

A00
Payments to Civil Divisions of the State

Operating Budget Data

(\$ in Thousands)

	FY 04	FY 05	FY 06	FY 05-06	% Change
	<u>Actual</u>	<u>Working</u>	<u>Allowance</u>	<u>Change</u>	<u>Prior Year</u>
General Fund	\$136,760	\$128,490	\$132,036	\$3,546	2.8%
Total Funds	\$136,760	\$128,490	\$132,036	\$3,546	2.8%
Contingent & Back of Bill Reductions			-30,615	-30,615	
Adjusted Total	\$136,760	\$128,490	\$101,421	-\$27,070	-21.1%

- The proposed fiscal 2006 budget includes a \$30.6 million reduction to the electric utility generating equipment property tax grants contingent upon the enactment of legislation.
- Disparity grant funding increases by 3.7%, and State paid retirement costs to locally paid officials and employees increase by 7.3%.
- Baltimore City's share of security interest filing fees is estimated to decline slightly.

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

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Analysis in Brief

Major Trends

Disparity Grant Funding Increased in Fiscal 2006: State funding for the disparity grant program increased in fiscal 2006 after two consecutive years in which funding declined. State funding reached \$115.2 million in fiscal 2003 but declined to \$105.8 million in fiscal 2004 and \$93.1 million in fiscal 2005. The decrease in the statutorily required funding was due to the narrowing of the disparity in per capita income tax revenues between less affluent counties and other counties in Maryland. The decrease in disparity grant funding was partially offset in fiscal 2004 by the inclusion of \$9.2 million in discretionary grants and in fiscal 2005 by a \$0.5 million discretionary grant for Garrett County.

State funding for disparity grants will increase by \$3.5 million or 3.7% in fiscal 2006 due to the expansion of disparities among counties. Net taxable income increased by 4.1% statewide in tax year 2003, ranging from 2.1% in Allegany County to 10.6% in St. Mary's County. Four of the eight disparity grant jurisdictions (Baltimore City and Allegany, Dorchester, and Prince George's counties) had the lowest net taxable income growth for tax year 2003. Three disparity grant counties (Garrett, Somerset, and Wicomico) realized above average growth in net taxable income and thereby will realize a decrease in disparity grant funding for fiscal 2006. Caroline County realized growth slightly above the statewide average but will still receive a slight increase in funding for fiscal 2006.

Issues

Elimination of Electric Utility Generating Equipment Property Tax Grants: The proposed fiscal 2006 budget eliminates funding for electric utility generating equipment property tax grants contingent upon the enactment of legislation. These grants are provided to 11 jurisdictions to partially offset the revenue loss due to legislation enacted in 1999 that provided for a 50% property tax exemption for personal property used in generating electricity. Due to the reliance on these grants in certain jurisdictions, the Department of Legislative Services does not recommend that the grants be eliminated completely this year. Instead, the department recommends that the utility grants be phased out over five years beginning in fiscal 2006.

Recommended Actions

	<u>Funds</u>
1. Reduce funds for the Electric Utility Generating Equipment Property Tax grants.	\$ 6,123,038
Total Reductions	\$ 6,123,038

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Payments to Civil Divisions of the State

Operating Budget Analysis

Program Description

Several State grant programs providing funds to Maryland's counties and municipalities are budgeted under payments to civil divisions of the State: disparity grants, a grant to Baltimore City equal to \$5 of each security interest-filing fee collected by the Motor Vehicle Administration (MVA), and grants to partially offset the cost of the property tax exemption for personal property used to generate electricity for sale. The State pays the employer retirement cost for certain local officials and employees; these costs are also budgeted under payments to civil divisions.

Governor's Proposed Budget

The proposed fiscal 2006 budget for payments to civil divisions is \$101.4 million. This is a 21.1% decrease over the fiscal 2005 working appropriation of \$128.5 million. Disparity grant funding will total \$96.6 million in fiscal 2006, a \$3.5 million, or 3.7% increase over the prior year. Baltimore City's share of security interest-filing fees are estimated at \$3.15 million in fiscal 2006, a \$46,000, or 1.4% decrease from fiscal 2005. State paid retirement costs for locally paid officials and employees will total \$1.7 million in fiscal 2006, an \$116,000, or 7.3% increase. Funding for the electric utility generating equipment property tax grants would be eliminated in fiscal 2006 contingent upon the enactment of legislation. **Exhibit 1** shows the funding amounts for these programs in fiscal 2005 and 2006.

