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Fiscal Briefing

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Quick Look at the Fiscal 2011 Budget

Overview

- The proposed fiscal 2011 budget totals \$32 billion. This amount is about \$300 million less than fiscal 2010. A \$460 million decrease in federally funded spending offsets an increase in spending from State funds.
- Proposed general fund appropriations are \$13.2 billion. This amount is \$265 million or 2.0% less than fiscal 2010. Adjusting for reserve fund transfers, the decrease is \$165 million.
- Spending from State general and special funds is \$19.1 billion, an increase of \$43 million over fiscal 2010. Excluding reserve fund transfers, the increase is \$143 million or 0.8%.
- The budget observes the spending affordability guidelines. Appropriations decline meeting the 0.0% limit. A net reduction of 155 positions meets the recommendation to freeze total positions.

Major Items

- Medicaid funding totals \$6.1 billion, an increase of 3.4%. Assuming the enhanced federal match through the American Recovery and Reinvestment Act (ARRA) continues an additional six months, the overall federal share of Medicaid spending will be 63%.
- Education aid in fiscal 2011 totals \$5.7 billion – an increase of 3.4%. With the exception of a \$4.3 million scaling back of the increase in school bus transportation grants, the budget fully funds the major aid programs. This funding relies on \$422 million from the ARRA which is not expected to continue in fiscal 2012.
- Public four-year higher education institutions receive \$1.2 billion in State funds, an amount essentially level with fiscal 2010. Tuition increases will be held to 3% after four years of an in-state undergraduate tuition freeze.
- In the proposed capital program, there is \$250 million for school construction, \$260 million for higher education projects, \$81 million for community colleges, and \$250 million for Chesapeake Bay restoration. There is \$15 million reserved for legislative initiatives.

- Land preservation programs are fully funded, although bond funding has been substituted for transfer tax revenues. The 2010 Chesapeake Bay Trust Fund receives \$20 million – less than the statutory requirement but more than in either fiscal 2009 or 2010.
- There is \$20 million allocated for a Job Creation and Recovery Tax Credit to provide incentives to business to hire unemployed Marylanders.

Financial Aspects – Operating Budget

- The fiscal 2011 current services general fund forecast considered by the Spending Affordability Committee showed a \$2 billion gap. In addition, it was estimated that fiscal 2010 deficiencies exceeded \$200 million. The Governor’s fiscal 2011 budget proposal funds the fiscal 2010 deficiencies, eliminates the \$2 billion gap, and leaves a \$274 million fund balance. No tax increases are proposed, and the Rainy Day Fund remains at 5% of revenues. The plan relies primarily on the following:
 - *Spending Constraint* – \$965 million is reduced from baseline spending primarily by carrying forward many fiscal 2010 cost containment actions such as reductions in aid to local governments, the elimination of State employee increments, no cost-of-living adjustments for employees and community health care providers, level funding higher education, delaying major information technology projects, and employee furloughs.
 - *Fund Substitutions* – Replacing general funds with special or federal funds and replacing special funds with bond funds with subsequent transfer to the general fund. General fund reductions or special fund transfers resulting from these actions total about \$1.3 billion, with the largest being federal funds for Medicaid (\$389 million), local income tax revenue fund balance for education (\$350 million), and bonding special funded capital projects (\$442 million). The Administration proposes to repay the local income tax fund over seven years and fund the capital projects with bonds over three years.
- Across the two fiscal years, over \$1.8 billion of the actions to balance the budgets are contingent on legislation, primarily the Budget Reconciliation and Financing Act of 2010.
- The budget assumes \$389 million in additional federal monies from a six-month extension of the enhanced Medicaid match under the ARRA. With this assumption, reliance on federal stimulus funds to replace general funds grows from \$1.1 billion in fiscal 2010 to almost \$1.3 billion in fiscal 2011.

- Proposed general fund expenditures for fiscal 2011 exceed current revenues by over \$500 million, offset by special fund transfers. With the assumed unavailability of \$1.3 billion of federal stimulus funds in future years, the Administration's forecast shows a funding gap of \$1.5 billion in fiscal 2012 growing to over \$2 billion in fiscal 2013.

Financial Aspects – Capital Budget

- The State's capital improvement program totals \$3.1 billion. This includes \$1.2 billion in general obligation bonds, \$177 million in revenue bonds, \$1.5 billion for transportation, and \$262 million in pay-as-you-go funds in the operating budget.
- General obligation bonds (\$291 million) are utilized to replace current and prior years' special funds for programs and projects enabling the special funds to be transferred to the general fund. These are primarily projects funded from the State transfer tax and the bay restoration fee.

Overview
2010 Session Budget Plan
(\$ in Millions)

Budget Problem

FY 2010 Deficiencies	\$209	
FY 2011 Baseline Gap	<u>1,997</u>	
		\$2,206

Constraining Budget Growth

Aid to Local Governments	271	
Entitlements	158	
State Agencies	<u>536</u>	
		\$965

Found Money/Fund Swaps

Capital Cash	442	
Enhanced Medicaid Match	389	
Borrow Local Income Tax	350	
Revised VLT Revenues	73	
Other	<u>69</u>	
		\$1,323

Net Other Actions **\$192**

Total Solutions **\$2,480**

Ending Fund Balance **\$274**

VLT: video lottery terminal

General Fund: Recent History and Outlook
Fiscal 2003-2011
(\$ in Millions)

	2003 Actual	2004 Actual	2005 Actual	2006 Actual	2007 Actual	2008 Actual	2009 Actual	2010 Working	2011 Allowance
Funds Available									
Ongoing Revenues	\$9,281	\$10,151	\$11,317	\$12,390	\$12,935	\$13,545	\$12,893	\$12,279	\$12,631
Balances and Transfers	1,124	519	939	1,328	1,395	1,430	1,526	1,232	778
One-time Federal Aid	123	227	0	0	0	0	445	1,143	1,276
One-time Generally Accepted Accounting Principles Transfer	0	-50	-37	0	154	0	21	0	0
Short-term Revenues	48	104	231	0	6	0	0	189	42
Subtotal Funds Available	\$10,577	\$10,951	\$12,450	\$13,718	\$14,489	\$14,975	\$14,885	\$14,842	\$14,726
Appropriations, Deficiencies, and Cost Containment									
Net Ongoing Operating Costs and Deficiencies	\$10,240	\$10,488	\$11,159	\$12,051	\$13,430	\$14,298	\$14,638	\$14,469	\$15,125
One-time Reductions/Withdrawn Appropriations		0	0	0	0	0	0	0	-672
PAYGO Capital	31	1	1	6	136	27	14	0	0
Appropriations to Reserve Fund	181	10	115	299	638	163	147	115	0
Subtotal Spending	\$10,454	\$10,498	\$11,275	\$12,356	\$14,204	\$14,488	\$14,798	\$14,584	\$14,452
Cash Balance/Shortfall	\$123	\$453	\$1,174	\$1,362	\$285	\$487	\$87	\$258	\$274
Structural									
Balance (Ongoing Revenues Less Operating Costs)	-\$958	-\$337	\$158	\$338	-\$495	-\$753	-\$1,745	-\$2,190	-\$2,494
Ratio (Ongoing Revenues/Operating Costs)	91%	97%	101%	103%	96%	95%	88%	85%	84%
Reserve Fund Activity									
Appropriations to Rainy Day Fund	\$181	\$10	\$115	\$250	\$593	\$163	\$147	\$176	\$0
Transfers to General Fund	-249	0	-91	0	0	-978	-170	-210	0
Estimated Rainy Day Fund Balance – June 30	\$490	\$497	\$521	\$759	\$1,432	\$685	\$692	\$615	\$634
Total Cash (Rainy Day, General Fund Balance)	\$613	\$949	\$1,696	\$2,120	\$1,717	\$1,172	\$779	\$873	\$907

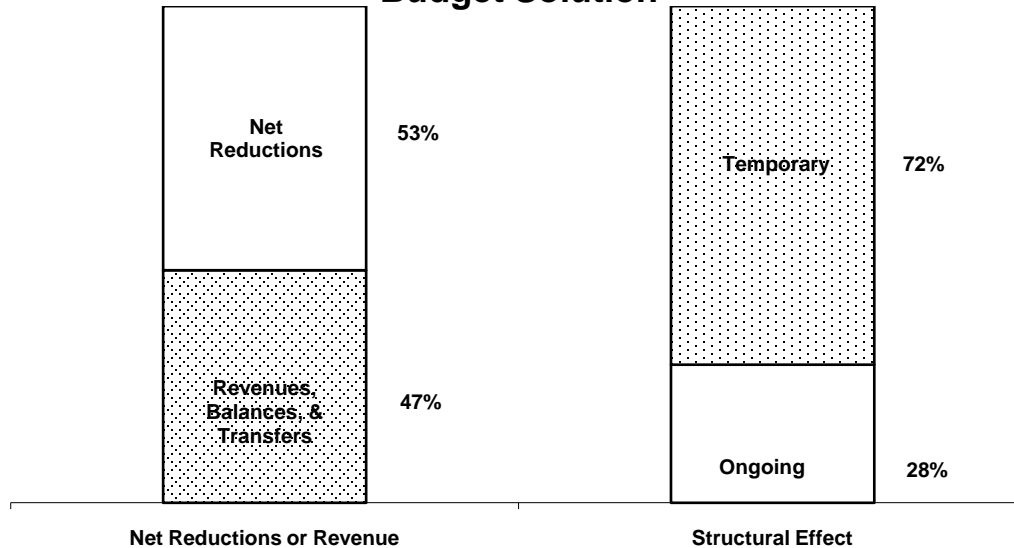
GAAP: generally accepted accounting principles
PAYGO: pay-as-you-go

Fiscal 2011 Budget Problem (\$ in Millions)

Defining the Hole

2011 Gap from DLS Baseline	-\$1,997
Est. 2011 Cash Balance	274
Total	-\$2,271

Administration's Fiscal 2011 Budget Solution



Proposed Fiscal 2011 Budget Solution Matrix

Filling the Hole

	<u>Ongoing</u>	<u>Temporary</u>	<u>Total</u>
Revenue Actions			
Revenues	-\$14	\$58	\$44
Fund Balance		258	258
Transfers		761	761
Subtotal	-\$14	\$1,078	\$1,064
Spending Actions			
Federal Medicaid Match		\$389	\$389
Mandate Relief	\$79	91	170
Reductions and Reversions	567	81	648
Subtotal	\$645	\$561	\$1,207
Grand Total	\$631	\$1,639	\$2,270

DLS: Department of Legislative Services

Changes from Baseline Expenditure Growth
Fiscal 2011 Proposed Budget
(\$ in Millions)

Aid to Local Governments	-\$33
Various mandated aid formulas (school bus transportation, community colleges, police aid, and local health grants) reduced from baseline (\$50.1 million)*	
Aid programs – net increase from baseline estimates (\$16.6 million)	
Entitlements	-158
Medicaid funding less than baseline estimates (\$170.2 million)	
Assistance payments and property tax credits higher than baseline estimates (\$11.9 million)	
Higher Education	-46
State support for colleges and universities and most scholarships level funded (\$20 million); baseline assumed modest growth	
Private higher education Sellinger program reduced (\$22 million)*	
State Agencies – Operations/Programs	-185
Corrections: Local jail reimbursements not funded, less overtime, higher vacancies, and small increase in inmate medical contract pending new contract award (\$49.1 million)	
Less funding for local management boards, child welfare services level funded, funding for mental hygiene and developmental disability services lower than baseline, and no community service provider increases (\$63.4 million)	
Less funding for information technology projects and no funding for new election system (\$28.5 million)	
State Agencies – Personnel	-275
2% general salary increase, increments, and deferred compensation match not funded but assumed in baseline (\$135 million)	
Furloughs and position reductions not in baseline (\$75 million)	
Retirement, health insurance, workers' compensation costs lower (\$66 million)	
Subtotal – Baseline Savings from Constraining Growth	-\$699
Fund Swaps/Found Money	-\$931
Education: Additional VLT proceeds (\$73 million), local income tax balance (\$350 million), ARRA monies (\$10 million), and bond funding aging schools (\$6 million)	
Entitlements: Enhanced Medicaid match for six more months (\$389 million), nursing home assessment (\$17 million), and more TANF funds (\$43 million)	
Continue Higher Education Investment Fund (\$42 million)	
Total Difference from Baseline	-\$1,629

ARRA: American Recovery and Reinvestment Act
TANF: Temporary Assistance for Needy Families
VLT: video lottery terminal

*Savings contingent on legislation.

Budget Change by Fund (\$ in Millions)

	Work. Appr. <u>FY 2010</u>	Allowance <u>FY 2011</u>	<u>\$ Change</u>	<u>% Change</u>
General	\$13,474.7	\$13,853.9	\$379.2	2.8%
Special	5,663.2	5,871.1	207.9	3.7%
Federal	9,793.8	9,342.5	-451.3	-4.6%
Higher Education	<u>3,423.2</u>	<u>3,540.7</u>	<u>117.5</u>	<u>3.4%</u>
Total Spending	\$32,354.9	\$32,608.2	\$253.3	0.8%
<i>General + Special</i>	<i>19,137.8</i>	<i>19,725.0</i>	<i>587.1</i>	<i>3.1%</i>

Targeted Reversions, Contingent Reductions, and Fund Swaps

General	-\$33.7	-\$677.5
Special	0.0	99.9
Federal	0.0	-11.0
Higher Education	<u>0.0</u>	<u>0.0</u>
	-\$33.7	-\$588.6

	Adjusted Work. Appr. <u>FY 2010</u>	Adjusted Allowance <u>FY 2011</u>	<u>\$ Change</u>	<u>% Change</u>
General	\$13,441.0	\$13,176.5	-\$264.6	-2.0%
Special	5,663.2	5,970.9	307.8	5.4%
Federal	9,793.8	9,331.5	-462.3	-4.7%
Higher Education	<u>3,423.2</u>	<u>3,540.7</u>	<u>117.5</u>	<u>3.4%</u>
Total Spending	\$32,321.2	\$32,019.6	-\$301.6	-0.9%
<i>General + Special</i>	<i>19,104.2</i>	<i>19,147.4</i>	<i>43.2</i>	<i>0.2%</i>

Note: The fiscal 2010 working appropriation includes \$750.3 million in deficiencies. The fiscal 2011 allowance includes \$117.1 million in reductions from Sections 18-24 of the budget bill (SB 140/HB 150) and \$6.5 million in targeted reversions related to the planned employee furlough. The fiscal 2011 adjusted allowance reflects \$0.6 million in targeted reversions and \$1.0 billion in reductions contingent on legislation. These reductions are offset by \$423.3 million in additional special fund spending due to funding swaps.

State Expenditures – General Funds

(\$ in Millions)

<u>Category</u>	<u>Actual</u>	<u>Work. Appr.</u>	<u>Targeted</u>	<u>Adjusted</u>	<u>Allowance</u>	<u>Contingent</u>	<u>Adjusted</u>	<u>FY 2010 to FY 2011</u>	
	<u>FY 2009</u>	<u>FY 2010</u>	<u>Reversions</u>	<u>Work. Appr.</u>	<u>FY 2011</u>	<u>Reductions</u>	<u>Allowance</u>	<u>\$ Change</u>	<u>% Change</u>
Debt Service	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	n/a
County/Municipal	213.5	189.9	0.3	189.6	186.5	19.4	167.1	-22.6	-11.9%
Community Colleges	254.7	256.2	0.0	256.2	279.2	23.1	256.1	-0.1	0.0%
Education/Libraries	5,442.7	5,230.0	0.0	5,230.0	5,258.9	360.5	4,898.5	-331.5	-6.3%
Health	57.4	37.3	0.0	37.3	41.0	3.7	37.3	0.0	0.0%
Aid to Local Governments	\$5,968.3	\$5,713.4	\$0.3	\$5,713.1	\$5,765.7	\$406.7	\$5,359.0	-354.1	-6.2%
Foster Care Payments	243.0	240.4	0.0	240.4	244.9	0.0	244.9	4.5	1.9%
Assistance Payments	38.2	97.0	0.0	97.0	59.3	0.0	59.3	-37.7	-38.9%
Medical Assistance	1,903.1	1,629.4	0.0	1,629.4	1,804.6	34.2	1,770.5	141.1	8.7%
Property Tax Credits	57.3	73.2	0.0	73.2	73.6	0.0	73.6	0.4	0.6%
Entitlements	\$2,241.6	\$2,039.9	\$0.0	\$2,039.9	\$2,182.4	\$34.2	\$2,148.2	108.3	5.3%
Health	1,402.2	1,359.4	4.2	1,355.2	1,377.0	0.0	1,376.9	21.7	1.6%
Human Resources	308.0	271.3	0.0	271.3	261.8	0.0	261.8	-9.5	-3.5%
Systems Reform Initiative	33.8	24.4	0.0	24.4	20.7	0.0	20.7	-3.8	-15.4%
Juvenile Services	266.9	260.6	0.0	260.6	257.5	0.0	257.5	-3.1	-1.2%
Public Safety/Police	1,255.5	1,171.8	0.0	1,171.8	1,197.5	0.0	1,197.5	25.7	2.2%
Higher Education	1,131.9	1,147.6	0.0	1,147.6	1,187.6	42.1	1,145.4	-2.2	-0.2%
Other Education	398.4	315.8	1.8	314.0	366.4	24.2	342.1	28.1	9.0%
Agric./Natl Res./Environment	122.4	105.7	0.0	105.7	105.1	2.3	102.8	-2.9	-2.7%
Other Executive Agencies	547.7	521.2	0.4	520.8	540.9	5.4	535.5	14.8	2.8%
Legislative	73.6	76.4	1.0	75.4	75.7	0.0	75.7	0.3	0.4%
Judiciary	367.4	375.1	8.5	366.6	388.5	0.0	388.5	22.0	6.0%
Across-the-board Reductions	0.0	0.0	0.0	0.0	-20.5	0.0	-20.5	-20.5	n/a
State Agencies	\$5,907.9	\$5,629.3	\$15.9	\$5,613.5	\$5,758.1	\$74.1	\$5,684.0	70.6	1.3%
Total Operating	\$14,117.7	\$13,382.7	\$16.2	\$13,366.5	\$13,706.2	\$514.9	\$13,191.3	-\$175.2	-1.3%
Capital/Heritage Reserve Fund	23.7	7.1	2.0	5.1	5.8	5.0	0.8	-4.3	-84.2%
Transfer to MDTA	65.0	0.0	0.0	0.0	156.9	156.9	0.0	0.0	n/a
Reserve Funds ⁽¹⁾	146.5	114.9	0.0	114.9	15.0	0.0	15.0	-99.9	-87.0%
Appropriations	\$14,352.9	\$13,504.7	\$18.2	\$13,486.5	\$13,883.9	\$676.9	\$13,207.1	-\$279.5	-2.1%
Reversions	0.0	-30.0	15.5	-45.5	-30.0	0.6	-30.6	14.9	-32.7%
Grand Total	\$14,352.9	\$13,474.7	\$33.7	\$13,441.0	\$13,853.9	\$677.5	\$13,176.5	-\$264.6	-2.0%

MDTA: Maryland Transportation Authority

Note: The fiscal 2010 working appropriation includes \$208.8 million in deficiencies. The fiscal 2011 allowance includes \$87.8 million in reductions from Sections 18-24 of the budget bill (SB 140/HB 150) and \$6.5 million in targeted reversions related to the planned employee furlough. The fiscal 2011 adjusted allowance reflects \$0.6 million in targeted reversions and \$676.9 million in reductions contingent on legislation.

