
Maryland's Fiscal Structure and General Fund Outlook

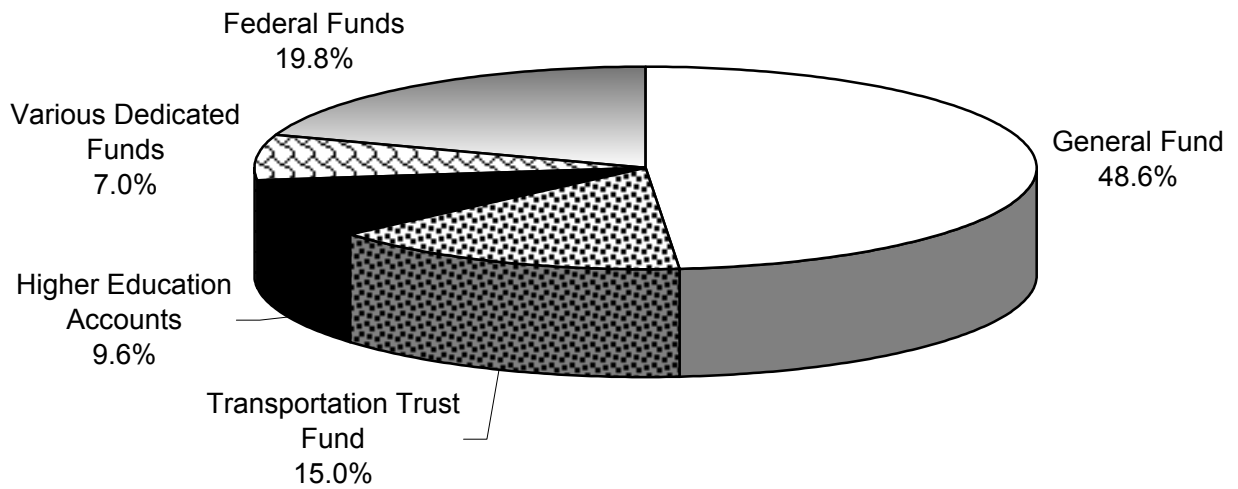
**Presentation to the
Commission on Maryland's Fiscal Structure**

