

# EFFECT OF THE 2010 LEGISLATIVE PROGRAM ON THE FINANCIAL CONDITION OF THE STATE



DEPARTMENT OF LEGISLATIVE SERVICES 2010

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**Effect of the 2010 Legislative Program  
on the  
Financial Condition of the State**

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

**August 2010**

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**DEPARTMENT OF LEGISLATIVE SERVICES**  
**OFFICE OF POLICY ANALYSIS**  
**MARYLAND GENERAL ASSEMBLY**

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Director

August 2010

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

State law requires the Department of Legislative Services to annually prepare a report that summarizes the effect of the preceding legislative program on State and local governments (State Government Article, Section 2-1237). In accordance with this requirement, I am pleased to submit the following report, *Effect of the 2010 Legislative Program on the Financial Condition of the State*.

This document is divided into four chapters.

**Chapter One** highlights the major components of the fiscal 2011 operating budget (**Senate Bill 140/Chapter 482**).

**Chapter Two** summarizes the fiscal 2011 capital budget and the State's capital program (**Senate Bill 142/Chapter 483**).

**Chapter Three** identifies enacted legislation from the 2010 session that affects State revenues or expenditures. The revenue and expenditure effects of the legislation are summarized, as are the number of regular and contractual positions required to implement the legislation.

**Chapter Four** identifies enacted legislation from the 2010 session that affects local governments. This chapter also identifies State mandates on units of local government and provides an overview of State aid to local governments.

No bills passed in 2010 were vetoed by the Governor for policy reasons.

Further information on issues considered during the 2010 session may be found in *The 90 Day Report – A Review of the 2010 Legislative Session*, issued annually by the Department of Legislative Services following the adjournment of the General Assembly.

The Honorable Thomas V. Mike Miller, Jr.  
The Honorable Michael E. Busch  
Members of the Maryland General Assembly  
August 2010  
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The enclosed report is prepared by the staff of the Office of Policy Analysis. The work was coordinated by Mark W. Collins and Robert J. Rehrmann with additional assistance provided by Jennifer K. Botts and Michael T. Vorgetts. I trust this report will be a useful source of information for you. If you have any questions concerning its contents, please do not hesitate to contact me.

Sincerely,

Warren G. Deschenaux  
Director

WGD/ncs

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# Abbreviations

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



## Fiscal Effects of the 2010 Legislative Program

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Enacted legislation with a quantifiable effect is expected to increase general fund revenues by \$369.0 million and reduce general fund expenditures by \$570.9 million in fiscal 2011, an overall positive impact on the general fund of \$940.0 million. The table below summarizes the quantifiable fiscal 2011 to 2015 general fund impact of all enacted legislation from the 2010 regular session. General fund revenues increase and expenditures decrease throughout the five-year period, resulting in a positive general fund impact in each year through fiscal 2015.

The increase in fiscal 2011 general fund revenues of \$369.0 million is partially offset by a projected decrease of \$183.0 million in special fund revenues. The impact of legislation affecting State revenues will be considered by the Board of Revenue Estimates when fiscal 2011 revenue estimates are revised in September and December 2010.

|                                  | <b>FY 2011</b>  | <b>FY 2012</b>  | <b>FY 2013</b>  | <b>FY 2014</b>   | <b>FY 2015</b>   |
|----------------------------------|-----------------|-----------------|-----------------|------------------|------------------|
| <b>General Fund Revenues</b>     | \$369,006,592   | \$287,830,691   | \$286,019,239   | \$297,474,994    | \$305,939,340    |
| <b>General Fund Expenditures</b> | (\$570,946,081) | (\$276,391,493) | (\$263,737,727) | (\$273,665,487 ) | (\$339,958,172 ) |
| <b>Net General Fund Impact</b>   | \$939,952,673   | \$564,222,184   | \$549,756,966   | \$571,140,481    | \$645,897,512    |

Enacted legislation from the 2010 session is expected to increase fiscal 2011 special fund expenditures by \$45.2 million and federal fund expenditures by \$13.5 million. Significant special and federal fund expenditure reductions have already been incorporated into the fiscal 2011 State budget, but increases totaling an estimated \$466.4 million in special fund expenditures and \$39.4 million in federal fund expenditures were not included in the budget adopted by the General Assembly. State agencies may add special and federal funds to their budgets through the budget amendment process, and the fiscal 2011 State budget specifically authorizes the processing of budget amendments for many of the new expenditures.

Unbudgeted fiscal 2011 general fund expenditures of \$14.0 million may result in deficiency appropriations for the affected agencies, or agencies may absorb the added costs into their existing budgets. The table below details changes to budgeted and nonbudgeted expenditures resulting from enacted 2010 legislation.

|                                 | <b>General Funds</b> | <b>Special Funds</b> | <b>Federal Funds</b> |
|---------------------------------|----------------------|----------------------|----------------------|
| <b>Total Expenditures</b>       | (\$570,946,081 )     | \$45,163,089         | \$13,540,194         |
| <b>Budgeted Expenditures</b>    | (\$584,914,027 )     | (\$421,223,239)      | (\$25,859,699 )      |
| <b>Nonbudgeted Expenditures</b> | \$13,967,946         | \$466,386,328        | \$39,399,893         |

An estimated 39.9 regular and 4.7 contractual positions will be required in fiscal 2011 to implement enacted legislation from the 2010 legislative program. As many as 7.0 additional regular positions and 2.0 contractual positions could be necessary in fiscal 2012 as a result of legislation, bringing the two-year total to 53.6 new regular and new contractual positions.

The analysis of fiscal effects excludes the impact of bills for which estimates cannot be quantified. Although the bills do not contribute to the totals shown in the report, each bill with an unquantified impact is listed in Chapter 3 with an indication of whether it is expected to have a positive or negative impact on the budget. All estimates of the impact of 2010 enacted legislation are based on the assumptions stated in the fiscal and policy notes for the bills. Final notes on all bills may be viewed along with other bill information on the General Assembly website.

# Chapter One – Operating Budget

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- Overview
- Budget in Brief
- Framing the Session: 2009 Interim Activity
- Governor's Spending Plan as Introduced
- Legislative Consideration of the Budget
- Outlook for Future Budgets
- Budget-related Legislation
- Federal Stimulus Funding
- By the Numbers



## Overview

The projected general fund deficit was one of the major issues at the 2010 legislative session. General fund revenues have declined substantially due in large part to a downturn in the economy that began in late 2007 and continued to lag in fiscal 2010. Shortfalls ranging from \$2.0 billion to \$2.6 billion for the period encompassing fiscal 2011 to 2015 were estimated by the Department of Legislative Services in December 2009. The Governor and General Assembly closed the fiscal 2011 gap through a combination of constraining the growth in the budget and one-time fund transfers. In subsequent years, legislative action reduced the projected shortfalls to about \$1.6 billion. In the long term, some combination of revenue increases and spending reductions will be necessary to place the State back on the path of fiscal sustainability. Nominal downward revenue revisions since December 2009 suggest that finances are stabilizing; however, economic forecasts suggest that a slow recovery is in the offing.

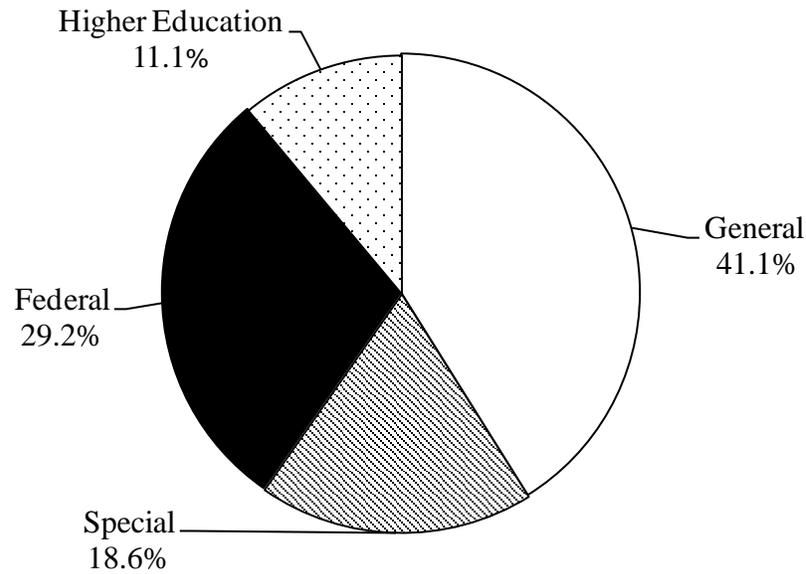
The General Assembly passed a \$32.0 billion budget for fiscal 2011 – a decrease of \$0.3 billion, or -1.0%, below fiscal 2010 spending levels. Federal stimulus funding from the American Recovery and Reinvestment Act of 2009 (ARRA) continues to play a central role in the fiscal 2010 and 2011 budgets, providing \$1.1 billion and \$1.3 billion to support State operations, respectively. The enacted budget is \$626.9 million, or -3.0%, below the 0.0% level recommended by the Spending Affordability Committee (SAC). The general fund cash balance is estimated at \$203.6 million at the end of fiscal 2011, in addition to 5.0% reserves of \$633.5 million in the Rainy Day Fund.

## Budget in Brief

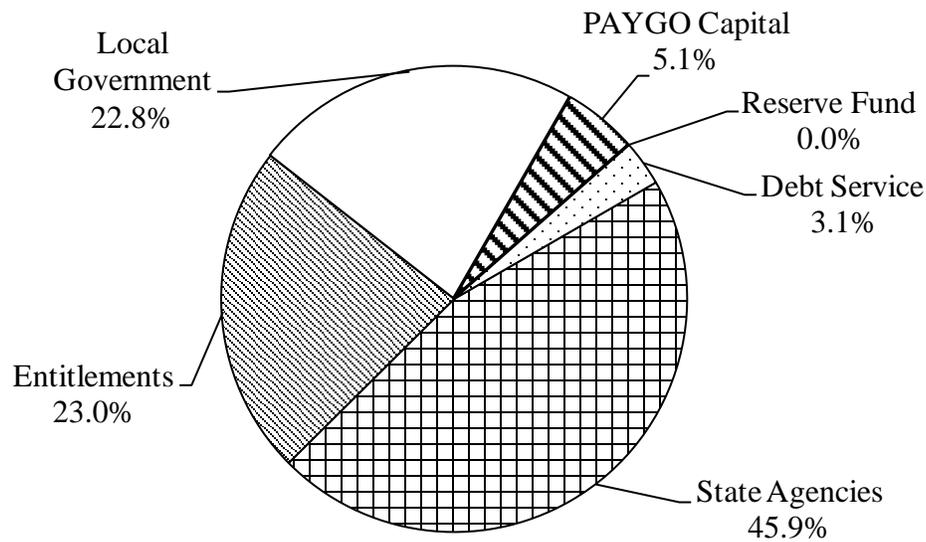
The Fiscal Year 2011 Budget Bill, **Senate Bill 140 (Chapter 482)**, provides \$32.0 billion in appropriations for fiscal 2011 – a decrease of \$0.3 billion (-1.0%) below fiscal 2010.

**Exhibit 1.1** illustrates funding by type of revenue. Due to the continued provision of federal stimulus dollars, the proportion of the budget supported by federal funds remains close to 30% of total spending. Prior to fiscal 2010, federal dollars typically supported about 22% of total spending.

**Exhibit 1.1**  
**Maryland's \$32.0 Billion Budget**  
**Where It Comes From: Budget by Fund Source**



**Where It Goes: Budget by Purpose**



PAYGO: pay-as-you-go

General funds constitute about 41% of the total budget, while federal dollars remain at about 29% of spending. Special funds provide approximately 19% of the budget, and higher

education revenue provides the remaining 11%. State agency operations constitute the largest area of spending, representing 46% of the total budget. Aid to local governments accounts for 23% of the budget, and 23% supports entitlement programs. Remaining appropriations fund pay-as-you-go (PAYGO) capital spending, debt service on State general obligation bonds, and transfers to the State Reserve Fund.

General fund appropriations decrease by \$286.4 million, or -2.1%, below fiscal 2010. Medicaid spending increases by \$155.3 million to reflect trends in inflation, utilization, and enrollment. Both the 2010 and 2011 budgets contain lower levels of general funds based on an enhanced level of federal stimulus matching funds. Increases for personnel costs also are included for retirement contributions (\$44.0 million) and health insurance (\$25.0 million). These increases are entirely offset by a decrease of nearly \$400.0 million in local education aid, although nearly all of that amount represents the use of special funds in lieu of general funds. Appropriations to the State Reserve Fund also decrease by \$99.9 million because there was no required appropriation from the closeout of fiscal 2009. Across-the-board reductions adopted by the legislature include \$12.0 million from the abolition of 500 regular positions and \$2.8 million due to electricity conservation efforts. This was in addition to across-the-board actions included in the allowance for hiring freeze savings, cutbacks in overtime, streamlining State operations, and savings in injured worker's expenses.

Special funds grow by \$317.8 million, or 5.6%, compared to the fiscal 2010 working appropriation. Decreases occur in highway and transit capital spending, Medicaid based on reduced special fund availability, Program Open Space, reduced spending at the Maryland Port Administration reflecting a new public-private partnership, and special fund cashflow for the Comptroller's new Modernized Integrated Tax System. Approximately \$436.6 million in general fund reductions will be restored from special fund sources, including \$350.0 million from the Local Income Tax Reserve Account and \$42.1 million from the Higher Education Investment Fund (HEIF), **Senate Bill 283/House Bill 470 (Chapters 192 and 193)**. With the expected opening of the first two video lottery facilities in fiscal 2011, additional spending in the budget provides funding for the operator's share of revenue, funds for K-12 education, higher horse racing purses, racetrack redevelopment spending, and local impact aid. Additional transportation funds are also provided to the Washington Metropolitan Area Transit Authority to match federal dollars to be used toward the system's capital program needs.

Federal fund spending decreases by \$457.4 million, or 4.7%, mostly due to the expiration of one-time federal stimulus funds received in fiscal 2010. Local education and library aid decreases by \$237.2 million, or 16.9%, due to one-time stimulus monies that were distributed based on the Title 1 and special education aid formulas. PAYGO capital similarly decreases \$383.5 million, or 32.8%, due to a decline in federal stimulus funds for low-income weatherization, rental housing programs, and transportation capital funding. Increases in federal aid are also received for Medicaid (\$143.6 million, or 3.9%) and assistance payments (\$244.5 million, or 42.8%), mostly for food stamps.

The budgets for public higher education institutions increase by \$117.5 million in total funds, or 3.4%, in fiscal 2011. This growth is in non-State funds derived from tuition and fees,

grants and contracts, and auxiliary sources which support operations of higher education institutions, including the University System of Maryland (USM), Morgan State University (MSU), St. Mary's College of Maryland (SMCM), and Baltimore City Community College (BCCC). Aid to community colleges is essentially level funded in fiscal 2011, though BCCC receives a nominal 1.7% increase. Aid to nonpublic colleges and universities is also funded at the fiscal 2010 level of \$38.4 million.

With respect to personnel, the budget assumes a combination of furloughs and temporary salary reductions of up to 10 days per employee in fiscal 2011, based on salary, and does not provide for a general salary increase, merit pay, or a deferred compensation match. Legislative action abolished 568 regular positions, made the deferred compensation match discretionary instead of mandatory, and called for study of pension and post retirement benefits.

### **Framing the Session: 2009 Interim Activity**

A continued economic downturn since 2007 has affected both revenues and spending needs. High unemployment, home foreclosures, and restrictive credit, are among the factors which have dampened income and sales tax revenue collections in Maryland. Between December 2008 and March 2010, the Board of Revenue Estimates (BRE) revised the fiscal 2010 general fund revenue estimates downward five times for a combined loss of more than \$2.4 billion below the December 2008 estimate. Nearly \$1.0 billion in fiscal 2010 spending was cut from agency budgets through the Board of Public Works (BPW), with more than one-half coming from general fund expenditures. SAC recommended a zero rate of budgetary growth for the 2010 session, which was the lowest level ever recommended. SAC also offered recommendations pertaining to use of the Rainy Day Fund and position growth.

### **BRE Revenue Revisions**

As shown in **Exhibit 1.2**, ongoing revenue fell by nearly 5% in fiscal 2009 followed by a 3% loss in fiscal 2010 to date. In September 2008, general fund revenue for fiscal 2010 was projected at \$14.7 billion. After a number of revisions, the fiscal 2010 estimate was projected in March 2010 to be \$12.2 billion, a decline of 17%. The fiscal 2010 structural revenue estimate in Exhibit 1.2 is increased by approximately \$300 million with the adoption of a permanent revenue distribution of highway user revenues to the general fund in **Senate Bill 141 (Chapter 484)**.

**Exhibit 1.2**  
**Ongoing General Fund Revenue and Spending Trends**  
**Fiscal 2006-2010**  
**(\$ in Millions)**



Source: Board of Public Works

### BPW Withdrawn Appropriations

As shown in **Exhibit 1.3**, the Governor withdrew nearly \$1 billion in spending from the fiscal 2010 budget through BPW at meetings held in July, August, and November 2009. There were budgetary savings from abolishing 533 positions and employee furloughs. Cutbacks were made to agency spending, local aid, PAYGO, and entitlement programs. In some cases, reductions were offset by the availability of special fund balances or federal funds.

**Exhibit 1.3**  
**Fiscal 2010 Spending Withdrawn through the Board of Public Works**  
(\$ in Millions)

| <u>Date of<br/>Board of Public Works Action</u> | <u>General<br/>Funds</u> | <u>Special<br/>Funds</u> | <u>Federal<br/>Funds</u> | <u>Total<br/>Funds</u> | <u>Filled<br/>Positions</u> | <u>Vacant<br/>Positions</u> |
|-------------------------------------------------|--------------------------|--------------------------|--------------------------|------------------------|-----------------------------|-----------------------------|
| July 2009                                       | \$205.3                  | \$8.0                    | \$54.3                   | \$267.6                | 39.0                        | 18.5                        |
| August 2009                                     | 223.3                    | 197.1                    | 68.0                     | 488.4                  | 202.0                       | 161.5                       |
| November 2009                                   | 102.8                    | 40.4                     | 57.3                     | 200.5                  | 68.5                        | 43.5                        |
| <b>Total</b>                                    | <b>\$531.4</b>           | <b>\$245.5</b>           | <b>\$179.6</b>           | <b>\$956.5</b>         | <b>309.5</b>                | <b>223.5</b>                |

Source: Board of Public Works

### **SAC Recommendations**

SAC prepared its final report to the Governor in December 2009 which included the following recommendations pertaining to the operating budget:

**Spending Limit:** The committee recommended limiting growth on a spending affordability basis to 0% relative to the spending approved at the 2009 session. This was the lowest level recommended in the history of SAC.

**Personnel:** The committee opined that the current complement of 79,700 regular positions was appropriate for the delivery of State services. It was recommended that any new position needs be accommodated within the current overall level.

**State Reserve Fund:** SAC continued to recommend prudent use of the Rainy Day Fund. Use of the balance below 5% was recommended only as a last resort and in combination with a multiyear plan to achieve structural balance.

### **Governor's Spending Plan as Introduced**

For the current fiscal year, the Governor proposed \$763.0 million of fiscal 2010 deficiencies. These included additional funding mostly for Medicaid, federal aid for students with disabilities, low-income energy assistance, public safety, juvenile services, and tax credits. The fiscal plan submitted by the Administration provided for \$32.5 billion in total spending for fiscal 2011, balanced in part by across-the-board reductions, additional revenue assumptions, transfers and contingent reductions proposed in budget reconciliation legislation, and the expectation that additional federal aid would be provided to all states through the extension of the enhanced Medicaid match begun in fiscal 2009 in federal stimulus legislation. The budget was nearly \$600.0 million below the 0% limit recommended by SAC, and did not use any funds

from the State Reserve Fund. The Governor’s proposed spending plan proposed an estimated fiscal 2011 general fund balance of \$273.7 million.

Across-the-board reductions of \$117.1 million assumed savings of \$76.7 million from another 10 days of combined furloughs and temporary salary reductions; \$3.0 million in overtime savings based on accident leave management; \$2.0 million from streamlining of State operations; \$10.0 million in hiring freeze and attrition savings; a change in the injured workers’ settlement policy (\$5.0 million) and administrative costs (\$0.5 million); and a \$20.0 million savings in health insurance to reflect a balance in that account.

Nearly \$52 million in additional revenue was assumed, including telecommunications recoveries, proposed interest income transfers from special funds to the general fund, and offsetting revenues from a proposed job creation tax credit. The Administration also assumed \$389 million from an additional six months of enhanced federal stimulus funds through a reduction of general funds in the Medicaid budget.

As shown in **Exhibit 1.4**, the Governor’s plan for balancing the fiscal 2010 and 2011 budgets relied heavily on a combination of fund transfers and reductions contingent upon budget reconciliation legislation. Over \$1.7 billion was proposed to be transferred from a variety of accounts, with the largest amounts coming from Highway User Revenues (\$321.4 million in fiscal 2010 and \$340.3 million in fiscal 2011), and various PAYGO programs (\$330.1 million in fiscal 2010 and \$111.7 million in fiscal 2011). Other significant transfers from fund balances were proposed to come from higher education, the Heritage Structure Rehabilitation Tax Credit Reserve Fund, the Injured Workers’ Insurance Fund, and the Land Records Fund. The Governor also proposed nearly \$700.0 million in general fund contingent reductions, with most tied to **Senate Bill 141 (Chapter 484)**, the Budget Reconciliation and Financing Act (BRFA) of 2010. Of this, \$350.0 million involved a proposed transfer from the Local Income Tax Reserve Account to the Education Trust Fund which would replace general fund local education aid, and over \$50.0 million would reduce or level fund certain local aid programs.

Other contingent reductions that were part of the Governor’s spending plan relied on separate legislation. They included:

**Senate Bill 279 (Chapter 4)** prohibits a person from making a false or fraudulent claim for payment or approval by the State or the Department of Health and Mental Hygiene (DHMH) under a State health plan or program. Enactment of this legislation effects a \$9.0 million general fund reduction.

**Senate Bill 283/House Bill 470 (Chapters 192 and 193)** permanently dedicate 6% of the corporate income tax to the HEIF. A contingent general fund reduction of \$42.1 million is offset by a loss of \$41.8 million in general fund revenue, thus, there is a small positive impact on the fund balance.

**Exhibit 1.4**  
**Governor's Original Budget Plan**  
**Fiscal 2010-2011**  
**(\$ in Millions)**

|                                 | <u>2010</u>       | <u>2011</u>       |
|---------------------------------|-------------------|-------------------|
| Opening Balance                 | <b>\$87.2</b>     | <b>\$258.4</b>    |
| Revenues                        | \$12,299.5        | \$12,671.7        |
| Additional Revenues             | 168.0             | 0.8               |
| Transfers                       | 1,144.7           | 519.2             |
| <b>Subtotal</b>                 | <b>\$13,612.2</b> | <b>\$13,191.8</b> |
| Appropriations and Deficiencies | \$14,036.1        | \$13,978.1        |
| BPW Withdrawn Appropriations    | -531.4            | 0.0               |
| Across-the-board Reductions     | 0.0               | -87.8             |
| Contingent Reductions           | 0.0               | -676.9            |
| Reversions                      | -63.7             | -37.1             |
| <b>Subtotal</b>                 | <b>\$13,441.0</b> | <b>\$13,176.5</b> |
| <b>Closing Balance</b>          | <b>\$258.4</b>    | <b>\$273.7</b>    |

BPW: Board of Public Works

Source: Maryland Budget Highlights, Fiscal 2011

## Legislative Consideration of the Budget

As the legislature considered the budget, BRE revised general fund revenues downward by \$66.0 million for fiscal 2010, and the Governor submitted one supplemental budget which added \$12.8 million in spending. The General Assembly reduced the budget and positions as detailed below.

### Revenue and Spending Changes

**BRE Revenue Revisions:** In March 2010, BRE revised the estimate of general fund revenue for fiscal 2010 downward by \$66 million. The estimate for fiscal 2011 was unchanged. Income and sales tax revenues continue to be negatively affected by the recession, as well as severe snow storms.

**Supplemental Budget No. 1:** The Governor introduced one supplemental budget that increased spending by a total of \$12.8 million. Additional funding of \$24.4 million was provided for Disparity Grants, another \$22.4 million corrected student enrollment undercounts for a variety of formula-based education programs, and \$10.3 million was needed primarily to ensure sufficient funding in the State Board of Elections for 2010 election costs. Higher spending in the supplemental budget was offset by an expected \$65.9 million in general fund Medicaid savings based on the application of a higher federal matching rate for determining the Medicare clawback – State payments required to offset federal Medicare prescription drug costs for State residents eligible for both Medicare and Medicaid.

**Reductions:** The legislature reduced the fiscal 2010 budget by \$13.8 million based mostly on a \$12.3 million reduction in general funds for Medicaid, which will be replaced with special funds from the Senior Prescription Drug Assistance Program. Another \$1.5 million in general funds was reduced based on lower caseloads in the Temporary Disability Assistance Program. Changes adopted in the fiscal 2011 budget eliminated 568 regular positions and reduced \$968.0 million in all funds. Just under one-half of the total cuts are intended to be replaced from special fund sources.

Notable reductions included:

- \$350.0 million in education aid that will be replaced with special funds;
- \$244.5 million from local highway user revenues;
- \$54.0 million in Program Open Space related spending in the Departments of Agriculture and Natural Resources. Nearly all of this amount will be bond funded in fiscal 2011 and 2012;
- \$40.1 million from the Maryland Port Administration budget in cost savings related to the transfer of the Seagirt Marine Terminal to the private sector as part of a public-private partnership agreement;
- \$23.1 million to fund community college aid at the fiscal 2010 level;
- \$22.1 million from activities funded by the Chesapeake and Atlantic Coastal Bays 2010 Trust Fund. A corresponding amount of revenue is also transferred to the general fund through budget reconciliation legislation;
- \$19.0 million to fund police aid at the fiscal 2010 level; and
- \$12.0 million in conjunction with the abolition of 500 regular positions by June 30, 2011.

The budget does not reflect special funds that are intended to replace general funded items, which were reduced at the 2010 session but which have yet to be appropriated. **Exhibit 1.5** summarizes the items that will be restored with special funds. The largest item is a \$350 million general fund reduction in the Maryland State Department of Education (MSDE) Foundation Program that will be replaced by funds from the Local Income Tax Reserve Account that are being transferred to the Education Trust Fund.

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**Exhibit 1.5**  
**General Fund Reductions to Be Replaced with Special Funds**  
**Fiscal 2010-2011**  
**(\$ in Millions)**

|                                         | FY 2010              |                      | FY 2011              |                      |
|-----------------------------------------|----------------------|----------------------|----------------------|----------------------|
|                                         | <u>General Funds</u> | <u>Special Funds</u> | <u>General Funds</u> | <u>Special Funds</u> |
| Education                               |                      |                      | -\$350.0             | \$350.0              |
| Higher Education                        |                      |                      | -42.1                | 42.1                 |
| Medicaid                                | -\$2.0               | \$2.0                | -25.2                | 25.2                 |
| Judiciary                               |                      |                      | -11.9                | 11.9                 |
| Department of Information Technology    |                      |                      | -5.0                 | 5.0                  |
| Maryland School for the Deaf            |                      |                      | -2.0                 | 2.0                  |
| Department of Health and Mental Hygiene |                      |                      | -0.3                 | 0.3                  |
| Attorney General                        |                      |                      | -0.2                 | 0.2                  |
| <b>Total</b>                            | <b>-\$2.0</b>        | <b>\$2.0</b>         | <b>-\$436.6</b>      | <b>\$436.6</b>       |

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**Final Actions Related to SAC**

**Limiting Spending Growth:** As shown in **Exhibit 1.6**, final action by the legislature reduced the budget to a -3% rate of growth as measured on a spending affordability basis. The SAC calculation typically does not include federal funds, but an adjustment has been included since the 2009 session to account for the significant influx of federal stimulus aid which was used in part to offset general fund appropriations. With this adjustment, final action on the budget is \$626.9 million below the 0% growth rate recommended by the committee. The budget assumes \$389.0 million in general fund Medicaid savings from a six-month extension of the enhanced Medicaid match associated with the federal stimulus aid. These additional federal funds are not included in the SAC calculation; however, if they were included, spending would remain below the limit.

**Exhibit 1.6**  
**Operating Budget Affordability Limit**  
(\$ in Millions)

| <u>Funds</u>                                     | <u>2009</u><br><u>Session</u> | <u>2010</u><br><u>Session</u> | <u>\$</u><br><u>Change</u> | <u>%</u><br><u>Change</u> |
|--------------------------------------------------|-------------------------------|-------------------------------|----------------------------|---------------------------|
| General                                          | \$13,150.2                    | \$13,313.0                    | \$162.9                    | 1.24%                     |
| Special                                          | 4,150.7                       | 3,768.7                       | -381.9                     | -9.20%                    |
| Higher Education                                 | 2,100.0                       | 2,160.4                       | 60.4                       | 2.88%                     |
| ARRA Funds                                       | 1,464.0                       | 995.7                         | -468.3                     | -31.98%                   |
| <b>Estimated Budget Growth</b>                   | <b>\$20,864.8</b>             | <b>\$20,237.9</b>             | <b>-\$626.9</b>            | <b>-3.00%</b>             |
| <b>SAC Limit</b>                                 | <b>\$20,864.8</b>             | <b>\$20,864.8</b>             | <b>\$0.0</b>               | <b>0.00%</b>              |
| <b>Over (Under) Limit</b>                        |                               |                               | <b>-\$626.9</b>            | <b>-3.00%</b>             |
| <b>If Medicaid Extension Funding Is Included</b> |                               |                               |                            |                           |
| ARRA Funds                                       |                               | 389.0                         | 389.0                      |                           |
| <b>Estimated Budget Growth</b>                   | <b>\$20,864.8</b>             | <b>\$20,626.9</b>             | <b>-\$237.9</b>            | <b>-1.14%</b>             |

ARRA: American Recovery and Reinvestment Act of 2009

SAC: Spending Affordability Committee

**Personnel:** Although the budget as introduced was 155 positions below the fiscal 2010 level, the legislature abolished another 568 positions. Of this, 500 positions are to be abolished by the Governor by June 30, 2011. At 79,016 positions, the fiscal 2011 complement is below the 79,700 cap recommended by SAC for this session. Thus, the final action for State employment is consistent with SAC recommendation.

**State Reserve Fund Balance:** No funds are transferred to support fiscal 2011 spending, maintaining a \$633.5 million balance in the Rainy Day Fund. This constitutes a 5% balance. Final action on the budget complied with the SAC recommendation to maintain at least a 5% balance and to use the fund only as a last resort.

## Summary of Fiscal 2010 Legislative Activity

**Exhibit 1.7** summarizes final legislative action on the general fund budget. In addressing the write-down of revenues and additional spending in the one supplemental budget, the General Assembly adopted \$931.4 billion in transfers. Of this, \$76.2 million was implemented through Chapter 487 of 2009. Approximately \$449.3 million of the \$968.0 million in reductions are contingent upon the BRFA of 2010. Based upon these actions, the closing fiscal 2010 balance is estimated at \$153.8 million, and fiscal 2011 would end with a projected \$203.6 million balance.

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### Exhibit 1.7 Final Legislative Budget Action Fiscal 2010-2011 (\$ in Millions)

|                                               | <u>FY 2010</u>    | <u>FY 2011</u>    |
|-----------------------------------------------|-------------------|-------------------|
| <b>Opening Balance</b>                        | <b>\$87.2</b>     | <b>\$153.8</b>    |
| Revenues                                      | \$12,719.0        | \$13,096.7        |
| Legislation                                   | 0.0               | -61.1             |
| Transfers                                     | 775.6             | 155.8             |
| <b>Subtotal</b>                               | <b>\$13,581.8</b> | <b>\$13,345.3</b> |
| Appropriations/Supplementals/Deficiencies/BPW | \$13,505.5        | \$13,734.8        |
| Reductions                                    | -1.5              | -155.8            |
| Contingent Reductions                         | -12.3             | -406.3            |
| Reversions                                    | -63.7             | -31.1             |
| <b>Subtotal</b>                               | <b>\$13,428.0</b> | <b>\$13,141.6</b> |
| <b>Closing Balance</b>                        | <b>\$153.8</b>    | <b>\$203.6</b>    |

BPW: Board of Public Works

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**Exhibit 1.8** illustrates the actions of the Governor and the legislature relative to current services spending forecasted in the Department of Legislative Services fiscal 2011 baseline budget estimate. As shown, the Governor constrained the growth in fiscal 2011 spending by \$1.1 billion mostly by assuming additional federal Medicaid aid at the higher match level, constraining employee compensation, Medicaid cost containment, and higher assumptions of video lottery terminal revenue.

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**Exhibit 1.8**  
**Reductions from General Fund Baseline Spending Estimate**  
**Fiscal 2011**  
**(\$ in Millions)**

|                                                                                        | <b>Governor's<br/><u>Proposal</u></b> | <b><u>Final</u></b> |
|----------------------------------------------------------------------------------------|---------------------------------------|---------------------|
| General Fund Baseline Spending Estimate (December 2009)                                | \$14,805                              | \$14,805            |
| <b>Changes Incorporated in Governor's Allowance Not Requiring Legislative Approval</b> |                                       |                     |
| Net Changes to Statutory Formula Calculations                                          | \$63                                  | \$63                |
| Additional VLT Revenues for Education                                                  | -101                                  | -101                |
| Enhanced Medicaid Match Assumed for Six Months/Medicare Clawback                       | -416                                  | -416                |
| Medicaid – Cost Containment                                                            | -152                                  | -152                |
| Public Assistance – Higher Costs and More Federal Monies                               | -39                                   | -39                 |
| Property Tax Credits                                                                   | 7                                     | 7                   |
| Higher Education                                                                       | -34                                   | -34                 |
| Corrections                                                                            | -51                                   | -51                 |
| Health and Human Resources                                                             | -67                                   | -67                 |
| State Personnel – Salaries and Benefits                                                | -269                                  | -269                |
| Other Agency Reductions                                                                | -43                                   | -43                 |
| <b>Subtotal</b>                                                                        | <b>-\$1,101</b>                       | <b>-\$1,101</b>     |
| <b>Reductions Proposed by the Governor Requiring Legislative Approval</b>              |                                       |                     |
| Police Aid Formula/Local Health Grants                                                 | -\$23                                 | -\$23               |
| Bond Fund Aging Schools/Transportation Inflation                                       | -10                                   | -10                 |
| Local Income Tax Reserve for Education Fund Swap                                       | -350                                  | -350                |
| Community College Formula                                                              | -23                                   | -23                 |
| Sellinger Formula for Private Higher Education                                         | -22                                   | -14                 |
| Medicaid – Nursing Home Assessment/CRF Swap                                            | -25                                   | -25                 |
| Higher Education Investment Fund (Chapters 192 and 193)                                | -42                                   | -42                 |

**Exhibit 1.8 (Continued)**  
**Reductions from General Fund Baseline Spending Estimate**  
**Fiscal 2011**  
**(\$ in Millions)**

|                                                                 | <b><u>Governor's</u></b><br><b><u>Proposal</u></b> | <b><u>Final</u></b> |
|-----------------------------------------------------------------|----------------------------------------------------|---------------------|
| False Claims Act (Chapter 4)                                    | -9                                                 | -9                  |
| Judicial/Legislative Personnel – Furlough and Salary Reduction  | -6                                                 | -4                  |
| Other                                                           | -16                                                | -8                  |
| <b>Subtotal</b>                                                 | <b>-\$527</b>                                      | <b>-\$508</b>       |
| <b>Reductions Initiated by Legislature</b>                      |                                                    |                     |
| Baltimore City Grant                                            |                                                    | -\$3                |
| Use Special Funds for Judiciary Information Technology Projects |                                                    | -12                 |
| Judiciary Operating Expenditures                                |                                                    | -8                  |
| Temporary Disability Assistance Payments                        |                                                    | -6                  |
| Reduce State Positions by 500                                   |                                                    | -12                 |
| Electricity Savings                                             |                                                    | -3                  |
| Other Reductions                                                |                                                    | -11                 |
| <b>Subtotal</b>                                                 |                                                    | <b>-\$54</b>        |
| <b>Total General Fund Expenditures</b>                          | <b>\$13,177</b>                                    | <b>\$13,142</b>     |
| ARRA Used to Replace General Funds                              | \$1,279                                            | \$1,279             |
| Income Tax Reserve Fund Swap                                    | 350                                                | 350                 |
| <b>Adjusted Expenditures</b>                                    | <b>\$14,806</b>                                    | <b>\$14,771</b>     |

ARRA: American Recovery and Reinvestment Act of 2009

CRF: Cigarette Restitution Fund

VLT: video lottery terminal

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The Governor also proposed over \$500 million in reductions contingent upon legislation. The largest item was the \$350 million fund swap of general funds from the Local Income Tax Reserve Account, through the Education Trust Fund. Final legislative action adopted nearly all of the Administration's proposals. The legislature also adopted over \$50 million in additional general fund reductions.

## Outlook for Future Budgets

As shown in **Exhibit 1.9**, there is a cash balance of \$204 million projected at the end of fiscal 2011, while ongoing spending exceeds ongoing revenues by \$1,893 million. The fiscal 2011 structural deficit is closed by federal stimulus grants totaling \$1,279 million, a local income tax reserve account transfer to support local education totaling \$350 million, other transfers totaling \$175 million, and one-time revenues totaling \$25 million.

Actions taken by the General Assembly reduce the cash deficit in the out-years. **Exhibit 1.10** shows that actions taken by the General Assembly are projected to reduce the out-year cash deficits to \$1.6 billion in fiscal 2012, compared to \$2.6 billion projected in December 2009 and \$1.8 billion projected in the spending plan introduced by the Governor. The out-year deficit remains at \$1.6 billion through fiscal 2015. This is also less than the deficits assumed by the Administration, which were projected to increase to \$2.2 billion in fiscal 2015. The deficit is reduced by limiting spending and by increasing revenues. Most of the changes are attributable to ongoing actions taken in **Senate Bill 141 (Chapter 484)**, such as:

- increasing revenues by permanently transferring 19.3% of Gasoline and Motor Vehicle Revenue Account revenues into the general fund beginning in fiscal 2013, which is projected to provide \$339 million in fiscal 2013 and increase to \$361 million in fiscal 2015;
- constraining spending by limiting K-12 education formula increases to 1.0%, which is expected to reduce spending by \$4 million in fiscal 2012 and increase to \$117 million in fiscal 2015; and
- constraining community college spending by freezing fiscal 2012 spending and slowing out-year growth, reducing spending by \$48 million in fiscal 2012, and \$67 million in fiscal 2015.

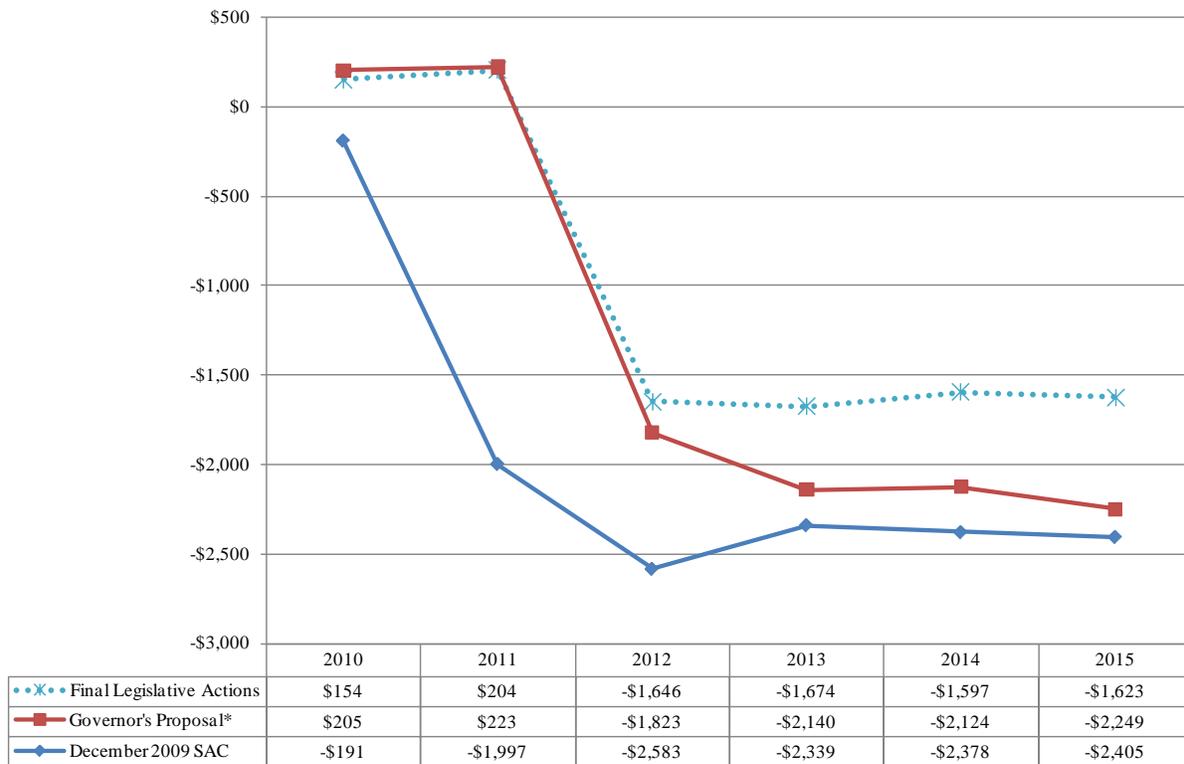
**Exhibit 1.9**  
**General Fund Budget Outlook**  
**Fiscal 2009-2015**  
**(\$ in Millions)**

|                                          | FY 2009         | FY 2010         | FY 2011         | FY 2012         | FY 2013         | FY 2014         | FY 2015         | Avg. Annual Change 2011-2015 |
|------------------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|------------------------------|
|                                          | Actual          | Working         | Leg. Approp.    | Est.            | Est.            | Est.            | Est.            |                              |
| <b>Revenues</b>                          |                 |                 |                 |                 |                 |                 |                 |                              |
| Opening Fund Balance                     | \$487           | \$87            | \$154           | \$204           | \$0             | \$0             | \$0             |                              |
| Transfers                                | 189             | 791             | 175             | 43              | 60              | 57              | 60              |                              |
| One-time Revenues/Legislation            | 871             | 192             | 25              | 0               | 0               | 0               | 0               |                              |
| <b>Subtotal One-time Revenue</b>         | <b>\$1,548</b>  | <b>\$1,070</b>  | <b>\$353</b>    | <b>\$247</b>    | <b>\$60</b>     | <b>\$57</b>     | <b>\$60</b>     | <b>-35.9%</b>                |
| Ongoing Revenues                         | \$12,893        | \$12,512        | \$13,033        | \$13,601        | \$14,363        | \$15,063        | \$15,762        |                              |
| Revenue Adjustments – Legislation        | 0               | 0               | -41             | -50             | -53             | -52             | -55             |                              |
| <b>Subtotal Ongoing Revenue</b>          | <b>\$12,893</b> | <b>\$12,512</b> | <b>\$12,992</b> | <b>\$13,551</b> | <b>\$14,310</b> | <b>\$15,011</b> | <b>\$15,707</b> | <b>4.9%</b>                  |
| <b>Total Revenues &amp; Fund Balance</b> | <b>\$14,440</b> | <b>\$13,582</b> | <b>\$13,345</b> | <b>\$13,798</b> | <b>\$14,370</b> | <b>\$15,068</b> | <b>\$15,767</b> | <b>4.3%</b>                  |
| <b>Ongoing Spending</b>                  |                 |                 |                 |                 |                 |                 |                 |                              |
| Operating Spending*                      | \$14,638        | \$14,465        | \$15,025        | \$15,555        | \$16,386        | \$17,066        | \$17,852        |                              |
| VLT Revenues Supporting Education        | 0               | -11             | -114            | -145            | -372            | -479            | -523            |                              |
| Multi-year Commitments                   | 0               | 7               | 25              | 15              | 15              | 65              | 65              |                              |
| Ongoing Reductions                       | 0               | 0               | 0               | 0               | 0               | 0               | 0               |                              |
| Ongoing Spending – Legislation           | 0               | 0               | -51             | -32             | -35             | -37             | -55             |                              |
| <b>Subtotal Ongoing Spending</b>         | <b>\$14,638</b> | <b>\$14,461</b> | <b>\$14,885</b> | <b>\$15,393</b> | <b>\$15,993</b> | <b>\$16,615</b> | <b>\$17,339</b> | <b>3.9%</b>                  |
| <b>One-time Spending</b>                 |                 |                 |                 |                 |                 |                 |                 |                              |
| PAYGO Capital                            | \$14            | \$0             | \$1             | \$1             | \$1             | \$1             | \$1             |                              |
| One-time Reductions                      | 0               | -4              | -464            | 0               | 0               | 0               | 0               |                              |
| One-time Spending – Legislation          | 0               | 0               | 0               | 0               | 0               | 0               | 0               |                              |
| Federal Stimulus Funds                   | -445            | -1,144          | -1,279          | 0               | 0               | 0               | 0               |                              |
| Appropriation to Rainy Day Fund          | 147             | 115             | 0               | 50              | 50              | 50              | 50              |                              |
| <b>Subtotal One-time Spending</b>        | <b>-\$285</b>   | <b>-\$1,033</b> | <b>-\$1,743</b> | <b>\$51</b>     | <b>\$51</b>     | <b>\$51</b>     | <b>\$51</b>     | <b>n/a</b>                   |
| <b>Total Spending</b>                    | <b>\$14,353</b> | <b>\$13,428</b> | <b>\$13,142</b> | <b>\$15,444</b> | <b>\$16,044</b> | <b>\$16,666</b> | <b>\$17,390</b> | <b>7.3%</b>                  |
| <b>Ending Balance</b>                    | <b>\$87</b>     | <b>\$154</b>    | <b>\$204</b>    | <b>-\$1,646</b> | <b>-\$1,674</b> | <b>-\$1,597</b> | <b>-\$1,623</b> |                              |
| Rainy Day Fund Balance                   | \$692           | \$614           | \$632           | \$680           | \$718           | \$753           | \$789           |                              |
| Balance over 5% of GF Revenues           | 47              | -12             | -1              | 0               | 0               | 0               | 0               |                              |
| As % of GF Revenues                      | 5.37%           | 4.91%           | 4.99%           | 5.00%           | 5.00%           | 5.00%           | 5.00%           |                              |
| <b>Structural Balance</b>                | <b>-\$1,745</b> | <b>-\$1,949</b> | <b>-\$1,893</b> | <b>-\$1,842</b> | <b>-\$1,683</b> | <b>-\$1,604</b> | <b>-\$1,632</b> |                              |

GF: general fund  
PAYGO: pay-as-you-go  
VLT: video lottery terminal

\* Includes \$199 million in fiscal 2010 deficiency appropriations.

**Exhibit 1.10**  
**Projected General Fund Balances**  
**Fiscal 2010-2015**  
**(\$ in Millions)**



\* Governor's proposal adjusted to reflect Supplemental Budget No. 1.

The budget bill and budget committee intent language would also reduce the out-year deficit through the following:

- limit fiscal 2012 personnel costs to fiscal 2011 levels, which is projected to constrain fiscal 2012 spending by \$139 million and fiscal 2015 spending by \$91 million;
- delete 500 positions, which is expected to reduce spending by \$12 million in fiscal 2012 and \$21 million in fiscal 2015; and
- freeze the State per-student grant to the University System of Maryland and Morgan State University in fiscal 2012, constraining spending by \$55 million in fiscal 2012, and \$60 million by fiscal 2015.

Other legislation also reduced the out-year deficit, including:

- **Senate Bill 279 (Chapter 4)** (Maryland False Claims Act of 2010) reduces general fund expenditures by \$9.0 million in fiscal 2011;
- **House Bill 1505 (Chapter 477)** (Central Collection Unit – Collection of Debts Owed by the State) is projected to provide \$2.0 million in revenues annually beginning in fiscal 2011; and
- **House Bill 1389 (Chapter 735)** (Traffic Cases – State Police Helicopters and Ambulance, Fire, and Rescue Companies) is projected to provide \$3.5 million in general fund revenues beginning in fiscal 2013 and \$8.5 million by fiscal 2015.

Legislation also resulted in additional costs, including:

- **House Bill 475 (Chapter 487)** (Smart, Green, and Growing – The Sustainable Communities Act of 2010) is expected to increase State expenditures by \$15.0 million in fiscal 2012 to 2014;
- **Senate Bill 887 (Chapter 194)** (State Correctional Officers Bill of Rights) is projected to increase costs by about \$3.0 million annually beginning in fiscal 2011; and
- **Senate Bill 280/House Bill 473 (Chapters 176 and 177)** (Sexual Offenders Lifetime Supervision) is projected to increase costs by approximately \$0.5 million in fiscal 2011 increasing to \$1.4 million by fiscal 2015.

## **Budget-related Legislation**

### **Budget Reconciliation and Financing Legislation**

The BRFA of 2010, implements \$1.8 billion in actions that were of immediate benefit (fiscal 2010 and 2011) to the general fund. These actions are summarized in **Exhibit 1.11**.

Actions within the BRFA of 2010 can be categorized into five major types: fund balance transfers; expanded use of special funds; changes in grants and formulas; revenue actions; and miscellaneous other provisions. Many of these actions provide ongoing structural relief by constraining growth in mandated formulas and allowing the use of special funds in lieu of general funds.

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**Exhibit 1.11**  
**Summary of Actions in the Budget Reconciliation and Financing Act of 2010**  
**(\$ in Millions)**

|                               |                  |
|-------------------------------|------------------|
| Fund Transfers                | \$644.7          |
| Contingent Reductions         | 418.6            |
| Revenues                      | 755.8            |
| <b>Total Budgetary Action</b> | <b>\$1,819.1</b> |

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**Fund Balance Transfers**

As shown in **Exhibit 1.12**, the BRFA of 2010 transfers \$202.9 million from various operating program fund balances to the general fund. The largest component is from the fund balances of the University System of Maryland (\$145.0 million over fiscal 2010 and 2011, of which \$35.2 million represents a portion of furlough savings transferred from fund balance) and other segments of higher education (\$5.5 million); a variety of environmental and health funds totaling \$17.9 million and \$6.0 million, respectively; and savings from furloughs and salary reductions in special-funded agencies which provide another \$7.6 million. Of the transfers proposed by the Governor in the BRFA as introduced, the General Assembly declined to make those from the Heritage Structure Rehabilitation Tax Credit Reserve account, from certain accounts of the Injured Workers' Insurance Fund, and from the Land Records Improvement Fund.

**Exhibit 1.12**  
**Transfers to the General Fund**  
**Budget Reconciliation and Financing Act of 2010**  
**Fiscal 2010-2011**  
**(\$ in Millions)**

|                                                                        | <u>FY 2010</u> | <u>FY 2011</u> |
|------------------------------------------------------------------------|----------------|----------------|
| Vehicle Theft Prevention Fund – BPW Cut Special Funds                  | \$1.8          |                |
| Horse Racing Local Impact Grants                                       | 0.6            | \$0.5          |
| University System of Maryland Fund Balance                             | 133.3          | 11.7           |
| Morgan State University Fund Balance                                   | 2.1            | 0.8            |
| St. Mary’s College of Maryland Fund Balance                            | 0.2            | 0.2            |
| Baltimore City Community College                                       | 1.4            | 0.8            |
| Oil Disaster Containment Clean-up and Contingency Fund                 | 1.0            |                |
| Oil Reserve Fund                                                       | 1.2            |                |
| Tidal Wetlands Compensation Fund                                       | 1.0            |                |
| Oil Contaminated Site Environmental Cleanup Fund                       | 3.0            |                |
| Used Tire Clean-up and Recycling Fund                                  | 1.1            |                |
| Clean Air Fund                                                         | 0.3            |                |
| Radiation Control Fund                                                 | 0.5            |                |
| Program Open Space – Replace with Bonds Per 2009 BRFA                  | 4.5            |                |
| Land Trust Grant Fund – Maryland Environmental Trust                   | 1.5            |                |
| Waterway Improvement Fund – BPW Cut Special Fund Expenditures          | 1.0            |                |
| Shore Erosion Control Construction Loan Fund                           | 0.3            |                |
| Chesapeake and Atlantic Coastal Bays 2010 Trust Fund                   | 2.5            |                |
| State Chemist Reserve Account – Agriculture                            | 0.2            |                |
| Health Boards and Commissions                                          | 1.2            | 1.3            |
| Spinal Cord Injury Research Trust Fund                                 | 1.6            | 0.5            |
| Community Health Resources Commission Fund                             | 1.8            |                |
| Maryland Health Care Commission Fund                                   | 0.5            |                |
| Various Special Funds – Housing and Community Development              | 0.4            |                |
| Occupational and Professional Licensing Design Board Fund              | 0.3            |                |
| Insurance Regulation Fund – Maryland Insurance Administration          | 2.0            |                |
| State Insurance Trust Fund                                             | 5.2            |                |
| Cash Management Improvement Fund – Treasurer’s Office                  | 0.7            |                |
| Injured Workers’ Insurance Fund – Reserve for Future State Liabilities | 6.0            |                |
| Charter Unit – State Department of Assessments and Taxation            | 3.0            |                |
| Central Collection Unit – Department of Budget and Management          | 0.5            | -0.6           |
| Correctional Enterprises Fund                                          | 0.5            |                |
| Central Business Licensing System – Various Special Fund Transfers     |                | 0.5            |
| Furlough and Temporary Salary Reduction – Special Fund Savings         |                | 6.0            |
| <b>Total</b>                                                           | <b>\$181.2</b> | <b>\$21.7</b>  |

BPW: Board of Public Works

BRFA: Budget Reconciliation and Financing Act

**Exhibit 1.13** shows that over fiscal 2010 and 2011, an additional \$441.8 million is transferred from capital programs under Program Open Space (\$207.1 million), environmental improvement funds (\$219.8 million), and housing development funds (\$14.8 million). The capital budget bill of 2010 provides \$176.9 million to replace the transfer of unexpended balances; an additional \$102.3 million replaces fiscal 2011 revenues being diverted to the general fund. Pre-authorizations for fiscal 2012 and 2013, alternative fund sources, and legislative intent language address the remaining amounts in subsequent fiscal years.

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**Exhibit 1.13**  
**Capital Program Transfers to the General Fund**  
**Budget Reconciliation and Financing Act of 2010**  
**(\$ in Millions)**

|                                                         | <u>Amount</u>  |
|---------------------------------------------------------|----------------|
| <b><u>Fiscal 2010 (Unexpended Capital Balances)</u></b> |                |
| Local Share Program Open Space                          | \$103.1        |
| Capital Development – Program Open Space                | 22.7           |
| Rural Legacy Program                                    | 10.6           |
| Agricultural Land Preservation                          | 10.0           |
| State Land Acquisition – Program Open Space             | 4.6            |
| Ocean City Beach Replenishment – Program Open Space     | 2.1            |
| Ocean City Beach Replenishment – Other                  | 3.4            |
| Waterway Improvement Fund                               | 12.5           |
| Bay Restoration Fund                                    | 155.0          |
| Neighborhood Business Development Fund                  | 3.6            |
| Community Legacy Financial Assistance Fund              | 0.4            |
| Special Loan Programs Fund                              | 2.1            |
| <b>Total</b>                                            | <b>\$330.1</b> |
| <br><b><u>Fiscal 2011 (Special Fund Transfers)</u></b>  |                |
| Program Open Space/Agricultural Land Preservation       | \$54.0         |
| Bay Restoration Fund                                    | 45.0           |
| Waterway Improvement Fund                               | 3.9            |
| Neighborhood Business Development Fund                  | 3.2            |
| Homeownership Programs Fund                             | 3.0            |
| Special Loan Programs Fund                              | 2.5            |
| <b>Total</b>                                            | <b>\$111.7</b> |

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### **Expanded Use of Special Funds**

The BRFA of 2010 modifies the authorized uses of a number of special funds, in the short or long term, to provide general fund relief. The largest of these is the one-time use of \$350 million from balances within Local Income Tax Reserve Account, to support education aid formulas. These funds will be transferred to the Education Trust Fund. An additional

\$200 million may be borrowed from the Local Income Tax Reserve Account if the enhanced federal Medicaid match is not extended beyond December 31, 2010.

