

Department of Legislative Services
Maryland General Assembly
2004 Session

FISCAL AND POLICY NOTE
Revised

House Bill 377
Appropriations

(Delegate Marriott, *et al.*)

Budget and Taxation

Board of Public Works - Baltimore Zoo - Lease Payments

This bill requires any lease payment due by the State for the Baltimore Zoo to be included in the annual budget for the Board of Public Works. In addition, the bill states that it is the intent of the General Assembly that the name of the Baltimore Zoo be changed to the Maryland Zoo in Baltimore.

The bill takes effect July 1, 2004.

Fiscal Summary

State Effect: None. The FY 2005 State budget allowance includes \$2.9 million to support the payment of the Baltimore Zoo lease. Altering the name of the Baltimore Zoo would not substantially impact zoo expenditures and would not affect State funding.

Local Effect: None.

Small Business Effect: None.

Analysis

Current Law: Pursuant to a lease agreement, the Maryland Zoological Society receives an annual State payment to support general operations at the Baltimore Zoo. The actual State funding amount is not specified in the lease agreement.

Background: The Baltimore Zoo is operated by the Maryland Zoological Society, a nonprofit community-based corporation founded in 1967 as an outside fundraiser and

advisory group. The society's role expanded in 1984 when it formally assumed management responsibility for the Baltimore Zoo. The title to all facilities, real property, and animals remains with the City of Baltimore.

The Baltimore Zoo receives a significant amount of funding from the State, both for its lease payment and as an educational organization. Heretofore, these grants have been linked as a single line item in the State budget under funding for educational organizations. Budget pressures in fiscal 2003 resulted in a pro-rata reduction to all such educational organizations, each of which has its own line item in the budget. The zoo retained sufficient funding to cover its lease payment but expressed concern that its share of the reduction should have been applied to the education portion of the grant only. Budget reductions in fiscal 2004 held the lease portion of the grant for the zoo harmless. In calendar 2002, the State provided the Baltimore Zoo with \$3.7 million, which accounted for 31.3% of the zoo's unrestricted revenues as shown in **Exhibit 1**.

Exhibit 1
Baltimore Zoo – Unrestricted Revenues
Calendar 2002

	<u>Funding Amount</u>	<u>Percent of Total</u>
State of Maryland	\$3,684,759	31.3%
Food and Souvenir Program	2,300,274	19.5%
Contributions	1,896,014	16.1%
Gate Receipts	1,504,141	12.8%
Membership Dues	1,139,780	9.7%
Baltimore City Grant	225,000	1.9%
Other	<u>1,029,219</u>	<u>8.7%</u>
Total Unrestricted Revenue	\$11,779,187	100.0%

Source: Baltimore Zoo Audit Report, Year Ended December 31, 2002

State Fiscal Effect: As part of the lease agreement, the State provides the Maryland Zoological Society with a \$2.9 million grant to support general operations at the Baltimore Zoo. The lease payment is now included as a separate line item in the annual budget for the Maryland State Department of Education. This bill does not alter the

amount of the annual lease payment and, therefore, would not affect State finances. **Exhibit 2** shows the level of State funding for the Baltimore Zoo since fiscal 2003.

Exhibit 2
State Grants to the Baltimore Zoo
Fiscal 2003 - 2005

	<u>Actual</u> <u>FY 2003</u>	<u>Appropriation</u> <u>FY 2004</u>	<u>Allowance</u> <u>FY 2005</u>
Baltimore Zoo Lease Payment	\$2,860,237	\$2,860,237	\$2,860,237
Funding for Educational Organizations	<u>369,545</u>	<u>273,387</u>	<u>1,023,039</u>
Total	\$3,229,782	\$3,133,624	\$3,883,276

Source: Maryland State Budget Book for Fiscal 2005

Additional Information

Prior Introductions: None.

Cross File: SB 141 (Senators McFadden and Hughes) – Budget and Taxation.

Information Source(s): Board of Public Works, Department of Budget and Management, Department of Legislative Services

Fiscal Note History: First Reader - February 3, 2004
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Analysis by: Hiram L. Burch Jr.

Direct Inquiries to:
(410) 946-5510
(301) 970-5510