

Conference Committee

Report on

Senate Bill 140 – the Budget Bill

and

**Senate Bill 141 – the Budget Reconciliation and
Financing Act**

**Maryland General Assembly
Annapolis, Maryland**

April 9, 2010

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Fiscal 2011 Budget Highlights
Budget Bill (Senate Bill 140)
As Amended by the Conference Committee

- 1. Continues to Constrain Spending to Offset a Significant Decline in Revenues** – Revenues for fiscal 2010 are projected to decline 5.2%, leaving them almost 10.0% below fiscal 2008. A modest rebound in revenue growth of 3.6% is forecast for fiscal 2011. Consistent with this revenue outlook, State spending, exclusive of federal funds and reserve funds, grows 1.1%. The total budget actually declines, reflecting a decrease in federal funds.
- 2. Reduces Out-year Budget Gaps** – The two-year decrease in State revenues and the anticipated loss of over \$1.0 billion of federal stimulus dollars in fiscal 2012 result in significant future budget gaps. The Budget Reconciliation and Financing Act (BRFA) constrains future growth in statutorily mandated spending and continues the transfer of highway user revenues to the general fund. These provisions, in conjunction with maintaining higher education and personnel costs at fiscal 2011 levels for another year, reduce the out-year budget gaps by \$700 million to \$800 million or by almost one-third.
- 3. Maintains the State’s Commitment to the Public Schools** – Education aid will be about \$5.7 billion, an increase of \$209.1 million, or 3.8%. With the exception of a \$4.3 million scaling back of the increase in school bus transportation grants, the budget fully funds the major aid programs.
- 4. Protects Previous Investments in Higher Education** – Maryland’s State colleges and universities receive \$1.2 billion in State funds, essentially level with fiscal 2010. This funding will enable the institutions to hold tuition increases to 3.0% after four years of an in-state undergraduate tuition freeze. Aid for community colleges and private colleges and universities is also not reduced below fiscal 2010 levels.

5. **Sustains Healthcare Programs for Low-income Marylanders –** Medicaid funding grows over \$220.0 million, and there is no reduction in services or eligibility for services. In addition, the BRFA provisions will make it possible to increase Medicaid rates for nursing home patients by 2.0%.

6. **Maximizes Use of Federal American Recovery and Reinvestment Act (ARRA) Monies –** The proposed fiscal 2011 State budget includes \$1.6 billion in federal funds resulting from the ARRA. Of this amount, \$778.0 million reflects a higher federal match for the State's Medicaid program, \$422.0 million funds the State's education aid formulas, \$315.0 million enhances existing federal programs, and \$79.0 million supports costs traditionally funded with general funds.

7. **Maintains 5.0% of General Fund Balance in Rainy Day Fund –** The proposed budget actions result in a fund balance of about \$196.0 million. In addition the balance in the State's Rainy Day Fund is estimated to be \$633.0 million, or 5.0%, of general fund revenues at the end of fiscal 2011.

Budget Summary
Fiscal 2010 and 2011
(\$ in Millions)

General Fund

	<u>Admin.</u>	<u>Conf.</u>
	<u>Proposal</u>	<u>Comm.</u>
<u>Fiscal 2010</u>		
Ending Balance Before Legislative Action	-\$566.3	-\$566.3
Revenues – Legislation – SB 141 (BRFA)	59.3	58.8
Fund Transfers – Legislation – SB 141 (BRFA)	371.4	317.4
Capital Transfers – Legislation – SB 141 (BRFA)	330.1	330.1
Expenditure Reduction – Deficiency Appropriations	10.3	13.8
Adjusted Ending Balance	\$204.6	\$153.7
<u>Fiscal 2011</u>		
Revenues – March BRE Estimate	\$12,671.7	\$12,671.7
Other Revenues	11.8	26.1
Revenues – Legislation – BRFA/Jobs Tax Credit	-17.5	17.6
Fund Transfers – 2009 Legislation – HB 101 (BRFA)	124.4	124.4
Fund Transfers – Legislation – SB 141 (BRFA)	293.3	283.2
Capital Transfers – Legislation – SB 141 (BRFA)	111.7	111.7
Total Revenues and Balance	\$13,400.0	\$13,388.4
Expenditures – Before Federal ARRA Offsets	\$14,977.1	\$14,983.1
Higher Medicaid Match/Discretionary Funds (ARRA)	-857.1	-857.1
ARRA Funds for Education Formula Increases	<u>-422.3</u>	<u>-422.3</u>
Expenditures – Governor’s Allowance	13,697.7	13,703.7
Expenditure Reductions – Contingent on SB 141 (BRFA)	-464.8	-406.3
Expenditure Reductions – Contingent on Other Legislation	-56.1	0.0
Expenditure Reductions	0.0	-104.7
Total Expenditures	\$13,176.8	\$13,192.8
Ending Balance (Revenues Less Expenditures)	\$223.2	\$195.5

Cash Position

General Fund Balance	\$223.2	\$195.5
Rainy Day Fund Balance – June 30, 2011	633.5	633.5
Total	\$856.7	\$829.0
Cash and Rainy Day Fund Over 5%	\$223.2	\$195.5

ARRA: American Recovery and Reinvestment Act of 2009

BRE: Board of Revenue Estimates

BRFA: Budget Reconciliation and Financing Act

Fiscal Note

Summary of the Budget Bill – Senate Bill 140

	<u>General Funds</u>	<u>Special Funds</u>	<u>Federal Funds</u>	<u>Education Funds</u>	<u>Total Funds</u>
Governors Allowance					
Fiscal 2010 Deficiency Budget ⁽¹⁾	\$13,451,266,506	\$5,663,150,630	\$9,793,827,062	\$3,423,240,410	\$32,331,484,608
Fiscal 2011 Budget ⁽²⁾	13,702,394,157	5,871,053,267	9,342,490,453	3,540,741,546	32,456,679,423
Supplemental Budget No. 1					
Fiscal 2010 Deficiency Budget	-\$9,482,946	-\$28,500,000	\$1,434,690	\$0	-\$36,548,256
Fiscal 2011 Budget	1,345,453	29,008,053	18,938,121	0	49,291,627
Subtotal	-\$8,137,493	\$508,053	\$20,372,811	\$0	\$12,743,371
Budget Reconciliation and Financing Act of 2010					
Fiscal 2010 Deficiency Budget	-\$12,258,053	\$12,258,053 ⁽³⁾	\$0	\$0	\$0
Fiscal 2011 Contingent Reductions	-406,414,854	363,447,972 ⁽⁴⁾	0	0	-42,966,882
Subtotal	-\$418,672,907	\$375,706,025	\$0	\$0	-\$42,966,882
Conference Committee Reductions					
Fiscal 2010 Deficiency Budget	-\$1,525,000	-\$76,008	\$0	\$0	-\$1,601,008
Fiscal 2011 Budget	-104,500,180	-351,287,292	-12,602,376	0	-468,389,848
Total Reductions	-\$106,025,180	-\$351,363,300	-\$12,602,376	\$0	-\$469,990,856
Appropriations					
FY 2010 Deficiency Budget	\$13,428,000,507	\$5,646,832,675	\$9,795,261,752	\$3,423,240,410	\$32,293,335,344
FY 2011 Budget	13,192,824,576	5,912,222,000	9,348,826,198	3,540,741,546	31,994,614,320
Change	-\$235,175,931	\$265,389,325	-\$446,435,554	\$117,501,136	-\$298,721,024

⁽¹⁾ Reflects \$763.0 million in proposed deficiencies, including \$219.0 million in general funds, \$114.0 million in special funds, \$427.5 million in federal funds, and \$2.5 million in current unrestricted funds. Reversion assumptions total \$63.7 million, including \$30.0 million in unspecified reversions and \$33.7 million in targeted reversions.

⁽²⁾ Reflects estimated general fund reversions of \$30.0 million and \$1.1 million in targeted reversions. In addition, there are \$117.1 million in across-the-board reductions in the budget bill, consisting of \$87.8 million in general funds, \$24.6 million in special funds, \$3.0 million in federal funds, and \$1.7 million in higher education funds.

⁽³⁾ \$12.3 million in special funds that will be added back to the budget by budget amendment to replace general fund reductions.

⁽⁴⁾ Includes \$394.2 million in special funds that will be added back to the budget by budget amendment to replace general fund reductions.

