

EFFECT OF THE 2018 LEGISLATIVE PROGRAM ON THE FINANCIAL CONDITION OF THE STATE



DEPARTMENT OF LEGISLATIVE SERVICES 2018

Effect of the 2018 Legislative Program on the Financial Condition of the State

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

July 2018

For further information concerning this document contact:

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

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

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

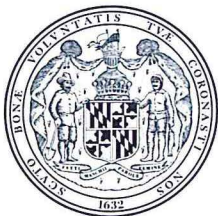
TTY: 410-946-5401 • 301-970-5401

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

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

Home Page: <http://mgaleg.maryland.gov>

The Department of Legislative Services does not discriminate on the basis of age, ancestry, color, creed, marital status, national origin, race, religion, gender, gender identity, sexual orientation, or disability in the admission or access to its programs, services, or activities. The Department's Information Officer has been designated to coordinate compliance with the nondiscrimination requirements contained in Section 35.107 of the Department of Justice Regulations. Requests for assistance should be directed to the Information Officer at the telephone numbers shown above.



DEPARTMENT OF LEGISLATIVE SERVICES
OFFICE OF POLICY ANALYSIS
MARYLAND GENERAL ASSEMBLY

Victoria L. Gruber
Executive Director

Ryan Bishop
Director

July 2018

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, we are pleased to submit the following report, *Effect of the 2018 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 2019 operating budget (**Senate Bill 185/Chapter 570**).

Chapter 2 summarizes the fiscal 2019 capital budget program, including the 2018 capital budget bill (**Senate Bill 186/Chapter 9**).

Chapter 3 identifies enacted legislation from the 2018 session other than **Senate Bill 185** and **Senate Bill 186** 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 2018 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 2018 bills vetoed by the Governor for policy reasons and the bills' associated fiscal impact if they had been enacted. However, 2018 bills for which the vetoes were subsequently overridden are discussed with the enacted legislation.

Further information on issues considered during the 2018 session may be found in *The 90 Day Report – A Review of the 2018 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 2018
Page 2

The enclosed report is prepared by the staff of the Office of Policy Analysis. Mya Dempsey, Richard Duncan, Scott Gates, Mary Alice Gehrdes, David Juppe, Kathleen Kennedy, Scott Kennedy, Matthew Klein, Steven McCulloch, and Nathan McCurdy each contributed to the content or editing of the report. The work was coordinated by Jennifer Botts and reviewed by David Romans. We 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 us.

Sincerely,



Victoria L. Gruber
Executive Director



Ryan Bishop
Director

VLG:RB/mag

Contents

| | |
|--|-----------|
| Transmittal Letter..... | iii |
| Abbreviations | vii |
| Fiscal Effects of the 2018 Legislative Program | 1 |
| Chapter 1. Operating Budget..... | 3 |
| Overview | 5 |
| Budget in Brief | 6 |
| Framing the Session: 2017 Interim Activity | 8 |
| Governor’s Spending Plan as Introduced..... | 11 |
| Legislative Consideration of the Budget | 14 |
| Outlook for Future Budgets..... | 20 |
| Budget Reconciliation and Financing Legislation | 23 |
| Selected Budgetary Initiatives and Enhancements..... | 29 |
| By the Numbers..... | 37 |
| Chapter 2. State Capital Program..... | 45 |
| Summary | 47 |
| PAYGO Capital..... | 83 |
| Debt Affordability | 84 |
| Higher Education..... | 88 |
| School Construction | 89 |
| Transfer Tax Funded Programs | 91 |
| Transfer Tax – Fiscal 2019 Transfer Modification | 93 |
| BRFA Provisions Impacting Fiscal 2019 | 95 |
| Chapter 3. Impact of Legislation on State Revenues and Expenditures | 99 |
| Legislation Affecting State Revenues | 101 |
| Totals by Fund Type/Summary of Quantifiable Revenue Effects | 120 |
| Legislation Affecting State Expenditures | 121 |
| Quantifiable Expenditures by Agency | 153 |
| Totals by Fund Type/Summary of Quantifiable Expenditure Effects..... | 157 |
| Quantifiable Regular Positions Needed by Agency | 158 |
| Quantifiable Contractual Positions Needed by Agency | 160 |

| | |
|--|------------|
| Chapter 4. Local Government | 161 |
| State Aid to Local Governments | 163 |
| Summary of State Mandates..... | 184 |
| Legislation Affecting Local Government Revenues | 185 |
| Legislation Affecting All/Multiple Local Jurisdictions | 185 |
| Legislation Affecting Local Governments by Subdivision..... | 193 |
| Allegany County..... | 193 |
| Anne Arundel County..... | 194 |
| Baltimore City | 194 |
| Baltimore County | 195 |
| Calvert County..... | 195 |
| Caroline County..... | 195 |
| Carroll County | 196 |
| Charles County | 196 |
| Dorchester County | 196 |
| Frederick County | 196 |
| Harford County..... | 197 |
| Howard County | 197 |
| Montgomery County | 197 |
| Prince George’s County | 198 |
| St. Mary’s County | 198 |
| Washington County | 198 |
| Legislation Affecting Local Government Expenditures..... | 199 |
| Legislation Affecting All/Multiple Local Jurisdictions | 199 |
| Legislation Affecting Local Governments by Subdivision..... | 206 |
| Allegany County..... | 206 |
| Anne Arundel County..... | 207 |
| Baltimore City | 207 |
| Baltimore County | 207 |
| Calvert County..... | 208 |
| Carroll County | 208 |
| Charles County | 209 |
| Garrett County | 209 |
| Harford County..... | 209 |
| Howard County | 209 |
| Kent County..... | 210 |
| Montgomery County | 210 |
| Prince George’s County | 210 |
| St. Mary’s County | 211 |
| Somerset County | 211 |
| Washington County | 211 |
| Chapter 5. Vetoed Legislation | 213 |
| Vetoed Legislation..... | 215 |

Abbreviations

| | | |
|----------|---|--|
| 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 |
| NB | — | Nonbudgeted |
| PAYGO | — | pay-as-you-go |
| REIM | — | Reimbursable Funds |
| SB | — | Senate Bill |
| SF | — | Special Fund |
| WSSC | — | Washington Suburban Sanitary Commission |
| () | — | Indicates Decrease |

Fiscal Effects of the 2018 Legislative Program

The fiscal 2019 budget (operating budget bill), Senate Bill 185 (Chapter 570) of 2018, provides \$44.6 billion in appropriations for fiscal 2019, a 2.3% (\$981.4 million) increase above fiscal 2018. The appropriations consist of 40.1% in general fund spending, 29.4% in federal fund spending, 20.3% in special fund spending, and 10.2% in spending of higher education revenue.

The Maryland Consolidated Capital Bond Loan (MCCBL) of 2018 (capital budget bill), Senate Bill 186 (Chapter 9), authorizes \$1.1 billion in general obligation (GO) bonds for capital spending. The overall capital budget program passed by the General Assembly for fiscal 2019 totals \$4.6 billion, consisting primarily of the \$1.1 billion in GO bonds authorized under the MCCBL of 2018, \$2.7 billion for the transportation program (consisting of revenue bond funding and pay-as-you-go (PAYGO) special and federal funding), \$605.5 million in other PAYGO funding, and \$174.0 million in revenue bonds issued by the Maryland Department of the Environment and the University System of Maryland.

The fiscal 2019 budget and the MCCBL of 2018 are consistent with numerous recommendations of the Spending Affordability Committee (SAC). The fiscal 2019 budget fully resolved the projected fiscal 2019 structural deficit and left a structural surplus of \$73.0 million, which met the SAC goal of eliminating the fiscal 2019 structural deficit. The estimated balance of the Rainy Day Fund (\$882.5 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 (\$1.075 billion in new GO bond authorizations) is the amount recommended by SAC.

While the fiscal effect of enacted legislation other than the fiscal 2019 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 2018, Senate Bill 187 (Chapter 10), total to a net decrease in general fund revenues of \$319.7 million and a net decrease in general fund expenditures of \$184.6 million in fiscal 2019, for an overall negative general fund impact of \$135.1 million. Furthermore, the quantified impacts of 2018 legislation have a significant negative net general fund impact, in the range of \$196.9 to \$808.8 million each year, in fiscal 2020 through 2023. The net negative impact results from various actions, including Senate Bill 1122 (Chapter 357), which requires (contingent on voter approval of a constitutional amendment) the Governor to use commercial gaming revenues to provide supplemental funding for public education beginning in fiscal 2020. Special fund revenues increase by a net amount of \$463.4 million, and special fund expenditures increase by a net amount of \$17.6 million in fiscal 2019. Federal fund revenues increase by a net amount of \$55.4 million, and federal fund expenditures increase by a net amount of \$50.5 million in fiscal 2019. In addition, fiscal and policy notes in which personnel impacts were able to be quantified included an overall net increase of 84.9 regular and contractual positions in fiscal 2019.

**Total of Quantified General Fund Impacts of 2018 Legislation
(exclusive of the operating and capital budget bills)**

| | <u>FY 2019</u> | <u>FY 2020</u> | <u>FY 2021</u> | <u>FY 2022</u> | <u>FY 2023</u> |
|---------------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| General Fund Revenues | (\$319,739,479) | \$151,088,566 | \$32,616,002 | (\$81,593,856) | (\$122,584,852) |
| General Fund Expenditures | (\$184,634,812) | \$347,993,892 | \$443,912,795 | \$561,180,009 | \$686,204,282 |
| Net General Fund Impact | (\$135,104,667) | (\$196,905,326) | (\$411,296,793) | (\$642,773,865) | (\$808,789,134) |

A number of the expenditure impacts of 2018 legislation are reflected in the fiscal 2019 budget; however, impacts of certain enacted legislation expected to require increased expenditures beginning in fiscal 2019 are not accounted for in the fiscal 2019 budget. Of the impacts that have been quantified in fiscal and policy notes, \$21.4 million in general fund expenditure increases are not accounted for in the fiscal 2019 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.

**Fiscal 2019 Expenditure Increases (Resulting from 2018 Legislation)
Not Included in the Budget**

| <u>General Funds</u> | <u>Special Funds</u> | <u>Federal Funds</u> |
|-----------------------------|-----------------------------|-----------------------------|
| \$21,435,651 | \$46,987,096 | \$5,662,663 |

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 impacts of 2018 enacted legislation (aside from the fiscal 2019 budget and MCCBL of 2018) 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 the impacts on local governments of legislation enacted in 2018 other than the fiscal 2019 budget and the MCCBL of 2018.

Chapter 1. Operating Budget

- Overview
- Budget in Brief
- Framing the Session: 2017 Interim Activity
- Governor's Spending Plan as Introduced
- Legislative Consideration of the Budget
- Outlook for Future Budgets
- Budget Reconciliation and Financing Legislation
- Selected Budgetary Initiatives and Enhancements
- By the Numbers

Overview

The disposition of additional revenue generated from the federal Tax Cuts and Jobs Act of 2017 dominated the 2018 session. Enacted in December 2017, this significant tax reform measure became law before its impact could be determined by the Board of Revenue Estimates (BRE) for inclusion in the fiscal 2019 allowance. A series of three reports issued by BRE throughout the session culminated in a net write up of nearly \$550 million in general fund revenues across fiscal 2018 and 2019. The write up resulting from the federal tax changes was partially offset by underperformance of sales and income tax revenues.

Legislation was passed at the 2018 session to credit \$200 million of the additional income tax revenue to a special fund to be used in the future to implement the recommendations of the Commission on Innovation and Excellence in Education (Kirwan Commission). Additional bills were passed to provide limited tax relief, including an expansion of the earned income tax credit and an increased income tax standard deduction.

In December 2017, the Spending Affordability Committee (SAC) projected a fiscal 2019 structural general fund shortfall of \$298 million and recommended that the fiscal 2019 shortfall be fully resolved in the 2018 session. The budget introduced by the Governor for fiscal 2019 failed to eliminate the entire structural shortfall, leaving a structural deficit of \$75 million. This plan relied upon \$405.6 million in general fund reductions contingent upon budget reconciliation legislation. Legislative action concurred with some of the Administration's proposals, adjusted reductions to fiscal 2019 for several programs, and kept other mandates intact as legislative priorities. The fiscal 2019 budget grows by 2.3%, to \$44.6 billion. Final action on the budget leaves an estimated \$112.2 million in the General Fund as well as \$882.5 million (5%) in the Revenue Stabilization Account (the Rainy Day Fund). The legislature also met SAC recommendations related to the structural shortfall, general fund and reserve fund balance, federal tax and spending changes, and personnel.

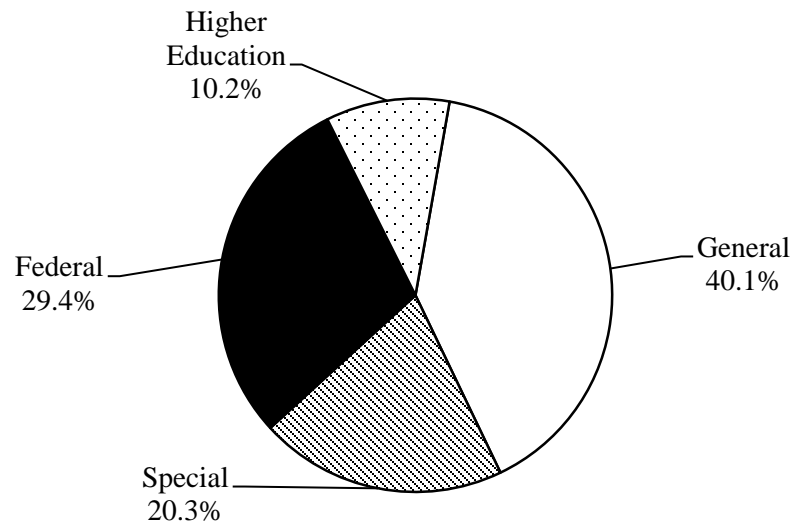
While the State's fiscal position is positive in fiscal 2018 and 2019, the outlook is less favorable in the out-years. A cash shortfall exceeding \$900 million is forecast in fiscal 2020, and is expected to grow to -\$1.8 billion by fiscal 2023. Absent one-time spending, the forecast of ongoing general fund revenue and spending shows a structural deficit of \$834 million in fiscal 2020, growing to \$1.8 billion by fiscal 2023.

Budget in Brief

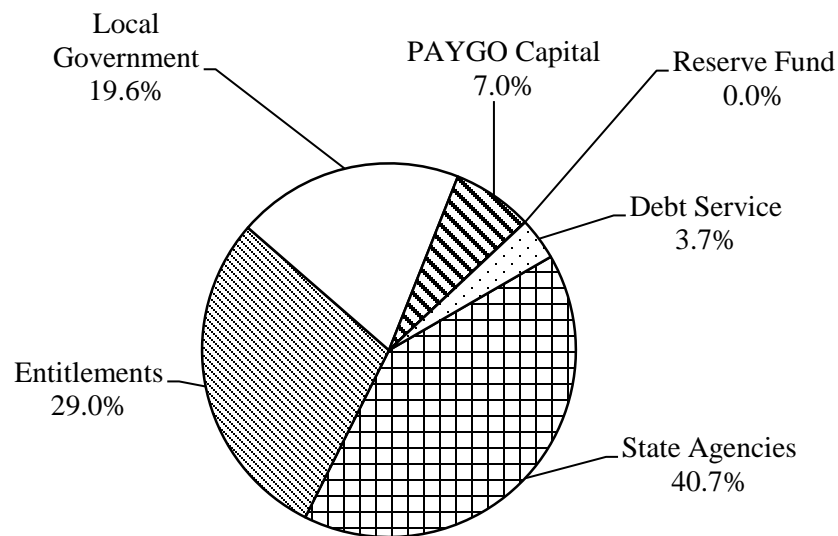
General fund spending in fiscal 2019 increases by \$743 million, or 4.3%, over the fiscal 2018 working appropriation. State agency spending accounts for \$278.3 million of that growth, for a 4.1% growth rate. Increases were provided for a 2% general salary increase effective January 1, 2019, along with negotiated step increases for law enforcement officers, \$38.9 million for additional major information technology (IT) development projects, expansion of community-based services and a provider rate increase in the Developmental Disabilities Administration (DDA), overtime and inmate medical expenses in the Department of Public Safety and Correctional Services (DPSCS), and personnel expenses in the Judicial Branch including funds for Judicial salaries consistent with **Joint Resolution 3**. Higher education saw an increase of \$62.6 million to provide funds to open new facilities and for cyber and workforce development initiatives. Medicaid spending rises by \$202 million, or 6.3%, to support rate increases for managed care organizations and other providers, fund enrollment growth, and align prescription drug rebates with actual attainment.

Local aid grows by \$153.6 million in general funds, or 2.3%. Most of this increase is provided through K-12 education formulas, including the Foundation and Limited English Proficiency programs. General funds to pay debt service on GO bonds increase by \$26.4 million. Finally, fiscal 2019 funding for general fund PAYGO increases by \$50 million, as funding was added for the Capital Region Medical Center, school safety, housing programs, and a Community Engagement Center at the University of Maryland, Baltimore Campus.

Exhibit 1.1
Maryland's \$44.6 Billion Fiscal 2019 Budget
Where It Comes From: Budget by Fund Source



Where It Goes: Budget by Purpose



PAYGO: pay-as-you-go

Source: Department of Legislative Services

Special funds grow by \$172.2 million, or 1.9%, compared to the fiscal 2018 working appropriation. Most of this growth is in the area of PAYGO capital funding that increases by nearly \$100 million. Additional spending is found in the Maryland Department of the Environment (MDE) for the Water Quality Revolving Loan Fund and Bay Restoration Fund, the Maryland Department of Transportation (MDOT) as spending ramps up for construction of the Purple Line and replacement buses are procured, and for Program Open Space (POS) in the Department of Natural Resources (DNR). Special fund operating growth is mostly found in MDOT's State Highway Administration (SHA) for road maintenance and snow removal expense, as well as in the Maryland Transit Administration to pay for paratransit costs and operating expenses for Maryland Rail Commuter (MARC) operations. GO bond debt service also accounts for \$33.2 million of the increase.

Federal fund spending decreases by \$24 million, or 0.2%, largely due to a decrease of \$100.5 million in Food Supplement Program benefits to align the budget with actual spending. Federal funds also decrease due to the completion of PAYGO capital projects in the Military Department and the Department of Veterans Affairs. These large decreases are partly offset by an increase of \$55.3 million in Medicaid and \$57.3 million in support of the MDOT capital program. Medicaid federal spending grows due to annualization of the calendar 2018 provider rate increases and other program expenses. The addition of PAYGO projects in SHA accounts for much of the federal fund growth in MDOT's capital program, offset by cash flow decreases for various MARC transit projects.

Funding for the State's public higher education institutions increases by \$90.2 million in total funds (unrestricted and restricted funds), or 2%, in fiscal 2019. This includes a commitment to limit in-state resident tuition increases to 2%. Aid to community colleges also increases by \$4.7 million to \$322.4 million, including \$2 million for grants to colleges limiting tuition growth to 2%. Aid to nonpublic colleges and universities grows by \$7.4 million, providing a total of \$56.3 million in fiscal 2019.

With respect to personnel, the size of the regular State workforce decreases by 107 positions, to 80,409 regular positions in fiscal 2019. A 2% general salary increase is provided effective January 1, 2019. If fiscal 2018 general fund revenues exceed forecasted levels by at least \$75 million, State employees will also receive an additional 0.5% general salary increase and a \$500 bonus effective April 1, 2019. While there is no funding for merit salary increases for State employees, there is funding to provide step increases for law enforcement officers, per a collective bargaining agreement with the State Law Enforcement Officers' Labor Alliance (SLEOLA).

Framing the Session: 2017 Interim Activity

Fiscal 2017 closed with a balance of \$256.3 million in the General Fund. Fiscal 2017 revenues ended \$90.3 million above the estimate, and agencies reverted \$74.1 million more than anticipated. Higher than anticipated personal income taxes due to the timing of pay periods accounted for most of the increased revenue, offset by a loss of \$47.9 million in the sales tax. Unanticipated reversions were realized chiefly in the Maryland Department of Health's (MDH)

DDA, where \$35.7 million was unexpended based on a higher federal participation rate. High levels of vacant positions in DPSCS contributed \$9 million to the fund balance.

The performance of the economy during calendar 2017 was mixed. The stock market soared on the expectation of tax cuts from the newly elected Trump Administration, and unemployment continued to fall to the low 4% range. At the same time, wages continued to grow at a tepid pace, and sales tax attainment failed to meet expectations. BRE revised fiscal 2018 revenues downward by \$53 million, largely due to sales tax underattainment. Changing demographics and the continued rise of Internet commerce contributed to the weak sales tax performance.

In anticipation of the write down in revenues, Governor Lawrence J. Hogan, Jr. withdrew \$63 million in general and special fund spending through the Board of Public Works (BPW) in September 2017. By fall 2017, the Department of Legislative Services (DLS) reported to SAC that the near term general fund outlook had improved since its June forecast. This was due to the receipt of unexpected bond premiums, lower than projected Medicaid caseload and utilization, a favorable procurement for employee prescription drugs, and the results from the closeout.

BPW Actions

BPW's September 6, 2017 actions reduced fiscal 2018 general fund spending by \$61 million and special fund spending by \$2 million.

State Agencies

State agencies were reduced by \$28 million. Some of the larger general fund actions included:

- \$8.4 million based on higher vacancy rates in DPSCS;
- \$5 million from MDH related to anticipated savings from renegotiating contracts in excess of \$10 million;
- \$4.5 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
- \$3.4 million from the Department of Human Services (DHS) from holding positions vacant and due to maintenance savings from replacement of a legacy IT system.

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.

Entitlements

Medicaid and Temporary Cash Assistance (TCA) were reduced by a combined \$14.7 million. The largest action was a \$10 million Medicaid reduction based on the average length of stay in hospitals. Lower TCA caseloads yielded \$3.7 million, and another \$1 million was cut from Medicaid for hospital presumptive eligibility.

Higher Education

Cuts of \$10.9 million were allotted to State institutions. This included:

- \$8 million to reflect the abolition of 30 positions and cuts to operating expenses at the University System of Maryland (USM);
- \$2.1 million from State aid to private colleges and universities through the Sellinger program. This left approximately \$49 million for the program in fiscal 2018; and
- \$0.8 million in operating expense reductions to Morgan State University (\$0.6 million) and Baltimore City Community College (\$0.3 million).

Fund Swaps

There were \$7.5 million in fund swaps, in which general funds were to be replaced with a like amount of special or federal funds. Most of this was based on use of special funds from the Cigarette Restitution Fund (\$5 million) in lieu of general fund appropriations in Medicaid. Another \$1 million from POS would replace a general fund cut to the Forest Service in DNR. The use of POS balance was based on a separate cut of special fund spending for the Park Service in DNR. General fund reductions were also replaced with special or federal fund dollars in MDE; MDH; the Maryland Department of Agriculture; the Department of Commerce; the Department of Labor, Licensing, and Regulation (DLLR); and St. Mary's College.

Revenue Assumptions

The Administration's plan assumed \$1 million in general fund revenues including \$0.6 million from the Department of Budget and Management's (DBM) Central Collection Unit (CCU) based on special fund reductions to overbudgeted postage.

SAC Recommendations

SAC prepared its final report to the Governor in December 2017, which made recommendations pertaining to the operating budget as it relates to the projected general fund structural deficit, federal tax and spending changes, the level of reserve and general fund cash balances, and personnel.

Spending Limit and Sustainability

In December 2017, DLS projected a fiscal 2019 structural deficit at \$298 million. SAC recommended that the budget, as introduced and enacted, fully resolve the structural deficit for 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 2018 and 2019. In addition, the committee recommended that the General Fund maintain a minimum ending balance of at least \$100 million for fiscal 2019.

Federal Tax and Spending Changes

Prior to the December 2017 enactment of the federal Tax Cuts and Jobs Act, the committee was concerned about its effects on State revenues. Moreover, a looming federal government shutdown, potential sequestration, and the pending re-authorization of the Children's Health Program raised uncertainty about the impact on State spending needs. SAC recommended that the fiscal committees examine federal tax and spending changes to determine their impact on State finances. Particular concern was noted regarding the impact on lower and middle income taxpayers.

Personnel

Based on concerns about high vacancy levels within selected understaffed agencies, SAC recommended that the Administration act to fill positions and develop a plan to address barriers to hiring. It was requested that the plan be submitted to the budget committees by June 1, 2018.

Governor's Spending Plan as Introduced

The Governor's budget plan assumed the State would close fiscal 2018 with a \$207.5 million fund balance. The fund balance reflected savings from the September BPW actions, \$54.5 million of savings from reducing overbudgeted health insurance contributions, \$134 million in deficiency appropriations including \$128.5 million for the Medicaid program, \$77.5 million in assumed reversions, and \$23.4 million of additional revenues and fund balance transfers.

The fiscal 2019 balancing plan proposed by the Administration relied on the fiscal 2018 fund balance, reversions, and \$405.6 million in contingent general fund reductions to achieve a closing fiscal 2019 general fund balance of \$100.6 million. **Exhibit 1.2** details the Governor's original general fund spending plan for fiscal 2018 and 2019.

Exhibit 1.2
Governor's Original Budget Plan
Fiscal 2018-2019
(\$ in Millions)

| | <u>2018</u> | <u>2019</u> |
|---|-----------------------|-----------------------|
| Closing Fiscal 2019 Balance Prior to Administration Adjustments | \$194.5 | -\$290.8 |
| Additional Revenues | \$14.4 | -\$14.2 |
| Transfers | 9.0 | 0.0 |
| <i>Subtotal</i> | <i>\$23.4</i> | <i>-\$14.2</i> |
| Across-the-board Reduction to Health Insurance | \$54.5 | \$0.0 |
| Contingent Reductions | 0.0 | 405.6 |
| Deficiencies | -107.4 | 0.0 |
| Targeted Reversions | 42.5 | |
| <i>Subtotal</i> | <i>-\$10.4</i> | <i>\$405.6</i> |
| Closing Balance | \$207.5 | \$100.6 |

Source: Maryland Budget Highlights, Fiscal 2019

Fiscal 2018 Assumptions

Revenue Assumptions

The Governor's spending plan assumed \$14.4 million in additional general fund revenues. The majority of the additional revenue, \$22 million, resulted from a nationwide settlement agreement with Volkswagen. Remaining increases were assumed from cuts made in September 2017 by BPW to CCU (\$0.6 million) and the Maryland Stadium Authority for sports marketing (\$0.4 million). These increases were offset by a projected loss of \$5.7 million from unrealized settlement revenue and a loss of \$2.8 million from SLGCA due to a deficiency appropriation for a new central monitoring and control system.

Fiscal 2018 deficiency appropriations totaled \$134 million, including \$107.4 million in general funds. The majority of the fiscal 2018 funding (\$128.5 million) was needed for the Medicaid program as the result of increased demand for behavioral health services, revised estimates of special fund availability, and underlying program growth. Another \$46.3 million in general funds was necessary to make up for an equal amount of lower special fund attainment from

gaming revenue flowing into the Education Trust Fund in fiscal 2017 and 2018. Remaining deficiencies were provided across a number of agencies to address small operating expense shortfalls. Deficiencies were partly offset by the withdrawal of \$54.5 million of overbudgeted employee and retiree health insurance costs.

Reversions

Targeted general fund reversions of \$42.5 million were assumed. Some of the larger targeted reversions included:

- \$28 million from over accrued Medicaid funds from fiscal 2017;
- \$5.5 million assumed to come from the Judicial and Legislative budgets based on an across-the-board cut adopted by the Administration due to over budgeted health insurance funding based in part on a favorable rebid of the employee prescription drug contract;
- \$4.5 million from an underutilized program to match college savings plan contributions by lower income participants; and
- \$3.6 million in unused funds from certification stipends and other incentives for teachers.

Fund Transfers

The Administration proposed the transfer of \$9 million from USM to the General Fund to augment the fiscal 2018 fund balance, contingent on a provision in **Senate Bill 187 (Chapter 10)**, the Budget Reconciliation and Financing Act (BRFA) of 2018.

Fiscal 2019 Assumptions

Contingent Reductions

The Governor proposed \$405.6 million in fiscal 2019 general fund reductions, contingent on the enactment of the BRFA of 2018. Some of the larger actions include:

- \$193 million from the funds required to be credited to the Rainy Day Fund from the fiscal 2017 closeout;
- \$50 million from the pension supplemental contribution for one year;
- \$29 million reduced from the mandated capital grant for construction of a new Capital Region Medical Center;

- \$15 million from a delay in a portion of the repayment of monies transferred from POS to the General Fund; and
- \$19.7 million from increasing the local cost share for State Department of Assessments and Taxation operations to 90%.

Revenue Assumptions

The Governor's spending plan assumed a net loss of -\$14.2 million in revenues, primarily due to proposed legislation to provide income tax subtractions for military retirees (-\$12.5 million), and law enforcement, fire, rescue, and emergency services personnel (-\$2 million), as well as an income tax credit for small businesses that provide paid sick leave (-\$5 million). An additional \$4.9 million was assumed due to spending adjustments to SLGCA in fiscal 2019, and \$0.4 million generated from the proposed repeal of Chapter 727 of 2016 providing sports marketing grants to the Maryland Stadium Authority.

Spending Affordability

The Governor's budget plan complied with all of the SAC recommendations except the goal of eliminating the structural deficit for fiscal 2019. The Administration's proposal reduced the projected structural gap from \$298 million to \$75 million.

Legislative Consideration of the Budget

Revenue and Spending Changes

Following submission of the budget in January 2018, the Governor submitted three supplemental budgets, and revenues were revised upward by BRE in March 2018 by a net \$394.2 million across fiscal 2018 and 2019.

Revenue Revisions

In March 2018, BRE revised its general fund revenue projection for fiscal 2018 by -\$39.4 million, consisting of an increase of \$35.5 million from income and sales taxes related to the federal Tax Cuts and Jobs Act offset by revised estimates of -\$74.9 million from the underlying portions of those taxes. Because the federal tax changes take effect during tax year 2018, the full impact on revenues is not seen until fiscal 2019 when net revenues increase by \$433.6 million. Again, underlying revenues are projected to decline by \$78 million, partially offsetting \$511.6 million in new revenue from the federal tax changes. **Exhibit 1.3** illustrates that the net impact of the March 2018 revenue revisions is an increase of \$394.2 million across both fiscal years.

Exhibit 1.3
Board of Revenue Estimates March 2018 Revision
Fiscal 2018-2019
(\$ in Millions)

| | <u>2018</u> | <u>2019</u> | <u>Net Change</u> |
|-----------------------|----------------|----------------|-------------------|
| Underlying Revenues | -\$74.9 | -\$78.0 | -\$152.9 |
| Federal Tax Changes | 35.5 | 511.6 | 547.1 |
| Total Revision | -\$39.4 | \$433.6 | \$394.2 |

Source: Board of Revenue Estimates; Department of Legislative Services

Spending Changes

Following submission of the budget in January 2018, the Governor introduced three supplemental budgets, which proposed a total of \$46.1 million in additional spending. **Exhibit 1.4** summarizes the supplemental budgets by fund type.

Exhibit 1.4
Summary of Supplemental Budgets
2018 Session
(\$ in Millions)

| | <u>General Funds</u> | <u>Special Funds</u> | <u>Federal Funds</u> | <u>Total</u> |
|---------------------------|----------------------|----------------------|----------------------|---------------|
| Supplemental Budget No. 1 | \$5.0 | \$0.0 | \$0.0 | \$5.0 |
| Supplemental Budget No. 2 | 2.6 | 0.0 | 0.0 | 2.6 |
| Supplemental Budget No. 3 | 26.1 | 9.6 | 2.9 | 38.6 |
| Total | \$33.7 | \$9.6 | \$2.9 | \$46.1 |

Source: Department of Legislative Services

Supplemental Budget No. 1

The Governor provided \$5 million in additional fiscal 2019 spending in the first supplemental budget for school safety assessments and expansion of the Maryland Center for School Safety. The increased spending was offset by \$15 million of Medicaid savings from prior years.

Supplemental Budget No. 2

The second supplemental budget appropriated \$2.6 million across fiscal 2018 and 2019 for Local Education Agency compliance, auditing, and monitoring activities in the Maryland State Department of Education (MSDE).

Supplemental Budget No. 3

A third supplemental budget added \$38.6 million in net spending across 23 agencies. The largest component provided \$10 million in school safety grants in the Governor's Office of Crime Control and Prevention (GOCCP). Through SHA, \$4.2 million in PAYGO capital transportation grants were made available for municipalities. The supplemental budget also updated K-12 education formulas in MSDE, added PAYGO capital appropriations through BPW, funded \$3 million in collection commissions in the Comptroller's budget, and included a variety of other appropriations.

Reductions

Fiscal 2018 appropriations were reduced by a net \$17.2 million in all funds. The largest action entailed an \$8.1 million general fund reduction to the Medicaid program in recognition of a settlement with a vendor for a failed IT contract. In the BRFA of 2018, \$8.5 million in unspent funds were withdrawn from the budgets of DDA and the Temporary Disability Assistance Program (TDAP) in DHS.

In total, the fiscal 2019 budget was reduced by \$317.6 million. Of this, \$274 million relates to net reductions that are contingent on the BRFA of 2018. Chief among these were reductions of:

- \$148.5 million from the appropriation to the Rainy Day Fund (leaving a projected fund balance of 5% of general fund revenues at the close of fiscal 2019);
- \$50 million from the pension supplemental contribution;
- \$47.3 million from employee and retiree health insurance to accelerate to January 1, 2019, the shift to Medicare Part D for retiree prescription drugs; and
- \$15 million from repayment for certain POS transfers to the General Fund as mandated by Chapter 10 of 2016. A provision in the BRFA of 2018 requires this amount to be repaid in fiscal 2022.

Another \$43.6 million in noncontingent cuts were adopted, including:

- \$20 million from MDH due to overbudgeted estimates of uncompensated care funding;

- \$13.5 million from the Judiciary's budget due to reductions to merit increases (which were not funded in the Executive Branch), and judicial compensation, to align funding with the amount approved for Judicial salary increases in **Joint Resolution 3**; and
- \$6 million from MDH based on overbudgeted funds from the buildout of the software and other IT infrastructure for an Integrated Care Network.

Final Actions Related to SAC

Limiting Spending Growth

Exhibit 1.5 indicates that final revenue and spending actions by the legislature fully resolved the projected fiscal 2019 structural deficit, and leaves a structural surplus of \$73 million. **The goal to eliminate the fiscal 2019 general fund structural deficit was met.**

General Fund and State Reserve Fund Balances

Final legislative action yielded an estimated closing fiscal 2019 balance of \$112.2 million, which is above the \$100 million general fund balance recommended by SAC. With respect to the Rainy Day Fund, an appropriation of \$3.3 million results in an estimated \$882.5 million balance. This level of balance is equal to 5% of estimated general fund revenues. **Final action on the budget complied with the SAC recommendations to maintain a general fund balance in excess of \$100 million and a balance in the Rainy Day Fund at or above 5% of estimated revenues.**

Federal Tax and Spending Changes

The budget, as introduced, did not account for the revenue impact of the federal Tax Cuts and Jobs Act. Estimates of the fiscal 2018 and 2019 revenue impacts were prepared by BRE during the 2018 session and subsequently incorporated in its March 2018 revenue revision. The fiscal committees did examine the effects on State and local finances, including the impact on lower and middle income taxpayers in the State. Legislation was passed to expand the earned income tax credit under **Senate Bill 647/House Bill 856 (Chapters 611 and 612)**, increase the standard deduction under **Senate Bill 318/House Bill 570 (Chapters 576 and 577)**, and provide or expand income tax deductions for the retirement income of military personnel, correctional officers, law enforcement, fire, rescue, and emergency services personnel under **Senate Bill 996 (Chapter 573)**, **House Bill 296 (Chapter 581)**, and **House Bill 327 (Chapter 572)**. The U.S. Congress did re-authorize the Children's Health Program, and subsequent budget agreements averted federal government shutdowns or sequestration reductions. **The final action for federal tax and spending changes is consistent with the SAC recommendation.**

Exhibit 1.5
Operating Budget Affordability Limit
(\$ in Millions)

| | |
|---|-----------------|
| Target: Eliminate Structural Gap | \$298 |
| Revenues | |
| Ongoing Revenues | \$17,795 |
| Transfer of Ongoing Revenue to the Excellence in Education Fund | 57 |
| Subtotal | \$17,852 |
| Spending | \$17,874 |
| Remove One-time Spending | |
| Pay-as-you-go Capital | -\$47 |
| State Reserve Fund | -36 |
| K-12 Declining Enrollment and Prekindergarten Grants | -15 |
| Other | -15 |
| Supplemental Budget No. 3 One-time Spending | -12 |
| Add Back Savings from Temporary Fund Swaps | |
| Medicaid Cigarette Restitution Fund Balance | \$18 |
| Medicaid Use of Maryland Trauma Physician Services Fund Balance | 8 |
| Medicaid Hospital Deficit Assessment | 5 |
| Subtotal | \$17,779 |
| Structural Surplus/(Deficit) | \$73 |

Source: Department of Legislative Services

State Employment

In the DBM budget, \$100,000 was restricted pending a report outlining strategies to fill vacant positions, address hiring standards and requirements, and review turnover levels. This report was due by June 1, 2018, and was submitted by the Administration. **Legislative action is consistent with the SAC recommendation.**

Summary of 2018 Session Activity

Exhibit 1.6 compares the Administration's budget balancing plan with the final action adopted by the legislature for fiscal 2019. The legislature adopted \$289.1 million of spending reductions in the BRFA of 2018, about \$125 million less than proposed by the Administration.

Following the BRE March revenue revisions, revenue adjustments included a set-aside of \$200 million toward future education expenses based on the recommendations of the Kirwan Commission. Another \$89.7 million in revenue loss is due to tax legislation adopted during the 2018 session, in addition to \$4.5 million in revenue losses due to other legislation. Spending increased by \$18.7 million in three supplemental budgets (net of an additional \$15 million in reversions), offset by \$35.7 million in reductions. At the end of fiscal 2019, the closing balance is estimated to be \$112.2 million.

Exhibit 1.6
Final Legislative Budget Action
Fiscal 2018-2019
(\$ in Millions)

| | <u>Admin.</u> | <u>Conf.</u> |
|--|-----------------|-----------------|
| Fiscal 2019 Balance Before Legislation | -\$275.7 | -\$295.2 |
| Legislation | | |
| Budget Reconciliation and Financing Act (BRFA) | \$414.1 | \$289.1 |
| Dedicated Funds for Future Education Costs (BRFA) | 0.0 | -200.0 |
| Tax and Other Legislation | -19.5 | -93.1 |
| Financial Institutions Special Fund (House Bill 187 (Chapter 479)) | 1.3 | 0.1 |
| Revenue Adjustments | | |
| BRE March 2018-Adjust for Federal Tax Changes | \$547.1 | \$547.1 |
| BRE March 2018-Other Adjustments | -152.9 | -152.9 |
| Spending | | |
| Supplemental Budgets No. 1, No. 2, and No. 3 | -\$18.7 | -\$18.7 |
| Net Legislative Budget Cuts | | 35.7 |
| Fiscal 2019 Estimated Closing Balance | \$476.1 | \$112.2 |
| Maryland Taxpayer Protection Act (Senate Bill 733/House Bill 875 (both failed)) | -\$614.8 | \$0.0 |
| Revised Fiscal 2019 Estimated Closing Balance | -\$138.7 | \$112.2 |

BRE: Board of Revenue Estimates

Source: Department of Legislative Services

Outlook for Future Budgets

As shown in **Exhibits 1.7 and 1.8**, fiscal 2019 is projected to end with a fund balance of \$112 million, which is \$79 million less than the projected fiscal 2018 ending balance. In fiscal 2019, ongoing revenues exceed ongoing spending by \$73 million.

The structural surplus of \$73 million in fiscal 2019 is an improvement from the projected \$222 million structural deficit for fiscal 2018. The structural deficit returns in fiscal 2020 at a projected level of \$834 million and grows each year of the forecast, reaching nearly \$1.8 billion by fiscal 2023. Between fiscal 2019 and 2023, ongoing revenues are projected to grow at an average annual rate of 3.3%, while ongoing spending is projected to grow at an average annual rate of 5.6%.

The forecast is impacted by legislation enacted during the 2018 session. This includes impacts on revenues and spending. Legislation affecting revenues with a projected five-year impact of \$50 million or more includes:

- **Senate Bill 318/House Bill 570 (Chapters 576 and 577)** alter the value of the standard deduction in tax year 2018 by increasing its maximum value to \$2,250 for all single taxpayers and \$4,500 for all taxpayers filing jointly. Beginning in tax year 2019, the value of the standard deduction is indexed based on the annual change in the cost of living. It is estimated that altering the standard deduction will decrease State revenues by \$56.6 million in fiscal 2019, \$44.2 million in fiscal 2020, \$49.7 million in fiscal 2021, \$55.4 million in fiscal 2022, and \$61.5 million in fiscal 2023.
- **Senate Bill 646/House Bill 308 (Chapters 15 and 21)** specify that the value of the federal unified credit used to calculate the Maryland estate tax is equal to the amount corresponding to an applicable exclusion amount of \$5 million. The bill also establishes “portability” under the State estate tax by allowing, under specified circumstances, the estate of a married taxpayer to pass along the unused part of the estate tax exclusion amount to the surviving spouse. General fund revenues are projected to grow by \$38.6 million in fiscal 2020, increasing to \$53.4 million in fiscal 2021, \$55.5 million in fiscal 2022, and \$58.2 million in fiscal 2023.
- **Senate Bill 1154 (Chapter 595)** alters the film production activity tax credit by (1) eliminating the program’s reserve fund; (2) specifying that the Secretary of Commerce may award specified maximum amounts of tax credits in each fiscal year; and (3) requiring the Secretary of Commerce to reserve 10% of all tax credits in each fiscal year for qualified small or independent film entities. General fund revenues decrease by \$3.0 million in fiscal 2019, \$11 million in fiscal 2020, \$14 million in fiscal 2021, \$17 million in fiscal 2022 and \$20 million in fiscal 2023.
- **Senate Bill 187 (Chapter 10)** creates the Commission on Innovation and Excellence in Education Fund (also known as the Kirwan Commission) and requires that the Comptroller

distribute \$200 million in income tax revenue to the fund in fiscal 2019 for use in a future fiscal year. General fund revenues decrease by \$200 million in fiscal 2019.

Exhibit 1.7
General Fund Budget Outlook
Fiscal 2019-2023
(\$ in Millions)

| | 2019 | 2020 | 2021 | 2022 | 2023 | 2019-23 |
|--|-----------------|-----------------|-----------------|-----------------|-----------------|----------------|
| | Leg. | Est. | Est. | Est. | Est. | Avg. |
| Revenues | Approp. | | | | | Annual |
| | | | | | | Change |
| Opening Fund Balance | \$192 | \$112 | \$0 | \$0 | \$0 | |
| Transfers | 0 | 39 | 46 | 136 | 187 | |
| One-time Revenues | 143 | 0 | 0 | 0 | 0 | |
| One-time Revenue Changes – Legislation | -200 | 0 | 0 | 0 | 0 | |
| Subtotal One-time Revenue | \$134 | \$151 | \$46 | \$136 | \$187 | |
| Ongoing Revenues | \$17,946 | \$18,355 | \$18,949 | \$19,632 | \$20,386 | |
| Revenue Adjustments and Legislation | -94 | -54 | -50 | -59 | -68 | |
| Subtotal Ongoing Revenue | \$17,852 | \$18,301 | \$18,899 | \$19,573 | \$20,318 | 3.3% |
| Total Revenues and Fund Balance | \$17,986 | \$18,452 | \$18,945 | \$19,709 | \$20,505 | 3.3% |
| Ongoing Spending | | | | | | |
| Operating Spending | \$18,314 | \$19,413 | \$20,293 | \$21,160 | \$22,017 | |
| VLT Revenues Supporting Education ⁽¹⁾ | -503 | -520 | -507 | -514 | -522 | |
| Ongoing (Reductions)/Additions | -30 | 2 | 2 | 2 | 0 | |
| Ongoing Spending – Legislation | -1 | 241 | 368 | 497 | 638 | |
| Subtotal Ongoing Spending | \$17,779 | \$19,135 | \$20,157 | \$21,145 | \$22,133 | 5.6% |
| One-time Spending | \$95 | \$246 | \$226 | \$176 | \$155 | |
| Total Spending | \$17,874 | \$19,381 | \$20,382 | \$21,321 | \$22,287 | 5.7% |
| Ending Balance | \$112 | -\$929 | -\$1,437 | -\$1,612 | -\$1,782 | |
| Rainy Day Fund Balance | \$883 | \$1,010 | \$1,184 | \$1,283 | \$1,313 | |
| Balance Over 5% of GF Revenues | 1 | 92 | 237 | 302 | 294 | |
| As % of GF Revenues | 5.01% | 5.50% | 6.25% | 6.54% | 6.44% | |
| Structural Balance | \$73 | -\$834 | -\$1,258 | -\$1,572 | -\$1,814 | |

GF: general fund

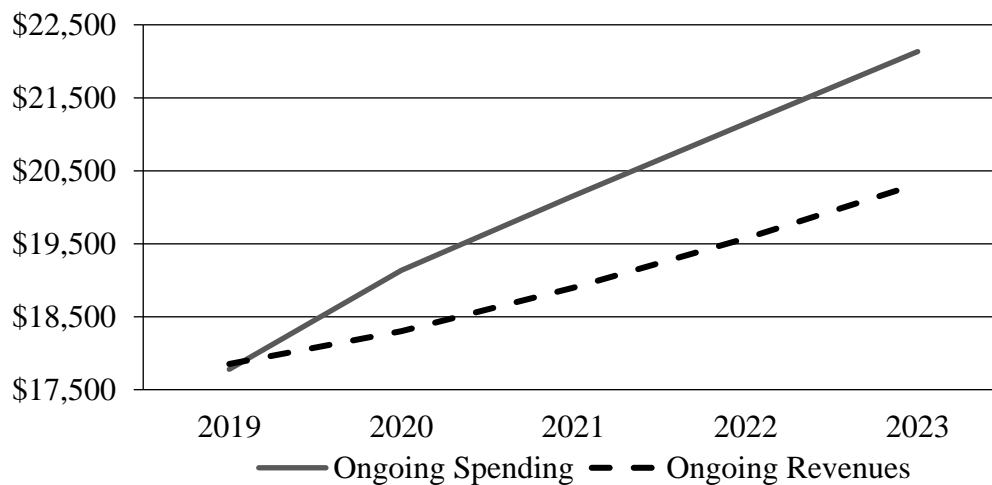
PAYGO: pay-as-you-go

VLT: video lottery terminal

⁽¹⁾ The Education Trust Fund is supported by revenues from video lottery terminals and table games.

Source: Department of Legislative Services

Exhibit 1.8
The General Fund Structural Deficit
Is Projected to Exceed \$1.8 Billion by Fiscal 2023
Fiscal 2019-2023
(\$ in Millions)



Source: Department of Legislative Services

Legislation affecting expenditures with a projected five-year impact of \$50 million or more includes:

- Senate Bill 1122 (Chapter 357)** proposes an amendment to the Maryland Constitution that will, if approved by the voters at the next general election, require the Governor to provide supplemental State funding for public education through the use of commercial gaming revenues that are dedicated to public education in the State budget beginning in fiscal 2020. Supplemental funding must total \$125 million in fiscal 2020, \$250.0 million in fiscal 2021, and \$375 million in fiscal 2022. In all subsequent years, 100% of the gaming revenues dedicated to public education must be used for supplemental funding. In fiscal 2023, this is estimated at \$522 million.
- Senate Bill 1084/House Bill 1548 (Chapters 639 and 640)** establish the Continuing the Creating Opportunities for Renewal and Enterprise (CORE) Partnership Fund within the Department of Housing and Community Development (DHCD) to assist the department, in conjunction with the Maryland Stadium Authority and Baltimore City, in expeditiously removing blighted property within Baltimore City. The bills mandate funding of \$30 million in fiscal 2020 and \$25 million annually from fiscal 2021 through 2024.

- **House Bill 1415 (Chapter 361)** extends the deadline for the Commission on Innovation and Excellence in Education to complete its work by one year. It also establishes or alters several programs and mandates funding for them beginning in fiscal 2019, including (1) a comprehensive teacher recruitment and outreach program; (2) the Maryland Early Literacy Initiative; (3) the Learning in Extended Academic Programs grant program; (4) the Public School Opportunities Enhancement Program; (5) the Teaching Fellows for Maryland scholarship program; and (6) the Career and Technology Education Innovation grant program. Beginning in fiscal 2020, the Governor must annually appropriate to the Prekindergarten Expansion Fund an amount that is at least equal to all revenues received by the fund in the previous fiscal year. Finally, the scope of a study of the individualized education program process in Maryland is expanded, and the due date for the study is extended. General fund spending is projected to increase by \$22.3 million in fiscal 2020 and 2021, and by \$25.3 million in fiscal 2022 and 2023.
- **House Bill 16 (Chapter 554)** establishes several initiatives intended to reduce the costs of attending community college and increase postsecondary completion rates in the State, including (1) beginning in the 2019-2020 academic year, a Maryland Community College Promise Scholarships Program for eligible applicants; (2) programs for students nearing the completion of a degree; and (3) specified tuition caps for community colleges in academic years 2019-2020 and 2020-2021. General fund spending is projected to increase by approximately \$15.6 million per year for fiscal 2020 through 2023.
- **Senate Bill 611 (Chapter 561)** establishes the Healthy School Facility Fund within the Interagency Committee on School Construction (IAC) to provide grants to public schools to improve the health of school facilities. The Governor must appropriate \$30 million for the fund in fiscal 2020 and 2021, which must be in addition to funds that would otherwise be appropriated for public schools. IAC must administer the grant program.

Budget Reconciliation and Financing Legislation

As summarized in **Exhibit 1.9**, the BRFA of 2018 has an overall \$89.2 million impact on the fiscal 2019 budget plan. Specifically, fiscal 2018 transfers and expenditure reductions total \$14.6 million and fiscal 2019 expenditure reductions total \$274.6 million, with these transfers and reductions partially offset by a \$200 million credit of fiscal 2019 income tax revenues to a special fund to implement the recommendations of the Kirwan Commission.

Fiscal 2018 Fund Balance Transfers

The BRFA of 2018 authorizes the transfer of \$9 million from USM State-supported fund balance to the General Fund in fiscal 2018. This provision implements a proposal made in September 2017 by BPW as part of cost containment actions taken at that time.

Fiscal 2018 General Fund and Special Fund Expenditure Reductions

The BRFA of 2018 includes four actions to reduce fiscal 2018 expenditures. In DHS, \$1.4 million in general funds is reduced from TDAP based on enrollment trends (which continue to fall) and also because the department has yet to provide an increase in the monthly benefit amount as requested in a fiscal 2018 funding restriction. In DDA, a total of \$7 million (\$4 million in general funds and \$3 million in federal funds) is reduced as a result of contracts for utilization review and financial management services for self-directed services from fiscal 2018 that will not be awarded. A final fiscal 2018 action reduces special funds for the Aid to Non-Public Schools Program by \$100,000 based on savings expected as a result of schools being made ineligible if they have also been found ineligible for the Broadening Options and Opportunities for Students Today program.

Fiscal 2019 General Fund Expenditure Reductions

As noted in **Exhibit 1.9**, there are \$274.6 million in fiscal 2019 general fund reductions contingent on the BRFA of 2018. The largest reduction, \$148.5 million, is to the appropriation to the Rainy Day Fund. As introduced, the BRFA of 2018 reduced the appropriation by \$193 million. The final reduction reflects the restriction of \$44.5 million to be used for various legislative priorities (see Exhibit 1.12 for additional detail). The BRFA of 2018 also defers, for fiscal 2019 only, \$50 million of the supplemental contribution to the State Retirement and Pension System and a \$15 million repayment to POS. An additional POS repayment of \$15 million is added in fiscal 2022.

In February 2018, the federal Bipartisan Budget Act of 2018 was enacted that closes the Medicare Part D coverage gap by January 1, 2019. In response, the BRFA of 2018 accelerates the elimination of State prescription drug coverage for Medicare-eligible retirees by six months while clarifying that a spouse, surviving spouse, dependent child, or surviving dependent child may continue to be enrolled in State prescription drug coverage if they are not eligible to participate in a Medicare prescription drug plan. This provision results in total fund savings of \$47.3 million (\$34.9 million in general funds, \$7.7 million in special funds, and \$4.6 million in federal funds).

The BRFA of 2018 contains two provisions that result in a \$13 million contingent general fund reduction in Medicaid: (1) \$8 million as a result of the one-time use of a like amount of special funds from available fund balance in the Maryland Trauma Physicians Services Fund; and (2) \$5 million as a result of slowing the phase-down of the Medicaid Deficit Assessment from the mandated \$35 million to \$30 million. The out-year phase-down of the assessment remains unchanged: \$40 million in fiscal 2020 and \$25 million per year thereafter.

Two programs in DHCD are also reduced by the BRFA of 2018: (1) the Baltimore Regional Neighborhood Initiative program by \$4 million, leaving \$8 million in fiscal 2019; and (2) the Seed Community Development Anchor Institution program by \$1 million, leaving \$4 million in fiscal 2019. In both instances, out-year funding mandates remain unchanged.

Exhibit 1.9
Actions in the Budget Reconciliation and Financing Act of 2018
(\$ in Millions)

| | <u>Action</u> |
|--|----------------------|
| Fund Balance Transfers – Fiscal 2018 | |
| Transfer from the University System of Maryland State-supported Fund Balance | \$9.0 |
| Contingent General Fund Reductions – Fiscal 2018 | |
| Reduce Unspent Fiscal 2018 Administrative Funds for DDA | \$4.0 |
| Reduce Unspent Fiscal 2018 Funds for TDAP Grant Increase | 1.4 |
| Subtotal | \$5.4 |
| Contingent Special Fund Reductions – Fiscal 2018 | |
| Reduce Unexpended Appropriation for Aid to Non-Public Schools | \$0.1 |
| Contingent General Fund Reductions – Fiscal 2019 | |
| Reduce Appropriation to Rainy Day Fund | \$148.5 |
| Reduce Supplemental Payment to Pension System | 50.0 |
| Medicare-eligible State Retirees to Enroll in Medicare Part D in January 2019 | 34.9 |
| Defer Portion of Transfer Tax Repayment | 15.0 |
| Utilize Trauma Physicians Fund for Medicaid | 8.0 |
| Slow Phase-down of Medicaid Deficit Assessment on Hospitals | 5.0 |
| Reduce Funds for Baltimore Regional Neighborhood Initiative | 4.0 |
| Reduce Funding for 529 Match | 4.0 |
| Reduce Teacher Induction, Retention, and Advancement Pilot Program | 2.0 |
| Repeal Anne Arundel Teacher Pilot Program | 1.9 |
| Reduce Funding for Seed Anchor Institution Program | 1.0 |
| Reduce Next Generation Scholars Mandate | 0.3 |
| Subtotal | \$274.6 |
| Fiscal 2019 Revenue Allocation | |
| Credit \$200 Million in Income Tax Revenue to a Special Fund to Support the Implementation of the Recommendations of the Kirwan Commission | -\$200.0 |
| Total Impact of BRFA on Fiscal 2019 Budget Plan | \$89.2 |

BRFA: Budget Reconciliation and Financing Act

DDA: Developmental Disabilities Administration

Kirwan Commission: Commission on Innovation and Excellence in Education

TDAP: Temporary Disability Assistance Program

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

Source: Department of Legislative Services

Finally, funding for four education programs are reduced. The Teacher Induction, Retention, and Advancement Pilot Program is reduced by \$2 million and the Next Generation Scholars program by \$0.3 million leaving available fiscal 2019 funding of \$3 million and \$4.7 million, respectively. In both cases, out-year funding mandates remain unchanged. Funding for an Anne Arundel County pilot program is eliminated, saving \$1.9 million. The BRFA of 2018 also reduces funding for an annual State matching contribution for certain new accounts in the Maryland College Investment Plan, by \$4 million, leaving \$3 million, and maintains out-year funding at that revised level. The same provision is included in **Senate Bill 933 (Chapter 419)**.