**Department of Legislative Services
Office of Policy Analysis**

Annapolis, Maryland

August 8, 2002

Maryland Fiscal 2003 Budget by Fund Account

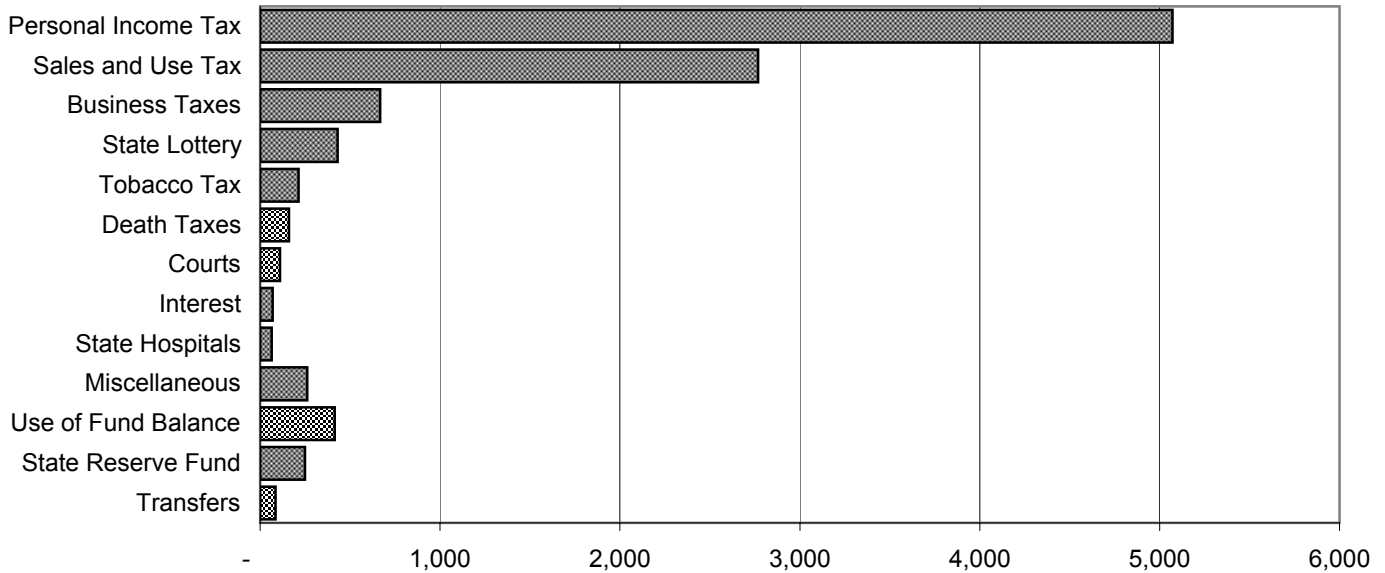


\$ in Millions

General Fund	\$10,565
Transportation Trust Fund	3,266
Higher Education Accounts	2,083
Various Dedicated Funds	1,518
Federal Funds	4,311
Total	\$21,742

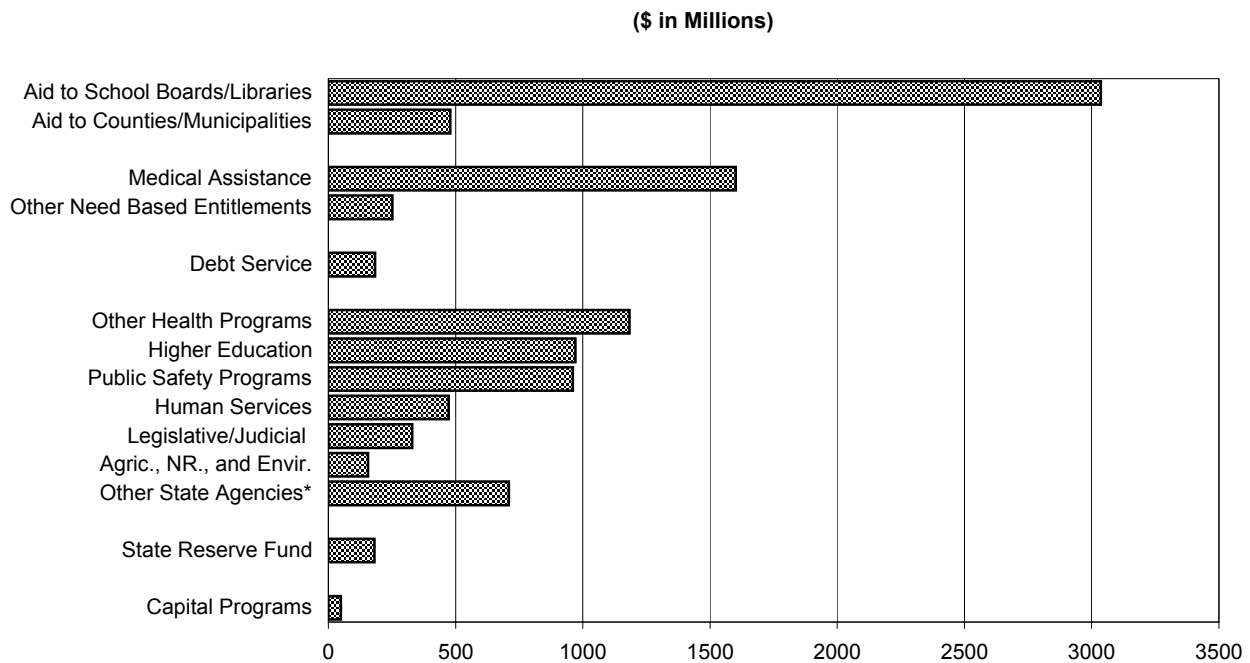
Fiscal 2003 General Fund Revenues by Source

(\$ in Millions)



