

D05E01
Board of Public Works

Operating Budget Data

(\$ in Thousands)

| | <u>FY 12</u> <u>Actual</u> | <u>FY 13</u> <u>Working</u> | <u>FY 14</u> <u>Allowance</u> | <u>FY 13-14</u> <u>Change</u> | <u>% Change</u> <u>Prior Year</u> |
|--|-------------------------------|--------------------------------|----------------------------------|----------------------------------|--------------------------------------|
| General Fund | \$7,124 | \$7,411 | \$7,954 | \$544 | 7.3% |
| Contingent and Back of Bill Reductions | 0 | 0 | -1 | -1 | |
| Adjusted General Fund | \$7,124 | \$7,411 | \$7,953 | \$543 | 7.3% |
| Special Fund | 0 | 8 | 0 | -8 | -100.0% |
| Contingent and Back of Bill Reductions | 0 | 0 | 0 | 0 | |
| Adjusted Special Fund | \$0 | \$8 | \$0 | -\$8 | -100.0% |
| Adjusted Grand Total | \$7,124 | \$7,419 | \$7,953 | \$535 | 7.2% |

- The fiscal 2014 allowance increases by \$534,650, or 7.2%, primarily due to a new grant for the Maryland Science Center.

Personnel Data

| | <u>FY 12</u> <u>Actual</u> | <u>FY 13</u> <u>Working</u> | <u>FY 14</u> <u>Allowance</u> | <u>FY 13-14</u> <u>Change</u> |
|------------------------|-------------------------------|--------------------------------|----------------------------------|----------------------------------|
| Regular Positions | 9.00 | 9.00 | 9.00 | 0.00 |
| Contractual FTEs | <u>0.00</u> | <u>0.00</u> | <u>0.00</u> | <u>0.00</u> |
| Total Personnel | 9.00 | 9.00 | 9.00 | 0.00 |

Vacancy Data: Regular Positions

| | | |
|---|------|-------|
| Turnover and Necessary Vacancies, Excluding New Positions | 0.00 | 0.00% |
| Positions and Percentage Vacant as of 12/31/12 | 0.00 | 0.00% |

- No additional regular positions or contractual full-time equivalents are included in the fiscal 2014 allowance.

For further information contact: Kyle McKay

(410) 946-5530

- The agency had no vacancies on December 31, 2012, and no turnover is budgeted

Analysis in Brief

Major Trends

Value of Contracts Approved Increased: In fiscal 2012, the dollar value of contracts approved by the board increased by \$2.5 billion due to health care contracts for State employees and prisoners.

Issues

A New Grant for the Maryland Science Center to Aid Debt Refinancing: The allowance for the Board of Public Works includes a new grant of \$465,283 for the Maryland Science Center. The center reports that the funds will be treated as general revenues and will aid a major refinancing that was initiated by an upcoming expiration of a line of credit. **The Department of Legislative Services recommends adopting narrative requesting submission of fiscal 2013 audited financial statements from the Maryland Science Center.**

Recommended Actions

| | <u>Funds</u> |
|---|-------------------|
| 1. Reduce the grant to the Maryland Science Center by \$161,748. | \$ 161,748 |
| 2. Adopt narrative requesting submission of Operational Reporting for the Maryland Zoo in Baltimore. | |
| 3. Adopt narrative requesting submission of Operational Reporting for the Maryland Science Center in Baltimore. | |
| Total Reductions | \$ 161,748 |

Updates

Changes to the Minority Business Enterprise Program: In 2012, the General Assembly reauthorized the Minority Business Enterprise (MBE) program and moved the statewide Minority Business Enterprise Program goal from statute to regulation. The Governor's Office of Minority Affairs will issue the new statewide goal and set of subgoals. In the meantime, the Board of Public

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Works has issued regulations as required by the statute to clarify and enhance contract enforcement for MBE participation in contracts with the State.

