
Capital Budget Fiscal Briefing

**Department of Legislative Services
Office of Policy Analysis
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Analysis of the FY 2012 Maryland Executive Budget, 2011

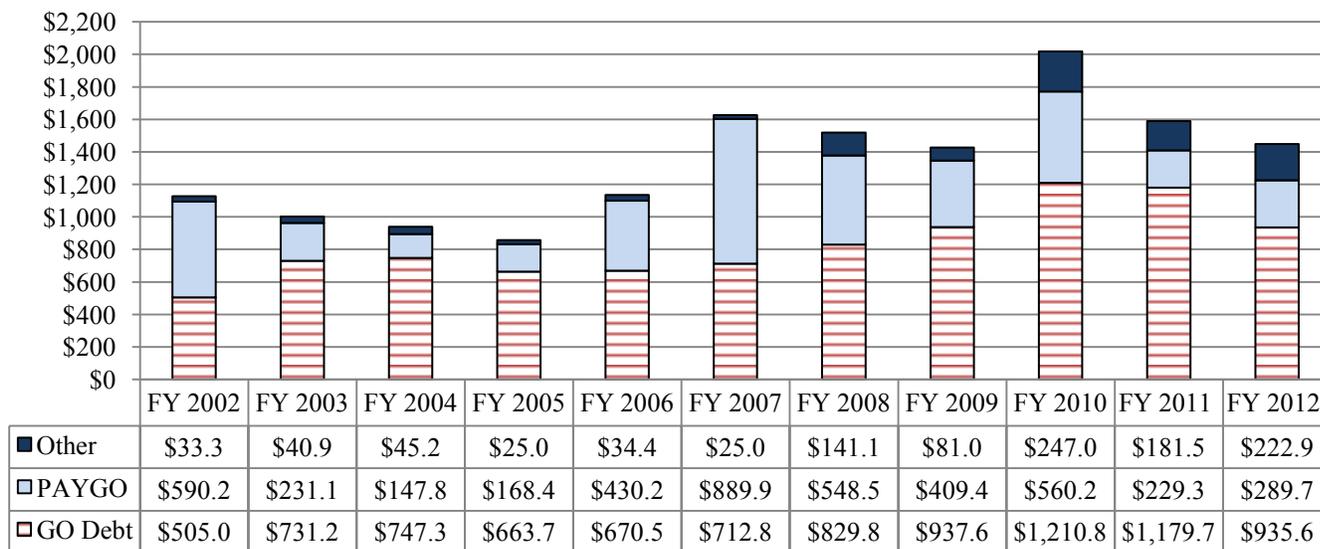
Capital Budget Fiscal Briefing

Capital Program

Capital Program Funding Levels

The fiscal 2012 capital program totals \$1.45 billion, all funds included. Overall, the proposed level of capital funding is down from the \$1.59 billion fiscal 2011 capital program due primarily to reduced general obligation (GO) bond authorizations which are presently constrained by the State's debt affordability limits. **Exhibit 1**, which illustrates the level of capital investment since fiscal 2002, shows the high watermark in capital funding was reached in fiscal 2010. In fiscal 2010, the level of new GO bond authorizations was increased to record levels to accommodate the GO bond funding of programs traditionally funded with PAYGO funds and to accommodate the replacement of special funds from various capital program accounts which were transferred to the general fund as part of the State's annual budget balancing plan. In addition, capital spending in fiscal 2010 was enhanced with the receipt of one-time federal funds provided through the American Recovery and Reinvestment Act of 2009 (ARRA), primarily in the housing and environment programs. While the fund transfers and GO bond replacement continued in fiscal 2011 and in the proposed fiscal 2012 budget, the level of overall funding is reduced due to the elimination of the ARRA funding and reduced GO bond authorizations.

Exhibit 1
Capital Funding by Major Source
Fiscal 2002-2012
(\$ in Millions)



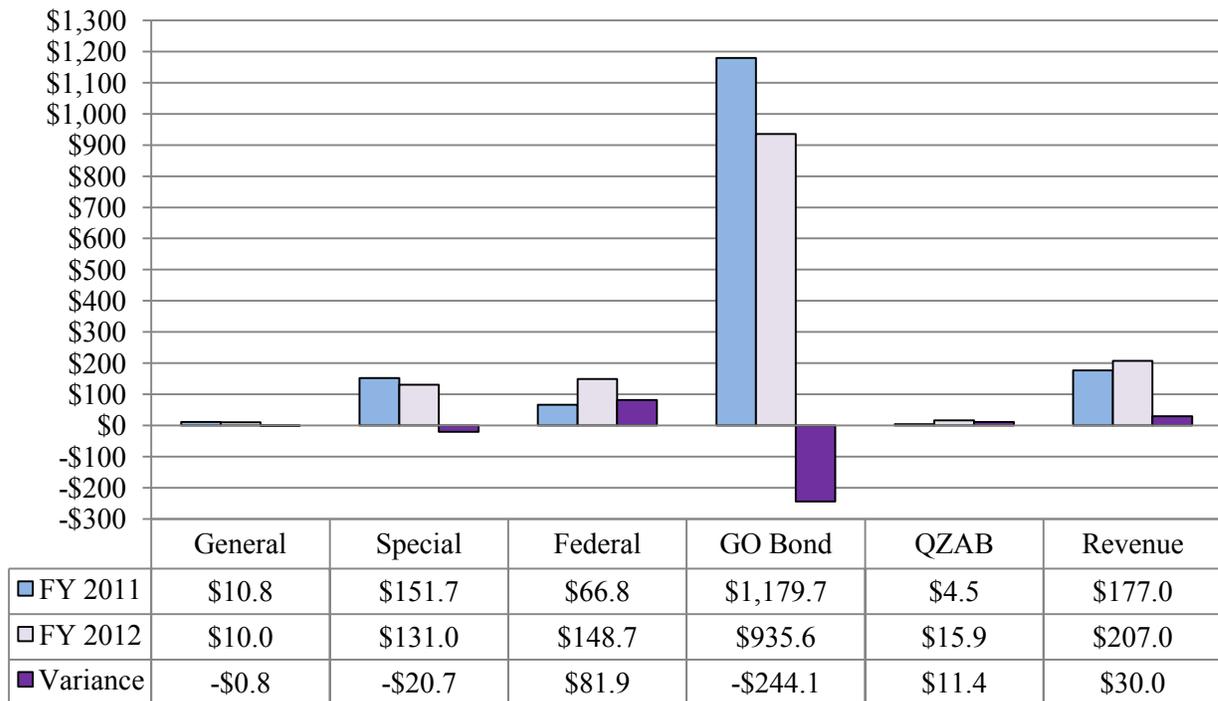
GO: general obligation
 PAYGO: pay-as-you-go

Source: Department of Budget and Management

Fiscal 2012 Proposed Capital Program

The Capital Debt Affordability Committee (CDAC) recommended a GO bond debt limit of \$925.0 million. The Spending Affordability Committee concurred with the recommended level of new debt authorizations, which is \$215.0 million less than the fiscal 2011 level of new GO bond authorizations. Additional debt authorizations include \$27.0 million of Academic Revenue Bonds for University System of Maryland projects, \$180.0 million in revenue bonds to be issued by the Maryland Department of the Environment (MDE) to fund upgrades to wastewater treatment plants, and \$15.9 million of Qualified Zone Academy Bonds (QZAB) to supplement the Aging Schools Program and other QZAB-qualified K-12 capital-eligible projects. The pay-as-you-go (PAYGO) component of the capital program totals \$289.7 million, comprised of general, special, and federal fund sources. **Exhibit 2** shows the proposed fiscal 2012 capital program by major fund source compared to fiscal 2011 capital funding levels. **Exhibit 3** further illustrates, by major funding category, where the proposed fiscal 2012 capital investments will be targeted as compared to the fiscal 2011 capital program.

Exhibit 2
Comparison of Fiscal 2011 and 2012 Capital Programs by Funding Source
(\$ in Millions)

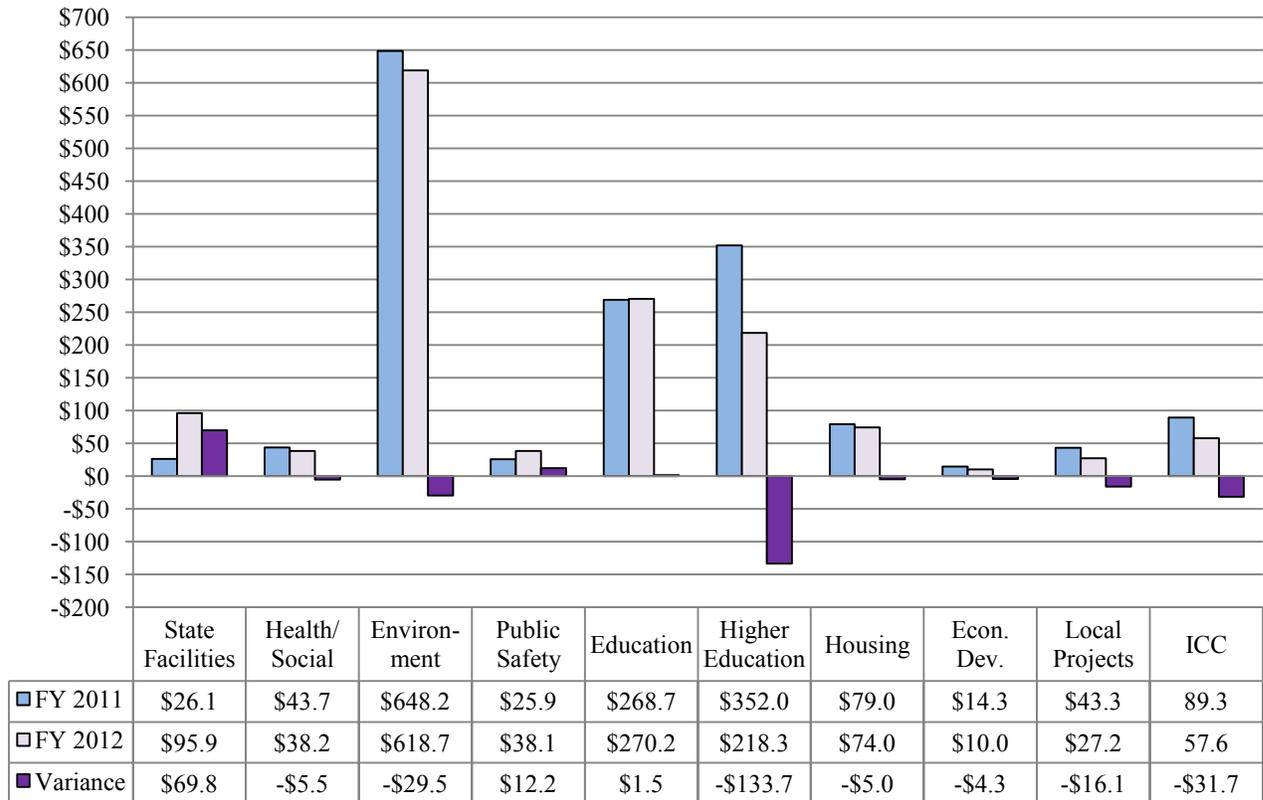


GO: general obligation

QZAB: Qualified Zone Academy Bonds

Source: Department of Budget and Management

Exhibit 3
Fiscal 2012 Proposed Capital Program Compared to Fiscal 2011 Program
By Major Funding Category
(\$ in Millions)



ICC: InterCounty Connector

Source: Department of Budget and Management

Funding for environmental programs comprises the largest portion of the budget – all funds included. While under more normal fiscal conditions, the level of funding for environmental programs would comprise one of, if not the highest funding categories. Fiscal 2011 funding for these programs included \$260.4 million to replace fund transfers from State and local Program Open Space (POS) fund balances, as well as fund balances from other various special funds administered by MDE, the Department of Natural Resources, and the Department of Agriculture to the general fund. Fiscal 2012 funding for environmental programs is also increased to replace \$206.4 million to accommodate GO bond replacement funding for transferred fund balances. This replacement funding serves to artificially increase the current levels of funding in as much as it replaces prior appropriated special funds. Funding for higher education projects and the Public School Construction Program are

Capital Budget Fiscal Briefing

the next highest funded categories, as is typically the case. However, while capital investment in higher education remains the third highest funded category in fiscal 2012, the proposed funding level is down significantly when compared to fiscal 2011. **Appendix 1** provides a historical illustration of the capital funding by major category.

