

House Appropriations Committee

Report on House Bill 100 – the Budget Bill

**House Bill 101 – the Budget Reconciliation and
Financing Act**

**Maryland General Assembly
Annapolis, Maryland**

March 23, 2009

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Fiscal 2010 Budget Highlights
Budget Bill (House Bill 100)
As Amended by the House Appropriations Committee

- 1. Incorporates Federal American Recovery and Reinvestment Act (ARRA) Monies** – Combined, the fiscal 2009 and 2010 State budgets include \$1.7 billion in federal funds resulting from the ARRA. Of this amount, \$1.1 billion reflects a higher federal match for the State’s Medicaid program, \$296 million funds increases in the State’s education aid formulas, \$262 million enhances existing federal programs, and \$81 million supports costs traditionally funded with general funds.

- 2. Constrains Spending to Offset Significant Decline in Revenues** – In March the Board of Revenue Estimates lowered the general fund revenues forecast by almost \$1.2 billion for fiscal 2009 and 2010. Consequently, current revenues are projected to decline 2.3% in fiscal 2009 and another 1.6% in fiscal 2010. Although there is a \$1.0 billion, or 13.0%, increase in federal funds, the total budget grows a modest 2.0%.

- 3. Maintains the State’s Commitment to the Public Schools** – Education aid will be over \$5.5 billion, an increase of \$129.0 million, or 2.7%. Utilizing education aid allocated under the American Recovery and Reinvestment Act, all the Bridge to Excellence formulas are fully funded. This includes 100% funding for the Geographic Cost of Education Index to address cost differences among school systems. These amounts do not include an additional \$193 million in ARRA funds that will flow through the State budget to local school systems.

- 4. Continues to Make Higher Education More Affordable** – Maryland’s State colleges and universities are provided funding to hold in-state undergraduate tuition rates level for the fourth straight year. Aid for community colleges is one of the few areas of the budget that is increasing, as \$6.9 million is provided to accommodate enrollment growth.

5. **Protects Healthcare Programs for Low-income Marylanders –** Medicaid funding grows over \$230 million, and there is no reduction in services or eligibility for services. Funding in fiscal 2010 includes \$652 million from the higher federal match established under the American Recovery and Reinvestment Act.
6. **Continues Efforts to Protect the Environment and Restore the Chesapeake Bay –** Bay Restoration Funds for enhanced nutrient removal total \$130 million, and there is over \$145 million in additional federal funds for the water quality and drinking water loan funds. Land preservation programs are fully funded either in the operating budget or through bond funds.
7. **Maintains 5% of General Fund Balance in Rainy Day Fund –** The proposed budget actions result in a fund balance of about \$50 million. In addition the balance in the State's Rainy Day Fund is estimated to be \$651 million, or 5%, of general fund revenues at the end of fiscal 2010.

Budget Summary
Fiscal 2009 and 2010
(\$ in Millions)

General Fund

	<u>APP</u>
<u>FY 2009</u>	
Ending Balance Before Legislative Action*	-\$251.5
Fund Transfers – Legislation – HB 101 (BRFA)	649.2
New Deficiencies – Medicaid/Energy Assist./Other	-72.6
Expenditure Reduction – Deficiency Appropriations	32.1
Higher Federal Medicaid Match (ARRA)	435.0
Less General Fund Revenue – March Estimate (BRE)	-445.5
Adjusted Ending Balance	\$346.6
 <u>FY 2010</u>	
Revenues – December BRE Estimate	\$13,738.3
Less General Fund Revenue – March Estimate (BRE)	-716.5
Other Revenues	34.2
Revenues – Legislation – HB 101/HB 193	68.1
Fund Transfers – Legislation – HB 101 (BRFA)	253.1
Transfer from Rainy Day Fund	210.0
Total Revenues and Balance	\$13,933.8
Expenditures – Before Federal ARRA Offsets	\$15,227.1
Higher Medicaid Match/Discretionary Funds (ARRA)	-731.6
ARRA Funds for Education Formula Increases	<u>-295.9</u>
Expenditures – Governor’s Allowance Including Supplemental	14,199.7
Expenditure Reductions – Contingent on HB 101 (BRFA)	-228.7
Expenditure Reductions	-228.2
Appropriation to Rainy Day Fund	139.9
Total Expenditures	\$13,882.6
Revenues Less Expenditures	\$51.2
Ending Balance	\$51.2

Cash Position

General Fund Balance	\$51.2
Rainy Day Fund Balance – June 30, 2010	651.1
Total	\$702.3
 Cash and Rainy Day Fund Over 5%	 \$51.2

ARRA: American Recovery and Reinvestment Act
BRE: Board of Revenue Estimates
BRFA: Budget Reconciliation and Financing Act

(1) Includes \$79.2 million of reductions approved by the Board of Public Works in March 2009.

Evolution of Maryland's General Fund Revenue Forecast
(\$ in Millions)

	<u>Jun-08</u>	<u>Dec-08</u>	<u>Change from Jun '08</u>	<u>Mar '09</u>	<u>Change from Jun '08</u>
Individual Income Tax					
FY 2009	\$7,445	\$7,104	-\$341	\$6,781	-\$664
FY 2010	7,879	7,181	-698	6,637	-1,242
Sales Tax					
FY 2009	4,053	3,718	-335	3,611	-442
FY 2010	4,213	3,702	-511	3,592	-621
Total General Fund					
FY 2009	14,521	13,674	-847	13,228	-1,293
FY 2010	15,213	13,738	-1,475	13,022	-2,192

Note: All estimates are from the Board of Revenue Estimates (BRE). The June 2008 figures are the March 2008 BRE estimates adjusted for action at the 2008 legislative session.

