
Balancing the Budget Without New Revenues

Appendices

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

June 27, 2007

Balancing the Budget Without New Revenues
(\$ in Thousands)

	General Fund	% of	
	<u>Savings</u>	<u>Savings</u>	<u>Positions</u>
State Employee Workforce	\$246,120		0.0
Total State Employee Workforce	\$246,120	16.9%	0.0
Agencies			
Health	68,192		554.0
Human Resources	9,925		43.8
System Reform Initiative	12,000		0.0
Juvenile Services	9,300		22.0
Public Safety/Police	16,979		223.0
Higher Education	54,804		0.0
Agriculture/Natural Resources/Environment	34,372		0.0
Other Executive Agencies	92,397		130.5
Other Education	86,814		23.0
Judicial/Legislative	21,629		78.5
PAYGO	29,350		0.0
Total Agencies	\$435,762	29.9%	1,074.8
Entitlements			
Entitlements	78,700		6.0
Total Entitlements	\$78,700	5.4%	6.0
Local Aid			
County/Municipal	90,201		0.0
Community Colleges	32,168		0.0
Education/Libraries	523,295		0.0
Total Local Aid	\$645,664	44.3%	0.0
Ongoing Savings from Administration's Fiscal			
2008 Withdrawn Appropriations	\$50,000	3.4%	
Total GF Reductions	\$1,456,246	100.0%	1,080.8

Balancing the Budget Without New Revenues

(\$ in Thousands)

<u>Action</u>	<u>Impact</u>	<u>General Fund Savings</u>	<u>PINs</u>	<u>Statutory Change Required?</u>
State Employee Workforce				
Department of Budget and Management (DBM) – Personnel				
(1) Discontinue the State prescription subsidy for retirees and surviving spouses eligible for Medicare Part D.	Medicare-eligible retirees would be required to participate in the Medicare drug program and not rely on the State's plan. Like other insurance, if retirees join Medicare Part D, they will generally pay a monthly premium, which varies by plan, and a yearly deductible (between \$0 – \$265 in 2007). Medicare-eligible retirees will also pay a part of the cost of their prescriptions, including a copayment or coinsurance. Costs will vary depending on which drug plan is chosen. Some plans may offer more coverage and additional drugs for a higher monthly premium.	\$34,020		Y

	<u>Action</u>	<u>Impact</u>	<u>General Fund Savings</u>	<u>PINs</u>	<u>Statutory Change Required?</u>
(2)	No 2% across-the-board general salary increase (GSI).	May reduce competitiveness of State compensation system with federal and county governments.	62,100		N
(3)	Reduce funds budgeted to cover normal Other Postemployment Benefits costs; normal costs are liabilities for current and future benefits earned by employees in that year.	If the State prescription subsidy for retirees and surviving spouses is discontinued in favor of the Medicare Part D benefit, the State's accrued liability is substantially reduced from \$14.5 billion to \$6.8 billion, thereby reducing the annual obligation. The out-year forecast assumes \$200 million annual payment toward liability.	150,000		N
Total State Employee Workforce			\$246,120	0	
Agencies – Health					
Department of Health and Mental Hygiene (DHMH) – Administration					
(4)	Reduce staff by 10%.	Impact on administrative functions of the department. Cuts 47 positions.	1,900	47	N
(5)	Reduce contract spending by 10%.	Impact on program oversight/operations.	2,250		N

	<u>Action</u>	<u>Impact</u>	<u>General Fund Savings</u>	<u>PINs</u>	<u>Statutory Change Required?</u>
DHMH – Alcohol and Drug Abuse Administration					
(6)	Forestall implementation of new Buprenorphine initiative.	New programming (requires legislative review prior to implementation); major impact likely in Baltimore City (lesser extent Harford County/Central Maryland). An estimated 1,200 individuals would be served by this funding.	3,000		N
DHMH – Mental Hygiene Administration					
(7)	Forestall rate increases for community mental health providers.	Potential detrimental impact on the pool of providers willing to provide services.	8,600		N
(8)	Forestall provider cost-of-living adjustment on grants.	Potential detrimental impact on the services currently provided by Core Service Agencies (CSA).	900		N
(9)	As an alternative to the fee-for-service uninsured program, this population could be at least partially served through the development of a block grants program to CSAs.	Impact would depend on the number of individuals that would not be served from the program change (a \$10 million savings represents a 45% reduction).	10,000		N

<u>Action</u>	<u>Impact</u>	<u>General Fund Savings</u>	<u>PINs</u>	<u>Statutory Change Required?</u>
(10) Reduce grants to CSAs.	Total grants are about \$57.8 million (except the Administrative Services Organization contract and audit contract). Could reduce the services currently offered through the CSAs unless local or other grant support is found to backfill the reduction.	4,600		N
(11) Close Carter Center.	\$13.9 million general fund (GF) expenditure offset by loss of insurance recoveries and disproportionate share. Loss of beds (48 budgeted beds although occupancy levels have been much lower of late [37 average daily population]) would strain other acute care hospitals/State-run psychiatric hospitals absent rate changes to encourage development of beds in those hospitals. Community costs could increase. Cuts 134 positions.	12,700	134	FY 2008 budget bill language would have to be repealed

<u>Action</u>	<u>Impact</u>	<u>General Fund Savings</u>	<u>PINs</u>	<u>Statutory Change Required?</u>
(12) Regional Institutions for Children and Adolescents (RICA) – Southern.	\$6 million GF expenditure offset by loss of insurance recoveries. Community costs could increase. Loss of beds has greater regional than statewide impact. Cuts 73 positions. Potential re-use as the Department of Juvenile Services (DJS) facility would provide needed DJS treatment capacity at low cost. Prince George's County special school would need to re-locate from State-owned buildings.	1,500	73	N
(13) RICA – Gildner.	\$11.4 million GF expenditure offset by loss of insurance recoveries. Community costs could increase. Loss of beds has greater regional than statewide impact. Cuts 172 positions. Montgomery County Day School issue.	3,500	172	N

<u>Action</u>	<u>Impact</u>	<u>General Fund Savings</u>	<u>PINs</u>	<u>Statutory Change Required?</u>
(14) RICA – Baltimore.	\$10.4 million GF expenditure offset by loss of insurance recoveries. Community costs could increase. Loss of beds has greater regional than statewide impact. Cuts 128 positions. State-run school.	2,200	128	N
(15) End carve-out/re-bid carve-out by region.	Potential savings from better coordinated somatic and mental health care as well as better oversight of service utilization. For example: treatment costs of patients with certain chronic conditions and depression tend to be much higher than just the chronic condition (diabetes, more than twice the cost; asthma, almost three times the cost; and migraines, over four times the cost). Savings could come from either the mental health or Medicaid budget.	5,000		Y

	<u>Action</u>	<u>Impact</u>	<u>General Fund Savings</u>	<u>PINs</u>	<u>Statutory Change Required?</u>
DHMH – Developmental Disabilities Administration					
(16)	Forestall implementation of provider rate increase.	Potential detrimental impact on the pool of providers willing to provide services.	7,330		N
(17)	Forestall transitioning youth initiative.	Supports employment and day services for students graduating from school. Impacts about 500 individuals who would be eligible for services.	4,712		N
Total Agencies – Health			\$68,192	554	
Agencies – Human Resources					
Department of Human Resources (DHR) – Administration					
(18)	Rebid the major information technology (IT) contract that was bid in June 2006 as a sole source contract. The price of the contract went up a little less than 30%.	By rebidding this contract and splitting it up into a few smaller contracts, more vendors will be able to handle the contracts, and therefore, the competition should reduce the cost of the services.	5,000		N
(19)	Bring DHR rents in line with actual spending in 2006.	DHR's budget would be reduced to reflect the actual expenditures for rent.	2,601		N

