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Fiscal Briefing

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2013 General Fund Budget Solution

Overview
2012 Session Budget Plan
($ in Millions)

Budget Problem

Fiscal 2013 General Fund Baseline Structural Gap	$1,105	
Additional One-time Fiscal 2013 Spending[1]	92	
Fiscal 2012 General Fund Deficiencies	297	
Total		**$1,494**

Budget Solution

General Fund Balance (Fiscal 2012)[2]		**$534**
Constraining Budget Growth		
Reductions from Baseline in Governor's Allowance	$243	
Reductions Contingent on Legislation	368	
Additional Fiscal 2012 Reversions	5	
Total		**$615**
Additional Revenues		
Revenues Contingent on Legislation	$280	
Other Revenues	124	
Total		**$404**
Transfers Contingent on Legislation		**$104**
Ending General Fund Balance		**$164**

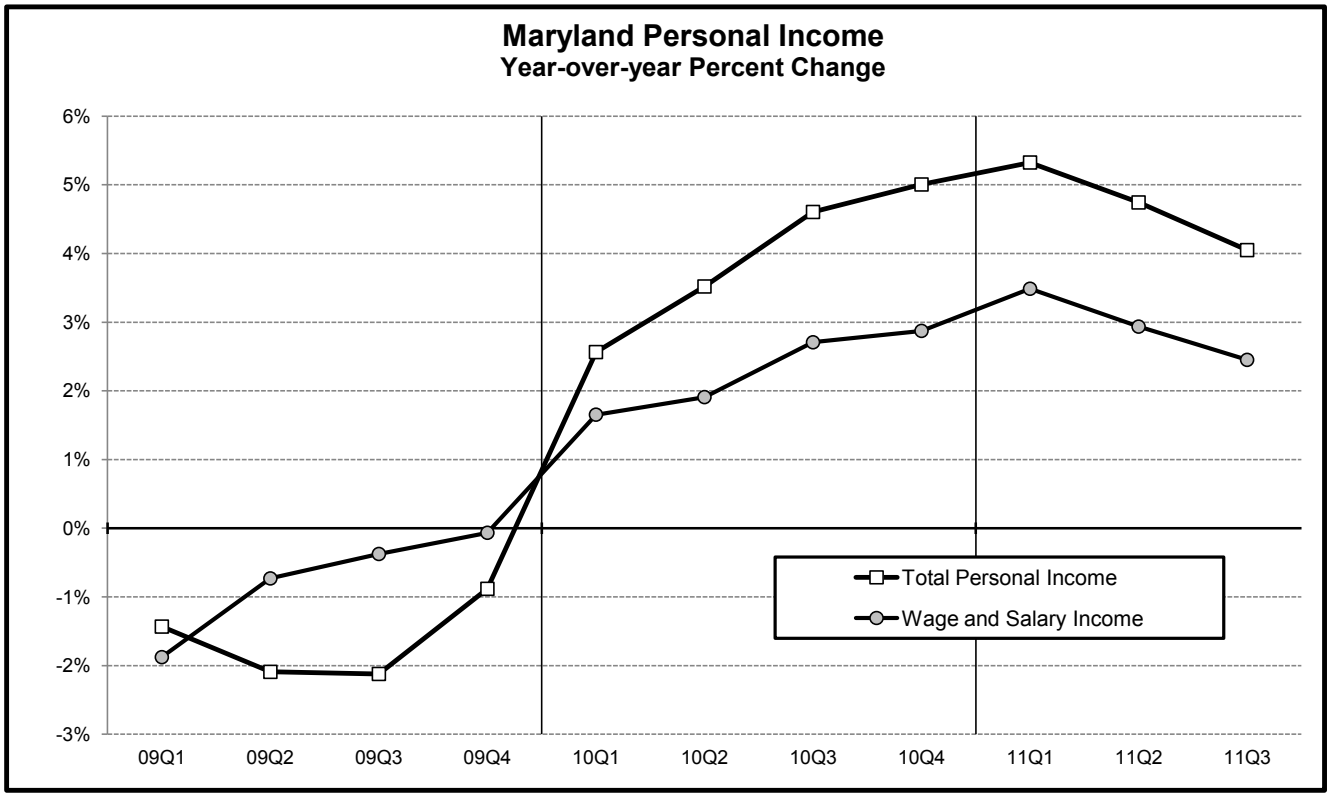
[1]Additional expenditure requirements than are not ongoing including $50 million to repay previous transfer of transfer tax revenues to the general fund and $25 million to insure rainy day fund balance is 5% of general fund revenues.

[2]Estimated balance before deficiencies, proposed transfers and revenues, and reversions. Under the Administration's plan the fiscal 2012 ending balance is estimated to be $285.3 million.

Economic and Revenue Outlook

Maryland Economic Performance
Year-over-year Percent Change*

Month-Year	Employment	Unemployment Rate	Initial UI Claims	Existing Home Sales	Vehicle Sales	Sales Tax
Jan-11	1.0%	7.2%	-2.7%	4.1%	7.4%	3.4%
Feb-11	2.6%	7.1%	-25.7%	5.0%	25.3%	10.1%
Mar-11	1.5%	6.9%	-16.4%	-6.6%	10.8%	-1.2%
Apr-11	0.8%	6.8%	-4.9%	-16.5%	-4.5%	1.3%
May-11	0.4%	6.8%	1.5%	-19.6%	3.5%	2.7%
Jun-11	0.5%	7.0%	-9.2%	-16.7%	0.2%	5.1%
Jul-11		7.1%	-12.1%	7.4%	-5.6%	0.2%
Aug-11		7.3%	-0.8%	3.9%	0.5%	0.9%
Sep-11		7.4%	-1.7%	-3.9%	-4.5%	2.5%
Oct-11		7.2%	-12.5%	-2.8%	-0.6%	3.5%
Nov-11		6.9%	-2.4%	-1.3%	0.6%	1.8%
Dec-11			-9.2%	-7.9%	1.2%	
CY 2011	***1.1%***	***7.1%***	***-8.4%***	***-6.2%***	***2.2%***	***2.6%***



UI: Unemployment Insurance
* Except the unemployment rate.

Note: The employment data is from the Quarterly Census on Employment and Wages. The unemployment rate is based on seasonally adjusted data. The sales tax is gross receipts (excluding assessments) adjusted for law changes. Monthly unemployment insurance claims are from the U.S. Bureau of Labor Statistics with seasonal adjustment by Moody's Analytics. Data on existing home sales comes from the Maryland Association of Realtors. Vehicle sales data is from the Maryland Motor Vehicle Administration.

Maryland General Fund Revenues

($ in Millions)

Source	Actual FY 2011	FY 2012 Estimate Sept	FY 2012 Estimate Dec	FY 2012 Estimate Change	Change Over FY 2011	FY 2013 Estimate Sept	FY 2013 Estimate Dec	FY 2013 Estimate Change	Change Over FY 2012
Personal Income Tax	$6,643.4	$7,010.8	$7,099.2	$88.4	6.9%	$7,321.8	$7,412.0	$90.2	4.4%
Sales and Use Tax [1]	3,656.0	4,062.0	3,979.5	-82.5	8.8%	4,177.7	4,043.9	-133.8	1.6%
State Lottery	499.4	511.7	502.7	-9.0	0.7%	506.4	507.5	1.1	0.9%
Corporate Income Tax [2]	571.3	588.7	559.0	-29.6	-2.1%	739.3	706.7	-32.6	26.4%
Business Franchise Taxes	210.2	209.2	209.2	0.0	-0.5%	208.9	208.9	0.0	-0.1%
Insurance Premiums Tax	285.9	298.9	298.9	0.0	4.5%	308.1	308.1	0.0	3.1%
Estate and Inheritance Taxes	216.0	214.0	200.4	-13.7	-7.3%	205.3	219.4	14.0	9.5%
Tobacco Tax	407.6	407.5	407.5	0.0	0.0%	406.9	406.9	0.0	-0.2%
Alcohol Beverages Tax	30.4	30.5	30.5	0.0	0.3%	31.1	31.1	0.0	1.8%
Motor Vehicle Fuel Tax	5.0	5.0	5.0	0.0	0.0%	5.0	5.0	0.0	0.0%
District Courts	86.9	80.8	80.8	0.0	-7.0%	80.8	80.8	0.0	0.0%
Clerks of the Court	29.3	33.5	33.5	0.0	14.5%	34.3	34.3	0.0	2.5%
Hospital Patient Recoveries	74.2	68.0	68.0	0.0	-8.4%	68.0	68.0	0.0	0.0%
Interest on Investments	58.4	30.0	30.0	0.0	-48.6%	35.0	35.0	0.0	16.7%
Miscellaneous	386.2	363.6	360.0	-3.6	-6.8%	365.6	355.4	-10.2	-1.3%
Subtotal	**$13,160.3**	**$13,914.2**	**$13,864.3**	**-$49.9**	**5.3%**	**$14,494.3**	**$14,423.0**	**-71.2**	**4.0%**
Highway User Revenue [3]	377.1	190.9	190.9	0.0	-49.4%	0.0	0.0	0.0	-100.0%
Total Revenues	**$13,537.4**	**$14,105.1**	**$14,055.2**	**-$49.9**	**3.8%**	**$14,494.3**	**$14,423.0**	**-$71.2**	**2.6%**

[1] The Budget Reconciliation and Financing Act of 2011 (Chapter 397) eliminated the 5.3% distribution to the Transportation Trust Fund (TTF) although the TTF will continue to receive 45% of the short-term rental vehicle revenues. The Act also diverted short-term rental vehicle revenues to the general fund that otherwise would have been distributed to the Chesapeake Bay 2010 Fund and it extended the cap on the vendor credit. Senate Bill 994 (Chapter 571) and House Bill 1213 (Chapter 572) raised the sales tax on alcohol beverages from 6 to 9% beginning with fiscal 2012.

[2] The Budget Reconciliation and Financing Act of 2011 lowered the Transportation Trust Fund's share of the corporate income tax from 24.0% of net receipts (excluding the first 15.15%) to 9.5% in fiscal 2013.

[3] The Budget Reconciliation and Financing Act of 2010 (Chapter 484) established a distribution from the Gasoline and Motor Vehicle Revenue Account to the general fund of 19.5% in fiscal 2010, 23.0% in fiscal 2011, and 20.4% in fiscal 2012. The Budget Reconciliation and Financing Act of 2011 lowered the fiscal 2012 distribution to 11.3% and eliminated the distribution starting in fiscal 2013.

Source: Board of Revenue Estimates

Fiscal 2012 General Fund Revenues

($ in Millions)

Source	Fiscal Year through December FY 2011	FY 2012	$ Difference	% Difference
Personal Income Tax	$2,599.7	$2,781.6	$181.9	7.0%
Sales and Use Tax [1]	1,507.1	1,649.9	142.7	9.5%
State Lottery	236.6	244.6	8.0	3.4%
Corporate Income Tax	210.4	229.7	19.4	9.2%
Business Franchise Taxes	78.4	76.9	-1.4	-1.8%
Insurance Premiums Tax	136.5	140.0	3.5	2.6%
Estate and Inheritance Taxes	111.2	100.8	-10.3	-9.3%
Tobacco Tax	186.5	188.7	2.3	1.2%
Alcohol Beverages Tax	12.8	13.0	0.2	1.7%
Motor Vehicle Fuel Tax	5.0	5.0	0.0	0.0%
District Courts	42.3	40.8	-1.5	-3.5%
Clerks of the Court	17.8	17.6	-0.2	-1.1%
Hospital Patient Recoveries [2]	6.9	3.0	-3.9	-56.8%
Miscellaneous and Interest	71.4	79.6	8.2	11.5%
Total Revenues	**$5,222.5**	**$5,571.3**	**$348.8**	**6.7%**
with baseline sales tax	*$5,222.5*	*$5,455.8*	*$233.4*	*4.5%*
Sales and Use Tax	*$1,507.1*	*$1,649.9*	*$142.7*	*9.5%*
- additional tax on alcohol beverages		*-$30.3*		
- change in distribution		*-$85.1*		
= baseline sales tax	*$1,507.1*	*$1,534.4*	*$27.3*	*1.8%*

[1] Data reflects sales tax revenue remitted to the Comptroller from August to December which were collected by retailers from July to November. The Budget Reconciliation and Financing Act of 2011 (Chapter 397) eliminated the 5.3% distribution to the Transportation Trust Fund beginning in fiscal 2012. Senate Bill 994 (Chapter 571) and House Bill 1213 (Chapter 572) raised the sales tax on alcohol beverages from 6.0 to 9.0% beginning with fiscal 2012.

[2] Includes revenues from Medicare, insurance, and sponsors only.

Operating Budget

Fiscal 2012 Deficiencies Total $325.6 Million
($ in Millions)

	GF	SF	FF
Where General Funds Are Needed to Supplement Appropriation			
Health and Mental Hygiene: To provide funds for Medicaid provider reimbursements ($130.6 million) and for Mental Hygiene fee for service expenses in fiscal 2011 ($14.1 million)	$78.0		$66.7
Education: School assessment contracts	18.0		
Department of Human Resources: Temporary Cash Assistance caseload	12.1		
Department of Budget and Management: Workers' compensation claims	10.5		
Public Safety and Correctional Services: Division of Correction overtime ($8.0 million) and utilities ($1.1 million)	9.1		
Juvenile Services: Overtime ($2.2 million); building maintenance and facility repairs ($2.2 million); and contractual staff for residential facilities ($1.5 million)	5.9		
Maryland Higher Education Commission: Costs of relocation of office to Baltimore ($2.1 million); Distinguished Scholars scholarship program ($1.0 million); Statewide and Health Manpower grants liability ($1.0 million); and legal representation ($0.9 million)	5.0		
Assessment and Taxation: Homeowners' Tax Credit	2.4		
Stadium Authority: Baltimore City Convention Center operating deficit ($1.9 million); Ocean City Convention Center operating deficit ($0.1 million); and Hippodrome debt service ($0.4 million)	2.3		
Business and Economic Development: War of 1812 celebration	2.0		
Health Benefit Exchange: State share of eligibility and enrollment IT system	1.7		
Other Agencies: Public Defender ($1.1 million); Boards and Commissions ($0.1 million); Comptroller (0.3 million); Natural Resources ($1.1 million); and University of Maryland Center for Environmental Science ($0.1 million)	2.8		
Subtotal	***$149.8***	***$0.0***	***$66.7***

	GF	SF	FF
Where General Funds Are Needed in Lieu of Underattained Special or Federal Funds			
Temporary Assistance for Needy Families: Federal funds are withdrawn from several agencies and replaced with general funds; localizes TANF in the Department of Human Resources			
Human Resources: Temporary Cash Assistance	$25.8		-$25.8
Human Resources: Work Opportunities			-4.0
Education: Healthy Families Program	4.6		-4.6
Education: Child Care Subsidy	10.3		-10.3
Children's Cabinet Interagency Fund	7.3		-7.3
Aid to Education: Revised Video Lottery Terminal revenue estimates	101.2	-$101.2	
Subtotal	***$149.1***	***-$101.2***	***-$52.0***
Where Additional or Realigned Sources Support Normal Program Activity			
Health and Mental Hygiene: To recognize authorized special funds in Medicaid ($64.0 million); HIV and AIDS programs ($28.8 million); mental hygiene ($3.2 million); emergency preparedness and response ($2.5 million); Women, Infants, and Children program ($2.9 million); and prevention and disease control ($1.6 million)		$89.6	$13.4
Education: Rehabilitation services ($7.0 million); juvenile education ($0.1 million); math, science, and language assistance programs ($0.1 million); and other ($0.1 million)		0.0	7.2
Aid to Education: Education jobs revenue	-$2.6		2.6
Public Safety and Correctional Services: Capital improvements at the Dorsey Run Correctional facility			2.1
Assessments and Taxation: Fund adjustment for 90/10 local/State cost share of certain expenditures	0.5	-0.5	
Public Debt: Debt service subsidy for federal direct subsidy bonds			0.4
Higher Education Commission: To recognize authorized special funds for Riley Scholarships		0.3	
Subtotal	***-$2.2***	***$89.5***	***$25.8***
Grand Total	**$296.7**	**-$11.7**	**$40.5**

Perspectives on Budget Change

Budget as Submitted, Including Reversions and Contingent Reductions
($ in Millions)

	FY 2012	FY 2013	$ Change	% Change
Legislative Appropriations:				
General	$14,748.7	$14,984.2	$235.5	1.6%
Special	6,361.9	7,209.8	847.8	13.3%
Federal	9,341.1	9,342.9	1.9	0.0%
Higher Education	3,660.9	3,929.1	268.2	7.3%
Total	**$34,112.6**	**$35,466.0**	**$1,353.4**	**4.0%**

Amendments and Deficiencies:

		Explanation
General	$292.0	Def: VLT shortfall, Medicaid, TANF, MSDE tests
Special	182.2	Transportation PAYGO, 2011 Session Fund Swaps
Federal	96.9	Def: Medicaid; Housing foreclosure loans
Higher Education	151.8	Tuition, fees, enrollment, grants
Total	**$722.8**	

Underlying Budget Growth Estimate:

General	$15,040.7	$14,984.2	-$56.5	-0.4%
Special	6,544.1	7,209.8	665.7	10.2%
Federal	9,437.9	9,342.9	-95.0	-1.0%
Higher Education	3,812.7	3,929.1	116.5	3.1%
Total	**$34,835.4**	**$35,466.0**	**$630.6**	**1.8%**
Rainy Day Fund Appropriations	$0.0	$340.5	$340.5	
Total	**$34,835.4**	**$35,806.5**	**$971.1**	**2.8%**

MSDE: Maryland State Department of Education
PAYGO: pay-as-you-go
TANF: Temporary Assistance for Needy Families
VLT: video lottery terminals

Note: General fund amounts exclude rainy day fund appropriation.

