

EFFECT OF THE 2013 LEGISLATIVE PROGRAM ON THE FINANCIAL CONDITION OF THE STATE



DEPARTMENT OF LEGISLATIVE SERVICES 2013

Effect of the 2013 Legislative Program on the Financial Condition of the State

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

July 2013

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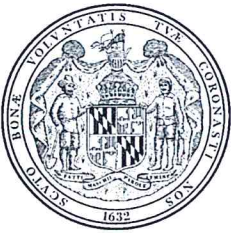
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DEPARTMENT OF LEGISLATIVE SERVICES
OFFICE OF POLICY ANALYSIS
MARYLAND GENERAL ASSEMBLY

Warren G. Deschenaux
Director

July 2013

The Honorable Thomas V. Mike Miller, Jr., President of the Senate
The Honorable Michael E. Busch, Speaker of the House of Delegates
Members of the Maryland General Assembly

State law requires the Department of Legislative Services to annually prepare a report that summarizes the effect of the preceding legislative program on State and local governments (State Government Article, Section 2-1237). In accordance with this requirement, I am pleased to submit the following report, *Effect of the 2013 Legislative Program on the Financial Condition of the State*.

This document is divided into four chapters.

Chapter One highlights the major components of the fiscal 2014 operating budget (House Bill 100 /Chapter 423).

Chapter Two summarizes the fiscal 2014 capital budget and the State's capital program (House Bill 101/Chapter 424).

Chapter Three identifies enacted legislation from the 2013 session that affects State revenues or expenditures. The revenue and expenditure effects of the legislation are summarized, as are the number of regular and contractual positions required to implement the legislation.

Chapter Four identifies enacted legislation from the 2013 session that affects local governments. This chapter also identifies State mandates on units of local government and provides an overview of State aid to local governments.

No bills passed in 2013 were vetoed by the Governor for policy reasons.

Further information on issues considered during the 2013 session may be found in *The 90 Day Report – A Review of the 2013 Legislative Session*, issued by the Department of Legislative Services following the adjournment of the General Assembly.

The Honorable Thomas V. Mike Miller, Jr.
The Honorable Michael E. Busch
Members of the Maryland General Assembly
July 2013
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The enclosed report is prepared by the staff of the Office of Policy Analysis. The work was coordinated by Robert J. Rehrmann with additional assistance provided by Jennifer K. Botts, Hiram L. Burch, Amy A. Devadas, Patrick S. Frank, David B. Juppe, Scott D. Kennedy, Matthew D. Klein, and Nancy C. Scaggs. I trust this report will be a useful source of information for you. If you have any questions concerning its contents, please do not hesitate to contact me.

Sincerely,

Warren G. Deschenaux
Director

WGD/ncs

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Abbreviations

BOND	–	Bond
Ch.	–	Chapter
CY	–	Calendar Year
FF	–	Federal Fund
FY	–	Fiscal Year
GF	–	General Fund
GO	–	General Obligation
HB	–	House Bill
HE	–	Higher Education
NB	–	Nonbudgeted
REIM	–	Reimbursable Funds
SAEF	–	Special Administrative Expense Fund
SB	–	Senate Bill
SF	–	Special Fund
SPHRF	–	State Police Helicopter Replacement Fund
SSN	–	Social Security Number
TTF	–	Transportation Trust Fund
UEF	–	Uninsured Employers' Fund
VCAF	–	Volunteer Company Assistance Fund
()	–	Indicates Decrease

Fiscal Effects of the 2013 Legislative Program

The 2013 session included continued efforts to reduce the size of the structural deficit, representing the third year in a three-year effort to eliminate the ongoing shortfall between general fund revenues and spending. Enacted legislation with a quantifiable effect is expected to increase general fund revenues by \$73.8 million and reduce general fund expenditures by \$141.7 million in fiscal 2014, an overall positive impact on the general fund of \$215.5 million. The table below summarizes the quantifiable fiscal 2014 to 2018 general fund impact of all enacted legislation from the 2013 regular session. General fund revenues increase and expenditures decrease throughout the five-year period, resulting in a positive general fund impact of about \$200 million in each year through fiscal 2018.

As in the past several sessions, passage of a balanced budget was contingent on a Budget Reconciliation and Financing Act. The Budget Reconciliation and Financing Act of 2013 (BRFA of 2013) accounted for nearly all of the increase in general fund revenues over the five-year period. About 60% of this general fund revenue increase was offset by other legislation which decreased general fund revenues; nearly all of which resulted from the Maryland Health Progress Act of 2013 (Chapter 159) – which dedicated certain general fund revenues, increased public school construction funding (Chapter 647), and expansion of the Film Production Tax Credit Program (Chapter 28). Nearly all of the general fund expenditure savings realized in the five-year period resulted from additional federal funding for Medicaid as enacted by Chapter 159, reductions enacted in BRFA of 2013, and savings to the State Retirement and Pension System (Chapter 475). About one-third of the total expenditure savings were offset by other legislation which increased general fund expenditures, about one-half of which is increased State aid for education.

The increase in fiscal 2014 general fund revenues of \$73.8 million is amplified by a projected increase of \$148.1 million in special fund revenues, primarily reflecting transportation revenues as enacted by Chapter 429 and \$398.4 million in federal fund revenues, nearly all of which are enhanced federal funding of Medicaid under Chapter 159.

	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018
General Fund Revenues	\$73,846,723	\$21,564,308	\$11,574,913	\$24,524,739	\$33,764,326
General Fund Expenditures	(\$141,661,519)	(\$236,937,779)	(\$186,220,364)	(\$154,445,104)	(\$138,576,289)
Net General Fund Impact	\$215,508,242	\$258,502,087	\$197,795,277	\$178,969,843	\$172,340,615

Enacted legislation from the 2013 session is expected to decrease fiscal 2014 special fund expenditures by \$49.6 million; BRFA of 2013 accounted for nearly all of this decrease. Federal fund expenditures increase by \$398.3 million in fiscal 2014; reflecting increased Medicaid funding under Chapter 159. An estimated \$16.0 million in special fund expenditures and

\$50.3 million in federal fund expenditures were not included in the budget adopted by the General Assembly. State agencies may add special and federal funds to their budgets through the budget amendment process. In addition, most of these expenditure increases will be offset by increases in special and federal fund revenues.

Nonbudgeted fiscal 2014 general fund expenditures of \$18.2 million may result in deficiency appropriations for the affected agencies, or agencies may absorb the added costs into their existing budgets. About two-thirds of the estimated nonbudgeted general fund expenditures reflect a lower estimate of the net savings resulting from Chapter 159 than the total savings included in the fiscal 2014 budget. The table below details changes to budgeted and nonbudgeted expenditures resulting from enacted 2013 legislation.

	General Funds	Special Funds	Federal Funds
Total Expenditures	(\$141,661,519)	(\$49,571,414)	\$398,336,064
Budgeted Expenditures	(\$157,549,912)	(\$65,586,891)	\$348,000,000
Nonbudgeted Expenditures	\$18,163,228	\$16,015,477	\$50,336,0364

An estimated 102.8 regular and contractual positions will be required in fiscal 2014 to implement enacted legislation from the 2013 legislative program. The analysis of fiscal effects excludes the impact of bills for which estimates cannot be quantified. Although the bills do not contribute to the totals shown in the report, each bill with an unquantified impact is listed in Chapter 3 with an indication of whether it is expected to have a positive or negative impact on the budget. All estimates of the impact of 2013 enacted legislation are based on the assumptions stated in the fiscal and policy notes for the bills.

Chapter One – Operating Budget

- Overview
- Budget in Brief
- Framing the Session: 2012 Interim Activity
- Governor's Spending Plan as Introduced
- Legislative Consideration of the Budget
- Outlook for Future Budgets
- Budget Reconciliation and Financing Legislation
- By the Numbers

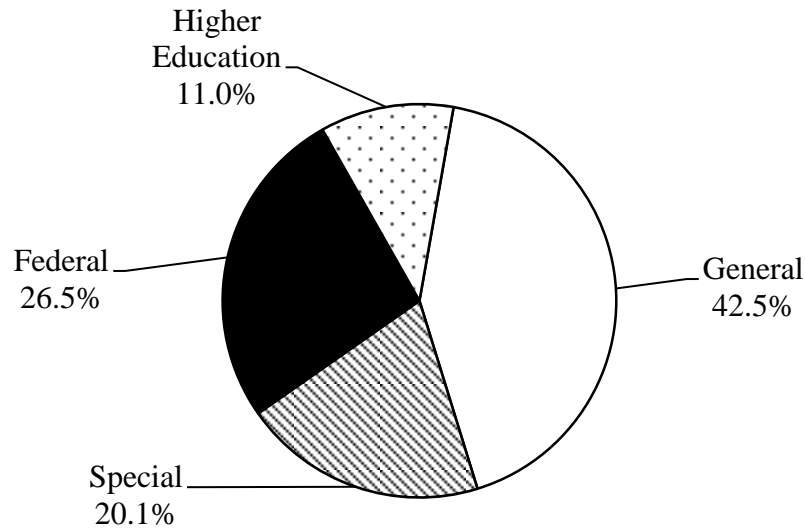
Overview

Budget activity at the 2013 session focused on continued efforts to reduce the size of the structural deficit, representing the third year in a three-year effort to reduce the ongoing shortfall between ongoing general fund revenues and spending to a manageable level. Per the methodology recommended by the Spending Affordability Committee (SAC), the enacted budget reduced the projected fiscal 2014 general fund structural deficit by \$209 million. The general fund cash balance is estimated at \$293.9 million at the end of fiscal 2014, in addition to \$767.6 million in the Rainy Day Fund. Moreover, nearly \$100.0 million was set aside in the Dedicated Purpose Account specifically to offset the effects of federal spending reductions.

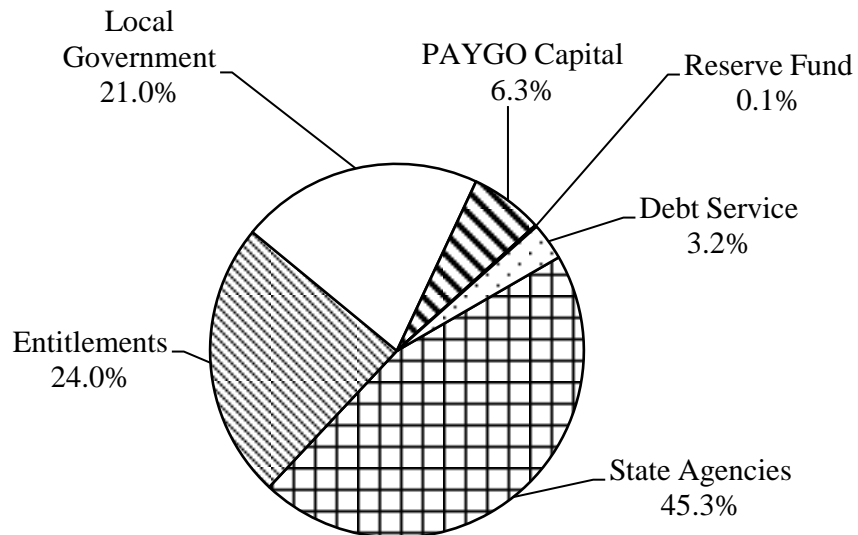
Budget in Brief

The Fiscal Year 2014 Budget Bill, **House Bill 100 (Chapter 423)**, provides \$36.9 billion in appropriations for fiscal 2014 – an increase of \$1.1 billion (3.0%) above fiscal 2013. **Exhibit 1.1** illustrates funding by type of revenue. General fund spending accounts for 42.5% of the total budget. Federal funds support 26.5% of all spending. Special funds constitute 20.1% of the budget, and higher education revenue provides the remaining 11%. State agency operations constitute the largest area of spending, representing 45.3% of the total budget. Entitlements account for 24.0% of the budget, and 21.0% is provided as aid to local governments. Remaining appropriations fund pay-as-you-go (PAYGO) capital spending, debt service on State general obligation (GO) bonds, and transfers to the State Reserve Fund.

Exhibit 1.1
Maryland's \$36.9 Billion Fiscal 2014 Budget
Where It Comes From: Budget by Fund Source



Where It Goes: Budget by Purpose



PAYGO: pay-as-you-go capital

General fund appropriations increase by \$986.4 million, or 6.7%, over the fiscal 2013 working appropriation. A large portion of the increase totaling \$430.3 million is related to the accounting adjustment related to budget action at the 2012 session and the First Special Session of 2012 which created a one-time \$430.3 million Budget Restoration Fund (BRF). State agency spending increases by \$401.4 million, or 6.6%. Higher education receives an additional \$109.5 million; State employee personnel-related costs account for another \$178.1 million. Of this, \$100.3 million annualizes the 2.0% general salary increase from fiscal 2013, provides one-half year of funding for the 3.0% general salary increase in fiscal 2014, and provides for merit increases effective April 1, 2014. Another \$77.8 million funds contributions to State employee health and retirement plans. Local aid rises by \$437.8 million, or 7.4%. Most of this is due to mandated education aid formulas and the State share of teacher retirement costs. PAYGO capital spending grows by \$46.7 million due to one-time spending for school security and new funding for energy efficiency programs. An appropriation of \$83.0 million is made for debt service on GO bonds.

Special funds decrease by \$402.4 million, or 5.25%, compared to the fiscal 2013 working appropriation. However, the year-over-year trend is skewed by the one-time funding in the BRF of 2012. Absent the BRF of 2012, special funds grow by a net of \$27.9 million or 0.4%. Large increases are found in the budget for transportation PAYGO, operating expenses, and debt service offset by taking video lottery terminal vendor payments off-budget. Smaller changes include an increase for the special fund portion of the 3.0% general salary increase and a decrease in the Annuity Bond Fund based on the assumption of no bond premium.

Federal fund spending increases by \$442.4 million, or 4.7%. Federal aid increases mostly for Medicaid expansion to 138.0% of the federal poverty (FPL) level on January 1, 2014, due to the federal Affordable Care Act, additional federal aid for transportation PAYGO capital, and higher caseloads for the Supplemental Nutrition Assistance Program. These increases were offset by lower federal education aid for students with disabilities, reduced funding for the One Maryland Broadband network as it nears completion, and the lowered expectation of Foster Care Title IV-E federal fund attainment.

The budgets for public higher education institutions increase by \$143.7 million in total funds, or 2.8%, in fiscal 2014. Formula aid to community colleges increases by \$13.8 million in fiscal 2014 to \$213.0 million. Aid to nonpublic colleges and universities grows by \$3.2 million, to \$41.3 million.

With respect to personnel, the size of the regular State workforce increases by 0.28%, or 222 positions, to 79,750 regular positions in fiscal 2014. State employees receive a 3.0% general salary increase on January 1, 2014, and merit increments on April 1, 2014 (although operationally critical staff can receive merit increases earlier).

Framing the Session: 2012 Interim Activity

Board of Revenue Estimates Revenue Revisions

In September 2012, the Board of Revenue Estimates (BRE) revised the fiscal 2013 estimate upward by \$180.6 million, nearly all due to better than expected performance from individual and corporate income taxes. Both sources were further revised upward in December 2012. BRE was concerned about the effects of federal spending cutbacks on Maryland's modest economic recovery from the 2008 recession and reduced estimated revenues by \$194 million across fiscal 2013 and 2014 in anticipation of sequestration.

SAC Recommendations

SAC prepared its final report to the Governor in December 2012, which continued the methodology adopted for the 2011 session to eliminate the State's general fund structural deficit over three years.

Spending Limit and Sustainability

The committee recommended that the budget submitted by the Governor and approved by the General Assembly for fiscal 2014 reduce the general fund structural deficit by at least \$200.0 million. This action would reduce the projected \$383.0 million structural deficit to approximately \$183.0 million.

Personnel

The committee recommended that the current complement of 79,626 regular positions was appropriate for the delivery of State services given the fiscal condition of the State. It was recommended that any new positions be accommodated within the current overall level, with exceptions provided for:

- critical security issues in State facilities;
- converting long-term contractual employees to regular State positions, when supported by special or federal funds;
- positions necessary to increase State revenues; or
- positions required to implement the Maryland Health Benefit Exchange.

State Reserve Fund

SAC recommended that the balance of the Rainy Day Fund should be maintained at or above 5% of estimated revenues and further recommended a general fund balance of at least \$200 million.

Governor's Spending Plan as Introduced

For fiscal 2013, the Governor proposed \$103 million in deficiency appropriations. Additional funding was provided for unrealized federal revenues, prior year shortfalls identified in closeout audits, workers' compensation claims, school assessment contracts, and a variety of miscellaneous increases across State government. A large portion of deficiency spending was offset by a reduction of nearly \$94 million for Medicaid based on favorable enrollment trends. The fiscal plan submitted by the Administration provided for \$37.4 billion in total spending for fiscal 2014. Relative to the \$200 million recommendation made by SAC, the proposed budget reduced \$217 million from the projected fiscal 2014 structural deficit. The Governor's proposed spending plan estimated a closing fiscal 2014 general fund balance of \$236 million, including a \$166 million transfer from the Rainy Day Fund. **Exhibit 1.2** details the Governor's original general fund spending plan for fiscal 2013 and 2014.

Exhibit 1.2 Governor's Original Budget Plan Fiscal 2013-2014 (\$ in Millions)

	<u>2013</u>	<u>2014</u>
Opening Balance	\$551.2	\$614.7
Board of Revenue Estimates Revenues	\$14,725.6	\$15,351.2
Additional Revenues	1.1	1.2
Transfers	34.8	272.3
Subtotal	\$14,761.5	\$15,624.7
Appropriations and Deficiencies	\$14,747.6	\$16,141.0
Contingent Reductions	0.0	-102.7
Targeted Reversions	-19.6	-5.0
Subtotal	\$14,727.9	\$16,033.4
Reversions	-\$30.0	-\$30.0
Closing Balance	\$614.7	\$236.0

Source: Maryland Budget Highlights, Fiscal 2014

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

Revenue Assumptions

The Governor's fiscal 2014 spending plan assumed \$110.5 million in additional revenues, as well as an offsetting loss of \$20.1 million. The largest element was the proposed distribution of approximately one-half of the transfer tax to the general fund for five years, as shown in **Exhibit 1.3**. The remaining increases were based on estimates of telecommunications revenue, the proposed repeal of the Maryland mined coal tax credit, Medicaid fraud recoveries, and a number of smaller revenues. These increases would be offset by the loss of \$20.1 million from new or expanded tax credit programs. The Governor proposed to expand the film tax credit program to \$25.0 million, to add \$2.0 million to the biotechnology and research and development tax credits, and to create a new tax credit for cybersecurity investments.

Exhibit 1.3
Proposed Transfer Tax Distributions to the General Fund
Fiscal 2014-2018
(\$ in Millions)

<u>Fiscal Years</u>	<u>Transfer to the General Fund</u>
2014	\$89,198,555
2015	75,062,000
2016	77,064,000
2017	82,771,000
2018	86,028,000

Source: Department of Budget and Management

Fund Transfers

Fiscal 2013 was balanced in part by a \$1 million transfer from the State Insurance Trust Fund to the general fund.

Contingent Reductions

The Governor also proposed \$102.7 million in general fund reductions, contingent on the enactment of **House Bill 102 (Chapter 425)**. The two largest items were in the Dedicated Purpose Account of the State Reserve Fund. This included deferring \$50.0 million for the mandated repayment of transfer tax revenue that helped balance the fiscal 2006 budget until

fiscal 2016, and the first \$50.0 million repayment to the Local Income Tax Reserve Account, which was part of a \$550.0 million transfer to help balance the fiscal 2011 budget. The Governor proposed repealing repayment of the first \$350.0 million that was due between fiscal 2014 and 2020. The remaining contingent reductions included \$1.5 million in the Maryland State Department of Education (MSDE) based on local reimbursement for the cost of educating juveniles placed in a detention facility for 15 or more days, and \$1.2 million in the Department of Natural Resources to permit the use of Program Open Space funds for administration.

Legislative Consideration of the Budget

Revenue and Spending Changes

Supplemental Budget No. 1

The Governor introduced one supplemental budget that increased spending by a total of \$232.7 million (net of double counted funds for higher education and reimbursable funds). Some of the larger items that were funded include \$83.6 million in federal funds for Medicaid provider reimbursements; \$33.8 million for energy assistance, energy efficiency initiatives, and administrative expenses funded from the Exelon Corporation and Constellation Energy Group merger; \$17.6 million for debt service on GO bonds; and \$10.0 million allocated to the Dedicated Purpose Account to offset the impacts of federal sequestration. Spending increases are offset by withdrawn appropriations, including \$10.0 million in additional video lottery terminal proceeds in support of local education aid, \$7.2 million from lower mental health inpatient hospital utilization, and \$0.5 million in over budgeted cover crop funding.

Reductions

The legislature reduced the fiscal 2013 budget by \$65.0 million, with most of this in Medicaid based on favorable enrollment and utilization trends. Reductions to the fiscal 2014 budget eliminated 34 regular positions and reduced \$592.1 million in all funds. Of this, \$316.0 million was simply a reduction to the appropriation to the Rainy Day Fund in order to maximize the general fund balance in anticipation of the effects of federal spending cutbacks. Another \$100.0 million in reductions implemented the Governor's recommendation to cut the two \$50.0 million appropriations to the Dedicated Purpose Account, representing partial repayment of prior year transfers from the Local Income Tax Reserve Account and the transfer tax. Also, as proposed by the Governor, Program Open Space funding of \$89.2 million in special funds was reduced to permit the transfer of funds to the general fund. Debt service was reduced by \$18.0 million due to a larger than expected bond premium.

Final Actions Related to SAC

Limiting Spending Growth

Exhibit 1.4 indicates that final revenue and spending actions by the legislature reduced the fiscal 2014 structural deficit by \$209 million, which exceeds the SAC recommendation to reduce the structural general fund deficit by at least \$200 million.

Personnel

The budget as introduced funded 79,741 positions. Exemptions for contractual conversions, revenue generating positions, and to staff the Health Benefit Exchanges reduced this amount by 128, resulting in 79,613 positions on a spending affordability basis. Supplemental Budget No. 1 created 43 positions, of which 35 were created to implement the Firearm Safety Act of 2013, **Senate Bill 281 (Chapter 427)**. The legislature also abolished 34 positions from the base budget. At 79,622 positions, the fiscal 2014 personnel complement is below the 79,626 cap recommended by SAC for the 2013 session. Thus, the final action for State employment is consistent with the SAC recommendation.

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

Target

Estimated Structural Gap (December 2012)		-\$383
Target Reduction		-200
Ongoing Revenues	\$15,340	
50% of Transfer Tax	75	
Supplemental Budget No. 1	1	
Legislation	-1	
Telecommunication Revenues to the General Fund	-7	
Other One-time Items	-1	

Subtotal		\$15,407
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Ongoing Spending	\$15,675	
Rainy Day Fund	-55	
Program Open Space for Administration	1	
Supplemental Budget No. 1 One-time Spending	-7	
Pay-as-you-go Capital	-33	
Subtotal		\$15,581

Amount Reduced from Structural Shortfall		\$209
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Remaining Structural Deficit		\$174
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Source: Department of Legislative Services

State Reserve Fund Balance

No funds are transferred to support fiscal 2014 spending, maintaining a \$767.6 million balance in the Rainy Day Fund. This constitutes a 5% balance. Final action on the budget complied with the SAC recommendation to maintain at least a 5% balance.

Summary of Fiscal 2014 Legislative Activity

Exhibit 1.5 shows the impact of the legislative budget on the general fund balance for fiscal 2013 and 2014. The fiscal 2013 balance is estimated to be \$557.6 million, assuming \$19.7 million in targeted reversions and another \$30.0 million in unspecified reversions. At the end of fiscal 2014, the closing balance is estimated to be \$293.9 million assuming \$30.0 million in unspecified reversions.

Exhibit 1.5 Final Legislative Budget Action with HB 102 Fiscal 2013-2014 (\$ in Millions)

	<u>FY 2013</u>	<u>FY 2014</u>
Opening Balance	\$551.2	\$557.6
Board of Revenue Estimates Revenues	\$14,648.8	\$15,312.7
Additional Revenues	39.8	27.9
Legislation	0.0	-18.4
Transfers	6.5	89.2
Subtotal	\$14,695.1	\$15,411.4
Appropriations/Supplemental/Deficiencies	\$14,772.1	\$16,175.9
Reductions	-31.1	-468.2
Contingent Reductions	-2.7	-2.7
Reversions	-49.7	-30.0
Subtotal	\$14,688.7	\$15,675.1
Closing Balance	\$557.6	\$293.9

HB 102: Budget Reconciliation and Financing Act of 2013.

Source: Department of Legislative Services

Outlook for Future Budgets

As shown in **Exhibit 1.6** fiscal 2014 is projected to end with a \$294 million fund balance. This is \$264 million less than the projected fiscal 2013 fund balance. Primary reasons for the lower fund balance are that ongoing spending exceeds ongoing revenues by \$174 million, appropriations into the reserve fund total \$55 million, and PAYGO capital appropriations total \$40 million.

Actions taken by the General Assembly and Governor reduce the fiscal 2014 structural deficit from \$383 million (the December 2012 baseline estimate) to \$174 million. This reduction was achieved by increasing revenues (such as redirecting transfer tax revenues to the general fund), reducing spending (by \$128 million), and reducing multi-year commitments (eliminating the repayment to the Local Income Tax Reserve Account).

Exhibit 1.6
General Fund Budget Outlook
Fiscal 2013-2018
(\$ in Millions)

	2013	2014	2015	2016	2017	2018	2014-18
	Working	Leg. Approp.	Est.	Est.	Est.	Est.	Avg Annual Change
<u>Revenues</u>							
Opening Fund Balance	\$551	\$558	\$294	\$0	\$0	\$0	
Transfers	6	14	272	32	35	42	
One-time Revenues and Legislation	178	-10	0	0	0	0	
Subtotal One-time Revenue	\$735	\$562	\$566	\$32	\$35	\$42	-47.7%
Ongoing Revenues	\$14,941	\$15,408	\$15,974	\$16,728	\$17,537	\$18,285	
Revenue Adjustments and Legislation	0	-1	-44	-57	-56	-55	
Subtotal Ongoing Revenue	\$14,941	\$15,407	\$15,929	\$16,671	\$17,481	\$18,230	4.3%
Total Revenues and Fund Balance	\$15,677	\$15,969	\$16,495	\$16,703	\$17,516	\$18,272	3.4%
Ongoing Spending							
Operating Spending	\$14,904	\$15,921	\$16,817	\$17,533	\$18,208	\$18,968	
VLT Revenues Supporting Education	-251	-350	-579	-643	-732	-764	
Multi-year Commitments	0	10	10	10	10	10	
Budget Restoration Fund Spending ¹	430	0	0	0	0	0	
Ongoing Spending – Legislation	0	0	-7	-8	-14	-20	
Subtotal Ongoing Spending	\$15,083	\$15,581	\$16,240	\$16,892	\$17,472	\$18,194	4.0%
One-time Spending							
PAYGO Capital	\$3	\$40	\$1	\$1	\$1	\$1	
One-time Reductions	0	-1	0	0	0	0	
Appropriation to Reserve Fund	33	55	284	50	50	50	
Subtotal One-time Spending	\$36	\$94	\$285	\$51	\$51	\$51	-14.2%
Total Spending	\$15,119	\$15,675	\$16,526	\$16,943	\$17,523	\$18,245	3.9%
Ending Balance	\$558	\$294	-\$30	-\$241	-\$7	\$26	
Rainy Day Fund Balance	\$701	\$768	\$799	\$836	\$877	\$914	
Balance Over 5% of GF Revenues	-46	3	0	0	0	0	
As % of GF Revenues	4.69%	5.02%	5.00%	5.00%	5.00%	5.00%	
Structural Balance	-\$142	-\$174	-\$311	-\$221	\$9	\$35	

GF: general fund

PAYGO: pay-as-you-go

VLT: video lottery terminal

¹ Fiscal 2013 ongoing revenues and spending include Budget Restoration Fund revenues.

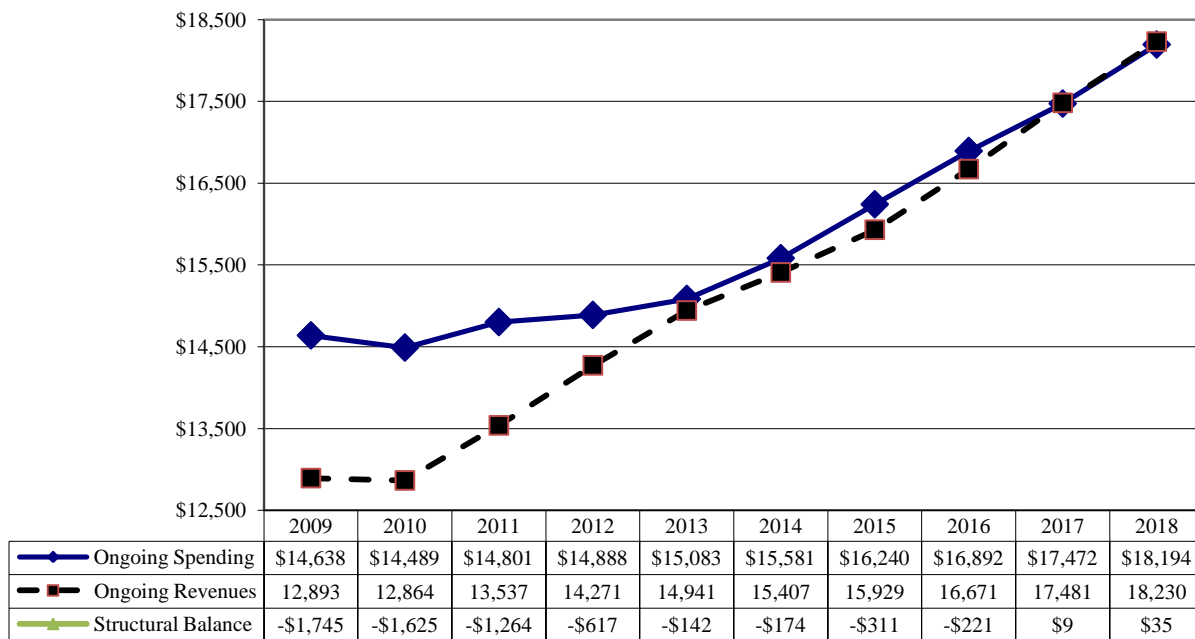
The structural deficit increases from \$174 million in fiscal 2014 to \$311 million in fiscal 2015. This \$137 million increase is attributable to additional general fund debt service costs for GO bonds, which increase from \$83 million to \$314 million. Fiscal 2014 general fund costs are supported by fund balances generated by bond sale premiums. In the out-years, the budget assumes that the State will no longer generate these premiums, so a large increase in general funds is anticipated in fiscal 2015. The Department of Legislative Services estimates that if the State continues to receive bond sale premiums in fiscal 2014 and 2015, debt service costs will be reduced to \$102 million. The extraordinarily high levels of bond sale premiums have allowed the State to defer appropriating general funds for debt service. In fiscal 2015, State property tax revenues (which support debt service) are \$300 million less than debt service costs. In the out-years, this shortfall is expected to increase because debt service is increasing at a rate of 6%, while the State property tax revenues that support debt service are essentially flat.

Legislation also affecting out-year revenues and expenditures includes:

- **House Bill 228 (Chapter 159)** expands the Medicaid program consistent with the federal Patient Protection and Affordable Care Act. The ability to move existing enrollees into the new expansion category allows the State to claim higher federal matching funds thereby lowering State Medicaid costs; however, there are new State costs for the Maryland Health Benefit Exchange. The changes are estimated to reduce State revenues by \$24 million and State expenditures by \$178 million in fiscal 2015. The expenditure savings do decline to \$150 million in fiscal 2018;
- **House Bill 860 (Chapter 647)** diverts \$20 million annually from the general fund to support school construction and renovation in Baltimore City. The first of 30 payments is in fiscal 2015;
- **Senate Bill 474 (Chapter 475)/House Bill 496 (Chapter 476)** modify the State pension funding by phasing out the corridor funding method and replacing it with a closed, 25-year amortization period for all existing and future liabilities. In fiscal 2015, this reduces State general fund spending by \$15 million. By fiscal 2018, general fund savings total \$53 million; and
- **House Bill 1515 (Chapter 429)** is a comprehensive transportation infrastructure revenue and expenditure plan. In addition to raising transportation taxes and funding capital improvements, it requires additional GO bond debt service costs. The additional costs begin in fiscal 2015 at \$2 million and increase to \$21 million by fiscal 2018.

Action at the 2013 session essentially eliminates the gap between ongoing revenues and spending in fiscal 2014, and is forecasted to remain manageable as illustrated in **Exhibit 1.7**. Whether the forecasted results are attained however will be subject to numerous factors, not the least of which will be the performance of the State and national economy, and the ability of policymakers to maintain the fiscal vigilance and discipline that closed the budget gap.

Exhibit 1.7
A General Fund Structural Surplus Is Projected by Fiscal 2017
Fiscal 2009-2018
(\$ in Millions)



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

Budget Reconciliation and Financing Legislation

House Bill 102 (Chapter 425), the Budget Reconciliation and Financing Act (BRFA) of 2013, implements \$71 million in actions to the benefit of the general fund for fiscal 2013 and 2014 (as shown in **Exhibit 1.8**) and includes certain actions that significantly reduce the State's structural imbalance. The actions of the BRFA of 2013 can be categorized into five groups: general fund transfers, local grants, mandate relief and cost control, revenue measures, and other provisions.

Exhibit 1.8
Summary of Actions in the Budget Reconciliation and Financing Act of 2013
General Funds

Fiscal 2013 Fund Transfers	-\$12.0 million
Fiscal 2014 Fund Transfers/Revenues	89.2 million
Fiscal 2014 Expenditure Reductions	2.7 million
Fiscal 2014 Local Grants	-8.6 million
Total Budgetary Action	\$71.3 million

Transfers to the General Fund

Transfer tax revenues totaling \$410.7 million over the period fiscal 2014 through 2018 are directed to the general fund. This provision is the most significant element in the BRFA of 2013 to address the structural deficit. Also, fiscal 2013 transfers from the State Insurance Trust Fund (\$1.0 million) and the Special Fund for the Preservation of Cultural Arts (\$1.9 million) are implemented.

Local Grants

The BRFA of 2013 provides for several new grants to local jurisdictions. Municipalities will receive \$15.4 million in one-time special fund transportation grants; local school systems experiencing a loss of direct State aid in excess of 1% will receive a grant of 25% of the shortfall; and local school systems with negative supplemental grants will receive funds to ensure that the grants are not less than \$0. The disparity grant program is modified to provide a minimum grant amount based on local tax effort.

Mandate Relief and Cost Control

The requirement that the State repay \$350 million to the Local Income Tax Reserve Account, beginning with a \$50 million payment in fiscal 2014, is repealed. A mandate to repay \$50 million to Program Open Space, which had been borrowed in fiscal 2006, is deferred to fiscal 2016. If racing revenue is insufficient to fully meet the mandated local impact aid amounts, payments may be prorated to stay within the expected revenues. Certain tax credits issued under the Sustainable Communities Tax Credit program prior to 2006 are repealed, and funds budgeted for certain 2007 credits may be transferred to the general fund.

The increase in rates paid to nonpublic placements and to providers with rates set by the Interagency Rate Committee is limited to 2.5% over the rates in effect in January 2013. The Health Services Cost Review Commission is required to study the savings that are projected to

accrue to the Medicaid program through the implementation of tiered hospital rates and to take certain steps to ensure that savings of at least \$30 million in general funds is realized.

General and Special Fund Revenue Measures

The BRFA of 2013 authorizes the use of special funds from the State share of Program Open Space to cover the costs of program administration, up to \$1.2 million. Up to \$250,000 from the Fair Campaign Financing Fund may be used by the State Board of Elections to conduct a number of statutorily required studies. Local school systems are required to reimburse the Department of Juvenile Services for a portion of the education costs of children in detention for at least 15 consecutive days. The annual hospital assessment to support the Medicaid program is capped at \$390 million and can be achieved through a combination of assessment, remittance, and general fund savings.

The Act creates a \$400 income tax credit for any tractor-trailer titled and registered in the State, contingent on the taking effect of an increase in tolls at Maryland toll facilities. The fees that the Secretary of State may charge for a notary commission (from \$10 to \$11) and that a notary may charge for a notarial act (from \$2 to \$4) are increased. The existing moving violation surcharge of \$7.50 is amended to be a mandatory surcharge to the fine, rather than a court cost which may be waived. The BRFA of 2013 authorizes the transfer of funds from the Oil Contaminated Site Environmental Cleanup Fund to the Maryland Oil Disaster Containment, Clean-Up and Contingency Fund and requires a report on the financial stability of the State's oil pollution programs.

Other Provisions

The BRFA of 2013 clarifies the authority of the State Lottery and Gaming Control Agency over the licensing and regulation of locally authorized electronic gaming operations and removes the requirement that veterans' organizations lease or purchase instant ticket lottery machines from the agency. The definition of a major information technology project is expanded to include projects where a public institution of higher education is conducting the work on behalf of a State agency. The ability of State agencies and institutions of higher education to provide salary increases to operationally critical staff and to retain faculty is extended for fiscal 2014.

The Comptroller is authorized to make local income tax distributions in fiscal 2014 without accounting for amended returns from prior tax years that are determined to be extraordinary or anomalous. The Comptroller is also required to undertake an evaluation of the Local Income Tax Reserve Account. Up to \$4.2 million in surplus fiscal 2013 funds in the Mental Hygiene Administration may only be used to satisfy fiscal 2012 payables. Similarly, certain excess funds in Aid to Education may be used to cover an anticipated fiscal 2013 shortfall in the Quality Teacher Incentive Program.

Finally, the BRFA of 2013 implements a provision in the budget bill that reserves \$87 million in general fund contributions to the State pension fund in the Dedicated Purpose Account. The Governor is required to make a determination in January 2014 if the funds are needed to offset the effects of federal sequestration; if not, they are to be transferred to the pension accumulation fund.

By the Numbers

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

Exhibit 1.9, the fiscal note on the budget bill, depicts the Governor's allowance, funding changes made through Supplemental Budget No. 1, legislative reductions, and final appropriations for fiscal 2013 and 2014 by fund source. The Governor's original request provided for \$37.4 billion in fiscal 2014 expenditures and \$103.0 million in fiscal 2013 deficiencies.

The Governor added \$232.7 million in fiscal 2013 and 2014 spending in the supplemental budget. The legislature made \$61.9 million in reductions to fiscal 2013 appropriations, resulting in a net appropriation of \$35.8 billion for fiscal 2013. The fiscal 2014 budget was reduced by a net of \$590.4 million, consisting of \$592.1 billion in total fund reductions offset by \$1.7 million in special funds that replace general fund cuts. This resulted in a final appropriation of \$36.9 billion.