Fiscal Note Summary of the Budget Bill – House Bill 100

	<u>General Funds</u>	<u>Special Funds</u>	<u>Federal Funds</u>	<u>Education Funds</u>	<u>Total Funds</u>
Governors Request					
Fiscal 2009 Deficiency Budget ⁽¹⁾	\$14,673,410,635	\$5,852,313,348	\$7,097,216,279	\$3,302,036,527	\$30,924,976,789
Fiscal 2010 Budget	14,853,468,750 ⁽²⁾	6,097,140,884	7,662,764,966	3,407,891,319	32,021,265,919
Original Budget Request	\$29,526,879,385	\$11,949,454,232	\$14,759,981,245	\$6,709,927,846	\$62,946,242,708
Supplemental Budget No. 1					
Fiscal 2009 Deficiency Budget	-\$374,819,631	\$5,400,000	\$505,386,850	\$0	\$135,967,219
Fiscal 2010 Budget	-478,466,180	-55,100,000	943,172,667	0	409,606,487
Subtotal	-\$853,285,811	-\$49,700,000	\$1,448,559,517	\$0	\$545,573,706
Budget Reconciliation and Financing Act of 2009					
Fiscal 2009 Withdrawn Appropriations	-\$1,598,760	\$0	\$0	\$0	-\$1,598,760
Fiscal 2010 Contingent Reductions	-227,131,162	-224,285,597	-9,683,824	-4,103,432	-465,204,015
Subtotal	-\$228,729,922	-\$224,285,597	-\$9,683,824	-\$4,103,432	-\$466,802,775
House Committee on Appropriations Reductions					
Fiscal 2009 Deficiency Budget	-\$30,539,993	\$0	\$0	\$0	-\$30,539,993
Fiscal 2010 Budget	-265,592,078	-58,593,100	-3,368,829	-382,834	-327,936,841
Total Reductions	-\$296,132,071	-\$58,593,100	-\$3,368,829	-\$382,834	-\$358,476,834
Appropriations					
Fiscal 2009 Deficiency Budget	\$14,266,452,251	\$5,857,713,348	\$7,602,603,129	\$3,302,036,527	\$31,028,805,255
Fiscal 2010 Budget	13,882,279,330	5,759,162,187	8,592,884,980	3,403,405,053	31,637,731,550
Change	-\$384,172,921	-\$98,551,161	\$990,281,851	\$101,368,526	\$608,926,295

⁽¹⁾ Reflects \$286.2 million in total deficiencies, minus \$81.6 million in total appropriations withdrawn by the Board of Public Works on March 4, 2009, minus \$84.5 million in estimated agency general fund reversions.

⁽²⁾ Reflects estimated general fund reversion of \$30 million, minus \$85.6 million in across-the-board general fund reductions reflected in the budget as introduced.

State Expenditures – General Funds
(\$ in Millions)

Category	Adjusted Work. Appr. FY 2009	Allowance FY 2010	Supplemental Budget FY 2010	APP Reductions	APP Appropriation FY 2010	APP FY 2009-2010 \$ Change	% Change
Debt Service	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	n/a
Aid to Local Governments							
County/Municipal	214.7	214.0	0.0	2.5	211.6	-3.1	-1.5%
Community Colleges	254.7	301.3	-14.5	35.1	251.8	-2.9	-1.1%
Education/Libraries	5,412.6	5,490.9	-185.0	54.7	5,251.2	-161.4	-3.0%
Health	57.4	57.4	0.0	0.0	57.4	0.0	0.0%
Subtotal	\$5,939.4	\$6,063.6	-\$199.5	\$92.2	\$5,771.9	-\$167.5	-2.8%
Entitlements							
Foster Care Payments	243.0	249.6	0.0	5.5	244.1	1.1	0.5%
Assistance Payments	33.2	35.5	0.0	0.0	35.5	2.3	6.9%
Medical Assistance	1,900.4	2,076.9	-302.0	84.2	1,690.8	-209.6	-11.0%
Property Tax Credits	57.3	61.0	0.0	0.0	61.0	3.8	6.6%
Subtotal	\$2,233.8	\$2,423.1	-\$302.0	\$89.7	\$2,031.4	-\$202.4	-9.1%
State Agencies							
Health	1,399.2	1,436.3	21.7	21.7	1,436.4	37.1	2.7%
Human Resources	308.5	326.1	3.8	41.2	288.7	-19.8	-6.4%
Systems Reform Initiative	30.7	32.6	0.0	3.5	29.1	-1.6	-5.3%
Juvenile Services	263.1	263.6	1.1	0.8	263.8	0.8	0.3%
Public Safety/Police	1,254.3	1,275.9	-16.9	15.8	1,243.2	-11.1	-0.9%
Higher Education	1,131.9	1,242.5	-17.3	17.1	1,208.2	76.3	6.7%
Other Education	392.7	404.8	0.0	33.8	370.9	-21.8	-5.6%
Agric./Nat'l. Res./Environment	122.8	128.4	0.0	8.0	120.4	-2.4	-1.9%
Other Executive Agencies	548.4	585.7	0.7	18.0	568.4	20.0	3.6%
Legislative	76.4	76.7	0.0	0.3	76.4	0.0	0.0%
Judiciary	369.1	400.8	0.0	26.3	374.4	5.3	1.4%
Other Post Employment Benefits (OPEB)	0.0	0.0	0.0	0.0	0.0	0.0	n/a
Across-the-board Reductions	0.0	-30.0	30.0	15.6	-15.6	-15.6	n/a
Subtotal	\$5,897.1	\$6,143.2	\$23.0	\$202.0	\$5,964.3	\$67.2	1.1%
Subtotal	\$14,070.3	\$14,630.0	-\$478.5	\$383.9	\$13,767.6	-\$302.7	-2.2%
Capital/Heritage Reserve Fund	23.0	14.8	0.0	10.0	4.8	-18.3	-79.3%
Transfer to MDTA	65.0	63.0	0.0	63.0	0.0	-65.0	-100.0%
Reserve Funds ⁽¹⁾	146.5	175.7	0.0	35.8	139.9	-6.6	-4.5%
Appropriations	\$14,304.8	\$14,883.5	-\$478.5	\$492.7	\$13,912.3	-\$392.5	-2.7%
Reversions	-38.4	-30.0	0.0	0.0	-30.0	8.4	-21.8%
Grand Total	\$14,266.5	\$14,853.5	-\$478.5	\$492.7	\$13,882.3	-\$384.2	-2.7%

OPEB: Other Post Employment Benefits

BPW: Board of Public Works
MDTA: Maryland Transportation Authority

Note: The fiscal 2009 working appropriation includes the March 4, 2009 BPW actions, targeted reversions, deficiencies and House Appropriation Committee cuts to the deficiencies, and supplemental budget #1. The fiscal 2010 allowance includes \$55.6 million in across-the-board reductions reflected in the budget as introduced. Fiscal 2010 reductions include \$204.2 million contingent on the Budget and Reconciliation Financing Act (HB 101).

⁽¹⁾ Excludes \$65 million in fiscal 2009 and \$63 million in fiscal 2010 appropriated to the Dedicated Purpose Account that is to be transferred to the Maryland Transportation Authority. These monies are included in the transfer to MDTA line. Also excludes \$100 million in fiscal 2008 for OPEB costs which are included under the State agencies.