	<u>Amount</u>	<u>% of Total</u>
Personal Income Tax	\$ 5,072	48.0%
Sales and Use Tax	2,767	26.2%
Business Taxes	668	6.3%
State Lottery	430	4.1%
Tobacco Tax	213	2.0%
Death Taxes	160	1.5%
Courts	111	1.0%
Interest	70	0.7%
State Hospitals	64	0.6%
Miscellaneous	262	2.5%
Use of Fund Balance	414	3.9%
State Reserve Fund	249	2.4%
Transfers	85	0.8%
Total	\$ 10,565	100.0%

Fiscal 2003 General Fund Budget by Function

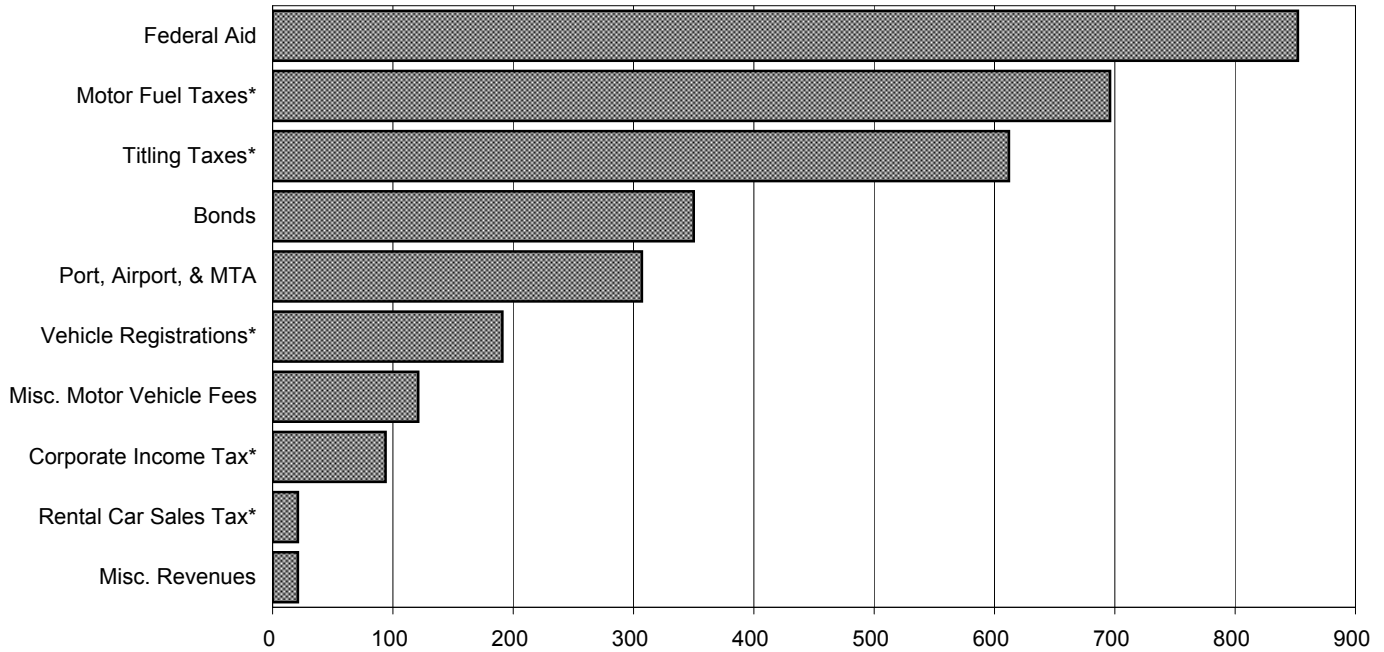


	<u>Amount</u>	<u>% of Total</u>	<u>Cumulative % of Total</u>
Aid to School Boards/Libraries	\$ 3,036	28.7%	
Aid to Counties/Municipalities	480	4.5%	33.3%
Medical Assistance	1,601	15.2%	48.4%
Other Need Based Entitlements	251	2.4%	50.8%
Debt Service	184	1.7%	52.5%
Other Health Programs	1,184	11.2%	63.8%
Higher Education	970	9.2%	72.9%
Public Safety Programs	961	9.1%	82.0%
Human Services	472	4.5%	86.5%
Legislative/Judicial	330	3.1%	89.6%
Agric., NR., and Envir.	156	1.5%	91.1%
Other State Agencies*	709	6.7%	97.8%
State Reserve Fund	181	1.7%	99.5%
Capital Programs	50	0.5%	100.0%
Total	\$ 10,565	100.0%	

*Across the board cuts and reversions included in other state agencies.

