

Department of Fiscal Services  
Maryland General Assembly

FISCAL NOTE

House Bill 1261 (Delegate Conway, et al.)  
Appropriations

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**Transportation - State Highway Administration - Minimum Annual Expenditures**

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This bill requires the Governor to include in each annual budget funding for State Highway Administration capital projects in an amount that is not less than the amount expended for such projects in fiscal 1995. The bill also requires the Governor to adjust such expenditures to reflect adjustments in the Federal Highway Administration’s construction costs composite price index. The bill is effective July 1, 1996.

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**Fiscal Summary**

**State Effect:** Special fund expenditures could increase by \$5 million in FY 1997. No effect on revenues.

| (in millions)   | FY 1997 | FY 1998 | FY 1999 | FY 2000 | FY 2001 |
|-----------------|---------|---------|---------|---------|---------|
| SF Revenues     | \$0     | \$0     | \$0     | \$0     | \$0     |
| SF Expenditures | 5       | 134     | 203     | 260     | 314     |
| Net Effect      | (\$5)   | (\$134) | (\$203) | (\$260) | (\$314) |

*Note: ( ) - decrease; GF - general funds; FF - federal funds; SF - special funds*

**Local Effect:** None.

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**Fiscal Analysis**

**State Expenditures:** This bill requires that State Highway Administration capital project expenditures be maintained at the fiscal 1995 level adjusted for inflation as measured by the federal highway construction costs composite price index. Fiscal 1995 capital project spending was approximately \$571 million and the federal construction index is estimated at 1.72%, 1.68%, 1.66%, 1.63%, 1.61% and 1.57% for fiscal 1996-2001, respectively.

Exhibit 1 presents the spending requirement provided in this bill, the State Highway Administration's Consolidated Transportation Plan (CTP) for fiscal 1996-2001, and the resulting impact on future year expenditures.

**Exhibit 1**  
(In millions)

|                                   | FY 1997     | FY 1998      | FY 1999      | FY 2000      | FY 2001      |
|-----------------------------------|-------------|--------------|--------------|--------------|--------------|
| Current CTP Expenditure Estimates | \$586       | \$466        | \$407        | \$360        | \$316        |
| Expenditures Required under SB710 | <u>591</u>  | <u>600</u>   | <u>610</u>   | <u>620</u>   | <u>630</u>   |
| <b>Expenditure Increase</b>       | <b>\$ 5</b> | <b>\$134</b> | <b>\$203</b> | <b>\$260</b> | <b>\$314</b> |

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**Information Source(s):** Department of Transportation (State Highway Administration), Department of Fiscal Services

**Fiscal Note History:** First Reader - March 5, 1996  
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