
Fiscal Briefing

Department of Legislative Services

Office of Policy Analysis

Annapolis, Maryland

January 23, 2001

Budget Overview

Combined Budget Statement by Source of Funds

\$ in Millions

	<u>Actual</u> <u>FY 2000</u>	<u>Amended</u> <u>FY 2001</u> ⁽¹⁾	<u>Proposed</u> <u>FY 2002</u>	<u>Amount</u> <u>Increase</u>	<u>FY 2001-02</u> <u>Change</u>
<i>Operating Budget:</i>					
General	\$8,600.6	\$9,311.5	\$10,061.2	\$749.7	8.1%
Special/Higher Education	4,215.0	4,469.3	4,724.0	254.8	5.7%
Federal	3,340.7	3,816.3	3,955.0	138.7	3.6%
	\$16,156.2	\$17,597.1	\$18,740.2	\$1,143.1	6.5%
<i>Capital Budget:</i>					
General	\$315.4	\$595.3	\$603.7	\$8.4	
Special ⁽²⁾	746.2	813.8	742.6	-71.1	
Federal	439.9	597.6	843.6	246.0	
MDOT Bonds	75.0	0.0	235.0	235.0	
G. O. Bonds	445.0	460.0	475.0	15.0	
QZABs	0.0	9.8	8.3	-1.5	
CRF Revenue Bonds	0.0	0.0	55.0	55.0	
Academic Revenue Bonds	25.0	25.0	25.0	0.0	
	\$2,046.5	\$2,501.5	\$2,988.2	\$486.7	19.5%
<i>Fund Transfers:</i>					
Revenue Stabilization	\$82.2	\$235.0	\$141.8		
TANF	22.3	30.0	9.6		
Transportation	20.0	69.9	45.0		
Other	11.0	18.0	7.0		
	\$135.5	\$352.8	\$203.3	-\$149.5	-42.4%
Budget Bill Authorizations ⁽³⁾	\$17,868.3	\$19,956.6	\$21,368.5	\$1,411.8	7.1%
Bond Authorizations (exc. MDOT)	470.0	494.8	563.3	68.5	13.8%
Total Authorizations	\$18,338.3	\$20,451.5	\$21,931.8	\$1,480.3	7.2%

Notes:

(1) Fiscal 2001 budget includes \$397 million in deficiency requests and budget amendments reflected in the working appropriation.

(2) Special fund capital amounts are reduced by amount of MDOT bonds anticipated or issued.

(3) Includes MDOT bond proceeds. Fiscal 2001 and 2002 do not reflect anticipated reversions.

The Fiscal 2002 Budget Is Balanced in the Mathematical and Legal Sense

Maryland Constitution, Article III, Section 52:

The Budget and the Budget Bill as submitted by the Governor to the General Assembly shall have a figure for the total of all proposed appropriations and a figure for the total of all estimated revenues available to pay the appropriations, and the figure for total proposed appropriations shall not exceed the figure for total estimated revenues.

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Sources of Funds (\$ in Millions)

General Fund Balance	\$375
Transfer from Revenue Stabilization Account	557
Total Estimated Revenues (all funds)	20,411
Estimated Reversions	50
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	21,393
Total Appropriations (all funds)	21,368
Estimated Ending Balance	\$25

Operating Budget Exceeds Affordability Limit

\$ in Millions

<u>Funds</u>	<u>2000 Session</u>	<u>2001 Session</u>	<u>\$ Change</u>	<u>% Change</u>
General	\$9,193.0	\$10,123.1	\$930.1	10.1%
Special	2,455.5	2,541.3	85.8	3.5%
Higher Education	<u>1,090.8</u>	<u>1,168.9</u>	<u>78.1</u>	<u>7.2%</u>
TOTAL	12,739.3	13,833.3	1,094.0	8.6%
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Spending Affordability Limit		\$13,624.7	\$885.4	6.95%
Allowance Over (Under) Limit			\$208.6	
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The State's Cash Position Is Reduced

- Available cash balances are reduced from \$811 million in fiscal 2001 to \$81 million fiscal 2002.

Change in Cash Position of General Fund

\$ in Millions

	<u>FY 2000</u>	<u>FY 2001</u>	<u>FY 2002</u>
Ending General Fund Balance	\$936.2	\$375.0	\$25.0
Rainy Day Fund	<u>581.9</u>	<u>919.2</u>	<u>552.0</u>
Total Cash	\$1,518.1	\$1,294.2	\$577.0
Mandated Rainy Day Funding	<u>-461.0</u>	<u>-482.7</u>	<u>-495.6</u>
Cash Available for Next Year	\$1,057.1	\$811.5	\$81.4
<i>Rainy Day Balance over 5% of general fund revenues</i>	<i>\$120.9</i>	<i>\$436.5</i>	<i>\$56.5</i>

Revenue Stabilization Fund (Rainy Day Fund)

\$ in Millions

	Fund	Balance as % GF Revenue	Balance in Excess of 5% GF Revenues
Fiscal 2000			
Beginning Balance	\$ 634.9		
Appropriation	82.2		
Interest	38.8		
To GF/Other ¹	(174.0)		
Ending Balance	581.9	6.3%	\$ 120.9
Fiscal 2001			
Beginning Balance	581.9		
Appropriation ²	235.0		
Estimated Interest ³	63.5		
From Dedicated Purpose ⁴	38.9		
Ending Balance	919.2	9.5%	436.5
Fiscal 2002			
Beginning Balance	919.2		
Allowance ⁵	141.8		
Estimated Interest ³	38.1		
From Dedicated Purpose ⁶	10.0		
To GF/Other ⁷	(557.0)		
Ending Balance	\$ 552.0	5.6%	\$ 56.5

Interest includes earnings on all Reserve Funds, except the Joseph Fund (Chapter 517, Acts of 1999).

Notes:

- ¹ Represents transfers of \$160.0 million to support general operations, \$8.04 million for higher education capital project design, and \$6.0 million to the Public Service Commission for public education on utility restructuring.
- ² Chapter 4, Acts of 1998 requires the Governor to appropriate the fiscal 1999 general fund surplus in excess of \$10 million, or \$310 million. This was reduced by \$75.0 million during the 2000 session to offset revenue losses due to legislation.
- ³ Interest earnings calculated by multiplying the assumed interest rate by the sum of the ending balances for each of the funds plus 1/2 of the annual appropriation to the Sunny Day Fund.
- ⁴ Represents the transfer of the remaining balance of funds appropriated to the Dedicated Purpose Fund in fiscal 1996 to offset changes in federal law, regulation, or policy. The law provides that unspent balances revert to the Revenue Stabilization Fund four years after the end of the fiscal year in which funds were appropriated.
- ⁵ Per Chapter 4, Acts of 1998, this represents the unappropriated fiscal 2000 general fund balance in excess of \$10.0 million, which must be appropriated to the Rainy Day Fund in fiscal 2002.
- ⁶ Represents the transfer of the remaining balance of funds from the Citizen's Tax Reduction and Fiscal Reserve Account appropriated to the Dedicated Purpose Fund in fiscal 1999. The allowance assumes the transfer in fiscal 2002, in advance of fiscal 2004 provided for through statutory provisions.
- ⁷ Represents the funds transferred to support operating and PAYGO spending under the Governor's allowance.

General Fund Analysis

General Fund Operating Revenues and Expenses

- Operating expenses exceed current revenues.

\$ in Millions

	<u>FY 2000</u>	<u>FY 2001</u>	<u>FY 2002</u>
<i>Basic Calculation</i>			
Current Revenues (BRE)	\$9,220.1	\$9,648.3	\$9,930.3
Operating Appropriations	<u>8,600.6</u>	<u>9,311.5</u>	<u>10,061.2</u>
	\$619.5	\$336.8	(\$130.9)
<i>Executive Adjustments to Balance</i>			
Additional Revenues	0.0	5.2	20.0
Revenue Transfers to TTF	0.0	0.0	(39.0)
Estimated Reversions	<u>0.0</u>	<u>25.0</u>	<u>50.0</u>
Excess (Shortfall)	\$619.5	\$367.0	(\$99.9)

BRE = Board of Revenue Estimates
TTF = Transportation Trust Fund

Revenue Assumptions in the Budget

- The budget assumes revisions to the BRE revenue estimates.

\$ in Millions

	<u>FY 2001</u>	<u>FY 2002</u>
Hospital Patient Recoveries	\$5.1	\$10.0
New Lottery Game	0.0	10.0
Transfer of general fund revenues to the TTF for Transit	0.0	(39.0)
Fiscal 2000 PAYGO Reversion	<u>0.1</u>	<u>0.0</u>
	\$5.2	(\$19.0)

Fiscal 2002 Budget Assumes General Fund Reversions That Are High by Historical Standards

Actual and Budgeted Reversions \$ in Millions

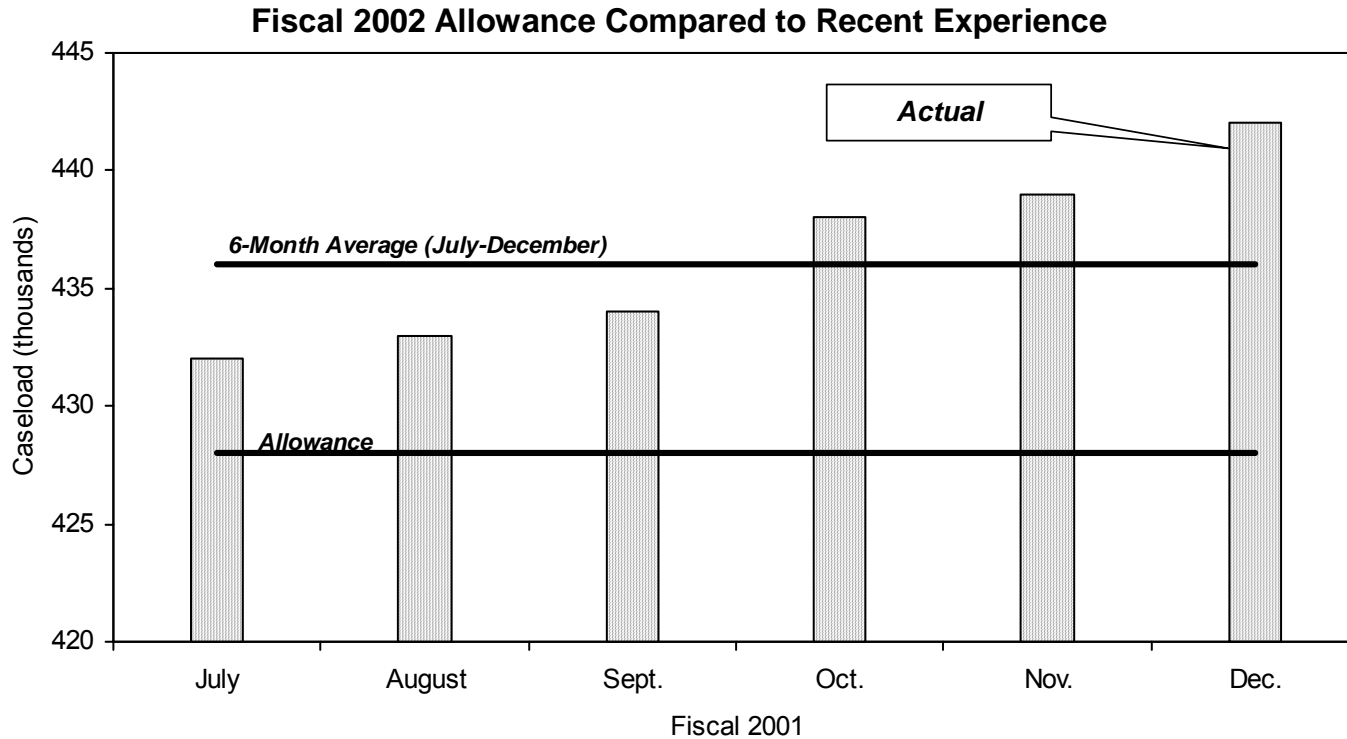
<u>Fiscal Year</u>	<u>Actual Reversions</u>	<u>Budgeted Reversions</u>
2002	n.a.	\$50.0
2001	n.a.	25.0
2000	16.5	25.0
1999	17.7	25.0

