
Fiscal Briefing

Department of Legislative Services

Office of Policy Analysis

Annapolis, Maryland

January 21, 2003

Compliance with Spending Affordability Committee Recommendations

Allowance Complies with the Following Recommendations:

- **Spending Limit Set at 2.5%:** The allowance submitted by the Governor provides for a 2.25% increase in spending.
- **Judicious Use of Reserve Fund:** The allowance assumes no funds are withdrawn from the Reserve Fund.

Allowance Fails to Comply with Following Recommendations:

- **Place a Ceiling on Executive Branch Positions of 74,100.** With 75,888.6 executive branch positions, the allowance exceeds the recommended ceiling by 1,788.6 positions.
- **Entirely Erase Imbalance Between Revenues and Expenditures by Fiscal 2005:** The Governor's proposal does not comply with the Spending Affordability Committee's recommendation. A deficit of \$519 - \$706 million is forecast for fiscal 2005.

Operating Budget Affordability Limit (\$ in Millions)

<u>Funds</u>	<u>2002 Session</u>	<u>2003 Session</u>	<u>\$ Change</u>	<u>% Change</u>
General	\$10,558.2	\$10,753.9	\$195.7	1.85%
Special	2,492.6	2,462.2	-30.4	-1.22%
Higher Education	<u>1,276.0</u>	<u>1,433.6</u>	<u>157.6</u>	<u>12.35%</u>
SAC Growth	\$14,326.8	\$14,649.7	\$322.9	2.25%
SAC Limit	\$14,326.8	\$14,685.0	\$358.2	2.50%

General Fund Revenues

General Fund Revenue Projections
(\$ in Millions)

<u>Source</u>	FY 2002	---- FY 2003 Estimate* ----			% Change	FY 2004	% Change
	Actual	May '02	December '02	\$ Diff.	FY02-03	Estimate *	FY03-04
Personal Income Tax	\$4,771.6	\$5,072.0	\$4,807.2	-\$264.8	0.7%	\$5,081.7	5.7%
Sales and Use Tax ⁽¹⁾	2,642.5	2,767.5	2,730.3	-37.2	3.3%	2,850.8	4.4%
State Lottery	413.1	430.0	432.0	2.0	4.6%	448.4	3.8%
Corporate Income Tax	273.2	302.3	327.6	25.3	19.9%	334.5	2.1%
Business Franchise Taxes	145.2	168.6	154.8	-13.8	6.7%	158.0	2.0%
Insurance Premiums Tax	193.7	196.8	209.5	12.8	8.2%	215.8	3.0%
Estate & Inheritance Taxes	184.7	159.8	146.6	-13.2	-20.6%	149.9	2.3%
Tobacco Tax ⁽²⁾	209.9	212.9	212.4	-0.6	1.2%	275.6	29.8%
Alcohol Beverages Tax	25.7	25.0	26.2	1.2	1.7%	26.6	1.6%
Motor Vehicle Fuel Tax	12.3	12.1	12.3	0.3	0.7%	12.6	2.1%
ω District Courts	72.6	72.1	71.2	-0.9	-2.0%	70.5	-1.0%
Clerks of the Court	42.6	38.6	48.9	10.3	14.7%	45.8	-6.2%
Hospital Patient Recoveries ⁽³⁾	96.4	63.9	61.4	-2.5	-36.3%	73.9	20.4%
Interest on Investments	71.5	70.3	42.9	-27.4	-40.0%	45.1	5.1%
Miscellaneous ⁽⁴⁾	201.0	177.8	198.7	20.9	-1.1%	224.5	13.0%
Transfer Tax ⁽⁵⁾	0.0	47.3	47.3	0.0	n.a.	47.3	0.0%
Heritage Tax Credit ⁽⁶⁾	0.0	n.a.	-51.6	0.0	n.a.	-31.7	-38.6%
Total Current Revenues	\$9,356.1	\$9,816.9	\$9,477.6	-\$339.3	1.3%	\$10,029.2	5.8%
GAAP Transfer	119.5	0.0	0.0	0.0	n.a.	0.0	n.a.
Tax Amnesty	28.5	0.0	0.0	0.0	n.a.	0.0	n.a.
Grand Total	\$9,504.0	\$9,816.9	\$9,477.6	-\$339.3	-0.3%	\$10,029.2	5.8%

* From the Board of Revenue Estimates, December 2002 plus technical adjustments. The technical adjustments correct the share of the corporate income tax that goes to the Transportation Trust Fund (\$4.3 million in FY 2003 and \$4.4 million in FY 2004); reflect the fact that the amount of the tobacco tax needed for local education aid was less than expected (\$0.6 million in FY 2003); and adds back the local reimbursement for income tax administration which the Board anticipated going to a special fund (\$13.2 million in FY 2004).

Footnotes for General Fund Revenue Projections

- (1) During the second half of fiscal 2002, 100% of the sales tax on short-term rental vehicles went to the Transportation Trust Fund (TTF). SB 323 (2002 session) changes that percentage back to 45% beginning in fiscal 2003.
- (2) SB 856 (2002 session) increased the State tobacco tax \$0.34 effective June 1, 2002. In fiscal 2003, \$79.9 million of tobacco tax revenue is placed in a special fund for local education aid. In fiscal 2004, all tobacco tax revenue will once again be in the general fund.
- (3) SB 323 (2002 session) stipulates that \$14.0 million of disproportionate share payments in fiscal 2003 be put in a special fund used for the State's mental hygiene deficit. In fiscal 2004, all disproportionate share payments will once again be in the general fund.
- (4) SB 772 (2002 session) moves workers' compensation fees to a special fund beginning in fiscal 2003. HB 135 (2002 session) moves public service company fees to a special fund beginning in fiscal 2003. SB 323 (2002 session) moves security interest filing fees, special license plate fees, and uninsured motorist penalty fees back into the general fund beginning in fiscal 2003. SB 323 also reduced the time period for property to be declared abandoned from five years to four in fiscal 2003 and from four years to three in fiscal 2004. Beginning in fiscal 2004, local reimbursements for teachers' retirement costs associated with federally funded positions move back into the general fund.
- (5) SB 323 (2002 session) stipulates that \$47.3 million of State transfer tax revenue be credited to the general fund in fiscal 2003 and 2004. Transfer tax revenue is normally credited entirely to a special fund for land preservation programs.
- (6) It is estimated that \$25 million was claimed for the heritage structure rehabilitation tax credit in fiscal 2002. This is embedded in the detail for fiscal 2002, primarily in the personal income tax and the insurance premiums tax. The amounts shown in fiscal 2003 and fiscal 2004 are the Board's estimate of additional credits likely to be claimed in those years *over and above* the amount in fiscal 2002. So total credits are estimated to be \$76.6 million in fiscal 2003 and \$56.7 million in fiscal 2004.

Fiscal 2003 General Fund Revenues
(\$ in Millions)

<u>Source</u>	<i>Fiscal Year through December</i>				Full-Year
	FY 2002	FY 2003	\$ Difference	% Difference	Estimated
					Growth Rate ⁽¹⁾
Personal Income Tax	\$1,763.5	\$1,774.0	\$10.4	0.6%	0.7%
Sales and Use Tax ⁽²⁾	1,080.3	1,107.2	26.9	2.5%	3.3%
State Lottery	192.4	205.2	12.8	6.7%	4.6%
Corporate Income Tax	75.4	110.5	35.2	46.7%	19.9%
Business Franchise Taxes	73.8	68.7	-5.1	-6.9%	6.7%
Insurance Premiums Tax	90.5	102.6	12.1	13.4%	8.2%
Estate & Inheritance Taxes	95.9	69.9	-26.0	-27.1%	-20.6%
Tobacco Tax ⁽³⁾	86.6	96.6	10.0	11.5%	1.2%
Alcohol Beverages Tax	11.3	10.8	-0.4	-3.8%	1.7%
Motor Vehicle Fuel Tax	4.2	4.3	0.1	1.3%	0.7%
District Courts	35.1	35.1	0.0	0.1%	-2.0%
Clerks of the Court	18.8	22.0	3.1	16.6%	14.7%
Hospital Patient Recoveries ⁽⁴⁾	8.4	4.8	-3.6	-42.6%	-36.3%
Interest on Investments	33.5	12.7	-20.8	-62.2%	-40.0%
Miscellaneous	46.5	43.0	-3.4	-7.4%	-1.1%
Total Current Revenues	\$3,616.1	\$3,667.4	\$51.3	1.4%	1.3%
Tax Amnesty	28.5	0.0	-28.5	n.a.	n.a.
Grand Total	\$3,644.6	\$3,667.4	\$22.8	0.6%	-0.3%

(1) Board of Revenue Estimates, December 2002 plus technical adjustments.

(2) FY 2003 revenues reflect a lower vendor credit. This has added about \$5 million to general fund revenues through December. FY 2002 reflects the tax-free week in August 2001 which reduced revenues by about \$5.1 million. If the data were adjusted for both of these effects, FY 2003 year-to-date revenues would be up about 1.5% instead of 2.5%.

(3) Fiscal 2003 reflects the tobacco tax increase of \$0.34 which went into effect on June 1, 2002. It includes about \$11 million in floor tax revenues. In fiscal 2003, \$79.9 million of tobacco tax revenue will be put in a special fund to pay for local education aid. The monthly revenues in fiscal 2003 have been adjusted by deducting a pro-rated portion of that \$79.9 million.

(4) Includes revenues from Medicare, insurance, and sponsors only.

Budget Financing

Budget Gap Analysis – Fiscal 2003

(\$ in Millions)

	<u>FY 2003</u>
Baseline Budget Gap	(\$1,040)
Available General Fund Balance	309
2002 Session Transfers and Balances	154
BPW Reductions 1/8/03	155
	617
2003 Session Gap – Current Law	(423)
Resolving the Gap	
Budget Savings	
More Cuts – Higher Ed./One-time Bonus/ Comm. Colleges	91
"Normal" Reversions	30
	121
Temporary Actions	
More Transfers – IWIF/Transfer Tax/UM Fund Balance/Hwy User/Lottery	222
Transfer from Transportation Trust Fund	150
Asset Sales – Deep Creek Buffer	3
	375
Ending Balance	\$74

BPW = Board of Public Works

IWIF = Injured Workers' Insurance Fund

Fiscal 2003 Budget Detail

(\$ in Millions)

Deficiencies

Mental Health Services for Medicaid Recipients	\$30.0
Human Resources Federal Fund Underattainment	25.0
Public Safety: Medical, Security, Food, Female Bed Space, Hargrove Court House, Federal Court Order, Special Education.	5.5
Added Foster Care Placement Costs	4.9
State Dept. of Education – Nonpublic Placements	4.4
Military: Active Duty Pay for Leave (Ch. 285, 2002), MEMA Security Ctr.	2.2
Public Defender: Baltimore City Felony Div, Hargrove, Justice Center	1.3
Other	3.3
Total	\$76.6

Additional Appropriations To Be Withdrawn

Transit Subsidies for State Employees	\$1.5
Additional Higher Education Reduction	37.7
Community College Formula	6.3
Aid to Nonpublic Institutions of Higher Education	1.4
Total	\$47.0

Targeted Reversions

Employee One-time Bonus	\$28.8
Workers' Compensation Fund for DLLR Safety Programs	9.1
Judiciary	3.0
Legislature	1.7
Agricultural Cost Share Program Fiscal 1999-2000 Encumbrances	1.2
MD Dept. of the Environment IT and Other Encumbrances	0.6
Canal Place Fiscal 2002 PAYGO Encumbrance	0.1
Total	\$44.4

MEMA = Maryland Emergency Management Agency

DLLR = Department of Labor, Licensing, and Regulation

Fiscal 2003 Budget Detail (continued)

(\$ in Millions)

Transfers to General Fund Contingent on Legislation

Transfers from PAYGO

Program Open Space – Transfer Tax Overattainment FY 2002 and 2003	\$38.7
Program Open Space – Unexpended Balances	3.0
MD Agricultural Land Preservation Fund	10.0
Waterway Improvement Fund	8.0
DBED – (One MD, MEDAF, Enterprise Investment, MSBDFA, MCAFF)	8.0
DHCD – Homeownership Programs	2.0
Subtotal	\$69.7

Other Cash Transfers

Transportation Trust Fund	\$150.0
Highway User Revenues Transportation Overattainment	17.9
Injured Workers Insurance Fund for Future Liability	75.0
University System of Maryland Fund Balance	29.0
Information Technology – Major Projects	10.0
Lottery Unclaimed Prize Fund	10.0
9-1-1 Fund	5.0
State Use Industries	2.0
Cigarette Restitution Fund	1.4
Dedicated Purpose Fund	1.0
Racing Commission	1.7
Adjustment to Planned Transfer from Racing Facility Redev. Fund	(1.5)
Subtotal	\$301.5

Total Transfers Contingent on Legislation **\$371.2**

DBED = Department of Business and Economic Development

MEDAF = Maryland Economic Development Assistance Fund

MSBDFA = Maryland Small Business Development Financing Authority

MCAFF = Maryland Competitive Advantage Financing Fund

DHCD = Department of Housing and Community Development

Budget Gap Analysis – Fiscal 2004

(\$ in Millions)

FY 2004

DLS Baseline Budget Gap (\$1,167)

Resolving the Gap

Budget Reductions

Cuts from DLS Baseline – Higher Ed/ State Agencies/ PAYGO	238
Cuts Contingent on Legislation – Assessment Chargeback/ Community Colleges/ Private Colleges/ Deferred Comp Match	41
"Normal" Reversions	35
	314

Temporary Actions

Transfer from Transportation Trust Fund	150
Reduction in Local Transportation Aid	102
General Fund Balance	74
Transfers from Other Funds – Transfer Tax/ Waterway Imp.	71
Asset Sales – More Buffer Strips/ MSP Airplane	5
	403