Exhibit 1
Governor's Proposed Budget
Payments to Civil Divisions of the State
(\$ in Thousands)

How Much It Grows:	General Fund	Total
2005 Working Appropriation	\$128,490	\$128,490
2006 Governor's Allowance	132,036	132,036
Contingent & Back of Bill Reductions	<u>-30,615</u>	<u>-30,615</u>
Adjusted Allowance	101,421	101,421
Amount Change	-\$27,070	-\$27,070
Percent Change	-21.1%	-21.1%

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Where It Goes:

Grants

Elimination of Electric Generating Equipment Property Tax Grant.....	-\$30,615
Increase in Disparity Grant Funding.....	3,476
Increase in retirement contributions for certain officials and local employees	116
Decrease in estimated Baltimore City share of security interest-filing fees	-46
Total	-\$27,070

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

Disparity Grants

The disparity grant addresses the differences in the capacities or abilities of the counties to raise revenues from the local income tax. Counties with per capita local income tax revenues less than 75% of the State’s average receive grants, assuming all counties impose a 2.54% local income tax rate. Aid received by a county equals the dollar amount necessary to raise the county’s per capita income tax revenues to 75% of the State average. Baltimore City and seven counties (Allegany, Caroline, Dorchester, Garrett, Prince George’s, Somerset, and Wicomico) qualify for disparity grants.

The proposed fiscal 2006 budget includes \$96.6 million for disparity grants, a \$3.5 million increase from fiscal 2005. The fiscal 2006 grant under the statute is based on population estimates for July 2003 and calendar 2003 local income tax revenues raised from a 2.54% local income tax rate. **Exhibit 2** shows the calculation of the fiscal 2006 disparity grant. The increase in disparity grant funding in fiscal 2006 is due to the broadening of the disparity in per capita income tax revenues between less affluent counties and other counties in Maryland. As shown in **Exhibit 3**, per capita income tax revenues increased by 3.1% in calendar 2003. Three disparity grant counties (Allegany, Dorchester, and Prince George’s) had growth below the statewide average.

The broadening of income disparities can also be illustrated by comparing growth in net taxable income. Net taxable income increased by 4.1% statewide in tax year 2003, ranging from 2.1% in Allegany County to 10.6% in St. Mary’s County. Four of the eight disparity grant jurisdictions (Baltimore City and Allegany, Dorchester, and Prince George’s counties) had the lowest net taxable income growth for tax year 2003. Three disparity grant counties (Garrett, Somerset, and Wicomico) realized above average growth in net taxable income and thereby will realize a decrease in disparity grant funding for fiscal 2006. Caroline County realized growth slightly above the statewide average but will still receive a slight increase in funding for fiscal 2006.

Exhibit 2
Calculating the Fiscal 2006 Disparity Grant

<u>County</u>	<u>Population July 2003</u>	<u>Adjusted Income Tax Revenues TY 2003</u>	<u>Per Capita Tax Yield</u>	<u>Per Capita Grant</u>	<u>FY 2006 Grant</u>	<u>Prior Year Grant</u>	<u>Difference</u>	<u>Percent Difference</u>
Allegany	73,668	\$17,475,682	\$237.22	\$82.80	\$6,100,040	\$5,901,718	\$198,322	3.4%
Anne Arundel	506,620	251,849,794	497.12	0.00	0	0	0	
Baltimore City	628,670	131,495,722	209.16	110.86	69,695,420	69,559,286	136,134	0.2%
Baltimore	777,184	350,646,670	451.18	0.00	0	0	0	
Calvert	84,110	38,728,722	460.45	0.00	0	0	0	
Caroline	30,861	7,986,965	258.80	61.22	1,889,377	1,814,313	75,064	4.1%
Carroll	163,207	72,261,896	442.76	0.00	0	0	0	
Cecil	92,746	31,815,626	343.04	0.00	0	0	0	
Charles	133,049	53,652,510	403.25	0.00	0	0	0	
Dorchester	30,612	7,763,870	253.62	66.40	2,032,786	1,890,562	142,223	7.5%
Frederick	213,662	100,402,441	469.91	0.00	0	0	0	
Garrett	30,049	7,576,804	252.15	67.88	2,039,677	2,716,755	-677,078	-24.9%
Harford	232,175	100,636,457	433.45	0.00	0	0	0	
Howard	264,265	165,637,491	626.79	0.00	0	0	0	
Kent	19,680	6,685,584	339.71	0.00	0	0	0	
Montgomery	918,881	577,810,503	628.82	0.00	0	0	0	
Prince George's	838,716	258,649,067	308.39	11.64	9,762,389	5,509,803	4,252,586	77.2%
Queen Anne's	44,108	20,271,456	459.59	0.00	0	0	0	
St. Mary's	92,754	36,912,904	397.97	0.00	0	0	0	
Somerset	25,447	4,411,205	173.35	146.68	3,732,513	3,752,653	-20,140	-0.5%
Talbot	34,670	17,365,458	500.88	0.00	0	0	0	
Washington	136,796	44,560,371	325.74	0.00	0	0	0	
Wicomico	87,375	26,636,396	304.85	15.18	1,325,931	1,957,309	-631,378	-32.3%
Worcester	49,604	19,429,854	391.70	0.00	0	0	0	
Total	5,508,909	\$2,350,663,448	\$426.70	\$0.00	\$96,578,131	\$93,102,398	\$3,475,733	3.7%
		<i>Target (75%)</i>		<i>\$320.03</i>				