In the health area, reductions to programs supported by the Cigarette Restitution Fund, namely tobacco cessation and prevention programs and academic health center grants, provide an additional \$8.2 million in lieu of general funds for the Medicaid program in fiscal 2011 and \$13.4 million on an ongoing basis. A permanent increase in the assessment on nursing homes to 4% similarly provides \$17.0 million for Medicaid. Finally, the use of fund balances in the Senior Prescription Drug Assistance Program and the Community Health Resources Commission provide \$17.5 million for the Kidney Disease and Medicaid programs on a one-time basis.

Permanent authorization is provided for the Judiciary to use the Land Records Improvement Fund for information technology projects; for the Maryland Department of the Environment to use the Oil Disaster Containment, Clean-up, and Contingency Fund for oil-related activities in water pollution control programs; and for the Department of Natural Resources to use certain hunting license revenues. On a one-time basis, \$2.0 million from the Universal Service Trust Fund will support the budget of the Maryland School for the Deaf; \$5.0 million from the 9-1-1 Fund will be used for the development of the computer aided dispatch/records management system for the Department of State Police; and \$650,000 from the Fair Campaign Financing Fund will support consultants to evaluate a variety of voting system issues and to develop a web-based campaign finance reporting system. The use of up to 50% of the Strategic Energy Investment Fund for low-income energy assistance programs is extended through fiscal 2012.

For fiscal 2011 only, \$500,000 of the revenues generated by the admissions and amusement tax on electronic bingo and electronic tip jars is distributed as local impact aid to the jurisdictions which have these machines. An additional \$500,000 is directed, consistent with current law, to the special fund for the Preservation of Cultural Arts in Maryland. The uses of this fund were expanded slightly, and the fiscal 2011 funds are expressly allocated to the Baltimore Symphony Orchestra and the National Philharmonic.

### **Formulas and Mandated Spending**

In the area of public education, long-term savings are realized by implementation of a 1% cap through fiscal 2015 on the inflationary adjustment that is applied to the per-pupil foundation amount (which affects the foundation aid program and the special needs formulas) and to student transportation grants. The Aging Schools program is held at the fiscal 2011 level of \$6.1 million, and library grants are frozen at the fiscal 2012 per-capita amounts. Savings in fiscal 2012 and 2013 will result from the legislative directive that the Maryland State Department of Education renegotiate its contract with the SEED School to reduce enrollment. The Share the State Fair! program is repealed.

The growth in mandated formulas in higher education is constrained by holding appropriations level through fiscal 2012 and then slowly increasing the applicable percentage of selected public university per-student funding. The Cade formula for community college aid, the

Sellinger formula for private colleges and universities, and the formula for Baltimore City Community College all reach their prior mandated percentages of 29.0%, 15.5%, and 68.5%, respectively, in fiscal 2021.

State aid for police protection is frozen at the fiscal 2010 level through fiscal 2012, and local health department grants are re-based at the fiscal 2010 amount. State support for Community Adult Rehabilitation Centers will end after fiscal 2011, and an omission in Chapter 487 of 2009 regarding the repeal of State payments for the retirement costs of certain local officials is corrected, resulting in ongoing savings. The formula for disparity grants is modified to use November 1 taxable income amount in the calculation, rather than August 15.

The inflationary adjustment in the formula for the Maryland State Arts Council is suspended for fiscal 2011 and 2012; the budget for the Maryland Tourism Board is reduced to \$5 million for each of those years; and reimbursement rates for group homes and nonpublic special education placements are frozen at the fiscal 2010 level for fiscal 2011. The general fund mandate requiring a specified level of support to the Women, Infants, and Children program is repealed, as is the required employer match for employee deferred compensation contributions. With limited exceptions, no funds are provided in the fiscal 2011 budget for employee raises, bonuses, and incentive payments.

The BRFA of 2010 continues a provision that relieves the Governor of the need to comply with the Rainy Day Fund “automatic sweeper” if doing so would jeopardize federal funding. Similarly, with certain exceptions, notably education aid and statutory provisions elsewhere in the BRFA, the Governor is given discretion to not provide increases in the fiscal 2012 budget over the level appropriated in fiscal 2011.

## **Revenue Actions**

The BRFA of 2010 implements several revenue adjustments, as shown in **Exhibit 1.14**. The general fund receives 19.5% of revenues from the Gasoline and Motor Vehicle Revenue Account in fiscal 2010, increasing to 23.0% in fiscal 2011. Beginning in fiscal 2013, the general fund share will be 19.3%. The remaining actions listed do not benefit the general fund beyond fiscal 2011. The BRFA contains a provision that directs revenue from settlements of litigation over telecommunications agreements to the general fund (instead of the Major Information Technology Development Fund) through fiscal 2012, but the timing and magnitude of the revenue attainment from these sources is uncertain. The “automatic sweeper” of the balance from the Central Collection Fund to the general fund was modified to allow the fund to retain 15.0% of expenditures.

**Exhibit 1.14**  
**General Fund Revenues**  
**Budget Reconciliation and Financing Act of 2010**  
**Fiscal 2010-2011**  
**(\$ in Millions)**

|                                                              | <u><b>FY 2010</b></u> | <u><b>FY 2011</b></u> |
|--------------------------------------------------------------|-----------------------|-----------------------|
| Highway User Revenue Distribution to General Fund            | \$298.1               | \$363.4               |
| Special Fund Interest – Accrue to General Fund               | 11.9                  | 11.0                  |
| Moving Violations Revenue from Fire and Helicopter Funds     | 1.5                   | 0.0                   |
| Cultural Arts Share of Admissions and Amusement Tax          | 3.4                   | 2.4                   |
| HEIF Share of Constellation Corporate Income Tax             | 7.7                   | 0.0                   |
| TTF Share of Constellation Corporate Income Tax              | 26.3                  | 0.0                   |
| Chesapeake and Atlantic Coastal Bays 2010 Trust Fund Revenue | 8.0                   | 22.1                  |
| <b>Total</b>                                                 | <b>\$356.9</b>        | <b>\$398.9</b>        |

HEIF: Higher Education Investment Fund

TTF: Transportation Trust Fund

### **Miscellaneous Provisions**

As a first step to addressing the monumental and growing expenses associated with employee and teacher retirement payments and post retirement benefits, the BRFA of 2010 creates the Public Employees' and Retirees' Benefit Sustainability Commission. The commission is charged with reviewing and evaluating the recruitment practices, retention incentives, actuarial liabilities, actuarial funding method, cost drivers, employee contribution rates, and the comparability and affordability of the benefit systems. The commission is to report specific and actionable recommendations in advance of the 2011 legislative session, and its recommendations are to be implemented no later than fiscal 2013.

The BRFA of 2010 contains a provision requiring the budget bill to include information on the allocation of across-the-board reductions, except those involving the abolition of positions or items covered under collective bargaining agreements.

The statute governing the periodic meetings of the Judicial Compensation Commission was modified, and a three-year limit has been imposed on application for public safety death benefits. Carry-forward funds from other scholarship programs are to be applied to those on the waiting list for funds under the Charles W. Riley Fire and Emergency Medical Services Tuition Reimbursement Program. The BRFA of 2010 repeals authorization provided in Chapter 487 of 2009 to use funds derived from the Fair Campaign Financing Fund for any election modernization purpose if not used to purchase a new optical scan voting system; rather, the funds revert to the

Fair Campaign Financing Fund. The BRFA of 2010 also repeals the income tax add-on that allowed contributions to that fund. The required payment for the InterCounty Connector, which is being satisfied with general obligation bond funding, is reduced in fiscal 2011 with the remaining balance to be paid in fiscal 2012.

## **Federal Stimulus Funding**

In February 2009, President Barack H. Obama signed the ARRA into law. ARRA's provisions support State programs by funding infrastructure, education programs, and human services programs, as well as providing discretionary funds. **Exhibit 1.15** shows that ARRA appropriations total \$4.5 billion over the fiscal 2009 to 2011 period including \$1.6 billion in fiscal 2011.

### **Funds Supporting State General Fund Commitments**

With respect to the State budget, ARRA's most significant impact relates to the funds that can support State general fund commitments. The fiscal 2011 budget includes \$1.3 billion to support Medicaid, education, and discretionary State spending. The funds are used in the place of general funds to sustain State funding from fiscal 2009 to 2011. When the funds are no longer available, the State will need to replace the funds or reduce spending.

Medicaid funds total \$778 million in fiscal 2011. Of this, \$389 million has been authorized by the ARRA through December 31, 2010. These funds are available because the legislation increased the federal share of Medicaid funding by increasing the Federal Medical Assistance Percentage. The budget assumes an additional \$389 million will be authorized to support the last half of the fiscal year.

The ARRA provides \$879.8 million in fiscal stabilization funds. The legislation requires that 81.8%, which totals \$719.7 million, support education programs. The education funds must first be used to restore elementary and secondary school reductions to fiscal 2008 spending levels. Since Maryland has increased spending, this does not apply. Remaining funds must be used to support State formula increases in fiscal 2010 and 2011 for elementary and secondary education or to restore reductions made to State higher education funding below fiscal 2008 or 2009 levels. The Administration has applied these funds to support elementary and secondary education increases, the largest of which support the Geographic Cost of Education Index and supplemental grants (\$108.6 million), compensatory education (\$66.3 million), and local employee fringe benefits (\$228.1 million).

The ARRA allows that 18.2% of the fiscal stabilization funds can support general government services. These discretionary funds total \$82.4 million in fiscal 2011. The funds support State agency operations, including employee salaries at the Departments of Public Safety and Correctional Services, Juvenile Services, and State Police.

**Exhibit 1.15**  
**Federal Stimulus**  
**Fiscal 2009-2011**  
**(\$ in Millions)**

**Federal Stimulus Funds Appropriated in the State Budget**

| <u>Code</u>                                     | <u>Agency Title</u>                                   | <u>2009</u>    | <u>2010</u>      | <u>2011</u>      | <u>Total</u>     |
|-------------------------------------------------|-------------------------------------------------------|----------------|------------------|------------------|------------------|
| <b>ARRA Funds Supplanting General Funds</b>     |                                                       |                |                  |                  |                  |
| M00                                             | Department of Health and Mental Hygiene               | \$443.5        | \$767.6          | \$778.0*         | \$1,989.1        |
| N00                                             | Department of Human Resources                         | 1.5            | 1.5              | 1.5              | 4.5              |
| Q00                                             | Department of Public Safety and Correctional Services | 0.0            | 53.7             | 53.2             | 106.9            |
| R00                                             | Maryland State Department of Education                | 0.0            | 297.3            | 422.3            | 719.7            |
| R62                                             | Maryland Higher Education Commission                  | 0.0            | 0.0              | 0.0              | 0.0              |
| V10                                             | Department of Juvenile Services                       | 0.0            | 4.5              | 4.5              | 9.0              |
| W10                                             | Department of State Police                            | 0.0            | 19.9             | 19.9             | 39.7             |
| <b>Subtotal</b>                                 |                                                       | <b>\$445.0</b> | <b>\$1,144.5</b> | <b>\$1,279.4</b> | <b>\$2,868.9</b> |
| <b>ARRA Funds Not Supplanting General Funds</b> |                                                       |                |                  |                  |                  |
| C90                                             | Public Service Commission                             | \$0.0          | \$0.0            | \$0.4            | \$0.4            |
| D13                                             | Maryland Energy Administration                        | 0.0            | 44.8             | 23.6             | 68.3             |
| D15                                             | Executive Boards, Commissions, and Offices            | 0.1            | 13.2             | 11.4             | 24.7             |
| D26                                             | Department of Aging                                   | 0.0            | 2.0              | 0.0              | 2.0              |
| J00                                             | Maryland Department of Transportation                 | 15.0           | 304.0            | 211.7            | 530.7            |
| M00                                             | Department of Health and Mental Hygiene               | 2.7            | 0.0              | 2.8              | 5.5              |
| N00                                             | Department of Human Resources                         | 66.9           | 88.1             | 48.1             | 203.2            |
| P00                                             | Department of Labor, Licensing, and Regulation        | 1.8            | 34.9             | 0.0              | 36.8             |
| R00                                             | Maryland State Department of Education                | 6.8            | 403.3            | 9.4              | 419.5            |
| S00                                             | Department of Housing and Community Development       | 6.5            | 183.0            | 2.8              | 192.2            |
| T00                                             | Department of Business and Economic Development       | 0.3            | 0.0              | 0.0              | 0.3              |
| U00                                             | Maryland Department of the Environment                | 0.0            | 132.4            | 2.5              | 134.9            |
| W00                                             | Department of State Police                            | 0.0            | 2.4              | 0.4              | 2.8              |
| X00                                             | Public Debt                                           | 0.0            | 0.9              | 7.6              | 8.5              |
| <b>Subtotal</b>                                 |                                                       | <b>\$100.1</b> | <b>\$1,208.8</b> | <b>\$320.7</b>   | <b>\$1,629.6</b> |
| <b>Total</b>                                    |                                                       | <b>\$545.1</b> | <b>\$2,353.3</b> | <b>\$1,600.1</b> | <b>\$4,498.5</b> |

\*Includes \$389 million pending authorization.

## Other Federal Fiscal Stimulus Funds

The remaining ARRA appropriations total \$320.7 million. These funds provide additional support for State agencies but do not supplant any general funds. The largest share provides \$211.7 million for transportation capital programs, including the State Highway Administration (\$144.4 million) and the Maryland Transit Administration (\$66.7 million). Other uses of these funds include the Supplemental Nutrition Assistance Program at the Department of Human Resources (\$21.7 million) and energy efficiency programs at the Maryland Energy Administration (\$19.7 million).

The legislation also provides federal grants for which State and local governments must compete. For example, this includes grants to support law enforcement officers, habitat conservation, and the arts. At this point, it is unclear how much of these funds the State will receive and they are not included in the ARRA estimates for Maryland. Additional funds may be appropriated by budget amendment if the State is awarded these grants.

To promote accountability, State and federal governments have websites that track the ARRA spending. Maryland's website is <http://statestat.maryland.gov/recovery.asp>, and the federal government's website is <http://www.recovery.gov/>.

## By the Numbers

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

**Exhibit 1.16** shows the impact of the legislative budget on the general fund balance for fiscal 2010 and 2011. The fiscal 2010 balance is estimated to be \$153.8 million. At the end of fiscal 2011, the closing balance is estimated to be \$203.6 million.

**Exhibit 1.16**  
**Final Budget Status**  
**Status as of July 23, 2010**

|                                                       | <u>FY 2010</u>          | <u>FY 2011</u>          |
|-------------------------------------------------------|-------------------------|-------------------------|
| <b>Starting General Fund Balance</b>                  | <b>\$87,172,364</b>     | <b>\$153,787,202</b>    |
| <b>Revenues</b>                                       |                         |                         |
| BRE Estimated Revenues – December 2009                | \$12,299,470,284        | \$12,671,714,715        |
| BRE Revenue Revision – March 2010                     | -65,973,967             | 0                       |
| Chapter 487 of 2009 Budget Reconciliation Legislation | 54,369,248              | 21,874,675              |
| Budget Reconciliation Legislation – Revenues          | 356,945,645             | 398,890,618             |
| Budget Reconciliation Legislation – Transfers         | 511,272,724             | 133,955,369             |
| Other Legislation                                     | 0                       | -61,051,679             |
| Additional Revenues                                   | 128,484,971             | 26,094,993              |
| <b>Subtotal Revenues</b>                              | <b>\$13,284,568,905</b> | <b>\$13,191,478,691</b> |
| Net Transfer to the GF from the Rainy Day Fund        | 95,052,421              | 0                       |
| <b>Subtotal Available Revenues</b>                    | <b>\$13,466,793,690</b> | <b>\$13,345,265,893</b> |
| <b>Appropriations</b>                                 |                         |                         |
| General Fund Appropriations Net of Rainy Day Fund     | \$13,712,407,444        | \$13,733,452,157        |
| Deficiencies                                          | 219,017,987             | 0                       |
| Supplemental Budget No. 1                             | -9,482,946              | 1,345,453               |
| Board of Public Works Withdrawn Appropriations        | -531,426,769            | 0                       |
| Legislative Reductions/Contingent Legislation         | -13,783,053             | -562,108,122            |
| Estimated Agency Reversions                           | -63,679,735             | -31,058,000             |
| <b>Subtotal Appropriations</b>                        | <b>\$13,313,052,928</b> | <b>\$13,141,631,488</b> |
| <b>Closing General Fund Balance</b>                   | <b>\$153,787,202</b>    | <b>\$203,634,405</b>    |

BRE: Board of Revenue Estimates

GF: general fund

**Exhibit 1.17**, the fiscal note on the budget bill, depicts the Governor’s allowance, funding changes made through Supplemental Budget No. 1, legislative reductions, and final appropriations for fiscal 2010 and 2011 by fund source. The Governor’s original request provided for \$32.5 billion (net of projected general fund reversions) in fiscal 2011 expenditures and \$763.0 million in fiscal 2010 deficiencies.

The Governor added a net \$12.7 million in fiscal 2010 and 2011 spending in one supplemental budget. The legislature made \$11.9 million in reductions to current year appropriations, resulting in a net appropriation of \$32.3 billion for fiscal 2010. Net reductions of \$531.4 million were adopted to the fiscal 2011 budget, consisting of \$968.0 million in total fund reductions offset by \$436.6 million in special funds that replaces general fund cuts. This resulted in a final appropriation of \$32.0 billion.

**Exhibit 1.18** illustrates budget changes by major expenditure category by fund. Total spending decreases by \$308.5 million, or -1.0%, after accounting for the special fund appropriations that replace general funds cut during the session. Debt service grows by 6.4%; aid to local government decreases by 2.1% largely due to the end of one-time pass-through federal stimulus funding for K-12 education. Entitlement spending grows by 5.8% due to additional federal assistance payments for food stamps and Medicaid expenditures, with each growing by about \$200.0 million. State agency spending (net of reversions and contingent reductions) declines -0.2%. PAYGO capital expenditures decrease by 22.7% driven largely by one-time federal stimulus funding for low-income weatherization, transportation capital, and rental housing program.

**Exhibit 1.17**  
**Fiscal Note**  
**Summary of the Fiscal 2011 Budget Bill – Senate Bill 140**

|                                                        | <u>General Funds</u>  | <u>Special Funds</u>        | <u>Federal Funds</u>  | <u>Education Funds</u> | <u>Total Funds</u>    |
|--------------------------------------------------------|-----------------------|-----------------------------|-----------------------|------------------------|-----------------------|
| <b>Governors Allowance</b>                             |                       |                             |                       |                        |                       |
| Fiscal 2010 Budget <sup>(1)</sup>                      | \$13,451,266,506      | \$5,663,150,630             | \$9,793,827,062       | \$3,423,240,410        | \$32,331,484,608      |
| Fiscal 2011 Budget <sup>(2)</sup>                      | 13,702,394,157        | 5,871,053,267               | 9,342,490,453         | 3,540,741,546          | 32,456,679,423        |
| <b>Supplemental Budget No. 1</b>                       |                       |                             |                       |                        |                       |
| Fiscal 2010 Deficiencies                               | -\$9,482,946          | -\$28,500,000               | \$1,434,690           | \$0                    | -\$36,548,256         |
| Fiscal 2011 Budget                                     | 1,345,453             | 29,008,053                  | 18,938,121            | 0                      | 49,291,627            |
| <b>Subtotal</b>                                        | <b>-\$8,137,493</b>   | <b>\$508,053</b>            | <b>\$20,372,811</b>   | <b>\$0</b>             | <b>\$12,743,371</b>   |
| <b>Budget Reconciliation and Financing Act of 2010</b> |                       |                             |                       |                        |                       |
| Fiscal 2010 Deficiencies                               | -\$12,258,053         | \$2,000,000 <sup>(3)</sup>  | \$0                   | \$0                    | -\$10,258,053         |
| Fiscal 2011 Contingent Reductions                      | -406,264,854          | 363,744,812 <sup>(4)</sup>  | 0                     | 0                      | -42,520,042           |
| <b>Subtotal</b>                                        | <b>-\$418,522,907</b> | <b>\$365,744,812</b>        | <b>\$0</b>            | <b>\$0</b>             | <b>-\$52,778,095</b>  |
| <b>Legislative Reductions</b>                          |                       |                             |                       |                        |                       |
| Fiscal 2010 Deficiencies                               | -\$1,525,000          | -\$76,008                   | \$0                   | \$0                    | -\$1,601,008          |
| Fiscal 2011 Budget                                     | -155,843,268          | -309,436,272 <sup>(5)</sup> | -23,602,376           | 0                      | -488,881,916          |
| <b>Total Reductions</b>                                | <b>-\$157,368,268</b> | <b>-\$309,512,280</b>       | <b>-\$23,602,376</b>  | <b>\$0</b>             | <b>-\$490,482,924</b> |
| <b>Appropriations</b>                                  |                       |                             |                       |                        |                       |
| FY 2010 Budget                                         | \$13,428,000,507      | \$5,636,574,622             | \$9,795,261,752       | \$3,423,240,410        | \$32,283,077,291      |
| FY 2011 Budget                                         | 13,141,631,488        | 5,954,369,860               | 9,337,826,198         | 3,540,741,546          | 31,974,569,092        |
| <b>Change</b>                                          | <b>-\$286,369,019</b> | <b>\$317,795,238</b>        | <b>-\$457,435,554</b> | <b>\$117,501,136</b>   | <b>-\$308,508,199</b> |

<sup>(1)</sup> Reflects \$763.0 million in proposed deficiencies, including \$219.0 million in general funds, \$114.0 million in special funds, \$427.5 million in federal funds, and \$2.5 million in current unrestricted funds. Reversion assumptions total \$63.7 million, including \$30.0 million in unspecified reversions and \$33.7 million in targeted reversions.

<sup>(2)</sup> Reflects estimated general fund reversions of \$30.0 million and \$1.1 million in targeted reversions. In addition, there are \$117.1 million in across-the-board reductions in the budget bill, consisting of \$87.8 million in general funds, \$24.6 million in special funds, \$3.0 million in federal funds, and \$1.7 million in higher education funds.

<sup>(3)</sup> Includes \$2.0 million in special funds that will be added back to the budget by budget amendment to replace general fund reductions.

<sup>(4)</sup> Includes \$394.5 million in special funds that will be added back to the budget by budget amendment to replace general fund reductions.

<sup>(5)</sup> Includes \$42.1 million in special funds that will be added back to the budget by budget amendment to replace general fund reductions.

**Exhibit 1.18**  
**State Expenditures – General Funds**  
**Fiscal 2009-2011**  
**(\$ in Millions)**

| <b>Category</b>                        | <b>Actual</b>     | <b>Adjusted</b>                | <b>Legislative</b>         | <b>FY 2010 to FY 2011</b> |                 |
|----------------------------------------|-------------------|--------------------------------|----------------------------|---------------------------|-----------------|
|                                        | <b>FY 2009</b>    | <b>Work. Appr.<br/>FY 2010</b> | <b>Approp.<br/>FY 2011</b> | <b>\$ Change</b>          | <b>% Change</b> |
| Debt Service                           | \$0.0             | \$0.0                          | \$0.0                      | \$0.0                     | n/a             |
| County/Municipal                       | 213.5             | 189.6                          | 178.5                      | -11.2                     | -5.9%           |
| Community Colleges                     | 254.7             | 256.2                          | 256.1                      | -0.1                      | 0.0%            |
| Education/Libraries                    | 5,442.7           | 5,258.5                        | 4,890.5                    | -368.0                    | -7.0%           |
| Health                                 | 57.4              | 37.3                           | 37.3                       | 0.0                       | 0.0%            |
| <b><i>Aid to Local Governments</i></b> | <b>\$5,968.3</b>  | <b>\$5,741.6</b>               | <b>\$5,362.4</b>           | <b>-379.3</b>             | <b>-6.6%</b>    |
| Foster Care Payments                   | \$243.0           | \$240.4                        | \$244.9                    | \$4.5                     | 1.9%            |
| Assistance Payments                    | 38.2              | 95.5                           | 53.3                       | -42.2                     | -44.2%          |
| Medical Assistance                     | 1,903.1           | 1,588.3                        | 1,743.6                    | 155.3                     | 9.8%            |
| Property Tax Credits                   | 57.3              | 73.2                           | 73.5                       | 0.3                       | 0.5%            |
| <b><i>Entitlements</i></b>             | <b>\$2,241.6</b>  | <b>\$1,997.4</b>               | <b>\$2,115.2</b>           | <b>\$117.9</b>            | <b>5.9%</b>     |
| Health                                 | \$1,402.2         | \$1,355.3                      | \$1,376.0                  | \$20.7                    | 1.5%            |
| Human Resources                        | 308.0             | 271.3                          | 262.2                      | -9.1                      | -3.4%           |
| Systems Reform Initiative              | 33.8              | 24.4                           | 20.7                       | -3.8                      | -15.4%          |
| Juvenile Services                      | 266.9             | 260.6                          | 257.0                      | -3.6                      | -1.4%           |
| Public Safety/Police                   | 1,255.5           | 1,171.8                        | 1,192.1                    | 20.4                      | 1.7%            |
| Higher Education                       | 1,131.9           | 1,147.6                        | 1,145.5                    | -2.1                      | -0.2%           |
| Other Education                        | 398.4             | 313.9                          | 350.6                      | 36.7                      | 11.7%           |
| Agric./Nat'l Res./Environment          | 122.4             | 105.7                          | 104.0                      | -1.6                      | -1.5%           |
| Other Executive Agencies               | 547.7             | 521.8                          | 549.9                      | 28.1                      | 5.4%            |
| Legislative                            | 73.6              | 75.4                           | 75.6                       | 0.2                       | 0.3%            |
| Judiciary                              | 367.4             | 366.6                          | 370.3                      | 3.8                       | 1.0%            |
| Across-the-board Reductions            | 0.0               | 0.0                            | -35.3                      | -35.3                     | n/a             |
| <b><i>State Agencies</i></b>           | <b>\$5,907.9</b>  | <b>\$5,614.5</b>               | <b>\$5,668.8</b>           | <b>54.3</b>               | <b>1.0%</b>     |
| <b>Total Operating</b>                 | <b>\$14,117.7</b> | <b>\$13,353.5</b>              | <b>\$13,146.4</b>          | <b>-\$207.1</b>           | <b>-1.6%</b>    |
| Capital/Heritage Reserve Fund          | \$23.7            | \$5.1                          | \$10.8                     | \$5.7                     | 113.4%          |
| Transfer to MDTA                       | 65.0              | 0.0                            | 0.0                        | 0.0                       | n/a             |
| Reserve Funds <sup>(1)</sup>           | 146.5             | 114.9                          | 15.0                       | -99.9                     | -87.0%          |
| <b>Appropriations</b>                  | <b>\$14,352.9</b> | <b>\$13,473.5</b>              | <b>\$13,172.2</b>          | <b>-\$301.3</b>           | <b>-2.2%</b>    |
| Reversions                             | 0.0               | -45.5                          | -30.6                      | 14.9                      | -32.7%          |
| <b>Grand Total</b>                     | <b>\$14,352.9</b> | <b>\$13,428.0</b>              | <b>\$13,141.6</b>          | <b>-\$286.4</b>           | <b>-2.1%</b>    |

Note: The fiscal 2010 working appropriation includes deficiencies, targeted reversions, and legislative reductions to the deficiencies.

**Exhibit 1.18 (Continued)**  
**State Expenditures – Special and Higher Education Funds\***  
(\$ in Millions)

| <u>Category</u>                        | <u>Actual<br/>FY 2009</u> | <u>Adjusted<br/>Work. Appr.<br/>FY 2010</u> | <u>Legislative<br/>Approp.<br/>FY 2011</u> | <u>FY 2010 to FY 2011<br/>\$ Change</u> | <u>% Change</u>      |
|----------------------------------------|---------------------------|---------------------------------------------|--------------------------------------------|-----------------------------------------|----------------------|
| Debt Service                           | \$881.5                   | \$944.7                                     | \$998.3                                    | \$53.6                                  | 5.7%                 |
| County/Municipal                       | 523.0                     | 195.4                                       | 178.4                                      | -17.1                                   | -8.7%                |
| Community Colleges                     | 0.0                       | 0.0                                         | 0.0                                        | 0.0                                     | n/a                  |
| Education/Libraries                    | 1.4                       | 13.0                                        | 467.0                                      | 454.0                                   | 3492.4%              |
| Health                                 | 0.0                       | 0.0                                         | 0.0                                        | 0.0                                     | n/a                  |
| <b><i>Aid to Local Governments</i></b> | <b><i>\$524.4</i></b>     | <b><i>\$208.4</i></b>                       | <b><i>\$645.4</i></b>                      | <b><i>\$436.9</i></b>                   | <b><i>209.6%</i></b> |
| Foster Care Payments                   | \$0.1                     | \$0.1                                       | \$0.1                                      | \$0.0                                   | -10.9%               |
| Assistance Payments                    | 17.1                      | 13.4                                        | 16.4                                       | 3.0                                     | 22.4%                |
| Medical Assistance                     | 386.0                     | 542.0                                       | 453.9                                      | -88.1                                   | -16.3%               |
| Property Tax Credits                   | 0.0                       | 0.0                                         | 0.0                                        | 0.0                                     | n/a                  |
| <b><i>Entitlements</i></b>             | <b><i>\$403.1</i></b>     | <b><i>\$555.5</i></b>                       | <b><i>\$470.3</i></b>                      | <b><i>-\$85.2</i></b>                   | <b><i>-15.3%</i></b> |
| Health                                 | \$260.2                   | \$297.0                                     | \$297.2                                    | \$0.2                                   | 0.1%                 |
| Human Resources                        | 67.2                      | 98.2                                        | 100.9                                      | 2.7                                     | 2.7%                 |
| Systems Reform Initiative              | 0.5                       | 0.0                                         | 0.0                                        | 0.0                                     | n/a                  |
| Juvenile Services                      | 0.2                       | 0.2                                         | 0.2                                        | 0.0                                     | 0.0%                 |
| Public Safety/Police                   | 194.9                     | 224.3                                       | 222.0                                      | -2.4                                    | -1.1%                |
| Higher Education                       | 3,312.0                   | 3,471.8                                     | 3,590.0                                    | 118.3                                   | 3.4%                 |
| Other Education                        | 34.4                      | 52.9                                        | 45.1                                       | -7.7                                    | -14.6%               |
| Transportation                         | 1,422.1                   | 1,434.8                                     | 1,413.4                                    | -21.4                                   | -1.5%                |
| Agric./Nat'l Res./Environment          | 165.9                     | 204.7                                       | 217.4                                      | 12.7                                    | 6.2%                 |
| Other Executive Agencies               | 464.9                     | 559.2                                       | 598.7                                      | 39.6                                    | 7.1%                 |
| Legislative                            | 0.3                       | 0.1                                         | 0.1                                        | 0.0                                     | 0.0%                 |
| Judiciary                              | 41.9                      | 53.0                                        | 48.6                                       | -4.4                                    | -8.2%                |
| Across-the-board Reductions            | 0.0                       | 0.0                                         | -2.3                                       | -2.3                                    | n/a                  |
| <b><i>State Agencies</i></b>           | <b><i>\$5,964.6</i></b>   | <b><i>\$6,396.1</i></b>                     | <b><i>\$6,531.4</i></b>                    | <b><i>\$135.2</i></b>                   | <b><i>2.1%</i></b>   |
| <b>Total Operating</b>                 | <b>\$7,773.7</b>          | <b>\$8,104.8</b>                            | <b>\$8,645.4</b>                           | <b>\$540.6</b>                          | <b>6.7%</b>          |
| Capital                                | 985.0                     | 955.0                                       | 849.7                                      | -105.4                                  | -11.0%               |
| <b>Grand Total</b>                     | <b>\$8,758.7</b>          | <b>\$9,059.8</b>                            | <b>\$9,495.1</b>                           | <b>\$435.3</b>                          | <b>4.8%</b>          |

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

Note: Fiscal 2010 working appropriation includes deficiencies, targeted reversions, and legislative reductions to the deficiencies. The fiscal 2011 legislative appropriation includes \$436.6 million in special fund spending that will be added by budget amendment to replace general fund reductions.

**Exhibit 1.18 (Continued)**  
**State Expenditures – Federal Funds**  
(\$ in Millions)

| <u>Category</u>                        | <u>Actual</u><br><u>FY 2009</u> | <u>Work. Appr.</u><br><u>FY 2010</u> | Legislative                      | FY 2010 to FY 2011     |                      |
|----------------------------------------|---------------------------------|--------------------------------------|----------------------------------|------------------------|----------------------|
|                                        |                                 |                                      | <u>Approp.</u><br><u>FY 2011</u> | <u>\$ Change</u>       | <u>% Change</u>      |
| Debt Service                           | \$0.0                           | \$0.9                                | \$7.6                            | \$6.8                  | 791.4%               |
| County/Municipal                       | 41.3                            | 82.0                                 | 108.6                            | 26.6                   | 32.4%                |
| Community Colleges                     | 0.0                             | 0.0                                  | 0.0                              | 0.0                    | n/a                  |
| Education/Libraries                    | 701.1                           | 1,406.1                              | 1,168.9                          | -237.2                 | -16.9%               |
| Health                                 | 4.5                             | 4.5                                  | 4.5                              | 0.0                    | 0.0%                 |
| <b><i>Aid to Local Governments</i></b> | <b><i>\$746.9</i></b>           | <b><i>\$1,492.6</i></b>              | <b><i>\$1,282.0</i></b>          | <b><i>-\$210.6</i></b> | <b><i>-14.1%</i></b> |
| Foster Care Payments                   | \$108.2                         | \$125.4                              | \$107.0                          | -\$18.5                | -14.7%               |
| Assistance Payments                    | 703.4                           | 571.8                                | 816.2                            | 244.5                  | 42.8%                |
| Medical Assistance                     | 3,161.5                         | 3,686.8                              | 3,830.4                          | 143.6                  | 3.9%                 |
| Property Tax Credits                   | 0.0                             | 0.0                                  | 0.0                              | 0.0                    | n/a                  |
| <b><i>Entitlements</i></b>             | <b><i>\$3,973.1</i></b>         | <b><i>\$4,384.0</i></b>              | <b><i>\$4,753.6</i></b>          | <b><i>\$369.6</i></b>  | <b><i>8.4%</i></b>   |
| Health                                 | \$883.6                         | \$913.3                              | \$960.1                          | \$46.7                 | 5.1%                 |
| Human Resources                        | 570.8                           | 565.6                                | 525.0                            | -40.6                  | -7.2%                |
| Systems Reform Initiative              | 7.3                             | 7.3                                  | 7.7                              | 0.4                    | 5.1%                 |
| Juvenile Services                      | 7.4                             | 16.2                                 | 16.0                             | -0.2                   | -1.3%                |
| Public Safety/Police                   | 21.6                            | 107.4                                | 96.8                             | -10.6                  | -9.9%                |
| Higher Education                       | 0.0                             | 0.0                                  | 0.0                              | 0.0                    | n/a                  |
| Other Education                        | 212.5                           | 301.0                                | 227.2                            | -73.8                  | -24.5%               |
| Transportation                         | 93.7                            | 88.4                                 | 90.2                             | 1.8                    | 2.0%                 |
| Agric./Nat'l Res./Environment          | 58.5                            | 81.0                                 | 69.1                             | -11.9                  | -14.7%               |
| Other Executive Agencies               | 459.5                           | 665.1                                | 524.4                            | -140.6                 | -21.1%               |
| Judiciary                              | 3.8                             | 4.2                                  | 4.0                              | -0.2                   | -4.8%                |
| Across-the-board Reductions            | 0.0                             | 0.0                                  | -10.6                            | -10.6                  | n/a                  |
| <b><i>State Agencies</i></b>           | <b><i>\$2,318.8</i></b>         | <b><i>\$2,749.5</i></b>              | <b><i>\$2,509.8</i></b>          | <b><i>-\$239.8</i></b> | <b><i>-8.7%</i></b>  |
| <b>Total Operating</b>                 | <b>\$7,038.7</b>                | <b>\$8,627.0</b>                     | <b>\$8,553.0</b>                 | <b>-\$74.0</b>         | <b>-0.9%</b>         |
| Capital                                | 720.2                           | 1,168.3                              | 784.8                            | -383.5                 | -32.8%               |
| <b>Grand Total</b>                     | <b>\$7,758.9</b>                | <b>\$9,795.3</b>                     | <b>\$9,337.8</b>                 | <b>-\$457.4</b>        | <b>-4.7%</b>         |

Note: Fiscal 2010 includes \$428.9 million in deficiencies.

**Exhibit 1.18 (Continued)**  
**State Expenditures – State Funds**  
(\$ in Millions)

| <u>Category</u>                        | <u>Actual<br/>FY 2009</u> | <u>Adjusted<br/>Work. Appr.<br/>FY 2010</u> | <u>Legislative<br/>Approp.<br/>FY 2011</u> | <u>FY 2010 to FY 2011<br/>\$ Change</u> | <u>% Change</u>    |
|----------------------------------------|---------------------------|---------------------------------------------|--------------------------------------------|-----------------------------------------|--------------------|
| Debt Service                           | \$881.5                   | \$944.7                                     | \$998.3                                    | \$53.6                                  | 5.7%               |
| County/Municipal                       | 736.5                     | 385.1                                       | 356.8                                      | -28.3                                   | -7.3%              |
| Community Colleges                     | 254.7                     | 256.2                                       | 256.1                                      | -0.1                                    | 0.0%               |
| Education/Libraries                    | 5,444.1                   | 5,271.5                                     | 5,357.5                                    | 86.0                                    | 1.6%               |
| Health                                 | 57.4                      | 37.3                                        | 37.3                                       | 0.0                                     | 0.0%               |
| <b><i>Aid to Local Governments</i></b> | <b><i>\$6,492.7</i></b>   | <b><i>\$5,950.1</i></b>                     | <b><i>\$6,007.8</i></b>                    | <b><i>\$57.7</i></b>                    | <b><i>1.0%</i></b> |
| Foster Care Payments                   | \$243.0                   | \$240.5                                     | \$245.0                                    | \$4.5                                   | 1.9%               |
| Assistance Payments                    | 55.3                      | 108.9                                       | 69.7                                       | -39.3                                   | -36.0%             |
| Medical Assistance                     | 2,289.2                   | 2,130.3                                     | 2,197.4                                    | 67.1                                    | 3.2%               |
| Property Tax Credits                   | 57.3                      | 73.2                                        | 73.5                                       | 0.3                                     | 0.5%               |
| <b><i>Entitlements</i></b>             | <b><i>\$2,644.7</i></b>   | <b><i>\$2,552.9</i></b>                     | <b><i>\$2,585.6</i></b>                    | <b><i>\$32.7</i></b>                    | <b><i>1.3%</i></b> |
| Health                                 | \$1,662.5                 | \$1,652.4                                   | \$1,673.2                                  | \$20.9                                  | 1.3%               |
| Human Resources                        | 375.2                     | 369.6                                       | 363.1                                      | -6.4                                    | -1.7%              |
| Systems Reform Initiative              | 34.3                      | 24.4                                        | 20.7                                       | -3.8                                    | -15.4%             |
| Juvenile Services                      | 267.1                     | 260.8                                       | 257.2                                      | -3.6                                    | -1.4%              |
| Public Safety/Police                   | 1,450.5                   | 1,396.1                                     | 1,414.1                                    | 18.0                                    | 1.3%               |
| Higher Education                       | 4,443.9                   | 4,619.4                                     | 4,735.5                                    | 116.2                                   | 2.5%               |
| Other Education                        | 432.8                     | 366.8                                       | 395.8                                      | 29.0                                    | 7.9%               |
| Transportation                         | 1,422.1                   | 1,434.8                                     | 1,413.4                                    | -21.4                                   | -1.5%              |
| Agric./Natl Res./Environment           | 288.3                     | 310.4                                       | 321.5                                      | 11.1                                    | 3.6%               |
| Other Executive Agencies               | 1,012.6                   | 1,080.9                                     | 1,148.6                                    | 67.7                                    | 6.3%               |
| Legislative                            | 74.0                      | 75.5                                        | 75.7                                       | 0.2                                     | 0.3%               |
| Judiciary                              | 409.2                     | 419.5                                       | 419.0                                      | -0.6                                    | -0.1%              |
| Across-the-board Reductions            | 0.0                       | 0.0                                         | -37.7                                      | -37.7                                   | n/a                |
| <b><i>State Agencies</i></b>           | <b><i>\$11,872.4</i></b>  | <b><i>\$12,010.6</i></b>                    | <b><i>\$12,200.2</i></b>                   | <b><i>\$189.5</i></b>                   | <b><i>1.6%</i></b> |
| <b>Total Operating</b>                 | <b>\$21,891.4</b>         | <b>\$21,458.3</b>                           | <b>\$21,791.9</b>                          | <b>\$333.6</b>                          | <b>1.6%</b>        |
| Capital/Heritage Reserve Fund          | \$1,008.7                 | \$960.1                                     | \$860.5                                    | -\$99.6                                 | -10.4%             |
| Transfer to MDTA                       | 65.0                      | 0.0                                         | 0.0                                        | 0.0                                     | n/a                |
| Reserve Funds <sup>(1)</sup>           | 146.5                     | 114.9                                       | 15.0                                       | -99.9                                   | -87.0%             |
| <b>Appropriations</b>                  | <b>\$23,111.6</b>         | <b>\$22,533.3</b>                           | <b>\$22,667.4</b>                          | <b>\$134.0</b>                          | <b>0.6%</b>        |
| Reversions                             | 0.0                       | -45.5                                       | -30.6                                      | 14.9                                    | -32.7%             |
| <b>Grand Total</b>                     | <b>\$23,111.6</b>         | <b>\$22,487.8</b>                           | <b>\$22,636.7</b>                          | <b>\$148.9</b>                          | <b>0.7%</b>        |

Note: The fiscal 2010 working appropriation includes deficiencies, targeted reversions, and legislative reductions to the deficiencies. The fiscal 2011 legislative appropriation includes \$436.6 million in special fund spending that will be added by budget amendment to replace general fund reductions.

**Exhibit 1.18 Continued)**  
**State Expenditures – All Funds**  
**(\$ in Millions)**

| <u>Category</u>                        | <u>Actual<br/>FY 2009</u> | <u>Adjusted<br/>Work. Appr.<br/>FY 2010</u> | <u>Legislative<br/>Approp.<br/>FY 2011</u> | <u>FY 2010 to FY 2011<br/>\$ Change</u> | <u>% Change</u>     |
|----------------------------------------|---------------------------|---------------------------------------------|--------------------------------------------|-----------------------------------------|---------------------|
| Debt Service                           | \$881.5                   | \$945.5                                     | \$1,006.0                                  | \$60.4                                  | 6.4%                |
| County/Municipal                       | 777.8                     | 467.1                                       | 465.4                                      | -1.6                                    | -0.4%               |
| Community Colleges                     | 254.7                     | 256.2                                       | 256.1                                      | -0.1                                    | 0.0%                |
| Education/Libraries                    | 6,145.2                   | 6,677.6                                     | 6,526.4                                    | -151.2                                  | -2.3%               |
| Health                                 | 61.9                      | 41.8                                        | 41.8                                       | 0.0                                     | 0.0%                |
| <b><i>Aid to Local Governments</i></b> | <b><i>\$7,239.5</i></b>   | <b><i>\$7,442.7</i></b>                     | <b><i>\$7,289.8</i></b>                    | <b><i>-\$152.9</i></b>                  | <b><i>-2.1%</i></b> |
| Foster Care Payments                   | \$351.3                   | \$365.9                                     | \$351.9                                    | -\$14.0                                 | -3.8%               |
| Assistance Payments                    | 758.7                     | 680.7                                       | 885.9                                      | 205.2                                   | 30.1%               |
| Medical Assistance                     | 5,450.6                   | 5,817.1                                     | 6,027.8                                    | 210.8                                   | 3.6%                |
| Property Tax Credits                   | 57.3                      | 73.2                                        | 73.5                                       | 0.3                                     | 0.5%                |
| <b><i>Entitlements</i></b>             | <b><i>\$6,617.8</i></b>   | <b><i>\$6,936.8</i></b>                     | <b><i>\$7,339.2</i></b>                    | <b><i>\$402.3</i></b>                   | <b><i>5.8%</i></b>  |
| Health                                 | \$2,546.1                 | \$2,565.7                                   | \$2,633.3                                  | \$67.6                                  | 2.6%                |
| Human Resources                        | 946.0                     | 935.2                                       | 888.1                                      | -47.1                                   | -5.0%               |
| Systems Reform Initiative              | 41.5                      | 31.8                                        | 28.4                                       | -3.4                                    | -10.7%              |
| Juvenile Services                      | 274.5                     | 277.0                                       | 273.2                                      | -3.8                                    | -1.4%               |
| Public Safety/Police                   | 1,472.0                   | 1,503.5                                     | 1,510.9                                    | 7.4                                     | 0.5%                |
| Higher Education                       | 4,443.9                   | 4,619.4                                     | 4,735.5                                    | 116.2                                   | 2.5%                |
| Other Education                        | 645.4                     | 667.8                                       | 622.9                                      | -44.9                                   | -6.7%               |
| Transportation                         | 1,515.9                   | 1,523.2                                     | 1,503.6                                    | -19.6                                   | -1.3%               |
| Agric./Natl Res./Environment           | 346.8                     | 391.4                                       | 390.6                                      | -0.8                                    | -0.2%               |
| Other Executive Agencies               | 1,472.1                   | 1,746.0                                     | 1,673.1                                    | -72.9                                   | -4.2%               |
| Legislative                            | 74.0                      | 75.5                                        | 75.7                                       | 0.2                                     | 0.3%                |
| Judiciary                              | 413.0                     | 423.7                                       | 423.0                                      | -0.8                                    | -0.2%               |
| Across-the-board Reductions            | 0.0                       | 0.0                                         | -48.2                                      | -48.2                                   | n/a                 |
| <b><i>State Agencies</i></b>           | <b><i>\$14,191.2</i></b>  | <b><i>\$14,760.2</i></b>                    | <b><i>\$14,709.9</i></b>                   | <b><i>-\$50.2</i></b>                   | <b><i>-0.3%</i></b> |
| <b>Total Operating</b>                 | <b>\$28,930.1</b>         | <b>\$30,085.2</b>                           | <b>\$30,344.8</b>                          | <b>\$259.6</b>                          | <b>0.9%</b>         |
| Capital/Heritage Reserve Fund          | \$1,728.9                 | \$2,128.4                                   | \$1,645.3                                  | -\$483.1                                | -22.7%              |
| Transfer to MDTA                       | 65.0                      | 0.0                                         | 0.0                                        | 0.0                                     | n/a                 |
| Reserve Funds <sup>(1)</sup>           | 146.5                     | 114.9                                       | 15.0                                       | -99.9                                   | -87.0%              |
| <b>Appropriations</b>                  | <b>\$30,870.5</b>         | <b>\$32,328.6</b>                           | <b>\$32,005.2</b>                          | <b>-\$323.4</b>                         | <b>-1.0%</b>        |
| Reversions                             | 0.0                       | -45.5                                       | -30.6                                      | 14.9                                    | -32.7%              |
| <b>Grand Total</b>                     | <b>\$30,870.5</b>         | <b>\$32,283.1</b>                           | <b>\$31,974.6</b>                          | <b>-\$308.5</b>                         | <b>-1.0%</b>        |

MDTA: Maryland Transportation Authority

Note: The fiscal 2010 working appropriation includes deficiencies, targeted reversions, and legislative reductions to the deficiencies. The fiscal 2011 legislative appropriation includes \$436.6 million in special fund spending that will be added by budget amendment to replace general fund reductions.



## Chapter Two – State Capital Program

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



## Summary

The 2010 General Assembly passed a capital budget program totaling \$3.062 billion, including \$1.516 billion for the transportation program. Apart from transportation, the program totals \$1.546 billion: \$1.140 billion is funded with general obligation (GO) bonds authorized in the Maryland Consolidated Capital Bond Loan of 2010 (MCCBL), the 2010 capital budget bill **Senate Bill 142 (Chapter 483)**; \$4.543 million is funded with Qualified Zone Academy Bonds (QZAB) authorized in **Senate Bill 202 (Chapter 523)**; \$224.6 million is funded on a pay-as-you-go (PAYGO) basis in the operating budget; \$150.0 million is funded with revenue bonds to be issued by the Maryland Department of the Environment to support State and local efforts to upgrade wastewater treatment plants; and \$27.0 million is funded with academic revenue bonds for University System of Maryland facilities authorized in **Senate Bill 897 (Chapter 631)**.

**Exhibit 2.1** presents an overview of the State's capital program for fiscal 2011, **Exhibit 2.2** lists capital projects and programs by function and fund source, and **Exhibit 2.3** provides the individual legislative initiative projects funded in the 2010 MCCBL. The 2010 MCCBL includes funding for:

- State facilities, including colleges and universities, hospitals, Department of Disabilities accessibility modifications, correctional facilities, and the public safety communication system;
- grants to local governments for public school construction, community college facilities, and local detention centers;
- health and social services facilities, such as senior citizen centers, juvenile services facilities, community health and addiction facilities, and low-income housing;
- environmental programs, such as the Chesapeake Bay Water Quality programs, Community Parks and Playgrounds, Agricultural Cost-Share and Tobacco Transition programs, and Drinking and Stormwater programs; and
- local projects and legislative initiatives.