Continuing Revenues

Video Lottery	395
Tax Compliance – Real Estate Withholding/ Federal Schedule	58
Federal Hospital Patient Recoveries	3
	455

Net Effect **\$5**

DLS = Department of Legislative Services

MSP = Maryland State Police

Fiscal 2004 Budget Detail
(\$ in Millions)

Reductions Contingent on Legislation

Local Share of Property Tax Assessment Cost	\$10.0
Aid to Community Colleges	9.7
Deferred Compensation Match	7.9
After School Programs	5.0
Aid to Nonpublic Institutions of Higher Education	3.5
Baltimore City Community College	2.5
Arts Council	2.3
Total	\$40.9

Fund Balances Used in Lieu of General Funds

Dedicated Purpose Fund Balance to DHR-Family Investment	\$11.4
Joseph Fund to DHR-Child Welfare (Requires Legislation)	8.2
Total	\$19.7

Transfers to General Fund Contingent on Legislation

Transportation Trust Fund	\$150.0
Local Share of Highway User Revenues	102.4
Transfer taxes – FY 2004	55.6
Waterway Improvement Fund	10.0
Maryland Automobile Insurance Fund (MAIF)	3.0
State Use Industries	2.0
Affordable Housing Trust	0.5
Racing Commission	0.4
Total	\$323.9

New Tax Compliance Initiatives Contingent on Legislation

Withhold from Proceeds of Sales of Real Estate by Nonresidents	\$20.0
Require Withholding Taxes to Be Remitted on Federal Filing Schedule	13.5
Streamline Bank Attachment Process	12.5
Expand License Clearances	10.0
Permit Direct Salary Attachment for Other Taxes	1.5
Total	\$57.5

DHR = Department of Human Resources

Video Lottery Terminals Fiscal 2004/2005 Revenues

- The proposed fiscal 2004 budget assumes that \$395 million in revenues from video lottery terminals (VLTs) will be received -- \$350 million from the sale of license fees and \$45 million from the actual operation of terminals.
- This assumes that \$100 million would be paid for VLT licenses at Laurel Park, Pimlico Race Course, and Rosecroft Raceway and \$50 million for the proposed racetrack in Allegany County.
- The budget submission also assumes \$600 million in revenues for fiscal 2005.

Reserve Fund Activity – Fiscal 2002 to 2004
(\$ in Millions)

	Rainy Day Fund	Dedicated Purpose Fund	Catastrophic Event Fund	Joseph Fund
Balances on Hand 6/30/01	\$888.2	\$115.7	\$1.7	\$10.6
Fiscal 2002 Appropriations:				
Unappropriated FY 00 Balance	141.8			5.0
Wilson Bridge/Metro Expansion		45.0		
TANF Reallocation		9.6		
Fiscal 2002 Deficiency Appropriations:	30.0	(9.6)		
Expenditures:				
PSC: Public education utility restruct.		(2.8)		
Southern Maryland Hurricane Relief			(1.5)	
DDA Waiting List Initiative – DHMH		(5.0)		
Welfare Programs		(22.1)		
Transfer to General Fund:	(533.2)	(30.1)		(8.0)
Estimated interest:	21.2	-	-	0.4
Balances on Hand 6/30/02	547.9	100.8	0.2	8.1
Fiscal 2003 Appropriations:	181.0	-	-	-
Unspent Public Service Commission Funds:		0.1		
Expenditures:				
Welfare Programs		(10.0)		
Transfers:				
General Fund – 2002 Session	(249.0)	(78.4)		
General Fund – 2003 Session		(1.0)		
Estimated interest:	10.6	-	-	0.2
Balances on Hand 6/30/03	490.5	11.4	0.2	8.2
Fiscal 2004 Appropriations	-	-	-	-
Expenditures:				
Child Welfare Services Staff				(8.2)
TANF/Welfare Costs		(11.4)		
Estimated Interest:	14.7	-	-	-
Estimated Balances 6/30/04	\$505.2	\$0.0	\$0.2	\$0.0
Balance in Excess of 5% GF Revenues	\$3.8			

General Fund Expenditures and Outlook

State Expenditures -- General Funds
(\$ in Millions)

<u>Category</u>	<u>Actual</u> <u>FY 2002</u>	<u>Work. Appr.</u> <u>FY 2003</u>	<u>Cost</u> <u>Contain.</u> <u>FY 2003</u>	<u>Revised</u> <u>Work. Appr.</u> <u>FY 2003</u>	<u>Allowance</u> <u>FY 2004</u>	<u>Contingent</u> <u>Reductions</u> <u>FY 2004</u>	<u>Adjusted</u> <u>Allowance</u> <u>FY 2004</u>	<u>\$ Diff.</u> <u>03 to 04</u>	<u>% Diff.</u> <u>03 to 04</u>
Debt Service	\$204.0	\$183.9	\$0.0	\$183.9	\$187.0	\$0.0	\$187.0	\$3.1	1.7%
Aid to Local Governments									
General Government	200.5	228.6	0.0	228.6	226.5	0.0	226.5	-2.1	-0.9%
Community Colleges	178.6	188.9	-6.3	182.6	194.4	-9.7	184.7	2.0	1.1%
Education/Libraries	2,847.4	3,041.8	0.0	3,041.8	3,406.0	0.0	3,406.0	364.2	12.0%
Health	57.3	61.9	0.0	61.9	61.9	0.0	61.9	0.0	0.0%
	<u>3,283.9</u>	<u>3,521.2</u>	<u>-6.3</u>	<u>3,514.9</u>	<u>3,888.8</u>	<u>-9.7</u>	<u>3,879.1</u>	<u>364.2</u>	<u>10.4%</u>
Entitlements									
Foster Care Payments	117.7	143.8	0.0	143.8	136.3	0.0	136.3	-7.5	-5.2%
Assistance Payments	65.2	62.7	0.0	62.7	83.5	0.0	83.5	20.8	33.2%
Medical Assistance	1,543.1	1,600.4	-37.4	1,563.0	1,721.9	0.0	1,721.9	158.9	10.2%
Property Tax Credits	52.0	55.5	-7.2	48.3	49.0	0.0	49.0	0.7	1.4%
	<u>1,778.1</u>	<u>1,862.4</u>	<u>-44.6</u>	<u>1,817.7</u>	<u>1,990.6</u>	<u>0.0</u>	<u>1,990.6</u>	<u>172.9</u>	<u>9.5%</u>
State Agencies									
Health	1,093.1	1,206.7	-12.4	1,194.3	1,231.3	-2.0	1,229.3	35.0	2.9%
Human Resources	299.8	298.6	-7.8	290.8	311.4	-6.1	305.3	14.5	5.0%
Systems Reform Initiative	40.1	40.1	-2.0	38.1	38.6	0.0	38.6	0.4	1.1%
Juvenile Justice	161.3	170.9	-8.5	162.5	172.4	-0.5	171.9	9.4	5.8%
Public Safety/Police	921.0	947.3	-10.3	937.1	945.3	-1.6	943.7	6.7	0.7%
Higher Education	961.3	967.3	-71.6	895.7	900.2	-2.5	897.7	2.0	0.2%
Other Education	276.0	282.3	-11.3	270.9	293.6	-3.8	289.8	18.8	7.0%
Agric./Nat'l Res./Environment	147.3	150.3	-3.7	146.6	147.2	-0.6	146.6	0.0	0.0%
Other Executive Agencies	548.8	507.8	-21.6	486.2	499.7	-14.1	485.6	-0.6	-0.1%
Judicial/Legislative	314.8	329.4	0.0	329.4	351.2	0.0	351.2	21.8	6.6%
Across-the-board	0.0	0.0	-28.8	-28.8	0.0	-12.0	-12.0	16.8	-58.3%
	<u>4,763.5</u>	<u>4,900.8</u>	<u>-177.9</u>	<u>4,722.9</u>	<u>4,890.9</u>	<u>-43.2</u>	<u>4,847.7</u>	<u>124.8</u>	<u>2.6%</u>
Subtotal	\$10,029.5	\$10,468.2	-\$228.8	\$10,239.4	\$10,957.4	-\$52.9	\$10,904.4	\$665.0	6.5%
Capital	366.1	49.6	-1.6	48.0	13.0	0.0	13.0	-35.0	-72.9%
Reserve Fund	176.8	181.0	0.0	181.0	0.0	0.0	0.0	-181.0	-100.0%
Appropriations	\$10,572.3	\$10,698.8	-\$230.4	\$10,468.4	\$10,970.3	-\$52.9	\$10,917.4	\$449.0	4.3%
Reversions	0.0	-30.0	-15.6	-45.6	-35.0	0.0	-35.0	10.6	-23.3%
Grand Total	\$10,572.3	\$10,668.8	-\$246.0	\$10,422.8	\$10,935.3	-\$52.9	\$10,882.4	\$459.6	4.4%

15

Note: The FY 2003 working appropriation includes deficiency appropriations of \$76.6 million. The additional reversions in FY 2003 of \$15.6 million include \$4.7 million from the legislature and judiciary.

Substitution of General Funds for Special/Federal Funds
(\$ in Millions)

Education and Libraries Funding

	<u>FY 2003</u>	<u>FY 2004</u>	<u>Difference</u>	<u>% Diff</u>
General Funds	\$3,041.8	\$3,406.0	\$364.2	12.0%
Special Funds from Tobacco Tax	80.5	0.0	-80.5	-100.0%
Special Funds from Transitional Education Fund	33.3	0.0	-33.3	-100.0%
Cigarette Restitution Funds	10.1	0.0	-10.1	-100.0%
Other Special Funds	0.4	0.3	-0.2	-37.5%
Total	\$3,166.1	\$3,406.3	\$240.1	7.6%

Medical Assistance Funding

	<u>FY 2003</u>	<u>FY 2004</u>	<u>Difference</u>	<u>% Diff</u>
General Funds	\$1,563.0	\$1,721.9	\$158.9	10.2%
Cigarette Restitution Funds	104.0	106.6	2.6	2.5%
Other Special Funds	16.4	13.0	-3.4	-21.0%
Total State Support	\$1,683.4	\$1,841.5	\$158.1	9.4%

Human Resources (including Assistance Payments/Foster Care)

	<u>FY 2003</u>	<u>FY 2004</u>	<u>Difference</u>	<u>% Diff</u>
General Funds including FY 2003 Deficiency	\$497.3	\$525.1	\$27.8	5.6%
Special Funds from Dedicated Purpose/Joseph Funds	10.0	19.6	9.6	96.0%
Temporary Assistance for Needy Families (TANF) Grant	203.8	206.1	2.3	1.1%
Child Care Block Grant*	109.7	79.8	-29.9	-27.3%
Total Spending	\$820.8	\$830.6	\$9.8	1.2%

* Fiscal 2003 Child Care Block Grant spending reflects planned cost containment of \$29.3 million.

**Mandated/Expected Spending
Fiscal 2004 General Fund Increase Over
Amended Fiscal 2003 Appropriation
(\$ in Millions)**

Constitutional/Statutory	Allowance <u>Increase</u>	Contingent <u>Reduction</u>	Proposed <u>Increase</u>
Debt Service	\$3.1		\$3.1
Legislature	1.1		1.1
Judiciary	20.7		20.7
Public Schools/Libraries			0.0
Mandated Program Increases	240.3		240.3
Programs Previously Funded through Special Funds	123.9		123.9
Community Colleges	11.7	-9.7	2.0
Other Local Aid	2.2		2.2
Baltimore City Community College	2.7	-2.5	0.2
Aid to Private Colleges and Universities	4.7	-3.6	1.1
Private Donation Incentive Grant Program	3.5		3.5
Maryland School for the Deaf	1.6		1.6
Substance Abuse Partnership (S.T.O.P)	5.6		5.6
Wage Initiative (DDA)	11.2		11.2
Disparity Grant	-18.5		-18.5
Arts Council	2.3	-2.3	0.0
Local Health Formula	1.2		1.2
Women, Infants, and Children Program	0.8		0.8
Entitlements			
Medical Assistance	148.4		148.4
Foster Care	-7.5		-7.5
Assistance Payments – General Funds Replace TANF	20.8		20.8
Property Tax Credits	0.7		0.7
Other			
HBCU Grants (MHEC)	2.6		2.6
Annualization of Prior Year DDA Placements	4.6		4.6
Planned Expansion of Medicaid Waiver for Older Adults	5.2		5.2
Mental Health Services	7.4		7.4
After School Programs – Costs Shifted to GF	10.0	-5.0	5.0
Reserve Fund	-181.0		-181.0
 Subtotal	 \$429.3	 -\$23.1	 \$406.2
Personnel			
Health Insurance	50.9		50.9
Workers' Compensation Charges	-33.6		-33.6
Other Personnel Costs	25.3	-7.9	17.4
 Total	 \$471.9	 -\$31.0	 \$440.9

**Discretionary Changes/Enhancements
Fiscal 2004 General Fund Increase Over
Amended Fiscal 2003 Appropriation**

(\$ in Millions)

	<u>Allowance Increase</u>
Disparity Grant Exceeds Mandated Amount	\$14.2
Additional DDA Placements	11.3
Enhance Education at Hickey School and Transfer to MSDE	7.5
Public Defender – 70.5 New Positions and Other Enhancements	4.4
Medicaid Nursing Home Formula Cost Containment Ends	5.3
Juvenile Justice Enhancements Including Mental Health Services, Drug Court, and Management Reforms	3.5
Substance Abuse Treatment – Restoration of Cost Containment	1.8
Establish Governor's Grants Office	0.3
Total	\$48.3

Fiscal 2004 Underfunding and Costs Deferred Until Future

(\$ in Millions)

	<u>General Funds</u>
Fiscal 2004 Underfunding/Overstated Revenues	
Foster Care Federal Funding and Placement Costs Overestimated	\$15.0
Underfunding of Community Mental Health Services	10.0
Revenues from Lottery Overstated	10.0
Double Count of Reduction to Employee Bonus for State's Colleges and Universities	<u>8.8</u>
Subtotal	\$43.8
 Unfunded Liabilities	
Unfunded Liability for Workers' Compensation Payments	118.3
Private Donation Incentive Grant Program	<u>8.7</u>
Subtotal	\$127.0
 Total	 \$170.8

Outlook for Fiscal 2005

(\$ in Millions)

	<u>FY 2004</u>	<u>Thornton Lite FY 2005</u>	<u>Full Thornton FY 2005</u>
DLS Forecast Budget Gap – Current Law	(\$1,167)	(\$1,463)	(\$1,649)
2004 Budget Reductions			
Reductions from Baseline Spending	238	254	254
Reductions Contingent on Legislation	41	-	-
Reversions	35	25	25
	<u>314</u>	<u>279</u>	<u>279</u>
Gap After 2004 Budget Cuts	(853)	(1,184)	(1,370)
Temporary Actions *	329		
Continuing Revenues			
Video Lottery	395	600	600
Tax Compliance	58	58	58
Federal Hospital Patient Recoveries	3	3	3
	<u>455</u>	<u>660</u>	<u>660</u>
General Fund Balance	74	5	5
<i>Surplus/Shortfall</i>	\$5	(\$519)	(\$706)

* The Department of Budget and Management's forecast assumes \$202 million of temporary actions in fiscal 2005 including continued diversion of highway user revenues to the general fund.

