
Capital Budget Fiscal Briefing

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

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Analysis of the FY 2020 Maryland Executive Budget, 2019

Capital Program

Quick Look at Fiscal 2020 Capital Budget and Potential Legislative Considerations

Fiscal 2020 Capital Budget Totals \$1.854 Billion

- **Debt Components:** Include \$1.085 billion of new general obligation (GO) bonds plus another \$4.2 billion of GO bonds recycled from deauthorizations and \$34.0 million of Academic Revenue Bonds. Proposed new GO bond authorization levels are consistent with the Spending Affordability Committee (SAC) recommendation for fiscal 2020 and through the five-year *Capital Improvement Program (CIP)* covering fiscal 2020 through 2024.
- **Pay-as-you-go (PAYGO) Components:** The PAYGO portion of the nontransportation capital program totals \$731 million comprised of \$121.4 million in general funds, \$493 million in special funds, and \$116.6 million in federal funds. The general fund figure includes \$38.2 million budgeted in the Dedicated Purpose Account for Program Open Space (POS) repayments established by Chapter 10 of 2016 as amended by the Budget Reconciliation and Financing Act (BRFA) of 2018; as introduced, the Governor's budget submission reflects these repayments as special funds.

Funding Highlights and Other Considerations

- **GO Bond Authorization Levels Increase:** The Governor's proposed new annual GO bond authorization levels adhere to the SAC recommendation. During the five years covered by the 2019 CIP, new authorizations will total \$5.525 billion. Compared to the Governor's previous flat annual \$995 million reflected in the 2018 CIP, this adds \$90 million in fiscal 2020 and a total of \$550 million through fiscal 2020 to 2024 covered by the five-year CIP forecast.
- **General Fund Support for the Capital Program Increases:** As introduced, the budget provides \$121.4 million in general fund PAYGO compared to \$48.2 million programmed in the 2018 CIP for fiscal 2020.
- **Bond Premiums Budgeted for Debt Service:** As introduced, the fiscal 2020 budget includes the budgeting of \$70 million of bond premium proceeds to be used to support debt service on the State outstanding GO bond issuances. These funds are therefore not available to support capital purposes as they have been used in each of fiscal 2016 and 2019.
- **School Construction:** The fiscal 2020 capital budget provides \$438 million for public school construction. Funding is enhanced through several general fund mandates established in the 2018 session and through the use of special funds from the Education Trust Fund (ETF) in connection with the Governor's Building Opportunity Fund public school construction initiative.

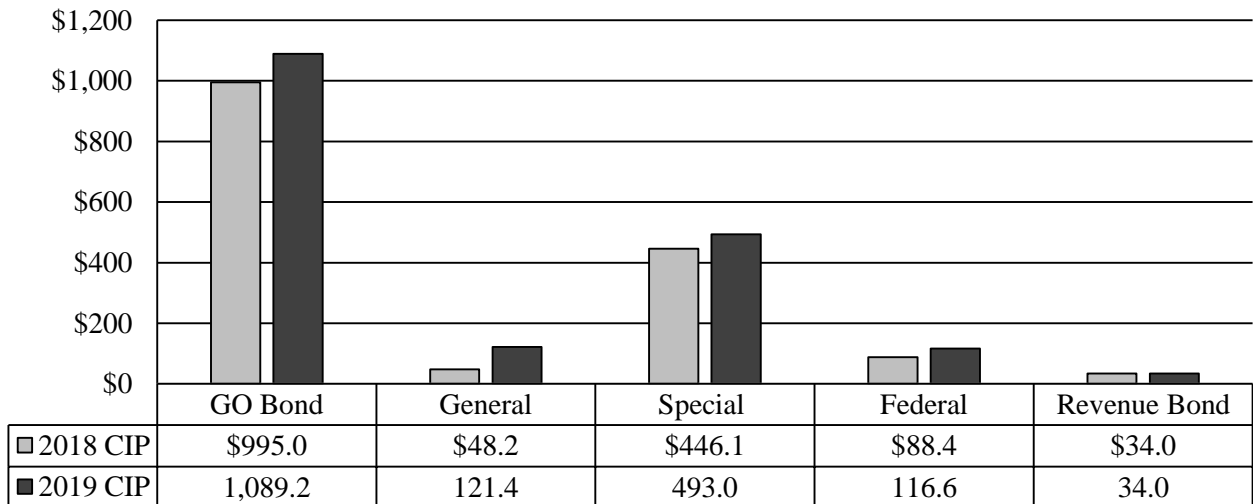
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- **Mandates:** The budget fully funds all capital mandates either through the use of general or GO bond funds.
- **Legislative Initiatives:** The budget provides a set aside of \$15 million of GO bond funds for local legislative initiatives for fiscal 2020; however, the 2019 CIP does not include this set aside in each of fiscal 2021 through 2024.

Fiscal 2020 Capital Program

Exhibits 1 and 2 compare the fiscal 2020 capital budget as introduced with what was programmed in the 2018 CIP by major funding source and funding categories. Overall, the fiscal 2020 capital budget totals \$1.854 billion in all funds compared to \$1.612 billion programmed in the 2018 CIP, an increase of \$242 million.

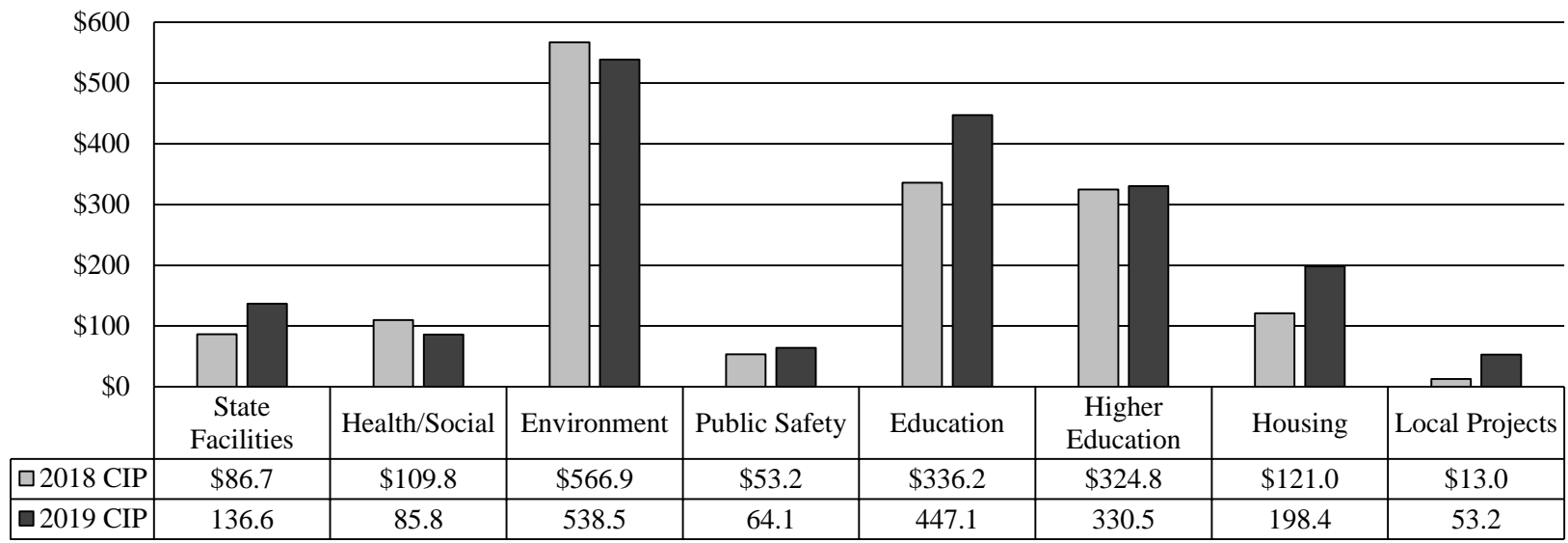
Exhibit 1
Fiscal 2020 Capital Funding by Major Source
2018 CIP Compared to 2019 CIP
(\$ in Millions)



CIP: *Capital Improvement Program*
 GO: general obligation

Source: Department of Budget and Management

Exhibit 2
Fiscal 2020 Capital Funding by Major Category
2018 CIP Compared to 2019 CIP
(\$ in Millions)



CIP: Capital Improvement Program

Source: Department of Budget and Management

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- ***GO Bond Funds:*** The budget includes \$1.085 billion of new GO bond authorizations and another \$4.2 million of authorizations from the reprogramming of deauthorizations proposed in the budget. The Governor's decision to provide new GO bond authorizations at the level recommended by SAC rather than the \$995 million programmed in the 2018 CIP adds \$90 million of new GO bond authorizations for the 2019 session, which the Governor fully allocates in the capital budget bill.
- ***General Funds:*** The use of general funds in support of the capital program increases from the \$48.2 million programmed in the 2018 CIP to \$121.4 million. In addition to the \$38.2 million that was already programmed for the transfer tax repayment plan as amended by the BRFA of 2018, the budget fully funds the Baltimore Regional Neighborhood Initiative (BRNI) and the Seed Community Development Anchor Institution Fund at the mandated amounts of \$12 million and \$5 million, respectively. The budget also fully funds other mandates, including \$30 million for the Healthy School Facility Fund required by Chapter 561 of 2018, \$10 million for School Safety Enhancement required by Chapter 14 of 2018, and \$3.8 million for the Aid to Community Colleges Facilities Renewal Program required by Chapters 687 and 688 of 2018. Other noteworthy use of general fund support for the capital program includes \$9.0 million for the Heritage Structure Rehabilitation Tax Credit program and \$3.5 million for nonpublic aging school safety improvements.
- ***Special Funds:*** The budget provides \$493 million of special funds compared to \$446 million programmed in the 2018 CIP. Of the total amount, \$372 million supports environmental programs and is comprised principally of \$177 million of transfer tax revenues distributed through the formula for the Department of Natural Resources (DNR) and the Maryland Department of Agriculture (MDA) programs, including POS and the Agricultural Land Preservation Program; \$85 million from the Bay Restoration Fund for a variety of programs to support water quality in the Chesapeake Bay; \$83 million from the Water Quality and Drinking Water revolving loan programs administered by the Maryland Department of the Environment (MDE); and \$13.5 million from the Waterway Improvement Fund. The other major special fund uses are revenues from grant and loan programs administered by the Department of Housing and Community Development (DHCD) that total \$56 million and include an allocation of \$22 million from a joint State and federal settlement involving residential mortgage foreclosures and loan servicing.
- ***Federal Funds:*** The capital program is supported with \$116.6 million of federal funds compared to the \$88.4 million programmed in the 2018 CIP. Much of the funding comes from the State's federal formula allocation for the Drinking Water and Water Quality Revolving Loan programs that totals \$52.8 million. Another \$16.2 million in federal funds support a variety of DHCD programs, including \$9.0 million in State administered Community Development Block Grant funds for nonentitlement areas of the State. Federal funds in the amount of \$40.7 million will support the expansion of veteran cemeteries and the Military Department installations.

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Appendix 1 shows the top funded capital projects and programs for fiscal 2020 by major fund source. **Appendix 2** summarizes the capital program by function, and **Appendix 3** provides a list of the projects included in the proposed fiscal 2020 capital budget. **Appendix 4** provides a list of the major changes in project and program funding relative to what was programmed in the 2018 CIP. **Appendix 5** provides a status of fiscal 2020 preauthorizations included in the Maryland Consolidated Capital Bond Loan of 2018 compared to the budget as introduced. **Appendix 6** illustrates how capital mandates on the capital program are treated in the budget.

Major Investments by Category

- **State Facilities:** \$35.8 million for the Department of General Services (DGS) Facility Renewal Program; \$30.8 million to continue the buildout and enhancement of the Public Safety Communication System; \$11.5 million of federal funds to expand and improve the Cheltenham Veterans Cemetery; and \$24.5 million of federal funds to construct a new Armory National Guard Equipment and Automotive Maintenance Facility in Havre de Grace.
- **Health/Social:** \$56.2 million for the Capital Regional Medical Center (statute mandates the State's commitment for fiscal 2020 at \$56.2 million, which would conclude the State's \$208 million contribution to the project); \$9.0 million for the University of Maryland Medical System (\$5.0 million for the Comprehensive Cancer Treatment and Organ Transplant Center and \$4.0 million to begin the Phase III renovation of the R Adams Cowley Shock Trauma Center); and \$5.5 million for private hospitals through the Maryland Hospital Association.
- **Environment:** \$197.0 million for DNR programs and projects, including State and local POS (comprised of \$128 million of special fund transfer tax revenues distributed through the formula, \$31.7 million of general funds budgeted in the Dedicated Purpose Account for the fiscal 2020 allocation of transfer tax diversion repayments, \$15.7 million of GO bonds, \$13.5 million of special funds from the Waterway Improvement Fund, \$6.85 million of federal funds, and \$1.0 million of local participation funds for Ocean City Beach Replenishment); \$252 million for MDE programs that focus on water quality, drinking water, and stormwater management; and \$73 million for MDA, highlighted by \$51 million for agricultural land preservation (comprised of \$6.5 million of general funds from the Dedicated Purpose Account as part of the transfer tax repayment, \$36.5 million of special fund transfer tax, and \$8.5 million of local participation funds). The Maryland Environmental Service receives \$15.3 million (comprised of \$9.3 million of GO bond funds and \$6 million of special fund transfer tax revenues to support projects at State parks).
- **Public Safety:** \$23.8 million for the demolition of buildings at the Baltimore City Correctional Complex to make space for the new Therapeutic Treatment Center, which has been added to the CIP to begin design funding in fiscal 2021 (see separate section for more information on this project); \$10.3 million to continue the upgrades to the heating system and windows at the

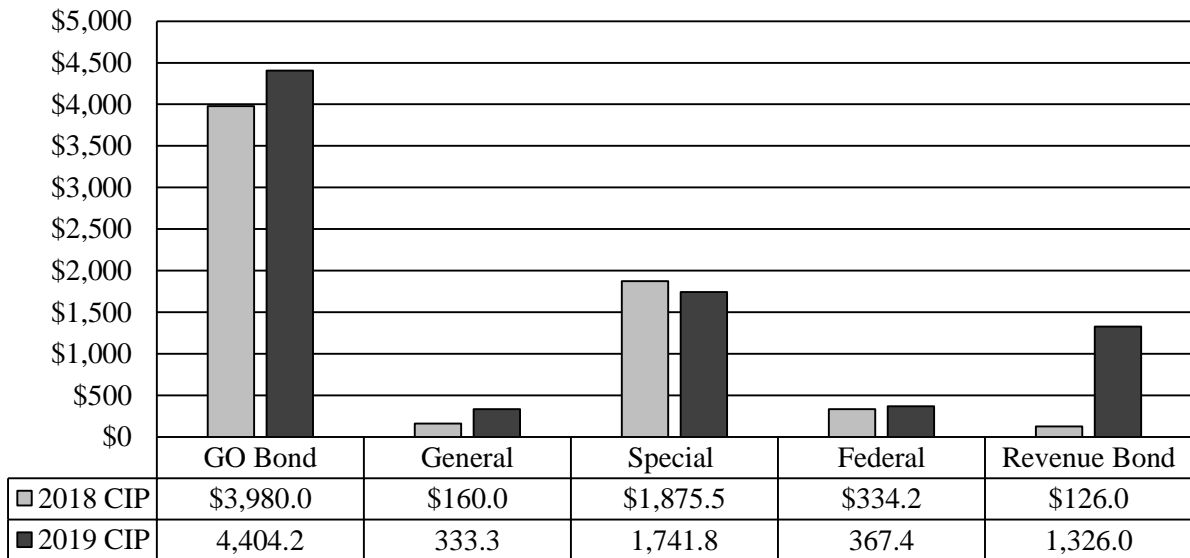
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Maryland Correctional Training Center; \$7.9 million to continue with the electrical infrastructure upgrades at the Jessup Region; and \$8.2 million for improvements to local jails.