Proposed Budget Reductions
Senate Bill 140
Fiscal 2010 Deficiencies and Fiscal 2011 Budget
(\$ in Millions)

General Funds

	<u>Senate</u>	<u>House</u>	<u>Conf.</u> <u>Comm.</u>
<u>Local Aid</u>			
Eliminate Grant to Baltimore City Stemming from 1996 Change in Highway User Distribution	\$0.0	\$2.6	\$2.6
C Retirement Contributions for Certain Local Employees	0.5	0.5	0.5
Reduce Police Aid Formula Grants – Level Fund	19.0	19.0	19.0
Less Funds for Grants to Local Health Departments – Level Fund	3.7	3.7	3.7
C Student Transportation – Limit Increase to 1%	4.3	4.3	4.3
C Replace General Funds with Local Income Tax Reserve Monies Transferred to Education Trust Fund	350.0	350.0	350.0
Reduce Funds for Fine Arts Grants	0.6	0.3	0.4
C No General Funds for Aging Schools Program – Replace \$6.1 Million with Bond Funds	6.1	6.1	6.1
SEED Boarding School for At-risk Youth	0.3	0.0	0.0
Level Fund State Support for Community Colleges	<u>23.1</u>	<u>23.1</u>	<u>23.1</u>
	\$407.5	\$409.6	\$409.7
<u>Medicaid</u>			
Reduce Cigarette Restitution Funds and Use for Medicaid Deficiency	\$0.7	\$0.5	\$0.0
C Less Funding for Tobacco Cessation and Academic Health Centers – Use for Medicaid	8.2	8.2	8.2
C Shift Fiscal 2010 Funds from Senior Prescription Drug Program to Kidney Disease Program/Medicaid	12.3	12.3	12.3
C Increase Nursing Home Quality Assessment from 2 to 4% – Contingent on BRFA	<u>17.0</u>	<u>17.0</u>	<u>17.0</u>
	\$38.1	\$37.9	\$37.4
<u>Higher Education</u>			
Reduce Funds to Recognize UMBI Reorganization Savings	\$0.0	\$2.0	\$0.0
Reduce General Funds for Graduate and Professional Scholarship Program	0.6	0.0	0.0
Special Higher Education Grants	0.2	0.5	0.0
Reduce Sellinger Grants for Private Higher Education Institutions	<u>13.5</u>	<u>13.5</u>	<u>13.5</u>
	\$14.3	\$16.1	\$13.5
<u>State Agencies</u>			
Reduce Operating Expenditures – Judiciary	\$1.4	\$6.4	\$6.4
C Major IT Projects – Judiciary – Contingent on Ability to Use Special Funds to Cover These Costs	11.9	11.9	11.9
Reduce Funds for Retired Judges, Temporary Staff, and Pilot Interpreter Program	1.3	1.3	1.3
Furlough and Temporary Salary Reduction Savings – Judicial and Legislative Personnel	4.7	4.7	4.7
C Judiciary Reduction – Equivalent to Savings if Judges Could Be Furloughed in Fiscal 2010 and 2011	0.0	3.0	0.0
Less Grant Funding for Community Mental Health Services	0.8	0.8	0.8
Temporary Disability Assistance Payments (TDAP) – Slowing Caseload Growth – Fiscal 2010 and 2011	6.9	6.9	7.5
Defer Funding for Enhancements to DHR's CHESSIE	0.7	0.7	0.7
Reduce Funding for Contractual Support – Department of Juvenile Services	0.7	0.3	0.3
Less Funding for Public Safety Death Benefits – Fund Balance Available	1.9	1.5	1.9
Funding for Community Adult Rehabilitation Centers – Parole and Probation	1.4	0.7	0.7
C Use 9-1-1 Balance for Maryland State Police Records Management System	5.0	5.0	5.0
C School for the Deaf – Use Monies from Universal Services Trust Fund	2.0	2.0	2.0
Continue Fiscal 2010 Cost Containment – Department of Planning	0.0	0.4	0.0
Grant to Maryland Agricultural and Resource-Based Industry Development Corporation (MARBIDCO)	1.9	0.0	0.0
Funds for Soil Conservation Districts – Department of Agriculture	0.4	0.0	0.0
Less General Funds for Total Maximum Daily Loads – Use Special Funds	0.5	0.5	0.5
Defer Funding for Coastal Plain Aquifer and Fractured Rock Water Supply Studies	1.0	0.5	0.5
C Reduce Tourism Development Board Funding to \$5 Million	1.0	0.0	1.0
Less General Funds for MD Small Business Dev. Financing Authority – \$14.5 Million in Special Funds	0.4	0.4	0.4
Reduce State Positions by 500	11.4	12.0	12.0
Electricity Savings – Across-the-budget Efficiencies	0.0	2.8	2.8
Other Reductions	<u>3.7</u>	<u>3.4</u>	<u>2.9</u>
	\$59.1	\$65.1	\$63.2

Grants/Tax Credits

Scale Back Urban Youth Employment Grants – Federal Funds Available	\$0.2	\$0.4	\$0.4
Maryland State Arts Council – Level Fund	0.2	0.2	0.2
Non-capital Historic Preservation Grants – Department of Planning	0.2	0.2	0.2
Stem Cell Research Grants	<u>6.2</u>	<u>0.0</u>	<u>0.0</u>
	\$6.9	\$0.8	\$0.8
Total General Funds	\$525.9	\$529.4	\$524.7
Reductions Also Incorporated in Governor’s Budget Proposal	468.9	466.6	467.6
Total Reductions Proposed in Addition to Governor’s Proposal	\$57.0	\$62.8	\$57.1

Special Funds

	<u>Senate</u>	<u>House</u>	<u>Conf. Comm.</u>
Reduce Horse Racing Impact Aid	\$0.6	\$0.4	\$0.5
C Scale Back Funding for Chesapeake Bay 2010 Trust Fund	32.1	32.1	22.1
Reduce Highway User Revenues – Continue Fiscal 2010 Cost Containment	236.2	237.8	244.5
Seagirt Marine Terminal Public-private Partnership – Certain Expenses No Longer Required in Budget	39.6	39.6	39.6
Eliminate Operating Lease Payment from Port to Transportation Authority for Seagirt Terminal	0.5	0.5	0.5
Reduce Operating Funds for Motor Vehicle Administration	0.9	0.0	0.9
Reduce Funds for Aviation Administration Security Contract with Transportation Authority	0.5	0.5	0.5
Various Operating Reductions – Maryland Department of Transportation	1.6	1.5	1.5
C Reduce Funding for Tobacco Cessation and Academic Health Centers Programs – Use for Medicaid	8.2	8.2	8.2
No Operating Funding for Wastewater Treatment Plants from Bay Restoration Fund	1.0	1.0	1.0
C Less Funds for Preservation of Cultural Arts	0.5	0.0	0.5
Maryland State Police – Increase Turnover	2.0	2.0	2.0
C Abandoned Property – No Spending on Newspaper Advertising	0.5	0.0	0.0
Board of Elections – Reduce Funds ePollbooks Capital Lease Payments	0.0	2.0	2.0
Other Reductions	<u>2.4</u>	<u>2.4</u>	<u>2.4</u>
	\$326.6	\$327.9	\$326.2
<u>PAYGO</u>			
Reduce Funds for Open Space and Agricultural Land Preservation – Use Bonds	\$54.0	\$54.0	\$54.0
No Funding for Nonpoint Source Projects Funded from Chesapeake and Atlantic Coastal Bays Fund	<u>1.9</u>	<u>1.9</u>	<u>1.9</u>
	\$55.9	\$55.9	\$55.9
Total Special Funds	\$382.5	\$383.8	\$382.1

C: These items are contingent on passage of the Budget Reconciliation and Financing Act (SB 141).