Assistance to Local Governments

Local Fiscal Condition

- State aid to local governments has increased significantly. In fiscal 2001, State aid comprised over 27% of local revenues compared to 24% in fiscal 1997.
- Local governments ended fiscal 2002 with combined general fund balances, including designated and Rainy Day Funds, of \$1.0 billion (12.3% of local general fund revenues). In comparison, the State ended fiscal 2002 with a combined general fund balance, including designated and Rainy Day Funds, of \$813 million or 5.7% of general fund revenues.
- Property taxes, the primary revenue source for local governments, have realized significant growth. County assessable base increased by 5.4% in fiscal 2003 and is expected to increase by over 6% in both fiscal 2004 and 2005.
- This strong growth in the county assessable base has been tempered by the decline in net taxable income (2.8% decrease in tax year 2001); however, local income tax revenues are expected to increase by 1.9% in fiscal 2003 and by 5.3% in fiscal 2004.
- Local tax rates remained steady in fiscal 2003. One county (Somerset) increased its property tax rate, while four counties (Allegany, Anne Arundel, Talbot, and Wicomico) lowered their rates. Two counties (Montgomery and Somerset) increased their recordation taxes and one county (Wicomico) increased its admissions and amusement taxes. Local income, transfer, and lodging taxes were not changed.
- When comparing fiscal 2003 to 1999, real property tax rates are higher in 12 counties, lower in 5 counties, and remained the same in 7 counties. In regards to income taxes, over the last five years, 8 counties have increased their rates above the statutory specified CY 2002 rate and 2 counties have lowered the rate.
- Most local jurisdictions provided salary enhancements to their employees and teachers with 21 counties and 23 local boards of education granting COLAs in fiscal 2003.

State Aid to Local Governments

- State aid to local governments accounts for about 36% of State general fund expenditures.
- State aid will total \$4.3 billion in fiscal 2004, representing a \$180.4 million or 4.4% increase over the prior fiscal year.
- Direct aid to public schools and local libraries will increase by \$215.9 million, while funding for counties and municipal governments will decrease by \$66.3 million. Direct aid to local health departments is held constant while aid to community colleges decreases slightly.
- Retirement payments will increase by \$30.8 million or 8.1%.
- Since fiscal 1990, total State aid has increased at an average annual rate of 4.8%, and direct aid has increased at an average annual rate of 5.2%.

Summary of State Aid to Local Governments General and Special Funds (\$ in Millions)

<u>Fiscal Year</u>	<u>Direct State Aid</u>	<u>Retirement Payments</u>	<u>Total State Aid</u>	<u>Percent Change</u>
1990	\$1,903.0	\$333.1	\$2,236.1	
1991	1,956.2	358.5	2,314.7	3.5%
1992	1,840.8	350.9	2,191.6	-5.3%
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	2,909.9	442.5	3,352.3	7.0%
2000	3,029.7	420.5	3,450.3	2.9%
2001	3,273.7	389.8	3,663.5	6.2%
2002	3,528.0	349.3	3,877.3	5.8%
2003	3,734.7	377.7	4,112.3	6.1%
2004	3,884.2	408.4	4,292.7	4.4%

State Aid Categories

- Over 78% of State aid goes to public schools. Public schools are scheduled to receive an additional \$243.3 million in fiscal 2004, representing a 7.8% increase. Over the last two years, State aid to public schools has increased by 16%.
- State funding for local libraries increases by 3.9% or \$1.8 million. Local libraries account for about 1% of State aid.
- Counties and municipal governments will experience a significant decrease in State aid in fiscal 2004. Due to the transfer of revenue from the Transportation Trust Fund to the State's general fund, local highway user revenues decrease by \$73.5 million in fiscal 2004.
- The disparity grant program will decrease by \$4.3 million or 3.8%. This reduction is due to the narrowing of the disparity in income tax receipts between less affluent counties and other counties in Maryland. The program was scheduled to decrease by \$18.5 million; however, the budget allowance includes a \$14.2 million hold harmless provision, of which \$2.9 million benefits three non-disparity grant counties.
- The community college aid is constrained due to a 4% reduction in fiscal 2003 and budgetary reductions at four-year institutions.

State Aid to Local Governments By Category (\$ in Millions)

	<u>FY 2003</u>	<u>FY 2004</u>	<u>Percent of Total</u>	<u>Percent Change</u>
Public Schools	\$3,113.7	\$3,357.0	78.2%	7.8%
Libraries	47.4	49.2	1.1%	3.9%
Community Colleges	183.4	184.7	4.3%	0.7%
Local Health	61.9	61.9	1.4%	0.0%
County/Municipal	705.9	639.9	14.9%	-9.4%
Total	\$4,112.3	\$4,292.7	100.0%	4.4%

State Aid by Governmental Entity
Fiscal 2003 - 2004
(\$ in Millions)

	<u>FY 2003</u>	<u>FY 2004</u>	<u>Difference</u>	<u>Percent Change</u>
Public Schools				
Foundation Program	\$1,764.2	\$2,017.2	\$252.9	14.3
Compensatory Aid	141.9	353.2	211.2	148.8
Student Transportation	138.9	167.2	28.3	20.4
Special Education - Formula	81.3	115.1	33.9	41.7
Special Education - Nonpublic	100.2	104.0	3.8	3.8
Limited English Proficiency Grants	34.2	38.9	4.7	13.7
Teacher Salary Challenge Program	72.5	35.9	-36.6	-50.5
Baltimore City Partnership Grant	70.5	28.2	-42.3	-60.0
School Technology/Modernization	17.3	13.8	-3.6	-20.5
Other Ongoing Programs	97.6	100.1	2.5	2.5
Discontinued Programs	240.5	0.0	-240.5	-100.0
Subtotal Direct Aid	2,759.1	2,973.4	214.3	7.8
Teachers' Retirement	354.5	383.6	29.0	8.2
Total Public School Aid	3,113.7	3,357.0	243.3	7.8
Libraries				
Formula Program	27.1	27.3	0.2	0.8
State Library Network	12.6	13.9	1.4	11.0
Subtotal Direct Aid	39.6	41.2	1.6	4.1
Librarians' Retirement	7.8	8.0	0.2	2.9
Total Library Aid	47.4	49.2	1.8	3.9
Community Colleges				
Formula Program	151.7	152.3	0.6	0.4
Other	17.8	17.2	-0.6	-3.6
Subtotal Direct Aid	169.5	169.4	-0.1	0.0
Faculty Retirement	14.0	15.2	1.3	9.0
Total Community College Aid	183.4	184.7	1.2	0.7
Local Health	61.9	61.9	0.0	0.0
County/Municipal Aid				
Highway User Revenues	432.1	358.6	-73.5	-17.0
Disparity Grants	115.2	110.8	-4.3	-3.8
Police Aid	62.1	63.6	1.4	2.3
Program Open Space	18.3	25.1	6.8	37.4
Utility Restructuring Grant	30.6	30.6	0.0	0.0
Other Programs	46.2	49.5	3.3	7.2
Subtotal Direct Aid	704.5	638.2	-66.3	-9.4
Retirement - Certain County Employees	1.4	1.6	0.3	19.9
Total County/Municipal Aid	705.9	639.9	-66.0	-9.4
Total State Aid	\$4,112.3	\$4,292.7	\$180.4	4.4

State Aid Reductions in Fiscal 2003

<u>County</u>	<u>Community College Aid</u>	<u>Highway User Revenues</u>	<u>Total Impact</u>
Allegany	-\$150,813	-\$231,139	-\$381,952
Anne Arundel	-855,801	-953,845	-1,809,646
Baltimore City	0	-8,155,818	-8,155,818
Baltimore	-1,338,786	-1,312,353	-2,651,139
Calvert	-41,156	-187,070	-228,226
Caroline	-37,390	-152,472	-189,861
Carroll	-187,734	-420,889	-608,622
Cecil	-123,472	-237,065	-360,537
Charles	-214,129	-289,862	-503,990
Dorchester	-33,793	-173,874	-207,667
Frederick	-227,724	-550,165	-777,888
Garrett	-73,570	-196,800	-270,370
Harford	-303,011	-485,017	-788,028
Howard	-338,895	-479,905	-818,800
Kent	-16,899	-87,811	-104,710
Montgomery	-1,108,545	-1,366,386	-2,474,931
Prince George's	-746,387	-1,183,019	-1,929,406
Queen Anne's	-44,499	-172,063	-216,562
St. Mary's	-60,071	-223,372	-283,443
Somerset	-20,856	-104,326	-125,182
Talbot	-42,106	-138,937	-181,043
Washington	-186,082	-359,959	-546,041
Wicomico	-113,082	-278,701	-391,783
Worcester	-54,249	-208,561	-262,810
Total	-\$6,319,048	-\$17,949,407	-\$24,268,455

Fiscal 2004
State Aid Actions Contingent on Legislation

County	<i>Increases</i>	<i>Reductions</i>				Total Impact
	<u>Disparity Grant</u>	<u>Community College Aid</u>	<u>Highway User Revenues</u>	<u>Program Open Space</u>	<u>Property Assessments</u>	
Allegany	\$702,716	-\$231,183	-\$2,064,536	-\$85,904	-\$77,328	-\$1,756,235
Anne Arundel *	1,600,000	-1,677,542	-8,519,748	-932,544	-1,054,330	-10,584,164
Baltimore City	6,037,631	0	-14,963,702	-614,349	-564,840	-10,105,260
Baltimore	0	-1,338,786	-11,721,950	-1,049,616	-1,312,406	-15,422,758
Calvert	0	-80,735	-1,670,911	-93,576	-176,951	-2,022,173
Caroline	195,048	-70,571	-1,361,878	-40,603	-38,820	-1,316,824
Carroll	0	-366,139	-3,759,383	-210,863	-283,760	-4,620,144
Cecil	0	-182,833	-2,117,464	-107,890	-144,586	-2,552,774
Charles	0	-420,054	-2,589,047	-190,439	-241,950	-3,441,491
Dorchester	147,287	-63,783	-1,553,046	-34,920	-46,104	-1,550,566
Frederick	0	-243,871	-4,914,076	-222,401	-388,249	-5,768,597
Garrett	2,089,043	-73,570	-1,757,824	-43,596	-58,536	155,518
Harford	0	-600,205	-4,332,175	-311,364	-379,418	-5,623,162
Howard	0	-664,894	-4,286,513	-551,044	-638,601	-6,141,052
Kent *	1,075,000	-31,895	-784,329	-26,214	-40,879	191,683
Montgomery	0	-1,494,477	-12,204,572	-1,404,242	-2,419,823	-17,523,115
Prince George's	1,171,474	-1,150,695	-10,566,734	-1,185,393	-1,233,298	-12,964,646
Queen Anne's *	180,000	-83,989	-1,536,869	-57,232	-98,138	-1,596,228
St. Mary's	0	-117,842	-1,995,157	-105,231	-154,180	-2,372,410
Somerset	565,536	-42,311	-931,838	-24,970	-21,574	-455,157
Talbot	0	-79,473	-1,240,990	-59,805	-110,398	-1,490,666
Washington	157,788	-364,900	-3,215,160	-164,175	-202,367	-3,788,814
Wicomico	254,369	-229,412	-2,489,361	-109,728	-116,555	-2,690,688
Worcester	0	-110,057	-1,862,865	-107,972	-196,910	-2,277,804
Total	\$14,175,892	-\$9,719,217	-\$102,440,128	-\$7,734,071	-\$10,000,001	-\$115,717,525

Note: (*) County does not statutorily qualify for disparity grants.