	<u>Action</u>	<u>Impact</u>	<u>General Fund Savings</u>	<u>PINs</u>	<u>Statutory Change Required?</u>
(20)	Bring staffing level for the headquarters in line with the number of positions in fiscal 2005.	May put a strain on the administrative functions of DHR.	1,173	43.75	N
DHR – Adult and Community Services					
(21)	Eliminate State funding for the Healthy Marriage Initiative.	State support for the Healthy Marriage Initiative would be eliminated, but the program would still exist through the support of federal funds.	140		N
(22)	Delete the Young Fathers/Responsible Fathers Program. The Young Fathers/Responsible Fathers programs work with young, unwed fathers who are likely to become or are currently involved with the State's service support system.	This action deletes a preventative program that DHR views as effective. Without these services, these individuals might cost the State money through support services.	772		N
(23)	Delete the Responsible Choices Program. The Responsible Choices Program is a program focused on preventing individuals from needing support services in the future.	Without these services, these individuals might cost the State money through support services.	239		N
Total Agencies – Human Resources			\$9,925	43.75	

<u>Action</u>	<u>Impact</u>	<u>General Fund Savings</u>	<u>PINs</u>	<u>Statutory Change Required?</u>
Agencies – System Reform Initiative				
Children's Cabinet Interagency Fund (24) Eliminate new program funding for children with disabilities.	Will not provide additional funding for this population as legislation had envisioned.	12,000		Y
Total Agencies – System Reform Initiative		\$12,000	0	
Agencies – Juvenile Services				
Department of Juvenile Services (25) Forestall rate increase for per diem providers.	Potential detrimental impact on the pool of providers willing to provide services.	1,200		N
(26) Close Waxter Center.	Requires placement of delinquent girls out-of-state (maximum secure) and detained girls in existing detention facilities potentially leading to overcrowding. \$3.6 million closure savings offset by \$1 million out-of-state placement costs for delinquent youth.	2,600		N

	<u>Action</u>	<u>Impact</u>	<u>General Fund Savings</u>	<u>PINs</u>	<u>Statutory Change Required?</u>
(27)	Savings from more timely review of residential placements.	The recent closure of Bowling Brook revealed that many of the youth in residential placement at the facility were staying at the facility longer than necessary. Transfer to community-based alternatives would be more cost-effective.	1,000		N
(28)	Eliminate additional security contract at Hickey (no other facility has private security; rather they are staff-secure).	Potential impact on security, although issues have remained even with this additional security contract.	750		N
(29)	Reduce Headquarter Administrative support (Leadership Support/Office of the Secretary) by 10%.	Cuts 22 positions.	1,550	22	N
(30)	Improve federal fund (FF) attainment for community-based behavioral health services.	DJS's track record is poor; IV-E claims have fallen dramatically. Requires State Medicaid Plan amendment to qualify some expenditures as being Medicaid eligible.	1,000		N

	<u>Action</u>	<u>Impact</u>	<u>General Fund Savings</u>	<u>PINs</u>	<u>Statutory Change Required?</u>
(31)	Reduce spending per youth proposed for Cullen by 25% from \$160,000 per youth to \$120,000.	Requires readjustment in services being offered to 48 youth. Savings are phased in based on the phase-in of youth admitted to the facility in fiscal 2008. Full savings in fiscal 2009 would be \$1.92 million. Reduction would limit the programming to be offered at Cullen.	1,200		N
Agencies – Juvenile Services			\$9,300	22	
Agencies – Public Safety/Police					
Division of Correction					
(32)	Cut 200 PINs (salaries/wages).	Closing of The Maryland House of Correction results in 200 unnecessary PINs.	10,600	200	N
(33)	Reduce GF appropriation for operating expenses because of an increase in FF revenue from renegotiation of daily price for housing federal inmates at the Maryland Correctional Adjustment Center.	Little to no impact. Involves deleting general funds to be replaced by federal funds.	2,465		N

	<u>Action</u>	<u>Impact</u>	<u>General Fund Savings</u>	<u>PINs</u>	<u>Statutory Change Required?</u>
(34)	Selective release of elderly and terminal non-violent offenders.	Would place approximately 125 offenders back into the community before the end of their sentences.	500		N
(35)	Convert boot camp to regular minimum/pre-release security facility. The Department of Public Safety and Correctional Services (DPSCS) cannot prove boot camp lowers recidivism rates. The intensity of the boot camp curriculum requires more custodial staff than other pre-release facilities.	Since boot camp is an accelerated program, conversion to minimum security would result in a longer length of stay for inmates, but less custodial staff would be required.	640	16	N
Police Correctional Training Commission					
(36)	Reduce overhead costs.				
	a. Delete educational grant for Professional Development Fund.	Eliminates a grant that provides training to local and nonprofit criminal justice professionals.	100		N

<u>Action</u>	<u>Impact</u>	<u>General Fund Savings</u>	<u>PINs</u>	<u>Statutory Change Required?</u>
b. Reduce administrative positions – these account for the largest type of regular positions (33%) – with DPSCS having the Professional Development Training Division, less administration should be needed.	Seven vacant positions would be deleted.	250	7	N
c. Achieve 95% cost recovery for training and instructional programs/services provided to the public or local jurisdictions through the assessment of program-related fees.	Increases the burden on local jurisdictions and taxpayers who participate in training programs.	1,700		N
Department of State Police (37) Increase licensing fees by 25% (firearms, security guards, private detectives, etc.) for cost recovery.	Licensees would be subject to greater annual and one-time fees.	418		Y
(38) Increase fees of the State Fire Marshal for permits, licenses, fire inspection, and safety plan reviews by 25% for cost recovery.	Permit holders, licensees, and businesses would be subject to greater annual and one-time fees.	306		Y
Total Agencies – Public Safety/Police		\$16,979	223	

<u>Action</u>	<u>Impact</u>	<u>General Fund Savings</u>	<u>PINs</u>	<u>Statutory Change Required?</u>
Agencies – Higher Education				
Public Four-year Institutions of Higher Education				
(39) For the University System of Maryland (USM) and Morgan State University (MSU), provide fiscal 2008 appropriation plus additional general funds specifically for enrollment growth and one-time fiscal 2008 health insurance savings. Provide level funding for St. Mary's College of Maryland (SMCM) to account for the \$1.1 million increase over the funding formula that SMCM received over the past three years.	The long-term forecast assumes inflationary cost increases in addition to enrollment. The savings resulting from this approach equates to 2.3% of the payroll at the four-year public institutions of higher education.	54,000		Y (SMCM)
Baltimore City Community College				
(40) Reduce formula to 66% in fiscal 2009.	Returns statutory formula to pre-enhancement level of 66% from 67.25% in fiscal 2009.	804		Y
Total Agencies – Higher Education		\$54,804	0	

