
Spending Affordability Briefing

Revised: November 18, 2011

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

November 17, 2011

Federal Funds

- Federal funds total \$9.3 billion in Maryland's fiscal 2012 budget, accounting for nearly 31% of the budget.
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Federal Funds in Fiscal 2012 Legislative Appropriation (\$ in Millions)

<u>Department/Service Area</u>	<u>Fiscal 2012 Legislative Appropriation</u>
Health and Mental Hygiene	\$4,569.3
Human Resources	1,954.2
Public Education	1,024.9
Transportation	915.1
Housing and Community Development	263.8
Executive and Administrative Control	195.2
Labor, Licensing, and Regulation	175.8
Environment	91.7
Budgetary and Personnel Administration	51.1
Department of Natural Resources	35.0
Public Safety and Correctional Services	28.5
Public Debt	11.1
Juvenile Services	10.5
Judicial and Legal Review	6.5
Agriculture	4.2
Business and Economic Development	1.8
State Police	1.4
General Services	1.1
Total Federal Funds	\$9,341.1

Source: *Fiscal Digest of the State of Maryland for the Fiscal Year 2011*

- Maryland's finances could be affected by federal deficit reduction decisions which may impact the number of federal jobs and federal spending in Maryland.

Federal Funds (cont.)

Federal Budget Facts

- Discretionary spending is that part of the federal budget that is subject to the annual appropriation process. It includes everything that is not in the mandatory budget, which are programs required by law to provide certain benefits (e.g., Social Security, Medicare, et. al.)
- In federal fiscal 2011, discretionary spending totaled about \$1.35 trillion – nearly 40% of federal spending; national defense accounts for over half of the discretionary spending.
- Deficit reduction measures included in the Budget Control Act of 2011 (BCA) focus primarily on discretionary spending.

Federal Fiscal 2012 Budget

- Congress has not yet passed a budget for federal fiscal 2012 which began October 1, 2011. A government shutdown has so far been avoided through continuing resolutions.
- Spending targets included in the BCA would result in an estimated \$10.4 million reduction in the federal funds Maryland receives whereas the House budget resolution would result in a reduction of over \$272.0 million for Maryland.

Budget Control Act

- The BCA:
 - provides for increases in the debt ceiling and puts in place a process for deficit reduction;
 - imposes caps on discretionary spending estimated to save \$917 billion over 10 years; savings would result from program reductions, slowing the rate of spending growth relative to baseline estimates, and lower debt service costs; and
 - created a Joint Select Committee (often referred to as the “Super Committee”) to make recommendations, by November 23, 2011, to further reduce the deficit over 10 years by at least \$1.2 trillion.

Federal Funds (cont.)

- Should the Super Committee fail to recommend, or the Congress and President fail to enact legislation that reduces the deficit by at least \$1.2 trillion, automatic cuts to discretionary spending – known as sequestration – occur beginning in federal fiscal 2013.

Sequestration Process

- If deficit reduction actions enacted by January 15, 2012, are less than \$1.2 trillion, then difference between \$1.2 trillion and enacted deficit reduction amount become automatic cuts.
 - Reduction amount – less 18% assumed debt service savings divided equally over 10 years.
 - Each year, cut divided equally between defense and nondefense accounts (up to \$109 billion per year total reduction).
 - Nondefense exemptions include Social Security, Medicaid, civilian retirement, and low-income assistance.
 - Medicare cuts cannot exceed 2%.
 - Defense exemption: military retirement.

Impacts on Maryland

Direct Impacts

- Reductions in both defense and nondefense federal spending will have direct impacts on Maryland both through reduced federal funds flowing through the State budget and possibly through reductions in the number of federal jobs.
- The direct impacts of reduced defense spending cannot be estimated presently – the Department of Defense will have wide latitude in how reductions are distributed. However, Maryland’s potential exposure to defense-related spending reductions can be illustrated by looking at defense related employment:
 - According to the U.S. Office of Personnel Management, there were 42,659 direct federal defense jobs in Maryland in the second quarter of 2011;

Federal Funds (cont.)

- According to the Consolidated Federal Funds Report, U.S. Census Bureau, there was nearly \$1.9 billion in wages paid to Department of Defense employees residing in Maryland in federal fiscal 2010.
 - On the nondefense side, of the \$9.3 billion in federal funding in Maryland's fiscal 2012 budget, approximately \$1.9 billion would be subject to reduction through the sequestration process.
 - Federal fund reductions in the Maryland budget that would occur in the first year of implementation should the full \$1.2 trillion sequestration take effect would be between \$135 million and \$158 million depending on whether federal fiscal 2012 funding levels reflect BCA targets or levels or those set by the House Budget Resolution.
 - After the first year, total discretionary funding subject to sequestration would increase but at a slower rate than assumed in the Congressional Budget Office's baseline estimates from which deficit reduction is scored.
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Estimated Federal Fund Reduction in Maryland Budget Due to Sequestration By Federal Agency (\$ in Millions)

<u>Federal Agency</u>	<u>SFY14 Estimate Based on BCA</u>	<u>SFY14 Estimate Based on HBR</u>
Department of Agriculture	-\$0.901	-\$0.806
Department of Commerce	-4.744	-4.292
Department of Education	-62.510	-55.584
Health and Human Services	-37.478	-33.338
Department of Housing and Urban Development	-21.546	-18.652
Departments of Energy and EPA	-8.613	-5.051
Department of Justice	-3.206	-1.098
Department of Homeland Security	-4.271	-3.487
Department of Labor	-14.704	-13.057
Department of Transportation	-0.065	-0.057
Total	-\$158.039	-\$135.421

BCA: Budget Control Act of 2011

HBR: House Budget Resolution

EPA: Environmental Protection Agency

SFY: State fiscal year

Note: Reduction estimates are shown for SFY 2014 but, due to the three month overlap with the federal fiscal year, some reductions may take effect during SFY 2013.

Source: Federal Funds Information for States; Department of Legislative Services

Federal Funds (cont.)

- The top 20 federal programs in the Maryland budget subject to sequestration account for nearly 71% of funding subject to sequestration.
- A significant amount of the reductions would occur in funding that is passed through to local governments or that goes to individuals as assistance rather than in funding that would affect State agency operations.

Top 20 Federal Programs in Maryland Budget Subject to Sequestration (\$ in Thousands)

<u>Agency/Program</u>	<u>Funding in Maryland FY12 Budget</u>
Department of Education	
Special Education – Grants to States	\$223,362
Title I Grants to Local Educational Agencies	190,058
Race-to-the-top Incentive Grants	87,856
Improving Teacher Quality State Grants	44,527
Rehabilitation Services – Vocational Rehab Grants to States	43,285
After School Learning Centers	26,450
Vocational Education – Basic Grants to States	16,737
Subtotal	\$632,275
Environmental Protection Agency	
Capitalization Grants for State Revolving Funds	\$49,110
Department of Health and Human Services	
Low-Income Home Energy Assistance	\$88,177
Child Support Enforcement	80,583
HIV Care Formula Grants	37,737
Block Grants for Prevention and Treatment of Substance Abuse	34,000
Social Services Block Grant	33,022
Medicaid Research, Demonstrations, and Evaluations	14,065
Subtotal	\$287,585
Department of Housing and Urban Development	
Section 8 Housing Assistance Payments Program Special Allocation	\$200,221
Section 8 Housing Choice Voucher	16,973
Subtotal	\$217,195

Federal Funds (cont.)

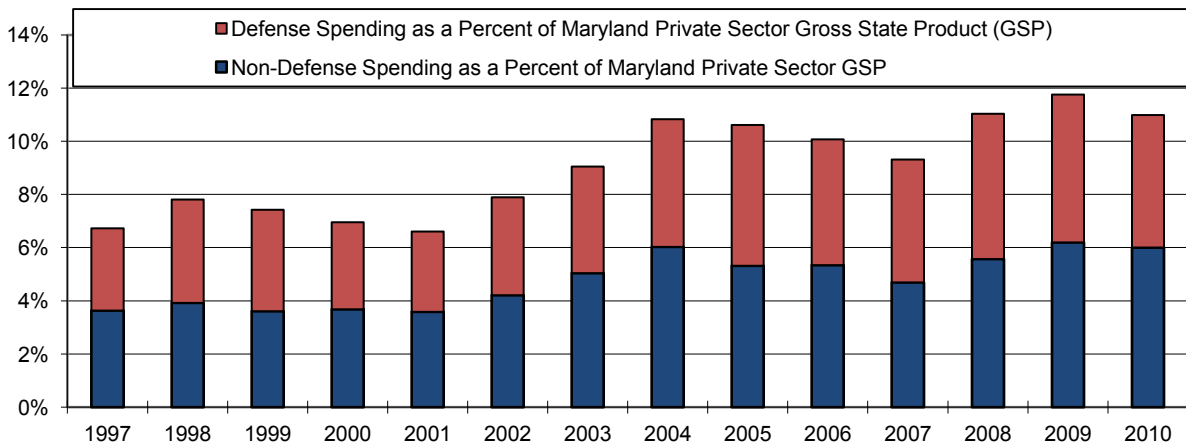
<u>Agency/Program</u>	<u>Funding in Maryland FY12 Budget</u>
Department of Labor	
Unemployment Insurance	\$94,709
Workforce Investment Act – Youth Activities	16,822
Employment Service – Consumer Reports	16,005
Workforce Investment Act – Dislocated Workers	13,964
Subtotal	\$141,500
Subtotal – Top 20	\$1,327,664
Everything Else	\$595,419
Total Federal Funding Subject to Sequestration	\$1,923,083

Source: Federal Funds Information for States; Department of Legislative Services

Indirect Impacts

- In addition to the direct impacts of the loss of federal funds and federal jobs, reduced federal spending resulting from implementation of sequestration may impact Maryland's economy through decreased procurement spending.
- Defense procurement spending as a percent of Maryland Private Sector Gross State Product was 5% in calendar 2010, nondefense was 6%.

Procurement Spending in Maryland Calendar 1997-2010



Source: Consolidated Federal Funds Report, U.S. Census Bureau

Transportation Trust Fund Closeout
Comparison of Fiscal 2011 Projected and Actual Revenues
(\$ in Millions)

	<u>FY 2011 Projected</u>	<u>FY 2011 Actual</u>	<u>Variance</u>
Starting Fund Balance	\$234	\$234	\$0
Revenues			
Titling Taxes	571	595	24
Motor Fuel Taxes	729	752	23
Sales Tax	229	228	-1
Corporate Income, Registrations, and Misc. MVA Fees	727	727	0
Other Receipts and Adjustments	512	570	58
Bond Proceeds and Premiums	75	0	-75
Total Revenues	\$2,843	\$2,872	\$29
Uses of Funds			
MDOT Operating Expenditures	\$1,543	\$1,546	\$3
MDOT Capital Expenditures	717	621	-96
MDOT Debt Service	159	156	-3
Highway User Revenues	137	139	2
Other Expenditures	421	423	2
Total Expenditures	\$2,977	\$2,885	-\$92
Final Ending Fund Balance	\$100	\$221	\$121

MDOT: Maryland Department of Transportation
MVA: Motor Vehicle Administration

Note: Totals may not sum due to rounding.

Source: Maryland Department of Transportation, September 2011

- The Transportation Trust Fund (TTF) ended fiscal 2011 with a fund balance of \$221 million, \$121 million greater than expected. The additional fund balance is due to higher revenue attainment and spending coming in less than estimated.
- Revenue attainment was \$29 million greater than estimated. Titling tax revenues were \$24 million higher than expected, while motor fuel taxes exceeded the estimate by \$23 million. Operating revenues and reimbursements also were more than expected.
- Capital expenditures were \$96 million less than expected due to funds being transferred to the operating budget for winter maintenance and cash flow changes in projects.
- Higher revenues and lower capital spending mitigated the need for bond sales.

