

Conference Committee

Report on House Bill 100 – the Budget Bill

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

**Maryland General Assembly
Annapolis, Maryland**

April 11, 2009

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

- 1. Incorporates Federal American Recovery and Reinvestment Act (ARRA) of 2009 Monies** – Combined, the fiscal 2009 and 2010 State budgets include \$2.5 billion in federal funds resulting from the ARRA of 2009. 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, \$342 million supports highway and mass transit projects, \$712 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 \$1.6 billion, or 21.1%, increase in federal funds, the total budget grows a modest 3.5%.

- 3. Maintains the State’s Commitment to the Public Schools** – Education aid will be \$5.5 billion, an increase of \$131.7 million, or 2.5%. Utilizing education aid allocated under the ARRA of 2009, 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. In addition, there is \$193 million in the ARRA of 2009 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 \$7.7 million is provided to accommodate enrollment growth.

5. **Protects Healthcare Programs for Low-income Marylanders –** Medicaid funding grows almost \$200 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 ARRA of 2009.
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.
7. **Enhances Fund Balance and Maintains 5% of General Fund Balance in Rainy Day Fund –** The proposed budget actions result in a fund balance of almost \$100 million. This is twice the general fund balance under the Administration's proposed budget. 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>Conf.</u>
<u>Fiscal 2009</u>	
Ending Balance Before Legislative Action	-\$244.3
Fund Transfers – Legislation – HB 101 (BRFA)	785.4
New Deficiencies – Medicaid/Energy Assist./Other	-91.8
Expenditure Reduction – Deficiency Appropriations	2.6
Higher Federal Medicaid Match (ARRA)	435.0
Less General Fund Revenue – March Estimate (BRE)	-445.5
Adjusted Ending Balance	\$441.3
 <u>Fiscal 2010</u>	
Revenues – December BRE Estimate	13,738.3
Less General Fund Revenue – March Estimate (BRE)	-716.5
Other Revenues	37.8
Revenues – Legislation – HB 101/HB 193/SB 552	12.8
Fund Transfers – Legislation – HB 101 (BRFA)	216.3
Transfer from Rainy Day Fund	210.0
Total Revenues and Balance	\$13,940.0
Expenditures – Before Federal ARRA Offsets	\$15,397.6
Higher Medicaid Match/Discretionary Funds (ARRA)	-731.6
ARRA Funds for Education Formula Increases	<u>-295.9</u>
Expenditures – Governor’s Allowance Including Supplemental	14,370.1
Expenditure Reductions – Contingent on HB 101 (BRFA)	-283.3
Expenditure Reductions	-243.0
Total Expenditures	\$13,843.8
Revenues Less Expenditures	96.2
Ending Balance	\$96.2

Cash Position

General Fund Balance	\$96.2
Rainy Day Fund Balance – June 30, 2010	651.1
Total	\$747.3
Cash and Rainy Day Fund Over 5%	\$96.2

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

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⁾	6,096,140,884 ⁽³⁾	7,662,764,966	3,407,891,319	32,020,265,919
Original Budget Request	\$29,526,879,385	\$11,948,454,232	\$14,759,981,245	\$6,709,927,846	\$62,945,242,708
Supplemental Budget No. 1					
Fiscal 2009 Deficiency Budget	-\$374,819,631 ⁽⁴⁾	\$5,400,000	\$505,386,850	\$0	\$135,967,219
Fiscal 2010 Budget	-478,466,180 ⁽⁴⁾	-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
Supplemental Budget No. 2					
Fiscal 2009 Deficiency Budget	\$18,059,016 ⁽⁴⁾	\$36,749,065	\$95,920,140	\$11,928,370	\$162,656,591
Fiscal 2010 Budget	-4,877,602	2,409,631	727,154,173	0	724,686,202
Subtotal	\$13,181,414	\$39,158,696	\$823,074,313	\$11,928,370	\$887,342,793
Budget Reconciliation and Financing Act of 2009					
Fiscal 2009 Withdrawn Appropriations	-\$1,598,760	-\$13,500,000	\$0	\$0	-\$15,098,760
Fiscal 2010 Contingent Reductions	-283,332,637	-254,838,745	-7,171,633	-599,021	-545,942,036
Subtotal	-\$284,931,397	-\$268,338,745	-\$7,171,633	-\$599,021	-\$561,040,796
Conference Committee Reductions					
Fiscal 2009 Deficiency Budget	-\$1,000,000	\$0	\$0	\$0	-\$1,000,000
Fiscal 2010 Budget	-242,967,308	-57,762,034	-3,368,829	-382,834	-304,481,005
Total Reductions	-\$243,967,308	-\$57,762,034	-\$3,368,829	-\$382,834	-\$305,481,005
Appropriations					
Fiscal 2009 Deficiency Budget	\$14,314,051,260	\$5,880,962,413	\$7,698,523,269	\$3,313,964,897	\$31,207,501,839
Fiscal 2010 Budget	13,843,825,023	5,730,849,736	9,322,551,344	3,406,909,464	32,304,135,567
Change	-\$470,226,237	-\$150,112,677	\$1,624,028,075	\$92,944,567	\$1,096,633,728

⁽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.

⁽³⁾ Reflects a special reduction of \$1 million in the Prince George's County share of highway user revenues in the budget as introduced for repayment of prior year Fedex Field infrastructure improvements.

⁽⁴⁾ Net of additional reversions estimated in each of Supplemental Budgets No. 1 and No. 2.

State Expenditures – General Funds
(\$ in Millions)