Transportation Trust Fund Fiscal 2003 Revenues

(\$ in Millions)



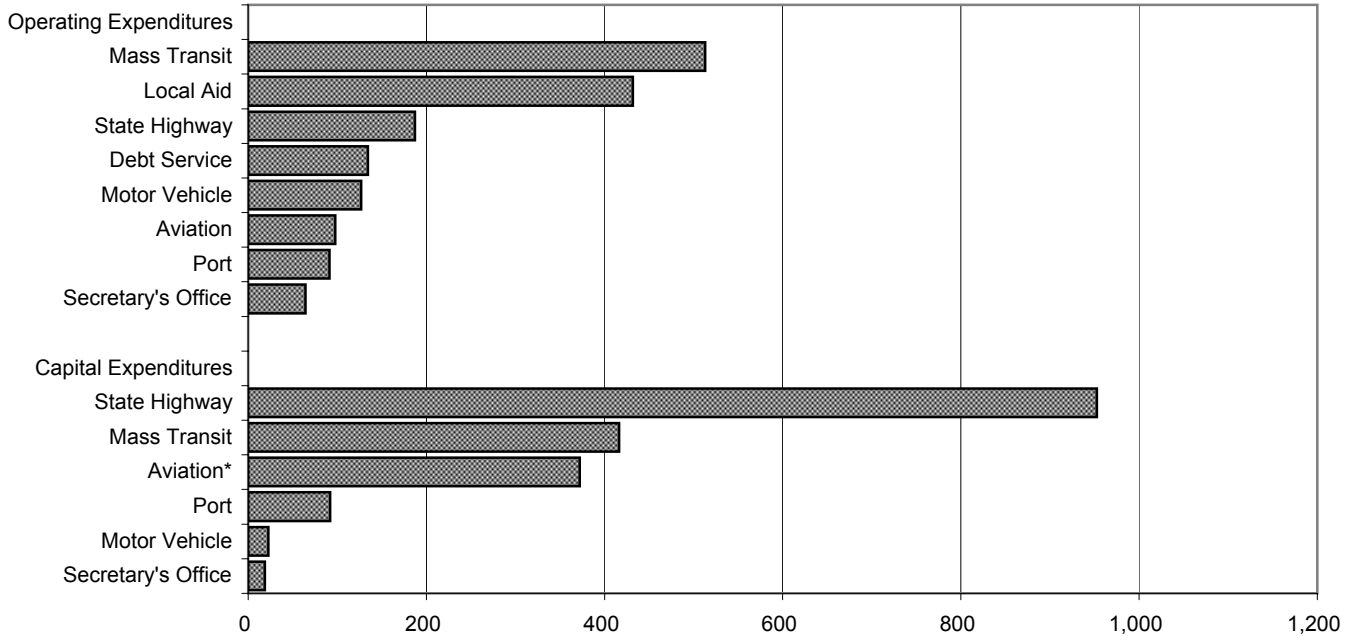
	<u>Amount</u>	<u>% of Total</u>
Federal Aid	\$ 852	26.1%
Motor Fuel Taxes*	696	21.3%
Titling Taxes*	612	18.7%
Bonds	350	10.7%
Port, Airport, & MTA	307	9.4%
Vehicle Registrations*	191	5.8%
Misc. Motor Vehicle Fees	121	3.7%
Corporate Income Tax*	94	2.9%
Rental Car Sales Tax*	21	0.6%
Misc. Revenues	21	0.6%
Total	\$ 3,266	100.0%

*Shared with local governments.