State Assistance to Local Governments
Fiscal 2004 Allowance
(\$ in Thousands)

County	<i>Direct State Aid</i>						Retirement	Total	Change	
	General Government	Community Colleges	Education	Libraries	Health	Subtotal			Over FY 2003	Percent Change
Allegany	\$13,762	\$4,607	\$48,277	\$633	\$1,543	\$68,821	\$4,801	\$73,622	\$672	0.9%
Anne Arundel	39,466	22,533	190,334	1,868	5,231	259,432	33,686	293,118	4,557	1.6%
Baltimore City	264,354	0	586,095	5,464	11,050	866,962	46,079	913,041	21,005	2.4%
Baltimore County	41,914	33,805	309,930	3,963	7,135	396,747	52,155	448,902	19,309	4.5%
Calvert	11,154	1,069	55,008	300	624	68,155	7,232	75,387	5,004	7.1%
Caroline	5,918	998	26,622	218	904	34,659	2,388	37,048	755	2.1%
Carroll	10,718	5,024	92,703	725	2,049	111,219	11,524	122,743	4,190	3.5%
Cecil	6,175	3,455	60,213	519	1,347	71,709	6,766	78,476	2,688	3.5%
Charles	10,457	5,562	87,940	617	1,661	106,236	10,317	116,553	8,169	7.5%
Dorchester	6,748	902	19,944	210	714	28,519	2,161	30,680	1,020	3.4%
Frederick	14,497	5,913	120,282	847	2,509	144,048	15,644	159,692	7,007	4.6%
Garrett	9,168	2,585	19,095	162	730	31,740	2,301	34,041	439	1.3%
Harford	14,028	7,748	133,762	1,154	2,884	159,574	16,764	176,338	9,160	5.5%
Howard	15,193	9,095	118,554	627	2,016	145,485	24,669	170,154	13,771	8.8%
Kent	3,389	451	7,948	84	558	12,429	1,402	13,831	301	2.2%
Montgomery	49,790	29,892	259,582	2,162	4,984	346,411	82,184	428,594	25,427	6.3%
Prince George's	60,961	18,600	568,433	5,236	8,268	661,498	56,214	717,712	30,981	4.5%
Queen Anne's	4,400	1,188	20,575	129	697	26,988	3,165	30,153	505	1.7%
St. Mary's	5,969	1,560	56,269	467	1,341	65,606	6,513	72,118	4,449	6.6%
Somerset	7,096	571	14,753	223	707	23,351	1,423	24,774	278	1.1%
Talbot	3,627	1,124	8,501	83	551	13,885	2,171	16,056	2,252	16.3%
Washington	10,123	5,157	72,644	857	2,308	91,089	8,878	99,967	3,166	3.3%
Wicomico	9,998	3,098	59,038	619	1,586	74,338	6,448	80,786	4,342	5.7%
Worcester	5,617	1,486	12,746	119	538	20,505	3,559	24,064	2,364	10.9%
Unallocated	13,719	2,995	24,184	13,945	0	54,842	0	54,842	8,538	18.4%
Total	\$638,238	\$169,417	\$2,973,428	\$41,229	\$61,936	\$3,884,249	\$408,445	\$4,292,694	\$180,350	4.4%

28

Note: General government includes the municipal share of police aid, highway user revenue, and fire aid.

**Increase in State Aid to Local Governments
Fiscal 2003 - 2004**

<u>County</u>	<u>Working Appropriation FY 2003</u>	<u>Statutory Funding FY 2004</u>	<u>Difference FY 2003-04</u>	<u>Contingent Reductions FY 2004</u>	<u>Governor's Allowance FY 2004</u>	<u>Difference FY 2003-04</u>
Allegany	\$72,949,755	\$75,378,154	3.3%	-\$1,756,235	\$73,621,919	0.9%
Anne Arundel	288,561,255	303,702,453	5.2%	-10,584,164	293,118,289	1.6%
Baltimore City	892,036,043	923,146,342	3.5%	-10,105,260	913,041,082	2.4%
Baltimore	429,592,681	464,324,700	8.1%	-15,422,758	448,901,942	4.5%
Calvert	70,383,290	77,409,294	10.0%	-2,022,173	75,387,121	7.1%
Caroline	36,292,666	38,364,591	5.7%	-1,316,824	37,047,767	2.1%
Carroll	118,552,936	127,363,308	7.4%	-4,620,144	122,743,164	3.5%
Cecil	75,787,310	81,028,447	6.9%	-2,552,774	78,475,673	3.5%
Charles	108,384,111	119,994,944	10.7%	-3,441,491	116,553,453	7.5%
Dorchester	29,659,536	32,230,489	8.7%	-1,550,566	30,679,923	3.4%
Frederick	152,684,368	165,460,273	8.4%	-5,768,597	159,691,676	4.6%
Garrett	33,602,406	33,885,743	0.8%	155,518	34,041,261	1.3%
Harford	167,178,339	181,961,540	8.8%	-5,623,162	176,338,378	5.5%
Howard	156,382,752	176,295,074	12.7%	-6,141,052	170,154,022	8.8%
Kent	13,529,826	13,639,572	0.8%	191,683	13,831,255	2.2%
Montgomery	403,167,450	446,117,342	10.7%	-17,523,115	428,594,227	6.3%
Prince George's	686,730,745	730,676,291	6.4%	-12,964,646	717,711,645	4.5%
Queen Anne's	29,647,720	31,749,121	7.1%	-1,596,228	30,152,893	1.7%
St. Mary's	67,669,529	74,490,574	10.1%	-2,372,410	72,118,164	6.6%
Somerset	24,495,497	25,228,747	3.0%	-455,157	24,773,590	1.1%
Talbot	13,804,644	17,546,833	27.1%	-1,490,666	16,056,167	16.3%
Washington	96,801,289	103,755,759	7.2%	-3,788,814	99,966,945	3.3%
Wicomico	76,444,528	83,477,127	9.2%	-2,690,688	80,786,439	5.7%
Worcester	21,700,078	26,342,012	21.4%	-2,277,804	24,064,208	10.9%
Unallocated	46,304,291	54,842,321	18.4%	0	54,842,321	18.4%
Total	\$4,112,343,045	\$4,408,411,049	7.2%	-\$115,717,525	\$4,292,693,524	4.4%

State Personnel

Regular Full-time Equivalent Employees 1999 Actual to 2004 Allowance

	<u>1999 Actual</u>	<u>2000 Actual</u>	<u>2001 Actual</u>	<u>2002 Actual</u>	<u>2003 Working Approp.</u>	<u>2004 Allowance</u>
Legislative	669.0	720.0	723.0	730.0	730.0	730.0
Judiciary & Legal	3,837.8	4,031.8	4,188.2	4,390.7	4,614.7	4,704.9
Executive & Administrative Control	1,367.2	1,522.6	1,564.5	1,618.8	1,603.7	1,594.7
Financial & Revenue Administration	2,090.2	2,111.2	2,141.2	2,158.2	2,098.2	2,086.2
Budget & Management	416.5	459.5	509.8	524.3	531.3	492.8
Retirement	156.5	178.5	186.5	193.5	184.5	188.5
General Services	633.5	656.0	689.0	793.0	806.5	774.5
Transportation	9,062.5	9,193.5	9,256.0	9,538.0	9,318.5	9,351.0
Natural Resources	1,388.5	1,583.7	1,587.7	1,629.2	1,577.2	1,490.0
Agriculture	440.4	476.0	471.0	480.0	460.0	439.0
Health & Mental Hygiene	8,193.9	8,241.5	8,413.1	8,535.8	8,211.9	7,894.8
Human Resources	6,526.1	6,777.9	7,652.4	8,272.6	7,733.1	7,610.1
Labor, Licensing, & Regulation	1,546.0	1,670.0	1,708.0	1,706.0	1,617.0	1,549.1
Public Safety & Correctional Services	10,719.7	10,873.7	11,227.7	11,662.5	11,562.5	11,304.0
Other Education	1,863.4	1,881.4	1,904.0	1,955.0	2,018.6	1,993.9
Housing & Community Development	382.5	416.5	421.1	449.0	424.0	405.9
Business & Economic Development	247.0	307.0	319.0	324.0	319.0	310.0
Environment	945.4	956.4	1,011.4	1,028.0	1,032.0	975.0
Juvenile Justice	1,036.5	1,317.5	1,612.5	2,122.7	1,996.2	1,961.2
Police & Fire Marshal	2,485.5	2,515.5	2,555.5	2,589.5	2,574.5	2,495.5
Subtotal	54,007.9	55,890.1	58,141.5	60,700.7	59,413.4	58,351.0
Higher Education	19,086.7	19,615.8	20,303.8	21,386.2	21,402.5	21,509.3
Total	73,094.6	75,505.9	78,445.3	82,086.8	80,815.9	79,860.3

Regular Full-time Equivalent Employees 2002 Actual to 2004 Allowance

	<u>2002 Actual</u>	<u>2003 Legis. Approp.</u>	<u>Fiscal 2003 Working Approp.</u>	<u>Abolitions</u>	<u>New Positions</u>	<u>2004 Allowance</u>
Legislative	730.0	730.0	730.0	-	-	730.0
Judiciary & Legal	4,390.7	4,584.7	4,614.7	(16.5)	106.7	4,704.9
Executive & Administrative Control	1,618.8	1,577.7	1,603.7	(37.0)	28.0	1,594.7
Financial & Revenue Administration	2,158.2	2,102.2	2,098.2	(12.0)	-	2,086.2
Budget & Management	524.3	531.3	531.3	(38.5)	-	492.8
Retirement	193.5	184.5	184.5	-	4.0	188.5
General Services	793.0	795.5	806.5	(32.0)	-	774.5
Transportation	9,538.0	9,318.5	9,318.5	-	32.5	9,351.0
Natural Resources	1,629.2	1,577.2	1,577.2	(87.2)	-	1,490.0
Agriculture	480.0	460.0	460.0	(21.0)	-	439.0
Health & Mental Hygiene	8,535.8	8,099.4	8,211.9	(317.1)	-	7,894.8
Human Resources	8,272.6	7,714.1	7,733.1	(123.0)	-	7,610.1
Labor, Licensing, & Regulation	1,706.0	1,617.0	1,617.0	(68.0)	-	1,549.1
Public Safety & Correctional Services	11,662.5	11,464.5	11,562.5	(258.5)	-	11,304.0
Other Education	1,955.0	1,902.6	2,018.6	(106.7)	82.0	1,993.9
Housing & Community Development	449.0	424.0	424.0	(18.1)	-	405.9
Business & Economic Development	324.0	319.0	319.0	(9.0)	-	310.0
Environment	1,028.0	1,032.0	1,032.0	(57.0)	-	975.0
Juvenile Justice	2,122.7	1,996.2	1,996.2	(35.0)	-	1,961.2
Police & Fire Marshal	2,589.5	2,509.5	2,574.5	(79.0)	-	2,495.5
Subtotal	60,700.7	58,939.9	59,413.4	(1,315.6)	253.2	58,351.0
Higher Education	21,386.2	20,595.5	21,402.5	(71.5)	178.2	21,509.3
Total	82,086.8	79,535.4	80,815.9	(1,387.1)	431.4	79,860.3

Regular Full-time Equivalent Employees Turnover in the 2004 Allowance

	<u>Turnover Rate</u>	<u>Necessary Vacancies</u>	<u>Vacancies, Less Abolitions</u>	<u>Funded Vacancies/ (Unfunded Filled)</u>
Legislative	0.2%	1.5	-	(1.5)
Judiciary & Legal	3.4%	160.0	279.1	119.1
Executive & Administrative Control	3.4%	54.7	62.4	7.7
Financial & Revenue Administration	4.6%	96.2	87.6	(8.6)
Budget & Management	3.5%	17.2	19.0	1.8
Retirement	3.3%	6.2	4.0	(2.2)
General Services	4.1%	31.5	65.5	34.0
Transportation	4.7%	437.6	428.0	(9.6)
Natural Resources	4.0%	59.9	52.1	(7.8)
Agriculture	4.6%	20.3	18.0	(2.3)
Health & Mental Hygiene	3.7%	290.5	453.4	162.8
Human Resources	4.2%	316.6	284.3	(32.3)
Labor, Licensing, & Regulation	4.6%	71.4	64.6	(6.8)
Public Safety & Correctional Services	6.0%	678.2	514.5	(163.7)
Other Education	4.3%	86.2	90.4	4.2
Housing & Community Development	3.0%	12.1	13.0	0.9
Business & Economic Development	3.7%	11.3	9.7	(1.6)
Environment	2.7%	26.6	21.0	(5.6)
Juvenile Justice	9.1%	179.1	392.7	213.6
Police & Fire Marshal	2.0%	50.2	71.0	20.8
Total	4.4%	2,607.2	2,930.1	322.9
Higher Education	3.1%	671.6	875.7	204.1
Total	4.0%	3,278.9	3,805.8	526.9

Contractual Full-time Equivalent Employees 1999 Actual to 2004 Allowance

	<u>1999 Actual</u>	<u>2000 Actual</u>	<u>2001 Actual</u>	<u>2002 Actual</u>	<u>2003 Working Approp.</u>	<u>2004 Allowance</u>
Legislative	-	-	-	-	-	-
Judiciary & Legal	508.0	560.5	503.0	470.1	516.1	501.9
Executive & Administrative Control	231.1	146.6	238.6	208.2	194.1	183.9
Financial & Revenue Administration	53.5	28.3	28.0	34.7	36.6	33.9
Budget & Management	44.7	69.8	69.5	33.2	31.2	24.9
Retirement	9.0	24.5	28.2	29.8	31.5	31.5
General Services	45.2	43.5	26.5	34.7	35.0	33.4
Transportation	237.3	143.0	154.6	142.5	151.9	181.9
Natural Resources	510.2	328.0	331.2	332.0	471.0	475.8
Agriculture	31.6	32.7	38.3	35.7	45.5	50.7
Health & Mental Hygiene	482.8	482.3	448.2	408.9	507.7	517.4
Human Resources	1,266.7	788.6	354.1	110.7	147.0	148.1
Labor, Licensing, & Regulation	312.3	401.3	132.0	176.2	155.3	174.6
Public Safety & Correctional Services	341.8	293.5	330.2	298.2	571.4	491.0
Other Education	149.4	137.6	202.9	218.5	188.3	195.1
Housing & Community Development	53.9	37.9	52.1	48.9	74.9	74.9
Business & Economic Development	78.1	33.1	54.3	48.7	43.1	41.0
Environment	48.0	49.3	42.2	32.3	47.6	43.1
Juvenile Justice	605.8	437.6	317.3	119.0	138.4	132.9
Police & Fire Marshal	54.5	29.1	35.3	45.8	37.9	36.4
Subtotal	5,063.8	4,066.9	3,386.4	2,827.9	3,424.3	3,372.2
Higher Education	5,614.6	5,800.0	6,227.2	6,079.0	5,709.2	6,170.3
Total	10,678.4	9,866.9	9,613.6	8,907.0	9,133.5	9,542.5

General Salary Increases, Increments, and Other Compensation Fiscal 1999 through 2004 Allowance

Fiscal Year	State Employees		Police, Natural Resources Police, and Park Ranger Salary Additions	Maximum Deferred Compensation Match by State	Pay-for-Performance Bonuses	Other
	General Salary Increase	Increments				
1999						
	7/1/1998	\$900	4.0%	None	Outstanding: \$300	
	1/1/1999	\$375				
2000						
	7/1/1999	\$638	4.0%	\$600	Outstanding: \$1,000 Exceeds Standards: \$500	Salary schedules expand from 6 to 16 steps on 7/1/99 ⁽¹⁾
	1/1/2000	\$637				
2001						
	7/1/2000			\$600	Outstanding: \$1,000 Exceeds Standards: \$500	Standard salary schedule expands by 4 grades on 7/1/00 ⁽²⁾
	11/15/2000	4.0%				
2002						
	7/1/2001		\$850	\$600	Outstanding: \$500 Exceeds Standards: \$250	Salary schedules expand from 16 to 18 steps on 7/1/01 ⁽¹⁾
	1/1/2002	4.0%				
2003		None		\$500	None	
2004		None		None	None	

⁽¹⁾ The executive pay plan (EPP) and physicians' schedules did not expand.