State Expenditures – All Funds
(\$ in Millions)

<u>Category</u>	Adjusted Work. Appr. FY 2009	Allowance FY 2010	Supplemental Budget FY 2010	APP Reductions	APP Appropriation FY 2010	FY 2009-2010	
						\$ Change	% Change
Debt Service	\$887.4	\$944.7	\$0.0	\$0.0	\$944.7	\$57.2	6.5%
Aid to Local Governments							
County/Municipal	796.3	785.9	0.0	122.7	663.1	-133.2	-16.7%
Community Colleges	254.7	301.3	0.0	35.1	266.3	11.6	4.5%
Education/Libraries	6,108.0	6,289.9	60.2	54.7	6,295.4	187.4	3.1%
Health	61.9	61.9	0.0	0.0	61.9	0.0	0.0%
Subtotal	\$7,220.9	\$7,439.0	\$60.2	\$212.5	\$7,286.7	\$65.8	0.9%
Entitlements							
Foster Care Payments	368.0	367.1	0.0	8.4	358.7	-9.3	-2.5%
Assistance Payments	510.2	603.0	1.5	0.0	604.5	94.3	18.5%
Medical Assistance	5,464.1	5,728.2	-1.4	84.8	5,642.0	177.9	3.3%
Property Tax Credits	57.3	61.0	0.0	0.0	61.0	3.8	6.6%
Subtotal	\$6,399.5	\$6,759.3	\$0.1	\$93.2	\$6,666.2	\$266.7	4.2%
State Agencies							
Health	2,545.9	2,640.9	31.7	54.4	2,618.2	72.4	2.8%
Human Resources	892.9	917.8	4.3	45.2	876.9	-16.0	-1.8%
Systems Reform Initiative	38.7	39.9	0.0	3.5	36.4	-2.3	-6.0%
Juvenile Services	275.0	274.3	5.6	0.8	279.1	4.1	1.5%
Public Safety/Police	1,488.3	1,527.0	24.9	16.6	1,535.3	47.0	3.2%
Higher Education	4,507.4	4,658.0	0.4	18.0	4,640.3	132.9	2.9%
Other Education	672.9	672.7	0.0	34.3	638.4	-34.5	-5.1%
Transportation	1,540.2	1,558.4	0.0	5.3	1,553.1	12.8	0.8%
Agric./Nat'l. Res./Environment	356.3	403.8	0.0	39.0	364.8	8.6	2.4%
Other Executive Agencies	1,560.9	1,663.2	95.5	62.1	1,696.7	135.8	8.7%
Legislative	76.7	76.8	0.0	0.3	76.5	-0.2	-0.3%
Judiciary	427.3	459.3	0.0	28.2	431.1	3.9	0.9%
Other Post Employment Benefits (OPEB)	0.0	0.0	0.0	0.0	0.0	0.0	n/a
Across-the-board Reductions	0.0	-30.0	30.0	26.0	-26.0	-26.0	n/a
Subtotal	\$14,382.4	\$14,862.1	\$192.4	\$333.6	\$14,721.0	\$338.6	2.4%
Subtotal	\$28,890.3	\$30,005.1	\$252.8	\$639.3	\$29,618.6	\$728.3	2.5%
Capital/Heritage Reserve Fund	1,965.4	1,807.4	156.9	55.0	1,909.2	-56.1	-2.9%
Transfer to MDTA	65.0	63.0	0.0	63.0	0.0	-65.0	-100.0%
Reserve Funds ⁽¹⁾	146.5	175.7	0.0	35.8	139.9	-6.6	-4.5%
Appropriations	\$31,067.2	\$32,051.3	\$409.6	\$793.1	\$31,667.7	\$600.6	1.9%
Reversions	-38.4	-30.0	0.0	0.0	-30.0	8.4	-21.8%
Grand Total	\$31,028.8	\$32,021.3	\$409.6	\$793.1	\$31,637.7	\$608.9	2.0%

BPW: Board of Public Works
MDTA: Maryland Transportation Authority
OPEB: Other post employment benefits

Note: The fiscal 2009 working appropriation includes the March 4, 2009 BPW actions, targeted reversions, deficiencies and House Appropriation Committee cuts to the deficiencies, and supplemental budget #1. The fiscal 2010 allowance includes \$55.6 million in across-the-board reductions reflected in the budget as introduced. Fiscal 2010 reductions include \$442.3 million contingent on the Budget and Reconciliation Financing Act (HB 101).

⁽¹⁾ Excludes \$65 million in fiscal 2009 and \$63 million in fiscal 2010 appropriated to the Dedicated Purpose Account that is to be transferred to the Maryland Transportation Authority. These monies are included in the transfer to MDTA line. Also excludes \$100 million in fiscal 2008 for OPEB costs which are included under the State agencies.

Proposed Budget Reductions
House Bill 100
Fiscal 2010
(\$ in Millions)

General Funds

<u>Local Aid</u>	<u>APP</u>
C Counties Fund Retirement Costs of Certain Local Officials That Are Currently State Funded	\$2.5
Defer Payment to Montgomery County for Fiscal 2009 Education Formula Error Until Fiscal 2010*	24.2
Net Savings from Correcting Fiscal 2009 Education Formula Error	6.7
C Share Costs of Non-Public Special Education Placements Above Base Amount 70% State/30% Local	16.1
Eliminate School Improvement Grants	4.8
C No Monies for Aging Schools Program – Large Balances Remain from Prior Years	11.7
C Restructure Teacher Quality Incentive Program	5.3
Less for Science/Math Initiative, NorthBay Environmental Education and Principal Fellowship Program	1.3
No General Funds for Head Start Programs – Federal Funds Going Up	3.0
C Reduce Library Formula Aid (\$3.6 Million) and Resource Center Funding (\$1.7 Million)	5.9
Limit Increase in Community College Formula Funding to Enrollment Growth	35.1
	\$116.4
 <u>Medicaid</u>	
Reduce Funding for Managed Care Organizations’ Quality Incentive Pool	\$0.6
C Use Additional Health Care Coverage Special Funds for Medicaid	53.5
Reduce General Funds for Legal Immigrants – Federal Fund Restriction Lifted	3.0
C Use CareFirst Premium Tax Exemption Monies to Support Primary Adult Care Program	9.1
C Use Hospital Assessments Levied for Medicaid Expansion for Base Medicaid	9.0
C Maryland Health Insurance Program – Reimburse Medicaid for Federal Match	4.5
C Less Cigarette Restitution Funds (CRF) for Health Centers and Tobacco Cessation, More for Medicaid	4.4
	\$84.2
 <u>Higher Education</u>	
Level Fund University System of Maryland Except for Funds to Freeze Tuition	\$9.4
Level Fund Morgan Except for Funds to Freeze Tuition	1.0
Reduce Funds to Reflect Efficiency Savings at University System of Maryland	1.0
Reduce State Support for Hagerstown Regional Higher Education Center	0.5
Cell Phones/No Deferred Comp. Match – Higher Education Share of Across-the-board Reductions	2.4
Limit Baltimore City Community College Growth to 3.1%	2.8
Workforce Shortage Student Assistance Program – Use Special Funds	2.0
Defer Private Donation Incentive Grants	0.1
Workforce Investment Program and Various Higher Education Grants	2.8
Reduce Seller Grants for Private Higher Education Institutions	20.6
	\$42.6
 <u>State Agencies</u>	
No Funding for OPEB and Merit Increases – Judiciary	\$9.2
Increase Budgeted Vacancy Rate (Turnover) for Judiciary to 4%	3.7
Reduce Funds for Contractual Conversions, Vacant Positions, and New Positions – Judiciary	2.0
Other Reductions – Judiciary	10.3
Consumer Protection Division – Attorney General – Use Special Fund Balance	0.8
C Redirect Medicare Part D Payment to Employees/Retirees Health Insurance	14.8
C Eliminate Deferred Compensation Match	9.9
C Overbudgeted Funds for General Salary Increase in Fiscal 2009 – Withdrawn in BRFA*	1.6
Reduce/Delete Funds for Various Information Technology Systems	5.2
Less Funding for Cell Phones – State Agencies	0.5
Targeted Case Management (MHA) – Reduce in Anticipation of Receiving Federal Funds	1.8
Veterans Behavioral Health Services – Program Demand Overestimated and Use Fiscal 2009 Funds	1.9
C Reduce Current CRF Programs and Fund Breast and Cervical Cancer Program	14.8
Scale Back Funding for Community-based Services for Children	3.5
Eliminate Funds for Social Services Information System Enhancements (DHR)	3.0
C Use Regional Greenhouse Gas Initiative Funds for Low Income Energy Assistance	35.6