Transportation Trust Fund

Maryland Department of Transportation's (MDOT) Special Fund Capital Program Could Be \$1.1 Billion Less Based Upon the Department of Legislative Services (DLS) Forecast (\$ in Millions)

	DLS Six-year <u>Total</u>
<u>Revenue</u>	
Titling Tax – MDOT assumes that titling tax revenues will have an average annual growth of 7.2% with peak growth in fiscal 2013 as the economy recovers. DLS assumes average revenue growth of 5.7% with more modest out-year growth.	-\$351
Miscellaneous Motor Vehicle Administration (MVA) Fees – MDOT assumes that MVA fees will exceed the statutory cost recovery requirement. DLS assumes that MVA fee revenue will be within the statutory requirements.	-120
Other Revenues – DLS assumes other revenues will be higher. Motor fuel tax revenue is \$83 million higher due to higher growth estimates. Other major revenue differences include a higher actual fund balance and other minor revenues.	104
Bonds Issued – MDOT assumes bond sales total approximately \$1.5 billion. Due to less revenue and higher levels of operating budget spending, DLS estimates bond sales are constrained throughout the six-year period.	-535
Total	-\$902
<u>Spending/Transfers</u>	
Operating Budget – MDOT assumes average annual operating budget growth of 4.0%. DLS assumes average annual growth of 5.5%. The largest differences are in estimates for transit and winter maintenance expenditures.	\$304
Capital Program – MDOT estimates the six year capital program will total \$5.4 billion. DLS estimates a capital program that is \$1,091 million less than MDOT's. Less cash is available due to lower revenue estimates and higher operating budget spending, which constrain bond sales.	-1,091
Debt Service – MDOT estimates that debt service will total \$1,435 million over the six years. DLS estimates that reduced bond sales reduce debt service costs.	-84
General Fund Transfer – MDOT estimates a general fund distribution of \$189 million in fiscal 2012. Lower revenue estimates result in less revenue for distribution.	-2
Local Highway User Revenue (HUR) Distribution – MDOT estimates \$1,032 million in local HUR over the six years. Lower revenue estimates result in less revenue for distribution.	-29
Total	-\$902

Transportation Trust Fund (cont.)

Revenue Pressures and Recommendations

Future Federal Aid Issues:

- Currently the amount of federal aid distributed to states is less than the amount of revenues collected from the federal gas tax. To maintain funding to the states, federal general funds have been used to subsidize state aid.
- With the pressure to reduce the federal deficit, it is not clear what the future holds for federal transportation aid from the federal gas tax or for federal general fund aid for transportation (e.g., New Start funding and Washington Metropolitan Area Transit Authority).
- Recent Congressional activity largely maintains aid to states in federal fiscal 2012; however, to maintain current funding levels in the long-term, either a revenue increase or a general fund transfer is required.
- Any reduction in federal aid will reduce the size of the capital program. In addition, State funding obligations for the major transit lines could increase.

Capital Program Pressures:

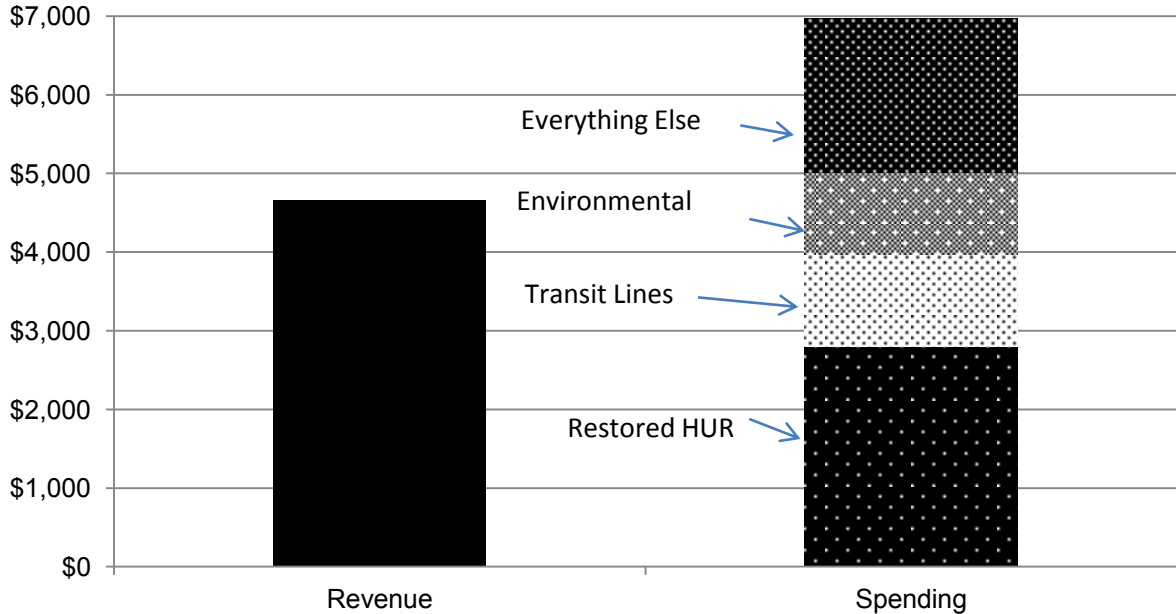
- Under the DLS forecast, the special fund capital program could be less than currently estimated due to lower revenue estimates and higher operating budget spending.
- The current capital program continues with plans to construct three major transit lines; however, funding for construction is not included. There are also significant environmental obligations that are not funded.

Blue Ribbon Recommendations:

- Protect the TTF by amending the State Constitution to prohibit transfers out of the TTF for nontransportation purposes or enact statute that requires a fiscal emergency to be declared before a transfer can occur.
- Incrementally restore the local share of HURs.
- Raise approximately \$870 million in net new annual revenues for transportation. This could be accomplished through a three-year phase-in of a 15-cent motor fuel tax increase followed by annual indexing in year four. In addition, increase registration fees by 50.0%; either increase the titling tax to 6.5%, or eliminate the trade-in allowance; and increase Maryland Transit Administration fares, Vehicle Emissions Inspection Program fees, and MVA fees.
- Several other recommendations relate to smart growth, freight, farebox recovery, value capture, and public-private partnerships.

Transportation Trust Fund (cont.)

Fiscal 2013-2017 Proposed Blue Ribbon Commission Revenues Are Insufficient to Restore Highway User Revenues (HUR), Construct Three Transit Lines, Fund Environmental Projects, and Other System Preservation/Expansion Projects (\$ in Millions)



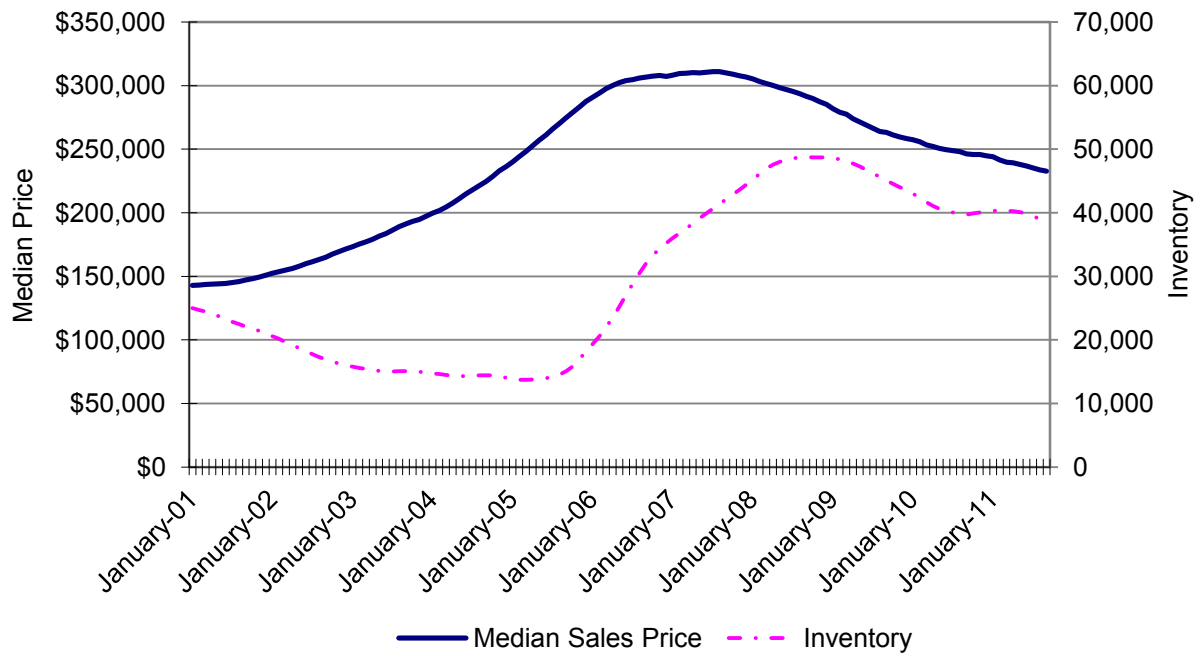
Fiscal 2013-2017 Revenues	\$4,665
Fiscal 2013-2017 Spending	
Restore and Share Revenues with Local Jurisdictions at 30%	\$2,795
Cash Flow Needs for Constructing 3 Transit Lines at 50% Federal Match	1,183
Fund the Watershed Implementation Plan and Other Environmental Projects	1,040
Highway Expansion and Base Realignment and Closure Funding	750
Washington Metropolitan Area Facility Upgrades	700
Maryland Department of Transportation System Preservation Funding	500
Total	\$6,968
Difference	-\$2,303

State Debt Policy

Annuity Bond Fund (ABF) Supports General Obligation (GO) Bond Debt Service Costs

- State property taxes are the ABF's largest revenue source.
 - The current State property tax rate is \$0.112 per \$100 of assessable base.
 - House prices peaked in calendar 2007 and have been declining ever since.
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Maryland Housing – Median Prices and Inventory 12-month Moving Average January 2001 to September 2011



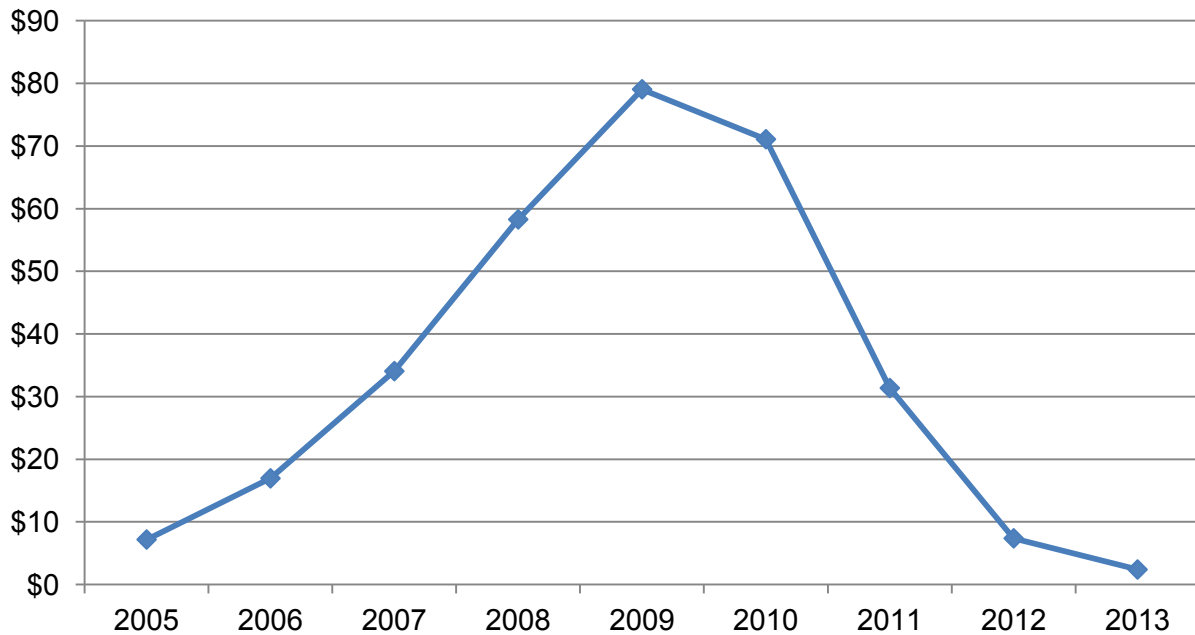
Source: Maryland Association of Realtors

State Debt Policy (cont.)