Maryland Zoo in Baltimore Financial Update: The Maryland Zoo experienced attendance and revenue growth in fiscal 2012. A large portion of the zoo's net income growth in 2012 was composed of capital assets and was caused by one-time revenue sources. Based on the nature of these one-time revenues, the zoo may experience moderate revenue fluctuations in fiscal 2013 and 2014. The general operating outlook, however, remains stable, according to the zoo.

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Board of Public Works

Operating Budget Analysis

Program Description

The Governor, Comptroller, and Treasurer comprise the Board of Public Works (BPW). The board approves the expenditure of all sums appropriated through State loans authorized by the General Assembly and funds appropriated for capital improvements, except construction contracts for State roads, bridges, and highways. The board approves leases and contracts executed by State agencies. It adopts and promulgates rules, regulations, and procedures for the administration of the State's procurement law. The board approves certain actions of the Public School Construction Program, including the funding allocations to school boards in each county and Baltimore City. The board also approves the amount and timing of bond sales.

The board is responsible for the issuance of licenses to people seeking to dredge in or to place fill on State tidal wetlands. The Wetlands Administration unit is a division of the board that conducts public hearings, prepares written recommendations, and issues licenses after approval by the board. This program also coordinates the State's wetlands licensing program with other governmental agencies, landowners, and the general public.

The budget for BPW contains funds for the administrative staff of the board, a contingency fund to supplement general fund appropriations when necessary, grant funds for private nonprofit groups, and funds to pay settlements and judgments against the State.

Performance Analysis: Managing for Results

Although BPW participates in Managing for Results (MFR), its principal charge is overseeing the stewardship of the State's assets. Quantitatively assessing the quality of that decisionmaking is difficult. After consistent high performance in responding to public information requests in a timely and satisfactory manner, customer service measures have been dropped from its MFR reporting in favor of statistics that provide a summary of the State's procurement actions handled by BPW.

1. Value of Contracts Approved Increased

Exhibit 1 lists statewide contract submissions, modifications, and approvals for fiscal 2009 to 2014. In fiscal 2012, the dollar value of contracts approved by the board increased by \$2.5 billion, or 85.5%. The \$2.5 billion increase was due to a five-year \$2.34 billion pharmacy benefit manager contract for State employees and a \$598 million health care contract for State prisoners. The 2011 dollar value of contracts also represented a significant increase over the prior year. The \$1.0 billion increase between 2010 and 2011 was driven primarily by foster care out-of-home services for youth, the Charlotte Hall Veterans Home management contract, and the Maryland State Police helicopter procurement.

Exhibit 1
Contract Approvals/Modifications and Dollar Values
Fiscal 2009-2014

| | 2009 | 2010 | 2011 | 2012 | 2011-2012 | 2013 | 2014 |
|---|---------------|---------------|---------------|---------------|------------------|-------------|-------------|
| | <u>Actual</u> | <u>Actual</u> | <u>Actual</u> | <u>Actual</u> | <u>% Change</u> | <u>Est.</u> | <u>Est.</u> |
| Contracts submitted for approval | 705 | 579 | 542 | 551 | 1.7% | 660 | 660 |
| Contracts approved | 680 | 548 | 538 | 545 | 1.3% | 630 | 630 |
| Total dollar value of contracts (\$ in billions) | \$7.7 | \$1.9 | \$2.9 | \$5.4 | 85.5% | \$2.5 | \$2.5 |
| Contract modifications submitted for approval | 265 | 311 | 340 | 353 | 3.8% | 270 | 270 |
| Contract modifications approved | 254 | 298 | 340 | 351 | 3.2% | 260 | 260 |
| Total dollar value of approved modifications (\$ in billions) | \$1.1 | \$1.2 | \$1.8 | \$1.4 | -21.1% | \$1.0 | \$1.0 |

Source: Board of Public Works; Governor’s Budget Books, 2012-2013

Proposed Budget

As shown in **Exhibit 2**, the proposed fiscal 2014 budget increases by \$534,650, or 7.2%. The addition of a new \$465,283 grant for the Maryland Science Center is the only major change to the BPW budget.