State Agencies (Continued)**APP**

C Freeze Foster Care Group Home Rates	5.5
C Convert Local Jail Reimbursements to Grant Programs	12.4
Reduce Fiscal 2009 Deficiency for Assessment and Accountability Contracts (MSDE) ⁽¹⁾	6.4
Reduce Increase in Funding for Child Care Subsidies	1.9
C Maryland School for the Deaf – Use \$5 Million from Universal Service Trust Fund	5.0
C Increase Drinking Driver Monitor Program Fee – Replace General Funds	1.4
Delete Mandated General Funds for Boating Services	1.8
C Eliminate Parks Payments to Counties from Concessions	1.9
C Use Waterway Improvement Fund for Admin. Expenses – Saves General Funds	0.8
Reduce Grant to MARBIDCO from \$4.0 Million to \$2.75 Million	1.3
C Use Portion of Used Tire Cleanup Fund for Waste Management Administration Operations	1.8
Reduce Tourism Development Board from \$6.0 Million to \$4.9 Million	1.1
Eliminate Funds for Industrial Training Program and Partnership for Workforce Quality	1.7
Other Reductions	4.2
	\$165.5

Grants/Tax Credits

Maryland State Arts Council – Reduce from \$16.5 Million to \$13.5 Million	\$3.0
Less Funds for Film Production Rebate Program	1.0
No Funds for 2-1-1 Program	0.4
State Aided Educational Institutions – Reduce Funding	1.0
Biotechnology Tax Credit – Fund at \$4 Million	2.0
Reduce Heritage Tax Credit	10.0
	\$17.4

Reserve Fund

Eliminate Transfer to Transportation Authority for the InterCounty Connector – Bond Fund	\$63.0
Less Funds Required to Maintain 5% Rainy Day Balance – Revised Revenue Estimates	35.8
	\$98.8

Total General Funds**\$524.9****Special Funds****APP**

Various Reductions – Judiciary	\$1.6
C Eliminate Deferred Compensation Match	4.3
Less Funding for Cell Phones – State Agencies	0.4
Forgo Stadium Authority Funds for Public School Construction	2.4
Scale Back Funding for Chesapeake Bay 2010 Trust Fund to \$10 Million	21.5
C Reduce Funds for Open Space and Agricultural Land Preservation Contingent on Bond Funding	47.0
Annual Audit of 9-1-1 Payments from Phone Service Providers Not Cost Effective	0.6
Abolish 44 Positions/Reduce Number of Public Affairs and Communication Positions (MDOT)	4.0
Reduce Funds for Stevedoring Contract – Maryland Port Administration	2.5
C Reduce Local Share of Highway User Revenues – Monies Transferred to General Fund	101.9
Lower Highway User Revenues to Reflect Downward Revision in Revenues	9.6
Various Operating Reductions – MDOT	1.0
Reduce Funds for Small Business Health Partnership – Little Utilization in Fiscal 2009	13.0
Other Reductions	2.0
	\$211.7

C: These items are contingent on passage of the Budget Reconciliation and Financing Act (HB 101).

BRFA: Budget Reconciliation and Financing Act

DHR: Department of Human Resources

MARBIDCO: Maryland Agricultural and Resource-Based Industry Development Corporation

MDOT: Maryland State Department of Transportation

MHA: Mental Hygiene Administration

MSDE: Maryland State Department of Education

⁽¹⁾ Reductions to fiscal 2009 spending totaling \$32.1 million.

Transfers to the General Fund
Budget Reconciliation and Financing Act (HB 101)
Fiscal 2009 and 2010
(\$ in Millions)

<u>Fiscal 2009</u>	<u>Admin.</u> <u>Proposal</u>	<u>APP</u>
Local Income Tax Reserve for Refunds	\$366.8	\$366.8
Dedicated Purpose Account – ICC/Prince George’s Hospital	73.0	73.0
Helicopter Replacement Fund	51.5	52.7
University System of Maryland Fund Balance	20.0	30.0
Injured Workers’ Insurance Fund for Future Liability	18.0	28.0
State Insurance Trust Fund	10.0	10.0
Maryland Trauma Physician Services Fund	17.0	17.0
Community Health Resources Fund	14.0	12.1
Maryland Automobile Insurance Fund – Uninsured Account	7.0	7.0
Central Collection Unit – Department of Budget and Management	5.0	5.0
Economic Development Opportunities (Sunny Day) Fund	5.0	5.0
Maryland Economic Development Assistance Fund	5.0	10.0
Senior Drug Prescription Program	2.6	2.6
Oil Disaster Containment, Cleanup, and Contingency Fund	2.0	2.0
Used Tire Cleanup and Recycling Fund	1.0	3.0
Small Business Pollution Compliance Loan Fund	0.3	0.3
Board of Physicians	3.0	3.2
Board of Nursing	0.5	0.5
Maryland Health Care Commission	2.0	2.0
Insurance Regulation Fund – Maryland Insurance Administration	0.6	1.7
Vehicle Theft Prevention Fund	1.0	1.0
School Bus Safety Enforcement Fund	0.9	0.9
Expedited Service Fund – Assessments and Taxation	0.4	0.4
Unemployment Compensation Fund	0.0	10.0
Universal Service Trust Fund	0.0	5.0
Subtotal	\$606.6	\$649.2
<u>Fiscal 2010</u>		
Central Collection Unit – Department of Budget and Management	\$5.0	\$15.0
Catastrophic Event Account	5.4	7.4
Bond Fund Recent Land Purchases, Open Space, and Agricultural Land	0.0	118.3
Maryland Economic Development Assistance Fund	5.0	10.0
Maryland Legal Services Corporation	0.0	0.5
Local Highway User Revenues	0.0	101.9
Board for Audiologists, Hearing Aid Dispensers, et al.	0.1	0.0
Board of Occupational Therapy Practice	0.1	0.0
Subtotal	\$15.6	\$253.1
Total Transfers	\$622.2	\$902.2