Homestead Tax Credits Are Declining

- The Homestead Tax Credit limits annual increases in State property tax assessments to 10%.
 - When home values rise, the credit slows the growth in State property tax revenues.
 - The Homestead Tax Credit stabilizes State property tax revenues.
 - Homestead Tax Credits, which peaked in fiscal 2009, offer little cushion against declining home values in fiscal 2013.
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State Property Tax Homestead Tax Credits
Fiscal 2005-2013
(\$ in Billions)



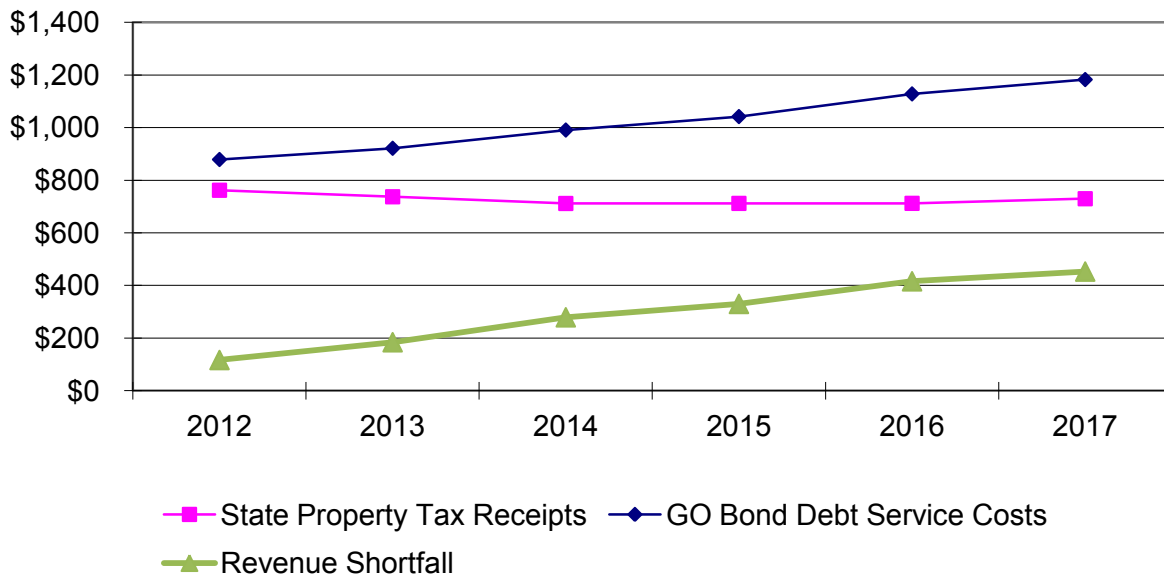
Source: State Department of Assessments and Taxation

State Debt Policy (cont.)

GO Bond Debt Service Costs Exceed State Property Tax Revenues

- State GO bond debt service costs are projected to increase 6.1% annually.
- State property tax revenues are projected to remain flat.
- In fiscal 2013, estimated GO bond costs exceed State property tax revenues by \$184 million.
- The variance increases to \$433 million by fiscal 2017.

Debt Service Costs and State Property Tax Revenues
Fiscal 2012-2017
(\$ in Millions)



GO: general obligation

Source: Department of Legislative Services, November 2011

State Debt Policy (cont.)

Estimated Annuity Bond Fund Activity Fiscal 2012-2017 (\$ in Millions)

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Special Fund Revenues						
State Property Tax Receipts	\$762	\$737	\$712	\$712	\$712	\$730
Bond Sale Premiums	63	0	0	0	0	0
Other Revenues	2	2	2	2	2	2
Prior Year Fund-balance Transfers	131	92	0	1	1	1
Subtotal Special Fund Revenues Available	\$958	\$831	\$714	\$715	\$715	\$732
General Fund Appropriations	\$0	\$78	\$259	\$310	\$396	\$433
Transfer Tax Special Fund Revenues	2	2	6	6	6	7
Federal Fund Appropriations	11	11	11	11	11	11
Total Revenues	\$971	\$922	\$991	\$1,042	\$1,128	\$1,183
Projected Debt Service Expenditures	\$879	\$921	\$991	\$1,042	\$1,128	\$1,182
ABF End-of-year Fund Balance	\$92	\$1	\$1	\$1	\$1	\$1

ABF: Annuity Bond Fund

Source: Department of Legislative Services, November 2011

- The Department of Legislative Services (DLS) projects that fully funding debt service with State property taxes in fiscal 2013 would require a \$0.012 increase in the State property tax rate to \$0.124 per \$100 of assessable base.
- This tax increase would add \$27.47 to the median home's annual State property tax bill, based on a Maryland Association of Realtors estimate that the median home sale price in October 2011 was \$228,879.
- The State policy to dedicate State property taxes to support GO bond debt service costs has provided a stable funding source and reduced the State's general fund deficit.
- **DLS recommends that in fiscal 2013, the State continue the policy that State property taxes support GO bond debt service.**

State Debt Policy (cont.)

The State Is at the Debt Limit

- The Capital Debt Affordability Committee (CDAC) advises the General Assembly on State debt policy. The committee's policy is that State tax-supported debt outstanding should not exceed 4% of Maryland personal income, and State tax-supported debt service payments should not exceed 8% of State revenues.
 - As a consequence of two recessions and the action taken in the last 10 years, the State is now at the debt limits. The table below shows that debt service is expected to reach almost 8% of revenues by fiscal 2017.
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State Affordability Ratios Fiscal 2012-2021

<u>Fiscal Year</u>	<u>Debt Outstanding as a % of Personal Income</u>	<u>Debt Service as % of Revenues</u>
2012	3.24%	6.82%
2013	3.37%	6.92%
2014	3.33%	7.36%
2015	3.22%	7.48%
2016	3.07%	7.68%
2017	2.96%	7.76%
2018	2.84%	7.69%
2019	2.72%	7.35%
2020	2.62%	7.01%
2021	2.58%	6.81%

Source: Department of Legislative Services, November 2011

State Debt Policy (cont.)

Scenario to Accelerate Capital Spending

- DLS estimates that an additional \$500 million can be authorized in fiscal 2013, and another \$200 million can be authorized in fiscal 2014.
 - To keep debt within affordability limits, this requires the State to reduce proposed debt issuances in fiscal 2015 and 2016 by \$800 million.
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Effect of Accelerating General Obligation Bond Authorizations Fiscal 2013-2021 (\$ in Millions)

<u>Fiscal Year</u>	<u>CDAC Program Size</u>	<u>Change in Authorizations</u>	<u>Revised Program Size</u>
2013	\$925	\$500	\$1,425
2014	925	200	1,125
2015	935	-500	435
2016	945	-300	645
2017	955	0	955
2018	1,200	0	1,200
2019	1,240	0	1,240
2020	1,280	0	1,280
2021	1,320	0	1,320

CDAC: Capital Debt Affordability Committee

Note: Assumes capital leases for video lottery terminals at Baltimore City and Rocky Gap facilities.

Source: Department of Legislative Services, November 2011

State Debt Policy (cont.)

Accelerating Capital Projects Increases Borrowing Costs in the Short-term and Pushes State Debt to the Limit

Effect of Accelerating Capital Program on Affordability Ratios and Debt Service Fiscal 2013-2021

<u>Fiscal Year</u>	<u>Revised Debt Service to Revenues</u>	<u>Additional Debt Service (\$ in Millions)</u>
2013	6.93%	\$1.8
2014	7.43%	10.0
2015	7.62%	16.8
2016	7.86%	24.0
2017	8.00%	29.5
2018	8.00%	24.0
2019	7.71%	12.9
2020	7.41%	3.3
2021	7.26%	-4.1

CDAC: Capital Debt Affordability Committee

Source: Department of Legislative Services, November 2011

- Accelerating the capital program will bring the State even closer to the debt affordability limit. If revenues are reduced, the capital program may need to be substantially reduced in fiscal 2015 to stay within the affordability ratios. This also leaves the State with less of an ability to manage cost overruns, unforeseen capital needs, or revenue write-downs.
- In fall 2009, CDAC reduced out-year debt service authorizations. This prepared agencies for a smaller capital program in the out-years. It is unclear how quickly the State will be able to wind capital spending up again. Consequently, the State may not have as many shovel-ready projects as is needed to have the anticipated effect.

State Debt Policy (cont.)

GO Bond Recommendations

- **DLS concurs with the CDAC recommendation to limit fiscal 2013 GO bond authorizations to \$925 million.**
- DLS also recognizes that there may be benefits to accelerating capital construction projects.
- **DLS recommends that any acceleration of capital construction projects be offset by reductions to the capital program in the out-years that are sufficient to maintain a debt program within affordability limits.**

Higher Education Academic Revenue Bond Recommendation

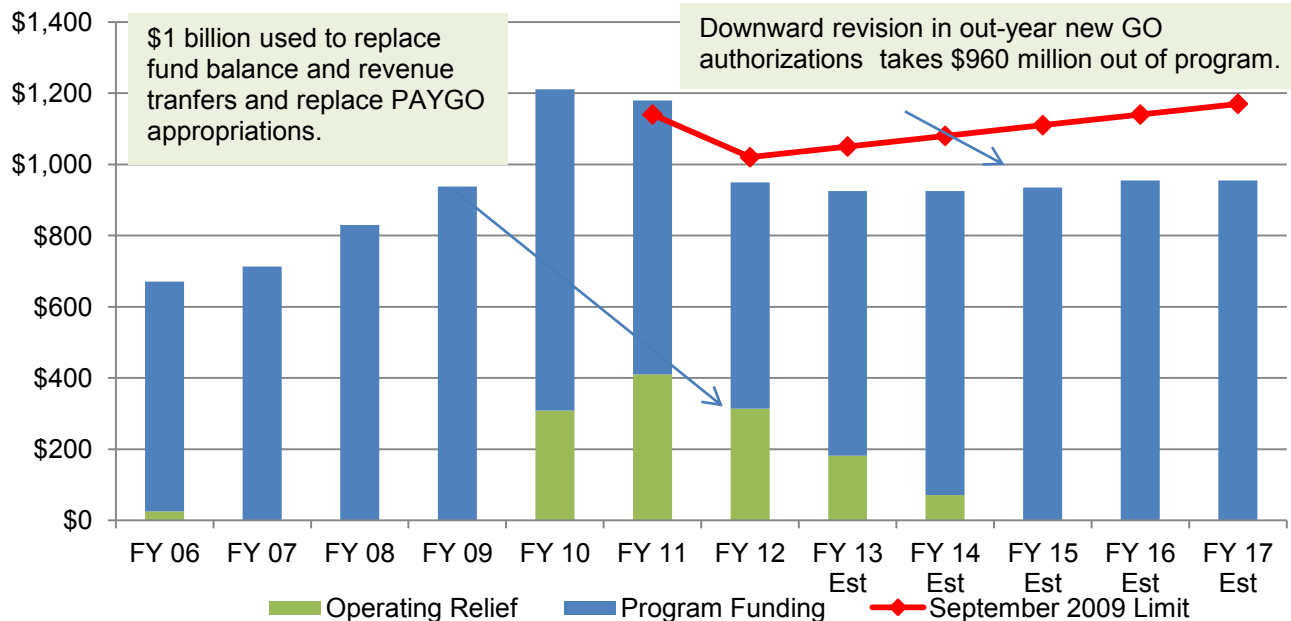
- CDAC also recommended a \$32 million limit on the University System of Maryland's (USM) revenue bond debt.
- This is an increase of \$5 million over the fiscal 2012 limit.
- The additional funds are provided to match \$5 million in GO bonds authorized to reduce USM's \$1.5 billion facility renewal backlog.
- **DLS concurs with the committee's assessment that issuing \$32 million in new USM academic revenue bonds is affordable.**

Capital Program – Impact of Fiscal Pressures

Bond Program Squeezed from Both Ends

- **Reduced General Obligation (GO) Bond Authorizations:** Debt affordability limits take \$960 million out of capital improvement plan from fiscal 2012 through 2017.
- **Multi-year Use of GO Bond Program to Relieve Pressure on Operating Budget:** \$1.03 billion of GO bond authorizations used in fiscal 2010 through 2012 to replace special funds transferred to the general fund and to fund programs/projects that normally receive pay-as-you-go (PAYGO) funding.
 - The multi-year GO bond replacement estimated to require \$181 million in fiscal 2013 and another \$76 million in fiscal 2014.
 - Additional special fund transfers in the 2012 session could add to the GO bond replacement scheduled. Additional restructuring of planned projects would be required.

