

Special Session Material

Report on

**The Budget Reconciliation and
Financing Act**

State and Local Revenue and Financing Act

**Maryland General Assembly
Annapolis, Maryland**

May 14, 2012

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Budget Summary
Special Session of 2012
Fiscal 2012 and 2013
(\$ in Millions)

	<u>Amount</u>
<u>General Fund</u>	
<u>Fiscal 2012</u>	
Ending Balance Before Special Session Action	\$279.5
Revenues – State/Local Revenue and Financing Act	0.0
Expenditure Reductions – BRFA of 2012 Special Session	40.6
Adjusted Ending Balance	\$320.1
<u>Fiscal 2013</u>	
Revenues – March BRE Estimate	\$14,372.3
Other Revenues	96.5
Revenues – BRFA of 2012 Special Session	6.0
Revenues – State/Local Revenue and Financing Act	261.6
Budget Restoration Fund – Revenue Transfer	-259.7
Total Revenues and Balance	\$14,796.7
Expenditures – Legislative Appropriation	\$14,820.6
Expenditure Reductions – Teachers' Retirement – BRFA	-136.6
Expenditure Reductions – Originally in 2012 Session BRFA	-28.5
Expenditure Reductions – 2012 Special Session BRFA	-62.4
Total Expenditures	\$14,593.0
Ending Balance (Revenues Less Expenditures)	\$203.7
<u>Cash Position</u>	
General Fund Balance	\$203.7
Rainy Day Fund Balance – June 30, 2013	721.4
Total	\$925.1
Cash and Rainy Day Fund Over 5%	\$203.9

BRE: Board of Revenue Estimates
BRFA: Budget Reconciliation and Financing Act

General Fund Revenues 2012 Special Session Legislation

**Amount
(\$ in Millions)**

State and Local Revenue and Financing Act

Fiscal 2012 Revenues

Fee to Appeal Drivers' License Suspension (\$42,048)	\$0.0
Total Fiscal 2012 Revenues	\$0.0

Fiscal 2013 Revenues

Limit Personal Exemptions – Individual Income Tax	\$51.7
Income Tax Bracket and Rate Changes	195.6
Electing Small Business Trusts – Modify Income Determination ¹	0.0
Eliminate Telecom Property Tax Credits – Corporate Income Tax	7.4
Cylinder Demurrage – Eliminate Sales Tax Exemption	0.7
Increase Tax Rate for Other Tobacco Products	5.0
Increase Fees for Certain Vital Records from \$12 to \$24	0.7
Fee to Appeal Drivers License Suspension – Increase \$25	0.5
Total	\$261.6

Budget Reconciliation and Financing Act

District of Columbia Hospital Claims Processing Charge	\$6.0
Teachers' Retirement Costs for Federally Funded Positions ²	0.0
Total – BRFA	\$6.0
Total Fiscal 2013 Revenues – SB/BRFA	\$267.6

BRFA: Budget Reconciliation and Financing Act

SB: Senate Bill

¹ Provision effective beginning tax year 2013.

²Deferred until fiscal 2015, the third year of the four-year phase-in of sharing teachers' retirement cost with the school boards.

**General Fund Reductions Implemented through
Budget Reconciliation and Financing Act of 2012 Special Session
(\$ in Millions)**

<u>Fiscal 2012</u>	<u>Amount</u>
Favorable Medicaid Spending Trends	\$40.0
Central Business License – Less Funds Required	0.6
Total Fiscal 2012 Reductions	\$40.6

Fiscal 2013

Reductions That Would Have Been Implemented by 2012 Session BRFA (SB 152)

Education Aid – Redirect Unspent Fiscal 2012 VLT Funds to Education Trust Fund ¹	\$1.9
Share Teachers' Retirement Costs with School Boards	136.6
Level Fund Seller Grants for Private Higher Education Institutions	1.3
Higher Education – Share of Additional Corporate Taxes Paid by Telecom. Companies	0.2
Increase Nursing Home Provider Rate from 5.5 to 6.0% – Medicaid	6.9
Fund Kidney Disease Program with Nonprofit Health Plan/SPDAP Revenues	2.0
Utilize Senior Prescription Drug Assistance Program Fund Balance for Medicaid	4.5
Use Nonprofit Health Plan Revenues for Mental Health Community Services	6.2
Eliminate Payments to Nursing Homes for Reserving Beds for Hospitalized Patients	1.3
Shift Speed Camera Revenues from State Highway Administration to State Police	4.2
<i>Subtotal</i>	\$165.2

Additional Reductions Implemented by 2012 Special Session BRFA

Education Aid – Additional VLT Revenue Attainments Available for Education Trust Fund	\$6.1
Favorable Medicaid Spending Trends	40.0
Additional CRF Revenues Available for Medicaid	10.0
Psychiatric Rehabilitation Services – Bayview Medical Center	0.8
Central Business License – Less Funds Required	0.6
Funding for 700 MHz Radios – Cash Flow Reduction	5.0
<i>Subtotal</i>	\$62.4

Total Fiscal 2013 Reductions **\$227.6**

BRFA: Budget Reconciliation and Financing Act

CRF: Cigarette Restitution Fund

MHz: Megahertz

SPDAP: Senior Prescription Drug Assistance Program

VLT: video lottery terminal

¹ Portion of video lottery proceeds distributed to the Small, Minority, and Women-Owned Business Investment Account.

**Budget Restoration Fund Established Under
Budget Reconciliation and Financing Act of 2012
2012 Special Session
Fiscal 2013
(\$ in Millions)**

<u>Revenues</u>	<u>Amount</u>
Individual Income Tax	\$247.3
Corporate Income Tax	7.4
Tobacco Tax	5.0
State Lottery Revenues	8.8
Injured Workers' Insurance Fund	50.0
Program Open Space and Related Programs	96.9
Chesapeake and Atlantic Coastal Bays 2010 Trust Fund (Motor Fuel Tax)	8.0
Other Transfers	10.1
Total Revenues	\$433.5
<u>Expenditures</u>	
Disparity Grants	\$12.0
Teacher Retirement Supplemental Grants	19.6
Crime Grants to Local Governments	20.8
Geographic Cost of Education Index	128.8
Teacher Development Grants	5.2
Community Colleges – Cade Formula	19.9
Public Colleges and Universities	38.5
Private Colleges and Universities – Sellinger Formula	3.8
Legislative Scholarships	11.8
Community Provider Rate Increases	15.2
Regional Institutes for Children and Adolescents – MHA	6.5
Sustainable Communities Tax Credit	7.0
Biotechnology Investment Tax Credit	8.0
Maryland Stem Cell Research Fund	10.4
State Employees Cost-of-living Increase	33.8
Employees Health Insurance	15.0
Funding for State Positions	24.0
Agency Operating Expenses	50.0
Total Expenditures	\$430.3