<u>Action</u>	<u>Impact</u>	<u>General Fund Savings</u>	<u>PINs</u>	<u>Statutory Change Required?</u>
Agencies – Agriculture, Natural Resources, and Environment				
Department of Natural Resources				
(41) Change the statute regarding Program Open Space (POS) in order to cover all GF in the budget.	To make this sustainable the funding would need to be indexed to inflation. This would result in reduction in funding for open space preservation including grants to the counties, replacing GF with SF.	16,000		Y
(42) Change the statute regarding the Waterway Improvement Fund in order to allow for the covering of administrative costs.	This statute change would allow for replacing \$6.4 million in GF with Waterway Improvement Fund dollars. This would come at the expense of the waterway improvement projects.	6,400		Y
(43) Change the critical area law to eliminate program implementation funding for local jurisdictions.	One interpretation is that this funding was intended to initiate local jurisdiction implementation and was not intended to be permanent.	703		Y
(44) Change the Forest or Park Reserve Fund statute to eliminate Payment in Lieu of Taxes for park earnings.	Counties would have to adjust budgets or raise new revenues.	2,000		Y

	<u>Action</u>	<u>Impact</u>	<u>General Fund Savings</u>	<u>PINs</u>	<u>Statutory Change Required?</u>
(45)	Change the Forest or Park Reserve Fund statute to eliminate Payment in Lieu of Taxes for forest land earnings.	Counties would have to adjust budgets or raise new revenues.	719		Y
Maryland Department of Agriculture					
(46)	Delete funding for the Maryland Agricultural and Resource-Based Industry Development Corporation.	Goes against intent of HB 2 (2006 legislative session); no loans available for resource-based industry development. However, the Department of Business and Economic Development (DBED) may be able to fund within existing resources if it reorganizes its priorities.	3,000		Y
(47)	Reduce funding for nutrient management plan development.	Farmers would be required to establish and update nutrient management plans without State assistance. There is some question of the program's effectiveness, and the existing cover crop funding (SF from the Bay Restoration Fund) is still in place.	1,230		Y

	<u>Action</u>	<u>Impact</u>	<u>General Fund Savings</u>	<u>PINs</u>	<u>Statutory Change Required?</u>
(48)	Shift burden to municipalities/ counties for purchase of insecticide for adult and larval mosquito control statewide.	If municipalities and counties do not participate, there could be an increase in the mosquito population.	270		N
(49)	Eliminate the Wine Task Force.	Not a core State service. The industry should promote itself.	150		N
Maryland Department of the Environment					
(50)	Increase flexibility for how Used Tire Cleanup and Recycling Fund is used.	A portion of the Used Tire Cleanup and Recycling Fund that is now going toward scrap tire marketing projects could be used to cover solid waste efforts currently funded by general funds.	3,000		Y
(51)	Increase air emissions-based permit per-ton fee or emissions cap for cost recovery purposes.	Increase of approximately \$1,000,000 Special Funds (SF) (to the Maryland Clean Air Fund) if either the per-ton fee is increased \$10 or if a higher facility cap were imposed.	900		Y
Total Agencies – Agriculture, Natural Resources, and Environment			\$34,372	0	

<u>Action</u>	<u>Impact</u>	<u>General Fund Savings</u>	<u>PINs</u>	<u>Statutory Change Required?</u>
Agencies – Other Executive Agencies				
Office of the Attorney General (OAG)				
(52) Eliminate Educational Affairs Division or require educational institutions to reimburse OAG for these expenses.	This action deletes 3 attorney positions (including the chief of this division) and 2 support staff positions. In total, higher education institutions have 31 assistant attorney generals (AAGs).	548	5	N
(53) Eliminate Correctional Litigation Division.	This action deletes 4 support staff positions. DPSCS' budget includes 16 AAGs.	346	4	N
Office of the Deaf and Hard of Hearing (ODHH)				
(54) Merge ODHH with Department of Disabilities (DOD).	ODHH now shares office space with DOD. Reduction leaves two PINs and interpreter fees. Reduction may result in increased efficiency.	84		N
Maryland Energy Administration (MEA)				
(55) Abolish the MEA.	There would no longer be a State energy agency.	1,151	18	Y

<u>Action</u>	<u>Impact</u>	<u>General Fund Savings</u>	<u>PINs</u>	<u>Statutory Change Required?</u>
Boards, Commissions, and Offices (56) Abolish the Governor's Office of Community Initiatives.	The impact would be minimal. This office has only been in existence since late 2004.	250	3	N
Secretary of State (57) Increase fees for various services, including notary applications, trademark registration, and condominium registration, for cost recovery purposes. Savings shown represent doubling fees from \$5 to \$10.	Impact is low. Fees are \$5 annually (or \$5 per unit under the condominium registration).	800		Y
(58) Eliminate the office's Sister States Program. The program is not a core function of the office.	The office would have fewer international exchanges. The program currently has relationships with nine sister states.	200		N
Governor's Office for Children (59) Eliminate Governor's Office for Children.	Child serving agencies will have to ensure interagency coordination.	1,541	21.5	N

<u>Action</u>	<u>Impact</u>	<u>General Fund Savings</u>	<u>PINs</u>	<u>Statutory Change Required?</u>
Department of Aging (60) Eliminate Naturally Occurring Retirement Communities (NORCs).	Beginning in fiscal 2007, the State provided funds to two NORCs to cost-effectively provide services. However, these services are redundant to other programs and the NORCs are not income eligible.	500		N
(61) Eliminate support to MAC, Inc.	This action would eliminate a long-standing grant to the lower Eastern Shore Area Agency on Aging.	132		N
Maryland Stadium Authority (62) Baltimore City Convention Center (BCCC) – Delete \$4 million in general funds provided for the BCCC operating deficit. The State's obligation to fund two-thirds of the annual deficit expires in fiscal 2008.	The convention center booked more conventions in 2006 than 2005, but it did not see an increase in revenues.	4,000		N

	<u>Action</u>	<u>Impact</u>	<u>General Fund Savings</u>	<u>PINs</u>	<u>Statutory Change Required?</u>
(63)	Ocean City Convention Center (OCCC) – Delete \$1.4 million in general funds provided for the OCCC operating deficit.	The city has received more revenues than needed from its food tax to pay its share toward the convention center; in fact, it is exploring construction of an addition to the center. Section 13.712.1 of the Financial Institutions Article requires the State to contribute one-half of the annual operating deficit.	1,400		Y
	Maryland Department of Planning				
(64)	Reduce Heritage Rehabilitation Tax Credit.	Private sector would be required to fund rehabilitation through instruments like Tax Increment Financing. The forecast assumes \$25 million. This action would leave \$10 million.	15,000		N
(65)	Eliminate Office of Smart Growth.	No Smart Growth development focus within State government.	339	5	N
(66)	Eliminate the Office of Museum Services' grants.	Small museums would receive no assistance from the State (this would include the Women's Heritage Museum).	1,510		N

<u>Action</u>	<u>Impact</u>	<u>General Fund Savings</u>	<u>PINs</u>	<u>Statutory Change Required?</u>
Military Department (67) Eliminate the Challenge Youth program.	200 students enroll in the program each year. Eliminating this program may result in a decline in military enrollments. The program is not making good progress in increasing the number of students who obtain a General Education Diploma. Would also result in the loss of \$1.7 million in federal funds.	1,100		N
Maryland Department of Veterans Affairs (68) Delete vacant positions (2.0 full-time equivalent building services worker I positions).	Buildings may not be maintained at current levels.	31	2	Y
Comptroller of the Treasury (69) Streamline the administrative structure of the Office of the Comptroller.	This would require the abolishment of several filled positions.	425	3	N
DBM – Office of Secretary (70) Consolidate the Division of Capital Budget Analysis and Formulation and the Operating Budget Division.	Analysts would perform both capital and operating duties rather than one or the other.	1,000	12	Y

