

The background is a solid teal color. On the left side, there is a dark teal vertical rectangle. Overlapping this rectangle and the background are two semi-transparent teal squares. On the right side, there is a photograph of the Maryland State House building, showing its classical architecture with columns and a pediment.

2020 SESSION MAJOR ISSUES REVIEW

A Review of the
2020 Legislative Session

Department of Legislative Services
Maryland General Assembly

The Department of Legislative Services
General Assembly of Maryland
Prepared this document

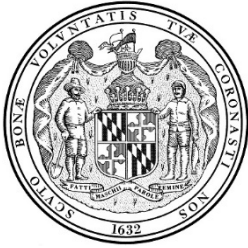
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DEPARTMENT OF LEGISLATIVE SERVICES
OFFICE OF POLICY ANALYSIS
MARYLAND GENERAL ASSEMBLY

Victoria L. Gruber
Executive Director

Ryan Bishop
Director

April 2020

The Honorable Bill Ferguson, President of the Senate
The Honorable Adrienne A. Jones, Speaker of the House of Delegates
Members of the Maryland General Assembly

Ladies and Gentlemen:

We are pleased to present you with this *2020 Session Major Issues Review* document. Traditionally, after the conclusion of the annual 90 day session, the Department of Legislative Services would produce what has become known as the *90 Day Report*.

As you know, due to the public health crisis surrounding COVID-19, the Maryland General Assembly adjourned early on March 18, 2020. Although not as comprehensive as the *90 Day Report*, this summary document provides an overview of the fiscal 2021 budget as well as major issues addressed by the General Assembly in the 2020 session. The department will publish a more comprehensive summary report of legislation passed during the 2020 session in the near future.

We hope this document will be of assistance to you. We remain available through telework to assist you however you may need during this difficult time.

Sincerely,

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Contents

Transmittal Letter	iii
Part A – Budget and State Aid	A-1
Operating Budget	A-1
Budget Reconciliation and Financing Act Legislation	A-14
Selected Budgetary Initiatives and Enhancements	A-20
By the Numbers	A-30
Capital Budget	A-37
PAYGO Capital	A-72
State Aid to Local Governments	A-81
Part B – Taxes	B-1
Sales Tax	B-1
Miscellaneous Taxes	B-2
Part C – State Government	C-1
General Assembly	C-1
Part E – Crimes, Corrections, and Public Safety	E-1
Public Safety	E-1
Part F – Courts and Civil Proceedings	F-1
Human Relations	F-1
Part G – Transportation and Motor Vehicles	G-1
Transportation	G-1

Part H – Business and Economic Issues.....	H-1
Public Service Companies	H-1
Horse Racing and Gaming.....	H-2
Alcoholic Beverages (Statewide).....	H-6
Part J – Health and Human Services	J-1
COVID-19 Public Health Emergency Protection Act	J-1
Public Health – Generally	J-2
Health Occupations	J-3
Part K – Natural Resources, Environment, and Agriculture	K-1
Oyster Management	K-1
Chlorpyrifos	K-2
Part L – Education.....	L-1
Education – Primary and Secondary	L-1
Higher Education	L-19
Part M – Index of Bills.....	M-1

Part A

Budget and State Aid

Operating Budget

Overview

Federal tax changes, combined with favorable caseload and spending trends, have placed the State in a better than anticipated fiscal position in recent years as the General Assembly began consideration of the fiscal 2021 budget. Several factors, however, including the continued projection of a structural imbalance, the desire to significantly enhance the amount of funding provided for education, and the potential for an economic recession, indicated the need for significant reductions in fiscal 2021. As such, the fiscal 2021 budget, as introduced and enacted, limits general fund growth to less than 1% and includes over \$500 million in spending reductions implemented through budget reconciliation legislation. Despite this limited growth, enhancements are still provided for health care services, provider rate increases, K-12 education, and employee compensation.

The discussion about the fiscal 2020 and 2021 budgets provided in this summary report reflects the final actions taken by the General Assembly on the fiscal 2021 budget bill and budget reconciliation legislation as passed on March 18, 2020. At that time, the State was in the midst of a rapidly developing public health and economic crisis resulting from the spread of a novel coronavirus across the world. The magnitude of the situation was not fully known at the time that the legislature adjourned but was impactful enough to reduce the legislative session by nearly three weeks. The General Assembly further authorized the use of \$160.0 million to respond to the crisis and established a general fund balance of \$324.0 million to help ensure that resources were available to combat the pandemic.

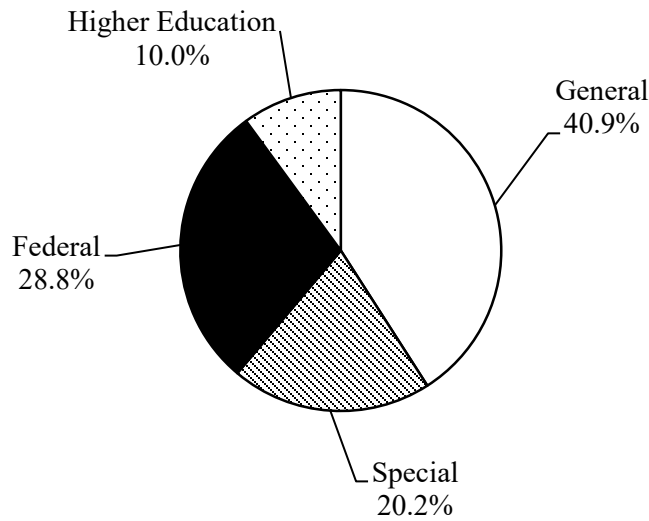
Budget in Brief

For fiscal 2021, *Senate Bill 190 (enacted)* provides nearly \$48.0 billion in appropriations, an increase of \$678.6 million (1.4%) above fiscal 2020. **Exhibit A-1.1** illustrates funding by type of revenue. General fund spending accounts for 40.9% of the total budget. Federal funds support 28.8% of all spending. Special funds constitute 20.2% of the budget with higher education revenue providing the remaining 10.0%. State agency operations constitute the largest area of spending,

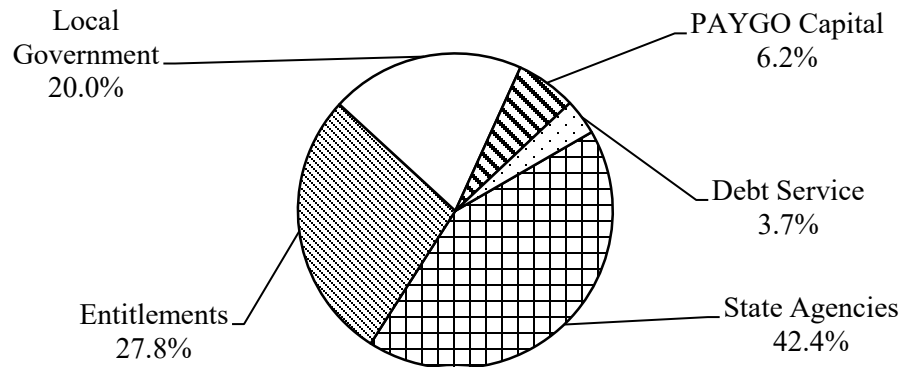
accounting for 42.4% of the total budget, a slight increase over fiscal 2020. Entitlements represent 27.8% of the budget, and 20.0% is provided as aid to local governments. Remaining appropriations fund pay-as-you-go (PAYGO) capital spending, debt service on State general obligation (GO) bonds, and an appropriation to the Revenue Stabilization Account (Rainy Day Fund).

**Exhibit A-1.1
Maryland's \$48.0 Billion Fiscal 2021 Budget**

Where It Comes From: Budget by Fund Source



Where It Goes: Budget by Purpose



PAYGO: pay-as-you-go

General fund appropriations remain relatively flat when compared to the fiscal 2020 working appropriation, reflecting an increase of only \$78.3 million, or 0.4%. This modest growth is largely the result of a substantial decrease (\$508.2 million) in the appropriation to the Reserve Fund. Absent this activity, general fund growth is approximately 3.1%, or an increase of \$586.5 million.

Funding for debt service declines by \$156.0 million, or 54.4%, in recognition of additional available bond premiums offsetting the need for general funds to supplant the Annuity Bond Fund. Spending for State agencies provides a net increase of \$261.0 million (3.5%) of which approximately \$105 million is for employee compensation enhancements. This growth also reflects an additional \$51.1 million for behavioral health and developmental disabilities service provider rate increases and \$64.9 million in additional support for public higher education institution operating expenses and tuition assistance.

Entitlement funding increases by \$212.8 million (5.4%), with the Medical Assistance Program (Medicaid) funding accounting for nearly 95% of the growth. The major drivers of general fund growth for Medicaid in fiscal 2021 are provider rate increases, a slight reduction in the federal matching rate for the Affordable Care Act expansion population, and a decline in special fund revenue from the Rate Stabilization Account. General fund aid to local governments increases by \$262.5 million, or 3.7%, with nearly all of the growth (\$218.8 million) attributable to statutory education aid formulas. The growth in general fund education aid is somewhat muted by the Administration's decision to utilize unallocated special funds from the Blueprint for Maryland's Future Fund for certain expenses that had been previously covered with general funds, such as \$26.4 million for the prekindergarten expansion program.

Special funds, including higher education appropriations supported by sources other than general funds, grow by a net \$174.2 million, or 1.2%, compared to the fiscal 2020 working appropriation. GO bond and transportation debt service costs increase by \$230.1 million, including \$90 million in bond premiums available from the March 2020 bond sale. Increased 911 fee revenue collections resulting from Chapter 309 of 2019 provide an additional \$43.6 million in funds passed through to local jurisdictions and \$45.1 million in additional funding retained by the State for 911 grants. Maryland Department of Transportation operating expenses also grow by a net \$136.0 million, providing funding for the Maryland Transit Administration's bus and rail operations and the Washington Metropolitan Area Transit Authority (WMATA). This growth is offset by a \$361.8 million reduction for special fund PAYGO projects, as increased Transportation Trust Fund (TTF) revenues are needed for debt service and other operating expenses, leaving less funding available for capital projects in fiscal 2021.

Federal fund spending increases by a net \$426.1 million, or 3.2%. This increase is almost entirely attributable to the first year of payments for the reinsurance program within the Maryland Health Benefit Exchange, where the State provides payments to insurers based on individuals with high claims. The fiscal 2021 budget is estimated based on the calendar 2019 plan year. Other federal fund changes include a \$51.0 million reduction for foster care payments and the Supplemental Nutrition Assistance Program based on anticipated need, offset by a \$42.8 million

increase in funding for Medicaid programs, resulting in a net decrease of \$8.1 million in federal entitlement funding.

Current unrestricted and current restricted funding for higher education excluding State general and special fund support in the fiscal 2021 budget totals \$4.8 billion. This amount includes growth of in-state tuition rates of 2%. When general and special funds are included, funding for higher education increases by \$109.0 million to \$6.6 billion.

With respect to personnel, the size of the regular State workforce decreases by 535 positions to 80,881 regular positions in fiscal 2021. All State employees, except those represented by the American Federation of State, County, and Municipal Employees (AFSCME), received a 1.0% general salary increase effective January 1, 2020, as a result of over performing revenues in fiscal 2019. In addition, the budget provides a 2% general salary increase effective January 1, 2021, although law enforcement union members are provided with a 5% increase and funding for increments effective on July 1, 2020. There is no funding for merit salary increases for most State employees. For a more detailed discussion of personnel and employee compensation issues, see the subpart “Personnel” within this part of the *2020 Session Major Issues Review*.

Framing the Session: 2019 Interim Activity

Fiscal 2019 closed with a fund balance of \$974.2 million in the General Fund, surpassing the revenue estimates by nearly \$217.0 million (1.2%). State agencies also reverted \$79.0 million at the close of the fiscal year, \$44.0 million above what was assumed in the budget. The personal income tax accounted for the majority of the revenue overattainment, driven by higher than expected payments with returns and lower refunds, due to the changes from the federal Tax Cuts and Jobs Act (TCJA) of 2017. Corporate income tax revenues also exceeded estimates, by approximately \$75 million, as a result of TCJA; however, sales tax revenues underperformed, showing only 1.9% growth after excluding new revenue generated from collecting sales tax from remote sellers.

Between its September and December 2019 meetings, the Board of Revenue Estimates (BRE) revised general fund revenue projections for fiscal 2020 upward by \$156.7 million to better reflect the ongoing impact from the TCJA changes and recent employment and wage growth performance, despite the continued lethargic expansion of the State and national economies. BRE also raised the general fund revenue estimate for fiscal 2021 by \$114.6 million. Despite these increases, BRE cautioned in its December 2019 report about the elevated risk of a recession in the near future, as the revenue windfall from the TCJA changes is not reflective of an ongoing source of revenue growth and the current economic expansion is the longest on record.

Further, additional funds became available for fiscal 2021 as the Administration chose not to release \$243.7 million (\$237.8 million general funds) in fiscal 2020 funding earmarked by the General Assembly to support legislative priorities. This included \$127 million for public school construction projects, \$43.9 million for Program Open Space (POS) projects and park operations, and \$25 million for housing capital programs, as well as funding for rape test kits; technology

improvements for the Baltimore City Police Department; salary increases for correctional officers; and a variety of smaller health, economic development, and education-related programs.

Spending Affordability Committee Recommendations

The Spending Affordability Committee (SAC) prepared its final report to the Governor in December 2019, which made recommendations concerning the fiscal 2021 spending limit, use of fund balances, and State employment.

Spending Limit and Sustainability: Improved revenue projections created a short-term favorable fiscal outlook for the State, providing both projected cash and structural surpluses in fiscal 2020 and a manageable imbalance in fiscal 2021. Long-term fiscal stresses, however, returned in the out-year projections, growing to a structural imbalance of more than \$1.2 billion by fiscal 2025, prior to accounting for any additional expense added by the recommendations of the Commission on Innovation and Excellence in Education. SAC recommended that the budget, as introduced and enacted, maintain structural balance so as to better position the State to address the long-term budget challenges, respond to any future slowdown in the economy, and accommodate new investments in policy priorities such as K-12 education.

Fund Balances: Recognizing the dichotomy of having sizeable cash balances available in the near-term yet a growing structural imbalance beginning in fiscal 2021, SAC recommended that the fiscal 2021 operating budget prioritize the preservation of cash reserves by maintaining a minimum closing fund balance of at least \$100 million in the General Fund, keeping the Rainy Day Fund balance at the equivalent of at least 6% of general fund revenues, adhering to the statutory requirements for the revenue volatility adjustment, and allocating any remaining cash balances to reserves or one-time spending.

Personnel: Continued high vacancy rates in Executive Branch agencies combined with serious understaffing for critical classes of positions, particularly those in the public safety sector or providing services to vulnerable populations, led SAC to recommend that the Administration address staffing shortfalls by reclassifying existing vacant positions and remove hiring and retention barriers in order to encourage filling vacant positions in understaffed agencies more expeditiously.

Governor’s Spending Plan as Introduced

As introduced, the Governor’s budget plan for the current fiscal year assumed \$47.2 billion in total spending, leaving an estimated closing balance in the General Fund of \$414.5 million in fiscal 2020. This included \$615.3 million in deficiency appropriations, \$243.7 million in targeted reversions, and an additional \$35.0 million in unspecified reversions. Additional spending needs for the Maryland Department of Health (MDH) accounted for nearly 70% of the total deficiency appropriations, largely driven by additional demand for services due to a change in automating enrollment in Transitional Medicaid Assistance. Other significant deficiency appropriations included \$70.6 million for information technology projects, \$38.7 million in total funds for general salary increases and other enhancements to employee compensation, \$32.6 million in funds to

offset prior year funding shortfalls, \$19.8 million to backfill unreleased funding for legislative priorities, and over \$33.0 million to cover agency operating expenses in the current fiscal year.

The fiscal 2021 budget plan proposed \$48.0 billion in total spending, reflecting a \$747 million (1.6%) increase over the fiscal 2020 spending plan. General funds accounted for roughly a quarter of the total increase (\$197 million). Total budget and general fund growth was somewhat masked by a sizable reduction in appropriations to the Rainy Day Fund dictated by statutory requirements for the appropriation of funds based on year-end closeout surpluses. Excluding the Reserve Fund accounts, total growth for the allowance was approximately 3.0%, with general fund growth of \$634 million, or 3.3%.

The budget, as introduced, met nearly all of the SAC goals by providing a \$108.5 million closing general fund balance and the equivalent of nearly 6.3% of general fund revenues in the Rainy Day Fund. Achieving these goals required budget reconciliation legislation, which reduced general fund spending by \$530.6 million and generated \$157 million in additional revenue. A significant part of the additional revenue resulted from a proposed modification to the revenue volatility calculation, which did not adhere to the SAC recommendation. In addition, the Governor's allowance did not comply with the SAC recommendation to maintain structural balance, instead leaving a shortfall of \$37 million. **Exhibit A-1.2** details the Governor's original general fund spending plan for fiscal 2020 and 2021.

Exhibit A-1.2
Governor's Original Budget Plan
Fiscal 2020-2021
(\$ in Millions)

	<u>2020</u>	<u>2021</u>
Opening Balance	\$974.2	\$414.5
Board of Revenue Estimates Revenues	\$18,721.2	\$19,172.9
Additional Revenues	39.7	196.5
Transfers	158.0	0.0
Subtotal	\$18,918.9	\$19,369.3
Appropriations/Deficiencies	\$19,642.1	\$20,240.9
Contingent Reductions	0.0	- 530.6
Reversions	-163.5	-35.0
Subtotal	\$19,478.6	\$19,675.3
Adjusted Closing Balance	\$414.5	\$108.5

Source: Maryland Budget Highlights, Fiscal 2021

Fiscal 2021 Revenue Assumptions: The Administration’s fiscal 2021 spending plan assumed a total of \$196.5 million in additional general fund revenue, of which \$174.8 million was tied to actions in *Senate Bill 192 (passed)*, the Budget Reconciliation and Financing Act (BRFA) of 2020. The budget also assumed \$30.5 million in reimbursements from tax credit programs and \$9.3 million from a delay in reductions to federal fund support for hospitals who disproportionately serve the uninsured. Revenue assumptions were offset by \$17.9 million in proposed revenue reductions, primarily tied to two pieces of legislation:

- **Senate Bill 269/House Bill 350 (both failed)** proposed to expand the pension income that certain retirees can exclude from their income beginning in tax year 2020. As a result, the Administration estimated that State income tax revenues would decrease by \$7.2 million in fiscal 2021.
- **Senate Bill 279/House Bill 361 (both failed)** proposed to phase out, over two taxable years, limitations on the amount of military retirement income that may be subtracted under the Maryland income tax beginning in tax year 2020. The Administration estimated that this would reduce revenue by \$10.6 million in fiscal 2021.

Contingent Reductions: The Governor proposed \$530.6 million in general fund reductions, contingent on the enactment of the BRFA of 2020. The largest element was a one-time \$284.4 million reduction to the fiscal 2021 appropriation to the Rainy Day Fund. Deferring repayment to the Local Reserve Account and eliminating certain one-time contributions to the pension and post-employment benefit accounts also reduced funding in the Dedicated Purpose Account (DPA) by \$83.3 million. The Administration’s budget plan proposed limiting growth in the funding formulas that provide aid to private, nonprofit colleges and community colleges, resulting in nearly \$50.0 million in savings. Planned rate increases for health service providers were limited to 2%, equating to a \$39.5 million general fund reduction. The allowance also assumed Medicaid savings of \$10.0 million based on a provision that slowed a scheduled reduction to the Medicaid Deficit Assessment.

Legislative Consideration of the Budget

Following submission of the budget in January 2020, the Governor submitted one supplemental budget. With the significant amount of uncertainty posed by the public health and economic crisis resulting from the novel coronavirus (COVID-19) pandemic, BRE opted to make no alterations to its general fund revenue assumptions for fiscal 2020 and 2021.

Spending Changes

Supplemental Budget No. 1: The Governor introduced one supplemental budget, which proposed a net total of \$77.0 million in additional spending across all funds but an \$18.1 million decrease in general fund expenditures. Fiscal 2020 general fund spending increased by \$33.9 million in this supplemental budget, highlights of which included \$10.0 million to begin funding the State’s COVID-19 response, \$13.8 million in anticipated shortfalls for foster care and

temporary disability assistance payments, and \$6.0 million for school safety grants to local jurisdictions. The supplemental budget also provided \$52.1 million in net spending reductions for fiscal 2021. Approximately \$51.3 million in new general fund expenditures were offset by \$103.4 million in spending reductions, primarily recognizing general fund savings from an additional \$90.0 million in bond premium revenues becoming available from the March 2020 bond sale. Funding for MDH accounted for more than half of the new spending and included \$14.5 million for behavioral health provider reimbursements and \$9.6 million for information technology (IT) related projects.

Reductions: Fiscal 2020 appropriations were reduced by a net \$18.2 million in all funds to better align Judiciary employee compensation enhancements with that of other State employees and to realign funding for the Medicaid program based on current estimated need. In the BRFA of 2020, \$12.9 million in unspent funds were withdrawn based on a recalculation of the Concentration of Poverty grant formula, high levels of vacant correctional officer positions, and surplus Promise Scholarship funding.

Legislative actions reduced the fiscal 2021 budget by \$207.4 million across all fund types. Of this, \$123.8 million were general fund reductions largely relating to the following areas:

- \$38.2 million from the POS repayment appropriation in the DPA;
- \$19.7 million from the Department of Information Technology related to anticipated spending needs for specific IT projects and resource-sharing agreements;
- \$17.1 million from the Department of Commerce, including \$9.0 million budgeted for the Howard Street Tunnel transportation project (costs which are expected to be funded instead with special funds from the TTF) and \$8.1 million in funding for the More Jobs for Marylanders tax credit programs;
- \$11.7 million from MDH, primarily in the Medicaid program, largely based on the availability of other revenues to fund program expenditures;
- \$8.8 million from higher education operating expenses and scholarship growth;
- \$9.7 million in net reductions to operating expenses in the Judiciary; and
- \$7.5 million from health insurance based on available fund balance.

Another \$393.0 million in reductions are contingent on the BRFA of 2020, which are discussed in more detail in the subpart “Budget Reconciliation and Financing Act” of this section. Legislative action also restored approximately \$82.1 million in funding from reductions proposed by the Administration. A detailed list of the restorations is provided in subpart “Legislative Priorities” in this section.

Final Actions Related to SAC

Maintaining Structural Balance: SAC had recommended that the fiscal 2021 general fund budget maintain structural balance. Final revenue and spending actions by the General Assembly resulted in a structural surplus of \$160.2 million in fiscal 2021. **The goal to maintain general fund structural balance in fiscal 2021 was met.**

General Fund and State Reserve Fund Balances: Per the recommendation to maintain a fiscal 2021 cash balance of at least \$100 million as well as a minimum 6% balance in the Rainy Day Fund, legislative action resulted in (1) an estimated closing fund balance of \$324.0 million and (2) an estimated Rainy Day Fund balance of \$1.2 billion, or 6%, of estimated general funds. Although in opposition to the SAC recommendation, in recognizing the need to have additional cash reserves available to fund the public health and economic response to the COVID-19 pandemic, the legislature concurred with the Administration to alter the overall methodology for calculating the revenue volatility adjustment and also repealed the redirection of revenues for fiscal 2021. **Final action on the budget complied with the SAC recommendation to maintain at least a \$100.0 million general fund balance in addition to a balance in the Rainy Day Fund of 6% of estimated general fund revenues.**

Exhibit A-1.3 illustrates the general fund balance for fiscal 2020 and 2021 based on final legislative action at the 2020 session.

Exhibit A-1.3 Final Legislative Budget Action Fiscal 2020-2021 (\$ in Millions)

	<u>2020</u>	<u>2021</u>
Opening Balance	\$974	\$346
Board of Revenue Estimates Revenues	\$18,721	\$19,173
Additional Revenues	37	39
Legislation	6	341
Transfers	158	54
Subtotal	\$18,922	\$19,606
Appropriations/Deficiencies	\$19,642	\$20,241
Supplemental Budgets	34	-52
Reductions	-24	-525
Targeted Reversions	-66	0
Reversions	-35	-35
Subtotal	\$19,550	\$19,629
Adjusted Closing Balance	\$346	\$324

Source: Department of Legislative Services

State Employment: To address the concern expressed by SAC, the fiscal 2021 budget provided funding for annual salary review increases for certain position classifications, including social workers, direct care workers, licensed practical nurses, teachers, pretrial release investigators, lab scientists, and veterans benefits specialists. In addition, \$8.7 million was provided across fiscal 2020 and 2021 to fund retention bonus programs, primarily for correctional officers. **Final actions pertaining to State employment are consistent with the SAC recommendation.**

Outlook for Future Budgets

As shown in **Exhibit A-1.4** and **Exhibit A-1.5**, fiscal 2021 is projected to end with both a cash and a structural balance.

The fiscal 2021 structural surplus of \$160 million is replaced by a structural deficit of \$626 million in fiscal 2022. This structural deficit increases each year of the forecast, reaching \$1.5 billion by fiscal 2025. Between fiscal 2021 and 2025, ongoing revenues are projected to grow at an average annual rate of 2.9%, while ongoing spending is projected to grow at an average annual rate of 4.8%.