Exhibit 1.9
Fiscal Note – Summary of the Fiscal 2014 Budget Bill – House Bill 100

	<u>General Funds</u>	<u>Special Funds</u>	<u>Federal Funds</u>	<u>Education Funds</u>	<u>Total Funds</u>
Governor's Allowance					
Fiscal 2013 Budget	\$14,697,932,395	\$7,805,388,992	\$9,270,210,947	\$4,002,676,885	\$35,776,209,219 ⁽¹⁾
Fiscal 2014 Budget	16,106,026,286	7,436,262,756	9,808,326,259	4,056,925,242	37,407,540,543 ⁽²⁾
Supplemental Budget No. 1					
Fiscal 2013 Deficiencies	\$24,560,005	\$3,456,898	\$99,427,325	\$0	\$127,444,228
Fiscal 2014 Budget	39,904,895	65,357,624	0	0	105,262,519
Subtotal	\$64,464,900	\$68,814,522	\$99,427,325	\$0	\$232,706,747
Budget Reconciliation and Financing Act of 2013					
Fiscal 2013 Deficiencies	\$0	\$0	\$0	\$0	\$0
Fiscal 2014 Budget	-2,675,671	-87,739,667 ⁽³⁾	0	0	-90,415,338
Total Reductions	-\$2,675,671	-\$87,739,667	\$0	\$0	-\$90,415,338
Legislative Reductions					
Fiscal 2013 Deficiencies	-\$33,832,313	-\$2,664,313 ⁽⁴⁾	-\$30,700,000	\$0	-\$61,868,000
Fiscal 2014 Budget	-468,204,359	-4,778,494 ⁽⁵⁾	-26,953,011	0	-499,935,864
Total Reductions	-\$502,036,672	-\$2,114,181	-\$57,653,011	\$0	-\$561,803,864
Appropriations					
Fiscal 2013 Budget	\$14,688,660,087	\$7,811,510,203	\$9,338,938,272	\$4,002,676,885	\$35,841,785,447
Fiscal 2014 Budget	15,675,051,151	7,409,102,219	9,781,373,248	4,056,925,242	36,922,451,860
Change	\$986,391,064	-\$402,407,984	\$442,434,976	\$54,248,357	\$1,080,666,413

⁽¹⁾ Reflects \$103.0 million in proposed deficiencies, including \$124.6 million in general funds, \$44.5 million in special funds, and -\$66.1 million in federal funds. Reversion assumptions total \$49.6 million, including \$30.0 million in unspecified reversions and \$19.6 million in targeted reversions.

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

⁽³⁾ Includes \$1.5 million in special funds that will be added back to the budget by budget amendment to replace general fund reductions.

⁽⁴⁾ Includes \$3.1 million in special funds that will be added back to the budget by budget amendment to replace general fund reductions.

⁽⁵⁾ Includes \$0.3 million in special funds that will be added back to the budget by budget amendment to replace general fund reductions.

Exhibit 1.10 illustrates budget changes by major expenditure category by fund. Total spending increases by \$1.1 billion, or 3.0%. Debt service grows by 7.2% because the State has issued additional GO debt in recent years. Aid to local government increases by 3.7% largely due to formula-based education aid. Entitlement spending grows by 3.6% due to Medicaid expansion to 138.0% of the FPL as part of the federal ACA. State agency spending only increases by 2.1%. PAYGO capital expenditures increase by 2.0%, due mostly to \$25.0 million added for school security and new energy efficiency programs.

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

<u>Category</u>	<u>Actual FY 2012</u>	<u>Adjusted Wrk. Approp. FY 2013</u>	<u>Legislative Approp. FY 2014</u>	<u>FY 2013 to FY 2014 \$ Change</u>	<u>% Change</u>
Debt Service	\$0.0	\$0.0	\$83.0	\$83.0	n/a
County/Municipal	186.6	159.0	245.0	86.0	54.1%
Community Colleges	263.3	252.4	286.6	34.2	13.5%
Education/Libraries	5,616.6	5,448.0	5,762.8	314.8	5.8%
Health	38.3	37.3	40.0	2.8	7.4%
<i>Aid to Local Governments</i>	<i>\$6,104.7</i>	<i>\$5,896.7</i>	<i>\$6,334.5</i>	<i>\$437.8</i>	<i>7.4%</i>
Foster Care Payments	208.8	234.3	237.9	3.6	1.5%
Assistance Payments	69.9	101.0	76.4	-24.6	-24.3%
Medical Assistance	2,462.9	2,312.1	2,334.8	22.7	1.0%
Property Tax Credits	81.8	82.0	80.2	-1.7	-2.1%
<i>Entitlements</i>	<i>\$2,823.3</i>	<i>\$2,729.4</i>	<i>\$2,729.4</i>	<i>\$0.0</i>	<i>0.0%</i>
Health	1,449.7	1,473.7	1,546.2	72.5	4.9%
Human Resources	323.4	326.8	333.4	6.6	2.0%
Children's Cabinet Interagency Fund	21.2	16.9	21.5	4.6	27.0%
Juvenile Services	269.2	270.7	280.8	10.1	3.7%
Public Safety/Police	1,273.9	1,319.0	1,352.0	33.0	2.5%
Higher Education	1,136.7	1,105.3	1,214.9	109.5	9.9%
Other Education	382.3	370.3	378.1	7.9	2.1%
Agric./Nat'l. Res./Environment	104.1	109.1	115.0	5.9	5.4%
Other Executive Agencies	541.6	594.0	725.4	131.4	22.1%
Legislative	76.8	78.3	80.5	2.1	2.7%
Judiciary	374.3	387.4	405.2	17.8	4.6%
<i>State Agencies</i>	<i>\$5,953.1</i>	<i>\$6,051.6</i>	<i>\$6,453.0</i>	<i>\$401.4</i>	<i>6.6%</i>
Total Operating	\$14,881.2	\$14,677.7	\$15,599.9	\$922.2	6.3%
Capital ⁽¹⁾	54.5	3.2	49.9	46.7	1458.3%
<i>Subtotal</i>	<i>\$14,935.7</i>	<i>\$14,680.9</i>	<i>\$15,649.8</i>	<i>\$968.9</i>	<i>6.6%</i>
Reserve Funds	15.0	37.8	55.3	17.5	46.3%
Appropriations	\$14,950.7	\$14,718.7	\$15,705.1	\$986.4	6.7%
Reversions	0.0	-30.0	-30.0	0.0	0.0%
Grand Total	\$14,950.7	\$14,688.7	\$15,675.1	\$986.4	6.7%

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

Note: The fiscal 2013 adjusted working appropriation includes deficiencies, \$19.6 million in targeted reversions and legislative reductions to the deficiencies.

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

<u>Category</u>	<u>Actual FY 2012</u>	<u>Work. Approp. FY 2013</u>	<u>Legislative Approp. FY 2014</u>	<u>FY 2013 to FY 2014 \$ Change</u>	<u>% Change</u>
Debt Service	\$1,039.1	\$1,102.4	\$1,100.0	-\$2.5	-0.2%
County/Municipal	191.9	285.7	268.8	-17.0	-5.9%
Community Colleges	0.0	19.9	-0.7	-20.6	-103.3%
Education/Libraries	91.1	422.2	336.7	-85.5	-20.2%
Health	0.0	0.8	0.0	-0.8	-100.0%
<i>Aid to Local Governments</i>	<i>\$283.1</i>	<i>\$728.6</i>	<i>\$604.8</i>	<i>-\$123.8</i>	<i>-17.0%</i>
Foster Care Payments	4.6	2.5	5.1	2.6	102.3%
Assistance Payments	24.2	19.4	18.6	-0.8	-4.2%
Medical Assistance	837.8	1,028.1	903.5	-124.6	-12.1%
Property Tax Credits	0.0	0.0	0.0	0.0	n/a
<i>Entitlements</i>	<i>\$866.6</i>	<i>\$1,050.0</i>	<i>\$927.1</i>	<i>-\$122.8</i>	<i>-11.7%</i>
Health	460.8	540.9	526.4	-14.5	-2.7%
Human Resources	83.8	82.7	77.3	-5.4	-6.5%
Children's Cabinet Interagency Fund	0.0	0.0	0.0	0.0	n/a
Juvenile Services	4.7	4.4	4.4	0.1	1.6%
Public Safety/Police	209.1	223.9	221.9	-1.9	-0.9%
Higher Education	3,838.9	4,112.6	4,146.9	34.2	0.8%
Other Education	64.7	94.1	71.9	-22.2	-23.6%
Transportation	1,471.9	1,522.5	1,577.8	55.3	3.6%
Agric./Nat'l. Res./Environment	194.0	213.8	222.3	8.5	4.0%
Other Executive Agencies	478.1	734.4	590.9	-143.5	-19.5%
Legislative	0.0	0.4	0.0	-0.4	-100.0%
Judiciary	45.1	58.6	53.7	-4.9	-8.3%
<i>State Agencies</i>	<i>\$6,851.0</i>	<i>\$7,588.3</i>	<i>\$7,493.6</i>	<i>-\$94.7</i>	<i>-1.2%</i>
Total Operating	\$9,039.7	\$10,469.3	\$10,125.5	-\$343.8	-3.3%
Capital	866.0	1,344.9	1,340.5	-4.4	-0.3%
Grand Total	\$9,905.7	\$11,814.2	\$11,466.0	-\$348.2	-2.9%

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

Note: The fiscal 2013 working appropriation reflects deficiencies, \$430.3 million from the Budget Restoration Fund, legislative reductions to the deficiencies, and \$3.1 million in additional special fund spending due to funding swaps. The fiscal 2014 legislative appropriation includes \$1.7 million in additional special fund spending due to funding swaps.

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

<u>Category</u>	<u>Actual FY 2012</u>	<u>Work. Approp. FY 2013</u>	<u>Legislative Approp. FY 2012</u>	<u>FY 2013 to FY 2014 \$ Change</u>	<u>% Change</u>
Debt Service	\$11.5	\$12.2	\$12.4	\$0.2	1.9%
County/Municipal	103.0	51.9	59.3	7.4	14.3%
Community Colleges	0.0	0.0	0.0	0.0	n/a
Education/Libraries	763.6	796.9	754.3	-42.6	-5.3%
Health	4.5	4.5	4.5	0.0	0.0%
<i>Aid to Local Governments</i>	<i>\$871.1</i>	<i>\$853.3</i>	<i>\$818.1</i>	<i>-\$35.2</i>	<i>-4.1%</i>
Foster Care Payments	93.0	79.5	84.0	4.4	5.6%
Assistance Payments	1,207.5	1,117.4	1,197.7	80.3	7.2%
Medical Assistance	3,365.1	3,566.4	3,911.4	345.0	9.7%
Property Tax Credits	0.0	0.0	0.0	0.0	n/a
<i>Entitlements</i>	<i>\$4,665.6</i>	<i>\$4,763.2</i>	<i>\$5,193.0</i>	<i>\$429.8</i>	<i>9.0%</i>
Health	1,100.3	1,229.7	1,309.4	79.7	6.5%
Human Resources	438.9	513.2	520.0	6.8	1.3%
Children's Cabinet Interagency Fund	0.0	0.0	0.0	0.0	n/a
Juvenile Services	11.8	8.3	7.4	-0.9	-11.2%
Public Safety/Police	35.1	29.2	26.3	-2.9	-9.9%
Higher Education	0.0	0.0	0.0	0.0	n/a
Other Education	230.7	269.8	243.6	-26.3	-9.7%
Transportation	92.7	85.5	97.1	11.6	13.5%
Agric./Nat'l. Res./Environment	66.6	72.7	65.9	-6.8	-9.3%
Other Executive Agencies	642.1	557.0	542.6	-14.4	-2.6%
Judiciary	4.5	6.0	4.2	-1.8	-29.9%
<i>State Agencies</i>	<i>\$2,622.7</i>	<i>\$2,771.5</i>	<i>\$2,816.5</i>	<i>\$45.0</i>	<i>1.6%</i>
Total Operating	\$8,170.9	\$8,400.1	\$8,840.0	\$439.8	5.2%
Capital	887.5	938.8	941.4	2.6	0.3%
Grand Total	\$9,058.3	\$9,338.9	\$9,781.4	\$442.4	4.7%

Note: The fiscal 2013 working appropriation includes deficiencies and legislative reductions to the deficiencies.

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

<u>Category</u>	<u>Actual FY 2012</u>	<u>Adjusted Work. Approp. FY 2013</u>	<u>Legislative Approp. FY 2014</u>	<u>FY 2013 to FY 2014 \$ Change</u>	<u>% Change</u>
Debt Service	\$1,039.1	\$1,102.4	\$1,183.0	\$80.5	7.3%
County/Municipal	378.5	444.8	513.8	69.1	15.5%
Community Colleges	263.3	272.3	285.9	13.6	5.0%
Education/Libraries	5,707.7	5,870.2	6,099.5	229.4	3.9%
Health	38.3	38.1	40.0	2.0	5.3%
<i>Aid to Local Governments</i>	<i>\$6,387.8</i>	<i>\$6,625.3</i>	<i>\$6,939.3</i>	<i>\$314.0</i>	<i>4.7%</i>
Foster Care Payments	213.4	236.8	243.0	6.2	2.6%
Assistance Payments	94.0	120.4	95.0	-25.4	-21.1%
Medical Assistance	3,300.7	3,340.2	3,238.3	-101.9	-3.1%
Property Tax Credits	81.8	82.0	80.2	-1.7	-2.1%
<i>Entitlements</i>	<i>\$3,689.9</i>	<i>\$3,779.4</i>	<i>\$3,656.5</i>	<i>-\$122.8</i>	<i>-3.2%</i>
Health	1,910.5	2,014.6	2,072.6	58.0	2.9%
Human Resources	407.2	409.5	410.8	1.2	0.3%
Children's Cabinet Interagency Fund	21.2	16.9	21.5	4.6	27.0%
Juvenile Services	273.8	275.1	285.2	10.2	3.7%
Public Safety/Police	1,482.9	1,542.9	1,573.9	31.0	2.0%
Higher Education	4,975.6	5,218.0	5,361.7	143.7	2.8%
Other Education	447.0	464.4	450.1	-14.4	-3.1%
Transportation	1,471.9	1,522.5	1,577.8	55.3	3.6%
Agric./Nat'l. Res./Environment	298.1	322.8	337.2	14.4	4.5%
Other Executive Agencies	1,019.6	1,328.3	1,316.3	-12.0	-0.9%
Legislative	76.8	78.8	80.5	1.7	2.2%
Judiciary	419.3	446.0	459.0	13.0	2.9%
<i>State Agencies</i>	<i>\$12,804.2</i>	<i>\$13,639.9</i>	<i>\$13,946.6</i>	<i>\$306.7</i>	<i>2.2%</i>
Total Operating	\$23,920.9	\$25,147.0	\$25,725.4	\$578.5	2.3%
Capital ⁽¹⁾	920.5	1,348.1	1,390.4	42.3	3.1%
Subtotal	\$24,841.4	\$26,495.1	\$27,115.8	\$620.7	2.3%
Reserve Funds	15.0	37.8	55.3	17.5	46.3%
Appropriations	\$24,856.4	\$26,532.8	\$27,171.1	\$638.2	2.4%
Reversions	0.0	-30.0	-30.0	0.0	0.0%
Grand Total	\$24,856.4	\$26,502.8	\$27,141.1	\$638.2	2.4%

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

Note: The fiscal 2013 adjusted working appropriation reflects deficiencies, \$19.6 million in targeted reversions, \$430.3 million from the Budget Restoration Fund, legislative reductions to the deficiencies, and \$3.1 million in additional special fund spending due to funding swaps. The fiscal 2014 legislative appropriation includes \$1.7 million in additional special fund spending due to funding swaps.

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

Category	Actual FY 2012	Adjusted Work. Approp. FY 2013	Legislative Approp. FY 2014	FY 2013 to FY 2014 \$ Change	% Change
Debt Service	\$1,050.6	\$1,114.6	\$1,195.3	\$80.8	7.2%
County/Municipal	481.5	496.6	573.1	76.5	15.4%
Community Colleges	263.3	272.3	285.9	13.6	5.0%
Education/Libraries	6,471.3	6,667.1	6,853.8	186.7	2.8%
Health	42.8	42.5	44.5	2.0	4.7%
Aid to Local Governments	\$7,258.9	\$7,478.6	\$7,757.4	\$278.8	3.7%
Foster Care Payments	306.4	316.4	327.0	10.6	3.4%
Assistance Payments	1,301.5	1,237.8	1,292.7	54.9	4.4%
Medical Assistance	6,665.8	6,906.5	7,149.6	243.1	3.5%
Property Tax Credits	81.8	82.0	80.2	-1.7	-2.1%
Entitlements	\$8,355.5	\$8,542.6	\$8,849.6	\$306.9	3.6%
Health	3,010.8	3,244.3	3,382.0	137.7	4.2%
Human Resources	846.1	922.7	930.7	8.0	0.9%
Children's Cabinet Interagency Fund	21.2	16.9	21.5	4.6	27.0%
Juvenile Services	285.6	283.4	292.7	9.2	3.3%
Public Safety/Police	1,518.1	1,572.1	1,600.2	28.1	1.8%
Higher Education	4,975.6	5,218.0	5,361.7	143.7	2.8%
Other Education	677.7	734.2	693.6	-40.6	-5.5%
Transportation	1,564.7	1,608.0	1,674.9	66.9	4.2%
Agric./Nat'l. Res./Environment	364.6	395.6	403.2	7.6	1.9%
Other Executive Agencies	1,661.8	1,885.4	1,858.9	-26.4	-1.4%
Legislative	76.8	78.8	80.5	1.7	2.2%
Judiciary	423.8	451.9	463.1	11.2	2.5%
State Agencies	\$15,426.9	\$16,411.3	\$16,763.1	\$351.8	2.1%
Total Operating	\$32,091.8	\$33,547.1	\$34,565.4	\$1,018.3	3.0%
Capital ⁽¹⁾	1,808.0	2,286.9	2,331.8	44.9	2.0%
Subtotal	\$33,899.7	\$35,834.0	\$36,897.2	\$1,063.2	3.0%
Reserve Funds	15.0	37.8	55.3	17.5	46.3%
Appropriations	\$33,914.7	\$35,871.8	\$36,952.5	\$1,080.7	3.0%
Reversions	0.0	-30.0	-30.0	0.0	0.0%
Grand Total	\$33,914.7	\$35,841.8	\$36,922.5	\$1,080.7	3.0%

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

Note: The fiscal 2013 adjusted working appropriation reflects deficiencies, \$19.6 million in targeted reversions, \$430.3 million from the Budget Restoration Fund, legislative reductions to the deficiencies, and \$3.1 million in additional special fund spending due to funding swaps. The fiscal 2014 legislative appropriation includes \$1.7 million in additional special fund spending due to funding swaps.

Chapter Two – State Capital Program

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

Summary

The 2013 General Assembly passed a capital budget program totaling \$3.533 billion, including \$1.999 billion for the transportation program. Apart from transportation, the program totals \$1.534 billion: \$1.075 billion is funded with general obligation (GO) bonds authorized in the Maryland Consolidated Capital Bond Loan of 2013 (MCCBL), the 2013 capital budget **House Bill 101 (Chapter 424)**; \$4.549 million is funded with Qualified Zone Academy Bonds (QZAB) authorized in **House Bill 115 (Chapter 426)**; \$422.7 million is funded on a pay-as-you-go (PAYGO) basis in the operating budget; and \$32.0 million is funded with Academic Revenue Bonds (ARB) for University System of Maryland facilities authorized in **House Bill 616 (Chapter 123)**.

Exhibit 2.1 presents an overview of the State's capital program for fiscal 2014. **Exhibit 2.2** lists capital projects and programs by function and fund source, and **Exhibit 2.3** provides the individual legislative initiative projects funded in the MCCBL of 2013. The MCCBL of 2013 includes funding for:

- State facilities, including colleges and universities, hospitals, Department of Disabilities accessibility modifications, correctional facilities, and the public safety communication system;
- grants to local governments for public school construction and community college facilities,
- health and social services facilities, such as juvenile services facilities, community health and addiction facilities, and low-income housing;
- environmental programs, such as the Chesapeake Bay Water Quality programs, Community Parks and Playgrounds, Program Open Space (POS), Maryland Agricultural Land Preservation, Tobacco Transition programs, and Drinking and Stormwater programs; and
- local projects and legislative initiatives.

PAYGO Capital

In addition to GO debt, the State's capital program is funded with general, special, and federal funds appropriated in the operating budget, referred to as PAYGO funds, which are used primarily to support housing and environmental programs. The use of PAYGO funds is generally restricted to capital grant and loan programs for which the use of tax-exempt debt is limited under federal tax guidelines, programs that are administered through the use of special nonlapsing funds for which revenue from principal and interest payments are used to support additional appropriations, and in instances where federal funds assist in the capitalization of State revolving grant and loan fund programs. While the more recent fiscal situation has constrained

the PAYGO general fund support for the capital program, the fiscal 2014 capital budget did include some notable new general fund capital initiatives.

The Public School Construction program is supplemented by \$25.0 million in PAYGO general funds to support security improvements in public schools. Funds will be allocated based on each local education agency's proportion of total statewide square footage and will be used to support projects such as facility risk assessments, security cameras, photo identification systems for visitor sign-in, lockset changes for interior and exterior doors, hardening glass areas, relocating school office areas to a school's primary entrance area, and moving relocatable classrooms to improve supervision.

The fiscal 2014 budget also provides PAYGO general funds for a new energy efficiency grant program in the Maryland Energy Administration (MEA) with a legislative appropriation of \$7.2 million. The new program consists of three components:

- Commercial and Industrial Sector Deep Retrofit Grant Program (\$4.5 million general funds) is expected to support deep energy retrofits, which are energy efficiency projects designed to save more than 20% of energy costs, at commercial and industrial sector facilities in the areas of (1) lighting; (2) heating, ventilation, and air conditioning; or (3) building shell improvements. These projects are expected to be showcase projects that are potentially reproducible at similar types of facilities. The grant program is expected to target sectors including commercial offices, retail businesses, restaurants, grocery stores, and health care facilities. Funding is expected to be distributed through a competitive grant process and provide only a portion of the cost of the project. Language in the fiscal 2014 budget bill requires that the grants be provided on a matching fund basis with the State share of the project no more than 50% of the project cost net of utility rebates.
- Maryland Emergency Generation Grant Program (\$1.7 million general funds) will support grants to support pre-wiring of facilities, for example fuel stations along evacuation routes, to make them capable of using an emergency generator. The entities would need to be willing to function as a State emergency center during periods of statewide emergencies. MEA will work with the Department of General Services and the Maryland Emergency Management Agency on the implementation of this program.
- Electric Vehicle Charging Stations at Maryland Area Regional Commuter (MARC) and Metrorail Stations program (\$1.0 million general funds) is expected to support two or three electric vehicle charging stations at each of the 38 MARC and 23 Metrorail stations in Maryland with parking lots. These installations will support the recommendation of the Electric Vehicle Infrastructure Council that the State promote the establishment of adequate charging infrastructure to support the goal of having 60,000 plug-in electric vehicles on the road by 2020. MEA will work with the Maryland Transit Administration and the Washington Metropolitan Area Transit Authority on the implementation of this program.

Exhibit 2.1
Capital Program Summary for the 2013 Session
(\$ in Millions)

<u>Function</u>	<u>GO</u>	<u>Revenue</u>	<u>General</u>	<u>Special</u>	<u>Federal</u>	<u>Total</u>
State Facilities						\$66.6
Facilities Renewal	\$21.3	\$0.0	\$0.0	\$0.0	\$0.0	
State Facilities – Other	27.1	0.0	0.4	0.0	17.8	
Health/Social						\$82.3
Health – Other	5.9	0.0	0.0	0.0	0.0	
Health – State Facilities	38.6	0.0	0.0	0.0	0.0	
Private Hospitals	37.8	0.0	0.0	0.0	0.0	
Environment						\$485.1
Agriculture	15.9	0.0	0.0	24.4	0.0	
Energy	0.0	0.0	7.2	3.0	0.7	
Environment	48.2	0.0	0.3	200.7	44.6	
MD Environmental Service	5.2	0.0	0.0	0.0	0.0	
Natural Resources	101.2	0.0	0.0	28.6	5.1	
Public Safety						\$16.7
State Corrections	6.9	0.0	0.0	0.0	0.0	
State Police	9.8	0.0	0.0	0.0	0.0	
Education						\$353.2
Education – Other	15.6	0.0	0.0	0.0	0.0	
School Construction	312.7	0.0	25.0	0.0	0.0	
Higher Education						\$359.9
Community Colleges	52.0	0.0	0.0	0.0	0.0	
Morgan State University	54.9	0.0	0.0	0.0	0.0	
Private Colleges/Universities	22.5	0.0	0.0	0.0	0.0	
St. Mary's College	4.6	0.0	0.0	0.0	0.0	
University System	193.9	32.0	0.0	0.0	0.0	
Housing/Community Development						\$113.4
Housing	53.7	0.0	3.0	26.4	19.0	
Housing – Other	1.2	0.0	10.0	0.1	0.0	
Local Projects						\$67.3
Local Project Administration	41.0	0.0	0.0	0.0	0.0	
Local Project Legislative	22.3	0.0	4.0	0.0	0.0	
Transportation						\$21.5
Highways	21.5	0.0	0.0	0.0	0.0	
De-authorizations						-\$34.1
De-authorizations	-34.1	0.0	0.0	0.0	0.0	
Total	\$1,079.5	\$32.0	\$49.9	\$283.2	\$87.2	\$1,531.8
Fiscal 2013 Deficiencies	\$0.0	\$0.0	\$2.5	\$0.0	\$0.0	\$2.5
Transportation CTP	\$0.0	\$395.0	\$0.0	\$690.1	\$913.5	\$1,998.6
Grand Total	\$1,079.5	\$427.0	\$52.4	\$973.3	\$1,000.7	\$3,532.9

CTP: Consolidated Transportation Program

GO: general obligation

Exhibit 2.2
Capital Program Summary for the 2013 Session

Budget Code	Project Title	Bonds		Current Funds (PAYGO)			Total Funds
		General Obligation	Revenue	General	Special	Federal	
	State Facilities						
D55P04A	DVA: Crownsville Veterans Cemetery Burial Expansion Phase II	\$0	\$0	\$0	\$0	\$5,983,000	\$5,983,000
D55P04B	DVA: Eastern Shore Veterans Cemetery Burial Expansion	0	0	414,000	0	0	414,000
DA0201A	MDOD: Accessibility Modifications	1,600,000	0	0	0	0	1,600,000
DE0201A	BPW: Old Senate Chamber Reconstruction	4,850,000	0	0	0	0	4,850,000
DE0201B	BPW: Annapolis Post Office Renovation and Addition	351,000	0	0	0	0	351,000
DE0201C	BPW: Facilities Renewal Fund	15,000,000	0	0	0	0	15,000,000
DE0201D	BPW: Fuel Storage Tank System Replacement Program	1,400,000	0	0	0	0	1,400,000
DE0201E	BPW: Judiciary St Mary's County District Court and Multi-Service Center	300,000	0	0	0	0	300,000
DH0104A	MD: Gunpowder Military Reservation Firing Range	1,382,000	0	0	0	1,998,000	3,380,000
FB04A	DoIT: Public Safety Communications System	22,300,000	0	0	0	0	22,300,000
FB04B	DoIT: One Maryland Broadband Network	1,200,000	0	0	0	9,837,726	11,037,726
	Subject Category Subtotal	\$48,383,000	\$0	\$414,000	\$0	\$17,818,726	\$66,615,726
	Health/Social						
MA01A	DHMH: Community Health Facilities Grant Program	\$5,250,000	\$0	\$0	\$0	\$0	\$5,250,000

Effect of the 2013 Legislative Program on the Financial Condition of the State

		Bonds		Current Funds (PAYGO)			
Budget Code	Project Title	General Obligation	Revenue	General	Special	Federal	Total Funds
MA01B	DHMH: Federally Qualified Health Center Grant Program	660,000	0	0	0	0	660,000
ML01A	DHMH: Spring Grove Hospital Center Consolidation	400,000	0	0	0	0	400,000
RQ00A	UMMS: New Ambulatory Care Unit and NICU and Labor and Delivery Units	10,000,000	0	0	0	0	10,000,000
RQ00B	UMMS: Trauma, Critical Care, and Emergency Medicine Services Expansion Project	5,000,000	0	0	0	0	5,000,000
RQ00C	UMMS: R Adams Cowley Shock Trauma Center – Phase II	150,000	0	0	0	0	150,000
VE01A	DJS: Cheltenham Youth Facility – New Detention Center	21,362,000	0	0	0	0	21,362,000
VE01B	DJS: New Thomas J. S. Waxter Children’s Center	1,670,000	0	0	0	0	1,670,000
ZA00M	MISC: Kennedy Krieger Institute Comprehensive Autism Center	2,000,000	0	0	0	0	2,000,000
ZA00Y	MISC: Prince George’s Hospital System New Regional Medical Center	20,000,000	0	0	0	0	20,000,000
ZA00Z	MISC: Prince George’s Hospital System Infrastructure Improvements	10,000,000	0	0	0	0	10,000,000
ZA01A	MISC: Anne Arundel Medical Center	500,000	0	0	0	0	500,000
ZA01B	MISC: Chester River Hospital Center – Emergency Department	900,000	0	0	0	0	900,000
ZA01C	MISC: Holy Cross Germantown Hospital – Perinatal Unit	1,300,000	0	0	0	0	1,300,000
ZA01D	MISC: Johns Hopkins Bayview Medical Center	975,000	0	0	0	0	975,000
ZA01E	MISC: Kennedy Krieger Institute	500,000	0	0	0	0	500,000

Budget Code	Project Title	Bonds		Current Funds (PAYGO)			
		General Obligation	Revenue	General	Special	Federal	Total Funds
ZA01F	MISC: MedStar Good Samaritan Hospital	375,000	0	0	0	0	375,000
ZA01G	MISC: Saint Agnes Hospital – Cardiovascular Services Unit	674,000	0	0	0	0	674,000
ZA01H	MISC: Shore Health System – Diagnostic Imaging Center	540,000	0	0	0	0	540,000
	Subject Category Subtotal	\$82,256,000	\$0	\$0	\$0	\$0	\$82,256,000
	Environment						
DA131302	MEA: Jane E. Lawton Loan Program	\$0	\$0	\$0	\$1,750,000	\$0	\$1,750,000
DA131303	MEA: State Agency Loan Program	0	0	0	1,200,000	700,000	1,900,000
DA131304	MEA: Maryland Energy Efficiency Grant Program	0	0	7,200,000	0	0	7,200,000
KA05A	DNR: Community Parks and Playgrounds	2,500,000	0	0	0	0	2,500,000
KA05B	DNR: Natural Resources Development Fund	4,562,000	0	0	0	0	4,562,000
KA05C1	DNR: Program Open Space – State	14,093,000	0	0	10,972,000	4,500,000	29,565,000
KA05C2	DNR: Program Open Space – Local	17,846,000	0	0	11,863,000	0	29,709,000
KA05D	DNR: Critical Maintenance Program	4,467,000	0	0	153,000	0	4,620,000
KA05E	DNR: Waterway Improvement Fund	3,000,000	0	0	240,000	600,000	3,840,000
KA05F	DNR: Rural Legacy Program	8,148,000	0	0	5,364,000	0	13,512,000
KA1402A	DNR: Chesapeake Bay 2010 Trust Fund	36,558,000	0	0	0	0	36,558,000
KA17A	DNR: Oyster Restoration Program	10,000,000	0	0	0	0	10,000,000
LA11A	MDA: Agricultural Land Preservation Program	10,235,000	0	0	24,060,000	0	34,295,000
LA12A	MDA: Tobacco Transition Program	1,917,000	0	0	319,000	0	2,236,000

Budget Code	Project Title	Bonds		Current Funds (PAYGO)			
		General Obligation	Revenue	General	Special	Federal	Total Funds
LA15A	MDA: Maryland Agricultural Cost Share Program	3,750,000	0	0	0	0	3,750,000
UA0104	MDE: Hazardous Substance Clean-up	0	0	300,000	0	0	300,000
UA0111	MDE: Enhanced Nutrient Removal Program	0	0	0	88,000,000	0	88,000,000
UA0112	MDE: Septic System Upgrade Program	0	0	0	15,000,000	0	15,000,000
UA01A	MDE: Water Quality Revolving Loan Fund	6,840,000	0	0	88,960,000	34,200,000	130,000,000
UA01B	MDE: Drinking Water Revolving Loan Fund	2,832,000	0	0	8,770,000	10,398,000	22,000,000
UA04A1	MDE: Biological Nutrient Removal Program	29,200,000	0	0	0	0	29,200,000
UA04A2	MDE: Supplemental Assistance Program	5,925,000	0	0	0	0	5,925,000
UA04B	MDE: Water Supply Financial Assistance Program	3,450,000	0	0	0	0	3,450,000
UB00A1	MES: Rocky Gap State Park – Wastewater Treatment Plant Improvements	2,000,000	0	0	0	0	2,000,000
UB00A2	MES: Charlotte Hall Veterans Home – Wastewater Treatment Plant Improvements	1,700,000	0	0	0	0	1,700,000
UB00A3	MES: Southern Pre-Release Unit – Wastewater Treatment Plant Improvements	1,500,000	0	0	0	0	1,500,000
	Subject Category Subtotal	\$170,523,000	\$0	\$7,500,000	\$256,651,000	\$50,398,000	\$485,072,000
	Public Safety						
QB02A	DPSCS: Maryland House of Correction Deconstruction	\$3,306,000	\$0	\$0	\$0	\$0	\$3,306,000
QB0604A	DPSCS: Dorsey Run Correctional Facility	987,000	0	0	0	0	987,000

Budget Code	Project Title	Bonds		Current Funds (PAYGO)			
		General Obligation	Revenue	General	Special	Federal	Total Funds
QP00	DPSCS: Youth Detention Center	2,600,000	0	0	0	0	2,600,000
WA01A	DSP: Helicopter Replacement	7,057,000	0	0	0	0	7,057,000
WA01B	DSP: Old Crime Lab – Improvements and Reconfiguration	1,612,000	0	0	0	0	1,612,000
WA01C	DSP: Tactical Services Garage	1,174,000	0	0	0	0	1,174,000
	Subject Category Subtotal	\$16,736,000	\$0	\$0	\$0	\$0	\$16,736,000
	Education						
DE0202A	BPW: Public School Construction Program	\$300,000,000	\$0	\$25,000,000	\$0	\$0	\$325,000,000
DE0202B	BPW: Aging Schools Program	8,109,000	0	0	0	0	8,109,000
DE0202C	BPW: Non-Public Schools Aging Schools Program	3,500,000	0	0	0	0	3,500,000
DE0202QZ	BPW: Qualified Zone Academy Bond Program	4,549,000	0	0	0	0	4,549,000
RA01A	MSDE: Public Library Capital Grant Program	5,000,000	0	0	0	0	5,000,000
RA01B	MSDE: State Library Resource Center	1,205,000	0	0	0	0	1,205,000
RE01A	MSD: New Fire Alarm and Emergency Notification System – Frederick Campus	850,000	0	0	0	0	850,000
ZA00R	MISC: Maryland School for the Blind – LIFE Education Building	5,000,000	0	0	0	0	5,000,000
	Subject Category Subtotal	\$328,213,000	\$0	\$25,000,000	\$0	\$0	\$353,213,000
	Higher Education						
RB21A	UMB: Health Sciences Research Facility III	\$16,570,000	\$0	\$0	\$0	\$0	\$16,570,000
RB22A	UMCP: Remote Library Storage Facility	6,107,000	0	0	0	0	6,107,000
RB22B	UMCP: Physical Sciences Complex – Phase I	5,300,000	0	0	0	0	5,300,000

Budget Code	Project Title	Bonds		Current Funds (PAYGO)			
		General Obligation	Revenue	General	Special	Federal	Total Funds
RB22C	UMCP: Campuswide Building System and Infrastructure Improvements	5,000,000	5,000,000	0	0	0	10,000,000
RB22D	UMCP: Edward St. John Learning and Teaching Center	3,420,000	0	0	0	0	3,420,000
RB22E	UMCP: H. J. Patterson Hall – Wing I Renovation	878,000	0	0	0	0	878,000
RB22F	UMCP: New Bioengineering Building	5,000,000	0	0	0	0	5,000,000
RB23A	BSU: Natural Sciences Center	4,500,000	0	0	0	0	4,500,000
RB23B	BSU: Leonidas James Physical Education Complex Renovation	1,500,000	0	0	0	0	1,500,000
RB24A	TU: Campuswide Safety and Circulation Improvements	7,812,000	0	0	0	0	7,812,000
RB24B	TU: Smith Hall Expansion and Renovation	3,200,000	0	0	0	0	3,200,000
RB24C	TU: Softball Facility	500,000	0	0	0	0	500,000
RB25A	UMES: New Engineering and Aviation Sciences Building	22,695,000	0	0	0	0	22,695,000
RB26A	FSU: New Center for Communications and Information Technology	9,843,000	0	0	0	0	9,843,000
RB27A	CSU: New Science and Technology Center	44,412,000	10,000,000	0	0	0	54,412,000
RB27B	CSU: Pedestrian Bridge – ADA Improvements	1,786,000	0	0	0	0	1,786,000
RB28A	UB: Langsdale Library	1,000,000	0	0	0	0	1,000,000
RB29A	SU: New Academic Commons	6,572,000	0	0	0	0	6,572,000
RB29B	SU: Delmarva Public Radio	900,000	0	0	0	0	900,000
RB31A	UMBC: New Performing Arts and Humanities Facility	36,106,000	0	0	0	0	36,106,000
RB31B	UMBC: Campus Traffic Safety and Circulation Improvements	1,962,000	0	0	0	0	1,962,000

Budget Code	Project Title	Bonds		Current Funds (PAYGO)			
		General Obligation	Revenue	General	Special	Federal	Total Funds
RB34A	UMCES: New Environmental Sustainability Research Laboratory	2,350,000	0	0	0	0	2,350,000
RB36A	USMO: Shady Grove Educational Center – Biomedical Science and Engineering Education Building	5,000,000	0	0	0	0	5,000,000
RB36B	USMO: Southern Maryland Regional Higher Education Facility	1,500,000	0	0	0	0	1,500,000
RB36RB	USMO: Capital Facilities Renewal	0	17,000,000	0	0	0	17,000,000
RD00A	SMCM: Anne Arundel Hall Reconstruction	4,580,000	0	0	0	0	4,580,000
RI00A	MHEC: Community College Facilities Grant Program	52,035,000	0	0	0	0	52,035,000
RM00A	MSU: New School of Business Complex and Bridge	50,514,000	0	0	0	0	50,514,000
RM00B	MSU: Soper Library Demolition	3,850,000	0	0	0	0	3,850,000
RM00C	MSU: New Jenkins Behavioral and Social Science Center	297,000	0	0	0	0	297,000
RM00D	MSU: Athletic Facility Renovations	200,000	0	0	0	0	200,000
ZA00J	MISC: High Performance Data Center	12,000,000	0	0	0	0	12,000,000
ZA00O	MICUA: Johns Hopkins University Academic Research Building	4,000,000	0	0	0	0	4,000,000
ZA00P	MICUA: Maryland Institute College of Arts Academic Building and Fox Building Renovation	4,000,000	0	0	0	0	4,000,000
ZA00Q	MICUA: Hood College Hodson Science and Technology Center and Tatem Academic Building Renovations	2,500,000	0	0	0	0	2,500,000
	Subject Category Subtotal	\$327,889,000	\$32,000,000	\$0	\$0	\$0	\$359,889,000