Smaller modifications include a \$100,000 increase in the contingent fund working appropriation to maintain an initial legislative appropriation equal to fiscal 2013 of \$500,000, a \$1,084 across-the-board reduction of general funds due to over budgeted health care, and a \$45,000 reduction in payments for judgments against the State. Employee retirement costs increase by \$16,108 for regular employees, teachers, State Police, and Law Enforcement Officers in fiscal 2014. The rate increases are attributable to underattaining investment returns, adjusting actuarial assumptions, and increasing the reinvestment of savings achieved in the 2011 pension reform.

Exhibit 2
Proposed Budget
Board of Public Works
(\$ in Thousands)

| How Much It Grows: | General Fund | Special Fund | Total |
|----------------------------|-------------------------|-------------------------|--------------|
| 2013 Working Appropriation | \$7,411 | \$8 | \$7,419 |
| 2014 Allowance | <u>7,954</u> | <u>0</u> | <u>7,954</u> |
| Amount Change | \$544 | -\$8 | \$536 |
| Percent Change | 7.3% | -100.0% | 7.2% |
| Contingent Reductions | -\$1 | \$0 | -\$1 |
| Adjusted Change | \$543 | -\$8 | \$535 |
| Adjusted Percent Change | 7.3% | -100.0% | 7.2% |

Where It Goes:

Personnel Expenses

| | |
|---|------|
| Employee and retiree health insurance, net of across-the-board reductions | -\$1 |
| Annualization of fiscal 2013 cost-of-living adjustments | 8 |
| Increments and other compensation..... | -15 |
| Other fringe benefit adjustments..... | -1 |
| Employee retirement..... | 17 |

Other Changes

| | |
|---|-----|
| Maryland Science Center grant..... | 465 |
| Contingent Fund appropriation | 100 |
| Reduction in judgments against the State | -45 |
| Wetland Administration travel..... | 2 |
| Department of Budget and Management paid telecommunications | -17 |
| Office, data processing, and library supplies | 5 |
| Other | 17 |

Total **535**

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

Grants to Private Nonprofits

The fiscal 2014 allowance for grants to private nonprofits totals \$6,285,768 in general funds, which represents an increase of \$470,804, or 8.1%, over the fiscal 2012 working appropriation. The largest increase comes from the addition of a new grant for the Maryland Science Center.

- ***Maryland Science Center:*** The allowance for BPW includes a new grant of \$465,283 for the Maryland Science Center. The center reports that the funds will be treated as general revenues and will aid a major refinancing that was initiated by an upcoming expiration of a line of credit.
- ***Maryland Zoo in Baltimore:*** The State has provided the Maryland Zoo in Baltimore with a variety of grants to support its general operations over the past 20 years. These funds have resided in the BPW budget since 2004. The board's fiscal 2014 allowance includes a \$5,175,218 general fund operating grant to the zoo, the same amount as the prior year. It should also be noted that State funding for education organizations includes \$812,171 for zoo operations, resulting in total State operating funding of \$5,987,389. This constitutes a \$264,920, or 4.6%, increase over fiscal 2013, due to an across-the-board increase in State funding for educational organizations. This increase follows several years of level-funding. The zoo will also receive a \$7,000,000 grant for capital programs in the fiscal 2014 capital budget.
- ***Historic Annapolis Foundation:*** The fiscal 2014 allowance provides a \$482,283 general fund grant to the Historic Annapolis Foundation (HAF). HAF leases 11 State-owned historic buildings in Annapolis and is contractually obligated to operate and maintain them. The grant funds will be used for operating expenditures to heat and maintain State properties.
- ***Council of State Governments:*** A \$163,267 general fund grant to the Council of State Governments (CSG) provides the organization with an operating budget subsidy. CSG uses these funds to provide support services for priorities established by legislative leaders and executives through the Eastern Office of the Council of State Governments, the Southern Legislative Conference, and the Southern Governors' Association. The amount budgeted represents a \$5,521 increase over fiscal 2013 and reflects an adjustment of the CSG's membership fees, as approved by voting representatives from all 50 states.