Fiscal 2019 Revenue Allocation

The BRFA of 2018 includes a provision crediting \$200 million in income tax revenues to a newly created special fund to support the implementation of the recommendations of the Kirwan Commission. This provision is also included in **House Bill 1415 (Chapter 361)**.

Other Mandate Relief, Fund Balance Transfers, Cost Control, and Expanded Use of Special Fund Provisions

The BRFA of 2018 includes a provision that provides mandate relief in fiscal 2020 and 2021 by reducing the cap on projected nonwithholding income tax revenues that must, under certain circumstances, be deducted from projected general fund revenue estimates. Specifically, the current 2% cap in place for fiscal 2020 and subsequent years is reduced to 0.5% in fiscal 2020 and 1% in fiscal 2021, thereby potentially freeing up additional general fund revenues in each of those two years. Another provision allows the transfer of \$1.8 million in fund balance in the Tuition Stabilization Trust (a trust established to hold down tuition increases in public four-year institutions) to the Need-based Student Financial Assistance Fund.

The BRFA of 2018 authorizes the use of up to \$300,000 in POS funding provided to the Maryland Heritage Areas Authority Financing Fund to be transferred to the Maryland Historical Trust for noncapital historic preservation grants. Finally, a provision requires MDH and the Health Services Cost Review Commission to develop Medicaid-specific savings targets and performance measures beyond those included in the successor all-payer model contract.

Statutory Clarifications

The BRFA of 2018 includes a series of changes to existing statute that in most cases are primarily clarifying in nature. Specifically, provisions clarify that the Judiciary can include in its budget request funds necessary to implement the recommendations of the Judicial Compensation Commission; the formula used to determine the mandated funding level under the Core Public Health Services program; the use of the Strategic Demolition and Smart Growth Impact Fund; that funding for the Maryland Heritage Areas Authority authorized by Chapters 660 and 661 of 2017 comes from POS State funding for land acquisitions; criteria used to identify interagency agreements to be reviewed; and the submission date for the Maryland Transportation Authority's financial forecast.

Two additional provisions relate to the decision by the U.S. Bureau of Labor Statistics, effective January 2018, to introduce a new geographic area sample for the Consumer Price Index (CPI) consisting of a mix of 75 large, medium, and small urban areas. The combined Washington-Baltimore metropolitan area CPI will no longer be reported and, instead, will be reported separately as the Washington-Arlington-Alexandria DC-VA-MD-WV (Washington Core Based Statistical Area (CBSA)) and Baltimore-Columbia-Towson MD (Baltimore CBSA) regions. Under current law, the State Foundation Formula, student transportation formulas, and other formulas reference the CPI for the Washington-Baltimore metropolitan area. The BRFA of 2018 requires DLS, DBM, and MSDE to determine which regional CPI to use to calculate the State Foundation and student transportation formulas in fiscal 2020 only and for the Kirwan Commission to recommend the appropriate inflationary indices to be used in State education aid formulas. It also requires DLS to identify other statutory references to the obsolete index and make recommendations for an appropriate replacement.

Miscellaneous Recommendations

Other provisions in the BRFA of 2018 include:

- Various items restricting revenue distributed to the Special Fund for Preservation of Cultural Arts or the Maryland State Arts Council, including for a \$450,000 grant to the Maryland Academy of Sciences, a supplemental grant of up to \$650,000 to the Baltimore Symphony Orchestra, seven other grants totaling \$650,000 to various other organizations, and also adding a mandate, beginning in fiscal 2020, to provide a \$250,000 grant for the Maryland Historical Society.
- Adding Legislative Policy Committee review and comment periods on actions related to the Dedicated Purpose Account (45 days) and transfers from the Catastrophic Event Account (15 days).
- Allowing the encumbrance of certain anticipated unspent fiscal 2018 funding in the Maryland Department of Aging and the State Board of Elections to be used in fiscal 2019, and adding a similar provision for any unspent fiscal 2019 school safety funding, allowing it to be spent in fiscal 2020.
- Increasing, from \$249.9 million to \$256.3 million, the amount of Temporary Assistance for Needy Families funding that may be spent in fiscal 2018 based on revised estimates of available funding.
- Allowing rate increases for payments to providers with rates set by the Interagency Rates Committee of 3% over fiscal 2018 levels rather than the 1% originally provided for. The operating budget includes a restriction of \$3 million in general funds in the Rainy Day Fund to support the proposed rate increase.

- Requiring the Bureau of Revenue Estimates to include in its existing revenue reports to BRE a statement of estimated revenues from premium taxes collected by the Maryland Insurance Administration (MIA). In order to prepare the statement, MIA is required to submit to the bureau (1) quarterly premium tax data on a cash basis and by fund source; (2) a fiscal year-end closeout report reconciling the quarterly data; (3) an annual report by insurer; and (4) any other data requested by the bureau.
- Based on the current unfunded liability, extending the \$10 million annual repayment to the Local Income Tax Reserve Account beyond fiscal 2025.
- For fiscal 2020 through 2022, reducing from \$15 million to \$12.5 million a general fund repayment to POS and adding a \$2.5 million mandated funding requirement for the same period for the Maryland Agricultural and Resource-Based Industry Development Corporation in order to fund the Next Generation Farmland Acquisition Program.
- Requiring Transportation Trust Fund forecasts to increase the operating expenditure forecast, net of availability payments paid to public-private partnership concessionaires, by actual operating budget growth rates, except that growth rates may not increase or decrease by more than 0.5 percentage points from the rate assumed in the previous forecast.
- Requiring speed camera revenues distributed to the Department of State Police to be used only to fund motor vehicle purchases.
- Authorizing, for fiscal 2018 and 2019 only, the Maryland Clean Air Fund to retain a balance of \$6 million. Currently, balances over \$2 million revert to the General Fund.
- Requiring any funds provided to State agencies as a result of conditions of an approved merger between AltaGas Ltd. and WGL Holdings, Inc. to be appropriated through the State budget or other legislation. The Public Service Commission approved the merger on April 4, 2018. At the time of writing, the only funding known to be going to a State agency is \$30.3 million to the Natural Gas Expansion Fund to be administered by the Maryland Energy Administration (MEA). The provision in the BRFA of 2018 means that MEA will not be able to use these funds until a deficiency appropriation is approved for fiscal 2019 or an appropriation is included in the fiscal 2020 budget.
- Expressing legislative intent that certain entities licensed to operate instant bingo games using electronic machines be authorized to operate any other electronic machine approved by the SLGCA Commission.

Selected Budgetary Initiatives and Enhancements

K-12 Education Enhancements

Though the Kirwan Commission will not submit its final recommendations for formula funding until its extended deadline of December 31, 2018, the General Assembly reserved funding to prepare for anticipated increased spending for education in the future that will result from these recommendations. Through both the BRFA of 2018 and **House Bill 1415 (Chapter 361)**, the General Assembly established the Commission on Innovation and Excellence in Education Fund, a nonlapsing special fund that may only be used to provide funding for early childhood and primary and secondary education in accordance with the State budget. These bills also reserved \$200 million from the increase in income tax revenue anticipated by BRE for fiscal 2019 for the fund to be spent in a future fiscal year.

The General Assembly restricted funding for initiatives to implement several of the commission's preliminary recommendations. This included \$4.5 million from the Public School Opportunities Enhancement Program to be used for the Learning in Extended Academic Programs grant program to assist schools with high levels of poverty with before school, after school, or summer academic programs. Another \$6.9 million from the State Reserve Fund was restricted for various initiatives, which include literacy programs in Title I schools (\$2.5 million), the Teaching Fellows for Maryland scholarship (\$2 million), career and technology education grants (\$2 million), a teacher recruitment and outreach program (\$250,000), and a study on the costs of special education (\$121,000). All of these initiatives are established under **House Bill 1415**.

School Safety

The fiscal 2019 budget provides a combined \$40.6 million in operating and capital funds to improve the safety and security of Maryland's schools. The purpose and manner for expending the funds is closely tied to **Senate Bill 1265 (Chapter 30)**, the Maryland Safe to Learn Act of 2018, which makes comprehensive changes designed to improve the safety of the State's public schools. In total, \$15 million in general funds was contingent on the enactment of **Senate Bill 1265**.

The Maryland Safe to Learn Act of 2018 establishes a School Safety Subcabinet, which also serves as the governing board for the Maryland Center for School Safety (MCSS). For administrative purposes, the center is reassigned as an independent unit within MSDE. Provisions included in the operating and capital budgets, along with those in **Senate Bill 1265**, seek to consolidate all school safety funding resources within MSDE (operating) and IAC (capital). The bill also repurposes the School Safety Enforcement Fund to create a Safe Schools Fund for making grants to local school systems to assist in implementing the bill's provisions.

Exhibit 1.10 provides detail on the funding appropriated for school safety in fiscal 2019. Grants made to local school systems and law enforcement agencies account for \$37.6 million of the total appropriation. This includes:

- \$23.5 million in fenced off funding for PAYGO capital expenses to improve the safety and security of school facilities;
- \$10 million in general funds fenced off to provide school safety operating grants for expenses incurred for additional training, mental health outreach, and other allowances established in **Senate Bill 1265**;
- \$2.5 million in general funds to provide grants to local school systems for the cost of conducting mandated safety evaluations;
- \$1 million in general funds to establish a new grant program in response to Chapter 732 of 2017, which provides funding for operating and capital security-related projects to schools and child care centers at risk of a hate crime; and
- \$600,000 in special funds annually appropriated for the School Safety Enforcement Fund, which is now included in the purposes of the new Safe Schools Fund.

With the exception of the grant funding for schools at risk of hate crimes, **Senate Bill 1265** directs these funds to be appropriated in the Safe Schools Fund, administered by MSDE. The legislation redirects the hate crime grant funds from GOCCP to MSDE's Innovative Programs unit. Beginning in fiscal 2020, the bill also requires a \$10 million annual appropriation to the Safe Schools Fund to offset additional costs incurred by local jurisdictions for enhancing the presence of School Resource Officers and other local law enforcement.

Exhibit 1.10
Funding for School Safety
Fiscal 2019
(\$ in Millions)

| <u>Description of Funds</u> | <u>Approp.</u> | <u>Final Budget Plan</u> |
|---|----------------|---|
| Grants to Local Jurisdictions | | |
| Operating Budget | | |
| School Safety Operating Grants – grants to local school systems for various types of training, development of plans for delivery of mental health/wraparound services, enhanced community outreach, <i>etc.</i> | \$10.0 | Senate Bill 185 redirects funds for this purpose to be administered by MSDE, contingent on Senate Bill 1265 ; Senate Bill 1265 requires funds to be appropriated in the Safe Schools Fund. |
| Safety Evaluation Grants – grants to local school systems for mandated safety evaluations | 2.5 | Senate Bill 185 redirects grants from GOCCP to be administered by MSDE, contingent on enactment of Senate Bill 1265 ; Senate Bill 1265 requires funds to be appropriated in the Safe Schools Fund. |
| Hate Crime School Safety Grants – grants to public and private schools and day care centers at risk of hate crimes; funds can support operating or capital costs | 1.0 | Senate Bill 1265 requires funds to be moved from GOCCP to MSDE to administer the program. |
| Safe Schools Fund – statutory special fund providing grants to enforce school safety | 0.6 | Formerly the School Safety Enforcement Fund, renamed by Senate Bill 1265 , the fund receives an annual appropriation of \$600,000 in special funds from penalties paid by uninsured drivers. |
| Capital Budget | | |
| School Safety Capital Improvements – grants to public schools for safety and security-related capital improvements identified through safety evaluations | \$20.0 | Senate Bill 185 and Senate Bill 186 (Chapter 9) restrict funds for PAYGO capital expense grants to be administered by IAC. |
| Nonpublic School Safety Capital Improvements – safety and security related grants distributed to nonpublic schools by formula | 3.5 | Senate Bill 186 restricts anticipated bond premiums for PAYGO capital expense grants to be administered by IAC. |
| Total | \$37.6 | |

| <u>Description of Funds</u> | <u>Approp.</u> | <u>Final Budget Plan</u> |
|--|----------------|--|
| Maryland Center for School Safety | | |
| MCSS mandated funding for operating expenses | \$3.0 | Senate Bill 1265 requires MCSS operations and associated funding and positions to be relocated within MSDE. |
| Total | \$3.0 | |
| Total All Funds | \$40.6 | |

GOCCP: Governor's Office of Crime Control and Prevention

IAC: Interagency Committee on School Construction

MCSS: Maryland Center for School Safety

MSDE: Maryland State Department of Education

PAYGO: pay-as-you-go

Source: Department of Legislative Services

The funding provided for capital-related expenses includes \$20 million dedicated for improvements to public schools and \$3.5 million for nonpublic schools. These funds are to be distributed to the public schools through IAC in response to the findings of the safety evaluations. Grants to nonpublic schools are distributed on a formula basis. Allowable expenses can include secure and lockable classroom doors, areas of safe refuge within classrooms, and surveillance and other security-related technology for school monitoring purposes. **House Bill 1783 (Chapter 14)** mandates \$10 million be appropriated annually for safety-related capital improvements.

Although it is anticipated that school systems will complete the mandated safety assessments during fiscal 2019, funding requests to address operating or capital deficiencies may not be known in time to distribute the entire appropriation by the end of the fiscal year. A provision was included in the BRFA of 2018 to allow for an additional year to make grant awards from school safety funds budgeted within MSDE and IAC.

The fiscal 2019 operating budget provides MCSS with \$3 million in general funds and 14 positions to support its operations. Budget bill language made \$2.5 million and 13 positions contingent on the enactment of **Senate Bill 1265**, which significantly expands the role and responsibilities of the center in monitoring school safety throughout the State. Uncodified provisions in **Senate Bill 1265** also reallocate MCSS funding and resources to MSDE. Beginning in fiscal 2020, the mandated appropriation for the center's operations is increased from \$500,000 to at least \$2 million.

Provider Rate Increases

The Governor's allowance provided \$139.7 million in total funds for Medicaid provider rate increases and hospital rate assumptions in MDH Medical Care Programs Administration excluding behavioral health. Legislative action set aside an additional \$35 million to increase rates for nursing homes, Community First Choice, medical day care, private duty nursing, and home- and community-based services from 1% to 3%.

In the MDH Behavioral Health Administration (BHA) and the DDA provider rates are mandated to increase by 3.5% in fiscal 2019. The Governor's allowance limited the provider rate increases for BHA and DDA to 2% and 1%, respectively. Legislative action restored the 3.5% mandated increase for both BHA and DDA. The fiscal 2019 legislative appropriation includes \$38.1 million in total funds (\$18.5 million in general funds and \$19.5 million in federal funds) for increases to BHA provider rates and \$39.2 million in total funds (\$20.6 million in general funds and \$18.6 million in federal funds) for increases to DDA provider rates. The fiscal 2019 legislative appropriation also includes \$12.8 million in BHA for regulated rate increases.

The Governor's allowance included a 1% provider rate increase for residential child care programs. Legislative action increased rates by 3%. The fiscal 2019 legislative appropriation includes \$4.7 million in general funds to provide the 3% provider rate increase.

Legislative Priorities

The General Assembly restored funding for a number of spending priorities, rejecting more than \$114 million of programmatic funding reductions proposed by the Governor through the BRFA. **Exhibit 1.11** illustrates the specific reductions rejected by the General Assembly. Funding restorations include \$33.6 million in aid to local governments and \$57.4 million for providers of health care services to vulnerable populations, including \$22.5 million to fund mandated 3.5% rate increases for providers serving the developmentally disabled and delivering behavioral health services.

The General Assembly further expressed its spending priorities by restricting \$44.5 million of the appropriation originally proposed for the Rainy Day Fund for other purposes. **Exhibit 1.12** details the specific restrictions. Funds are restricted for a variety of programs, including provider rate increases, school safety grants, violence intervention and prevention grants, K-12 education initiatives in support of the recommendations of the Kirwan Commission, scholarships, public television film productions, booklets on the history of the old Senate and House chambers, the Maryland Farms and Families Fund, and grants to arts and other organizations. Each item can be considered separately by the Governor, and those items that are not used for the restricted purpose revert to the General Fund at the end of the fiscal year.

Exhibit 1.13 lists \$29.4 million in general and special fund appropriations that represent additional restrictions throughout the budget to be used only to implement legislative priorities. Funds are restricted for school safety operating and capital grants, school facilities assessments, opioid treatment programs, capital transportation grants, higher education programs, medical education courses, and grants for various purposes through the Special Fund for Preservation of Cultural Arts. In most cases, the funding restrictions are for purposes similar to the Governor's proposed use of the funds. For example, \$10 million included in the Governor's budget for school safety grants is restricted specifically for PAYGO school safety grants. If the Governor does not opt to transfer funds for these legislative priorities, funds either revert to the General Fund at the end of the fiscal year or are canceled.

Exhibit 1.11
Budget Restorations and Priorities
(\$ in Millions)

| <u>Administration Proposal</u> | <u>Admin. Savings</u> | <u>Leg.</u> |
|---|----------------------------------|--------------------|
| Restructure Payments to Prince George's Regional Medical Center | \$29.0 | \$0.0 |
| Shift Property Assessment Costs to Locals | 19.7 | 0.0 |
| Reduce DDA Provider Rate Increase from 3.5% to 1% | 14.6 | 0.0 |
| Slow Phase-down of Medicaid Hospital Assessment | 10.0 | 5.0 |
| Reduce Funds for Baltimore Regional Neighborhood Initiative | 9.0 | 4.0 |
| Reduce Behavioral Health Provider Rate Increase from 3.5% to 2% | 7.9 | 0.0 |
| Level Fund Grant to Private Colleges and Universities | 7.4 | 0.0 |
| Repeal Funding for SEED Anchor Institution Program | 5.0 | 1.0 |
| Repeal Teacher Induction Retention and Advancement Program | 5.0 | 2.0 |
| Reduce Public School Opportunities Program (Re-purposed by Legislature) | 5.0 | 0.0 |
| No Funds for Next Generation Scholars | 5.0 | 0.3 |
| No New Funding for UMBC to Improve Funding Guideline Attainment | 4.0 | 0.0 |
| Level Fund USM Center for Economic and Entrepreneurship Development | 2.0 | 0.0 |
| Reduce Funding for Arts Council | 1.0 | 0.0 |
| Level Fund BCCC | 0.9 | 0.0 |
| Level Fund Local Health Department Formula Grant | 0.9 | 0.0 |
| No Robotics Grants | 0.3 | 0.0 |
| Total Reductions | \$126.7 | \$12.3 |

BCCC: Baltimore City Community College

DDA: Developmental Disabilities Administration

UMBC: University of Maryland Baltimore County

USM: University System of Maryland

Source: Department of Legislative Services

Exhibit 1.12
Legislative Budget Priorities
Rainy Day Fund
Fiscal 2019

| | <u>General Funds</u> |
|--|---------------------------------|
| MDH: Medicaid Provider Reimbursements | \$17,200,000 |
| MSDE: School Safety Grants | 9,000,000 |
| GOCCP: Violence Intervention and Prevention Grants | 5,000,000 |
| DHS and DJS: Provider Reimbursements | 3,000,000 |
| MPT: Production of Harriet Tubman and Frederick Douglass Films | 3,000,000 |
| MSDE: Maryland Early Literacy Initiative | 2,500,000 |
| MHEC: Teacher Fellows for Maryland Scholarships | 2,000,000 |
| MSDE: Career and Technical Education Innovation | 2,000,000 |
| MSDE: Teacher Recruitment and Outreach | 250,000 |
| MDA: Maryland Farms and Families Fund | 200,000 |
| MSDE: Special Education Studies | 121,000 |
| Maryland Humanities Council | 100,000 |
| Laurel Advocacy and Referral Services, Inc. | 40,000 |
| 901 Arts | 25,000 |
| Arts Every Day | 25,000 |
| MSA: Booklets on History of Old Senate and House Chambers | 20,000 |
| Total | \$44,481,000 |

DHS: Department of Human Services
DJS: Department of Juvenile Services
GOCCP: Governor's Office of Crime Control and Prevention
MDA: Maryland Department of Agriculture
MDH: Maryland Department of Health
MHEC: Maryland Higher Education Commission
MPT: Maryland Public Television
MSA: Maryland State Archives
MSDE: Maryland Department of Education

Source: Department of Legislative Services

Exhibit 1.13
Additional Legislative Budget Priorities
Fiscal 2019

| | <u>General</u> <u>Funds</u> | <u>Special</u> <u>Funds</u> |
|---|--|--|
| BPW Capital: School Safety Capital Grants | \$10,000,000 | |
| IAC: Public School Statewide Facilities Assessment | 4,900,000 | |
| MSDE: Learning in Extended Academic Programs | 4,500,000 | |
| MDH: Opioid Funding | 2,500,000 | |
| SHA: Capital Transportation Grants to Counties | | \$2,097,519 |
| MHEC: Shady Grove Educational Programs | | 2,000,000 |
| MSDE: School Safety Operating Grants | 1,000,000 | |
| MSDE: Nonprofit Programming During the School Day | 500,000 | |
| Commerce: Baltimore Symphony Orchestra | | 650,000 |
| Commerce: Maryland Academy of Sciences | | 450,000 |
| Commerce: BARCO Playhouse Theater | | 200,000 |
| MDH: Continuing Medical Education Courses | | 150,000 |
| Commerce: PACT: Helping Children with Special Needs | | 100,000 |
| Commerce: Habitat for Humanity of the Chesapeake | | 100,000 |
| Commerce: Chesapeake Shakespeare Company | | 75,000 |
| Commerce: Community Services for Autistic Adults | | 75,000 |
| MDA: Emerald Ash Borer | 50,000 | |
| Commerce: Maryland Theater Association, Inc. | | 50,000 |
| Commerce: Delmarva Community Services | | 50,000 |
| Total | \$23,450,000 | \$5,997,519 |

BPW: Board of Public Works
 IAC: Interagency Committee on School Construction
 MDA: Maryland Department of Agriculture
 MDH: Maryland Department of Health
 MHEC: Maryland Higher Education Commission
 MSDE: Maryland Department of Education
 SHA: State Highway Administration

Source: Department of Legislative Services

By the Numbers

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

Exhibit 1.14, the fiscal note on the budget bill, depicts the Governor's allowance, funding changes made through three supplemental budgets, legislative reductions, and final appropriations for fiscal 2018 and 2019 by fund source. The Governor's original request provided for \$44.8 billion in fiscal 2019 expenditures (after including special funds that will be added back to the budget that are related to contingent general fund reductions) and \$134 million in fiscal 2018 deficiencies.

The Governor added \$11.9 million in fiscal 2018 spending in two supplemental budgets. Net of legislative reductions of \$17.2 million, the fiscal 2018 appropriation is \$43.6 billion. The fiscal 2019 budget was increased by \$34.2 million through three supplemental budgets offset by net legislative reductions totaling \$317.6 million. This resulted in a final appropriation of \$44.6 billion.

Exhibit 1.15 illustrates budget changes by major expenditure category by fund. Total spending increases by \$981.4 million, or 2.3%. Debt service grows by \$60.8 million, or 3.9%, based on the issuance of GO and transportation debt. Aid to local government increases by \$181.2 million, or 2.1%, largely due to formula-based education aid. Increases are also provided for transportation capital grants and POS. Entitlements grow by \$105.2 million, or 0.8%, driven by annualization of a Medicaid provider rate increase and alignment of prescription drug rebates, offset by a reduction in TCA, TDAP, and Food Supplement Program payments. State agency spending increases by \$431.9 million, or 2.4%, largely due to growth in higher education spending, a 2% general salary increase for State employees, and various increases in agency operations and programs. PAYGO capital expenditures increase by \$159.9 million, or 5.4%, chiefly for highway and transit transportation projects, POS, environmental programs, the Capital Region Medical Center, school safety, and other capital purposes.

Exhibit 1.14
Fiscal Note – Summary of the Fiscal 2019 Budget Bill – Senate Bill 185

| | <u>General Funds</u> | <u>Special Funds</u> | <u>Federal Funds</u> | <u>Education Funds</u> | <u>Total Funds</u> |
|--|----------------------------|----------------------------|---------------------------|------------------------|---------------------------------|
| Governor's Allowance | | | | | |
| Fiscal 2018 Budget | \$17,145,229,210 | \$8,873,999,538 | \$13,127,075,610 | \$4,440,895,144 | \$43,587,199,502 ⁽¹⁾ |
| Fiscal 2019 Budget | 18,148,448,738 | 9,082,682,740 | 13,084,552,112 | 4,531,117,954 | 44,846,801,544 ⁽²⁾ |
| Supplemental Budgets | | | | | |
| Fiscal 2018 Deficiencies | \$8,835,329 | \$3,100,000 | \$0 | \$0 | \$11,935,329 |
| Fiscal 2019 Budget | 24,868,630 | 6,470,380 | 2,875,000 | 0 | 34,214,010 |
| Subtotal | \$33,703,959 | \$9,570,380 | \$2,875,000 | \$0 | \$46,149,339 |
| Budget Reconciliation and Financing Act of 2018 | | | | | |
| Fiscal 2018 Deficiencies | -\$5,471,673 | \$0 | -\$2,992,320 | \$0 | -\$8,463,993 |
| Fiscal 2019 Budget | -274,648,168 | 5,271,149 | -4,641,981 | 0 | -274,019,000 |
| Total Reductions | -\$280,119,841 | \$5,271,149 | -\$7,634,301 | \$0 | -\$282,482,993 |
| Legislative Reductions | | | | | |
| Fiscal 2018 Deficiencies | -\$17,722,615 | \$9,031,117 ⁽³⁾ | \$0 | \$0 | -\$8,691,498 |
| Fiscal 2019 Budget | -24,755,038 ⁽⁴⁾ | -36,108,387 ⁽⁵⁾ | 17,254,447 ⁽⁶⁾ | 0 | -43,608,978 |
| Total Reductions | -\$42,477,653 | -\$27,077,270 | \$17,254,447 | \$0 | -\$52,300,476 |
| Appropriations | | | | | |
| Fiscal 2018 Budget | \$17,130,870,251 | \$8,886,130,655 | \$13,124,083,290 | \$4,440,895,144 | \$43,581,979,340 |
| Fiscal 2019 Budget | 17,873,914,162 | 9,058,315,882 | 13,100,039,578 | 4,531,117,954 | 44,563,387,576 |
| Change | \$743,043,911 | \$172,185,227 | -\$24,043,712 | \$90,222,810 | \$981,408,236 |

⁽¹⁾ Reflects \$134 million in proposed deficiencies, including \$107.4 million in general funds, -\$57.6 million in special funds, \$85.7 million in federal funds, and -\$1.5 million in current unrestricted funds. Reversion assumptions total \$87 million in general funds, including \$35 million in unspecified reversions, \$52 million in targeted reversions. There is also an across-the-board reduction in overbudgeted health insurance reflected in these totals, including \$54.5 million in general funds, \$14.8 million in special funds, and \$9.3 million in federal funds.

⁽²⁾ Assumes \$35 million in unspecified reversions.

⁽³⁾ Includes \$9.4 million in additional special fund spending due to funding swaps.

⁽⁴⁾ Includes a \$1.3 million fund reduction contingent on legislation to create a nondepository special fund in the Department of Labor, Licensing, and Regulation, and \$1.4 million contingent on **House Bill 187 (Chapter 10)**.

⁽⁵⁾ Includes \$16.1 million in additional special fund spending due to funding swaps, less \$4.9 million contingent on **Senate Bill 899 (Chapter 728)**.

⁽⁶⁾ Includes \$18 million in additional federal fund spending to match restricted funds for provider rate increases in the Revenue Stabilization Account, less \$0.5 million contingent on **Senate Bill 899 (Chapter 728)**.

Source: Department of Legislative Services

Exhibit 1.15
State Expenditures – General Funds
Fiscal 2017-2019
(\$ in Millions)

| Category | 2017 Actual | 2018 Working Approp. | 2019 Legislative Approp. | 2018-2019 \$ Change | % Change |
|--------------------------------------|------------------------|-------------------------------------|---|--------------------------------|-----------------|
| Debt Service | \$259.4 | \$259.6 | \$286.0 | \$26.4 | 10.1% |
| County/Municipal | \$260.8 | \$274.7 | \$279.7 | \$5.0 | 1.8% |
| Community Colleges | 313.5 | 317.7 | 322.4 | 4.7 | 1.5% |
| Education/Libraries | 5,925.2 | 5,978.4 | 6,122.0 | 143.6 | 2.4% |
| Health | 49.5 | 51.1 | 51.4 | 0.3 | 0.6% |
| Aid to Local Governments | \$6,548.9 | \$6,621.8 | \$6,775.4 | \$153.6 | 2.3% |
| Foster Care Payments | \$190.5 | \$184.5 | \$188.1 | \$3.7 | 2.0% |
| Assistance Payments | 64.5 | 59.6 | 45.4 | -14.2 | -23.9% |
| Medical Assistance | 2,989.1 | 3,198.1 | 3,400.1 | 202.0 | 6.3% |
| Property Tax Credits | 78.0 | 89.6 | 90.6 | 1.0 | 1.1% |
| Entitlements | \$3,322.1 | \$3,531.7 | \$3,724.2 | \$192.5 | 5.5% |
| Health | \$1,352.0 | \$1,426.5 | \$1,481.9 | \$55.4 | 3.9% |
| Human Resources | 393.9 | 369.4 | 374.4 | 5.0 | 1.3% |
| Children's Cabinet Interagency Fund | 16.6 | 18.5 | 18.5 | 0.0 | -0.1% |
| Juvenile Services | 270.0 | 265.2 | 265.5 | 0.4 | 0.1% |
| Public Safety/Police | 1,513.6 | 1,475.6 | 1,523.8 | 48.2 | 3.3% |
| Higher Education | 1,422.2 | 1,432.6 | 1,495.3 | 62.6 | 4.4% |
| Other Education | 411.1 | 424.8 | 443.1 | 18.3 | 4.3% |
| Agriculture/Natural Res./Environment | 119.3 | 119.9 | 125.8 | 6.0 | 5.0% |
| Other Executive Agencies | 687.0 | 668.4 | 758.6 | 90.1 | 13.5% |
| Judiciary | 479.6 | 485.8 | 510.7 | 24.9 | 5.1% |
| Legislative | 89.2 | 89.3 | 91.8 | 2.4 | 2.7% |
| Across-the-board Cuts | 0.0 | 0.0 | -34.9 | -34.9 | n/a |
| State Agencies | \$6,754.3 | \$6,776.1 | \$7,054.5 | \$278.3 | 4.1% |
| Total Operating | \$16,884.7 | \$17,189.4 | \$17,840.1 | \$650.7 | 3.8% |
| Capital ⁽¹⁾ | \$62.3 | \$9.5 | \$59.5 | \$50.0 | 526.1% |
| Subtotal | \$16,947.0 | \$17,198.9 | \$17,899.6 | \$700.7 | 4.1% |
| Reserve Funds | \$155.4 | \$10.0 | \$9.3 | -\$0.7 | -6.5% |
| Appropriations | \$17,102.4 | \$17,208.9 | \$17,908.9 | \$700.0 | 4.1% |
| Reversions | \$0.0 | -\$78.0 | -\$35.0 | \$43.0 | -55.1% |
| Grand Total | \$17,102.4 | \$17,130.9 | \$17,873.9 | \$743.0 | 4.3% |

⁽¹⁾ Includes the Heritage Structure Rehabilitation Tax Credit Reserve Fund.

Note: The fiscal 2018 working appropriation includes \$52 million in targeted reversions, \$116.3 million in deficiencies and legislative reductions to the deficiencies including \$5.5 million in reductions contingent on **Senate Bill 187 (Chapter 10)**, the Budget Reconciliation and Financing Act (BRFA) of 2018. The fiscal 2019 legislative appropriation reflects \$274.6 million in reductions contingent on the BRFA of 2018, \$1.2 million contingent on **House Bill 187 (Chapter 479)**, and \$1.4 million contingent on **Senate Bill 899 (Chapter 728)**. The legislature reduced the budget by an additional \$67.9 million but provided authorization for those funds to be used for a variety of purposes. However spending the \$67.9 million is at the discretion of the Governor.

Exhibit 1.15 (Continued)
State Expenditures – Special and Higher Education Funds*
Fiscal 2017-2019
(\$ in Millions)

| Category | 2017 Actual | 2018 Working Approp. | 2019 Legislative Approp. | 2018-2019 \$ Change | % Change |
|--------------------------------------|------------------------|-------------------------------------|---|--------------------------------|-----------------|
| Debt Service | \$1,207.7 | \$1,304.6 | \$1,337.8 | \$33.2 | 2.5% |
| County/Municipal | \$338.4 | \$399.5 | \$433.6 | \$34.1 | 8.5% |
| Community Colleges | 0.0 | 0.0 | 0.0 | 0.0 | n/a |
| Education/Libraries | 474.6 | 475.8 | 503.5 | 27.7 | 5.8% |
| Health | 0.0 | 0.0 | 0.0 | 0.0 | n/a |
| Aid to Local Governments | \$813.0 | \$875.3 | \$937.1 | \$61.8 | 7.1% |
| Foster Care Payments | \$4.5 | \$4.3 | \$4.3 | \$0.0 | -0.5% |
| Assistance Payments | 12.0 | 12.5 | 10.1 | -2.4 | -19.2% |
| Medical Assistance | 963.7 | 991.4 | 950.0 | -41.4 | -4.2% |
| Property Tax Credits | 0.0 | 0.0 | 0.0 | 0.0 | n/a |
| Entitlements | \$980.1 | \$1,008.2 | \$964.4 | -\$43.8 | -4.3% |
| Health | \$407.0 | \$472.6 | \$429.8 | -\$42.8 | -9.0% |
| Human Resources | 88.8 | 83.4 | 82.6 | -0.7 | -0.9% |
| Children's Cabinet Interagency Fund | 0.0 | 0.0 | 0.0 | 0.0 | n/a |
| Juvenile Services | 3.8 | 3.2 | 3.6 | 0.4 | 11.6% |
| Public Safety/Police | 211.9 | 221.7 | 218.7 | -3.0 | -1.3% |
| Higher Education | 4,288.9 | 4,512.4 | 4,608.3 | 95.9 | 2.1% |
| Other Education | 64.9 | 70.7 | 70.8 | 0.1 | 0.2% |
| Transportation | 1,846.0 | 1,905.1 | 1,955.8 | 50.6 | 2.7% |
| Agriculture/Natural Res./Environment | 268.2 | 293.3 | 294.7 | 1.3 | 0.5% |
| Other Executive Agencies | 606.2 | 693.9 | 722.6 | 28.8 | 4.1% |
| Judiciary | 51.7 | 66.0 | 62.2 | -3.8 | -5.7% |
| Legislative | 0.0 | 0.0 | 0.0 | 0.0 | n/a |
| Across-the-board Cuts | 0.0 | 0.0 | -7.7 | -7.7 | n/a |
| State Agencies | \$7,837.2 | \$8,322.2 | \$8,441.4 | \$119.2 | 1.4% |
| Total Operating | \$10,838.0 | \$11,510.4 | \$11,680.8 | \$170.4 | 1.5% |
| Capital | \$1,981.3 | \$1,816.6 | \$1,908.7 | \$92.0 | 5.1% |
| Transportation | 1,675.2 | 1,481.0 | 1,497.7 | 16.7 | 1.1% |
| Environment | 210.1 | 187.1 | 220.3 | 33.2 | 17.7% |
| Other | 96.1 | 148.6 | 190.7 | 42.1 | 28.4% |
| Grand Total | \$12,819.3 | \$13,327.0 | \$13,589.4 | \$262.4 | 2.0% |

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

Note: The fiscal 2018 working appropriation reflects \$9.4 million in additional special fund spending due to funding swaps, deficiencies of -\$56 million, and legislative cuts to the deficiencies including \$0.1 million that is contingent on **Senate Bill 187 (Chapter 10)**, the Budget Reconciliation and Financing Act (BRFA) of 2018. The fiscal 2019 legislative appropriation reflects \$7.7 million in reductions contingent on the BRFA of 2018, \$4.9 million contingent on **Senate Bill 899 (Chapter 728)**, and \$16.1 million in additional special fund spending due to funding swaps. The legislature reduced the budget by an additional \$4.2 million but provided authorization for those funds to be used for a variety of purposes. However spending the \$4.2 million is at the discretion of the Governor.

Exhibit 1.15 (Continued)
State Expenditures – Federal Funds
Fiscal 2017-2019
(\$ in Millions)

| <u>Category</u> | <u>2017 Actual</u> | <u>2018 Working Approp.</u> | <u>2019 Legislative Approp.</u> | <u>2018-2019 \$ Change</u> | <u>% Change</u> |
|--|-------------------------|-------------------------------------|---|--------------------------------|---------------------|
| Debt Service | \$11.5 | \$11.5 | \$12.8 | \$1.3 | 11.2% |
| County/Municipal | \$75.3 | \$72.4 | \$65.9 | -6.5 | -9.0% |
| Community Colleges | 0.0 | 0.0 | 0.0 | 0.0 | n/a |
| Education/Libraries | 853.5 | 993.3 | 970.1 | -23.2 | -2.3% |
| Health | 3.8 | 4.5 | 0.0 | -4.5 | -100.0% |
| <i>Aid to Local Governments</i> | <i>\$932.6</i> | <i>\$1,070.1</i> | <i>\$1,036.0</i> | <i>-\$34.2</i> | <i>3.2%</i> |
| Foster Care Payments | \$70.6 | \$73.8 | \$68.8 | -\$5.1 | -6.8% |
| Assistance Payments | 1,099.6 | 1,196.4 | 1,102.6 | -93.8 | -7.8% |
| Medical Assistance | 6,601.7 | 7,003.9 | 7,059.3 | 55.3 | 0.8% |
| Property Tax Credits | 0.0 | 0.0 | 0.0 | 0.0 | n/a |
| <i>Entitlements</i> | <i>\$7,771.9</i> | <i>\$8,274.2</i> | <i>\$8,230.7</i> | <i>-\$43.5</i> | <i>-0.5%</i> |
| Health | \$930.4 | \$996.2 | \$1,076.8 | \$80.6 | 8.1% |
| Human Resources | 494.0 | 553.0 | 554.4 | 1.4 | 0.2% |
| Children's Cabinet Interagency Fund | 0.0 | 0.0 | 0.0 | 0.0 | n/a |
| Juvenile Services | 5.0 | 4.8 | 5.4 | 0.6 | 12.6% |
| Public Safety/Police | 32.9 | 40.3 | 36.8 | -3.5 | -8.8% |
| Higher Education | 0.0 | 0.0 | 0.0 | 0.0 | n/a |
| Other Education | 211.3 | 270.9 | 265.4 | -5.4 | -2.0% |
| Transportation | 94.5 | 97.4 | 98.5 | 1.1 | 1.1% |
| Agriculture/Natural Res./Environment | 61.0 | 67.0 | 68.4 | 1.4 | 2.1% |
| Other Executive Agencies | 622.8 | 622.5 | 586.4 | -36.2 | -5.8% |
| Judiciary | 0.7 | 1.1 | 0.2 | -0.9 | -84.0% |
| Across-the-board Cuts | 0.0 | 0.0 | -4.6 | -4.6 | n/a |
| <i>State Agencies</i> | <i>\$2,452.6</i> | <i>\$2,653.2</i> | <i>\$2,687.6</i> | <i>\$34.4</i> | <i>1.3%</i> |
| Total Operating | \$11,168.6 | \$12,009.0 | \$11,967.0 | -\$41.9 | -0.3% |
| Capital | \$852.7 | \$1,115.1 | \$1,133.0 | \$17.9 | 1.6% |
| Transportation | 782.9 | 1,005.9 | 1,063.2 | 57.3 | 5.7% |
| Environment | 44.0 | 42.6 | 43.3 | 0.7 | 1.6% |
| Other | 25.7 | 66.6 | 26.5 | -40.0 | -60.1% |
| Grand Total | \$12,021.3 | \$13,124.1 | \$13,100.0 | -\$24.0 | -0.2% |

Note: The fiscal 2018 working appropriation includes \$85.7 million in deficiencies and legislative cuts to the deficiencies including \$3 million that is contingent on **Senate Bill 187 (Chapter 10)**, the Budget Reconciliation and Financing Act (BRFA) of 2018. The fiscal 2019 legislative appropriation reflects \$4.6 million in reductions contingent on the BRFA of 2018, \$0.5 million contingent on **Senate Bill 899 (Chapter 728)**, and \$18 million in additional federal fund spending tied to additional general fund spending in Medicaid and Juvenile Services. The general fund spending is at the discretion of the Governor.

Exhibit 1.15 (Continued)
State Expenditures – State Funds
Fiscal 2017-2019
(\$ in Millions)

| <u>Category</u> | <u>2017 Actual</u> | <u>2018 Working Approp.</u> | <u>2019 Legislative Approp.</u> | <u>2018-2019 \$ Change</u> | <u>% Change</u> |
|--------------------------------------|------------------------|-------------------------------------|---|--------------------------------|-----------------|
| Debt Service | \$1,467.1 | \$1,564.3 | \$1,623.8 | \$59.5 | 3.8% |
| County/Municipal | \$599.2 | \$674.2 | \$713.3 | \$39.1 | 5.8% |
| Community Colleges | 313.5 | 317.7 | 322.4 | 4.7 | 1.5% |
| Education/Libraries | 6,399.8 | 6,454.2 | 6,625.5 | 171.3 | 2.7% |
| Health | 49.5 | 51.1 | 51.4 | 0.3 | 0.6% |
| Aid to Local Governments | \$7,361.9 | \$7,497.1 | \$7,712.5 | \$215.4 | 2.9% |
| Foster Care Payments | \$194.9 | \$188.8 | \$192.5 | \$3.7 | 1.9% |
| Assistance Payments | 76.5 | 72.1 | 55.5 | -16.6 | -23.1% |
| Medical Assistance | 3,952.8 | 4,189.5 | 4,350.1 | 160.6 | 3.8% |
| Property Tax Credits | 78.0 | 89.6 | 90.6 | 1.0 | 1.1% |
| Entitlements | \$4,302.2 | \$4,540.0 | \$4,688.6 | \$148.7 | 3.3% |
| Health | \$1,759.0 | \$1,899.1 | \$1,911.7 | \$12.6 | 0.7% |
| Human Resources | 482.6 | 452.8 | 457.0 | 4.2 | 0.9% |
| Children's Cabinet Interagency Fund | 16.6 | 18.5 | 18.5 | 0.0 | -0.1% |
| Juvenile Services | 273.8 | 268.4 | 269.1 | 0.7 | 0.3% |
| Public Safety/Police | 1,725.5 | 1,697.2 | 1,742.5 | 45.3 | 2.7% |
| Higher Education | 5,711.0 | 5,945.0 | 6,103.6 | 158.6 | 2.7% |
| Other Education | 475.9 | 495.5 | 513.9 | 18.4 | 3.7% |
| Transportation | 1,846.0 | 1,905.1 | 1,955.8 | 50.6 | 2.7% |
| Agriculture/Natural Res./Environment | 387.5 | 413.2 | 420.5 | 7.3 | 1.8% |
| Other Executive Agencies | 1,293.2 | 1,362.3 | 1,481.2 | 118.9 | 8.7% |
| Judiciary | 531.3 | 551.8 | 572.9 | 21.1 | 3.8% |
| Legislative | 89.2 | 89.3 | 91.8 | 2.4 | 2.7% |
| Across-the-board Cuts | 0.0 | 0.0 | -42.7 | -42.7 | n/a |
| State Agencies | \$14,591.5 | \$15,098.4 | \$15,495.9 | \$397.5 | 2.6% |
| Total Operating | \$27,722.7 | \$28,699.8 | \$29,520.9 | \$821.1 | 2.9% |
| Capital ⁽¹⁾ | \$2,043.6 | \$1,826.1 | \$1,968.1 | \$142.0 | 7.8% |
| Transportation | 1,675.2 | 1,481.0 | 1,497.7 | 16.7 | 1.1% |
| Environment | 210.3 | 187.6 | 220.8 | 33.2 | 17.7% |
| Other | 158.2 | 157.6 | 249.7 | 92.1 | 58.5% |
| Subtotal | \$29,766.3 | \$30,525.9 | \$31,489.0 | \$963.1 | 3.2% |
| Reserve Funds | \$155.4 | \$10.0 | \$9.3 | -\$0.7 | -6.5% |
| Appropriations | \$29,921.7 | \$30,535.9 | \$31,498.3 | \$962.5 | 3.2% |
| Reversions | \$0.0 | -\$78.0 | -\$35.0 | \$43.0 | -55.1% |
| Grand Total | \$29,921.7 | \$30,457.9 | \$31,463.3 | \$1,005.5 | 3.3% |

⁽¹⁾ Includes the Heritage Structure Rehabilitation Tax Credit Reserve Fund.

Note: The fiscal 2018 working appropriation includes \$52 million in targeted reversions, \$9.4 million in additional special fund spending due to funding swaps, \$60.2 million in deficiencies, and legislative cuts to the deficiencies including \$5.6 million in reductions contingent on **Senate Bill 187 (Chapter 10)**, the Budget Reconciliation and Financing Act (BRFA) of 2018. The fiscal 2019 legislative appropriation reflects \$282.4 million in reductions contingent on the BRFA, \$1.2 million contingent on **House Bill 187 (Chapter 479)**, \$6.3 million contingent on **Senate Bill 899 (Chapter 728)**, and \$16.1 million in additional special fund spending due to funding swaps. The legislature reduced the budget by an additional \$72.1 million but provided authorization for those funds to be used for a variety of purposes. However spending the \$72.1 million is at the discretion of the Governor.

Exhibit 1.15 (Continued)
State Expenditures – All Funds
Fiscal 2017-2019
(\$ in Millions)

| <u>Category</u> | <u>2017 Actual</u> | <u>2018 Working Approp.</u> | <u>2019 Legislative Approp.</u> | <u>2018-2019 \$ Change</u> | <u>% Change</u> |
|--------------------------------------|------------------------|-------------------------------------|---|--------------------------------|-----------------|
| Debt Service | \$1,478.6 | \$1,575.8 | \$1,636.6 | \$60.8 | 3.9% |
| County/Municipal | \$674.5 | \$746.5 | \$779.1 | \$32.6 | 4.4% |
| Community Colleges | 313.5 | 317.7 | 322.4 | 4.7 | 1.5% |
| Education/Libraries | 7,253.3 | 7,447.5 | 7,595.6 | 148.1 | 2.0% |
| Health | 53.3 | 55.6 | 51.4 | -4.2 | -7.6% |
| Aid to Local Governments | \$8,294.6 | \$8,567.3 | \$8,748.5 | \$181.2 | 2.1% |
| Foster Care Payments | \$265.5 | \$262.6 | \$261.2 | -\$1.4 | -0.5% |
| Assistance Payments | 1,176.0 | 1,268.5 | 1,158.0 | -110.4 | -8.7% |
| Medical Assistance | 10,554.5 | 11,193.4 | 11,409.4 | 216.0 | 1.9% |
| Property Tax Credits | 78.0 | 89.6 | 90.6 | 1.0 | 1.1% |
| Entitlements | \$12,074.1 | \$12,814.1 | \$12,919.3 | \$105.2 | 0.8% |
| Health | \$2,689.4 | \$2,895.3 | \$2,988.5 | \$93.2 | 3.2% |
| Human Resources | 976.6 | 1,005.8 | 1,011.4 | 5.6 | 0.6% |
| Children's Cabinet Interagency Fund | 16.6 | 18.5 | 18.5 | 0.0 | -0.1% |
| Juvenile Services | 278.8 | 273.2 | 274.5 | 1.3 | 0.5% |
| Public Safety/Police | 1,758.3 | 1,737.6 | 1,779.3 | 41.7 | 2.4% |
| Higher Education | 5,711.0 | 5,945.0 | 6,103.6 | 158.6 | 2.7% |
| Other Education | 687.2 | 766.4 | 779.3 | 13.0 | 1.7% |
| Transportation | 1,940.5 | 2,002.5 | 2,054.3 | 51.7 | 2.6% |
| Agriculture/Natural Res./Environment | 448.5 | 480.2 | 488.9 | 8.7 | 1.8% |
| Other Executive Agencies | 1,916.0 | 1,984.8 | 2,067.5 | 82.7 | 4.2% |
| Judiciary | 532.0 | 552.9 | 573.1 | 20.2 | 3.7% |
| Legislative | 89.2 | 89.3 | 91.8 | 2.4 | 2.7% |
| Across-the-board Cuts | 0.0 | 0.0 | -47.3 | -47.3 | n/a |
| State Agencies | \$17,044.0 | \$17,751.5 | \$18,183.4 | \$431.9 | 2.4% |
| Total Operating | \$38,891.3 | \$40,708.7 | \$41,487.9 | \$779.1 | 1.9% |
| Capital ⁽¹⁾ | \$2,896.3 | \$2,941.2 | \$3,101.2 | \$159.9 | 5.4% |
| Transportation | 2,458.1 | 2,486.9 | 2,560.9 | 74.0 | 3.0% |
| Environment | 254.3 | 230.2 | 264.1 | 33.9 | 14.7% |
| Other | 183.9 | 224.1 | 276.2 | 52.0 | 23.2% |
| Subtotal | \$41,787.6 | \$43,650.0 | \$44,589.0 | \$939.1 | 2.2% |
| Reserve Funds | \$155.4 | \$10.0 | \$9.3 | -\$0.7 | -6.5% |
| Appropriations | \$41,943.0 | \$43,660.0 | \$44,598.4 | \$938.4 | 2.1% |
| Reversions | \$0.0 | -\$78.0 | -\$35.0 | \$43.0 | -55.1% |
| Grand Total | \$41,943.0 | \$43,582.0 | \$44,563.4 | \$981.4 | 2.3% |

⁽¹⁾ Includes the Heritage Structure Rehabilitation Tax Credit Reserve Fund.

Note: The fiscal 2018 working appropriation includes \$52 million in targeted reversions, \$9.4 million in additional special fund spending due to funding swaps, \$145.9 million in deficiencies, and legislative cuts to the deficiencies totaling \$8.6 million in reductions contingent on **Senate Bill 187 (Chapter 10)**, the Budget Reconciliation and Financing Act (BRFA) of 2018. The fiscal 2019 legislative appropriation reflects \$287 million in reductions contingent on the BRFA of 2018, \$1.2 million contingent on **House Bill 187 (Chapter 479)**, \$6.8 million contingent on **Senate Bill 899 (Chapter 728)**, and \$16.1 million in additional special fund spending due to funding swaps. The legislature reduced the budget by an additional \$72.1 million but provided authorization for those funds to be used for a variety of purposes. However spending the \$72.1 million (plus matching federal funds of \$18 million) is at the discretion of the Governor.