Exhibit 4 shows the top funded capital projects and programs for fiscal 2012 by major fund source. **Exhibit 5** summarizes the capital programs by function. **Exhibit 6** describes programs that provide operating budget relief. **Appendix 2** provides a list of the projects included in the proposed fiscal 2012 capital budget.

Exhibit 4
Top Funded Capital Programs and Projects – All Funds
(\$ in Millions)

<u>Project Title</u>	<u>GO Bond</u>	<u>Revenue</u>	<u>General</u>	<u>Special</u>	<u>Federal</u>	<u>Total Funds</u>
MDE: Enhanced Nutrient Removal	\$146.8	\$180.0	\$0.0	\$0.0	\$0.0	\$326.8
PSCP: Public School Construction Program*	240.3	0.0	0.0	0.0	0.0	240.3
MDE: Maryland Water Quality Revolving Loan Fund	9.9	0.0	0.0	83.8	47.3	141.0
MHEC: Community College Facilities Grant Program	60.8	0.0	0.0	0.0	0.0	60.8
Misc: InterCounty Connector	57.6	0.0	0.0	0.0	0.0	57.6
DoIT: One Maryland Broadband Network	5.8	0.0	0.0	0.0	43.8	49.6
USM: New Law School Building	41.5	0.0	0.0	0.0	0.0	41.5
USM: New Performing Arts and Humanities Facility	31.2	10.0	0.0	0.0	0.0	41.2
DNR: Program Open Space	28.5	0.0	0.0	1.5	3.0	33.0
MDE: Biological Nutrient Removal Program	30.9	0.0	0.0	0.0	0.0	30.9
USM: Physical Sciences Complex	30.1	0.0	0.0	0.0	0.0	30.1
MD: Military Department Armory Program	0.0	0.0	0.0	0.0	27.8	27.8
DSP: Helicopter Replacement	22.7	0.0	0.0	0.0	0.0	22.7
DHCD: Rental Housing Programs	0.0	0.0	0.0	15.5	6.0	21.5
USM: Capital Facility Renewal	0.0	17.0	0.0	0.0	0.0	17.0
PSCP: Qualified Zone Academy Bond Program	15.9	0.0	0.0	0.0	0.0	15.9
DNR: Rural Legacy Program	14.1	0.0	0.0	0.0	0.0	14.1
MDE: Maryland Drinking Water Revolving Loan Fund	2.0	0.0	0.0	5.2	6.3	13.5
DHCD: Special Loan Programs	7.4	0.0	0.0	0.0	3.0	10.4
USM: New Center for Communications and Information Technology	10.1	0.0	0.0	0.0	0.0	10.1
MDOP: Sustainable Communities Tax Credit Program	0.0	0.0	10.0	0.0	0.0	10.0

<u>Project Title</u>	<u>GO Bond</u>	<u>Revenue</u>	<u>General</u>	<u>Special</u>	<u>Federal</u>	<u>Total Funds</u>
DoIT: Public Safety Communication System	10.0	0.0	0.0	0.0	0.0	10.0
DHCD: Community Development Block Grant Program	0.0	0.0	0.0	0.0	10.0	10.0
UMMS: Trauma, Critical Care, and Emergency Medicine Services Expansion Project	10.0	0.0	0.0	0.0	0.0	10.0
Subtotal: Top Funded Programs and Projects	\$775.5	\$207.0	\$10.0	\$106.0	\$147.2	\$1,245.7
Subtotal: Other Funded Programs and Projects	\$176.0	\$0.0	\$0.0	\$24.8	\$1.5	\$202.4
Total**	\$951.5	\$207.0	\$10.0	\$130.9	\$148.7	\$1,448.1

DHCD: Department of Housing and Community Development
 DoIT: Department of Information Technology
 DSP: Department of State Police
 MD: Military Department
 MDE: Maryland Department of the Environment

MDOP: Maryland Department of Planning
 MHEC: Maryland Higher Education Commission
 PSCP: Public School Construction Program
 UMMS: University of Maryland Medical System
 USM: University System of Maryland

* The Governor's proposed budget includes \$9.7 million from the Interagency Committee on School Construction contingency fund bringing the total proposed for the Public School Construction Program to \$250.0 million.

** The total includes \$15.9 million of Qualified Zone Academy Bonds.

Source: Department of Budget and Management

**Exhibit 5
Capital Program Summary for the 2011 Session
(\$ in Millions)**

Function	Bonds		Current Funds (PAYGO)			Total
	General Obligation	Revenue	General	Special	Federal	
State Facilities						\$95.9
Facilities Renewal	\$7.1	\$0.0	\$0.0	\$0.0	\$0.0	
State Facilities Other	17.2	0.0	0.0	0.0	71.6	
Health/Social						\$38.2
Health Other	15.6	0.0	0.0	0.0	0.0	
Health State Facilities	6.1	0.0	0.0	0.0	0.0	
Private Hospitals	16.5	0.0	0.0	0.0	0.0	
Environment						\$618.7
Agriculture	11.9	0.0	0.0	5.4	0.0	
Energy	0.0	0.0	0.0	5.5	0.0	
Environment	197.1	180.0	0.0	97.5	53.7	
Natural Resources	61.3	0.0	0.0	2.9	3.5	
Public Safety						\$38.1
Local Jails	5.0	0.0	0.0	0.0	0.0	
State Corrections	9.7	0.0	0.0	0.0	0.0	
State Police	23.4	0.0	0.0	0.0	0.0	
Education						\$270.2
Education Other	7.8	0.0	0.0	0.0	0.0	
School Construction*	262.4	0.0	0.0	0.0	0.0	
Higher Education						\$218.3
Community Colleges	63.0	0.0	0.0	0.0	0.0	
Morgan State Univ.	5.0	0.0	0.0	0.0	0.0	
Private Colleges/Universities	4.0	0.0	0.0	0.0	0.0	
University System	119.3	27.0	0.0	0.0	0.0	
Housing/Community Development						\$83.9
Housing	32.4	0.0	0.0	19.5	20.0	
Housing Other	2.0	0.0	10.0	0.0	0.0	
Local Projects						\$27.2
Local Project Administration	12.2	0.0	0.0	0.0	0.0	
Local Project Legislative	15.0	0.0	0.0	0.0	0.0	
Transportation						\$57.6
Highways	57.6	0.0	0.0	0.0	0.0	
De-authorizations						-\$10.6
De-authorizations	-10.6	0.0	0.0	0.0	0.0	
Total Fiscal 2012*	\$940.9	\$207.0	\$10.0	\$130.9	\$148.7	\$1,437.5
Fiscal 2010 Deficiencies	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Transportation	\$0.0	\$335.0	\$0.0	\$423.7	\$827.8	\$1,586.4
Grand Total Fiscal 2012	\$940.9	\$542.0	\$10.0	\$554.6	\$976.5	\$3,023.9

*This includes \$15.9 million of Qualified Zone Academy Bonds. The total proposed funding level for the Public School Construction program is also supplemented with \$9.7 million from the Interagency Committee on School Construction Contingency Fund, bringing the total funding level to \$250 million.

Source: Department of Budget and Management

Exhibit 6
Use of GO Bond Program to Support Operating Budget Relief
(\$ in Millions)

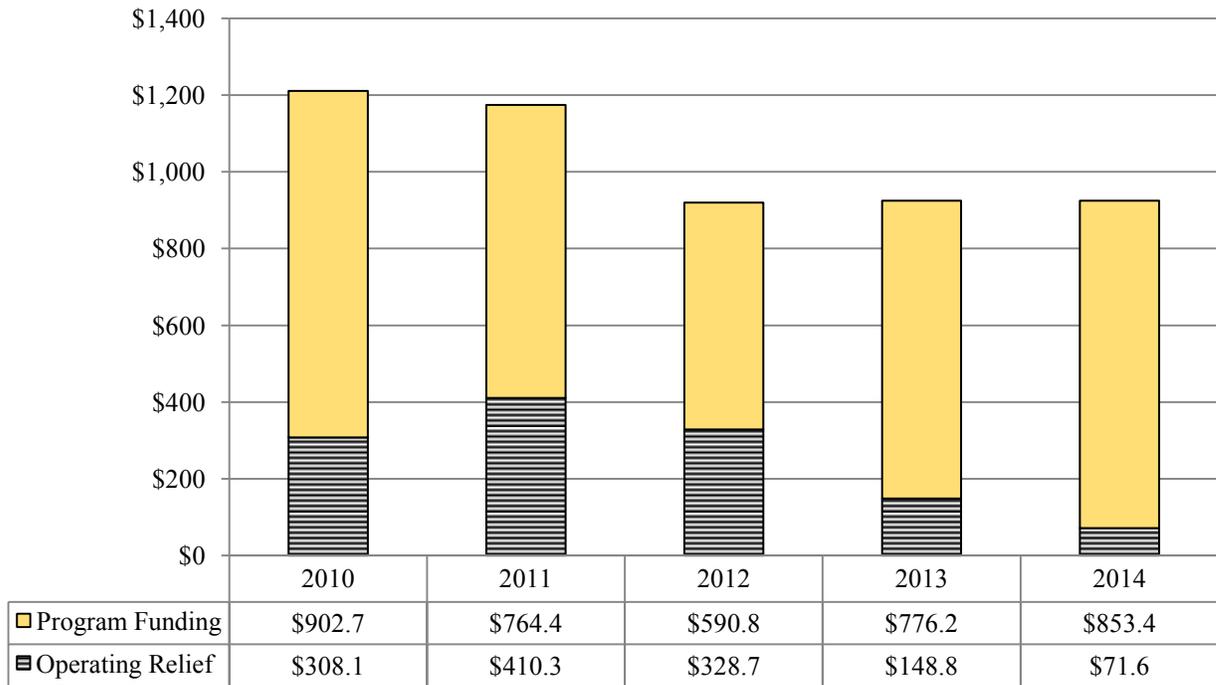
	<u>Fiscal 2010</u>	<u>Fiscal 2011</u>	<u>Fiscal 2012</u>
Special Fund Revenue Replacement: Partial GO bond replacement for special fund revenues transferred to the general fund. Transferred revenue sources include transfer tax, Bay Restoration Fund, Waterway Improvement Fund, and various housing programs. The GO bond authorizations for fiscal 2011 and 2012 reflect partial repayment over a multi-year repayment plan.	\$172.3	\$98.4	\$55.7
Fund Balance Replacement: Partial GO bond replacement for unexpended fund balance from multiple capital program accounts transferred to the general fund. Transferred revenue sources include transfer tax, Bay Restoration Fund, Waterway Improvement Fund, and various housing programs. The GO bond authorizations for fiscal 2011 and 2012 reflect partial repayment over a multi-year repayment plan.	0.0	176.9	156.5
InterCounty Connector Funding: Multi-year plan to use GO bond funds in place of general funds to complete the funding plan for the ICC.	55.0	89.3	57.6
Medevac Helicopter Replacement: Multi-year plan to use GO bond funds to fund the replacement of the Medevac helicopter fleet in place of using special funds from the Helicopter Replacement Fund.	52.5	0.0	22.7
Use of GO Bond Funds to Fund Capital Programs Traditionally Funded with General Funds: This principally includes funding for grant and loan programs administered by the Department of Housing and Community Development and the Maryland Department of the Environment and use of bonds to fund the Aging Schools Program.	28.1	43.7	36.5
Total	\$308.1	\$410.3	\$328.7

GO: general obligation
 ICC: InterCounty Connector

Source: 2011 *Capital Improvement Program*, Department of Budget and Management

Exhibit 7 further illustrates how the use of the GO bond program to provide operating relief limits the amount of resources available for other capital priorities. For fiscal 2011 and 2012, approximately 35% of the total GO bond authorizations will be used for operating relief. To the extent that the replacement of transferred funds from capital accounts is scheduled over a multi-year period and the current *Capital Improvement Program* (CIP) reflects the continued use of GO bonds for programs that would otherwise be funded with general or special funds, the impact of using GO bonds for operating relief can be seen in fiscal 2013 and 2014 as well.