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State Lottery Agency (71) Lottery retail agents are compensated for selling and cashing tickets. The Budget and Reconciliation Financing Act of 2005 authorized agent commission rates to increase from 5 to 5.5% of sales beginning in fiscal 2007. Reducing the rate back to 5% would generate about \$8 million for the general fund based on estimated fiscal 2007 sales.	The Lottery relies on approximately 1,700 agents to sell and cash its tickets.	8,030		Y
DBM – Office Information Technology (72) 10% reduction in positions.	Workload issues. Cuts 12 positions.	650	12	N
(73) Reduce contract spending by 10%.	Potential detrimental impact on statewide infrastructure (e.g., statewide financial systems, the Maryland Portal, and networkMaryland).	630		N

<u>Action</u>	<u>Impact</u>	General Fund <u>Savings</u>	<u>PINs</u>	Statutory Change <u>Required?</u>
Department of General Services (DGS) (74) Cut the deferred operating maintenance budget from \$7 million to \$4 million. By their own admission, DGS is not staffed to handle the additional work that tripling the funding for this work has created in the past two fiscal years. This reduction is linked to the item below which entails changing the procurement thresholds (this would allow for more time devoted by procurement officers to address the maintenance projects rather than additional time preparing paperwork for the Board of Public Works (BPW) approval).	The deferred operating maintenance backlog will not be reduced as fast – DGS indicates that it receives approximately \$2.4 million in new projects annually, thus at least \$2.4 million is needed just to keep pace with new projects added to the list.	2,500		N

<u>Action</u>	<u>Impact</u>	General Fund <u>Savings</u>	<u>PINs</u>	Statutory Change <u>Required?</u>
(75) Increase the small procurement threshold from \$25K to \$50K – increase the DGS procurement authority from \$200K to \$500K.	The amount of procurements that need to go to BPW for approval would be reduced – the DGS procurement threshold is much lower than the \$500K threshold for USM which has independent procurement authority. This could be used to reduce the number of DGS procurement officers (indicated in the next column) or alternatively be used to free up DGS procurement officers to better handle the work involved with the deferred maintenance backlog.	2,500		Y
(76) Eliminate DGS sworn officer force – use either DGS-funded building security officers at half the pay scale costs or privatize the service all together.	This idea was front and center in the Transition Report – there are many issues with DGS having its own independent police force (command structure – interoperability...). If security of a building is what is required, a sworn officer force is not really required.	2,500		

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(77)	Increase the authority to use capital funds to support operating expenses – the budget already provides annual boilerplate language allowing for the use of up to \$1.75 million for this purpose.	Capital dollars can be used to supplant general funds for operations but cannot authorize too high a level since there are issues with using general obligation (GO) bond funds for operations if they are not directly linked to the capital costs of a project.	500		N
(78)	Move State agencies in Baltimore City that are paying rents in excess of \$18 per square foot to the World Trade Center. The building is owned by the Maryland Port Administration. Following the decision not to sell the building, it is less than 50% occupied.	If State agencies occupied the World Trade Center, the Maryland Port Administration would not be able to rent the space to private tenants who may pay more.	1,300		N
Department of Labor, Licensing, and Regulation (DLLR)					
(79)	Delete the Russian Immigrant Program.	Two charities would lose annual grants under this program.	75		N

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(80)	Abolish 8 bank examiner positions in the Division of Financial Regulation's Banking Unit. State-regulated financial institutions have declined from 76 to 63. Further, consumer complaints against financial institutions have fallen to an annual low.	This action should allow the department enough resources to match its workload. However, to the extent that new financial institutions emerge or complaints increase significantly, resources may be strained.	380	8	N
(81)	Abolish three positions within the Governor's Workforce Investment Board to return to fiscal 2006 levels.	Workload did not increase to warrant a 40% increase in staff.	131	3	N
(82)	Increase the licensing fees of the State Athletic Commission and the Home Improvement Commission. These are the only two DLLR boards that do not cover their direct costs.	Fees on these industries would increase. This would require a statutory change Bus. Reg. 4-305, 8-308.	600		Y
(83)	Delete Summer Youth Programs. Other agencies are better equipped to administer programs aimed at youth.	Local workforce investment boards and the National Urban League would lose these funds associated with youth programs.	644		N

<u>Action</u>	<u>Impact</u>	<u>General Fund Savings</u>	<u>PINs</u>	<u>Statutory Change Required?</u>
Department of Housing and Community Development				
(84) Delete \$500,000 in Community Legacy operating grants and \$125,000 in Circuit Rider grants from the Division of Neighborhood Revitalization.	In fiscal 2007, 27 towns are receiving assistance from the Town Manager Circuit Rider program, in which local governments share technical assistance services.	630		N
Department of Business and Economic Development				
(85) Tourism Board – Delete \$7 million in general funds for the Tourism Board. More than half the states use some type of tourism-related tax to help fund their tourism budgets, and Maryland can consider this to replace the funds. Missouri and other states have a performance-based tourism revenue system.	The Tourism Board funds advertising placements and local tourism organizations. In fiscal 2007, 25 local organizations are budgeted to receive \$2 million and advertising receives \$5 million. A change in statute is required (Article 83A, Section 4-208) because funding of at least \$6 million per year is mandated.	7,000		Y

	<u>Action</u>	<u>Impact</u>	<u>General Fund Savings</u>	<u>PINs</u>	<u>Statutory Change Required?</u>
(86)	Tourism Welcome Centers – Delete general funds of \$1.4 million for welcome center administration funded through the Office of Tourism Development.	Local jurisdictions would have to fund the welcome centers if they wanted services to continue, or the centers could be funded by a tourism tax as discussed in the Tourism Board proposed action. In fiscal 2007, 13 welcome centers are budgeted to receive funds.	1,380		N
(87)	Film – Delete \$4 million for the film production rebate program. This program can compete with other projects for the Maryland Economic Development Assistance Fund special funds.	The fiscal 2007 credit of \$6.875 million funded six productions. Advocates say the film industry has significant multiplier effects on the economy.	4,000		N
(88)	Biotechnology – Delete \$6 million for the biotechnology tax credit. Nearly 90% of the fiscal 2007 credits supported only seven companies.	Maryland is trying to boost its biotechnology industry activity. The credit was issued to 121 investors supporting 20 companies in fiscal 2007. This represents 5% of the 373 biotechnology companies in the State, as listed by the June 8, 2007, web site of MD Bio (an industry group).	6,000		N

	<u>Action</u>	<u>Impact</u>	<u>General Fund Savings</u>	<u>PINs</u>	<u>Statutory Change Required?</u>
(89)	Nano-biotechnology – Delete \$2.5 million for nano-biotechnology research funds. This program only began in fiscal 2007, and there are emerging concerns about nano-manufactured materials' effects on human and environmental health. Furthermore, the funds go to university faculty, and universities may find other funds to support the research activity.	Maryland is trying to boost its biotechnology industry activity and is trying to leverage the State funds with federal funds. The fiscal 2007 funds were used for 11 faculty recruitment packages (\$1.76 million) and 5 research projects (\$740,000). Future funding would focus on research activity.	2,500		N
(90)	Minority Business – Delete \$3.4 million in general funds for the Maryland Small Business Development Financing Authority. The program can rely on its special fund revenues like the other DBED business assistance programs in the operating budget.	Maryland is trying to meet ambitious goals to help minority businesses secure contract opportunities. General funds made up \$1.4 million (13%) of the fiscal 2006 appropriation of \$10.3 million. Thirty-three businesses were assisted in fiscal 2006. In fiscal 2007 and 2008, general funds make up \$3.4 million (19%) of the \$17.9 million in appropriations.	3,400		N