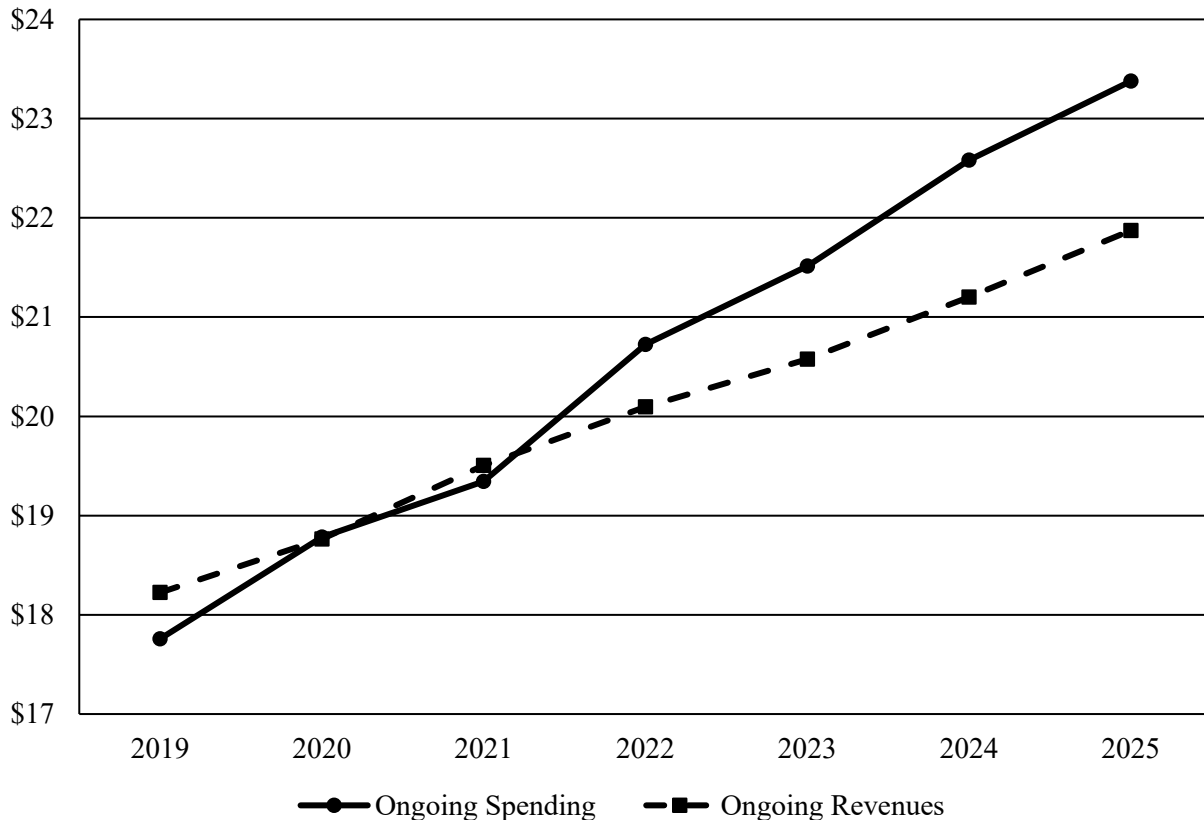
Exhibit A-1.4
General Fund Budget Outlook
Fiscal 2021-2025
(\$ in Millions)

	Leg. Approp. <u>2021</u>	Est. <u>2022</u>	Est. <u>2023</u>	Est. <u>2024</u>	Est. <u>2025</u>	Avg. Annual Change <u>2021-2025</u>
Revenues						
Opening Fund Balance	\$346	\$324	\$0	\$0	\$0	
Transfers	54	255	30	25	30	
One-time Revenues – Legislation	48	0	0	0	0	
Subtotal One-time Revenue	\$448	\$579	\$30	\$25	\$30	
Ongoing Revenues	\$19,211	\$19,739	\$20,289	\$20,993	\$21,685	
Revenue Adjustments – Legislation	293	358	285	209	188	
Subtotal Ongoing Revenue	\$19,504	\$20,096	\$20,574	\$21,202	\$21,872	2.9%
Total Revenues and Fund Balance	\$19,952	\$20,675	\$20,604	\$21,227	\$21,902	2.4%
Ongoing Spending						
Operating Spending	\$19,422	\$20,661	\$21,473	\$22,185	\$22,910	
Ongoing (Reductions)/Additions	-78	-67	-92	-117	-143	
Ongoing Spending – Legislation	0	129	134	515	611	
Subtotal Ongoing Spending	\$19,344	\$20,723	\$21,515	\$22,583	\$23,378	4.8%
One-time Spending	\$284	\$584	\$308	\$308	\$308	
Total Spending	\$19,628	\$21,306	\$21,823	\$22,891	\$23,686	4.8%
Ending Balance	\$324	-\$631	-\$1,219	-\$1,664	-\$1,784	
Rainy Day Fund Balance	\$1,152	\$1,180	\$1,219	\$1,264	\$1,305	
Balance over 5% of GF Revenues	193	198	204	212	217	
As % of GF Revenues	6.0%	6.0%	6.0%	6.0%	6.0%	
Structural Balance	\$160	-\$626	-\$941	-\$1,381	-\$1,505	

GF: general fund

Source: Department of Legislative Services

Exhibit A-1.5
General Fund Structural Deficit
Projected to Exceed \$1.5 Billion by Fiscal 2025
Fiscal 2019-2025
(\$ in Billions)



Source: Department of Legislative Services

Legislation passed during the 2020 session increases general fund revenues by nearly \$1.4 billion and increases general fund spending by more than \$1.5 billion for the five-year period ending with fiscal 2025. Legislation affecting general fund revenues with a projected five-year impact of \$50 million or more includes:

- Senate Bill 192*** alters the maximum amount of projected nonwithholding income tax revenue that must, under certain circumstances, be subtracted from the projected general fund revenue estimate each year to delay the full phase-in to 2.0% from fiscal 2022 to 2026 and establishes specific dollar amounts for the cap per year, beginning with \$0 in fiscal 2021, increasing to \$80 million in fiscal 2022, and then increasing by \$20 million

per year until a maximum of 2.0% of general fund revenues is achieved in fiscal 2026. These provisions increase general fund revenues by an estimated \$193.6 million in fiscal 2021, \$279.9 million in fiscal 2022, \$215.4 million in fiscal 2023, \$154.0 million in fiscal 2024, and \$137.1 million in fiscal 2025.

- **House Bill 732 (passed)** imposes a tax on the gross revenues of specified digital advertising. The bill also (1) increases various taxes imposed on cigarettes, electronic smoking devices, and other tobacco products and (2) requires the Governor to include at least \$18.25 million in annual funding for the Tobacco Use Prevention and Cessation Program beginning in fiscal 2022.

Legislation affecting spending with a projected five-year impact of \$50 million or more includes:

- **House Bill 1300 (passed)**, known as the Blueprint for Maryland’s Future, substantially alters State aid and State policy for public schools, beginning in fiscal 2022. The bill establishes in law the policies and accountability recommendations of the Commission on Innovation and Excellence in Education. Funding for existing education formulas, including the foundation program and targeted programs, is altered, and new funding formulas are established for specific purposes. The bill also establishes, repeals, and alters other grants and programs. The bill applies to education aid formulas and mandated appropriations beginning in fiscal 2022, contingent upon estimated general fund revenues not declining by more than 7.5%, as specified. General fund spending under the bill increases by \$2.4 million in fiscal 2023, \$377.7 million in fiscal 2024, and \$471.8 million in fiscal 2025.
- **House Bill 1260 (passed)**, contingent on final settlement of *The Coalition for Equity and Excellence in Maryland Higher Education v. Maryland Higher Education Commission* lawsuit by December 1, 2020, provides an additional \$57.7 million annually for Maryland’s historically black colleges and universities (HBCU) from fiscal 2022 through 2031 (a total of \$577 million) to be distributed and used as specified. A new academic program evaluation unit is established in the Maryland Higher Education Commission (MHEC) with a specified mandated staffing level. In addition, the bill has several study and reporting provisions that are not contingent on final settlement of the lawsuit. General fund expenditures increase by \$58.9 million in fiscal 2022 and by \$58.5 million per year thereafter.
- **House Bill 1 (passed)** authorizes the Maryland Stadium Authority (MSA) to issue up to \$2.2 billion in revenue bonds, backed by annual payments from the Education Trust Fund beginning in fiscal 2022, for public school construction projects in the State, including to support a possible public-private partnership agreement for Prince George’s County. Construction materials purchased for public school facility projects managed by MSA are exempt from the State sales and use tax. The bill also expands school construction costs eligible for State funding and increases or establishes new mandated State funding for other

public school construction programs. PAYGO general fund expenditures increase by \$30 million in fiscal 2022 and by \$40 million annually beginning in fiscal 2023.

- ***Senate Bill 693 (passed)*** requires the pay rate for specified employees at the Clifton T. Perkins Hospital (Perkins) who are not receiving a forensic pay premium to be at least two grades higher than their pay rate, effective June 30, 2020. The pay rate for specified employees in the Behavioral Health Administration or the Developmental Disabilities Administration must be equal to the pay rate, effective July 1, 2020, for similarly trained, qualified, or licensed employees at Perkins if the employees work at a facility that had a forensic admission rate greater than 75% for the immediately preceding fiscal year. The bill specifies staffing requirements for a facility that had a forensic admission rate greater than 75% for the immediately preceding fiscal year. General fund expenditures increase by \$10.1 million in fiscal 2021 and increase each year reaching \$28.3 million in fiscal 2025.
- ***House Bill 737 (passed)*** alters the enhanced State funding provided under the disparity grant program to jurisdictions with a local income tax rate of 3.2% by making permanent a temporary increase to the minimum grant amount. As a result, eligible jurisdictions will receive at least 75% of their formula allocation under the disparity grant program beginning in fiscal 2022. General fund expenditures increase by \$15.6 million in fiscal 2022 and grow by approximately \$500,000 per year reaching \$17.0 million in fiscal 2025.

Budget Reconciliation and Financing Act Legislation

As summarized in **Exhibit A-1.6, *Senate Bill 192***, the BRFA of 2020, has an overall impact of \$752.1 million on the fiscal 2021 budget plan. Fiscal 2020 general and special fund expenditure reductions total \$12.6 million. Fiscal 2021 general and special fund expenditure reductions total \$405.0 million. General and special fund revenue actions total \$235.7 million. The BRFA of 2020 also includes \$98.8 million of transfers from special funds to the General Fund.

Exhibit A-1.6
Actions in the Budget Reconciliation and Financing Act of 2020
Fiscal 2020-2021
(\$ in Millions)

	<u>2020</u>	<u>2021</u>	<u>Total</u>
Contingent General Fund Reductions	\$6.4	\$401.5	\$407.9
General Fund Revenue Actions	0.0	204.2	204.2
Transfers to General Fund	0.0	98.8	98.8
General Fund Subtotal	\$6.4	\$704.4	\$710.8
Contingent Special Fund Reductions	\$6.2	\$3.5	\$9.7
Special Fund Revenue Actions	0.0	31.5	31.5
Special Fund Subtotal	\$6.2	\$35.0	\$41.2
Grand Total	\$12.6	\$739.5	\$752.1

Source: Department of Legislative Services

Fiscal 2020 Expenditure Reductions

The BRFA of 2020 includes several actions that reduce fiscal 2020 general and special fund expenditures by a total of \$12.6 million. These actions primarily result from lower than expected expenditures in the following areas:

- Concentration of Poverty Grants due to fewer eligible schools than anticipated (\$6.0 million in special funds from The Blueprint for Maryland's Future Fund);
- Maryland Community College Promise Scholarship based on award levels (\$3.0 million in general funds);
- personnel savings in the Department of Public Safety and Correctional Services (DPSCS) due to vacancies (\$2.5 million in general funds);
- Agency Election Management System in the Major Information Technology Development Project Fund and the State Board of Elections (\$234,387 in general funds and \$234,388 in special funds) based on projected cost; and
- the unused portion of the premium subsidy payments in the Dairy Margin Coverage Program in the Maryland Department of Agriculture (MDA) (\$216,253 in general funds).

An additional general fund reduction of \$287,500 is the result of anticipated liquidated damages for the Administrative Services Organization contract in the MDH Behavioral Health Administration due to problems during the transition to a new vendor. This action results in a similar reduction in federal funds.

The BRFA of 2020 also repeals the mandated grant for Child and Parent Resource Group, Inc. that otherwise would have extended through fiscal 2023. The grantee is under investigation by the Office of the Attorney General. This repeal results in a fiscal 2020 general fund expenditure reduction of \$156,500 and corresponds to a reduction of \$250,000 in fiscal 2021. The fiscal 2020 reduction is for the portion of the mandate that had not yet been provided to the grantee, while the fiscal 2021 reduction reflects the full previously mandated level.

Fiscal 2021 General Fund Expenditure Reductions

As noted in Exhibit A-1.6, there are \$401.5 million of general fund expenditure reductions contingent on the BRFA of 2020. Three of these general fund reductions are one-time:

- \$284.4 million of the appropriation to the Revenue Stabilization Account;
- \$50.0 million due to a one-time elimination of the mandate to provide \$25.0 million each to the Post-Retirement Health Benefits Fund and the State Retirement and Pension System (SRPS) for retirement reinvestment payments; and
- \$21.4 million representing a portion of the Joseph A. Sellinger funding formula for private institutions, resulting in aid of \$69.6 million rather than \$91.1 million.

Four additional actions result in multi-year reductions in general fund expenditures that begin in fiscal 2021.

- A reduction of \$33.3 million results from a restructuring of the repayment to the Local Reserve Account related to a prior transfer of \$200.0 million from the account to support Medicaid. The account was to be repaid in \$33.3 million increments between fiscal 2021 and 2026 through appropriations in the budget bill. The restructured repayment provides for a direct distribution of \$10.0 million in general fund revenue between fiscal 2024 and 2043, resulting in a net general fund savings of \$23.3 million between fiscal 2024 and 2026.
- A reduction of \$10.0 million due to limiting the phase-down of the Medicaid Deficit Assessment to \$10 million rather than \$25.0 million and permanently freezing it at that level (\$294,825,000) rather than continuing to phase-down the assessment.
- A reduction of \$1.3 million due to increasing the Drinking Driver Monitor Program fee from \$55 to \$75, which results in special fund revenue of \$1.9 million.

- A reduction of \$750,000 in fiscal 2021 and 2022 in Medicaid due to a transfer of that amount in both years from the Maryland State Board of Pharmacy fund balance to support access to small, rural pharmacies.

Revenue Actions

Several actions resulted in additional general fund revenue totaling \$204.2 million in fiscal 2021, as shown in Exhibit A-1.6. The largest of these actions results from the alteration in the cap on projected nonwithholding income tax revenues that must, under certain circumstances, be withheld from projected general fund revenues. In fiscal 2021, this action is projected to increase general fund revenues by \$193.7 million. The out-year impact is projected to increase general fund revenues in fiscal 2022 by \$279.9 million, declining to \$137.1 million in fiscal 2025.

Other general fund revenue actions include:

- altering the income tax reporting requirements for the 1099-K to match the 1099-MISC, which changes the reporting threshold from \$20,000 to \$600 (projected to realize \$5.0 million annually);
- a one-time reduction in the mandate for the Maryland Health Benefit Exchange (MHBE) from \$35.0 million to \$31.5 million, which increases general fund revenues because premium tax revenue not otherwise distributed to MHBE goes to the general fund (\$3.5 million, which also decreases special fund expenditures by the same amount); and
- a permanent reduction in the maximum amount of allowable credits for the Film Production Activity Tax Credit to \$12 million, as opposed to the maximum credits increasing from \$14.0 million in fiscal 2021 to \$20.0 million in fiscal 2023 (increasing general fund revenue by \$2.0 million in fiscal 2021 to \$8.0 million beginning in fiscal 2023).

Several additional actions result in increases in special fund revenues beginning in fiscal 2021:

- an extension of the current land record surcharge amount (\$40), which would otherwise have returned to \$20 beginning in fiscal 2021, deposited into the Circuit Court Real Property Records Improvement Fund and used to support land records offices and the Judiciary's IT budget (a projected increase of \$14.6 million, which also reduces general fund expenditures by a similar amount beginning in fiscal 2022);
- an increase in the dealer processing charge that car dealers are allowed to charge consumers for activities such as titling a vehicle, obtaining license plates for a vehicle, and other administrative services from \$300 to \$500 (a projected revenue increase to the TTF of \$10.0 million); and

- an elimination of the administrative fee that car dealers are allowed to retain for collecting and remitting the vehicle excise tax (a projected increase to the TTF of \$5.0 million).

The BRFA of 2020 also phases in an increase over a three-year period to \$5,000 per acre (or the actual market value of the property, if lower) of the property tax assessment rate for land actively used as a country club or golf course. The phase-in begins with new agreements or extension of agreements with the State Department of Assessments and Taxation that go into effect on or after June 1, 2020. The additional State property tax revenue that results from this phase-in is deposited into the Annuity Bond Fund, consistent with other property tax revenue.

Other Changes to Mandates

The BRFA of 2020 also made additional changes to the following mandates:

- Lowering the required funding for the Maryland Agricultural and Resource-Based Industry Development Corporation (MARBIDCO) from \$2,875,000 to \$2,735,000 from fiscal 2022 through 2024, extending the mandate to fiscal 2025 at that level, and specifying the distribution between MARBIDCO's core loan and small matching grant program (\$2.3 million) and to facilitate participation in the Certified Local Farm Enterprise Program (\$435,000). The specified distribution of funding is contingent on the enactment of [*Senate Bill 985/House Bill 1488 \(both passed\)*](#) that creates the Certified Local Farm Enterprise Program.
- Authorizing the mandate for the Community College Facilities Renewal Grant Program to be met through either the operating or capital budget beginning in fiscal 2022.
- Reducing the fiscal 2021 mandate only for the Seed Community Development Anchor Institution Program by \$5 million. The reduction occurs in the Maryland Consolidated Capital Bond Loan, allowing the funds to be repurposed to other programs rather than general funds.
- Altering the transfer tax repayment schedule to repeal the fiscal 2020 repayment and the portion of the fiscal 2021 repayment that was reduced in the fiscal 2021 budget bill from the DPA, extending the repayment to account for these missed payments, and restructuring a portion of the repayment to specific levels rather than shares of the total amount.

Fiscal 2021 Transfers

As shown in A-1.6, the BRFA of 2020 requires transfers to the General Fund in fiscal 2021 totaling \$98.8 million through three provisions:

- \$54.0 million from the Rainy Day Fund fund balance;

- \$43.9 million from the DPA for fiscal 2020 transfer tax revenue repayment that will not be released; and
- \$900,000 from the Maryland Board of Physicians Fund balance.

The BRFA of 2020 also requires two additional transfers to other funds or purposes:

- a total of \$62.0 million in fiscal 2020 from the DPA to the Annuity Bond Fund, representing supplemental reinvestment payments for the State Retirement and Pension System (\$50.0 million) and a grant to WMATA (\$12.0 million), which were restricted for other purposes and will not be released; and
- a transfer of \$400,000 from the Maryland Board of Physicians Fund balance to be used for the Loan Assistance Repayment Program for Physicians and Physicians Assistants. The fiscal 2021 budget includes a contingent appropriation of the same amount for the program.

Miscellaneous Provisions

The BRFA of 2020 also contains a number of additional provisions that (1) create, alter, or clarify requirements; (2) control costs in fiscal 2021; (3) amend funding restrictions; or (4) repeal a special fund. In particular, these provisions:

- authorize Managing for Results performance measures and personnel detail to be published electronically rather than in the printed Governor’s Budget Books;
- amend the authorization to use the Fiscal Responsibility Fund for a fiscal 2021 cost-of-living adjustment (COLA) to provide first for a 1% COLA for employees represented by AFSCME and then proportionally up to 2% for employees represented by AFSCME, AFT Healthcare-Maryland, and the Maryland Professional Employees Council, if the revenue is realized;
- limit the increase in fiscal 2021 rates for providers who have rates set by the Interagency Rates Committee to 2% over the fiscal 2020 rates;
- prohibit the Uninsured Employers Fund from spending funds for administrative expenses without an appropriation;
- transfer the role of fiscal agent for the Children’s Cabinet Interagency Fund from the Maryland State Department of Education to the Governor’s Office of Crime Prevention, Youth, and Victim Services, which administers the fund;

- require the revenue from electronic bingo and electronic tip jars in Calvert County dedicated for particular recipients to be appropriated in the Payments to Civil Divisions of the State;
- prohibit the restoration of an item specifically reduced by the General Assembly unless it is specifically authorized in the budget bill;
- repeal the Rate Stabilization Fund beginning in fiscal 2022 and require the revenues that would otherwise have gone to the fund to go to the General Fund;
- alter the distribution of funding under the HealthChoice value-based purchasing program;
- limit the Maryland 529 State Funding Match Program award allocation to no more than two accounts per beneficiary;
- amend language restricting funds in the fiscal 2020 Budget Bill for Baltimore City transportation aid to remove requirements that funds be provided on a reimbursable basis and to correct/clarify the name of a road for which funds were restricted; and
- require the provision of certain information by DPSCS to the Maryland Department of Planning (MDP) and the Department of Legislative Services (DLS) related to prisoners for the purpose of redistricting and requiring MDP and DLS to enter into a memorandum of understanding related to this data by August 1 in the year of each decennial census.

Selected Budgetary Initiatives and Enhancements

Funding Maryland's Response to the Coronavirus Pandemic

According to the Centers for Disease Control, COVID-19 has resulted in a global pandemic with almost 1.8 million infections and more than 117,000 deaths worldwide as of April 14, 2020 (according to the *World Health Organization daily situation report*). The virus arrived in Maryland in March 2020 and approached 9,500 confirmed cases with 302 deaths as of April 14, 2020 (according to the Maryland Department of Health (*MDH*)). The virus currently has no vaccine or specific antiviral treatment.

On March 5, 2020, Governor Lawrence J. Hogan, Jr., declared a state of emergency to mobilize all available State resources in response to COVID-19. The declaration officially authorized and directed MDH and the Maryland Emergency Management Agency (MEMA) to ramp up coordination among all State and local agencies. The declaration also enables MDH and MEMA to fast track coordination with State and local health departments and emergency management teams. The Governor directed State agencies to take every precaution to prepare and mobilize whatever resources are necessary to address COVID-19. As the impact of the virus

rapidly grew more severe throughout March 2020, the Governor issued several executive orders, closing schools and nonessential business, limiting public gatherings, and issuing a stay-at-home order, effectively ceasing nearly all economic activity in the State.

In anticipation of this situation, the General Assembly authorized the expenditure of up to \$160 million in State funding for battling the public health and economic crises through three pieces of legislation:

- ***Senate Bill 190*** provides a \$10.0 million fiscal 2020 general fund deficiency appropriation to MDH through Supplemental Budget No. 1 to begin addressing the public health needs associated with preparing agencies to prevent the spread of the disease and provide necessary treatment upon immediate enactment of the budget;
- ***Senate Bill 1079 (Ch. 12)*** authorizes the Governor to transfer by budget amendment up to \$50.0 million from the Rainy Day Fund to fund costs associated with COVID-19, but first provides the Legislative Policy Committee with at least seven days to review and comment on the proposed transfer. A report on the use of the funds must also be provided within 60 days after the release of the funds.
- ***Senate Bill 192***, the BRFA of 2020, also authorizes the Governor to transfer an additional \$100.0 million from the Rainy Day Fund specifically for costs associated with reopening closed medical facilities; establishing new or temporary medical facilities; assisting with the distribution of food and medical supplies; providing temporary housing for people who have been quarantined to help prevent the spread of COVID-19; and providing assistance to small businesses impacted by the State’s COVID-19 response, with priority given to the facilities that were required to close or curtail activities by order of the Governor.

At the time the budget was passed, the magnitude of the impact of COVID-19 on public health and the economy was not known. Given the severity of the situation, the U.S. Congress subsequently authorized substantial financial assistance to the states and local governments in response to the COVID-19 pandemic. Estimates as of April 9, 2020, project that the State, local governments, and higher education institutions in Maryland will receive approximately \$4.9 billion in federal assistance, excluding funds that will flow directly to hospitals and other medical providers and programs where the allocation to state and local governments is not yet available. The extent to which State funds will be required, beyond what has been authorized, cannot currently be determined.

Medical Assistance Program

The Medical Care Programs Administration within MDH is responsible for administering Medicaid and the Maryland Children’s Health Program (MCHP) that provide comprehensive somatic and behavioral health benefits to over 1.4 million Marylanders. With total funding at just under \$11.9 billion, Medicaid is the largest program in the State’s fiscal 2021 budget, comprising

almost one-quarter (24.7%) of total spending. Details on the sources of funding for Medicaid and MCHP are shown in **Exhibit A-1.7**.

Exhibit A-1.7
Medicaid and MCHP
Fiscal 2019-2021
(\$ in Millions)

	<u>2019</u> <u>Actual</u>	<u>2020</u> <u>Working</u>	<u>2021</u> <u>Approp.</u>	<u>2020-2021</u> <u>\$ Change</u>	<u>2020-2021</u> <u>% Change</u>
General Funds	\$3,405.3	\$3,612.7	\$3,825.1	212.4	5.9%
Special Funds	958.7	992.6	924.1	-68.5	-6.9%
Federal Funds	6,896.7	7,040.3	7,101.1	60.8	0.9%
Total	\$11,260.7	\$11,645.6	\$11,850.3	204.7	1.8%

MCHP: Maryland Children's Health Program

Note: Deficiency appropriations have been allocated to the appropriate fiscal year. Data reflects actions in the Budget Financing and Reconciliation Act of 2020 to reduce general funds in fiscal 2020 and 2021. Data does not reflect federal matching changes authorized in the federal Families First Coronavirus Response Act.

Source: Department of Legislative Services

As also shown in Exhibit A-1.7, although total spending on the Medicaid program increases modestly at \$204.7 million, or 1.8%, between the fiscal 2020 working appropriation and fiscal 2021 appropriation, general fund growth is much stronger at 5.9%, or \$212.4 million. This is largely driven by two factors: the need to backfill for declining special fund revenue in fiscal 2021, primarily due to lower availability from the Rate Stabilization Fund and a \$15.0 million decline in funding from the Medicaid Deficit Assessment; and a change in federal matching rates for the Affordable Care Act expansion adults (from 91.5% to 90%) and MCHP (from 79.4% to 67.9%).

The fiscal 2021 budget includes \$182.8 million in provider rate increases as shown in **Exhibit A-1.8**. The largest impact on the fiscal 2021 budget is \$46.4 million from calendar 2020 managed care organization (MCO) rates (1.4%). As is usual, the fiscal 2021 budget makes no assumption for calendar 2021 rates that are currently under development. Similarly, actual inpatient and outpatient rates for fiscal 2021 will be set by the Health Services Cost Review Commission in June 2020. For the fiscal 2021 budget, the same increase as provided in fiscal 2020

is assumed. For most other providers, 4% rate increases are provided as mandated by Chapters 10 and 11 of 2019.

Exhibit A-1.8
Medicaid/MCHP Provider Rate Increases and Assumptions
Fiscal 2021
(\$ in Millions)

Managed Care Organization Calendar 2020 Net Increase (1.4%)	\$46.4
Nursing Homes (4%)	43.0
Behavioral Health Providers (4%)	37.2
Other Medicaid Community Providers (4%, Except Rare and Expensive Case Management Services at 3.5%)	25.8
Inpatient and Outpatient Assumptions (2.0%)	22.4
Physician Evaluation and Management Rates (Maintain 93% of Medicare Rates)	8.0
Total	\$182.8

MCHP: Maryland Children’s Health Program

Source: Department of Legislative Services

The fiscal 2021 budget assumes very little growth in enrollment between fiscal 2020 and 2021, 1.2%, or just over 16,000 to 1.4 million. The budget also includes three small initiatives: \$3.0 million to improve access to pharmacies in rural parts of the State through the addition of a \$5 dispensing fee per prescription; \$0.5 million to pay higher case management fees for health homes that qualify as eligible practices under the Maryland Primary Care Program; and \$0.6 million for a collaborative care pilot program as mandated by Chapters 683 and 684 of 2018.

At the time that the budget was passed, there was no allowance made for the impact of the COVID-19 pandemic. Specifically, the Medicaid budget does not reflect the impact of the federal Families First Coronavirus Response Act that provides states with enhanced federal Medicaid funding during the period of the COVID-19 national emergency nor does it reflect changes in enrollment (which began to increase with the March 2020 enrollment data) or utilization. As such, significant changes to the fiscal 2020 and 2021 Medicaid budget can be expected.

State Reserve Fund

The Rainy Day Fund, the DPA, and the Catastrophic Event Account are projected to have a combined \$1,156.2 million in total fund balance at the end of fiscal 2021. Activity in fiscal 2020 and 2021 is shown in **Exhibit A-1.9**.

Exhibit A-1.9 State Reserve Fund Activity Fiscal 2020-2021 (\$ in Millions)

	<u>Rainy Day Fund</u>	<u>Dedicated Purpose Acct.</u>	<u>Catastrophic Event Acct.</u>
Estimated Balances June 30, 2019	\$876.5	\$0.0	\$2.5
Fiscal 2020 Appropriations	\$443.8	\$215.9	\$0.5
Transfer to General Fund	-158.0	0.0	0.0
Transfer to Annuity Bond Fund ¹	0.0	-62.0	0.0
DHCD BusinessWorks Loan Repayment	0.0	0.0	1.3
Grant to WMATA	0.0	-110.0	0.0
Interest Earnings	18.1	0.0	0.0
Estimated Balances June 30, 2020	\$1,180.4	\$43.9	\$4.3
Fiscal 2021 Appropriations	\$291.4	\$266.5	\$0.0
Legislative Reduction and BRFA Actions	-284.4	-121.5	0.0
Transfer to General Fund	-54.0	-43.9	0.0
Grant to WMATA	0.0	-125.0	0.0
Cybersecurity Assessments	0.0	-20.0	0.0
Interest Earnings	18.5	0.0	0.0
Estimated Balances June 30, 2021	\$1,151.9	\$0.0	\$4.3
Percent of Revenues in Reserve	6.0%		

BRFA: Budget Reconciliation and Financing Act of 2020

DHCD: Department of Housing and Community Development

WMATA: Washington Metropolitan Area Transit Authority

¹The \$62.0 million fiscal 2020 transfer to the Annuity Bond Fund from the Dedicated Purpose Account reflects funds that would have been reverted at the close of the fiscal year due to the Administration's decision to not release funds restricted for other legislative priorities (school construction and housing programs).