⁽¹⁾ Excludes \$65.0 million in fiscal 2009 and \$156.9 million in fiscal 2011 appropriated to the Dedicated Purpose Account that is to be transferred to the Maryland Transportation Authority. These monies are included in the transfer to MDTA line.

State Expenditures – General and Special Funds
(\$ in Millions)

<u>Category</u>	<u>Actual FY 2009</u>	<u>Work. Appr. FY 2010</u>	<u>Targeted Reversions</u>	<u>Adjusted Work. Appr. FY 2010</u>	<u>Allowance FY 2011</u>	<u>Contingent Reductions & Fund Swaps</u>	<u>Adjusted Allowance FY 2011</u>	<u>FY 2010 to FY 2011 \$ Change</u>	<u>% Change</u>
Debt Service	\$881.5	\$944.7	\$0.0	\$944.7	\$1,004.2	\$0.0	\$1,004.2	\$59.5	6.3%
County/Municipal	736.5	385.4	0.3	385.1	611.7	271.5	340.2	-44.9	-11.7%
Community Colleges	254.7	256.2	0.0	256.2	279.2	23.1	256.1	-0.1	0.0%
Education/Libraries	5,444.1	5,271.5	0.0	5,271.5	5,347.5	10.5	5,337.0	65.5	1.2%
Health	57.4	37.3	0.0	37.3	41.0	3.7	37.3	0.0	0.0%
Aid to Local Governments	\$6,492.7	\$5,950.4	\$0.3	\$5,950.1	\$6,279.4	\$308.8	\$5,970.6	20.5	0.3%
Foster Care Payments	243.0	240.5	0.0	240.5	245.0	0.0	245.0	4.5	1.9%
Assistance Payments	55.3	110.4	0.0	110.4	75.7	0.0	75.7	-34.7	-31.4%
Medical Assistance	2,289.2	2,169.4	0.0	2,169.4	2,233.3	9.0	2,224.3	54.9	2.5%
Property Tax Credits	57.3	74.0	0.0	74.0	73.6	0.0	73.6	-0.4	-0.5%
Entitlements	\$2,644.7	\$2,594.2	\$0.0	\$2,594.2	\$2,627.6	\$9.0	\$2,618.6	24.4	0.9%
Health	1,662.5	1,656.4	4.2	1,652.3	1,682.0	8.2	1,673.8	21.6	1.3%
Human Resources	375.2	369.6	0.0	369.6	362.8	0.0	362.8	-6.9	-1.9%
Systems Reform Initiative	34.3	24.4	0.0	24.4	20.7	0.0	20.7	-3.8	-15.4%
Juvenile Services	267.1	260.8	0.0	260.8	257.7	0.0	257.7	-3.1	-1.2%
Public Safety/Police	1,450.5	1,396.1	0.0	1,396.1	1,426.8	0.0	1,426.8	30.7	2.2%
Higher Education	1,196.7	1,196.1	0.0	1,196.1	1,194.7	0.0	1,194.7	-1.4	-0.1%
Transportation	1,422.1	1,434.8	0.0	1,434.8	1,456.5	0.0	1,456.5	21.7	1.5%
Other Education	432.8	368.6	1.8	366.9	409.5	23.2	386.3	19.4	5.3%
Agric./Natl Res./Environment	288.3	310.5	0.0	310.4	346.6	24.4	322.2	11.8	3.8%
Other Executive Agencies	1,012.6	1,079.5	0.4	1,079.1	1,136.5	1.2	1,135.3	56.1	5.2%
Legislative	74.0	76.5	1.0	75.5	75.8	0.0	75.8	0.3	0.4%
Judiciary	409.2	428.0	8.5	419.5	425.2	0.0	425.2	5.7	1.4%
Across-the-board Reductions	0.0	0.0	0.0	0.0	-22.9	0.0	-22.9	-22.9	n/a
State Agencies	\$8,625.2	\$8,601.5	\$15.9	\$8,585.6	\$8,772.0	\$57.0	\$8,715.0	129.4	1.5%
Total Operating	\$18,644.2	\$18,090.8	\$16.2	\$18,074.6	\$18,683.2	\$374.8	\$18,308.4	\$233.8	1.3%
Capital/Heritage Reserve Fund	1,008.7	962.1	2.0	960.1	899.9	45.3	854.6	-105.5	-11.0%
Transfer to MDTA	65.0	0.0	0.0	0.0	156.9	156.9	0.0	0.0	n/a
Reserve Funds ⁽¹⁾	146.5	114.9	0.0	114.9	15.0	0.0	15.0	-99.9	-87.0%
Appropriations	\$19,864.4	\$19,167.8	\$18.2	\$19,149.7	\$19,755.0	\$577.0	\$19,178.0	\$28.3	0.1%
Reversions	0.0	-30.0	15.5	-45.5	-30.0	0.6	-30.6	14.9	-32.7%
Grand Total	\$19,864.4	\$19,137.8	\$33.7	\$19,104.2	\$19,725.0	\$577.6	\$19,147.4	\$43.2	0.2%

MDTA: Maryland Transportation Authority

Note: The fiscal 2010 working appropriation includes \$322.8 million in deficiencies. The fiscal 2011 allowance includes \$112.4 million in reductions from Sections 18-24 of the budget bill (SB 140/HB 150) and \$6.5 million in targeted reversions related to the planned employee furlough. The fiscal 2011 adjusted allowance reflects \$0.6 million in targeted reversions and \$1.0 billion in reductions contingent on legislation. These reductions are offset by \$423.3 million in additional special fund spending due to funding swaps.

⁽¹⁾ Excludes \$65.0 million in fiscal 2009 and \$156.9 million in fiscal 2011 appropriated to the Dedicated Purpose Account that is to be transferred to the Maryland Transportation Authority. These monies are included in the transfer to MDTA line.

U.S. Economic Performance Year-over-year Percent Change*

<u>Month-Year</u>	<u>Employment</u>		<u>Unemployment Rate</u>	<u>Initial UI Claims</u>	<u>Existing Home Sales</u>	<u>Retail Sales</u>	<u>New Vehicle Sales</u>
	<u>Over Prior Year</u>	<u>Over Prior Month</u>					
Jan-09	-2.7%	-0.5%	7.7%	52.0%	-8.6%	-6.0%	-37.9%
Feb-09	-3.1%	-0.5%	8.2%	79.4%	-4.8%	-4.5%	-40.7%
Mar-09	-3.5%	-0.5%	8.6%	91.3%	-7.5%	-6.2%	-35.3%
Apr-09	-3.8%	-0.4%	8.9%	67.7%	-3.9%	-7.5%	-35.9%
May-09	-3.9%	-0.2%	9.4%	61.6%	-4.6%	-7.8%	-30.8%
Jun-09	-4.1%	-0.4%	9.5%	62.6%	-0.2%	-7.6%	-29.7%
→ Jul-09	-4.2%	-0.2%	9.4%	33.0%	5.0%	-8.6%	-11.2%
Aug-09	-4.2%	-0.1%	9.7%	32.2%	3.2%	-6.5%	4.0%
Sep-09	-4.1%	-0.1%	9.8%	13.3%	8.6%	-5.0%	-26.7%
Oct-09	-3.9%	-0.1%	10.1%	4.4%	23.3%	-2.8%	-3.3%
Nov-09	-3.5%	0.0%	10.0%	-1.5%	44.1%	2.0%	5.0%
Dec-09	-3.1%	-0.1%	10.0%			5.2%	8.8%

UI: Unemployment Insurance

* Except the unemployment rate.

Note: Retail sales include total retail sales and food service excluding motor vehicles and parts.

Maryland Economic Performance

Year-over-year Percent Change*

<u>Month-Year</u>	<u>Employment</u>	<u>Unemployment Rate</u>	<u>Initial UI Claims</u>	<u>Existing Home Sales</u>	<u>Median Home Price</u>	<u>New Vehicle Sales</u>	<u>Sales Tax</u>
Jan-09	-2.4%	6.2%	47.0%	-17.7%	-14.7%	-35.2%	-1.2%
Feb-09	-2.9%	6.8%	68.6%	-22.3%	-11.1%	-34.2%	-4.8%
Mar-09	-3.1%	6.9%	69.2%	-9.6%	-6.8%	-32.1%	-8.0%
Apr-09	-3.2%	6.8%	72.0%	-10.3%	-15.8%	-31.9%	-6.6%
May-09	-3.2%	7.2%	68.8%	0.3%	-8.3%	-22.1%	-7.0%
Jun-09	-3.0%	7.2%	55.2%	10.0%	-10.5%	-21.8%	-9.3%
Jul-09		7.2%	53.5%	21.8%	-10.0%	-1.6%	-8.4%
Aug-09		7.1%	44.3%	13.6%	-10.0%	0.9%	-8.1%
Sep-09		7.2%	23.9%	9.6%	-3.7%	-10.8%	-6.3%
Oct-09		7.3%	16.7%	39.5%	-8.7%	10.4%	-5.9%
Nov-09		7.3%	9.1%	76.9%	-6.4%	8.9%	-3.2%
Dec-09		7.5%	12.9%	22.6%	-6.3%		

UI: Unemployment Insurance

* Except the unemployment rate

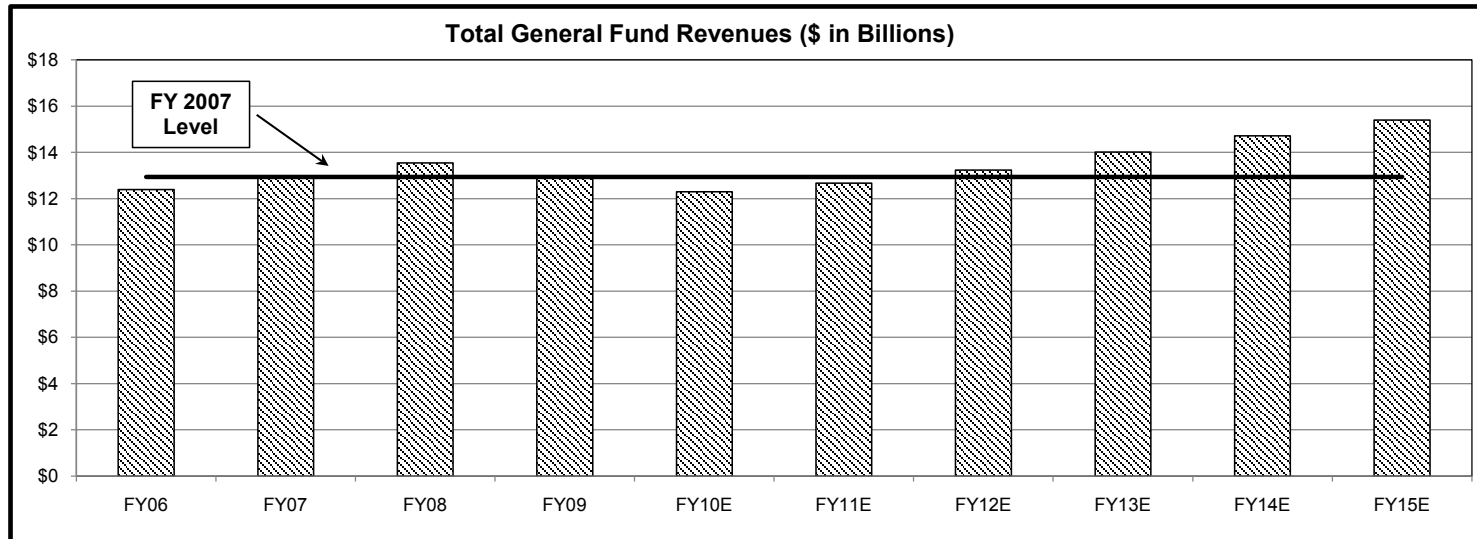
Note: The unemployment rate is based on seasonally adjusted data. Employment is based on the Quarterly Census of Employment and Wages. Data on existing home sales and the median home price comes from the Maryland Association of Realtors. Vehicle sales data is from the Maryland Motor Vehicle Administration. The sales tax is gross receipts (excluding assessments) adjusted for law changes.

Maryland General Fund Revenues

(\$ in Millions)

Source	Actual	FY 2010 BRE Estimate			Change over	FY 2011 BRE Estimate			Change over
	FY 2009	Sept	Dec	Change	FY 2009	Sept	Dec	Change	FY 2010
Personal Income Tax	\$6,477.2	\$6,121.8	\$6,121.8	\$0.0	-5.5%	\$6,358.2	\$6,308.4	-\$49.8	3.0%
Sales and Use Tax	3,620.4	3,523.9	3,506.7	-17.1	-3.1%	3,647.2	3,650.5	3.2	4.1%
State Lottery	473.2	523.0	523.0	0.0	10.5%	530.4	527.6	-2.8	0.9%
Corporate Income Tax	550.7	495.0	495.0	0.0	-10.1%	541.1	559.2	18.1	13.0%
Business Franchise Taxes	201.4	216.1	216.1	0.0	7.3%	216.1	216.1	0.0	0.0%
Insurance Premiums Tax	275.2	275.8	266.9	-8.8	-3.0%	281.3	273.8	-7.4	2.6%
Estate and Inheritance Taxes	205.5	180.2	161.8	-18.4	-21.3%	178.3	157.1	-21.2	-2.9%
Tobacco Tax	405.6	380.3	396.6	16.3	-2.2%	375.7	387.9	12.3	-2.2%
Alcohol Beverages Tax	29.2	29.5	29.5	0.0	1.2%	29.9	30.0	0.2	1.8%
Motor Vehicle Fuel Tax	6.5	8.4	8.4	0.0	29.0%	0.0	0.0	0.0	-100.0%
District Courts	89.4	88.6	91.0	2.5	1.9%	87.5	92.6	5.0	1.7%
Clerks of the Court	40.5	42.0	44.6	2.6	10.1%	40.2	46.8	6.6	4.9%
Hospital Patient Recoveries	96.5	65.7	71.0	5.3	-26.4%	67.1	67.4	0.4	-5.0%
Interest on Investments	83.0	38.0	35.0	-3.0	-57.9%	48.5	43.0	-5.5	22.9%
Miscellaneous	338.3	326.0	311.2	-14.8	-8.0%	332.5	305.9	-26.6	-1.7%
GAAP Transfer/Tax Amnesty	7.9	0.0	20.7	20.7	161.5%	0.0	5.4	5.4	-73.9%
Total Revenues	\$12,900.5	\$12,314.2	\$12,299.5	-\$14.8	-4.7%	\$12,733.9	\$12,671.7	-\$62.2	3.0%

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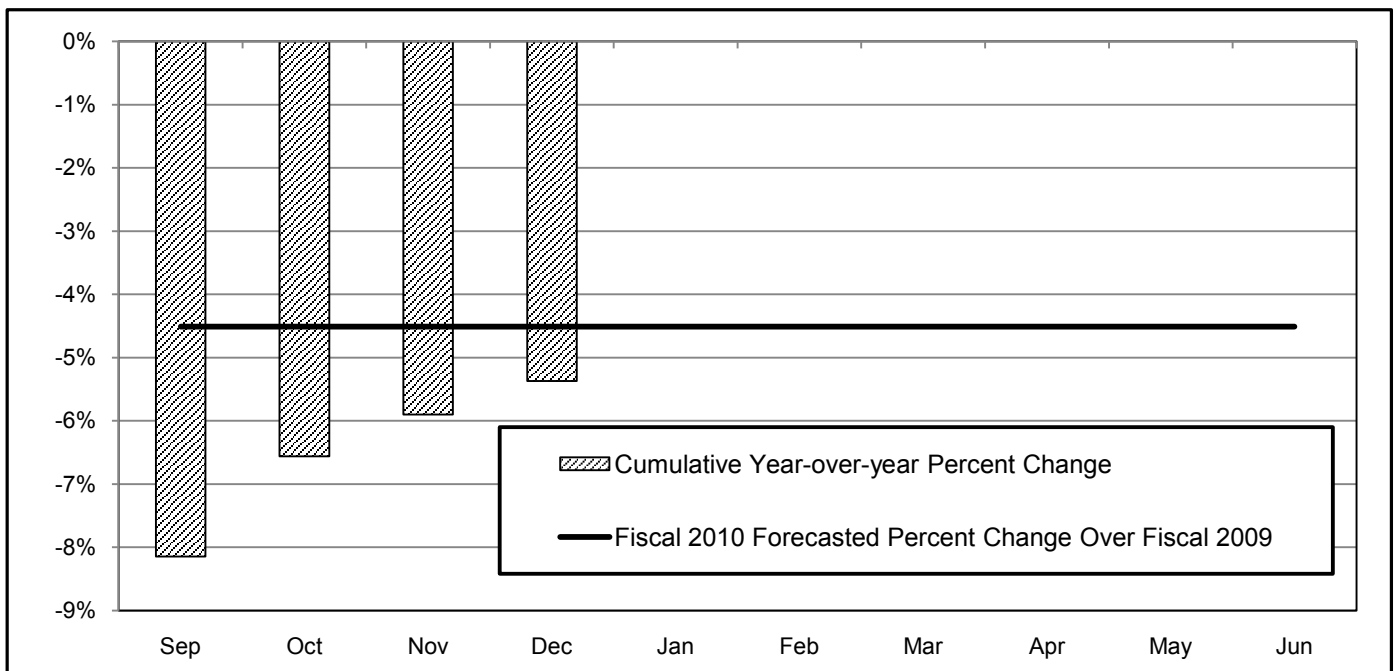
BRE: Board of Revenue Estimates
 GAAP: generally accepted accounting principles

Fiscal 2010 General Fund Revenues (\$ in Millions)

<u>Source</u>	<i>Fiscal Year through December</i>			
	<u>FY 2009</u>	<u>FY 2010</u>	<u>\$ Difference</u>	<u>% Difference</u>
Personal Income Tax	\$2,644.0	\$2,468.2	-\$175.8	-6.6%
Sales and Use Tax ⁽¹⁾	1,545.6	1,452.2	-93.4	-6.0%
State Lottery	215.3	242.4	27.1	12.6%
Corporate Income Tax	234.9	221.0	-13.9	-5.9%
Business Franchise Taxes	79.3	77.3	-2.0	-2.5%
Insurance Premiums Tax	131.7	129.5	-2.3	-1.7%
Estate and Inheritance Taxes	110.3	95.6	-14.7	-13.3%
Tobacco Tax	185.9	181.0	-4.9	-2.6%
Alcohol Beverages Tax	12.3	12.9	0.6	5.0%
Motor Vehicle Fuel Tax	4.4	4.3	-0.1	-2.8%
District Courts	43.6	44.2	0.6	1.3%
Clerks of the Court	18.9	20.4	1.5	7.7%
Hospital Patient Recoveries ⁽²⁾	12.0	10.7	-1.4	-11.5%
Interest on Investments	13.9	15.6	1.7	11.9%
Miscellaneous	86.6	77.0	-9.5	-11.0%
Total Revenues	\$5,338.8	\$5,052.2	-\$286.7	-5.4%

(1) Data reflects sales tax revenue remitted to the Comptroller from August-December which were collected by retailers from July-November.

