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Fiscal Briefing

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Budget Meets Spending Affordability Requirement That General Fund Structural Deficit Be Reduced by One Third (\$ in Millions)

Structural Deficit Prior to Submission of Fiscal 2012 Budget

Ongoing Baseline Spending – FY 2012	\$15,551	Legislative Services December Forecast
Ongoing Revenues – FY 2012	<u>13,598</u>	Board of Revenue Estimates December Forecast
Structural Gap	\$1,953	

Reductions to Meet 33.3% Target **\$650**

Analysis of Reductions from General Fund Baseline Spending in Fiscal 2012 Allowance

Ongoing Baseline Spending – FY 2012	\$15,551	
General Fund Allowance – FY 2012	<u>14,636</u>	Total proposed general funding spending
Reductions from Baseline Spending	\$914	

Adjustments to Reflect Nonstructural Changes from Baseline Spending Estimates

Federal Education Jobs Monies	-124	One-time supplantation of general funds in Fiscal 2011
Retirement System Restructuring Savings	-104	Savings in subsequent years to retirement system
One-time Employee Bonus	40	One-time general fund expenditure
Temporary Assistance for Needy Families (TANF)	-46	Budget assumes federal monies that may not materialize and are not ongoing

Structural Reductions from Baseline Spending **\$680**
Percent of Fiscal 2012 Structural Deficit **34.8%**

Budget Change by Fund (\$ in Millions)

	Work. Appr. <u>FY 2011</u>	Allowance <u>FY 2012</u>	<u>\$ Change</u>	<u>% Change</u>
General	\$13,236.4	\$15,081.2	\$1,844.8	13.9%
Special	6,026.2	6,517.3	491.1	8.1%
Federal	10,308.8	9,403.2	-905.6	-8.8%
Higher Education	<u>3,559.1</u>	<u>3,664.5</u>	<u>105.5</u>	<u>3.0%</u>
Total Spending	\$33,130.5	\$34,666.2	\$1,535.7	4.6%
<i>General + Special + ARRA ⁽¹⁾</i>	<i>18,299.0</i>	<i>19,356.4</i>	<i>1,057.3</i>	<i>5.8%</i>

Targeted Reversions, Contingent Reductions, and Fund Swaps

General	-\$7.9	-\$445.2
Special	0.0	-47.3
Federal	0.0	-21.1
Higher Education	<u>0.0</u>	<u>-5.8</u>
	-\$7.9	-\$519.4

	Adjusted Work. Appr. <u>FY 2011</u>	Adjusted Allowance <u>FY 2012</u>	<u>\$ Change</u>	<u>% Change</u>
General	\$13,228.6	\$14,636.0	\$1,407.5	10.6%
Special	6,026.2	6,470.0	443.7	7.4%
Federal	10,308.8	9,382.0	-926.8	-9.0%
Higher Education	<u>3,559.1</u>	<u>3,658.8</u>	<u>99.7</u>	<u>2.8%</u>
Total Spending	\$33,122.6	\$34,146.8	\$1,024.2	3.1%
<i>General + Special + ARRA ⁽¹⁾</i>	<i>18,291.2</i>	<i>18,868.8</i>	<i>577.7</i>	<i>3.2%</i>

⁽¹⁾ Excludes operating and capital transportation spending. Fiscal 2011 includes \$1.2 billion and fiscal 2012 includes \$4.5 million in federal funds from the American Recovery and Reinvestment Act of 2009 that were used to supplant general funds.

Note: The fiscal 2011 working appropriation includes \$637.7 million in deficiencies. The fiscal 2012 allowance includes \$61.2 million in reductions from Sections 19, 20, and 22 of the budget bill (HB 70/SB 85) and \$1.1 million in targeted reversions related to employee health benefits. The fiscal 2012 adjusted allowance reflects \$584.0 million in reductions and \$4.1 million in targeted reversions contingent on legislation. These reductions are offset by \$68.7 million in additional special fund spending due to funding swaps.

State Expenditures – General and Special Funds plus ARRA*

(\$ in Millions)

<u>Category</u>	<u>Actual FY 2010</u>	<u>Work. Appr. FY 2011</u>	<u>Targeted Reversions</u>	<u>Adjusted Work. Appr. FY 2011</u>	<u>Allowance FY 2012</u>	<u>Contingent Reductions & Fund Swaps</u>	<u>Adjusted Allowance FY 2012</u>	<u>FY 2011 to FY 2012</u>	
								<u>\$ Change</u>	<u>% Change</u>
Debt Service	\$921.7	\$991.5	\$0.0	\$991.5	\$1,052.0	\$0.0	\$1,052.0	\$60.5	6.1%
County/Municipal	379.1	384.7	0.0	384.7	392.3	20.8	371.4	-13.3	-3.5%
Community Colleges	256.2	258.1	0.0	258.1	267.3	4.3	263.1	4.9	1.9%
Education/Libraries ⁽¹⁾	5,564.1	5,758.4	0.0	5,758.4	5,954.9	304.0	5,650.9	-107.5	-1.9%
Health	37.3	37.3	0.0	37.3	37.3	0.0	37.3	0.0	0.0%
Aid to Local Governments	\$6,236.7	\$6,438.5	\$0.0	\$6,438.5	\$6,651.7	\$329.1	\$6,322.6	-115.9	-1.8%
Foster Care Payments	240.4	242.0	0.0	242.0	238.8	0.0	238.8	-3.2	-1.3%
Assistance Payments	111.0	65.2	0.0	65.2	66.3	0.0	66.3	1.1	1.7%
Medical Assistance ⁽¹⁾	2,931.1	3,003.0	0.0	3,003.0	3,451.5	17.5	3,434.0	431.0	14.4%
Property Tax Credits	73.2	75.9	0.0	75.9	79.4	0.0	79.4	3.5	4.6%
Entitlements	\$3,355.7	\$3,386.1	\$0.0	\$3,386.1	\$3,836.1	\$17.5	\$3,818.6	432.4	12.8%
Health	1,638.7	1,682.6	0.0	1,682.6	1,745.2	6.3	1,738.9	56.3	3.3%
Human Resources	389.2	344.4	0.0	344.4	362.0	5.7	356.3	11.8	3.4%
Systems Reform Initiative	24.3	20.5	0.0	20.5	18.8	0.0	18.8	-1.7	-8.1%
Juvenile Services ⁽¹⁾	265.6	262.7	0.0	262.7	265.4	2.4	263.0	0.3	0.1%
Public Safety/Police ⁽¹⁾	1,436.9	1,468.2	0.0	1,468.2	1,490.0	13.6	1,476.4	8.2	0.6%
Higher Education	1,198.0	1,194.9	0.0	1,194.9	1,201.2	10.4	1,190.8	-4.1	-0.3%
Other Education	368.4	407.0	0.5	406.5	401.6	3.3	398.3	-8.2	-2.0%
Agric./Natl Res./Environment	273.8	304.6	0.0	304.6	343.1	23.3	319.8	15.2	5.0%
Other Executive Agencies	1,021.7	1,149.4	2.9	1,146.5	1,323.6	4.2	1,319.3	172.9	15.1%
Legislative	71.7	75.9	0.0	75.9	77.6	0.9	76.7	0.8	1.1%
Judiciary	403.7	425.5	0.0	425.5	437.2	3.2	434.0	8.6	2.0%
Across-the-board Reductions	0.0	0.0	0.0	0.0	-40.0	1.4	-41.4	-41.4	n/a
State Agencies	\$7,092.0	\$7,335.7	\$3.4	\$7,332.3	\$7,625.7	\$74.7	\$7,551.0	218.7	3.0%
Total Operating	\$17,606.0	\$18,151.9	\$3.4	\$18,148.5	\$19,165.5	\$421.3	\$18,744.2	\$595.7	3.3%
Capital ⁽²⁾	211.9	162.2	0.0	162.2	205.8	66.2	139.6	-22.6	-13.9%
Reserve Funds	114.9	15.0	0.0	15.0	15.0	0.0	15.0	0.0	0.0%
Appropriations	\$17,932.9	\$18,329.0	\$3.4	\$18,325.7	\$19,386.4	\$487.5	\$18,898.8	\$573.2	3.1%
Reversions	0.0	-30.0	4.5	-34.5	-30.0	0.0	-30.0	4.5	-13.0%
Grand Total	\$17,932.9	\$18,299.0	\$7.9	\$18,291.2	\$19,356.4	\$487.5	\$18,868.8	\$577.7	3.2%

* Excludes transportation from the State Agencies and Capital but includes transportation local aid. Fiscal 2010 and fiscal 2011 include \$1.2 billion and fiscal 2012 includes \$4.5 million in federal funds from the American Recovery and Reinvestment Act of 2009 (ARRA) that were used to supplant general funds.

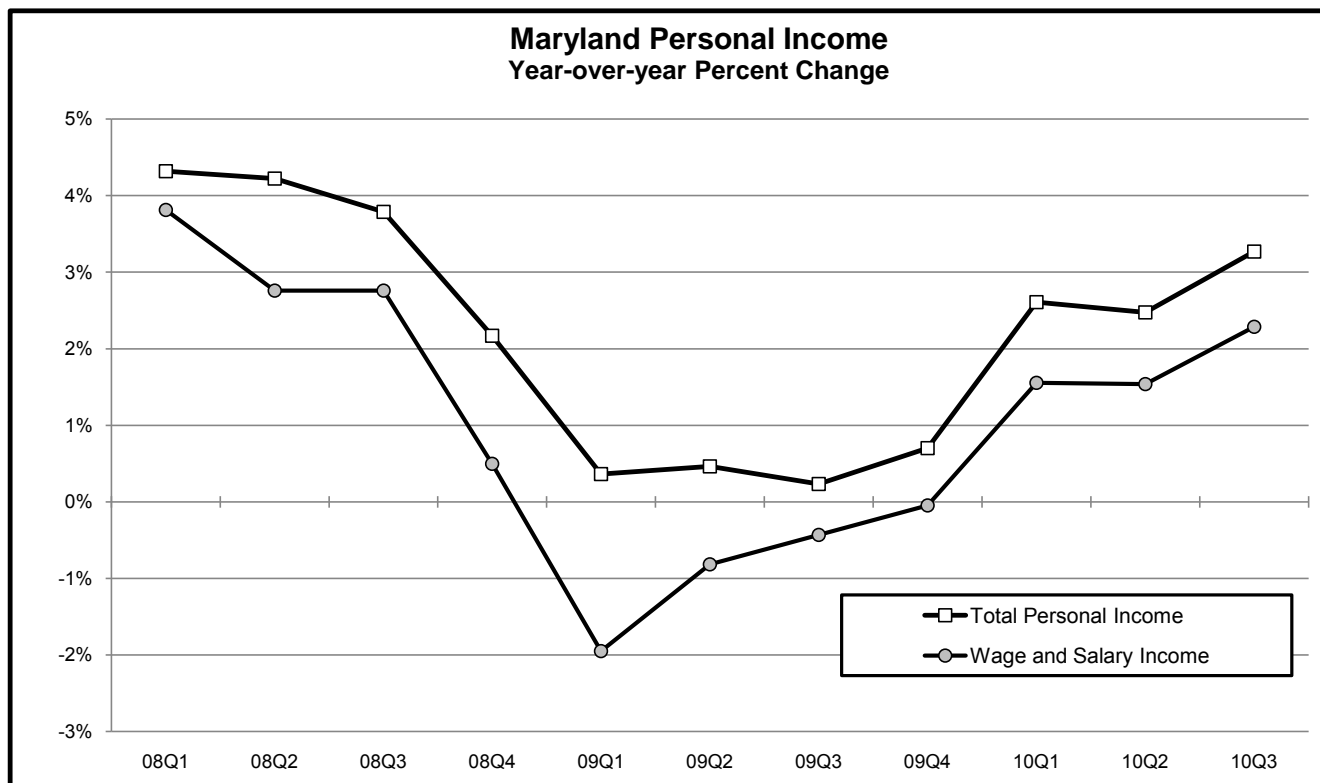
⁽¹⁾ Local aid for education/libraries includes \$297.3 million in fiscal 2010 and \$422.3 million in fiscal 2011 in federal funds from ARRA. Medicaid includes \$785.8 million in fiscal 2010, \$670.2 million in fiscal 2011 and \$4.5 million in fiscal 2012 in federal funds from ARRA. Juvenile Services includes \$4.5 million in federal funds from ARRA in both fiscal 2010 and fiscal 2011. Public Safety/Police includes \$73.6 million in fiscal 2010 and \$73.0 million in fiscal 2011 in federal funds from ARRA.

⁽²⁾ Includes the Sustainable Communities Tax Credit Reserve Fund.

Note: The fiscal 2011 working appropriation includes \$74.3 million in deficiencies. The fiscal 2012 allowance includes \$55.5 million in reductions from Sections 19, 20, and 22 of the budget bill (HB 70/SB 85) and \$1.1 million in targeted reversions related to employee health benefits. The fiscal 2012 adjusted allowance reflects \$552.1 million in reductions and \$4.1 million in targeted reversions contingent on legislation. These reductions are offset by \$68.7 million in additional special fund spending due to funding swaps.

Maryland Economic Performance Year-over-year Percent Change*

<u>Month-Year</u>	<u>Employment</u>	<u>Unemployment Rate</u>	<u>Initial UI Claims</u>	<u>Existing Home Sales</u>	<u>Vehicle Sales</u>	<u>Sales Tax</u>
Jan-10	-2.5%	7.5%	-3.4%	31.1%	3.0%	-7.6%
Feb-10	-2.6%	7.7%	8.1%	19.6%	-14.8%	-6.7%
Mar-10	-1.1%	7.7%	-3.3%	29.3%	12.9%	8.3%
Apr-10	-0.6%	7.5%	-16.7%	40.5%	13.8%	4.4%
May-10	0.0%	7.3%	-15.5%	30.0%	8.5%	2.8%
Jun-10	0.3%	7.1%	-8.5%	17.9%	5.9%	2.3%
Jul-10	0.6%	7.1%	-14.4%	-17.1%	-3.1%	3.4%
Aug-10	0.5%	7.3%	-3.1%	-11.3%	3.6%	4.4%
Sep-10	0.9%	7.4%	-5.8%	-13.4%	-1.8%	3.8%
Oct-10	1.0%	7.4%	-11.9%	-26.1%	2.0%	4.2%
Nov-10	1.2%	7.4%	-8.8%	-26.0%	11.9%	6.0%
Dec-10	n/a	n/a	-23.4%	5.1%	8.5%	n/a
Y-T-D	-0.2%	7.4%	-9.5%	2.7%	4.2%	2.5%



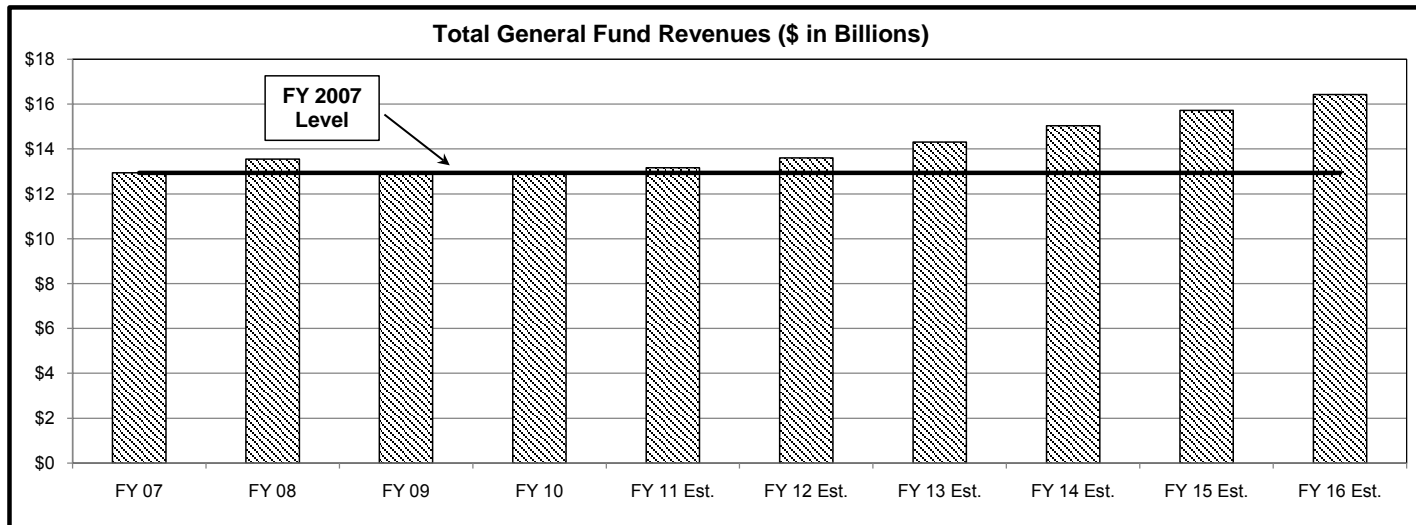
UI: Unemployment Insurance

* Except the unemployment rate.

Note: The unemployment rate is based on seasonally adjusted data. The sales tax is gross receipts (excluding assessments) adjusted for law changes. Monthly unemployment insurance claims from the U.S. Bureau of Labor Statistics with seasonal adjustment by Moody's Analytics. Data on existing home sales comes from the Maryland Association of Realtors. Vehicle sales data is from the Maryland Motor Vehicle Administration.