ICC: InterCounty Connector

**General Fund Revenues and Reductions
Budget Reconciliation and Financing Act (HB 101)**

**Fiscal 2010
(\$ in Millions)**

APP

Fiscal 2010 Revenues

Reduce Maryland Mined Coal Tax Credit	\$6.0
Admissions and Amusement Tax – Delay Bingo Machine Repeal (HB 193)	7.0
Reduce Lottery Sales Commission from 5.5 to 5.0%	8.6
Chesapeake Bay 2010 Fund – Provide \$10 Million/Bond Fund Programs	21.5
Allow ARRA Federal Income Tax Changes to Apply to State Tax Computation	-35.0
Local Income Tax – County Amounts Based on Wealth and Tax Effort	60.0
Total	\$68.1

Fiscal 2010 Reductions Contingent on HB 101

Nonpublic Special Education Placements – Lower State Share from 80 to 70%	\$16.1
Education Aid – Aging Schools Program – No General Funds in Fiscal 2010	11.7
Education Aid – Restructure Teacher Quality Incentives	5.3
Maryland School for the Deaf – Universal Services Trust Fund Transfer	5.0
Library Formula Aid – Lower Per Capita Grant from \$15.00 to \$13.50	3.6
Library Aid – Regional and State Resource Centers	1.7
Increase RGGI Funds for Energy Assistance – Saves General Funds	35.6
Freeze Foster Care Group Home Rates	5.5
Reduce Current CRF Programs and Fund Breast and Cervical Cancer Program	14.8
Authorize Health Care Coverage Fund Monies for Base Medicaid	53.5
Reduce Current CRF Programs and Fund Medicaid	4.4
Nonprofit Health Services Plan Subsidy for Primary Adult Care Program	9.1
Maryland Health Insurance Program – Reimburse Medicaid for Federal Match	4.5
Use Hospital Assessments Levied for Medicaid Expansion for Base Medicaid	9.0
Counties Fund Retirement Costs of Certain Local Officials	2.5
Convert Local Jail Reimbursements to Grant Programs	12.4
Increase Drinking Driver Monitor Program Fee – Replace General Funds	1.4
Eliminate Parks Payments to Counties from Concessions in Lieu of Taxes	1.9
Use Waterway Improvement Fund for Admin. Expenses – Saves General Funds	0.8
Portion of Used Tire Cleanup Fund for Waste Management Admin. Operations	1.8
Redirect Medicare Part D Payment to Employees/Retirees Health Insurance	14.8
Overbudgeted Funds for General Salary Increase in Fiscal 2009 ⁽¹⁾	1.6
Eliminate the State’s Deferred Compensation Match	11.8
Total	\$228.7

ARRA: American Recovery and Reinvestment Act

CRF: Cigarette Restitution Fund

MARBIDCO: Maryland Agricultural and Resource-Based Industry Development Corporation

RGGI: Regional Greenhouse Gas Initiative

⁽¹⁾ Fiscal 2009 reduction.

House Appropriations Budget: Total Fiscal 2010 Local Aid (\$ in Thousands)

County	County/ Municipal*	Community Colleges	Public Schools	Libraries	Health	Total
Allegany	\$12,515	\$7,440	\$93,822	\$862	\$1,398	\$116,037
Anne Arundel	17,649	33,812	339,426	2,925	4,834	398,645
Baltimore City	269,327	0	910,895	8,064	10,269	1,198,555
Baltimore	28,336	43,477	595,588	6,851	6,619	680,871
Calvert	4,457	2,760	101,223	673	569	109,681
Caroline	5,625	1,702	46,948	393	828	55,496
Carroll	9,285	8,575	164,313	1,545	1,895	185,614
Cecil	5,127	5,849	110,891	983	1,241	124,091
Charles	5,888	8,079	171,080	1,040	1,530	187,617
Dorchester	5,725	1,473	34,214	293	660	42,364
Frederick	11,684	9,956	237,238	1,708	2,326	262,913
Garrett	5,960	3,814	29,171	238	673	39,855
Harford	9,237	12,493	239,175	2,539	2,673	266,117
Howard	10,917	16,151	248,819	1,985	1,869	279,741
Kent	1,951	553	12,169	150	517	15,340
Montgomery	29,615	51,312	624,255	5,327	4,638	715,147
Prince George's	59,066	28,252	1,023,276	7,501	7,703	1,125,797
Queen Anne's	3,529	2,054	36,523	217	643	42,966
St. Mary's	5,126	2,587	106,382	841	1,244	116,180
Somerset	7,507	901	26,424	300	661	35,793
Talbot	2,657	1,392	14,232	178	506	18,964
Washington	7,785	9,092	157,529	1,391	2,125	177,922
Wicomico	9,098	5,154	127,210	942	1,457	143,861
Worcester	3,329	2,238	24,509	323	481	30,881
Unallocated	26,249	7,159	30,135	15,609	0	79,151
Total	\$557,643	\$266,275	\$5,505,446	\$62,877	\$57,359	\$6,449,600

*Incorporates reductions in highway user revenues, local employee fringe benefits, jail reimbursements, and park revenues, as well as an unallocated reduction in local income tax revenues that is based on local wealth and income tax effort.

House Appropriations: Fiscal 2009 to 2010 Change in Local Aid (\$ in Thousands)

County	County/		Community		Public		Health	Total
	Municipal*	Colleges	Colleges	Schools**	Libraries	Schools		
Allegany	-\$2,220	\$452	\$355		-\$6		-\$208	-\$1,626
Anne Arundel	-21,040	1,398	7,769		-124		-814	-12,811
Baltimore City	-20,552	0	8,591		47		-1,715	-13,629
Baltimore	-23,265	917	4,392		-41		-1,169	-19,166
Calvert	-2,682	499	2,351		-4		-106	58
Caroline	-1,939	231	262		6		-119	-1,558
Carrall	-5,915	616	1,633		22		-301	-3,945
Cecil	-3,450	357	830		29		-199	-2,432
Charles	-5,323	6	1,805		-45		-251	-3,808
Dorchester	-2,254	132	336		-3		-98	-1,888
Frederick	-8,657	512	4,959		62		-375	-3,500
Garrett	-2,341	211	431		2		-98	-1,795
Harford	-9,481	682	2,010		61		-431	-7,160
Howard	-8,886	980	10,346		265		-329	2,375
Kent	-1,198	-101	-87		0		-73	-1,459
Montgomery	-29,850	2,088	67,841		51		-898	39,231
Prince George's	-19,916	1,675	14,249		-514		-1,345	-5,852
Queen Anne's	-2,529	173	959		5		-100	-1,492
St. Mary's	-3,337	14	527		-20		-197	-3,012
Somerset	-609	91	653		-7		-94	34
Talbot	-2,354	-173	841		13		-78	-1,752
Washington	-5,318	577	3,301		-6		-328	-1,775
Wicomico	-1,538	66	6,511		5		-225	4,819
Worcester	-4,378	303	1,603		56		-83	-2,499
Unallocated	-4,132	50	-12,558		-744		0	-17,385
Total	-\$193,166	\$11,755	\$129,910		-\$894		-\$9,632	-\$62,027

*Fiscal 2010 incorporates reductions in highway user revenues, local employee fringe benefits, jail reimbursements, and park revenues, as well as an unallocated reduction in local income tax revenues that is based on local wealth and income tax effort.