BRFA: Budget Reconciliation and Financing Act

MHA: Mental Hygiene Administration

**Transfers to the Budget Restoration Fund
Under Budget Reconciliation and Financing Act
of 2012 Special Session
(\$ in Millions)**

<u>Fiscal 2012</u>	<u>Amount</u>
Baltimore City Community College	\$1.8
Helicopter Replacement Fund – State Police	1.0
Total Fiscal 2012 Transfers	\$2.8
<u>Fiscal 2013</u>	
Maryland Correctional Enterprises Revolving Fund	\$0.5
Spinal Cord Injury Research Trust Fund	0.5
State Board of Examiners for Audiologists and SLPs	0.1
State Board of Morticians and Funeral Directors (\$9,788)	0.0
State Board of Physicians	0.3
Horse Racing Impact Aid	0.4
University System of Maryland	5.0
Morgan State University	0.3
Injured Workers' Insurance Fund	50.0
State Insurance Trust Fund	0.2
Division of State Documents – Secretary of State	0.1
Program Open Space and Related Programs	96.9
Total Fiscal 2013 Transfers	\$154.2

SLPs: Speech-Language Pathologists

Spending Affordability Analysis 2012 Special Session

(\$ in Millions)

Target

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

Revenues

	14,643
Federal Payroll Tax Cut Extension	-39
Other One-time Items	-24
	\$14,580

Spending

	14,593
One-time Reductions	508
Rainy Day Fund	-23
CHIPRA Bonus in Medicaid	28
Supplemental Budget No. 1 One-time Spending	16
Local Management Board Fund Swap: Earned Reinvestment	7
Pay-as-you-go Capital	-1
	\$15,128

Structural Reductions from Baseline Spending

\$557

Percent of Structural Deficit Reduction

50.4%

CHIPRA: Children's Health Insurance Program Reauthorization Act

Budget Growth by Fund
Fiscal 2012-2013
(\$ in Millions)

Fiscal 2013 Legislative Appropriation versus Fiscal 2012 Working Appropriation
2012 Legislative Session

<u>Fund</u>	<u>FY 2012</u>	<u>FY 2013</u>	<u>\$ Change</u>	<u>% Change</u>
General	\$14,976.3	\$14,816.1	-\$160.2	-1.1%
Special	6,527.3	7,290.9	763.6	11.7%
Federal	9,331.8	9,298.8	-33.0	-0.4%
Higher Education	3,812.6	3,929.1	116.5	3.1%
Total	\$34,648.0	\$35,334.9	\$686.9	2.0%

Special Session BRFA Changes

General	-\$40.6	-\$223.1
Special	0.0	411.9
Federal	-40.0	-17.9
Higher Education	0.0	0.0
Total	-\$80.6	\$170.9

New Fiscal 2013 Legislative Approp. versus New Fiscal 2012 Working Approp.
2012 Special Session

General	\$14,935.7	\$14,593.0	-\$342.7	-2.3%
Special	6,527.3	7,702.8	1,175.5	18.0%
Federal	9,291.8	9,280.9	-10.9	-0.1%
Higher Education	3,812.6	3,929.1	116.5	3.1%
Total	\$34,567.4	\$35,505.8	\$938.4	2.7%

General fund amounts assume \$30 million in reversions.

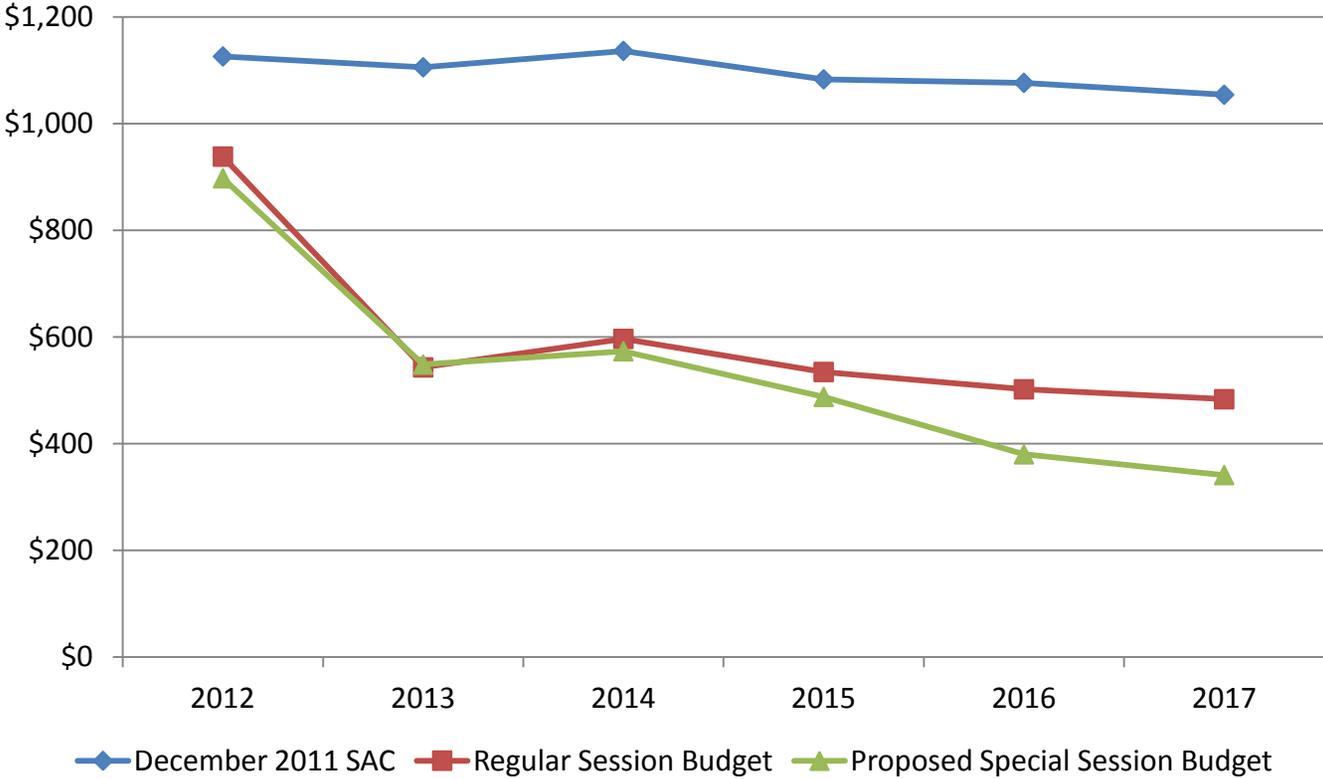
BRFA: Budget Reconciliation and Financing Act

