
Capital Budget Fiscal Briefing

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

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Analysis of the FY 2009 Maryland Executive Budget, 2008

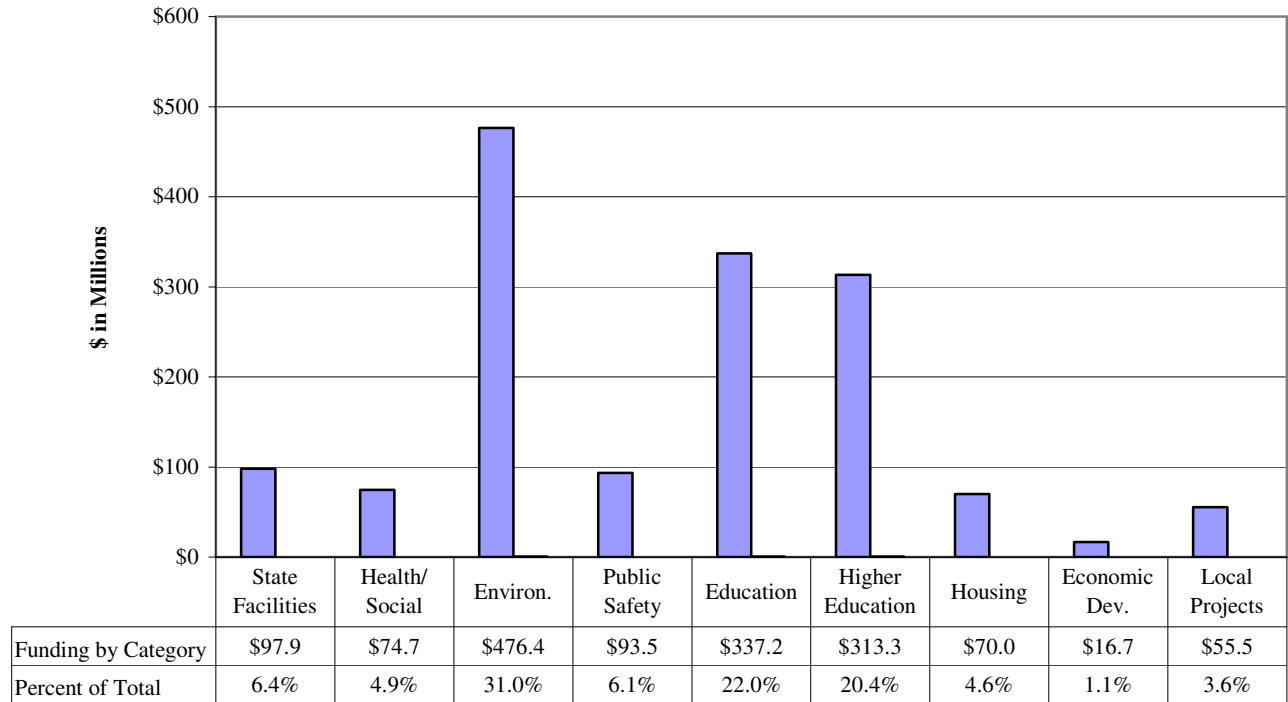
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The Fiscal 2009 Nontransportation Capital Improvement Program Totals Approximately \$1.5 Billion

- The program is funded by debt (\$1,086 million, 70.8%) and current funds (\$448 million, 28.2%).
- The Capital Debt Affordability Committee (CDAC) recommended a general obligation (GO) debt limit of \$935 million, including \$3 million in Tobacco Transition Program bonds authorized by Chapter 103 of 2001, known as the Southern Maryland Regional Strategy Action Plan for Agriculture. CDAC also recommended a \$33 million limit for academic revenue bonds.
- The Spending Affordability Committee concurred with the recommended \$935 million limit for GO debt and \$33 million Academic Revenue Bond (ARB) limit.
- The capital program as introduced includes \$935.0 million in GO debt for State-owned facilities and grant and loan programs. An additional \$0.9 million in GO bonds from prior years will be de-authorized thus increasing the amount of GO debt included in the capital program to \$935.9 million. Of the \$935.0 million of new GO debt, \$3.0 million funds the Tobacco Transition Program, \$5.0 million has been reserved as an allotment for grants to private hospitals, \$15.0 million has been reserved for legislative community initiatives, and \$40.8 million represents debt pre-authorized in the 2007 Maryland Consolidated Capital Bond Loan.
- **Exhibit 1** shows the distribution of funds by function that comprises the fiscal 2009 capital program as introduced. This includes \$935.9 million in GO debt, \$33.0 million in ARB debt, \$118.0 million in revenue debt to be issued by the Maryland Department of the Environment (MDE) and the Water Quality Financing Administration (WQFA) to fund upgrades to wastewater treatment plants (WWTP), \$37.9 million in pay-as-you-go (PAYGO) general funds, \$345.2 million in PAYGO special funds, and \$65.2 million in PAYGO federal funds.

Fiscal 2009 Proposed Capital Program

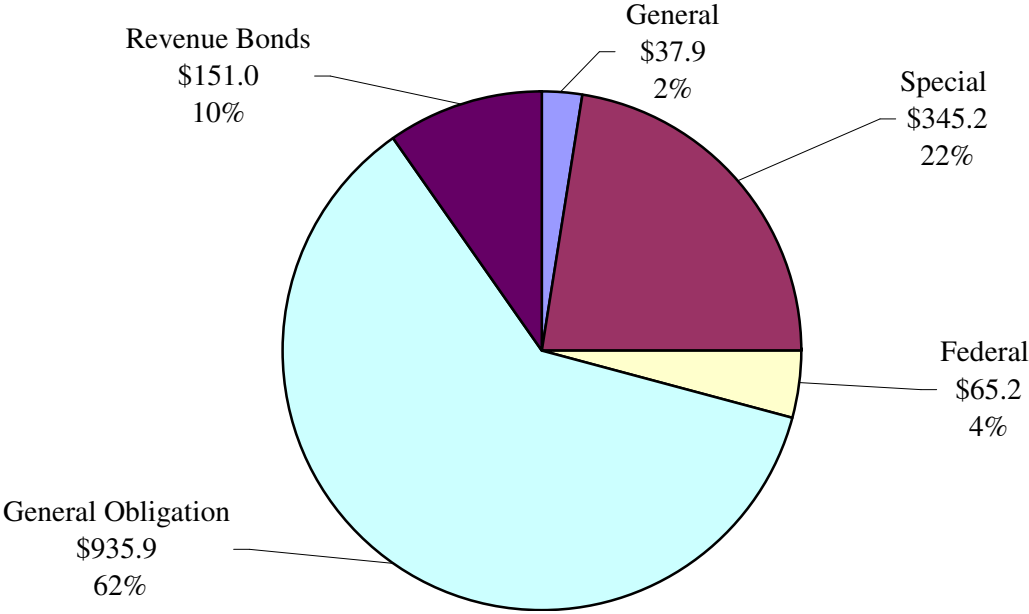
Exhibit 1 Nontransportation Fiscal 2009 Capital Funding Uses



Source: Department of Budget and Management

Exhibit 2 shows the major programs and projects by fund source. **Exhibit 3** shows the top funded capital projects and programs for fiscal 2009 by major fund source. **Exhibit 4** provides a summary of the capital programs by function. **Exhibit 5** illustrates the difference between the fiscal 2008 and 2009 capital program. **Exhibits 6 and 7** provide a list of projects de-authorized in the capital budget bill as submitted by the Governor and notable projects omitted from the fiscal 2009 capital budget. **Exhibits 8 and 9** provide fund data information for past capital program spending. **Appendix 1** provides a list of all the fiscal 2009 capital program and projects.

Exhibit 2
Nontransportation Fiscal 2009 Capital Funding Sources
(\$ in Millions)



Source: Department of Budget and Management

Exhibit 3
Top Funded Programs and Projects – All Funds
Fiscal 2009
(\$ in Millions)

<u>Agency</u>	<u>Program/Project</u>	<u>GO</u>	<u>Revenue</u>	<u>General</u>	<u>Special</u>	<u>Federal</u>	<u>Total</u>
School Construction	Public School Construction	\$300.0			\$27.4		\$327.4
Environment	Chesapeake Bay Restoration – Enhanced Nutrient Removal		\$70.0		68.0		138.0
Environment	Water Quality Loan Program		30.0	\$5.2	28.9	\$25.9	90.0
MD Higher Educ. Comm.	Community College Const. Grant	81.0					81.0
Board of Public Works	Rockville District Court	71.4					71.4
Univ. of MD, Baltimore	Pharmacy Hall Addition and Renovation	57.3	5.0				62.2
Health	New Forensic Medical Center	47.8					47.8
Agriculture	Agricultural Land Preservation				35.7	10.0	45.7
Natural Resources	Program Open Space				42.5	3.0	45.5
Coppin State Univ.	New Physical Education Complex	39.4					39.4
Board of Public Works	State Police Helicopter Replacement				33.6		33.6
Environment	Drinking Water Loan Program		18.0	2.3	4.0	7.8	32.1
Natural Resources	Waterway Improvement Fund				20.0	1.3	21.3
Housing	Rental Housing Programs			2.9	12.7	4.8	20.3
Natural Resources	Rural Legacy Program	5.0			13.5		18.5
Environment	Chesapeake Bay Water Quality Biological Nutrient Removal	18.4					18.4
Towson University	Campuswide Safety and Circulation	13.3	5.0				18.3
Univ. System of MD	Facility Renewal		17.0				17.0
Legislature	Legislative Initiative Grants	15.0					15.0
State Police	New Hagerstown Barrack and Garage	14.8					14.8
Planning	Historic Tax Credit Fund			14.7			14.7
Public Safety	192-Cell Medium Security Housing	12.6					12.6
Total		\$676.0	\$145.0	\$25.0	\$286.3	\$52.8	\$1,185.1

Source: Department of Budget and Management

Exhibit 4
Summary of the Capital Program Request for the 2009 Session
(\$ in Millions)