Budget Does Not Support Current Services

\$ in Millions

	FY 2001	FY 2002
Underfunding:		
Medicaid: Caseload & inflation assumptions are unrealistic.	\$0	\$32
Turnover: Statewide vacancy rate of almost 6% for existing positions is not sufficient to support operations.		34
Transfer to Dedicated Purpose Fund Equals 1/3 of Temporary Assistance to Needy Families (TANF) dollars supporting programs funded with State funds prior to fiscal 2000. Fiscal 2000 and 2001 transfers equated to 100% of TANF substitution		20
Mental Health: Demand for services exceeds funding and bills from prior years remain unpaid. Dept. of Health and Mental Hygiene plans service reductions.	24	12
Public Defender: Artificially high turnover rate/attorney caseload	5	6
Sick Leave Incentive Act: Agencies to absorb all FY 2001 costs and some FY 2002 costs	11	5
Temporary Cash Assistance: Caseload will exceed budget.		5
Maryland Department of Transportation: Diesel Fuel		3
Total Underfunding	\$40	\$117
Unusual Assumptions		
Reversions of \$50 million: Experience suggests \$25 million is more realistic.		25
Allowance includes more TANF funding than is available		15
Juvenile Justice: No new funding for computer system		n/a
Unusual Assumptions		\$40

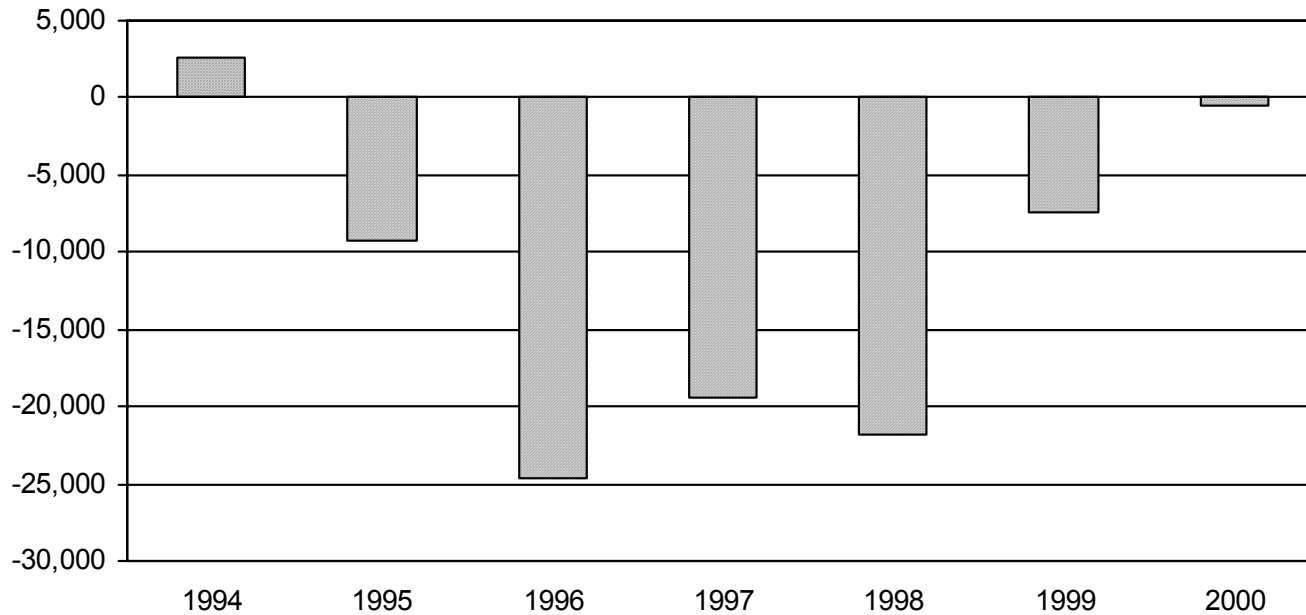
Medicaid Caseload Is Understated



- The Medicaid caseload has grown in each of the last six months.
- The December 2000 Medicaid caseload of about 442,000 far exceeds the fiscal 2002 allowance of 428,000.
- The average monthly caseload for the first six months of fiscal 2001 was 436,000.

Temporary Cash Assistance (TCA) Is Leveling Off

Change in the Number of TCA Recipients
May vs. November 1994 - 2000



- In calendar 1995 - 1999, the November Temporary Cash Assistance caseload was well below the May caseload.
- In calendar 2000, there was almost no change in the caseload from May to November.
- The fiscal 2002 allowance assumes 59,911 cases per month which is far below the current level of 76,000.

Forecast Fails to Fully Account for Many Ongoing Costs

	<u>\$ in Millions</u>
Closing General Fund Balance Assumed in the Administration's FY 2003 Forecast	\$6
Unaccounted for Ongoing Costs:	
Unspecified savings from efficiency assumed	(136)
Medicaid costs in FY 2002 are understated, and FY 2003 medical inflation is less than 4% after accounting for new initiatives	(62)
Unexplained 15% reduction in funding for the Judiciary	(44)
TANF surplus exhausted - general funds required to support ongoing costs	(34)
Employee health insurance flat funded (DLS projects 12% increase)	(30)
Unexplained \$30 million drop in local police aid estimate	(30)
No inflation assumed in agency budget: 1% increase seems more reasonable	(20)
DLS Projected Surplus (Deficit)	(\$350)

- The Administration's forecast supports a number of ongoing initiatives including Development Disabilities Waiting List initiative, higher education enhancements and reductions in child welfare caseload to staff ratios.
- The forecast assumes no increase in retirement costs and no additional cost-of-living increases or increments for State employees.

What's in the Budget

Status of the General Fund - Fiscal 2001
\$ in Millions

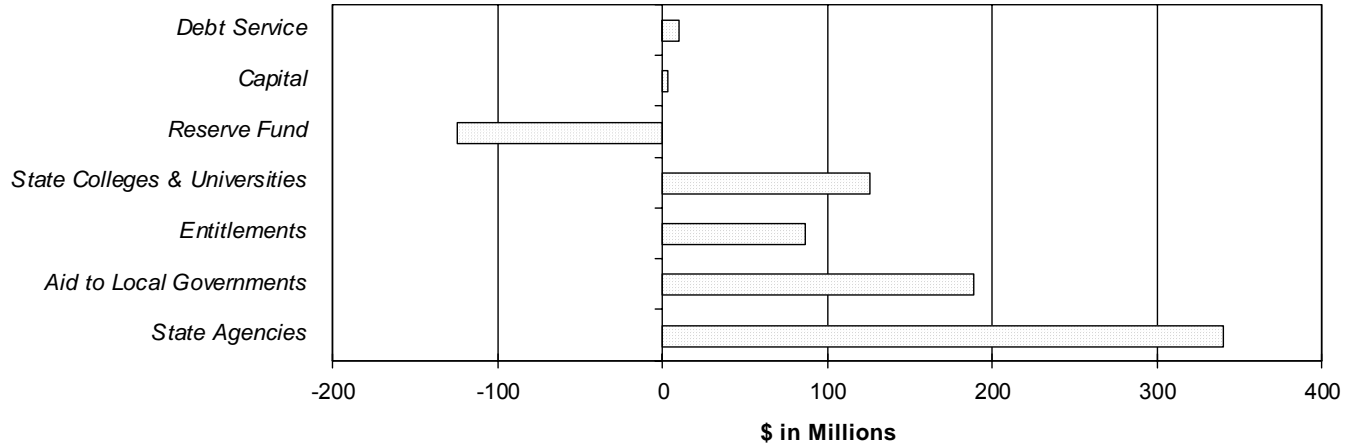
Starting Balance		\$936.2
Revenues		
December 2000 BRE Forecast	9,648.3	
Adjustments:		
Hospital Patient Recoveries	5.1	
Centro de la Comunidad FY 00 Reversion	<u>0.1</u>	
	5.2	
Revenue Subtotal		<u>9,653.5</u>
Funds Available		10,589.8
Spending		
Fiscal 2001 Legislative Appropriation	10,134.9	
Adjustments:		
Deficiencies	104.9	
Reversions	(25.0)	
Subtotal Expenditures		<u>10,214.8</u>
Ending Balance		\$375.0

Deficiencies	
Medicaid/MCHIP	\$41.6
DPSCS: IT systems, health care costs, overtime	20.9
Reserve Fund: Greenbelt Metro Station land acquisition	10.2
DHR: Social Services Block Grant	10.0
Sunny Day Fund: Reduction due to available fund balance	(10.0)
DHR: Foster Care higher than expected costs	6.2
Baltimore City School Remedy Plan	5.5
Non-public special education	4.8
DLLR: Overestimated federal indirect cost recoveries	4.0
DHMH: Renal dialysis costs	1.2
Gun Safety Act: MSP Ballistic fingerprinting	1.4
Other	<u>9.1</u>
	\$104.9

Status of the General Fund - Fiscal 2002
\$ in Millions

Starting Balance		\$375.0
	<i>Rainy Day Funds in Excess of 5% of GF Revenues</i>	\$436.8
 Revenues		
December 2000 BRE Forecast	9,930.3	
Adjustments:		
Hospital Patient Recoveries	10.0	
Additional Lottery Revenues	10.0	
Sales & Corp Tax to TTF (legislation)	(39.0)	
	(19.0)	
Revenue Subtotal		9,911.3
Transfer from the Revenue Stabilization Fund		557.0
 Funds Available		 10,843.2
 Spending		
Fiscal 2002 Allowance	10,726.5	
Adjustments:		
Appropriation to Rainy Day Fund	141.8	
Reversions	(50.0)	
Subtotal Expenditures		10,818.2
 Ending Balance		 \$25.0
	<i>Rainy Day Funds in Excess of 5% of GF Revenues</i>	\$56.5

General Fund Budget Change by Category: Fiscal 2001 to 2002



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\$ in Millions	Working Appropriation FY 2001	Allowance FY 2002	\$ Difference	% Difference
State Agencies	\$3,550.7	\$3,890.4	\$339.7	9.6%
Aid to Local Governments	3,110.4	3,298.5	188.1	6.0%
Entitlements	1,559.4	1,645.5	86.1	5.5%
State Colleges & Universities	886.5	1,012.5	125.9	14.2%
Debt Service	204.5	214.4	9.9	4.8%
Operating	\$9,311.5	\$10,061.2	\$749.7	8.1%
Reserve Fund	281.0	156.4	(124.6)	(44.3%)
Capital	645.3	648.7	3.4	0.5%
Transfers	2.0	2.0	0.0	0.0%
Total General Funds ⁽¹⁾	\$10,239.8	\$10,868.2	\$628.5	6.1%

⁽¹⁾ Does not reflect anticipated reversions

General Fund Appropriation Change from Fiscal 2001 to 2002

\$ in Millions

How Much It Grows:	Allowance Increase	\$628.5
	FY 2001 Deficiencies	104.9
	Total	733.4
Where It Goes:		
Reserve Fund		(124.6)
Education		356.6
Public Schools/Libraries	195.0	
Public School Construction	(48.3)	
High School Assessments	9.0	
Community Colleges	16.9	
Higher Education Institutions -- Operating	126.3	
Higher Education Institutions -- Capital	81.4	
Scholarships (HOPE/DDA/Other)	12.7	
Aid to Private Colleges and Universities	4.4	
Retirement Payments-on-Behalf	(40.8)	
Social Programs		193.6
Medical Assistance Payments	121.5	
DDA Waiting List Initiative/Provider COLA	16.7	
MHA Initiatives/Provider COLA	3.8	
Local Health Departments -- Formula and COLA Adjustments	5.3	
Substance Abuse Treatment (Grants/Provider COLA)	20.0	
TCA Caseloads Lower/TEMHA Grants Enhanced	(2.6)	
Reduce Staff to Caseload Ratios -- Child Welfare Workers	2.9	
Foster Care Program	16.0	
Offset Loss of Social Services Block Grant Fund	10.0	
Public Safety and Police		87.2
Additional Correctional Officers and Parole & Probation Agents	7.7	
New Facilities/Additional Overtime (DPSCS)	9.0	
Computer/Info Tech Upgrades -- Judiciary/Public Safety	18.4	
New Positions -- Conversions/New Juvenile Justice Center (DJJ)	7.6	
Community Services/Aftercare Initiatives (DJJ)	5.0	
Judiciary's Action Plan for Additional Circuit Court Funding	26.2	
Additional Judges (14)/Family Court Expansion	8.3	
Land Records System -- Clerks of Court	5.0	
Smart Growth/Community Revitalization		73.5
Maryland Green Print/Urban Parks	55.0	
Community Legacy (Operating/Capital)	15.0	
Maryland History Development Fund	3.5	
State Workforce Not Already Accounted For		173.8
Other		(89.8)
Debt Service	10.1	
Aid to County & Municipal Governments	22.9	
Automated Systems Enhancements/Software (DBM)	(16.1)	
Judgements Against the State	(5.0)	
Operating Maintenance	(2.0)	
PAYGO Capital (Local Projects/State Facilities/Etc)	(97.3)	
Homeowners/Renters Property Tax Credits	(2.4)	
Net Other Changes		63.1