**Exhibit 2.1**  
**Capital Program Summary for the 2010 Session**  
(\$ in Millions)

| Function                             | Bonds              |         | Current Funds (PAYGO) |         |         | Total  |
|--------------------------------------|--------------------|---------|-----------------------|---------|---------|--------|
|                                      | General Obligation | Revenue | General               | Special | Federal |        |
| <b>State Facilities</b>              |                    |         |                       |         |         | \$26.2 |
| Facilities Renewal                   | \$10.4             | \$0.0   | \$0.0                 | \$0.0   | \$0.0   |        |
| State Facilities Other               | 15.8               | 0.0     | 0.0                   | 0.0     | 0.0     |        |
| <b>Health/Social</b>                 |                    |         |                       |         |         | 43.7   |
| Health Other                         | 20.9               | 0.0     | 0.0                   | 0.0     | 0.0     |        |
| Health State Facilities              | 5.8                | 0.0     | 0.0                   | 0.0     | 0.0     |        |
| Private Hospitals                    | 17.0               | 0.0     | 0.0                   | 0.0     | 0.0     |        |
| <b>Environment</b>                   |                    |         |                       |         |         | 643.5  |
| Agriculture                          | 29.8               | 0.0     | 0.0                   | 14.3    | 2.0     |        |
| Energy                               | 0.0                | 0.0     | 0.0                   | 3.3     | 4.0     |        |
| Environment                          | 172.3              | 150.0   | 0.8                   | 105.3   | 24.7    |        |
| Natural Resources                    | 118.2              | 0.0     | 0.0                   | 3.6     | 15.3    |        |
| <b>Public Safety</b>                 |                    |         |                       |         |         | 25.9   |
| Local Jails                          | 5.5                | 0.0     | 0.0                   | 0.0     | 0.0     |        |
| State Corrections                    | 17.8               | 0.0     | 0.0                   | 0.0     | 0.0     |        |
| State Police                         | 2.5                | 0.0     | 0.0                   | 0.0     | 0.0     |        |
| <b>Education</b>                     |                    |         |                       |         |         | 268.8  |
| Education Other                      | 9.1                | 0.0     | 0.0                   | 0.0     | 0.0     |        |
| School Construction                  | 259.7              | 0.0     | 0.0                   | 0.0     | 0.0     |        |
| <b>Higher Education</b>              |                    |         |                       |         |         | 352.0  |
| Community Colleges                   | 78.7               | 0.0     | 0.0                   | 0.0     | 0.0     |        |
| Morgan State University              | 30.5               | 0.0     | 0.0                   | 0.0     | 0.0     |        |
| Private Colleges/Universities        | 8.0                | 0.0     | 0.0                   | 0.0     | 0.0     |        |
| University System                    | 207.8              | 27.0    | 0.0                   | 0.0     | 0.0     |        |
| <b>Housing/Community Development</b> |                    |         |                       |         |         | 79.0   |
| Housing                              | 37.4               | 0.0     | 0.0                   | 23.4    | 17.9    |        |
| Housing Other                        | 0.2                | 0.0     | 0.0                   | 0.1     | 0.0     |        |
| <b>Economic Development</b>          |                    |         |                       |         |         | 14.3   |
| Economic Development                 | 4.3                | 0.0     | 0.0                   | 0.0     | 0.0     |        |
| Historic Tax Credit                  | 0.0                | 0.0     | 10.0                  | 0.0     | 0.0     |        |
| <b>Local Projects</b>                |                    |         |                       |         |         | 43.3   |
| Local Project Administration         | 25.8               | 0.0     | 0.0                   | 0.0     | 0.0     |        |
| Local Project Legislative            | 17.6               | 0.0     | 0.0                   | 0.0     | 0.0     |        |

| Function                       | Bonds              |                | Current Funds (PAYGO) |                |                | Total            |
|--------------------------------|--------------------|----------------|-----------------------|----------------|----------------|------------------|
|                                | General Obligation | Revenue        | General               | Special        | Federal        |                  |
| <b>Transportation</b>          |                    |                |                       |                |                | 89.3             |
| Highways                       | 89.3               | 0.0            | 0.0                   | 0.0            | 0.0            |                  |
| <b>De-authorizations</b>       |                    |                |                       |                |                | -39.7            |
| De-authorizations              | -39.7              | 0.0            | 0.0                   | 0.0            | 0.0            |                  |
| <b>Total Fiscal 2011</b>       | <b>\$1,144.5</b>   | <b>\$177.0</b> | <b>\$10.8</b>         | <b>\$150.0</b> | <b>\$63.8</b>  | <b>\$1,546.1</b> |
| <b>Transportation</b>          | <b>\$0.0</b>       | <b>\$205.0</b> | <b>\$0.0</b>          | <b>\$484.4</b> | <b>\$826.2</b> | <b>\$1,515.6</b> |
| <b>Grand Total Fiscal 2011</b> | <b>\$1,144.5</b>   | <b>\$382.0</b> | <b>\$10.8</b>         | <b>\$634.4</b> | <b>\$890.0</b> | <b>\$3,061.7</b> |

**Exhibit 2.2**  
**Capital Program for the 2010 Session**

|       |
|-------|
| Bonds |
|-------|

|                       |
|-----------------------|
| Current Funds (PAYGO) |
|-----------------------|

| Budget Code                       | Project Title                                                                  | General Obligation  | Revenue    | General    | Special    | Federal    | Total Funds         |
|-----------------------------------|--------------------------------------------------------------------------------|---------------------|------------|------------|------------|------------|---------------------|
| <b>State Facilities</b>           |                                                                                |                     |            |            |            |            |                     |
| DA0201A                           | MDOD: Accessibility Modifications                                              | \$1,600,000         | \$0        | \$0        | \$0        | \$0        | \$1,600,000         |
| DE0201A                           | BPW: Saratoga State Center Garage                                              | 350,000             | 0          | 0          | 0          | 0          | 350,000             |
| DE0201B                           | BPW: Facilities Renewal Fund                                                   | 10,000,000          | 0          | 0          | 0          | 0          | 10,000,000          |
| FB01A                             | DoIT: Public Safety Communications System                                      | 14,200,000          | 0          | 0          | 0          | 0          | 14,200,000          |
| <b>Subject Category Subtotal:</b> |                                                                                | <b>\$26,150,000</b> | <b>\$0</b> | <b>\$0</b> | <b>\$0</b> | <b>\$0</b> | <b>\$26,150,000</b> |
| <b>Health/Social</b>              |                                                                                |                     |            |            |            |            |                     |
| DA07A                             | MDOA: Senior Citizens Activities Centers                                       | \$250,000           | \$0        | \$0        | \$0        | \$0        | \$250,000           |
| MA01A                             | DHMH: Community Health Facilities                                              | 7,423,000           | 0          | 0          | 0          | 0          | 7,423,000           |
| MA01B                             | DHMH: Federally Qualified Health Centers                                       | 3,218,000           | 0          | 0          | 0          | 0          | 3,218,000           |
| MM06                              | DHMH: New Secure Evaluation and Therapeutic Treatment Center                   | 1,150,000           | 0          | 0          | 0          | 0          | 1,150,000           |
| RQ00A                             | UMMS: Trauma, Critical Care, and Emergency Medicine Services Expansion Project | 10,000,000          | 0          | 0          | 0          | 0          | 10,000,000          |
| VE01A                             | DJS: Southern Maryland Regional Detention Center                               | 4,650,000           | 0          | 0          | 0          | 0          | 4,650,000           |
| ZA00E                             | MISC: Johns Hopkins Medicine – Cardiovascular and Critical Care Tower          | 2,500,000           | 0          | 0          | 0          | 0          | 2,500,000           |
| ZA00F                             | MISC: Johns Hopkins Medicine – Pediatric Trauma Center                         | 5,000,000           | 0          | 0          | 0          | 0          | 5,000,000           |

| Budget Code                       | Project Title                                                        | Bonds               |            | Current Funds (PAYGO) |             |             | Total Funds              |
|-----------------------------------|----------------------------------------------------------------------|---------------------|------------|-----------------------|-------------|-------------|--------------------------|
|                                   |                                                                      | General Obligation  | Revenue    | General               | Special     | Federal     |                          |
| ZA00G                             | MISC: Kennedy Krieger Institute – Inpatient Clinical Research Center | 2,000,000           | 0          | 0                     | 0           | 0           | 2,000,000                |
| ZA01A                             | MHA: Sinai Hospital of Baltimore, Inc.                               | 425,000             | 0          | 0                     | 0           | 0           | 425,000                  |
| ZA01B                             | MHA: University Specialty Hospital                                   | 455,000             | 0          | 0                     | 0           | 0           | 455,000                  |
| ZA01C                             | MHA: Carroll Hospital Center                                         | 700,000             | 0          | 0                     | 0           | 0           | 700,000                  |
| ZA01D                             | MHA: Union Hospital of Cecil County                                  | 2,000,000           | 0          | 0                     | 0           | 0           | 2,000,000                |
| ZA01E                             | MHA: Civista Medical Center                                          | 165,000             | 0          | 0                     | 0           | 0           | 165,000                  |
| ZA01F                             | MHA: Harford Memorial Hospital                                       | 1,015,000           | 0          | 0                     | 0           | 0           | 1,015,000                |
| ZA01G                             | MHA: Peninsula Regional Medical Center                               | 240,000             | 0          | 0                     | 0           | 0           | 240,000                  |
| Section 17                        | MISC: Sinai Hospital – Samuelson Children’s Hospital at Sinai        | 2,500,000           | 0          | 0                     | 0           | 0           | 2,500,000 <sup>1</sup>   |
| <b>Subject Category Subtotal:</b> |                                                                      | <b>\$43,691,000</b> | <b>\$0</b> | <b>\$0</b>            | <b>\$0</b>  | <b>\$0</b>  | <b>\$43,691,000</b>      |
| <b>Environment</b>                |                                                                      |                     |            |                       |             |             |                          |
| DA1302                            | MEA: Jane E. Lawton Loan Program                                     | \$0                 | \$0        | \$0                   | \$2,187,925 | \$2,562,075 | \$4,750,000 <sup>2</sup> |
| DA1303                            | MEA: State Agency Loan Program                                       | 0                   | 0          | 0                     | 1,100,000   | 1,400,000   | 2,500,000 <sup>2</sup>   |
| KA05A                             | DNR: Community Parks and Playgrounds                                 | 2,500,000           | 0          | 0                     | 0           | 0           | 2,500,000                |
| KA05B                             | DNR: Rural Legacy Program                                            | 16,953,500          | 0          | 0                     | 0           | 0           | 16,953,500 <sup>3</sup>  |
| KA05C                             | DNR: Natural Resources Development Fund                              | 10,126,000          | 0          | 0                     | 0           | 0           | 10,126,000 <sup>4</sup>  |
| KA05D                             | DNR: Program Open Space                                              | 65,183,500          | 0          | 0                     | 1,500,000   | 14,262,274  | 80,945,774 <sup>5</sup>  |
| KA05E                             | DNR: Critical Maintenance Program                                    | 6,586,000           | 0          | 0                     | 0           | 0           | 6,586,000 <sup>6</sup>   |
| KA05F                             | DNR: Dam Rehabilitation Program                                      | 150,000             | 0          | 0                     | 0           | 0           | 150,000 <sup>7</sup>     |
| KA05G                             | DNR: Ocean City Beach Replenishment Fund                             | 6,459,000           | 0          | 0                     | 1,000,000   | 0           | 7,459,000 <sup>8</sup>   |
| KA05H                             | DNR: Waterway Improvement Fund                                       | 10,192,000          | 0          | 0                     | 1,066,000   | 1,000,000   | 12,258,000 <sup>9</sup>  |



| Budget Code             | Project Title                                                                     | Bonds                |            | Current Funds (PAYGO) |            |            | Total Funds                 |
|-------------------------|-----------------------------------------------------------------------------------|----------------------|------------|-----------------------|------------|------------|-----------------------------|
|                         |                                                                                   | General Obligation   | Revenue    | General               | Special    | Federal    |                             |
| <b>Education</b>        |                                                                                   |                      |            |                       |            |            |                             |
| DE0202A                 | BPW: Public School Construction Program                                           | \$250,000,000        | \$0        | \$0                   | \$0        | \$0        | \$250,000,000 <sup>13</sup> |
| DE0202B                 | BPW: Aging Schools Program                                                        | 5,109,000            | 0          | 0                     | 0          | 0          | 5,109,000 <sup>14</sup>     |
| DE0202BQ                | BPW: Aging Schools Program –<br>Qualified Zone Academy Bonds                      | 4,543,000            | 0          | 0                     | 0          | 0          | 4,543,000 <sup>14</sup>     |
| RA01A                   | MSDE: Public Library Grant Program                                                | 5,000,000            | 0          | 0                     | 0          | 0          | 5,000,000                   |
| RE01A                   | MSD: Bus Loop and Parking Lot –<br>Frederick Campus                               | 1,606,000            | 0          | 0                     | 0          | 0          | 1,606,000                   |
| Section 2               | MSDE: Western Regional Library                                                    | 2,500,000            | 0          | 0                     | 0          | 0          | 2,500,000 <sup>15</sup>     |
|                         | <b>Subject Category Subtotal:</b>                                                 | <b>\$268,758,000</b> | <b>\$0</b> | <b>\$0</b>            | <b>\$0</b> | <b>\$0</b> | <b>\$268,758,000</b>        |
| <b>Higher Education</b> |                                                                                   |                      |            |                       |            |            |                             |
| RB21A                   | UMB: School of Pharmacy Addition and<br>Renovation                                | \$2,606,000          | \$0        | \$0                   | \$0        | \$0        | \$2,606,000                 |
| RB22A                   | UMCP: Physical Sciences Complex                                                   | 41,100,000           | 0          | 0                     | 0          | 0          | 41,100,000 <sup>16</sup>    |
| RB22B                   | UMCP: Maryland Fire and Rescue Institute –<br>North East Regional Training Center | 331,000              | 0          | 0                     | 0          | 0          | 331,000                     |
| RB22C                   | UMCP: Shipley Field Improvements                                                  | 100,000              | 0          | 0                     | 0          | 0          | 100,000                     |
| RB22D                   | UMCP: East Campus Redevelopment                                                   | 5,000,000            | 0          | 0                     | 0          | 0          | 5,000,000                   |
| RB23A                   | BSU: Campuswide Site Improvements                                                 | 200,000              | 0          | 0                     | 0          | 0          | 200,000                     |
| RB23B                   | BSU: Turf Field                                                                   | 1,000,000            | 0          | 0                     | 0          | 0          | 1,000,000                   |
| RB25A                   | UMES: New Engineering and Aviation<br>Science Building                            | 3,000,000            | 0          | 0                     | 0          | 0          | 3,000,000                   |
| RB26A                   | FSU: New Center for Communications and<br>Information Technology                  | 2,681,000            | 0          | 0                     | 0          | 0          | 2,681,000                   |

| Budget Code                       | Project Title                                                       | Bonds                |                     | Current Funds (PAYGO) |            |            | Total Funds              |
|-----------------------------------|---------------------------------------------------------------------|----------------------|---------------------|-----------------------|------------|------------|--------------------------|
|                                   |                                                                     | General Obligation   | Revenue             | General               | Special    | Federal    |                          |
| RB27A                             | CSU: New Science and Technology Center                              | 6,497,000            | 0                   | 0                     | 0          | 0          | 6,497,000                |
| RB28A                             | UB: New Law School Building                                         | 37,300,000           | 0                   | 0                     | 0          | 0          | 37,300,000 <sup>17</sup> |
| RB31A                             | UMBC: New Performing Arts and Humanities Facility                   | 37,400,000           | 0                   | 0                     | 0          | 0          | 37,400,000 <sup>18</sup> |
| RB36RB                            | USMO: Facility Renewal                                              | 0                    | 17,000,000          | 0                     | 0          | 0          | 17,000,000               |
| RI00A                             | MHEC: Community College Facilities Grant Program                    | 43,359,000           | 0                   | 0                     | 0          | 0          | 43,359,000 <sup>19</sup> |
| RM00A                             | MSU: Banneker Hall Renovation                                       | 3,265,000            | 0                   | 0                     | 0          | 0          | 3,265,000                |
| RM00B                             | MSU: New School of Business Complex                                 | 250,000              | 0                   | 0                     | 0          | 0          | 250,000                  |
| ZA00I                             | MICUA: Goucher College                                              | 3,000,000            | 0                   | 0                     | 0          | 0          | 3,000,000                |
| ZA00J                             | MICUA: Hood College                                                 | 2,000,000            | 0                   | 0                     | 0          | 0          | 2,000,000                |
| ZA00K                             | MICUA: Stevenson University                                         | 3,000,000            | 0                   | 0                     | 0          | 0          | 3,000,000                |
| Section 2                         | MSU: Morgan State University: New Center for the Built Environment  | 26,935,000           | 0                   | 0                     | 0          | 0          | 26,935,000 <sup>20</sup> |
| Section 2                         | BSU: Bowie State University: New Fine and Performing Arts Building  | 32,053,000           | 0                   | 0                     | 0          | 0          | 32,053,000 <sup>21</sup> |
| Section 2                         | TU: Towson University: New College of Liberal Arts Complex Phase II | 28,650,000           | 10,000,000          | 0                     | 0          | 0          | 38,650,000 <sup>22</sup> |
| Section 2                         | SU: Salisbury University: New Perdue School of Business             | 9,869,000            | 0                   | 0                     | 0          | 0          | 9,869,000 <sup>23</sup>  |
| Section 2                         | MHEC: Community College Facilities Grant Program                    | 35,386,000           | 0                   | 0                     | 0          | 0          | 35,386,000 <sup>24</sup> |
| <b>Subject Category Subtotal:</b> |                                                                     | <b>\$324,982,000</b> | <b>\$27,000,000</b> | <b>\$0</b>            | <b>\$0</b> | <b>\$0</b> | <b>\$351,982,000</b>     |

| Budget Code                          | Project Title                                                       | Bonds               |            | Current Funds (PAYGO) |                     |                     | Total Funds              |
|--------------------------------------|---------------------------------------------------------------------|---------------------|------------|-----------------------|---------------------|---------------------|--------------------------|
|                                      |                                                                     | General Obligation  | Revenue    | General               | Special             | Federal             |                          |
| <b>Housing/Community Development</b> |                                                                     |                     |            |                       |                     |                     |                          |
| DW0110A                              | MDOP: Maryland Historical Preservation Loan Program                 | \$200,000           | \$0        | \$0                   | \$100,000           | \$0                 | \$300,000                |
| S00A2402                             | DHCD: Community Development Block Grant Program                     | 0                   | 0          | 0                     | 0                   | 10,000,000          | 10,000,000               |
| S00A2507                             | DHCD: Rental Housing Programs                                       | 0                   | 0          | 0                     | 21,500,000          | 5,200,000           | 26,700,000 <sup>25</sup> |
| SA24A                                | DHCD: Community Legacy Program                                      | 4,646,000           | 0          | 0                     | 0                   | 0                   | 4,646,000 <sup>26</sup>  |
| SA24B                                | DHCD: Neighborhood Business Development Program                     | 6,666,000           | 0          | 0                     | 0                   | 0                   | 6,666,000 <sup>27</sup>  |
| SA25A                                | DHCD: Partnership Rental Housing Program                            | 4,100,000           | 0          | 0                     | 1,900,000           | 0                   | 6,000,000                |
| SA25B                                | DHCD: Homeownership Programs                                        | 8,500,000           | 0          | 0                     | 0                   | 0                   | 8,500,000 <sup>28</sup>  |
| SA25C                                | DHCD: Shelter and Transitional Housing Facilities Grant Program     | 2,000,000           | 0          | 0                     | 0                   | 0                   | 2,000,000                |
| SA25D                                | DHCD: Special Loan Programs                                         | 9,520,000           | 0          | 0                     | 0                   | 2,700,000           | 12,220,000 <sup>29</sup> |
| SA25E                                | DHCD: Maryland Affordable Housing Trust                             | 2,000,000           | 0          | 0                     | 0                   | 0                   | 2,000,000                |
| <b>Subject Category Subtotal:</b>    |                                                                     | <b>\$37,632,000</b> | <b>\$0</b> | <b>\$0</b>            | <b>\$23,500,000</b> | <b>\$17,900,000</b> | <b>\$79,032,000</b>      |
| <b>Economic Development</b>          |                                                                     |                     |            |                       |                     |                     |                          |
| DA03A                                | MSA: Ocean City Convention Center Expansion                         | \$4,300,000         | \$0        | \$0                   | \$0                 | \$0                 | \$4,300,000              |
| D40W1112                             | MDOP: Maryland Heritage Structure Rehabilitation Tax Credit Program | 0                   | 0          | 10,000,000            | 0                   | 0                   | 10,000,000               |
| <b>Subject Category Subtotal:</b>    |                                                                     | <b>\$4,300,000</b>  | <b>\$0</b> | <b>\$10,000,000</b>   | <b>\$0</b>          | <b>\$0</b>          | <b>\$14,300,000</b>      |

| Budget Code                       | Project Title                                                          | Bonds               |            | Current Funds (PAYGO) |            |            | Total Funds         |
|-----------------------------------|------------------------------------------------------------------------|---------------------|------------|-----------------------|------------|------------|---------------------|
|                                   |                                                                        | General Obligation  | Revenue    | General               | Special    | Federal    |                     |
| <b>Local Projects</b>             |                                                                        |                     |            |                       |            |            |                     |
| ZA00A                             | MISC: Baltimore Museum of Art                                          | 2,500,000           | 0          | 0                     | 0          | 0          | 2,500,000           |
| ZA00B                             | MISC: East Baltimore Biotechnology Park                                | 5,000,000           | 0          | 0                     | 0          | 0          | 5,000,000           |
| ZA00C                             | MISC: Forbush School                                                   | 2,500,000           | 0          | 0                     | 0          | 0          | 2,500,000           |
| ZA00H                             | MISC: Lyric Opera House – Stage House Expansion                        | 1,500,000           | 0          | 0                     | 0          | 0          | 1,500,000           |
| ZA00L                             | MISC: Maryland Zoo in Baltimore – Infrastructure Improvements          | 5,000,000           | 0          | 0                     | 0          | 0          | 5,000,000           |
| ZA00M                             | MISC: National Aquarium in Baltimore – Capital Infrastructure Projects | 3,500,000           | 0          | 0                     | 0          | 0          | 3,500,000           |
| ZA00N                             | MISC: National Children’s Museum                                       | 5,000,000           | 0          | 0                     | 0          | 0          | 5,000,000           |
| ZA00O                             | MISC: St. Ann’s Infant and Maternity Home                              | 750,000             | 0          | 0                     | 0          | 0          | 750,000             |
| ZA00P                             | MISC: Devil’s Backbone Dam                                             | 550,000             | 0          | 0                     | 0          | 0          | 550,000             |
| ZA00Q                             | MISC: Wicomico Youth and Civic Center                                  | 1,500,000           | 0          | 0                     | 0          | 0          | 1,500,000           |
| ZA00R                             | MISC: South River High School Athletic Field Lights                    | 200,000             | 0          | 0                     | 0          | 0          | 200,000             |
| ZA00S                             | MISC: Bates Middle School Track                                        | 100,000             | 0          | 0                     | 0          | 0          | 100,000             |
| ZA00T                             | MISC: Old Mill High School Athletic Field Lights                       | 200,000             | 0          | 0                     | 0          | 0          | 200,000             |
| ZA02                              | Local Senate Initiatives                                               | 7,500,000           | 0          | 0                     | 0          | 0          | 7,500,000           |
| ZA02                              | Local House Initiatives                                                | 7,500,000           | 0          | 0                     | 0          | 0          | 7,500,000           |
| <b>Subject Category Subtotal:</b> |                                                                        | <b>\$43,300,000</b> | <b>\$0</b> | <b>\$0</b>            | <b>\$0</b> | <b>\$0</b> | <b>\$43,300,000</b> |
| <b>Transportation</b>             |                                                                        |                     |            |                       |            |            |                     |
| ZA00D                             | MDTA: InterCounty Connector                                            | \$89,278,441        | \$0        | \$0                   | \$0        | \$0        | \$89,278,441        |
| <b>Subject Category Subtotal:</b> |                                                                        | <b>\$89,278,441</b> | <b>\$0</b> | <b>\$0</b>            | <b>\$0</b> | <b>\$0</b> | <b>\$89,278,441</b> |

| Budget Code | Project Title                               | Bonds                  |                      | Current Funds (PAYGO) |                      |                      | Total Funds            |
|-------------|---------------------------------------------|------------------------|----------------------|-----------------------|----------------------|----------------------|------------------------|
|             |                                             | General Obligation     | Revenue              | General               | Special              | Federal              |                        |
|             | <b>De-authorizations</b>                    |                        |                      |                       |                      |                      |                        |
| Section 2   | Additional De-authorizations                | -\$10,239,441          | \$0                  | \$0                   | \$0                  | \$0                  | -\$10,239,441          |
| Section 2   | De-authorizations as Introduced and Amended | -29,486,000            | 0                    | 0                     | 0                    | 0                    | -29,486,000            |
|             | <b>Subject Category Subtotal:</b>           | <b>-\$39,725,441</b>   | <b>\$0</b>           | <b>\$0</b>            | <b>\$0</b>           | <b>\$0</b>           | <b>-\$39,725,441</b>   |
|             | <b>Non-Transportation Total</b>             | <b>\$1,144,543,000</b> | <b>\$177,000,000</b> | <b>\$10,800,000</b>   | <b>\$149,952,925</b> | <b>\$63,807,349</b>  | <b>\$1,546,103,274</b> |
|             | <b>Transportation Total</b>                 | <b>\$0</b>             | <b>\$205,000,000</b> | <b>\$0</b>            | <b>\$484,442,000</b> | <b>\$826,247,000</b> | <b>\$1,515,689,000</b> |
|             | <b>Grand Total</b>                          | <b>\$1,144,543,000</b> | <b>\$382,000,000</b> | <b>\$10,800,000</b>   | <b>\$634,394,925</b> | <b>\$890,054,349</b> | <b>\$3,061,792,274</b> |

BPW: Board of Public Works  
 BSU: Bowie State University  
 CSU: Coppin State University  
 DHCD: Department of Housing and Community Development  
 DHMH: Department of Health and Mental Hygiene  
 DoIT: Department of Information Technology  
 DJS: Department of Juvenile Services  
 DNR: Department of Natural Resources  
 DPSCS: Department of Public Safety and Correctional Services  
 DSP: Department of State Police  
 FSU: Frostburg State University  
 MDA: Maryland Department of Agriculture

MDE: Maryland Department of the Environment  
 MDOA: Maryland Department of Aging  
 MDOD: Maryland Department of Disabilities  
 MDOP: Maryland Department of Planning  
 MDTA: Maryland Transportation Authority  
 MEA: Maryland Energy Administration  
 MHA: Maryland Hospital Administration  
 MHEC: Maryland Higher Education Commission  
 MICUA: Maryland Independent College and University Association  
 MSA: Maryland Stadium Authority  
 MSD: Maryland School for the Deaf

MSDE: Maryland State Department of Education  
 MSU: Morgan State University  
 SU: Salisbury University  
 TU: Towson University  
 UB: University of Baltimore  
 UMB: University of Maryland, Baltimore  
 UMBC: University of Maryland Baltimore County  
 UMCP: University of Maryland, College Park  
 UMES: University of Maryland Eastern Shore  
 UMMS: University of Maryland Medical System  
 USMO: University System of Maryland Office

- <sup>1</sup> This reflects funds pre-authorized in the 2009 Maryland Consolidated Capital Bond Loan (MCCBL) for fiscal 2011.
- <sup>2</sup> Language restricts the \$2.0 million special fund appropriation for the Jane E. Lawton Program to be used only to fund loans through the State Agency Loan Program.
- <sup>3</sup> The \$10.6 million general obligation (GO) bond authorization fully replaces unexpended available fund balance transferred to the general fund in the Budget Reconciliation and Financing Act of 2010 (BRFA). The authorization also provides \$6.3 million to partially replace the \$12.6 million of special funds allocated through the transfer tax formula also transferred to the general fund in the BRFA of 2010. A separate provision provides a pre-authorization in the amount of \$6.3 million for the 2011 session to provide the remainder of the replacement funding.
- <sup>4</sup> This reflects the full replacement of available unexpended fund balance transferred to the general fund in the BRFA of 2010.
- <sup>5</sup> The GO bond authorization includes \$5.0 million to partially replace the fiscal 2011 allocation of \$10.0 million of transfer tax for Program Open Space Stateside transferred to the general fund in the BRFA of 2010. A separate provision provides a pre-authorization in the amount of \$5.0 million for the 2011 session to provide the remainder of the replacement funding.
- <sup>6</sup> This reflects GO bond replacement for \$3.3 million of unexpended fund balance and \$3.2 million of fiscal 2011 transfer tax allocation transferred to the general fund in the BRFA of 2010.
- <sup>7</sup> This reflects the partial replacement of \$0.7 million of fund balance transferred to the general fund in the BRFA of 2010 – \$0.2 million is replaced in fiscal 2011 with the remaining \$0.5 million programmed in the 2010 *Capital Improvement Program (CIP)* for fiscal 2012.
- <sup>8</sup> This reflects the full replacement of local and stateside transfer tax allocations and local participation funds available in the Ocean City Beach Replenishment Fund transferred to the general fund in the BRFA of 2010.
- <sup>9</sup> The GO bond funds reflect the partial replacement of available unexpended fund balance transferred to the general fund in the BRFA of 2010. A total of \$16.4 million is transferred to the general fund with \$10.2 million of GO bond fund replacement in fiscal 2011 and another \$6.3 million of GO bond replacement programmed for fiscal 2012 in the 2010 CIP.
- <sup>10</sup> The authorization reflects the full replacement of \$10.0 million of unexpended fund balance transferred to the general fund in the BRFA of 2010. The authorization also provides \$7.8 million to replace the fiscal 2011 allocation of transfer tax revenues for this program transferred to the general fund in the BRFA of 2010; the remaining \$4.0 million to fully fund the program is derived from an appropriation to the Maryland Agricultural and Resource-Based Industry Development Corporation which cannot be used for the installment purchase program and instead will be used to support Maryland Agricultural Land Preservation Foundation easements.
- <sup>11</sup> The BRFA of 2010 transfers \$155.0 million of unexpended fund balance and another \$45.0 million of fiscal 2011 revenues from the Bay Restoration Fund of which \$125.0 million is replaced with GO bond funds in fiscal 2011, and another \$75.0 million of GO bond replacement is programmed for fiscal 2012 in the 2010 CIP.
- <sup>12</sup> An additional \$38.0 million is included as a pre-authorization for fiscal 2012 and \$26.5 million included as a pre-authorization for fiscal 2013 to complete the construction funding for this project and allow the project to be bid for construction during fiscal 2011.
- <sup>13</sup> An additional \$12.2 million is available from Interagency Committee on School Construction contingency funds bringing the total amount available in fiscal 2011 to \$262.2 million.
- <sup>14</sup> Language authorizes the use of \$1.0 million of Qualified Zone Academy Bonds for the Aging Schools Program to be distributed in accordance with Section 5-206 of the Education Article.
- <sup>15</sup> An additional \$2.5 million is included as a pre-authorization for fiscal 2012.
- <sup>16</sup> An additional \$44.1 million is included as a pre-authorization for fiscal 2012 and \$10.6 million included as a pre-authorization for fiscal 2013 to complete the construction funding for this project and allow the project to be bid for construction during fiscal 2011.
- <sup>17</sup> An additional \$38.5 million is included as a pre-authorization for fiscal 2012 to complete the construction funding for this project and allow the project to be bid for construction during fiscal 2011.
- <sup>18</sup> An additional \$38.4 million is included as a pre-authorization for fiscal 2012 to complete the construction funding for this project and allow the project to be bid for construction during fiscal 2011.
- <sup>19</sup> There is an additional \$35.4 million pre-authorized for fiscal 2011 in the 2009 MCCBL bringing the total amount of new funds authorized in fiscal 2011 to \$78.8 million.
- <sup>20</sup> This reflects the GO bond funds pre-authorized in the 2009 MCCBL for fiscal 2011.

<sup>21</sup> This reflects the GO bond funds pre-authorized in the 2009 MCCBL for fiscal 2011. The amount authorized is \$2.0 million lower than the pre-authorized amount and also allows the funds to be used for equipment as amended which reflects savings based on the construction contract bid and award.

<sup>22</sup> This reflects the GO bond funds pre-authorized in the 2009 MCCBL for fiscal 2011. The amount authorized is \$7.1 million lower than the pre-authorized amount and also allows the funds to be used for equipment as amended which reflects savings based on the construction contract bid and award.

<sup>23</sup> This reflects the GO bond funds pre-authorized in the 2009 MCCBL for fiscal 2011. The amount authorized is \$4.5 million lower than the pre-authorized amount and also allows the funds to be used for equipment as amended which reflects savings based on the construction contract bid and award.

<sup>24</sup> This reflects the GO bond funds pre-authorized in the 2009 MCCBL for fiscal 2011. The amount authorized is \$4.2 million lower than the pre-authorized amount which reflects savings based on the construction contract bid and award for the Hagerstown Community College Arts and Science Complex and Prince George’s Community College Center for Health Studies.

<sup>25</sup> The special fund appropriation consists of special fund revenues available and to accrue in the Rental Housing Program as well as special funds to be transferred from the Homeownership and Special Loan programs. All transferred funds are replaced with GO bond funds in the fiscal 2011 capital budget.

<sup>26</sup> This includes \$0.4 million of GO bond funds to replace fund balance transferred to the general fund in the BRFA of 2010.

<sup>27</sup> This includes GO bond funds to replace \$3.6 million of available fund balance and \$3.2 million of fiscal 2011 special fund revenues transferred to the general fund in the BRFA of 2010.

<sup>28</sup> This includes GO bond funds to replace \$3.0 million of fiscal 2011 special fund revenues transferred to the general fund in the BRFA of 2010.

<sup>29</sup> This includes GO bond funds to replace \$2.1 million of available fund balance and \$2.5 million of fiscal 2011 special fund revenues transferred to the general fund in the BRFA of 2010.

**Exhibit 2.3**  
**Legislative Projects/Initiatives – 2010 Session**

| <u>Project Title</u>                                                | <u>Senate Initiative</u> | <u>House Initiative</u> | <u>Total Funding</u> | <u>Match/ Requirements</u> |
|---------------------------------------------------------------------|--------------------------|-------------------------|----------------------|----------------------------|
| <b>Statewide</b>                                                    |                          |                         |                      |                            |
| Capital Area Food Bank                                              | \$0                      | \$125,000               | \$125,000            | Soft (1)                   |
| Linwood Center                                                      | 0                        | 500,000                 | 500,000              | Soft (1)                   |
| Little Sisters of the Poor                                          | 500,000                  | 0                       | 500,000              | Soft (all)                 |
| Maryland Food Bank                                                  | 0                        | 125,000                 | 125,000              | Grant                      |
| Museum of Industry                                                  | 250,000                  | 0                       | 250,000              | Soft (all)                 |
| Museum of the Maryland Historical Society                           | 150,000                  | 0                       | 150,000              | Grant                      |
| National Center for Children and Families Youth Activities Center   | 0                        | 250,000                 | 250,000              | Soft (all)                 |
| <b>Subtotal:</b>                                                    | <b>\$900,000</b>         | <b>\$1,000,000</b>      | <b>\$1,900,000</b>   |                            |
| <b>Allegany</b>                                                     |                          |                         |                      |                            |
| Allegany Museum                                                     | \$75,000                 | \$75,000                | \$150,000            | Soft (all)                 |
| <b>Subtotal:</b>                                                    | <b>\$75,000</b>          | <b>\$75,000</b>         | <b>\$150,000</b>     |                            |
| <b>Anne Arundel</b>                                                 |                          |                         |                      |                            |
| Annapolis High School Booster Club Concession Stand                 | \$0                      | \$75,000                | \$75,000             | Soft (2, 3)                |
| Coordinating Center for Home and Community Care Building Facilities | 200,000                  | 0                       | 200,000              | Hard                       |
| Reece Road Community Health Center                                  | 250,000                  | 0                       | 250,000              | Soft (1)                   |
| Southern and Broadneck High School Field Lights                     | 0                        | 375,000                 | 375,000              | Soft (all)                 |
| William Paca House                                                  | 0                        | 200,000                 | 200,000              | Soft (3)                   |
| <b>Subtotal:</b>                                                    | <b>\$450,000</b>         | <b>\$650,000</b>        | <b>\$1,100,000</b>   |                            |
| <b>Baltimore City</b>                                               |                          |                         |                      |                            |
| 2101-2111 Pennsylvania Avenue Development Project                   | \$35,000                 | \$0                     | \$35,000             | Hard                       |
| Academy of Success Community Empowerment Center                     | 0                        | 100,000                 | 100,000              | Soft (2, 3)                |
| Baltimore Leadership School for Young Women                         | 135,000                  | 0                       | 135,000              | Soft (3)                   |
| Collington Square Community Kitchen                                 | 100,000                  | 0                       | 100,000              | Hard                       |
| Creative Alliance                                                   | 0                        | 50,000                  | 50,000               | Soft (1, 2)                |
| Dayspring Square                                                    | 0                        | 200,000                 | 200,000              | Soft (1, 3)                |

| <u>Project Title</u>                               | <u>Senate Initiative</u> | <u>House Initiative</u> | <u>Total Funding</u> | <u>Match/ Requirements</u> |
|----------------------------------------------------|--------------------------|-------------------------|----------------------|----------------------------|
| <b>Baltimore City (Cont.)</b>                      |                          |                         |                      |                            |
| Druid Hill Family Center Y Revitalization          | 65,000                   | 0                       | 65,000               | Hard                       |
| Fine Arts Center for Archbishop Curley High School | 100,000                  | 0                       | 100,000              | Hard                       |
| Franklin Entrepreneurial and Apprenticeship Center | 45,000                   | 75,000                  | 120,000              | Hard                       |
| Glen Avenue Firehouse                              | 0                        | 75,000                  | 75,000               | Soft (all)                 |
| Greenmount West Community Resource Center          | 0                        | 100,000                 | 100,000              | Soft (1, 2)                |
| Maryland SPCA Adoption Center Expansion            | 50,000                   | 50,000                  | 100,000              | Hard                       |
| Port Discovery                                     | 75,000                   | 25,000                  | 100,000              | Hard                       |
| Sandi's Learning Center                            | 100,000                  | 0                       | 100,000              | Hard                       |
| Southeast Neighborhood Development Center          | 150,000                  | 150,000                 | 300,000              | Hard                       |
| Stadium Place                                      | 200,000                  | 100,000                 | 300,000              | Soft (2, 3)                |
| Swann Avenue Firehouse                             | 0                        | 75,000                  | 75,000               | Soft (all)                 |
| The Women's Veteran's Center                       | 20,000                   | 30,000                  | 50,000               | Soft (2)                   |
| <b>Subtotal:</b>                                   | <b>\$1,075,000</b>       | <b>\$1,030,000</b>      | <b>\$2,105,000</b>   |                            |
| <b>Baltimore</b>                                   |                          |                         |                      |                            |
| Arbutus Volunteer Fire Department Hall             | \$0                      | \$100,000               | \$100,000            | Grant                      |
| Augsburg Lutheran Home of Maryland                 | 150,000                  | 150,000                 | 300,000              | Hard                       |
| Automotive Vocational Training Center              | 0                        | 100,000                 | 100,000              | Soft (2, 3)                |
| Baltimore County Humane Society                    | 75,000                   | 75,000                  | 150,000              | Soft (all)                 |
| HopeWell Cancer Support Facility                   | 75,000                   | 100,000                 | 175,000              | Hard                       |
| Milford Mill Academy Sign                          | 0                        | 40,000                  | 40,000               | Grant                      |
| North County Park                                  | 0                        | 100,000                 | 100,000              | Grant                      |
| Owings Mills High School Stadium                   | 50,000                   | 50,000                  | 100,000              | Soft (2)                   |
| Randallstown High School                           | 0                        | 40,000                  | 40,000               | Grant                      |
| Woodlawn High School                               | 0                        | 40,000                  | 40,000               | Grant                      |
| <b>Subtotal:</b>                                   | <b>\$350,000</b>         | <b>\$795,000</b>        | <b>\$1,145,000</b>   |                            |
| <b>Calvert</b>                                     |                          |                         |                      |                            |
| Kellam's Field                                     | \$125,000                | \$125,000               | \$250,000            | Soft (all)                 |
| <b>Subtotal:</b>                                   | <b>\$125,000</b>         | <b>\$125,000</b>        | <b>\$250,000</b>     |                            |
| <b>Carroll</b>                                     |                          |                         |                      |                            |
| Carroll County Agriculture Center                  | \$150,000                | \$0                     | \$150,000            | Soft (2, 3)                |
| <b>Subtotal:</b>                                   | <b>\$150,000</b>         | <b>\$0</b>              | <b>\$150,000</b>     |                            |

| <u>Project Title</u>                            | <u>Senate Initiative</u> | <u>House Initiative</u> | <u>Total Funding</u> | <u>Match/ Requirements</u> |
|-------------------------------------------------|--------------------------|-------------------------|----------------------|----------------------------|
| <b>Cecil</b>                                    |                          |                         |                      |                            |
| Lower Susquehanna Heritage Greenway             | \$0                      | \$150,000               | \$150,000            | Soft (1, 2)                |
| <b>Subtotal:</b>                                | <b>\$0</b>               | <b>\$150,000</b>        | <b>\$150,000</b>     |                            |
| <b>Charles</b>                                  |                          |                         |                      |                            |
| Hospice House                                   | \$45,000                 | \$150,000               | \$195,000            | Soft (all)                 |
| Kamp A-Kom-Plish Facility                       | 80,000                   | 0                       | 80,000               | Hard                       |
| Potomac Heights Housing Complex                 | 75,000                   | 0                       | 75,000               | Soft (all)                 |
| <b>Subtotal:</b>                                | <b>\$200,000</b>         | <b>\$150,000</b>        | <b>\$350,000</b>     |                            |
| <b>Dorchester</b>                               |                          |                         |                      |                            |
| Dorchester Center for the Arts Performance Hall | \$10,000                 | \$0                     | \$10,000             | Soft (2)                   |
| Dorchester County Family YMCA                   | 70,000                   | 0                       | 70,000               | Soft (all)                 |
| Richardson Maritime Heritage Center             | 50,000                   | 0                       | 50,000               | Soft (1)                   |
| <b>Subtotal:</b>                                | <b>\$130,000</b>         | <b>\$0</b>              | <b>\$130,000</b>     |                            |
| <b>Frederick</b>                                |                          |                         |                      |                            |
| Way Station                                     | \$200,000                | \$100,000               | \$300,000            | Soft (1, 3)                |
| <b>Subtotal:</b>                                | <b>\$200,000</b>         | <b>\$100,000</b>        | <b>\$300,000</b>     |                            |
| <b>Garrett</b>                                  |                          |                         |                      |                            |
| Oakland B&O Museum                              | \$100,000                | \$100,000               | \$200,000            | Soft (all)                 |
| <b>Subtotal:</b>                                | <b>\$100,000</b>         | <b>\$100,000</b>        | <b>\$200,000</b>     |                            |
| <b>Harford</b>                                  |                          |                         |                      |                            |
| Nuttal Avenue Park                              | \$0                      | \$100,000               | \$100,000            | Hard                       |
| The Citizens Care and Rehabilitation Center     | 0                        | 100,000                 | 100,000              | Hard                       |
| <b>Subtotal:</b>                                | <b>\$0</b>               | <b>\$200,000</b>        | <b>\$200,000</b>     |                            |
| <b>Howard</b>                                   |                          |                         |                      |                            |
| Alpha Ridge Park                                | \$0                      | \$75,000                | \$75,000             | Hard                       |
| Carroll Baldwin Hall                            | 50,000                   | 0                       | 50,000               | Soft (all)                 |
| Living Farm Heritage Museum                     | 0                        | 35,000                  | 35,000               | Soft (2, 3)                |
| Symphony Woods Park                             | 190,000                  | 60,000                  | 250,000              | Hard                       |
| Troy Regional Park                              | 225,000                  | 230,000                 | 455,000              | Hard                       |
| Watson Telescope Observatory                    | 25,000                   | 0                       | 25,000               | Soft (all)                 |
| <b>Subtotal:</b>                                | <b>\$490,000</b>         | <b>\$400,000</b>        | <b>\$890,000</b>     |                            |

| <u>Project Title</u>                                     | <u>Senate Initiative</u> | <u>House Initiative</u> | <u>Total Funding</u> | <u>Match/ Requirements</u> |
|----------------------------------------------------------|--------------------------|-------------------------|----------------------|----------------------------|
| <b>Montgomery</b>                                        |                          |                         |                      |                            |
| Cabin John Park Tai Chi Court                            | \$0                      | \$40,000                | \$40,000             | Soft (2, 3)                |
| Camp Brighton Woods                                      | 40,000                   | 100,000                 | 140,000              | Soft (3)                   |
| Cinnamon Woods Environmental and Safety Lighting Upgrade | 100,000                  | 0                       | 100,000              | Hard                       |
| Garrett Park Community Center                            | 100,000                  | 0                       | 100,000              | Soft (1, 2)                |
| Identity House                                           | 30,000                   | 100,000                 | 130,000              | Soft (1, 2)                |
| Ivymount School Annex Building                           | 125,000                  | 50,000                  | 175,000              | Soft (3)                   |
| JFGH Activity Center                                     | 150,000                  | 0                       | 150,000              | Soft (all)                 |
| Lake Whetstone Hillside Stabilization                    | 20,000                   | 0                       | 20,000               | Hard                       |
| Maydale Nature Center                                    | 20,000                   | 35,000                  | 55,000               | Grant                      |
| Miracle League Baseball Field                            | 125,000                  | 125,000                 | 250,000              | Hard                       |
| Montgomery Village Martin Roy Park Pavilion              | 30,000                   | 0                       | 30,000               | Hard                       |
| National Labor College Academic Services Building        | 150,000                  | 0                       | 150,000              | Soft (3)                   |
| RCI Group Home Renovations                               | 75,000                   | 25,000                  | 100,000              | Hard                       |
| Rockville Fitness Center and Exercise Room Expansion     | 20,000                   | 100,000                 | 120,000              | Soft (all)                 |
| Sandy Spring Museum                                      | 65,000                   | 35,000                  | 100,000              | Soft (2, 3)                |
| Threshold Services Group Home Renovations                | 0                        | 50,000                  | 50,000               | Soft (all)                 |
| Warner Manor                                             | 275,000                  | 0                       | 275,000              | Hard                       |
| <b>Subtotal:</b>                                         | <b>\$1,325,000</b>       | <b>\$660,000</b>        | <b>\$1,985,000</b>   |                            |
| <b>Prince George's</b>                                   |                          |                         |                      |                            |
| Allen Pond Park                                          | \$80,000                 | \$0                     | \$80,000             | Hard                       |
| Bladensburg Market Square II                             | 100,000                  | 0                       | 100,000              | Soft (all)                 |
| CASA Multi-Cultural Service Center                       | 0                        | 200,000                 | 200,000              | Soft (2)                   |
| Community Forklift Facility                              | 100,000                  | 100,000                 | 200,000              | Hard                       |
| Daughter for the Day                                     | 65,000                   | 0                       | 65,000               | Soft (2)                   |
| Evangel Assembly Family Life Center                      | 65,000                   | 0                       | 65,000               | Soft (2)                   |
| Forestville Military Academy Track                       | 180,000                  | 0                       | 180,000              | Soft (all)                 |
| Glenarden Senior Center                                  | 0                        | 50,000                  | 50,000               | Grant                      |
| Henson Valley Montessori School                          | 0                        | 100,000                 | 100,000              | Hard                       |
| John E. Feggans Center Renovation                        | 150,000                  | 55,000                  | 205,000              | Hard                       |
| La Vida Sana (Healthy Living Farm)                       | 50,000                   | 25,000                  | 75,000               | Soft (all)                 |
| Largo High School PTSA Track Renovation                  | 180,000                  | 0                       | 180,000              | Soft (all)                 |
| LARS Facility Renovation                                 | 0                        | 100,000                 | 100,000              | Hard                       |

| <u>Project Title</u>                                | <u>Senate Initiative</u> | <u>House Initiative</u> | <u>Total Funding</u> | <u>Match/ Requirements</u> |
|-----------------------------------------------------|--------------------------|-------------------------|----------------------|----------------------------|
| <b>Prince George's (Cont.)</b>                      |                          |                         |                      |                            |
| Laurel Police Department Facility – Community Space | 150,000                  | 0                       | 150,000              | Soft (3)                   |
| Marlboro Meadows Senior Center                      | 50,000                   | 0                       | 50,000               | Soft (1, 2)                |
| Marleigh Community Safety and Surveillance System   | 20,000                   | 0                       | 20,000               | Hard (U)                   |
| Prince George's Volunteer Fire Department           | 0                        | 250,000                 | 250,000              | Soft (all)                 |
| SEED Recreation Center                              | 0                        | 50,000                  | 50,000               | Hard                       |
| Sheriff Road Village Center                         | 0                        | 100,000                 | 100,000              | Soft (all)                 |
| South County Community Center                       | 125,000                  | 175,000                 | 300,000              | Soft (1, 3)                |
| St. Mary's School Gymnasium and Multi-Purpose Room  | 25,000                   | 0                       | 25,000               | Hard                       |
| Thomas Johnson Middle School Sign Board             | 25,000                   | 0                       | 25,000               | Soft (2)                   |
| Walker Mill Daycare and Training Center             | 0                        | 100,000                 | 100,000              | Soft (2)                   |
| Youth Fitness Facility                              | 20,000                   | 0                       | 20,000               | Hard                       |
| <b>Subtotal:</b>                                    | <b>\$1,385,000</b>       | <b>\$1,305,000</b>      | <b>\$2,690,000</b>   |                            |
| <b>Queen Anne's</b>                                 |                          |                         |                      |                            |
| Hospice of Queen Anne's                             | \$25,000                 | \$0                     | \$25,000             | Hard                       |
| Kennard High School Restoration                     | 75,000                   | 0                       | 75,000               | Soft (2)                   |
| Queen Anne's County YMCA                            | 50,000                   | 0                       | 50,000               | Soft (1)                   |
| <b>Subtotal:</b>                                    | <b>\$150,000</b>         | <b>\$0</b>              | <b>\$150,000</b>     |                            |
| <b>St. Mary's</b>                                   |                          |                         |                      |                            |
| St. Mary's County Fairgrounds                       | \$0                      | \$60,000                | \$60,000             | Soft (all)                 |
| United States Colored Troops Memorial Monument      | 0                        | 150,000                 | 150,000              | Soft (all)                 |
| <b>Subtotal:</b>                                    | <b>\$0</b>               | <b>\$210,000</b>        | <b>\$210,000</b>     |                            |
| <b>Talbot</b>                                       |                          |                         |                      |                            |
| Family Support Center                               | \$10,000                 | \$0                     | \$10,000             | Soft (1, 2)                |
| <b>Subtotal:</b>                                    | <b>\$10,000</b>          | <b>\$0</b>              | <b>\$10,000</b>      |                            |
| <b>Washington</b>                                   |                          |                         |                      |                            |
| Deafnet Building                                    | \$50,000                 | \$50,000                | \$100,000            | Soft (3)                   |
| Museum of Fine Arts                                 | 50,000                   | 50,000                  | 100,000              | Hard                       |
| Rural Heritage Transportation Museum                | 75,000                   | 0                       | 75,000               | Hard                       |
| <b>Subtotal:</b>                                    | <b>\$175,000</b>         | <b>\$100,000</b>        | <b>\$275,000</b>     |                            |

| <u>Project Title</u>                                  | <u>Senate Initiative</u> | <u>House Initiative</u> | <u>Total Funding</u> | <u>Match/ Requirements</u> |
|-------------------------------------------------------|--------------------------|-------------------------|----------------------|----------------------------|
| <b>Wicomico</b>                                       |                          |                         |                      |                            |
| Parsonsborg Volunteer Fire Company Community Center   | \$100,000                | \$150,000               | \$250,000            | Soft (all)                 |
| Salisbury Zoological Park Animal Health Clinic        | 10,000                   | 150,000                 | 160,000              | Soft (3)                   |
| <b>Subtotal:</b>                                      | <b>\$110,000</b>         | <b>\$300,000</b>        | <b>\$410,000</b>     |                            |
| <b>Worcester</b>                                      |                          |                         |                      |                            |
| Pocomoke City Volunteer Fire Company Community Center | \$100,000                | \$150,000               | \$250,000            | Soft (all)                 |
| <b>Subtotal:</b>                                      | <b>\$100,000</b>         | <b>\$150,000</b>        | <b>\$250,000</b>     |                            |
| <b>Total Senate and House Initiatives</b>             | <b>\$7,500,000</b>       | <b>\$7,500,000</b>      | <b>\$15,000,000</b>  |                            |

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

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

## **Operating Budget Relief and Fund Transfers**

As shown in **Exhibit 2.4**, the GO bond program was used to reduce operating budget appropriations and to replace funds transferred from various capital accounts to the general fund. The fiscal situation has limited the use of PAYGO funds to support the capital program and resulted in the shift of funding for certain grant and loan programs to the bond program. In addition, GO bond funds have been used to fund the State's commitment to the InterCounty Connector (ICC) in lieu of using general funds. Moreover, the use of fund transfers, including fund balance and estimated fiscal 2011 fund revenues, from various capital program special fund accounts is a major component of the fiscal 2011 budget plan, impacting both the operating and capital budgets. In total, the budget includes transfers amounting to \$443.8 million, comprised of \$330.1 million of fund balance and another \$113.7 million of fiscal 2011 revenues that would otherwise be appropriated as special funds in the fiscal 2011 budget. The budget plan replaces most of the fiscal 2011 transferred revenues with GO bonds in fiscal 2011; \$11.3 million of Stateside Program Open Space (POS) and Rural Legacy Program fiscal 2011 transfers are pre-authorized for the 2011 session. The planned replacement of fund balance transfers is to be spread out over three fiscal years with \$176.9 million replaced in fiscal 2011, \$127.9 million in fiscal 2012, and \$33.7 million in fiscal 2013. **Exhibit 2.5** illustrates the proposed fund transfers and multi-year general obligation bond replacement plan.

### Exhibit 2.4 Operating Budget Relief

#### \$ in Millions

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|
| <ul style="list-style-type: none"> <li>● <b>InterCounty Connector Funding:</b> Budgeted at \$126.9 million in the capital budget as introduced, the amount was reduced to \$89.3 million in the capital budget as passed to reflect a more fiscally prudent Transportation Trust Fund cash flow projection and the anticipated fiscal 2011 expenditures for the project. The required statutory changes are included in the Budget Reconciliation and Financing Act of 2010 (BRFA) that would require budgeting the remaining \$67.6 million in fiscal 2012 to complete the State’s \$264.9 million support of the project from either general funds or general obligation (GO) bonds.</li> </ul> | \$89.3         |
| <ul style="list-style-type: none"> <li>● <b>Fund Balance Replacement:</b> The budget and the BRFA of 2010 provide for the transfer of \$330.1 million of unexpended fund balance from multiple capital program accounts. A multi-year GO bond replacement plan includes \$176.9 million in the fiscal 2011 capital budget. Another \$116.6 million is programmed in the 2010 <i>Capital Improvement Program</i> for fiscal 2012 and \$33.8 million in fiscal 2013.</li> </ul>                                                                                                                                                                                                                     | 176.9          |
| <ul style="list-style-type: none"> <li>● <b>Special Fund Revenue Replacement:</b> The budget and the BRFA of 2010 provide for the transfer of \$113.7 million of estimated fiscal 2011 revenues from multiple capital program accounts. The 2010 MCCBL provides \$102.4 million to partially replace the transferred funds and pre-authorizes \$11.3 million to provide the remaining funds necessary to fully replace with transfers.</li> </ul>                                                                                                                                                                                                                                                 | 113.7          |
| <ul style="list-style-type: none"> <li>● <b>Use of GO Bond Funds to Fund Capital Programs Traditionally Funded with General Funds:</b> This includes \$14.2 million for the Public Safety Communication System; \$15.9 million for the Department of Housing and Community Development revolving loan program; \$5.5 million for the Department of the Environment water quality and drinking water loan programs; \$6.1 million to bond fund the Aging Schools Program; and \$2.0 million to replace cigarette restitution special funds for Tri-County Council of Southern Maryland programs.</li> </ul>                                                                                        | 43.7           |
| <b>Total</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | <b>\$423.6</b> |

Source: Fiscal 2011 Operating and Capital Budgets; Budget Reconciliation and Financing Act of 2010

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

| <u>Program</u>                         | <u>Transfers</u>                  |                              |                        | <u>Fund Replacement</u>                            |                                          |                                    |                                    | <u>Total Amount of Fund Transfers to Be Replaced in the CIP</u> |
|----------------------------------------|-----------------------------------|------------------------------|------------------------|----------------------------------------------------|------------------------------------------|------------------------------------|------------------------------------|-----------------------------------------------------------------|
|                                        | <u>Prior Special Fund Balance</u> | <u>FY 2011 Special Funds</u> | <u>Total Transfers</u> | <u>FY 2011 Special Funds – Replaced in FY 2011</u> | <u>Prior Funds – Replaced in FY 2011</u> | <u>Funds – Replaced in FY 2012</u> | <u>Funds – Replaced in FY 2013</u> |                                                                 |
| Waterway Improvement Program           | \$12.5                            | \$3.9                        | \$16.4                 | \$3.9                                              | \$6.3                                    | \$6.3                              | \$0.0                              | \$16.4                                                          |
| Program Open Space (POS) – Stateside   | 4.6                               | 13.1                         | 17.6                   | 8.1                                                | 3.0                                      | 6.6                                | 0.0                                | 17.6                                                            |
| POS – Local                            | 103.1                             | 12.4                         | 115.5                  | 12.4                                               | 41.8                                     | 29.0                               | 32.3                               | 115.5                                                           |
| Rural Legacy                           | 10.6                              | 12.6                         | 23.3                   | 6.3                                                | 10.6                                     | 6.3                                | 0.0                                | 23.3                                                            |
| Ocean City Beach Replenishment – POS   | 2.1                               | 1.0                          | 3.1                    | 1.0                                                | 2.1                                      | 0.0                                | 0.0                                | 3.1                                                             |
| Ocean City Beach Replenishment – Local | 3.4                               | 0.0                          | 3.4                    | 0.0                                                | 3.4                                      | 0.0                                | 0.0                                | 3.4                                                             |
| Natural Resources Development Fund     | 17.7                              | 0.0                          | 17.7                   | 0.0                                                | 10.1                                     | 3.8                                | 1.4                                | 15.3                                                            |
| Critical Maintenance Program           | 3.2                               | 3.2                          | 6.3                    | 3.2                                                | 3.2                                      | 0.0                                | 0.0                                | 6.3                                                             |
| Dam Rehabilitation Program             | 0.7                               | 0.0                          | 0.7                    | 0.0                                                | 0.2                                      | 0.5                                | 0.0                                | 0.7                                                             |
| House Assessment Program               | 0.9                               | 0.0                          | 0.9                    | 0.0                                                | 0.3                                      | 0.4                                | 0.1                                | 0.7                                                             |
| Hurricane Isabel Funds                 | 0.2                               | 0.0                          | 0.2                    | 0.0                                                | 0.0                                      | 0.0                                | 0.0                                | 0.0                                                             |
| Neighborhood Business Development      | 3.6                               | 3.2                          | 6.8                    | 3.2                                                | 3.6                                      | 0.0                                | 0.0                                | 6.8                                                             |
| Community Legacy Program               | 0.4                               | 0.0                          | 0.4                    | 0.0                                                | 0.4                                      | 0.0                                | 0.0                                | 0.4                                                             |
| Homeownership Programs                 | 0.0                               | 3.0                          | 3.0                    | 3.0                                                | 0.0                                      | 0.0                                | 0.0                                | 3.0                                                             |
| Special Loan Programs                  | 2.1                               | 2.5                          | 4.6                    | 2.5                                                | 2.1                                      | 0.0                                | 0.0                                | 4.6                                                             |
| Tobacco Transition Program             | 0.0                               | 2.0                          | 2.0                    | 2.0                                                | 0.0                                      | 0.0                                | 0.0                                | 2.0                                                             |
| Agricultural Land Preservation Program | 10.0                              | 11.8                         | 21.8                   | 11.8                                               | 10.0                                     | 0.0                                | 0.0                                | 21.8                                                            |
| Bay Restoration Fund                   | 155.0                             | 45.0                         | 200.0                  | 45.0                                               | 80.0                                     | 75.0                               | 0.0                                | 200.0                                                           |
| <b>Total</b>                           | <b>\$330.1</b>                    | <b>\$113.7</b>               | <b>\$443.7</b>         | <b>\$102.3</b>                                     | <b>\$176.9</b>                           | <b>\$127.9</b>                     | <b>\$33.7</b>                      | <b>\$440.9</b>                                                  |

CIP: *Capital Improvement Program*

## Debt Affordability

As shown in **Exhibit 2.6**, the long range plan adopted by the Capital Debt Affordability Committee (CDAC) in December 2009 provides for a total of over \$4.85 billion in debt authorizations from 2010 to 2014. While the committee increased its recommended GO bond authorization for the 2010 session by \$150 million, total proposed authorizations decline by \$400 million from fiscal 2011 to 2015. The reduction to out-year authorizations is intended to keep State debt within the limits set by CDAC. The Board of Revenue Estimates' December 2009 and subsequent March 2010 reductions in projected revenues have made the level of debt proposed by CDAC in the committee's 2008 report unaffordable, resulting in the out-year authorization reductions.