Budget Status 2012 Special Session

	<u>FY 2012</u>	<u>FY 2013</u>
Starting General Fund Balance	\$990,115,128	\$320,120,824
 Revenues		
BRE Estimated Revenues – December 2011	\$14,055,183,000	\$14,423,040,000
BRE Revenue Revision – March 2012	-80,055,000	-50,775,000
Supplemental Budget No. 1	8,656,756	680,000
Prior Budget Reconciliation Legislation	225,534,122	0
Budget Reconciliation Legislation – Revenues	0	6,000,000
Budget Reconciliation Legislation – Transfers	0	0
Other Legislation	41,048	11,393,300
Additional Revenues	56,338,475	86,204,918
Subtotal Revenues	\$14,265,698,401	\$14,476,543,218
 Subtotal Available Revenues	 \$15,255,813,529	 \$14,796,664,042
 Appropriations		
General Fund Appropriations	\$14,781,136,445	\$15,727,220,337
Deficiencies	296,711,314	0
Supplemental Budget No. 1	13,490,910	14,022,956
Legislative Reductions/Contingent Legislation	-118,511,214	-1,118,239,413
Estimated Agency Reversions	-37,134,750	-30,000,000
Subtotal Appropriations	\$14,935,692,705	\$14,593,003,880
 Closing General Fund Balance	 \$320,120,824	 \$203,660,162

BRE: Board of Revenue Estimates

Projected Structural Deficit Reduction Achieved and Work Left to Do Fiscal 2012-2017 (\$ in Millions)



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SAC: Spending Affordability Committee

**Comparison of Special Session Actions to the Regular Session Budget
Fiscal 2012-2017
(\$ in Millions)**

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Regular Session Cash Balance	\$280	-\$76	-\$633	-\$573	-\$606	-\$536
Revenues (2012 Special Session)						
Additional Revenues – BRFA	\$0	\$6	\$6	-\$31	-\$32	-\$32
Additional Revenues – SLRFA	0	262	208	214	227	241
Net Transfer to Budget Restoration Fund ¹	0	-257	0	0	0	0
Spending (2012 Special Session)						
Reductions to Teachers' Retirement	\$0	-\$137	-\$173	-\$222	-\$255	-\$249
Other BRFA Reductions	-41	-91	-35	-43	-81	-102
Restoration of Reductions	0	0	399	401	410	419
Revised Cash Balance	\$320	\$204	-\$406	-\$526	-\$484	-\$393
Regular Session Structural Balance	-\$938	-\$548	-\$596	-\$534	-\$502	-\$483
Revised Structural Balance	-\$898	-\$548	-\$573	-\$488	-\$380	-\$341

BRFA: Budget Reconciliation and Financing Act
SLRFA: State and Local Revenue and Financing Act

¹ Transfers to Budget Restoration Fund exceed expenditures by \$3.2 million.

Budget Reconciliation and Financing Act of 2012 Special Session

Teachers' Retirement Supplemental Grants – allocates \$27.7 million to specified counties; includes the amount of the miscellaneous Baltimore City grant into the Teachers' Retirement Supplemental Grants; and repeals the separate miscellaneous grant

Moving Violation Surcharge – clarifies the requirements for the distribution of revenues to the Volunteer Company Assistance Fund and adds a distribution to support the Maryland State Firemen's Association

Maryland Agricultural and Resource-Based Industry Development Corporation (MARBIDCO) – modifies the provision to set funding at \$2,875,000 in fiscal 2013 and 2014 and at \$4.0 million for fiscal 2015 through 2020

Requires local boards of education to budget the costs to satisfy any final court judgments; prohibits the county government from reducing funds in the school budget dedicated to satisfying a final court judgment; and that, if it becomes necessary for the State to make payment, the amount will be deducted from State education aid due to that board of education in the following fiscal year

Provides an additional State grant to a county board of education to ensure that direct education aid in fiscal 2013 does not decrease by more than 5% compared to fiscal 2012

Aging Schools Program – sets funding by county at the fiscal 2011 level for fiscal 2013 and thereafter

Higher Education Investment Fund – adds St. Mary's College of Maryland to the list of eligible recipients

Cade Formula for Community College Funding – sets total funding and allocation by county for fiscal 2013 at \$199.2 million; establishes that funding will be the greater of \$1,839.47 per full-time equivalent student or specified percentages of public four-year per student funding for fiscal 2014 through 2017; beginning in fiscal 2018, funding is calculated as a percentage of public four-year per student funding, increasing annually to reach 29% in fiscal 2023

Baltimore City Community College – sets total funding for fiscal 2013 at \$39.9 million; establishes that funding will be the greater of \$5,695.63 per full-time equivalent student or specified percentages of public four-year per student funding for fiscal 2014 through 2017; beginning in fiscal 2018, funding is calculated as a percentage of public four-year per student funding, increasing annually to reach 68.5% in fiscal 2023

Sellinger Formula for Aid to Nonpublic Institutions of Higher Education – sets total funding for fiscal 2013 at \$38.1 million; establishes that funding will be the greater of \$875.53 per full-time equivalent student or specified percentages of public four-year per student funding for fiscal 2014 through 2017; beginning in fiscal 2018, funding is calculated as a percentage of public four-year per student funding, increasing annually to reach 15.5% in fiscal 2021

Community Right-to-Know Fund – modifies the authorized uses of the fund to include emergency response activities in the Department of the Environment

State Recycling Trust Fund – modifies the authorized uses of the fund to include land management administration in the Department of the Environment

Authorizes the Department of Health and Mental Hygiene to implement regulations to establish a claims processing fee not to exceed 6% of the amount of claims paid to hospitals located in the District of Columbia

Repeals the requirement that Medicaid pay a nursing facility for days when a program recipient is hospitalized

Authorizes the Health Services Cost Review Commission to establish an alternative method for financing, as part of hospital rates, the costs of Disproportionate Share Hospital payments

Nursing Facility Quality Assessment – increases the assessment from 5.5 to 6.0% of nursing facility operating revenue

Mental Hygiene Community-Based Services Fund – authorizes the use of the proceeds as well as interest earnings from the Mental Hygiene Administration account of the Community Services Trust Fund

Authorizes that payments in lieu of premium tax paid by a nonprofit health service plan may be used by the Department of Health and Mental Hygiene to provide mental health services to the uninsured

Maryland Health Insurance Plan – authorizes that Maryland Health Insurance Plan Fund may be used by the Department of Health and Mental Hygiene to provide mental health services to the uninsured