- **Education:** The budget provides \$438 million for school construction. This includes \$280 million of GO bonds for the traditional school construction program supplemented with another \$40 million of GO bonds as mandated for the Supplemental Capital Grant Program for Local School Systems for a total of \$320 million. The budget includes several other enhancements to the school construction program as follows: \$30 million in general funds for the Healthy School Facility Fund; \$10 million in general funds for the School Safety Enhancement Initiative; \$3.5 million for nonpublic school safety enhancements; \$45 million in special funds from the ETF to support the Governor’s proposed Building Opportunity Fund; and \$20 million in special funds from the ETF for the Local Share of School Construction Costs Revolving Loan Fund established in Chapter 14 of 2018. The funding from the ETF represents the initial funds supporting the Building Opportunity Fund (SB 159/HB 153), which entails dedicating \$125 million annually from the ETF beginning in fiscal 2021 to support the debt service on \$1.8 billion of revenue bonds programmed to be issued over fiscal 2021 through 2024.
- **Higher Education:** \$330 million for higher education, including \$171 million for projects at University System of Maryland campuses, \$42 million for projects at Morgan State University (MSU), and \$17 million for projects at St. Mary’s College of Maryland; and \$85 million for community college projects at 12 campuses and \$16 million for Maryland Independent College and University Association projects at four colleges.
- **Housing and Community Development:** \$180.5 million for DHCD programs compared to the \$105.5 million programmed for fiscal 2020 in the 2018 CIP. This is highlighted by \$48 million for the Rental Housing Program, \$23 million for Homeownership Programs, and \$24.3 million for the Strategic Demolition Fund of which \$18.75 million is earmarked for Project Creating Opportunities for Renewal and Enterprise (C.O.R.E.). Other significant funding in this category includes \$9.0 million in general funds for the Heritage Structure Rehabilitation Tax Credit Program, \$3.9 million to fund the renovation of the historic Patterson Center, and \$2.5 million to complete the funding for the renovations of the Maryland Dove replica.
- **Local Projects:** The budget provides \$33.2 million for local projects selected by the Administration and \$15 million as a placeholder for legislator-sponsored local projects (note that the 2019 CIP does not provide a placeholder for legislator-sponsored local projects in each of fiscal 2021 through 2024). Another \$5 million supports the State’s annual efforts to improve the facilities at the Maryland Zoo.

Exhibits 3, 4, and 5 compare programmed funding levels in the 2018 CIP to what is programmed in the 2019 CIP for the four years that the two programs overlap – fiscal 2020 through 2023. Overall, the 2019 CIP programs \$8.173 billion compared to \$6.476 billion in the 2018 CIP for fiscal 2020 through 2023, an increase of \$1.697 billion.

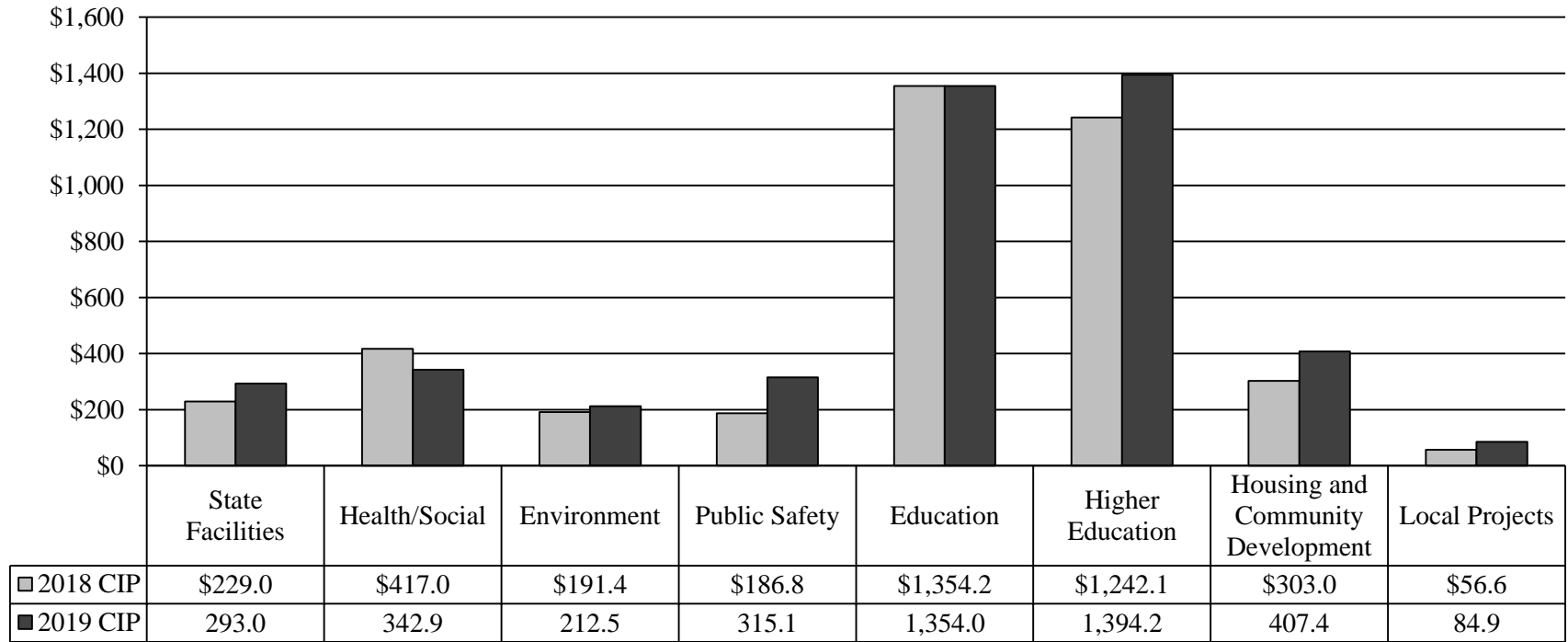
Exhibit 3
Fiscal 2020 Proposed Capital Program Compared to Fiscal 2019 Program
By Funding Source
Fiscal 2020-2023
(\$ in Millions)



CIP: *Capital Improvement Program*
 GO: general obligation

Source: Department of Budget and Management

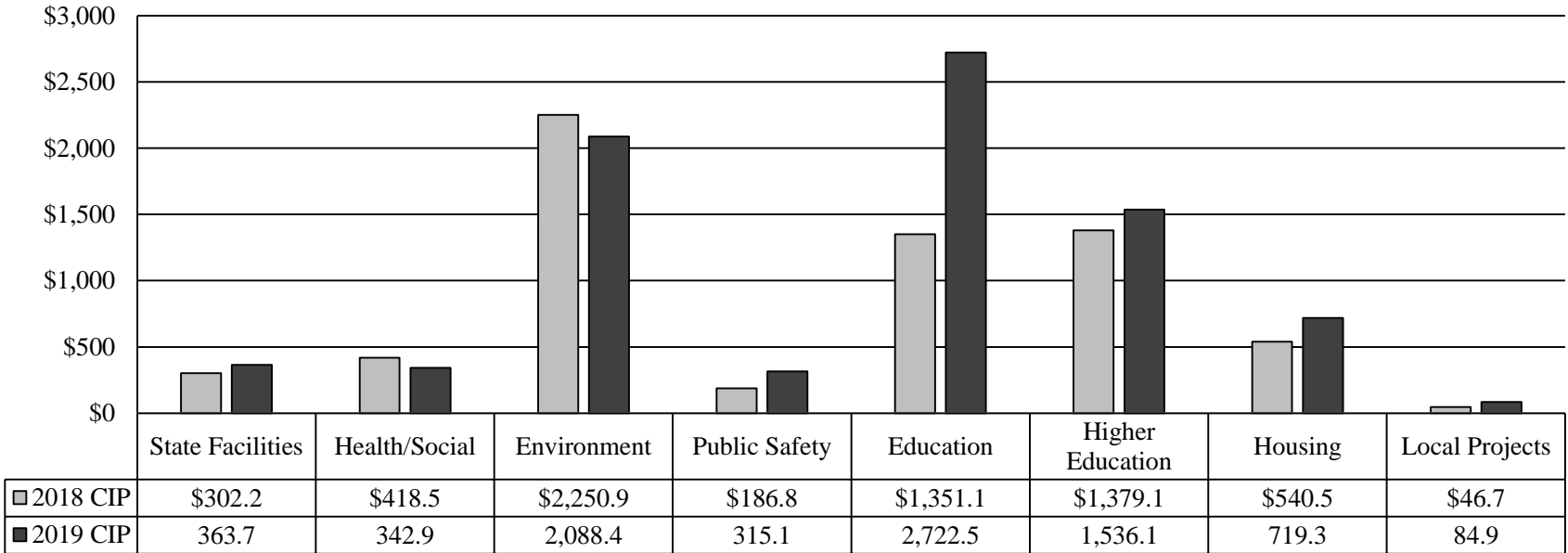
Exhibit 4
GO Bond Capital Program
Comparison of 2018 versus 2019 CIP
Fiscal 2020-2023 Funding by Category
(\$ in Millions)



CIP: *Capital Improvement Program*
 GO: *general obligation*

Source: Department of Budget and Management

Exhibit 5
Capital Program All Funds
Comparison of 2018 versus 2019 CIP
Fiscal 2020-2023 Funding by Category
(\$ in Millions)



CIP: *Capital Improvement Program*

Source: Department of Budget and Management

Major Priorities Shaped by the 2019 CIP

- ***Public School Construction:*** The Governor unveiled a significant public school construction enhancement referred to as the Building Opportunity Initiative (SB 159/HB 153) that entails dedicating \$125 million annually from the ETF beginning in fiscal 2021 to support the debt service on \$1.8 billion of revenue bonds programmed to be issued over fiscal 2021 through 2024. With this proposed new initiative, public school construction would receive a total of \$3.627 billion through fiscal 2024.
- ***Therapeutic Treatment Center:*** The 2019 CIP includes funding for a new Therapeutic Treatment Center for men and women detained in the Baltimore City Correctional Complex. This project replaces previous attempts to fund new facilities to house detainees with a new focus on providing space to treat detainees and inmates with short-term sentences for various substance abuse and mental health issues. This project is new to the CIP after previous iterations were removed from the forecasts and adds \$220.2 million of design and construction costs through fiscal 2024 with a total estimated price tag of \$377.6 million, some of which would be incurred beyond the scope of the 2019 CIP.
- ***Rural Broadband – Local Government Infrastructure Fund:*** New to the 2019 CIP is funding for an initiative that is designed to provide high-speed Internet services to underserved rural areas of the State. The CIP programs a total of \$46.4 million through fiscal 2024, including \$9.7 million to start network expansion in fiscal 2020. The funding is included to address the Governor’s Executive Order 01.01.2017.14 that established the Office of Rural Broadband to execute the program buildout.
- ***DHCD Programs:*** In addition to the Rural Broadband initiative, the 2019 CIP programs significantly more funding to DHCD programs than what was planned in the 2018 CIP. Excluding the funding programmed for the broadband initiative, the 2019 CIP provides \$607 million for DHCD programs compared to the \$473 million programmed in the 2018 CIP for the four years that the two CIPs overlap (fiscal 2020 through 2023). Significant enhancements above what was programmed include \$64.8 million for the Strategic Demolition Fund including Project C.O.R.E., \$32 million for Opportunity Zones investments established through 2018 federal legislation, and \$27 million more than was programmed in last year’s CIP for BRNI (\$12 million programmed in the 2018 CIP compared to \$39 million in the 2019 CIP for fiscal 2020 through 2023).
- ***Facilities Renewal:*** The 2019 CIP provides more funding for facility renewal throughout the State. The DGS Facilities Renewal Program is scheduled to receive \$114.5 million in the 2019 CIP compared to \$72.8 million in the 2018 CIP for the four years that the two CIPs overlap. Also, the CIP provides enhanced and accelerated funding for facility renewal projects at MSU with \$34 million programmed in the 2019 CIP compared to \$10 million in the 2018 CIP for the four years that the two CIPs overlap.

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- ***Public Safety Communication System:*** The 2019 CIP programs continued buildout and enhancements to the Public Safety Communication System. The 2018 CIP programmed \$21.7 million to complete the initial buildout of the system whereas the 2019 CIP provides \$47 million of State funds through fiscal 2023 to recognize the need to implement additional coverage in areas where the initial buildout left gaps and to enhance the in-building Ethernet component.

Items of Interest

Proposed New GO Bond Authorization Levels Are Consistent with the SAC Recommendation

Proposed new GO bond authorization levels are consistent with the SAC recommendation for fiscal 2020 and through the five-year CIP covering fiscal 2020 through 2024.

- ***GO Bonds Fiscal 2016-2019:*** The Governor's GO bond debt policy held new bond authorizations at \$995 million annually. The General Assembly adhered to the higher SAC recommendation, which included a policy to increase annual authorizations by 1% to account for construction inflation in each of fiscal 2016, 2018, and 2019, which added a total of \$200 million in authorizations above the Governor's proposal.
- ***GO Bonds Fiscal 2020-2024:*** The Governor's proposed new annual GO bond authorization levels adhere to the SAC recommendation. During the five years covered by the 2019 CIP, new authorizations will total \$5.525 billion. Compared to the Governor's previous flat annual \$995 million reflected in the 2018 CIP, this adds \$90 million in fiscal 2020 and a total of \$550 million through the planning period.

The State's debt affordability limits require debt service costs not to exceed 8.0% of the revenues supporting them. **Exhibit 6** shows that the debt service to revenue affordability ratio forecast using the higher SAC GO bond authorization recommendation is affordable through the planning period. **Appendix 7** shows recently recommended and final new GO bond authorization levels.

Exhibit 6
Debt Service to Revenue Ratios
Fiscal 2019-2024

<u>Year</u>	<u>CDAC \$995 Million Annual Authorizations</u>	<u>2018 SAC Recommended and Governor 2019 CIP Annual Authorizations</u>
2019	7.81%	7.81%
2020	7.82%	7.82%
2021	7.67%	7.68%
2022	7.68%	7.70%
2023	7.83%	7.87%
2024	7.82%	7.89%

CDAC: Capital Debt Affordability Committee
CIP: *Capital Improvement Program*
SAC: Spending Affordability Committee

Source: Spending Affordability Committee; Capital Debt Affordability Committee; Department of Legislative Services

General Fund Support for the Capital Program

- ***General Fund Support for the Capital Program Increases but Use of GO Bonds for Private Activity Purposes Continues:*** Due to the State’s strong cash position, the budget provides \$121.4 million in general fund PAYGO (**Exhibit 7**), which is significantly above the \$48.2 million programmed in the 2018 CIP for fiscal 2020. For the four-year period where the 2018 and 2019 CIPs overlap (fiscal 2020 through 2023), the 2018 CIP programmed \$160 million of general fund PAYGO compared to \$333.3 million programmed in the 2019 CIP.