Reduced GO Bond Limits – Use for Operating Relief
Fiscal 2006-2012 Actual and Fiscal 2013-2017 Estimate
 (\$ in Millions)



GO: general obligation

PAYGO: pay-as-you-go

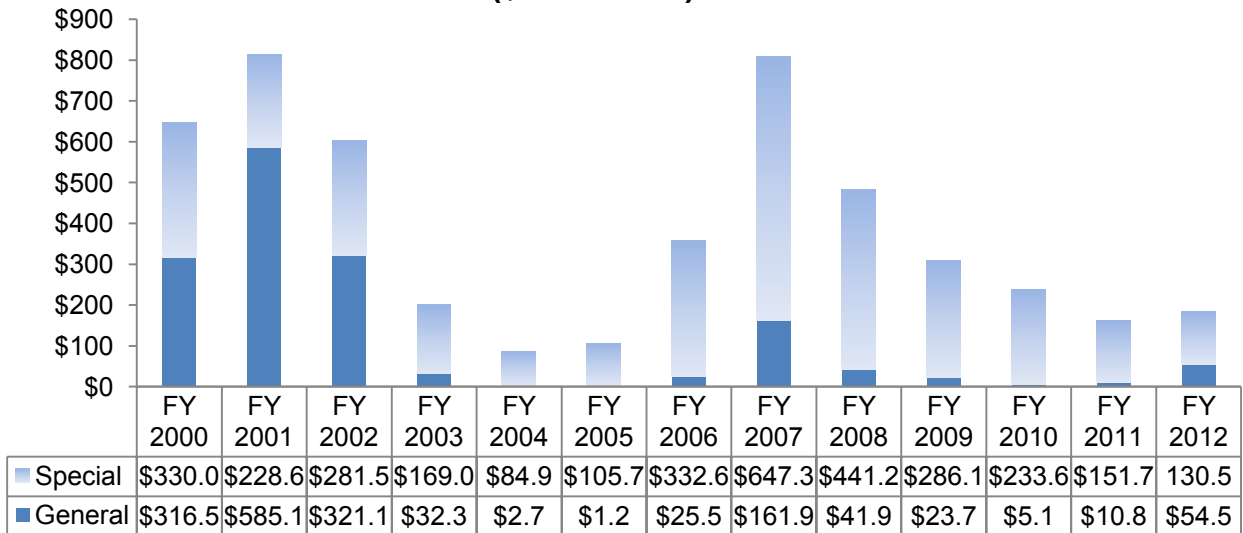
Source: Department of Legislative Services

Capital Program – Impact of Fiscal Pressures (cont.)

Weak Economy Reduces PAYGO Portion of Capital Program

- Use of **general fund** support for capital program virtually eliminated.

General and Special Fund Capital Appropriations Fiscal 2000-2012 (\$ in Millions)

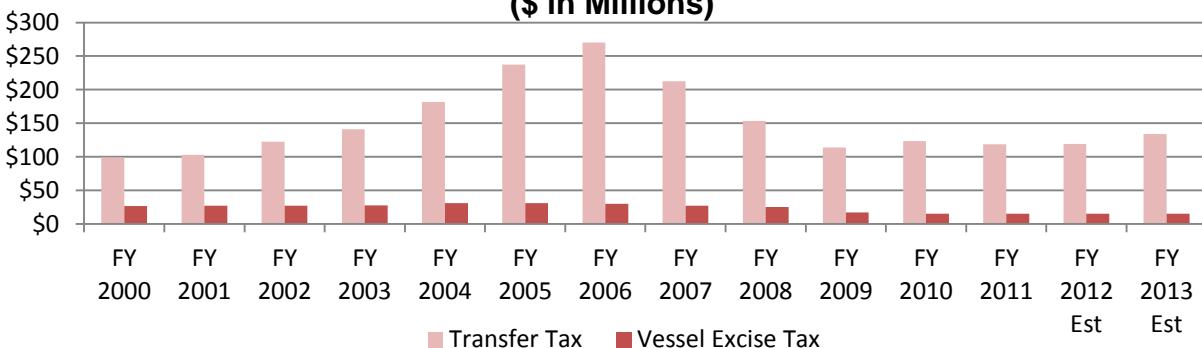


Note: General funds amount for fiscal 2002 reflects adjustment for reversions to the general fund as required in budget reconciliation legislation in the 2002 session. The general fund legislative appropriation was \$643.8 million.

Source: Department of Legislative Services

- **Special fund** revenues used to support multiple capital programs are in decline.

Annual Revenues – Transfer and Vessel Excise Taxes Fiscal 2000-2013 Estimate (\$ in Millions)



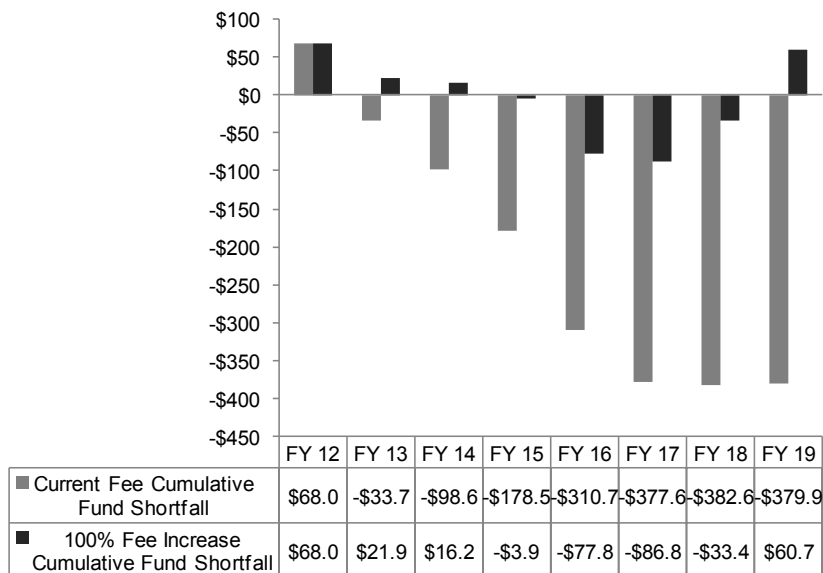
Source: Maryland Department of Natural Resources

Capital Program – Impact of Fiscal Pressures (cont.)

Bay Restoration Fund Revenues Not Sufficient to Finish the Job

- **Current Fee Structure:** Forecasted to result in a \$382.6 million shortfall jeopardizing the ability to complete the remaining enhanced nutrient removal upgrades scheduled for the State’s 67 largest wastewater treatment plants. In this scenario, six projects, including two large projects with significant nutrient reduction expectations, located at Cox Creek and Back River, would be left unfunded.
 - Without a fee increase, virtually all of the revenues to the fund will be dedicated to paying annual debt service on the \$530 million of revenue bonds to be issued by the Maryland Department of the Environment for the program. Therefore, simply extending the project implementation and funding is not an option.
 - GO bonds could be used to fill the gap but this would require restructuring the *Capital Improvement Program (CIP)* to find room for \$382.6 million of project funding not presently in the plan, and would add to the stress on the GO program already caused by declining authorization levels and operating budget relief.
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Bay Restoration Fund Shortfall Forecast
Fiscal 2012-2019
(\$ in Millions)



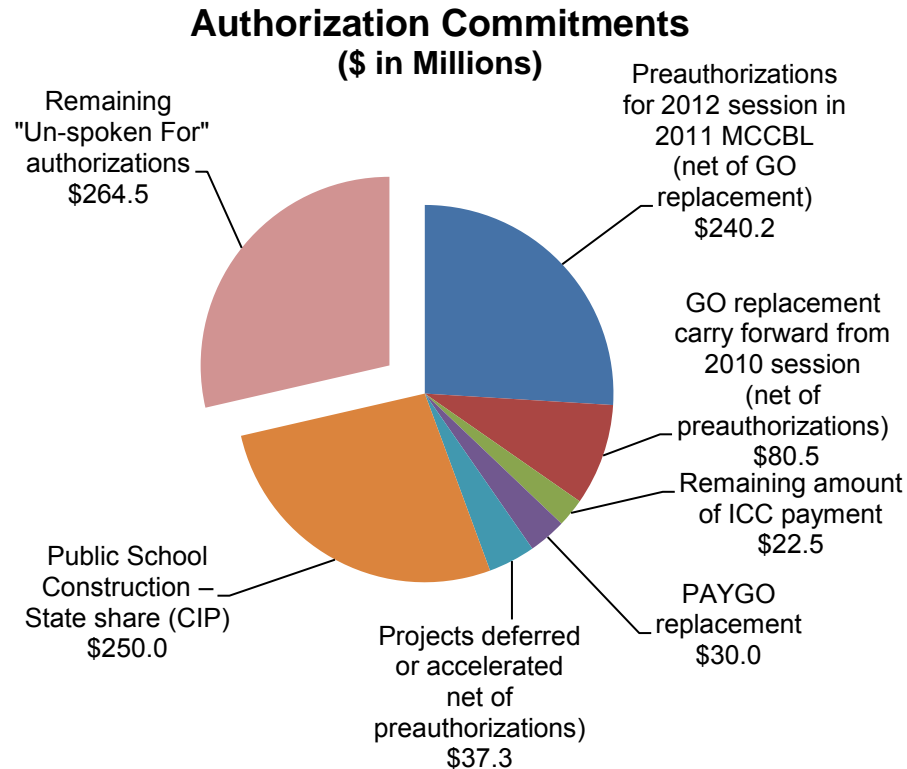
Note: 100% fee increase assumes all Enhanced Nutrient Removal projects are completed by 2017 under the timeline required by the State’s Watershed Implementation Plan.

Source: Maryland Department of the Environment; Department of Legislative Services

Capital Program – Impact of Fiscal Pressures (cont.)

- 100% Fee Increase:** Forecasted to result in a \$86.8 million shortfall though fiscal 2018 if the State expects to complete all Enhanced Nutrient Removal upgrades by 2017 as required by the State’s Watershed Implementation Plan. This assumes that additional revenue bonds could not be issued due to the State’s debt limits.