Exhibit 7
Impact of Operating Relief
Fiscal 2010-2014
(\$ in Millions)

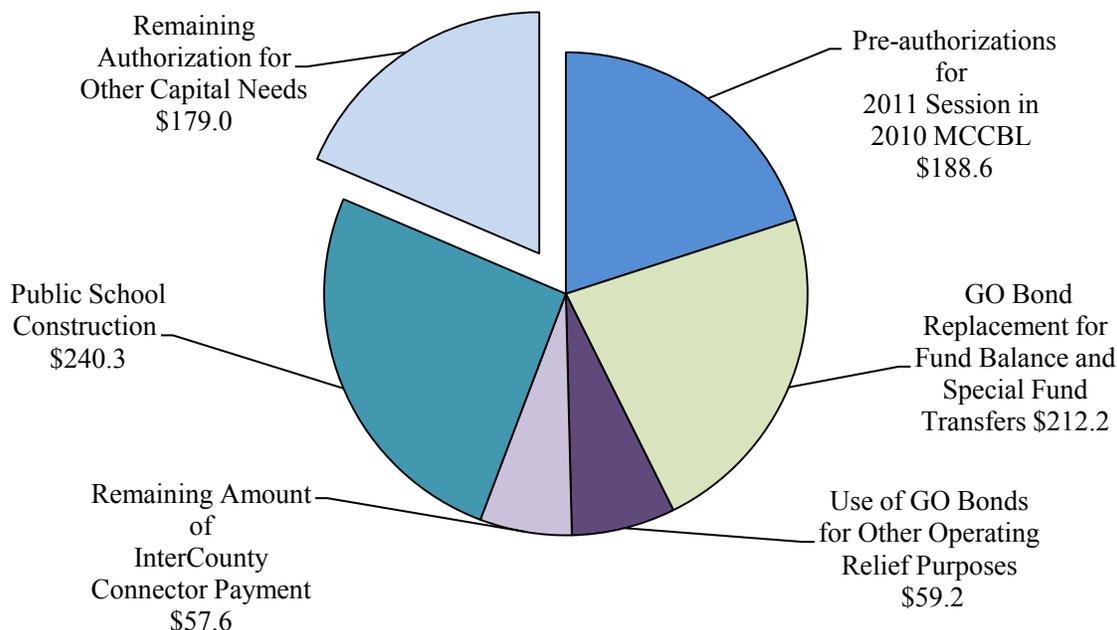


Source: Department of Budget and Management; Department of Legislative Services

To the extent that the fiscal situation may not improve significantly over the next few years and the use of GO bonds to replace transferred funds continues as a budget balancing strategy, the impact on fiscal 2013 and 2014 could be greater than what is currently reflected in Exhibit 7.

Exhibit 8 illustrates how the fiscal 2012 GO-funded capital program is affected by the operating relief strategy and pre-authorizations. While pre-authorizations facilitate the goal of commencing projects without having to commit all the required funds all at once, they also serve to limit how the current year’s authorizations can be used. After accounting for operating relief, pre-authorizations, and the funding for public school construction, the remaining amount of fiscal 2012 authorizations available to address other capital priorities is approximately \$179 million.

**Exhibit 8
What Is Left
(\$ in Millions)**



GO: general obligation
MCCBL: Maryland Consolidated Capital Bond Loan

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

Fund Transfers

The use of fund transfers, including fund balance and estimated fiscal 2012 fund revenues, from various capital program special fund accounts is a major component of the Administration’s fiscal 2012 budget. In total, the budget includes transfers amounting to \$191.3 million comprised of \$50.0 million of fund balance from the Chesapeake Bay Restoration Fund and another \$141.3 million of fiscal 2012 revenues that would otherwise be spent as special funds in the fiscal 2012 budget. The budget plan proposes replacing \$175.7 million of the transferred funds over a multi-year period as shown in **Exhibit 9**. Of the \$15.6 million that is not replaced, \$8.6 million is attributable to the overattainment of the transfer tax revenues in fiscal 2010. The Administration has communicated that it intends to address bond replacement of these revenues in fiscal 2013 but has yet to factor that into its current multi-year replacement plan. Another \$4.5 million for State and local POS has already been replaced in the fiscal 2011 GO bond authorization since those authorizations exceeded the amount actually transferred to the general fund in fiscal 2011. **Exhibit 10** illustrates how the fiscal 2011 and 2012 fund transfer GO bond replacement plans intend to be addressed in the current and future budgets.

Exhibit 9
Proposed Fiscal 2012 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 2012 Special Funds</u>	<u>Total Transfers</u>	<u>Prior Funds – Replaced in FY 2012</u>	<u>FY 2012 Special Funds – Replaced in FY 2012</u>	<u>FY 2012 Special Funds – Replaced in FY 2013</u>	<u>FY 2012 Special Funds – Replaced in FY 2014</u>	
Waterway Improvement Program	\$0.0	\$1.1	\$1.1	\$0.0	\$1.1	\$0.0	\$0.0	\$1.1
Transfer Tax Fiscal 2010 Overattainment	8.6	0.0	8.6	0.0	0.0	0.0	0.0	0.0
Program Open Space (POS) – Stateside	0.0	21.6	21.6	0.0	4.8	7.2	7.2	19.2
POS – Local	0.0	20.8	20.8	0.0	6.9	6.9	6.9	20.8
Rural Legacy	0.0	13.8	13.8	0.0	4.6	4.6	4.6	13.8
Ocean City Beach Replenishment – POS	0.0	1.0	1.0	0.0	1.0	0.0	0.0	1.0
Natural Resources Development Fund	0.0	4.6	4.6	0.0	0.3	2.8	0.0	3.1
Critical Maintenance Program	0.0	4.0	4.0	0.0	3.0	0.0	0.0	3.0
Dam Rehabilitation Program	0.0	0.5	0.5	0.0	0.5	0.0	0.0	0.5
Neighborhood Business Development	0.0	2.1	2.1	0.0	2.1	0.0	0.0	2.1
Homeownership Programs	0.0	1.5	1.5	0.0	1.5	0.0	0.0	1.5
Special Loan Programs	0.0	2.2	2.2	0.0	2.2	0.0	0.0	2.2
Tobacco Transition Program	0.0	1.5	1.5	0.0	1.5	0.0	0.0	1.5
Agricultural Land Preservation Program	0.0	19.6	19.6	0.0	4.4	6.5	6.5	17.4
Bay Restoration Fund	50.0	40.0	90.0	50.0	21.8	18.2	0.0	90.0
Total	\$58.6	\$134.2	\$192.8	\$50.0	\$55.7	\$46.3	\$25.2	\$177.2
Special Fund Transfer Sources:				Total Special Funds Replaced :				\$104.2
Transfer Tax	\$94.5			Special Funds Not Replaced in FY 2012:				
Bay Restoration Fund	90.0			POS – Stateside*				\$2.4
Housing Programs	5.8			Agricultural Land Preservation*				2.2
Waterway Improvement Fund	1.1			Natural Resources Development**				1.5
Total to Be Transferred to General Fund	\$191.3			Critical Maintenance Program**				1.0
				Transfer Tax FY 2010***				8.6
				Total Not Replaced in FY 12:				\$15.7

CIP: Capital Improvement Program

*Indicates amount overfunded with general obligation (GO) bonds in fiscal 2011 resulting in adjusted fiscal 2012 GO bond replacement amount.

**Indicates amount not to be replaced based on other budget priorities.

***Indicates amount that will be considered for GO bond replacement in fiscal 2013, but no decision has been made or the amount reflected in the capital program for fiscal 2013.

Source: Department of Budget and Management

Exhibit 10
Fiscal 2011 Actual and Fiscal 2012 Proposed Fund Transfers and
Multi-year General Obligation Bond Replacement Plan
(\$ in Millions)

Analysis of the FY 2012 Maryland Executive Budget, 2011
14

Capital Budget Fiscal Briefing

<u>Program</u>	<u>Transfers</u>				<u>Fund Replacement</u>					
	<u>Prior Special Fund Balance</u>	<u>FY 2011 Special Funds</u>	<u>FY 2012 Special Funds</u>	<u>Total Transfers</u>	<u>Amount Replaced in FY 2011</u>	<u>Amount to Be Replaced in FY 2012</u>	<u>Amount to Be Replaced in FY 2013</u>	<u>Amount to Be Replaced in FY 2014</u>	<u>Total Amount of Fund Transfers to Be Replaced in the CIP</u>	<u>Funds Not Replaced</u>
Waterway Improvement Program	\$12.5	\$3.9	\$1.1	\$17.5	\$10.2	\$7.3	\$0.0	\$0.0	\$17.5	\$0.0
Program Open Space (POS) – Stateside	4.6	4.1	21.6	30.3	11.0	4.8	7.2	7.2	30.3	0.0
POS – Local	103.1	0.0	20.8	124.0	54.1	23.6	39.2	6.9	124.0	0.0
Rural Legacy	10.6	10.8	13.8	35.2	17.0	9.1	4.6	4.6	35.2	0.0
Ocean City Beach Replenishment – POS	2.1	1.0	1.0	4.1	3.1	1.0	0.0	0.0	4.1	0.0
Ocean City Beach Replenishment – Local	3.4	0.0	0.0	3.4	3.4	0.0	0.0	0.0	3.4	0.0
Natural Resources Development Fund	17.7	0.0	4.6	22.3	10.1	3.5	4.7	0.0	18.3	4.0
Critical Maintenance Program	3.2	3.2	4.0	10.3	6.3	3.0	0.0	0.0	9.3	1.0
Dam Rehabilitation Program	0.7	0.0	0.5	1.2	0.2	1.0	0.0	0.0	1.2	0.0
House Assessment Program	0.9	0.0	0.0	0.9	0.3	0.4	0.1	0.0	0.7	0.2
Hurricane Isabel Funds	0.2	0.0	0.0	0.2	0.0	0.0	0.0	0.0	0.0	0.2
Neighborhood Business Development	3.6	3.2	2.1	8.8	6.7	2.1	0.0	0.0	8.7	0.1
Community Legacy Program	0.4	0.0	0.0	0.4	0.4	0.0	0.0	0.0	0.4	0.0
Homeownership Programs	0.0	3.0	1.5	4.5	3.0	1.5	0.0	0.0	4.5	0.0
Special Loan Programs	2.1	2.5	2.2	6.8	4.7	2.2	0.0	0.0	6.9	0.0
Tobacco Transition Program	0.0	2.0	1.5	3.5	2.0	1.5	0.0	0.0	0.0	0.0
Agricultural Land Preservation Program	10.0	9.7	19.6	39.2	21.8	4.4	6.5	6.5	39.2	0.0
Bay Restoration Fund	205.0	45.0	40.0	290.0	125.0	146.8	18.2	0.0	290.0	0.0
Transfer Tax Fiscal 2010 Overattainment	8.6	0.0	0.0	8.6	0.0	0.0	0.0	0.0	0.0	8.6
Total	\$388.7	\$88.4	\$134.2	\$611.3	\$279.2	\$212.2	\$80.5	\$25.2	\$597.2	\$14.1

Source: Department of Budget and Management

Reduced Authorization Levels – Impact on the *Capital Improvement Program*

The long-range plan embodied in the 2011 CIP reflects reduced levels of planned new GO bond authorizations. After adjusting for the additional \$150 million of new GO authorizations allowed for in the 2010 session to address job creation and economic stimulus, the level of new GO bond authorizations is proposed to be reduced by \$605 million in the aggregate over the 2010 through 2015 sessions compared to what CDAC forecasted in its September 2008 report. This reduced level of planned GO bond authorizations reflects the current mechanism under which the State intends to keep new debt authorizations within the debt affordability limit which limits debt service to no more than 8% of revenues.

Despite lower planned levels, the revised limits are still \$1.89 billion higher than what the CDAC long-range forecast included in the committee’s September 2000 report. Until such time that the State’s economy improves in the form of higher State revenues, new GO bond authorization levels are likely to continue to be constrained by the State’s debt affordability limits, thereby limiting the investments the State is able to make in capital infrastructure. **Exhibit 11** provides the proposed general obligation bond authorizations.