Maryland General Fund Revenues (\$ in Millions)

<u>Source</u>	<u>Actual</u>	<u>FY 2011 BRE Estimate</u>			<u>Change</u>	<u>FY 2012 BRE Estimate</u>			<u>Change</u>
	<u>FY 2010</u>	<u>Sept</u>	<u>Dec</u>	<u>Change</u>	<u>FY 2010</u>	<u>Sept</u>	<u>Dec</u>	<u>Change</u>	<u>FY 2011</u>
Personal Income Tax	\$6,178.2	\$6,360.1	\$6,336.8	-\$23.3	2.6%	\$6,712.1	\$6,650.2	-\$61.9	4.9%
Sales and Use Tax	3,522.8	3,655.5	3,672.5	16.9	4.2%	3,778.4	3,796.0	17.6	3.4%
State Lottery	491.0	510.9	492.6	-18.4	0.3%	519.3	503.5	-15.8	2.2%
Corporate Income Tax	689.3	543.4	611.3	67.9	-11.3%	567.9	621.9	54.0	1.7%
Business Franchise Taxes	202.5	202.9	202.9	0.0	0.2%	204.3	204.3	0.0	0.7%
Insurance Premiums Tax	277.0	287.0	287.0	0.0	3.6%	300.0	300.0	0.0	4.5%
Estate and Inheritance Taxes	173.5	182.3	194.7	12.4	12.2%	190.1	212.0	21.9	8.9%
Tobacco Tax	405.9	404.2	412.5	8.4	1.6%	402.5	408.7	6.2	-0.9%
Alcohol Beverages Tax	29.9	30.5	30.5	0.0	2.1%	31.2	31.2	0.0	2.1%
Motor Vehicle Fuel Tax	8.4	5.0	5.0	0.0	-40.4%	0.0	0.0	0.0	-100.0%
District Courts	87.3	86.5	86.5	0.0	-1.0%	87.8	87.8	0.0	1.5%
Clerks of the Court	35.5	35.1	31.2	-3.9	-12.0%	35.4	31.5	-3.9	0.9%
Hospital Patient Recoveries	72.7	67.4	74.6	7.2	2.7%	66.1	66.5	0.4	-10.9%
Interest on Investments	50.2	54.0	54.0	0.0	7.5%	63.0	63.0	0.0	16.7%
Miscellaneous	335.9	312.0	296.8	-15.2	-11.6%	310.1	283.0	-27.1	-4.7%
Tax Amnesty	27.0	5.4	3.7	-1.7	-86.3%	0	0	0.0	-100.0%
Subtotal	\$12,587.1	\$12,742.3	\$12,792.7	\$50.4	1.6%	\$13,268.1	\$13,259.6	-\$8.5	3.6%
Highway User Revenue	303.7	363.4	370.0	6.6	21.8%	338.4	338.2	-0.2	-8.6%
Total Revenues	\$12,890.8	\$13,105.7	\$13,162.7	\$57.0	2.1%	\$13,606.5	\$13,597.8	-\$8.7	3.3%



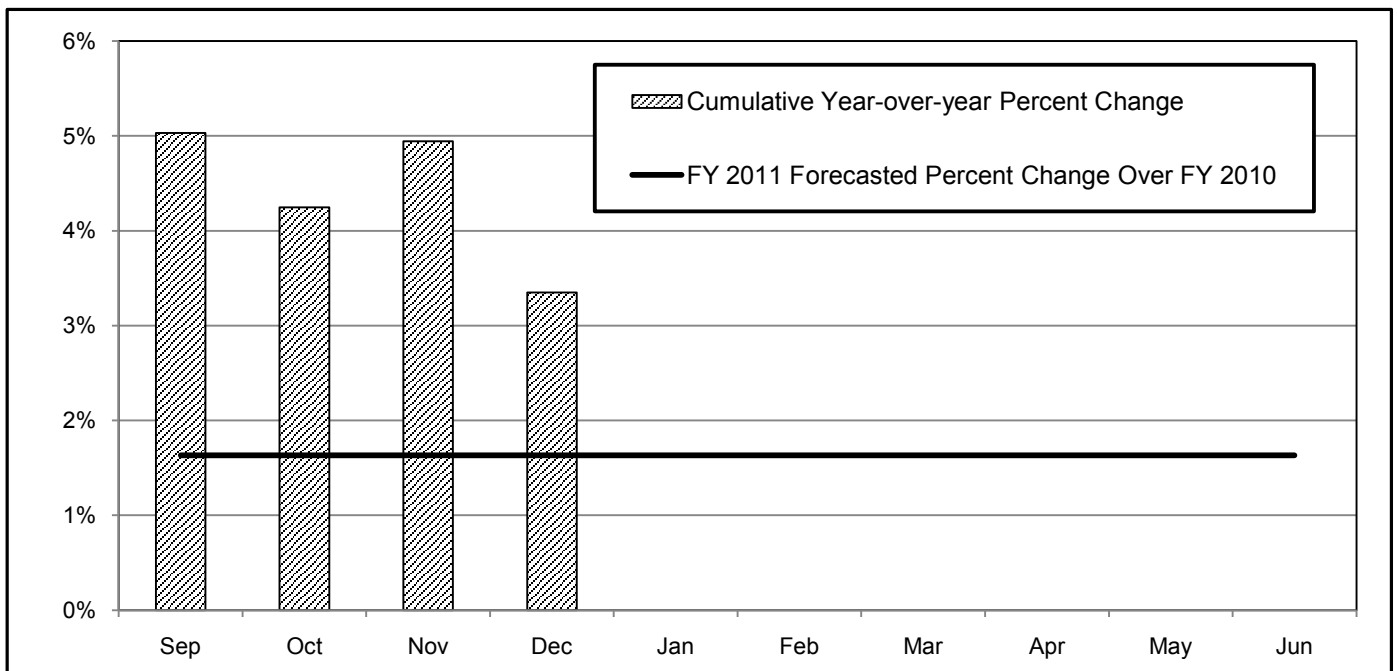
BRE: Board of Revenue Estimates

Fiscal 2011 General Fund Revenues (\$ in Millions)

<u>Source</u>	<i>Fiscal Year through December</i>			
	<u>FY 2010</u>	<u>FY 2011</u>	<u>\$ Difference</u>	<u>% Difference</u>
Personal Income Tax	\$2,468.2	\$2,599.7	\$131.5	5.3%
Sales and Use Tax ⁽¹⁾	1,452.2	1,507.1	54.9	3.8%
State Lottery	242.4	236.6	-5.7	-2.4%
Corporate Income Tax	221.3	210.4	-10.9	-4.9%
Business Franchise Taxes	77.3	78.4	1.0	1.4%
Insurance Premiums Tax	129.5	136.5	7.0	5.4%
Estate and Inheritance Taxes	95.6	110.3	14.7	15.3%
Tobacco Tax	181.0	186.5	5.5	3.0%
Alcohol Beverages Tax	12.9	12.8	-0.1	-1.0%
Motor Vehicle Fuel Tax	5.3	5.0	-0.3	-5.5%
District Courts	44.2	42.3	-1.9	-4.2%
Clerks of the Court	20.4	17.8	-2.6	-12.8%
Hospital Patient Recoveries ⁽²⁾	5.6	6.9	1.3	23.3%
Miscellaneous and Interest	92.6	67.2	-25.4	-27.4%
Total Revenues	\$5,048.4	\$5,217.4	\$169.0	3.3%

(1) Data reflects sales tax revenue remitted to the Comptroller from August to December which were collected by retailers from July to November.

(2) Includes revenues from Medicare, insurance, and sponsors only. Fiscal 2010 excludes \$5.1 million from Medicaid cost settlements.



Overview

2011 Session Budget Plan (\$ in Millions)

Budget Problem

FY 2012 General Fund Baseline Structural Gap	\$1,953	
FY 2011 General Fund Deficiencies	<u>94</u>	
		\$2,047

General Fund Balance (FY 2011)* **\$700**

Constraining Budget Growth

Reductions from Baseline in Governor's Allowance	\$469	
Reductions/Reversions Contingent on Legislation	445	
Additional FY 2011 Reversions	7	
		\$921

Revenues **\$334**

Transfers **\$212**

Ending General Fund Balance (FY 2012) **\$120**

*Estimated balance before deficiencies, proposed transfers and revenues, and reversions. Under the Administration's plan the fiscal 2011 ending balance is estimated to be \$679.3 million.

**Changes from General Fund Baseline Expenditure Growth
Fiscal 2012 Proposed Budget
(\$ in Millions)**

Aid to Local Governments	-\$157
Mandated education and library aid formulas level funded (\$98 million) and savings from restructuring teachers' retirement benefits (\$80 million).*	
Aid programs – net increase from baseline estimates (\$26.3 million).	
Entitlements	-115
Medicaid funding less than baseline estimates (\$80 million) – cost containment, lower provider rates, and calendar 2012 managed care rate increase not budgeted.	
Changing funding of graduate medical education (\$18 million Medicaid savings).*	
State Agencies – Operations/Programs	-226
No general funds for low income energy assistance – additional federal funds available and actions being taken to control costs in fiscal 2011 (\$50 million).	
Lower costs estimated for mental health services (\$18 million) .	
Charge local governments for property valuation costs (\$35 million).*	
Less funding for information technology projects and no funding for new election system (\$33 million).	
Repayment for open space monies transferred to the general fund in fiscal 2006 not funded (\$50 million).	
State Agencies – Personnel	-41
One-time employee bonus funded and furloughs discontinued (\$88 million increase).	
Higher vacancy rate than in baseline (\$30 million) and savings from voluntary separation program (\$40 million).	
Restructuring of employee/teachers retirement benefits (\$24 million) and retiree prescription drug benefits (\$22 million).*	
Subtotal – Baseline Savings from Constraining Growth	-\$539
Fund Swaps/Found Money/New Revenues	-456
Education: Federal Education Jobs Funds in fiscal 2011 make general funds available to prefund fiscal 2012 (\$124 million) and bond funding aging schools (\$6 million).*	
Entitlements: Increase in hospital assessment (\$201 million)*, higher nursing home assessment (\$13 million)*, and federal TANF contingency funds assumed to be available (\$46 million).	
Transportation Trust Fund Monies Used to Maintain the Rainy Day Fund at 5% of revenues (\$30 million).*	
Total Difference from Baseline	-\$995

*Savings contingent on legislation.

TANF: Temporary Assistance for Needy Families

Reconciliation of Governor's Concept (\$ in Millions)

Fiscal 2011

Fiscal 2011 Starting Balance		\$344.0
Revenue		
BRE December	\$13,162.7	
Non-statutory Adjustments	37.5	
Transfers – 2010 Session	317.4	
Other Reimbursements	15.6	
		\$13,533.2
Spending		
2011 Appropriations	\$13,172.7	
Deficiencies	93.8	
Reversions	-37.9	
		\$13,228.6

Fiscal 2012

Current Law Balance Forward to Fiscal 2012		\$648.6
Revenues		
BRE December	\$13,597.8	
Non-statutory Adjustments	64.2	
Other Reimbursements	21.3	
		\$13,683.2
Spending		
2012 Appropriations	\$15,165.0	
Voluntary Separation Program	-40.0	
Health Benefits	-12.2	
Reversions	-31.6	
		\$15,081.2
Magic		
Unbudgeted General Funds Supplanted by Medicaid Hospital Assessment		\$201.3
Transfer from Transportation Trust Fund to Rainy Day Fund		\$40.0
Amount to Be Resolved in 2011 Session		-\$990.7

2011 Session "To Do" List

Governor's Proposals Requiring Legislative Approval 2011 Session **-\$990.7**

Revenues

Medicaid Hospital Assessments	\$201.3	
Highway User (Maryland Department of Transportation Share)	100.0	
Part D Reimbursements to General Fund	47.0	
Tax Clearance for Vehicle Transactions	20.0	
Sales Tax Vendor Discount	17.8	
Bay 2010 Fund Revenues (Sales and Gas)	18.7	
Special Fund Interest	11.0	
Telecommunication Recoveries	10.0	
Premium Tax - Eliminate IWIF Exemption	6.0	
Other	22.1	
		\$453.9

Transfers

Transfer Tax	\$100.1	
Bay Restoration Fund	90.0	
Land Records Fund	10.0	
Other	11.9	
		\$212.0

Reductions

Education Aid

Prefund Thornton	\$124.4	
Reduce Foundation	93.7	
Bond Fund Aging Schools Program	6.1	
Level-fund Library Aid	4.1	
		\$228.4

Reorganization

MD Higher Education Commission/MD State Dept. of Education	\$0.9	
DHMH/DLLR Law Enforcement to the Dept. of General Services	0.3	
MDE/DNR Consolidation of Select Functions	1.1	
		\$2.4

Retirement

Teachers and Employee Retirement Benefits – Restructure	\$104.0	
Retiree Prescription Drug Benefit – Restructure	22.1	
		\$126.1

Cost Shifts

Charge Locals for Property Valuation	\$34.8	
Nonpublic Placements to Schools for State Institutions	3.5	
		\$38.3

Other

Change Funding of Graduate Medical Education – Medicaid Savings	\$17.5	
Increase Nursing Home Assessment	13.0	
Special Fund Kidney Disease Program	11.6	
DNR Payments in Lieu of Taxes	2.4	
MARBIDCO	1.8	
Scholarships	1.6	
Other	2.1	
		\$50.0

Ending General Fund Balance **\$120.3**

BRE: Board of Revenue Estimates

DHMH: Department of Health and Mental Hygiene

DLLR: Department of Labor, Licensing, and Regulation

DNR: Department of Natural Resources

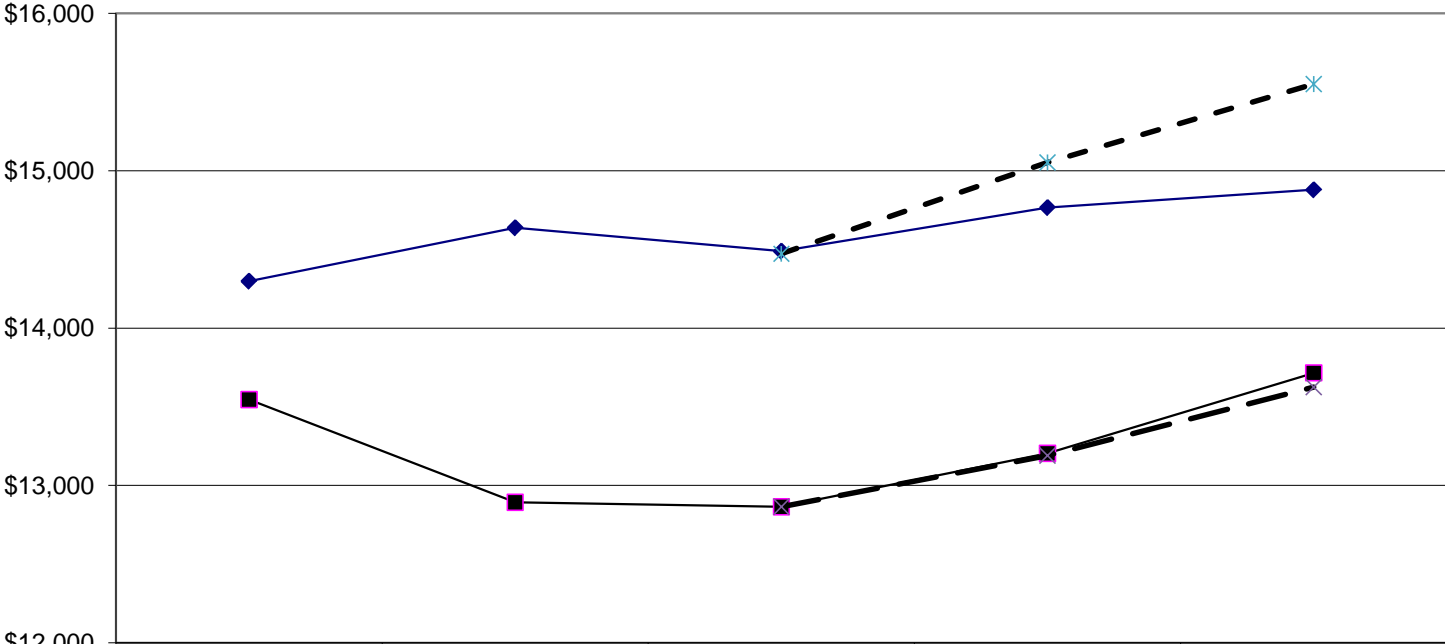
MARBIDCO: Maryland Agricultural and Resource-Based Industry Development Corporation

General Fund: Recent History and Outlook
Fiscal 2010-2012
(\$ in Millions)

	<u>2010</u> <u>Actual</u>	<u>2011</u> <u>Working</u>	<u>2012</u> <u>Allowance</u>
Funds Available			
Ongoing Revenues	\$12,864	\$13,204	\$13,715
Balances and Transfers	895	662	975
One-time Federal Aid	1,161	1,189	5
Short-term Revenues	27	42	66
Subtotal Funds Available	\$14,948	\$15,096	\$14,761
Appropriations, Deficiencies, and Cost Containment			
Net Ongoing Operating Costs and Deficiencies	\$14,489	\$14,766	\$14,879
One-time Reductions/Withdrawn Appropriations	0	-507	-238
PAYGO Capital	0	158	0
Appropriations to Reserve Fund	115	0	0
Subtotal Spending	\$14,604	\$14,417	\$14,641
Cash Balance/Shortfall	\$344	\$679	\$120
Structural			
Balance (Ongoing Revenues Less Operating Costs)	-\$1,625	-\$1,562	-\$1,164
Ratio (Ongoing Revenues/Operating Costs)	89%	89%	92%
Reserve Fund Activity			
Appropriations to Rainy Day Fund	\$176	\$0	\$0
Transfers to General Fund	-210	0	0
Estimated Rainy Day Fund Balance – June 30	\$612	\$630	\$681
Total Cash (Rainy Day, General Fund Balance)	\$956	\$1,309	\$801

PAYGO: pay-as-you-go

The Governor's Budget Proposal Reduces the Structural Deficit to \$1.2 Billion in Fiscal 2012
Fiscal 2008-2012
(\$ in Millions)



	2008	2009	2010	2011	2012
◆ Ongoing Spending	\$14,298	\$14,638	\$14,489	\$14,766	\$14,879
■ Ongoing Revenues	13,545	12,893	12,864	13,204	13,715
Structural Balance	-753	-1,745	-1,625	-1,562	-1,164
✕ Ongoing Revenue Dec 2010			12,864	13,189	13,625
✕ Ongoing Spending Dec 2010			14,472	15,053	15,551

Fiscal 2011 Deficiencies Total \$637.7 Million
(\$ in Millions)

	<u>GF</u>	<u>SF</u>	<u>FF</u>
Where GF Are Needed to Supplement Appropriation or Replace Underattained SF or FF			
Health and Mental Hygiene: To replace underattained ARRA match in Medicaid (\$68.4 million GF, \$39.2 million SF); pharmacy claims processing and court settlement payment (\$16.8 million); GF in lieu of SEIF for energy performance contracts (\$2.8 million); and claims and eligibility processing (\$0.6 million)	\$78.1	\$36.4	-\$88.9
Education: School assessment contracts (\$6.0 million) and turnover relief (\$0.3 million)	6.3		
Juvenile Services: To replace underattained Title IV-E funds (\$1.5 million); overtime (\$1.2 million); and non-residential per diem placements (\$0.9 million)	3.6		
Public Safety and Correctional Services: Inmate medical care (\$3.0 million) and to implement Correctional Officers Bill of Rights (\$0.3 million)	3.3		
Assessment and Taxation: Prior year shortfalls in Homeowners' Tax Credit (\$2.4 million); fiscal 2010 expenses carried forward (\$0.7 million); and legal expenses associated with ground rent legislation (\$0.1 million)	3.2		
Stadium Authority: Baltimore City Convention Center operating deficit (\$2.2 million); Ocean City Convention Center operating deficit (\$0.1 million); and Hippodrome debt service (\$0.4 million)	2.7		
Higher Education Commission: Statewide and Health Manpower grants liability (\$2.0 million) and legal expenses (\$0.2 million)	2.2		
Board of Elections: Capital lease payments for epoll books	2.0		
Other Agencies: Public Defender (\$0.7 million); Governor (\$0.3 million); Boards and Commissions (\$0.1 million); Planning (\$1.0 million); Veterans Affairs (\$0.6 million); Lottery Commission (\$0.3 million); Human Resources (\$0.4 million); and Labor, Licensing, and Regulation (\$1.1 million)	4.6		0.3
Subtotal	\$106.0	\$36.4	-\$88.6