<u>Function</u>	<u>Bonds</u>		<u>Current Funds (PAYGO)</u>			<u>Total</u>
	<u>General Obligation</u>	<u>Revenue</u>	<u>General</u>	<u>Special</u>	<u>Federal</u>	
State Facilities						\$97.9
Facilities Renewal	\$16.3	\$0.0	\$0.0	\$0.0	\$0.0	
Other	79.1	0.0	0.0	0.7	1.8	
Health/Social						\$74.1
State Facilities	50.9	0.0	0.0	0.0	0.0	
Private Hospitals	5.0	0.0	0.0	0.0	0.0	
Other	18.8	0.0	0.0	0.0	0.0	
Environment						\$476.4
Energy	0.0	0.0	0.0	2.2	0.0	
Natural Resources	13.0	0.0	0.0	87.0	4.3	
Agriculture	6.0	0.0	0.0	42.0	10.0	
Environment	27.9	118.0	8.4	112.0	33.7	
MD Environmental Services	11.9	0.0	0.0	0.0	0.0	
Public Safety						\$93.4
State Corrections	22.7	0.0	0.0	0.0	0.0	
State Police	17.3	0.0	0.0	33.6	0.0	
Local Jails	19.8	0.0	0.0	0.0	0.0	
Education						\$337.2
School Construction	300.0	0.0	0.0	27.4	0.0	
Other	9.8	0.0	0.0	0.0	0.0	
Higher Education						\$313.3
University System	143.8	33.0	0.0	4.0	0.0	
Morgan State University	11.0	0.0	0.0	3.1	0.0	
St. Mary's College	6.8	0.0	0.0	0.0	0.0	
Community Colleges	81.1	0.0	0.0	0.0	0.0	
Private Colleges/Universities	8.0	0.0	0.0	0.0	0.0	
Medical System	22.5	0.0	0.0	0.0	0.0	
Housing/Community Dev.						\$70.1
Housing	7.5	0.0	11.6	33.0	15.4	
Other	2.2	0.0	0.2	0.2	0.0	
Economic Development						\$16.7
Economic Development	0.0	0.0	2.0	0.0	0.0	
Other	0.0	0.0	14.7	0.0	0.0	
Local Projects						\$55.5
Administration	39.5	0.0	1.0	0.0	0.0	
Legislative	15.0	0.0	0.0	0.0	0.0	
De-authorizations						-\$0.9
De-authorization	-0.9	0.0	0.0	0.0	0.0	
Total Fiscal 2009	\$935.0	\$151.0	\$37.9	\$345.2	\$65.2	\$1,534.3
Total Fiscal 2008	\$829.8	\$130.0	\$41.9	\$454.4	\$62.4	\$1,500.6
Fiscal 2008 Qualified Zone Academy Bonds	\$11.1					
Fiscal 2008 Deficiencies	\$0.0	\$0.0	\$0.0	\$1.0	\$5.7	\$6.7

Source: Department of Budget and Management

Exhibit 5
Comparison of Fiscal 2008 and 2009 Capital Program

	<u>2008</u>	<u>2009</u>	<u>Variance</u>
Uses			
State Facilities	\$37.4	\$97.9	\$60.5
Health/Social	37.3	74.7	37.4
Environment	568.2	476.4	-91.8
Public Safety	50.0	93.5	43.5
Education	403.4	337.2	-66.2
Higher Education	256.6	313.3	56.7
Housing	70.3	70.0	-0.3
Economic Development	18.7	16.7	-2.0
Local Projects	69.7	55.5	-14.2
Total	\$1,511.6	\$1,535.2	\$23.6
Funds			
General	\$41.9	\$37.9	-\$4.0
Special	439.5	345.2	-94.3
Federal	59.3	65.2	5.9
General Obligation	829.8	935.9	106.1
Revenue Bonds	130.0	151.0	21.0
Qualified Zone Academy Bonds	11.1	0.0	-11.1
Total	\$1,511.6	\$1,535.2	\$23.6

Source: Department of Budget and Management

- **GO Bond Funds:** The capital program includes \$935 million of new GO bond authorizations. This is \$125 million more than the amount of new authorizations provided in the 2007 capital budget bill.
- **Revenue Bonds:** The capital program includes \$151 million in revenue bonds. This includes \$70 million to be issued by MDE for Bay Restoration Fund wastewater treatment plant projects; \$30 million to be issued by the Water Quality Financing Administration to assist local governments with wastewater treatment plant upgrades; \$18 million to assist local

governments with drinking water supply project upgrades; and \$33 million for Academic Revenue Bonds for various University System of Maryland (USM) projects.

- **General Funds:** The use of general funds remains low – \$37.9 million in total including \$14.7 million for the Heritage Structure Rehabilitation Tax Credit – and linked almost exclusively to the funding of programs that would require the issuance of taxable bonds.
- **Special Funds:** Substantial reduction in available transfer tax revenues reduces the amount of special funds in the capital budget. The Higher Education Investment Fund supports \$7.1 million for two higher education construction projects. Dedicated funding for the replacement of the State’s Medevac helicopter fleet is supported with \$33.7 million to fund the purchase of three helicopters in fiscal 2009. Funding for the Public School Construction Program includes \$25.0 million of estimated bond premiums.

Exhibit 6

De-authorizations Included in the Maryland Consolidated Capital Bond Loan (MCCBL) of 2008

<u>Year</u>	<u>Project</u>	<u>Reduction</u>	<u>Reason</u>
2002	St. Mary's College of Maryland – New Academic Building	\$100,000	Project complete
2003	St. Mary's College of Maryland – New Academic Building	201,000	Project complete
2003	Department of State Police – Easton Barrack and Garage	209,000	Project complete
2004	Board of Public Works – Chillers Containing Chlorofluorocarbon Mitigation Fund	226,000	Project complete
2004	Coppin State University – Connor Administration Building	137,000	Project complete
Subtotal De-authorizations		\$873,000	

De-authorizations of 2007 MCCBL Pre-authorizations Included in the MCCBL of 2008

2007	Department of Health and Mental Hygiene (DHMH) – New Public Health Lab	\$7,800,000	Program plan not approved – project not ready to proceed
2007	DHMH – Clifton T. Perkins New Maximum Security Wing	1,863,000	Project construction bid came in under the amount pre-authorized

Source: 2008 Maryland Consolidated Bond Loan

Exhibit 7
Notable Omissions for Fiscal 2009
(\$ in Millions)

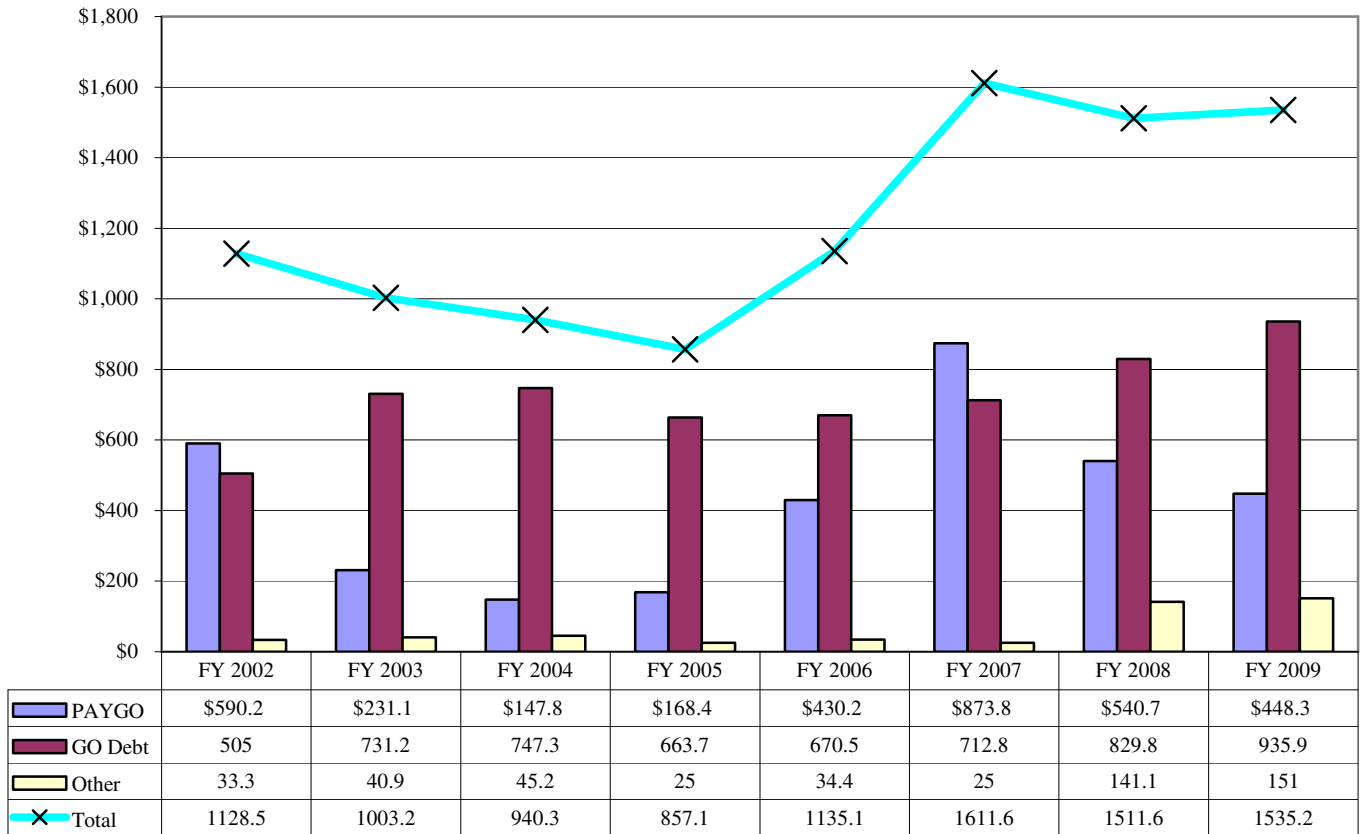
<u>Projects Planned for Fiscal 2009 in 2007 CIP</u>	<u>FY 2009 Planned</u>	<u>Comments</u>
Morgan State University – Center for Built Environment	\$50.2	Construction funding deferred to fiscal 2010 – design will not be completed in time to fund construction in fiscal 2009
Juvenile Service – Facility Grant Program	3.5	Sufficient unencumbered funds exist to fund fiscal 2009 projects
Department of Public Safety and Correctional Services (DPSCS) – Western Correctional Institute Warehouse	8.7	Department pursuing a scope change
DPSCS – Patuxent Institute Fire Safety Improvements	8.2	Deferred to fiscal 2010

CIP: *Capital Improvement Program*

Source: Department of Budget and Management

Recent Capital Program Funding

Exhibit 8
Capital Program Funding Sources
Fiscal 2002-2009
(\$ in Millions)



PAYGO: pay-as-you-go

GO: general obligation

Other: Includes Academic Revenue Bonds; revenue bonds issued by the Maryland Department of the Environment for Chesapeake Bay-related water quality projects; and Qualified Zone Academy Bonds.