- BRFA: Budget Reconciliation and Financing Act
- CHESIE: Children’s Electronic Social Services Information Exchange
- DHR: Department of Human Resources
- IT: Information Technology
- SEED: School for Educational Evolution and Development
- UMBI: University of Maryland Biotechnology Institute

State Expenditures – General Funds
(\$ in Millions)

<u>Category</u>	<u>Adjusted Work. Appr. FY 2010</u>	<u>Allowance FY 2011</u>	<u>Conference Reductions</u>	<u>Conference Approp. FY 2011</u>	<u>FY 2010 to FY 2011 \$ Change</u>	<u>% Change</u>
Debt Service	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	n/a
County/Municipal	189.6	210.9	22.0	188.9	-0.8	-0.4%
Community Colleges	256.2	279.2	23.1	256.1	-0.1	0.0%
Education/Libraries	5,258.5	5,251.4	360.9	4,890.5	-368.0	-7.0%
Health	37.3	41.0	3.7	37.3	0.0	0.0%
Aid to Local Governments	\$5,741.6	\$5,782.5	\$409.7	\$5,372.8	-368.9	-6.4%
Foster Care Payments	240.4	244.9	0.0	244.9	4.5	1.9%
Assistance Payments	95.5	59.3	6.0	53.3	-42.2	-44.2%
Medical Assistance	1,588.3	1,777.7	25.2	1,752.6	164.3	10.3%
Property Tax Credits	73.2	73.6	0.1	73.5	0.3	0.5%
Entitlements	\$1,997.4	\$2,155.5	\$31.3	\$2,124.2	126.9	6.4%
Health	1,355.3	1,377.2	1.2	1,376.0	20.7	1.5%
Human Resources	271.3	262.4	0.2	262.2	-9.1	-3.4%
Systems Reform Initiative	24.4	20.7	0.0	20.7	-3.8	-15.4%
Juvenile Services	260.6	257.5	0.5	257.0	-3.6	-1.4%
Public Safety/Police	1,171.8	1,195.4	3.3	1,192.1	20.4	1.7%
Higher Education	1,147.6	1,187.6	0.0	1,187.6	40.0	3.5%
Other Education	313.9	366.4	15.7	350.6	36.7	11.7%
Agric./Natural Res./Environment	105.7	105.1	1.0	104.1	-1.6	-1.5%
Other Executive Agencies	521.8	548.5	9.0	539.5	17.7	3.4%
Legislative	75.4	76.7	1.1	75.6	0.2	0.3%
Judiciary	366.6	393.5	23.2	370.3	3.8	1.0%
Across-the-board Reductions	0.0	-20.5	14.8	-35.3	-35.3	n/a
State Agencies	\$5,614.5	\$5,770.6	\$70.0	\$5,700.6	86.1	1.5%
Total Operating	\$13,353.5	\$13,708.5	\$510.9	\$13,197.6	-\$155.9	-1.2%
Capital/Heritage Reserve Fund	5.1	10.8	0.0	10.8	5.7	113.4%
Reserve Funds	114.9	15.0	0.0	15.0	-99.9	-87.0%
Appropriations	\$13,473.5	\$13,734.3	\$510.9	\$13,223.4	-\$250.1	-1.9%
Reversions	-45.5	-30.0	0.6	-30.6	14.9	-32.7%
Grand Total	\$13,428.0	\$13,704.3	\$511.5	\$13,192.8	-\$235.2	-1.8%

Note: The fiscal 2010 working appropriation includes deficiencies, targeted reversions, and Conference Committee reductions to the deficiencies. The fiscal 2011 allowance includes \$87.8 million in reductions from Sections 18-24 of the budget bill (SB 140) and \$0.5 million in targeted reversions related to the planned employee furlough and temporary salary reduction. The fiscal 2011 reductions include \$406.4 million contingent on the Budget Reconciliation and Financing Act (SB 141).

State Expenditures – All Funds
(\$ in Millions)

<u>Category</u>	<u>Adjusted Work. Appr. FY 2010</u>	<u>Allowance FY 2011</u>	<u>Conference Reductions & Fund Swaps</u>	<u>Conference Approp. FY 2011</u>	<u>FY 2010 to FY 2011</u>	
					<u>\$ Change</u>	<u>% Change</u>
Debt Service	\$945.5	\$1,006.0	\$0.0	\$1,006.0	\$60.4	6.4%
County/Municipal	467.1	748.1	280.8	467.3	0.2	0.0%
Community Colleges	256.2	279.2	23.1	256.1	-0.1	0.0%
Education/Libraries	6,677.6	6,537.3	10.9	6,526.4	-151.2	-2.3%
Health	41.8	45.5	3.7	41.8	0.0	0.0%
Aid to Local Governments	\$7,442.7	\$7,610.1	\$318.5	\$7,291.6	-\$151.1	-2.0%
Foster Care Payments	365.9	351.9	0.0	351.9	-14.0	-3.8%
Assistance Payments	680.7	891.9	6.0	885.9	205.2	30.1%
Medical Assistance	5,827.3	6,047.8	0.0	6,047.8	220.5	3.8%
Property Tax Credits	74.0	73.6	0.1	73.5	-0.5	-0.6%
Entitlements	\$6,947.9	\$7,365.3	\$6.1	\$7,359.2	\$411.3	5.9%
Health	2,565.7	2,642.3	9.4	2,633.0	67.3	2.6%
Human Resources	935.2	890.3	2.2	888.1	-47.1	-5.0%
Systems Reform Initiative	31.8	28.4	0.0	28.4	-3.4	-10.7%
Juvenile Services	277.0	273.7	0.5	273.2	-3.8	-1.4%
Public Safety/Police	1,503.5	1,521.6	5.7	1,515.9	12.4	0.8%
Higher Education	4,619.4	4,735.5	0.0	4,735.5	116.2	2.5%
Other Education	667.8	637.2	14.3	622.9	-44.9	-6.7%
Transportation	1,523.2	1,546.7	43.1	1,503.6	-19.6	-1.3%
Agric./Natural Res./Environment	391.4	415.7	25.1	390.6	-0.8	-0.2%
Other Executive Agencies	1,745.2	1,673.3	6.8	1,666.5	-78.7	-4.5%
Legislative	75.5	76.8	1.1	75.7	0.2	0.3%
Judiciary	423.7	434.5	11.5	423.0	-0.8	-0.2%
Across-the-board Reductions	0.0	-23.5	24.8	-48.2	-48.2	n/a
State Agencies	\$14,759.4	\$14,852.6	\$144.4	\$14,708.2	-\$51.2	-0.3%
Total Operating	\$30,095.5	\$30,833.9	\$469.0	\$30,364.9	\$269.4	0.9%
Capital/Heritage Reserve Fund	2,128.4	1,687.7	42.3	1,645.3	-483.1	-22.7%
Reserve Funds	114.9	15.0	0.0	15.0	-99.9	-87.0%
Appropriations	\$32,338.8	\$32,536.6	\$511.4	\$32,025.2	-\$313.6	-1.0%
Reversions	-45.5	-30.0	0.6	-30.6	14.9	-32.7%
Grand Total	\$32,293.3	\$32,506.6	\$512.0	\$31,994.6	-\$298.7	-0.9%

Note: The fiscal 2010 working appropriation includes deficiencies, targeted reversions, and Conference Committee reductions to the deficiencies. The fiscal 2011 allowance includes \$117.1 million in reductions from Sections 18-24 of the budget bill (SB 140) and \$0.5 million in targeted reversions related to the planned employee furlough and temporary salary reduction. The fiscal 2011 reductions include \$437.2 million contingent on the Budget Reconciliation and Financing Act (SB 141). These reductions are offset by \$394.2 million in additional special fund spending due to funding swaps.

General Fund Forecast – Conference Committee
Effect of Legislation and Budget Reductions on Fund Balance
Fiscal 2010-2015
(\$ in Millions)

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Fund Balance Prior to Enactment of Legislation						
End-of-year Balance*	-\$556	-\$883	-\$2,523	-\$2,268	-\$2,212	-\$2,310
Revenue Action						
Transfers	\$560	\$149	\$0	\$0	\$0	\$0
Revenues and Multi-year Transfers	<u>147</u>	<u>265</u>	<u>340</u>	<u>342</u>	<u>353</u>	<u>364</u>
Subtotal	\$706	\$414	\$340	\$342	\$353	\$364
Spending Action						
Local K-12 Education Aid	\$0	-\$4	-\$9	-\$43	-\$80	-\$124
Other Local Aid	0	-46	-73	-65	-79	-71
Entitlements	0	-25	-34	-20	-21	-22
Higher Education	0	-14	-67	-69	-72	-77
Economic Development and Cultural	0	-1	-2	-1	-1	-1
Other State Agency	-4	-70	-262	-123	-127	-131
Local Income Tax Reserve	<u>0</u>	<u>-350</u>	<u>0</u>	<u>0</u>	<u>50</u>	<u>50</u>
Subtotal	-\$4	-\$511	-\$446	-\$320	-\$330	-\$377
Fund Balance after Enactment of Legislation						
End-of-year Balance	\$154	\$196	-\$1,542	-\$1,606	-\$1,529	-\$1,569

* Reflects Supplemental Budget No. 1.