Injured Workers' Insurance Fund – clarifies that the transfer from the Injured Workers' Insurance Fund resolves any claim that the State has to the property or assets of the Injured Workers' Insurance Fund; if legislation is enacted requiring a valuation study, the fund or its successor is liable for any additional payment, subject to a determination by the Insurance Commissioner that the fund will not be impaired

Funds Received as a Result of a Settlement, Judgment, or Consent Decree – requires that funds due to the State be held in the State treasury, that funds other than restitution be appropriated in the budget, and that, the official negotiating the State payment request that funds may be used for any public purpose; establishes a Mortgage Loan Servicing Practices Settlement Fund to receive and provide for the uses of the proceeds of the national mortgage settlement; requires reports on the activities of the Fund through 2016

Lottery Agent Commissions – sets the commission paid to lottery agents in fiscal 2013 at 5.0% of gross receipts from ticket sales

Teacher Pension Costs – provides that the State and local school boards will share in the costs of teacher retirement by phasing in a requirement for school board payment of the annual normal cost over a four-year period, at increments of 50-65-85-100%; sets out the payment required of each school board for fiscal 2013 through 2016; sets out the additional maintenance of effort payments required by each county in fiscal 2013 through 2016 during the phase-in of the cost-sharing of teacher retirement costs and clarifies the calculation for fiscal 2017 and thereafter

Repeals the requirement that county governments repay \$36.7 million annually, from fiscal 2013 to 2022, to replenish the Local Income Tax Reserve Account

Chesapeake Bay 2010 Trust Fund – for fiscal 2014 through 2016, specifies that a portion of the motor fuel tax that would otherwise go to the Chesapeake and Atlantic Coastal Bays 2010 Trust Fund is directed to the general fund; directs an additional \$8 million to the Budget Restoration Fund in fiscal 2013

Delays the final repayment to the Maryland Transportation Authority for the InterCounty Connector from fiscal 2013 to 2014

BWI Fire and Rescue Department – requires the Maryland Aviation Administration to levy a fee on ambulance transports conducted by the BWI Fire and Rescue Department

Speed Camera Revenues – directs a portion of the revenue from speed cameras to the Department of State Police for roadside enforcement activities

Prohibits the Department of Health and Mental Hygiene from adopting regulations that would retrospectively change the requirements for medical loss ratio payments

Medicaid value-based purchasing incentives – authorizes that the cap on disincentive payments made by managed care organizations may be increased from 0.5 to 1.0% effective for calendar 2012

Delays until September 2016 the requirement that the Geographic Cost of Education Index be updated

Transfers \$5 million from the balance in the Senior Prescription Drug Assistance Program to the Medicaid Kidney Disease Program in fiscal 2013

Authorizes pay increases for operationally critical personnel in fiscal 2013 and requires reports from higher education and the Department of Budget and Management on the definition of “operationally critical” and the increases awarded under this provision

Establishes the method for a local school board to amend its budget after adoption to appropriate funds that may be received directly from the State Comptroller in the event a county fails to meet maintenance of effort and does not receive a waiver from the State Board of Education

Effective in fiscal 2015, repeals the requirement that local boards of education reimburse the State Retirement Agency for the employer share of retirement contributions for federally funded positions

Fund balance transfers to the Budget Restoration Fund, which is established under this Act to provide for the restoration of contingent reductions:

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

Transfers \$1,867,000 from the Small, Minority, and Women-Owned Business Account established with the revenues from the video lottery terminal program to the Education Trust Fund in fiscal 2012

Requires that the Governor include in the fiscal 2014 allowance \$2 million from the Fair Campaign Financing Fund to be used by the State Board of Elections to begin the implementation of a voting system that provides a voter-verifiable paper record
Problem Gambling Fund – transfers \$950,000 in fiscal 2012 funds and \$209,000 in fiscal 2013 funds to the Education Trust Fund

Limits, for fiscal 2013, the increase in rates paid to group homes and nonpublic placements to 1% over the rates in effect on January 18, 2012

Requires the Health Services Cost Review Commission to approve remittances of \$9.1 million to support the Medicaid program; remittances may be reduced by the savings to the State Medicaid expenditures from other changes to hospital rates or policies

Developmental Disabilities Administration – for fiscal 2012 only, authorizes that up to \$5 million in unexpended funds may be reserved in a dedicated account for specified uses in fiscal 2013

Maryland Energy Administration – adds a provision that transfers \$2 million from the Administrative Account of the Strategic Energy Investment Fund to the Office of Home Energy Programs for energy assistance

Senior Prescription Drug Assistance Program – transfers \$4.5 million in fiscal 2013 to Medicaid

Exelon-Constellation Merger Settlement Funds – requires that funds received by the State be appropriated through the annual budget bill, or, for fiscal 2013, by budget amendment subject to review by the Legislative Policy Committee and the budget committees

For fiscal 2013 only, the maintenance of effort calculation for Baltimore City shall exclude reductions in the cost of health insurance benefits for retired school system employees and reductions due to changes in methodology of the cost allocation

Clarifies that the award of a video lottery operation license for Allegany County and the execution of a ground lease between the Department of Natural Resources and the awardee are not subject to statutory provisions restricting the disposition of the proceeds under the ground lease

Authorizes the Governor to transfer \$5 million in fiscal 2013 from the Revenue Stabilization Account to fund teacher retirement supplemental grants

Provides that a county which does not meet maintenance of effort for fiscal 2012 and approves a county income tax rate of 3.2% and maximum allowable property tax rate before July 1, 2012, may calculate its required fiscal 2013 maintenance of effort payment based on the fiscal 2012 appropriation

Reduces spending in fiscal 2013 to implement reductions that would have taken effect by the enactment of SB 152 of the 2012 regular session; includes additional reductions for fiscal 2012 and 2013 in lieu of \$60 million in Board of Public Works reductions that was agreed upon by the Conference Committee

Specifies that the Governor shall abolish 100 vacant positions, for a savings of \$6 million; positions are inclusive of the 64 positions required to be abolished by Section 47 of the budget bill

Creates the Budget Restoration Fund as a special fund comprised of revenues transferred to it under this bill: \$247,300,000 of income tax revenues, \$7,428,400 in corporate income tax revenues from the general fund, \$8,800,000 in State Lottery Revenues, and \$5,000,000 in tobacco tax revenue; authorizes that specified revenues and funds transferred into the Budget Restoration Fund may be used to restore specified reductions that occurred in fiscal 2013 as a result of the failure of SB 152 and SB 523 of 2012

Establishes that the Budget Restoration Fund is in effect until June 30, 2013; any remaining funds are transferred to the general fund

Clarifies that the salary of the new State Superintendent of Schools is the salary as set by the State Board of Education