<u>Category</u>	<u>Adjusted</u>	<u>Allowance</u>	<u>Conference</u>	<u>Conference</u>	<u>FY 2009-2010</u>	
	<u>Work. Appr.</u>	<u>FY 2010</u>	<u>Reductions</u>	<u>Appropriation</u>	<u>\$ Change</u>	<u>% Change</u>
	<u>FY 2009</u>			<u>FY 2010</u>		
Debt Service	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	n/a
Aid to Local Governments						
County/Municipal	214.7	214.0	3.0	211.1	-3.6	-1.7%
Community Colleges	254.7	286.9	34.0	252.8	-1.9	-0.7%
Education/Libraries	5,436.8	5,305.9	75.9	5,230.0	-206.8	-3.8%
Health	57.4	57.4	0.0	57.4	0.0	0.0%
Subtotal	\$5,963.5	\$5,864.1	\$112.9	\$5,751.3	-\$212.3	-3.6%
Entitlements						
Foster Care Payments	243.0	249.6	5.5	244.1	1.1	0.5%
Assistance Payments	38.2	35.5	0.0	35.5	-2.7	-7.1%
Medical Assistance	1,904.3	1,760.4	84.2	1,676.3	-228.0	-12.0%
Property Tax Credits	57.3	61.0	0.0	61.0	3.8	6.6%
Subtotal	\$2,242.7	\$2,106.6	\$89.7	\$2,016.9	-\$225.8	-10.1%
State Agencies						
Health	1,401.3	1,458.1	22.8	1,435.4	34.0	2.4%
Human Resources	308.5	329.9	41.2	288.7	-19.8	-6.4%
Systems Reform Initiative	30.7	32.6	3.5	29.1	-1.6	-5.3%
Juvenile Services	267.0	264.6	0.8	263.8	-3.2	-1.2%
Public Safety/Police	1,256.7	1,259.0	28.9	1,230.0	-26.6	-2.1%
Higher Education	1,131.9	1,225.2	11.6	1,213.7	81.8	7.2%
Other Education	398.5	407.9	25.3	382.5	-16.0	-4.0%
Agric./Nat'l. Res./Environment	122.8	128.4	7.9	120.5	-2.3	-1.9%
Other Executive Agencies	549.9	589.1	21.3	567.9	18.0	3.3%
Legislative	76.4	76.7	0.3	76.4	0.0	0.0%
Judiciary	369.1	401.4	26.3	375.1	6.0	1.6%
Across-the-board Reductions	0.0	0.0	25.5	-25.5	-25.5	n/a
Subtotal	\$5,912.8	\$6,172.9	\$215.3	\$5,957.6	\$44.8	0.8%
Subtotal	\$14,119.1	\$14,143.6	\$417.9	\$13,725.7	-\$393.3	-2.8%
Capital/Heritage Reserve Fund	23.0	17.8	9.6	8.2	-14.9	-64.5%
Transfer to MDTA	65.0	63.0	63.0	0.0	-65.0	-100.0%
Reserve Funds ⁽¹⁾	146.5	175.7	35.8	139.9	-6.6	-4.5%
Appropriations	\$14,353.6	\$14,400.1	\$526.3	\$13,873.8	-\$479.8	-3.3%
Reversions	-39.6	-30.0	0.0	-30.0	9.6	-24.2%
Grand Total	\$14,314.1	\$14,370.1	\$526.3	\$13,843.8	-\$470.2	-3.3%

MDTA: Maryland Transportation Authority

Note: The fiscal 2009 working appropriation includes the March 4, 2009 Board of Public Works actions, targeted reversions, deficiencies and Conference Committee cuts to the deficiencies, and Supplemental Budgets #1 and #2. The fiscal 2010 allowance includes Supplemental Budgets #1 and #2 and \$38 million in across-the-board reductions reflected in the budget as introduced and modified by Supplemental Budget #1. Fiscal 2010 reductions include \$283.3 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.

State Expenditures – All Funds
(\$ in Millions)

<u>Category</u>	<u>Adjusted</u>	<u>Allowance</u>	<u>Conference</u>	<u>Conference</u>	<u>FY 2009-2010</u>	
	<u>Work. Appr.</u>	<u>FY 2010</u>	<u>Reductions</u>	<u>Appropriation</u>	<u>\$ Change</u>	<u>% Change</u>
	<u>FY 2009</u>	<u>FY 2010</u>		<u>FY 2010</u>		
Debt Service	\$887.4	\$944.7	\$0.0	\$944.7	\$57.2	6.5%
Aid to Local Governments						
County/Municipal	796.3	822.9	174.5	648.4	-147.9	-18.6%
Community Colleges	254.7	301.3	34.0	267.3	12.6	4.9%
Education/Libraries	6,137.6	6,618.7	75.9	6,542.8	405.2	6.6%
Health	61.9	61.9	0.0	61.9	0.0	0.0%
Subtotal	\$7,250.5	\$7,804.7	\$284.4	\$7,520.3	269.8	3.7%
Entitlements						
Foster Care Payments	376.6	378.6	8.4	370.2	-6.4	-1.7%
Assistance Payments	567.3	664.4	0.0	664.4	97.0	17.1%
Medical Assistance	5,483.4	5,712.3	84.8	5,627.5	144.1	2.6%
Property Tax Credits	57.3	61.0	0.0	61.0	3.8	6.6%
Subtotal	\$6,484.6	\$6,816.3	\$93.2	\$6,723.1	238.5	3.7%
State Agencies						
Health	2,551.3	2,672.7	55.5	2,617.2	65.9	2.6%
Human Resources	895.7	924.8	45.2	879.6	-16.2	-1.8%
Systems Reform Initiative	38.7	39.9	3.5	36.4	-2.3	-6.0%
Juvenile Services	278.9	279.9	0.8	279.1	0.2	0.1%
Public Safety/Police	1,499.5	1,554.7	29.8	1,524.9	25.4	1.7%
Higher Education	4,519.3	4,658.3	12.5	4,645.8	126.5	2.8%
Other Education	685.7	690.6	25.8	664.8	-20.9	-3.0%
Transportation	1,540.2	1,558.4	5.5	1,552.9	12.6	0.8%
Agric./Nat'l. Res./Environment	368.5	417.8	32.4	385.4	16.8	4.6%
Other Executive Agencies	1,564.4	1,770.2	64.8	1,705.4	141.0	9.0%
Legislative	76.7	76.8	0.3	76.5	-0.2	-0.3%
Judiciary	427.3	459.9	27.7	432.2	5.0	1.2%
Across-the-board Reductions	0.0	0.0	26.2	-26.2	-26.2	n/a
Subtotal	\$14,446.2	\$15,104.0	\$330.1	\$14,773.9	\$327.8	2.3%
Subtotal	\$29,068.7	\$30,669.7	\$707.7	\$29,962.0	\$893.3	3.1%
Capital/Heritage Reserve Fund	1,966.9	2,276.1	44.0	2,232.2	265.3	13.5%
Transfer to MDTA	65.0	63.0	63.0	0.0	-65.0	-100.0%
Reserve Funds ⁽¹⁾	146.5	175.7	35.8	139.9	-6.6	-4.5%
Appropriations	\$31,247.1	\$33,184.6	\$850.4	\$32,334.1	\$1,087.1	3.5%
Reversions	-39.6	-30.0	0.0	-30.0	9.6	-24.2%
Grand Total	\$31,207.5	\$33,154.6	\$850.4	\$32,304.1	\$1,096.6	3.5%

MDTA: Maryland Transportation Authority

Note: The fiscal 2009 working appropriation includes the March 4, 2009 Board of Public Works actions, targeted reversions, deficiencies and Conference Committee cuts to the deficiencies, and Supplemental Budgets #1 and #2. The fiscal 2010 allowance includes Supplemental Budgets #1 and #2 and \$38 million in across-the-board reductions reflected in the budget as introduced and modified by the Supplemental Budget #1. Fiscal 2010 reductions include \$545.9 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.