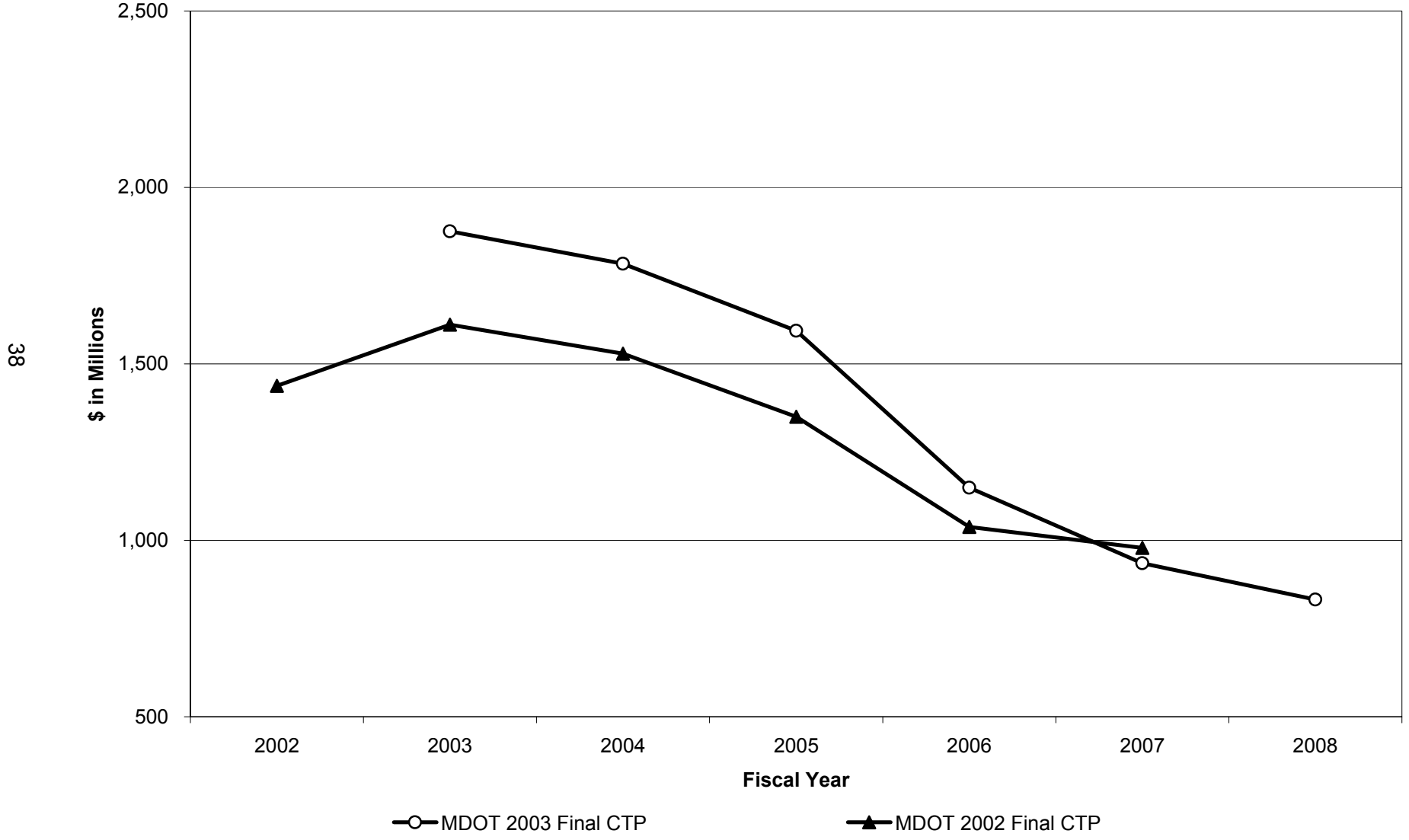
⁽²⁾ The standard salary schedule expanded to accommodate management service positions moved off the executive salary schedule.

Transportation

Maryland Department of Transportation
Long-term Forecast of the Transportation Trust Fund
(\$ in Millions)

	<u>Actual</u> <u>FY 2002</u>	<u>Est.</u> <u>FY 2003</u>	<u>Est.</u> <u>FY 2004</u>	<u>Est.</u> <u>FY 2005</u>	<u>Est.</u> <u>FY 2006</u>	<u>Est.</u> <u>FY 2007</u>	<u>Est.</u> <u>FY 2008</u>	<u>Total</u> <u>FY 03-08</u>
Starting Balance	\$128	\$173	\$100	\$100	\$100	\$100	\$100	\$173
Closing Balance	173	100	100	100	100	100	100	100
Net Revenues								
Taxes and Fees	1,308	1,318	1,351	1,372	1,389	1,412	1,438	8,280
Operating/Miscellaneous	438	422	454	404	405	392	404	2,481
General Fund Payments	0	-150	-150	0	0	0	0	-300
MD Transportation Authority Transfer	10	43	43	43	43	43	0	215
Net Revenues Subtotal	1,757	1,633	1,698	1,819	1,837	1,847	1,842	10,676
Bonds Sold	150	365	370	320	130	20	55	1,260
Total Revenues	1,907	1,998	2,068	2,139	1,967	1,867	1,897	11,936
Debt								
Debt Coverage Ratio – Net Income	4.6	4.3	3.6	3.6	3.2	3.0	2.6	
Debt Outstanding	714	985	1,253	1,459	1,498	1,450	1,428	
Highway User Grants								
Local	440	432	359	469	477	485	492	2,714
General Fund Payments	0	18	102	0	0	0	0	120
Expenditures								
Debt Service	113	128	152	180	163	142	148	913
Operating	1,045	1,102	1,139	1,221	1,272	1,325	1,377	7,436
Subtotal	1,158	1,230	1,291	1,401	1,435	1,467	1,525	8,349
Capital Summary								
State Capital	704	841	777	738	531	402	371	3,660
Federal Capital	680	655	664	650	551	462	388	3,370
Unfunded Capital	0	1	1	-1	5	11	12	29
Total	1,384	1,497	1,442	1,387	1,087	875	771	7,059
Total State Special Fund Expenditures	\$1,862	\$2,071	\$2,068	\$2,139	\$1,966	\$1,869	\$1,896	\$12,009

Maryland Department of Transportation Six-Year Capital Spending



Impact of Budget Plan on MDOT Financing

Comparing Draft for Final CTP 2003 - 2008

(\$ in Millions)

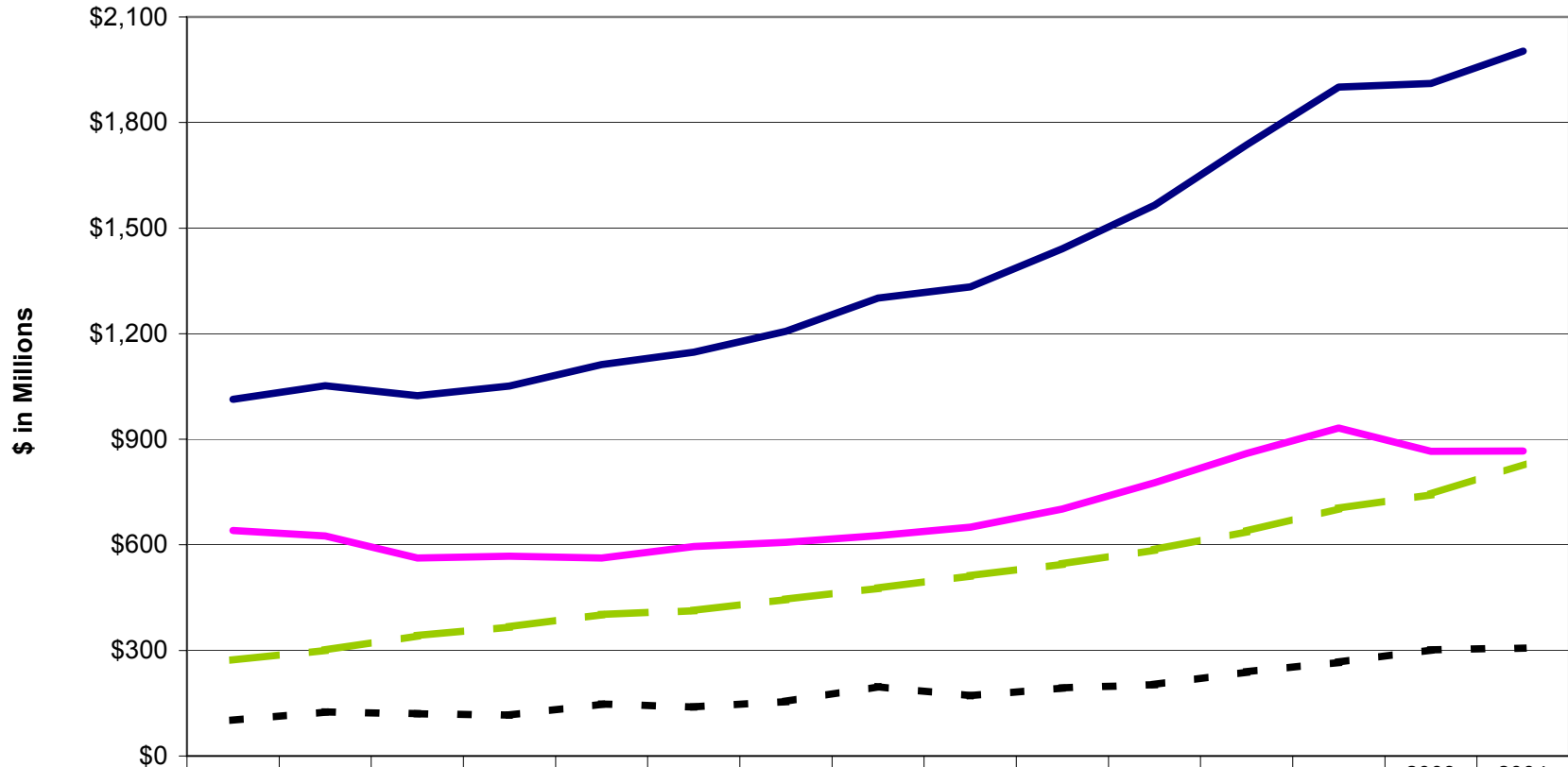
		<u>Total</u>
Impact on Funds Available		
Transfers to General Fund	(\$300)	
Loss of General Funds for Woodrow Wilson Bridge and Addison Road Transit Extension	(205)	
Loss of Reimbursement from State Agencies for Free Transit State Employee Benefit	<u>(2)</u>	
Total Impact		(507)
 Adjustments to Mitigate		
Accelerate Bond Sales	(10)	
Increase in Revenue Estimates	162	
Operating Budget Reductions	38	
Fiscal 2003-2008 Capital Budget Reductions:		
Minor Projects and System Preservation Removed	169	
Capital Programs Removed from CTP	21	
Major Projects Removed from CTP	32	
Neighborhood Conservation Projs Removed from CTP	76	
Information Technology Projects Deferred	10	
Major Projects Deferred to FY 2005	<u>7</u>	
Total Capital Expenditure Reductions		315
 Total MDOT Actions		 505
 Difference		 (\$2)

MDOT = Maryland Department of Transportation

CTP = *Consolidated Transportation Program*

Other Funds

Maintaining the Momentum
Education and General Revenues at Public Universities
Fiscal 1990 - 2004 Allowance



	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003 ADJ	2004 ALW
E&G Revenues	\$1,014	\$1,052	\$1,024	\$1,051	\$1,112	\$1,147	\$1,207	\$1,301	\$1,333	\$1,441	\$1,565	\$1,737	\$1,901	\$1,911	\$2,003
General Fund	\$640	\$625	\$562	\$568	\$563	\$595	\$607	\$626	\$650	\$702	\$776	\$860	\$932	\$866	\$866
Tuition and Fees	\$272	\$301	\$341	\$367	\$402	\$413	\$445	\$477	\$512	\$546	\$586	\$638	\$703	\$743	\$830
Other	\$101	\$126	\$120	\$116	\$148	\$139	\$155	\$198	\$171	\$193	\$203	\$239	\$266	\$302	\$307

Education and General Revenues (E&G) exclude restricted funds and auxiliary enterprise revenues.