**The \$24.2 million payment to Montgomery County Public Schools for the error in calculating fiscal 2009 education aid is included with fiscal 2009 aid.

Difference in Total Local Support: Appropriations Budget vs. Original Budget

Fiscal 2010
(\$ in Thousands)

County	County/		Community		Public		Libraries	Health	Total
	Municipal*	Colleges	Colleges	Schools	Schools	Health			
Allegany	-\$1,412	\$292	\$292	-\$309	-\$5	\$0	-\$1,434		
Anne Arundel	-11,955	1,960	1,960	3,402	-97	0	-6,690		
Baltimore City	-19,103	0	0	25,724	-43	0	6,579		
Baltimore	-10,416	0	0	1,446	-106	0	-9,076		
Calvert	-1,664	328	328	805	-15	0	-545		
Caroline	-1,251	173	173	385	-3	0	-697		
Carroll	-3,175	703	703	1,862	-25	0	-636		
Cecil	-1,928	442	442	-34	-12	0	-1,532		
Charles	-2,935	316	316	213	-21	0	-2,427		
Dorchester	-1,484	117	117	391	-4	0	-980		
Frederick	-4,875	786	786	2,754	-37	0	-1,373		
Garrett	-1,477	338	338	536	-5	0	-607		
Harford	-5,321	944	944	268	-33	0	-4,143		
Howard	-3,206	1,488	1,488	1,046	0	0	-673		
Kent	-745	-27	-27	33	-3	0	-743		
Montgomery	-10,111	3,280	3,280	24,860	0	0	18,029		
Prince George's	-9,001	2,176	2,176	37,543	-99	0	30,619		
Queen Anne's	-1,625	158	158	-21	-4	0	-1,491		
St. Mary's	-1,759	93	93	895	-14	0	-784		
Somerset	-505	80	80	0	-2	0	-427		
Talbot	-1,618	-31	-31	7	0	0	-1,642		
Washington	-3,151	756	756	-1,483	-17	0	-3,896		
Wicomico	-1,629	243	243	-1,186	-9	0	-2,582		
Worcester	-2,624	234	234	0	0	0	-2,390		
Unallocated	0	0	0	719	0	0	719		
Total	-\$102,973	\$14,849	\$14,849	\$99,858	-\$553	\$0	\$11,180		

*Both the House Appropriations and original budget figures that are being compared in the chart include revenue reductions and cost shifts not traditionally included with local aid figures.

**House Appropriations Committee
Status as of March 23, 2009**

	<u>FY 2009</u>	<u>FY 2010</u>
Starting General Fund Balance	\$487,111,012	\$346,648,776
Revenues		
BRE Estimated Revenues – December 2008	\$13,665,969,759	\$13,738,264,311
BRE Revenue Revision – March 2009	-445,516,000	-716,484,000
Supplemental Budget No. 1	5,000,000	8,000,000
Budget Reconciliation Legislation – Revenues	0	61,056,556
Budget Reconciliation Legislation – Transfers	674,154,238	253,073,743
Other Legislation		7,000,000
Additional Revenues	56,382,018	25,847,574
	\$13,955,990,015	\$13,376,758,184
Net Transfer to the General Fund from the Rainy Day Fund	23,456,658	34,252,421
Subtotal Available Revenues	\$14,466,557,685	\$13,757,659,381
Appropriations		
General Fund Appropriations Net of Rainy Day Fund	\$14,933,014,942	\$14,707,721,171
Deficiencies	92,831,069	0
Supplemental Budget No. 1	-384,111,692	-478,066,180
Board of Public Works Withdrawn Appropriations	-414,452,460	0
Legislative Reductions/Contingent Legislation	-32,138,753	-492,723,240
Estimated Agency Reversions	-75,234,197	-30,400,000
Subtotal Appropriations	\$14,119,908,909	\$13,706,531,751
Closing General Fund Balance	\$346,648,776	\$51,127,630

House Appropriations Committee Action on Budget Reconciliation and Financing Act (HB 101)

The Budget Reconciliation and Financing Act of 2009, as amended¹ by the House Appropriations Committee, accomplishes the following for the general fund:

Fiscal 2009 Fund Transfers	\$649.2 million
Fiscal 2010 Fund Transfers	253.1 million
Fiscal 2010 Revenues	61.1 million
Fiscal 2010 Contingent Reductions	228.7 million
Total Budgetary Action	\$1,192.1 million

Mandate Relief

Education

- Alters eligibility and bonus amounts for Quality Teacher Incentive program; contingent reduction of \$5.3 million (Committee Reprint pages 12-13)
- *Reduces State share of special education nonpublic placement funding from 80 to 70% of costs above base local share; contingent reduction of \$16.1 million (p. 13)*
- County Library Aid – sets per-capita funding at \$13.50 for fiscal 2010 and 2011, \$15.00 for 2012, and \$16.00 for 2013; contingent reduction of \$3.6 million (pp. 19-20)
- State Library Resource Center – sets per-capita funding at \$1.67 for fiscal 2010 and 2011 and \$1.85 in 2012; contingent reduction of \$1.0 million (p. 19)
- Regional Libraries – sets per-capita funding at \$6.75 for fiscal 2010 and 2011, \$7.50 in 2012, and \$8.50 in 2013; contingent reduction of \$0.7 million (pp. 18-19)
- *Aging Schools Program – sets general fund appropriation at \$6.1 million for 2011 and \$10.4 million for 2012; inflationary increases begin again in fiscal 2013; contingent reduction of \$11.7 million (pp. 10-12, and 51)*

¹ Provisions added or amended in whole or in part are noted in *italics*.