Judgments Against the State

Section 10-501 of the State Finance and Procurement Article provides that BPW may grant compensation to an individual erroneously convicted, sentenced, and confined under State law for a crime the individual did not commit. The fiscal 2014 allowance includes \$123,125 in general funds for payments of civil judgments against the State. This represents a \$45,000 decrease from the fiscal 2013 budget due to the completion of payments to an

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erroneously convicted individual. The remaining allowance represents all known settlements that are to be paid through the close of fiscal 2014.

Issues

1. A New Grant for the Maryland Science Center to Aid Debt Refinancing

The allowance for BPW includes a new grant of \$465,283 for the Maryland Science Center. The center reports that the funds will be treated as general revenues and will aid a major refinancing that was initiated by an upcoming expiration of a line of credit.

The Maryland Science Center's line of credit will expire in April 2013 due to the violation of a liquidity covenant for coverage of short debt from operating revenue. Absent a new line of credit, \$5.4 million in outstanding bonds linked to the line of credit at issue will be called when the letter of credit terminates in April 2013. According to the center, additional revenues from the State will demonstrate greater cash-flow and likely facilitate the refinancing process.

Independent of the refinancing process, the center reports that the \$465,283 grant, in addition to State aid funding, will allow the center to fully fund programs associated with Maryland schools and the State aid program. Following reductions to State aid in prior fiscal years, the center has both subsidized school programming beyond the level of State aid received and capped free school group admissions in recent years. In total, the center has operated at a loss and has relied on several lines of credit in recent years. The fiscal 2014 allowance would allow the center to remove the admissions cap for Maryland school children and fully fund the related programming.

The center also receives a grant through the State Aided Educational Institutions Program and will receive a \$284,817 increase to \$873,169 in the fiscal 2014 allowance as part of a programwide increase for State aided educational institutions.

The Maryland Science Center should discuss its recent use of lines of credit, the refinancing plan, and the necessity of a continued grant from BPW subsequent to refinancing, based on its current financial outlook.

The Department of Legislative Services recommends reducing the grant to the Maryland Science Center by \$161,748. This would limit the increase in State operating budget funds to 100% of fiscal 2013, inclusive of funds through the State Aided Educational Institutions Program.

Recommended Actions

- | | <u>Amount
Reduction</u> | |
|---|------------------------------------|----|
| 1. Reduce the grant to the Maryland Science Center by \$161,748. The remaining \$303,535 and the additional funding for the Science Center under the State Aided Educational Institutions Program will result in a 100% increase in State assistance. | \$ 161,748 | GF |

2. Adopt the following narrative:

Operational Reporting: In continuance of the practice that began in July 2008, the committees request that the Maryland Zoological Society submit:

- audited financial statements for fiscal 2013; and
- year-to-date monthly attendance figures for the zoo for fiscal 2014 (by visitor group).

| Information Request | Author | Due Date |
|----------------------------|-----------------------------|------------------|
| Audited Financials | Maryland Zoological Society | November 1, 2013 |
| Attendance Reports | Maryland Zoological Society | Monthly |

3. Adopt the following narrative:

Operational Reporting: The committees request that the Maryland Academy of Science, doing business as the Maryland Science Center, submit audited financial statements for the Maryland Academy of Science for fiscal 2013.

| Information Request | Author | Due Date |
|----------------------------|-----------------------------|------------------|
| Audited Financials | Maryland Academy of Science | November 1, 2013 |

| | |
|--------------------------------------|-------------------|
| Total General Fund Reductions | \$ 161,748 |
|--------------------------------------|-------------------|

Updates

1. Changes to the Minority Business Enterprise Program

Chapter 154 of 2012 reauthorized the Minority Business Enterprise Program (MBE) through 2016 and moved the statewide goal of having at least 25% of the total dollar value of each agency's procurement contracts be awarded to certified minority business enterprises from statute to regulation. The Governor's Office of Minority Affairs (GOMA), in consultation with the Maryland Department of Transportation and the Office of the Attorney General, will reevaluate and set an overall goal and series of subgoals for the State every two years through the Code of Maryland Regulations. Absent an action changing the goals, the prior year set of goals will apply. Changes to the program were made to enhance both the flexibility of the goals for specific industry sectors, while also providing for more effective enforcement mechanisms.