Exhibit 11 Proposed General Obligation Bond Authorizations (\$ in Millions)

<u>Session</u>	<u>2000 CDAC Proposed GO Bond Authorizations</u>	<u>2008 CDAC Proposed GO Bond Authorizations</u>	<u>2010 CDAC Proposed GO Bond Authorizations</u>	<u>Variance 2008 CDAC to 2010 CDAC</u>	<u>Variance 2010 CDAC to 2000 CDAC</u>
2010	\$610	\$990	\$1,140	\$150	\$530
2011	625	1,020	925	-95	300
2012	640	1,050	925	-125	285
2013	655	1,080	925	-155	270
2014	670	1,110	935	-175	265
2015	695	1,140	935	-205	240
Total	\$3,895	\$6,390	\$5,785	-\$605	\$1,890

CDAC: Capital Debt Affordability Committee
GO: general obligation

Source: Department of Budget and Management

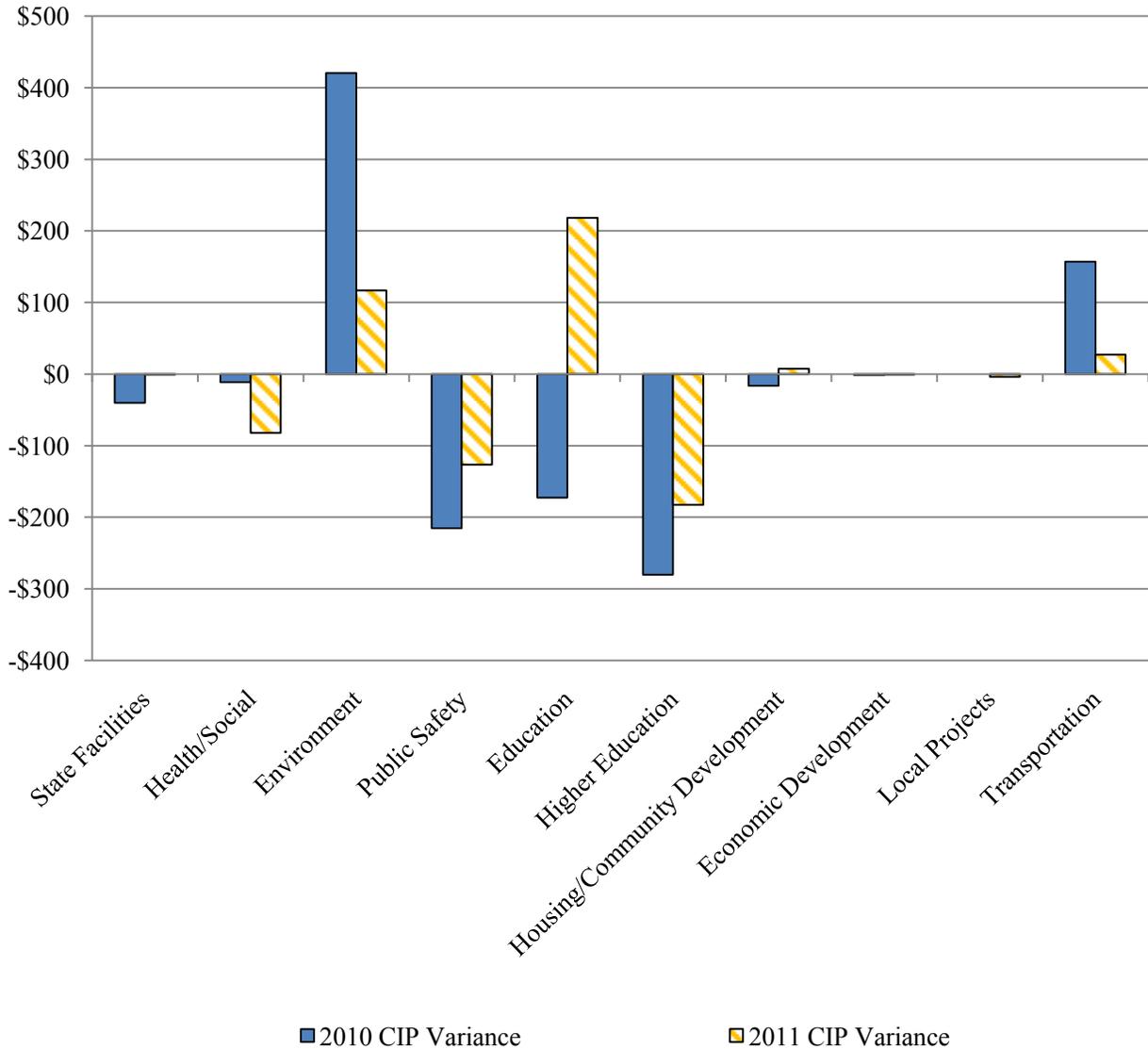
Impact of Lower GO Bond Authorization Levels and Fund Transfer Replacement on the CIP

Reduced GO bond authorization levels programmed in the CIP, coupled with the programming of GO bond authorizations to replace transferred special fund revenues and fund balances, greatly impact the proposed funding levels for certain categories of spending.

- **2009 CIP v. 2010 CIP:** Funding variances embodied in the 2010 session CIP, as compared to the 2009 CIP, illustrate the shifting of resources to fund environmental programs. This shift is primarily attributable to the use of GO bonds to fund the replacement of special fund balances and fiscal 2011 special fund revenues that were transferred to the general fund to help balance the fiscal 2011 operating budget. This shift to dedicate more GO bond resources to environmental programs, and the reduced level of authorized GO debt over the entire CIP due to debt affordability limitations, resulted in reduced programmed funding levels in the 2010 CIP for public safety, higher education, and public school construction.
- **2010 CIP v. 2011 CIP:** The 2011 CIP makes further adjustments to the long-range GO bond authorization plan to account for additional bond replacement of transferred funds from environmental programs included in the 2012 budget. Consequently, the proposed level of GO bond authorizations for environmental programs is again increased over what was programmed in the 2010 CIP, while public safety and higher education proposed funding levels are reduced yet further from what was programmed in the 2010 CIP to accommodate greater GO bond funding for environmental programs. In addition, the 2011 CIP restores the proposed level of funding for public school construction grants to an annual level of \$250 million, as compared to the \$200 million annual level reflected in the 2010 CIP which also impacts the programmed funding levels for public safety, juvenile services, and higher education.

Exhibit 12 compares proposed GO bond funding levels for various State agency capital programs and projects, as reflected in the 2009 versus 2010 *Capital Improvement Program* for the four fiscal years in which the plans overlap – fiscal 2011 through 2014 and again as reflected in the 2010 versus 2011 *Capital Improvement Program* for the four fiscal years in which the plans overlap – fiscal 2012 through 2015.

Exhibit 12
General Obligation Bond Capital Program Comparison
2009 vs. 2010 and 2010 vs. 2011 Capital Improvement Program Differences
 (\$ in Millions)



CIP: Capital Improvement Program

Source: Department of Budget and Management

Pre-authorizations and Split Funding

The budget as introduced includes pre-authorizations totaling \$188.6 million for items that were pre-authorized in the 2010 session. This is down from the \$260 million that was originally pre-authorized, as shown in **Exhibit 13**. Adjustments have been made to reflect reduced GO bond replacement for transfers made in fiscal 2011 that were expected to be partially repaid with bonds over a multi-year period including fiscal 2012. In addition, the programmed pre-authorization for the Youth Detention Facility project is not needed in fiscal 2012 due to project delays. **Exhibit 14** shows the pre-authorizations included in the 2011 Maryland Consolidated Capital Bond Loan for authorizations intended for the 2012 through 2014 sessions, respectively. In most instances, the pre-authorization is accompanied by a proposed fiscal 2012 authorization to allow construction bids to be awarded during the fiscal year without having to dedicate the entire amount of estimated construction funds needed to complete the project. This allows authorizations dedicated to other capital priorities while also allowing the projects pre-authorized to proceed to construction which expands the number of State-funded projects that contractors can bid on during the fiscal year. These pre-authorizations also reflect the continued programmed funding for GO bond replacement of transferred special fund revenues for various environmental programs (principally to replace the transferred fund from the Chesapeake Bay Restoration Fund and transfer tax revenues).

Exhibit 13 Pre-authorizations Included in the 2010 MCCBL for 2011

<u>Project Title</u>	<u>Original 2011 Session Pre-authorization Amounts</u>	<u>Revised 2011 Session Pre-authorization Funding</u>
BPW: State Government Center – Annapolis Legislative Facilities Lowe House Office Building	\$4,250,000	\$4,250,000
MSDE: Western Maryland Regional Library	2,500,000	2,500,000
MHEC: Community College Facilities Grant Program	33,633,000	35,459,000
DNR: Harriet Tubman Underground Railroad State Park – Visitor Center	1,650,000	0
DPSCS: New Youth Detention Facility	38,000,000	0
UMCP: Physical Sciences Complex	44,100,000	30,100,000
University of Baltimore: New Law School Building	38,500,000	41,493,000
DNR: Program Open Space (Stateside and Local) and Rural Legacy	40,366,000	23,636,000
UMBC: New Performing Arts and Humanities Facility	37,400,000	31,200,000
Department of State Police: State Police Helicopters	20,000,000	20,000,000
Total	\$260,399,000	\$188,638,000

BPW: Board of Public Works
DNR: Department of Natural Resources
DPSCS: Department of Public Safety and Correctional Services
MCCBL: Maryland Consolidated Capital Bond Loan

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

Source: Department of Budget and Management

**Exhibit 14
Pre-authorizations Included in 2011 MCCBL for 2012-2014**

<u>Project Title</u>	<u>2012 Session</u>	<u>2013 Session</u>	<u>2014 Session</u>
MDA: Agricultural Land Preservation Program*	\$6,518,000	\$6,518,000	
BCCC: Main Building Renovation – Admin. Wing	7,800,000		
MDE: Enhanced Nutrient Removal*	18,175,000		
MHEC: Community College Grant Program	10,779,000		
DNR: Harriet Tubman Underground Railroad State Park	2,850,000		
DNR: Program Open Space – Local*	39,230,000	6,947,000	
DNR: Program Open Space – Stateside*	7,193,000	7,193,000	
DNR: Rural Legacy*	4,589,000	4,589,000	
DPSCS: New Youth Detention Facility (BCDC)	41,100,000	21,700,000	
DSP: Helicopter Replacement	31,400,000	10,800,000	\$3,000,000
UMCP: Physical Sciences Complex – Phase I	24,550,000		
FSU: Center for Communications and Info. Tech.	39,550,000	4,400,000	
Total	\$233,734,000	\$62,147,000	\$3,000,000

BCCC: Baltimore City Community College
 BCDC: Baltimore City Detention Center
 DNR: Department of Natural Resources
 DPSCS: Department of Public Safety and Correctional Services
 DSP: Department of State Police
 FSU: Frostburg State University

MCCBL: Maryland Consolidated Capital Bond Loan
 MDA: Maryland Department of Agriculture
 MDE: Maryland Department of the Environment
 MHEC: Maryland Higher Education Commission
 UMCP: University of Maryland, College Park

*Includes pre-authorizations to replace transferred fund balance and special fund revenues.

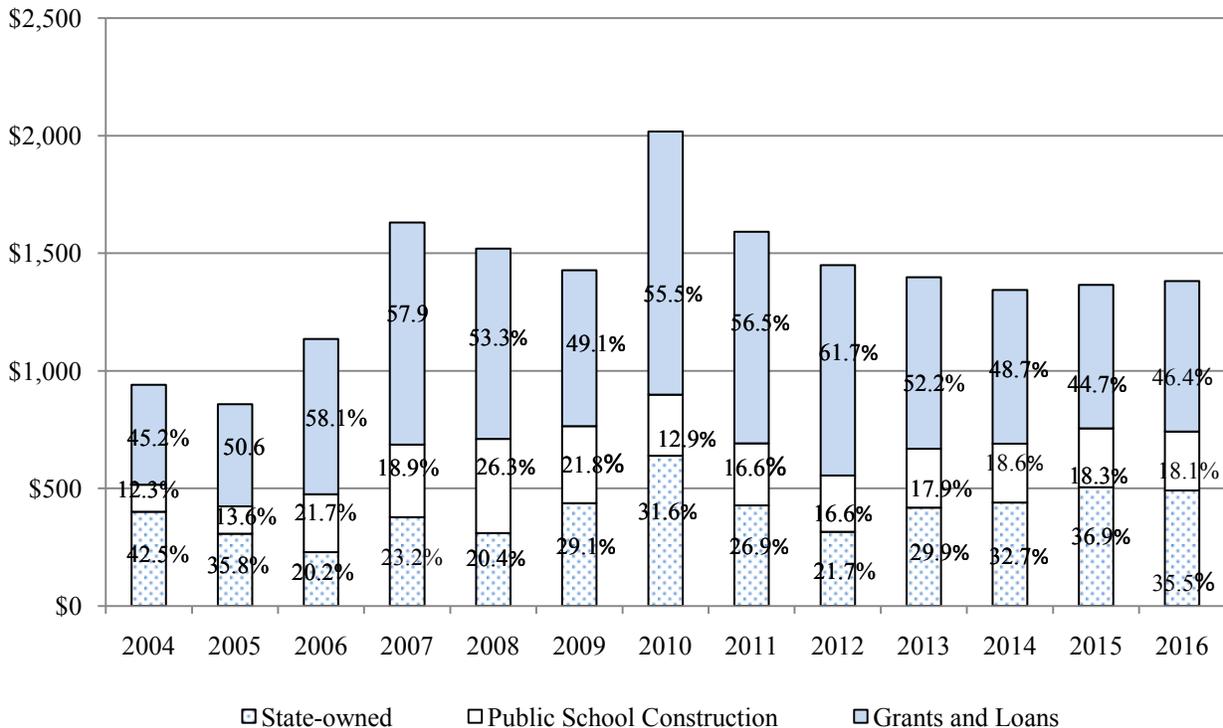
Source: Department of Budget and Management

Appendix 3 provides a summary of all Back of the Bill provisions proposed in the 2011 capital budget bill, including a summary of all proposed pre-authorizations.