General Fund Support for Higher Education Institutions
Fiscal 2000 - 2002 Allowance
\$ in Millions

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	FY 2000	FY 2001	FY 2002	\$ Increase	% Increase	FY 2002 as
	<u>Actual</u>	<u>Revised</u>	<u>Allowance</u>	<u>FY 01 - 02</u>	<u>FY 01 - 02</u>	<u>% of 2002</u>
						<u>Guidelines</u>
University of Maryland, Baltimore	\$127.3	\$139.5	\$161.7	\$22.2	15.9%	89%
University of Maryland, College Park	302.0	333.1	377.6	44.5	13.4%	94%
Bowie State University	18.6	21.3	23.7	2.4	11.3%	99%
Towson University	58.8	64.2	70.6	6.4	10.0%	95%
University of Maryland Eastern Shore	20.5	22.5	24.6	2.1	9.3%	112%
Frostburg State University	24.3	26.6	30.2	3.6	13.5%	94%
Coppin State College	16.0	18.6	21.7	3.1	16.7%	95%
University of Baltimore	21.7	23.5	25.3	1.8	7.7%	99%
Salisbury State University	24.5	28.1	31.0	2.9	10.3%	95%
University of Maryland, University College	9.4	13.5	19.3	5.8	43.0%	91%
University of Maryland, Baltimore County	59.4	66.5	80.5	14.0	21.1%	87%
University of Maryland Center for Environmental Science	11.7	12.8	14.1	1.3	10.2%	92%
University of Maryland Biotechnology Institute	15.5	16.2	17.1	0.9	5.6%	101%
University System of Maryland Office	10.3	12.0	13.6	1.6	13.3%	0
Subtotal University System of Maryland	\$720.0	\$798.4	\$911.0	\$112.6	14.1%	93%
St. Mary's College of Maryland	12.7	13.5	17.2	3.7	27.4%	
Morgan State University	43.5	47.9	54.6	6.7	14.0%	
Baltimore City Community College	23.0	26.5	29.9	3.4	12.8%	
Total General Funds Support for Higher Education	\$799.2	\$886.3	\$1,012.7	\$126.4	14.3%	

**General Fund Components of Fiscal 2002 Employee Compensation Excluding Higher Education
Fiscal 2002 Total Allowance and Increase Over Fiscal 2001 Working Appropriation**

\$ in Millions

	FY 2002 Allowance	FY 2001 to 2002 Increase
Earnings and Salary Adjustments	\$1,577.4	\$166.8
Annualization of fiscal 2001 general salary increase		23.2
January 1 to June 30, 2002, general salary increase		30.9
Salary schedule increments		35.1
New employees' salaries		51.8
Annualization of fiscal 2001 upgrades and conversions		10.0
July 1, 2001 and January 1, 2002, nurses' upgrades		9.5
Sick leave incentive program		6.0
 Health Insurance	 \$247.6	 \$37.0
Existing employees		28.0
New employees		9.0
 Deferred Compensation Match	 \$21.7	 \$1.1
 Retirement	 \$91.1	 (\$3.3)
 Other ⁽¹⁾	 \$149.3	 \$18.2
 Turnover Expectancy	 (\$126.2)	 (\$19.6)
	\$1,961.0	\$200.3

⁽¹⁾ Social Security, Worker's Compensation, and Unemployment Compensation

Fiscal 2002 Collective Bargaining Costs

\$ in Millions

	Total Funds	General Funds	Special Funds	Federal Funds
Fiscal 2002 General Salary Increase	\$49.4	\$30.9	\$11.9	\$6.6
Annualization of Fiscal 2001 GSI	36.9	23.2	8.8	4.9
Sick Leave Incentive Program	9.8	6.1	2.2	1.4
Free Transit Rider Program	4.0	-	4.0	-
Other (Roll Call Pay, Flat Rate Increase, Shift Differential, etc.)	3.7	3.3	0.4	0.0
Total Costs	\$103.9	\$63.6	\$27.4	\$12.9

Transportation Trust Fund

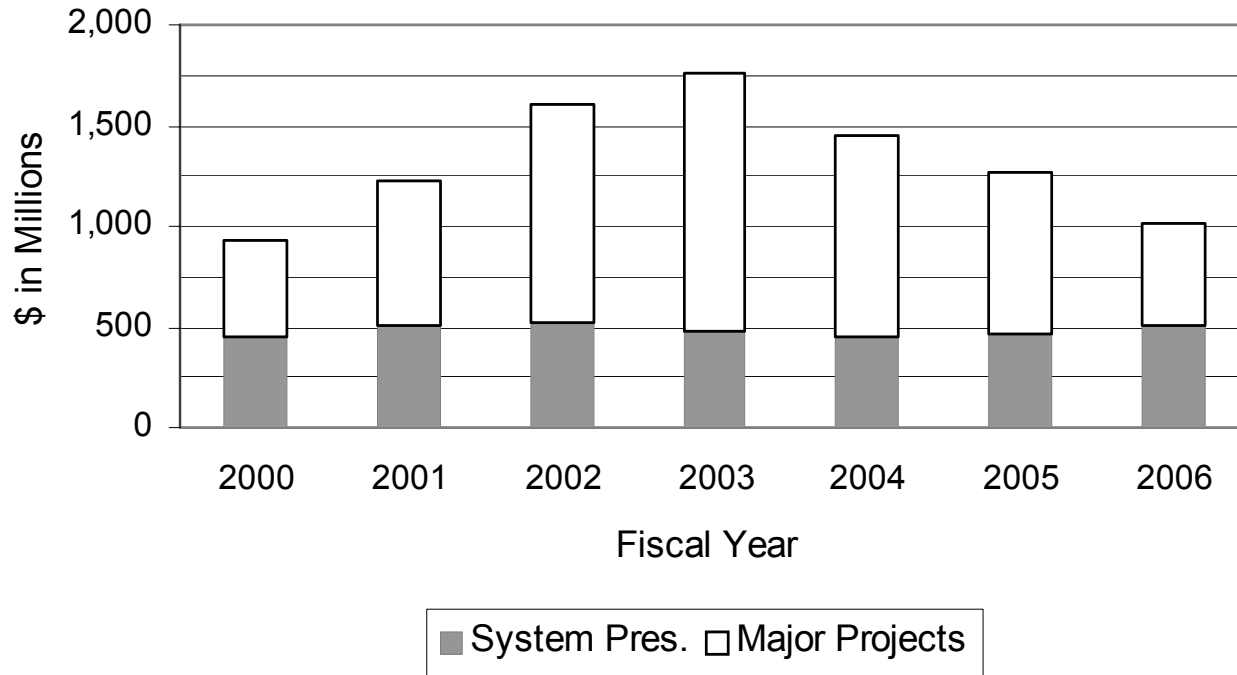
- From fiscal 2001 to 2006, the Transportation Trust Fund (TTF) forecast totals \$10 billion in special fund revenues, \$4.2 billion in federal fund aid, \$370 million in general fund transfers, and \$258 million in Maryland Transportation Authority (MdTA) transfers into the TTF.
- For the fiscal 2001 to 2006 period, tax and fee revenues increase \$397 million, primarily due to projected titling tax receipts increasing \$371 million.
- The Maryland Department of Transportation (MDOT) capital program totals \$9.4 billion, from fiscal 2001 to 2006. Expenditures increase from \$931 million in fiscal 2000 to \$1,764 million in fiscal 2003 and then fall to \$1.0 billion in fiscal 2006. MDOT projects the 90% increase between fiscal 2000 and 2003 will be achieved by adding major highway, transit, and Baltimore-Washington International Airport (BWI) construction projects to the capital program.
- Capital program highlights include \$803 million in new projects at BWI and \$245 million in new major highway construction projects.

Transportation Trust Fund (Cont.)

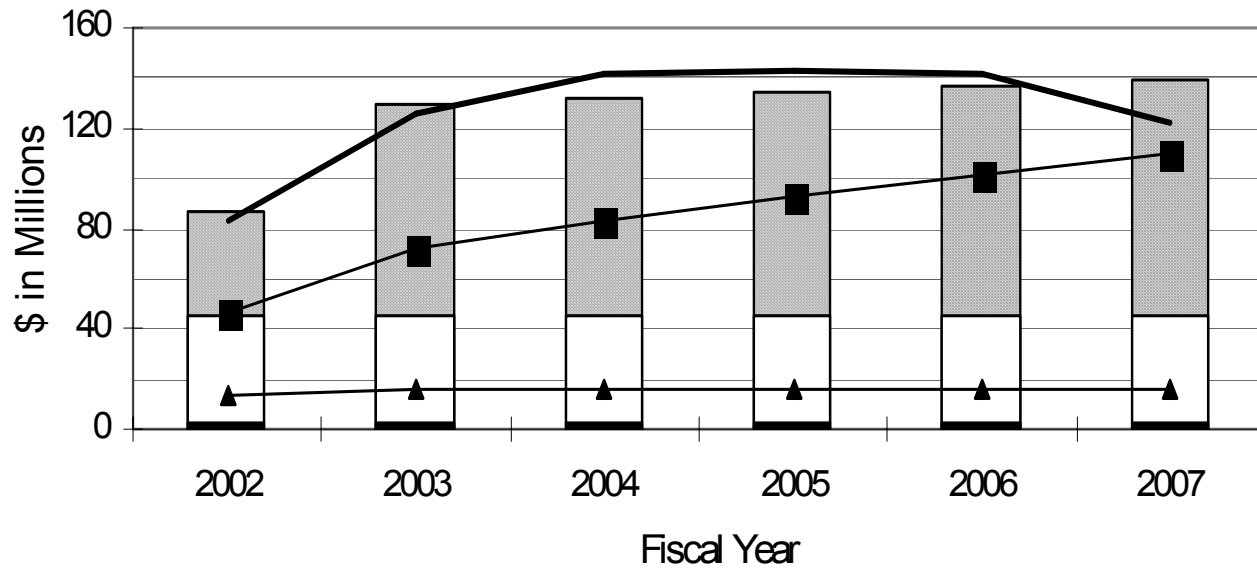
- The Administration is also proposing a six-year, \$750 million transit initiative beginning in fiscal 2002. MDOT advises that the initiative is supported by diverting \$350 million corporate income taxes from the general fund to the TTF, \$135 million in rental car sales taxes from the general fund to the TTF, and \$258 million in MdTA toll revenues to the TTF.
- Crediting an additional portion of the corporate income tax and all of the rental car sales tax to the TTF, instead of the general fund, will require legislation. Section 33 of the budget bill notes that \$70 million of the Mass Transit Administration (MTA) and Washington Metropolitan Area Transit Authority allowances are contingent on the enactment of legislation crediting these general funds to the TTF.
- In fiscal 2002, general fund transfers total approximately \$40 million and MdTA toll revenue transfers total \$43 million. In fiscal 2003, general fund transfers increase to \$84 million while MdTA toll revenue transfers remain constant at \$43 million.
- Under the transit initiative, fiscal 2002 operating and capital expenditures are \$18.8 million in the Baltimore area, \$34.7 million in the Washington, DC area, and \$29.4 million in statewide programs. Statewide spending includes reducing all one-way fares to \$1.10, free MTA bus, light rail and Metro subway transit for State employees, access to jobs grants for local services, rural services, and marketing initiatives.