Effect of the 2013 Legislative Program on the Financial Condition of the State

Budget Code	Project Title	Bonds		Current Funds (PAYGO)			
		General Obligation	Revenue	General	Special	Federal	Total Funds
	Housing/Community Development						
DW0110A	MDOP: African American Heritage Preservation Program	\$1,000,000	\$0	\$0	\$0	\$0	\$1,000,000
DW0110B	MDOP: Maryland Historical Trust Capital Loan Fund	150,000	0	0	100,000	0	250,000
DW0112	MDOP: Sustainable Communities Tax Credit	0	0	10,000,000	0	0	10,000,000
SA2402A	DHCD: Community Development Block Grant Program	0	0	0	0	10,000,000	10,000,000
SA24A	DHCD: Community Legacy Program	6,000,000	0	0	0	0	6,000,000
SA24B	DHCD: Neighborhood Business Development Program	1,010,000	0	3,000,000	1,350,000	0	5,360,000
SA24C	DHCD: Strategic Demolition and Smart Growth Impact Project Fund	5,000,000	0	0	0	0	5,000,000
SA2514	DHCD: Maryland BRAC Preservation Loan Fund	0	0	0	2,250,000	0	2,250,000
SA25A	DHCD: Partnership Rental Housing Programs	6,000,000	0	0	0	0	6,000,000
SA25B	DHCD: Homeownership Programs	7,600,000	0	0	900,000	0	8,500,000
SA25C	DHCD: Shelter and Transitional Housing Facilities Grant Program	1,500,000	0	0	0	0	1,500,000
SA25D	DHCD: Special Loan Programs	6,600,000	0	0	800,000	3,000,000	10,400,000
SA25E	DHCD: Rental Housing Programs	20,000,000	0	0	21,125,000	6,000,000	47,125,000
	Subject Category Subtotal	\$54,860,000	\$0	\$13,000,000	\$26,525,000	\$19,000,000	\$113,385,000
	Local Projects						
D06E021	MISC: Eastern Family Resource Center	\$0	\$0	\$2,500,000	\$0	\$0	\$2,500,000
D06E022	MISC: Parkville Middle School Facility Improvements	0	0	100,000	0	0	100,000

Budget Code	Project Title	Bonds		Current Funds (PAYGO)			
		General Obligation	Revenue	General	Special	Federal	Total Funds
D06E023	MISC: East Baltimore Revitalization Projects	0	0	1,350,000	0	0	1,350,000
ZA00A	MISC: Alice Ferguson Foundation – Potomac Watershed Study Center	1,700,000	0	0	0	0	1,700,000
ZA00B	MISC: Annapolis High School – Athletic Facilities	2,500,000	0	0	0	0	2,500,000
ZA00C	MISC: Baltimore County War of 1812 Historic Site Improvements	250,000	0	0	0	0	250,000
ZA00D	MISC: Baltimore Museum of Art Renovations	3,500,000	0	0	0	0	3,500,000
ZA00E	MISC: The Center for Parks and People at Auchentoroly Terrace	1,000,000	0	0	0	0	1,000,000
ZA00F	MISC: Central Baltimore Partnership Renovation Plan	3,000,000	0	0	0	0	3,000,000
ZA00G	MISC: National Cryptologic Museum Cyber Center	500,000	0	0	0	0	500,000
ZA00H	MISC: East Baltimore Biotechnology Park	5,000,000	0	0	0	0	5,000,000
ZA00I	MISC: Eastern Shore Conservation Center	1,000,000	0	0	0	0	1,000,000
ZA00K	MISC: Hillel Center for Social Justice	1,000,000	0	0	0	0	1,000,000
ZA00N	MISC: Maryland Hall for the Creative Arts	500,000	0	0	0	0	500,000
ZA00S	MISC: Maryland Zoo in Baltimore Infrastructure Improvements	7,000,000	0	0	0	0	7,000,000
ZA00T	MISC: Mount Vernon Place Restoration	1,000,000	0	0	0	0	1,000,000
ZA00U	MISC: National Aquarium in Baltimore – Infrastructure Improvements	5,000,000	0	0	0	0	5,000,000
ZA00V	MISC: New Horizons Training Center	200,000	0	0	0	0	200,000

		Bonds		Current Funds (PAYGO)			
Budget Code	Project Title	General Obligation	Revenue	General	Special	Federal	Total Funds
ZA00W	MISC: Ocean City Convention Center Performing Arts Venue	3,500,000	0	0	0	0	3,500,000
ZA00X	MISC: Port Discovery Children’s Museum Renovation	1,028,000	0	0	0	0	1,028,000
ZA00AA	MISC: Sports Legends Museum Renovations	480,000	0	0	0	0	480,000
ZA00AB	MISC: The Walters Art Museum	2,500,000	0	0	0	0	2,500,000
ZA00AC	MISC: Adventure Sports Center International	1,000,000	0	0	0	0	1,000,000
ZA00AD	MISC: Linwood Center	300,000	0	0	0	0	300,000
ZA00AE	MISC: Maryland Historical Society Infrastructure Improvements	250,000	0	0	0	0	250,000
ZA00AF	MISC: Cambridge Marine Terminal Redevelopment Project	1,500,000	0	0	0	0	1,500,000
ZA00AG	MISC: Green Branch Athletic Complex	1,000,000	0	0	0	0	1,000,000
ZA00AH	MISC: Lyric Opera House	250,000	0	0	0	0	250,000
ZA00AI	MISC: Howard County Highway and Street Improvements	1,000,000	0	0	0	0	1,000,000
ZA00AJ	MISC: Civista Health System Emergency Generation	250,000	0	0	0	0	250,000
ZA00AK	MISC: William Paca House	250,000	0	0	0	0	250,000
ZA00AL	MISC: Innovative Center for Autonomous Systems Development	250,000	0	0	0	0	250,000
ZA00AM	MISC: Rescue Squad Building Renovations	125,000	0	0	0	0	125,000
ZA00AN	MISC: Ripken Stadium Improvements	450,000	0	0	0	0	450,000
ZA00AO	MISC: Fair Hill Race Track Improvements	50,000	0	0	0	0	50,000
ZA00AP	MISC: Chesapeake Shakespeare Company’s Downtown Theatre	100,000	0	0	0	0	100,000

Budget Code	Project Title	Bonds		Current Funds (PAYGO)			
		General Obligation	Revenue	General	Special	Federal	Total Funds
ZA00AQ	MISC: Institute for Behavior Resources	50,000	0	0	0	0	50,000
ZA00AR	MISC: Culler Lake Stormwater Management	125,000	0	0	0	0	125,000
ZA00AS	MISC: Central High School Infrastructure Improvements	500,000	0	0	0	0	500,000
ZA00AT	MISC: The Writer's Center	125,000	0	0	0	0	125,000
ZA00AU	MISC: Mount Pleasant Family Life Center	100,000	0	0	0	0	100,000
ZA02	MISC: Local House Initiatives	7,500,000	0	0	0	0	7,500,000
ZA03	MISC: Local Senate Initiatives	7,500,000	0	0	0	0	7,500,000
	Subject Category Subtotal	\$63,333,000	\$0	\$3,950,000	\$0	\$0	\$67,283,000
	Transportation						
ZA00L	MISC: InterCounty Connector	\$21,475,000	\$0	\$0	\$0	\$0	\$21,475,000
	Subject Category Subtotal	\$21,475,000	\$0	\$0	\$0	\$0	\$21,475,000
	De-authorizations						
ZF00	De-authorizations as Introduced	-\$27,671,000	\$0	\$0	\$0	\$0	-\$27,671,000
ZF00A	Additional De-authorizations	-6,448,000	0	0	0	0	-6,448,000
	Subject Category Subtotal	-\$34,119,000	\$0	\$0	\$0	\$0	-\$34,119,000
	Current Year Total	\$1,079,549,000	\$32,000,000	\$49,864,000	\$283,176,000	\$87,216,726	\$1,531,805,726
	Fiscal 2013 Deficiencies						
SA24C	DHCD: Strategic Demolition and Smart Growth Impact Project Fund	\$0	\$0	\$2,500,000	\$0	\$0	\$2,500,000
	Deficiency Subtotal	\$0	\$0	\$2,500,000	\$0	\$0	\$2,500,000

		Bonds		Current Funds (PAYGO)			
Budget Code	Project Title	General Obligation	Revenue	General	Special	Federal	Total Funds
	Entire Budget Total	\$1,079,549,000	\$32,000,000	\$52,364,000	\$283,176,000	\$87,216,726	\$1,534,305,726
	Transportation CTP	\$0	\$395,000,000	\$0	\$690,093,810	\$913,475,000	\$1,998,568,810
	Grand Total	\$1,079,549,000	\$427,000,000	\$52,364,000	\$973,269,810	\$1,000,691,726	\$3,532,874,536
ADA: Americans with Disabilities Act		MD: Military Department		NICU: neonatal intensive care unit			
BPW: Board of Public Works		MDA: Maryland Department of Agriculture		PAYGO: pay-as-you-go			
BRAC: Base Realignment and Closure		MDE: Maryland Department of the Environment		SMCM: St. Mary’s College of Maryland			
BSU: Bowie State University		MDOD: Maryland Department of Disabilities		SU: Salisbury University			
CSU: Coppin State University		MDOP: Maryland Department of Planning		TU: Towson University			
CTP: Consolidated Transportation Program		MEA: Maryland Energy Administration		UB: University of Baltimore			
DHCD: Department of Housing and Community Development		MES: Maryland Environmental Service		UMB: University of Maryland, Baltimore			
DHMH: Department of Health and Mental Hygiene		MHEC: Maryland Higher Education Commission		UMBC: University of Maryland Baltimore County			
DJS: Department of Juvenile Services		MICUA: Maryland Independent College and University Association		UMCES: University of Maryland Center for Environmental Science			
DoIT: Department of Information Technology		MISC: miscellaneous		UMCP: University of Maryland, College Park			
DNR: Department of Natural Resources		MSD: Maryland School for the Deaf		UMES: University of Maryland Eastern Shore			
DPSCS: Department of Public Safety and Correctional Services		MSDE: Maryland State Department of Education		UMMS: University of Maryland Medical System			
DSP: Department of State Police		MSU: Morgan State University		USMO: University System of Maryland Office			
DVA: Department of Veterans Affairs							
FSU: Frostburg State University							

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

Exhibit 2.3
Legislative Projects – 2013 Session
(Project Count: 135)

Effect of the 2013 Legislative Program on the Financial Condition of the State

<u>Project Title</u>	<u>House Initiative</u>	<u>Senate Initiative</u>	<u>Other</u>	<u>Total Funding</u>	<u>Match/ Requirements</u>
Statewide					
Adventure Sports Center International Site			\$1,000,000	\$1,000,000	Hard
Camp Woodlands Tee Pee Project	\$50,000	\$100,000		150,000	Soft (all)
Little Sisters of the Poor – St. Martin’s Home		250,000		250,000	Soft (all)
Maryland Artificial Reef Initiative		200,000		200,000	Hard
Maryland Food Bank Improvements	250,000	250,000		500,000	Hard
Maryland STEM Lab at Broad Creek Memorial Scout Reservation	250,000			250,000	Soft (1,2)
Wye River Upper School		200,000		200,000	Hard
Subtotal				\$2,550,000	
Allegany					
Friends Aware Facility	\$50,000	\$50,000		\$100,000	Hard
Subtotal				\$100,000	
Anne Arundel					
Mayo Civic Association Community Hall		\$25,000		\$25,000	Hard
Meade High School Concession Stand		50,000		50,000	Soft (all)
MTR Land Enhancement Project	\$100,000	100,000		200,000	Soft (1,3)
National Electronics Museum	100,000	100,000		200,000	Soft (2)

<u>Project Title</u>	<u>House Initiative</u>	<u>Senate Initiative</u>	<u>Other</u>	<u>Total Funding</u>	<u>Match/ Requirements</u>
Southern Middle School and Southern High School Improvements	100,000			100,000	Hard
William Paca House Restoration			\$250,000	250,000	Grant
<i>Subtotal</i>				<i>\$825,000</i>	
Baltimore City					
Baltimore Curriculum Project		\$55,000		\$55,000	Soft (2)
Baltimore Design School		100,000		100,000	Hard
Carroll's Hundred Archaeology Project		100,000		100,000	Soft (U,2)
Chesapeake Shakespeare Company's Downtown Theatre		25,000	\$100,000	125,000	Hard
Education Based Latino Outreach ADA/Elevator Project	\$300,000			300,000	Soft (all)
Fayette Street Outreach Community Center	225,000	125,000		350,000	Soft (all)
Institutes for Behavior Resources			50,000	50,000	Hard
LAMB Community Resource Center		125,000		125,000	Soft (all)
Leadenhall Community Outreach Center		25,000		25,000	Soft (all)
Learn'In to Live Again Project	105,000			105,000	Soft (2,3)
Liberty Rec and Tech Center	200,000			200,000	Soft (U,2,3)
Mattie B. Uzzle Outreach Center		150,000		150,000	Soft (1,2)
Morgan State University Athletic Facility Renovations			200,000	200,000	Hard
Mount Pleasant Family Life Center			100,000	100,000	Soft (all)
New Creation Christian Academy Day Care Playground		100,000		100,000	Soft (1,2)
Park Heights Women and Children's Center		175,000		175,000	Hard

<u>Project Title</u>	<u>House Initiative</u>	<u>Senate Initiative</u>	<u>Other</u>	<u>Total Funding</u>	<u>Match/ Requirements</u>
Patricia and Arthur Modell Performing Arts Center at the Lyric			250,000	250,000	Hard
Ralph J. Young Early Childhood Center		45,000		45,000	Soft (2)
Revitalization of Hobbs Fitness Center		75,000		75,000	Soft (2,3)
Skatepark of Baltimore at Roosevelt Park		75,000		75,000	Soft (1,2)
Stone House Preservation and Rehabilitation	275,000			275,000	Soft (2,3)
<i>Subtotal</i>				<i>\$2,980,000</i>	
Baltimore					
Baltimore County Humane Society		\$35,000		\$35,000	Soft (2)
Catonsville Clubhouse Renovations	\$32,500	32,500		65,000	Soft (2)
Catonsville Rails to Trails		50,000		50,000	Soft (all)
CCBC Catonsville Historic Mansion Preservation	75,000	50,000		125,000	Hard
Comet Booster Club Bleachers and Press Box	62,500	62,500		125,000	Hard
Diversified Housing Development	120,000			120,000	Hard
Dundalk Youth Services Arts Center	75,000	125,000		200,000	Soft (2)
Easter Seals Adult Day Services Center Expansion	125,000	125,000		250,000	Hard
Good Shepherd Center Cooling Tower	20,000	50,000		70,000	Hard
Kingsville Volunteer Fire Company		145,000		145,000	Soft (1,3)
Limekilns and Log House Stabilization Project at Cromwell Valley Park	50,000	100,000		150,000	Soft (2,3)
Perry Hall High School Stadium Scoreboard		55,000		55,000	Hard
Youth in Transition School	150,000	50,000		200,000	Hard
<i>Subtotal</i>				<i>\$1,590,000</i>	

<u>Project Title</u>	<u>House Initiative</u>	<u>Senate Initiative</u>	<u>Other</u>	<u>Total Funding</u>	<u>Match/ Requirements</u>
Calvert					
North Beach Pier Improvements		\$250,000		\$250,000	Soft (all)
<i>Subtotal</i>				<i>\$250,000</i>	
Cecil					
Boys & Girls Club of Cecil County Northeast Renovation Project	\$50,000			\$50,000	Soft (2,3)
Cecil Inn Renovations	100,000			100,000	Soft (2)
<i>Subtotal</i>				<i>\$150,000</i>	
Charles					
Children's Aid Society Building Addition		\$100,000		\$100,000	Soft (2)
Melwood Recreation Center		105,000		105,000	Hard
<i>Subtotal</i>				<i>\$205,000</i>	
Dorchester					
Chesapeake Grove Senior Housing and Intergenerational Center	\$150,000			\$150,000	Soft (1)
Sailwinds Wharf Development Project			\$1,500,000	1,500,000	Soft (all)
<i>Subtotal</i>				<i>\$1,650,000</i>	
Frederick					
Color on the Creek Improvements		\$20,000		\$20,000	Soft (2,3)
Culler Lake Stormwater Management			\$125,000	125,000	Soft (2)
Mental Health Association Building	\$75,000	175,000		250,000	Soft (2,3)
Oakdale High School Concession Stand Construction	50,000			50,000	Soft (2,3)

<u>Project Title</u>	<u>House Initiative</u>	<u>Senate Initiative</u>	<u>Other</u>	<u>Total Funding</u>	<u>Match/ Requirements</u>
The Jane Hanson National Memorial		35,000		35,000	Soft (2)
<i>Subtotal</i>				<i>\$480,000</i>	
Harford					
Havre de Grace Opera House Renovations	\$250,000			\$250,000	Soft (3)
Humane Society Animal Shelter		\$150,000		150,000	Hard
<i>Subtotal</i>				<i>\$400,000</i>	
Howard					
Blandair Regional Park	\$145,000	\$105,000		\$250,000	Hard
Domestic Violence Center	200,000			200,000	Hard
Historic Belmont Property Restoration		125,000		125,000	Hard
Middle Patuxent Environmental Area	150,000			150,000	Soft (2)
The Arc's Homewood Road Renovation		100,000		100,000	Hard
Vantage House Retirement Community Renovations	75,000			75,000	Soft (2)
<i>Subtotal</i>				<i>\$900,000</i>	
Montgomery					
Bohrer Park Miniature Golf Course	\$100,000	\$50,000		\$150,000	Hard
Falling Green at OBGC Park Renovations		75,000		75,000	Soft (all)
Identity House Expansion	30,000	100,000		130,000	Soft (3)
Jewish Foundation for Group Homes Renovations	150,000			150,000	Soft (3)
Ken-Gar Community Center		100,000		100,000	Soft (all)
Kids International Discovery Museum	50,000			50,000	Hard
Laytonsville District Volunteer Fire Station	150,000			150,000	Soft (3)

<u>Project Title</u>	<u>House Initiative</u>	<u>Senate Initiative</u>	<u>Other</u>	<u>Total Funding</u>	<u>Match/ Requirements</u>
Maryland Youth Ballet Institutional Capacity Building	100,000			100,000	Soft (all)
Melvin J. Berman Hebrew Academy Restorations		100,000		100,000	Soft (U,all)
Montgomery Village Pavilion		30,000		30,000	Soft (all)
Olney Theatre Center	125,000			125,000	Soft (1)
Potomac Community Resources Home		100,000		100,000	Hard
Pyramid Atlantic Art Center Space at the Silver Spring Library	100,000	75,000		175,000	Soft (1)
RCI Group Home Renovations		100,000		100,000	Hard
St. Luke's House and Threshold Services United Renovations	25,000	75,000		100,000	Hard
St. Luke's House Property Renovations and Repairs	50,000			50,000	Soft (3)
Takoma Park Silver Spring Shared Use Community Kitchen	150,000	100,000		250,000	Soft (1)
The Writer's Center		125,000	\$125,000	250,000	Soft (2)
Wasserman Residence Phase 2 Renovations	125,000	225,000		350,000	Hard
West Fairland Local Park Renovations	50,000	75,000		125,000	Soft (all)
<i>Subtotal</i>				<i>\$2,660,000</i>	
Prince George's					
Berwyn Heights Town Administration Building and Senior Center Power Improvements	\$80,000			\$80,000	Hard
Bethel Recreation Center	100,000			100,000	Grant
Bowie Lions Club Renovation		\$25,000		25,000	Soft (all)
Chesapeake Math and IT Academy Gymnasium	100,000	150,000		250,000	Soft (2)
Cheverly American Legion Post 108	40,000			40,000	Soft (U,2,3)

<u>Project Title</u>	<u>House Initiative</u>	<u>Senate Initiative</u>	<u>Other</u>	<u>Total Funding</u>	<u>Match/ Requirements</u>
Cheverly UMC Kitchen and Public Accessibility Project	80,000	70,000		150,000	Hard
City of District Heights Senior Day Facility Expansion	150,000	100,000		250,000	Soft (1)
Eagle Harbor Artesian Well Restoration		50,000		50,000	Grant
Glassmanor Recreational Center Renovations	100,000	25,000		125,000	Soft (1)
Holy Trinity Episcopal Day School Air-Supported Structure (Athletic & Arts Center)		50,000		50,000	Hard
Lake Arbor Capital Improvements		50,000		50,000	Soft (1)
Lake Arbor Center Water and Sewage Connection Project	100,000	100,000		200,000	Soft (1)
Laurel Armory-Anderson & Murphy Community Center Improvements	100,000			100,000	Hard
Multi-use Fields			\$1,000,000	1,000,000	Soft (all)
National Philippine Multi-Cultural Center	100,000			100,000	Soft (all)
New Revival Center of Renewal	150,000			150,000	Hard
Olde Mill Community and Teaching Center	50,000	100,000		150,000	Soft (all)
Palmer Park Boys & Girls Club	50,000			50,000	Soft (1,3)
Peppermill Village Community Center Renovations	150,000			150,000	Hard
Potomac High School Stadium and Track Construction		125,000		125,000	Soft (1)
Pregnancy Aid Center	100,000			100,000	Hard
Riverdale Park Town Hall Youth and Community Wing	100,000	150,000		250,000	Hard
St. Ann's Security Renovations		80,000		80,000	Soft (2)
Subtotal				\$3,625,000	

<u>Project Title</u>	<u>House Initiative</u>	<u>Senate Initiative</u>	<u>Other</u>	<u>Total Funding</u>	<u>Match/ Requirements</u>
Queen Anne's					
Kennard High School Restoration Project	\$150,000	\$150,000		\$300,000	Soft (1,2)
Subtotal				\$300,000	
Talbot					
Easton Head Start Center	\$100,000	\$50,000		\$150,000	Hard
Oxford Community Center		100,000		100,000	Hard
Subtotal				\$250,000	
Washington					
Antietam Fire Company Renovations	\$85,000			\$85,000	Soft (3)
Lockhouse 44, Lock 44, and Western MD Railroad Lift Bridge		\$100,000		100,000	Soft (2,3)
Subtotal				\$185,000	
Wicomico					
YMCA of the Chesapeake	\$250,000			\$250,000	Hard
Subtotal				\$250,000	
Worcester					
Diakonia Housing Expansion	\$200,000	\$150,000		\$350,000	Soft (2,3)
Subtotal				\$350,000	
Total Senate and House Initiatives	\$7,500,000	\$7,500,000		\$19,700,000	

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

Operating Budget Relief and Fund Transfers

As shown in **Exhibit 2.4**, the GO bond program is used to reduce operating budget appropriations and to replace funds transferred from various capital accounts to the general fund. The fiscal situation continues to limit the use of PAYGO funds to support the capital program and has resulted in the shift of \$56.0 million of funding for certain grant and loan programs to the bond program. GO bond funding of \$7.1 million reflects the phased multi-year funding for the acquisition of new Medevac helicopters in place of special funds from the Helicopter Replacement Fund. The 2013 capital program also includes \$62.2 million of GO bond authorizations provided as part of a multi-year replacement for revenue and fund balance transfers. Of this amount, \$53.2 million reflects GO bond replacement for transfers made in prior year budgets and BRFA's and the use of GO bonds to support the Tobacco Transition Program. The MCCBL of 2013 also provides \$9.0 million of GO bonds for Department of Natural Resources (DNR) programs traditionally supported with transfer tax revenue special fund appropriations (\$4.5 million for the Critical Maintenance Program and \$4.5 million for the Natural Resources Development Fund). **Exhibit 2.5** illustrates the transfers and multi-year replacement as they overlap and planned out-year GO bond replacement pre-authorized in the MCCBL of 2013.

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

	<u>Fiscal</u> <u>2014</u>
<p>Special Fund Revenue and Fund Balance Replacement: The budgets and the Budget Reconciliation and Financing Acts (BRFA) of 2010, 2011, and 2012 provided for the transfer of \$987.1 million of unexpended fund balance and estimated fiscal 2011 through 2013 revenue from multiple capital program accounts (excluding the Medevac Helicopter Replacement Fund discussed below). Through fiscal 2014 a total of \$813.0 million of general obligation (GO) bond funds have been used to replace the transfers with out-year authorizations scheduled to replace most of the remaining transfers, which includes \$51.3 of fiscal 2014 authorizations. The 2013 BRFA includes an additional \$410.7 million diversion of transfer tax revenues to the general fund over five years. The MCCBL of 2013 includes GO bond replacement of \$405.0 million scheduled over a multi-year period through fiscal 2020 with \$9.0 million of bond replacements included in fiscal 2014.</p>	\$62.2
<p>InterCounty Connector: Fiscal 2014 completes the multi-year plan to use GO bond funds in place of general funds as part of the statutory contribution to the overall financing of the InterCounty Connector.</p>	21.5
<p>Medevac Helicopter Replacement: There is a multi-year plan to use GO bond funds to fund the replacement of the Medevac helicopter fleet in place of using special funds from the Helicopter Replacement Fund.</p>	7.1
<p>Use of GO Bond Funds to Fund Capital Programs Traditionally Funded with General Funds: This principally includes funding for grant and loan programs administered by the Department of Housing and Community Development and the Maryland Department of the Environment and the use of bonds to fund the Aging Schools Program.</p>	56.0
Total	\$146.8

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

<u>Program</u>	<u>Transfers</u>					<u>Fund Replacement</u>			<u>Total Amount of Fund Transfers to Be Replaced</u>		
	<u>Special Fund Balances</u>	<u>Revenues Fiscal 2010-13</u>	<u>Revenues Fiscal 2014</u>	<u>Revenues Fiscal 2015-18</u>	<u>Total Transfers</u>	<u>Replaced Fiscal 2010-13</u>	<u>Replaced Fiscal 2014</u>	<u>Replaced Fiscal 2015-20</u>	<u>Replaced</u>	<u>Not Replaced</u>	
Waterway Improvement Program	\$12.5	\$5.0	\$0.0	\$0.0	\$17.5	\$17.5	\$0.0	\$0.0	\$17.5	\$0.0	
Program Open Space (POS) – State	172.3	56.6	22.0	91.3	342.2	200.9	15.1	121.2	337.2	4.9	***
POS – Local	103.1	50.0	23.7	88.9	265.7	124.3	17.9	123.5	265.7	0.0	
Rural Legacy	10.6	39.6	10.7	36.2	97.1	27.1	8.1	51.7	86.9	10.2	***
Ocean City Beach Replenishment – POS	2.1	2.0	0.0	2.0	6.1	4.1	0.0	2.0	6.1	0.0	
Ocean City Beach Replenishment – Local	3.4	0.0	0.0	0.0	3.4	3.4	0.0	0.0	3.4	0.0	
Natural Resources Development Fund	17.7	8.8	10.2	27.7	64.4	22.5	4.5	27.5	54.5	9.7	*
Critical Maintenance Program	3.2	11.2	4.5	8.0	26.9	13.3	4.5	8.0	25.8	1.0	*
Dam Rehabilitation Program	0.7	0.5	0.0	0.0	1.2	1.2	0.0	0.0	1.2	0.0	
House Assessment Program	0.9	0.0	0.0	0.0	0.9	0.8	0.0	0.0	0.8	0.2	*

<u>Program</u>	<u>Transfers</u>					<u>Fund Replacement</u>			<u>Total Amount of Fund Transfers to Be Replaced</u>		<u>Not Replaced</u>	
	<u>Special Fund Balances</u>	<u>Revenues Fiscal 2010-13</u>	<u>Revenues Fiscal 2014</u>	<u>Revenues Fiscal 2015-18</u>	<u>Total Transfers</u>	<u>Replaced Fiscal 2010-13</u>	<u>Replaced Fiscal 2014</u>	<u>Replaced Fiscal 2015-20</u>				
Hurricane Isabel Funds	0.2	0.0	0.0	0.0	0.2	0.0	0.0	0.0	0.0	0.2	*	
Neighborhood Business Development	3.6	3.2	0.0	0.0	6.8	6.7	0.0	0.0	6.7	0.1	**	
Community Legacy Program	0.4	0.0	0.0	0.0	0.4	0.4	0.0	0.0	0.4	0.0		
Homeownership Programs	0.0	4.5	0.0	0.0	4.5	4.5	0.0	0.0	4.5	0.0		
Special Loan Programs	2.1	4.7	0.0	0.0	6.8	6.9	0.0	0.0	6.9	0.0		
Tobacco Transition Program	0.0	5.4	1.9	0.0	7.3	5.4	1.9	0.0	7.3	0.0		
Agricultural Land Preservation Program	10.0	49.1	18.1	67.6	144.8	30.9	10.3	91.9	133.1	11.8	***	
Bay Restoration Fund	205.0	85.0	0.0	0.0	290.0	290.0	0.0	0.0	290.0	0.0		
Helicopter Replacement Fund	113.7	0.0	0.0	0.0	113.7	113.7	0.0	0.0	113.7	0.0	****	
Total	\$661.5	\$325.6	\$91.1	\$321.7	\$1,399.9	\$873.6	\$62.3	\$425.8	\$1,361.7	\$38.1		

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

**The Budget Reconciliation and Financing Act of 2011 included the transfer of \$2.1 million of special funds from the Neighborhood Business Development Program that was replaced with \$2.1 million in general obligation (GO) bonds. The 2012 capital budget bill deletes the bonds replaced in recognition that the program received \$2.1 million of special fund appropriation through budget amendment, thereby making the replacement unnecessary.

*** In the 2010 session, the General Assembly also reduced the fiscal 2011 GO bond amount for the Maryland Agricultural Land Preservation Foundation (MALPF) by \$4.0 million to reflect the availability of special funds available from funds not used by the Maryland Agricultural and Resource-Based Industry Development Corporation. In the 2011 session, the General Assembly reduced the fiscal 2012 GO bond amount for Rural Legacy by \$4.6 million which is not being replaced. In the 2012 session, the General Assembly reduced the fiscal 2013 GO bond replacement funding for Stateside POS by \$4.908 million, Rural Legacy by \$4.267 million, and MALPF by \$5.418 million and made no provision to replace these funds in future years choosing instead to redirect the funds to provide additional funding for shovel ready environmental and natural resources projects. In the 2013 session, the General Assembly reduced the fiscal 2014 bond replacement funding for the Rural Legacy Program by \$1.3 million and the Agricultural Land Preservation Program by \$2.4 million and made no provision to replace these funds in future years.

**** 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.

Debt Affordability

Citing available debt capacity within the State's affordability limits, increased employment and revenue that additional infrastructure investment would generate, and the need to fund projects accelerated by the General Assembly in the 2012 session, the Capital Debt Affordability Committee (CDAC) voted to increase the amount of GO bond authorizations through the five-year planning period. The CDAC recommendation increased new GO bond authorizations by \$150 million annually for the 2013 through 2017 sessions for a total increase of \$750 million over what the committee recommended prior to the 2012 session. As shown in **Exhibit 2.6**, the long-range plan adopted by CDAC in December 2012 provides for a total of \$5.560 billion in debt authorizations from 2013 to 2017. The increased level of authorizations is within affordability ratios which limit State debt outstanding to 4% of State personal income and limit State debt service cost to no more than 8% of revenues supporting State debt. Even with the increased authorization levels, due to a generally improved economy, the debt service to revenue ratio is less than the ratio was at this time last year.

Exhibit 2.6
Capital Debt Affordability Committee Recommended Levels of
General Obligation Bond Authorizations
2013-2017 Legislative Sessions
(\$ in Millions)

<u>Session</u>	<u>2011 Report Recommended Authorizations</u>	<u>2012 Report Recommended Authorizations</u>	<u>Authorization Change</u>
2013	\$925	\$1,075	\$150
2014	935	1,085	150
2015	945	1,095	150
2016	955	1,105	150
2017	1,050	1,200	150
Total	\$4,810	\$5,560	\$750

Source: *Report of the Capital Debt Affordability Committee on Recommended Debt Authorizations*, November 2011 and November 2012

The MCCBL of 2013 passed by the General Assembly is consistent with the \$1,075.0 million level of new GO debt authorizations recommended by CDAC. An additional \$4.5 million in QZABs, which are not counted in the debt limit, and an additional \$34.1 million

in GO bonds from prior years are de-authorized in the 2013 capital budget, thereby increasing the amount of new GO debt included in the capital program to \$1.113 billion. Included in the \$1.113 billion of new debt is \$218.6 million authorized in the MCCBL of 2013 to complete the funding for various projects that were split-funded over fiscal 2012 through 2014 as a mechanism to allow the projects to be bid and construction to commence during fiscal 2013 and 2014, respectively.

The State's capital program for fiscal 2013 also includes other actions that affect debt affordability, debt issuance, and future capital budgets.

- **House Bill 1372 (Chapter 430)** amends prior authorization bond bills by extending matching fund deadlines, extending deadlines for expending or encumbering funds, altering the purposes for which funds may be used, modifying certification requirements, renaming grant recipients, or altering project locations. The amendments are consolidated into an omnibus bill. Prior to the 2008 session, individual prior authorization bills were passed by the General Assembly.
- The MCCBL of 2013 includes \$430.8 million of GO bond authorizations that will not take effect until the 2014 session. Of this amount, \$350.8 million is needed to either continue the funding for existing construction contracts or allow projects expected to be contracted during fiscal 2013 and 2014 to proceed without the full amount of the construction authorization provided in the fiscal 2013 and 2014 budgets; \$67.1 million provides pre-authorizations for various GO bond replacement funding for special fund transfers, and \$12.9 million is needed to provide an authorization for the contract for the replacement of the State's Medevac helicopters. The MCCBL of 2013 also provides another \$197.4 million that will not take effect until the 2015 session, \$120.4 million that will not take effect until the 2016 session, \$71.8 million that will not take effect until the 2017 session, \$74.5 million that will not take effect until the 2018 session, and \$37.9 million that will not take effect until the 2019 session. Much of the pre-authorizations scheduled for the 2014 through the 2019 sessions (\$388.2 million) reflect GO bond replacement tied to the replacement of diverted transfer tax revenues included in the BRFA of 2013. **Exhibit 2.7** shows the pre-authorizations for the 2014 through 2019 sessions.
- **Senate Bill 633 (Chapter 512)** alters the State share and local matching requirement for the county library grant program, based on the per capita wealth measure used in calculating State aid formula grants for county public libraries, beginning in fiscal 2014. The State share percentage for an approved county library capital project is calculated by dividing the State aid formula grant amount by the full minimum program amount and multiplying the result by 1.25; however, the State share cannot be less than 50% or greater than 90%.

Exhibit 2.7
Pre-authorizations Included in the MCCBL of 2013

<u>Project/Program Title</u>	<u>2014 Session</u>	<u>2015 Session</u>	<u>2016 Session</u>	<u>2017 Session</u>	<u>2018 Session</u>	<u>2019 Session</u>	<u>Total</u>
DNR: Program Open Space	\$41,635,000	\$43,718,000	\$42,558,000	\$44,928,000	\$47,505,000	\$24,251,000	\$244,595,000
DNR: Rural Legacy Program	10,231,000	9,718,000	8,785,000	9,017,000	9,268,000	4,683,000	51,702,000
MDA: Maryland Agricultural Land Preservation Program	15,188,000	16,967,000	16,093,000	16,877,000	17,727,000	9,029,000	91,881,000
DHMH: Henryton Center	3,600,000						3,600,000
DPSCS: Dorsey Run Minimum Security Compound	18,850,000						18,850,000
UMB: Health Sciences Research Facility III and Surge Building	49,000,000	80,000,000	53,000,000	1,000,000			183,000,000
UMES: New Engineering and Aviation Science Building	56,850,000	350,000					57,200,000
TU: Softball Facility	1,500,000						1,500,000
CSU: New Science and Technology Center	6,016,000						6,016,000
SU: New Academic Commons	59,250,000	37,750,000					97,000,000
UMBC: Campus Traffic Safety and Circulation Improvements	10,000,000						10,000,000
SMCM: Anne Arundel Hall	17,700,000	8,900,000					26,600,000
MSD: New Fire Alarm	1,700,000						1,700,000
MHEC: Community College Facilities Grant Program	66,854,000						66,854,000
MSU: New School of Business Complex	3,000,000						3,000,000
MSU: Soper Library Demolition	2,100,000						2,100,000
MES: Infrastructure Improvement Fund	5,430,000						5,430,000
DJS: Cheltenham Youth Facility	31,000,000						31,000,000
DSP: Helicopter Replacement	12,900,000						12,900,000
MISC: Green Branch Athletic Complex	3,000,000						3,000,000

<u>Project/Program Title</u>	<u>2014 Session</u>	<u>2015 Session</u>	<u>2016 Session</u>	<u>2017 Session</u>	<u>2018 Session</u>	<u>2019 Session</u>	<u>Total</u>
MISC: High Performance Computing Data Center	15,000,000						15,000,000
Total	\$430,804,000	\$197,403,000	\$120,436,000	\$71,822,000	\$74,500,000	\$37,963,000	\$932,928,000
CSU: Coppin State University							
DJS: Department of Juvenile Services							
DNR: Department of Natural Resources							
DHMH: Department of Health and Mental Hygiene							
DPSCS: Department of Public Safety and Correctional Services							
DSP: Department of State Police							
MCCBL: Maryland Consolidated Capital Bond Loan							
MDA: Maryland Department of Agriculture							
MES: Maryland Environmental Service							
MHEC: Maryland Higher Education Commission							
MISC: miscellaneous							

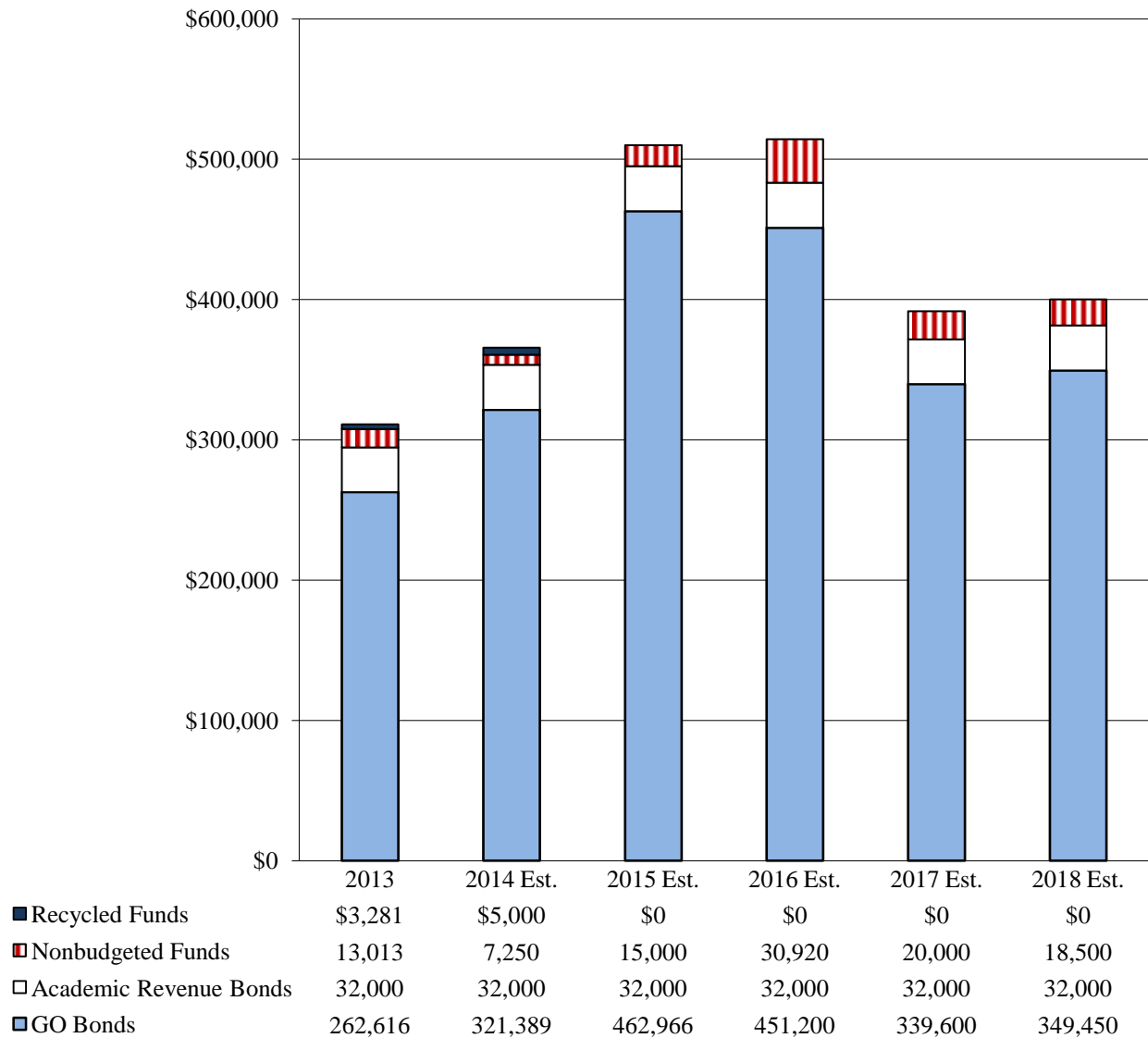
Note: The proposed pre-authorization for the MHEC Community College Grant Program would allow for the split funding of community college projects started last session by the legislature. This year's list includes \$13.5 million for the Community College of Baltimore County, (Catonsville) F Building Renovation and Expansion; \$17.3 million for Chesapeake College Center for Allied Health and Athletics; \$2.9 million for College of Southern Maryland Center for Regional Programs; \$20.9 million for Howard Community College New Science, Engineering, and Technology Building; and \$12.2 million for Montgomery College Rockville Science West Building Renovation.

