Condition of the State*

## Legislation Affecting Local Government Expenditures

<u>Bill #</u>	<u>Title</u>	<u>Comment</u>	<u>Mandate</u>
HB 1484/SB 194	See entry for SB 194.		No
HB 1513	Maryland Historic Trust Grant Fund Improvement Act (Ch. 513)	Grant expenditures.	No
HB 1632	Public Health – Certificates of Birth – Births Outside an Institution (Ch. 11)	Minimal decrease in health department costs.	No

## Legislation Affecting Local Governments by Subdivision

### *Anne Arundel County*

SB 374/HB 554	Anne Arundel County – Alcoholic Beverages – Board of License Commissioners – Attorneys (Ch. 831/Ch. 830)	Legal costs increase by a maximum of \$70,000 annually.	No
HB 85	Anne Arundel County – Charitable Gaming (Ch. 474)	Minimal administrative and enforcement costs.	No
HB 554/SB 374	See entry for SB 374.		No
HB 716	Anne Arundel County – Board of Education (Ch. 473)	Compensation costs increase by \$11,000 annually once fully implemented. Election costs increase by \$47,500 for primary elections.	No

### *Baltimore City*

SB 487	Baltimore City – Residential Ground Leases – Abandoned Property (Ch. 595)	Minimal decrease in ground rent claim payments for abandoned properties.	No
SB 846	Baltimore City – Hotel Room Tax – Convention Center Promotion and Operations (Ch. 597)	Mandatory expenditures for convention center marketing and tourism promotion continue through FY 2022.	Yes
SB 1149	Baltimore City – Maryland Transit Administration – Transit Services for Public School Students (Ch. 785)	School system transportation expenditures decrease by \$6.0 million annually from FY 2019 through 2021.	No

## Legislation Affecting Local Government Expenditures

182

Effect of the 2017 Legislative Program on the Financial Condition of the State

<u>Bill #</u>	<u>Title</u>	<u>Comment</u>	<u>Mandate</u>
<b><i>Baltimore County</i></b>			
SB 782/HB 74	Maryland Consolidated Capital Bond Loan of 2014 – Baltimore County – Chesapeake High Stadium (Ch. 87/Ch. 21)	Grant expenditures decrease by a maximum of \$80,000.	No
HB 74/SB 782	See entry for SB 782.		No
<b><i>Calvert County</i></b>			
SB 473	Calvert County – Bonding Authority (Ch. 80)	Debt service expenditures increase by \$1.18 million annually over a 15-year period and \$170,500 annually over a 25-year period.	No
<b><i>Carroll County</i></b>			
SB 106/HB 219	Carroll County – Local Government Tort Claims Act (Ch. 45/Ch. 46)	Insurance costs decrease by \$67,500 in FY 2018 and by \$90,000 annually thereafter.	No
SB 324	Carroll County – Mechanical Musical Devices – Licensing Requirements – Repeal (Ch. 434)	Minimal decrease in administrative costs.	No
SB 456	Carroll County – State’s Attorney – Salary (Ch. 437)	Salary expenditures increase by \$9,800 in FY 2019 and by a minimum of \$19,500 annually thereafter.	No
SB 457	Carroll County – Sheriff’s Salary (Ch. 436)	Salary expenditures increase by \$7,000 in FY 2019 and by a minimum of \$14,000 annually thereafter.	No
HB 219/SB 106	See entry for SB 106.		No
HB 251	Carroll County – Public Facilities Bonds (Ch. 435)	Debt service expenditures increase by \$1.6 million annually over a 20-year period.	No

## Legislation Affecting Local Government Expenditures

<u>Bill #</u>	<u>Title</u>	<u>Comment</u>	<u>Mandate</u>
<b><i>Cecil County</i></b>			
SB 211/HB 629	Cecil County – Orphans’ Court Judges – Travel Expense Allowance (Ch. 78/Ch. 79)	Compensation costs increase by \$1,100 in FY 2019 and by \$2,200 annually thereafter.	No
HB 629/SB 211	See entry for SB 211.		No
<b><i>Charles County</i></b>			
SB 347/HB 457	Charles County – State’s Attorney’s Office and Child Support Enforcement Administration – Transfer of Personnel (Ch. 135/Ch. 134)	Significant decrease in personnel costs for child support enforcement.	No
SB 909/HB 446	Charles County – Collective Bargaining for Public Safety Officials (Ch. 177/Ch. 178)	Potential legal and employee compensation costs.	No
HB 446/SB 909	See entry for SB 909.		No
HB 457/SB 347	See entry for SB 347.		No
HB 1300	Charles County – Garbage Disposal Services – Provider Displacement (Ch. 419)	Potential significant implementation costs in future years.	Yes
HB 1320	Southern Maryland Code Counties – Towing Companies – Authority to Regulate (Ch. 735)	Potential enforcement costs.	No
<b><i>Frederick County</i></b>			
HB 1182	Frederick County – State’s Attorney – Annual Salary (Ch. 495)	Salary expenditures increase by \$23,900 in FY 2019 and by a minimum of \$48,200 annually thereafter.	No
<b><i>Harford County</i></b>			
HB 1500	Sheriff of Harford County – Salary (Ch. 736)	Salary expenditures increase by \$10,400 in FY 2019 and by a minimum of \$8,300 annually thereafter.	No