	<u>Action</u>	<u>Impact</u>	<u>General Fund Savings</u>	<u>PINs</u>	<u>Statutory Change Required?</u>
(91)	Veterans Loans – Delete \$1 million for the no-interest loan program for service disabled veterans, employers of military reservists, and National Guard personnel called to active duty.	This program is set to begin in fiscal 2008. The program is funded at one-third the amount estimated by the fiscal note. Based on the fiscal note assumptions, program activity could involve about 17 service-disabled individuals receiving loans of \$10,000 and about 18 businesses receiving loans of \$50,000.	1,000		N
(92)	Workforce Development – Delete \$1 million in general funds for Partnership for Workforce Quality. This program provides grants to support worker training at small- and mid-sized manufacturing and technology companies.	In fiscal 2006, grants were awarded to 122 companies from \$1.3 million in general funds.	1,010		N

<u>Action</u>	<u>Impact</u>	General Fund <u>Savings</u>	<u>PINs</u>	Statutory Change <u>Required?</u>
(93) Arts Council – Do not increase Arts Council grants as mandated by statute beyond the fiscal 2008 appropriation of \$15.2 million in general funds. Also, delete grants for Artists in Education and grants for Individual Artists and Other Programs. The allowance for these programs was \$768,000 and \$390,000, respectively.	A change in statute is required (Finance and Procurement Article, Section 7-325). The statutorily mandated increase for fiscal 2009 general funds would be 5%. For fiscal 2006, 107 Artists in Education grants were given and 99 Individual Artists and Other Program grants were given.	1,920		Y

<u>Action</u>	<u>Impact</u>	General Fund <u>Savings</u>	<u>PINs</u>	<u>Statutory Change Required?</u>
(94) Division of Regional Development – Delete funds for the Division of Regional Development, except for the Military Affairs program, which handles federal base realignment activities. This division provides business assistance by geographic area in the Baltimore, capital, and rural regions of the State, and it administers workforce training grants. DBED would have to use other resources to offer these services or they would have to be funded by local jurisdictions. The fiscal 2008 budget for the division is \$7.6 million, of which \$646,934 is for the Military Affairs program.	The Division of Regional Development has 35 regular positions and 4.6 contractual positions, of which the Military Affairs program has 1 regular position and 2 contractual positions. The fiscal 2008 division budget for regular salaries, wages, and benefits is \$2.9 million, and the budget for contractual positions is \$359,065. The Military Affairs budget accounts for \$282,288 of the regular and contractual positions.	6,710	34	N

	<u>Action</u>	<u>Impact</u>	<u>General Fund Savings</u>	<u>PINs</u>	<u>Statutory Change Required?</u>
	Maryland Technology Development Corporation				
(95)	Delete \$450,000 in general funds for the University Technology Development Fund and \$100,000 in general funds for the University Intellectual Property Support Fund. Universities can find other fund sources for their technology transfer efforts.	In fiscal 2006, five grants were made to two public universities (University of Maryland, College Park [UMCP] and University of Maryland Baltimore County [UMBC]) from the University Technology Development Fund, and 91 patent applications were supported at four public universities (UMCP; University of Maryland, Baltimore [UMB]; UMBC; and University of Maryland Biotechnology Institute [UMBI]) from the Intellectual Property Support Fund.	550		N
(96)	Reduce stem cell research grants from \$23 million to \$15 million, bringing it to the initial year (fiscal 2007) funding level.	In fiscal 2007, the \$15 million is supporting 24 research projects: 7 grants for experienced stem cell researchers and 17 grants for those new to the field.	8,000		N
Total Agencies – Other Executive Agencies			\$92,397	130.5	

<u>Action</u>	<u>Impact</u>	<u>General Fund Savings</u>	<u>PINs</u>	<u>Statutory Change Required?</u>
Agencies – Other Education				
Maryland State Department of Education (MSDE) – Headquarters				
(97) Delay expansion of education program to Carter Youth Facility (renovation of relocatable classroom, purchase of instructional supplies, and three new PINs).	Delays expansion of MSDE-operated programs into DJS residential facilities (§22-303 of Ed. Art. requires completion of expansion by 2012). Three positions and \$188,000 would be transferred back to DJS.	693	3	N
(98) Delete 20 vacant PINs (vacant as of June 1, 2007).	Does not apply to vacancies in Division of Correctional Education (21 PINs).	794	20	N
(99) Reduce funding for Family Support Center Network by 20%.	At 25 centers, parenting and support programs for low-income parents with infants and toddlers would be reduced. Some centers could be closed and in-home outreach services eliminated. Consideration could be given to consolidating Family Support Centers with Judy Centers to combine early childhood services for children (birth to age four) in same location.	1,000		N

<u>Action</u>	<u>Impact</u>	<u>General Fund Savings</u>	<u>PINs</u>	<u>Statutory Change Required?</u>
(100) Eliminate Maryland Child Care Resource and Referral Network contract.	Twelve regional centers (156 staff) provide childcare referral services for parents and training and accreditation resources for childcare providers. MSDE may be able to fund with existing federal funds if it reorganizes priorities.	4,600		N
(101) Discontinue funding for early childhood mental health pilot program grants.	On-site mental health consultants and home visits to families of children at childcare centers at 14 pilot sites would be eliminated.	2,600		N
(102) Streamline administrative divisions at MSDE.	For example, merge Division for Leadership Development, which designs leadership programs for principals, with Division of Instruction, which oversees professional development programs.	900		N
(103) Raise fees for teacher certification applications to \$45 for cost recovery purposes. Increase would cover 95% of processing costs.	The \$10 application fee has not increased since 1987.	875		Y

<u>Action</u>	<u>Impact</u>	<u>General Fund Savings</u>	<u>PINs</u>	<u>Statutory Change Required?</u>
MSDE – Funding for Educational Organizations				
(104) Eliminate funding for State-aided Educational Institutions.	Reduces educational programs offered by 37 organizations for K-12 students.	6,500		N
Maryland Higher Education Commission				
(105) Delete several educational grants:	Institutions receiving grants for programs could absorb the cost in their base budget. Several other grants are fairly new and are enhancements that can be cut until more funding is available for such programs.	4,852		N
a. Washington Center for Internships and Academic Seminars – \$200,000				
b. UMBI, Maryland-Israeli Partnership – \$250,000				
c. Higher Education Heritage Action Committee/ IMPART – \$200,000				
d. Academy of Leadership – \$500,000				

<u>Action</u>	<u>Impact</u>	<u>General Fund Savings</u>	<u>PINs</u>	<u>Statutory Change Required?</u>
e. "Maryland Go For It!" Outreach Activities – \$100,000				
f. First Year Experience Program – \$100,000				
g. Maryland Industrial Partnerships – \$1,000,000				
h. Professional Development Schools – \$1,000,000				
i. Harry R. Hughes Center – \$81,809				
j. UMB Wellmobile Program – \$570,500				
k. Regional Higher Education Centers – \$850,000				