Source: Department of Legislative Services

Chapter 2. State Capital Program

- Summary
- PAYGO Capital
- Debt Affordability
- Higher Education
- School Construction
- Transfer Tax Funded Programs
- Transfer Tax – Fiscal 2019 Transfer Modification
- BRFA Provisions Impacting Fiscal 2019

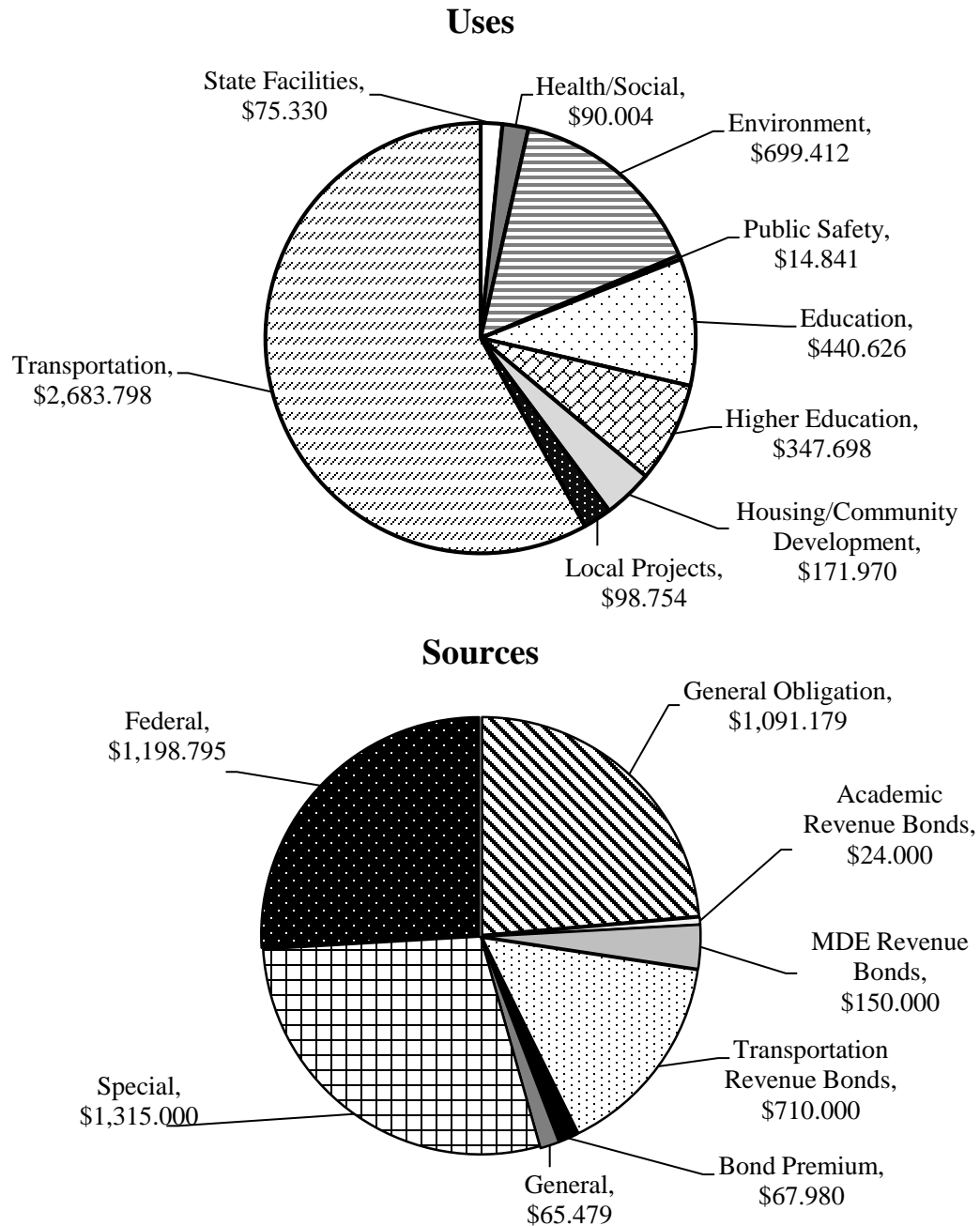
Summary

The General Assembly passed a fiscal 2019 capital program totaling \$4.622 billion, including \$2.684 billion for the transportation program but excluding deficiencies that affect fiscal 2018. Apart from transportation, the program totals \$1.938.6 billion: \$1.091 billion is funded with general obligation (GO) bonds authorized in **Senate Bill 186 (Chapter 9)**, the Maryland Consolidated Capital Bond Loan (MCCBL) of 2018; \$605.5 million is funded on a pay-as-you-go (PAYGO) basis in the operating budget; \$68.0 million is funded with attained and estimated bond premium proceeds; \$24.0 million is funded with Academic Revenue Bonds (ARB) for University System of Maryland facilities authorized in **Senate Bill 1064 (Chapter 553)**; and \$150.0 million is funded through 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 2019, **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 2018. The MCCBL of 2018 includes funding for:

- State facilities, including colleges and universities, correctional facilities, Military Department 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 hospitals, 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 2019 Capital Program Uses and Sources
(\$ in Millions)



MDE: Maryland Department of the Environment

Exhibit 2.2
Capital Program Summary for the 2018 Session
(\$ in Millions)

| <u>Function</u> | Bonds | | | Current Funds (PAYGO) | | | <u>Total</u> |
|----------------------------------|--------------------------------------|-----------------------|--------------------------------|------------------------------|-----------------------|-----------------------|---------------------|
| | <u>General Obligation</u> | <u>Revenue</u> | <u>Bond Premium</u> | <u>General</u> | <u>Special</u> | <u>Federal</u> | |
| State Facilities | | | | | | | \$75.3 |
| Facilities Renewal | \$27.6 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | |
| State Facilities – Other | 42.9 | 0.0 | 0.0 | 0.0 | 0.0 | 4.8 | |
| Health/Social | | | | | | | \$90.0 |
| Health Other | \$9.6 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | |
| Health State Facilities | 0.4 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | |
| Private Hospitals | 49.0 | 0.0 | 0.0 | 31.0 | 0.0 | 0.0 | |
| Environment | | | | | | | \$699.4 |
| Agriculture | \$13.5 | \$0.0 | \$0.0 | \$0.0 | \$50.0 | \$0.0 | |
| Energy | 0.0 | 0.0 | 0.0 | 0.0 | 2.1 | 0.0 | |
| Environment | 22.7 | 150.0 | 0.0 | 0.5 | 220.3 | 43.3 | |
| Maryland Environmental Service | 9.6 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | |
| Natural Resources | 12.5 | 0.0 | 0.0 | 6.0 | 163.6 | 5.5 | |
| Public Safety | | | | | | | \$14.8 |
| Local Jails | \$7.3 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | |
| State Corrections | 5.2 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | |
| State Police | 2.3 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | |
| Education | | | | | | | \$440.6 |
| Education – Other | \$10.4 | \$0.0 | \$3.5 | \$0.0 | \$0.0 | \$0.0 | |
| School Construction ¹ | 391.7 | 0.0 | 25.0 | 10.0 | 0.0 | 0.0 | |
| Higher Education | | | | | | | \$347.7 |
| Community Colleges | \$60.5 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | |
| Morgan State Univ. | 46.5 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | |
| Private Colleges/Universities | 12.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | |
| St. Mary's College | 6.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | |
| University System | 185.7 | 24.0 | 13.0 | 0.0 | 0.0 | 0.0 | |

| <u>Function</u> | <u>Bonds</u> | | | <u>Current Funds (PAYGO)</u> | | | <u>Total</u> |
|--|-------------------------------|----------------|-------------------------|------------------------------|------------------|------------------|------------------|
| | <u>General Obligation</u> | <u>Revenue</u> | <u>Bond Premium</u> | <u>General</u> | <u>Special</u> | <u>Federal</u> | |
| Housing and Community Development | | | | | | | \$172.0 |
| Housing | \$69.8 | \$0.0 | \$25.0 | \$9.0 | \$33.5 | \$16.2 | |
| Housing – Other | 9.3 | 0.0 | 0.0 | 8.9 | 0.3 | 0.0 | |
| Local Projects | | | | | | | \$98.8 |
| Local Project Administration | \$21.1 | \$0.0 | \$0.0 | \$0.1 | \$0.0 | \$0.0 | |
| Local Project Legislative ² | 75.6 | 0.0 | 1.5 | 0.0 | 0.5 | 0.0 | |
| De-authorizations | | | | | | | -\$16.2 |
| De-authorizations | -\$5.2 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | |
| De-authorizations – Other | -11.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | |
| Total | \$1,075.0 | \$174.0 | \$68.0 | \$65.5 | \$470.2 | \$69.8 | \$1,922.5 |
| Fiscal 2018 Deficiencies | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$3.2 | \$3.2 |
| Transportation CTP | \$0.0 | \$710.0 | \$0.0 | \$0.0 | \$844.9 | \$1,128.9 | \$2,683.8 |
| Grand Total³ | \$1,091.2 | \$884.0 | \$68.0 | \$65.5 | \$1,315.0 | \$1,202.0 | \$4,625.7 |

CTP: Consolidated Transportation Program

PAYGO: pay-as-you-go

¹ General obligation (GO) bond figures for school construction include the National Public School Construction Program (\$313.9 million), the Supplemental Capital Grant Program (\$68.2 million), the Aging Schools Program (\$6.1 million), and the New Public Aging Schools Program (\$3.5 million). Total school construction funding does not include another \$18.3 million of recycled funds remaining from prior GO bond school construction authorization used to support fiscal 2019 projects.

² Includes \$44.9 million of initiatives originally proposed as bond bills and \$30.7 million of other projects added by the General Assembly.

³ The GO bond total reflects the amount of GO bonds authorized in the Maryland Consolidated Capital Bond Loan of 2018 after accounting for the \$16.2 million de-authorization of prior authorized funds included in the bill.

Exhibit 2.3
Capital Program for the 2018 Session

| <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>Bond Premium</u> | <u>Revenue</u> | <u>General</u> | <u>Special</u> | <u>Federal</u> | |
| | State Facilities | | | | | | | |
| D55P00 | DVA: Cheltenham Veterans Cemetery | \$0 | \$0 | \$0 | \$0 | \$0 | \$2,000,000 | \$2,000,000 |
| DE0201D | BPW: Department of Legislative Services Building | 2,000,000 | 0 | 0 | 0 | 0 | 0 | 2,000,000 |
| DE0201A | BPW: Facilities Renewal Program | 20,586,000 | 0 | 0 | 0 | 0 | 0 | 20,586,000 |
| DE0201B | BPW: Annapolis Post Office | 8,209,000 | 0 | 0 | 0 | 0 | 0 | 8,209,000 |
| DE0201C | BPW: Lawyer's Mall Underground Infrastructure | 5,000,000 | 0 | 0 | 0 | 0 | 0 | 5,000,000 |
| DE0201E | BPW: Harriet Tubman and Frederick Douglass Statues | 500,000 | 0 | 0 | 0 | 0 | 0 | 500,000 |
| DE0211A | BPW: New Catonsville District Court | 12,019,000 | 0 | 0 | 0 | 0 | 0 | 12,019,000 |
| DE0211B | BPW: Shillman Building Conversion | 985,000 | 0 | 0 | 0 | 0 | 0 | 985,000 |
| DH0104A | MD: Freedom Readiness Center | 9,428,000 | 0 | 0 | 0 | 0 | 0 | 9,428,000 |
| FB04A | DoIT: Public Safety Communication System | 10,500,000 | 0 | 0 | 0 | 0 | 0 | 10,500,000 |

| <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>Bond Premium</u> | <u>Revenue</u> | <u>General</u> | <u>Special</u> | <u>Federal</u> | |
| RP00A | MPBC: Maryland Public Television Transmission Systems Replacement | 1,156,000 | 0 | 0 | 0 | 0 | 2,847,000 | 4,003,000 |
| RP00B | MPBC: Studio A Renovation and Addition | 100,000 | 0 | 0 | 0 | 0 | 0 | 100,000 |
| | Subtotal | \$70,483,000 | \$0 | \$0 | \$0 | \$0 | \$4,847,000 | \$75,330,000 |
| | Health/Social | | | | | | | |
| DA07A | MDOA: Senior Centers Capital Grant Program | \$1,600,000 | \$0 | \$0 | \$0 | \$0 | \$0 | \$1,600,000 |
| MA01A | MDH: Community Health Facilities Grant Program | 5,529,000 | 0 | 0 | 0 | 0 | 0 | 5,529,000 |
| MA01B | MDH: Federally Qualified Health Centers Grant Program | 2,500,000 | 0 | 0 | 0 | 0 | 0 | 2,500,000 |
| ML10A | MDH: Clifton T. Perkins Hospital North Wing Renovations | 375,000 | 0 | 0 | 0 | 0 | 0 | 375,000 |
| RQ00A | UMMS: Capital Region Medical Center | 19,000,000 | 0 | 0 | 29,000,000 | 0 | 0 | 48,000,000 |
| RQ00B | UMMS: Neonatal Intensive Care Unit and Outpatient Center Building | 10,000,000 | 0 | 0 | 0 | 0 | 0 | 10,000,000 |

Effect of the 2018 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>Bond Premium</u> | <u>Revenue</u> | <u>General</u> | <u>Special</u> | <u>Federal</u> | |
| RQ00C | UMMS: R Adams Cowley Shock Trauma Center Phase II | 2,000,000 | 0 | 0 | 0 | 0 | 0 | 2,000,000 |
| RQ00D | UMMS: Comprehensive Cancer Treatment and Organ Transplant Center | 2,500,000 | 0 | 0 | 0 | 0 | 0 | 2,500,000 |
| ZA00U | MISC: Johns Hopkins University Maryland Center for Cell Therapy Manufacturing | 5,000,000 | 0 | 0 | 0 | 0 | 0 | 5,000,000 |
| ZA00V | MISC: Kennedy Krieger Institute Comprehensive Autism Center | 1,000,000 | 0 | 0 | 0 | 0 | 0 | 1,000,000 |
| ZA00AC | MISC: MedStar Franklin Square Hospital | 4,000,000 | 0 | 0 | 2,000,000 | 0 | 0 | 6,000,000 |
| ZA01A | MISC: Atlantic General Hospital Corporation | 1,303,000 | 0 | 0 | 0 | 0 | 0 | 1,303,000 |
| ZA01B | MISC: Calvert Health System | 1,727,000 | 0 | 0 | 0 | 0 | 0 | 1,727,000 |
| ZA01C | MISC: Holy Cross Health, Inc. | 500,000 | 0 | 0 | 0 | 0 | 0 | 500,000 |
| ZA01D | MISC: Howard County General Hospital, Inc. | 220,000 | 0 | 0 | 0 | 0 | 0 | 220,000 |

| <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>Bond Premium</u> | <u>Revenue</u> | <u>General</u> | <u>Special</u> | <u>Federal</u> | |
| ZA01E | MISC: MedStar Good Samaritan Hospital | 1,000,000 | 0 | 0 | 0 | 0 | 0 | 1,000,000 |
| ZA01F | MISC: Mt. Washington Pediatric Hospital, Inc. | 750,000 | 0 | 0 | 0 | 0 | 0 | 750,000 |
| | Subtotal | \$59,004,000 | \$0 | \$0 | \$31,000,000 | \$0 | \$0 | \$90,004,000 |
| | Environment | | | | | | | |
| DA1302 | MEA: Jane E. Lawton Program | \$0 | \$0 | \$0 | \$0 | \$850,000 | \$0 | \$850,000 |
| DA1303 | MEA: State Agency Loan Program | 0 | 0 | 0 | 0 | 1,200,000 | 0 | 1,200,000 |
| KA0510A | DNR: Natural Resources Development Fund | 0 | 0 | 0 | 0 | 14,756,000 | 0 | 14,756,000 |
| KA0510B | DNR: Critical Maintenance Program | 0 | 0 | 0 | 6,000,000 | 7,000,000 | 0 | 13,000,000 |
| KA0510C | DNR: Program Open Space – State | 0 | 0 | 0 | 0 | 54,032,004 | 3,000,000 | 57,032,004 |
| KA0510D | DNR: Program Open Space – Local | 0 | 0 | 0 | 0 | 53,287,825 | 0 | 53,287,825 |
| KA05A | DNR: Community Parks and Playgrounds | 2,500,000 | 0 | 0 | 0 | 0 | 0 | 2,500,000 |
| KA05B | DNR: Rural Legacy Program | 5,000,000 | 0 | 0 | 0 | 20,017,704 | 0 | 25,017,704 |
| KA0906A | DNR: Ocean City Beach Maintenance | 0 | 0 | 0 | 0 | 2,000,000 | 0 | 2,000,000 |
| KA1401A | DNR: Waterway Improvement Program | 0 | 0 | 0 | 0 | 12,500,000 | 2,500,000 | 15,000,000 |

| <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>Bond Premium</u> | <u>Revenue</u> | <u>General</u> | <u>Special</u> | <u>Federal</u> | |
| KA1402A | DNR: Coastal Resiliency Program | 4,725,000 | 0 | 0 | 0 | 0 | 0 | 4,725,000 |
| KA1701A | DNR: Oyster Restoration Program | 270,000 | 0 | 0 | 0 | 0 | 0 | 270,000 |
| LA1111A | MDA: Agricultural Land Preservation Program | 0 | 0 | 0 | 0 | 48,976,142 | 0 | 48,976,142 |
| LA1205A | MDA: Salisbury Animal Health Laboratory Replacement | 4,975,000 | 0 | 0 | 0 | 0 | 0 | 4,975,000 |
| LA1213A | MDA: Tobacco Transition Program | 0 | 0 | 0 | 0 | 999,000 | 0 | 999,000 |
| LA15A | MDA: Maryland Agricultural Cost-Share Program | 8,500,000 | 0 | 0 | 0 | 0 | 0 | 8,500,000 |
| UA0104 | MDE: Hazardous Substance Cleanup Program | 0 | 0 | 0 | 500,000 | 0 | 0 | 500,000 |
| UA0111 | MDE: Bay Restoration Fund | 0 | 0 | 0 | 0 | 70,000,000 | 0 | 70,000,000 |
| UA0112 | MDE: Bay Restoration Fund Septic System Program | 0 | 0 | 0 | 0 | 15,000,000 | 0 | 15,000,000 |
| UA0114 | MDE: Energy Water Infrastructure Program | 0 | 0 | 0 | 0 | 8,000,000 | 0 | 8,000,000 |
| UA01A | MDE: Maryland Drinking Water Revolving Loan Program | 5,650,000 | 0 | 0 | 0 | 16,880,000 | 10,300,000 | 32,830,000 |

| <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>Bond Premium</u> | <u>Revenue</u> | <u>General</u> | <u>Special</u> | <u>Federal</u> | |
| UA01B | MDE: Maryland Water Quality Revolving Loan Fund | 13,200,000 | 0 | 150,000,000 | 0 | 110,400,000 | 33,000,000 | 306,600,000 |
| UA01C | MDE: Mining Remediation Program | 500,000 | 0 | 0 | 0 | 0 | 0 | 500,000 |
| UA01D | MDE: Water Supply Financial Assistance Program | 3,303,000 | 0 | 0 | 0 | 0 | 0 | 3,303,000 |
| UB00A | MES: Infrastructure Improvement Fund | 9,590,000 | 0 | 0 | 0 | 0 | 0 | 9,590,000 |
| | Subtotal | \$58,213,000 | \$0 | \$150,000,000 | \$6,500,000 | \$435,898,675 | \$48,800,000 | \$699,411,675 |
| | Public Safety | | | | | | | |
| QS0101A | DPSCS: Jessup Regional Electrical Infrastructure Upgrade | \$229,000 | \$0 | \$0 | \$0 | \$0 | \$0 | \$229,000 |
| QT04A | DPSCS: Demolition of Buildings Baltimore City Correctional Complex | 4,980,000 | 0 | 0 | 0 | 0 | 0 | 4,980,000 |
| WA01A | DSP: New Cumberland Barrack and Garage | 2,300,000 | 0 | 0 | 0 | 0 | 0 | 2,300,000 |
| ZB02A | DPSCS: Anne Arundel County Central Holding and Processing Center | 2,035,000 | 0 | 0 | 0 | 0 | 0 | 2,035,000 |
| ZB02B | DPSCS: Calvert County Detention Center Inmate Program Space Addition | 500,000 | 0 | 0 | 0 | 0 | 0 | 500,000 |

| <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>Bond Premium</u> | <u>Revenue</u> | <u>General</u> | <u>Special</u> | <u>Federal</u> | |
| ZB02C | DPSCS: Montgomery County Pre-Release Center | 1,618,000 | 0 | 0 | 0 | 0 | 0 | 1,618,000 |
| ZB02D | DPSCS: Prince George's County Correctional Center | 2,448,000 | 0 | 0 | 0 | 0 | 0 | 2,448,000 |
| ZB02E | DPSCS: St. Mary's County Adult Detention Center Upgrade | 731,000 | 0 | 0 | 0 | 0 | 0 | 731,000 |
| | Subtotal | \$14,841,000 | \$0 | \$0 | \$0 | \$0 | \$0 | \$14,841,000 |
| | Education | | | | | | | |
| DE0202A | BPW: Aging Schools Program | \$6,109,000 | \$0 | \$0 | \$0 | \$0 | \$0 | \$6,109,000 |
| DE0202B | BPW: Public School Construction Program | 313,900,000 | 0 | 0 | 0 | 0 | 0 | 313,900,000* |
| DE0202C | BPW: Nonpublic Aging Schools Program | 3,500,000 | 0 | 0 | 0 | 0 | 0 | 3,500,000 |
| DE0202D | BPW: Supplemental Capital Grant Program | 68,200,000 | 0 | 0 | 0 | 0 | 0 | 68,200,000 |
| D15A0516 | GOCCP: Public School Safety Improvements | 0 | 0 | 0 | 10,000,000 | 0 | 0 | 10,000,000 |
| Section 14 | BPW: Public School Safety Improvements | 0 | 10,000,000 | 0 | 0 | 0 | 0 | 10,000,000 |
| Section 14 | BPW: Heating, Ventilation, and Air Conditioning Improvements | 0 | 15,000,000 | 0 | 0 | 0 | 0 | 15,000,000 |

| <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>Bond Premium</u> | <u>Revenue</u> | <u>General</u> | <u>Special</u> | <u>Federal</u> | |
| Section 14 | BPW: Nonpublic Schools Safety Improvements | 0 | 3,500,000 | 0 | 0 | 0 | 0 | 3,500,000 |
| RA11A | MSLA: Public Library Grant Program | 5,000,000 | 0 | 0 | 0 | 0 | 0 | 5,000,000 |
| RA11B | MSLA: State Library Resource Center | 4,831,000 | 0 | 0 | 0 | 0 | 0 | 4,831,000 |
| RE01A | MSD: Veditz Building Renovation | 586,000 | 0 | 0 | 0 | 0 | 0 | 586,000 |
| | Subtotal | \$402,126,000 | \$28,500,000 | \$0 | \$10,000,000 | \$0 | \$0 | \$440,626,000 |
| | Higher Education | | | | | | | |
| RB21A | UMB: Central Electrical Substation and Electrical Infrastructure Upgrade | \$8,564,000 | \$0 | \$0 | \$0 | \$0 | \$0 | \$8,564,000 |
| RB21B | UMB: Maryland Center for Advanced Molecular Analysis | 2,500,000 | 0 | 0 | 0 | 0 | 0 | 2,500,000 |
| RB22A | UMCP: A. James Clark Hall New Bioengineering Building | 3,608,000 | 0 | 0 | 0 | 0 | 0 | 3,608,000 |
| RB22B | UMCP: Brendan Iribe Center for Computer Science and Innovation | 3,900,000 | 0 | 0 | 0 | 0 | 0 | 3,900,000 |
| RB22C | UMCP: New Cole Field House | 22,289,000 | 0 | 0 | 0 | 0 | 0 | 22,289,000 |
| RB22D | UMCP: School of Public Policy Building | 2,000,000 | 0 | 0 | 0 | 0 | 0 | 2,000,000 |

| <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>Bond Premium</u> | <u>Revenue</u> | <u>General</u> | <u>Special</u> | <u>Federal</u> | |
| RB22E | UMCP: Chemistry Building Wing 1 Replacement | 2,700,000 | 0 | 0 | 0 | 0 | 0 | 2,700,000 |
| RB23A | BSU: Campuswide Boiler and Chiller Replacement | 1,500,000 | 0 | 0 | 0 | 0 | 0 | 1,500,000 |
| RB24A | TU: Science Facility | 45,764,000 | 12,980,000 | 2,000,000 | 0 | 0 | 0 | 60,744,000 |
| RB24B | TU: Towson University – Athletic Fields | 3,000,000 | 0 | 0 | 0 | 0 | 0 | 3,000,000 |
| RB26A | FSU: Education Professions and Health Sciences Center | 2,000,000 | 0 | 0 | 0 | 0 | 0 | 2,000,000 |
| RB27A | CSU: Percy Julian Building Renovations for the College of Business | 1,634,000 | 0 | 0 | 0 | 0 | 0 | 1,634,000 |
| RB31A | UMBC: Interdisciplinary Life Sciences Building | 57,799,000 | 0 | 5,000,000 | 0 | 0 | 0 | 62,799,000 |
| RB31B | UMBC: Utility Upgrades and Site Improvements | 1,360,000 | 0 | 0 | 0 | 0 | 0 | 1,360,000 |
| RB31C | UMBC: Stadium and Athletic Facility Improvements | 4,000,000 | 0 | 0 | 0 | 0 | 0 | 4,000,000 |
| RB36A | USMO: Shady Grove Educational Center – Biomedical Sciences and Engineering Education Building | 23,114,000 | 0 | 0 | 0 | 0 | 0 | 23,114,000 |

| <u>Budget Code</u> | <u>Project Title</u> | <u>Bonds</u> | | | <u>Current Funds (PAYGO)</u> | | | |
|--------------------|---|-------------------------------|-------------------------|---------------------|------------------------------|----------------|----------------|----------------------|
| | | <u>General Obligation</u> | <u>Bond Premium</u> | <u>Revenue</u> | <u>General</u> | <u>Special</u> | <u>Federal</u> | <u>Total Funds</u> |
| RB36RB | USMO: Capital Facilities Renewal Program | 0 | 0 | 17,000,000 | 0 | 0 | 0 | 17,000,000 |
| RC00A | BCCC: Liberty Campus Loop Road and Entrance Improvements | 365,000 | 0 | 0 | 0 | 0 | 0 | 365,000 |
| RD00A | SMCM: Academic Building and Auditorium | 3,600,000 | 0 | 0 | 0 | 0 | 0 | 3,600,000 |
| RD00B | SMCM: Campus Infrastructure Improvements | 2,405,000 | 0 | 0 | 0 | 0 | 0 | 2,405,000 |
| RI00A | MHEC: Community College Facilities Grant Program | 60,095,000 | 0 | 0 | 0 | 0 | 0 | 60,095,000 |
| RM00A | MSU: New Health and Human Services Building Phase I | 461,000 | 0 | 0 | 0 | 0 | 0 | 461,000 |
| RM00B | MSU: New Student Services Support Building | 46,060,000 | 0 | 0 | 0 | 0 | 0 | 46,060,000 |
| ZA00X | MICUA: Johns Hopkins University Pinkard Building | 4,000,000 | 0 | 0 | 0 | 0 | 0 | 4,000,000 |
| ZA00Y | MICUA: Loyola University Maryland New Academic Building | 4,000,000 | 0 | 0 | 0 | 0 | 0 | 4,000,000 |
| ZA00Z | MICUA: Washington College New Academic Building | 4,000,000 | 0 | 0 | 0 | 0 | 0 | 4,000,000 |
| | Subtotal | \$310,718,000 | \$12,980,000 | \$24,000,000 | \$0 | \$0 | \$0 | \$347,698,000 |

Effect of the 2018 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>Bond Premium</u> | <u>Revenue</u> | <u>General</u> | <u>Special</u> | <u>Federal</u> | |
| | Housing and Community Development | | | | | | | |
| DB01B | HSMCC: Historic St. Mary's Commission Pavilion | \$277,000 | \$0 | \$0 | \$0 | \$0 | \$0 | \$277,000 |
| DB01C | HSMCC: Maryland Dove | 2,000,000 | 0 | 0 | 0 | 0 | 0 | 2,000,000 |
| DB01D | HSMCC: Maryland Heritage Interpretive Center | 1,000,000 | 0 | 0 | 0 | 0 | 0 | 1,000,000 |
| DB01E | HSMCC: Dove Pier | 550,000 | 0 | 0 | 0 | 0 | 0 | 550,000 |
| DW0108A | MDP: Patterson Center Renovations | 3,887,000 | 0 | 0 | 0 | 0 | 0 | 3,887,000 |
| DW01112 | MDP: Sustainable Communities Tax Credit | 0 | 0 | 0 | 8,905,935 | 0 | 0 | 8,905,935 |
| DW0111A | MDP: African American Heritage Preservation Grant Program | 1,000,000 | 0 | 0 | 0 | 0 | 0 | 1,000,000 |
| DW0111B | MDP: Maryland Historical Trust Capital Grant Fund | 600,000 | 0 | 0 | 0 | 0 | 0 | 600,000 |
| DW0111C | MDP: Maryland Historical Trust Capital Revolving Loan Fund | 0 | 0 | 0 | 0 | 300,000 | 0 | 300,000 |
| SA2402A | DHCD: Community Development Block Grant Program | 0 | 0 | 0 | 0 | 0 | 9,000,000 | 9,000,000 |
| SA2402B | DHCD: Seed Community Development Anchor Institution Fund | 0 | 0 | 0 | 4,000,000 | 0 | 0 | 4,000,000 |

| <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>Bond Premium</u> | <u>Revenue</u> | <u>General</u> | <u>Special</u> | <u>Federal</u> | |
| SA24A | DHCD: Baltimore Regional Neighborhoods Initiative | 3,000,000 | 0 | 0 | 5,000,000 | 0 | 0 | 8,000,000 |
| SA24B | DHCD: Community Legacy Program | 8,000,000 | 0 | 0 | 0 | 0 | 0 | 8,000,000 |
| SA24C | DHCD: Neighborhood Business Development Program | 3,300,000 | 0 | 0 | 0 | 2,200,000 | 0 | 5,500,000 |
| SA24D | DHCD: Strategic Demolition and Smart Growth Impact Fund | 28,500,000 | 0 | 0 | 0 | 0 | 0 | 28,500,000 |
| SA24E | DHCD: National Capital Strategic Economic Development Fund | 1,000,000 | 0 | 0 | 0 | 0 | 0 | 1,000,000 |
| SA2514A | DHCD: MD-BRAC Preservation Loan Fund | 0 | 0 | 0 | 0 | 2,500,000 | 0 | 2,500,000 |
| SA25A | DHCD: Homeownership Programs | 12,000,000 | 0 | 0 | 0 | 1,500,000 | 0 | 13,500,000 |
| SA25B | DHCD: Housing and Building Energy Programs | 1,000,000 | 0 | 0 | 0 | 8,350,000 | 700,000 | 10,050,000 |
| SA25C | DHCD: Partnership Rental Housing Program | 6,000,000 | 0 | 0 | 0 | 0 | 0 | 6,000,000 |
| SA25D | DHCD: Rental Housing Program | 0 | 25,000,000 | 0 | 0 | 15,500,000 | 4,500,000 | 45,000,000 |

| <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>Bond Premium</u> | <u>Revenue</u> | <u>General</u> | <u>Special</u> | <u>Federal</u> | |
| SA25E | DHCD: Shelter and Transitional Housing Facilities Grant Program | 3,000,000 | | 0 | 0 | 0 | 0 | 3,000,000 |
| SA25F | DHCD: Special Loan Programs | 4,000,000 | | 0 | 0 | 3,400,000 | 2,000,000 | 9,400,000 |
| | Subtotal | \$79,114,000 | \$25,000,000 | \$0 | \$17,905,935 | \$33,750,000 | \$16,200,000 | \$171,969,935 |
| | Local Projects | | | | | | | |
| D06E0201 | BPW: Camp Shoresh | \$0 | \$0 | \$0 | \$73,500 | \$0 | \$0 | \$73,500 |
| ZA00A | MISC: Annapolis Flood Mitigation | 2,000,000 | 0 | 0 | 0 | 0 | 0 | 2,000,000 |
| ZA00B | MISC: Arthur Perdue Stadium Improvements | 580,000 | 0 | 0 | 0 | 0 | 0 | 580,000 |
| ZA00C | MISC: A Wider Circle Community Services Center | 750,000 | 0 | 0 | 0 | 0 | 0 | 750,000 |
| ZA00D | MISC: Baltimore Museum of Art | 2,000,000 | 0 | 0 | 0 | 0 | 0 | 2,000,000 |
| ZA00E | MISC: Baltimore Recreational Centers Renovations | 400,000 | 0 | 0 | 0 | 0 | 0 | 400,000 |
| ZA00F | MISC: Center Stage | 1,000,000 | 0 | 0 | 0 | 0 | 0 | 1,000,000 |
| ZA00G | MISC: Charles E. Smith Communities Facility Improvements | 250,000 | 0 | 0 | 0 | 0 | 0 | 250,000 |
| ZA00H | MISC: Chesapeake Grove Senior Housing and Intergenerational Center | 1,000,000 | 0 | 0 | 0 | 0 | 0 | 1,000,000 |

| <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>Bond Premium</u> | <u>Revenue</u> | <u>General</u> | <u>Special</u> | <u>Federal</u> | |
| ZA00I | MISC: Compass Regional Hospice | 1,000,000 | 0 | 0 | 0 | 0 | 0 | 1,000,000 |
| ZA00J | MISC: Cumberland Plaza Redevelopment and Perkins Building | 420,000 | 0 | 0 | 0 | 0 | 0 | 420,000 |
| ZA00K | MISC: Downtown Columbia Cultural Arts Center | 500,000 | 0 | 0 | 0 | 0 | 0 | 500,000 |
| ZA00L | MISC: Downtown Partnership of Baltimore | 500,000 | 0 | 0 | 0 | 0 | 0 | 500,000 |
| ZA00M | MISC: Dulaney High School Athletic Fields | 150,000 | 0 | 0 | 0 | 0 | 0 | 150,000 |
| ZA00N | MISC: East Baltimore Biotechnology Park | 2,500,000 | 0 | 0 | 0 | 0 | 0 | 2,500,000 |
| ZA00O | MISC: Ellicott City Flood Mitigation | 750,000 | 0 | 0 | 0 | 0 | 0 | 750,000 |
| ZA00P | MISC: Hagerstown Revitalization | 750,000 | 0 | 0 | 0 | 0 | 0 | 750,000 |
| ZA00Q | MISC: Helping Up Mission | 500,000 | 0 | 0 | 0 | 0 | 0 | 500,000 |
| ZA00R | MISC: Hillel Student Center | 1,000,000 | 0 | 0 | 0 | 0 | 0 | 1,000,000 |
| ZA00S | MISC: Hippodrome Foundation | 2,000,000 | 0 | 0 | 0 | 0 | 0 | 2,000,000 |
| ZA00T | MISC: Historic Annapolis | 1,000,000 | 0 | 0 | 0 | 0 | 0 | 1,000,000 |
| ZA00W | MISC: Lexington Market | 500,000 | 0 | 0 | 0 | 0 | 0 | 500,000 |
| ZA00AA | MISC: Maryland State Fairgrounds | 1,000,000 | 0 | 0 | 0 | 0 | 0 | 1,000,000 |

| <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>Bond Premium</u> | <u>Revenue</u> | <u>General</u> | <u>Special</u> | <u>Federal</u> | |
| ZA00AB | MISC: Maryland Zoo in Baltimore | 4,000,000 | 0 | 0 | 0 | 0 | 0 | 4,000,000 |
| ZA00AD | MISC: Melvin J. Berman Hebrew Academy | 150,000 | 0 | 0 | 0 | 0 | 0 | 150,000 |
| ZA00AE | MISC: Merriweather Post Pavilion | 8,000,000 | 0 | 0 | 0 | 0 | 0 | 8,000,000 |
| ZA00AF | MISC: National Aquarium in Baltimore | 2,000,000 | 0 | 0 | 0 | 0 | 0 | 2,000,000 |
| ZA00AH | MISC: New Spire Arts | 250,000 | 0 | 0 | 0 | 0 | 0 | 250,000 |
| ZA00AI | MISC: NorthBay Environmental Education Center | 200,000 | 0 | 0 | 0 | 0 | 0 | 200,000 |
| ZA00AJ | MISC: Roberta's House | 2,000,000 | 0 | 0 | 0 | 0 | 0 | 2,000,000 |
| ZA00AK | MISC: Ronald McDonald House | 500,000 | 0 | 0 | 0 | 0 | 0 | 500,000 |
| ZA00AL | MISC: Salisbury Revitalization | 500,000 | 0 | 0 | 0 | 0 | 0 | 500,000 |
| ZA00AM | MISC: Sheppard Pratt Hospital | 4,000,000 | 0 | 0 | 0 | 0 | 0 | 4,000,000 |
| ZA00AN | MISC: Stevenson University Rosewood Property Environmental Abatement | 5,000,000 | 0 | 0 | 0 | 0 | 0 | 5,000,000 |
| ZA00AO | MISC: Thomas Kennedy Memorial Park | 300,000 | 0 | 0 | 0 | 0 | 0 | 300,000 |
| ZA00AP | MISC: Westminster Rescue Mission | 250,000 | 0 | 0 | 0 | 0 | 0 | 250,000 |

| <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>Bond Premium</u> | <u>Revenue</u> | <u>General</u> | <u>Special</u> | <u>Federal</u> | |
| ZA00AQ | MISC: Woodbourne Center Vocational Program | 380,000 | 0 | 0 | 0 | 0 | 0 | 380,000 |
| ZA00AR | MISC: YMCA Senior Center | 500,000 | 0 | 0 | 0 | 0 | 0 | 500,000 |
| ZA00AT | MISC: Strathmore Hall | 3,000,000 | 0 | 0 | 0 | 0 | 0 | 3,000,000 |
| ZA00AU | MISC: National Cryptologic Museum | 250,000 | 0 | 0 | 0 | 0 | 0 | 250,000 |
| ZA00AV | MISC: Revitalization of Chestertown Marina | 500,000 | 0 | 0 | 0 | 0 | 0 | 500,000 |
| ZA00AW | MISC: Glen Burnie High School Field House and Concession Stand | 1,500,000 | 0 | 0 | 0 | 0 | 0 | 1,500,000 |
| ZA00AX | MISC: Olney Theatre Center for the Arts | 2,000,000 | 0 | 0 | 0 | 0 | 0 | 2,000,000 |
| ZA00AY | MISC: Kuhn Hall | 250,000 | 0 | 0 | 0 | 0 | 0 | 250,000 |
| ZA00AZ | MISC: Pratt Street and Howard Street Plaza | 350,000 | 0 | 0 | 0 | 0 | 0 | 350,000 |
| ZA00BA | MISC: Federal Hill Streetscape Improvements | 250,000 | 0 | 0 | 0 | 0 | 0 | 250,000 |
| ZA00BB | MISC: Hoen Lithograph Building Renovation | 1,000,000 | 0 | 0 | 0 | 0 | 0 | 1,000,000 |
| ZA00BC | MISC: Liberty Sports Park | 2,500,000 | 0 | 0 | 0 | 0 | 0 | 2,500,000 |
| ZA00BD | MISC: Poolesville Grape Crushing Economic Development Facility | 1,000,000 | 0 | 0 | 0 | 0 | 0 | 1,000,000 |

| <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>Bond Premium</u> | <u>Revenue</u> | <u>General</u> | <u>Special</u> | <u>Federal</u> | |
| ZA00BE | MISC: Coastal Hospice | 500,000 | 0 | 0 | 0 | 0 | 0 | 500,000 |
| ZA00BF | MISC: Northwood Commons | 2,000,000 | 0 | 0 | 0 | 0 | 0 | 2,000,000 |
| ZA00BG | MISC: Innovative Center for Autonomous Systems | 750,000 | 0 | 0 | 0 | 0 | 0 | 750,000 |
| ZA00BH | MISC: Maryland Hall for the Creative Arts | 1,500,000 | 0 | 0 | 0 | 0 | 0 | 1,500,000 |
| ZA00BI | MISC: YWCA Domestic Violence and Trafficking Shelters | 1,000,000 | 0 | 0 | 0 | 0 | 0 | 1,000,000 |
| ZA00BJ | MISC: The Arc of the Central Chesapeake Region | 350,000 | 0 | 0 | 0 | 0 | 0 | 350,000 |
| ZA00BK | MISC: UpCounty Nonprofit Hub | 1,000,000 | 0 | 0 | 0 | 0 | 0 | 1,000,000 |
| ZA00BL | MISC: Harriet Tubman Community Center and Museum | 500,000 | 0 | 0 | 0 | 0 | 0 | 500,000 |
| ZA00BM | MISC: Port Discovery Children's Museum | 750,000 | 0 | 0 | 0 | 0 | 0 | 750,000 |
| ZA00BN | MISC: Camp Woodlands Restoration Project | 250,000 | 0 | 0 | 0 | 0 | 0 | 250,000 |
| ZA00BO | MISC: Chesapeake High School Turf Field | 600,000 | 0 | 0 | 0 | 0 | 0 | 600,000 |
| ZA00BP | MISC: Historic Annapolis Museum | 125,000 | 0 | 0 | 0 | 0 | 0 | 125,000 |

| <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>Bond Premium</u> | <u>Revenue</u> | <u>General</u> | <u>Special</u> | <u>Federal</u> | |
| ZA00BQ | MISC: Randallstown High School Infrastructure Improvements | 30,000 | 0 | 0 | 0 | 0 | 0 | 30,000 |
| ZA00BR | MISC: Franklin High School Infrastructure Improvements | 750,000 | 0 | 0 | 0 | 0 | 0 | 750,000 |
| ZA00BS | MISC: Frederick Road Improvements | 250,000 | 0 | 0 | 0 | 0 | 0 | 250,000 |
| ZA00BT | MISC: Allegany Museum | 300,000 | 0 | 0 | 0 | 0 | 0 | 300,000 |
| ZA00BU | MISC: American Visionary Arts Museum | 250,000 | 0 | 0 | 0 | 0 | 0 | 250,000 |
| ZA00BV | MISC: Baltimore Museum of Industry | 225,000 | 0 | 0 | 0 | 0 | 0 | 225,000 |
| ZA00BW | MISC: City of District Heights Senior Day Facility Expansion | 500,000 | 0 | 0 | 0 | 0 | 0 | 500,000 |
| ZA00BX | MISC: Road and Intersection Improvements for the Intersection of MD 30 and Mount Gilead Road | 1,400,000 | 0 | 0 | 0 | 0 | 0 | 1,400,000 |
| ZA00BY | MISC: Hot Sox Park | 500,000 | 0 | 0 | 0 | 0 | 0 | 500,000 |
| ZA00BZ | MISC: Sound Walls Baltimore County | 300,000 | 0 | 0 | 0 | 0 | 0 | 300,000 |
| ZA00CA | MISC: Maryland Science Center | 890,000 | 0 | 0 | 0 | 0 | 0 | 890,000 |
| ZA00CB | MISC: Sellers Mansion | 250,000 | 0 | 0 | 0 | 0 | 0 | 250,000 |
| ZA00CC | MISC: Patriot Point | 200,000 | 0 | 0 | 0 | 0 | 0 | 200,000 |

Effect of the 2018 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>Bond Premium</u> | <u>Revenue</u> | <u>General</u> | <u>Special</u> | <u>Federal</u> | |
| ZA00CD | MISC: Maryland Equine Education Center | 250,000 | 0 | 0 | 0 | 0 | 0 | 250,000 |
| ZA00CE | MISC: Baltimore Regional Employment and Education Center | 750,000 | 0 | 0 | 0 | 0 | 0 | 750,000 |
| ZA00CF | MISC: J. Van Story Branch Building | 250,000 | 0 | 0 | 0 | 0 | 0 | 250,000 |
| ZA00CG | MISC: Hagerstown Paper and Plastic Plant | 1,000,000 | 0 | 0 | 0 | 0 | 0 | 1,000,000 |
| ZA00CH | MISC: The Compound | 250,000 | 0 | 0 | 0 | 0 | 0 | 250,000 |
| ZA00CI | MISC: William Brown House | 150,000 | 0 | 0 | 0 | 0 | 0 | 150,000 |
| ZA00CJ | MISC: Bnos Yisroel of Baltimore | 250,000 | 0 | 0 | 0 | 0 | 0 | 250,000 |
| ZA00CK | MISC: Echo Hill Outdoor School | 30,000 | 0 | 0 | 0 | 0 | 0 | 30,000 |
| ZA00CL | MISC: BARCO Playhouse Theater | 50,000 | 0 | 0 | 0 | 0 | 0 | 50,000 |
| ZA00CM | MISC: Bon Secours Youth Development Center | 1,000,000 | 0 | 0 | 0 | 0 | 0 | 1,000,000 |
| ZA00CN | MISC: West Arlington Water Tower | 250,000 | 0 | 0 | 0 | 0 | 0 | 250,000 |
| ZA00CO | MISC: Armory Plaza | 100,000 | 0 | 0 | 0 | 0 | 0 | 100,000 |
| BRFA | MISC: BARCO | 0 | 0 | 0 | 0 | 200,000 | 0 | 200,000 |
| Section 17 | Playhouse Theater | | | | | | | |
| BRFA | MISC: Habitat for Humanity of the Chesapeake Homes | 0 | 0 | 0 | 0 | 100,000 | 0 | 100,000 |
| Section 17 | | | | | | | | |

| <u>Budget Code</u> | <u>Project Title</u> | <u>Bonds</u> | | | <u>Current Funds (PAYGO)</u> | | | |
|--------------------|--------------------------|-------------------------------|-------------------------|----------------------|------------------------------|------------------------|------------------------|------------------------|
| | | <u>General Obligation</u> | <u>Bond Premium</u> | <u>Revenue</u> | <u>General</u> | <u>Special</u> | <u>Federal</u> | <u>Total Funds</u> |
| BRFA | MISC: Chesapeake | 0 | 0 | 0 | 0 | 75,000 | 0 | 75,000 |
| Section 17 | Shakespeare Theatre | | | | | | | |
| BRFA | MISC: RCI Group | 0 | 0 | 0 | 0 | 75,000 | 0 | 75,000 |
| Section 17 | Homes Renovation | | | | | | | |
| BRFA | MISC: Maryland | 0 | 0 | 0 | 0 | 50,000 | 0 | 50,000 |
| Section 17 | Theatre | | | | | | | |
| MCCBL | MISC: Broadneck | 0 | 1,500,000 | 0 | 0 | 0 | 0 | 1,500,000 |
| Section 15 | High School Stadium | | | | | | | |
| ZA02 | Local Senate Initiatives | 8,000,000 | 0 | 0 | 0 | 0 | 0 | 8,000,000 |
| ZA03 | Local House Initiatives | 8,000,000 | 0 | 0 | 0 | 0 | 0 | 8,000,000 |
| | Subtotal | \$96,680,000 | \$1,500,000 | \$0 | \$73,500 | \$500,000 | \$0 | \$98,753,500 |
| | Current Year | \$1,091,179,000 | \$67,980,000 | \$174,000,000 | \$65,479,435 | \$470,148,675 | \$69,847,000 | \$1,938,634,110 |
| | Nontransportation | | | | | | | |
| | Total | | | | | | | |
| | De-authorizations | | | | | | | |
| | De-authorizations as | -\$5,179,000 | \$0 | \$0 | \$0 | \$0 | \$0 | -\$5,179,000 |
| | Introduced | | | | | | | |
| | Additional | -11,000,000 | 0 | 0 | 0 | 0 | 0 | -11,000,000 |
| | De-authorizations | | | | | | | |
| | Subtotal | -\$16,179,000 | \$0 | \$0 | \$0 | \$0 | \$0 | -\$16,179,000 |
| | Adjusted | \$1,075,000,000 | \$67,980,000 | \$174,000,000 | \$65,479,435 | \$470,148,675 | \$69,847,000 | \$1,922,455,110 |
| | Nontransportation | | | | | | | |
| | Total | | | | | | | |
| | Transportation | \$0 | \$0 | \$710,000,000 | \$0 | \$844,849,513 | \$1,128,948,000 | \$2,683,797,513 |
| | CTP | | | | | | | |
| | Current Year | \$1,091,179,000 | \$67,980,000 | \$884,000,000 | \$65,479,435 | \$1,314,998,188 | \$1,198,795,000 | \$4,622,431,623 |
| | Total | | | | | | | |

| <u>Budget Code</u> | <u>Project Title</u> | Bonds | | | Current Funds (PAYGO) | | | |
|--------------------|--|-------------------------------|-------------------------|----------------------|------------------------------|------------------------|------------------------|------------------------|
| | | <u>General Obligation</u> | <u>Bond Premium</u> | <u>Revenue</u> | <u>General</u> | <u>Special</u> | <u>Federal</u> | <u>Total Funds</u> |
| | Fiscal 2018 Deficiencies | | | | | | | |
| RP00A | MPBC: Maryland Public Television Transmission Systems Replacement | \$0 | \$0 | \$0 | \$0 | \$0 | \$3,000,000 | \$3,000,000 |
| KA0510A | DNR: Natural Resources Development Fund | 0 | 0 | 0 | 0 | 43,348 | 200,000 | 243,348 |
| | Subtotal | \$0 | \$0 | \$0 | \$0 | \$43,348 | \$3,200,000 | \$3,243,348 |
| | Grand Total** | \$1,091,179,000 | \$67,980,000 | \$884,000,000 | \$65,479,435 | \$1,315,041,536 | \$1,201,995,000 | \$4,625,674,971 |

BCCC: Baltimore City Community College
 BPW: Board of Public Works
 BRFA: Budget Reconciliation and Financing Act
 BSU: Bowie State University
 CSU: Coppin State University
 CTP: *Consolidated Transportation Program*
 DHCD: Department of Housing and Community Development
 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
 GOCCP: Governor's Office of Crime Control and Prevention
 HSMCC: Historic St. Mary's City Commission
 MD: Military Department
 MDA: Maryland Department of Agriculture
 MD-BRAC: Maryland Base Realignment and Closure
 MDE: Maryland Department of the Environment
 MDH: Maryland Department of Health

MDOA: Maryland Department of Aging
 MDP: 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
 MSD: Maryland School for the Deaf
 MSLA: Maryland State Library Agency
 MSU: Morgan State University
 PAYGO: pay-as-you-go
 SMCM: St. Mary's College of Maryland
 TU: Towson University
 UMB: University of Maryland, Baltimore Campus
 UMBC: University of Maryland Baltimore County
 UMCP: University of Maryland, College Park Campus
 UMMS: University of Maryland Medical System
 USMO: University System of Maryland Office

* Public school construction figures do not include another \$18.3 million of recycled funds remaining from prior general obligation bond school construction authorizations used to support fiscal 2019 projects.

** The general obligation bond total reflects the amount of general obligation bonds authorized in the Maryland Consolidated Bond Loan of 2018 after accounting for the \$16.2 million de-authorization of prior authorized funds included in the capital budget bill.

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

Exhibit 2.4
Legislative Projects – 2018 Session

| <u>Project Title</u> | <u>Senate Initiative</u> | <u>House Initiative</u> | <u>Other Funding</u> | <u>Match/Requirements</u> | |
|--|--------------------------|-------------------------|----------------------|---------------------------|-----------|
| Statewide | | | | | |
| Baltimore Police Mounted Unit Stables | \$250,000 | | | \$250,000 | Hard |
| Bay Community Support Services Group Homes | | \$26,000 | | 26,000 | Hard |
| Port Discovery Children’s Museum | 250,000 | | | 250,000 | Soft(3) |
| Talisman Therapeutic Riding Farm | 250,000 | | | 250,000 | Soft(2,3) |
| Vehicles for Change | 250,000 | | | 250,000 | Soft(3) |
| Subtotal | \$1,000,000 | \$26,000 | \$0 | \$1,026,000 | |
| Allegany | | | | | |
| Camp Potomac | \$25,000 | \$25,000 | | \$50,000 | Hard |
| Frostburg Museum Relocation Project | 75,000 | 75,000 | | 150,000 | Soft(1) |
| Subtotal | \$100,000 | \$100,000 | \$0 | \$200,000 | |
| Anne Arundel | | | | | |
| Annapolis Maritime Museum and Park | \$50,000 | \$75,000 | | \$125,000 | Soft(all) |
| Annapolis Masonic Lodge No. 89 | | 80,000 | | 80,000 | Grant |
| Broadneck High School Stadium | | | \$1,500,000 | 1,500,000 | Grant |
| Camp Woodlands Restoration Project | | | 250,000 | 250,000 | Grant |
| Chesapeake High School Turf Field | | | 600,000 | 600,000 | Grant |
| Glen Burnie High School Field House and Athletic Complex | | | 1,500,000 | 1,500,000 | Grant |
| Hancock’s Resolution Visitor Center and Barn | 125,000 | 125,000 | | 250,000 | Hard |
| Historic Annapolis Museum | | | 125,000 | 125,000 | Grant |

| <u>Project Title</u> | <u>Senate Initiative</u> | <u>House Initiative</u> | <u>Other Funding</u> | <u>Match/Requirements</u> | |
|--|--------------------------|-------------------------|----------------------|---------------------------|-----------|
| Light House Bistro and Culinary Training Center | 150,000 | 160,000 | | 310,000 | Soft(3) |
| Lloyd Keaser Community Center | | 35,000 | | 35,000 | Soft(1) |
| Maryland Hall for the Creative Arts | | | 1,500,000 | 1,500,000 | Grant |
| Resiliency and Education Center at Kuhn Hall | | | 250,000 | 250,000 | Grant |
| Samaritan House | 50,000 | 50,000 | | 100,000 | Soft(1,3) |
| Severn Danza Park | | 200,000 | | 200,000 | Hard |
| St. Philip Neri Community Hall | 75,000 | | | 75,000 | Grant |
| The Arc of the Central Chesapeake Region | 125,000 | | 350,000 | 475,000 | Hard |
| The Bernie House | | 130,000 | | 130,000 | Soft(2) |
| William Brown House | | | 150,000 | 150,000 | Grant |
| YWCA Domestic Violence and Trafficking Shelters | | | 1,000,000 | 1,000,000 | Grant |
| Subtotal | \$575,000 | \$855,000 | \$7,225,000 | \$8,655,000 | |
| Baltimore City | | | | | |
| 40 West Assistance and Referral Center | \$125,000 | | | \$125,000 | Hard |
| American Visionary Art Museum | | | \$250,000 | 250,000 | Grant |
| Baltimore Museum of Industry | | | 225,000 | 225,000 | Grant |
| Baltimore Regional Employment and Education Center | | | 750,000 | 750,000 | Grant |
| BARCO Playhouse Theatre | | | 250,000 | 250,000 | Grant |
| Bnos Yisroel of Baltimore | | | 250,000 | 250,000 | Grant |
| Bon Secours Youth Development Center | | | 1,000,000 | 1,000,000 | Grant |
| Carmel Community Reaching Out Center | 90,000 | | | 90,000 | Soft(1) |
| Chesapeake Shakespeare Company | 25,000 | | 75,000 | 100,000 | Hard |
| Creative Alliance | 25,000 | | | 25,000 | Soft(all) |

| <u>Project Title</u> | <u>Senate Initiative</u> | <u>House Initiative</u> | <u>Other Funding</u> | <u>Match/Requirements</u> | |
|---|---------------------------------|--------------------------------|-----------------------------|----------------------------------|-----------|
| Darley Park | | | 75,000 | 75,000 | Grant |
| EMAGE Center | | \$125,000 | | 125,000 | Soft(3) |
| Epiphany House Project | 100,000 | | | 100,000 | Soft(all) |
| Federal Hill Streetscape Improvements | | | 250,000 | 250,000 | Grant |
| Garrett-Jacobs Mansion | | 200,000 | | 200,000 | Soft(2,3) |
| Habitat for Humanity of the Chesapeake | 50,000 | | 100,000 | 150,000 | Soft(all) |
| HARBEL Community Building | 100,000 | | | 100,000 | Hard |
| Harford House Project | 25,000 | 200,000 | | 225,000 | Grant |
| Harvey Johnson Community Center | | 200,000 | | 200,000 | Soft(2) |
| Hoen Lithograph Building Renovation | | | 1,000,000 | 1,000,000 | Grant |
| Hollins Market | | 250,000 | | 250,000 | Hard |
| J. Van Story Branch Apartment Building | | | 250,000 | 250,000 | Grant |
| Kappa Alpha Psi Youth and Community Center | 50,000 | 52,000 | | 102,000 | Soft(1,3) |
| Langston Hughes Community, Business and Resource Center | | 250,000 | | 250,000 | Soft(2,3) |
| Liberty Ship S.S. John W. Brown | 50,000 | | | 50,000 | Soft(all) |
| Malone Children Memorial Playground and Community Park | | | 150,000 | 150,000 | Grant |
| Maryland Art Place | | 125,000 | | 125,000 | Soft(U,3) |
| Patterson Park | | | 500,000 | 500,000 | Grant |
| Paul's Place | 35,000 | | | 35,000 | Soft(all) |
| Port Discovery | | | 750,000 | 750,000 | Grant |
| Pratt Street and Howard Street Plaza | | | 350,000 | 350,000 | Grant |
| Sellers Mansion | | | 250,000 | 250,000 | Grant |
| St. Elizabeth School | 50,000 | | | 50,000 | Soft(2) |
| The Compound | | | 250,000 | 250,000 | Grant |
| Village Learning Place | 50,000 | 50,000 | | 100,000 | Soft(2) |

| <u>Project Title</u> | <u>Senate Initiative</u> | <u>House Initiative</u> | <u>Other Funding</u> | <u>Match/Requirements</u> | |
|--|---------------------------------|--------------------------------|-----------------------------|----------------------------------|-----------|
| West Arlington Water Tower | | | 250,000 | 250,000 | Grant |
| Westport Community Land Trust | 25,000 | | | 25,000 | Soft(2) |
| <i>Subtotal</i> | <i>\$800,000</i> | <i>\$1,452,000</i> | <i>\$6,975,000</i> | <i>\$9,227,000</i> | |
| Baltimore | | | | | |
| Frederick Road Improvements | | | \$250,000 | \$250,000 | Grant |
| Hatzalah of Baltimore | \$125,000 | | | 125,000 | Hard |
| Lansdowne Volunteer Fire Department | 100,000 | | | 100,000 | Hard |
| Mayes-Burton Barn at Hereford High School | 100,000 | | | 100,000 | Soft(2,3) |
| Maryland Equine Education Center | | | 250,000 | 250,000 | Grant |
| Maryland State Fairgrounds | | | 1,000,000 | 1,000,000 | Grant |
| Morning Star Family Life Center | | \$100,000 | | 100,000 | Soft(all) |
| National Center on Institutions and Alternatives Expansion | 125,000 | 225,000 | | 350,000 | Hard |
| Natural History Society of Maryland | 175,000 | 215,000 | | 390,000 | Soft(all) |
| New Town High School Stadium | 75,000 | 100,000 | | 175,000 | Hard |
| Penn-Mar Human Services Day Learning Center | 100,000 | 100,000 | | 200,000 | Soft(2) |
| The Glenn L. Martin Maryland Aviation Museum | 50,000 | | | 50,000 | Soft(1,2) |
| Windsor Mill Community Outreach Center | | 100,000 | | 100,000 | Soft(all) |
| <i>Subtotal</i> | <i>\$850,000</i> | <i>\$840,000</i> | <i>\$1,500,000</i> | <i>\$3,190,000</i> | |
| Calvert | | | | | |
| East-John Youth Center Pools | \$50,000 | | | \$50,000 | Hard |
| North Beach Volunteer Fire Department | 100,000 | | | 100,000 | Hard |
| <i>Subtotal</i> | <i>\$150,000</i> | <i>\$0</i> | <i>\$0</i> | <i>\$150,000</i> | |

