
PAYGO Overview

**Department of Legislative Services
Office of Policy Analysis
Annapolis, Maryland**

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Note: Numbers may not sum to total due to rounding.

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Fiscal 2004 Capital PAYGO Program

The fiscal 2004 proposed Capital PAYGO Program totals nearly \$1.3 billion.

- \$1.1 billion (or 84%) is for transportation. Non-transportation capital needs account for \$203 million or 16% of the available PAYGO funds.
- Over half (57%) of the 2004 total PAYGO funds – \$737 million – derives from a federal source and is proposed for the transportation program (\$677 million).
- General funds represent only 1% of the total available PAYGO. The proposed \$13 million in general funds are for programs in the Department of Business and Economic Development (DBED) and the Technology Development Corporation (TEDCO). These programs do not directly fund a capital improvement but instead support efforts to encourage private investment in industry development.
- Nearly 76% of the PAYGO special funds budgeted for 2004 are Transportation Trust Fund revenues. The remaining \$130 million mostly represent revolving funds from the financing programs administered by the Maryland Energy Administration, Department of Housing and Community Development (DHCD), DBED, and the Maryland Department of Environment. These funds are both loan repayments and investment income and earnings.

Fiscal 2004 PAYGO Program Compared to Fiscal 2003

The fiscal 2004 proposed PAYGO Program is \$245 million less (16%) than the \$1.5 billion authorized in fiscal 2003.

- Due to the proposed contingent transfers of special funds to the general fund included in the 2004 budget bill, the actual fiscal 2003 PAYGO program is expected to be adjusted downward to about \$1.4 billion or a net of \$150 million less than originally authorized. Also, impacting the actual fiscal 2003 PAYGO program is a reduction in available federal funds for the Woodrow Wilson Bridge.
- The 2004 PAYGO program is about 8% smaller than the adjusted fiscal 2003 PAYGO program. The 2004 program consists of \$37 million in general funds and \$115 million in special funds.
- A number of capital programs funded with general funds in fiscal 2003, particularly in DHCD, have been moved into the capital bond program. Also, about half of the reduction in special fund PAYGO between 2003 and 2004 is due to the proposed transfer to the general fund of transfer tax revenues. It also reflects that the 2004 proposed program does not make use of the dedicated purpose funds for capital, as occurred in fiscal 2003 (\$22 million).

PAYGO Overview

**PAYGO – All Funds
Comparison by Agency**

<u>Department</u>	<u>Fiscal 2003 ²Legislative Appropriation</u>	<u>¹Fiscal 2004 Allowance</u>	<u>Change</u>	<u>% Change</u>
Energy Administration	\$1,000,000	\$2,000,000	\$1,000,000	100.0
General Services	1,700,000	300,000	-1,400,000	-82.4
Education	15,936,000	2,400,000	-13,536,000	-84.9
Military	2,547,000	0	-2,547,000	-100.0
Canal Place	1,075,000	0	-1,075,000	-100.0
Natural Resources	42,034,291	15,538,000	-26,496,291	-63.0
Agriculture	13,325,374	17,515,000	4,189,626	31.4
Public Safety and Correctional Services	3,441,000	2,100,000	-1,341,000	-39.0
Higher Education	15,338,000	0	-15,338,000	-100.0
Housing and Community Development	47,365,000	33,474,000	-13,891,000	-29.3
Business and Economic Development	56,875,000	54,975,000	-1,900,000	-3.3
Technology Development Corporation	3,000,000	2,000,000	-1,000,000	-33.3
Environment	59,550,000	72,835,000	13,285,000	22.3
Labor, Licensing, and Regulation	1,400,000	0	-1,400,000	-100.0
Local Projects	2,500,000	0	-2,500,000	-100.0
Total	\$267,086,665	\$203,137,000	-\$63,949,665	-23.9
Transportation ³	1,130,000,000	1,085,000,000	-45,000,000	-4.0
Grand Total	\$1,397,086,665	\$1,288,137,000	-\$108,949,665	-7.8

¹Reflects the proposed contingent transfer to the general fund of 2004 transfer tax revenues, including the overattainment, and the substitution of bond funding for general fund PAYGO programs.