Outlook for 2012 Session



- Fiscal 2013 Requests – Competition for Available “Un-spoken For” Authorizations Exceeds \$935 million**
 - State Facilities: \$87 million
 - Health and Social Services: \$39 million (excludes preauthorizations)
 - Environment: \$70 million (excludes fund transfer replacement)
 - Education: \$371 million (net of CIP level for Public School Construction)
 - Higher Education: \$192 million (excludes preauthorizations)
 - Public Safety: \$30 million (excludes preauthorizations)
 - Housing: \$48 million
 - Miscellaneous – including legislative initiatives: \$98 million
- Potential Revenue Transfer May Also Compete for Space:** \$100 million (transfer tax only)

CIP: Capital Improvement Program
ICC: InterCounty Connector

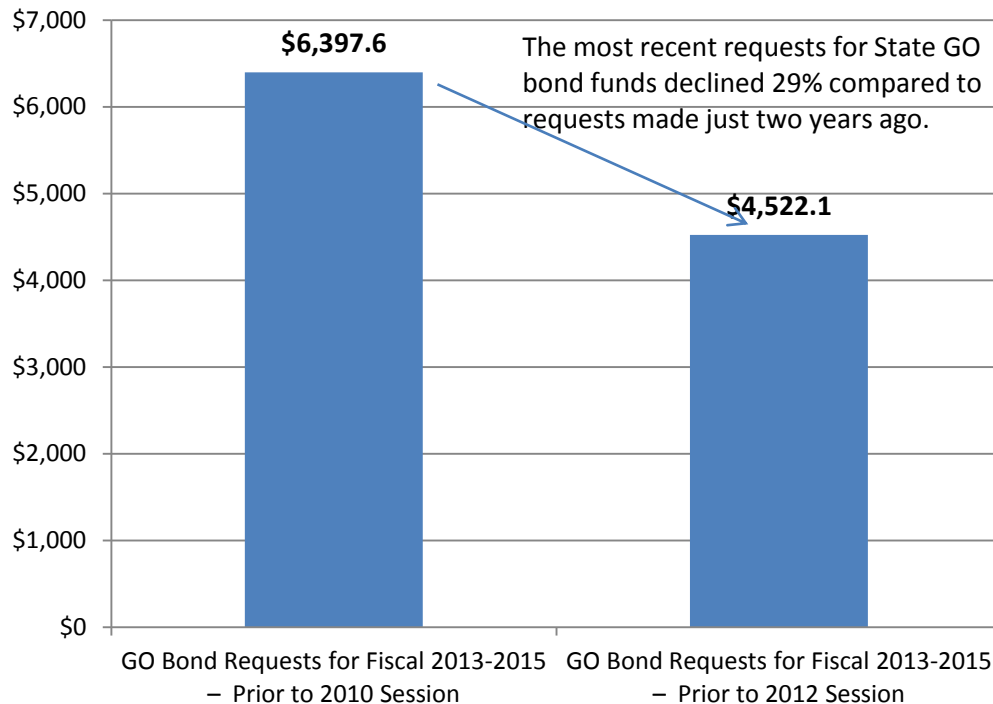
GO: general obligation –
MCCBL: Maryland Consolidated Capital Bond Loan

Capital Program – Impact of Fiscal Pressures (cont.)

Capital Requests Decline but Still Exceed Capacity

- **Requests Decline:** GO bond requests for fiscal 2013 through 2015 made just two years ago totaled \$6.4 billion compared to the most recent requests for the same time period of \$4.5 billion.
 - Decline in school construction requests (\$2.5 billion for fiscal 2013 through 2015 two years ago compared to \$1.5 billion in the most recent funding request) accounts for much of the decline and reflects local funding capacity constraints.
-

GO Bond Requests Comparison of Request Made for Fiscal 2013 through 2015 (\$ in Millions)



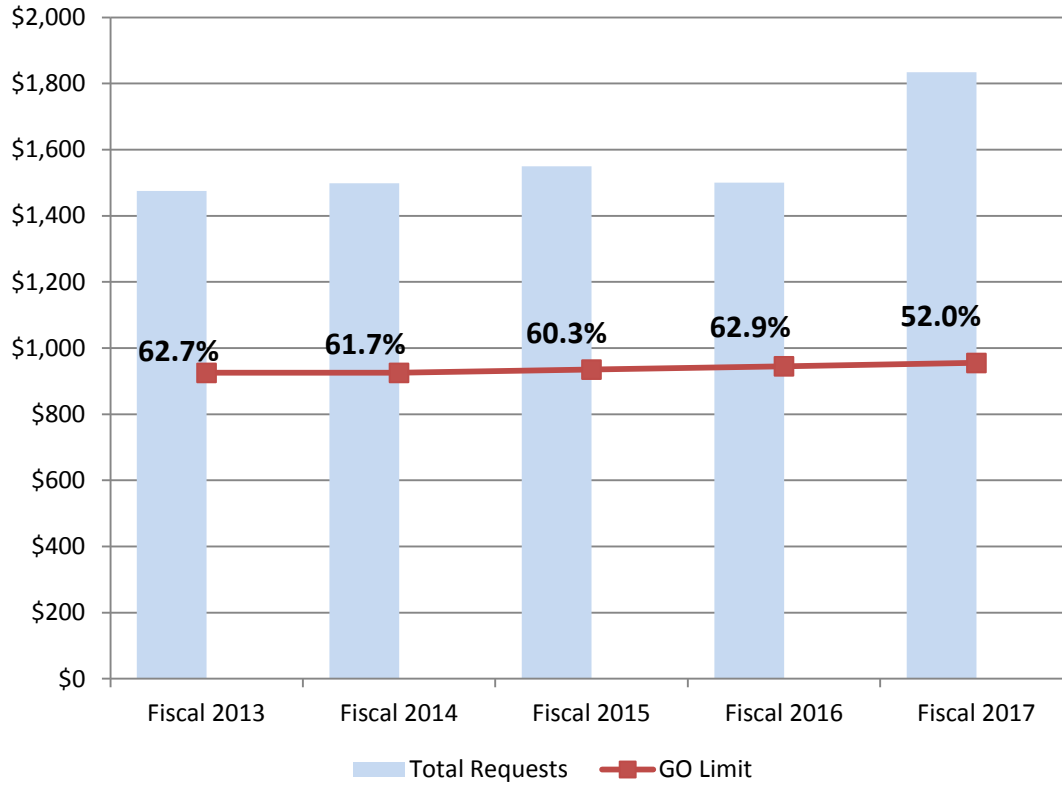
GO: general obligation

Source: Department of Budget and Management

- **Despite Decline Requests Exceed Capacity:** GO bond requests exceed the recommended new authorization limit by \$550 million for fiscal 2013. Over the five-year planning period, requests exceed capacity by almost \$3.2 billion.
 - New out-year GO authorization limits would fund between 52 and 62% of requests in any year.

Capital Program – Impact of Fiscal Pressures (cont.)

GO Bond Requests and Limit
Fiscal 2013-2017
(\$ in Millions)



GO: general obligation

Source: Department of Budget and Management

Capital Program – Impact of Fiscal Pressures (cont.)

Infrastructure Spending and Jobs

Options

- **Accelerate the GO bond authorization schedule and use the debt capacity to make infrastructure investments now and stimulate job creation.** Opportunities for additional capital investment include:
 - Public School Construction where requests for State funding support for fiscal 2013 exceed the CIP level by \$395 million;
 - Department of General Services Facility Renewal Program which currently has a \$100 million backlog of smaller deferred maintenance projects (less than \$1 million in total costs) that could be implemented quickly;
 - University System of Maryland Facility Renewal Program which has an estimated \$1.6 billion backlog of smaller projects;
 - construction projects for State agencies that have recently been deferred due to lower authorization levels for which design is or will be sufficiently complete to allow for accelerated funding over what is currently programmed in the CIP; and
 - small to mid-sized transportation projects that could be implemented quickly.
- **Revenue enhancement which could both increase the availability of PAYGO funding and increase the State's bonding capacity:** The Department of Legislative Services estimates that an additional \$100 million in revenues could support up to \$110 million in GO bond authorizations or \$80 million in transportation debt within current debt affordability limits.
- **Make greater use of alternative delivery methods:** Make greater use of public-private partnerships and invite private investment in public infrastructure projects, particularly transportation. Also make greater use of alternative project delivery methods, such as design-build and construction management at risk, which can shorten the time it takes to design, construct, and deliver a project.
- **Limit the use of GO bond replacement of fund transfers:** GO bonds not used as a source of special fund and PAYGO replacement would be available to support additional capital investments.

General Fund Budget Outlook

Fiscal 2012-2017
(\$ in Millions)

	FY 2012 Work. App.	FY 2013 Baseline	FY 2014		FY 2015		FY 2016		FY 2017		Avg. Annual Change 2013-2017
			Est.	Est.	Est.	Est.	Est.	Est.			
Revenues											
Opening Fund Balance	\$990	\$96	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Transfers	240	333	75	62	59	59	59	59	59	59	
Subtotal One-time Revenue	\$1,230	\$429	\$75	\$62	\$59	\$59	\$59	\$59	\$59	\$59	-39.1%
Ongoing Revenues	\$14,105	\$14,494	\$15,033	\$15,861	\$16,636	\$16,636	\$16,636	\$16,636	\$17,340	\$17,340	
Subtotal Ongoing Revenue	\$14,105	\$14,494	\$15,033	\$15,861	\$16,636	\$16,636	\$16,636	\$16,636	\$17,340	\$17,340	4.6%
Total Revenues & Fund Balance	\$15,335	\$14,923	\$15,108	\$15,923	\$16,695	\$16,695	\$16,695	\$16,695	\$17,399	\$17,399	3.9%
Ongoing Spending											
Operating Spending*	\$15,275	\$15,776	\$16,564	\$17,262	\$17,979	\$17,979	\$17,979	\$17,979	\$18,755	\$18,755	
VLT Revenues Supporting Education	-101	-254	-457	-458	-459	-459	-459	-459	-460	-460	
Multi-year Commitments	7	7	7	7	7	7	7	7	7	7	
Subtotal Ongoing Spending	\$15,181	\$15,529	\$16,114	\$16,812	\$17,527	\$17,527	\$17,527	\$17,527	\$18,301	\$18,301	4.2%
One-time Spending											
PAYGO Capital	\$48	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$1	
Federal Stimulus Funds	-5	0	0	0	0	0	0	0	0	0	
Appropriation to Reserve Fund	15	405	115	115	115	100	100	100	100	100	
Subtotal One-time Spending	\$58	\$406	\$116	\$116	\$116	\$101	\$101	\$101	\$101	\$101	n/a
Total Spending	\$15,239	\$15,935	\$16,230	\$16,928	\$17,628	\$17,628	\$17,628	\$17,628	\$18,402	\$18,402	3.7%
Ending Balance	\$96	-\$1,012	-\$1,122	-\$1,005	-\$933	-\$933	-\$933	-\$933	-\$1,004	-\$1,004	
Rainy Day Fund Balance	\$681	\$725	\$751	\$793	\$832	\$832	\$832	\$832	\$866	\$866	
Balance over 5% of GF Revenues	-24	0	0	0	0	0	0	0	-1	-1	
As % of GF Revenues	4.83%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	
Structural Balance	-\$1,076	-\$1,034	-\$1,081	-\$950	-\$891	-\$891	-\$891	-\$891	-\$962	-\$962	

GF: general fund
PAYGO: pay-as-you-go
VLT: video lottery terminal

* Includes \$491 million in fiscal 2012 deficiency appropriations.