<u>Action</u>	<u>Impact</u>	<u>General Fund Savings</u>	<u>PINs</u>	<u>Statutory Change Required?</u>
The State would save money by having institutions fund their own respective programs out of their budgets. If institutions are unable to provide funds for these programs, then it is possible the programs will cease to exist.				
(106) Delete Sellinger Grant to private colleges and universities.	Could result in higher tuition and reduce access to private schools.	64,000		Y
Total Agencies – Other Education		\$86,814	23	
Agencies – Judicial/Legislative				
Judiciary				
(107) Reduce various operating expenses.	Reduces agencywide operating expenses such as office supplies, attendance incentives, leadership retreat, <i>etc.</i>	2,034		N
(108) Delete 76.5 judicial law clerk positions.	Reduces the judicial law clerk to judge ratio from 1:1 to 1:2. The number of judicial law clerks would be reduced from 153 to 76.5.	3,800	76.5	Y

<u>Action</u>	<u>Impact</u>	<u>General Fund Savings</u>	<u>PINs</u>	<u>Statutory Change Required?</u>
(109) Reduce funding for the Judicial Conference.	This reduction leaves \$20,000 to hold the annual conference as a day conference in Annapolis.	397		N
(110) Delete two statutory positions with long-term vacancies and amend statute requiring the Clerk of the Court of Appeals to perform the duty of the State reporter as part of his/her responsibilities.	District Court Auditor and State Reporter positions will be eliminated so that the number of positions allocated will conform to actual practice.	117	2	Y
(111) Delete grant funds to the Maryland Legal Assistance Network (MLAN).	Deletes grant funds to provide legal assistance to low-income persons. MLAN also receives grant funds from the Maryland Legal Service Corporation (MLSC). MLSC's fiscal 2008 appropriation is \$12.5 million.	250		N
(112) Delete grant funds to the Probono Resource Center (PBR).	This action deletes grant funds used to assist with coordinating volunteer legal services for low-income persons. PBR is the statewide coordinator of probono legal services. PBR also receives grants funds from MLSC.	146		N

<u>Action</u>	<u>Impact</u>	<u>General Fund Savings</u>	<u>PINs</u>	<u>Statutory Change Required?</u>
(113) Delete grant funds to the Baltimore City Criminal Justice Coordinating Council (BCCJC).	This action deletes grant funds used to identify, plan, and coordinate solutions to issues facing the Baltimore City criminal justice system. BCCJC also receives funding from the Executive Department – Boards, Commissions, and Offices. BCCJC has no alternative source of funding other than State funds.	150		N
(114) Reduce Mediation and Conflict Resolution Office (MACRO) grants.	This action reduces MACRO grants by 78%. The remaining funds support Alternative Dispute Resolution programs in the circuit and District Court, as well as evaluations and quality assurance.	1,990		N
(115) Delete grant funds to county public law libraries.	The Judiciary provides 19 grants to local counties in the amount of \$20,000/grant. These grants are used to support the law libraries' continued operations and to enhance their ability to serve the public. The Judiciary has been providing these grants to local libraries since fiscal 2003.	380		N

<u>Action</u>	<u>Impact</u>	<u>General Fund Savings</u>	<u>PINs</u>	<u>Statutory Change Required?</u>
(116) Reduce discretionary and special project grants made by Family Services Program.	This action reduces jurisdictional, discretionary, and special project grant funds. These funds are used to support various programs that enhance the experience of children and families that appear before the family court.	2,711		N
(117) Increase statutory bar examination fee from \$150 to \$400 over a three-year period for cost recovery purposes.	Chapter 389 of 1999 increased the statutory bar examination fee from \$90 to \$150. This phases in an increase over the next three fiscal years so that fees collected will be comparable to current expenditures of \$1.3 million. A fee increase to \$400 will result in bar examination fee revenues of approximately \$1.4 million (including administrative fees charged by the Judiciary).	500		Y

<u>Action</u>	<u>Impact</u>	<u>General Fund Savings</u>	<u>PINs</u>	<u>Statutory Change Required?</u>
(118) Repeal sunset provision of the Real Property Records Improvement Fund and amend the scope of the fund to include major IT projects. Fiscal 2007 and 2008 fund balances are projected to total \$55 million and \$56 million, respectively.	All GF Major IT projects will be funded via the SF resulting in a \$8 million GF savings.	7,954		Y
(119) Department of Legislative Services savings.	Reduced spending departmentwide.	1,200		N
Total Agencies – Judicial/Legislative		\$21,629	78.5	
Agencies – Pay-as-you-go (PAYGO)				
DBM – Public Safety Communications System				
(120) Transfer 9-1-1 Fund to the Maryland Emergency Medical System Operations Fund (MEMSOF) and change statute to allow MEMSOF funds to offset/ cover the cost. Up to \$38 million over four years depending on extent of fund balance/willingness to raise fees to cover costs.	Need to amend statute to transfer 9-1-1 funds to MEMSOF and make the Public Safety Communications System an eligible use. Section 13-955 of the Transportation Article.	9,500		Y

<u>Action</u>	<u>Impact</u>	<u>General Fund Savings</u>	<u>PINs</u>	<u>Statutory Change Required?</u>
Department of Housing and Community Development PAYGO (121) Delete Community Legacy PAYGO general funds and replace them with GO bond funds or with no funds.	Per the 2007 <i>Capital Improvement Program</i> (CIP), this action would save \$8 million in general funds in fiscal 2009. However, over the long-term, the State would pay more than \$8 million if GO bonds are used instead. For fiscal 2007, 73 projects received \$6 million in grants and loans averaging \$82,000 each. In fiscal 2006, 55 projects received \$5 million in grants and loans averaging \$91,000 each. The program is budgeted to receive \$6.5 million in new funds in fiscal 2008.	8,000		N

<u>Action</u>	<u>Impact</u>	<u>General Fund Savings</u>	<u>PINs</u>	<u>Statutory Change Required?</u>
(122) Delete Homeownership Program PAYGO general funds and replace them with GO bond funds or with no funds. This program operates primarily with special funds.	Per the 2007 CIP, this action would save \$900,000 in general funds in fiscal 2009. However, over the long-term, the State would pay more than that amount if GO bonds are used instead. This program had \$18 million in grant and loan encumbrances in fiscal 2006 and is projected to have \$15.6 million in these encumbrances in 2007 and \$7.6 million in 2008.	900		N
(123) Delete Rental Housing PAYGO general funds and replace them with GO bond funds or with no funds. This program operates primarily with special funds.	Per the 2007 CIP, this action would save \$6.05 million in general funds in fiscal 2009. However, over the long-term, the State would pay more than this amount if GO bonds are used instead. This program had \$15.6 million in loan encumbrances in fiscal 2006 and is projected to have \$26.2 million in these encumbrances in 2007 and \$16.8 million in 2008.	6,050		N

<u>Action</u>	<u>Impact</u>	General Fund <u>Savings</u>	<u>PINs</u>	Statutory Change <u>Required?</u>
(124) Delete Special Loan PAYGO general funds and replace them with GO bond funds or with no funds. This program operates primarily with special funds.	Per the 2007 CIP, this action would save \$900,000 in general funds in fiscal 2009. However, over the long-term, the State would pay more than this amount if GO bonds are used instead. This program had \$10.2 million in loan encumbrances in fiscal 2006 and is projected to have \$10 million in these encumbrances in 2007 and \$8 million in 2008.	900		N