State Expenditures – All Funds
($ in Millions)

Category	Actual FY 2011	Adjusted Work. Appr. FY 2012	Allowance FY 2013	Contingent Reductions & Fund Swaps	Adjusted Allowance FY 2013	FY 2012 to FY 2013 $ Change	FY 2012 to FY 2013 % Change
Debt Service	$990.6	$1,067.4	$1,113.5	$0.0	$1,113.5	$46.1	4.3%
County/Municipal	479.7	449.3	525.2	38.8	486.4	37.1	8.3%
Community Colleges	258.1	264.1	273.9	11.9	262.0	-2.1	-0.8%
Education/Libraries	6,810.7	6,485.0	6,819.8	229.9	6,589.9	104.9	1.6%
Health	41.8	42.8	43.7	1.9	41.8	-1.0	-2.3%
Aid to Local Governments	***$7,590.3***	***$7,241.1***	***$7,662.6***	***$282.5***	***$7,380.1***	***$139.0***	***1.9%***
Foster Care Payments	299.4	324.1	316.4	0.0	316.4	-7.7	-2.4%
Assistance Payments	1,210.3	1,397.3	1,243.0	0.0	1,243.0	-154.3	-11.0%
Medical Assistance	6,182.5	7,097.0	7,130.9	0.0	7,130.9	33.9	0.5%
Property Tax Credits	75.9	81.8	82.0	0.0	82.0	0.1	0.2%
Entitlements	***$7,768.1***	***$8,900.2***	***$8,772.3***	***$0.0***	***$8,772.3***	***-$128.0***	***-1.4%***
Health	2,754.4	3,044.7	3,142.0	14.7	3,127.3	82.7	2.7%
Human Resources	886.3	901.8	911.0	0.0	911.0	9.3	1.0%
Systems Reform Initiative	21.2	26.1	16.9	0.0	16.9	-9.2	-35.1%
Juvenile Services	272.1	274.4	274.5	0.0	274.5	0.1	0.0%
Public Safety/Police	1,478.2	1,515.5	1,543.7	0.0	1,543.7	28.2	1.9%
Higher Education	4,793.3	5,012.2	5,140.7	1.7	5,139.0	126.8	2.5%
Other Education	643.3	710.9	652.8	1.3	651.5	-59.4	-8.4%
Transportation	1,537.5	1,567.5	1,602.1	0.0	1,602.1	34.6	2.2%
Agric./Natl Res./Environment	360.7	385.1	391.4	8.3	383.1	-2.0	-0.5%
Other Executive Agencies	1,608.0	1,765.3	1,832.6	1.8	1,830.8	65.4	3.7%
Legislative	75.0	76.9	78.5	0.0	78.5	1.6	2.1%
Judiciary	411.7	431.0	452.2	0.0	452.2	21.2	4.9%
State Agencies	***$14,841.8***	***$15,711.5***	***$16,038.7***	***$27.8***	***$16,010.8***	***$299.3***	***1.9%***
Total Operating	**$31,190.7**	**$32,920.3**	**$33,587.0**	**$310.3**	**$33,276.7**	**$356.4**	**1.1%**
Capital [(1)]	1,478.1	1,930.1	2,276.2	51.9	2,224.3	294.2	15.2%
Reserve Funds	15.0	15.0	390.5	50.0	340.5	325.5	2169.7%
Appropriations	**$32,683.8**	**$34,865.4**	**$36,253.7**	**$412.3**	**$35,841.5**	**$976.1**	**2.8%**
Reversions	0.0	-30.0	-35.0	0.0	-35.0	-5.0	16.7%
Grand Total	**$32,683.8**	**$34,835.4**	**$36,218.7**	**$412.3**	**$35,806.5**	**$971.1**	**2.8%**

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

Note: The adjusted fiscal 2012 working appropriation includes $325.6 million in deficiencies and $7.1 million of targeted reversions. The fiscal 2013 reversions include $5.0 million in anticipated legislative reductions to the judiciary budget. The fiscal 2013 adjusted allowance reflects $457.0 million in reductions contingent on legislation. These reductions are offset by $44.7 million in additional special fund spending due to funding swaps.

Fiscal 2013 General Fund Changes Over Fiscal 2012 Spending
($ in Millions)

Mandated Grants and Aid	
Education Aid	$97.5
Disparity Grant	19.8
DHMH Community Providers Inflation Adjustment Per Ch. 497 and 498 of 2010	7.7
Cade Formula for Community College Aid	4.8
Residential Boarding School for At-risk Youth	1.7
Library Aid and State Library Network	1.0
St. Mary's College of Maryland	0.2
Baltimore City Community College	-0.1
Community College Retirement, Contingent on Cost Sharing	-3.2
Teacher and Librarian Retirement, Contingent on Cost Sharing	-170.2
Entitlements	
Medicaid	-$61.7
Property Tax Credits	0.1
Foster Care Payments	-2.0
Temporary Cash Assistance Payments, including Realignment of Federal Funds	-6.1
Personnel	
Employee Retirement	$69.0
Employee and Retiree Health Insurance	34.7
January 2013 2% Cost-of-living Adjustment	33.8
Turnover Adjustment and Annualization of Position Changes	-8.4
Salary Savings Due to Annualization of Section 47 Position Reductions	-11.8
Salary Savings Due to Annualization of Voluntary Separation Program	-15.7
Removal of One-time Employee Bonus	-38.1

Discretionary	
University System of Maryland and Morgan State University, Partially Offset by a Reduction of SF	$18.6
DDA Community Services – Transitioning Youth, Crisis Services, Additional Rate Increase	11.1
Phase Out of Distinguished Scholars Program	-1.0
Stem Cell Research Fund	-2.0
Community Colleges – Affordability Incentive Grants	-2.5
Educational Excellence Scholarships, Partially Offset by Funds Carried Forward	-2.8
Child Care Subsidy Payments	-4.0
Mental Health Services, after Adjusting for Fiscal 2012 Deficiency	-4.6
Local Management Boards – Authorized to Use Accumulated Funds	-9.2
DDA Community Services – Additional Federal Funds through Enrollment in Waiver Program	-10.5
Agency Operations	
Video Lottery Terminals – Equipment Leases	$43.6
Major Information Technology Projects	30.5
Personnel Management Information System	18.5
Agency Assessment for Retirement Agency Operations	4.6
Agency Assessments for Cloud Technology (Department of Information Technology)	3.6
Agency Assessment for Office of Attorney General Central Services	0.4
Savings Related to Closure of the Southern Maryland Pre-Release Center	-1.8
Removal of Deficiency for Convention Center Operating Subsidies and Hippodrome Debt Service	-1.9
Removal of One-time Deficiency for Relocation of Higher Education Commission	-2.1
Completion of Epollbook Leases and Savings from Election Contract Insourcing	-3.1
Overtime in Department of Public Safety and Correctional Services	-3.8
Removal of One-time Deficiency for Accumulated Workers' Compensation Claims	-10.5
Removal of One-time Deficiency for Public Education Assessment Program	-20.5
Other	
School Construction PAYGO from the Alcohol Tax	-$47.5
Veterans Cemetery PAYGO	0.7
Appropriation to the Rainy Day Fund	340.5
Other Changes	-13.3

DDA: Developmental Disabilities Administration
DHMH: Department of Health and Mental Hygiene
PAYGO: pay-as-you-go
SF: special fund

Note: This analysis compares the 2012 working appropriation as it would stand following deficiencies and targeted reversions to the Administration's fiscal 2013 plan.

Medicaid
($ in Millions)

	General Funds	Special Funds	Federal Funds	Reimb. Funds	Total
Fiscal 2012 Working Appropriation	$2,581	$846	$3,577	$73	$7,077
Fiscal 2013 Allowance	2,609	909	3,715	82	7,316
$ Change	$28	$63	$138	$9	$239
% Change	1.10%	7.46%	3.86%	12.46%	3.37%

Note: Amounts do not include fiscal 2012 deficiencies and fiscal 2013 contingent reductions.

- Growth in the Medicaid budget is relatively small and reflects a moderation of enrollment growth (5.6%).

- Expenditure growth driven by enrollment and utilization is largely offset by over $200 million in cost containment actions, an increase in pharmacy rebate savings, and lower utilization of inpatient services.

- Major cost containment actions involve cost-shifting to other payers *e.g.*, limiting inpatient services for the medically needy ($72 million) and implementing tiered rates for outpatient services ($60 million).

- The fiscal 2013 allowance increases the reliance on special funds through, for example, increasing the hospital assessment that supports Medicaid, increasing the nursing home provider assessment from 5.5 to 6%, and imposing an assessment on medical day care services.

- The allowance includes a number of rate increases including significant increases for physician evaluation and management services as well as more modest increases for waiver services. Managed care organization rates are reduced by an additional 1.0% for calendar 2012 on top of the 1.5% rate reduction that went into effect on January 1, 2012.

- The allowance also includes a number of new initiatives including 480 new waiver slots and the development of Chronic Care Medical Homes.

Potential Underfunding and Stresses on the General Fund Budget

Federal Tax Action: The budget assumes Congress will reduce payroll taxes for all of calendar 2012; if it is not extended beyond the current two-month period, sales tax revenues could decline.	$65 million
Temporary Assistance for Needy Families: Fiscal 2011 ended with a shortfall so fiscal 2012 funds were used; the shortfall will continue until additional funds are provided.	35 million
Low Income Energy Assistance: Although the Department of Human Resources is adjusting its benefit structure to stay within its fiscal 2012 appropriation, estimates of federal fund attainment and electricity bill surcharges for fiscal 2013 could be overstated.	20 million
Mental Hygiene Administration: Fiscal 2011 and 2012 shortfalls not completely covered by deficiency appropriation.	20 million
Department of Public Safety and Correctional Services: Overtime appears underfunded in fiscal 2012 and 2013.	17 million
Temporary Cash Assistance: The fiscal 2012 and 2013 budgets appear to underestimate the caseload.	9 million
Public Defenders: To comply with the recent Court of Appeals decision regarding public defenders at bail proceedings.	unknown

These stresses amount to more than $166 million in potential general fund need

State Aid to Local Governments

State Aid by Governmental Entity
Amount and Percent of Total

($ in Millions)

	FY 2013 State Aid Amount	Percent of Total
Public Schools	$5,054.8	77.4%
Libraries	49.7	0.8%
Community Colleges	233.6	3.6%
Local Health	37.3	0.6%
County/Municipal	448.1	6.9%
Subtotal – Direct Aid	**$5,823.6**	**89.2%**
Retirement Payments	707.1	10.8%
Total	**$6,530.7**	**100.0%**

Change in State Aid by Governmental Entity

($ in Millions)

	FY 2013 Aid Difference	Percent Difference
Public Schools	$113.2	2.3%
Libraries	0.9	1.9%
Community Colleges	3.2	1.4%
Local Health	-1.0	-2.6%
County/Municipal	60.6	15.6%
Subtotal – Direct Aid	**$176.8**	**3.1%**
Retirement Payments	-175.1	-19.8%
Total	**$1.8**	**0.0%**

State Aid by Governmental Entity and Program

Fiscal 2012 and 2013

($ in Millions)

	FY 2012	FY 2013	Difference	Percent Difference
Public Schools				
Foundation Program	$2,773.1	$2,810.4	$37.3	1.3%
Supplemental Grant	47.9	46.5	-1.4	-3.0%
Geographic Cost of Education Index	127.3	128.8	1.4	1.1%
Compensatory Aid	1,083.8	1,146.3	62.4	5.8%
Student Transportation	248.2	251.3	3.1	1.2%
Special Education – Formula	264.3	266.6	2.3	0.9%
Special Education – Nonpublic	112.8	113.9	1.1	1.0%
Limited English Proficiency	162.7	177.5	14.8	9.1%
Guaranteed Tax Base	50.1	44.2	-5.9	-11.7%
Other Education Programs	71.5	69.4	-2.1	-2.9%
Subtotal Direct Aid	**$4,941.7**	**$5,054.8**	**$113.2**	**2.3%**
Retirement Payments	833.0	665.9	-167.1	-20.1%
Total Public School Aid	**$5,774.7**	**$5,720.8**	**-$53.9**	**-0.9%**
Libraries				
Library Aid Formula	$33.0	$33.7	$0.7	2.1%
State Library Network	15.8	16.1	0.3	1.6%
Subtotal Direct Aid	**$48.8**	**$49.7**	**$0.9**	**1.9%**
Retirement Payments	16.6	13.4	-3.1	-18.9%
Total Library Aid	**$65.4**	**$63.2**	**-$2.2**	**-3.4%**
Community Colleges				
Community College Formula	$194.4	$199.2	$4.8	2.5%
Other Programs	36.0	34.5	-1.6	-4.4%
Subtotal Direct Aid	**$230.4**	**$233.6**	**$3.2**	**1.4%**
Retirement Payments	32.6	27.7	-4.9	-15.0%
Total Community College Aid	**$263.1**	**$261.4**	**-$1.7**	**-0.6%**
Local Health	**$38.3**	**$37.3**	**-$1.0**	**-2.6%**
County/Municipal				
Transportation	$154.2	$170.2	$16.1	10.4%
Public Safety	88.2	90.3	2.1	2.4%
Program Open Space/Critical Areas	9.1	15.3	6.2	68.2%
Disparity Grant	119.7	139.5	19.8	16.5%
Video Lottery Local Impact Aid	10.3	28.9	18.5	179.2%
Other Grants	6.0	3.9	-2.1	-35.0%
Total County/Municipal Aid	**$387.5**	**$448.1**	**$60.6**	**15.6%**
Total State Aid	**$6,528.9**	**$6,530.7**	**$1.8**	**0.0%**

State Aid to Local Governments – Comparison by Per Capita Aid and Annual Growth
Fiscal 2012 and 2013

County	Fiscal 2012 Appropriation	Fiscal 2013 Proposed	Difference	Percent Difference
Allegany	$105,988,506	$102,608,779	-$3,379,727	-3.2%
Anne Arundel	421,227,842	434,163,395	12,935,553	3.1%
Baltimore City	1,190,457,536	1,197,407,745	6,950,209	0.6%
Baltimore	698,222,533	698,340,358	117,825	0.0%
Calvert	104,679,522	100,972,375	-3,707,147	-3.5%
Caroline	52,949,159	55,094,666	2,145,507	4.1%
Carroll	179,749,241	174,186,863	-5,562,378	-3.1%
Cecil	126,804,294	124,565,309	-2,238,985	-1.8%
Charles	192,480,863	188,697,665	-3,783,198	-2.0%
Dorchester	41,095,053	41,972,567	877,514	2.1%
Frederick	272,597,083	270,823,318	-1,773,765	-0.7%
Garrett	34,495,545	31,866,430	-2,629,115	-7.6%
Harford	262,680,088	251,931,552	-10,748,536	-4.1%
Howard	298,502,006	293,353,539	-5,148,467	-1.7%
Kent	13,839,439	13,430,792	-408,647	-3.0%
Montgomery	808,502,528	801,524,149	-6,978,379	-0.9%
Prince George's	1,075,418,929	1,097,150,783	21,731,854	2.0%
Queen Anne's	42,459,157	41,448,548	-1,010,609	-2.4%
St. Mary's	113,310,533	113,518,137	207,604	0.2%
Somerset	33,913,060	33,626,961	-286,099	-0.8%
Talbot	18,630,691	18,413,465	-217,226	-1.2%
Washington	186,922,017	187,180,079	258,062	0.1%
Wicomico	140,287,779	143,638,588	3,350,809	2.4%
Worcester	32,800,039	31,861,169	-938,870	-2.9%
Unallocated	80,891,294	82,889,635	1,998,341	2.5%
Total	**$6,528,904,737**	**$6,530,666,867**	**$1,762,130**	**0.0%**

Per Capita State Aid	
1. Baltimore City	$1,928
2. Caroline	1,666
3. Wicomico	1,455
4. Allegany	1,367
5. Charles	1,288
6. Dorchester	1,287
7. Prince George's	1,271
8. Somerset	1,270
9. Washington	1,270
10. Cecil	1,232
11. Frederick	1,160
12. Calvert	1,138
13. St. Mary's	1,080
14. Garrett	1,059
15. Carroll	1,042
16. Harford	1,029
17. Howard	1,022
18. Baltimore	867
19. Queen Anne's	867
20. Montgomery	825
21. Anne Arundel	808
22. Kent	665
23. Worcester	619
24. Talbot	487
Statewide Average	**$1,131**

Annual Growth in State Aid	
1. Caroline	4.1%
2. Anne Arundel	3.1%
3. Wicomico	2.4%
4. Dorchester	2.1%
5. Prince George's	2.0%
6. Baltimore City	0.6%
7. St. Mary's	0.2%
8. Washington	0.1%
9. Baltimore	0.0%
10. Frederick	-0.7%
11. Somerset	-0.8%
12. Montgomery	-0.9%
13. Talbot	-1.2%
14. Howard	-1.7%
15. Cecil	-1.8%
16. Charles	-2.0%
17. Queen Anne's	-2.4%
18. Worcester	-2.9%
19. Kent	-3.0%
20. Carroll	-3.1%
21. Allegany	-3.2%
22. Calvert	-3.5%
23. Harford	-4.1%
24. Garrett	-7.6%
Statewide Average	**0.0%**

Teacher Retirement Sharing

Governor's Proposal to
Share Teacher Pension Costs with Counties
($ in Millions)

Projected Salary Bases		
Boards of Education		$5,915
Libraries		94
Community Colleges		247
Total		**$6,257**
Retirement Contributions	**Rate**	**Cost**
Teachers' Pensions (State)	15.30%	$957
Social Security (Local Boards)	7.65%	479
Total	**22.95%**	**$1,436**
Proposal – Counties Split Total with State		
50/50 Split of Rate	11.475%	$718
Less Local Social Security Contributions	-7.65%	-479
County Share of Costs	**3.825%**	**$239**

Proposed State Aid Reductions and Local Revenue Enhancements
Fiscal 2013
($ in Millions)

Contingent Reductions to State Aid	
Police Protection Aid	-$21.4
Civil Divisions – Miscellaneous Grant	-3.1
Local Health Formula Aid	-1.9
Community College – Cade Formula	-1.7
Community College – ESOL Grants	-0.8
Horse Racing Impact Grants	-0.7
Retirement Payment Cost Shift	-239.3
Subtotal	***-$268.9***
Disparity Grant Supplement[1]	**$19.6**
Local Revenue Enhancements	
Income Tax – Limitations on Deductions and Exemptions	$110.7
Income Tax Reserve – Eliminate Requirement that Counties Replenish	36.7
Recordation Tax – Indemnity Mortgages	39.9
LEA Retirement Payments for Federally Funded Positions	37.1
Subtotal	***$224.4***
Total Effect	**-$24.9**

ESOL: English for Speakers of Other Languages
LEA: local education agency

[1] Disparity Grant Supplement is contingent upon enactment of retirement payment cost shift.