Source: Department of Budget and Management

Exhibit 9
Capital Program Funding Uses and Sources
Fiscal 2005-2009
(\$ in Millions)

	FY 2005		FY 2006		FY 2007		FY 2008		FY 2009		Change FY 08/09	
	Legis.	% of	Legis.	% of	Legis.	% of	Legis.	% of	Proposed	% of	\$ Diff	% Diff
	<u>Approp.</u>	<u>Total</u>	<u>Approp.</u>	<u>Total</u>	<u>Approp.</u>	<u>Total</u>	<u>Approp.</u>	<u>Total</u>	<u>Approp.</u>	<u>Total</u>		
Uses												
State Facilities	\$32.5	3.8%	\$27.5	2.4%	\$53.4	3.3%	\$37.4	2.5%	97.9	6.4%	\$60.5	113.3%
Health/Social	33.4	3.9%	25.9	2.3%	28.9	1.8%	37.3	2.5%	74.7	4.9%	37.4	129.4%
Environment	211.1	24.6%	367.7	32.4%	639.9	39.7%	568.2	37.6%	476.4	31.0%	-91.8	-14.3%
Public Safety	51.6	6.0%	60.4	5.3%	52.3	3.2%	50	3.3%	93.5	6.1%	43.5	83.2%
Education	118.2	13.8%	247.4	21.8%	327.7	20.3%	403.4	26.7%	337.2	22.0%	-66.2	-20.2%
Higher Education	271.3	31.7%	246.6	21.7%	283.5	17.6%	256.6	17.0%	313.3	20.4%	56.7	20.0%
Housing/Comm.	68.2	8.0%	66.4	5.8%	83.7	5.2%	70.3	4.7%	70.0	4.6%	-0.3	-0.4%
Economic Devel.	13.4	1.6%	21.3	1.9%	36.5	2.3%	18.7	1.2%	16.7	1.1%	-2.0	-5.5%
Local Projects	57.4	6.7%	71.9	6.3%	105.7	6.6%	69.7	4.6%	55.5	3.6%	-14.2	-13.4%
Total	\$857.1	100.0%	\$1,135.1	100.0%	\$1,611.6	100.0%	\$1,511.6	100.0%	\$1,535.2	100.0%	\$23.6	1.5%
Sources												
General	\$1.2	0.1%	\$25.5	2.2%	\$161.9	10.0%	\$41.9	2.8%	37.9	2.5%	-\$4.0	-2.5%
Special	105.7	12.3%	332.6	29.3%	631.8	39.2%	439.5	29.1%	345.2	22.5%	-94.3	-14.9%
Federal	61.5	7.2%	72.1	6.4%	80.1	5.0%	59.3	3.9%	65.2	4.2%	5.9	7.4%
General Obligation	663.7	77.4%	670.5	59.1%	712.8	44.2%	829.8	54.9%	935.9	61.0%	106.1	14.9%
QZABs	0.0	0.0%	9.4	0.8%	0.0	0.0%	11.1	0.7%	0.0	0.0%	-11.1	0.0%
Revenue	25.0	2.9%	25.0	2.2%	25.0	1.6%	130.0	8.6%	151	9.8%	21.0	84.0%
Total	\$857.1	100.0%	\$1,135.1	100.0%	\$1,611.6	100.0%	\$1,511.6	100.0%	\$1,535.2	100.0%	\$23.6	1.5%

QZAB: Qualified Zone Academy Bonds

Source: Department of Budget and Management

Special Session Provisions Impact on Capital Program

- **Medevac Helicopter Replacement:** Chapter 3 of the 2007 special session added \$110.0 million from the 2008 sales tax to a sinking fund to pay for the replacement of the State's Medevac helicopter fleet. Language was also added expressing the intent that the current 12 helicopter fleet be replaced at a rate of 3 new helicopters in each of fiscal 2009 through 2012. As introduced, the budget includes \$33.6 million of special funds for the anticipated procurement of 3 helicopters.
- **Program Open Space and Controlling Interest:** Chapter 2 of the 2007 special session allocates \$21.0 million from the local share of local Program Open Space (POS) to fund the operations of State parks. Chapter 3 of the 2007 special session imposed taxes on the transfer of controlling interest which are estimated to provide \$48.2 million in local taxes – these funds are not required to be used to offset the reduction in local POS funds.
- **Chesapeake Bay 2010 Trust Fund:** Chapter 3 of the 2007 special session established the Chesapeake Bay 2010 Trust Fund as a special, non-lapsing fund to supplement other State programs for the restoration of the Chesapeake Bay and its tributaries. The fund is capitalized with the sales tax on rental vehicles and motor fuel tax revenues that would otherwise go to the general fund – beginning July 1, 2008, and each subsequent year; these revenues are estimated to be at least \$50 million. As introduced, the budget includes \$50 million budgeted in the Department of Budget and Management (DBM) budget as a placeholder until the specific uses of the fund are established. Legislation introduced in the 2008 session – Senate Bill 213/House Bill 369 – would establish the BayStat Program for the purpose of implementing nonpoint source pollution reduction measures and outlining the specific uses of the fund. In addition to providing grants to non-State entities, the proposed legislation would establish the Chesapeake Bay Nonpoint Source Fund as a special non-lapsing fund in WQFA in MDE for the purpose of providing grants for the implementation of urban and suburban stormwater management practices, stream, and wetland restoration. The legislation further authorizes WQFA to issue bonds.
- **Higher Education Investment Fund:** Chapter 3 of the 2007 special session established the Higher Education Investment Fund (HEIF) from increased corporate income tax revenues. This applies only to fiscal 2008 and 2009; however, the legislation expresses the intent of the General Assembly that the statute be amended to continue the distribution if the General Assembly determines it to be affordable and fiscally prudent. Among other uses, HEIF funds may be applied to higher education capital projects. As introduced, the budget includes the use of \$7.1 million to fund initial design for two capital projects (\$4.0 million for the University of Maryland, College Park – Physical Science Complex – and \$3.1 million for Morgan State University – School of Business Complex). However, an additional \$9.0 million included in the budget as operating “enhancements” should be budgeted as capital appropriations.

- **Maryland Department of Transportation Debt Ceiling Raised:** Chapter 3 of the 2007 special session increased the aggregate outstanding and unpaid principal balance for consolidated transportation bonds from \$2.0 billion to \$2.6 billion.

Capital Program Supported by Increased State General Obligation Bond Authorization Levels

The \$935 million GO bond recommendation is \$100 million more than was scheduled for the 2008 session. The new CDAC recommended limit also includes an additional \$100 million annually to permanently expand the capital program.

Exhibit 10 shows that the new level of recommended GO debt totals over \$4.9 billion in authorizations from 2008 to 2012. This is an increase of \$500 million over the five-year period.

Exhibit 10
Effect of New Policy on General Obligation Bond Authorizations
2008-2012 Legislative Sessions
(\$ in Millions)

<u>Session</u>	<u>2006 Report Recommended Authorizations</u>	<u>2007 Report Recommended Authorizations</u>	<u>Increased Authorization</u>
2008	\$835	\$935	\$100
2009	860	960	100
2010	890	990	100
2011	922	1,020	100
2012	950	1,050	100
Total	\$4,457	\$4,955	\$500

Source: *Report of the Capital Debt Affordability Committee on Recommended Debt Authorizations*, September 2006 and October 2007

Exhibit 11 compares proposed GO bond funding levels for various State agency capital programs and projects as reflected in the 2007 and 2008 *Capital Improvement Programs* (CIP) for the four fiscal years in which the plans overlap – fiscal 2009 through 2012. This provides some measure of identifying how the additional annual authorizations are programmed to be used.

Exhibit 11
General Obligation Bond Capital Program Comparison
2007 vs. 2008 Capital Improvement Program Major Differences
(\$ in Millions)

<u>Department</u>	<u>2007 CIP</u>	<u>2008 CIP</u>	<u>FY 2009-2012 Four-year Change</u>
Juvenile Services	\$48.8	\$143.8	\$95.0
University System of Maryland	697.9	788.7	90.8
MHEC Community College Grants	240.0	321.0	81.0
Public School Construction	1,000.6	1,050.6	50.0
Morgan State University	110.5	154.5	44.1
Maryland Environmental Services	12.0	50.4	38.4
Public Safety	342.0	372.6	30.7
Miscellaneous and Local Projects	176.1	203.0	27.0
Health and Mental Hygiene	204.2	221.9	17.7
Historic St. Mary's Commission	12.5	1.7	-10.8
Board of Public Works	181.8	166.5	-15.2
St. Mary's College of Maryland	35.8	13.1	-22.7
Baltimore City Community College	67.8	42.7	-25.1