<u>Action</u>	<u>Impact</u>	<u>General Fund Savings</u>	<u>PINs</u>	<u>Statutory Change Required?</u>
Department of Business and Economic Development PAYGO				
(125) Rural Broadband – Delete \$4 million in rural broadband general funds. Funds could be transferred from MEDAF to offset the reduction. The estimated cost for Phase I start-up of the project is \$350,000, and the estimated cost for Phase II is \$10.6 million; there also will be a Phase III. The project is budgeted to receive \$6 million in State funds through fiscal 2008, and it has received \$1.84 million in federal funds.	Maryland is trying to leverage the State funds with federal funds. A change in statute is required (Chapter 269 of 2006) because \$4 million is mandated for fiscal 2009.	4,000		Y
Total Agencies – PAYGO		\$29,350	0	
Entitlements				
Department of Assessments and Taxation				
(126) Abolish the renter's tax credit program. This would require a statutory change to Section 9-102 of the Tax-Property Article.	Approximately 11,000 low-income renters receive a credit in the average amount of \$275 annually.	3,000		Y
(127) Abolish positions related to the renter's tax credit program.	There are currently six PINs associated with this program.	200	6	

<u>Action</u>	<u>Impact</u>	<u>General Fund Savings</u>	<u>PINs</u>	<u>Statutory Change Required?</u>
DHMH – Medical Care Programs (128) No rate increases for community-based providers.	This action would eliminate rate increases for providers of medical day care, Living at Home Waiver, Waiver for Older Adults, home health, private duty nursing, and personal care.	8,000		N
(129) Eliminate bonus payment to managed care organizations (MCOs) operating statewide.	Would impact MCOs operating in 20 or more jurisdictions.	4,800		N
(130) Maximize cost shift to nursing home assessment.	Increasing the nursing home assessment may adversely impact nursing facilities serving only a few Medicaid patients, while the action benefits those nursing facilities serving a disproportionate share of Medicaid patients.	10,000		N
(131) No rate increase for nursing homes.	This action deletes rate increases for nursing homes providing services to Medicaid enrollees.	20,000		N

<u>Action</u>	<u>Impact</u>	<u>General Fund Savings</u>	<u>PINs</u>	<u>Statutory Change Required?</u>
(132) Include atypical antipsychotic drugs in preferred drug list process.	It would take approximately three months for implementation of adding atypical antipsychotic drugs on the preferred drug list.	2,000		N
(133) Apply 2% premium to all non-exempt enrollees.	The increased cost-sharing could result in fewer Medicaid enrollees and a reduction in medical services.	18,700		N
(134) Cap number of brand name drugs per month at four.	Medicaid enrollees will have more incentive to get generics rather than the brand name when there are generic options.	2,000		N
(135) Carve-out Medicaid Rx from MCOs.	There would be some administrative costs related to carving-out the pharmacy services from MCOs and having DHMH purchase prescription drugs for all Medicaid enrollees rather than just the mental health and fee-for-service enrollees (as is done currently).	10,000		N
Total Entitlements		\$78,700	6	

<u>Action</u>	<u>Impact</u>	<u>General Fund Savings</u>	<u>PINs</u>	<u>Statutory Change Required?</u>
Local Aid – County/Municipal				
State Aid to Local Governments				
(136) Eliminate the Electric Utility Generating Property Tax Grant.	Funds go into the counties' general fund. Counties would have to adjust budgets and/or raise revenues.	30,615		Y
(137) Freeze growth in the disparity grant formula.	Funds go into the counties' general fund. Counties would have to adjust budgets and/or raise revenues.	8,609		Y
(138) Eliminate the city share of security interest filing fees.	Funds go into the city's general fund.	2,984		Y
(139) Freeze growth in the local health formula.	Represents 4% of State aid to local health departments.	2,662		Y

<u>Action</u>	<u>Impact</u>	General Fund <u>Savings</u>	<u>PINs</u>	<u>Statutory Change Required?</u>
Boards, Commissions, and Offices (140) Reduce general fund crime control and prevention grants to fiscal 2006 levels.	The office would be required to award fewer or reduced grants funded by general funds and will have to rely more heavily on federal awards. The general fund grants most affected by the action would be the Baltimore City Violent Crime Control grant and the Sex Offender Compliance and Enforcement grant.	1,543		N

<u>Action</u>	<u>Impact</u>	<u>General Fund Savings</u>	<u>PINs</u>	<u>Statutory Change Required?</u>
Department of State Police (141) Delete all grants under the State Aid for Police Protection except for the Municipal Sworn Officer Grant. Expand the sworn officer grant to county officers.	In fiscal 2006, the grants (minus the municipal sworn office grant) totaled 5.3% of local aggregate law enforcement expenditures. Local governments would have to adjust budgets and/or raise revenues. The county most reliant on the program is Allegany, with 9.1% of its fiscal 2006 expenditures funded by the grant. The least reliant jurisdiction is Worcester County at 1.9%.	43,788		Y
Total Local Aid – County/Municipal		\$90,201	0	
Local Aid – Community Colleges Cade Formula and Fringe Benefits (142) Reduce Cade formula to 25% in fiscal 2009.	Returns formula to pre-enhancement level of 25% from 26.25% in fiscal 2009.	10,105		Y

<u>Action</u>	<u>Impact</u>	<u>General Fund Savings</u>	<u>PINs</u>	<u>Statutory Change Required?</u>
(143) Delete aid to small colleges.	Eliminates unrestricted grants provided to seven community colleges; the Cade formula contains a size factor component that provides funding for small community colleges.	3,600		Y
(144) Reduce State's share of retirement costs to 50%.	State currently pays 100% of retirement costs for community college faculty.	18,463		Y
Total Local Aid – Community Colleges		\$32,168	0	
Local Aid – Education/Libraries				
BPW – Interagency Committee for School Construction				
(145) Eliminate Aging Schools Program (ASP) – The base used for Bridge to Excellence Foundation aid includes cost of maintenance and renovation projects similar to ASP projects.	Fewer renovation/repair projects will be completed in schools. Some projects may qualify for State capital funds as "limited renovation" projects. Local school systems will need to absorb costs or delay projects.	11,045		Y
MSDE – Aid to Education				
(146) Nonpublic Placement Program – Change State/local cost share formula from 80%-20% to 75%-25%.	Shifts costs to local school systems which may give incentive to scrutinize services more closely at the local level.	7,783		Y

<u>Action</u>	<u>Impact</u>	<u>General Fund Savings</u>	<u>PINs</u>	<u>Statutory Change Required?</u>
(147) Eliminate County Library Capital Project Grant Program for which funding was established in fiscal 2008.	Shifts funding for library capital projects back to counties after one year of State participation. In April 2007, the State Board of Education approved \$2.25 million for 22 projects.	5,000		Y
(148) Public Library Program – Freeze phased in increases of per capita funding amount for libraries at fiscal 2007 level (\$13); same treatment for regional resource centers at fiscal 2007 level (\$5.50).	Limits acquisitions for collections, library hours, and special programs for county public libraries and regional resource centers.	6,754		Y
(149) Eliminate programs with designated funding apart from Bridge to Excellence formulas. This change is consistent with Bridge to Excellence legislation's intent to replace State aid for separate programs with formula aid distributed to local school systems, which they can spend on programs they choose.	Local school systems may direct Foundation aid or Compensatory Education aid to any affected programs to continue funding those considered to be local priorities.			