Authorizes the Governor to process a budget amendment of \$383,840 from the Higher Education Investment Fund to provide a grant to St. Mary's College of Maryland to offset a tuition increase for in-state students to implement a provision in the budget bill

Changes Compared to the Agreement of the Conference Committee at the Conclusion of the Regular Session

New Provisions

Additional Reductions	<u>General</u>	<u>Federal</u>
Fiscal 2012		
Department of Mental Health and Hygiene – Reduction due to favorable trends	\$40,000,000	\$40,000,000
Department of Business and Economic Development – Reduction to business license Information Technology project	578,000	
Fiscal 2013		
Department of Information Technology – Cash flow reduction to the 700 MHz radio project	\$5,000,000	
Department of Mental Health and Hygiene – Reduce spending provided in the supplemental budget for inpatient psychiatric rehabilitation (Bayview Hospital)	750,000	\$750,000
Department of Mental Health and Hygiene – Carry forward of fiscal 2012 reduction due to favorable trends	40,000,000	40,000,000
Department of Mental Health and Hygiene – Reduce general fund Medicaid spending in fiscal 2013 and replace with additional Cigarette Restitution Funds	10,000,000	
Aid to Education – Reduce general fund spending due to additional Video Lottery Terminal revenues and Rocky Gap license fees	6,100,000	
Department of Business and Economic Development – Reduction to business license IT project	578,000	

Creates the Budget Restoration Fund as a special fund comprised of revenues transferred to it under this bill: \$247,300,000 of income tax revenues, \$7,428,400 in corporate income tax revenues from the general fund, \$8,800,000 in State Lottery Revenues, and \$5,000,000 in tobacco tax revenue; authorizes that specified revenues and funds transferred into the Budget Restoration may be used to restore reductions that occurred in fiscal 2013 as a result of the failure of Senate Bill 152 and Senate Bill 523 of 2012

Establishes that the Budget Restoration Fund is in effect until June 30, 2013; any remaining funds are transferred to the general fund

Clarifies that the salary of the new State Superintendent of Schools is the salary as set by the State Board of Education

Authorizes the Governor to process a budget amendment of \$383,840 from the Higher Education Investment Fund to provide a grant to St. Mary's College of Maryland to offset a tuition increase for in-State students to implement a provision in the budget bill

Modified Provisions

Added a sunset date for reporting requirements relating to the use of funds from the National Mortgage Settlement

Provisions That Have Been Removed

Facility Renewal and Capital Maintenance Fund – provision that would have established a special non-lapsing fund, and, beginning in fiscal 2014, requires the Governor to establish an agency charge-back to generate not less than \$20 million annually for facility renewal, capital maintenance, and related expenses

Aid to Education Formulas – provision that would have reduced the per pupil foundation amount from \$6,761 to \$6,650 for fiscal 2013 if legislation relating to the cost-sharing of teacher retirement was not enacted; this provision is unnecessary

Maryland Transit Administration – provision that would have required the administration to adjust fares to the nearest dime triennially, beginning in fiscal 2013, based on the increase in the Consumer Price Index over the preceding three calendar years

Vehicle Registration Surcharge – provision which would have increased the surcharge which accrues to the Maryland Emergency Medical System Operations Fund from \$11 to \$13

Language which expressed the intent of the General Assembly that funding be provided in the annual budget to upgrade the Maryland Institute of Emergency Medical Services Systems communications system

Summary of Sharing of Teachers' Retirement Costs with Local Jurisdictions

- Retirement costs are shared for school boards only (excludes libraries and community colleges).
- School boards will pay the *normal cost* of retirement phased in over four years with concurrent county-paid maintenance of effort increases.
- The normal cost reflects the current cost of retirement for active employees, which does not include unfunded, accrued liabilities. The normal cost's dollar value grows primarily by the growth in salaries and the number of teachers employed.
- The required maintenance of effort amount paid by counties increases each year by the additional pension costs during the phase-in period.
- Increased pension costs are offset by new county revenues and local aid to counties and school boards beginning in fiscal 2013 and 2014, and federal fund reimbursement relief to school boards beginning in fiscal 2015.
- State maintains responsibility to pay for unfunded accrued liabilities and reinvestment, as well as a portion of the normal cost and any costs above the estimates during the phase-in period.
- This plan is reflected in the fiscal 2013 budget (SB 150 of the 2012 session) and the Budget Reconciliation and Financing Act and State and Local Revenue and Financing Act of the 2012 special session.

Shift of Retirement Costs to School Boards with Offsets/MOE Increase
"Normal Cost" of Teachers' Retirement Shifted to Locals with Four-year Phase-in
Fiscal 2013-2016
(\$ in Millions)

	<u>FY 2013</u>	<u>FY 2014</u>	<u>FY 2015</u>	<u>FY 2016</u>
Normal Cost Shifted (School Boards) – 50/65/85/100%	-\$136.6	-\$173.2	-\$221.6	-\$254.8
<u>Offset by:</u>				
Relieve Reimbursement for Federally Funded Teachers ⁽¹⁾	0.0	0.0	37.8	38.2
Net Pension Costs Shifted to School Boards	-\$136.6	-\$173.2	-\$183.7	-\$216.5
Counties Increase in MOE Due to Shift⁽²⁾	\$136.6	\$173.2	\$183.7	\$216.5
Annual Increase in MOE Due to Shift		\$36.6	\$10.5	\$32.8
<u>Offset by:</u>				
Additional Local Income Tax Revenues (SLRFA)	\$31.5	\$21.6	\$21.8	\$22.1
Teachers' Retirement Supplemental Grant ⁽³⁾ (BRFA)	27.6	27.6	27.6	27.6
Recordation Tax Indemnity Mortgages (SLRFA)	35.7	35.7	35.7	35.7
Local Income Tax Reserve Relief (BRFA)	36.7	36.7	36.7	36.7
Restore Local Police Aid (SB 150/BRFA)	0.0	22.1	22.8	23.5
Health Department Grants (SB 150/BRFA)	0.0	2.2	3.0	4.0
Total County Offsets	\$131.5	\$145.9	\$147.6	\$149.6
Net Impact of Shift on Counties	-\$5.2	-\$27.3	-\$36.1	-\$67.0
Net Impact on State General Fund (Savings)/Cost⁽⁴⁾	-\$109.0	-\$120.8	-\$126.5	-\$154.0
Remaining State-paid Pension Costs (Non-normal)	\$768.4	\$866.5	\$870.0	\$870.8
Net Impact of Shift on School Boards	\$0.0	\$0.0	\$0.0	\$0.0
State Direct Aid Increase Current Law ⁽²⁾	113.2	88.4	113.6	184.4

BRFA: Budget Reconciliation and Financing Act of 2012 Special Session
SLRFA: State and Local Revenue and Financing Act of 2012 Special Session

MOE: maintenance of effort
SB 150: Fiscal 2013 Budget Bill

⁽¹⁾ Requirement to reimburse the State for federally funded teachers is repealed beginning in fiscal 2015.