| <u>Project Title</u> | <u>Senate Initiative</u> | <u>House Initiative</u> | <u>Other Funding</u> | <u>Match/Requirements</u> | |
|--|--------------------------|-------------------------|----------------------|---------------------------|-----------|
| Carroll | | | | | |
| Boys and Girls Club of Westminster | \$75,000 | \$75,000 | | \$150,000 | Hard |
| Carroll County Veterans Independence Project | 50,000 | 50,000 | | 100,000 | Soft(1,2) |
| Gamber and Community Fire Company Carnival Grounds | | 25,000 | | 25,000 | Hard |
| Subtotal | \$125,000 | \$150,000 | \$0 | \$275,000 | |
| Cecil | | | | | |
| Perryville Railroad Monument Sign | | \$25,000 | | \$25,000 | Grant |
| Subtotal | \$0 | \$25,000 | \$0 | \$25,000 | |
| Charles | | | | | |
| Farming 4 Hunger Community Agricultural Facility | \$100,000 | | | \$100,000 | Soft(1,2) |
| Indian Head Center for the Arts | | 60,000 | | 60,000 | Soft(1) |
| Indian Head Recreation Center | | 200,000 | | 200,000 | Soft(2) |
| Maryland Veterans Memorial Museum | 125,000 | | | 125,000 | Soft(1,2) |
| Velocity Center | 75,000 | | | 75,000 | Soft(2) |
| Subtotal | \$300,000 | \$260,000 | \$0 | \$560,000 | |
| Dorchester | | | | | |
| Maces Lane Community Center | | \$200,000 | | \$200,000 | Soft(1,2) |
| Patriot Point | \$175,000 | | \$200,000 | 375,000 | Soft(all) |
| Subtotal | \$175,000 | \$200,000 | \$200,000 | \$575,000 | |
| Frederick | | | | | |
| Boys and Girls Club of Frederick County | \$50,000 | \$150,000 | | \$200,000 | Soft(1) |
| Brunswick Junior Railroaders | 20,000 | | | 20,000 | Soft(2) |
| CrossRoads Freedom Center Recovery Housing | 55,000 | | | 55,000 | Soft(2,3) |

| <u>Project Title</u> | <u>Senate Initiative</u> | <u>House Initiative</u> | <u>Other Funding</u> | <u>Match/Requirements</u> | |
|--|---------------------------------|--------------------------------|-----------------------------|----------------------------------|-------------|
| Culler Lake Revitalization | | 150,000 | | 150,000 | Soft(2) |
| Helen Smith Studio | 25,000 | | | 25,000 | Soft(1,2) |
| Heritage Frederick Capital Improvements | 25,000 | | | 25,000 | Hard |
| Northwest Trek Conservation and Education Center | 50,000 | | | 50,000 | Hard |
| <i>Subtotal</i> | <i>\$225,000</i> | <i>\$300,000</i> | <i>\$0</i> | <i>\$525,000</i> | |
| Garrett | | | | | |
| Grantsville Volunteer Fire Company | \$25,000 | | | \$25,000 | Grant |
| Bloomington Water Distribution System | 100,000 | 64,000 | | 164,000 | Hard |
| <i>Subtotal</i> | <i>\$125,000</i> | <i>\$64,000</i> | <i>\$0</i> | <i>\$189,000</i> | |
| Harford | | | | | |
| Aberdeen Proving Ground Discovery Preview Center | | \$250,000 | | \$250,000 | Soft(U,1,2) |
| Historic Colored School | | 96,000 | | 96,000 | Grant |
| Sexual Assault/Spouse Abuse Resource Center | 125,000 | | | 125,000 | Soft(1,2) |
| <i>Subtotal</i> | <i>\$125,000</i> | <i>\$346,000</i> | <i>\$0</i> | <i>\$471,000</i> | |
| Howard | | | | | |
| Phillips Academy | \$150,000 | | | \$150,000 | Hard |
| Harriet Tubman Community Center and Museum | | | \$500,000 | 500,000 | Grant |
| Howard County Youth Program | 100,000 | | | 100,000 | Hard |
| Ellicott City Public Arts Project | 100,000 | 75,000 | | 175,000 | Grant |
| Lisbon Volunteer Fire Department | 125,000 | | | 125,000 | Soft(2) |
| <i>Subtotal</i> | <i>\$475,000</i> | <i>\$75,000</i> | <i>\$500,000</i> | <i>\$1,050,000</i> | |

| <u>Project Title</u> | <u>Senate Initiative</u> | <u>House Initiative</u> | <u>Other Funding</u> | <u>Match/Requirements</u> | |
|--|--------------------------|-------------------------|-------------------------|---------------------------|-----------|
| Kent | | | | | |
| Camp Fairlee | \$150,000 | \$50,000 | | \$200,000 | Hard |
| Chestertown Marina | | | \$500,000 | 500,000 | Grant |
| <i>Subtotal</i> | <i>\$150,000</i> | <i>\$50,000</i> | <i>\$500,000</i> | <i>\$700,000</i> | |
| Montgomery | | | | | |
| A Wider Circle Community Service Center | | | \$750,000 | \$750,000 | Grant |
| Arts on the Block Studio Expansion | \$50,000 | \$50,000 | | 100,000 | Soft(2) |
| Bender Jewish Community Center of Greater Washington | 50,000 | 25,000 | | 75,000 | Hard |
| Dream Catcher Meadows | 50,000 | | | 50,000 | Hard |
| Easter Seals Inter-Generational Center | | 100,000 | | 100,000 | Hard |
| Gandhi Brigade Youth Media | 75,000 | 75,000 | | 150,000 | Soft(2,3) |
| Ivymount School | | 65,000 | | 65,000 | Soft(3) |
| Josiah Henson Park | | 200,000 | | 200,000 | Soft(all) |
| Melvin J. Berman Hebrew Academy | | | 150,000 | 150,000 | Grant |
| Metropolitan Ballet Theatre Expansion | | 100,000 | | 100,000 | Soft(3) |
| National Center for Children and Families | 75,000 | | | 75,000 | Hard |
| Nonprofit Village Center | 100,000 | | | 100,000 | Hard |
| Noyes Children’s Library Renovation | 100,000 | | | 100,000 | Hard |
| Olney Theatre | | | 2,000,000 | 2,000,000 | Grant |
| Our House Youth Home | 95,000 | 105,000 | | 200,000 | Soft(1,3) |
| Poolesville Grape Crushing Economic Development Facility | | | 1,000,000 | 1,000,000 | Grant |
| RCI Group Home Renovations | 175,000 | | 75,000 | 250,000 | Hard |
| Rockville Senior Center | 125,000 | 75,000 | | 200,000 | Hard |
| Rockville Welcome Center | | 100,000 | | 100,000 | Soft(all) |
| Round House Theatre | 100,000 | 250,000 | | 350,000 | Hard |

| <u>Project Title</u> | <u>Senate Initiative</u> | <u>House Initiative</u> | <u>Other Funding</u> | <u>Match/Requirements</u> | |
|---|---------------------------------|--------------------------------|-----------------------------|----------------------------------|-----------|
| Sandy Spring Odd Fellows Lodge | | 15,000 | | 15,000 | Grant |
| TLC's Katherine Thomas School | 75,000 | 125,000 | | 200,000 | Hard |
| Upcounty Nonprofit Hub | | | 1,000,000 | 1,000,000 | Grant |
| Winter Growth | 30,000 | | | 30,000 | Soft(3) |
| <i>Subtotal</i> | <i>\$1,100,000</i> | <i>\$1,285,000</i> | <i>\$4,975,000</i> | <i>\$7,360,000</i> | |
| Prince George's | | | | | |
| Armory Plaza | \$100,000 | \$100,000 | \$100,000 | \$300,000 | Soft(1) |
| Bishop McNamara High School Gymnasium | 50,000 | | | 50,000 | Soft(2,3) |
| Bowie Emergency Operations Center | | 100,000 | | 100,000 | Soft(1) |
| Bowie Senior Center | 50,000 | 150,000 | | 200,000 | Grant |
| Bowie Volunteer Fire Department | 75,000 | | | 75,000 | Hard |
| Boys and Girls Club Sports Park | 50,000 | 50,000 | | 100,000 | Soft(1) |
| Broad Creek Recreation and Wellness Project | 25,000 | | | 25,000 | Soft(1,2) |
| Calvary Breath of Life Community Center | 100,000 | | | 100,000 | Soft(all) |
| Camp Springs Elks Lodge No. 2332 | 25,000 | | | 25,000 | Soft(3) |
| City of District Heights Senior Day Facility Expansion | | | 500,000 | 500,000 | Grant |
| College Park Early Learning Center | 100,000 | 150,000 | | 250,000 | Hard |
| Eagle Harbor Town Office | 100,000 | 30,000 | | 130,000 | Grant |
| Fort Washington Baptist Church | | 200,000 | | 200,000 | Soft(3) |
| Greenbelt Station Hiker and Biker Trail | 75,000 | | | 75,000 | Hard |
| Lanham Boys and Girls Club Sports Park Renovation | | 75,000 | | 75,000 | Soft(1) |
| Liberty Sports Park | | | 2,500,000 | 2,500,000 | Grant |
| Maryland Intergenerational Family Life Center | 50,000 | | | 50,000 | Hard |

| <u>Project Title</u> | <u>Senate Initiative</u> | <u>House Initiative</u> | <u>Other Funding</u> | <u>Match/Requirements</u> | |
|--|---------------------------------|--------------------------------|-----------------------------|----------------------------------|-----------|
| Mount Rainier Civic Center | 100,000 | | | 100,000 | Soft(1,2) |
| Potomac Watershed Study Center | | 150,000 | | 150,000 | Soft(1) |
| Prince George's County Volunteer Marine, Fire and Rescue Department | 50,000 | | | 50,000 | Soft(1) |
| Public Plaza and Community Overlook | 25,000 | | | 25,000 | Hard |
| Riverfront Park Hiker and Biker Path | 50,000 | 50,000 | | 100,000 | Hard |
| South County Dog Park | | 250,000 | | 250,000 | Hard |
| St. Thomas Methodist Church Restoration | 25,000 | | | 25,000 | Grant |
| The Arc of Prince George's County | 100,000 | | | 100,000 | Soft(1) |
| The Ivy Village Incubator for Nonprofit Excellence | | 180,000 | | 180,000 | Soft(1,2) |
| The Training Source | | 250,000 | | 250,000 | Soft(1,3) |
| <i>Subtotal</i> | <i>\$1,150,000</i> | <i>\$1,735,000</i> | <i>\$3,100,000</i> | <i>\$5,985,000</i> | |
| Queen Anne's | | | | | |
| Compass Regional Hospice | | | \$1,000,000 | \$1,000,000 | Grant |
| <i>Subtotal</i> | <i>\$0</i> | <i>\$0</i> | <i>\$1,000,000</i> | <i>\$1,000,000</i> | |
| Somerset | | | | | |
| Teackle Mansion and the Sarah Martin Done House | | \$100,000 | | \$100,000 | Soft(all) |
| <i>Subtotal</i> | <i>\$0</i> | <i>\$100,000</i> | <i>\$0</i> | <i>\$100,000</i> | |
| St. Mary's | | | | | |
| St. Mary's Nursing Center | \$75,000 | | | \$75,000 | Hard |
| <i>Subtotal</i> | <i>\$75,000</i> | <i>\$0</i> | <i>\$0</i> | <i>\$75,000</i> | |
| Talbot | | | | | |
| Avalon Theatre | \$150,000 | \$50,000 | | \$200,000 | Hard |
| St. Michaels Family YMCA | | | \$500,000 | 500,000 | Grant |
| <i>Subtotal</i> | <i>\$150,000</i> | <i>\$50,000</i> | <i>\$500,000</i> | <i>\$700,000</i> | |

| <u>Project Title</u> | <u>Senate Initiative</u> | <u>House Initiative</u> | <u>Other Funding</u> | <u>Match/Requirements</u> | |
|--|--------------------------|-------------------------|----------------------|---------------------------|-----------|
| Washington | | | | | |
| Hagerstown Paper and Plastic Plant | | | \$1,000,000 | \$1,000,000 | Grant |
| National Road Museum | | \$50,000 | | 50,000 | Hard |
| Smithsburg Town Hall Tower | | 12,000 | | 12,000 | Hard |
| The Maryland Theatre | \$200,000 | | 800,000 | 1,000,000 | Hard |
| Thomas Kennedy Memorial Plaza | | | 300,000 | 300,000 | Grant |
| <i>Subtotal</i> | <i>\$200,000</i> | <i>\$62,000</i> | <i>\$2,100,000</i> | <i>\$2,362,000</i> | |
| Wicomico | | | | | |
| Rotary Labyrinth | \$100,000 | | | \$100,000 | Soft(1,2) |
| <i>Subtotal</i> | <i>\$100,000</i> | <i>\$0</i> | <i>\$0</i> | <i>\$100,000</i> | |
| Worcester | | | | | |
| Macky and Pam Stansell House of Coastal Hospice at the Ocean | | | \$500,000 | \$500,000 | Grant |
| Pocomoke Little League | \$50,000 | \$25,000 | | 75,000 | Grant |
| <i>Subtotal</i> | <i>\$50,000</i> | <i>\$25,000</i> | <i>\$500,000</i> | <i>\$575,000</i> | |
| Grand Total | \$8,000,000 | \$8,000,000 | \$29,075,000 | \$45,075,000 | |

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 \$65.5 million of general funds, \$470.2 million of special funds, and \$69.8 million of federal funds. Total transportation PAYGO funding is \$1.974 billion of special and federal funds.

The fiscal situation continues to limit general fund support of the capital program. The Governor sought mandate funding relief through several provisions in **Senate Bill 187 (Chapter 10)**, the Budget Reconciliation and Financing Act (BRFA) of 2018, that impact the capital program. As introduced, the budget included \$58.0 million of general funds that were contingently reduced in the budget. The actions of the General Assembly restored \$38.0 million, as outlined below.

- ***University of Maryland Capital Regional Medical Center (UMCRMC):*** Chapter 13 of 2016, as amended by Chapter 23 of 2017 (the BRFA of 2017), established a funding mandate to complete the State's \$208.0 million commitment to UMCRMC. The funding mandate requires \$48.0 million in fiscal 2019. To meet the mandate, the Governor's capital budget included \$19.0 million in GO bonds and \$29 million in general funds budgeted in the Board of Public Works (BPW). Language in the budget as introduced eliminated the general funds contingent upon the enactment of a provision in the BRFA of 2018 altering the mandate. The General Assembly amended the BRFA provision to restore the \$29.0 million in general fund support for UMCRMC in fiscal 2019.
- ***Transfer Tax Repayment Plan:*** As introduced, the BRFA of 2018 amended the transfer tax repayment plan established by Chapter 10 of 2016. For fiscal 2019, the repayment plan required \$21.0 million in general funds comprised of \$6.0 million for the Department of Natural Resources (DNR) Critical Maintenance Program and \$15.0 million to be distributed through the POS formula. Language in the budget as introduced deleted the \$15.0 million to be distributed through the formula, contingent upon the enactment of a provision in the BRFA of 2018 altering the mandate. The General Assembly adopted this BRFA provision, which results in shifting the \$15.0 million repayment to fiscal 2022. A separate BRFA provision added by the General Assembly provides a three-year \$2.5 million mandated funding requirement for fiscal 2020 through 2022 for the Maryland Agricultural and Resource-Based Industry Development Corporation (MARBIDCO) for the Next Generation Farmland Acquisition Program. The funding is required to come from a portion of the repayment of prior year transfer tax diversions to the General Fund that would otherwise have been allocated through the POS formula.
- ***Housing and Community Development Mandates:*** The Governor is mandated to fund the Baltimore Regional Neighborhood Initiative program at \$12.0 million in fiscal 2019. To meet the mandate, the capital budget as introduced included \$3.0 million in GO bonds with another \$9.0 million in general funds contingent upon the enactment of a provision in the

BRFA of 2018 altering the mandate. The General Assembly amended the BRFA provision to maintain the annual funding mandate and partially restored the general fund appropriation for fiscal 2019 to \$5.0 million. The Governor is also mandated to fund the Seed Community Development Anchor Institution Fund at \$5.0 million, all of which was eliminated in the budget as introduced contingent upon the enactment of a provision in the BRFA of 2018 altering the mandate. The General Assembly amended the BRFA provision to maintain the annual funding mandate and partially restored the general fund appropriation for fiscal 2019 to \$4.0 million, all of which was restricted for a project at the University of Maryland, Baltimore.

Bond Premiums

The MCCBL of 2018 also authorizes the use of \$68.0 million of bond premium proceeds. This is comprised of \$13.0 million of fiscal 2018 bond premiums realized in the March 2018 bond sale and another \$55.0 million of estimated premiums from the sale of GO bonds in fiscal 2019. Language in the MCCBL of 2018 specifies the use and priority order of the fiscal 2019 bond premiums as follows: \$10.0 million for public school safety improvements; \$15.0 million for heating, ventilation, and air conditioning (HVAC) improvements to Baltimore City public school buildings; \$3.5 million for school safety improvements at nonpublic schools throughout the State; \$25.0 million for the Rental Housing Program administered by the Department of Housing and Community Development; and \$1.5 million for the new Science Facility at Towson University (TU). The fiscal 2018 bond premiums are to be used as follows: \$11.48 million for the new Science Facility at TU and \$1.5 million for athletic facility improvements at Broadneck High School.

Revenue Bonds

The fiscal 2019 capital budget also includes \$150.0 million of planned nontax-supported revenue bond issuances by MDE to further capitalize the Water Quality Revolving Loan Fund to provide 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 requests from local governments dictate.

Debt Affordability

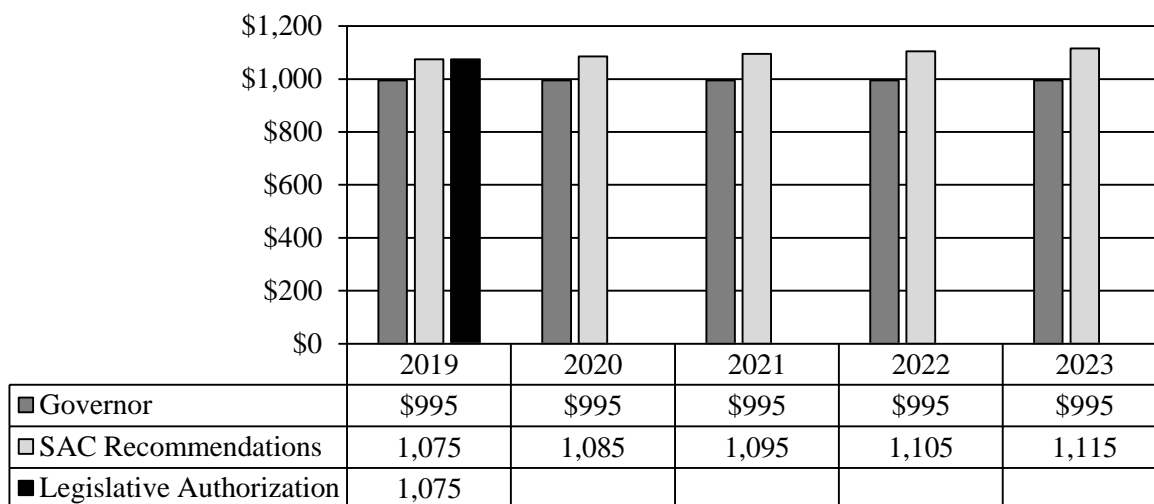
In its 2017 report, the Capital Debt Affordability Committee (CDAC) recommended that a maximum of \$995 million in GO bonds may be authorized in the 2018 session and for each year in the five-year planning period included in the annual *Capital Improvement Program*. The recommendation, the same recommendation made by the committee in its previous two annual reports, 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 2018 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 was the same recommendation made by the committee in its previous two annual reports. The goal of the SAC recommendation is to moderate GO bond authorization levels to the projected State property tax revenue increases, which in recent years have increased at an average annual rate of 2.0%. 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 2018 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 2018 passed by the General Assembly totals \$1.075 billion of net new GO debt authorizations, which is the amount recommended by SAC. An additional \$16.2 million in GO bonds from prior years are de-authorized in the MCCBL of 2018, thereby increasing the amount of new GO debt to \$1.091 billion. **Exhibit 2.5** illustrates the different recommended new GO authorization levels and the final amount included in the MCCBL of 2018.

Exhibit 2.5
New General Obligation Bond Authorization Levels
Governor's Capital Improvement Program – Spending Affordability Committee
Fiscal 2019-2023
(\$ in Millions)



SAC: Spending Affordability Committee

The State's capital program for fiscal 2019 also includes other actions that affect debt affordability, debt issuance, and future capital budgets.

- The MCCBL of 2018 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 2018 includes \$323.2 million of GO bond authorizations that will not take effect until fiscal 2020 and \$48.4 million that will not take effect until fiscal 2021. Many of these pre-authorizations either continue the funding for existing construction contracts or allow projects expected to be contracted during fiscal 2019 to proceed without the full amount of the construction authorization provided in the fiscal 2019 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 2019 and 2020 sessions included in the MCCBL of 2018.

Exhibit 2.6
Pre-authorizations Included in the Maryland Consolidated Capital Bond Loan
2019-2020 Sessions

| <u>Project Title</u> | <u>Fiscal 2020</u> | <u>Fiscal 2021</u> |
|---|---------------------------|---------------------------|
| DMIL: Freedom Readiness Center | \$3,015,000 | |
| MDP: Patterson Center Renovations | 3,762,000 | |
| DoIT: Public Safety Communication System | 21,740,000 | |
| MDA: Salisbury Animal Health Laboratory | 11,530,000 | |
| DPSCS: Demolition of Buildings at the Baltimore City Correction Complex | 18,816,000 | \$4,703,000 |
| UMB: Central Electric Substation and Electrical Infrastructure Upgrade | 13,721,000 | |
| UMCP: New Cole Field House | 3,941,000 | |
| UMCP: School of Public Policy Building | 12,500,000 | 2,100,000 |
| TU: Science Facility | 66,225,000 | |
| MHEC: Community College Facilities Grant Program | 50,844,000 | 15,152,000 |
| MSU: New Student Services Support Building | 20,385,000 | |
| MES: Infrastructure Improvement Fund | 2,228,000 | 273,000 |
| DSP: New Cumberland Barrack and Garage | 7,030,000 | 1,450,000 |
| HSMCC: Maryland Dove | 2,500,000 | |
| HSMCC: Maryland Heritage Interpretive Center | 10,000,000 | 5,000,000 |
| BPW: Replacement of Lawyer's Mall Underground Infrastructure | 6,000,000 | |
| BSU: Communications Arts and Humanities Building | 5,000,000 | |
| DJS: New Female Detention Center | 36,272,000 | 19,675,000 |
| MISC: Ocean City Convention Center | 18,665,000 | |
| MISC: Sheppard Pratt at Elkridge | 4,000,000 | |
| MISC: MedStar Franklin Square Hospital | 5,000,000 | |
| Total | \$323,174,000 | \$48,353,000 |

BPW: Board of Public Works
 BSU: Bowie State University
 DoIT: Department of Information Technology
 DJS: Department of Juvenile Services
 DMIL: Military Department
 DPSPC: Department of Public Safety and Correctional Services
 DSP: Department of State Police
 HSMCC: Historic St. Mary's City Commission

MDA: Department of Agriculture
 MDP: Department of Planning
 MES: Maryland Environmental Service
 MHEC: Maryland Higher Education Commission
 MISC: miscellaneous
 MSU: Morgan State University
 TU: Towson University
 UMB: University of Maryland, Baltimore Campus
 UMCP: University of Maryland, College Park Campus

Higher Education

The State-funded portion of the fiscal 2019 capital program for all segments of higher education is \$350.7 million, including both GO bonds and ARBs. Of the total funding, public four-year institutions, including regional higher education centers, receive \$275.2 million, or 78.5% of funding, and independent institutions receive \$12.0 million, or 3.4% of funding. Community colleges receive \$63.5 million in fiscal 2019 GO bonds, or 18.1% of higher education funding. This includes \$3.0 million of recycled GO bond funds leftover from prior local community college projects. Community college funding is also matched by \$47.0 million in local support in fiscal 2019. **Exhibit 2.7** shows the fiscal 2019 capital funding by institution.

Exhibit 2.7
Fiscal 2019 Higher Education Capital Funding by Institution
(\$ in Thousands)

| <u>Institution</u> | <u>Capital Funding</u> |
|---|------------------------|
| University of Maryland, Baltimore Campus | \$11,064 |
| University of Maryland, College Park Campus | 34,497 |
| Bowie State University | 1,500 |
| Towson University | 63,744 |
| Frostburg State University | 2,000 |
| Coppin State University | 1,634 |
| University of Maryland Baltimore County | 68,159 |
| USM – Facility Renewal | 17,000 |
| USM – Regional Higher Education Centers | 23,114 |
| Morgan State University | 46,521 |
| St. Mary's College of Maryland | 6,005 |
| Independent Institutions | 12,000 |
| Community Colleges | 63,460 |
| Total | \$350,698 |

USM: University System of Maryland

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

School Construction

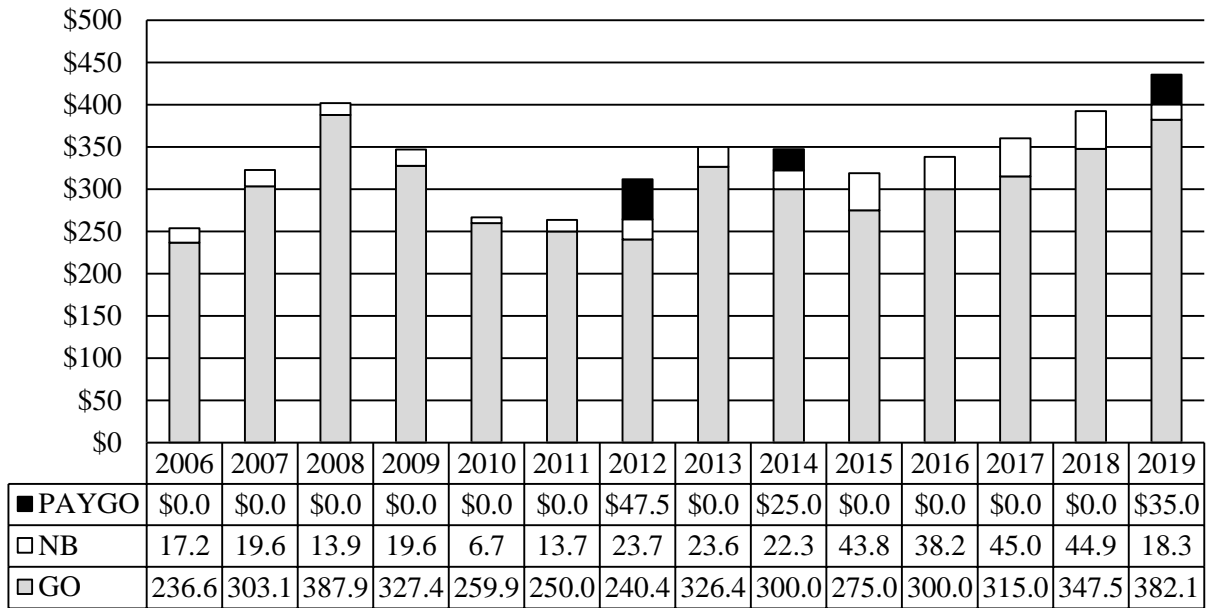
The fiscal 2019 capital budget includes \$382.1 million in GO bonds for public school construction. This includes \$313.9 million for the traditional Public School Construction Program, an increase of \$4.9 million above the Governor's submission. The additional \$4.9 million of GO bond funds replaces \$4.9 million of general funds included in the Governor's submission, which was intended to replace funds lost when Congress did not re-authorize the Qualified Zone Academy Bond program. The general funds were instead restricted by the General Assembly to be used to fund the public school facilities statewide facilities assessment required in the 21st Century School Facilities Act, **Senate Bill 1243** (*passed – enacted under Article II, Section 17(b) of the Maryland Constitution without the signature of the Governor*). The General Assembly also added language to the school construction authorization that, for fiscal 2019, the Interagency on School Construction (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 2019 in December 2017, which were approved by BPW on January 24, 2018. By March 1, 2018, 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). Following enactment of the capital budget bill, IAC will make recommendations for 100% of the funding available for fiscal 2019 school construction projects, and pursuant to this language, the IAC recommendations will be the final allocations.

An additional \$68.2 million of GO bond funds is authorized through the Capital Grant Program for Local School Systems with Significant Enrollment Growth or Relocatable Classrooms established by Chapter 355 of 2015. Chapter 355 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 and 666 of 2016 increased the funding mandate from \$20.0 million to \$40.0 million. In the 2018 session, the General Assembly increased the amount authorized for the program by \$28.2 million for a total of \$68.2 million. The additional \$28.2 million is not mandated. While Title 5, Subtitle 3 of the Education Article establishes a funding formula for the eligible counties, the additional \$28.2 million is allocated outside of the statutory formula with specific allocations to the participating jurisdictions set forth in the MCCBL of 2018. 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 \$18.3 million in unexpended funds from prior years is available from the Statewide Contingency Fund, all but \$0.1 million of which is reserved for specific local school systems.

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 2.8**, between fiscal 2006 and 2019, the State has invested \$4.718 billion for school construction projects throughout the State.

Exhibit 2.8
Public School Construction Funding
Fiscal 2006-2019
(\$ 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 a \$47.5 million supplementary appropriation.

Source: Public School Construction Program Capital Improvement Programs, Fiscal 2006-2019

School Safety

School construction funding is enhanced with an additional \$23.5 million to fund school safety measures. This is comprised of \$10.0 million of general funds and \$10.0 million in fiscal 2019 bond premium proceeds to be used as PAYGO capital for school safety improvements at public school buildings and \$3.5 million of fiscal 2019 bond premium proceeds to be used for school safety improvements at nonpublic schools throughout the State.

Heating, Ventilation, and Air Conditioning Improvements at Baltimore City Public School Buildings

After the much publicized closure of several Baltimore City public school buildings in January 2018 due to extremely low temperatures, the General Assembly enhanced public school construction funding with an additional \$15.0 million of fiscal 2019 bond premium proceeds to fund HVAC improvements at Baltimore City public school buildings. The funds are to be administered in accordance with Title 5, Subtitle 3 of the Education Article and are to be allocated by IAC and not subject to BPW approval.

Aging Schools Program

The capital budget 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 2019 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 grants, which will be distributed on a per school basis up to \$100,000, contingent on certain criteria being met.

Transfer Tax Funded Programs

Exhibit 2.9 shows the fiscal 2019 allocation of funding for programs traditionally funded with transfer tax revenue. Program funding is distinguished between transfer tax regular special funds and transfer tax replacement general funds provided by the repayment of fiscal 2006 funding transferred to the General Fund.

Exhibit 2.9
Programs Traditionally Funded with Transfer Tax Revenue
Fiscal 2019
(\$ in Thousands)

| | Transfer Tax Regular Special Funds | Transfer Tax Repayment General Funds | Other Special Funds | Federal Funds | GO Bonds | Total |
|---|---|---|------------------------------------|--------------------------|---------------------|------------------|
| Program Open Space | | | | | | |
| State ¹ | \$49,706 | \$0 | \$0 | \$3,000 | \$0 | \$52,706 |
| Local | 53,288 | 0 | 0 | 0 | 0 | 53,288 |
| Capital Development ² | 22,756 | 6,000 | 0 | 0 | 0 | 28,756 |
| Rural Legacy Program | 20,018 | 0 | 0 | 0 | 5,000 | 25,018 |
| Heritage Conservation Fund | 4,326 | 0 | 0 | 0 | 0 | 4,326 |
| Agricultural Land Preservation ³ | 40,476 | 0 | 8,500 | 0 | 0 | 48,976 |
| Total | \$190,570 | \$6,000 | \$8,500 | \$3,000 | \$5,000 | \$213,070 |

GO: general obligation

¹ The Baltimore City Direct Grant of \$5.5 million comes out of the \$49.7 million in transfer tax special funds for Program Open Space – State. The \$3.0 million in federal funds reflected for Program Open Space – State could also be used by Program Open Space – Local.

² The Capital Development funding is allocated as follows: transfer tax regular special funds – Natural Resources Development Fund \$14.8 million, Critical Maintenance Program \$7.0 million, and Ocean City Beach Maintenance \$1.0 million; and transfer tax repayment general funds – Critical Maintenance Program \$6.0 million budgeted in the State Reserve Fund.

³ The Agricultural Land Preservation funding reflects \$8.5 million in county participation funding.

Note: Numbers may not sum due to rounding.

Baltimore City Direct Grant

Statute allocates \$5.5 million for the Baltimore City Direct Grant from POS – State allocation in fiscal 2019. The fiscal 2019 allocation is as follows:

- \$2,000,000 for projects that meet park purposes;
- \$750,000 for Frank C. Bocek Park;

- \$725,000 for Herring Run Park;
- \$600,000 for the Frederic B. Leidig Recreation Center;
- \$500,000 for Patterson Park;
- \$500,000 for the Mary E. Rodman Recreation Center;
- \$150,000 for Malone Children Memorial Playground and Community Park;
- \$100,000 for Saint Charles Park;
- \$100,000 for Clifton Park; and
- \$75,000 for Darley Park Community Park.

Transfer Tax – Fiscal 2019 Transfer Modification

The property transfer tax is the primary funding source for State land conservation programs. The fiscal 2019 budget includes the modification of repayments of transfer tax transfers to the General Fund that were originally authorized by Chapter 425 of 2013 and then subsequently modified by Chapter 10 of 2016. Chapter 10 requires the repayment of \$242.2 million in past redirected transfer tax funds by fiscal 2029. The plan provides for the use of general funds as a source of repayment to be expended as special funds in the budget. **Exhibit 2.10** shows the difference between the repayment plan established in the 2017 session and the plan proposed in the 2018 session. In total, the revised plan proposes to defer \$31.9 million in fiscal 2019 and reprograms those funds for future years. The proposed deferral includes \$15.0 million that is reduced contingent upon a provision in the BRFA of 2018 amending the mandated portion of the funding repayment schedule.

Exhibit 2.10
Transfer Tax Replacement Plan
Comparison of 2017 and 2018 Session Repayment Plan
Fiscal 2018-2029
(\$ in Millions)

| | <u>2018</u> | <u>2019</u> | <u>2020</u> | <u>2021</u> | <u>2022</u> | <u>2023-2029</u> | <u>Total</u> |
|---|--------------|----------------|---------------|---------------|---------------|------------------|----------------|
| 2017 Session | | | | | | | |
| MARBIDCO (Fiscal 2006 Transfer) | \$2.5 | \$2.5 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$5.0 |
| POS (Fiscal 2006 Transfer) | 0.0 | 15.0 | 15.0 | 15.0 | 0.0 | 0.0 | 45.0 |
| Park Development (Fiscal 2006 Transfer) | 0.0 | 6.0 | 6.0 | 6.0 | 6.0 | 16.0 | 40.0 |
| POS (Fiscal 2016 to 2018 Transfers) | 0.0 | 16.9 | 16.9 | 16.9 | 12.7 | 88.8 | 152.2 |
| Total | \$2.5 | \$40.4 | \$37.9 | \$37.9 | \$18.7 | \$104.8 | \$242.2 |
| 2018 Session | | | | | | | |
| MARBIDCO (Fiscal 2006 Transfer) | \$2.5 | \$2.5 | \$2.5 | \$2.5 | \$2.5 | \$0.0 | \$12.5 |
| POS (Fiscal 2006 Transfer) | 0.0 | 0.0 | 12.5 | 12.5 | 12.5 | 0.0 | 37.5 |
| Park Development (Fiscal 2006 Transfer) | 0.0 | 6.0 | 6.0 | 6.0 | 6.0 | 16.0 | 40.0 |
| POS (Fiscal 2016 to 2018 Transfers) | 0.0 | 0.0 | 25.4 | 25.4 | 12.7 | 88.8 | 152.2 |
| Total | \$2.5 | \$8.5 | \$46.4 | \$46.4 | \$33.7 | \$104.8 | \$242.2 |
| Difference | | | | | | | |
| MARBIDCO (Fiscal 2006 Transfer) | \$0.0 | \$0.0 | \$2.5 | \$2.5 | \$2.5 | \$0.0 | \$7.5 |
| POS (Fiscal 2006 Transfer) | 0.0 | -15.0 | -2.5 | -2.5 | 12.5 | 0.0 | -7.5 |
| Park Development (Fiscal 2006 Transfer) | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| POS (Fiscal 2016 to 2018 Transfers) | 0.0 | -16.9 | 8.5 | 8.5 | 0.0 | 0.0 | 0.0 |
| Total | \$0.0 | -\$31.9 | \$8.5 | \$8.5 | \$15.0 | \$0.0 | \$0.0 |

MARBIDCO: Maryland Agricultural and Resource-Based Industry Development Corporation
POS: Program Open Space

- ***Payback for Fiscal 2006 Transfer Tax (to Be Distributed through the Transfer Tax Formula):*** Chapter 10 requires \$15.0 million in each of fiscal 2019 through 2021 for a total repayment of \$45.0 million. A provision in the BRFA of 2018 amends the repayment schedule by deferring the \$15.0 million required in fiscal 2019 to 2022, essentially moving back by one year the total repayment requirement. Another provision in the BRFA of 2018 reduces the \$15.0 million required repayments in fiscal 2020 through 2022 by \$2.5 million and instead mandates that the funding be used by MARBIDCO for the Next Generation Farmland Acquisition Program.
- ***Payback for Fiscal 2006 Transfer Tax for Critical Maintenance/Natural Resources Development Fund:*** Chapter 10 requires that \$6.0 million in each of fiscal 2019 through 2024 and \$4.0 million in fiscal 2025 be used to fund the DNR Critical Maintenance and Natural Resources Development Fund projects. The statutory repayment schedule remains unchanged in the fiscal 2019 budget.
- ***Payback for Fiscal 2016 to 2018 Transfer Tax (to Be Distributed through the Transfer Tax Formula):*** Chapter 10 requires the repayment of \$152.2 million as follows: one-third by fiscal 2021; two-thirds by fiscal 2025; and the full amount by fiscal 2029. This provision provides for some annual funding flexibility, and the fiscal 2019 budget programs this in equal installments of \$25.4 million in each of fiscal 2020 and 2021, which is revised from what the Administration programmed in the 2017 session that called for equal annual installments of \$16.9 million in each of fiscal 2019 through 2021.

BRFA Provisions Impacting Fiscal 2019

Exhibit 2.11 shows the fiscal 2019 revenue and expenditures for the transfer tax as modified by the two BRFA provisions affecting fiscal 2019. The first BRFA provision delayed the \$15.0 million repayment of fiscal 2006 transfer tax revenues transferred to the General Fund, which had the effect of reducing the operating budget appropriations by \$2.3 million for the Forest Service and the Maryland Park Service within DNR's operating budget and by \$12.7 million for DNR and the Maryland Department of Agriculture PAYGO capital programs. The reduction to the PAYGO capital programs was allocated as follows: \$6.1 million for POS – State; \$3.4 million for POS – Local; \$750,000 for the Rural Legacy Program; and \$2.6 million for the Maryland Agricultural Land Preservation Foundation.

Exhibit 2.11
Transfer Tax Funding Under Statute and the BRFA Provision
Fiscal 2019

| | Base Budget Without BRFA <u>Adjustments</u> | BRFA Adjustment – \$15.0 Million Repayment <u>Pushed Out</u> | BRFA Adjustment – Accounting for State Share | <u>Final Budget</u> |
|--|--|---|---|--------------------------------|
| Revenues | | | | |
| Revenue Estimate | \$221.9 | \$0.0 | \$0.0 | \$221.9 |
| Overattainment | 25.1 | 0.0 | 0.0 | 25.1 |
| Transfer to General Fund | 0.0 | 0.0 | 0.0 | 0.0 |
| Repayment – Fiscal 2006 Transfer – Critical Maintenance/Natural Resources Development Fund | 6.0 | 0.0 | 0.0 | 6.0 |
| Repayment – Fiscal 2006 Transfer – Distributed through Formula | 15.0 | -15.0 | 0.0 | 0.0 |
| Total Revenue | \$268.0 | -\$15.0 | \$0.0 | \$253.0 |
| Expenditures | | | | |
| Administrative Expenses | \$6.7 | \$0.0 | \$0.0 | \$6.7 |
| Debt Service | 7.1 | 0.0 | 0.0 | 7.1 |
| Heritage Areas Authority | 6.0 | 0.0 | 0.0 | 6.0 |
| Forest and Maryland Park Service | 38.4 | -2.3 | 0.6 | 36.7 |
| DNR – Land Acquisition and Planning | | | | |
| Program Open Space – State Share | 62.0 | -6.1 | -1.9 | 54.0 |
| Program Open Space – Local Share | 55.8 | -3.4 | 0.9 | 53.3 |
| Rural Legacy Program | 20.8 | -0.8 | 0.0 | 20.0 |
| Natural Resources Development Fund | 14.4 | 0.0 | 0.4 | 14.8 |
| Critical Maintenance Program | 13.0 | 0.0 | 0.0 | 13.0 |
| Ocean City Beach Maintenance | 1.0 | 0.0 | 0.0 | 1.0 |
| Maryland Department of Agriculture – Maryland Agricultural Land Preservation Foundation | 43.0 | -2.6 | 0.0 | 40.5 |
| Total Expenditures | \$268.0 | -\$15.0 | \$0.0 | \$253.0 |

BRFA: Budget Reconciliation and Financing Act

DNR: Department of Natural Resources

The second BRFA provision clarified that the additional transfer tax funding above \$3.0 million that is authorized to be allocated to the Maryland Heritage Areas Authority Financing Fund per Chapters 660 and 661 of 2017 (POS – Authorized Transfer to the Maryland Heritage Areas Authority Financing Fund – Increase) is to be taken solely out of the funding attributable to the POS – State funding for the land acquisitions portion of the transfer tax allocation formula. This holds harmless the funding allocated to the Forest Service and Maryland Park Service, and the POS – Local share. The Administration submitted Supplemental Budget No. 3, which included a provision that modified the transfer tax formula allocation in order to hold the Maryland Park Service and the Forest Service and the POS – Local share funding harmless from the additional \$3.0 million allocated to the Maryland Heritage Areas Authority Financing Fund. As a result of the revised appropriations, there was a decrease of \$1.9 million for the POS – State share, which was offset by increases of \$0.6 million for the Maryland Park Service and Forest Service, \$0.9 million for the POS – Local component, and an increase of \$0.4 million for the Natural Resources Development Fund.

Chapter 3. Impact of Legislation on State Revenues and Expenditures

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

Legislation Affecting State Revenues

| | <u>Fund</u> | <u>FY 2019</u> | <u>FY 2020</u> | <u>FY 2021</u> | <u>FY 2022</u> | <u>FY 2023</u> | <u>Comments</u> |
|---------------------|--|----------------|----------------|----------------|----------------|----------------|---|
| SB 2/HB 1 | Family Law – Child Conceived Without Consent – Termination of Parental Rights (Rape Survivor Family Protection Act) (Ch. 3/Ch. 4) | | | | | | |
| | FF | increase | increase | \$0 | \$0 | \$0 | Potential significant grant revenues. FF expenditures increase by same amount. |
| SB 9 | Corporations and Associations – Fee for Processing Return of an Original Document – Repeal (Ch. 44) | | | | | | |
| | GF | (\$26,010) | (\$34,680) | (\$34,680) | (\$34,680) | (\$34,680) | |
| SB 24 | State Highway Administration – Sale or Lease of Naming Rights for Rest Areas and Welcome Centers (Ch. 223) | | | | | | |
| | SF | increase | increase | increase | increase | increase | Potential significant sales/lease revenues. |
| SB 33/HB 249 | Health Insurance – Coverage for Fertility Awareness-Based Methods (Ch. 438/Ch. 437) | | | | | | |
| | SF | increase | \$0 | \$0 | \$0 | \$0 | Minimal fee revenues. |
| SB 52 | Insurance – Medicare Supplement Policy Plans – Conformity to Federal Law (Ch. 664) | | | | | | |
| | SF | \$0 | increase | \$0 | \$0 | \$0 | Minimal fee revenues. |
| SB 62 | Maryland Chiropractic Act – Revisions (Ch. 658) | | | | | | |
| | SF | \$750 | \$1,000 | \$1,000 | \$1,000 | \$1,000 | |
| SB 81 | Sales and Use Tax – Hygienic Aids – Exemption (Ch. 50) | | | | | | |
| | GF | decrease | decrease | decrease | decrease | decrease | Minimal sales tax revenues. |
| SB 85 | Tuition Waivers – Foster Care Recipients – Eligibility (Ch. 369) | | | | | | |
| | HE | decrease | decrease | decrease | decrease | decrease | Potential significant tuition revenues. |
| SB 86 | Charitable Organizations – Registration Late Fees – Distribution and Use (Ch. 668) | | | | | | |
| | GF | (\$159,000) | (\$159,000) | (\$159,000) | (\$159,000) | (\$159,000) | |
| | SF | \$159,000 | \$159,000 | \$159,000 | \$159,000 | \$159,000 | SF expenditures may increase by same amount. |
| SB 87 | Controlled Dangerous Substances – Registration, Schedules, Penalties, and Orders of Impoundment (Ch. 212) | | | | | | |
| | GF | increase | increase | increase | increase | increase | Potential significant penalty revenues. |

Legislation Affecting State Revenues

| | <u>Fund</u> | <u>FY 2019</u> | <u>FY 2020</u> | <u>FY 2021</u> | <u>FY 2022</u> | <u>FY 2023</u> | <u>Comments</u> |
|----------------------|---|----------------|----------------|----------------|----------------|----------------|--|
| SB 97 | Public Utilities – Transportation Network Services – Disclosure of Records (Ch. 51) | | | | | | |
| | SF | \$44,219 | \$52,988 | \$54,483 | \$56,486 | \$58,567 | SF expenditures increase by same amount. |
| SB 101 | Criminal Law – Crimes of Violence, Expungement, and Drug Treatment (Ch. 143) | | | | | | |
| | GF | increase | increase | increase | increase | increase | Minimal fee revenues. |
| SB 108 | Regulation of Health Care Programs, Medical Laboratories, Tissue Banks, and Health Care Facilities – Revisions (Ch. 661) | | | | | | |
| | GF | (\$989,760) | (\$989,760) | (\$989,760) | (\$989,760) | (\$989,760) | |
| SB 113 | Natural Resources – Recreational License Incentive Discount Program (Ch. 62) | | | | | | |
| | SF | decrease | decrease | decrease | decrease | decrease | Fee revenues. |
| SB 134 | Small Business Relief Tax Credit (Ch. 571) | | | | | | |
| | GF | (\$4,657,107) | (\$4,657,107) | (\$4,657,107) | (\$4,657,107) | (\$4,657,107) | |
| | SF | (\$242,993) | (\$242,993) | (\$242,993) | (\$242,993) | (\$242,993) | Transportation Trust Fund. |
| | SF | (\$99,900) | (\$99,900) | (\$99,900) | (\$99,900) | (\$99,900) | Higher Education Investment Fund. |
| SB 149 | Natural Resources – Electronic Licensing – Voluntary Donations (Ch. 434) | | | | | | |
| | SF | increase | increase | increase | increase | increase | Donation revenues. SF expenditures increase by same amount. |
| SB 153/HB 572 | Income Tax – Oyster Shell Recycling Credit – Maximum Allowable Amount and Sunset Extension (Ch. 604/Ch. 603) | | | | | | |
| | GF | (\$46,911) | (\$46,911) | (\$46,911) | (\$46,911) | (\$46,911) | |
| | SF | (\$2,189) | (\$2,189) | (\$2,189) | (\$2,189) | (\$2,189) | Transportation Trust Fund. |
| | SF | (\$900) | (\$900) | (\$900) | (\$900) | (\$900) | Higher Education Investment Fund. |
| SB 163 | Public Health – Community Health Workers – Advisory Committee and Certification (Ch. 441) | | | | | | |
| | SF | \$0 | increase | increase | increase | increase | Potential fee revenues. SF expenditures increase by same amount. |
| SB 168/HB 27 | Life Insurance – Life of a Minor – Underwriting Standards and Procedures (Ch. 431/Ch. 430) | | | | | | |
| | SF | increase | \$0 | \$0 | \$0 | \$0 | Minimal fee revenues. |
| SB 182/HB 7 | Income Tax Credit – Venison Donation – Feed the Hungry Organizations (Ch. 173/Ch. 172) | | | | | | |
| | GF | (\$50,000) | (\$50,000) | (\$50,000) | (\$50,000) | (\$50,000) | |

Legislation Affecting State Revenues

| | <u>Fund</u> | <u>FY 2019</u> | <u>FY 2020</u> | <u>FY 2021</u> | <u>FY 2022</u> | <u>FY 2023</u> | <u>Comments</u> |
|----------------------|---|-----------------|-----------------|-----------------|----------------|----------------|--|
| SB 187 | Budget Reconciliation and Financing Act of 2018 (Ch. 10) | | | | | | |
| | FF | \$0 | \$0 | \$0 | \$0 | \$0 | FF revenues decrease by \$3.0 million in FY 2018. FF expenditures decrease correspondingly. |
| | GF | (\$200,000,000) | \$229,000,000 | \$106,000,000 | \$0 | \$0 | GF revenues also increase by \$9.0 million in FY 2018. |
| | SF | (\$15,000,000) | (\$2,500,000) | (\$2,500,000) | \$12,500,000 | \$0 | Program Open Space and related distributions. SF expenditures decrease/increase correspondingly. |
| | SF | \$0 | (\$229,000,000) | (\$106,000,000) | \$0 | \$0 | Rainy Day Fund and Fiscal Stabilization Fund. |
| | SF | \$200,000,000 | \$0 | \$0 | \$0 | \$0 | New Commission on Innovation and Excellence in Education Funding. SF expenditures increase beginning in FY 2020. |
| | SF | \$5,000,000 | \$0 | \$0 | \$0 | \$0 | Medicaid Deficit Assessment. SF expenditures increase correspondingly. |
| | SF | \$0 | \$0 | \$0 | \$0 | \$0 | Need-based Student Financial Assistance Fund. SF revenues increase by \$1.8 million in FY 2018. SF expenditures increase correspondingly in FY 2019. |
| | SF | (\$50,000,000) | \$0 | \$4,000,000 | \$4,100,000 | \$4,290,000 | State Retirement and Pension System Trust Fund. |
| SB 228 | Cybersecurity Incentive Tax Credits (Ch. 578) | | | | | | |
| | GF | (\$2,000,000) | (\$4,000,000) | (\$4,000,000) | (\$4,000,000) | (\$4,000,000) | |
| SB 233/HB 111 | Maryland Department of Health – Defendants Found Incompetent to Stand Trial or Not Criminally Responsible – Commitment (Ch. 189/Ch. 188) | | | | | | |
| | REIM | increase | increase | increase | increase | increase | Minimal reimbursement revenues. |

Legislation Affecting State Revenues

| | <u>Fund</u> | <u>FY 2019</u> | <u>FY 2020</u> | <u>FY 2021</u> | <u>FY 2022</u> | <u>FY 2023</u> | <u>Comments</u> |
|-----------------------|--|----------------|----------------|----------------|----------------|----------------|--|
| SB 234 | Physicians – Licensure – Grounds for Discipline and Interstate Medical Licensure Compact (Ch. 470) | | | | | | |
| | SF | \$0 | increase | increase | increase | increase | Fee revenues. SF expenditures likely increase by similar amount. |
| SB 271/HB 908 | Health Insurance – Coverage of Fertility Preservation Procedures for Iatrogenic Infertility (Ch. 716/Ch. 715) | | | | | | |
| | SF | increase | \$0 | \$0 | \$0 | \$0 | Minimal fee revenues. |
| SB 277/HB 372 | Maryland Metro/Transit Funding Act (Ch. 351/Ch. 352) | | | | | | |
| | BOND | (\$9,000,000) | (\$5,000,000) | (\$3,000,000) | (\$8,000,000) | \$0 | |
| SB 284 | Maryland Medical Assistance Program – Dental Coverage for Adults – Pilot Program (Ch. 621) | | | | | | |
| | FF | \$0 | increase | increase | increase | increase | Potential significant Medicaid matching revenues. FF expenditures increase by same amount. |
| SB 318/HB 570 | Income Tax – Standard Deduction – Alteration and Cost-of-Living Adjustments (Ch. 577/Ch. 576) | | | | | | |
| | GF | (\$56,587,000) | (\$44,228,000) | (\$49,748,000) | (\$55,441,000) | (\$61,473,000) | |
| SB 324 | Washington County – Alcoholic Beverages – Serving Underage Individuals – Penalties (Ch. 317) | | | | | | |
| | GF | increase | increase | increase | increase | increase | Minimal fine revenues. |
| SB 372/HB 948 | Estates and Trusts – Transfer From Revocable Trust – Exemption From Taxes and Fees (Ch. 315/Ch. 316) | | | | | | |
| | GF | decrease | decrease | decrease | decrease | decrease | Court commission fee revenues. |
| | SF | decrease | decrease | decrease | decrease | decrease | Transfer tax revenues. |
| | SF | decrease | decrease | decrease | decrease | decrease | Transportation Trust Fund revenues. |
| SB 387/HB 1782 | Health Insurance – Individual Market Stabilization (Maryland Health Care Access Act of 2018) (Ch. 38/Ch. 37) | | | | | | |
| | FF | \$52,217,887 | \$52,217,887 | \$0 | \$0 | \$0 | FF expenditures increase by same amount. |
| | SF | \$280,770,570 | \$84,222,349 | \$0 | \$0 | \$0 | SF revenues also increase minimally in FY 2018. |
| SB 424 | Driver’s Licenses – Learner’s Permits – Minimum Duration (Ch. 505) | | | | | | |
| | GF | increase | increase | increase | increase | increase | Sales/excise tax revenues. |
| | SF | increase | increase | increase | increase | increase | Fee revenues. |

Legislation Affecting State Revenues

| | <u>Fund</u> | <u>FY 2019</u> | <u>FY 2020</u> | <u>FY 2021</u> | <u>FY 2022</u> | <u>FY 2023</u> | <u>Comments</u> |
|----------------------|---|----------------|----------------|----------------|----------------|----------------|--|
| SB 445/HB 531 | Motor Vehicles – Operation When Approaching Vehicle With Visual Signals (Ch. 545/Ch. 544) | | | | | | |
| | GF | increase | increase | increase | increase | increase | Minimal fine revenues. |
| SB 501 | State Lakes Protection and Restoration Fund – Purpose, Use, and Funding – Alterations (Ch. 698) | | | | | | |
| | SF | \$0 | \$1,000,000 | \$1,000,000 | \$1,000,000 | \$1,000,000 | SF expenditures increase by same amount. |
| SB 502/HB 871 | University System of Maryland – Board of Regents and Quasi-Endowment Funds (Ch. 393/Ch. 392) | | | | | | |
| | HE | \$0 | increase | increase | increase | increase | Potential significant investment revenues. |
| SB 516/HB 807 | Transportation – Highway User Revenues – Distribution (Ch. 331/Ch. 330) | | | | | | |
| | BOND | \$0 | \$192,000,000 | \$129,600,000 | \$201,600,000 | \$223,200,000 | |
| | SF | \$0 | \$178,848,000 | \$181,536,000 | \$184,320,000 | \$188,256,000 | |
| SB 550/HB 782 | Maryland Achieving a Better Life Experience (ABLE) Program – Modifications (Ch. 391/Ch. 390) | | | | | | |
| | GF | increase | increase | increase | increase | increase | Transfer tax revenues. |
| | GF | decrease | decrease | decrease | decrease | decrease | Medicaid recovery revenues. |
| SB 553 | State Government – Security Training – Protection of Security-Sensitive Data (Ch. 467) | | | | | | |
| | REIM | increase | increase | increase | increase | increase | Training reimbursement revenues. |
| SB 576/HB 736 | Pharmacy Benefits Managers – Pharmacies and Pharmacists – Information on and Sales of Prescription Drugs (Ch. 218/Ch. 217) | | | | | | |
| | SF | increase | \$0 | \$0 | \$0 | \$0 | Minimal fee revenues. |
| SB 595/HB 403 | Community Colleges – Facilities Renewal Grant Program – Established (Ch. 688/Ch. 687) | | | | | | |
| | HE | increase | increase | increase | increase | increase | Potential minimal grant revenues for Baltimore City Community College. |
| SB 599 | Baltimore County – Property Tax – Credit for Individuals at Least 70 Years Old (Ch. 709) | | | | | | |
| | SF | \$85,182 | \$85,223 | \$85,966 | \$88,997 | \$92,141 | SF expenditures increase by same amount. |