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

General Funds

	House	Senate	Conf. Comm.
<u>Local Aid</u>			
C Counties Fund Retirement Costs of Certain Local Officials That Are Currently State Funded	\$2.5	\$2.5	\$2.5
Reduce Grant to Baltimore City Stemming from 1996 Change in Highway User Distribution	0.0	0.0	0.5
C Defer Payment to Montgomery County for Fiscal 2009 Education Formula Error Until Fiscal 2010 ⁽¹⁾	24.2	24.2	0.0
C Savings from Correcting Fiscal 2009 Education Formula Error in Fiscal 2010	6.7	6.7	30.8
C Share Costs of Non-Public Special Education Placements Above Base Amount 70% State/30% Local	16.1	16.1	16.1
Eliminate School Improvement Grants	4.8	4.8	4.8
C No General Funds for Aging Schools Program – Replace \$6.1 million with Bond Funds	11.7	11.7	11.7
C Restructure Teacher Quality Incentive Program	5.3	5.3	5.3
Less for Science/Math Initiative, NorthBay Environmental Education, and Principal Fellowship Program	1.3	1.3	1.3
Reduce General Funds for Head Start Programs – Federal Funds Going Up	3.0	0.0	1.2
C Reduce Library Formula Aid and Resource Center Funding	5.9	4.7	4.7
Limit Increase in Community College Formula Funding	35.1	33.6	34.0
	\$116.4	\$110.8	\$112.9
<u>Medicaid</u>			
Reduce Funding for Managed Care Organizations' Quality Incentive Pool	\$0.6	\$0.6	\$0.6
C Use Additional Health Care Coverage Special Funds for Medicaid	53.5	50.0	53.5
Reduce Capitation Rate Funding for Managed Care Organizations with Profits in Excess of 2%	0.0	23.5	0.0
Reduce General Funds for Legal Immigrants – Federal Fund Restriction Lifted	3.0	3.0	3.0
C Use CareFirst Premium Tax Exemption Monies to Support Primary Adult Care Program	9.1	9.1	9.1
C Use Hospital Assessments Levied for Medicaid Expansion for Base Medicaid	9.0	9.0	9.0
C Maryland Health Insurance Program – Reimburse Medicaid for Federal Match	4.5	4.5	4.5
C Less Cigarette Restitution Funds (CRF) for Health Centers and Tobacco Cessation, More for Medicaid	4.4	4.4	4.4
	\$84.2	\$104.2	\$84.2
<u>Higher Education</u>			
Reduce Nano-Biotechnology Grant to University System of Maryland	\$0.0	\$0.8	\$0.5
Less Funding for University System of Maryland – No Reduction to Funds to Freeze Tuition	9.4	5.6	5.9
Less Funding for Morgan State University – No Reduction to Funds to Freeze Tuition	1.0	0.7	0.7
Reduce Appropriation to St. Mary's College of Maryland	0.0	0.2	0.0
Reduce Funds to Reflect Efficiency Savings at University System of Maryland	1.0	0.0	0.0
Scale Back State Support for Hagerstown Regional Higher Education Center	0.5	0.0	0.0
Less Funds for Southern Maryland Regional Higher Education Center	0.0	0.3	0.0
C Cell Phones/No Deferred Comp. Match – Higher Education Share of Across-the-board Reductions	2.4	2.4	2.4
Limit Baltimore City Community College Growth	2.8	2.4	2.6
Workforce Shortage Student Assistance Program – Use Special Funds	2.0	2.0	2.0
Defer Private Donation Incentive Grants	0.1	0.1	0.1
Workforce Investment Program and Various Higher Education Grants	2.8	1.8	1.7
Reduce Sellinger Grants for Private Higher Education Institutions	20.6	10.0	13.9
	\$42.6	\$26.2	\$29.8
<u>State Agencies</u>			
No Funding for Other Post Employment Benefits and Merit Increases – Judiciary	\$9.2	\$9.2	\$9.2
Increase Budgeted Vacancy Rate (Turnover) for Judiciary to 4%	3.7	3.7	3.7
Reduce Funds for Contractual Conversions, Vacant Positions, and New Positions – Judiciary	2.0	2.0	2.0
C Shift 25% of Cost of Circuit Court Law Clerks to Counties	0.0	2.1	0.0
Other Reductions – Judiciary	10.3	10.3	10.3
Consumer Protection Division – Attorney General – Use Special Fund Balance	0.8	0.8	0.8
C Redirect Medicare Part D Payment to Employees/Retirees Health Insurance	14.8	24.6	24.6
C Eliminate Deferred Compensation Match	9.9	9.9	9.9
C Overbudgeted Funds for General Salary Increase in Fiscal 2009 – Withdrawn in BRFA ⁽¹⁾	1.6	1.6	1.6
C Use Monies from Fair Campaign Financing Fund for New Optical Scan Voting System	0.0	2.9	2.0
Reduce/Delete Funds for Various Information Technology Systems	5.2	5.2	5.2
Less Funding for Cell Phones – State Agencies	0.5	0.5	0.5
C Charge Counties for 50% of Cost of Property Valuation	0.0	20.8	0.0
Targeted Case Management (MHA) – Reduce in Anticipation of Receiving Federal Funds	1.8	1.8	1.8
Veterans Behavioral Health Services – Program Demand Overestimated and Use Fiscal 2009 Funds	1.9	2.1	2.0
C Reduce Current CRF Programs and Fund Breast and Cervical Cancer Program	14.8	14.8	14.8
Less for Drug Treatment Grants	0.0	2.0	1.0
C Use Special Funds for Maryland AIDS Insurance Program	0.9	0.9	0.9
Scale Back Funding for Community-based Services for Children	3.5	3.5	3.5