Source: Department of Legislative Services

Exhibit 3
Disparity Grant Factors – Fiscal 2006 Calculations

<u>County</u>	<u>Adjusted Local Tax Revenues</u>			<u>County Population</u>			<u>Per Capita Tax Revenues</u>		
	<u>TY 2002</u>	<u>TY 2003</u>	<u>% Change</u>	<u>July 2002</u>	<u>July 2003</u>	<u>% Change</u>	<u>TY 2002</u>	<u>TY 2003</u>	<u>% Change</u>
Allegany	\$17,127,627	\$17,475,682	2.0%	74,203	73,668	-0.7%	\$230.82	\$237.22	2.8%
Anne Arundel	242,606,771	251,849,794	3.8%	503,388	506,620	0.6%	481.95	497.12	3.1%
Baltimore City	128,638,390	131,495,722	2.2%	638,614	628,670	-1.6%	201.43	209.16	3.8%
Baltimore	336,143,431	350,646,670	4.3%	770,298	777,184	0.9%	436.38	451.18	3.4%
Calvert	36,776,365	38,728,722	5.3%	80,906	84,110	4.0%	454.56	460.45	1.3%
Caroline	7,589,474	7,986,965	5.2%	30,300	30,861	1.9%	250.48	258.80	3.3%
Carroll	68,127,783	72,261,896	6.1%	159,025	163,207	2.6%	428.41	442.76	3.4%
Cecil	30,009,166	31,815,626	6.0%	90,335	92,746	2.7%	332.20	343.04	3.3%
Charles	50,608,349	53,652,510	6.0%	129,040	133,049	3.1%	392.19	403.25	2.8%
Dorchester	7,560,088	7,763,870	2.7%	30,451	30,612	0.5%	248.27	253.62	2.2%
Frederick	95,704,214	100,402,441	4.9%	209,125	213,662	2.2%	457.64	469.91	2.7%
Garrett	7,056,062	7,576,804	7.4%	29,878	30,049	0.6%	236.16	252.15	6.8%
Harford	95,896,748	100,636,457	4.9%	227,713	232,175	2.0%	421.13	433.45	2.9%
Howard	157,249,537	165,637,491	5.3%	260,117	264,265	1.6%	604.53	626.79	3.7%
Kent	6,389,968	6,685,584	4.6%	19,613	19,680	0.3%	325.80	339.71	4.3%
Montgomery	560,716,540	577,810,503	3.0%	910,156	918,881	1.0%	616.07	628.82	2.1%
Prince George's	253,042,801	258,649,067	2.2%	833,084	838,716	0.7%	303.74	308.39	1.5%
Queen Anne's	18,672,722	20,271,456	8.6%	42,835	44,108	3.0%	435.92	459.59	5.4%
St. Mary's	33,355,686	36,912,904	10.7%	90,044	92,754	3.0%	370.44	397.97	7.4%
Somerset	4,178,494	4,411,205	5.6%	25,555	25,447	-0.4%	163.51	173.35	6.0%
Talbot	16,177,121	17,365,458	7.3%	34,263	34,670	1.2%	472.15	500.88	6.1%
Washington	42,300,144	44,560,371	5.3%	134,246	136,796	1.9%	315.09	325.74	3.4%
Wicomico	24,831,999	26,636,396	7.3%	86,318	87,375	1.2%	287.68	304.85	6.0%
Worcester	17,861,154	19,429,854	8.8%	48,630	49,604	2.0%	367.29	391.70	6.6%
Total	\$2,258,620,633	\$2,350,663,448	4.1%	5,458,137	5,508,909	0.9%	\$413.81	\$426.70	3.1%