The new statute, for example, delineates an extensive process for soliciting industry input into setting subgoals, and requires GOMA to estimate the amount of MBE participation that would occur absent ongoing and persistent discrimination in the relevant markets. The new program also explicitly requires MBE participation schedules to be made a part of the executed contracts with the State, and requires contracts to have provisions for liquidated damages in the event that the prime contractor does not comply in good faith with its MBE participation commitments.

Within the larger process for developing the new MBE program provisions, the statute directs BPW to issue regulations which:

- require bidders or offerers to complete a bid document that specifies the overall percentage of the contract they agree to achieve through MBEs;
- clarify that participation commitments are part of the executed contract; and
- require liquidated damages provisions.

BPW has since drafted these regulations and anticipates publication of the regulations in the *Maryland Register* on February 22, 2013. GOMA completed a process for soliciting industry and stakeholder input, as required by the statute, in summer 2012 and expects to issue the draft statewide goal to AELR by the end of January 2013. GOMA expects the final regulation, after review by AELR and a public comment period, to be issued within a few months after submission to AELR. As such, the current statewide goal remains set at 25% for MBE participation until GOMA issues the new statewide goal. Subgoals will be developed subsequent to the issuance of the statewide goal.

2. Maryland Zoo in Baltimore Financial Update

The 2012 *Joint Chairmen's Report* directed the Maryland Zoo to submit audited financial statements and monthly attendance reports. Throughout fiscal 2012, the zoo submitted monthly attendance reports to the budget committees as required and its financial statements on November 1, 2012.

Zoo Attendance Increase in Fiscal 2012

Exhibit 3 shows zoo attendance for fiscal 2008 through 2012 by visitor group type. Zoo attendance increased by 35,232, or 9.4% in fiscal 2012 as compared to 2011. General public attendance experienced the largest growth, increasing by 26,005 visitors, or 16.8%. The number of member visits also increased substantially by 14,147 visitors, or 11.4%, between fiscal 2012 and 2011. The Maryland Zoo originally forecasted 375,000 total visitors for fiscal 2012 and attributes the higher than forecasted attendance to a radio focused membership campaign in spring 2012 and a more effective general marketing program.

In contrast to general and member admissions, the number of visits by passes decreased by 77.0% in fiscal 2012. The passes category includes those entering the zoo without paying an admission fee, excluding vendors, contractors, and school groups. In fiscal 2011, the zoo changed its methodology of counting visitors in this category based on industry standards, by including visitors to special events for the first time, resulting in a significant increase. The zoo attributes the decline in this category in fiscal 2012 primarily to a decrease in admissions via special events because the main rental venue was closed for renovations during the first half of the fiscal year.

The zoo is currently forecasting 375,000 visitors for fiscal 2013, representing a decline from fiscal 2012. The seasonal timing of spring breaks and a major construction project on the penguin exhibit are expected to have a negative effect on attendance.

Exhibit 3
Maryland Zoo in Baltimore Attendance by Groups
Fiscal 2008-2012

| | <u>2008</u> | <u>2009</u> | <u>2010</u> | <u>2011</u> | <u>2012</u> | <u># Change</u> <u>2011-2012</u> | <u>% Change</u> <u>2011-2012</u> | <u>% Change</u> <u>2008-2012</u> |
|--------------|----------------|----------------|----------------|----------------|----------------|-------------------------------------|-------------------------------------|-------------------------------------|
| General | 158,600 | 153,800 | 148,319 | 154,899 | 180,904 | 26,005 | 16.8% | 14.1% |
| Member | 107,358 | 99,877 | 112,297 | 123,721 | 137,868 | 14,147 | 11.4% | 28.4% |
| School | 79,888 | 74,005 | 75,397 | 81,521 | 87,750 | 6,229 | 7.6% | 9.8% |
| Passes | 3,123 | 2,999 | 4,441 | 14,470 | 3,321 | -11,149 | -77.0% | 6.3% |
| Total | 348,969 | 330,681 | 340,454 | 374,611 | 409,843 | 35,232 | 9.4% | 17.4% |