<u>Action</u>	<u>Impact</u>	<u>General Fund Savings</u>	<u>PINs</u>	<u>Statutory Change Required?</u>
a. Science and Math Initiative.	Halts expansion of Science, Technology, Engineering, and Math academies, and reduces professional development opportunities for science and math teachers.	2,490		N
b. Environmental Education Program at NorthBay.	Title I, local school system, and private funds contribute to student participation costs. In fiscal 2007, approximately 8,000 students participated in the five-day program.	1,700		N
c. School Breakfast Pilot Program.	Leaves breakfast program for Free and Reduced Priced Meals students in place. In schools with the pilot program, breakfast would no longer be provided for the entire student body. Consideration could be given to designating \$3.1 million in Compensatory Education aid for the pilot.	3,132		N

<u>Action</u>	<u>Impact</u>	<u>General Fund Savings</u>	<u>PINs</u>	<u>Statutory Change Required?</u>
d. School-based Health Centers.	Reduction in scope of health services available to students in 64 schools in 11 school systems.	2,875		N
e. Summer Centers.	Elimination of 17 summer programs for gifted and talented students.	460		N
f. Teacher of Year Awards.	Annual awards would no longer be given to 24 teachers.	100		N
g. Principal Fellowship Program.	Eliminates training program for principal candidates selected for placement in low-performing schools.	225		N
h. Teacher Quality Act Grants.	Eliminates National Board Certification Teacher Pilot program which is aimed at providing professional development in low-performing schools. Other professional development grants are available, including \$6.5 million in Quality Teacher Incentive grants.	320		Y

<u>Action</u>	<u>Impact</u>	<u>General Fund Savings</u>	<u>PINs</u>	<u>Statutory Change Required?</u>
i. Miscellaneous Programs.	Eliminates small programs including Destination ImagiNation, Parent Teacher Association matching grants, Share the State Fair, and the Smith Island Boat.	334		N
(150) Change calculation of Aid to Education formulas:				
a. Freeze Foundation aid for fiscal 2009 by eliminating the inflation adjustment to the formula.	To replace expected State aid, counties or school boards may raise revenues, hire fewer employees, reduce salary increases, or make other budgetary adjustments.	137,103		Y
b. Apply the Geographic Cost of Education Index (GCEI) only to the State share of Foundation aid.	The GCEI formula essentially would be wealth-equalized. The program is not currently funded but is included in the forecast.	19,990		Y

<u>Action</u>	<u>Impact</u>	General Fund <u>Savings</u>	<u>PINs</u>	Statutory Change <u>Required?</u>
c. Share retirement contributions for teachers and librarians with the counties (50% State share – 50% Local share).	The State now pays 100% of retirement costs for teachers and librarians. A 50/50 split would be consistent with other major aid programs but would have a significant impact on local budgets. This action could be phased in over several years.	323,984		Y
Total Local Aid – Education/Libraries		\$523,295	0	

**Proposed State Aid Reductions by Governmental Entity
Fiscal 2009 Estimate**

County	Education	Library	Community Colleges	Health Departments	County/Municipal	Total Reductions
Allegany	-\$4,544,197	-\$156,262	-\$1,901,301	-\$64,583	-\$1,302,356	-\$7,968,699
Anne Arundel	-42,812,323	-815,599	-3,419,871	-224,513	-13,784,299	-61,056,605
Baltimore City	-43,227,255	-1,713,073	0	-475,511	-4,649,561	-50,065,400
Baltimore	-58,902,649	-1,530,146	-4,943,282	-308,001	-8,919,363	-74,603,441
Calvert	-8,745,105	-178,136	-269,871	-26,592	-6,793,353	-16,013,057
Caroline	-2,308,276	-90,836	-239,792	-38,226	-401,171	-3,078,301
Carroll	-12,235,113	-408,389	-1,111,362	-87,835	-1,534,481	-15,377,180
Cecil	-7,148,955	-204,583	-854,200	-57,603	-798,714	-9,064,055
Charles	-10,599,269	-238,306	-1,056,891	-71,081	-3,401,382	-15,366,929
Dorchester	-2,188,677	-63,433	-183,934	-30,478	-564,826	-3,031,348
Frederick	-17,431,415	-417,720	-1,098,842	-107,932	-1,885,404	-20,941,313
Garrett	-2,489,715	-59,630	-1,125,854	-31,058	-373,649	-4,079,906
Harford	-17,176,115	-653,053	-1,394,564	-124,000	-3,162,700	-22,510,432
Howard	-34,293,316	-613,244	-1,763,851	-87,024	-3,186,095	-39,943,530
Kent	-1,714,501	-42,138	-97,460	-23,845	-158,567	-2,036,511
Montgomery	-130,677,801	-1,393,132	-6,215,598	-216,695	-16,557,393	-155,060,619
Prince George's	-64,950,275	-1,736,941	-3,101,298	-357,594	-20,679,185	-90,825,293
Queen Anne's	-3,749,574	-59,616	-285,186	-29,766	-352,966	-4,477,108
St. Mary's	-7,009,235	-192,197	-312,187	-57,769	-678,507	-8,249,895
Somerset	-1,593,702	-53,038	-109,777	-30,395	-520,671	-2,307,583
Talbot	-2,989,023	-49,058	-261,859	-23,411	-314,735	-3,638,086
Washington	-8,384,642	-289,727	-1,443,061	-98,462	-1,548,661	-11,764,553
Wicomico	-7,163,619	-175,443	-691,967	-67,531	-699,283	-8,797,843
Worcester	-5,948,224	-84,736	-283,704	-22,386	-432,630	-6,771,680
Unallocated	-6,969,298	-6,826,304	0	0	-850,000	-14,645,602
Total	-\$505,252,274	-\$18,044,740	-\$32,165,712	-\$2,662,291	-\$93,549,952	-\$651,674,969

Source: Department of Legislative Services

**Proposed State Aid Reductions – Education
Fiscal 2009 Estimate**

County	Direct Aid	Retirement	Total
Allegany	-\$2,504,153	-\$2,040,044	-\$4,544,197
Anne Arundel	-11,575,701	-31,236,622	-42,812,323
Baltimore City	-29,415,188	-13,812,067	-43,227,255
Baltimore	-21,194,814	-37,707,835	-58,902,649
Calvert	-3,167,431	-5,577,674	-8,745,105
Caroline	-1,322,467	-985,809	-2,308,276
Carroll	-5,294,804	-6,940,309	-12,235,113
Cecil	-3,376,342	-3,772,613	-7,148,955
Charles	-5,141,021	-5,458,248	-10,599,269
Dorchester	-994,512	-1,194,165	-2,188,677
Frederick	-7,872,781	-9,558,634	-17,431,415
Garrett	-847,814	-1,641,901	-2,489,715
Harford	-7,419,408	-9,756,707	-17,176,115
Howard	-7,106,730	-27,186,586	-34,293,316
Kent	-387,330	-1,327,171	-1,714,501
Montgomery	-22,126,032	-108,551,769	-130,677,801
Prince George's	-36,771,813	-28,178,462	-64,950,275
Queen Anne's	-1,118,154	-2,631,420	-3,749,574
St. Mary's	-3,064,939	-3,944,296	-7,009,235
Somerset	-783,719	-809,983	-1,593,702
Talbot	-406,783	-2,582,240	-2,989,023
Washington	-4,704,847	-3,679,795	-8,384,642
Wicomico	-3,389,581	-3,774,038	-7,163,619
Worcester	-602,735	-5,345,489	-5,948,224
Unallocated	-6,969,298	0	-6,969,298
Total	-\$187,558,397	-\$317,693,877	-\$505,252,274

Source: Department of Legislative Services