Exhibit 7
General Fund PAYGO 2018 CIP Compared to Baseline Forecast and 2019 CIP
Fiscal 2020 Comparison and
Fiscal 2020-2023 Comparison
(\$ in Millions)

	Fiscal 2020		Fiscal 2020-2023	
	<u>2018 CIP</u>	<u>Allowance</u>	<u>2018 CIP</u>	<u>2019 CIP</u>
Mandates				
DNR – Transfer Tax Repayment – (Chapter 10 of 2016 as amended by Chapter 10 of 2018) – Dedicated Purpose Account	\$16.700	\$16.700	\$56.700	\$56.700
Healthy School Facility Fund (Chapter 561 of 2018)		30.000	0.000	60.000
School Safety Enhancement (Chapter 14 of 2018)		10.000	0.000	40.000
DHCD – Baltimore Regional Neighborhood Initiative (Chapter 29 of 2016)		12.000	0.000	30.000
DHCD – Seed Community Development Anchor Institution Fund (Chapter 31 of 2016)		5.000	0.000	15.000
Aid to Community Colleges – Facilities Renewal Program (Chapters 687 and 688 of 2018)		3.800	0.000	15.800
Subtotal Mandates	\$16.700	\$77.500	\$56.700	\$217.500
Other				
Nonpublic Aging School Safety Improvements		\$3.500	\$0.000	\$3.500
Judiciary – New Court of Appeals		3.427	0.000	3.427
DNR – Transfer Tax Repayment (Chapter 10 of 2016 as amended by Chapter 10 of 2018) – Dedicated Purpose Account	\$21.47	21.47	63.340	63.340
DHCD – C.O.R.E. (Chapters 639 and 640 of 2018)		0.000	0.000	0.000

	Fiscal 2020		Fiscal 2020-2023	
	<u>2018 CIP</u>	<u>Allowance</u>	<u>2018 CIP</u>	<u>2019 CIP</u>
DHCD – Other Programs		6.000		6.000
Maryland Heritage Structure Rehabilitation Tax Credit	9.000	9.000	36.000	36.000
Environment – Hazardous Substance Clean-up Program	1.000	0.525	4.000	3.525
Subtotal Other	\$31.470	\$43.922	\$103.340	\$115.792
Total General Fund PAYGO Capital	\$48.170	\$121.422	\$160.040	\$333.292

CIP: *Capital Improvement Program*

C.O.R.E.: *Creating Opportunities for Renewal and Enterprise*

DHCD: *Department of Housing and Community Development*

DNR: *Department of Natural Resources*

PAYGO: *pay-as-you-go*

Note: Funding for Project C.O.R.E. was schedule to end in fiscal 2019 according to the 2018 CIP. Legislation enacted in the 2018 session (Chapters 639 and 640 of 2018) extended the program through fiscal 2023 establishing a total of \$105 million for the program, but it did not establish a funding mandate. The Governor’s 2019 CIP does not allocate general funds to the program, but the budget submission reflects a total of \$18.75 million to the program in fiscal 2020 and another \$40.5 million of GO bond funds spread evenly over fiscal 2021 through 2023 for a total of \$59.25 million. Numbers may not sum to total due to rounding.

Source: Department of Budget and Management, *Capital Improvement Program*, January 2019

General Funds Should Be Used for Programs that Require Taxable Bonds

The Internal Revenue Code limits the use of tax-exempt bonds for private activity use to no more than 5% of the tax-exempt bonds of any issuance to a maximum of \$15 million per issuance. For this reason, the State traditionally funds capital programs with high levels of private activity use with general fund PAYGO funds. However, it is not unusual in periods of economic difficulty for the State to move programs traditionally funded with general fund PAYGO into the GO bond funded portion of the capital program, which the State has done in recent years. While this allows general funds to be used for other budget priorities, it has resulted in the need for the Treasurer to issue taxable bonds in recent bond issuances, which cost more than tax-exempt bonds.

Exhibit 8 shows that the fiscal 2020 capital budget includes \$91.1 million in private activity authorizations. Private loan authorizations from fiscal 2020 through 2024 total \$444.4 million. This represents a continued reliance on GO bond funds to support projects and programs that should be supported with general fund PAYGO appropriations to avoid having to issue more costly taxable GO bonds. While the allowance includes more than \$100 million of general fund PAYGO, the fiscal 2020 budget only includes \$23 million of general funds for DHCD programs that would otherwise require taxable bonds and just \$51 million programmed in the 2019 CIP. **To reduce the reliance on taxable debt, the committees should consider a swap where:**

- **the GO bonds currently dedicated to taxable DHCD programs in the fiscal 2020 capital budget are repurposed to fund tax-exempt activities supported with general fund PAYGO in the fiscal 2020 allowance; and**
- **the general funds currently allocated to PAYGO for tax-exempt activities are dedicated to funding the DHCD programs currently funded with GO bonds.**

Exhibit 8
Private Activity GO Bond Authorizations by Department
Fiscal 2020-2024
(\$ in Millions)

	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>Total</u>
Private Business Use						
State Agency						
Maryland Public Television	\$8.210	\$0.000	\$0.000	\$0.000	\$0.000	\$8.210
Subtotal	\$8.210	\$0.000	\$0.000	\$0.000	\$0.000	\$8.210
Private Loans						
State Agency						
Department of Housing and Community Development	\$68.864	\$79.579	\$79.579	\$79.039	\$67.579	\$374.640
Maryland Department of the Environment	14.051	11.870	11.870	11.870	11.870	61.531
Subtotal	\$82.915	\$91.449	\$91.449	\$90.909	\$79.449	\$436.171
Total	\$91.125	\$91.449	\$91.449	\$90.909	\$79.449	\$444.381

GO: general obligation

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

Source: Department of Budget and Management, *Capital Improvement Program*, January 2019

Use of General Funds for Transfer Tax Replacement Plan

Chapter 10 of 2016 requires the repayment of \$242.2 million in past redirected transfer tax funds by fiscal 2029, of which \$189.6 million would support capital programs. The plan provides for the use of general funds as a source of repayment to be expended as special funds in the budget; for fiscal 2020, a total of \$46.4 million is budgeted in the Dedicated Purpose Account, of which \$38.2 million is distributed to capital programs as specified in Chapter 10. The components of the repayment plan remain unchanged following changes to the plan in the BRFA of 2018. **Exhibit 9** shows the Governor's current repayment schedule as articulated in the 2019 CIP. For fiscal 2020, only \$21.0 million is mandated with the remaining \$25.4 million discretionary. Moreover, \$5.6 million of the repayment supports the Park Service operating budget, all of which is not needed to meet the service's operating budget plan, and the committees could reallocate a portion of this funding to increase the allocation to DNR critical maintenance projects. The individual components of the plan are as follows:

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- ***Payback for Fiscal 2006 Transfer Tax (to Be Distributed through the Transfer Tax Formula):*** Chapter 10 required \$15.0 million in each of fiscal 2019 through 2021 for a total repayment of \$45.0 million. A provision in the BRFA of 2018 amended the repayment schedule by deferring by one year the \$15.0 million required in fiscal 2019 to 2022. Another provision in the BRFA of 2018 reduced the \$15.0 million required repayments in fiscal 2020 through 2022 by \$2.5 million and instead mandated that the funding be used by the Maryland Agricultural and Resource-Based Industry Development Corporation for the Next Generation Farmland Acquisition Program.
- ***Payback for Fiscal 2006 Transfer Tax for Critical Maintenance/Natural Resources Development Fund:*** Chapter 10 required that \$6.0 million in each of fiscal 2019 through 2024 and \$4.0 million in fiscal 2025, for a total repayment of \$40.0 million, be used to fund DNR Critical Maintenance and Natural Resources Development Fund projects.
- ***Payback for Fiscal 2016 to 2018 Transfer Tax (to Be Distributed through the Transfer Tax Formula):*** Chapter 10 required the repayment of \$152.2 million as follows: one-third by fiscal 2021; two-thirds by fiscal 2025; and the full amount by fiscal 2029. This provision provides for some annual funding flexibility, and the Governor's plan programs the first one-third payment in equal installments of \$25.4 million in each of fiscal 2020 and 2021.

Exhibit 10 shows the fiscal 2020 allocation of funds for the capital programs impacted by the transfer tax replacement plan.

Exhibit 9
Transfer Tax Replacement Plan
Fiscal 2018-2029
(\$ in Millions)

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025-2029</u>	<u>Total</u>
MARBIDCO (Fiscal 2006 Transfer)	\$2.5	\$2.5	\$2.5	\$2.5	\$2.5	\$0.0	\$0.0	\$0.0	\$12.5
POS (Fiscal 2006 Transfer)	0.0	0.0	12.5	12.5	12.5	0.0	0.0	0.0	37.5
Park Development (Fiscal 2006 Transfer)	0.0	6.0	6.0	6.0	6.0	6.0	6.0	4.0	40.0
POS (Fiscal 2016 to 2018 Transfers)	0.0	0.0	25.4	25.4	12.7	12.7	12.7	63.4	152.2
Total Repayments	\$2.5	\$8.5	\$46.4	\$46.4	\$33.7	\$18.7	\$18.7	\$67.4	\$242.2
Total PAYGO Capital Program Repayments	\$0.0	\$6.0	\$38.2	\$38.2	\$27.5	\$10.2	\$10.2	\$59.3	\$189.6

MARBIDCO: Maryland Agricultural and Resource-Based Industry Development Corporation

PAYGO: pay-as-you-go

POS: Program Open Space

Note: The amounts to capital programs do not include MARBIDCO allocation or estimated allocation to State Park Service operations.

Source: Department of Budget and Management

Exhibit 10
Fiscal 2020 Transfer Tax and Other Fund Distribution through Capital Programs
(\$ in Millions)

<u>Program</u>	<u>Special Fund Transfer Tax Allocation</u>	<u>General Fund Repayment Distribution</u>	<u>GO</u>	<u>Federal</u>	<u>Special Fund Local</u>	<u>Total Program</u>
Department of Natural Resources – Land Acquisition and Planning						
Program Open Space – State Share	\$47.1	\$11.4		\$3.0		\$61.6
Program Open Space – Local Share	48.0	8.5				56.6
Rural Legacy Program	18.9	1.9	\$5.0			25.7
Natural Resources Development Fund	9.2	3.0		1.4		13.6
Critical Maintenance Program	4.1	6.8				11.0
Ocean City Beach Maintenance	1.0	0.0			\$1.0	2.0
Maryland Department of Agriculture – Maryland Agricultural Land Preservation Foundation	36.5	6.5			8.5	51.5
Maryland Environmental Service	6.1	0.0				6.1
Distribution for Programs	\$171.0	\$38.2	\$5.0		\$9.5	\$223.6

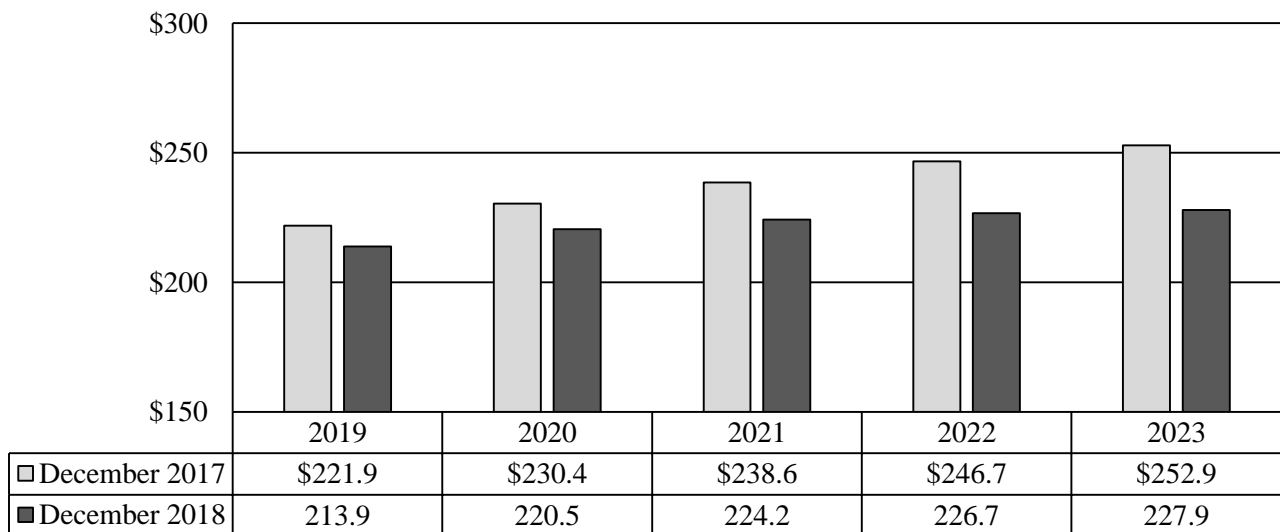
GO: general obligation

Source: Department of Budget and Management

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Exhibit 11 compares the Board of Revenue Estimates (BRE) December 2017 and December 2018 transfer tax revenue estimates. In each of fiscal 2019 through 2023, BRE’s December 2018 estimate is below what was estimated a year earlier. This write-down in out-year revenue estimates removes approximately \$60 million of special funds from the 2019 CIP when compared to the 2018 CIP after accounting for the portion that would be distributed to noncapital components in the transfer tax distribution formula. In addition, while the fiscal 2020 budget is enhanced with \$3.6 million of revenue overattainment from fiscal 2018, which is carried forward and distributed through the formula in fiscal 2020, the estimate used to base the fiscal 2019 budget is currently \$8.0 million higher than the current estimate, which portends a fiscal 2019 underattainment that would be absorbed in the fiscal 2021 distribution.

Exhibit 11
Transfer Tax Revenue Estimates
December 2017 Compared to December 2018 Estimates
Fiscal 2019-2023
(\$ in Millions)



Source: Department of Budget and Management

Public School Construction – Building Opportunity Initiative

The Governor announced a significant enhancement to the State’s Public School Construction Program that would more than double the amount of State funding over the next five years. Referred to as the Building Opportunity Initiative (SB 159/HB 153), the key component of the plan entails the use of \$125 million annually from the ETF beginning in fiscal 2021 to support the debt service on

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\$1.8 billion of revenue bonds programmed to be issued over fiscal 2021 through 2024. With this proposed new initiative, public school construction would receive a total of \$3.627 billion through fiscal 2024, as illustrated in **Exhibit 12**.

Exhibit 12
Public School Construction Funding
Building Opportunity Initiative
Fiscal 2020-2024
(\$ in Millions)

	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>Totals</u>
General Funds						
Healthy School Facility Fund	\$30.0	\$30.0	\$0.0	\$0.0	\$0.0	\$60.0
Public School Safety Improvements	10.0	10.0	10.0	10.0	10.0	50.0
Nonpublic School Safety Improvements	3.5					3.5
General Fund Subtotal	\$43.5	\$40.0	\$10.0	\$10.0	\$10.0	\$113.5
Special Funds						
Building Opportunity Fund – Education Trust Fund	\$45.0					\$45.0
Local Share of School Construction Costs Revolving Loan Fund	20.0					20.0
Special Fund Subtotal	\$65.0	\$0.0	\$0.0	\$0.0	\$0.0	\$65.0
GO Bonds						
Public School Construction Program	\$280.0	\$280.0	\$280.0	\$280.0	\$280.0	\$1,400.0
Supplemental Capital Grant Program	40.0	40.0	40.0	40.0	40.0	200.0
Aging Schools Program	6.1	6.1	6.1	6.1	6.1	30.5
Nonpublic Aging Schools Program	3.5	3.5	3.5	3.5	3.5	17.5
GO Bond Fund Subtotal	\$329.6	\$329.6	\$329.6	\$329.6	\$329.6	\$1,648.0
Subtotal	\$438.1	\$369.6	\$339.6	\$339.6	\$339.6	\$1,826.5
Revenue Bond Proceeds						
Building Opportunity Fund – Education Trust Fund	\$0.0	\$280.0	\$380.0	\$500.0	\$600.0	\$1,760.0
Local Share of School Construction Costs Revolving Loan Fund		20.0	20.0			40.0
Revenue Bond Proceeds Subtotal	\$0.0	\$300.0	\$400.0	\$500.0	\$600.0	\$1,800.0
Total	\$438.1	\$669.6	\$739.6	\$839.6	\$939.6	\$3,626.5

GO: general obligation

Source: Department of Budget and Management

Key Elements

- The issuance of \$1.8 billion of 20-year revenue bonds would be supplemental to funding already programmed for public school construction and allow the State to more fully address annual funding requests from local school systems that range between \$600 million and \$900 million.
- The source of debt service on the revenue bonds would be a share of casino revenues in the ETF programmed at \$125 million annually until all issuances are fully retired. The proceeds would be paid into a sinking fund to accrue interest and be available for debt service as needed.
- The Maryland Stadium Authority (MSA) would issue the revenue bonds similar to the Baltimore City 21st Century Schools Initiative program.
- Local governments would match the State school construction funding using the local cost share formula for school construction.
- The plan calls for the use of the Local Share of School Construction Cost Revolving Loan Fund established under Chapter 14 of 2018 for counties that may have difficulty providing matching funds as quickly as the initiative would require. The revolving loan fund is capitalized with \$20 million of ETF funds in the fiscal 2020 budget and the proposal would use another \$20 million of revenue bond proceeds in each of fiscal 2021 and 2022 for a total of \$60 million available in the fund.
- Initial implementation of the program would begin in fiscal 2020 with \$65 million in special funds from the ETF.