Source: Department of Budget and Management; Department of Legislative Services

Revenue Stabilization Account

The fiscal 2021 end-of-year fund balance for the Rainy Day Fund is projected to be \$1,151.9 million. The Governor’s allowance provided an appropriation of \$291.4 million, the amount required by statute based on the unassigned fund balance of the most recently concluded fiscal year. Provisions included in the BRFA of 2020 reduce the appropriation by \$284.4 million and transfer an additional \$54.0 million of fund balance to the General Fund, reducing the end-of-year balance to an estimated 6% of general fund revenues.

Separate legislation authorizes the Governor to transfer by budget amendment up to \$150 million from the Rainy Day Fund to cover costs associated with COVID-19. This would reduce the fiscal 2021 fund balance to \$1,001.9 million, approximately 5.2% of general fund revenues.

Dedicated Purpose Account

For fiscal 2021, the DPA allowance provided \$266.5 million in appropriations. Actions adopted in the operating budget and the BRFA of 2020 reduced funding by \$121.5 million. This included the elimination of funding for the following:

- \$50.0 million of funds appropriated for supplemental pension and other post-employment benefit fund contributions;
- \$38.2 million for the fiscal 2021 POS repayment; and
- \$33.3 million for the Local Reserve Account repayment.

The BRFA of 2020 also includes a provision to transfer the \$43.9 million fiscal 2020 POS repayment funds, which had been restricted by the legislature but remain unreleased by the Administration, to the General Fund in fiscal 2021. The remaining \$145.0 million appropriation provides \$125.0 million to fund the capital grant to WMATA and \$20.0 million in grants to assess and combat against cybersecurity threats.

Personnel

Employee costs total \$9.5 billion in fiscal 2021 and represent 18% of the State budget. Fiscal 2021 personnel costs increase by \$176 million, or 1.9%, over the fiscal 2020 working appropriation (including a fiscal 2020 deficiency of \$25.1 million).

Employee Compensation

The fiscal 2021 budget, as introduced, provided deficiency funding for a 1.0% general salary increase for most State employees effective January 1, 2020, with the exception of those represented by AFSCME. Funding for this action was not provided in the fiscal 2020 budget and

was contingent on fiscal 2019 general fund revenues exceeding forecasted levels by \$75 million. The fiscal 2021 budget also provides \$53.4 million in funding for a 2.0% general salary increase for most State employees effective January 1, 2021. Approximately \$19.5 million is provided for a 5% increase effective July 1, 2020, and increments for the State Law Enforcement Officers Labor Alliance (SLEOLA) union. The BRFA of 2020, as enacted, includes a provision restricting revenue volatility revenues, if realized, to be used to provide employees belonging to specified collective bargaining units up to a 2% COLA (or 3% for AFSCME represented units) in fiscal 2021. For a more detailed discussion of the additional general salary increase, see the subpart “Budget Reconciliation and Financing Act Legislation” within this part of this *2020 Session Major Issues Review*. Funding is also provided for recruitment and retention bonuses and an annual salary review, both of which are targeted at employee classes that have chronic vacancy issues.

SmartWork Student Loan Repayment Program

The fiscal 2021 budget provides \$1 million for the SmartWork program. The key component of the program is a loan repayment benefit up to \$20,000 offered to State employees, for themselves or a child, working in targeted shortage areas (including public safety, psychology, social work, nursing, and IT) to improve recruitment and retention in positions with high vacancies. State employees must agree to work for the State for 10 years to be eligible for the program and receive payouts after service years 1, 3, 5, 7, and 10.

Pension Funding

Retirement contributions increase by \$40 million in fiscal 2021, or 3.8%, due to employee salary increases and investment losses in prior years. The approved budget fully funds the State’s actuarially required contribution and provides \$75 million of supplemental contributions. A provision in the BRFA of 2020 repeals the requirement for a \$25 million appropriation to SRPS from the State Reserve Fund in fiscal 2021.

Employee and Retiree Health Insurance

State Employees and Retiree Health and Welfare Benefits Fund: Fiscal 2021 contributions increase by 2% over fiscal 2020 and after accounting for a legislative reduction of \$10 million (\$7.5 million in general funds) are sufficient to fully fund anticipated expenses.

Retiree Prescription Drug Coverage: Fiscal 2021 includes funding to continue State prescription drug coverage for Medicare-eligible retirees, and the forecast assumes continued funding for this purpose for the full fiscal year, as a pending lawsuit has delayed transition of coverage to Medicare Part D.

Workforce Changes

The State workforce decreases by 535 regular positions from fiscal 2020 to 80,881 regular positions in fiscal 2021, as shown in **Exhibit A-1.10**. The budget, as introduced by the Administration, funded 80,899 positions. Supplemental Budget No. 1 created 25 positions at the Department of Juvenile Services (via contractual conversion), 2 positions in MDA and 0.4 position

at MHEC. Legislative action on the budget abolished a net 46 positions, including 35 positions in the Judiciary, 10 positions in the Maryland Department of the Environment, 2 positions in Executive Department – Boards, Commissions and Offices, 2 positions in the Maryland Department of Veterans Affairs, 1 position in the Department of Human Services, 1 position in the Department of Natural Resources, and 1 position in MDP; offset by 6 positions created in the legislature’s budget.

Exhibit A-1.10
Regular Full-time Equivalent Positions
Fiscal 2020-2021

<u>Department/Service Area</u>	<u>Working</u> <u>Approp.</u> <u>2020</u>	<u>Allowance</u> <u>2021</u>	<u>Supp.</u> <u>Budget</u>	<u>Legis.</u> <u>Reductions</u>	<u>Legis.</u> <u>Approp.</u> <u>2021</u>
Largest Six State Agencies					
DPSCS*	10,139	9,618	0	0	9,618
Transportation	9,058	9,058	0	0	9,058
Human Services	6,119	6,119	0	-1	6,118
Health	6,415	6,347	0	0	6,347
State Police	2,463	2,458	0	0	2,458
Juvenile Services	1,987	1,987	25	0	2,012
Subtotal	36,181	35,587	25	-1	35,611
Other Executive					
Legal (Excluding Judiciary)	1,486	1,508	0	0	1,508
Executive and Administrative Control	1,606	1,608	0	-5	1,603
Financial and Revenue Administration	2,100	2,095	0	0	2,095
DBM and DoIT	541	530	0	0	530
Retirement	189	189	0	0	189
General Services	641	645	0	0	645
Natural Resources	1,348	1,344	0	-1	1,343
Agriculture	394	410	2	0	412
Labor	1,397	1,378	0	0	1,378
MSDE and Other Education	1,991	1,986	0	0	1,986
DHCD	331	331	0	0	331
Commerce	188	188	0	0	188
Environment	893	893	0	-10	883
Subtotal	13,106	13,106	2	-16	13,092
Executive Branch Subtotal	49,286	48,692	27	-17	48,703

<u>Department/Service Area</u>	<u>Working Approp. 2020</u>	<u>Allowance 2021</u>	<u>Supp. Budget</u>	<u>Legis. Reductions</u>	<u>Legis. Approp. 2021</u>
Higher Education	27,322	27,343	0	0	27,343
Judiciary	4,048	4,103	0	-35	4,068
Legislature	760	761	0	6	767
Total	81,416	80,899	27	-46	80,881

DBM: Department of Budget and Management
 DHCD: Department of Housing and Community Development
 DoIT: Department of Information Technology
 DPSCS: Department of Public Safety and Correctional Services
 MSDE: Maryland State Department of Education

*The fiscal 2021 allowance for DPSCS has been adjusted to reflect 521 vacant positions abolished in language in the budget bill as introduced.

Note: Numbers may not sum due to rounding.

Source: Department of Budget and Management; Department of Legislative Services

Legislative Priorities

The General Assembly expressed its spending priorities by restoring \$82.1 million in funding reductions proposed by the Administration and restricting an additional \$6.0 million for specific purposes. **Exhibit A-1.11** details the specific restrictions or authorizations.

Exhibit A-1.11
Legislative Budget Priorities
Fiscal 2021
(\$ in Millions)

<u>Administration Proposed General Fund Reductions Restored by General Assembly</u>	<u>Final</u>
Restore 4% Rate Increase for Developmental Disabilities, Behavioral Health, and Medicaid Providers (Governor proposed trimming to 2%)	\$39.5
Restore Full Funding for Community College Aid Formula	18.2
Fund 18% Increase for Independent Colleges and Universities	10.6
Restore Full Funding for National Capital Strategic Economic Development Program	7.2
No Increase to Local Share of Department of Assessments and Taxation Costs	4.4
Fully Fund Mandate for Baltimore Symphony Orchestra	1.6
Fully Fund Increase to Annapolis PILOT Payment	0.4
Fully Fund Mandated Increase for Maryland Public Television	0.2
Total Administration Reductions Restored	\$82.1
General Funds Restricted (Fenced) for Legislative Priorities	
State Nutrition Program	0.5
Assistance to Businesses Impacted by the Purple Line Construction*	2.0
Creating a Women’s Pre-release Pilot Program	1.5
Pretrial Services Grant Fund	0.8
Grant to Chesapeake Bay Foundation for Educational Programming	0.4
Hiring Compliance and Enforcement Staff at MDE and MDA	0.4
Establishment of a Private Letter Ruling Process by Comptroller	0.3
Make Office Vacancies Extinct Program	0.1
	\$6.0
Total Funding for Priorities Not Funded by Governor	\$88.0

MDA: Maryland Department of Agriculture

MDE: Maryland Department of the Environment

PILOT: payment on lieu of taxes

*Includes \$1 million of special funds and \$1 million of general funds.

Note: Numbers may not sum due to rounding.

Source: Department of Budget and Management; Department of Legislative Services

By the Numbers

A number of exhibits summarize legislative budget action, as described below.

Exhibit A-1.12, the fiscal note on the budget bill, depicts the Governor's allowance, funding changes made through a supplemental budget, legislative reductions, and final appropriations for fiscal 2020 and 2021 by fund source. The Governor's original request provided for \$48.5 billion in fiscal 2021 expenditures and \$615.2 million in fiscal 2020 deficiencies.

A supplemental budget provided an additional \$76.6 million in spending across fiscal 2020 and 2021. This modest increase was offset by actions taken in the operating budget and BRFA of 2020 to reduce spending in fiscal 2020 by \$31.1 million and nearly \$600.4 million in fiscal 2021. The fiscal 2021 legislative appropriation of \$48.0 billion reflects a \$678.6 million, or 1.4%, increase over the \$47.3 billion fiscal 2020 appropriation when all actions on *Senate Bill 190* and *Senate Bill 192* are considered.

Exhibit A-1.13 provides detail for the budget changes by major expenditure category by fund. Absent a 77% reduction in the appropriation to the Reserve Fund, total spending increases by nearly \$1.2 billion, or 2.5%. Debt service grows by \$73.6 million, or 4.4%, based on the past and projected issuance of GO and transportation debt. Aid to local government increases by \$293.1 million, or 3.2%, largely due to formula-based education aid and an increase in 911 fee revenue passed-through to counties. Entitlement spending increases by \$136.2 million, or 1.0%, driven primarily by rate increases for Medicaid and other service providers, but offset slightly by a net reduction in assistance payments to align with recent historical spending trends. State agency spending increases by \$1.0 billion, or 5.4%, nearly half of which is funding for the first year of payments for the reinsurance program through MHBE. The remainder of the increase reflects growth in higher education spending, previously discussed employee compensation enhancements, and various increases in agency operations and programs. PAYGO capital expenditures decrease by \$351.0 million, or 10.6%, primarily reflecting debt capacity limitations for the transportation program.

Exhibit A-1.12
Fiscal Note – Summary of the Fiscal 2021 Budget Bill – *Senate Bill 190*

	<u>General Funds</u>	<u>Special Funds</u>	<u>Federal Funds</u>	<u>Higher Education Funds</u>	<u>Total Funds</u>
Governor’s Allowance					
Fiscal 2020 Budget	\$19,540,602,063	\$9,569,634,124	\$13,381,629,278	\$4,774,010,928	\$47,265,876,393 ¹
Fiscal 2021 Budget	20,205,894,764 ²	9,605,504,378 ³	13,885,016,520	4,818,096,855	48,514,512,517
Supplemental Budget No. 1					
Fiscal 2020 Deficiencies	\$33,887,563	\$1,780,703	\$3,023,365	\$0	\$38,691,631
Fiscal 2021 Budget	-\$51,976,251	89,384,771	504,297		37,912,817
Subtotal	-\$18,088,688	\$91,165,474	\$3,527,662	\$0	\$76,604,448
Budget Reconciliation and Financing Act of 2020					
Fiscal 2020 Deficiencies	-\$6,394,640	-\$6,206,380	-\$287,500	\$0	-\$12,888,520
Fiscal 2021 Contingent Reductions	-401,507,571	8,550,000 ⁴	0	0	-392,957,571
Subtotal	-\$407,902,211	\$2,343,620	-\$287,500	\$0	-\$405,846,091
Legislative Reductions					
Fiscal 2020 Deficiencies	-\$17,814,974	-\$419,104	\$0	\$0	-\$18,234,078
Fiscal 2021 Budget	-123,790,410	-8,577,783 ⁵	-75,030,396	0	-207,398,589
Total Reductions	-\$141,605,384	-\$8,996,887	-\$75,030,396	\$0	-\$225,632,667
Appropriations					
Fiscal 2020 Budget	\$19,550,280,012	\$9,564,789,343	\$13,384,365,143	\$4,774,010,928	\$47,273,445,426
Fiscal 2021 Budget	19,628,620,532	9,694,861,366	13,810,490,421	4,818,096,855	47,952,069,174
Change	\$78,340,520	\$130,072,023	\$426,125,278	\$44,085,927	\$678,623,748

¹ Reflects \$615.2 million in proposed deficiencies, including \$223.3 million in general funds, \$135.8 million in special funds, \$255.3 million in federal funds, and \$0.8 million current unrestricted funds. Assumes \$35.0 million in unspecified general fund reversions, \$101.5 million in targeted general reversions, and \$0.5 million in targeted special fund reversions. Excludes \$43.5 million that double counts general fund spending.

² Assumes \$35.0 million in unspecified general fund reversions.

³ Excludes \$40 million that double counts general fund spending.

⁴ Assumes \$8.6 million in special funds to back-fill for general fund reductions.

⁵ Assumes \$11.6 million in special funds to back-fill for general fund reductions.

Exhibit A-1.13
State Expenditures – General Funds
Fiscal 2019-2021
(\$ in Millions)

<u>Category</u>	<u>Actual</u> <u>2019</u>	<u>Working</u> <u>Approp.</u> <u>2020</u>	<u>Legis.</u> <u>Approp.</u> <u>2021</u>	<u>\$ Change</u> <u>2020 to 2021</u>	<u>% Change</u>
Debt Service	\$286.0	\$287.0	\$131.0	-\$156.0	-54.4%
County/Municipal	\$286.2	\$309.4	\$315.0	\$5.6	1.8%
Community Colleges	321.7	330.7	367.2	36.5	11.1%
Education/Libraries	6,053.2	6,405.1	6,624.5	219.4	3.4%
Health	51.9	59.1	60.0	0.9	1.6%
<i>Aid to Local Governments</i>	\$6,712.9	\$7,104.3	\$7,366.8	\$262.5	3.7%
Foster Care Payments	\$188.2	\$202.3	\$209.3	\$7.0	3.5%
Assistance Payments	41.6	43.3	47.6	4.3	10.0%
Medical Assistance	3,394.3	3,623.7	3,825.1	201.4	5.6%
Property Tax Credits	96.8	97.2	97.2	0.0	0.0%
<i>Entitlements</i>	\$3,720.9	\$3,966.5	\$4,179.3	\$212.8	5.4%
Health	\$1,489.5	\$1,585.4	\$1,640.6	\$55.2	3.5%
Human Services	376.0	369.3	375.4	6.1	1.6%
Juvenile Services	262.1	264.4	265.9	1.5	0.6%
Public Safety/Police	1,529.5	1,580.5	1,594.8	14.3	0.9%
Higher Education	1,493.6	1,587.6	1,684.0	96.3	6.1%
Other Education	456.6	483.8	503.4	19.7	4.1%
Agriculture/Natural Res./Environment	127.3	148.7	161.7	12.9	8.7%
Other Executive Agencies	746.5	835.1	862.9	27.8	3.3%
Judiciary	508.0	537.9	558.4	20.5	3.8%
Legislative	91.6	97.6	104.3	6.7	6.8%
<i>State Agencies</i>	\$7,080.7	\$7,490.3	\$7,751.4	\$261.0	3.5%
Total Operating	\$17,800.5	\$18,848.2	\$19,428.4	\$580.3	3.1%
Capital ¹	\$59.5	\$77.0	\$83.2	\$6.3	8.1%
<i>Subtotal</i>	\$17,860.0	\$18,925.1	\$19,511.6	\$586.5	3.1%
Reserve Funds	\$9.3	\$660.2	\$152.0	-\$508.2	-77.0%
Appropriations	\$17,869.3	\$19,585.3	\$19,663.6	\$78.3	0.4%
Reversions	\$0.0	-\$35.0	-\$35.0	\$0.0	0.0%
Grand Total	\$17,869.3	\$19,550.3	\$19,628.6	\$78.3	0.4%

¹ Includes the Historic Revitalization Tax Credit Reserve Fund.

Note: The fiscal 2020 working appropriation includes \$239.4 million in deficiencies and \$72.9 million in targeted reversions of which \$6.4 million is contingent on the Budget Reconciliation and Financing Act of 2020 (BRFA). The fiscal 2021 legislative appropriation includes \$401.5 million in reductions contingent on the BRFA of 2020.

Exhibit A-1.13 (Continued)
State Expenditures – Special and Higher Education Funds*
Fiscal 2019-2021
(\$ in Millions)

<u>Category</u>	<u>Actual 2019</u>	<u>Working Approp. 2020</u>	<u>Legis. Approp. 2021</u>	<u>\$ Change 2020 to 2021</u>	<u>% Change</u>
Debt Service	\$1,338.3	\$1,388.8	\$1,618.9	\$230.1	16.6%
County/Municipal	\$381.1	\$403.5	\$454.6	\$51.0	12.6%
Community Colleges	0.0	0.0	0.0	0.0	n/a
Education/Libraries	556.4	682.1	676.0	-6.0	-0.9%
Health	0.0	0.0	0.0	0.0	n/a
<i>Aid to Local Governments</i>	<i>\$937.5</i>	<i>\$1,085.6</i>	<i>\$1,130.6</i>	<i>\$45.0</i>	<i>4.1%</i>
Foster Care Payments	\$3.6	\$4.3	\$3.3	-\$1.0	-22.8%
Assistance Payments	9.5	5.4	6.4	1.0	18.7%
Medical Assistance	958.7	992.6	924.1	-68.5	-6.9%
Property Tax Credits	0.0	0.0	0.0	0.0	n/a
<i>Entitlements</i>	<i>\$971.8</i>	<i>\$1,002.3</i>	<i>\$933.8</i>	<i>-\$68.5</i>	<i>-6.8%</i>
Health	\$362.6	\$444.7	\$514.6	\$69.9	15.7%
Human Services	100.8	76.6	77.2	0.6	0.8%
Juvenile Services	3.2	3.0	3.3	0.2	7.8%
Public Safety/Police	213.6	235.4	287.5	52.2	22.2%
Higher Education	4,691.7	4,868.3	4,910.8	42.6	0.9%
Other Education	65.8	73.0	79.5	6.6	9.0%
Transportation	2,029.1	2,046.6	2,182.6	136.0	6.6%
Agriculture/Natural Res./Environment	281.9	304.2	301.1	-3.1	-1.0%
Other Executive Agencies	624.4	745.8	767.1	21.3	2.9%
Judiciary	53.0	66.6	69.7	3.2	4.8%
Legislative	0.0	0.0	0.0	0.0	n/a
<i>State Agencies</i>	<i>\$8,426.0</i>	<i>\$8,864.1</i>	<i>\$9,193.5</i>	<i>\$329.4</i>	<i>3.7%</i>
Total Operating	\$11,673.6	\$12,340.8	\$12,876.8	\$536.0	4.3%
Capital	\$1,850.6	\$1,998.0	\$1,636.2	-\$361.8	-18.1%
Transportation	1,402.8	1,568.2	1,205.2	-363.0	-23.1%
Environment	220.3	177.7	216.4	38.7	21.7%
Other	227.6	252.0	214.6	-37.4	-14.9%
Grand Total	\$13,524.2	\$14,338.8	\$14,513.0	\$174.2	1.2%

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

Note: The fiscal 2020 working appropriation reflects \$137.2 million in deficiencies, \$6.2 million in reductions contingent on the Budget Reconciliation and Financing Act (BRFA) of 2020, \$0.5 million in targeted reversions and excludes \$43.5 million that double counts general fund spending. The fiscal 2021 legislative appropriation excludes \$40 million that double counts general fund spending. Fiscal 2021 also reflects \$3.5 million in reductions contingent on the BRFA of 2020 and \$23.7 million in additional special fund spending due to funding swaps.

Exhibit A-1.13 (Continued)
State Expenditures – Federal Funds
Fiscal 2019-2021
(\$ in Millions)

<u>Category</u>	<u>Actual</u> <u>2019</u>	<u>Working</u> <u>Approp.</u> <u>2020</u>	<u>Legis. Approp.</u> <u>2021</u>	<u>\$ Change</u> <u>2020 to 2021</u>	<u>% Change</u>
Debt Service	\$11.6	\$11.5	\$11.0	-\$0.5	-4.6%
County/Municipal	\$70.9	\$74.1	\$74.7	\$0.7	0.9%
Community Colleges	0.0	0.0	0.0	0.0	n/a
Education/Libraries	896.6	984.7	969.7	-15.0	-1.5%
Health	0.0	0.0	0.0	0.0	n/a
<i>Aid to Local Governments</i>	<i>\$967.5</i>	<i>\$1,058.7</i>	<i>\$1,044.4</i>	<i>-\$14.3</i>	<i>-1.4%</i>
Foster Care Payments	\$79.0	\$74.6	\$74.4	-\$0.2	-0.3%
Assistance Payments	991.8	1,045.2	994.4	-50.8	-4.9%
Medical Assistance	6,878.7	7,058.2	7,101.1	42.8	0.6%
Property Tax Credits	0.0	0.0	0.0	0.0	n/a
<i>Entitlements</i>	<i>\$7,949.5</i>	<i>\$8,178.0</i>	<i>\$8,169.9</i>	<i>-\$8.1</i>	<i>-0.1%</i>
Health	\$1,036.7	\$1,136.5	\$1,568.6	\$432.1	38.0%
Human Services	545.1	610.1	618.4	8.3	1.4%
Juvenile Services	3.7	4.6	4.4	-0.2	-4.2%
Public Safety/Police	35.4	41.7	33.7	-8.0	-
Higher Education	0.0	0.0	0.0	0.0	n/a
Other Education	246.3	307.8	325.1	17.4	5.7%
Transportation	90.8	108.2	106.5	-1.7	-1.5%
Agriculture/Natural Res./Environment	66.0	68.4	71.3	2.9	4.3%
Other Executive Agencies	594.5	620.7	615.1	-5.5	-0.9%
Judiciary	0.5	1.0	0.3	-0.7	-
<i>State Agencies</i>	<i>\$2,619.0</i>	<i>\$2,898.8</i>	<i>\$3,343.3</i>	<i>\$444.5</i>	<i>15.3%</i>
Total Operating	\$11,547.5	\$12,147.1	\$12,568.6	\$421.6	3.5%
Capital	\$850.2	\$1,237.3	\$1,241.8	\$4.6	0.4%
Transportation	788.4	1,120.7	1,160.2	39.5	3.5%
Environment	43.3	52.9	53.1	0.3	0.5%
Other	18.6	63.8	28.5	-35.3	-
Grand Total	\$12,397.8	\$13,384.4	\$13,810.5	\$426.1	3.2%

Note: The fiscal 2020 working appropriation includes \$258.3 million in deficiencies and \$0.3 million in cuts contingent on the Budget Reconciliation and Financing Act of 2020.

Exhibit A-1.13 (Continued)
State Expenditures – State Funds
Fiscal 2019-2021
(\$ in Millions)

<u>Category</u>	<u>Actual</u> <u>2019</u>	<u>Working</u> <u>Approp.</u> <u>2020</u>	<u>Legis.</u> <u>Approp.</u> <u>2021</u>	<u>\$ Change</u> <u>2020 to 2021</u>	<u>% Change</u>
Debt Service	\$1,624.3	\$1,675.8	\$1,749.9	\$74.1	4.4%
County/Municipal	\$667.2	\$712.9	\$769.6	\$56.6	7.9%
Community Colleges	321.7	330.7	367.2	36.5	11.1%
Education/Libraries	6,609.6	7,087.2	7,300.6	213.4	3.0%
Health	51.9	59.1	60.0	0.9	1.6%
<i>Aid to Local Governments</i>	<i>\$7,650.4</i>	<i>\$8,189.9</i>	<i>\$8,497.4</i>	<i>\$307.4</i>	<i>3.8%</i>
Foster Care Payments	\$191.8	\$206.6	\$212.6	\$6.0	2.9%
Assistance Payments	51.1	48.7	54.1	5.4	11.0%
Medical Assistance	4,353.0	4,616.3	4,749.2	132.9	2.9%
Property Tax Credits	96.8	97.2	97.2	0.0	0.0%
<i>Entitlements</i>	<i>\$4,692.7</i>	<i>\$4,968.8</i>	<i>\$5,113.1</i>	<i>\$144.3</i>	<i>2.9%</i>
Health	\$1,852.0	\$2,030.0	\$2,155.2	\$125.2	6.2%
Human Services	476.8	445.9	452.6	6.6	1.5%
Juvenile Services	265.4	267.4	269.2	1.8	0.7%
Public Safety/Police	1,743.1	1,815.9	1,882.3	66.4	3.7%
Higher Education	6,185.3	6,455.9	6,594.8	138.9	2.2%
Other Education	522.3	556.7	583.0	26.3	4.7%
Transportation	2,029.1	2,046.6	2,182.6	136.0	6.6%
Agriculture/Natural Res./Environment	409.2	452.9	462.7	9.8	2.2%
Other Executive Agencies	1,370.9	1,581.0	1,630.1	49.1	3.1%
Judiciary	561.0	604.4	628.1	23.7	3.9%
Legislative	91.6	97.6	104.3	6.7	6.8%
<i>State Agencies</i>	<i>\$15,506.7</i>	<i>\$16,354.4</i>	<i>\$16,944.8</i>	<i>\$590.4</i>	<i>3.6%</i>
Total Operating	\$29,474.1	\$31,189.0	\$32,305.2	\$1,116.2	3.6%
Capital ¹	\$1,910.1	\$2,074.9	\$1,719.4	-\$355.6	-17.1%
Transportation	1,402.8	1,568.2	1,205.2	-363.0	-23.1%
Environment	220.8	178.3	217.1	38.8	21.8%
Other	286.5	328.4	297.1	-31.4	-9.5%
<i>Subtotal</i>	<i>\$31,384.2</i>	<i>\$33,263.9</i>	<i>\$34,024.6</i>	<i>\$760.7</i>	<i>2.3%</i>
Reserve Funds	\$9.3	\$660.2	\$152.0	-\$508.2	-77.0%
Appropriations	\$31,393.5	\$33,924.1	\$34,176.6	\$252.5	0.7%
Reversions	\$0.0	-\$35.0	-\$35.0	\$0.0	0.0%
Grand Total	\$31,393.5	\$33,889.1	\$34,141.6	\$252.5	0.7%

¹ Includes the Historic Revitalization Tax Credit Reserve Fund.