⁽²⁾ Fiscal 2016 county MOE increase will be included in per pupil MOE amount for fiscal 2017.

⁽³⁾ Includes Miscellaneous Grant for Baltimore City.

⁽⁴⁾ Includes increase in Guaranteed Tax Base program due to increased MOE.

Note: Includes school boards only; Governor's proposal also included community colleges and libraries.

Impact of County Maintenance of Effort Increase Due to Sharing of Pension Costs
Fiscal 2013 and 2016
(\$ in Thousands)

County	Fiscal 2013						Fiscal 2016							
	MOE Increase Due to Pension Shift	Local Income Tax Revenues	Teacher Retire. Supp. Grant	Indemnity Mortgage Rec. Tax	Local Income Reserve Relief	Net Impact	MOE Increase Due to Pension Shift	Local Income Tax Revenues	Teacher Retire. Supp. Grant	Indemnity Mortgage Rec. Tax	Local Income Reserve Relief	Restore Police Aid	Restore Health Dept. Grants	Net Impact
Allegany	-\$1,488	\$70	\$1,632	\$107	\$245	\$566	-\$2,203	\$49	\$1,632	\$107	\$245	\$371	\$93	\$295
Anne Arundel	-11,494	3,018	0	2,925	3,356	-2,195	-18,694	2,117	0	2,925	3,356	2,672	340	-7,284
Baltimore City	-12,923	1,011	10,048	400	2,105	640	-17,901	709	10,048	400	2,105	0	721	-3,919
Baltimore	-15,756	3,237	3,000	2,100	4,840	-2,579	-24,843	2,270	3,000	2,100	4,840	3,869	475	-8,289
Calvert	-2,836	599	0	550	554	-1,133	-4,754	420	0	550	554	281	42	-2,907
Caroline	-794	35	685	100	100	126	-1,182	25	685	100	100	128	55	-89
Carroll	-4,006	1,057	0	800	1,087	-1,062	-6,702	741	0	800	1,087	604	130	-3,340
Cecil	-2,460	270	0	2,195	441	446	-3,944	189	0	2,195	441	390	85	-643
Charles	-3,937	842	0	1,000	823	-1,272	-6,591	591	0	1,000	823	524	106	-3,547
Dorchester	-657	31	309	185	97	-35	-932	22	309	185	97	150	44	-126
Frederick	-5,893	1,444	0	5,000	1,531	2,082	-9,858	1,013	0	5,000	1,531	902	160	-1,251
Garrett	-665	28	406	220	96	86	-955	20	406	220	96	87	45	-81
Harford	-5,530	1,291	0	1,020	1,531	-1,688	-8,803	906	0	1,020	1,531	1,110	184	-4,052
Howard	-9,821	3,514	0	2,903	2,918	-486	-17,284	2,465	0	2,903	2,918	1,360	134	-7,504
Kent	-366	45	0	70	91	-160	-533	32	0	70	91	81	34	-225
Montgomery	-27,228	10,203	0	11,000	10,503	4,479	-44,357	7,157	0	11,000	10,503	5,959	347	-9,391
Prince George's	-19,555	3,273	9,629	2,500	4,097	-56	-29,632	2,296	9,629	2,500	4,097	2,886	551	-7,673
Queen Anne's	-1,106	266	0	500	293	-47	-1,763	186	0	500	293	168	44	-573
St. Mary's	-2,486	590	0	500	636	-760	-4,015	414	0	500	636	375	85	-2,005
Somerset	-480	11	382	40	58	11	-610	8	382	40	58	99	44	21
Talbot	-628	117	0	565	209	262	-943	82	0	565	209	174	34	121
Washington	-3,094	279	0	455	585	-1,775	-4,842	196	0	455	585	581	144	-2,882
Wicomico	-2,174	167	1,568	350	376	287	-3,239	117	1,568	350	376	451	99	-279
Worcester	-1,272	53	0	250	107	-861	-1,952	37	0	250	107	260	34	-1,264
Total	-\$136,645	\$31,451	\$27,659	\$35,735	\$36,678	-\$5,122	-\$216,530	\$22,062	\$27,659	\$35,735	\$36,678	\$23,480	\$4,030	-\$66,887

MOE: maintenance of effort

Impact of Pension Shift on Local School Boards
Fiscal 2013 and 2016
(\$ in Thousands)

School System	Fiscal 2013		Fiscal 2016		
	50% Normal Cost Pension Shift	County MOE Increase	100% Normal Cost Pension Shift	Relief FF Teacher Retirement	County MOE Increase
Allegany	-\$1,488	-\$1,488	-\$2,774	\$571	-\$2,203
Anne Arundel	-11,494	-11,494	-21,428	2,734	-18,694
Baltimore City	-12,923	-12,923	-24,093	6,192	-17,901
Baltimore	-15,756	-15,756	-29,374	4,531	-24,843
Calvert	-2,836	-2,836	-5,287	533	-4,754
Caroline	-794	-794	-1,480	299	-1,182
Carroll	-4,006	-4,006	-7,468	766	-6,702
Cecil	-2,460	-2,460	-4,586	642	-3,944
Charles	-3,937	-3,937	-7,339	748	-6,591
Dorchester	-657	-657	-1,224	292	-932
Frederick	-5,893	-5,893	-10,987	1,129	-9,858
Garrett	-665	-665	-1,239	285	-955
Harford	-5,530	-5,530	-10,309	1,506	-8,803
Howard	-9,821	-9,821	-18,310	1,026	-17,284
Kent	-366	-366	-683	150	-533
Montgomery	-27,228	-27,228	-50,762	6,405	-44,357
Prince George's	-19,555	-19,555	-36,457	6,825	-29,632
Queen Anne's	-1,106	-1,106	-2,061	298	-1,763
St. Mary's	-2,486	-2,486	-4,634	619	-4,015
Somerset	-480	-480	-895	285	-610
Talbot	-628	-628	-1,172	229	-943
Washington	-3,094	-3,094	-5,769	927	-4,842
Wicomico	-2,174	-2,174	-4,052	813	-3,239
Worcester	-1,272	-1,272	-2,371	418	-1,952
Total	-\$136,645	-\$136,645	-\$254,755	\$38,224	-\$216,530