Source: Maryland Department of Transportation January 2002 Forecast, Adjusted for Legislative Actions

Transportation Trust Fund Fiscal 2003 Expenditures

(\$ in Millions)



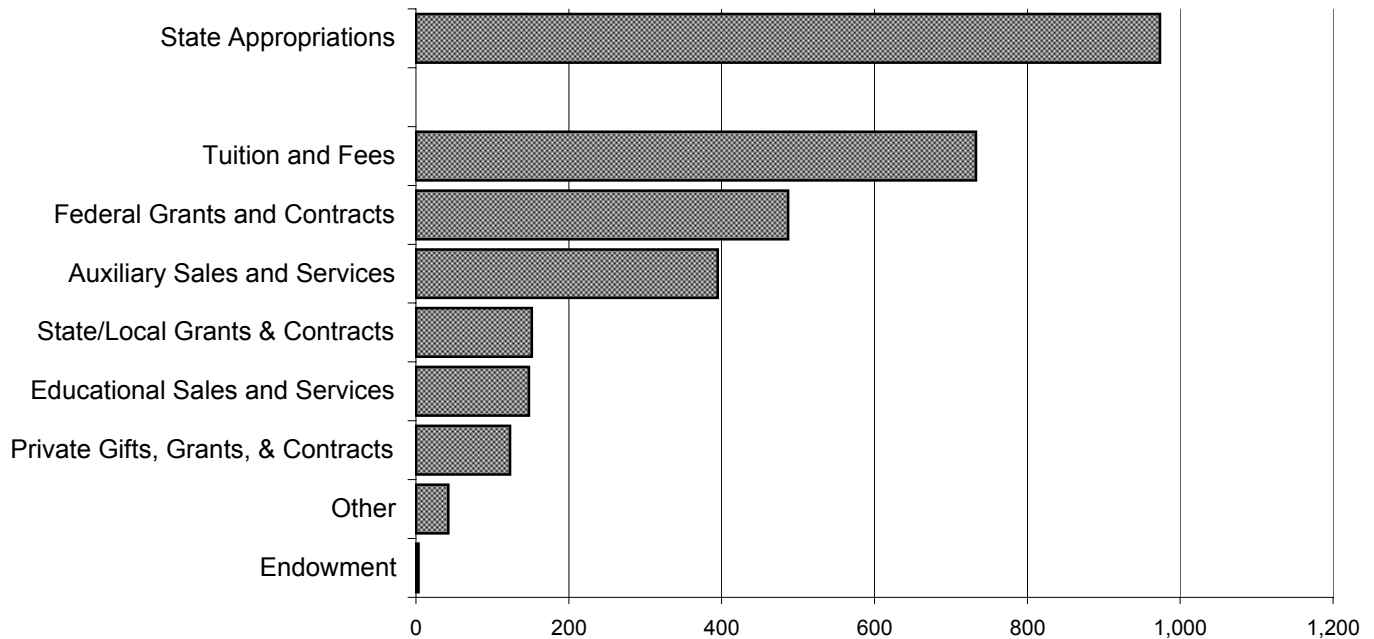
		<u>Amount</u>	<u>% of Total</u>
Operating	Mass Transit	512	15.7%
	Local Aid	432	13.2%
	State Highway Administration	186	5.7%
	Debt Service	135	4.1%
	Motor Vehicle Administration	125	3.8%
	Maryland Aviation Administration	97	3.0%
	Maryland Port Administration	91	2.8%
	The Secretary's Office	62	1.9%
Capital	State Highway Administration	950	29.1%
	Mass Transit	416	12.7%
	Maryland Aviation Administration*	127	3.9%
	Maryland Port Administration	92	2.8%
	Motor Vehicle Administration	23	0.7%
	The Secretary's Office	19	0.6%
Grand Total		3,266	100.0%

*Does not include approximately \$250 million MAA non-TTF funds.