Net Effect of State Aid Reductions and Local Revenue Enhancements in Fiscal 2013
($ in Millions)

	Public Schools	Local Libraries	Community Colleges	Local Health	County/ Municipal	Total Effect
Direct Aid Change Over Prior Fiscal Year – Current Law	**$113.2**	**$0.9**	**$5.7**	**$0.9**	**$66.2**	**$186.8**
Contingent Reductions to State Aid						
Police Aid Formula					-$21.4	-$21.4
Baltimore City Grant					-3.1	-3.1
Local Health Formula Aid				-$1.9		-1.9
Community College – Cade Formula			-$1.7			-1.7
Community College – ESOL Grants			-0.8			-0.8
Horse Racing Impact Grants					-0.7	-0.7
Retirement Payment Cost Shift					-239.3	-239.3
Subtotal	**$0.0**	**$0.0**	**-$2.5**	**-$1.9**	**-$264.5**	**-$268.9**
Disparity Grant Supplement[1]	**$0.0**	**$0.0**	**$0.0**	**$0.0**	**$19.6**	**$19.6**
Local Revenue Enhancements						
Income Tax Proposal					$110.7	$110.7
Income Tax Reserve					36.7	36.7
Recordation Tax – Indemnity Mortgages					39.9	39.9
LEA Retirement Payments	$37.1					37.1
Subtotal	**$37.1**	**$0.0**	**$0.0**	**$0.0**	**$187.3**	**$224.4**
Total Effect	**$150.3**	**$0.9**	**$3.2**	**-$1.0**	**$8.6**	**$162.0**

ESOL: English for Speakers of Other Languages
LEA: local education agency

[1] Disparity Grant Supplement is contingent upon enactment of retirement payment cost shift.

Net Effect of State Aid Reductions and Local Revenue Enhancements
Fiscal 2013

County	Direct Aid Change Over Prior Year	Contingent Reductions	Disparity Grant Supplement	*Local Revenue Enhancements* Individual Income Tax	Income Tax Reserve	Recordation Tax	LEA Retirement Payment	Total Enhancements	Net Effect
Allegany	-$2,661,478	-$3,278,958	$1,632,106	$272,128	$245,023	$187,500	$554,075	$1,258,726	-$3,049,604
Anne Arundel	29,875,637	-23,211,095	0	10,287,321	3,355,846	4,500,000	2,653,896	20,797,063	27,461,605
Baltimore City	18,887,212	-25,623,437	6,972,596	4,013,327	2,104,714	2,793,300	6,009,932	14,921,273	15,157,644
Baltimore	23,141,113	-32,709,782	0	12,933,534	4,839,885	3,150,000	4,397,964	25,321,384	15,752,714
Calvert	-455,700	-5,148,333	0	1,864,068	554,364	855,000	517,143	3,790,575	-1,813,458
Caroline	2,569,458	-1,556,672	685,108	147,340	100,213	180,000	289,758	717,311	2,415,205
Carroll	365,091	-7,640,225	0	3,255,795	1,086,772	1,200,000	743,833	6,286,400	-988,734
Cecil	1,015,641	-4,679,299	0	906,073	440,845	630,000	623,340	2,600,258	-1,063,399
Charles	1,858,983	-7,421,583	0	2,674,821	822,650	1,489,470	726,358	5,713,299	150,699
Dorchester	1,681,676	-1,320,028	308,913	195,716	96,702	267,208	283,124	842,750	1,513,312
Frederick	6,664,976	-11,133,575	0	4,641,068	1,531,193	1,566,330	1,095,976	8,834,567	4,365,968
Garrett	-1,999,459	-1,310,995	406,400	139,186	95,943	292,500	276,240	803,869	-2,100,185
Harford	-2,491,603	-10,930,578	0	4,217,654	1,530,887	1,340,250	1,461,759	8,550,550	-4,871,631
Howard	7,431,630	-18,836,921	0	10,694,124	2,918,127	2,325,000	996,214	16,933,465	5,528,174
Kent	200,783	-735,761	0	263,337	91,369	149,250	145,672	649,628	114,650
Montgomery	36,950,077	-53,795,484	0	37,233,303	10,503,112	11,564,027	6,216,647	65,517,089	48,671,683
Prince George's	46,142,501	-37,609,218	7,628,702	11,669,340	4,097,314	4,043,295	6,624,145	26,434,094	42,596,079
Queen Anne's	505,695	-2,109,936	0	1,096,030	292,934	397,500	289,021	2,075,485	471,244
St. Mary's	3,169,703	-4,675,580	0	1,545,934	635,562	735,000	601,198	3,517,694	2,011,816
Somerset	10,671	-952,307	381,999	70,806	57,711	47,700	277,050	453,267	-106,371
Talbot	757,587	-1,313,500	0	655,527	208,563	480,000	221,869	1,565,960	1,010,046
Washington	4,956,571	-6,126,616	0	1,060,674	584,688	525,000	899,512	3,069,874	1,899,829
Wicomico	5,429,255	-4,306,704	1,567,837	658,310	376,141	415,500	789,419	2,239,370	4,929,758
Worcester	845,527	-2,491,369	0	247,186	107,304	787,500	405,853	1,547,843	-97,998
Unallocated	1,998,341	0	0	0	0	0	0	0	1,998,341
Total	**$186,849,889**	**-$268,917,959**	**$19,583,662**	**$110,742,603**	**$36,677,862**	**$39,921,330**	**$37,099,999**	**$224,441,793**	**$161,957,385**

LEA: local education agency

Note: Local revenue enhancements are estimates provided by the Administration. Disparity Grant Supplement is contingent upon enactment of retirement payment cost shift.

Tax Proposals

Overview of Significant General Fund Revenue Assumptions in Governor's Fiscal 2013 Budget

Individual Income Tax

Limitation on Itemized Deductions – $119.1 Million, Plus Additional Local Revenues

- A taxpayer that itemizes deductions for federal income tax purposes may deduct the sum of qualified itemized deductions from Maryland adjusted gross income.

- The total amount of itemized deductions for a taxpayer with greater than $100,000 but not greater than $200,000 in Maryland adjusted gross income would be reduced by 10%.

- Total itemized deductions for a taxpayer with greater than $200,000 in Maryland adjusted gross income would be reduced by 20%.

Limitation on Personal Exemptions – $63.2 Million, Plus Additional Local Revenues

- The current value of the personal exemption is between $600 and $3,200, depending on a taxpayer's federal adjusted gross income and filing status.

Personal Exemption Values
Current Law

Single		Joint	
FAGI	**Exemption Value**	**FAGI**	**Exemption Value**
$100,000 or less	$3,200	$150,000 or less	$3,200
$100,001 – $125,000	2,400	$150,001 – $175,000	2,400
$125,001 – $150,000	1,800	$175,001 – $200,000	1,800
$150,001 – $200,000	1,200	$200,001 – $250,000	1,200
Over $200,000	600	Over $250,000	600

FAGI: federal adjusted gross income

- The personal exemption would be reduced from $2,400 to $1,200 for single filers with income between $100,001 and $125,000 and joint filers with income between $150,001 and $175,000.

- The personal exemptions of $1,800, $1,200, and $600 for single filers with income over $125,000 and joint filers with income over $175,000 would be eliminated.

Corporate Income Tax/Franchise Tax

Repeal of the Credit for Telecommunications Property Taxes – $9 Million

- A telecommunications company may receive a State income tax credit for 60% of the property taxes paid on certain operating real property in the State used in the telecommunications business.

Repeal of the Maryland-mined Coal Credit – $6 Million

- The Maryland-mined coal credit is currently scheduled to sunset in calendar 2021.

Sales and Use Tax/Excise Taxes

Require Collection of Sales Tax on Internet Affiliate Sales – $21 Million

- Several states, most notably New York and California, have enacted statutes related to collection of taxes owed from sales via affiliates of remote sellers.

- Under an affiliate program, a seller with a physical presence in a state receives a commission or other consideration from a remote seller for referring customers to that seller. Remote sellers such as Amazon.com frequently use affiliates to generate business and do not collect sales and use taxes owed on these transactions.

Other Tobacco Products Tax Increase – $19 Million

- The current excise tax on tobacco products other than cigarettes is 15% of the wholesale price, which would be increased to 70%.

Impose Sales Tax on Digital Products – $5 Million

- Digital products such as videos, music, and software are not currently subject to the sales tax if those products are downloaded over the Internet.

Repeal Miscellaneous Sales Tax Exemptions – $5 Million

- Sales tax exemptions for precious metal coins and bullion, resale of manufactured homes, and cylinder demurrage charges would be repealed.

Income Tax – Personal Exemption Changes
Impact on Example Taxpayers

	Federal Adjusted Gross Income	Current Exemption	Proposed Exemption	State Tax Increase	Local Tax Increase	State & Local Tax Increase	Federal Tax Change	Net Tax Increase
Single	$75,000	$3,200	$3,200	$0	$0	**$0**	$0	**$0**
	125,000	2,400	1,200	57	36	**93**	-26	**67**
	175,000	1,200	0	57	36	**93**	-26	**67**
Joint	125,000	3,200	3,200	0	0	**0**	0	**0**
	175,000	2,400	1,200	228	144	**372**	-104	**268**
	300,000	600	0	120	72	**192**	-54	**138**

Note: Taxpayers are assumed to itemize deductions on federal returns, and joint filers are assumed to have two dependents. In addition to filing status, the actual change in State and local income taxes paid will depend on the county of residence and number of exemptions claimed.

Sources: Comptroller of the Treasury; Department of Legislative Services

Income Tax – Itemized Deduction Changes
Impact on Example Taxpayers

Maryland Adjusted Gross Income	Itemized Deductions	Proposed % Reduction in Itemized Deductions	New Itemized Deductions	State Tax Increase	Local Tax Increase	State & Local Tax Increase	Federal Tax Change	Net Tax Increase
$100,000	$15,000	None	$15,000	$0	$0	**$0**	$0	**$0**
150,000	20,000	10%	18,000	95	60	**155**	-43	**112**
200,000	25,000	10%	22,500	125	75	**200**	-56	**144**
250,000	30,000	20%	24,000	300	180	**480**	-134	**346**
300,000	35,000	20%	28,000	350	210	**560**	-157	**403**
500,000	50,000	20%	40,000	550	300	**850**	-238	**612**

Sources: Comptroller of the Treasury; Department of Legislative Services

Capital Budget

Fiscal 2013 Capital Budget

Fiscal 2013 Capital Budget Totals $1.66 Billion

- **Debt components** include $1.1 billion of general obligation (GO) bonds, $32.0 million of Academic Revenue Bonds, and $15.3 million of Qualified Zone Academy Bonds (QZAB).

- **PAYGO components** include $7.7 million in general funds, $347.6 million in special funds, and $147.9 million in federal funds.

Use of GO Bonds for Operating Relief

- The Budget Reconciliation and Financing Act (BRFA) transfers $99.5 million of fiscal 2013 revenues from capital programs to the general fund.

- $165.6 million in GO bonds replace proposed and prior year transfers. Another $58.5 million in GO bonds are used to fund programs traditionally funded with general funds as another form of operating budget relief.

- Multi-year GO replacement of proposed and prior year transfers are preauthorized for fiscal 2014 and 2015 in the amount of $52.8 million and $27.5 million, respectively.

Funding Highlights

- **Public School Construction – Increased Funding and Green Schools Initiative:** The budget provides $351.4 million for public school construction supplemented with an additional $15.3 million of QZAB funds and $6.1 million of funding for the Aging Schools Program. Budget language restricts $50.0 million of public school construction funds to be used to fund energy efficiency improvement projects.

- **Flush Tax Increase** to fund Enhanced Nutrient Removal (ENR) at wastewater treatment plants and increased funding for septic systems upgrades. The additional revenue will bridge the estimated $382 million funding gap in the ENR program and facilitate completion of all 67 major wastewater treatment plants by fiscal 2017.

- **Facility Renewal** funding statewide totals $71.0 million. This includes $27.0 million for the University System of Maryland, $20.6 million for the Department of General Services program, $10.0 million toward a multi-year infrastructure improvement program at the University of Maryland, College Park, $5.0 million of improvements at Morgan State University, and $8.4 million for improvements at State parks operated by the Department of Natural Resources (DNR).

- **Housing Initiatives:** In addition to enhanced funding for Community Legacy and Homeownership programs, the budget plan includes:

  - $15 million for the "Rental Housing Works" initiative that will provide bridge financing for up to 20 affordable housing projects across the State, and;

  - $5 million for the Strategic Demolition and Smart Growth Impact Project Fund that will provide grants and loans to local governments and private entities for targeted demolition, housing development/ redevelopment, and revitalization projects in areas that will be designated through the implementation of PlanMaryland.

- **Stormwater and Oyster Restoration:** The budget enhances the funding for the Chesapeake Bay 2010 trust fund with $27.8 million of GO bonds for stormwater management projects. The *Capital Improvement Plan* (CIP) schedules a total of $67.8 million over the next three years to provide financial assistance to local governments for the implementation of stormwater management and wetlands restoration projects. The budget also provides $8.1 million for oyster restoration including $7.6 million for oyster bar rehabilitation activities in the Harris Creek and Little Choptank River.

- **Land Preservation programs:** Funded with GO bond and PAYGO at $115 million. This includes $94 million in GO bond replacement of proposed and prior revenue transfers.

- **State Park Improvements:** The budget proposes a number of DNR park improvement initiatives including $8.9 million for green park projects, $5.1 million for park improvements, and $8.7 million for DNR critical maintenance projects and other projects already planned in the CIP.

- **Notable Omissions:** Significant projects expected to be funded in fiscal 2013 that have been deferred or eliminated in the CIP.

  - ***New Youth Detention Facility:*** The budget defers funding for the Department of Public Safety and Correctional Services New Youth Detention Facility to fiscal 2014 – $42.5 million in construction funding was programmed in the CIP for 2013; furthermore, the budget de-authorizes $17.0 million or prior authorized funding for the project.

  - ***Cheltenham Youth Facility:*** The 2012 capital budget provided a pre-authorization for fiscal 2013 to begin construction of the new facility. The budget, however, defers the initial construction funding for this project to fiscal 2014 due to delays in the administration's implementation of a project labor agreement on the project.

Capital Budget
All Funds
Fiscal 2012-2013
($ in Millions)

	FY 2012	FY 2013	Variance
Uses			
State Facilities	$100.5	$146.6	$46.1
Health/Social	39.2	45.1	5.9
Environment	608.1	609.6	1.5
Public Safety	42.3	47.8	5.5
Education	323.2	382.8	59.6
Higher Education	235.8	293.5	57.7
Housing	79.5	99.1	19.6
Economic Development	7.0	7.0	0.0
Bond Bill Projects	15.0	15.0	0.0
Local Projects	17.6	16.9	-0.7
InterCounty Connector	46.2	0.0	-46.2
Subtotal	**$1,514.4**	**$1,663.4**	**$149.0**
Transportation	1,643.4	1,773.0	129.6
Total	**$3,157.8**	**$3,436.4**	**$278.6**
Funds			
General Obligation	$949.1	$1,112.9	$163.8
Revenue Bonds	207.0	32.0	-175.0
QZAB	15.9	15.3	-0.6
General	54.5	7.7	-46.8
Special	130.5	347.6	217.1
Federal	157.3	147.9	-9.4
Transportation	1,643.4	1,773.0	129.6
Total	**$3,157.7**	**$3,436.4**	**$278.7**

QZAB: Qualified Zone Academy Bonds

Note: Fiscal 2013 figures reflect the following adjustment: $99.5 million of contingent reductions reflecting the proposed diversion of fiscal 2013 transfer tax revenue of $96.9 million and diversion of Waterway Improvement Funds of $2.6 million to the general fund. The Governor's budget provides a multi-year general obligation bond replacement plan.