FF: federal funds

MOE: maintenance of effort

State and Local Revenue and Financing Act of 2012 Special Session

- Income Tax Rate Changes (\$195.6 Million in Fiscal 2013)**

<i>Single Taxpayers</i>			<i>Joint Taxpayers</i>		
Lower	Upper	<i>Current/Proposed</i>	Lower	Upper	<i>Current/Proposed</i>
\$1	\$1,000	2.00%	\$1	\$1,000	2.00%
1,001	2,000	3.00%	1,001	2,000	3.00%
2,001	3,000	4.00%	2,001	3,000	4.00%
3,001	100,000	4.75%	3,001	150,000	4.75%
100,001	125,000	4.75%/5.00%	150,001	175,000	4.75%/5.00%
125,001	150,000	4.75%/5.25%	175,001	225,000	4.75%/5.00%/5.25%
150,001	250,000	5.00%/5.50%	225,001	300,000	5.00%/5.50%
250,001	500,000	5.00%/5.25%/5.75%	300,001	500,000	5.00%/5.25%/5.75%
500,001	99,999,999	5.50%/5.75%	500,001	99,999,999	5.50%/5.75%

- Income Tax Personal Exemption Changes (State Revenues of \$51.7 Million and Local Revenues of \$31.4 Million in Fiscal 2013)**

<i>Federal Adjusted Gross Income</i>			<i>Amount Per Exemption</i>	
Lower	Upper	Filing	Proposed	Current
\$1	\$100,000	Single	\$3,200	\$3,200
100,001	125,000	Single	1,600	2,400
125,001	150,000	Single	800	1,800
150,001	200,000	Single	0	1,200
200,001	99,999,999	Single	0	600
\$1	\$150,000	Joint	\$3,200	\$3,200
150,001	175,000	Joint	1,600	2,400
175,001	200,000	Joint	800	1,800
200,001	250,000	Joint	0	1,200
250,001	99,999,999	Joint	0	600

- **Other Tobacco Products Rate Increase (\$5 Million in Fiscal 2013)**

Increases the other tobacco product tax rate on moist snuff and smokeless tobacco from 15 to 30% of the wholesale price.

The tax rate for premium cigars remains at 15% of the wholesale price.

The tax rate for other cigars increases from 15 to 70% of the wholesale price.

- **Recordation Tax – Indemnity Mortgages (Local Revenues of \$35.7 Million in Fiscal 2013)**

Applies the recordation tax to an “indemnity mortgage” in the same manner as if the guarantor were primarily liable for the guaranteed loan, unless the recordation tax is paid on another instrument of writing that secures the payment of the guaranteed loan or the indemnity mortgage secures a guarantee of repayment of a loan for less than \$1.0 million.

Creates a stakeholder workgroup to review the impacts of the tax on local government revenues and real estate transactions and report back any findings and recommendations about the tax to the Governor and General Assembly by December 31, 2012.

- **Office of Administrative Hearings – Fee Increase (\$497,500 in Fiscal 2013)**

Increases the maximum filing fee from \$125 to \$150 for an appeal of a decision by the Motor Vehicle Administration to suspend or revoke a driver’s license.

- **Death Certificate – Fee Increase (\$667,000 in Fiscal 2013)**

Increases the fee from \$12 to \$24 for the first copy of a certified death certificate.

- **Corporate Income Tax Credit – Telecommunications Property Taxes (\$7.5 Million in Fiscal 2013)**

Repeals the corporate income tax credit for State and local property taxes paid on certain telecommunications property.

- **Repeal of Sales and Use Tax Exemption for Cylinder Demurrage (\$700,000 in Fiscal 2013)**

Repeals the State sales and use tax exemption for demurrage charges in the nature of a penalty for failure to return a gas cylinder within a designated time period.

- **Income Tax – Electing Small Business Trusts (Effective Beginning in Tax Year 2013)**

Requires a fiduciary of certain trusts to include the income derived from certain stock holdings for the purpose of calculating federal adjusted gross income.

**State and Local Revenue and Financing Act of 2012
Additional Income Tax Paid by Representative Taxpayers**

Joint Filer with Two Children	
Federal Adjusted Gross Income	Additional Annual Tax
\$50,000	\$0
75,000	0
90,000	0
120,000	0
150,000	0
175,000	254
180,000	325
205,000	464
255,000	444
525,000	1,823
1,100,000	3,269

Joint Filer with No Children	
Federal Adjusted Gross Income	Additional Annual Tax
\$50,000	\$0
75,000	0
90,000	0
120,000	0
150,000	0
175,000	127
180,000	170
205,000	273
255,000	345
525,000	1,720
1,100,000	3,164

State Aid Actions Resulting from Special Session Fiscal 2013

County	Teachers Retirement	Program Open Space	GCEI Funding ¹	Supplemental Grants ²	Crime Grants	Disparity Grants	Community College	Other Grants ³	Total
Allegany	-\$1,487,742	-\$151,000	\$0	\$1,632,106	\$0	\$729,851	\$803,418	\$0	\$1,526,633
Anne Arundel	-11,493,684	-1,634,000	9,042,800	0	295,855	0	3,297,394	0	-491,635
Baltimore City	-12,922,862	-1,081,000	22,396,367	10,047,596	10,367,614	7,754,249	0	-3,075,000	33,486,964
Baltimore	-15,755,802	-1,838,000	5,478,127	3,000,000	0	0	2,339,480	0	-6,776,195
Calvert	-2,835,938	-163,000	2,291,041	0	0	0	201,717	0	-506,180
Caroline	-793,934	-71,000	0	685,108	0	213,178	144,209	0	177,561
Carroll	-4,005,782	-365,000	2,535,378	0	0	0	696,002	0	-1,139,402
Cecil	-2,459,819	-189,000	0	0	0	0	476,129	0	-2,172,690
Charles	-3,936,516	-334,000	3,498,074	0	0	0	668,630	0	-103,812
Dorchester	-656,543	-62,000	0	308,913	0	202,269	124,344	0	-83,017
Frederick	-5,893,461	-386,000	6,379,612	0	0	0	795,150	0	895,301
Garrett	-664,714	-76,000	0	406,400	0	213,127	230,388	1,161,009	1,270,210
Harford	-5,529,741	-546,000	0	0	0	0	1,202,740	0	-4,873,001
Howard	-9,821,066	-971,000	5,119,581	0	0	0	876,537	0	-4,795,948
Kent	-366,147	-46,000	137,992	0	0	0	57,151	0	-217,004
Montgomery	-27,227,553	-2,460,000	32,796,296	0	0	0	4,655,504	0	7,764,247
Prince George's	-19,554,579	-2,092,000	38,292,762	9,628,702	3,760,902	2,169,477	1,327,693	0	33,532,957
Queen Anne's	-1,105,527	-99,000	558,377	0	0	0	158,952	0	-487,198
St. Mary's	-2,485,697	-185,000	226,253	0	0	0	227,148	0	-2,217,296
Somerset	-480,124	-44,000	0	381,999	0	490,817	61,662	0	410,353
Talbot	-628,456	-105,000	0	0	0	0	138,484	0	-594,972
Washington	-3,094,113	-287,000	0	0	0	0	857,169	0	-2,523,944
Wicomico	-2,173,593	-191,000	0	1,567,837	327,254	219,704	412,966	0	163,168
Worcester	-1,271,561	-188,000	0	0	0	0	164,744	0	-1,294,817
Unallocated	0	0	0	0	4,034,294	0	0	5,232,000	9,266,294
Total	-\$136,644,954	-\$13,564,000	\$128,752,660	\$27,658,662	\$18,785,919	\$11,992,672	\$19,917,609	\$3,318,009	\$60,216,577