Key Concerns

Debt Affordability

The funds deposited into the ETF that are to be used for debt service on the revenue bonds are State appropriated funds, which would make the bonds count under the State debt affordability calculation. Initial evaluation of the proposed issuance on the State's debt affordability calculation indicates that it would be affordable but result in a debt service to revenue ratio extremely close to the 8.0% limit, leaving little room in the event that State revenues decline. Moreover, once the debt capacity has been used, it is no longer available to support other State capital priorities.

Even if the State were to create a mechanism that would serve to exclude the debt service from the affordability calculation, such as diverting the casino revenues before they are deposited into the ETF or diverting lottery revenues (as is currently done for the Baltimore City 21st Century Schools Initiative), the rating agencies may view this differently, which could impact the interest rate that these bonds receive in the bond market.

Debt Service Costs

Preliminary estimates on the proposed issuance stream indicate that total debt service costs would be \$3.015 billion, consisting of the \$1.8 billion of principal and \$1.215 billion of interest depending on the interest rate on the bonds and other market conditions.

Local Capacity

While the initiative includes the use of the newly established Local Share of School Construction Cost Revolving Loan Fund, very preliminary estimates indicate that the local cost share would be more than \$1 billion. This amount is in addition to the annual local spending to match school construction projects funded in the capital budget and may be challenging for some local governments. Local management capacity may also be an issue. The legislation allows local jurisdictions to use MSA to manage projects funded through the program, but this shifts the cost burden to the State with the need to appropriately staff MSA to handle the additional workload.

Labor Market Capacity and Project Cost Impact

The initiative would put a lot of work out on the streets for the construction market to absorb in a relatively short amount of time. This could impact the cost of projects with less competition and higher bids.

Commission on Innovation and Excellence in Education Priorities

The funds in the ETF are also viewed as a source of funding for priorities that come from the recommendations of the Commission on Innovation and Excellence in Education.

21st Century School Facilities Commission Facility Condition Assessment

Perhaps before committing to such a large undertaking, it would be prudent to wait until the facility condition assessment report ordered by the 21st Century School Facilities Commission were available to better inform the mix and sequencing of projects that should be considered for the program. This report is expected to be available later this year.

Public Charter Schools Are Included

As introduced, SB 159/HB 153 would allow a portion of the funds to be used to fund construction for public charter schools.

Therapeutic Treatment Center

The 2019 CIP includes funding for a new Therapeutic Treatment Center for men and women detained in the Baltimore City Correctional Complex. This project replaces previous attempts to fund new facilities to house detainees with a new focus on providing space to treat detainees and inmates

with short-term sentences for various substance use disorders and mental health issues. This project is new to the CIP after previous iterations were removed from the forecasts.

Timeline and Estimated Cost

The project will require five years to design and construct at an estimated cost of \$378 million. Design is estimated to cost \$38 million and would commence in fiscal 2021. Construction is estimated to cost \$340 million and could commence in fiscal 2023.

Programs and Functions

Overall, the new facility will consolidate therapeutic treatment, mental health treatment, and medical treatment and position the State to be in compliance with the major components of the Duvall Agreement, specifically the mental health treatment and medical treatment components. Under the settlement, the State must overhaul the jail's health care system and make major improvements to the facilities, including accommodations for people with disabilities. To ensure compliance with the settlement, independent monitors assess the State's progress in meeting the agreement. The proposed facility entails a collaborative effort by the Department of Public Safety and Correctional Services (DPSCS) and the Maryland Health Department (MDH) to provide an innovative approach to treating the mental health and substance use disorder treatment needs of the detention population in a therapeutic environment.

- ***Medical Infirmary:*** A total of 276 medical infirmary beds (220 for men and 56 for women) to include 100 beds for detox for opioid addiction treatment. To address the medical health needs of the population, the Therapeutic Treatment Center would include an onsite hospital for routine medical care and mental health screening and treatment.
- ***Mental Health Treatment:*** A total of 282 beds (176 for men and 106 for women) dedicated specifically to mental health. This would include a crisis management unit for emergency responses, acute care unit for stabilization and treatment of detainees with substance use disorders and psychiatric illnesses, a step down unit for short-term less acute residential treatment, and a residential unit that would function as a community and group setting where individuals would work on improving life skills while still receiving mental health care. Collectively, the units would provide a continuum of mental health treatment so that individuals could progress to the point where they could be safely housed in the general population or receive specific reentry services depending on whether they adjudicated to a short-term sentence or are released into the community.
- ***Therapeutic Community Pods:*** A total of 832 therapeutic community beds (576 for men and 256 for women) designed to deliver evidence-based substance use disorder treatment. Each member of a therapeutic community would receive random drug testing throughout the duration of the program. The current Opioid Maintenance and Opioid Initiation Program would be expanded to accommodate a larger number of participants.

Items to Consider

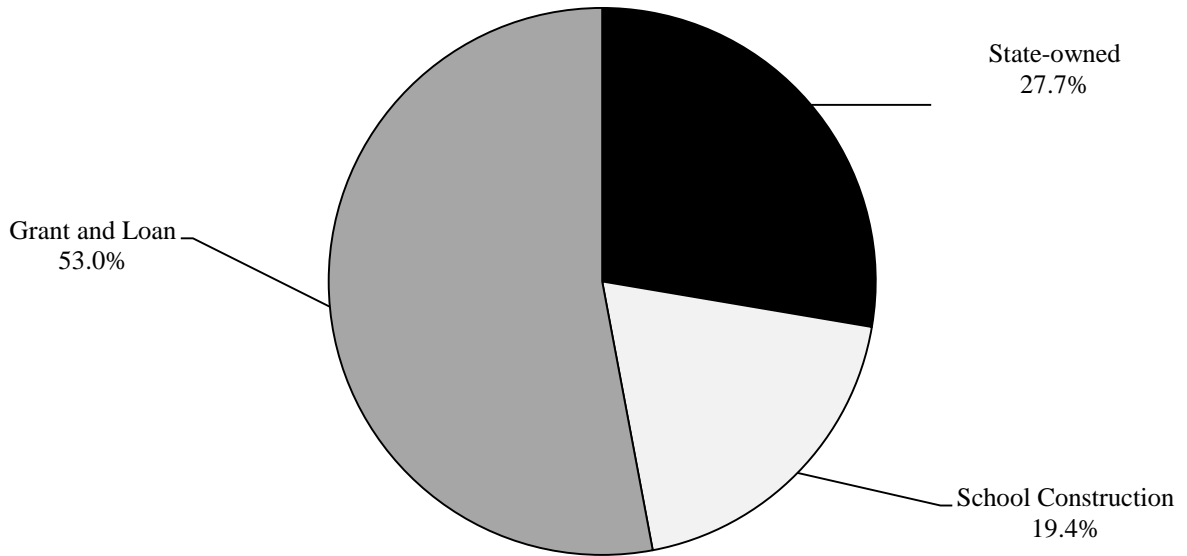
The proposal would serve to address the major components of the Duvall Agreement while also providing a unique collaboration between DPSCS and MDH to improve the outcomes for detainees with mental health and substance use disorder needs for their eventual transition back into the community. The current length of stay for detainees awaiting adjudication is 125 days, which provides an adequate timeframe and opportunity to provide treatment rather than simply housing detainees until the cases are resolved. There are, however, a number of considerations and details that will need to be resolved before the State commits to the construction of the proposed \$378 million facility. Since there is a year before the General Assembly has to consider whether to authorize funding for the Therapeutic Treatment Center, it would be prudent to take this time to ensure that a proper operational plan has been developed and outlined in detail between all invested parties, particularly DPSCS and MDH. This includes proper and adequate service delivery and the appropriate facility design to go along with that, but also staffing needs, community support services, the role and involvement of the courts in this approach to the population, *etc.* This information needs to be carefully examined and provided to the budget committees before the State makes a decision to commit to the capital cost of the facility and, more importantly, the annual operational costs.

Dashboards

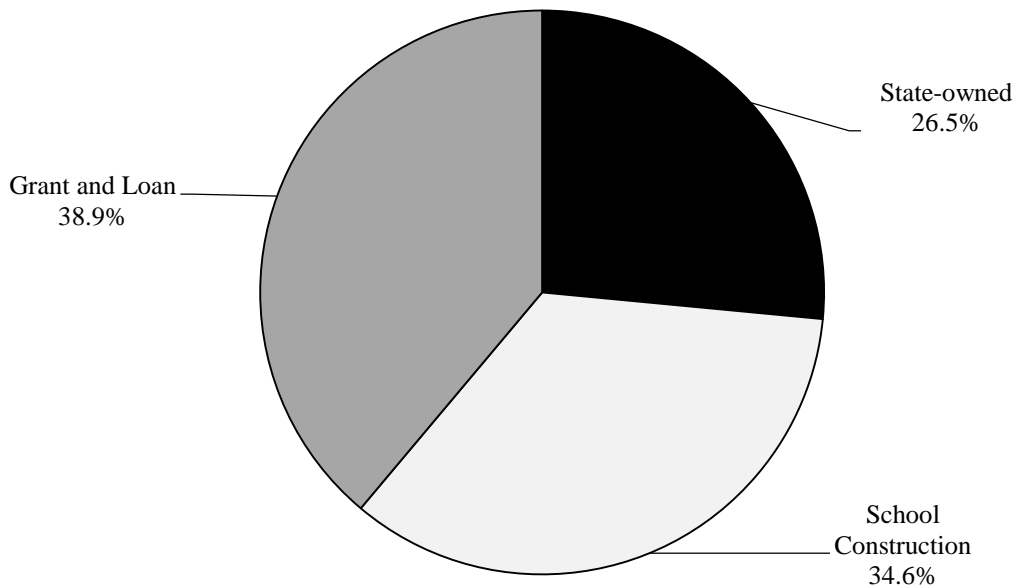
Exhibits 13 through **16** provide historical funding patterns as compared to funding patterns that the funding plan in the 2019 CIP would produce.

Exhibit 13
Funding Shares for State-owned Projects, Public School Construction, and Grant and Loan Programs – All Funds

Fiscal 2015-2019



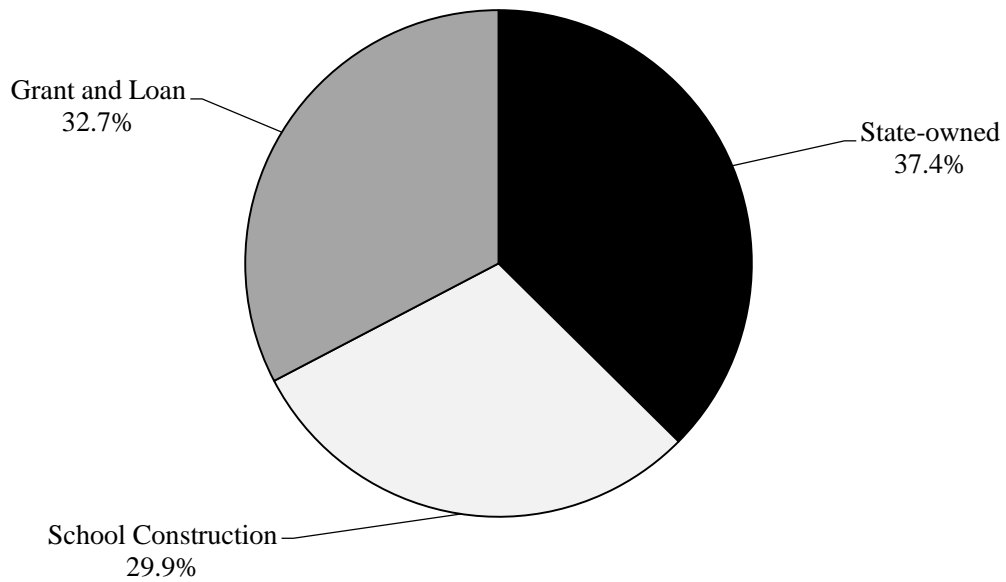
Fiscal 2020-2024



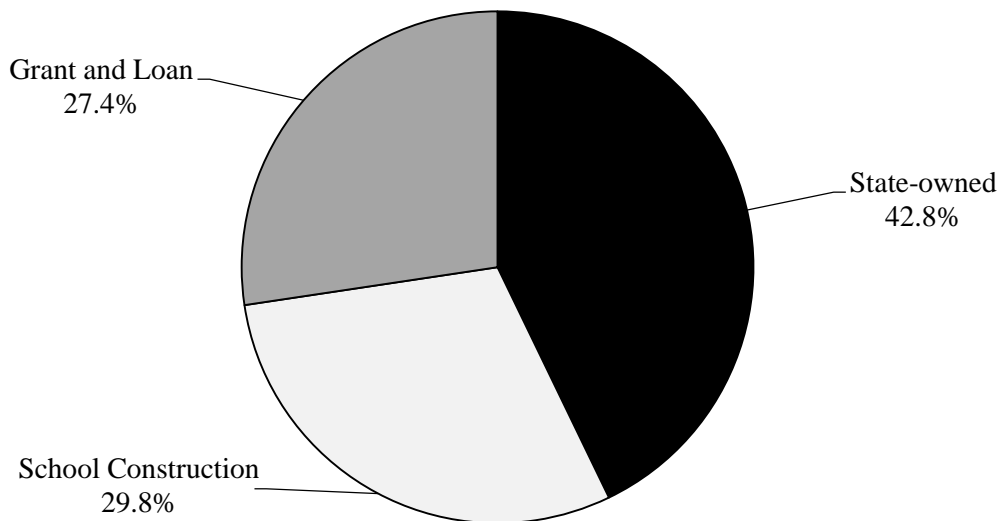
Source: Department of Budget and Management; Department of Legislative Services

Exhibit 14
Funding Shares for State-owned Projects, Public School Construction, and Grant and Loan Programs – General Obligation Funds Only