Source: 2012 and 211 Consolidated Financial Statements, Maryland Zoo in Baltimore, Clifton Larson Allen, LLP

Earned Income and Expenses

Exhibit 4 shows the changes in zoo revenues and expenses from fiscal 2010 to 2012, as detailed in the audited financial statements. Notable changes in the zoo's fiscal 2012 revenues and expenditures include the following:

- **Grants and Awards:** Grants and awards increased by \$1.6 million, or 15.8%, in fiscal 2012. Grants and awards generally consist of public funding from State and local jurisdictions. The zoo reports that the increase was due to capital grant funding for major capital projects, including city funded wastewater projects and State funded construction projects.
- **Contributions:** Contributions increased by \$59,005, or 12.1% in fiscal 2012. Contributions are comprised of annual donations from individuals and corporations, excluding memberships. Fiscal 2010 contributions were much higher than 2011 and 2012 due to a single major bequest in that year.
- **Donated Facilities and Utilities:** Donated facilities and utilities increased by \$158,876, or 23.6%, because of the reclassification of waste removal services provided by the city of Baltimore to the donated facilities and utilities category and a one-time donation of office space for activities in the Annapolis area.
- **Donated Services and Materials:** Donated services declined by \$118,856 due to the reclassification of waste removal services provided by the City of Baltimore.

Exhibit 4
Maryland Zoo in Baltimore – Audited Financial Statements
Fiscal 2010-2012

| | <u>2010</u> <u>Actual</u> | <u>2011</u> <u>Actual</u> | <u>2012</u> <u>Actual</u> | <u>2011-2012</u> <u>\$ Change</u> | <u>2011-2012</u> <u>% Change</u> |
|---|------------------------------|------------------------------|------------------------------|--------------------------------------|-------------------------------------|
| Revenues, Gains, and Other Support | | | | | |
| Grants | \$14,837,413 | \$10,016,847 | \$11,596,581 | \$1,579,734 | 15.77% |
| Contributions | 1,309,116 | 489,757 | 548,762 | \$59,005 | 12.05% |
| Donated Facilities and Utilities | 755,147 | 672,873 | 831,749 | 158,876 | 23.61% |
| Donated Services and Materials | 118,604 | 127,354 | 8,498 | -118,856 | -93.33% |
| Visitor Revenue | 2,009,608 | 2,422,469 | 2,728,786 | 306,317 | 12.64% |
| Investment Income | 18,348 | 25,992 | -951 | -26,943 | -103.66% |
| Membership Dues | 1,132,293 | 1,170,231 | 1,210,237 | 40,006 | 3.42% |
| Other Revenues | 635,102 | 770,386 | 2,032,261 | 1,261,875 | 163.80% |
| Total | \$20,815,631 | \$15,695,909 | \$18,955,923 | \$3,260,014 | 20.77% |
| Expenses | | | | | |
| Program Services | \$11,187,633 | \$11,334,752 | \$12,233,038 | \$898,286 | 7.93% |
| Supporting Services | 2,904,597 | 3,112,962 | 3,079,548 | -33,414 | -1.07% |
| Fundraising | 619,991 | 693,483 | 595,885 | -97,598 | -14.07% |
| Total | \$14,712,221 | \$15,141,197 | \$15,908,471 | \$767,274 | 5.07% |
| Net Income | \$6,103,410 | \$554,712 | \$3,047,452 | \$2,492,740 | 449.38% |

Source: 2012 and 211 Consolidated Financial Statements, Maryland Zoo in Baltimore, Clifton Larson Allen, LLP

- Visitor Revenue:** Visitor revenue increased \$306,317, or 12.6%, in fiscal 2012. Visitor revenue comprises revenue obtained from admission ticket sales, concession commissions, enjoyment rides (net of revenue sharing paid to vendors), and facility rentals. According to the zoo, the primary driver behind the increase in visitor revenues was greater than forecast attendance at the zoo. Although the zoo is currently forecasting a decrease in visitor attendance for fiscal 2013, the zoo anticipates maintaining revenues in this category due to the return of the primary rental venue to full operations and moderate increases to the price of admissions.