Note: The fiscal 2020 working appropriation reflects \$377.4 million in deficiencies, \$6.2 million in special fund reductions contingent on the Budget Reconciliation and Financing Act (BRFA) of 2020, and \$73.4 million in targeted reversions of which \$6.4 million is contingent on the BRFA. Fiscal 2020 also excludes \$43.5 million of special funds that double counts general fund spending. The fiscal 2021 legislative appropriation excludes \$40 million of special funds that double counts general fund spending. Fiscal 2021 also reflects \$405.0 million in reductions contingent on the BRFA and \$23.7 million in additional special fund spending due to funding swaps.

Exhibit A-1.13 (Continued)
State Expenditures – All Funds
Fiscal 2019-2021
(\$ in Millions)

<u>Category</u>	<u>Actual 2019</u>	<u>Working Approp. 2020</u>	<u>Legis. Approp. 2021</u>	<u>\$ Change 2020 to 2021</u>	<u>% Change</u>
Debt Service	\$1,635.9	\$1,687.4	\$1,760.9	\$73.6	4.4%
County/Municipal	\$738.1	\$787.0	\$844.3	\$57.3	7.3%
Community Colleges	321.7	330.7	367.2	36.5	11.1%
Education/Libraries	7,506.2	8,071.9	8,270.2	198.4	2.5%
Health	51.9	59.1	60.0	0.9	1.6%
<i>Aid to Local Governments</i>	<i>\$8,617.9</i>	<i>\$9,248.6</i>	<i>\$9,541.8</i>	<i>\$293.1</i>	<i>3.2%</i>
Foster Care Payments	\$270.8	\$281.2	\$287.0	\$5.8	2.1%
Assistance Payments	1,042.9	1,093.9	1,048.5	-45.4	-4.2%
Medical Assistance	11,231.7	11,674.6	11,850.3	175.7	1.5%
Property Tax Credits	96.8	97.2	97.2	0.0	0.0%
<i>Entitlements</i>	<i>\$12,642.2</i>	<i>\$13,146.8</i>	<i>\$13,283.0</i>	<i>\$136.2</i>	<i>1.0%</i>
Health	\$2,888.7	\$3,166.5	\$3,723.8	\$557.3	17.6%
Human Services	1,021.9	1,056.1	1,071.0	14.9	1.4%
Juvenile Services	269.1	272.0	273.5	1.6	0.6%
Public Safety/Police	1,778.5	1,857.6	1,915.9	58.4	3.1%
Higher Education	6,185.3	6,455.9	6,594.8	138.9	2.2%
Other Education	768.6	864.5	908.1	43.7	5.1%
Transportation	2,119.9	2,154.8	2,289.1	134.3	6.2%
Agriculture/Natural Res./Environment	475.2	521.3	534.0	12.8	2.4%
Other Executive Agencies	1,965.4	2,201.6	2,245.2	43.6	2.0%
Judiciary	561.6	605.4	628.4	22.9	3.8%
Legislative	91.6	97.6	104.3	6.7	6.8%
<i>State Agencies</i>	<i>\$18,125.7</i>	<i>\$19,253.2</i>	<i>\$20,288.1</i>	<i>\$1,034.9</i>	<i>5.4%</i>
Total Operating	\$41,021.6	\$43,336.1	\$44,873.8	\$1,537.8	3.5%
Capital ¹	\$2,760.3	\$3,312.2	\$2,961.2	-\$351.0	-10.6%
Transportation	2,191.2	2,688.9	2,365.4	-323.5	-12.0%
Environment	264.1	264.1	270.2	6.2	2.3%
Other	305.1	359.3	325.6	-33.7	-9.4%
<i>Subtotal</i>	<i>\$43,782.0</i>	<i>\$46,648.3</i>	<i>\$47,835.1</i>	<i>\$1,186.8</i>	<i>2.5%</i>
Reserve Funds	\$9.3	\$660.2	\$152.0	-\$508.2	-77.0%
Appropriations	\$43,791.3	\$47,308.4	\$47,987.1	\$678.6	1.4%
Reversions	\$0.0	-\$35.0	-\$35.0	\$0.0	0.0%
Grand Total	\$43,791.3	\$47,273.4	\$47,952.1	\$678.6	1.4%

¹ Includes the Historic Revitalization Tax Credit Reserve Fund.

Note: The fiscal 2020 working appropriation reflects \$635.7 million in deficiencies, \$6.5 million in special and federal fund reductions contingent on the Budget Reconciliation and Financing Act (BRFA), and \$73.4 million in target reversions of which \$6.4 million is contingent on the BRFA. Fiscal 2020 also excludes \$43.5 million of special funds that double counts general fund spending. The fiscal 2021 legislative appropriation excludes \$40 million of special funds that double counts general fund spending. Fiscal 2021 also reflects \$405.0 million in reductions contingent on the BRFA and \$23.7 million in additional special fund spending due to funding swaps.

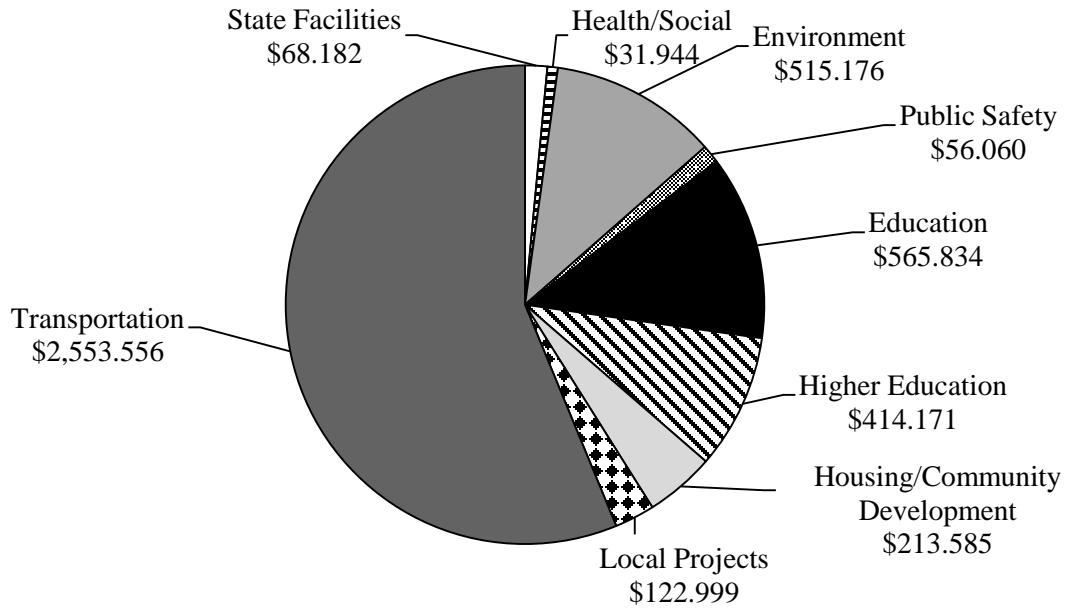
Capital Budget

The General Assembly passed a fiscal 2021 capital program totaling \$4.542 billion, including \$2.554 billion for the transportation program. Apart from transportation, the program totals \$1.988 billion: \$1.108 billion is funded with general obligation (GO) bonds authorized in *Senate Bill 191 (passed)*, the Maryland Consolidated Capital Bond Loan (MCCBL) of 2020; \$595.8 million is funded on a pay-as-you-go (PAYGO) basis in the operating budget; \$102.0 million is funded with attained and estimated bond premium proceeds; \$150.0 million is funded with revenue bonds authorized in *House Bill 1 (passed)*; and \$32.0 million is funded with Academic Revenue Bonds (ARB) for University System of Maryland facilities authorized in *Senate Bill 344 (passed)*.

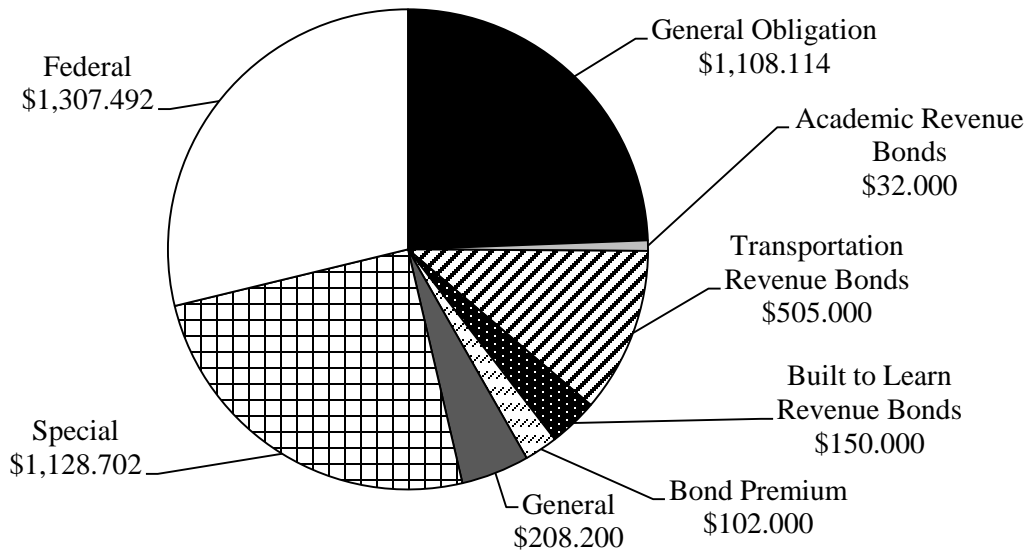
Exhibit A-2.1 provides a summary of the capital program by uses and sources, **Exhibit A-2.2** presents an overview of the State’s capital program for fiscal 2021, **Exhibit A-2.3** provides a detailed list of capital projects and programs by function and fund source, and **Exhibit A-2.4** provides the individual legislative bond initiative projects funded in the MCCBL of 2020.

Exhibit A-2.1
Fiscal 2021 Capital Program Uses and Sources
 (\$ in Millions)

Uses



Sources



Source: Department of Legislative Services

Exhibit A-2.2
Capital Program Summary for the 2020 Session
(\$ in Millions)

Function	Bonds			Current Funds (PAYGO)			Total
	General Obligation	Revenue	Bond Premium	General	Special	Federal	
State Facilities							\$68.2
Facilities Renewal	\$29.5	\$0.0	\$10.0	\$0.0	\$0.0	\$0.0	
State Facilities Other	28.7	0.0	0.0	0.0	0.0	0.0	
Health/Social							\$32.0
Health Other	\$9.3	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	
Health State Facilities	0.4	0.0	0.0	0.0	0.0	0.0	
Private Hospitals	15.3	0.0	7.0	0.0	0.0	0.0	
Environment							\$515.2
Agriculture	\$9.1	\$0.0	\$0.0	\$0.0	\$42.1	\$0.0	
Environment	23.8	0.0	0.0	0.7	216.4	53.1	
Maryland Environmental Service	11.6	0.0	0.0	0.0	4.7	0.0	
Natural Resources	15.4	0.0	0.0	0.0	132.8	5.5	
Public Safety							\$56.1
Local Jails	\$11.6	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	
State Corrections	33.2	0.0	8.0	0.0	0.0	0.0	
State Police	3.3	0.0	0.0	0.0	0.0	0.0	
Education							\$565.8
Education Other	\$7.7	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	
School Construction	364.6	150.0	0.0	43.5	0.0	0.0	
Higher Education							\$414.2
Community Colleges	\$101.1	\$0.0	\$0.0	\$4.0	\$0.0	\$0.0	
Morgan State University	15.2	0.0	5.0	0.0	0.0	0.0	
Private Colleges/Universities	12.0	0.0	0.0	0.0	0.0	0.0	
St. Mary's College of Maryland	35.2	0.0	0.0	0.0	0.0	0.0	
University System	137.6	32.0	72.0	0.0	0.0	0.0	
Housing and Community Development							\$213.6
Housing	\$115.7	\$0.0	\$0.0	\$24.5	\$34.7	\$23.0	
Housing Other	6.4	0.0	0.0	9.0	0.3	0.0	
Local Projects							\$122.9
Local Project Administration	\$47.9	\$0.0	\$0.0	\$1.5	\$0.0	\$0.0	
Local Project Legislative	73.5	0.0	0.0	0.0	0.0	0.0	

<u>Function</u>	<u>Bonds</u>			<u>Current Funds (PAYGO)</u>			
	<u>General Obligation</u>	<u>Revenue</u>	<u>Bond Premium</u>	<u>General</u>	<u>Special</u>	<u>Federal</u>	<u>Total</u>
Current Year Total*	\$1,108.1	\$182.0	\$102.0	\$83.2	\$431.0	\$81.6	\$1,988.0
Deauthorizations							-\$13.1
Deauthorizations as							
Introduced	-\$9.1	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	
Additional Deauthorizations	-4.0	0.0	0.0	0.0	0.0	0.0	
Adjusted Current Year Total	\$1,095.0	\$182.0	\$102.0	\$83.2	\$431.0	\$81.6	\$1,974.8
Transportation CTP	\$0.0	\$505.0	\$0.0	\$0.0	\$697.7	\$1,225.8	\$2,428.6
Transportation DPA	\$0.0	\$0.0	\$0.0	\$125.0	\$0.0	\$0.0	\$125.0
Grand Total	\$1,108.1*	\$687.0	\$102.0	\$208.2	\$1,128.7	\$1,307.5	\$4,541.5

CTP: Consolidated Transportation Program

DPA: Dedicated Purpose Account

PAYGO: pay-as-you-go

* The general obligation (GO) bond total reflects the amount of GO bonds authorized in the Maryland Consolidated Capital Bond Loan of 2020 after accounting for the \$13.1 million deauthorization of prior authorized funds included in the bill.

Source: Department of Legislative Services

Exhibit A-2.3
Capital Program for the 2020 Session

<u>Budget Code</u>	<u>Project Title</u>	<u>Bonds</u>		<u>Bond Premium</u>	<u>Current Funds (PAYGO)</u>			<u>Total Funds</u>
		<u>General Obligation</u>	<u>Revenue</u>		<u>General</u>	<u>Special</u>	<u>Federal</u>	
	State Facilities							
DA0201A	MDOD: Accessibility Modifications	\$1,851,000	\$0	\$0	\$0	\$0	\$0	\$1,851,000
DA03A	MSA: Department of Legislative Services Building	3,500,000	\$0		\$0	\$0	\$0	\$3,500,000
DE0201A	BPW: Construction Contingency Fund	2,500,000	0		0	0	0	2,500,000
DE0201B	BPW: Facilities Renewal Fund	23,476,000	0	10,000,000	0	0	0	33,476,000 ¹
DE0201C	BPW: Fuel Storage Tank Replacement Program	1,000,000	0		0	0	0	1,000,000
DE0201D	BPW: Lawyer's Mall Underground Infrastructure Replacement	5,000,000	0		0	0	0	5,000,000
DE0201E	BPW: Shillman Building Conversion	713,000	0		0	0	0	713,000
DE0201F	BPW: Courts of Appeal Building	2,450,000	0		0	0	0	2,450,000
DH0104A	MD: Combined Support Maintenance Shop	5,049,000	0		0	0	0	5,049,000
DH0104B	MD: Maryland Emergency Management Agency Headquarters Renovation and Expansion	585,000	0		0	0	0	585,000
FB04A	DoIT: Public Safety Communications System	9,613,000	0		0	0	0	9,613,000
RP00A	MPBC: Maryland Public Television Transmission Systems Replacement	900,000	0		0	0	0	900,000

<u>Budget Code</u>	<u>Project Title</u>	<u>Bonds</u>		<u>Bond Premium</u>	<u>Current Funds (PAYGO)</u>			<u>Total Funds</u>
		<u>General Obligation</u>	<u>Revenue</u>		<u>General</u>	<u>Special</u>	<u>Federal</u>	
RP00B	MPBC: Studio A Renovation and Addition	545,000	0		0	0	0	545,000
ZA00AD	MISC: Historic Annapolis Restoration	1,000,000	0		0	0	0	1,000,000
	Subtotal	\$58,182,000	\$0	\$10,000,000	\$0	\$0	\$0	\$68,182,000
	Health/Social							
DA0701A	MDOA: Senior Centers Capital Grant Program	\$344,000	\$0	\$0	\$0	\$0	\$0	\$344,000
MA01A	MDH: Community Health Facilities Grant Program	6,500,000	0		0	0	0	6,500,000
MA01B	MDH: Federally Qualified Health Centers Grant Program	2,500,000	0		0	0	0	2,500,000
RQ00A	UMMS: Comprehensive Cancer and Organ Transplant Treatment Center	500,000	0	7,000,000	0	0	0	7,500,000 ¹
RQ00B	UMMS: R Adams Cowley Shock Trauma Center – Phase III	3,000,000	0		0	0	0	3,000,000
ZA00AG	MISC: Johns Hopkins Bayview Medical Center – New Inpatient Building and Renovations	2,000,000	0		0	0	0	2,000,000
ZA00AP	MISC: MedStar Franklin Square Hospital – New Surgical Tower	3,500,000	0		0	0	0	3,500,000
ZA01A	MISC: Atlantic General Hospital	800,000	0		0	0	0	800,000
ZA01B	MISC: Frederick Memorial Hospital	2,500,000	0		0	0	0	2,500,000
ZA01C	MISC: The Johns Hopkins Hospital	691,000	0		0	0	0	691,000

<u>Budget Code</u>	<u>Project Title</u>	<u>Bonds</u>		<u>Bond Premium</u>	<u>Current Funds (PAYGO)</u>			<u>Total Funds</u>
		<u>General Obligation</u>	<u>Revenue</u>		<u>General</u>	<u>Special</u>	<u>Federal</u>	
ZA01D	MISC: Kennedy Krieger Children’s Hospital	450,000	0		0	0	0	450,000
ZA01E	MISC: MedStar Montgomery Medical Center	400,000	0		0	0	0	400,000
ZA01F	MISC: Meritus Medical Center	509,000	0		0	0	0	509,000
ZA01G	MISC: Mount Washington Pediatric Hospital	750,000	0		0	0	0	750,000
ZA01H	MISC: Sinai Hospital of Baltimore – Center of Hope	500,000	0		0	0	0	500,000
	Subtotal	\$24,944,000	\$0	\$7,000,000	\$0	\$0	\$0	\$31,944,000
	Environment							
KA0510A	DNR: Natural Resources Development Fund	\$0	\$0	\$0	\$0	\$9,000,000	\$0	\$9,000,000
KA0510B	DNR: Critical Maintenance Program	0	0		0	4,000,000	0	4,000,000
KA0510C	DNR: Program Open Space – State	0	0		0	42,090,768	3,000,000	45,090,768
KA0510D	DNR: Program Open Space – Local	0	0		0	44,185,905	0	44,185,905
KA0510E	DNR: Rural Legacy Program	0	0		0	17,999,092	0	17,999,092
KA05A	DNR: Community Parks and Playgrounds Program	2,500,000	0		0	0	0	2,500,000
KA0906A	DNR: Ocean City Beach Maintenance	0	0		0	2,000,000	0	2,000,000
KA1401A	DNR: Waterway Improvement Fund	0	0		0	13,500,000	2,500,000	16,000,000
KA1402A	DNR: Coastal Resiliency Program	4,160,000	0		0	0	0	4,160,000
KA1701A	DNR: Oyster Restoration Program	8,730,000	0		0	0	0	8,730,000
LA1111A	MDA: Maryland Agricultural Land Preservation Program	0	0		0	42,105,178	0	42,105,178

<u>Budget Code</u>	<u>Project Title</u>	<u>Bonds</u>		<u>Bond Premium</u>	<u>Current Funds (PAYGO)</u>			<u>Total Funds</u>
		<u>General Obligation</u>	<u>Revenue</u>		<u>General</u>	<u>Special</u>	<u>Federal</u>	
LA1205A	MDA: Salisbury Animal Health Laboratory Replacement	1,074,000	0		0	0	0	1,074,000
LA15A	MDA: Maryland Agricultural Cost-Share Program	8,000,000	0		0	0	0	8,000,000
UA0104	MDE: Hazardous Substance Cleanup Program	0	0		500,000	0	0	500,000
UA0111A	MDE: Bay Restoration Fund	0	0		0	75,000,000	0	75,000,000
UA0112	MDE: Bay Restoration Fund Septic System Program	0	0		0	15,000,000	0	15,000,000
UA01A	MDE: Comprehensive Flood Management Program	5,980,000	0	\$0	200,000	0	0	6,180,000 ²
UA01B	MDE: Maryland Drinking Water Revolving Loan Fund	4,032,000	0		0	14,800,000	14,716,000	33,548,000
UA01C	MDE: Maryland Water Quality Revolving Loan Fund	7,686,000	0		0	111,600,000	38,430,000	157,716,000
UA01D	MDE: Mining Remediation Program	500,000	0		0	0	0	500,000
UA01E	MDE: Supplemental Assistance Program	4,175,000	0		0	0	0	4,175,000
UA01F	MDE: Water Supply Financial Assistance Program	1,426,000	0		0	0	0	1,426,000
UB01A	MES: Infrastructure Improvement Fund	11,576,000	0		0	4,710,657	0	16,286,657
	Subtotal	\$59,839,000	\$0	\$0	\$700,000	\$395,991,600	\$58,646,000	\$515,176,600
	Public Safety							
QR0202A	DPSCS: Housing Unit Windows and Steam Heating System	\$7,460,000	\$0	\$0	\$0	\$0	\$0	\$7,460,000

<u>Budget Code</u>	<u>Project Title</u>	<u>Bonds</u>		<u>Bond Premium</u>	<u>Current Funds (PAYGO)</u>			<u>Total Funds</u>
		<u>General Obligation</u>	<u>Revenue</u>		<u>General</u>	<u>Special</u>	<u>Federal</u>	
QS0101A	DPSCS: Jessup Region and Western Maryland Perimeter Security Upgrades	921,000	0		0	0	0	921,000
QS0101B	DPSCS: Jessup Region Electrical Infrastructure Upgrade	994,000	0		0	0	0	994,000
QS0208A	DPSCS: High Temperature Distribution and Perimeter Security Improvements	18,141,000	0		0	0	0	18,141,000
QT04A	DPSCS: Demolition of Buildings at the Baltimore City Correctional Complex	5,647,000	0		0	0	0	5,647,000
QT04B	DPSCS: Therapeutic Treatment Center	0	0	8,000,000	0	0	0	8,000,000 ¹
WA01A	DSP: New Berlin Barrack and Garage	158,000	0		0	0	0	158,000
WA01B	DSP: New Cumberland Barrack and Garage	2,352,000	0		0	0	0	2,352,000
WA01C	DSP: New Tactical Operations Building	742,000	0		0	0	0	742,000
ZB02A	DPSCS: Frederick County Adult Detention Center Phase IV Medical Addition	1,263,000	0		0	0	0	1,263,000
ZB02B	DPSCS: Queen Anne's County Detention Center Additions and Renovations	4,852,000	0		0	0	0	4,852,000
ZB02C	DPSCS: St. Mary's County Adult Detention Center Upgrades, Housing, and Medical Units	5,530,000	0		0	0	0	5,530,000
	Subtotal	\$48,060,000	\$0	\$8,000,000	\$0	\$0	\$0	\$56,060,000

<u>Budget Code</u>	<u>Project Title</u>	<u>Bonds</u>		<u>Bond Premium</u>	<u>Current Funds (PAYGO)</u>			<u>Total Funds</u>
		<u>General Obligation</u>	<u>Revenue</u>		<u>General</u>	<u>Special</u>	<u>Federal</u>	
	Education							
RA01A	MSLA: Public Library Capital Grant Program	\$7,300,000	\$0	\$0	\$0	\$0	\$0	\$7,300,000
RA0702A	IAC: Aging Schools Program	6,109,000	0		0	0	0	6,109,000
RA0702B	IAC: Public School Construction Program	280,000,000	0		0	0	0	280,000,000
RA0702C	IAC: Senator James E. "Ed" DeGrange Nonpublic Aging Schools Program	3,500,000	0		0	0	0	3,500,000
RA0702D	IAC: Supplemental Capital Grant Program	75,000,000	0		0	0	0	75,000,000
RA0702E	IAC: Built to Learn Act of 2020	0	150,000,000		0	0	0	150,000,000 ³
RA0702F	IAC: Healthy School Facilities Fund	0	0		30,000,000	0	0	30,000,000
RA0702G	IAC: Public School Safety Grant Program	0	0		10,000,000	0	0	10,000,000
RA0702I	IAC: Non-Public School Security Improvements	0	0		3,500,000	0	0	3,500,000
RE01A	MSD: Veditz Building Renovation	425,000	0		0	0	0	425,000
	Subtotal	\$372,334,000	\$150,000,000	\$0	\$43,500,000	\$0	\$0	\$565,834,000
	Higher Education							
RB21A	UMB: Central Electric Substation and Electrical Infrastructure Upgrades	\$9,944,000	\$0	\$0	\$0	\$0	\$0	\$9,944,000
RB22A	UMCP: Campuswide Building Systems and Infrastructure Improvements	5,000,000	5,000,000		0	0	0	10,000,000
RB22B	UMCP: Chemistry Building Wing 1 Replacement	5,000,000	0	0	0	0	0	5,000,000
RB22C	UMCP: School of Public Policy	0	0	5,000,000	0	0	0	5,000,000 ¹

<u>Budget Code</u>	<u>Project Title</u>	<u>Bonds</u>		<u>Bond Premium</u>	<u>Current Funds (PAYGO)</u>			<u>Total Funds</u>
		<u>General Obligation</u>	<u>Revenue</u>		<u>General</u>	<u>Special</u>	<u>Federal</u>	
RB22D	UMCP: Maryland Basketball Performance Center	0	0	5,000,000	0	0	0	5,000,000 ¹
RB23A	BSU: Communication Arts and Humanities Building	6,100,000	0		0	0	0	6,100,000
RB23B	BSU: Pedestrian and Vehicular Infrastructure	150,000	0		0	0	0	150,000
RB24A	TU: New College of Health Professions Building	6,437,000	0		0	0	0	6,437,000
RB24B	TU: Athletic Fields	1,000,000	0		0	0	0	1,000,000
RB25A	UMES: School of Pharmacy and Health Professions	26,287,000	0	31,000,000	0	0	0	57,287,000 ¹
RB25RB	UMES: Campus Flood Mitigation Project	0	10,000,000		0	0	0	10,000,000
RB26A	FSU: Education and Health Sciences Center	30,069,000	5,000,000		0	0	0	35,069,000
RB27A	CSU: Percy Julian Sciences Building	7,513,000	0		0	0	0	7,513,000
RB27B	CSU: Public Safety Building	450,000	0		0	0	0	450,000
RB31A	UMBC: Utility Upgrades and Site Improvements	6,041,000	0		0	0	0	6,041,000
RB31B	UMBC: Sherman Hall Façade and Infrastructure Improvements	1,000,000	0		0	0	0	1,000,000
RB34A	UMCES: Chesapeake Analytics Collaboration Building	1,448,000	0		0	0	0	1,448,000
RB36A	USMO: University of Maryland at Southern Maryland Third Academic Building	31,202,000	0	31,000,000	0	0	0	62,202,000 ¹
RB36B	USMO: Capital Facilities Renewal	0	12,000,000		0	0	0	12,000,000 ⁴