House Bill 860 (Chapter 647) authorizes up to \$1.1 billion in debt to be issued by the Maryland Stadium Authority for the purpose of constructing and improving public school facilities in Baltimore City. The legislation specifies \$20.0 million in State lottery proceeds, in combination with \$40.0 million in Baltimore City and school system funding, annually to support the debt until no further debt is outstanding. The debt is not considered tax-supported State debt and, therefore, is not counted for debt affordability purposes. In addition to managing the funds, MSA is responsible for building new and replacement schools, and the school system will manage the renovation projects approved in the 10-year plan. However, the legislation retains Interagency Committee on School Construction (IAC) project approval and monitoring of project procurement and quality.

Higher Education

The fiscal 2014 capital program for all segments of higher education is \$359.9 million, including GO bonds and ARBs. Of the total funding, four-year public institutions receive \$285.4 million, and independent colleges receive \$22.5 million. Community colleges, including Baltimore City Community College, receive \$52.03 million in fiscal 2014. The *Capital Improvement Program* (CIP), after legislative changes to the fiscal 2014 capital budget, shows \$1.405 billion in State capital spending for higher education projects from fiscal 2014 through 2018 all funds. **Exhibit 2.8** shows the fiscal 2013 and 2014 legislative appropriation for higher education capital projects and the funds anticipated in the CIP for fiscal 2015 through 2018. **Exhibit 2.9** shows the fiscal 2014 capital funding by institution.

Exhibit 2.8
Higher Education Authorized and Planned Out-year Capital Funding
Fiscal 2013-2018
(\$ in Thousands)



GO: general obligation

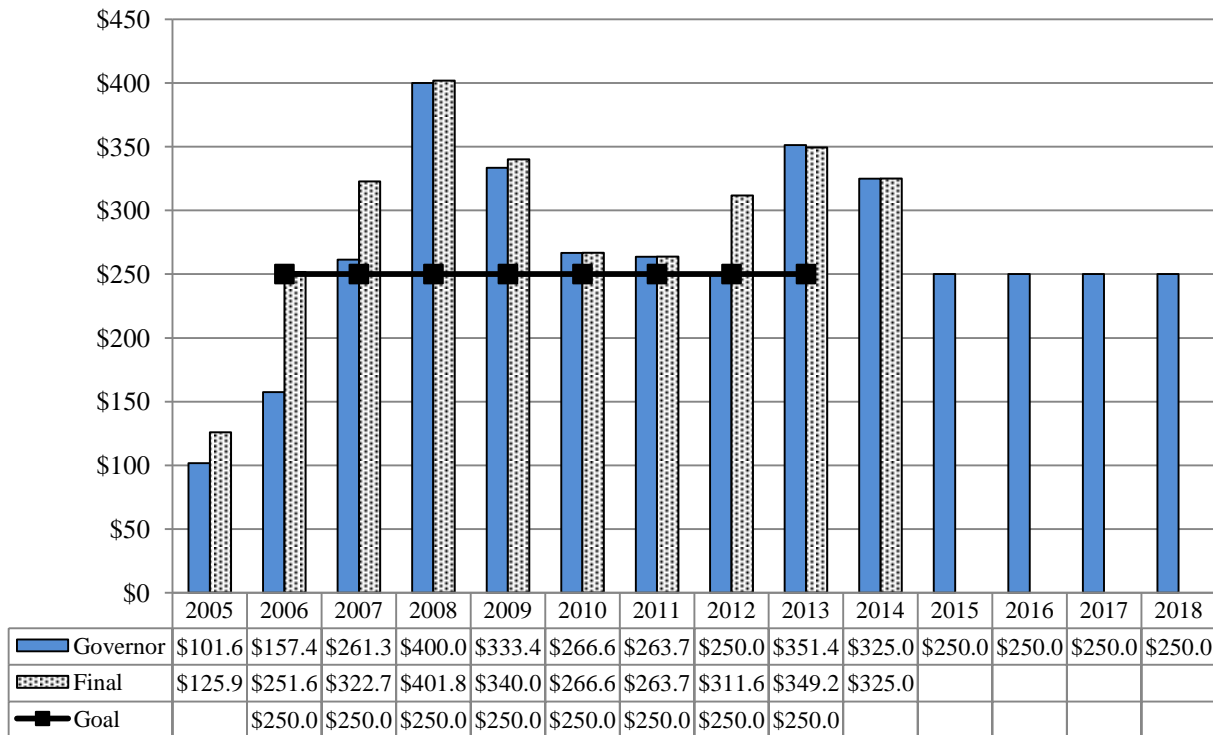
Exhibit 2.9
Fiscal 2014 Higher Education Capital Funding by Institution
(\$ in Thousands)

<u>Institution</u>	<u>Capital Funding</u>
University of Maryland, Baltimore	\$16,570
University of Maryland, College Park	30,705
Bowie State University	6,000
Towson University	11,512
University of Maryland Eastern Shore	22,695
Frostburg State University	9,843
Coppin State University	56,198
University of Baltimore	1,000
Salisbury University	7,472
University of Maryland Baltimore County	38,068
University of Maryland Center for Environmental Science	2,350
University System of Maryland – Facility Renewal	23,500
Morgan State University	54,861
Independent Colleges	22,500
Community Colleges	52,035
St. Mary's College of Maryland	4,580
Total	\$359,899

School Construction

The fiscal 2014 capital budget, **House Bill 101 (Chapter 424)**, includes \$300.0 million in GO bonds for public school construction, of which \$25.0 million is restricted to fund projects that install air conditioning systems in schools that do not currently have centralized air conditioning systems. The operating budget, **House Bill 100 (Chapter 423)**, includes another \$25.0 million to fund school safety enhancement upgrades. The Public School Facilities Act of 2004 established a State goal to provide \$2.0 billion in State funding over eight years to address deficiencies, or \$250 million per year through fiscal 2013. The \$2.0 billion goal was met in fiscal 2012, one year early. Between fiscal 2005 and 2014, the State invested \$2.8 billion, as shown in **Exhibit 2.10**.

Exhibit 2.10
Public School Construction Funding
Fiscal 2005-2018
(\$ in Millions)



Aging Schools and Qualified Zone Academy Bond Programs

The Aging Schools Program is funded with GO bond funds in fiscal 2014. The capital budget, as passed by the General Assembly, includes \$8.6 million in GO bonds allocated as grants to county boards of education. The capital budget bill includes language reflecting the county-by-county distribution notwithstanding the statutory distribution provided in § 5-206 of the Education Article.

The fiscal 2014 capital budget also provides \$3.5 million for nonpublic schools to receive grants for school construction projects that are eligible under the Aging Schools program, including school security improvements. Only nonpublic schools meeting the eligibility requirements for Aid to Non-Public schools for textbooks and computer hardware and software may receive these Aging Schools grants, which will be distributed on a per-student basis with a maximum \$35 per student, except that schools with at least 20% of their enrollment receiving

free and reduced price meals (FRPM) receive \$50 per student. Each school will receive at least \$5,000. Fiscal 2013 enrollments will be used to determine the allocation of fiscal 2014 funds.

Public school construction funding is further supplemented with \$5.4 million of QZABs authorized in **House Bill 115 (Chapter 426)**. QZABs may be used in schools located in federal Enterprise or Empowerment Zones or in schools in which 35% of the student population qualifies for free or reduced price meals. QZAB funds are distributed to local school systems through competitive grants. However, **Chapter 426** makes the Breakthrough Center and public charter schools eligible for QZAB distributions, as was the case with the QZAB bill from the 2011 and 2012 sessions.

Transfer Tax

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

The General Assembly concurred with the transfer and replacement plan. The \$89.2 million transferred from 2014 revenues are attributable to \$71.1 million in DNR including POS – State share (\$21.9 million), POS – Local share (\$23.7 million), POS Capital Improvements (\$14.7 million), and Rural Legacy Program (\$10.7 million); and \$18.1 million in Maryland Agricultural Land Preservation Program funding. The multi-year replacement plan includes the use of general obligation bond funds to replace all but \$5.6 million – Natural Resources Development Fund funding – of proposed transfers via fiscal 2014 funding and pre-authorizations that span six years. Of the \$405.05 million that is proposed to be replaced, \$9.0 million is provided in fiscal 2014, and \$357.4 million is pre-authorized in the 2013 capital budget bill for replacement over fiscal 2015 through 2020. An additional \$37.6 million, while not included in the pre-authorizations, is part of the replacement plan.

Exhibit 2.11 shows the fiscal 2014 allocation of funding for programs traditionally funded with transfer tax revenue. Relative to the Governor's allowance, the General Assembly reduced the GO bond authorization for the Rural Legacy Program by \$6.3 million, which is comprised of the annual \$5.0 million mandated amount and \$1.3 million of the fiscal 2013 replacement funding; and reduced the Maryland Agricultural Land Preservation Program authorization by \$2.4 million, which is comprised of fiscal 2013 replacement funding.

Exhibit 2.11
Programs Traditionally Funded with Transfer Tax Revenue
Fiscal 2014
(\$ in Millions)

	Transfer Tax Special Funds	Other Special Funds	<u>Federal</u>	<u>GO Bonds</u>	<u>Total</u>
Department of Natural Resources					
Program Open Space					
State ¹	\$11.2	\$0.0	\$4.5	\$15.1	\$30.8
Local ²	11.9	0.0	0.0	17.8	29.7
Capital Development ³	0.2	0.0	0.0	9.0	9.2
Rural Legacy Program ⁴	5.4	0.0	0.0	8.1	13.5
Heritage Conservation Fund	1.0	0.0	0.0	0.0	1.0
Department of Agriculture					
Agricultural Land Preservation ⁵	9.1	24.1	0.0	10.2	43.4
Total	\$38.8	\$24.1	\$4.5	\$60.2	\$127.6

GO: general obligation

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

¹ The Program Open Space (POS) – State funding reflects \$11.2 million in special funds from the transfer tax for the purchase of conservation easements and acquisition of land (\$7.5 million), the Baltimore City Direct Grant (\$1.5 million), additional funding for Baltimore City for the Ripken Foundation to construct athletic fields and for Stoney Run Trail improvements (\$1.0 million), and operating expenses per the Budget Reconciliation and Finance Act of 2013 (\$1.2 million). Of the \$7.5 million for purchase of conservation easements and acquisition of land, \$1.0 million is restricted for the purposes of providing a grant to the Board of Directors of Parks and People – The Foundation of Baltimore Recreation and Parks, Inc. for the construction of the Center for Parks and People at Auchentoroly Terrace at Druid Hill Park. The \$4.5 million in federal funding reflects estimated revenue appropriations. The \$15.1 million in general obligation bond authorization reflects replacement of transfer tax transferred to the general fund comprised of funding transferred in fiscal 2011 (\$3.0 million), fiscal 2012 (\$7.2 million), and fiscal 2013 (\$4.9 million). There is an additional \$7.9 million to replace prior year funding in fiscal 2015, and \$113.2 million in GO debt pre-authorized for fiscal 2015 through 2020 to replace 2014 through 2018 transfers.

² The POS – Local funding reflects \$11.9 million in special funds from the transfer tax for the purchase of conservation easements, acquisition of land, and development of recreational facilities. The \$17.8 million in GO bond authorization reflects the replacement of transfer tax transferred to the general fund comprised of funding transferred in fiscal 2011 (\$4.1 million), fiscal 2012 (\$6.9 million), and fiscal 2013 (\$6.8 million). There is an additional \$10.9 million to replace prior year funding in fiscal 2015, and \$112.6 million in GO debt pre-authorized for fiscal 2015 through 2020 to replace fiscal 2014 through 2018 transfers.

³ The Capital Development funding reflects \$0.2 million in transfer tax special funds for the Critical Maintenance Program. The \$9.0 million in GO bond authorization reflects full fiscal 2014 replacement funding for the Critical Maintenance Program (\$4.5 million) and partial fiscal 2014 replacement funding for the Natural Resources Development Fund (\$4.6 million). There is an additional \$27.6 million in GO debt pre-authorized for the Natural

Resources Development Fund and \$8.0 million for the Critical Maintenance Program in fiscal 2016 through 2020 to replace fiscal 2015 through 2018 transfers.

⁴ The Rural Legacy Program funding reflects \$5.4 million in transfer tax special funds and \$8.1 million in GO bond authorization. The \$8.1 million GO bond authorization reflects the replacement of transfer tax transferred to the general fund comprised of funding transferred in fiscal 2011 (\$0.6 million), fiscal 2012 (\$4.6 million), and fiscal 2013 (\$3.0 million). There is an additional \$4.9 million to replace prior year funding in fiscal 2015, and then \$46.8 million in GO debt pre-authorized for fiscal 2015 through fiscal 2020 to replace fiscal 2014 through fiscal 2018 transfers.

⁵ The Agricultural Land Preservation funding reflects \$9.1 million in transfer tax special funds and \$24.1 million in other special funds, primarily from county funds. The GO bond authorization of \$10.2 million reflects the replacement of transfer tax transferred to the general fund comprised of funding transferred in fiscal 2012 (\$7.2 million), and fiscal 2013 (\$3.0 million). There is an additional \$6.1 million to replace prior year funding in fiscal 2015, and \$85.7 million in GO debt pre-authorized for fiscal 2015 through fiscal 2020 to replace fiscal 2014 through fiscal 2018 transfers.

Exhibit 2.12 and **Exhibit 2.13** show the overall transfer tax diversion and replacement schedule and the particular program level aspects, respectively.

Exhibit 2.12
Transfer Tax Diversions and Multi-year General Obligation Bond
Replacement Plan
Fiscal 2014-2020
(\$ in Millions)

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>Total</u>
Special Funds Transferred to the General Fund	\$89.2	\$75.1	\$77.7	\$82.8	\$86.0	\$0.0	\$0.0	\$410.7
Special Funds to Programs	37.4	75.1	77.7	82.8	86.0			
GO Bond Replacement to Programs	9.0	37.3	74.8	76.4	80.2	84.4	43.0	405.1
Prior GO Bond Replacement to Programs	51.3	29.8						
Total Funding to Programs	\$97.8	\$142.1	\$152.4	\$159.1	\$166.2			

GO: general obligation

Note: Transfer tax revenue estimates for fiscal 2019 and 2020 are unavailable to reflect estimates of program funding.

Exhibit 2.13
Transfer Tax Transfer and Replacement Schedule by Program
Fiscal 2014-2020
(\$ in Millions)

	Transfers				GO Bond Replacement				
	<u>2014- 2018</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>Total</u>
POS – State	\$113.201	\$0.000	\$10.972	\$21.467	\$21.428	\$22.755	\$24.201	\$12.378	\$113.201
POS – Local	112.595	0.000	11.864	22.251	21.130	22.173	23.304	11.873	112.595
Natural Resources Development Fund	37.866	4.562	0.000	3.131	6.422	6.891	7.400	3.799	32.205
Critical Maintenance Program	12.467	4.467	0.000	1.000	2.000	2.000	2.000	1.000	12.467
Ocean City – POS Share	2.000	0.000	0.000	0.250	0.500	0.500	0.500	0.250	2.000
Rural Legacy	46.835	0.000	5.364	9.718	8.785	9.017	9.268	4.683	46.835
MALPP	85.747	0.000	9.054	16.967	16.093	16.877	17.727	9.029	85.747
Total	\$410.711	\$9.029	\$37.254	\$74.784	\$76.358	\$80.213	\$84.400	\$43.012	\$405.050

GO: general obligation

MALPP: Maryland Agricultural Land Preservation Program

POS: Program Open Space

Chapter Three – Impact of Legislation on State Revenues and Expenditures

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

Legislation Affecting State Revenues

	<u>Fund</u>	<u>FY 2014</u>	<u>FY 2015</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>FY 2018</u>	<u>Comments</u>
SB 8	Gas Companies – Rate Regulation – Infrastructure Replacement Surcharge (Ch. 161)						
	SF	\$450,000	\$151,500	\$153,015	\$154,545	\$156,091	Public Utility Fund – People’s Counsel. SF expenditures increase by same amount.
	SF	\$79,009	\$73,193	\$76,526	\$80,020	\$83,681	Public Utility Fund – Public Service Commission. SF expenditures increase by same amount.
SB 25	Vehicle Laws – Title and Registration – Transfer to Surviving Spouse (Ch. 167)						
	SF	decrease	decrease	decrease	decrease	decrease	Potential significant fee revenues.
SB 27/HB 385	Chesapeake Conservation Corps Program – Funding Extension (Ch. 434/Ch. 435)						
	SF	\$0	\$0	\$9,400,000	\$9,400,000	\$9,400,000	Environmental Trust Fund expenditures continue by same amount.
SB 32/HB 4	Alcoholic Beverages – Brewery License – On-Premises Consumption (Ch. 168/Ch. 169)						
	GF	increase	increase	increase	increase	increase	Minimal sales tax and alcoholic beverages tax revenues.
SB 39	Motor Vehicle Registration – Special Vintage Reproduction Registration Plate (Ch. 170)						
	SF	increase	increase	increase	increase	increase	Significant fee revenues.
SB 55	Private Career Schools – Solicitor Permits – Repeal (Ch. 9)						
	SF	decrease	decrease	decrease	decrease	decrease	Minimal fee revenues.
SB 58	Adult Education and Literacy Services – High School Diploma by Examination – Eligibility Requirements (Ch. 439)						
	SF	increase	increase	increase	increase	increase	Fee revenues. GF expenditures decrease by same amount.
SB 63	Maryland Higher Education Commission – Institutional Renewal Fees and Religious Educational Institutions (Ch. 14)						
	SF	\$900	\$850	\$900	\$850	\$900	
SB 69	Tobacco Products – Tobacco Tax – Exemptions and Penalties (Ch. 174)						
	GF	increase	increase	increase	increase	increase	Fine revenues of up to \$1.2 million annually.

Legislation Affecting State Revenues

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	<u>Fund</u>	<u>FY 2014</u>	<u>FY 2015</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>FY 2018</u>	<u>Comments</u>
SB 70	Business and Economic Development – Enterprise Fund and Invest Maryland Program (Ch. 175)						
	GF	decrease	decrease	decrease	decrease	decrease	Potential program investment proceeds.
	SF	increase	increase	increase	increase	increase	Potential Enterprise Fund revenues. SF expenditures increase by same amount.
SB 72	Motor Vehicles – Damage to Highways from Overweight or Oversized Vehicles – Liability and Penalties (Ch. 176)						
	GF	increase	increase	increase	increase	increase	Potential civil penalty revenues.
SB 73	Vehicle Laws – Piling, Poles, Mill Logs, and Similar Cargo – Length, Overhang, and Fastening Standards (Ch. 18)						
	GF/SF	increase	increase	increase	increase	increase	Minimal fee revenues beginning in FY 2013.
SB 75	Motor Vehicle Administration – Investigative Division – Issuance of Citations (Ch. 19)						
	GF	increase	increase	increase	increase	increase	Potential significant penalty revenues.
SB 86	Voluntary Placement for Former Children in Need of Assistance (Ch. 22)						
	FF	\$157,500	\$420,000	\$420,000	\$420,000	\$420,000	
SB 87	Vehicle Laws – Seat Belts and Child Safety Seats (Ch. 179)						
	GF	\$2,590,328	\$3,453,770	\$3,453,770	\$3,453,770	\$3,453,770	
	SF	\$132,998	\$531,990	\$531,990	\$531,990	\$531,990	MEMSOF.
	SF	\$265,995	\$0	\$0	\$0	\$0	Volunteer Company Assistance Fund.
	SF	\$159,597	\$212,796	\$212,796	\$212,796	\$212,796	Criminal Injuries Compensation Fund.
SB 90	Natural Resources – Vessel Excise Tax – Waterway Improvement Fund (Ch. 180)						
	SF	\$2,421,886	\$2,496,022	\$2,519,016	\$2,985,000	\$3,009,000	Waterway Improvement Fund.
	SF	(\$2,846,000)	(\$2,929,000)	(\$2,961,000)	(\$2,985,000)	(\$3,009,000)	Transportation Trust Fund.
SB 124	Income Tax Credit for Qualifying Employees – Sunset Repeal (Ch. 443)						
	GF	(\$37,100)	(\$87,800)	(\$101,100)	(\$116,000)	(\$127,400)	
	SF	(\$6,900)	(\$16,400)	(\$18,900)	(\$18,700)	(\$20,500)	Transportation Trust Fund.
	SF	(\$2,500)	(\$6,000)	(\$6,800)	(\$7,700)	(\$8,400)	Higher Education Investment Fund.

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Legislation Affecting State Revenues

	<u>Fund</u>	<u>FY 2014</u>	<u>FY 2015</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>FY 2018</u>	<u>Comments</u>
SB 139	Health Care Practitioners – Prescription Drug or Device Dispensing – Medical Facilities or Clinics That Specialize in Treatment Reimbursable Through Workers’ Compensation Insurance (Ch. 184)						
	SF	increase	increase	increase	increase	increase	Potential significant permit revenues.
SB 149/HB 68	Dorchester County – Alcoholic Beverages – Micro-Breweries (Ch. 444/Ch. 445)						
	GF	\$500	\$500	\$500	\$500	\$500	
SB 158/HB 128	Homestead Tax Credit – Eligibility Verification and Application (Ch. 25/Ch. 26)						
	SF	decrease	decrease	decrease	decrease	decrease	Potential Annuity Bond Fund (property tax) revenues.
SB 183	Income Tax – Business and Economic Development – Film Production Activity Tax Credit (Ch. 28)						
	GF	(\$17,500,000)	(\$7,500,000)	(\$7,500,000)	\$0	\$0	FY 2014 budget assumes \$13,554,494 decrease.
SB 196	Register of Wills – Salary (Ch. 29)						
	GF	\$0	(\$264,253)	(\$453,006)	(\$453,006)	(\$453,006)	
SB 199	Real Property – Refinance Mortgage – Priority over Junior Liens (Ch. 205)						
	SF	(\$47,729)	(\$111,369)	(\$175,008)	(\$238,647)	(\$301,048)	
SB 202/HB 372	Recordation and Transfer Taxes – Transfer of Property Between Related Entities – Exemption (Ch. 452/Ch. 453)						
	GF	decrease	decrease	decrease	decrease	decrease	Potential clerk of the circuit court commissions.
	SF	decrease	decrease	decrease	decrease	decrease	Potential transfer tax revenues.
SB 217/HB 320	Vehicle Laws – Registration Plates for Individuals with Disabilities – Parking in Baltimore County (Ch. 32/Ch. 33)						
	GF	increase	increase	increase	increase	increase	Minimal fine revenues and collection of court costs.
	SF	increase	increase	increase	increase	increase	Potential minimal fees.
SB 223	Alcoholic Beverages – Class 7 Limited Beer Wholesaler’s License (Ch. 207)						
	GF	increase	increase	increase	increase	increase	Minimal license and permit fee revenues. Potential sales tax and alcoholic beverages tax revenues.

Legislation Affecting State Revenues

	<u>Fund</u>	<u>FY 2014</u>	<u>FY 2015</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>FY 2018</u>	<u>Comments</u>
SB 243	Maryland Income Tax Refund – Anne Arundel County Warrant Intercept Program – Extension (Ch. 213)						
	GF	increase	increase	increase	increase	increase	Minimal income tax revenues.
SB 267/HB 116	Courts and Judicial Proceedings – Interception of Communications – Abuse or Neglect of Vulnerable Adult and Medicaid Fraud (Ch. 38/Ch. 39)						
	GF	increase	increase	increase	increase	increase	Fine/civil penalty revenues.
SB 273/HB 225	Veterans Full Employment Act of 2013 (Ch. 154/Ch. 155)						
	GF/SF	increase	increase	increase	increase	increase	Minimal licensing fee revenues.
SB 281	Firearm Safety Act of 2013 (Ch. 427)						
	GF	\$3,374,000	\$3,670,700	\$3,967,400	\$4,264,050	\$4,560,750	Handgun licensing and firearm registration fee revenues. FY 2014 budget assumes \$2,221,300 in GF revenues based on a lower fee than the fee in the enacted bill.
SB 339/HB 753	Motor Vehicles – Use of Wireless Communication Device – Prohibited Acts, Enforcement, and Penalties (Ch. 638/Ch. 637)						
	GF	increase	increase	increase	increase	increase	Potential significant fine revenues.
SB 404/HB 408	Income Tax – Subtraction Modification – Enhanced Agricultural Management Equipment (Ch. 257/Ch. 258)						
	GF	(\$40,000)	(\$40,000)	(\$40,000)	(\$40,000)	(\$40,000)	Minimal Transportation Trust Fund and Higher Education Investment Fund revenues.
	SF	decrease	decrease	decrease	decrease	decrease	
SB 414/HB 1012	Higher Education – Tuition Waiver – Foster Care Recipients (Ch. 259/Ch. 260)						
	HE	decrease	decrease	decrease	decrease	decrease	Tuition revenues.
SB 431	Higher Education – University System of Maryland – Quasi-Endowments (Ch. 266)						
	HE	increase	increase	increase	increase	increase	Potential investment revenues.
SB 436/HB 1209	Recordation Taxes – Exemptions (Ch. 267/Ch. 268)						
	GF	decrease	decrease	decrease	decrease	decrease	Clerk of the circuit court commissions.

Legislation Affecting State Revenues

	<u>Fund</u>	<u>FY 2014</u>	<u>FY 2015</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>FY 2018</u>	<u>Comments</u>
SB 461/HB 1176	Primary and Secondary Education – Online Courses and Services – Accessibility (Ch. 470/Ch. 471)						
	SF	increase	increase	increase	increase	increase	Fee revenues. SF expenditures increase by same amount.
SB 464	Natural Resources – Aquaculture – Shellfish Nursery Permits (Ch. 57)						
	SF	indeterminate	indeterminate	indeterminate	indeterminate	indeterminate	Minimal fee revenues beginning in FY 2013.
SB 484/HB 184	Income Tax Credit – Oyster Shell Recycling (Ch. 278/Ch. 279)						
	GF	(\$42,485)	(\$43,334)	(\$44,201)	(\$45,775)	(\$46,691)	
	SF	(\$5,515)	(\$5,626)	(\$5,738)	(\$5,162)	(\$5,266)	Transportation Trust Fund.
	SF	(\$2,000)	(\$2,040)	(\$2,081)	(\$2,122)	(\$2,165)	Higher Education Investment Fund.
SB 486/HB 523	Short-Term Rental of Motorcycles – Sales and Use Tax and Motor Vehicle Law (Ch. 483/Ch. 484)						
	GF	decrease	decrease	decrease	decrease	decrease	Sales tax revenues.
	SF	increase	increase	increase	increase	increase	Chesapeake Bay 2010 Trust Fund. Short-term vehicle rental sales tax revenues.
	SF	indeterminate	indeterminate	indeterminate	indeterminate	indeterminate	Transportation Trust Fund. Short-term vehicle rental sales tax (increase) and motor vehicle excise tax (decrease) revenues.
SB 496	Maryland Medical Assistance Program – Telemedicine (Ch. 280)						
	FF	increase	increase	increase	increase	increase	FF expenditures increase by a corresponding amount.
SB 510	Institutions of Higher Education – Fully Online Distance Education Programs – Regulation (Ch. 490)						
	SF	increase	increase	increase	increase	increase	Fee revenues. SF expenditures increase by a similar amount.
SB 524	Wetlands and Riparian Rights – Licenses and Permits for Nonwater-Dependent Projects on State or Private Wetlands (Ch. 492)						
	SF	increase	increase	increase	increase	increase	Potential fee revenues and compensation payments.

Legislation Affecting State Revenues

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	<u>Fund</u>	<u>FY 2014</u>	<u>FY 2015</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>FY 2018</u>	<u>Comments</u>
SB 580/HB 180	Medical Marijuana – Caregiver – Affirmative Defense (Ch. 61/Ch. 62)						
	GF	decrease	decrease	decrease	decrease	decrease	Minimal fine revenues.
SB 581/HB 1216	Health Insurance – Federal Mental Health Parity and Addiction Equity Act – Notice and Authorization Forms (Ch. 288/Ch. 289)						
	SF	increase	\$0	\$0	\$0	\$0	Minimal form filing fee revenues.
SB 621	Vehicles Laws – Emergency Vehicles – Motorcades and Escorts (Ch. 66)						
	GF	decrease	decrease	decrease	decrease	decrease	Minimal fine revenues.
SB 622/HB 702	Corporations and Associations – Document Filing and Processing (Ch. 67/Ch. 68)						
	SF	increase	increase	increase	increase	increase	Minimal fee revenues.
SB 624/HB 942	Identity Fraud – Health Information and Health Care Records (Ch. 300/Ch. 301)						
	GF	increase	increase	increase	increase	increase	Minimal fine revenues.
SB 632	State Brain Injury Trust Fund (Ch. 511)						
	SF	\$0	\$500,000	\$500,000	\$500,000	\$500,000	SF expenditures increase by same amount.
SB 639	Civil Rights Tax Relief Act (Ch. 513)						
	GF	(\$230,000)	(\$230,000)	(\$230,000)	(\$230,000)	(\$230,000)	
SB 640/HB 838	Civil Cases – Maryland Legal Services Corporation Fund – Surcharges – Extension of Termination Date (Ch. 71/Ch. 72)						
	SF	\$5,731,685	\$5,731,685	\$5,731,685	\$5,731,685	\$5,731,685	SF expenditures increase by same amount. Assumed in FY 2014 budget.
SB 658/HB 1031	Estate Tax and Income Tax – Marital Deduction and Subtraction Modification for Health Insurance (Ch. 517/Ch. 518)						
	GF	(\$350,000)	(\$530,000)	(\$720,000)	(\$910,000)	(\$1,060,000)	
SB 662	Natural Resources – Commercial Fishing – Licensing (Ch. 519)						
	SF	\$1,599,893	\$1,599,893	\$1,599,893	\$1,599,893	\$1,599,893	Potential additional DNR authorizations and permit fee revenues.
SB 697/HB 1140	Corporations and Associations – Conversions (Ch. 527/Ch. 528)						
	GF	decrease	decrease	decrease	decrease	decrease	Minimal fee revenues.

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	<u>Fund</u>	<u>FY 2014</u>	<u>FY 2015</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>FY 2018</u>	<u>Comments</u>
SB 715	Maryland Highway Safety Act of 2013 (Ch. 309)						
	GF/SF	increase	increase	increase	increase	increase	Fine and fee revenues.
SB 730/HB 1236	Recordation and Transfer Taxes – Low Income Housing Projects – Controlling Interest (Ch. 531/Ch. 532)						
	SF	decrease	decrease	decrease	decrease	decrease	Transfer tax revenues.
SB 740	College and Career Readiness and College Completion Act of 2013 (Ch. 533)						
	HE	decrease	decrease	decrease	decrease	increase	Minimal Morgan State University tuition.
	HE	(\$453)	(\$467)	(\$481)	(\$495)	(\$510)	St. Mary's College of Maryland tuition.
	HE	(\$8,372)	(\$8,623)	(\$8,882)	(\$9,148)	(\$9,422)	USM tuition.
	HE	(\$3,740)	(\$3,852)	(\$3,968)	(\$4,087)	(\$4,210)	Baltimore City Community College tuition.
SB 742	Vehicle Laws – Residential Parking in Baltimore City (Ch. 312)						
	GF/SF	increase	increase	increase	increase	increase	Fine and fee revenues and collection of court costs.
SB 745	Public Safety – 9-1-1 Emergency Telephone Systems – Prepaid Service – Collection of Surcharge (Ch. 313)						
	SF	\$2,000,000	\$4,000,000	\$4,080,000	\$4,160,000	\$4,240,000	SF expenditures increase by same amount.
SB 774	Income Tax – Subtraction Modification – Maryland Civil Air Patrol (Ch. 546)						
	GF	\$0	\$0	(\$111,400)	(\$111,400)	(\$111,400)	
SB 790	Department of Health and Mental Hygiene – Advance Directive Registry – Fee and Date of Operation (Ch. 549)						
	GF	\$0	\$10,000	\$15,000	\$20,000	\$25,000	
SB 809/HB 1303	Maryland Legal Services Corporation Funding – Abandoned Property Funds (Ch. 552/Ch. 553)						
	GF	(\$1,000,000)	(\$1,000,000)	(\$1,000,000)	(\$1,000,000)	(\$1,000,000)	
	SF	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	SF expenditures increase by same amount.
SB 820/HB 767	Animal Welfare – Spay/Neuter Fund – Establishment (Ch. 561/Ch. 562)						
	SF	\$517,500	\$776,250	\$1,035,000	\$1,035,000	\$1,035,000	SF expenditures increase by same amount.

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	<u>Fund</u>	<u>FY 2014</u>	<u>FY 2015</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>FY 2018</u>	<u>Comments</u>
SB 828/HB 831	St. Mary's College of Maryland – Tuition Freeze and DeSousa-Brent Scholars Completion Grant (Ch. 563/Ch. 564)						
	HE	(\$832,647)	(\$1,690,273)	(\$1,690,273)	(\$1,690,273)	(\$1,690,273)	St. Mary's College of Maryland tuition.
SB 829	Transportation Trust Fund – Use of Funds (Ch. 422)						
	GF	\$0	decrease	decrease	decrease	decrease	Potential significant transfer revenues.
	SF	\$0	decrease	decrease	decrease	decrease	Potential significant non-Transportation Trust Fund transfer revenues.
	SF	\$0	increase	increase	increase	increase	Potential significant Transportation Trust Fund revenues.
SB 846	Courts – Baltimore City Sheriff and Fees for Filing and Service of Process (Ch. 325)						
	GF	(\$540,000)	(\$540,000)	(\$540,000)	(\$540,000)	(\$540,000)	
	SF	\$2,023,500	\$2,023,500	\$2,023,500	\$2,023,500	\$2,023,500	SF expenditures increase by same amount.
SB 863	Public Safety – Gas Pipelines – Implementation of Federal Pipeline Safety Laws (Ch. 571)						
	SF/FF	increase	increase	increase	increase	increase	Potential significant pipeline safety program revenues. Aggregate SF and FF expenditures increase by same amount.
SB 887	Public Utilities – Solar Photovoltaic Systems (Ch. 572)						
	NB	increase	increase	increase	increase	increase	Solar project deposits.
	SF	\$0	increase	increase	increase	increase	Potential Strategic Energy Investment Fund revenues from foregone solar project deposits. SF expenditures increase by same amount.
SB 926	Education – State and Local Aid Program for Certification or Renewal of Certification – Sunset Repeal (Ch. 581)						
	SF	\$600,000	\$600,000	\$600,000	\$600,000	\$600,000	SF expenditures increase by same amount.

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	<u>Fund</u>	<u>FY 2014</u>	<u>FY 2015</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>FY 2018</u>	<u>Comments</u>
SB 930	Property and Casualty Insurance – Premium Payments – Acceptance on Installment Payment Basis and Premium Finance Agreements (Ch. 334)						
	GF	decrease	decrease	decrease	decrease	decrease	Potential premium tax revenues.
	NB	increase	increase	increase	increase	increase	Processing fee revenues. Offset by nonbudgeted expenditures and potential reduced premium revenues.
	SF	increase	\$0	\$0	\$0	\$0	Minimal form filing fee revenues.
SB 1057	Department of Health and Mental Hygiene – Health Care Staff Agencies – Regulation (Ch. 340)						
	GF	increase	increase	increase	increase	increase	Fee revenues.
SB 1072	Linked Deposit Programs for Small Businesses and Minority Business Enterprises (Ch. 345)						
	GF	decrease	decrease	decrease	decrease	decrease	Potential significant foregone interest revenues.
HB 4/SB 32	See entry for SB 32.						
HB 68/SB 149	See entry for SB 149.						
HB 99	Public Health – Child Care Products Containing Flame-Retardant Chemicals (TCEP) – Prohibition (Ch. 349)						
	GF	increase	increase	increase	increase	increase	Minimal civil penalty revenues.
HB 102	Budget Reconciliation and Financing Act of 2013 (Ch. 425)						
	GF	\$89,220,555	\$70,325,800	\$72,775,025	\$77,718,875	\$86,050,000	
	REIM	\$1,653,887	\$1,670,426	\$1,687,130	\$1,704,002	\$1,721,042	
	SF	\$1,653,887	\$1,670,426	\$1,687,130	\$1,704,002	\$1,721,042	Department of Juvenile Services.
	SF	\$510,983	\$510,983	\$510,983	\$510,983	\$510,983	MEMSOF.
	SF	\$0	(\$208,600)	(\$214,800)	(\$195,200)	\$0	Transportation Trust Fund.
	SF	\$0	(\$75,600)	(\$77,900)	(\$80,200)	\$0	Higher Education Investment Fund.
HB 108	Housing and Community Development – Neighborhood and Community Assistance Program – Project Proposals (Ch. 82)						
	GF	\$0	(\$286,500)	(\$572,900)	(\$719,100)	(\$719,100)	
	SF	\$0	(\$9,900)	(\$19,900)	(\$21,900)	(\$21,900)	Transportation Trust Fund.
	SF	\$0	(\$3,600)	(\$7,200)	(\$9,000)	(\$9,000)	Higher Education Investment Fund.