<u>State Agencies (Continued)</u>	<u>House</u>	<u>Senate</u>	<u>Conf. Comm.</u>
Eliminate Funds for Social Services Information System Enhancements (DHR)	3.0	3.0	3.0
C Use Regional Greenhouse Gas Initiative Funds for Low Income Energy Assistance	35.6	35.6	35.6
C Freeze Foster Care Group Home Rates	5.5	5.5	5.5
C Convert Local Jail Reimbursements to Grant Programs & Defer Funding Until FY 2011	12.4	6.7	25.7
Reduce Fiscal 2009 Deficiency for Assessment and Accountability Contracts (MSDE) ⁽¹⁾	6.4	6.3	1.0
Reduce Increase in Funding for Child Care Subsidies	1.9	1.9	1.9
C Maryland School for the Deaf – Use \$5 Million from Universal Service Trust Fund	5.0	5.0	5.0
C Increase Drinking Driver Monitor Program Fee – Replaces General Funds	1.4	1.4	1.4
Delete Mandated General Funds for Boating Services	1.8	1.8	1.8
C Eliminate Parks Payments to Counties from Concessions	1.9	1.9	1.9
C Use Waterway Improvement Fund for Admin. Expenses – Saves General Funds	0.8	0.8	0.8
Reduce Grant to MARBIDCO from \$4.0 Million to \$2.75 Million	1.3	1.3	1.3
C Use Portion of Used Tire Cleanup Fund for Waste Management Administration Operations	1.8	1.8	1.8
Reduce Tourism Development Board from \$6.0 Million to \$4.9 Million	1.1	1.1	1.1
Less Funds for Industrial Training Program and Partnership for Workforce Quality	1.7	1.2	1.4
Reduce General Funds for MD Economic Development Assistance Fund (Supplemental Budget #2)	0.0	0.0	1.9
Other Reductions	3.2	3.8	3.4
	\$165.4	\$197.5	\$188.1
<u>Grants/Tax Credits</u>			
Maryland State Arts Council – Reduce from \$16.5 Million to \$13.5 Million	\$3.0	\$3.0	\$3.0
Less Funds for Film Production Rebate Program	1.0	1.0	1.0
No Funds for 2-1-1 Program	0.4	0.4	0.4
State Aided Educational Institutions – Reduce Funding	1.0	0.0	0.0
Biotechnology Tax Credit	2.0	0.0	0.0
Limit Stem Cell Research Grants to \$15.4 million	0.0	13.0	3.0
Reduce Heritage Tax Credit	10.0	4.7	7.7
	\$17.4	\$22.1	\$15.1
<u>Reserve Fund</u>			
Eliminate Transfer to Transportation Authority for the InterCounty Connector – Bond Fund	\$63.0	\$63.0	\$63.0
Less Funds Required to Maintain 5% Rainy Day Balance – Revised Revenue Estimates	35.8	35.8	35.8
	\$98.8	\$98.8	\$98.8
Total General Funds	\$524.9	\$559.5	\$528.9

Special Funds

	<u>House</u>	<u>Senate</u>	<u>Conf.</u>
Various Reductions – Judiciary	\$1.6	\$1.1	\$1.1
C Eliminate Deferred Compensation Match	4.3	4.3	4.3
Less Funding for Cell Phones – State Agencies	0.4	0.4	0.4
Forgo Stadium Authority Funds for Public School Construction	2.4	2.4	2.4
Scale Back Funding for Chesapeake Bay 2010 Trust Fund to \$10 Million	21.5	21.5	21.5
C Reduce Funds for Open Space and Agricultural Land Preservation Contingent on Bond Funding	47.0	47.0	31.0
C Eliminate Parks Payments to Counties from Concessions	1.9	1.9	1.9
C Less Regional Greenhouse Gas Initiative Monies for Energy Programs	35.6	35.6	35.6
Annual Audit of 9-1-1 Payments from Phone Service Providers Not Cost Effective	0.6	0.6	0.6
Abolish 55 Positions and Associated Funding – Maryland Department of Transportation	4.0	4.0	4.0
Reduce Funds for Stevedoring Contract – Maryland Port Administration	2.5	2.5	2.5
C Reduce Local Share of Highway User Revenues – Monies Transferred to General Fund	101.9	161.9	161.9
Lower Highway User Revenues to Reflect Downward Revision in Revenues	9.6	9.6	9.6
Various Operating Reductions – Maryland Department of Transportation	1.0	1.2	1.3
Reduce Funds for Small Business Health Partnership – Little Utilization in Fiscal 2009	13.0	13.0	13.0
C Reduce Funding From CRF for Academic Health Centers and Tobacco Cessation Programs	19.2	19.2	19.2
C Eliminate Mandated Appropriation for Weatherization	1.0	1.0	1.0
Other Reductions	3.0	2.0	2.4
Total Special Funds	\$270.4	\$329.2	\$313.6

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

MHA: Mental Hygiene Administration

MSDE: Maryland State Department of Education

⁽¹⁾ Reductions to fiscal 2009 spending totaling \$2.6 million.

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

<u>Fiscal 2009</u>	<u>House</u>	<u>Senate</u>	<u>Conf. Com.</u>
Local Income Tax Reserve for Refunds	\$366.8	\$366.8	\$366.8
Dedicated Purpose Account – ICC/Prince George’s Hospital	73.0	73.0	73.0
Helicopter Replacement Fund	52.7	52.7	52.7
University System of Maryland Fund Balance	30.0	24.0	29.0
Injured Workers’ Insurance Fund for Future Liability	28.0	28.0	28.0
State Insurance Trust Fund	10.0	10.0	10.0
Maryland Trauma Physician Services Fund	17.0	17.0	17.0
Community Health Resources Fund	12.1	12.1	12.1
Maryland Automobile Insurance Fund – Uninsured Account	7.0	7.0	7.0
Central Collection Unit – Department of Budget and Management	5.0	5.0	5.0
Economic Development Opportunities (Sunny Day) Fund	5.0	5.0	5.0
Maryland Economic Development Assistance Fund	10.0	9.5	6.0
Senior Drug Prescription Program	2.6	2.6	2.6
Bond Fund Recent Program Open Space Land Purchases	71.3	71.3	71.3
Program Open Space Balances – State	0.0	65.0	70.0
Oil Disaster Containment, Cleanup, and Contingency Fund	2.0	2.0	2.0
Used Tire Cleanup and Recycling Fund	3.0	3.0	3.0
Small Business Pollution Compliance Loan Fund	0.3	0.3	0.3
Board of Physicians	3.2	3.2	3.2
Board of Nursing	0.5	0.5	0.5
Maryland Health Care Commission	2.0	2.0	2.0
Insurance Regulation Fund – Maryland Insurance Administration	1.7	1.6	1.6
Vehicle Theft Prevention Fund	1.0	1.0	1.0
School Bus Safety Enforcement Fund	0.9	0.9	0.9
Expedited Service Fund – Assessments and Taxation	0.4	0.4	0.4
State Self-Insured Unemployment Insurance Reserve	10.0	10.0	10.0
Universal Service Trust Fund	5.0	5.0	5.0
Subtotal	\$720.5	\$778.9	\$785.4
<u>Fiscal 2010</u>			
Central Collection Unit – Department of Budget and Management	\$15.0	\$10.0	\$10.0
Catastrophic Event Account	7.4	7.4	7.4
Program Open Space and Agricultural Land Preservation Allocations	47.0	47.0	31.0
Maryland Economic Development Assistance Fund	10.0	10.0	6.0
Maryland Legal Services Corporation	0.5	0.0	0.0
Local Highway User Revenues	101.9	161.9	161.9
Subtotal	\$181.8	\$236.3	\$216.3
Total Transfers	\$902.2	\$1,015.2	\$1,001.7