Fiscal Effect of General Fund Actions – Conference Committee
Fiscal 2010-2015
(\$ in Millions)

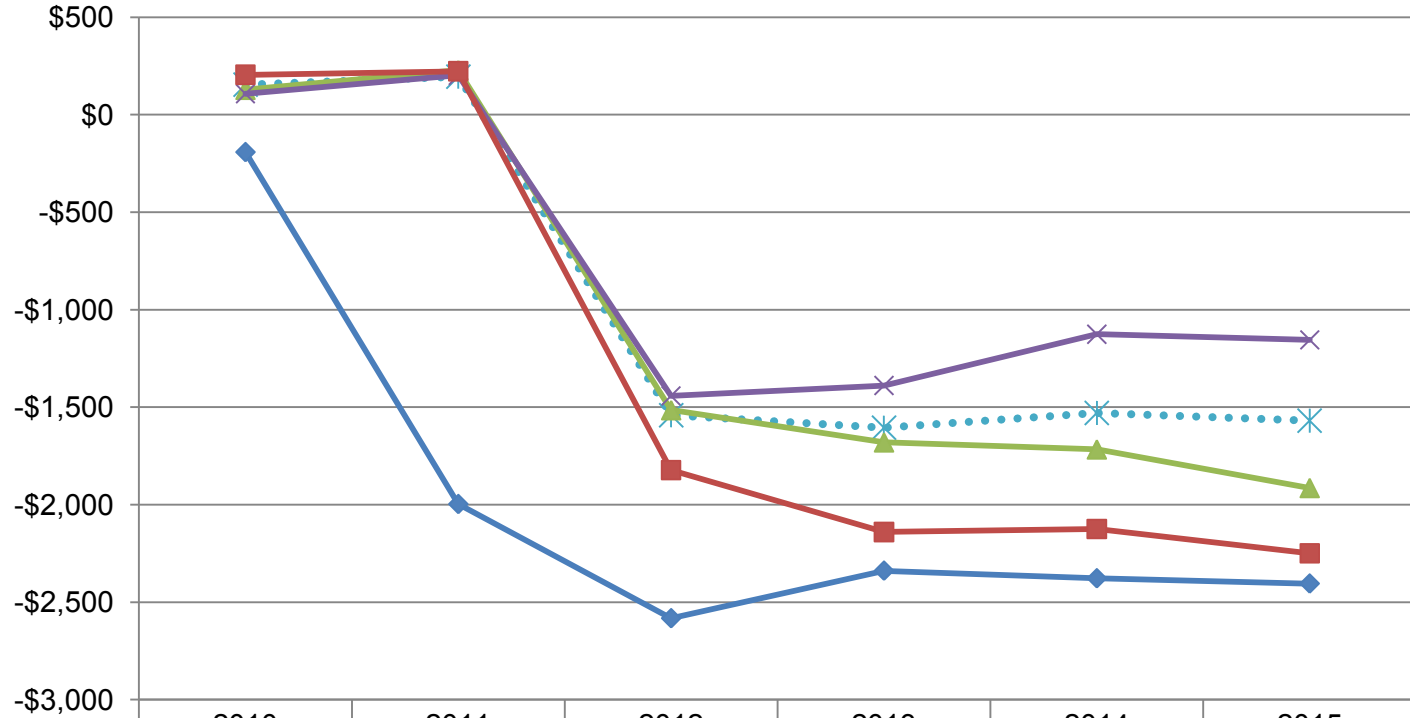
	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Other Local Aid						
Cade Formula – Limit Growth	\$0.0	-\$23.1	-\$48.3	-\$60.8	-\$74.5	-\$66.8
Local Employee Retirement Contributions	0.0	-0.5	-0.5	-0.5	-0.5	-0.5
Police Aid – Two-year Freeze	0.0	-19.0	-19.6	0.0	0.0	0.0
Local Health Departments	0.0	-3.7	-4.1	-3.8	-3.8	-3.8
Local K-12 Education Aid						
Aging Schools – Lower Mandate	0.0	0.0	-4.3	-4.5	-4.5	-4.5
Public Library Aid – Freeze at FY 2012	0.0	0.0	0.0	-3.3	-3.3	-3.3
Share the State Fair! Grants	0.0	0.0	0.0	0.0	0.0	0.0
Education Formulas – Limit Inflation to 1%	0.0	-4.3	-4.4	-35.3	-72.3	-116.6
Entitlements						
Nursing Home Assessments – Increase Revenue	0.0	-17.0	-17.8	-18.6	-19.4	-20.3
Cigarette Restitution Fund Programs	0.0	-8.2	-28.0	-13.4	-13.4	-13.4
Kidney Disease – General Funds in Lieu of Special Funds	0.0	0.0	12.0	12.0	12.0	12.0
Higher Education						
Baltimore City Community College – Limit Growth	0.0	0.0	-1.9	-2.3	-3.2	-2.9
Sellinger Formula – Limit Growth	0.0	-13.5	-17.9	-17.4	-18.3	-21.5
* St. Mary's College – Fund at 2011 Per Student Level in FY 2012	0.0	0.0	-0.1	-0.1	-0.1	-0.1
* USM/MSU – Fund at 2011 Per Student Level in FY 2012	0.0	0.0	-47.0	-48.9	-50.8	-52.9
Economic Development and Cultural						
Arts Council – Reduce Mandated Growth	0.0	-0.2	-0.8	-0.9	-0.9	-1.0
Tourism Development Board Fund	0.0	-1.0	-1.0	0.0	0.0	0.0
Other State Agencies						
No Deferred Compensation	0.0	0.0	-14.3	-14.3	-14.3	-14.3
Delete 500 Positions	0.0	-12.0	-18.8	-19.6	-20.5	-21.4
* No Growth in Personnel Costs – FY 2012	0.0	0.0	-139.2	-84.1	-87.5	-91.0
Other State Agency Reductions	-3.5	-58.4	-89.6	-4.6	-4.6	-4.7
Local Income Tax Reserve for Education						
Local Reserve Account for Education	0.0	-350.0	0.0	0.0	50.0	50.0
Total Spending Reductions	-\$3.6	-\$510.9	-\$445.7	-\$320.4	-\$329.8	-\$377.0
Revenues and Multi-year Transfers						
Chesapeake Bay 2010 Trust Fund	\$10.5	\$22.1	\$0.0	\$0.0	\$0.0	\$0.0
Job Creation Tax Credit	0.0	-20.0	0.0	0.0	0.0	0.0
Collections Certification of Lottery Prizes (HB 1505)	0.0	2.1	2.2	2.2	2.3	2.4
Central Collection Fund Sweeper Adjustment	0.0	-0.6	0.0	0.0	0.0	0.0
Highway User Revenues	136.2	261.5	338.4	339.4	350.3	361.2
Total Revenues and Multi-year Transfers	\$146.7	\$265.1	\$340.5	\$341.7	\$352.5	\$363.5

MSU: Morgan State University

USM: University System of Maryland

* Implemented by budget committee intent language.

Comparison of Out-year General Fund Balances Fiscal 2010-2015 (\$ in Millions)



	2010	2011	2012	2013	2014	2015
●*●●● Conference Committee	\$154	\$196	-\$1,542	-\$1,606	-\$1,529	-\$1,569
—▲— House Plan	129	229	-1,515	-1,680	-1,716	-1,914
—×— Senate Plan	108	202	-1,442	-1,389	-1,126	-1,155
—■— Governor's Plan	205	223	-1,823	-2,140	-2,124	-2,249
—◆— December 2009 SAC	-191	-1,997	-2,583	-2,339	-2,378	-2,405

SAC: Spending Affordability Committee

* Governor's, Senate, and House plans adjusted to reflect Supplemental Budget No. 1.