Where SF or FF Are Added to Support Normal Program Activity

Human Resources: Supplemental Nutrition Assistance Program payments			\$502.0
Education: Race to the Top (\$100.0 million); vocational rehab grants (\$7.6 million); early childhood development (\$3.1 million); instruction (\$0.8 million); and business services (\$0.6 million)		\$0.3	111.8
Health and Mental Hygiene: MCHP provider payments (\$6.3 million); preparedness and response (\$5.2 million); prevention and disease control (\$3.3 million); alcohol and drug abuse (\$3.5 million); mental hygiene (\$2.4 million); and other program and admin grants (\$5.5 million)		1.5	24.7

Labor, Licensing, and Regulation: Unemployment insurance claims and claims processing			7.0
Natural Resources: Maritime security (\$1.4 million); DNR police (\$1.0 million); and fish and wildlife (\$0.6 million)	0.7		2.3
Maryland Public Television: Corporate support for programming	2.6		
Other Agencies: Planning (\$0.6 million); Public Debt Build America Bonds (\$1.6 million); Juvenile Services (\$1.2 million); Business and Economic Development (\$0.5 million); and others (\$0.2 million)	1.2		2.9
Subtotal	\$6.3		\$650.7

Where GF or SF Are Withdrawn or Swapped to Support the Overall Budget Plan

Human Resources: Foster care savings and FF underattainment (-\$18.3 million); FF in lieu of SEIF for energy assistance (-\$19.8 SF, \$13.0 FF); temporary disability assistance reimbursements (-\$1.0 million); and Family Recovery Program (-\$0.2 million)	-\$3.2	-\$20.8	-\$2.3
Education: Revised Video Lottery Terminal revenue estimates		-18.4	
Environment: Bay Restoration Fund bonds debt service		-10.0	
State Police: Use speed monitoring SF revenue in lieu of GF	-7.1	7.5	
Public Debt: Reduction in Program Open Space bonds debt service		-6.8	
Maryland Health Insurance Plan: Lower than expected spending in high risk pools (-\$5.0 million) and the Senior Prescription Drug Assistance Program (-\$0.3 million)		-5.3	
Public Safety and Correctional Services: Overbudgeted capital lease payments (-\$0.5 million) and SF revenue estimate for Maryland Correctional Enterprises (-\$5.0 million)	-0.5	-6.5	
Governor's Office for Children and Interagency Fund: Funds restricted by budget language for local management board contract administration	-0.6		
Other Agencies: Aging (\$1.7 million); MARBIDCO (-\$0.3 million); Health and Mental Hygiene (\$0.7 million); Maryland Public Television (-\$0.2 million); Housing and Community Development (-\$1.0 million); Business and Economic Development (-\$0.2 million); and Military (-\$0.1 million)	-0.9	-1.9	3.6
Subtotal	-\$12.3	-\$62.2	\$1.3
Grand Total	\$93.7	-\$19.5	\$563.4

ARRA: American Recovery and Reinvestment Act
DNR: Department of Natural Resources
FF: federal fund
GF: general fund
MARBIDCO: Maryland Agricultural and Resource-Based Industry Development Corporation
MCHP: Maryland Children's Health Program
SEIF: Strategic Energy Investment Fund
SF: special fund

Fiscal 2012 General Fund Changes Over Fiscal 2011 Spending (\$ in Millions)

Mandated Grants and Aid

Education Aid: GF in Lieu of ARRA and Local Income Tax Reserve Funds, Formula Growth	\$542.6
Education Aid: Formula Freeze Contingent Reduction	-93.7
Teacher and Librarian Retirement: ARRA Replacement and Growth	302.4
Teacher and Librarian Retirement: Pension Plan Changes Contingent Reduction	-75.6
Education Aid: Prefund Fiscal 2012 Aid with Fiscal 2011 GF Available Due to Federal Education Jobs Fund	-124.4
DHMH Community Providers Inflation Adjustment Per Ch. 497 and 498 of 2010	5.0
Residential Boarding School for At-risk Youth	1.7
Library Aid and State Library Network	0.1
Baltimore City Community College	0.1
St. Mary's College of Maryland	0.3
Community College Retirement: Pension Plan Changes Contingent Reduction	-4.3
Disparity Grant	-10.5

Constitutional Entities

Judiciary	\$7.8
Restoration of Salaries (No Furlough) for Judicial and Legislative Branches	4.7

Entitlements

Medicaid: ARRA Replacement, Inflation, Utilization, and Enrollment Offset by Increased Use of SF	\$751.8
Property Tax Credits	3.5
Foster Care Payments	-4.2

Personnel

Employee Retirement: Growth Offset by Plan Changes Contingent Reduction	\$5.7
Employee and Retiree Health Benefit Changes	22.0
Salary Savings Due to Annualization of Voluntary Separation Program	-40.0
One-time Employee Bonus	39.6
Restoration of Salaries (No Furlough)	43.0
Turnover Adjustment and Annualization of Position Changes	-37.0

Discretionary

Mental Health Fee-for-service Enrollment and Utilization, Offset by Various Cost Containment	\$34.6
DDA Community Services – Deinstitutionalization, Transitioning Youth, Emergency Placements	9.6
Community Colleges: Affordability Incentive Grants	5.0
Stem Cell Research Fund	2.0
Scholarships: Phase-out of Distinguished Scholars; Eliminate Tolbert	-1.3
DDA Community Services – Rate Adjustment and Increased Use of FF	-6.4
University System of Maryland and Morgan State University; Additional SF Available	-7.1

Agency Operations

Public Safety and Correctional Services: ARRA Replacement	\$70.3
Video Lottery Terminals – Staffing and Equipment	17.7
Maryland Economic Development Assistance and Authority Fund	4.5
Inmate Medical Expenses in DPSCS	2.0
Maryland Agriculture and Resource-based Industry Development Corporation	-1.5
Agency Reorganizations and Sharing of Services	-2.4
DDA Facility Operations – Closure of Brandenburg Center, Offset by Increased Community Services	-2.6
Maryland Industrial Development Financing Authority	-2.6
Removal of Deficiency for Convention Center Operating Subsidies and Hippodrome Debt Service	-2.7
School Board Payments in Lieu of GF for Education of Certain Children in State Custody	-3.5
Removal of One-time Deficiency for Public Education Assessment Program	-6.0
Major Information Technology Projects; Partially Offset by Increased SF	-12.4
County Payments in Lieu of GF for Property Assessment	-34.8

Other

General Fund PAYGO	-\$0.8
Other Changes	5.1

ARRA: American Recovery and Reinvestment Act

DDA: Developmental Disabilities Administration

DPSCS: Department of Public Safety and Correctional Services

GF: general fund

FF: federal fund

DHMH: Department of Health and Mental Hygiene

PAYGO: Pay-as-you-go

SF: special fund

Note: This analysis compares the 2011 working appropriation as it would stand following deficiencies and targeted reversions to the Administration's fiscal 2012 plan.

Significant Changes in Personnel

(\$ in Millions)

POSITION COUNTS

The fiscal 2012 allowance shows a total of 79,563 positions in State service, before the estimated 1,000 positions related to the Voluntary Separation Program are abolished in February 2011.

	<u>Executive Branch⁽¹⁾</u>	<u>All Branches</u>
Regular Positions: Fiscal 2011 Legislative Appropriation	51,380	79,555
Fiscal 2012 Allowance	<u>51,058</u>	<u>79,563</u>
<i>Change</i>	-322	8
 Contractual Positions: Fiscal 2011 Legislative Appropriation	 2,394	 9,240
Fiscal 2012 Allowance	<u>2,598</u>	<u>9,594</u>
Change	204	354

⁽¹⁾ Excluding higher education institutions.

Note: Detailed departmental position information can be found in the Appendices.

EMPLOYEE SALARIES

Fiscal 2012 salaries rise due to the end of furloughs and inclusion of a one-time \$750 bonus, although these actions are partially offset by position reduction actions.

	<u>All Funds</u>	<u>General Funds</u>
Fiscal 2011 Working Appropriation	\$4,381	\$2,629
End of Furlough Plan	108	63
One-time \$750 Bonus	55	39
Turnover Adjustment for Reduced Workforce	-17	-10
Annualization of Position Changes and Other Adjustments	-35	-27
Voluntary Separation Program	-40	-40
Fiscal 2012 Allowance	\$4,453	\$2,655
<i>Change</i>	72	26

Note: Salary totals are shown after turnover has been removed.

Significant Changes in Personnel (Cont.) (\$ in Millions)

HEALTH INSURANCE

Budgeted amounts increase by \$36 million, or 3.9%, in fiscal 2012, lower than anticipated due to program change reductions and favorable cost trends.

	FY 11 Working <u>Appropriation</u>	FY 12 <u>Allowance</u>	FY 11-12 <u>Change</u>
State Contribution	\$886	\$982	\$96
Medicare D Change Contingent on Legislation	0	-37	0
Prescription Co-pay Change	0	-10	0
Favorable Cost Trends	0	-12	0
Total Health Insurance Budget	\$886	\$923	\$37
<i>General Fund Portion</i>	<i>531</i>	<i>554</i>	<i>22</i>

Projected 7% appropriation increase reduced to 4% in the allowance due to:

Creation of a separate pharmacy benefit option for all retirees with savings generated from plan design features that are less costly to the State than the current program.

Increase of prescription copays from \$5/\$15/\$25 for generic drugs, brand-name formulary drugs, and nonformulary brand name drugs to \$10/\$25/\$40, respectively. Also, mail order incentives co-pays are eliminated, and the out-of-pocket maximum is raised.

The total appropriation is reduced as claim payment costs for fiscal 2011 and 2012 are approximately 1% lower than anticipated.

Other Factors Lowering Allowance Amount: Rebates received from the Prescription Benefit Manger have increased since fiscal 2010, when audit reviews and contract disputes resolved underpayment problems from prior years.

Also, the State expects, but has yet to receive, a share of federal health reform reinsurance funds allotted for plans that provide coverage to former employees not yet eligible for Medicare, worth \$43.5 million over fiscal 2011 and 2012.

Teachers' and State Employees' Pension Benefits

Governor's Proposal

- Current members of Teachers' Pension System (TPS) and Employees' Pension System (EPS) are given a one-time irrevocable choice between two benefit options going forward
 - Increase employee contribution from 5.0 to 7.0% to maintain 1.8% multiplier for future service
 - Maintain current 5.0% employee contribution, but lower multiplier to 1.5% for future service
 - For nonvested current members only, calculate average final compensation based on final five years of employment (instead of final three years)
- Plan design for TPS/EPS changed for new members as of July 1, 2011
 - Employee contribution raised from 5.0 to 7.0%
 - Multiplier lowered from 1.8 to 1.5%
 - Average final compensation based on final five years of service (instead of three)
 - Vesting raised from 5 to 10 years
 - Normal service retirement age raised from age 62 to 65; however, members can still retire after 30 years of service regardless of age and receive full benefits; early retirement age raised from 55 to 60
 - Cost-of-living adjustment for retirees capped at 1.0% in years in which pension fund investments do not earn investment target (currently 7.75%)
- Deferred Retirement Option Program eliminated for new and nonvested members of State Police Retirement System and Law Enforcement Officers Pension System

Fiscal 2012 Fiscal Effect

- Governor's budget recognizes fiscal 2012 savings despite contribution rates already being certified by the Board of Trustees of the State Retirement and Pension System
- Total budgetary savings of \$120.0 million in fiscal 2012, of which \$104.0 million is general funds

Long-term Actuarial Effect

- In fiscal 2013, a portion of the contribution savings generated by the benefit restructuring will be added to the required State contribution to the pension fund
- Beginning in fiscal 2014 and continuing until the pension fund reaches 100% funding, the full amount of the savings will be added to the required State contribution
- With the restructured benefits and the additional contributions, the system's actuary projects that the system will reach 80% funding by 2023, three years faster than currently projected

Medicaid Adjusted Appropriations/Allowance⁽¹⁾ (\$ in Millions)

	<u>Actual 2010</u>	<u>Working 2011</u>	<u>Allowance 2012</u>	<u>\$ Change 2011-12</u>	<u>% Change 2011-12</u>
General Fund	\$1,569.9	\$1,818.5	\$2,570.3	\$751.8	41.3%
Special Fund	575.3	617.2	859.3	242.1	39.2%
Federal Fund	3,748.1	3,932.4	3,499.1	-433.4	-11.0%
Reimbursable Fund	52.0	73.2	70.3	-3.0	-4.1%
Total	\$5,945.3	\$6,441.4	\$6,998.9	\$557.5	8.7%

⁽¹⁾ Fiscal 2011 adjustments are deficiencies and approved budget amendments for fiscal 2011 hospital assessment revenues, and fiscal 2012 adjustments are contingent reductions.

Issues/Observations

Fiscal 2011 Working Appropriation Appears Underfunded as It Does Not Reflect:

- costs associated with the calendar 2011 rate increase for managed care organizations for the last six months of fiscal 2011;
- an additional decline in Cigarette Restitution Fund revenues which partially support the Medicaid budget; and
- projected enrollment in fiscal 2011 at 4% above original enrollment estimates.

Fiscal 2012 Allowance Reflects:

- greater cost-shift to the rate-setting system including a \$201 million increase in assessment revenues as well as a change in the averted uncompensated care assessment methodology to offset general fund growth;
- moderate cost containment primarily through 1% provider rate cuts;
- an assumption of moderating enrollment growth over fiscal 2011; and
- increase in general funds based on no enhanced federal matching participation in fiscal 2012.

Medicaid Adjusted Special Fund Appropriations/Allowance (\$ in Millions) ⁽¹⁾

	<u>2008</u> <u>Actual</u>	<u>2009</u> <u>Actual</u>	<u>2010</u> <u>Actual</u>	<u>2011</u> <u>Working</u>	<u>2012</u> <u>Allowance</u>
Hospital Assessment	\$0.0	\$0.0	\$45.8	\$129.9	\$315.4
Health Care Coverage Fund ⁽²⁾	0.0	78.9	209.9	128.2	196.8
Nursing Home Assessment	25.8	44.0	42.3	89.3	103.0
Rate Stabilization Fund ⁽³⁾	65.0	102.3	111.7	116.5	108.0
Cigarette Restitution Fund	106.7	125.4	106.2	104.0	84.0
Other	33.9	35.5	59.4	49.2	52.1
Total Special Funds	\$231.4	\$386.0	\$575.3	\$617.2	\$859.3

⁽¹⁾ Fiscal 2011 adjustments are deficiencies and approved budget amendment for fiscal 2011 hospital assessment revenues, and fiscal 2012 adjustments are contingent reductions.

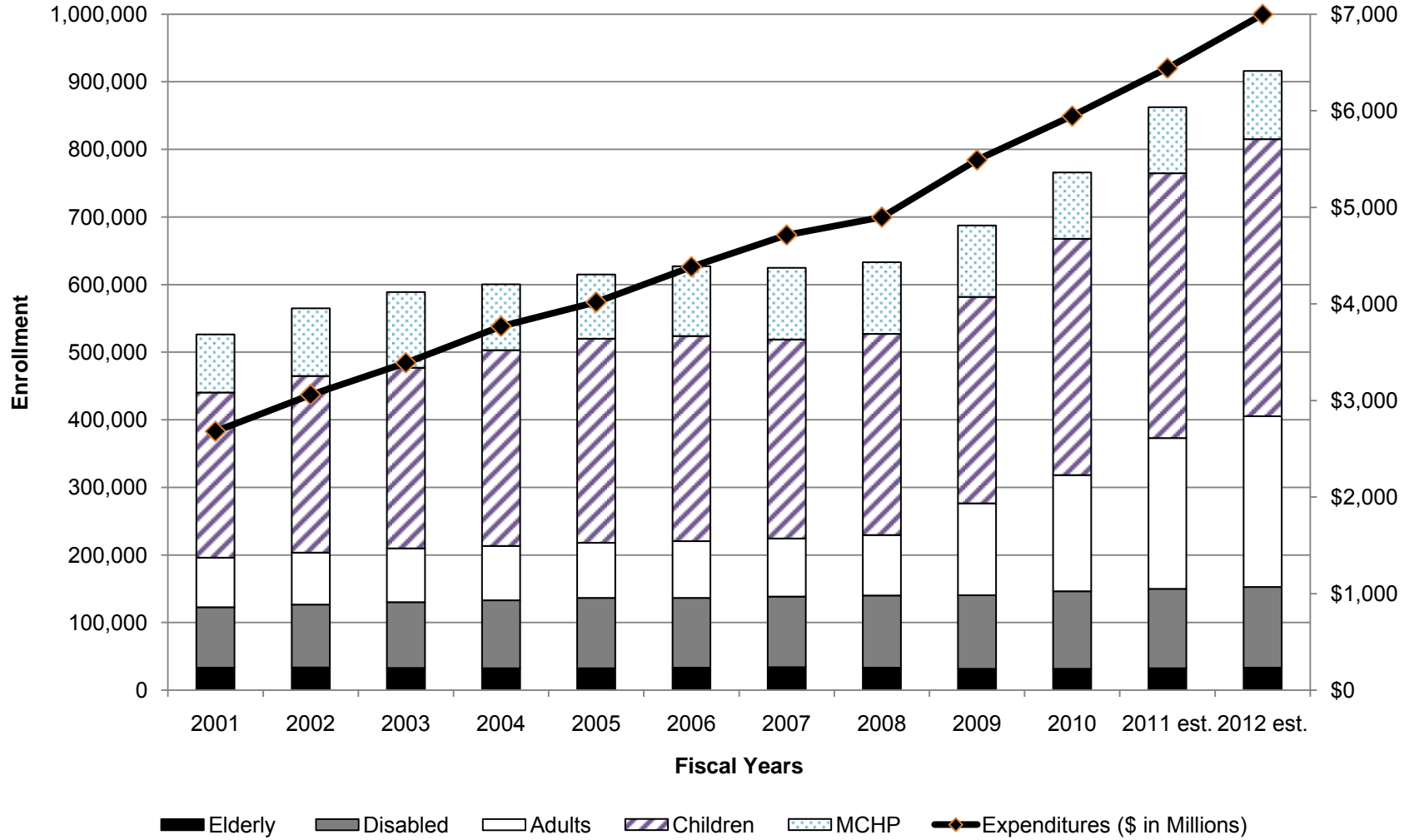
⁽²⁾ Health Care Coverage Fund revenues are principally generated by a hospital assessment to reflect averted uncompensated care following the expansion of Medicaid in fiscal 2009.

⁽³⁾ Rate Stabilization Fund revenues are generated by an annual premium tax imposed on health maintenance organizations and managed care organizations.