**Department of Legislative Services
Transportation Trust Fund Forecast
Fiscal 2012-2017**

	<u>2011 Actual</u>	<u>2012 Estimate</u>	<u>2013 Estimate</u>	<u>2014 Estimate</u>	<u>2015 Estimate</u>	<u>2016 Estimate</u>	<u>2017 Estimate</u>	<u>2012- 2017 Total</u>
Opening Fund Balance	\$234	\$221	\$100	\$100	\$100	\$100	\$100	
Closing Fund Balance	\$221	\$100	\$100	\$100	\$100	\$100	\$100	
Net Revenues								
Taxes and Fees	\$1,739	\$1,810	\$1,971	\$2,126	\$2,203	\$2,249	\$2,274	\$12,634
Operating and Miscellaneous	552	491	501	504	508	513	519	\$3,035
TTF and GF Transfers	0	-50	0	0	0	0	0	-\$50
MDTA Transfer	20	0	0	0	0	0	0	\$0
Net Revenues Subtotal	2,311	2,251	2,472	2,630	2,711	2,762	2,793	\$15,620
Bonds	0	250	190	140	130	120	110	\$940
Total Revenues	\$2,311	\$2,501	\$2,662	\$2,770	\$2,842	\$2,882	\$2,903	\$16,561
Expenditures								
Debt Service	\$156	\$180	\$193	\$217	\$238	\$248	\$275	\$1,351
Operating Budget	1,546	1,602	1,677	1,768	1,879	1,985	2,097	\$11,008
State Capital	621	841	793	786	724	649	531	\$4,324
Total Expenditures	\$2,323	\$2,623	\$2,663	\$2,772	\$2,841	\$2,882	\$2,903	\$16,683
Debt								
Debt Outstanding	\$1,562	\$1,459	\$1,540	\$1,549	\$1,534	\$1,499	\$1,435	
Debt Coverage – Net Income	2.6	3.1	2.6	3.0	3.2	3.0	2.8	
Local Highway User Revenues								
HUR Transfer to GF	\$377	\$187	\$0	\$0	\$0	\$0	\$0	\$187
Capital Summary								
State Capital	\$621	\$841	\$793	\$786	\$724	\$649	\$531	\$4,324
Net Federal Capital (Cash Flow)	614	760	759	740	423	341	337	\$3,360
Subtotal Capital Expenditures	\$1,235	\$1,601	\$1,552	\$1,526	\$1,147	\$990	\$868	\$7,684
GARVEE Debt Service	\$87	\$87	\$87	\$87	\$87	\$87	\$87	\$525

GARVEE: Grant Anticipation Revenue Vehicle
GF: general fund
HUR: Highway User Revenue

MDTA: Maryland Transportation Authority
TTF: Transportation Trust Fund

**Transfers Between the Transportation Trust Fund (State Share) and
the General Fund
(\$ in Millions)**

<u>Fiscal Year</u>	<u>TTF to General Fund</u>	<u>General Fund/GO Bonds to TTF</u>
1984	\$29.0 (Budget Shortfall)	\$0
1986	\$100.0 (Savings and Loan Crisis)	\$0
1987	\$0	\$15.0 (1984 and 1986 repayment)
1988	\$0	\$30.0 (1984 and 1986 repayment)
1989	\$0	\$36.0 (1984 and 1986 repayment)
1990	\$0	\$36.0 (1984 and 1986 repayment)
1991	\$22.2 (Budget Shortfall)	\$12.0 (1984 and 1986 repayment)
1992	\$48.0 (Budget Shortfall)	\$0
1997	\$0	\$6.0 (failure of fuel efficiency legislation)
1998	\$0	\$21.0 (failure of fuel efficiency legislation)
1999	\$0	\$15.0 (failure of fuel efficiency legislation)
2001	\$0	<ul style="list-style-type: none"> • \$25.1 (Woodrow Wilson Bridge/Addison Road Metrorail Extension) • \$10.2 (land adjacent to Greenbelt Metro)
2002	\$0	\$23.1 (Transit Initiative)
2003	\$160.0 (Budget Shortfall)	\$0
2004	\$154.9 (Budget Shortfall)	\$0
2005	\$0	\$0
2006	\$0	\$50.0 (ICC payment for \$315.0)
2007	\$0	\$53.0 (ICC payment for \$315.0)
2009	\$0 (See Note)	\$0
2010	\$0(See Note)	\$55.0 (ICC payment for \$315.0)
2011	\$0(See Note)	\$89.3 (ICC payment for \$315.0)
2012	\$60.0 (Budget Shortfall) (See Note)	\$46.2 (ICC payment for \$315.0)
2013	\$0	\$21.5 (ICC payment for \$315.0)
2014	\$0	\$26.0 (\$60.0 repayment)
2015	\$0	\$25.0 (\$60.0 repayment)
2016	\$0	\$21.0 (\$60.0 repayment)
Total Paid	\$574.1	\$616.4

GO: general obligation

ICC: InterCounty Connector

TTF: Transportation Trust Fund

Note: Chapter 10 of 2008 (Senate Bill 46) repealed the sales tax on computer services. To offset the general fund (GF) revenue loss, the TTF share of the sales tax was reduced from 6.5 to 5.3% through fiscal 2013. After fiscal 2013, the TTF share of the sales tax was to revert to 6.5%. The revenue going to the GF instead was \$51.1 million in fiscal 2009, \$53.4 million in fiscal 2010, and \$55.8 million in fiscal 2011. Chapter 397 of 2011 ended the sales tax distribution to the TTF in fiscal 2012 but increased the State share of TTF revenues to keep revenues to the TTF at the same level as previously provided. Since the TTF had not received general sales tax revenue prior to the change, this action is not considered a transfer.

Source: Department of Legislative Services

Reductions to Local Transportation Aid
Fiscal 2003-2012
(\$ in Millions)

<u>Fiscal</u> <u>Year</u>	<u>Local Aid Reductions Transferred to General Fund</u>
2003	\$17.9
2004	\$102.4
2005	\$102.4
2006	\$22.7
2007	-
2008	-
2009	-
2010	\$304.0
2011	\$377.0
2012	\$187.3

Note: The reduction of local highway user revenues (HUR) that were subsequently transferred to the general fund ended in fiscal 2012. The sales tax and a portion of the corporate income tax that were distributed to the TTF are now distributed to the general fund and the HUR that was transferred to the general fund is now retained by the TTF. Overall, the general fund and the TTF were held harmless and local jurisdictions did not lose any aid relative to what they were projected to receive in fiscal 2012.

Source: Department of Legislative Services

Operating Relief and Fund Transfers

Use of GO Bond Program to Support Operating Budget Relief Fiscal 2010-2012 (\$ in Millions)

	<u>Fiscal 2010</u>	<u>Fiscal 2011</u>	<u>Fiscal 2012</u>
Special Fund Revenue Replacement: Partial GO bond replacement for special fund revenues transferred to the general fund. Transferred revenue sources include the transfer tax, Bay Restoration Fund, Waterway Improvement Fund, and various housing programs. The GO bond authorizations for fiscal 2011 and 2012 reflect partial repayment over a multi-year repayment plan.	\$31.2	\$98.4	\$134.3
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 the transfer tax, Bay Restoration Fund, Waterway Improvement Fund, and various housing programs. The GO bond authorizations for fiscal 2011 and 2012 reflect partial repayment over a multi-year repayment plan.	141.3	176.9	71.8
ICC Funding: Multi-year plan to use GO bond funds in place of general funds to complete the funding plan for the ICC.	55.0	89.3	46.2
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.	52.5	0.0	22.7
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.	28.1	45.7	39.0
Total	\$308.1	\$410.3	\$314.0

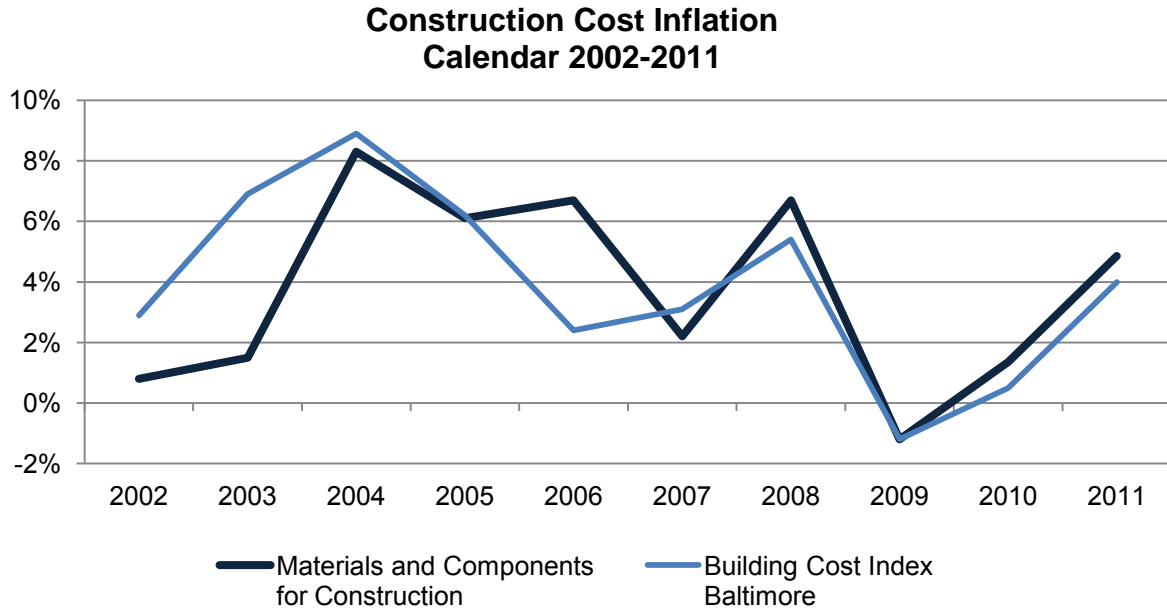
GO: general obligation

ICC: InterCounty Connector

Source: 2011 *Capital Improvement Program*, Department of Budget and Management

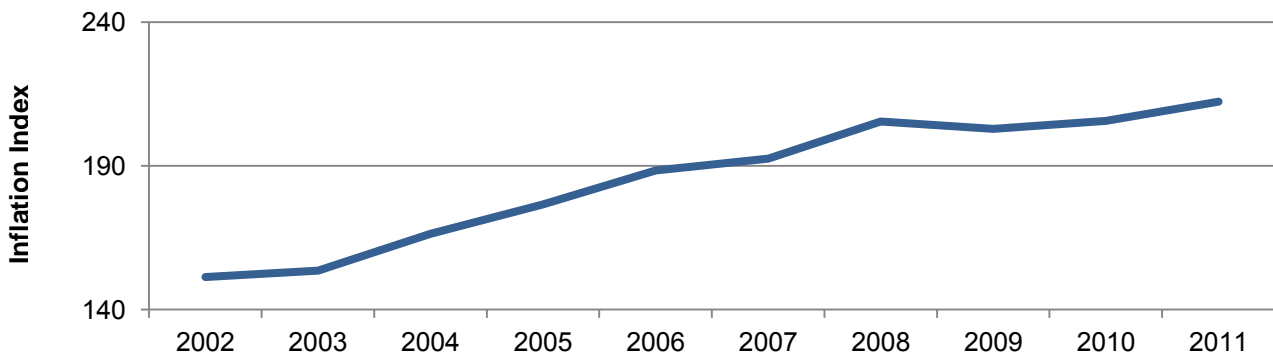
Construction Costs

- Construction costs on the uptick in 2011:** The year-over-year measures for inflation in the building and construction market nationally and regionally reflect increased construction costs.