Source: Department of Legislative Services

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The State began providing disparity grants in fiscal 1992 to counties whose per capita local income tax revenues were less than 70% of the statewide average. Baltimore City and five counties (Allegany, Caroline, Dorchester, Garrett, and Somerset) qualified for the grants. Funding for disparity grants totaled \$8.6 million in fiscal 1992. Legislation enacted in 1992 placed the disparity grant formula in statute for fiscal 1993 and subsequent years. Legislation enacted in 1996 guaranteed that, beginning in fiscal 1998, each county's per capita local income tax yield would be 75% of the statewide average, rather than 70%. This change made two counties, Washington and Wicomico, eligible for disparity grants. In fiscal 2001, Prince George's County became eligible for disparity grants, and Washington County became ineligible due to increases in its per capita local income tax yields. Washington County, however, became eligible for the program again in fiscal 2002 but again became ineligible in fiscal 2005.

Electric Utility Generating Equipment Property Tax Grant

Legislation restructuring Maryland's electric utility tax system was enacted in 1999 (Chapters 5 and 6, Acts of 1999). Beginning with fiscal 2001, the legislation phases in over two years a 50% personal property tax exemption for machinery and equipment used to generate electricity for sale. To partially offset the revenue losses, the legislation provides grants to the counties impacted by the exemption. The dollar amounts of the grants when the exemption is fully phased in are written into the statute (Article 24, Section 9-1102). In fiscal 2001, the counties received half the amounts for a total of \$15.3 million. In fiscal 2002 and 2003, the grants total \$30.6 million. The fiscal 2004 appropriation was reduced by \$4.4 million, or 14.4% by the Board of Public Works on July 30, 2003. The adjusted appropriation for fiscal 2004 totals \$26.2 million. The proposed fiscal 2005 budget eliminated funding for the grant contingent upon the enactment of legislation; however, the General Assembly rejected the Governor's proposal and fully funded the grants for that year. The fiscal 2006 proposed budget includes a \$30.6 million reduction to the grants contingent upon the enactment of legislation. **Exhibit 4** shows the allocation of the grants for fiscal 2003 through 2006. The Town of Williamsport will receive 35% of Washington County's allocation.

Exhibit 4
Electric Utility Generating Equipment Property Tax Grants

<u>County</u>	<u>FY 2003</u>	<u>FY 2004</u>	<u>FY 2005</u>	<u>FY 2006</u>
Anne Arundel	\$7,820,202	\$6,752,694	\$7,820,202	\$0
Baltimore City	453,421	340,066	453,421	0
Baltimore	1,794,835	1,346,126	1,794,835	0
Calvert	6,096,574	5,425,079	6,096,574	0
Charles	2,522,612	1,891,959	2,522,612	0
Dorchester	187,442	140,582	187,442	0
Garrett	11,907	8,930	11,907	0
Harford	860,767	645,575	860,767	0
Montgomery	2,765,553	2,074,165	2,765,553	0
Prince George's	7,744,806	7,308,604	7,744,806	0
Washington	357,082	267,812	357,082	0
Total	\$30,615,201	\$26,201,592	\$30,615,201	\$0

Source: Department of Legislative Services

Baltimore City Share of Security Interest-Filing Fee

Beginning with fiscal 1998, Baltimore City receives a grant equal to \$5 of each security interest-filing fee collected by MVA. This grant is pursuant to Chapter 163, Acts of 1996. The legislation also revised the allocation of highway user revenues between Baltimore City and the other subdivisions. In addition, the legislation was contingent on the enactment of other legislation increasing aid under the disparity grant formula (Chapter 173, Acts of 1996). The proposed fiscal 2006 budget includes \$3.15 million for Baltimore City, a \$46,000 decrease from the working appropriation for fiscal 2005.