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	<u>Fund</u>	<u>FY 2014</u>	<u>FY 2015</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>FY 2018</u>	<u>Comments</u>
HB 115	Creation of a State Debt – Qualified Zone Academy Bonds (Ch. 426)						
	BOND	\$4,549,000	\$0	\$0	\$0	\$0	Bond expenditures increase by same amount.
HB 116/SB 267	See entry for SB 267.						
HB 126	Consumer Protection – Maryland Consumer Protection Act – Scope (Ch. 350)						
	GF	increase	increase	increase	increase	increase	Minimal civil penalty revenues.
HB 128/SB 158	See entry for SB 158.						
HB 164	Department of Health and Mental Hygiene – Regulatory Authority – Permit and Licensing Renewals and Building Plan Reviews (Ch. 84)						
	GF	\$33,000	\$950,000	(\$485,500)	(\$524,500)	\$1,016,000	
HB 180/SB 580	See entry for SB 580.						
HB 182	Business Regulation – Other Tobacco Products Wholesalers – License Fee Exception for Cigarette Subwholesalers (Ch. 86)						
	GF	(\$9,250)	(\$9,250)	(\$9,250)	(\$9,250)	(\$9,250)	
HB 184/SB 484	See entry for SB 484.						
HB 225/SB 273	See entry for SB 273.						
HB 226	Maryland Offshore Wind Energy Act of 2013 (Ch. 3)						
	SF	\$0	\$2,000,000	\$2,000,000	\$2,000,000	\$0	Offshore Business Development Fund.
	SF	\$250,000	\$200,000	\$0	\$0	\$0	Public Utility Regulation Fund – People’s Counsel. SF expenditures increase by same amount.
	SF	\$80,502	\$74,755	\$78,170	\$81,749	\$85,501	Public Utility Regulation Fund – Public Service Commission. SF expenditures increase by same amount.

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	<u>Fund</u>	<u>FY 2014</u>	<u>FY 2015</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>FY 2018</u>	<u>Comments</u>
HB 228	Maryland Health Progress Act of 2013 (Ch. 159)						
	FF	\$398,213,042	\$866,556,993	\$894,162,549	\$890,658,722	\$902,014,436	\$348,600,000 assumed in FY 2014 budget. FF expenditures increase by same amount.
	GF	\$0	(\$24,172,500)	(\$34,430,000)	(\$33,907,000)	(\$34,808,522)	
	SF	\$0	\$24,172,500	\$34,430,000	\$33,907,000	\$34,808,522	SF expenditures increase by same amount.
HB 230	Alcoholic Beverages – Farm Breweries and Micro-Breweries (Ch. 88)						
	GF	increase	increase	increase	increase	increase	Minimal sales tax, alcoholic beverages tax, and license fee revenues.
HB 232	Sales and Use Tax – Exemption – Parent-Teacher Organization Fundraisers (Ch. 609)						
	GF	decrease	decrease	decrease	decrease	decrease	Sales tax revenues.
HB 268	University of Maryland Center for Environmental Science – Joint Graduate Degree Granting Authority (Ch. 95)						
	FF	\$0	\$0	\$0	increase	increase	Potential grant revenues. FF expenditures increase by same amount.
	HE	\$0	\$0	\$0	increase	increase	Tuition revenues. HE expenditures increase by same amount.
HB 301	St. Mary’s County – Alcoholic Beverages – Class 6 Pub-Brewery License (Ch. 364)						
	GF	\$500	\$500	\$500	\$500	\$500	
HB 320/SB 217	See entry for SB 217.						
HB 333	Family Investment Program – Couples Advancing Together Pilot Program (Ch. 367)						
	FF	increase	increase	\$0	\$0	\$0	Potential minimal federal grant revenues.
HB 347	Professional Engineers – Firm Permits (Ch. 613)						
	SF	\$0	\$0	\$50,000	\$0	\$50,000	
HB 348	Unemployment Insurance – Employer Contributions – Application for Refund or Adjustment (Ch. 98)						
	NB	(\$26,250)	(\$35,000)	(\$35,000)	(\$35,000)	(\$35,000)	

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	<u>Fund</u>	<u>FY 2014</u>	<u>FY 2015</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>FY 2018</u>	<u>Comments</u>
HB 349	Business Regulation – Cemeteries – Prohibited Acts and Penalties (Ch. 99)						
	GF	decrease	decrease	decrease	decrease	decrease	Minimal fine revenues.
HB 351	State Athletic Commission – Amateur Mixed Martial Arts and Amateur Kick Boxing – Licensing and Regulation (Ch. 101)						
	GF	\$27,675	\$27,675	\$33,075	\$33,075	\$41,175	
HB 354	Unemployment Insurance – Recovery of Benefits – Monetary Penalty for Fraud (Ch. 103)						
	NB	\$690,000	\$760,000	\$690,000	\$670,000	\$680,000	
HB 361	Health Insurance – Conformity with and Implementation of Federal Patient Protection and Affordable Care Act (Ch. 368)						
	SF	\$5,400	increase	\$5,400	increase	\$0	Minimal fee revenues.
HB 372/SB 202	See entry for SB 202.						
HB 380	Income Tax – Joint Returns – Married Couples (Ch. 617)						
	GF	(\$504,000)	(\$340,000)	(\$343,000)	(\$347,000)	(\$350,000)	
HB 385/SB 27	See entry for SB 27.						
HB 386	Income Tax Credit – Qualified Research and Development Expenses – Credit Amounts and Small Business Refund (Ch. 109)						
	GF	(\$1,147,000)	(\$1,406,000)	(\$1,665,000)	(\$1,582,000)	(\$1,457,000)	
	SF	(\$245,000)	(\$300,000)	(\$356,000)	(\$291,000)	(\$268,000)	Transportation Trust Fund.
	SF	(\$89,000)	(\$109,000)	(\$129,000)	(\$120,000)	(\$110,000)	Higher Education Investment Fund.
HB 392	Motor Vehicle Liability Insurance – Personal Injury Protection Coverage – Prohibition on Premium Increase (Ch. 111)						
	SF	increase	\$0	\$0	\$0	\$0	Minimal form filing fee revenues.
HB 396	Criminal Law – Misuse of Interactive Computer Service (Grace’s Law) (Ch. 369)						
	GF	increase	increase	increase	increase	increase	Minimal fine revenues.
HB 408/SB 404	See entry for SB 404.						

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	<u>Fund</u>	<u>FY 2014</u>	<u>FY 2015</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>FY 2018</u>	<u>Comments</u>
HB 420	Vehicle Laws – Maryland Transportation Authority – Payment of Tolls (Ch. 113)						
	SF	decrease	decrease	decrease	decrease	decrease	Minimal District Court fee revenues – Charles W. Riley Fire and Emergency Medical Services Tuition Reimbursement Program, Maryland State Firemen’s Association, Maryland Emergency Medical Systems Operation Fund, and Volunteer Company Assistance Fund.
	SF	increase	increase	increase	increase	increase	Minimal vehicle penalty revenues – Transportation Trust Fund.
HB 430	Criminal Law – Alcoholic Beverages – Consumption and Possession in Motor Vehicles (Ch. 371)						
	GF	increase	increase	increase	increase	increase	Minimal fine revenues.
HB 431	Insurance – Maryland Insurance Acquisitions Disclosure and Control Act – Revisions (Ch. 115)						
	SF	increase	increase	increase	increase	increase	Civil penalty revenues.
HB 453	Education – Maryland Center for School Safety (Ch. 372)						
	HE	increase	increase	increase	increase	increase	Potential grant revenues.
HB 523/SB 486	See entry for SB 486.						
HB 526	Higher Education – Maryland First Scholarship – Creation and Funding (Ch. 374)						
	HE	increase	increase	increase	increase	increase	Potential Baltimore City Community College tuition revenues.
	SF	\$73,136	\$484,133	\$943,007	\$1,428,887	\$1,751,162	SF expenditures increase by same amount.
HB 583	Unemployment Insurance – Relief from Charges for Overpayment of Benefits – Restrictions (Ch. 121)						
	NB	\$0	\$2,272,000	\$6,058,000	\$9,088,000	\$9,088,000	
HB 613	Sustainable Communities – Designation and Financing (Ch. 624)						
	NB	increase	increase	increase	increase	increase	Potential significant bond revenues.

Legislation Affecting State Revenues

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	<u>Fund</u>	<u>FY 2014</u>	<u>FY 2015</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>FY 2018</u>	<u>Comments</u>
HB 616	Academic Facilities Bonding Authority (Ch. 123)						
	BOND	\$32,000,000	\$0	\$0	\$0	\$0	Authorized in FY 2014 capital budget. Bond expenditures increase by same amount.
HB 621	Maryland Energy Administration – Regulated Sustainable Energy Contract Program (Ch. 625)						
	SF	increase	increase	increase	increase	increase	Potential significant fee revenues.
HB 646	Gaming – Instant Ticket Lottery Machines – Veterans’ Organizations MC 5-13 (Ch. 629)						
	GF	increase	increase	increase	increase	increase	Minimal pull tab machine proceeds.
	SF	decrease	decrease	decrease	decrease	decrease	Minimal Video Lottery Terminal Program revenues.
	SF	\$0	increase	increase	increase	increase	Minimal Maryland Veterans Trust Fund revenues.
HB 702/SB 622	See entry for SB 622.						
HB 706	Natural Resources – Forest Preservation Act of 2013 (Ch. 384)						
	GF/SF	decrease	decrease	decrease	decrease	decrease	Minimal income tax revenues.
	SF	increase	increase	increase	increase	increase	Penalty revenues.
HB 713	Criminal Procedure – Seizure and Forfeiture – Property Used in Human Trafficking (Ch. 636)						
	GF	increase	increase	increase	increase	increase	Minimal seized or forfeited property proceeds.
HB 753/SB 339	See entry for SB 339.						
HB 767/SB 820	See entry for SB 820.						
HB 791	Tax Credits – Electric Vehicles – Extensions (Ch. 389)						
	GF	\$0	decrease	\$0	\$0	\$0	Minimal corporate and personal income tax revenues.
	SF	\$0	decrease	decrease	decrease	decrease	Potential Transportation Trust Fund and Higher Education Investment Fund revenues.
	SF	(\$1,287,000)	decrease	(\$600,000)	(\$600,000)	(\$600,000)	Strategic Energy Investment Fund.

Effect of the 2013 Legislative Program on the Financial Condition of the State

Legislation Affecting State Revenues

	<u>Fund</u>	<u>FY 2014</u>	<u>FY 2015</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>FY 2018</u>	<u>Comments</u>
HB 801	Vehicle Laws – Unlawful Use of Off-Highway Recreational Vehicles – Administrative Penalties (Ch. 641)						
	GF/SF	increase	increase	increase	increase	increase	Minimal license and fee revenues.
HB 803	Income Tax – Business and Economic Development – Cybersecurity Investment Incentive Tax Credit (Ch. 390)						
	SF	\$0	decrease	decrease	decrease	decrease	Transportation Trust Fund and Higher Education Investment Fund revenues.
	GF	\$0	increase	increase	increase	increase	GF transfer revenues increase by corresponding amount.
HB 828	Business Occupations – Oil and Gas Land Professionals – Registration (Ch. 642)						
	GF	increase	increase	increase	increase	increase	Minimal fee revenues.
HB 831/SB 828	See entry for SB 828.						
HB 838/SB 640	See entry for SB 640.						
HB 860	Baltimore City Public Schools Construction and Revitalization Act of 2013 (Ch. 647)						
	GF	\$0	(\$20,000,000)	(\$20,000,000)	(\$20,000,000)	(\$20,000,000)	
HB 921	Correctional Services – Inmate Earnings – Compensation for Victims of Crime (Ch. 652)						
	SF	\$4,624	\$4,624	\$4,624	\$4,624	\$4,624	Criminal Injuries Compensation Fund and potential Victims of Crime Fund. SF expenditures increase by same amount.
HB 935	Public Institutions of Higher Education – In-State Tuition for Military Veterans (Ch. 654)						
	HE	decrease	decrease	decrease	decrease	decrease	Potential significant tuition revenues.
HB 941	Criminal Law – Fraudulent Liens – Prohibition (Ch. 656)						
	GF	increase	increase	increase	increase	increase	Minimal fine revenues.
HB 942/SB 624	See entry for SB 624.						
HB 978	Alcoholic Beverages – Winery Off-Site Permit and Wine Festival Permit (Ch. 396)						
	GF	increase	increase	increase	increase	increase	Minimal permit fee revenues.

Legislation Affecting State Revenues

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	<u>Fund</u>	<u>FY 2014</u>	<u>FY 2015</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>FY 2018</u>	<u>Comments</u>
HB 986	State Board of Pharmacy – Sterile Compounding – Permits (Ch. 397)						
	SF	\$210,000	\$0	\$210,000	\$0	\$210,000	
HB 1012/SB 414	See entry for SB 414.						
HB 1017	Income Tax Credit – Wineries and Vineyards (Ch. 659)						
	GF	\$0	\$425,000	\$425,000	\$431,000	\$431,000	
	SF	\$0	\$55,000	\$55,000	\$49,000	\$49,000	Transportation Trust Fund.
	SF	\$0	\$20,000	\$20,000	\$20,000	\$20,000	Higher Education Investment Fund.
HB 1031/SB 658	See entry for SB 658.						
HB 1088	Business Regulation – Returnable Containers and Returnable Textiles – Revisions (Ch. 146)						
	GF	increase	increase	increase	increase	increase	Minimal fine revenues.
HB 1101	Medical Marijuana – Academic Medical Centers – Natalie M. LaPrade Medical Marijuana Commission (Ch. 403)						
	SF	\$0	\$0	increase	increase	increase	Potential fee revenues. SF expenditures increase by same amount.
HB 1115	Health Occupations Boards – License Renewal, Investigation of Alleged Violations, and Immunity from Liability (Ch. 404)						
	SF	increase	increase	increase	increase	increase	Potential significant fee revenues. SF expenditures may increase by a similar amount.
HB 1140/SB 697	See entry for SB 697.						
HB 1159	Electric Companies – Service Restoration – Special Medical Needs Facilities (Ch. 670)						
	SF	\$25,105	\$42,152	\$44,069	\$46,079	\$48,183	SF expenditures increase by same amount.
HB 1176/SB 461	See entry for SB 461.						
HB 1209/SB 436	See entry for SB 436.						
HB 1216/SB 581	See entry for SB 581.						

Effect of the 2013 Legislative Program on the Financial Condition of the State

Legislation Affecting State Revenues

	<u>Fund</u>	<u>FY 2014</u>	<u>FY 2015</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>FY 2018</u>	<u>Comments</u>
HB 1236/SB 730	See entry for SB 730.						
HB 1301	State Board of Cosmetologists – Limited License – Hairstylist (Ch. 412)						
	GF	increase	increase	increase	increase	increase	Minimal licensing fee revenues.
HB 1303/SB 809	See entry for SB 809.						
HB 1330	Workers’ Compensation – Insurance Coverage – Employer Compliance (Ch. 676)						
	GF	decrease	decrease	decrease	decrease	decrease	Fine revenues.
	SF	increase	increase	increase	increase	increase	Redirection of fine revenues to Uninsured Employers’ Fund.
HB 1390	Maryland Veterans Trust and Fund – Establishment (Ch. 681)						
	NB	increase	increase	increase	increase	increase	Establishment of nonbudgeted fund.
	SF	decrease	decrease	decrease	decrease	decrease	Corresponding repeal of existing special fund.
HB 1396	Criminal Law – Theft-Related Crimes – Penalties (Ch. 415)						
	GF	increase	increase	increase	increase	increase	Minimal fine revenues.
HB 1499	Campaign Finance Reform Act of 2013 (Ch. 419)						
	GF	increase	increase	increase	increase	increase	Penalty and fee revenues.
HB 1513	Public Safety – Response to a State Disaster or Emergency – Licensing and Taxes (Ch. 420)						
	GF/SF	decrease	decrease	decrease	decrease	decrease	Potential minimal income and sales tax revenues.
	NB	decrease	decrease	decrease	decrease	decrease	Potential minimal unemployment insurance contributions.
HB 1515	Transportation Infrastructure Investment Act of 2013 (Ch. 429)						
	BOND	\$0	\$45,000,000	\$65,000,000	\$85,000,000	\$100,000,000	Bond expenditures increase by same amount.
	SF	\$16,685,000	\$16,913,000	\$17,096,000	\$17,370,000	\$17,507,000	MEMSOF – revenues increase by \$1.4 million in FY 2013.
	SF	\$116,129,000	\$202,139,000	\$446,695,000	\$631,876,000	\$667,848,000	Transportation Trust Fund.

Totals by Fund Type/Summary of Quantifiable Revenue Effects

<u>Fund Type</u>	<u>FY 2014</u>	<u>FY 2015</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>FY 2018</u>
GF	\$73,846,723	\$21,564,308	\$11,574,913	\$24,524,739	\$33,764,326
SF	\$148,078,956	\$264,057,117	\$528,569,377	\$714,300,972	\$750,245,274
FF	\$398,370,542	\$866,976,993	\$894,582,549	\$891,078,722	\$902,434,436
BOND	\$36,549,000	\$45,000,000	\$65,000,000	\$85,000,000	\$100,000,000

Legislation Affecting State Expenditures

	<u>Fund Type</u>	<u>Agency</u>	<u>FY 2014</u>	<u>FY 2015</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>FY 2018</u>	<u>Comments</u>
SB 8	Gas Companies – Rate Regulation – Infrastructure Replacement Surcharge (Ch. 161)							
	SF	People’s Counsel	\$450,000	\$151,500	\$153,015	\$154,545	\$156,091	SF revenues increase by same amount.
	SF	Public Srvc. Comm.	\$79,009	\$73,193	\$76,526	\$80,020	\$83,681	SF revenues increase by same amount.
SB 27/HB 385	Chesapeake Conservation Corps Program – Funding Extension (Ch. 434/Ch. 435)							
	GF	Natural Resources	\$0	\$0	\$250,000	\$250,000	\$250,000	
	GF/SF/FF	All or Multiple Agencies	\$0	\$0	\$227,000	\$227,000	\$227,000	
	SF	Natural Resources	\$0	\$0	\$8,900,000	\$8,900,000	\$8,900,000	Environmental Trust Fund revenues continue by same amount.
	SF	Energy Admin.	\$0	\$0	\$250,000	\$250,000	\$250,000	Environmental Trust Fund revenues increase by same amount.
	SF	Chesapeake Bay Trust	\$0	\$0	\$250,000	\$250,000	\$250,000	Environmental Trust Fund revenues increase by same amount.
SB 39	Motor Vehicle Registration – Special Vintage Reproduction Registration Plate (Ch. 170)							
	SF	Transportation	increase	increase	\$0	\$0	\$0	Implementation costs.
SB 47/HB 191	Procurement – Purchase of American Manufactured Goods (Ch. 437/Ch. 438)							
	GF	Gen. Services	\$50,799	\$64,246	\$67,287	\$70,475	\$73,817	
	NB	Transportation	\$50,799	\$64,246	\$67,287	\$70,475	\$73,817	
	SF	Transportation	\$50,799	\$64,246	\$67,287	\$70,475	\$73,817	
SB 55	Private Career Schools – Solicitor Permits – Repeal (Ch. 9)							
	GF	Higher Ed. Comm.	decrease	decrease	decrease	decrease	\$0	Minimal postage expenditures.
SB 58	Adult Education and Literacy Services – High School Diploma by Examination – Eligibility Requirements (Ch. 439)							
	GF	Labor Lic. & Reg.	decrease	decrease	decrease	decrease	decrease	Potential program expenditures.

Legislation Affecting State Expenditures

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	<u>Fund Type</u>	<u>Agency</u>	<u>FY 2014</u>	<u>FY 2015</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>FY 2018</u>	<u>Comments</u>
SB 61	Environment – Public Hearings – Notice Requirement (Ch. 12)							
	SF/FF	Environment	\$0	(\$11,849)	(\$15,956)	(\$16,116)	(\$16,277)	
SB 64	Controlled Hazardous Substance Vehicles – Display of Certificates (Ch. 15)							
	SF	Environment	(\$1,500)	(\$1,500)	(\$1,500)	(\$1,500)	(\$1,500)	
SB 70	Business and Economic Development – Enterprise Fund and Invest Maryland Program (Ch. 175)							
	SF	Bus. & Econ. Dvlpmnt.	increase	increase	increase	increase	increase	Potential Enterprise Fund expenditures. SF revenues increase by same amount.
SB 72	Motor Vehicles – Damage to Highways from Overweight or Oversized Vehicles – Liability and Penalties (Ch. 176)							
	NB/SF	Transportation	decrease	decrease	decrease	decrease	decrease	Potential minimal transportation enforcement costs beginning in FY 2013.
SB 73	Vehicle Laws – Piling, Poles, Mill Logs, and Similar Cargo – Length, Overhang, and Fastening Standards (Ch. 18)							
	GF	State Police	increase	increase	increase	increase	increase	
SB 90	Natural Resources – Vessel Excise Tax – Waterway Improvement Fund (Ch. 180)							
	SF	Natural Resources	\$73,200	\$73,200	\$10,000	\$0	\$0	
SB 139	Health Care Practitioners – Prescription Drug or Device Dispensing – Medical Facilities or Clinics That Specialize in Treatment Reimbursable Through Workers’ Compensation Insurance (Ch. 184)							
	GF	Hlth. & Mental Hyg.	decrease	decrease	decrease	decrease	decrease	Minimal Division of Drug Control inspection costs.
	SF	Hlth. & Mental Hyg.	increase	increase	increase	increase	increase	Minimal State Board of Physicians permits administrative costs.

Effect of the 2013 Legislative Program on the Financial Condition of the State

Legislation Affecting State Expenditures

	<u>Fund Type</u>	<u>Agency</u>	<u>FY 2014</u>	<u>FY 2015</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>FY 2018</u>	<u>Comments</u>
SB 171/HB 196	Election Law – Special Elections – Voting by Mail (Ch. 197/Ch. 198)							
	GF	Election Board, State	indeterminate	indeterminate	indeterminate	indeterminate	indeterminate	Potential election administration costs.
SB 188/HB 1353	Minority Business Enterprises – Participation and Goals and Subgoals (Ch. 200/Ch. 201)							
	SF	Transportation	\$0	(\$1,047,400)	\$708,300	\$352,400	\$0	
SB 190	State Government – Notary Public – Appointment (Ch. 450)							
	GF	Secretary of State	\$24,796	\$29,290	\$30,684	\$32,150	\$33,683	
SB 194	Education – Charter Schools – Study to Recommend Improvements to the Maryland Public Charter School Program (Ch. 451)							
	GF	Education	\$450,000	\$150,000	\$0	\$0	\$0	
SB 199	Real Property – Refinance Mortgage – Priority over Junior Liens (Ch. 205)							
	SF	Housing & Commty Dvlpt.	\$5,400	\$12,600	\$19,800	\$27,000	\$34,200	
SB 212	Vehicle Laws – Registration Plates for Motorcycles – Individuals with Disabilities (Ch. 206)							
	SF	Transportation	\$40,000	\$0	\$0	\$0	\$0	
SB 239	Judgeships – Court of Special Appeals, Circuit Courts, and District Court (Ch. 34)							
	GF	Judiciary	\$3,224,902	\$4,187,486	\$4,350,210	\$4,431,812	\$4,517,458	Included in FY 2014 budget.
SB 243	Maryland Income Tax Refund – Anne Arundel County Warrant Intercept Program – Extension (Ch. 213)							
	GF	Comptroller	increase	increase	increase	increase	increase	Minimal notification expenses.
SB 254/HB 98	State Board of Examiners of Psychologists – License Renewal (Ch. 218/Ch. 219)							
	SF	Hlth. & Mental Hyg.	decrease	decrease	decrease	decrease	decrease	Minimal administrative costs.

Legislation Affecting State Expenditures

	<u>Fund Type</u>	<u>Agency</u>	<u>FY 2014</u>	<u>FY 2015</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>FY 2018</u>	<u>Comments</u>
SB 267/HB 116	Courts and Judicial Proceedings – Interception of Communications – Abuse or Neglect of Vulnerable Adult and Medicaid Fraud (Ch. 38/Ch. 39)							
	GF	Public Sfty. & Corr. Srvcs.	increase	increase	increase	increase	increase	Minimal incarceration costs.
SB 276	Death Penalty Repeal – Substitution of Life Without the Possibility of Parole (Ch. 156)							
	GF	Public Defender	(\$975,000)	(\$1,300,000)	(\$1,300,000)	(\$1,300,000)	(\$1,300,000)	
SB 278/HB 227	Maryland Employment Advancement Right Now (EARN) Program (Ch. 1/Ch. 2)							
	GF	Labor Lic. & Reg.	\$4,500,000	\$4,500,000	\$4,500,000	\$4,500,000	\$4,500,000	Included in FY 2014 budget.
SB 279/HB 224	Election Law – Improving Access to Voting (Ch. 157/Ch. 158)							
	GF	Election Board, State	\$150,711	\$9,736	\$125,860	\$125,770	\$125,672	
	SF	Election Board, State	\$250,000	\$0	\$0	\$0	\$0	
SB 281	Firearm Safety Act of 2013 (Ch. 427)							
	GF	Hlth. & Mental Hyg.	\$432,593	\$567,049	\$591,719	\$617,524	\$644,509	
	GF	Judiciary	\$159,260	\$0	\$0	\$0	\$0	
	GF	Public Sfty. & Corr. Srvcs.	\$421,000	\$0	\$0	\$0	\$0	
	GF	State Police	\$2,357,726	\$1,771,755	\$1,850,761	\$2,132,029	\$2,020,124	Implementation expenditures. FY 2014 budget includes \$4,182,561 to implement the bill and \$450,000 to support the Gun Center.
SB 401/HB 179	Pharmacists – Administration of Vaccinations – Expanded Authority and Reporting Requirements (Ch. 255/Ch. 256)							
	GF	Hlth. & Mental Hyg.	\$60,434	\$71,200	\$74,548	\$78,054	\$81,730	
SB 421/HB 950	Circuit Court Clerks – Salary (Ch. 53/Ch. 54)							
	GF	Judiciary	\$0	\$273,266	\$468,456	\$468,456	\$468,456	

Legislation Affecting State Expenditures

	<u>Fund Type</u>	<u>Agency</u>	<u>FY 2014</u>	<u>FY 2015</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>FY 2018</u>	<u>Comments</u>
SB 431	Higher Education – University System of Maryland – Quasi-Endowments (Ch. 266)							
	HE	Univ. Sys. of MD	increase	increase	increase	increase	increase	Potential USM endowment expenditures.
SB 460/HB 723	Health Occupations – Physician Assistants – Authority to Practice (Ch. 273/Ch. 274)							
	SF	Transportation	\$36,000	\$0	\$0	\$0	\$0	
SB 461/HB 1176	Primary and Secondary Education – Online Courses and Services – Accessibility (Ch. 470/Ch. 471)							
	SF	Education	increase	increase	increase	increase	increase	Contractual costs. SF revenues increase by same amount.
SB 464	Natural Resources – Aquaculture – Shellfish Nursery Permits (Ch. 57)							
	SF	Natural Resources	indeterminate	indeterminate	indeterminate	indeterminate	indeterminate	Minimal permitting expenditures.
SB 474/HB 496	State Retirement and Pension System – Funding Method and Amortization of Unfunded Liabilities or Surpluses (Ch. 475/Ch. 476)							
	FF	All or Multiple Agencies	\$0	(\$1,520,000)	(\$2,160,000)	(\$3,440,000)	(\$5,040,000)	
	GF	All or Multiple Agencies	\$0	(\$15,960,000)	(\$22,680,000)	(\$36,120,000)	(\$52,920,000)	
	SF	All or Multiple Agencies	\$0	(\$1,520,000)	(\$2,160,000)	(\$3,440,000)	(\$5,040,000)	
SB 484/HB 184	Income Tax Credit – Oyster Shell Recycling (Ch. 278/Ch. 279)							
	GF	Comptroller	\$106,320	\$0	\$0	\$0	\$0	
SB 496	Maryland Medical Assistance Program – Telemedicine (Ch. 280)							
	GF	Hlth. & Mental Hyg.	increase	increase	increase	increase	increase	Medicaid expenditures.
	FF	Hlth. & Mental Hyg.	increase	increase	increase	increase	increase	FF revenues increase by a corresponding amount.
SB 505	Criminal Procedure – Bail Bonds – Cash Bail (Ch. 487)							
	GF	Public Sfty. & Corr. Svcs.	decrease	decrease	decrease	decrease	decrease	Minimal pretrial detention costs.

Legislation Affecting State Expenditures

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	<u>Fund Type</u>	<u>Agency</u>	<u>FY 2014</u>	<u>FY 2015</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>FY 2018</u>	<u>Comments</u>
SB 510	Institutions of Higher Education – Fully Online Distance Education Programs – Regulation (Ch. 490)							
	SF	Higher Ed. Comm.	increase	increase	increase	increase	increase	Administrative costs. SF revenues increase by a similar amount.
SB 516	Economic Development – Baltimore Convention Facility – Operating Deficits (Ch. 283)							
	GF	Stadium Authority	\$0	\$1,922,474	\$4,160,297	\$4,279,106	\$4,401,479	
SB 580/HB 180	Medical Marijuana – Caregiver – Affirmative Defense (Ch. 61/Ch. 62)							
	GF	Public Sfty. & Corr. Srvcs.	decrease	decrease	decrease	decrease	decrease	Minimal incarceration costs.
SB 587	Higher Education – Charles W. Riley Firefighter and Ambulance and Rescue Squad Member Scholarship (Ch. 503)							
	GF	Higher Ed. Comm.	\$393,000	\$358,000	\$358,000	\$0	\$0	
SB 610	Health – Overdose Response Program – Establishment (Ch. 299)							
	GF	Hlth. & Mental Hyg.	\$48,682	\$61,315	\$64,226	\$67,279	\$70,481	
SB 624/HB 942	Identity Fraud – Health Information and Health Care Records (Ch. 300/Ch. 301)							
	GF	Public Sfty. & Corr. Srvcs.	increase	increase	increase	increase	increase	Minimal incarceration costs.
SB 632	State Brain Injury Trust Fund (Ch. 511)							
	GF	Hlth. & Mental Hyg.	\$0	\$577,567	\$576,300	\$579,808	\$583,485	
	SF	Hlth. & Mental Hyg.	\$0	\$500,000	\$500,000	\$500,000	\$500,000	SF revenues increase by same amount.
SB 639	Civil Rights Tax Relief Act (Ch. 513)							
	GF	Comptroller	\$34,000	\$0	\$0	\$0	\$0	
SB 640/HB 838	Civil Cases – Maryland Legal Services Corporation Fund – Surcharges – Extension of Termination Date (Ch. 71/Ch. 72)							
	SF	Judiciary	\$5,731,685	\$5,731,685	\$5,731,685	\$5,731,685	\$5,731,685	SF revenues increase by same amount. Included in FY 2014 budget.

Effect of the 2013 Legislative Program on the Financial Condition of the State

Legislation Affecting State Expenditures

	<u>Fund Type</u>	<u>Agency</u>	<u>FY 2014</u>	<u>FY 2015</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>FY 2018</u>	<u>Comments</u>
SB 658/HB 1031	Estate Tax and Income Tax – Marital Deduction and Subtraction Modification for Health Insurance (Ch. 517/Ch. 518)							
	GF	Comptroller	\$32,400	\$0	\$0	\$0	\$0	
SB 675/HB 775	Maryland Pesticide Reporting and Information Workgroup (Ch. 523/Ch. 524)							
	GF	Agriculture	increase	\$0	\$0	\$0	\$0	Contracting costs may exceed \$100,000.
SB 676	Governmental Procedures – Security and Protection of Information (Ch. 304)							
	GF/SF	All or Multiple Agencies	increase	increase	increase	increase	increase	Potential significant notification and security costs.
SB 686	Family Investment Program – Earned Income Disregard Pilot Program (Ch. 526)							
	FF	Human Resources	\$0	\$71,020	\$102,780	\$85,320	\$16,740	
	GF	Human Resources	\$0	\$71,020	\$102,780	\$85,320	\$16,740	
SB 697/HB 1140	Corporations and Associations – Conversions (Ch. 527/Ch. 528)							
	GF	Assessments & Tax.	\$25,000	\$0	\$0	\$0	\$0	
SB 715	Maryland Highway Safety Act of 2013 (Ch. 309)							
	GF	Comptroller	increase	\$0	\$0	\$0	\$0	Potential contractual programming costs.
	GF	Public Sfty. & Corr. Srvcs.	increase	increase	increase	increase	increase	Potential significant incarceration costs.
	SF	Transportation	increase	increase	increase	increase	increase	Significant implementation costs.
SB 740	College and Career Readiness and College Completion Act of 2013 (Ch. 533)							
	GF	Higher Ed. Comm.	\$187,340	\$1,988,392	\$1,999,289	\$1,950,921	\$1,960,245	
SB 745	Public Safety – 9-1-1 Emergency Telephone Systems – Prepaid Service – Collection of Surcharge (Ch. 313)							
	GF	Comptroller	\$263,250	\$0	\$0	\$0	\$0	
	SF	Public Sfty. & Corr. Srvcs.	\$2,000,000	\$4,000,000	\$4,080,000	\$4,160,000	\$4,240,000	SF revenues increase by same amount.

Legislation Affecting State Expenditures

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	<u>Fund Type</u>	<u>Agency</u>	<u>FY 2014</u>	<u>FY 2015</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>FY 2018</u>	<u>Comments</u>
SB 749/HB 1132	Maryland Automobile Insurance Fund – Operational Changes (Ch. 73/Ch. 74)							
	NB	MAIF	increase	increase	increase	increase	increase	Compensation costs.
SB 758/HB 1130	Labor and Employment – Lien for Unpaid Wages – Establishment (Ch. 540/Ch. 541)							
	GF	Labor Lic. & Reg.	\$56,195	\$0	\$0	\$0	\$0	
SB 762/HB 793	Environment – Asbestos Occupation – Training Program and Examination (Ch. 542/Ch. 543)							
	GF/SF	Environment	\$24,000	\$0	\$0	\$0	\$0	
SB 776/HB 934	Telemedicine Task Force – Maryland Health Care Commission (Ch. 319/Ch. 320)							
	SF	Hlth. & Mental Hyg.	\$50,000	increase	\$0	\$0	\$0	Potential minimal administrative costs.
SB 790	Department of Health and Mental Hygiene – Advance Directive Registry – Fee and Date of Operation (Ch. 549)							
	FF	Hlth. & Mental Hyg.	\$75,000	\$0	\$0	\$0	\$0	
	GF	Hlth. & Mental Hyg.	\$96,640	\$121,957	\$138,417	\$180,332	\$191,737	
SB 809/HB 1303	Maryland Legal Services Corporation Funding – Abandoned Property Funds (Ch. 552/Ch. 553)							
	SF	Judiciary	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	SF revenues increase by same amount.
SB 813	State Retirement and Pension System – Service Credit for Unused Sick Leave (Ch. 556)							
	FF	All or Multiple Agencies	\$0	\$0	\$1,600	\$3,600	\$5,400	
	GF	All or Multiple Agencies	\$0	\$0	\$4,800	\$10,800	\$16,200	
	GF	Leg. Services	\$25,000	\$0	\$0	\$0	\$0	
	SF	All or Multiple Agencies	\$0	\$0	\$1,600	\$3,600	\$5,400	
SB 820/HB 767	Animal Welfare – Spay/Neuter Fund – Establishment (Ch. 561/Ch. 562)							
	SF	Agriculture	\$517,500	\$776,250	\$1,035,000	\$1,035,000	\$1,035,000	SF revenues increase by same amount.
	GF	Agriculture	increase	\$0	\$0	\$0	\$0	Potential implementation costs.

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Legislation Affecting State Expenditures

	<u>Fund Type</u>	<u>Agency</u>	<u>FY 2014</u>	<u>FY 2015</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>FY 2018</u>	<u>Comments</u>
SB 828/HB 831	St. Mary's College of Maryland – Tuition Freeze and DeSousa-Brent Scholars Completion Grant (Ch. 563/Ch. 564)							
	GF	Baltimore City Community College	\$45,285	\$95,340	\$104,311	\$106,731	\$114,160	
	GF	Higher Ed. Comm.	\$290,612	\$529,658	\$579,917	\$656,856	\$722,020	
	GF	St. Mary's College	\$1,100,000	\$0	\$1,651,552	\$1,691,189	\$1,731,777	
	SF	St. Mary's College	\$0	\$2,166,000	\$800,000	\$800,000	\$800,000	
SB 846	Courts – Baltimore City Sheriff and Fees for Filing and Service of Process (Ch. 325)							
	GF	Judiciary	\$14,400	\$0	\$0	\$0	\$0	
	SF	Judiciary	\$2,023,500	\$2,023,500	\$2,023,500	\$2,023,500	\$2,023,500	SF revenues increase by same amount.
SB 854	Environment – Gas and Oil Drilling – Financial Assurance (Ch. 568)							
	GF/SF/FF	All or Multiple Agencies	decrease	decrease	decrease	decrease	decrease	Potential environmental remediation costs.
SB 857/HB 1131	Commission on the Establishment of a Maryland Educators Service Memorial (Ch. 569/Ch. 570)							
	GF	Education	\$12,954	\$0	\$0	\$0	\$0	
SB 863	Public Safety – Gas Pipelines – Implementation of Federal Pipeline Safety Laws (Ch. 571)							
	SF/FF	Public Svc. Comm.	increase	increase	increase	increase	increase	Potential significant implementation costs. Aggregate SF and FF revenues increase by same amount.
SB 887	Public Utilities – Solar Photovoltaic Systems (Ch. 572)							
	NB	Public Svc. Comm.	increase	increase	increase	increase	increase	Solar project deposit refunds revenues.
	SF	Energy Administration	\$0	increase	increase	increase	increase	Potential Strategic Energy Investment Fund expenditures of foregone solar project deposits. SF revenues increase by same amount.