(2) Includes revenues from Medicare, insurance, and sponsors only. Fiscal 2009 includes \$6.5 million and fiscal 2010 includes \$5.1 million from Medicaid cost settlements.



Status of the General Fund
Fiscal 2010
(\$ in Millions)

Starting Balance		\$87.2
Revenues		
BRE Estimated Revenue December 2009	\$12,299.5	
Revenue Assumptions Requiring Legislation	57.0	
Administration Revenue Assumptions	111.1	
Total		\$12,467.5
Transfers		
Revenue Stabilization Account	\$210.0	
Budget Reconciliation and Financing Act of 2009	216.3	
Budget Reconciliation and Financing Act of 2010	701.0	
Heritage and Biotechnology Tax Credit Reserves	17.4	
Total		\$1,144.7
Funds Available		\$13,699.4
Spending		
Fiscal 2010 Working Appropriation	\$13,827.4	
BPW Withdrawn Appropriations	-531.4	
Deficiencies	208.8	
Targeted Reversion	-33.7	
Estimated Agency Reversions	-30.0	
Net Expenditures		\$13,441.0
Ending Balance		\$258.4

BPW: Board of Public Works
BRE: Board of Revenue Estimates

Fiscal 2010 Deficiencies Total \$750.3 Million
(\$ in Millions)

	<u>GF</u>	<u>SF</u>	<u>FF</u>
<u>Additional Authorization</u>			
Department of Health and Mental Hygiene	\$140.9	\$81.6	\$215.6
MCO rate adjustment and enrollment growth in Medicaid (\$350.0 million), replace GF and SF reduced by earlier legislative and BPW action (\$86.7 million), use SF in lieu of GF for the Kidney Disease Program (\$10.3 million), additional community mental health services on the Eastern Shore (\$1.1 million), and increase funding for Kidney Disease Program (\$0.2 million)			
Maryland State Department of Education	10.9	1.0	149.9
Federal aid for Students with Disabilities (\$124.6 million), after school programs at SEED School (\$5.0 million), Child Care Subsidy payments (\$8.5 million), educational technology grants (\$3.8 million), school assessment contracts (\$10.7 million), rehabilitation services (\$7.3 million), and other (\$1.9 million)			
Department of Human Resources	19.7	24.4	55.0
Low income energy assistance (\$64.1), Temporary Disability Assistance Program (\$18.8 million), salaries for eligibility aides (\$3.7 million), various IT projects (\$7.4 million), rent (\$2.4 million), and other (\$2.7 million)			
Department of Public Safety and Correctional Services	16.0		0.6
Personnel costs (\$5.0 million), inmate medical costs (\$5.4 million), materials and supplies (\$5.5 million), and crime victim grants (\$0.6 million)			
State Department of Assessment and Taxation	13.3		
Homeowners' and Urban Enterprise Zone tax credits (\$12.8 million) and property valuation personnel costs (\$0.5 million)			
Department of Juvenile Services	6.1		
Overtime (\$1.0 million) and residential placement per-diem costs (\$5.1 million)			
Department of Agriculture		5.1	0.9
Cover crops per Budget Reconciliation and Financing Act of 2009 (\$5.0 million and other (\$1.0 million)			
Department of Natural Resources		1.2	0.6
Park service projects (\$0.3 million), invasive and endangered species programs (\$0.6 million), non-point source reduction projects (\$0.8 million) and phytoplankton assessment (\$0.1 million)			
Other Agencies	2.0	0.7	4.9
Aging (\$3.3 million), Stadium Authority (\$0.9 million), Board of Elections (\$0.4 million), Planning (\$0.6 million), Labor Licensing and Regulation (\$0.5 million), Business and Economic Development (\$0.3 million), debt service payments (\$0.9 million), and others (\$0.6 million)			
Total Fiscal 2010 Deficiencies	\$208.8	\$114.0	\$427.5

Fiscal 2010 Deficiencies (Cont.)
(\$ in Millions)

	<u>GF</u>	<u>SF</u>	<u>FF</u>	<u>CUF</u>
<u>Fund Transfers Between Agencies – No Net Effect</u>				
Transfer TANF funds from DHR to MHEC to support Educational Excellence Scholarships and transfer corresponding general funds to public assistance payments				
DHR public assistance payments	\$43.7		-\$43.7	
MHEC Educational Excellence scholarships	-43.7		43.7	
Transfer ARRA funds from Community College Aid to Department of Public Safety and transfer corresponding general funds to Community College Aid				
Community College Aid	4.0		-4.0	
Department of Public Safety and Correctional Services	-4.0		4.0	
Transfer general funds for HBI Enhancement grants from MHEC to HBIs				
MHEC HBI Enhancement grants	-2.5			
State support for institutions of higher education	2.5			
Morgan State University				\$0.6
Bowie State University				0.6
University of Maryland Eastern Shore				0.9
Coppin State University				0.4

ARRA: American Recovery and Reinvestment Act

BPW: Board of Public Works

DHR: Department of Human Resources

HBI: Historically Black Institution

MCO: Managed Care Organization

MHEC: Maryland Higher Education Commission

TANF: Temporary Assistance for Needy Families

Status of the General Fund
Fiscal 2011
(\$ in Millions)

Starting Balance		\$258.4
Revenues		
BRE Estimated Revenue December 2009	\$12,671.7	
Revenue Assumptions Requiring Legislation	-5.0	
Administration Revenue Assumptions	5.8	
Total		\$12,672.5
Transfers		
Budget Reconciliation and Financing Act of 2009	101.9	
Budget Reconciliation and Financing Act of 2010	411.3	
Biotechnology Tax Credit Reserve	6.0	
Total		\$519.2
Funds Available		\$13,450.1
Spending		
Fiscal 2011 Allowance	\$13,978.1	
Across-the-board Reductions	-87.8	
Contingent Reductions	-676.9	
Targeted Reversions	-7.1	
Estimated Agency Reversions	-30.0	
Net Expenditures		\$13,176.5
Ending Balance		\$273.7
Foregone revenue from Administration proposal to repeal CCU sweeper		\$14.5
Foregone Balance		\$288.2

BRE: Board of Revenue Estimates

CCU: Central Collection Unit

General Fund Revenue Assumptions – Fiscal 2010 and 2011

Revenue Assumptions Requiring Legislation	<u>2010</u>	<u>2011</u>
Special Fund Interest	\$10,000,000	\$11,000,000
DoIT Telecommunication Litigation Recoveries		15,000,000
Moving Violations Revenue	2,000,000	2,000,000
Cultural Arts Share of Admissions & Amusement Tax	2,900,000	2,000,000
HEIF Share of Constellation Corporate Income Tax	7,740,000	
TTF Share of Constellation Corporate Income Tax	26,316,000	
Cheapeake Bay 2010 Fund Revenue	8,000,000	22,101,428
Unclaimed Property		512,000
Continue Higher Education Investment Fund (HEIF)		-42,130,020
Abolish Maryland-Mined Coal Tax Credit		4,500,000
Job Creation Tax Credit		-20,000,000
Total	\$56,956,000	-\$5,016,592
 Adjustments to Revenues		
Constellation Merger Corporate Income Tax	\$94,944,000	
DHMH Miscellaneous Revenues	4,314,176	
Comptroller Corporate Card Rebates	700,000	
State Police Salvage Program	370,953	
Office of Administrative Hearings	100,000	
DPSCS Unspent Capital Appropriation	2,455,987	
DHMH Pfizer Settlement	5,145,972	
OAG Settlement Outdoor World	500,000	
Bond Repayment – Tobacco Transition Bonds		1,823,000
DHMH Hospital Patient Recoveries		4,000,000
Treasurer Banking Recoveries	40,000	
Maryland Environmental Service	500,000	
Stadium Authority Rent Payment	2,000,000	
Total	\$111,071,088	\$5,823,000

DHMH: Department of Health and Mental Hygiene

DoIT: Department of Information Technology

DPSCS: Department of Public Safety and Correctional Services

HEIF: Higher Education Investment Fund

OAG: Office of the Attorney General

TTF: Transportation Trust Fund

Proposed Transfers to General Fund – Fiscal 2010 and 2011

<u>Transfers Contingent on Budget Reconciliation Legislation</u>	<u>2010</u>	<u>2011</u>
Highway User Revenues	\$159,502,391	\$238,336,990
MDP Heritage Tax Credit Reserve Fund	39,693,790	
Injured Workers' Insurance Fund	26,500,000	
Judiciary Land Records Fund	25,000,000	
STO State Insurance Trust Fund	5,221,332	
STO Cash Management Improvement Fund	733,339	
SDAT Charter Unit	3,000,000	
Maryland Insurance Administration	2,000,000	
MSP Vehicle Theft Prevention Fund	1,824,924	
MDE Oil Disaster Containment Cleanup and Contingency Fund	2,200,000	
MDE Tidal Wetlands Compensation Fund	1,000,000	
MDE Oil Contaminated Site Environmental Cleanup Fund	1,200,000	
MDE Used Tire Cleanup and Recycling Fund	1,100,000	
MDE Clean Air Fund	300,000	
MDE Radiation Control Fund	150,000	
DNR Transfer Tax	4,459,496	
DNR Land Trust Grant Fund	1,500,000	
DNR Waterway Improvement Fund	994,450	
DNR Shore Erosion Control Construction Loan Fund	305,481	
University System of Maryland	85,051,173	51,731,321
Morgan State University	1,664,227	790,574
St. Mary's College of Maryland	204,368	204,368
Baltimore City Community College	96,541	822,287
DHMH Boards and Commissions	1,226,568	1,300,000
DHMH Spinal Cord Injury Trust Fund	1,559,000	500,000
DHMH Community Health Resources Commission Fund	1,800,000	
DHMH Health Care Commission	472,026	
DLLR Horse Racing Special Fund	602,800	
DBM Central Collection Unit	500,000	
DPSCS Correctional Enterprise Fund	500,000	
MDA Chemist Reserve Fund	150,000	
DHCD Special Funds	440,181	
Furloughs from special funds		5,955,218
	\$370,952,087	\$299,640,758

DBM: Department of Budget and Management
 DHCD: Department of Housing and Community Development
 DHMH: Department of Health and Mental Hygiene
 DLLR: Department of Labor, Licensing, and Regulation
 DNR: Department of Natural Resources
 DPSCS: Department of Public Safety and Correctional Services
 MDA: Maryland Department of Agriculture

MDE: Maryland Department of the Environment
 MDP: Maryland Department of Planning
 MSP: Maryland State Police
 SDAT: State Department of Assessments & Taxation
 STO: State Treasurer's Office

General Fund Reductions Contingent on Legislation

2011

Reductions Contingent on Budget Reconciliation Legislation

GOCCP Police Aid	\$18,955,972
IAC Bond Aging Schools Program	6,108,990
Comptroller Eliminate Statistics of Income Report	103,000
Comptroller Change Payroll Garnishment Fee	50,000
MDA Reduce MARBIDCO	1,900,000
MDA Reduce Soil Conservation Districts	400,000
DHMH Fund Medicaid with CRF	8,153,160
DHMH WIC	42,559
DHMH Level Fund Local Health Grants	3,716,516
DHMH Increase Nursing Facility Assessment	17,000,000
MSDE Reduce Transportation Inflation	4,343,672
MSDE Transfer Local Income Tax Reserve to Education Trust Fund	350,000,000
MHEC Level Fund Community College Aid	23,085,062
MHEC Reduce Sellinger Aid to Private Colleges & Universities	21,983,458
MHEC Eliminate the Tolbert Scholarship	200,000
MHEC Reduce Distinguished Scholar Program	1,050,000
MSD Universal Trust Fund Swap	1,000,000
DBED Reduce Arts Council	247,566
Reserve Fund Bond InterCounty Connector Payment	156,913,000
Major Information Technology 9-1-1 Fund Swap	5,000,000

Reductions Contingent on Separate Legislation

Retirement Contributions for Certain Local Employees	\$469,497
Reauthorize Higher Education Investment Fund	42,130,020
False Claims Act	9,000,000
Heritage Tax Credit	5,000,000

Total

\$676,852,472

CRF: Cigarette Restitution Fund

DBED: Department of Business and Economic Development

DHMH: Department of Health and Mental Hygiene

GOCCP: Governor's Office of Crime Control and Prevention

IAC: Interagency Committee for School Construction

MARBIDCO: Maryland Agricultural and Resource-Based Industry Development Corporation

MDA: Maryland Department of Agriculture

MHEC: Maryland Higher Education Commission

MSD: Maryland School for the Deaf

MSDE: Maryland State Department of Education

WIC: Womens, Infants, and Children

General Fund Reversion Assumptions – Fiscal 2010 and 2011

	<u>2010</u>	<u>2011</u>
Additional Reversion Assumptions		
General Assembly	\$5,000,000	\$1,000,000
Judiciary	8,500,000	5,000,000
Health & Mental Hygiene 2009 Medicaid Surplus & Other	12,867,500	
Planning Heritage Tax Credit & Other	2,250,000	
Agriculture	45,000	
School for the Deaf Furloughs	450,000	450,000
Labor, Licensing, & Regulation SAEF	400,000	608,000
Education	1,329,392	
Public Safety & Correctional Services	2,100,000	
Juvenile Services	376,472	
GOCCP Local Law Enforcement Grants	280,000	
African-American Museum Corporation	81,371	
Total	\$33,679,735	\$7,058,000

Capital Encumbrance Cancellations – Fiscal 2010 and 2011

	<u>2010</u>	<u>2011</u>
Capital Encumbrances to Be Replaced by Debt		
Transfer Tax	\$156,474,000	\$54,038,405
Waterway Improvement Fund	12,515,000	3,934,000
DHCD Neighborhood Business Development Fund	3,566,000	3,200,000
DHCD Community Legacy	396,000	
DHCD Homeownership Loan Program Fund		3,000,000
DHCD Special Loan Program	2,120,000	2,500,000
MDE Bay Restoration Fund	155,000,000	45,000,000
Total	\$330,071,000	\$111,672,405

General Fund Across-the-board Spending Reductions

	<u>2011</u>
Employee Furloughs	\$58,316,816
Health Insurance	12,496,873
IWIF Settlements	3,245,030
IWIF Administrative Costs	324,503
Overtime/Accident Leave Management	1,378,533
Position Reductions/Hiring Freeze	10,000,000
Streamline State Operations	2,000,000
Total	\$87,761,755

DHCD: Department of Housing and Community Development

GOCCP: Governors Office of Crime Control and Prevention

IWIF: Injured Workers' Insurance Fund

MDE: Maryland Department of the Environment

SAEF: Special Administrative Expense Fund

Fiscal 2011 General Fund Changes Over Fiscal 2010 Spending (\$ in Millions)

Mandated Grants and Aid

Direct Education Aid; Reflects Use of Additional SF through Fund Transfers and VLT Revenue	-\$328.9
Residential Boarding School for At-risk Youth	2.0
Elimination of General Funds for Aging Schools; to Be Replaced by General Obligation Bonds	-6.1
Library Aid, Including Retirement	1.5
Maryland Tourism Board	2.4
Baltimore City Community College	0.6
St. Mary's College of Maryland	0.3
Disparity Grant	-24.4

Constitutional Entities

Judiciary; Primarily GF in Lieu of SF for Information Technology Projects	\$18.5
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Entitlements

Medicaid – Inflation, Utilization, and Enrollment	\$141.1
Foster Care Payments	4.5
Property Tax Credits	0.4
Public Assistance Payments; TDAP Increase of \$6 Million Offset by Use of TANF in Lieu of GF	-37.7

Personnel

Employee Retirement	44.0
Health Insurance – Pay-as-you-go Costs for Employees and Retirees	25.0
Salary Savings Due to Annualization of Mid-year Cuts, Additional Abolitions, Reset to Base	-41.0

Discretionary

Scholarship Funding – GF in Lieu of TANF Used in Fiscal 2010	43.7
Mental Health Fee-for-service Enrollment and Utilization	11.7
DDA Community Services – Deinstitutionalization, Transitioning Youth, Emergency Placements	11.2
Eastern Shore Community Mental Health Services Enhancements	1.9

Agency Operations

Video Lottery Terminals – Staffing and Equipment	9.7
Major Information Technology Projects	8.8
Juvenile Services – Increase in Residential Per Diem Payments Partly Offset by Non-residential and Shelter Care	1.7
Removal of Deficiency for Convention Center Operating Subsidy	-0.9
Unallocated Savings from Streamlining State Operations	-2.0
Unallocated Savings from Workers' Compensation Policy and Administrative Changes	-4.9
Overtime, Fuel & Utilities, and Inmate Medical Expenses in DPSCS	-6.2
Unallocated Savings from Attrition and Hiring Freeze	-10.0
Removal of One-time Deficiency for Public Education Assessment Program	-10.7
Annualization of Ongoing Reductions (Excluding Medicaid Actions) Taken Mid-year by the Board of Public Works	-14.0

Other

Dedicated Purpose Account – Grant to Prince George's Hospital Authority	15.0
General Fund PAYGO; Fund with GO Bonds	-4.3
Appropriation to the Rainy Day Fund	-114.9

DDA: Developmental Disabilities Administration

DPSCS: Department of Public Safety and Correctional Services

GF: general fund

GO: general obligation

MHA: Mental Hygiene Administration

PAYGO: Pay-as-you-go

SF: special fund

TANF: Temporary Assistance for Needy Families

TDAP: Temporary Disability Assistance Program

VL: video lottery terminal

Note: This analysis compares the 2010 working appropriation as it would stand following deficiencies and targeted reversions to the Administration's fiscal 2011 plan.