To Do List

2012 Session "To Do" List

Balance Before Proposals Requiring Legislative Approval 2012 Session		**-$587.8**
Revenues – Taxes and Fees		
Income tax – Cap Itemized Deductions	$119.1	
Income tax – Limit Personal Exemptions	63.2	
Corporate Income Tax – Telecommunications Property Tax Credits	9.0	
Sales and Use Tax – Internet Sales Affiliates	21.0	
Sales and Use Tax – Digital Downloads	5.0	
Sales and Use Tax – Precious Metal Coins or Bullion	3.0	
Tax on Other Tobacco Products	19.9	
Franchise Tax – Maryland-mined Coal	6.0	
Other	3.3	
Subtotal		***$249.6***
Other Revenue Actions		
Injured Workers' Insurance Fund	$50.0	
Maintain 5% Lottery Commission	8.8	
Divert Chesapeake Bay 2010 Fund Revenue	8.0	
Comptroller Unclaimed Property Advertising	0.5	
Reimbursement for Federally Funded Teacher Retirement	-37.1	
Subtotal		***$30.2***
Transfers		
Transfer Tax	$96.9	
Other	7.2	
Subtotal		***$104.1***
Reductions		
Mandate Relief through Fiscal 2017		
Transfer Tax Repayment	$50.0	
Police Aid	21.4	
Grant to Baltimore City	3.1	
Community Colleges	2.5	
Other	6.5	
Subtotal		***$83.5***
Cost Shifts		
Charge Counties for 50% of Combined Teacher Retirement/Social Security	$239.3	
Subtotal		***$239.3***
Fund Swaps		
Medicaid (Use Cigarette Restitution Fund)	$14.7	
Kidney Disease (Use Nonprofit Health Plan Revenue/Sr. Prescription Drug)	6.6	
Mental Hygiene (Use Nonprofit Health Service Plan Revenue)	6.2	
Nursing Home Provider Rate Increase from 5.5 to 6.0%	5.5	
State Police (Use Speed Camera Revenue)	4.2	
Impose Provider Tax Not to Exceed 5.5% on Medical Day Care Centers	3.4	
Other	4.1	
Subtotal		***$44.7***
Ending General Fund Balance		**$163.6**

Appendices

General Fund: Recent History and Outlook

Fiscal 2011-2013
($ in Millions)

	2011 Actual	2012 Working Approp.	2013 Allowance
Funds Available			
Ongoing Revenues	$13,537	$14,056	$14,587
Balances and Transfers	734	1,233	735
One-time Federal Aid	1,189	5	0
Short-term Revenues	0	37	167
Subtotal Funds Available	**$15,459**	**$15,331**	**$15,488**
Appropriations, Deficiencies, and Cost Containment			
Net Ongoing Operating Costs and Deficiencies	$14,804	$14,983	$15,009
One-time Spending	15	15	20
One-time Reductions/Withdrawn Appropriations	-507	0	-95
PAYGO Capital	158	48	1
Appropriations to Reserve Fund	0	0	390
Subtotal Spending	**$14,469**	**$15,045**	**$15,325**
Cash Balance/Shortfall	**$990**	**$285**	**$164**
Structural			
Balance (Ongoing Revenues Less Operating Costs)	**-$1,266**	**-$927**	**-$423**
Ratio (Ongoing Revenues/Operating Costs)	**91.4%**	**93.8%**	**97.2%**
Reserve Fund Activity			
Appropriations to State Reserve Fund	$0	$0	$390
Transfers to General Fund	0	0	315
Estimated Rainy Day Fund Balance – June 30	**$630**	**$681**	**$721**
Total Cash (Rainy Day, General Fund Balance)	**$1,620**	**$966**	**$885**

PAYGO: pay-as-you-go

Changes from General Fund Baseline Expenditure Growth
Fiscal 2013 Proposed Budget
($ in Millions)

Aid to Local Governments **-$217**

- Sharing teachers' retirement costs with local governments (-$239 million).*
- Various mandated aid formulas level funded (-$26 million).*
- Aid programs – net increase from baseline estimates ($28 million).
- One-time supplemental disparity grant ($20 million).*

Entitlements **-67**

- Medicaid funding less than baseline estimates (-$81 million) – net impact of cost containment actions and initiatives.
- Lower assistance payment caseloads (-$16 million) and higher foster care caseloads and lower federal share ($27 million).

State Agencies – Operations/Programs **-141**

- No general funds for low income energy assistance – additional federal funds assumed (-$28 million).
- Lower costs estimated for mental health services (-$39 million) .
- Smaller increase for higher education institutions (-$18 million).
- Leasing rather than purchasing video lottery terminals initially costs more ($22 million).
- Repayment for open space monies transferred to the general fund in fiscal 2006 not funded (-$50 million).*
- Employee health insurance funding less than baseline estimates (-$10 million).

Subtotal – Baseline Savings from Constraining Growth **-$425**

Fund Swaps/Found Money/New Revenues **-185**

- Entitlements: Increase in hospital assessment ($24 million), higher nursing home assessment ($6 million)*, and federal CHIPRA bonus ($28 million).
- Maximize federal funds for developmental disability and child welfare programs ($21 million).
- Use bond premiums for debt service in lieu of general funds ($78 million).

Total Difference from Baseline **-$610**

*Contingent on legislation.

CHIPRA: Children's Health Insurance Program Reauthorization Act of 2009

Spending Affordability Analysis
Fiscal 2013 Budget
($ in Millions)

Projected Structural Deficit Before Budget Actions	**-$1,105**
Analysis of Proposed Budget	
Total Revenues	$14,772
Less One-time Revenues	
Income Tax – Limit Personal Exemptions/Cap Deductions*	-67
Federal Payroll Tax Cut Extension – Estimated Impact on State Revenues	-39
Injured Workers' Insurance Fund (IWIF)	-50
Other one-time items	-29
Total Ongoing Revenues	**$14,587**
Total Spending	$15,325
Less One-time Spending	
Net Appropriation to the Rainy Day Fund	-340
Supplemental Disparity Grant	-20
Pay-as-you-go Capital	-1
Plus One-time Reductions	
CHIPRA Bonus in Medicaid	28
Budget Reconciliation and Financing Act of 2012 Actions	10
Local Management Board Fund Swap – Earned Reinvestment	7
Total Ongoing Spending	**$15,009**
Structural Deficit	**-$423**
Percentage Reduction in Structural Deficit Achieved by Proposed Budget	**62%**
Amount Over/(Under) the Limit	**-130**
Spending Affordability Target Percentage	50%
Difference	12%

CHIPRA: Children's Health Insurance Program Reauthorization Act of 2009

Note: *Reflects portion of tax on income earned in fiscal 2012 but collected in fiscal 2013.

Status of the General Fund
Fiscal 2012
($ in Millions)

Starting Balance		**$990.1**
Revenues		
BRE Estimated Revenue December 2011	$14,055.2	
Assumed Extension of Federal Payroll Tax	39.0	
Administration Assumptions	1.4	
Total		**$14,095.6**
Transfers		
Budget Reconciliation and Financing Act of 2011	$225.5	
Budget Reconciliation and Financing Act of 2012	2.8	
Sustainable Communities and Biotechnology Tax Credits	12.0	
Total		**$240.3**
Funds Available		**$15,326.1**
Spending		
Fiscal 2012 Legislative Appropriation	$14,781.1	
Deficiencies	296.7	
Targeted Reversions	-7.1	
Estimated Agency Reversions	-30.0	
Net Expenditures		**$15,040.7**
Ending Balance		**$285.3**

BRE: Board of Revenue Estimates

Status of the General Fund
Fiscal 2013
($ in Millions)

Starting Balance		**$285.3**
Revenues		
BRE Estimated Revenue December 2011	$14,423.0	
Assumed Extension of Federal Payroll Tax	39.0	
Budget Reconciliation and Financing Act of 2012	279.8	
Administration Assumptions	30.1	
Total		**$14,771.9**
Transfers		
Revenue Stabilization Account	$315.0	
Budget Reconciliation and Financing Act of 2012	101.3	
Sustainable Communities and Biotechnology Tax Credits	14.8	
Total		**$431.0**
Funds Available		**$15,488.3**
Spending		
Fiscal 2013 Allowance	$15,727.2	
Reductions Contingent on Legislation	-367.6	
Targeted Reversions	-5.0	
Estimated Agency Reversions	-30.0	
Net Expenditures		**$15,324.7**
Ending Balance		**$163.6**

BRE: Board of Revenue Estimates

General Fund Revenue Assumptions
Fiscal 2012-2013

Income Taxes	**2013**
* Individual Income Tax – Cap Itemized Deductions	$119,100,000
* Individual Income Tax – Limit Personal Exemptions	63,200,000
* Corporate Income Tax – Telecommunication Property Tax Credits	9,023,621
Sales and Use Tax	
* Internet Sales Affiliates	21,000,000
* Digital Downloads	5,000,000
* Precious Metal Coins or Bullion – Eliminate Exemption	3,000,000
* Tax Resale of Mobile Homes – Eliminate Exemption	1,400,000
* Cylinder Demurrage – Eliminate Exemption	700,000
Other Taxes	
* Tax on Other Tobacco Products	19,935,000
* Franchise Tax – Maryland Mined Coal	6,000,000
General Fund Fees	
DHMH – OHCQ Fees	2,173,800
DHMH – Newborn Screening Fee	1,360,000
* DHMH – Death Certificate Fees	738,540
DHMH – Food Control Fees	480,250
* Office of Administrative Hearings Fee	457,389
DHMH – Community Services Fee	50,000

* Items require a statutory change through legislation.

General Fund Revenue Assumptions
Fiscal 2012-2013

Other General Fund Revenue Items	2012	2013
* IWIF		$50,000,000
* Chesapeake Bay 2010 Fund Shift		8,000,000
* Freeze Lottery Agent Commissions		8,800,000
Unclaimed Property – Balance		8,023,380
DHMH – Glaxo Medicaid Settlement		7,500,000
DBM – Central Collection Unit	$2,494,150	2,469,958
DLLR – SAEF Revenues	2,745,255	
Lottery – Internet Lottery		2,200,000
Individual Income Tax – W2 Upgrade		2,000,000
DHMH – Merck Medicaid Settlement		1,596,570
PEPCO Fine		1,000,000
Federal reimbursement for cemetery expansion		700,000
* Comptroller – Unclaimed Property		500,000
Retirement Statewide Indirect Costs	362,839	382,426
Maryland School for the Deaf – Tuition Reimbursement	167,000	168,636
Reductions to General Fund Revenues		
* MSDE – Reimbursement for Federally Funded Teacher Retirement		-37,100,000
Hospital Patient Recoveries – Assisted Living		-23,347
Highway User Revenues Under Estimate	-4,348,498	
Total	**$1,420,746**	**$309,838,236**

DBM: Department of Budget and Management

DHMH: Department of Health and Mental Hygiene

DLLR: Department of Labor, Licensing, and Regulation

IWIF: Injured Workers' Insurance Fund

MSDE: Maryland State Department of Education

OHCQ: Office of Health Care Quality

SAEF: Special Administrative Expense Fund

* Items require a statutory change through legislation.

Proposed Transfers to General Fund
Fiscal 2012-2013

	2012	2013
Transfers Contingent on Budget Reconciliation Legislation		
Baltimore City Community College	$1,800,000	
MSP – Helicopter Replacement Fund	1,000,000	
DPSCS – Maryland Correctional Enterprises Revolving Fund		$500,000
DHMH – Spinal Cord Injury Research Trust Fund		500,000
DHMH – Boards and Commissions Various Balances		426,529
Treasurer – State Insurance Trust Fund		206,000
DBED – MD Not-for-Profit Development Program Fund		111,063
Secretary of State – Division of State Documents		50,000
Subtotal	***$2,800,000***	***$1,793,592***
PAYGO Transfers Contingent on Reconciliation Legislation		
Transfer Tax – Capital Appropriations		$96,870,649
DNR – Waterway Improvement Fund		2,611,000
Subtotal	***$0***	***$99,481,649***
Total	**$2,800,000**	**$101,275,241**

General Fund Reversion Assumptions
Fiscal 2012-2013

	2012	2013
Specific Reversion Assumptions		
DBED – MIDFA Restricted Funds	$2,400,000	
MDP – Sustainable Communities Tax Credit	2,000,000	
CCIF – Children's Cabinet	2,598,750	
DHCD – Rental Assistance	136,000	
Anticipated Reductions to the Judiciary		$5,000,000
Total	**$7,134,750**	**$5,000,000**

CCIF: Children's Cabinet Interagency Fund
DBED: Department of Business and Economic Development
DHCD: Department of Housing and Community Development
DHMH: Department of Health and Mental Hygiene
DNR: Department of Natural Resources
DPSCS: Department of Public Safety and Correctional Services
MDP: Maryland Department of Planning
MIDFA: Maryland Industrial Development Financing Authority
MSP: Maryland State Police
PAYGO: pay-as-you-go

General Fund Reductions Contingent on Legislation

	2013
Local Aid	
Civil Divisions – Baltimore City Grant	$3,075,000
GOCCP – Level Fund Police Aid	21,420,535
DHMH – Level Fund Local Health	1,894,001
MSDE – Teacher's Retirement Local Cost Share (Public Schools/Libraries)	229,866,394
MHEC – Teacher's Retirement Local Cost Share (Community Colleges)	9,450,801
MHEC – Aid to Community Colleges	2,490,430
MHEC – Level Fund Sellinger	1,344,148
Subtotal	**$269,541,309**
Special Fund Substitution	
Elections – Authorize Use of Campaign Finance Fund	$413,000
Planning – Use Heritage Area Authority Fund for Administration	1,150,000
DHMH – Impose Provider Tax on Medical Day Care	3,431,947
DHMH – Nursing Home Provider Rates 5.5 to 6.0%	5,520,840
DHMH – MHA State Only Services – Use Nonprofit Health Plan Revenues	6,247,276
DHMH – Nonprofit Health Plan/SPDAP Revenues for Kidney Disease Program	6,598,809
DHMH Medicaid – CRF Fund Swap – Level Fund Other Programs	14,688,143
Education Aid – Redirect Unspent Fiscal 2012 Funds to Education Trust Fund	1,867,000
Higher Education – Share of Additional Corporate Taxes Paid by Telecomm. Companies	630,000
MSP – Speed Camera Revenues	4,173,658
Subtotal	**$44,720,673**
Agency Mandate Relief	
Agriculture – Level Fund MARBIDCO	$250,000
Higher Education – Baltimore City Community College	1,704,285
DBED – Level Fund State Arts Council	344,703
DBED – Level Fund Tourism Board	1,000,000
Reserve Fund – Transfer Tax Repayment	50,000,000
Subtotal	**$53,298,988**
Total	**$367,560,970**

CHRC: Community Health Resources Commission
CRF: Cigarette Restitution Fund
DBED: Department of Business and Economic Development
DHMH: Department of Health and Mental Hygiene
GOCCP: Governor's Office of Crime Control and Prevention
MARBIDCO: Maryland Agricultural and Resource-Based Industry Development Corporation
MHA: Mental Hygiene Administration
MHEC: Maryland Higher Education Commission
MSDE: Maryland Department of Education
MSP: Maryland State Police
SF: Special Funds
SPDAP: Senior Prescription Drug Assistance Program

State Expenditures – General Funds
($ in Millions)

Category	Actual FY 2011	Adjusted Work. Appr. FY 2012	Allowance FY 2013	Contingent Reductions	Adjusted Allowance FY 2013	FY 2012 to FY 2013 $ Change	FY 2012 to FY 2013 % Change
Debt Service	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	n/a
County/Municipal	185.6	186.6	230.2	24.5	205.7	19.1	10.2%
Community Colleges	258.1	263.3	273.3	11.9	261.4	-1.9	-0.7%
Education/Libraries	4,900.1	5,595.4	5,755.6	231.7	5,523.9	-71.5	-1.3%
Health	37.3	38.3	39.2	1.9	37.3	-1.0	-2.6%
Aid to Local Governments	***$5,381.1***	***$6,083.5***	***$6,298.3***	***$270.1***	***$6,028.2***	***-$55.3***	***-0.9%***
Foster Care Payments	212.3	237.7	235.7	0.0	235.7	-2.0	-0.9%
Assistance Payments	47.1	87.8	81.7	0.0	81.7	-6.1	-6.9%
Medical Assistance	1,813.6	2,615.7	2,584.2	30.2	2,554.0	-61.7	-2.4%
Property Tax Credits	75.9	81.8	82.0	0.0	82.0	0.1	0.2%
Entitlements	***$2,148.9***	***$3,023.1***	***$2,983.7***	***$30.2***	***$2,953.4***	***-$69.7***	***-2.3%***
Health	1,384.8	1,454.5	1,475.8	6.2	1,469.5	15.0	1.0%
Human Resources	295.5	276.5	275.9	0.0	275.9	-0.6	-0.2%
Systems Reform Initiative	13.9	26.1	16.9	0.0	16.9	-9.2	-35.1%
Juvenile Services	257.5	263.6	263.5	0.0	263.5	-0.1	0.0%
Public Safety/Police	1,169.8	1,269.1	1,302.0	4.2	1,297.8	28.7	2.3%
Higher Education	1,145.6	1,133.9	1,154.7	2.3	1,152.4	18.5	1.6%
Other Education	369.4	381.4	351.4	1.3	350.0	-31.4	-8.2%
Agric./Natl Res./Environment	102.5	102.2	102.1	0.3	101.8	-0.4	-0.4%
Other Executive Agencies	541.1	535.9	634.0	2.9	631.1	95.2	17.8%
Leglislative	74.9	76.8	78.5	0.0	78.5	1.7	2.2%
Judiciary	370.0	374.6	392.4	0.0	392.4	17.8	4.7%
State Agencies	***$5,725.0***	***$5,894.6***	***$6,047.1***	***$17.3***	***$6,029.9***	***$135.3***	***2.3%***
Total Operating	**$13,255.0**	**$15,001.2**	**$15,329.1**	**$317.6**	**$15,011.5**	**$10.3**	**0.1%**
Capital [(1)]	10.8	54.5	7.7	0.0	7.7	-46.8	-85.9%
Reserve Funds	15.0	15.0	390.5	50.0	340.5	325.5	2169.7%
Appropriations	**$13,280.8**	**$15,070.7**	**$15,727.2**	**$367.6**	**$15,359.7**	**$288.9**	**1.9%**
Reversions	0.0	-30.0	-35.0	0.0	-35.0	-5.0	16.7%
Grand Total	**$13,280.8**	**$15,040.7**	**$15,692.2**	**$367.6**	**$15,324.7**	**$283.9**	**1.9%**

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

Note: The adjusted fiscal 2012 working appropriation includes $296.7 million in deficiencies and $7.1 million in targeted reversions. The fiscal 2013 reversions include $5.0 million in anticipated legislative reductions to the judiciary budget. The fiscal 2013 adjusted allowance reflects $367.6 million in reductions contingent on legislation.