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	<u>Fund Type</u>	<u>Agency</u>	<u>FY 2014</u>	<u>FY 2015</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>FY 2018</u>	<u>Comments</u>
SB 897/HB 1297	Consumer Protection – Security Freezes – Children in Foster Care Settings (Ch. 329/Ch. 330)							
	GF/FF	Human Resources	increase	increase	increase	increase	increase	Potential fee payments.
SB 926	Education – State and Local Aid Program for Certification or Renewal of Certification – Sunset Repeal (Ch. 581)							
	GF	Education	\$1,040,000	\$1,040,000	\$1,040,000	\$1,040,000	\$1,040,000	Included in FY 2014 budget.
	SF	Education	\$600,000	\$600,000	\$600,000	\$600,000	\$600,000	SF revenues increase by same amount.
SB 930	Property and Casualty Insurance – Premium Payments – Acceptance on Installment Payment Basis and Premium Finance Agreements (Ch. 334)							
	NB	MAIF	increase	increase	increase	increase	increase	Minimal processing costs. NB revenues increase by similar amount.
SB 942	State Board of Physicians – Consultation, Qualification for Licensure, License Renewal, and Representation to the Public (Ch. 582)							
	SF	Hlth. & Mental Hyg.	decrease	decrease	decrease	decrease	decrease	Minimal administrative costs.
SB 965/HB 1170	Maryland Smart Growth Investment Fund Workgroup (Ch. 592/Ch. 593)							
	GF	Housing & Commtty Dvlpt.	\$75,000	\$0	\$0	\$0	\$0	
SB 1057	Department of Health and Mental Hygiene – Health Care Staff Agencies – Regulation (Ch. 340)							
	GF	Hlth. & Mental Hyg.	\$118,022	\$152,182	\$158,996	\$166,136	\$173,617	Included in FY 2014 budget.
SB 1066/HB 48	Minority Business Enterprises – Not-for-Profit Entities (Ch. 343/Ch. 605)							
	GF	Disabilities	\$0	\$0	\$50,000	\$75,000	\$0	
	GF	Gen. Services	\$39,311	\$72,223	\$75,450	\$78,829	\$82,372	
SB 1067	Commission on the Commemoration of the 100th Anniversary of the Passage of the 19th Amendment to the United States Constitution (Ch. 603)							
	GF	Archives	\$37,609	\$43,738	\$45,641	\$47,640	\$49,726	

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	<u>Fund Type</u>	<u>Agency</u>	<u>FY 2014</u>	<u>FY 2015</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>FY 2018</u>	<u>Comments</u>
SB 1068	Commission to Study the Regulation of Payroll Services (Ch. 344)							
	GF	Comptroller	increase	\$0	\$0	\$0	\$0	Potential minimal staffing and study expenditures.
HB 48/SB 1066	See entry for SB 1066.							
HB 97	Environment – Sediment Control and Stormwater Management Plans – Authority (Ch. 81)							
	GF/SF/FF	All or Multiple Agencies	decrease	decrease	decrease	decrease	decrease	Potential minimal environmental permitting costs.
HB 98/SB 254	See entry for SB 254.							
HB 102	Budget Reconciliation and Financing Act of 2013 (Ch. 425)							
	GF	All or Multiple Agencies	(\$100,000,000)	(90,000,000)	(\$50,000,000)	(\$50,000,000)	(\$50,000,000)	Included in FY 2014 budget.
	GF	Education	\$746,555	(\$1,546,759)	(\$1,563,463)	(\$1,580,335)	(\$1,597,375)	Included in FY 2014 budget.
	GF	Natural Resources	(\$1,217,000)	(\$1,217,000)	\$0	\$0	\$0	Included in FY 2014 budget.
	GF	Payments to Civil Divisions	\$6,372,062	\$6,690,665	\$7,025,198	\$7,376,458	\$7,745,281	Included in FY 2014 budget.
	REIM	Education	\$1,458,671	\$1,670,426	\$1,687,130	\$1,704,002	\$1,721,042	Included in FY 2014 budget.
	SF	Agriculture	(\$18,107,000)	(\$15,828,000)	(\$16,358,000)	(\$17,395,000)	(\$18,059,000)	
	SF	Hlth. & Mental Hyg.	\$50,000	\$0	\$0	\$0	\$0	Included in FY 2014 budget.
	SF	Juvenile Services	\$1,458,671	\$1,670,426	\$1,687,130	\$1,704,002	\$1,721,042	
	SF	Natural Resources	(\$71,091,555)	(\$59,234,000)	(\$61,296,000)	(\$65,376,000)	(\$67,969,000)	
	SF	Transportation	\$15,379,979	\$0	\$0	\$0	\$0	Included in FY 2014 budget.

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	<u>Fund Type</u>	<u>Agency</u>	<u>FY 2014</u>	<u>FY 2015</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>FY 2018</u>	<u>Comments</u>
HB 115	Creation of a State Debt – Qualified Zone Academy Bonds (Ch. 426)							
	BOND	School Construction	\$4,549,000	\$0	\$0	\$0	\$0	Anticipated in FY 2014 capital budget. Bond revenues increase by same amount.
	SF	Debt Service	\$151,633	\$303,267	\$303,267	\$303,267	\$303,267	
HB 116/SB 267	See entry for SB 267.							
HB 126	Consumer Protection – Maryland Consumer Protection Act – Scope (Ch. 350)							
	GF	Attorney General’s Office	\$137,293	\$171,757	\$179,849	\$188,331	\$197,220	
HB 136	State Personnel – Teleworking – Statewide Program and Goals (Ch. 83)							
	GF/SF/FF	All or Multiple Agencies	indeterminate	indeterminate	indeterminate	indeterminate	indeterminate	Potential utility costs.
	GF/SF/FF	All or Multiple Agencies	increase	increase	increase	increase	increase	Potential supplies and equipment costs.
HB 179/SB 401	See entry for SB 401.							
HB 180/SB 580	See entry for SB 580.							
HB 184/SB 484	See entry for SB 484.							
HB 191/SB 47	See entry for SB 47.							
HB 196/SB 171	See entry for SB 171.							
HB 224/SB 279	See entry for SB 279.							

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	<u>Fund Type</u>	<u>Agency</u>	<u>FY 2014</u>	<u>FY 2015</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>FY 2018</u>	<u>Comments</u>
HB 226	Maryland Offshore Wind Energy Act of 2013 (Ch. 3)							
	GF/SF/FF	All or Multiple Agencies	increase	increase	increase	increase	\$2,077,889	Minimal electricity expenditures. Included in FY 2014 budget.
	SF	Energy Administration	\$1,500,000	\$3,500,000	\$3,000,000	\$2,000,000	\$0	SF revenues increase by same amount.
	SF	People's Counsel	\$250,000	\$200,000	\$0	\$0	\$0	\$1,000,000 included in FY 2014 budget.
	SF	Public Srvc. Comm.	\$1,080,502	\$2,074,755	\$78,170	\$81,749	\$85,501	SF revenues increase by approximately \$80,000 annually.
HB 227/SB 278	See entry for SB 278.							
HB 228	Maryland Health Progress Act of 2013 (Ch. 159)							
	FF	Hlth. & Mental Hyg.	\$398,213,042	\$866,566,993	\$894,162,549	\$890,658,722	\$902,014,436	\$348,600,000 included in FY 2014 budget. FF revenues increase by same amount.
	GF	Hlth. & Mental Hyg.	(\$76,337,264)	(\$178,219,790)	(\$183,167,781)	(\$158,601,248)	(\$150,124,450)	\$88,634,000 in savings assumed in FY 2014 budget.
	SF	MD Hlth. Benefit Exchange	\$0	\$24,172,500	\$34,430,000	\$33,907,000	\$34,808,522	SF revenues increase by same amount.
HB 229	State Aid for Public Education – Certification of Net Taxable Income (Ch. 4)							
	GF	Education	\$8,331,568	\$18,595,468	\$31,066,838	\$43,162,801	\$55,902,231	Included in FY 2014 budget.

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	<u>Fund Type</u>	<u>Agency</u>	<u>FY 2014</u>	<u>FY 2015</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>FY 2018</u>	<u>Comments</u>
HB 268	University of Maryland Center for Environmental Science – Joint Graduate Degree Granting Authority (Ch. 95)							
	FF	Univ. Sys. of MD	\$0	\$0	\$0	increase	increase	Potential grant expenditures. FF revenues increase by same amount.
	HE	Univ. Sys. of MD	increase	increase	increase	increase	increase	HE revenues increase by same amount.
HB 333	Family Investment Program – Couples Advancing Together Pilot Program (Ch. 367)							
	FF	Human Resources	\$40,800	\$40,800	\$0	\$0	\$0	
	GF	Human Resources	\$27,200	\$27,200	\$0	\$0	\$0	
HB 347	Professional Engineers – Firm Permits (Ch. 613)							
	SF	Labor Lic. & Reg.	\$3,750	\$15,050	\$15,101	\$5,152	\$5,203	
HB 349	Business Regulation – Cemeteries – Prohibited Acts and Penalties (Ch. 99)							
	GF	Public Sfty. & Corr. Srvcs.	increase	increase	increase	increase	increase	Minimal incarceration costs.
HB 351	State Athletic Commission – Amateur Mixed Martial Arts and Amateur Kick Boxing – Licensing and Regulation (Ch. 101)							
	GF	Labor Lic. & Reg.	\$24,350	\$24,350	\$29,220	\$29,220	\$36,525	
HB 362	Public Ethics – Definition of “Interest” – Mutual Funds (Ch. 615)							
	GF	Ethics Commission	\$500	\$0	\$0	\$0	\$0	
HB 378	Maryland Agricultural Land Preservation Fund – Easement Restriction – Reimbursement (Ch. 108)							
	SF	Agriculture	increase	increase	increase	increase	increase	Potential minimal reimbursement expenses.
HB 385/SB 27	See entry for SB 27.							
HB 396	Criminal Law – Misuse of Interactive Computer Service (Grace’s Law) (Ch. 369)							
	GF	Public Sfty. & Corr. Srvcs.	increase	increase	increase	increase	increase	Minimal incarceration costs.

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	<u>Fund Type</u>	<u>Agency</u>	<u>FY 2014</u>	<u>FY 2015</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>FY 2018</u>	<u>Comments</u>
HB 420	Vehicle Laws – Maryland Transportation Authority – Payment of Tolls (Ch. 113)							
	SF	Transportation	increase	increase	increase	increase	increase	Minimal administrative costs.
HB 453	Education – Maryland Center for School Safety (Ch. 372)							
	GF	Education	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000	
HB 496/SB 474	See entry for SB 474.							
HB 526	Higher Education – Maryland First Scholarship – Creation and Funding (Ch. 374)							
	GF	Higher Ed. Comm.	\$73,136	\$484,133	\$943,007	\$1,428,887	\$1,751,162	SF revenues increase by same amount.
	SF	Higher Ed. Comm.	\$73,136	\$484,133	\$943,007	\$1,428,887	\$1,751,162	
HB 527	Frederick Regional Higher Education Advisory Board (Ch. 375)							
	GF	Higher Ed. Comm.	\$120,000	increase	increase	increase	increase	Included in FY 2014 budget. Potential implementation costs.
HB 560	Public-Private Partnerships (Ch. 5)							
	GF/SF/FF	All or Multiple Agencies	increase	increase	increase	increase	increase	Potential significant construction costs.
HB 572	Natural Resources – Tree Expert License – Qualifications (Ch. 620)							
	SF	Agriculture	\$0	\$0	\$44,738	\$83,921	\$87,772	
HB 583	Unemployment Insurance – Relief from Charges for Overpayment of Benefits – Restrictions (Ch. 121)							
	GF/SF/FF	All or Multiple Agencies	increase	increase	increase	increase	increase	Potential Unemployment Insurance Trust Fund reimbursement expenditures.
HB 613	Sustainable Communities – Designation and Financing (Ch. 624)							
	NB	Bus. & Econ. Dvlpmnt.	increase	increase	increase	increase	increase	Potential significant debt service.

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	<u>Fund Type</u>	<u>Agency</u>	<u>FY 2014</u>	<u>FY 2015</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>FY 2018</u>	<u>Comments</u>
HB 616	Academic Facilities Bonding Authority (Ch. 123)							
	BOND	Univ. Sys. of MD	\$32,000,000	\$0	\$0	\$0	\$0	Anticipated in FY 2014 capital budget. Bond revenues increase by same amount.
	HE	Univ. Sys. of MD	\$0	\$2,660,000	\$2,660,000	\$2,660,000	\$2,660,000	
HB 621	Maryland Energy Administration – Regulated Sustainable Energy Contract Program (Ch. 625)							
	SF	Energy Administration	increase	increase	increase	increase	increase	Potential significant contractual services and staffing costs.
HB 650	Washington Suburban Sanitary Commission – Prevailing Wage MC/PG 112-13 (Ch. 630)							
	GF	Labor Lic. & Reg.	\$92,875	\$116,155	\$121,391	\$126,882	\$132,639	
HB 665	State Personnel – Law Enforcement Employees – Extra Compensation (Ch. 131)							
	FF	All or Multiple Agencies	\$7,222	\$7,539	\$7,871	\$8,217	\$8,579	
	GF	All or Multiple Agencies	\$21,664	\$22,618	\$23,613	\$24,652	\$25,737	
	SF	All or Multiple Agencies	\$7,222	\$7,539	\$7,871	\$8,217	\$8,579	
HB 687	Commission on Child Custody Decision Making (Ch. 633)							
	GF	Judiciary	\$137,145	\$76,595	\$0	\$0	\$0	
HB 706	Natural Resources – Forest Preservation Act of 2013 (Ch. 384)							
	SF/FF	Transportation	decrease	decrease	decrease	decrease	decrease	Forest Conservation Act compliance costs.
HB 723/SB 460	See entry for SB 460.							
HB 767/SB 820	See entry for SB 820.							
HB 775/SB 675	See entry for SB 675.							
HB 793/SB 762	See entry for SB 762.							

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	<u>Fund Type</u>	<u>Agency</u>	<u>FY 2014</u>	<u>FY 2015</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>FY 2018</u>	<u>Comments</u>
HB 797	Transportation Projects – Transportation Facilities – Water Access (Ch. 140)							
	NB/SF	Transportation	increase	increase	increase	increase	increase	Potential significant implementation costs.
HB 801	Vehicle Laws – Unlawful Use of Off-Highway Recreational Vehicles – Administrative Penalties (Ch. 641)							
	SF	Transportation	\$70,000	increase	increase	increase	increase	Minimal administrative hearing costs.
HB 803	Income Tax – Business and Economic Development – Cybersecurity Investment Incentive Tax Credit (Ch. 390)							
	GF	Bus. & Econ. Dvlpmt.	\$3,000,000	\$2,000,000	\$2,000,000	\$2,000,000	\$2,000,000	Included in FY 2014 budget.
	GF	Comptroller	\$103,400	\$0	\$0	\$0	\$0	
HB 806	Health Occupations – State Board of Social Work Examiners – Revisions (Ch. 391)							
	SF	Hlth. & Mental Hyg.	decrease	decrease	decrease	decrease	decrease	Minimal administrative costs.
HB 828	Business Occupations – Oil and Gas Land Professionals – Registration (Ch. 642)							
	GF	Labor Lic. & Reg.	\$21,520	increase	increase	increase	increase	Staffing and programming costs.
HB 830	Alternatives to the General Educational Development Tests – Study (Ch. 141)							
	GF	Labor Lic. & Reg.	\$16,145	\$0	\$0	\$0	\$0	
HB 831/SB 828	See entry for SB 828.							
HB 838/SB 640	See entry for SB 640.							
HB 860	Baltimore City Public Schools Construction and Revitalization Act of 2013 (Ch. 647)							
	GF	Education	\$70,538	\$91,590	\$95,833	\$100,276	\$104,931	\$90,418 included in FY 2014 budget.
	GF	Gen. Services	\$147,300	\$147,300	\$147,300	\$147,300	\$147,300	
	GF	Planning, Office of	\$60,000	\$0	\$0	\$0	\$0	
	GF	School Construction	\$94,913	\$94,014	\$98,281	\$102,749	\$107,428	

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	<u>Fund Type</u>	<u>Agency</u>	<u>FY 2014</u>	<u>FY 2015</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>FY 2018</u>	<u>Comments</u>
HB 895	Education – Howard County Library System – Collective Bargaining Ho. Co. 3-13 (Ch. 648)							
	GF	Education	\$0	\$0	\$0	increase	increase	Potential retirement costs.
HB 902	State Police Retirement System – Reemployment of Retirees (Ch. 649)							
	GF	State Police	\$0	increase	increase	increase	increase	Minimal pension liabilities and contributions.
HB 916	Juvenile Law – Dispositions – Placement Guidance (Ch. 651)							
	GF	Juvenile Services	decrease	decrease	decrease	decrease	decrease	Potential significant out-of-home placement costs.
HB 921	Correctional Services – Inmate Earnings – Compensation for Victims of Crime (Ch. 652)							
	SF	All or Multiple Agencies	\$4,624	\$4,624	\$4,624	\$4,624	\$4,624	Criminal Injuries Compensation Fund and potential State Victims of Crime Fund. SF revenues increase by same amount.
HB 934/SB 776	See entry for SB 776.							
HB 936	Natural Resources – Maryland Botanical Heritage Workgroup (Ch. 655)							
	SF	Natural Resources	\$42,491	\$0	\$0	\$0	\$0	SF expenditures increase by \$16,069 in FY 2013.
HB 941	Criminal Law – Fraudulent Liens – Prohibition (Ch. 656)							
	GF	Public Sfty. & Corr. Svcs.	increase	increase	increase	increase	increase	Minimal incarceration costs.
HB 942/SB 624	See entry for SB 624.							
HB 950/SB 421	See entry for SB 421.							

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	<u>Fund Type</u>	<u>Agency</u>	<u>FY 2014</u>	<u>FY 2015</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>FY 2018</u>	<u>Comments</u>
HB 963	Edward T. Conroy and Jean B. Cryor Memorial Scholarship Programs (Ch. 395)							
	GF	Higher Ed. Comm.	increase	increase	increase	increase	increase	Potential minimal tuition assistance.
HB 964	Community Colleges – Grants for English for Speakers of Other Languages Programs (Ch. 658)							
	GF	Baltimore City	\$0	\$0	\$65,128	\$151,616	\$245,128	
		Community College						
	GF	Higher Ed. Comm.	\$0	\$0	\$134,648	\$613,768	\$1,130,288	
HB 986	State Board of Pharmacy – Sterile Compounding – Permits (Ch. 397)							
	SF	Hlth. & Mental Hyg.	\$363,325	\$333,747	\$349,029	\$365,035	\$381,804	
HB 1009	Cosmetic Surgical Facilities – Regulation (Ch. 398)							
	GF	Hlth. & Mental Hyg.	increase	increase	increase	increase	increase	Administrative costs.
HB 1017	Income Tax Credit – Wineries and Vineyards (Ch. 659)							
	GF	Comptroller	\$106,320	\$0	\$0	\$0	\$0	
HB 1031/SB 658	See entry for SB 658.							
HB 1088	Business Regulation – Returnable Containers and Returnable Textiles – Revisions (Ch. 146)							
	GF	Public Sfty. & Corr. Srvcs.	increase	increase	increase	increase	increase	Minimal incarceration costs.
HB 1096	State Board of Physicians and Allied Health Advisory Committees – Sunset Extension and Program Evaluation (Ch. 401)							
	SF	Hlth. & Mental Hyg.	\$5,110	\$5,161	\$5,213	\$5,265	\$5,317	
HB 1101	Medical Marijuana – Academic Medical Centers – Natalie M. LaPrade Medical Marijuana Commission (Ch. 403)							
	GF	Hlth. & Mental Hyg.	\$343,437	\$745,725	\$0	\$0	\$0	\$125,000 included in FY 2014 budget.
	GF/SF	Hlth. & Mental Hyg.	\$0	\$0	\$508,120	\$525,881	\$544,426	
HB 1107	Prince George’s County – School System – Academic Revitalization and Management Effectiveness Initiative PG 411-13 (Ch. 147)							
	GF	Election Board, State	decrease	decrease	decrease	decrease	decrease	Potential election costs.

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	<u>Fund Type</u>	<u>Agency</u>	<u>FY 2014</u>	<u>FY 2015</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>FY 2018</u>	<u>Comments</u>
HB 1115	Health Occupations Boards – License Renewal, Investigation of Alleged Violations, and Immunity from Liability (Ch. 404)							
	SF	Hlth. & Mental Hyg.	increase	increase	increase	increase	increase	Potential significant administrative costs. SF revenues may increase by a similar amount.
HB 1130/SB 758	See entry for SB 758.							
HB 1131/SB 857	See entry for SB 857.							
HB 1132/SB 749	See entry for SB 749.							
HB 1140/SB 697	See entry for SB 697.							
HB 1159	Electric Companies – Service Restoration – Special Medical Needs Facilities (Ch. 670)							
	SF	Public Srvc. Comm.	\$25,105	\$42,152	\$44,069	\$46,079	\$48,183	SF revenues increase by same amount.
HB 1170/SB 965	See entry for SB 965.							
HB 1176/SB 461	See entry for SB 461.							
HB 1205	Study of Captive Insurers (Ch. 407)							
	SF	Insur. Admin.	increase	\$0	\$0	\$0	\$0	Significant consultant costs.
HB 1297/SB 897	See entry for SB 897.							
HB 1301	State Board of Cosmetologists – Limited License – Hairstylist (Ch. 412)							
	GF	Labor Lic. & Reg.	\$62,642	\$61,002	\$63,818	\$66,770	\$69,865	
HB 1303/SB 809	See entry for SB 809.							

Effect of the 2013 Legislative Program on the Financial Condition of the State

Legislation Affecting State Expenditures

	<u>Fund Type</u>	<u>Agency</u>	<u>FY 2014</u>	<u>FY 2015</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>FY 2018</u>	<u>Comments</u>
HB 1313	State Board of Physicians – Consultation, Qualification for Licensure, License Renewal, and Representation to the Public (Ch. 583)							
	SF	Hlth. & Mental Hyg.	decrease	decrease	decrease	decrease	decrease	Minimal administrative costs.
HB 1353/SB 188	See entry for SB 188.							
HB 1390	Maryland Veterans Trust and Fund – Establishment (Ch. 681)							
	NB	Veterans Affairs	increase	increase	increase	increase	increase	Establishment of nonbudgeted fund.
	SF	Veterans Affairs	decrease	decrease	decrease	decrease	decrease	Corresponding repeal of existing special fund.
	GF	Public Sfty. & Corr. Srvcs.	decrease	decrease	decrease	decrease	decrease	Minimal incarceration costs.
HB 1499	Campaign Finance Reform Act of 2013 (Ch. 419)							
	GF	Election Board, State	\$313,963	\$343,468	\$269,816	\$281,719	\$294,204	
	GF	State Prosecutor	\$121,338	\$155,836	\$163,119	\$170,752	\$178,749	
HB 1515	Transportation Infrastructure Investment Act of 2013 (Ch. 429)							
	BOND	Transportation	\$0	\$45,000,000	\$65,000,000	\$85,000,000	\$100,000,000	Bond revenues increase by same amount.
	SF	MIEMSS	\$5,606,000	\$15,585,000	\$8,731,000	\$10,567,000	\$10,722,000	MEMSOF.
	SF	Transportation	\$650,000	(\$25,800,000)	(\$18,600,000)	(\$11,900,000)	(\$11,900,000)	Transportation Trust Fund.
	GF	All or Multiple Agencies	increase	\$2,300,000	\$5,500,000	\$12,300,000	\$21,000,000	Debt service costs (Annuity Bond Fund).

Expenditures by Agency

<u>Agency</u>	<u>Fund</u>	<u>FY 2014</u>	<u>FY 2015</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>FY 2018</u>
Agriculture	SF	(\$17,589,500)	(\$15,051,750)	(\$15,278,262)	(\$16,276,079)	(\$16,936,228)
All or Multiple Agencies	GF	(\$99,978,336)	(\$105,937,382)	(\$72,515,387)	(\$85,948,348)	(\$101,495,130)
	SF	\$11,846	(\$1,507,837)	(\$2,100,505)	(\$3,378,159)	(\$4,560,419)
	FF	\$7,222	(\$1,512,461)	(\$2,105,129)	(\$3,382,783)	(\$4,565,043)
Archives	GF	\$37,609	\$43,738	\$45,641	\$47,640	\$49,726
Assessments & Taxation	GF	\$25,000	\$0	\$0	\$0	\$0
Attorney General's Office	GF	\$137,293	\$171,757	\$179,849	\$188,331	\$197,220
Baltimore City Community College	GF	\$45,285	\$95,340	\$169,439	\$258,347	\$359,288
Business & Economic Development	GF	\$3,000,000	\$2,000,000	\$2,000,000	\$2,000,000	\$2,000,000
Chesapeake Bay Trust	SF	\$0	\$0	\$250,000	\$250,000	\$250,000
Comptroller	GF	\$570,330	\$0	\$0	\$0	\$0
Debt Service	GF	\$0	\$2,300,000	\$5,500,000	\$12,300,000	\$21,000,000
	SF	\$151,633	\$303,267	\$303,267	\$303,267	\$303,267
Disabilities	GF	\$0	\$0	\$50,000	\$75,000	\$0

Expenditures by Agency (cont'd)

<u>Agency</u>	<u>Fund</u>	<u>FY 2014</u>	<u>FY 2015</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>FY 2018</u>
Education						
	GF	\$11,151,615	\$18,830,299	\$31,139,208	\$43,222,742	\$55,949,787
	SF	\$600,000	\$600,000	\$600,000	\$600,000	\$600,000
	REIM	\$1,458,671	\$1,670,426	\$1,687,130	\$1,704,002	\$1,721,042
Election Board						
	GF	\$464,674	\$353,204	\$395,676	\$407,489	\$419,876
	SF	\$250,000	\$0	\$0	\$0	\$0
Energy Administration						
	SF	\$1,500,000	\$3,500,000	\$3,250,000	\$2,250,000	\$250,000
Environment						
	GF	\$24,000	\$0	\$0	\$0	\$0
	SF	(\$1,500)	(\$9,794)	(\$12,669)	(\$12,781)	(\$12,894)
	FF	\$0	(\$3,555)	(\$4,787)	(\$4,835)	(\$4,883)
Ethics Commission						
	GF	\$500	\$0	\$0	\$0	\$0
General Services						
	GF	\$237,410	\$283,769	\$290,037	\$296,604	\$303,489
Health & Mental Hygiene						
	GF	(\$75,237,456)	(\$175,922,795)	(\$181,055,455)	(\$156,386,234)	(\$147,834,465)
	SF	\$468,435	\$838,908	\$854,242	\$870,300	\$887,121
	FF	\$398,288,042	\$866,566,993	\$894,162,549	\$890,658,722	\$902,014,436
Higher Education Commission						
	GF	\$1,064,088	\$3,360,183	\$4,014,861	\$4,650,432	\$5,563,715
	SF	\$73,136	\$484,133	\$943,007	\$1,428,887	\$1,751,162
Housing & Community Development						
	GF	\$75,000	\$0	\$0	\$0	\$0
	SF	\$5,400	\$12,600	\$19,800	\$27,000	\$34,200

Expenditures by Agency (cont'd)

<u>Agency</u>	<u>Fund</u>	<u>FY 2014</u>	<u>FY 2015</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>FY 2018</u>
Human Resources						
	GF	\$27,200	\$98,220	\$102,780	\$85,320	\$16,740
	FF	\$40,800	\$111,820	\$102,780	\$85,320	\$16,740
Judiciary						
	GF	\$3,535,707	\$4,537,347	\$4,818,666	\$4,900,268	\$4,985,914
	SF	\$8,755,185	\$8,755,185	\$8,755,185	\$8,755,185	\$8,755,185
Juvenile Services						
	SF	\$1,458,671	\$1,670,426	\$1,687,130	\$1,704,002	\$1,721,042
Labor, Licensing, & Regulation						
	GF	\$4,773,727	\$4,701,507	\$4,714,429	\$4,722,872	\$4,739,029
	SF	\$3,750	\$15,050	\$15,101	\$5,152	\$5,203
Legislative Services						
	GF	\$25,000	\$0	\$0	\$0	\$0
Maryland Health Benefit Exchange						
	SF	\$0	\$24,172,500	\$34,430,000	\$33,907,000	\$34,808,522
MIEMSS						
	SF	\$5,606,000	\$15,585,000	\$8,731,000	\$10,567,000	\$10,722,000
Natural Resources						
	GF	(\$1,217,000)	(\$1,217,000)	\$250,000	\$250,000	\$250,000
	SF	(\$70,975,864)	(\$59,160,800)	(\$52,386,000)	(\$56,476,000)	(\$59,069,000)
Payments to Civil Divisions						
	GF	\$6,372,062	\$6,690,665	\$7,025,198	\$7,376,458	\$7,745,281
People's Counsel						
	SF	\$700,000	\$351,500	\$153,015	\$154,545	\$156,091
Planning						
	GF	\$60,000	\$0	\$0	\$0	\$0

Expenditures by Agency (cont'd)

<u>Agency</u>	<u>Fund</u>	<u>FY 2014</u>	<u>FY 2015</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>FY 2018</u>
Public Defender						
	GF	(\$975,000)	(\$1,300,000)	(\$1,300,000)	(\$1,300,000)	(\$1,300,000)
Public Safety & Correctional Services						
	GF	\$421,000	\$0	\$0	\$0	\$0
	SF	\$2,000,000	\$4,000,000	\$4,080,000	\$4,160,000	\$4,240,000
Public Service Commission						
	SF	\$1,184,616	\$2,190,100	\$198,765	\$207,848	\$217,365
School Construction						
	GF	\$94,913	\$94,014	\$98,281	\$102,749	\$107,428
	BOND	\$4,549,000	\$0	\$0	\$0	\$0
Secretary of State						
	GF	\$24,796	\$29,290	\$30,684	\$32,150	\$33,683
St. Mary's College						
	GF	\$1,100,000	\$0	\$1,651,552	\$1,691,189	\$1,731,777
	SF	\$0	\$2,166,000	\$800,000	\$800,000	\$800,000
Stadium Authority						
	GF	\$0	\$1,922,474	\$4,160,297	\$4,279,106	\$4,401,479
State Police						
	GF	\$2,357,726	\$1,771,755	\$1,850,761	\$2,132,029	\$2,020,124
State Prosecutor						
	GF	\$121,338	\$155,836	\$163,119	\$170,752	\$178,749
Transportation						
	SF	\$16,226,778	(\$26,783,154)	(\$17,824,413)	(\$11,477,125)	(\$11,826,183)
	NB	\$50,799	\$64,246	\$67,287	\$70,475	\$73,817
	BOND	\$0	\$45,000,000	\$65,000,000	\$85,000,000	\$100,000,000
University System of Maryland						
	HE	\$0	\$2,660,000	\$2,660,000	\$2,660,000	\$2,660,000
	BOND	\$32,000,000	\$0	\$0	\$0	\$0

Totals by Fund Type/Summary of Quantifiable Expenditure Effects

<u>Fund Type</u>	<u>FY 2014</u>	<u>FY 2015</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>FY 2018</u>
GF	(\$141,661,519) ¹	(\$236,937,779)	(\$186,220,364)	(\$154,445,104)	(\$138,576,289)
SF	(\$49,571,414) ²	(\$37,868,666)	(\$22,531,337)	(\$21,629,958)	(\$26,903,566)
FF	\$398,336,064 ³	\$865,162,797	\$892,155,413	\$887,356,424	\$897,461,250
BOND	\$36,549,000 ⁴	\$45,000,000	65,000,000	\$85,000,000	\$100,000,000

¹ \$18,163,228 is not included in the fiscal 2014 budget.

² \$16,015,477 is not included in the fiscal 2014 budget.

³ \$50,336,064 is not included in the fiscal 2014 budget.

⁴ \$0 is not included in the fiscal 2014 budget.

Regular Positions Needed by Agency

<u>Agency</u>	<u>Fund</u>	<u>Beginning in FY 2014</u>	<u>Beginning in FY 2015</u>
Agriculture	SF	1.0	0
Attorney General's Office	GF	2.5	0
Education	GF	1.0	0
Election Board	GF	4.0	0
General Services	GF	2.0	0
Health & Mental Hygiene	GF	11.5	2.0
	SF	4.0	0
	GF/SF	0	0
Higher Education Commission	GF	2.0	0
	SF	1.0	0
Judiciary	GF	31.0	0
Labor, Licensing, & Regulation	GF	3.0	0
Public Service Commission	SF	2.5	0
School Construction	GF	1.0	0
Secretary of State	GF	0.5	0
State Police	GF	20.0	0
State Prosecutor	GF	2.0	0
Transportation	SF	2.0	0
Total		91.0	2.0

Contractual Positions Needed by Agency

<u>Agency</u>	<u>Fund</u>	<u>Beginning in FY 2014</u>	<u>Beginning in FY 2015</u>
Archives	GFC	0.5	0
Education	GFC	0.5	(0.5)
Health & Mental Hygiene	GFC	2.0	0
Higher Education Commission	GFC	1.0	0
Judiciary	GFC	6.0	(2.0)
Labor, Licensing, & Regulation	GFC	1.8	0.5
Natural Resources	SFC	0	(2.0)
Total		11.8	(4.0)

Chapter Four – Local Government

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

State Aid to Local Governments

Overview

State aid to local governments will total \$7.0 billion in fiscal 2014, representing a \$303.3 million, or 4.5% increase from the prior year. Direct aid will increase by \$196.7 million, and State funding for retirement payments will increase by \$106.6 million. Local school systems, as in prior years, will receive the largest increase in State funding. However, funding to county and municipal governments will also increase by a considerable amount in fiscal 2014. Over the last four years, State aid to local school systems has increased by \$450.6 million, while funding to county and municipal governments has increased by \$134.5 million. **Exhibit 4.1** compares State aid by governmental entity in fiscal 2013 and 2014. **Exhibit 4.2** shows the annual change in State aid over the last four years.

Exhibit 4.1
State Aid to Local Governments
Fiscal 2013 and 2014
(\$ in Millions)

	<u>2013</u>	<u>2014</u>	<u>Difference</u>	<u>% Difference</u>
Public Schools	\$5,085.7	\$5,197.9	\$112.2	2.2%
Libraries	49.7	50.2	0.5	1.0%
Community Colleges	235.1	243.3	8.1	3.4%
Health	38.1	40.0	2.0	5.3%
County/Municipal	457.8	531.7	73.9	16.1%
Subtotal – Direct Aid	\$5,866.4	\$6,063.1	\$196.7	3.4%
Retirement Payments	809.9	916.5	106.6	13.2%
Total	\$6,676.3	\$6,979.5	\$303.3	4.5%

Source: Department of Legislative Services

Exhibit 4.2
Annual Change in State Aid
Fiscal 2011-2014
(\$ in Millions)

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>Total</u>
Public Schools	\$117.8	\$80.5	\$140.2	\$112.2	\$450.6
Libraries	-0.1	0.1	0.9	0.5	1.4
Community Colleges	-2.5	6.0	4.7	8.1	16.3
Health	0.0	1.0	-0.2	2.0	2.8
County/Municipal	-16.5	5.2	71.9	73.9	134.5
Subtotal – Direct Aid	\$98.6	\$92.9	\$217.5	\$196.7	\$605.6
Retirement Payments	96.4	-18.1	-71.8	106.6	113.1
Total	\$195.0	\$74.8	\$145.7	\$303.3	\$718.7

Source: Department of Legislative Services

Legislative Actions

The General Assembly approved several measures during the 2013 session that affect State funding for local governments. As shown in **Exhibit 4.3**, legislative increases in statutorily mandated State aid and budgetary enhancements to discretionary aid programs total \$43.8 million. This increase is offset by a reduction in the statutory funding for Program Open Space (POS). The legislative actions and budgetary enhancements that result in the \$20.0 million net increase are shown for each county in **Exhibit 4.4**.

Exhibit 4.3
State Aid Enhancements and Reduction
Fiscal 2014
(\$ in Millions)

Enhanced Public School Funding

Net Taxable Income Allocation	\$8.3
Digital Learning Innovation Fund	3.5
Foundation Program – Special Grants	2.1
Aging Schools Program	2.0
Early College Innovation Fund	2.0
Maryland Meals for Achievement – School Breakfast Program	1.8
Adult Education	1.5
Science and Mathematics Education Initiative	0.3
<i>Subtotal</i>	<i>\$21.5</i>

Enhanced County/Municipal Government Funding

Municipal Transportation Grants	\$15.4
Disparity Grants	6.4
State’s Attorney Grant	0.5
<i>Subtotal</i>	<i>\$22.3</i>

Total Enhanced State Funding	\$43.8
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Reduction to Local Program Open Space*	-\$23.7
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Net Effect on State Funding to Local Governments	\$20.0
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*Under the Administration’s budget plan, the reduction is replaced with general obligation bonds in subsequent years.

Exhibit 4.4
State Aid Enhancements and Contingent Reduction
Fiscal 2014

County	Net Taxable Income Grant	Foundation Special Grants	School Breakfast	Other Education Aid ¹	Municipal Transportation	Disparity Grants	State's Attorney Grant	Program Open Space ²	Total
Allegany	\$311,022	\$0	\$26,000	\$0	\$778,893	\$0	\$0	-\$264,000	\$851,915
Anne Arundel	574,459	0	162,000	0	668,658	0	0	-2,858,000	-1,452,883
Baltimore City	0	0	0	0	0	0	0	-1,892,000	-1,892,000
Baltimore	0	0	106,000	2,000,000	0	0	0	-3,225,000	-1,119,000
Calvert	241,825	0	0	0	190,916	0	0	-284,000	148,741
Caroline	171,035	0	39,000	0	275,672	0	0	-125,000	360,707
Carroll	384,283	750,732	0	0	893,747	0	0	-640,000	1,388,762
Cecil	414,167	0	16,000	0	431,024	299,498	0	-330,000	830,689
Charles	863,706	0	28,000	0	255,484	0	0	-583,000	564,190
Dorchester	140,776	0	0	0	311,986	0	0	-107,000	345,762
Frederick	469,554	0	0	0	1,698,759	0	0	-673,000	1,495,313
Garrett	87,005	297,993	34,000	0	257,194	0	0	-133,000	543,192
Harford	589,164	935,788	0	0	735,327	0	0	-951,000	1,309,279
Howard	0	0	128,000	0	0	0	0	-1,706,000	-1,578,000
Kent	42,171	97,046	27,000	0	160,616	69,789	0	-80,000	316,622
Montgomery	0	0	1,111,000	0	2,457,125	0	0	-4,314,000	-745,875
Prince George's	2,532,291	0	32,000	0	3,152,843	0	500,000	-3,644,000	2,573,134
Queen Anne's	71,040	0	0	0	106,891	0	0	-174,000	3,931
St. Mary's	311,307	0	0	0	53,081	0	0	-323,000	41,388
Somerset	101,023	0	10,000	0	119,057	0	0	-77,000	153,080
Talbot	0	0	14,000	0	424,637	0	0	-182,000	256,637
Washington	648,228	0	63,000	0	1,015,695	1,545,973	0	-502,000	2,770,896
Wicomico	372,344	0	4,000	0	865,812	4,456,802	0	-335,000	5,363,958
Worcester	0	0	0	0	526,562	0	0	-325,000	201,562
Unallocated	0	0	0	7,300,000	0	0	0	-620	7,299,380
Total	\$8,325,400	\$2,081,559	\$1,800,000	\$9,300,000	\$15,379,979	\$6,372,062	\$500,000	-\$23,727,620	\$20,031,380

Note: ¹Other Education Aid includes \$3.5 million for the Digital Learning Innovation Fund; \$2.0 million for the Aging Schools Program (Baltimore County); \$2.0 million for the Early College Innovation Fund; \$1.5 million for Adult Education; and \$0.3 million for the Science and Mathematics Education Initiative. ²Under the Administration's budget plan, the reduction is replaced with general obligation bonds in subsequent years.