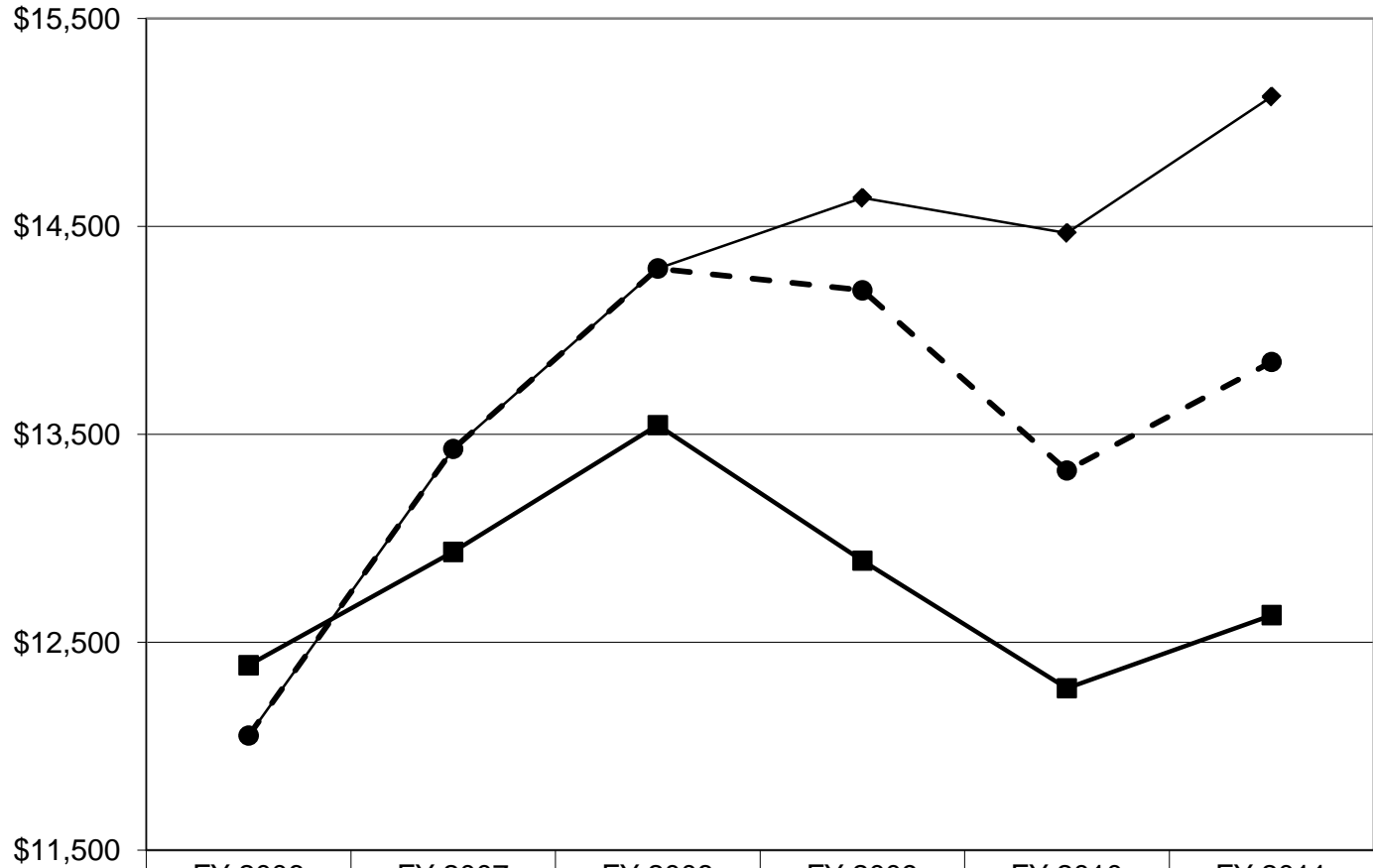
General Fund: Recent History and Outlook
Fiscal 2009-2011
(\$ in Millions)

	2009 Actual	2010 Working	2011 Allowance
Funds Available			
Ongoing Revenues	\$12,893	\$12,279	\$12,631
Balances and Transfers	1,526	1,232	778
One-time Federal Aid	445	1,143	1,276
One-time Generally Accepted Accounting Principles Transfer	21	0	0
Short-term Revenues	0	189	42
Subtotal Funds Available	\$14,885	\$14,842	\$14,726
Appropriations, Deficiencies, and Cost Containment			
Net Ongoing Operating Costs and Deficiencies	\$14,638	\$14,469	\$15,125
One-time Reductions/Withdrawn Appropriations	0	0	-672
PAYGO Capital	14	0	0
Appropriations to Reserve Fund	147	115	0
Subtotal Spending	\$14,798	\$14,584	\$14,452
Cash Balance/Shortfall	\$87	\$258	\$274
Structural			
Balance (Ongoing Revenues Less Operating Costs)	-\$1,745	-\$2,190	-\$2,494
Ratio (Ongoing Revenues/Operating Costs)	88%	85%	84%
Reserve Fund Activity			
Appropriations to Rainy Day Fund	\$147	\$176	\$0
Transfers to General Fund	-170	-210	0
Estimated Rainy Day Fund Balance – June 30	\$692	\$615	\$634
Total Cash (Rainy Day, General Fund Balance)	\$779	\$873	\$907

PAYGO: pay-as-you-go

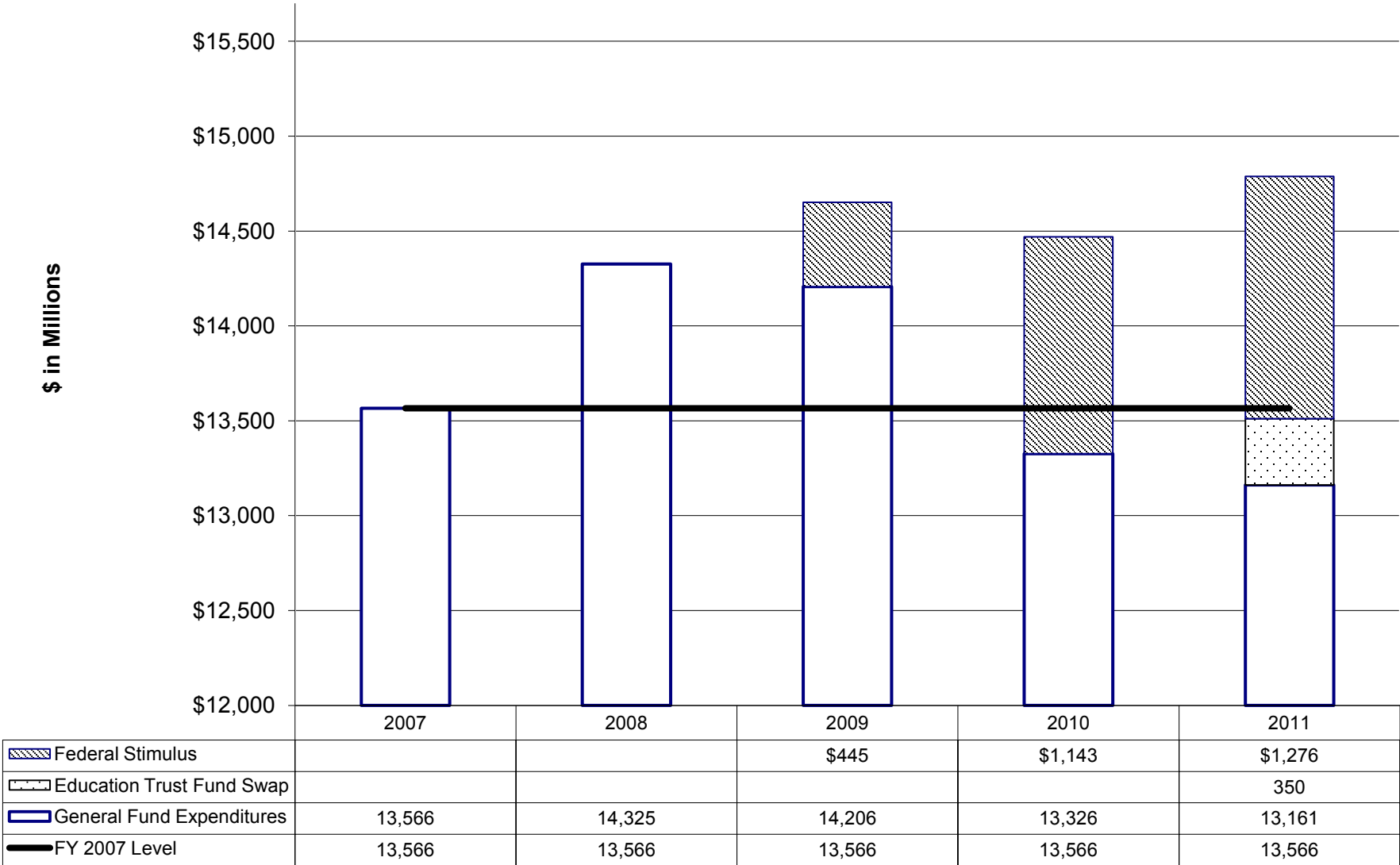
Structural Imbalance Between Ongoing Revenues and Ongoing Spending Increases to \$2.5 Billion in Fiscal 2011

Fiscal 2006-2011
(\$ in Millions)



—◆— Ongoing Spending	\$12,052	\$13,430	\$14,298	\$14,638	\$14,469	\$15,125
—■— Ongoing Revenues	12,390	12,935	13,545	12,893	12,279	12,631
Structural Balance	338	-495	-753	-1,745	-2,190	-2,494
—●— Ongoing Minus Federal Stimulus	12,052	\$13,430	\$14,298	14,193	13,326	13,849

Fiscal 2011 Spending Is Below Fiscal 2007 Levels Excluding Federal Stimulus Funds



Fiscal Years

**Regular Full-time Equivalent Position Changes
Fiscal 2008 Actual to Fiscal 2011 Allowance**

<u>Department/Service Area</u>	<u>FY 2008 Actual</u>	<u>FY 2009 Actual</u>	<u>FY 2010 Work. Approp.</u>	<u>Transferred</u>	<u>Created</u>	<u>Filled Abolished</u>	<u>Vacant Abolished</u>	<u>FY 2011 Allowance</u>	<u>Difference</u>
Health and Human Services									
Health and Mental Hygiene	7,494	7,237	6,584	0	8	-4	-18	6,571	-13
Human Resources*	6,961	6,851	6,742	-1	0	-2	-47	6,692	-50
Juvenile Services	2,222	2,272	2,254	0	0	-7	-7	2,240	-14
Subtotal	16,677	16,360	15,580	-1	8	-13	-72	15,503	-77
Public Safety									
Public Safety and Correctional Services	11,642	11,627	11,308	0	0	0	0	11,308	0
Police and Fire Marshal	2,458	2,441	2,416	0	10	0	0	2,426	10
Subtotal	14,099	14,067	13,723	0	10	0		13,733	10
Transportation	8,994	9,135	9,012	0	0	0	0	9,012	0
Other Executive									
Legal (Excluding Judiciary)	1,582	1,571	1,504	0	0	-9	-6	1,490	-15
Executive and Administrative Control	1,661	1,661	1,633	1	6	-5	-12	1,624	-10
Financial and Revenue Administration	2,025	1,990	1,991	0	11	-1	-35	1,966	-25
Budget and Management	435	447	450	1	3	-1	-2	451	1
Retirement	203	204	204	0	0	0	0	204	0
General Services	638	611	593	0	0	0	0	593	0
Natural Resources	1,344	1,359	1,287	-1	0	-2	0	1,284	-3
Agriculture	437	427	406	0	7	0	0	413	7
Labor, Licensing, and Regulation	1,493	1,484	1,680	0	0	0	-12	1,669	-12
MSDE and Other Education	2,181	2,138	1,961	0	0	-8	-4	1,949	-12
Housing and Community Development	311	311	311	0	0	0	0	311	0
Business and Economic Development	276	259	238	0	1	-3	-1	235	-3
Environment	957	979	970	0	0	0	0	970	0
Subtotal	13,541	13,439	13,228	1	28	-29	-72	13,157	-71
Executive Branch Subtotal	53,311	53,001	51,543	0	47	-42	-143	51,405	-138
Higher Education	23,613	23,768	23,864	0	0	-10	-7	23,847	-17
Judiciary	3,498	3,569	3,581	0	0	0	0	3,581	0
Legislature	747	747	747	0	0	0	0	747	0
Grand Total	81,169	81,085	79,735	0	47	-52	-150	79,580	-155

MSDE: Maryland State Department of Education

* Section 24 of the budget bill abolishes 15 yet-to-be-determined positions in the Department of Human Resources. They are counted here as vacant abolitions.

Description of Position Changes in Fiscal 2011 Allowance

Positions Added

- **State Lottery Agency (11):** Provide staff in new Video Lottery Terminal facilities as required by Chapter 4 of the 2007 special session.
- **Department of State Police (10):** Trooper positions required to monitor speed cameras in designated work zones in Chapter 500 of 2009.
- **Maryland Department of Agriculture (7):** Soil Conservation Planner positions to follow requirements of the Agricultural Stewardship Act of 2006.
- **Governor's Office for Children (5):** Administrators of Early Intervention & Prevention contracts will now be handled at State level because related local funding has been reduced.
- **The Office of the Deaf and Hard of Hearing (1):** Contractual conversion of Assistant Director.
- **Subsequent Injury Fund (0.4):** Conversion of a 0.6 Fiscal/IT Services position to a full one.

Positions Deleted

- **Department of Human Resources (-50):** The reductions are primarily of vacant administrative positions, chiefly found in Local General Administration and Information Technology Services. Two filled positions were also abolished, and 1 position was transferred out. Section 24 of the budget bill also abolished 15 to-be-determined local department administrative positions.
- **State Department of Assessments and Taxation (-35):** Positions abolished primarily comprise vacant property assessor positions in Real Property Valuation, Office of Information Technology, and Property Tax Credit programs.
- **University of Maryland Biotechnology Institute (-16):** Elimination of Central Administration.
- **Office of Public Defender (-15):** Reductions are mainly investigator positions abolished for cost containment purposes.
- **Department of Juvenile Services (-14):** Position reductions chiefly from education staff.
- **Department of Health and Mental Hygiene (-13.2):** The department had a net reduction after 21.5 abolitions, mostly from the change in Assisted Living services at Eastern Shore and reductions to clinical and administrative staff at Deer's Head and Western Maryland Hospital Centers. Offsetting this, 6.8 new positions are created in the various Health Occupation Boards as are 1.5 positions to inspect and certify forensic labs, as required by Chapter 147 of 2007.
- **Maryland Higher Education Commission (-12):** Reductions primarily to administrative, grants-related, and research staff.

- **Department of Labor, Licensing, and Regulation (-11.6):** Represents the elimination of vacant teacher positions under the Correctional Education program.
- **Military Department (-6):** The allowance abolishes six administrative and maintenance positions.

Other Changes

- **Department of Veteran Affairs (1):** One position was transferred in from the Office of the Governor.
- **Department of Information Technology (1):** A senior program manager position was transferred in for Geographic Information Systems-related duties.
- **Department of Business and Economic Development (-3):** Four travel information aide positions were abolished and 1 industrial development position was created.
- **Department of Natural Resources (-2):** One position in Land Acquisition and Planning, and another in Watershed Services were abolished.
- **Maryland Department of Disabilities (-2):** The allowance abolishes the Director of Housing Policy position and a web content manager position.
- **Governor's Office (-2):** One administrative position is abolished and a Deputy Chief of Staff position was transferred out of the department.
- **Secretary of State (-2):** Two positions were abolished due to the consolidation of the Division of State Documents.
- **Maryland Commission on Human Relations (-2):** Two Human Relations Representative positions were abolished.
- **Executive Department Boards, Commissions (-1.2):** 2.2 administrative positions were abolished as the Governor's Office of Community Initiatives consolidates duties, and a Health Care Alternative Dispute Resolution Office position is downgraded. One position transfers in to assist with faith-based community outreach.
- **Office of Administrative Hearings (-1):** Abolishes one vacant Administrative Law Judge position.
- **Office of the Comptroller (-1):** The allowance abolishes one vacant recovery audit position within the General Accounting Division.
- **Frostburg State University (-1):** One vacant position was abolished due to increased costs.
- **Maryland Department of Planning (-0.5):** An Office Secretary position that had been vacant over a year was abolished in Planning Services.

**Contractual Full-time Equivalent Positions
Fiscal 2008 Actuals to 2011 Allowance**

<u>Department/Service Area</u>	<u>FY 2008 Actual</u>	<u>FY 2009 Actual</u>	<u>FY 2010 Work. Approp.</u>	<u>FY 2011 Allowance</u>	<u>Difference</u>
Health and Human Services					
Health and Mental Hygiene	401	542	352	330	-22
Human Resources	78	78	74	73	-1
Juvenile Services	157	121	126	98	-28
Subtotal	636	742	553	501	-51
Public Safety					
Public Safety and Correctional Services	265	284	380	377	-3
Police and Fire Marshal	34	33	32	33	1
Subtotal	298	317	413	410	-2
Transportation	147	125	164	138	-26
Other Executive					
Legal (Excluding Judiciary)	86	51	59	41	-17
Executive and Administrative Control	187	196	159	173	14
Financial and Revenue Administration	40	40	41	54	13
Budget and Management	24	21	20	18	-2
Retirement	5	11	15	15	0
General Services	16	15	27	45	18
Natural Resources	464	401	390	373	-17
Agriculture	51	49	50	51	2
Labor, Licensing, and Regulation	140	144	191	203	12
MSDE and Other Education	223	223	208	229	21
Housing and Community Development	21	30	63	66	3
Business and Economic Development	33	28	18	6	-12
Environment	20	21	45	46	1
Subtotal	1,310	1,231	1,285	1,320	35
Executive Branch Subtotal	2,391	2,415	2,414	2,369	-45
Higher Education	6,147	6,285	6,277	6,302	25
Judiciary	377	374	384	384	0
Grand Total	8,915	9,074	9,074	9,055	-20

Vacant Positions January 2008 to 2010

<u>Department/Service Area</u>	<u>January 2008</u>	<u>January 2009</u>	<u>January 2010</u>	<u>Change 2008-10</u>
Health and Human Services				
Health and Mental Hygiene	689	508	466	-222
Human Resources	531	500	453	-78
Juvenile Services	166	82	139	-27
Subtotal	1,386	1,090	1,059	-327
Public Safety				
Public Safety and Correctional Services	1,152	837	469	-683
Police and Fire Marshal	170	180	185	15
Subtotal	1,322	1,017	654	-668
Transportation	511	385	320	-191
Other Executive				
Legal (Excluding Judiciary)	105	112	85	-20
Executive and Administrative Control	157	146	119	-38
Financial and Revenue Administration	110	84	121	11
Budget and Management	38	38	46	8
Retirement	17	11	12	-5
General Services	65	46	41	-24
Natural Resources	124	90	57	-67
Agriculture	65	28	22	-43
Labor, Licensing, and Regulation	97	93	142	45
MSDE and Other Education	139	109	113	-25
Housing and Community Development	25	19	13	-12
Business and Economic Development	38	6	8	-30
Environment	87	56	39	-48
Subtotal	1,065	838	815	-250
Executive Branch Subtotal	4,283	3,329	2,848	-1,436
Total Executive Branch Positions	53,753	52,949	51,543	-1,406
Vacancies as % of Total Positions	8.0%	6.3%	5.5%	

MSDE: Maryland State Department of Education

- The total number of positions vacant in the Executive Branch has fallen by 1,436 over the last two years.
- The vacancy totals have been reduced by position abolitions and more employees staying in their posts.
 - Abolitions – 1,917 positions have been abolished at the Board of Public Works since March 2008; and
 - Fewer Departures – resignations in the Executive have dropped from 2,782 in fiscal 2008 to 1,767 in fiscal 2009, while retirements fell from 1,460 to 1,146 over that time.
- The positions vacant today are not holdovers from the prior years.
 - The number of positions vacant for less than three months has fallen over the time period by 446, while those vacant for over a year has been steady.
 - Therefore, fewer new vacancies are arising, and lengthy vacancies are being systematically removed as existing vacancies do not fall into the totals of those vacant over a year.