Fiscal 2003 adjusted figures reflect cost containment actions but do not include any mid-year tuition increase. Fiscal 2003 E&G Revenues, Tuition and Fees, and Other revenues may be understated, as institutions typically add additional revenues through budget amendment prior to the end of the fiscal year.

Cigarette Restitution Funds (\$ in Millions)

	FY 2002 Actual Spending	FY 2003 Working Appropriation	FY 2003 Cost Containment	FY 2003 Revised Appropriation	FY 2004 Allowance
Beginning Fund Balance	\$17.5	\$103.5		\$103.5	\$46.6
Settlement Payments	168.7	174.4		174.4	153.7
Less 25% in Escrow	(43.1)				
Available Revenue	\$143.1	\$277.9		\$277.9	\$200.3
Available from Escrow ⁽¹⁾	\$123.1	\$4.7		\$4.7	
Payment to Law Offices	(30.0)	(30.0)		(30.0)	(30.0)
To Special Reserve Fund	(13.6)				
From Special Reserve Fund					13.6
Total Available Revenue	\$222.6	\$252.6		\$252.6	\$183.9
Health					
Management	\$0.0	\$0.5		\$0.5	\$0.6
Tobacco	16.9	31.2	(11.2)	20.0	15.2
Cancer	34.6	46.2	(8.8)	37.4	32.8
Substance Abuse	18.5	18.5		18.5	17.1
Maryland Health Care Foundation	1.0	1.0		1.0	0.3
Medicaid	0.0	104.0		104.0	106.6
Subtotal	\$71.0	\$201.4	(\$20.0)	\$181.4	\$172.6
Education					
Baltimore City Partnership	\$3.2	\$0.0		\$0.0	\$0.0
Academic Intervention	19.1	0.0		0.0	0.0
Aid to Nonpublic Schools	4.9	3.8		3.8	5.0
Judy Hoyer Centers	2.9	4.0		4.0	0.0
School Wiring ⁽²⁾	0.0	1.9	(1.9)	0.0	0.0
Teacher Mentoring	2.5	2.5		2.5	0.0
Teacher Certification	3.4	1.5		1.5	0.0
Technology Academy	1.7	1.7		1.7	0.0
Readiness and Accreditation	3.0	0.0		0.0	0.0
Access/Success	1.0	1.0		1.0	0.0
Subtotal	\$41.6	\$16.3	(\$1.9)	\$14.5	\$5.0
Crop Conversion	\$6.3	\$6.3		\$6.3	\$6.1
Attorney General	\$0.1	\$0.1		\$0.1	\$0.0
Total Expenses	\$119.0	\$224.1	(\$21.9)	\$202.3	\$183.7
Transfer to the General Fund		(3.8)		(3.8)	
Ending Fund Balance	\$103.5	\$24.7		\$46.6	\$0.3

⁽¹⁾ 2003 escrow funds represent tobacco company reimbursement for legal expenses previously paid to the law offices, transferred to the State under the terms of the April 2002 settlement.

⁽²⁾ School wiring funds were not spent in fiscal 2003 due to implementation delays.

Capital Budget

Capital Budget

The fiscal 2004 capital improvement program totals \$2.4 billion

- The program is funded by debt (\$1.1 billion, 47%) and current funds (\$1.3 billion, 53%).
- The Capital Debt Affordability Committee recommended a general obligation debt limit of \$740 million. This limit includes an additional \$200 million to recognize the legislative action taken in the 2002 session and to recognize the impact of the national recession and its effect on the availability of PAYGO funds for capital in fiscal 2004. Also recommended was a \$40 million limit for academic revenue bond.
- The Spending Affordability Committee concurred with the recommended \$740 million limit for general obligation debt and \$40 million for academic revenue bond.
- The capital program as introduced includes \$740 million in general obligation debt. About \$440 million is for projects planned for fiscal 2004. The remaining \$300 million is for the following:
 - \$76 million for the remainder of the PAYGO replacement projects
(the amount includes the fiscal 2004 total project request and may reflect costs associated with the year deferral or funding for the next phase of the project)
 - \$92 million for those projects deferred from fiscal 2003 to 2004
(the amount includes the fiscal 2004 total project request and may reflect amounts above the fiscal 2003 deferred amount)
 - \$35 million for new projects
(the amount represents the total project request for those projects not included in last year's Capital Improvement Plan for fiscal 2004)
 - \$96 million for the substitution of bond funding for planned PAYGO

Capital Budget (continued)

Major programs/projects include:

- Public School Construction – \$102.4 million
(includes \$9.1 million in Qualified Zone Academy Bonds)
- MDE Water Quality Revolving Loan Fund – \$70 million
- MSU New Library – \$49 million ⁽¹⁾
- UMB New Dental School – \$47.1 million
(includes \$5 million in academic revenue bonds)
- UMBI Center for Advanced Research in Biotechnology – \$46 million ⁽²⁾
- POS Land Acquisition & Local Program – \$41.5 million ⁽³⁾
- MHEC Community College Grant Program – \$40.9 million ⁽²⁾
- Agriculture Land Preservation Program – \$33.6 million ^{(3) (4)}
- DPSCS North Branch Correctional Institution – \$32.7 million
- DBED Maryland Economic Development Assistance Fund – \$25.5 million
- TU Fine Arts Building Addition – \$25.3 million ⁽²⁾
- DSP New Forensic Science Laboratory – \$23.5 million

⁽¹⁾ The lower project costs for fiscal 2004 is due to value engineering and the inclusion of a central cooling system for the campus quad, including the new library that is incorporated into a separate capital project – Campuswide Utility Improvements.

⁽²⁾ The project is either a PAYGO replacement project from the Budget Reconciliation and Financing Act (BRFA) 2002 or a project deferred from fiscal 2003.

⁽³⁾ Reflects the property transfer tax adjustments, including the 2002 BRFA provision and the proposed transfer contingent on legislation of the overattainment available for the fiscal 2004 transfer tax program allocation.

⁽⁴⁾ Also includes the general obligation bond replacement of a \$10 million transfer from fiscal 2003.

Summary of the Capital Program Request for the 2003 Session (\$ in Millions)

Function	Bonds			Current Funds (PAYGO)			Total
	General Obligation	Agency	Recycled	General	Special	Federal	
State Facilities							\$31.0
Facilities Renewal	\$11.0	\$0.0	\$0.0	\$0.0	\$0.3	\$0.0	
Other	18.2	1.5	0.0	0.0	0.0	0.0	
Health/Social							19.2
State Facilities	1.8	0.0	0.0	0.0	0.0	0.0	
Private Hospitals	5.0	0.0	0.0	0.0	0.0	0.0	
Other	12.4	0.0	0.0	0.0	0.0	0.0	
Environment							224.4
Natural Resources	50.1	0.0	0.0	0.0	13.4	2.1	
Agriculture	32.8	0.0	0.0	0.0	14.0	3.5	
Environment	30.0	0.0	0.0	0.0	35.2	37.6	
MD. Envir. Services	3.6	0.0	0.0	0.0	0.0	0.0	
Energy	0.0	0.0	0.0	0.0	2.0	0.0	
Public Safety							119.4
State Corrections	75.0	0.0	0.0	0.0	0.0	2.1	
Local Jails	11.5	0.0	0.0	0.0	0.0	0.0	
Other	30.8	0.0	0.0	0.0	0.0	0.0	
Education							95.0
School Construction	91.1	0.0	0.0	0.0	2.4	0.0	
Other	1.5	0.0	0.0	0.0	0.0	0.0	
Higher Education							304.7
University System	139.4	33.1	0.0	0.0	0.0	0.0	
Morgan State University	61.2	0.0	0.0	0.0	0.0	0.0	
St. Mary's College	5.6	0.0	0.0	0.0	0.0	0.0	
Community Colleges	41.3	0.0	0.0	0.0	0.0	0.0	
Private Colleges/Univers.	14.2	0.0	0.0	0.0	0.0	0.0	
Other	10.0	0.0	0.0	0.0	0.0	0.0	
Housing/Community Development							68.0
Housing	33.8	0.0	0.0	0.0	18.6	14.9	
Other	0.7	0.0	0.0	0.0	0.0	0.0	
Economic Development							65.5
Economic Development	8.5	0.0	0.0	13.0	44.0	0.0	
Local Projects							52.9
Administration	37.9	0.0	0.0	0.0	0.0	0.0	
Legislative	15.0	0.0	0.0	0.0	0.0	0.0	
Transportation ⁽¹⁾							1,455.0
Transportation	0.0	370.0	0.0	0.0	408.0	677.0	
Deauthorizations							-2.5
Deauthorization	-2.5	0.0	0.0	0.0	0.0	0.0	
Total Fiscal 2004 ⁽²⁾	\$739.9	\$404.6	\$0.0	\$13.0	\$537.9	\$737.2	\$2,432.6
Total Fiscal 2003	\$720.0	\$400.0	\$0.9	\$49.6	\$663.7	\$820.2	\$2,653.5

⁽¹⁾ Includes the proposed transfer of \$150 million to the general fund from the Transportation Trust Fund.

⁽²⁾ Includes the remainder of the 2002 BRFA PAYGO Replacement projects, projects deferred from fiscal 2003 with exceptions, and the conversion of some 2004 planned PAYGO items into the bond program.

Capital – All Funds (\$ in Millions)

	2001		2002		2003		2004	
	<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>Allow¹</u>	<u>% of</u> <u>Total</u>
Uses:								
State Facilities	\$76.5	5.9	\$65.7	4.7	\$25.1	3.7	\$30.0	3.3
Health/Social	33.0	2.5	36.6	2.6	27.3	4.1	19.2	2.1
Environment	246.1	18.9	349.7	24.8	187.1 ²	27.8	224.4	24.4
Public Safety	50.9	3.9	73.4	5.2	19.1	2.8	119.4	13.0
Education	261.0	20.0	244.8	17.4	151.0	22.4	95.0	10.3
Higher Education	385.3	29.5	396.9	28.1	119.9	17.8	256.5	27.9
Housing/Comm. Devel.	63.5	4.9	63.3 ⁵	4.5	74.1	11.0	68.0	7.4
Economic Development	66.9	5.1	73.5	5.2	61.0	9.1	65.5	7.1
Local Projects	122.7	9.4	106.9	7.6	20.3	3.0	43.5	4.7
Deauthorizations	-2.0	-0.2	0.0	0.0	-11.1	-1.6	-2.5	-0.3
Subtotal	\$1,303.9	100.0	\$1,410.8	100.0	\$673.8	100.0	\$919.0	100.0
Transportation	1,315.1		1,511.4		1,495.0 ⁶		1,455.0	
Grand Total	\$2,619.0		\$2,922.2		\$2,168.8		\$2,374.0	
Sources:								
General	\$613.3	23.3	\$548.0	18.7	\$49.6 ³	2.3	\$13.0	0.5
Special	655.4	24.9	766.0	26.1	637.4 ^{2,3,6}	29.4	537.9	22.6
Federal	680.3	25.9	843.3	28.8	695.2	32.0	737.2	30.9
General Obligation	460.0	17.5	505.0	17.2	391.3	18.0	681.4	28.6
QZABs	9.8	0.4	8.3	0.3	0.0	0.0	9.1	0.4
Revenue Bonds	210.0	8.0	260.0	8.9	394.9	18.2	404.6	17.0
Recycled	0.0	0.0	0.0	0.0	0.9	0.0	0.0	0.0
Total	\$2,628.8	100.0	\$2,930.6	100.0	\$2,169.3	100.0	\$2,383.2	100.0

Notes:

¹ Reflects the following:

- *Exclusion of the BRFA 2002 PAYGO replacement projects (\$59 million).
- *Proposed contingent transfers to the general fund including the transfer tax overattainment available (\$20.6 million) for the fiscal 2004 program allocation, a \$10 million transfer from the Waterway Improvement Fund and a \$150 million transfer from the Transportation Trust Fund.
- *Conversion of 2004 Planned PAYGO, including the contingent transfer of fiscal 2004 transfer tax (\$55.6 million), into the general obligation bond program.
- *General obligation bond replacement for the proposed contingent transfer of \$10 million from the Agricultural Land Preservation Fund in fiscal 2003.

² Reflects the following proposed contingent transfers to the general fund from fiscal 2003:

- *\$3 million in unexpended State POS balances
- *\$8 million Waterway Improvement Fund
- *\$10 million Agricultural Land Preservation Fund

³ Does not reflect the proposed contingent transfer to the general fund from the following fiscal 2003 fund balances:

- *\$2 million DHCD: Homeownership program
- *\$8 million DBED: One Maryland, Enterprise Investment, Economic Development Assistance Fund, Small Business Development Fund, Competitive Advantage Financing Fund

⁴ Does not reflect the anticipated fiscal 2003 capital reversions from the following:

- *\$1.2 million Agricultural cost share program – 1999-2000 encumbrances
- *\$.3 million Department of the Environment

⁵ Does reflect the anticipated fiscal 2003 capital reversions from Canal Place – 2002 encumbrance.

⁶ Reflects the proposed contingent transfer to the general fund of \$150 million from the Transportation Trust Fund and the reduction of federal dollars available for the Woodrow Wilson Bridge.