<u>Budget Code</u>	<u>Project Title</u>	<u>Bonds</u>		<u>Bond Premium</u>	<u>Current Funds (PAYGO)</u>			<u>Total Funds</u>
		<u>General Obligation</u>	<u>Revenue</u>		<u>General</u>	<u>Special</u>	<u>Federal</u>	
RC00A	BCCC: Liberty Campus Loop Road and Entrance Improvements	4,623,000	0		0	0	0	4,623,000
RD00A	SMCM: Academic Building and Auditorium	30,678,000	0		0	0	0	30,678,000
RD00B	SMCM: Campus Infrastructure Improvements	4,472,000	0		0	0	0	4,472,000
RI00A	MHEC: Community College Construction Grant Program	87,324,000	0		0	0	0	87,324,000 ⁵
RI00B	MHEC: Community College Facilities Renewal Grant Program	0	0		4,000,000	0	0	4,000,000
RM00A	MSU: Deferred Maintenance and Site Improvements	5,000,000	0	5,000,000	0	0	0	10,000,000 ¹
RM00B	MSU: New Health and Human Services Building	5,382,000	0		0	0	0	5,382,000
RM00C	MSU: New Student Services Support Building	4,851,000	0		0	0	0	4,851,000
ZA00X	MISC: Garrett College – Community Education and Performing Arts Center	9,200,000	0		0	0	0	9,200,000
ZA00AK	MICUA: The Johns Hopkins University	4,000,000	0		0	0	0	4,000,000
ZA00AL	MICUA: Notre Dame of Maryland University	4,000,000	0		0	0	0	4,000,000
ZA00AM	MICUA: Maryland Institute College of Art	4,000,000	0		0	0	0	4,000,000
	Subtotal	\$301,171,000	\$32,000,000	\$77,000,000	\$4,000,000	\$0	\$0	\$414,171,000

<u>Budget Code</u>	<u>Project Title</u>	<u>Bonds</u>		<u>Bond Premium</u>	<u>Current Funds (PAYGO)</u>			<u>Total Funds</u>
		<u>General Obligation</u>	<u>Revenue</u>		<u>General</u>	<u>Special</u>	<u>Federal</u>	
	Housing and Community Development							
DW0108A	MDP: Maryland Archeological Conservation Laboratory Expansion and Renovation	\$215,000	\$0	\$0	\$0	\$0	\$0	\$215,000
DW0108B	MDP: Patterson Center Renovations	4,590,000	0		0	0	0	4,590,000
DW0111A	MDP: African American Heritage Preservation Grant Program	1,000,000	0		0	0	0	1,000,000
DW0111B	MDP: Maryland Historical Trust Capital Grant Fund	600,000	0		0	0	0	600,000
DW0111C	MDP: Maryland Historical Trust Loan Fund	0	0		0	300,000	0	300,000
DW0112A	MDP: Historic Revitalization Tax Credit	0	0		9,000,000	0	0	9,000,000
SA2402A	DHCD: Community Development Grant Program	0	0		0	0	12,000,000	12,000,000
SA24A	DHCD: Baltimore Regional Neighborhoods Initiative	12,000,000	0		0	0	0	12,000,000 ⁶
SA24B	DHCD: Community Legacy Program	6,000,000	0		0	0	0	6,000,000
SA24C	DHCD: Neighborhood Business Development Program	8,000,000	0		500,000	2,200,000	0	10,700,000
SA24D	DHCD: Seed Community Development Anchor Institution Fund	0	0		5,000,000	0	0	5,000,000
SA24E	DHCD: Strategic Demolition Fund	26,500,000	0		0	0	0	26,500,000 ⁷
SA24F	DHCD: National Capital Strategic Economic Development Fund	0	0		7,000,000	0	0	7,000,000

<u>Budget Code</u>	<u>Project Title</u>	<u>Bonds</u>		<u>Bond Premium</u>	<u>Current Funds (PAYGO)</u>			<u>Total Funds</u>
		<u>General Obligation</u>	<u>Revenue</u>		<u>General</u>	<u>Special</u>	<u>Federal</u>	
SA25A	DHCD: Homeownership Programs	16,000,000	0		0	3,000,000	0	19,000,000
SA25B	DHCD: Housing and Building Energy Programs	0	0		0	8,600,000	1,000,000	9,600,000
SA25C	DHCD: Local Government Infrastructure Fund – Rural Broadband	9,180,000	0		0	0	0	9,180,000
SA25D	DHCD: Partnership Rental Housing Program	6,000,000	0		0	0	0	6,000,000
SA25E	DHCD: Rental Housing Programs	25,000,000	0		12,000,000	16,500,000	8,000,000	61,500,000
SA25F	DHCD: Shelter and Transitional Housing Facilities Grant Program	3,000,000	0		0	0	0	3,000,000
SA25G	DHCD: Special Loan Programs	4,000,000	0		0	4,400,000	2,000,000	10,400,000
	Subtotal	\$122,085,000	\$0	\$0	\$33,500,000	\$35,000,000	\$23,000,000	\$213,585,000
	Local Projects							
DE0602A	MISC: Cal Ripken, Sr. Foundation Turf Field	\$0	\$0	\$0	\$500,000	\$0	\$0	\$500,000
DE0602B	MISC: Boys and Girls Clubs of Metropolitan Baltimore Infrastructure	0	0		250,000	0	0	250,000
DE0602C	MISC: Maryland Alliance of Boys and Girls Clubs Safety and Security Enhancements	0	0		250,000	0	0	250,000
DE0602D	MISC: End Hunger Kitchen	0	0		500,000	0	0	500,000
ZA00A	MISC: A Wider Circle – Community Service Center	700,000	0		0	0	0	700,000
ZA00B	MISC: Anne Arundel County – Defenders of Freedom Capital Gazette Memorial	300,000	0		0	0	0	300,000

<u>Budget Code</u>	<u>Project Title</u>	<u>Bonds</u>		<u>Bond Premium</u>	<u>Current Funds (PAYGO)</u>			<u>Total Funds</u>
		<u>General Obligation</u>	<u>Revenue</u>		<u>General</u>	<u>Special</u>	<u>Federal</u>	
ZA00C	MISC: Arch Social Club – Stabilization and Revitalization	500,000	0		0	0	0	500,000
ZA00D	MISC: Bainbridge Development Corporation Naval Training Center Site	2,000,000	0		0	0	0	2,000,000
ZA00E	MISC: Baltimore County – Public Safety Facility	2,000,000	0		0	0	0	2,000,000
ZA00F	MISC: Boy Scouts of America Baltimore Area Council Broad Creek Infrastructure Improvements	500,000	0		0	0	0	500,000
ZA00G	Brunswick Volunteer Ambulance and Rescue Facility Expansion	150,000	0		0	0	0	150,000
ZA00H	MISC: Carroll County Agriculture Center and Shipley Area Facility Upgrades	250,000	0		0	0	0	250,000
ZA00I	MISC: Carroll County – Charles Carroll Community Center	250,000	0		0	0	0	250,000
ZA00J	MISC: Carroll County – New Sewer Pump Station	500,000	0		0	0	0	500,000
ZA00K	MISC: Carroll County Public Safety Training Center	1,000,000	0		0	0	0	1,000,000
ZA00L	MISC: Charles E. Smith Jewish Day School – Capital Improvements	600,000	0		0	0	0	600,000
ZA00M	MISC: Chesapeake Bay Maritime Museum – New Exhibition Building	300,000	0		0	0	0	300,000

<u>Budget Code</u>	<u>Project Title</u>	<u>Bonds</u>		<u>Bond Premium</u>	<u>Current Funds (PAYGO)</u>			<u>Total Funds</u>
		<u>General Obligation</u>	<u>Revenue</u>		<u>General</u>	<u>Special</u>	<u>Federal</u>	
ZA00N	MISC: Chesapeake Culinary Center – New Community Space	50,000	0		0	0	0	50,000
ZA00O	MISC: City of Cumberland – Baltimore Street Town Centre	500,000	0		0	0	0	500,000
ZA00P	MISC: City of Frostburg – City Hall Relocation	500,000	0		0	0	0	500,000
ZA00Q	MISC: City of Gaithersburg – New Police Station	1,000,000	0		0	0	0	1,000,000
ZA00R	MISC: City of Hyattsville – Police Headquarters Renovation and Addition	200,000	0		0	0	0	200,000
ZA00S	MISC: Compass Regional Hospice – Hope and Healing Center	500,000	0		0	0	0	500,000
ZA00T	MISC: Compass Regional Hospice – New Hospice Center	400,000	0		0	0	0	400,000
ZA00U	MISC: Delmarva Community Services – Chesapeake Grove Intergenerational Center	1,000,000	0		0	0	0	1,000,000
ZA00V	MISC: Franciscan Center – Building Repairs	200,000	0		0	0	0	200,000
ZA00W	MISC: Frederick County Public Safety Training Facility Expansion and Renovation	1,500,000	0		0	0	0	1,500,000
ZA00Y	MISC: Girl Scouts of Central Maryland, Inc. – Camp Woodlands Renovation	450,000	0		0	0	0	450,000
ZA00Z	MISC: Hagerstown Revitalization	2,500,000	0		0	0	0	2,500,000

<u>Budget Code</u>	<u>Project Title</u>	<u>Bonds</u>		<u>Bond Premium</u>	<u>Current Funds (PAYGO)</u>			<u>Total Funds</u>
		<u>General Obligation</u>	<u>Revenue</u>		<u>General</u>	<u>Special</u>	<u>Federal</u>	
ZA00AA	MISC: Harford County – Ma and Pa Trail	100,000	0		0	0	0	100,000
ZA00AB	MISC: Harford County – The Harford County Agricultural Center	400,000	0		0	0	0	400,000
ZA00AC	MISC: Helping Up Mission – Women’s and Children’s Center	500,000	0		0	0	0	500,000
ZA00AE	MISC: House of Ruth Maryland – Administrative Building and Shelter	500,000	0		0	0	0	500,000
ZA00AF	MISC: Imagination Stage – New Storage Facility	300,000	0		0	0	0	300,000
ZA00AH	MISC: Kent School – Performing Arts Wing	100,000	0		0	0	0	100,000
ZA00AI	MISC: Lexington Market	2,000,000	0		0	0	0	2,000,000
ZA00AJ	MISC: Maryland Historical Society – Building Renovations	1,000,000	0		0	0	0	1,000,000
ZA00AN	MISC: Maryland State Fair – Renovations	500,000	0		0	0	0	500,000
ZA00AO	MISC: Maryland Zoo in Baltimore	5,050,000	0		0	0	0	5,050,000
ZA00AQ	MISC: Mount Pleasant Development Corporation – Mount Pleasant Family Life Center	100,000	0		0	0	0	100,000
ZA00AR	MISC: National Aquarium in Baltimore	5,000,000	0		0	0	0	5,000,000
ZA00AS	MISC: NorthBay Education – Capital Improvements	250,000	0		0	0	0	250,000
ZA00AT	MISC: Olney Theatre Center – Site Improvements and Artists’ Village	2,000,000	0		0	0	0	2,000,000

<u>Budget Code</u>	<u>Project Title</u>	<u>Bonds</u>		<u>Bond Premium</u>	<u>Current Funds (PAYGO)</u>			<u>Total Funds</u>
		<u>General Obligation</u>	<u>Revenue</u>		<u>General</u>	<u>Special</u>	<u>Federal</u>	
ZA00AU	MISC: Paul's Place – Community Training Kitchen	250,000	0		0	0	0	250,000
ZA00AV	MISC: Pearlstone Center – Campus Renovation and Expansion	1,000,000	0		0	0	0	1,000,000
ZA00AW	MISC: Queen Anne's County Arts Council – Center for the Arts Renovation	250,000	0		0	0	0	250,000
ZA00AX	MISC: Ralph J. Bunche Community Center	250,000	0		0	0	0	250,000
ZA00AY	MISC: Ripken Stadium	1,419,000	0		0	0	0	1,419,000
ZA00AZ	MISC: Roberta's House – New Grief Support Center	500,000	0		0	0	0	500,000
ZA00BA	MISC: Ronald McDonald House Charities Baltimore – New Ronald McDonald House	500,000	0		0	0	0	500,000
ZA00BB	MISC: Salisbury Revitalization	1,000,000	0		0	0	0	1,000,000
ZA00BC	MISC: Sheppard Pratt Hospital – Sheppard Pratt at Elkridge	2,000,000	0		0	0	0	2,000,000
ZA00BD	MISC: Somerset County – Crisfield-Somerset County Airport Hangars	300,000	0		0	0	0	300,000
ZA00BE	MISC: St. Francis Neighborhood Center – Expansion	500,000	0		0	0	0	500,000
ZA00BF	MISC: St. Mary's County – Regional Agricultural Center	200,000	0		0	0	0	200,000
ZA00BG	MISC: The League for People with Disabilities – Facility Upgrade	250,000	0		0	0	0	250,000

<u>Budget Code</u>	<u>Project Title</u>	<u>Bonds</u>		<u>Bond Premium</u>	<u>Current Funds (PAYGO)</u>			<u>Total Funds</u>
		<u>General Obligation</u>	<u>Revenue</u>		<u>General</u>	<u>Special</u>	<u>Federal</u>	
ZA00BH	MISC: The Y in Central Maryland – Infrastructure Improvements and New Family Center	1,000,000	0		0	0	0	1,000,000
ZA00BI	MISC: Town of La Plata – Kent Avenue Corridor Community Center	250,000	0		0	0	0	250,000
ZA00BJ	MISC: Town of Mount Airy – Rails to Trails CSX	300,000	0		0	0	0	300,000
ZA00BK	MISC: Town of New Market – Stormwater Drains Infrastructure	171,000	0		0	0	0	171,000
ZA00BL	MISC: University of Maryland – New Hillel Student Center	600,000	0		0	0	0	600,000
ZA00BM	MISC: Upper Bay Counseling and Support Services – Interior Outfitting	500,000	0		0	0	0	500,000
ZA00BN	MISC: Washington County Public Service Academy – New Training Facility	500,000	0		0	0	0	500,000
ZA00BO	MISC: Waterfront Partnership of Baltimore – Rash Field Improvements	500,000	0		0	0	0	500,000
ZA00BP	MISC: Greenway Avenue Stadium	750,000	0		0	0	0	750,000
ZA00BQ	MISC: Port Discovery Children’s Museum	1,000,000	0		0	0	0	1,000,000
ZA00BR	MISC: Johns Hopkins Medicine New Research Building, Children’s Medical and Surgical Center, and North Tower Annex	2,500,000	0		0	0	0	2,500,000
ZA00BS	MISC: Maryland Science Center	1,500,000	0		0	0	0	1,500,000

<u>Budget Code</u>	<u>Project Title</u>	<u>Bonds</u>		<u>Bond Premium</u>	<u>Current Funds (PAYGO)</u>			<u>Total Funds</u>
		<u>General Obligation</u>	<u>Revenue</u>		<u>General</u>	<u>Special</u>	<u>Federal</u>	
ZA00BT	MISC: Kennedy Krieger Institute – Gompers School Building	1,500,000	0		0	0	0	1,500,000
ZA00BU	MISC: Special Olympics Maryland Headquarters	875,000	0		0	0	0	875,000
ZA00BV	MISC: Merriweather Post Pavilion	2,000,000	0		0	0	0	2,000,000
ZA00BW	MISC: Round House Theatre	1,500,000	0		0	0	0	1,500,000
ZA00BX	MISC: Prince George’s County Amphitheatre at Central Park	5,000,000	0		0	0	0	5,000,000
ZA00BY	MISC: Prince George’s County Public High School Athletic Facilities	4,000,000	0		0	0	0	4,000,000
ZA00BZ	MISC: Bay Sox Stadium	500,000	0		0	0	0	500,000
ZA00CA	MISC: Bladensburg Waterfront Dock	250,000	0		0	0	0	250,000
ZA00CB	MISC: Southern Maryland Agricultural Land Preservation	1,000,000	0		0	0	0	1,000,000
ZA00CC	MISC: Ebenezer A.M.E. Church	100,000	0		0	0	0	100,000
ZA00CD	MISC: Arena Players	100,000	0		0	0	0	100,000
ZA00CE	MISC: National Cryptologic Museum – Cyber Center of Education and Innovation	125,000	0		0	0	0	125,000
ZA00CF	MISC: Habitat for Humanity of the Chesapeake	250,000	0		0	0	0	250,000
ZA00CG	MISC: Baltimore Police Mounted Unit Stables	250,000	0		0	0	0	250,000
ZA00CH	MISC: Patriot Point	320,000	0		0	0	0	320,000
ZA00CI	MISC: Warrior Canine Connection	500,000	0		0	0	0	500,000

<u>Budget Code</u>	<u>Project Title</u>	<u>Bonds</u>		<u>Bond Premium</u>	<u>Current Funds (PAYGO)</u>			<u>Total Funds</u>
		<u>General Obligation</u>	<u>Revenue</u>		<u>General</u>	<u>Special</u>	<u>Federal</u>	
ZA00CJ	MISC: Hippodrome Foundation	1,000,000	0		0	0	0	1,000,000
ZA00CK	MISC: Baltimore Museum of Art	2,000,000	0		0	0	0	2,000,000
ZA00CL	MISC: Prince George's Hospital Center Redevelopment	200,000	0		0	0	0	200,000
ZA00CM	MISC: Hands On Patterson Park Public	300,000	0		0	0	0	300,000
ZA00CN	MISC: Gilchrist Center Baltimore	1,000,000	0		0	0	0	1,000,000
ZA00CO	MISC: Hoen Lithograph Building	200,000	0		0	0	0	200,000
ZA00CP	MISC: Modell Performing Arts Center at the Lyric	500,000	0		0	0	0	500,000
ZA00CQ	MISC: Southern Bridge	500,000	0		0	0	0	500,000
ZA00CR	MISC: National Center on Institutions and Alternatives Expansion	350,000	0		0	0	0	350,000
ZA00CS	MISC: Goodwill Industries of Monocacy Valley	500,000	0		0	0	0	500,000
ZA00CT	MISC: Lake Linganore Dredging	2,000,000	0		0	0	0	2,000,000 ⁸
ZA00CU	MISC: Religious Coalition for Emergency Human Needs	500,000	0		0	0	0	500,000
ZA00CV	MISC: Kent County High School	250,000	0		0	0	0	250,000
ZA00CW	MISC: Hero Dogs, Inc.	30,000	0		0	0	0	30,000
ZA00CX	MISC: Rockville Welcome Center	200,000	0		0	0	0	200,000
ZA00CY	MISC: Sandy Spring Meadow Basketball Court	7,000	0		0	0	0	7,000
ZA00CZ	MISC: YMCA Bethesda-Chevy Chase	325,000	0		0	0	0	325,000

<u>Budget Code</u>	<u>Project Title</u>	<u>Bonds</u>		<u>Bond Premium</u>	<u>Current Funds (PAYGO)</u>			<u>Total Funds</u>
		<u>General Obligation</u>	<u>Revenue</u>		<u>General</u>	<u>Special</u>	<u>Federal</u>	
ZA00DA	MISC: College Park City Hall	500,000	0		0	0	0	500,000
ZA00DB	MISC: Seat Pleasant City Hall	250,000	0		0	0	0	250,000
ZA00DC	MISC: The Ivy Village Incubator for Nonprofit Excellence	250,000	0		0	0	0	250,000
ZA00DD	MISC: Long Branch-Garland Neighborhood Park	350,000	0		0	0	0	350,000
ZA00DE	MISC: North County High School Field House	443,500	0		0	0	0	443,500
ZA00DF	MISC: Maryland University of Integrated Health	350,000	0		0	0	0	350,000
ZA00DG	MISC: Jonathan Street Revitalization	250,000	0		0	0	0	250,000
ZA00DH	MISC: Sinai	1,000,000	0		0	0	0	1,000,000
ZA00DI	MISC: Hagerstown Baseball Stadium	500,000	0		0	0	0	500,000
ZA00DJ	MISC: Innovated Center for Autonomous Systems	500,000	0		0	0	0	500,000
ZA00DK	MISC: Westside Regional Park	400,000	0		0	0	0	400,000
ZA00DL	MISC: Annapolis Regional Library	100,000	0		0	0	0	100,000
ZA00DM	MISC: Middle Branch Park	500,000	0		0	0	0	500,000
ZA00DN	MISC: Patuxent Park	100,000	0		0	0	0	100,000
ZA00DO	MISC: Discovery Park	150,000	0		0	0	0	150,000
ZA00DP	MISC: Pedestrian Trail Improvements	200,000	0		0	0	0	200,000
ZA00DQ	MISC: East Pines	400,000	0		0	0	0	400,000
ZA00DR	MISC: Pedestrian Bridge Lighting and Trail	250,000	0		0	0	0	250,000
ZA00DS	MISC: Preservation Maryland Burtis House	75,000	0		0	0	0	75,000

<u>Budget Code</u>	<u>Project Title</u>	<u>Bonds</u>		<u>Bond Premium</u>	<u>Current Funds (PAYGO)</u>			<u>Total Funds</u>
		<u>General Obligation</u>	<u>Revenue</u>		<u>General</u>	<u>Special</u>	<u>Federal</u>	
ZA00DT	MISC: Fort Washington Medical Center	500,000	0		0	0	0	500,000
ZA00DU	MISC: Brooklyn Park Youth Athletic Park	80,000	0		0	0	0	80,000
ZA00DV	MISC: Lakeshore Volunteer Fire Department	100,000	0		0	0	0	100,000
ZA00DW	MISC: PAL Centers	500,000	0		0	0	0	500,000
ZA00DX	MISC: Severn Intergenerational Center	1,000,000						1,000,000
ZA00DY	MISC: Roger Pipomore Park	350,000	0		0	0	0	350,000
ZA00DZ	MISC: City of Laurel Municipal Park	150,000	0		0	0	0	150,000
ZA00EA	MISC: Bishop McNamara High School	250,000	0		0	0	0	250,000
ZA00EB	MISC: Community Action Council Early Childhood Education Center	150,000	0		0	0	0	150,000
ZA00EC	MISC: Garrett County Public Schools Track Improvements	100,000	0		0	0	0	100,000
ZA02	Local Senate Initiatives	15,000,000	0		0	0	0	15,000,000
ZA03	Local House Initiatives	14,978,500	0		0	0	0	14,978,500
	Subtotal	\$121,499,000	\$0	\$0	\$1,500,000	\$0	\$0	\$122,999,000
	Current Year Total	\$1,108,114,000	\$182,000,000	\$102,000,000	\$83,200,000	\$430,991,600	\$81,646,000	\$1,987,951,600
	Deauthorizations							
ZF00	Deauthorizations as Introduced	-\$9,114,000	\$0		\$0	\$0	\$0	-\$9,114,000
ZF00A	Additional Deauthorizations	-\$4,000,000	\$0		\$0	\$0	\$0	-\$4,000,000
	Subtotal	-\$13,114,000	\$0		\$0	\$0	\$0	-\$13,114,000

<u>Budget Code</u>	<u>Project Title</u>	<u>Bonds</u>		<u>Bond Premium</u>	<u>Current Funds (PAYGO)</u>			<u>Total Funds</u>
		<u>General Obligation</u>	<u>Revenue</u>		<u>General</u>	<u>Special</u>	<u>Federal</u>	
	Adjust Current Year Total	\$1,095,000,000	\$182,000,000	\$102,000,000	\$83,200,000	\$430,991,600	\$81,646,000	\$1,974,837,600
	Transportation CTP	\$0	\$505,000,000	\$0	\$0	\$697,710,000	\$1,225,846,000	\$2,428,556,000
	Transportation DPA	\$0	\$0	\$0	\$125,000,000	\$0	\$0	\$125,000,000
	Grand Total	\$1,108,114,000	\$687,000,000	\$102,000,000	\$208,200,000	\$1,128,701,600	\$1,307,492,000	\$4,541,507,600

BCCC: Baltimore City Community College

BPW: Board of Public Works

BSU: Bowie State University

CSU: Coppin State University

CTP: *Consolidated Transportation Program*

DHCD: Department of Housing and Community Development

DNR: Department of Natural Resources

DoIT: Department of Information Technology

DPA: Dedicated Purpose Account

DPSCS: Department of Public Safety and Correctional Services

DSP: Department of State Police

FSU: Frostburg State University

IAC: Interagency Commission on School Construction

MD: Military Department

MDA: Maryland Department of Agriculture

MDE: Maryland Department of the Environment

MDH: Maryland Department of Health

MDOA: Maryland Department of Aging

MDOD: Maryland Department of Disabilities

MDP: Maryland Department of Planning

MES: Maryland Environmental Service

MHEC: Maryland Higher Education Commission

MICUA: Maryland Independent College and University Association

MISC: miscellaneous

MPBC: Maryland Public Broadcasting Commission

MSA: Maryland Stadium Authority

MSD: Maryland School for the Deaf

MSLA: Maryland State Library Agency

MSU: Morgan State University

PAYGO: pay-as-you-go

SMCM: St. Mary's College of Maryland

TU: Towson University

UMB: University of Maryland, Baltimore Campus

UMBC: University of Maryland Baltimore County

UMCES: University of Maryland Center for Environmental Science

UMCP: University of Maryland, College Park Campus

UMES: University of Maryland Eastern Shore

UMMS: University of Maryland Medical System

USMO: University System of Maryland Office

¹ Section 16 of the Maryland Consolidated Capital Bond Loan (MCCBL) of 2020 authorizes the use of \$102 million of bond premium proceeds from the sale of State general obligation bonds in fiscal 2021.

² The budget authorizes the funds to be used as follows: \$188,000 for the Cumberland Flood Control System; \$700,000 for the Annapolis City Dock Stormwater and Flood Mitigation; \$3,000,000 for Ellicott City Maryland Avenue Culverts; \$428,000 for rehabilitation of Hunters Mill Pond; \$368,000 for the Cambridge Seawall Replacement; \$106,000 for the Easton North Fork Tanyard Branch Stream Restoration; \$6,000 for the Chambers Lake Dam Repairs; \$172,000 for the

Crisfield Tide Gates Culverts Modification and Pump Station; \$945,000 for the Fruitland Tuxents Branch Stormwater Drainage Upgrade; and \$67,000 for the stormwater repairs along Frederick Avenue in Baltimore City.

³The Built to Learn Act (*House Bill 1*) authorizes up to \$125 million annually from the Education Trust Fund to support the debt service on \$2.2 billion of revenue bonds programmed to be issued from fiscal 2021 through 2024, of which \$150 million is anticipated to be issued by the Maryland Stadium Authority in fiscal 2021.

⁴Does not include use of the University System of Maryland (USM) Plant Funds of \$16.385 million for the USM Facilities Renewal Program and \$8.615 million for the Maryland Fire and Rescue Institute Western Regional Training Center.

⁵Does not include the use of \$4.0 million from the Community College Facility Grant Program fund balance.

⁶The budget restricts \$850,000 to be used only to fund grants to participants in the Housing Upgrades to Benefit Seniors program.

⁷The budget restricts \$5.0 million to be used as a grant to the County Executive and County Council of Howard County for demolition and site improvements in Ellicott City and \$500,000 as a grant to the Board of County Commissioners of Allegany County for the demolition and site improvement of the former Allegany High School.

⁸The budget reprograms \$1.0 million originally authorized in the MCCBL of 2014 to support the Downtown Frederick Hotel and Conference Center to instead be used to fund the dredging of Lake Linganore bringing the total amount of State funding support for the project to \$3.0 million.