²Does not reflect the proposed contingent transfer of the following fund balances from fiscal 2003:

DHCD – \$2 million Homeownership program

DBED – \$8 million One Maryland, MCAFF, MSBDFA, Enterprise MEDAF

Does reflect the proposed contingent transfer of the following fund balances from fiscal 2003:

DNR – \$8 million Waterway Improvement

POS – \$3 million State program

MDA – \$10 million Agricultural Land Preservation

³ Reflects the proposed contingent transfer to the general fund of \$150 million from the Transportation Trust Fund in fiscal 2003 and 2004 and a reduction in the federal funds for the Woodrow Wilson Bridge.

PAYGO Overview

**General Fund PAYGO
Comparison by Agency**

<u>Department</u>	Fiscal 2003 ² <u>Legislative</u> <u>Appropriation</u>	¹ <u>Fiscal 2004</u> <u>Allowance</u>	<u>Change</u>	<u>%</u> <u>Change</u>
Education	\$3,000,000	\$0	-\$3,000,000	-100.0
Canal Place	1,075,000	0	-1,075,000	-100.0
Natural Resources	1,575,000	0	-1,575,000	-100.0
Housing and Community Development	14,595,000	0	-14,595,000	-100.0
Business and Economic Development	16,880,000	10,975,000	-5,905,000	-35.0
Technology Development Corporation	3,000,000	2,000,000	-1,000,000	-33.3
Environment	8,950,000	0	-8,950,000	-100.0
Local Projects	500,000	0	-500,000	-100.0
Total	\$49,575,000	\$12,975,000	-\$36,600,000	-73.8
Transportation	0	0	0	0.0
Grand Total	\$49,575,000	\$12,975,000	-\$36,600,000	-73.8

¹ Reflects the substitution of bond funding for general fund PAYGO programs.

² Does not reflect the proposed contingent transfer of the following fund balances from fiscal 2003:

DHCD – \$2 million Homeownership program

DBED – \$8 million One Maryland, MCAFF, MSBDFA, Enterprise MEDAF

PAYGO Overview

**Special Fund PAYGO
Comparison by Agency**

<u>Department</u>	<u>Fiscal 2003</u> ² <u>Legislative</u> <u>Appropriation</u>	¹ <u>Fiscal 2004</u> <u>Allowance</u>	<u>Change</u>	<u>%</u> <u>Change</u>
Energy Administration	\$1,000,000	\$2,000,000	\$1,000,000	100.0
General Services	1,700,000	300,000	-1,400,000	-82.4
Education	2,400,000	2,400,000	0	0.0
Natural Resources	38,459,291	13,438,000	-25,021,291	-65.1
Agriculture	13,325,374	14,015,000	689,626	5.2
Public Safety and Correctional Services	3,441,000	0	-3,441,000	-100.0
Higher Education	15,338,000	0	-15,338,000	-100.0
Housing and Community Development	18,011,000	18,608,000	597,000	3.3
Business and Economic Development	39,995,000	44,000,000	4,005,000	10.0
Environment	50,600,000	35,212,000 ³	-15,388,000	-30.4
Labor, Licensing, and Regulation	1,400,000	0	-1,400,000	-100.0
Local Projects	2,000,000	0	-2,000,000	-100.0
Total	\$187,669,665	\$129,973,000	-\$57,696,665	-30.7
Transportation	465,000,000	408,000,000	-57,000,000	-12.3
Grand Total	\$652,669,665	\$537,973,000	-\$114,696,665	-17.6

¹ Reflects the proposed contingent transfer to the general fund of 2004 transfer tax revenues, including the overattainment, and the substitution of bond funding for general fund PAYGO programs.

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DHCD – \$2 million Homeownership program

DBED – \$8 million One Maryland, MCAFF, MSBDFFA, Enterprise MEDAF

Does reflect the proposed contingent transfer of the following fund balances from fiscal 2003:

DNR – \$8 million Waterway Improvement

POS – \$3 million State program

MDA – \$10 million Agricultural Land Preservation

³ Reflects a change in MDE's accounting method wherein federal funds are no longer reported as special funds.