Medicaid Enrollment and Expenditures

Fiscal 2001-2012

(\$ in Millions)



MCHP: Maryland Children's Health Program

Potential Underfunding and Stresses on the General Fund Budget

Medicaid: Enrollment and Managed Care Organizations rate adjustments noted previously regarding fiscal 2011 underfunding could require **\$100 million to \$125 million** in general funds; declining Cigarette Restitution Funds could require an additional **\$12 million**

Mental Hygiene Administration: Payables from fiscal 2010 remain and fiscal 2011 appears underfunded for a combined effect of **\$37 million**

Temporary Assistance for Needy Families: The fiscal 2011 budget assumes \$46 million in Temporary Assistance for Needy Families Contingency Funds and \$12 million has been received; Congress has now rescinded the remaining authorization making it unlikely that additional funds will be received, creating a hole of **\$34 million**

Title IV-E: Prior year underattainment for foster care pre-placement costs will not be received, creating a **\$10 million** hole

Low Income Energy Assistance: Although the Department Human Resources is adjusting its benefit structure to stay within its fiscal 2011 appropriation, it remains to be seen if the changes will be sufficient to trim **\$25 million** from the level expended in fiscal 2010; revenues from the Strategic Energy Investment Fund continue to decline and additional federal funds are uncertain

These stresses amount to nearly \$245 million in potential general fund need

**State Aid by Governmental Entity
Amount and Percent of Total**

(\$ in Millions)

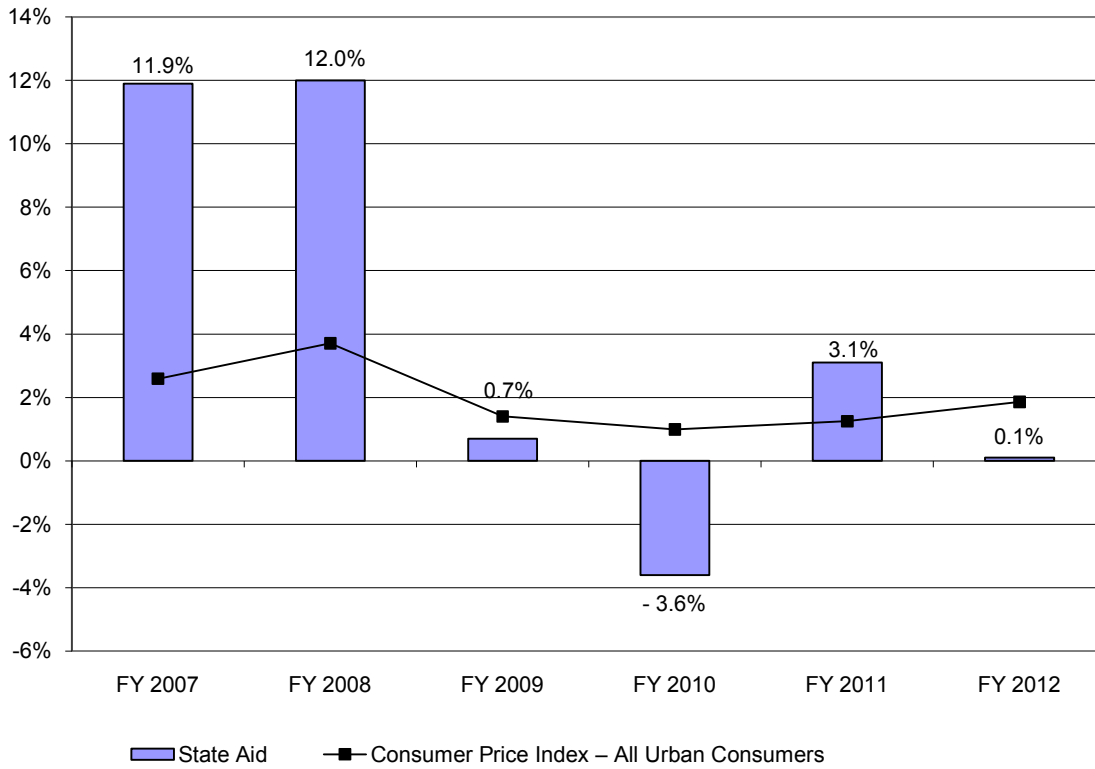
	<u>FY 2012 State Aid Amount</u>	<u>Percent of Total</u>
Public Schools	\$5,716.1	88.5%
Libraries	65.4	1.0%
Community Colleges	263.1	4.1%
Local Health	37.3	0.6%
County/Municipal	378.8	5.9%
Total	\$6,460.5	100.0%

Change in State Aid by Governmental Entity

(\$ in Millions)

	<u>FY 2012 Aid Difference</u>	<u>Percent Difference</u>
Public Schools	-\$1.4	0.0%
Libraries	-0.2	-0.3%
Community Colleges	4.9	1.9%
Local Health	0.0	0.0%
County/Municipal	3.5	0.9%
Total	\$6.9	0.1%

Annual Growth in State Aid to Local Governments



State Aid by Governmental Entity

(\$ in Millions)

	<u>FY 2007</u>	<u>FY 2012</u>	<u>\$ Change</u>	<u>% Change</u>
Public Schools	\$4,029.3	\$4,867.2	\$838.0	20.8%
Libraries	46.2	48.8	2.6	5.5%
Community Colleges	188.3	229.7	41.4	22.0%
Local Health	63.7	37.3	-26.4	-41.4%
County/Municipal	951.7	378.8	-572.9	-60.2%
Subtotal – Direct Aid	\$5,279.1	\$5,561.7	\$282.6	5.4%
Retirement Payments	474.8	898.8	423.9	89.3%
Total	\$5,754.0	\$6,460.5	\$706.5	12.3%

Annual Change in State Aid
Fiscal 2008-2012
(\$ in Millions)

	<u>FY 2008</u>	<u>FY 2009</u>	<u>FY 2010</u>	<u>FY 2011</u>	<u>FY 2012</u>
Public Schools	\$570.6	\$157.6	-\$10.2	\$120.4	-\$0.4
Libraries	6.0	-1.3	-2.1	-0.1	0.1
Community Colleges	31.1	11.1	-3.6	-2.5	5.3
Local Health	3.3	-9.6	-20.1	0.0	0.0
County/Municipal	-47.1	-168.5	-338.9	-21.9	3.5
Subtotal – Direct Aid	\$563.9	-\$10.8	-\$374.8	\$95.8	\$8.5
Retirement Payments	128.0	57.9	142.7	97.0	-1.6
Total	\$691.9	\$47.1	-\$232.1	\$192.8	\$6.9

Share of State Aid Change Over Five-year Period
(\$ in Millions)

	<u>Cumulative Aid Change</u>	<u>Average Annual Change</u>	<u>Share of FY 2007 Aid</u>	<u>Share of FY 2012 Aid</u>
Public Schools	\$838.0	3.9%	70.0%	75.3%
Libraries	2.6	1.1%	0.8%	0.8%
Community Colleges	41.4	4.1%	3.3%	3.6%
Local Health	-26.4	-10.1%	1.1%	0.6%
County/Municipal	-572.9	-16.8%	16.5%	5.9%
Subtotal – Direct Aid	\$282.6	1.0%	91.7%	86.1%
Retirement Payments	423.9	13.6%	8.3%	13.9%
Total	\$706.5	2.3%	100.0%	100.0%

State Aid by Governmental Entity and Program
(\$ in Millions)

	<u>FY 2011</u>	<u>FY 2012</u>	<u>Difference</u>	<u>Percent Difference</u>
Public Schools				
Foundation Program	\$2,763.5	\$2,733.8	-\$29.7	-1.1%
Supplemental Grant	46.5	46.5	0.0	0.0%
Geographic Cost of Education Index	126.6	128.4	1.8	1.4%
Compensatory Aid	1,041.1	1,068.5	27.4	2.6%
Student Transportation	244.4	248.2	3.8	1.6%
Special Education – Formula	264.0	260.5	-3.5	-1.3%
Special Education – Nonpublic	112.8	112.8	0.0	0.0%
Limited English Proficiency	151.2	160.4	9.2	6.1%
Guaranteed Tax Base	47.4	39.2	-8.2	-17.3%
Other Education Programs	70.2	69.0	-1.2	-1.7%
Subtotal Direct Aid	\$4,867.6	\$4,867.2	-\$0.4	0.0%
Retirement Payments	849.8	848.8	-1.0	-0.1%
Total Public School Aid	\$5,717.5	\$5,716.1	-\$1.4	0.0%
Libraries				
Library Aid Formula	\$33.0	\$33.0	\$0.0	-0.1%
State Library Network	15.7	15.8	0.1	0.9%
Subtotal Direct Aid	\$48.7	\$48.8	\$0.1	0.2%
Retirement Payments	16.9	16.6	-0.3	-1.7%
Total Library Aid	\$65.5	\$65.4	-\$0.2	-0.3%
Community Colleges				
Community College Formula	\$194.4	\$194.4	\$0.0	0.0%
Other Programs	30.0	35.3	5.3	17.6%
Subtotal Direct Aid	\$224.4	\$229.7	\$5.3	2.4%
Retirement Payments	33.7	33.4	-0.3	-1.0%
Total Community College Aid	\$258.1	\$263.1	\$4.9	1.9%
Local Health	\$37.3	\$37.3	\$0.0	0.0%
County/Municipal				
Transportation	\$144.0	\$141.5	-\$2.5	-1.7%
Public Safety	83.4	88.2	4.8	5.7%
Program Open Space/Critical Areas	15.6	9.1	-6.5	-41.5%
Disparity Grant	121.4	110.9	-10.5	-8.7%
Other Grants	10.8	29.0	18.2	168.0%
Subtotal Direct Aid	\$375.2	\$378.8	\$3.5	0.9%
Retirement Payments	0.0	0.0	0.0	
Total County/Municipal Aid	\$375.2	\$378.8	\$3.5	0.9%
Total State Aid	\$6,453.6	\$6,460.5	\$6.9	0.1%

State Aid to Local Governments: Comparison by Per Capita Aid and Annual Growth Fiscal 2011 and 2012

County	Fiscal 2011 Appropriation	Fiscal 2012 Allowance	Difference	Percent Difference	<u>Per Capita State Aid</u>		<u>Annual Growth in State Aid</u>	
Allegany	\$110,543,193	\$103,983,566	-\$6,559,627	-5.9%	1. Baltimore City	\$1,839	1. Montgomery	4.4%
Anne Arundel	412,183,133	424,734,980	12,551,847	3.0%	2. Caroline	1,564	2. Washington	4.4%
Baltimore City	1,191,038,050	1,172,489,143	-18,548,907	-1.6%	3. Wicomico	1,470	3. Worcester	3.7%
Baltimore	681,541,712	690,848,138	9,306,426	1.4%	4. Allegany	1,434	4. Anne Arundel	3.0%
Calvert	108,747,929	103,765,727	-4,982,202	-4.6%	5. Charles	1,339	5. Frederick	2.4%
Caroline	53,012,559	52,196,970	-815,589	-1.5%	6. Somerset	1,295	6. Charles	1.8%
Carroll	179,799,183	178,177,385	-1,621,798	-0.9%	7. Prince George's	1,265	7. Talbot	1.5%
Cecil	128,327,041	126,129,058	-2,197,983	-1.7%	8. Washington	1,265	8. Queen Anne's	1.4%
Charles	187,152,248	190,462,271	3,310,023	1.8%	9. Dorchester	1,264	9. Baltimore	1.4%
Dorchester	41,111,671	40,501,342	-610,329	-1.5%	10. Cecil	1,251	10. Howard	0.9%
Frederick	262,877,262	269,080,532	6,203,270	2.4%	11. Frederick	1,180	11. Carroll	-0.9%
Garrett	35,895,011	33,389,587	-2,505,424	-7.0%	12. Calvert	1,163	12. Wicomico	-1.3%
Harford	263,595,069	259,644,527	-3,950,542	-1.5%	13. Garrett	1,130	13. Somerset	-1.4%
Howard	293,648,971	296,400,933	2,751,962	0.9%	14. St. Mary's	1,089	14. Dorchester	-1.5%
Kent	13,890,228	13,586,324	-303,904	-2.2%	15. Harford	1,071	15. Harford	-1.5%
Montgomery	767,775,500	801,702,490	33,926,990	4.4%	16. Howard	1,051	16. Caroline	-1.5%
Prince George's	1,088,566,762	1,055,594,225	-32,972,537	-3.0%	17. Carroll	1,048	17. Baltimore City	-1.6%
Queen Anne's	41,408,309	41,990,635	582,326	1.4%	18. Queen Anne's	876	18. Cecil	-1.7%
St. Mary's	115,247,779	112,178,100	-3,069,679	-2.7%	19. Baltimore	875	19. Kent	-2.2%
Somerset	34,089,852	33,628,294	-461,558	-1.4%	20. Montgomery	825	20. St. Mary's	-2.7%
Talbot	17,808,197	18,083,945	275,748	1.5%	21. Anne Arundel	815	21. Prince George's	-3.0%
Washington	176,792,403	184,549,705	7,757,302	4.4%	22. Worcester	693	22. Calvert	-4.6%
Wicomico	140,403,961	138,510,941	-1,893,020	-1.3%	23. Kent	671	23. Allegany	-5.9%
Worcester	32,807,948	34,034,210	1,226,262	3.7%	24. Talbot	499	24. Garrett	-7.0%
Unallocated	75,376,797	84,856,566	9,479,769	12.6%				
Total	\$6,453,640,768	\$6,460,519,594	\$6,878,826	0.1%	Statewide Average	\$1,134	Statewide Average	0.1%

**State Aid Reductions and Expenditure Transfers
Proposed in State Budget
Fiscal 2012
(\$ in Millions)**

<u>Contingent Reductions</u>	<u>Reduction Amount</u>	<u>Share of State Aid</u>
Education		
Foundation Program	-\$62.1	2.2%
Compensatory Aid	-24.0	2.2%
Limited English Proficiency	-3.6	2.2%
Students with Disabilities	-5.9	2.2%
Guaranteed Tax Base	1.9	5.2%
Library		
Formula Aid	-2.4	6.7%
State Library Network	-1.7	9.8%
County/Municipal		
Program Open Space	-13.5	64.7%
Subtotal Direct Aid	-\$111.3	2.0%
Retirement Payments		
Education	-74.4	8.1%
Libraries	-1.2	6.8%
Community Colleges	-4.3	11.4%
Subtotal Retirement	-\$79.9	8.2%
Total – Contingent Reductions	-\$191.2	2.9%
	Transfer	
<u>Expenditure Transfers</u>	<u>Amount</u>	
Property Valuations	-\$34.8	
Nonpublic Placements ⁽¹⁾	-3.5	
Total – Expenditure Transfers	-\$38.3	
Total Impact	-\$229.6	

⁽¹⁾ School board payments for education of certain children in State custody.

Transportation Trust Fund Fiscal 2011-2016 Highlights

1. **Transfers:** There is a one-time \$100 million transfer to the general fund in fiscal 2012 and a one-time \$20 million transfer to the Transportation Trust Fund (TTF) from the Maryland Transportation Authority for the InterCounty Connector.
 - The general fund share of Highway User Revenues has increased in fiscal 2012 from 20.4 to 26.4%, an increase of approximately \$99.5 million. The forecast shows the general fund share decreasing to 19.3% in fiscal 2013 as originally provided in the Budget Reconciliation and Financing Act (BRFA) last year.
2. **Revenues:** Gross revenues are down \$222 million from the draft *Consolidated Transportation Program* largely due to downward revisions to the titling tax totaling \$148 million.
 - Titling tax growth rates have been revised downward slightly from the draft. The growth rates in the January 2011 forecast are as follows: 5.2% in fiscal 2011, 9.1% in fiscal 2012, 14.8% in fiscal 2013, 11.3% in fiscal 2014, 7.8% in fiscal 2015, and 3.4% in fiscal 2016.
3. **Debt Issuances:** Bond sales have increased by \$65 million over the six-year period to offset revenue write-downs and maintain capital spending.
 - The department plans to issue \$1,615 million in debt from fiscal 2011 to 2016 to support the capital program. Debt outstanding grows from \$1.645 billion in fiscal 2010 to \$2.505 billion in fiscal 2016.
 - Debt service payments are expected to grow from \$151 million in fiscal 2010 to \$288 million in fiscal 2016, an increase of \$137 million (91%).
 - The net income coverage ratio declines to 2.2 times in fiscal 2013 due to the \$100 million transfer to the general fund. Absent the transfer, the coverage ratio would have exceeded the 2.5 administrative level.
4. **Capital Budget:** Despite revenues being revised downward in fall 2010 and the \$100 million transfer, the special and federal fund six-year capital program is \$78 million higher in the January 2011 forecast. Special funds over the six years are down \$34 million compared to the draft while federal funds are \$112 million higher.
 - The capital program does not provide funding for the construction of the three major transit lines planned, nor does it provide adequate funding for the department to meet its requirements under the Watershed Improvement Plan to clean up the Chesapeake Bay.

Capital Budget

All Funds

Fiscal 2011-2012

(\$ in Millions)

	<u>FY 2011</u>	<u>FY 2012</u>	<u>Variance</u>
<u>Uses</u>			
State Facilities	\$26.1	\$95.9	\$69.8
Health/Social	43.7	38.2	-5.5
Environment	648.2	618.7	-29.5
Public Safety	25.9	38.1	12.2
Education	268.7	270.2	1.5
Higher Education	352.0	218.3	-133.7
Housing	79.0	74.0	-5.0
Economic Development	14.3	10.0	-4.3
Bond Bill Projects	15.0	15.0	0.0
Local Projects	28.3	12.2	-16.1
InterCounty Connector	89.3	57.6	-31.7
Subtotal	\$1,590.5	\$1,448.2	-\$142.3
Transportation	1,562.9	1,606.5	43.6
Total	\$3,153.4	\$3,054.7	-\$98.7
<u>Funds</u>			
General Obligation	\$1,179.7	\$935.6	-\$244.1
Revenue Bonds	177.0	207.0	30.0
QZAB	4.5	15.9	11.4
General	10.8	10.0	-0.8
Special	151.7	131.0	-20.7
Federal	66.8	148.7	81.9
Transportation	1,562.9	1,606.5	43.6
Total	\$3,153.4	\$3,054.7	-\$98.7

QZAB: Qualified Zone Academy Bonds

Note: Fiscal 2012 figures reflect the following adjustment: \$85.9 million of contingent reductions reflecting the proposed diversion of fiscal 2012 transfer tax revenue to the general fund. The Governor's budget provides a multi-year general obligation bond replacement plan.

Capital Budget
General Obligation Bond Funds
Fiscal 2011-2012
(\$ in Millions)

	<u>FY 2011</u>	<u>FY 2012</u>	<u>Variance</u>
<u>Uses</u>			
State Facilities	\$26.1	\$24.3	-\$1.8
Health/Social	43.7	38.2	-5.5
Environment	320.3	270.2	-50.1
Public Safety	25.9	38.1	12.2
Education	264.3	254.3	-10.0
Higher Education	325.0	191.3	-133.7
Housing	37.6	34.4	-3.2
Economic Development	4.3	0.0	-4.3
Bond Bill Projects	15.0	15.0	0.0
Local Projects	28.3	12.2	-16.1
InterCounty Connector	89.3	57.6	-31.7
Subtotal	\$1,179.8	\$935.6	-\$244.2
Deauthorizations	-39.7	-10.6	29.1
Total	\$1,140.1	\$925.0	-\$215.1

Note: Fiscal 2011 funding for environmental programs included \$275 million to replace special fund balances and fiscal 2011 special fund revenues from various capital program accounts transferred to the general funds.