Maryland Department of Transportation Capital Expenditures

Fiscal 2000 through 2006



Transit Initiative – 2001 Session



Cigarette Restitution Fund
Fiscal 2002 Allowance
\$ in Millions

	FY 2001 ⁽¹⁾ Legislative Appropriation	FY 2001 Working Appropriation	FY 2002 ⁽²⁾ Allowance	FY 2002 Contingent Funding
Revenues less the 25% in Escrow				
Fund Balance	\$39.4	\$39.4	\$0.0	
Payments, Interest, and Tax Refund	106.1	106.1	125.8	
Total Available Revenue	\$145.5	\$145.5	\$125.8	
Health/Tobacco				
Medicaid	\$24.6	\$24.6	\$0.0	
Tobacco	18.1	18.1	30.7	(10.7)
Cancer & Tobacco Related Diseases	30.8	30.8	43.0	(8.0)
Substance Abuse	18.5	18.5	18.5	
Maryland Health Care Foundation	1.5	1.5	1.5	(0.5)
Crop Conversion	<u>9.0</u>	<u>9.0</u>	<u>6.3</u>	
Subtotal Health/Tobacco	\$102.5	\$102.5	\$100.0	(\$19.2)
Education (K-12)				
Teachers Salaries Challenge	\$13.0	\$6.9	\$0.0	
Baltimore City Partnership	8.0	8.0	3.2	
Academic Intervention	12.0	12.0	19.5	
Aid to Nonpublic Schools	6.0	6.0	8.0	
Judy Hoyer Center	4.0	4.0	4.0	
School Wiring	1.4	1.4	3.6	(3.6)
Educational Modernization	2.5	2.5	0.0	
Teacher Mentoring	2.5	2.5	2.5	
Teacher Certification	2.0	2.0	2.0	
Technology Academy	1.7	1.7	1.7	
School Readiness and Accreditation	<u>3.0</u>	<u>3.0</u>	<u>3.0</u>	
Subtotal Education (K-12)	\$56.1	\$50.0	\$47.5	(\$3.6)
Higher Education				
MAITI Technology	\$3.7	\$3.7	\$3.7	(\$3.7)
Access/Success	1.0	1.0	1.0	
Digital Library	<u>0.5</u>	<u>0.5</u>	<u>0.5</u>	<u>(0.5)</u>
Subtotal Higher Education	\$5.2	\$5.2	\$5.2	(\$4.2)
Attorney General's Office ⁽³⁾	\$0.0	\$0.4	\$0.2	
Total Expenses	\$163.8	\$158.1	\$152.9	(\$27.0)
Funds to Be Withheld or Reverted ⁽⁴⁾	(\$12.6)	(\$12.6)	(\$27.0)	
Fund Balance with 25% in Escrow	(\$5.7)	\$0.0	\$0.0	

⁽¹⁾ The legislative appropriation reflects changes made to the appropriation as a result of the Teacher's Salary Challenge legislation.

⁽²⁾ The allowance includes an assumption of outside attorney fees of about 9%.

⁽³⁾ The fiscal 2002 funding for Attorney General will be in the supplemental budget.

⁽⁴⁾ The Administration plans to withhold \$1.4 million for school wiring in fiscal 2001. It is not been determined from where the remaining funds will be withheld or reverted.

Education Programs Supported by Cigarette Restitution Fund Changes in Funding Sources

\$ in Millions

	FY 2002 Plan ⁽¹⁾				FY 2002 Allowance				Difference			
	CRF	GF	TRF	Total	CRF	GF	TRF	Total	CRF	GF ⁽²⁾	TRF	Total
Teachers Salary Challenge	\$43.6		\$38.5	\$82.1	\$0.0	\$39.1	\$46.1	\$85.2	(\$43.6)	\$39.1	\$7.6	\$3.1
City Partnership -- Remedy Plan	8.0			8.0	3.2	17.3		20.5	(4.8)	17.3		12.5
Academic Intervention	19.5			19.5	19.5			19.5				
Aid to Nonpublic Schools	0.0			0.0	8.0			8.0	8.0			8.0
Judy Hoyer Centers	4.0			4.0	4.0	4.0		8.0		4.0		4.0
School Wiring	8.0			8.0	3.6			3.6	(4.4)			(4.4)
Educational Modernization	2.5	10.8		13.3	0.0	13.3		13.3	(2.5)	2.5		
Teacher Mentoring	2.5	2.5		5.0	2.5	2.5		5.0				
Teacher Certification	2.0			2.0	2.0			2.0				
Technology Academy	1.7	0.2		1.9	1.7	0.2		1.9				
School Readiness/Accreditation	3.0			3.0	3.0	1.5		4.5		1.5		1.5
Total	\$94.8	\$13.5	\$38.5	\$146.8	\$47.5	\$77.9	\$46.1	\$171.5	(\$47.3)	\$64.4	\$7.6	\$24.7

⁽¹⁾ FY 2002 plan is based on Governor's original plan for funding education programs from the Cigarette Restitution Fund in fiscal 2002 adjusted by provisions of the Teachers Salary Challenge legislation.

⁽²⁾ Additional general funds represents \$46.4 million shifted from the CRF and \$18 million in enhancements.

CRF -- Cigarette Restitution Funds

GF -- General Funds

TRF -- Teachers Retirement Reimbursement Funds

What's in the Budget – Local Government

State Aid to Local Governments

- In fiscal 2002, State aid to local governments increases by 6.1% or \$221.7 million.
- Direct aid increases by 8.0% or \$262.1 million.
- For comparison purposes, direct aid increased by 7.9% in fiscal 2001 and 4.1% in fiscal 2000.
- Retirement payments on behalf of local governments decrease by \$40.4 million or 10.4% in fiscal 2002. This decrease reflects a lower contribution rate for fiscal 2002.
- Retirement payments decreased in recent years due to a reduction in the retirement contribution rate which has resulted from high investment returns. Since fiscal 1997, retirement payments have decreased by \$129.8 million or 27.1%.

Summary of State Aid

General and Special Funds -- \$ in Millions

<u>Fiscal Year</u>	<u>Direct State Aid</u>	<u>Payments on Behalf</u>	<u>Total State Aid</u>	<u>Percent Change</u>
1992	\$1,840.8	\$350.9	\$2,191.6	
1993	2,012.3	387.4	2,399.7	9.5%
1994	2,085.3	383.8	2,469.1	2.9%
1995	2,217.0	423.1	2,640.1	6.9%
1996	2,327.3	455.6	2,782.9	5.4%
1997	2,441.4	479.7	2,921.2	5.0%
1998	2,659.6	474.8	3,134.5	7.3%
1999	2,910.2	442.5	3,352.7	7.0%
2000	3,029.9	420.5	3,450.5	2.9%
2001	3,270.8	390.3	3,661.1	6.1%
2002	\$3,532.9	\$349.9	\$3,882.8	6.1%

Significant Increase in State Education Aid

- Funding for public schools accounts for most of the increase in State aid (73%). Public schools receive an additional \$199.4 million in direct aid in fiscal 2002. This represents a 8.4% increase in funding over last year.
- Due to a lower contribution rate, retirement payments on behalf decrease by \$38.1 million resulting in a net increase in education aid of \$161.3 million.
- The largest aid increases occur in five existing programs: current expense, teacher salary challenge, nonpublic special education, student transportation, and academic intervention.
- The Governor has included \$19.1 million in new flexible funding to local school systems for early childhood programs.
- The increase in direct State education aid in fiscal 2002 ranges from 1.8% in Dorchester County to 15.5% in Montgomery County.

Other State Aid Increases

- State aid to general governments increases by \$37.6 million in fiscal 2002.
- Highway user revenues increase by \$6.6 million, the disparity grant increases by \$7.7 million, and Program Open Space funding increases by \$6.3 million. The police aid formula increases by \$0.6 million and fire aid increases by \$0.3 million. The electric utility generating grant increases by \$15.3 million, reflecting the grant's full phase-in.
- Local health departments will receive an additional \$4.7 million.
- Direct State aid to local community colleges increases by \$16.9 million in fiscal 2002. This includes a 12% increase in the formula program, which reflects spending increases at four-year institutions of higher education. However, retirement payments on behalf of community colleges decrease by \$2 million.
- Local libraries will receive an additional \$3.8 million which reflects enhancements to both the formula aid and funding for the State library network. However, retirement payments on behalf of library boards decrease by \$0.7 million.

State Aid by Governmental Entity

Fiscal 2001 - 2002

\$ in Millions

	FY 2001 <u>Wrk. Approp.</u>	FY 2002 <u>Allowance</u>	<u>Difference</u>	<u>Percent Change</u>
Public Schools				
Teacher Salary Challenge Program	\$35.0	\$85.2	\$50.2	143.4
Intervention Strategies/School Readiness	14.6	23.1	8.5	58.2
Early Education Initiatives	-	19.0	19.0	
Baltimore City Partnership	66.2	70.5	4.2	6.4
Judy Hoyer Centers	4.0	8.0	4.0	100.0
School Technology/Modernization	13.7	19.0	5.3	38.8
Current Expense Formula	1,621.3	1,681.9	60.5	3.7
Compensatory Aid	113.5	117.1	3.6	3.1
Special Education -- Nonpublic	91.6	112.4	20.8	22.7
Student Transportation	122.6	133.3	10.7	8.7
Limited English Proficiency Grants	25.6	30.1	4.4	17.3
Teacher Quality/Class Size Reduction	23.5	32.3	8.8	37.4
Other	245.0	244.1	(0.9)	(0.4)
Subtotal Direct Aid	\$2,376.6	\$2,576.0	\$199.4	8.4
Teachers' Retirement	366.3	328.2	(38.1)	(10.4)
Total Education Aid	\$2,742.9	\$2,904.2	\$161.3	5.9
General Government				
Transportation	429.5	438.1	8.6	2.0
Public Safety	91.0	90.7	(0.3)	(0.3)
Disparity Grants	81.6	89.3	7.7	9.4
Program Open Space	37.1	43.5	6.3	17.1
Utility Restructuring Grant	15.3	30.6	15.3	100.0
Other	6.7	6.7	(0.0)	(0.3)
Total General Government	\$661.2	\$698.9	\$37.6	5.7
Local Health	\$52.2	\$56.9	\$4.7	9.0
Community Colleges				
Formula	134.9	151.1	16.2	12.0
Other	13.4	14.1	0.7	5.1
Subtotal Direct Aid	\$148.3	\$165.2	\$16.9	11.4
Teachers' Retirement	14.7	12.7	(2.0)	(13.5)
Total Community College Aid	\$163.0	\$177.9	\$14.9	9.2
Libraries				
Formula	24.9	26.0	1.2	4.7
State Library Network	8.4	11.0	2.6	30.8
Subtotal Direct Aid	\$33.3	\$37.1	\$3.8	11.3
Librarians' Retirement	8.4	7.8	(0.7)	(7.7)
Total Library Aid	\$41.7	\$44.8	\$3.1	7.4
Total State Aid	\$3,661.1	\$3,882.8	\$221.7	6.1

Education Funding Enhancements

\$ in Millions

	<u>Thornton Commission Recommendation</u>	<u>Fiscal 2002 Budget Allowance</u>
Public School Initiatives		
Special Education	\$42.3	\$0.0
Student Transportation	21.9	0.0
Academic Intervention	26.0	0.0
Teacher Mentoring	12.9	0.0
Reconstitution Eligible Schools	5.0	0.0
Other Proposals	1.5	0.0
Early Childhood Education Initiatives		
Full-Day Kindergarten	15.8	0.0
Judy Hoyer Centers	4.0	4.0
Program Accreditation/Other	4.0	1.0
Early Education Initiative *	0.0	19.0
Gifted and Talented Early Identification	0.0	1.0
Credentialing Day Care Providers **	0.0	4.6
Total	\$133.4	\$29.6

* Flexible funding for kindergarten through grade 3

** Reflects federal funds budgeted in the Department of Human Resources

**State Expenditures for Baltimore City
School Remedy Plan**
\$ in Millions

	<u>FY 2001</u>	<u>FY 2002</u>	<u>Difference</u>
Statewide Programs			
Governor's Teacher Salary Challenge	\$8.0	\$18.3	\$10.3
Academic Intervention Program	2.0	3.3	1.3
Technology in Maryland Schools Program (TIMS)	3.2	3.2	0.0
Accelerated Wiring -- Training	0.6	0.6	0.0
Maryland Technology Academy	0.2	0.2	0.0
Governor's Early Education Initiative	0.0	4.9	4.9
	<u>14.0</u>	<u>30.6</u>	<u>16.6</u>
Targeted Programs			
City Partnership Funding for Remedy Plan	16.2	20.5	4.2
Working Appropriation ⁽¹⁾	10.8	0.0	0.0
Proposed Deficiency	5.5	0.0	0.0
Summer/After School Programs -- At Risk Students ⁽²⁾	2.5	2.5	0.0
Teacher Certification/Quality Initiatives (BCCC) ⁽³⁾	0.1	0.5	0.4
Mass Transit Administration Discount	1.0	1.0	0.0
	<u>19.8</u>	<u>24.4</u>	<u>4.6</u>
Grand Total	\$33.8	\$55.0	\$21.2