Source: Bureau of Labor Statistics; Engineering New-Record

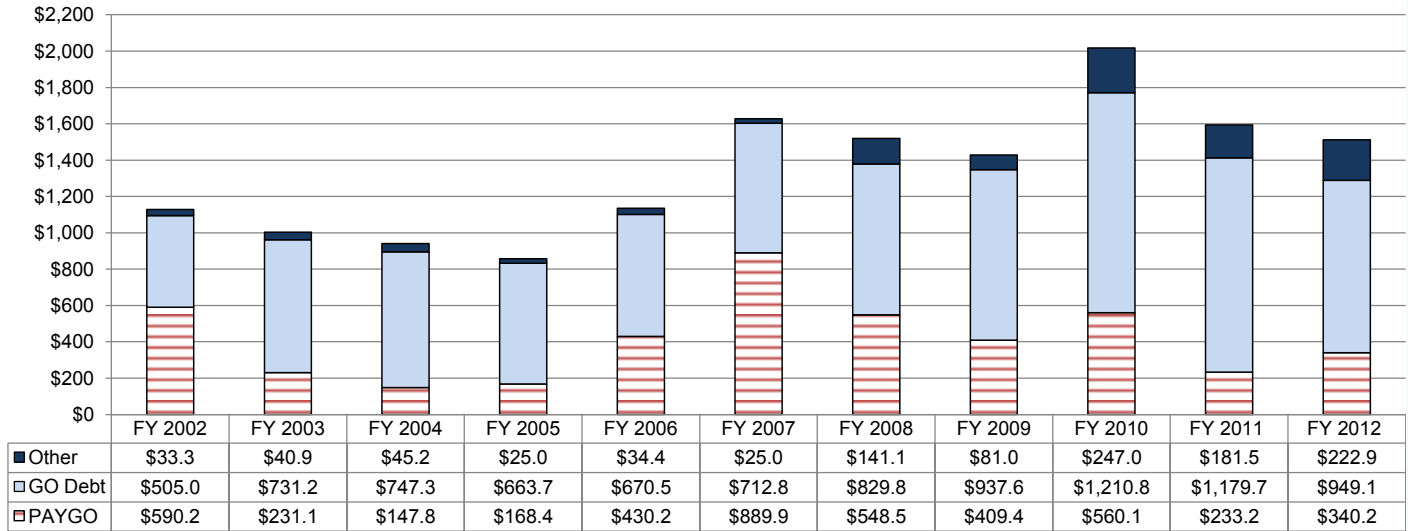
- Construction costs have increased at an average annual rate of 3.5% from calendar 2002 through October 2011.**



Source: Bureau of Labor Statistics

- **DBM Revised Annual Escalation Rates Used in Cost Estimating Process Upward:** DBM revised the escalation rate for projects requested in the 2012 session to reflect escalation at 4% annually for calendar 2012 through 2015 as compared to the 1.0% for fiscal 2011, 2.5% for fiscal 2012 and 3.0% annually for fiscal 2013 and 2014 used for projects authorized in the 2011 session.
- **Stabilization of School Construction Costs:** The Interagency Committee on School Construction (IAC) reports continued stabilization of bid prices and increased contractor competitiveness. However, recent increases in material costs are beginning to find their way into bids and the IAC will reevaluate the current \$224 square foot rate used for fiscal 2011 and 2012.

State Capital Spending by Major Fund Source (\$ in Millions)

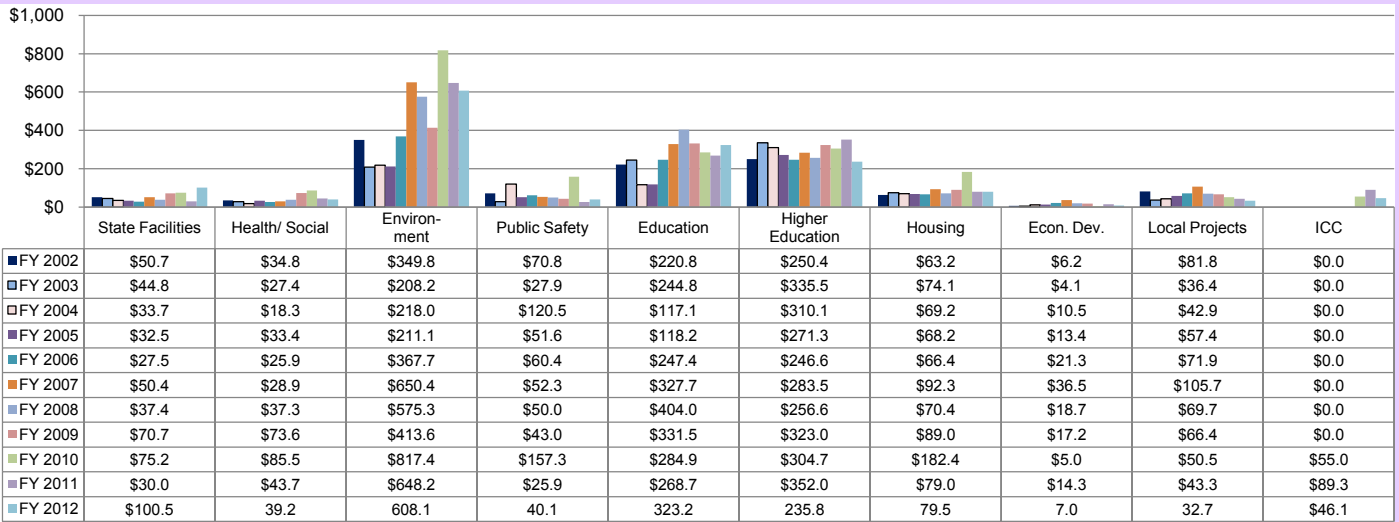


The State's non-transportation capital program is primarily supported with general obligation (GO) bonds authorized in the annual capital budget bill and general, special, and federal funds appropriated in the annual operating budget bill referred to as pay-as-you-go (PAYGO) funds. Other funding sources include revenue bonds supporting upgrades to wastewater treatment plants, Academic Revenue Bonds supporting higher education academic facilities, and Qualified Zone Academy Bonds for school construction projects.

Total funding peaked in fiscal 2010 and has remained above the fiscal 2006 level each of the last six fiscal years.

Increased capital funding was supported by increased GO authorizations through fiscal 2011 provided in part to make up for declining PAYGO funding.

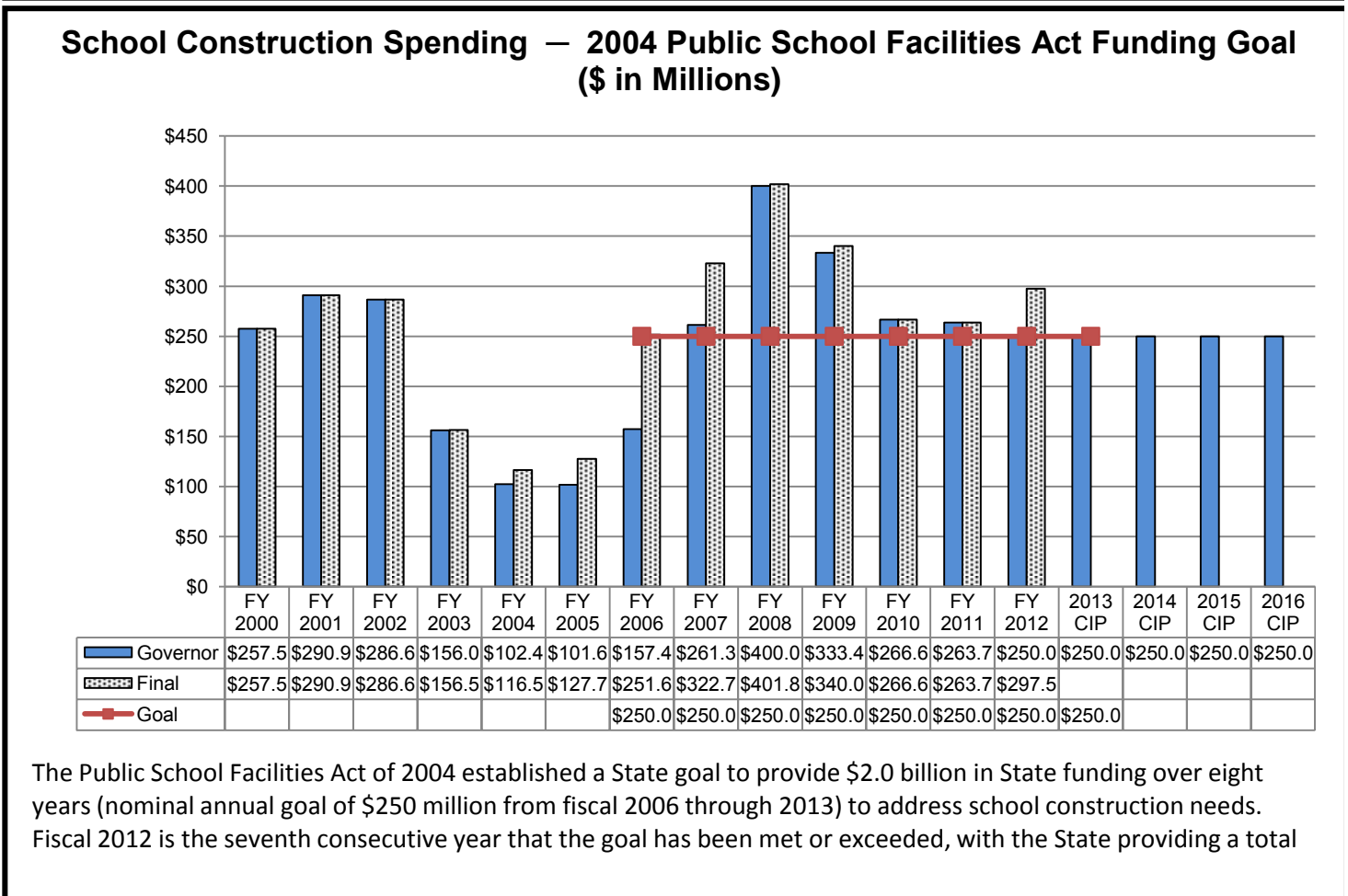
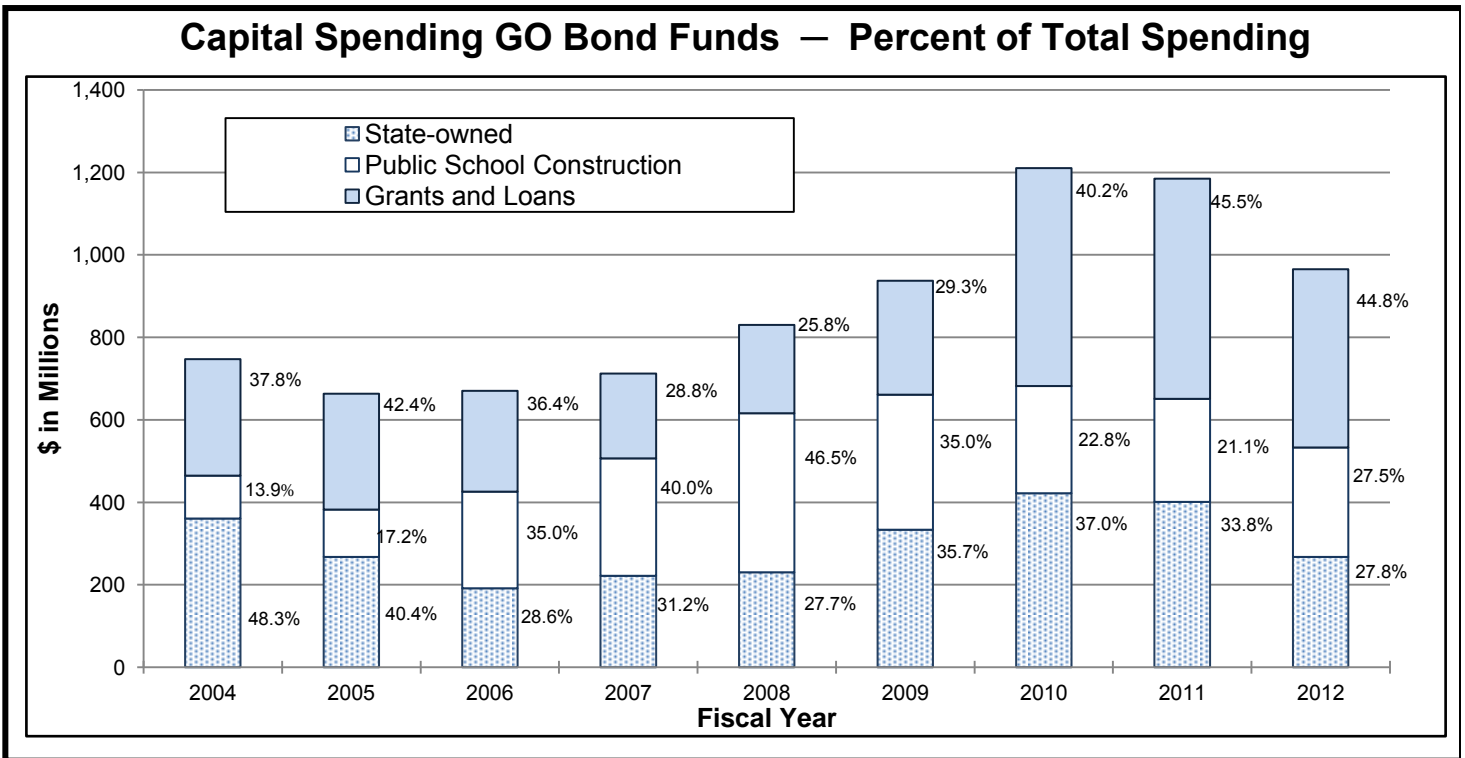
State Capital Spending by Category (\$ in Millions)