Fiscal 2012 funding includes \$106.6 million to replace fund balance transfers and replacement of fiscal 2011 special fund revenues from various environmental and housing program special fund accounts transferred to the general fund in the 2010 Budget Reconciliation and Financing Act (BRFA). This is down from the \$127.3 million that was programmed for fiscal 2012 due to a revised fiscal 2011 transfer tax revenue estimate which effectively reduces the amount needed to be replaced with general obligation (GO) bond funds in fiscal 2012. Fiscal 2012 also includes GO bond funds in the amount of \$50.0 million to replace fund balance proposed to be transferred from the Chesapeake Bay Restoration fund and another \$64.2 million of GO bond funds to partially replaced special funds from various capital accounts proposed to be transferred to the general funds in the 2011 BRFA (the amount replaced in fiscal 2012 with GO bond funds is adjusted to reflect over funding in the 2010 session for Stateside Program Open Space and Maryland Agricultural Land Preservation and is further adjusted to reflect a multi-year repayment plan).

Top Funded Programs and Projects – All Funds

(\$ in Millions)

<u>Project Title</u>	<u>GO Bond</u>	<u>Revenue</u>	<u>General</u>	<u>Special</u>	<u>Federal</u>	<u>Total Funds</u>
MDE: Enhanced Nutrient Removal	\$146.8	\$180.0	\$0.0	\$0.0	\$0.0	\$326.8
PSCP: Public School Construction Program ⁽¹⁾	240.3	0.0	0.0	0.0	0.0	240.3
MDE: Maryland Water Quality Revolving Loan Fund	9.9	0.0	0.0	83.8	47.3	141.0
MHEC: Community College Facilities Grant Program	60.8	0.0	0.0	0.0	0.0	60.8
MISCE: InterCounty Connector (ICC)	57.6	0.0	0.0	0.0	0.0	57.6
DOiT: One Maryland Broadband Network	5.8	0.0	0.0	0.0	43.8	49.6
USM: New Law School Building	41.5	0.0	0.0	0.0	0.0	41.5
USM: New Performing Arts and Humanities Facility	31.2	10.0	0.0	0.0	0.0	41.2
DNR: Program Open Space	28.5	0.0	0.0	1.5	3.0	33.0
MDE: Biological Nutrient Removal Program	30.9	0.0	0.0	0.0	0.0	30.9
USM: Physical Sciences Complex	30.1	0.0	0.0	0.0	0.0	30.1
MD: Military Department Armory Program	0.0	0.0	0.0	0.0	27.8	27.8
DSP: Helicopter Replacement	22.7	0.0	0.0	0.0	0.0	22.7
DHCD: Rental Housing Programs	0.0	0.0	0.0	15.5	6.0	21.5
USM: Capital Facility Renewal	0.0	17.0	0.0	0.0	0.0	17.0
PSCP: Qualified Zone Academy Bond Program	15.9	0.0	0.0	0.0	0.0	15.9
DNR: Rural Legacy Program	14.1	0.0	0.0	0.0	0.0	14.1
MDE: Maryland Drinking Water Revolving Loan Fund	2.0	0.0	0.0	5.2	6.3	13.5
DHCD: Special Loan Programs	7.4	0.0	0.0	0.0	3.0	10.4
USM: New Center for Communications and Info. Tech.	10.1	0.0	0.0	0.0	0.0	10.1
MDOP: Maryland Historical Preservation Loan Program	0.0	0.0	10.0	0.0	0.0	10.0
DOiT: Public Safety Communication System	10.0	0.0	0.0	0.0	0.0	10.0
DHCD: Community Development Block Grant Program	0.0	0.0	0.0	0.0	10.0	10.0
UMMS: Trauma, Critical Care, and Emergency Medicine Services Expansion Project	10.0	0.0	0.0	0.0	0.0	10.0
Subtotal: Top Funded Programs and Projects	\$775.5	\$207.0	\$10.0	\$106.0	\$147.2	\$1,245.7
Subtotal: Other Funded Programs and Projects	\$176.0	\$0.0	\$0.0	\$24.8	\$1.5	\$202.4
Grand Total ⁽²⁾	\$951.5	\$207.0	\$10.0	\$130.9	\$148.7	\$1,448.1

⁽¹⁾ Governor's proposed budget includes \$9.7 million from the IAC contingency fund bringing the total proposed for the Public School Construction program to \$250.0 million.

⁽²⁾ Includes \$15.9 million of Qualified Zone Academy Bonds.

Use of General Obligation Bond Program to Support Operating Budget Relief (\$ in Millions)

	<u>Fiscal 2010</u>	<u>Fiscal 2011</u>	<u>Fiscal 2012</u>
<p>Special Fund Revenue Replacement: Partial general obligation (GO) bond replacement for special fund revenues transferred to the general fund. Transferred revenue sources include transfer tax, Bay Restoration Fund, Waterway Improvement Fund, and various housing programs. The GO bonds authorizations reflects partial repayment over a multi-year repayment plan.</p>	\$172.3	\$102.4	\$55.7
<p>Fund Balance Replacement: Partial GO bond replacement for unexpended fund balance from multiple capital program accounts transferred to the general fund. Transferred revenue sources include transfer tax, Bay Restoration Fund, Waterway Improvement Fund, and various housing programs. The GO bonds authorizations reflects partial repayment over a multi-year repayment plan.</p>	0.0	176.9	156.5
<p>InterCounty Connector Funding: Multi-year plan to use GO bond funds in place of general funds statutorily committed for the InterCounty Connector.</p>	55.0	89.3	57.6
<p>Medevac Helicopter Replacement: Multi-year plan to use GO bond funds to fund the replacement of the Medevac helicopter fleet in place of using special funds from the Helicopter Replacement Fund.</p>	52.5	0.0	22.7
<p>Use of GO Bond Funds to Fund Capital Programs Traditionally Funded with General Funds: This principally includes funding for grant and loan programs administered by the Department of Housing and Community Development and the Maryland Department of the Environment and use of bonds to fund the Aging Schools Program.</p>	28.1	43.7	42.3
Total	\$308.1	\$414.3	\$334.8

Fiscal 2011 Actual and Fiscal 2012 Proposed Fund Transfers and Multi-year General Obligation Bond Replacement Plan

(\$ in Millions)

Program	<u>Transfers</u>				<u>Fund Replacement</u>					
	Prior Special Fund Balance	FY 2011 Special Funds	FY 2012 Special Funds	Total Transfers	Amount Replaced in FY 2011	Amount to Be Replaced in FY 2012	Amount to Be Replaced in FY 2013	Amount to Be Replaced in FY 2014	Total Amount of Fund Transfers to Be Replaced in the CIP	Funds Not Replaced
Waterway Improvement Program	\$12.5	\$3.9	\$1.1	\$17.5	\$10.2	\$7.3	\$0.0	\$0.0	\$17.5	\$0.0
Program Open Space (POS) – Stateside	4.6	4.1	21.6	30.3	11.0	4.8	7.2	7.2	30.3	0.0
POS – Local	103.1	0.0	20.8	124.0	54.1	23.6	39.2	6.9	124.0	0.0
Rural Legacy	10.6	10.8	13.8	35.2	17.0	9.1	4.6	4.6	35.2	0.0
Ocean City Beach Replenishment – POS	2.1	1.0	1.0	4.1	3.1	1.0	0.0	0.0	4.1	0.0
Ocean City Beach Replenishment – Local	3.4	0.0	0.0	3.4	3.4	0.0	0.0	0.0	3.4	0.0
Natural Resources Development Fund	17.7	0.0	4.6	22.3	10.1	3.5	4.7	0.0	18.3	4.0
Critical Maintenance Program	3.2	3.2	4.0	10.3	6.3	3.0	0.0	0.0	9.3	1.0
Dam Rehabilitation Program	0.7	0.0	0.5	1.2	0.2	1.0	0.0	0.0	1.2	0.0
House Assessment Program	0.9	0.0	0.0	0.9	0.3	0.4	0.1	0.0	0.7	0.2
Hurricane Isabel Funds	0.2	0.0	0.0	0.2	0.0	0.0	0.0	0.0	0.0	0.2
Neighborhood Business Development	3.6	3.2	2.1	8.8	6.7	2.1	0.0	0.0	8.7	0.1
Community Legacy Program	0.4	0.0	0.0	0.4	0.4	0.0	0.0	0.0	0.4	0.0
Homeownership Programs	0.0	3.0	1.5	4.5	3.0	1.5	0.0	0.0	4.5	0.0
Special Loan Programs	2.1	2.5	2.2	6.8	4.7	2.2	0.0	0.0	6.9	0.0
Tobacco Transition Program	0.0	2.0	1.5	3.5	2.0	1.5	0.0	0.0	0.0	0.0
Agricultural Land Preservation Program	10.0	9.7	19.6	39.2	21.8	4.4	6.5	6.5	39.2	0.0
Bay Restoration Fund	205.0	45.0	40.0	290.0	125.0	146.8	18.2	0.0	290.0	0.0
Transfer Tax Fiscal 2010 Over Attainment	8.6	0.0	0.0	8.6	0.0	0.0	0.0	0.0	0.0	8.6
Total	\$388.7	\$88.4	\$134.2	\$611.3	\$279.2	\$212.2	\$80.5	\$25.2	\$597.2	\$14.1

State Reserve Fund Activity

Fiscal 2011-2012

(\$ in Millions)

	<u>Rainy Day Fund</u>	<u>Dedicated Purpose Acct.</u>	<u>Catastrophic Event Acct.</u>
Estimated Balances 6/30/10	\$611.6	\$0.1	\$1.0
Fiscal 2011 Appropriations	0.0	15.0	0.0
Expenditures			
Prince George's County Health System		-15.0	
Transfers to General Fund	0.1	-0.1	0.0
Estimated Interest	11.0		
Estimated Balances 6/30/11	\$622.7	\$0.0	\$1.0
Fiscal 2012 Appropriations	0.0	15.0	0.0
Transfer from Transportation Trust Fund	39.5		
Expenditures			
Prince George's County Health System		-15.0	
Estimated Interest	18.8		
<hr/>			
Estimated Balances 6/30/12	\$681.0	\$0.0	\$1.0
Balance in Excess of 5% GF Revenues¹	\$0.6		
<hr/>			

GF: general fund

¹ The 2010 Budget Reconciliation and Financing Act does not require the Governor to appropriate funds into the Rainy Day Fund in fiscal 2012.

Appendices

Status of the General Fund
Fiscal 2011
(\$ in Millions)

Starting Balance		\$344.0
Revenues		
BRE Estimated Revenue December 2010	\$13,162.7	
Short-term federal tax changes	38.3	
Budget Reconciliation and Financing Act of 2011	23.0	
Administration Revenue Assumptions	-0.8	
Total		\$13,223.2
Transfers		
Budget Reconciliation and Financing Act of 2010	317.4	
Budget Reconciliation and Financing Act of 2011	7.7	
Sustainable Communities and Biotechnology Tax Credits	15.6	
Total		\$340.7
Funds Available		\$13,907.9
Spending		
Fiscal 2011 Allowance	\$13,172.7	
Estimated Deficiencies	93.8	
Targeted Reversions	-7.9	
Estimated Agency Reversions	-30.0	
Net Expenditures		\$13,228.6
Ending Balance		\$679.3

BRE: Board of Revenue Estimates

Status of the General Fund
Fiscal 2012
(\$ in Millions)

Starting Balance		\$679.3
Revenues		
BRE Estimated Revenue December 2010	\$13,597.8	
Short-term federal tax changes	59.1	
Budget Reconciliation and Financing Act of 2011	189.6	
Administration Revenue Assumptions	5.1	
Total		\$13,851.5
Transfers		
Budget Reconciliation and Financing Act of 2011	\$204.2	
Sustainable Communities and Biotechnology Tax Credits	21.3	
Total		\$225.5
Funds Available		\$14,756.4
Spending		
Fiscal 2012 Allowance	\$15,165.0	
Across-the-board Reductions	-52.2	
Reductions Contingent Upon Legislation	-441.1	
Targeted Reversions	-5.7	
Estimated Agency Reversions	-30.0	
Net Expenditures		\$14,636.0
Ending Balance		\$120.3

BRE: Board of Revenue Estimates

General Fund Revenue Assumptions Fiscal 2011-2012

Revenue Assumptions Requiring Legislation	<u>2011</u>	<u>2012</u>
Federal Retiree Drug Subsidy	\$23,000,000	\$24,000,000
Highway User Revenues		60,000,000
Tax Clearance		20,000,000
Extend Sales Tax Vendor Discount Cap		17,771,000
Modify Distribution to Chesapeake Bay 2010 Fund Revenue		18,669,444
Permanent Diversion of Special Fund Account Interest		11,000,000
Telecommunications Recoveries		10,000,000
Eliminate IWIF Exemption for Premium Tax		6,000,000
Bad Driver Surcharge		5,000,000
Abolish Maryland-Mined Coal Tax Credit		4,500,000
Parole and Probation Fees		4,000,000
Admissions and Amusement Tax		3,200,000
DHMH Interest on DDA Payments		525,000
Comptroller Abandoned Property		500,000
DHMH Specialty Hospital Assessments		300,000
Moving Violations		4,100,000
Total	\$23,000,000	\$189,565,444
Adjustments to Revenues		
Retirement Statewide Indirect Costs		\$362,839
DLLR Board of Locksmiths		100,000
School for the Deaf Tuition Revenue		167,000
DHMH Chronic Hospitals (legislation)		1,200,000
Tobacco Conversion Program Bond Repayment	\$1,823,000	3,323,000
Unencumbered Capital Projects	316,700	
Miscellaneous DHMH Revenue Adjustments	-2,977,129	-45,975
Total	-\$837,429	\$5,106,864

DDA: Developmental Disabilities Administration

DHMH: Department of Health and Mental Hygiene

DLLR: Department of Labor, Licensing, and Regulation

IWIF: Injured Workers' Insurance Fund

Proposed Transfers to General Fund Fiscal 2011-2012

	<u>2011</u>	<u>2012</u>
Transfers Contingent on Budget Reconciliation Legislation		
DHMH Maryland Health Care Commission Fund	\$1,000,000	
DNR Forest or Park Reserve Fund	256,000	
MDA Board of Veterinary Medical Examiners Fund	150,000	
MDE Used Tire Cleanup and Recycling Fund	500,000	
DBED MD Not-For-Profit Development Center Program Fund	250,000	\$125,000
Judiciary Land Records Fund		10,000,000
Treasurer State Insurance Trust Fund		2,000,000
DHMH Spinal Cord Injury Trust Fund		500,000
DHMH State Board of Pharmacy Fund		237,888
DHMH State Board of Examiners of Psychologists Fund		44,888
	\$2,156,000	\$12,907,776
PAYGO Transfers Contingent on Reconciliation Legislation		
Transfer Tax	\$5,591,172	\$94,491,115
Waterway Improvement Fund		1,090,000
DHCD Neighborhood Business Development Fund		2,050,000
DHCD Homeownership Loan Program Fund		1,500,000
DHCD Special Loan Program		2,200,000
MDE Bay Restoration Fund		90,000,000
Total	\$5,591,172	\$191,331,115

DBED: Department of Business and Economic Development

DHMH: Department of Health and Mental Hygiene

DNR: Department of Natural Resources

MDA: Maryland Department of Agriculture

General Fund Reductions Contingent on Legislation

	<u>2012</u>
Reductions Contingent on Budget Reconciliation Legislation	
IAC Aging Schools Program – Fund with Bonds	\$6,108,990
MDP Use Transfer Taxes for Administration	500,000
Comptroller Change Payroll Garnishment Fee	50,000
SDAT/Major IT Charge Counties for Property Valuation	34,810,988
Major Information Technology Allocate 9-1-1 to CAD/RMS	1,000,000
DNR Payment in Lieu of Taxes	2,374,852
MDA MARBIDCO	1,750,000
DHMH Eliminate Youth Camp Inspections	334,152
DHMH Change Funding of Graduate Medical Education – Medicaid Savings	17,500,000
DHMH Increase Nursing Facility Assessment	13,000,000
DHMH Fund Kidney Disease Program with Special Funds	11,600,000
Charge Local Schools for Education of Certain Children in State Custody	3,534,620
MSDE Level Fund Foundation	93,746,717
MSDE Level Fund Library Formulas	4,078,341
MSDE Prefund Thornton in Fiscal 2011	124,420,746
MHEC Fund Riley Scholarship with Special Funds	340,979
MHEC Phase-out Distinguished Scholarship	1,050,000
MHEC Eliminate Tolbert Scholarship	200,000
MHEC Charge Fees for Academic Program Approval	253,208
Restructure Teachers'/Employees' Retirement Benefits	101,781,068
Restructure Retiree Prescription Drug Benefits	20,228,969
Reductions Contingent on Separate Legislation	
DHMH and DLLR Consolidate Law Enforcement into the Dept. of General Services	\$318,000
MHEC and MSDE Consolidation	939,165
MDE and DNR Consolidation of Select Functions	1,130,000
Total	\$441,050,795

CAD/RMS: Computer Aided Dispatch/Records Management System

DHMH: Department of Health and Mental Hygiene

DHR: Department of Human Resources

DJS: Department of Juvenile Services

DLLR: Department of Labor, Licensing, & Regulation

DNR: Department of Natural Resources

IAC: Interagency Committee for School Construction

IT: Information Technology

MARBIDCO: Maryland Agricultural and Resource-Based Industry Development Corporation

MDA: Maryland Department of Agriculture

MDE: Maryland Department of the Environment

MDP: Maryland Department of Planning

MHEC: Maryland Higher Education Commission

MSDE: Maryland Department of Education

SDAT: State Department of Assessments & Taxation

General Fund Reversion Assumptions Fiscal 2011-2012

	<u>2011</u>	<u>2012</u>
Specific Reversion Assumptions		
School for the Deaf Furloughs	\$450,000	
Labor, Licensing, and Regulation SAEF	2,908,000	\$435,000
Education Nonpublic Placements	4,000,000	
Chief Medical Examiner Building Repairs	10,000	
Housing Rental Allowance Program prior year cashflow	500,000	
Legislative Health Benefits		220,527
Judiciary Health Benefits		923,105
Total	\$7,868,000	\$1,578,632
Specific Reversion Assumptions Contingent Upon Legislation		
Legislative – Restructuring Retiree Prescription Drug Benefits		\$365,013
Legislative – Restructuring Employee Retirement Benefits		561,265
Judiciary – Restructuring Retiree Prescription Drug Benefits		1,527,870
Judiciary – Restructuring Employee Retirement Benefits		1,657,667
Total	\$7,868,000	\$5,690,447

General Fund Across-the-board Spending Reductions

	<u>2012</u>
Health Insurance	\$12,221,700
Voluntary Separation Program	40,000,000
Total	\$52,221,700

SAEF: Special Administrative Expense Fund

State Expenditures – General Funds
(\$ in Millions)