Significant Changes in Personnel Spending
(\$ in Millions)

EMPLOYEE SALARIES – Fiscal 2011 Salaries Will Be Below Fiscal 2009 and 2010 Levels

	<u>All Funds</u>	<u>General Funds</u>
FY 2011 Budgeted Salaries	\$4,464	\$2,678
<u>Less: Furlough Plan</u>	<u>-108</u>	<u>-\$58</u>
FY 2011 Allowance	\$4,355	\$2,620
FY 2010 Working Appropriation	\$4,411	\$2,647
FY 2009 Actual	4,434	2,660

- The fiscal 2011 allowance contemplates a furlough plan similar to that of the current year.
- All salary totals are shown after turnover has been removed.

HEALTH INSURANCE – Budgeted Amounts Increase by \$39 Million, or 4.6%

	<u>FY 2010 Working Appropriation</u>	<u>FY 2011 Allowance</u>	<u>FY 2010-11 Change</u>
Employees	\$655	\$701	\$46
Retirees	203	218	15
Section 19 Reduction	<u>0</u>	<u>-22</u>	<u>-22</u>
Total Health Insurance Budget	\$858	\$897	\$39
<i>General Fund Portion</i>	541	565	25

- Projected 7% spending increase reduced by availability of balance to offset fiscal 2011 appropriation attributable to:
 - Switch to self-funded EPO plans which delayed fiscal 2010 billings.
 - Cost savings from campaign to increase usage of generic prescriptions enacted at July 2009 BPW.
 - Full rebates received from Prescription Benefit Manger Catalyst beginning in fiscal 2010.
- There is no projected fund balance at the end of fiscal 2011; therefore, all future cost increases must be included in appropriation increases.

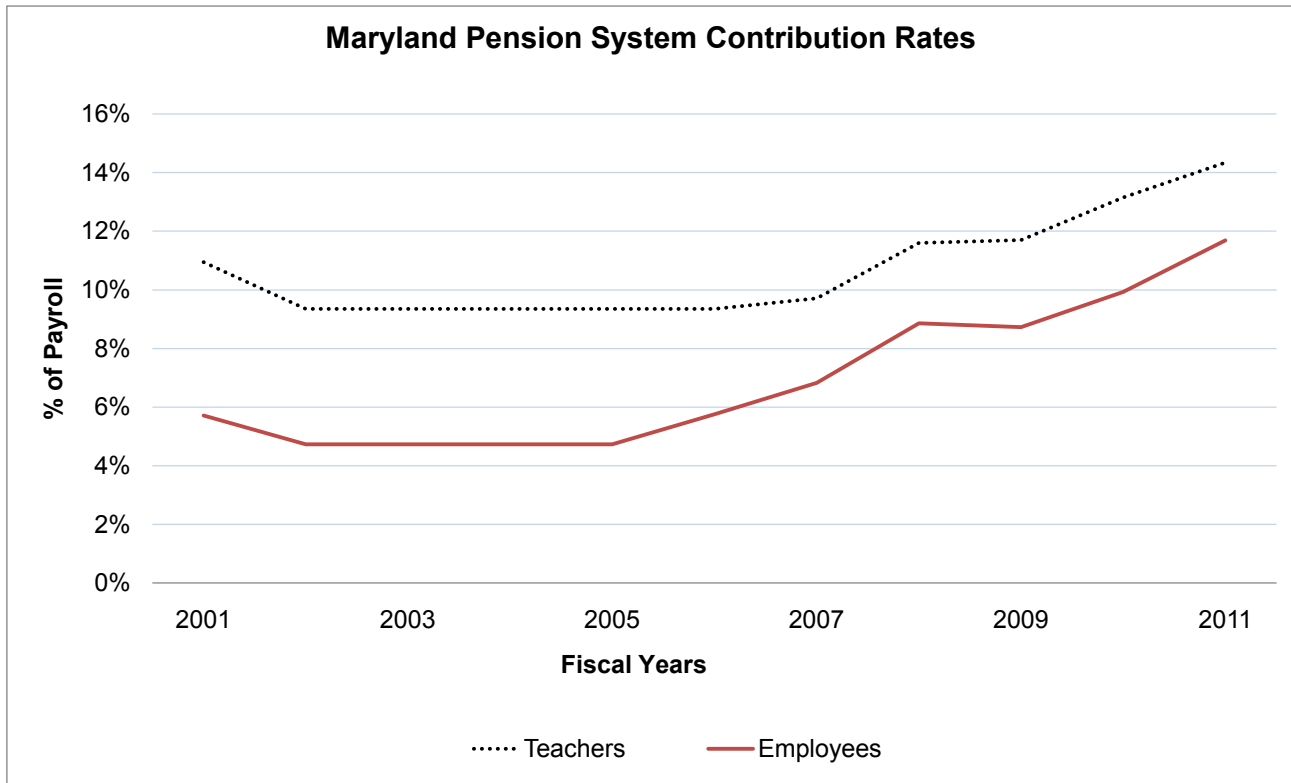
PENSIONS – Fiscal 2011 Pension Spending Will Increase by \$183 Million Due to Market Losses

	<u>FY 2009 Actual</u>	<u>FY 2010 Working Appropriation</u>	<u>FY 2011 Allowance</u>	<u>FY 2010-11 Change</u>
State Employees	\$312	\$386	\$472	\$86
Local Teachers, Libraries, Comm. Colleges	<u>656</u>	<u>801</u>	<u>897</u>	<u>97</u>
Total	\$968	\$1,187	\$1,370	\$183
General Fund Portion	\$774	\$894	\$938	\$44
<i>Stimulus Portion</i>	0	137	235	98
Other Fund Types	194	155	196	41

- General funds only represent \$44 million because of the use of stimulus funding in the Local Teacher Pension portion.

PENSIONS (Cont.)

- Contribution rates grow as a percent of payroll, as seen in graph, and the use of smoothing techniques will necessitate future growth in budgets to account for losses incurred.



OPEB LIABILITY – Funding for Post Employment Health Benefits Totals 1.1% of Liability

		<u>Percent Funded</u>
OPEB Trust as of 6/30/09	\$174	
OPEB Liability as of 6/30/09	\$15,454	1.1%
Annual Required Contribution – Fully Funded (7.75% Return)		\$806
Annual Required Contribution – Current Pre-funding (4.3% Return)		\$1,185

BPW: Board of Public Works
 EPO: Exclusive Provider Organization
 OPEB: Other Post Employment Benefits

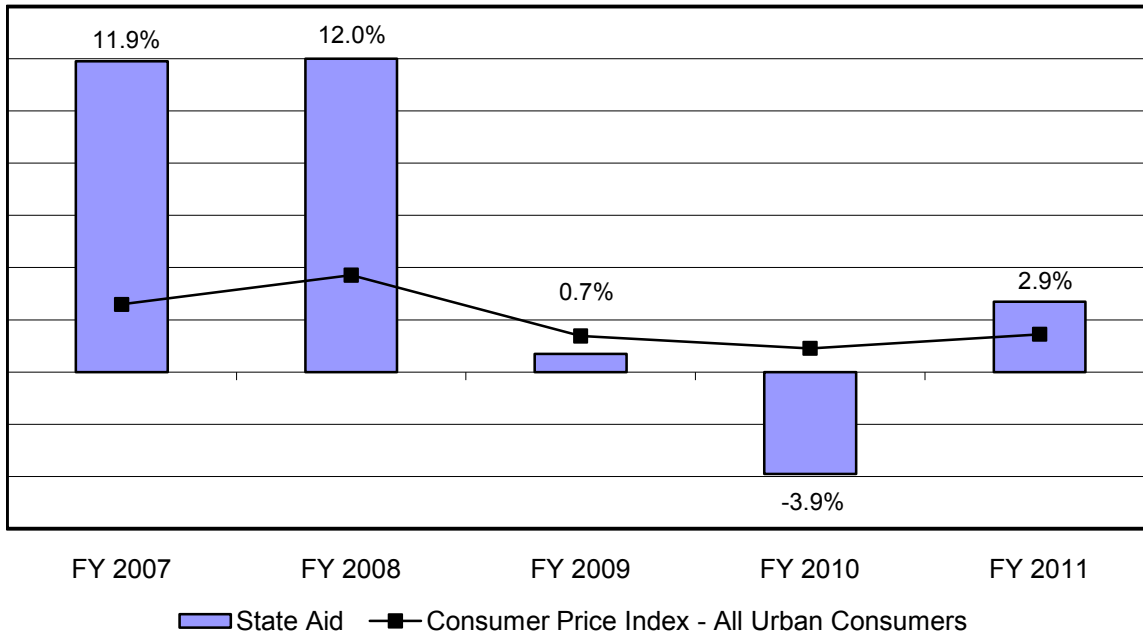
State Aid by Governmental Entity
Amount and Percent of Total
State Funds
(\$ in Millions)

	<u>FY 2011</u> <u>State Aid Amount</u>	<u>Percent</u> <u>of Total</u>
Public Schools	\$5,707.5	88.9%
Libraries	65.5	1.0%
Community Colleges	256.1	4.0%
Local Health	37.3	0.6%
County/Municipal	357.1	5.6%
Total	\$6,423.6	100.0%

Change in State Aid by Governmental Entity
State Funds
(\$ in Millions)

	<u>FY 2011</u> <u>Aid Difference</u>	<u>Percent</u> <u>Difference</u>
Public Schools	\$200.5	3.6%
Libraries	1.5	2.3%
Community Colleges	-0.1	0.0%
Local Health	0.0	0.0%
County/Municipal	-19.8	-5.3%
Total	\$182.1	2.9%

Annual Growth in State Aid to Local Governments



State Aid by Governmental Entity

State Funds
(\$ in Millions)

	<u>FY 2007</u>	<u>FY 2008</u>	<u>FY 2009</u>	<u>FY 2010</u>	<u>FY 2011</u>	<u>Percent Change FY 07-11</u>
Public Schools	\$4,475	\$5,166	\$5,379	\$5,507	\$5,708	27.5%
Libraries	56	64	63	64	66	18.1%
Community Colleges	206	242	255	256	256	24.4%
Local Health	64	67	57	37	37	-41.4%
County/Municipal	954	907	738	377	357	-62.5%
Total	\$5,754	\$6,446	\$6,493	\$6,241	\$6,424	11.6%

Public Schools Receive Most of the Increases in State Aid

Annual Change in State Aid Fiscal 2007-2011 (\$ in Millions)

	<u>FY 2007</u>	<u>FY 2008</u>	<u>FY 2009</u>	<u>FY 2010</u>	<u>FY 2011</u>
Public Schools	\$466.4	\$690.9	\$212.9	\$127.8	\$200.5
Libraries	4.9	8.6	-0.7	0.6	1.5
Community Colleges	14.3	35.8	13.0	1.5	-0.1
Health Departments	1.8	3.3	-9.6	-20.1	0.0
Counties/Municipalities	123.6	-46.8	-168.5	-361.3	-19.8
Total	\$610.9	\$691.9	\$47.1	-\$251.6	\$182.1

Share of State Aid Increase Over Five-year Period (\$ in Millions)

	<u>Cumulative Aid Change</u>	<u>Avg. Annual Change</u>	<u>Percent of Change</u>	<u>Share of FY 2011 Aid</u>
Public Schools	\$1,698.5	7.3%	132.6%	88.9%
Libraries	14.9	5.3%	1.2%	1.0%
Community Colleges	64.5	6.0%	5.0%	4.0%
Health Departments	-24.6	-9.6%	-1.9%	0.6%
Counties/Municipalities	-472.8	-15.5%	-36.9%	5.6%
Total	\$1,280.5	4.5%	100.0%	100.0%

State Aid by Governmental Entity and Program
State Funds
(\$ in Millions)

	<u>FY 2010</u>	<u>FY 2011</u>	<u>Difference</u>	<u>Percent Difference</u>
Public Schools				
Foundation Program	\$2,726.7	\$2,763.8	\$37.0	1.4%
Supplemental Grant	51.2	46.5	-4.7	-9.2%
Compensatory Aid	940.2	1,041.1	100.9	10.7%
Student Transportation	241.5	244.2	2.7	1.1%
Special Education – Formula	267.4	261.9	-5.5	-2.0%
Special Education – Nonpublic	112.8	112.8	0.0	0.0%
Limited English Proficiency	148.6	142.6	-6.0	-4.1%
Guaranteed Tax Base	63.8	47.6	-16.2	-25.4%
Geographic Cost of Education Index	126.3	126.6	0.3	0.2%
Other Education Programs	69.4	70.6	1.2	1.8%
Subtotal Direct Aid	\$4,747.9	\$4,857.7	\$109.8	2.3%
Retirement Payments	759.1	849.8	90.8	12.0%
Total Public School Aid	\$5,507.0	\$5,707.5	\$200.5	3.6%
Libraries				
Library Aid Formula	\$33.2	\$33.0	-\$0.2	-0.6%
State Library Network	15.6	15.7	0.0	0.3%
Subtotal Direct Aid	\$48.8	\$48.7	-\$0.1	-0.3%
Retirement Payments	15.3	16.9	1.6	10.5%
Total Library Aid	\$64.1	\$65.5	\$1.5	2.3%
Community Colleges				
Community College Formula	\$199.8	\$194.4	-\$5.4	-2.7%
Other Programs	27.1	28.0	0.9	3.2%
Subtotal Direct Aid	\$226.9	\$222.4	-\$4.5	-2.0%
Retirement Payments	29.2	33.7	4.5	15.3%
Total Community College Aid	\$256.2	\$256.1	-\$0.1	0.0%
Local Health Grants	\$37.3	\$37.3	\$0.0	0.0%
County/Municipal Aid				
Transportation	\$147.7	\$147.7	\$0.0	0.0%
Public Safety	89.7	88.0	-1.6	-1.8%
Program Open Space/Critical Areas	9.6	15.6	6.0	62.3%
Disparity Grant	121.4	97.1	-24.4	-20.1%
Other Grants	8.5	8.7	0.2	2.6%
Subtotal Direct Aid	\$376.9	\$357.1	-\$19.8	-5.3%
Retirement Payments	0.0	0.0	0.0	
Total County/Municipal Aid	\$376.9	\$357.1	-\$19.8	-5.3%
Total State Aid	\$6,241.4	\$6,423.6	\$182.1	2.9%

State Aid to Local Governments – Comparison by Per Capita Aid and Annual Growth Fiscal 2010 and 2011

County	Fiscal 2010	Fiscal 2011	Difference	Percent Difference	Per Capita State Aid		Annual Growth in State Aid	
	Appropriation	Allowance ⁽¹⁾						
Allegany	\$111,700,264	\$109,137,371	-\$2,562,893	-2.3%	1. Baltimore City	\$1,871	1. Montgomery	10.4%
Anne Arundel	385,001,481	412,079,133	27,077,652	7.0%	2. Caroline	1,602	2. Howard	7.7%
Baltimore City	1,158,057,873	1,191,419,130	33,361,257	2.9%	3. Allegany	1,511	3. Anne Arundel	7.0%
Baltimore	659,405,097	680,997,738	21,592,641	3.3%	4. Wicomico	1,496	4. Worcester	6.0%
Calvert	106,275,994	108,790,142	2,514,148	2.4%	5. Charles	1,327	5. Dorchester	4.9%
Caroline	52,426,088	53,086,096	660,008	1.3%	6. Somerset	1,307	6. Talbot	4.7%
Carroll	178,179,683	179,846,383	1,666,700	0.9%	7. Prince George's	1,305	7. Cecil	3.8%
Cecil	119,359,746	123,843,942	4,484,196	3.8%	8. Dorchester	1,287	8. Washington	3.4%
Charles	182,940,728	186,739,725	3,798,997	2.1%	9. Cecil	1,239	9. Queen Anne's	3.3%
Dorchester	39,261,205	41,187,714	1,926,509	4.9%	10. Calvert	1,227	10. Baltimore	3.3%
Frederick	253,819,992	261,984,007	8,164,015	3.2%	11. Washington	1,217	11. Frederick	3.2%
Garrett	36,470,977	35,929,864	-541,113	-1.5%	12. Garrett	1,210	12. Baltimore City	2.9%
Harford	258,752,806	263,916,731	5,163,925	2.0%	13. Frederick	1,161	13. St. Mary's	2.9%
Howard	272,361,884	293,219,154	20,857,270	7.7%	14. St. Mary's	1,135	14. Calvert	2.4%
Kent	14,004,948	14,027,760	22,812	0.2%	15. Harford	1,098	15. Charles	2.1%
Montgomery	695,288,062	767,374,112	72,086,050	10.4%	16. Howard	1,066	16. Harford	2.0%
Prince George's	1,104,692,880	1,071,578,926	-33,113,954	-3.0%	17. Carroll	1,062	17. Wicomico	1.9%
Queen Anne's	39,845,194	41,173,246	1,328,052	3.3%	18. Queen Anne's	874	18. Somerset	1.3%
St. Mary's	112,102,955	115,305,838	3,202,883	2.9%	19. Baltimore	867	19. Caroline	1.3%
Somerset	33,719,646	34,144,685	425,039	1.3%	20. Montgomery	807	20. Carroll	0.9%
Talbot	16,980,198	17,773,858	793,660	4.7%	21. Anne Arundel	804	21. Kent	0.2%
Washington	171,112,143	176,938,967	5,826,824	3.4%	22. Kent	696	22. Garrett	-1.5%
Wicomico	138,016,738	140,660,971	2,644,233	1.9%	23. Worcester	612	23. Allegany	-2.3%
Worcester	28,476,526	30,179,497	1,702,971	6.0%	24. Talbot	491	24. Prince George's	-3.0%
Unallocated	73,177,234	72,228,495	-948,739	-1.3%				
Total	\$6,241,430,342	\$6,423,563,485	\$182,133,143	2.9%	Statewide Average	\$1,140	Statewide Average	2.9%

Dollar Difference in State Aid – Fiscal 2010 to 2011 (\$ in Thousands)

County	County/ Municipal	Community Colleges	Direct State Aid				Subtotal	Retirement	Total
			Public Schools	Libraries	Health				
Allegany	-\$1,196	-\$191	-\$2,380	-\$12	\$0	-\$3,779	\$1,216	-\$2,563	
Anne Arundel	923	-480	16,947	78	0	17,468	9,609	27,078	
Baltimore City	-4,054	0	29,530	-86	0	25,390	7,971	33,361	
Baltimore	878	-694	13,990	3	0	14,178	7,415	21,593	
Calvert	72	-42	524	4	0	558	1,956	2,514	
Caroline	34	-27	161	0	0	168	492	660	
Carroll	166	-104	-860	0	0	-798	2,464	1,667	
Cecil	82	-64	2,765	12	0	2,794	1,690	4,484	
Charles	148	-134	784	-4	0	795	3,004	3,799	
Dorchester	28	-24	1,522	2	0	1,528	399	1,927	
Frederick	169	-158	3,685	40	0	3,736	4,428	8,164	
Garrett	-40	7	-979	-1	0	-1,012	471	-541	
Harford	246	-224	2,065	-1	0	2,086	3,078	5,164	
Howard	483	-260	12,065	4	0	12,292	8,565	20,857	
Kent	19	-11	-181	1	0	-172	195	23	
Montgomery	1,112	-1,137	50,823	56	0	50,853	21,233	72,086	
Prince George's	-17,261	-532	-29,367	-315	0	-47,474	14,360	-33,114	
Queen Anne's	45	-32	446	5	0	464	864	1,328	
St. Mary's	80	-44	1,455	-5	0	1,485	1,718	3,203	
Somerset	-64	-19	168	2	0	86	339	425	
Talbot	48	-25	282	0	0	305	489	794	
Washington	129	-136	3,645	11	0	3,648	2,179	5,827	
Wicomico	90	-74	911	16	0	943	1,702	2,644	
Worcester	92	-30	644	0	0	706	997	1,703	
Unallocated	-2,025	-96	1,123	49	0	-949	0	-949	
Total	-\$19,796	-\$4,531	\$109,767	-\$138	\$0	\$85,301	\$96,832	\$182,133	

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

**State Aid Reductions from Statutorily Required Funding
Proposed in State Budget
Fiscal 2011
State Funds
(\$ in Millions)**

<u>Aid Program</u>	<u>Reduction Amount</u> ⁽¹⁾	<u>Share of Total Funding</u>
Student Transportation	\$4.3	1.9%
Community College Aid	23.1	10.6%
Police Aid	19.0	29.4%
Highway User Revenues	238.3	62.9%
Local Health Grants	3.7	9.1%
Retirement Grants	0.5	100.0%
Total	\$288.9	4.3%

⁽¹⁾ Contingent on legislation.