ICC: InterCounty Connector

General Fund Revenues and Reductions
Budget Reconciliation and Financing Act (HB 101)
Fiscal 2010
(\$ in Millions)

	<u>House</u>	<u>Senate</u>	<u>Conf. Com.</u>
<u>Fiscal 2010 Revenues</u>			
Reduce Maryland Mined Coal Tax Credit	\$6.0	\$3.0	\$4.5
Admissions and Amusement Tax – Delay Electronic Instant Bingo Repeal (HB 193)	7.0	7.0	7.0
Tax Amnesty Program (SB 552)	0.0	7.2	7.2
Reduce Lottery Sales Commission from 5.5 to 5.0%	8.6	8.6	8.6
Chesapeake Bay 2010 Fund – Provide \$10 Million	21.5	21.5	21.5
Allow ARRA Federal Income Tax Changes to Apply to State Tax Computation	-35.9	-35.9	-35.9
Local Income Tax – County Amounts Based on Wealth and Tax Effort	60.0	0.0	0.0
Total	\$67.1	\$11.3	\$12.8
<u>Fiscal 2010 Reductions Contingent on HB 101</u>			
Savings from Correcting FY 2009 Education Formula Error in FY 2010	\$30.8	\$30.8	\$30.8
Nonpublic Special Education Placements – Lower State Share from 80 to 70%	16.1	16.1	16.1
Education Aid – Aging Schools Program – No General Funds in Fiscal 2010	11.7	11.7	11.7
Education Aid – Restructure Teacher Quality Incentives	5.3	5.3	5.3
Maryland School for the Deaf – Universal Services Trust Fund Transfer	5.0	5.0	5.0
Library Formula Aid – Lower Per Capita Grant from \$15.00 to \$14.00	3.6	2.4	2.4
Library Aid – Regional and State Resource Centers	1.7	1.7	1.7
Library Aid – Savings from Correcting Fiscal 2009 Formula Error	0.6	0.6	0.6
Charge Counties for Costs of Property Valuation	0.0	20.8	0.0
Increase RGGI Funds for Energy Assistance – Saves General Funds	35.6	35.6	35.6
Freeze Foster Care Group Home Rates	5.5	5.5	5.5
Reduce Current CRF Programs and Fund Breast and Cervical Cancer Program	14.8	14.8	14.8
Authorize Health Care Coverage Fund Monies for Base Medicaid	53.5	50.0	53.5
Reduce Current CRF Programs and Fund Medicaid	4.4	4.4	4.4
Nonprofit Health Services Plan Subsidy for Primary Adult Care Program	9.1	9.1	9.1
Maryland Health Insurance Program – Reimburse Medicaid for Federal Match	4.5	4.5	4.5
Use Hospital Assessments Levied for Medicaid Expansion for Base Medicaid	9.0	9.0	9.0
Use Special Funds for Maryland AIDS Insurance Program	0.9	0.9	0.9
Counties Fund Retirement Costs of Certain Local Officials	2.5	2.5	2.5
Shift 25% of Cost of Circuit Court Law Clerks to Counties	0.0	2.1	0.0
Convert Local Jail Reimbursements to Grant Programs	12.4	6.7	25.7
Increase Drinking Driver Monitor Program Fee – Replace General Funds	1.4	1.4	1.4
Eliminate Parks Payments to Counties from Concessions in Lieu of Taxes	1.9	1.9	1.9
Use Waterway Improvement Fund for Admin. Expenses – Saves General Funds	0.8	0.8	0.8
Portion of Used Tire Cleanup Fund for Waste Management Admin. Operations	1.8	1.8	1.8
Use Monies from Fair Campaign Financing Fund for Optical Scan Voting System	0.0	2.9	2.0
Redirect Medicare Part D Payment to Employees/Retirees Health Insurance	14.8	24.6	24.6
Overbudgeted Funds for General Salary Increase in Fiscal 2009 ⁽¹⁾	1.6	1.6	1.6
Eliminate the State’s Deferred Compensation Match	11.8	11.8	11.8
Total	\$261.0	\$286.1	\$284.9

ARRA: American Recovery and Reinvestment Act of 2009

CRF: Cigarette Restitution Fund

MARBIDCO: Maryland Agricultural and Resource-Based Industry Development Corporation

RGGI: Regional Greenhouse Gas Initiative

(1) Fiscal 2009 reduction.

Conference Committee Budget: Total Fiscal 2010 Local Aid
(\$ in Thousands)

County	County/ Municipal*	Community Colleges	Public Schools	Libraries	Health	Total
Allegany	\$12,370	\$7,469	\$93,914	\$889	\$1,398	\$116,040
Anne Arundel	16,007	33,981	339,542	2,993	4,834	397,358
Baltimore City	268,827	0	911,939	8,300	10,269	1,199,335
Baltimore	26,425	43,477	595,753	7,042	6,619	679,316
Calvert	3,684	2,772	101,395	688	569	109,107
Caroline	5,493	1,710	47,078	403	828	55,512
Carroll	8,563	8,617	164,347	1,581	1,895	185,004
Cecil	5,090	5,877	110,891	1,009	1,241	124,107
Charles	5,397	8,119	171,080	1,069	1,530	187,195
Dorchester	5,619	1,479	34,214	302	660	42,273
Frederick	10,243	10,005	237,314	1,748	2,326	261,636
Garrett	5,889	3,828	29,247	243	673	39,880
Harford	8,877	12,555	239,192	2,596	2,673	265,892
Howard	10,452	16,227	248,896	2,012	1,869	279,457
Kent	1,885	555	12,471	153	517	15,581
Montgomery	28,453	51,538	624,465	5,420	4,638	714,513
Prince George's	58,014	28,392	1,023,560	7,717	7,703	1,125,386
Queen Anne's	3,331	2,064	36,523	222	643	42,782
St. Mary's	4,310	2,600	106,382	864	1,244	115,400
Somerset	7,325	905	26,424	309	661	35,624
Talbot	2,539	1,399	14,232	181	506	18,857
Washington	7,346	9,134	157,657	1,431	2,125	177,694
Wicomico	8,385	5,180	127,210	972	1,457	143,203
Worcester	3,058	2,249	24,509	328	481	30,626
Unallocated	26,249	7,159	29,023	15,609	0	78,039
Total	\$543,828	\$267,290	\$5,507,259	\$64,082	\$57,359	\$6,439,817

*Incorporates reductions in highway user revenues, local employee fringe benefits, jail reimbursements, and park revenues.