**Exhibit 2.6**  
**Capital Debt Affordability Committee Recommended Levels of**  
**General Obligation Bond Authorizations**  
**2010-2014 Legislative Sessions**  
**(\$ in Millions)**

| <u>Session</u> | <u>2008 Report<br/>Recommended<br/>Authorizations</u> | <u>2009 Report<br/>Recommended<br/>Authorizations</u> | <u>Authorization<br/>Change</u> |
|----------------|-------------------------------------------------------|-------------------------------------------------------|---------------------------------|
| 2010           | \$990                                                 | \$1,140                                               | \$150                           |
| 2011           | 1,020                                                 | 925                                                   | -95                             |
| 2012           | 1,050                                                 | 925                                                   | -125                            |
| 2013           | 1,080                                                 | 925                                                   | -155                            |
| 2014           | 1,110                                                 | 935                                                   | -175                            |
| <b>Total</b>   | <b>\$5,250</b>                                        | <b>\$4,850</b>                                        | <b>-\$400</b>                   |

Source: *Report of the Capital Debt Affordability Committee on Recommended Debt Authorizations*, October 2007 and November 2008

The 2010 MCCBL passed by the General Assembly is consistent with the \$1.14 billion level of new GO debt authorizations recommended by CDAC. An additional \$39.7 million in GO bonds from prior years is de-authorized in the capital budget of 2010, thereby increasing the amount of new GO debt included in the capital program to \$1.184 billion. Included in the \$1.18 billion of new debt is \$143.3 million authorized in the 2009 MCCBL to complete the funding for various projects that were split-funded over fiscal 2010 and 2011 as a mechanism to allow the projects to be bid and construction to commence during fiscal 2010.

The State's capital program for fiscal 2011 also includes other actions that affect debt affordability, debt issuance, and future capital budgets.

- The Maryland Department of the Environment plans to issue \$150.0 million in revenue bonds to fund the upgrade of wastewater treatment plants. Chapter 428 of 2004 established the Bay Restoration Fund and authorized the Administration to issue bonds to provide grants to upgrade the 67 largest wastewater treatment plants in the State. Security for the bonds is the revenues from a fee imposed on users of wastewater facilities, septic systems, and sewage holding tanks. The bonds are considered State tax supported debt and are, therefore, incorporated in the CDAC's annual debt affordability analysis.
  
- **Senate Bill 319 (Chapter 278 of 2010)** establishes an African American Heritage Preservation Program to identify and preserve buildings, communities, and sites of historical and cultural importance to the African American experience in Maryland. The program must be developed and administered by the Maryland Historical Trust in partnership with the Commission on African American History and Culture. Beginning in fiscal 2012, the Governor must include \$1.0 million in the annual capital budget submission for program grant projects.
  
- **Senate Bill 1018 (Chapter 372 of 2010)** amends prior authorization bond bills by extending matching fund deadlines, extending deadlines for expending or encumbering funds, altering the purposes for which funds may be used, modifying certification requirements, renaming grant recipients, or altering project locations which are consolidated into an omnibus bill. Prior to the 2008 session, individual prior authorization bills were passed by the General Assembly.
  
- The 2010 MCCBL includes \$260.4 million of general obligation bond authorizations that will not take effect until fiscal 2012 and another \$72.5 million that will not take effect until fiscal 2013. **Exhibit 2.7** shows the pre-authorizations for the 2011 and 2012 sessions and the amounts funded in the fiscal 2011 budget for the respective projects.

**Exhibit 2.7**  
**Pre-authorizations Included in the 2010 MCCBL for the**  
**2011 and 2012 Sessions**

| <u>Project Title</u>                                                                                            | <u>2010 Session<br/>Authorization<br/>Amounts</u> | <u>2011 Session<br/>Pre-authorization<br/>Amounts</u> | <u>2012 Session<br/>Pre-authorization<br/>Amounts</u> |
|-----------------------------------------------------------------------------------------------------------------|---------------------------------------------------|-------------------------------------------------------|-------------------------------------------------------|
| BPW: State Government Center –<br>Annapolis Legislative Facilities Lowe House<br>Office Building                | \$0                                               | \$4,250,000                                           | \$4,000,000                                           |
| MSDE: Western Maryland Regional Library                                                                         | 2,500,000                                         | 2,500,000                                             | 0                                                     |
| MHEC: Community College Facilities Grant<br>Program                                                             | 78,745,000                                        | 33,633,000                                            | 0                                                     |
| DNR: Natural Resources Development Fund –<br>Harriet Tubman Underground Railroad State<br>Park – Visitor Center | 0                                                 | 1,650,000                                             | 0                                                     |
| DPSCS: New Youth Detention Facility (BCDC)                                                                      | 17,520,000                                        | 38,000,000                                            | 25,600,000                                            |
| UMCP: Physical Sciences Complex                                                                                 | 41,100,000                                        | 44,100,000                                            | 10,600,000                                            |
| UB: New Law School Building                                                                                     | 37,300,000                                        | 38,500,000                                            | 0                                                     |
| UMBC: New Performing Arts and Humanities<br>Facility                                                            | 37,400,000                                        | 37,400,000                                            | 0                                                     |
| DNR: Local Program Open Space                                                                                   | 54,141,000                                        | 40,366,000                                            | 32,283,000                                            |
| DSP: State Police Helicopters                                                                                   | 0                                                 | 20,000,000                                            | 0                                                     |
| <b>Totals</b>                                                                                                   | <b>\$268,706,000</b>                              | <b>\$260,399,000</b>                                  | <b>\$72,483,000</b>                                   |

BCDC: Baltimore City Detention Center  
 BPW: Board of Public Works  
 DNR: Department of Natural Resources  
 DPSCS: Department of Public Safety and Correctional Services  
 DSP: Department of State Police  
 MCCBL: Maryland Consolidated Capital Bond Loan

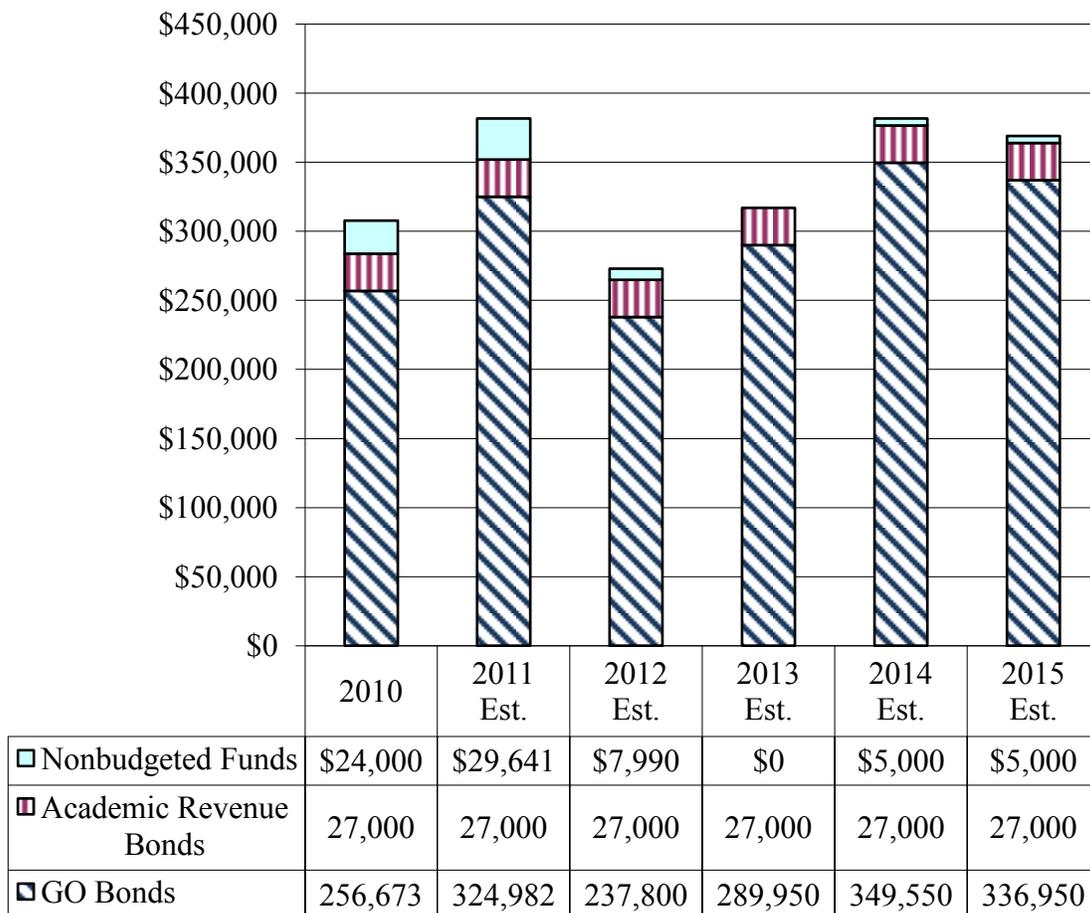
MHEC: Maryland Higher Education Commission  
 MSDE: Maryland State Department of Education  
 UB: University of Baltimore  
 UMBC: University of Maryland Baltimore County  
 UMCP: University of Maryland, College Park

Note: The proposed pre-authorization for the Maryland Higher Education Commission Community College Grant Program would allow for the split funding of community college projects started last session by the legislature. This year's list includes \$9,466,000 for Howard Community College – Allied Health Building; \$6,064,000 for Hagerstown Community College – Arts and Sciences Complex; \$868,000 for Prince George's Community College – Center for Health Studies; \$2,586,000 for Prince George's Community College – Circulation/Roadway Modifications; \$3,500,000 for Anne Arundel Community College – Library Renovation and Addition; \$3,245,000 for College of Southern Maryland – Phase II Campus Development; and \$7,904,000 for Harford Community College – Susquehanna Center.

## Higher Education

The fiscal 2011 capital program for all segments of higher education is \$352 million, including GO bonds and academic revenue bonds. Of the total funding, four-year public institutions receive \$266.2 million, and independent colleges receive \$8.0 million. Community colleges, including Baltimore City Community College, receive \$78.7 million in fiscal 2011. The *Capital Improvement Program* (CIP), after legislative changes to the fiscal 2011 capital budget, shows \$1.674 billion in State capital spending for higher education projects from fiscal 2011 through 2015. **Exhibit 2.8** shows the fiscal 2010 and 2011 legislative appropriation for higher education capital projects and the funds anticipated in the CIP for fiscal 2012 through 2015. **Exhibit 2.9** shows the fiscal 2011 capital funding by institution.

**Exhibit 2.8**  
**Higher Education Authorized and Planned Out-year Capital Funding**  
**Fiscal 2010-2015**  
**(\$ in Thousands)**



**Exhibit 2.9**  
**Higher Education Capital Funding by Institution**  
**Fiscal 2011**  
**(\$ in Thousands)**

| <b><u>Institution</u></b>                        | <b><u>Capital Funding</u></b> |
|--------------------------------------------------|-------------------------------|
| University of Maryland, Baltimore                | \$2,606                       |
| University of Maryland, College Park             | 46,531                        |
| Towson University                                | 38,650                        |
| Coppin State University                          | 6,497                         |
| University of Baltimore                          | 37,300                        |
| Bowie State University                           | 33,253                        |
| Salisbury University                             | 9,869                         |
| University System of Maryland – Facility Renewal | 17,000                        |
| University of Maryland Eastern Shore             | 3,000                         |
| Frostburg State University                       | 2,681                         |
| University of Maryland Baltimore County          | 37,400                        |
| Morgan State University                          | 30,450                        |
| Independent Colleges                             | 8,000                         |
| Community Colleges                               | 78,745                        |
| <b>Total</b>                                     | <b>\$351,982<sup>1</sup></b>  |

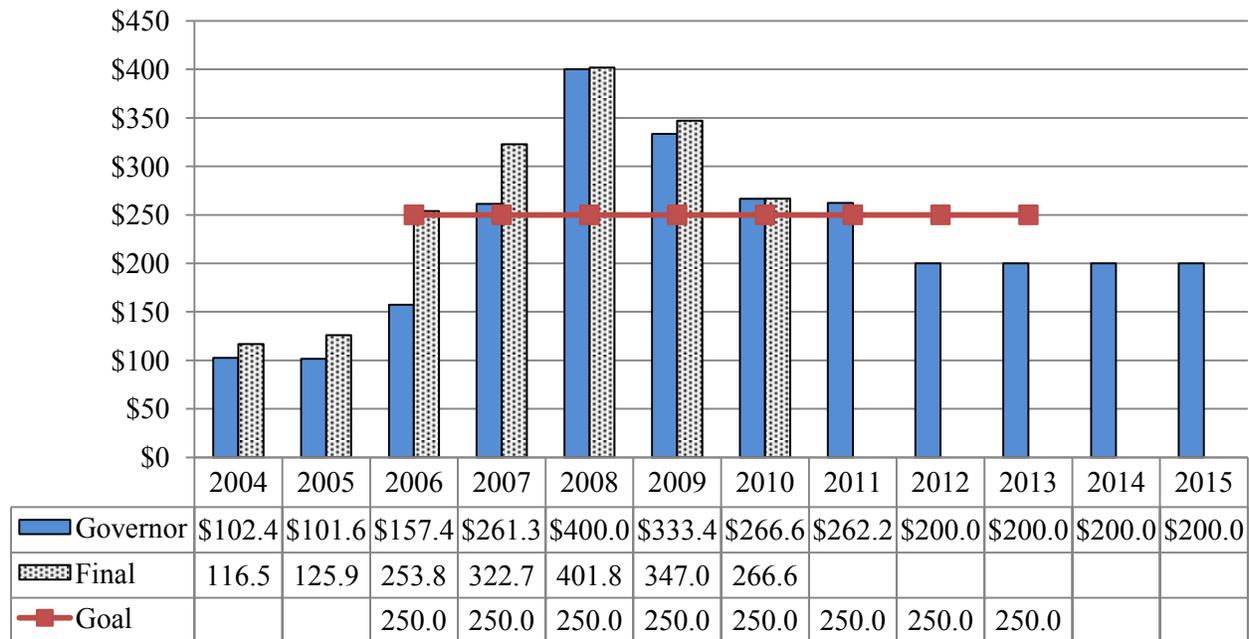
<sup>1</sup> This does not include \$10.0 million authorized for the University of Maryland Medical System. This also does not include \$29.6 million of nonbudgeted funds representing private donor contributions.

## **School Construction**

### **Capital Funding**

The fiscal 2011 capital budget includes \$250.0 million in general obligation bonds for public school construction. An additional \$12.2 million in unexpended funds from prior years is available from the Statewide Contingency Fund, of which \$4.9 million is reserved for specific local school systems. The local school systems requested approximately \$722.1 million for fiscal 2011, of which \$529.0 million is eligible for State funding. The Public School Facilities Act of 2004 (Chapters 306 and 307) established a State goal to provide \$2.0 billion in State funding over eight years to address school construction needs, or \$250.0 million per year from fiscal 2006 to 2013. Fiscal 2011 will be the sixth consecutive year that the goal has been met or exceeded, with the State providing a total of \$1.85 billion for school construction since fiscal 2006, as illustrated in **Exhibit 2.10**.

**Exhibit 2.10**  
**Public School Construction Funding**  
**(\$ in Millions)**



### Aging Schools Program

The Aging Schools Program is funded through the capital budget rather than the operating budget in fiscal 2011. The capital budget as passed by the General Assembly includes \$5.1 million in general obligation bonds and \$1.0 million in Qualified Zone Academy Bonds to meet the statutory requirement of \$6.1 million for the program. Since 2001, the State has issued \$47.6 million in QZABs allocated by the federal government to Maryland; all but \$21.3 million has been expended. QZABs are an alternative bond program that the federal government authorizes with bond holders receiving federal tax credits in lieu of interest.

### Transfer Tax

The property transfer tax is the primary funding source for State land conservation programs. In light of the fiscal condition of the State, a number of actions reduce the fiscal 2011 budget appropriations from the transfer tax and direct transfer tax revenue to the general fund. The transfer actions taken affect prior year transfer tax appropriations available as unexpended fund balance and fiscal 2011 revenues. In each instance, the amount of diverted transfer tax to the general fund is replaced with GO bond funds authorized in the 2010 MCCBL or through pre-authorization provisions included in the 2010 MCCBL for fiscal 2012 and 2013. **Exhibit 2.11** shows how transfer tax revenue will be replaced with general obligation bonds in fiscal 2011, and **Exhibit 2.12** shows how the fiscal 2011 transfer tax and GO bond replacement is distributed across all operating and capital programs.

**Exhibit 2.11**  
**Programs Traditionally Funded with Transfer Tax Revenue**  
**Fiscal 2011**  
**(\$ in Millions)**

|                                             | <u>Transfer Tax<br/>Special Funds</u> | <u>Other<br/>Special Funds</u> | <u>Federal</u> | <u>GO<br/>Bonds</u> | <u>Total</u>   |
|---------------------------------------------|---------------------------------------|--------------------------------|----------------|---------------------|----------------|
| <b>Department of Natural Resources</b>      |                                       |                                |                |                     |                |
| Program Open Space                          |                                       |                                |                |                     |                |
| State <sup>1</sup>                          | \$2.7                                 | \$0.0                          | \$11.1         | \$9.4               | \$23.2         |
| Local <sup>2</sup>                          | 0.0                                   | 0.0                            | 0.0            | 54.1                | 54.1           |
| Capital Development <sup>3</sup>            | 0.0                                   | 0.0                            | 3.2            | 19.9                | 23.1           |
| Rural Legacy Program <sup>4</sup>           | 0.0                                   | 0.0                            | 0.0            | 17.0                | 17.0           |
| Heritage Conservation Fund                  | 0.0                                   | 0.0                            | 0.0            | 1.7                 | 1.7            |
| <b>Department of Agriculture</b>            |                                       |                                |                |                     |                |
| Agricultural Land Preservation <sup>5</sup> | 0.0                                   | 12.1                           | 2.0            | 17.8                | 31.9           |
| <b>Total</b>                                | <b>\$2.7</b>                          | <b>\$12.1</b>                  | <b>\$16.3</b>  | <b>\$119.9</b>      | <b>\$151.0</b> |

<sup>1</sup> The Program Open Space – State funding reflects \$2.7 million in special funds for the Baltimore City Direct Grant (\$1.5 million) and operating expenses per the Budget Reconciliation and Financing Act of 2009 (\$1.2 million). The \$9.4 million in general obligation bond authorization reflects \$5.0 million for State land acquisition, \$3.0 million in prior year State funds replacement, and \$1.4 million in additional funding for the Baltimore City Direct Grant. In addition, \$5.0 million in general obligation debt is pre-authorized for the 2011 session in order to complete the replacement of fiscal 2011 transfer tax funding directed to the general fund.

<sup>2</sup> The Program Open Space – Local funding reflects \$41.8 million in general obligation bond authorization to replace prior year funds transferred to the general fund and \$12.4 million in general obligation bond authorization to replace fiscal 2011 transfer tax funds transferred to the general fund. In addition, there are general obligation bond pre-authorizations of \$29.0 million for fiscal 2012 and \$32.3 million for fiscal 2013 to replace fully the \$103.1 million in prior year funds transferred to the general fund.

<sup>3</sup> The Capital Development funding reflects \$3.2 million in federal funds for the Harriet Tubman Underground Railroad State Park – Visitor Center. The general obligation bond authorization of \$19.9 million reflects the following:

- \$15.8 million to replace available fund balance transferred to the general fund in the BRFA of 2010 – Natural Resources Development Fund (\$10.1 million), Critical Maintenance Program (\$3.2 million), Ocean City Beach Replenishment (\$2.1 million), House Assessment Program (\$0.2 million), Dam Rehabilitation Program (\$0.2 million); and
- \$4.2 million to replace new fiscal 2011 funding transferred to the general fund – Critical Maintenance Program (\$3.2 million) and Ocean City Beach Replenishment (\$1.0 million).

<sup>4</sup> The Rural Legacy Program funding reflects \$10.6 million in general obligation bond authorization to replace prior year fund balance transferred to the general fund and \$6.3 million to replace a portion of the fiscal 2011 transfer tax allocation transferred to the general fund. There is an additional \$6.3 million in general obligation debt pre-authorized for the 2011 session.

<sup>5</sup> The Agricultural Land Preservation funding reflects \$10.0 million in general obligation bond authorization to replace prior year funds directed to the general fund and \$7.8 million in general obligation bond authorization to replace a portion of the fiscal 2011 transfer tax funding directed to the general fund. The overall funding does not reflect an additional \$4.0 million available due to the infeasibility of Maryland Agricultural and Resource-Based Industry Development Corporation's Installment Purchase Agreements Program.



## **Chapter Three – Impact of Legislation on State Revenues and Expenditures**

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



## Legislation Affecting State Revenues

|                      | <u>Fund</u>                                                                                                                                                                                         | <u>FY 2011</u> | <u>FY 2012</u> | <u>FY 2013</u> | <u>FY 2014</u> | <u>FY 2015</u> | <u>Comments</u>                                          |
|----------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|----------------|----------------|----------------|----------------|----------------------------------------------------------|
| <b>SB 17/HB 1145</b> | <b>Criminal Law – Salvia Divinorum and Salvinorin A – Distribution to and Possession by Individual Under 21 Years of Age (Ch. 200/Ch. 201)</b>                                                      |                |                |                |                |                |                                                          |
|                      | GF                                                                                                                                                                                                  | increase       | increase       | increase       | increase       | increase       | Potential minimal fine revenues.                         |
| <b>SB 51</b>         | <b>Vehicle Laws – Bicycles, EPAMDs, and Motor Scooters – Rules of the Road (Ch. 517)</b>                                                                                                            |                |                |                |                |                |                                                          |
|                      | GF                                                                                                                                                                                                  | increase       | increase       | increase       | increase       | increase       | Potential minimal fine revenues.                         |
| <b>SB 57</b>         | <b>Health Insurance – Conformity with Federal Law – Mental Health Benefits, Medical and Surgical Benefits for Mastectomies, and the Federal Patient Protection and Affordable Care Act (Ch. 17)</b> |                |                |                |                |                |                                                          |
|                      | SF                                                                                                                                                                                                  | \$0            | \$0            | \$0            | \$0            | \$0            | Minimal fee revenue increase in FY 2010.                 |
| <b>SB 62</b>         | <b>Maryland Horse Industry Fund – Fees (Ch. 19)</b>                                                                                                                                                 |                |                |                |                |                |                                                          |
|                      | GF                                                                                                                                                                                                  | (\$43,725)     | (\$43,725)     | (\$43,725)     | (\$43,725)     | (\$43,725)     | GF expenditures decrease by greater amount.              |
|                      | SF                                                                                                                                                                                                  | \$72,875       | \$72,875       | \$72,875       | \$72,875       | \$72,875       | SF expenditures increase by the same amount.             |
| <b>SB 64</b>         | <b>Maryland Research and Development Tax Credit – Sunset Extension (Ch. 20)</b>                                                                                                                     |                |                |                |                |                |                                                          |
|                      | GF                                                                                                                                                                                                  | \$0            | \$0            | (\$1,863,200)  | (\$3,123,600)  | (\$4,767,600)  |                                                          |
|                      | SF                                                                                                                                                                                                  | \$0            | \$0            | (\$476,400)    | (\$798,700)    | (\$1,219,100)  |                                                          |
| <b>SB 81</b>         | <b>State Board of Veterinary Medical Examiners – License Suspensions and Revocations – Maximum Penalties (Ch. 30)</b>                                                                               |                |                |                |                |                |                                                          |
|                      | GF                                                                                                                                                                                                  | increase       | increase       | increase       | increase       | increase       | Minimal fine revenues.                                   |
| <b>SB 85</b>         | <b>Vehicle Laws – Electronic Transmission of Title Information by Dealers (Ch. 32)</b>                                                                                                              |                |                |                |                |                |                                                          |
|                      | SF                                                                                                                                                                                                  | (\$48,750)     | (\$65,000)     | (\$65,000)     | (\$65,000)     | (\$65,000)     |                                                          |
| <b>SB 91</b>         | <b>Maryland Higher Education Commission – Exempt Institutions (Ch. 221)</b>                                                                                                                         |                |                |                |                |                |                                                          |
|                      | GF                                                                                                                                                                                                  | increase       | increase       | increase       | increase       | increase       | Minimal fine revenues.                                   |
| <b>SB 93</b>         | <b>Agriculture – Pest Control – Fees and Registration (Ch. 222)</b>                                                                                                                                 |                |                |                |                |                |                                                          |
|                      | SF                                                                                                                                                                                                  | \$112,701      | \$137,380      | \$131,485      | \$128,538      | \$128,538      |                                                          |
| <b>SB 95</b>         | <b>Maryland Agricultural Land Preservation Foundation – Farmland Preservation Partnership Program (Ch. 36)</b>                                                                                      |                |                |                |                |                |                                                          |
|                      | SF/FF                                                                                                                                                                                               | increase       | increase       | increase       | increase       | increase       | Potential significant partnership contribution revenues. |

## Legislation Affecting State Revenues

|                      | <u>Fund</u>                                                                                                          | <u>FY 2011</u>  | <u>FY 2012</u>  | <u>FY 2013</u>  | <u>FY 2014</u>  | <u>FY 2015</u>  | <u>Comments</u>                            |
|----------------------|----------------------------------------------------------------------------------------------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|--------------------------------------------|
| <b>SB 99/HB 1174</b> | <b>Junk Dealers and Scrap Metal Processors – Required Records (Ch. 199/Ch. 198)</b>                                  |                 |                 |                 |                 |                 |                                            |
|                      | GF                                                                                                                   | increase        | increase        | increase        | increase        | increase        | Potential minimal fine revenues.           |
| <b>SB 106</b>        | <b>Labor and Employment – Job Creation and Recovery Tax Credit (Ch. 1)</b>                                           |                 |                 |                 |                 |                 |                                            |
|                      | GF                                                                                                                   | (\$18,981,800)  | \$0             | \$0             | \$0             | \$0             | Assumed in FY 2011 budget.                 |
|                      | SF                                                                                                                   | (\$1,018,200)   | \$0             | \$0             | \$0             | \$0             | Assumed in FY 2011 budget.                 |
| <b>SB 107</b>        | <b>Unemployment Insurance – Tax Deferment, Trust Fund Solvency, and Cost-Neutral Modernization Act (Ch. 2)</b>       |                 |                 |                 |                 |                 |                                            |
|                      | SF                                                                                                                   | (\$1,500,000)   | (\$750,000)     | \$0             | \$0             | \$0             |                                            |
| <b>SB 129/HB 65</b>  | <b>International Marriage Brokers – Regulation (Ch. 519/Ch. 520)</b>                                                 |                 |                 |                 |                 |                 |                                            |
|                      | GF                                                                                                                   | increase        | increase        | increase        | increase        | increase        | Potential minimal fine revenues.           |
| <b>SB 139</b>        | <b>Property Tax – Exemption for Disabled Public Health Service and NOAA Officers and Surviving Spouses (Ch. 235)</b> |                 |                 |                 |                 |                 |                                            |
|                      | SF                                                                                                                   | (\$4,875)       | (\$4,875)       | (\$4,875)       | (\$4,875)       | (\$4,875)       |                                            |
| <b>SB 141</b>        | <b>Budget Reconciliation and Financing Act of 2010 (Ch. 484)</b>                                                     |                 |                 |                 |                 |                 |                                            |
|                      | FF                                                                                                                   | \$27,000,000    | \$28,215,000    | \$29,484,675    | \$30,811,485    | \$32,198,002    | Offset by federal Medicaid costs.          |
|                      | GF                                                                                                                   | \$430,362,013   | \$337,773,507   | \$338,850,080   | \$349,640,130   | \$360,545,442   | \$430,925,987 assumed in FY 2011 budget.   |
|                      | SF                                                                                                                   | (\$252,970,618) | (\$292,374,400) | (\$291,399,300) | (\$300,045,090) | (\$308,709,381) | (\$296,970,618) assumed in FY 2011 budget. |
| <b>SB 165/HB 600</b> | <b>Health Occupations – Therapy Management Contracts – Repeal of Sunset (Ch. 44/Ch. 45)</b>                          |                 |                 |                 |                 |                 |                                            |
|                      | SF                                                                                                                   | increase        | increase        | increase        | increase        | increase        | Potential minimal fee revenues.            |
| <b>SB 171/HB 359</b> | <b>Procurement – Veteran-Owned Small Business Enterprise Participation (Ch. 507/Ch. 508)</b>                         |                 |                 |                 |                 |                 |                                            |
|                      | GF                                                                                                                   | \$0             | \$0             | increase        | increase        | increase        | Minimal fine revenues.                     |
| <b>SB 189</b>        | <b>Victims’ Rights – Fatal Vehicular Accident – Suspension of License (Ch. 522)</b>                                  |                 |                 |                 |                 |                 |                                            |
|                      | GF                                                                                                                   | increase        | increase        | increase        | increase        | increase        | Minimal filing fee revenues.               |
|                      | SF                                                                                                                   | increase        | increase        | increase        | increase        | increase        | Minimal driver license fee revenues.       |
| <b>SB 198</b>        | <b>Farmer’s Markets – Agricultural Product Sales – Producer Mobile Farmer’s Market License (Ch. 246)</b>             |                 |                 |                 |                 |                 |                                            |
|                      | GF                                                                                                                   | increase        | increase        | increase        | increase        | increase        | Minimal license fee revenues.              |

### Legislation Affecting State Revenues

|                      | <u>Fund</u>                                                                                     | <u>FY 2011</u> | <u>FY 2012</u> | <u>FY 2013</u> | <u>FY 2014</u> | <u>FY 2015</u> | <u>Comments</u>                                    |
|----------------------|-------------------------------------------------------------------------------------------------|----------------|----------------|----------------|----------------|----------------|----------------------------------------------------|
| <b>SB 202</b>        | <b>Creation of a State Debt – Aging School Program – Qualified Zone Academy Bonds (Ch. 523)</b> |                |                |                |                |                |                                                    |
|                      | BOND                                                                                            | \$4,543,000    | \$0            | \$0            | \$0            | \$0            | Bond expenditures increase by same amount.         |
| <b>SB 213/HB 33</b>  | <b>Child Care Articles Containing Bisphenol-A – Prohibition (Ch. 46/Ch. 47)</b>                 |                |                |                |                |                |                                                    |
|                      | GF                                                                                              | \$0            | increase       | increase       | increase       | increase       | Potential minimal fine revenues.                   |
| <b>SB 221</b>        | <b>Tax Credits for Qualifying Employees with Disabilities – Sunset Extension (Ch. 252)</b>      |                |                |                |                |                |                                                    |
|                      | GF                                                                                              | (\$55,100)     | (\$76,300)     | (\$22,900)     | \$0            | \$0            |                                                    |
|                      | SF                                                                                              | (\$12,700)     | (\$17,600)     | (\$5,300)      | \$0            | \$0            |                                                    |
| <b>SB 237/HB 203</b> | <b>Sales and Use Tax – Exemptions – Veterans’ Organizations (Ch. 509/Ch. 510)</b>               |                |                |                |                |                |                                                    |
|                      | GF/SF                                                                                           | decrease       | decrease       | decrease       | decrease       | decrease       | Sales tax revenues.                                |
| <b>SB 248</b>        | <b>Civil Cases – Maryland Legal Services Corporation Fund (Ch. 486)</b>                         |                |                |                |                |                |                                                    |
|                      | SF                                                                                              | \$6,728,653    | \$6,728,653    | \$6,728,653    | \$0            | \$0            |                                                    |
| <b>SB 252/HB 500</b> | <b>Child Support Guidelines – Revision (Ch. 262/Ch. 263)</b>                                    |                |                |                |                |                |                                                    |
|                      | SF                                                                                              | increase       | increase       | increase       | increase       | increase       | Potential minimal child support collections.       |
| <b>SB 261/HB 283</b> | <b>Criminal Law – Human Trafficking – Prohibitions (Ch. 529/Ch. 530)</b>                        |                |                |                |                |                |                                                    |
|                      | GF                                                                                              | increase       | increase       | increase       | increase       | increase       | Potential minimal fine revenues.                   |
| <b>SB 275</b>        | <b>Education – Maryland Longitudinal Data System (Ch. 190)</b>                                  |                |                |                |                |                |                                                    |
|                      | FF                                                                                              | \$1,105,278    | \$4,545,205    | \$959,700      | \$0            | \$0            | Assumes receipt of FF grant.                       |
| <b>SB 277</b>        | <b>Renewable Energy Portfolio Standard – Solar Energy (Ch. 494)</b>                             |                |                |                |                |                |                                                    |
|                      | SF                                                                                              | \$0            | \$1,944,240    | \$6,247,200    | \$16,601,500   | \$25,117,875   |                                                    |
| <b>SB 279</b>        | <b>Maryland False Health Claims Act of 2010 (Ch. 4)</b>                                         |                |                |                |                |                |                                                    |
|                      | GF                                                                                              | increase       | increase       | increase       | increase       | increase       | Potential significant civil penalties and damages. |
|                      | SF                                                                                              | decrease       | decrease       | decrease       | decrease       | decrease       | Potential significant SF Medicaid recoveries.      |

## Legislation Affecting State Revenues

|                      | <u>Fund</u>                                                                                            | <u>FY 2011</u> | <u>FY 2012</u> | <u>FY 2013</u> | <u>FY 2014</u> | <u>FY 2015</u> | <u>Comments</u>                                                                                                                                                                                                         |
|----------------------|--------------------------------------------------------------------------------------------------------|----------------|----------------|----------------|----------------|----------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>SB 283/HB 470</b> | <b>Higher Education Investment Fund – Tuition Stabilization and Funding (Ch. 192/Ch. 193)</b>          |                |                |                |                |                |                                                                                                                                                                                                                         |
|                      | GF                                                                                                     | (\$42,130,020) | (\$43,393,918) | (\$47,733,362) | (\$50,597,368) | (\$53,633,156) | Partially offset by GF expenditure decrease. SF revenues increase by same amount. Included in FY 2011 budget. SF expenditures increase by same amount. GF revenues decrease by same amount. Included in FY 2011 budget. |
|                      | SF                                                                                                     | \$42,130,020   | \$43,393,918   | \$47,733,362   | \$50,597,368   | \$53,633,156   |                                                                                                                                                                                                                         |
| <b>SB 288/HB 320</b> | <b>Maryland Dormant Mineral Interests Act (Ch. 268/Ch. 269)</b>                                        |                |                |                |                |                |                                                                                                                                                                                                                         |
|                      | GF/SF                                                                                                  | \$0            | increase       | increase       | increase       | increase       | Potential significant tax revenues.                                                                                                                                                                                     |
| <b>SB 308/HB 323</b> | <b>Health Occupations – Licensure of Physician Assistants (Ch. 273/Ch. 274)</b>                        |                |                |                |                |                |                                                                                                                                                                                                                         |
|                      | GF/SF                                                                                                  | increase       | increase       | increase       | increase       | increase       | Minimal fine revenues.                                                                                                                                                                                                  |
| <b>SB 314</b>        | <b>Health Insurance – Assignment of Benefits and Reimbursement of Nonpreferred Providers (Ch. 537)</b> |                |                |                |                |                |                                                                                                                                                                                                                         |
|                      | SF                                                                                                     | \$0            | increase       | \$0            | \$0            | \$0            |                                                                                                                                                                                                                         |
| <b>SB 318/HB 830</b> | <b>Income Tax Checkoff for Developmental Disabilities (Ch. 499/Ch. 500)</b>                            |                |                |                |                |                |                                                                                                                                                                                                                         |
|                      | SF                                                                                                     | increase       | increase       | increase       | increase       | increase       | Minimal net checkoff revenues.                                                                                                                                                                                          |
| <b>SB 321</b>        | <b>The Delegate John Arnick Electronic Communications Traffic Safety Act of 2010 (Ch. 538)</b>         |                |                |                |                |                |                                                                                                                                                                                                                         |
|                      | GF                                                                                                     | increase       | increase       | increase       | increase       | increase       | Minimal fine revenues.                                                                                                                                                                                                  |
| <b>SB 322</b>        | <b>Motor Vehicles – Use of Video and Electronic Display Equipment (Ch. 539)</b>                        |                |                |                |                |                |                                                                                                                                                                                                                         |
|                      | GF                                                                                                     | increase       | increase       | increase       | increase       | increase       | Potential minimal fine revenues.                                                                                                                                                                                        |
| <b>SB 324/HB 499</b> | <b>Motor Vehicles – Approaching Emergency Vehicles and Personnel (Ch. 540/Ch. 541)</b>                 |                |                |                |                |                |                                                                                                                                                                                                                         |
|                      | GF                                                                                                     | increase       | increase       | increase       | increase       | increase       | Minimal fine revenues.                                                                                                                                                                                                  |
| <b>SB 328/HB 933</b> | <b>Hospitals – Financial Assistance and Debt Collection (Ch. 60/Ch. 61)</b>                            |                |                |                |                |                |                                                                                                                                                                                                                         |
|                      | SF                                                                                                     | increase       | increase       | increase       | increase       | increase       | Minimal fine revenues.                                                                                                                                                                                                  |
| <b>SB 339/HB 328</b> | <b>Estates and Trusts – Guardianship – Payment of Expenses After Death of Ward (Ch. 544/Ch. 545)</b>   |                |                |                |                |                |                                                                                                                                                                                                                         |
|                      | GF                                                                                                     | decrease       | decrease       | decrease       | decrease       | decrease       | Potential minimal probate fee revenues.                                                                                                                                                                                 |

### Legislation Affecting State Revenues

|                | <u>Fund</u>                                                                                                                             | <u>FY 2011</u> | <u>FY 2012</u> | <u>FY 2013</u> | <u>FY 2014</u> | <u>FY 2015</u> | <u>Comments</u>                             |
|----------------|-----------------------------------------------------------------------------------------------------------------------------------------|----------------|----------------|----------------|----------------|----------------|---------------------------------------------|
| SB 344         | <b>Motor Vehicles – Limited Speed Vehicles – Requirements and Prohibitions (Ch. 546)</b>                                                |                |                |                |                |                |                                             |
|                | GF/SF                                                                                                                                   | increase       | increase       | increase       | increase       | increase       | Potential minimal fine revenues.            |
| SB 382         | <b>Marine Contractors – Licensure and Regulation – Tidal Wetlands Licenses (Ch. 286)</b>                                                |                |                |                |                |                |                                             |
|                | GF/SF                                                                                                                                   | decrease       | decrease       | decrease       | decrease       | decrease       | Potential significant licensing revenues.   |
|                | SF                                                                                                                                      | \$60,000       | \$204,000      | \$136,000      | \$68,000       | \$75,000       |                                             |
| SB 396         | <b>Maryland Estate Tax – Pilot Program for Payment Deferral for Qualified Agricultural Property (Ch. 554)</b>                           |                |                |                |                |                |                                             |
|                | GF                                                                                                                                      | decrease       | decrease       | decrease       | decrease       | \$0            | Potential estate tax revenues.              |
| SB 431/HB 494  | <b>Food and Cosmetics – Auction Sales – Prohibition – Exception (Ch. 556/Ch. 557)</b>                                                   |                |                |                |                |                |                                             |
|                | GF                                                                                                                                      | increase       | increase       | increase       | increase       | increase       | Potential minimal fine revenues.            |
| SB 451/HB 1100 | <b>Prevailing Wage Rates – Public Works Contracts – Suits by Employees (Ch. 562/Ch. 563)</b>                                            |                |                |                |                |                |                                             |
|                | GF                                                                                                                                      | increase       | increase       | increase       | increase       | increase       | Minimal fine revenues.                      |
| SB 466         | <b>Vehicle Laws – Off-Highway Recreational Vehicles – Titling (Ch. 304)</b>                                                             |                |                |                |                |                |                                             |
|                | SF                                                                                                                                      | \$1,182,456    | \$1,296,807    | \$1,363,712    | \$1,396,595    | \$1,682,814    |                                             |
| SB 477/HB 611  | <b>State Highways – Mobile Produce Vendors – Required State Lease (Ch. 565/Ch. 566)</b>                                                 |                |                |                |                |                |                                             |
|                | SF                                                                                                                                      | increase       | increase       | increase       | increase       | increase       | Potential minimal application fee revenues. |
| SB 501/HB 412  | <b>Real Estate Investment Trusts – Miscellaneous Provisions (Ch. 79/Ch. 80)</b>                                                         |                |                |                |                |                |                                             |
|                | SF                                                                                                                                      | increase       | increase       | increase       | increase       | increase       | Minimal form filing fee revenues.           |
| SB 520/HB 199  | <b>Homestead Property Tax Credit – Eligibility of Employees of the Federal Government Stationed Outside the State (Ch. 571/Ch. 572)</b> |                |                |                |                |                |                                             |
|                | SF                                                                                                                                      | (\$9,151)      | (\$9,151)      | (\$9,151)      | (\$9,151)      | (\$9,151)      |                                             |
| SB 523         | <b>Credit Card Blacklisting Prevention Act (Ch. 309)</b>                                                                                |                |                |                |                |                |                                             |
|                | GF                                                                                                                                      | increase       | increase       | increase       | increase       | increase       | Potential minimal fine revenues.            |
| SB 542/HB 1322 | <b>Business Regulation – Lodging Establishments – National Human Trafficking Resource Center Hotline Information (Ch. 576/Ch. 577)</b>  |                |                |                |                |                |                                             |
|                | GF                                                                                                                                      | increase       | increase       | increase       | increase       | increase       | Potential minimal fine revenues.            |

## Legislation Affecting State Revenues

|                       | <u>Fund</u>                                                                                                                                                    | <u>FY 2011</u> | <u>FY 2012</u> | <u>FY 2013</u> | <u>FY 2014</u> | <u>FY 2015</u> | <u>Comments</u>                                                                 |
|-----------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|----------------|----------------|----------------|----------------|---------------------------------------------------------------------------------|
| <b>SB 547/HB 305</b>  | <b>Insurance – Domestic Reinsurers (Ch. 83/Ch. 84)</b>                                                                                                         |                |                |                |                |                |                                                                                 |
|                       | SF                                                                                                                                                             | \$31,400       | \$31,400       | \$31,400       | \$31,400       | \$31,400       |                                                                                 |
| <b>SB 560/HB 829</b>  | <b>Vehicle Laws – Traffic Citations – Option to Request Trial (Ch. 195/Ch. 196)</b>                                                                            |                |                |                |                |                |                                                                                 |
|                       | GF                                                                                                                                                             | increase       | increase       | increase       | increase       | increase       | Potential minimal filing fee revenues.                                          |
| <b>SB 576</b>         | <b>Residential Child and Youth Care Practitioners – Certification Requirement – Extension (Ch. 583)</b>                                                        |                |                |                |                |                |                                                                                 |
|                       | GF                                                                                                                                                             | decrease       | decrease       | decrease       | decrease       | indeterminate  | Certification fees.                                                             |
| <b>SB 593/HB 699</b>  | <b>Health Facilities – Freestanding Medical Facilities – Rates (Ch. 505/Ch. 506)</b>                                                                           |                |                |                |                |                |                                                                                 |
|                       | FF                                                                                                                                                             | \$0            | increase       | increase       | increase       | increase       | Potential significant Medicaid matching funds, offset by Medicaid expenditures. |
|                       | SF                                                                                                                                                             | increase       | \$0            | \$0            | \$0            | \$0            | Minimal form filing fee revenues.                                               |
| <b>SB 602/HB 674</b>  | <b>High Occupancy Vehicle (HOV) Lanes – Use by Plug-In Vehicles (Ch. 492/Ch. 491)</b>                                                                          |                |                |                |                |                |                                                                                 |
|                       | SF                                                                                                                                                             | increase       | increase       | increase       | increase       | \$0            | Potential minimal fee revenues.                                                 |
| <b>SB 624</b>         | <b>Vehicle Laws – Bicycles and Motor Scooters – Rules of the Road (Ch. 518)</b>                                                                                |                |                |                |                |                |                                                                                 |
|                       | GF                                                                                                                                                             | decrease       | decrease       | decrease       | decrease       | decrease       | Potential minimal fine revenues.                                                |
| <b>SB 632/HB 624</b>  | <b>Registered Nurses, Licensed Practical Nurses, Nursing Assistants, and Medication Technicians – Changes to Licensure Requirements (Ch. 585/Ch. 586)</b>      |                |                |                |                |                |                                                                                 |
|                       | SF                                                                                                                                                             | \$0            | \$0            | increase       | increase       | \$0            | License fee revenues.                                                           |
| <b>SB 633/HB 1034</b> | <b>Community Services Reimbursement Rate Commission – Developmental Disabilities and Community Mental Health Services – Rate Adjustments (Ch. 497/Ch. 498)</b> |                |                |                |                |                |                                                                                 |
|                       | FF                                                                                                                                                             | \$0            | increase       | increase       | increase       | increase       | Potential significant Medicaid matching funds, offset by Medicaid expenditures. |
| <b>SB 643/HB 880</b>  | <b>Telephone Bills – Third-Party Vendor Billing (Ch. 89/Ch. 90)</b>                                                                                            |                |                |                |                |                |                                                                                 |
|                       | GF                                                                                                                                                             | increase       | increase       | increase       | increase       | increase       | Minimal fine revenues.                                                          |
| <b>SB 647/HB 854</b>  | <b>Homeowner’s, Farmowner’s, and Dwelling Insurance Policies – Claims for Additional Payments (Ch. 91/Ch. 92)</b>                                              |                |                |                |                |                |                                                                                 |
|                       | SF                                                                                                                                                             | increase       | \$0            | \$0            | \$0            | \$0            | Minimal form filing fee revenues.                                               |

### Legislation Affecting State Revenues

|                       | <u>Fund</u>                                                                                                             | <u>FY 2011</u> | <u>FY 2012</u> | <u>FY 2013</u> | <u>FY 2014</u> | <u>FY 2015</u> | <u>Comments</u>                                  |
|-----------------------|-------------------------------------------------------------------------------------------------------------------------|----------------|----------------|----------------|----------------|----------------|--------------------------------------------------|
| <b>SB 664</b>         | <b>Environment – Dental Radiation Machines – Inspections (Ch. 592)</b>                                                  |                |                |                |                |                |                                                  |
|                       | SF                                                                                                                      | decrease       | decrease       | decrease       | decrease       | decrease       | Potential fine revenues.                         |
| <b>SB 670/HB 818</b>  | <b>Criminal Law – Trespass on Posted Property and Wanton Trespass on Private Property – Penalties (Ch. 334/Ch. 335)</b> |                |                |                |                |                |                                                  |
|                       | GF                                                                                                                      | increase       | increase       | increase       | increase       | increase       | Potential minimal fine revenues.                 |
| <b>SB 690/HB 1009</b> | <b>Corporations – Benefit Corporation (Ch. 97/Ch. 98)</b>                                                               |                |                |                |                |                |                                                  |
|                       | SF                                                                                                                      | increase       | increase       | increase       | increase       | increase       | Potential minimal form filing fee revenues.      |
| <b>SB 700/HB 1017</b> | <b>Health Insurance – Child Wellness Benefits (Ch. 595/Ch. 596)</b>                                                     |                |                |                |                |                |                                                  |
|                       | SF                                                                                                                      | increase       | \$0            | \$0            | \$0            | \$0            | Minimal form filing fee revenues.                |
| <b>SB 704/HB 1073</b> | <b>Insurance – Coordination of Benefits – Health Insurance and Personal Injury Protection (Ch. 340/Ch. 341)</b>         |                |                |                |                |                |                                                  |
|                       | SF                                                                                                                      | increase       | \$0            | \$0            | \$0            | \$0            | Minimal form filing fee revenues.                |
| <b>SB 774/HB 882</b>  | <b>Insurance Producers – Use of Senior or Retiree Credential or Designation (Ch. 604/Ch. 605)</b>                       |                |                |                |                |                |                                                  |
|                       | GF                                                                                                                      | increase       | increase       | increase       | increase       | increase       | Potential minimal fine revenues.                 |
| <b>SB 784</b>         | <b>Maryland Statutory Trust Act (Ch. 611)</b>                                                                           |                |                |                |                |                |                                                  |
|                       | GF                                                                                                                      | increase       | increase       | increase       | increase       | increase       | Potential minimal fine revenues.                 |
|                       | SF                                                                                                                      | increase       | increase       | increase       | increase       | increase       | Potential minimal filing fee and fine revenues.  |
| <b>SB 789/HB 1299</b> | <b>Labor and Employment – The Healthy Retail Employee Act (Ch. 612/Ch. 613)</b>                                         |                |                |                |                |                |                                                  |
|                       | GF                                                                                                                      | increase       | increase       | increase       | increase       | increase       | Potential minimal fine revenues.                 |
| <b>SB 858</b>         | <b>Maryland Winery Modernization Act (Ch. 355)</b>                                                                      |                |                |                |                |                |                                                  |
|                       | GF                                                                                                                      | increase       | increase       | increase       | increase       | increase       | Potential minimal sales and excise tax revenues. |
| <b>SB 897</b>         | <b>Academic Facilities Bonding Authority (Ch. 631)</b>                                                                  |                |                |                |                |                |                                                  |
|                       | BOND                                                                                                                    | \$150,000,000  | \$0            | \$0            | \$0            | \$0            | Bond expenditures increase by same amount.       |

## Legislation Affecting State Revenues

|                        | <u>Fund</u>                                                                                                                                          | <u>FY 2011</u> | <u>FY 2012</u> | <u>FY 2013</u> | <u>FY 2014</u> | <u>FY 2015</u> | <u>Comments</u>                                        |
|------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|----------------|----------------|----------------|----------------|--------------------------------------------------------|
| <b>SB 898/HB 1076</b>  | <b>Credit Regulation – Installment Loans Secured by Motor Vehicle Lien – Balloon Payments (Ch. 632/Ch. 633)</b>                                      |                |                |                |                |                |                                                        |
|                        | GF                                                                                                                                                   | increase       | increase       | increase       | increase       | increase       | Potential minimal fine revenues.                       |
| <b>SB 911</b>          | <b>Underground Facilities – Damage Prevention (Ch. 635)</b>                                                                                          |                |                |                |                |                |                                                        |
|                        | GF                                                                                                                                                   | decrease       | decrease       | decrease       | decrease       | decrease       | Minimal fine revenues.                                 |
|                        | NB                                                                                                                                                   | increase       | increase       | increase       | increase       | increase       | Fee and grant revenues.                                |
|                        | SF                                                                                                                                                   | \$105,000      | \$140,000      | \$140,000      | \$140,000      | \$140,000      |                                                        |
|                        | SF                                                                                                                                                   | increase       | increase       | increase       | increase       | increase       | Minimal fine revenues.                                 |
| <b>SB 966</b>          | <b>Education – High School Diploma by Examination (Ch. 113)</b>                                                                                      |                |                |                |                |                |                                                        |
|                        | SF                                                                                                                                                   | increase       | increase       | increase       | increase       | increase       | Potential minimal fee revenues.                        |
| <b>SB 987</b>          | <b>Natural Resources – Conservation Law Enforcement Act of 2010 (Ch. 367)</b>                                                                        |                |                |                |                |                |                                                        |
|                        | SF                                                                                                                                                   | increase       | increase       | increase       | increase       | increase       | Potential minimal licensing and contribution revenues. |
| <b>SB 1006/HB 1025</b> | <b>Baltimore City – Sale of Motor Fuel for Dirt Bikes – Prohibition (Ch. 114/Ch. 115)</b>                                                            |                |                |                |                |                |                                                        |
|                        | GF                                                                                                                                                   | increase       | increase       | increase       | increase       | increase       | Potential minimal fine and fee revenues.               |
|                        | SF                                                                                                                                                   | increase       | increase       | increase       | increase       | increase       | Potential minimal driver license fee revenues.         |
| <b>SB 1019/HB 1471</b> | <b>Residential Real Property – Real Estate Settlements – Disclosures (Ch. 373/Ch. 374)</b>                                                           |                |                |                |                |                |                                                        |
|                        | GF                                                                                                                                                   | increase       | increase       | increase       | increase       | increase       | Potential minimal fine revenues.                       |
| <b>SB 1117</b>         | <b>Environment – Maryland Oil Disaster Containment, Clean-Up and Contingency Fund and Oil Contaminated Site Environmental Cleanup Fund (Ch. 377)</b> |                |                |                |                |                |                                                        |
|                        | SF                                                                                                                                                   | \$2,879,459    | \$2,931,289    | \$2,981,121    | \$0            | \$0            | Included in FY 2011 budget.                            |
| <b>HB 6</b>            | <b>Property Tax – Notice – 60-Day Appeal (Ch. 380)</b>                                                                                               |                |                |                |                |                |                                                        |
|                        | GF                                                                                                                                                   | decrease       | decrease       | decrease       | decrease       | decrease       | Potential minimal property tax revenues.               |
| <b>HB 33/SB 213</b>    | See entry for SB 213.                                                                                                                                |                |                |                |                |                |                                                        |

### Legislation Affecting State Revenues

|               | <u>Fund</u>                                                                                                           | <u>FY 2011</u> | <u>FY 2012</u> | <u>FY 2013</u> | <u>FY 2014</u> | <u>FY 2015</u> | <u>Comments</u>                                               |
|---------------|-----------------------------------------------------------------------------------------------------------------------|----------------|----------------|----------------|----------------|----------------|---------------------------------------------------------------|
| HB 45         | <b>Dorchester County – Bay Restoration Fee – Lien Against Property (Ch. 381)</b>                                      |                |                |                |                |                |                                                               |
|               | SF                                                                                                                    | \$173          | \$45           | \$47           | \$48           | \$49           | Bay Restoration Fund administrative revenues for Comptroller. |
|               | SF                                                                                                                    | \$34,454       | \$9,019        | \$9,271        | \$9,531        | \$9,798        | Bay Restoration Fund.                                         |
| HB 65/SB 129  | See entry for SB 129.                                                                                                 |                |                |                |                |                |                                                               |
| HB 72         | <b>Department of the Environment – Oil and Gas Production Permits – Fees (Ch. 383)</b>                                |                |                |                |                |                |                                                               |
|               | SF                                                                                                                    | \$116,320      | \$240,704      | \$217,231      | \$226,654      | \$236,561      | SF expenditures increase by same amount.                      |
| HB 73         | <b>Environment – Water Quality Revolving Loan Fund – Use of Funds (Ch. 384)</b>                                       |                |                |                |                |                |                                                               |
|               | FF                                                                                                                    | \$0            | \$49,000,000   | \$47,000,000   | increase       | increase       | Significant water quality grant revenues.                     |
| HB 79         | <b>Commercial Law – Credit Services Businesses – Limitation on Fees (Ch. 385)</b>                                     |                |                |                |                |                |                                                               |
|               | GF                                                                                                                    | increase       | increase       | increase       | increase       | increase       | Potential minimal fine revenues.                              |
| HB 80         | <b>State Board for Professional Engineers (Ch. 124)</b>                                                               |                |                |                |                |                |                                                               |
|               | SF                                                                                                                    | decrease       | decrease       | decrease       | decrease       | decrease       | Potential minimal license fee revenues.                       |
| HB 83         | <b>Department of Labor, Licensing, and Regulation – State Real Estate Commission – Continuing Education (Ch. 386)</b> |                |                |                |                |                |                                                               |
|               | SF                                                                                                                    | \$15,000       | \$20,000       | \$20,000       | \$20,000       | \$20,000       |                                                               |
| HB 85         | <b>Commissioner of Labor and Industry – Boiler and Pressure Vessel Safety Act (Ch. 387)</b>                           |                |                |                |                |                |                                                               |
|               | GF                                                                                                                    | (\$52,200)     | (\$69,600)     | (\$69,600)     | (\$69,600)     | (\$69,600)     |                                                               |
| HB 87         | <b>State Fire Marshal – Nongovernmental Electrical Inspectors (Ch. 127)</b>                                           |                |                |                |                |                |                                                               |
|               | GF                                                                                                                    | \$500          | \$500          | \$5,550        | \$500          | \$500          |                                                               |
| HB 88         | <b>Other Tobacco Products Licenses (Ch. 388)</b>                                                                      |                |                |                |                |                |                                                               |
|               | GF                                                                                                                    | \$17,779       | \$17,779       | \$17,779       | \$17,779       | \$17,779       |                                                               |
|               | GF                                                                                                                    | increase       | increase       | increase       | increase       | increase       | Potential tax compliance revenues.                            |
| HB 199/SB 520 | See entry for SB 520.                                                                                                 |                |                |                |                |                |                                                               |