Fiscal 2015-2019



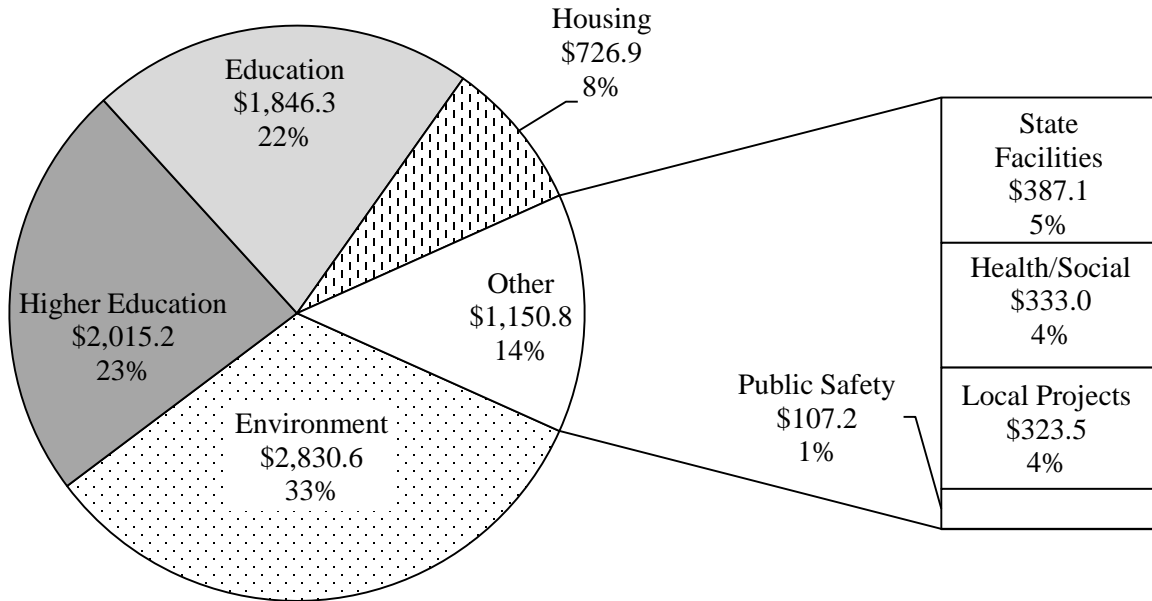
Fiscal 2020-2024



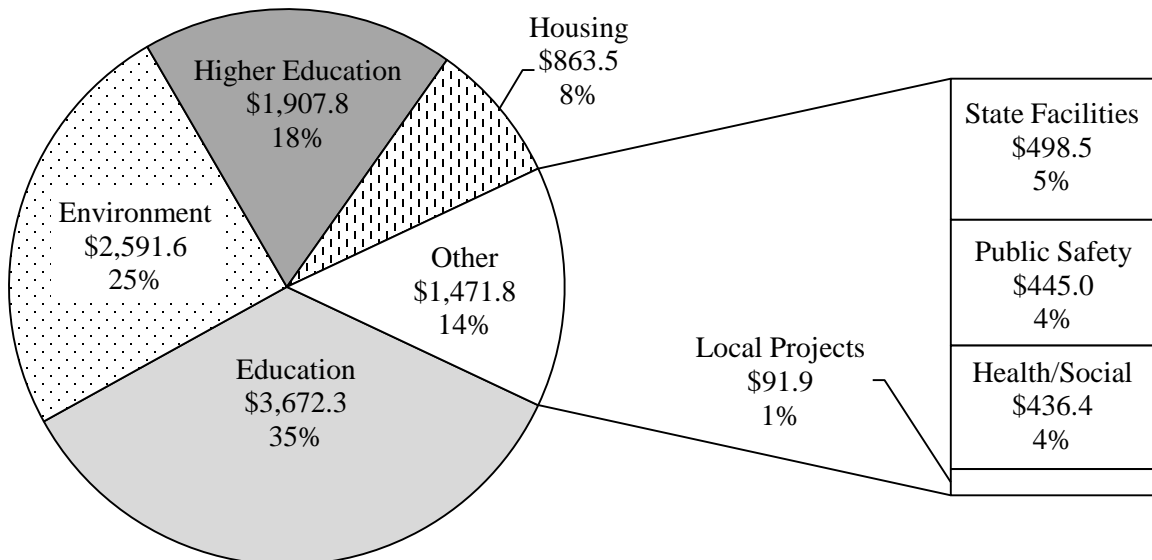
Source: Department of Budget and Management; Department of Legislative Services

**Exhibit 15
Funding by Category
All Funds**

Fiscal 2015-2019



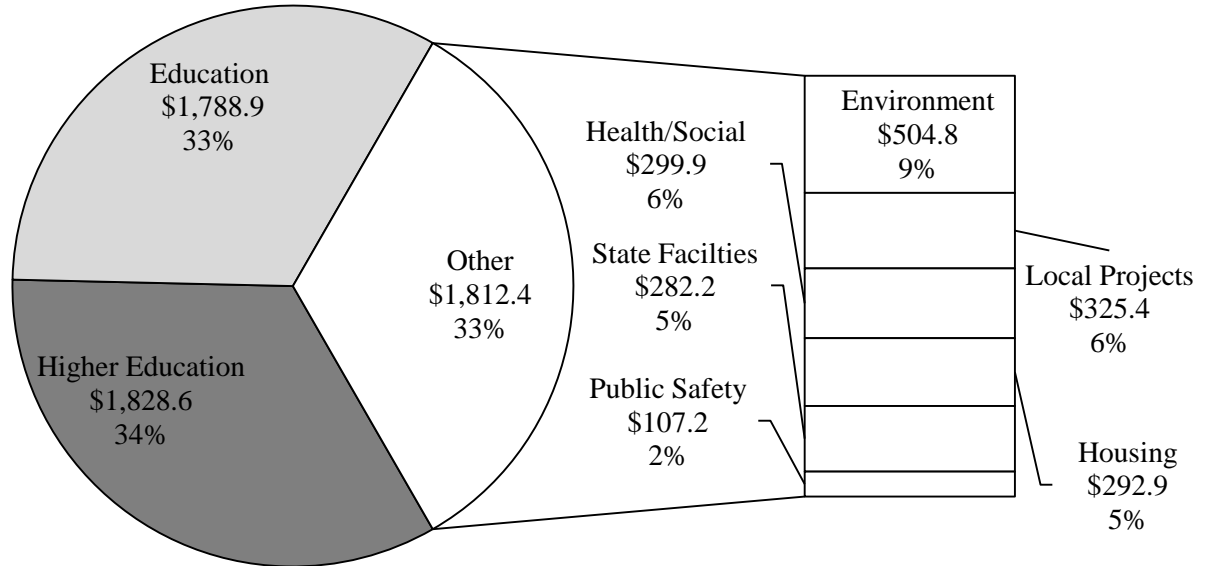
Fiscal 2020-2024



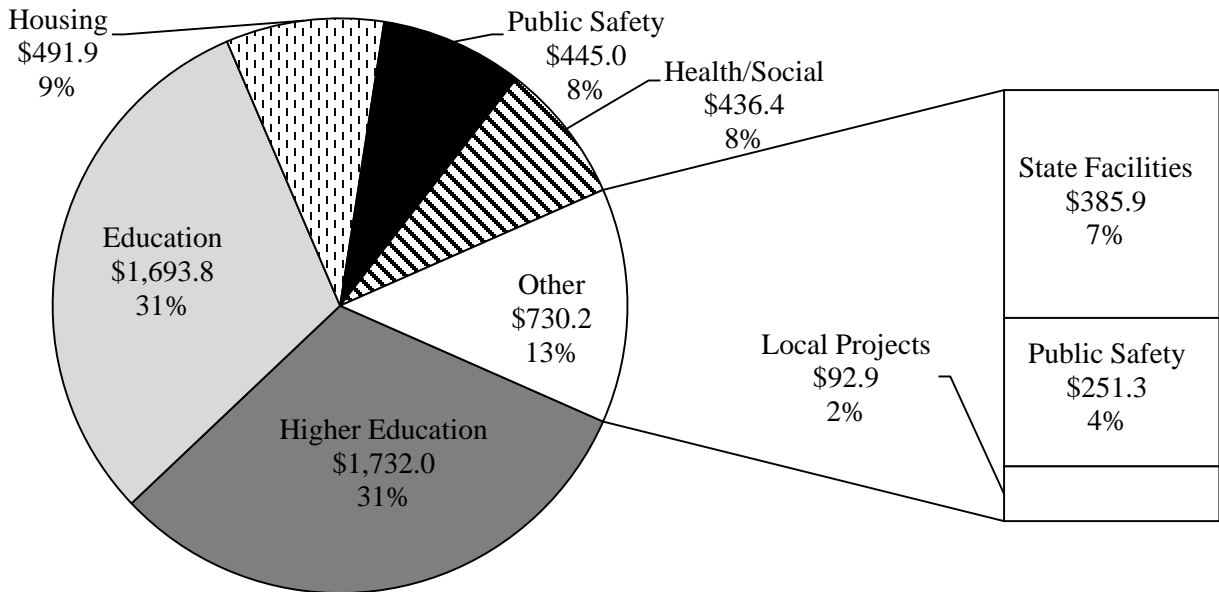
Source: Department of Budget and Management; Department of Legislative Services

Exhibit 16
Funding by Category
General Obligation Bonds Only

Fiscal 2015-2019



Fiscal 2020-2024



Source: Department of Budget and Management; Department of Legislative Services

Appendix 1
Top Funded Capital Programs and Projects – All Funds
Fiscal 2020 as Introduced
(\$ in Millions)

<u>Agency</u>	<u>Project Title</u>	<u>GO Bond</u>	<u>Revenue</u>	<u>General</u>	<u>Special</u>	<u>Federal</u>	<u>Total Funds</u>
IAC	Public School Construction Program	\$280.0	\$0.0	\$0.0	\$0.0	\$0.0	\$280.0
MDE	Maryland Water Quality Revolving Loan Fund	8.8	0.0	0.0	80.1	38.8	127.7
MHEC	Community College Construction Grant Program	74.0	0.0	0.0	0.0	0.0	74.0
MDE	Bay Restoration Fund	0.0	0.0	0.0	70.0	0.0	70.0
TU	Science Facility	66.2	2.0	0.0	0.0	0.0	68.2
DNR	Program Open Space – State	0.0	0.0	11.4	47.1	3.0	61.6
DNR	Program Open Space – Local	0.0	0.0	8.5	48.0	0.0	56.6
UMMS	Capital Region Medical Center	56.2	0.0	0.0	0.0	0.0	56.2
MDA	Maryland Agricultural Land Preservation Program	0.0	0.0	6.5	45.0	0.0	51.5
DHCD	Rental Housing Program	25.0	0.0	2.0	16.5	4.5	48.0
IAC	Building Opportunity Fund	0.0	0.0	0.0	45.0	0.0	45.0
IAC	Supplemental Capital Grant Program for Local School Systems	40.0	0.0	0.0	0.0	0.0	40.0
BPW	Facilities Renewal Fund	35.8	0.0	0.0	0.0	0.0	35.8
MDE	Maryland Drinking Water Revolving Loan Program	5.3	0.0	0.0	12.7	14.0	32.0
DoIT	Public Safety Communications System	30.8	0.0	0.0	0.0	0.0	30.8
IAC	Healthy School Facility Fund	0.0	0.0	30.0	0.0	0.0	30.0
USMO	Capital Facilities Renewal	10.0	18.6	0.0	0.0	0.0	28.6
DNR	Rural Legacy Program	5.0	0.0	1.9	18.9	0.0	25.7
MD	Havre de Grace Combined Support Maintenance Shop Surface Equipment and Automotive Maintenance Facility	0.0	0.0	0.0	0.0	24.5	24.5
DHCD	Strategic Demolition and Smart Growth Impact Fund	13.9	0.0	2.0	8.4	0.0	24.3

<u>Agency</u>	<u>Project Title</u>	<u>GO Bond</u>	<u>Revenue</u>	<u>General</u>	<u>Special</u>	<u>Federal</u>	<u>Total Funds</u>
DPSCS	Demolition of Buildings at the Baltimore City Correctional Complex	23.8	0.0	0.0	0.0	0.0	23.8
DHCD	Homeownership Programs	7.8	0.0	0.0	15.2	0.0	23.0
MSU	New Student Services Support Building	22.7	0.0	0.0	0.0	0.0	22.7
IAC	Local Share of School Construction Costs Revolving Loan Fund	0.0	0.0	0.0	20.0	0.0	20.0
DNR	Waterway Improvement Fund	0.0	0.0	0.0	13.5	2.5	16.0
MES	Infrastructure Improvement Fund	9.3	0.0	0.0	6.1	0.0	15.3
MDE	Bay Restoration Fund Septic System Program	0.0	0.0	0.0	15.0	0.0	15.0
MISC	Local Legislative Initiatives	15.0	0.0	0.0	0.0	0.0	15.0
DNR	Natural Resources Development Fund	0.0	0.0	3.0	9.2	1.4	13.6
SMCM	Academic Building and Auditorium	13.2	0.0	0.0	0.0	0.0	13.2
UMB	Central Electric Substation and Electrical Infrastructure Upgrades	13.2	0.0	0.0	0.0	0.0	13.2
UMCP	School of Public Policy Building	12.5	0.0	0.0	0.0	0.0	12.5
MDA	Salisbury Animal Health Laboratory Replacement	12.4	0.0	0.0	0.0	0.0	12.4
DHCD	Neighborhood Business Development Program	8.0	0.0	2.0	2.2	0.0	12.2
DHCD	Baltimore Regional Neighborhoods Initiative	0.0	0.0	12.0	0.0	0.0	12.0
USMO	Southern Maryland Regional Higher Education Center	7.0	5.0	0.0	0.0	0.0	12.0
MDVA	Cheltenham Veterans Cemetery Burial Expansion and Improvements	0.0	0.0	0.0	0.0	11.5	11.5
DHCD	Special Loan Programs	4.0	0.0	0.0	5.3	2.0	11.3
DNR	Critical Maintenance Program	0.0	0.0	6.8	4.2	0.0	11.0
DPSCS	Maryland Correctional Training Center Housing Unit Windows and Steam Heating System	10.3	0.0	0.0	0.0	0.0	10.3
DHCD	Housing and Building Energy Programs	1.0	0.0	0.0	8.4	0.7	10.1
UMES	School of Pharmacy and Health Professions	5.0	5.0	0.0	0.0	0.0	10.0

<u>Agency</u>	<u>Project Title</u>	<u>GO Bond</u>	<u>Revenue</u>	<u>General</u>	<u>Special</u>	<u>Federal</u>	<u>Total Funds</u>
MSU	Deferred Maintenance and Site Improvements	10.0	0.0	0.0	0.0	0.0	10.0
IAC	Public School Safety Improvements Grant Program	0.0	0.0	10.0	0.0	0.0	10.0
Subtotal: Top Funded Programs and Projects		\$826.1	\$30.6	\$96.2	\$490.7	\$103.0	\$1,546.6
Subtotal: Other Funded Programs and Projects		\$263.1	\$3.4	\$25.3	\$2.3	\$13.6	\$307.6
Total		\$1,089.2	\$34.0	\$121.4	\$493.0	\$116.6	\$1,854.2
Deauthorizations as Introduced		-\$4.2	\$0.0	\$0.0	\$0.0	\$0.0	-\$4.2
Grand Total		\$1,085.0	\$34.0	\$121.4	\$493.0	\$116.6	\$1,850.0

BPW: Board of Public Works
 DHCD: Department of Housing and Community Development
 DNR: Department of Natural Resources
 DoIT: Department of Information Technology
 DPSCS: Department of Public Safety and Correctional Services
 GO: general obligation
 IAC: Interagency Committee on School Construction
 MD: Military Department
 MDA: Maryland Department of Agriculture
 MDE: Maryland Department of the Environment
 MDVA: Maryland Department of Veterans Affairs

MES: Maryland Environmental Service
 MHEC: Maryland Higher Education Commission
 MISC: miscellaneous
 MSU: Morgan State University
 SMCM: St. Mary's College of Maryland
 TU: Towson University
 UMB: University of Maryland, Baltimore Campus
 UMCP: University of Maryland, College Park Campus
 UMES: University of Maryland Eastern Shore
 UMMS: University of Maryland Medical System
 USMO: University System of Maryland Office

Note: General fund figures include \$38.2 million budgeted in the Dedicated Purpose Account for Program Open Space repayments as required by Chapter 10 of 2016.