106

Effect of the 2018 Legislative Program on the Financial Condition of the State

Legislation Affecting State Revenues

| | <u>Fund</u> | <u>FY 2019</u> | <u>FY 2020</u> | <u>FY 2021</u> | <u>FY 2022</u> | <u>FY 2023</u> | <u>Comments</u> |
|-----------------------|---|----------------|----------------|----------------|----------------|----------------|--|
| SB 743 | Peer-to-Peer Car Sharing Programs (Ch. 852) | | | | | | |
| | GF | increase | increase | \$0 | \$0 | \$0 | Potential significant sales tax revenues. |
| | SF | increase | increase | increase | increase | increase | Insurance Regulation Fund. Minimal fee revenues. |
| | SF | increase | increase | increase | increase | increase | Transportation Trust Fund. Potential fee revenues. |
| SB 758/HB 1087 | Business Regulation – Micro Markets – Licensure (Ch. 339/Ch. 338) | | | | | | |
| | GF | increase | increase | increase | increase | increase | Minimal fee revenues. |
| SB 769 | Criminal Law – Sextortion and Revenge Porn (Ch. 365) | | | | | | |
| | GF | increase | increase | increase | increase | increase | Minimal fine revenues. |
| SB 774/HB 994 | Maryland Medical Assistance Program – Family Planning Services (Ch. 465/Ch. 464) | | | | | | |
| | FF | \$1,794,752 | \$2,018,126 | \$2,115,361 | \$2,217,313 | \$2,324,211 | Potential significant Medicaid matching revenues (in addition to amount shown). FF expenditures increase by same amount. |
| SB 821/HB 109 | Community Development Program Act of 2018 (Ch. 802/Ch. 801) | | | | | | |
| | SF | increase | increase | increase | increase | increase | Significant grant revenues. SF expenditures increase by same amount. |
| SB 835/HB 1682 | Maryland Medical Assistance Program – Collaborative Care Pilot Program (Ch. 683/Ch. 684) | | | | | | |
| | FF | \$0 | \$275,000 | \$275,000 | \$275,000 | \$275,000 | FF expenditures increase by same amount. |
| SB 848/HB 302 | Income Tax Credit – Wineries and Vineyards – Procedures to Claim Credit and Sunset Extension (Ch. 614/Ch. 613) | | | | | | |
| | GF/SF | \$0 | (\$500,000) | (\$500,000) | (\$500,000) | \$0 | Minimal impact on Transportation Trust Fund and Higher Education Investment Fund. |

Legislation Affecting State Revenues

| | <u>Fund</u> | <u>FY 2019</u> | <u>FY 2020</u> | <u>FY 2021</u> | <u>FY 2022</u> | <u>FY 2023</u> | <u>Comments</u> |
|-----------------------|---|----------------|----------------|----------------|----------------|----------------|---|
| SB 856/HB 1161 | Maryland Automobile Insurance Fund – Uninsured Division – Uninsured Motorists (Ch. 196/Ch. 195) | | | | | | |
| | GF | decrease | increase | increase | increase | increase | Potential significant penalty and premium tax revenues. |
| | NB | increase | increase | increase | increase | increase | Potential significant penalty and premium revenues. NB expenditures increase by same amount. |
| | SF | increase | increase | increase | increase | increase | Maryland Automobile Insurance Fund. Fine revenues. |
| | SF | decrease | decrease | decrease | decrease | decrease | Uninsured Motorist Education and Enforcement Fund. Potential significant fine and penalty revenues. |
| | SF | increase | increase | \$0 | \$0 | \$0 | Central Collection Unit. Fee revenues. |
| SB 858/HB 1132 | Health Insurance – Access to Local Health Departments (Ch. 488/Ch. 487) | | | | | | |
| | SF | increase | \$0 | \$0 | \$0 | \$0 | Minimal fee revenues. |
| SB 872 | Vehicle Laws – Special Event Zones – Worcester County (Ch. 325) | | | | | | |
| | GF | increase | increase | increase | increase | increase | Minimal fine revenues. |
| SB 876/HB 1127 | Insurance – Commercial Lines – Exemptions From Filings (Ch. 194/Ch. 193) | | | | | | |
| | SF | decrease | decrease | decrease | decrease | decrease | Minimal fee revenues. |
| SB 877 | Promoting ext-Raordinary Innovation in Maryland’s Economy (PRIME Act) (Ch. 350) | | | | | | |
| | GF | (\$25,560,000) | (\$23,890,909) | (\$23,233,745) | (\$22,607,895) | (\$54,816,119) | Revenue loss is contingent on company locating in Maryland. |
| | SF | \$0 | \$0 | \$0 | \$0 | (\$95,000) | |
| SB 896 | Maryland Health Care Commission – Health Record and Payment Integration Program Advisory Committee (Ch. 452) | | | | | | |
| | SF | increase | increase | \$0 | \$0 | \$0 | Fee revenues. SF expenditures increase by similar amount. |

Legislation Affecting State Revenues

| | <u>Fund</u> | <u>FY 2019</u> | <u>FY 2020</u> | <u>FY 2021</u> | <u>FY 2022</u> | <u>FY 2023</u> | <u>Comments</u> |
|-----------------------|---|----------------|----------------|----------------|----------------|----------------|---|
| SB 899/HB 1012 | State Retirement and Pension System – Investment Division (Ch. 728/Ch. 727) | | | | | | |
| | REIM | (\$2,316,965) | (\$2,345,155) | (\$2,382,577) | (\$2,421,271) | (\$2,461,280) | Reimbursement costs decrease by same amount. |
| | SF | (\$4,474,108) | (\$4,552,361) | (\$4,625,002) | (\$4,700,114) | (\$4,777,779) | SF expenditures decrease by same amounts. |
| SB 912/HB 1685 | Maryland Prenatal and Infant Care Coordination Services Grant Program Fund (Thrive by Three Fund) (Ch. 559/Ch. 558) | | | | | | |
| | SF | \$1,000,000 | \$1,000,000 | \$1,000,000 | \$1,000,000 | \$1,000,000 | SF expenditures increase by same amount. |
| SB 933 | College Affordability – Maryland 529 Plans and Student Loan Debt Relief Tax Credit – Revisions (Ch. 419) | | | | | | |
| | GF | (\$4,000,000) | (\$4,000,000) | (\$4,000,000) | (\$4,000,000) | (\$4,000,000) | |
| SB 961/HB 1459 | Calvert County – Youth Recreational Opportunities Fund and Distribution From Admissions and Amusement Tax Revenues (Ch. 420/Ch. 118) | | | | | | |
| | SF | \$0 | \$1,212,000 | \$1,224,120 | \$1,236,361 | \$1,248,725 | SF expenditures increase by same amount. |
| SB 967/HB 1454 | Heritage Structure Rehabilitation Tax Credit – Commercial Rehabilitations – Affordable Housing (Ch. 843/Ch. 842) | | | | | | |
| | GF | (\$778,000) | (\$1,271,000) | (\$1,192,000) | (\$1,725,000) | (\$1,510,000) | |
| SB 973 | Maryland Transportation Authority – Video Tolls – Collection (Ch. 547) | | | | | | |
| | GF | decrease | decrease | decrease | \$0 | \$0 | Reversion revenues. Revenues also decrease in FY 2018. |
| | NB | indeterminate | indeterminate | indeterminate | \$0 | \$0 | Toll and penalty revenues. Revenues also impacted in FY 2018. |
| | SF | decrease | decrease | decrease | \$0 | \$0 | Toll and penalty revenues. Revenues also decrease in FY 2018. |
| SB 983 | Maryland Historical Society – Funding (Ch. 557) | | | | | | |
| | SF | \$0 | (\$250,000) | (\$250,000) | (\$250,000) | (\$250,000) | Special Fund for Preservation of Cultural Arts in Maryland. |
| | SF | \$0 | \$250,000 | \$250,000 | \$250,000 | \$250,000 | Maryland Historical Society. |

Legislation Affecting State Revenues

| | <u>Fund</u> | <u>FY 2019</u> | <u>FY 2020</u> | <u>FY 2021</u> | <u>FY 2022</u> | <u>FY 2023</u> | <u>Comments</u> |
|------------------------|--|----------------|----------------|----------------|----------------|----------------|---|
| SB 989/HB 1295 | One Maryland Economic Development Tax Credits – Simplification and Alteration (Ch. 583/Ch. 584) | | | | | | |
| | GF | (\$676,435) | (\$2,113,859) | (\$3,551,283) | (\$4,396,827) | (\$5,834,249) | |
| | SF | (\$87,565) | (\$273,641) | (\$459,716) | (\$569,175) | (\$755,252) | Transportation Trust Fund. |
| | SF | (\$36,000) | (\$112,500) | (\$189,000) | (\$234,000) | (\$310,499) | Higher Education Investment Fund. |
| SB 996 | Income Tax – Subtraction Modification – Retirement Income (Hometown Heroes and Veterans Act of 2018) (Ch. 573) | | | | | | |
| | GF | (\$6,517,000) | (\$6,662,000) | (\$6,811,000) | (\$6,957,000) | (\$7,105,000) | |
| SB 999 | Recordation Tax – Exemptions (Ch. 594) | | | | | | |
| | GF | decrease | decrease | decrease | decrease | decrease | Court commission fee revenues. |
| SB 1064 | Academic Facilities Bonding Authority (Ch. 553) | | | | | | |
| | BOND | \$24,000,000 | \$0 | \$0 | \$0 | \$0 | Anticipated in FY 2019 capital budget. Bond expenditures increase by same amount. |
| SB 1068/HB 1634 | Financial Consumer Protection Act of 2018 (Ch. 732/Ch. 731) | | | | | | |
| | GF | increase | increase | increase | increase | increase | Potential significant penalty revenues. |
| SB 1069/HB 646 | Motor Vehicles – Gross Vehicle Weight – Agricultural Products (Ch. 495/Ch. 494) | | | | | | |
| | GF | decrease | decrease | decrease | decrease | decrease | Potential fine revenues. Revenues may also decrease in FY 2018. |
| SB 1084/HB 1548 | Baltimore City – Continuing the Creating Opportunities for Renewal and Enterprise (CORE) Partnership Fund (Ch. 640/Ch. 639) | | | | | | |
| | SF | \$0 | \$30,000,000 | \$25,000,000 | \$25,000,000 | \$25,000,000 | SF expenditures increase by same amount. |
| SB 1090/HB 1794 | Corporate Income Tax – Single Sales Factor Apportionment (Ch. 341/Ch. 342) | | | | | | |
| | GF | (\$2,858,760) | (\$3,192,282) | (\$3,403,286) | (\$3,573,450) | (\$4,764,600) | |
| | SF | (\$525,240) | (\$586,518) | (\$625,286) | (\$656,550) | (\$875,400) | Transportation Trust Fund. |
| | SF | (\$216,000) | (\$241,200) | (\$257,143) | (\$270,000) | (\$360,000) | Higher Education Investment Fund. |
| SB 1137 | Criminal Law – Prohibitions, Prosecutions, and Corrections (Ch. 145) | | | | | | |
| | GF | decrease | decrease | decrease | decrease | decrease | Potential significant fine revenues. |

Legislation Affecting State Revenues

| | <u>Fund</u> | <u>FY 2019</u> | <u>FY 2020</u> | <u>FY 2021</u> | <u>FY 2022</u> | <u>FY 2023</u> | <u>Comments</u> |
|------------------------|--|----------------|----------------|----------------|----------------|----------------|---|
| SB 1140 | Maryland Agricultural Land Preservation Foundation – Definition of Child (Ch. 623) | | | | | | |
| | SF | increase | increase | increase | increase | increase | Reimbursement revenues. |
| SB 1154 | Income Tax – Film Production Activity Tax Credit – Alterations (Ch. 595) | | | | | | |
| | GF | (\$3,000,000) | (\$11,000,000) | (\$14,000,000) | (\$17,000,000) | (\$20,000,000) | |
| SB 1201/HB 698 | Agriculture – Industrial Hemp Pilot Program – Establishment (Ch. 476/Ch. 475) | | | | | | |
| | GF | increase | increase | increase | increase | increase | Minimal fee revenues. |
| SB 1208/HB 1766 | Senior Prescription Drug Assistance Program – Sunset Extension and Repeal of Subsidy for Medicare Part D Coverage Gap (Ch. 463/Ch. 462) | | | | | | |
| | SF | \$0 | decrease | decrease | decrease | decrease | Assessment revenues. |
| SB 1218 | Ending Youth Homelessness Act of 2018 (Ch. 748) | | | | | | |
| | SF | increase | increase | increase | increase | increase | Significant grant revenues. SF expenditures increase by same amount. |
| SB 1265 | Maryland Safe to Learn Act of 2018 (Ch. 30) | | | | | | |
| | SF | \$12,500,000 | \$10,000,000 | \$10,000,000 | \$10,000,000 | \$10,000,000 | Grant revenues. SF expenditures increase by same amount. |
| SB 1267/HB 1795 | Maryland Health Benefit Exchange – Establishment of a Reinsurance Program (Ch. 7/Ch. 6) | | | | | | |
| | FF | increase | increase | increase | increase | increase | Potential significant federal pass-through funding. FF expenditures likely increase by same amount. |
| HB 1/SB 2 | See entry for SB 2. | | | | | | |
| HB 2 | Natalie M. LaPrade Medical Cannabis Commission Reform Act (Ch. 598) | | | | | | |
| | SF | \$523,000 | \$551,000 | \$1,395,000 | \$1,395,000 | \$1,395,000 | SF revenues also increase by \$24,000 in FY 2018. |
| HB 7/SB 182 | See entry for SB 182. | | | | | | |

Legislation Affecting State Revenues

| | <u>Fund</u> | <u>FY 2019</u> | <u>FY 2020</u> | <u>FY 2021</u> | <u>FY 2022</u> | <u>FY 2023</u> | <u>Comments</u> |
|----------------------|---|----------------|----------------|----------------|----------------|----------------|---|
| HB 24 | Public Safety – Maryland Police Training and Standards Commission Fund – Establishment (Ch. 758) | | | | | | |
| | GF | (\$2,000,000) | (\$2,000,000) | (\$2,000,000) | (\$2,000,000) | (\$2,000,000) | |
| | SF | \$2,000,000 | \$2,000,000 | \$2,000,000 | \$2,000,000 | \$2,000,000 | SF expenditures increase by same amount. |
| HB 27/SB 168 | See entry for SB 168. | | | | | | |
| HB 43 | Income Tax – Subtraction Modification – Perpetual Conservation Easements (Ch. 303) | | | | | | |
| | GF | (\$177,600) | (\$214,500) | (\$220,800) | (\$226,800) | (\$218,000) | |
| HB 86/SB 656 | See entry for SB 656. | | | | | | |
| HB 96 | Income Tax – Subtraction Modification – Living Organ Donors (Ch. 36) | | | | | | |
| | GF | (\$20,000) | (\$21,000) | (\$22,000) | (\$23,000) | (\$24,000) | |
| HB 109/SB 821 | See entry for SB 821. | | | | | | |
| HB 111/SB 233 | See entry for SB 233. | | | | | | |
| HB 175 | Prince George’s County – Speed Monitoring Systems – Intersection of Old Fort Road and Maryland Route 210 (Indian Head Highway) PG 302-18 (Ch. 806) | | | | | | |
| | SF | increase | increase | increase | increase | increase | Potential significant fine revenues. SF expenditures increase by same amount. |
| HB 187 | Financial Institutions – Nondepository Special Fund – Expansion (Ch. 479) | | | | | | |
| | GF | (\$1,044,254) | (\$1,044,254) | (\$1,044,254) | (\$1,044,254) | (\$1,044,254) | GF revenues also decrease by \$74,000 in FY 2018. |
| | SF | \$1,044,254 | \$1,044,254 | \$1,044,254 | \$1,044,254 | \$1,044,254 | SF revenues also increase by \$74,000 in FY 2018. SF expenditures increase by similar amount. |
| HB 198 | Inheritance Tax – Perpetual Conservation Easement – Farming Purposes – Exemption (Ch. 293) | | | | | | |
| | GF | (\$25,000) | (\$25,000) | (\$25,000) | (\$25,000) | (\$25,000) | |
| HB 220 | Montgomery County – Housing Opportunities Commission of Montgomery County – Subsidiary Entities MC 18-18 (Ch. 126) | | | | | | |
| | SF | decrease | decrease | decrease | decrease | decrease | Minimal property tax revenues. |

Legislation Affecting State Revenues

| | <u>Fund</u> | <u>FY 2019</u> | <u>FY 2020</u> | <u>FY 2021</u> | <u>FY 2022</u> | <u>FY 2023</u> | <u>Comments</u> |
|----------------------|---|----------------|----------------|----------------|----------------|----------------|--|
| HB 247 | Criminal Procedure – Victim Services Unit – Victims’ Compensation (Ch. 422) | | | | | | |
| | FF | \$2,297,664 | \$2,366,594 | \$2,437,592 | \$3,327,669 | \$3,402,990 | Governor’s Office of Crime Control and Prevention. FF expenditures correspond. |
| | FF | (\$597,664) | (\$615,594) | (\$634,062) | (\$653,084) | (\$672,676) | Maryland Department of Health. FF expenditures correspond. |
| | FF | (\$1,700,000) | (\$1,751,000) | (\$1,803,530) | (\$2,637,636) | (\$2,693,365) | Department of Public Safety and Correctional Services. FF expenditures correspond. |
| | REIM | \$54,987 | \$56,637 | \$58,336 | \$60,086 | \$61,888 | Governor’s Office of Crime Control and Prevention. Reimbursement costs correspond. |
| | REIM | (\$54,987) | (\$56,637) | (\$58,336) | (\$60,086) | (\$61,888) | Department of Public Safety and Correctional Services. Reimbursement costs correspond. |
| | SF | \$2,902,035 | \$2,989,096 | \$3,078,769 | \$3,171,132 | \$3,266,266 | Governor’s Office of Crime Control and Prevention. SF expenditures correspond. |
| | SF | (\$2,902,035) | (\$2,989,096) | (\$3,078,769) | (\$3,171,132) | (\$3,266,266) | Department of Public Safety and Correctional Services. SF expenditures correspond. |
| HB 249/SB 33 | See entry for SB 33. | | | | | | |
| HB 281 | Education – Computer Science – Curriculum and Professional Development (Securing the Future: Computer Science Education for All) (Ch. 358) | | | | | | |
| | SF | \$300,000 | \$1,000,000 | \$1,000,000 | \$0 | \$0 | SF expenditures increase by same amount. |
| HB 296 | Income Tax – Subtraction Modification – Retirement Income of Correctional Officers (Ch. 581) | | | | | | |
| | GF | (\$1,707,000) | (\$1,749,000) | (\$1,794,000) | (\$1,839,000) | (\$1,884,000) | Duplicative of impact for SB 996. |
| HB 302/SB 848 | See entry for SB 848. | | | | | | |
| HB 305 | Homestead Property Tax Credit Program – Eligibility Awareness (Ch. 297) | | | | | | |
| | SF | \$0 | decrease | decrease | decrease | decrease | Potential property tax revenues. |

Legislation Affecting State Revenues

[illegible]

Legislation Affecting State Revenues

| | <u>Fund</u> | <u>FY 2019</u> | <u>FY 2020</u> | <u>FY 2021</u> | <u>FY 2022</u> | <u>FY 2023</u> | <u>Comments</u> |
|-----------------------|--|----------------|----------------|----------------|----------------|----------------|---|
| HB 671 | Income Tax – Subtraction Modification – Classroom Supplies Purchased by Teachers (Ch. 466) | | | | | | |
| | GF | (\$900,000) | (\$900,000) | (\$900,000) | (\$900,000) | (\$900,000) | |
| HB 694 | Public Safety – Building Codes – Transfer of Administration to Department of Labor, Licensing, and Regulation (Ch. 673) | | | | | | |
| | SF | (\$240,000) | (\$240,000) | (\$240,000) | (\$240,000) | (\$240,000) | Department of Housing and Community Development. SF expenditures decrease by same amount. |
| | SF | \$240,000 | \$240,000 | \$240,000 | \$240,000 | \$240,000 | Department of Labor, Licensing, and Regulation. SF expenditures increase by same amount. |
| HB 698/SB 1201 | See entry for SB 1201. | | | | | | |
| HB 736/SB 576 | See entry for SB 576. | | | | | | |
| HB 755 | Campaign Finance – Contributions in Name of Another – Fair Campaign Financing Fund (Ch. 460) | | | | | | |
| | SF | increase | increase | increase | increase | increase | Potential campaign contribution remittance revenues. |
| HB 782/SB 550 | See entry for SB 550. | | | | | | |
| HB 807/SB 516 | See entry for SB 516. | | | | | | |
| HB 847 | Health Insurance – Coverage for Lymphedema Diagnosis, Evaluation, and Treatment (Ch. 471) | | | | | | |
| | SF | increase | \$0 | \$0 | \$0 | \$0 | Minimal fee revenues. |
| HB 848 | Commissioner of Financial Regulation – Consumer Reporting Agencies (Ch. 480) | | | | | | |
| | GF | (\$783,191) | (\$1,044,254) | (\$1,044,254) | (\$1,044,254) | (\$1,044,254) | Duplicative of costs for HB 187. |
| | GF | increase | increase | increase | increase | increase | Minimal penalty revenues. |
| | SF | increase | increase | increase | increase | increase | Minimal reimbursement revenues. |
| | SF | \$783,191 | \$1,044,254 | \$1,044,254 | \$1,044,254 | \$1,044,254 | SF expenditures increase by similar amount. Duplicative of impact for HB 187. |
| HB 856/SB 647 | See entry for SB 647. | | | | | | |
| HB 871/SB 502 | See entry for SB 502. | | | | | | |

Legislation Affecting State Revenues

| | <u>Fund</u> | <u>FY 2019</u> | <u>FY 2020</u> | <u>FY 2021</u> | <u>FY 2022</u> | <u>FY 2023</u> | <u>Comments</u> |
|-----------------------|---|----------------|----------------|----------------|----------------|----------------|---|
| HB 896 | Alcoholic Beverages – Class 6 Limited Wine Wholesaler’s License – Production Amounts and Sales (Ch. 300) | | | | | | |
| | GF | increase | increase | increase | increase | increase | Minimal alcoholic beverage and sales tax revenues. |
| HB 908/SB 271 | See entry for SB 271. | | | | | | |
| HB 922 | Maryland Department of Health – “Pill Mill” Tip Line and Overdose Report (Ch. 211) | | | | | | |
| | FF | increase | increase | increase | increase | \$0 | Potential grant revenues. FF expenditures increase by same amount. |
| HB 946 | Long-Term Care Insurance – Contingent Benefit Upon Lapse (Ch. 508) | | | | | | |
| | SF | increase | \$0 | \$0 | \$0 | \$0 | Minimal fee revenues. |
| HB 948/SB 372 | See entry for SB 372. | | | | | | |
| HB 961 | Rural Broadband Communication Services (Ch. 176) | | | | | | |
| | GF/SF/FF | decrease | decrease | decrease | decrease | decrease | Potential significant user fee revenues. |
| HB 972 | Alcoholic Beverages – Class 4 Limited Winery Licenses (Ch. 542) | | | | | | |
| | GF | decrease | decrease | decrease | decrease | decrease | Minimal fee revenues. |
| HB 994/SB 774 | See entry for SB 774. | | | | | | |
| HB 1012/SB 899 | See entry for SB 899. | | | | | | |
| HB 1065 | Vehicle Laws – Title Service Agents (Ch. 512) | | | | | | |
| | SF | (\$251,667) | (\$335,557) | (\$335,557) | (\$335,557) | (\$335,557) | |
| HB 1069 | Income Tax – Subtraction Modification – Volunteer Fire, Rescue, and Emergency Medical Services Members (Ch. 582) | | | | | | |
| | GF | \$0 | \$0 | (\$508,000) | (\$762,000) | (\$1,016,000) | |
| HB 1078 | Commercial Insurance – Insurance Producers – Commissions (Ch. 513) | | | | | | |
| | SF | increase | \$0 | \$0 | \$0 | \$0 | Minimal fee revenues. |
| HB 1087/SB 758 | See entry for SB 758. | | | | | | |

Legislation Affecting State Revenues

| | <u>Fund</u> | <u>FY 2019</u> | <u>FY 2020</u> | <u>FY 2021</u> | <u>FY 2022</u> | <u>FY 2023</u> | <u>Comments</u> |
|-----------------------|--|----------------|----------------|----------------|----------------|----------------|--|
| HB 1096 | State Government – Veteran Employment and Transition Success Program (Ch. 786) | | | | | | |
| | SF | \$500,000 | \$500,000 | \$500,000 | \$500,000 | \$0 | SF expenditures increase by same amount. |
| HB 1107 | Public Safety – Elevator Inspections – Testing and Apprenticeship Program (Ch. 337) | | | | | | |
| | SF | decrease | (\$138,747) | (\$185,000) | (\$185,000) | (\$185,000) | Fee revenues. |
| HB 1127/SB 876 | See entry for SB 876. | | | | | | |
| HB 1132/SB 858 | See entry for SB 858. | | | | | | |
| HB 1143 | Southern Maryland – University System of Maryland Partnership Act of 2018 (Ch. 402) | | | | | | |
| | HE | \$700,000 | \$700,000 | \$700,000 | \$700,000 | \$700,000 | HE expenditures increase by same amount. |
| HB 1161/SB 856 | See entry for SB 856. | | | | | | |
| HB 1171 | Gaming – State Lottery and Gaming Control Commission – Regulation of Reconciliation of Proceeds (Ch. 299) | | | | | | |
| | SF | (\$150,000) | (\$150,000) | (\$150,000) | (\$150,000) | (\$150,000) | SF expenditures decrease by same amount. |
| HB 1215 | Nursing Homes – Partial Payment for Services Provided (Ch. 445) | | | | | | |
| | FF | \$71,175 | \$59,976 | \$0 | \$0 | \$0 | FF expenditures increase by same amount. |
| HB 1295/SB 989 | See entry for SB 989. | | | | | | |
| HB 1310 | Health Insurance – Provider Panels – Credentialing Practices (Ch. 247) | | | | | | |
| | SF | increase | \$0 | \$0 | \$0 | \$0 | Minimal fee revenues. |
| HB 1349 | Pharmacy Benefits Managers – Revisions (Ch. 451) | | | | | | |
| | GF | increase | increase | increase | increase | increase | Potential fine revenues. |

Legislation Affecting State Revenues

| | <u>Fund</u> | <u>FY 2019</u> | <u>FY 2020</u> | <u>FY 2021</u> | <u>FY 2022</u> | <u>FY 2023</u> | <u>Comments</u> |
|------------------------|---|-----------------|----------------|----------------|----------------|----------------|--|
| HB 1415 | Education – Commission on Innovation and Excellence in Education (Ch. 361) | | | | | | |
| | GF | (\$200,000,000) | \$0 | \$0 | \$0 | \$0 | Duplicative of impact for SB 187. |
| | SF | \$200,000,000 | \$0 | \$0 | \$0 | \$0 | SF expenditures increase beginning in FY 2020. Duplicative of impact for SB 187. |
| HB 1454/SB 967 | See entry for SB 967. | | | | | | |
| HB 1459/SB 961 | See entry for SB 961. | | | | | | |
| HB 1473 | Public Health – Emergency Use Auto-Injectable Epinephrine Program at Institutions of Higher Education (Ch. 527) | | | | | | |
| | GF | increase | increase | increase | increase | increase | Minimal fee revenues. |
| HB 1491 | Public Service Commission – Repeal of Master Metering Authorization and Study on Energy Allocation Systems and Submetering (Ch. 532) | | | | | | |
| | SF | \$50,000 | \$0 | \$0 | \$0 | \$0 | SF expenditures increase by same amount. |
| HB 1542 | Department of Commerce – Employment in the State’s Defense Industry – Study (Ch. 795) | | | | | | |
| | FF | \$45,000 | \$0 | \$0 | \$0 | \$0 | FF expenditures increase by same amount. |
| HB 1548/SB 1084 | See entry for SB 1084. | | | | | | |
| HB 1554 | Child Support – Payment Incentive Program Expansion Act of 2018 (Ch. 406) | | | | | | |
| | FF | \$10,930 | \$0 | \$0 | \$0 | \$0 | FF expenditures increase by same amount |
| | SF | increase | increase | increase | increase | increase | Potential child support collections. |
| HB 1634/SB 1068 | See entry for SB 1068. | | | | | | |
| HB 1662 | Business Regulation – Retail Pet Stores (Ch. 237) | | | | | | |
| | GF | decrease | decrease | decrease | decrease | decrease | Sales tax revenues. |
| HB 1682/SB 835 | See entry for SB 835. | | | | | | |
| HB 1685/SB 912 | See entry for SB 912. | | | | | | |

Legislation Affecting State Revenues

[illegible]

Totals by Fund Type/Summary of Quantifiable Revenue Effects

120

| <u>Fund Type</u> | <u>FY 2019</u> | <u>FY 2020</u> | <u>FY 2021</u> | <u>FY 2022</u> | <u>FY 2023</u> |
|------------------|-----------------|----------------|----------------|----------------|-----------------|
| GF | (\$319,739,479) | \$151,088,566 | \$32,616,002 | (\$81,593,856) | (\$122,584,852) |
| SF | \$463,390,413 | \$114,939,308 | \$155,827,137 | \$248,454,720 | \$238,854,218 |
| FF | \$55,430,382 | \$56,370,656 | \$2,858,485 | \$2,529,262 | \$2,636,160 |
| BOND | \$15,000,000 | \$187,000,000 | \$126,600,000 | \$193,600,000 | \$223,200,000 |
| HE | \$700,000 | \$5,700,000 | \$3,200,000 | \$3,200,000 | \$3,200,000 |
| NB | \$0 | \$250,000 | \$0 | \$0 | \$0 |
| REIMB | (\$2,316,965) | (\$2,345,155) | (\$2,382,577) | (\$2,421,271) | (\$2,461,280) |

Effect of the 2018 Legislative Program on the Financial Condition of the State

Legislation Affecting State Expenditures

| | <u>Fund</u> | <u>Agency</u> | <u>FY 2019</u> | <u>FY 2020</u> | <u>FY 2021</u> | <u>FY 2022</u> | <u>FY 2023</u> | <u>Comments</u> |
|---------------------|--|---|----------------|----------------|----------------|----------------|----------------|---|
| SB 2/HB 1 | Family Law – Child Conceived Without Consent – Termination of Parental Rights (Rape Survivor Family Protection Act) (Ch. 3/Ch. 4) | | | | | | | |
| | FF | Governor’s Office of Crime Control and Prevention | increase | increase | \$0 | \$0 | \$0 | Potential significant grant expenditures. FF revenues increase by same amount. |
| SB 38 | Motor Vehicle Administration – Birth Certificates – Issuance of Copies (Ch. 526) | | | | | | | |
| | GF | Health | \$0 | \$135,983 | \$125,678 | \$130,151 | \$134,794 | |
| SB 43/HB 193 | High School Diploma by Examination – Eligibility Requirements – Exemption (Ch. 373/Ch. 374) | | | | | | | |
| | GF | Labor, Lic., and Reg. | \$3,750 | \$3,750 | \$3,750 | \$3,750 | \$3,750 | |
| SB 48/HB 205 | Workers’ Compensation – Permanent Partial Disability – State Correctional Officers (Ch. 588/Ch. 589) | | | | | | | |
| | GF | Public Safety and Correctional Services | increase | increase | increase | increase | increase | Significant workers’ compensation costs. |
| SB 86 | Charitable Organizations – Registration Late Fees – Distribution and Use (Ch. 668) | | | | | | | |
| | SF | Secretary of State | increase | increase | increase | increase | increase | Potential personnel costs. SF revenues may increase by up to \$159,000. |
| SB 87 | Controlled Dangerous Substances – Registration, Schedules, Penalties, and Orders of Impoundment (Ch. 212) | | | | | | | |
| | GF | Health | decrease | decrease | decrease | decrease | decrease | Minimal notification costs. |
| SB 91 | Juvenile Law – Disclosure of Court Records (Ch. 669) | | | | | | | |
| | GF | Judiciary | \$15,360 | \$0 | \$0 | \$0 | \$0 | |
| SB 92/HB 968 | Public School Construction – Innovation Incentive Pilot Program (Ch. 398/Ch. 397) | | | | | | | |
| | GF | School Construction | \$46,157 | \$55,553 | \$57,136 | \$59,229 | \$61,403 | |
| SB 97 | Public Utilities – Transportation Network Services – Disclosure of Records (Ch. 51) | | | | | | | |
| | SF | Public Service Commission | \$44,219 | \$52,988 | \$54,483 | \$56,486 | \$58,567 | SF revenues increase by same amount. |

Legislation Affecting State Expenditures

122

| | <u>Fund</u> | <u>Agency</u> | <u>FY 2019</u> | <u>FY 2020</u> | <u>FY 2021</u> | <u>FY 2022</u> | <u>FY 2023</u> | <u>Comments</u> |
|----------------------|--|---|----------------|----------------|----------------|----------------|----------------|--|
| SB 101 | Criminal Law – Crimes of Violence, Expungement, and Drug Treatment (Ch. 143) | | | | | | | |
| | GF | Public Safety and Correctional Services | increase | increase | increase | increase | increase | Potential significant incarceration costs. |
| | GF | Judiciary | \$37,160 | \$0 | \$0 | \$0 | \$0 | |
| | GF | Health | decrease | decrease | decrease | decrease | decrease | Minimal evaluation and treatment costs. |
| SB 121 | Family Law – Domestic Violence – Definition of Abuse (Ch. 501) | | | | | | | |
| | GF | Judiciary | \$92,290 | \$0 | \$0 | \$0 | \$0 | |
| SB 134 | Small Business Relief Tax Credit (Ch. 571) | | | | | | | |
| | GF | Comptroller | \$33,000 | \$0 | \$0 | \$0 | \$0 | |
| SB 149 | Natural Resources – Electronic Licensing – Voluntary Donations (Ch. 434) | | | | | | | |
| | SF | Natural Resources | increase | increase | increase | increase | increase | Grant expenditures and project costs. SF revenues increase by same amount. |
| SB 163 | Public Health – Community Health Workers – Advisory Committee and Certification (Ch. 441) | | | | | | | |
| | GF | Health | \$67,516 | \$140,297 | \$139,383 | \$144,407 | \$149,619 | GF expenditures are reduced as SF become available. |
| | SF | Health | \$0 | increase | increase | increase | increase | SF expenditures replace GF expenditures as available. SF revenues increase by same amount. |
| SB 170/HB 388 | Criminal Procedure – Violation of Conditions of Release (Ch. 428/Ch. 427) | | | | | | | |
| | GF | Public Safety and Correctional Services | increase | increase | increase | increase | increase | Minimal incarceration costs. |

Effect of the 2018 Legislative Program on the Financial Condition of the State

Legislation Affecting State Expenditures

| | <u>Fund</u> | <u>Agency</u> | <u>FY 2019</u> | <u>FY 2020</u> | <u>FY 2021</u> | <u>FY 2022</u> | <u>FY 2023</u> | <u>Comments</u> |
|--------------------|---|-----------------------------------|-----------------|----------------|----------------|----------------|----------------|---|
| SB 182/HB 7 | Income Tax Credit – Venison Donation – Feed the Hungry Organizations (Ch. 173/Ch. 172) | | | | | | | |
| | GF | Comptroller | \$54,000 | \$0 | \$0 | \$0 | \$0 | |
| SB 187 | Budget Reconciliation and Financing Act of 2018 (Ch. 10) | | | | | | | |
| | FF | All or Multiple Agencies | (\$4,641,981) | \$636,804 | \$998,196 | \$1,031,933 | \$1,077,030 | Included in FY 2019 budget. |
| | FF | Health | \$0 | \$0 | \$0 | \$0 | \$0 | FF expenditures decrease by \$3.0 million in FY 2018. |
| | | | | | | | | FF revenues decrease correspondingly. |
| | GF | All or Multiple Agencies | (\$15,000,000) | (\$2,500,000) | (\$2,500,000) | \$12,500,000 | \$0 | Program Open Space and related distributions. Included in FY 2019 budget. |
| | GF | All or Multiple Agencies | \$0 | increase | increase | \$0 | \$0 | Potential increase in spending due to cap on nonwithholding income tax revenues. |
| | GF | All or Multiple Agencies | (\$233,448,168) | \$4,795,542 | \$8,467,233 | \$8,725,986 | \$9,160,286 | Included in FY 2019 budget. GF expenditures increase by \$124,380 in FY 2018. |
| | GF | Housing and Community Development | (\$5,000,000) | \$0 | \$0 | \$0 | \$0 | Included in FY 2019 budget. |
| | GF | Human Services | \$0 | \$0 | \$0 | \$0 | \$0 | GF expenditures decrease by \$1.4 million in FY 2018. |
| | GF | MARBIDCO | \$0 | \$2,500,000 | \$2,500,000 | \$2,500,000 | \$0 | |
| | GF | Health | (\$13,000,000) | \$0 | \$0 | \$0 | \$0 | Included in FY 2019 budget. GF expenditures decrease by \$4.0 million in FY 2018. |

Legislation Affecting State Expenditures

| <u>Fund</u> | <u>Agency</u> | <u>FY 2019</u> | <u>FY 2020</u> | <u>FY 2021</u> | <u>FY 2022</u> | <u>FY 2023</u> | <u>Comments</u> |
|--|--------------------------|----------------|----------------|----------------|----------------|----------------|---|
| GF | Higher Ed. Comm. | (\$4,000,000) | (\$7,000,000) | (\$7,000,000) | (\$7,000,000) | (\$7,000,000) | Included in FY 2019 budget. |
| GF | Education | (\$4,200,000) | \$0 | \$0 | \$0 | \$0 | Included in FY 2019 budget. |
| SF | All or Multiple Agencies | (\$15,000,000) | (\$2,500,000) | (\$2,500,000) | \$12,500,000 | \$0 | Program Open Space and related distributions. SF revenues decrease/increase by same amount. |
| SF | Commerce | \$1,100,000 | \$0 | \$0 | \$0 | \$0 | Potential decrease in SF expenditures from Fiscal Stabilization Fund. |
| SF | All or Multiple Agencies | \$0 | \$0 | \$0 | decrease | decrease | |
| SF | All or Multiple Agencies | (\$7,728,851) | \$1,059,174 | \$1,448,020 | \$1,497,501 | \$1,565,876 | Included in FY 2019 budget. |
| SF | Health | \$13,000,000 | \$0 | \$0 | \$0 | \$0 | SF revenues increase by \$5.0 million in FY 2019. |
| SF | Higher Ed. Comm. | \$1,800,000 | \$0 | \$0 | \$0 | \$0 | SF revenues increase by same amount in FY 2018. |
| SF | Education | \$0 | increase | increase | increase | increase | Education expenditures. SF revenues increase by \$200.0 million in FY 2019. SF expenditures decrease by \$100,000 in FY 2018. |
| SB 204 Higher Education – Cybersecurity Public Service Scholarship Program (Ch. 415) | | | | | | | |
| GF | Higher Ed. Comm. | \$160,000 | \$200,000 | \$200,000 | \$200,000 | \$200,000 | |

Legislation Affecting State Expenditures

| | <u>Fund</u> | <u>Agency</u> | <u>FY 2019</u> | <u>FY 2020</u> | <u>FY 2021</u> | <u>FY 2022</u> | <u>FY 2023</u> | <u>Comments</u> |
|----------------------|---|-----------------------|----------------|----------------|----------------|----------------|----------------|---|
| SB 228 | Cybersecurity Incentive Tax Credits (Ch. 578) | | | | | | | |
| | GF | Commerce | \$72,750 | \$2,068,297 | \$2,070,312 | \$2,072,855 | \$2,075,491 | Existing mandated appropriation is extended. |
| SB 233/HB 111 | Maryland Department of Health – Defendants Found Incompetent to Stand Trial or Not Criminally Responsible – Commitment (Ch. 189/Ch. 188) | | | | | | | |
| | GF | Health | increase | increase | increase | increase | increase | Minimal reimbursement costs. |
| SB 234 | Physicians – Licensure – Grounds for Discipline and Interstate Medical Licensure Compact (Ch. 470) | | | | | | | |
| | SF | Health | \$0 | increase | increase | increase | increase | Implementation costs. SF revenues likely increase by similar amount. |
| SB 266/HB 716 | Maryland Health Care Commission – Mortality Rates of African American Infants and Infants in Rural Areas – Study (Ch. 83/Ch. 82) | | | | | | | |
| | SF | Health | \$100,000 | \$0 | \$0 | \$0 | \$0 | |
| SB 271/HB 908 | Health Insurance – Coverage of Fertility Preservation Procedures for Iatrogenic Infertility (Ch. 716/Ch. 715) | | | | | | | |
| | GF/SF/FF | Budget and Management | increase | increase | increase | increase | increase | Employee health care costs. |
| SB 277/HB 372 | Maryland Metro/Transit Funding Act (Ch. 351/Ch. 352) | | | | | | | |
| | SF | Transportation | \$3,750,000 | \$15,856,000 | \$32,356,000 | \$53,071,000 | (\$2,000,000) | Mandated appropriations in FY 2020 through 2022. |
| SB 284 | Maryland Medical Assistance Program – Dental Coverage for Adults – Pilot Program (Ch. 621) | | | | | | | |
| | FF | Health | \$0 | increase | increase | increase | increase | Potential significant Medicaid expenditures. FF revenues increase by same amount. |
| | GF | Health | \$0 | increase | increase | increase | increase | Potential significant Medicaid expenditures. |

Legislation Affecting State Expenditures

126

| | <u>Fund</u> | <u>Agency</u> | <u>FY 2019</u> | <u>FY 2020</u> | <u>FY 2021</u> | <u>FY 2022</u> | <u>FY 2023</u> | <u>Comments</u> |
|-----------------------|---|--|----------------|----------------|----------------|----------------|----------------|---|
| SB 285/HB 634 | Commission to Advance Next Generation 9-1-1 Across Maryland – Establishment (Ch. 302/Ch. 301) | | | | | | | |
| | SF | Public Safety and Correctional Services | increase | increase | \$0 | \$0 | \$0 | Staffing costs. Costs also increase in FY 2018. |
| SB 286/HB 1088 | State Procurement – Information Technology – Nonvisual Access (Ch. 632/Ch. 631) | | | | | | | |
| | GF | Information Technology | \$0 | \$99,068 | \$97,074 | \$100,526 | \$104,104 | |
| | GF/SF/FF | All or Multiple Agencies | increase | increase | increase | increase | increase | Potential significant procurement costs. |
| SB 291/HB 524 | Family Law – Protecting the Resources of Children in State Custody (Ch. 816/Ch. 815) | | | | | | | |
| | GF | Human Services | \$1,042,238 | \$1,377,540 | \$1,381,306 | \$1,386,113 | \$1,391,102 | |
| SB 299/HB 36 | Correctional Officers' Retirement System – Membership (Ch. 579/Ch. 580) | | | | | | | |
| | FF | All or Multiple Agencies | \$0 | \$672,000 | \$700,000 | \$728,000 | \$750,000 | |
| | GF | All or Multiple Agencies | \$0 | \$2,016,000 | \$2,100,000 | \$2,184,000 | \$2,250,000 | |
| | SF | All or Multiple Agencies | \$0 | \$672,000 | \$700,000 | \$728,000 | \$750,000 | |
| | SF | State Retirement Agency. | \$200,000 | \$0 | \$0 | \$0 | \$0 | |
| SB 318/HB 570 | Income Tax – Standard Deduction – Alteration and Cost-of-Living Adjustments (Ch. 577/Ch. 576) | | | | | | | |
| | GF | Comptroller | increase | increase | increase | increase | increase | Minimal programming costs. |
| SB 324 | Washington County – Alcoholic Beverages – Serving Underage Individuals – Penalties (Ch. 317) | | | | | | | |
| | GF | Public Safety and Correctional Services | increase | increase | increase | increase | increase | Minimal incarceration costs. |
| SB 373/HB 547 | Education – Head Start Program – Annual Appropriation (The Ulysses Currie Act) (Ch. 556/Ch. 555) | | | | | | | |
| | GF | Education | \$0 | \$1,200,000 | \$1,200,000 | \$1,200,000 | \$1,200,000 | Mandated appropriation beginning in FY 2020. |

Effect of the 2018 Legislative Program on the Financial Condition of the State

Legislation Affecting State Expenditures

| | <u>Fund</u> | <u>Agency</u> | <u>FY 2019</u> | <u>FY 2020</u> | <u>FY 2021</u> | <u>FY 2022</u> | <u>FY 2023</u> | <u>Comments</u> |
|-----------------------|---|----------------------|----------------|----------------|----------------|----------------|----------------|--|
| SB 379/HB 430 | Education – Child Care Subsidies – Mandatory Funding Levels (Ch. 564/Ch. 563) | | | | | | | |
| | FF | Education | \$0 | \$14,514,455 | \$19,053,455 | \$23,092,455 | \$23,092,455 | Mandated appropriation beginning in FY 2020 (assumed to be supported with federal funds). |
| SB 383/HB 1622 | Video Lottery Terminals – Minority Business Participation Goals – Sunset Extension (Ch. 336/Ch. 335) | | | | | | | |
| | SF | Transportation | \$75,000 | \$0 | \$0 | \$0 | \$0 | |
| SB 386 | Maryland Nursing Home Resident Protection Act of 2018 (Ch. 454) | | | | | | | |
| | GF | Health | \$0 | \$831,902 | \$1,776,950 | \$2,683,552 | \$3,670,059 | Mandated appropriation beginning in FY 2020. |
| SB 387/HB 1782 | Health Insurance – Individual Market Stabilization (Maryland Health Care Access Act of 2018) (Ch. 38/Ch. 37) | | | | | | | |
| | FF | Health | \$52,217,887 | \$52,217,887 | \$0 | \$0 | \$0 | Included in FY 2019 budget. FF revenues increase by same amount. |
| | GF | Legislative Services | \$100,000 | \$0 | \$0 | \$0 | \$0 | |
| | GF | Health | \$32,004,512 | \$32,004,512 | \$0 | \$0 | \$0 | Included in FY 2019 budget. |
| SB 400 | Baltimore Convention Facility – Operating Deficits and Capital Improvement Reserve Fund (Ch. 851) | | | | | | | |
| | GF | Stadium Authority | \$0 | \$2,900,000 | \$6,000,000 | \$6,000,000 | \$6,000,000 | Existing mandated appropriation is extended from FY 2020 through 2030. Potential significant contribution costs (in addition to amount shown). |
| SB 407/HB 535 | Transportation – Complete Streets Program – Establishment (Ch. 722/Ch. 721) | | | | | | | |
| | SF | Transportation | \$362,488 | \$1,143,403 | \$1,148,236 | \$1,153,234 | \$1,158,402 | |

Legislation Affecting State Expenditures

128

| | <u>Fund</u> | <u>Agency</u> | <u>FY 2019</u> | <u>FY 2020</u> | <u>FY 2021</u> | <u>FY 2022</u> | <u>FY 2023</u> | <u>Comments</u> |
|-----------------------|--|---------------------------|----------------|----------------|----------------|----------------|----------------|---|
| SB 414 | Governor’s Office of Small, Minority, and Women Business Affairs – Small Business Resources and Data Collection (Ch. 455) | | | | | | | |
| | GF | Executive Dept. | \$32,702 | \$0 | \$0 | \$0 | \$0 | |
| SB 423 | Criminal Procedure – Postconviction – DNA Testing and Petition for Writ of Actual Innocence (Ch. 602) | | | | | | | |
| | GF | Attorney General | \$103,492 | \$131,438 | \$135,600 | \$140,363 | \$145,293 | |
| | GF | Public Defender | \$5,000 | \$5,000 | \$5,000 | \$5,000 | \$5,000 | |
| SB 424 | Driver’s Licenses – Learner’s Permits – Minimum Duration (Ch. 505) | | | | | | | |
| | SF | Transportation | \$90,000 | \$0 | \$0 | \$0 | \$0 | |
| SB 470/HB 203 | Higher Education – Senatorial and Delegate Scholarships – Reimbursement of Expenses for Community College Certification and Licensure (Ch. 376/Ch. 375) | | | | | | | |
| | GF | Higher Ed. Comm. | \$76,000 | \$0 | \$0 | \$0 | \$0 | |
| SB 490 | Child Abuse and Neglect – Disclosure of Identifying Information (Ch. 497) | | | | | | | |
| | GF | Health | \$28,100 | \$31,652 | \$32,439 | \$33,708 | \$35,030 | |
| SB 491/HB 1303 | Family Law – Domestic Violence – Permanent Protective Orders (Ch. 426/Ch. 425) | | | | | | | |
| | GF | Judiciary | \$19,610 | \$0 | \$0 | \$0 | \$0 | |
| SB 501 | State Lakes Protection and Restoration Fund – Purpose, Use, and Funding – Alterations (Ch. 698) | | | | | | | |
| | GF | Natural Resources | \$0 | \$1,218,548 | \$1,208,204 | \$1,215,430 | \$1,222,926 | Mandated appropriation beginning in FY 2020. SF revenues increase by same amount. |
| | SF | Natural Resources | \$0 | \$1,000,000 | \$1,000,000 | \$1,000,000 | \$1,000,000 | |
| SB 502/HB 871 | University System of Maryland – Board of Regents and Quasi-Endowment Funds (Ch. 393/Ch. 392) | | | | | | | |
| | HE | Univ. Sys. of Maryland | increase | increase | increase | increase | increase | Potential significant spending from increased investment returns. |
| SB 516/HB 807 | Transportation – Highway User Revenues – Distribution (Ch. 331/Ch. 330) | | | | | | | |
| | SF | Transportation Trust Fund | \$0 | \$255,405,000 | \$265,885,000 | \$276,700,000 | \$302,535,000 | |

Effect of the 2018 Legislative Program on the Financial Condition of the State

Legislation Affecting State Expenditures

| | <u>Fund</u> | <u>Agency</u> | <u>FY 2019</u> | <u>FY 2020</u> | <u>FY 2021</u> | <u>FY 2022</u> | <u>FY 2023</u> | <u>Comments</u> |
|-----------------------|---|--------------------------|----------------|----------------|----------------|----------------|----------------|---|
| SB 553 | State Government – Security Training – Protection of Security-Sensitive Data (Ch. 467) | | | | | | | |
| | GF/SF/FF | All or Multiple Agencies | increase | increase | increase | increase | increase | Training reimbursement costs. |
| SB 574/HB 1467 | Public Health – Sepsis Public Awareness Campaign Workgroup (Ch. 490/Ch. 489) | | | | | | | |
| | GF | Health | increase | \$0 | \$0 | \$0 | \$0 | Minimal staffing costs in FY 2018 and 2019. |
| SB 595/HB 403 | Community Colleges – Facilities Renewal Grant Program – Established (Ch. 688/Ch. 687) | | | | | | | |
| | HE | Balt. City Comm. Coll. | increase | increase | increase | increase | increase | PAYGO. Potential minimal grant expenditures. HE revenues increase by same amount. |
| | GF | Higher Ed. Comm. | \$3,004,750 | \$3,000,000 | \$4,000,000 | \$4,000,000 | \$4,000,000 | PAYGO. Mandated appropriation beginning in FY 2020. |
| SB 599 | Baltimore County – Property Tax – Credit for Individuals at Least 70 Years Old (Ch. 709) | | | | | | | |
| | SF | Assessments and Tax. | \$85,182 | \$85,223 | \$85,966 | \$88,997 | \$92,141 | SF revenues increase by same amount. |
| SB 606 | Off-Highway Recreational Vehicles – Excise Titling Tax – Off-Highway Recreational Vehicle Trail Fund (Ch. 700) | | | | | | | |
| | SF | Natural Resources | \$375,000 | \$750,000 | \$750,000 | \$750,000 | \$750,000 | SF revenues increase by same amount. |
| SB 607/HB 913 | Higher Education – Sexual Assault Policy – Disciplinary Proceedings Provisions (Ch. 394/Ch. 395) | | | | | | | |
| | GF | Higher Ed. Comm. | increase | \$412,800 | \$412,800 | \$412,800 | \$412,800 | Potential legal costs. |
| | HE | Balt. City Comm. Coll. | increase | increase | increase | increase | increase | Potential legal costs. |
| | HE | Morgan State Univ. | increase | increase | increase | increase | increase | Potential legal costs. |
| | HE | St. Mary's College | increase | increase | increase | increase | increase | Potential legal costs. |
| | HE | Univ. Sys. of Maryland | increase | increase | increase | increase | increase | Potential legal costs. |

Legislation Affecting State Expenditures

130

| | <u>Fund</u> | <u>Agency</u> | <u>FY 2019</u> | <u>FY 2020</u> | <u>FY 2021</u> | <u>FY 2022</u> | <u>FY 2023</u> | <u>Comments</u> |
|-----------------------|--|--------------------------|----------------|----------------|----------------|----------------|----------------|--|
| SB 611 | Education – Healthy School Facility Fund – Established (Ch. 561) | | | | | | | |
| | GF | School Construction | \$38,296 | \$30,062,744 | \$30,064,856 | \$0 | \$0 | Mandated appropriations in FY 2020 and 2021. |
| | SF | School Construction | \$0 | \$30,000,000 | \$30,000,000 | \$0 | \$0 | SF revenues increase by same amount. |
| SB 615/HB 1819 | Higher Education – Cyber Warrior Diversity Program – Established (Ch. 567/Ch. 566) | | | | | | | |
| | GF | Higher Ed. Comm. | \$0 | \$2,500,000 | \$2,500,000 | \$2,500,000 | \$2,500,000 | Mandated appropriation beginning in FY 2020. |
| | HE | All or Multiple Agencies | \$0 | \$2,500,000 | \$2,500,000 | \$2,500,000 | \$2,500,000 | HE revenues increase by same amount. |
| SB 647/HB 856 | Earned Income Tax Credit – Individuals Without Qualifying Children – Repeal of Minimum Age Requirement (Ch. 611/Ch. 612) | | | | | | | |
| | GF | Comptroller | \$42,291 | \$75,186 | \$77,436 | \$80,220 | \$83,107 | |
| SB 654/HB 864 | Collective Bargaining – Memorandum of Understanding – Continuation (Ch. 26/Ch. 23) | | | | | | | |
| | GF/SF | All or Multiple Agencies | increase | increase | increase | increase | increase | Potential collective bargaining costs. |
| | HE | All or Multiple Agencies | increase | increase | increase | increase | increase | Potential collective bargaining costs. |
| SB 660/HB 1280 | Maryland Department of Health – Enrollees in the Employed Individuals With Disabilities Program – Demonstration Program (Ch. 447/Ch. 446) | | | | | | | |
| | GF | Health | increase | increase | increase | \$0 | \$0 | Potential significant health care costs. |
| SB 668/HB 286 | Circuit Court Clerks – Salary Increase (Ch. 810/Ch. 809) | | | | | | | |
| | GF | Judiciary | \$309,897 | \$531,252 | \$531,252 | \$531,252 | \$531,252 | \$293,611 included in FY 2019 budget. |