- *School Facilities Assessment Survey – modifies statute so that the required survey is conducted every four years regardless of State funding provided specifically for that purpose (p. 40)*

Higher Education

- *Cade Formula for Community Colleges – funds at 23.4% of public university per-student funding in 2010, with enhancement to 24.0% in 2011, 26.0% in 2012, 28.0% in 2013, and 30.0% in 2014 and thereafter (pp. 14-15)*
- *Baltimore City Community College – funds at 64.6% of public university per-student funding in 2010, with enhancement to 65.0% in 2011, 67.0% in 2012, 69.0% in 2013, and 71.0% in 2014 and thereafter (pp. 15-16)*
- *Sellinger Aid to Private Colleges and Universities – funds at 11.2% of public university per-student funding in 2010 and 2011, with enhancement to 12.7% in 2012, 13.7% in 2013, 14.7% in 2014, and 16.0% in 2015 and thereafter (pp. 16-17)*
- *Private Donation Incentive Program – defers a portion of the required fiscal 2010 payment to 2011 (pp. 50-51)*

Environment

- *Waterway Improvement Fund – permanently eliminates general fund contribution to Waterway Improvement Fund (p. 28)*
- *Maryland Agricultural and Resource-Based Industry Development Corporation – sets at \$2.75 million for 2010 and 2011; sets at \$4.0 million for 2012 through 2020 (p. 8)*
- *Forest and Park Reserve Funds – revenue sharing (payment-in-lieu-of-taxes) to counties is limited to revenue from timber sales in fiscal 2010 and 2011; contingent reduction of \$1.9 million (p. 52)*

Economic Development

- *Maryland Tourism Board – sets at \$4.9 million for 2010 and 2011; increases to \$5.5 million in 2012 and \$6.0 million in 2013 (p. 8)*
- *Maryland State Arts Council – funds at \$13.5 million for fiscal 2011, \$13.5 million; formula with growth at the rate of general fund growth resumes in 2014; (pp. 31, and 54)*

Health and Human Services

- Statewide Academic Health Centers – reduces required grants under the Cigarette Restitution Fund (CRF) from \$15.4 million to \$9.9 million for 2010 and 2011; contingent reduction of \$5.4 million special fund grants; authorizes use of \$4.4 million in lieu of general funds in Medicaid (p. 47)
- *Tobacco Use Prevention and Cessation – reduces funding for activities to reduce tobacco use from \$21.0 million to \$7.0 million for 2010 and 2011; contingent reduction of \$14.0 million special funds grants from CRF; authorizes use of \$14.8 million from CRF for Breast and Cervical Cancer Programs in fiscal 2010 in lieu of general funds (p. 47)*
- Weatherization – eliminates mandated use of Electric Universal Service Program funds for housing weatherization projects; contingent special fund reduction of \$1.0 million (p. 30)

State Employees

- Deferred Compensation Match – eliminates for 2010; contingent reduction of \$21.7 million in total funds (p. 52)
- *Increments and Merit Pay – eliminates for 2010; applies to employees in nonbudgeted State agencies; exempts increases necessary for the retention of faculty in the University System of Maryland, Morgan State University, and St. Mary's College of Maryland (p. 52)*

Other Mandate Relief

- *Local Jail Payments – creates a permanent grant program whereby each county is provided a per-diem rate (at least \$45) for each inmate housed between 12 and 18 months; same per-diem rate provided for number of inmate days between sentencing to Division of Correction and release from local jail; based on prior year actuals; relieve State of obligation to pay prior year accrued reimbursements (pp. 43, 45, and 54)*
- *Local Disparity Grants – establishes a cap for the program at the 2010 level of \$121.4 million (pp. 41-42)*
- *Local Employee Retirement Contributions – eliminates State payment of the costs of certain local employees' retirement; applies to State's Attorneys, sheriffs, County Treasurers, County Commissioners, Orphans' Court Judges, Bingo*

Board members, and Liquor and License Board members; contingent reduction of \$2.5 million (p. 32)

Rate Restrictions

- Group Homes – for 2010, prohibits Interagency Rates Committee from paying rates higher than those in effect as of January 21, 2009; contingent reduction of \$5.5 million (p. 50)
- Nonpublic Special Education Placements – for fiscal 2010, limits increase to providers to 1% over rates in effect as of January 21, 2009 (p. 50)

Local Payments

- *Reduces distribution of local income tax revenues for 10 years (2013 to 2022) to replenish refund reserve – \$36.7 million annually to nonbudgeted reserve account (pp. 34-35)*
- *Reduces distribution of Highway User Revenues in 2010 and 2011 by \$101.9 million annually (pp. 51-52)*
- *Reduces distribution of local income tax in 2010 by \$60.0 million, allocated on the basis of wealth (80%) and local tax effort (20%) (pp. 56-57)*
- *Reduces Education and Library Aid formulas to correct for over- and underpayments due to wealth calculation error; Montgomery County receives underpayment in 2010; State recoups funds from counties that received 2009 overpayment during 2010; resulting overpayment of 2010 Supplemental Grants will be recouped in fiscal 2011 (pp. 54-56)*

Authorizes/Mandates Use of Special Funds for Other Purposes

Health

- Prince George's Hospital Center – authorizes use of \$12.0 million from the Health Care Coverage Fund in 2010 (p. 22)
- Medicaid – authorizes use of hospital assessment on averted uncompensated care for hospital payments; contingent general fund reduction of \$9.0 million (pp. 52-53)

- *Medicaid – authorizes transfer of \$9.1 million from Community Health Resources Commission Fund for Primary Adult Care program in 2010 only; contingent general fund reduction of \$9.1 million (pp. 23-25, 54)*
- *Medicaid – amends definition of “medically uninsurable individual” to allow use of Maryland Health Insurance Plan funds for certain Medicaid-eligible persons; contingent general fund reduction of \$4.5 million (pp. 23, 25-26)*
- *Medicaid – authorizes use of Health Care Coverage Fund for general Medicaid purposes; contingent general fund reduction of \$53.5 million (p. 56)*
- *Community and Family Health – authorizes use of AIDS drug rebates for the Maryland AIDS Insurance Assistance Program (p. 21)*

Environment

- *Program Open Space – authorizes \$1.2 million for operating costs in Departments of Natural Resources (DNR), Planning, and General Services in 2010 and 2011 (pp. 26-27)*
- *Waterway Improvement Fund – authorizes up to \$750,000 to be used for administrative expenses directly related to the fund in DNR; contingent general fund reduction of \$750,000 (pp. 28-29)*
- *Chesapeake Bay 2010 Trust Fund – for fiscal 2010, directs \$8.4 million of motor vehicle fuel tax receipts and \$13.1 million of rental car tax receipts to the general fund for 2010 (pp. 35-36)*
- *Strategic Energy Investment Fund – for fiscal 2010 and 2011, alters distribution of Regional Greenhouse Gas Initiative proceeds received in any year to increase the amount directed to energy assistance for low-income individuals from 17.0 to 50.0% and reduce the amount for renewable energy and outreach from 10.5 to 6.5% and for administration from 3.5 to 3.0%; contingent general fund reduction of \$35.6 million in Department of Human Resources Office of Home Energy Programs (pp. 45-46)*
- *State Used Tire Fund – authorizes the Maryland Department of the Environment to use 50.0% of the State Used Tire Cleanup and Recycling Fund revenue for operations; contingent general fund reduction of \$1.8 million (pp. 20-21)*
- *Bay Restoration Fund Septic Account – increases the percentage of the Septic Account that is directed to the cover crop program in fiscal 2010 (p. 53)*