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Appendix 2
Capital Program Summary for the 2020 Session
(\$ in Millions)

Function	Bonds		Current Funds (PAYGO)			Total
	GO	Revenue	General	Special	Federal	
State Facilities						\$136.6
Facilities Renewal	\$42.8	\$0.0	\$0.0	\$0.0	\$0.0	
State Facilities Other	49.7	0.0	3.4	0.0	40.7	
Health/Social						\$85.8
Health Other	\$9.8	\$0.0	\$0.0	\$0.0	\$0.0	
Health State Facilities	2.3	0.0	0.0	0.0	0.0	
Private Hospitals	73.7	0.0	0.0	0.0	0.0	
Environment						\$538.5
Agriculture	\$21.4	\$0.0	\$6.5	\$45.0	\$0.0	
Environment	21.5	0.0	0.5	177.7	52.9	
Maryland Environmental Service	9.3	0.0	0.0	6.1	0.0	
Natural Resources	16.2	0.0	31.7	142.9	6.9	
Public Safety						\$64.1
Local Jails	\$8.2	\$0.0	\$0.0	\$0.0	\$0.0	
State Corrections	43.9	0.0	0.0	0.0	0.0	
State Police	12.0	0.0	0.0	0.0	0.0	
Education						\$447.1
Education Other	\$9.0	\$0.0	\$0.0	\$0.0	\$0.0	
School Construction	329.6	0.0	43.5	65.0	0.0	
Higher Education						\$330.5
Community Colleges	\$81.4	\$0.0	\$3.8	\$0.0	\$0.0	
Morgan State University	42.0	0.0	0.0	0.0	0.0	
Private Colleges/Universities	15.6	0.0	0.0	0.0	0.0	
St. Mary's College of Maryland	17.0	0.0	0.0	0.0	0.0	
University System	136.8	34.0	0.0	0.0	0.0	
Housing and Community Development						\$198.4
Housing	\$85.3	\$0.0	\$23.0	\$56.0	\$16.2	
Housing Other	8.6	0.0	9.0	0.3	0.0	
Local Projects						\$53.2
Local Project – Administration	\$38.2	\$0.0	\$0.0	\$0.0	\$0.0	
Local Project – Legislative	15.0	0.0	0.0	0.0	0.0	
Current Year Nontransportation Total	\$1,089.2	\$34.0	\$121.4	\$493.0	\$116.6	\$1,854.2

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<u>Function</u>	<u>Bonds</u>		<u>Current Funds (PAYGO)</u>			<u>Total</u>
	<u>GO</u>	<u>Revenue</u>	<u>General</u>	<u>Special</u>	<u>Federal</u>	
Deauthorizations						-\$4.2
Deauthorizations	-\$4.2	\$0.0	\$0.0	\$0.0	\$0.0	
Adjusted Current Year						
Nontransportation Total	\$1,085.0	\$34.0	\$121.4	\$493.0	\$116.6	\$1,850.0
Transportation CTP	\$0.0	\$635.0	\$125.0	\$790.9	\$1,210.1	\$2,761.0
Current Year Grand Total	\$1,089.2	\$669.0	\$246.4	\$1,283.9	\$1,326.7	\$4,615.2

CTP: *Consolidated Transportation Program*

GO: general obligation

PAYGO: pay-as-you-go

**Appendix 3
Capital Program for the 2019 Session as Introduced**

<u>Budget Code</u>	<u>Project Title</u>	<u>Bonds</u>		<u>Current Funds (PAYGO)</u>			<u>Total Funds</u>
		<u>General Obligation</u>	<u>Revenue</u>	<u>General</u>	<u>Special</u>	<u>Federal</u>	
	State Facilities						
D55P04A	MDVA: Cheltenham Veterans Cemetery Burial Expansion and Improvements	\$0	\$0	\$0	\$0	\$11,538,000	\$11,538,000
DA0201A	MDOD: Accessibility Modifications	1,697,000	0	0	0	0	1,697,000
DE0201A	BPW: Construction Contingency Fund	2,500,000	0	0	0	0	2,500,000
DE0201B	BPW: Facilities Renewal Fund	35,763,000	0	0	0	0	35,763,000
DE0201C	BPW: Fuel Storage Tank Replacement Program	1,000,000	0	0	0	0	1,000,000
DE0201D	BPW: Lawyer's Mall Underground Infrastructure Replacement	6,000,000	0	0	0	0	6,000,000
DE02111C	BPW: New Court of Appeals	0	0	3,427,000	0	0	3,427,000
DE0211A	BPW: Addition to Washington County District Court	325,000	0	0	0	0	325,000
DE0211B	BPW: Shillman Building Conversion	2,080,000	0	0	0	0	2,080,000
DH0104A	MD: Freedom Readiness Center	3,015,000	0	0	0	1,635,000	4,650,000
DH0104B	MD: Havre de Grace CSMS Surface Equipment and Automotive Maintenance Facility	0	0	0	0	24,533,000	24,533,000
DH0106A	MD: MEMA Headquarters Renovation and Expansion	990,000	0	0	0	0	990,000
FB04A	DoIT: Public Safety Communications System	30,840,000	0	0	0	0	30,840,000
RP00A	MPBC: Maryland Public Television Transmission Systems Replacement	61,000	0	0	0	3,000,000	3,061,000
RP00B	MPBC: Studio A Renovations and Addition	8,210,000	0	0	0	0	8,210,000
	Subject Category Subtotal	\$92,481,000	\$0	\$3,427,000	\$0	\$40,706,000	\$136,614,000
	Health/Social						
DA0701A	MDOA: Senior Centers Capital Grant Program	\$818,000	\$0	\$0	\$0	\$0	\$818,000
MA01A	MDH: Community Health Facilities Grant Program	6,500,000	0	0	0	0	6,500,000

<u>Budget Code</u>	<u>Project Title</u>	<u>Bonds</u>		<u>Current Funds (PAYGO)</u>			<u>Total Funds</u>
		<u>General Obligation</u>	<u>Revenue</u>	<u>General</u>	<u>Special</u>	<u>Federal</u>	
MA01B	MDH: Federally Qualified Health Centers Grant Program	2,500,000	0	0	0	0	2,500,000
MA10A	MDH: Clifton T. Perkins Hospital	2,297,000	0	0	0	0	2,297,000
RQ00A	UMMS: Capital Region Medical Center	56,200,000	0	0	0	0	56,200,000
RQ00B	UMMS: Comprehensive Cancer and Organ Transplant Treatment Center	5,000,000	0	0	0	0	5,000,000
RQ00C	UMMS: R Adams Cowley Shock Trauma Center – Phase III	4,000,000	0	0	0	0	4,000,000
ZA00AU	MISC: MedStar Franklin Square Hospital	1,000,000	0	0	0	0	1,000,000
ZA00BB	MISC: Sinai Hospital of Baltimore	2,000,000	0	0	0	0	2,000,000
ZA01A	MISC: Anne Arundel Health System North Hospital Pavilion Renovations	387,000	0	0	0	0	387,000
ZA01B	MISC: Carroll Hospital Center New Critical Care Unit	800,000	0	0	0	0	800,000
ZA01C	MISC: Holy Cross Hospital Labor and Delivery Unit	600,000	0	0	0	0	600,000
ZA01D	MISC: Howard County General Hospital Comprehensive Breast Center	347,000	0	0	0	0	347,000
ZA01E	MISC: MedStar Southern Maryland	500,000	0	0	0	0	500,000
ZA01F	MISC: MedStar Union Memorial Renovations	425,000	0	0	0	0	425,000
ZA01G	MISC: Mercy Medical Center	1,141,000	0	0	0	0	1,141,000
ZA01H	MISC: Peninsula Regional Medical Center East Tower Renovations	800,000	0	0	0	0	800,000
ZA01I	MISC: University of Maryland St. Joseph Medical Center Weinberg Emergency Department	500,000	0	0	0	0	500,000
	Subject Category Subtotal	\$85,815,000	\$0	\$0	\$0	\$0	\$85,815,000
	Environment						
KA0510A	DNR: Natural Resources Development Fund	\$0	\$0	\$3,000,000	\$9,229,533	\$1,350,000	\$13,579,533
KA0510B	DNR: Critical Maintenance Program	0	0	6,840,520	4,159,480	0	11,000,000
KA0510C	DNR: Program Open Space – State	0	0	11,445,838	47,127,317	3,000,000	61,573,155
KA0510D	DNR: Program Open Space – Local	0	0	8,535,752	48,031,709	0	56,567,461
KA05A	DNR: Community Parks and Playgrounds	2,500,000	0	0	0	0	2,500,000
KA05B	DNR: Rural Legacy Program	5,000,000	0	1,893,048	18,852,009	0	25,745,057

Budget Code	Project Title	Bonds		Current Funds (PAYGO)			Total Funds
		General Obligation	Revenue	General	Special	Federal	
KA0906A	DNR: Ocean City Beach Maintenance	0	0	0	2,000,000	0	2,000,000
KA1401A	DNR: Waterway Improvement Fund	0	0	0	13,500,000	2,500,000	16,000,000
KA1402A	DNR: Coastal Resiliency Program	6,065,000	0	0	0	0	6,065,000
KA1701A	DNR: Oyster Restoration Program	2,610,000	0	0	0	0	2,610,000
LA1111A	MDA: Maryland Agricultural Land Preservation Program	0	0	6,455,292	45,015,994	0	51,471,286
LA1205A	MDA: Salisbury Animal Health Laboratory Replacement	12,417,000	0	0	0	0	12,417,000
LA15A	MDA: Maryland Agricultural Cost Share Program	9,000,000	0	0	0	0	9,000,000
UA0104	MDE: Hazardous Substance Cleanup Program	0	0	525,000	0	0	525,000
UA0111A	MDE: Bay Restoration Fund	0	0	0	70,000,000	0	70,000,000
UA0112	MDE: Bay Restoration Fund Septic System Program	0	0	0	15,000,000	0	15,000,000
UA01A	MDE: Comprehensive Flood Mitigation Program	5,000,000	0	0	0	0	5,000,000
UA01B	MDE: Maryland Drinking Water Revolving Loan Program	5,287,000	0	0	12,672,000	14,041,000	32,000,000
UA01C	MDE: Maryland Water Quality Revolving Loan Fund	8,764,000	0	0	80,073,000	38,820,000	127,657,000
UA01D	MDE: Mining Remediation Program	500,000	0	0	0	0	500,000
UA01E	MDE: Water Supply Financial Assistance Program	1,960,000	0	0	0	0	1,960,000
UB00A	MES: Infrastructure Improvement Fund	9,290,000	0	0	6,052,000	0	15,342,000
	Subject Category Subtotal	\$68,393,000	\$0	\$38,695,450	\$371,713,042	\$59,711,000	\$538,512,492
	Public Safety						
QB0403A	DPSCS: Roxbury Correctional Institute Gatehouse and Perimeter Security System	\$611,000	\$0	\$0	\$0	\$0	\$611,000
QR0201A	DPSCS: Maryland Correctional Institute Perimeter Security Improvements	1,226,000	0	0	0	0	1,226,000
QR0202A	DPSCS: Maryland Correctional Training Center Housing Unit Windows and Steam Heating System	10,337,000	0	0	0	0	10,337,000

<u>Budget Code</u>	<u>Project Title</u>	<u>Bonds</u>		<u>Current Funds (PAYGO)</u>			<u>Total Funds</u>
		<u>General Obligation</u>	<u>Revenue</u>	<u>General</u>	<u>Special</u>	<u>Federal</u>	
QS0101A	DPSCS: Jessup Region Electrical Infrastructure Upgrade	7,930,000	0	0	0	0	7,930,000
QT04A	DPSCS: Demolition of Buildings at the Baltimore City Correctional Complex	23,816,000	0	0	0	0	23,816,000
WA01A	DSP: New Berlin Barrack and Garage	800,000	0	0	0	0	800,000
WA01B	DSP: New Cumberland Barrack and Garage	9,020,000	0	0	0	0	9,020,000
WA01C	DSP: State Law Enforcement Special Operations Group Center	2,200,000	0	0	0	0	2,200,000
ZB02A	DPSCS: Anne Arundel County Central Holding and Processing Center	1,715,000	0	0	0	0	1,715,000
ZB02B	DPSCS: Calvert County Detention Center Site and Security Improvements	249,000	0	0	0	0	249,000
ZB02C	DPSCS: Queen Anne's County Detention Center Additions and Renovations	678,000	0	0	0	0	678,000
ZB02D	DPSCS: St. Mary's County Adult Detention Center Upgrades, Housing, and Medical Units	5,511,000	0	0	0	0	5,511,000
	Subject Category Subtotal	\$64,093,000	\$0	\$0	\$0	\$0	\$64,093,000
	Education						
RA0702A	IAC: Aging Schools Program	\$6,109,000	\$0	\$0	\$0	\$0	\$6,109,000
RA0702B	IAC: Public School Construction Program	280,000,000	0	0	0	0	280,000,000
RA0702C	IAC: Senator James E. "Ed" DeGrange Nonpublic Aging Schools Program	3,500,000	0	0	0	0	3,500,000
RA0702D	IAC: Supplemental Capital Grant Program for Local School Systems	40,000,000	0	0	0	0	40,000,000
RA0702E	IAC: Building Opportunity Fund	0	0	0	45,000,000	0	45,000,000
RA0702F	IAC: Healthy School Facility Fund	0	0	30,000,000	0	0	30,000,000
RA0702G	IAC: Local Share of School Construction Costs Revolving Loan Fund	0	0	0	20,000,000	0	20,000,000
RA0702H	IAC: Nonpublic School Safety Improvements	0	0	3,500,000	0	0	3,500,000
RA0702I	IAC: Public School Safety Improvements Grant Program	0	0	10,000,000	0	0	10,000,000
RA11A	MSLA: Public Library Capital Grant Program	5,000,000	0	0	0	0	5,000,000

<u>Budget Code</u>	<u>Project Title</u>	<u>Bonds</u>		<u>Current Funds (PAYGO)</u>			<u>Total Funds</u>
		<u>General Obligation</u>	<u>Revenue</u>	<u>General</u>	<u>Special</u>	<u>Federal</u>	
RE01A	MSD: New Emergency Notification System – Columbia Campus	3,975,000	0	0	0	0	3,975,000
	<i>Subject Category Subtotal</i>	<i>\$338,584,000</i>	<i>\$0</i>	<i>\$43,500,000</i>	<i>\$65,000,000</i>	<i>\$0</i>	<i>\$447,084,000</i>
	Higher Education						
RB21A	UMB: Central Electric Substation and Electrical Infrastructure Upgrades	\$13,159,000	\$0	\$0	\$0	\$0	\$13,159,000
RB22A	UMCP: Chemistry Building Wing I Replacement	4,663,000	0	0	0	0	4,663,000
RB22B	UMCP: School of Public Policy Building	12,500,000	0	0	0	0	12,500,000
RB23A	BSU: Communication Arts and Humanities Building	5,100,000	0	0	0	0	5,100,000
RB24A	TU: New College of Health Professionals Building	5,266,000	0	0	0	0	5,266,000
RB24B	TU: Science Facility	66,225,000	2,000,000	0	0	0	68,225,000
RB25A	UMES: School of Pharmacy and Health Professions	5,015,000	5,000,000	0	0	0	10,015,000
RB25B	UMES: Campus Flood Mitigation Project	0	1,008,000	0	0	0	1,008,000
RB26A	FSU: Education Professions and Health Sciences Center	6,200,000	0	0	0	0	6,200,000
RB31A	UMBC: Utility Upgrades and Site Improvements	1,676,000	2,346,000	0	0	0	4,022,000
RB36A	USMO: Capital Facilities Renewal	10,000,000	18,646,000	0	0	0	28,646,000
RB36B	USMO: Southern Maryland Regional Higher Education Center	6,953,000	5,000,000	0	0	0	11,953,000
RC00A	BCCC: Liberty Campus Loop Road and Entrance Improvements	1,874,000	0	0	0	0	1,874,000
RD00A	SMCM: Academic Building and Auditorium	13,208,000	0	0	0	0	13,208,000
RD00B	SMCM: Campus Infrastructure Improvements	3,763,000	0	0	0	0	3,763,000
RI00A	MHEC: Community College Construction Grant Program	74,010,000	0	0	0	0	74,010,000
RI00B	MHEC: Community College Facilities Renewal Grant Program	0	0	3,800,000	0	0	3,800,000