Conference Committee Action on Budget Reconciliation and Financing Act of 2010 (SB 141)

The Budget Reconciliation and Financing Act of 2010, as amended by the Conference Committee¹, accomplishes the following for the general fund:

Fiscal 2010 Fund Transfers	\$647.5 million
Fiscal 2010 Revenues	58.8 million
Fiscal 2011 Fund Transfers	394.9 million
Fiscal 2011 Revenues	35.5 million
Fiscal 2010 and 2011 Contingent Reductions	418.6 million
Total Budgetary Action	\$1,555.3 million

- Disparity Grants – modifies the disparity grant formula to use income tax collections as of November 1
- Soil Conservation Districts – strikes a provision that would repeal the mandate for 110 field personnel and would set funding at \$9.2 million for fiscal 2011 and 2012, \$9.6 million in fiscal 2013, and \$10.0 million in fiscal 2014 and thereafter
- Attachment of Wages – strikes a provision that would authorize a fee of \$2.00 to be charged by the State or a unit of local government for the attachment of wages
- Comptroller – strikes a provision that would repeal the requirement to publish a list of unclaimed property and would authorize an electronic database
- Community Adult Rehabilitation Centers – repeals requirement that the State fund start-up, acquisition, construction, and renovation costs for these centers as well as operating costs in excess of available federal funds and inmate contributions
- Judicial Compensation Commission – establishes that the commission review judicial salaries and pensions on or after September 1, 2011, September 1, 2013, and every four years thereafter

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

- Moving Violation Surcharge – reduces distribution of the Moving Violation surcharge to the Voluntary Company Assistance Fund by 50.0% and to the State Helicopter Replacement Fund by 100.0% for fiscal 2010 only and directs the revenue to the general fund
- Land Records Improvement Fund – authorizes the fund to be used for information technology projects permanently
- Maryland Tourism Development Board – sets funding at \$5.0 million for fiscal 2011 and 2012 and at \$6.0 million in fiscal 2013 and thereafter; *for fiscal 2011, reduces the earmark to Destination Marketing Organizations to \$2,350,000*
- *Fund for Preservation of the Cultural Arts – modifies uses to include organizations in financial distress; for fiscal 2011 allocates \$450,000 to the Baltimore Symphony Orchestra and \$50,000 to the National Philharmonic*
- Maryland Agricultural and Resource-Based Industry Development Corporation – strikes a provision which would set funding for fiscal 2011 and 2012 at \$850,000, increasing to reach \$4.0 million by fiscal 2015
- Education Aid Formulas – for fiscal 2013 through 2015, limits the amount of inflation in the Foundation program to 1.0%
- Student Transportation Grants – for fiscal 2011, limits inflationary increase in base grant to 1.0%, reduces the minimum annual inflation adjustment from 3.0 to 1.0%, and for fiscal 2012 through 2015, caps the annual inflation at 1.0%
- Aging Schools Program – *sets funding at \$6.1 million for fiscal 2011 and thereafter; authorizes that in fiscal 2011, the Aging Schools Program may be funded with general obligation or Qualified Zone Academy Bonds*
- Cade Formula for Community College Aid – funds at \$194.4 million in fiscal 2011, which equates to approximately 21.8% of selected public university per-student funding; \$194.4 million in fiscal 2012, which equates to approximately 20.0% of per-student funding; 21.0% in fiscal 2013; 22.0% in fiscal 2014; 23.0% in fiscal 2015; 24.0% in fiscal 2016; 25.0% in fiscal 2017; 26.0% in fiscal 2018; 27.0% in fiscal 2019; 28.0% in fiscal 2020; 29.0% in fiscal 2021 and each year thereafter; funds the fiscal 2011 grants through the Cade formula
- Baltimore City Community College – sets funding at \$40.2 million for fiscal 2011 and 2012, which in fiscal 2012 equates to 63.0% of selected public university per-student funding; sets formula at 63.5% in fiscal 2013; 64.0% in fiscal 2014; 64.5% in fiscal 2015; 65.0% in fiscal 2016; 65.5% in fiscal 2017; 66.0% in fiscal 2018; 66.5% in fiscal 2019; 67.5% in fiscal 2020; 68.5% in fiscal 2021 and each year thereafter

- Sellinger Formula for Nonpublic Institutions of Higher Education – sets formula at 9.8% of selected public university per-student funding in fiscal 2011, which equals \$38.4 million; \$38.4 million in fiscal 2012, which equates to approximately 9.2%; *10.0% in fiscal 2013; 10.5% in fiscal 2014; 11.0% in fiscal 2015; 11.5% in fiscal 2016; 12.0% in fiscal 2017; 13.0% in fiscal 2018; 14.0% in fiscal 2019; 15.0% in fiscal 2020; 15.5% in fiscal 2021 and each year thereafter*
- Library Aid – *sets the per capita payments for the county library grants, regional resource centers, and State Library Resource Center at the fiscal 2012 level for fiscal 2013 and every year thereafter*
- Department of the Environment – authorizes the use of the Oil Disaster Containment, Clean-Up, and Contingency Fund for oil-related activities in water pollution control programs, including administrative expenses
- Local Health Grants – sets funding at \$37.3 million for fiscal 2011 and 2012; sets out county-by-county distribution; and establishes this amount as new base, subject to inflationary increase, thereafter
- Tobacco Prevention and Cessation Programs – *sets funding at \$6.0 million for fiscal 2011 and 2012; sets funding at \$10.0 million for fiscal 2013 and thereafter*
- Statewide Academic Health Centers – sets funding at \$2.4 million in fiscal 2011 and 2012 *and at \$13.0 million in fiscal 2013 and thereafter*; consolidates funding for Cancer Research grants, repealing the Network Grants and Tobacco-related Diseases Research Grants programs
- Women, Infants, and Children Program – repeals minimum general fund appropriation of \$250,000
- Nursing Home Assessments – increases the quality assessment from 2.0 to 4.0% and provides that at least 65.0% of the revenue is to be used to supplement Medicaid nursing home reimbursements, and an unspecified portion shall be used for an incentive program
- Children’s Cabinet Interagency Fund – clarifies the process for disbursement of funds to reflect current practice
- Nonprofit Health Insurance Plan Payments in lieu of Premium Tax – strikes a provision that would redirect a portion of these revenues to the Kidney Disease Program and instead *authorizes, for fiscal 2011 only, that \$10.5 million from the fund balance of the Community Health Resources Commission fund be transferred to the Kidney Disease Program*

- Public Safety Death Benefits – requires that an application for benefits be filed within three years of death
- Central Collection Fund – requires that the balance in the Central Collection Fund in excess of 15.0% of operating expenses of the Central Collection Unit be automatically transferred to the general fund
- Budget Transparency – requires that across-the-board reductions presented in the annual budget bill be specified by financial agency code, *with the exception of actions involving position abolition and items requiring collective bargaining*
- Maryland State Arts Council – sets funding at \$13.3 million for fiscal 2011 and 2012 with inflationary increases resuming in fiscal 2013; repeals funding requirement established in the Budget Reconciliation and Financing Act (BRFA) of 2009
- Strategic Energy Investment Fund – *adds a provision that continues the allocation of funds as enacted in Chapter 487 of 2009 through fiscal 2012*
- State and Local Sharing of Retirement Costs – strikes a provision that would have begun, in fiscal 2012, a phase-in of the sharing of retirement costs to reach a 50/50 sharing of combined State retirement plus Social Security contributions between the State and the local employer by fiscal 2014
- Local Officials Retirement Payments – corrects a drafting error in Chapter 487 of 2009 to repeal State retirement contributions for judicial masters and for employees of the Baltimore City Sheriff's Department who are members of the State Employees' Retirement or Pension System
- Deferred Compensation Match – suspends the requirement that the State provide an employer match to employee contributions in the supplemental retirement plan for fiscal 2011 and provides that the employer match may be provided in future years to the extent funds are provided in the budget
- Tax on Electronic Bingo and Tip Jars – directs all revenue from the application of the admissions and amusement tax to electronic bingo and tip jars to the general fund in fiscal 2010; *for fiscal 2011, directs \$500,000 to the Special Fund for the Preservation of Cultural Arts in Maryland, \$500,000 to a special fund for local impact aid, and the balance to the general fund*
- Authorizes the transfer in fiscal 2010 of \$350.0 million from the Local Reserve Account to the Education Trust Fund; provides that the Local Reserve Account will be repaid by the State at \$50.0 million annually, from fiscal 2014 to 2020