Enhanced Education Aid

Under **House Bill 229 (Chapter 4)** State education aid formulas that include a local wealth component are to be calculated twice, once using a net taxable income (NTI) amount in September and once using an NTI amount from November. Local school systems receive the greater State aid amount resulting from the two calculations. The increase is phased in over five years, beginning in fiscal 2014. Fiscal 2014 funding under the legislation totals \$8.3 million. Under the fiscal 2014 budget, **House Bill 100 (Chapter 423)**, and the Budget Reconciliation and Financing Act of 2013 (BRFA), **House Bill 102 (Chapter 425)**, grants will be provided in fiscal 2014 to counties where certain direct education aid decreases by at least 1% from fiscal 2013; the grants restore 25% of the decrease in specified direct education aid for the affected counties. This provision results in increased aid for Carroll, Garrett, Harford, and Kent counties totaling \$2.1 million. The operating budget provides \$3.5 million and \$2.0 million, respectively, to local school systems through two new programs, the Digital Learning Innovation Fund and the Early College Innovation Fund, and includes \$1.8 million in enhanced funding for the Maryland Meals for Achievement School Breakfast Program, \$1.5 million in enhanced funding for adult education programs, and \$300,000 in enhanced funding for the Science and Mathematics Education Initiative. The capital budget, **House Bill 101 (Chapter 424)**, includes a \$2.0 million enhancement to the Aging Schools Program, bringing fiscal 2014 funding to a total of \$8.1 million.

Aid to County and Municipal Governments

The BRFA of 2013 includes \$15.4 million in fiscal 2014 to fund transportation grants to municipal governments. This funding will be in addition to funding for municipalities through the highway user revenue (HUR) formula. The BRFA of 2013 also modifies the disparity grant formula to add a minimum grant amount based on the local tax effort of eligible counties and raises from 2.4 to 2.6% the local income tax rate required to be eligible to receive a grant. This program modification increases State aid to four counties in fiscal 2014 and increases disparity grant funding by \$6.4 million over the previously required amount. The fiscal 2014 budget also adds \$500,000 to the Prince George's County State's Attorney Office to prosecute violent, repeat, and chronic offenders. This enhancement results in total funding of \$850,000 for this initiative. In fiscal 2014, a total of \$23.7 million is transferred from the POS local share, leaving \$29.7 million for fiscal 2014. Under the Administration's budget plan, all of the transferred POS local funds would be replaced with general obligation (GO) bonds in fiscal 2015 and 2016.

Changes by Program

Eighteen counties will receive increased direct State aid in fiscal 2014, while six counties will receive decreased State aid. When including State retirement payments, all jurisdictions will realize an increase in State aid in fiscal 2014. **Exhibit 4.5** summarizes the distribution of direct aid by governmental unit and shows the estimated State retirement payments for local government employees. **Exhibit 4.6** shows total State aid in fiscal 2013 and 2014 by program.

Exhibit 4.5
State Assistance to Local Governments
Fiscal 2014 Legislative Appropriation
(\$ in Thousands)

County	County – Municipal	Community Colleges	<i>Direct State Aid</i>				Retirement	Total	Change Over FY 2013	Percent Change
			Public Schools	Libraries	Health	Subtotal				
Allegany	\$13,051	\$6,039	\$76,006	\$753	\$977	\$96,827	\$11,199	\$108,026	\$3,609	3.5%
Anne Arundel	37,006	30,516	323,554	2,126	3,375	396,577	78,163	474,740	29,615	6.7%
Baltimore City	246,689	0	914,222	6,035	7,163	1,174,109	84,784	1,258,894	42,875	3.5%
Baltimore	22,493	39,982	579,217	5,250	4,621	651,564	110,452	762,016	43,990	6.1%
Calvert	4,122	2,369	81,102	379	399	88,371	18,311	106,682	1,747	1.7%
Caroline	4,468	1,637	46,536	268	577	53,485	5,391	58,876	2,864	5.1%
Carroll	5,185	7,996	137,692	924	1,323	153,120	26,940	180,060	2,241	1.3%
Cecil	6,497	5,705	97,506	713	866	111,288	16,210	127,498	551	0.4%
Charles	3,862	8,050	159,102	895	1,069	172,978	27,217	200,195	8,042	4.2%
Dorchester	4,113	1,345	34,945	249	461	41,113	4,501	45,614	2,683	6.2%
Frederick	7,944	9,822	228,239	1,327	1,623	248,956	39,839	288,796	12,410	4.5%
Garrett	4,141	3,552	21,290	119	470	29,572	4,588	34,160	41	0.1%
Harford	7,019	10,763	202,217	1,454	1,865	223,319	37,753	261,072	3,860	1.5%
Howard	8,265	15,837	221,557	821	1,307	247,787	68,108	315,894	14,405	4.8%
Kent	1,197	586	9,645	82	361	11,871	2,370	14,241	163	1.2%
Montgomery	29,714	44,178	608,799	2,771	3,244	688,705	184,496	873,201	48,092	5.8%
Prince George's	65,228	25,992	944,133	6,524	5,378	1,047,255	120,431	1,167,685	48,447	4.3%
Queen Anne's	1,628	1,827	33,308	135	449	37,347	7,154	44,501	1,825	4.3%
St. Mary's	2,608	2,673	94,961	601	868	101,710	16,083	117,794	2,280	2.0%
Somerset	6,500	717	27,317	270	461	35,266	3,234	38,500	4,127	12.0%
Talbot	1,923	1,621	12,398	106	353	16,402	4,349	20,751	1,742	9.2%
Washington	6,548	8,431	160,229	1,155	1,483	177,845	21,968	199,813	9,383	4.9%
Wicomico	12,077	4,966	124,175	911	1,018	143,147	14,433	157,579	11,711	8.0%
Worcester	5,297	1,981	19,390	144	338	27,150	8,492	35,643	2,566	7.8%
Unallocated	24,092	6,665	40,356	16,197	0	87,310	0	87,310	3,985	4.8%
Total	\$531,668	\$243,250	\$5,197,897	\$50,211	\$40,049	\$6,063,075	\$916,466	\$6,979,540	\$303,251	4.5%

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

Exhibit 4.5 (Cont.)
State Assistance to Local Governments
Fiscal 2013 Working Appropriation
(\$ in Thousands)

County	County – Municipal	Community Colleges	<i>Direct State Aid</i>				Retirement	Total
			Public Schools	Libraries	Health	Subtotal		
Allegany	\$10,853	\$6,006	\$75,952	\$767	\$928	\$94,506	\$9,911	\$104,417
Anne Arundel	26,764	29,753	314,518	2,114	3,207	376,355	68,770	445,125
Baltimore City	238,401	0	891,310	6,034	6,809	1,142,554	73,464	1,216,019
Baltimore	16,413	37,638	558,906	5,256	4,391	622,604	95,423	718,026
Calvert	3,376	2,226	82,209	367	378	88,556	16,379	104,935
Caroline	3,958	1,519	44,980	268	549	51,273	4,739	56,012
Carroll	3,201	7,638	141,088	941	1,257	154,125	23,694	177,819
Cecil	7,136	5,423	98,420	703	823	112,505	14,442	126,947
Charles	2,644	7,377	157,031	861	1,016	168,929	23,224	192,153
Dorchester	3,556	1,310	33,492	249	438	39,045	3,886	42,931
Frederick	4,771	9,181	224,928	1,298	1,543	241,721	34,665	276,386
Garrett	3,676	3,421	22,347	119	446	30,010	4,109	34,119
Harford	4,507	10,610	205,597	1,487	1,773	223,972	33,240	257,212
Howard	5,634	14,441	221,219	812	1,241	243,347	58,142	301,489
Kent	841	602	10,046	85	343	11,916	2,162	14,078
Montgomery	18,369	43,527	595,145	2,721	3,079	662,842	162,268	825,110
Prince George's	56,075	23,644	913,326	6,289	5,110	1,004,445	114,794	1,119,239
Queen Anne's	1,206	1,674	32,761	134	426	36,201	6,476	42,677
St. Mary's	1,921	2,506	95,243	590	825	101,085	14,429	115,514
Somerset	6,224	726	23,907	263	438	31,558	2,815	34,373
Talbot	1,176	1,459	12,120	106	336	15,196	3,814	19,010
Washington	3,026	8,065	158,050	1,158	1,409	171,709	18,721	190,430
Wicomico	6,034	4,862	120,267	897	967	133,027	12,841	145,869
Worcester	4,064	1,940	19,111	144	320	25,579	7,497	33,076
Unallocated	23,946	9,601	33,718	16,059	0	83,325	0	83,325
Total	\$457,771	\$235,148	\$5,085,691	\$49,724	\$38,051	\$5,866,384	\$809,906	\$6,676,290

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

Exhibit 4.5 (Cont.)
State Assistance to Local Governments
Dollar Difference Between Fiscal 2014 Legislative Appropriation and Fiscal 2013 Working Appropriation
(\$ in Thousands)

County	County – Municipal	Community Colleges	<i>Direct State Aid</i>				Retirement	Total
			Public Schools	Libraries	Health	Subtotal		
Allegany	\$2,198	\$33	\$55	-\$14	\$49	\$2,321	\$1,288	\$3,609
Anne Arundel	10,242	763	9,037	12	168	20,222	9,393	29,615
Baltimore City	8,288	0	22,912	0	354	31,555	11,320	42,875
Baltimore	6,080	2,344	20,312	-5	230	28,960	15,029	43,990
Calvert	746	144	-1,107	12	21	-185	1,932	1,747
Caroline	510	118	1,556	0	28	2,212	652	2,864
Carroll	1,984	359	-3,396	-18	66	-1,005	3,245	2,241
Cecil	-639	282	-914	11	43	-1,217	1,768	551
Charles	1,217	673	2,071	33	54	4,049	3,993	8,042
Dorchester	558	35	1,453	-1	23	2,068	615	2,683
Frederick	3,173	641	3,312	29	81	7,236	5,174	12,410
Garrett	466	131	-1,057	0	23	-437	478	41
Harford	2,513	154	-3,380	-33	93	-654	4,514	3,860
Howard	2,631	1,397	338	9	66	4,440	9,965	14,405
Kent	356	-16	-401	-2	18	-45	208	163
Montgomery	11,345	651	13,653	50	164	25,864	22,228	48,092
Prince George's	9,153	2,348	30,806	235	268	42,810	5,637	48,447
Queen Anne's	422	153	547	2	22	1,146	678	1,825
St. Mary's	687	166	-281	10	43	625	1,654	2,280
Somerset	277	-9	3,410	7	23	3,707	419	4,127
Talbot	748	162	277	1	18	1,206	536	1,742
Washington	3,521	366	2,180	-3	74	6,137	3,247	9,383
Wicomico	6,042	104	3,908	14	51	10,119	1,591	11,711
Worcester	1,233	42	279	0	18	1,571	995	2,566
Unallocated	146	-2,936	6,638	138	0	3,985	0	3,985
Total	\$73,898	\$8,102	\$112,206	\$487	\$1,998	\$196,691	\$106,560	\$303,251

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

Exhibit 4.5 (Cont.)
State Assistance to Local Governments
Percent Change: Fiscal 2014 Legislative Appropriation over Fiscal 2013 Working Appropriation
(\$ in Thousands)

County	County – Municipal	Community Colleges	<i>Direct State Aid</i>				Retirement	Total
			Public Schools	Libraries	Health	Subtotal		
Allegany	20.3%	0.6%	0.1%	-1.8%	5.3%	2.5%	13.0%	3.5%
Anne Arundel	38.3%	2.6%	2.9%	0.6%	5.2%	5.4%	13.7%	6.7%
Baltimore City	3.5%	n/a	2.6%	0.0%	5.2%	2.8%	15.4%	3.5%
Baltimore	37.0%	6.2%	3.6%	-0.1%	5.2%	4.7%	15.8%	6.1%
Calvert	22.1%	6.5%	-1.3%	3.1%	5.5%	-0.2%	11.8%	1.7%
Caroline	12.9%	7.7%	3.5%	-0.1%	5.2%	4.3%	13.7%	5.1%
Carroll	62.0%	4.7%	-2.4%	-1.9%	5.2%	-0.7%	13.7%	1.3%
Cecil	-8.9%	5.2%	-0.9%	1.6%	5.3%	-1.1%	12.2%	0.4%
Charles	46.0%	9.1%	1.3%	3.9%	5.3%	2.4%	17.2%	4.2%
Dorchester	15.7%	2.7%	4.3%	-0.2%	5.3%	5.3%	15.8%	6.2%
Frederick	66.5%	7.0%	1.5%	2.3%	5.2%	3.0%	14.9%	4.5%
Garrett	12.7%	3.8%	-4.7%	-0.4%	5.2%	-1.5%	11.6%	0.1%
Harford	55.8%	1.4%	-1.6%	-2.2%	5.2%	-0.3%	13.6%	1.5%
Howard	46.7%	9.7%	0.2%	1.1%	5.3%	1.8%	17.1%	4.8%
Kent	42.3%	-2.6%	-4.0%	-2.7%	5.2%	-0.4%	9.6%	1.2%
Montgomery	61.8%	1.5%	2.3%	1.9%	5.3%	3.9%	13.7%	5.8%
Prince George's	16.3%	9.9%	3.4%	3.7%	5.2%	4.3%	4.9%	4.3%
Queen Anne's	35.0%	9.1%	1.7%	1.2%	5.2%	3.2%	10.5%	4.3%
St. Mary's	35.7%	6.6%	-0.3%	1.8%	5.2%	0.6%	11.5%	2.0%
Somerset	4.4%	-1.2%	14.3%	2.6%	5.2%	11.7%	14.9%	12.0%
Talbot	63.6%	11.1%	2.3%	0.6%	5.3%	7.9%	14.0%	9.2%
Washington	116.4%	4.5%	1.4%	-0.3%	5.2%	3.6%	17.3%	4.9%
Wicomico	100.1%	2.1%	3.2%	1.6%	5.2%	7.6%	12.4%	8.0%
Worcester	30.3%	2.1%	1.5%	0.1%	5.6%	6.1%	13.3%	7.8%
Unallocated	0.6%	-30.6%	19.7%	0.9%	n/a	4.8%	n/a	4.8%
Total	16.1%	3.4%	2.2%	1.0%	5.3%	3.4%	13.2%	4.5%

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

Exhibit 4.6
Total State Assistance to Local Governments

<u>Program</u>	<u>FY 2013</u>	<u>FY 2014</u>	<u>Difference</u>
Foundation Aid	\$2,810,405,122	\$2,850,478,884	\$40,073,762
Supplemental Program	46,496,416	46,620,083	123,667
Geographic Cost of Education Index	128,752,660	130,789,740	2,037,080
Net Taxable Income Education Grant	0	8,325,400	8,325,400
Foundation – Special Grants	1,161,009	2,081,559	920,550
Compensatory Education	1,146,261,309	1,195,984,922	49,723,613
Student Transportation – Regular	228,064,845	229,811,492	1,746,647
Student Transportation – Special Education	23,264,000	24,717,000	1,453,000
Special Education – Formula	266,494,716	269,309,239	2,814,523
Special Education – Nonpublic Placements	113,897,886	109,819,452	-4,078,434
Special Education – Infants and Toddlers	10,389,104	10,389,104	0
Limited English Proficiency Grants	177,405,509	193,427,735	16,022,226
Guaranteed Tax Base	44,205,671	52,317,464	8,111,793
Aging Schools	31,108,999	8,109,000	-22,999,999
Teacher Quality Incentives	5,294,000	5,294,000	0
Adult Education	6,933,622	8,433,622	1,500,000
Food Service	7,716,664	9,516,664	1,800,000
Out-of-county Foster Placements	5,410,989	3,843,425	-1,567,564
Head Start	1,800,000	1,800,000	0
SEED School	9,700,000	10,100,000	400,000
Judy Hoyer Centers	10,575,000	10,575,000	0
Other Programs	10,353,112	16,153,022	5,799,910
Total Primary and Secondary Education	\$5,085,690,633	\$5,197,896,807	\$112,206,174
Library Formula	\$33,664,772	\$34,014,134	\$349,362
Library Network	16,058,820	16,196,779	137,959
Total Libraries	\$49,723,592	\$50,210,913	\$487,321
Community College Formula	\$199,176,115	\$212,967,163	\$13,791,048
Grants for ESOL Programs	5,397,957	5,278,022	-119,935
Optional Retirement	17,104,001	14,260,987	-2,843,014
Small College Grants	3,269,010	3,479,435	210,425
Other Community College Aid	10,201,040	7,264,563	-2,936,477
Total Community Colleges	\$235,148,123	\$243,250,170	\$8,102,047

<u>Program</u>	<u>FY 2013</u>	<u>FY 2014</u>	<u>Difference</u>
Highway User Revenue	\$160,421,100	\$167,533,632	\$7,112,532
Elderly and Handicapped Transportation Aid	4,305,938	4,305,938	0
Paratransit	2,926,702	2,926,702	0
Municipal Transportation Grant	0	15,379,979	15,379,979
Total Transportation	\$167,653,740	\$190,146,251	\$22,492,511
Police Aid	\$45,420,982	\$67,318,326	\$21,897,344
Fire and Rescue Aid	10,000,000	10,000,000	0
Vehicle Theft Prevention	1,680,092	1,869,160	189,068
9-1-1 Grants	14,400,000	14,400,000	0
Community Policing	1,974,000	1,974,000	0
Foot Patrol/Drug Enforcement Grants	4,228,210	4,228,210	0
Law Enforcement Training Grants	50,000	50,000	0
Stop Gun Violence Grants	928,478	928,478	0
Violent Crime Grants	4,750,714	4,750,714	0
State's Attorney Grants	2,809,195	3,309,195	500,000
Domestic Violence Grants	196,354	196,354	0
War Room/Sex Offender Grants	1,445,313	1,445,313	0
Safe Streets Program	2,830,158	2,830,158	0
School Vehicle Safety Grant	550,000	550,000	0
Body Armor	49,088	49,088	0
Total Public Safety	\$91,312,584	\$113,898,996	\$22,586,412
Program Open Space	\$17,074,000	\$32,208,380	\$15,134,380
Critical Area Grants	263,900	243,900	-20,000
Total Recreation/Environment	\$17,337,900	\$32,452,280	\$15,114,380
Local Health Formula	\$38,050,787	\$40,048,624	\$1,997,837
Disparity Grant	\$119,926,717	\$127,808,075	\$7,881,358
Horse Racing Impact Aid	\$0	\$1,251,800	\$1,251,800
Payments in Lieu of Taxes	1,103,550	1,123,928	20,378
Video Lottery Terminal Impact Aid	28,854,100	33,374,757	4,520,657
Instant Bingo	1,654,111	1,706,721	52,610
Senior Citizens Activities Center	500,000	500,000	0

<u>Program</u>	<u>FY 2013</u>	<u>FY 2014</u>	<u>Difference</u>
Statewide Voting Systems	1,769,317	1,746,935	-22,382
Teacher Retirement Supplemental Grant	27,658,661	27,658,661	0
Total Other Direct Aid	\$61,539,739	\$67,362,802	\$5,823,063
Total Direct Aid	\$5,866,383,815	\$6,063,074,918	\$196,691,103
Retirement – Teachers	\$755,389,360	\$852,825,475	\$97,436,115
Retirement – Libraries	17,344,407	20,311,483	2,967,076
Retirement – Community Colleges	37,172,077	43,328,547	6,156,470
Total Payments-in-behalf	\$809,905,844	\$916,465,505	\$106,559,661
Total State Assistance	\$6,676,289,659	\$6,979,540,423	\$303,250,764

ESOL: English for Speakers of Other Languages

Primary and Secondary Education

Foundation Program: The foundation program is the basic State education funding mechanism for public schools which ensures a minimum per pupil funding level and requires county governments to provide a local match. The formula is calculated based on a per pupil foundation amount and student enrollment. The per pupil foundation amount for fiscal 2014 is set at \$6,829. This represents a 1% increase over fiscal 2013, consistent with the 1% cap on the annual growth in the per pupil foundation amount for fiscal 2013 through 2015 established by the BRFA of 2010. The student enrollment count used for the program totals 827,999 students. Enrollment for the formula is based on the September 30, 2012, full-time equivalent student enrollment count. Less affluent local school systems, as measured by assessable base and net taxable income, receive relatively more aid per pupil than wealthier school systems. The State provides funding for roughly 50% of the program's cost.

State aid under the foundation program will total \$2.9 billion in fiscal 2014, a \$40.1 million, or 1.4%, increase from the prior year. In addition, \$46.6 million in supplemental grants will be provided to nine local school systems. The supplemental grants were established during the 2007 special session to guarantee increases of at least 1% in State education aid for all local school systems during the two years, fiscal 2009 and 2010, that inflationary increases for the per pupil foundation amount were eliminated. Supplemental grants continued at fiscal 2010 levels in fiscal 2011, less a \$4.7 million reduction that recaptured overpayments to eight local school systems due to a miscalculation in school system wealth bases in fiscal 2009.

Net Taxable Income and Special Grants: Under **House Bill 229 (Chapter 4)** State education aid formulas that include a local wealth component are to be calculated twice, once

using an NTI amount for each county based on tax returns filed by September 1 and once using an NTI amount based on tax returns filed by November 1. Each local school system then receives the greater State aid amount of the results from the two calculations. The increase in State aid is phased in over a five-year period, beginning in fiscal 2014. Fiscal 2014 funding under the legislation totals \$8.3 million.

The BRFA of 2011 (Chapter 397) limited decreases in direct education aid to 6.5% from fiscal 2011 to 2012, resulting in a \$779,300 grant to Allegany County and a \$640,600 grant to Garrett County for fiscal 2012. The BRFA of 2012 (Chapter 1 of the First Special Session) provided an education grant of approximately \$1.2 million to Garrett County in fiscal 2013 by limiting the annual decrease in specified education aid to 5.0%. The BRFA of 2013 provides special grants to counties where certain direct education aid decreased by at least 1%; the grants restore 25% of the decrease in aid for affected counties. Carroll, Garrett, Harford, and Kent counties share in the \$2.1 million in additional State aid.

Geographic Cost of Education Index: This discretionary formula provides additional State funds to local school systems where costs for educational resources are higher than the State average. Funding for the geographic cost of education index (GCEI) formula was provided in fiscal 2009 for the first time. Under **Senate Bill 958/House Bill 1474 (failed)** funding through the program would have become mandatory rather than discretionary. Thirteen local school systems receive a total of \$130.8 million in fiscal 2014 from the GCEI formula.

Compensatory Education: The compensatory education program provides additional funding based on the number of economically disadvantaged students. The formula recognizes disparities in local wealth by adjusting the grants per eligible student by local wealth. The formula is calculated based on 97% of the annual per pupil amount used in the foundation program and the number of students eligible for free and reduced price meals. The State provides funding for 50% of the program's cost. State aid under the compensatory education program will total \$1.2 billion in fiscal 2014, representing a \$49.7 million, or 4.3%, increase over the prior year due to a 3.1% increase in the student enrollment count and a 1.0% increase in per pupil funding. The per pupil State funding amount for fiscal 2014 is set at \$3,312, and the student enrollment count used for the program totals 346,498.

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

The special education formula is calculated based on 74.0% of the annual per pupil foundation amount and the number of special education students from the prior fiscal year, with the State providing funding for 50.0% of the program's cost. The per pupil State funding amount for fiscal 2014 is set at \$2,527, and the student enrollment count used for the program totals 102,585. State funding for public special education programs will total \$269.3 million in

fiscal 2014, representing a \$2.8 million, or a 1.1% increase over the prior year. Funding for nonpublic placements totals \$109.8 million in fiscal 2014, a decrease of \$4.1 million. A local school system pays its respective local share of the basic cost of education for each nonpublic placement plus two times the total basic cost of education in the system, as well as 30.0% of any expense above that sum. The State pays 70.0% of the costs above the base local funding.

Student Transportation: The State provides grants to assist local school systems with the cost of transporting students to and from school. The grants consist of three components: regular student ridership funds; special education student ridership funds; and additional enrollment funds. The regular student ridership funds are based on the local school system's grant in the previous year increased by inflation when applicable. Local school systems with enrollment increases receive additional funds. The special education student ridership funds are based on a \$1,000 per student grant for transporting disabled students. The fiscal 2014 State budget includes \$229.8 million for regular transportation services and \$24.7 million for special transportation services. This represents a \$3.2 million, or 1.3%, increase from the prior year.

Limited English Proficiency: The State provides grants based on non- and limited-English proficient (LEP) students using a definition consistent with federal guidelines. The LEP formula is based on 99% of the annual per pupil foundation amount, with the State providing funding for 50% of the program's cost. The fiscal 2014 grant per LEP student is \$3,380. State funding for the program will total \$193.4 million in fiscal 2014, representing a \$16.0 million, or 9%, increase over the prior year. The number of LEP students in Maryland totals 55,371 for the 2012-2013 school year.

Guaranteed Tax Base Program: The Bridge to Excellence in Public Schools Act included an add-on grant for jurisdictions with less than 80% of statewide per pupil wealth that contributed more than the minimum required local share under the foundation program in the prior year. The grant is based on local support for education relative to local wealth. The grant cannot exceed 20% of the per pupil foundation amount. Nine local school systems will qualify for grants totaling \$52.3 million in fiscal 2014.

Aging Schools Program: The Aging Schools Program provides State funding to local school systems for improvements, repairs, and deferred maintenance of public school buildings. These repairs are generally not covered by the capital school construction program and are necessary to maintain older public schools. The BRFA of 2011 authorized mandated funding to be provided in the operating or capital budget. The statutorily required funding level is \$6.1 million. In fiscal 2013, the program received an additional \$25.0 million. State funding for the Aging Schools Program will total \$8.1 million in fiscal 2014, which includes \$2.0 million added to the capital budget for Baltimore County Public Schools.

Judy Hoyer and Head Start Programs: These programs provide financial support for the establishment of centers that provide full-day, comprehensive, early education programs, and family support services that will assist in preparing children to enter school ready to learn. The programs also provide funding to support childhood educators, and statewide implementation of an early childhood assessment system. The fiscal 2014 State budget includes \$7.6 million for

Judy Center grants, \$3.0 million for school readiness and program accreditation, and \$1.8 million for Head Start programs.

Teacher Quality Incentives: The State provides salary enhancements for teachers obtaining national certification and a stipend for teachers and other nonadministrative certificated school employees working in low-performing schools. The fiscal 2014 State budget includes \$4.2 million for teacher quality incentives and \$96,000 for the Governor’s Teacher Excellence Award Program which distributes awards to teachers for outstanding performance. **Senate Bill 926 (Chapter 581)** repealed the June 30, 2013 termination date of the State and Local Aid Program for Certification by the National Board for Professional Teaching Standards. The fiscal 2014 budget includes \$1.1 million for national board certification grants.

Food and Nutrition Services: In addition to federal funds provided under the School Lunch Act of 1946, the State provides matching funds to support food and nutrition programs for low-income children. The programs provide free and reduced price breakfasts, lunches, and snacks to public or private nonprofit school students. All public schools in the State are required to provide subsidized or free nutrition programs for eligible students. The fiscal 2014 State budget includes \$9.5 million for food and nutrition services, including a \$1.8 million increase for Maryland Meals for Achievement to provide breakfast to approximately 57,000 additional students.

Infants and Toddlers Program: This program involves a statewide community-based interagency system of comprehensive early intervention services for eligible children who are less than three years old. Eligible children include those who have developmental delays or disabilities. State funding for infants and toddlers programs will total \$10.4 million in fiscal 2014, the same annual amount that has been provided since fiscal 2009.

Adult Education: The State provides funding for adult education services, including classes on basic skills in reading, writing, and math, or learning to speak and understand the English language. Grants also assist adults to prepare to earn a high school diploma through the general education development tests or the National External Diploma Program. The State budget includes \$8.4 million for adult education programs in fiscal 2014, an increase of \$1.5 million over the prior year.

School-based Health Centers: The fiscal 2014 State budget includes \$2.6 million for school-based health centers, which provide primary medical care as well as social, mental health, and health education services for students and their families. This amount reflects level funding with fiscal 2012 and 2013.

Healthy Families/Home Visits Program: The Healthy Families program aims to promote positive parenting to enhance child health and development through prenatal through early childhood home visits. The program had been funded with federal Temporary Assistance for Needy Families funds; however, beginning in fiscal 2012, general funds are used. Fiscal 2014 funding remains level at \$4.6 million.

Science and Mathematics Education Initiative: This program includes summer sessions for teachers and an equipment incentive fund to strengthen science and math education. The State budget includes \$2.5 million for this initiative in fiscal 2014, an increase of \$300,000.

Digital Learning Innovation Fund: This new fund will support competitive grants to local school systems to create digital learning environments involving multimedia assets for students and teachers. In addition, the program will provide funding for differentiated instruction, differentiated assignments and materials for students advancing at different paces, training and support to educators and students, and offering more current information than traditional textbooks on an ongoing basis. Fiscal 2014 funding totals \$3.5 million.

Early College Innovation Fund: This new fund will support an expansion of early college access programs that provide accelerated pathways for students seeking career and technical education or training in science, technology, engineering, and math disciplines. The Maryland State Department of Education will make competitive grants to partnerships of local school systems and higher education institutions that are formed to create early college high schools and other forms of early college access. Funds are intended as bridge funding to assist in the start-up costs associated with creating new early college programs. Fiscal 2014 State funding totals \$2 million.

Teachers' Retirement Payments: The BRFA of 2011 reduced costs for teachers' retirement in fiscal 2012 through the restructuring of the State's pension system. It also required local boards of education to pay a share of the administrative costs for the State Retirement Agency. The BRFA of 2012 phased in school board payments of the annual normal cost over four years (with increased county maintenance of effort requirements equal to the required payments). After fiscal 2016, each school board is responsible for paying the actual normal costs associated with its employees. Fiscal 2014 State funding totals \$852.8 million, an increase of \$97.4 million or 12.9% over the prior year.

Local Libraries

Minimum Per Capita Library Program: The State provides assistance to public libraries through a formula that determines the State and local shares of a minimum per capita library program. The minimum library program is specified in statute. Overall, the State provides 40% of the minimum program, and the counties provide 60%. The State/local share of the minimum program varies by county depending on local wealth. Chapter 481 of 2005 started a phase-in of enhancements for the library aid formula, increasing the per-resident allocation by \$1 per year from \$12 per resident in fiscal 2006 to \$16 per resident by fiscal 2010. However, budget reconciliation legislation enacted between 2007 and 2011 slowed enhancements and reduced the target per resident amount to \$14 from \$16. The per-resident amount for fiscal 2012 through 2016 is \$14, phasing up to \$15 by fiscal 2019 and in subsequent years. Fiscal 2014 funding totals \$34 million, a \$349,400 increase from the prior year.

State Library Network: The State provides funds to libraries designated as resource centers including the State Library Resource Center in Baltimore City, the Eastern Resource

Center in Salisbury, the Southern Resource Center in Charlotte Hall, and the Western Resource Center in Hagerstown. State funding for the State Library Resource Center had been steady at \$1.85 per Maryland resident, but Chapter 487 of 2009 reduced the amount to \$1.67 per resident in fiscal 2010 and 2011. The BRFA of 2011 held funding at \$1.67 per resident for fiscal 2012 through 2016, before a phase in to \$1.85 in 2019 and in subsequent years. The BRFA of 2011 also set funding for regional resource centers at \$6.75 per resident of each region for fiscal 2012 through 2016, before phasing up to \$7.50 per resident in 2019 and in subsequent years. Fiscal 2014 funding totals \$16.2 million, a \$138,000 increase from the prior year.

Retirement Payments: The BRFA of 2011 reduced costs for librarians' retirement by \$308,500 in fiscal 2012 through the restructuring of the State's pension system. State support for librarians' retirement increased by \$1.4 million in fiscal 2013 and increases by \$3.0 million in fiscal 2014, resulting in a total of \$20.3 million.

Community Colleges

Senator John A. Cade Formula Funding: The Cade funding formula is based on several factors including the amount of State funding per student received by selected public four-year institutions and enrollment. There is also a hold harmless provision to ensure that no community college receives less funding than the prior year. Cade formula funding will increase by \$13.8 million to \$213.0 million in fiscal 2014.

Special Programs: State funding in fiscal 2014 will total \$3.5 million for the small college grants and \$0.6 million for the Allegany/Garrett counties unrestricted grants. Funding for statewide and regional programs will total \$6.7 million. The English as a Second Language program will receive \$5.3 million.

Retirement Payments: The State helps to fund the retirement plans of community college faculty. The State pays for the employee benefits while, effective in fiscal 2102 community colleges pay for the administrative costs of the State Retirement Agency. State support in fiscal 2014 totals \$43.3 million, an increase of \$6.2 million or 16.6%. In addition, State funding for the optional retirement program will total \$14.3 million in fiscal 2014, representing a \$2.8 million, or 16.6%, decrease.

Local Health Departments

The State provides funds to support the delivery of public health services in each of Maryland's 24 jurisdictions. These services include child health, communicable disease prevention, maternal health, family planning, environmental health, and administration of the departments. Due to declining State revenues, the fiscal 2010 appropriation for grants to local health departments was reduced from \$57.4 million to \$37.3 million by the Board of Public Works (BPW) in August 2009. The BRFA of 2010 maintained the base appropriation for the targeted local health formula for fiscal 2011 and 2012 at \$37.3 million and provided for inflationary increases to the program in fiscal 2013. The fiscal 2014 budget includes \$40.0 million, or \$2.0 million above the prior year amount.

County and Municipal Governments

Highway User Revenues: The State shares various transportation revenues, commonly referred to as highway user revenues (HUR), with the counties and municipalities. Under the BRFA of 2011, HUR local aid was distributed as follows in fiscal 2012: 7.5% to Baltimore City, 0.8% to counties, and 0.6% to municipalities. In fiscal 2013, 8.1% was distributed to Baltimore City, 1.5% was distributed to counties; and 0.4% was distributed to municipalities. In fiscal 2014, \$134.4 million (7.7%) is distributed to Baltimore City; \$26.2 million (1.5%) is distributed to counties; and \$7.0 million (0.4%) is distributed to municipalities, for a total of \$167.5 million. This represents an increase of \$7.1 million, or 4.4% from the prior year. Allocations to counties and municipalities are based on the percentage of road miles and of vehicle registrations within each local jurisdiction.

Other Transportation Aid: The BRFA of 2013 includes \$15.4 million in fiscal 2014 to fund grants to municipal governments. Grants will be allocated in a manner consistent with the HUR formula. State funding for elderly/disabled transportation grants will total \$4.3 million in fiscal 2014, while State funding for paratransit grants will total \$2.9 million.

Police Aid Formula: Maryland's counties and municipalities receive grants for police protection through the police aid formula. The police aid formula allocates funds on a per capita basis, and jurisdictions with a higher population density receive greater per capita grants. Municipalities receive additional grants based on the number of sworn officers. The Maryland State Police recovers 30% of the State crime laboratories costs relating to evidence-testing services from each county's formula allocation. Due to declining State revenues, the fiscal 2010 appropriation for police aid was reduced from \$66.0 million to \$45.4 million by BPW in August 2009. The BRFA of 2010 limits the amount a local government may receive through the police aid formula in both fiscal 2011 and 2012 to the amount the jurisdiction receives in fiscal 2010. In fiscal 2013, police aid remained at the \$45.4 million level. State funding for the police aid formula in fiscal 2014 is restored to the full funding level with grants totaling \$67.3 million. This represents a \$21.9 million, or 48.2%, increase over the prior year.

Public Safety Grants: State funding for targeted public safety grants will total \$14.2 million in fiscal 2014. These grants include violent crime grants for Baltimore City and Prince George's County; police foot patrol and community policing grants for Baltimore City; a drug enforcement grant for Prince George's County; S.T.O.P. gun violence grants; school bus traffic enforcement grants; domestic violence grants; law enforcement and correctional officers training grants; Baltimore City war room, sex offender and compliance enforcement; and the body armor grants. Also, \$2.5 million is provided in fiscal 2014 to the Baltimore City State's Attorney Office to assist in the prosecution of gun offenses and repeat violent offenders, and \$850,000 will be provided to the Prince George's County State's Attorney Office to prosecute violent, repeat and chronic offenders. Also, Safe Streets program funding totals \$2.8 million.

Vehicle Theft Prevention Program: This program provides grants to law enforcement agencies, prosecutors' offices, local governments, and community organizations for vehicle theft prevention, deterrence, and educational programs. Funds are used to enhance the prosecution

and adjudication of vehicle theft crimes. Funding for the program is provided through the Vehicle Theft Prevention Fund, a nonlapsing dedicated fund that receives up to \$2.0 million a year from penalties collected for lapsed or terminated insurance coverage. Additional funds are received from inspection fees collected for salvaged vehicle verification. State funding for this program will total \$1.9 million in fiscal 2014.

Fire, Rescue and Ambulance Services: The State provides formula grants through the Senator William H. Amoss Fire, Rescue, and Ambulance Fund to the counties; Baltimore City; and qualifying municipalities for local and volunteer fire, rescue, and ambulance services. The grants are for equipment and renovation projects, not operating costs. To be eligible for State grants, a county must maintain a level of local spending for fire protection services equal to the average expenditure for the three preceding fiscal years. The program is funded through the Maryland Emergency Medical System Operations Fund (MEMSOF). The grant level is set at \$10.0 million in fiscal 2014. **House Bill 1515 (Chapter 429)** increases the annual vehicle registration fee surcharge from \$13.50 to \$17.00, with the additional fees credited to MEMSOF. Revenues from the surcharge increase may in part be used to support increased appropriations to the Amoss Fund. The legislation specifies legislative intent that the annual appropriation to the fund increase to \$11.7 million in fiscal 2015, \$13.3 million in fiscal 2016, and \$15.0 million in fiscal 2017.

9-1-1 Emergency Systems Grants: The State imposes a 25-cent fee per month on telephone subscribers that is deposited into a trust fund that provides reimbursements to counties for improvements and enhancements to their 9-1-1 systems. Counties may only use the trust fund money to supplement their spending, not to supplant it. State funding to local 9-1-1 emergency systems will total \$14.4 million in fiscal 2014. **Senate Bill 745 (Chapter 313)** establishes that the surcharge on wireless telecommunication services applies to prepaid service and establishes the amount of the prepaid wireless E 9-1-1 fee at 60 cents per each retail transaction. Under the legislation, prepaid wireless E 9-1-1 fees are paid into the 9-1-1 Trust Fund and used for specified purposes. Additional grant revenue to local governments from the 9-1-1 Trust Fund is estimated to total \$1.5 million in fiscal 2014, \$3.0 million in fiscal 2015 (the first full year), and nearly \$3.2 million by fiscal 2018 – representing an annual growth rate of about 2%.

Program Open Space: POS was established in 1969 to expedite the acquisition of outdoor recreation and open space, before property cost and development made it impossible, and to accelerate the development of outdoor recreation facilities. In fiscal 2014, a total of \$23.7 million is transferred from the POS local share, leaving \$29.7 million for fiscal 2014. Under the Administration's budget plan, all of the transferred local funds would be replaced with GO bonds in fiscal 2015 and 2016. In addition, Baltimore City will continue to receive a special grant totaling \$2.5 million in fiscal 2014.

Horse Racing Impact Aid: Horse racing impact aid consists of grants to counties and municipalities that contain or are located close to thoroughbred tracks. Grant funding is derived in part from the collection of the tax on horse race wagering. The amounts granted to each jurisdiction are mandated by statute and are largely based on the number of racing days held each

year. In the past few years, and in the current year, revenues have been insufficient to fulfill the expected allocation to each jurisdiction and to the other mandated uses. The BRFA of 2013 requires the Comptroller, in any fiscal year that revenues to the horse racing special fund are not sufficient to fully fund local impact aid, to proportionately reduce the amount of grants required to be paid. The fiscal 2014 budget includes \$1.3 million for horse racing impact aid; however, it is anticipated that available funds will result in a proportional reduction of the grants to approximately \$563,000.