<u>Budget Code</u>	<u>Project Title</u>	<u>Bonds</u>		<u>Current Funds (PAYGO)</u>			<u>Total Funds</u>
		<u>General Obligation</u>	<u>Revenue</u>	<u>General</u>	<u>Special</u>	<u>Federal</u>	
RM00A	MSU: Deferred Maintenance and Site Improvements	10,000,000	0	0	0	0	10,000,000
RM00B	MSU: New Health and Human Services Building	4,901,000	0	0	0	0	4,901,000
RM00C	MSU: New Health and Human Services Building Phase II	4,403,000	0	0	0	0	4,403,000
RM00D	MSU: New Student Services Support Building	22,659,000	0	0	0	0	22,659,000
ZA00Y	MICUA: Garrett College – Community Education and Performing Arts Center	5,500,000	0	0	0	0	5,500,000
ZA00AN	MICUA: Hood College Hodson Library and Technology Center Renovations	2,400,000	0	0	0	0	2,400,000
ZA00AO	MICUA: Johns Hopkins University Stavros Niarchos Foundation Agora Institute	2,400,000	0	0	0	0	2,400,000
ZA00AP	MICUA: Mount St. Mary’s University Knott Academic Center	2,400,000	0	0	0	0	2,400,000
ZA00AQ	MICUA: Stevenson University New Academic Building	2,400,000	0	0	0	0	2,400,000
ZA00BD	MISC: Stevenson University – Rosewood Property Environmental Abatement	6,000,000	0	0	0	0	6,000,000
	Subject Category Subtotal	\$292,675,000	\$34,000,000	\$3,800,000	\$0	\$0	\$330,475,000
	Housing and Community Development						
DB01A	HSMCC: Maryland Dove	\$2,500,000	\$0	\$0	\$0	\$0	\$2,500,000
DW0108A	MDP: Maryland Archeological Conservation Laboratory Expansion and Renovation	668,000	0	0	0	0	668,000
DW0108B	MDP: Patterson Center Renovations	3,875,000	0	0	0	0	3,875,000
DW0111A	MDP: African American Heritage Preservation Grant Program	1,000,000	0	0	0	0	1,000,000
DW0111B	MDP: Maryland Historical Trust Capital Grant Program	600,000	0	0	0	0	600,000
DW0111C	MDP: Maryland Historical Trust Revolving Loan Fund	0	0	0	300,000	0	300,000
DW0112A	MDP: Sustainable Communities Tax Credit	0	0	9,000,000	0	0	9,000,000

<u>Budget Code</u>	<u>Project Title</u>	<u>Bonds</u>		<u>Current Funds (PAYGO)</u>			<u>Total Funds</u>
		<u>General Obligation</u>	<u>Revenue</u>	<u>General</u>	<u>Special</u>	<u>Federal</u>	
SA2402A	DHCD: Community Development Block Grant Program	0	0	0	0	9,000,000	9,000,000
SA2402B	DHCD: Baltimore Regional Neighborhoods Initiative	0	0	12,000,000	0	0	12,000,000
SA2402C	DHCD: Seed Community Development Anchor Institution Fund	0	0	5,000,000	0	0	5,000,000
SA24A	DHCD: Community Legacy Program	6,000,000	0	0	0	0	6,000,000
SA24B	DHCD: Neighborhood Business Development Program	8,000,000	0	2,000,000	2,200,000	0	12,200,000
SA24C	DHCD: Strategic Demolition and Smart Growth Impact Fund	13,850,000	0	2,000,000	8,400,000	0	24,250,000
SA25A	DHCD: Homeownership Programs	7,800,000	0	0	15,200,000	0	23,000,000
SA25B	DHCD: Housing and Building Energy Programs	1,000,000	0	0	8,350,000	700,000	10,050,000
SA25C	DHCD: Local Government Infrastructure Fund	9,680,000	0	0	0	0	9,680,000
SA25D	DHCD: Partnership Rental Housing Program	6,000,000	0	0	0	0	6,000,000
SA25E	DHCD: Rental Housing Program	25,000,000	0	2,000,000	16,500,000	4,500,000	48,000,000
SA25F	DHCD: Shelter and Transitional Housing Facilities Grant Program	4,000,000	0	0	0	0	4,000,000
SA25G	DHCD: Special Loan Programs	4,000,000	0	0	5,300,000	2,000,000	11,300,000
	Subject Category Subtotal	\$93,973,000	\$0	\$32,000,000	\$56,250,000	\$16,200,000	\$198,423,000
	Local Projects						
ZA00A	MISC: A Wider Circle – Community Services Center Renovation and Expansion	\$500,000	\$0	\$0	\$0	\$0	\$500,000
ZA00B	MISC: Allegany Museum – Facility Renovation	200,000	0	0	0	0	200,000
ZA00C	MISC: ARC of Washington County – Facility Renovations	500,000	0	0	0	0	500,000
ZA00D	MISC: Arena Players Infrastructure Improvements	125,000	0	0	0	0	125,000
ZA00E	MISC: Baltimore Police Department Evidence Storage Facility	1,900,000	0	0	0	0	1,900,000

<u>Budget Code</u>	<u>Project Title</u>	<u>Bonds</u>		<u>Current Funds (PAYGO)</u>			<u>Total Funds</u>
		<u>General Obligation</u>	<u>Revenue</u>	<u>General</u>	<u>Special</u>	<u>Federal</u>	
ZA00F	MISC: Bon Secours Community Works Community Resource Center	725,000	0	0	0	0	725,000
ZA00G	MISC: Cal Ripken Sr. Foundation Athletic Fields	500,000	0	0	0	0	500,000
ZA00H	MISC: Carroll County Volunteer Emergency Services Association – Public Safety	400,000	0	0	0	0	400,000
ZA00I	MISC: Carroll Hospice – Dove House Renovation	250,000	0	0	0	0	250,000
ZA00J	MISC: Chesapeake Bay Environmental Center – New Pavilion	175,000	0	0	0	0	175,000
ZA00K	MISC: Chesapeake Bay Maritime Museum – New Library and Exhibit Building	250,000	0	0	0	0	250,000
ZA00L	MISC: Chesapeake Region Accessible Boating – Adaptive Boating Center	1,000,000	0	0	0	0	1,000,000
ZA00M	MISC: City of Baltimore – New Emergency Services Center	1,900,000	0	0	0	0	1,900,000
ZA00N	MISC: City of Brunswick – New Emergency Operations Center	483,000	0	0	0	0	483,000
ZA00O	MISC: City of Brunswick – New Public Works Repair Building	100,000	0	0	0	0	100,000
ZA00P	MISC: City of Brunswick – Stormwater Tunnel Repairs	100,000	0	0	0	0	100,000
ZA00Q	MISC: City of Gaithersburg – New Police Station	2,000,000	0	0	0	0	2,000,000
ZA00R	MISC: Citywide Youth Development – EMAGE Center	250,000	0	0	0	0	250,000
ZA00S	MISC: Cumberland to LaVale Water and Sewer Line	250,000	0	0	0	0	250,000
ZA00T	MISC: Delmarva Community Services – Chesapeake Grove Senior Housing and Intergenerational Center	100,000	0	0	0	0	100,000
ZA00U	MISC: ECO City Farms – Electrical and HVAC Improvements	100,000	0	0	0	0	100,000
ZA00V	MISC: Frederick County – Detox Facility	500,000	0	0	0	0	500,000

<u>Budget Code</u>	<u>Project Title</u>	<u>Bonds</u>		<u>Current Funds (PAYGO)</u>			<u>Total Funds</u>
		<u>General Obligation</u>	<u>Revenue</u>	<u>General</u>	<u>Special</u>	<u>Federal</u>	
ZA00W	MISC: Frederick County – ROOT Business Innovation Center	250,000	0	0	0	0	250,000
ZA00X	MISC: Gambrills-Odenton County Park – Athletic Fields	250,000	0	0	0	0	250,000
ZA00Z	MISC: Garrett County Emergency Operations Center	500,000	0	0	0	0	500,000
ZA00AA	MISC: Hagerstown Revitalization	500,000	0	0	0	0	500,000
ZA00AB	MISC: Harford Crisis Center	750,000	0	0	0	0	750,000
ZA00AC	MISC: HEAT Center – National Center for Manufacturing Sciences	1,000,000	0	0	0	0	1,000,000
ZA00AD	MISC: Helping Up Mission – Women and Children Support Services Building	1,000,000	0	0	0	0	1,000,000
ZA00AE	MISC: Historic Annapolis	3,000,000	0	0	0	0	3,000,000
ZA00AF	MISC: Hollins Market and Avenue Market Renovations	500,000	0	0	0	0	500,000
ZA00AG	MISC: Imagination Stage – New Storage Facility	500,000	0	0	0	0	500,000
ZA00AH	MISC: Junior Achievement of Central Maryland – Youth Workforce Innovation Center	250,000	0	0	0	0	250,000
ZA00AI	MISC: Kent School – HVAC System Repair and Upgrade	142,000	0	0	0	0	142,000
ZA00AJ	MISC: KID Museum – New Facility	300,000	0	0	0	0	300,000
ZA00AK	MISC: Lexington Market	500,000	0	0	0	0	500,000
ZA00AL	MISC: Maryland Center for the Arts – New Amphitheatre	500,000	0	0	0	0	500,000
ZA00AM	MISC: Maryland Historical Society – Building Renovations	500,000	0	0	0	0	500,000
ZA00AR	MISC: Maryland State Fair – Facility Improvements	500,000	0	0	0	0	500,000
ZA00AS	MISC: Maryland Zoo in Baltimore	5,000,000	0	0	0	0	5,000,000
ZA00AT	MISC: McHenry Business Park – Interior Construction	100,000	0	0	0	0	100,000
ZA00AV	MISC: National Aquarium in Baltimore	2,000,000	0	0	0	0	2,000,000

<u>Budget Code</u>	<u>Project Title</u>	<u>Bonds</u>		<u>Current Funds (PAYGO)</u>			<u>Total Funds</u>
		<u>General Obligation</u>	<u>Revenue</u>	<u>General</u>	<u>Special</u>	<u>Federal</u>	
ZA00AW	MISC: New Carroll County Municipal Community Center	250,000	0	0	0	0	250,000
ZA00AX	MISC: New Spires Arts – Stage Renovation	250,000	0	0	0	0	250,000
ZA00AY	MISC: Olney Theatre Center – Site Improvements and Artists’ Village	500,000	0	0	0	0	500,000
ZA00AZ	MISC: Paul’s Place – Community Training Kitchen	500,000	0	0	0	0	500,000
ZA00BA	MISC: Ronald McDonald House – New Baltimore Facility	500,000	0	0	0	0	500,000
ZA00BC	MISC: Somerset County Visitor Center – Exhibit Center Addition	500,000	0	0	0	0	500,000
ZA00BE	MISC: The League for People with Disabilities – Facility Upgrade	500,000	0	0	0	0	500,000
ZA00BF	MISC: Town of North Brentwood – Stormwater Remediation	250,000	0	0	0	0	250,000
ZA00BG	MISC: University of Maryland – New Hillel Student Center	1,000,000	0	0	0	0	1,000,000
ZA00BH	MISC: Washington County Public Service Academy – New Training Facility	500,000	0	0	0	0	500,000
ZA00BI	MISC: Western Correctional Institution – Adaptive Community and Workforce Training Facility	1,650,000	0	0	0	0	1,650,000
ZA00BJ	MISC: Woodbourne Center Vocational Building	380,000	0	0	0	0	380,000
ZA00BK	MISC: YMCA of Chesapeake – St. Michael’s YMCA Senior Center	250,000	0	0	0	0	250,000
ZA00BL	MISC: YMCA of Frederick County – New South County Complex	400,000	0	0	0	0	400,000
ZA00BM	MISC: YMCA – Domestic Violence Safe House Shelter	100,000	0	0	0	0	100,000
ZA00BN	MISC: YMCA – Educational and Wellness Center	300,000	0	0	0	0	300,000
ZB02A	MISC: Local Legislative Initiatives	15,000,000	0	0	0	0	15,000,000
	Subject Category Subtotal	\$53,180,000	\$0	\$0	\$0	\$0	\$53,180,000

<u>Budget Code</u>	<u>Project Title</u>	<u>Bonds</u>		<u>Current Funds (PAYGO)</u>			<u>Total Funds</u>
		<u>General Obligation</u>	<u>Revenue</u>	<u>General</u>	<u>Special</u>	<u>Federal</u>	
	Current Year Total – Nontransportation	\$1,089,194,000	\$34,000,000	\$121,422,450	\$492,963,042	\$116,617,000	\$1,854,196,492
	Deauthorizations						
ZF00	Deauthorizations as Introduced	-\$4,194,000	\$0	\$0	\$0	\$0	-\$4,194,000
	<i>Subject Category Subtotal</i>	<i>-\$4,194,000</i>	<i>\$0</i>	<i>\$0</i>	<i>\$0</i>	<i>\$0</i>	<i>-\$4,194,000</i>
	Adjusted – Nontransportation	\$1,085,000,000	\$34,000,000	\$121,422,450	\$492,963,042	\$116,617,000	\$1,850,002,492
	Transportation CTP	\$0	\$635,000,000	\$125,000,000	\$790,865,000	\$1,210,148,000	\$2,761,013,000
	Current Year Grand Total	\$1,089,194,000	\$669,000,000	\$246,422,450	\$1,283,828,042	\$1,326,765,000	\$4,615,209,492

BCCC: Baltimore City Community College
 BPW: Board of Public Works
 BSU: Bowie State University
 CSMS: Combined Support Maintenance Shop
 CTP: Consolidated Transportation Program
 DHCD: Department of Housing and Community Development
 DNR: Department of Natural Resources
 DoIT: Department of Information Technology
 DPSCS: Department of Public Safety and Correctional Services
 DSP: Department of State Police
 FSU: Frostburg State University
 HSMCC: Historic St. Mary’s City Commission
 HVAC: heating, ventilation, and air conditioning
 IAC: Interagency Commission on School Construction
 MD: Military Department
 MDA: Maryland Department of Agriculture
 MDE: Maryland Department of the Environment
 MDH: Maryland Department of Health
 MDOA: Maryland Department of Aging
 MDOD: Maryland Department of Disabilities

MDP: Maryland Department of Planning
 MDVA: Maryland Department of Veterans Affairs
 MEMA: Maryland Emergency Management Agency
 MES: Maryland Environmental Service
 MHEC: Maryland Higher Education Commission
 MICUA: Maryland Independent College and University Association
 MISC: miscellaneous
 MPBC: Maryland Public Broadcasting Commission
 MSD: Maryland School for the Deaf
 MSLA: Maryland State Library Agency
 MSU: Morgan State University
 PAYGO: pay-as-you-go
 SMCM: St. Mary’s College of Maryland
 TU: Towson University
 UMB: University of Maryland, Baltimore Campus
 UMBC: University of Maryland Baltimore County
 UMCP: University of Maryland, College Park Campus
 UMES: University of Maryland Eastern Shore
 UMMS: University of Maryland Medical System
 USMO: University System of Maryland Office

Note: General obligation (GO) bond totals include \$4.83 million of Qualified Zone Academy Bonds not counted under the limit for new GO bond authorizations for the 2017 session.

Source: Department of Budget and Management

Appendix 4
Significant General Obligation Bond Items Removed and Added
Significant Adjustments
Fiscal 2020
2018 CIP Compared to 2019 CIP
(\$ in Millions)

<u>Project/Program</u>	<u>Out</u>	<u>In</u>	<u>Significant Adjustment</u>	<u>Notes</u>
Maryland School for Deaf (MSD) – Emergency Notification System		\$3.975		Added to the fiscal 2020 budget to address life safety issues.
MSD – Veditz Building Renovation	\$4.681			Pushed back in the 2019 CIP from fiscal 2020 to 2021 to make room for MSD Emergency Notification System project.
Maryland Department of the Environment – Water Quality and Drinking Water			\$4.651	State is required to provide a match on federal appropriation, which increased requiring a larger State share than was programmed.
Maryland Higher Education Commission – Community Colleges			14.010	The 2018 CIP programmed \$60 million – the budget provides \$74 million (gets closer to \$80 million annual figure requested by the General Assembly of Maryland (GAM)).
Department of Housing and Community Development (DHCD) – Strategic Demolition Fund		13.830		Was not in 2018 CIP – legislation to fund at \$30 million not a mandate. Total funds \$24.24 million of which \$18.75 million is Creating Opportunities for Renewal and Enterprise (C.O.R.E) – \$54.35 million in the 2019 CIP not programmed in the 2018 CIP – includes Opportunity Zones enhancements.
DHCD – Neighborhood Business Development			4.500	Part of Opportunity Zones enhancements.