- Funding for Medicaid – in the event that enhanced federal matching funds are not provided beyond December 30, 2010, *up to \$200.0 million* from the Local Reserve account is authorized to be transferred to the general fund for use in the Medicaid program; repayment to the reserve account would be at *\$33.3 million* annually in fiscal 2021 through 2026
- Chesapeake and Atlantic Coastal Bays 2010 Trust Fund – increases the amount directed to the general fund in fiscal 2010 by an additional \$8.0 million from the short-term vehicle rental tax (total of \$21.1 million); *for fiscal 2011, directs \$5.0 million from the motor fuel tax and \$17.1 million from the short-term vehicle rental tax to the general fund*
- Transportation Trust Fund Revenues – strikes a provision that would cap the share of the sales tax revenue credited to the Transportation Trust Fund at the current level of 5.3% permanently
- InterCounty Connector – revises State contribution to provide *at least \$80.0 million in fiscal 2011 and the remaining balance in fiscal 2012*
- Distribution of Highway User Revenues – For fiscal 2010 through 2012, maintains the overall revenues to the general fund as proposed in the Administration bill; however, general fund transfers are lowered in fiscal 2010 and then increased in fiscal 2011 to allow local jurisdictions to maintain funding already received; authorization is provided to implement this by budget amendment. General fund revenues total \$298.1 million in fiscal 2010, \$363.4 million in fiscal 2011, and \$338.4 million in fiscal 2012; *beginning in fiscal 2013 a permanent general fund transfer is made, equal to 19.3% of revenues or \$339.4 million in fiscal 2013.* In fiscal 2011, revenues to the Maryland Department of Transportation (MDOT) decrease by \$23.1 million to allow for the increased general fund transfer and maintain local payments as provided in the Administration’s plan. In fiscal 2012 and thereafter, the MDOT share is set at 71.5% of total revenues. The local distribution is altered but maintains the total levels as proposed in the Administration bill for fiscal 2011 and 2012 (\$134.3 million each year) using percentages. *Beginning in fiscal 2013, the local share is set at 9.2% (\$161.8 million in fiscal 2013) with 7.5% for Baltimore City, 1.4% for the counties, and 0.3% for the municipalities.* A legislative work group is directed to review the local distribution plan for fiscal 2013 and thereafter. Alters the calculation by which the funds are distributed from the county and municipal shares to participating governments
- Share the State Fair! – repeals in its entirety
- Private Career School Student Grant Program – strikes provision that would repeal the program

- Department of Natural Resources – repeals restrictive use of a portion of hunting license fees
- Maryland Mined Coal Tax Credit – strikes provision that would repeal the credit
- Fund Balance Transfers

	<u>Fiscal 2010</u>	<u>Fiscal 2011</u>
Bay Restoration Fund	\$155,000,000	\$45,000,000
<i>University System of Maryland</i>	133,319,852	11,731,321
Heritage Structure Rehabilitation Tax Credit Reserve Fund	0	
<i>Circuit Court Real Property Records Improvement Fund</i>	0	
<i>Injured Workers' Insurance Fund</i>	0	
Waterway Improvement Fund	13,509,450	3,934,000
Injured Workers' Insurance Fund (State Liability Reserve)	6,000,000	
State Insurance Trust Fund	5,221,332	
<i>Chesapeake and Atlantic Coastal Bays 2010 Trust Fund</i>	2,500,000	
Neighborhood Business Development Fund	3,628,687	3,200,000
<i>Ocean Beach Replenishment Fund (Local)</i>	3,401,000	
Charter Unit Fund (State Department of Assessments and Taxation)	3,000,000	
Oil Disaster Containment, Clean-Up, and Contingency Fund	1,000,000	
Special Loan Programs Fund (Department of Housing and Community Development)	2,176,565	2,500,000
Insurance Regulation Fund	2,000,000	
Vehicle Theft Prevention Fund	1,824,924	
Community Health Resources Commission Fund	1,800,000	
<i>Morgan State University</i>	2,113,653	750,574
Spinal Cord Injury Research Trust Fund	1,559,000	500,000
Land Trust Grant Fund	1,500,000	
Oil Contaminated Site Environmental Cleanup Fund	3,000,000	
Oil Reserve Fund	1,200,000	
<i>State Used Tire Cleanup and Recycling Fund</i>	1,100,000	
Tidal Wetlands Compensation Fund	1,000,000	
Cash Management Improvement Fund	733,339	
<i>Horse Racing Special Fund</i>	602,800	500,000
Board of Physicians Fund	527,619	1,000,000
Central Collection Fund	500,000	

	<u>Fiscal 2010</u>	<u>Fiscal 2011</u>
Maryland Correctional Enterprises Revolving Fund	500,000	
Injured Workers' Insurance Fund (State Administrative Costs)	0	
Maryland Health Care Commission Fund	472,026	
Community Legacy Financial Assistance Fund	449,373	
Board of Nursing Fund	305,549	
Shore Erosion Control Construction Loan Fund	305,481	
Maryland Clean Air Fund	300,000	
State Occupational and Professional Licensing Design Board Fund	300,000	
St. Mary's College of Maryland	204,368	204,368
State Chemist Reserve Account	150,000	
State Radiation Control Fund	500,000	
State Board of Pharmacy Fund	98,544	200,000
<i>Baltimore City Community College</i>	<i>1,374,254</i>	<i>822,287</i>
Homeownership Programs Fund	92,040	3,000,000
Rental Housing Programs Fund	87,758	
Partnership Rental Housing Fund	87,758	
State Board of Dental Examiners Fund	73,530	
State Board of Social Work Examiners Fund	52,097	
State Board of Chiropractic and Massage Therapy Examiners Fund	36,128	
State Board of Examiners of Psychologists Fund	23,718	50,000
State Board of Professional Counselors and Therapists Fund	22,013	50,000
State Board of Physical Therapy Examiners Fund	17,567	
State Board of Examiners for Audiologists, Hearing Aid Dispensers, and Speech Language Pathologists Fund	13,698	
State Board of Occupational Therapy Practice Fund	11,923	
State Board of Examiners in Optometry Fund	9,837	
State Acupuncture Board Fund	9,666	
State Board of Morticians and Funeral Directors Fund	9,566	
State Board of Podiatric Medical Examiners Fund	7,283	
Kidney Disease Fund	4,092	
State Board of Dietetic Practice Fund	3,738	

- Transfer Tax Revenues – authorizes the following transfers to the general fund in fiscal 2010 from unexpended balances in programs with revenue generated by the transfer tax:

Program Open Space (POS) – Local Share	\$103,113,000
POS – Capital Development	22,700,000
Rural Legacy Program	10,635,000
Maryland Agricultural Land Preservation Foundation	10,000,000
POS – State Land Acquisition	9,026,496*
POS Capital Development – Ocean City Beach Replenishment (State)	2,058,000

* This is the sum of the transfers listed in Sections 18 and 28.

- Transfer Tax Revenues – authorizes transfer of \$54,038,405 in transfer tax revenues in fiscal 2011 to the general fund
- 9-1-1 Fee – authorizes that \$5.0 million from the revenue derived from the 9-1-1 fee on wired lines may be used to support the computer aided dispatch/records management system of the Maryland State Police; clarifies that the funds are to be transferred to the Department of Information Technology; and repeals the requirement that the Governor provide a plan for repayment of funds transferred from the 9-1-1 Fund
- State Aid for Police Protection – sets funding at \$45.4 million for fiscal 2011 and 2012, with provision that each subdivision and municipality is held harmless at the fiscal 2010 funding level
- Group Home and Nonpublic Placement Rates – prohibits, for fiscal 2011, the payment of rates in excess of those in effect on January 20, 2010, to group homes and nonpublic placements
- Senior Prescription Drug Assistance Program – authorizes that \$17.0 million of the balance available in this program may be transferred to the Kidney Disease Program (\$10.5 million in fiscal 2010 and \$1.5 million in fiscal 2011) and the Medical Assistance Program (\$5.0 million in fiscal 2010)
- Telecommunications Revenue – directs income derived from commissions, rebates, refunds, rate reductions, settlements, or telecommunication bypass agreements resulting from information technology services or purchases to the general fund instead of the Major Information Technology Development Fund; applies to revenue received from May 1, 2010, through June 30, 2012