State Expenditures – State Funds
($ in Millions)

Category	Actual FY 2011	Adjusted Work. Appr. FY 2012	Allowance FY 2013	Contingent Reductions & Fund Swaps	Adjusted Allowance FY 2013	FY 2012 to FY 2013 $ Change	FY 2012 to FY 2013 % Change
Debt Service	$981.4	$1,055.9	$1,101.6	$0.0	$1,101.6	$45.7	4.3%
County/Municipal	385.1	391.7	473.3	38.8	434.5	42.9	10.9%
Community Colleges	258.1	264.1	273.9	11.9	262.0	-2.1	-0.8%
Education/Libraries	5,332.9	5,724.8	6,022.9	229.9	5,793.0	68.2	1.2%
Health	37.3	38.3	39.2	1.9	37.3	-1.0	-2.6%
Aid to Local Governments	***$6,013.4***	***$6,418.8***	***$6,809.3***	***$282.5***	***$6,526.8***	***$108.0***	***1.7%***
Foster Care Payments	212.9	237.8	236.8	0.0	236.8	-0.9	-0.4%
Assistance Payments	63.9	104.2	101.1	0.0	101.1	-3.1	-2.9%
Medical Assistance	2,407.5	3,526.0	3,493.7	0.0	3,493.7	-32.3	-0.9%
Property Tax Credits	75.9	81.8	82.0	0.0	82.0	0.1	0.2%
Entitlements	***$2,760.2***	***$3,949.8***	***$3,913.6***	***$0.0***	***$3,913.6***	***-$36.2***	***-0.9%***
Health	1,790.0	1,945.8	1,988.5	14.7	1,973.8	28.0	1.4%
Human Resources	383.0	354.5	357.9	0.0	357.9	3.4	1.0%
Systems Reform Initiative	13.9	26.1	16.9	0.0	16.9	-9.2	-35.1%
Juvenile Services	257.9	264.1	266.2	0.0	266.2	2.1	0.8%
Public Safety/Police	1,370.7	1,485.0	1,514.7	0.0	1,514.7	29.7	2.0%
Higher Education	4,793.3	5,012.2	5,140.7	1.7	5,139.0	126.8	2.5%
Other Education	415.0	431.6	404.1	1.3	402.7	-28.9	-6.7%
Transportation	1,446.7	1,479.8	1,516.7	0.0	1,516.7	36.9	2.5%
Agric./Natl Res./Environment	290.6	309.4	321.8	8.3	313.6	4.2	1.4%
Other Executive Agencies	950.6	1,140.6	1,300.0	1.8	1,298.1	157.5	13.8%
Legislative	75.0	76.9	78.5	0.0	78.5	1.6	2.1%
Judiciary	407.3	427.4	448.8	0.0	448.8	21.4	5.0%
State Agencies	***$12,194.1***	***$12,953.4***	***$13,354.8***	***$27.8***	***$13,326.9***	***$373.5***	***2.9%***
Total Operating	**$21,949.0**	**$24,377.9**	**$25,179.2**	**$310.3**	**$24,868.9**	**$491.0**	**2.0%**
Capital [1]	768.5	1,034.6	1,341.1	51.9	1,289.2	254.6	24.6%
Reserve Funds	15.0	15.0	390.5	50.0	340.5	325.5	2169.7%
Appropriations	**$22,732.5**	**$25,427.5**	**$26,910.8**	**$412.3**	**$26,498.6**	**$1,071.1**	**4.2%**
Reversions	0.0	-30.0	-35.0	0.0	-35.0	-5.0	16.7%
Grand Total	**$22,732.5**	**$25,397.5**	**$26,875.8**	**$412.3**	**$26,463.6**	**$1,066.1**	**4.2%**

[1] Includes the Sustainable Communities Tax Credit Reserve Fund.

Note: The adjusted fiscal 2012 working appropriation includes $285.0 million in deficiencies and $7.1 million in targeted reversions. The fiscal 2013 reversions include $5.0 million in anticipated legislative reductions to the judiciary budget. The fiscal 2013 adjusted allowance reflects $457.0 million in reductions contingent on legislation. These reductions are offset by $44.7 million in additional special fund spending due to funding swaps.

State Expenditures – Special and Higher Education Funds *

($ in Millions)

Category	Actual FY 2011	Work. Appr. FY 2012	Allowance FY 2013	Contingent Reductions & Fund Swaps	Adjusted Allowance FY 2013	FY 2012 to FY 2013 $ Change	FY 2012 to FY 2013 % Change
Debt Service	$981.4	$1,055.9	$1,101.6	$0.0	$1,101.6	$45.7	4.3%
County/Municipal	199.5	205.1	243.1	14.3	228.8	23.8	11.6%
Community Colleges	0.0	0.8	0.6	0.0	0.6	-0.1	-17.7%
Education/Libraries	432.8	129.5	267.3	-1.9	269.2	139.7	107.9%
Health	0.0	0.0	0.0	0.0	0.0	0.0	n/a
Aid to Local Governments	***$632.3***	***$335.3***	***$511.1***	***$12.4***	***$498.6***	***$163.3***	***48.7%***
Foster Care Payments	0.6	0.0	1.1	0.0	1.1	1.1	4336.3%
Assistance Payments	16.7	16.4	19.4	0.0	19.4	3.0	18.3%
Medical Assistance	593.9	910.3	909.4	-30.2	939.6	29.4	3.2%
Property Tax Credits	0.0	0.0	0.0	0.0	0.0	0.0	n/a
Entitlements	***$611.3***	***$926.7***	***$929.9***	***-$30.2***	***$960.2***	***$33.5***	***3.6%***
Health	405.2	491.3	512.7	8.4	504.3	13.0	2.6%
Human Resources	87.5	78.0	82.0	0.0	82.0	4.0	5.1%
Systems Reform Initiative	0.0	0.0	0.0	0.0	0.0	0.0	n/a
Juvenile Services	0.4	0.5	2.7	0.0	2.7	2.2	454.5%
Public Safety/Police	200.9	215.9	212.7	-4.2	216.9	1.0	0.5%
Higher Education	3,647.7	3,878.3	3,986.0	-0.6	3,986.7	108.3	2.8%
Other Education	45.6	50.2	52.7	0.0	52.7	2.5	4.9%
Transportation	1,446.7	1,479.8	1,516.7	0.0	1,516.7	36.9	2.5%
Agric./Natl Res./Environment	188.2	207.2	219.8	8.0	211.8	4.6	2.2%
Other Executive Agencies	409.5	604.7	666.0	-1.1	667.0	62.3	10.3%
Legislative	0.2	0.1	0.0	0.0	0.0	-0.1	-100.0%
Judiciary	37.3	52.7	56.4	0.0	56.4	3.7	7.0%
State Agencies	***$6,469.1***	***$7,058.8***	***$7,307.6***	***$10.6***	***$7,297.0***	***$238.3***	***3.4%***
Total Operating	**$8,694.0**	**$9,376.7**	**$9,850.2**	**-$7.2**	**$9,857.4**	**$480.7**	**5.1%**
Capital	757.7	980.1	1,333.4	51.9	1,281.5	301.4	30.7%
Grand Total	**$9,451.7**	**$10,356.8**	**$11,183.6**	**$44.7**	**$11,138.9**	**$782.1**	**7.6%**

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

Note: The fiscal 2012 working appropriation includes -$11.7 million in deficiencies. The fiscal 2013 adjusted allowance reflects $89.4 million in reductions contingent on legislation offset by $44.7 million in additional special fund spending due to funding swaps.

State Expenditures – Federal Funds
($ in Millions)

Category	Actual FY 2011	Work. Appr. FY 2012	Allowance FY 2013	Contingent Reductions	Adjusted Allowance FY 2013	FY 2012 to FY 2013 $ Change	FY 2012 to FY 2013 % Change
Debt Service	$9.2	$11.5	$12.0	$0.0	$12.0	$0.5	4.0%
County/Municipal	94.6	57.6	51.9	0.0	51.9	-5.8	-10.0%
Community Colleges	0.0	0.0	0.0	0.0	0.0	0.0	n/a
Education/Libraries	1,477.8	760.2	796.9	0.0	796.9	36.7	4.8%
Health	4.5	4.5	4.5	0.0	4.5	0.0	0.0%
Aid to Local Governments	***$1,576.9***	***$822.3***	***$853.3***	***$0.0***	***$853.3***	***$31.0***	***3.8%***
Foster Care Payments	86.4	86.3	79.5	0.0	79.5	-6.8	-7.9%
Assistance Payments	1,146.4	1,293.1	1,141.9	0.0	1,141.9	-151.2	-11.7%
Medical Assistance	3,775.0	3,571.0	3,637.3	0.0	3,637.3	66.2	1.9%
Property Tax Credits	0.0	0.0	0.0	0.0	0.0	0.0	n/a
Entitlements	***$5,007.8***	***$4,950.5***	***$4,858.7***	***$0.0***	***$4,858.7***	***-$91.8***	***-1.9%***
Health	964.5	1,098.9	1,153.6	0.0	1,153.6	54.7	5.0%
Human Resources	503.3	547.3	553.2	0.0	553.2	5.9	1.1%
Systems Reform Initiative	7.3	0.0	0.0	0.0	0.0	0.0	n/a
Juvenile Services	14.2	10.4	8.3	0.0	8.3	-2.0	-19.6%
Public Safety/Police	107.5	30.5	29.0	0.0	29.0	-1.5	-4.9%
Higher Education	0.0	0.0	0.0	0.0	0.0	0.0	n/a
Other Education	228.3	279.2	248.8	0.0	248.8	-30.5	-10.9%
Transportation	90.7	87.7	85.4	0.0	85.4	-2.3	-2.6%
Agric./Natl Res./Environment	70.1	75.8	69.6	0.0	69.6	-6.2	-8.2%
Other Executive Agencies	657.4	624.7	532.6	0.0	532.6	-92.1	-14.7%
Judiciary	4.4	3.6	3.5	0.0	3.5	-0.2	-4.8%
State Agencies	***$2,647.7***	***$2,758.1***	***$2,683.9***	***$0.0***	***$2,683.9***	***-$74.2***	***-2.7%***
Total Operating	**$9,241.6**	**$8,542.4**	**$8,407.8**	**$0.0**	**$8,407.8**	**-$134.6**	**-1.6%**
Capital	709.7	895.5	935.1	0.0	935.1	39.6	4.4%
Grand Total	**$9,951.3**	**$9,437.9**	**$9,342.9**	**$0.0**	**$9,342.9**	**-$95.0**	**-1.0%**

Note: The fiscal 2012 working appropriation includes $40.5 million in deficiencies.

Significant Changes in Personnel

Statewide Positions

	Executive Branch*	All	SAC
Fiscal 2012 Legislative Appropriation	**50,434.4**	**78,986.8**	**78,986.8**
Position creation through BPW or Flex Autonomy	12.0	583.7	583.7
Section 47 Directed Abolition of 450 Positions	-385.5	-450.0	-450.0
FY 2013 Allowance Abolitions	-133.2	-149.2	-149.2
FY 2013 Allowance Position Creation – Legislation/Other	127.2	144.5	144.5
FY 2013 Allowance Position Creation – SAC Exceptions	128.5	128.5	0.0
Total Fiscal 2013 Allowance	**50,183.4**	**79,244.3**	**79,115.8**
Change	*-251.0*	*257.5*	

● SAC limited total State workforce to 79,119 positions, while granting exemptions for enhanced facility security, in-sourcing, and facilitation of accelerated capital projects.

● Excluding the 128.5 new positions that qualify under the stated exceptions from the fiscal 2013 allowance total, the State's personnel complement is under the SAC limit by 2.2 positions.

* Excluding higher education institutions.

Employee Salaries
($ in Millions)

Fiscal 2013 salaries fall due to position reductions through the Voluntary Separation Program and budget bill language as well as the removal of one-time bonus funds. The decrease is offset by the inclusion of funding for a 2% general salary increase set to begin in January 2013 as an outcome of the 2011 collective bargaining process.

	All Funds	General Funds
FY 2012 Working Appropriation for Salaries	$4,540.9	$2,724.5
Removal of One-time $750 Bonus	-51.4	-38.1
Reductions from Voluntary Separation Program	-26.2	-15.7
Annualized Savings from Section 47 Budget Bill Language	-18.7	-11.8
Annualized Net Impact of Additional Changes	-14.1	-8.4
January 2013 2% Cost-of-living Adjustment	47.2	33.8
Fiscal 2013 Allowance for Salaries	**$4,477.8**	**$2,684.3**
Change	*-$63.1*	*-$40.3*

BPW: Board of Public Works
SAC: Spending Affordability Committee

Note: Salary totals are shown after turnover has been removed.

State Pension System – Contribution Rates and Budgeted Funding Levels

Fiscal 2011 Actual to Fiscal 2013 Allowance

($ in Millions)

	FY 2011	FY 2012	With Reform FY 2013	Change w/Reform FY 2012-13	Without Reform FY 2013
Employees' System – State Rate	11.69%	13.40%	14.36%		15.16%
Employees' System – State $	*$343*	*$367*	*$419*	*$52*	*$482*
Teacher System – State Rate	14.34%	15.45%	15.30%		16.57%
Teacher System – State $	*$924*	*$949*	*$985*	*$37*	*$1,063*
Other Systems State $*	*$103*	*$108*	*$110*	*$2*	*$125*
Total $ Contribution	**$1,371**	**$1,423**	**$1,514**	**$90**	**$1,669**

- In the absence of the 2011 pension reform, State contributions for fiscal 2013 would have equaled $1.669 billion.

- The reforms reduce the State's liabilities by $310.0 million. To improve the System's funding status, the amount budgeted in State contributions for fiscal 2013 increases by $90.0 million. This amount is the net impact of the 2011 reforms' reinvestment, which contributes $190.8 million above the post-reform rate to the system and will provide an additional $300.0 million annually to the Pension Trust every year thereafter.

- Partially offsetting the reforms is the fact that State contribution rates are still increasing due to the large investment losses of calendar 2008 to 2009 in spite of positive experience in fiscal 2010 to 2011. Falling payroll levels and accrued corridor-based liabilities also push the base contribution rates upward in fiscal 2013.

- The fiscal 2013 allowance contains contingent reductions to the State contribution into the Teachers' System of $229 million for local teachers/libraries and $9 million for those in community colleges to implement a cost sharing program with the counties.

*Other systems represent those serving State Police, judges, law enforcement officers, and legislators. Maryland Transportation Authority police officers are not included because they are nonbudgeted.

Source: Gabriel Roeder Smith & Company; Department of Budget and Management

Employee/Retiree Health Insurance
($ in Millions)

- Budgeted amounts increase by $57.8 million, or 6.2%, in fiscal 2013 over fiscal 2012 State contribution levels.

	FY 2012 Work. Approp.	FY 2013 Allowance	FY 2012-13 Change
Total Health Insurance Budget	**$935.2**	**$993.0**	**$57.8**
General Fund Portion	*$561.1*	*$595.8*	*$34.7*

- A transfer of the final $13 million of previously held balances is utilized in the allowance to supplement the appropriated amounts. Total estimated expenditures in the Employee/Retiree Health and Welfare Benefits Fund for fiscal 2013 are $1.29 billion.

- A $44 million savings reduces that total by including collectively bargained plan changes as described below:

	Projected Savings
PPO/POS Coinsurance Changes	
Coinsurance on in-patient hospital stays change from 100% in-network /80% out of network to 90%/70% with an Out-of-pocket Maximum in-network of $1,000 per individual /$2,000 family per plan year.	**$39.8**
PPO/POS/EPO Copay Changes	
Urgent care copay increased to $30 from $20 and emergency room copays increased to $75 from $50.	**2.8**
Specialist office visit copay increased to $30 from $25.	**1.4**

- The Administration estimates that employee contributions will increase by $10.3 million and retiree costs by $4.6 million in fiscal 2013. The total member contribution is $257.8 million, or 26%, of the State's contribution to this fringe benefit.