**Capital Budget
All Funds
Fiscal 2010-2011
(\$ in Millions)**

	<u>FY 2010</u>	<u>FY 2011</u>	<u>Variance</u>
<u>Uses</u>			
State Facilities	\$75.2	\$19.6	-\$55.6
Health/Social	85.5	43.2	-42.3
Environment	742.2	661.6	-80.6
Public Safety	156.1	26.1	-130.0
Education	284.9	269.8	-15.1
Higher Education	304.7	344.9	40.2
Housing	182.4	78.0	-104.4
Economic Development	5.0	0.0	-5.0
Bond Bill Projects	15.0	15.0	0.0
Local Projects	35.5	25.7	-9.8
InterCounty	55.0	126.9	71.9
Subtotal	\$1,941.5	\$1,610.8	-\$330.7
Transportation	1,635.0	1,515.6	-119.4
Total	\$3,576.5	\$3,126.4	-\$450.1
<u>Funds</u>			
General Obligation (GO)	\$1,140.8	\$1,167.0	\$26.2
Revenue Bonds	247.0	177.0	-70.0
QZAB	0.0	4.5	4.5
General	5.1	0.8	-4.3
Special	227.2	201.4	-25.8
Federal	321.4	60.1	-261.3
Transportation	1,635.0	1,515.6	-119.4
Total	\$3,576.5	\$3,126.4	-\$450.1

QZAB: Qualified Zone Academy Bonds

Note: Fiscal 2011 figures reflect the following adjustment: \$5.0 million general fund reduction for the Heritage Tax Credit contingent upon legislation; the use of \$53.3 million of bond premiums from the Annuity Bond Fund as special funds for the Public School Construction Program; \$54.3 million of contingent reductions reflecting the proposed diversion of fiscal 2011 transfer tax revenue to the general fund contingent upon GO bond replacement; \$3.9 million of Waterway Improvement Fund fiscal 2011 revenues proposed to be transferred to the general fund contingent upon replacement with GO bond funds.

Capital Budget
General Obligation Bond Funds
Fiscal 2010-2011
(\$ in Millions)

	<u>FY 2010</u>	<u>FY 2011</u>	<u>Variance</u>
<u>Uses</u>			
State Facilities	\$56.9	\$19.6	-\$37.3
Health/Social	85.5	43.2	-42.3
Environment	164.6	342.1	177.5
Public Safety	145.6	26.1	-119.5
Education	284.9	216.5	-68.4
Higher Education	277.6	317.9	40.3
Housing	20.2	38.5	18.3
Economic Development	0.0	0.0	0.0
Bond Bill Projects	15.0	15.0	0.0
Local Projects	35.5	25.7	-9.8
InterCounty Connector	55.0	126.9	71.9
Subtotal	\$1,140.8	\$1,171.5	\$30.7
Deauthorizations	-30.8	-27.0	3.8
Total	\$1,110.0	\$1,144.5	\$34.5

Note: Fiscal 2010 funding for environmental programs included \$102.3 million to replace Program Open Space fund balance and a portion of the fiscal 2010 transfer tax revenue which was transferred to the general fund – new program funding totaled \$62.6 million.

Fiscal 2011 funding includes \$290.6 million to replace proposed fund balance transfers and replacement of fiscal 2011 special fund revenues from various environmental and housing program special fund accounts. This includes \$275.8 million for environmental programs – new program/project funding totals \$66.3 million, and \$14.8 million for housing programs – new program/project funding totals \$23.7 million.

Use of General Obligation Bond Program to Relieve Pressure on Operating Budget

	<u>\$ in Millions</u>
<ul style="list-style-type: none"> ● InterCounty Connector Funding: Statutory change made in the 2009 BRFA would require remaining \$156.9 million in fiscal 2011. The 2010 BRFA proposes statutory change to fund \$126.9 million in fiscal 2011 with remaining \$30 million in fiscal 2012. 	\$126.9
<ul style="list-style-type: none"> ● Fund Balance Replacement: Budget includes the transfer of \$330.1 million of available fund balance from multiple capital program accounts with a multi-year general obligation (GO) bond replacement plan that would provide \$176.6 million in fiscal 2011, \$116.6 million in fiscal 2012, and \$33.8 million in fiscal 2013. (See appendix for complete transfer plan by program.) 	176.9
<ul style="list-style-type: none"> ● Special Fund Revenue Replacement: Budget includes the transfer of \$113.7 million of estimated fiscal 2011 revenues from multiple capital program accounts to be fully replaced with GO bond funds in fiscal 2011. (See appendix for complete transfer plan by program.) 	113.7
<ul style="list-style-type: none"> ● Use of GO Bond Funds to Fund Capital Programs Traditionally Funded with General Funds: This principally 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 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 Fund special funds for Tri-County Council of Southern Maryland programs. 	43.7
Total	\$461.1

Other Highlights

- **Bond Premiums:** Language in the Capital Budget Bill authorizes the use of up to \$53.3 million of bond premiums to supplement GO bond funds for the Public School Construction Program.
- **Split Funding/Pre-authorization:** The budget provides \$149.4 million for project/programs preauthorized in the 2009 session which is a reduction from the \$172.1 million originally preauthorized. Another nine projects/programs include pre-authorizations for fiscal 2012 in the aggregate amount of \$197.0 million with three having pre-authorizations for fiscal 2013. The funding proposed for fiscal 2011, in addition to the pre-authorizations, will allow the projects to be bid for construction during fiscal 2011.

<u>Project</u>	<u>FY 2011 Original</u>	<u>FY 2011 Revised</u>	<u>FY 2012 Proposed</u>	<u>FY 2013 Proposed</u>
Lowe House Office Building	\$3.5	\$0.0	\$4.2	\$4.0
Western Maryland Regional Library	5.0	2.5	2.5	
MSU: New Center for the Built Environment	26.9	30.4		
BSU: New Fine and Performing Arts Bldg.	34.1	32.1		
TSU: New College of Liberal Arts Complex	35.8	28.7		
SU: New Perdue School of Business	14.3	9.9		
MHEC: Community College Grant Program	39.6	35.4	33.6	
DSP: New Hagerstown Police Barrack	5.0	2.5		
Local Jails: St. Mary's County Detention Ctr.	5.5	5.5		
Sinai Hospital Samuelson Children's Hospital	2.5	2.5		
DNR: Harriet Tubman State Park			1.7	
DPSCS: New Youth Detention Center			38.0	25.6
UMCP: Physical Sciences Complex			44.1	10.6
UMB: New Law School			38.5	
UMBC: New Performing Arts & Humanities			27.4	
BCCC: Main Bldg. Renovation-Admin. Wing			7.0	
Total	\$172.1	\$149.4	\$197.0	\$40.2

- **Deauthorizations:** \$27.0 million of prior authorized GO bond funds will be deauthorized. This provides additional authorizations within the debt limit for fiscal 2011. An additional provision in the bill reduces prior bond premium authorizations for two public safety projects by \$2.2 million. Major deauthorizations include:
 - **\$8.2 Million – Montgomery County Detention Center** – County considering alternative project;
 - **\$6.7 Million – Frederick County Detention Center** – County requested change in scope to eliminate housing unit portion of project; and
 - **\$4.1 Million – Department of Juvenile Services Cheltenham Youth Facility New Treatment Center** – Change in priority to fund Southern Maryland Regional Detention Center.

Notable GO Bond Project Deferrals and Reductions

- Overall, the fiscal 2011 budget includes deferrals and reductions from what was planned in the 2009 session *Capital Improvement Program* (CIP) in the aggregate amount of \$206.5 million – notable items include:

<u>Project/Program</u>	<u>Deferral- Reductions</u>	<u>Purpose</u>
Public School Construction Program	\$53.3	Use of bond premiums proposed to supplant planned GO bonds – program remains at \$250 million total funds.
Department of State Police: Helicopter Replacement	40.0	Delayed procurement of three helicopters funded in fiscal 2010—awaiting final base realignment study.
Department of Juvenile Services: Cheltenham Treatment Center	26.4	Change in priority – CIP now proposes design/construction of Southern MD Regional Treatment Center.
Dept. of Public Safety and Correctional Services (DPSCS): New Youth Detention Center	25.3	Split-funded preauthorization over fiscals 2011 through 2013 reduces the amount needed in fiscal 2011.
Baltimore City Community College: Fine Arts Wing Renovation	17.7	Scope/project change under review.
Maryland Environmental Services: Infrastructure Improvement Fund	12.5	Construction schedule delay for Eastern Correctional Institute – Wastewater Treatment Plant – funding deferred to fiscal 2012.
Dept. of General Services: Facilities Renewal Program	11.6	\$3.4 provided to fund emergencies.
Towson Liberal Arts Complex	10.0	Proposed use of Academic Revenue Bonds reduces GO bond fund amount.
Local Jails Detention Centers	9.5	Reduced number of local requests ready for State participation.
Morgan State University: Campuswide Utilities Upgrade	9.0	Phase IV deferred to fiscal 2013 due to other budget priorities.
DPSCS: Jessup Correctional Complex	8.8	Delayed phase I schedule dictates deferral of phase II to fiscal 2012.
Dept. of Housing and Community Development (DHCD): Rental Housing Programs	8.2	Special funds from other DHCD accounts used to resolve Low Income Housing Tax credit equity issues.
MD Fire and Rescue Institute: North East Regional Training Ctr	7.4	Funded in fiscal 2010
Dept. of Health and Mental Hygiene: Deer's Head Renovation	5.9	Deferred to fiscal 2012 due to delayed construction schedule.
Coppin State University: Science and Technology Center	5.1	Reduced funding based on scope reduction.
Univ. of MD Eastern Shore: New Engineering/Aviation Building	4.4	Initial design funding deferred to fiscal 2012 due to other budget priorities.
MD Independent College and University Association: Capital Grant Program	4.0	Reduced grants due to other priorities
Univ. of MD Medical System: Shock Trauma Center Phase I	3.5	Final State installment deferred to fiscal 2012
Dept. of Natural Resources: Community Parks/Playgrounds	2.5	Reduced by half-other priorities.
DHCD: Community Legacy Program	2.3	Level funded at fiscal 2010 level.

Appendices

Operating Budget Affordability Limit
Revised 2009 Base
(\$ in Millions)

<u>Funds</u>	<u>2009 Session</u>	<u>2010 Session</u>	<u>\$ Change</u>	<u>% Change</u>
General	\$13,150.2	\$13,361.5	\$211.3	1.61%
Special	4,150.7	3,765.3	-385.4	-9.29%
Higher Education	2,100.0	2,153.3	53.3	2.54%
ARRA Funds	1,464.0	990.9	-473.1	-32.32%
Estimated Budget Growth	\$20,864.8	\$20,270.9	-\$593.9	-2.85%
SAC Limit	\$20,864.8	\$20,864.8	\$0.0	0.00%
Over (Under) Limit			-\$593.9	-2.85%

Base Adjustments

- * \$45.0 million adjustment in 2009 for Higher Education Investment Fund
- * \$18.4 million adjustment to count Senior Drug Assistance Program

ARRA: American Recovery and Reinvestment Act

SAC: Spending Affordability Committee

State Expenditures
Total and Adjusted for Reserve Fund Transfers
Fiscal 2001-2011
(\$ in Millions)

Table 1. General Funds

Fiscal Year	General Fund Expenditures	Percent Change	Appropriations	Adjusted	Percent Change	Calendar Year	Maryland	Percent Change
			to Reserve Fund ⁽²⁾	General Fund Expenditures			Personal Income ⁽³⁾	
2001	\$10,237.5	13.4%	\$315.8	\$9,921.7	11.3%	2001	\$194,986.3	5.9%
2002	10,572.3	3.3%	221.8	10,350.5	4.3%	2002	202,148.0	3.7%
2003	10,364.2	-2.0%	181.0	10,183.2	-1.6%	2003	209,973.0	3.9%
2004	10,261.5	-1.0%	10.0	10,251.5	0.7%	2004	225,023.0	7.2%
2005	11,275.2	9.9%	114.7	11,160.5	8.9%	2005	237,521.5	5.6%
2006	12,356.4	9.6%	299.4	12,057.0	8.0%	2006	252,781.8	6.4%
2007	14,204.4	15.0%	638.4	13,566.0	12.5%	2007	264,367.3	4.6%
2008	14,488.2	2.0%	162.8	14,325.4	5.6%	2008	272,542.0	3.1%
2009	14,352.9	-0.9%	146.5	14,206.4	-0.8%	2009	274,583.3	0.7%
2010 ⁽¹⁾	13,441.0	-6.4%	114.9	13,326.1	-6.2%	2010	280,091.8	2.0%
2011 ⁽¹⁾	13,176.5	-2.0%	15.0	13,161.5	-1.2%	2011	290,448.4	3.7%

Table 2. State Funds (General, Special and Higher Education)

Fiscal Year	State Fund Expenditures	Percent Change	Appropriations	Adjusted	Percent Change	Calendar Year	Maryland	Percent Change
			to Reserve Fund ⁽²⁾	State Fund Expenditures			Personal Income ⁽³⁾	
2001	\$15,720.6	11.6%	\$315.8	\$15,404.8	10.3%	2001	\$194,986.3	5.9%
2002	16,605.2	5.6%	221.8	16,383.5	6.4%	2002	202,148.0	3.7%
2003	17,080.5	2.9%	181.0	16,899.5	3.1%	2003	209,973.0	3.9%
2004	16,701.7	-2.2%	10.0	16,691.7	-1.2%	2004	225,023.0	7.2%
2005	18,188.1	8.9%	114.7	18,073.5	8.3%	2005	237,521.5	5.6%
2006	19,967.7	9.8%	308.6	19,659.1	8.8%	2006	252,781.8	6.4%
2007	22,393.0	12.1%	638.4	21,754.6	10.7%	2007	264,367.3	4.6%
2008	23,008.1	2.7%	162.8	22,845.3	5.0%	2008	272,542.0	3.1%
2009	23,111.6	0.5%	146.5	22,965.1	0.5%	2009	274,583.3	0.7%
2010 ⁽¹⁾	22,527.4	-2.5%	114.9	22,412.5	-2.4%	2010	280,091.8	2.0%
2011 ⁽¹⁾	22,688.1	0.7%	15.0	22,673.1	1.2%	2011	290,448.4	3.7%

Table 3. All Funds

Fiscal Year	Total Expenditures	Percent Change	Appropriations	Adjusted	Percent Change	Calendar Year	Maryland	Percent Change
			to Reserve Fund ⁽²⁾	Total State Expenditures			Personal Income ⁽³⁾	
2001	20,064.8	12.3%	315.8	19,749.0	11.2%	2001	194,986.3	5.9%
2002	21,443.0	6.9%	221.8	21,221.2	7.5%	2002	202,148.0	3.7%
2003	22,454.1	4.7%	181.0	22,273.1	5.0%	2003	209,973.0	3.9%
2004	22,547.2	0.4%	10.0	22,537.2	1.2%	2004	225,023.0	7.2%
2005	24,066.3	6.7%	114.7	23,951.7	6.3%	2005	237,521.5	5.6%
2006	26,174.2	8.8%	308.6	25,865.6	8.0%	2006	252,781.8	6.4%
2007	28,756.5	9.9%	638.4	28,118.1	8.7%	2007	264,367.3	4.6%
2008	29,569.4	2.8%	162.8	29,406.6	4.6%	2008	272,542.0	3.1%
2009	30,870.5	4.4%	146.5	30,724.0	4.5%	2009	274,583.3	0.7%
2010 ⁽¹⁾	32,321.2	4.7%	114.9	32,206.3	4.8%	2010	280,091.8	2.0%
2011 ⁽¹⁾	32,019.6	-0.9%	15.0	32,004.6	-0.6%	2011	290,448.4	3.7%

(1) Fiscal 2010 is the working appropriation including reversions, deficiencies, and targeted reversions. Fiscal 2011 is the allowance including reversions, targeted reversions, across-the-board cuts and reductions contingent on legislation. Fiscal 2011 State funds (Table 2) and all funds (Table 3) reflect adding in \$423.3 million in special fund spending related to fund swaps proposed in the Governor's budget.

(2) Includes appropriations to the Revenue Stabilization Account, the Dedicated Purpose Account, the Catastrophic Event Fund, the Citizen's Tax Reduction Reserve Fund and the Joseph Fund. Money that was appropriated to the Dedicated Purpose Account to be transferred to the Maryland Transportation Authority is excluded (\$50 million in fiscal 2006, \$53 million in fiscal 2007 and \$65 million in fiscal 2009). Money appropriated to the Dedicated Purpose Account for the Other Post Employment Benefits liability is also excluded (\$100 million each in fiscal 2007 and 2008).

(3) The history through 2008 comes from the U.S. Department of Commerce, Bureau of Economic Analysis. The forecast for 2009-2011 is from the Board of Revenue Estimates, December 2009.