Conference Committee: Fiscal 2009 to 2010 Change in Local Aid
(\$ in Thousands)

County	County/ Municipal*	Community Colleges	Public Schools**	Libraries	Health	Total
Allegany	-\$2,365	\$481	\$447	\$22	\$0	-\$1,416
Anne Arundel	-22,682	1,567	7,886	-56	0	-13,285
Baltimore City	-21,052	0	9,636	282	0	-11,134
Baltimore	-25,176	917	4,558	150	0	-19,552
Calvert	-3,455	512	2,523	10	0	-410
Caroline	-2,070	238	392	16	0	-1,424
Carroll	-6,638	658	1,667	58	0	-4,255
Cecil	-3,487	385	830	55	0	-2,217
Charles	-5,814	46	1,805	-16	0	-3,980
Dorchester	-2,360	138	336	6	0	-1,881
Frederick	-10,099	560	5,035	102	0	-4,402
Garrett	-2,412	225	507	7	0	-1,673
Harford	-9,842	744	2,027	117	0	-6,954
Howard	-9,351	1,056	10,423	292	0	2,419
Kent	-1,264	-98	215	4	0	-1,144
Montgomery	-31,013	2,313	68,050	144	0	39,495
Prince George's	-20,968	1,815	14,533	-298	0	-4,918
Queen Anne's	-2,728	183	959	9	0	-1,577
St. Mary's	-4,153	27	527	3	0	-3,595
Somerset	-792	96	653	2	0	-41
Talbot	-2,471	-166	841	17	0	-1,780
Washington	-5,757	619	3,429	34	0	-1,675
Wicomico	-2,251	92	6,511	35	0	4,386
Worcester	-4,648	313	1,603	61	0	-2,671
Unallocated	-4,132	50	-13,670	-744	0	-18,497
Total	-\$206,982	\$12,769	\$131,723	\$312	\$0	-\$62,178

*Fiscal 2010 incorporates reductions in highway user revenues, local employee fringe benefits, jail reimbursements, and park revenues.

Difference in Total Local Support: Conference Committee vs. Original Budget

Fiscal 2010
(\$ in Thousands)

County	County/		Community		Public		Libraries	Health	Total
	Municipal*	Colleges	Colleges	Schools	Schools				
Allegany	-\$1,558	\$321	-\$217	\$23	\$0	-\$1,431			
Anne Arundel	-13,598	2,129	3,519	-28	0	-7,978			
Baltimore City	-19,603	0	26,769	193	0	7,359			
Baltimore	-12,328	0	1,612	85	0	-10,630			
Calvert	-2,438	341	977	0	0	-1,120			
Caroline	-1,383	180	515	7	0	-681			
Carrall	-3,898	745	1,896	11	0	-1,246			
Cecil	-1,965	470	-34	13	0	-1,516			
Charles	-3,427	356	213	8	0	-2,850			
Dorchester	-1,591	124	391	5	0	-1,071			
Frederick	-6,317	834	2,830	3	0	-2,650			
Garrett	-1,547	353	612	1	0	-582			
Harford	-5,682	1,005	285	23	0	-4,368			
Howard	-3,671	1,564	1,123	27	0	-957			
Kent	-812	-24	335	0	0	-501			
Montgomery	-11,273	3,505	25,070	93	0	17,395			
Prince George's	-10,053	2,316	37,828	117	0	30,208			
Queen Anne's	-1,823	168	-21	1	0	-1,675			
St. Mary's	-2,574	106	895	9	0	-1,564			
Somerset	-687	84	0	8	0	-595			
Talbot	-1,735	-24	7	4	0	-1,748			
Washington	-3,590	798	-1,355	24	0	-4,124			
Wicomico	-2,343	268	-1,186	21	0	-3,240			
Worcester	-2,895	245	0	5	0	-2,645			
Unallocated	0	0	-393	0	0	-393			
Total	-\$116,789	\$15,864	\$101,671	\$652	\$0	\$1,397			

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

Operating Budget Affordability Limit (\$ in Millions)

<u>Funds</u>	<u>2008 Session</u>	<u>2009 Session</u>	<u>\$ Change</u>	<u>% Change</u>
General	\$14,812.6	\$13,195.5	-\$1,617.0	-10.92%
Special	4,001.9	4,087.3	85.4	2.13%
Higher Education	1,993.2	2,100.0	106.9	5.36%
Estimated Budget Growth	\$20,807.6	\$19,382.8	-\$1,424.8	-6.85%
SAC Limit	\$20,807.6	\$20,953.2	\$145.7	0.70%
Over (Under) Limit			-\$1,570.4	-7.55%
Adjusted for Federal Stimulus				
Estimated Budget Growth	\$20,807.6	\$19,382.8	-\$1,424.8	-6.85%
Estimated SAC Eligible Federal Stimulus		\$1,464.0		
Adjusted Estimate for Budget Growth	\$20,807.6	\$20,846.8	\$39.2	0.19%
SAC Limit	\$20,807.6	\$20,953.2	\$145.7	0.70%
Over (Under) Limit			-\$106.4	0.70%

SAC: Spending Affordability Committee

**Final Budget Status
Status as of April 11, 2009**

	<u>FY 2009</u>	<u>FY 2010</u>
Starting General Fund Balance	\$487,111,012	\$441,298,701
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
Supplemental Budget No. 2	6,000,000	2,000,000
Transfer of Special Fund Balances (Ch. 147 of 2008)	25,000,000	0
Budget Reconciliation Legislation – Revenues	0	-1,378,944
Budget Reconciliation Legislation – Transfers	785,403,172	216,289,248
Other Legislation	0	14,200,000
Additional Revenues	56,382,018	27,847,574
Subtotal Revenues	\$14,098,238,949	\$13,288,738,189
Net Transfer to the GF from the Rainy Day Fund	23,456,658	34,252,421
Subtotal Available Revenues	\$14,608,806,619	\$13,764,289,311
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
Supplemental Budget No. 2	19,252,056	-4,877,602
Board of Public Works Withdrawn Appropriations	-414,452,460	0
Legislative Reductions/Contingent Legislation	-2,598,760	-526,299,945
Estimated Agency Reversions	-76,427,237	-30,400,000
Subtotal Appropriations	\$14,167,507,918	\$13,668,077,444
Closing General Fund Balance	\$441,298,701	\$96,211,867