EPO: Exclusive Provider Organization
POS: Point of Service
PPO: Preferred Provider Organization

Regular Full-time Equivalent Position Changes
Fiscal 2010 Actual to Fiscal 2013 Allowance

Department/Service Area	FY 2010 Actual	FY 2011 Actual	FY 2012 Leg. Approp.	BPW/ Flex/ Adjust	450 Positions	Transfer	FY 2012 Work. Approp.	Transfer	Abolished Positions	New Positions	FY 2013 Allowance	Difference FY 12 Leg. to FY 13 Allow.
Health and Human Services												
Health and Mental Hygiene	6,584	6,388	6,411	10	-71		6,350	-6	-14	127	6,457	*46*
Human Resources	6,742	6,677	6,568		-23		6,545	-1	-17	12	6,539	*-29*
Juvenile Services	2,254	2,219	2,184		-21	-23	2,140		-7		2,133	*-51*
Subtotal	***15,580***	***15,284***	***15,163***	***10***	***-115***	***-23***	***15,035***	***-7***	***-38***	***139***	***15,129***	***-34***
Public Safety												
Public Safety and Correctional Services	11,396	11,223	11,168		-116	1	11,053	-3	-20	21	11,051	*-117*
Police and Fire Marshal	2,416	2,402	2,395		-28		2,367		-6	32	2,393	*-2*
Subtotal	***13,811***	***13,625***	***13,563***	***0***	***-144***	***1***	***13,420***	***-3***	***-26***	***53***	***13,444***	***-119***
Transportation	9,012	8,849	8,806		-59	-2	8,745		-20	8	8,733	*-74*
Other Executive												
Legal (Excluding Judiciary)	1,504	1,465	1,444	1	-21	2	1,426	-1	-1	2	1,426	*-18*
Executive and Administrative Control	1,637	1,601	1,580	1	-6	-1	1,574	1	-7	11	1,579	*-1*
Financial and Revenue Administration	1,997	1,979	1,972		-3		1,969		-2	3	1,970	*-2*
Budget and Management	450	436	423		-3		420	9		6	435	*12*
Retirement	204	207	202		-2		200			2	202	*0*
General Services	593	588	586		-6	-6	574			2	576	*-10*
Natural Resources	1,287	1,289	1,271		-2	10	1,279	1	-10	29	1,299	*28*
Agriculture	406	406	399		-4	-3	392		-6		386	*-13*
Labor, Licensing, and Regulation	1,675	1,665	1,655		-3		1,652		-2		1,650	*-5*
MSDE and Other Education	1,959	1,938	1,902		-7	23	1,918		-21		1,897	*-5*
Housing and Community Development	311	308	305		-3		302				302	*-3*
Business and Economic Development	238	233	228		-3		225			2	227	*-1*
Environment	970	959	937		-5	-1	931		0		931	*-6*
Subtotal	***13,230***	***13,073***	***12,902***	***2***	***-68***	***24***	***12,861***	***10***	***-49***	***57***	***12,878***	***-24***
Executive Branch Subtotal	**51,633**	**50,831**	**50,434**	**12**	**-386**	**0**	**50,061**	**0**	**-133**	**256**	**50,183**	***-251***
Higher Education	23,864	24,222	24,224	571	-65		24,730		-16	10	24,724	*500*
Judiciary	3,581	3,581	3,581				3,581			7	3,589	*7*
Legislature	747	747	747	1			748				748	*1*
Grand Total	**79,825**	**79,382**	**78,987**	**584**	**-450**	**0**	**79,121**	**0**	**-149**	**273**	**79,244**	***257***

MSDE: Maryland State Department of Education

Source: Department of Budget and Management

Description of Position Changes in Fiscal 2013 Budget

Interim Position Creations

- The fiscal 2012 working appropriation includes 571.2 full-time equivalent (FTE) positions created by the higher education institutions through "flex" personnel autonomy.
- 11 positions were created at the Board of Public Works, all of which use federal funds:
  - 10 in the Department of Health and Mental Hygiene (DHMH) and 1 in the Office of the Attorney General:
    - 4 will staff the Maryland Health Benefit Exchange;
    - 4 work in a grant program to reduce youth access to tobacco; and
    - 3 staff the Prescription Drug Monitoring Program.

Section 47 – 450 Position Reductions

- The General Assembly instructed the Governor to abolish 450 positions across the Executive Branch by January 1, 2012. The fiscal 2012 working appropriation deleted 326.5 positions in the Executive Branch, 59 positions from the Maryland Department of Transportation's (MDOT), and 64.5 positions from higher education institutions for this purpose.
- The annualized salary value of these positions was $13.9 million in all funds ($9.8 million in general funds) for those abolished in the Executive Branch, $2.8 million in special funds for those from MDOT, and $2.0 million from higher education institutions.

Significant Position Changes in the Allowance

- *Position creations – permissible Spending Affordability Committee exceptions (128.5 positions):*
  - ***DHMH (93 Positions):*** To provide enhanced security to the Perkins facility.
  - ***Department of Natural Resources (28.5 Positions):*** All are in the Fisheries Service to defray the costs of paying Maryland Environmental Service for contractual services.
  - ***State Board of Elections (7 Positions):*** Replace positions previously included in a contract for voting system services.
- *Position creations – other new positions – legislation, expanded functions, etc. (144.45 positions):*
  - ***DHMH (33.5 Positions):*** 9 positions provide support to various health boards; 6 positions reduce fraud, waste, and abuse in behavioral community services in the Office of the Inspector General; 4 positions are nurse surveyors at the Office of Health Care Quality; 4 positions in Medicaid are federally funded with the Money Follows the Person project and the remainder are primarily administrative positions.
  - ***Maryland State Police (32 Positions):*** All are trooper first class positions in the Aviation Command to be hired on a staggered schedule throughout fiscal 2013 as medics on new helicopters.

- ***Department of Public Safety and Correctional Services (21 Positions):*** The 11 positions provided to the Division of Correction are primarily for a new Maryland Correctional Enterprises facility while 10 new positions at the Maryland Parole Commission accommodate an anticipated increase in inmates paroled each month.

- ***Department of Human Resources (12.2 Positions):*** For legal support in the Child Support Enforcement Administration for the Baltimore City Office.

- ***St. Mary's College of Maryland (10 Positions):*** 5 positions are new instructors, 2 positions in student services, 2 new housekeepers, and 1 cashier to address audit findings.

- ***MDOT (7.5 Positions):*** Implement legislation relating to the Ignition Interlock Program.

- ***Judiciary (7.25 Positions):*** 6 positions in support of new/expanded information technology systems and 1 position for the Charles County Circuit Court to support case filings and dockets in the Child Support Division.

- *Position abolitions (-149.15 positions):*

  - ***MDOT (-20 Positions):*** 8 in State Highway Administration – 6 technicians and 2 environmental analysts; 5 from Motor Vehicle Administration, 4 customer agents and 1 investigator; 5 from Maryland Transit Administration – 2 repairmen, and 1 rail technician, 1 police officer, and 1 engineer; and 2 Engineering Technicians in the Maryland Aviation Administration.

  - ***Department of Public Safety and Correctional Services (-20 Positions):*** All abolitions were due to cost containment, with 9 positions coming from the Division of Correction, 8 positions from the Division of Parole and Probation, 2 positions from the Division of Pretrial Detention and Services, and 1 position from the Office of the Secretary.

  - ***Maryland State Department of Education (-18 Positions):*** All were vacant and 15 positions had been vacant for over 12 months. 5 positions came from the Child Care Licensing function; 4 positions from the Juvenile Services Education Program; 4 positions from the Division of Student, Family, and School Support; 2 positions each from the Division of Instruction and the Office of the State Superintendent and 1 position from the Division of Rehabilitation Services.

  - ***Department of Human Resources (-17 Positions):*** All positions abolished were vacant with 4 positions coming from Child Support Enforcement Administration and 3 positions each from local Adult Services, local Child Welfare Services, and the Office of Technology for Human Services.

  - **Baltimore City Community College (-16 Positions):** 5 advisors and instructors, 5 facilities and maintenance positions, 3 administrative assistants, 1 procurement officer, 1 programmer and 1 grants supervisor.

  - ***DHMH (-14 Positions):*** 3 positions provided support to HIV prevention and risk reduction program, 3 positions were administrative in the Women, Infants, and Children's Program and 1 administrative position was reduced from eight different offices.

  - ***Department of Natural Resources (-10 Positions):*** All were abolished for cost containment, principally in the Maryland Park Service.

Contractual Full-time Equivalent Positions

Fiscal 2010 Actual to Fiscal 2013 Allowance and Ratio of Contractual to Regular Positions

Department/Service Area	FY 2010 Actual	FY 2011 Actual	FY 2012 Work. Approp.	FY 2013 Allow.	Difference	FY 10 Ratio Contractual/ Regular	FY 13 Ratio Contractual/ Regular	FY 10-13 Change in Ratio
Health and Human Services								
Health and Mental Hygiene	307	319	370	396	26	4.7%	6.1%	1.5%
Human Resources	111	102	73	73	0	1.6%	1.1%	-0.5%
Juvenile Services	75	86	108	107	0	3.3%	5.0%	1.7%
Subtotal	***492***	***508***	***550***	***576***	***26***	3.2%	3.8%	0.6%
Public Safety								
Public Safety and Correctional Services	261	270	345	404	59	2.3%	3.7%	1.4%
Police and Fire Marshal	30	31	29	29	0	1.2%	1.2%	0.0%
Subtotal	***291***	***301***	***374***	***433***	***59***	2.1%	3.2%	1.1%
Transportation	101	86	140	132	-7	1.1%	1.5%	0.4%
Other Executive								
Legal (Excluding Judiciary)	45	53	51	52	1	3.0%	3.7%	0.6%
Executive and Administrative Control	207	236	204	205	2	12.7%	13.0%	0.3%
Financial and Revenue Administration	34	49	43	53	10	1.7%	2.7%	1.0%
Budget and Management	15	16	10	13	3	3.3%	3.0%	-0.3%
Retirement	10	11	15	15	-1	4.9%	7.2%	2.3%
General Services	21	25	36	33	-3	3.5%	5.6%	2.2%
Natural Resources	394	401	389	386	-3	30.6%	29.7%	-0.9%
Agriculture	49	45	45	44	-1	12.0%	11.4%	-0.6%
Labor, Licensing, and Regulation	311	237	245	263	18	18.6%	16.0%	-2.6%
MSDE and Other Education	221	242	286	304	18	11.3%	16.0%	4.7%
Housing and Community Development	31	33	76	78	2	10.0%	25.7%	15.7%
Business and Economic Development	12	10	14	16	2	5.0%	7.0%	2.0%
Environment	35	30	51	56	5	3.6%	6.0%	2.4%
Subtotal	***1,385***	***1,388***	***1,463***	***1,516***	***54***	10.5%	11.8%	1.3%
Executive Branch Subtotal	**2,269**	**2,282**	**2,527**	**2,658**	**131**	4.4%	5.3%	0.9%
Higher Education	6,542	6,356	6,247	6,286	39	27.4%	25.4%	-2.0%
Judiciary	384	390	405	446	41	10.7%	12.4%	1.7%
Grand Total	**9,195**	**9,028**	**9,179**	**9,390**	**211**	**11.6%**	**12.0%**	**0.3%**

Executive Branch Vacancy Rates
Calendar 2008-2012

Department/Service Area	January 2008	January 2009	January 2010	January 2011	January 2012
Health and Human Services					
Health and Mental Hygiene	9.0%	7.0%	7.1%	8.4%	7.1%
Human Resources	7.5%	7.3%	6.7%	6.2%	7.3%
Juvenile Services	7.4%	3.6%	6.2%	7.0%	9.1%
Subtotal	***8.2%***	***6.7%***	***6.8%***	***7.2%***	***7.4%***
Public Safety					
Public Safety and Correctional Services	9.9%	7.2%	4.1%	5.3%	4.2%
Police and Fire Marshal	6.9%	7.4%	7.7%	9.5%	8.3%
Subtotal	***9.4%***	***7.2%***	***4.8%***	***6.0%***	***4.9%***
Transportation	***5.6%***	***4.2%***	***3.6%***	***5.6%***	***4.5%***
Other Executive					
Legal (Excluding Judiciary)	6.6%	7.1%	5.6%	6.5%	6.0%
Executive and Administrative Control	9.4%	8.8%	7.3%	7.7%	6.7%
Financial and Revenue Administration	5.4%	4.2%	6.1%	6.2%	6.3%
Budget and Management	8.6%	8.6%	10.1%	9.4%	10.8%
Retirement	8.0%	5.4%	5.9%	4.8%	1.0%
General Services	10.1%	7.5%	6.9%	9.9%	8.2%
Natural Resources	9.1%	6.6%	4.4%	6.5%	7.1%
Agriculture	14.5%	6.7%	5.3%	7.9%	8.7%
Labor, Licensing, and Regulation	6.6%	6.4%	8.4%	7.3%	7.1%
MSDE and Other Education	6.3%	5.1%	5.8%	5.1%	5.8%
Housing and Community Development	7.8%	6.0%	4.1%	4.2%	6.6%
Business and Economic Development	13.4%	2.3%	3.3%	4.7%	7.1%
Environment	9.2%	6.0%	4.0%	4.4%	5.6%
Subtotal	***11.0%***	***8.8%***	***8.6%***	***9.1%***	***9.3%***
Executive Branch Vacancy Rate	**8.0%**	**6.3%**	**5.5%**	**6.5%**	**6.0%**
Total Positions in Executive Branch	**53,753**	**52,949**	**51,543**	**51,058**	**51,064**
Total Vacancies	**4,283**	**3,329**	**2,848**	**3,295**	**3,023**

MSDE: Maryland State Department of Education

Note: The percentage of vacancies remains relatively stable after three years of significant position reductions as Administration directives that utilize attrition to realize savings limit a sharper decline in this rate.

Source: Department of Budget and Management

Proposed Change in State Aid to Local Governments
Fiscal 2013

County	FY 2012	Current Law FY 2013	Percent Difference	Contingent Reductions	Disparity Grant Supplement	Proposed FY 2013	Percent Difference
Allegany	$105,988,506	$104,255,630	-1.6%	-$3,278,958	$1,632,106	$102,608,779	-3.2%
Anne Arundel	421,227,842	457,374,490	8.6%	-23,211,095	0	434,163,395	3.1%
Baltimore City	1,190,457,536	1,216,058,586	2.2%	-25,623,437	6,972,596	1,197,407,745	0.6%
Baltimore	698,222,533	731,050,140	4.7%	-32,709,782	0	698,340,358	0.0%
Calvert	104,679,522	106,120,708	1.4%	-5,148,333	0	100,972,375	-3.5%
Caroline	52,949,159	55,966,230	5.7%	-1,556,672	685,108	55,094,666	4.1%
Carroll	179,749,241	181,827,088	1.2%	-7,640,225	0	174,186,863	-3.1%
Cecil	126,804,294	129,244,608	1.9%	-4,679,299	0	124,565,309	-1.8%
Charles	192,480,863	196,119,248	1.9%	-7,421,583	0	188,697,665	-2.0%
Dorchester	41,095,053	42,983,682	4.6%	-1,320,028	308,913	41,972,567	2.1%
Frederick	272,597,083	281,956,893	3.4%	-11,133,575	0	270,823,318	-0.7%
Garrett	34,495,545	32,771,025	-5.0%	-1,310,995	406,400	31,866,430	-7.6%
Harford	262,680,088	262,862,130	0.1%	-10,930,578	0	251,931,552	-4.1%
Howard	298,502,006	312,190,460	4.6%	-18,836,921	0	293,353,539	-1.7%
Kent	13,839,439	14,166,553	2.4%	-735,761	0	13,430,792	-3.0%
Montgomery	808,502,528	855,319,633	5.8%	-53,795,484	0	801,524,149	-0.9%
Prince George's	1,075,418,929	1,127,131,299	4.8%	-37,609,218	7,628,702	1,097,150,783	2.0%
Queen Anne's	42,459,157	43,558,484	2.6%	-2,109,936	0	41,448,548	-2.4%
St. Mary's	113,310,533	118,193,717	4.3%	-4,675,580	0	113,518,137	0.2%
Somerset	33,913,060	34,197,270	0.8%	-952,307	381,999	33,626,961	-0.8%
Talbot	18,630,691	19,726,965	5.9%	-1,313,500	0	18,413,465	-1.2%
Washington	186,922,017	193,306,695	3.4%	-6,126,616	0	187,180,079	0.1%
Wicomico	140,287,779	146,377,455	4.3%	-4,306,704	1,567,837	143,638,588	2.4%
Worcester	32,800,039	34,352,538	4.7%	-2,491,369	0	31,861,169	-2.9%
Unallocated	80,891,294	82,889,635	2.5%	0	0	82,889,635	2.5%
Total	**$6,528,904,737**	**$6,780,001,164**	**3.8%**	**-$268,917,959**	**$19,583,662**	**$6,530,666,867**	**0.0%**

Note: Disparity Grant Supplement is contingent upon enactment of retirement payment cost shift.

Contingent Reductions to State Aid to Local Governments
Fiscal 2013

County	Police Protection	Health Grants	Community College – Cade	Community College – ESOL	Miscellaneous/ Horse Racing	Retirement Payments	Total
Allegany	-$343,682	-$43,858	$0	-$585	$0	-$2,890,832	-$3,278,958
Anne Arundel	-2,466,426	-159,726	0	-40,408	-195,200	-20,349,335	-23,211,095
Baltimore City	34,859	-338,758	0	0	-3,425,669	-21,893,869	-25,623,437
Baltimore	-3,569,413	-223,247	-708,457	4,656	-28,791	-28,184,530	-32,709,782
Calvert	-257,835	-19,628	0	52	0	-4,870,922	-5,148,333
Caroline	-117,593	-25,641	0	-11,019	0	-1,402,419	-1,556,672
Carroll	-555,540	-61,074	0	-3,960	0	-7,019,652	-7,640,225
Cecil	-359,903	-40,153	0	4,852	0	-4,284,095	-4,679,299
Charles	-484,689	-49,953	0	176	0	-6,887,117	-7,421,583
Dorchester	-138,142	-20,721	0	-9,501	0	-1,151,664	-1,320,028
Frederick	-832,001	-75,365	0	55,368	0	-10,281,577	-11,133,575
Garrett	-79,809	-20,917	0	0	0	-1,210,269	-1,310,995
Harford	-1,024,587	-86,667	0	4,831	0	-9,824,155	-10,930,578
Howard	-1,253,275	-62,957	-265,102	18,776	-48,800	-17,225,563	-18,836,921
Kent	-74,552	-15,919	0	-4,367	0	-640,923	-735,761
Montgomery	-5,493,692	-163,278	0	-732,008	0	-47,406,506	-53,795,484
Prince George's	-2,456,773	-259,051	-697,985	-35,272	-97,340	-34,062,797	-37,609,218
Queen Anne's	-155,233	-20,480	0	-12,146	0	-1,922,077	-2,109,936
St. Mary's	-347,817	-39,876	0	60	0	-4,287,947	-4,675,580
Somerset	-91,261	-20,512	0	-5,268	0	-835,266	-952,307
Talbot	-161,114	-16,126	0	-10,582	0	-1,125,678	-1,313,500
Washington	-535,329	-67,608	0	6,816	0	-5,530,495	-6,126,616
Wicomico	-417,788	-46,428	0	-35,281	0	-3,807,207	-4,306,704
Worcester	-238,940	-16,056	0	-14,074	0	-2,222,298	-2,491,369
Unallocated	0	0	0	0	0	0	0
Total	**-$21,420,535**	**-$1,894,001**	**-$1,671,544**	**-$818,886**	**-$3,795,800**	**-$239,317,193**	**-$268,917,959**