- Corporate Income Tax – directs a portion of the corporate income tax to the general fund instead of the Transportation Trust Fund and the Higher Education Investment Fund
- Comptroller – strikes language which would have suspended the requirement that the Statistics of Income Report and Tax Incidence Study be prepared and submitted for tax years 2008, 2009, and 2010
- Universal Service Trust Fund – authorizes that \$2.0 million from the Universal Service Trust Fund may be used to support the operating expenses of the Maryland School for the Deaf
- SEED School of Maryland – *directs the State Department of Education to negotiate a modification to the contract with the SEED School that would reduce enrollment and State support in fiscal 2012 and 2013*
- Distinguished Scholar Program – strikes provision that would prohibit the award of new scholarships in fiscal 2011
- General Mandate Relief – except for specified education formulas, employee retirement, reserve fund payments, and mandates addressed elsewhere in this Act, the Governor is not required to provide more funds in fiscal 2012 than provided in fiscal 2011
- Special Fund Interest – directs interest earnings on special fund accounts to the general fund, unless inconsistent with federal law, grant agreement, or terms of a gift or settlement; specific special funds are exempted
- Employee Raises – prohibits State employees from receiving bonuses, merit increases, or cost-of-living adjustments in fiscal 2011, except as necessary for the retention of faculty at public four-year higher education institutions; *sets a limit on the incentive payments for the Chief Investment Officer of the State Retirement System*
- Employee Furloughs and Salary Reductions – clarifies the authority of the Governor to implement temporary salary reductions as well as furloughs by executive order in fiscal 2011 or in any year when appropriations are reduced by the Board of Public Works because of a projected deficit; applies retroactively to January 20, 2010; establishes that overtime payments in fiscal 2010 and 2011 shall be based on salary schedules in effect on July 1, 2009
- Furlough and Salary Reduction Savings – authorizes the transfer to the general fund of any special fund savings realized as a result of the fiscal 2011 employee furlough and temporary salary reduction; applies retroactively

- Appropriation to the Rainy Day Fund – for fiscal 2011 and 2012, suspends the requirement of the automatic sweeper into the Rainy Day Fund if it is determined that such an appropriation would result in the loss of federal funds under the American Recovery and Reinvestment Act of 2009 or any other federal law
- Fair Campaign Financing Fund – repeals provision of Chapter 487 of 2009 that authorized the transfer of funds to the Election Modernization Fund if not expended for the purchase of a new optical scan voting system; authorizes that \$650,000 from the fund be used for an independent consultant to study various voting system issues and to establish an online campaign finance reporting system; and repeals the income tax add-on mechanism for contributing to the fund
- Human Resources (Personnel) Management System – reduces the amount to be charged to State agencies to begin the implementation of this system in fiscal 2011
- *Charles W. Riley Fire and Emergency Medical Services Tuition Reimbursement Program – for fiscal 2011, directs carry-forward funds from other scholarship programs to the Riley Program, up to the amount needed to satisfy the waiting list; amends the statute to allow for partial reimbursement of tuition costs*
- *Central Business Licensing Project – authorizes the transfer of \$479,176 from a variety of special funds to the general fund in fiscal 2011; these funds offset the expense of developing a central business licensing project in the Department of Business and Economic Development*
- *Public Employees' and Retirees' Benefit Sustainability Commission – establishes a commission to study and make recommendations on all aspects of State funded post retirement benefits and pensions provided to State and public education employees in the State; the commission is to report specific findings by December 15, 2010 and issue a final report by June 30, 2011; the intent of the General Assembly is that recommendations begin to be implemented no later than fiscal 2013*

House Provisions Stricken by the Conference Committee

- *Baltimore City Grant – repeals the mandate for an annual general fund grant of \$3.1 million*
- *Judicial Furlough Savings – reduces the fiscal 2010 appropriation in the Judiciary and establishes a special fund to collect financial contributions from judges as a method of participating in the statewide furlough of State employees; authorizes the Chief Judge to access this special fund in fiscal 2010 and 2011 for non-personnel expenditures*

- *Cigarette Restitution Fund Programs – reduces fiscal 2010 funding to education programs by \$450,000 to provide funds in lieu of general funds for Medicaid*
- *Legislative Scholarships – repeals the Senatorial and Delegate Scholarship programs effective July 1, 2011; prohibits any funds appropriated in the fiscal 2011 budget from being expended on these programs; and directs funds to be distributed in the same amounts by legislative district as would have been awarded under the legislative scholarship programs*
- *Nurse Support II Program – authorizes, for fiscal 2011 only, that funds may be used for the foreign-trained health professionals program in the Department of Labor, Licensing, and Regulation*
- *Medicare Part D – requires the Governor to design a plan for a prescription benefit program for Medicare-eligible State retirees that integrates benefits with Medicare Part D effective January 1, 2012; the plan should be developed in consultation with the Blue Ribbon Commission and proposed with the fiscal 2012 budget; the plan should provide an alternative retiree prescription plan for new employees beginning in fiscal 2012*

**General Fund Reductions Contingent on
Budget Reconciliation and Financing Act (SB 141)
Fiscal 2010 and 2011
(\$ in Millions)**

	<u>Senate</u>	<u>House</u>	<u>Conf. Comm.</u>
<u>FY 2010</u>			
Kidney Disease Program/Medicaid – From Prescription Drug Program	\$12.3	\$12.3	\$12.3
Judiciary Reduction Equivalent to Savings If Judges Could Be Furloughed	0.0	1.5	0.0
Total	\$12.3	\$13.8	\$12.3
<u>FY 2011</u>			
Retirement Contributions for Certain Local Employees	\$0.5	\$0.5	\$0.5
Judiciary Reduction Equivalent to Savings If Judges Could Be Furloughed	0.0	1.5	0.0
Education Aid – Student Transportation – Limit Increase to 1%	4.3	4.3	4.3
Education Aid – Aging Schools Program – Use Bond Funds	6.1	6.1	6.1
Education Aid – Use Special Funds from Local Income Tax Reserve Transfer	350.0	350.0	350.0
Maryland School for the Deaf – Use Universal Services Trust Fund Monies	2.0	2.0	2.0
Reduce Tobacco Cessation/Academic Health Centers and Fund Medicaid	8.2	8.2	8.2
Increase Nursing Home Facility Assessment – Save Medicaid General Funds	17.0	17.0	17.0
Women, Infants, and Children Program – No Mandated Appropriation (\$42,559)	0.0	0.0	0.0
Maryland State Arts Council – Level Fund	0.2	0.2	0.2
Tourism Development Board – Fund at \$5 Million			1.0
Allow Use of Land Records Revenues for Major Information Technology Projects	11.9	11.9	11.9
Use Monies from State 9-1-1 Fee for State Police Information Technology Project	5.0	5.0	5.0
Attachment Fee for Central Payroll – Use to Replace General Funds	0.1	0.0	0.0
Total	\$405.3	\$406.8	\$406.3

General Fund Revenues
Budget Reconciliation and Financing Act/Other Legislation
(\$ in Millions)

	<u>Admin. Plan</u>	<u>Senate</u>	<u>House</u>	<u>Conf Comm.</u>
<u>Fiscal 2010 Revenues (BRFA – SB 141)</u>				
Special Fund Interest – Accrue to General Fund	\$11.9	\$11.9	\$11.9	\$11.9
Moving Violations Revenue from Fire and Helicopter Funds	2.0	1.5	1.5	1.5
Cultural Arts Share of Admissions and Amusement Tax	3.4	3.4	3.4	3.4
HEIF Share of Constellation Corporate Income Tax	7.7	7.7	7.7	7.7
TTF Share of Constellation Corporate Income Tax	26.3	26.3	26.3	26.3
Chesapeake Bay 2010 Fund Revenue	8.0	8.0	8.0	8.0
Total	\$59.3	\$58.8	\$58.8	\$58.8

<u>Fiscal 2011 Revenues (BRFA – SB 141)</u>				
Special Fund Interest – Accrue to General Fund	\$11.0	\$11.0	\$11.0	\$11.0
Moving Violations Revenue from Fire and Helicopter Funds	2.0	1.5	0.0	0.0
Cultural Arts Share of Admissions and Amusement Tax	2.4	2.4	2.4	2.4
Chesapeake Bay 2010 Fund Revenue	22.1	32.1	32.1	22.1
Unclaimed Property – Dispense with Newspaper Advertising	0.5	0.5	0.0	0.0
Abolish Maryland-Mined Coal Tax Credit	4.5	0.0	0.0	0.0
Total	\$42.5	\$47.5	\$45.5	\$35.5

<u>Fiscal 2011 Revenues – Other Legislation</u>				
Continue HEIF – SB 283/HB 470	-\$42.1			
Job Creation and Recovery Tax Credit – SB 106/HB 92	-20.0	-\$20.0	-\$20.0	-\$20.0
State Lottery Prize Interception – HB 1505	2.1	2.1	2.1	2.1
Total	-\$60.0	-\$17.9	-\$17.9	-\$17.9