Video Lottery Terminal Local Impact Grants: From the proceeds generated by video lottery terminals (VLT) at video lottery facilities in the State, 5.5% is distributed to local governments in which a video lottery facility is operating. Of this amount, 18.0% would go for 20 years (starting in fiscal 2012 and ending in fiscal 2032) to Baltimore City through the Pimlico Community Development Authority and to Prince George's County for the community surrounding Rosecroft (\$1.0 million annually), except that the 18.0% dedication does not apply to Allegany, Cecil, and Worcester county facilities upon issuance of the Baltimore City license. Upon issuance of a Prince George's County license, 5.0% of table game revenues will be distributed to local jurisdictions where a video lottery facility is located. VLT local impact grants total \$33.4 million in fiscal 2014, an increase of \$4.5 million or 15.7%

Disparity Grants: Disparity grants address the differences in the abilities of counties to raise revenues from the local income tax, which is the third largest revenue source for counties after State aid and property taxes. Through fiscal 2011, counties with per capita local income tax revenues less than 75% of the State's average received grants. Aid received by a county equaled the dollar amount necessary to raise the county's per capita income tax revenues to 75% of the State average. The BRFA of 2009 included a provision, beginning in fiscal 2011, that capped each county's funding under the program at the fiscal 2010 level. Consequently, counties not receiving a grant in fiscal 2010 could not receive funding in subsequent years. The BRFA of 2013, **House Bill 102 (Chapter 425)**, modifies the formula to add a minimum grant amount based on local tax effort of eligible counties and raises from 2.4 to 2.6% the local income tax rate required to be eligible to receive a grant. This modification increases State aid to four counties (Cecil, Kent, Washington, and Wicomico) in fiscal 2014 and increases disparity grant funding by \$6.4 million over the previously required amount. The minimum grant enables eligible counties not receiving funding in fiscal 2010 to receive funding in fiscal 2014 and subsequent years if they satisfy the tax effort requirement. Disparity grant funding totals \$127.8 million in fiscal 2014.

Teacher Retirement Supplemental Grants: The BRFA of 2012 established this grant program, beginning in fiscal 2013. Grants totaling \$27.7 million will be distributed to nine counties (including Baltimore City) in fiscal 2014 to help offset the impact of sharing teachers' retirement costs with the counties. This funding amount is level with fiscal 2013 and includes \$3.1 million that had been designated for the Baltimore City miscellaneous grant which was permanently repealed by the BRFA of 2012.

Summary of State Mandates	
Business Regulation	1
Community Colleges	1
Election Law	1
Environment	1
Finances and Taxes	4
Information Technology	1
M-NCPPC	1
Procurement	1
Public Health	1
Public Schools	6
Transportation	1
Workers' Compensation	1
WSSC	2
Total	22

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

Legislation Affecting Local Government Revenues

<u>Bill #</u>	<u>Title</u>	<u>Comment</u>	<u>Mandate</u>
Legislation Affecting All/Multiple Local Jurisdictions			
SB 32/HB 4	Alcoholic Beverages – Brewery License – On-Premises Consumption (Ch. 168/Ch. 169)	Potential minimal license fee revenues.	No
SB 39	Motor Vehicle Registration – Special Vintage Reproduction Registration Plate (Ch. 170)	Potential minimal local highway user revenues through FY 2015.	No
SB 72	Motor Vehicles – Damage to Highways from Overweight or Oversized Vehicles – Liability and Penalties (Ch. 176)	Potential civil penalty revenues.	No
SB 90	Natural Resources – Vessel Excise Tax – Waterway Improvement Fund (Ch. 180)	Potential significant Waterway Improvement Fund grant revenues. Local highway user revenues decrease by \$273,000 in FY 2014 and by at least \$280,000 annually thereafter.	No
SB 124	Income Tax Credit for Qualifying Employees – Sunset Repeal (Ch. 443)	Minimal decrease in local highway user revenues.	No
SB 144/HB 263	Property Tax Credit – Historically and Architecturally Valuable Property (Ch. 189/Ch. 190)	Potential decrease in property tax revenues for certain counties.	No
SB 158/HB 128	Homestead Tax Credit – Eligibility Verification and Application (Ch. 25/Ch. 26)	Minimal decrease in property tax revenues in FY 2014.	No
SB 202/HB 372	Recordation and Transfer Taxes – Transfer of Property Between Related Entities – Exemption (Ch. 452/Ch. 453)	Potential decrease in local recordation tax revenues.	No
SB 243	Maryland Income Tax Refund – Anne Arundel County Warrant Intercept Program – Extension (Ch. 213)	Potential minimal income tax revenues.	No

Legislation Affecting Local Government Revenues

<u>Bill #</u>	<u>Title</u>	<u>Comment</u>	<u>Mandate</u>
SB 267/HB 116	Courts and Judicial Proceedings – Interception of Communications – Abuse or Neglect of Vulnerable Adult and Medicaid Fraud (Ch. 38/Ch. 39)	Minimal fine revenues.	No
SB 278/HB 227	Maryland Employment Advancement Right Now (EARN) Program (Ch. 1/Ch. 2)	Potential minimal grant revenues.	No
SB 350	Electrical Inspectors and Plumbing Inspectors – Master License Required (Ch. 237)	Potential minimal fee revenues in certain counties offset by increased inspection costs.	No
SB 404/HB 408	Income Tax – Subtraction Modification – Enhanced Agricultural Management Equipment (Ch. 257/Ch. 258)	Income tax revenues decrease by approximately \$26,000 annually. Minimal decrease in local highway user revenues.	No
SB 414/HB 1012	Higher Education – Tuition Waiver – Foster Care Recipients (Ch. 259/Ch. 260)	Minimal decrease in community college tuition revenues.	No
SB 436/HB 1209	Recordation Taxes – Exemptions (Ch. 267/Ch. 268)	Potential significant decrease in local recordation tax revenues.	No
SB 484/HB 184	Income Tax Credit – Oyster Shell Recycling (Ch. 278/Ch. 279)	Potential minimal decrease in local highway user revenues.	No
SB 621	Vehicles Laws – Emergency Vehicles – Motorcades and Escorts (Ch. 66)	Minimal decrease in fine revenues.	No
SB 624/HB 942	Identity Fraud – Health Information and Health Care Records (Ch. 300/Ch. 301)	Minimal fine revenues.	No
SB 631	Hotel Rental Tax – Exemption – Lodging at a Corporate Training Center (Ch. 510)	Potential decrease in hotel rental tax revenues. Montgomery County hotel rental tax revenues decrease by \$450,000 annually.	Yes
SB 639	Civil Rights Tax Relief Act (Ch. 513)	Income tax revenues decrease by \$150,000 annually.	No

Legislation Affecting Local Government Revenues

<u>Bill #</u>	<u>Title</u>	<u>Comment</u>	<u>Mandate</u>
SB 658/HB 1031	Estate Tax and Income Tax – Marital Deduction and Subtraction Modification for Health Insurance (Ch. 517/Ch. 518)	Income tax revenues decrease by \$90,000 in FY 2014 and by \$200,000 in FY 2018.	No
SB 715	Maryland Highway Safety Act of 2013 (Ch. 309)	Potential minimal income tax and fine revenues.	No
SB 730/HB 1236	Recordation and Transfer Taxes – Low Income Housing Projects – Controlling Interest (Ch. 531/Ch. 532)	Local recordation and transfer tax revenues decrease.	No
SB 740	College and Career Readiness and College Completion Act of 2013 (Ch. 533)	Potential significant decrease in community college tuition revenues may be partly offset by increased enrollment.	Yes
SB 745	Public Safety – 9-1-1 Emergency Telephone Systems – Prepaid Service – Collection of Surcharge (Ch. 313)	Counties share grant revenues of \$1.5 million in FY 2014 and at least \$3.0 million annually thereafter.	No
SB 774	Income Tax – Subtraction Modification – Maryland Civil Air Patrol (Ch. 546)	Income tax revenues decrease by \$76,700 annually beginning in FY 2016.	No
SB 820/HB 767	Animal Welfare – Spay/Neuter Fund – Establishment (Ch. 561/Ch. 562)	Potential significant grant revenues.	No
SB 828/HB 831	St. Mary’s College of Maryland – Tuition Freeze and DeSousa-Brent Scholars Completion Grant (Ch. 563/Ch. 564)	Increase in formula-based State aid for community colleges.	No
HB 4/SB 32	See entry for SB 32.		No

Legislation Affecting Local Government Revenues

<u>Bill #</u>	<u>Title</u>	<u>Comment</u>	<u>Mandate</u>
HB 102	Budget Reconciliation and Financing Act of 2013 (Ch. 425)	Revenues to municipalities increase by \$15.4 million in FY 2014 from transportation grants. A total of \$23.7 million from the Program Open Space local share is transferred but is planned to be replaced with general obligation bonds in FY 2015 and 2016. Disparity grants to four counties increase by a total of \$6.4 million in FY 2014. Supplemental education grants and direct education aid for four counties increase by a total of \$2.1 million in FY 2014.	No
HB 108	Housing and Community Development – Neighborhood and Community Assistance Program – Project Proposals (Ch. 82)	Minimal decrease in local highway user revenues beginning in FY 2015.	No
HB 115	Creation of a State Debt – Qualified Zone Academy Bonds (Ch. 426)	Revenues for public school renovation and repair increase by a maximum of \$4.5 million in FY 2014.	No
HB 116/SB 267	See entry for SB 267.		No
HB 128/SB 158	See entry for SB 158.		No
HB 184/SB 484	See entry for SB 484.		No
HB 212	Alcoholic Beverages – Cecil and Queen Anne’s Counties – Beer and Wine Festivals (Ch. 356)	Minimal license fee revenues for Cecil and Queen Anne’s counties.	No
HB 227/SB 278	See entry for SB 278.		No
HB 229	State Aid for Public Education – Certification of Net Taxable Income (Ch. 4)	State aid increases by \$8.3 million in FY 2014 and by approximately \$55.9 million in FY 2018.	No
HB 263/SB 144	See entry for SB 144.		No
HB 349	Business Regulation – Cemeteries – Prohibited Acts and Penalties (Ch. 99)	Minimal fine revenues.	No

Legislation Affecting Local Government Revenues

<u>Bill #</u>	<u>Title</u>	<u>Comment</u>	<u>Mandate</u>
HB 372/SB 202	See entry for SB 202.		No
HB 386	Income Tax Credit – Qualified Research and Development Expenses – Credit Amounts and Small Business Refund (Ch. 109)	Local highway user revenues decrease by approximately \$28,000 annually.	No
HB 408/SB 404	See entry for SB 404.		No
HB 419	Personal Property Tax – Liens for Unpaid Tax (Ch. 370)	Potential decrease in personal property tax revenues.	Yes
HB 526	Higher Education – Maryland First Scholarship – Creation and Funding (Ch. 374)	Potential minimal community college tuition revenues.	No
HB 560	Public-Private Partnerships (Ch. 5)	Potential minimal property tax revenues.	No
HB 613	Sustainable Communities – Designation and Financing (Ch. 624)	Potential tax revenues.	No
HB 639	Maryland-Washington Regional District – Boundaries – City of Laurel MC/PG 111-13 (Ch. 627)	M-NCPPC property tax revenues decrease by a maximum of \$10,000 annually.	No
HB 650	Washington Suburban Sanitary Commission – Prevailing Wage MC/PG 112-13 (Ch. 630)	Potential minimal revenues from liquidated damages awarded.	No
HB 706	Natural Resources – Forest Preservation Act of 2013 (Ch. 384)	Minimal decrease in income tax and local highway user revenues.	No
HB 713	Criminal Procedure – Seizure and Forfeiture – Property Used in Human Trafficking (Ch. 636)	Minimal revenues from the sale of seized or forfeited property.	No
HB 767/SB 820	See entry for SB 820.		No
HB 791	Tax Credits – Electric Vehicles – Extensions (Ch. 389)	Potential minimal decrease in local highway user revenues beginning in FY 2015.	No

Legislation Affecting Local Government Revenues

<u>Bill #</u>	<u>Title</u>	<u>Comment</u>	<u>Mandate</u>
HB 803	Income Tax – Business and Economic Development – Cybersecurity Investment Incentive Tax Credit (Ch. 390)	Potential decrease in local highway user revenues.	No
HB 831/SB 828	See entry for SB 828.		No
HB 941	Criminal Law – Fraudulent Liens – Prohibition (Ch. 656)	Minimal fine revenues.	No
HB 942/SB 624	See entry for SB 624.		No
HB 964	Community Colleges – Grants for English for Speakers of Other Languages Programs (Ch. 658)	Community college State grant revenues increase by up to \$2.0 million annually beginning in FY 2016.	No
HB 1012/SB 414	See entry for SB 414.		No
HB 1017	Income Tax Credit – Wineries and Vineyards (Ch. 659)	Minimal decrease in local highway user revenues beginning in FY 2015.	No
HB 1030	Property Tax Credit – Urban Agricultural Property – Definition (Ch. 660)	Potential decrease in property tax revenues.	No
HB 1031/SB 658	See entry for SB 658.		No
HB 1088	Business Regulation – Returnable Containers and Returnable Textiles – Revisions (Ch. 146)	Minimal fine revenues.	No
HB 1190	County Property Tax – Personal Property Rate (Ch. 405)	Potential decrease in personal property tax revenues.	No
HB 1209/SB 436	See entry for SB 436.		No
HB 1236/SB 730	See entry for SB 730.		No

Legislation Affecting Local Government Revenues

<u>Bill #</u>	<u>Title</u>	<u>Comment</u>	<u>Mandate</u>
HB 1320	Baltimore City and Baltimore County – Child in Need of Supervision Pilot Program – Extension (Ch. 413)	State grants of approximately \$167,000 for Baltimore City and \$83,000 for Baltimore County continue annually through FY 2016.	No
HB 1396	Criminal Law – Theft-Related Crimes – Penalties (Ch. 415)	Minimal decrease in fine revenues.	No
HB 1455	Maryland-National Capital Park and Planning Commission – Property Tax – Payment in Lieu of Taxes Agreement MC/PG 118-13 (Ch. 687)	Potential decrease in M-NCPPC property tax revenues beginning in FY 2015 offset by negotiated payment in lieu of tax agreements.	No
HB 1499	Campaign Finance Reform Act of 2013 (Ch. 419)	Potential fine revenues. Potential new funding for public campaign financing systems beginning in FY 2015.	No
HB 1513	Public Safety – Response to a State Disaster or Emergency – Licensing and Taxes (Ch. 420)	Potential decrease in income and personal property tax revenues.	Yes

Legislation Affecting Local Government Revenues

<u>Bill #</u>	<u>Title</u>	<u>Comment</u>	<u>Mandate</u>
Legislation Affecting Local Governments by Subdivision			
<i>Allegany County</i>			
SB 629/HB 816	Alcoholic Beverages – Allegany County – Video Lottery Facility Sales and Consumption (Ch. 69/Ch. 70)	License fee revenues increase by \$20,000 annually beginning in FY 2013.	No
HB 816/SB 629	See entry for SB 629.		No
<i>Anne Arundel County</i>			
SB 244/HB 145	City of Annapolis – Alcoholic Beverages – Refillable Container License (Ch. 214/Ch. 215)	Minimal increase in Annapolis City license fee revenues.	No
HB 18	Anne Arundel County – Alcoholic Beverages – Refillable Container License (Ch. 604)	Minimal license fee revenues.	No
HB 145/SB 244	See entry for SB 244.		No
<i>Baltimore City</i>			
SB 742	Vehicle Laws – Residential Parking in Baltimore City (Ch. 312)	Potential significant parking fee and fine revenues.	No
SB 846	Courts – Baltimore City Sheriff and Fees for Filing and Service of Process (Ch. 325)	Fee revenues increase by \$2.2 million annually to fund additional personnel in the sheriff's office.	No
SB 900/HB 335	Baltimore City – Payment in Lieu of Taxes Agreements – Economic Development Projects (Ch. 573/Ch. 574)	Potential property tax revenue decrease offset by negotiated payment in lieu of tax agreements.	No
HB 335/SB 900	See entry for SB 900.		No

Legislation Affecting Local Government Revenues

<u>Bill #</u>	<u>Title</u>	<u>Comment</u>	<u>Mandate</u>
HB 860	Baltimore City Public Schools Construction and Revitalization Act of 2013 (Ch. 647)	Revenues for Baltimore City schools decrease by \$10.0 million in FY 2016 and by \$20.0 million annually thereafter.	Yes
<i>Baltimore County</i>			
SB 947	Baltimore County – Property Tax Credit – Bowerman-Loreley Beach Community Association, Inc. (Ch. 77)	Property tax revenues decrease by \$1,700 annually.	No
<i>Calvert County</i>			
SB 458	Calvert County – Public Facilities Bonds (Ch. 56)	Bond revenue proceeds increase by a maximum of \$33.8 million.	No
SB 656	Calvert County – Property Tax – Natural Gas Facility (Ch. 516)	Potential property tax revenue decrease offset by negotiated payment in lieu of tax agreements.	No
HB 1292	Calvert County – Alcoholic Beverages Licenses and Appeals (Ch. 411)	Potential minimal license fee revenues beginning in FY 2013.	No
<i>Carroll County</i>			
SB 588	Carroll County – Public Facilities Bonds (Ch. 63)	Bond revenue proceeds increase by a maximum of \$40.0 million.	No
<i>Cecil County</i>			
SB 392	Cecil County – Alcoholic Beverages – Refillable Containers (Ch. 253)	Minimal license fee revenues.	No
<i>Dorchester County</i>			
SB 6/HB 69	Dorchester County – Restriction on Sunday Gaming – Repeal (Ch. 6/Ch. 7)	Minimal license fee revenues.	No

Legislation Affecting Local Government Revenues

<u>Bill #</u>	<u>Title</u>	<u>Comment</u>	<u>Mandate</u>
SB 149/HB 68	Dorchester County – Alcoholic Beverages – Micro-Breweries (Ch. 444/Ch. 445)	Potential minimal license fee revenues.	No
SB 150/HB 133	Dorchester County – Alcoholic Beverages – Refillable Containers (Ch. 446/Ch. 447)	Minimal license fee revenues.	No
HB 68/SB 149	See entry for SB 149.		No
HB 69/SB 6	See entry for SB 6.		No
HB 133/SB 150	See entry for SB 150.		No
<i>Frederick County</i>			
SB 321/HB 410	Frederick County – Alcoholic Beverages – License Fees (Ch. 229/Ch. 230)	License fee revenues retained by the county general fund increase by approximately \$107,100 annually. Corresponding decrease in municipal license fee revenues.	No
HB 410/SB 321	See entry for SB 321.		No
<i>Garrett County</i>			
SB 369	Garrett County – Bonds for Garrett County Memorial Hospital (Ch. 45)	Bond revenue proceeds increase by a maximum of \$15.0 million.	No
SB 371/HB 464	Garrett County – Alcoholic Beverages – Sunday Sales (Ch. 244/Ch. 245)	Minimal license fee revenues.	No
HB 464/SB 371	See entry for SB 371.		No
HB 749	Garrett County – Alcoholic Beverages – Licenses, Permits, and Other Authorizations (Ch. 387)	Minimal license fee revenues.	No

Legislation Affecting Local Government Revenues

<u>Bill #</u>	<u>Title</u>	<u>Comment</u>	<u>Mandate</u>
<i>Harford County</i>			
SB 129	Harford County – Alcoholic Beverages – Class H-CC (Corporate Club/Conference Center) License (Ch. 182)	License fee revenues increase by a maximum of \$18,000 annually beginning in FY 2013.	No
SB 131	Harford County Liquor Control Board – Reserve Account (Ch. 183)	Minimal decrease in general county revenues, offset by a corresponding increase in Harford County Liquor Control Board revenues.	No
<i>Howard County</i>			
HB 450	Howard County – Property Tax Credit – Renovated, Upgraded, or Rehabilitated Property Ho. Co. 11-13 (Ch. 116)	Potential decrease in property tax revenues.	No
HB 1240	Howard County – Alcoholic Beverages – Continuing Care Retirement Community License Ho. Co. 10-13 (Ch. 149)	Potential minimal license fee revenues.	No
<i>Montgomery County</i>			
HB 647	Montgomery County – Town of Kensington – Beer and Wine Sampling or Tasting MC 9-13 (Ch. 129)	Potential minimal license fee revenues.	No
<i>Prince George’s County</i>			
HB 1070	Alcoholic Beverages – City of College Park – Sales by License Holders Near School Buildings PG 309-13 (Ch. 144)	Potential minimal license fee revenues.	No
HB 1074	Prince George’s County – Alcoholic Beverages – Hours of Sale and Fee for Golf Course Licenses PG 318-13 (Ch. 665)	Minimal license fee revenues.	No

Legislation Affecting Local Government Revenues

<u>Bill #</u>	<u>Title</u>	<u>Comment</u>	<u>Mandate</u>
HB 1082	Prince George's County – Alcoholic Beverages – Class A Licenses and Class B-AE Licenses PG 317-13 (Ch. 400)	License fee revenues increase by \$10,350 in FY 2014 and by \$8,250 annually thereafter.	No
HB 1105	Prince George's County – Alcoholic Beverages Sales – Prohibition on Use of Self-Scanning Cash Registers PG 311-13 (Ch. 667)	Minimal fine revenues.	No
HB 1431	Prince George's County – Alcoholic Beverages Licenses – Towne Centre at Laurel PG 320-13 (Ch. 683)	Minimal license fee revenues.	No
HB 1432	Prince George's County – Public Safety Surcharge PG 421-13 (Ch. 684)	Public safety surcharge revenue decrease.	No
HB 1433	Prince George's County – School Facilities Surcharge PG 420-13 (Ch. 685)	Potential significant decrease in school facilities surcharge revenues through FY 2019.	Yes
<i>Queen Anne's County</i>			
HB 199	Queen Anne's County – Beer, Wine and Liquor Tasting License (Ch. 353)	Minimal license fee revenues.	No
HB 201	Queen Anne's County – Property Tax Credit – Commercial Investment and Economic Development (Ch. 354)	Potential decrease in property tax revenues.	No
<i>St. Mary's County</i>			
HB 216	Queen Anne's County and St. Mary's County – Alcoholic Beverages – Micro-Brewery Licenses (Ch. 358)	Potential minimal license fee revenues.	No
HB 288	St. Mary's County – Public Facility Bonds (Ch. 96)	Bond revenue proceeds increase by a maximum of \$30.0 million.	No

Legislation Affecting Local Government Revenues

<u>Bill #</u>	<u>Title</u>	<u>Comment</u>	<u>Mandate</u>
HB 301	St. Mary’s County – Alcoholic Beverages – Class 6 Pub-Brewery License (Ch. 364)	Potential minimal license fee revenues.	No
HB 555	St. Mary’s County – Building Impact Fees – Deferrals (Ch. 378)	Potential minimal decrease in building impact fee revenues.	No
HB 1507	St. Mary’s County – Property Maintenance (Ch. 690)	Minimal fine revenues.	No
<i>Somerset County</i>			
SB 351	Somerset County – Alcoholic Beverages – Beer and Wine Tasting License (Ch. 238)	Minimal license fee revenues.	No
SB 424	Somerset County – Emergency Burning Ban – Adoption and Enforcement (Ch. 263)	Potential minimal fine revenues.	No
<i>Washington County</i>			
SB 506/HB 551	Washington County – Technology-Related Businesses – Payment in Lieu of Taxes Agreements (Ch. 488/Ch. 489)	Potential property tax revenue decrease offset by negotiated payment in lieu of tax agreements.	No
SB 508	Washington County – Public Facilities Bonds (Ch. 60)	Bond revenue proceeds increase by a maximum of \$60.0 million.	No
SB 535	Washington County – Amusement Devices – Tip Jars (Ch. 495)	Tip jar revenues decrease by approximately \$22,800 annually; offset by a corresponding decrease in expenditures.	No
HB 551/SB 506	See entry for SB 506.		No

Legislation Affecting Local Government Revenues

<u>Bill #</u>	<u>Title</u>	<u>Comment</u>	<u>Mandate</u>
<i>Wicomico County</i>			
SB 349/HB 275	Wicomico County Liquor Act of 2013 (Ch. 460/Ch. 461)	Minimal license fee revenues.	No
SB 1049	Recycling – Apartment Buildings and Condominiums – Ocean City (Ch. 602)	Ocean City civil penalty revenues may decrease beginning in FY 2015.	No
HB 275/SB 349	See entry for SB 349.		No
<i>Worcester County</i>			
SB 949	Worcester County – Alcoholic Beverages (Ch. 584)	License fee revenues increase by a maximum of \$30,000 annually. Potential significant decrease in alcoholic beverages revenue in FY 2015.	No

Legislation Affecting Local Government Expenditures

<u>Bill #</u>	<u>Title</u>	<u>Comment</u>	<u>Mandate</u>
Legislation Affecting All/Multiple Local Jurisdictions			
SB 8	Gas Companies – Rate Regulation – Infrastructure Replacement Surcharge (Ch. 161)	Minimal increase in energy expenditures.	No
SB 27/HB 385	Chesapeake Conservation Corps Program – Funding Extension (Ch. 434/Ch. 435)	Environmental surcharge payments continue beyond FY 2015.	No
SB 47/HB 191	Procurement – Purchase of American Manufactured Goods (Ch. 437/Ch. 438)	Potential administrative and procurement costs.	Yes
SB 72	Motor Vehicles – Damage to Highways from Overweight or Oversized Vehicles – Liability and Penalties (Ch. 176)	Potential decrease in road maintenance expenditures.	No
SB 153	Higher Education – Academic Credit for Military Education, Training, and Experience (Ch. 24)	Potential administrative and implementation costs for certain community colleges.	No
SB 171/HB 196	Election Law – Special Elections – Voting by Mail (Ch. 197/Ch. 198)	Potential decrease in election costs.	No
SB 239	Judgeships – Court of Special Appeals, Circuit Courts, and District Court (Ch. 34)	Significant circuit court expenditures for Calvert, Carroll, Cecil, Frederick, and Wicomico counties.	No
SB 245/HB 103	School Buildings – Solar Technology – Design Development Documents (Ch. 216/Ch. 217)	Assessment costs increase by up to \$10,000 for each school construction project. Potential construction costs offset by reduced expenditures on utilities.	Yes
SB 267/HB 116	Courts and Judicial Proceedings – Interception of Communications – Abuse or Neglect of Vulnerable Adult and Medicaid Fraud (Ch. 38/Ch. 39)	Minimal incarceration costs.	No

Legislation Affecting Local Government Expenditures

<u>Bill #</u>	<u>Title</u>	<u>Comment</u>	<u>Mandate</u>
SB 278/HB 227	Maryland Employment Advancement Right Now (EARN) Program (Ch. 1/Ch. 2)	Potential minimal program costs covered by grant revenue.	No
SB 279/HB 224	Election Law – Improving Access to Voting (Ch. 157/Ch. 158)	Election costs increase by approximately \$1.1 million annually.	Yes
SB 350	Electrical Inspectors and Plumbing Inspectors – Master License Required (Ch. 237)	Potential minimal inspection costs for certain counties may be offset by fee revenues.	Yes
SB 505	Criminal Procedure – Bail Bonds – Cash Bail (Ch. 487)	Minimal decrease in pretrial detention costs.	No
SB 524	Wetlands and Riparian Rights – Licenses and Permits for Nonwater-Dependent Projects on State or Private Wetlands (Ch. 492)	Potential minimal administrative costs.	No
SB 542	Election Law – Polling Places – Electioneering (Ch. 498)	Potential election costs.	No
SB 580/HB 180	Medical Marijuana – Caregiver – Affirmative Defense (Ch. 61/Ch. 62)	Minimal decrease in incarceration costs.	No
SB 624/HB 942	Identity Fraud – Health Information and Health Care Records (Ch. 300/Ch. 301)	Minimal incarceration costs.	No
SB 633	Libraries – County Library Capital Project Grant – Wealth-Based Cost Share (Ch. 512)	Matching grant expenditures decrease for certain counties.	No
SB 671/HB 409	Land Use – Local Comprehensive Planning and Zoning Cycle (Ch. 520/Ch. 521)	Potential decrease in administrative costs.	No
SB 676	Governmental Procedures – Security and Protection of Information (Ch. 304)	Potential significant compliance costs.	Yes
SB 697/HB 1140	Corporations and Associations – Conversions (Ch. 527/Ch. 528)	Counties share \$25,000 in information technology costs in FY 2014.	No

Legislation Affecting Local Government Expenditures

<u>Bill #</u>	<u>Title</u>	<u>Comment</u>	<u>Mandate</u>
SB 715	Maryland Highway Safety Act of 2013 (Ch. 309)	Incarceration costs.	No
SB 740	College and Career Readiness and College Completion Act of 2013 (Ch. 533)	Potential increase or decrease in school system expenditures, depending on current practice for dually enrolled students. Any increase may be partly offset by fees. Expenditures may further increase in FY 2016 to implement additional curriculum requirements.	Yes
SB 854	Environment – Gas and Oil Drilling – Financial Assurance (Ch. 568)	Potential decrease in environmental remediation costs.	No
SB 926	Education – State and Local Aid Program for Certification or Renewal of Certification – Sunset Repeal (Ch. 581)	Statewide school system expenditures of \$600,000 annually continue beyond FY 2013.	No
HB 95	Environment – Permits – New Source Performance Standards (Ch. 608)	Minimal decrease in environmental permitting costs for certain jurisdictions.	No
HB 102	Budget Reconciliation and Financing Act of 2013 (Ch. 425)	Local school boards will pay approximately \$1.7 million annually beginning in FY 2014 to reimburse the Department of Juvenile Services for certain nonpublic education placements.	Yes
HB 103/SB 245	See entry for SB 245.		Yes
HB 116/SB 267	See entry for SB 267.		No
HB 180/SB 580	See entry for SB 580.		No
HB 191/SB 47	See entry for SB 47.		Yes
HB 196/SB 171	See entry for SB 171.		No
HB 207	Education – Truant Students (Ch. 355)	Potential significant implementation costs.	Yes

Legislation Affecting Local Government Expenditures

<u>Bill #</u>	<u>Title</u>	<u>Comment</u>	<u>Mandate</u>
HB 224/SB 279	See entry for SB 279.		Yes
HB 226	Maryland Offshore Wind Energy Act of 2013 (Ch. 3)	Electricity expenditures increase minimally through FY 2017 and significantly beginning in FY 2018.	No
HB 227/SB 278	See entry for SB 278.		No
HB 349	Business Regulation – Cemeteries – Prohibited Acts and Penalties (Ch. 99)	Potential minimal decrease in incarceration costs.	No
HB 364	Swimming Pools – Automated External Defibrillator Programs (Connor’s Law) (Ch. 107)	Minimal program costs for certain counties and municipalities.	Yes
HB 385/SB 27	See entry for SB 27.		No
HB 396	Criminal Law – Misuse of Interactive Computer Service (Grace’s Law) (Ch. 369)	Minimal incarceration costs.	No
HB 409/SB 671	See entry for SB 671.		No
HB 583	Unemployment Insurance – Relief from Charges for Overpayment of Benefits – Restrictions (Ch. 121)	Potential UITF reimbursement expenditures.	No
HB 613	Sustainable Communities – Designation and Financing (Ch. 624)	Potential significant debt service expenditures.	No
HB 637	Maryland-National Capital Park and Planning Commission – High Performance Buildings MC/PG 101-13 (Ch. 626)	Potential M-NCPPC construction and renovation project costs.	Yes
HB 641	Washington Suburban Sanitary Commission – Drinking Water – Testing MC/PG 113-13 (Ch. 127)	WSSC contracting costs increase by \$25,000 in FY 2014 and by \$32,600 annually thereafter.	Yes

Legislation Affecting Local Government Expenditures

<u>Bill #</u>	<u>Title</u>	<u>Comment</u>	<u>Mandate</u>
HB 650	Washington Suburban Sanitary Commission – Prevailing Wage MC/PG 112-13 (Ch. 630)	Potential WSSC construction costs.	Yes
HB 706	Natural Resources – Forest Preservation Act of 2013 (Ch. 384)	Potential significant decrease in Forest Conservation Act compliance costs.	No
HB 713	Criminal Procedure – Seizure and Forfeiture – Property Used in Human Trafficking (Ch. 636)	Minimal implementation costs.	No
HB 797	Transportation Projects – Transportation Facilities – Water Access (Ch. 140)	Potential significant administrative and construction costs.	Yes
HB 941	Criminal Law – Fraudulent Liens – Prohibition (Ch. 656)	Minimal incarceration costs.	No
HB 942/SB 624	See entry for SB 624.		No
HB 1088	Business Regulation – Returnable Containers and Returnable Textiles – Revisions (Ch. 146)	Minimal incarceration costs.	No
HB 1140/SB 697	See entry for SB 697.		No
HB 1396	Criminal Law – Theft-Related Crimes – Penalties (Ch. 415)	Minimal incarceration costs.	No
HB 1440	Recycling – Composting Facilities (Ch. 686)	Potential compliance costs for certain jurisdictions.	Yes
HB 1499	Campaign Finance Reform Act of 2013 (Ch. 419)	Potential expenditures to establish public campaign financing systems beginning in FY 2015.	No

Legislation Affecting Local Government Expenditures

<u>Bill #</u>	<u>Title</u>	<u>Comment</u>	<u>Mandate</u>
Legislation Affecting Local Governments by Subdivision			
<i>Anne Arundel County</i>			
SB 313/HB 370	Workers' Compensation – Anne Arundel County Deputy Sheriff (Ch. 225/Ch. 226)	Potential significant workers' compensation costs.	Yes
HB 370/SB 313	See entry for SB 313.		Yes
<i>Baltimore City</i>			
SB 366	Baltimore City – Extinguishment or Redemption of Ground Rents (Ch. 462)	Significant decrease in administrative and legal costs.	No
SB 516	Economic Development – Baltimore Convention Facility – Operating Deficits (Ch. 283)	Mandatory contributions for the Baltimore City Convention Center decrease by \$1.9 million in FY 2015, by \$4.2 to \$4.5 million annually through FY 2019, and by \$2.4 million in FY 2020.	No
SB 846	Courts – Baltimore City Sheriff and Fees for Filing and Service of Process (Ch. 325)	Personnel costs of approximately \$1.7 million annually offset by fee revenues.	No
<i>Baltimore County</i>			
SB 931	Baltimore County – Orphans' Court Judges – Salary (Ch. 335)	Salary expenditures increase by \$10,300 in FY 2015 and by \$17,600 annually thereafter.	No
<i>Calvert County</i>			
SB 304	Calvert County – Election Judges – Compensation (Ch. 223)	Election costs increase by \$23,300 annually.	No

Legislation Affecting Local Government Expenditures

<u>Bill #</u>	<u>Title</u>	<u>Comment</u>	<u>Mandate</u>
SB 458	Calvert County – Public Facilities Bonds (Ch. 56)	Debt service expenditures increase by \$2.5 million annually over a 15-year period and by \$116,500 over a 25-year period.	No
<i>Carroll County</i>			
SB 588	Carroll County – Public Facilities Bonds (Ch. 63)	Debt service expenditures increase by \$2.6 million annually over a 20-year period.	No
<i>Cecil County</i>			
HB 1171	Cecil County – School Buses – Length of Operation (Ch. 672)	School transportation expenditures decrease significantly in FY 2014 and minimally in FY 2015.	No
<i>Harford County</i>			
HB 1394	Harford County – Appointment of Fire Company Members as Deputy Sheriffs – Number (Ch. 414)	Potential minimal training costs.	No
<i>Howard County</i>			
HB 895	Education – Howard County Library System – Collective Bargaining Ho. Co. 3-13 (Ch. 648)	Potential significant employee compensation and mediation costs.	No
HB 1406	Howard County – Sheriff – Salary Increases Ho. Co. 13-13 (Ch. 416)	Annual salary expenditures increase minimally through FY 2019.	No
HB 1407	Howard County – Orphans’ Court Judges – Salary Ho. Co. 12-13 (Ch. 153)	Salary expenditures increase by \$4,200 in FY 2015 and by \$7,100 annually thereafter.	No
<i>Montgomery County</i>			
HB 670	Montgomery County – Board of Education Districts – Town of Kensington in One District MC 1-13 (Ch. 132)	Minimal election costs in FY 2014.	No

Legislation Affecting Local Government Expenditures

<u>Bill #</u>	<u>Title</u>	<u>Comment</u>	<u>Mandate</u>
HB 674	Montgomery County – Board of Education – Compensation MC 8-13 (Ch. 382)	Salary expenditures increase by \$17,300 in FY 2015 and by \$51,800 in FY 2018.	No
<i>Prince George's County</i>			
HB 1107	Prince George's County – School System – Academic Revitalization and Management Effectiveness Initiative PG 411-13 (Ch. 147)	School board compensation costs increases by \$19,100 in FY 2013 and by over \$114,000 annually thereafter. Consulting costs increase by \$250,000 in FY 2014. Potential decrease in election costs.	Yes
HB 1146	Task Force to Study Locating Businesses in Libraries in Prince George's County PG 415-13 (Ch. 669)	Contractual staffing costs increase by approximately \$25,000 in FY 2014 and 2015.	No
HB 1349	Prince George's County Sheriff – Compensation and Salaries PG 319-13 (Ch. 152)	Salary expenditures increase by approximately \$13,400 in FY 2015 and by at least \$34,400 annually thereafter.	No
<i>St. Mary's County</i>			
HB 288	St. Mary's County – Public Facility Bonds (Ch. 96)	Debt service expenditures increase by \$1.9 million annually over a 20-year period.	No
HB 1507	St. Mary's County – Property Maintenance (Ch. 690)	Minimal notification costs.	No
<i>Somerset County</i>			
SB 154	Somerset County – County Treasurer – Abolishment and Transfer of Functions to the County Supervisor of Tax Collection (Ch. 194)	Administrative and salary expenditures decrease by \$4,000 in FY 2014, \$34,000 in FY 2015, and by \$60,000 annually beginning in FY 2016.	No
SB 470/HB 492	Employees' Pension System – Somerset County Economic Development Commission – Eligible Governmental Unit (Ch. 472/Ch. 473)	Potential actuarial valuation costs of \$7,000 in FY 2014.	No

Legislation Affecting Local Government Expenditures

<u>Bill #</u>	<u>Title</u>	<u>Comment</u>	<u>Mandate</u>
HB 492/SB 470	See entry for SB 470.		No
<i>Washington County</i>			
SB 508	Washington County – Public Facilities Bonds (Ch. 60)	Debt service expenditures increase by \$3.9 million annually over a 20-year period.	No
SB 535	Washington County – Amusement Devices – Tip Jars (Ch. 495)	Tip jar expenditures decrease by approximately \$22,800 annually; offset by an equal decrease in revenues.	No
<i>Wicomico County</i>			
SB 1049	Recycling – Apartment Buildings and Condominiums – Ocean City (Ch. 602)	Ocean City recycling enforcement costs may decrease beginning in FY 2015.	No