Source: Maryland Department of Transportation January 2002 Forecast, Adjusted for Legislative Actions

Higher Education Revenues for State Operated Institutions Fiscal 2003

(\$ in Millions)



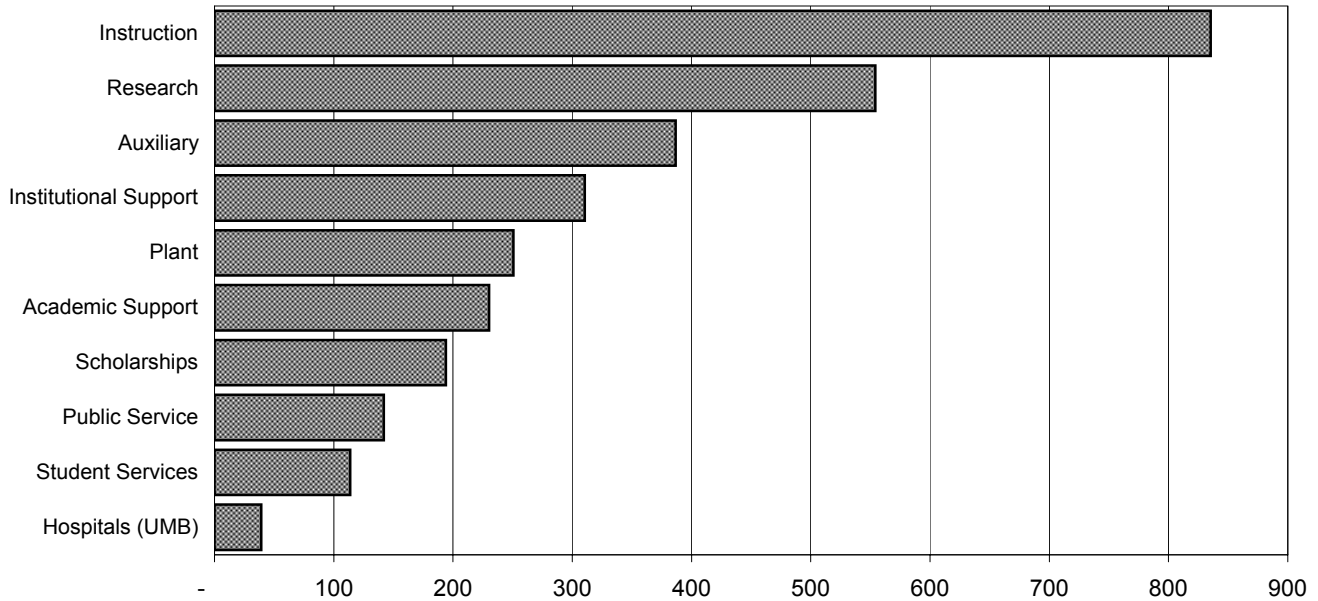
	<u>Amount</u>	<u>% of Total</u>	<u>% Own Source</u>
State Appropriations	\$ 974	31.9%	
Tuition and Fees	733	24.0%	35.2%
Federal Grants and Contracts	487	15.9%	23.4%
Auxiliary Sales and Services	395	12.9%	19.0%
State/Local Grants and Contracts	152	4.8%	7.1%
Educational Sales and Services	148	4.0%	5.9%
Private Gifts, Grants, and Contracts	123	5.0%	7.3%
Other	42	1.4%	2.0%
Endowment	3	0.1%	0.2%
<i>Own Source Revenues</i>	2,083	68.1%	100.0%
Total	\$ 3,056	100.0%	

Note: Includes University System of Maryland, Morgan State University, St. Mary's College of Maryland, and Baltimore City Community College. Includes current unrestricted and current restricted funds.

Source: Fiscal 2003 Maryland Operating Budget, 2002 *Joint Chairmen's Report*, and Department of Budget and Management

Higher Education Expenditures for State Operated Institutions Fiscal 2003

(\$ in Millions)