Greater Share of Funding for State-owned Projects Proposed

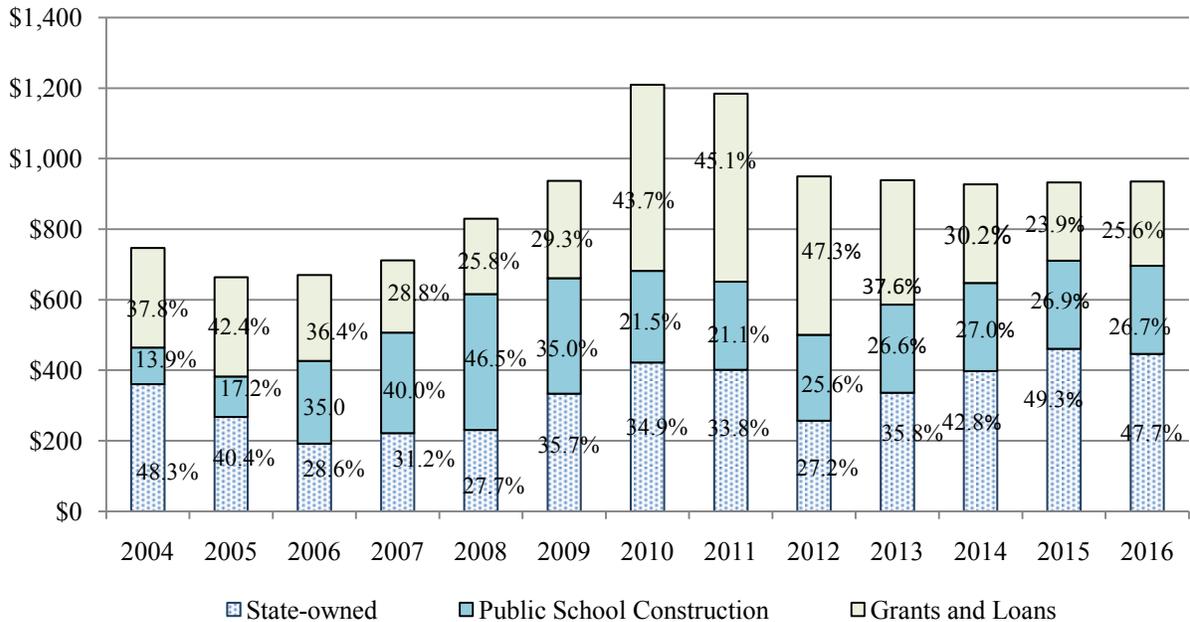
Exhibit 15 illustrates the percentage funding shares for State-owned projects, public school construction, and the grants and loans program for all funds. Exhibit 16 illustrates the percentages for general obligation funds only.

Exhibit 15
Funding Shares for State-owned Projects, Public School Construction, and
Grants and Loans Program – All Funds
Fiscal 2004-2016
(\$ in Millions)



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

Exhibit 16
Funding Shares for State-owned Projects, Public School Construction, and
Grants and Loans Program – General Obligation Funds Only
Fiscal 2004-2016
(\$ in Millions)

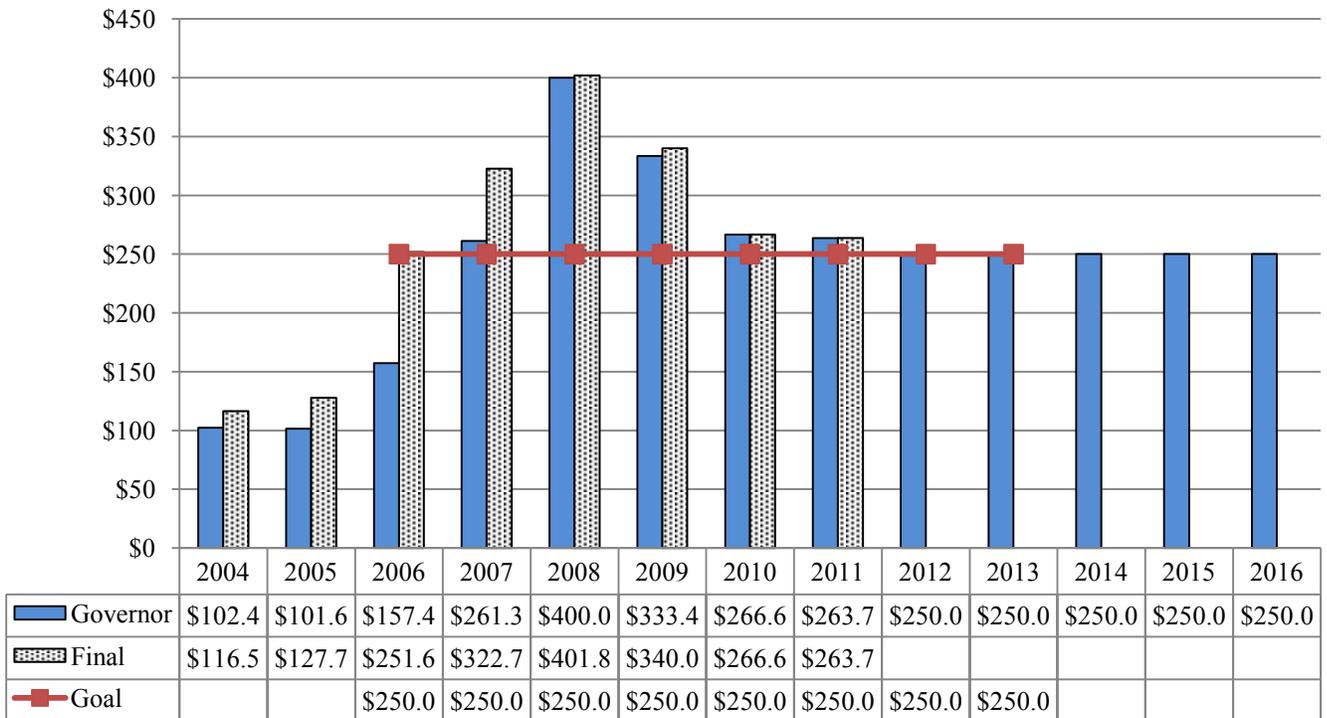


Source: Department of Budget and Management; Department of Legislative Services

School Construction Funding Goal

The funding level proposed by the Governor for fiscal 2012 would mark the seventh year in a row that funding for public school construction projects has met or exceeded the \$250 million annual funding goal set in the 2004 Public School Facilities Act, as shown in **Exhibit 17**. Including the funding proposed for fiscal 2012, since fiscal 2006, the State will have invested a total of \$2.106 billion toward the State’s nominal funding goal of \$2.0 billion by 2013.

Exhibit 17
School Construction Funding Goal
Fiscal 2004-2016
(\$ in Millions)



Source: Department of Budget and Management

Bay Restoration Bonds Not Projected to Be Sufficient – Advisory Committee Recommends Fee Increase

The Maryland Department of the Environment currently estimates that the cost to upgrade the 67 major wastewater treatment plants decreased from \$1,539 million to \$1,482 million since last year. This decrease reflects more refined estimates for the Blue Plains upgrade project and does not substantially alter the funding shortfall in the program. Overall, the program plans to issue \$530 million in revenue bonds through fiscal 2014. These revenue bonds, in addition to revenues expended from the fund as PAYGO special funds, would fund approximately \$945 million of the \$1,482 million upgrade cost, leaving a shortfall of approximately \$537 million potentially unfunded. Estimated project costs and total fee and bond revenues are shown in **Exhibit 18**.

Exhibit 18
Bay Restoration Fund
Fiscal 2010-2015
(\$ in Millions)

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Project Costs	\$185	\$305	\$596	\$280	\$0	\$0
Bay Restoration Fees and Bond Funds	185	305	295	35	8	0
Projected Annual Deficit	0	0	-301	-245	8	0

Source: Maryland Department of the Environment

At this point, it remains unclear how this funding gap will be resolved. However, five options have been outlined by the Bay Restoration Fund Advisory Committee as follows: (1) increase the fee; (2) reduce the 100% enhanced nutrient removal grant; (3) reprioritize projects by either delaying them or deleting them for upgrade; (4) use local debt capacity to issue bonds with 30-year maturities; and (5) eliminate annual operation and maintenance grants to local governments. **Exhibit 19** shows the various fee options that have been identified by the Bay Restoration Fund Advisory Committee. The options include no fee increase, which means no additional debt issued and no resolution of the \$537 million shortfall, all the way up to a 100% fee increase, which would leverage \$510 million in additional debt and provide an approximately \$146 million surplus in case of additional cost increases.

**Exhibit 19
Bay Restoration Fund – Fee Options**

<i>Option</i>	<u>A</u>	<u>B</u>	<u>C</u>	<u>D</u>	<u>E</u>	<u>F</u>
Fee Increase	0%	50%	60%	70%	80%	100%
Fee Increase/Year	\$0	\$15	\$18	\$21	\$24	\$30
New Fee/Year	\$30	\$45	\$48	\$51	\$54	\$60
 <i>Sources of Funding</i>						
Water Quality Financing Administration Bonds (\$M)	\$530	\$775	\$840	\$895	\$945	\$1,040
Cash (\$M)	415	481	496	511	533	588
Total Enhanced Nutrient Removal Funding (\$M)	\$945	\$1,256	\$1,336	\$1,406	\$1,478	\$1,628
Shortfall/Surplus (\$M)	-537	-226	-146	-76	-4	146

M: Millions

Note: Assumptions included in the exhibit are that the total enhanced nutrient removal cost is \$1.482 billion, the current fee is \$2.50 per month per equivalent dwelling unit or \$30 per year, and that the maximum bond term is 15 years with a weighted average bond interest rate of 5.50%.

Source: Maryland Department of the Environment; Department of Legislative Services

Transfer Tax Revenues

Exhibit 20 shows the distribution of transfer tax revenues to programs and GO bond replacement. A revised fiscal 2011 transfer tax estimate results in a \$36.1 million reduction from what was originally estimated for fiscal 2011. In addition to reducing the amount available for transfer to the general fund in fiscal 2011, it results in the over-allocation of GO bond funds authorized in the fiscal 2011 capital budget that were provided to replace the transferred funds. The amount of GO bonds over-authorized in fiscal 2011 totals \$25.3 million and is the difference between the \$54.0 million of GO bonds and transfer tax revenues appropriated in fiscal 2011 under the original revenue estimate and the \$28.7 million that the revised revenue estimate would have otherwise provided; fiscal 2012 GO bond authorizations are adjusted to account for this over-allocation in fiscal 2011. The diversion of the transfer tax to the general fund continues in the proposed fiscal 2012 budget. These transferred revenues are intended to be replaced over a multi-year period covering fiscal 2012 through 2014.