## Legislation Affecting State Revenues

|                      | <u>Fund</u>                                                                                                                | <u>FY 2011</u> | <u>FY 2012</u> | <u>FY 2013</u> | <u>FY 2014</u> | <u>FY 2015</u> | <u>Comments</u>                                  |
|----------------------|----------------------------------------------------------------------------------------------------------------------------|----------------|----------------|----------------|----------------|----------------|--------------------------------------------------|
| <b>HB 202</b>        | <b>Uniform Commercial Code – Financing Statements – False Filings – Prohibited (Ch. 397)</b>                               |                |                |                |                |                |                                                  |
|                      | GF                                                                                                                         | increase       | increase       | increase       | increase       | increase       | Potential minimal fine revenues.                 |
| <b>HB 203/SB 237</b> | See entry for SB 237.                                                                                                      |                |                |                |                |                |                                                  |
| <b>HB 283/SB 261</b> | See entry for SB 261.                                                                                                      |                |                |                |                |                |                                                  |
| <b>HB 305/SB 547</b> | See entry for SB 547.                                                                                                      |                |                |                |                |                |                                                  |
| <b>HB 318</b>        | <b>Business Regulation – Secondhand Precious Metal Object Dealers (Ch. 404)</b>                                            |                |                |                |                |                |                                                  |
|                      | GF                                                                                                                         | decrease       | decrease       | decrease       | decrease       | decrease       | Potential minimal license fee and fine revenues. |
| <b>HB 320/SB 288</b> | See entry for SB 288.                                                                                                      |                |                |                |                |                |                                                  |
| <b>HB 323/SB 308</b> | See entry for SB 308.                                                                                                      |                |                |                |                |                |                                                  |
| <b>HB 328/SB 339</b> | See entry for SB 339.                                                                                                      |                |                |                |                |                |                                                  |
| <b>HB 359/SB 171</b> | See entry for SB 171.                                                                                                      |                |                |                |                |                |                                                  |
| <b>HB 402</b>        | <b>Collection Agencies – Application and Renewal Fees (Ch. 149)</b>                                                        |                |                |                |                |                |                                                  |
|                      | GF                                                                                                                         | \$0            | \$225,000      | \$225,000      | \$225,000      | \$225,000      |                                                  |
| <b>HB 407</b>        | <b>State Board of Public Accountancy – Disciplinary Authority (Ch. 152)</b>                                                |                |                |                |                |                |                                                  |
|                      | GF                                                                                                                         | increase       | increase       | increase       | increase       | increase       | Potential minimal fine revenues.                 |
| <b>HB 408</b>        | <b>State Commission of Real Estate Appraisers and Home Inspectors – Administrative Sanctions – Civil Penalty (Ch. 153)</b> |                |                |                |                |                |                                                  |
|                      | GF                                                                                                                         | increase       | increase       | increase       | increase       | increase       | Potential minimal fine revenues.                 |
| <b>HB 412/SB 501</b> | See entry for SB 501.                                                                                                      |                |                |                |                |                |                                                  |
| <b>HB 420</b>        | <b>Secretary of Agriculture – Mosquito Control – Enforcement Authority (Ch. 412)</b>                                       |                |                |                |                |                |                                                  |
|                      | GF                                                                                                                         | increase       | increase       | increase       | increase       | increase       | Potential minimal fine revenues.                 |

### Legislation Affecting State Revenues

|                      | <u>Fund</u>                                                                                          | <u>FY 2011</u> | <u>FY 2012</u> | <u>FY 2013</u> | <u>FY 2014</u> | <u>FY 2015</u> | <u>Comments</u>                                                  |
|----------------------|------------------------------------------------------------------------------------------------------|----------------|----------------|----------------|----------------|----------------|------------------------------------------------------------------|
| <b>HB 435</b>        | <b>Health Insurance – Reimbursement of Primary Care Providers – Bonus Payments (Ch. 673)</b>         |                |                |                |                |                |                                                                  |
|                      | SF                                                                                                   | increase       | \$0            | \$0            | \$0            | \$0            | Minimal form filing fee revenues.                                |
| <b>HB 443</b>        | <b>Inheritance Tax – Exemption – Surviving Spouses of Predeceasing Descendants (Ch. 674)</b>         |                |                |                |                |                |                                                                  |
|                      | GF                                                                                                   | decrease       | decrease       | decrease       | decrease       | decrease       | Inheritance tax revenues.                                        |
| <b>HB 464</b>        | <b>Maryland Clean Energy Incentive Act of 2010 (Ch. 493)</b>                                         |                |                |                |                |                |                                                                  |
|                      | GF                                                                                                   | \$0            | (\$3,714,679)  | (\$3,714,679)  | (\$3,714,679)  | (\$3,714,679)  |                                                                  |
| <b>HB 469</b>        | <b>Motor Vehicle Excise Tax – Tax Credit For Electric Vehicles (Ch. 490)</b>                         |                |                |                |                |                |                                                                  |
|                      | SF                                                                                                   | (\$279,000)    | (\$939,600)    | (\$1,287,000)  | \$0            | \$0            | Strategic Energy Investment Fund.<br>Included in FY 2011 budget. |
|                      | SF                                                                                                   | \$0            | (\$655,067)    | (\$626,600)    | \$0            | \$0            | Transportation Trust Fund.                                       |
| <b>HB 470/SB 283</b> | See entry for SB 283.                                                                                |                |                |                |                |                |                                                                  |
| <b>HB 472</b>        | <b>Real Property – Residential Property Foreclosure Procedures – Foreclosure Mediation (Ch. 485)</b> |                |                |                |                |                |                                                                  |
|                      | SF                                                                                                   | \$11,121,250   | \$7,853,800    | \$5,575,900    | \$3,958,700    | \$2,810,600    |                                                                  |
| <b>HB 475</b>        | <b>Smart, Green, and Growing – The Sustainable Communities Act of 2010 (Ch. 487)</b>                 |                |                |                |                |                |                                                                  |
|                      | GF                                                                                                   | (\$1,360,000)  | (\$4,700,000)  | (\$5,000,000)  | (\$5,350,000)  | (\$3,180,000)  |                                                                  |
|                      | SF                                                                                                   | \$261,400      | \$266,000      | \$279,100      | \$292,800      | \$307,147      | SF expenditures increase by same amount.                         |
| <b>HB 484</b>        | <b>Property Tax – Semiannual Payment Schedule – Small Business Property (Ch. 680)</b>                |                |                |                |                |                |                                                                  |
|                      | GF                                                                                                   | \$0            | decrease       | decrease       | decrease       | decrease       | Potential interest income.                                       |
| <b>HB 494/SB 431</b> | See entry for SB 431.                                                                                |                |                |                |                |                |                                                                  |
| <b>HB 499/SB 324</b> | See entry for SB 324.                                                                                |                |                |                |                |                |                                                                  |
| <b>HB 500/SB 252</b> | See entry for SB 252.                                                                                |                |                |                |                |                |                                                                  |
| <b>HB 559</b>        | <b>Prince George’s County – Winery Special Event Permits – Farmers’ Markets PG 304-10 (Ch. 420)</b>  |                |                |                |                |                |                                                                  |
|                      | GF                                                                                                   | increase       | increase       | increase       | increase       | increase       | Potential minimal fee revenues.                                  |

## Legislation Affecting State Revenues

|                      | <u>Fund</u>                                                                                                                               | <u>FY 2011</u> | <u>FY 2012</u> | <u>FY 2013</u> | <u>FY 2014</u> | <u>FY 2015</u> | <u>Comments</u>                                             |
|----------------------|-------------------------------------------------------------------------------------------------------------------------------------------|----------------|----------------|----------------|----------------|----------------|-------------------------------------------------------------|
| <b>HB 566</b>        | <b>Prince George's County – Community Association Property Management Services – Registration PG 419-10 (Ch. 421)</b>                     |                |                |                |                |                |                                                             |
|                      | GF                                                                                                                                        | increase       | increase       | increase       | increase       | increase       | Potential minimal fine revenues.                            |
| <b>HB 600/SB 165</b> | See entry for SB 165.                                                                                                                     |                |                |                |                |                |                                                             |
| <b>HB 611/SB 477</b> | See entry for SB 477.                                                                                                                     |                |                |                |                |                |                                                             |
| <b>HB 624/SB 632</b> | See entry for SB 632.                                                                                                                     |                |                |                |                |                |                                                             |
| <b>HB 667</b>        | <b>Vehicle Laws – Exceptional Hauling Permits – Validity in Select Eastern Shore Counties (Ch. 691)</b>                                   |                |                |                |                |                |                                                             |
|                      | GF                                                                                                                                        | decrease       | decrease       | decrease       | decrease       | decrease       | Potential minimal fine revenues.                            |
|                      | SF                                                                                                                                        | increase       | increase       | increase       | increase       | increase       | Potential minimal fee revenues.                             |
| <b>HB 674/SB 602</b> | See entry for SB 602.                                                                                                                     |                |                |                |                |                |                                                             |
| <b>HB 689</b>        | <b>Natural Resources – POWs and Disabled Veterans – Exception to Trout Stamp Requirement (Ch. 693)</b>                                    |                |                |                |                |                |                                                             |
|                      | SF                                                                                                                                        | (\$1,729)      | (\$2,305)      | (\$2,305)      | (\$2,305)      | (\$2,305)      |                                                             |
| <b>HB 699/SB 593</b> | See entry for SB 593.                                                                                                                     |                |                |                |                |                |                                                             |
| <b>HB 778</b>        | <b>Crimes – Unauthorized Computer Access for Sabotage of State Government, Public Utilities, or Other Energy Infrastructure (Ch. 436)</b> |                |                |                |                |                |                                                             |
|                      | GF                                                                                                                                        | increase       | increase       | increase       | increase       | increase       | Potential minimal fine revenues.                            |
| <b>HB 804</b>        | <b>Health Insurance – Dental Provider Panels – Provider Contracts (Ch. 702)</b>                                                           |                |                |                |                |                |                                                             |
|                      | SF                                                                                                                                        | increase       | \$0            | \$0            | \$0            | \$0            | Minimal form filing fee revenues.                           |
| <b>HB 818/SB 670</b> | See entry for SB 670.                                                                                                                     |                |                |                |                |                |                                                             |
| <b>HB 822</b>        | <b>Queen Anne's County – Arts and Entertainment District (Ch. 164)</b>                                                                    |                |                |                |                |                |                                                             |
|                      | GF                                                                                                                                        | \$0            | decrease       | decrease       | decrease       | decrease       | Potential minimal income tax revenues.                      |
| <b>HB 823</b>        | <b>Montgomery County – Winery Special Event Permits – Farmers' Markets MC 9-10 (Ch. 440)</b>                                              |                |                |                |                |                |                                                             |
|                      | GF                                                                                                                                        | increase       | increase       | increase       | increase       | increase       | Potential minimal permit fee revenues beginning in FY 2010. |

### Legislation Affecting State Revenues

|                      | <u>Fund</u>                                                                                                 | <u>FY 2011</u> | <u>FY 2012</u> | <u>FY 2013</u> | <u>FY 2014</u> | <u>FY 2015</u> | <u>Comments</u>                                                              |
|----------------------|-------------------------------------------------------------------------------------------------------------|----------------|----------------|----------------|----------------|----------------|------------------------------------------------------------------------------|
| <b>HB 825</b>        | <b>Vehicle Laws – Required Security – Minimum Amounts (Ch. 441)</b>                                         |                |                |                |                |                |                                                                              |
|                      | GF                                                                                                          | increase       | increase       | increase       | increase       | increase       | Potential significant premium tax revenues; potential minimal fine revenues. |
|                      | NB                                                                                                          | \$4,050,000    | \$8,100,000    | \$8,100,000    | \$8,100,000    | \$8,100,000    |                                                                              |
|                      | SF                                                                                                          | \$25,000       | \$0            | \$0            | \$0            | \$0            |                                                                              |
|                      | SF                                                                                                          | increase       | increase       | increase       | increase       | increase       | Potential minimal fine revenues.                                             |
| <b>HB 829/SB 560</b> | See entry for SB 560.                                                                                       |                |                |                |                |                |                                                                              |
| <b>HB 830/SB 318</b> | See entry for SB 318.                                                                                       |                |                |                |                |                |                                                                              |
| <b>HB 854/SB 647</b> | See entry for SB 647.                                                                                       |                |                |                |                |                |                                                                              |
| <b>HB 855</b>        | <b>Sales and Use Tax – Exemption – Lodging at a Corporate Training Center (Ch. 706)</b>                     |                |                |                |                |                |                                                                              |
|                      | GF                                                                                                          | (\$351,251)    | (\$351,251)    | (\$351,251)    | (\$346,800)    | (\$346,800)    |                                                                              |
|                      | SF                                                                                                          | (\$19,658)     | (\$19,658)     | (\$19,658)     | (\$24,109)     | (\$24,109)     |                                                                              |
| <b>HB 880/SB 643</b> | See entry for SB 643.                                                                                       |                |                |                |                |                |                                                                              |
| <b>HB 882/SB 774</b> | See entry for SB 774.                                                                                       |                |                |                |                |                |                                                                              |
| <b>HB 933/SB 328</b> | See entry for SB 328.                                                                                       |                |                |                |                |                |                                                                              |
| <b>HB 934</b>        | <b>Vehicle Laws – Commercial Vehicles – Handheld Telephones Utilizing Push-to-Talk Technology (Ch. 716)</b> |                |                |                |                |                |                                                                              |
|                      | GF                                                                                                          | \$0            | \$0            | decrease       | decrease       | decrease       | Potential minimal fine revenues.                                             |
| <b>HB 963</b>        | <b>Child Support Enforcement – Interception of Abandoned Property (Ch. 717)</b>                             |                |                |                |                |                |                                                                              |
|                      | GF                                                                                                          | increase       | increase       | increase       | increase       | increase       | Potential minimal filing fee revenues.                                       |
|                      | GF                                                                                                          | (\$500,000)    | decrease       | decrease       | decrease       | decrease       | Minimal abandoned property revenues.                                         |
|                      | SF                                                                                                          | increase       | increase       | increase       | increase       | increase       | Potential minimal child support collections.                                 |

## Legislation Affecting State Revenues

|                        | <u>Fund</u>                                                                                                | <u>FY 2011</u> | <u>FY 2012</u> | <u>FY 2013</u> | <u>FY 2014</u> | <u>FY 2015</u> | <u>Comments</u>                           |
|------------------------|------------------------------------------------------------------------------------------------------------|----------------|----------------|----------------|----------------|----------------|-------------------------------------------|
| <b>HB 995</b>          | <b>Regulation of Crematories (Ch. 450)</b>                                                                 |                |                |                |                |                |                                           |
|                        | GF                                                                                                         | \$0            | increase       | increase       | increase       | increase       | Potential minimal fine revenues.          |
|                        | SF                                                                                                         | \$0            | increase       | \$0            | increase       | \$0            | Minimal registration/permit/license fees. |
| <b>HB 1009/SB 690</b>  | See entry for SB 690.                                                                                      |                |                |                |                |                |                                           |
| <b>HB 1017/SB 700</b>  | See entry for SB 700.                                                                                      |                |                |                |                |                |                                           |
| <b>HB 1025/SB 1006</b> | See entry for SB 1006.                                                                                     |                |                |                |                |                |                                           |
| <b>HB 1032</b>         | <b>Motor Fuel Suppliers – Games of Chance (Ch. 720)</b>                                                    |                |                |                |                |                |                                           |
|                        | GF                                                                                                         | decrease       | decrease       | decrease       | decrease       | decrease       | Potential significant lottery revenues.   |
| <b>HB 1034/SB 633</b>  | See entry for SB 633.                                                                                      |                |                |                |                |                |                                           |
| <b>HB 1050</b>         | <b>Maryland Health Insurance Plan – Plan Options – Governmental Third Party Payers (Ch. 166)</b>           |                |                |                |                |                |                                           |
|                        | SF                                                                                                         | indeterminate  | indeterminate  | indeterminate  | indeterminate  | indeterminate  | Health premium revenues.                  |
| <b>HB 1053</b>         | <b>Child Pornography – Matter Reflecting Belief That a Minor Is Depicted in a Certain Manner (Ch. 454)</b> |                |                |                |                |                |                                           |
|                        | GF                                                                                                         | increase       | increase       | increase       | increase       | increase       | Potential minimal fine revenue.           |
| <b>HB 1073/SB 704</b>  | See entry for SB 704.                                                                                      |                |                |                |                |                |                                           |
| <b>HB 1076/SB 898</b>  | See entry for SB 898.                                                                                      |                |                |                |                |                |                                           |
| <b>HB 1100/SB 451</b>  | See entry for SB 451.                                                                                      |                |                |                |                |                |                                           |
| <b>HB 1136</b>         | <b>Financial Institutions – Supervision and Reorganization (Ch. 457)</b>                                   |                |                |                |                |                |                                           |
|                        | SF                                                                                                         | increase       | increase       | increase       | increase       | increase       | Potential minimal filing fee revenues.    |
| <b>HB 1145/SB 17</b>   | See entry for SB 17.                                                                                       |                |                |                |                |                |                                           |

### Legislation Affecting State Revenues

|                       | <u>Fund</u>                                                                                         | <u>FY 2011</u> | <u>FY 2012</u> | <u>FY 2013</u> | <u>FY 2014</u> | <u>FY 2015</u> | <u>Comments</u>                                                           |
|-----------------------|-----------------------------------------------------------------------------------------------------|----------------|----------------|----------------|----------------|----------------|---------------------------------------------------------------------------|
| <b>HB 1151</b>        | <b>Vehicle Laws – Commercial Motor Vehicles – Minimum Security Requirements (Ch. 458)</b>           |                |                |                |                |                |                                                                           |
|                       | FF                                                                                                  | \$3,047,570    | increase       | increase       | increase       | increase       | Significant transportation grants. \$3,000,000 assumed in FY 2011 budget. |
| <b>HB 1163</b>        | <b>Economic Development – Enterprise Zones – Designation (Ch. 459)</b>                              |                |                |                |                |                |                                                                           |
|                       | GF                                                                                                  | \$0            | decrease       | decrease       | decrease       | decrease       | Potential income tax revenues.                                            |
| <b>HB 1174/SB 99</b>  | See entry for SB 99.                                                                                |                |                |                |                |                |                                                                           |
| <b>HB 1199</b>        | <b>Motor Vehicles – Salvage – Standards and Requirements (Ch. 728)</b>                              |                |                |                |                |                |                                                                           |
|                       | NB                                                                                                  | decrease       | decrease       | decrease       | decrease       | decrease       | Potential significant reduction in MAIF revenues.                         |
|                       | SF                                                                                                  | decrease       | decrease       | decrease       | decrease       | decrease       | Potential significant fee revenues.                                       |
| <b>HB 1206</b>        | <b>Commercial Law – Consumer Protection – Refund Anticipation Loans and Checks (Ch. 730)</b>        |                |                |                |                |                |                                                                           |
|                       | GF                                                                                                  | increase       | increase       | increase       | increase       | increase       | Potential minimal fine revenues.                                          |
| <b>HB 1295</b>        | <b>Workers’ Compensation – Uninsured Employers’ Fund – Uninsured Employer Assessments (Ch. 731)</b> |                |                |                |                |                |                                                                           |
|                       | SF                                                                                                  | increase       | increase       | increase       | increase       | increase       | Potential significant uninsured employer assessment revenues.             |
| <b>HB 1299/SB 789</b> | See entry for SB 789.                                                                               |                |                |                |                |                |                                                                           |
| <b>HB 1322/SB 542</b> | See entry for SB 542.                                                                               |                |                |                |                |                |                                                                           |
| <b>HB 1345</b>        | <b>Recreational Fishing Licenses – Licensing and Registration (Ch. 465)</b>                         |                |                |                |                |                |                                                                           |
|                       | SF                                                                                                  | \$2,964,528    | \$3,109,160    | \$3,109,160    | \$3,109,160    | \$3,109,160    | \$2,385,997 assumed in FY 2011 budget.                                    |
| <b>HB 1352</b>        | <b>Forest Conservation Fund – Contribution Rates – Priority Funding Areas (Ch. 466)</b>             |                |                |                |                |                |                                                                           |
|                       | SF                                                                                                  | increase       | increase       | increase       | increase       | increase       | Potential minimal fee-in-lieu of reforestation revenues.                  |
| <b>HB 1375</b>        | <b>Kids First Express Lane Eligibility Act (Ch. 734)</b>                                            |                |                |                |                |                |                                                                           |
|                       | FF                                                                                                  | \$0            | \$37,354       | \$38,101       | increase       | increase       | Minimal Medicaid matching funds, offset by Medicaid expenditures.         |

**Legislation Affecting State Revenues**

*Effect of the 2010 Legislative Program on the Financial Condition of the State*

|                        | <u>Fund</u>                                                                                                            | <u>FY 2011</u> | <u>FY 2012</u> | <u>FY 2013</u> | <u>FY 2014</u> | <u>FY 2015</u> | <u>Comments</u>                                                   |
|------------------------|------------------------------------------------------------------------------------------------------------------------|----------------|----------------|----------------|----------------|----------------|-------------------------------------------------------------------|
| <b>HB 1389</b>         | <b>Traffic Cases – State Police Helicopters and Ambulance, Fire, and Rescue Companies (Ch. 735)</b>                    |                |                |                |                |                |                                                                   |
|                        | GF                                                                                                                     | \$0            | \$0            | \$3,491,298    | \$8,542,290    | \$8,542,290    |                                                                   |
|                        | SF                                                                                                                     | \$5,549,468    | \$7,399,290    | \$3,907,992    | (\$1,143,000)  | (\$1,143,000)  | Volunteer Company Assistance Fund.                                |
|                        | SF                                                                                                                     | (\$857,250)    | (\$1,143,000)  | (\$1,143,000)  | (\$1,143,000)  | (\$1,143,000)  | State Police Helicopter Replacement Fund.                         |
| <b>HB 1431</b>         | <b>Worcester County – Alcoholic Beverages – Pub-Breweries and Micro-Breweries (Ch. 470)</b>                            |                |                |                |                |                |                                                                   |
|                        | GF                                                                                                                     | \$1,000        | \$1,000        | \$1,000        | \$1,000        | \$1,000        |                                                                   |
| <b>HB 1464</b>         | <b>Land Bank Authorities – Establishment by Municipal Corporations (Ch. 739)</b>                                       |                |                |                |                |                |                                                                   |
|                        | SF                                                                                                                     | increase       | increase       | increase       | increase       | increase       | Potential minimal property tax revenues.                          |
| <b>HB 1471/SB 1019</b> | See entry for SB 1019.                                                                                                 |                |                |                |                |                |                                                                   |
| <b>HB 1477</b>         | <b>Prince George’s County – Municipal Corporations – School Zones and Speed Monitoring Systems PG 319-10 (Ch. 474)</b> |                |                |                |                |                |                                                                   |
|                        | GF/SF                                                                                                                  | increase       | increase       | increase       | increase       | increase       | Potential fine revenues.                                          |
| <b>HB 1505</b>         | <b>Central Collection Unit – Collection of Debts Owed to the State (Ch. 477)</b>                                       |                |                |                |                |                |                                                                   |
|                        | GF                                                                                                                     | \$2,099,396    | \$2,162,378    | \$2,227,249    | \$2,294,067    | \$2,362,889    |                                                                   |
|                        | SF                                                                                                                     | \$341,762      | \$352,015      | \$362,575      | \$373,453      | \$384,656      |                                                                   |
| <b>HB 1564</b>         | <b>Maryland Health Insurance Plan – Administration of National High Risk Pool Program (Ch. 173)</b>                    |                |                |                |                |                |                                                                   |
|                        | FF                                                                                                                     | decrease       | decrease       | decrease       | decrease       | \$0            | Medicaid matching funds, offset by reduced Medicaid expenditures. |
|                        | FF                                                                                                                     | increase       | increase       | increase       | increase       | \$0            | National High Risk Pool Program grant revenues.                   |
|                        | SF                                                                                                                     | increase       | increase       | increase       | increase       | \$0            | Increased premium revenues.                                       |

**Totals by Fund Type/Summary of Quantifiable Revenue Effects**

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| <u>Fund Type</u> | <u>FY 2011</u>  | <u>FY 2012</u>  | <u>FY 2013</u>  | <u>FY 2014</u>  | <u>FY 2015</u>  |
|------------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| GF               | \$369,006,592   | \$287,830,691   | \$286,019,239   | \$297,474,994   | \$305,939,340   |
| SF               | (\$182,990,012) | (\$219,850,061) | (\$215,991,505) | (\$226,208,608) | (\$224,560,292) |
| FF               | \$31,152,848    | \$81,797,559    | \$77,482,476    | \$30,811,485    | \$32,198,002    |
| BOND             | \$154,543,000   | \$0             | \$0             | \$0             | \$0             |



## Legislation Affecting State Expenditures

|                     | <u>Fund Type</u>                                                                                                                             | <u>Agency</u>   | <u>FY 2011</u> | <u>FY 2012</u> | <u>FY 2013</u> | <u>FY 2014</u> | <u>FY 2015</u> | <u>Comments</u>                                                                                           |
|---------------------|----------------------------------------------------------------------------------------------------------------------------------------------|-----------------|----------------|----------------|----------------|----------------|----------------|-----------------------------------------------------------------------------------------------------------|
| <b>SB 28/HB 816</b> | <b>Honorable Lorraine M. Sheehan Act to Protect Voting Rights for Individuals Under Guardianship for Mental Disability (Ch. 203/Ch. 204)</b> |                 |                |                |                |                |                |                                                                                                           |
|                     | SF                                                                                                                                           | Transportation  | \$0            | \$0            | \$0            | \$0            | \$0            | Potential minimal administrative costs in FY 2010.                                                        |
| <b>SB 31</b>        | <b>Maryland Communities for a Lifetime Commission (Ch. 10)</b>                                                                               |                 |                |                |                |                |                |                                                                                                           |
|                     | FF                                                                                                                                           | Aging           | \$10,417       | \$0            | \$0            | \$0            | \$0            |                                                                                                           |
| <b>SB 52</b>        | <b>Department of Disabilities – Maryland Commission on Disabilities – Duties and Responsibilities (Ch. 207)</b>                              |                 |                |                |                |                |                |                                                                                                           |
|                     | GF                                                                                                                                           | Disabilities    | decrease       | decrease       | decrease       | decrease       | decrease       | Minimal travel reimbursement costs.                                                                       |
| <b>SB 53</b>        | <b>Workers’ Compensation – Average Weekly Wage – Militia (Ch. 208)</b>                                                                       |                 |                |                |                |                |                |                                                                                                           |
|                     | GF                                                                                                                                           | Military Dept.  | increase       | increase       | increase       | increase       | increase       | Minimal workers’ compensation payments.                                                                   |
| <b>SB 58</b>        | <b>Workers’ Compensation – Division of Rehabilitation Services – Unpaid Work-Based Learning Experiences (Ch. 209)</b>                        |                 |                |                |                |                |                |                                                                                                           |
|                     | FF                                                                                                                                           | Education       | \$31,250       | \$31,250       | \$31,250       | \$31,250       | \$31,250       |                                                                                                           |
| <b>SB 62</b>        | <b>Maryland Horse Industry Fund – Fees (Ch. 19)</b>                                                                                          |                 |                |                |                |                |                |                                                                                                           |
|                     | GF                                                                                                                                           | Agriculture     | (\$63,068)     | (\$63,068)     | (\$63,068)     | (\$63,068)     | (\$63,068)     | Included in FY 2011 budget. Partially offset by GF revenue decrease. SF revenues increase by same amount. |
|                     | SF                                                                                                                                           | Agriculture     | \$72,875       | \$72,875       | \$72,875       | \$72,875       | \$72,875       |                                                                                                           |
| <b>SB 67</b>        | <b>Vehicle Laws – Issuance of Temporary Registration Plates by Dealers – Transmission of Information and Record Keeping (Ch. 21)</b>         |                 |                |                |                |                |                |                                                                                                           |
|                     | SF                                                                                                                                           | Transportation  | \$65,000       | \$0            | \$0            | \$0            | \$0            |                                                                                                           |
| <b>SB 79</b>        | <b>Office of the Deaf and Hard of Hearing – Responsibilities (Ch. 216)</b>                                                                   |                 |                |                |                |                |                |                                                                                                           |
|                     | GF                                                                                                                                           | Executive Dept. | \$1,025        | \$1,046        | \$1,067        | \$1,089        | \$1,111        | Assumed in FY 2011 budget.                                                                                |
| <b>SB 88</b>        | <b>Environment – Controlled Hazardous Substance Advisory Council (Ch. 220)</b>                                                               |                 |                |                |                |                |                |                                                                                                           |
|                     | SF                                                                                                                                           | Environment     | decrease       | decrease       | decrease       | decrease       | decrease       | Minimal administration costs.                                                                             |

## Legislation Affecting State Expenditures

|                      | <u>Fund Type</u>                                                                                               | <u>Agency</u>                  | <u>FY 2011</u> | <u>FY 2012</u> | <u>FY 2013</u> | <u>FY 2014</u> | <u>FY 2015</u> | <u>Comments</u>                        |
|----------------------|----------------------------------------------------------------------------------------------------------------|--------------------------------|----------------|----------------|----------------|----------------|----------------|----------------------------------------|
| <b>SB 93</b>         | <b>Agriculture – Pest Control – Fees and Registration (Ch. 222)</b>                                            |                                |                |                |                |                |                |                                        |
|                      | SF                                                                                                             | Agriculture                    | \$5,500        | \$808          | \$816          | \$824          | \$832          |                                        |
| <b>SB 95</b>         | <b>Maryland Agricultural Land Preservation Foundation – Farmland Preservation Partnership Program (Ch. 36)</b> |                                |                |                |                |                |                |                                        |
|                      | FF                                                                                                             | Agriculture                    | \$3,130        | \$3,558        | \$9,594        | \$10,019       | \$10,465       |                                        |
|                      | SF                                                                                                             | Agriculture                    | \$28,167       | \$32,025       | \$86,346       | \$90,171       | \$94,188       |                                        |
| <b>SB 99/HB 1174</b> | <b>Junk Dealers and Scrap Metal Processors – Required Records (Ch. 199/Ch. 198)</b>                            |                                |                |                |                |                |                |                                        |
|                      | GF                                                                                                             | Public Sfty. & Corr.<br>Srvcs. | increase       | increase       | increase       | increase       | increase       | Potential minimal incarceration costs. |
|                      | GF                                                                                                             | State Police                   | \$190,000      | \$40,000       | \$40,000       | \$40,000       | \$40,000       |                                        |
| <b>SB 106</b>        | <b>Labor and Employment – Job Creation and Recovery Tax Credit (Ch. 1)</b>                                     |                                |                |                |                |                |                |                                        |
|                      | GF                                                                                                             | Comptroller                    | \$37,400       | \$0            | \$0            | \$0            | \$0            |                                        |
| <b>SB 107</b>        | <b>Unemployment Insurance – Tax Deferment, Trust Fund Solvency, and Cost-Neutral Modernization Act (Ch. 2)</b> |                                |                |                |                |                |                |                                        |
|                      | FF                                                                                                             | All or Multiple Agencies       | (\$182)        | (\$477)        | (\$1,145)      | (\$596)        | \$427          |                                        |
|                      | GF                                                                                                             | All or Multiple Agencies       | (\$547)        | (\$1,431)      | (\$3,434)      | (\$1,789)      | \$1,280        |                                        |
|                      | SF                                                                                                             | All or Multiple Agencies       | (\$182)        | (\$477)        | (\$1,145)      | (\$596)        | \$427          |                                        |
| <b>SB 129/HB 65</b>  | <b>International Marriage Brokers – Regulation (Ch. 519/Ch. 520)</b>                                           |                                |                |                |                |                |                |                                        |
|                      | GF                                                                                                             | Labor Lic. & Reg.              | \$12,000       | \$0            | \$0            | \$0            | \$0            |                                        |
|                      | GF                                                                                                             | Public Sfty. & Corr.<br>Srvcs. | increase       | increase       | increase       | increase       | increase       | Potential minimal incarceration costs. |
| <b>SB 130/HB 250</b> | <b>Procurement – Minority Business Enterprises – Certification Process (Ch. 229/Ch. 230)</b>                   |                                |                |                |                |                |                |                                        |
|                      | SF                                                                                                             | Transportation                 | \$0            | \$50,640       | \$0            | \$0            | \$0            |                                        |
| <b>SB 131/HB 251</b> | <b>State Procurement – Minority Business Enterprises – Electronic Certification Process (Ch. 231/Ch. 232)</b>  |                                |                |                |                |                |                |                                        |
|                      | SF                                                                                                             | Transportation                 | increase       | increase       | increase       | increase       | increase       | Minimal computer programming costs.    |

## Legislation Affecting State Expenditures

| <u>Fund Type</u> | <u>Agency</u>                                                    | <u>FY 2011</u>  | <u>FY 2012</u> | <u>FY 2013</u> | <u>FY 2014</u> | <u>FY 2015</u>  | <u>Comments</u>                                      |
|------------------|------------------------------------------------------------------|-----------------|----------------|----------------|----------------|-----------------|------------------------------------------------------|
| <b>SB 141</b>    | <b>Budget Reconciliation and Financing Act of 2010 (Ch. 484)</b> |                 |                |                |                |                 |                                                      |
| BOND             | School Construction                                              | \$6,109,000     | \$0            | \$0            | \$0            | \$0             | Included in FY 2011 capital budget.                  |
| BOND             | Transportation                                                   | (\$67,634,559)  | \$67,634,559   | \$0            | \$0            | \$0             | Included in FY 2011 capital budget.                  |
| FF               | All or Multiple Agencies                                         | (\$11,962,767)  | (\$11,666,008) | (\$11,968,112) | (\$12,283,509) | (\$12,612,783)  | Assumed in FY 2011 budget.                           |
| FF               | Hlth. & Mental Hyg.                                              | \$27,000,000    | \$28,215,000   | \$29,484,675   | \$30,811,485   | \$32,198,002    |                                                      |
| FF               | Human Resources                                                  | (\$2,857,542)   | (\$3,000,419)  | (\$3,150,440)  | (\$3,307,962)  | (\$3,473,360)   | Assumed in FY 2011 budget.                           |
| FF               | Juvenile Services                                                | (\$46,000)      | (\$48,300)     | (\$50,715)     | (\$53,251)     | (\$55,913)      | Assumed in FY 2011 budget.                           |
| GF               | All or Multiple Agencies                                         | (\$76,400,789)  | (\$77,297,460) | (\$80,069,348) | (\$82,963,199) | (\$85,984,380)  | Assumed in FY 2011 budget.                           |
| GF               | Baltimore City<br>Community College                              | \$0             | (\$1,927,905)  | (\$2,330,327)  | (\$3,159,131)  | (\$2,943,238)   |                                                      |
| GF               | Budget & Mgt.                                                    | \$0             | decrease       | \$0            | \$0            | \$0             | Potential Rainy Day Fund contribution.               |
| GF               | Bus. & Econ. Dvlpmt.                                             | (\$1,247,566)   | (\$1,844,438)  | (\$894,281)    | (\$938,908)    | (\$983,059)     | Included in FY 2011 budget.                          |
| GF               | Comptroller                                                      | \$0             | \$0            | \$0            | \$50,000,000   | \$50,000,000    |                                                      |
| GF               | Department of<br>Information Technology                          | (\$5,000,000)   | \$0            | \$0            | \$0            | \$0             | Included in FY 2011 budget.                          |
| GF               | Education                                                        | (\$359,650,404) | (\$10,305,805) | (\$45,271,001) | (\$82,274,694) | (\$130,513,246) | Included in FY 2011 budget.                          |
| GF               | Environment                                                      | (\$1,416,158)   | (\$1,416,158)  | (\$1,416,158)  | (\$1,416,158)  | (\$1,416,158)   | Assumed in FY 2011 budget. Also included in SB 1117. |
| GF               | Executive Dept.                                                  | (\$18,975,472)  | (\$19,619,437) | \$0            | \$0            | \$0             | Included in FY 2011 budget.                          |
| GF               | Higher Ed. Comm.                                                 | (\$36,622,562)  | (\$66,178,580) | (\$78,210,939) | (\$92,773,625) | (\$88,358,569)  | Included in FY 2011 budget.                          |
| GF               | Hlth. & Mental Hyg.                                              | (\$40,912,235)  | (\$50,039,156) | (\$36,005,271) | (\$36,855,536) | (\$37,724,812)  | Included in FY 2011 budget.                          |
| GF               | Human Resources                                                  | (\$5,546,994)   | (\$27,603,441) | (\$6,115,561)  | (\$6,421,339)  | (\$6,742,406)   | Assumed in FY 2011 budget.                           |

## Legislation Affecting State Expenditures

| <u>Fund Type</u> | <u>Agency</u>                        | <u>FY 2011</u> | <u>FY 2012</u> | <u>FY 2013</u> | <u>FY 2014</u> | <u>FY 2015</u> | <u>Comments</u>                         |
|------------------|--------------------------------------|----------------|----------------|----------------|----------------|----------------|-----------------------------------------|
| GF               | Judiciary                            | (\$11,899,400) | (\$10,222,000) | \$0            | \$0            | \$0            | Included in FY 2011 budget.             |
| GF               | Juvenile Services                    | (\$886,000)    | (\$930,300)    | (\$976,815)    | (\$1,025,656)  | (\$1,076,939)  | Assumed in FY 2011 budget.              |
| GF               | Natural Resources                    | (\$230,000)    | (\$230,000)    | (\$230,000)    | (\$230,000)    | (\$230,000)    | Assumed in FY 2011 budget.              |
| GF               | Payments to Civil Divisions          | \$23,884,680   | \$19,478,261   | \$17,988,850   | \$17,389,559   | \$16,789,687   | Included in FY 2011 budget.             |
| GF               | Public Sfty. & Corr. Svcs.           | (\$710,064)    | (\$1,481,526)  | (\$1,540,787)  | (\$1,602,418)  | (\$1,666,515)  | Included in FY 2011 budget.             |
| GF               | School Construction                  | (\$6,109,000)  | (\$4,261,010)  | (\$4,435,224)  | (\$4,669,303)  | (\$4,879,477)  | Included in FY 2011 budget.             |
| GF               | School for Deaf                      | (\$2,000,000)  | \$0            | \$0            | \$0            | \$0            | Included in FY 2011 budget.             |
| HE               | All or Multiple Agencies             | (\$12,215,246) | (\$12,752,717) | (\$13,313,837) | (\$13,899,646) | (\$14,511,230) | Assumed in FY 2011 budget.              |
| REIM             | All or Multiple Agencies             | (\$736,569)    | (\$768,978)    | (\$802,813)    | (\$838,137)    | (\$875,015)    | Assumed in FY 2011 budget.              |
| SF               | Agriculture                          | (\$11,814,797) | \$0            | \$0            | \$0            | \$0            | Included in FY 2011 budget.             |
| SF               | All or Multiple Agencies             | (\$17,275,993) | (\$17,213,016) | (\$17,759,189) | (\$18,329,393) | (\$18,924,686) | Assumed in FY 2011 budget.              |
| SF               | Bus. & Econ. Dvlpmt.                 | \$0            | \$0            | \$0            | \$0            | \$0            | (\$500,000) included in FY 2011 budget. |
| SF               | Department of Information Technology | \$5,000,000    | \$0            | \$0            | \$0            | \$0            |                                         |
| SF               | Education                            | \$350,000,000  | \$0            | \$0            | \$0            | \$0            |                                         |
| SF               | Election Board, State                | \$500,000      | \$0            | \$0            | \$0            | \$0            |                                         |
| SF               | Energy Administration                | \$0            | (\$21,779,097) | \$0            | \$0            | \$0            |                                         |
| SF               | Environment                          | (\$45,000,000) | \$0            | \$0            | \$0            | \$0            | Included in FY 2011 budget.             |
| SF               | Hlth. & Mental Hyg.                  | \$56,000,000   | \$45,980,000   | \$48,049,100   | \$50,211,310   | \$52,470,819   | \$3,846,840 included in FY 2011 budget. |
| SF               | Housing & Commtty Dvlpt.             | (\$8,700,000)  | \$0            | \$0            | \$0            | \$0            | Assumed in FY 2011 budget.              |
| SF               | Human Resources                      | \$0            | \$21,779,097   | \$0            | \$0            | \$0            |                                         |

### Legislation Affecting State Expenditures

|                      | <u>Fund Type</u>                                                                                                                    | <u>Agency</u>                        | <u>FY 2011</u>  | <u>FY 2012</u>  | <u>FY 2013</u>  | <u>FY 2014</u>  | <u>FY 2015</u>  | <u>Comments</u>                         |
|----------------------|-------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------------------------------|
|                      | SF                                                                                                                                  | Judiciary                            | \$11,899,400    | \$10,222,000    | \$0             | \$0             | \$0             |                                         |
|                      | SF                                                                                                                                  | Leg. Services                        | \$150,000       | \$0             | \$0             | \$0             | \$0             |                                         |
|                      | SF                                                                                                                                  | Natural Resources                    | (\$68,259,036)  | \$0             | \$0             | \$0             | \$0             | Included in FY 2011 budget.             |
|                      | SF                                                                                                                                  | School for Deaf                      | \$2,000,000     | \$0             | \$0             | \$0             | \$0             |                                         |
|                      | SF                                                                                                                                  | Transportation                       | (\$261,469,190) | (\$338,354,400) | (\$339,448,400) | (\$350,256,400) | (\$361,180,200) | Included in FY 2011 budget.             |
| <b>SB 163/HB 868</b> | <b>State Board of Pharmacy – Wholesale Distributor Permitting and Prescription Drug Integrity Act – Revisions (Ch. 239/Ch. 240)</b> |                                      |                 |                 |                 |                 |                 |                                         |
|                      | SF                                                                                                                                  | Hlth. & Mental Hyg.                  | (\$337,500)     | (\$15,000)      | (\$420,000)     | (\$15,000)      | (\$420,000)     | Assumed in FY 2011 budget.              |
| <b>SB 165/HB 600</b> | <b>Health Occupations – Therapy Management Contracts – Repeal of Sunset (Ch. 44/Ch. 45)</b>                                         |                                      |                 |                 |                 |                 |                 |                                         |
|                      | SF                                                                                                                                  | Hlth. & Mental Hyg.                  | increase        | increase        | increase        | increase        | increase        | Potential minimal reimbursement costs.  |
| <b>SB 171/HB 359</b> | <b>Procurement – Veteran-Owned Small Business Enterprise Participation (Ch. 507/Ch. 508)</b>                                        |                                      |                 |                 |                 |                 |                 |                                         |
|                      | FF                                                                                                                                  | All or Multiple Agencies             | \$0             | \$0             | increase        | increase        | increase        | Potential procurement costs.            |
|                      | GF                                                                                                                                  | All or Multiple Agencies             | \$0             | \$0             | increase        | increase        | increase        | Potential procurement costs.            |
|                      | GF                                                                                                                                  | Department of Information Technology | \$0             | \$100,000       | \$0             | \$0             | \$0             |                                         |
|                      | GF                                                                                                                                  | Public Sfty. & Corr. Svcs.           | \$0             | \$0             | increase        | increase        | increase        | Minimal incarceration costs.            |
|                      | SF                                                                                                                                  | All or Multiple Agencies             | \$0             | \$0             | increase        | increase        | increase        | Potential procurement costs.            |
|                      | SF                                                                                                                                  | Transportation                       | \$0             | \$100,000       | \$0             | \$0             | \$0             |                                         |
| <b>SB 189</b>        | <b>Victims’ Rights – Fatal Vehicular Accident – Suspension of License (Ch. 522)</b>                                                 |                                      |                 |                 |                 |                 |                 |                                         |
|                      | SF                                                                                                                                  | Transportation                       | increase        | increase        | increase        | increase        | increase        | Potential minimal court costs.          |
| <b>SB 198</b>        | <b>Farmer’s Markets – Agricultural Product Sales – Producer Mobile Farmer’s Market License (Ch. 246)</b>                            |                                      |                 |                 |                 |                 |                 |                                         |
|                      | GF                                                                                                                                  | Hlth. & Mental Hyg.                  | increase        | increase        | increase        | increase        | increase        | Minimal inspection and licensing costs. |

### Legislation Affecting State Expenditures

Effect of the 2010 Legislative Program on the Financial Condition of the State

|                      | <u>Fund Type</u>                                                                                                         | <u>Agency</u>               | <u>FY 2011</u> | <u>FY 2012</u> | <u>FY 2013</u> | <u>FY 2014</u> | <u>FY 2015</u> | <u>Comments</u>                                                |
|----------------------|--------------------------------------------------------------------------------------------------------------------------|-----------------------------|----------------|----------------|----------------|----------------|----------------|----------------------------------------------------------------|
| <b>SB 202</b>        | <b>Creation of a State Debt – Aging Schools Program – Qualified Zone Academy Bonds (Ch. 523)</b>                         |                             |                |                |                |                |                |                                                                |
|                      | BOND                                                                                                                     | Education                   | \$4,543,000    | \$0            | \$0            | \$0            | \$0            | Bond revenues increase by same amount.                         |
|                      | SF                                                                                                                       | Debt Service                | \$302,867      | \$302,867      | \$302,867      | \$302,867      | \$302,867      |                                                                |
| <b>SB 229/HB 710</b> | <b>Blue Ribbon Commission on Maryland Transportation Funding (Ch. 525/Ch. 526)</b>                                       |                             |                |                |                |                |                |                                                                |
|                      | SF                                                                                                                       | Transportation              | \$83,335       | \$41,665       | \$0            | \$0            | \$0            |                                                                |
| <b>SB 230/HB 413</b> | <b>Education – Instruction of Blind and Visually Impaired Students – Use of Braille (Ch. 254/Ch. 255)</b>                |                             |                |                |                |                |                |                                                                |
|                      | GF                                                                                                                       | Education                   | \$1,927        | \$2,570        | \$1,903        | \$294          | \$0            |                                                                |
| <b>SB 241/HB 215</b> | <b>State Board of Nursing – Changes to the Electrology Practice Committee and Licensing Requirements (Ch. 48/Ch. 49)</b> |                             |                |                |                |                |                |                                                                |
|                      | SF                                                                                                                       | Hlth. & Mental Hyg.         | increase       | increase       | increase       | increase       | increase       | Minimal compensation and reimbursement costs.                  |
| <b>SB 255/HB 365</b> | <b>Criminal Law – Assault – Law Enforcement Officers and Parole and Probation Agents (Ch. 264/Ch. 265)</b>               |                             |                |                |                |                |                |                                                                |
|                      | GF                                                                                                                       | Public Sfty. & Corr. Srvcs. | increase       | increase       | increase       | increase       | increase       | Minimal incarceration costs.                                   |
| <b>SB 261/HB 283</b> | <b>Criminal Law – Human Trafficking – Prohibitions (Ch. 529/Ch. 530)</b>                                                 |                             |                |                |                |                |                |                                                                |
|                      | GF                                                                                                                       | Public Sfty. & Corr. Srvcs. | increase       | increase       | increase       | increase       | increase       | Potential minimal incarceration costs.                         |
| <b>SB 275</b>        | <b>Education – Maryland Longitudinal Data System (Ch. 190)</b>                                                           |                             |                |                |                |                |                |                                                                |
|                      | FF                                                                                                                       | Data System Center          | \$1,105,278    | \$4,545,205    | \$959,700      | \$0            | \$0            | Contingent on receipt of FF grant. Otherwise GFs will be used. |
|                      | GF                                                                                                                       | Education                   | \$0            | \$87,827       | \$310,614      | \$445,977      | \$454,830      |                                                                |
|                      | GF                                                                                                                       | Higher Ed. Comm.            | \$0            | \$87,827       | \$310,614      | \$445,977      | \$454,830      |                                                                |
|                      | GF                                                                                                                       | Data System Center          | \$0            | \$183,604      | \$705,544      | \$1,051,136    | \$1,069,246    |                                                                |
| <b>SB 277</b>        | <b>Renewable Energy Portfolio Standard – Solar Energy (Ch. 494)</b>                                                      |                             |                |                |                |                |                |                                                                |
|                      | GF/SF/FF                                                                                                                 | All or Multiple Agencies    | increase       | increase       | increase       | increase       | increase       | Potential significant electricity expenditures.                |
|                      | SF                                                                                                                       | Public Srv. Comm.           | \$36,511       | \$111,537      | \$117,090      | \$122,939      | \$129,099      |                                                                |

## Legislation Affecting State Expenditures

|                      | <u>Fund Type</u>                                                                              | <u>Agency</u>               | <u>FY 2011</u> | <u>FY 2012</u> | <u>FY 2013</u> | <u>FY 2014</u> | <u>FY 2015</u> | <u>Comments</u>                                                                                                                                  |
|----------------------|-----------------------------------------------------------------------------------------------|-----------------------------|----------------|----------------|----------------|----------------|----------------|--------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>SB 278/HB 474</b> | <b>Smart, Green, and Growing – Maryland Sustainable Growth Commission (Ch. 489/Ch. 488)</b>   |                             |                |                |                |                |                |                                                                                                                                                  |
|                      | GF                                                                                            | Planning, Office of         | increase       | increase       | increase       | increase       | increase       | Minimal administrative costs.                                                                                                                    |
| <b>SB 279</b>        | <b>Maryland False Health Claims Act of 2010 (Ch. 4)</b>                                       |                             |                |                |                |                |                |                                                                                                                                                  |
|                      | FF                                                                                            | Hlth. & Mental Hyg.         | \$0            | \$0            | \$0            | \$0            | \$0            | (\$11,000,000) included in FY 2011 budget.                                                                                                       |
|                      | GF                                                                                            | Attorney General's Office   | \$70,864       | increase       | increase       | increase       | increase       | Additional staffing costs.                                                                                                                       |
|                      | GF                                                                                            | Hlth. & Mental Hyg.         | increase       | increase       | increase       | increase       | increase       | Potential significant Medicaid expenditures offset by GF revenue increase and SF expenditure decrease. (\$9,000,000) included in FY 2011 budget. |
|                      | SF                                                                                            | Hlth. & Mental Hyg.         | decrease       | decrease       | decrease       | decrease       | decrease       | Potential significant Medicaid expenditures.                                                                                                     |
| <b>SB 280/HB 473</b> | <b>Criminal Procedure – Sexual Offenders – Lifetime Supervision (Ch. 176/Ch. 177)</b>         |                             |                |                |                |                |                |                                                                                                                                                  |
|                      | GF                                                                                            | Public Defender             | \$318,368      | \$431,473      | \$452,142      | \$473,848      | \$496,644      |                                                                                                                                                  |
|                      | GF                                                                                            | Public Sfty. & Corr. Srvcs. | \$0            | \$99,476       | \$372,789      | \$713,606      | \$884,219      |                                                                                                                                                  |
| <b>SB 283/HB 470</b> | <b>Higher Education Investment Fund – Tuition Stabilization and Funding (Ch. 192/Ch. 193)</b> |                             |                |                |                |                |                |                                                                                                                                                  |
|                      | GF                                                                                            | Higher Ed. Comm.            | (\$42,130,020) | (\$42,761,999) | (\$45,563,640) | (\$49,165,365) | (\$52,115,262) | Partially offset by decrease in GF revenues and increase in SF expenditures. Included in FY 2011 budget                                          |
|                      | SF                                                                                            | Higher Ed. Comm.            | \$42,130,020   | \$43,393,918   | \$47,733,362   | \$50,597,368   | \$53,633,156   | Offset by increase in SF revenues and partially offset by decrease in GF expenditures.                                                           |

## Legislation Affecting State Expenditures

|                      | <u>Fund Type</u>                                                                                                                              | <u>Agency</u>            | <u>FY 2011</u> | <u>FY 2012</u> | <u>FY 2013</u> | <u>FY 2014</u> | <u>FY 2015</u> | <u>Comments</u>                                                                     |
|----------------------|-----------------------------------------------------------------------------------------------------------------------------------------------|--------------------------|----------------|----------------|----------------|----------------|----------------|-------------------------------------------------------------------------------------|
| <b>SB 291/HB 114</b> | <b>Health Occupations Boards – Revisions (Ch. 533/Ch. 534)</b>                                                                                |                          |                |                |                |                |                |                                                                                     |
|                      | SF                                                                                                                                            | Hlth. & Mental Hyg.      | increase       | increase       | increase       | increase       | increase       | Minimal reimbursement costs.                                                        |
| <b>SB 292/HB 217</b> | <b>Election Law – Voter Registration and Nomination by Petition – Requirements (Ch. 270/Ch. 271)</b>                                          |                          |                |                |                |                |                |                                                                                     |
|                      | SF                                                                                                                                            | Transportation           | \$0            | \$0            | \$0            | \$0            | \$0            | Potential minimal administrative costs in FY 2010.                                  |
| <b>SB 311/HB 943</b> | <b>Chesapeake Conservation Corps Program (Ch. 275/Ch. 276)</b>                                                                                |                          |                |                |                |                |                |                                                                                     |
|                      | GF                                                                                                                                            | Natural Resources        | \$250,000      | \$250,000      | \$250,000      | \$250,000      | \$250,000      |                                                                                     |
|                      | HE                                                                                                                                            | Univ. Sys. of MD         | increase       | increase       | increase       | increase       | increase       | Potential program implementation costs.                                             |
| <b>SB 314</b>        | <b>Health Insurance – Assignment of Benefits and Reimbursement of Nonpreferred Providers (Ch. 537)</b>                                        |                          |                |                |                |                |                |                                                                                     |
|                      | GF/SF/FF                                                                                                                                      | Budget & Mgt.            | \$0            | increase       | increase       | increase       | increase       | Potential State Employee and Retiree Health and Welfare Benefits Plan expenditures. |
|                      | SF                                                                                                                                            | Hlth. & Mental Hyg.      | \$37,500       | \$50,000       | \$50,000       | \$50,000       | \$50,000       |                                                                                     |
| <b>SB 315</b>        | <b>Public Ethics Laws – Elected Local Officials and Board of Education Members – Requirements (Ch. 277)</b>                                   |                          |                |                |                |                |                |                                                                                     |
|                      | GF                                                                                                                                            | Ethics Commission        | \$15,000       | \$25,000       | \$0            | \$0            | \$0            |                                                                                     |
| <b>SB 317/HB 775</b> | <b>State Retirement and Pension System – Retirees and Beneficiaries of Retirees – Annual Retirement Allowance Adjustments (Ch. 56/Ch. 57)</b> |                          |                |                |                |                |                |                                                                                     |
|                      | FF                                                                                                                                            | All or Multiple Agencies | \$0            | \$40,560       | \$42,000       | \$43,440       | \$44,960       |                                                                                     |
|                      | GF                                                                                                                                            | All or Multiple Agencies | \$0            | \$425,880      | \$441,000      | \$456,120      | \$472,080      |                                                                                     |
|                      | SF                                                                                                                                            | All or Multiple Agencies | \$0            | \$40,560       | \$42,000       | \$43,440       | \$44,960       |                                                                                     |
| <b>SB 318/HB 830</b> | <b>Income Tax Checkoff for Developmental Disabilities (Ch. 499/Ch. 500)</b>                                                                   |                          |                |                |                |                |                |                                                                                     |
|                      | GF                                                                                                                                            | Comptroller              | \$36,100       | \$0            | \$0            | \$0            | \$0            |                                                                                     |