⁽¹⁾ Includes transfer of \$2,767,500 Limited English Proficiency funds not needed because of enrollment overestimate

⁽²⁾ Federal TANF dollars budgeted in Child Care Administration

⁽³⁾ Baltimore City Community College partnership with Baltimore City Schools

Total State Assistance to Local Governments

\$ in Millions

	FY 2001 Working Appropriation	FY 2002 Allowance	Dollar Difference	Percent Difference
Allegany	\$64.7	\$67.5	\$2.8	4.4
Anne Arundel	262.6	277.9	15.3	5.8
Baltimore City	828.4	860.4	32.0	3.9
Baltimore County	389.5	407.4	17.9	4.6
Calvert	56.3	63.5	7.2	12.8
Caroline	32.5	33.8	1.3	3.9
Carroll	107.4	110.9	3.4	3.2
Cecil	66.4	70.4	4.0	6.1
Charles	93.5	102.1	8.6	9.2
Dorchester	28.9	29.6	0.7	2.6
Frederick	135.0	142.1	7.1	5.3
Garrett	31.0	32.2	1.2	4.0
Harford	151.6	158.6	7.0	4.6
Howard	139.9	148.3	8.4	6.0
Kent	12.9	13.2	0.3	2.5
Montgomery	347.0	375.3	28.3	8.1
Prince George's	582.2	624.4	42.2	7.2
Queen Anne's	27.6	29.1	1.5	5.4
St. Mary's	60.3	63.3	3.1	5.1
Somerset	21.7	22.6	0.9	4.2
Talbot	13.1	13.6	0.5	3.5
Washington	87.7	92.0	4.3	4.9
Wicomico	66.6	69.6	3.1	4.6
Worcester	19.2	20.0	0.8	4.2
Unallocated	35.3	54.9	19.6	55.6
Total	\$3,661.1	\$3,882.8	\$221.7	6.1

What's in the Budget – Capital

Capital Budget

The fiscal 2002 capital improvement program totals \$3.1 billion

- The program is funded by debt (\$798.3 million, 25.7%) and current funds (\$2,310.5 million, 74.3%).
- The Capital Debt Affordability Committee recommended a general obligation debt limit of \$475 million -- a \$15 million increase over the prior year.
- The budget includes \$8.3 million in Qualified Zone Academy Bonds (QZAB) for school construction. These bonds are outside the general obligation bond debt limit.

Major programs/projects include:

- Public school construction -- \$237.2 million;
- Water Quality Revolving Loan Fund -- \$113.5 million;
- POS Land Acquisition & Local Program -- \$67.4 million;
- Tobacco Buyout Program -- \$55.0 million;
- UMBI Center for Advanced Research in Biotechnology (CARB II) -- \$42.4 million;
- GreenPrint -- \$40 million;
- Rural Legacy -- \$38.6 million;
- Md. Economic Development Assistance (MEDAF) -- \$33.8 million;
- UMBC New Information Technology & Engineering Bldg. -- \$32.4 million;
- WCI 512-Bed Housing Unit and Support Space -- \$31.6 million;
- Community College Grant Program -- \$31.0 million;
- Ag Land Preservation -- \$28.2 million; and
- Strathmore Hall Performing Arts Center -- \$28.0 million.

Summary of the Capital Program Request for the 2001 Session
\$ in Millions

Function	Bonds			Current Funds (Paygo)			Total
	General Obligation	Agency	Recycled	General	Special	Federal	
State Facilities							\$48.8
Facilities Renewal	\$11.1	\$0.0	\$0.0	\$0.0	\$0.3	\$0.0	
Other	21.7	0.0	0.0	15.6	0.0	0.0	
Health/Social							\$31.7
State Facilities	14.2	0.0	0.0	0.0	2.4	0.0	
Private Hospitals	5.0	0.0	0.0	0.0	0.0	0.0	
Other	10.0	0.0	0.0	0.0	0.0	0.0	
Environment							\$436.4
Natural Resources	25.5	0.0	0.0	60.0	102.5	0.7	
Agriculture	0.0	55.0	0.0	6.4	26.2	2.0	
Environment	21.9	0.0	0.0	13.8	116.5	0.0	
MD Envir. Services	3.9	0.0	0.0	0.0	0.0	0.0	
Energy	0.0	0.0	0.0	0.0	2.1	0.0	
Public Safety							\$70.2
State Corrections	33.8	0.0	0.0	2.6	0.0	4.9	
Local Jails	1.8	0.0	0.0	0.0	0.0	0.0	
State Police	6.4	0.0	0.0	0.0	0.0	0.0	
Other	16.0	0.0	0.0	0.0	4.7	0.0	
Education							\$252.8
School Construction	111.1	0.0	0.0	123.7	2.4	0.0	
Other	5.8	0.0	0.0	7.6	0.0	2.2	
Higher Education							\$430.6
University System	77.3	25.0	0.0	228.1	0.0	0.0	
Morgan State University	8.2	0.0	0.0	4.0	0.0	0.0	
St. Mary's College	0.0	0.0	0.0	5.2	0.0	0.0	
Community Colleges	26.5	0.0	0.0	19.3	0.0	0.0	
Private Colleges/Univers.	6.0	0.0	0.0	12.0	0.0	0.0	
Other	12.0	0.0	0.0	7.1	0.0	0.0	
Housing/Community Development							\$75.0
Housing	1.5	0.0	0.0	19.3	15.7	5.7	
Other	1.6	0.0	0.0	21.7	1.4	7.9	
Economic Development							\$86.4
Other	0.0	0.0	0.0	0.0	2.0	0.0	
Economic Development	0.0	0.0	0.0	52.4	32.0	0.0	
Local Projects							\$58.7
Administration	41.2	0.0	0.0	5.0	0.0	0.0	
Legislative	12.5	0.0	0.0	0.0	0.0	0.0	
Transportation							\$1,610.5
Transportation - Other	0.0	235.0	0.0	45.0	477.8	852.7	
Subtotal Fiscal 2002	\$475.0	\$315.0	\$0.0	\$648.7	\$786.0	\$876.2	\$3,100.9
Qualified Zone Academy Bonds	8.3						8.3
Total Fiscal 2002	\$483.3						\$3,109.2
Total Fiscal 2001	\$469.0	\$210.0	\$0.0	\$644.0¹	\$655.0	\$680.0	\$2,659.0

Note: Numbers may not sum to total due to rounding

¹Includes deficiencies of \$10.2 million for Transportation, -\$10.0 million for Economic Development, and \$100,000 for Local Projects.

Capital - General Funds
\$ in Millions

	Fiscal Year							
	1999		2000		2001		2002	
	<u>Legis.</u> <u>Approp.</u>	<u>% of</u> <u>Total</u>	<u>Legis.</u> <u>Approp.</u>	<u>% of</u> <u>Total</u>	<u>Legis.</u> <u>Approp.</u>	<u>% of</u> <u>Total</u>	<u>Gov.</u> <u>Allow.</u>	<u>% of</u> <u>Total</u>
Uses:								
State Facilities	\$5.5	2.5	\$3.6	1.2	\$27.7	4.7	\$15.6	2.6
Health/Social	1.1	0.5	5.2	1.7	8.6	1.5	0.0	0.0
Environment	36.1	16.2	30.4	9.7	26.6	4.5	80.2	13.3
Public Safety	0.0	0.0	1.2	0.4	11.8	2.0	2.6	0.4
Education	88.5	39.7	165.2	52.7	172.0	29.4	131.3	21.8
Higher Education	12.4	5.5	17.5	5.6	194.2	33.2	275.6	45.7
Housing/Comm. Devel.	18.0	8.0	20.3	6.5	27.9	4.8	41.1	6.8
Economic Development	31.1	13.9	47.0	15.0	35.1	6.0	52.4	8.7
Local Projects	30.5	13.7	22.9	7.3	80.7	13.8	5.0	0.8
Subtotal	\$223.1	100.0	\$313.3	100.0	\$584.6	100.0	\$603.7	100.0
Transportation	0.0		2.1		60.2		45.0	
Grand Total	\$223.1		\$315.4		\$644.8		\$648.7	

Note: Includes the following deficiencies (millions):

General:	\$13.5	\$17.0	\$0.3
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Source:

Fiscal 1999 - 2001: Department of Legislative Services

Fiscal 2002: Department of Budget and Management

Capital - All Funds
\$ in Millions

	Fiscal Year							
	1999		2000		2001		2002	
	<u>Legis.</u>	<u>% of</u>	<u>Legis.</u>	<u>% of</u>	<u>Legis.</u>	<u>% of</u>	<u>Gov.</u>	<u>% of</u>
	<u>Approp.</u>	<u>Total</u>	<u>Approp.</u>	<u>Total</u>	<u>Approp.</u>	<u>Total</u>	<u>Allow</u>	<u>Total</u>
Uses:								
State Facilities	\$36.8	4.3	\$53.8	4.7	\$76.5	5.8	\$48.8	3.3
Health/Social	93.6	11.0	37.2	3.3	33.0	2.5	31.7	2.1
Environment	175.9	20.6	346.1	30.5	246.0	18.6	436.4	29.1
Public Safety	27.3	3.2	73.0	6.4	51.0	3.9	70.2	4.7
Education	220.4	25.8	271.2	23.9	275.8	20.9	261.1	17.4
Higher Education	127.9	15.0	159.1	14.0	385.2	29.2	430.6	28.7
Housing/Comm. Devel.	52.2	6.1	68.5	6.0	63.4	4.8	75.0	5.0
Economic Development	68.5	8.0	74.0	6.5	66.9	5.1	86.4	5.8
Local Projects	64.5	7.6	55.1	4.9	124.4	9.4	58.7	3.9
Deauthorizations	-14.5	-1.7	-3.7	-0.3	-2.0	-0.1	0.0	0.0
Subtotal	\$852.5	100.0	\$1,134.2	100.0	\$1,320.4	100.0	\$1,498.7	100.0
Transportation	993.1		1,134.9		1,340.0		1,610.5	
Grand Total	\$1,845.6		\$2,269.2		\$2,660.3		\$3,109.2	
Sources:								
General	\$223.1	12.1	\$315.4	13.9	\$644.8	24.2	\$648.7	20.9
Special	574.1	31.1	672.8	29.7	655.4	24.6	786.0	25.3
Federal	428.2	23.2	570.9	25.2	680.3	25.6	876.2	28.2
General Obligation	430.0	23.3	445.0	19.6	460.0	17.3	475.0	15.3
QZABs	0.0	0.0	0.0	0.0	9.8	0.4	8.3	0.3
Revenue Bonds	190.0	10.3	265.0	11.7	210.0	7.9	315.0	10.1
Recycled	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total	\$1,845.6	100.0	\$2,269.2	100.0	\$2,660.3	100.0	\$3,109.2	100.0

Note: Includes the following deficiencies:

General:	\$13.5	\$17.0	\$0.3
Special:		\$0.8	

Source:

Fiscal 1999 - 2001: Department of Legislative Services

Fiscal 2002: Department of Budget and Management

General Fund PAYGO by Agency
Fiscal 2002 - 2006
\$ in Millions

<u>Department</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>Total</u>
Office for Individ. w/ Disabilities	\$1.6	\$1.6	\$1.6	\$1.6	\$1.6	\$8.0
Historic St. Mary's Commission	0.8	0.8	6.1	10.0	1.8	19.4
Board of Public Works	14.0	5.0	13.0	68.4	8.0	108.4
Education	123.7	0.0	0.2	22.0	25.2	171.1
Canal Place	2.5	2.0	0.0	0.0	0.0	4.5
Natural Resources	60.0	2.0	42.0	27.0	32.0	163.0
Agriculture	6.4	0.0	6.8	7.0	7.2	27.4
Health & Mental Hygiene	0.0	0.0	0.0	37.3	0.0	37.3
Public Safety & Correct. Serv.	2.6	0.0	0.0	0.0	0.0	2.6
Higher Education	275.6	7.7	84.0	46.3	18.5	432.0
Maryland Public Broadcasting	7.6	0.0	0.0	0.0	0.0	7.6
Housing & Community Devel.	40.3	28.4	36.8	37.2	37.2	180.1
Business & Economic Devel.	49.9	47.7	47.7	34.2	33.0	212.5
Environment	13.8	12.8	11.1	10.1	10.1	57.8
Local Projects	5.0	1.0	6.5	10.0	0.0	22.5
Subtotal	\$603.7	\$109.0	\$255.7	\$311.1	\$174.5	\$1,454.1
Transportation	\$45.0	\$70.0	\$70.0	\$125.0	\$10.0	\$320.0
Grand Total	\$648.7	\$179.0	\$325.7	\$436.1	\$184.5	\$1,774.1