MHEC: Maryland Higher Education Commission

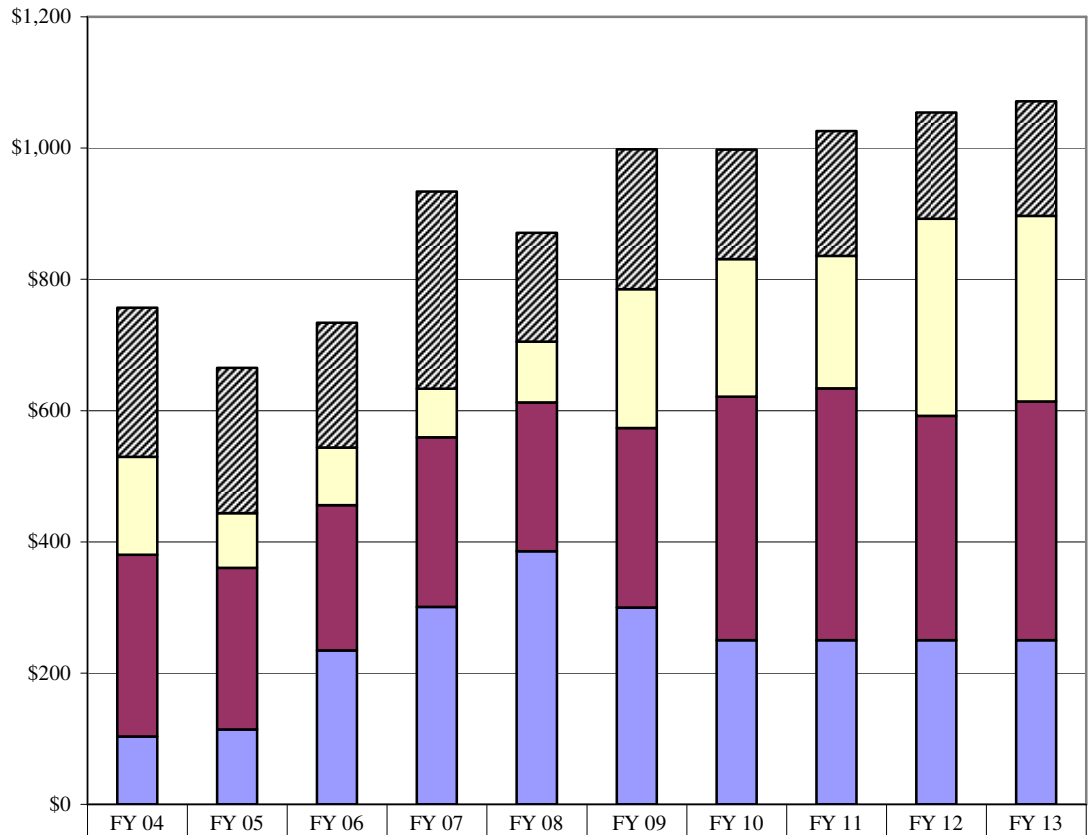
Source: Department of Budget and Management

- **Juvenile Services:** The 2008 CIP reflects a sizable enhancement for the construction of new juvenile detention and treatment facilities. The 2008 CIP would fund the construction of new treatment and detention facilities at Cheltenham, a new detention facility in Baltimore County, a regional secure treatment facility at an unspecified location in the Baltimore region, and initial design for a detention facility to house female juvenile offenders in Anne Arundel County – the estimated \$40 million needed for construction is outside the five-year CIP planning horizon. The 2007 CIP only programmed for the construction of one new detention facility at the Cheltenham Youth Facility; there is a clear commitment being made to enhanced juvenile detention and in particular the construction of secure treatment facilities.
- **Community College Capital Grants:** For fiscal 2009, the capital budget provides \$81 million which is \$21 million more than was programmed for the fiscal year in the 2007 CIP. The 2008 CIP also reflects a \$20 million per year increase in the amount of programmed funding levels during the five-year CIP planning period from what was programmed in the 2007 CIP; \$80 million annually as compared to \$60 million. This reflects a sizable and sustained enhanced State participation in community college construction statewide.

- **University System of Maryland:** The State's capital program annually provides a significant level of funding for the construction of new academic facilities for USM higher education institutions. The capital program funds projects to accommodate projected enrollment growth and to replace and modernize existing facilities that no longer provide adequate instructional space due to age and deterioration. Many higher education projects scheduled to receive planning and/or construction funds within the five-year 2008 CIP planning period will cost in excess of \$50 million to complete; 12 projects programmed at various member institutions would require a State commitment of between \$60 and \$110 million to complete.
- **Public School Construction:** Recent capital budgets have focused on increased State funding for grants to local education agencies for the construction and renovation of public school facilities statewide. Although the proposed \$300.0 million of GO is below the record, \$385.0 million provided in fiscal 2008, the proposed fiscal 2009 funding level is still \$50.0 million more than was programmed in last year's CIP and exceeds the \$250.0 million annual level established by the Public School Facilities Act of 2004. Fiscal 2009 funding is also enhanced with \$25.0 million in bond premium proceeds budgeted as special funds, \$2.4 million in special funds from the Maryland Stadium Authority as required by Section 13-715.2 of the Financial Institutions Article, and close to \$6.0 million available in the Interagency Committee on School Construction (IAC) contingent account. The 2008 CIP programs fiscal 2010 through 2013 at \$250 million per annum.
- **Morgan State University:** Programmed funding for Morgan State University receives an increase in the 2008 CIP. The increase is attributable to the proposed construction of a new school of business complex estimated to cost in excess of \$83 million to complete. This project was not included in the five-year planning period in the 2007 CIP.
- **Maryland Environmental Services:** Maryland Environmental Services operates 62 State-owned wastewater treatment facilities. The 2008 CIP programs a significant funding increase primarily to address a very costly project at the Eastern Correctional Facility which will require an estimated \$28 million over the next few years to complete.

The Public School Construction Program and funding for higher education academic facilities account for the two largest funded programs and share of the total GO funded capital program. School construction funding levels are programmed to level off at \$250 million, and while the annual planned funding levels meet the levels proposed in the Public School Facilities Act of 2004, they are reduced from the fiscal 2007 and record fiscal 2008 levels. Planned funding for higher education facilities, including USM, Morgan State University, St. Mary's College of Maryland, community college grants, and grants to private colleges is programmed to increase in total dollars on a year-over-year comparison and in total share of the capital budget. Funding for public safety correctional facilities and local jails and for State facilities including significant levels of programmed funding for juvenile services facilities and the construction of a new public health lab combined, account for a significant increase in year-over-year funding as well as the total budget share for the State Facilities/Public Safety category. (See **Exhibit 12.**)

Exhibit 12
Higher Education, Public School Construction, and Public Safety/State Facilities
Funding Budget Share
General Obligation and General Funds
(\$ in Millions)



	FY 04	FY 05	FY 06	FY 07	FY 08	FY 09	FY 10	FY 11	FY 12	FY 13
Other	\$227.4	\$221.0	\$190.0	\$300.4	\$165.4	\$212.9	\$166.3	\$190.0	\$161.7	\$175.0
State Facilities/Public Safety	148.9	83.4	87.9	74.1	92.9	211.8	209.8	201.9	300.5	282.7
Higher Education	277.0	246.3	221.6	258.4	226.6	273.2	371.3	383.8	341.8	363.8
Public School Construction	103.4	114.2	234.4	300.7	385.8	300.0	250.0	250.0	250.0	250.0

Note: Figures include the use of bond premiums.

Other: Includes Academic Revenue Bonds; revenue bonds issued by the Maryland Department of the Environment for Chesapeake Bay-related water quality projects; and Qualified Zone Academy Bonds.

Source: Department of Budget and Management

The cost of capital projects also includes the associated operating costs needed to staff, operate, and maintain a facility. **Exhibit 13** shows the operating impact reported by DBM in the 2008 CIP for projects that will receive design or construction funds in fiscal 2009. Just the projects funded in fiscal 2009 alone are estimated to require \$48 million and 528 new positions by fiscal 2013. Keep in mind that these figures do not include estimated operating costs for projects funded beyond fiscal 2009 since in most instances the associated operating costs of projects funded in fiscal 2010 and later would be beyond the five-year planning horizon of the 2008 CIP. Clearly, however, in each of the out-years, the State will fund the design and construction of facilities that will require additional funds to open, operate, and maintain. The cost of building State facilities goes beyond just the cost of capital, but it also includes the ongoing operating costs to the State which are not insignificant and essentially mandated once a project is approved for construction.

Exhibit 13
Operating Impact of Construction Projects at State-owned Facilities
Fiscal 2009-2013
(\$ in Millions)

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Operating Impact	\$0.3	\$16.0	\$27.4	\$45.6	\$48.0
Personnel Impact	3	189	340	480	528

Source: Department of Budget and Management

Recent Authorization Level Increases Stretch Debt Ratios to the Limit

Prior to the 2001 session, the State policy was to increase debt authorizations by \$15.0 million annually. This policy had been in place for over a decade. At the time, this provided the program with about a 3% increase every year. In 2001, this steady growth policy was changed. Since 2000, the State has regularly increased the GO bond authorizations. **Exhibit 14** compares the 2000 CDAC proposed authorizations with the 2007 CDAC authorizations. In total, the numerous increases will provide an additional \$1.9 billion of new GO authorizations over what was planned for just eight years ago.

Exhibit 14
Capital Debt Affordability Committee's (CDAC) Recommended Levels of
General Obligation (GO) Bond Authorizations
(\$ in Millions)

<u>Session</u>	<u>2000 CDAC Proposed GO Bond Authorizations</u>	<u>2007 CDAC Proposed GO Bond Authorizations</u>	<u>Variance</u>
2008	\$580	\$935	\$355
2009	595	960	365
2010	610	990	380
2011	625	1,020	395
2012	640	1,050	410
Total	\$3,050	\$4,955	\$1,905

Source: *Report of the Capital Debt Affordability Committee on Recommended Debt Authorizations*, September 2000 and October 2007

- **2001 Session:** In 2001, the debt authorization limit was increased an additional \$30 million annually. CDAC did not reduce the amount the following year, which results in permanently increasing all authorizations by \$30 million.
- **2002 and 2003 Sessions:** In the 2001 session, over \$600 million in general funds were appropriated to support PAYGO capital projects. At the time, the Administration assumed that the general funds would be sufficient to provide significant levels of appropriations for the capital program. When the economy slowed, the general funds were no longer available for the capital program. Instead of withdrawing planned support for projects, CDAC provided \$200 million in additional bond authorizations in the 2002 and 2003 sessions. The planned authorizations were assumed to decrease by a corresponding amount in the 2004 session.
- **2002 Session:** Chapter 103 of 2002 authorized \$30 million (\$5 million annually from fiscal 2004 to 2009) to finance tobacco buyout for farmers. Current CDAC projections do not reduce authorizations after the program is done. Instead, the increased authorizations may be used to support other capital projects.
- **2004 Session:** In the 2004 session, CDAC provided an additional \$100 million annually for five years. At the time it was noted that former PAYGO projects had migrated into the GO program and that either additional GO bonds would need to be authorized or capital projects would need to be reduced or deleted.
- **2006 Session:** The 2006 session brought a subtle change in methodology. Prior to 2006, the annual increase was \$15 million per year. This was about 3% when the policy was adopted.