BRE: Board of Revenue Estimates

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

The Budget Reconciliation and Financing Act of 2009, as amended by the Conference Committee¹, accomplishes the following for the general fund:

Fiscal 2009 Fund Transfers	\$785.4 million
Fiscal 2009 Contingent Reductions	1.6 million
Fiscal 2010 Fund Transfers	216.3 million
Fiscal 2010 Revenues	-1.3 million
Fiscal 2010 Contingent Reductions	283.3 million
Total Budgetary Action	\$1,285.3 million

Mandate Relief

Education

- Alters eligibility and bonus amounts for Quality Teacher Incentive program
- Reduces State share of special education nonpublic placement funding from 80 to 70% of costs above base local share
- County Library Aid – sets per-capita funding at \$14.00 for fiscal 2010 and 2011, \$15.00 for 2012, and \$16.00 for 2013
- State Library Resource Center – sets per-capita funding at \$1.67 for fiscal 2010 and 2011 and \$1.85 in 2012
- Regional Libraries – sets per-capita funding at \$6.75 for fiscal 2010 and 2011, \$7.50 in 2012, and \$8.50 in 2013
- 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
- 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

¹ Conference Committee changes to the bill as passed by the Senate are noted in *italics*.

- State Aid for Education – *limits the inflationary increase in the Foundation and Student Transportation formulas to 1% for fiscal 2012; clarifies that the Supplemental Grant amount for fiscal 2011 and thereafter is equal to the prior year's grant*

Higher Education

- Cade Formula for Community Colleges – *true up the formula to determine funding for all sectors of higher education based on the same year; funds at 23.6% of public university per-student funding in 2010, with enhancement to 24.0% in 2011, 25.0% in 2012, 27.0% in 2013, and 29.0% in 2014 and thereafter*
- Baltimore City Community College – *true up the formula to determine funding for all sectors of higher education based on the same year; funds at 65.1% of public university per-student funding in 2010, with enhancement to 65.5% in 2011, 66.0% in 2012, 67.0% in 2013, and 68.5% in 2015 and thereafter*
- Seller Aid to Private Colleges and Universities – *true up the formula to determine funding for all sectors of higher education based on the same year; funds at 12.85% of public university per-student funding in 2010, with enhancement to 13.0% in 2011, 13.5% in 2012, 14.0% in 2013, 14.5% in 2014, and 15.5% in 2015 and thereafter*
- Private Donation Incentive Program – *defers a portion of the required fiscal 2010 payment to 2011*

Environment

- Waterway Improvement Fund – *permanently eliminates general fund contribution to Waterway Improvement Fund*
- 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*
- 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*

Economic Development

- Maryland Tourism Board – *sets at \$6.0 million for 2010 and every year thereafter*
- Maryland State Arts Council – *funds at \$13.5 million for fiscal 2010 and 2011; inflationary increase resumes in 2012*

Health and Human Services

- Statewide Academic Health Centers – reduces required grants under the Cigarette Restitution Fund from \$15.4 million to \$9.9 million for 2010 and 2011
- 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
- Weatherization – eliminates mandated use of Electric Universal Service Program funds for housing weatherization projects

State Employees

- Deferred Compensation Match – eliminates for 2010
- Increments and Merit Pay – eliminates for 2010; applies to employees in nonbudgeted State agencies; exempts constituted officers and members of the General Assembly, and increases necessary for the retention of faculty in the University System of Maryland, Morgan State University, and St. Mary's College of Maryland; also exempts incentive compensation for the Chief Investment Officer of the State Retirement System

Other Mandate Relief

- Blanket Provision – except as otherwise provided in this Act, *and with certain other exceptions*, for fiscal 2011 and 2012, the Governor is not required to include an appropriation for any program or item in an amount that exceeds the fiscal 2010 appropriation
- 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; *relieves State of obligation to pay prior year accrued reimbursements*
- Local Disparity Grants – establishes a cap for the program at the 2010 level of \$121.4 million

- 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

Rate Restrictions

- Group Homes – for 2010, prohibits Interagency Rates Committee from paying rates higher than those in effect as of January 21, 2009
- Nonpublic Special Education Placements – for fiscal 2010, limits increase to providers to 1% over rates in effect as of January 21, 2009

Local Payments and Revenue Reductions

- 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
- Reduces distribution of Highway User Revenues (HUR) through the formula allocation by \$101.9 million in 2010 and 2011, *while establishing Baltimore City's share at 10.8% and reducing the impact on municipalities by \$8.0 million*, and further reduces HUR distributions to Baltimore City and the counties by \$60.0 million in 2010 based on wealth and local tax effort
- *Reduces distribution of Highway User Revenues provided to the counties and municipalities to 28.5% beginning in 2012*
- *Prince George's County Public Schools – contingent on the failure of HB 960 and on the Board of Education proceeding with the purchase or lease of a new administration building, reduces Foundation Aid by \$36 million in fiscal 2010*
- Reduces Education and Library Aid formulas to correct for overpayments due to wealth calculation error; State reduces payments in 2010 to counties that received 2009 overpayment; resulting overpayment of 2010 Supplemental Grants will be recouped in fiscal 2011; *technical clarifying amendment*

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
- Medicaid – authorizes use of hospital assessment on averted uncompensated care for hospital payments; contingent general fund reduction of \$9.0 million
- 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
- 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
- Medicaid – authorizes use of *\$53.5 million from the Health Care Coverage Fund* for general Medicaid purposes
- Community and Family Health – authorizes use of AIDS drug rebates for the Maryland AIDS Insurance Assistance Program

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
- Waterway Improvement Fund – authorizes up to \$750,000 to be used for administrative expenses directly related to the fund in DNR
- 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
- 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 up to 50.0% and reduce the amount for renewable energy and outreach from up to 10.5 to at least 6.5% and for administration from up to 3.5 to up to 3.0%;

contingent general fund reduction of \$35.6 million in Department of Human Resources Office of Home Energy Programs; *technical clarifying amendment*

- State Used Tire Fund – authorizes the Maryland Department of the Environment to use up to 50.0% of the State Used Tire Cleanup and Recycling Fund revenue for operations
- Bay Restoration Fund Septic Account – increases the percentage of the revenue from the fee on septic system users that is directed to the cover crop program in fiscal 2010