Source: Department of Budget and Management

**General Fund and General Obligation Bond
Capital Program Comparison
Fiscal 2001 vs. Fiscal 2002 Capital Improvement Plans**

\$ in Millions

<u>Department</u>	<u>FY02 - FY05 Four Year Change</u>
Public School Construction	(\$187.0)
Business and Economic Development	(52.0)
Health and Mental Hygiene	(28.9)
Miscellaneous	(20.8)
Juvenile Justice	(11.3)
Historic St. Mary's City Commission	(6.1)
University of Maryland Medical System	(5.0)
Public Works	(3.2)
Environmental Service	(0.2)
Department of Agriculture	0.0
Veterans Affairs	0.1
Baltimore City Community College	0.2
Public Broadcasting	0.4
Southern Maryland Higher Ed Center	0.4
Department of Aging	0.5
St. Mary's College	0.7
Canal Place	1.2
Military	1.3
School for the Deaf	1.4
Education	2.6
Eastern Shore Higher Education Center	7.3
Qualified Zone Academy Bonds (QZABs)	8.3
State Police	10.0
Public Safety and Correctional Services	14.9
Maryland Technology Development Corporation	20.0
Morgan State University	20.2
Environment	22.0
Housing and Community Development	52.2
Higher Education Commission (Community Colleges)	54.3
Natural Resources	128.0
University System of Maryland	162.4
Total Change	\$194.0

Source: Fiscal 2001 and 2002 *Capital Improvement Programs*

Appendix

General Fund Revenue Projections

\$ in Millions	Actual	FY 2001 Estimate			% Change	Estimate	% Change
	FY 2000	May*	Dec.*	Difference	FY00-01	FY 2002	FY01-02
Personal Income Tax	\$4,746.3	\$4,865.9	\$5,066.0	\$200.1	6.7%	\$5,282.8	4.3%
Sales and Use Tax	2,478.5	2,589.1	2,647.7	58.6	6.8%	2,776.4	4.9%
Lottery ⁽¹⁾	367.8	371.8	383.4	11.6	4.3%	384.3	0.2%
Corporate Income Tax ⁽²⁾	319.5	337.4	349.0	11.6	9.3%	341.0	-2.3%
Business Franchise Taxes ⁽²⁾	178.7	170.9	169.7	-1.2	-5.0%	171.8	1.2%
Tax on Insurance Premiums	172.5	191.2	177.2	-14.0	2.7%	182.0	2.8%
Estate & Inheritance Taxes ⁽³⁾	157.0	119.1	142.4	23.3	-9.3%	133.2	-6.4%
Tobacco Tax ⁽⁴⁾	210.0	195.5	195.0	-0.5	-7.2%	187.8	-3.7%
Alcohol Beverage Taxes	24.4	24.2	24.7	0.5	1.1%	25.0	1.2%
Motor Vehicle Fuel Tax	11.3	11.3	11.3	0.0	0.2%	11.7	3.7%
District Courts	70.3	74.9	72.2	-2.8	2.6%	73.9	2.5%
Clerks of the Court	37.7	40.1	39.5	-0.6	4.7%	39.0	-1.1%
Hospital Patient Recoveries ⁽⁵⁾	102.1	63.5	71.1	7.7	-30.3%	66.4	-6.7%
Interest on Investments	128.4	88.6	123.7	35.1	-3.6%	82.5	-33.3%
Miscellaneous	215.6	181.8	175.6	-6.2	-18.5%	172.4	-1.8%
Grand Total	\$9,220.1	\$9,325.4	\$9,648.4	\$322.9	4.6%	\$9,930.3	2.9%

* May is from the Board of Revenue Estimates, December 1999 with adjustments for the legislative actions of the 2000 session. December is from the Board of Revenue Estimates, December 2000.

1. FY 2000 reflects a transfer of \$10 million to the horse racing special fund. The estimates for FY 2001 and 2002 assume no such transfer.
2. FY 2001 reflects a full-year impact of the tax changes associated with utility restructuring (SB 344/HB 366, 1999 session). Also, FY 2001 reflects a half-year impact, and FY 2002 reflects the full-year impact of the elimination of the financial institutions franchise tax (SB 56, 2000 session).
3. FY 2000 reflects the impact of SB 398/HB 492 (1999 session) which reduced the inheritance tax for sibling heirs from 10% to 5% (phased in over three years) and the rate for direct heirs from 1% to 0.9% for estates where the decedent died on or after July 1, 1999. Beginning in FY 2001, reflects the continuing impact of SB 398/HB 492 and also the impact of SB 1 (2000 session) which eliminated the inheritance tax for direct and siblings heirs for estates where the decedent died on or after July 1, 2000.
4. FY 2000 includes a one-time floor tax of about \$12 million that was imposed when the tax increase went into effect on July 1, 1999.
5. FY 2001 and 2002 reflect new federal caps on disproportionate share payments that will limit the amount that can be recovered for State hospitals.

Perspectives on Budget Change

Budget as Submitted

\$ in Millions

	<u>FY 2001</u>	<u>FY 2002</u>	<u>\$ Change</u>	<u>% Change</u>
Legislative Appropriations:				
General	\$10,134.9	\$10,868.2	\$733.4	7.2%
Special	3,381.0	3,784.6	403.6	11.9%
Federal	4,278.1	4,798.6	520.5	12.2%
Higher Education	<u>1,766.0</u>	<u>1,917.1</u>	<u>151.0</u>	<u>8.6%</u>
	\$19,560.0	\$21,368.5	\$1,808.5	9.2%

Amendments and Deficiencies:

	<u>Explanation</u>
General	\$104.9 Medicaid, DPSCS, IT, SSBG, Greenbelt Metro, etc.
Special	73.2 Highway User Rev, MDE water quality, racing aid
Federal	135.8 Medicaid, DHR federal grants, MCHIP
Higher Education	<u>82.7</u> USM tuition, grants
	\$396.7

Amended Appropriations:

General	\$10,239.8	\$10,868.2	\$628.5	6.1%
Special	3,454.2	3,784.6	330.4	9.6%
Federal	4,413.9	4,798.6	384.6	8.7%
Higher Education	<u>1,848.7</u>	<u>1,917.1</u>	<u>68.3</u>	<u>3.7%</u>
	\$19,956.6	\$21,368.5	\$1,411.8	7.1%

DPSCS = Department of Public Safety & Correctional Services

IT = Information Technology

SSBG = Social Services Block Grant

MDE = Maryland Department of the Environment

DHR = Department of Human Resources

MCHIP = Maryland Children's Health Insurance Program

USM = University of Maryland

Key Caseloads

	Actual 2000	Budgeted 2001	Percent Change	Projected 2001	Budgeted 2002	Percent Change
Sentenced Offenders in State Prisons	22,687	23,718	4.5%	23,909	23,909	0.0%
Children in Foster Care	10,243	10,800	5.4%	10,449 *	11,001	5.3%
Temp. Cash Assistance Enrollment	79,065	63,479	(19.7%)	76,008 **	59,911	(21.2%)
Medicaid and MCHP Enrollment	494,413	507,000	2.5%	523,542 *	528,500	0.9%
Higher Education Enrollment	87,521	91,134	4.1%	89,045	90,461	1.6%

* DLS Estimate

** Year to Date

Budget Contingencies

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Agency	Contingency	\$ in Millions
Board of Public Works	Part of appropriation contingent upon enactment of legislation increasing the vehicle registration surcharge.	1.0 SF
Department of Transportation	Part of appropriation for transit related activities contingent upon enactment of legislation transferring general fund revenue sources to Transportation Trust Fund.	70.0 SF
Department of Labor, Licensing, and Regulation	Part of appropriation contingent upon enactment of legislation allowing boards and commissions to be self-supporting.	4.0 SF
University of Maryland Medical System	Part of appropriation for Shock-Trauma Center contingent upon enactment of legislation increasing the vehicle registration surcharge.	3.5 SF
Department of State Police	Part of appropriation for William H. Amoss Fire, Rescue, and Ambulance Fund contingent upon enactment of legislation increasing the vehicle registration surcharge.	2.8 SF
Department of Health and Mental Hygiene; Interagency Committee on School Construction and Maryland Higher Education Commission	Section 32: Restricts funds in certain agencies pending the availability of Cigarette Restitution Funds. Agencies impacted are Interagency Committee on School Construction (\$3.6 million), Department of Health and Mental Hygiene (\$19.2 million), and Maryland Higher Education Commission (\$4.2 million).	27.0 SF

Reserve Fund Activity - Fiscal 2001 & 2002
\$ in Millions

	Rainy Day Fund	Dedicated Purpose Fund	Catastrophic Event Fund	Sunny Day	Joseph Fund
Balances on Hand 6/30/00	\$581.9	\$97.9	\$1.7	\$16.3	-
Fiscal 2001 Appropriations:					
Unappropriated FY 00 Balance	235.0 ¹			15.5	10.0 ²
Wilson Bridge/Metro. Extension		50.0			
TANF Reallocation		30.0			
PSC: Public education utility restruct.		6.0			
Fiscal 2001 Deficiency Appropriations:					
Greenbelt Metro.		10.2			
Sunny Day Fund expenditures				(10.0)	
Transfer from Dedicated Purpose Fund:	38.9	(38.9)			
Fiscal 2001 Expenditures:					
Wilson Bridge/Metro. Extension		(50.0)			
DDA Waiting List Initiative - DHMH		(5.0) ³		(21.8)	
PSC: Public education utility restruct.		(3.0)			
Greenbelt Metro.		(10.2)			
Transfer to General Fund:	-				
Interest:	63.5	(1.0)			0.6
Balances on Hand 6/30/01	\$919.2	\$86.0	\$1.7	\$0.0	\$10.6

Reserve Fund Activity - Fiscal 2001 & 2002 (Cont'd)

\$ in Millions

	Rainy Day Fund	Dedicated Purpose Fund	Catastrophic Event Fund	Sunny Day	Joseph Fund
Fiscal 2002 Appropriations:				15.5	
Unappropriated FY 00 Balance	141.8 ⁴				5.0
Wilson Bridge/Metro Expansion		45.0			
TANF Reallocation		9.6			
Transfer from Dedicated Purpose Fund:	10.0 ⁵	(10.0) ⁵			
Expenditures:					
PSC: Public education utility restruct.		(3.0)			
Wilson Bridge/Metro Extension		(45.0)			
DDA Waiting List Initiative - DHMH		(5.0) ³			
Sunny Day Fund expenditures				(15.5)	
Transfer to General Fund:	(557.0) ⁶				
Fiscal 2001 Interest Earnings (est.)	38.1				0.9
Estimated Balances 6/30/02	\$552.1	\$77.6	\$1.7	\$0.0	\$16.5
Balance in Excess of 5% GF Revenues	\$56.5				

¹ The allowance provided \$400 million (\$310.0 of the unappropriated fiscal 1999 general fund surplus, per Chapter 4, Acts of 1998), and another \$90 million to offset future revenue needs. The Governor withdrew the \$90 million via Supplemental Budgets Nos. 1 & 2 for PAYGO and other needs. The legislature reduced another \$75 million to offset revenue losses due to 2000 session legislation.

² Chapter 517, Acts of 1999 created the Joseph Fund beginning in fiscal 2001. The Act provides that an appropriation may be included in the budget equivalent to the lesser of 40% of the fiscal 1999 unappropriated general fund surplus or \$10 million. Interest earnings are credited to the Joseph Fund and not to the Revenue Stabilization Fund (Rainy Day Fund).

³ Special funds were deposited in fiscal 1999 to be appropriated in \$5 million increments in fiscal 2000, 2001, and 2002.