<u>Category</u>	<u>Actual FY 2010</u>	<u>Work. Appr. FY 2011</u>	<u>Targeted Reversions</u>	<u>Adjusted Work. Appr. FY 2011</u>	<u>Allowance FY 2012</u>	<u>Contingent Reductions</u>	<u>Adjusted Allowance FY 2012</u>	<u>FY 2011 to FY 2012 \$ Change</u>	<u>% Change</u>
Debt Service	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	n/a
County/Municipal	189.6	185.9	0.0	185.9	177.8	0.0	177.8	-8.1	-4.4%
Community Colleges	256.2	258.1	0.0	258.1	267.3	4.3	263.1	4.9	1.9%
Education/Libraries	5,256.0	4,890.5	0.0	4,890.5	5,740.1	304.0	5,436.1	545.6	11.2%
Health	37.3	37.3	0.0	37.3	37.3	0.0	37.3	0.0	0.0%
Aid to Local Governments	\$5,739.0	\$5,371.8	\$0.0	\$5,371.8	\$6,222.5	\$308.3	\$5,914.2	542.4	10.1%
Foster Care Payments	240.4	241.9	0.0	241.9	238.8	1.0	237.7	-4.2	-1.7%
Assistance Payments	92.9	49.8	0.0	49.8	49.9	0.0	49.9	0.1	0.3%
Medical Assistance	1,569.9	1,818.5	0.0	1,818.5	2,612.4	42.1	2,570.3	751.8	41.3%
Property Tax Credits	73.2	75.9	0.0	75.9	79.4	0.0	79.4	3.5	4.6%
Entitlements	\$1,976.4	\$2,186.1	\$0.0	\$2,186.1	\$2,980.4	\$43.1	\$2,937.3	751.2	34.4%
Health	1,355.8	1,372.4	0.0	1,372.4	1,422.9	6.1	1,416.7	44.3	3.2%
Human Resources	273.9	263.3	0.0	263.3	283.7	5.7	278.0	14.7	5.6%
Systems Reform Initiative	24.3	20.5	0.0	20.5	18.8	0.0	18.8	-1.7	-8.1%
Juvenile Services	260.6	257.7	0.0	257.7	264.6	4.5	260.1	2.3	0.9%
Public Safety/Police	1,169.4	1,172.6	0.0	1,172.6	1,272.0	13.1	1,258.9	86.3	7.4%
Higher Education	1,149.5	1,145.6	0.0	1,145.6	1,135.5	10.4	1,125.2	-20.5	-1.8%
Other Education	315.2	356.0	0.5	355.5	351.7	4.1	347.6	-8.0	-2.2%
Agric./Natl Res./Environment	105.7	102.5	0.0	102.5	104.7	5.3	99.4	-3.1	-3.0%
Other Executive Agencies	515.4	546.1	2.9	543.2	607.2	39.0	568.2	24.9	4.6%
Legislative	71.6	75.6	0.0	75.6	77.5	0.9	76.6	1.0	1.3%
Judiciary	365.4	370.3	0.0	370.3	384.7	3.2	381.5	11.1	3.0%
Across-the-board Reductions	0.0	0.0	0.0	0.0	-40.0	1.4	-41.4	-41.4	n/a
State Agencies	\$5,606.8	\$5,682.8	\$3.4	\$5,679.4	\$5,883.3	\$93.8	\$5,789.5	110.1	1.9%
Total Operating	\$13,322.3	\$13,240.6	\$3.4	\$13,237.3	\$15,086.2	\$445.2	\$14,641.0	\$1,403.8	10.6%
Capital ⁽¹⁾	5.1	10.8	0.0	10.8	10.0	0.0	10.0	-0.8	-7.4%
Reserve Funds	114.9	15.0	0.0	15.0	15.0	0.0	15.0	0.0	0.0%
Appropriations	\$13,442.3	\$13,266.4	\$3.4	\$13,263.1	\$15,111.2	\$445.2	\$14,666.0	\$1,403.0	10.6%
Reversions	0.0	-30.0	4.5	-34.5	-30.0	0.0	-30.0	4.5	-13.0%
Grand Total	\$13,442.3	\$13,236.4	\$7.9	\$13,228.6	\$15,081.2	\$445.2	\$14,636.0	\$1,407.5	10.6%

⁽¹⁾ Includes the Sustainable Communities Tax Credit Reserve Fund.

Note: The fiscal 2011 working appropriation includes \$93.8 million in deficiencies. The fiscal 2012 allowance includes \$52.2 million in reductions from Sections 19, 20, and 22 of the budget bill (HB 70/SB 85) and \$1.1 million in targeted reversions related to employee health benefits. The fiscal 2012 adjusted allowance reflects \$441.1 million in reductions and \$4.1 million in targeted reversions contingent on legislation.

State Expenditures – Special and Higher Education Funds *
(\$ in Millions)

<u>Category</u>	<u>Actual FY 2010</u>	<u>Work. Appr. FY 2011</u>	<u>Allowance FY 2012</u>	<u>Contingent Reductions & Fund Swaps</u>	<u>Adjusted Allowance FY 2012</u>	<u>FY 2011 to FY 2012 \$ Change</u>	<u>% Change</u>
Debt Service	\$921.7	\$991.5	\$1,052.0	\$0.0	\$1,052.0	\$60.5	6.1%
County/Municipal	189.5	198.8	214.5	20.8	193.6	-5.2	-2.6%
Community Colleges	0.0	0.0	0.0	0.0	0.0	0.0	n/a
Education/Libraries	10.8	445.6	214.8	0.0	214.8	-230.8	-51.8%
Health	0.0	0.0	0.0	0.0	0.0	0.0	n/a
Aid to Local Governments	\$200.3	\$644.4	\$429.3	\$20.8	\$408.4	-\$236.0	-36.6%
Foster Care Payments	0.0	0.1	0.0	-1.0	1.0	1.0	1481.2%
Assistance Payments	18.1	15.4	16.4	0.0	16.4	1.0	6.4%
Medical Assistance	575.3	514.3	834.7	-24.6	859.3	345.0	67.1%
Property Tax Credits	0.0	0.0	0.0	0.0	0.0	0.0	n/a
Entitlements	\$593.4	\$529.8	\$851.1	-\$25.6	\$876.7	\$347.0	65.5%
Health	283.0	310.2	322.3	0.2	322.1	11.9	3.8%
Human Resources	115.2	81.1	78.3	0.0	78.2	-2.9	-3.6%
Systems Reform Initiative	0.0	0.0	0.0	0.0	0.0	0.0	n/a
Juvenile Services	0.4	0.5	0.8	-2.2	3.0	2.5	507.8%
Public Safety/Police	193.9	222.6	218.0	0.4	217.5	-5.1	-2.3%
Higher Education	3,426.3	3,608.3	3,730.2	5.8	3,724.4	116.1	3.2%
Other Education	53.3	51.0	49.9	-0.9	50.8	-0.2	-0.4%
Transportation	1,483.2	1,419.1	1,468.5	4.2	1,464.2	45.1	3.2%
Agric./Nat'l Res./Environment	168.1	202.1	238.4	18.0	220.4	18.3	9.1%
Other Executive Agencies	506.3	603.2	716.4	-34.7	751.2	147.9	24.5%
Legislative	0.1	0.3	0.1	0.0	0.1	-0.2	-60.0%
Judiciary	38.3	55.1	52.6	0.0	52.6	-2.6	-4.6%
State Agencies	\$6,268.1	\$6,553.6	\$6,875.4	-\$9.1	\$6,884.5	\$330.9	5.0%
Total Operating	\$7,983.5	\$8,719.3	\$9,207.8	-\$13.9	\$9,221.7	\$502.4	5.8%
Capital	782.3	866.0	974.1	67.0	907.1	41.1	4.7%
Grand Total	\$8,765.8	\$9,585.3	\$10,181.9	\$53.1	\$10,128.7	\$543.5	5.7%

* Includes higher education fund (current unrestricted and current restricted) net of general and special funds.

Note: The fiscal 2011 working appropriation includes -\$19.5 million in deficiencies. The fiscal 2012 allowance includes \$6.7 million in reductions from sections 19 and 20 of the budget bill (HB 70/SB 85). The fiscal 2012 adjusted allowance reflects \$121.8 million in reductions contingent on legislation offset by \$68.7 million in additional special fund spending due to funding swaps.

State Expenditures – Federal Funds
(\$ in Millions)

<u>Category</u>	<u>Actual FY 2010</u>	<u>Work. Appr. FY 2011</u>	<u>Allowance FY 2012</u>	<u>Contingent Reductions</u>	<u>Adjusted Allowance FY 2012</u>	<u>FY 2011 to FY 2012</u>	
						<u>\$ Change</u>	<u>% Change</u>
Debt Service	\$0.9	\$9.2	\$11.1	\$0.0	\$11.1	\$1.9	20.2%
County/Municipal	57.4	126.8	57.6	0.0	57.6	-69.1	-54.5%
Community Colleges	0.0	0.0	0.0	0.0	0.0	0.0	n/a
Education/Libraries	1,397.1	1,483.5	799.6	0.0	799.6	-683.9	-46.1%
Health	4.5	4.5	4.5	0.0	4.5	0.0	0.0%
<i>Aid to Local Governments</i>	<i>\$1,459.0</i>	<i>\$1,614.8</i>	<i>\$861.8</i>	<i>\$0.0</i>	<i>\$861.8</i>	<i>-\$753.0</i>	<i>-46.6%</i>
Foster Care Payments	89.5	91.7	86.3	0.0	86.3	-5.4	-5.9%
Assistance Payments	928.2	1,318.2	1,318.9	0.0	1,318.9	0.7	0.1%
Medical Assistance	3,748.1	3,767.4	3,516.6	17.5	3,499.1	-268.4	-7.1%
Property Tax Credits	0.0	0.0	0.0	0.0	0.0	0.0	n/a
<i>Entitlements</i>	<i>\$4,765.8</i>	<i>\$5,177.3</i>	<i>\$4,921.7</i>	<i>\$17.5</i>	<i>\$4,904.2</i>	<i>-\$273.0</i>	<i>-5.3%</i>
Health	922.7	996.7	1,055.4	0.4	1,055.0	58.3	5.9%
Human Resources	537.5	527.9	552.6	3.7	548.9	21.1	4.0%
Systems Reform Initiative	7.3	7.7	7.3	0.0	7.3	-0.4	-4.9%
Juvenile Services	10.9	16.8	10.8	0.0	10.8	-6.1	-36.0%
Public Safety/Police	99.8	97.1	30.0	0.1	29.9	-67.2	-69.2%
Higher Education	0.0	0.0	0.0	0.0	0.0	0.0	n/a
Other Education	272.0	286.2	288.4	0.5	287.9	1.7	0.6%
Transportation	90.8	90.2	87.6	0.2	87.4	-2.8	-3.1%
Agric./Natl Res./Environment	66.9	75.0	72.8	0.2	72.6	-2.4	-3.2%
Other Executive Agencies	629.7	607.6	581.4	-1.5	582.8	-24.8	-4.1%
Judiciary	4.0	4.0	3.6	0.0	3.6	-0.4	-10.1%
<i>State Agencies</i>	<i>\$2,641.8</i>	<i>\$2,709.1</i>	<i>\$2,689.8</i>	<i>\$3.6</i>	<i>\$2,686.2</i>	<i>-\$22.9</i>	<i>-0.8%</i>
Total Operating	\$8,867.4	\$9,510.4	\$8,484.3	\$21.1	\$8,463.3	-\$1,047.1	-11.0%
Capital	957.6	798.4	918.8	0.1	918.8	120.4	15.1%
Grand Total	\$9,825.0	\$10,308.8	\$9,403.2	\$21.1	\$9,382.0	-\$926.8	-9.0%

Note: The fiscal 2011 working appropriation includes \$563.4 million in deficiencies. The fiscal 2012 allowance includes \$2.2 million in reductions from Sections 19 and 20 of the budget bill (HB 70/SB 85). The fiscal 2012 adjusted allowance reflects \$21.1 million in reductions contingent on legislation.

State Expenditures – State Funds
(\$ in Millions)

<u>Category</u>	<u>Actual FY 2010</u>	<u>Work. Appr. FY 2011</u>	<u>Targeted Reversions</u>	<u>Adjusted Work. Appr. FY 2011</u>	<u>Allowance FY 2012</u>	<u>Contingent Reductions & Fund Swaps</u>	<u>Adjusted Allowance FY 2012</u>	<u>FY 2011 to FY 2012 \$ Change</u>	<u>% Change</u>
Debt Service	\$921.7	\$991.5	\$0.0	\$991.5	\$1,052.0	\$0.0	\$1,052.0	\$60.5	6.1%
County/Municipal	379.1	384.7	0.0	384.7	392.3	20.8	371.4	-13.3	-3.5%
Community Colleges	256.2	258.1	0.0	258.1	267.3	4.3	263.1	4.9	1.9%
Education/Libraries	5,266.8	5,336.1	0.0	5,336.1	5,954.9	304.0	5,650.9	314.8	5.9%
Health	37.3	37.3	0.0	37.3	37.3	0.0	37.3	0.0	0.0%
Aid to Local Governments	\$5,939.3	\$6,016.2	\$0.0	\$6,016.2	\$6,651.7	\$329.1	\$6,322.6	\$306.4	5.1%
Foster Care Payments	240.4	242.0	0.0	242.0	238.8	0.0	238.8	-3.2	-1.3%
Assistance Payments	111.0	65.2	0.0	65.2	66.3	0.0	66.3	1.1	1.7%
Medical Assistance	2,145.2	2,332.8	0.0	2,332.8	3,447.0	17.5	3,429.5	1,096.7	47.0%
Property Tax Credits	73.2	75.9	0.0	75.9	79.4	0.0	79.4	3.5	4.6%
Entitlements	\$2,569.8	\$2,715.9	\$0.0	\$2,715.9	\$3,831.6	\$17.5	\$3,814.1	\$1,098.2	40.4%
Health	1,638.7	1,682.6	0.0	1,682.6	1,745.2	6.3	1,738.9	56.3	3.3%
Human Resources	389.2	344.4	0.0	344.4	362.0	5.7	356.3	11.8	3.4%
Systems Reform Initiative	24.3	20.5	0.0	20.5	18.8	0.0	18.8	-1.7	-8.1%
Juvenile Services	261.1	258.2	0.0	258.2	265.4	2.4	263.0	4.8	1.9%
Public Safety/Police	1,363.3	1,395.2	0.0	1,395.2	1,490.0	13.6	1,476.4	81.2	5.8%
Higher Education	4,575.8	4,754.0	0.0	4,754.0	4,865.7	16.1	4,849.6	95.6	2.0%
Other Education	368.4	407.0	0.5	406.5	401.6	3.3	398.3	-8.2	-2.0%
Transportation	1,483.2	1,419.1	0.0	1,419.1	1,468.5	4.2	1,464.2	45.1	3.2%
Agric./Natl Res./Environment	273.8	304.6	0.0	304.6	343.1	23.3	319.8	15.2	5.0%
Other Executive Agencies	1,021.7	1,149.4	2.9	1,146.5	1,323.6	4.2	1,319.3	172.9	15.1%
Legislative	71.7	75.9	0.0	75.9	77.6	0.9	76.7	0.8	1.1%
Judiciary	403.7	425.5	0.0	425.5	437.2	3.2	434.0	8.6	2.0%
Across-the-board Reductions	0.0	0.0	0.0	0.0	-40.0	1.4	-41.4	-41.4	n/a
State Agencies	\$11,874.9	\$12,236.3	\$3.4	\$12,233.0	\$12,758.7	\$84.7	\$12,674.0	\$441.1	3.6%
Total Operating	\$21,305.8	\$21,959.9	\$3.4	\$21,956.6	\$24,294.0	\$431.3	\$23,862.7	\$1,906.2	8.7%
Capital ⁽¹⁾	787.3	876.8	0.0	876.8	984.1	67.0	917.1	40.3	4.6%
Reserve Funds	114.9	15.0	0.0	15.0	15.0	0.0	15.0	0.0	0.0%
Appropriations	\$22,208.1	\$22,851.7	\$3.4	\$22,848.4	\$25,293.1	\$498.3	\$24,794.8	\$1,946.4	8.5%
Reversions	0.0	-30.0	4.5	-34.5	-30.0	0.0	-30.0	4.5	-13.0%
Grand Total	\$22,208.1	\$22,821.7	\$7.9	\$22,813.9	\$25,263.1	\$498.3	\$24,764.8	\$1,950.9	8.6%

⁽¹⁾ Includes the Sustainable Communities Tax Credit Reserve Fund.

Note: The fiscal 2011 working appropriation includes \$74.3 million in deficiencies. The fiscal 2012 allowance includes \$59.0 million in reductions from Sections 19, 20, and 22 of the budget bill (HB 70/SB 85) and \$1.1 million in targeted reversions related to employee health benefits. The fiscal 2012 adjusted allowance reflects \$562.9 million in reductions and \$4.1 million in targeted reversions contingent on legislation. These reductions are offset by \$68.7 million in additional special fund spending due to funding swaps.

State Expenditures – All Funds

(\$ in Millions)

<u>Category</u>	<u>Actual FY 2010</u>	<u>Work. Appr. FY 2011</u>	<u>Targeted Reversions</u>	<u>Adjusted Work. Appr. FY 2011</u>	<u>Allowance FY 2012</u>	<u>Contingent Reductions & Fund Swaps</u>	<u>Allowance FY 2012</u>	<u>FY 2011 to FY 2012 \$ Change</u>	<u>% Change</u>
Debt Service	\$922.6	\$1,000.7	\$0.0	\$1,000.7	\$1,063.1	\$0.0	\$1,063.1	\$62.4	6.2%
County/Municipal	436.5	511.5	0.0	511.5	449.9	20.8	429.1	-82.4	-16.1%
Community Colleges	256.2	258.1	0.0	258.1	267.3	4.3	263.1	4.9	1.9%
Education/Libraries	6,663.9	6,819.6	0.0	6,819.6	6,754.5	304.0	6,450.5	-369.1	-5.4%
Health	41.8	41.8	0.0	41.8	41.8	0.0	41.8	0.0	0.0%
Aid to Local Governments	\$7,398.3	\$7,631.0	\$0.0	\$7,631.0	\$7,513.5	\$329.1	\$7,184.4	-\$446.6	-5.9%
Foster Care Payments	329.9	333.6	0.0	333.6	325.1	0.0	325.1	-8.5	-2.6%
Assistance Payments	1,039.2	1,383.4	0.0	1,383.4	1,385.2	0.0	1,385.2	1.8	0.1%
Medical Assistance	5,893.3	6,100.2	0.0	6,100.2	6,963.6	35.0	6,928.6	828.4	13.6%
Property Tax Credits	73.2	75.9	0.0	75.9	79.4	0.0	79.4	3.5	4.6%
Entitlements	\$7,335.6	\$7,893.2	\$0.0	\$7,893.2	\$8,753.3	\$35.0	\$8,718.3	\$825.1	10.5%
Health	2,561.4	2,679.3	0.0	2,679.3	2,800.6	6.7	2,793.9	114.6	4.3%
Human Resources	926.7	872.3	0.0	872.3	914.5	9.4	905.2	32.9	3.8%
Systems Reform Initiative	31.6	28.2	0.0	28.2	26.1	0.0	26.1	-2.0	-7.2%
Juvenile Services	272.0	275.1	0.0	275.1	276.2	2.4	273.8	-1.3	-0.5%
Public Safety/Police	1,463.2	1,492.3	0.0	1,492.3	1,520.0	13.7	1,506.3	14.0	0.9%
Higher Education	4,575.8	4,754.0	0.0	4,754.0	4,865.7	16.1	4,849.6	95.6	2.0%
Other Education	640.4	693.1	0.5	692.7	690.0	3.8	686.2	-6.4	-0.9%
Transportation	1,574.0	1,509.3	0.0	1,509.3	1,556.0	4.4	1,551.6	42.4	2.8%
Agric./Nat'l Res./Environment	340.8	379.6	0.0	379.6	415.9	23.5	392.4	12.8	3.4%
Other Executive Agencies	1,651.4	1,757.0	2.9	1,754.1	1,905.0	2.8	1,902.2	148.0	8.4%
Legislative	71.7	75.9	0.0	75.9	77.6	0.9	76.7	0.8	1.1%
Judiciary	407.7	429.5	0.0	429.5	440.8	3.2	437.6	8.2	1.9%
Across-the-board Reductions	0.0	0.0	0.0	0.0	-40.0	1.4	-41.4	-41.4	n/a
State Agencies	\$14,516.7	\$14,945.5	\$3.4	\$14,942.1	\$15,448.5	\$88.3	\$15,360.2	\$418.1	2.8%
Total Operating	\$30,173.2	\$31,470.3	\$3.4	\$31,466.9	\$32,778.4	\$452.4	\$32,326.0	\$859.1	2.7%
Capital ⁽¹⁾	1,744.9	1,675.2	0.0	1,675.2	1,902.9	67.1	1,835.8	160.6	9.6%
Reserve Funds	114.9	15.0	0.0	15.0	15.0	0.0	15.0	0.0	0.0%
Appropriations	\$32,033.1	\$33,160.5	\$3.4	\$33,157.1	\$34,696.2	\$519.4	\$34,176.8	\$1,019.7	3.1%
Reversions	0.0	-30.0	4.5	-34.5	-30.0	0.0	-30.0	4.5	-13.0%
Grand Total	\$32,033.1	\$33,130.5	\$7.9	\$33,122.6	\$34,666.2	\$519.4	\$34,146.8	\$1,024.2	3.1%

⁽¹⁾ Includes the Sustainable Communities Tax Credit Reserve Fund.