Exhibit 20
Distribution of Transfer Tax Revenues to Programs and GO Bond Replacement
(\$ in Millions)

	<u>FY 2011 Original</u>	<u>FY 2011 Revised Funding</u>	<u>FY 2012 Formula</u>	<u>FY 2012 Funding</u>	<u>FY 2013 Bond Replacement</u>	<u>FY 2014 Bond Replacement</u>
Revenues						
Budgeted Revenue Estimate	\$149.89	\$113.81	\$118.92	\$118.92		
Less Administrative Expenses	-\$4.50	-4.50	-3.57	-3.57		
Attainment Adjustment	-52.64	-52.64	0.00	0.00		
Net Available for Allocation	\$92.76	\$56.67	\$115.35	\$115.35		
Allocations						
Program Open Space (POS)						
POS Bonds Debt Service	\$6.80	\$1.21	\$1.56	\$1.56		
POS Local	0.00	0.00	0.00	0.00		
Forest and Park Service	21.00	21.00	21.00	21.00		
Heritage Areas Authority	3.00	3.00	3.00	3.00		
POS State Land Acquisition	0.00	0.00	0.00	0.00		
POS State Rural Legacy	0.00	0.00	0.00	0.00		
POS State Capital Development	0.00	0.00	0.00	0.00		
POS State Park Operating	1.20	1.20	1.20	1.20		
POS Subtotal	\$32.00	\$26.41	\$26.76	\$26.76		
Other Allocations						
Additional State Land Acquisition	\$2.72	\$1.50	\$2.72	\$2.72		
Agricultural Land Preservation	4.00	0.00	0.00	0.00		
Rural Legacy Additional	0.00	0.00	0.00	0.00		
Heritage Conservation Fund	0.00	0.00	0.00	0.00		
Other Subtotal	\$6.72	\$1.50	\$2.72	\$2.72		
Total Transfer Tax Allocations	\$38.72	\$27.91	\$29.48	\$29.48		
GO Bond Replacement						
POS State	\$13.08	\$4.11	\$21.58	\$4.82	\$7.19	\$7.19
POS Local	12.35	0.00	20.84	6.95	6.95	6.95
POS State Rural Legacy	8.00	8.00	8.00	2.67	2.67	2.67
POS State Capital Development	4.15	4.15	10.13	4.77	2.84	
Agricultural Land Preservation	7.81	9.66	19.56	4.37	6.52	6.52
Rural Legacy Additional	4.64	2.83	5.77	1.92	1.92	1.92
Total GO Bond Replacement	\$50.04	\$28.75	\$85.87	\$25.50	\$28.09	\$25.25
Total Funding	\$88.75	\$56.66	\$115.35			

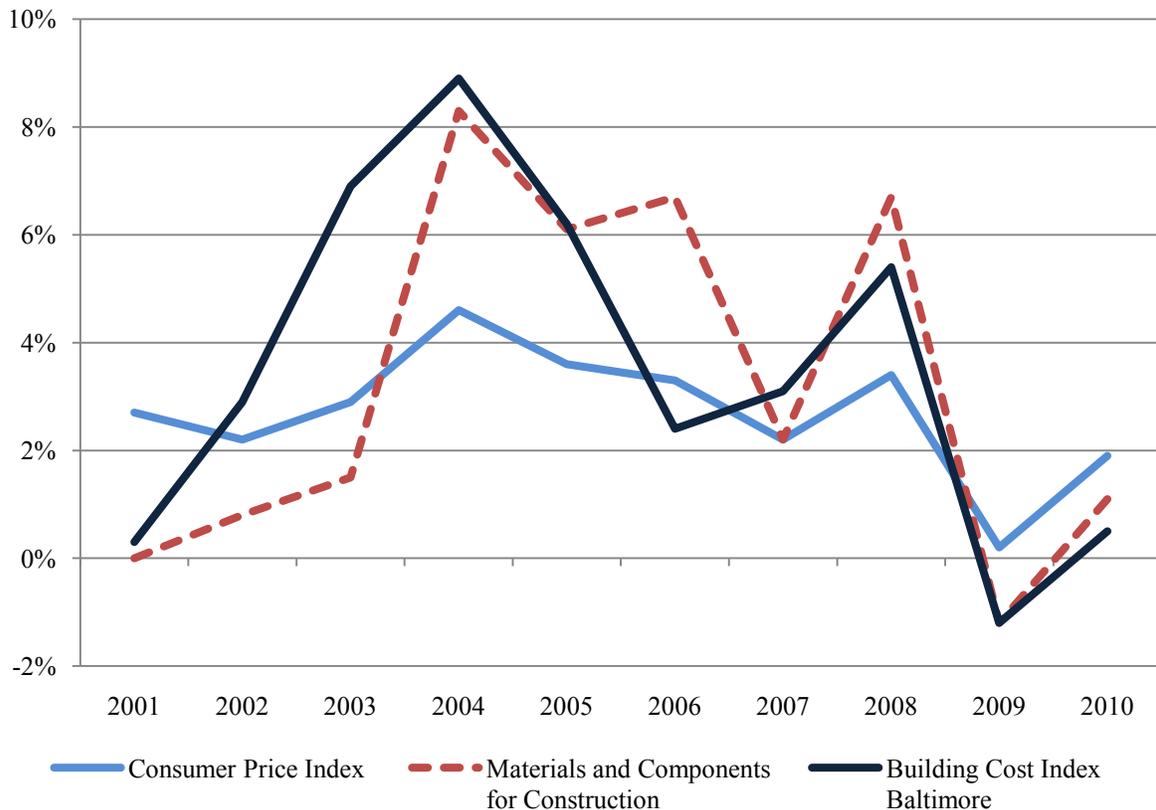
Note: Due to revised fiscal 2011 transfer tax revenues, the amount of general obligation (GO) bond replacement authorized in the 2010 Maryland Consolidated Capital Bond Loan (MCCBL) should have been \$28.75 million rather than the \$54.04 million provided in GO bonds and special funds. Fiscal 2012 authorizations have been adjusted to reflect for the 2010 MCCBL over-authorizations. Some of these adjustments are made to amounts that were pre-authorized for the 2011 session for Program Open Space (POS) – Local funding. However, adjustment to fiscal 2012 replacement also includes a \$2.37 million negative adjustment to POS – Stateside and \$2.15 million to Agricultural Land Preservation. In addition, the multi-year replacement plan of diverted fiscal 2011 revenues does not replace \$2.51 million for Natural Resources Development and Critical Maintenance projects.

Source: Department of Budget and Management

Construction Costs

- **Construction Costs Up Slightly in 2010:** The year-over-year measure for inflation in the building and construction market, as measured nationally through the materials and components for the construction component of the Producer Price Index and locally through the Engineering News-Record Building Cost Index for Baltimore City, reflects a 1.3% and 1.1% increase in construction costs nationally and locally, respectively, during calendar 2010 as compared to 2009 (as shown in **Exhibit 21**).

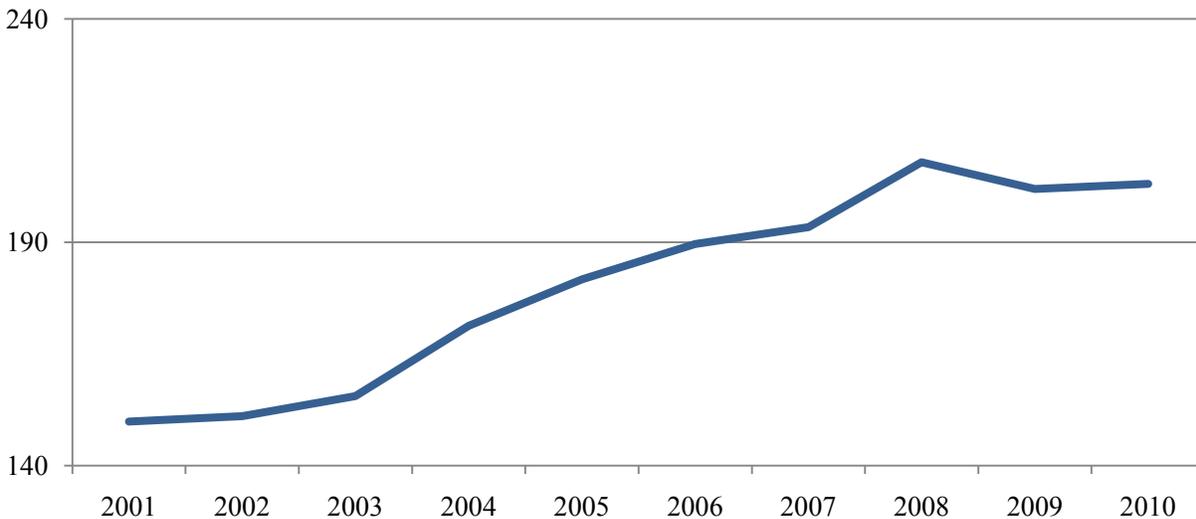
Exhibit 21
Construction Cost Inflation
Calendar 2001-2010



Source: Bureau of Labor Statistics; Engineering News-Record

- **Average Annual Costs Increase:** Despite negative growth in construction costs in calendar 2009, overall costs have increased at an average annual rate of 3.36% from calendar 2001 through 2010, as shown in **Exhibit 22**.

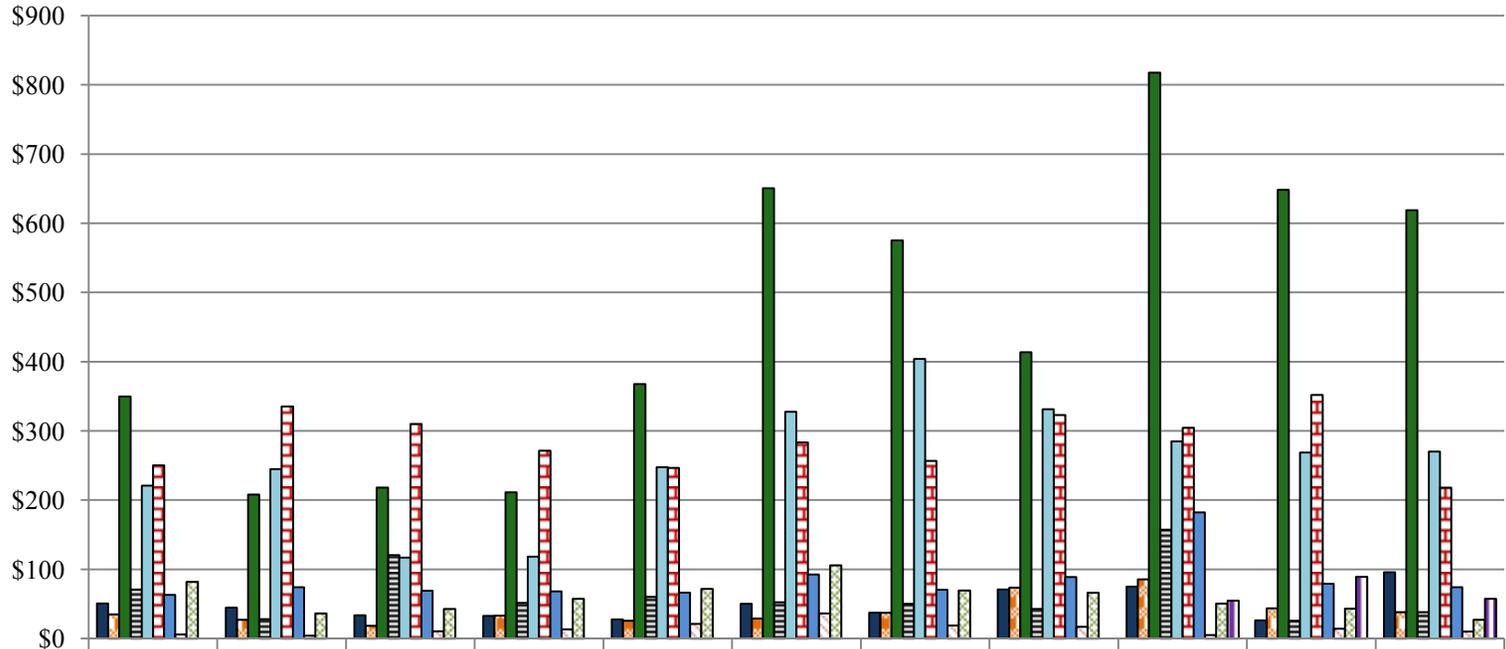
Exhibit 22
Annual Construction Inflation
Calendar 2001-2010
(Inflation Index)



Source: Bureau of Labor Statistics

- **Department of Budget and Management Revised Annual Escalation and Regional Cost Factors Used in Cost Estimating Process:** The Department of Budget and Management (DBM) revised the escalation rate for projects requested in the 2011 session to reflect escalation at 1.0% for calendar 2010, 2.5% for calendar 2011, and 3.0% for each year thereafter. This compares to rates set for the 2009 session of 8.0% for calendar 2009 and 5.0% for each year thereafter. DBM also revised the methodology for calculating the “regional cost factor” (RCF) used in the cost estimating process. The revised methodology was first applied to projects in the 2010 session and is the same methodology used for project estimates in the 2011 session. This produces variance between the old and revised RCF as high as 35.0% which will lower cost estimates for projects that are included in the five-year CIP.
- **Stabilization of School Construction Costs:** The Interagency Committee on School Construction (IAC) continues to report competitive and low-bid prices and increased overall contractor competitiveness. Individual projects continue to be bid at or below budget for projects authorized in fiscal 2010 and 2011. The rate applied to school construction projects was \$224 square foot cost used for fiscal 2010 but was lowered to \$200 per square foot for fiscal 2011 projects. IAC is applying the same \$200 square foot rate to fiscal 2012 projects in recognition of the continued regional competitive and low-bid climate.