Effect of the 2018 Legislative Program on the Financial Condition of the State

Legislation Affecting State Expenditures

| | <u>Fund</u> | <u>Agency</u> | <u>FY 2019</u> | <u>FY 2020</u> | <u>FY 2021</u> | <u>FY 2022</u> | <u>FY 2023</u> | <u>Comments</u> |
|-----------------------|---|---|----------------|----------------|----------------|----------------|----------------|---|
| SB 703/HB 1092 | Behavioral Health Crisis Response Grant Program – Establishment (Ch. 210/Ch. 209) | | | | | | | |
| | GF | Health | \$17,077 | \$3,000,000 | \$4,000,000 | \$5,000,000 | increase | Mandated appropriations in FY 2020 through 2022. Potential staff and grant expenditures in FY 2023. |
| SB 704 | Maryland Medical Assistance Program – Telemedicine – Assertive Community Treatment and Mobile Treatment Services (Ch. 691) | | | | | | | |
| | FF | Health | \$1,290,638 | \$1,799,667 | \$468,124 | \$0 | \$0 | FF revenues increase by same amount. |
| | GF | Health | \$791,036 | \$1,150,607 | \$312,083 | \$0 | \$0 | |
| SB 707 | Criminal Law – Firearm Crimes – Rapid Fire Trigger Activator (Ch. 252) | | | | | | | |
| | GF | Public Safety and Correctional Services | increase | increase | increase | increase | increase | Minimal incarceration costs. |
| SB 758/HB 1087 | Business Regulation – Micro Markets – Licensure (Ch. 339/Ch. 338) | | | | | | | |
| | GF | Judiciary | \$19,200 | \$0 | \$0 | \$0 | \$0 | |
| SB 764 | Local Governments – Income Tax Disparity Grants – Amounts (Ch. 472) | | | | | | | |
| | GF | Payments to Civil Divisions | \$0 | \$6,291,319 | \$6,819,043 | \$0 | \$0 | Existing mandated appropriation is increased in FY 2020 and 2021. |
| SB 769 | Criminal Law – Sextortion and Revenge Porn (Ch. 365) | | | | | | | |
| | GF | Public Safety and Correctional Services | increase | increase | increase | increase | increase | Minimal incarceration costs. |

Legislation Affecting State Expenditures

132

| | <u>Fund</u> | <u>Agency</u> | <u>FY 2019</u> | <u>FY 2020</u> | <u>FY 2021</u> | <u>FY 2022</u> | <u>FY 2023</u> | <u>Comments</u> |
|-----------------------|---|-----------------------------------|----------------|----------------|----------------|----------------|----------------|---|
| SB 774/HB 994 | Maryland Medical Assistance Program – Family Planning Services (Ch. 465/Ch. 464) | | | | | | | |
| | FF | Health | \$1,794,752 | \$2,018,126 | \$2,115,361 | \$2,217,313 | \$2,324,211 | Potential significant program costs (in addition to amount shown). FF revenues increase by same amount. |
| | GF | Health | \$220,750 | \$245,996 | \$257,235 | \$269,007 | \$281,338 | Potential significant program costs (in addition to amount shown). |
| | SF | MHBE | \$0 | increase | increase | \$0 | \$0 | Program costs. |
| SB 818 | Education – Maryland Meals for Achievement In-Classroom Breakfast Program – Eligibility and Annual Appropriation (Ch. 562) | | | | | | | |
| | GF | Education | \$650,000 | \$650,000 | \$650,000 | \$650,000 | \$650,000 | Mandated appropriation beginning in FY 2020. |
| SB 821/HB 109 | Community Development Program Act of 2018 (Ch. 802/Ch. 801) | | | | | | | |
| | GF | Housing and Community Development | increase | increase | increase | increase | increase | Significant program costs. |
| | SF | Housing and Community Development | increase | increase | increase | increase | increase | Significant grant expenditures. SF revenues increase by same amount. |
| SB 835/HB 1682 | Maryland Medical Assistance Program – Collaborative Care Pilot Program (Ch. 683/Ch. 684) | | | | | | | |
| | FF | Health | \$0 | \$275,000 | \$275,000 | \$275,000 | \$275,000 | Mandated appropriation beginning in FY 2020. FF revenues increase by same amount. |
| | GF | Health | \$0 | \$275,000 | \$275,000 | \$275,000 | \$275,000 | Mandated appropriation beginning in FY 2020. |

Effect of the 2018 Legislative Program on the Financial Condition of the State

Legislation Affecting State Expenditures

| | <u>Fund</u> | <u>Agency</u> | <u>FY 2019</u> | <u>FY 2020</u> | <u>FY 2021</u> | <u>FY 2022</u> | <u>FY 2023</u> | <u>Comments</u> |
|-----------------------|---|--------------------------|----------------|----------------|----------------|----------------|----------------|---|
| SB 855 | 2020 Census Grant Program – Establishment and Funding (Ch. 18) | | | | | | | |
| | GF | Legislative Services | \$0 | \$5,000,000 | \$0 | \$0 | \$0 | Mandated appropriation in FY 2020. |
| SB 856/HB 1161 | Maryland Automobile Insurance Fund – Uninsured Division – Uninsured Motorists (Ch. 196/Ch. 195) | | | | | | | |
| | NB | MAIF | increase | increase | increase | increase | increase | Potential significant program costs. NB revenues increase by same amount. |
| | SF | Budget and Management | \$158,689 | \$0 | \$0 | \$0 | \$0 | |
| | SF | MAIF | increase | increase | increase | increase | increase | Program costs. |
| | SF | Transportation | \$38,000 | decrease | decrease | decrease | decrease | Program costs. |
| SB 859 | State Employees – Parental Leave (Ch. 752) | | | | | | | |
| | GF/SF/FF | All or Multiple Agencies | increase | increase | increase | increase | increase | Significant personnel costs. |
| SB 875/HB 981 | Online Electioneering Transparency and Accountability Act (Ch. 833/Ch. 834) | | | | | | | |
| | GF | State Board of Elections | increase | increase | increase | increase | increase | Potential personnel costs. |
| SB 877 | Promoting ext-Raordinary Innovation in Maryland’s Economy (PRIME Act) (Ch. 350) | | | | | | | |
| | GF | Comptroller | \$0 | \$0 | \$0 | \$0 | \$654,000 | |
| SB 895/HB 1049 | State Police Retirement System – Deferred Retirement Option Program – Alterations (Ch. 726/Ch. 725) | | | | | | | |
| | GF | State Police | \$0 | (\$170,000) | (\$180,000) | (\$180,000) | (\$190,000) | |
| SB 896 | Maryland Health Care Commission – Health Record and Payment Integration Program Advisory Committee (Ch. 452) | | | | | | | |
| | SF | Health | \$150,000 | \$50,000 | \$0 | \$0 | \$0 | SF revenues increase by a similar amount. |

Legislation Affecting State Expenditures

134

Effect of the 2018 Legislative Program on the Financial Condition of the State

| | <u>Fund</u> | <u>Agency</u> | <u>FY 2019</u> | <u>FY 2020</u> | <u>FY 2021</u> | <u>FY 2022</u> | <u>FY 2023</u> | <u>Comments</u> |
|-----------------------|--|--------------------------|----------------|----------------|----------------|----------------|----------------|--|
| SB 899/HB 1012 | State Retirement and Pension System – Investment Division (Ch. 728/Ch. 727) | | | | | | | |
| | FF | All or Multiple Agencies | (\$463,393) | (\$469,031) | (\$476,515) | (\$484,254) | (\$492,256) | Included in FY 2019 budget. Reimbursement revenues decrease by same amount. |
| | GF | All or Multiple Agencies | (\$1,390,179) | (\$1,407,093) | (\$1,429,546) | (\$1,452,762) | (\$1,476,768) | Included in FY 2019 budget. Reimbursement revenues decrease by same amount. |
| | NB | State Retirement Agency. | \$7,204,522 | \$7,314,687 | \$7,445,192 | \$7,580,440 | \$7,720,609 | |
| | SF | All or Multiple Agencies | (\$463,393) | (\$469,031) | (\$476,515) | (\$484,254) | (\$492,256) | Included in FY 2019 budget. Reimbursement revenues decrease by same amount. |
| | SF | State Retirement Agency. | (\$4,474,108) | (\$4,552,361) | (\$4,625,002) | (\$4,700,114) | (\$4,777,779) | Included in FY 2019 budget. SF revenues decrease by same amount. |
| SB 912/HB 1685 | Maryland Prenatal and Infant Care Coordination Services Grant Program Fund (Thrive by Three Fund) (Ch. 559/Ch. 558) | | | | | | | |
| | GF | Health | \$1,060,990 | \$1,075,186 | \$1,077,436 | \$1,080,220 | \$1,083,107 | Mandated appropriation of \$50,000 beginning in FY 2020. |
| | SF | Health | \$1,000,000 | \$1,000,000 | \$1,000,000 | \$1,000,000 | \$1,000,000 | SF revenues increase by same amount. |
| SB 933 | College Affordability – Maryland 529 Plans and Student Loan Debt Relief Tax Credit – Revisions (Ch. 419) | | | | | | | |
| | GF | Higher Ed. Comm. | (\$4,000,000) | (\$7,000,000) | (\$7,000,000) | (\$7,000,000) | (\$7,000,000) | Mandated appropriation decreases beginning in FY 2019. Duplicative of impact for SB 187. GF expenditures also increase by \$21,500 in FY 2018. |

Legislation Affecting State Expenditures

| | <u>Fund</u> | <u>Agency</u> | <u>FY 2019</u> | <u>FY 2020</u> | <u>FY 2021</u> | <u>FY 2022</u> | <u>FY 2023</u> | <u>Comments</u> |
|------------------------|--|----------------------------|----------------|----------------|----------------|----------------|----------------|--|
| SB 961/HB 1459 | Calvert County – Youth Recreational Opportunities Fund and Distribution From Admissions and Amusement Tax Revenues (Ch. 420/Ch.118) | | | | | | | |
| | SF | Natural Resources | \$0 | \$1,212,000 | \$1,224,120 | \$1,236,361 | \$1,248,725 | SF revenues increase by same amount. |
| SB 973 | Maryland Transportation Authority – Video Tolls – Collection (Ch. 547) | | | | | | | |
| | SF | Budget and Management | decrease | decrease | decrease | \$0 | \$0 | Collection costs. Costs also decrease in FY 2018. |
| SB 978/HB 1216 | Career Preparation Expansion Act (Ch. 695/Ch. 694) | | | | | | | |
| | GF | Higher Ed. Comm. | \$179,071 | \$146,520 | \$150,890 | \$156,322 | \$161,957 | |
| SB 986/HB 1024 | State Employee and Retiree Health and Welfare Benefits Program – Contraceptive Drugs and Devices and Male Sterilization (Ch. 511/Ch. 510) | | | | | | | |
| | GF/SF/FF | Budget and Management | increase | increase | increase | increase | increase | Minimal employee health care costs. |
| SB 991/HB 1532 | Higher Education – Maryland Loan Assistance Repayment Program – Farmers (Ch. 405/Ch. 404) | | | | | | | |
| | GF | Higher Ed. Comm. | \$38,000 | increase | increase | increase | increase | Potential program costs. |
| SB 1006/HB 1350 | Sea Level Rise Inundation and Coastal Flooding – Construction, Adaptation, and Mitigation (Ch. 629/Ch. 628) | | | | | | | |
| | GF | General Services | \$67,184 | \$83,382 | \$85,912 | \$88,983 | \$92,168 | |
| | GF | Natural Resources | \$207,971 | \$250,556 | \$257,308 | \$265,659 | \$274,320 | |
| | GF | Environment | \$64,141 | \$79,355 | \$81,748 | \$84,678 | \$87,716 | |
| | GF | Planning | \$70,792 | \$88,158 | \$90,850 | \$94,090 | \$97,449 | |
| | GF | MEMA | \$75,341 | \$94,178 | \$97,074 | \$100,526 | \$104,104 | |
| | Multiple | All or Multiple Agencies | \$0 | increase | increase | increase | increase | Potential significant compliance/construction costs. |
| SB 1010/HB 1596 | Disclosing Sexual Harassment in the Workplace Act of 2018 (Ch. 739/Ch. 738) | | | | | | | |
| | GF | Commission on Civil Rights | \$0 | \$25,019 | \$10,468 | \$10,819 | \$11,181 | |

Legislation Affecting State Expenditures

136

| | <u>Fund</u> | <u>Agency</u> | <u>FY 2019</u> | <u>FY 2020</u> | <u>FY 2021</u> | <u>FY 2022</u> | <u>FY 2023</u> | <u>Comments</u> |
|------------------------|--|--------------------------|----------------|----------------|----------------|----------------|----------------|---|
| SB 1020/HB 1557 | Procurement – Architectural Services and Engineering Services – Reciprocal Preference (Ch. 634/Ch. 633) | | | | | | | |
| | GF/SF/FF | All or Multiple Agencies | increase | increase | increase | increase | increase | Potential procurement costs. |
| SB 1045 | State Government – Grants and Contracts – Reimbursement of Indirect Costs (Ch. 734) | | | | | | | |
| | GF/SF/FF | All or Multiple Agencies | increase | increase | increase | increase | increase | Potential significant procurement costs. |
| SB 1056 | Rural Health Collaborative Pilot (Ch. 606) | | | | | | | |
| | GF | Health | \$274,033 | \$264,272 | \$272,221 | \$281,352 | \$290,813 | |
| SB 1064 | Academic Facilities Bonding Authority (Ch. 553) | | | | | | | |
| | BOND | Univ. Sys. of Maryland | \$24,000,000 | \$0 | \$0 | \$0 | \$0 | Anticipated in FY 2019 capital budget. Bond revenues increase by same amount. |
| | HE | Univ. Sys. of Maryland | \$0 | \$1,200,000 | \$1,985,000 | \$1,985,750 | \$1,984,500 | |
| SB 1068/HB 1634 | Financial Consumer Protection Act of 2018 (Ch. 732/Ch. 731) | | | | | | | |
| | GF | Labor, Lic., and Reg. | \$156,705 | \$496,385 | \$502,190 | \$509,106 | \$516,274 | Mandated appropriation beginning in FY 2020. |
| | GF | Attorney General | \$0 | \$700,000 | \$700,000 | \$700,000 | \$700,000 | Mandated appropriation beginning in FY 2020. |
| SB 1069/HB 646 | Motor Vehicles – Gross Vehicle Weight – Agricultural Products (Ch. 495/Ch. 494) | | | | | | | |
| | SF | Transportation | \$220,000 | \$150,000 | \$150,000 | \$150,000 | \$150,000 | Potential significant maintenance costs beginning in FY 2019 (in addition to amount shown). |

Effect of the 2018 Legislative Program on the Financial Condition of the State

Legislation Affecting State Expenditures

| | <u>Fund</u> | <u>Agency</u> | <u>FY 2019</u> | <u>FY 2020</u> | <u>FY 2021</u> | <u>FY 2022</u> | <u>FY 2023</u> | <u>Comments</u> |
|------------------------|--|---|----------------|----------------|----------------|----------------|----------------|--|
| SB 1084/HB 1548 | Baltimore City – Continuing the Creating Opportunities for Renewal and Enterprise (CORE) Partnership Fund (Ch. 640/Ch. 639) | | | | | | | |
| | GF | Housing and Community Development | \$0 | \$30,000,000 | \$25,000,000 | \$25,000,000 | \$25,000,000 | PAYGO. |
| | SF | Housing and Community Development | \$0 | \$30,000,000 | \$25,000,000 | \$25,000,000 | \$25,000,000 | SF revenues increase by same amount. |
| SB 1099 | Baltimore City Police Department – Commission to Restore Trust in Policing and Audit Review (Ch. 753) | | | | | | | |
| | GF | Legislative Services | increase | increase | \$0 | \$0 | \$0 | Potential contractual costs. |
| SB 1117/HB 1528 | Electric Universal Service Program – Funds – Arrearage Prevention (Ch. 697/Ch. 696) | | | | | | | |
| | SF | Human Services | \$29,263 | \$22,895 | \$0 | \$0 | \$0 | |
| SB 1122 | Education – Commercial Gaming Revenues – Constitutional Amendment (Ch. 357) | | | | | | | |
| | GF | Education | \$0 | \$125,000,000 | \$250,000,000 | \$375,000,000 | \$517,815,939 | Mandated appropriation beginning in FY 2020; contingent on constitutional amendment. Potential significant pension costs beginning in FY 2022 (in addition to amount shown). |
| SB 1137 | Criminal Law – Prohibitions, Prosecutions, and Corrections (Ch. 145) | | | | | | | |
| | GF | Public Safety and Correctional Services | increase | increase | increase | increase | increase | Minimal incarceration costs. |
| | GF | State Police | decrease | decrease | decrease | decrease | decrease | Minimal testing costs. |
| SB 1154 | Income Tax – Film Production Activity Tax Credit – Alterations (Ch. 595) | | | | | | | |
| | GF | Commerce | \$0 | (\$5,000,000) | (\$5,000,000) | (\$5,000,000) | (\$5,000,000) | |

Legislation Affecting State Expenditures

138

| | <u>Fund</u> | <u>Agency</u> | <u>FY 2019</u> | <u>FY 2020</u> | <u>FY 2021</u> | <u>FY 2022</u> | <u>FY 2023</u> | <u>Comments</u> |
|------------------------|--|-----------------------------------|----------------|----------------|----------------|----------------|----------------|--|
| SB 1158/HB 1721 | Horse Racing – Maryland International and Preakness Stakes Incentives – Modifications (Ch. 185/Ch. 184) | | | | | | | |
| | SF | Labor, Lic., and Reg. | (\$500,000) | increase | increase | increase | increase | Any FY 2019 savings remain available for expenditure in future. |
| SB 1165 | Procurement – Veteran-Owned Small Business Enterprise Participation (Ch. 740) | | | | | | | |
| | GF | Executive Dept. | \$64,141 | \$79,355 | \$81,748 | \$84,678 | \$87,716 | |
| SB 1201/HB 698 | Agriculture – Industrial Hemp Pilot Program – Establishment (Ch. 476/Ch. 475) | | | | | | | |
| | GF | Agriculture | \$117,583 | \$75,140 | \$77,107 | \$79,598 | \$82,182 | |
| SB 1202 | Higher Education – Richard W. Collins III Leadership With Honor Scholarship – Establishment (Ch. 597) | | | | | | | |
| | GF | Higher Ed. Comm. | \$1,000,000 | \$1,000,000 | \$1,000,000 | \$1,000,000 | \$1,000,000 | Mandated appropriation beginning in FY 2020. |
| SB 1206 | Transportation – Pride of Baltimore II – Funding and Reporting (Ch. 854) | | | | | | | |
| | SF | Transportation | \$0 | \$500,000 | \$500,000 | \$500,000 | \$500,000 | Mandated appropriations in FY 2020 through 2023. |
| SB 1208/HB 1766 | Senior Prescription Drug Assistance Program – Sunset Extension and Repeal of Subsidy for Medicare Part D Coverage Gap (Ch. 463/Ch. 462) | | | | | | | |
| | SF | Health | \$0 | decrease | decrease | decrease | decrease | Obsolete program costs. |
| SB 1218 | Ending Youth Homelessness Act of 2018 (Ch. 748) | | | | | | | |
| | GF | Housing and Community Development | increase | increase | increase | increase | increase | Significant program costs. |
| | SF | Housing and Community Development | increase | increase | increase | increase | increase | Significant grant revenues. SF revenues increase by same amount. |

Effect of the 2018 Legislative Program on the Financial Condition of the State

Legislation Affecting State Expenditures

| | <u>Fund</u> | <u>Agency</u> | <u>FY 2019</u> | <u>FY 2020</u> | <u>FY 2021</u> | <u>FY 2022</u> | <u>FY 2023</u> | <u>Comments</u> |
|------------------------|---|-----------------------|----------------|----------------|----------------|----------------|----------------|--|
| SB 1265 | Maryland Safe to Learn Act of 2018 (Ch. 30) | | | | | | | |
| | GF | Education | \$15,000,000 | \$11,500,000 | \$11,500,000 | \$11,500,000 | \$11,500,000 | Potential funding restricted in FY 2019 budget. |
| | SF | Education | \$12,500,000 | \$10,000,000 | \$10,000,000 | \$10,000,000 | \$10,000,000 | Grant expenditures. SF revenues increase by same amount. |
| SB 1267/HB 1795 | Maryland Health Benefit Exchange – Establishment of a Reinsurance Program (Ch. 7/Ch. 6) | | | | | | | |
| | GF/SF | MHBE | increase | increase | increase | increase | increase | Significant program costs. |
| | FF | MHBE | increase | increase | increase | increase | increase | Potential significant program costs. FF revenues likely increase by same amount. |
| HB 1/SB 2 | See entry for SB 2. | | | | | | | |
| HB 2 | Natalie M. LaPrade Medical Cannabis Commission Reform Act (Ch. 598) | | | | | | | |
| | GF | Labor, Lic., and Reg. | \$119,507 | \$125,037 | \$128,416 | \$133,280 | \$135,052 | Expenditures also increase by \$9,724 in FY 2018. |
| | GF | Executive Dept. | increase | increase | increase | increase | increase | Potential staffing costs beginning in FY 2018. |
| | SF | Health | \$2,519,759 | \$477,253 | \$463,753 | \$463,753 | \$463,753 | \$1.8 million included in FY 2019 budget. SF expenditures also increase by \$122,500 in FY 2018. |
| | SF | Transportation | increase | increase | increase | increase | increase | Staffing and potential contractual costs beginning in FY 2018. |
| HB 4 | Toll Bridges – Renaming Harry W. Nice Memorial Bridge – Harry W. Nice/Thomas “Mac” Middleton Bridge (Ch. 20) | | | | | | | |
| | NB | Transportation | \$10,000 | \$0 | \$0 | \$0 | \$0 | |

Legislation Affecting State Expenditures

140

| | <u>Fund</u> | <u>Agency</u> | <u>FY 2019</u> | <u>FY 2020</u> | <u>FY 2021</u> | <u>FY 2022</u> | <u>FY 2023</u> | <u>Comments</u> |
|---------------|---|---|----------------|----------------|----------------|----------------|----------------|--|
| HB 7/SB 182 | See entry for SB 182. | | | | | | | |
| HB 16 | Community Colleges – Near Completers and Maryland Community College Promise Scholarships (Ch. 554) | | | | | | | |
| | GF | Higher Ed. Comm. | \$60,000 | \$15,564,410 | \$15,683,426 | \$15,688,264 | \$15,693,286 | Mandated appropriations beginning in FY 2020. |
| HB 24 | Public Safety – Maryland Police Training and Standards Commission Fund – Establishment (Ch. 758) | | | | | | | |
| | SF | Public Safety and Correctional Services | \$2,000,000 | \$2,000,000 | \$2,000,000 | \$2,000,000 | \$2,000,000 | SF revenues increase by same amount. |
| HB 36/SB 299 | See entry for SB 299. | | | | | | | |
| HB 43 | Income Tax – Subtraction Modification – Perpetual Conservation Easements (Ch. 303) | | | | | | | |
| | GF | Comptroller | \$54,000 | \$0 | \$0 | \$0 | \$0 | |
| HB 96 | Income Tax – Subtraction Modification – Living Organ Donors (Ch. 36) | | | | | | | |
| | GF | Comptroller | \$54,000 | \$0 | \$0 | \$0 | \$0 | |
| HB 109/SB 821 | See entry for SB 821. | | | | | | | |
| HB 111/SB 233 | See entry for SB 233. | | | | | | | |
| HB 113 | Public Safety – Baltimore City Safe Streets Initiatives – Funding (The Tyrone Ray Safe Streets Act) (Ch. 147) | | | | | | | |
| | GF | None (Baltimore City Grant) | \$3,600,000 | \$3,600,000 | \$3,600,000 | \$3,600,000 | \$3,600,000 | Mandated appropriation beginning in FY 2020. |
| HB 175 | Prince George’s County – Speed Monitoring Systems – Intersection of Old Fort Road and Maryland Route 210 (Indian Head Highway) PG 302-18 (Ch. 806) | | | | | | | |
| | SF | Public Safety and Correctional Services | increase | increase | increase | increase | increase | Potential significant grant expenditures. SF revenues increase by same amount. |

Effect of the 2018 Legislative Program on the Financial Condition of the State

Legislation Affecting State Expenditures

| | <u>Fund</u> | <u>Agency</u> | <u>FY 2019</u> | <u>FY 2020</u> | <u>FY 2021</u> | <u>FY 2022</u> | <u>FY 2023</u> | <u>Comments</u> |
|----------------------|--|---|----------------|----------------|----------------|----------------|----------------|---|
| HB 187 | Financial Institutions – Nondepository Special Fund – Expansion (Ch. 479) | | | | | | | |
| | GF | Labor, Lic., and Reg. | (\$1,258,607) | (\$1,258,607) | (\$1,258,607) | (\$1,258,607) | (\$1,258,607) | Included in FY 2019 budget. |
| | SF | Labor, Lic., and Reg. | \$1,258,607 | \$1,258,607 | \$1,258,607 | \$1,258,607 | \$1,258,607 | SF revenues increase by similar amount. |
| HB 193/SB 43 | See entry for SB 43. | | | | | | | |
| HB 203/SB 470 | See entry for SB 470. | | | | | | | |
| HB 205/SB 48 | See entry for SB 48. | | | | | | | |
| HB 247 | Criminal Procedure – Victim Services Unit – Victims' Compensation (Ch. 422) | | | | | | | |
| | FF | Public Safety and Correctional Services | (\$1,700,000) | (\$1,751,000) | (\$1,803,530) | (\$2,637,636) | (\$2,693,365) | FF revenues correspond. |
| | FF | Governor's Office of Crime Control and Prevention | \$2,297,664 | \$2,366,594 | \$2,437,592 | \$3,327,669 | \$3,402,990 | FF revenues correspond. |
| | FF | Health | (\$597,664) | (\$615,594) | (\$634,062) | (\$653,084) | (\$672,676) | FF revenues correspond. |
| | GF | Governor's Office of Crime Control and Prevention | \$1,521,688 | \$1,553,573 | \$1,599,926 | \$1,648,601 | \$1,698,775 | |
| | GF | Judiciary | increase | \$0 | \$0 | \$0 | \$0 | Minimal form revision costs. |
| | GF | Health | (\$1,361,582) | (\$1,402,429) | (\$1,444,502) | (\$1,487,837) | (\$1,532,473) | |
| | REIM | Public Safety and Correctional Services | (\$54,987) | (\$56,637) | (\$58,336) | (\$60,086) | (\$61,888) | Reimbursement revenues correspond. |
| | REIM | Governor's Office of Crime Control and Prevention | \$54,987 | \$56,637 | \$58,336 | \$60,086 | \$61,888 | Reimbursement revenues correspond. |
| | SF | Public Safety and Correctional Services | (\$2,902,035) | (\$2,989,096) | (\$3,078,769) | (\$3,171,132) | (\$3,266,266) | SF revenues correspond. |
| | SF | Governor's Office of Crime Control and Prevention | \$2,902,035 | \$2,989,096 | \$3,078,769 | \$3,171,132 | \$3,266,266 | SF revenues correspond. |

Legislation Affecting State Expenditures

142

| | <u>Fund</u> | <u>Agency</u> | <u>FY 2019</u> | <u>FY 2020</u> | <u>FY 2021</u> | <u>FY 2022</u> | <u>FY 2023</u> | <u>Comments</u> |
|----------------------|---|------------------------|----------------|----------------|----------------|----------------|----------------|--|
| HB 281 | Education – Computer Science – Curriculum and Professional Development (Securing the Future: Computer Science Education for All) (Ch. 358) | | | | | | | |
| | GF | Education | \$0 | \$0 | \$96,259 | \$94,625 | \$98,003 | |
| | GF | Univ. Sys. of Maryland | \$300,000 | \$1,000,000 | \$1,000,000 | \$0 | \$0 | Included in FY 2019 budget. Mandated appropriations in FY 2020 and 2021. |
| | SF | Univ. Sys. of Maryland | \$300,000 | \$1,000,000 | \$1,000,000 | \$0 | \$0 | SF revenues increase by same amount. |
| HB 286/SB 668 | See entry for SB 668. | | | | | | | |
| HB 305 | Homestead Property Tax Credit Program – Eligibility Awareness (Ch. 297) | | | | | | | |
| | GF | Assessments and Tax. | \$30,000 | \$30,000 | \$30,000 | \$30,000 | \$30,000 | |
| HB 315 | State Department of Education – Breakfast and Lunch Programs – Funding (Maryland Cares for Kids Act) (Ch. 560) | | | | | | | |
| | GF | Education | \$0 | \$1,108,030 | \$2,202,260 | \$3,284,208 | \$3,911,289 | Mandated appropriation beginning in FY 2020. |
| HB 372/SB 277 | See entry for SB 277. | | | | | | | |
| HB 382 | Criminal Procedure – Expungement – Civil Offense (Ch. 686) | | | | | | | |
| | GF | Judiciary | increase | increase | increase | increase | increase | Minimal compliance costs. |
| HB 388/SB 170 | See entry for SB 170. | | | | | | | |
| HB 403/SB 595 | See entry for SB 595. | | | | | | | |
| HB 430/SB 379 | See entry for SB 379. | | | | | | | |

Effect of the 2018 Legislative Program on the Financial Condition of the State

Legislation Affecting State Expenditures

| | <u>Fund</u> | <u>Agency</u> | <u>FY 2019</u> | <u>FY 2020</u> | <u>FY 2021</u> | <u>FY 2022</u> | <u>FY 2023</u> | <u>Comments</u> |
|----------------------|---|---|----------------|----------------|----------------|----------------|----------------|---|
| HB 432 | Public Safety – Grant Programs and Funding (Public Safety and Violence Prevention Act of 2018) (Ch. 148) | | | | | | | |
| | GF | State Police | \$0 | \$466,600 | \$466,600 | \$466,600 | \$466,600 | Mandated appropriation beginning in FY 2020. |
| | GF | Governor’s Office of Crime Control and Prevention | \$42,939 | \$12,034,421 | \$12,033,269 | \$12,037,588 | \$12,042,066 | Mandated appropriation of \$1.9 million beginning in FY 2020. |
| | SF | Governor’s Office of Crime Control and Prevention | \$0 | \$10,000,000 | \$10,000,000 | \$10,000,000 | \$10,000,000 | SF revenues increase by same amount. |
| HB 447 | Pretrial Services Program Grant Fund – Establishment (Ch. 771) | | | | | | | |
| | GF | Governor’s Office of Crime Control and Prevention | \$1,061,175 | \$1,052,866 | \$1,054,642 | \$1,056,479 | \$1,058,378 | \$1.0 million included in FY 2019 budget. |
| | SF | Governor’s Office of Crime Control and Prevention | \$1,000,000 | \$1,000,000 | \$1,000,000 | \$1,000,000 | \$1,000,000 | SF revenues increase by same amount. |
| HB 524/SB 291 | See entry for SB 291. | | | | | | | |
| HB 527 | Higher Education – Maryland Technology Internship Program – Alterations (Ch. 364) | | | | | | | |
| | GF/SF/FF | All or Multiple Agencies | increase | increase | increase | increase | increase | Minimal reimbursement costs. |
| HB 535/SB 407 | See entry for SB 407. | | | | | | | |
| HB 547/SB 373 | See entry for SB 373. | | | | | | | |
| HB 568 | Education – Student Data Governance (Ch. 381) | | | | | | | |
| | GF | Education | \$54,998 | \$62,744 | \$0 | \$0 | \$0 | |
| HB 570/SB 318 | See entry for SB 318. | | | | | | | |

Legislation Affecting State Expenditures

144

| | <u>Fund</u> | <u>Agency</u> | <u>FY 2019</u> | <u>FY 2020</u> | <u>FY 2021</u> | <u>FY 2022</u> | <u>FY 2023</u> | <u>Comments</u> |
|-----------------------|--|---|----------------|----------------|----------------|----------------|----------------|--|
| HB 605 | State Student Loan Refinancing Program – Market-Specific Consultant Study (Ch. 620) | | | | | | | |
| | GF | Hlth. and Higher Ed. Fac. Auth. | \$0 | \$250,000 | \$0 | \$0 | \$0 | Mandated appropriation in FY 2020. |
| | NB | Hlth. and Higher Ed. Fac. Auth. | \$0 | \$250,000 | \$0 | \$0 | \$0 | NB revenues increase by same amount. |
| HB 634/SB 285 | See entry for SB 285. | | | | | | | |
| HB 646/SB 1069 | See entry for SB 1069. | | | | | | | |
| HB 671 | Income Tax – Subtraction Modification – Classroom Supplies Purchased by Teachers (Ch. 466) | | | | | | | |
| | GF | Comptroller | \$54,000 | \$0 | \$0 | \$0 | \$0 | |
| HB 691 | Organ and Tissue Donation Awareness Fund – Donor Registry – Annual Funding (Ch. 444) | | | | | | | |
| | SF | Health | \$51,680 | increase | increase | increase | increase | Mandated program distribution beginning in FY 2019. |
| HB 693 | State Education Aid – Tax Increment Financing Development Districts – Repeal of Sunset Provision (Ch. 387) | | | | | | | |
| | GF | Education | \$0 | \$684,648 | \$869,960 | \$1,100,159 | \$1,408,604 | Existing mandated appropriation is continued. |
| HB 694 | Public Safety – Building Codes – Transfer of Administration to Department of Labor, Licensing, and Regulation (Ch. 673) | | | | | | | |
| | GF | Housing and Community Development | (\$307,505) | (\$320,676) | (\$334,295) | (\$348,377) | (\$362,938) | Included in FY 2019 budget. |
| | GF | Labor, Lic., and Reg. | \$307,505 | \$320,676 | \$334,295 | \$348,377 | \$362,938 | Included in FY 2019 budget. |
| | SF | Housing and Community Development | (\$240,000) | (\$240,000) | (\$240,000) | (\$240,000) | (\$240,000) | Included in FY 2019 budget. SF revenues decrease by same amount. |
| | SF | Labor, Lic., and Reg. | \$240,000 | \$240,000 | \$240,000 | \$240,000 | \$240,000 | Included in FY 2019 budget. SF revenues increase by same amount. |

Effect of the 2018 Legislative Program on the Financial Condition of the State

Legislation Affecting State Expenditures

| | <u>Fund</u> | <u>Agency</u> | <u>FY 2019</u> | <u>FY 2020</u> | <u>FY 2021</u> | <u>FY 2022</u> | <u>FY 2023</u> | <u>Comments</u> |
|----------------|---|--|----------------|----------------|----------------|----------------|----------------|---|
| HB 698/SB 1201 | See entry for SB 1201. | | | | | | | |
| HB 716/SB 266 | See entry for SB 266. | | | | | | | |
| HB 807/SB 516 | See entry for SB 516. | | | | | | | |
| HB 819 | Public Safety – Handgun Permit Review Board – Appeals (Ch. 253) | | | | | | | |
| | GF | Public Safety and Correctional Services | \$85,826 | \$102,545 | \$105,296 | \$109,057 | \$112,962 | |
| HB 848 | Commissioner of Financial Regulation – Consumer Reporting Agencies (Ch. 480) | | | | | | | |
| | GF | Labor, Lic., and Reg. | (\$1,258,607) | (\$1,258,607) | (\$1,258,607) | (\$1,258,607) | (\$1,258,607) | Included in FY 2019 budget. Duplicative of costs for HB 187. |
| | SF | Labor, Lic., and Reg. | \$1,258,607 | \$1,262,707 | \$1,262,707 | \$1,262,707 | \$1,262,707 | SF revenues increase by similar amount. Mostly duplicative of costs for HB 187. |
| HB 856/SB 647 | See entry for SB 647. | | | | | | | |
| HB 864/SB 654 | See entry for SB 654. | | | | | | | |
| HB 871/SB 502 | See entry for SB 502. | | | | | | | |
| HB 908/SB 271 | See entry for SB 271. | | | | | | | |
| HB 913/SB 607 | See entry for SB 607. | | | | | | | |
| HB 922 | Maryland Department of Health – “Pill Mill” Tip Line and Overdose Report (Ch. 211) | | | | | | | |
| | FF | Health | increase | increase | increase | increase | \$0 | Potential grant expenditures. |
| | | | | | | | | FF revenues increase by same amount. |
| | GF | Health | \$300,000 | \$150,000 | \$150,000 | \$150,000 | \$0 | |
| | SF | Health | increase | increase | increase | increase | \$0 | Potential administrative costs. |

Legislation Affecting State Expenditures

146

| | <u>Fund</u> | <u>Agency</u> | <u>FY 2019</u> | <u>FY 2020</u> | <u>FY 2021</u> | <u>FY 2022</u> | <u>FY 2023</u> | <u>Comments</u> |
|-----------------------|---|---|----------------|----------------|----------------|----------------|----------------|------------------------------|
| HB 961 | Rural Broadband Communication Services (Ch. 176) | | | | | | | |
| | GF/SF/FF | All or Multiple Agencies | increase | increase | increase | increase | increase | Potential maintenance costs. |
| HB 968/SB 92 | See entry for SB 92. | | | | | | | |
| HB 972 | Alcoholic Beverages – Class 4 Limited Winery Licenses (Ch. 542) | | | | | | | |
| | GF | Agriculture | \$47,561 | \$43,290 | \$44,466 | \$46,140 | \$47,879 | |
| HB 981/SB 875 | See entry for SB 875. | | | | | | | |
| HB 982 | Higher Education Outreach and College Access Pilot Program – Alterations and Extension of Sunset (Ch. 399) | | | | | | | |
| | GF | Higher Ed. Comm. | \$250,000 | \$250,000 | \$250,000 | \$0 | \$0 | |
| HB 993 | Maryland Pension Risk Mitigation Act (Ch. 769) | | | | | | | |
| | SF | State Retirement Agency. | increase | increase | increase | increase | increase | Consulting costs. |
| HB 994/SB 774 | See entry for SB 774. | | | | | | | |
| HB 1012/SB 899 | See entry for SB 899. | | | | | | | |
| HB 1024/SB 986 | See entry for SB 986. | | | | | | | |
| HB 1029 | Criminal Law – Wearing, Carrying, or Transporting Loaded Handgun – Subsequent Offender (Ch. 146) | | | | | | | |
| | GF | Public Safety and Correctional Services | increase | increase | increase | increase | increase | Minimal incarceration costs. |
| HB 1042 | Law Enforcement Officers’ Pension System – Benefit Cap Increase (Ch. 784) | | | | | | | |
| | FF | All or Multiple Agencies | \$0 | \$62,000 | \$64,000 | \$68,000 | \$68,000 | |
| | GF | All or Multiple Agencies | \$0 | \$186,000 | \$192,000 | \$204,000 | \$204,000 | |
| | SF | All or Multiple Agencies | \$0 | \$62,000 | \$64,000 | \$68,000 | \$68,000 | |

Effect of the 2018 Legislative Program on the Financial Condition of the State

Legislation Affecting State Expenditures

| | <u>Fund</u> | <u>Agency</u> | <u>FY 2019</u> | <u>FY 2020</u> | <u>FY 2021</u> | <u>FY 2022</u> | <u>FY 2023</u> | <u>Comments</u> |
|----------------|---|--------------------------|----------------|----------------|----------------|----------------|----------------|--------------------------------------|
| HB 1049/SB 895 | See entry for SB 895. | | | | | | | |
| HB 1065 | Vehicle Laws – Title Service Agents (Ch. 512) | | | | | | | |
| | SF | Transportation | \$36,000 | \$0 | \$0 | \$0 | \$0 | |
| HB 1087/SB 758 | See entry for SB 758. | | | | | | | |
| HB 1088/SB 286 | See entry for SB 286. | | | | | | | |
| HB 1092/SB 703 | See entry for SB 703. | | | | | | | |
| HB 1096 | State Government – Veteran Employment and Transition Success Program (Ch. 786) | | | | | | | |
| | GF | Veterans Affairs | \$541,449 | \$545,788 | \$547,323 | \$548,912 | \$12,638 | |
| | SF | Veterans Affairs | \$500,000 | \$500,000 | \$500,000 | \$500,000 | \$0 | SF revenues increase by same amount. |
| HB 1107 | Public Safety – Elevator Inspections – Testing and Apprenticeship Program (Ch. 337) | | | | | | | |
| | FF | All or Multiple Agencies | \$0 | \$38,250 | \$51,000 | \$51,000 | \$51,000 | |
| | SF | All or Multiple Agencies | \$0 | \$38,250 | \$51,000 | \$51,000 | \$51,000 | |
| | GF | All or Multiple Agencies | \$0 | \$114,750 | \$153,000 | \$153,000 | \$153,000 | |
| HB 1136 | Student Hearing and Vision Screenings – Reporting Requirements (Ch. 401) | | | | | | | |
| | GF | Health | \$55,365 | \$67,739 | \$69,737 | \$72,259 | \$74,875 | |
| HB 1143 | Southern Maryland – University System of Maryland Partnership Act of 2018 (Ch. 402) | | | | | | | |
| | GF | Higher Ed. Comm. | (\$541,092) | \$0 | \$0 | \$0 | \$0 | Included in FY 2019 budget. |
| | GF | Univ. Sys. of Maryland | \$541,092 | \$0 | \$0 | \$0 | \$0 | Included in FY 2019 budget. |
| | HE | Univ. Sys. of Maryland | \$700,000 | \$700,000 | \$700,000 | \$700,000 | \$700,000 | HE revenues increase by same amount. |
| HB 1161/SB 856 | See entry for SB 856. | | | | | | | |

Legislation Affecting State Expenditures

148

| | <u>Fund</u> | <u>Agency</u> | <u>FY 2019</u> | <u>FY 2020</u> | <u>FY 2021</u> | <u>FY 2022</u> | <u>FY 2023</u> | <u>Comments</u> |
|-----------------------|--|---|----------------|----------------|----------------|----------------|----------------|--|
| HB 1171 | Gaming – State Lottery and Gaming Control Commission – Regulation of Reconciliation of Proceeds (Ch. 299) | | | | | | | |
| | GF | Education | \$150,000 | \$150,000 | \$150,000 | \$150,000 | \$150,000 | |
| | SF | Education | (\$150,000) | (\$150,000) | (\$150,000) | (\$150,000) | (\$150,000) | SF revenues decrease by same amount. |
| HB 1215 | Nursing Homes – Partial Payment for Services Provided (Ch. 445) | | | | | | | |
| | FF | Health | \$71,175 | \$59,976 | \$0 | \$0 | \$0 | FF revenues increase by same amount. |
| | GF | Health | \$71,175 | \$59,976 | \$0 | \$0 | \$0 | Potential significant Medicaid expenditures (in addition to amount shown). |
| HB 1216/SB 978 | See entry for SB 978. | | | | | | | |
| HB 1245 | Task Force on the Canal Place Preservation and Development Authority (Ch. 789) | | | | | | | |
| | GF | General Services | \$15,000 | \$0 | \$0 | \$0 | \$0 | |
| HB 1280/SB 660 | See entry for SB 660. | | | | | | | |
| HB 1302 | Public Safety – Extreme Risk Protective Orders (Ch. 250) | | | | | | | |
| | GF | Public Safety and Correctional Services | \$50,000 | \$0 | \$0 | \$0 | \$0 | |
| | GF | Judiciary | \$234,880 | \$0 | \$0 | \$0 | \$0 | |
| HB 1303/SB 491 | See entry for SB 491. | | | | | | | |
| HB 1342 | State Government – Discrimination and Harassment (Ch. 525) | | | | | | | |
| | GF | Legislative Services | increase | increase | increase | increase | increase | Potential significant investigation costs. |
| | GF | Ethics Commission | increase | increase | increase | increase | increase | Potential significant enforcement and personnel costs. |
| HB 1349 | Pharmacy Benefits Managers – Revisions (Ch. 451) | | | | | | | |
| | SF | Insurance | \$58,081 | \$71,334 | \$73,454 | \$76,103 | \$78,850 | |

Effect of the 2018 Legislative Program on the Financial Condition of the State

Legislation Affecting State Expenditures

| | <u>Fund</u> | <u>Agency</u> | <u>FY 2019</u> | <u>FY 2020</u> | <u>FY 2021</u> | <u>FY 2022</u> | <u>FY 2023</u> | <u>Comments</u> |
|------------------------|---|----------------------------|----------------|----------------|----------------|----------------|----------------|--|
| HB 1350/SB 1006 | See entry for SB 1006. | | | | | | | |
| HB 1400 | State Employee and Retiree Health and Welfare Benefits Program – Employees of Qualifying Organizations (Ch. 307) | | | | | | | |
| | GF | Budget and Management | increase | increase | \$0 | \$0 | \$0 | Contractual costs. |
| HB 1415 | Education – Commission on Innovation and Excellence in Education (Ch. 361) | | | | | | | |
| | GF | Education | \$6,870,833 | \$29,323,167 | \$29,094,000 | \$36,594,000 | \$34,094,000 | Potential funding restricted in FY 2019 budget. Mandated appropriation beginning in FY 2020. |
| | SF | Education | \$0 | increase | increase | increase | increase | Education expenditures. |
| HB 1423 | State Personnel – Sexual Harassment Prevention Training – Required (Ch. 791) | | | | | | | |
| | GF/SF | All or Multiple Agencies | increase | increase | increase | increase | increase | Potential training costs. |
| | GF | Commission on Civil Rights | increase | increase | increase | increase | increase | Potential significant administrative and personnel costs. |
| | HE | All or Multiple Agencies | increase | increase | increase | increase | increase | Training costs. |
| HB 1448 | Clerks of the Courts – Traffic Fines – Installment Payments (Ch. 792) | | | | | | | |
| | GF | Judiciary | \$140,180 | \$0 | \$0 | \$0 | \$0 | |
| HB 1459/SB 961 | See entry for SB 961. | | | | | | | |
| HB 1467/SB 574 | See entry for SB 574. | | | | | | | |
| HB 1468 | Transit – Job Access and Reverse Commute (JARC) Program (Ch. 793) | | | | | | | |
| | SF | Transportation | \$400,000 | \$400,000 | \$400,000 | \$400,000 | \$400,000 | |
| HB 1473 | Public Health – Emergency Use Auto-Injectable Epinephrine Program at Institutions of Higher Education (Ch. 527) | | | | | | | |
| | GF | Health | \$26,479 | \$29,506 | \$30,220 | \$31,414 | \$32,658 | |

Legislation Affecting State Expenditures

150

| | <u>Fund</u> | <u>Agency</u> | <u>FY 2019</u> | <u>FY 2020</u> | <u>FY 2021</u> | <u>FY 2022</u> | <u>FY 2023</u> | <u>Comments</u> |
|------------------------|---|---------------------------|----------------|----------------|----------------|----------------|----------------|--------------------------------------|
| HB 1491 | Public Service Commission – Repeal of Master Metering Authorization and Study on Energy Allocation Systems and Submetering (Ch. 532) | | | | | | | |
| | SF | Public Service Commission | \$50,000 | \$0 | \$0 | \$0 | \$0 | SF revenues increase by same amount. |
| HB 1528/SB 1117 | See entry for SB 1117. | | | | | | | |
| HB 1532/SB 991 | See entry for SB 991. | | | | | | | |
| HB 1542 | Department of Commerce – Employment in the State’s Defense Industry – Study (Ch. 795) | | | | | | | |
| | FF | Commerce | \$45,000 | \$0 | \$0 | \$0 | \$0 | FF revenues increase by same amount. |
| HB 1548/SB 1084 | See entry for SB 1084. | | | | | | | |
| HB 1554 | Child Support – Payment Incentive Program Expansion Act of 2018 (Ch. 406) | | | | | | | |
| | FF | Human Services | \$10,930 | \$0 | \$0 | \$0 | \$0 | FF revenues increase by same amount. |
| | GF | Human Services | \$5,630 | \$0 | \$0 | \$0 | \$0 | |
| HB 1557/SB 1020 | See entry for SB 1020. | | | | | | | |
| HB 1582 | Human Services – Children Receiving Child Welfare Services – Centralized Comprehensive Health Care Monitoring Program (Ch. 407) | | | | | | | |
| | GF | Health | \$6,362 | \$0 | \$0 | \$0 | \$0 | |
| | GF | Human Services | \$152,504 | \$196,328 | \$202,595 | \$209,532 | \$216,714 | |
| | FF | Human Services | \$152,504 | \$196,328 | \$202,595 | \$209,532 | \$216,714 | |
| HB 1596/SB 1010 | See entry for SB 1010. | | | | | | | |
| HB 1615 | Human Services – Temporary Disability Assistance Program (Ch. 408) | | | | | | | |
| | GF | Human Services | \$0 | \$2,900,146 | \$5,501,876 | \$7,644,284 | \$9,826,224 | |
| HB 1622/SB 383 | See entry for SB 383. | | | | | | | |
| HB 1630 | Higher Education – James Proctor Scholarship Program – Established (Ch. 409) | | | | | | | |
| | GF | Morgan State Univ. | \$0 | \$100,000 | \$100,000 | \$100,000 | \$100,000 | |
| | GF | Univ. Sys. of Maryland | \$0 | \$300,000 | \$300,000 | \$300,000 | \$300,000 | |

Effect of the 2018 Legislative Program on the Financial Condition of the State

Legislation Affecting State Expenditures

| | <u>Fund</u> | <u>Agency</u> | <u>FY 2019</u> | <u>FY 2020</u> | <u>FY 2021</u> | <u>FY 2022</u> | <u>FY 2023</u> | <u>Comments</u> |
|------------------------|--|--|----------------|----------------|----------------|----------------|----------------|--|
| HB 1634/SB 1068 | See entry for SB 1068. | | | | | | | |
| HB 1646 | Criminal Procedure – Firearms – Transfer (Ch. 251) | | | | | | | |
| | GF | Public Safety and Correctional Services | increase | increase | increase | increase | increase | Potential significant incarceration costs. |
| | GF | Judiciary | \$110,090 | \$0 | \$0 | \$0 | \$0 | |
| HB 1682/SB 835 | See entry for SB 835. | | | | | | | |
| HB 1685/SB 912 | See entry for SB 912. | | | | | | | |
| HB 1721/SB 1158 | See entry for SB 1158. | | | | | | | |
| HB 1765 | On-Site Sewage Disposal Systems – Watershed Implementation Plan and Bay Restoration Fund Disbursements and Financial Assistance (Ch. 585) | | | | | | | |
| | SF | Environment | \$133,093 | \$136,339 | \$140,105 | \$144,912 | \$149,901 | |
| HB 1766/SB 1208 | See entry for SB 1208. | | | | | | | |
| HB 1782/SB 387 | See entry for SB 387. | | | | | | | |
| HB 1783 | 21st Century School Facilities Act (Ch. 14) | | | | | | | |
| | GF | School Construction | \$17,703,617 | \$11,158,185 | \$11,164,172 | \$11,189,643 | \$11,216,057 | Mandated appropriation beginning in FY 2020. \$14.9 million in potential funding restricted in FY 2019 budget. |
| | SF | School Construction | \$2,000,000 | increase | increase | increase | increase | Local government loan fund expenditures. SF revenues increase by same amount. |
| HB 1795/SB 1267 | See entry for SB 1267. | | | | | | | |

Legislation Affecting State Expenditures

152

Effect of the 2018 Legislative Program on the Financial Condition of the State

| | <u>Fund</u> | <u>Agency</u> | <u>FY 2019</u> | <u>FY 2020</u> | <u>FY 2021</u> | <u>FY 2022</u> | <u>FY 2023</u> | <u>Comments</u> |
|-----------------------|---|--------------------------|----------------|----------------|----------------|----------------|----------------|--|
| HB 1804 | Health – Medical Research Funding (Ch. 590) | | | | | | | |
| | GF | Health | \$500,000 | \$500,000 | \$500,000 | \$500,000 | \$500,000 | |
| | GF | Univ. Sys. of Maryland | \$0 | \$2,500,000 | \$0 | \$0 | \$0 | Mandated appropriation in FY 2020. |
| | HE | Univ. Sys. of Maryland | increase | \$2,500,000 | increase | increase | increase | Potential significant grant expenditures beginning in FY 2019 (in addition to the \$2,500,000). HE revenues increase by same amount. |
| | NB | UMMS | increase | increase | increase | increase | increase | Potential significant grant expenditures. NB revenues increase by same amount. |
| | SF | All or Multiple Agencies | \$500,000 | \$500,000 | \$500,000 | \$500,000 | \$500,000 | SF revenues increase by same amount. |
| HB 1819/SB 615 | See entry for SB 615. | | | | | | | |
| HJ 3 | Judicial Compensation Commission – Recommendations | | | | | | | |
| | GF | Judiciary | \$2,219,117 | \$4,509,856 | \$6,803,898 | \$9,087,942 | \$9,087,942 | Included in FY 2019 budget. |
| | GF | Public Defender | \$6,039 | \$12,077 | \$18,116 | \$24,154 | \$24,154 | |
| | GF | State Prosecutor | \$6,039 | \$12,077 | \$18,116 | \$24,154 | \$24,154 | |
| | GF | Worker’s Comp. Comm. | \$60,385 | \$120,770 | \$181,155 | \$241,540 | \$241,540 | |

Quantifiable Expenditures by Agency

| <u>Agency</u> | <u>Fund</u> | <u>FY 2019</u> | <u>FY 2020</u> | <u>FY 2021</u> | <u>FY 2022</u> | <u>FY 2023</u> |
|------------------------------------|-------------|-----------------|----------------|----------------|----------------|----------------|
| Agriculture | GF | \$165,144 | \$118,430 | \$121,573 | \$125,738 | \$130,061 |
| All or Multiple Agencies | GF | (\$249,838,347) | \$3,205,199 | \$6,982,687 | \$22,314,224 | \$10,290,518 |
| | SF | (\$22,692,244) | (\$637,607) | (\$213,495) | \$14,860,247 | \$2,442,620 |
| | FF | (\$5,105,374) | \$940,023 | \$1,336,681 | \$1,394,679 | \$1,453,774 |
| | HE | \$0 | \$2,500,000 | \$2,500,000 | \$2,500,000 | \$2,500,000 |
| Assessments & Taxation | GF | \$30,000 | \$30,000 | \$30,000 | \$30,000 | \$30,000 |
| | SF | \$85,182 | \$85,223 | \$85,966 | \$88,997 | \$92,141 |
| Attorney General's Office | GF | \$103,492 | \$831,438 | \$835,600 | \$840,363 | \$845,293 |
| Budget & Management | SF | \$158,689 | \$0 | \$0 | \$0 | \$0 |
| Comptroller | GF | \$291,291 | \$75,186 | \$77,436 | \$80,220 | \$737,107 |
| Commerce | GF | \$72,750 | (\$2,931,703) | (\$2,929,688) | (\$2,927,145) | (\$2,924,509) |
| | SF | \$1,100,000 | \$0 | \$0 | \$0 | \$0 |
| | FF | \$45,000 | \$0 | \$0 | \$0 | \$0 |
| Commission on Civil Rights | GF | \$0 | \$25,019 | \$10,468 | \$10,819 | \$11,181 |
| Education | GF | \$18,525,831 | \$169,678,589 | \$295,762,479 | \$429,572,992 | \$570,827,835 |
| | SF | \$12,350,000 | \$9,850,000 | \$9,850,000 | \$9,850,000 | \$9,850,000 |
| | FF | \$0 | \$14,514,455 | \$19,053,455 | \$23,092,455 | \$23,092,455 |
| Emergency Management Agency | GF | \$75,341 | \$94,178 | \$97,074 | \$100,526 | \$104,104 |
| Environment | GF | \$64,141 | \$79,355 | \$81,748 | \$84,678 | \$87,716 |
| | SF | \$133,093 | \$136,339 | \$140,105 | \$144,912 | \$149,901 |
| Executive Department | GF | \$96,843 | \$79,355 | \$81,748 | \$84,678 | \$87,716 |
| General Services | GF | \$82,184 | \$83,382 | \$85,912 | \$88,983 | \$92,168 |