Note: The fiscal 2011 working appropriation includes \$637.7 million in deficiencies. The fiscal 2012 allowance includes \$61.2 million in reductions from Sections 19, 20, and 22 of the budget bill (HB 70/SB 85) and \$1.1 million in targeted reversions related to employee health benefits. The fiscal 2012 adjusted allowance reflects \$584.0 million in reductions and \$4.1 million in targeted reversions contingent on legislation. These reductions are offset by \$68.7 million in additional special fund spending due to funding swaps.

Regular Full-time Equivalent Position Changes
Fiscal 2009 Actual to Fiscal 2012 Allowance

<u>Department/Service Area</u>	<u>FY 2009</u>	<u>FY 2010</u>	<u>FY 2011</u>		<u>500</u>	<u>Back of</u>	<u>Transfer</u>	<u>FY 2011</u>		<u>New</u>	<u>Transfer</u>	<u>FY 2012</u>	<u>Difference</u>
	<u>Actual</u>	<u>Actual</u>	<u>Leg.</u>	<u>BPW/Flex</u>				<u>Work.</u>	<u>Abolished</u>				
Health and Human Services													
Health and Mental Hygiene	7,237	6,584	6,570	14	-67	-1	-5	6,511	-2	16	0	6,525	-44
Human Resources	6,851	6,742	6,707	20	-33	-15	-2	6,677	-2	0	-2	6,673	-34
Juvenile Services	2,272	2,254	2,240	0	-15	0	-6	2,219	-5	0	-1	2,213	-27
Subtotal	16,360	15,580	15,517	34	-115	-16	-13	15,407	-9	16	-3	15,411	-105
Public Safety													
Public Safety and Correctional Services	11,627	11,396	11,304	0	-80	0	0	11,223	0	0	-2	11,221	-82
Police and Fire Marshal	2,441	2,416	2,421	0	-19	0	0	2,402	0	16	0	2,418	-3
Subtotal	14,067	13,811	13,724	0	-99	0	0	13,625	0	16	-2	13,639	-85
Transportation	9,135	9,012	8,979	0	0	-16	0	8,963	-43	0	0	8,920	-59
Other Executive													
Legal (Excluding Judiciary)	1,571	1,504	1,489	0	-24	0	2	1,467	0	0	0	1,467	-22
Executive and Administrative Control	1,661	1,637	1,620	0	-24	0	5	1,601	-1	5	0	1,605	-15
Financial and Revenue Administration	1,990	1,997	1,971	0	-7	0	0	1,964	0	33	0	1,997	26
Budget and Management	447	450	451	0	-14	0	0	437	0	1	0	438	-13
Retirement	204	204	204	0	0	0	0	207	0	0	0	207	3
General Services	611	593	593	0	-5	0	0	588	0	0	5	593	0
Natural Resources	1,359	1,287	1,284	0	-12	0	0	1,272	0	0	0	1,272	-12
Agriculture	427	406	413	0	-8	0	0	405	0	0	0	405	-8
Labor, Licensing, and Regulation	1,484	1,675	1,669	0	-3	0	0	1,665	0	0	0	1,665	-3
MSDE and Other Education	2,138	1,959	1,951	0	-15	0	6	1,942	-2	0	0	1,940	-11
Housing and Community Development	311	311	311	0	-3	0	0	308	0	0	0	308	-3
Business and Economic Development	259	238	236	0	-3	0	0	233	0	0	0	233	-3
Environment	979	970	970	0	-11	0	0	959	0	0	0	959	-11
Subtotal	13,439	13,230	13,160	0	-129	0	13	13,047	-3	39	5	13,088	-73
Executive Branch Subtotal	53,001	51,633	51,380	34	-343	-32	0	51,042	-55	70	0	51,058	-322
Higher Education	23,768	23,864	23,847	444	-115	-3	0	24,173	0	4	0	24,177	330
Judiciary	3,569	3,581	3,581	0	0	0	0	3,581	0	0	0	3,581	0
Legislature	747	747	747	0	0	0	0	747	0	0	0	747	0
Grand Total	81,085	79,825	79,555	478	-458	-34	0	79,544	-55	74	0	79,563	8

MSDE: Maryland State Department of Education

Source: Department of Budget and Management

Description of Position Changes in Fiscal 2012 Budget

Interim Position Creations

- The fiscal 2011 working appropriation includes 443.9 full-time equivalent positions created by the higher education institutions through “flex” personnel autonomy.
- 32 positions were created at the Board of Public Works, all of which use federal funds:
 - **Department of Human Resources (DHR) (20):** Family investment specialist positions serving as direct medical assistance providers
 - **Department of Health and Mental Hygiene (DHMH) (14):**
 - 5 analysts for Money Follows the Person program and 2 for an affordable housing grant;
 - 5 epidemiologists in grant-funded positions for infection prevention research; and
 - 2 laboratory employees for the USDA-FERN Food Safety Project.

Section 44 – 500 Position Reductions

- The General Assembly instructed the Governor to abolish 500 positions across the Executive Branch by June 30, 2011. The fiscal 2011 working appropriation deleted 343 positions in the Executive Branch and 115 from higher education institutions for this purpose.
- Maryland Department of Transportation’s (MDOT) 43 abolitions are included in the allowance. To meet the legislative date deadline, abolitions resulting from the Voluntary Separation Program will be counted against this requirement.
- All positions abolished are vacancies accumulated through hiring freeze attrition, except the 14.75 positions abolished in conjunction with the closing of the Brandenburg Center.

Allowance Changes

- Position creations
 - **Police (16):** Eight civilian pilot (8) and trooper paramedic (8) positions in the Aviation Command.
 - **Comptroller (16):** Contractual conversion of revenue examiner positions for the MITS project.
 - **Lottery (16):** Administrative assistance for VLTs.
 - **DHMH (15.6):** Seven new positions to reduce the number of off-label anti-psychotic prescriptions to children; three positions for management and performance analysis in the Health Services Cost Review Commission; three positions for certification work in State Board of Nursing; and two secretarial support in other Boards.
 - **St. Mary’s (4):** Three new faculty members and one medical services position.
 - **Aging (3):** Two federally funded positions for Maryland Access Point and a grant monitor.
 - **Veterans (2):** Contractual conversion of cemetery office secretaries to full time.
- Position abolitions
 - **MDOT (-43):** All represent vacancies intended for inclusion in 500 position abolition.
 - **Department of Juvenile Services (-5):** Abolition of five vacant positions from various functions.
 - **DHR (2):** Filled positions for consolidation of lease management functions.
 - **Maryland State Department of Education (-2):** One position abolished in secretarial support and another in athletic administration.
 - **DHMH (-1.6):** One provided technical support to the State laboratories; 0.6 conducted autopsy examinations.
 - **Exec. Boards (-1):** Base Realignment and Closure Plan Coordinator position converted to contractual status.

Voluntary Separation Program

- Over 1,400 applicants were submitted to Department of Budget and Management (DBM) by January 4, 2011.
- DBM expects around 1,000 of the applications to be accepted. The positions of these individuals will be abolished on January 31, 2011, with the savings from fiscal 2011 utilized to fund the \$15,000 separation payments and three months of health insurance provided to those employees approved for the program.
- Section 22 of the Budget Bill deletes \$40 million in association with the savings for fiscal 2012.

Contractual Full-time Equivalent Positions

Fiscal 2009 Actuals to 2012 Allowance

<u>Department/Service Area</u>	<u>FY 2009 Actual</u>	<u>FY 2010 Actual</u>	<u>FY 2011 Work. Approp.</u>	<u>FY 2012 Allowance</u>	<u>Difference</u>
Health and Human Services					
Health and Mental Hygiene	542	307	331	358	27
Human Resources	78	111	73	73	0
Juvenile Services	121	75	99	100	2
Subtotal	742	492	503	531	28
Public Safety					
Public Safety and Correctional Services	284	261	369	348	-20
Police and Fire Marshal	33	30	33	29	-5
Subtotal	317	291	402	377	-25
Transportation	125	101	138	140	2
Other Executive					
Legal (Excluding Judiciary)	51	45	48	47	-2
Executive and Administrative Control	196	207	201	196	-5
Financial and Revenue Administration	40	34	50	34	-16
Budget and Management	21	15	18	17	-1
Retirement	11	10	14	15	1
General Services	15	21	39	34	-6
Natural Resources	401	394	372	400	29
Agriculture	49	49	50	45	-5
Labor, Licensing, and Regulation	144	311	203	345	143
MSDE and Other Education	223	221	235	290	54
Housing and Community Development	30	31	70	71	1
Business and Economic Development	28	12	6	13	8
Environment	21	35	46	45	-1
Subtotal	1,231	1,385	1,351	1,551	199
Executive Branch Subtotal	2,415	2,269	2,394	2,598	204
Higher Education	6,285	6,542	6,456	6,591	135
Judiciary	374	384	390	405	15
Grand Total	9,074	9,195	9,240	9,594	354

MSDE: Maryland State Department of Education

Executive Branch Vacancy Rates Calendar 2008-2011

<u>Department/Service Area</u>	<u>January 2008</u>	<u>January 2009</u>	<u>January 2010</u>	<u>January 2011</u>
Health and Human Services				
Health and Mental Hygiene	9.0%	7.0%	7.1%	8.4%
Human Resources	7.5%	7.3%	6.7%	6.2%
Juvenile Services	7.4%	3.6%	6.2%	7.0%
Subtotal	8.2%	6.7%	6.8%	7.2%
Public Safety				
Public Safety and Correctional Services	9.9%	7.2%	4.1%	5.3%
Police and Fire Marshal	6.9%	7.4%	7.7%	9.5%
Subtotal	9.4%	7.2%	4.8%	6.0%
Transportation	5.6%	4.2%	3.6%	5.6%
Other Executive				
Legal (Excluding Judiciary)	6.6%	7.1%	5.6%	6.5%
Executive and Administrative Control	9.4%	8.8%	7.3%	7.7%
Financial and Revenue Administration	5.4%	4.2%	6.1%	6.2%
Budget and Management	8.6%	8.6%	10.1%	9.4%
Retirement	8.0%	5.4%	5.9%	4.8%
General Services	10.1%	7.5%	6.9%	9.9%
Natural Resources	9.1%	6.6%	4.4%	6.5%
Agriculture	14.5%	6.7%	5.3%	7.9%
Labor, Licensing, and Regulation	6.6%	6.4%	8.4%	7.3%
MSDE and Other Education	6.3%	5.1%	5.8%	5.1%
Housing and Community Development	7.8%	6.0%	4.1%	4.2%
Business and Economic Development	13.4%	2.3%	3.3%	4.7%
Environment	9.2%	6.0%	4.0%	4.4%
Subtotal	11.4%	9.1%	8.9%	9.4%
Executive Branch Vacancy Rate	8.0%	6.3%	5.5%	6.5%
Total Positions in Executive Branch	53,753	52,949	51,543	51,058
Total Vacancies	4,283	3,329	2,848	3,295

MSDE: Maryland State Department of Education

Even as the total number of Executive Branch positions has decline by more than 2,500 over the last three years, the percentage of vacancies remains relatively stable due to the combination of budget directives that utilize attrition to realize savings and repeated legislative direction to abolish significant numbers of positions.

These trends, when combined with still-unallocated across-the-board personnel actions that affect turnover, render the calculation of the total number of funded vacancies inappropriate for year-to-year comparisons.

Contingent Reductions to State Aid to Local Governments in Fiscal 2012

County	K-12 Education	Program Open Space	Library Aid	Retirement			Total Effect
				K-12 Education	Library	Community College	
Allegany	-\$1,339,508	-\$155,000	-\$53,367	-\$803,829	-\$10,886	-\$178,699	-\$2,541,289
Anne Arundel	-5,862,970	-1,673,000	-141,107	-6,193,596	-109,120	-450,807	-14,430,601
Baltimore City	-15,475,595	-724,000	-453,669	-6,955,518	-161,417	0	-23,770,199
Baltimore	-10,823,437	-1,853,000	-370,845	-8,424,340	-181,001	-687,707	-22,340,330
Calvert	-1,637,353	-163,000	-27,516	-1,490,620	-28,854	-39,791	-3,387,134
Caroline	-782,741	-80,000	-19,445	-426,608	-11,031	-26,725	-1,346,550
Carroll	-2,780,072	-371,000	-72,258	-2,197,971	-59,672	-97,950	-5,578,922
Cecil	-1,970,684	-198,000	-50,944	-1,315,223	-29,310	-61,434	-3,625,594
Charles	-3,061,391	-335,000	-58,489	-2,156,059	-26,268	-126,083	-5,763,290
Dorchester	-610,016	-79,000	-17,063	-365,443	-7,343	-24,225	-1,103,090
Frederick	-4,395,687	-381,000	-87,543	-3,218,279	-62,319	-154,857	-8,299,685
Garrett	-387,337	-91,000	-9,257	-371,416	-8,226	-33,407	-900,643
Harford	-4,271,926	-572,000	-109,048	-2,990,081	-96,584	-216,301	-8,255,940
Howard	-4,254,233	-965,000	-59,280	-5,213,603	-127,574	-250,472	-10,870,162
Kent	-141,604	-139,000	-6,534	-202,557	-5,380	-10,699	-505,774
Montgomery	-10,745,360	-2,481,000	-194,320	-15,009,954	0	-1,067,608	-29,498,242
Prince George's	-16,691,299	-2,091,000	-401,297	-10,977,933	-163,530	-518,715	-30,843,774
Queen Anne's	-607,772	-103,000	-10,034	-595,677	-10,237	-30,064	-1,356,784
St. Mary's	-1,809,923	-185,000	-42,133	-1,306,914	-22,692	-42,882	-3,409,544
Somerset	-444,837	-49,000	-18,433	-259,133	-4,932	-10,853	-787,188
Talbot	-210,096	-107,000	-7,252	-340,419	-9,125	-23,770	-697,662
Washington	-2,971,370	-293,000	-81,960	-1,698,742	-32,844	-135,307	-5,213,223
Wicomico	-2,137,996	-203,000	-59,607	-1,222,720	-16,837	-68,854	-3,709,014
Worcester	-333,513	-203,000	-9,824	-685,335	-17,342	-27,500	-1,276,515
Unallocated	0	0	-1,717,116	0	0		-1,717,116
Total	-\$93,746,720	-\$13,494,000	-\$4,078,341	-\$74,421,970	-\$1,202,524	-\$4,284,708	-\$191,228,262

Proposed Growth in State Aid to Local Governments Fiscal 2012

County	FY 2011	Mandatory FY 2012	Percent Difference	Contingent Reductions	Proposed FY 2012	Percent Difference
Allegany	\$110,543,193	\$106,524,855	-3.6%	-\$2,541,289	\$103,983,566	-5.9%
Anne Arundel	412,183,133	439,165,581	6.5%	-14,430,601	424,734,980	3.0%
Baltimore City	1,191,038,050	1,196,259,342	0.4%	-23,770,199	1,172,489,143	-1.6%
Baltimore	681,541,712	713,188,468	4.6%	-22,340,330	690,848,138	1.4%
Calvert	108,747,929	107,152,861	-1.5%	-3,387,134	103,765,727	-4.6%
Caroline	53,012,559	53,543,520	1.0%	-1,346,550	52,196,970	-1.5%
Carroll	179,799,183	183,756,307	2.2%	-5,578,922	178,177,385	-0.9%
Cecil	128,327,041	129,754,652	1.1%	-3,625,594	126,129,058	-1.7%
Charles	187,152,248	196,225,561	4.8%	-5,763,290	190,462,271	1.8%
Dorchester	41,111,671	41,604,432	1.2%	-1,103,090	40,501,342	-1.5%
Frederick	262,877,262	277,380,217	5.5%	-8,299,685	269,080,532	2.4%
Garrett	35,895,011	34,290,230	-4.5%	-900,643	33,389,587	-7.0%
Harford	263,595,069	267,900,467	1.6%	-8,255,940	259,644,527	-1.5%
Howard	293,648,971	307,271,095	4.6%	-10,870,162	296,400,933	0.9%
Kent	13,890,228	14,092,098	1.5%	-505,774	13,586,324	-2.2%
Montgomery	767,775,500	831,200,732	8.3%	-29,498,242	801,702,490	4.4%
Prince George's	1,088,566,762	1,086,437,999	-0.2%	-30,843,774	1,055,594,225	-3.0%
Queen Anne's	41,408,309	43,347,419	4.7%	-1,356,784	41,990,635	1.4%
St. Mary's	115,247,779	115,587,644	0.3%	-3,409,544	112,178,100	-2.7%
Somerset	34,089,852	34,415,482	1.0%	-787,188	33,628,294	-1.4%
Talbot	17,808,197	18,781,607	5.5%	-697,662	18,083,945	1.5%
Washington	176,792,403	189,762,928	7.3%	-5,213,223	184,549,705	4.4%
Wicomico	140,403,961	142,219,955	1.3%	-3,709,014	138,510,941	-1.3%
Worcester	32,807,948	35,310,725	7.6%	-1,276,515	34,034,210	3.7%
Unallocated	75,376,797	86,573,682	14.9%	-1,717,116	84,856,566	12.6%
Total	\$6,453,640,768	\$6,651,747,856	3.1%	-\$191,228,262	\$6,460,519,594	0.1%