⁴ Per Chapter 4, Acts of 1998, this represents the unappropriated fiscal 2001 general fund balance in excess of \$10.0 million, which must be appropriated to the Rainy Day fund in fiscal 2002.

⁵ Represents the transfer of the remaining balance of funds from the Citizen's Tax Reduction and Fiscal Reserve Account appropriated to the Dedicated Purpose Fund in fiscal 1999. The allowance assumes the transfer in fiscal 2002, in advance of that provided for through statutory provisions that would have transferred the unspent balance in fiscal 2004.

⁶ Represents the amount funds transferred to support operating and PAYGO spending under the Governor's allowances.

State Expenditures -- General Funds

\$ in Millions

Category	Actual FY 2000	Work. App. FY 2001	Allowance FY 2002	\$ Difference FY 01 to 02	% Difference FY 01 to 02
Debt Service	\$189.3	\$204.5	\$214.4	\$9.9	4.8%
Aid to Education					
General Government	145.1	175.5	198.1	22.7	12.9%
Community Colleges	141.4	163.0	177.9	14.9	9.2%
Education/Libraries	2,650.6	2,719.8	2,865.6	145.8	5.4%
Health	48.4	52.2	56.9	4.7	9.0%
	<u>2,985.5</u>	<u>3,110.4</u>	<u>3,298.5</u>	<u>188.1</u>	<u>6.0%</u>
Entitlements					
Foster Care Payments	123.1	119.6	129.3	9.8	8.2%
Assistance Payments	68.1	65.3	62.7	-2.6	-4.0%
Medical Assistance	1,118.7	1,320.7	1,400.6	79.9	6.0%
Property Tax Credits	55.2	53.9	52.9	-0.9	-1.7%
	<u>1,365.0</u>	<u>1,559.4</u>	<u>1,645.5</u>	<u>86.1</u>	<u>5.5%</u>
State Agencies					
Health	942.2	1,006.3	1,108.3	102.0	10.1%
Human Resources	271.8	285.2	299.1	13.9	4.9%
Systems Reform Initiative	47.0	46.9	44.9	-2.1	-4.4%
Juvenile Justice	129.9	143.8	162.9	19.2	13.3%
Public Safety/Police	806.0	871.6	922.6	51.0	5.9%
Higher Education	799.1	886.5	1,012.5	125.9	14.2%
Other Education	210.5	247.0	278.3	31.3	12.7%
Agriculture/Nat. Resources/Environment	109.9	125.5	155.5	29.9	23.9%
Other Executive Agencies	484.0	543.0	569.7	26.7	4.9%
Judicial/Legislative	260.6	281.4	349.2	67.8	24.1%
	<u>4,060.8</u>	<u>4,437.2</u>	<u>4,902.8</u>	<u>465.6</u>	<u>10.5%</u>
Subtotal	\$8,600.6	\$9,311.5	\$10,061.2	\$749.7	8.1%
Capital	315.4	645.3	648.7	3.4	0.5%
Transfers	0.0	2.0	2.0	0.0	0.0%
Reserve Fund	115.5	281.0	156.4	-124.6	-44.3%
Appropriations	\$9,031.5	\$10,239.8	\$10,868.2	\$628.5	6.1%
Reversions	0.0	-25.0	-50.0	-25.0	100.0%
Grand Total	\$9,031.5	\$10,214.8	\$10,818.2	\$603.5	5.9%

Note: FY 2001 includes deficiencies.

State Expenditures -- Special and Higher Education Funds**

\$ in Millions

Category	Actual FY 2000	Work. App. FY 2001	Allowance FY 2002	\$ Difference FY 01 to 02	% Difference FY 01 to 02
Debt Service	\$405.1	\$376.3	\$402.7	\$26.4	7.0%
Aid to Education					
General Government	479.8	485.8	500.8	15.0	3.1%
Community Colleges	0.0	0.0	0.0	0.0	n.a.
Education/Libraries	0.9	69.8	83.5	13.7	19.6%
Health	0.0	0.0	0.0	0.0	n.a.
	<u>480.7</u>	<u>555.6</u>	<u>584.3</u>	<u>28.7</u>	<u>5.2%</u>
Entitlements					
Foster Care Payments	0.3	1.9	2.0	0.1	7.0%
Assistance Payments	21.8	16.1	21.1	4.9	30.6%
Medical Assistance	116.1	40.3	16.9	-23.4	-58.0%
Property Tax Credits	0.0	0.0	0.0	0.0	0.0%
	<u>138.2</u>	<u>58.4</u>	<u>40.0</u>	<u>-18.3</u>	<u>-31.4%</u>
State Agencies					
Health	82.0	150.2	178.4	28.2	18.8%
Human Resources	27.3	44.7	46.4	1.6	3.6%
Systems Reform Initiative	0.3	0.1	0.0	0.0	-9.4%
Juvenile Justice	0.7	0.1	0.1	0.0	8.4%
Public Safety/Police	133.2	135.1	141.3	6.2	4.6%
Higher Education	1,680.2	1,853.6	1,922.6	69.0	3.7%
Other Education	26.0	41.9	44.0	2.1	4.9%
Transportation	881.6	916.8	1,004.7	87.9	9.6%
Agriculture/Nat. Resources/Environment	99.8	111.9	113.5	1.6	1.4%
Other Executive Agencies	245.6	212.5	230.7	18.2	8.6%
Judicial/Legislative	14.2	12.1	15.3	3.3	27.0%
	<u>3,191.0</u>	<u>3,479.0</u>	<u>3,697.0</u>	<u>218.0</u>	<u>6.3%</u>
Subtotal	\$4,215.0	\$4,469.3	\$4,724.0	\$254.8	5.7%
Capital	821.2	813.8	977.6	163.9	20.1%
Reserve Fund	0.0	0.0	0.0	0.0	n.a.
Transfer to MDTA	20.0	19.9	0.0	-19.9	-100.0%
Grand Total	\$5,056.1	\$5,302.9	\$5,701.7	\$398.7	7.5%

** Includes higher education funds (current unrestricted & current restricted) net of general and special funds.

Note: FY 2001 includes deficiencies.

State Expenditures -- Federal Funds

\$ in Millions

Category	Actual FY 2000	Work. App. FY 2001	Allowance FY 2002	\$ Difference FY 01 to 02	% Difference FY 01 to 02
Debt Service	\$0.0	\$0.0	\$0.0	\$0.0	n.a.
Aid to Education					
General Government	22.3	35.4	32.9	-2.5	-7.1%
Community Colleges	0.0	0.0	0.0	0.0	n.a.
Education/Libraries	440.1	466.5	511.0	44.5	9.5%
Health	4.5	4.5	4.5	0.0	0.0%
	<u>466.9</u>	<u>506.4</u>	<u>548.4</u>	<u>42.0</u>	<u>8.3%</u>
Entitlements					
Foster Care Payments	75.7	91.2	91.6	0.4	0.4%
Assistance Payments	263.0	311.7	259.2	-52.5	-16.8%
Medical Assistance	1,208.7	1,347.4	1,380.0	32.6	2.4%
Property Tax Credits	0.0	0.0	0.0	0.0	n.a.
	<u>1,547.4</u>	<u>1,750.3</u>	<u>1,730.8</u>	<u>-19.5</u>	<u>-1.1%</u>
State Agencies					
Health	422.7	464.5	480.0	15.5	3.3%
Human Resources	452.9	562.4	584.8	22.5	4.0%
Systems Reform Initiative	28.5	43.3	30.4	-12.9	-29.8%
Juvenile Justice	16.7	15.1	14.7	-0.4	-2.4%
Public Safety/Police	11.3	10.8	8.8	-1.9	-17.9%
State Colleges & Universities	0.0	0.0	0.0	0.0	n.a.
Other Education	80.6	91.2	98.2	7.0	7.6%
Transportation	24.4	28.7	29.1	0.4	1.3%
Agriculture/Nat. Resources/Environment	44.0	48.5	51.7	3.2	6.5%
Other Executive Agencies	243.6	293.1	376.2	83.1	28.4%
Judicial/Legislative	1.7	2.2	2.0	-0.2	-10.6%
	<u>1,326.4</u>	<u>1,559.6</u>	<u>1,675.8</u>	<u>116.2</u>	<u>7.4%</u>
Subtotal	\$3,340.7	\$3,816.3	\$3,955.0	\$138.7	3.6%
Capital	439.9	597.6	843.6	246.0	41.2%
Grand Total	\$3,780.6	\$4,413.9	\$4,798.6	\$384.6	8.7%

Note: FY 2001 includes deficiencies.

State Expenditures -- All State Funds**
\$ in Millions

Category	Actual FY 2000	Work. App. FY 2001	Allowance FY 2002	\$ Difference FY 01 to 02	% Difference FY 01 to 02
Debt Service	\$594.4	\$580.8	\$617.1	\$36.3	6.2%
Aid to Education					
General Government	624.9	661.2	698.9	37.6	5.7%
Community Colleges	141.4	163.0	177.9	14.9	9.2%
Education/Libraries	2,651.5	2,789.6	2,949.1	159.4	5.7%
Health	48.4	52.2	56.9	4.7	9.0%
	<u>3,466.2</u>	<u>3,666.0</u>	<u>3,882.8</u>	<u>216.7</u>	<u>5.9%</u>
Entitlements					
Foster Care Payments	123.4	121.4	131.3	9.9	8.1%
Assistance Payments	89.9	81.4	83.7	2.3	2.9%
Medical Assistance	1,234.8	1,361.0	1,417.5	56.5	4.2%
Property Tax Credits	55.2	53.9	53.0	-0.9	-1.7%
	<u>1,503.1</u>	<u>1,617.7</u>	<u>1,685.5</u>	<u>67.8</u>	<u>4.2%</u>
State Agencies					
Health	1,024.2	1,156.5	1,286.7	130.2	11.3%
Human Resources	299.1	329.9	345.4	15.5	4.7%
Systems Reform Initiative	47.2	47.0	44.9	-2.1	-4.4%
Juvenile Justice	130.6	143.9	163.1	19.2	13.3%
Public Safety/Police	939.2	1,006.7	1,063.8	57.2	5.7%
Higher Education	2,479.3	2,740.2	2,935.1	194.9	7.1%
Other Education	236.5	288.9	322.2	33.3	11.5%
Transportation	881.6	916.8	1,004.7	87.9	9.6%
Agriculture/Nat. Resources/Environment	209.7	237.4	268.9	31.6	13.3%
Other Executive Agencies	729.6	755.5	800.4	44.9	5.9%
Judicial/Legislative	274.7	293.4	364.5	71.1	24.2%
	<u>7,251.8</u>	<u>7,916.2</u>	<u>8,599.8</u>	<u>683.6</u>	<u>8.6%</u>
Subtotal	\$12,815.6	\$13,780.8	\$14,785.2	\$1,004.4	7.3%
Capital	1,136.6	1,459.1	1,626.4	167.3	11.5%
Transfers	0.0	2.0	2.0	0.0	0.0%
Transfer to MDTA	20.0	19.9	0.0	-19.9	-100.0%
Reserve Fund	115.5	281.0	156.4	-124.6	-44.3%
Appropriations	\$14,087.7	\$15,542.7	\$16,569.9	\$1,027.2	6.6%
Reversions	0.0	-25.0	-50.0	-25.0	100.0%
Grand Total	\$14,087.7	\$15,517.7	\$16,519.9	\$1,002.2	6.5%

** Includes general funds, special funds and higher education funds (current unrestricted and current restricted) net of general and special funds.

Note: FY 2001 includes deficiencies.