Quantifiable Expenditures by Agency (Continued)

154

| <u>Agency</u> | <u>Fund</u> | <u>FY 2019</u> | <u>FY 2020</u> | <u>FY 2021</u> | <u>FY 2022</u> | <u>FY 2023</u> |
|--|-------------|----------------|----------------|----------------|----------------|----------------|
| Governor's Office of Crime Control & Prevention | GF | \$2,625,802 | \$14,640,860 | \$14,687,837 | \$14,742,668 | \$14,799,219 |
| | SF | \$3,902,035 | \$13,989,096 | \$14,078,769 | \$14,171,132 | \$14,266,266 |
| | FF | \$2,297,664 | \$2,366,594 | \$2,437,592 | \$3,327,669 | \$3,402,990 |
| | REIM | \$54,987 | \$56,637 | \$58,336 | \$60,086 | \$61,888 |
| Health | GF | \$21,061,813 | \$38,560,199 | \$7,573,880 | \$9,163,233 | \$4,994,820 |
| | SF | \$16,821,439 | \$1,527,253 | \$1,463,753 | \$1,463,753 | \$1,463,753 |
| | FF | \$54,776,788 | \$55,755,062 | \$2,224,423 | \$1,839,229 | \$1,926,535 |
| Health & Higher Education Fac. Auth. | GF | \$0 | \$250,000 | \$0 | \$0 | \$0 |
| | NB | \$0 | \$250,000 | \$0 | \$0 | \$0 |
| Higher Education Commission | GF | \$226,729 | \$16,073,730 | \$17,197,116 | \$16,957,386 | \$16,968,043 |
| | SF | \$1,800,000 | \$0 | \$0 | \$0 | \$0 |
| Housing & Community Development | GF | (\$5,307,505) | \$29,679,324 | \$24,665,705 | \$24,651,623 | \$24,637,062 |
| | SF | (\$240,000) | \$29,760,000 | \$24,760,000 | \$24,760,000 | \$24,760,000 |
| Human Services | GF | \$1,200,372 | \$4,474,014 | \$7,085,777 | \$9,239,929 | \$11,434,040 |
| | SF | \$29,263 | \$22,895 | \$0 | \$0 | \$0 |
| | FF | \$163,434 | \$196,328 | \$202,595 | \$209,532 | \$216,714 |
| Information Technology | GF | \$0 | \$99,068 | \$97,074 | \$100,526 | \$104,104 |
| Insurance Administration | SF | \$58,081 | \$71,334 | \$73,454 | \$76,103 | \$78,850 |
| Judiciary | GF | \$3,197,784 | \$5,041,108 | \$7,335,150 | \$9,619,194 | \$9,619,194 |
| Labor, Licensing, & Regulation | GF | (\$671,140) | (\$312,759) | (\$289,956) | (\$264,094) | (\$240,593) |
| | SF | \$998,607 | \$1,502,707 | \$1,502,707 | \$1,502,707 | \$1,502,707 |
| Legislative Services | GF | \$100,000 | \$5,000,000 | \$0 | \$0 | \$0 |
| MARBIDCO | GF | \$0 | \$2,500,000 | \$2,500,000 | \$2,500,000 | \$0 |

Effect of the 2018 Legislative Program on the Financial Condition of the State

Quantifiable Expenditures by Agency (Continued)

| <u>Agency</u> | <u>Fund</u> | <u>FY 2019</u> | <u>FY 2020</u> | <u>FY 2021</u> | <u>FY 2022</u> | <u>FY 2023</u> |
|---------------------------------------|-------------|----------------|----------------|----------------|----------------|----------------|
| Morgan State University | GF | \$0 | \$100,000 | \$100,000 | \$100,000 | \$100,000 |
| Natural Resources | GF | \$207,971 | \$1,469,104 | \$1,465,512 | \$1,481,089 | \$1,497,246 |
| | SF | \$375,000 | \$2,962,000 | \$2,974,120 | \$2,986,361 | \$2,998,725 |
| None (grant to Baltimore City) | GF | \$3,600,000 | \$3,600,000 | \$3,600,000 | \$3,600,000 | \$3,600,000 |
| Payments to Civil Divisions | GF | \$0 | \$6,291,319 | \$6,819,043 | \$0 | \$0 |
| Planning | GF | \$70,792 | \$88,158 | \$90,850 | \$94,090 | \$97,449 |
| Public Defender | GF | \$11,039 | \$17,077 | \$23,116 | \$29,154 | \$29,154 |
| Public Safety & Correctional Services | GF | \$135,826 | \$102,545 | \$105,296 | \$109,057 | \$112,962 |
| | SF | (\$902,035) | (\$989,096) | (\$1,078,769) | (\$1,171,132) | (\$1,266,266) |
| | FF | (\$1,700,000) | (\$1,751,000) | (\$1,803,530) | (\$2,637,636) | (\$2,693,365) |
| | REIM | (\$54,987) | (\$56,637) | (\$58,336) | (\$60,086) | (\$61,888) |
| Public Service Commission | SF | \$94,219 | \$52,988 | \$54,483 | \$56,486 | \$58,567 |
| Retirement Agency | SF | (\$4,274,108) | (\$4,552,361) | (\$4,625,002) | (\$4,700,114) | (\$4,777,779) |
| | NB | \$7,204,522 | \$7,314,687 | \$7,445,192 | \$7,580,440 | \$7,720,609 |
| School Construction | GF | \$17,788,070 | \$41,276,482 | \$41,286,164 | \$11,248,872 | \$11,277,460 |
| | SF | \$2,000,000 | \$30,000,000 | \$30,000,000 | \$0 | \$0 |
| Stadium Authority | GF | \$0 | \$2,900,000 | \$6,000,000 | \$6,000,000 | \$6,000,000 |
| State Police | GF | \$0 | \$296,600 | \$286,600 | \$286,600 | \$276,600 |
| State Prosecutor | GF | \$6,039 | \$12,077 | \$18,116 | \$24,154 | \$24,154 |
| Transportation | SF | \$4,971,488 | \$273,454,403 | \$300,439,236 | \$331,974,234 | \$302,743,402 |
| | NB | \$10,000 | \$0 | \$0 | \$0 | \$0 |

Quantifiable Expenditures by Agency (Continued)

156

| <u>Agency</u> | <u>Fund</u> | <u>FY 2019</u> | <u>FY 2020</u> | <u>FY 2021</u> | <u>FY 2022</u> | <u>FY 2023</u> |
|----------------------------------|-------------|----------------|----------------|----------------|----------------|----------------|
| University System of Maryland | GF | \$841,092 | \$3,800,000 | \$1,300,000 | \$300,000 | \$300,000 |
| | SF | \$300,000 | \$1,000,000 | \$1,000,000 | \$0 | \$0 |
| | HE | \$700,000 | \$4,400,000 | \$2,685,000 | \$2,685,750 | \$2,684,500 |
| | BOND | \$24,000,000 | \$0 | \$0 | \$0 | \$0 |
| Veterans Affairs | GF | \$541,449 | \$545,788 | \$547,323 | \$548,912 | \$12,638 |
| | SF | \$500,000 | \$500,000 | \$500,000 | \$500,000 | \$0 |
| Workers' Compensation Commission | GF | \$60,385 | \$120,770 | \$181,155 | \$241,540 | \$241,540 |

Effect of the 2018 Legislative Program on the Financial Condition of the State

Totals by Fund Type/Summary of Quantifiable Expenditure Effects

| <u>Fund Type</u> | <u>FY 2019</u> | <u>FY 2020</u> | <u>FY 2021</u> | <u>FY 2022</u> | <u>FY 2023</u> |
|-------------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| GF | (\$184,634,812) | \$347,993,892 | \$443,912,795 | \$561,180,009 | \$686,204,282 |
| SF | \$17,568,709 | \$358,735,174 | \$381,005,327 | \$396,563,686 | \$354,362,887 |
| FF | \$50,477,512 | \$72,021,462 | \$23,451,216 | \$27,225,928 | \$27,399,103 |
| BOND | \$24,000,000 | \$0 | \$0 | \$0 | \$0 |
| HE | \$700,000 | \$6,900,000 | \$5,185,000 | \$5,185,750 | \$5,184,500 |
| NB | \$7,214,522 | \$7,564,687 | \$7,445,192 | \$7,580,440 | \$7,720,609 |

Quantifiable Regular Positions Needed by Agency

158

| <u>Agency</u> | <u>Fund</u> | <u>Beginning in FY 2019</u> | <u>Beginning in FY 2020</u> |
|---|-------------|-----------------------------|-----------------------------|
| Agriculture | GF | 1.5 | 0 |
| Assessment & Taxation | SF | 1 | 0 |
| Attorney General's Office | GF | 1 | 7 |
| Commerce | GF | 1 | 0 |
| Comptroller | GF | 1 | 0 |
| Education | GF | 17 | 0 |
| Emergency Management Agency | GF | 1 | 0 |
| Environment | GF | 1 | 0 |
| | SF | 2 | 0 |
| Executive Department | GF | 1 | 0 |
| General Services | GF | 1 | 0 |
| Governor's Office of Crime Control & Prevention | GF | 5 | 0 |
| | SF | 11 | 0 |
| Higher Education Commission | GF | 2.5 | 2 |
| Health | GF | 3.5 | 11 |
| | GF/SF | 0 | 2 |
| Housing & Community Development | GF/SF | (3.0) | 0 |
| Human Services | GF | 2 | 0 |
| | GF/FF | 2 | 0 |
| Insurance Administration | SF | 1 | 0 |

Effect of the 2018 Legislative Program on the Financial Condition of the State

Quantifiable Regular Positions Needed by Agency (Continued)

| <u>Agency</u> | <u>Fund</u> | <u>Beginning in FY 2019</u> | <u>Beginning in FY 2020</u> |
|---------------------------------------|-------------|-----------------------------|-----------------------------|
| Information Technology | GF | 0 | 1 |
| Labor, Licensing, & Regulation | GF | (52) | 2 |
| | SF | 54 | 0 |
| | GF/SF | 3 | 0 |
| Natural Resources | GF | 3 | 3 |
| Planning | GF | 1 | 0 |
| Public Safety & Correctional Services | GF | 2 | 0 |
| | SF | (11) | 0 |
| Public Service Commission | SF | 1 | 0 |
| School Construction | GF | 7 | 3 |
| University System of Maryland | HE | 6 | 0 |
| Total | | 66.5¹ | 31¹ |

¹ The positions reflect only those that the Department of Legislative Services could reliably quantify. Although other bills may necessitate additional staff once implemented, an accurate assessment of the positions required could not be quantified beforehand, as discussed in the relevant fiscal and policy notes.

Quantifiable Contractual Positions Needed by Agency

160

| <u>Agency</u> | <u>Fund</u> | <u>Beginning in FY 2019</u> | <u>Beginning in FY 2020</u> |
|---------------------------------------|-------------|-----------------------------|-----------------------------|
| Assessment & Taxation | SF | 2 | 0 |
| Budget & Management | SF | 5 | (5) |
| Education | GF | 1 | 0 |
| Executive Department | GF | 0.4 | (0.4) |
| GOCCP | SF | 4 | 0 |
| | GF | 1 | 1 |
| Housing & Community Development | GF/SF | (1) | 0 |
| Commission on Civil Rights | GF | 0 | 0.5 |
| Human Services | SF | 0.5 | 0 |
| Labor, Licensing, & Regulation | GF/SF | 1 | 0 |
| Health | GF | 0.5 | 0 |
| | GF/FF | 3 | 0 |
| Public Safety & Correctional Services | SF | (4) | 0 |
| School Construction | GF | 2 | (1) |
| Transportation | SF | 2 | 0 |
| Veteran's Affairs | GF | 1 | 0 |
| Total | | 18.4¹ | (4.9)¹ |

¹ The positions reflect only those that the Department of Legislative Services could reliably quantify. Although other bills may necessitate additional staff once implemented, an accurate assessment of the positions required could not be quantified beforehand, as discussed in the relevant fiscal and policy notes.

Effect of the 2018 Legislative Program on the Financial Condition of the State

Chapter 4. Local Government

- 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 \$7.7 billion in fiscal 2019, representing a \$226.3 million, or 3.0%, increase over fiscal 2018. Direct aid will increase by \$228.1 million and State funding for retirement payments will decrease by \$1.8 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 2018 and 2019.

Exhibit 4.1
State Aid to Local Governments
Fiscal 2018 and 2019
(\$ in Millions)

| | <u>2018</u> | <u>2019</u> | <u>Difference</u> | <u>% Difference</u> |
|------------------------------|--------------------|--------------------|--------------------------|----------------------------|
| Public Schools | \$5,647.1 | \$5,817.7 | \$170.6 | 3.0% |
| Libraries | 58.4 | 60.3 | 1.9 | 3.3% |
| Community Colleges | 273.1 | 278.3 | 5.2 | 1.9% |
| Local Health | 51.1 | 51.4 | 0.3 | 0.6% |
| County/Municipal | 691.7 | 741.8 | 50.1 | 7.2% |
| Subtotal – Direct Aid | \$6,721.4 | \$6,949.5 | \$228.1 | 3.4% |
| Retirement Payments | \$799.4 | \$797.6 | -\$1.8 | -0.2% |
| Total | \$7,520.8 | \$7,747.1 | \$226.3 | 3.0% |

Source: Department of Legislative Services

Legislative Actions

The General Assembly approved several measures during the 2018 legislative session that affect State funding for local governments. **Exhibit 4.2** shows the net local impact in fiscal 2019 of enhancements and reductions to State aid, resulting in a gain for local governments of \$45.1 million. As noted, disbursement of a portion of fiscal 2019 enhanced funding authorized by the General Assembly is at the discretion of the Governor.

Exhibit 4.2
Changes to State Aid Programs
Fiscal 2019
(\$ in Millions)

| | |
|---|---------------|
| State Aid Enhancements | |
| School Safety Grants ¹ | \$13.1 |
| Foundation Special Grants | 13.0 |
| Learning in Extended Academic Programs Grant Program ² | 4.5 |
| Maryland Early Literacy Initiative ² | 2.5 |
| Career and Technology Education Innovation Grant Program ² | 2.0 |
| Community College Supplemental Grants | 2.0 |
| County/Municipal Transportation Grants | 19.5 |
| Pretrial Services | 1.0 |
| Total Enhancements | \$57.6 |
| State Aid Reductions | |
| Public School Opportunities | \$4.5 |
| Next Generation Scholars | 0.3 |
| Teacher Induction, Retention, and Advancement Program | 2.0 |
| Quality Teacher Stipends | 1.3 |
| Anne Arundel Teacher Pilot Program | 1.9 |
| Program Open Space | 2.5 |
| Total Reductions | \$12.5 |
| Total Local Impact | \$45.1 |

¹ Reflects funding by the General Assembly in the fiscal 2019 budget; however, funding of \$10.0 million of this amount is at the discretion of the Governor.

² Reflects funding by the General Assembly in the fiscal 2019 budget; however, funding is at the discretion of the Governor.

Enhanced State Funding for Education

Senate Bill 1122 (Chapter 357) proposes a constitutional amendment that, if approved by the voters at the next general election, would require the Governor to provide supplemental State funding for public education through the use of commercial gaming revenues that are dedicated to public education in the State budget beginning in fiscal 2020. Supplemental funding must total \$125.0 million in fiscal 2020, \$250.0 million in fiscal 2021, and \$375.0 million in fiscal 2022. In all subsequent years, 100% of the gaming revenues dedicated to public education must be used for supplemental funding.

In addition, **Senate Bill 187 (Chapter 10)**, the Budget Reconciliation and Financing Act (BRFA) of 2018, credits \$200.0 million in income tax revenue to a special fund to support the implementation of the recommendations of the Commission on Innovation and Excellence in Education (Kirwan Commission). Chapters 701 and 702 of 2016 established the commission to, among other charges, (1) review the findings of a consultant's study on adequacy of education funding and its related studies and make recommendations on the funding formula; (2) review and make recommendations on expenditures of local education agencies; (3) review and make recommendations on innovative education delivery mechanisms and other strategies to prepare – Maryland students for the twenty-first century workforce and global economy; and (4) review and make recommendations on expanding prekindergarten, including special education prekindergarten.

House Bill 1415 (Chapter 361) extends the deadline for the Kirwan Commission to complete its work by one year and largely reflects several recommendations within the commission's preliminary report. Among other provisions, the bill increases annual State funding for prekindergarten expansion from \$4.3 million to \$26.6 million, beginning in fiscal 2020, and establishes three new public school State aid programs while altering funding levels for the Public School Opportunities Enhancement Program.

Also, the General Assembly authorized \$13.1 million in new State funding for public school safety grants in fiscal 2019; however, \$10.0 million of this funding is at the discretion of the Governor.

Changes by Program

Direct State aid for Baltimore City and all counties in Maryland increases in fiscal 2019; however, State aid for retirement increases for only nine counties. **Exhibit 4.3** summarizes the distribution of direct aid by governmental unit and shows the estimated State retirement payments for local government employees. **Exhibit 4.4** shows total State aid in fiscal 2018 and 2019 by program. A more detailed discussion of the changes in State aid in fiscal 2019 follows the exhibits.

Exhibit 4.3
State Aid to Local Governments
Fiscal 2019 Legislative Appropriation
(\$ in Thousands)

| County | County – Municipal | Community Colleges | <i>Direct State Aid</i> | | | | Retirement | Total | Change Over FY 2018 | Percent Change |
|-----------------|-----------------------|-----------------------|-------------------------|-----------------|-----------------|--------------------|------------------|--------------------|---------------------------|-------------------|
| | | | Public Schools | Libraries | Health | Subtotal | | | | |
| Allegany | \$17,010 | \$6,748 | \$83,623 | \$817 | \$1,548 | \$109,746 | \$8,487 | \$118,233 | \$3,708 | 3.2% |
| Anne Arundel | 52,938 | 31,031 | 367,789 | 2,350 | 4,246 | 458,354 | 68,006 | 526,360 | 13,482 | 2.6% |
| Baltimore City | 310,076 | 0 | 859,699 | 9,378 | 8,367 | 1,187,520 | 64,468 | 1,251,987 | 3,032 | 0.2% |
| Baltimore | 33,769 | 43,763 | 679,023 | 6,210 | 5,519 | 768,285 | 96,656 | 864,941 | 26,751 | 3.2% |
| Calvert | 6,241 | 2,826 | 82,487 | 482 | 638 | 92,673 | 13,790 | 106,462 | 1,391 | 1.3% |
| Caroline | 5,121 | 1,680 | 56,873 | 317 | 796 | 64,788 | 4,889 | 69,676 | 2,738 | 4.1% |
| Carroll | 7,658 | 9,107 | 133,158 | 1,032 | 1,722 | 152,677 | 20,744 | 173,421 | 1,925 | 1.1% |
| Cecil | 9,752 | 6,776 | 108,273 | 840 | 1,160 | 126,801 | 13,792 | 140,594 | 2,201 | 1.6% |
| Charles | 5,737 | 9,184 | 184,234 | 1,107 | 1,512 | 201,775 | 22,856 | 224,630 | 12,631 | 6.0% |
| Dorchester | 4,994 | 1,300 | 43,746 | 296 | 755 | 51,093 | 3,926 | 55,019 | 1,298 | 2.4% |
| Frederick | 10,916 | 11,304 | 249,692 | 1,493 | 2,160 | 275,565 | 33,135 | 308,700 | 8,783 | 2.9% |
| Garrett | 6,567 | 4,015 | 22,198 | 163 | 733 | 33,675 | 3,484 | 37,160 | 2,356 | 6.8% |
| Harford | 10,030 | 12,476 | 212,003 | 1,672 | 2,383 | 238,564 | 30,142 | 268,706 | 5,055 | 1.9% |
| Howard | 12,325 | 20,672 | 257,552 | 983 | 1,781 | 293,313 | 60,719 | 354,032 | 14,644 | 4.3% |
| Kent | 1,484 | 551 | 10,062 | 103 | 605 | 12,805 | 1,875 | 14,681 | 497 | 3.5% |
| Montgomery | 40,974 | 51,286 | 716,448 | 3,236 | 4,039 | 815,984 | 170,140 | 986,123 | 36,452 | 3.8% |
| Prince George's | 109,742 | 31,632 | 1,142,893 | 7,477 | 6,458 | 1,298,201 | 116,211 | 1,414,412 | 38,620 | 2.8% |
| Queen Anne's | 2,576 | 2,156 | 35,906 | 175 | 618 | 41,431 | 6,305 | 47,736 | 1,474 | 3.2% |
| St. Mary's | 4,023 | 3,130 | 107,279 | 772 | 1,092 | 116,296 | 13,690 | 129,987 | 2,448 | 1.9% |
| Somerset | 7,694 | 836 | 32,599 | 303 | 589 | 42,021 | 2,813 | 44,833 | 1,493 | 3.4% |
| Talbot | 3,081 | 1,849 | 14,859 | 116 | 569 | 20,473 | 3,742 | 24,215 | 975 | 4.2% |
| Washington | 8,928 | 9,503 | 179,902 | 1,361 | 1,887 | 201,580 | 17,906 | 219,487 | 5,382 | 2.5% |
| Wicomico | 15,982 | 5,627 | 148,289 | 1,091 | 1,355 | 172,344 | 12,742 | 185,086 | 4,714 | 2.6% |
| Worcester | 7,924 | 2,430 | 20,037 | 159 | 840 | 31,390 | 7,115 | 38,506 | 957 | 2.5% |
| Unallocated | 46,241 | 8,439 | 69,091 | 18,380 | 0 | 142,150 | 0 | 142,150 | 33,320 | 30.6% |
| Total | \$741,783 | \$278,322 | \$5,817,715 | \$60,313 | \$51,372 | \$6,949,505 | \$797,633 | \$7,747,138 | \$226,327 | 3.0% |

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

Exhibit 4.3 (Continued)
State Aid to Local Governments
Fiscal 2018 Working Appropriation
(\$ in Thousands)

| County | <i>Direct State Aid</i> | | | | | | Retirement | Total |
|-----------------|-------------------------------|-------------------------------|---------------------------|------------------|-----------------|--------------------|-------------------|--------------------|
| | County – Municipal | Community Colleges | Public Schools | Libraries | Health | Subtotal | | |
| Allegany | \$15,054 | \$6,630 | \$81,590 | \$787 | \$1,592 | \$105,654 | \$8,872 | \$114,526 |
| Anne Arundel | 48,688 | 31,069 | 358,221 | 2,252 | 4,171 | 444,402 | 68,476 | 512,877 |
| Baltimore City | 304,268 | 0 | 860,075 | 9,250 | 8,219 | 1,181,812 | 67,144 | 1,248,956 |
| Baltimore | 28,886 | 43,584 | 659,101 | 5,971 | 5,421 | 742,962 | 95,228 | 838,190 |
| Calvert | 5,036 | 2,680 | 82,382 | 450 | 642 | 91,189 | 13,882 | 105,071 |
| Caroline | 4,740 | 1,577 | 54,791 | 300 | 818 | 62,227 | 4,711 | 66,939 |
| Carroll | 6,356 | 8,666 | 133,042 | 995 | 1,707 | 150,765 | 20,732 | 171,497 |
| Cecil | 8,447 | 6,179 | 108,156 | 805 | 1,150 | 124,736 | 13,657 | 138,393 |
| Charles | 4,615 | 9,178 | 172,452 | 1,057 | 1,506 | 188,808 | 23,191 | 211,999 |
| Dorchester | 4,595 | 1,243 | 42,782 | 285 | 819 | 49,723 | 3,998 | 53,721 |
| Frederick | 9,191 | 10,857 | 242,226 | 1,445 | 2,178 | 265,896 | 34,021 | 299,917 |
| Garrett | 4,607 | 3,935 | 21,741 | 151 | 771 | 31,205 | 3,599 | 34,804 |
| Harford | 8,460 | 12,070 | 209,320 | 1,604 | 2,361 | 233,816 | 29,835 | 263,651 |
| Howard | 9,959 | 19,705 | 246,865 | 940 | 1,760 | 279,230 | 60,158 | 339,388 |
| Kent | 1,257 | 528 | 9,877 | 95 | 625 | 12,383 | 1,800 | 14,183 |
| Montgomery | 34,789 | 49,860 | 690,234 | 3,120 | 3,968 | 781,970 | 167,701 | 949,672 |
| Prince George's | 100,581 | 30,496 | 1,113,649 | 7,402 | 6,349 | 1,258,476 | 117,316 | 1,375,792 |
| Queen Anne's | 2,091 | 1,917 | 35,051 | 170 | 628 | 39,857 | 6,405 | 46,261 |
| St. Mary's | 3,258 | 3,084 | 105,631 | 719 | 1,078 | 113,769 | 13,769 | 127,538 |
| Somerset | 6,705 | 838 | 32,159 | 287 | 579 | 40,569 | 2,772 | 43,340 |
| Talbot | 2,676 | 1,817 | 14,283 | 113 | 605 | 19,493 | 3,747 | 23,240 |
| Washington | 7,596 | 9,400 | 175,586 | 1,294 | 1,889 | 195,766 | 18,339 | 214,105 |
| Wicomico | 14,449 | 5,107 | 145,605 | 1,051 | 1,347 | 167,559 | 12,812 | 180,371 |
| Worcester | 7,054 | 2,269 | 19,925 | 155 | 901 | 30,304 | 7,245 | 37,549 |
| Unallocated | 48,344 | 10,404 | 32,375 | 17,707 | 0 | 108,831 | 0 | 108,831 |
| Total | \$691,700 | \$273,094 | \$5,647,119 | \$58,404 | \$51,083 | \$6,721,401 | \$799,410 | \$7,520,811 |

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

Exhibit 4.3 (Continued)
State Aid to Local Governments
Dollar Difference Between Fiscal 2019 Legislative Appropriation and Fiscal 2018 Appropriation
(\$ in Thousands)

| County | <i>Direct State Aid</i> | | | | | | Retirement | Total |
|-----------------|-------------------------------|-------------------------------|---------------------------|------------------|---------------|------------------|-------------------|------------------|
| | County – Municipal | Community Colleges | Public Schools | Libraries | Health | Subtotal | | |
| Allegany | \$1,956 | \$118 | \$2,033 | \$29 | -\$44 | \$4,093 | -\$385 | \$3,708 |
| Anne Arundel | 4,250 | -39 | 9,568 | 98 | 75 | 13,952 | -470 | 13,482 |
| Baltimore City | 5,808 | 0 | -376 | 128 | 148 | 5,708 | -2,676 | 3,032 |
| Baltimore | 4,883 | 180 | 19,923 | 240 | 98 | 25,323 | 1,428 | 26,751 |
| Calvert | 1,205 | 146 | 105 | 32 | -4 | 1,484 | -92 | 1,391 |
| Caroline | 381 | 102 | 2,082 | 17 | -22 | 2,561 | 177 | 2,738 |
| Carroll | 1,303 | 441 | 116 | 38 | 15 | 1,913 | 12 | 1,925 |
| Cecil | 1,306 | 597 | 117 | 35 | 10 | 2,065 | 135 | 2,201 |
| Charles | 1,123 | 6 | 11,782 | 50 | 6 | 12,967 | -335 | 12,631 |
| Dorchester | 400 | 57 | 964 | 12 | -63 | 1,370 | -72 | 1,298 |
| Frederick | 1,725 | 447 | 7,466 | 48 | -18 | 9,669 | -886 | 8,783 |
| Garrett | 1,959 | 80 | 457 | 13 | -38 | 2,471 | -115 | 2,356 |
| Harford | 1,569 | 406 | 2,683 | 68 | 22 | 4,748 | 306 | 5,055 |
| Howard | 2,366 | 967 | 10,687 | 43 | 21 | 14,084 | 561 | 14,644 |
| Kent | 227 | 23 | 185 | 7 | -20 | 422 | 75 | 497 |
| Montgomery | 6,185 | 1,427 | 26,214 | 116 | 71 | 34,014 | 2,438 | 36,452 |
| Prince George's | 9,161 | 1,136 | 29,244 | 75 | 109 | 39,725 | -1,105 | 38,620 |
| Queen Anne's | 485 | 239 | 854 | 5 | -10 | 1,574 | -100 | 1,474 |
| St. Mary's | 765 | 46 | 1,648 | 53 | 14 | 2,527 | -79 | 2,448 |
| Somerset | 989 | -2 | 440 | 15 | 10 | 1,452 | 41 | 1,493 |
| Talbot | 404 | 32 | 576 | 3 | -36 | 980 | -5 | 975 |
| Washington | 1,332 | 102 | 4,316 | 67 | -2 | 5,814 | -433 | 5,382 |
| Wicomico | 1,533 | 520 | 2,683 | 40 | 9 | 4,785 | -71 | 4,714 |
| Worcester | 870 | 161 | 112 | 5 | -62 | 1,086 | -129 | 957 |
| Unallocated | -2,103 | -1,966 | 36,716 | 673 | 0 | 33,320 | 0 | 33,320 |
| Total | \$50,082 | \$5,228 | \$170,596 | \$1,908 | \$289 | \$228,104 | -\$1,777 | \$226,327 |

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

Exhibit 4.3 (Continued)
State Aid to Local Governments
Percent Change: Fiscal 2019 Legislative Appropriation over Fiscal 2018 Appropriation

| County | <i>Direct State Aid</i> | | | | | | Retirement | Total |
|-----------------|-------------------------------|-------------------------------|---------------------------|------------------|---------------|-----------------|-------------------|--------------|
| | County – Municipal | Community Colleges | Public Schools | Libraries | Health | Subtotal | | |
| Allegany | 13.0% | 1.8% | 2.5% | 3.7% | -2.8% | 3.9% | -4.3% | 3.2% |
| Anne Arundel | 8.7% | -0.1% | 2.7% | 4.4% | 1.8% | 3.1% | -0.7% | 2.6% |
| Baltimore City | 1.9% | n/a | 0.0% | 1.4% | 1.8% | 0.5% | -4.0% | 0.2% |
| Baltimore | 16.9% | 0.4% | 3.0% | 4.0% | 1.8% | 3.4% | 1.5% | 3.2% |
| Calvert | 23.9% | 5.4% | 0.1% | 7.1% | -0.6% | 1.6% | -0.7% | 1.3% |
| Caroline | 8.0% | 6.5% | 3.8% | 5.6% | -2.7% | 4.1% | 3.8% | 4.1% |
| Carroll | 20.5% | 5.1% | 0.1% | 3.8% | 0.9% | 1.3% | 0.1% | 1.1% |
| Cecil | 15.5% | 9.7% | 0.1% | 4.4% | 0.9% | 1.7% | 1.0% | 1.6% |
| Charles | 24.3% | 0.1% | 6.8% | 4.7% | 0.4% | 6.9% | -1.4% | 6.0% |
| Dorchester | 8.7% | 4.6% | 2.3% | 4.1% | -7.7% | 2.8% | -1.8% | 2.4% |
| Frederick | 18.8% | 4.1% | 3.1% | 3.3% | -0.8% | 3.6% | -2.6% | 2.9% |
| Garrett | 42.5% | 2.0% | 2.1% | 8.3% | -5.0% | 7.9% | -3.2% | 6.8% |
| Harford | 18.5% | 3.4% | 1.3% | 4.2% | 0.9% | 2.0% | 1.0% | 1.9% |
| Howard | 23.8% | 4.9% | 4.3% | 4.6% | 1.2% | 5.0% | 0.9% | 4.3% |
| Kent | 18.1% | 4.3% | 1.9% | 7.5% | -3.2% | 3.4% | 4.2% | 3.5% |
| Montgomery | 17.8% | 2.9% | 3.8% | 3.7% | 1.8% | 4.3% | 1.5% | 3.8% |
| Prince George's | 9.1% | 3.7% | 2.6% | 1.0% | 1.7% | 3.2% | -0.9% | 2.8% |
| Queen Anne's | 23.2% | 12.4% | 2.4% | 3.0% | -1.5% | 3.9% | -1.6% | 3.2% |
| St. Mary's | 23.5% | 1.5% | 1.6% | 7.4% | 1.3% | 2.2% | -0.6% | 1.9% |
| Somerset | 14.7% | -0.2% | 1.4% | 5.3% | 1.8% | 3.6% | 1.5% | 3.4% |
| Talbot | 15.1% | 1.8% | 4.0% | 2.7% | -6.0% | 5.0% | -0.1% | 4.2% |
| Washington | 17.5% | 1.1% | 2.5% | 5.2% | -0.1% | 3.0% | -2.4% | 2.5% |
| Wicomico | 10.6% | 10.2% | 1.8% | 3.8% | 0.6% | 2.9% | -0.6% | 2.6% |
| Worcester | 12.3% | 7.1% | 0.6% | 3.1% | -6.9% | 3.6% | -1.8% | 2.5% |
| Unallocated | -4.4% | -18.9% | 113.4% | 3.8% | n/a | 30.6% | -100.0% | 30.6% |
| Total | 7.2% | 1.9% | 3.0% | 3.3% | 0.6% | 3.4% | -0.2% | 3.0% |

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

Exhibit 4.4
Total State Aid to Local Governments

| <u>Program</u> | <u>FY 2018</u> | <u>FY 2019</u> | <u>Difference</u> |
|--|------------------------|------------------------|--------------------------|
| Foundation Aid | \$3,005,269,724 | \$3,056,189,470 | \$50,919,746 |
| Supplemental Program | 46,620,083 | 46,620,083 | 0 |
| Geographic Cost of Education Index | 139,126,929 | 141,573,510 | 2,446,581 |
| Net Taxable Income Education Grants | 49,169,986 | 62,523,818 | 13,353,832 |
| Tax Increment Financing Education Grants | 422,107 | 535,094 | 112,987 |
| Foundation – Special Grants | 0 | 12,955,602 | 12,955,602 |
| Declining Enrollment Education Grants | 17,243,982 | 18,663,687 | 1,419,705 |
| Compensatory Education | 1,305,545,022 | 1,308,336,290 | 2,791,268 |
| Student Transportation – Regular | 250,620,360 | 256,452,211 | 5,831,851 |
| Student Transportation – Special Education | 25,721,000 | 26,133,000 | 412,000 |
| Special Education – Formula | 284,873,467 | 290,812,794 | 5,939,327 |
| Special Education – Nonpublic Placements | 123,617,898 | 123,500,000 | -117,898 |
| Special Education – Infants and Toddlers | 10,389,104 | 10,389,104 | 0 |
| Limited English Proficiency Grants | 248,683,743 | 288,041,382 | 39,357,639 |
| Guaranteed Tax Base | 50,304,279 | 48,169,682 | -2,134,597 |
| Prekindergarten Expansion Program | 7,972,000 | 11,644,000 | 3,672,000 |
| Prekindergarten Supplemental Grants | 10,946,103 | 16,039,177 | 5,093,074 |
| School Safety Grants | 0 | 13,100,000 | 13,100,000 |
| Food Service | 11,236,664 | 11,236,664 | 0 |
| SEED School | 10,372,414 | 10,450,207 | 77,793 |
| Judy Hoyer Centers | 10,575,000 | 10,575,000 | 0 |
| Aging Schools | 6,108,990 | 6,108,990 | 0 |
| Teacher Development | 3,655,000 | 6,520,000 | 2,865,000 |
| Adult Education | 8,011,986 | 8,011,986 | 0 |
| Next Generation Scholars | 4,700,000 | 4,700,000 | 0 |
| Public School Opportunities | 2,500,000 | 3,000,000 | 500,000 |
| Heroin and Opioid Education | 0 | 3,000,000 | 3,000,000 |
| Out-of-county Foster Placements | 2,000,000 | 2,000,000 | 0 |
| Head Start | 1,800,000 | 1,800,000 | 0 |
| Other Education Aid | 9,633,597 | 18,633,599 | 9,000,002 |
| Total Primary and Secondary Education | \$5,647,119,438 | \$5,817,715,350 | \$170,595,912 |
| Library Formula | \$40,697,196 | \$41,932,865 | \$1,235,669 |
| Library Network | 17,707,258 | 18,380,048 | 672,790 |
| Total Libraries | \$58,404,454 | \$60,312,913 | \$1,908,459 |

| <u>Program</u> | <u>FY 2018</u> | <u>FY 2019</u> | <u>Difference</u> |
|---|-----------------------|-----------------------|--------------------------|
| Community College Formula | \$235,154,740 | \$240,447,311 | \$5,292,571 |
| Optional Retirement | 17,328,664 | 17,328,000 | -664 |
| Grants for ESOL Programs | 5,500,075 | 5,548,721 | 48,646 |
| Small College Grants | 4,105,898 | 5,959,101 | 1,853,203 |
| Other Community College Aid | 11,004,492 | 9,038,669 | -1,965,823 |
| Total Community Colleges | \$273,093,869 | \$278,321,802 | \$5,227,933 |
| Highway User Revenue | \$175,501,536 | \$178,132,608 | \$2,631,072 |
| County Transportation Grants | 18,281,411 | 35,451,141 | 17,169,730 |
| Municipal Transportation Grants | 20,109,553 | 22,480,289 | 2,370,736 |
| Elderly and Disabled Transportation Aid | 4,305,908 | 4,305,908 | 0 |
| Paratransit Grants | 1,726,068 | 1,726,068 | 0 |
| Total Transportation | \$219,924,476 | \$242,096,014 | \$22,171,538 |
| Police Aid | \$73,714,998 | \$74,457,216 | \$742,218 |
| Fire and Rescue Aid | 15,000,000 | 15,000,000 | 0 |
| 9-1-1 Grants | 14,400,000 | 14,400,000 | 0 |
| Baltimore City Direct Police Grant | 9,180,112 | 9,180,112 | 0 |
| Safe Streets Program | 4,589,746 | 4,589,746 | 0 |
| State's Attorney Grants | 3,228,840 | 3,228,840 | 0 |
| Violent Crime Grants | 2,292,489 | 2,292,489 | 0 |
| Vehicle Theft Prevention | 1,869,160 | 1,886,020 | 16,860 |
| Drug Enforcement Grants | 1,214,610 | 1,214,610 | 0 |
| Other Public Safety Aid | 6,061,509 | 6,436,509 | 375,000 |
| Total Public Safety | \$131,551,464 | \$132,685,542 | \$1,134,078 |
| Program Open Space | \$40,713,279 | \$58,787,824 | \$18,074,545 |
| Wastewater Treatment – Nutrient Removal | 7,000,000 | 7,000,000 | 0 |
| Critical Area Grants | 253,900 | 252,700 | -1,200 |
| Total Recreation/Environment | \$47,967,179 | \$66,040,524 | \$18,073,345 |
| Local Health Formula | \$51,082,940 | \$51,372,156 | \$289,216 |
| Disparity Grant | \$138,825,071 | \$140,804,172 | \$1,979,101 |
| Gaming Impact Grants | \$85,879,158 | \$87,243,802 | \$1,364,644 |
| Teachers Retirement Supplemental Grants | 27,658,661 | 27,658,661 | 0 |
| Neighborhood Revitalization | 25,625,000 | 28,500,000 | 2,875,000 |
| Statewide Voting Systems | 7,496,181 | 5,471,244 | -2,024,937 |
| Revenue Equity Program | 0 | 3,303,370 | 3,303,370 |
| Payments in Lieu of Taxes (PILOT) | 1,070,492 | 2,195,492 | 1,125,000 |

| <u>Program</u> | <u>FY 2018</u> | <u>FY 2019</u> | <u>Difference</u> |
|-----------------------------------|------------------------|------------------------|--------------------------|
| PILOT – Park Service | 2,623,953 | 2,291,673 | -332,280 |
| PILOT – Forest Service | 282,898 | 146,208 | -136,690 |
| Instant Bingo | 2,031,606 | 2,581,588 | 549,982 |
| Senior Citizens Activities Center | 764,003 | 764,238 | 235 |
| Total Other Direct Aid | \$153,431,952 | \$160,156,276 | \$6,724,324 |
| Total Direct Aid | \$6,721,400,843 | \$6,949,504,749 | \$228,103,906 |
| Retirement – Teachers | \$734,454,249 | \$732,920,781 | -\$1,533,468 |
| Retirement – Libraries | 20,338,949 | 20,645,412 | 306,463 |
| Retirement – Community Colleges | 44,616,771 | 44,067,171 | -549,600 |
| Total Payments-in-behalf | \$799,409,969 | \$797,633,364 | -\$1,776,605 |
| Total State Aid | \$7,520,810,812 | \$7,747,138,113 | \$226,327,301 |

ESOL: English for Speakers of Other Languages

SEED: School of Education Evaluation 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 \$7,065, an increase of 0.8%, which is well below the 5% cap on the annual growth in the per pupil foundation amount. The student enrollment count used for the program totals 860,806 students. Enrollment for the formula is based on the September 30, 2017 full-time equivalent (FTE) enrollment count. Less affluent local school systems, as measured by assessable base and net taxable income (NTI), receive relatively more aid per pupil than wealthier school systems. The State provides funding for approximately half of the program's cost. State aid under the foundation program will total \$3.1 billion in fiscal 2019, a \$50.9 million, or 1.7%, increase from the prior year.

In addition, \$46.6 million in supplemental grants will be provided to nine local school systems in fiscal 2019. The supplemental grants were first established during the 2007 special session to guarantee increases of at least 1% in State education aid for all local school systems during two years, fiscal 2009 and 2010, and that inflationary increases for the per pupil foundation amount were eliminated. The fiscal 2019 budget also includes a total of \$13.0 million in discretionary foundation funding. Most (\$11.2 million) of this additional funding benefits Baltimore City, while Calvert, Carroll, and Cecil counties also gain funding.

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. 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 Geographic Cost of Education Index (GCEI) at 100% in fiscal 2016, full funding became mandatory beginning in fiscal 2017. Thirteen local school systems receive a total of \$141.6 million in fiscal 2019 from the GCEI formula, an increase of \$2.4 million over fiscal 2018.

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 an 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 2019 funding of NTI grants totals \$62.5 million, a \$13.4 million, or 27.2%, increase compared to fiscal 2018. Fiscal 2018 grants were based on an 80% phase-in schedule; the grants are fully funded beginning with fiscal 2019.

Tax Increment Financing Grants: Chapter 258 of 2016 provides 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 receives a State grant to ensure that it receives the higher amount of State aid for education between the two calculations. Baltimore City receives a grant of \$535,100 in fiscal 2019, an increase of \$113,000, or 26.8%, over fiscal 2018. Under **House Bill 693 (Chapter 387)**, the termination date for the program is repealed, with additional funding for Baltimore City increasing to approximately \$1.4 million by fiscal 2023.

Declining Enrollment Grants: Under Chapters 6 and 607 of 2017, school systems in eight counties benefit from \$18.7 million in declining enrollment grants in fiscal 2019, an increase of \$1.4 million over fiscal 2018 grant funding. Baltimore City receives \$16.0 million of these funds, while seven counties also benefit from grants.

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% 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%, with the State paying no less than 40% of the funding for each local school system. State aid under the compensatory education program will total \$1.3 billion in fiscal 2019. Declining enrollment for the program is more than offset by an inflationary increase in per pupil funding, resulting in a \$2.8 million, or 0.2%, increase over the prior year. The student enrollment count used for the program totals 367,916.

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 2019 budget includes \$256.4 million for regular transportation services and \$26.1 million for special transportation services. This represents a \$6.2 million, or 2.3%, increase from the prior year.

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

The special education formula is calculated based on 74% of the annual per pupil foundation amount and the number of special education students from the prior fiscal year. The State share of program cost is 50% statewide with a floor of 40% for each local school system. The student enrollment count used for the program totals 107,664. State formula funding for public special education programs will total \$290.8 million in fiscal 2019, a \$5.9 million, or 2.1%, increase over the prior year. Funding for nonpublic placements totals \$123.5 million in fiscal 2019, a \$117,900, or 0.1%, decrease. 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% State/30% local.

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 2019, the same annual amount that has been provided since fiscal 2009.

Limited English Proficiency: The State provides grants based on non- and limited-English proficient (LEP) students using a definition consistent with federal guidelines. The LEP formula is based on 99% of the annual per pupil foundation amount, with the State providing funding for 50% of the program's cost. State funding for the program will total \$288.0 million in fiscal 2019, representing a \$39.4 million, or 15.8%, increase over the prior year. This considerable increase is due both to increased enrollment for the program as well as the adoption of more rigorous English proficiency standards for exit from the program. The number of LEP students totals 79,656 for the 2017-2018 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. Ten local school systems will qualify for grants totaling \$48.2 million in fiscal 2019, a decrease of \$2.1 million from the prior year.

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 (FPG) by establishing a competitive grant program to provide funding to qualified public and private prekindergarten providers. The State budget has included \$4.3 million for the expansion program in fiscal 2015 through 2017. In 2014, Maryland was also awarded a federal grant that provides \$15.0 million annually through fiscal 2019 to continue the expansion of public prekindergarten. In its grant application, the State committed to matching funds of \$3.7 million in fiscal 2018 and \$7.3 million in fiscal 2019 to provide access to high-quality prekindergarten to families with incomes between 200% and 300% of FPG. Pursuant to Chapters 683 and 684 of 2016, the Governor must include an appropriation in the budget for the amount that the State committed to fund as the State match to the federal grant in addition to the amount required under preexisting law for the State Prekindergarten Expansion Grant Program. Thus, State funding totaled \$8.0 million in fiscal 2018 and totals \$11.6 million in the fiscal 2019 budget. Under **Chapter 361**, beginning in fiscal 2020, mandatory annual State funding increases from \$4.3 million to \$26.6 million.

Also, per Chapters 6 and 607 of 2017, Baltimore City as well as Garrett, Kent, and Somerset counties receive prekindergarten supplemental grants totaling \$16.0 million in fiscal 2019. This amounts to an increase of \$5.1 million over fiscal 2018, in accordance with the phase-in of these grants through fiscal 2020.

School Safety Grants: The General Assembly authorized \$13.1 million in new State funding for public school safety grants in fiscal 2019; however, \$10.0 million of this funding is at the discretion of the Governor, and \$2.5 million is allocated to mandatory school safety evaluations.

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 2019 budget includes \$11.2 million for food and nutrition services, level with the prior year. However, the General Assembly passed legislation that will increase State aid for school meals, beginning in fiscal 2020. **House Bill 315 (Chapter 560)** makes the State responsible for the student share of the costs of (1) reduced-price breakfasts provided under the federal School Breakfast Program and (2) reduced-price lunches provided under the National School Lunch Program by fiscal 2023 and phases in this responsibility beginning in fiscal 2020. Qualifying public and nonpublic schools are eligible for reimbursement. **Senate Bill 818 (Chapter 562)** requires minimum annual funding of \$7.6 million for Maryland Meals for Achievement, which will result in a \$650,000 increase in State aid beginning in fiscal 2020.

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 early childhood educators and statewide implementation of an early childhood assessment system. The fiscal 2019 budget includes \$10.6 million for Judy Hoyer programs and \$1.8 million for Head Start programs. **Senate Bill 373 (Chapter 556)** and **House Bill 547 (Chapter 555)** require an annual State funding level of \$3.0 million for Head Start, which is named the Ulysses Currie Head Start Program by the legislation. This amounts to a \$1.2 million annual increase, though mandatory funding begins in fiscal 2020.

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 for the program to be provided in the operating or capital budget. The fiscal 2019 budget includes \$6.1 million in bond funding for the program.

Teacher Development: State aid for teacher development totals \$6.5 million in fiscal 2019, an increase of \$2.9 million over the amount provided in fiscal 2018. This amount reflects \$5.2 million in reductions, though the Governor's proposed budget would have resulted in \$9.0 million in reductions for 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. The BRFA of 2017 reduced the maximum State match for stipends for teachers who hold national certification and work in a comprehensive needs school from \$4,000 to \$2,000 in fiscal 2018, and the fiscal 2019 budget reduces funding from \$4.1 million to \$2.8 million in fiscal 2019. The BRFA of 2018 eliminates the State match of stipends for specified Anne Arundel County Public Schools classroom teachers in fiscal 2019.

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). However, the BRFA of 2017 reduced the funding level in fiscal 2018 to \$2.1 million, and the BRFA of 2018 reduces the funding level to \$3.0 million in fiscal 2019. The fiscal 2019 budget includes \$96,000 for the Governor's Teacher Excellence Award Program, which distributes awards to teachers for outstanding performance, and also includes \$600,000 for national certification fees.

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 \$8.0 million for adult education programs in fiscal 2019, level with fiscal 2018 funding.

Innovative Programs: **Chapter 361** establishes three new innovative programs: the Learning in Extended Academic Programs (LEAP) grant program, the Maryland Early Literacy Initiative, and the Career and Technology Education Innovation grant program. Combined, a total of \$9.0 million in funding is authorized in fiscal 2019 for these programs; however, the transfer of funds for these purposes is at the discretion of the Governor.

The Governor's proposed fiscal 2019 budget would have provided no funding for the Next Generation Scholars of Maryland Program and the Robotics Grant Program, and reduced funding for the Public School Opportunities Enhancement Program by \$5.0 million. The General Assembly restored much of this funding, as described below.

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 provided \$3.0 million of the mandated \$7.5 million in annual funding for fiscal 2019. The resulting \$4.5 million reduction is offset by authorized funding for the LEAP grant program. The fiscal 2019 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 in fiscal 2019, resulting in level funding as compared to fiscal 2018.

School-based Health Centers: The fiscal 2019 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 and to prevent child abuse and neglect through home visits prenatally through early childhood. Fiscal 2019 funding remains level at \$4.6 million.

Teachers' Retirement Payments: State retirement costs for public school teachers and other professional public school personnel will total an estimated \$732.9 million in fiscal 2019, slightly (0.2%) less than fiscal 2018 State funding.

Local Libraries

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 \$15.50 for fiscal 2019 and is scheduled to increase to \$16.70 annually beginning in fiscal 2022. Fiscal 2019 funding totals \$38.9 million, a \$1.2 million increase compared to fiscal 2018. In addition, per Chapters 714 and 715 of 2016, 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 the State Library Resource Center is set at \$1.77 in fiscal 2019 and will phase up to \$1.85 per resident by fiscal 2021. Per resident funding for regional resource centers is set at \$7.95 in fiscal 2019 and will phase up to \$8.75 per resident by fiscal 2022. Fiscal 2019 State library network funding totals \$18.4 million, an increase of \$672,800 over fiscal 2018.

Retirement Payments: The State pays 100% of the retirement costs for local library employees. Fiscal 2019 funding totals \$20.6 million, an increase of \$306,500 compared to fiscal 2018.

Community Colleges

Senator John A. Cade Formula Funding: The Cade funding formula aid is based on a percentage (22% in fiscal 2019) of the current year's State aid to selected four-year public higher education institutions and the total number of FTE 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 2019 funding totals \$240.4 million, an increase of \$5.3 million over fiscal 2018 funding.

Special Programs: The fiscal 2019 budget includes \$2.0 million for supplemental grants to community colleges that increase tuition by no more than 2% in the 2018-2019 academic year. This is the second straight year such a grant has been provided. The fiscal 2018 grants total \$4.0 million. State funding in fiscal 2019 will total \$6.0 million for small college grants and \$600,000 for Allegany/Garrett counties unrestricted grants. Chapter 330 of 2017 increased 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 2019 funding totals \$44.1 million, a decrease of \$549,600 compared to fiscal 2018. However, State funding for the optional retirement program totaling \$17.3 million will remain virtually level in fiscal 2019.

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, may also affect allocations of the annual adjustment. The BRFA of 2018, initially proposed to level fund the local health formula amount at the fiscal 2018 levels, with an allowance for increases for contractual health insurance costs in certain counties. However, the General Assembly instead set funding for local health grants at \$51.4 million in fiscal 2019, an increase of \$289,200 over the fiscal 2018 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 2019, \$142.9 million (7.7% of HUR) is distributed to Baltimore City; \$27.8 million (1.5%) is distributed to counties; and \$7.4 million (0.4%) is distributed to municipalities, for a total of \$178.1 million.

Capital Transportation Grants: 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 budget increased 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. The fiscal 2019 budget further increased the funding for these grants to \$57.9 million – \$5.6 million for Baltimore City, \$29.9 million for counties, and \$22.5 million for municipalities.

Senate Bill 516 (Chapter 331) and House Bill 807 (Chapter 330) require 100% of the funds in the Gasoline and Motor Vehicle Revenue Account (GMVRA) of the Transportation Trust Fund (TTF) to be retained by the TTF beginning in fiscal 2020. Beginning in that same year, instead of directly sharing GMVRA revenue with local governments, the Maryland Department of Transportation must provide capital transportation grants to local governments based on the amount of revenue allocated to GMVRA. From fiscal 2020 through 2024, 13.5% of the revenue allocated to GMVRA must be provided to local governments through capital transportation grants as follows: Baltimore City (8.3%); counties (3.2%); and municipalities (2.0%). Beginning in fiscal 2025, 9.6% of the revenue allocated to GMVRA must be provided to local governments through capital transportation grants as follows: Baltimore City (7.7%); counties (1.5%); and municipalities (0.4%); this is equivalent to the current GMVRA distribution to localities.

Elderly/Disabled Transportation Grants: State funding for elderly/disabled transportation grants will total \$4.3 million in fiscal 2019, while State funding for paratransit grants will total \$1.7 million, which are the same amounts as in fiscal 2018.

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. Funding for fiscal 2019 totals \$74.5 million, an increase of 1.0% over fiscal 2018.

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. Fiscal 2019 funding totals \$15.0 million, which is the same as the fiscal 2018 amount.

9-1-1 Emergency Systems Grants: The State imposes a \$0.25 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 2019, which is level with fiscal 2018 funding.

Targeted Public Safety Grants: State funding for targeted public safety grants will total \$26.9 million in fiscal 2019, representing a \$375,000 increase from the prior year. Funding for fiscal 2019 includes \$11.9 million in targeted grants for Baltimore City and \$4.8 million in targeted grants for Prince George's County. This funding also includes \$10.3 million for several statewide initiatives (*i.e.*, Safe Streets Program, Internet Crimes Against Children Task Force, S.T.O.P. gun violence grants, community program fund, day reporting centers, domestic violence grants, law enforcement and correctional officers training grants, sex offender and compliance enforcement, and body armor grants). A new initiative will provide enhanced support for the establishment, expansion, and improvement of pretrial services agencies.

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 2019, the same amount as in fiscal 2018.

Program Open Space: 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. In fiscal 2019, the program

open space (POS) formula allocates \$53.3 million to the counties, which is an increase of \$16.1 million over the fiscal 2018 amount. In addition, Baltimore City will receive \$5.5 million in special POS funding of which the majority is specified to be allocated to various parks and a recreation center in the fiscal 2019 budget.

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 fiscal 2019 budget includes \$7.0 million in funding, which is the same as the fiscal 2018 amount.

Disparity Grants: The disparity grant program provides noncategorical State aid to low-wealth jurisdictions for county government purposes. The program reflects the State's policy to improve fiscal equity among jurisdictions by making less affluent jurisdictions less dependent on their own tax base to fund public services. Specifically, disparity grants address the differences in the abilities of counties to raise revenues from the local income tax, which for most counties is one of the larger revenue sources. Through fiscal 2010, counties with income tax rates of 2.4% or higher with per capita local income tax revenues less than 75% of the State's average (assuming a 2.54% statewide county income tax rate) received a grant equal to the dollar amount necessary to raise the county's per capita income tax revenues to 75% of the State average. Chapter 487 of 2009 included a provision, beginning in fiscal 2011, that capped each county's funding under the program at the fiscal 2010 level.

Chapter 425 of 2013 modified the formula to add a minimum grant amount based on local tax effort of eligible counties and raised from 2.4% to 2.6% the local income tax rate required to be eligible to receive a grant. Beginning in fiscal 2014, the fiscal 2010 cap amount continues to apply, but an eligible county or Baltimore City may receive a minimum amount (that can exceed the fiscal 2010 cap) based on local tax effort. The minimum amounts are (1) 20% of the uncapped grant amount if the local income tax rate is at least 2.8% but less than 3.0%; (2) 40% of the uncapped grant amount if the rate is at least 3.0% but less than 3.2%; or (3) 60% of the uncapped grant amount if the rate is at 3.2%.