Three sectors that annually receive the highest level of funding include:

- (1) Environment – Department of Natural Resources programs, including those funded with transfer tax revenues, Maryland Department of Agriculture programs, including the transfer tax supported land/farm preservation program, and Maryland Department of Environment programs, including those funded through the Bay Restoration Fund using flush-tax revenues;
- (2) Education – principally the School Construction Program, and;
- (3) Higher Education – University System of Maryland campuses, Community College and private institution grant programs, and Morgan State and St. Mary's

State Capital Spending — Percent of Total Spending



**Distribution of Transfer Tax Revenues to Programs and GO Bond Replacement
Fiscal 2008-2012**

	<u>FY 2008</u>	<u>FY 2009</u>	<u>FY 2010</u>	<u>FY 2011 Original</u>	<u>FY 2011 Revised Funding</u>	<u>FY 2012 Formula</u>	<u>FY 2012 Funding*</u>
Revenues							
Budgeted Revenue Estimate	\$188.58	\$166.30	\$114.74	\$149.89	\$113.81	\$118.92	\$118.92
Less Administrative Expenses	-5.66	-4.99	-4.66	-4.50	-4.50	-3.57	-3.57
Attainment Adjustment	75.50	-51.96	-35.05	-52.64	-52.64	0.00	0.00
Net Available for Allocation	\$258.43	\$109.35	\$75.03	\$92.76	\$56.67	\$115.35	\$115.35
Allocations							
Program Open Space							
POS Bonds Debt Service	\$0.00	\$0.00	\$0.00	\$6.80	\$1.21	\$1.56	\$1.56
POS Local	95.60	18.59	6.15	0.00	0.00	0.00	0.00
Forest and Park Service	0.00	21.00	21.00	21.00	21.00	21.00	21.00
Heritage Areas Authority	3.00	3.00	3.00	3.00	3.00	3.00	3.00
POS State Land Acquisition	61.76	20.87	10.57	0.00	0.00	0.00	0.00
POS State Rural Legacy	8.00	8.00	0.00	0.00	0.00	0.00	0.00
POS State Capital Development	24.64	9.52	0.00	0.00	0.00	0.00	0.00
POS State Park Operating	1.20	1.20	1.20	1.20	1.20	1.20	1.20
POS Subtotal	\$194.21	\$82.18	\$41.92	\$32.00	\$26.41	\$26.76	\$26.76
Other Allocations							
Additional State Land Acquisition	\$2.58	\$1.09	\$0.76	\$2.72	\$1.50	\$2.72	\$2.72
Agricultural Land Preservation	44.06	18.64	0.00	4.00	0.00	0.00	0.00
Rural Legacy Additional	12.92	5.47	0.00	0.00	0.00	0.00	0.00
Heritage Conservation Fund	4.65	1.97	1.37	0.00	0.00	0.00	0.00
Other Subtotal	\$64.22	\$27.17	\$2.13	\$6.72	\$1.50	\$2.72	\$2.72
Total Transfer Tax Allocations	\$258.43	\$109.35	\$44.06	\$38.72	\$27.91	\$29.48	\$29.48
GO Bond Replacement							
POS State	\$0.00	\$0.00	\$0.00	\$13.08	\$4.11	\$21.58	\$4.82
POS Local	0.00	0.00	0.00	12.35	0.00	20.84	6.95
POS State Rural Legacy	0.00	0.00	8.00	8.00	8.00	8.00	0.00
POS State Capital Development	0.00	0.00	6.16	4.15	4.15	10.13	4.77
Agricultural Land Preservation	0.00	0.00	13.00	7.81	9.66	19.56	4.37
Rural Legacy Additional	0.00	0.00	3.81	4.64	2.83	5.77	0.00
Total GO Bond Replacement	0.00	0.00	30.97	\$50.04	\$28.75	\$85.87	\$20.91
Total Funding	\$258.43	\$109.35	\$75.03	\$88.75	\$56.66	\$115.35	

Note: Due to revised fiscal 2011 transfer tax revenues, the amount of general obligation (GO) bond replacement authorized in the 2010 Maryland Consolidated Capital Bond Loan (MCCBL) should have been \$28.75 million rather than the \$54.04 million provided in GO bonds and special funds. Fiscal 2012 authorizations have been adjusted to reflect for the 2010 MCCBL over-authorizations. Some of these adjustments are made to amounts that were preauthorized for the 2011 session for Program Open Space (POS) – local funding. However, adjustment to fiscal 2012 replacement also includes a \$2.37 million negative adjustment to POS – Stateside and \$2.15 million to Agricultural Land Preservation. In addition, the multi-year replacement plan of diverted fiscal 2011 revenues does not replace \$2.51 million for Natural Resources Development and Critical Maintenance projects.

* The multi-year GO bond replacement plan includes \$28.1 of GO funds in fiscal 2013 and \$25.3 million in fiscal 2014.

Fiscal 2010 through 2012 Fund Transfers and Multi-Year General Obligation (GO) Bond Replacement Plan
(\$ in Millions)

Program	Transfers			Fund Replacement				Total Amount of Fund Transfers to Be Replaced in CIP	Funds Not Replaced		
	Special Fund Balances	Special Funds FY 2010	Special Funds FY 2011	Special Funds FY 2012	Replaced in FY 2010	Replaced in FY 2011	Replaced in FY 2012			Amount to Be Replaced in FY 2013	Amount to Be Replaced in FY 2014
Waterway Improvement Program	\$12.5	\$0.0	\$3.9	\$1.1	\$17.5	\$0.0	\$10.2	\$7.3	\$0.0	\$17.5	\$0.0
Program Open Space (POS) – Stateside	145.9	31.0	4.1	21.6	202.6	172.3	11.0	4.8	7.2	30.2	0.0
POS – Local	103.1	0.0	0.0	20.8	123.9	0.0	54.1	23.6	39.2	123.8	0.0
Rural Legacy	10.6	0.0	10.8	13.8	35.2	0.0	17.0	4.5	4.6	30.7	4.6 **
Ocean City Beach Replenishment – POS	2.1	0.0	1.0	1.0	4.1	0.0	3.1	1.0	0.0	4.1	0.0
Ocean City Beach Replenishment – Local	3.4	0.0	0.0	0.0	3.4	0.0	3.4	0.0	0.0	3.4	0.0
Natural Resources Development Fund	17.7	0.0	0.0	4.6	22.3	0.0	10.1	3.5	4.7	18.3	4.0 *
Critical Maintenance Program	3.2	0.0	3.2	4.0	10.4	0.0	6.3	3.0	0.0	9.3	1.0 *
Dam Rehabilitation Program	0.7	0.0	0.0	0.5	1.2	0.0	0.2	1.0	0.0	1.2	0.0
House Assessment Program	0.9	0.0	0.0	0.0	0.9	0.0	0.3	0.4	0.1	0.8	0.2 *
Hurricane Isabel Funds	0.2	0.0	0.0	0.0	0.2	0.0	0.0	0.0	0.0	0.0	0.2 *
Neighborhood Business Development	3.6	0.0	3.2	2.1	8.9	0.0	6.7	2.1	0.0	8.8	0.1 *
Community Legacy Program	0.4	0.0	0.0	0.0	0.4	0.0	0.4	0.0	0.0	0.4	0.0
Homeownership Programs	0.0	0.0	3.0	1.5	4.5	0.0	3.0	1.5	0.0	4.5	0.0
Special Loan Programs	2.1	0.0	2.5	2.2	6.8	0.0	4.7	2.2	0.0	6.9	0.0
Tobacco Transition Program	0.0	0.0	2.0	1.5	3.5	0.0	2.0	1.5	0.0	3.5	0.0
Agricultural Land Preservation Program	10.0	0.0	9.7	19.6	39.3	0.0	21.8	4.4	6.5	39.2	0.0
Bay Restoration Fund	205.0	0.0	45.0	40.0	290.0	0.0	125.0	146.8	18.2	290.0	0.0
Transfer Tax Fiscal 2010 Overattainment	8.6	0.0	0.0	0.0	8.6	0.0	0.0	0.0	0.0	0.0	8.6 **
Helicopter Replacement Fund	112.7	0.0	0.0	0.0	112.7	52.5	0.0	22.7	37.5	60.2	0.0 ***
Total	\$642.7	\$31.0	\$88.4	\$134.3	\$896.4	\$224.8	\$279.3	\$230.3	\$118.0	\$25.2	\$877.6

*Indicates amount not to be replaced based on other budget priorities or funds not need to complete projects.

** Indicates amount that will be considered for GO bond replacement in fiscal 2013 but the amount is not reflected in the CIP for fiscal 2013.

*** Helicopter Replacement Fund transfers include both fund balance transfers and revenue diversions – the amount needed to complete the new fleet purchase will exceed the amount transferred therefore the amount shown as replacement only reflects replacement of the transfers and diversions.

Pre-authorizations Included in 2011 MCCBL for Fiscal 2013-2015

<u>Project Title</u>	<u>2012 Session</u>	<u>2013 Session</u>	<u>2014 Session</u>
BPW: Old Senate Chamber	\$3,000,000		
UMCP: Physical Sciences Complex - Phase I	24,550,000		
UMBC: New Performing Arts Complex	37,350,000	\$37,300,000	
FSU: Center for Communications and Info. Tech.	39,550,000	4,400,000	
BCCC: Main Building Renovation - Admin. Wing	7,800,000		
MHEC: Community College Grant Program	14,643,000		
DNR: Harriet Tubman Underground Railroad State	2,850,000		
DNR: Program Open Space - Local	39,230,000	6,947,000	
DNR: Program Open Space - Stateside	7,193,000	7,193,000	
DNR: Rural Legacy	4,589,000	4,589,000	
MDA: Agricultural Land Preservation Program	6,518,000	6,518,000	
MDE: Enhanced Nutrient Removal	18,175,000		
DPSCS: New Youth Detention Facility (BCDC)	41,100,000	21,700,000	
DSP: Helicopter Replacement	42,800,000	20,000,000	\$7,300,000
DJS: New Cheltenham Youth Detention Center	23,550,000	23,500,000	
MISC: Maryland School for Blind	3,000,000		
Total	\$315,898,000	\$132,147,000	\$7,300,000