ESOL: English for Speakers of Other Languages

Proposed State Aid Reductions and Local Revenue Enhancements
Fiscal 2013

County	*Local Revenue Enhancements* Individual Income Tax	Income Tax Reserve	Recordation Tax	LEA Retirement Payment	Total Enhancements	Disparity Grant Supplement	Contingent Reductions	Net Effect
Allegany	$272,128	$245,023	$187,500	$554,075	$1,258,726	$1,632,106	-$3,278,958	-$388,126
Anne Arundel	10,287,321	3,355,846	4,500,000	2,653,896	20,797,063	0	-23,211,095	-2,414,032
Baltimore City	4,013,327	2,104,714	2,793,300	6,009,932	14,921,273	6,972,596	-25,623,437	-3,729,568
Baltimore	12,933,534	4,839,885	3,150,000	4,397,964	25,321,384	0	-32,709,782	-7,388,399
Calvert	1,864,068	554,364	855,000	517,143	3,790,575	0	-5,148,333	-1,357,758
Caroline	147,340	100,213	180,000	289,758	717,311	685,108	-1,556,672	-154,253
Carroll	3,255,795	1,086,772	1,200,000	743,833	6,286,400	0	-7,640,225	-1,353,825
Cecil	906,073	440,845	630,000	623,340	2,600,258	0	-4,679,299	-2,079,040
Charles	2,674,821	822,650	1,489,470	726,358	5,713,299	0	-7,421,583	-1,708,284
Dorchester	195,716	96,702	267,208	283,124	842,750	308,913	-1,320,028	-168,365
Frederick	4,641,068	1,531,193	1,566,330	1,095,976	8,834,567	0	-11,133,575	-2,299,009
Garrett	139,186	95,943	292,500	276,240	803,869	406,400	-1,310,995	-100,726
Harford	4,217,654	1,530,887	1,340,250	1,461,759	8,550,550	0	-10,930,578	-2,380,028
Howard	10,694,124	2,918,127	2,325,000	996,214	16,933,465	0	-18,836,921	-1,903,456
Kent	263,337	91,369	149,250	145,672	649,628	0	-735,761	-86,133
Montgomery	37,233,303	10,503,112	11,564,027	6,216,647	65,517,089	0	-53,795,484	11,721,605
Prince George's	11,669,340	4,097,314	4,043,295	6,624,145	26,434,094	7,628,702	-37,609,218	-3,546,421
Queen Anne's	1,096,030	292,934	397,500	289,021	2,075,485	0	-2,109,936	-34,451
St. Mary's	1,545,934	635,562	735,000	601,198	3,517,694	0	-4,675,580	-1,157,887
Somerset	70,806	57,711	47,700	277,050	453,267	381,999	-952,307	-117,042
Talbot	655,527	208,563	480,000	221,869	1,565,960	0	-1,313,500	252,460
Washington	1,060,674	584,688	525,000	899,512	3,069,874	0	-6,126,616	-3,056,742
Wicomico	658,310	376,141	415,500	789,419	2,239,370	1,567,837	-4,306,704	-499,497
Worcester	247,186	107,304	787,500	405,853	1,547,843	0	-2,491,369	-943,526
Unallocated	0	0	0	0	0	0	0	0
Total	**$110,742,603**	**$36,677,862**	**$39,921,330**	**$37,099,999**	**$224,441,793**	**$19,583,662**	**-$268,917,959**	**-$24,892,503**

LEA: local education agency

Note: Local revenue enhancements are estimates provided by the Administration. Disparity Grant Supplement is contingent upon enactment of retirement payment cost shift.

Net Effect of State Aid Proposals on Public Schools
Fiscal 2013

County	Direct Aid Change Over Prior Year	Contingent Reductions	LEA Retirement Payment	Net Effect
Allegany	-$3,067,985	$0	$554,075	-$2,513,910
Anne Arundel	9,901,894	0	2,653,896	12,555,790
Baltimore City	4,514,599	0	6,009,932	10,524,531
Baltimore	15,649,498	0	4,397,964	20,047,462
Calvert	-1,000,107	0	517,143	-482,964
Caroline	2,300,920	0	289,758	2,590,678
Carroll	-619,980	0	743,833	123,853
Cecil	368,172	0	623,340	991,512
Charles	781,992	0	726,358	1,508,350
Dorchester	1,398,290	0	283,124	1,681,414
Frederick	5,323,249	0	1,095,976	6,419,225
Garrett	-2,264,141	0	276,240	-1,987,901
Harford	-4,242,175	0	1,461,759	-2,780,416
Howard	4,581,083	0	996,214	5,577,297
Kent	105,883	0	145,672	251,555
Montgomery	27,878,993	0	6,216,647	34,095,640
Prince George's	38,562,138	0	6,624,145	45,186,283
Queen Anne's	97,117	0	289,021	386,138
St. Mary's	2,384,888	0	601,198	2,986,086
Somerset	-195,193	0	277,050	81,857
Talbot	483,877	0	221,869	705,746
Washington	4,109,122	0	899,512	5,008,634
Wicomico	5,022,926	0	789,419	5,812,345
Worcester	407,223	0	405,853	813,076
Unallocated	670,079	0	0	670,079
Total	**$113,152,362**	**$0**	**$37,099,999**	**$150,252,361**

LEA: local education agency

Net Effect of State Aid Proposals on County Governments
Fiscal 2013

County	Direct Aid Change Over Prior Year	Contingent Reductions	Disparity Grant Supplement	*Local Revenue Enhancements* Individual Income Tax	Income Tax Reserve	Recordation Tax	Net Effect
Allegany	$432,471	-$3,234,514	$1,632,106	$272,128	$245,023	$187,500	-$465,287
Anne Arundel	19,488,238	-23,010,961	0	10,287,321	3,355,846	4,500,000	14,620,444
Baltimore City	14,345,770	-25,284,679	6,972,596	4,013,327	2,104,714	2,793,300	4,945,028
Baltimore	6,230,232	-31,782,734	0	12,933,534	4,839,885	3,150,000	-4,629,082
Calvert	557,128	-5,128,757	0	1,864,068	554,364	855,000	-1,298,197
Caroline	253,038	-1,520,012	685,108	147,340	100,213	180,000	-154,313
Carroll	1,004,186	-7,575,192	0	3,255,795	1,086,772	1,200,000	-1,028,438
Cecil	625,098	-4,643,998	0	906,073	440,845	630,000	-2,041,982
Charles	980,821	-7,371,806	0	2,674,821	822,650	1,489,470	-1,404,044
Dorchester	274,708	-1,289,806	308,913	195,716	96,702	267,208	-146,559
Frederick	1,210,872	-11,113,578	0	4,641,068	1,531,193	1,566,330	-2,164,115
Garrett	273,725	-1,290,078	406,400	139,186	95,943	292,500	-82,324
Harford	1,699,640	-10,848,742	0	4,217,654	1,530,887	1,340,250	-2,060,311
Howard	2,470,725	-18,527,638	0	10,694,124	2,918,127	2,325,000	-119,662
Kent	109,906	-715,475	0	263,337	91,369	149,250	-101,613
Montgomery	7,693,548	-52,900,198	0	37,233,303	10,503,112	11,564,027	14,093,792
Prince George's	5,823,202	-36,616,910	7,628,702	11,669,340	4,097,314	4,043,295	-3,355,057
Queen Anne's	397,497	-2,077,310	0	1,096,030	292,934	397,500	106,651
St. Mary's	746,201	-4,635,764	0	1,545,934	635,562	735,000	-973,068
Somerset	202,139	-926,527	381,999	70,806	57,711	47,700	-166,171
Talbot	257,393	-1,286,792	0	655,527	208,563	480,000	314,691
Washington	815,025	-6,065,824	0	1,060,674	584,688	525,000	-3,080,437
Wicomico	299,655	-4,224,995	1,567,837	658,310	376,141	415,500	-907,552
Worcester	458,776	-2,461,238	0	247,186	107,304	787,500	-860,473
Unallocated	-463,779	0	0	0	0	0	-463,779
Total	**$66,186,214**	**-$264,533,528**	**$19,583,662**	**$110,742,603**	**$36,677,862**	**$39,921,330**	**$8,578,143**

Note: Local revenue enhancements are estimates provided by the Administration. Disparity Grant Supplement is contingent upon enactment of retirement payment cost shift.

State Assistance to Local Governments
Fiscal 2013 Allowance
($ in Thousands)

			Direct State Aid						Change	
County	**County - Municipal**	**Community Colleges**	**Public Schools**	**Libraries**	**Health**	**Subtotal**	**Retirement**	**Total**	**Over FY 2012**	**Percent Change**
Allegany	$10,848	$6,007	$75,571	$767	$909	$94,102	$8,507	$102,609	-$3,380	-3.2%
Anne Arundel	26,853	29,723	312,431	2,114	3,142	374,263	59,900	434,163	12,936	3.1%
Baltimore City	236,323	0	883,910	6,034	6,675	1,132,942	64,465	1,197,408	6,950	0.6%
Baltimore	13,432	37,656	554,727	5,256	4,302	615,373	82,967	698,340	118	0.0%
Calvert	1,725	2,187	81,983	367	370	86,632	14,340	100,972	-3,707	-3.5%
Caroline	3,960	1,558	44,642	268	538	50,966	4,129	55,095	2,146	4.1%
Carroll	3,209	7,636	140,499	941	1,232	153,518	20,669	174,187	-5,562	-3.1%
Cecil	7,113	5,430	97,901	703	806	111,953	12,613	124,565	-2,239	-1.8%
Charles	2,643	7,251	156,677	861	995	168,426	20,272	188,698	-3,783	-2.0%
Dorchester	3,557	1,343	33,004	249	429	38,583	3,390	41,973	878	2.1%
Frederick	4,788	9,042	223,915	1,298	1,512	240,555	30,268	270,823	-1,774	-0.7%
Garrett	3,673	3,421	20,652	119	437	28,304	3,563	31,866	-2,629	-7.6%
Harford	4,492	10,619	204,669	1,487	1,737	223,005	28,927	251,932	-10,749	-4.1%
Howard	5,656	14,465	220,491	812	1,215	242,639	50,715	293,354	-5,148	-1.7%
Kent	774	617	9,732	85	336	11,544	1,887	13,431	-409	-3.0%
Montgomery	18,371	42,724	592,571	2,721	3,015	659,402	142,122	801,524	-6,978	-0.9%
Prince George's	53,777	23,618	908,191	6,289	5,007	996,883	100,268	1,097,151	21,732	2.0%
Queen Anne's	1,208	1,717	32,314	134	418	35,790	5,658	41,449	-1,011	-2.4%
St. Mary's	1,921	2,463	95,111	590	809	100,895	12,623	113,518	208	0.2%
Somerset	6,227	721	23,527	263	429	31,168	2,459	33,627	-286	-0.8%
Talbot	1,176	1,496	11,993	106	329	15,099	3,314	18,413	-217	-1.2%
Washington	3,038	8,075	157,248	1,158	1,381	170,900	16,280	187,180	258	0.1%
Wicomico	6,013	4,829	119,746	897	947	132,432	11,206	143,639	3,351	2.4%
Worcester	4,052	1,926	18,883	144	313	25,318	6,543	31,861	-939	-2.9%
Unallocated	23,271	9,101	34,459	16,059	0	82,890	0	82,890	1,998	2.5%
Total	**$448,100**	**$233,627**	**$5,054,847**	**$49,724**	**$37,283**	**$5,823,581**	**$707,085**	**$6,530,667**	**$1,762**	**0.0%**

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

State Assistance to Local Governments
Fiscal 2012 Working Appropriation
($ in Thousands)

			Direct State Aid					
County	**County - Municipal**	**Community Colleges**	**Public Schools**	**Libraries**	**Health**	**Subtotal**	**Retirement**	**Total**
Allegany	$9,128	$5,995	$78,639	$747	$1,012	$95,520	$10,469	$105,989
Anne Arundel	10,027	29,507	302,530	1,965	3,221	347,249	73,979	421,228
Baltimore City	218,396	0	879,395	6,346	6,675	1,110,812	79,645	1,190,458
Baltimore	10,800	37,397	539,077	5,180	4,303	596,757	101,465	698,223
Calvert	1,425	2,165	82,983	384	408	87,365	17,314	104,680
Caroline	3,139	1,549	42,341	272	564	47,865	5,084	52,949
Carroll	2,761	7,599	141,119	1,009	1,286	153,774	25,976	179,749
Cecil	6,848	5,391	97,533	712	849	111,332	15,472	126,804
Charles	2,147	7,178	155,895	817	1,066	167,102	25,379	192,481
Dorchester	3,112	1,336	31,606	238	469	36,760	4,335	41,095
Frederick	4,409	8,959	218,592	1,222	1,561	234,742	37,855	272,597
Garrett	3,073	3,403	22,916	129	476	29,998	4,498	34,496
Harford	3,817	10,563	208,911	1,523	1,788	226,603	36,077	262,680
Howard	4,487	14,329	215,910	824	1,269	236,818	61,684	298,502
Kent	739	614	9,626	91	368	11,438	2,401	13,839
Montgomery	16,171	42,242	564,692	2,720	3,015	628,841	179,661	808,503
Prince George's	42,880	23,531	869,629	5,606	5,012	946,658	128,761	1,075,419
Queen Anne's	966	1,707	32,217	139	444	35,473	6,987	42,459
St. Mary's	1,523	2,438	92,726	588	837	98,113	15,198	113,311
Somerset	5,734	718	23,722	258	460	30,892	3,021	33,913
Talbot	1,080	1,487	11,509	102	352	14,529	4,101	18,631
Washington	2,758	8,044	153,139	1,146	1,453	166,540	20,382	186,922
Wicomico	4,564	4,807	114,723	834	1,008	125,935	14,353	140,288
Worcester	3,832	1,918	18,476	138	379	24,742	8,058	32,800
Unallocated	23,734	7,565	33,789	15,803	0	80,891	0	80,891
Total	**$387,547**	**$230,443**	**$4,941,695**	**$48,791**	**$38,273**	**$5,646,749**	**$882,156**	**$6,528,905**

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

State Assistance to Local Governments
Dollar Difference Between Fiscal 2013 Allowance and Fiscal 2012 Working Appropriation
($ in Thousands)

			Direct State Aid					
County	**County - Municipal**	**Community Colleges**	**Public Schools**	**Libraries**	**Health**	**Subtotal**	**Retirement**	**Total**
Allegany	$1,721	$12	-$3,068	$20	-$103	-$1,417	-$1,962	-$3,380
Anne Arundel	16,827	215	9,902	149	-79	27,014	-14,078	12,936
Baltimore City	17,928	0	4,515	-312	0	22,130	-15,180	6,950
Baltimore	2,632	259	15,649	76	0	18,616	-18,498	118
Calvert	299	22	-1,000	-16	-38	-733	-2,974	-3,707
Caroline	821	9	2,301	-4	-26	3,100	-955	2,146
Carroll	449	37	-620	-68	-54	-255	-5,307	-5,562
Cecil	265	39	368	-9	-43	620	-2,859	-2,239
Charles	496	73	782	45	-71	1,325	-5,108	-3,783
Dorchester	445	8	1,398	11	-40	1,822	-945	878
Frederick	379	83	5,323	77	-49	5,813	-7,587	-1,774
Garrett	600	18	-2,264	-10	-39	-1,694	-935	-2,629
Harford	675	56	-4,242	-36	-51	-3,598	-7,151	-10,749
Howard	1,169	136	4,581	-12	-54	5,820	-10,969	-5,148
Kent	35	4	106	-6	-32	106	-515	-409
Montgomery	2,200	482	27,879	0	0	30,561	-37,539	-6,978
Prince George's	10,898	87	38,562	683	-5	50,225	-28,493	21,732
Queen Anne's	242	10	97	-6	-26	318	-1,328	-1,011
St. Mary's	398	25	2,385	2	-28	2,782	-2,574	208
Somerset	493	3	-195	6	-31	276	-562	-286
Talbot	96	9	484	4	-23	570	-787	-217
Washington	280	31	4,109	12	-71	4,360	-4,102	258
Wicomico	1,450	22	5,023	63	-60	6,498	-3,147	3,351
Worcester	220	9	407	7	-66	576	-1,515	-939
Unallocated	-464	1,536	670	256	0	1,998	0	1,998
Total	**$60,554**	**$3,184**	**$113,152**	**$933**	**-$989**	**$176,833**	**-$175,071**	**$1,762**

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

State Assistance to Local Governments
Percent Change: Fiscal 2013 Allowance Over Fiscal 2012 Working Appropriation