As the authorizations increased, \$15 million shrank below 3%. To ensure at least a 3% increase each year, the policy was changed from a flat \$15 million to a 3% increase. CDAC also ended the authorization drop-off proposed in the 2009 session. The justification for these changes was high demand for capital projects.

- **2007 Session:** In response to continued high capital demand, the committee proposed a permanent \$100 million increase in the base for the 2007 session. Since the annual increase is 3% (instead of the flat \$15 million prior to 2006), this also results in higher annual increases.
- **2008 Session:** In response to continued high capital demand, the committee proposed a permanent \$100 million increase in the base for the 2008 session.

The recent GO bond authorization ceiling increases and the special session increase in the transportation capital program debt will result in higher bond issuances and increased debt outstanding to personal income. **Exhibit 15** shows that debt outstanding to personal income is projected to exceed 3.2% in fiscal 2012 and 2013. The debt service to revenues measure remains below the 8.0% limit.

Exhibit 15
State Debt to Personal Income and State Debt Service to State Revenues
Fiscal 2008-2013

<u>Fiscal Years</u>	<u>Revenues – 8%</u>	<u>Personal Income – 3.2%</u>
2008	5.57%	2.78%
2009	5.74%	2.97%
2010	5.84%	3.06%
2011	6.01%	3.17%
2012	6.07%	3.23%
2013	6.18%	3.29%

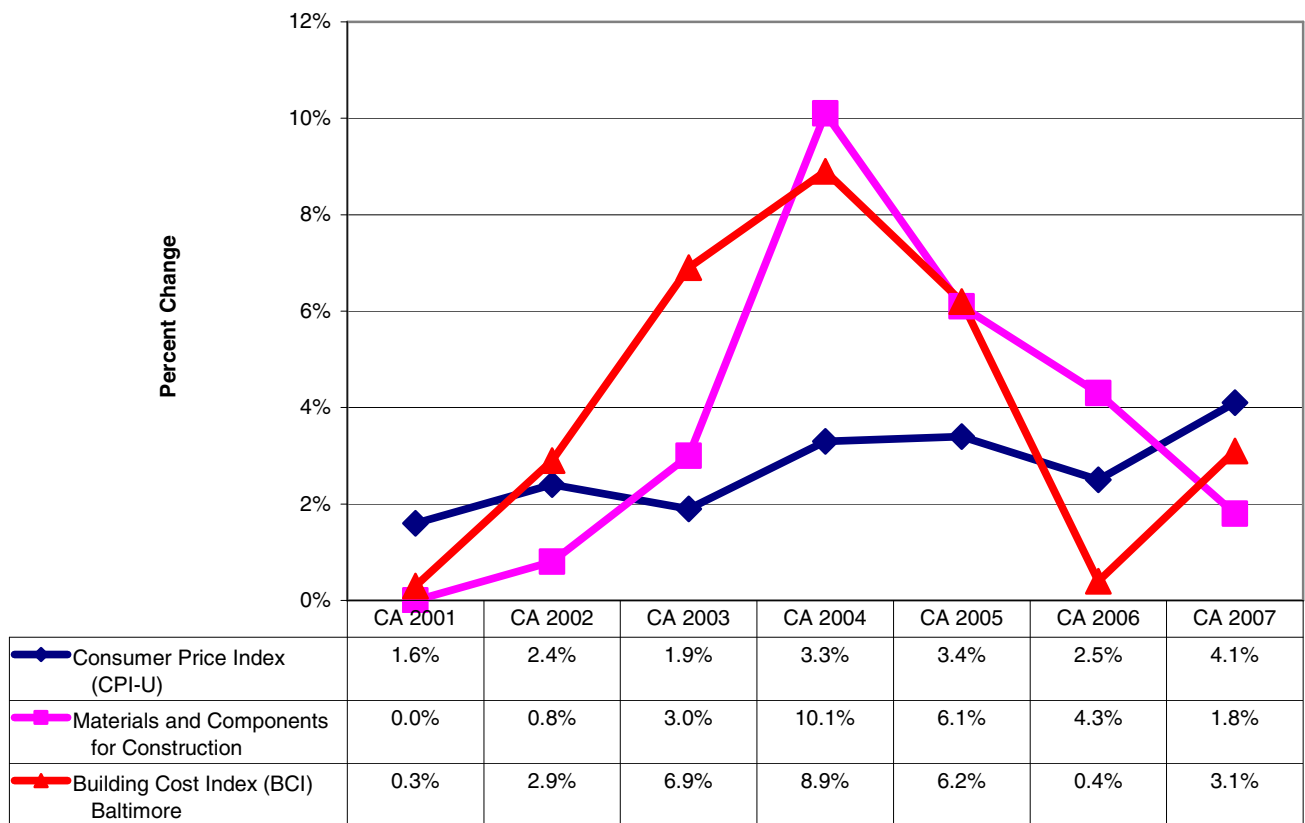
Source: Department of Legislative Services

Escalating Construction Costs

- The construction market experienced greater cost increases than the rest of the economy. The year-over-year measure for inflation in the building and construction market, as measured nationally through the construction materials component of the Producer Price Index (PPI) and locally through the Engineering News-Record Building Cost Index (BCI) for Baltimore, exceeded the general measure of inflation reflected in the consumer price index.

- There appears to be some leveling off of the growth in construction costs in the past 18 months. As shown in **Exhibit 16**, the PPI measure has still increased at an average annual rate of 5.5% from calendar 2003 through 2007 and the BCI at 4.4% over the same time period. The cumulative increase has had a dramatic effect on the costs of construction projects.

Exhibit 16
Materials and Components of Construction Costs Compared to the
Consumer Price Index and Producer Price Index
Calendar 2001-2007

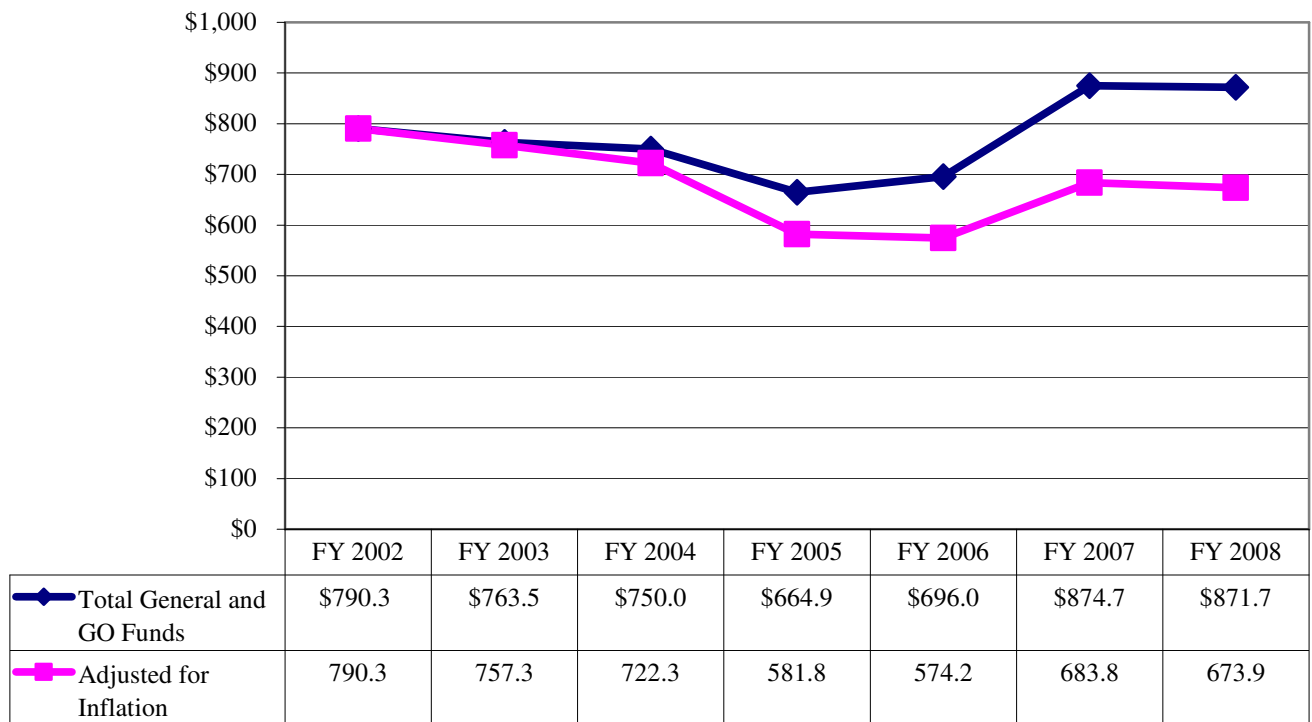


Source: Bureau of Labor Statistics

Construction Cost Inflation Exceeds General Inflation

- The combined purchasing power of GO and general fund capital funds diminishes once adjusted for the impact of inflation in the construction market.
- Cumulative increases in construction cost inflation as measured by the construction materials component of the PPI continue to erode spending power despite increased combined GO and general fund capital spending. The inflation adjusted fiscal 2008 capital appropriations result in over \$100 million of reduced spending power when compared to fiscal 2003 funding levels, as shown in **Exhibit 17**.

Exhibit 17
GO and General Fund Capital Appropriations – Actual and Adjusted for Inflation
Fiscal 2003-2008
(\$ in Millions)



GO: general obligation

Source: Bureau of Labor Statistics

Declining Transfer Tax Revenues

Exhibit 18 shows the budgeting of the transfer tax for fiscal 2002 through 2009 – including amounts transferred to the general fund through budget reconciliation and financing legislation and GO bond funds used to partially replace the redirected revenues. Overall, \$479.2 million was redirected through budget reconciliation legislation to the general fund. No transfer tax revenues were distributed to the general fund in fiscal 2007 and 2008, and no such transfer is proposed for fiscal 2009.