GCEI: Geographic Cost of Education Index

Note: ¹Geographic Cost of Education Index (GCEI); ²Teacher Retirement Supplemental Grants; ³Includes funding for Quality Teacher Incentives, National Board Certification Fees and the Hold Harmless Grant for Garrett County Public Schools and the elimination of the Miscellaneous Grant for Baltimore City which is now funded under the supplemental grants.

**Proposed State Aid Actions and Local Revenue Enhancements
Under Special Session Plan
Fiscal 2013**

County	Local Revenue Enhancements				State Aid Adjustments	Net Effect
	Individual Income Tax	Income Tax Reserve	Recordation Tax	Total Enhancements		
Allegany	\$70,000	\$245,023	\$107,000	\$422,023	\$1,526,633	\$1,948,656
Anne Arundel	3,018,000	3,355,846	2,925,000	9,298,846	-491,635	8,807,211
Baltimore City	1,011,000	2,104,714	400,000	3,515,714	33,486,964	37,002,678
Baltimore	3,237,000	4,839,885	2,100,000	10,176,885	-6,776,195	3,400,690
Calvert	599,000	554,364	550,000	1,703,364	-506,180	1,197,184
Caroline	35,000	100,213	100,000	235,213	177,561	412,774
Carroll	1,057,000	1,086,772	800,000	2,943,772	-1,139,402	1,804,370
Cecil	270,000	440,845	2,195,000	2,905,845	-2,172,690	733,155
Charles	842,000	822,650	1,000,000	2,664,650	-103,812	2,560,838
Dorchester	31,000	96,702	185,000	312,702	-83,017	229,685
Frederick	1,444,000	1,531,193	5,000,000	7,975,193	895,301	8,870,494
Garrett	28,000	95,943	220,000	343,943	1,270,210	1,614,153
Harford	1,291,000	1,530,887	1,020,000	3,841,887	-4,873,001	-1,031,114
Howard	3,514,000	2,918,127	2,903,000	9,335,127	-4,795,948	4,539,179
Kent	45,000	91,369	70,000	206,369	-217,004	-10,635
Montgomery	10,203,000	10,503,112	11,000,000	31,706,112	7,764,247	39,470,359
Prince George's	3,273,000	4,097,314	2,500,000	9,870,314	33,532,957	43,403,271
Queen Anne's	266,000	292,934	500,000	1,058,934	-487,198	571,736
St. Mary's	590,000	635,562	500,000	1,725,562	-2,217,296	-491,734
Somerset	11,000	57,711	40,000	108,711	410,353	519,064
Talbot	117,000	208,563	565,000	890,563	-594,972	295,591
Washington	279,000	584,688	455,000	1,318,688	-2,523,944	-1,205,256
Wicomico	167,000	376,141	350,000	893,141	163,168	1,056,309
Worcester	53,000	107,304	250,000	410,304	-1,294,817	-884,513
Unallocated	0	0	0	0	9,266,294	9,266,294
Total	\$31,451,000	\$36,677,862	\$35,735,000	\$103,863,862	\$60,216,577	\$164,080,439

Change in State Aid to Local Governments
Final 2012 Session Action Compared to Special Session Plan

County	FY 2012	Final Action FY 2013	Percent Difference	State Aid Adjustments	Special Session FY 2013	Percent Difference
Allegany	\$106,044,073	\$102,869,477	-3.0%	\$1,526,633	\$104,396,110	-1.6%
Anne Arundel	421,227,842	445,329,337	5.7%	-491,635	444,837,702	5.6%
Baltimore City	1,191,052,679	1,181,981,072	-0.8%	33,486,964	1,215,468,036	2.0%
Baltimore	698,504,038	724,348,533	3.7%	-6,776,195	717,572,338	2.7%
Calvert	104,933,302	103,959,414	-0.9%	-506,180	103,453,234	-1.4%
Caroline	53,025,202	55,753,175	5.1%	177,561	55,930,736	5.5%
Carroll	179,749,241	178,902,316	-0.5%	-1,139,402	177,762,914	-1.1%
Cecil	126,804,294	128,942,553	1.7%	-2,172,690	126,769,863	0.0%
Charles	192,829,585	192,338,016	-0.3%	-103,812	192,234,204	-0.3%
Dorchester	41,458,185	43,031,286	3.8%	-83,017	42,948,269	3.6%
Frederick	272,907,823	275,521,673	1.0%	895,301	276,416,974	1.3%
Garrett	34,883,107	32,844,525	-5.8%	1,270,210	34,114,735	-2.2%
Harford	262,680,088	261,975,095	-0.3%	-4,873,001	257,102,094	-2.1%
Howard	298,823,692	306,165,111	2.5%	-4,795,948	301,369,163	0.9%
Kent	13,903,464	14,143,928	1.7%	-217,004	13,926,923	0.2%
Montgomery	808,681,776	817,337,089	1.1%	7,764,247	825,101,336	2.0%
Prince George's	1,075,599,829	1,085,724,722	0.9%	33,532,957	1,119,257,679	4.1%
Queen Anne's	42,755,529	43,210,760	1.1%	-487,198	42,723,562	-0.1%
St. Mary's	113,310,533	117,807,863	4.0%	-2,217,296	115,590,567	2.0%
Somerset	34,212,622	34,036,172	-0.5%	410,353	34,446,525	0.7%
Talbot	18,630,691	19,625,085	5.3%	-594,972	19,030,113	2.1%
Washington	187,200,010	192,972,756	3.1%	-2,523,944	190,448,812	1.7%
Wicomico	140,586,142	145,876,369	3.8%	163,168	146,039,536	3.9%
Worcester	32,800,039	34,261,766	4.5%	-1,294,817	32,966,949	0.5%
Unallocated	83,278,498	71,423,341	-14.2%	9,266,294	80,689,635	-3.1%
Total	\$6,535,882,284	\$6,610,381,432	1.1%	\$60,216,577	\$6,670,598,009	2.1%