

Department of Legislative Services
 Maryland General Assembly
 2009 Session

FISCAL AND POLICY NOTE

Senate Bill 245 (Senator Rosapepe)
 Budget and Taxation

State Aid for Police Protection - Grants

This bill alters the calculation of the State Aid for Police Protection Fund (police aid formula) by providing a supplemental grant of \$20 per capita to any municipality that contains a higher education institution with a full-time undergraduate enrollment of at least 20,000 students on its principal campus. In order to receive the supplemental grant, a municipality must provide matching funds for police protection.

Fiscal Summary

State Effect: General fund expenditures increase by \$532,100 in FY 2010. Future year expenditures reflect population increases for the City of College Park. **This bill increases a mandated State appropriation beginning in FY 2011.** Revenues are not affected.

| (in dollars) | FY 2010 | FY 2011 | FY 2012 | FY 2013 | FY 2014 |
|----------------|-------------|-------------|-------------|-------------|-------------|
| Revenues | \$0 | \$0 | \$0 | \$0 | \$0 |
| GF Expenditure | 532,100 | 536,900 | 541,800 | 546,600 | 551,600 |
| Net Effect | (\$532,100) | (\$536,900) | (\$541,800) | (\$546,600) | (\$551,600) |

Note:() = decrease; GF = general funds; FF = federal funds; SF = special funds; - = indeterminate effect

Local Effect: State aid to the City of College Park increases by \$532,100 in FY 2010 and by \$551,600 in FY 2014. City expenditures for police protection will increase by the same amount.

Small Business Effect: None.

Analysis

Current Law: Additional State funding under the police aid formula is not provided to municipalities based on the presence of a higher education institution.

Legislation enacted in 2006 requires the State to provide a supplemental grant to subdivisions bordering the District of Columbia (Montgomery and Prince George's counties) by an amount equal to \$0.50 for each person living in Maryland within one mile of the border between Maryland and the District of Columbia.

Background: State grants are provided to counties and qualifying municipalities for the exclusive purpose of providing adequate police protection under the State Aid for Police Protection Fund, which was established in 1967. The program is commonly known as the police aid formula. In fiscal 2010, State funding for this program will total \$66.0 million as shown in **Exhibit 1**.

Local governments spent approximately \$1.2 billion on police protection in fiscal 2005. County governments accounted for 61.5% of these expenditures, Baltimore City accounted for 25.6%, and municipal governments accounted for 13.0%. Baltimore City was excluded from the police aid formula beginning in fiscal 1992 when the State assumed the responsibility of operating and funding the Baltimore City Detention Center. In fiscal 1995, the State established a central booking facility for the city. The proposed fiscal 2010 State budget includes \$142.6 million in State funding for the Baltimore City Detention Center and Central Booking Facility. Legislation was enacted that enables Baltimore City to receive a \$0.50 per capita grant for police aid beginning in fiscal 1997.

The City of College Park employs the full-time equivalent of 4.5 officers from the Prince George's County Police Department, on a part-time contractual basis, at a cost of approximately \$500,000 annually. In the 2009 adopted budget, the City of College Park has budgeted an additional \$500,000 to hire three full-time contractual police officers from the Prince George's County Police Department, increasing contractual police expenditures to \$1 million annually.

State Fiscal Effect: The only municipality in the State that contains a higher education institution with a full-time enrollment of at least 20,000 students on its principal campus is the City of College Park. It is estimated that there are 23,411 full-time equivalent undergraduate students enrolled at the University of Maryland, College Park (UMCP). The City of College Park has a population of 26,607.

General fund expenditures for the police aid formula will increase by \$532,140 in fiscal 2010 if funding for the supplemental grant is added to the fiscal 2010 State budget. Beginning in fiscal 2011, the supplemental police aid grant is mandated and general fund

expenditures increase by an estimated \$536,930. Future year expenditures assume 0.9% annual increases in the city's population and that the city will continue to provide matching funds needed to secure the State grant.

Local Fiscal Effect: City of College Park revenues from the police aid formula may increase by \$532,140 in fiscal 2010 and will increase by an estimated \$536,930 in fiscal 2011 and \$551,560 in fiscal 2014. City expenditures for police protection would have to remain at or above the State grant amount to qualify for the additional funds. The City of College Park advises that the additional revenues will be used to increase the number of contractual full-time police officers employed by the city.

Additional Information

Prior Introductions: HB 1292 of 2008 received an unfavorable report from the House Appropriations Committee. The cross file, SB 507, received a hearing from the Senate Budget and Tax Committee and no further action was taken. HB 1190 of 2007 was assigned to the House Appropriations Committee but was withdrawn.

Cross File: None.

Information Source(s): City of College Park, University System of Maryland, Department of Legislative Services

Fiscal Note History: First Reader - February 9, 2009
ncs/mwc

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Exhibit 1
Total State Aid for Police Protection
Fiscal 2010

| County | Population | Aid Amount | Per Capita Aid Amount |
|-----------------|-------------------|---------------------|------------------------------|
| Allegany | 72,594 | \$870,375 | \$11.99 |
| Anne Arundel | 512,154 | 6,651,380 | 12.99 |
| Baltimore City | 637,455 | 82,829 | 0.13 |
| Baltimore | 788,994 | 9,719,129 | 12.32 |
| Calvert | 88,223 | 790,515 | 8.96 |
| Caroline | 32,910 | 343,624 | 10.44 |
| Carroll | 169,220 | 1,606,483 | 9.49 |
| Cecil | 99,695 | 977,112 | 9.80 |
| Charles | 140,444 | 1,232,035 | 8.77 |
| Dorchester | 31,846 | 382,677 | 12.02 |
| Frederick | 224,705 | 2,294,112 | 10.21 |
| Garrett | 29,627 | 237,855 | 8.03 |
| Harford | 239,993 | 2,747,291 | 11.45 |
| Howard | 273,669 | 3,471,474 | 12.68 |
| Kent | 19,987 | 201,230 | 10.07 |
| Montgomery | 930,813 | 15,148,824 | 16.27 |
| Prince George's | 828,770 | 14,145,955 | 17.07 |
| Queen Anne's | 46,571 | 409,985 | 8.80 |
| St. Mary's | 100,378 | 859,874 | 8.57 |
| Somerset | 26,016 | 249,088 | 9.57 |
| Talbot | 36,193 | 406,388 | 11.23 |
| Washington | 145,113 | 1,476,316 | 10.17 |
| Wicomico | 93,600 | 1,023,773 | 10.94 |
| Worcester | 49,374 | 703,956 | 14.26 |
| Total | 5,618,344 | \$66,032,280 | \$11.75 |

Note: State funding for the Baltimore City Detention Center and Central Booking Facility is expected to total \$142.6 million in fiscal 2010 or \$223.70 per city resident.