## Legislation Affecting State Expenditures

|                      | <u>Fund Type</u>                                                                                                                                           | <u>Agency</u>               | <u>FY 2011</u> | <u>FY 2012</u> | <u>FY 2013</u> | <u>FY 2014</u> | <u>FY 2015</u> | <u>Comments</u>                                          |
|----------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------|----------------|----------------|----------------|----------------|----------------|----------------------------------------------------------|
| <b>SB 319/HB 915</b> | <b>African American Heritage Preservation Program (Ch. 278/Ch. 279)</b>                                                                                    |                             |                |                |                |                |                |                                                          |
|                      | BOND                                                                                                                                                       | Planning, Office of         | \$0            | \$1,000,000    | \$1,000,000    | \$1,000,000    | \$1,000,000    |                                                          |
|                      | GF                                                                                                                                                         | Planning, Office of         | \$162,904      | \$157,361      | \$164,767      | \$172,546      | \$180,721      |                                                          |
| <b>SB 382</b>        | <b>Marine Contractors – Licensure and Regulation – Tidal Wetlands Licenses (Ch. 286)</b>                                                                   |                             |                |                |                |                |                |                                                          |
|                      | SF                                                                                                                                                         | Environment                 | \$60,000       | \$136,696      | \$152,788      | \$86,471       | \$90,344       |                                                          |
| <b>SB 400/HB 496</b> | <b>No Representation Without Population Act (Ch. 66/Ch. 67)</b>                                                                                            |                             |                |                |                |                |                |                                                          |
|                      | GF                                                                                                                                                         | Leg. Services               | \$50,000       | \$0            | \$0            | \$0            | \$0            |                                                          |
| <b>SB 444/HB 771</b> | <b>Blue Ribbon Commission to Study Retiree Health Care Funding Options – Extension of Reporting and Termination Dates (Ch. 560/Ch. 561)</b>                |                             |                |                |                |                |                |                                                          |
|                      | GF                                                                                                                                                         | Budget & Mgt.               | \$150,000      | \$150,000      | \$0            | \$0            | \$0            |                                                          |
| <b>SB 466</b>        | <b>Vehicle Laws – Off-Highway Recreational Vehicles – Titling (Ch. 304)</b>                                                                                |                             |                |                |                |                |                |                                                          |
|                      | SF                                                                                                                                                         | Transportation              | \$54,890       | \$56,945       | \$60,199       | \$63,049       | \$66,076       |                                                          |
| <b>SB 467/HB 59</b>  | <b>Task Force to Explore the Incorporation of the Principles of Universal Design for Learning into the Education Systems in Maryland (Ch. 305/Ch. 306)</b> |                             |                |                |                |                |                |                                                          |
|                      | GF                                                                                                                                                         | Education                   | \$6,530        | \$0            | \$0            | \$0            | \$0            |                                                          |
| <b>SB 476/HB 223</b> | <b>Maintenance of Effort – Penalty (Ch. 73/Ch. 74)</b>                                                                                                     |                             |                |                |                |                |                |                                                          |
|                      | GF                                                                                                                                                         | Education                   | \$0            | \$0            | \$0            | \$0            | \$0            | Eliminates FY 2010 \$23.4 million expenditure reduction. |
| <b>SB 477/HB 611</b> | <b>State Highways – Mobile Produce Vendors – Required State Lease (Ch. 565/Ch. 566)</b>                                                                    |                             |                |                |                |                |                |                                                          |
|                      | SF                                                                                                                                                         | Transportation              | \$56,110       | \$46,945       | \$48,806       | \$50,748       | \$52,772       |                                                          |
| <b>SB 484/HB 319</b> | <b>State Board of Nursing – Nurse Practitioners – Certification Requirements and Authority to Practice (Ch. 77/Ch. 78)</b>                                 |                             |                |                |                |                |                |                                                          |
|                      | SF                                                                                                                                                         | Hlth. & Mental Hyg.         | decrease       | decrease       | decrease       | decrease       | decrease       | Minimal reimbursement costs.                             |
| <b>SB 517</b>        | <b>Maryland Gang Prosecution Act of 2010 (Ch. 197)</b>                                                                                                     |                             |                |                |                |                |                |                                                          |
|                      | GF                                                                                                                                                         | Public Sfty. & Corr. Srvcs. | increase       | increase       | increase       | increase       | increase       | Minimal incarceration costs.                             |

## Legislation Affecting State Expenditures

|                      | <u>Fund Type</u>                                                                                        | <u>Agency</u>            | <u>FY 2011</u> | <u>FY 2012</u> | <u>FY 2013</u> | <u>FY 2014</u> | <u>FY 2015</u> | <u>Comments</u>                              |
|----------------------|---------------------------------------------------------------------------------------------------------|--------------------------|----------------|----------------|----------------|----------------|----------------|----------------------------------------------|
| <b>SB 523</b>        | <b>Credit Card Blacklisting Prevention Act (Ch. 309)</b>                                                |                          |                |                |                |                |                |                                              |
|                      | GF                                                                                                      | Judiciary                | increase       | increase       | increase       | increase       | increase       | Potential minimal incarceration costs.       |
| <b>SB 556</b>        | <b>Environment – Decabrominated Diphenyl Ether – Prohibitions (Ch. 320)</b>                             |                          |                |                |                |                |                |                                              |
|                      | GF                                                                                                      | Environment              | \$20,464       | \$22,464       | \$11,712       | \$0            | \$0            |                                              |
| <b>SB 560/HB 829</b> | <b>Vehicle Laws – Traffic Citations – Option to Request Trial (Ch. 195/Ch. 196)</b>                     |                          |                |                |                |                |                |                                              |
|                      | FF                                                                                                      | Executive Dept.          | \$250,000      | \$0            | \$0            | \$0            | \$0            |                                              |
|                      | GF                                                                                                      | State Police             | decrease       | decrease       | decrease       | decrease       | decrease       | Significant overtime reduction.              |
|                      | NB                                                                                                      | Transportation           | decrease       | decrease       | decrease       | decrease       | decrease       | Minimal overtime reduction.                  |
|                      | SF                                                                                                      | Transportation           | increase       | increase       | increase       | increase       | increase       | Potential minimal court costs.               |
| <b>SB 576</b>        | <b>Residential Child and Youth Care Practitioners – Certification Requirement – Extension (Ch. 583)</b> |                          |                |                |                |                |                |                                              |
|                      | GF                                                                                                      | Hlth. & Mental Hyg.      | decrease       | decrease       | decrease       | decrease       | indeterminate  | Certification/ administrative costs.         |
|                      | GF/SF/FF                                                                                                | All or Multiple Agencies | \$0            | decrease       | decrease       | decrease       | indeterminate  | Residential child care provider rates.       |
| <b>SB 590/HB 243</b> | <b>Fairness in Negotiations Act (Ch. 324/Ch. 325)</b>                                                   |                          |                |                |                |                |                |                                              |
|                      | GF                                                                                                      | Higher Ed. Lbr. Rel. Bd. | \$105,119      | \$137,444      | \$142,785      | \$148,385      | \$154,258      |                                              |
| <b>SB 593/HB 699</b> | <b>Health Facilities – Freestanding Medical Facilities – Rates (Ch. 505/Ch. 506)</b>                    |                          |                |                |                |                |                |                                              |
|                      | GF/FF                                                                                                   | Hlth. & Mental Hyg.      | \$0            | increase       | increase       | increase       | increase       | Potential significant Medicaid expenditures. |
| <b>SB 602/HB 674</b> | <b>High Occupancy Vehicle (HOV) Lanes – Use by Plug-In Vehicles (Ch. 492/Ch. 491)</b>                   |                          |                |                |                |                |                |                                              |
|                      | SF                                                                                                      | Transportation           | increase       | increase       | increase       | increase       | \$0            | Potential minimal administration costs.      |

## Legislation Affecting State Expenditures

|                       | <u>Fund Type</u>                                                                                                                                               | <u>Agency</u>               | <u>FY 2011</u> | <u>FY 2012</u> | <u>FY 2013</u> | <u>FY 2014</u> | <u>FY 2015</u> | <u>Comments</u>                                                                          |
|-----------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------|----------------|----------------|----------------|----------------|----------------|------------------------------------------------------------------------------------------|
| <b>SB 632/HB 624</b>  | <b>Registered Nurses, Licensed Practical Nurses, Nursing Assistants, and Medication Technicians – Changes to Licensure Requirements (Ch. 585/Ch. 586)</b>      |                             |                |                |                |                |                |                                                                                          |
|                       | SF                                                                                                                                                             | Hlth. & Mental Hyg.         | increase       | increase       | increase       | increase       | decrease       | Potential minimal administrative costs through FY 2014.                                  |
| <b>SB 633/HB 1034</b> | <b>Community Services Reimbursement Rate Commission – Developmental Disabilities and Community Mental Health Services – Rate Adjustments (Ch. 497/Ch. 498)</b> |                             |                |                |                |                |                |                                                                                          |
|                       | GF/FF                                                                                                                                                          | Hlth. & Mental Hyg.         | \$0            | increase       | increase       | increase       | increase       | Potential significant Medicaid expenditures, partially offset by federal matching funds. |
| <b>SB 670/HB 818</b>  | <b>Criminal Law – Trespass on Posted Property and Wanton Trespass on Private Property – Penalties (Ch. 334/Ch. 335)</b>                                        |                             |                |                |                |                |                |                                                                                          |
|                       | GF                                                                                                                                                             | Public Sfty. & Corr. Srvcs. | increase       | increase       | increase       | increase       | increase       | Potential minimal incarceration costs.                                                   |
| <b>SB 693/HB 1164</b> | <b>Green Maryland Act of 2010 (Ch. 593/Ch. 594)</b>                                                                                                            |                             |                |                |                |                |                |                                                                                          |
|                       | GF/SF/FF                                                                                                                                                       | All or Multiple Agencies    | increase       | increase       | increase       | increase       | increase       | Potential minimal procurement costs.                                                     |
| <b>SB 723/HB 1093</b> | <b>Health Insurance – Clinically Integrated Organizations (Ch. 598/Ch. 599)</b>                                                                                |                             |                |                |                |                |                |                                                                                          |
|                       | SF                                                                                                                                                             | Hlth. & Mental Hyg.         | increase       | increase       | increase       | increase       | increase       | Administrative costs.                                                                    |
| <b>SB 780/HB 869</b>  | <b>Real Property – Affordable Housing Land Trusts (Ch. 609/Ch. 610)</b>                                                                                        |                             |                |                |                |                |                |                                                                                          |
|                       | GF                                                                                                                                                             | Assessments & Tax.          | increase       | increase       | increase       | increase       | increase       | Potential minimal administrative expenditures.                                           |
| <b>SB 789/HB 1299</b> | <b>Labor and Employment – The Healthy Retail Employee Act (Ch. 612/Ch. 613)</b>                                                                                |                             |                |                |                |                |                |                                                                                          |
|                       | GF                                                                                                                                                             | Labor Lic. & Reg.           | \$21,975       | \$55,266       | \$57,830       | \$60,530       | \$63,374       |                                                                                          |
| <b>SB 854/HB 936</b>  | <b>Crimes – Sex Offenders – Notification, Registration, and Penalties (Ch. 174/Ch. 175)</b>                                                                    |                             |                |                |                |                |                |                                                                                          |
|                       | GF                                                                                                                                                             | Juvenile Services           | \$237,261      | \$322,279      | \$338,491      | \$355,548      | \$373,528      |                                                                                          |

## Legislation Affecting State Expenditures

|                       | <u>Fund Type</u>                                                                                                | <u>Agency</u>               | <u>FY 2011</u> | <u>FY 2012</u> | <u>FY 2013</u> | <u>FY 2014</u> | <u>FY 2015</u> | <u>Comments</u>                                                                                                |
|-----------------------|-----------------------------------------------------------------------------------------------------------------|-----------------------------|----------------|----------------|----------------|----------------|----------------|----------------------------------------------------------------------------------------------------------------|
| <b>SB 855/HB 929</b>  | <b>Patient Centered Medical Home Program (Ch. 5/Ch. 6)</b>                                                      |                             |                |                |                |                |                |                                                                                                                |
|                       | GF/SF/FF                                                                                                        | Budget & Mgt.               | \$0            | increase       | increase       | increase       | increase       | Minimal State Employee and Retiree Health and Welfare Benefits Plan expenditures; potential long-term savings. |
|                       | SF                                                                                                              | Hlth. & Mental Hyg.         | \$221,571      | \$218,799      | \$221,296      | \$160,000      | \$0            |                                                                                                                |
| <b>SB 887</b>         | <b>Correctional Services – State Correctional Officers’ Bill of Rights (Ch. 194)</b>                            |                             |                |                |                |                |                |                                                                                                                |
|                       | GF                                                                                                              | Public Sfty. & Corr. Srvcs. | \$3,000,497    | \$2,619,769    | \$2,738,163    | \$2,862,181    | \$3,092,090    |                                                                                                                |
| <b>SB 897</b>         | <b>Academic Facilities Bonding Authority (Ch. 631)</b>                                                          |                             |                |                |                |                |                |                                                                                                                |
|                       | BOND                                                                                                            | Univ. Sys. of MD            | \$150,000,000  | \$0            | \$0            | \$0            | \$0            | Bond revenues increase by same amount.                                                                         |
|                       | HE                                                                                                              | Univ. Sys. of MD            | \$0            | \$12,360,000   | \$12,360,000   | \$12,360,000   | \$12,360,000   |                                                                                                                |
| <b>SB 898/HB 1076</b> | <b>Credit Regulation – Installment Loans Secured by Motor Vehicle Lien – Balloon Payments (Ch. 632/Ch. 633)</b> |                             |                |                |                |                |                |                                                                                                                |
|                       | GF                                                                                                              | Attorney General’s Office   | increase       | increase       | increase       | increase       | increase       | Potential minimal administrative expenditures.                                                                 |
|                       | GF                                                                                                              | Public Sfty. & Corr. Srvcs. | increase       | increase       | increase       | increase       | increase       | Potential minimal incarceration costs.                                                                         |
| <b>SB 911</b>         | <b>Underground Facilities – Damage Prevention (Ch. 635)</b>                                                     |                             |                |                |                |                |                |                                                                                                                |
|                       | GF                                                                                                              | Damage Prevention Authority | increase       | increase       | increase       | increase       | increase       | Potential administrative costs.                                                                                |
|                       | NB                                                                                                              | Damage Prevention Authority | increase       | increase       | increase       | increase       | increase       | Staff and administrative costs of at least \$75,000 per year.                                                  |
|                       | SF                                                                                                              | Damage Prevention Authority | increase       | increase       | increase       | increase       | increase       | Underground facilities safety awareness program costs.                                                         |
|                       | SF                                                                                                              | Transportation              | \$7,140        | \$8,760        | \$8,760        | \$8,760        | \$8,760        |                                                                                                                |

## Legislation Affecting State Expenditures

|                        | <u>Fund Type</u>                                                                                                   | <u>Agency</u>              | <u>FY 2011</u> | <u>FY 2012</u> | <u>FY 2013</u> | <u>FY 2014</u> | <u>FY 2015</u> | <u>Comments</u>                                       |
|------------------------|--------------------------------------------------------------------------------------------------------------------|----------------------------|----------------|----------------|----------------|----------------|----------------|-------------------------------------------------------|
| <b>SB 935/HB 1149</b>  | <b>Denial or Dismissal of Peace Order or Protective Order Petition – Shielding of Records (Ch. 361/Ch. 362)</b>    |                            |                |                |                |                |                |                                                       |
|                        | GF                                                                                                                 | Judiciary                  | increase       | increase       | increase       | increase       | increase       | Potential significant administrative and court costs. |
| <b>SB 966</b>          | <b>Education – High School Diploma by Examination (Ch. 113)</b>                                                    |                            |                |                |                |                |                |                                                       |
|                        | GF                                                                                                                 | Labor Lic. & Reg.          | \$32,084       | \$35,979       | \$37,720       | \$39,551       | \$41,475       |                                                       |
| <b>SB 979/HB 1370</b>  | <b>Public-Private Partnerships – Oversight (Ch. 640/Ch. 641)</b>                                                   |                            |                |                |                |                |                |                                                       |
|                        | GF/SF                                                                                                              | All or Multiple Agencies   | increase       | increase       | increase       | increase       | increase       | Potential minimal reporting costs.                    |
|                        | HE                                                                                                                 | All or Multiple Agencies   | increase       | increase       | increase       | increase       | increase       | Potential minimal reporting costs.                    |
|                        | NB                                                                                                                 | All or Multiple Agencies   | increase       | increase       | increase       | increase       | increase       | Potential minimal reporting costs.                    |
| <b>SB 987</b>          | <b>Natural Resources – Conservation Law Enforcement Act of 2010 (Ch. 367)</b>                                      |                            |                |                |                |                |                |                                                       |
|                        | GF                                                                                                                 | Public Bdcst. Comm.        | \$40,000       | \$0            | \$0            | \$0            | \$0            |                                                       |
| <b>SB 1006/HB 1025</b> | <b>Baltimore City – Sale of Motor Fuel for Dirt Bikes – Prohibition (Ch. 114/Ch. 115)</b>                          |                            |                |                |                |                |                |                                                       |
|                        | GF                                                                                                                 | Comptroller                | increase       | \$0            | \$0            | \$0            | \$0            | Potential minimal administration costs.               |
|                        | GF                                                                                                                 | Public Sfty. & Corr. Svcs. | increase       | increase       | increase       | increase       | increase       | Potential incarceration costs.                        |
| <b>SB 1007/HB 983</b>  | <b>Public Schools – Law Enforcement Officers – Cultural Competency Model Training Curriculum (Ch. 370/Ch. 371)</b> |                            |                |                |                |                |                |                                                       |
|                        | GF                                                                                                                 | Public Sfty. & Corr. Svcs. | \$53,700       | \$64,463       | \$0            | \$0            | \$0            |                                                       |
| <b>SB 1019/HB 1471</b> | <b>Residential Real Property – Real Estate Settlements – Disclosures (Ch. 373/Ch. 374)</b>                         |                            |                |                |                |                |                |                                                       |
|                        | GF                                                                                                                 | Public Sfty. & Corr. Svcs. | increase       | increase       | increase       | increase       | increase       | Potential minimal incarceration costs.                |

## Legislation Affecting State Expenditures

|                     | <u>Fund Type</u>                                                                                                                                     | <u>Agency</u>               | <u>FY 2011</u> | <u>FY 2012</u> | <u>FY 2013</u> | <u>FY 2014</u> | <u>FY 2015</u> | <u>Comments</u>                                     |
|---------------------|------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------|----------------|----------------|----------------|----------------|----------------|-----------------------------------------------------|
| <b>SB 1067</b>      | <b>Task Force on Solar Hot Water Systems in Prince George’s County (Ch. 649)</b>                                                                     |                             |                |                |                |                |                |                                                     |
|                     | GF                                                                                                                                                   | Energy Administration       | increase       | \$0            | \$0            | \$0            | \$0            | Potential contractual services expenditures.        |
| <b>SB 1117</b>      | <b>Environment – Maryland Oil Disaster Containment, Clean-Up and Contingency Fund and Oil Contaminated Site Environmental Cleanup Fund (Ch. 377)</b> |                             |                |                |                |                |                |                                                     |
|                     | GF                                                                                                                                                   | Environment                 | (\$1,416,158)  | (\$1,416,158)  | (\$1,416,158)  | (\$1,416,158)  | (\$1,416,158)  | Assumed in FY 2011 budget. Also included in SB 141. |
| <b>HB 59/SB 467</b> | See entry for SB 467.                                                                                                                                |                             |                |                |                |                |                |                                                     |
| <b>HB 60</b>        | <b>Criminal Procedure – Violation by Child Sexual Offender of Pretrial or Posttrial Release No Contact Order (“Alexis’s Law”) (Ch. 187)</b>          |                             |                |                |                |                |                |                                                     |
|                     | GF                                                                                                                                                   | Public Sfty. & Corr. Srvcs. | increase       | increase       | increase       | increase       | increase       | Potential minimal incarceration costs.              |
| <b>HB 65/SB 129</b> | See entry for SB 129.                                                                                                                                |                             |                |                |                |                |                |                                                     |
| <b>HB 72</b>        | <b>Department of the Environment – Oil and Gas Production Permits – Fees (Ch. 383)</b>                                                               |                             |                |                |                |                |                |                                                     |
|                     | SF                                                                                                                                                   | Environment                 | \$116,320      | \$240,704      | \$217,231      | \$226,654      | \$236,561      | SF revenues increase by same amount.                |
| <b>HB 73</b>        | <b>Environment – Water Quality Revolving Loan Fund – Use of Funds (Ch. 384)</b>                                                                      |                             |                |                |                |                |                |                                                     |
|                     | FF                                                                                                                                                   | Environment                 | \$0            | increase       | increase       | increase       | increase       | Significant water quality expenditures.             |
|                     | BOND                                                                                                                                                 | Environment                 | \$0            | \$9,800,000    | \$9,400,000    | increase       | increase       | Significant water quality expenditures.             |
| <b>HB 79</b>        | <b>Commercial Law – Credit Services Businesses – Limitation on Fees (Ch. 385)</b>                                                                    |                             |                |                |                |                |                |                                                     |
|                     | GF                                                                                                                                                   | Public Sfty. & Corr. Srvcs. | increase       | increase       | increase       | increase       | increase       | Potential minimal incarceration costs.              |
| <b>HB 88</b>        | <b>Other Tobacco Products Licenses (Ch. 388)</b>                                                                                                     |                             |                |                |                |                |                |                                                     |
|                     | GF                                                                                                                                                   | Judiciary                   | \$72,000       | \$0            | \$0            | \$0            | \$0            |                                                     |
|                     | GF                                                                                                                                                   | Public Sfty. & Corr. Srvcs. | increase       | increase       | increase       | increase       | increase       | Potential minimal incarceration costs.              |

### Legislation Affecting State Expenditures

|                      | <u>Fund Type</u>                                                                     | <u>Agency</u>               | <u>FY 2011</u> | <u>FY 2012</u> | <u>FY 2013</u> | <u>FY 2014</u> | <u>FY 2015</u> | <u>Comments</u>                      |
|----------------------|--------------------------------------------------------------------------------------|-----------------------------|----------------|----------------|----------------|----------------|----------------|--------------------------------------|
| <b>HB 114/SB 291</b> | See entry for SB 291.                                                                |                             |                |                |                |                |                |                                      |
| <b>HB 161</b>        | <b>Family Law – Guardianship Review Hearings – Consultation with Child (Ch. 655)</b> |                             |                |                |                |                |                |                                      |
|                      | GF                                                                                   | Judiciary                   | increase       | increase       | increase       | increase       | increase       | Potential minimal court costs.       |
| <b>HB 215/SB 241</b> | See entry for SB 241.                                                                |                             |                |                |                |                |                |                                      |
| <b>HB 217/SB 292</b> | See entry for SB 292.                                                                |                             |                |                |                |                |                |                                      |
| <b>HB 223/SB 476</b> | See entry for SB 476.                                                                |                             |                |                |                |                |                |                                      |
| <b>HB 243/SB 590</b> | See entry for SB 590.                                                                |                             |                |                |                |                |                |                                      |
| <b>HB 250/SB 130</b> | See entry for SB 130.                                                                |                             |                |                |                |                |                |                                      |
| <b>HB 251/SB 131</b> | See entry for SB 131.                                                                |                             |                |                |                |                |                |                                      |
| <b>HB 254/SB 622</b> | See entry for SB 622.                                                                |                             |                |                |                |                |                |                                      |
| <b>HB 283/SB 261</b> | See entry for SB 261.                                                                |                             |                |                |                |                |                |                                      |
| <b>HB 289</b>        | <b>Correctional Services – Child Sexual Offenders – Diminution Credits (Ch. 182)</b> |                             |                |                |                |                |                |                                      |
|                      | GF                                                                                   | Public Sfty. & Corr. Srvcs. | increase       | increase       | increase       | increase       | increase       | Minimal incarceration costs.         |
| <b>HB 318</b>        | <b>Business Regulation – Secondhand Precious Metal Object Dealers (Ch. 404)</b>      |                             |                |                |                |                |                |                                      |
|                      | GF                                                                                   | Labor Lic. & Reg.           | decrease       | decrease       | decrease       | decrease       | decrease       | Potential minimal enforcement costs. |
| <b>HB 319/SB 484</b> | See entry for SB 484.                                                                |                             |                |                |                |                |                |                                      |
| <b>HB 359/SB 171</b> | See entry for SB 171.                                                                |                             |                |                |                |                |                |                                      |
| <b>HB 365/SB 255</b> | See entry for SB 255.                                                                |                             |                |                |                |                |                |                                      |

## Legislation Affecting State Expenditures

|                      | <u>Fund Type</u>                                                                             | <u>Agency</u>         | <u>FY 2011</u> | <u>FY 2012</u> | <u>FY 2013</u> | <u>FY 2014</u> | <u>FY 2015</u> | <u>Comments</u>                                                           |
|----------------------|----------------------------------------------------------------------------------------------|-----------------------|----------------|----------------|----------------|----------------|----------------|---------------------------------------------------------------------------|
| <b>HB 378</b>        | <b>Election Law – Campaign Finance Reports (Ch. 409)</b>                                     |                       |                |                |                |                |                |                                                                           |
|                      | GF                                                                                           | Election Board, State | \$54,000       | \$0            | \$0            | \$0            | \$0            |                                                                           |
| <b>HB 409</b>        | <b>Home Improvement Commission – Guaranty Fund Jurisdiction (Ch. 671)</b>                    |                       |                |                |                |                |                |                                                                           |
|                      | GF                                                                                           | Labor Lic. & Reg.     | \$0            | \$0            | decrease       | decrease       | decrease       | Potential significant court costs.                                        |
|                      | SF                                                                                           | Labor Lic. & Reg.     | decrease       | decrease       | decrease       | decrease       | decrease       | Potential minimal reduction in Home Improvement Guaranty Fund awards.     |
| <b>HB 413/SB 230</b> | <b>See entry for SB 230.</b>                                                                 |                       |                |                |                |                |                |                                                                           |
| <b>HB 435</b>        | <b>Health Insurance – Reimbursement of Primary Care Providers – Bonus Payments (Ch. 673)</b> |                       |                |                |                |                |                |                                                                           |
|                      | GF/SF/FF                                                                                     | Budget & Mgt.         | increase       | increase       | increase       | increase       | increase       | State Employee and Retiree Health and Welfare Benefits Plan expenditures. |
| <b>HB 465</b>        | <b>Collective Negotiations by Family Child Care Providers (Ch. 496)</b>                      |                       |                |                |                |                |                |                                                                           |
|                      | GF                                                                                           | Education             | increase       | \$0            | \$0            | \$0            | \$0            | Minimal computer programming costs.                                       |
| <b>HB 469</b>        | <b>Motor Vehicle Excise Tax – Tax Credit For Electric Vehicles (Ch. 490)</b>                 |                       |                |                |                |                |                |                                                                           |
|                      | SF                                                                                           | Transportation        | increase       | \$0            | \$0            | \$0            | \$0            | Potential minimal computer reprogramming costs.                           |
| <b>HB 470/SB 283</b> | <b>See entry for SB 283.</b>                                                                 |                       |                |                |                |                |                |                                                                           |

### Legislation Affecting State Expenditures

|                      | <u>Fund Type</u>                                                                                                             | <u>Agency</u>               | <u>FY 2011</u> | <u>FY 2012</u> | <u>FY 2013</u> | <u>FY 2014</u> | <u>FY 2015</u> | <u>Comments</u>                                                                   |
|----------------------|------------------------------------------------------------------------------------------------------------------------------|-----------------------------|----------------|----------------|----------------|----------------|----------------|-----------------------------------------------------------------------------------|
| <b>HB 472</b>        | <b>Real Property – Residential Property Foreclosure Procedures – Foreclosure Mediation (Ch. 485)</b>                         |                             |                |                |                |                |                |                                                                                   |
|                      | SF                                                                                                                           | Admin. Hearings, Ofc.       | \$1,282,996    | \$1,267,117    | \$1,318,253    | \$1,371,924    | \$1,428,264    | \$784,387 included in the FY 2011 budget.                                         |
|                      | SF                                                                                                                           | Housing & Commtty Dvlpt.    | increase       | increase       | increase       | increase       | increase       | Significant housing counseling costs; \$3,980,785 included in the FY 2011 budget. |
|                      | SF                                                                                                                           | Judiciary                   | \$300,000      | \$0            | \$0            | \$0            | \$0            | \$228,865 included in the FY 2011 budget.                                         |
|                      | SF                                                                                                                           | Labor Lic. & Reg.           | \$250,000      | \$150,000      | \$150,000      | \$150,000      | \$150,000      | \$225,000 included in the FY 2011 budget.                                         |
| <b>HB 473/SB 280</b> | See entry for SB 280.                                                                                                        |                             |                |                |                |                |                |                                                                                   |
| <b>HB 474/SB 278</b> | See entry for SB 278.                                                                                                        |                             |                |                |                |                |                |                                                                                   |
| <b>HB 475</b>        | <b>Smart, Green, and Growing – The Sustainable Communities Act of 2010 (Ch. 487)</b>                                         |                             |                |                |                |                |                |                                                                                   |
|                      | GF                                                                                                                           | Planning, Office of         | \$10,000,000   | \$15,000,000   | \$15,000,000   | \$15,000,000   | \$0            | Included in FY 2011 budget.                                                       |
|                      | SF                                                                                                                           | Planning, Office of         | \$261,400      | \$266,000      | \$279,100      | \$292,800      | \$307,147      | SF revenues increase by same amount.                                              |
| <b>HB 496/SB 400</b> | See entry for SB 400.                                                                                                        |                             |                |                |                |                |                |                                                                                   |
| <b>HB 517</b>        | <b>Criminal Law – Narcotic Drugs – Enhanced Penalties (Ch. 417)</b>                                                          |                             |                |                |                |                |                |                                                                                   |
|                      | GF                                                                                                                           | Public Sfty. & Corr. Srvcs. | increase       | increase       | increase       | increase       | increase       | Minimal incarceration costs.                                                      |
| <b>HB 531</b>        | <b>Task Force to Study the Procurement of Health, Education, and Social Services by State Agencies – Extension (Ch. 683)</b> |                             |                |                |                |                |                |                                                                                   |
|                      | GF                                                                                                                           | Public Works, Board of      | increase       | increase       | \$0            | \$0            | \$0            | Potential minimal staffing costs.                                                 |
| <b>HB 536</b>        | <b>Department of Aging – Long-Term Care Ombudsman Program (Ch. 155)</b>                                                      |                             |                |                |                |                |                |                                                                                   |
|                      | FF                                                                                                                           | Aging                       | \$6,610        | \$6,991        | \$3,650        | \$0            | \$0            | Included in FY 2011 budget.                                                       |

## Legislation Affecting State Expenditures

|               | <u>Fund Type</u>                                                                                                                          | <u>Agency</u>               | <u>FY 2011</u> | <u>FY 2012</u> | <u>FY 2013</u> | <u>FY 2014</u> | <u>FY 2015</u> | <u>Comments</u>                               |
|---------------|-------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------|----------------|----------------|----------------|----------------|----------------|-----------------------------------------------|
| HB 600/SB 165 | See entry for SB 165.                                                                                                                     |                             |                |                |                |                |                |                                               |
| HB 611/SB 477 | See entry for SB 477.                                                                                                                     |                             |                |                |                |                |                |                                               |
| HB 624/SB 632 | See entry for SB 632.                                                                                                                     |                             |                |                |                |                |                |                                               |
| HB 667        | <b>Vehicle Laws – Exceptional Hauling Permits – Validity in Select Eastern Shore Counties (Ch. 691)</b>                                   |                             |                |                |                |                |                |                                               |
|               | SF/FF                                                                                                                                     | Transportation              | increase       | increase       | increase       | increase       | increase       | Minimal enforcement and administration costs. |
| HB 674/SB 602 | See entry for SB 602.                                                                                                                     |                             |                |                |                |                |                |                                               |
| HB 698        | <b>District Court – Mailings – Notice of Dismissal, Nolle Prosequi, or Stet (Ch. 160)</b>                                                 |                             |                |                |                |                |                |                                               |
|               | GF                                                                                                                                        | Judiciary                   | (\$23,850)     | (\$106,926)    | (\$106,926)    | (\$106,926)    | (\$106,926)    |                                               |
| HB 699/SB 593 | See entry for SB 593.                                                                                                                     |                             |                |                |                |                |                |                                               |
| HB 710/SB 229 | See entry for SB 229.                                                                                                                     |                             |                |                |                |                |                |                                               |
| HB 768        | <b>Employees’ Retirement and Pension Systems – Maryland School for the Deaf Retirees – Overpayment of Benefits (Ch. 435)</b>              |                             |                |                |                |                |                |                                               |
|               | FF                                                                                                                                        | All or Multiple Agencies    | \$0            | \$2,660        | \$2,760        | \$2,860        | \$2,960        |                                               |
|               | GF                                                                                                                                        | All or Multiple Agencies    | \$0            | \$7,980        | \$8,280        | \$8,580        | \$8,880        |                                               |
|               | SF                                                                                                                                        | All or Multiple Agencies    | \$0            | \$2,660        | \$2,760        | \$2,860        | \$2,960        |                                               |
| HB 771/SB 444 | See entry for SB 444.                                                                                                                     |                             |                |                |                |                |                |                                               |
| HB 775/SB 317 | See entry for SB 317.                                                                                                                     |                             |                |                |                |                |                |                                               |
| HB 778        | <b>Crimes – Unauthorized Computer Access for Sabotage of State Government, Public Utilities, or Other Energy Infrastructure (Ch. 436)</b> |                             |                |                |                |                |                |                                               |
|               | GF                                                                                                                                        | Public Sfty. & Corr. Srvcs. | increase       | increase       | increase       | increase       | increase       | Potential minimal incarceration costs.        |

### Legislation Affecting State Expenditures

|                       | <u>Fund Type</u>                                                                                                           | <u>Agency</u>         | <u>FY 2011</u> | <u>FY 2012</u> | <u>FY 2013</u> | <u>FY 2014</u> | <u>FY 2015</u> | <u>Comments</u>                                    |
|-----------------------|----------------------------------------------------------------------------------------------------------------------------|-----------------------|----------------|----------------|----------------|----------------|----------------|----------------------------------------------------|
| <b>HB 815</b>         | <b>Maryland Transportation Authority Police Officers – Collective Bargaining (Ch. 704)</b>                                 |                       |                |                |                |                |                |                                                    |
|                       | NB                                                                                                                         | Transportation        | \$75,063       | \$95,812       | \$100,282      | \$104,974      | \$109,898      | Potential significant collective bargaining costs. |
|                       | SF/NB                                                                                                                      | Transportation        | increase       | increase       | increase       | increase       | increase       |                                                    |
| <b>HB 816/SB 28</b>   | See entry for SB 28.                                                                                                       |                       |                |                |                |                |                |                                                    |
| <b>HB 818/SB 670</b>  | See entry for SB 670.                                                                                                      |                       |                |                |                |                |                |                                                    |
| <b>HB 825</b>         | <b>Vehicle Laws – Required Security – Minimum Amounts (Ch. 441)</b>                                                        |                       |                |                |                |                |                |                                                    |
|                       | NB                                                                                                                         | MAIF                  | \$174,000      | \$162,000      | \$162,000      | \$162,000      | \$162,000      |                                                    |
| <b>HB 829/SB 560</b>  | See entry for SB 560.                                                                                                      |                       |                |                |                |                |                |                                                    |
| <b>HB 830/SB 318</b>  | See entry for SB 318.                                                                                                      |                       |                |                |                |                |                |                                                    |
| <b>HB 856</b>         | <b>Election Law – Montgomery County Republican and Democratic Party Central Committees – Membership MC 15-10 (Ch. 443)</b> |                       |                |                |                |                |                |                                                    |
|                       | GF                                                                                                                         | Election Board, State | \$5,000        | \$0            | \$0            | \$0            | \$0            |                                                    |
| <b>HB 868/SB 163</b>  | See entry for SB 163.                                                                                                      |                       |                |                |                |                |                |                                                    |
| <b>HB 869/SB 780</b>  | See entry for SB 780.                                                                                                      |                       |                |                |                |                |                |                                                    |
| <b>HB 915/SB 319</b>  | See entry for SB 319.                                                                                                      |                       |                |                |                |                |                |                                                    |
| <b>HB 929/SB 855</b>  | See entry for SB 855.                                                                                                      |                       |                |                |                |                |                |                                                    |
| <b>HB 936/SB 854</b>  | See entry for SB 854.                                                                                                      |                       |                |                |                |                |                |                                                    |
| <b>HB 943/SB 311</b>  | See entry for SB 311.                                                                                                      |                       |                |                |                |                |                |                                                    |
| <b>HB 983/SB 1007</b> | See entry for SB 1007.                                                                                                     |                       |                |                |                |                |                |                                                    |

## Legislation Affecting State Expenditures

|                        | <u>Fund Type</u>                                                                                                              | <u>Agency</u>                     | <u>FY 2011</u> | <u>FY 2012</u> | <u>FY 2013</u> | <u>FY 2014</u> | <u>FY 2015</u> | <u>Comments</u>                                  |
|------------------------|-------------------------------------------------------------------------------------------------------------------------------|-----------------------------------|----------------|----------------|----------------|----------------|----------------|--------------------------------------------------|
| <b>HB 1011</b>         | <b>Juvenile Law – Lead Testing – Authorized (Ch. 451)</b>                                                                     |                                   |                |                |                |                |                |                                                  |
|                        | GF                                                                                                                            | Judiciary                         | increase       | increase       | increase       | increase       | increase       | Potential minimal court costs.                   |
| <b>HB 1025/SB 1006</b> | See entry for SB 1006.                                                                                                        |                                   |                |                |                |                |                |                                                  |
| <b>HB 1034/SB 633</b>  | See entry for SB 633.                                                                                                         |                                   |                |                |                |                |                |                                                  |
| <b>HB 1050</b>         | <b>Maryland Health Insurance Plan – Plan Options – Governmental Third Party Payers (Ch. 166)</b>                              |                                   |                |                |                |                |                |                                                  |
|                        | GF/SF/FF                                                                                                                      | Hlth. & Mental Hyg.               | increase       | increase       | increase       | increase       | increase       | Premium, cost-sharing, or program service costs. |
|                        | GF/SF/FF                                                                                                                      | Maryland Health Insurance Program | decrease       | decrease       | decrease       | decrease       | decrease       | Potential plan member reduction.                 |
| <b>HB 1053</b>         | <b>Child Pornography – Matter Reflecting Belief That a Minor Is Depicted in a Certain Manner (Ch. 454)</b>                    |                                   |                |                |                |                |                |                                                  |
|                        | GF                                                                                                                            | Public Sfty. & Corr. Srvcs.       | increase       | increase       | increase       | increase       | increase       | Potential minimal incarceration costs.           |
| <b>HB 1076/SB 898</b>  | See entry for SB 898.                                                                                                         |                                   |                |                |                |                |                |                                                  |
| <b>HB 1093/SB 723</b>  | See entry for SB 723.                                                                                                         |                                   |                |                |                |                |                |                                                  |
| <b>HB 1149/SB 935</b>  | See entry for SB 935.                                                                                                         |                                   |                |                |                |                |                |                                                  |
| <b>HB 1155</b>         | <b>Transportation – Consolidated Transportation Program – Evaluation and Selection of Proposed Capital Projects (Ch. 725)</b> |                                   |                |                |                |                |                |                                                  |
|                        | SF                                                                                                                            | Transportation                    | \$50,000       | \$35,350       | \$25,503       | \$20,606       | \$20,812       |                                                  |
| <b>HB 1163</b>         | <b>Economic Development – Enterprise Zones – Designation (Ch. 459)</b>                                                        |                                   |                |                |                |                |                |                                                  |
|                        | GF                                                                                                                            | All or Multiple Agencies          | \$0            | \$0            | increase       | increase       | increase       | Local property tax reimbursements.               |
| <b>HB 1164/SB 693</b>  | See entry for SB 693.                                                                                                         |                                   |                |                |                |                |                |                                                  |
| <b>HB 1174/SB 99</b>   | See entry for SB 99.                                                                                                          |                                   |                |                |                |                |                |                                                  |

### Legislation Affecting State Expenditures

|                       | <u>Fund Type</u>                                                                             | <u>Agency</u>               | <u>FY 2011</u> | <u>FY 2012</u> | <u>FY 2013</u> | <u>FY 2014</u> | <u>FY 2015</u> | <u>Comments</u>                                                                     |
|-----------------------|----------------------------------------------------------------------------------------------|-----------------------------|----------------|----------------|----------------|----------------|----------------|-------------------------------------------------------------------------------------|
| <b>HB 1199</b>        | <b>Motor Vehicles – Salvage – Standards and Requirements (Ch. 728)</b>                       |                             |                |                |                |                |                |                                                                                     |
|                       | SF                                                                                           | Transportation              | increase       | \$0            | \$0            | \$0            | \$0            | Potential minimal administrative costs.                                             |
| <b>HB 1206</b>        | <b>Commercial Law – Consumer Protection – Refund Anticipation Loans and Checks (Ch. 730)</b> |                             |                |                |                |                |                |                                                                                     |
|                       | GF                                                                                           | Public Sfty. & Corr. Srvcs. | increase       | increase       | increase       | increase       | increase       | Potential minimal incarceration costs.                                              |
| <b>HB 1263</b>        | <b>Education Reform Act of 2010 (Ch. 189)</b>                                                |                             |                |                |                |                |                |                                                                                     |
|                       | GF/FF                                                                                        | Education                   | increase       | increase       | increase       | increase       | increase       | Potential significant teacher incentive program costs.                              |
| <b>HB 1299/SB 789</b> | <b>See entry for SB 789.</b>                                                                 |                             |                |                |                |                |                |                                                                                     |
| <b>HB 1345</b>        | <b>Recreational Fishing Licenses – Licensing and Registration (Ch. 465)</b>                  |                             |                |                |                |                |                |                                                                                     |
|                       | GF                                                                                           | Natural Resources           | increase       | increase       | increase       | increase       | increase       | Assumed in the FY 2011 budget. Significant administration and enforcement expenses. |
| <b>HB 1362</b>        | <b>Education – Public Schools – Virtual Schools (Ch. 743)</b>                                |                             |                |                |                |                |                |                                                                                     |
|                       | GF                                                                                           | Education                   | \$0            | \$61,432       | \$67,282       | \$70,224       | \$0            |                                                                                     |
|                       | GF                                                                                           | Education                   | \$0            | \$0            | increase       | increase       | increase       | Potential significant education aid costs.                                          |
| <b>HB 1370/SB 979</b> | <b>See entry for SB 979.</b>                                                                 |                             |                |                |                |                |                |                                                                                     |
| <b>HB 1375</b>        | <b>Kids First Express Lane Eligibility Act (Ch. 734)</b>                                     |                             |                |                |                |                |                |                                                                                     |
|                       | FF                                                                                           | Hlth. & Mental Hyg.         | \$0            | \$37,354       | \$38,101       | increase       | increase       | Minimal Medicaid expenditures offset by federal matching funds.                     |
|                       | GF                                                                                           | Comptroller                 | \$35,700       | \$0            | \$0            | \$0            | \$0            |                                                                                     |
|                       | GF                                                                                           | Hlth. & Mental Hyg.         | \$0            | \$37,354       | \$38,101       | increase       | increase       | Minimal Medicaid expenditures.                                                      |

## Legislation Affecting State Expenditures

|                        | <u>Fund Type</u>                                                                                                                       | <u>Agency</u>                     | <u>FY 2011</u> | <u>FY 2012</u> | <u>FY 2013</u> | <u>FY 2014</u> | <u>FY 2015</u> | <u>Comments</u>       |
|------------------------|----------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------|----------------|----------------|----------------|----------------|----------------|-----------------------|
| <b>HB 1443</b>         | <b>State Retirement and Health Benefits – Early Service Retirement Allowance and Health Insurance Benefits – Eligibility (Ch. 737)</b> |                                   |                |                |                |                |                |                       |
|                        | GF                                                                                                                                     | Budget & Mgt.                     | \$13,450       | \$14,392       | \$15,399       | \$16,477       | \$17,630       |                       |
| <b>HB 1471/SB 1019</b> | <b>See entry for SB 1019.</b>                                                                                                          |                                   |                |                |                |                |                |                       |
| <b>HB 1564</b>         | <b>Maryland Health Insurance Plan – Administration of National High Risk Pool Program (Ch. 173)</b>                                    |                                   |                |                |                |                |                |                       |
|                        | GF/SF/FF                                                                                                                               | Hlth. & Mental Hyg.               | decrease       | decrease       | decrease       | decrease       | \$0            | Premium costs.        |
|                        | SF/FF                                                                                                                                  | Maryland Health Insurance Program | increase       | increase       | increase       | increase       | \$0            | Implementation costs. |

## Expenditures by Agency

| <u>Agency</u>                              | <u>Fund</u> | <u>FY 2011</u> | <u>FY 2012</u> | <u>FY 2013</u> | <u>FY 2014</u> | <u>FY 2015</u> |
|--------------------------------------------|-------------|----------------|----------------|----------------|----------------|----------------|
| <b>Administrative Hearings</b>             | SF          | \$1,282,996    | \$1,267,117    | \$1,318,253    | \$1,371,924    | \$1,428,264    |
| <b>Aging</b>                               | FF          | \$17,027       | \$6,991        | \$3,650        | \$0            | \$0            |
| <b>Agriculture</b>                         | GF          | (\$63,068)     | (\$63,068)     | (\$63,068)     | (\$63,068)     | (\$63,068)     |
|                                            | SF          | (\$11,708,255) | \$105,708      | \$160,037      | \$163,870      | \$167,895      |
|                                            | FF          | \$3,130        | \$3,558        | \$9,594        | \$10,019       | \$10,465       |
| <b>All or Multiple Agencies</b>            | GF          | (\$76,401,336) | (\$76,865,031) | (\$79,623,502) | (\$82,500,288) | (\$85,502,140) |
|                                            | SF          | (\$17,276,175) | (\$17,170,273) | (\$17,715,574) | (\$18,283,689) | (\$18,876,339) |
|                                            | FF          | (\$11,962,949) | (\$11,623,265) | (\$11,924,497) | (\$12,237,802) | (\$12,564,436) |
|                                            | HE          | (\$12,215,246) | (\$12,752,717) | (\$13,313,837) | (\$13,899,646) | (\$14,511,230) |
|                                            | REIM        | (\$736,569)    | (\$768,978)    | (\$802,813)    | (\$838,137)    | (\$875,015)    |
| <b>Attorney General's Office</b>           | GF          | \$70,864       | \$0            | \$0            | \$0            | \$0            |
| <b>Baltimore City Community College</b>    | GF          | \$0            | (\$1,927,905)  | (\$2,330,327)  | (\$3,159,131)  | (\$2,943,238)  |
| <b>Budget &amp; Management</b>             | GF          | \$163,450      | \$164,392      | \$15,399       | \$16,477       | \$17,630       |
| <b>Business &amp; Economic Development</b> | GF          | (\$1,247,566)  | (\$1,844,438)  | (\$894,281)    | (\$938,908)    | (\$983,059)    |
| <b>Comptroller</b>                         | GF          | \$109,200      | \$0            | \$0            | \$50,000,000   | \$50,000,000   |

## Expenditures by Agency (cont'd)

| <u>Agency</u>                               | <u>Fund</u> | <u>FY 2011</u>  | <u>FY 2012</u> | <u>FY 2013</u> | <u>FY 2014</u> | <u>FY 2015</u>  |
|---------------------------------------------|-------------|-----------------|----------------|----------------|----------------|-----------------|
| <b>Data System Center</b>                   |             |                 |                |                |                |                 |
|                                             | GF          | \$0             | \$183,064      | \$705,544      | \$1,051,136    | \$1,069,246     |
|                                             | FF          | \$1,105,278     | \$4,545,205    | \$959,700      | \$0            | \$0             |
| <b>Debt Service</b>                         |             |                 |                |                |                |                 |
|                                             | SF          | \$302,867       | \$302,867      | \$302,867      | \$302,867      | \$302,867       |
| <b>Department of Information Technology</b> |             |                 |                |                |                |                 |
|                                             | GF          | (\$5,000,000)   | \$100,000      | \$0            | \$0            | \$0             |
|                                             | SF          | \$5,000,000     | \$0            | \$0            | \$0            | \$0             |
| <b>Education</b>                            |             |                 |                |                |                |                 |
|                                             | GF          | (\$359,641,947) | (\$10,153,976) | (\$44,891,202) | (\$81,758,199) | (\$130,058,416) |
|                                             | SF          | \$350,000,000   | \$0            | \$0            | \$0            | \$0             |
|                                             | FF          | \$31,250        | \$31,250       | \$31,250       | \$31,250       | \$31,250        |
|                                             | BOND        | \$4,543,000     | \$0            | \$0            | \$0            | \$0             |
| <b>Election Board</b>                       |             |                 |                |                |                |                 |
|                                             | GF          | \$59,000        | \$0            | \$0            | \$0            | \$0             |
|                                             | SF          | \$500,000       | \$0            | \$0            | \$0            | \$0             |
| <b>Energy Administration</b>                |             |                 |                |                |                |                 |
|                                             | SF          | \$0             | (\$21,779,097) | \$0            | \$0            | \$0             |
| <b>Environment</b>                          |             |                 |                |                |                |                 |
|                                             | GF          | (\$1,395,694)   | (\$1,393,694)  | (\$1,404,446)  | (\$1,416,158)  | (\$1,416,158)   |
|                                             | SF          | (\$44,823,680)  | \$377,400      | \$370,019      | \$313,125      | \$326,905       |
|                                             | BOND        | \$0             | \$9,800,000    | \$9,400,000    | \$0            | \$0             |
| <b>Ethics Commission</b>                    |             |                 |                |                |                |                 |
|                                             | GF          | \$15,000        | \$25,000       | \$0            | \$0            | \$0             |
| <b>Executive Department</b>                 |             |                 |                |                |                |                 |
|                                             | GF          | (\$18,974,447)  | (\$19,618,391) | \$1,067        | \$1,089        | \$1,111         |
|                                             | FF          | \$250,000       | \$0            | \$0            | \$0            | \$0             |

## Expenditures by Agency (cont'd)

| <u>Agency</u>                                 | <u>Fund</u> | <u>FY 2011</u> | <u>FY 2012</u>  | <u>FY 2013</u>  | <u>FY 2014</u>  | <u>FY 2015</u>  |
|-----------------------------------------------|-------------|----------------|-----------------|-----------------|-----------------|-----------------|
| <b>Health &amp; Mental Hygiene</b>            |             |                |                 |                 |                 |                 |
|                                               | GF          | (\$40,912,235) | (\$50,001,802)  | (\$35,967,170)  | (\$36,855,536)  | (\$37,724,812)  |
|                                               | SF          | \$55,921,571   | \$46,233,799    | \$47,900,396    | \$50,406,310    | \$52,100,819    |
|                                               | FF          | \$27,000,000   | \$28,252,354    | \$29,522,776    | \$30,811,485    | \$32,198,002    |
| <b>Higher Education Labor Relations Board</b> |             |                |                 |                 |                 |                 |
|                                               | GF          | \$105,119      | \$137,444       | \$142,785       | \$148,385       | \$154,258       |
| <b>Higher Education Commission</b>            |             |                |                 |                 |                 |                 |
|                                               | GF          | (\$78,752,582) | (\$108,852,752) | (\$123,463,965) | (\$141,493,013) | (\$140,019,001) |
|                                               | SF          | \$42,130,020   | \$43,393,918    | \$47,733,362    | \$50,597,368    | \$53,633,156    |
| <b>Housing &amp; Community Development</b>    |             |                |                 |                 |                 |                 |
|                                               | SF          | (\$8,700,000)  | \$0             | \$0             | \$0             | \$0             |
| <b>Human Resources</b>                        |             |                |                 |                 |                 |                 |
|                                               | GF          | (\$5,546,994)  | (\$27,603,441)  | (\$6,115,561)   | (\$6,421,339)   | (\$6,742,406)   |
|                                               | SF          | \$0            | \$21,779,097    | \$0             | \$0             | \$0             |
|                                               | FF          | (\$2,857,542)  | (\$3,000,419)   | (\$3,150,440)   | (\$3,307,962)   | (\$3,473,360)   |
| <b>Judiciary</b>                              |             |                |                 |                 |                 |                 |
|                                               | GF          | (\$11,851,250) | (\$10,328,926)  | (\$106,926)     | (\$106,926)     | (\$106,926)     |
|                                               | SF          | \$12,199,400   | \$10,222,000    | \$0             | \$0             | \$0             |
| <b>Juvenile Services</b>                      |             |                |                 |                 |                 |                 |
|                                               | GF          | (\$648,739)    | (\$608,021)     | (\$638,324)     | (\$670,108)     | (\$703,411)     |
|                                               | FF          | (\$46,000)     | (\$48,300)      | (\$50,715)      | (\$53,251)      | (\$55,913)      |
| <b>Labor, Licensing, &amp; Regulation</b>     |             |                |                 |                 |                 |                 |
|                                               | GF          | \$66,059       | \$91,245        | \$95,550        | \$100,081       | \$104,849       |
|                                               | SF          | \$250,000      | \$150,000       | \$150,000       | \$150,000       | \$150,000       |
| <b>Legislative Services</b>                   |             |                |                 |                 |                 |                 |
|                                               | GF          | \$50,000       | \$0             | \$0             | \$0             | \$0             |
|                                               | SF          | \$150,000      | \$0             | \$0             | \$0             | \$0             |

## Expenditures by Agency (cont'd)

| <u>Agency</u>                                    | <u>Fund</u> | <u>FY 2011</u> | <u>FY 2012</u> | <u>FY 2013</u> | <u>FY 2014</u> | <u>FY 2015</u> |
|--------------------------------------------------|-------------|----------------|----------------|----------------|----------------|----------------|
| <b>MAIF</b>                                      | NB          | \$174,000      | \$162,000      | \$162,000      | \$162,000      | \$162,000      |
| <b>Natural Resources</b>                         | GF          | \$20,000       | \$20,000       | \$20,000       | \$20,000       | \$20,000       |
|                                                  | SF          | (\$68,259,036) | \$0            | \$0            | \$0            | \$0            |
| <b>Payments to Civil Divisions</b>               | GF          | \$23,884,680   | \$19,478,261   | \$17,988,850   | \$17,389,559   | \$16,789,687   |
| <b>Planning</b>                                  | GF          | \$10,162,904   | \$15,157,361   | \$15,164,767   | \$15,172,546   | \$180,721      |
|                                                  | SF          | \$261,400      | \$266,000      | \$279,100      | \$292,800      | \$307,147      |
|                                                  | BOND        | \$0            | \$1,000,000    | \$1,000,000    | \$1,000,000    | \$1,000,000    |
| <b>Public Broadcasting Commission</b>            | GF          | \$40,000       | \$0            | \$0            | \$0            | \$0            |
| <b>Public Defender</b>                           | GF          | \$318,368      | \$431,473      | \$452,142      | \$473,848      | \$496,644      |
| <b>Public Safety &amp; Correctional Services</b> | GF          | \$2,344,133    | \$1,302,182    | \$1,570,165    | \$1,973,369    | \$2,309,794    |
| <b>Public Service Commission</b>                 | SF          | \$36,511       | \$111,537      | \$117,090      | \$122,939      | \$129,099      |
| <b>School Construction</b>                       | GF          | (\$6,109,000)  | (\$4,261,010)  | (\$4,435,224)  | (\$4,669,303)  | (\$4,879,477)  |
|                                                  | BOND        | \$6,109,000    | \$0            | \$0            | \$0            | \$0            |
| <b>School for the Deaf</b>                       | GF          | (\$2,000,000)  | \$0            | \$0            | \$0            | \$0            |
|                                                  | SF          | \$2,000,000    | \$0            | \$0            | \$0            | \$0            |

### Expenditures by Agency (cont'd)

| <u>Agency</u>                        | <u>Fund</u> | <u>FY 2011</u>  | <u>FY 2012</u>  | <u>FY 2013</u>  | <u>FY 2014</u>  | <u>FY 2015</u>  |
|--------------------------------------|-------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| <b>State Police</b>                  |             |                 |                 |                 |                 |                 |
|                                      | GF          | \$190,000       | \$40,000        | \$40,000        | \$40,000        | \$40,000        |
| <b>Transportation</b>                |             |                 |                 |                 |                 |                 |
|                                      | SF          | (\$261,152,715) | (\$338,014,095) | (\$339,305,132) | (\$350,113,237) | (\$361,031,780) |
|                                      | NB          | \$75,063        | \$95,812        | \$100,282       | \$104,974       | \$109,898       |
|                                      | BOND        | (\$67,634,559)  | \$67,634,559    | \$0             | \$0             | \$0             |
| <b>University System of Maryland</b> |             |                 |                 |                 |                 |                 |
|                                      | HE          | \$0             | \$12,360,000    | \$12,360,000    | \$12,360,000    | \$12,360,000    |
|                                      | BOND        | \$150,000,000   | \$0             | \$0             | \$0             | \$0             |

### Totals by Fund Type/Summary of Quantifiable Expenditure Effects

| <u>Fund Type</u> | <u>FY 2011</u>               | <u>FY 2012</u>  | <u>FY 2013</u>  | <u>FY 2014</u>  | <u>FY 2015</u>  |
|------------------|------------------------------|-----------------|-----------------|-----------------|-----------------|
| GF               | (\$570,946,081) <sup>1</sup> | (\$276,391,493) | (\$263,737,727) | (\$273,665,487) | (\$339,958,172) |
| SF               | \$45,163,089 <sup>2</sup>    | (\$253,915,717) | (\$260,446,232) | (\$267,053,506) | (\$274,388,212) |
| FF               | \$13,540,194 <sup>3</sup>    | \$18,167,374    | \$15,401,318    | \$15,253,736    | \$16,146,008    |
| BOND             | \$93,017,441 <sup>4</sup>    | \$78,434,559    | \$10,400,000    | \$1,000,000     | \$1,000,000     |

<sup>1</sup>\$13,967,946 is not included in the FY 2011 budget.