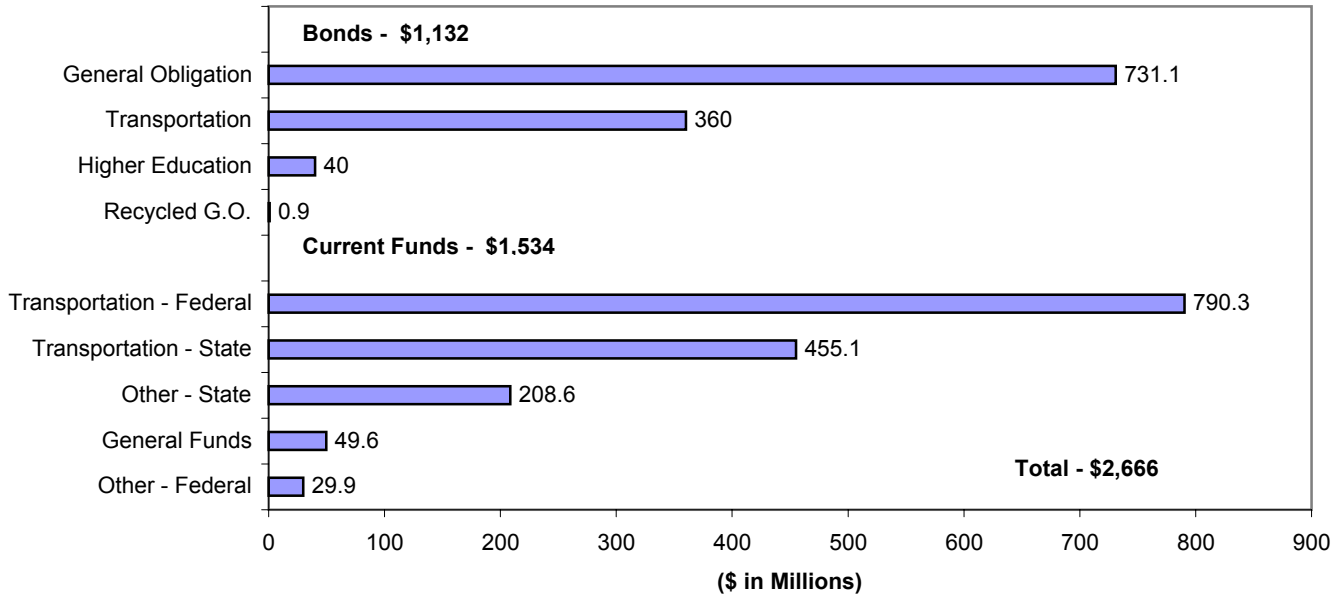
	<u>Amount</u>	<u>% of Total</u>
Instruction	\$ 835	27.3%
Research	554	18.1%
Auxiliary	387	12.7%
Institutional Support	311	10.2%
Plant	250	8.2%
Academic Support	230	7.5%
Scholarships	194	6.3%
Public Service	142	4.6%
Student Services	114	3.7%
Hospitals (UMB)	39	1.3%
Total	\$ 3,056	100.0%

Note: Includes University System of Maryland, Morgan State University, St. Mary's College of Maryland, and Baltimore City Community College. Includes current unrestricted and current restricted funds. Legislative reductions in unrestricted funds are pro rated across non-auxiliary activities funded with current unrestricted funds.