State Expenditures -- All Funds

\$ in Millions

Category	Actual FY 2000	Work. App. FY 2001	Allowance FY 2002	\$ Difference FY 01 to 02	% Difference FY 01 to 02
Debt Service	\$594.4	\$580.8	\$617.1	\$36.3	6.2%
Aid to Education					
General Government	647.2	696.6	731.8	35.1	5.0%
Community Colleges	141.4	163.0	177.9	14.9	9.2%
Education/Libraries	3,091.6	3,256.1	3,460.1	203.9	6.3%
Health	52.9	56.7	61.4	4.7	8.3%
	<u>3,933.1</u>	<u>4,172.4</u>	<u>4,431.1</u>	<u>258.7</u>	<u>6.2%</u>
Entitlements					
Foster Care Payments	199.0	212.6	222.9	10.3	4.8%
Assistance Payments	352.9	393.1	343.0	-50.1	-12.8%
Medical Assistance	2,443.4	2,708.4	2,797.5	89.1	3.3%
Property Tax Credits	55.2	53.9	53.0	-0.9	-1.7%
	<u>3,050.5</u>	<u>3,368.1</u>	<u>3,416.3</u>	<u>48.3</u>	<u>1.4%</u>
State Agencies					
Health	1,446.9	1,621.0	1,766.7	145.7	9.0%
Human Resources	752.0	892.3	930.3	38.0	4.3%
Systems Reform Initiative	75.7	90.2	75.3	-15.0	-16.6%
Juvenile Justice	147.3	159.0	177.8	18.8	11.8%
Public Safety/Police	950.5	1,017.4	1,072.7	55.2	5.4%
Higher Education	2,479.3	2,740.2	2,935.1	194.9	7.1%
Other Education	317.1	380.1	420.4	40.3	10.6%
Transportation	906.0	945.5	1,033.8	88.3	9.3%
Agriculture/Nat. Resources/Environment	253.7	285.9	320.6	34.7	12.1%
Other Executive Agencies	973.2	1,048.6	1,176.6	128.0	12.2%
Judicial/Legislative	276.4	295.6	366.5	70.8	24.0%
	<u>8,578.3</u>	<u>9,475.8</u>	<u>10,275.6</u>	<u>799.8</u>	<u>8.4%</u>
Subtotal	\$16,156.2	\$17,597.1	\$18,740.2	\$1,143.1	6.5%
Capital	1,576.5	2,056.7	2,469.9	413.2	20.1%
Transfers	0.0	2.0	2.0	0.0	0.0%
Transfer to MDTA	20.0	19.9	0.0	-19.9	-100.0%
Reserve Fund	115.5	281.0	156.4	-124.6	-44.3%
Appropriations	\$17,868.3	\$19,956.6	\$21,368.5	\$1,411.8	7.1%
Reversions	0.0	-25.0	-50.0	-25.0	100.0%
Grand Total	\$17,868.3	\$19,931.6	\$21,318.5	\$1,386.8	7.0%

Note: FY 2001 includes deficiencies.

State Assistance to Local Governments
Fiscal 2002 Allowance
\$ in Millions

County	Direct State Aid						Retirement	Total	Change Over FY 2001	Percent Change
	General Government ⁽¹⁾	Community Colleges	Education	Libraries	Health	Subtotal				
Allegany	\$13.4	\$4.3	\$43.5	\$0.6	\$1.4	\$63.2	\$4.4	\$67.5	\$2.8	4.4%
Anne Arundel	45.8	21.5	174.7	1.9	4.9	248.7	29.2	277.9	15.3	5.8%
Baltimore City	253.7	0.0	550.8	5.2	10.4	820.2	40.3	860.4	32.0	3.9%
Baltimore County	54.1	32.8	264.5	3.4	6.8	361.7	45.7	407.4	17.9	4.6%
Calvert	12.4	1.1	43.2	0.3	0.5	57.5	6.0	63.5	7.2	12.8%
Caroline	7.3	0.9	22.4	0.2	0.8	31.6	2.2	33.8	1.3	3.9%
Carroll	14.2	4.7	79.5	0.8	1.8	100.9	10.0	110.9	3.4	3.2%
Cecil	8.1	3.4	51.4	0.5	1.2	64.6	5.9	70.4	4.0	6.1%
Charles	12.9	5.3	73.2	0.6	1.4	93.5	8.6	102.1	8.6	9.2%
Dorchester	7.7	0.8	18.2	0.2	0.6	27.6	2.0	29.6	0.7	2.6%
Frederick	18.6	6.0	101.2	0.9	2.2	128.9	13.2	142.1	7.1	5.3%
Garrett	9.1	2.3	17.9	0.2	0.6	30.1	2.1	32.2	1.2	4.0%
Harford	18.2	7.8	114.3	1.2	2.7	144.2	14.4	158.6	7.0	4.6%
Howard	19.9	8.7	97.6	0.6	1.8	128.6	19.7	148.3	8.4	6.0%
Kent	3.0	0.4	8.0	0.1	0.5	12.1	1.2	13.2	0.3	2.5%
Montgomery	62.8	29.1	208.5	2.1	4.6	307.2	68.1	375.3	28.3	8.1%
Prince George's	72.0	19.1	471.5	4.9	7.9	575.5	48.9	624.4	42.2	7.2%
Queen Anne's	5.6	1.3	18.7	0.2	0.6	26.4	2.7	29.1	1.5	5.4%
St. Mary's	7.7	1.5	46.9	0.5	1.3	57.9	5.5	63.3	3.1	5.1%
Somerset	7.2	0.4	12.8	0.2	0.7	21.3	1.3	22.6	0.9	4.2%
Talbot	4.7	1.0	5.4	0.1	0.5	11.7	1.9	13.6	0.5	3.5%
Washington	13.5	5.0	62.6	0.8	2.0	83.9	8.1	92.0	4.3	4.9%
Wicomico	10.4	3.0	48.6	0.5	1.3	63.9	5.7	69.6	3.1	4.6%
Worcester	7.3	1.2	7.9	0.1	0.5	17.0	3.0	20.0	0.8	4.2%
Unallocated	8.0	3.4	32.5	11.0	0.0	54.9	0.0	54.9	19.6	55.6%
Total	\$697.7	\$165.2	\$2,576.0	\$37.1	\$56.9	\$3,532.9	\$349.9	\$3,882.8	\$221.7	6.1%

⁽¹⁾ Includes municipal share of police aid, highway user revenue and fire aid.

State Assistance to Local Governments
Dollar Difference Between Fiscal 2002 Allowance & Fiscal 2001 Working Appropriation
\$ in Millions

County	<i>Direct State Aid</i>						Retirement	Total
	General Government ⁽¹⁾	Community Colleges	Education	Libraries	Health	Subtotal		
Allegany	\$0.4	\$0.3	\$2.5	\$0.0	\$0.2	\$3.4	-\$0.5	\$2.8
Anne Arundel	5.2	2.7	10.5	0.1	0.3	18.8	-3.4	15.3
Baltimore City	5.0	0.0	30.7	0.1	0.5	36.3	-4.2	32.0
<u>Baltimore County</u>	<u>2.4</u>	<u>2.8</u>	<u>17.7</u>	<u>0.2</u>	<u>0.3</u>	<u>23.3</u>	<u>-5.4</u>	<u>17.9</u>
Calvert	3.2	0.1	4.5	0.0	0.1	7.9	-0.7	7.2
Caroline	0.3	0.1	1.0	0.0	0.1	1.5	-0.3	1.3
Carroll	0.4	0.5	3.5	0.0	0.2	4.6	-1.2	3.4
Cecil	0.3	0.3	4.0	0.0	0.2	4.7	-0.7	4.0
Charles	1.9	0.6	7.0	0.1	0.2	9.7	-1.0	8.6
Dorchester	0.5	0.1	0.3	0.0	0.1	1.0	-0.2	0.7
Frederick	0.6	0.8	7.0	0.0	0.2	8.7	-1.5	7.1
<u>Garrett</u>	<u>0.6</u>	<u>0.0</u>	<u>0.8</u>	<u>0.0</u>	<u>0.1</u>	<u>1.5</u>	<u>-0.2</u>	<u>1.2</u>
Harford	1.0	0.7	6.8	0.1	0.2	8.7	-1.7	7.0
Howard	0.9	1.0	8.6	0.0	0.1	10.7	-2.3	8.4
Kent	0.1	0.1	0.2	0.0	0.1	0.5	-0.1	0.3
<u>Montgomery</u>	<u>3.4</u>	<u>3.9</u>	<u>28.0</u>	<u>0.1</u>	<u>0.8</u>	<u>36.1</u>	<u>-7.9</u>	<u>28.3</u>
Prince George's	7.4	1.7	38.2	0.2	0.3	47.9	-5.7	42.2
Queen Anne's	0.2	0.2	1.4	0.0	0.1	1.8	-0.3	1.5
St. Mary's	0.3	0.2	3.1	0.0	0.2	3.7	-0.6	3.1
<u>Somerset</u>	<u>0.3</u>	<u>0.1</u>	<u>0.6</u>	<u>0.0</u>	<u>0.1</u>	<u>1.1</u>	<u>-0.1</u>	<u>0.9</u>
Talbot	0.1	0.1	0.3	0.0	0.1	0.7	-0.2	0.5
Washington	1.2	0.3	3.5	0.0	0.2	5.3	-1.0	4.3
Wicomico	0.6	0.3	2.6	0.0	0.2	3.7	-0.7	3.1
Worcester	0.3	0.1	0.6	0.0	0.1	1.2	-0.3	0.8
Unallocated	1.0	0.0	16.0	2.6	0.0	19.6	0.0	19.6
Total	\$37.3	\$16.9	\$199.4	\$3.8	\$4.7	\$262.2	-\$40.4	\$221.7

⁽¹⁾ Includes municipal share of police aid, highway user revenue and fire aid.

State Assistance to Local Governments
Percent Difference Between Fiscal 2002 Allowance & Fiscal 2001 Working Appropriation

County	<i>Direct State Aid</i>						Retirement	Total
	General Government ⁽¹⁾	Community Colleges	Education	Libraries	Health	Subtotal		
Allegany	3.0%	6.3%	6.1%	3.7%	18.3%	5.6%	-10.8%	4.4%
Anne Arundel	12.8%	14.5%	6.4%	5.4%	6.3%	8.2%	-10.5%	5.8%
Baltimore City	2.0%	n.a.	5.9%	2.3%	5.4%	4.6%	-9.5%	3.9%
Baltimore County	4.6%	9.2%	7.2%	5.3%	4.5%	6.9%	-10.6%	4.6%
Calvert	35.3%	12.3%	11.6%	7.8%	13.8%	16.0%	-10.4%	12.8%
Caroline	3.9%	15.2%	4.7%	4.5%	16.1%	5.1%	-10.4%	3.9%
Carroll	2.9%	11.9%	4.6%	4.4%	11.3%	4.8%	-10.4%	3.2%
Cecil	3.2%	8.6%	8.4%	7.1%	16.5%	7.9%	-10.5%	6.1%
Charles	16.8%	12.3%	10.6%	8.5%	12.2%	11.5%	-10.5%	9.2%
Dorchester	6.5%	15.2%	1.8%	5.6%	12.5%	3.7%	-10.4%	2.6%
Frederick	3.4%	15.1%	7.5%	3.1%	10.4%	7.2%	-10.5%	5.3%
Garrett	6.6%	0.2%	4.8%	3.1%	17.7%	5.2%	-10.6%	4.0%
Harford	5.6%	9.6%	6.4%	5.5%	7.1%	6.4%	-10.5%	4.6%
Howard	4.7%	13.8%	9.7%	5.6%	7.1%	9.1%	-10.4%	6.0%
Kent	3.1%	15.2%	2.9%	9.7%	21.0%	4.0%	-10.4%	2.5%
Montgomery	5.7%	15.3%	15.5%	5.9%	20.2%	13.3%	-10.4%	8.1%
Prince George's	11.5%	9.9%	8.8%	5.0%	3.7%	9.1%	-10.5%	7.2%
Queen Anne's	2.9%	15.2%	7.9%	9.2%	15.3%	7.3%	-10.5%	5.4%
St. Mary's	3.6%	12.3%	7.0%	5.4%	14.8%	6.8%	-10.4%	5.1%
Somerset	4.6%	12.8%	5.1%	4.2%	10.6%	5.3%	-10.4%	4.2%
Talbot	3.0%	15.2%	6.6%	5.9%	16.1%	6.2%	-10.5%	3.5%
Washington	10.1%	5.7%	5.9%	3.8%	12.0%	6.7%	-10.5%	4.9%
Wicomico	5.7%	12.8%	5.7%	4.5%	15.8%	6.2%	-10.4%	4.6%
Worcester	3.9%	12.8%	8.3%	6.7%	38.0%	7.3%	-10.4%	4.2%
Unallocated	14.9%	1.1%	96.2%	30.8%	-100.0%	55.6%	n.a.	55.6%
TOTAL	5.7%	11.4%	8.4%	11.3%	9.0%	8.0%	-10.4%	6.1%

⁽¹⁾ Includes municipal share of police aid, highway user revenue and fire aid.