<sup>2</sup>\$466,386,328 is not included in the FY 2011 budget.

<sup>3</sup>\$39,399,893 is not included in the FY 2011 budget.

<sup>4</sup>\$154,543,000 is not included in the FY 2011 budget.

### Regular Positions Needed by Agency

| <u>Agency</u>                                    | <u>Fund</u> | <u>Beginning in<br/>FY 2011</u> | <u>Beginning in<br/>FY 2012</u> |
|--------------------------------------------------|-------------|---------------------------------|---------------------------------|
| <b>Administrative Hearings</b>                   | SF          | 12.0                            | 0.0                             |
| <b>Attorney General's Office</b>                 | GF          | 1.0                             | 0.0                             |
| <b>Damage Prevention Authority</b>               | NB          | 1.0                             | 0.0                             |
| <b>Education</b>                                 | GF          | 0.0                             | 1.0                             |
| <b>Environment</b>                               | GF          | 0.0                             | 1.0                             |
|                                                  | SF          | 1.0                             | 2.0                             |
| <b>Higher Education Labor Relations Board</b>    | GF          | 1.4                             | 0.0                             |
| <b>Higher Education Commission</b>               | GF          | 0.0                             | 1.0                             |
| <b>Juvenile Services</b>                         | GF          | 6.0                             | 0.0                             |
| <b>Labor, Licensing, &amp; Regulation</b>        | GF          | 1.5                             | 0.0                             |
|                                                  | SF          | 1.0                             | 0.0                             |
| <b>Data System Center</b>                        | GF          | 0.0                             | 2.0                             |
| <b>Planning</b>                                  | GF          | 2.0                             | 0.0                             |
| <b>Public Defender</b>                           | GF          | 5.0                             | 0.0                             |
| <b>Public Safety &amp; Correctional Services</b> | GF          | 5.0                             | 0.0                             |
| <b>Public Service Commission</b>                 | SF          | 2.0                             | 0.0                             |
| <b>Transportation</b>                            | NB          | 1.0                             | 0.0                             |
| <b>Total</b>                                     |             | <b>39.9</b>                     | <b>7.0</b>                      |

**Contractual Positions Needed by Agency**


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| <b><u>Agency</u></b>                             | <b><u>Fund</u></b> | <b><u>Beginning in<br/>FY 2011</u></b> | <b><u>Beginning in<br/>FY 2012</u></b> |
|--------------------------------------------------|--------------------|----------------------------------------|----------------------------------------|
| <b>Aging</b>                                     | FF                 | 0.2                                    | 0.0                                    |
| <b>Agriculture</b>                               | SF                 | 0.5                                    | 0.0                                    |
| <b>Education</b>                                 | GF                 | 0.0                                    | 1.0                                    |
| <b>Environment</b>                               | GF                 | 0.5                                    | 0.0                                    |
| <b>Health &amp; Mental Hygiene</b>               | SF                 | 1.0                                    | 0.0                                    |
| <b>Ethics Commission</b>                         | GF                 | 0.5                                    | 0.0                                    |
| <b>Public Safety &amp; Correctional Services</b> | GF                 | 1.0                                    | 0.0                                    |
| <b>Transportation</b>                            | SF                 | 1.0                                    | 1.0                                    |
| <hr/>                                            |                    |                                        |                                        |
| <b>Total</b>                                     |                    | <b>4.7</b>                             | <b>2.0</b>                             |

## **Chapter Four – Local Government**

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



## State Aid to Local Government

### Overview

State aid to local governments will total \$6.4 billion in fiscal 2011, representing a \$185.5 million increase from the prior year. Local school systems, as in prior years, will receive most of the increases, whereas funding to county and municipal governments will continue to decrease. Over the last four years, State aid to local school systems has increased by \$1.2 billion, while funding to county and municipal governments has decreased by \$582.9 million. The increase in education aid has been partially funded from monies received under the federal American Recovery and Reinvestment Act (ARRA) that was passed in 2009. State aid for public schools in fiscal 2010 includes \$297.3 million in federal ARRA funding. For fiscal 2011, the amount totals \$422.3 million. Under ARRA, these funds do not continue after fiscal 2011. **Exhibit 4.1** compares State aid by governmental entity in fiscal 2010 and 2011. **Exhibit 4.2** shows the annual change in State aid over the last four years.

**Exhibit 4.1**  
**State Aid to Local Governments**  
**Fiscal 2010 and 2011**  
**(\$ in Millions)**

|                    | <u>FY 2010</u>   | <u>FY 2011</u>   | <u>Difference</u> | <u>% Difference</u> |
|--------------------|------------------|------------------|-------------------|---------------------|
| Public Schools     | \$5,507.0        | \$5,717.5        | \$210.5           | 3.8%                |
| Libraries          | 64.1             | 65.5             | 1.5               | 2.3%                |
| Community Colleges | 256.2            | 256.1            | -0.1              | 0.0%                |
| Health             | 37.3             | 37.3             | 0.0               | 0.0%                |
| County/Municipal   | 396.9            | 370.6            | -26.3             | -6.6%               |
| <b>Total</b>       | <b>\$6,261.5</b> | <b>\$6,447.0</b> | <b>\$185.5</b>    | <b>3.0%</b>         |

**Exhibit 4.2**  
**Annual Change in State Aid**  
**Fiscal 2008-2011**  
**(\$ in Millions)**

|                    | <b><u>FY 2008</u></b> | <b><u>FY 2009</u></b> | <b><u>FY 2010</u></b> | <b><u>FY 2011</u></b> | <b><u>Total</u></b> |
|--------------------|-----------------------|-----------------------|-----------------------|-----------------------|---------------------|
| Public Schools     | \$690.9               | \$212.9               | \$127.8               | \$210.5               | \$1,242.0           |
| Libraries          | 8.6                   | -0.7                  | 0.6                   | 1.5                   | 10.0                |
| Community Colleges | 35.8                  | 13.0                  | 1.5                   | -0.1                  | 50.2                |
| Health             | 3.3                   | -9.6                  | -20.1                 | 0.0                   | -26.4               |
| County/Municipal   | -46.8                 | -168.5                | -341.3                | -26.3                 | -582.9              |
| <b>Total</b>       | <b>\$691.9</b>        | <b>\$47.1</b>         | <b>-\$231.5</b>       | <b>\$185.5</b>        | <b>\$693.0</b>      |

### **Support for Local Programs Impacted by Cost Containment**

Due to declining general fund revenues, the Board of Public Works (BPW) reduced fiscal 2010 appropriations for several local aid programs in August 2009. Aid for community colleges was reduced by \$10.5 million and local health department grants were reduced by \$20.1 million. Police aid grants for counties and municipalities were lowered by \$20.6 million. Finally, highway user revenues for county and municipal transportation purposes were reduced by an additional \$159.5 million beyond the \$161.9 million reduction that was enacted following the 2009 session.

For most of the aid programs reduced by BPW, the underlying statutes for the aid programs would have required higher funding levels in fiscal 2011. Through the Budget Reconciliation and Financing Act of 2010, the General Assembly approved \$390.8 million in reductions to these and other statutorily mandated local programs in fiscal 2011 (**Exhibit 4.3**). A portion of the reductions was offset by an additional \$24.4 million in funding under the disparity grant program. As a result, local governments will realize a net reduction in statutorily mandated funding of \$366.4 million in fiscal 2011 (**Exhibit 4.4**). State funding for local highways and transportation projects received the largest share of reductions, with funding being reduced by \$339.7 million. Local governments were scheduled to receive \$474.0 million<sup>1</sup> in funding under the local highway user revenues in fiscal 2011; however, this amount was reduced by 71.7%. As a result, local governments will only receive \$134.3 million in highway user revenues in fiscal 2011, with Baltimore City receiving \$124.8 million and the State's other jurisdictions receiving \$9.5 million (**Exhibit 4.5**).

<sup>1</sup>The Budget Reconciliation and Financing Act of 2009 reduced the formula allocation for local highway user revenues by \$101.9 million in fiscal 2011. As a result, State funding was reduced from \$474.0 million in fiscal 2011 to \$372.1 million. Provisions in the Budget Reconciliation and Financing Act of 2010 reduced the funding to \$134.3 million.

**Exhibit 4.3**  
**Reductions in State Aid to Local Governments in Fiscal 2011**  
**From Statutorily Mandated Amounts**

| County          | Student Transportation | Community College Aid | Police Aid           | Highway User Revenues | Local Health        | Miscellaneous Grants | Total Effect          |
|-----------------|------------------------|-----------------------|----------------------|-----------------------|---------------------|----------------------|-----------------------|
| Allegany        | -\$82,213              | -\$558,350            | -\$306,897           | -\$6,081,719          | \$156,258           | \$0                  | -\$6,872,921          |
| Anne Arundel    | -371,049               | -3,164,440            | -2,126,688           | -26,628,471           | -37,864             | -177,599             | -32,506,111           |
| Baltimore City  | -301,203               | 0                     | -45,980              | -66,028,713           | -1,450,303          | -625,625             | -68,451,824           |
| Baltimore       | -466,615               | -3,998,211            | -3,304,917           | -35,824,844           | -1,205,542          | -20,737              | -44,820,866           |
| Calvert         | -101,385               | -239,854              | -261,934             | -5,952,861            | 109,399             | 0                    | -6,446,635            |
| Caroline        | -47,013                | -150,216              | -121,630             | -4,229,719            | 84,849              | 0                    | -4,463,729            |
| Carroll         | -173,532               | -795,275              | -571,085             | -11,981,833           | -28,829             | -39,282              | -13,589,836           |
| Cecil           | -91,009                | -540,769              | -349,805             | -6,686,415            | 54,517              | 0                    | -7,613,481            |
| Charles         | -184,639               | -765,563              | -429,703             | -8,647,391            | 35,839              | 0                    | -9,991,457            |
| Dorchester      | -42,867                | -135,487              | -137,047             | -4,695,385            | 31,909              | 0                    | -4,978,877            |
| Frederick       | -208,637               | -937,165              | -761,412             | -15,867,821           | 19,663              | 0                    | -17,755,372           |
| Garrett         | -54,597                | -263,289              | -82,805              | -5,305,709            | 80,123              | 0                    | -5,626,277            |
| Harford         | -217,321               | -1,154,111            | -982,059             | -13,933,097           | -251,040            | 0                    | -16,537,628           |
| Howard          | -267,727               | -1,459,396            | -747,623             | -13,247,130           | -163,871            | -35,770              | -15,921,517           |
| Kent            | -28,513                | -61,741               | -72,569              | -2,400,273            | 34,544              | 0                    | -2,528,552            |
| Montgomery      | -574,922               | -4,154,023            | -5,074,771           | -37,632,104           | -168,744            | 0                    | -47,604,564           |
| Prince George's | -625,622               | -2,551,167            | -1,749,925           | -32,406,074           | -1,438,324          | -70,484              | -38,841,596           |
| Queen Anne's    | -60,335                | -176,256              | -152,327             | -4,917,720            | 47,138              | 0                    | -5,259,500            |
| St. Mary's      | -114,970               | -251,128              | -318,260             | -6,659,880            | -70,358             | 0                    | -7,414,596            |
| Somerset        | -33,271                | -87,314               | -86,863              | -2,823,011            | -9,899              | 0                    | -3,040,358            |
| Talbot          | -28,901                | -137,084              | -146,101             | -3,903,363            | 94,262              | 0                    | -4,121,187            |
| Washington      | -121,401               | -808,898              | -528,429             | -10,182,255           | 71,308              | 0                    | -11,569,675           |
| Wicomico        | -91,561                | -495,554              | -368,770             | -7,897,254            | 126,430             | 0                    | -8,726,709            |
| Worcester       | -54,369                | -199,770              | -228,372             | -5,756,952            | 162,019             | 0                    | -6,077,444            |
| Unallocated     | 0                      | 0                     | -19,500              | 0                     | 0                   | 0                    | -19,500               |
| <b>Total</b>    | <b>-\$4,343,672</b>    | <b>-\$23,085,061</b>  | <b>-\$18,975,472</b> | <b>-\$339,689,995</b> | <b>-\$3,716,516</b> | <b>-\$969,497</b>    | <b>-\$390,780,213</b> |

**Exhibit 4.4**  
**Net Reductions in State Aid in Fiscal 2011**  
**From Statutorily Mandated Amounts**

| <b>County</b>   | <b>State Aid Reductions</b> | <b>Disparity Grants</b> | <b>Total Effect</b>   |
|-----------------|-----------------------------|-------------------------|-----------------------|
| Allegany        | -\$6,872,921                | \$1,266,756             | -\$5,606,165          |
| Anne Arundel    | -32,506,111                 | 0                       | -32,506,111           |
| Baltimore City  | -68,451,824                 | 4,648,700               | -63,803,124           |
| Baltimore       | -44,820,866                 | 0                       | -44,820,866           |
| Calvert         | -6,446,635                  | 0                       | -6,446,635            |
| Caroline        | -4,463,729                  | 0                       | -4,463,729            |
| Carroll         | -13,589,836                 | 0                       | -13,589,836           |
| Cecil           | -7,613,481                  | 0                       | -7,613,481            |
| Charles         | -9,991,457                  | 0                       | -9,991,457            |
| Dorchester      | -4,978,877                  | 0                       | -4,978,877            |
| Frederick       | -17,755,372                 | 0                       | -17,755,372           |
| Garrett         | -5,626,277                  | 75,308                  | -5,550,969            |
| Harford         | -16,537,628                 | 0                       | -16,537,628           |
| Howard          | -15,921,517                 | 0                       | -15,921,517           |
| Kent            | -2,528,552                  | 0                       | -2,528,552            |
| Montgomery      | -47,604,564                 | 0                       | -47,604,564           |
| Prince George's | -38,841,596                 | 18,277,664              | -20,563,932           |
| Queen Anne's    | -5,259,500                  | 0                       | -5,259,500            |
| St. Mary's      | -7,414,596                  | 0                       | -7,414,596            |
| Somerset        | -3,040,358                  | 85,749                  | -2,954,609            |
| Talbot          | -4,121,187                  | 0                       | -4,121,187            |
| Washington      | -11,569,675                 | 0                       | -11,569,675           |
| Wicomico        | -8,726,709                  | 0                       | -8,726,709            |
| Worcester       | -6,077,444                  | 0                       | -6,077,444            |
| Unallocated     | -19,500                     | 0                       | -19,500               |
| <b>Total</b>    | <b>-\$390,780,213</b>       | <b>\$24,354,177</b>     | <b>-\$366,426,036</b> |

**Exhibit 4.5**  
**Reductions to Highway User Revenues in Fiscal 2011**  
**From Mandatory Funding Levels**

| <b>County</b>   | <b>Statutory<br/>Funding Level</b> | <b>Funding<br/>Reductions</b> | <b>Legislative<br/>Appropriation</b> | <b>Percent<br/>Reduction</b> |
|-----------------|------------------------------------|-------------------------------|--------------------------------------|------------------------------|
| Allegany        | \$6,305,115                        | -\$6,081,719                  | \$223,396                            | -96.5%                       |
| Anne Arundel    | 27,535,520                         | -26,628,471                   | 907,049                              | -96.7%                       |
| Baltimore City  | 190,845,000                        | -66,028,713                   | 124,816,287                          | -34.6%                       |
| Baltimore       | 37,027,923                         | -35,824,844                   | 1,203,079                            | -96.8%                       |
| Calvert         | 6,154,733                          | -5,952,861                    | 201,872                              | -96.7%                       |
| Caroline        | 4,376,630                          | -4,229,719                    | 146,911                              | -96.6%                       |
| Carrroll        | 12,401,410                         | -11,981,833                   | 419,577                              | -96.6%                       |
| Cecil           | 6,917,849                          | -6,686,415                    | 231,434                              | -96.7%                       |
| Charles         | 8,941,446                          | -8,647,391                    | 294,055                              | -96.7%                       |
| Dorchester      | 4,858,544                          | -4,695,385                    | 163,159                              | -96.6%                       |
| Frederick       | 16,431,390                         | -15,867,821                   | 563,569                              | -96.6%                       |
| Garrett         | 5,487,485                          | -5,305,709                    | 181,776                              | -96.7%                       |
| Harford         | 14,415,302                         | -13,933,097                   | 482,205                              | -96.7%                       |
| Howard          | 13,691,891                         | -13,247,130                   | 444,761                              | -96.8%                       |
| Kent            | 2,483,340                          | -2,400,273                    | 83,067                               | -96.7%                       |
| Montgomery      | 38,943,523                         | -37,632,104                   | 1,311,419                            | -96.6%                       |
| Prince George's | 33,557,199                         | -32,406,074                   | 1,151,125                            | -96.6%                       |
| Queen Anne's    | 5,082,966                          | -4,917,720                    | 165,246                              | -96.7%                       |
| St. Mary's      | 6,883,198                          | -6,659,880                    | 223,318                              | -96.8%                       |
| Somerset        | 2,919,329                          | -2,823,011                    | 96,318                               | -96.7%                       |
| Talbot          | 4,042,135                          | -3,903,363                    | 138,772                              | -96.6%                       |
| Washington      | 10,545,203                         | -10,182,255                   | 362,948                              | -96.6%                       |
| Wicomico        | 8,177,990                          | -7,897,254                    | 280,736                              | -96.6%                       |
| Worcester       | 5,960,878                          | -5,756,952                    | 203,926                              | -96.6%                       |
| <b>Total</b>    | <b>\$473,986,000</b>               | <b>-\$339,689,995</b>         | <b>\$134,296,005</b>                 | <b>-71.7%</b>                |

## **Changes by Program**

Twenty counties will receive an increase in State aid in fiscal 2011, while four counties will receive a decrease. **Exhibit 4.6** summarizes the distribution of direct aid by governmental unit and shows the estimated State retirement payments for local government employees. **Exhibit 4.7** shows total State aid in fiscal 2010 and 2011 by program.

### **Primary and Secondary Education**

**Foundation Program:** The foundation program is the basic State education funding mechanism for public schools which ensures a minimum per pupil funding level and requires county governments to provide a local match. The formula is calculated based on a per pupil foundation amount and student enrollment. The per pupil foundation amount for fiscal 2011 is set at \$6,694, and the student enrollment count used for the program totals 817,610 students. Enrollment for the formula is based on the September 30, 2009, full-time equivalent student enrollment count. Less affluent local school systems, as measured by assessable base and net taxable income, receive relatively more aid per pupil than wealthier school systems. The State provides funding for roughly 50% of the program's cost.

State aid under the foundation program will total \$2.8 billion in fiscal 2011, a \$36.8 million, or 1.3%, increase from the prior year. In addition, \$46.5 million in supplemental grants will be provided to nine local school systems. The supplemental grants were established during the 2007 special session to guarantee increases of at least 1% in State education aid for all local school systems during the two years, fiscal 2009 and 2010, that inflationary increases for the per pupil foundation amount were eliminated. Supplemental grants will not be recalculated in future years but will continue at fiscal 2010 levels, less a \$4.7 million reduction in fiscal 2011 that will recapture overpayments to eight local school systems that are due to a miscalculation in school system wealth bases in fiscal 2009. Under the Budget Reconciliation and Financing Act of 2010, the inflationary increase in the foundation amount is capped at 1% through fiscal 2015.

**Compensatory Education:** The compensatory education program provides additional funding based on the number of economically disadvantaged students. The formula recognizes disparities in local wealth by adjusting the grants per eligible student by local wealth. The formula is calculated based on 97.0% of the annual per pupil amount used in the foundation program and the number of students eligible for free and reduced-price meals. The State provides funding for 50.0% of the program's cost. State aid under the compensatory education program will total \$1 billion in fiscal 2011, representing a \$100.9 million, or 10.7%, increase over the prior year due to an 11.6% increase in the student count. The per pupil State funding amount for fiscal 2011 is set at \$3,247, and the student enrollment count used for the program totals 306,606.

**Exhibit 4.6**  
**State Assistance to Local Governments – Fiscal 2011 Legislative Appropriation**  
(\$ in Thousands)

| County          | County –<br>Municipal | Community<br>Colleges | <i>Direct State Aid</i> |                 |                 |                    | Subtotal         | Retirement         | Total            | Change<br>Over<br>FY 2010 | %<br>Change |
|-----------------|-----------------------|-----------------------|-------------------------|-----------------|-----------------|--------------------|------------------|--------------------|------------------|---------------------------|-------------|
|                 |                       |                       | Public<br>Schools       | Libraries       | Health          |                    |                  |                    |                  |                           |             |
| Allegany        | \$8,676               | \$5,898               | \$83,670                | \$758           | \$909           | \$99,910           | \$10,604         | \$110,514          | -\$1,610         | -1.4%                     |             |
| Anne Arundel    | 8,635                 | 28,695                | 294,144                 | 1,913           | 3,142           | 336,528            | 76,536           | 413,064            | 25,943           | 6.7%                      |             |
| Baltimore City  | 220,240               | 0                     | 872,075                 | 6,461           | 6,675           | 1,105,452          | 83,503           | 1,188,955          | 30,333           | 2.6%                      |             |
| Baltimore       | 10,786                | 36,335                | 525,841                 | 5,249           | 4,302           | 582,514            | 99,745           | 682,258            | 20,468           | 3.1%                      |             |
| Calvert         | 1,267                 | 2,206                 | 86,901                  | 402             | 370             | 91,147             | 17,683           | 108,829            | 2,162            | 2.0%                      |             |
| Caroline        | 2,936                 | 1,434                 | 42,617                  | 273             | 538             | 47,799             | 5,249            | 53,048             | 372              | 0.7%                      |             |
| Carroll         | 2,212                 | 7,409                 | 140,799                 | 982             | 1,232           | 152,635            | 27,149           | 179,783            | 801              | 0.4%                      |             |
| Cecil           | 1,379                 | 5,252                 | 100,188                 | 717             | 806             | 108,342            | 15,666           | 124,009            | 4,210            | 3.5%                      |             |
| Charles         | 1,954                 | 7,042                 | 150,492                 | 791             | 995             | 161,274            | 25,698           | 186,972            | 3,482            | 1.9%                      |             |
| Dorchester      | 2,881                 | 1,293                 | 31,843                  | 244             | 429             | 36,690             | 4,560            | 41,250             | 1,712            | 4.3%                      |             |
| Frederick       | 3,389                 | 8,667                 | 209,002                 | 1,140           | 1,512           | 223,710            | 39,128           | 262,838            | 7,846            | 3.1%                      |             |
| Garrett         | 2,857                 | 3,343                 | 24,376                  | 155             | 437             | 31,168             | 4,658            | 35,826             | -938             | -2.6%                     |             |
| Harford         | 3,350                 | 10,240                | 209,609                 | 1,548           | 1,737           | 226,485            | 37,165           | 263,650            | 3,988            | 1.5%                      |             |
| Howard          | 4,617                 | 13,901                | 210,196                 | 770             | 1,215           | 230,699            | 63,068           | 293,766            | 20,533           | 7.5%                      |             |
| Kent            | 580                   | 589                   | 10,012                  | 96              | 336             | 11,613             | 2,448            | 14,061             | -91              | -0.6%                     |             |
| Montgomery      | 15,058                | 40,821                | 526,108                 | 2,662           | 3,015           | 587,663            | 181,460          | 769,123            | 70,685           | 10.1%                     |             |
| Prince George's | 42,216                | 22,412                | 884,253                 | 5,648           | 5,007           | 959,537            | 133,491          | 1,093,028          | -14,076          | -1.3%                     |             |
| Queen Anne's    | 844                   | 1,682                 | 31,133                  | 132             | 418             | 34,209             | 6,945            | 41,154             | 1,025            | 2.6%                      |             |
| St. Mary's      | 1,417                 | 2,310                 | 95,031                  | 624             | 809             | 100,191            | 15,271           | 115,462            | 2,984            | 2.7%                      |             |
| Somerset        | 5,636                 | 808                   | 23,726                  | 263             | 429             | 30,863             | 3,216            | 34,079             | 214              | 0.6%                      |             |
| Talbot          | 857                   | 1,308                 | 11,194                  | 101             | 329             | 13,790             | 4,040            | 17,831             | 528              | 3.0%                      |             |
| Washington      | 2,150                 | 7,857                 | 144,452                 | 1,128           | 1,381           | 156,968            | 19,965           | 176,933            | 5,099            | 3.0%                      |             |
| Wicomico        | 3,780                 | 4,587                 | 115,327                 | 838             | 947             | 125,480            | 14,654           | 140,134            | 1,615            | 1.2%                      |             |
| Worcester       | 1,434                 | 1,849                 | 17,967                  | 138             | 313             | 21,701             | 8,502            | 30,203             | 1,208            | 4.2%                      |             |
| Unallocated     | 21,439                | 6,463                 | 26,656                  | 15,658          | 0               | 70,216             | 0                | 70,216             | -2,961           | -4.0%                     |             |
| <b>Total</b>    | <b>\$370,591</b>      | <b>\$222,403</b>      | <b>\$4,867,616</b>      | <b>\$48,690</b> | <b>\$37,283</b> | <b>\$5,546,583</b> | <b>\$900,402</b> | <b>\$6,446,985</b> | <b>\$185,529</b> | <b>3.0%</b>               |             |

**4.6 (Cont.)**  
**State Assistance to Local Governments**  
**Dollar Difference Between Fiscal 2011 Legislative Appropriation and Fiscal 2010 Working Appropriation**  
**(\$ in Thousands)**

| County          | County –<br>Municipal | Community<br>Colleges | <i>Direct State Aid</i> |               |            |                 | Subtotal        | Retirement       | Total |
|-----------------|-----------------------|-----------------------|-------------------------|---------------|------------|-----------------|-----------------|------------------|-------|
|                 |                       |                       | Public<br>Schools       | Libraries     | Health     |                 |                 |                  |       |
| Allegany        | -\$440                | -\$25                 | -\$2,350                | -\$12         | \$0        | -\$2,826        | \$1,216         | -\$1,610         |       |
| Anne Arundel    | -1,018                | -734                  | 18,007                  | 78            | 0          | 16,333          | 9,609           | 25,943           |       |
| Baltimore City  | -8,880                | 0                     | 31,327                  | -86           | 0          | 22,361          | 7,971           | 30,333           |       |
| Baltimore       | -1,442                | -673                  | 15,165                  | 3             | 0          | 13,053          | 7,415           | 20,468           |       |
| Calvert         | -329                  | 12                    | 519                     | 4             | 0          | 206             | 1,956           | 2,162            |       |
| Caroline        | -276                  | 40                    | 116                     | 0             | 0          | -120            | 492             | 372              |       |
| Carroll         | -722                  | -177                  | -764                    | 0             | 0          | -1,663          | 2,464           | 801              |       |
| Cecil           | -396                  | 41                    | 2,863                   | 12            | 0          | 2,520           | 1,690           | 4,210            |       |
| Charles         | -432                  | 39                    | 875                     | -4            | 0          | 478             | 3,004           | 3,482            |       |
| Dorchester      | -316                  | 36                    | 1,591                   | 2             | 0          | 1,313           | 399             | 1,712            |       |
| Frederick       | -1,064                | 84                    | 4,358                   | 40            | 0          | 3,418           | 4,428           | 7,846            |       |
| Garrett         | -337                  | -83                   | -988                    | -1            | 0          | -1,409          | 471             | -938             |       |
| Harford         | -743                  | -286                  | 1,939                   | -1            | 0          | 910             | 3,078           | 3,988            |       |
| Howard          | -397                  | -28                   | 12,389                  | 4             | 0          | 11,968          | 8,565           | 20,533           |       |
| Kent            | -153                  | 16                    | -150                    | 1             | 0          | -285            | 195             | -91              |       |
| Montgomery      | -1,609                | -1,534                | 52,540                  | 56            | 0          | 49,452          | 21,233          | 70,685           |       |
| Prince George's | -1,581                | -1,248                | -25,292                 | -315          | 0          | -28,436         | 14,360          | -14,076          |       |
| Queen Anne's    | -280                  | 47                    | 389                     | 5             | 0          | 161             | 864             | 1,025            |       |
| St. Mary's      | -345                  | 13                    | 1,604                   | -5            | 0          | 1,266           | 1,718           | 2,984            |       |
| Somerset        | -176                  | 1                     | 47                      | 2             | 0          | -125            | 339             | 214              |       |
| Talbot          | -258                  | 37                    | 260                     | 0             | 0          | 39              | 489             | 528              |       |
| Washington      | -663                  | -26                   | 3,598                   | 11            | 0          | 2,920           | 2,179           | 5,099            |       |
| Wicomico        | -518                  | 8                     | 406                     | 16            | 0          | -87             | 1,702           | 1,615            |       |
| Worcester       | -357                  | 3                     | 565                     | 0             | 0          | 210             | 997             | 1,208            |       |
| Unallocated     | -3,607                | -96                   | 692                     | 49            | 0          | -2,961          | 0               | -2,961           |       |
| <b>Total</b>    | <b>-\$26,337</b>      | <b>-\$4,531</b>       | <b>\$119,704</b>        | <b>-\$138</b> | <b>\$0</b> | <b>\$88,698</b> | <b>\$96,832</b> | <b>\$185,529</b> |       |

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

**4.6 (Cont.)**  
**State Assistance to Local Governments**  
**Percent Change: Fiscal 2011 Legislative Appropriation over Fiscal 2010 Working Appropriation**

| County          | <i>Direct State Aid</i> |                       |                   |              |             |             | Retirement   | Total       |
|-----------------|-------------------------|-----------------------|-------------------|--------------|-------------|-------------|--------------|-------------|
|                 | County –<br>Municipal   | Community<br>Colleges | Public<br>Schools | Libraries    | Health      | Subtotal    |              |             |
| Allegany        | -4.8%                   | -0.4%                 | -2.7%             | -1.5%        | 0.0%        | -2.8%       | 12.9%        | -1.4%       |
| Anne Arundel    | -10.5%                  | -2.5%                 | 6.5%              | 4.3%         | 0.0%        | 5.1%        | 14.4%        | 6.7%        |
| Baltimore City  | -3.9%                   | n/a                   | 3.7%              | -1.3%        | 0.0%        | 2.1%        | 10.6%        | 2.6%        |
| Baltimore       | -11.8%                  | -1.8%                 | 3.0%              | 0.1%         | 0.0%        | 2.3%        | 8.0%         | 3.1%        |
| Calvert         | -20.6%                  | 0.5%                  | 0.6%              | 1.0%         | 0.0%        | 0.2%        | 12.4%        | 2.0%        |
| Caroline        | -8.6%                   | 2.9%                  | 0.3%              | 0.1%         | 0.0%        | -0.2%       | 10.3%        | 0.7%        |
| Carroll         | -24.6%                  | -2.3%                 | -0.5%             | 0.0%         | 0.0%        | -1.1%       | 10.0%        | 0.4%        |
| Cecil           | -22.3%                  | 0.8%                  | 2.9%              | 1.8%         | 0.0%        | 2.4%        | 12.1%        | 3.5%        |
| Charles         | -18.1%                  | 0.5%                  | 0.6%              | -0.5%        | 0.0%        | 0.3%        | 13.2%        | 1.9%        |
| Dorchester      | -9.9%                   | 2.9%                  | 5.3%              | 0.9%         | 0.0%        | 3.7%        | 9.6%         | 4.3%        |
| Frederick       | -23.9%                  | 1.0%                  | 2.1%              | 3.7%         | 0.0%        | 1.6%        | 12.8%        | 3.1%        |
| Garrett         | -10.6%                  | -2.4%                 | -3.9%             | -0.4%        | 0.0%        | -4.3%       | 11.3%        | -2.6%       |
| Harford         | -18.2%                  | -2.7%                 | 0.9%              | 0.0%         | 0.0%        | 0.4%        | 9.0%         | 1.5%        |
| Howard          | -7.9%                   | -0.2%                 | 6.3%              | 0.5%         | 0.0%        | 5.5%        | 15.7%        | 7.5%        |
| Kent            | -20.9%                  | 2.9%                  | -1.5%             | 1.5%         | 0.0%        | -2.4%       | 8.6%         | -0.6%       |
| Montgomery      | -9.7%                   | -3.6%                 | 11.1%             | 2.1%         | 0.0%        | 9.2%        | 13.3%        | 10.1%       |
| Prince George's | -3.6%                   | -5.3%                 | -2.8%             | -5.3%        | 0.0%        | -2.9%       | 12.1%        | -1.3%       |
| Queen Anne's    | -24.9%                  | 2.9%                  | 1.3%              | 3.9%         | 0.0%        | 0.5%        | 14.2%        | 2.6%        |
| St. Mary's      | -19.6%                  | 0.5%                  | 1.7%              | -0.8%        | 0.0%        | 1.3%        | 12.7%        | 2.7%        |
| Somerset        | -3.0%                   | 0.2%                  | 0.2%              | 0.8%         | 0.0%        | -0.4%       | 11.8%        | 0.6%        |
| Talbot          | -23.1%                  | 2.9%                  | 2.4%              | 0.1%         | 0.0%        | 0.3%        | 13.8%        | 3.0%        |
| Washington      | -23.6%                  | -0.3%                 | 2.6%              | 1.0%         | 0.0%        | 1.9%        | 12.2%        | 3.0%        |
| Wicomico        | -12.0%                  | 0.2%                  | 0.4%              | 2.0%         | 0.0%        | -0.1%       | 13.1%        | 1.2%        |
| Worcester       | -19.9%                  | 0.2%                  | 3.2%              | -0.2%        | 0.0%        | 1.0%        | 13.3%        | 4.2%        |
| Unallocated     | -14.4%                  | -1.5%                 | 2.7%              | 0.3%         | n/a         | -4.0%       | n/a          | -4.0%       |
| <b>Total</b>    | <b>-6.6%</b>            | <b>-2.0%</b>          | <b>2.5%</b>       | <b>-0.3%</b> | <b>0.0%</b> | <b>1.6%</b> | <b>12.1%</b> | <b>3.0%</b> |

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

**Exhibit 4.7**  
**Total State Assistance to Local Governments**

| <u>Program</u>                                 | <u>FY 2010</u>         | <u>FY 2011</u>         | <u>Difference</u>    |
|------------------------------------------------|------------------------|------------------------|----------------------|
| Foundation Aid                                 | \$2,726,705,897        | \$2,763,479,579        | \$36,773,682         |
| Supplemental Program                           | 51,200,359             | 46,496,417             | -4,703,942           |
| Geographic Cost of Education Index             | 126,343,414            | 126,612,027            | 268,613              |
| Compensatory Education                         | 940,182,917            | 1,041,059,587          | 100,876,670          |
| Student Transportation – Regular               | 217,183,583            | 220,692,402            | 3,508,819            |
| Student Transportation – Special Education     | 24,363,000             | 23,726,000             | -637,000             |
| Special Education – Formula                    | 267,403,814            | 264,001,563            | -3,402,251           |
| Special Education – Nonpublic Placements       | 112,770,182            | 112,770,182            | 0                    |
| Special Education – Infants and Toddlers       | 10,389,104             | 10,389,104             | 0                    |
| Limited English Proficiency Grants             | 148,627,048            | 151,196,206            | 2,569,158            |
| Aging Schools                                  | 6,108,986              | 6,108,990              | 4                    |
| Teacher Quality Incentives                     | 5,552,000              | 5,552,000              | 0                    |
| Adult Education                                | 6,933,622              | 6,933,622              | 0                    |
| Food Service                                   | 7,156,664              | 7,156,664              | 0                    |
| Out-of-county Placements                       | 6,000,001              | 6,120,000              | 119,999              |
| Headstart                                      | 1,800,001              | 1,800,001              | 0                    |
| Judy Hoyer Centers                             | 10,575,000             | 10,575,000             | 0                    |
| Guaranteed Tax Base                            | 63,753,733             | 47,391,600             | -16,362,133          |
| Other Programs                                 | 14,862,927             | 15,554,854             | 691,927              |
| <b>Total Primary and Secondary Education</b>   | <b>\$4,747,912,252</b> | <b>\$4,867,615,798</b> | <b>\$119,703,546</b> |
| Library Formula                                | \$33,219,400           | \$33,032,330           | -\$187,070           |
| Library Network                                | 15,608,631             | 15,657,837             | 49,206               |
| <b>Total Libraries</b>                         | <b>\$48,828,031</b>    | <b>\$48,690,167</b>    | <b>-\$137,864</b>    |
| Community College Formula                      | \$199,802,448          | \$194,407,433          | -\$5,395,015         |
| Grants for ESOL Programs                       | 3,741,592              | 3,812,145              | 70,553               |
| Optional Retirement                            | 12,920,000             | 13,824,000             | 904,000              |
| Small College Grant/Allegany and Garrett Grant | 3,911,064              | 3,896,346              | -14,718              |
| Statewide Programs                             | 6,558,772              | 6,462,776              | -95,996              |
| <b>Total Community Colleges</b>                | <b>\$226,933,876</b>   | <b>\$222,402,700</b>   | <b>-\$4,531,176</b>  |

| <b><u>Program</u></b>                      | <b><u>FY 2010</u></b>  | <b><u>FY 2011</u></b>  | <b><u>Difference</u></b> |
|--------------------------------------------|------------------------|------------------------|--------------------------|
| Highway User Revenue                       | \$160,534,815          | \$134,296,005          | -\$26,238,810            |
| Elderly and Handicapped Transportation Aid | 4,305,938              | 4,305,938              | 0                        |
| Paratransit                                | 2,926,702              | 2,926,702              | 0                        |
| <b>Total Transportation</b>                | <b>\$167,767,455</b>   | <b>\$141,528,645</b>   | <b>-\$26,238,810</b>     |
| Police Aid                                 | \$45,420,982           | \$45,420,982           | \$0                      |
| Fire and Rescue Aid                        | 10,000,001             | 10,000,001             | 0                        |
| Vehicle Theft Prevention                   | 1,461,834              | 1,860,000              | 398,166                  |
| 9-1-1 Grants                               | 16,390,000             | 9,400,000              | -6,990,000               |
| Community Policing                         | 1,974,000              | 1,974,000              | 0                        |
| Foot Patrol/Drug Enforcement Grants        | 4,275,980              | 4,228,210              | -47,770                  |
| Law Enforcement Training Grants            | 50,000                 | 100,000                | 50,000                   |
| Stop Gun Violence Grants                   | 928,478                | 928,478                | 0                        |
| Violent Crime Grants                       | 4,750,714              | 4,750,714              | 0                        |
| Baltimore City State's Attorney Grant      | 1,959,195              | 1,959,195              | 0                        |
| Domestic Violence Grants                   | 196,354                | 196,354                | 0                        |
| War Room/Sex Offender Grant                | 1,495,313              | 1,445,313              | -50,000                  |
| Annapolis Crime Grant                      | 174,000                | 174,000                | 0                        |
| School Vehicle Safety Grant                | 550,000                | 550,000                | 0                        |
| Body Armor                                 | 49,088                 | 49,088                 | 0                        |
| <b>Total Public Safety</b>                 | <b>\$89,675,939</b>    | <b>\$83,036,335</b>    | <b>-\$6,639,604</b>      |
| Program Open Space                         | \$9,224,477            | \$15,252,842           | \$6,028,365              |
| Critical Area Grants                       | 370,000                | 316,930                | -53,070                  |
| <b>Total Recreation/Environment</b>        | <b>\$9,594,477</b>     | <b>\$15,569,772</b>    | <b>\$5,975,295</b>       |
| <b>Local Health Formula</b>                | <b>\$37,283,483</b>    | <b>\$37,283,484</b>    | <b>\$1</b>               |
| <b>Disparity Grant</b>                     | <b>\$121,436,013</b>   | <b>\$121,436,013</b>   | <b>\$0</b>               |
| Horse Racing Impact Aid                    | \$602,800              | \$705,600              | \$102,800                |
| Payments in Lieu of Taxes                  | 1,005,837              | 1,005,837              | 0                        |
| Security Interest Filing Fees              | 2,575,000              | 0                      | -2,575,000               |
| Video Lottery Terminal Impact Aid          | 0                      | 6,809,000              | 6,809,000                |
| Senior Citizens Activities Center          | 450,000                | 500,000                | 50,000                   |
| Statewide Voting Systems                   | 3,820,659              | 0                      | -3,820,659               |
| <b>Total Other Direct Aid</b>              | <b>\$8,454,296</b>     | <b>\$9,020,437</b>     | <b>\$566,141</b>         |
| <b>Total Direct Aid</b>                    | <b>\$5,457,885,822</b> | <b>\$5,546,583,351</b> | <b>\$88,697,529</b>      |

| <u>Program</u>                  | <u>FY 2010</u>         | <u>FY 2011</u>         | <u>Difference</u>    |
|---------------------------------|------------------------|------------------------|----------------------|
| Retirement – Teachers           | \$759,076,574          | \$849,836,103          | \$90,759,529         |
| Retirement – Libraries          | 15,253,934             | 16,853,392             | 1,599,458            |
| Retirement – Community Colleges | 29,239,820             | 33,712,536             | 4,472,716            |
| <b>Total Payments-in-behalf</b> | <b>\$803,570,328</b>   | <b>\$900,402,031</b>   | <b>\$96,831,703</b>  |
| <b>Total State Assistance</b>   | <b>\$6,261,456,150</b> | <b>\$6,446,985,382</b> | <b>\$185,529,232</b> |

ESOL: English for Speakers of Other Languages

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

The special education formula is calculated based on 74.0% of the annual per pupil foundation amount and the number of special education students from the prior fiscal year. The per pupil State funding amount for fiscal 2011 is set at \$2,477, and the student enrollment count used for the program totals 102,159. State funding for public special education programs will total \$264.0 million in fiscal 2011, representing a \$3.4 million, or 1.3% decrease over the prior year. Funding for nonpublic placements is estimated to remain unchanged in fiscal 2011 at \$112.8 million. Under current law, a local school system pays its respective local share of the basic cost of education for each nonpublic placement plus two times the total basic cost of education in the system, as well as 30.0% of any expense above that sum. The State pays 70.0% of the costs above the base local funding.

**Student Transportation:** The State provides grants to assist local school systems with the cost of transporting students to and from school. The grants consist of three components: regular student ridership funds; special education student ridership funds; and additional enrollment funds. The regular student ridership funds are based on the local school system's grant in the previous year increased by inflation; increases cannot exceed 8% or be less than 3%. Local school systems with enrollment increases receive additional funds. The special education student ridership funds are based on a \$1,000 per student grant for transporting disabled students.

The Budget Reconciliation and Financing Act of 2010 sets the inflation rate for student transportation grants at 1.0% for fiscal 2011 through 2015 and reduces the minimum annual inflation adjustment from 3.0% to 1.0%. This causes a \$4.3 million reduction in student transportation funding in fiscal 2011. As a result, the fiscal 2011 State budget includes \$220.7 million for regular transportation services and \$23.7 million for special transportation services. This represents a \$2.9 million, or 1.2%, increase from the prior year.

**Limited English Proficiency:** The State provides grants based on non- and limited-English proficient (LEP) students using a definition consistent with federal guidelines. The LEP formula is based on 99.0% of the annual per pupil foundation amount, with the State providing funding for 50.0% of the program's cost. The fiscal 2011 grant per LEP student is \$3,314. State funding for the program will total \$151.2 million in fiscal 2011, representing a \$2.6 million, or 1.7%, increase over the prior year. The number of LEP students in Maryland totals 44,062 for the 2009-2010 school year.

**Geographic Cost of Education Index:** This is a discretionary formula that provides additional State funds to local school systems where costs for educational resources are higher than the State average. Funding for the formula was provided in fiscal 2009 for the first time, and fiscal 2011 funding totals \$126.6 million reflecting a 100% phase-in for the formula. Thirteen local school systems receive funding from the geographic cost of education index formula.

**Guaranteed Tax Base Program:** The Bridge to Excellence in Public Schools Act included an add-on grant for jurisdictions with less than 80% of statewide per pupil wealth that contributed more than the minimum required local share under the foundation program in the prior year. The grant is based on local support for education relative to local wealth. The grant cannot exceed 20% of the per pupil foundation amount. Nine local school systems will qualify for grants totaling \$47.4 million in fiscal 2011.

**Aging Schools Program:** The Aging Schools Program provides State funding to local school systems for improvements, repairs, and deferred maintenance of public school buildings. These repairs are generally not covered by the capital school construction program and are necessary to maintain older public schools. State funding for the Aging Schools Program will total \$6.1 million in fiscal 2011 with an additional \$4.6 million for school wiring. The Budget Reconciliation and Financing Act of 2010 authorizes general obligation (GO) bond funds to be used instead of general funds for the Aging Schools Program in fiscal 2011.

**Judy Hoyer and Head Start Programs:** These programs provide financial support for the establishment of centers that provide full-day, comprehensive, early education programs, and family support services that will assist in preparing children to enter school ready to learn. This program also provides funding to support childhood educators, and statewide implementation of an early childhood assessment system. The fiscal 2011 State budget includes \$7.6 million for Judy Center grants, \$3.0 million for school readiness and program accreditation, and \$1.8 million for head start programs.

**Teacher Quality Incentives:** The State provides salary enhancements for teachers obtaining national certification and a stipend for teachers and other nonadministrative certificated school employees working in low-performing schools. The fiscal 2011 State budget includes \$4.2 million for teacher quality incentives; \$96,000 for the Governor's Teacher Excellence Award Program which distributes awards to teachers for outstanding performance; and \$1.4 million for teacher quality and national certification grants.

***Food and Nutrition Services:*** In addition to federal funds provided under the School Lunch Act of 1946, the State provides matching funds to support food and nutrition programs for low-income children. The programs provide free and reduced price breakfasts, lunches, and snacks to public or private nonprofit school students. All public schools in the State are required to provide subsidized or free nutrition programs for eligible students. The fiscal 2011 State budget includes \$7.2 million for food and nutrition services.

***Infants and Toddlers Program:*** This program involves a statewide community-based interagency system of comprehensive early intervention services for eligible children who are less than three years old. Eligible children include those who have developmental delays or disabilities. State funding for infants and toddlers programs will total \$10.4 million in fiscal 2011, the same amount that was provided in the prior year.

***Adult Education:*** The State provides funding for adult education services through four programs: adult general education; external diploma program; literacy works grant; and adult education and literacy works. The State budget includes \$6.9 million for adult education programs in fiscal 2011, the same amount that was provided in the prior year.

***School-based Health Centers:*** The fiscal 2011 State budget includes \$2.7 million for school-based health centers, which provide primary medical care as well as social, mental health, and health education services for students and their families. The funding for these centers was transferred from the Subcabinet Fund to the Maryland State Department of Education in fiscal 2007.

***Science and Math Education Initiative:*** This program includes summer sessions for teachers and an equipment incentive fund to strengthen science and math education. The State budget includes \$1.3 million for this initiative in fiscal 2011.

***Teachers' Retirement Payments:*** The State pays 100.0% of the employers' share of retirement costs for local school system employees in the Teachers' Retirement and Pension Systems maintained by the State. Rather than distributing the aid to the local boards of education and billing them for the retirement contributions, the State appropriates a lump-sum payment to the retirement system "on behalf of" the local boards. The appropriation is calculated by increasing the second prior year's salary base by 3.5% and applying the contribution rate certified by the retirement system. Teachers' retirement payments will total \$849.8 million in fiscal 2011, representing a \$90.8 million, or 12.0%, increase over the prior year.

## **Local Libraries**

***Minimum Per Capita Library Program:*** The State provides assistance to public libraries through a formula that determines the State and local shares of a minimum per capita library program. The minimum library program is specified in statute. Overall, the State provides 40.0% of the minimum program, and the counties provide 60.0%. The State/local share of the minimum program varies by county depending on local wealth. Chapter 481 of 2005 started a phase-in of enhancements for the library aid formula, increasing the per resident allocation by

\$1 per year from \$12 per resident in fiscal 2006 to \$16 per resident by fiscal 2010. However, Chapter 2 of the 2007 special session deferred the \$1 formula increase for fiscal 2009, and the Budget Reconciliation and Financing Act of 2009 froze the per resident amount used in the local library aid formula at \$14 for fiscal 2010 and 2011. The phase-in of formula enhancements restarts in fiscal 2012 at \$15 per resident; however, the Budget Reconciliation and Financing Act of 2010 freezes the per resident amount at that level for subsequent years. Due to these changes, State funding in fiscal 2011 will total \$33.0 million, which represents a \$0.2 million, or 0.6%, decrease from the prior year.

**State Library Network:** The network consists of the Central Library of the Enoch Pratt Free Library System in Baltimore City, three regional resource centers, and metropolitan cooperative service programs. The Enoch Pratt Free Library operates as the designated State Library Resource Center. In addition to the State center, regional resource centers serve Western Maryland (Hagerstown), Southern Maryland (Charlotte Hall), and the Eastern Shore (Salisbury). Funding for the State Library Resource Center has equaled \$1.85 per State resident since fiscal 2004. Chapter 481 of 2005 started a phase-in of enhancements for the regional resource centers, increasing the per resident allocation by \$1.00 per year to move from \$4.50 per resident in fiscal 2006 to \$8.50 per resident by fiscal 2010. However, Chapter 2 of the 2007 special session deferred the \$1.00 formula increase for fiscal 2009, and the Budget Reconciliation and Financing Act of 2009 decreased the per resident allocations to the State Library Resource Center and the State's three regional resource centers. Funding for the State Library Resource Center is reduced from \$1.85 per State resident to \$1.67 per resident for fiscal 2010 and 2011. Funding for regional resource centers decreases to \$6.75 per resident of the region in fiscal 2010 and 2011 and increases to \$7.50 per resident in fiscal 2012. The Budget Reconciliation and Financing Act of 2010 continues funding at this level in subsequent years. Due to these changes, State funding in fiscal 2011 will total \$9.4 million for the State Library Resource Center and \$6.2 million for the regional centers.

**Retirement Payments:** The State pays 100.0% of the employers' share of retirement costs for local library employees in the Teachers' Retirement and Pension Systems maintained by the State. State funding for library retirement payments will total \$16.9 million in fiscal 2011, a \$1.6 million, or 10.5%, increase from the prior year.

### **Community Colleges**

**Senator John A. Cade Funding Formula:** The Budget Reconciliation and Financing Act of 2010 reduces funding under the Cade formula to \$194.4 million in fiscal 2011 and 2012 and resets the phase-in of scheduled formula enhancements. The formula enhancements will be fully phased in by fiscal 2021 at 29% of the per student funding provided to selected public four-year institutions. This provision results in a \$23.1 million reduction in statutorily mandated funding and a \$5.4 million reduction in the amount of funding provided in the prior year.

**Special Programs:** State funding in fiscal 2011 will total \$3.3 million for the small college grants and \$0.6 million for the Allegany/Garrett counties unrestricted grants. Funding

for statewide and regional programs will total \$6.5 million. The English as a Second Language program will receive \$3.8 million.

**Retirement Payments:** The State pays 100.0% of the employers' share of retirement costs for community college faculty in the Teachers' Retirement and Pension Systems maintained by the State. State funding for community college retirement payments will total \$33.7 million in fiscal 2011 – a \$4.5 million, or 15.3%, increase. In addition, State funding for the optional retirement program will total \$13.8 million in fiscal 2011, representing a \$0.9 million, or 7.0%, increase.

### **Local Health Departments**

The State provides funds to support the delivery of public health services in each of Maryland's 24 jurisdictions. These services include child health, communicable disease prevention, maternal health, family planning, environmental health, and administration of the departments. Due to declining revenues, the fiscal 2010 appropriation for grants to local health departments was reduced from \$57.4 million to \$37.3 million by BPW in August 2009. Under the statute, funding would have increased to \$41.0 million in fiscal 2011; however, the Budget Reconciliation and Financing Act of 2010 reduces the base appropriation for the targeted local health formula for fiscal 2011 and 2012 to \$37.3 million and provides for inflationary increases to the program in fiscal 2013. As a result, State aid for local health departments will total \$37.3 million in fiscal 2011, the same amount as in the prior year.

### **County and Municipal Governments**

**Highway User Revenues:** The State shares various transportation revenues, commonly referred to as highway user revenues, with the counties and municipalities. Due to declining revenues, BPW reduced fiscal 2010 highway user revenues by \$159.5 million in August 2009. This amount was in addition to the \$161.9 million reduction from the statutory funding level that resulted from the 2009 legislative session actions. These reductions coupled with downward revisions in transportation revenues would have resulted in highway user grants of \$140.5 million in fiscal 2010. The Budget Reconciliation and Financing Act of 2010, however, partially restores the fiscal 2010 funding to reflect payments received by the counties and municipalities before BPW reduced the appropriation. This results in an estimated \$160.5 million in highway user grants.

Prior to the fiscal 2010 reductions, Maryland local governments received 30.0% of highway user revenues. For fiscal 2011 and 2012, the Budget Reconciliation and Financing Act of 2010 lowers the local shares to 8.5 and 8.1%, respectively. Based on current revenue estimates this will result in grants totaling \$134.3 million each year. Of this amount, Baltimore City will receive about \$124.5 million, the counties will receive about \$8.0 million, and municipalities will receive \$1.6 million. Beginning in fiscal 2013, the overall local share is 9.2% of highway user revenues: 7.5% for Baltimore City; 1.4% for counties; and 0.3% for municipalities.

**Other Transportation Aid:** State funding for elderly/disabled transportation grants will total \$4.3 million in fiscal 2011, while State funding for paratransit grants will total \$2.9 million.

**Police Aid Formula:** Maryland's counties and municipalities receive grants for police protection through the police aid formula. The police aid formula allocates funds on a per capita basis, and jurisdictions with a higher population density receive greater per capita grants. Municipalities receive additional grants based on the number of sworn officers. The Maryland State Police recovers 30% of the State crime laboratories costs relating to evidence-testing services from each county's formula allocation. Due to declining revenues, the fiscal 2010 appropriation for police aid was reduced from \$66.0 million to \$45.4 million by BPW in August 2009. Under the statute, the fiscal 2011 funding level would have totaled \$64.4 million; however, the Budget Reconciliation and Financing Act of 2010 limits the amount a local government may receive through the police aid formula in both fiscal 2011 and 2012 to the amount the jurisdiction receives in fiscal 2010. This limitation reduces police aid by \$19.0 million in fiscal 2011. Therefore, after the crime laboratory adjustment, police aid will total \$45.4 million in fiscal 2011.

**Public Safety Grants:** State funding for targeted public safety grants will total \$14.2 million in fiscal 2011. These grants include violent crime grants for Baltimore City and Prince George's County, police foot patrol and community policing grants for Baltimore City, a drug enforcement grant for Prince George's County, S.T.O.P. gun violence grants, school bus traffic enforcement grants, domestic violence grants, law enforcement and correctional officers training grants, Baltimore City war room, sex offender and compliance enforcement, and the body armor grants. In addition, \$2.0 million will be provided to the Baltimore City State's Attorney Office to assist in the prosecution of gun offenses and repeat violent offenders, and \$174,000 will be provided to the Capital City Safe Streets Program, an ongoing initiative to fight crime in the City of Annapolis.