	Direct State Aid							
County	**County - Municipal**	**Community Colleges**	**Public Schools**	**Libraries**	**Health**	**Subtotal**	**Retirement**	**Total**
Allegany	18.9%	0.2%	-3.9%	2.7%	-10.2%	-1.5%	-18.7%	-3.2%
Anne Arundel	167.8%	0.7%	3.3%	7.6%	-2.4%	7.8%	-19.0%	3.1%
Baltimore City	8.2%	n/a	0.5%	-4.9%	0.0%	2.0%	-19.1%	0.6%
Baltimore	24.4%	0.7%	2.9%	1.5%	0.0%	3.1%	-18.2%	0.0%
Calvert	21.0%	1.0%	-1.2%	-4.2%	-9.4%	-0.8%	-17.2%	-3.5%
Caroline	26.1%	0.6%	5.4%	-1.5%	-4.6%	6.5%	-18.8%	4.1%
Carroll	16.3%	0.5%	-0.4%	-6.7%	-4.2%	-0.2%	-20.4%	-3.1%
Cecil	3.9%	0.7%	0.4%	-1.3%	-5.0%	0.6%	-18.5%	-1.8%
Charles	23.1%	1.0%	0.5%	5.5%	-6.7%	0.8%	-20.1%	-2.0%
Dorchester	14.3%	0.6%	4.4%	4.6%	-8.6%	5.0%	-21.8%	2.1%
Frederick	8.6%	0.9%	2.4%	6.3%	-3.1%	2.5%	-20.0%	-0.7%
Garrett	19.5%	0.5%	-9.9%	-7.4%	-8.1%	-5.6%	-20.8%	-7.6%
Harford	17.7%	0.5%	-2.0%	-2.4%	-2.8%	-1.6%	-19.8%	-4.1%
Howard	26.0%	0.9%	2.1%	-1.4%	-4.2%	2.5%	-17.8%	-1.7%
Kent	4.8%	0.6%	1.1%	-7.0%	-8.8%	0.9%	-21.4%	-3.0%
Montgomery	13.6%	1.1%	4.9%	0.0%	0.0%	4.9%	-20.9%	-0.9%
Prince George's	25.4%	0.4%	4.4%	12.2%	-0.1%	5.3%	-22.1%	2.0%
Queen Anne's	25.1%	0.6%	0.3%	-4.0%	-5.8%	0.9%	-19.0%	-2.4%
St. Mary's	26.2%	1.0%	2.6%	0.4%	-3.4%	2.8%	-16.9%	0.2%
Somerset	8.6%	0.5%	-0.8%	2.2%	-6.7%	0.9%	-18.6%	-0.8%
Talbot	8.9%	0.6%	4.2%	4.2%	-6.6%	3.9%	-19.2%	-1.2%
Washington	10.1%	0.4%	2.7%	1.1%	-4.9%	2.6%	-20.1%	0.1%
Wicomico	31.8%	0.5%	4.4%	7.6%	-6.0%	5.2%	-21.9%	2.4%
Worcester	5.7%	0.5%	2.2%	4.7%	-17.4%	2.3%	-18.8%	-2.9%
Unallocated	-2.0%	20.3%	2.0%	1.6%	n/a	2.5%	n/a	2.5%
Total	**15.6%**	**1.4%**	**2.3%**	**1.9%**	**-2.6%**	**3.1%**	**-19.8%**	**0.0%**

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

Proposed Fiscal 2013 Fund Transfers and Multi-year General Obligation Bond Replacement Plan
($ in Millions)

Program	FY 2013 Special Funds Transferred	Fund Replacement: FY 2013 Special Funds – Replaced in FY 2013	Fund Replacement: FY 2013 Special Funds – Replaced in FY 2014	Fund Replacement: FY 2013 Special Funds – Replaced in FY 2015	Total Amount of Fund Transfers to Be Replaced in the CIP
Waterway Improvement Program	$2.6	$2.6	$0.0	$0.0	$2.6
Program Open Space (POS) – Stateside (1)	14.7	4.9	4.9	4.9	14.7
POS – Local	13.6	4.5	4.5	4.5	13.6
Rural Legacy	12.8	4.3	4.3	4.3	12.8
Natural Resources Development Fund	4.2	4.2	0.0	0.0	4.2
Critical Maintenance Program	4.0	4.0	0.0	0.0	4.0
Tobacco Transition Program (2)	1.5	1.5	0.0	0.0	1.5
Agricultural Land Preservation Program	16.3	5.4	5.4	5.4	16.3
Fiscal 2013 Transfer Tax Revenue – Unallocated (3)	31.4	0.0	0.0	0.0	0.0
Total	**$101.0**	**$31.4**	**$19.1**	**$19.1**	**$69.6**

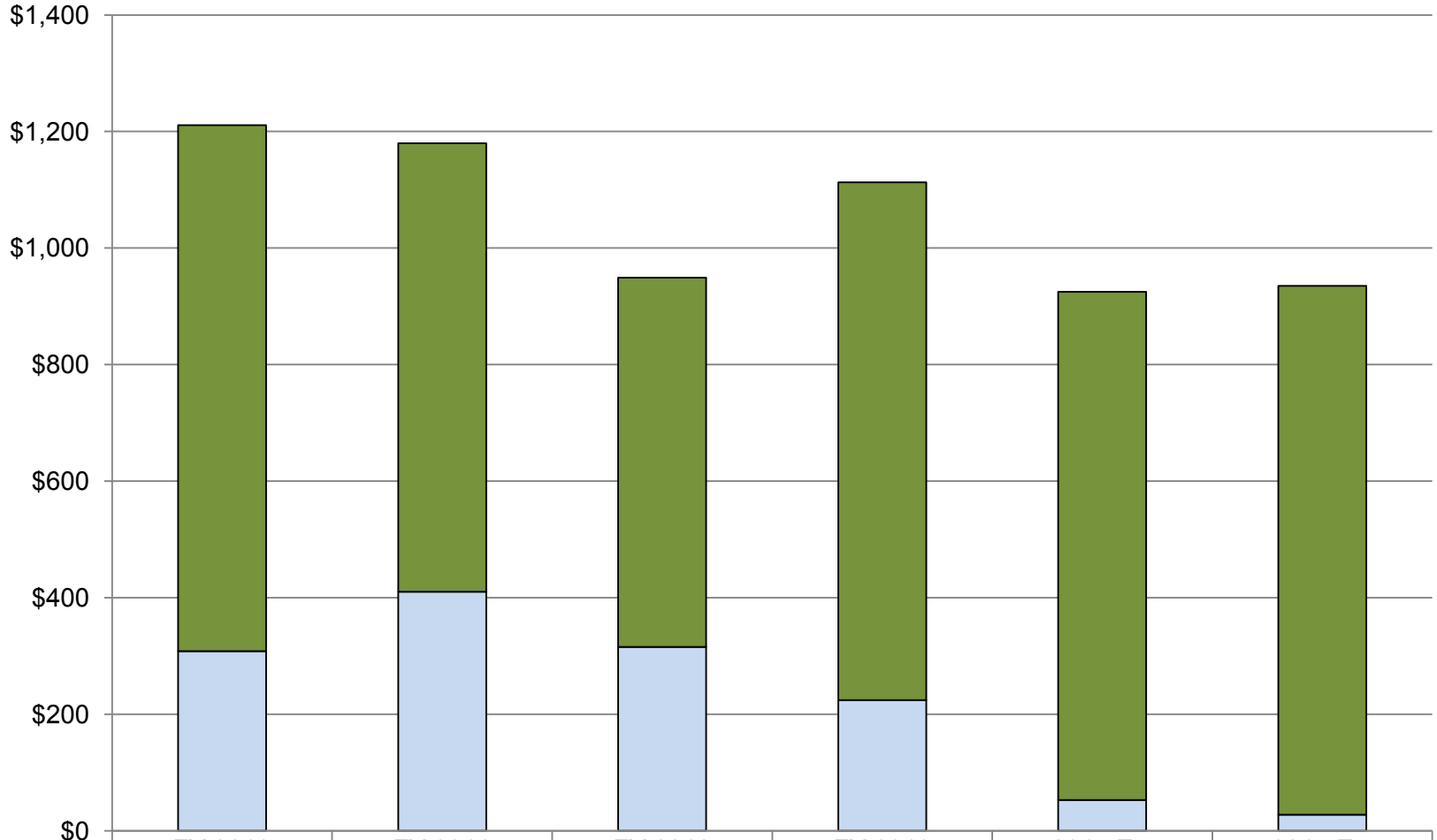
Special Fund Transfer Sources	
Transfer Tax	$96.9
Waterway Improvement Fund	$2.6
Total to Be Transferred to General Fund	**$99.5**

(1) Special funds available to transfer from POS-Stateside in fiscal 2013 assumes $3.171 million is left in cash for items not eligible for general obligation (GO) bonds.

(2) Reflects GO bond replacement of Cigarette Restitution Funds not allocated to the Tobacco Transition Program.

(3) Although not reflected in this chart, GO bond funding is provided to replace the $31.4 million. Since GO bond funds will fund land preservation programs based on the original fiscal 2011 transfer tax estimate, the total amount of fiscal 2013 transfer tax revenue shown above is available to transfer to the general fund.

Use of Bond Program for Operating Budget Relief
($ in Millions)



	FY 2010	FY 2011	FY 2012	FY 2013	2014 Est	2015 Est
Program Funding	$902.7	$769.4	$633.6	$888.7	$872.2	$907.5
Operating Relief	$308.1	$410.3	$315.5	$224.1	$52.8	$27.5

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

	Transfers						Fund Replacement							
Program	Special Fund Balances	Special Funds FY 2010	Special Funds FY 2011	Special Funds FY 2012	Special Funds FY 2013	Total Transfers	Replaced FY 2010	Replaced FY 2011	Replaced FY 2012	Replaced FY 2013	Replaced FY 2014	Replaced FY 2015	Total Amount of Fund Transfers to Be Replaced CIP	Not Replaced
Waterway Improvement Program	$12.5	$0.0	$3.9	$1.1	$2.6	$20.1	$0.0	$10.2	$7.3	$2.6	$0.0		$20.1	$0.0
Program Open Space (POS) – Stateside	172.3	4.6	13.1	24.2	14.7	228.9	172.3	11.0	4.8	17.7	15.1	7.9	228.8	0.0
POS – Local	103.1	0.0	12.4	24.0	13.6	153.1	0.0	54.1	23.6	51.1	15.6	8.6	153.0	0.0
Rural Legacy	10.6	0.0	12.6	14.2	12.8	50.2	0.0	17.0	4.5	9.9	9.4	4.9	45.7	4.6 **
Ocean City Beach Replenishment – POS	2.1	0.0	1.0	1.0		4.1	0.0	3.1	1.0	0.0	0.0		4.1	0.0
Ocean City Beach Replenishment – Local	3.4	0.0	0.0	0.0		3.4	0.0	3.4	0.0	0.0	0.0		3.4	0.0
Natural Resources Development Fund	17.7	0.0	0.0	4.6	4.2	26.5	0.0	10.1	3.5	8.9	0.0		22.5	4.0 *
Critical Maintenance Program	3.2	0.0	3.2	4.0	4.0	14.4	0.0	6.3	3.0	4.0	0.0		13.3	1.0 *
Dam Rehabilitation Program	0.7	0.0	0.0	0.5		1.2	0.0	0.2	1.0	0.0	0.0		1.2	0.0
House Assessment Program	0.9	0.0	0.0	0.0		0.9	0.0	0.3	0.4	0.1	0.0		0.8	0.2 *
Hurricane Isabel Funds	0.2	0.0	0.0	0.0		0.2	0.0	0.0	0.0	0.0	0.0		0.0	0.2 *
Neighborhood Business Development	3.6	0.0	3.2	2.1		8.9	0.0	6.7	2.1	0.0	0.0		8.8	0.1 *
Community Legacy Program	0.4	0.0	0.0	0.0		0.4	0.0	0.4	0.0	0.0	0.0		0.4	0.0
Homeownership Programs	0.0	0.0	3.0	1.5		4.5	0.0	3.0	1.5	0.0	0.0		4.5	0.0
Special Loan Programs	2.1	0.0	2.5	2.2		6.8	0.0	4.7	2.2	0.0	0.0		6.9	0.0
Tobacco Transition Program	0.0	0.0	2.0	1.5	1.5	5.0	0.0	2.0	1.5	1.5	0.0		5.0	0.0
Agricultural Land Preservation Program	10.0	0.0	11.8	21.1	16.2	59.1	0.0	17.8	4.4	14.1	12.7	6.1	55.1	4.0 **
Bay Restoration Fund	205.0	0.0	45.0	40.0		290.0	0.0	125.0	146.8	18.2	0.0		290.0	0.0
Helicopter Replacement Fund	112.7	0.0	0.0	0.0		112.7	52.5	0.0	22.7	37.5	0.0		112.7	0.0 ***
Total	**$660.5**	**$4.6**	**$113.7**	**$142.0**	**$69.6**	**$990.4**	**$224.8**	**$275.3**	**$230.3**	**$165.6**	**$52.8**	**$27.5**	**$976.3**	**$14.1**

MALPF: Maryland Agricultural Land Preservation Foundation

MARBIDCO: Maryland Agricultural and Resource-Based Industry Development Corporation

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

** The General Assembly reduced the fiscal 2012 GO bond amount for Rural Legacy by $4.6 million which is not being replaced. The General Assembly also reduced the fiscal 2011 GO bond amount for MALPF by $4.0 million to reflect the availability of special funds available from funds not used by MARBIDCO.

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

Top Funded Programs and Projects – All Funds

Fiscal 2010-2015

($ in Millions)

Project Title	GO Bond	Revenue	General	Special	Federal	Total Funds
BPW: Public School Construction Program	$351.4	$0.0	$0.0	$0.0	$0.0	$351.4
MDE: Maryland Water Quality Revolving Loan Fund	7.1	0.0	0.0	156.6	34.3	198.0
MDE: Enhanced Nutrient Removal	18.2	0.0	0.0	105.7	0.0	123.9
DNR: Program Open Space	70.1	0.0	0.0	2.5	3.0	75.6
DoIT: One Maryland Broadband Network	5.0	0.0	0.0	0.0	51.7	56.7
FSU: New Center for Communications and Information Technology	44.6	0.0	0.0	0.0	0.0	44.6
MDE: Maryland Drinking Water Revolving Loan Fund	3.0	0.0	0.0	28.4	10.6	42.0
MDA: Maryland Agricultural Land Preservation Program	14.1	0.0	0.0	8.8	0.0	22.9
CSU: New Science and Technology Center	28.8	10.0	0.0	0.0	0.0	38.8
DSP: State Police Helicopter Replacement	38.7	0.0	0.0	0.0	0.0	38.7
MHEC: Community College Facilities Grant Program	37.7	0.0	0.0	0.0	0.0	37.7
DHCD: Rental Housing Program	15.0	0.0	0.0	15.5	7.0	37.5
UMBC: New Performing Arts and Humanities Facility	33.2	0.0	0.0	0.0	0.0	33.2
UMCP: Physical Science Complex	29.6	0.0	0.0	0.0	0.0	29.6
DNR: Chesapeake Bay 2010 Trust Fund	27.8	0.0	0.0	0.0	0.0	27.8
DNR: Rural Legacy Program	14.9	0.0	0.0	0.0	0.0	14.9
USMO: Facilities Renewal Program	10.0	17.0	0.0	0.0	0.0	27.0
MDE: Biological Nutrient Removal Program	26.8	0.0	0.0	0.0	0.0	26.8
DoIT: Public Safety Communications System	25.3	0.0	0.0	0.0	0.0	25.3
MD: Dundalk Readiness Center – Alterations and Addition	6.1	0.0	0.0	0.0	15.7	21.9
MSU: New School of Business Complex and Connecting Bridge	20.7	0.0	0.0	0.0	0.0	20.7
BPW: Facilities Renewal Fund	20.6	0.0	0.0	0.0	0.0	20.6
MDE: Septic System Upgrade Program	0.0	0.0	0.0	17.0	0.0	17.0
BPW: Qualified Zone Academy Bond Program	15.3	0.0	0.0	0.0	0.0	15.3
DNR: Natural Resources Development Fund	10.9	0.0	0.0	0.0	0.0	10.9
TU: Campuswide Safety and Circulation Improvements	13.8	0.0	0.0	0.0	0.0	13.8
DNR: Critical Maintenance Program	8.4	0.0	0.0	0.0	0.0	8.4
DHCD: Community Development Block Grant Program	0.0	0.0	0.0	0.0	12.3	12.3
DHCD: Homeownership Programs	8.0	0.0	0.0	0.5	1.9	10.4
DHCD: Special Loan Programs	6.9	0.0	0.0	0.5	3.0	10.4
MISC: Prince George's Hospital System	10.0	0.0	0.0	0.0	0.0	10.0
UMMS: Trauma and Critical Care, and Emergency Medicine Services Expansion Project	10.0	0.0	0.0	0.0	0.0	10.0
UMCP: Campuswide Building System and Infrastructure Improvements	5.0	5.0	0.0	0.0	0.0	10.0
Subtotal: Top Funded Programs and Projects	***$936.8***	***$32.0***	***$0.0***	***$335.5***	***$139.4***	***$1,443.7***
Subtotal: Other Funded Programs and Projects	***$191.4***	***$0.0***	***$7.7***	***$12.1***	***$8.5***	***$219.7***
Grand Total (1)	**$1,128.2**	**$32.0**	**$7.7**	**$347.6**	**$147.9**	**$1,663.4**

BWP: Board of Public Works
CSU: Coppin State University
DHCD: Department of Housing and Community Development
DNR: Department of Natural Resources
DoIT: Department of Information Technology
DSP: Department of State Police
FSU: Frostburg State University
MDA: Maryland Department of Agriculture
MDE: Maryland Department of the Environment
MHEC: Maryland Higher Education Commission
MSU: Morgan State University
TU: Towson University
UMBC: University of Maryland, Baltimore County
UMCP: University of Maryland, College Park
UMMS: University of Maryland Medical System
USMO: University System of Maryland Office

State Reserve Fund Activity
Fiscal 2012 and 2013
($ in Millions)

	Rainy Day Fund	Dedicated Purpose Acct.	Catastrophic Event Acct.
Estimated Balances 6/30/11	**$624.4**	**$0.0**	**$1.0**
Fiscal 2012 Appropriations[1]	0.0	15.0	0.0
Transfer from Transportation Trust Fund	40.0		
Expenditures			
Prince George's County Health System		-15.0	
Estimated Interest	8.7		
Estimated Balances 6/30/12	**$673.1**	**$0.0**	**$1.0**
Fiscal 2013 Appropriations	340.5	50.0	0.0
Contingent Reduction[2]		-50.0	
Transfers to General Fund (GF)	-315.0		
Estimated Interest	22.8		
Estimated Balances 6/30/13	**$721.4**	**$0.0**	**$1.0**
Balance in Excess of 5% GF Revenues	**$0.2**		

BRFA: Budget Reconciliation and Financing Act
POS: Program Open Space

[1] The 2010 BRFA does not require the Governor to appropriate funds into the Rainy Day Fund in fiscal 2012.

[2] Contingent reduction of Program Open Space repayment.