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 fiscal 2018 and 2019. However, Chapter 23 of 2017 modified the formula by lowering the minimum grant amount (funding floor) from 67.5% to 63.75% of the formula calculation for fiscal 2018 only.

Based on the statutory formula, Baltimore City and nine counties (Allegany, Caroline, Cecil, Dorchester, Garrett, Prince George's, Somerset, Washington, and Wicomico) qualify for disparity grants. The fiscal 2019 budget includes \$140.8 million for disparity grants, a \$2.0 million increase from the prior year.

Senate Bill 764 (Chapter 472) extends by two years the 67.5% minimum grant amount for counties with a local income tax rate of 3.2%. As a result, State funding for the program will increase by \$6.3 million in fiscal 2020 and by \$6.8 million in fiscal 2021.

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% 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). Furthermore, under the BRFA of 2014, for fiscal 2015 through 2019, \$500,000 of the 18% 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. **House Bill 130 (Chapter 767)** makes this distribution permanent beginning in fiscal 2020. In addition, 5% of table game revenues are distributed to local jurisdictions where a video lottery facility is located. Gaming impact grants total \$87.2 million in fiscal 2019, an increase of \$1.4 million, or 1.6%, over fiscal 2018 levels.

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. The fiscal 2019 capital budget includes \$28.5 million in funding for this program.

Revenue Equity Program: Chapter 692 of 2017 established 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 payment in lieu of taxes payments in the affected counties. The fiscal 2019 budget includes total payments of \$3.3 million to Allegany, Garrett, and Somerset counties.

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 2018, Forest Service payments to local governments totaled \$282,900 and Maryland Park Service payments to local governments totaled \$2.6 million. In fiscal 2019, Forest Service payments to local governments total \$146,200, and Maryland Park Service payments to local governments total \$2.3 million.

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 2019 budget includes \$764,200 for the program, which is approximately the same amount that was included for fiscal 2018.

| Summary of State Mandates | |
|--|-----------|
| Benefits | 1 |
| Commission Staffing | 3 |
| Community Colleges | 1 |
| Environment | 1 |
| Finances and Taxes | 4 |
| Law Enforcement/State Attorneys' Offices | 2 |
| Procurement | 1 |
| Public Hearing Requirements | 1 |
| Public Safety | 1 |
| Public Schools | 3 |
| Public Schools/Health Departments | 1 |
| Public Schools/Law Enforcement | 1 |
| Register of Wills | 1 |
| WSSC | 1 |
| Total | 22 |

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

Legislation Affecting Local Government Revenues

| <u>Bill #</u> | <u>Title</u> | <u>Comment</u> | <u>Mandate</u> |
|---|--|--|----------------|
| Legislation Affecting All/Multiple Local Jurisdictions | | | |
| SB 38 | Motor Vehicle Administration – Birth Certificates – Issuance of Copies (Ch. 526) | Potential decrease in fee revenues beginning in FY 2020. | No |
| SB 85 | Tuition Waivers – Foster Care Recipients – Eligibility (Ch. 369) | Potential significant decrease in community college tuition revenues. | Yes |
| SB 101 | Criminal Law – Crimes of Violence, Expungement, and Drug Treatment (Ch. 143) | Potential significant filing fee revenues. | No |
| SB 134 | Small Business Relief Tax Credit (Ch. 571) | Local highway user revenues decrease by \$23,300 annually. | No |
| SB 149 | Natural Resources – Electronic Licensing – Voluntary Donations (Ch. 434) | Potential grant revenues. | No |
| SB 153/HB 572 | Income Tax – Oyster Shell Recycling Credit – Maximum Allowable Amount and Sunset Extension (Ch. 604/Ch. 603) | Minimal decrease in local highway user revenues. | No |
| SB 187 | Budget Reconciliation and Financing Act of 2018 (Ch. 10) | Direct State aid decreases by \$7.6 million in FY 2019, including \$4.2 million of K-12 education aid and \$3.4 million Program Open Space (POS) local share. POS funding decreases by \$0.6 million in FY 2020 and 2021 and increases by \$2.8 million in FY 2022. Revenues for school systems increase by up to \$200.0 million in future fiscal years, as determined by funding formulas. | No |
| SB 233/HB 111 | Maryland Department of Health – Defendants Found Incompetent to Stand Trial or Not Criminally Responsible – Commitment (Ch. 189/Ch. 188) | Minimal incarceration reimbursement revenues. | No |
| SB 292 | Estates – Administration Exemption – Transfer of Motor Vehicle and Boat Titles (Ch. 551) | Potential significant decrease in probate fee revenues. | Yes |

Legislation Affecting Local Government Revenues

| <u>Bill #</u> | <u>Title</u> | <u>Comment</u> | <u>Mandate</u> |
|---------------|--|--|----------------|
| SB 318/HB 570 | Income Tax – Standard Deduction – Alteration and Cost-of-Living Adjustments (Ch. 577/Ch. 576) | Income tax revenues decrease by between \$25.8 million and \$35.9 million annually. | No |
| SB 372/HB 948 | Estates and Trusts – Transfer From Revocable Trust – Exemption From Taxes and Fees (Ch. 315/Ch. 316) | Potential decrease in local highway user revenues. Local recordation and transfer tax revenues decrease in certain counties. | No |
| SB 373/HB 547 | Education – Head Start Program – Annual Appropriation (The Ulysses Currie Act) (Ch. 556/Ch. 555) | Potential grant revenues beginning in FY 2020. | No |
| SB 403/HB 814 | Workers’ Compensation – Students in Unpaid Work-Based Learning Experiences (Ch. 208/Ch. 207) | Minimal decrease in reimbursement revenues. | No |
| SB 407/HB 535 | Transportation – Complete Streets Program – Establishment (Ch. 722/Ch. 721) | Potential grant revenues beginning in FY 2020. | No |
| SB 424 | Driver’s Licenses – Learner’s Permits – Minimum Duration (Ch. 505) | Minimal local highway user revenues. | No |
| SB 429 | Property Tax Credit – Surviving Spouse of Veteran (Ch. 310) | Potential decrease in property tax revenues. | No |
| SB 516/HB 807 | Transportation – Highway User Revenues – Distribution (Ch. 331/Ch. 330) | Local highway user revenues increase by a minimum of \$72.7 million annually beginning in FY 2020. | No |
| SB 550/HB 782 | Maryland Achieving a Better Life Experience (ABLE) Program – Modifications (Ch. 391/Ch. 390) | Minimal transfer tax revenues. | No |
| SB 595/HB 403 | Community Colleges – Facilities Renewal Grant Program – Established (Ch. 688/Ch. 687) | Grant revenues for community colleges increase by up to \$3.0 million in FY 2019 and 2020 and by up to \$4.0 million beginning in FY 2021. | No |

Legislation Affecting Local Government Revenues

| <u>Bill #</u> | <u>Title</u> | <u>Comment</u> | <u>Mandate</u> |
|----------------------|--|--|-----------------------|
| SB 606 | Off-Highway Recreational Vehicles – Excise Titling Tax – Off-Highway Recreational Vehicle Trail Fund (Ch. 700) | Local highway user revenues decrease by \$23,600 in FY 2019 and by \$47,300 annually thereafter. | No |
| SB 611 | Education – Healthy School Facility Fund – Established (Ch. 561) | Grant revenues for public schools increase by \$30.0 million in FY 2020 and 2021. | No |
| SB 647/HB 856 | Earned Income Tax Credit – Individuals Without Qualifying Children – Repeal of Minimum Age Requirement (Ch. 611/Ch. 612) | Income tax revenues decrease by \$4.5 million in FY 2019 and by approximately \$3.3 million annually thereafter. | No |
| SB 703/HB 1092 | Behavioral Health Crisis Response Grant Program – Establishment (Ch. 210/Ch. 209) | Potential significant grant revenues in FY 2020 through 2022. | No |
| SB 707 | Criminal Law – Firearm Crimes – Rapid Fire Trigger Activator (Ch. 252) | Minimal fine revenues. | No |
| SB 709/HB 923 | Environment – Water and Sewer Service (Ch. 183/Ch. 182) | Potential water and sewer service revenues. | No |
| SB 742/HB 686 | Income Tax – Wynne Case – Local Government Repayments to the Local Reserve Account (Ch. 28/Ch. 824) | Income tax revenues in certain jurisdictions increase by approximately \$100.0 million through FY 2021 and decrease by a corresponding amount in FY 2024 through 2026. | No |
| SB 758/HB 1087 | Business Regulation – Micro Markets – Licensure (Ch. 339/Ch. 338) | Minimal license fee revenues. | No |
| SB 764 | Local Governments – Income Tax Disparity Grants – Amounts (Ch. 472) | State aid to Caroline, Prince George’s, Somerset, and Wicomico counties increases by a total of \$6.3 million in FY 2020 and by \$6.8 million in FY 2021. | No |
| SB 769 | Criminal Law – Sextortion and Revenge Porn (Ch. 365) | Minimal fine revenues. | No |

Legislation Affecting Local Government Revenues

| <u>Bill #</u> | <u>Title</u> | <u>Comment</u> | <u>Mandate</u> |
|----------------|--|--|----------------|
| SB 818 | Education – Maryland Meals for Achievement In-Classroom Breakfast Program – Eligibility and Annual Appropriation (Ch. 562) | Significant annual increase in State aid (\$650,000) and federal fund revenues (\$2.7 million) for school systems. | No |
| SB 821/HB 109 | Community Development Program Act of 2018 (Ch. 802/Ch. 801) | Potential significant grant revenues. | No |
| SB 848/HB 302 | Income Tax Credit – Wineries and Vineyards – Procedures to Claim Credit and Sunset Extension (Ch. 614/Ch. 613) | Minimal decrease in local highway user revenues in FY 2020 through 2022. | No |
| SB 855 | 2020 Census Grant Program – Establishment and Funding (Ch. 18) | Potential significant grant revenues in FY 2020. | No |
| SB 858/HB 1132 | Health Insurance – Access to Local Health Departments (Ch. 488/Ch. 487) | Potential significant health department reimbursement revenues. | No |
| SB 912/HB 1685 | Maryland Prenatal and Infant Care Coordination Services Grant Program Fund (Thrive by Three Fund) (Ch. 559/Ch. 558) | Potential grant revenues. | No |
| SB 927/HB 1117 | Alarm Systems – Registration and Renewal – Penalties (Ch. 478/Ch. 477) | Potential penalty fee revenues. | No |
| SB 933 | College Affordability – Maryland 529 Plans and Student Loan Debt Relief Tax Credit – Revisions (Ch. 419) | Minimal decrease in income tax revenues. | No |
| SB 989/HB 1295 | One Maryland Economic Development Tax Credits – Simplification and Alteration (Ch. 583/Ch. 584) | Local highway user revenues and income tax revenues decrease. | No |
| SB 996 | Income Tax – Subtraction Modification – Retirement Income (Hometown Heroes and Veterans Act of 2018) (Ch. 573) | Income tax revenues decrease by \$4.3 million in FY 2019 and by a minimum of \$4.4 million annually thereafter. | No |

Legislation Affecting Local Government Revenues

| <u>Bill #</u> | <u>Title</u> | <u>Comment</u> | <u>Mandate</u> |
|----------------------|---|--|-----------------------|
| SB 999 | Recordation Tax – Exemptions (Ch. 594) | Potential decrease in recordation tax revenues. | No |
| SB 1053 | Property Tax Credit – 9-1-1 Public Safety Telecommunicators (Ch. 735) | Potential decrease in property tax revenues. | No |
| SB 1090/HB 1794 | Corporate Income Tax – Single Sales Factor Apportionment (Ch. 341/Ch. 342) | Local highway user revenues decrease by a minimum of \$50,400 annually. | No |
| SB 1117/HB 1528 | Electric Universal Service Program – Funds – Arrearage Prevention (Ch. 697/Ch. 696) | Potential grant revenues. | No |
| SB 1122 | Education – Commercial Gaming Revenues – Constitutional Amendment (Ch. 357) | Potential significant revenues for public schools beginning in FY 2020; contingent on constitutional amendment. | No |
| SB 1137 | Criminal Law – Prohibitions, Prosecutions, and Corrections (Ch. 145) | Potential significant fine revenues. | No |
| SB 1154 | Income Tax – Film Production Activity Tax Credit – Alterations (Ch. 595) | Potential decrease in local highway user revenues. | No |
| SB 1218 | Ending Youth Homelessness Act of 2018 (Ch. 748) | Potential significant grant revenues. | No |
| SB 1242/HB 877 | Burial Sites – Access, Required Consultation, and Tax Credit (Ch. 507/Ch. 506) | Potential decrease in property tax revenues. | No |
| SB 1251 | Property Tax – Municipal Corporations – Electricity Generation Facilities – Negotiated Payments in Lieu of Taxes (Ch. 69) | Potential decrease in municipal property tax revenues, at least partially offset by payment in lieu of taxes agreements. | No |
| SB 1265 | Maryland Safe to Learn Act of 2018 (Ch. 30) | Grant revenues for public schools and law enforcement increase by \$12.5 million in FY 2019 and by \$10.0 million annually thereafter. | No |
| HB 16 | Community Colleges – Near Completers and Maryland Community College Promise Scholarships (Ch. 554) | Potential community college tuition revenues beginning in FY 2020. | No |

Legislation Affecting Local Government Revenues

190

| <u>Bill #</u> | <u>Title</u> | <u>Comment</u> | <u>Mandate</u> |
|---------------|---|---|----------------|
| HB 43 | Income Tax – Subtraction Modification – Perpetual Conservation Easements (Ch. 303) | Income tax revenues decrease by a minimum of \$110,100 annually. | No |
| HB 90 | Personal Property Tax – Exemption for Low Assessments (Ch. 102) | Personal property tax revenues decrease by \$345,500 annually beginning in FY 2020. | Yes |
| HB 96 | Income Tax – Subtraction Modification – Living Organ Donors (Ch. 36) | Minimal decrease in income tax revenues. | No |
| HB 109/SB 821 | See entry for SB 821. | | No |
| HB 111/SB 233 | See entry for SB 233. | | No |
| HB 130 | Video Lottery Terminal Proceeds – Local Impact Grants – Distribution to Communities Near Laurel Race Course (Ch. 767) | Local impact grant revenues of \$500,000 annually are reallocated beginning in FY 2020. | No |
| HB 218 | Prince George’s County – Utility Services – Master Meters and Task Force PG 429-18 (Ch. 128) | WSSC revenues increase potentially beginning in FY 2018. | No |
| HB 296 | Income Tax – Subtraction Modification – Retirement Income of Correctional Officers (Ch. 581) | Income tax revenues decrease by approximately \$1.2 million annually. (Duplicative of impact for SB 996.) | No |
| HB 302/SB 848 | See entry for SB 848. | | No |
| HB 305 | Homestead Property Tax Credit Program – Eligibility Awareness (Ch. 297) | Potential decrease in property tax revenues beginning in FY 2020. | No |
| HB 327 | Income Tax – Subtraction Modification – Military Retirement Income (Ch. 572) | Income tax revenues decrease by approximately \$3.3 million annually. (Duplicative of impact for SB 996.) | No |
| HB 403/SB 595 | See entry for SB 595. | | No |

Effect of the 2018 Legislative Program on the Financial Condition of the State

Legislation Affecting Local Government Revenues

| <u>Bill #</u> | <u>Title</u> | <u>Comment</u> | <u>Mandate</u> |
|----------------------|---|---|-----------------------|
| HB 408 | Washington Suburban Sanitary Commission – Connection Pipe Emergency Replacement Loan Program PG/MC 103-18 (Ch. 539) | WSSC loan repayment revenues. | No |
| HB 432 | Public Safety – Grant Programs and Funding (Public Safety and Violence Prevention Act of 2018) (Ch. 148) | Grant revenues for Baltimore City increase by \$885,000 annually between FY 2020 and 2023. Grant revenues for Prince George’s County increase by \$475,000 annually between FY 2020 and 2023. Potential significant annual grant revenues beginning in FY 2020 for all jurisdictions. | No |
| HB 447 | Pretrial Services Program Grant Fund – Establishment (Ch. 771) | Potential grant revenues through FY 2023. | No |
| HB 502 | Property Tax Credit – Surviving Spouse of Veteran (Ch. 309) | Potential decrease in property tax revenues. | No |
| HB 527 | Higher Education – Maryland Technology Internship Program – Alterations (Ch. 364) | Minimal stipend reimbursement revenues. | No |
| HB 535/SB 407 | See entry for SB 407. | | No |
| HB 547/SB 373 | See entry for SB 373. | | No |
| HB 570/SB 318 | See entry for SB 318. | | No |
| HB 572/SB 153 | See entry for SB 153. | | No |
| HB 671 | Income Tax – Subtraction Modification – Classroom Supplies Purchased by Teachers (Ch. 466) | Income tax revenues decrease by \$588,000 annually. | No |
| HB 686/SB 742 | See entry for SB 742. | | No |
| HB 693 | State Education Aid – Tax Increment Financing Development Districts – Repeal of Sunset Provision (Ch. 387) | State aid for public schools in Baltimore City increases by a minimum of \$684,600 annually beginning in FY 2020. Potential significant increase in State aid in other jurisdictions. | No |

Legislation Affecting Local Government Revenues

192

| <u>Bill #</u> | <u>Title</u> | <u>Comment</u> | <u>Mandate</u> |
|----------------|---|---|----------------|
| HB 782/SB 550 | See entry for SB 550. | | No |
| HB 807/SB 516 | See entry for SB 516. | | No |
| HB 814/SB 403 | See entry for SB 403. | | No |
| HB 856/SB 647 | See entry for SB 647. | | No |
| HB 877/SB 1242 | See entry for SB 1242. | | No |
| HB 923/SB 709 | See entry for SB 709. | | No |
| HB 948/SB 372 | See entry for SB 372. | | No |
| HB 1003 | Alcoholic Beverages – Licenses Issued by Different Local Licensing Boards to Single License Holder – Authorized (Ch. 225) | Potential license fee revenues. | No |
| HB 1065 | Vehicle Laws – Title Service Agents (Ch. 512) | Minimal decrease in local highway user revenues. | No |
| HB 1069 | Income Tax – Subtraction Modification – Volunteer Fire, Rescue, and Emergency Medical Services Members (Ch. 582) | Income tax revenues decrease by \$332,000 in FY 2021 and by a minimum of \$498,000 annually thereafter. | No |
| HB 1087/SB 758 | See entry for SB 758. | | No |
| HB 1092/SB 703 | See entry for SB 703. | | No |
| HB 1117/SB 927 | See entry for SB 927. | | No |
| HB 1132/SB 858 | See entry for SB 858. | | No |
| HB 1171 | Gaming – State Lottery and Gaming Control Commission – Regulation of Reconciliation of Proceeds (Ch. 299) | Local impact grant revenues decrease by \$50,000 annually. | No |
| HB 1295/SB 989 | See entry for SB 989. | | No |

Effect of the 2018 Legislative Program on the Financial Condition of the State

Legislation Affecting Local Government Revenues

| <u>Bill #</u> | <u>Title</u> | <u>Comment</u> | <u>Mandate</u> |
|-----------------|---|--|----------------|
| HB 1415 | Education – Commission on Innovation and Excellence in Education (Ch. 361) | Revenues for school systems increase by up to \$200.0 million (duplicative of impact for SB 187). In addition, grant revenues for public schools increase by \$4.3 million in FY 2019, by \$26.6 million in FY 2020 and 2021, and by approximately \$31.0 million annually thereafter. | No |
| HB 1468 | Transit – Job Access and Reverse Commute (JARC) Program (Ch. 793) | Potential grant revenues. | No |
| HB 1528/SB 1117 | See entry for SB 1117. | | No |
| HB 1685/SB 912 | See entry for SB 912. | | No |
| HB 1765 | On-Site Sewage Disposal Systems – Watershed Implementation Plan and Bay Restoration Fund Disbursements and Financial Assistance (Ch. 585) | Minimal increase in bay restoration funding. | No |
| HB 1783 | 21st Century School Facilities Act (Ch. 14) | Grant revenues for public schools increase by \$10.0 million annually. | No |
| HB 1794/SB 1090 | See entry for SB 1090. | | No |

Legislation Affecting Local Governments by Subdivision

Allegany County

| | | | |
|----------------|---|-------------------------------|----|
| SB 645/HB 1068 | Allegany County – Alcoholic Beverages – Class B-TM (Theater/Museum) License (Ch. 164/Ch. 163) | Minimal license fee revenues. | No |
| HB 1068/SB 645 | See entry for SB 645. | | No |

Legislation Affecting Local Government Revenues

| <u>Bill #</u> | <u>Title</u> | <u>Comment</u> | <u>Mandate</u> |
|-----------------------------------|---|--|----------------|
| <i>Anne Arundel County</i> | | | |
| SB 150 | City of Annapolis – Alcoholic Beverages – Bookstore License (Ch. 674) | Minimal license fee revenues. | No |
| <i>Baltimore City</i> | | | |
| SB 394/HB 117 | Baltimore City – Property Tax Credit – School Public Safety Officers (Ch. 228/Ch. 229) | Property tax revenues decrease by \$57,500 in FY 2019 and by a minimum of \$100,000 annually beginning in FY 2023. | No |
| SB 519 | Baltimore City – Alcoholic Beverages – Class A-7 License (Ch. 537) | License fee revenues increase by \$13,500 in FY 2019 and by \$27,000 annually thereafter. | No |
| SB 1084/HB 1548 | Baltimore City – Continuing the Creating Opportunities for Renewal and Enterprise (CORE) Partnership Fund (Ch. 640/Ch. 639) | Potential significant grant revenues through FY 2024. | No |
| SB 1085/HB 1385 | Baltimore City – Tourism Improvement District (Ch. 642/Ch. 641) | Potential revenues from assessments on district businesses. | No |
| SB 1098 | Baltimore City – Tax Sales – Water Liens (Ch. 714) | Potential significant decrease in water and sewer fee revenues. | No |
| HB 113 | Public Safety – Baltimore City Safe Streets Initiatives – Funding (The Tyrone Ray Safe Streets Act) (Ch. 147) | Grant revenues increase by \$3.6 million annually. | No |
| HB 117/SB 394 | See entry for SB 394. | | No |
| HB 245 | Baltimore City – Alcoholic Beverages – Continuing Care Retirement Community License (Ch. 230) | License fee revenues increase by \$1,850 annually. | No |
| HB 1385/SB 1085 | See entry for SB 1085. | | No |
| HB 1548/SB 1084 | See entry for SB 1084. | | No |

Legislation Affecting Local Government Revenues

| <u>Bill #</u> | <u>Title</u> | <u>Comment</u> | <u>Mandate</u> |
|--------------------------------|--|--|----------------|
| <i>Baltimore County</i> | | | |
| SB 599 | Baltimore County – Property Tax – Credit for Individuals at Least 70 Years Old (Ch. 709) | Property tax revenues decrease by \$1.3 million annually. | Yes |
| SB 1143 | Property Tax Credit – Baltimore County – Leadership Through Athletics, Inc. (Ch. 616) | Property tax revenues may decrease by \$30,900 annually. | No |
| SB 1144 | Baltimore County – Alcoholic Beverages – Education Conference Facility/Dining Service License (Ch. 617) | License fee revenues increase by \$2,500 in FY 2019 and by \$2,000 annually thereafter. | No |
| <i>Calvert County</i> | | | |
| SB 961/HB 1459 | Calvert County – Youth Recreational Opportunities Fund and Distribution From Admissions and Amusement Tax Revenues (Ch. 420/Ch. 118) | Approximately \$1.2 million annually in admissions and amusement tax revenues are reallocated. | No |
| HB 1102 | Calvert County – Bonding Authority – Enterprise Fund (Ch. 115) | Bond revenue proceeds increase by a maximum of \$9.67 million. | No |
| HB 1354 | Calvert County – Bonding Authority (Ch. 117) | Bond revenue proceeds increase by a maximum of \$50.0 million. | No |
| HB 1459/SB 961 | See entry for SB 961. | | No |
| <i>Caroline County</i> | | | |
| SB 1072/HB 1422 | Caroline County – Alcoholic Beverages – Bed and Breakfast License (Ch. 243/Ch. 242) | Minimal license fee revenues. | No |
| HB 1422/SB 1072 | See entry for SB 1072. | | No |

Legislation Affecting Local Government Revenues

| <u>Bill #</u> | <u>Title</u> | <u>Comment</u> | <u>Mandate</u> |
|---------------------------------|--|--|----------------|
| <i>Carroll County</i> | | | |
| HB 609 | Carroll County – Public Facilities Bonds (Ch. 89) | Bond revenue proceeds increase by a maximum of \$32.7 million. | No |
| <i>Charles County</i> | | | |
| HB 1723 | Charles County – Work Release – Collection of Inmate Earnings (Ch. 625) | Minimal inmate fee revenues. | No |
| <i>Dorchester County</i> | | | |
| SB 3/HB 321 | Dorchester County – Hurlock – Alcoholic Beverages – Place-of-Worship or School Distance Restrictions (Ch. 53/Ch. 52) | Minimal license fee revenues. | No |
| SB 51/HB 297 | Dorchester County – Alcoholic Beverages – Beer and Wine Festivals (Ch. 55/Ch. 54) | Minimal license fee revenues. | No |
| HB 297/SB 51 | See entry for SB 51. | | No |
| HB 321/SB 3 | See entry for SB 3. | | No |
| <i>Frederick County</i> | | | |
| SB 219/HB 501 | Frederick County – Alcoholic Beverages – Seating Requirement for Class B Licenses (Ch. 91/Ch. 92) | Minimal license fee revenues. | No |
| SB 220/HB 506 | Frederick County – Alcoholic Beverages – Arena License (Ch. 93/Ch. 94) | Minimal license fee revenues. | No |
| SB 263/HB 507 | Frederick County – Alcoholic Beverages – Banquet Facility License (Ch. 95/Ch. 96) | Minimal license fee revenues. | No |

Legislation Affecting Local Government Revenues

| <u>Bill #</u> | <u>Title</u> | <u>Comment</u> | <u>Mandate</u> |
|---------------------------------|---|---|----------------|
| HB 501/SB 219 | See entry for SB 219. | | No |
| HB 506/SB 220 | See entry for SB 220. | | No |
| HB 507/SB 263 | See entry for SB 263. | | No |
| <i>Harford County</i> | | | |
| HB 1498 | Harford County – Alcoholic Beverages Licenses – Social Organization (Ch. 137) | Minimal license fee revenues. | No |
| <i>Howard County</i> | | | |
| HB 223 | Howard County – Transfer Tax Exemption and Rate Reduction – Teachers Ho. Co. 13-18 (Ch. 138) | Transfer tax revenues decrease. | Yes |
| HB 1186 | Howard County – Property Tax Credit – Natural Disaster Ho. Co. 09-18 (Ch. 141) | Potential decrease in property tax revenues. | No |
| HB 1325 | Howard County – Alcoholic Beverages – Class C License and Class C and Class D Per Diem Entertainment Venue Licenses Ho. Co. 20-18 (Ch. 142) | Minimal license fee revenues. | No |
| <i>Montgomery County</i> | | | |
| SB 877 | Promoting extraordinary Innovation in Maryland’s Economy (PRIME Act) (Ch. 350) | Significant decrease in revenues is contingent on company locating in the county. | Yes |
| HB 144 | Montgomery County – Alcoholic Beverages – Country Club Off-Sale Permit MC 10-18 (Ch. 119) | Minimal permit fee revenues. | No |
| HB 145 | Montgomery County – Kensington – Alcoholic Beverages Licenses MC 12-18 (Ch. 289) | Minimal license fee revenues. | No |

Legislation Affecting Local Government Revenues

198

| <u>Bill #</u> | <u>Title</u> | <u>Comment</u> | <u>Mandate</u> |
|--------------------------------------|--|---|----------------|
| HB 178 | Montgomery County Alcohol Modernization Act of 2018 MC 4-18 (Ch. 125) | Minimal license fee revenues. | No |
| HB 220 | Montgomery County – Housing Opportunities Commission of Montgomery County – Subsidiary Entities MC 18-18 (Ch. 126) | Potential decrease in property tax revenues, likely at least partially offset by payment in lieu of taxes agreements. | No |
| <i>Prince George’s County</i> | | | |
| HB 175 | Prince George’s County – Speed Monitoring Systems – Intersection of Old Fort Road and Maryland Route 210 (Indian Head Highway) PG 302-18 (Ch. 806) | Minimal fine revenues. | No |
| <i>St. Mary’s County</i> | | | |
| HB 331 | St. Mary’s County – Public Facility Bonds (Ch. 109) | Bond revenue proceeds increase by a maximum of \$24.6 million, likely in FY 2021. | No |
| <i>Washington County</i> | | | |
| SB 324 | Washington County – Alcoholic Beverages – Serving Underage Individuals – Penalties (Ch. 317) | Minimal fine revenues. | No |
| SB 340/HB 1156 | Washington County – Alcoholic Beverages – Tasting Licenses (Ch. 321/Ch. 320) | Minimal license fee revenues. | No |
| SB 887/HB 1147 | Washington County – Property Tax Credit for Disabled Veterans – Minimum Percentage of Disability (Ch. 319/Ch. 318) | Property tax revenues decrease by \$70,000 annually. | No |
| HB 1147/SB 887 | See entry for SB 887. | | No |
| HB 1156/SB 340 | See entry for SB 340. | | No |
| HB 1321 | Washington County – Public Facilities Bonds (Ch. 99) | Bond revenue proceeds increase by a maximum of \$70.0 million. | No |

Effect of the 2018 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> |
|---|---|---|-----------------------|
| Legislation Affecting All/Multiple Local Jurisdictions | | | |
| SB 38 | Motor Vehicle Administration – Birth Certificates – Issuance of Copies (Ch. 526) | Health department expenditures likely decrease. | No |
| SB 43/HB 193 | High School Diploma by Examination – Eligibility Requirements – Exemption (Ch. 373/Ch. 374) | Minimal school system costs. | No |
| SB 85 | Tuition Waivers – Foster Care Recipients – Eligibility (Ch. 369) | Community college expenditures. | Yes |
| SB 149 | Natural Resources – Electronic Licensing – Voluntary Donations (Ch. 434) | Potential grant expenditures. | No |
| SB 170/HB 388 | Criminal Procedure – Violation of Conditions of Release (Ch. 428/Ch. 427) | Minimal incarceration costs. | No |
| SB 187 | Budget Reconciliation and Financing Act of 2018 (Ch. 10) | School system expenditures increase by up to \$200.0 million in future fiscal years, as determined by funding formulas. | No |
| SB 271/HB 908 | Health Insurance – Coverage of Fertility Preservation Procedures for Iatrogenic Infertility (Ch. 716/Ch. 715) | Potential employee health care costs. | No |
| SB 278/HB 546 | Prevailing Wage – Tax Increment Financing Developments – Application (Ch. 818/Ch. 817) | Potential increase in construction costs. | No |
| SB 373/HB 547 | Education – Head Start Program – Annual Appropriation (The Ulysses Currie Act) (Ch. 556/Ch. 555) | Potential grant expenditures beginning in FY 2020. | No |
| SB 407/HB 535 | Transportation – Complete Streets Program – Establishment (Ch. 722/Ch. 721) | Potential grant and matching fund expenditures beginning in FY 2020. | No |

Legislation Affecting Local Government Expenditures

200

| <u>Bill #</u> | <u>Title</u> | <u>Comment</u> | <u>Mandate</u> |
|----------------|---|---|----------------|
| SB 423 | Criminal Procedure – Postconviction – DNA Testing and Petition for Writ of Actual Innocence (Ch. 602) | Operational and administrative costs for State’s Attorneys’ offices, circuit courts, and crime laboratories. | No |
| SB 436/HB 554 | Caroline County, Dorchester County, and Kent County – Sheriffs’ Salaries (Ch. 821/Ch. 820) | Salary expenditures increase by a minimum of \$9,500 annually in Caroline County, \$2,400 annually in Dorchester County, and \$5,700 annually in Kent County. | No |
| SB 496 | Environment – Graywater – Residential Use (Ch. 705) | Potential significant implementation costs. | No |
| SB 570/HB 798 | Visual Impairments – Requirements for Student Vision Screening and Information (Atticus Act) (Ch. 312/Ch. 311) | Minimal health department and school system compliance costs. | Yes |
| SB 595/HB 403 | Community Colleges – Facilities Renewal Grant Program – Established (Ch. 688/Ch. 687) | Potential community college grant expenditures. | No |
| SB 607/HB 913 | Higher Education – Sexual Assault Policy – Disciplinary Proceedings Provisions (Ch. 394/Ch. 395) | Potential implementation costs for community colleges may be partially offset by reduced litigation costs. | No |
| SB 611 | Education – Healthy School Facility Fund – Established (Ch. 561) | Potential significant grant expenditures and matching project costs. | No |
| SB 639 | Education – Public School Personnel – Disciplinary Hearing Procedures (Ch. 13) | Potential significant arbitration costs. | Yes |
| SB 656/HB 86 | Health Insurance – Coverage for Elevated or Impaired Blood Glucose Levels, Prediabetes, and Obesity Treatment (Ch. 433/Ch. 432) | Potential employee health care costs. | No |
| SB 703/HB 1092 | Behavioral Health Crisis Response Grant Program – Establishment (Ch. 210/Ch. 209) | Potential significant grant expenditures in FY 2020 through 2022. | No |

Effect of the 2018 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> |
|----------------------|--|---|-----------------------|
| SB 707 | Criminal Law – Firearm Crimes – Rapid Fire Trigger Activator (Ch. 252) | Minimal incarceration costs. | No |
| SB 709/HB 923 | Environment – Water and Sewer Service (Ch. 183/Ch. 182) | Potential minimal increase or decrease in water and sewer service costs. | No |
| SB 729/HB 679 | County Boards of Education – Length of School Year – Adjustments (Ch. 34/Ch. 35) | Minimal school system expenditures for certain counties. | No |
| SB 769 | Criminal Law – Sextortion and Revenge Porn (Ch. 365) | Minimal incarceration costs. | No |
| SB 818 | Education – Maryland Meals for Achievement In-Classroom Breakfast Program – Eligibility and Annual Appropriation (Ch. 562) | Significant school system expenditures correspond with increased State aid and federal funding. | No |
| SB 821/HB 109 | Community Development Program Act of 2018 (Ch. 802/Ch. 801) | Potential significant grant expenditures. | No |
| SB 855 | 2020 Census Grant Program – Establishment and Funding (Ch. 18) | Potential significant grant and matching fund expenditures in FY 2020. | No |
| SB 858/HB 1132 | Health Insurance – Access to Local Health Departments (Ch. 488/Ch. 487) | Health department expenditures likely correspond with potentially significant increased revenues. | No |
| SB 899/HB 1012 | State Retirement and Pension System – Investment Division (Ch. 728/Ch. 727) | Pension costs decrease by a minimum of \$4.5 million annually. | No |
| SB 912/HB 1685 | Maryland Prenatal and Infant Care Coordination Services Grant Program Fund (Thrive by Three Fund) (Ch. 559/Ch. 558) | Potential grant expenditures. Potential reduction in health care costs. | No |
| SB 927/HB 1117 | Alarm Systems – Registration and Renewal – Penalties (Ch. 478/Ch. 477) | Potential enforcement costs. | No |

Legislation Affecting Local Government Expenditures

202

| <u>Bill #</u> | <u>Title</u> | <u>Comment</u> | <u>Mandate</u> |
|-----------------|---|--|----------------|
| SB 1006/HB 1350 | Sea Level Rise Inundation and Coastal Flooding – Construction, Adaptation, and Mitigation (Ch. 629/Ch. 628) | Potential significant compliance/construction and plan development costs. | Yes |
| SB 1048 | Secure and Accessible Registration Act (Ch. 19) | Potential voter registration costs beginning in FY 2020. | No |
| SB 1053 | Property Tax Credit – 9-1-1 Public Safety Telecommunicators (Ch. 735) | Potential minimal administrative costs. | No |
| SB 1069/HB 646 | Motor Vehicles – Gross Vehicle Weight – Agricultural Products (Ch. 495/Ch. 494) | Potential highway maintenance costs. | No |
| SB 1117/HB 1528 | Electric Universal Service Program – Funds – Arrearage Prevention (Ch. 697/Ch. 696) | Potential grant expenditures. | No |
| SB 1122 | Education – Commercial Gaming Revenues – Constitutional Amendment (Ch. 357) | Potential significant increase in State aid for public schools beginning in FY 2020; contingent on constitutional amendment. Potential pension costs. | No |
| SB 1137 | Criminal Law – Prohibitions, Prosecutions, and Corrections (Ch. 145) | Minimal decrease in incarceration costs. | No |
| SB 1218 | Ending Youth Homelessness Act of 2018 (Ch. 748) | Potential significant grant expenditures. | No |
| SB 1265 | Maryland Safe to Learn Act of 2018 (Ch. 30) | Significant implementation costs for public schools and law enforcement in FY 2019 are likely offset by grants. Expenditures for public schools and law enforcement increase by \$98.5 million in FY 2020 and by \$47.9 million annually thereafter. | Yes |
| HB 16 | Community Colleges – Near Completers and Maryland Community College Promise Scholarships (Ch. 554) | Potential community college expenditures beginning in FY 2020. Potential decrease in scholarship program costs beginning in FY 2020. | No |
| HB 86/SB 656 | See entry for SB 656. | | No |

Effect of the 2018 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 89 | Property Tax Credit – Public Safety Officers – Administration (Ch. 654) | Potential increase or decrease in administrative costs. | No |
| HB 109/SB 821 | See entry for SB 821. | | No |
| HB 193/SB 43 | See entry for SB 43. | | No |
| HB 218 | Prince George’s County – Utility Services – Master Meters and Task Force PG 429-18 (Ch. 128) | WSSC expenditures, potentially beginning in FY 2018. Contractual and meeting costs for Prince George’s County increase by \$74,000 in FY 2019. | Yes |
| HB 281 | Education – Computer Science – Curriculum and Professional Development (Securing the Future: Computer Science Education for All) (Ch. 358) | Potential significant school system expenditures beginning in FY 2022. | Yes |
| HB 315 | State Department of Education – Breakfast and Lunch Programs – Funding (Maryland Cares for Kids Act) (Ch. 560) | Significant decrease in school system expenditures for certain counties. | No |
| HB 388/SB 170 | See entry for SB 170. | | No |
| HB 403/SB 595 | See entry for SB 595. | | No |
| HB 408 | Washington Suburban Sanitary Commission – Connection Pipe Emergency Replacement Loan Program PG/MC 103-18 (Ch. 539) | WSSC loan program funding costs increase by a minimum of \$100,000 annually in FY 2020 through 2029. | Yes |
| HB 419 | Washington Suburban Sanitary Commission – Office of the Inspector General PG/MC 101-18 (Ch. 130) | WSSC salary expenditures increase by \$152,100 in FY 2019 and by \$202,800 annually thereafter. | No |
| HB 432 | Public Safety – Grant Programs and Funding (Public Safety and Violence Prevention Act of 2018) (Ch. 148) | Grant expenditures for Baltimore City increase by \$885,000 annually between FY 2020 and 2023. Grant expenditures for Prince George’s County increase by \$475,000 annually between FY 2020 and 2023. Potential significant annual grant expenditures beginning in FY 2020 for all jurisdictions. | No |

Legislation Affecting Local Government Expenditures

204

Effect of the 2018 Legislative Program on the Financial Condition of the State

| <u>Bill #</u> | <u>Title</u> | <u>Comment</u> | <u>Mandate</u> |
|----------------------|--|--|-----------------------|
| HB 447 | Pretrial Services Program Grant Fund – Establishment (Ch. 771) | Potential grant expenditures through FY 2023. Potential decrease in incarceration costs. | No |
| HB 527 | Higher Education – Maryland Technology Internship Program – Alterations (Ch. 364) | Minimal internship program costs. | No |
| HB 535/SB 407 | See entry for SB 407. | | No |
| HB 546/SB 278 | See entry for SB 278. | | No |
| HB 547/SB 373 | See entry for SB 373. | | No |
| HB 554/SB 436 | See entry for SB 436. | | No |
| HB 568 | Education – Student Data Governance (Ch. 381) | Potential significant program implementation costs. | No |
| HB 615 | Municipalities – Charter Amendments – Procedures (Ch. 285) | Potential compliance costs. | Yes |
| HB 646/SB 1069 | See entry for SB 1069. | | No |
| HB 679/SB 729 | See entry for SB 729. | | No |
| HB 798/SB 570 | See entry for SB 570. | | Yes |
| HB 908/SB 271 | See entry for SB 271. | | No |
| HB 913/SB 607 | See entry for SB 607. | | No |
| HB 922 | Maryland Department of Health – “Pill Mill” Tip Line and Overdose Report (Ch. 211) | Potential minimal administrative costs through FY 2022. | No |
| HB 923/SB 709 | See entry for SB 709. | | No |
| HB 1012/SB 899 | See entry for SB 899. | | No |

Legislation Affecting Local Government Expenditures

| <u>Bill #</u> | <u>Title</u> | <u>Comment</u> | <u>Mandate</u> |
|----------------------|--|---|-----------------------|
| HB 1029 | Criminal Law – Wearing, Carrying, or Transporting Loaded Handgun – Subsequent Offender (Ch. 146) | Minimal incarceration costs. | No |
| HB 1042 | Law Enforcement Officers’ Pension System – Benefit Cap Increase (Ch. 784) | Minimal pension costs for participating governmental units. | No |
| HB 1072 | Education – Child Sexual Abuse Prevention – Instruction and Training (Ch. 31) | Potential significant school system training costs. | Yes |
| HB 1092/SB 703 | See entry for SB 703. | | No |
| HB 1107 | Public Safety – Elevator Inspections – Testing and Apprenticeship Program (Ch. 337) | Inspection costs increase by \$337,500 in FY 2020 and by \$450,000 annually thereafter. | Yes |
| HB 1117/SB 927 | See entry for SB 927. | | No |
| HB 1132/SB 858 | See entry for SB 858. | | No |
| HB 1278 | Election Law – Postelection Tabulation Audit (Ch. 523) | Potential election audit costs. | No |
| HB 1283 | Health Insurance – Prescription Contraceptives – Coverage for Single Dispensing (Ch. 450) | Potential employee health care costs. | No |
| HB 1302 | Public Safety – Extreme Risk Protective Orders (Ch. 250) | Potential law enforcement costs. | Yes |
| HB 1350/SB 1006 | See entry for SB 1006. | | Yes |
| HB 1400 | State Employee and Retiree Health and Welfare Benefits Program – Employees of Qualifying Organizations (Ch. 307) | Potential impact on employee health care costs. | No |

Legislation Affecting Local Government Expenditures

| <u>Bill #</u> | <u>Title</u> | <u>Comment</u> | <u>Mandate</u> |
|----------------------|---|--|-----------------------|
| HB 1415 | Education – Commission on Innovation and Excellence in Education (Ch. 361) | Expenditures for school systems increase by up to \$200.0 million (duplicative of impact for SB 187). In addition, grant expenditures for public schools increase by \$4.3 million in FY 2019, by \$26.6 million in FY 2020 and 2021, and by approximately \$31.0 million annually thereafter. | No |
| HB 1468 | Transit – Job Access and Reverse Commute (JARC) Program (Ch. 793) | Potential grant and matching fund expenditures. | No |
| HB 1528/SB 1117 | See entry for SB 1117. | | No |
| HB 1646 | Criminal Procedure – Firearms – Transfer (Ch. 251) | Potential compliance costs for State’s Attorneys’ offices. | Yes |
| HB 1685/SB 912 | See entry for SB 912. | | No |
| HB 1765 | On-Site Sewage Disposal Systems – Watershed Implementation Plan and Bay Restoration Fund Disbursements and Financial Assistance (Ch. 585) | Potential implementation costs. | No |
| HB 1783 | 21st Century School Facilities Act (Ch. 14) | Potential significant grant expenditures for public schools. | No |
| HJ 3 | Judicial Compensation Commission – Recommendations (JR 3) | Minimal salary expenditures for certain counties. | No |

Legislation Affecting Local Governments by Subdivision

Allegany County

| | | | |
|---------------|---|--|----|
| SB 486/HB 720 | Allegany County – Orphans’ Court Judges – Pension Formula (Ch. 168/Ch. 167) | Pension costs increase by a minimum of \$1,700 annually. | No |
| HB 720/SB 486 | See entry for SB 486. | | No |

Legislation Affecting Local Government Expenditures

| <u>Bill #</u> | <u>Title</u> | <u>Comment</u> | <u>Mandate</u> |
|-----------------------------------|---|---|-----------------------|
| <i>Anne Arundel County</i> | | | |
| HB 1247 | Anne Arundel County – Orphans’ Court Judges – Compensation (Ch. 838) | Potential increase or decrease in salary expenditures. | No |
| <i>Baltimore City</i> | | | |
| SB 400 | Baltimore Convention Facility – Operating Deficits and Capital Improvement Reserve Fund (Ch. 851) | Convention center expenditures decrease by a minimum of \$2.9 million in FY 2020, by \$6.0 million annually through FY 2029, and by \$3.1 million in FY 2030. | No |
| SB 1084/HB 1548 | Baltimore City – Continuing the Creating Opportunities for Renewal and Enterprise (CORE) Partnership Fund (Ch. 640/Ch. 639) | Potential significant grant expenditures through FY 2024. | No |
| SB 1085/HB 1385 | Baltimore City – Tourism Improvement District (Ch. 642/Ch. 641) | Potential expenditures for district improvement purposes are financed through assessment revenues. | No |
| SB 1098 | Baltimore City – Tax Sales – Water Liens (Ch. 714) | Potential significant debt service expenditures. | No |
| HB 113 | Public Safety – Baltimore City Safe Streets Initiatives – Funding (The Tyrone Ray Safe Streets Act) (Ch. 147) | Grant expenditures increase by \$3.6 million annually. | No |
| HB 1385/SB 1085 | See entry for SB 1085. | | No |
| HB 1548/SB 1084 | See entry for SB 1084. | | No |
| <i>Baltimore County</i> | | | |
| SB 599 | Baltimore County – Property Tax – Credit for Individuals at Least 70 Years Old (Ch. 709) | Staffing reimbursement costs increase by a minimum of \$85,200 annually. | Yes |

Legislation Affecting Local Government Expenditures

| <u>Bill #</u> | <u>Title</u> | <u>Comment</u> | <u>Mandate</u> |
|------------------------------|--|--|----------------|
| HB 87 | Baltimore County Board of Education – Nonstudent Member Compensation and Student Member Scholarships (Ch. 800) | Compensation costs increase by \$82,300 annually once fully implemented. | No |
| <i>Calvert County</i> | | | |
| HB 498 | Calvert County – Salary of Assistant Sheriff (Ch. 112) | Potential increase or decrease in salary expenditures. | No |
| HB 627 | Calvert County – Length of Service Award Program – Death Benefits (Ch. 113) | Benefit program costs increase by \$49,000 annually. | Yes |
| HB 1102 | Calvert County – Bonding Authority – Enterprise Fund (Ch. 115) | Debt service expenditures increase by \$94,400 annually over a 15-year period and by \$455,200 annually over a 25-year period. | No |
| HB 1114 | Calvert County – Procurement Contracts – Reciprocal Preference for Resident Bidders (Ch. 116) | Potential procurement costs. | Yes |
| HB 1354 | Calvert County – Bonding Authority (Ch. 117) | Debt service expenditures increase by \$3.9 million annually over a 15-year period. | No |
| HB 1357 | Calvert County – County Officials – Salaries (Ch. 841) | Salary expenditures increase by \$42,600 in FY 2019 and by a minimum of \$91,200 annually thereafter. | No |
| <i>Carroll County</i> | | | |
| SB 359/HB 621 | Carroll County – Board of Education – Student Representative (Ch. 264/Ch. 265) | Board of Education expenditures likely increase by a minimum of \$3,500 annually. | No |
| SB 735/HB 885 | Carroll County – Board of Education – Compensation (Ch. 832/Ch. 831) | Compensation costs increase by \$7,500 annually once fully implemented. | No |
| HB 609 | Carroll County – Public Facilities Bonds (Ch. 89) | Debt service expenditures increase by \$2.1 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> |
|------------------------------|--|---|-----------------------|
| HB 621/SB 359 | See entry for SB 359. | | No |
| HB 885/SB 735 | See entry for SB 735. | | No |
| <i>Charles County</i> | | | |
| HB 550 | Charles County – Orphans’ Court Judges – Salary (Ch. 819) | Salary expenditures increase by a minimum of \$700 annually. | No |
| <i>Garrett County</i> | | | |
| SB 540 | Garrett County – Bids and Contracts (Ch. 699) | Administrative costs decrease. | No |
| SB 1123 | Garrett County – Regulation of Animals – Enforcement (Ch. 701) | Enforcement costs decrease by \$15,000 in FY 2019 and by \$50,000 annually thereafter. | No |
| <i>Harford County</i> | | | |
| SB 73 | Harford County Sheriff – Deputy Sheriffs and Correctional Officers – Collective Bargaining (Ch. 647) | Potential consulting and employee compensation costs. | No |
| <i>Howard County</i> | | | |
| HB 340 | Howard County – Board of Education – Salaries Ho. Co. 17-18 (Ch. 811) | Compensation costs increase by \$7,000 annually once fully implemented. | No |
| HB 809 | Howard County – Sheriff’s Salary Ho. Co. 8-18 (Ch. 829) | Salary expenditures increase by a minimum of \$2,300 in FY 2019 and by a minimum of \$6,000 annually thereafter. | No |
| HB 1115 | Howard County – Orphans’ Court Judges – Compensation Ho. Co. 7-18 (Ch. 837) | Salary expenditures increase by a minimum of \$3,000 in FY 2019 and by a minimum of \$12,000 annually thereafter. | No |
| HB 1180 | Howard County Student Loan Assistance Repayment Program for Teachers Ho. Co. 14-18 (Ch. 140) | Potential significant program implementation costs. | No |

Legislation Affecting Local Government Expenditures

210

Effect of the 2018 Legislative Program on the Financial Condition of the State

| <u>Bill #</u> | <u>Title</u> | <u>Comment</u> | <u>Mandate</u> |
|--------------------------------------|--|--|----------------|
| <i>Kent County</i> | | | |
| SB 173/HB 225 | Kent County – Orphans’ Court Judges – Compensation (Ch. 808/Ch. 807) | Potential increase or decrease in salary expenditures. | No |
| HB 225/SB 173 | See entry for SB 173. | | No |
| <i>Montgomery County</i> | | | |
| SB 647/HB 856 | Earned Income Tax Credit – Individuals Without Qualifying Children – Repeal of Minimum Age Requirement (Ch. 611/Ch. 612) | Potential program costs beginning in FY 2020. | No |
| HB 278 | Montgomery County – Housing Opportunities Commission – Binding Arbitration – Revisions MC 14-18 (Ch. 127) | Minimal impact on salary expenditures. | No |
| HB 856/SB 647 | See entry for SB 647. | | No |
| <i>Prince George’s County</i> | | | |
| HB 175 | Prince George’s County – Speed Monitoring Systems – Intersection of Old Fort Road and Maryland Route 210 (Indian Head Highway) PG 302-18 (Ch. 806) | Minimal implementation costs are covered by increased fine revenues. | No |
| HB 183 | Prince George’s County Environmental Justice Commission PG 411-18 (Ch. 779) | Contractual and meeting costs increase by \$74,000 in FY 2019. | Yes |
| HB 236 | Prince George’s County – Affordable Housing Commission PG 408-18 (Ch. 776) | Contractual and meeting costs increase by \$154,500 in FY 2019. | Yes |

Legislation Affecting Local Government Expenditures

| <u>Bill #</u> | <u>Title</u> | <u>Comment</u> | <u>Mandate</u> |
|---------------------------------|--|---|-----------------------|
| <i>St. Mary's County</i> | | | |
| HB 331 | St. Mary's County – Public Facility Bonds (Ch. 109) | Debt service expenditures increase by \$1.6 million annually over a 20-year period, likely beginning in FY 2021. | No |
| <i>Somerset County</i> | | | |
| SB 356/HB 425 | Somerset County – Fire Companies – Appropriations (Ch. 328/Ch. 327) | County appropriations for volunteer fire companies increase by \$6,500 in FY 2019 and by a minimum of \$13,000 annually thereafter. | No |
| HB 425/SB 356 | See entry for SB 356. | | No |
| <i>Washington County</i> | | | |
| SB 324 | Washington County – Alcoholic Beverages – Serving Underage Individuals – Penalties (Ch. 317) | Minimal incarceration costs. | No |
| HB 1321 | Washington County – Public Facilities Bonds (Ch. 99) | Debt service expenditures increase by \$4.5 million annually over a 20-year period. | No |

Chapter 5. Vetoed Legislation

Vetoed Legislation

The following are 2018 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.

| | |
|----------------|---|
| SB 178 | State Retirement and Pension System – Board of Trustees – Oath <i>The bill would not have affected State or local government finances.</i> |
| SB 572/HB 1243 | Prevailing Wage Rates – Public Works Contracts – Suits by Employees <i>The bills would not have materially affected State or local government finances.</i> |
| SB 678/HB 643 | State Department of Education – Employment Categories and Practices <i>General fund expenditures for the Maryland State Department of Education would have increased by \$148,400 in FY 2019 and by similar amounts annually thereafter for staff necessary to handle the additional administrative responsibilities established by the bill. General fund expenditures may have also increased for personnel costs associated with reclassifying specified employees and for higher costs associated with collective bargaining agreements. However, such expenditures may have been partially offset by lower starting salaries for new employees.</i> |
| SB 739 | State Board of Education – Membership – Teachers and Parent <i>The bill would not have affected State or local government finances, as any expense reimbursements for the additional board members would have been minimal and absorbable within existing budgeted resources.</i> |
| SB 838/HB 891 | Criminal Procedure – Coram Nobis – Time for Filing <i>The bills would not have materially affected State or local government finances.</i> |
| HB 180 | Railroad Company – Movement of Freight – Required Crew <i>The bill would not have affected State or local government finances, as the Department of Labor, Licensing, and Regulation could have handled the bill's requirements using existing resources. The bill's penalty provisions would not have materially affected general fund revenues.</i> |

HB 335

State Personnel – Grievance Procedures

General fund expenditures would have increased by \$902,600 in FY 2019, by \$1,148,300 in FY 2020, and by similar amounts annually thereafter for staff at the Department of Budget and Management, the Department of Juvenile Services, the Maryland Department of Health, the Department of Public Safety and Correctional Services, and the Department of Human Services, and to reimburse the Office of Administrative Hearings (OAH) for charges for the referral of additional State employee grievance cases. Transportation Trust Fund expenditures for the Maryland Department of Transportation would have increased by \$145,100 in FY 2019, by \$181,300 in FY 2020, and by similar amounts annually thereafter for staff and for charges for the referral of cases to OAH. Reimbursable expenditures for OAH would have increased by \$93,600 in FY 2019, by \$106,600 in FY 2020, and by similar amounts annually thereafter for staff. Reimbursable revenues for OAH would have increased by \$377,200 in FY 2019, and by \$502,900 in FY 2020 and annually thereafter as affected agencies reimbursed OAH for referred cases.

HB 548

Privately Owned Transportation Projects – Construction and Authorization to Use State-Owned Rights-of-Way and Property – Requirements

Transportation Trust Fund expenditures would have increased, potentially significantly, for the Maryland Department of Transportation to participate in or conduct additional environmental impact studies.

HB 808

Collective Bargaining – Education – Supervisory Personnel

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