Exhibit 18 Transfer Tax Revenues Fiscal 2002-2009 (\$ in Millions)

<u>Fiscal Years</u>	<u>Budgeted Transfer Tax Revenues*</u>	<u>Amount to Programs</u>	<u>Amount to General Fund</u>	<u>Replacement GO Funds</u>
2002	\$117.4	\$114.4	\$0.0	\$0.0
2003	108.7	47.3	58.5	0.0
2004	136.8	9.9	123.4	58.3
2005	176.2	6.8	165.4	23.6
2006	259.7	120.4	131.9	0.0
2007	368.9	361.1	0.0	0.0
2008	264.1	258.4	0.0	0.0
2009	114.3	109.3	0.0	0.0
Total	\$1,546.1	\$1,027.6	\$479.2	\$81.9

GO: general obligation

Note: Amount to programs does not include 3% for administrative costs. Amount to general fund does not include unencumbered balances transferred by budget reconciliation legislation (\$39.8 million).

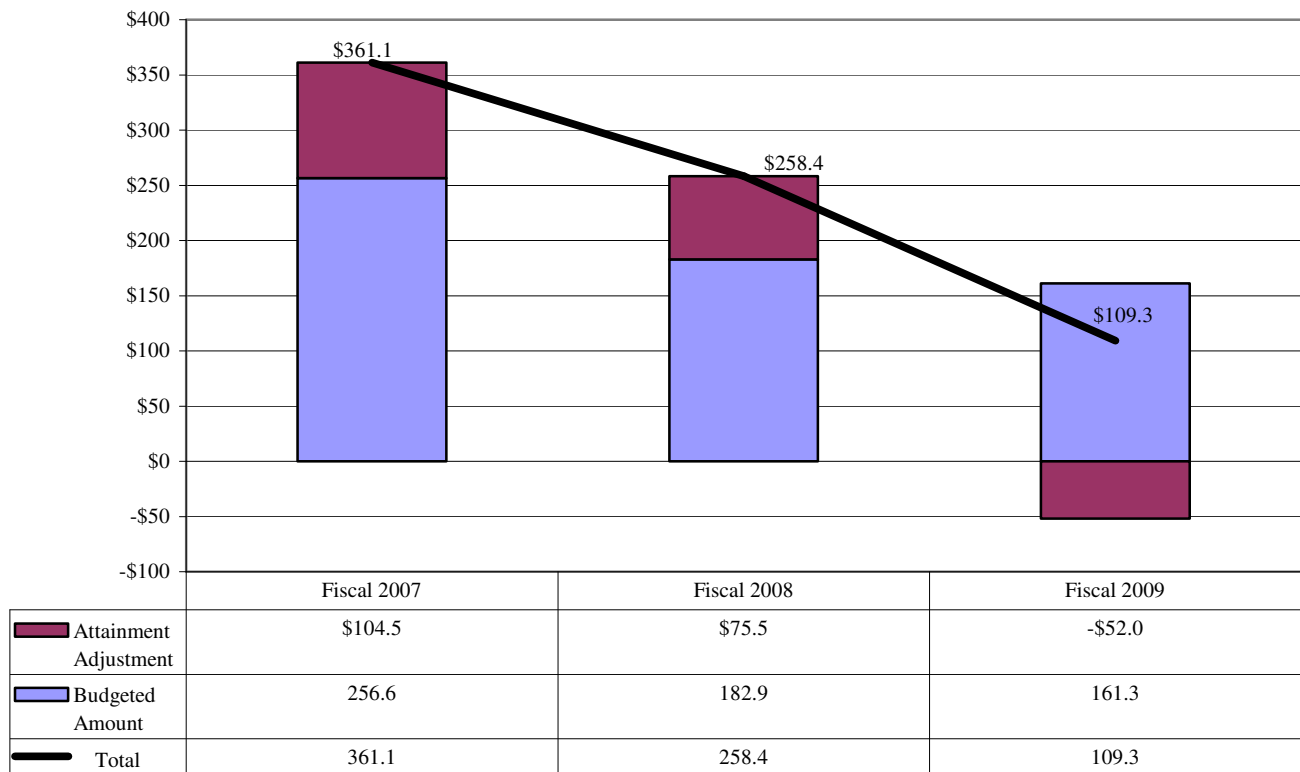
*Reflects estimated revenues plus revenue overattainment/underattainment from the second prior year.

Source: Department of Legislative Services

State transfer tax revenues increased through fiscal 2006 and when combined with available overattainments from prior years, provided a record level of program funding in fiscal 2007. However, during fiscal 2007, revenue collections began to decline. While this decline was partially masked in the fiscal 2008 budget due to the availability of over \$75.0 million of overattainment revenues from fiscal 2006, the fiscal 2009 budget reflects both declining year-over-year revenues and

the underattainment of \$51.0 million from fiscal 2007 which reduces the amount of available revenues to support programs to just \$109.3 million for fiscal 2009. **Exhibit 19** charts the fiscal 2007 through 2009 budgeted revenues, attainment adjustment, and amounts available for programs. **Exhibit 20** shows the impact that both the declining revenue estimates and budgeting for the current revenue underattainment will have on the fiscal 2009 budget for each of the State and local programs supported by the transfer tax.

Exhibit 19
Budgeted Transfer Taxes on the Decline
Negative Attainment Adjustment Expected in Fiscal 2009
(\$ in Millions)



Note: In accordance with applicable State law (Section 13-209, Tax Property Article), any underattainment would be reconciled in the second year following the deficiency (fiscal 2009 in this instance as it relates to fiscal 2007), or through the de-authorization of prior year authorized projects.

Source: Comptroller of the Treasury

Exhibit 20
Fiscal 2008 and 2009 Budgeted Transfer Taxes Allocation
(\$ in Millions)

	<u>FY 2008</u>	<u>FY 2009</u>	<u>Variance</u>
Revenues			
Budgeted Revenue Estimate	\$188.6	\$166.3	-\$22.3
Less Administrative Expenses	-5.7	-5.0	0.7
Attainment Adjustment ¹	75.5	-52.0	-127.5
Net Available for Allocation	\$258.4	\$109.4	-\$149.1
Allocations			
Program Open Space (POS)			
POS Local	\$95.6	\$18.6	-\$77.0
Forest and Park Service	0.0	21.0	21.0
Heritage Areas Authority	3.0	3.0	0.0
POS State Land Acquisition	61.8	20.9	-40.9
POS State Rural Legacy	8.0	8.0	0.0
POS State Capital Development	24.6	9.5	-15.1
POS State Park Operating	1.2	1.2	0.0
POS Subtotal	\$194.2	\$82.2	-\$112.0
Other Allocations			
Additional State Land Acquisition	\$2.6	\$1.1	-\$1.5
Agricultural Land Preservation	44.1	18.6	-25.4
Rural Legacy Additional	12.9	5.5	-7.5
Heritage Conservation Fund	4.7	2.0	-2.7
Other Subtotal	\$64.2	\$27.2	-\$37.0
Total Allocations	\$258.4	\$109.4	-\$149.1

¹ The adjustment in fiscal 2008 is the overattainment from fiscal 2006. The adjustment in fiscal 2009 is the underattainment from fiscal 2007.

Note: In accordance with applicable State law (Section 13-209, Tax Property Article), any underattainment would be reconciled in the second year following the deficiency (fiscal 2009 in this instance as it relates to fiscal 2007), or through the de-authorization of prior year authorized projects.

Source: Comptroller of the Treasury

Bay Restoration Bonds

The Bay Restoration Fund was created in 2004 primarily to provide grants for Enhanced Nutrient Removal (ENR) pollution reduction upgrades at the State's 66 major WWTPs. The fund is administered by MDE's WQFA. The fund is financed by a bay restoration fee on users of wastewater facilities (WWTP Fund) and septic systems and sewage holding tanks (Septic Fund). The fees on WWTP users (and users receiving public drinking water) took effect January 1, 2005, and are being collected through water and sewer bills. The fees on septic system and sewage holding tank owners took effect October 1, 2005, and are being collected by the counties. The fund has several revenue sources and expends funds for both operating and capital purposes. To expedite the ENR upgrades at the 66 major WWTPs, MDE intends to issue bonds starting in fiscal 2008 backed by revenue generated under this program.

The timing and amount of bonds issued will depend on the actual fee revenue attained, annual funding needs, and the bond maturities and interest rates. Net special WWTP Fund revenues range from the \$57.7 million collected in fiscal 2006 (the first full year of revenue collections) to \$64.1 million in fiscal 2018 based on a projected 1% revenue growth rate. Based on the current priority list and estimated cash flow needs for capital cost of ENR upgrades, MDE plans to issue a total of \$545.0 million in revenue bonds (the maximum allowed by statute) as follows: \$50.0 million in fiscal 2008, \$70.0 million in fiscal 2009, \$170.0 million in fiscal 2010, \$225.0 million in fiscal 2011, and \$30.0 million in fiscal 2012. MDE estimates that the cost to upgrade the 66 major WWTPs is \$1.04 billion. The bond revenue, in addition to revenues expended from the fund as PAYGO special funds, would fund approximately \$807.0 million of the \$1.04 billion upgrade cost. Therefore, the current estimate is that \$231.0 million of the cost to upgrade the 66 major WWTPs is currently unfunded.

Exhibit 21 shows fiscal 2008 through 2015 estimated project costs and estimated funding shortfalls beginning in fiscal 2012. As the project costs get refined, it is possible that costs will rise which could increase the projected shortfall above the estimated \$231 million and possibly move the shortfall up a year or two.