Cost Containment Actions Fiscal 2002-2010: Facility Closings

<u>Year</u>	<u>Comment</u>	<u>Positions</u>	<u>Funds</u>	<u>Subtotal</u>
2003	Close Victor Cullen (DJS)		<u>\$7.2</u>	\$7.2
2005	Merge Ofc. of Smart Growth with Planning	2	0.2	
	Close Crownsville Hospital Center (DHMH)	130	<u>6.8</u>	\$7.0
2006	Closed Woodstock training center (DPSCS)		0.1	
	Closure of committed programming at the Charles Hickey School (DJS)		<u>0.0</u>	\$0.1
2008	Reduction of bed capacity at RICA Gildner and RICA Baltimore (DHMH)			
	Closure of one ward at each of Spring Grove and Springfield Hospital Centers (DHMH)			
	Close House of Correction (DPSCS)	30	16.0	
	Close two offices in Mexico and Brazil (DBED)		<u>0.1</u>	\$16.1
2009	Close RICA-Southern Maryland (DHMH)	73	5.5	
	Close Annapolis Barracks (DSP)	6	0.3	
	Close O'Farrell Center (DJS)		1.5	
	Close residential operations at Maryland Youth Residence Center (DJS)		<u>0.8</u>	\$8.1
2010	Close College Park, Oakland, & Centreville Animal Health Labs	3	0.2	
	Close Upper Shore Community Mental Health Center (DHMH)	90	2.7	
	Close two psychiatric wards at Spring Grove Hospital Center (DHMH)	50	2.8	
	Close Walter P. Carter Center (DHMH)	23	7.8	
	Close Rosewood (DHMH)	389	<u>3.6</u>	
	Reduce residential capacity at RICA-Gildner and RICA-Baltimore (DHMH)	17	1.1	
	Close one ward at Springfield Hospital Center (DHMH)	25	2.4	
	Close Mount Clare Facility (DJS)		0.9	
	Close Toulson Boot Camp/consolidate pre-release beds (DPSCS)	88	6.3	
	Eliminate staff at two welcome centers (DBED)	2	0.4	
	Close foreign office in Taiwan (DBED)		0.1	
	Eliminate staff at three welcome centers (DBED)	3	<u>0.5</u>	\$28.6
Grand Total		930		\$67.1

DBED: Department of Business and Economic Development
DHMH: Department of Health and Mental Hygiene
DJS: Department of Juvenile Services
DPSCS: Department of Public Safety and Correctional Services
DSP: Department of State Police
MDA: Maryland Department of Agriculture
RICA: Regional Institutions for Children and Adolescents

State Expenditures – Federal Funds
(\$ in Millions)

<u>Category</u>	<u>Actual FY 2009</u>	<u>Work. Appr. FY 2010</u>	<u>Allowance FY 2011</u>	<u>Contingent Reductions</u>	<u>Adjusted Allowance FY 2011</u>	<u>FY 2010 to FY 2011</u>	
						<u>\$ Change</u>	<u>% Change</u>
Debt Service	\$0.0	\$0.9	\$1.7	\$0.0	\$1.7	\$0.9	102.8%
County/Municipal	41.3	82.0	105.2	0.0	105.2	23.2	28.3%
Community Colleges	0.0	0.0	0.0	0.0	0.0	0.0	n/a
Education/Libraries	701.1	1,404.7	1,168.9	0.0	1,168.9	-235.8	-16.8%
Health	4.5	4.5	4.5	0.0	4.5	0.0	0.0%
<i>Aid to Local Governments</i>	\$746.9	\$1,491.1	\$1,278.6	\$0.0	\$1,278.6	-\$212.6	-14.3%
Foster Care Payments	108.2	125.4	107.0	0.0	107.0	-18.5	-14.7%
Assistance Payments	703.4	571.8	816.2	0.0	816.2	244.5	42.8%
Medical Assistance	3,161.5	3,687.1	3,841.4	11.0	3,830.4	143.3	3.9%
Property Tax Credits	0.0	0.0	0.0	0.0	0.0	0.0	n/a
<i>Entitlements</i>	\$3,973.1	\$4,384.3	\$4,764.6	\$11.0	\$4,753.6	\$369.3	8.4%
Health	883.6	913.0	960.1	0.0	960.1	47.0	5.2%
Human Resources	570.8	565.6	526.9	0.0	526.9	-38.7	-6.8%
Systems Reform Initiative	7.3	7.3	7.7	0.0	7.7	0.4	5.1%
Juvenile Services	7.4	16.2	16.0	0.0	16.0	-0.2	-1.3%
Public Safety/Police	21.6	107.4	93.3	0.0	93.3	-14.1	-13.1%
Higher Education	0.0	0.0	0.0	0.0	0.0	0.0	n/a
Other Education	212.5	301.0	227.7	0.0	227.7	-73.3	-24.4%
Transportation	93.7	88.4	90.2	0.0	90.2	1.8	2.0%
Agric./Natl Res./Environment	58.5	81.0	69.1	0.0	69.1	-11.9	-14.7%
Other Executive Agencies	459.5	665.1	522.0	0.0	522.0	-143.1	-21.5%
Judiciary	3.8	4.2	4.0	0.0	4.0	-0.2	-3.7%
Across-the-board Reductions	0.0	0.0	-0.6	0.0	-0.6	-0.6	n/a
<i>State Agencies</i>	\$2,318.8	\$2,749.2	\$2,516.4	\$0.0	\$2,516.4	-\$232.8	-8.5%
Total Operating	\$7,038.7	\$8,625.5	\$8,561.3	\$11.0	\$8,550.3	-\$75.2	-0.9%
Capital	720.2	1,168.3	781.2	0.0	781.2	-387.1	-33.1%
Grand Total	\$7,758.9	\$9,793.8	\$9,342.5	\$11.0	\$9,331.5	-\$462.3	-4.7%

Note: Fiscal 2010 includes \$427.5 million in deficiencies. The fiscal 2011 allowance includes \$3.0 million in reductions from Sections 18-24 of the budget bill (SB 140/HB 150). The fiscal 2011 adjusted allowance reflects \$11.0 million in reductions contingent on legislation.

State Expenditures – State Funds

(\$ in Millions)

<u>Category</u>	<u>Actual FY 2009</u>	<u>Work. Appr. FY 2010</u>	<u>Targeted Reversions</u>	<u>Adjusted Work. Appr. FY 2010</u>	<u>Allowance FY 2011</u>	<u>Contingent Reductions & Fund Swaps</u>	<u>Adjusted Allowance FY 2011</u>	<u>FY 2010 to FY 2011 \$ Change</u>	<u>% Change</u>
Debt Service	\$881.5	\$944.7	\$0.0	\$944.7	\$1,004.2	\$0.0	\$1,004.2	\$59.5	6.3%
County/Municipal	736.5	385.4	0.3	385.1	611.7	271.5	340.2	-44.9	-11.7%
Community Colleges	254.7	256.2	0.0	256.2	279.2	23.1	256.1	-0.1	0.0%
Education/Libraries	5,444.1	5,271.5	0.0	5,271.5	5,347.5	10.5	5,337.0	65.5	1.2%
Health	57.4	37.3	0.0	37.3	41.0	3.7	37.3	0.0	0.0%
Aid to Local Governments	\$6,492.7	\$5,950.4	\$0.3	\$5,950.1	\$6,279.4	\$308.8	\$5,970.6	\$20.5	0.3%
Foster Care Payments	243.0	240.5	0.0	240.5	245.0	0.0	245.0	4.5	1.9%
Assistance Payments	55.3	110.4	0.0	110.4	75.7	0.0	75.7	-34.7	-31.4%
Medical Assistance	2,289.2	2,169.4	0.0	2,169.4	2,233.3	9.0	2,224.3	54.9	2.5%
Property Tax Credits	57.3	74.0	0.0	74.0	73.6	0.0	73.6	-0.4	-0.5%
Entitlements	\$2,644.7	\$2,594.2	\$0.0	\$2,594.2	\$2,627.6	\$9.0	\$2,618.6	\$24.4	0.9%
Health	1,662.5	1,656.4	4.2	1,652.3	1,682.0	8.2	1,673.8	21.6	1.3%
Human Resources	375.2	369.6	0.0	369.6	362.8	0.0	362.8	-6.9	-1.9%
Systems Reform Initiative	34.3	24.4	0.0	24.4	20.7	0.0	20.7	-3.8	-15.4%
Juvenile Services	267.1	260.8	0.0	260.8	257.7	0.0	257.7	-3.1	-1.2%
Public Safety/Police	1,450.5	1,396.1	0.0	1,396.1	1,426.8	0.0	1,426.8	30.7	2.2%
Higher Education	4,443.9	4,619.4	0.0	4,619.4	4,735.5	0.0	4,735.5	116.1	2.5%
Other Education	432.8	368.6	1.8	366.9	409.5	23.2	386.3	19.4	5.3%
Transportation	1,422.1	1,434.8	0.0	1,434.8	1,456.5	0.0	1,456.5	21.7	1.5%
Agric./Nat'l Res./Environment	288.3	310.5	0.0	310.4	346.6	24.4	322.2	11.8	3.8%
Other Executive Agencies	1,012.6	1,079.5	0.4	1,079.1	1,136.5	1.2	1,135.3	56.1	5.2%
Legislative	74.0	76.5	1.0	75.5	75.8	0.0	75.8	0.3	0.4%
Judiciary	409.2	428.0	8.5	419.5	425.2	0.0	425.2	5.7	1.4%
Across-the-board Reductions	0.0	0.0	0.0	0.0	-22.9	0.0	-22.9	-22.9	n/a
State Agencies	\$11,872.4	\$12,024.8	\$15.9	\$12,008.9	\$12,312.8	\$57.0	\$12,255.7	\$246.9	2.1%
Total Operating	\$21,891.4	\$21,514.0	\$16.2	\$21,497.9	\$22,223.9	\$374.8	\$21,849.1	\$351.3	1.6%
Capital/Heritage Reserve Fund	1,008.7	962.1	2.0	960.1	899.9	45.3	854.6	-105.5	-11.0%
Transfer to MDTA	65.0	0.0	0.0	0.0	156.9	156.9	0.0	0.0	n/a
Reserve Funds ⁽¹⁾	146.5	114.9	0.0	114.9	15.0	0.0	15.0	-99.9	-87.0%
Appropriations	\$23,111.6	\$22,591.1	\$18.2	\$22,572.9	\$23,295.7	\$577.0	\$22,718.7	\$145.8	0.6%
Reversions	0.0	-30.0	15.5	-45.5	-30.0	0.6	-30.6	14.9	-32.7%
Grand Total	\$23,111.6	\$22,561.1	\$33.7	\$22,527.4	\$23,265.7	\$577.6	\$22,688.1	\$160.7	0.7%

MDTA: Maryland Transportation Authority

Note: The fiscal 2010 working appropriation includes \$322.8 million in deficiencies. The fiscal 2011 allowance includes \$114.1 million in reductions from Sections 18-24 of the budget bill (SB 140/HB 150) and \$6.5 million in targeted reversions related to the planned employee furlough. The fiscal 2011 adjusted allowance reflects \$0.6 million in targeted reversions and \$1.0 billion in reductions contingent on legislation. These reductions are offset by \$423.3 million in additional special fund spending due to funding swaps.

⁽¹⁾ Excludes \$65.0 million in fiscal 2009 and \$156.9 million in fiscal 2011 appropriated to the Dedicated Purpose Account that is to be transferred to the Maryland Transportation Authority. These monies are included in the transfer to MDTA.

State Expenditures – All Funds
(\$ in Millions)

<u>Category</u>	<u>Actual FY 2009</u>	<u>Work. Appr. FY 2010</u>	<u>Targeted Reversions</u>	<u>Adjusted Work. Appr. FY 2010</u>	<u>Allowance FY 2011</u>	<u>Contingent Reductions & Fund Swaps</u>	<u>Allowance FY 2011</u>	<u>FY 2010 to FY 2011</u>	
								<u>\$ Change</u>	<u>% Change</u>
Debt Service	\$881.5	\$945.5	\$0.0	\$945.5	\$1,006.0	\$0.0	\$1,006.0	\$60.4	6.4%
County/Municipal	777.8	467.4	0.3	467.1	716.9	271.5	445.4	-21.7	-4.6%
Community Colleges	254.7	256.2	0.0	256.2	279.2	23.1	256.1	-0.1	0.0%
Education/Libraries	6,145.2	6,676.2	0.0	6,676.2	6,516.4	10.5	6,505.9	-170.3	-2.6%
Health	61.9	41.8	0.0	41.8	45.5	3.7	41.8	0.0	0.0%
Aid to Local Governments	\$7,239.5	\$7,441.5	\$0.3	\$7,441.2	\$7,558.0	\$308.8	\$7,249.2	-\$192.0	-2.6%
Foster Care Payments	351.3	365.9	0.0	365.9	351.9	0.0	351.9	-14.0	-3.8%
Assistance Payments	758.7	682.2	0.0	682.2	891.9	0.0	891.9	209.8	30.7%
Medical Assistance	5,450.6	5,856.5	0.0	5,856.5	6,074.7	20.0	6,054.7	198.3	3.4%
Property Tax Credits	57.3	74.0	0.0	74.0	73.6	0.0	73.6	-0.4	-0.5%
Entitlements	\$6,617.8	\$6,978.5	\$0.0	\$6,978.5	\$7,392.2	\$20.0	\$7,372.2	\$393.7	5.6%
Health	2,546.1	2,569.5	4.2	2,565.3	2,642.1	8.2	2,633.9	68.6	2.7%
Human Resources	946.0	935.2	0.0	935.2	889.7	0.0	889.7	-45.5	-4.9%
Systems Reform Initiative	41.5	31.8	0.0	31.8	28.4	0.0	28.4	-3.4	-10.7%
Juvenile Services	274.5	277.0	0.0	277.0	273.7	0.0	273.7	-3.3	-1.2%
Public Safety/Police	1,472.0	1,503.5	0.0	1,503.5	1,520.2	0.0	1,520.2	16.7	1.1%
Higher Education	4,443.9	4,619.4	0.0	4,619.4	4,735.5	0.0	4,735.5	116.1	2.5%
Other Education	645.4	669.7	1.8	667.9	637.2	23.2	614.0	-53.9	-8.1%
Transportation	1,515.9	1,523.2	0.0	1,523.2	1,546.7	0.0	1,546.7	23.5	1.5%
Agric./Nat'l Res./Environment	346.8	391.4	0.0	391.4	415.7	24.4	391.3	0.0	0.0%
Other Executive Agencies	1,472.1	1,744.6	0.4	1,744.2	1,658.4	1.2	1,657.3	-86.9	-5.0%
Legislative	74.0	76.5	1.0	75.5	75.8	0.0	75.8	0.3	0.4%
Judiciary	413.0	432.2	8.5	423.7	429.3	0.0	429.3	5.5	1.3%
Across-the-board Reductions	0.0	0.0	0.0	0.0	-23.5	0.0	-23.5	-23.5	n/a
State Agencies	\$14,191.2	\$14,774.0	\$15.9	\$14,758.1	\$14,829.2	\$57.0	\$14,772.1	\$14.0	0.1%
Total Operating	\$28,930.1	\$30,139.6	\$16.2	\$30,123.4	\$30,785.3	\$385.8	\$30,399.5	\$276.1	0.9%
Capital/Heritage Reserve Fund	1,728.9	2,130.4	2.0	2,128.4	1,681.0	45.3	1,635.7	-492.7	-23.1%
Transfer to MDTA	65.0	0.0	0.0	0.0	156.9	156.9	0.0	0.0	n/a
Reserve Funds ⁽¹⁾	146.5	114.9	0.0	114.9	15.0	0.0	15.0	-99.9	-87.0%
Appropriations	\$30,870.5	\$32,384.9	\$18.2	\$32,366.7	\$32,638.2	\$588.0	\$32,050.2	-\$316.5	-1.0%
Reversions	0.0	-30.0	15.5	-45.5	-30.0	0.6	-30.6	14.9	-32.7%
Grand Total	\$30,870.5	\$32,354.9	\$33.7	\$32,321.2	\$32,608.2	\$588.6	\$32,019.6	-\$301.6	-0.9%

MDTA: Maryland Transportation Authority

Note: The fiscal 2010 working appropriation includes \$750.3 million in deficiencies. The fiscal 2011 allowance includes \$117.1 million in reductions from Sections 18-24 of the budget bill (SB 140/HB 150) and \$6.5 million in targeted reversions related to the planned employee furlough. The fiscal 2011 adjusted allowance reflects \$0.6 million in targeted reversions and \$1.0 billion in reductions contingent on legislation. These reductions are offset by \$423.3 million in additional special fund spending due to funding swaps.

⁽¹⁾ Excludes \$65.0 million in fiscal 2009 and \$156.9 million in fiscal 2011 appropriated to the Dedicated Purpose Account that is to be transferred to the Maryland Transportation Authority. These monies are included in the transfer to MDTA line.

State Reserve Fund Activity
Fiscal 2010 and 2011
(\$ in Millions)

	Rainy Day Fund	Dedicated Purpose Acct.	Catastrophic Event Acct.
Estimated Balances 6/30/09	\$691.8	\$0.6	\$8.4
Fiscal 2010 Appropriations	139.9	0.0	0.0
Withdrawn Appropriation ¹	-25.0		
Expenditures			
Prince George's County Hospital		-0.6	
Transfers to General Fund (GF)			
Fiscal 2010 Budget Bill	-210.0		
2009 BRFA			-7.4
Estimated Interest	18.1		
Estimated Balances 6/30/10	\$614.8	\$0.0	\$1.0
Fiscal 2011 Appropriations	0.0	171.9	0.0
Contingent Reduction		-156.9	
Expenditures			
Prince George's County Hospital		-15.0	
Transfers to General Fund	0.0		
Estimated Interest	18.7		
Estimated Balances 6/30/11	\$633.5	\$0.0	\$1.0
Balance in Excess of 5% GF Revenues	-\$0.1		

BRFA: Budget Reconciliation and Financing Act

¹ November 18, 2009 Board of Public Works Action.