**Vehicle Theft Prevention Program:** This program provides grants to law enforcement agencies, prosecutors' offices, local governments, and community organizations for vehicle theft prevention, deterrence, and educational programs. Funds are used to enhance the prosecution and adjudication of vehicle theft crimes. Funding for the program is provided through the Vehicle Theft Prevention Fund, a nonlapsing dedicated fund that receives up to \$2.0 million a year from penalties collected for lapsed or terminated insurance coverage. Additional funds are received from inspection fees collected for salvaged vehicle verification. State funding for this program will total \$1.9 million in fiscal 2011.

**Fire, Rescue, and Ambulance Services:** The State provides formula grants to the counties, Baltimore City, and qualifying municipalities for local and volunteer fire, rescue, and ambulance services. The grants are for equipment and renovation projects, not operating costs. The program is funded through the Maryland Emergency Medical System Operations Fund. The grant level is set at \$10 million in fiscal 2011.

**9-1-1 Emergency Systems Grant:** The State imposes a 25-cent fee per month on telephone subscribers that is deposited into a trust fund that provides reimbursements to counties

for improvements and enhancements to their 9-1-1 systems. Counties may only use the trust fund money to supplement their spending, not to supplant it. State funding to local 9-1-1 emergency systems will total \$9.4 million in fiscal 2011.

***Program Open Space Grants:*** Under Program Open Space (POS), the State provides grants to local governments for land acquisition and the development of parks and recreation facilities. Local POS grants will total \$12.4 million in fiscal 2011, which represents a \$6.2 million increase from the prior year. In addition, Baltimore City will receive a \$2.9 million special POS grant.

***Disparity Grants:*** Disparity grants address the differences in the abilities of counties to raise revenues from the local income tax, which is the third largest revenue source for counties after State aid and property taxes. Counties with per capita local income tax revenues less than 75.0% 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 75.0% of the State average. The Budget Reconciliation and Financing Act of 2009 included a provision, beginning in fiscal 2011, that caps each county's funding under the program at the fiscal 2010 level. As a result, State funding for disparity grants was scheduled to total \$97.1 million in fiscal 2011, a \$24.4 million decrease from the prior year. The Budget Reconciliation and Financing Act of 2010, however, changes the statute to use more recent income tax data to determine the grants and maintains the cap on each county's funding. This change results in an additional \$24.4 million in funding and ensures that the counties will receive the same funding as in fiscal 2010. Baltimore City and seven counties (Allegany, Caroline, Dorchester, Garrett, Prince George's, Somerset, and Wicomico) qualify for disparity grants. The fiscal 2011 grant under the statute is based on population estimates for July 2008 and calendar 2008 local income tax revenues raised from a 2.54% local income tax rate.

| <b>Summary of State Mandates</b>                       |           |
|--------------------------------------------------------|-----------|
| Community Colleges                                     | 1         |
| Finance and Taxes                                      | 3         |
| Housing and Community Development                      | 1         |
| Maryland-National Capital Park and Planning Commission | 1         |
| Public Safety                                          | 4         |
| Public Schools                                         | 3         |
| Salaries and Benefits                                  | 1         |
| Workers' Compensation                                  | 1         |
| <b>Total</b>                                           | <b>15</b> |

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



## Legislation Affecting Local Government Revenues

| <u>Bill #</u>                                                 | <u>Title</u>                                                                                                                            | <u>Comment</u>                                                                                                                                                                                                                                                                                                                                                                                                                      | <u>Mandate</u> |
|---------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|
| <b>Legislation Affecting All/Multiple Local Jurisdictions</b> |                                                                                                                                         |                                                                                                                                                                                                                                                                                                                                                                                                                                     |                |
| SB 17/HB 1145                                                 | Criminal Law – Salvia Divinorum and Salvinorin A – Distribution to and Possession by Individual Under 21 Years of Age (Ch. 200/Ch. 201) | Potential minimal fine revenues.                                                                                                                                                                                                                                                                                                                                                                                                    | No             |
| SB 64                                                         | Maryland Research and Development Tax Credit – Sunset Extension (Ch. 20)                                                                | Local highway user revenues decrease by \$142,900 in FY 2013, \$239,600 in FY 2014, and by \$365,700 in FY 2015.                                                                                                                                                                                                                                                                                                                    | No             |
| SB 99/HB 1174                                                 | Junk Dealers and Scrap Metal Processors – Required Records (Ch. 199/Ch. 198)                                                            | Potential minimal fine revenues.                                                                                                                                                                                                                                                                                                                                                                                                    | No             |
| SB 106                                                        | Labor and Employment – Job Creation and Recovery Tax Credit (Ch. 1)                                                                     | Local highway user revenues decrease by \$305,500 in FY 2011.                                                                                                                                                                                                                                                                                                                                                                       | No             |
| SB 129/HB 65                                                  | International Marriage Brokers – Regulation (Ch. 519/Ch. 520)                                                                           | Potential minimal fine revenues.                                                                                                                                                                                                                                                                                                                                                                                                    | No             |
| SB 139                                                        | Property Tax – Exemption for Disabled Public Health Service and NOAA Officers and Surviving Spouses (Ch. 235)                           | Local property tax revenues decrease by \$43,500 annually.                                                                                                                                                                                                                                                                                                                                                                          | No             |
| SB 141                                                        | Budget Reconciliation and Financing Act of 2010 (Ch. 484)                                                                               | Revenues from direct State aid decrease by \$263.5 million in FY 2011, including \$287.9 million in reductions to transportation, police, health, community college, and education funding and an increase of \$24.4 million in disparity grants. Permanent reductions of \$340 million to \$360 million annually are made to highway user aid, and annual inflation in the education aid formulas is capped at 1% through FY 2015. | No             |
| SB 171/HB 359                                                 | Procurement – Veteran-Owned Small Business Enterprise Participation (Ch. 507/Ch. 508)                                                   | Potential minimal fine revenues.                                                                                                                                                                                                                                                                                                                                                                                                    | No             |

## Legislation Affecting Local Government Revenues

| <u>Bill #</u> | <u>Title</u>                                                                                            | <u>Comment</u>                                                                                           | <u>Mandate</u> |
|---------------|---------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------|----------------|
| SB 198        | Farmer's Markets – Agricultural Product Sales – Producer Mobile Farmer's Market License (Ch. 246)       | Minimal license fee revenue decrease for certain counties. Potential minimal fine revenues.              | No             |
| SB 199        | Seasonal Farmer's Market Producer Sampling License (Ch. 247)                                            | Potential minimal license fee revenues.                                                                  | No             |
| SB 202        | Creation of a State Debt – Aging School Program – Qualified Zone Academy Bonds (Ch. 523)                | Revenues for public school renovation and repair increase by a maximum of \$4.5 million in FY 2011 only. | No             |
| SB 213/HB 33  | Child Care Articles Containing Bisphenol-A – Prohibition (Ch. 46/Ch. 47)                                | Potential minimal fine revenues beginning in FY 2012.                                                    | No             |
| SB 221        | Tax Credits for Qualifying Employees with Disabilities – Sunset Extension (Ch. 252)                     | Local highway user revenues decrease by \$3,800 in FY 2011, \$5,300 in FY 2012, and \$1,600 in FY 2013.  | No             |
| SB 255/HB 365 | Criminal Law – Assault – Law Enforcement Officers and Parole and Probation Agents (Ch. 264/Ch. 265)     | Minimal fine revenues.                                                                                   | No             |
| SB 261/HB 283 | Criminal Law – Human Trafficking – Prohibitions (Ch. 529/Ch. 530)                                       | Potential minimal fine revenues.                                                                         | No             |
| SB 319/HB 915 | African American Heritage Preservation Program (Ch. 278/Ch. 279)                                        | Potential significant grant revenues.                                                                    | No             |
| SB 361/HB 606 | Natural Resources – Local Forest Conservation Funds – Use of Money (Ch. 283/Ch. 284)                    | Potential minimal forest conservation fund revenues.                                                     | No             |
| SB 413        | Property Tax Credit – Replacement Home Purchased After Acquisition of Dwelling for Public Use (Ch. 291) | Potential minimal property tax revenue decrease.                                                         | No             |
| SB 466        | Vehicle Laws – Off-Highway Recreational Vehicles – Titling (Ch. 304)                                    | Local highway user revenues increase by approximately \$50,000 annually.                                 | No             |

## Legislation Affecting Local Government Revenues

| <u>Bill #</u>  | <u>Title</u>                                                                                                                     | <u>Comment</u>                                                                                                        | <u>Mandate</u> |
|----------------|----------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------|----------------|
| SB 517         | Maryland Gang Prosecution Act of 2010<br>(Ch. 197)                                                                               | Potential minimal fine revenues.                                                                                      | No             |
| SB 520/HB 199  | Homestead Property Tax Credit – Eligibility of Employees of the Federal Government Stationed Outside the State (Ch. 571/Ch. 572) | Minimal property tax revenue decrease for certain counties.                                                           | No             |
| SB 523         | Credit Card Blacklisting Prevention Act (Ch. 309)                                                                                | Potential minimal fine revenues.                                                                                      | No             |
| SB 652/HB 850  | Property Tax Credit – Habitat for Humanity (Ch. 328/Ch. 329)                                                                     | Minimal property tax revenue decrease for certain municipalities and counties.                                        | No             |
| SB 670/HB 818  | Criminal Law – Trespass on Posted Property and Wanton Trespass on Private Property – Penalties (Ch. 334/Ch. 335)                 | Potential minimal fine revenues.                                                                                      | No             |
| SB 685         | Heavy Equipment Tax Reform Act of 2010 (Ch. 337)                                                                                 | Potential net increase or decrease in personal property and gross receipt taxes assessed on heavy equipment property. | No             |
| SB 774/HB 882  | Insurance Producers – Use of Senior or Retiree Credential or Designation (Ch. 604/Ch. 605)                                       | Potential minimal fine revenues.                                                                                      | No             |
| SB 777/HB 844  | Local Government Funds – Redeposit into Insured Accounts (Ch. 102/Ch. 103)                                                       | Potential minimal investment revenues.                                                                                | No             |
| SB 828         | Special Taxing Districts – Transportation Improvements – Exemption from County Tax Limitations (Ch. 617)                         | Potential revenue increase in Anne Arundel, Montgomery, Prince George’s, Talbot, and Wicomico counties.               | No             |
| SB 858         | Maryland Winery Modernization Act (Ch. 355)                                                                                      | Potential minimal license fee revenue decrease.                                                                       | No             |
| SB 898/HB 1076 | Credit Regulation – Installment Loans Secured by Motor Vehicle Lien – Balloon Payments (Ch. 632/Ch. 633)                         | Potential minimal fine revenues.                                                                                      | No             |

## Legislation Affecting Local Government Revenues

| <u>Bill #</u>   | <u>Title</u>                                                                       | <u>Comment</u>                                                                                                                                    | <u>Mandate</u> |
|-----------------|------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------|----------------|
| SB 1006/HB 1025 | Baltimore City – Sale of Motor Fuel for Dirt Bikes – Prohibition (Ch. 114/Ch. 115) | Potential decrease in local highway user revenues. Potential minimal decrease in fine revenues for Baltimore City only.                           | No             |
| HB 6            | Property Tax – Notice – 60-Day Appeal (Ch. 380)                                    | Potential minimal property tax revenue decrease.                                                                                                  | No             |
| HB 33/SB 213    | See entry for SB 213.                                                              |                                                                                                                                                   |                |
| HB 65/SB 129    | See entry for SB 129.                                                              |                                                                                                                                                   |                |
| HB 73           | Environment – Water Quality Revolving Loan Fund – Use of Funds (Ch. 384)           | Revenues increase by approximately \$58.8 million in FY 2012, \$56.4 million in FY 2013, and potentially significant amounts annually thereafter. | No             |
| HB 79           | Commercial Law – Credit Services Businesses – Limitation on Fees (Ch. 385)         | Potential minimal fine revenues.                                                                                                                  | No             |
| HB 88           | Other Tobacco Products Licenses (Ch. 388)                                          | Minimal license fee revenues. Potential minimal fine revenues.                                                                                    | No             |
| HB 199/SB 520   | See entry for SB 520.                                                              |                                                                                                                                                   |                |
| HB 283/SB 261   | See entry for SB 261.                                                              |                                                                                                                                                   |                |
| HB 318          | Business Regulation – Secondhand Precious Metal Object Dealers (Ch. 404)           | Potential minimal decrease in license fee revenues.                                                                                               | No             |
| HB 359/SB 171   | See entry for SB 171.                                                              |                                                                                                                                                   |                |
| HB 365/SB 255   | See entry for SB 255.                                                              |                                                                                                                                                   |                |
| HB 420          | Secretary of Agriculture – Mosquito Control – Enforcement Authority (Ch. 412)      | Potential minimal fine revenues.                                                                                                                  | No             |
| HB 464          | Maryland Clean Energy Incentive Act of 2010 (Ch. 493)                              | Potential decrease in local highway user revenues beginning in FY 2012.                                                                           | No             |

## Legislation Affecting Local Government Revenues

| <u>Bill #</u>   | <u>Title</u>                                                                                                                       | <u>Comment</u>                                                           | <u>Mandate</u> |
|-----------------|------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------|----------------|
| HB 475          | Smart, Green, and Growing – The Sustainable Communities Act of 2010 (Ch. 487)                                                      | Potential decrease in local highway user revenues.                       | No             |
| HB 484          | Property Tax – Semiannual Payment Schedule – Small Business Property (Ch. 680)                                                     | Potential decrease in interest income beginning in FY 2012.              | No             |
| HB 517          | Criminal Law – Narcotic Drugs – Enhanced Penalties (Ch. 417)                                                                       | Potential minimal fine revenues.                                         | No             |
| HB 606/SB 361   | See entry for SB 361.                                                                                                              |                                                                          |                |
| HB 778          | Crimes – Unauthorized Computer Access for Sabotage of State Government, Public Utilities, or Other Energy Infrastructure (Ch. 436) | Potential minimal fine revenues.                                         | No             |
| HB 818/SB 670   | See entry for SB 670.                                                                                                              |                                                                          |                |
| HB 844/SB 777   | See entry for SB 777.                                                                                                              |                                                                          |                |
| HB 850/SB 652   | See entry for SB 652.                                                                                                              |                                                                          |                |
| HB 882/SB 774   | See entry for SB 774.                                                                                                              |                                                                          |                |
| HB 915/SB 319   | See entry for SB 319.                                                                                                              |                                                                          |                |
| HB 1025/SB 1006 | See entry for SB 1006.                                                                                                             |                                                                          |                |
| HB 1043         | Criminal Procedure – Child Advocacy Centers (Ch. 453)                                                                              | Potential grant revenues to support or establish child advocacy centers. | No             |
| HB 1053         | Child Pornography – Matter Reflecting Belief That a Minor Is Depicted in a Certain Manner (Ch. 454)                                | Potential minimal fine revenues.                                         | No             |
| HB 1062         | Property Tax Credit – Urban Agricultural Property (Ch. 721)                                                                        | Potential significant local property tax revenue decrease.               | No             |

## Legislation Affecting Local Government Revenues

| <u>Bill #</u>  | <u>Title</u>                                                                                  | <u>Comment</u>                                                                                                                  | <u>Mandate</u> |
|----------------|-----------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------|----------------|
| HB 1076/SB 898 | See entry for SB 898.                                                                         |                                                                                                                                 |                |
| HB 1135        | Property Tax Credit – Grocery Stores – Low-Income Areas (Ch. 724)                             | Potential significant property tax revenue decrease.                                                                            | No             |
| HB 1145/SB 17  | See entry for SB 17.                                                                          |                                                                                                                                 |                |
| HB 1151        | Vehicle Laws – Commercial Motor Vehicles – Minimum Security Requirements (Ch. 458)            | Federal fund revenues for local law enforcement are maintained beyond 2010 at more than \$120,000 annually.                     | No             |
| HB 1161        | Tax Increment Financing and Special Taxing Districts – State Hospital Redevelopment (Ch. 726) | Potential increase in local government bond proceeds to TIF for counties and municipalities that exercise this authority.       | No             |
| HB 1163        | Economic Development – Enterprise Zones – Designation (Ch. 459)                               | Potential decrease in local income and property tax revenues beginning in FY 2012 in counties with additional enterprise zones. | No             |
| HB 1174/SB 99  | See entry for SB 99.                                                                          |                                                                                                                                 |                |
| HB 1206        | Commercial Law – Consumer Protection – Refund Anticipation Loans and Checks (Ch. 730)         | Potential minimal fine revenues.                                                                                                | No             |
| HB 1263        | Education Reform Act of 2010 (Ch. 189)                                                        | Potential significant increase in State education aid.                                                                          | No             |
| HB 1352        | Forest Conservation Fund – Contribution Rates – Priority Funding Areas (Ch. 466)              | Potential significant forest conservation fund revenues.                                                                        | No             |
| HB 1505        | Central Collection Unit – Collection of Debts Owed to the State (Ch. 477)                     | Potential minimal community college revenues.                                                                                   | No             |

## Legislation Affecting Local Government Revenues

| <u>Bill #</u>                                                 | <u>Title</u>                                                                                    | <u>Comment</u>                                                                                        | <u>Mandate</u> |
|---------------------------------------------------------------|-------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------|----------------|
| <b>Legislation Affecting Local Governments by Subdivision</b> |                                                                                                 |                                                                                                       |                |
| <i><b>Allegany County</b></i>                                 |                                                                                                 |                                                                                                       |                |
| SB 552                                                        | Allegany County – Property Tax Credit – Memorial Hilltop Centre (Ch. 582)                       | Potential significant decrease in county and municipal property tax revenues.                         | No             |
| SB 947                                                        | Allegany County – Property Tax Credit – WMHS Braddock Hospital Facility (Ch. 365)               | Potential decrease in county and municipal property tax revenues.                                     | No             |
| <i><b>Anne Arundel County</b></i>                             |                                                                                                 |                                                                                                       |                |
| SB 658                                                        | Anne Arundel County – Property Tax Credit – Arundel Habitat for Humanity, Inc. (Ch. 591)        | Property tax revenues may decrease by \$5,100 annually.                                               | No             |
| HB 947                                                        | Anne Arundel County – Alcoholic Beverages – Tasting Licenses (Ch. 444)                          | License fee revenues increase by a minimum of \$2,200 annually through FY 2013.                       | No             |
| <i><b>Baltimore City</b></i>                                  |                                                                                                 |                                                                                                       |                |
| SB 120                                                        | Baltimore City – Alcoholic Beverages – Beer, Wine, and Liquor Tasting License (Ch. 226)         | Potential minimal license fee revenues.                                                               | No             |
| SB 377                                                        | Baltimore City – Alcoholic Beverages – Class C Licensees to Reimburse Board for Costs (Ch. 285) | Potential minimal liquor license commissioner revenues.                                               | No             |
| SB 390                                                        | Baltimore City – Marriage License Fee – Increase – The Carole Alexander Act (Ch. 288)           | Marriage fee revenues increase by \$216,350 annually and are allocated to domestic violence programs. | No             |

## Legislation Affecting Local Government Revenues

| <u>Bill #</u>                  | <u>Title</u>                                                                         | <u>Comment</u>                                                       | <u>Mandate</u> |
|--------------------------------|--------------------------------------------------------------------------------------|----------------------------------------------------------------------|----------------|
| <b><i>Baltimore County</i></b> |                                                                                      |                                                                      |                |
| SB 112/HB 595                  | Baltimore County – Property Tax Credit – Rosewald Beach Civic League (Ch. 38/Ch. 39) | Property tax revenues may decrease by \$1,100 annually.              | No             |
| HB 1496                        | Baltimore County – Alcoholic Beverages – Tasting Licenses – Fees (Ch. 171)           | Potential minimal license fee revenues.                              | No             |
| HB 595/SB 112                  | See entry for SB 112.                                                                |                                                                      |                |
| <b><i>Calvert County</i></b>   |                                                                                      |                                                                      |                |
| SB 958                         | Calvert County – Noise Control Ordinance (Ch. 639)                                   | Potential minimal fine revenues.                                     | No             |
| HB 149                         | Calvert County – Public Facilities Bonds (Ch. 135)                                   | Revenues from bond proceeds increase by a maximum of \$11.3 million. | No             |
| <b><i>Carroll County</i></b>   |                                                                                      |                                                                      |                |
| SB 923/HB 1167                 | Carroll County – Homemade Food Sales – County Parks and Facilities (Ch. 109/Ch. 110) | Minimal park and facility revenues.                                  | No             |
| SB 924                         | Carroll County – Public Facilities Bonds (Ch. 636)                                   | Revenues from bond proceeds increase by a maximum of \$35 million.   | No             |
| HB 1112                        | Carroll County – Green Building Tax Credit (Ch. 722)                                 | Potential property tax revenue decrease.                             | No             |
| HB 1167/SB 923                 | See entry for SB 923.                                                                |                                                                      |                |

## Legislation Affecting Local Government Revenues

| <u>Bill #</u>                   | <u>Title</u>                                                                                                      | <u>Comment</u>                                                                          | <u>Mandate</u> |
|---------------------------------|-------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------|----------------|
| <b><i>Cecil County</i></b>      |                                                                                                                   |                                                                                         |                |
| SB 732                          | Cecil County – Public Facilities Bond Bill (Ch. 101)                                                              | Revenues from bond proceeds increase by a maximum of \$11.3 million.                    | No             |
| HB 340                          | Cecil County – Board of Electrical Examiners and Licensing of Electricians (Ch. 668)                              | Permit fee revenues increase by \$24,000 in FY 2011 and by a similar amount thereafter. | No             |
| HB 535                          | Cecil County – Alcoholic Beverages – Entertainment Facility License (Ch. 154)                                     | License fee revenues increase by a minimum of \$7,500 annually.                         | No             |
| <b><i>Charles County</i></b>    |                                                                                                                   |                                                                                         |                |
| HB 796                          | Charles County – Property Tax Credit for Homes Formerly Owned by Habitat for Humanity of Charles County (Ch. 701) | Potential minimal property tax revenue decrease.                                        | No             |
| <b><i>Dorchester County</i></b> |                                                                                                                   |                                                                                         |                |
| SB 47                           | Dorchester County – Alcoholic Beverages – Restaurant Seating Capacity (Ch. 206)                                   | Potential license fee revenues.                                                         | No             |
| SB 223                          | Dorchester County – County Transfer Tax – Repeal of Sunset Provision (Ch. 524)                                    | Transfer tax revenues of \$650,000 annually will continue beyond FY 2014.               | No             |
| <b><i>Frederick County</i></b>  |                                                                                                                   |                                                                                         |                |
| HB 476                          | Frederick County – Property Tax Setoff (Ch. 415)                                                                  | Municipal revenues increase by a maximum of \$791,700 in FY 2011 and 2012.              | Yes            |
| HB 678                          | Frederick County – Pay-As-You-Throw Pilot Program (Ch. 692)                                                       | Landfill tipping fee revenues decrease by \$150,000 in FY 2011 only.                    | No             |

## Legislation Affecting Local Government Revenues

| <u>Bill #</u>                   | <u>Title</u>                                                                                                            | <u>Comment</u>                                                                                                   | <u>Mandate</u> |
|---------------------------------|-------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------|----------------|
| <b><i>Garrett County</i></b>    |                                                                                                                         |                                                                                                                  |                |
| SB 288/HB 320                   | Maryland Dormant Mineral Interests Act (Ch. 268/Ch. 269)                                                                | Potential tax revenue increase.                                                                                  | No             |
| HB 320/SB 288                   | See entry for SB 288                                                                                                    |                                                                                                                  |                |
| <b><i>Harford County</i></b>    |                                                                                                                         |                                                                                                                  |                |
| HB 1117                         | Harford County Property Tax Credit – Homes near a Refuse Disposal System – Extension to Additional Properties (Ch. 723) | Property tax revenues decrease by \$37,600 in FY 2011. Future year revenues depend on assessments and tax rates. | No             |
| <b><i>Howard County</i></b>     |                                                                                                                         |                                                                                                                  |                |
| HB 730                          | Howard County – Alcoholic Beverages Act of 2010 Ho. Co. 3-10 (Ch. 162)                                                  | License fee revenues increase by a maximum of \$75,000 annually.                                                 | No             |
| <b><i>Montgomery County</i></b> |                                                                                                                         |                                                                                                                  |                |
| SB 476/HB 223                   | Maintenance of Effort – Penalty (Ch. 73/Ch. 74)                                                                         | State education aid revenues are not reduced by \$23.4 million in FY 2010 due to the penalty waiver.             | No             |
| HB 223/SB 476                   | See entry for SB 476.                                                                                                   |                                                                                                                  |                |
| HB 861                          | Montgomery County – Enterprise Zones – Tax Credits MC 2-10 (Ch. 707)                                                    | Potential property tax revenue decrease.                                                                         | No             |
| HB 891                          | Montgomery County – Investment Authority MC 18-10 (Ch. 710)                                                             | Potential economic development fund revenue increase or decrease, depending on investment performance.           | No             |
| HB 1205                         | Montgomery County – Alcoholic Beverages License Fees – Repeal of Sunset MC 24-10 (Ch. 169)                              | License fee revenues of \$226,000 annually continue beyond FY 2010.                                              | No             |

## Legislation Affecting Local Government Revenues

| <u>Bill #</u>                        | <u>Title</u>                                                                                                                              | <u>Comment</u>                                                                                                                       | <u>Mandate</u> |
|--------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------|----------------|
| HB 1481                              | Montgomery County – Maryland-National Capital Park and Planning Commission – Lease, Contract, or Agreement – Terms PG/MC 118-10 (Ch. 476) | Potential decrease in M-NCPPC revenues.                                                                                              | Yes            |
| <b><i>Prince George’s County</i></b> |                                                                                                                                           |                                                                                                                                      |                |
| SB 151                               | Prince George’s County – Alcoholic Beverages – Class B-AE (Arts and Entertainment) License (Ch. 42)                                       | Potential license fee revenue increase of \$13,750 annually.                                                                         | No             |
| SB 683                               | Property Taxes – Bicounty Commissions (Ch. 336)                                                                                           | Property tax revenues for M-NCPPC and WSTC decrease by \$21.4 million in FY 2011. Future year revenues depend on annual assessments. | No             |
| HB 558                               | Prince George’s County – Alcoholic Beverages – Entertainment Permit PG 315-10 (Ch. 684)                                                   | Potential significant license fee and fine revenues.                                                                                 | No             |
| HB 566                               | Prince George’s County – Community Association Property Management Services – Registration PG 419-10 (Ch. 421)                            | Minimal registration fee revenues.                                                                                                   | Yes            |
| HB 567                               | Prince George’s County – Alcoholic Beverages – License Fees and Salaries of Inspectors PG 305-10 (Ch. 156)                                | License fee revenues increase by \$103,600 annually.                                                                                 | No             |
| HB 570                               | Prince George’s County – Alcoholic Beverages – Extinguishment of Licenses PG 306-10 (Ch. 422)                                             | Potential minimal license fee revenue decrease.                                                                                      | No             |
| HB 571                               | Prince George’s County – Alcoholic Beverages Licenses – Waterfront Entertainment Retail Complex PG 316-10 (Ch. 423)                       | Potential minimal license fee revenues.                                                                                              | No             |
| HB 665                               | Prince George’s County – Domestic Violence – GPS Tracking System Pilot Program for Offenders (Ch. 429)                                    | Potential minimal electronic monitoring fee revenues.                                                                                | Yes            |

## Legislation Affecting Local Government Revenues

| <u>Bill #</u>                     | <u>Title</u>                                                                                                    | <u>Comment</u>                                                                                                    | <u>Mandate</u> |
|-----------------------------------|-----------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------|----------------|
| HB 1477                           | Prince George's County – Municipal Corporations – School Zones and Speed Monitoring Systems PG 319-10 (Ch. 474) | Potential significant fine revenues in Prince George's County and participating municipalities within the county. | No             |
| HB 1478                           | Prince George's County – Beer, Wine, and Liquor Tastings PG 320-10 (Ch. 475)                                    | License fee revenues increase by \$6,600 annually.                                                                | No             |
| <b><i>Queen Anne's County</i></b> |                                                                                                                 |                                                                                                                   |                |
| HB 592                            | Queen Anne's County – Property Tax Credit – Foster Parent (Ch. 426)                                             | Property tax revenues may decrease by \$69,200 annually.                                                          | No             |
| HB 822                            | Queen Anne's County – Arts and Entertainment District (Ch. 164)                                                 | Potential decrease in local income and property tax revenues.                                                     | No             |
| <b><i>St. Mary's County</i></b>   |                                                                                                                 |                                                                                                                   |                |
| SB 904                            | St. Mary's County – Alcoholic Beverages – Class A Off-Sale License Quota (Ch. 360)                              | Potential minimal license fee revenue decrease.                                                                   | No             |
| HB 1466                           | St. Mary's County – Property Tax Credit – Property Leased to Nonprofit Schools (Ch. 472)                        | Property tax revenues may decrease by \$24,900 annually.                                                          | No             |
| <b><i>Somerset County</i></b>     |                                                                                                                 |                                                                                                                   |                |
| HB 451                            | Somerset County – Alcoholic Beverages – Sales to Underage Drinkers – Local Caterer's License Created (Ch. 675)  | License fee revenues increase by \$550 annually for each license issued. Potential minimal fine revenues.         | No             |

## Legislation Affecting Local Government Revenues

| <u>Bill #</u>                   | <u>Title</u>                                                                                      | <u>Comment</u>                                                       | <u>Mandate</u> |
|---------------------------------|---------------------------------------------------------------------------------------------------|----------------------------------------------------------------------|----------------|
| <b><i>Washington County</i></b> |                                                                                                   |                                                                      |                |
| HB 399                          | Washington County – Alcoholic Beverages – Beer Tasting License (Ch. 411)                          | License fee revenues increase by \$2,500 annually.                   | No             |
| HB 1336                         | Washington County – Domestic Violence – GPS Tracking System Pilot Program for Offenders (Ch. 464) | Potential minimal electronic monitoring fee revenues.                | Yes            |
| <b><i>Wicomico County</i></b>   |                                                                                                   |                                                                      |                |
| HB 551                          | Wicomico County – Alcoholic Beverages Act of 2010 (Ch. 419)                                       | License fee revenues increase by \$300 annually.                     | No             |
| <b><i>Worcester County</i></b>  |                                                                                                   |                                                                      |                |
| HB 1431                         | Worcester County – Alcoholic Beverages – Pub-Breweries and Micro-Breweries (Ch. 470)              | License fee revenues may increase by a maximum of \$20,000 annually. | No             |



## Legislation Affecting Local Government Expenditures

| <u>Bill #</u>                                                 | <u>Title</u>                                                                                            | <u>Comment</u>                                                                                                                              | <u>Mandate</u> |
|---------------------------------------------------------------|---------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------|----------------|
| <b>Legislation Affecting All/Multiple Local Jurisdictions</b> |                                                                                                         |                                                                                                                                             |                |
| SB 95                                                         | Maryland Agricultural Land Preservation Foundation – Farmland Preservation Partnership Program (Ch. 36) | Potential negligible easement processing and monitoring expenditures.                                                                       | No             |
| SB 99/HB 1174                                                 | Junk Dealers and Scrap Metal Processors – Required Records (Ch. 199/Ch. 198)                            | Potential minimal incarceration costs.                                                                                                      | No             |
| SB 107                                                        | Unemployment Insurance – Tax Deferment, Trust Fund Solvency, and Cost-Neutral Modernization Act (Ch. 2) | Minimal Unemployment Insurance Trust Fund reimbursement expenditures.                                                                       | No             |
| SB 118                                                        | Courts – Jury Trials in Civil Actions – Amount in Controversy (Ch. 225)                                 | Potential decrease in jury trial expenditures.                                                                                              | No             |
| SB 129/HB 65                                                  | International Marriage Brokers – Regulation (Ch. 519/Ch. 520)                                           | Potential minimal incarceration costs.                                                                                                      | No             |
| SB 141                                                        | Budget Reconciliation and Financing Act of 2010 (Ch. 484)                                               | Expenditures for the retirement costs of certain local employees increase by \$469,500 in FY 2011 and by an estimated \$751,600 in FY 2016. | Yes            |
| SB 171/HB 359                                                 | Procurement – Veteran-Owned Small Business Enterprise Participation (Ch. 507/Ch. 508)                   | Potential minimal incarceration costs.                                                                                                      | No             |
| SB 198                                                        | Farmer’s Markets – Agricultural Product Sales – Producer Mobile Farmer’s Market License (Ch. 246)       | Potential minimal local health department enforcement costs.                                                                                | No             |
| SB 199                                                        | Seasonal Farmer’s Market Producer Sampling License (Ch. 247)                                            | Potential minimal local health department expenditures.                                                                                     | No             |
| SB 234/HB 1044                                                | High Performance Buildings Act – Applicable to Community College Capital Projects (Ch. 527/Ch. 528)     | Potential decrease in community college capital projects beginning in FY 2012.                                                              | Yes            |

## Legislation Affecting Local Government Expenditures

| <u>Bill #</u> | <u>Title</u>                                                                                                                           | <u>Comment</u>                                                                                                                                                                  | <u>Mandate</u> |
|---------------|----------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|
| SB 247/HB 516 | Hazardous Material Response Team Employees – Death Benefits and Funeral Expenses – Local Government Agencies (Ch. 50/Ch. 51)           | Participating local governments must reserve a minimum of \$138,500 for public safety death benefit payments.                                                                   | No             |
| SB 255/HB 365 | Criminal Law – Assault – Law Enforcement Officers and Parole and Probation Agents (Ch. 264/Ch. 265)                                    | Minimal incarceration costs.                                                                                                                                                    | No             |
| SB 256/HB 334 | Public Schools – Physical Education Facilities (Ch. 266/Ch. 267)                                                                       | Potential decrease in school construction projects beginning in FY 2013.                                                                                                        | Yes            |
| SB 261/HB 283 | Criminal Law – Human Trafficking – Prohibitions (Ch. 529/Ch. 530)                                                                      | Potential minimal incarceration costs.                                                                                                                                          | No             |
| SB 275        | Education – Maryland Longitudinal Data System (Ch. 190)                                                                                | Community college expenditures increase by approximately \$50,000 per institution in FY 2011 only to modify data reporting. Potential local school system administrative costs. | No             |
| SB 277        | Renewable Energy Portfolio Standard – Solar Energy (Ch. 494)                                                                           | Potential significant electricity expenditures.                                                                                                                                 | No             |
| SB 288/HB 320 | Maryland Dormant Mineral Interests Act (Ch. 268/Ch. 269)                                                                               | Potential circuit court expenditures.                                                                                                                                           | No             |
| SB 292/HB 217 | Election Law – Voter Registration and Nomination by Petition – Requirements (Ch. 270/Ch. 271)                                          | Potential minimal impact on local boards of elections.                                                                                                                          | No             |
| SB 317/HB 775 | State Retirement and Pension System – Retirees and Beneficiaries of Retirees – Annual Retirement Allowance Adjustments (Ch. 56/Ch. 57) | Minimal increase in pension costs for participating governmental units.                                                                                                         | No             |

## Legislation Affecting Local Government Expenditures

| <u>Bill #</u> | <u>Title</u>                                                                                                        | <u>Comment</u>                                                                                                                                               | <u>Mandate</u> |
|---------------|---------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|
| SB 355/HB 801 | Electricity – Net Energy Metering – Credits<br>(Ch. 438/Ch. 437)                                                    | Potential increase or decrease in electricity for participating local governments, depending on pricing mechanisms adopted by the Public Service Commission. | No             |
| SB 382        | Marine Contractors – Licensure and Regulation – Tidal Wetlands Licenses (Ch. 286)                                   | Potential minimal incarceration costs.                                                                                                                       | No             |
| SB 394        | Municipalities – Authority to Enter into Agreements with Other Municipalities<br>(Ch. 553)                          | Potential decrease in municipal expenditures.                                                                                                                | No             |
| SB 523        | Credit Card Blacklisting Prevention Act<br>(Ch. 309)                                                                | Potential minimal incarceration costs.                                                                                                                       | No             |
| SB 540/HB 269 | Child with a Disability – Individualized Education Program (Ch. 665/Ch. 664)                                        | Potential minimal special education expenditures.                                                                                                            | No             |
| SB 550        | State Retirement and Pension System – Eligible Governmental Units (Ch. 580)                                         | Potential minimal increase in pension costs for certain local governments.                                                                                   | No             |
| SB 551        | Education – Public School Construction – Procurement – Preference for State and Local Business Entities (Ch. 581)   | Potential increase in school construction costs for certain counties.                                                                                        | No             |
| SB 560/HB 829 | Vehicle Laws – Traffic Citations – Option to Request Trial (Ch. 195/Ch. 196)                                        | Significant decrease in law enforcement expenditures.                                                                                                        | No             |
| SB 590/HB 243 | Fairness in Negotiations Act (Ch. 324/Ch. 325)                                                                      | Potential school system labor mediation and arbitration expenditures.                                                                                        | No             |
| SB 670/HB 818 | Criminal Law – Trespass on Posted Property and Wanton Trespass on Private Property – Penalties<br>(Ch. 334/Ch. 335) | Potential minimal incarceration costs.                                                                                                                       | No             |

## Legislation Affecting Local Government Expenditures

| <u>Bill #</u>  | <u>Title</u>                                                                                                      | <u>Comment</u>                                                                                                                       | <u>Mandate</u> |
|----------------|-------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------|----------------|
| SB 700/HB 1017 | Health Insurance – Child Wellness Benefits<br>(Ch. 595/Ch. 596)                                                   | Potential child wellness services expenditures.                                                                                      | No             |
| SB 748         | Wicomico County, Worcester County, and Somerset County – Boards of Elections – Membership (Ch. 344)               | Minimal increase in board member compensation expenditures.                                                                          | No             |
| SB 761/HB 1335 | Mental Health – Local Correctional Facilities – Incarcerated Individuals with Mental Illness<br>(Ch. 347/Ch. 348) | Significant increase in local correctional facility medication costs.                                                                | Yes            |
| SB 854/HB 936  | Crimes – Sex Offenders – Notification, Registration, and Penalties (Ch. 174/Ch. 175)                              | Potential enforcement expenditures in certain jurisdictions, which may be partially offset by State and federal grants.              | Yes            |
| SB 855/HB 929  | Patient Centered Medical Home Program<br>(Ch. 5/Ch. 6)                                                            | Potential increase in payments to patient centered medical homes beginning in FY 2012. Potential long-term health care cost savings. | No             |
| SB 858         | Maryland Winery Modernization Act (Ch. 355)                                                                       | Potential minimal decrease in enforcement expenditures.                                                                              | No             |
| SB 898/HB 1076 | Credit Regulation – Installment Loans Secured by Motor Vehicle Lien – Balloon Payments<br>(Ch. 632/Ch. 633)       | Potential minimal incarceration costs.                                                                                               | No             |
| SB 935/HB 1149 | Denial or Dismissal of Peace Order or Protective Order Petition – Shielding of Records<br>(Ch. 361/Ch. 362)       | Potential minimal circuit court expenditures.                                                                                        | No             |
| SB 940/HB 1416 | Vehicle Laws – Parking for Individuals with Disabilities – Zoning (Ch. 363/Ch. 364)                               | Potential negligible expenditures to alter current zoning practices.                                                                 | No             |
| SB 1007/HB 983 | Public Schools – Law Enforcement Officers – Cultural Competency Model Training Curriculum<br>(Ch. 370/Ch. 371)    | Potential minimal law enforcement training expenditures.                                                                             | No             |

## Legislation Affecting Local Government Expenditures

| <u>Bill #</u>   | <u>Title</u>                                                                                                                         | <u>Comment</u>                                                                                                                                        | <u>Mandate</u> |
|-----------------|--------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|
| SB 1019/HB 1471 | Residential Real Property – Real Estate Settlements – Disclosures (Ch. 373/Ch. 374)                                                  | Potential minimal incarceration costs.                                                                                                                | No             |
| SB 1123         | Political Subdivisions – Collective Bargaining Agreements – Binding Arbitration (Ch. 651)                                            | Potential local government collective bargaining expenditures.                                                                                        | No             |
| HB 60           | Criminal Procedure – Violation by Child Sexual Offender of Pretrial or Posttrial Release No Contact Order (“Alexis’s Law”) (Ch. 187) | Potential minimal incarceration costs.                                                                                                                | No             |
| HB 65/SB 129    | See entry for SB 129.                                                                                                                |                                                                                                                                                       |                |
| HB 68           | Department of the Environment – Grants – Small Businesses and Certified Minority Business Enterprises (Ch. 653)                      | Potential minimal expenditures to implement relevant procurement compliance programs.                                                                 | No             |
| HB 73           | Environment – Water Quality Revolving Loan Fund – Use of Funds (Ch. 384)                                                             | Expenditures increase by approximately \$58.8 million in FY 2012, \$56.4 million in FY 2013, and potentially significant amounts annually thereafter. | No             |
| HB 79           | Commercial Law – Credit Services Businesses – Limitation on Fees (Ch. 385)                                                           | Potential minimal incarceration costs.                                                                                                                | No             |
| HB 88           | Other Tobacco Products Licenses (Ch. 388)                                                                                            | Potential minimal incarceration costs.                                                                                                                | No             |
| HB 111          | Counties – Local Laws – Copies for Legislative Delegations (Ch. 654)                                                                 | Potential minimal postage and printing expenditure decrease for the State’s nine charter and six code home rule counties.                             | No             |
| HB 161          | Family Law – Guardianship Review Hearings – Consultation with Child (Ch. 655)                                                        | Potential minimal circuit court expenditures.                                                                                                         | No             |
| HB 217/SB 292   | See entry for SB 292.                                                                                                                |                                                                                                                                                       |                |
| HB 243/SB 590   | See entry for SB 590.                                                                                                                |                                                                                                                                                       |                |

## Legislation Affecting Local Government Expenditures

| <u>Bill #</u> | <u>Title</u>                                                                                                                       | <u>Comment</u>                                                                    | <u>Mandate</u> |
|---------------|------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------|----------------|
| HB 269/SB 540 | See entry for SB 540.                                                                                                              |                                                                                   |                |
| HB 283/SB 261 | See entry for SB 261.                                                                                                              |                                                                                   |                |
| HB 320/SB 288 | See entry for SB 288.                                                                                                              |                                                                                   |                |
| HB 334/SB 256 | See entry for SB 256.                                                                                                              |                                                                                   |                |
| HB 359/SB 171 | See entry for SB 171.                                                                                                              |                                                                                   |                |
| HB 365/SB 255 | See entry for SB 255.                                                                                                              |                                                                                   |                |
| HB 435        | Health Insurance – Reimbursement of Primary Care Providers – Bonus Payments (Ch. 673)                                              | Primary care provider bonus payment expenditure increase.                         | No             |
| HB 516/SB 247 | See entry for SB 247.                                                                                                              |                                                                                   |                |
| HB 619        | State Contributory Law Enforcement Officers' Pension System – Transfer of Service Credit (Ch. 686)                                 | Minimal increase in pension costs for participating local governments.            | No             |
| HB 667        | Vehicle Laws – Exceptional Hauling Permits – Validity in Select Eastern Shore Counties (Ch. 691)                                   | Potential decrease in road maintenance expenditures.                              | No             |
| HB 685        | Environment – Fluorescent and Compact Fluorescent Light Recycling – County Plans (Ch. 430)                                         | Potential recycling program expenditures of more than \$100,000 in some counties. | No             |
| HB 775/SB 317 | See entry for SB 317.                                                                                                              |                                                                                   |                |
| HB 778        | Crimes – Unauthorized Computer Access for Sabotage of State Government, Public Utilities, or Other Energy Infrastructure (Ch. 436) | Potential minimal incarceration costs.                                            | No             |

## Legislation Affecting Local Government Expenditures

| <u>Bill #</u>  | <u>Title</u>                                                                                                           | <u>Comment</u>                                                                                        | <u>Mandate</u> |
|----------------|------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------|----------------|
| HB 786         | State Highway Administration – Sidewalk or Bicycle Pathway Construction in Priority Funding Areas (Ch. 700)            | Potential construction project expenditures in priority funding areas.                                | No             |
| HB 801/SB 355  | See entry for SB 355.                                                                                                  |                                                                                                       |                |
| HB 818/SB 670  | See entry for SB 670.                                                                                                  |                                                                                                       |                |
| HB 829/SB 560  | See entry for SB 560.                                                                                                  |                                                                                                       |                |
| HB 929/SB 855  | See entry for SB 855.                                                                                                  |                                                                                                       |                |
| HB 936/SB 854  | See entry for SB 854.                                                                                                  |                                                                                                       |                |
| HB 983/SB 1007 | See entry for SB 1007.                                                                                                 |                                                                                                       |                |
| HB 995         | Regulation of Crematories (Ch. 450)                                                                                    | Potential minimal incarceration costs.                                                                | No             |
| HB 1017/SB 700 | See entry for SB 700.                                                                                                  |                                                                                                       |                |
| HB 1044/SB 234 | See entry for SB 234.                                                                                                  |                                                                                                       |                |
| HB 1050        | Maryland Health Insurance Plan – Plan Options – Governmental Third Party Payers (Ch. 166)                              | Potential increase in MHIP premium and cost-sharing expenditures for participating local governments. | No             |
| HB 1076/SB 898 | See entry for SB 898.                                                                                                  |                                                                                                       |                |
| HB 1149/SB 935 | See entry for SB 935.                                                                                                  |                                                                                                       |                |
| HB 1155        | Transportation – Consolidated Transportation Program – Evaluation and Selection of Proposed Capital Projects (Ch. 725) | Expenditures increase to the extent additional capital project information is required.               | No             |

## Legislation Affecting Local Government Expenditures

| <u>Bill #</u>  | <u>Title</u>                                                                                  | <u>Comment</u>                                                                                                                                                 | <u>Mandate</u> |
|----------------|-----------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|
| HB 1160        | Safe Schools Act of 2010 (Ch. 188)                                                            | School system expenditures increase by \$480,000 in FY 2011 and 2012 to develop and implement local policies and programs. Minimal circuit court expenditures. | Yes            |
| HB 1161        | Tax Increment Financing and Special Taxing Districts – State Hospital Redevelopment (Ch. 726) | Potential significant increase in debt service expenditures related to TIF.                                                                                    | No             |
| HB 1174/SB 99  | See entry for SB 99.                                                                          |                                                                                                                                                                |                |
| HB 1182        | Business Improvement Districts (Ch. 461)                                                      | Potential expenditures for district improvement purposes are to be financed from revenues generated from the districts.                                        | Yes            |
| HB 1206        | Commercial Law – Consumer Protection – Refund Anticipation Loans and Checks (Ch. 730)         | Potential minimal incarceration costs.                                                                                                                         | No             |
| HB 1244        | Municipal Corporations – Planning Commissions – Meetings (Ch. 462)                            | Potential minimal decrease in planning commission expenditures for municipalities.                                                                             | No             |
| HB 1263        | Education Reform Act of 2010 (Ch. 189)                                                        | Local school system expenditures increase for teacher mentors for professional development and incentive payments.                                             | No             |
| HB 1335/SB 761 | See entry for SB 761.                                                                         |                                                                                                                                                                |                |
| HB 1362        | Education – Public Schools – Virtual Schools (Ch. 743)                                        | Potential increase in local school system expenditures to develop and implement virtual schools. Potential long-term school construction cost savings.         | No             |
| HB 1389        | Traffic Cases – State Police Helicopters and Ambulance, Fire, and Rescue Companies (Ch. 735)  | Potential significant decrease in volunteer fire company expenditures.                                                                                         | No             |
| HB 1416/SB 940 | See entry for SB 940.                                                                         |                                                                                                                                                                |                |

## Legislation Affecting Local Government Expenditures

| <u>Bill #</u>   | <u>Title</u>                                                                                 | <u>Comment</u>                                                                              | <u>Mandate</u> |
|-----------------|----------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------|----------------|
| HB 1464         | Land Bank Authorities – Establishment by Municipal Corporations (Ch. 739)                    | Expenditures increase for certain municipalities due to land bank authority start-up costs. | No             |
| HB 1471/SB 1019 | See entry for SB 1109.                                                                       |                                                                                             |                |
| HB 1564         | Maryland Health Insurance Plan – Administration of National High Risk Pool Program (Ch. 173) | Reduced MHIP premium costs for participating local governments.                             | No             |

## Legislation Affecting Local Government Expenditures

| <u>Bill #</u>                                                 | <u>Title</u>                                                                               | <u>Comment</u>                                                                       | <u>Mandate</u> |
|---------------------------------------------------------------|--------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------|----------------|
| <b>Legislation Affecting Local Governments by Subdivision</b> |                                                                                            |                                                                                      |                |
| <i>Allegany County</i>                                        |                                                                                            |                                                                                      |                |
| SB 482/HB 618                                                 | Workers' Compensation – Allegany County Deputy Sheriffs (Ch. 75/Ch. 76)                    | Potential minimal workers' compensation costs.                                       | Yes            |
| HB 618/SB 482                                                 | See entry for SB 482.                                                                      |                                                                                      |                |
| <i>Anne Arundel County</i>                                    |                                                                                            |                                                                                      |                |
| HB 947                                                        | Anne Arundel County – Alcoholic Beverages – Tasting Licenses (Ch. 444)                     | Minimal enforcement costs.                                                           | No             |
| <i>Baltimore City</i>                                         |                                                                                            |                                                                                      |                |
| SB 179                                                        | Baltimore City Public School System – Exclusion from Amount of Bonds Outstanding (Ch. 243) | Debt service expenditures increase by \$7.7 million annually for 15 years.           | No             |
| SB 373                                                        | Property Tax – Tax Sales – Complaint to Foreclose Right of Redemption (Ch. 65)             | Potential minimal decrease in maintenance and administrative costs.                  | No             |
| HB 162                                                        | Expedited Partner Therapy Pilot Program – Extension (Ch. 136)                              | Health department program expenditures of \$13,000 annually continue beyond FY 2010. | No             |
| <i>Calvert County</i>                                         |                                                                                            |                                                                                      |                |
| SB 958                                                        | Calvert County – Noise Control Ordinance (Ch. 639)                                         | Minimal enforcement costs.                                                           | No             |
| HB 149                                                        | Calvert County – Public Facilities Bonds (Ch. 135)                                         | Debt service expenditures increase by \$974,600 annually over a 15-year period.      | No             |

## Legislation Affecting Local Government Expenditures

| <u>Bill #</u>                 | <u>Title</u>                                                                         | <u>Comment</u>                                                                                                | <u>Mandate</u> |
|-------------------------------|--------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------|----------------|
| <i><b>Caroline County</b></i> |                                                                                      |                                                                                                               |                |
| SB 42                         | Caroline County – Orphans’ Court Judges – Pensions (Ch. 12)                          | Personnel costs increase by \$2,400 in FY 2011 and by a maximum of \$7,200 annually thereafter.               | Yes            |
| <i><b>Carroll County</b></i>  |                                                                                      |                                                                                                               |                |
| SB 923/HB 1167                | Carroll County – Homemade Food Sales – County Parks and Facilities (Ch. 109/Ch. 110) | Minimal park and facility expenditure increase.                                                               | No             |
| SB 924                        | Carroll County – Public Facilities Bonds (Ch. 636)                                   | Debt service expenditures increase by \$2.5 million annually over a 20-year period.                           | No             |
| HB 1167/SB 923                | See entry for SB 923.                                                                |                                                                                                               |                |
| <i><b>Cecil County</b></i>    |                                                                                      |                                                                                                               |                |
| SB 726                        | Cecil County – Collective Bargaining – Representation of Deputy Sheriffs (Ch. 600)   | Administrative costs of \$100,000 in FY 2011. Future expenditures depend on collective bargaining agreements. | No             |
| SB 731                        | Cecil County – Emergency Medical Services – Collective Bargaining (Ch. 602)          | Potential emergency medical service provider expenditures.                                                    | No             |
| SB 732                        | Cecil County – Public Facilities Bond Bill (Ch. 101)                                 | Debt service expenditures increase by \$818,100 annually over a 20-year period.                               | No             |
| SB 733                        | Cecil County – Budget and Taxes (Ch. 603)                                            | Expenditures decrease by \$3,500 annually.                                                                    | No             |
| HB 340                        | Cecil County – Board of Electrical Examiners and Licensing of Electricians (Ch. 668) | Administrative costs increase by \$30,400 in FY 2011 and by a similar amount thereafter.                      | No             |

## Legislation Affecting Local Government Expenditures

| <u>Bill #</u>                   | <u>Title</u>                                                                                       | <u>Comment</u>                                                              | <u>Mandate</u> |
|---------------------------------|----------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------|----------------|
| <i><b>Dorchester County</b></i> |                                                                                                    |                                                                             |                |
| HB 113                          | Dorchester County – Membership of Sanitary Commission (Ch. 129)                                    | Salary expenditures increase by \$1,200 annually.                           | No             |
| <i><b>Frederick County</b></i>  |                                                                                                    |                                                                             |                |
| SB 383                          | Public Health – Frederick County – Dogs in Outdoor Dining Areas (Ch. 552)                          | Potential minimal health department enforcement costs.                      | No             |
| SB 449                          | Frederick County – Alcoholic Beverages – Sales Hours (Ch. 297)                                     | Potential enforcement costs.                                                | No             |
| HB 476                          | Frederick County – Property Tax Setoff (Ch. 415)                                                   | County expenditures increase by a maximum of \$791,700 in FY 2011 and 2012. | Yes            |
| HB 678                          | Frederick County – Pay-As-You-Throw Pilot Program (Ch. 692)                                        | Solid waste enterprise expenditures increase by \$401,500 in FY 2011 only.  | No             |
| <i><b>Howard County</b></i>     |                                                                                                    |                                                                             |                |
| HB 233                          | Howard County Public Schools – Funding Accountability and Transparency Act Ho. Co. 12-10 (Ch. 399) | School system expenditures increase by approximately \$2,000 by FY 2012.    | Yes            |
| HB 277                          | Howard County and Prince George’s County – Tax Sales – Auctioneers’ Fees Ho. Co. 4-10 (Ch. 402)    | Expenditures decrease by \$2,800 annually.                                  | No             |

## Legislation Affecting Local Government Expenditures

| <u>Bill #</u>                        | <u>Title</u>                                                                                                                              | <u>Comment</u>                                                                                                        | <u>Mandate</u> |
|--------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------|----------------|
| <b><i>Montgomery County</i></b>      |                                                                                                                                           |                                                                                                                       |                |
| HB 1481                              | Montgomery County – Maryland-National Capital Park and Planning Commission – Lease, Contract, or Agreement – Terms PG/MC 118-10 (Ch. 476) | Potential M-NCPPC expenditures.                                                                                       | Yes            |
| <b><i>Prince George’s County</i></b> |                                                                                                                                           |                                                                                                                       |                |
| SB 1067                              | Task Force on Solar Hot Water Systems in Prince George’s County (Ch. 649)                                                                 | Potential consulting services expenditures.                                                                           | No             |
| HB 567                               | Prince George’s County – Alcoholic Beverages – License Fees and Salaries of Inspectors PG 305-10 (Ch. 156)                                | Personnel expenditures increase by \$39,700 annually.                                                                 | No             |
| HB 576                               | Prince George’s County – Development Permits – Expedited Review for Qualifying Redevelopment Projects PG/MC 115-10 (Ch. 424)              | Potential permit processing expenditures.                                                                             | No             |
| HB 665                               | Prince George’s County – Domestic Violence – GPS Tracking System Pilot Program for Offenders (Ch. 429)                                    | Potential minimal electronic monitoring expenditures.                                                                 | Yes            |
| HB 1477                              | Prince George’s County – Municipal Corporations – School Zones and Speed Monitoring Systems PG 319-10 (Ch. 474)                           | Potential significant enforcement costs in Prince George’s County and participating municipalities within the county. | No             |
| <b><i>Washington County</i></b>      |                                                                                                                                           |                                                                                                                       |                |
| HB 734                               | Washington County – Advisory School Design Review Committee (Ch. 434)                                                                     | Advisory School Design Review Committee expenditures continue beyond FY 2011.                                         | No             |