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
- Maryland School for the Deaf – for fiscal 2010, authorizes use of the Universal Service Trust Fund; clarifies that these special funds would be included in the base budget for the calculation of the 2011 allowance
- Fair Campaign Financing Fund – *authorizes transfer of \$2.0 million to the Major Information Technology Development Fund to be used in lieu of general funds for the purchase of a new Optical Scan Voting System and establishes that a minimum of \$1.0 million must remain in the fund*

Special and General Fund Revenue Actions

- Drinking Driver Monitor Program – increases monthly fee from \$45 to \$55 and removes sunset
- Maryland-mined Coal Tax Credit – *limits credits to \$4.5 million through calendar 2012, \$6.0 million for 2013 and 2014, and \$3.0 million for 2015 through 2020*
- Lottery Agent Commissions – reduces commission from 5.5 to 5.0% *for three years*
- *Higher Education Investment Fund (HEIF) – reauthorizes the fund, using the same proportion of corporate income taxes, for fiscal 2010 only, authorizes that the HEIF can be appropriated to research institutes, clarifies that the distribution of the corporate income taxes to the HEIF be made irrespective of the taxable*

year for which the revenues are received; and expresses intent that the HEIF be made permanent when fiscally prudent to do so

Transfers to the General Fund – Fiscal 2009

Local Income Tax Reserve	\$366,778,631
Dedicated Purpose Account	73,000,000
Program Open Space – Bond Fund Prior Land Purchases	71,300,000
<i>Program Open Space – Unencumbered Balance</i>	<i>70,000,000</i>
State Police Helicopter Fund	52,700,000
<i>University System of Maryland Fund Balance</i>	<i>29,000,000</i>
Injured Workers’ Insurance Fund Reserve	28,000,000
Maryland Trauma Physician Services Fund	17,000,000
Community Health Resources Commission Fund	12,100,000
State Insurance Trust Fund	10,000,000
Unemployment Compensation Fund	10,000,000
Maryland Automobile Insurance Fund Uninsured Account	7,000,000
<i>Maryland Economic Development Assistance Fund</i>	<i>6,000,000</i>
Central Collection Unit	5,000,000
Sunny Day Fund	5,000,000
Universal Service Trust Fund	5,000,000
Board of Physicians Fund	3,200,000
Used Tire Cleanup Fund	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
Insurance Regulation Fund	1,605,035
Vehicle Theft Prevention Fund	1,000,000
School Bus Safety Enforcement Fund	900,000
Board of Nursing Fund	500,000
Special Administrative Fund (Assessments and Taxation)	435,721
Small Business Pollution Compliance Loan Fund	277,785

- *Program Open Space – transfers \$70.0 million from the unencumbered balances of State land acquisition account*

Transfers to the General Fund – Fiscal 2010

Local Highway User Revenues	\$161,920,000
<i>Program Open Space and Ag. Land Preservation</i>	<i>30,971,139</i>
Central Collection Unit	10,000,000
Catastrophic Event Fund	7,398,109
<i>Maryland Economic Development Assistance Fund</i>	<i>6,000,000</i>

- *Program Open Space – transfers \$31.0 million to the general fund contingent on the authorization of general obligation bonds in an equal amount and reduces the 2010 appropriation for Rural Legacy, State POS Capital Improvements, and Agricultural Land Preservation Foundation*

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 \$55.0 million in 2010 and \$156,913,000 in 2011*
- Program Open Space Contingency Fund – increases the cap on the contingency fund from \$250,000 to \$1.0 million
- Program Open Space Eligibility – amends statute to clearly state that museums operated by the Maryland Historical Trust and Historic St. Mary’s City are eligible recipients of capital project funding from the State share of Program Open Space
- Program Open Space – for three years, establishes framework and authority to use bonds in place of transfer tax revenues for capital-eligible programs
- Program Open Space (POS) – authorizes the transfer of \$71.3 million in POS funds for recent land purchases contingent on the authorization of general obligation bonds for the same purpose.

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

- Fiscal 2009 Small Business Insurance Partnership Initiative – withdraws appropriation of \$13.5 million of unspent funds for employer health insurance subsidy program
- 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 related to the earned income tax credit, tax paid on unemployment compensation, and vehicle sales/excise tax; *extends decoupling into 2012 for corporate income tax provision related to cancellation of debt*
- *Central Collection Fund – creates an automatic sweeper mechanism whereby balances in excess of 10% of the upcoming year's budget for the Central Collection Unit are transferred to the general fund*

Other Provisions

- Statewide Human Resource Management Technology Fund – requires the Administration to establish a mechanism for fiscal 2011, 2012, and 2013 to allocate the costs of a new human resource management information technology system to all State agencies based on the number of authorized positions in each agency
- Maintenance of Effort – extends the deadline and sets an expedited review period for counties to apply to the State Board of Education for a fiscal 2010 temporary or partial waiver from maintenance of effort requirements for funding public education; counties are authorized to modify or withdraw and replace an application submitted before April 1, 2009; *modifies the Education Article to require that, for any county which receives a waiver, maintenance of effort calculations for the next fiscal year would be based on the greater of the two prior years*
- *Commission to Develop the Maryland Model for Funding Higher Education – adds intent language that the General Assembly adopt the recommendation when fiscally prudent to do so, requires the Maryland Higher Education Commission to incorporate the recommendations of the commission into the updated State Plan for Higher Education, and implement the recommendations that do not require legislation*
- 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

- 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
- Department of Juvenile Services (DJS) Federal Title IV-E – amends statute to clarify that the Department of Human Resources (DHR) may supervise DJS' determination of Title IV-E eligibility and claims; *that DJS and DHR can share information as necessary to administer the IV-E program*; and any federal funds recouped are directed to the general fund
- 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
- Employee Retirement – salary lost due to furlough or other temporary salary reduction is included as earnable compensation for retirement benefits and contribution purposes
- 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

Senate Provisions Stricken by the Conference Committee

- *School Construction – for fiscal 2010, \$50.5 million of the Foundation Program (the equivalent of funding to increase payments under the Geographic Cost of Education Index component from 60 to 100%) may only be used for school construction projects approved by the Interagency Committee on School Construction and the Board of Public Works*
- *Requires counties to pay 50% of real and business personal property valuation and assessment information technology for two years*
- *Requires counties to pay 25% of the costs of circuit court law clerks for two years*
- *Court of Appeals Building – prohibits the Judiciary from using funds available in its 2009, 2010, or 2011 operating budget for renovations to the Court of Appeals Building in Annapolis*