Source: Department of Legislative Services

**Exhibit A-2.4
Legislative Bond Initiative Projects
2020 Session**

<u>Project Title</u>	<u>House Initiative</u>	<u>Senate Initiative</u>	<u>Other</u>	<u>Total Funding</u>	<u>Match/ Requirements</u>
Allegany					
Allegany County Informational Historic Markers	\$5,000			\$5,000	Grant
Allegany Oxford House		\$50,000		50,000	Grant
Civil Air Patrol Squadron Building	42,000			42,000	Grant
Western Maryland Scenic Railroad	45,000			45,000	Grant
Subtotal	\$92,000	\$50,000	\$0	\$142,000	
Anne Arundel					
American Legion Guy C. Parlett Post 7	\$38,000			\$38,000	Hard
American Legion Post 141	25,000			25,000	Grant
Bello Machre Community Training and Gathering Center	150,000			150,000	Hard
Benson-Hammond House	50,000	\$50,000		100,000	Soft (U, 2)
Brewer Hill Cemetery	70,000			70,000	Grant
Deale Elks Lodge No. 2528	40,000			40,000	Hard
Downtown Annapolis Mural Project	15,000			15,000	Soft (2)
Goshen Farmhouse		60,000		60,000	Hard
Langton Green Community Farm	50,000	50,000		100,000	Soft (1, 2)
Lindale Middle School		60,000		60,000	Grant
Linthicum Elementary School	60,000			60,000	Grant
Linthicum Veterans Memorial	82,000			82,000	Soft (2, 3)
National Cryptologic Museum – Cyber Center of Education and Innovation			\$125,000	125,000	Grant
North County High School Field House		1,000,000	433,500	1,433,500	Grant
Northeast High School Physical Endurance Training Course	50,000	25,000		75,000	Hard
PlayEastport	40,000			40,000	Hard
Thomas Point Shoal Lighthouse	50,000			50,000	Soft (3)

<u>Project Title</u>	<u>House Initiative</u>	<u>Senate Initiative</u>	<u>Other</u>	<u>Total Funding</u>	<u>Match/ Requirements</u>
West County Family Support Center	100,000	100,000		200,000	Soft (2)
Woods Community Center	100,000			100,000	Hard
Subtotal	\$920,000	\$1,345,000	\$558,500	\$2,823,500	
Baltimore City					
Ambassador Theater	\$150,000	\$100,000		\$250,000	Hard
Andre De Shields Center for the Arts		2,500,000		2,500,000	Grant
Baltimore Clayworks, Inc.		100,000		100,000	Soft (2)
Baltimore Museum of Art			\$2,000,000	2,000,000	Grant
Baltimore Police Mounted Unit Stables		250,000	250,000	500,000	Hard
Belair-Edison Neighborhoods, Inc.	200,000			200,000	Soft (1, 2)
Blight Reduction and Homeownership Initiative		270,000		270,000	Soft (2)
BLISS Meadows Farmhouse	50,000			50,000	Hard
Bon Secours Community Works		100,000		100,000	Soft (1)
Cecil Elementary School Community Park	25,000	275,000		300,000	Soft (2)
Central Baltimore Partnership		1,000,000		1,000,000	Hard
Chesapeake Shakespeare Company's Downtown Theatre	200,000			200,000	Hard
Clay Hill Public Charter School			300,000	300,000	Grant
Community Mediation Center-Safe Streets	75,000			75,000	Hard
Community Mediation Program-Mediation Center	75,000			75,000	Grant
Creative Alliance	100,000	100,000		200,000	Soft (1, 3)
Fayette Street Outreach Organization Community Center		100,000		100,000	Grant
Forest Park Senior Center	150,000	100,000		250,000	Soft (1, 2)
Gilchrist Center Baltimore			1,000,000	1,000,000	Grant
Govans Ecumenical Development Corporation	25,000			25,000	Soft (2)
Greenmount West Community Center	30,000			30,000	Hard
Habitat for Humanity of the Chesapeake			250,000	250,000	Grant
Hamilton Elementary/Middle School	75,000			75,000	Hard
Harlem Park Community Center	200,000			200,000	Soft (1)
Hippodrome Foundation			1,000,000	1,000,000	Grant
Hoen Lithograph Building			200,000	200,000	Grant
Hon's Honey Storefront	50,000	50,000		100,000	Soft (U,1)

<u>Project Title</u>	<u>House Initiative</u>	<u>Senate Initiative</u>	<u>Other</u>	<u>Total Funding</u>	<u>Match/ Requirements</u>
Howell Celebrating Lives Viola Family Support Center, Inc.	150,000			150,000	Soft (1)
Italian Cultural Center of Maryland	25,000			25,000	Soft (2, 3)
Itineris Foundation		100,000		100,000	Hard
Kappa Alpha Psi Youth and Community Center	150,000			150,000	Soft (1, 3)
LIFE Church Ministries Food Pantry		10,000		10,000	Grant
Living Classrooms Opportunity Hub	150,000			150,000	Hard
Lovely Lane Arts and Neighborhood Center	25,000			25,000	Hard
Modell Performing Arts Center at the Lyric			500,000	500,000	Grant
New Antioch Baptist Church Community Outreach Center	15,000			15,000	Soft (2)
Orchard Street Church		300,000		300,000	Soft (all)
Our Saviour Lutheran Church	40,000			40,000	Soft (3)
Park West Health System		500,000		500,000	Soft (2, 3)
Plantation Park Heights Urban Farm	100,000	150,000		250,000	Soft (3)
Port Discovery			1,000,000	1,000,000	Grant
Public School 103	150,000	200,000		350,000	Soft (1, 2)
South Baltimore Community Land Trust		200,000		200,000	Soft (1, 2)
Southern Bridge			500,000	500,000	Grant
Ulman House	100,000			100,000	Soft (2, 3)
Young Adult Residential Fellowship Program	125,000			125,000	Soft (all)
Youth Empowered Society Drop-In Center		100,000		100,000	Hard
Subtotal	\$2,435,000	\$6,505,000	\$7,000,000	\$15,940,000	
Baltimore					
Baltimore Association of Nepalese in America	\$25,000	\$100,000		\$125,000	Soft (2)
Beacon of Hope	75,000			75,000	Hard
Community Assistance Network Food Pantry	150,000	100,000		250,000	Soft (3)
Community Therapy Clinic	150,000	75,000		225,000	Hard
Cromwell Valley Park	50,000	150,000		200,000	Hard
Franklin Woodlands Trail		40,000		40,000	Grant
Gordon Center for the Performing Arts	75,000	75,000		150,000	Hard
Greater Baltimore Medical Center, Inc.	25,000			25,000	Soft (1)
Gunpowder Elementary School	150,000			150,000	Grant

<u>Project Title</u>	<u>House Initiative</u>	<u>Senate Initiative</u>	<u>Other</u>	<u>Total Funding</u>	<u>Match/ Requirements</u>
Hazelwood Park Skatepark	150,000			150,000	Hard
Junior Achievement of Central Maryland, Inc.	150,000			150,000	Soft (3)
Liberty Community Development Youth Center	250,000	300,000		550,000	Soft (2, 3)
Liberty Road Volunteer Fire Company		300,000		300,000	Grant
Mann Residential Treatment Center	25,000			25,000	Soft (3)
McCormick Elementary PAL Recreation Center	50,000			50,000	Hard
National Center on Institutions and Alternatives Expansion			\$350,000	350,000	Grant
Parkville High School Athletic Facilities	50,000			50,000	Grant
Pikesville Volunteer Fire Company	75,000	75,000		150,000	Hard
Relay Town Hall	22,500			22,500	Hard
Simmons Museum of Negro Leagues Baseball		50,000		50,000	Grant
Sparrows Point High School Scoreboards		15,000		15,000	Hard
St. Stephen Church Fire Suppression Water Tank		55,000		55,000	Hard
Timonium Elementary School	25,000			25,000	Hard
Towson Armory Building	250,000	250,000		500,000	Soft (2, 3)
Towson High School Stadium	50,000	175,000		225,000	Soft (2)
Upper Falls Odd Fellows Lodge		53,000		53,000	Soft (all)
WIN Team Headquarters and Treatment Facility		300,000		300,000	Grant
Woodlawn High School Athletic Facilities	150,000			150,000	Grant
Subtotal	\$1,947,500	\$2,113,000	\$350,000	\$4,410,500	
Calvert					
Calvert Animal Welfare League	\$25,000			\$25,000	Hard
Calvert Marine Museum	100,000	\$150,000		250,000	Hard
End Hunger Warehouse	200,000			200,000	Soft (all)
Kellams Complex	50,000			50,000	Hard
Subtotal	\$375,000	\$150,000	\$0	\$525,000	
Caroline					
Caroline County Public Schools Track Replacement	\$200,000	\$168,500		\$368,500	Grant
Subtotal	\$200,000	\$168,500	\$0	\$368,500	

<u>Project Title</u>	<u>House Initiative</u>	<u>Senate Initiative</u>	<u>Other</u>	<u>Total Funding</u>	<u>Match/ Requirements</u>
Carroll					
Historical Society of Carroll County	\$40,000			\$40,000	Hard
Mount Airy Center Street	500,000			500,000	Hard
Penn-Mar Human Services and Change	50,000			50,000	Soft (2, 3)
Westminster Rescue Mission	100,000			100,000	Soft (1)
Subtotal	\$690,000	\$0	\$0	\$690,000	
Cecil					
Rev. Duke Log Cabin	\$150,000			\$150,000	Hard
Subtotal	\$150,000	\$0	\$0	\$150,000	
Charles					
LifeStyles Homeless Services Center	\$200,000			\$200,000	Soft (2)
Lions Camp Merrick	60,000			60,000	Grant
St. Ignatius Chapel Point and St. Thomas Manor		\$250,000		250,000	Hard
Velocity Center		100,000		100,000	Soft (2)
Waldorf Multipurpose Civic Center	100,000			100,000	Soft (2)
Subtotal	\$360,000	\$350,000	\$0	\$710,000	
Dorchester					
American Legion Post 91	\$100,000			\$100,000	Soft (all)
Maces Lane Community Center		\$200,000		200,000	Soft (2)
Patriot Point			\$320,000	320,000	Soft (2, 3)
Richardson Maritime Museum	100,000			100,000	Hard
Subtotal	\$200,000	\$200,000	\$320,000	\$720,000	
Frederick					
Brunswick Emergency Operations Center	\$476,000			\$476,000	Hard
Brunswick Reservoir Site Infrastructure	500,000			500,000	Hard
Carroll Manor Fire Company	42,000	\$42,000		84,000	Grant
Frederick Arts Council, Inc.	50,000			50,000	Soft (2)
Goodwill Industries of Monocacy Valley			\$500,000	500,000	Grant

<u>Project Title</u>	<u>House Initiative</u>	<u>Senate Initiative</u>	<u>Other</u>	<u>Total Funding</u>	<u>Match/ Requirements</u>
Jefferson Community Tennis Court	13,000			13,000	Grant
Lake Linganore Dredging			2,000,000	2,000,000	Grant
Maryland Ensemble Theatre	75,000			75,000	Soft (2)
Middletown Downtown Core Economic Revitalization	203,000			203,000	Hard
Museum of the Ironworker		50,000		50,000	Hard (U)
Phoenix Foundation of Maryland	42,500	42,500		85,000	Hard
Religious Coalition for Emergency Human Needs			500,000	500,000	Grant
Shafer Farm House	100,000			100,000	Soft (1)
Sophie and Madigan Lillard Memorial Playground	200,000			200,000	Hard
Town of New Market Stormwater Infrastructure			171,000	171,000	Hard
Weinberg Center for the Arts	200,000			200,000	Hard
Subtotal	\$1,901,500	\$134,500	\$3,171,000	\$5,207,000	
Garrett					
Believe in Tomorrow Children's House at Deep Creek Lake	\$13,000	\$14,200		\$27,200	Hard
Broadford Park Trails	50,000			50,000	Grant
Garrett County Public Schools Track Improvements	200,000		\$100,000	300,000	Grant
Subtotal	\$263,000	\$14,200	\$100,000	\$377,200	
Harford					
Aberdeen Family Swim Center	\$100,000			\$100,000	Grant
Havre de Grace Community Redevelopment Plan		\$150,000		150,000	Grant
Havre de Grace Performing Arts Center	100,000			100,000	Grant
Hosanna School Museum	50,000			50,000	Hard
The Sgt. Alfred B. Hilton Memorial	50,000			50,000	Hard
Walters Mill Canoe and Kayak Launch	25,000			25,000	Hard
Subtotal	\$325,000	\$150,000	\$0	\$475,000	
Howard					
Athelas Institute	\$25,000			\$25,000	Hard
Community Action Council Early Childhood Education Center			\$150,000	150,000	Soft (all)

<u>Project Title</u>	<u>House Initiative</u>	<u>Senate Initiative</u>	<u>Other</u>	<u>Total Funding</u>	<u>Match/ Requirements</u>
Howard County Conservancy		\$350,000		350,000	Soft (U, all)
Howard County Veterans Monument		350,000		350,000	Soft (2)
Living in Recovery, Inc.	75,000			75,000	Hard
Long Reach Village Center	100,000			100,000	Hard
Main Street Ellicott City Streetscape	250,000			250,000	Soft (2)
Maryland University of Integrative Health			350,000	350,000	Soft (1, 3)
The Community Ecology Institute	100,000			100,000	Soft (1)
The Living Farm Heritage Museum	200,000			200,000	Soft (2, 3)
Winter Growth	50,000			50,000	Hard
Subtotal	\$800,000	\$700,000	\$500,000	\$2,000,000	
Kent					
Kent County High School			\$250,000	\$250,000	Grant
Subtotal	\$0	\$0	\$250,000	\$250,000	
Montgomery					
Arts on the Block Studio Expansion		\$100,000		\$100,000	Soft (2)
BlackRock Center for the Arts	\$250,000			250,000	Soft (2)
Charles E. Smith Life Communities	50,000	50,000		100,000	Hard
Easter Seals Inter-Generational Center and Regional Headquarters		150,000		150,000	Hard
Fairland Recreation Park		100,000		100,000	Soft (all)
Hero Dogs, Inc.			\$30,000	30,000	Grant
Homecrest House	175,000			175,000	Soft (3)
Ivymount School, Inc.	25,000	125,000		150,000	Hard
Jewish Foundation for Group Homes, Inc.	150,000			150,000	Hard
Kensington Multipurpose Recreation Center		100,000		100,000	Hard
Long Branch-Garland Neighborhood Park			350,000	350,000	Grant
Montgomery County Homeless Youth Drop-In Center	217,500			217,500	Hard
OASIS Farm	44,000			44,000	Soft (3)
Olney Family Neighborhood Park	100,000	100,000		200,000	Soft (all)
Rockville Welcome Center			200,000	200,000	Grant

<u>Project Title</u>	<u>House Initiative</u>	<u>Senate Initiative</u>	<u>Other</u>	<u>Total Funding</u>	<u>Match/ Requirements</u>
Round House Theatre			1,500,000	1,500,000	Grant
Sandy Spring Meadow Basketball Court			7,000	7,000	Grant
Sandy Spring Museum	34,500			34,500	Hard
VisArts	150,000			150,000	Hard
Warrior Canine Connection			500,000	500,000	Grant
Willett Branch Greenway	175,000	225,000		400,000	Soft (all)
YMCA Bethesda-Chevy Chase			325,000	325,000	Grant
Subtotal	\$1,371,000	\$950,000	\$2,912,000	\$5,233,000	
Prince George's					
Alice Ferguson Foundation		\$200,000		\$200,000	Soft (1)
American Legion Post 66	\$30,000			30,000	Grant
Berwyn Heights Senior Center	50,000			50,000	Soft (1)
Bishop McNamara High School	250,000		\$250,000	500,000	Soft (all)
Bladensburg World War I Memorial	160,000			160,000	Hard
Camp Springs Elks Lodge No. 2332	30,000			30,000	Grant
College Park City Hall			500,000	500,000	Grant
Crossland High School		325,000		325,000	Grant
Educare Resource Center	50,000			50,000	Grant
Fort Foote Baptist Church	200,000			200,000	Soft (2)
Fort Washington Community Space		50,000		50,000	Soft (1)
Glut Food Co-op	50,000			50,000	Soft (2)
Goodloe Alumni House	50,000			50,000	Hard
Greenbelt Station Hiker and Biker Trail	50,000	200,000		250,000	Hard
Hyattsville Police Headquarters	25,000	125,000		150,000	Soft (3)
Hyattsville Teen Activity and Mentoring Center	50,000			50,000	Soft (1)
Lake Arbor Golf Course	250,000	250,000		500,000	Hard
Laurel Museum at Riverfront Park	100,000			100,000	Hard
Riverdale Park Municipal Center	50,000	25,000		75,000	Hard
Riverdale Park Trolley Car/ Public Amenity Space		250,000		250,000	Soft (U, 1, 2)
Sacred Heart House on the Hill Community Outreach	75,000			75,000	Hard
Sarvis Empowerment Cafe	50,000	75,000		125,000	Hard

<u>Project Title</u>	<u>House Initiative</u>	<u>Senate Initiative</u>	<u>Other</u>	<u>Total Funding</u>	<u>Match/ Requirements</u>
Savor Food Hall		75,000		75,000	Hard
Seat Pleasant City Hall			250,000	250,000	Grant
Success Factors Foundation Youth Development Center		75,000		75,000	Soft (2)
Temple Hills Swim Club	50,000			50,000	Soft (1)
The Ivy Village Incubator for Nonprofit Excellence		50,000	250,000	300,000	Soft (1)
Walker Mill Community Development		150,000		150,000	Soft (2)
Subtotal	\$1,570,000	\$1,850,000	\$1,250,000	\$4,670,000	
Queen Anne's					
Haven Homes	\$150,000			\$150,000	Soft (2)
Maryland Museum of Women's History	150,000			150,000	Grant
Queen Anne's County Arts Council	125,000			125,000	Soft (1)
Subtotal	\$425,000	\$0	\$0	\$425,000	
St. Mary's					
Chancellor's Point Community Sailing Center		\$73,300		\$73,300	Soft (U, 2)
Chopticon High School	\$100,000			100,000	Soft (2)
Sotterley Plantation	50,000			50,000	Hard
Subtotal	\$150,000	\$73,300	\$0	\$223,300	
Talbot					
American Legion Post 77	\$100,000			\$100,000	Soft (1)
St. Michaels Community Center	25,000			25,000	Soft (1)
Subtotal	\$125,000	\$0	\$0	\$125,000	
Washington					
Easterseals Adult Day Services Hagerstown Center	\$150,000			\$150,000	Soft (2)
Hagerstown BMX Track		\$75,000		75,000	Soft (2)
Smithsburg Community Volunteer Fire Company	75,000			75,000	Grant
Smithsburg High School Athletic Facilities	50,000			50,000	Soft (2)
Subtotal	\$275,000	\$75,000	\$0	\$350,000	

<u>Project Title</u>	<u>House Initiative</u>	<u>Senate Initiative</u>	<u>Other</u>	<u>Total Funding</u>	<u>Match/ Requirements</u>
Wicomico					
Lower Eastern Shore Inclusive Play	\$100,000			\$100,000	Soft (3)
Queen City Elks Lodge No. 1051 and Success Temple No. 154	100,000	\$100,000		200,000	Grant
Wicomico County Bookmobile	100,000			100,000	Soft (all)
Subtotal	\$300,000	\$100,000	\$0	\$400,000	
Worcester					
Believe In Tomorrow House at the Beach	\$50,000	\$50,000		\$100,000	Soft (2, 3)
Pocomoke City Elks Lodge No. 1624	75,000			75,000	Hard
Subtotal	\$125,000	\$50,000	\$0	\$175,000	
Grand Total	\$15,000,000	\$14,978,500	\$16,411,500	\$46,390,000	

Match Key: 1 = Real Property; 2 = In Kind Contribution; 3 = Prior Expended Funds; U = Unequal

Note: Projects funded in the “Other” category are authorized as nonmatching fund grants.

Source: Department of Legislative Services

PAYGO Capital

In addition to GO debt, the State's capital program is funded with general, special, and federal funds appropriated in the operating budget referred to as PAYGO funds. Excluding transportation funding, the capital program uses \$83.2 million of general funds, \$431.0 million of special funds, and \$81.6 million of federal funds. Total transportation PAYGO funding is \$125.0 million of general funds in the Dedicated Purpose Account (DPA) and \$1.834 billion of special and federal funds.

The Spending Affordability Committee (SAC) recommended the strategic use of PAYGO general funds for fiscal 2021 to supplement the capital program while maintaining a limit on the growth in GO bond authorizations. Actions of the General Assembly increased the amount of general fund support of the capital program from the \$63.9 million introduced in the budget to \$83.2 million as passed principally by rejecting contingent reductions for mandated general fund capital appropriations included in the budget as introduced. This included \$30 million for the Healthy School Facility Fund, \$10 million for School Safety Enhancement Grants, \$7 million for the National Capital Strategic Economic Development Fund, \$5 million for the Seed Anchor Institution Fund, and \$4 million for the Community College Facilities Renewal Program. This was offset by a reduction of \$38.2 million budgeted in the DPA for the transfer tax repayment plan established by Chapter 10 of 2016 as amended by the Budget Reconciliation and Financing Act (BRFA) of 2020, *Senate Bill 192 (passed)*. Other noteworthy uses of PAYGO general fund support for the capital program include \$12 million for the Rental Housing Program, \$9.0 million for the Historic Revitalization Tax Credit program, and \$3.5 million for nonpublic aging school safety improvements.

Bond Premiums

The MCCBL of 2020 also authorizes the use of \$102 million of bond premium proceeds, \$62 million of which are made available through a BRFA provision that authorizes the transfer of \$62 million available in the DPA to the Annuity Bond Fund. Another \$40 million is authorized should fiscal 2021 bond premiums exceed the \$109 million estimated in the budget. Section 16 of the MCCBL of 2020 specifies the use and priority order of the funding.

Revenue Bonds

The actions of the General Assembly include a significant enhancement to the State's Public School Construction Program that more than doubles the amount of State funding over the next five years through *House Bill 1*, the Built to Learn Act. This authorizes the use of up to \$125 million annually from the Education Trust Fund to support the debt service on \$2.2 billion of revenue bonds programmed to be issued by the Maryland Stadium Authority (MSA) from fiscal 2021 through 2024. Initial implementation of the program will require the issuance of \$150 million in fiscal 2021 principally to fund project design for eligible projects under the program.

Debt Affordability

In its 2019 report, SAC recommended that a maximum of \$1.095 billion in GO bonds be authorized in the 2020 session and that future authorizations be increased by 1% annually to moderate the growth of annual authorizations. The level of GO bond funds programmed in the Governor's 2020 *Capital Improvement Program* is consistent with the SAC recommendation for fiscal 2021 but exceeds the out-year limits established by the committee by \$50 million each year from fiscal 2022 to 2025 for a total of \$200 million through the planning period. An additional \$13.1 million in GO bonds from prior years were deauthorized in the MCCBL of 2019, thereby increasing the amount of new GO debt to \$1.108 billion.

The State's capital program for fiscal 2020 also includes other actions that affect debt affordability, debt issuance, and future capital budgets.

- ***Senate Bill 1081 (passed)*** includes amendments to prior authorizations that, among other changes, extend matching fund deadlines, extend deadlines for expending or encumbering funds, alter the purposes for which funds may be used, modify certification requirements, rename grant recipients, and alter project locations.
- The MCCBL of 2020 includes \$402.7 million of GO bond authorizations that will not take effect until fiscal 2022, \$202.7 million that will not take effect until fiscal 2023, and \$14.7 million for fiscal 2024. Many of these preauthorizations either continue the funding for existing construction contracts or allow projects expected to be contracted during fiscal 2021 to proceed without the full amount of the construction authorization provided in the fiscal 2021 budget. Some preauthorizations express the General Assembly's support of local projects, which are not contracted by the State but rather by local governments and local and private organizations. **Exhibit A-2.5** shows the preauthorizations for the 2021 to 2023 sessions included in the MCCBL of 2020.

Exhibit A-2.5
Preauthorizations Included in the Maryland Consolidated Capital Bond Loan

<u>Agency</u>	<u>Project Title</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
DMIL	Havre de Grace Combined Support Maintenance Shop	\$4,798,000		
MSA	Department of Legislative Services Building	35,000,000	\$35,000,000	
DoIT	Public Safety Communications System	2,685,000	2,650,000	
DPSCS	Jessup Region Electrical Infrastructure Upgrade	8,924,000		
DPSCS	Eastern Correctional Institution High Temperature Distribution and Perimeter Security Improvements	11,514,000		
UMB	School of Social Work Renovation	5,000,000	50,000,000	
UMCP	Chemistry Building Wing 1 Replacement	45,190,000	38,146,000	
UMCP	New School of Public Policy	2,500,000		
BSU	Communication Arts and Humanities Building	60,000,000	60,000,000	
UMES	School of Pharmacy and Health Professions	17,716,000		
FSU	Education and Health Sciences Center	43,655,000		
CSU	Percy Julian Sciences Building	30,771,000		
UMBC	Utility Upgrades and Site Improvements	6,834,000		
UMBC	Sherman Hall Renovation	6,000,000		
USMO	Third Academic Building	3,229,000		
SMCM	Academic Building and Auditorium	18,837,000		
MHEC	Allegany College of Maryland – Technology Building Renovation	2,918,000		
MHEC	Cecil College – Entrance, Roadway, and Facilities Management Building	3,507,000		
MHEC	Frederick Community College – Linganore Hall Renovation and Addition	3,132,000		
MHEC	Howard Community College – Mathematics and Athletics Complex	13,844,000	13,844,000	\$11,747,000
MHEC	Montgomery College – Catherine and Isiah Leggett Math and Science Building	12,569,000		
MHEC	Prince George’s Community College – Marlboro Hall Renovation and Addition	30,846,000	3,040,000	
MES	Eastern Correctional Institution – Co-Generation Plant Fuel Conversion	1,058,000		
MES	Point Lookout State Park – Water Distribution and Sewer Collection System Upgrade	3,813,000		
MES	Swallow Falls State Park – Water and Wastewater Treatment Plan and Infrastructure Improvements	2,850,000		
MES	Victor Cullen – Upgrade of Wastewater Treatment Plant and Collection System	2,971,000		
MES	Woodstock – Wastewater Treatment Plant Upgrades	1,914,000		
MISC	Merriweather Post Pavilion	3,000,000		
MISC	BaySox Stadium	500,000		

<u>Agency</u>	<u>Project Title</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
MISC	Garrett College – Community Education and Performing Arts Center	700,000		
MISC	Greenway Avenue Stadium	750,000		
MISC	Prince George’s County Amphitheatre at Central Park	11,000,000		
MISC	The Y in Central Maryland – Infrastructure Improvements and New Y Family Center	1,000,000		
MISC	The League for People with Disabilities – Facility Upgrade	500,000		
MISC	Baltimore Museum of Art	2,000,000		
MISC	Andre De Shields Center for the Arts	500,000		
MISC	Friends House Retirement Community	100,000		
MISC	Our House Youth Home	100,000		
MISC	Burtonsville Parking Structure	500,000		
MISC	Bowie Racetrack Recreational Facility			3,000,000
Total		\$402,725,000	\$202,680,000	\$14,747,000

BSU: Bowie State University
 CSU: Coppin State University
 DoIT: Department of Information Technology
 DMIL: Military Department
 DPSPC: Department of Public Safety and Correctional Services
 FSU: Frostburg State University
 MES: Maryland Environmental Service
 MHEC: Maryland Higher Education Commission

MISC: miscellaneous
 MSA: Maryland Stadium Authority
 SMCM: St. Mary’s College of Maryland
 UMB: University of Maryland, Baltimore Campus
 UMBC: University of Maryland Baltimore County
 UMCP: University of Maryland, College Park Campus
 UMES: University of Maryland Eastern Shore
 USMO: University System of Maryland Office

Source: Department of Legislative Services

Higher Education

The State-funded portion of the fiscal 2021 capital program for all segments of higher education is \$414.2 million, including GO bonds, bond premium proceeds, ARBs, and general funds. Of the total funding, public four-year institutions, including regional higher education centers, receive \$297.1 million, or 71.7%, of funding, and independent institutions receive \$12.0 million, or 2.9%, of funding. Community colleges receive \$105.1 million in fiscal 2021 GO bonds, or 25.4% of higher education funding, which includes \$4.0 million for the facilities renewal grant program and \$4.6 million for Baltimore City Community College. **Exhibit A-2.6** shows the fiscal 2021 capital funding by institution.