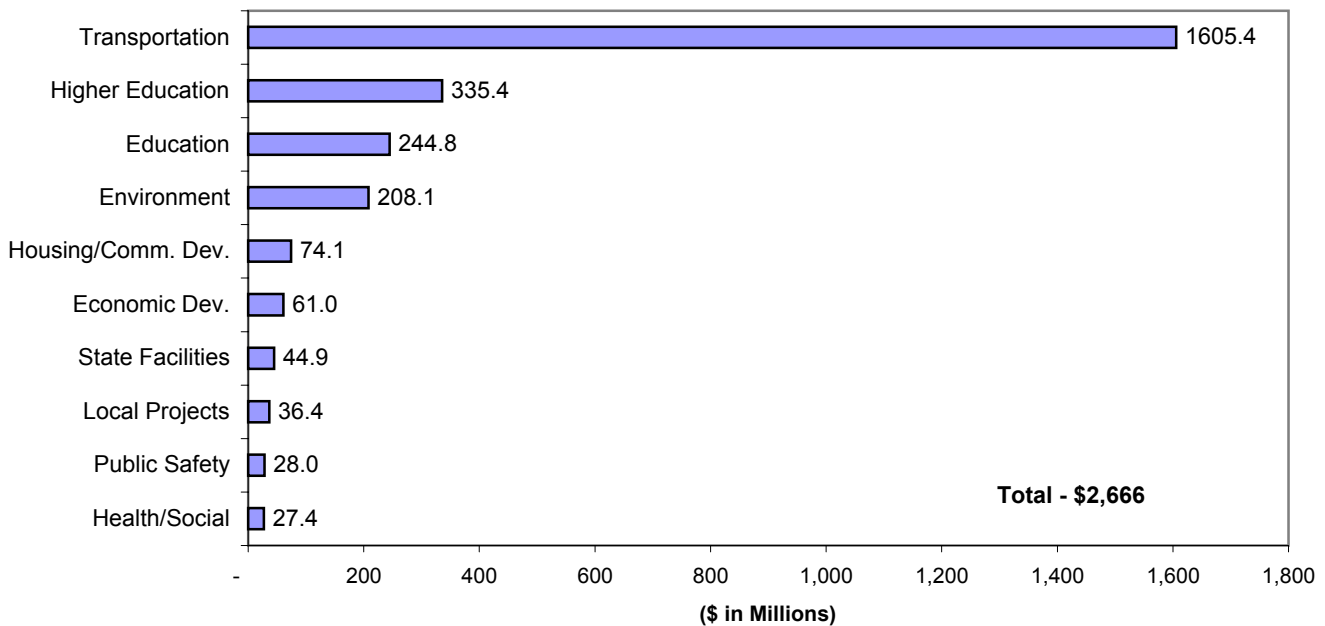
Source: Fiscal 2003 Maryland Operating Budget, 2002 *Joint Chairmen's Report*, and Department of Budget and Management

Fiscal 2003 Capital Budget Structure

Fiscal 2003 Capital Funding by Source



Fiscal 2003 Capital Spending by Purpose



General Fund Forecast

(\$ in Millions)

	<u>FY 2001</u>	<u>FY 2002</u>	<u>Change FY 01-02</u>	<u>FY 2003</u>	<u>Change FY 02-03</u>	<u>FY 2004</u>	<u>Change FY 03-04</u>
Revenues							
Fund Balance	\$936	\$538	-	\$428	-	\$14	-
Transfer from Rainy Day Fund	30	533	-	249	-	0	-
One-time Transfers	0	281	-	85	-	0	-
Operating Revenues	<u>9,810</u>	<u>9,636</u>	-1.8%	<u>9,816</u>	1.9%	<u>10,432</u>	6%
Total Revenues	\$10,776	\$10,989	2.0%	\$10,578	-3.7%	\$10,446	-1%
Spending Operating							
Debt Service	\$205	\$204	-0.5%	\$184	-9.8%	\$237	29%
Local Aid	3,108	3,284	5.7%	3,516	7.1%	3,884	10%
Entitlements	1,534	1,796	17.1%	1,852	3.1%	2,067	12%
State Agencies	4,434	4,759	7.3%	4,837	1.6%	5,111	6%
Reversions	<u>0</u>	<u>(25)</u>	-	<u>(55)</u>	-	<u>(25)</u>	-
Subtotal Operating	\$9,281	\$10,018	7.9%	\$10,334	3.2%	\$11,275	9%
Capital							
PAYGO Capital	638	366	-42.6%	50	-86.3%	83	67%
Transfers	2	0	-	0	-	0	-
Reserve Fund	<u>316</u>	<u>177</u>	-	<u>181</u>	-	<u>0</u>	-
Grand Total Spending	\$10,238	\$10,561	3.1%	\$10,565	0%	\$11,358	8%
Ending General Fund Balance							
	\$538	\$428		\$14		(\$912)	
Ending Revenue Stabilization Fund Balance							
	\$888	\$548		\$501		\$523	
% of General Fund Operating Revenues							
	9.1%	5.7%		5.1%		5.0%	
Operating Revenues as a % of Operating Spending							
	106%	96%		95%		93%	