PAYGO Overview

**Federal Fund PAYGO
Comparison by Agency**

<u>Department</u>	Fiscal 2003 <u>Legislative</u> <u>Appropriation</u>	Fiscal 2004 <u>Allowance</u>	<u>Change</u>	<u>%</u> <u>Change</u>
Education	\$10,536,000	\$0	-\$10,536,000	-100.0
Military	2,547,000	0	-2,547,000	-100.0
Natural Resources	2,000,000	2,100,000	100,000	5.0
Agriculture	0	3,500,000	3,500,000	0.0
Public Safety and Correctional Services	0	2,100,000	2,100,000	0.0
Housing and Community Development	14,759,000	14,866,000	107,000	0.7
Environment ¹	0	37,623,000	37,623,000	0.0
Total	\$29,842,000	\$60,189,000	\$30,347,000	101.7
Transportation ²	665,000,000	677,000,000	12,000,000	1.8
Grand Total	\$694,842,000	\$737,189,000	\$42,347,000	6.1

¹ Reflects a change in MDE's accounting method wherein federal funds are no longer reported as special funds.

² Reflects the reduction in federal funds available for the Woodrow Wilson Bridge.

PAYGO Overview

Fiscal 2003 PAYGO – Adjusted Legislative Appropriation¹

<u>Department Project</u>	<u>General</u>	<u>Special</u>	<u>Federal</u>	<u>Total</u>
Energy Administration				
State Agency Loan Program	\$0	\$1,000,000	\$0	\$1,000,000
General Services				
Capital Facilities Renewal	0	300,000	0	300,000
Annapolis Complex – Security	0	1,400,000	0	1,400,000
Education				
Public School Construction Program	3,000,000	2,400,000	10,536,000	15,936,000
Canal Place				
Canal Place Improvements	1,075,000	0	0	1,075,000
Military				
Salisbury Organizational Maintenance Shop	0	0	2,547,000	2,547,000
Natural Resources				
Ocean City Beach Maintenance – Local Share	0	1,000,000	0	1,000,000
POS Capital Development Projects ²	0	858,659	0	858,659
POS Land Acquisition and Local Program	0	27,037,203	2,000,000	29,037,203
Waterway Improvement Program ²	0	3,200,000	0	3,200,000
Rural Legacy Program	0	6,363,429	0	6,363,429
Oyster Restoration Program	1,575,000	0	0	1,575,000
Agriculture				
Agricultural Land Preservation Program ²	0	7,034,374	0	7,034,374
Tobacco Transition Program	0	6,291,000	0	6,291,000
Public Safety and Correctional Services				
Hagerstown Central Kitchen	0	3,441,000	0	3,441,000
Higher Education				
UMBC: Public Policy Institute	0	15,338,000	0	15,338,000
Housing and Community Development				
				0
Rental Housing Programs	7,061,000	4,939,000	4,700,000	16,700,000
Special Loan Programs	4,753,000	4,747,000	1,629,000	11,129,000
Community Development Block Grant	0	0	8,330,000	8,330,000
Homeownership Programs	2,781,000	4,719,000	100,000	7,600,000
Neighborhood Business Development Program	0	3,356,000	0	3,356,000
Maryland Historical Trust Revolving Loan Fund	0	250,000	0	250,000

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<u>Department Project</u>	<u>General</u>	<u>Special</u>	<u>Federal</u>	<u>Total</u>
Business and Economic Development				
Md. Economic Development Assistance Fund	\$2,000,000	\$30,000,000	\$0	\$32,000,000
Md. Small Business Development	2,080,000	6,095,000		8,175,000
One Maryland Fund	7,500,000	200,000	0	7,700,000
Enterprise Investment Fund	4,500,000	0	0	4,500,000
Challenge Investment Program	0	2,000,000	0	2,000,000
Md. Competitive Advantage Financing Fund	800,000	200,000	0	1,000,000
Md. Economic Adjustment Fund	0	1,500,000	0	1,500,000
Technology Development Corporation				
Technology Development Investment Fund	3,000,000	0	0	3,000,000
Environment				
				0
Water Quality Revolving Loan Fund	6,434,000	40,000,000	0	46,434,000
Drinking Water Revolving Loan Fund	1,816,000	10,600,000	0	12,416,000
Hazardous Substance Cleanup	700,000	0	0	700,000
Labor, Licensing, and Regulation				
Eastern Shore Regional claims Center	0	1,400,000	0	1,400,000
Local Projects				
East Baltimore Biotechnology Park	0	2,000,000	0	2,000,000
Ripken Stadium and & Youth Academy	500,000	0	0	500,000
				0
Total	49,575,000	187,669,665	29,842,000	267,086,665
Transportation	0	465,000,000	665,000,000	1,130,000,000
Grand Total	\$49,575,000	\$652,669,665	\$694,842,000	\$1,397,086,665