Exhibit A-2.6 Fiscal 2021 Higher Education Capital Funding by Institution (\$ in Millions)

<u>Institution</u>	<u>Capital Funding</u>
University of Maryland, Baltimore Campus	\$9.9
University of Maryland, College Park Campus	25.0
Bowie State University	6.3
Towson University	7.4
University of Maryland Eastern Shore	67.3
Frostburg State University	35.1
Coppin State University	8.0
University of Maryland Baltimore County	7.0
University of Maryland Center for Environmental Science	1.4
USM – Facility Renewal	12.0
USM – Southern Maryland Higher Education Center	62.2
Morgan State University	20.2
St. Mary’s College of Maryland	35.2
Independent Institutions	12.0
Community Colleges	105.1
Total	\$414.2

USM: University System of Maryland

Note: Includes general obligation bonds, academic revenue bonds, and bond premiums. Does not include use of USM Plant Funds of \$16.4 million for the USM Facilities Renewal Program and \$8.6 million for the Maryland Fire and Rescue Institute Western Regional Training Center Upgrade. Does not include the community college facility grant fund balance of \$4.0 million.

School Construction

As shown in **Exhibit A-2.7**, fiscal 2021 funding for school construction, including all fund sources for both public and nonpublic construction programs, totals \$558.1 million. This includes

\$364.6 million in GO bonds, \$43.5 million in general fund PAYGO funds, and \$150.0 million of revenue bonds authorized in *House Bill 1*.

Exhibit A-2.7
School Construction Funding – Public and Nonpublic
Fiscal 2021
(\$ in Millions)

	<u>GO Bonds</u>	<u>Revenue Bonds</u>	<u>General Funds</u>	<u>Program Total</u>
Public School Construction Program	\$280.0	\$0	\$0	\$280.0
Supplemental Capital Grant Program Senator James E. “Ed” DeGrange	75.0	0	0	75.0
Nonpublic Aging Schools Program	3.5	0	0	3.5
Aging Schools Program	6.1	0	0	6.1
Built to Learn Act of 2020	0	150.0	0	150.0
Healthy School Facilities Fund	0	0	30.0	30.0
Public School Safety Grant Program	0	0	10.0	10.0
Nonpublic School Safety Improvements	0	0	3.5	3.5
Fund Source Total	\$364.6	\$150.0	\$43.5	\$558.1

GO: general obligation

Source: Public School Construction Program Capital Improvement Programs

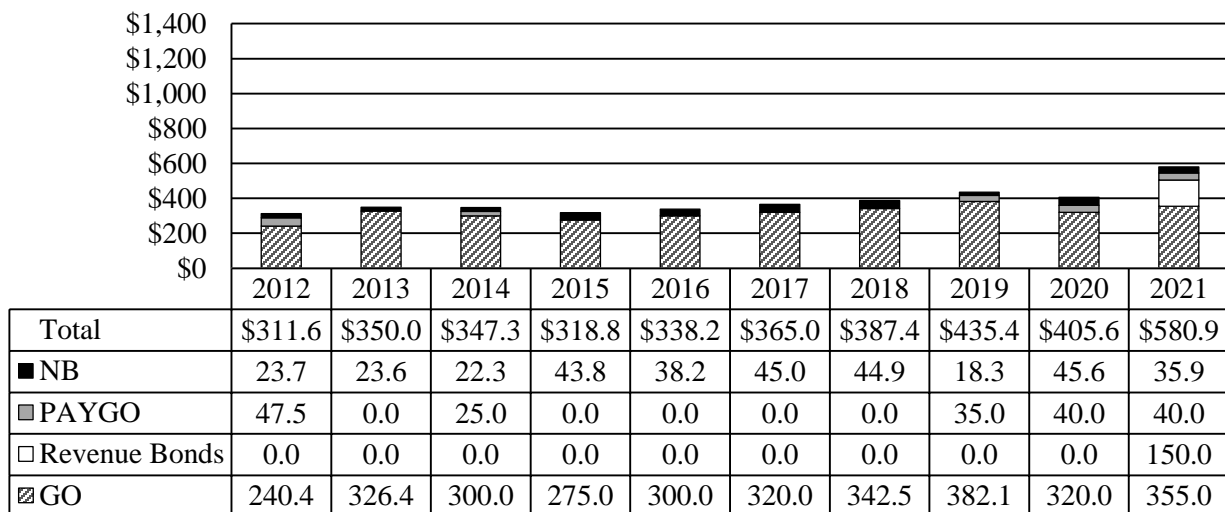
GO bonds continue to be the largest source of school construction funding, including \$280.0 million for the general Public School Construction program, \$75.0 million for the Supplemental Capital Grant Program for local school systems with enrollment growth or relocatable classrooms of which \$40.0 million is allocated as mandated in Title 5, Subtitle 3 of the Education Article, and \$35.0 million added by the General Assembly allocated outside of the statutory formula with specific allocations to jurisdictions set forth in the MCCBL of 2020. Another \$6.1 million funds the Aging Schools Program, which is allocated as grants to county boards of education as specified in § 5-206 of the Education Article, and the remaining \$3.5 million funds the Nonpublic Aging Schools Program.

The general fund component for school construction includes \$30 million for the Healthy School Facility Fund and \$10 million for School Safety Enhancement Grants. The Governor proposed funding both programs with revenue bonds but the General Assembly struck language in the operating budget that would have contingently reduced the mandated funds, thus making them available in the budget as passed. Another \$3.5 million funds nonpublic school safety enhancement grants.

With the passage of *House Bill 1*, revenue bonds are an additional source of school construction funding. While the bill authorizes up to \$2.2 billion of revenue bonds to be issued by MSA, approximately \$150 million is anticipated to be available in fiscal 2021 with the first priority for funds going to projects that have been approved for construction by the Interagency Commission on School Construction but for which funds have not been available.

As shown in **Exhibit A-2.8**, when accounting for GO bonds and revenue bonds, mandated general PAYGO funds, and the use of an additional \$35.9 million in unexpended funds from prior years from the Statewide Contingency Fund, a total of \$580.9 million is available for public school construction in fiscal 2021. For a further discussion of school construction, see Part L – Education of this *2020 Session Major Issues Review*.

Exhibit A-2.8
Public School Construction Funding
Fiscal 2012-2021
(\$ in Millions)



GO: general obligation
NB: nonbudgeted
PAYGO: pay-as-you-go

Note: Figures include new GO bonds, PAYGO funds, revenue bonds authorized in *House Bill 1*, and unexpended funds that were previously authorized. Fiscal 2012 includes a \$47.5 million supplementary appropriation.

Source: Public School Construction Program Capital Improvement Programs

Fiscal 2020 and 2021 Transfer Tax Repayment

The BRFA of 2020 impacts the transfer tax repayment schedule established in Chapter 10 of 2016 as amended for both fiscal 2020 and 2021.

- **Fiscal 2020:** As introduced and passed, the BRFA of 2020 included a provision transferring \$43.9 million appropriated in the DPA for fiscal 2020 repayment, and another extending the statutory repayment schedule by one year to fully replace the fiscal 2020 transferred funds.
- **Fiscal 2021:** The Governor proposed fully funding the required \$46.4 million repayment of which \$38.2 million was budgeted in the DPA to fund the capital components of the repayment schedule. However, the BRFA of 2020 as passed included a provision eliminating the entire capital component budgeted in the DPA and extending the repayment schedule an additional one year to replace the funds. The fiscal 2021 funding for the capital programs impacted by the transfer is shown in **Exhibit A-2.9**.

Exhibit A-2.9
Transfer Tax Repayment – Dedicated Purpose Account
Fiscal 2021
(\$ in Millions)

	<u>Allowance</u>	<u>Legislative Appropriation</u>	<u>Difference</u>
Forest and Park Service	\$36.3	\$36.3	\$0.0
DNR – Land Acquisition and Planning			
Program Open Space – State Share	53.4	41.9	-11.4
Program Open Space – Local Share	52.7	44.2	-8.5
Rural Legacy Program	19.9	18.0	-1.9
Natural Resources Development Fund	12.3	9.0	-3.3
Critical Maintenance Program	8.7	4.0	-4.7
Ocean City Beach Maintenance	1.0	1.0	0.0
Maryland Environmental Service	6.6	4.7	-1.9
Maryland Department of Agriculture – Maryland Agricultural Land Preservation Foundation	40.1	33.6	-6.5
Total	\$231.0	\$192.8	-\$38.2

DNR: Maryland Department of Natural Resources

Note: The fiscal 2021 budget provided \$46.4 million for the fiscal 2021 repayment plan, including \$38.2 million in the Dedicated Purpose Account, \$5.7 million in the DNR operating budget for the Forest Service (\$3.5 million) and Maryland Park Service (\$2.2 million), and another \$2.5 million in the Maryland Agricultural and Resource-Based Industry Development Corporation budget under the Maryland Department of Agriculture. The \$38.2 million is transferred to the general fund through a provision in the Budget Reconciliation and Financing Act of 2020.

Source: Department of Budget and Management; Department of Legislative Services

Transfer Tax Funded Programs

Exhibit A-2.10 shows the fiscal 2021 allocation of funding for capital programs funded with transfer tax revenue. Program funding is reflected for the distribution of fiscal 2021 estimated transfer tax revenue through the formula but not the general fund repayment funding as noted above. The exhibit also reflects special funds derived from the county participation component of the Maryland Agricultural Land Preservation Foundation funding and federal funds budgeted for the State Share of Program Open Space.

Exhibit A-2.10
Programs Traditionally Funded with Transfer Tax Revenue
Fiscal 2021
(\$ in Millions)

	Transfer Tax			
	Regular	Other		
	Special	Special	Federal	Total
	Funds	Funds		
Department of Natural Resources				
Program Open Space				
State ¹	\$38.3	\$0	\$3.0	\$41.3
Local	44.2	0	0	44.2
Capital Development ²	18.7	0	0	18.7
Rural Legacy Program ³	18.0	0	0	18.0
Heritage Conservation Fund	3.6	0	0	3.6
Department of Agriculture				0
Agricultural Land Preservation ⁴	33.6	8.5	0	42.1
Total	\$156.4	\$8.5	\$3.0	\$167.9

GO: general obligation

¹ The Baltimore City Direct Grant of \$6.0 million is a component of the \$38.3 million State Program Open Space (POS) funds. The \$3.0 million in federal funds reflected for POS – State may also be used for Local POS purposes.

² The Capital Development funding is allocated as follows: Natural Resources Development Fund – \$9,000,000; Critical Maintenance Program – \$4,000,000; Ocean City Beach Maintenance – \$1,000,000; and Water and Wastewater Projects at State Parks - \$4,710,657.

³ The Rural Legacy Program funding does not include the \$5.0 million in GO bonds pursuant to § 5-9A-09 of the Natural Resources Article as this is considered an expression of General Assembly intent and not an established mandate.

⁴ The Agricultural Land Preservation funding reflects \$8.5 million in county participation funding.

Source: Department of Budget and Management; Department of Legislative Services

State Aid to Local Governments

Overview

State aid to local governments will total \$8.5 billion in fiscal 2021, representing a \$310.5 million, or 3.8%, increase over fiscal 2020. Direct aid will increase by \$329.0 million, and State funding for retirement payments will decrease by \$18.5 million. As in prior years, local school systems will receive the largest increase in State funding. **Exhibit A-3.1** compares State aid by governmental entity in fiscal 2020 and 2021.

Exhibit A-3.1
State Aid to Local Governments
Fiscal 2020-2021
(\$ in Millions)

	<u>2020</u>	<u>2021</u>	<u>Difference</u>	<u>% Difference</u>
Public Schools	\$6,236.1	\$6,466.4	\$230.3	3.7%
Libraries	62.3	63.6	1.3	2.1%
Community Colleges	285.0	321.8	36.8	12.9%
Local Health	59.1	60.0	0.9	1.6%
County/Municipal	709.9	769.6	59.6	8.4%
Subtotal – Direct Aid	\$7,352.5	\$7,681.5	\$329.0	4.5%
Retirement Payments	\$834.4	\$815.9	-\$18.5	-2.2%
Total	\$8,186.9	\$8,497.4	\$310.5	3.8%

Source: Department of Legislative Services

House Bill 1300 (*passed*), the Blueprint for Maryland’s Future – Implementation, substantially alters State aid and State policy for public schools. Policy and accountability recommendations of the Commission on Innovation and Excellence in Education are established in law. Funding for existing education formulas is altered and new funding formulas are established. Other grants and programs are also established, repealed, and altered. Local government school funding requirements are also altered. For further discussion, see Part L – Education of this *2020 Session Major Issues Review*.

Changes by Program

State aid for Baltimore City and all counties increases in fiscal 2021. **Exhibit A-3.2** summarizes the distribution of direct aid by governmental unit and shows the estimated State retirement payments for local government employees. **Exhibit A-3.3** shows total State aid in fiscal 2020 and 2021 by program. A more detailed discussion of the changes in State aid in fiscal 2021 follows the exhibits.

Exhibit A-3.2
State Aid to Local Governments
Fiscal 2021 Legislative Appropriation
(\$ in Thousands)

County	<i>Direct State Aid</i>						Retirement	Total	Change Over FY 2020	Percent Change
	County – Municipal	Community Colleges	Public Schools	Libraries	Health	Subtotal				
Allegany	\$16,596	\$7,628	\$88,244	\$859	\$2,024	\$115,351	\$8,417	\$123,768	\$1,668	1.4%
Anne Arundel	47,012	36,294	413,693	2,516	4,792	504,306	69,621	573,927	21,206	3.8%
Baltimore City	297,842	0	910,178	9,549	8,747	1,226,316	63,039	1,289,355	3,881	0.3%
Baltimore	27,130	52,400	753,241	6,541	5,770	845,083	102,059	947,142	36,020	4.0%
Calvert	5,612	3,083	92,218	546	862	102,320	14,262	116,582	1,322	1.1%
Caroline	6,365	2,022	63,484	345	1,001	73,218	4,922	78,140	2,151	2.8%
Carroll	6,955	10,153	142,138	1,107	2,265	162,617	21,628	184,245	3,657	2.0%
Cecil	10,154	7,370	112,343	890	1,591	132,347	14,240	146,587	1,603	1.1%
Charles	4,811	10,105	201,601	1,211	2,001	219,728	23,039	242,767	3,323	1.4%
Dorchester	7,209	1,383	49,571	317	957	59,437	3,963	63,400	2,286	3.7%
Frederick	10,897	14,012	278,251	1,623	2,663	307,446	35,791	343,237	13,233	4.0%
Garrett	6,581	4,498	23,564	176	975	35,793	3,417	39,210	1,005	2.6%
Harford	8,575	14,801	232,898	1,820	3,005	261,098	31,083	292,182	8,254	2.9%
Howard	8,874	25,028	292,353	1,062	2,268	329,585	62,449	392,033	12,076	3.2%
Kent	1,435	562	10,279	111	936	13,324	1,836	15,160	30	0.2%
Montgomery	33,490	56,452	802,044	3,459	4,223	899,667	170,961	1,070,628	38,227	3.7%
Prince George's	111,091	39,288	1,269,872	7,641	6,819	1,434,712	119,406	1,554,118	58,255	3.9%
Queen Anne's	2,365	2,377	37,853	206	835	43,635	6,368	50,003	1,204	2.5%
St. Mary's	3,521	3,577	115,950	841	1,316	125,206	13,892	139,098	1,496	1.1%
Somerset	8,390	1,193	36,317	321	886	47,106	2,995	50,101	1,714	3.5%
Talbot	2,973	2,154	16,415	121	668	22,331	3,928	26,259	1,485	6.0%
Washington	14,184	11,668	198,105	1,460	2,508	227,924	18,241	246,165	11,610	4.9%
Wicomico	18,114	6,676	165,490	1,166	1,820	193,267	12,958	206,225	6,504	3.3%
Worcester	8,355	2,609	21,299	170	1,115	33,547	7,396	40,944	581	1.4%
Unallocated	101,029	6,506	139,028	19,535	0	266,099	0	266,099	77,683	41.2%
Total	\$769,559	\$321,839	\$6,466,428	\$63,593	\$60,044	\$7,681,462	\$815,913	\$8,497,375	\$310,475	3.8%

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

Exhibit A-3.2 (Cont.)
State Aid to Local Governments
Fiscal 2020 Working Appropriation
(\$ in Thousands)

County	<i>Direct State Aid</i>						Retirement	Total
	County – Municipal	Community Colleges	Public Schools	Libraries	Health	Subtotal		
Allegany	\$16,615	\$6,594	\$87,303	\$840	\$1,997	\$113,350	\$8,750	\$122,100
Anne Arundel	46,564	31,777	396,775	2,432	4,714	482,262	70,459	552,721
Baltimore City	294,678	0	908,042	9,501	8,593	1,220,815	64,659	1,285,474
Baltimore	26,927	45,505	725,008	6,407	5,668	809,515	101,607	911,122
Calvert	5,809	2,809	90,655	515	851	100,638	14,621	115,260
Caroline	6,202	1,789	61,582	334	988	70,895	5,094	75,989
Carroll	6,814	9,158	139,256	1,069	2,234	158,531	22,056	180,587
Cecil	9,727	6,822	111,618	867	1,570	130,604	14,380	144,985
Charles	4,698	9,373	198,743	1,163	1,974	215,950	23,494	239,444
Dorchester	5,589	1,203	48,930	309	945	56,976	4,138	61,113
Frederick	10,497	12,352	267,090	1,563	2,625	294,128	35,876	330,004
Garrett	6,441	4,124	22,960	169	963	34,656	3,549	38,205
Harford	8,399	12,660	226,122	1,749	2,962	251,891	32,037	283,928
Howard	8,725	21,773	281,169	1,028	2,236	314,930	65,027	379,957
Kent	1,406	555	10,266	105	926	13,259	1,871	15,130
Montgomery	33,201	52,380	762,967	3,388	4,148	856,085	176,317	1,032,401
Prince George's	110,228	33,404	1,215,084	7,628	6,701	1,373,045	122,819	1,495,863
Queen Anne's	2,332	2,180	36,733	192	824	42,261	6,538	48,799
St. Mary's	3,431	3,315	114,348	807	1,296	123,197	14,405	137,602
Somerset	7,861	911	35,379	314	875	45,340	3,048	48,388
Talbot	2,928	1,825	15,410	119	659	20,940	3,833	24,773
Washington	8,405	9,838	193,513	1,417	2,474	215,647	18,908	234,555
Wicomico	16,352	5,905	161,135	1,132	1,796	186,320	13,401	199,722
Worcester	8,263	2,410	20,912	165	1,102	32,851	7,512	40,363
Unallocated	57,817	6,375	105,127	19,097	0	188,415	0	188,415
Total	\$709,909	\$285,038	\$6,236,127	\$62,308	\$59,119	\$7,352,500	\$834,400	\$8,186,900

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

Exhibit A-3.2 (Cont.)
State Aid to Local Governments
Dollar Difference Between Fiscal 2021 Legislative Appropriation and Fiscal 2020 Working Appropriation
(\$ in Thousands)

County	<i>Direct State Aid</i>						Retirement	Total
	County – Municipal	Community Colleges	Public Schools	Libraries	Health	Subtotal		
Allegheny	-\$19	\$1,034	\$940	\$19	\$26	\$2,001	-\$332	\$1,668
Anne Arundel	447	4,517	16,918	84	78	22,044	-838	21,206
Baltimore City	3,164	0	2,136	48	154	5,502	-1,620	3,881
Baltimore	204	6,896	28,233	134	101	35,568	452	36,020
Calvert	-197	274	1,563	31	11	1,682	-360	1,322
Caroline	164	233	1,902	10	14	2,323	-172	2,151
Carroll	141	995	2,881	38	31	4,086	-428	3,657
Cecil	426	548	725	23	21	1,743	-140	1,603
Charles	113	732	2,858	48	27	3,778	-455	3,323
Dorchester	1,620	180	641	9	12	2,461	-175	2,286
Frederick	400	1,660	11,161	60	38	13,318	-85	13,233
Garrett	140	374	604	7	12	1,136	-131	1,005
Harford	176	2,141	6,776	72	43	9,207	-954	8,254
Howard	149	3,255	11,184	34	32	14,655	-2,579	12,076
Kent	29	7	13	6	10	65	-35	30
Montgomery	289	4,071	39,077	71	74	43,583	-5,356	38,227
Prince George's	862	5,884	54,788	13	118	61,667	-3,412	58,255
Queen Anne's	32	197	1,120	14	11	1,374	-170	1,204
St. Mary's	91	262	1,602	34	20	2,009	-513	1,496
Somerset	529	282	938	7	11	1,766	-53	1,714
Talbot	45	329	1,005	3	9	1,391	94	1,485
Washington	5,779	1,830	4,592	43	34	12,277	-667	11,610
Wicomico	1,762	771	4,355	34	24	6,947	-443	6,504
Worcester	92	199	387	5	13	696	-115	581
Unallocated	43,213	131	33,901	439	0	77,683	0	77,683
Total	\$59,650	\$36,801	\$230,301	\$1,286	\$925	\$328,962	-\$18,487	\$310,475

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

Exhibit A-3.2 (Cont.)
State Aid to Local Governments
Percent Change: Fiscal 2021 Legislative Appropriation over Fiscal 2020 Working Appropriation

County	<i>Direct State Aid</i>						Retirement	Total
	County – Municipal	Community Colleges	Public Schools	Libraries	Health	Subtotal		
Allegany	-0.1%	15.7%	1.1%	2.3%	1.3%	1.8%	-3.8%	1.4%
Anne Arundel	1.0%	14.2%	4.3%	3.5%	1.7%	4.6%	-1.2%	3.8%
Baltimore City	1.1%	n/a	0.2%	0.5%	1.8%	0.5%	-2.5%	0.3%
Baltimore	0.8%	15.2%	3.9%	2.1%	1.8%	4.4%	0.4%	4.0%
Calvert	-3.4%	9.8%	1.7%	6.0%	1.3%	1.7%	-2.5%	1.1%
Caroline	2.6%	13.0%	3.1%	3.0%	1.4%	3.3%	-3.4%	2.8%
Carroll	2.1%	10.9%	2.1%	3.5%	1.4%	2.6%	-1.9%	2.0%
Cecil	4.4%	8.0%	0.6%	2.6%	1.3%	1.3%	-1.0%	1.1%
Charles	2.4%	7.8%	1.4%	4.1%	1.4%	1.7%	-1.9%	1.4%
Dorchester	29.0%	15.0%	1.3%	2.8%	1.2%	4.3%	-4.2%	3.7%
Frederick	3.8%	13.4%	4.2%	3.8%	1.4%	4.5%	-0.2%	4.0%
Garrett	2.2%	9.1%	2.6%	4.4%	1.2%	3.3%	-3.7%	2.6%
Harford	2.1%	16.9%	3.0%	4.1%	1.5%	3.7%	-3.0%	2.9%
Howard	1.7%	14.9%	4.0%	3.4%	1.4%	4.7%	-4.0%	3.2%
Kent	2.0%	1.3%	0.1%	5.9%	1.1%	0.5%	-1.9%	0.2%
Montgomery	0.9%	7.8%	5.1%	2.1%	1.8%	5.1%	-3.0%	3.7%
Prince George's	0.8%	17.6%	4.5%	0.2%	1.8%	4.5%	-2.8%	3.9%
Queen Anne's	1.4%	9.0%	3.0%	7.3%	1.3%	3.3%	-2.6%	2.5%
St. Mary's	2.6%	7.9%	1.4%	4.3%	1.5%	1.6%	-3.6%	1.1%
Somerset	6.7%	30.9%	2.7%	2.3%	1.2%	3.9%	-1.7%	3.5%
Talbot	1.5%	18.0%	6.5%	2.3%	1.4%	6.6%	2.5%	6.0%
Washington	68.8%	18.6%	2.4%	3.0%	1.4%	5.7%	-3.5%	4.9%
Wicomico	10.8%	13.1%	2.7%	3.0%	1.4%	3.7%	-3.3%	3.3%
Worcester	1.1%	8.3%	1.8%	3.0%	1.2%	2.1%	-1.5%	1.4%
Unallocated	74.7%	2.1%	32.2%	2.3%	n/a	41.2%	-100.0%	41.2%
Total	8.4%	12.9%	3.7%	2.1%	1.6%	4.5%	-2.2%	3.8%

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

Exhibit A-3.3
Total State Aid to Local Governments
Fiscal 2020-2021

<u>Program</u>	<u>2020</u>	<u>2021</u>	<u>Difference</u>
Foundation Aid	\$3,140,366,550	\$3,218,368,959	\$78,002,409
Supplemental Program	46,620,083	46,620,083	0
Geographic Cost of Education Index	145,450,405	149,532,468	4,082,063
Net Taxable Income Education Grant	65,300,825	69,732,482	4,431,657
Tax Increment Financing Education Grants	1,036,180	1,312,728	276,548
Foundation – Special Grants	11,931,278	9,487,532	-2,443,746
Declining Enrollment Education Grants	18,895,647	7,633,437	-11,262,210
Compensatory Education	1,330,428,825	1,364,738,738	34,309,913
Student Transportation – Regular	275,737,654	282,192,610	6,454,956
Student Transportation – Special Education	27,307,000	27,994,000	687,000
Special Education – Formula	303,250,297	314,871,453	11,621,156
Special Education – Nonpublic Placements	123,470,000	123,899,400	429,400
Special Education – Infants and Toddlers	10,389,104	10,389,104	0
Limited English Proficiency Grants	311,079,529	348,240,587	37,161,058
Guaranteed Tax Base	43,684,957	41,232,314	-2,452,643
Prekindergarten Expansion Program	26,644,000	72,202,350	45,558,350
Prekindergarten Supplemental Grants	21,131,425	0	-21,131,425
School Safety Grants	16,630,295	10,600,000	-6,030,295
Kirwan – Concentration of Poverty	48,522,435	65,194,246	16,671,811
Kirwan – Mental Health Coordinators	2,000,000	2,000,000	0
Kirwan – Prekindergarten	31,677,733	64,032,481	32,354,748
Kirwan – Special Education	65,468,589	65,468,589	0
Kirwan – Teacher Salary Incentives	75,000,001	75,000,001	0
Kirwan – Transitional Supplemental Instruction	23,000,000	23,000,000	0
Food Service	12,996,664	14,086,664	1,090,000
SEED School	10,715,642	10,844,230	128,588
Judy Hoyer Centers	10,575,000	10,575,000	0
Teacher Development	4,520,000	4,520,000	0
Next Generation Scholars	5,000,000	5,000,000	0
Public School Opportunities	3,000,000	3,000,000	0
Out-of-county Foster Placements	2,000,000	1,900,000	-100,000
Head Start	3,000,000	3,000,000	0
Other Education Aid	19,296,727	19,758,503	461,776
Total Primary and Secondary Education	\$6,236,126,845	\$6,466,427,959	\$230,301,114

<u>Program</u>	<u>2020</u>	<u>2021</u>	<u>Difference</u>
Library Formula	\$43,211,040	\$44,058,137	\$847,097
Library Network	19,096,631	19,535,167	438,536
Total Libraries	\$62,307,671	\$63,593,304	\$1,285,633
Community College Formula	\$249,720,042	\$286,113,142	\$36,393,100
Optional Retirement	17,000,000	17,000,000	0
Grants for ESOL Programs	5,223,910	4,918,896	-305,014
Small College Grants	6,118,140	6,700,589	582,449
Other Community College Aid	6,975,430	7,106,162	130,732
Total Community Colleges	\$285,037,522	\$321,838,789	\$36,801,267
Highway User Revenue	\$255,931,515	\$264,193,665	\$8,262,150
Elderly and Disabled Transportation Aid	4,305,908	4,305,908	0
Paratransit Grants	1,508,450	1,508,450	0
Total Transportation	\$261,745,873	\$270,008,023	\$8,262,150
Police Aid	\$74,848,737	\$74,518,472	-\$330,265
Fire and Rescue Aid	15,000,000	15,000,000	0
9-1-1 Grants	14,400,000	58,042,886	43,642,886
Baltimore City Direct Police Grant	9,180,113	9,180,113	0
Baltimore City Technology Improvements	4,600,000	0	-4,600,000
Safe Streets Program	3,600,000	3,600,000	0
State's Attorney Grants	3,478,839	3,228,839	-250,000
Violent Crime Grants	2,292,489	2,292,489	0
Vehicle Theft Prevention	1,886,020	1,886,020	0
Drug Enforcement Grants	1,214,610	1,214,610	0
Maryland Criminal Intelligence Network	5,789,746	5,789,746	0
Police Recruitment and Retention	3,000,000	3,000,000	0
Rape Kit Testing Grant Fund	3,500,000	0	-3,500,000
Other Public Safety Aid	5,436,509	6,186,509	750,000
Total Public Safety	\$148,227,063	\$183,939,684	\$35,712,621
Wastewater Treatment – Nutrient Removal	\$7,000,000	\$8,000,000	1,000,000
Critical Area Grants	175,500	175,500	0
Total Recreation/Environment	\$7,175,500	\$8,175,500	\$1,000,000
Local Health Formula	\$59,119,375	\$60,043,926	\$924,551
Disparity Grant	\$146,172,853	\$158,321,523	\$12,148,670

<u>Program</u>	<u>2020</u>	<u>2021</u>	<u>Difference</u>
Gaming Impact Grants	\$93,745,698	\$95,009,377	1,263,679
Teachers Retirement Supplemental Grants	27,658,661	27,658,661	0
Adult Education	8,011,986	8,011,986	0
Statewide Voting Systems	3,123,036	3,442,793	319,757
Revenue Equity Program	3,543,430	3,593,152	49,722
Payments in Lieu of Taxes (PILOT)	1,664,051	1,818,870	154,819
PILOT – Park Service	2,300,000	2,300,000	0
PILOT – Forest Service	144,708	144,708	0
Instant Bingo	2,631,588	2,370,000	-261,588
Behavioral Health Crisis Response	3,000,000	4,000,000	1,000,000
Senior Citizens Activities Center	764,238	764,238	0
Total Other Direct Aid	\$146,587,396	\$149,113,785	\$2,526,389
Total Direct Aid	\$7,352,500,098	\$7,681,462,493	\$328,962,395
Retirement – Teachers	\$767,888,790	\$750,289,290	-\$17,599,500
Retirement – Libraries	20,878,222	20,245,183	-633,039
Retirement – Community Colleges	45,632,754	45,378,132	-254,622
Total Payments-in-behalf	\$834,399,766	\$815,912,605	-\$18,487,161
Total State Aid	\$8,186,899,864	\$8,497,375,098	\$310,475,234

ESOL: English for Speakers of Other Languages

Kirwan: Commission on Innovation and Excellence in Education

SEED: School of Education Evaluation and Development

Primary and Secondary Education

Foundation Program: The foundation formula ensures a minimum funding level per pupil and requires local governments to provide a local match. The formula is calculated based on a per pupil amount and student enrollment. Less wealthy school systems, as measured by the assessable base and net taxable income (NTI), receive more aid per pupil than wealthier school systems. State aid under the foundation program will total \$3.2 billion in fiscal 2021, a \$78.0 million, or 2.5%, increase from the prior year. The increase is attributable to a statewide enrollment growth of 1.3% and a 1.2% inflationary increase in the per pupil foundation amount, from \$7,244 to \$7,331. The 1.2% increase in the per pupil foundation amount is equivalent to the increase in the Consumer Price Index (CPI) for all urban consumers (commonly known as CPI-U) for the Washington statistical area. Statute provides that the inflationary adjustment is the lesser of CPI-U or the Implicit Price Deflator for State and local government up to 5.0%. *House Bill 1300* specifies per pupil funding increases for fiscal 2022 through 2033.