Retirement Costs for Certain Officials and County Employees

Under State law (Sections 22-205 and 23-201 of the State Personnel and Pensions Article) appointed or elected officials of the State are eligible to be members of the State employees' retirement systems. The statute specifies that this provision applies to State's Attorneys and sheriffs. Over the years, judicial decisions and Attorney General's opinions have interpreted these provisions to include the following officials: county treasurers, county commissioners, orphans court judges, bingo board members, and license and liquor commissioners. The statute also provides that certain

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employees of the Sheriff's Office of Baltimore City are to be included in the State employees' retirement systems. Another provision (Section 26-201 of the State Personnel and Pensions Article) makes Baltimore City deputy sheriffs eligible for the Law Enforcement Officers' Pension System. The State pays the retirement benefits for these officials and employees, but prior to fiscal 2000, the State did not appropriate funds for the employer contributions. Language in the fiscal 1999 budget bill (Chapter 109, Section 32, Acts of 1998) required that the funding be provided in the budget beginning with fiscal 2000.

The proposed fiscal 2006 budget includes \$1.7 million for employer retirement costs associated with these locally paid officials and employees. The amount is based on the June 30, 2004, salary base for these employees increased by 4%. No growth factor is applied to the salary base for judges. **Exhibit 5** shows the calculation. This is similar to the approach used to determine the State retirement payments for local teachers, community college faculty, and librarians. **Exhibit 6** shows the employer contributions allocated on a county-by-county basis in fiscal 2006.

Exhibit 5
Computations of Retirement Costs

<u>Retirement System</u>	<u>Salary Base June 30, 2004</u>	<u>Increased by 4%</u>	<u>Contribution Rate</u>	<u>Total Cost</u>
Employees Retirement/Pension	\$5,585,335	\$5,808,748	5.76%	\$334,584
Law Enforcement Officers Retirement/Pension	2,929,335	3,046,508	38.47%	1,171,992
Orphans' Court Judges ¹	452,259	452,259	41.12%	185,969
Total				\$1,692,545

¹ Fiscal 2004 amount for Orphans' Court Judges is not increased by 4%.

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

Source: Department of Budget and Management

Exhibit 6
State Paid Retirement Costs for Locally Paid Officials and Employees
Fiscal 2006

<u>County</u>	<u>Allocation of Appropriation</u>
Allegany	\$8,947
Anne Arundel	29,307
Baltimore City	1,417,587
Baltimore	13,312
Calvert	0
Caroline	8,039
Carroll	34,486
Cecil	9,940
Charles	0
Dorchester	10,286
Frederick	0
Garrett	449
Harford	0
Howard	43,231
Kent	3,175
Montgomery	6,295
Prince George's	63,481
Queen Anne's	9,752
St. Mary's	0
Somerset	0
Talbot	9,010
Washington	6,011
Wicomico	10,804
Worcester	7,227
Unallocated	1,206
Total	\$1,692,545

Source: Department of Budget and Management

Issues

1. Elimination of the Electric Utility Generating Equipment Property Tax Grants

The proposed fiscal 2006 budget eliminates funding for these grants contingent upon the enactment of legislation. These grants are provided to 11 jurisdictions to partially offset the revenue loss due to legislation enacted in 1999 that provided for a 50% property tax exemption for personal property used in generating electricity. The reliance on the utility grant varies by jurisdiction. For example, the \$6.1 million grant in Calvert County is equivalent to the amount of revenue raised from a \$0.094 property tax rate; however, the \$2.8 million grant in Montgomery County is equivalent to the amount of revenue raised from a \$0.003 property tax rate. Eliminating the utility grant would have a larger impact on Anne Arundel, Calvert, Charles, and Prince George's counties than the other counties. Due to the reliance on the utility grants in certain jurisdiction, the Department of Legislative Services does not recommend that the utility grants be eliminated completely this year. Instead, the department recommends that the utility grants be phased out over five years beginning in fiscal 2006. As shown in **Exhibit 7**, local jurisdictions would receive 80% of their fiscal 2005 appropriation in fiscal 2006, 60% in fiscal 2007, 40% in fiscal 2008, and 20% in fiscal 2009. The grants would be eliminated in fiscal 2010.