Capital Authorizations by Major Funding Categories – All Funds (\$ in Millions)



	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012
■ State Facilities	\$50.7	\$44.8	\$33.7	\$32.5	\$27.5	\$50.4	\$37.4	\$70.7	\$75.2	\$26.1	\$95.9
■ Health/ Social	\$34.8	\$27.4	\$18.3	\$33.4	\$25.9	\$28.9	\$37.3	\$73.6	\$85.5	\$43.7	\$38.2
■ Environment	\$349.8	\$208.2	\$218.0	\$211.1	\$367.7	\$650.4	\$575.3	\$413.6	\$817.4	\$648.2	\$618.7
■ Public Safety	\$70.8	\$27.9	\$120.5	\$51.6	\$60.4	\$52.3	\$50.0	\$43.0	\$157.3	\$25.9	\$38.1
■ Education	\$220.8	\$244.8	\$117.1	\$118.2	\$247.4	\$327.7	\$404.0	\$331.5	\$284.9	\$268.7	\$270.2
■ Higher Education	\$250.4	\$335.5	\$310.1	\$271.3	\$246.6	\$283.5	\$256.6	\$323.0	\$304.7	\$352.0	\$218.3
■ Housing	\$63.2	\$74.1	\$69.2	\$68.2	\$66.4	\$92.3	\$70.4	\$89.0	\$182.4	\$79.0	\$74.0
■ Econ. Dev.	\$6.2	\$4.1	\$10.5	\$13.4	\$21.3	\$36.5	\$18.7	\$17.2	\$5.0	\$14.3	\$10.0
■ Local Projects	\$81.8	\$36.4	\$42.9	\$57.4	\$71.9	\$105.7	\$69.7	\$66.4	\$50.5	\$43.3	\$27.2
■ ICC	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$55.0	\$89.3	\$57.6

Capital Program Request for the 2011 Session

Bonds	Current Funds (PAYGO)
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Budget Code	Project Title	General Obligation	Revenue	General	Special	Federal	Total Funds
State Facilities							
DA0201A	MDOD: Accessibility Modifications	\$1,444,000	\$0	\$0	\$0	\$0	\$1,444,000
DE0201A	BPW: Lowe House of Delegates Building Renovation	7,050,000	0	0	0	0	7,050,000
DH0104	MD: Military Department Armory Program	0	0	0	0	27,823,000	27,823,000
FB04A	DoIT: Public Safety Communication System	10,000,000	0	0	0	0	10,000,000
FB04B	DoIT: One Maryland Broadband Network	5,800,000	0	0	0	43,762,819	49,562,819
Subject Category Subtotal:		\$24,294,000	\$0	\$0	\$0	\$71,585,819	\$95,879,819
Health/Social							
MA01A	DHMH: Community Health Facilities Grant Program	\$3,568,000	\$0	\$0	\$0	\$0	\$3,568,000
MA01B	DHMH: Federally Qualified Health Centers Grant Program	2,002,000	0	0	0	0	2,002,000
MI0401A	DHMH: Deer's Head Hospital Center Kidney Dialysis Unit	6,124,000	0	0	0	0	6,124,000
RQ00A	UMMS: Trauma, Critical Care, and Emergency Medicine Services Expansion Project	10,000,000	0	0	0	0	10,000,000
ZA00E	Misc: Johns Hopkins Medicine – Cardiovascular and Critical Care Tower	5,500,000	0	0	0	0	5,500,000
ZA00F	Misc: Kennedy Krieger Institute – Comprehensive Autism Center	1,000,000	0	0	0	0	1,000,000

Analysis of the FY 2012 Maryland Executive Budget, 2011

Budget Code	Project Title	Bonds		Current Funds (PAYGO)			Total Funds
		General Obligation	Revenue	General	Special	Federal	
ZA00N	Misc: Prince George's Hospital System	4,000,000	0	0	0	0	4,000,000
ZA00O	Misc: Sinai Hospital – Neurological Rehabilitation Center	1,000,000	0	0	0	0	1,000,000
ZA01A	Misc: Anne Arundel Medical Center	300,000	0	0	0	0	300,000
ZA01B	Misc: Dorchester General Hospital	1,000,000	0	0	0	0	1,000,000
ZA01C	Misc: Maryland General Hospital	1,000,000	0	0	0	0	1,000,000
ZA01D	Misc: Mercy Medical Center	2,700,000	0	0	0	0	2,700,000
Subject Category Subtotal:		\$38,194,000	\$0	\$0	\$0	\$0	\$38,194,000
Environment							
DA1302	MEA: Jane E. Lawton Loan Program	\$0	\$0	\$0	\$3,000,000	\$0	\$3,000,000
DA1303	MEA: State Agency Loan Program	0	0	0	2,500,000	0	2,500,000
KA05A	DNR: Community Parks and Playgrounds	2,500,000	0	0	0	0	2,500,000
KA05B	DNR: Rural Legacy Program	14,104,000	0	0	0	0	14,104,000
KA05C	DNR: Natural Resources Development Fund	3,450,000	0	0	0	0	3,450,000
KA05D	DNR: Program Open Space	28,459,000	0	0	1,500,000	3,000,000	32,959,000
KA05E	DNR: Critical Maintenance Program	3,380,000	0	0	0	0	3,380,000
KA05F	DNR: Dam Rehabilitation Program	1,045,000	0	0	0	0	1,045,000
KA05G	DNR: Ocean City Beach Replenishment Fund	1,000,000	0	0	1,000,000	0	2,000,000
KA05H	DNR: Waterway Improvement Fund	7,347,000	0	0	410,000	500,000	8,257,000
LA11A	MDA: Agricultural Land Preservation Program	4,367,000	0	0	4,200,000	0	8,567,000
LA12A	MDA: Maryland Agricultural Cost-share Program	6,000,000	0	0	0	0	6,000,000
LA15A	MDA: Tobacco Transition Program	1,500,000	0	0	1,238,000	0	2,738,000
UA010312	MDE: Septic System Upgrade Program	0	0	0	8,500,000	0	8,500,000

Budget Code	Project Title	Bonds		Current Funds (PAYGO)			Total Funds
		General Obligation	Revenue	General	Special	Federal	
UA01A	MDE: Enhanced Nutrient Removal	146,825,000	180,000,000	0	0	0	326,825,000
UA01B	MDE: Maryland Water Quality Revolving Loan Fund	9,856,000	0	0	83,836,000	47,308,000	141,000,000
UA01C	MDE: Maryland Drinking Water Revolving Loan Fund	1,970,000	0	0	5,182,000	6,348,000	13,500,000
UA04A1	MDE: Biological Nutrient Removal Program	30,900,000	0	0	0	0	30,900,000
UA04A2	MDE: Supplemental Assistance Program	5,000,000	0	0	0	0	5,000,000
UA04B	MDE: Water Supply Financial Assistance Program	2,500,000	0	0	0	0	2,500,000
Subject Category Subtotal:		\$270,203,000	\$180,000,000	\$0	\$111,366,000	\$57,156,000	\$618,725,000
Public Safety							
QB0402A	DPSCS: Housing Unit Windows and Heating Systems	\$9,729,000	\$0	\$0	\$0	\$0	\$9,729,000
WA01A	DSP: Barrack P Land Acquisition	760,000	0	0	0	0	760,000
WA01B	DSP: Helicopter Replacement	22,650,000	0	0	0	0	22,650,000
ZB02A	DPSCS: Cecil County Detention Center	4,955,000	0	0	0	0	4,955,000
Subject Category Subtotal:		\$38,094,000	\$0	\$0	\$0	\$0	\$38,094,000
Education							
DE0202A	PSCP: Public School Construction Program	\$240,344,000	\$0	\$0	\$0	\$0	\$240,344,000
DE0202AQ	PSCP: Qualified Zone Academy Bond Program	15,902,000	0	0	0	0	15,902,000
DE0202B	PSCP: Aging School Program	6,109,000	0	0	0	0	6,109,000
RA01A	MSDE: Public Library Grant Program	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	
RA01B	MSDE: Western Maryland Regional Library	2,500,000	0	0	0	0	2,500,000
RE01A	MSDE: New Fire Alarm and Emergency Notification System	332,000	0	0	0	0	332,000
Subject Category Subtotal:		\$270,187,000	\$0	\$0	\$0	\$0	\$270,187,000
Higher Education							
RB22A	UMCP: Physical Sciences Complex	\$30,100,000	\$0	\$0	\$0	\$0	\$30,100,000
RB23A	BSU: Campuswide Site Improvements	1,833,000	0	0	0	0	1,833,000
RB23B	BSU: New Fine and Performing Arts Building	1,050,000	0	0	0	0	1,050,000
RB25A	UMES: New Engineering and Aviation Sciences Building	3,600,000	0	0	0	0	3,600,000
RB26A	FSU: New Center for Communications and Information Technology	10,054,000	0	0	0	0	10,054,000
RB28A	UB: New Law School Building	41,493,000	0	0	0	0	41,493,000
RB31A	UMBC: New Performing Arts and Humanities Facility	31,200,000	10,000,000	0	0	0	41,200,000
RB36RB	USMO: Capital Facility Renewal	0	17,000,000	0	0	0	17,000,000
RC00A	BCCC: Main Building Renovation	2,250,000	0	0	0	0	2,250,000
RI00A	MHEC: Community College Facilities Grant Program	60,791,000	0	0	0	0	60,791,000
RM00A	MSU: New Center for the Built Environment	4,000,000	0	0	0	0	4,000,000
RM00B	MSU: New School of Business Complex	921,000	0	0	0	0	921,000
RM00C	MSU: Lillie Carroll Jackson Museum Renovation	50,000	0	0	0	0	50,000
ZA00H	MICUA: Johns Hopkins University	1,000,000	0	0	0	0	1,000,000

Budget Code	Project Title	Bonds		Current Funds (PAYGO)			Total Funds
		General Obligation	Revenue	General	Special	Federal	
ZA00I	MICUA: Maryland Institute College of Art	1,000,000	0	0	0	0	1,000,000
ZA00J	MICUA: Mount St. Mary's University	1,000,000	0	0	0	0	1,000,000
ZA00K	MICUA: Washington College	1,000,000	0	0	0	0	1,000,000
Subject Category Subtotal:		\$191,342,000	\$27,000,000	\$0	\$0	\$0	\$218,342,000
Housing/Community Development							
D40W0111	MDOP: Maryland Historical Preservation Loan Program	\$0	\$0	\$0	\$100,000	\$0	\$100,000
D40W1112	MDOP: Sustainable Communities Tax Credit Program	0	0	10,000,000	0	0	10,000,000
DW0108A	MDOP: Riverside Interpretive Trail and Exhibit Stations	1,001,000	0	0	0	0	1,001,000
DW0110	MDOP: African American Heritage Preservation Program	1,000,000	0	0	0	0	1,000,000
S00A2502	DHCD: Community Development Block Grant Program	0	0	0	0	10,000,000	10,000,000
S00A2507	DHCD: Rental Housing Programs	0	0	0	15,500,000	6,000,000	21,500,000
S00A2514	DHCD: MD-BRAC Preservation Loan Program	0	0	0	4,000,000	0	4,000,000
SA24A	DHCD: Community Legacy Program	4,250,000	0	0	0	0	4,250,000
SA24B	DHCD: Neighborhood Business Development Program	4,250,000	0	0	0	0	4,250,000
SA25A	DHCD: Partnership Rental Housing Program	6,000,000	0	0	0	0	6,000,000
SA25B	DHCD: Homeownership Program	8,500,000	0	0	0	1,000,000	9,500,000
SA25C	DHCD: Shelter and Transitional Housing Facilities Grant Program	2,000,000	0	0	0	0	2,000,000
SA25D	DHCD: Special Loan Programs	7,400,000	0	0	0	3,000,000	10,400,000
Subject Category Subtotal:		\$34,401,000	\$0	\$10,000,000	\$19,600,000	\$20,000,000	\$84,001,000