Exhibit 21
Bay Restoration Fund (BRF)
Fiscal 2008-2015
(\$ in Millions)

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Project Costs	\$107	\$138	\$193	\$226	\$130	\$88	\$57	\$26
BRF Funds Available	107	138	193	226	43	4	3	5
Projected Annual Deficit	0	0	0	0	-87	-84	-54	-21

Source: Maryland Department of the Environment

High Performance Building Program

The 2007 session produced several legislative proposals to officially institute a high performance building program. Most of what was proposed was amended out of what eventually became Chapters 115 and 116 of 2007. However, the bill codified the Maryland Green Building Council with the Department of General Services to advise the Governor and the General Assembly on strategies for using green building technologies in State construction projects. In a report submitted to the General Assembly on January 15, 2008, the council recommended:

- a green building program that requires all new or substantially renovated buildings, 7,500 gross square feet and larger, meet the U.S. Green Building Council Leadership in Energy and Environmental Design Silver rating or better;
- the program would apply only to buildings that are fully State-funded or State-owned and occupied (warehouse, garages, maintenance facilities, and other similar building types would be exempt); and
- the program would start with buildings funded for design beginning in fiscal 2009. The council recommended an additional 2% total investment in the design and construction appropriation to accommodate anticipated upfront costs.

Much of the failure to successfully implement a State green building program can be traced to concerns regarding the cost. However, recent green building case studies suggest that the initial investment is returned 10 times over during the lifecycle of the building. Preliminary figures from DBM indicate that there is approximately \$23 million in related green building design and construction costs reflected in the five-year 2008 CIP.

Senate Bill 208 and House Bill 376 of 2008 seek to establish a State high performance building program consistent with the recommendations of the Green Building Council. The State may wish to consider requiring that the program be extended to the State funding of local school construction projects through the IAC School Construction Program and to the State's funding participation in the construction of community college facilities through the Maryland Higher Education Commission Community College Grant Program. Both of these programs fund projects of the type that could result in more energy-efficient buildings. While the energy costs savings would not necessarily accrue to the State but rather to the local governments that operate the public schools and community college, the State as a whole, would still benefit from the reduced pressure on the State's energy grid. Furthermore, State funding for these programs is determined in many respects through the application of statutory formulas and to the extent that local governments begin to require the application of green building construction in their projects the State will ultimately share those costs unless the formulas are changed to explicitly discount such costs.

Capital Program Request for the 2008 Session

Bonds	Current Funds (PAYGO)
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Budget Code	Project Title	General Obligation	Revenue	General	Special	Federal	Total Funds
State Facilities							
D55P00.04	Veterans Affairs Cemetary – Garrison Forest	\$0	\$0	\$0	\$0	\$1,810,000	\$1,810,000
DA02.01A	DOD: Accessibility Modification	1,600,000	0	0	0	0	1,600,000
DE02.01A	BPW: Lowe House Building Alterations	701,000	0	0	0	0	701,000
DE02.01B	BPW: State House Old House Chamber	2,000,000	0	0	0	0	2,000,000
DE02.01C	BPW: 2100 Guilford Avenue State Office	3,000,000	0	0	0	0	3,000,000
DE02.01D	BPW: DGS Facility Renewal Fund	10,000,000	0	0	0	0	10,000,000
DE02.01E	BPW: DGS Construction Contingency Fund	2,500,000	0	0	0	0	2,500,000
DE02.01F	BPW: DGS Asbestos Abatement Program	2,000,000	0	0	0	0	2,000,000
DE02.01G	BPW: DGS Underground Storage Tank	1,000,000	0	0	0	0	1,000,000
DE02.01H	BPW: DGS Ethanol Fueling Stations	621,000	0	0	0	0	621,000
DE02.01I	BPW: Rockville District Court	71,363,000	0	0	0	0	71,363,000
DW01.08	Planning: Jefferson Patterson – Renovations	593,000	0	0	0	0	593,000
P00A01.10	DLLR: Eastern Shore Regional Call Center	0	0	0	744,000	0	744,000
Subtotal		\$95,378,000	\$0	\$0	\$744,000	\$1,810,000	\$97,932,000
Health/Social							
DA07A	Aging: Senior Centers Grant Program	\$1,845,000	\$0	\$0	\$0	\$0	\$1,845,000
MA01A	DHMH: Community Health Facilities	8,511,000	0	0	0	0	8,511,000
MA01B	DHMH: Federally Qualified Health Centers	2,672,000	0	0	0	0	2,672,000
MF05A	DHMH: New Forensic Medical Center	47,807,000	0	0	0	0	47,807,000
ML10A	DHMH: Clifton T. Perkins – Max Security Wing	3,137,000	0	0	0	0	3,137,000
VE01A	DJS: Cheltenham Facility – Treatment Ctr.	4,074,000	0	0	0	0	4,074,000
VE01B	DJS: Cheltenham Facility – Detention Ctr.	1,661,000	0	0	0	0	1,661,000
ZA03A	MHA: MD General 00 – ICU Expansion/ Renovation	750,000	0	0	0	0	750,000
ZA03B	MHA: Sinai Hospital – Obstetrical Unit Renovation	320,000	0	0	0	0	320,000

Budget Code	Project Title	Bonds		Current Funds (PAYGO)			Total Funds
		General Obligation	Revenue	General	Special	Federal	
ZA03C	MHA: Franklin Square – Emergency Dept.	1,130,000	0	0	0	0	1,130,000
ZA03D	MHA: Greater Baltimore – Pediatric Ctr.	250,000	0	0	0	0	250,000
ZA03E	MHA: St. Joseph – Cardiac Area Renovation	450,000	0	0	0	0	450,000
ZA03F	MHA: Union Hospital – Outpatient Infusion Ctr.	110,000	0	0	0	0	110,000
ZA03G	MHA: Civista Medical – Pharmacy Expansion	250,000	0	0	0	0	250,000
ZA03H	MHA: Adventist HealthCare – Potomac Ridge	430,000	0	0	0	0	430,000
ZA03I	MHA: Montgomery General – Emergency Dept.	900,000	0	0	0	0	900,000
ZA03J	MHA: Suburban Hospital – Nursing Unit	410,000	0	0	0	0	410,000
	Subtotal	\$74,707,000	\$0	\$0	\$0	\$0	\$74,707,000
	Environment						
D13A13.02	MEA: Community Energy Loan Program	\$0	\$0	\$0	\$1,200,000	\$0	\$1,200,000
D13A13.03	MEA: State Agency Loan Program	0	0	0	1,000,000	0	1,000,000
K00A05.10A	DNR: Rural Legacy Program	5,000,000	0	0	13,468,000	0	18,468,000
K00A05.10B	DNR: Program Open Space	0	0	0	42,547,000	3,000,000	45,547,000
K00A05.10C	DNR: Natural Resources Development	0	0	0	3,993,000	0	3,993,000
K00A05.10D	DNR: Critical Maintenance Projects	0	0	0	4,000,000	0	4,000,000
K00A05.10E	DNR: Dam Rehabilitation Program	0	0	0	500,000	0	500,000
K00A05.11	DNR: Waterway Improvement Fund	0	0	0	20,000,000	1,300,000	21,300,000
K00A05.14	DNR: Shore Erosion Control Program	0	0	0	500,000	0	500,000
K00A09.06	DNR: Ocean City Beach Replenishment	0	0	0	2,000,000	0	2,000,000
KA05A	DNR: Community Parks and Playgrounds	5,000,000	0	0	0	0	5,000,000
KA17A	DNR: Oyster Restoration Program	3,000,000	0	0	0	0	3,000,000
L00A11.11	MDA: Agricultural Land Preservation	0	0	0	35,705,000	10,000,000	45,705,000
L00A12.13	MDA: Tobacco Transition Program	3,000,000	0	0	6,330,000	0	9,330,000
LA15A	MDA: Agricultural Cost-Share Program	3,000,000	0	0	0	0	3,000,000
U00A01.04	MDE: Hazardous Substance Cleanup	0	0	1,000,000	0	0	1,000,000
U00A01.05	MDE: Drinking Water Loan Program	0	18,000,000	2,265,000	4,000,000	7,814,000	32,079,000

Budget Code	Project Title	Bonds		Current Funds (PAYGO)			Total Funds
		General Obligation	Revenue	General	Special	Federal	
U00A01.11A	MDE: Chesapeake Bay Restoration – ENR	0	70,000,000	0	68,000,000	0	138,000,000
U00A01.11B	MDE: Chesapeake Bay Restoration – Sewer	0	0	0	5,000,000	0	5,000,000
U00A01.12	MDE: Chesapeake Bay Restoration – Septic	0	0	0	6,000,000	0	6,000,000
U00A1.03	MDE: Water Quality Loan Program	0	30,000,000	5,180,000	28,920,000	25,900,000	90,000,000
UA04A(1)	MDE: CBWQ Nutrient Removal – BNR	18,448,000	0	0	0	0	18,448,000
UA04A(2)	MDE: Supplemental Assistance Program	5,000,000	0	0	0	0	5,000,000
UA04A(3)	MDE: Small Creek and Estuary Restoration	663,000	0	0	0	0	663,000
UA04A(4)	MDE: CBWQ Stormwater Pollution	838,000	0	0	0	0	838,000
UA04B	MDE: Water Supply Assistance Program	3,000,000	0	0	0	0	3,000,000
UB00A1	MES: Water/Sewer Infrastructure – Green Ridge	1,056,000	0	0	0	0	1,056,000
UB00A2	MES: Water/Sewer Infrastructure – Jessup	248,000	0	0	0	0	248,000
UB00A3	MES: Water/Sewer Infrastructure – ECI WTP	3,609,000	0	0	0	0	3,609,000
UB00A4	MES: Water/Sewer Infrastructure – ECI WWTP	6,961,000	0	0	0	0	6,961,000
	Subtotal	\$58,823,000	\$118,000,000	\$8,445,000	\$243,163,000	\$48,014,000	\$476,445,000
	Public Safety						
D06E02SP	BPW: State Police Helicopter Replacement	\$0	\$0	\$0	\$33,606,000	\$0	\$33,606,000
QB04A	DPSCS: 192-Cell Medium Security Housing	12,641,000	0	0	0	0	12,641,000
QB08A	DPSCS: WCI – Vocational Education Bldg.	1,099,000	0	0	0	0	1,099,000
QP00A	DPSCS: Baltimore Correctional – Women’s	5,500,000	0	0	0	0	5,500,000
QP00B	DPSCS: Baltimore Correctional – Youth Ctr.	3,400,000	0	0	0	0	3,400,000
WA01A	DSP: New Hagerstown Barrack and Garage	14,820,000	0	0	0	0	14,820,000
WA01B	DSP: Tactical Services Facility – Garage	2,498,000	0	0	0	0	2,498,000
ZB02A	Local Jails: Cecil County – Additions/Alterations	788,000	0	0	0	0	788,000
ZB02B	Local Jails: Frederick – Adult Detention Ctr.	7,401,000	0	0	0	0	7,401,000
ZB02C	Local Jails: Harford – Housing Unit Expansion	6,336,000	0	0	0	0	6,336,000