Proposed State Aid Reductions and Expenditure Transfers Fiscal 2012

County	<i>Expenditure Transfers</i>			Contingent Reductions	Total Impact	Share of Total Impact
	Property Valuations	Nonpublic Placements	Total Transfers			
Allegany	-\$672,125	\$0	-\$672,125	-\$2,541,289	-\$3,213,415	1.4%
Anne Arundel	-3,524,422	0	-3,524,422	-14,430,601	-17,955,023	7.8%
Baltimore City	-3,782,585	0	-3,782,585	-23,770,199	-27,552,784	12.0%
Baltimore	-4,808,347	0	-4,808,347	-22,340,330	-27,148,677	11.8%
Calvert	-698,373	0	-698,373	-3,387,134	-4,085,507	1.8%
Caroline	-234,260	0	-234,260	-1,346,550	-1,580,810	0.7%
Carroll	-1,066,459	0	-1,066,459	-5,578,922	-6,645,381	2.9%
Cecil	-732,306	0	-732,306	-3,625,594	-4,357,900	1.9%
Charles	-1,008,831	0	-1,008,831	-5,763,290	-6,772,121	2.9%
Dorchester	-340,955	0	-340,955	-1,103,090	-1,444,045	0.6%
Frederick	-1,138,654	0	-1,138,654	-8,299,685	-9,438,338	4.1%
Garrett	-421,352	0	-421,352	-900,643	-1,321,995	0.6%
Harford	-1,597,275	0	-1,597,275	-8,255,940	-9,853,215	4.3%
Howard	-1,616,107	0	-1,616,107	-10,870,162	-12,486,269	5.4%
Kent	-194,320	0	-194,320	-505,774	-700,094	0.3%
Montgomery	-4,974,333	0	-4,974,333	-29,498,242	-34,472,574	15.0%
Prince George's	-4,074,008	0	-4,074,008	-30,843,774	-34,917,782	15.2%
Queen Anne's	-365,408	0	-365,408	-1,356,784	-1,722,192	0.8%
St. Mary's	-752,038	0	-752,038	-3,409,544	-4,161,582	1.8%
Somerset	-234,948	0	-234,948	-787,188	-1,022,136	0.4%
Talbot	-306,863	0	-306,863	-697,662	-1,004,525	0.4%
Washington	-916,522	0	-916,522	-5,213,223	-6,129,745	2.7%
Wicomico	-739,231	0	-739,231	-3,709,014	-4,448,245	1.9%
Worcester	-611,266	0	-611,266	-1,276,515	-1,887,781	0.8%
Unallocated	0	-3,534,620	-3,534,620	-1,717,116	-5,251,736	2.3%
Total	-\$34,810,988	-\$3,534,620	-\$38,345,608	-\$191,228,262	-\$229,573,871	100.0%

State Assistance to Local Governments
Fiscal 2012 Allowance
(\$ in Thousands)

County	County/ Municipal	Community Colleges	Direct State Aid				Subtotal	Retirement	Total	Change Over FY 2011	Percent Change
			Public Schools	Libraries	Health						
Allegany	\$8,609	\$5,922	\$77,115	\$747	\$909	\$93,301	\$10,682	\$103,984	-\$6,560	-5.9%	
Anne Arundel	16,374	28,911	298,967	1,965	3,142	349,358	75,377	424,735	12,552	3.0%	
Baltimore City	221,537	0	856,789	6,346	6,675	1,091,347	81,142	1,172,489	-18,549	-1.6%	
Baltimore	10,112	36,054	531,728	5,180	4,302	587,377	103,471	690,848	9,306	1.4%	
Calvert	1,211	2,224	81,942	384	370	86,131	17,635	103,766	-4,982	-4.6%	
Caroline	2,915	1,473	41,801	272	538	46,999	5,198	52,197	-816	-1.5%	
Carroll	2,082	8,044	139,310	1,009	1,232	151,676	26,501	178,177	-1,622	-0.9%	
Cecil	7,281	5,297	96,224	712	806	110,321	15,808	126,129	-2,198	-1.7%	
Charles	1,835	7,048	153,900	817	995	164,594	25,868	190,462	3,310	1.8%	
Dorchester	2,862	1,335	31,198	238	429	36,062	4,439	40,501	-610	-1.5%	
Frederick	3,258	8,702	215,776	1,222	1,512	230,469	38,612	269,081	6,203	2.4%	
Garrett	2,841	3,373	22,021	129	437	28,801	4,589	33,390	-2,505	-7.0%	
Harford	3,163	10,287	206,062	1,523	1,737	222,773	36,871	259,645	-3,951	-1.5%	
Howard	4,285	14,029	213,202	824	1,215	233,555	62,846	296,401	2,752	0.9%	
Kent	612	590	9,504	91	336	11,132	2,454	13,586	-304	-2.2%	
Montgomery	14,151	41,297	557,923	2,720	3,015	619,106	182,596	801,702	33,927	4.4%	
Prince George's	31,997	22,993	858,906	5,606	5,007	924,510	131,085	1,055,594	-32,973	-3.0%	
Queen Anne's	814	1,657	31,820	139	418	34,848	7,143	41,991	582	1.4%	
St. Mary's	1,354	2,397	91,536	588	809	96,683	15,495	112,178	-3,070	-2.7%	
Somerset	5,616	737	23,492	258	429	30,533	3,095	33,628	-462	-1.4%	
Talbot	800	1,310	11,374	102	329	13,914	4,170	18,084	276	1.5%	
Washington	2,052	7,889	151,284	1,146	1,381	163,752	20,797	184,550	7,757	4.4%	
Wicomico	4,043	4,676	113,339	834	947	123,840	14,671	138,511	-1,893	-1.3%	
Worcester	5,220	1,868	18,270	138	313	25,809	8,225	34,034	1,226	3.7%	
Unallocated	23,732	11,565	33,756	15,803	0	84,857	0	84,857	9,480	12.6%	
Total	\$378,756	\$229,679	\$4,867,239	\$48,791	\$37,283	\$5,561,748	\$898,771	\$6,460,520	\$6,879	0.1%	

Note: County/Municipal includes the municipal share of police aid, highway user revenue, and fire aid.

State Assistance to Local Governments
Fiscal 2011 Working Appropriation
(\$ in Thousands)

County	County/ Municipal	Community Colleges	Direct State Aid				Subtotal	Retirement	Total
			Public Schools	Libraries	Health				
Allegany	\$8,663	\$5,898	\$83,711	\$758	\$909	\$99,939	\$10,604	\$110,543	
Anne Arundel	8,766	28,695	293,132	1,913	3,142	335,647	76,536	412,183	
Baltimore City	222,346	0	872,053	6,461	6,675	1,107,535	83,503	1,191,038	
Baltimore	10,807	36,335	525,104	5,249	4,302	581,797	99,745	681,542	
Calvert	1,272	2,206	86,816	402	370	91,065	17,683	108,748	
Caroline	2,935	1,434	42,583	273	538	47,764	5,249	53,013	
Carroll	2,216	7,409	140,811	982	1,232	152,650	27,149	179,799	
Cecil	5,624	5,252	100,262	717	806	112,661	15,666	128,327	
Charles	1,964	7,042	150,663	791	995	161,454	25,698	187,152	
Dorchester	2,874	1,293	31,712	244	429	36,552	4,560	41,112	
Frederick	3,401	8,667	209,029	1,140	1,512	223,749	39,128	262,877	
Garrett	2,860	3,343	24,442	155	437	31,237	4,658	35,895	
Harford	3,358	10,240	209,548	1,548	1,737	226,430	37,165	263,595	
Howard	4,632	13,901	210,063	770	1,215	230,581	63,068	293,649	
Kent	581	589	9,840	96	336	11,442	2,448	13,890	
Montgomery	15,108	40,821	524,710	2,662	3,015	586,315	181,460	767,776	
Prince George's	42,250	22,412	879,759	5,648	5,007	955,076	133,491	1,088,567	
Queen Anne's	846	1,682	31,385	132	418	34,463	6,945	41,408	
St. Mary's	1,424	2,310	94,811	624	809	99,977	15,271	115,248	
Somerset	5,629	808	23,743	263	429	30,874	3,216	34,090	
Talbot	836	1,308	11,193	101	329	13,768	4,040	17,808	
Washington	2,157	7,857	144,304	1,128	1,381	156,827	19,965	176,792	
Wicomico	4,108	4,587	115,270	838	947	125,750	14,654	140,404	
Worcester	4,010	1,849	17,996	138	313	24,306	8,502	32,808	
Unallocated	16,580	8,463	34,676	15,658	0	75,377	0	75,377	
Total	\$375,247	\$224,403	\$4,867,616	\$48,690	\$37,283	\$5,553,239	\$900,402	\$6,453,641	

Note: County/Municipal includes the municipal share of police aid, highway user revenue, and fire aid.

State Assistance to Local Governments

**Dollar Difference Between Fiscal 2012 Allowance and Fiscal 2011 Working Appropriation
(\$ in Thousands)**

County	County/ Municipal	Community Colleges	<i>Direct State Aid</i>				Subtotal	Retirement	Total
			Public Schools	Libraries	Health				
Allegany	-\$54	\$24	-\$6,596	-\$11	\$0	-\$6,638	\$79	-\$6,560	
Anne Arundel	7,608	216	5,835	52	0	13,711	-1,159	12,552	
Baltimore City	-809	0	-15,264	-115	0	-16,188	-2,361	-18,549	
Baltimore	-695	-281	6,625	-69	0	5,580	3,727	9,306	
Calvert	-61	18	-4,873	-18	0	-4,934	-48	-4,982	
Caroline	-20	39	-782	-2	0	-764	-51	-816	
Carroll	-134	634	-1,502	27	0	-974	-647	-1,622	
Cecil	1,657	45	-4,037	-5	0	-2,340	142	-2,198	
Charles	-129	6	3,237	25	0	3,140	170	3,310	
Dorchester	-12	42	-515	-5	0	-490	-121	-610	
Frederick	-144	34	6,747	82	0	6,720	-517	6,203	
Garrett	-19	30	-2,422	-26	0	-2,436	-69	-2,505	
Harford	-194	47	-3,485	-25	0	-3,657	-293	-3,951	
Howard	-347	129	3,139	54	0	2,974	-222	2,752	
Kent	31	0	-336	-5	0	-310	6	-304	
Montgomery	-956	476	33,213	59	0	32,791	1,136	33,927	
Prince George's	-10,253	581	-20,853	-41	0	-30,566	-2,406	-32,973	
Queen Anne's	-33	-25	435	8	0	384	198	582	
St. Mary's	-70	87	-3,275	-36	0	-3,293	224	-3,070	
Somerset	-13	-71	-251	-5	0	-341	-121	-462	
Talbot	-37	2	181	0	0	146	130	276	
Washington	-105	32	6,980	18	0	6,925	833	7,757	
Wicomico	-64	90	-1,931	-4	0	-1,910	17	-1,893	
Worcester	1,210	19	274	0	0	1,503	-277	1,226	
Unallocated	7,153	3,102	-920	145	0	9,480	0	9,480	
Total	\$3,510	\$5,276	-\$377	\$101	\$0	\$8,510	-\$1,631	\$6,879	

Note: County/Municipal includes the municipal share of police aid, highway user revenue, and fire aid.

State Assistance to Local Governments

Percent Change: Fiscal 2012 Allowance Over Fiscal 2011 Working Appropriation

County	County/ Municipal	Community Colleges	Direct State Aid				Subtotal	Retirement	Total
			Public Schools	Libraries	Health				
Allegany	-0.6%	0.4%	-7.9%	-1.5%	0.0%	-6.6%	0.7%	-5.9%	
Anne Arundel	86.8%	0.8%	2.0%	2.7%	0.0%	4.1%	-1.5%	3.0%	
Baltimore City	-0.4%	n/a	-1.8%	-1.8%	0.0%	-1.5%	-2.8%	-1.6%	
Baltimore	-6.4%	-0.8%	1.3%	-1.3%	0.0%	1.0%	3.7%	1.4%	
Calvert	-4.8%	0.8%	-5.6%	-4.6%	0.0%	-5.4%	-0.3%	-4.6%	
Caroline	-0.7%	2.8%	-1.8%	-0.6%	0.0%	-1.6%	-1.0%	-1.5%	
Carroll	-6.0%	8.6%	-1.1%	2.7%	0.0%	-0.6%	-2.4%	-0.9%	
Cecil	29.5%	0.9%	-4.0%	-0.7%	0.0%	-2.1%	0.9%	-1.7%	
Charles	-6.6%	0.1%	2.1%	3.2%	0.0%	1.9%	0.7%	1.8%	
Dorchester	-0.4%	3.3%	-1.6%	-2.2%	0.0%	-1.3%	-2.6%	-1.5%	
Frederick	-4.2%	0.4%	3.2%	7.2%	0.0%	3.0%	-1.3%	2.4%	
Garrett	-0.7%	0.9%	-9.9%	-16.5%	0.0%	-7.8%	-1.5%	-7.0%	
Harford	-5.8%	0.5%	-1.7%	-1.6%	0.0%	-1.6%	-0.8%	-1.5%	
Howard	-7.5%	0.9%	1.5%	7.0%	0.0%	1.3%	-0.4%	0.9%	
Kent	5.3%	0.1%	-3.4%	-4.9%	0.0%	-2.7%	0.2%	-2.2%	
Montgomery	-6.3%	1.2%	6.3%	2.2%	0.0%	5.6%	0.6%	4.4%	
Prince George's	-24.3%	2.6%	-2.4%	-0.7%	0.0%	-3.2%	-1.8%	-3.0%	
Queen Anne's	-3.9%	-1.5%	1.4%	5.7%	0.0%	1.1%	2.9%	1.4%	
St. Mary's	-4.9%	3.8%	-3.5%	-5.7%	0.0%	-3.3%	1.5%	-2.7%	
Somerset	-0.2%	-8.8%	-1.1%	-2.0%	0.0%	-1.1%	-3.8%	-1.4%	
Talbot	-4.4%	0.1%	1.6%	0.1%	0.0%	1.1%	3.2%	1.5%	
Washington	-4.9%	0.4%	4.8%	1.6%	0.0%	4.4%	4.2%	4.4%	
Wicomico	-1.6%	2.0%	-1.7%	-0.5%	0.0%	-1.5%	0.1%	-1.3%	
Worcester	30.2%	1.0%	1.5%	-0.3%	0.0%	6.2%	-3.3%	3.7%	
Unallocated	43.1%	36.7%	-2.7%	0.9%	n/a	12.6%	n/a	12.6%	
Total	0.9%	2.4%	0.0%	0.2%	0.0%	0.2%	-0.2%	0.1%	

Note: County/Municipal includes the municipal share of police aid, highway user revenue, and fire aid.

Highway User Revenue Allocations in Fiscal 2012

County	County Share	Municipal Share	Total Amount	% County	% Municipal
Allegany	\$143,871	\$89,332	\$233,203	61.7%	38.3%
Anne Arundel	878,877	72,107	950,984	92.4%	7.6%
Baltimore City	124,333,350	0	124,333,350	100.0%	0.0%
Baltimore	1,256,642	0	1,256,642	100.0%	0.0%
Calvert	191,425	20,725	212,150	90.2%	9.8%
Caroline	122,042	30,856	152,898	79.8%	20.2%
Carroll	339,810	99,897	439,707	77.3%	22.7%
Cecil	197,613	45,284	242,897	81.4%	18.6%
Charles	282,508	27,987	310,495	91.0%	9.0%
Dorchester	134,078	36,414	170,492	78.6%	21.4%
Frederick	409,355	182,045	591,400	69.2%	30.8%
Garrett	162,254	27,833	190,087	85.4%	14.6%
Harford	421,657	79,836	501,492	84.1%	15.9%
Howard	470,997	0	470,997	100.0%	0.0%
Kent	70,048	17,173	87,222	80.3%	19.7%
Montgomery	1,114,814	263,158	1,377,971	80.9%	19.1%
Prince George's	872,763	343,380	1,216,143	71.8%	28.2%
Queen Anne's	161,398	11,562	172,960	93.3%	6.7%
St. Mary's	230,905	5,684	236,589	97.6%	2.4%
Somerset	87,170	13,272	100,442	86.8%	13.2%
Talbot	100,632	44,466	145,098	69.4%	30.6%
Washington	268,180	111,338	379,518	70.7%	29.3%
Wicomico	214,511	75,969	290,480	73.8%	26.2%
Worcester	157,339	59,459	216,798	72.6%	27.4%
Total	\$132,622,240	\$1,657,778	\$134,280,018	98.8%	1.2%

Highway User Revenue Over Five-year Period

County	FY 2007	FY 2011	FY 2012	Difference FY 07-12	% Difference FY 07-12
Allegany	\$7,438,060	\$226,306	\$233,203	-\$7,204,857	-96.9%
Anne Arundel	31,918,479	922,858	950,984	-30,967,495	-97.0%
Baltimore City	226,579,396	127,091,092	124,333,350	-102,246,046	-45.1%
Baltimore	43,239,662	1,219,476	1,256,642	-41,983,020	-97.1%
Calvert	6,537,119	205,876	212,150	-6,324,969	-96.8%
Caroline	5,097,930	148,376	152,898	-4,945,032	-97.0%
Carroll	14,462,628	426,703	439,707	-14,022,921	-97.0%
Cecil	8,012,061	235,713	242,897	-7,769,164	-97.0%
Charles	10,206,348	301,312	310,495	-9,895,853	-97.0%
Dorchester	5,675,076	165,449	170,492	-5,504,584	-97.0%
Frederick	18,961,583	573,909	591,400	-18,370,183	-96.9%
Garrett	6,421,992	184,465	190,087	-6,231,905	-97.0%
Harford	16,571,417	486,660	501,492	-16,069,925	-97.0%
Howard	15,956,386	457,067	470,997	-15,485,389	-97.0%
Kent	2,894,425	84,642	87,222	-2,807,203	-97.0%
Montgomery	45,276,129	1,337,217	1,377,971	-43,898,158	-97.0%
Prince George's	39,501,011	1,180,175	1,216,143	-38,284,868	-96.9%
Queen Anne's	5,863,186	167,845	172,960	-5,690,226	-97.1%
St. Mary's	7,790,620	229,592	236,589	-7,554,031	-97.0%
Somerset	3,399,282	97,471	100,442	-3,298,840	-97.0%
Talbot	4,675,038	140,807	145,098	-4,529,940	-96.9%
Washington	12,174,332	368,294	379,518	-11,794,814	-96.9%
Wicomico	9,295,983	281,889	290,480	-9,005,503	-96.9%
Worcester	6,940,174	210,386	216,798	-6,723,376	-96.9%
Total	\$554,888,317	\$136,743,580	\$134,280,018	-\$420,608,299	-75.8%