<u>Project/Program</u>	<u>Out</u>	<u>In</u>	<u>Significant Adjustment</u>	<u>Notes</u>
DHCD – Rental Housing Program			5.000	Increased annual general obligation (GO) bond funding of the program. The 2019 CIP now reflects annual GO bond funding at \$25 million requested by GAM.
DHCD – Baltimore Regional Neighborhood Initiative			-3.000	Program is fully funded at \$12 million mandated level with general funds.
Department of Information Technology – Public Safety Communication System			9.100	\$46.4 million through the 2019 CIP – fund more in-building Ethernet communications systems development and begin process of buildout of areas identified with gaps in coverage.
DHCD – Local Government Infrastructure Fund – Broadband Initiative		9.680		New initiative – executive order – adds \$46.4 million through the 2019 CIP.
Department of Juvenile Services (DJS) – Female Detention Center	25.692			Project faces continued delays.
DJS – Baltimore City Juvenile Justice Center Renovation	1.643			Moved back one year to fund construction in fiscal 2022.
Morgan State University (MSU) – Student Services			-4.328	Construction funding cash flow adjustment – project schedule remains unchanged.
MSU – Facility Renewal		10.000		\$39.0 million over 2019 CIP of which \$29 million was not programmed in 2018 CIP.
Military Department – Combined Support Maintenance Shop	2.986			Still funded in fiscal 2020 but using federal funds – GO bond portion pushed to fiscal 2021 or 2022.

<u>Project/Program</u>	<u>Out</u>	<u>In</u>	<u>Significant Adjustment</u>	<u>Notes</u>
Department of Public Safety and Correctional Services (DPSCS) – Maryland Correctional Training Center Windows/Heating			5.262	Adjusted to fund all of phase 4 in fiscal 2020 rather than over fiscal 2020 and 2021.
DPSCS – Roxbury Correctional Institution Gatehouse and Perimeter		0.611		Moves project up one year to start design in fiscal 2020.
DPSCS – Eastern Correctional Institution Perimeter/Heating Systems	8.762			Project delays – scope issues – project pushed back in 2019 CIP one year.
DPSCS – Demolition Baltimore City Detention Center (BCDC)			5.000	Increased construction cost estimate.
DPSCS – Therapeutic Treatment and Detention Beds at BCDC				No funding is included for fiscal 2020 but back in 2019 CIP at \$220.198 million beginning in fiscal 2021 (total estimate \$377.6 million).
Department of General Services – Facilities Renewal			20.035	Significant enhancement over what was planned in CIP – \$135.346 over five-year CIP, which is \$44.3 million more than planned.
Department of State Police – State Law Enforcement Special Operations Center		2.200		New Baltimore City crime initiative.
University of Maryland, College Park Campus – Chemistry			2.028	More design funding in fiscal 2020 rather than split over fiscal 2020 and 2021.
Bowie State University – Communications Arts Building		5.100		Moves project up one year to start design in fiscal 2020 – consistent with preauthorization.
University of Maryland Eastern Shore – Campus Flood Mitigation		1.008		\$10.434 million over 2019 CIP – not included in 2018 CIP.

<u>Project/Program</u>	<u>Out</u>	<u>In</u>	<u>Significant Adjustment</u>	<u>Notes</u>
Frostburg State University – Education and Health Building		6.200		Project in 2019 CIP to start construction in fiscal 2021, this would move the start of construction to the tail end of fiscal 2020.
University System of Maryland Office (USMO) – Southern Maryland Regional Higher Education			-34.304	Project delays – reevaluate and rescope requested – project is back as scoped but pushed back in the schedule relative to what was programmed in the 2018 CIP.
USMO – Facilities Renewal		10.000		Moves up by one year GO bond funding for UMS facilities renewal.
Miscellaneous		15.000		Legislative initiatives – no earmark was provided in 2018 CIP.
Miscellaneous – Administration		27.800		Reflects a number of Administration miscellaneous projects not programmed in the 2018 CIP for fiscal 2020.
CIP: <i>Capital Improvement Program</i>				

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Appendix 5
Preauthorizations Included in MCCBL of 2018 for Fiscal 2020
(\$ in Millions)

<u>Project Title</u>	<u>2020 Preauth</u>	<u>2020 Budget</u>
MD: Freedom Readiness Center	\$3,015,000	\$3,015,000
MDP: Patterson Center Renovations	3,762,000	3,875,000
DoIT: Public Safety Communication System	21,740,000	30,840,000
MDA: Salisbury Animal Health Laboratory	11,530,000	12,417,000
DPSCS: Demolition of Buildings at the Baltimore City Correction Complex	18,816,000	23,816,000
UMB: Central Electric Substation and Electrical Infrastructure Upgrade	13,721,000	13,159,000
UMCP: New Cole Field House	3,941,000	0
UMCP: School of Public Policy Building	12,500,000	12,500,000
TU: Science Facility	66,225,000	66,225,000
MHEC: Community College Facilities Grant Program	50,844,000	50,844,000
MSU: New Student Services Support Building	20,385,000	15,749,000
MES: Infrastructure Improvement Fund	2,228,000	2,228,000
DSP: New Cumberland Barrack and Garage	7,030,000	8,530,000
HSMCC: Maryland Dove	2,500,000	2,500,000
HSMCC: Maryland Heritage Interpretive Center	10,000,000	0
BPW: Replacement of Lawyer's Mall Underground Infrastructure	6,000,000	6,000,000
BSU: Communications Arts and Humanities Building	5,000,000	5,100,000
DJS: New Female Detention Center	36,272,000	0
MISC: Ocean City Convention Center	18,665,000	0
MISC: Sheppard Pratt at Elkridge	4,000,000	0
MISC: MedStar Franklin Square Hospital	5,000,000	1,000,000

Note: The fiscal 2020 amounts shown for the Community Colleges Facilities Grant Program and the MES Infrastructure Fund reflect only the amounts budgeted for specific projects preauthorized in the MCCBL of 2018.

BPW: Board of Public Works

BSU: Bowie State University

DJS: Department of Juvenile Services

DoIT: Department of Information Technology

DPSCS: Department of Public Safety and Correctional Services

DSP: Department of State Police

HSMCC: Historic St. Mary's City Commission

MCCBL: Maryland Consolidated Capital Bond Loan

MD: Military Department

MDA: Maryland Department of Agriculture

MDP: Maryland Department of Planning

MES: Maryland Environmental Service

MHEC: Maryland Higher Education Commission

MISC: miscellaneous

MSU: Morgan State University

TU: Towson University

UMB: University of Maryland, Baltimore Campus

UMCP: University of Maryland, College Park Campus

Appendix 6
Status of Capital Budget Mandates
Fiscal 2020
(\$ in Millions)

	<u>Mandate Amount</u>	<u>Budget</u>	<u>Notes</u>
Prince George’s Regional Medical Center	\$56,500,000	\$56,500,000	General obligation (GO) bonds
Supplemental School Construction	40,000,000	40,000,000	GO bonds
Healthy Schools Facility Fund	30,000,000	30,000,000	General funds in the Dedicated Purpose Account
Program Open Space Repayment	18,500,000	18,500,000	General funds in the Dedicated Purpose Account
Baltimore Regional Neighborhood Initiative	12,000,000	12,000,000	General funds
School Safety Enhancements	10,000,000	10,000,000	General funds
Seed Anchor Institution Funds	5,000,000	5,000,000	General funds
Aging Schools	6,109,000	6,109,000	GO bonds
Local Libraries	5,000,000	5,000,000	GO bonds
Rural Legacy	5,000,000	5,000,000	GO bonds
Aid to Community Colleges – Facilities Renewal	3,800,000	3,800,000	GO bonds
Shelter and Transitional Housing	3,000,000	3,000,000	GO bonds
African American Heritage	1,000,000	1,000,000	GO bonds
Total	\$195,909,000	\$195,909,000	

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Appendix 7
Comparison of CDAC, SAC, Governor's Request Final Legislative Authorization
1999-2019 Session
(\$ in Millions)

<u>Session</u>	<u>CDAC</u>	<u>SAC</u>	<u>Governor's Request</u>	<u>Final</u>
1999	\$445	\$445	\$445	\$445
2000	460	460	460	460
2001	475	475	475	505 ¹
2002	520	720	731	720 ²
2003	740	740	740	740
2004	655	655	655	655
2005	670	670	670	670
2006	690	690	690	690
2007	810	810	810	810
2008	935	935	935	935
2009	1,110	1,110	1,110	1,110
2010	1,140	1,140	1,140	1,140
2011	925	925	925	925
2012	1,075	1,075	1,075	1,075
2013	1,075	1,075	1,075	1,075
2014	1,160	1,160	1,160	1,160 ³
2015	1,170	1,095	995	1,045 ⁴
2016	995	1,055	995	995 ⁵
2017	995	1,065	995	1,065
2018	995	1,075	995	1,075 ⁶
2019	995	1,085	1,085	

CDAC: Capital Debt Affordability Committee

SAC: Spending Affordability Committee

¹ CDAC was reconvened in March 2001 and increased the limit to \$505 million.

² SAC increased the \$520 million CDAC recommendation to make room for \$200 million of previously funded projects with pay-as-you-go funds to be deauthorized and funded with general obligation (GO) bonds.

³ Although the General Assembly concurred with the recommendation to increase the 2014 session authorization by \$75 million, SAC recommended against increasing out-year authorizations by \$75 million annually.

⁴ The General Assembly did not authorize new GO bonds to the \$1,095 million limit and instead constrained the limit to \$1,045 million, although \$48 million in bond premium was used to supplement State capital spending.

⁵ The General Assembly did not authorize new GO bonds to the \$1,055 million limit and instead constrained the limit to the Governor's recommendation of \$995 million, although this included the use of \$122 million in general funds to supplement the capital program later reduced to \$63 million through the actions of the Board of Public Works and the decision by the Administration to not appropriate \$48 million of general funds restricted in the State Reserve fund for capital purposes.

⁶ The General Assembly also used \$68 million in bond premiums to supplement State capital spending.

Source: 2017 *Capital Debt Affordability Committee Report* and the 2018 *Capital Improvement Program*

Appendix 8
GO Bond Deauthorizations and Other Changes
2019 Maryland Consolidated Capital Bond Loan

GO Bond Deauthorizations

<u>Chapter Law</u>	<u>Agency</u>	<u>Project Title</u>	<u>Amount</u>	<u>Reason</u>
Chapter 444 of 2012, as amended by Chapter 463 of 2014	UMCP	Physical Sciences Complex	\$288,234	Project complete.
Chapter 444 of 2012, as amended by Chapter 27 of 2016 and Chapter 22 of 2017	MD	Dundalk Readiness Center	242,378	Project complete.
Chapter 444 of 2012, as amended by Chapter 27 of 2016 and Chapter 9 of 2018	UMBC	New Performing Arts and Humanities Facility	800,000	Project complete.
Chapter 424 of 2013	MD	Gunpowder Military Reservation Firing Range	159,999	Project complete.
Chapter 424 of 2013	UMCP	Physical Sciences Complex	237,066	Project complete.
Chapter 424 of 2013, as amended by Chapter 27 of 2016	FSU	New Center for Communications and Information Technology	293,965	Project complete.
Chapter 424 of 2013, as amended by Chapter 9 of 2018	CSU	Pedestrian Bridge – ADA Improvements	210,696	Project complete.
Chapter 463 of 2014, as amended by Chapter 9 of 2018	SMCM	Anne Arundel Hall Reconstruction	149,321	Funds not needed to complete project.
Chapter 495 of 2015, as amended by Chapter 9 of 2018	SMCM	Anne Arundel Hall Reconstruction	212,341	Funds not needed to complete project.
Chapter 27 of 2016	MICUA	Capitol Technology University	1,600,000	Project ineligible for capital funding.
Total			\$4,194,000	

Amendments to Prior GO Bond Authorizations and Other Items

<u>Chapter Law</u>	<u>Agency</u>	<u>Project Title</u>	<u>Proposed Amendment</u>
Section 1	MHT	MHT Easement	Proposed changes to Section 6 would amend MHT easement policy to no longer require perpetual easements when State grant funds are authorized.
Chapter 485 of 2009, as amended by Chapter 444 of 2012	DPSCS	Patuxent Institution Fire Safety Improvements and Window Replacements	Extends the termination date of the remaining unencumbered funds to June 1, 2021.
Chapter 396 of 2011	DPSCS	MCTC Housing Unit Windows and Heating Systems	Extends the termination date of the remaining unencumbered funds to June 1, 2021.
Chapter 444 of 2012	IAC	Aging Schools Program	Extends the termination date of the remaining unencumbered funds to June 1, 2021.
Chapter 444 of 2012	DPSCS	Dorsey Run Correctional Facility	Extends the termination date of the remaining unencumbered funds to June 1, 2021.
Chapter 444 of 2012	USMO	Facilities Renewal Program	Extends the termination date of the remaining unencumbered funds to June 1, 2021.
Chapter 444 of 2012	BCCC	Main Building Renovation - Administration Wing	Extends the termination date of the remaining unencumbered funds to June 1, 2021.
Chapter 444 of 2012	MSU	New School of Business Complex and Connecting Bridge	Extends the termination date of the remaining unencumbered funds to June 1, 2021.
Chapter 444 of 2012	MSU	MSU Facilities Renewal Projects	Extends the termination date of the remaining unencumbered funds to June 1, 2021.
Chapter 495 of 2015, as amended by Chapter 9 of 2018	MHA	Adventist Behavioral Health	Changes the name of the project and the name of the grantee organization.
Chapter 27 of 2016	MHA	Adventist Behavioral Health	Changes the name of the project and the name of the grantee organization.

GO Bond Preauthorizations

<u>Agency</u>	<u>Project</u>	<u>Fiscal 2021</u>	<u>Fiscal 2022</u>	<u>Fiscal 2023</u>
MD	Havre de Grace CSMS Automotive and Surface Equipment Maintenance Facility	\$4,784,000	\$4,784,000	
DoIT	Public Safety Communication System	8,000,000		
DPSCS	Jessup Region Electrical Infrastructure Upgrade	6,460,000		
DPSCS	Hot Water and Steam System Improvements	9,211,000	8,459,000	\$8,459,000
DPSCS	Demolition of Buildings at the Baltimore City Correctional Complex	5,101,000		
UMCP	School of Public Policy Building	2,500,000		
UMES	School of Pharmacy and Health Professions	45,735,000	23,600,000	
USMO	Southern Maryland Regional Higher Education Center	62,202,000	3,229,000	
BCCC	Liberty Campus Loop Road and Entrance Improvements	3,749,000		
SMCM	Academic Building and Auditorium	28,200,000	17,033,000	
MHEC	Community College Construction Grant Program	60,260,000	31,154,000	8,188,000
MSU	New Student Services Support Building	4,761,000		
MES	Infrastructure Improvement Fund	7,732,000	1,284,000	
MHEC	Garrett College – Community Education and Performing Arts Center	5,500,000		
Total Preauthorizations		\$254,195,000	\$89,543,000	\$16,647,000

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ADA: American Disabilities Act
 BCCC: Baltimore City Community College
 CSMS: combined support maintenance shop
 CSU: Coppin State University
 DoIT: Department of Information Technology
 DPSCS: Department of Public Safety and Correctional Services
 FSU: Frostburg State University
 GO: general obligation
 IAC: Interagency Commission on School Construction
 MCTC: Maryland Correctional Training Center
 MD: Military Department

MES: Maryland Environmental Service
 MHA: Maryland Hospital Association
 MHEC: Maryland Higher Education Commission
 MHT: Maryland Historical Trust
 MICUA: Maryland Independent College and University Association
 MSU: Morgan State University
 SMCM: St. Mary’s College of Maryland
 UMBC: University of Maryland Baltimore County
 UMCP: University of Maryland, College Park Campus
 UMES: University of Maryland Eastern Shore
 USMO: University System of Maryland Office

Source: HB 101 and SB 126