HEIF: Higher Education Investment Fund

TTF: Transportation Trust Fund

**Transfers to the General Fund
Budget Reconciliation and Financing Act (SB 141)
Fiscal 2010 and 2011
(\$ in Millions)**

<u>Fiscal 2010</u>	Admin. <u>Proposal</u>	<u>Senate</u>	<u>House</u>	Conf. <u>Comm.</u>
Highway User Revenues – BPW Cut Special Funds	\$159.5	\$139.9	\$136.2	\$136.2
Vehicle Theft Prevention Fund – BPW Cut Special Funds	1.8	1.8	1.8	1.8
Horse Racing Local Impact Grants – BPW Cut Special Funds	0.6	0.6	0.6	0.6
University System of Maryland Fund Balance	85.1	85.1	85.1	133.3
Morgan State University Fund Balance	1.7	1.7	1.7	2.1
St. Mary's College of Maryland Fund Balance	0.2	0.2	0.2	0.2
Baltimore City Community College	0.1	0.1	0.1	1.4
Oil Disaster Containment Cleanup and Contingency Fund	1.1	1.0	1.0	1.0
Oil Reserve Fund	1.2	1.2	1.2	1.2
Tidal Wetlands Compensation Fund	1.0	1.0	1.0	1.0
Oil Contaminated Site Environmental Cleanup Fund	1.2	3.0	3.0	3.0
Used Tire Cleanup and Recycling Fund	1.1	1.1	2.1	1.1
Clean Air Fund	0.3	0.3	0.3	0.3
Radiation Control Fund	0.2	0.2	0.5	0.5
Program Open Space – Replace with Bonds Per 2009 BRFA	4.5	4.5	4.5	4.5
Land Trust Grant Fund – Maryland Environmental Trust	1.5	1.5	1.5	1.5
Waterway Improvement Fund – BPW Cut Special Fund Expenditures	1.0	1.0	1.0	1.0
Shore Erosion Control Construction Loan Fund	0.3	0.3	0.3	0.3
Chesapeake and Atlantic Coastal Bays 2010 Trust Fund	0.0	2.5	0.0	2.5
State Chemist Reserve Account – Agriculture	0.2	0.2	0.2	0.2
Health Boards and Commissions	1.2	1.2	1.2	1.2
Spinal Cord Injury Research Trust Fund	1.6	1.6	1.6	1.6
Community Health Resources Commission Fund	1.8	1.8	1.8	1.8
Maryland Health Care Commission Fund	0.5	0.5	0.5	0.5
Heritage Structure Rehabilitation Tax Credit Reserve Fund	39.7	0.0	0.0	0.0
Various Special Funds – Housing and Community Development	0.4	0.4	0.4	0.4
Occupational and Professional Licensing Design Board Fund	0.3	0.3	0.3	0.3
Insurance Regulation Fund – Maryland Insurance Administration	2.0	2.0	2.0	2.0
State Insurance Trust Fund	5.2	5.2	5.2	5.2
Cash Management Improvement Fund – Treasurer's Office	0.7	0.7	0.7	0.7
Injured Workers' Insurance Fund – Reserve for Future State Liabilities	6.0	6.0	6.0	6.0
Injured Workers' Insurance Fund	20.0	0.0	20.0	0.0
Injured Workers' Insurance Fund – State Administrative Costs Account	0.5	0.0	0.0	0.0
Judiciary Land Records Fund	25.0	0.0	5.0	0.0
Charter Unit – State Department of Assessments and Taxation	3.0	3.0	3.0	3.0
Central Collection Unit – Department of Budget and Management	0.5	0.5	0.5	0.5
Correctional Enterprises Fund	0.5	0.5	0.5	0.5
Subtotal	\$371.4	\$270.8	\$290.9	\$317.4
<u>Fiscal 2011</u>				
Highway User Revenues	\$238.3	\$258.7	\$260.9	\$261.5
Horse Racing Local Impact Grants	0.0	0.6	0.4	0.5
University System of Maryland Fund Balance	51.7	55.5	61.7	11.7
Morgan State University Fund Balance	0.8	1.1	1.3	0.8
St. Mary's College of Maryland Fund Balance	0.2	0.2	0.2	0.2
Baltimore City Community College	0.8	1.8	2.5	0.8
Health Boards and Commissions	1.3	1.3	1.3	1.3
Spinal Cord Injury Research Trust Fund	0.5	0.5	0.5	0.5
Central Collection Unit – Repeal Automatic Transfer to General Fund	-6.9	-0.6	-0.6	-0.6
Central Business Licensing System – Various Special Fund Transfers	0.5	0.0	0.0	0.5
Furlough and Temporary Salary Reduction – Special Fund Savings	6.0	6.0	6.0	6.0
Subtotal	\$293.3	\$325.1	\$334.3	\$283.2
Total Transfers	\$664.6	\$595.8	\$625.2	\$600.6

BPW: Board of Public Works
BRFA: Budget Reconciliation and Financing Act

**Capital Program Transfers to the General Fund
Budget Reconciliation and Financing Act (SB 141)
Fiscal 2010 and 2011
(\$ in Millions)**

	<u>Admin.</u>		<u>House</u>	<u>Conf.</u>
	<u>Proposal</u>	<u>Senate</u>		<u>Comm.</u>
<u>Fiscal 2010 (Unexpended Capital Balances)</u>				
Local Share Program Open Space	\$103.1	\$103.1	\$103.1	\$103.1
Capital Development – Program Open Space	22.7	22.7	22.7	22.7
Rural Legacy Program	10.6	10.6	10.6	10.6
Agricultural Land Preservation	10.0	10.0	10.0	10.0
State Land Acquisition – Program Open Space	4.6	4.6	4.6	4.6
Ocean City Beach Replenishment – Program Open Space	2.1	2.1	2.1	2.1
Ocean City Beach Replenishment – Other	3.4	3.4	0.0	3.4
Waterway Improvement Fund	12.5	12.5	12.5	12.5
Bay Restoration Fund	155.0	155.0	155.0	155.0
Neighborhood Business Development Fund	3.6	3.6	3.6	3.6
Community Legacy Financial Assistance Fund	0.4	0.4	0.4	0.4
Special Loan Programs Fund	<u>2.1</u>	<u>2.1</u>	<u>2.1</u>	<u>2.1</u>
Total	\$330.1	\$330.1	\$326.7	\$330.1
<u>Fiscal 2011 (Special Fund Transfers)</u>				
Program Open Space/Agricultural Land Preservation	\$54.0	\$54.0	\$54.0	\$54.0
Bay Restoration Fund	45.0	45.0	45.0	45.0
Waterway Improvement Fund	3.9	3.9	3.9	3.9
Neighborhood Business Development Fund	3.2	3.2	3.2	3.2
Homeownership Programs Fund	3.0	3.0	3.0	3.0
Special Loan Programs Fund	<u>2.5</u>	<u>2.5</u>	<u>2.5</u>	<u>2.5</u>
Total	\$111.7	\$111.7	\$111.7	\$111.7

Final Budget Status Status as of April 9, 2010

	<u>FY 2010</u>	<u>FY 2011</u>
Starting General Fund Balance	\$87,172,364	\$153,740,762
Revenues		
BRE Estimated Revenues – December 2009	\$12,299,470,284	\$12,671,714,715
BRE Revenue Revision – March 2010	-65,973,967	0
Ch. 487 of 2009 Budget Reconciliation Legislation	216,288,248	124,357,649
Budget Reconciliation Legislation – Revenues	58,809,560	35,501,428
Budget Reconciliation Legislation – Transfers	647,489,809	394,861,585
Other Legislation	0	-17,900,600
Additional Revenues	128,484,971	26,094,993
Subtotal Revenues	\$13,284,568,905	\$13,234,629,770
Net Transfer to the GF from the Rainy Day Fund	95,052,421	0
Subtotal Available Revenues	\$13,466,793,690	\$13,388,370,532
Appropriations		
General Fund Appropriations Net of Rainy Day Fund	\$13,712,407,444	\$13,733,452,157
Deficiencies	219,017,987	0
Supplemental Budget No. 1	-9,482,946	1,345,453
Board of Public Works Withdrawn Appropriations	-531,426,769	0
Legislative Reductions/Contingent Legislation	-13,783,053	-510,915,034
Estimated Agency Reversions	-63,679,735	-31,058,000
Subtotal Appropriations	\$13,313,052,928	\$13,192,824,576
Closing General Fund Balance	\$153,740,762	\$195,545,956

BRE: Board of Revenue Estimates
GF: General Fund