Budget Code	Project Title	Bonds		Current Funds (PAYGO)			Total Funds
		General Obligation	Revenue	General	Special	Federal	
Local Projects							
ZA00A	Misc: Baltimore Museum of Art	\$2,500,000	\$0	\$0	\$0	\$0	\$2,500,000
ZA00B	Misc: East Baltimore Biotechnology Park	2,500,000	0	0	0	0	2,500,000
ZA00C	Misc: Charles E. Smith Life Communities	675,000	0	0	0	0	675,000
ZA00G	Misc: Maryland Hall for the Creative Arts	250,000	0	0	0	0	250,000
ZA00L	Misc: Maryland Zoo in Baltimore	2,500,000	0	0	0	0	2,500,000
ZA00M	Misc: National Children's Museum	3,000,000	0	0	0	0	3,000,000
ZA00P	Misc: St. Ann's Infant and Maternity Home	750,000	0	0	0	0	750,000
ZA02	Local House Initiatives	7,500,000	0	0	0	0	7,500,000
ZA03	Local Senate Initiatives	7,500,000	0	0	0	0	7,500,000
Subject Category Subtotal:		\$27,175,000	\$0	\$0	\$0	\$0	\$27,175,000
Transportation							
ZA00D	Misc: InterCounty Connector	\$57,630,000	\$0	\$0	\$0	\$0	\$57,630,000
Subject Category Subtotal:		\$57,630,000	\$0	\$0	\$0	\$0	\$57,630,000
De-authorizations							
ZF00	De-authorizations as Introduced	-\$10,618,000	\$0	\$0	\$0	\$0	-\$10,618,000
Subject Category Subtotal:		-\$10,618,000	\$0	\$0	\$0	\$0	-\$10,618,000
Nontransportation Total		\$940,902,000	\$207,000,000	\$10,000,000	\$130,966,000	\$148,741,819	\$1,437,609,819
Transportation		\$0	\$335,000,000	\$0	\$423,685,000	\$827,751,000	\$1,586,436,000
Grand Total		\$940,902,000	\$542,000,000	\$10,000,000	\$554,651,000	\$976,492,819	\$3,024,045,819

BCCC: Baltimore City Community College
BPW: Board of Public Works
BSU: Bowie State University
DHCD: Department of Housing and Community Development
DHMH: Department of Health and Mental Hygiene
DoIT: Department of Information Technology
DNR: Department of Natural Resources
DPSCS: Department of Public Safety and Correctional Services
DSP: Department of State Police
FSU: Frostburg State University
MD: Military Department
MD-BRAC: Maryland Base Realignment and Closure
MDA: Maryland Department of Agriculture
MDTA: Maryland Transportation Authority
MDE: Maryland Department of the Environment
MDOA: Maryland Department of Aging
MDOD: Department of Disabilities

MDOP: Maryland Department of Planning
MEA: Maryland Energy Administration
MHA: Maryland Hospital Association
MHEC: Maryland Higher Education Commission
MICUA: Maryland Independent College and University Association
Misc: Miscellaneous
MSD: Maryland School for the Deaf
MSDE: Maryland State Department of Education
MSU: Morgan State University
PSCP: Public School Construction Program
UB: University of Baltimore
UMBC: University of Maryland Baltimore County
UMCP: University of Maryland, College Park
UMES: University of Maryland Eastern Shore
USMO: University System of Maryland Office
UMMS: University of Maryland Medical System

Back of Bill – GO Bond De-authorizations and Other Changes

<u>Project Title</u>	<u>De-authorized Project Funding</u>	<u>2012 Session Pre-authorization Amounts</u>	<u>2013 Session Pre-authorization Amounts</u>	<u>2014 Session Pre-authorization Amounts</u>	<u>Comments Concerning Proposed Changes</u>
DBED: Maryland State Welcome Centers	-\$484,000				Project complete.
DPSCS: 1024-Cell Housing Units and Support Space (NBCI)	-502,000				Available unencumbered prior authorized funds.
MPBC: Back-up Power Supply System	-111,000				Project complete.
DBED: Smart Growth Economic Development Infrastructure Fund	-365,000				Available unencumbered prior authorized funds.
DHMH: Adult Day Care Facilities	-365,000				Available unencumbered prior authorized funds.
MES: Infrastructure Improvement Fund					Extend authorization termination date.
BPW: Rockville District Court	-179,000				Project complete.
DNR: Dam Rehabilitation Program					Extend authorization termination date.
DPSCS: 1024-Cell Housing Units and Support Space (NBCI)	-470,000				Available unencumbered prior authorized funds.
MBPS: Digital Interconnection Network System	-102,000				Project complete.
MICUA: Columbia Union College					Extend authorization termination date.
MICUA: Sojourner Douglass College					Extend authorization termination date.

<u>Project Title</u>	<u>De-authorized Project Funding</u>	<u>2012 Session Pre-authorization Amounts</u>	<u>2013 Session Pre-authorization Amounts</u>	<u>2014 Session Pre-authorization Amounts</u>	<u>Comments Concerning Proposed Changes</u>
TEDCO: East County Center for Science and Tech	-1,000,000				Project in litigation.
MSU: Montebello E-Wing/Old Power Plan	-400,000				Project complete.
MES: Infrastructure Improvement Fund					Expands authorized use.
HSMCC: St. John's Archeological Site Exhibit	-299,000				Project complete.
SMCM: New Academic Building	-180,000				Project complete.
MSD: New Elementary and Family Ed. Center	-709,000				Project complete.
MSU: Banneker Hall	-457,000				Project complete.
DHMH: New Forensic Medical Center	-2,500,000				Project complete.
SMCM: Bruce Davis Theater Renovation	-370,000				Project complete.
BPW: Rockville District Court	-1,800,000				Project complete.
MSU: Demolition Projects	-100,000				Project complete.
DSP: New Hagerstown Barrack and Garage	-225,000				Available unencumbered prior authorized funds.
UMBC: New Performing Arts and Humanities Bldg					Adds equipment to the authorized use of funds.
Misc: Kellam's Field					Amend grantee name.
Misc: St. Mary's School and Gymnasium					Amend grantee name.

<u>Project Title</u>	<u>De-authorized Project Funding</u>	<u>2012 Session Pre-authorization Amounts</u>	<u>2013 Session Pre-authorization Amounts</u>	<u>2014 Session Pre-authorization Amounts</u>	<u>Comments Concerning Proposed Changes</u>
Misc: Southern and Broadneck High School Fields					Amend grantee name.
Misc: Glen Avenue Firehouse					Amend grantee name.
Misc: Milford Mill Academy Sign					Amend grantee name.
Misc: North County Park					Amend grantee name.
Misc: Randallstown High School					Amend grantee name.
Misc: Woodlawn High School					Amend grantee name.
Section 12 and Section 13 – 2010 MCCBL					Strikes pre-authorizations for the 2011 session for various projects – funds for these projects have been included in the main body of the bill – Section 1(3).
Section 12 – DNR: Harriet Tubman Underground Railroad State Park – Visitor Center and Site Improvements		\$2,850,000			The State is partnering with the National Park Service. The pre-authorization will allow the project to continue using prior authorized funds and the pre-authorized funds to award contracts.
DNR: Program Open Space (Stateside and Local)		46,423,000	\$14,140,000		This reflects the amount of GO bond replacement funds programmed for fiscal 2012 through 2014, respectively, to replace transfer tax revenues transferred to the general fund.

<u>Project Title</u>	<u>De-authorized Project Funding</u>	<u>2012 Session Pre-authorization Amounts</u>	<u>2013 Session Pre-authorization Amounts</u>	<u>2014 Session Pre-authorization Amounts</u>	<u>Comments Concerning Proposed Changes</u>
DNR: Rural Legacy		4,589,000	4,589,000		This reflects the amount of GO bond replacement funds programmed for fiscal 2012 through 2014, respectively, to replace transfer tax revenues transferred to the general fund.
AGR: Maryland Agricultural Land Preservation Program		6,518,000	6,518,999		This reflects the amount of GO bond replacement funds programmed for fiscal 2012 through 2014, respectively, to replace transfer tax revenues transferred to the general fund.
DPSCS: New Youth Detention Facility (Baltimore City Detention Center)		41,100,000	21,700,000		Provides pre-authorizations to continue development of a new Youth Detention Facility. These funds would be used in conjunction with the \$17.5 million authorized in the 2010 session to commence construction of the project. The 2010 MCCBL provided a pre-authorization of \$38.0 million and \$26.5 million for fiscal 2012 and 2013, respectively; however, the project is currently on hold while the Administration works with advocacy groups to re-scope the project. Should agreement on the project scope be reached during the coming months, the pre-authorized funds will allow the project to be bid for construction during fiscal 2012.

<u>Project Title</u>	<u>De-authorized Project Funding</u>	<u>2012 Session Pre-authorization Amounts</u>	<u>2013 Session Pre-authorization Amounts</u>	<u>2014 Session Pre-authorization Amounts</u>	<u>Comments Concerning Proposed Changes</u>
UMCP: Physical Sciences Complex		24,550,000			This adjusted the pre-authorized amount for the 2012 session. The amount pre-authorized for the 2012 session in the 2010 MCCBL was \$10.6 million – while the 2010 MCCBL also pre-authorized \$44.1 million for the 2011 this amount has been reduced to \$30.1 million, therefore, the proposed authorizations have been modified to reflect revised cash flow needs and not revised project costs.
FSU: New Center for Communications and Information Technology		39,550,000	4,400,000		Provides pre-authorizations for the 2012 and 2013 sessions, respectively, these funds will be combined with the \$10,054,000 proposed to be authorized in the 2011 session to allow the project to proceed to construction bid during fiscal 2012.
BCCC: Main Building Renovation – Administration Wing – Liberty Campus		7,800,000			The amount pre-authorized for the 2012 session will be used in combination with the \$2.6 million proposed to be authorized in the 2011 session to allow the project to proceed to construction bid during fiscal 2012 without committing all the funding necessary to complete construction in fiscal 2011.

<u>Project Title</u>	<u>De-authorized Project Funding</u>	<u>2012 Session Pre-authorization Amounts</u>	<u>2013 Session Pre-authorization Amounts</u>	<u>2014 Session Pre-authorization Amounts</u>	<u>Comments Concerning Proposed Changes</u>
MHEC: Community College Facilities Grant Program		10,779,000			Provides a pre-authorization to allow the Montgomery College Rockville Science East Renovation (\$6,207,000) and the College of Southern Maryland Renovation and Expansion of BU/CE buildings to proceed to construction during fiscal 2012 in conjunction with other State and local project funding.
DNR: Enhanced Nutrient Removal		18,175,000			Completes the replacement of revenues transferred from the Chesapeake Bay Restoration Fund to the general fund.
DSP: Helicopter Replacement		31,400,000	10,800,000	\$3,000,000	The pre-authorizations for the 2012 through 2014 sessions, respectively, will allow the State to procure up to 10 helicopters under the current contract recently approved by the Board of Public Works.
Total	-\$10,618,000	\$233,734,000	\$62,147,999	\$3,000,000	

AGR: Agriculture
BCDC: Baltimore City Detention Center
BPW: Board of Public Works
BSU: Bowie State University
BU/CE: Business and Continuing Education
CIP: *Capital Improvement Program*
DBED: Department of Business and Economic Development
DHMH: Department of Health and Mental Hygiene
DNR: Department of Natural Resources
DPSCS: Department of Public Safety and Correctional Services
DSP: Department of State Police
HSMCC: Historic St. Mary's City Commission
MES: Maryland Environmental Service
MDOP: Maryland Department of Planning

MHA: Maryland Hospital Association
MHEC: Maryland Higher Education Commission
MICUA: Maryland Independent Colleges and Universities Association
MPBC: Maryland Public Broadcasting Commission
MSD: Maryland School for the Deaf
MSDE: Maryland State Department of Education
MSU: Morgan State University
NBCI: North Branch Correctional Institution
SMCM: St. Mary's College of Maryland
TEDCO: Maryland Technology Development Corporation
UMBC: University of Maryland Baltimore County
UMCP: University of Maryland, College Park