¹Does not reflect the proposed contingent transfer of the following fund balances from fiscal 2003:

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Reflects the proposed contingent transfer to the general fund of \$150 million from the Transportation Trust Fund in fiscal 2003 and a reduction in the federal funds available for the Woodrow Wilson Bridge.

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Fiscal 2004 PAYGO – Allowance¹

<u>Department Project</u>	<u>General</u>	<u>Special</u>	<u>Federal</u>	<u>Total</u>
Energy Administration				
State Agency Loan Program	\$0	\$1,000,000	\$0	\$1,000,000
Community Energy Loan Program	0	1,000,000	0	1,000,000
General Services				
Capital Facilities Renewal	0	300,000	0	300,000
Education				
Public School Construction Program	0	2,400,000	0	2,400,000
				0
Natural Resources				
Ocean City Beach Maintenance – Local Share	0	1,000,000	0	1,000,000
POS Capital Development Projects	0	4,524,000	0	4,524,000
POS Land Acquisition and Local Program	0	3,414,000	2,000,000	5,414,000
Waterway Improvement Program	0	4,000,000	100,000	4,100,000
Shore Erosion Control Loan Program	0	500,000	0	500,000
				0
Agriculture				
Agricultural Land Preservation Program	0	8,975,000	3,500,000	12,475,000
Tobacco Transition Program	0	5,040,000	0	5,040,000
Public Safety and Correctional Services				
North Branch Correctional Institution	0	0	2,100,000	2,100,000
				0
Housing and Community Development				
Rental Housing Programs	0	5,021,000	5,166,000	10,187,000
Special Loan Programs	0	5,282,000	1,200,000	6,482,000
Community Development Block Grant	0	0	8,400,000	8,400,000
Homeownership Programs	0	5,253,000	100,000	5,353,000
Neighborhood Business Development Program	0	2,802,000	0	2,802,000
Maryland Historical Trust Revolving Loan Fund	0	250,000	0	250,000
Business and Economic Development				
Maryland Economic Development Assistance Fund	0	25,500,000	0	25,500,000
Maryland Small Business Development	2,725,000	16,500,000		19,225,000
One Maryland Fund	0	500,000	0	500,000
Enterprise Investment Fund	4,500,000	500,000	0	5,000,000
Economic Development – Sunny Day Fund	3,000,000	0	0	3,000,000
Maryland Competitive Advantage Financing Fund	750,000	0	0	750,000
Maryland Economic Adjustment Fund	0	1,000,000	0	1,000,000
Technology Development Corporation				
Technology Development Investment Fund	2,000,000	0	0	2,000,000

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<u>Department Project</u>	<u>General</u>	<u>Special</u>	<u>Federal</u>	<u>Total</u>
Environment				
Water Quality Revolving Loan Fund	\$0	\$32,596,000	\$31,170,000	\$63,766,000
Drinking Water Revolving Loan Fund	0	2,616,000	6,453,000	9,069,000
Total	\$12,975,000	\$129,973,000	\$60,189,000	\$203,137,000
Transportation	\$0	\$408,000,000	\$677,000,000	\$1,085,000,000
Grand Total	\$12,975,000	\$537,973,000	\$737,189,000	\$1,288,137,000

¹Reflects the proposed contingent transfer to the general fund of 2004 transfer tax revenues, including the overattainment, and the substitution of bond funding for general fund PAYGO programs. Reflects the proposed contingent transfer to the general fund of \$150 million from the Transportation Trust Fund in fiscal 2004 and a reduction in the federal funds available for the Woodrow Wilson Bridge.