- **Other Revenue:** Other revenue increased by \$1,261,875, or 163.8%, in fiscal 2012. Other revenue consists of revenues from special events, animal adoptions, and other miscellaneous revenue. The significant increase in fiscal 2012 was caused by insurance recoveries of approximately \$900,000 associated with snow damage in February 2010, a one-time donation from a corporate charity event, and healthy attendance and revenue growth for the “Brew at the Zoo” event.
- **Program Expenses:** Program expenses increased by approximately \$900,000, or 7.9%, primarily for two reasons in fiscal 2012. First, salaries increased with the conversion of 20 seasonal positions to full-time, regular positions and the implementation of salary increases for lower paid staff. These salary increases were planned and helped bring the zoo closer to the rates of peer institutions. Second, the zoo amortized \$217,000 of major capital projects.

Outlook for the Future Remains Stable, Despite One-time Revenues Loss

The largest sources of nongrant based revenue growth between fiscal 2011 and 2012 came from insurance recoveries and a large corporate charity event, both one-time revenue sources. Additionally, grant revenues have historically been somewhat volatile, due to the unpredictability of capital grants. Thus, the \$3 million in net income depicted above for fiscal 2012 was primarily composed of gains in depreciable assets from capital grants.

Counteracting these trends, the zoo anticipates significant growth in revenues from venue rentals, moderate growth in revenues from admissions, and stable expenses. Though the zoo may experience moderate revenue fluctuations based on the nature of one-time revenues sources, the zoo anticipates a relatively stable operating performance. The 2014 capital budget also includes a \$7,000,000 grant for the Maryland Zoo for the design, construction, renovation, and equipping of the African penguin exhibit, elephant facilities, infrastructure improvements, and life safety projects.

Current and Prior Year Budgets

Current and Prior Year Budgets Board of Public Works (\$ in Thousands)

| | <u>General Fund</u> | <u>Special Fund</u> | <u>Federal Fund</u> | <u>Reimb. Fund</u> | <u>Total</u> |
|----------------------------------|-------------------------|-------------------------|-------------------------|------------------------|----------------|
| Fiscal 2012 | | | | | |
| Legislative Appropriation | \$7,526 | \$0 | \$0 | \$0 | \$7,526 |
| Deficiency Appropriation | 0 | 0 | 0 | 0 | 0 |
| Budget Amendments | 7 | 0 | 0 | 0 | 7 |
| Reversions and Cancellations | -409 | 0 | 0 | 0 | -409 |
| Actual Expenditures | \$7,124 | \$0 | \$0 | \$0 | \$7,124 |
| Fiscal 2013 | | | | | |
| Legislative Appropriation | \$7,511 | \$0 | \$0 | \$0 | \$7,511 |
| Budget Amendments | -100 | 8 | 0 | 0 | -92 |
| Working Appropriation | \$7,411 | \$8 | \$0 | \$0 | \$7,419 |

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

Fiscal 2012

The fiscal 2012 appropriation increased by \$7,263 in general funds to reflect the one-time State employee bonus. Additionally, there was a general fund reversion of \$409,155. The reversion was solely due to unspent appropriations in the contingency fund.

Fiscal 2013

The fiscal 2013 appropriation increased by \$8,019 in special funds based on a cost-of-living adjustment increase for State employees. In fiscal 2013, BPW made an expenditure from the contingency fund of \$100,000 for the State Labor Relations Board to increase staffing and incur additional expenditures to expand collective bargaining to new offices and State agencies, per new law. The expenditure and transfer is shown as a reduction in the working appropriation for BPW in fiscal 2013.