Fiscal 2004 Capital Program (\$ in Millions)

Capital Related Transfers to the General Fund

	Transfer FY 03 <u>Amount</u>	FY 04 <u>Amount</u>	Replacement FY 04 <u>Amount</u>
2002 BRFA Transfer Tax Provision	\$47.3	\$47.3	\$0.0
Contingent on 2003 Session Legislation			
Waterway Improvement Fund	8.0	10.0	0.0
DHCD: Homeownership Program	2.0	0.0	0.0
DBED: One Maryland, Maryland Competitive Advantage Fund Small Business Development Fund, Enterprise Investment, and Maryland Economic Development Assistance Fund	8.0	0.0	0.0
2004 Transfer Tax			
Overattainment Available for Allocation in Fiscal 2004	0.0	20.6	0.0
State Program Open Space	3.0	13.8	13.8
Local Program Open Space	0.0	22.2	22.2
Agricultural Land Preservation	10.0	11.2	21.2
Rural Legacy	0.0	7.3	0.0
Heritage Conservation Fund	0.0	1.2	1.2
Anticipated Fiscal 2003 Capital Reversions			
Maryland Department of the Environment	0.3	0.0	0.0
Agricultural Cost-Share Program – 1999-2000	1.2	0.0	0.0
Canal Place – 2002	0.1	0.0	0.0

Fiscal 2004 Capital Program (continued)
(\$ in Millions)

General Fund PAYGO Programs Funded in the Bond Program

	FY 04 Amount
DBED: One Maryland	\$7.5
TEDCO: Technology Development Investment Fund	1.0
MDE: Water Quality Revolving Loans	6.2
MDE: Drinking Water Revolving Loans	1.9
MDE: Hazardous Substance	0.6
DNR: Oysters Restoration	3.0
Public School Construction: Relocatable Classrooms	0.2
DHCD: Historical Trust Capital Revolving Loan Fund	0.2
DHCD: Rental Housing Programs	7.0
DHCD: Homeownership Programs	2.2
DHCD: Special Loan Programs	2.7
High Speed Data Network	<u>5.0</u>
Total	\$37.6

Fiscal 2004 Capital Program (continued)

(\$ in Millions)

Notable Omissions from the Program

Projects Deferred from Fiscal 2003 with an Intent to Fund in Fiscal 2004:

	<u>FY 03 Deferred Amount</u>
University of Maryland, Baltimore: Howard Hall Renovation	\$7.0
Baltimore City Community College – partial funding provided for new design	17.0
CFC Mitigation Program	2.0
Maryland Stadium Authority: Veterans' Memorial – project completed	1.0
Legislative Initiatives	15.0

Projects/Programs Anticipated for Fiscal 2004 (Based on Last Year's Capital Improvement Plan):

<u>Projects</u>	<u>Total Project Cost</u>
UMCP: Tawes Fine Arts Building Conversion	\$22.9
BSU: Martin Luther King Jr. Center Renovation	17.6
SU: New Teacher Education and Technology Center	35.6
MSU: Slope and Streambed Stabilization	5.0
St. Mary's College: New Administration Building	9.8
JHU: Pediatric Shock Trauma and Cancer Facility	75.0
BPW: 301 West Preston Perimeter Piping Replacement	1.7
New Rockville District Court	54.2
Baltimore City Detention Center: Dormitories Renovation	6.2
HSMCC: St. John's Archaeological Site Exhibit	5.4
<u>Programs</u>	<u>Planned Amount</u>
DHMH: Assisted Living Facilities Grant Program	\$1.5
MDE: Comprehensive Flood Management Grant Program	0.5
DNR: Community Parks and Playground	13.5

Appendix

Cost Containment Approved by Board of Public Works (\$ in Millions)

Total Cost Containment	\$154.6
Medical Assistance Reductions Reflect Availability of Federal Funds and Enrollment Trends	37.4
Public Colleges and Universities	33.9
Juvenile Justice – Delays in Contracts and Facility Openings	8.4
Property Tax Credit Programs – Utilization Decline	7.2
Substance Abuse Treatment Grants	3.7
Scholarships	2.7
Tourism Development Board	2.5
Private Colleges and Universities	2.3
Other	56.5

State Expenditures -- Special and Higher Education Funds *
(\$ in Millions)

Category	Actual FY 2002	Work. Appr. FY 2003	Cost Contain. FY 2003	Revised Work. Appr. FY 2003	Allowance FY 2004	Contingent Reductions FY 2004	Adjusted Allowance FY 2004	\$ Diff. 03 to 04	% Diff. 03 to 04
Debt Service	\$522.0	\$766.4	\$0.0	\$766.4	\$492.7	\$0.0	\$492.7	-\$273.7	-35.7%
Aid to Local Governments									
General Government	511.1	495.2	0.0	495.2	523.5	-132.4	391.2	-104.1	-21.0%
Community Colleges	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	n.a.
Education/Libraries	78.4	124.3	0.0	124.3	0.3	0.0	0.3	-124.0	-99.8%
Health	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	n.a.
	589.5	619.5	0.0	619.5	523.8	-132.4	391.4	-228.1	-36.8%
Entitlements									
Foster Care Payments	0.2	0.2	0.0	0.2	0.2	0.0	0.2	0.0	0.0%
Assistance Payments	20.6	17.4	0.0	17.4	16.3	0.0	16.3	-1.2	-6.7%
Medical Assistance	13.0	120.4	0.0	120.4	119.7	0.0	119.7	-0.8	-0.6%
Property Tax Credits	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	5.0%
	33.8	138.1	0.0	138.1	136.2	0.0	136.2	-1.9	-1.4%
State Agencies									
Health	205.7	213.0	0.0	213.0	164.8	-0.2	164.6	-48.4	-22.7%
Human Resources	67.9	56.8	0.0	56.8	66.1	-0.2	65.9	9.1	16.1%
Systems Reform Initiative	0.0	1.8	0.0	1.8	2.5	0.0	2.5	0.8	43.2%
Juvenile Justice	0.1	0.3	0.0	0.3	0.2	0.0	0.2	0.0	-3.5%
Public Safety/Police	142.1	149.8	0.0	149.8	149.2	-0.1	149.1	-0.7	-0.5%
Higher Education	2,097.9	2,279.0	0.0	2,279.0	2,467.2	0.0	2,467.2	188.3	8.3%
Other Education	36.1	44.6	0.0	44.6	34.9	-0.1	34.9	-9.8	-21.9%
Transportation	998.2	1,057.1	-0.2	1,056.9	1,069.2	-1.7	1,067.5	10.5	1.0%
Agric./Nat'l Res./Environment	94.8	105.8	0.0	105.8	100.6	-0.3	100.3	-5.5	-5.2%
Other Executive Agencies	236.8	261.0	-0.1	260.9	268.0	-0.7	267.3	6.4	2.5%
Judicial/Legislative	12.8	13.7	0.0	13.7	13.2	0.0	13.2	-0.5	-3.4%
	3,892.6	4,182.9	-0.4	4,182.5	4,336.1	-3.3	4,332.8	150.3	3.6%
Subtotal	\$5,037.9	\$5,707.0	-\$0.4	\$5,706.6	\$5,488.8	-\$135.6	\$5,353.1	-\$353.4	-6.2%
Capital	995.1	1,036.2	-0.1	1,036.1	928.5	-46.8	881.8	-154.3	-14.9%
Grand Total	\$6,033.0	\$6,743.1	-\$0.4	\$6,742.7	\$6,417.3	-\$182.4	\$6,234.9	-\$507.8	-7.5%

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

State Expenditures -- Federal Funds
(\$ in Millions)

<u>Category</u>	<u>Actual</u> <u>FY 2002</u>	<u>Work. Appr.</u> <u>FY 2003</u>	<u>Cost</u> <u>Contain.</u> <u>FY 2003</u>	<u>Revised</u> <u>Work. Appr.</u> <u>FY 2003</u>	<u>Allowance</u> <u>FY 2004</u>	<u>Contingent</u> <u>Reductions</u> <u>FY 2004</u>	<u>Adjusted</u> <u>Allowance</u> <u>FY 2004</u>	<u>\$ Diff.</u> <u>03 to 04</u>	<u>% Diff.</u> <u>03 to 04</u>
Debt Service	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	n.a.
Aid to Local Governments									
General Government	22.7	23.4	0.0	23.4	22.4	0.0	22.4	-0.9	-4.0%
Community Colleges	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	n.a.
Education/Libraries	556.2	611.9	0.0	611.9	682.6	0.0	682.6	70.6	11.5%
Health	5.8	4.5	0.0	4.5	4.5	0.0	4.5	0.0	0.0%
	<u>584.6</u>	<u>639.8</u>	<u>0.0</u>	<u>639.8</u>	<u>709.5</u>	<u>0.0</u>	<u>709.5</u>	<u>69.7</u>	<u>10.9%</u>
Entitlements									
Foster Care Payments	119.4	95.2	0.0	95.2	111.2	0.0	111.2	16.0	16.8%
Assistance Payments	288.7	284.5	0.0	284.5	273.2	0.0	273.2	-11.3	-4.0%
Medical Assistance	1,510.1	1,668.0	0.0	1,668.0	1,874.3	0.0	1,874.3	206.3	12.4%
Property Tax Credits	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	n.a.
	<u>1,918.2</u>	<u>2,047.6</u>	<u>0.0</u>	<u>2,047.6</u>	<u>2,258.7</u>	<u>0.0</u>	<u>2,258.7</u>	<u>211.0</u>	<u>10.3%</u>
State Agencies									
Health	513.1	580.1	0.0	580.1	591.3	-0.2	591.1	11.0	1.9%
Human Resources	534.0	581.7	-0.2	581.5	537.1	-1.5	535.7	-45.8	-7.9%
Systems Reform Initiative	24.3	29.3	0.0	29.3	28.5	0.0	28.5	-0.8	-2.7%
Juvenile Justice	12.9	15.2	0.0	15.2	14.8	0.0	14.8	-0.5	-3.1%
Public Safety/Police	8.5	9.1	0.0	9.1	8.2	0.0	8.2	-0.9	-9.9%
Higher Education	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	n.a.
Other Education	98.1	101.3	-0.1	101.3	115.1	-0.3	114.8	13.5	13.3%
Transportation	60.7	78.5	0.0	78.5	78.7	0.0	78.7	0.1	0.2%
Agric./Natl Res./Environment	47.7	52.9	0.0	52.8	53.9	-0.2	53.8	0.9	1.8%
Other Executive Agencies	341.5	400.8	-0.1	400.7	385.0	-0.4	384.6	-16.1	-4.0%
Judicial/Legislative	1.8	1.9	0.0	1.9	1.9	0.0	1.9	0.1	2.7%
	<u>1,642.6</u>	<u>1,850.8</u>	<u>-0.4</u>	<u>1,850.5</u>	<u>1,814.5</u>	<u>-2.6</u>	<u>1,811.9</u>	<u>-38.5</u>	<u>-2.1%</u>
Subtotal	\$4,145.4	\$4,538.2	-\$0.4	\$4,537.9	\$4,782.6	-\$2.6	\$4,780.1	\$242.2	5.3%
Capital	692.3	673.4	0.0	673.3	714.8	-0.4	714.4	41.0	6.1%
Grand Total	\$4,837.7	\$5,211.6	-\$0.4	\$5,211.2	\$5,497.5	-\$3.0	\$5,494.4	\$283.2	5.4%

55

Note: The FY 2003 working appropriation includes deficiency appropriations of \$5.0 million.

State Expenditures -- State Funds
(\$ in Millions)