State Aid to Local Governments – Fiscal 2011 Allowance (\$ in Thousands)

County	County/ Municipal	Community Colleges	Direct State Aid				Subtotal	Retirement	Total	Change Over FY 2010	Percent Change
			Public Schools	Libraries	Health						
Allegany	\$7,495	\$5,732	\$83,640	\$758	\$909	\$98,534	\$10,604	\$109,137	-\$2,563	-2.3%	
Anne Arundel	8,456	28,948	293,084	1,913	3,142	335,543	76,536	412,079	27,078	7.0%	
Baltimore City	224,501	0	870,278	6,461	6,675	1,107,916	83,503	1,191,419	33,361	2.9%	
Baltimore	10,720	36,315	524,667	5,249	4,302	581,253	99,745	680,998	21,593	3.3%	
Calvert	1,277	2,152	86,906	402	370	91,107	17,683	108,790	2,514	2.4%	
Caroline	2,996	1,367	42,663	273	538	47,837	5,249	53,086	660	1.3%	
Carroll	2,298	7,483	140,703	982	1,232	152,698	27,149	179,846	1,667	0.9%	
Cecil	1,417	5,146	100,091	717	806	108,178	15,666	123,844	4,484	3.8%	
Charles	1,985	6,869	150,402	791	995	161,042	25,698	186,740	3,799	2.1%	
Dorchester	2,948	1,233	31,775	244	429	36,628	4,560	41,188	1,927	4.9%	
Frederick	3,450	8,425	208,329	1,140	1,512	222,856	39,128	261,984	8,164	3.2%	
Garrett	2,862	3,433	24,385	155	437	31,272	4,658	35,930	-541	-1.5%	
Harford	3,430	10,302	209,734	1,548	1,737	226,752	37,165	263,917	5,164	2.0%	
Howard	4,625	13,668	209,873	770	1,215	230,151	63,068	293,219	20,857	7.7%	
Kent	606	562	9,980	96	336	11,580	2,448	14,028	23	0.2%	
Montgomery	14,629	41,218	524,390	2,662	3,015	585,914	181,460	767,374	72,086	10.4%	
Prince George's	24,126	23,129	880,179	5,648	5,007	938,088	133,491	1,071,579	-33,114	-3.0%	
Queen Anne's	885	1,604	31,190	132	418	34,228	6,945	41,173	1,328	3.3%	
St. Mary's	1,467	2,253	94,882	624	809	100,035	15,271	115,306	3,203	2.9%	
Somerset	5,602	787	23,847	263	429	30,928	3,216	34,145	425	1.3%	
Talbot	840	1,247	11,216	101	329	13,734	4,040	17,774	794	4.7%	
Washington	2,220	7,746	144,499	1,128	1,381	156,974	19,965	176,939	5,827	3.4%	
Wicomico	3,885	4,504	115,832	838	947	126,007	14,654	140,661	2,644	1.9%	
Worcester	1,365	1,816	18,046	138	313	21,678	8,502	30,179	1,703	6.0%	
Unallocated	23,020	6,463	27,088	15,658	0	72,228	0	72,228	-949	-1.3%	
Total	\$357,106	\$222,403	\$4,857,679	\$48,690	\$37,283	\$5,523,161	\$900,402	\$6,423,563	\$182,133	2.9%	

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

State Assistance to Local Governments
Fiscal 2010 Working Appropriation
(\$ in Thousands)

County	County - Municipal	Community Colleges	Direct State Aid			Subtotal	Retirement	Total
			Public Schools	Libraries	Health			
Allegany	\$8,691	\$5,923	\$86,020	\$770	\$909	\$102,312	\$9,388	\$111,700
Anne Arundel	7,533	29,428	276,137	1,835	3,142	318,075	66,927	385,001
Baltimore City	228,555	0	840,748	6,548	6,675	1,082,526	75,532	1,158,058
Baltimore	9,842	37,009	510,676	5,246	4,302	567,075	92,330	659,405
Calvert	1,205	2,194	86,382	398	370	90,549	15,727	106,276
Caroline	2,962	1,394	42,501	273	538	47,669	4,757	52,426
Carroll	2,132	7,587	141,563	982	1,232	153,495	24,684	178,180
Cecil	1,335	5,211	97,326	704	806	105,383	13,977	119,360
Charles	1,837	7,003	149,618	795	995	160,247	22,694	182,941
Dorchester	2,920	1,257	30,253	242	429	35,100	4,161	39,261
Frederick	3,280	8,583	204,645	1,099	1,512	219,119	34,701	253,820
Garrett	2,901	3,426	25,364	155	437	32,285	4,186	36,471
Harford	3,184	10,525	207,670	1,549	1,737	224,666	34,087	258,753
Howard	4,142	13,928	197,807	766	1,215	217,859	54,502	272,362
Kent	587	573	10,162	94	336	11,752	2,253	14,005
Montgomery	13,517	42,355	473,567	2,606	3,015	535,061	160,227	695,288
Prince George's	41,386	23,661	909,545	5,962	5,007	985,562	119,131	1,104,693
Queen Anne's	840	1,635	30,744	127	418	33,764	6,081	39,845
St. Mary's	1,388	2,297	93,427	629	809	98,550	13,553	112,103
Somerset	5,666	807	23,679	261	429	30,842	2,877	33,720
Talbot	792	1,272	10,934	101	329	13,428	3,552	16,980
Washington	2,091	7,882	140,854	1,117	1,381	153,326	17,786	171,112
Wicomico	3,795	4,578	114,921	822	947	125,064	12,952	138,017
Worcester	1,273	1,846	17,402	138	313	20,972	7,504	28,477
Unallocated	25,045	6,559	25,965	15,609	0	73,177	0	73,177
Total	\$376,902	\$226,934	\$4,747,912	\$48,828	\$37,283	\$5,437,860	\$803,570	\$6,241,430

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

Percent Change in State Aid – Fiscal 2010 to 2011

County	Direct State Aid						Subtotal	Retirement	Total
	County/ Municipal	Community Colleges	Public Schools	Libraries	Health				
Allegany	-13.8%	-3.2%	-2.8%	-1.5%	0.0%	-3.7%	12.9%	-2.3%	
Anne Arundel	12.3%	-1.6%	6.1%	4.3%	0.0%	5.5%	14.4%	7.0%	
Baltimore City	-1.8%	n/a	3.5%	-1.3%	0.0%	2.3%	10.6%	2.9%	
Baltimore	8.9%	-1.9%	2.7%	0.1%	0.0%	2.5%	8.0%	3.3%	
Calvert	6.0%	-1.9%	0.6%	1.0%	0.0%	0.6%	12.4%	2.4%	
Caroline	1.1%	-1.9%	0.4%	0.1%	0.0%	0.4%	10.3%	1.3%	
Carroll	7.8%	-1.4%	-0.6%	0.0%	0.0%	-0.5%	10.0%	0.9%	
Cecil	6.1%	-1.2%	2.8%	1.8%	0.0%	2.7%	12.1%	3.8%	
Charles	8.1%	-1.9%	0.5%	-0.5%	0.0%	0.5%	13.2%	2.1%	
Dorchester	1.0%	-1.9%	5.0%	0.9%	0.0%	4.4%	9.6%	4.9%	
Frederick	5.2%	-1.8%	1.8%	3.7%	0.0%	1.7%	12.8%	3.2%	
Garrett	-1.4%	0.2%	-3.9%	-0.4%	0.0%	-3.1%	11.3%	-1.5%	
Harford	7.7%	-2.1%	1.0%	0.0%	0.0%	0.9%	9.0%	2.0%	
Howard	11.7%	-1.9%	6.1%	0.5%	0.0%	5.6%	15.7%	7.7%	
Kent	3.3%	-1.9%	-1.8%	1.5%	0.0%	-1.5%	8.6%	0.2%	
Montgomery	8.2%	-2.7%	10.7%	2.1%	0.0%	9.5%	13.3%	10.4%	
Prince George's	-41.7%	-2.2%	-3.2%	-5.3%	0.0%	-4.8%	12.1%	-3.0%	
Queen Anne's	5.4%	-1.9%	1.5%	3.9%	0.0%	1.4%	14.2%	3.3%	
St. Mary's	5.7%	-1.9%	1.6%	-0.8%	0.0%	1.5%	12.7%	2.9%	
Somerset	-1.1%	-2.4%	0.7%	0.8%	0.0%	0.3%	11.8%	1.3%	
Talbot	6.0%	-1.9%	2.6%	0.1%	0.0%	2.3%	13.8%	4.7%	
Washington	6.2%	-1.7%	2.6%	1.0%	0.0%	2.4%	12.2%	3.4%	
Wicomico	2.4%	-1.6%	0.8%	2.0%	0.0%	0.8%	13.1%	1.9%	
Worcester	7.2%	-1.6%	3.7%	-0.2%	0.0%	3.4%	13.3%	6.0%	
Unallocated	-8.1%	-1.5%	4.3%	0.3%	n/a	-1.3%	n/a	-1.3%	
Total	-5.3%	-2.0%	2.3%	-0.3%	0.0%	1.6%	12.1%	2.9%	

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

Proposed Growth in State Aid to Local Governments

County	FY 2010	Mandatory FY 2011	Percent Difference	Contingent Reductions	Proposed FY 2011	Percent Difference
Allegany	111,700,264	\$114,340,709	2.4%	-\$5,203,338	\$109,137,371	-2.3%
Anne Arundel	385,001,481	436,873,293	13.5%	-24,794,160	412,079,133	7.0%
Baltimore City	1,158,057,873	1,236,742,384	6.8%	-45,323,254	1,191,419,130	2.9%
Baltimore	659,405,097	715,631,951	8.5%	-34,634,213	680,997,738	3.3%
Calvert	106,275,994	113,583,873	6.9%	-4,793,731	108,790,142	2.4%
Caroline	52,426,088	56,341,921	7.5%	-3,255,825	53,086,096	1.3%
Carroll	178,179,683	189,847,112	6.5%	-10,000,729	179,846,383	0.9%
Cecil	119,359,746	129,624,220	8.6%	-5,780,278	123,843,942	3.8%
Charles	182,940,728	194,411,524	6.3%	-7,671,799	186,739,725	2.1%
Dorchester	39,261,205	44,817,048	14.2%	-3,629,334	41,187,714	4.9%
Frederick	253,819,992	275,397,172	8.5%	-13,413,165	261,984,007	3.2%
Garrett	36,470,977	39,864,573	9.3%	-3,934,709	35,929,864	-1.5%
Harford	258,752,806	276,328,963	6.8%	-12,412,232	263,916,731	2.0%
Howard	272,361,884	305,582,677	12.2%	-12,363,523	293,219,154	7.7%
Kent	14,004,948	15,875,427	13.4%	-1,847,667	14,027,760	0.2%
Montgomery	695,288,062	804,283,724	15.7%	-36,909,612	767,374,112	10.4%
Prince George's	1,104,692,880	1,100,167,055	-0.4%	-28,588,129	1,071,578,926	-3.0%
Queen Anne's	39,845,194	45,064,918	13.1%	-3,891,672	41,173,246	3.3%
St. Mary's	112,102,955	120,837,894	7.8%	-5,532,056	115,305,838	2.9%
Somerset	33,719,646	36,342,601	7.8%	-2,197,916	34,144,685	1.3%
Talbot	16,980,198	20,854,723	22.8%	-3,080,865	17,773,858	4.7%
Washington	171,112,143	185,639,582	8.5%	-8,700,615	176,938,967	3.4%
Wicomico	138,016,738	147,096,171	6.6%	-6,435,200	140,660,971	1.9%
Worcester	28,476,526	34,692,190	21.8%	-4,512,693	30,179,497	6.0%
Unallocated	73,177,234	72,228,495	-1.3%	0	72,228,495	-1.3%
Total	6,241,430,342	\$6,712,470,200	7.5%	-\$288,906,715	\$6,423,563,485	2.9%

Source: Department of Legislative Services

Contingent Reductions to State Aid to Local Governments in Fiscal 2011 From Mandatory Funding Levels

County	Student Transportation	Community College Aid	Police Aid	Highway User Revenues	Local Health	Retirement Grants	Total Effect
Allegany	-\$82,213	-\$724,563	-\$306,897	-\$4,245,923	\$156,258	\$0	-\$5,203,338
Anne Arundel	-371,049	-2,910,940	-2,126,688	-19,313,102	-37,864	-34,517	-24,794,160
Baltimore City	-301,203	0	-45,980	-43,130,070	-1,450,303	-395,698	-45,323,254
Baltimore	-466,615	-4,018,624	-3,304,917	-25,638,515	-1,205,542	0	-34,634,213
Calvert	-101,385	-293,818	-261,934	-4,245,993	109,399	0	-4,793,731
Caroline	-47,013	-217,438	-121,630	-2,954,593	84,849	0	-3,255,825
Carroll	-173,532	-722,212	-571,085	-8,465,789	-28,829	-39,282	-10,000,729
Cecil	-91,009	-646,234	-349,805	-4,747,747	54,517	0	-5,780,278
Charles	-184,639	-937,800	-429,703	-6,155,496	35,839	0	-7,671,799
Dorchester	-42,867	-196,119	-137,047	-3,285,210	31,909	0	-3,629,334
Frederick	-208,637	-1,179,609	-761,412	-11,283,170	19,663	0	-13,413,165
Garrett	-54,597	-173,116	-82,805	-3,704,314	80,123	0	-3,934,709
Harford	-217,321	-1,092,051	-982,059	-9,869,761	-251,040	0	-12,412,232
Howard	-267,727	-1,691,731	-747,623	-9,492,571	-163,871	0	-12,363,523
Kent	-28,513	-89,372	-72,569	-1,691,757	34,544	0	-1,847,667
Montgomery	-574,922	-3,756,581	-5,074,771	-27,334,594	-168,744	0	-36,909,612
Prince George's	-625,622	-1,834,620	-1,749,925	-22,939,638	-1,438,324	0	-28,588,129
Queen Anne's	-60,335	-255,132	-152,327	-3,471,016	47,138	0	-3,891,672
St. Mary's	-114,970	-307,628	-318,260	-4,720,840	-70,358	0	-5,532,056
Somerset	-33,271	-108,090	-86,863	-1,959,793	-9,899	0	-2,197,916
Talbot	-28,901	-198,430	-146,101	-2,801,695	94,262	0	-3,080,865
Washington	-121,401	-919,619	-528,429	-7,202,474	71,308	0	-8,700,615
Wicomico	-91,561	-578,234	-368,770	-5,523,065	126,430	0	-6,435,200
Worcester	-54,369	-233,101	-228,372	-4,158,870	162,019	0	-4,512,693
Unallocated	0	0	0	0	0	0	0
Total	-\$4,343,672	-\$23,085,062	-\$18,955,972	-\$238,335,996	-\$3,716,516	-\$469,497	-\$288,906,715

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

County	Statutory Funding Level	2009 BRFA Reduction	Contingent Reduction	Total Reductions	Proposed Funding Level	Percent Reduction
Allegany	\$6,387,531	-\$1,831,846	-\$4,245,923	-\$6,077,769	\$309,762	-95.2%
Anne Arundel	27,895,443	-7,996,894	-19,313,102	-27,309,996	585,447	-97.9%
Baltimore City	193,923,000	-19,871,424	-43,130,070	-63,001,494	130,921,506	-32.5%
Baltimore	37,511,924	-10,757,194	-25,638,515	-36,395,709	1,116,215	-97.0%
Calvert	6,235,183	-1,777,551	-4,245,993	-6,023,544	211,639	-96.6%
Caroline	4,433,838	-1,272,303	-2,954,593	-4,226,896	206,942	-95.3%
Carroll	12,563,512	-3,592,233	-8,465,789	-12,058,022	505,490	-96.0%
Cecil	7,008,274	-1,990,712	-4,747,747	-6,738,459	269,815	-96.2%
Charles	9,058,322	-2,578,168	-6,155,496	-8,733,664	324,658	-96.4%
Dorchester	4,922,052	-1,406,739	-3,285,210	-4,691,949	230,103	-95.3%
Frederick	16,646,169	-4,738,497	-11,283,170	-16,021,667	624,502	-96.2%
Garrett	5,559,213	-1,592,885	-3,704,314	-5,297,199	262,014	-95.3%
Harford	14,603,727	-4,171,792	-9,869,761	-14,041,553	562,174	-96.2%
Howard	13,870,861	-3,960,732	-9,492,571	-13,453,303	417,558	-97.0%
Kent	2,515,801	-714,961	-1,691,757	-2,406,718	109,083	-95.7%
Montgomery	39,452,563	-11,235,610	-27,334,594	-38,570,204	882,359	-97.8%
Prince George's	33,995,832	-9,788,358	-22,939,638	-32,727,996	1,267,836	-96.3%
Queen Anne's	5,149,407	-1,472,251	-3,471,016	-4,943,267	206,140	-96.0%
St. Mary's	6,973,170	-1,979,073	-4,720,840	-6,699,913	273,257	-96.1%
Somerset	2,957,488	-849,884	-1,959,793	-2,809,677	147,811	-95.0%
Talbot	4,094,971	-1,171,692	-2,801,695	-3,973,387	121,584	-97.0%
Washington	10,683,042	-3,047,889	-7,202,474	-10,250,363	432,679	-95.9%
Wicomico	8,284,887	-2,375,652	-5,523,065	-7,898,717	386,170	-95.3%
Worcester	6,038,794	-1,745,660	-4,158,870	-5,904,530	134,264	-97.8%
Total	\$480,765,004	-\$101,920,000	-\$238,335,996	-\$340,255,996	\$140,509,008	-70.8%

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	\$125.0	\$150.0	\$0.0	\$0.0	\$0.0	\$275.0
BPW: Public School Construction Program	196.7	0.0	0.0	53.3	0.0	250.0
MDTA: InterCounty Connector	126.9	0.0	0.0	0.0	0.0	126.9
MDE: Maryland Water Quality Revolving Loan Fund	3.3	0.0	0.0	90.2	16.5	110.0
DNR: Program Open Space	70.2	0.0	0.0	1.5	11.1	82.8
MHEC: Community College Facilities Grant Program	78.7	0.0	0.0	0.0	0.0	78.7
USM: Physical Sciences Complex	41.1	0.0	0.0	0.0	0.0	41.1
USM: Towson University: New College of Liberal Arts Complex Phase II	28.7	10.0	0.0	0.0	0.0	38.7
USM: New Performing Arts and Humanities Facility	37.4	0.0	0.0	0.0	0.0	37.4
USM: New Law School Building	37.3	0.0	0.0	0.0	0.0	37.3
MDA: Maryland Agricultural Land Preservation Program	21.8	0.0	0.0	12.1	2.0	35.9
MDE: Biological Nutrient Removal Program	33.3	0.0	0.0	0.0	0.0	33.3
USM: Bowie State University: New Fine and Performing Arts Building	32.1	0.0	0.0	0.0	0.0	32.1
MSU: Morgan State University: New Center for the Built Environment	30.4	0.0	0.0	0.0	0.0	30.4
DNR: Rural Legacy Program	28.3	0.0	0.0	0.0	0.0	28.3
DHCD: Rental Housing Programs	0.0	0.0	0.0	21.5	5.2	26.7
DPSCS: New Youth Detention Facility	17.5	0.0	0.0	0.0	0.0	17.5
USM: Facility Renewal	0.0	17.0	0.0	0.0	0.0	17.0
MDE: Maryland Drinking Water Revolving Loan Fund	2.2	0.0	0.0	6.1	8.2	16.5
DNR: Waterway Improvement Fund	10.2	0.0	0.0	1.1	0.5	11.8
Local House/Senate Initiatives	15.0	0.0	0.0	0.0	0.0	15.0
DOIT: Public Safety Communications System	14.2	0.0	0.0	0.0	0.0	14.2
MDA: Maryland Agricultural Cost Share Program (MACS)	12.5	0.0	0.0	0.0	0.0	12.5
DHCD: Special Loan Programs	9.5	0.0	0.0	0.0	2.7	12.2
DNR: Natural Resources Development Fund	10.1	0.0	0.0	0.0	0.0	10.1
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

**Proposed 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>Prior Funds - Replaced in FY 2012</u>	<u>Prior 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	13.1	3.0	1.6	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	12.6	10.6	0.0	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
Total	\$330.1	\$113.7	\$443.7	\$113.7	\$176.9	\$116.6	\$33.7	\$440.9

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