**Exhibit 7
Phase-out of the Electric Utility Generating Equipment Property Tax Grant**

<u>County</u>	<u>FY 2005</u>	<u>FY 2006</u>	<u>FY 2007</u>	<u>FY 2008</u>	<u>FY 2009</u>	<u>FY 2010</u>
Anne Arundel	\$7,820,202	\$6,256,162	\$4,692,121	\$3,128,081	\$1,564,040	\$0
Baltimore City	453,421	362,737	272,053	181,368	90,684	0
Baltimore	1,794,835	1,435,868	1,076,901	717,934	358,967	0
Calvert	6,096,574	4,877,259	3,657,944	2,438,630	1,219,315	0
Charles	2,522,612	2,018,090	1,513,567	1,009,045	504,522	0
Dorchester	187,442	149,954	112,465	74,977	37,488	0
Garrett	11,907	9,526	7,144	4,763	2,381	0
Harford	860,767	688,614	516,460	344,307	172,153	0
Montgomery	2,765,553	2,212,442	1,659,332	1,106,221	553,111	0
Prince George's	7,744,806	6,195,845	4,646,884	3,097,922	1,548,961	0
Washington	357,082	285,666	214,249	142,833	71,416	0
Total Grants	\$30,615,201	\$24,492,163	\$18,369,120	\$12,246,081	\$6,123,038	\$0
Percent of FY 2005 Appropriation		80%	60%	40%	20%	0%
Reduction		\$6,123,038	\$12,246,081	\$18,369,120	\$24,492,163	\$30,615,201

Recommended Actions

	<u>Amount Reduction</u>	
1. Reduce funds for the Electric Utility Generating Equipment Property Tax grant. This would represent the first year of the five-year proposal to phase out the grants by fiscal 2010. Counties would receive 80% of their prior year's appropriation in fiscal 2006. Phasing out the grant will require a change to the statute governing the grant.	\$ 6,123,038	GF
Total General Fund Reductions	\$ 6,123,038	

Current and Prior Year Budgets

Current and Prior Year Budgets Payments to Civil Divisions of the State (\$ in Thousands)

	<u>General Fund</u>	<u>Special Fund</u>	<u>Federal Fund</u>	<u>Reimb. Fund</u>	<u>Total</u>
Fiscal 2004					
Legislative Appropriation	\$141,096	\$0	\$0	\$0	\$141,096
Deficiency Appropriation	138	0	0	0	138
Budget Amendments	0	0	0	0	0
Cost Containment	-4,414	0	0	0	-4,414
Reversions and Cancellations	-60	0	0	0	-60
Actual Expenditures	\$136,760	\$0	\$0	\$0	\$136,760
Fiscal 2005					
Legislative Appropriation	\$128,490	\$0	\$0	\$0	\$128,490
Budget Amendments	0	0	0	0	0
Working Appropriation	\$128,490	\$0	\$0	\$0	\$128,490

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

**Object/Fund Difference Report
Payments to Civil Divisions of the State**

<u>Object/Fund</u>	<u>FY04 Actual</u>	<u>FY05 Working Appropriation</u>	<u>FY06 Allowance</u>	<u>FY05 - FY06 Amount Change</u>	<u>Percent Change</u>
Objects					
12 Grants,Subsidies,Contr	\$ 136,760,434	\$ 128,490,311	\$ 132,035,879	\$ 3,545,568	2.8%
Total Objects	\$ 136,760,434	\$ 128,490,311	\$ 132,035,879	\$ 3,545,568	2.8%
Funds					
01 General Fund	\$ 136,760,434	\$ 128,490,311	\$ 132,035,879	\$ 3,545,568	2.8%
Total Funds	\$ 136,760,434	\$ 128,490,311	\$ 132,035,879	\$ 3,545,568	2.8%

Note: The fiscal 2005 appropriation does not include deficiencies, and the fiscal 2006 allowance does not reflect contingent reductions.

Fiscal Summary
Payments to Civil Divisions of the State

<u>Program/Unit</u>	<u>FY04 Actual</u>	<u>FY05 Wrk Approp</u>	<u>FY06 Allowance</u>	<u>Change</u>	<u>FY05 - FY06 % Change</u>
01 Disparity Grants	\$ 105,831,420	\$ 93,102,399	\$ 96,578,133	\$ 3,475,734	3.7%
01 Security Interest Filing Fees	3,102,679	3,196,000	3,150,000	-46,000	-1.4%
01 Retirement Contribution - Certain Local Employees	1,624,743	1,576,711	1,692,545	115,834	7.3%
01 Electricity Generating Equipment Property Tax Grant	26,201,592	30,615,201	30,615,201	0	0%
Total Expenditures	\$ 136,760,434	\$ 128,490,311	\$ 132,035,879	\$ 3,545,568	2.8%
General Fund	\$ 136,760,434	\$ 128,490,311	\$ 132,035,879	\$ 3,545,568	2.8%
Total Appropriations	\$ 136,760,434	\$ 128,490,311	\$ 132,035,879	\$ 3,545,568	2.8%

Note: The fiscal 2005 appropriation does not include deficiencies, and the fiscal 2006 allowance does not reflect contingent reductions.