**Object/Fund Difference Report
Board of Public Works**

| <u>Object/Fund</u> | <u>FY 12 Actual</u> | <u>FY 13 Working Appropriation</u> | <u>FY 14 Allowance</u> | <u>FY 13 - FY 14 Amount Change</u> | <u>Percent Change</u> |
|---|-------------------------|--|----------------------------|--|---------------------------|
| Positions | | | | | |
| 01 Regular | 9.00 | 9.00 | 9.00 | 0.00 | 0% |
| Total Positions | 9.00 | 9.00 | 9.00 | 0.00 | 0% |
| Objects | | | | | |
| 01 Salaries and Wages | \$ 866,062 | \$ 928,911 | \$ 938,077 | \$ 9,166 | 1.0% |
| 02 Technical and Spec. Fees | 30,513 | 20,000 | 21,500 | 1,500 | 7.5% |
| 03 Communication | 9,226 | 26,264 | 10,011 | -16,253 | -61.9% |
| 04 Travel | 1,864 | 1,200 | 3,442 | 2,242 | 186.8% |
| 08 Contractual Services | 26,685 | 40,115 | 41,865 | 1,750 | 4.4% |
| 09 Supplies and Materials | 30,602 | 10,450 | 15,650 | 5,200 | 49.8% |
| 10 Equipment – Replacement | 43,572 | 4,700 | 5,200 | 500 | 10.6% |
| 11 Equipment – Additional | 0 | 0 | 3,500 | 3,500 | N/A |
| 12 Grants, Subsidies, and Contributions | 6,112,437 | 6,383,089 | 6,908,893 | 525,804 | 8.2% |
| 13 Fixed Charges | 2,998 | 3,320 | 4,145 | 825 | 24.8% |
| 14 Land and Structures | 0 | 500 | 2,000 | 1,500 | 300.0% |
| Total Objects | \$ 7,123,959 | \$ 7,418,549 | \$ 7,954,283 | \$ 535,734 | 7.2% |
| Funds | | | | | |
| 01 General Fund | \$ 7,123,959 | \$ 7,410,530 | \$ 7,954,283 | \$ 543,753 | 7.3% |
| 03 Special Fund | 0 | 8,019 | 0 | -8,019 | -100.0% |
| Total Funds | \$ 7,123,959 | \$ 7,418,549 | \$ 7,954,283 | \$ 535,734 | 7.2% |

Note: The fiscal 2013 appropriation does not include deficiencies. The fiscal 2014 allowance does not include contingent reductions.

**Fiscal Summary
Board of Public Works**

| <u>Program/Unit</u> | <u>FY 12 Actual</u> | <u>FY 13 Wrk Approp</u> | <u>FY 14 Allowance</u> | <u>Change</u> | <u>FY 13 - FY 14 % Change</u> |
|--|-------------------------|-----------------------------|----------------------------|-------------------|-----------------------------------|
| 01 Administration Office | \$ 817,495 | \$ 840,566 | \$ 840,496 | -\$ 70 | 0% |
| 02 Contingent Fund | 90,845 | 400,000 | 500,000 | 100,000 | 25.0% |
| 05 Wetlands Administration | 194,027 | 194,894 | 204,894 | 10,000 | 5.1% |
| 10 Miscellaneous Grants to Private Nonprofit Groups | 5,808,467 | 5,814,964 | 6,285,768 | 470,804 | 8.1% |
| 15 Payments of Judgments Against the State | 213,125 | 168,125 | 123,125 | -45,000 | -26.8% |
| Total Expenditures | \$ 7,123,959 | \$ 7,418,549 | \$ 7,954,283 | \$ 535,734 | 7.2% |
| General Fund | \$ 7,123,959 | \$ 7,410,530 | \$ 7,954,283 | \$ 543,753 | 7.3% |
| Special Fund | 0 | 8,019 | 0 | -8,019 | -100.0% |
| Total Appropriations | \$ 7,123,959 | \$ 7,418,549 | \$ 7,954,283 | \$ 535,734 | 7.2% |

Note: The fiscal 2013 appropriation does not include deficiencies. The fiscal 2014 allowance does not include contingent reductions.