Other

- *Medicare Part D Prescription Drug Subsidy – directs future receipts to the State Employees and Retirees Health and Welfare Benefits Fund instead of the Postretirement Health Benefits Trust Fund for fiscal 2010, 2011, and 2012; contingent reduction of \$24.6 million in total funds (pp. 32, 33)*
- *Maryland School for the Deaf – for fiscal 2010, authorizes use of the Universal Service Trust Fund; contingent general fund reduction of \$5.0 million; clarifies that these special funds would be included in the base budget for the calculation of the 2011 allowance (p. 50)*

Increases Special or General Fund Revenue

- Drinking Driver Monitor Program – increases monthly fee from \$45 to \$55 and removes sunset; contingent general fund reduction of \$1.4 million (pp. 7-8)
- *Maryland-mined Coal Tax Credit – limits credits to \$3.0 million for calendar 2009 and 2010 (pp. 37, 53)*
- Lottery Agent Commissions – reduces commission from 5.5 to 5.0%; budget assumes additional general fund revenue of \$8.6 million (p. 44)

Transfers to the General Fund – Fiscal 2009

Local Income Tax Reserve	\$366,778,631
Dedicated Purpose Account	73,000,000
<i>State Police Helicopter Fund</i>	<i>52,700,000</i>
<i>University System of Maryland Fund Balance</i>	<i>30,000,000</i>
Injured Workers' Insurance Fund Reserve	28,000,000
Maryland Trauma Physician Services Fund	17,000,000
<i>Community Health Resources Commission Fund</i>	<i>12,100,000</i>
State Insurance Trust Fund	10,000,000
<i>Maryland Economic Development Assistance Fund</i>	<i>10,000,000</i>
<i>Unemployment Compensation Fund</i>	<i>10,000,000</i>
Maryland Automobile Insurance Fund Uninsured Account	7,000,000
Central Collection Unit	5,000,000
Sunny Day Fund	5,000,000
<i>Universal Service Trust Fund</i>	<i>5,000,000</i>

<i>Board of Physicians Fund</i>	3,200,000
<i>Used Tire Cleanup Fund</i>	3,000,000
Senior Prescription Drug Assistance Program	2,600,000
Oil Disaster Cleanup Fund	2,006,000
Maryland Health Care Commission Fund	2,000,000
<i>Insurance Regulation Fund</i>	1,656,101
Vehicle Theft Prevention Fund	1,000,000
School Bus Safety Enforcement Fund	900,000
Board of Nursing Fund	500,000
<i>Special Administrative Fund (Assessments and Taxation)</i>	435,721
Small Business Pollution Compliance Loan Fund	277,785

Transfers to the General Fund – Fiscal 2010

<i>Use Bond Funds in Lieu of Program Open Space</i>	\$118,300,000
<i>Local Highway User Revenues</i>	101,920,000
<i>Central Collection Unit</i>	15,000,000
<i>Maryland Economic Development Assistance Fund</i>	10,000,000
<i>Catastrophic Event Fund</i>	7,398,109
<i>Maryland Legal Services Corporation</i>	500,000

Provisions Related to the Capital Program

- *InterCounty Connector – authorizes the use of general obligation bonds to satisfy commitment; eliminates any payment for fiscal 2009; requires payment of \$98.0 million in 2011 and \$113.9 million in 2010 (pp. 39-40)*
- *Program Open Space Contingency Fund – increases the cap on the contingency fund from \$250,000 to \$1.0 million (p. 28)*
- *Program Open Space Eligibility – amends statute to clearly state that Jefferson Patterson Park and Museum and Historic St. Mary’s City are eligible recipients of capital project funding from the State share of Program Open Space (pp. 27-28)*
- *Program Open Space – establishes framework and authority to use bonds in place of transfer tax revenues for capital-eligible programs, provided bonds replace transferred funds on a one-for-one basis (pp. 38-39)*

Other Revenue and Fund Balance Provisions

- *Fiscal 2009 Cost-of-living Adjustment Funds – withdraws appropriation of \$1.6 million of unspent and unneeded funds for employee adjustments in the Department of Budget and Management (p. 54)*
- *Fiscal 2009 Small Business Insurance Partnership Initiative – withdraws appropriation of \$13.5 million of unspent funds for employer health insurance subsidy program (p. 54)*
- *Central Collection Fund – establishes an automatic sweeper mechanism whereby balances in excess of 10% of the upcoming year’s budget for the Central Collection Unit be transferred to the general fund (pp. 30-31)*
- *State Income Tax – keeps Maryland income tax coupled to the federal individual income tax provisions enacted in the American Recovery and Reinvestment Act of 2009 to allow taxpayers to receive State income tax benefit; relates to the earned income tax credit, tax paid on unemployment compensation, and vehicle sales/excise tax (pp. 44, 54, 58)*

Other Provisions

- *Maryland Renewable Energy Fund Audit – repeals obsolete uncodified section of Chapter 487 of 2004; Maryland Renewable Energy Fund was repealed by Chapter 127 of 2008 (pp. 40-41)*
- *Electric Universal Service Program Audit – modifies statute so that this program can be examined by the Office of Legislative Audits as part of the fiscal compliance audits of the Department of Human Resources (p. 29)*
- *Department of Juvenile Services (DJS) Federal Title IV-E – amends statute to clarify that the Department of Human Resources may supervise DJS’ determination of Title IV-E eligibility and claims; any federal funds recouped are directed to the general fund (pp. 23, 50)*
- *Expansion of Maryland State Department of Education Educational Programming into DJS Facilities – extend until 2014, from 2012, the statutory deadline to provide programming in all facilities (pp. 18, 41)*

- Employee Retirement – salary lost due to furlough or other temporary salary reduction is included as earnable compensation for retirement benefits and contribution purposes (p. 53)
- *Leave Pay-out – if an employee separates from State service during a temporary salary reduction, leave pay-out is calculated at the rate in effect immediately prior to the temporary reduction; applies retroactively to separations on or after February 11, 2009 (pp. 53-54)*

Provisions Stricken from Bill by Committee Amendment

- *Supplemental Grant Program in Aid to Education – maintains current statute (p. 9)*
- *Cost-sharing for Property Valuation – no local cost imposed (pp. 37-38)*
- *Soil Conservation Districts – maintains current statute (p. 7)*
- *Maryland School for the Deaf – maintains current formula calculation (p. 50)*
- *Relief of Requirement for Maryland Stadium Authority to Make Payment to School Construction – reduction made in the budget (p. 51)*
- *State Board of Occupational Therapy Practice Fund and State Board of Examiners of Audiologists, Hearing Aid Dispensers, and Speech-Language Pathologists Fund – no transfer from fund balances (p. 50)*