Budget Code	Project Title	Bonds		Current Funds (PAYGO)			Total Funds
		General Obligation	Revenue	General	Special	Federal	
ZB02D	Local Jails: St. Mary's – Minimum Security	698,000	0	0	0	0	698,000
ZB02E	Local Jails: Worcester – Renovation/ Expansion	4,606,000	0	0	0	0	4,606,000
	Subtotal	\$59,787,000	\$0	\$0	\$33,606,000	\$0	\$93,393,000
	Education						
DE02.02A	Public School Construction	\$300,000,000	\$0	\$0	\$27,400,000	\$0	\$327,400,000
RA01A	MSDE: County Library Capital Grants	5,000,000	0	0	0	0	5,000,000
RE01A	MD School for Deaf – Cafeteria/Student Ctr.	4,630,000	0	0	0	0	4,630,000
RE01B	MD School for Deaf – Parking/Athletic Field	122,000	0	0	0	0	122,000
	Subtotal	\$309,752,000	\$0	\$0	\$27,400,000	\$0	\$337,152,000
	Higher Education						
D06E02MS	BPW: MSU School of Business Complex	\$0	\$0	\$0	\$3,100,000	\$0	\$3,100,000
D06E02UM	UMCP: Physical Sciences Complex I	0	0	0	4,000,000	0	4,000,000
RB21A	UMB: Pharmacy Hall Addition and Renovation	57,250,000	4,977,000	0	0	0	62,227,000
RB22A	UMCP: Tawes Building Conversion	2,450,000	0	0	0	0	2,450,000
RB22rb	UMCP: New Journalism Building	0	6,000,000	0	0	0	6,000,000
RB24A	TU: Campuswide Safety and Circulation	13,251,000	5,023,000	0	0	0	18,274,000
RB24B	TU: New College of Liberal Arts Complex	9,339,000	0	0	0	0	9,339,000
RB27A	CSU: New Physical Education Complex	39,439,000	0	0	0	0	39,439,000
RB27B	CSU: Campuswide Utilities/Security	6,960,000	0	0	0	0	6,960,000
RB27C	CSU: Science and Technology Center	6,291,000	0	0	0	0	6,291,000
RB27D	CSU: New Health and Human Services Building.	3,482,000	0	0	0	0	3,482,000
RB28A	UB: New Law School	4,033,000	0	0	0	0	4,033,000
RB34A	UMCES: Oyster Production Facility	1,343,000	0	0	0	0	1,343,000
RB36rb	USM: Facility Renewal	0	17,000,000	0	0	0	17,000,000
RD00A	SMC: Anne Arundel Hall Reconstruction	3,252,000	0	0	0	0	3,252,000
RD00B	SMC: Bruce Davis Theatre Renovation	2,402,000	0	0	0	0	2,402,000
RD00C	SMC: Student Services Building	1,195,000	0	0	0	0	1,195,000
RI00A	MHEC: Community College Const. Grant	81,028,000	0	0	0	0	81,028,000

Budget Code	Project Title	Bonds		Current Funds (PAYGO)			Total Funds
		General Obligation	Revenue	General	Special	Federal	
RM00A	MSU: Campuswide Utilities Upgrade	7,723,000	0	0	0	0	7,723,000
RM00B	MSU: Lillie Carroll Jackson Museum	2,258,000	0	0	0	0	2,258,000
RM00C	MSU: Campuswide Site Improvements	1,050,000	0	0	0	0	1,050,000
RQ00A	UMMS: New Ambulatory Care Center	10,000,000	0	0	0	0	10,000,000
RQ00B	UMMS: R. Adams Cowley Shock Trauma Center	10,000,000	0	0	0	0	10,000,000
RQ00C	UMMS: New Diagnostic and Treatment Facilities	2,500,000	0	0	0	0	2,500,000
ZA00J	MICUA: Johns Hopkins – Gilman Hall	1,000,000	0	0	0	0	1,000,000
ZA00K	MICUA: Loyola College-Science Center	3,000,000	0	0	0	0	3,000,000
ZA00L	MICUA: Mount St. Mary’s - Performing Arts	1,000,000	0	0	0	0	1,000,000
ZA00M	MICUA: Sojourner-Douglass Allied Health	3,000,000	0	0	0	0	3,000,000
	Subtotal	\$273,246,000	\$33,000,000	\$0	\$7,100,000	\$0	\$313,346,000
	Housing/Community Development						
D40W01.11	Planning: Maryland Historical Trust Loan	\$0	\$0	\$250,000	\$200,000	\$0	\$450,000
DB01A	Historic St. Mary’s: Interpretive Center Planning: Historical Trust Capital Grant Fund	1,487,000	0	0	0	0	1,487,000
DW00.10A		700,000	0	0	0	0	700,000
S00A24.02A	DHCD: Community Legacy Program	0	0	6,500,000	0	0	6,500,000
S00A24.02B	DHCD: Neighborhood Business Development	0	0	0	6,000,000	0	6,000,000
S00A24.02C	DHCD: Community Development Block Grants	0	0	0	0	9,000,000	9,000,000
S00A25.07	DHCD: Rental Housing Programs	0	0	2,850,000	12,650,000	4,750,000	20,250,000
S00A25.08	DHCD: Homeownership Programs	0	0	900,000	7,600,000	100,000	8,600,000
S00A25.09	DHCD: Special Loan Programs	0	0	1,300,000	6,700,000	1,500,000	9,500,000
SA25A	DHCD: Partnership Rental Housing Program	6,000,000	0	0	0	0	6,000,000
SA25B	DHCD: Shelter and Transitional Housing Facilities	1,500,000	0	0	0	0	1,500,000
	Subtotal	\$9,687,000	\$0	\$11,800,000	\$33,150,000	\$15,350,000	\$69,987,000

Bonds	Current Funds (PAYGO)
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Budget Code	Project Title	General Obligation	Revenue	General	Special	Federal	Total Funds
Economic Development							
D40W01.12	Planning: Historic Tax Credit Fund	\$0	\$0	\$14,700,000	\$0	\$0	\$14,700,000
T00F00.10	DBED: Rural Broad Band Assistance Fund	0	0	2,000,000	0	0	2,000,000
Subtotal		\$0	\$0	\$16,700,000	\$0	\$0	\$16,700,000
Local Projects							
D06E02JC	Misc: CASA Multicultural Center	\$0	\$0	\$1,000,000	\$0	\$0	\$1,000,000
ZA00A	Misc: Charles E. Smith Life Communities	760,000	0	0	0	0	760,000
ZA00B	Misc: East Baltimore Biotechnology Park	5,000,000	0	0	0	0	5,000,000
ZA00C	Misc: Homeless Shelter and Resource Ctr.	2,000,000	0	0	0	0	2,000,000
ZA00D	Misc: Irvine Nature Center	400,000	0	0	0	0	400,000
ZA00E	Misc: Jewish Council for the Aging	1,000,000	0	0	0	0	1,000,000
ZA00F	Misc: Johns Hopkins Medicine/Critical Care	5,000,000	0	0	0	0	5,000,000
ZA00G	Misc: Johns Hopkins Medicine/Pediatric Center	10,000,000	0	0	0	0	10,000,000
ZA00H	Misc: Kennedy Krieger/Clinical Research Building	1,000,000	0	0	0	0	1,000,000
ZA00I	Misc: Live Entertainment Venue	2,000,000	0	0	0	0	2,000,000
ZA00N	Misc: Maryland Zoo – Facilities Renewal	1,000,000	0	0	0	0	1,000,000
ZA00O	Misc: Maryland Zoo – Infrastructure Improvements	2,000,000	0	0	0	0	2,000,000
ZA00P	Misc: Park Heights Redevelopment	3,000,000	0	0	0	0	3,000,000
ZA00Q	Misc: Southern Maryland Stadium	1,333,000	0	0	0	0	1,333,000
ZA00R	Misc: WestSide Revitalization	5,000,000	0	0	0	0	5,000,000
ZA01	Legislative Initiative Grants	15,000,000	0	0	0	0	15,000,000
Subtotal		\$54,493,000	\$0	\$1,000,000	\$0	\$0	\$55,493,000

Bonds	Current Funds (PAYGO)
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Budget Code	Project Title	General Obligation	Revenue	General	Special	Federal	Total Funds
	De-authorizations						
ZF00	De-authorizations as Introduced	-873,000	0	0	0	0	-873,000
	Total	\$935,000,000	\$151,000,000	\$37,945,000	\$345,163,000	\$65,174,000	\$1,534,282,000

BPW: Board of Public Works
 CBWQ: Chesapeake Bay Water Quality
 CSU: Coppin State University
 DBED: Department of Business and Economic Development
 DGS: Department of General Services
 DHCD: Department of Housing and Community Development
 DHMH: Department of Health and Mental Hygiene
 DJS: Department of Juvenile Services
 DLLR: Department of Labor, Licensing, and Regulations
 DNR: Department of Natural Resources
 DOD: Department of Disabilities
 DPSCS: Department of Public Safety and Correctional Services
 DSP: Department of State Police
 ENR: Enhanced Nutrient Removal
 MCTC: Maryland Correctional Training Center
 MDA: Maryland Department of Agriculture
 MHEC: Maryland Higher Education Commission

MEA: Maryland Energy Administration
 MES: Maryland Environmental Service
 MHA: Maryland Health Administration
 MHT: Maryland Historical Trust
 MSDE: Maryland State Department of Education
 MSU: Morgan State University
 SMC: St. Mary's College
 SU: Salisbury University
 TU: Towson University
 UB: University of Baltimore
 UMBC: University of Maryland Baltimore County
 UMCP: University of Maryland, College Park
 UMMS: University of Maryland Medical System
 UMUC: University of Maryland University College
 USM: University System of Maryland