## Legislation Affecting Local Government Expenditures

184

Effect of the 2017 Legislative Program on the Financial Condition of the State

<u>Bill #</u>	<u>Title</u>	<u>Comment</u>	<u>Mandate</u>
<b><i>Montgomery County</i></b>			
HB 346	Montgomery County – Property Tax Credit – Public Safety Officers MC 1-17 (Ch. 118/Ch. 812)	Reimbursement costs may increase by \$166,400 annually.	No
HB 386	Montgomery County – Economic Development – Business Improvement Districts MC 12-17 (Ch. 444)	Potential costs associated with the formation of business improvement districts.	No
<b><i>Prince George’s County</i></b>			
SB 488/HB 1317	Prince George’s County – Alcoholic Beverages Regulation Reform Act of 2017 (Ch. 811)	Consultant costs increase by \$75,000 in FY 2018.	Yes
SB 509	Prince George’s County – Orphans’ Court Judges – Salary (Ch. 454)	Salary expenditures increase by \$18,400 in FY 2019 and by \$36,800 annually thereafter.	No
HB 1317/SB 488	See entry for SB 488.		Yes
HB 1551	Prince George’s County Local Management Board – Strategic Plan, Report, and Study PG 426-17 (Ch. 456)	Potential significant grant and matching fund expenditures.	No
HB 1573	Prince George’s County – Tax Sales – Limited Auction and Foreclosure for Abandoned Property PG 411-17 (Ch. 819)	Potential significant administrative costs.	Yes
HB 1576	Prince George’s County – Student Loan Refinancing Authority PG 419-17 (Ch. 311)	Contractual and program costs increase by \$78,000 annually in FY 2018 and 2019. Potential implementation and operating costs in future years.	Yes

## Legislation Affecting Local Government Expenditures

<u>Bill #</u>	<u>Title</u>	<u>Comment</u>	<u>Mandate</u>
<b><i>Queen Anne's County</i></b>			
SB 212/HB 173	Baltimore Metropolitan Council – Queen Anne's County – Membership (Ch. 302/Ch. 303)	Membership costs increase by \$44,400 in FY 2018 and by \$59,200 annually thereafter.	No
HB 173/SB 212	See entry for SB 212.		No
<b><i>St. Mary's County</i></b>			
SB 298	St. Mary's County – Sheriff, County Treasurer, and State's Attorney – Salaries (Ch. 428)	Salary expenditures increase by \$38,000 in FY 2019 and by \$76,000 annually thereafter.	No
SB 395/HB 679	St. Mary's County – Metropolitan Commission – Personnel (Ch. 297/Ch. 296)	Potential impact on commission personnel costs.	No
SB 737	St. Mary's County – Bonds and Other Evidences of Indebtedness – Limitations and Repayment (Ch. 424)	Potential decrease in debt service expenditures.	No
HB 679/SB 395	See entry for SB 395.		No
HB 892	St. Mary's County – Public Facility Bonds (Ch. 427)	Debt service expenditures increase by \$1.8 million annually over a 20-year period, likely beginning in FY 2021.	No
<b><i>Somerset County</i></b>			
HB 439	Somerset County – State's Attorney – Annual Salary (Ch. 734)	Salary expenditures increase by \$8,900 in FY 2019 and by \$17,900 annually thereafter.	No
<b><i>Washington County</i></b>			
SB 204/HB 605	PenMar Development Corporation – Dissolution – Authority of Washington County Over Fort Ritchie (Ch. 142/Ch. 141)	Development and maintenance costs of up to \$500,000, potentially beginning in FY 2017, correspond with revenues transferred from the PenMar Development Corporation.	No
HB 605/SB 204	See entry for SB 204.		No



## **Chapter 5. Vetoed Legislation**

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## Vetoed Legislation

The following are 2017 bills that were vetoed by the Governor for policy reasons (but excluding those for which the vetoes were subsequently overridden). The fiscal impact of the legislation is described below.

HB 1	Labor and Employment – Maryland Healthy Working Families Act
	<i>State expenditures (all funds) would have increased, potentially by several million dollars to provide earned sick and safe leave for contractual employees. General fund expenditures for the Department of Labor, Licensing, and Regulation would have increased by \$412,411 in FY 2018, by \$600,539 in FY 2019, and by similar amounts annually thereafter for staff, administrative, and enforcement costs. General fund expenditures for the Department of Budget and Management would have increased by \$75,000 in FY 2018 for programming costs. General fund revenues would have increased minimally from penalties. Local government expenditures would have increased significantly to allow temporary or part-time employees to earn sick and safe leave.</i>
SB 543/HB694	Higher Education – Admissions Process – Criminal History (Maryland Fair Access to Education Act of 2017)
	<i>Higher education expenditures for public four-year institutions of higher education, Baltimore City Community College, and local community colleges may have increased beginning in FY 2018 to develop and implement required changes to admissions procedures. Revenues would not have been materially affected.</i>
SB 1023	Independent Congressional Redistricting Commission – Mid-Atlantic States Regional Districting Process
	<i>The bill would not have affected State or local government finances, as any expense reimbursements for commission members and staffing costs for the Department of Legislative Services would have been minimal and absorbable within existing budgeted resources.</i>