<u>Category</u>	<u>Actual</u> <u>FY 2002</u>	<u>Work. Appr.</u> <u>FY 2003</u>	<u>Cost</u> <u>Contain.</u> <u>FY 2003</u>	<u>Revised</u> <u>Work. Appr.</u> <u>FY 2003</u>	<u>Allowance</u> <u>FY 2004</u>	<u>Contingent</u> <u>Reductions</u> <u>FY 2004</u>	<u>Adjusted</u> <u>Allowance</u> <u>FY 2004</u>	<u>\$ Diff.</u> <u>03 to 04</u>	<u>% Diff.</u> <u>03 to 04</u>
Debt Service	\$726.0	\$950.3	\$0.0	\$950.3	\$679.7	\$0.0	\$679.7	-\$270.6	-28.5%
Aid to Local Governments									
General Government	711.6	723.8	0.0	723.8	750.0	-132.4	617.7	-106.1	-14.7%
Community Colleges	178.6	188.9	-6.3	182.6	194.4	-9.7	184.7	2.0	1.1%
Education/Libraries	2,925.8	3,166.0	0.0	3,166.0	3,406.2	0.0	3,406.2	240.2	7.6%
Health	57.3	61.9	0.0	61.9	61.9	0.0	61.9	0.0	0.0%
	<u>3,873.4</u>	<u>4,140.8</u>	<u>-6.3</u>	<u>4,134.4</u>	<u>4,412.6</u>	<u>-142.1</u>	<u>4,270.5</u>	<u>136.1</u>	<u>3.3%</u>
Entitlements									
Foster Care Payments	117.9	144.0	0.0	144.0	136.5	0.0	136.5	-7.5	-5.2%
Assistance Payments	85.8	80.1	0.0	80.1	99.8	0.0	99.8	19.7	24.5%
Medical Assistance	1,556.1	1,720.9	-37.4	1,683.4	1,841.6	0.0	1,841.6	158.1	9.4%
Property Tax Credits	52.1	55.5	-7.2	48.3	49.0	0.0	49.0	0.7	1.4%
	<u>1,811.9</u>	<u>2,000.5</u>	<u>-44.6</u>	<u>1,955.9</u>	<u>2,126.8</u>	<u>0.0</u>	<u>2,126.8</u>	<u>171.0</u>	<u>8.7%</u>
State Agencies									
Health	1,298.8	1,419.7	-12.4	1,407.3	1,396.1	-2.1	1,393.9	-13.4	-1.0%
Human Resources	367.7	355.4	-7.8	347.6	377.5	-6.3	371.2	23.6	6.8%
Systems Reform Initiative	40.1	41.8	-2.0	39.9	41.1	0.0	41.1	1.2	3.0%
Juvenile Justice	161.4	171.2	-8.5	162.7	172.6	-0.5	172.1	9.4	5.8%
Public Safety/Police	1,063.1	1,097.2	-10.3	1,086.9	1,094.6	-1.7	1,092.8	6.0	0.5%
Higher Education	3,059.2	3,246.2	-71.6	3,174.7	3,367.4	-2.5	3,364.9	190.3	6.0%
Other Education	312.1	326.9	-11.3	315.6	328.5	-3.9	324.6	9.1	2.9%
Transportation	998.2	1,057.1	-0.2	1,056.9	1,069.2	-1.7	1,067.5	10.5	1.0%
Agric./Nat'l Res./Environment	242.1	256.1	-3.8	252.4	247.8	-0.9	246.9	-5.5	-2.2%
Other Executive Agencies	785.7	768.8	-21.7	747.1	767.7	-14.8	752.9	5.8	0.8%
Judicial/Legislative	327.7	343.1	0.0	343.1	364.5	0.0	364.5	21.3	6.2%
Across-the-board	0.0	0.0	-28.8	-28.8	0.0	-12.0	-12.0	16.8	-58.3%
	<u>8,656.1</u>	<u>9,083.6</u>	<u>-178.2</u>	<u>8,905.4</u>	<u>9,226.9</u>	<u>-46.5</u>	<u>9,180.5</u>	<u>275.1</u>	<u>3.1%</u>
Subtotal	\$15,067.3	\$16,175.2	-\$229.2	\$15,946.0	\$16,446.1	-\$188.6	\$16,257.6	\$311.6	2.0%
Capital	1,361.1	1,085.7	-1.7	1,084.1	941.5	-46.8	894.7	-189.3	-17.5%
Reserve Fund	176.8	181.0	0.0	181.0	0.0	0.0	0.0	-181.0	-100.0%
Appropriations	\$16,605.2	\$17,441.9	-\$230.9	\$17,211.1	\$17,387.6	-\$235.3	\$17,152.3	-\$58.8	-0.3%
Reversions	0.0	-30.0	-15.6	-45.6	-35.0	0.0	-35.0	10.6	-23.3%
Grand Total	\$16,605.2	\$17,411.9	-\$246.5	\$17,165.5	\$17,352.6	-\$235.3	\$17,117.3	-\$48.2	-0.3%

56

Note: The FY 2003 working appropriation includes deficiency appropriations of \$76.6 million. The additional reversions in FY 2003 of \$15.6 million include \$4.7 million from the legislature and judiciary.

State Expenditures -- All Funds
(\$ in Millions)

<u>Category</u>	<u>Actual</u> <u>FY 2002</u>	<u>Work. Appr.</u> <u>FY 2003</u>	<u>Cost</u> <u>Contain.</u> <u>FY 2003</u>	<u>Revised</u> <u>Work. Appr.</u> <u>FY 2003</u>	<u>Allowance</u> <u>FY 2004</u>	<u>Contingent</u> <u>Reductions</u> <u>FY 2004</u>	<u>Adjusted</u> <u>Allowance</u> <u>FY 2004</u>	<u>\$ Diff.</u> <u>03 to 04</u>	<u>% Diff.</u> <u>03 to 04</u>
Debt Service	\$726.0	\$950.3	\$0.0	\$950.3	\$679.7	\$0.0	\$679.7	-\$270.6	-28.5%
Aid to Local Governments									
General Government	734.3	747.2	0.0	747.2	772.5	-132.4	640.1	-107.1	-14.3%
Community Colleges	178.6	188.9	-6.3	182.6	194.4	-9.7	184.7	2.0	1.1%
Education/Libraries	3,482.0	3,778.0	0.0	3,778.0	4,088.8	0.0	4,088.8	310.8	8.2%
Health	63.1	66.4	0.0	66.4	66.4	0.0	66.4	0.0	0.0%
	<u>4,458.0</u>	<u>4,780.5</u>	<u>-6.3</u>	<u>4,774.2</u>	<u>5,122.1</u>	<u>-142.1</u>	<u>4,980.0</u>	<u>205.8</u>	<u>4.3%</u>
Entitlements									
Foster Care Payments	237.2	239.2	0.0	239.2	247.7	0.0	247.7	8.5	3.6%
Assistance Payments	374.5	364.6	0.0	364.6	373.0	0.0	373.0	8.3	2.3%
Medical Assistance	3,066.2	3,388.8	-37.4	3,351.4	3,715.9	0.0	3,715.9	364.5	10.9%
Property Tax Credits	52.1	55.5	-7.2	48.3	49.0	0.0	49.0	0.7	1.4%
	<u>3,730.1</u>	<u>4,048.1</u>	<u>-44.6</u>	<u>4,003.5</u>	<u>4,385.5</u>	<u>0.0</u>	<u>4,385.5</u>	<u>382.0</u>	<u>9.5%</u>
State Agencies									
Health	1,811.9	1,999.9	-12.4	1,987.4	1,987.3	-2.4	1,985.0	-2.4	-0.1%
Human Resources	901.8	937.0	-8.0	929.1	914.6	-7.7	906.9	-22.2	-2.4%
Systems Reform Initiative	64.5	71.2	-2.0	69.2	69.6	0.0	69.6	0.4	0.6%
Juvenile Justice	174.3	186.4	-8.5	178.0	187.4	-0.5	186.9	8.9	5.0%
Public Safety/Police	1,071.6	1,106.2	-10.3	1,095.9	1,102.7	-1.7	1,101.0	5.1	0.5%
Higher Education	3,059.2	3,246.2	-71.6	3,174.7	3,367.4	-2.5	3,364.9	190.3	6.0%
Other Education	410.2	428.3	-11.4	416.9	443.6	-4.2	439.4	22.5	5.4%
Transportation	1,058.9	1,135.6	-0.2	1,135.5	1,147.9	-1.7	1,146.1	10.7	0.9%
Agric./Natl Res./Environment	289.8	309.0	-3.8	305.2	301.7	-1.1	300.6	-4.6	-1.5%
Other Executive Agencies	1,127.1	1,169.6	-21.8	1,147.9	1,152.8	-15.2	1,137.6	-10.3	-0.9%
Judicial/Legislative	329.5	345.0	0.0	345.0	366.4	0.0	366.4	21.4	6.2%
Across-the-board	0.0	0.0	-28.8	-28.8	0.0	-12.0	-12.0	16.8	-58.3%
	<u>10,298.7</u>	<u>10,934.4</u>	<u>-178.6</u>	<u>10,755.8</u>	<u>11,041.5</u>	<u>-49.1</u>	<u>10,992.4</u>	<u>236.6</u>	<u>2.2%</u>
Subtotal	\$19,212.8	\$20,713.4	-\$229.6	\$20,483.8	\$21,228.8	-\$191.1	\$21,037.6	\$553.8	2.7%
Capital	2,053.4	1,759.1	-1.7	1,757.4	1,656.3	-47.2	1,609.1	-148.3	-8.4%
Reserve Fund	176.8	181.0	0.0	181.0	0.0	0.0	0.0	-181.0	-100.0%
Appropriations	\$21,443.0	\$22,653.5	-\$231.3	\$22,422.3	\$22,885.1	-\$238.3	\$22,646.7	\$224.5	1.0%
Reversions	0.0	-30.0	-15.6	-45.6	-35.0	0.0	-35.0	10.6	-23.3%
Grand Total	\$21,443.0	\$22,623.5	-\$246.9	\$22,376.7	\$22,850.1	-\$238.3	\$22,611.7	\$235.1	1.1%

57

Note: The FY 2003 working appropriation includes deficiency appropriations of \$81.6 million. The additional reversions in FY 2003 of \$15.6 million include \$4.7 million from the legislature and judiciary.

State Assistance to Local Governments
Dollar Difference Between Fiscal 2004 Allowance and Fiscal 2003 Working Appropriation
(\$ in Thousands)

County	Direct State Aid						Retirement	Total
	General Government	Community Colleges	Education	Libraries	Health	Subtotal		
Allegany	-\$1,562	-\$12	\$1,883	-\$2	\$0	\$307	\$365	\$672
Anne Arundel	-3,870	142	5,717	29	0	2,017	2,540	4,557
Baltimore City	-1,287	0	18,679	-70	0	17,322	3,683	21,005
Baltimore County	-8,573	-75	23,907	109	0	15,368	3,941	19,309
Calvert	-1,267	7	5,720	2	0	4,461	543	5,004
Caroline	-1,334	3	1,906	0	0	576	179	755
Carroll	-2,869	-2	6,205	-10	0	3,324	866	4,190
Cecil	-1,628	-1	3,805	2	0	2,178	510	2,688
Charles	-1,936	35	9,302	-13	0	7,389	781	8,169
Dorchester	-714	3	1,566	4	0	858	162	1,020
Frederick	-3,781	16	9,567	25	0	5,826	1,181	7,007
Garrett	235	-5	47	-12	0	265	174	439
Harford	-3,251	107	11,051	-8	0	7,899	1,261	9,160
Howard	-2,956	90	14,769	14	0	11,918	1,854	13,771
Kent	460	1	-265	0	0	196	105	301
Montgomery	-8,562	-20	27,964	30	0	19,411	6,016	25,427
Prince George's	-15,457	-53	42,254	-1	0	26,743	4,238	30,981
Queen Anne's	-1,023	3	1,296	-10	0	267	238	505
St. Mary's	-1,531	10	5,496	-17	0	3,958	491	4,449
Somerset	-602	20	754	-1	0	171	107	278
Talbot	-951	3	3,035	1	0	2,088	164	2,252
Washington	-4,222	17	6,695	5	0	2,495	671	3,166
Wicomico	-2,269	106	6,005	13	0	3,856	486	4,342
Worcester	-1,408	51	3,450	3	0	2,097	267	2,364
Unallocated	4,085	-495	3,487	1,514	0	8,591	-53	8,538
Total	-\$66,273	-\$48	\$214,291	\$1,609	\$0	\$149,579	\$30,771	\$180,350

Note: General government includes the municipal share of police aid, highway user revenue, and fire aid.

State Assistance to Local Governments
Percent Change: Fiscal 2004 Allowance over Fiscal 2003 Working Appropriation

County	<i>Direct State Aid</i>						Subtotal	Retirement	Total
	General Government	Community Colleges	Education	Libraries	Health				
Allegany	-10.2%	-0.3%	4.1%	-0.3%	0.0%	0.4%	8.2%	0.9%	
Anne Arundel	-8.9%	0.6%	3.1%	1.6%	0.0%	0.8%	8.2%	1.6%	
Baltimore City	-0.5%	n.a.	3.3%	-1.3%	0.0%	2.0%	8.7%	2.4%	
Baltimore County	-17.0%	-0.2%	8.4%	2.8%	0.0%	4.0%	8.2%	4.5%	
Calvert	-10.2%	0.6%	11.6%	0.6%	0.0%	7.0%	8.1%	7.1%	
Caroline	-18.4%	0.3%	7.7%	0.2%	0.0%	1.7%	8.1%	2.1%	
Carroll	-21.1%	0.0%	7.2%	-1.4%	0.0%	3.1%	8.1%	3.5%	
Cecil	-20.9%	0.0%	6.7%	0.3%	0.0%	3.1%	8.2%	3.5%	
Charles	-15.6%	0.6%	11.8%	-2.0%	0.0%	7.5%	8.2%	7.5%	
Dorchester	-9.6%	0.3%	8.5%	2.0%	0.0%	3.1%	8.1%	3.4%	
Frederick	-20.7%	0.3%	8.6%	3.1%	0.0%	4.2%	8.2%	4.6%	
Garrett	2.6%	-0.2%	0.2%	-7.1%	0.0%	0.8%	8.2%	1.3%	
Harford	-18.8%	1.4%	9.0%	-0.7%	0.0%	5.2%	8.1%	5.5%	
Howard	-16.3%	1.0%	14.2%	2.4%	0.0%	8.9%	8.1%	8.8%	
Kent	15.7%	0.3%	-3.2%	0.5%	0.0%	1.6%	8.1%	2.2%	
Montgomery	-14.7%	-0.1%	12.1%	1.4%	0.0%	5.9%	7.9%	6.3%	
Prince George's	-20.2%	-0.3%	8.0%	0.0%	0.0%	4.2%	8.2%	4.5%	
Queen Anne's	-18.9%	0.3%	6.7%	-6.9%	0.0%	1.0%	8.1%	1.7%	
St. Mary's	-20.4%	0.6%	10.8%	-3.5%	0.0%	6.4%	8.1%	6.6%	
Somerset	-7.8%	3.6%	5.4%	-0.3%	0.0%	0.7%	8.2%	1.1%	
Talbot	-20.8%	0.3%	55.5%	0.9%	0.0%	17.7%	8.2%	16.3%	
Washington	-29.4%	0.3%	10.2%	0.6%	0.0%	2.8%	8.2%	3.3%	
Wicomico	-18.5%	3.6%	11.3%	2.2%	0.0%	5.5%	8.2%	5.7%	
Worcester	-20.0%	3.6%	37.1%	2.7%	0.0%	11.4%	8.1%	10.9%	
Unallocated	42.4%	-14.2%	16.8%	12.2%	n.a.	18.6%	-100.0%	18.4%	
Total	-9.4%	0.0%	7.8%	4.1%	0.0%	4.0%	8.1%	4.4%	

Note: General government includes the municipal share of police aid, highway user revenue, and fire aid.