In addition, \$46.6 million in supplemental grants will be provided to nine local school systems in fiscal 2021. The fiscal 2021 budget also includes a total of \$9.5 million in discretionary foundation funding, with most (\$7.7 million) of this additional funding allocated to Baltimore City.

Geographic Cost of Education Index (GCEI): GCEI is a mandated formula that accounts for the differences in the costs of educational resources among local school systems. Thirteen local school systems are eligible for GCEI funds in fiscal 2021, receiving a total increase of \$4.1 million, or 2.8% over the prior year. Fiscal 2021 funding totals \$149.5 million. Under [*House Bill 1300*](#), GCEI funding is repealed after fiscal 2023 and replaced by Comparable Wage Index funding in fiscal 2024.

NTI Grants: Pursuant to Chapter 4 of 2013, State education aid formulas that include a local wealth component must be calculated twice, once using an NTI amount for each county based on tax returns filed by September 1 and once using an NTI amount based on tax returns filed by November 1. Each local school system then receives the higher State aid amount resulting from the two calculations. Fiscal 2021 funding of NTI grants totals \$69.7 million, a \$4.4 million, or 6.8%, increase compared to fiscal 2020. NTI grants are repealed beginning in fiscal 2022, under [*House Bill 1300*](#).

Tax Increment Financing Grants: Chapter 258 of 2016 authorized grants in fiscal 2018 and 2019 for counties that establish a tax increment financing development district after May 1, 2016, and qualify for State disparity grant funding. If the amount of State education aid for the county calculated as reduced by the tax increment is greater than the amount of State aid calculated without excluding the tax increment, the difference is provided as a grant to the local school system. Chapter 387 of 2018 extended the grant for fiscal 2020 and beyond. Grants totaling \$1.3 million in fiscal 2021 benefit Baltimore City and Prince George’s County. Under [*House Bill 1300*](#), tax increment financing grants are repealed. However, specified tax increment wealth is subtracted within the definition of local wealth used for education funding formulas.

Declining Enrollment Grants: Chapters 6 and 607 of 2017 created grants in fiscal 2018 through 2020 for local school systems with declining enrollment. Chapter 771 of 2019 extended this program into fiscal 2021. A local school system is eligible for an enrollment-based supplemental grant if the county’s most recent prior three-year average full-time equivalent (FTE) enrollment is greater than the FTE enrollment in the previous school year. Nine local school systems qualify for this grant in fiscal 2021, totaling \$7.6 million. The majority of this funding (\$5.0 million) is for Baltimore City.

Guaranteed Tax Base: The Bridge to Excellence in Public Schools Act included an add-on grant for jurisdictions with less than 80% of statewide per pupil wealth that contributed more than the minimum required local share under the foundation program in the prior year. The grant is based on local support for education relative to local wealth. The grant cannot exceed 20% of the per pupil foundation amount. Eight local school systems will qualify for grants totaling \$41.2 million in fiscal 2021, a decrease of \$2.5 million from the prior year.

Compensatory Education Program: The compensatory education formula provides additional funding based on the number of students eligible for free and reduced-price meals (FRPM). The formula is calculated using the number of eligible students and 97% of the per pupil foundation amount. The State share of the formula cost is 50%. Funds are distributed to each local school system based on eligible enrollment in the school system and local wealth with the State paying no less than 40% of formula funding for each local school system. State aid under the compensatory education program will total \$1.4 billion in fiscal 2021. The \$34.3 million increase in fiscal 2021 is based on modest increases in both inflation and student counts. Currently, 42% of students statewide qualify for compensatory education funding. *House Bill 1300* alters per pupil funding beginning in fiscal 2022 and specifies future changes to the enrollment count for the program.

Concentration of Poverty School Grant Program: This program provides grants to public schools in which at least 80% of the students were eligible for FRPM. For both fiscal 2020 and 2021, the State must distribute a grant to each local school system equal to \$248,833 for each eligible school; that same amount must be distributed by the local school system to each eligible school. However, if the local school system has at least 40 eligible schools, the local school system may distribute the funds in accordance with a plan developed in consultation with eligible schools that ensures that each eligible school receives the required positions and services. Statewide grant totals are estimated at \$65.2 million in fiscal 2021, an increase of \$16.7 million over fiscal 2020. *House Bill 1300* alters the program and extends the program indefinitely.

Transitional Supplemental Instruction: This program provides additional academic support using evidence-based programs and strategies that meet the expectations of strong or moderate evidence as defined in the federal Every Student Succeeds Act. In fiscal 2020 and 2021, the State must distribute to local boards of education funds totaling \$23.0 million. Transitional supplemental instruction includes one-on-one and small-group tutoring with a certified teacher, a teaching assistant, or any other trained professional; cross-age peer tutoring; and screening, identifying, and addressing literacy deficits. Struggling learners are students who perform below grade level in English/language arts or reading in kindergarten through grade 3. The program is extended and enhanced under *House Bill 1300* through fiscal 2024, but funding phases downward in fiscal 2025 and 2026 and is repealed after fiscal 2026.

Special Education: State aid for special education recognizes the additional costs associated with providing programs for students with disabilities. Most special education students receive services in the public schools; however, if an appropriate program is not available in the public schools, students may be placed in a private school offering more specialized services. The State and local school systems share the costs of these nonpublic placements.

The special education formula is calculated based on 74% of the annual per pupil foundation amount and the number of special education students from the prior fiscal year. The State share of program cost is 50% statewide with a floor of 40% for each local school system. State formula funding for public special education programs will total \$314.9 million in fiscal 2021, an \$11.6 million, or 3.8%, increase over the prior year. Chapter 771 provides an

additional \$65.5 million for public school special education in fiscal 2021. *House Bill 1300* specifies per pupil formula funding through fiscal 2033.

Funding for nonpublic placements totals \$123.9 million in fiscal 2021, a \$0.4 million, or 0.3% increase. The costs for these students, who are placed in nonpublic day or residential facilities, are shared by the local school system and the State. The local school system contributes an amount equal to the local share of the basic cost of educating a child without disabilities plus two times the total basic cost. Any costs above this are split 70% State/30% local.

Infants and Toddlers Program: This program involves a statewide community-based interagency system of comprehensive early intervention services for eligible children until the beginning of the school year following a child's fourth birthday. State funding for infants and toddlers programs will total \$10.4 million in fiscal 2021, the same annual amount that has been provided since fiscal 2009. *House Bill 1300* increases annual funding through fiscal 2030. However, funding above the \$10.4 million level in fiscal 2021 is at the Governor's discretion.

Limited English Proficiency: The State provides grants based on non- and limited-English proficient (LEP) students using a definition consistent with federal guidelines. This formula provides additional funds based on the number of students for whom English is a second language. The formula is calculated based on eligible enrollment and 99% of the per pupil foundation amount. Like the compensatory formula, the State pays 50% of the formula costs statewide with a floor of 40% for each local school system. Fiscal 2021 funding totals \$348.2 million. The \$37.2 million increase represents an 11.9% increase over the fiscal 2020 level and is based on a 10.9% increase in the number of LEP students. *House Bill 1300* alters per pupil funding beginning in fiscal 2022.

Prekindergarten Funding: Under Chapter 361 of 2018, beginning in fiscal 2020, mandatory annual State funding for prekindergarten expansion grants increased to \$26.6 million. However, fiscal 2021 funding totaling \$72.2 million substantially exceeds this requirement. Also, prekindergarten supplemental grants for four-year-olds enrolled in full-day prekindergarten total \$64.0 million in fiscal 2021. Under *House Bill 1300*, prekindergarten supplemental grants are extended by one year through fiscal 2022. Beginning in fiscal 2023, a new publicly funded full-day prekindergarten program for voluntary full-day prekindergarten for four-year-olds and three-year-olds from low-income families is phased-in. The prekindergarten expansion grant program is modified and funds appropriated to the Prekindergarten Expansion Fund are consolidated into the new full-day prekindergarten formula after fiscal 2025.

Judy Hoyer and Ulysses Currie Head Start Programs: These programs provide financial support for the establishment of centers that provide full-day, comprehensive, early education programs and family support services that will assist in preparing children to enter school ready to learn. The programs also provide funding to support early childhood educators and statewide implementation of an early childhood assessment system. Chapters 555 and 556 of 2018 require an annual State funding level of \$3.0 million for Head Start, which was named the Ulysses Currie Head Start Program by the legislation. The fiscal 2021 budget includes \$10.6 million for

Judy Hoyer programs and \$3.0 million for the Ulysses Currie Head Start program. *House Bill 1300* increases the number of Judy Centers and provides increased funding annually through fiscal 2030. However, funding above the \$10.6 million level in fiscal 2021 is at the Governor's discretion.

Teacher Development and Salary Incentives: State aid for teacher development totals \$4.5 million in fiscal 2021, level with fiscal 2020 funding. This includes \$96,000 for the Governor's Teacher Excellence Award Program, which distributes awards to teachers for outstanding performance and also includes \$600,000 for national certification fees. It also includes funds totaling \$3.8 million for Quality Teacher Incentives, which are used to recruit and retain quality teachers by providing stipends to teachers achieving National Board Certification.

Incentive grants of \$75.0 million are provided for increased teacher salaries in each of fiscal 2020 and 2021. The State must provide a grant to a local school system if the local board provides a negotiated and funded average salary increase for teachers of at least 3.0% in fiscal 2020. However, funding is dependent on local boards providing the required documentation.

Innovative Programs: Funding for Innovative Programs totals \$27.8 million in fiscal 2021, an increase of \$461,800 over the prior year. This increase is due to a \$100,000 increase for the Robotics program and a \$361,800 increase for the Pathways in Technology Early College High School program. Fiscal 2021 funding includes full funding (\$9.0 million) for three programs: the Learning in Extended Academic Programs grant program; the Maryland Early Literacy Initiative; and the Career and Technology Education Innovation grant program.

School-based Health Centers: The fiscal 2021 budget includes \$2.6 million for school-based health centers that provide primary medical care as well as social, mental health, and health education services for students and their families. This amount reflects virtually level funding since fiscal 2012. *House Bill 1300* increases State funding for school-based health centers to \$9.0 million annually beginning in fiscal 2021, however, funding above the \$2.6 million level in fiscal 2021 is at the Governor's discretion.

Healthy Families/Home Visits Program: The Healthy Families Program aims to promote positive parenting to enhance child health and development and to prevent child abuse and neglect through home visits prenatally through early childhood. Fiscal 2021 funding remains level at \$4.6 million.

Student Transportation: The State provides grants to assist local school systems with the cost of transporting students to and from school. The grants consist of three components: regular student ridership funds; special education student ridership funds; and additional enrollment funds. The fiscal 2021 budget includes \$282.2 million for regular transportation services and \$28.0 million for special transportation services. This represents a \$7.1 million, or 2.4%, increase from the prior year. This modest growth is due largely to a 1% increase in the inflation factor used in the funding formula.

School Safety Grants: The fiscal 2021 budget includes \$10.6 million in State funding for public school safety grants, \$6.0 million less than fiscal 2020 funding.

Food and Nutrition Services: In addition to federal funds, the State provides matching funds to support food and nutrition programs for low-income children. The programs provide free and reduced-price breakfasts, lunches, and snacks to public or private nonprofit school students. All public schools in the State are required to provide subsidized or free nutrition programs for eligible students. Chapter 560 of 2018 makes the State responsible for the student share of the costs of (1) reduced-price breakfasts provided under the federal School Breakfast Program and (2) reduced-price lunches provided under the National School Lunch Program by fiscal 2023 and phases in this responsibility beginning in fiscal 2020. Qualifying public and nonpublic schools are eligible for reimbursement. Chapter 562 of 2018 requires minimum annual funding of \$7.6 million for Maryland Meals for Achievement. The fiscal 2021 budget includes \$14.1 million in State aid for food and nutrition services, an increase of \$1.1 million.

Teachers' Retirement Payments: State retirement costs for public school teachers and other professional public school personnel will total an estimated \$750.3 million in fiscal 2021, a decrease of \$17.6 million (2.3%) compared to fiscal 2020 State funding.

Local Libraries

Library Aid Program: The State provides assistance to public libraries through a formula that determines the State and local shares of a minimum per capita library program. Overall, the State provides 40% of the minimum program, and the counties provide 60%. The State/local share of the minimum program varies by county depending on local wealth. Fiscal 2021 funding totals \$41.1 million, an \$847,100 increase compared to fiscal 2020. In addition, Baltimore City will receive \$3.0 million to support expanded operations throughout the library system. This annual support of \$3.0 million terminates after fiscal 2022.

State Library Network: The State provides funds to libraries designated as resource centers, including the State Library Resource Center in Baltimore City, and to regional resource centers, including the Eastern Resource Center in Salisbury, the Southern Resource Center in Charlotte Hall, and the Western Resource Center in Hagerstown. Participating regional resource centers must receive a minimum amount of funding for each resident of the area served to be used for operating and capital expenses. Fiscal 2021 State library network funding totals \$19.5 million, an increase of \$438,500 over fiscal 2020.

Retirement Payments: The State pays 100% of the retirement costs for local library employees. Fiscal 2021 funding totals \$20.2 million, a decrease of \$633,000 compared to fiscal 2020.

Community Colleges

Senator John A. Cade Formula Funding: The Cade funding formula aid is based on a percentage (25% in fiscal 2021) of the current year's State funding formula results for selected four-year public higher education institutions and the total number of FTE students at the community colleges. The total is then distributed to each community college based on the previous year's direct grant, enrollment, and a small-size factor. Fiscal 2021 funding totals \$286.1 million, an increase of \$36.4 million, or 14.6%, over fiscal 2020 funding.

Special Programs: State funding in fiscal 2021 will total \$6.7 million for small college grants and \$600,000 for Allegany/Garrett counties unrestricted grants. Funding for statewide and regional programs will total \$6.5 million. The English as a Second Language Program will receive \$4.9 million.

Retirement Payments: Fiscal 2021 funding totals \$45.4 million, a decrease of \$254,600 compared to fiscal 2020. However, State funding for the optional retirement program totaling \$17.0 million will remain level in fiscal 2021.

Local Health Departments

The State provides funds to support the delivery of public health services, including child health, communicable disease prevention, maternal health, family planning, environmental health, and administration of the departments. The funding formula is adjusted annually for inflation and statewide population growth for the second preceding fiscal year. The annual adjustment is generally allocated to each county based on its percentage share of State funds distributed in the previous fiscal year. The need to address a substantial change in community health needs as determined by the Secretary of Health may also affect allocations of the annual adjustment. The fiscal 2021 budget includes \$60.0 million for local health grants, which is a 1.6% increase over the fiscal 2020 amount.

County and Municipal Governments

Approximately 9.1% of State aid is allocated to county and municipal governments to finance general government, transportation, public safety, and recreation projects. County and municipal governments will receive \$769.6 million in fiscal 2021, an increase of \$59.6 million over fiscal 2020 funding. The major State aid programs assisting county and municipal governments include transportation aid, disparity grants, adult education, teacher retirement supplemental grants, police aid, and gaming impact aid.

Highway User Revenue: The State has shared various transportation revenues with the counties and municipalities through the local highway user revenue program. Allocations to counties and municipalities from the Gasoline and Motor Vehicle Revenue Account (GMVRA) have been based on the percentage of road miles and vehicle registrations within each local jurisdiction.

Chapters 330 and 331 of 2018 require 100% of the funds in the GMVRA of the Transportation Trust Fund (TTF) to be retained by the TTF beginning in fiscal 2020. Beginning in that same year, instead of directly sharing GMVRA revenue with local governments, the Maryland Department of Transportation must provide capital transportation grants to local governments based on the amount of revenue allocated to the GMVRA. For fiscal 2020 through 2024, capital grants equivalent to 13.5% of the revenue allocated to the GMVRA must be provided to local governments as follows: Baltimore City (8.3%); counties (3.2%); and municipalities (2.0%).

Beginning in fiscal 2025, capital grants equivalent to 9.6% of the revenue allocated to the GMVRA must be provided to local governments as follows: Baltimore City (7.7%); counties (1.5%); and municipalities (0.4%); this is equivalent to the previous GMVRA distribution to localities.

The fiscal 2021 allocation is based on projected TTF revenue from motor fuel taxes, motor vehicle titling taxes, motor vehicle registration fees, and corporate income taxes. Based on this formula, the fiscal 2021 budget includes a total of \$264.2 million for local highway funding, which is an \$8.3 million increase from fiscal 2020. Baltimore City will receive \$162.4 million, county governments will receive \$62.6 million, and municipal governments will receive \$39.1 million.

Special Transportation Grants: State funding for elderly/disabled transportation grants will total \$4.3 million in fiscal 2021, and State funding for paratransit grants will total \$1.5 million, both of which are the same amounts as were provided in fiscal 2020.

Police Aid Formula: Maryland's counties and municipalities receive grants for police protection through the police aid formula. The police aid formula allocates funds on a per capita basis, and jurisdictions with a higher population density receive greater per capita grants. Municipalities receive additional grants based on the number of sworn officers. The Maryland State Police recovers 30% of the State crime laboratory costs relating to evidence-testing services from each county's formula allocation. Funding for fiscal 2021 totals \$74.5 million, a decrease of 0.4% from fiscal 2020, resulting primarily from a decrease in the number of sworn officers in some municipalities.

Fire, Rescue, and Ambulance Service: The State provides formula grants through the Senator William H. Amoss Fire, Rescue, and Ambulance Fund to the counties, Baltimore City, and qualifying municipalities for local and volunteer fire, rescue, and ambulance services. The program supports the purchase of fire and rescue equipment and capital building improvements and is funded through the Maryland Emergency Medical System Operations Fund. Fiscal 2021 funding totals \$15.0 million, which is the same as the fiscal 2020 amount.

9-1-1 Emergency Systems Grants: The State 9-1-1 system is supported by a State and a local fee on telephone subscribers that is deposited into a trust fund that provides reimbursements to counties for improvements and enhancements to their 9-1-1 systems. Counties may only use the trust fund money to supplement their spending, not to supplant it. Chapters 301 and 302 of 2019

doubled the State 9-1-1 fee, allowed counties to double their 9-1-1 fees, and required the fee to be assessed on each phone line on a customer account as opposed to being assessed once per account. As a result, State funding to local 9-1-1 emergency systems will increase from \$14.4 million in fiscal 2020 to \$58.0 million in fiscal 2021.

Targeted Public Safety Grants: State funding for targeted public safety grants will total \$34.5 million in fiscal 2021, representing a \$7.6 million decrease from the prior year. Funding for fiscal 2021 includes \$15.5 million in targeted grants for Baltimore City and \$4.8 million in targeted grants for Prince George's County. This funding also includes \$14.3 million for several statewide initiatives (*i.e.*, the Maryland Criminal Intelligence Network, police recruitment and retention, Internet Crimes Against Children Task Force, S.T.O.P. gun violence grants, community program fund, day reporting centers, domestic violence grants, law enforcement and correctional officers training grants, sex offender and compliance enforcement, and body armor grants). New initiatives for fiscal 2021 include \$750,000 for pretrial services grants, which were previously funded at \$1.0 million in fiscal 2019 but not funded in fiscal 2020.

Vehicle Theft Prevention: This program provides grants to law enforcement agencies, prosecutors' offices, local governments, and community organizations for vehicle theft prevention, deterrence, and educational programs. Funds are used to enhance the prosecution and adjudication of vehicle theft crimes. Funding for the program is provided through the Vehicle Theft Prevention Fund and from inspection fees collected for salvaged vehicle verification. State funding for this program will total \$1.9 million in fiscal 2021, the same amount that was provided in fiscal 2020.

Wastewater Treatment – Nutrient Removal Program: The Maryland Department of the Environment provides grants to local governments to assist with operation and maintenance costs associated with enhanced nutrient removal at wastewater treatment facilities. The fiscal 2021 budget includes \$8.0 million in funding, which is a \$1.0 million increase over the fiscal 2020 amount.

Disparity Grants: The disparity grant program provides noncategorical State aid to low-wealth jurisdictions for county government purposes. The program reflects the State's policy to improve fiscal equity among jurisdictions by making less affluent jurisdictions less dependent on their own tax base to fund public services. Specifically, disparity grants address the differences in the abilities of counties to raise revenues from the local income tax, which for most counties is one of the larger revenue sources.

Based on the statutory formula, Baltimore City and nine counties (Allegany, Caroline, Cecil, Dorchester, Garrett, Prince George's, Somerset, Washington, and Wicomico) qualify for disparity grants. Of these jurisdictions, seven currently impose the maximum 3.2% local income tax rate. Two of the jurisdictions (Dorchester and Washington) increased their local income tax rate this year as a way to receive additional State funding, with Caroline County increasing its income tax rate in the previous year. The fiscal 2021 budget includes \$158.3 million for disparity grants, a \$12.1 million increase from the prior year. Of this amount, \$7.6 million is due to the enhanced minimum grant amount for jurisdictions with a 3.2% local income tax rate.

House Bill 737 (passed) alters the enhanced State funding provided under the disparity grant program to jurisdictions with a local income tax rate of 3.2% by (1) increasing the minimum grant amount from 67.5% to 75% and (2) repealing the termination date for the enhanced funding. As a result, eligible jurisdictions will receive at least 75% of their formula allocation under the disparity grant program beginning in fiscal 2022.

Gaming Impact Grants: From the proceeds generated by video lottery terminals at video lottery facilities in the State, generally 5.5% is distributed to local governments in which a video lottery facility is operating. Of this amount, 18% is distributed for 20 years (starting in fiscal 2012 and ending in fiscal 2032) to Baltimore City through the Pimlico Community Development Authority and to Prince George’s County for the community surrounding Rosecroft (\$1.0 million annually). Beginning with fiscal 2015, \$500,000 of the 18% dedication is distributed to communities within three miles of Laurel Race Course, resulting in \$89,300 for Howard County, an additional \$357,100 for Anne Arundel County, and \$53,600 for the City of Laurel. In addition, 5% of table game revenues are distributed to local jurisdictions where a video lottery facility is located. Gaming impact grants total \$95.0 million in fiscal 2021, an increase of \$1.3 million or 1.3%, over fiscal 2020 levels.

Teacher Retirement Supplemental Grants: Grants totaling \$27.7 million are distributed annually to nine counties (including Baltimore City) to help offset the impact of sharing teachers’ retirement costs with the counties.

Revenue Equity Program: Chapter 692 of 2017 established a State Forest, State Park, and Wildlife Management Area Revenue Equity Program to make annual payments, beginning in fiscal 2019, to counties that have a certain amount of State forests, State parks, and wildlife management areas that are exempt from property tax. The payments replace payment in lieu of taxes (PILOT) in the affected counties. The fiscal 2021 budget includes total payments of \$3.6 million to Allegany, Dorchester, Garrett, and Somerset counties, which is an increase of \$49,700 over the fiscal 2020 amount.

Forest Service and Maryland Park Service – PILOT: Each county in which any State forest or park is located annually receives 15% of the net revenues derived from the forest or park located in that county, including concession operations. If the forest or park reserve comprises 10% or more of its total land area, the county annually receives 25% of the net revenues derived from the reserve. The original intent of the county payments was to offset the loss in property taxes to counties in which the State owned a significant amount of acreage. In both fiscal 2020 and 2021, Forest Service payments to local governments total \$144,700, and Maryland Park Service payments to local governments total \$2.3 million.

Senior Citizen Activities Center Operating Fund: The Senior Citizen Activities Center Operating Fund is a nonlapsing fund that consists of appropriations from the State budget. The fund supplements any other funding for senior citizen activities centers in the State budget; it may not be used to replace existing funding. Funding is distributed to counties based on a competitive grant process with at least 50% of the funds distributed based on need for senior citizen activities

centers in counties determined by the Maryland Department of Aging to meet criteria related to economic distress. The fiscal 2021 budget includes \$764,200 for the program, which is the same amount that was included for fiscal 2020.

Adult Education: The State provides funding for adult education services, including classes on basic skills in reading, writing, and math, or learning to speak and understand the English language. Grants also assist adults to prepare to earn a high school diploma through GED tests or the National External Diploma Program. The fiscal 2021 budget includes \$8.0 million for adult education programs in fiscal 2021, level with fiscal 2020 funding.

Behavioral Health Crisis Response: Chapters 209 and 210 of 2018 established the Behavioral Health Crisis Response Grant Program in the Maryland Department of Health to provide funds to local jurisdictions to establish and expand community behavioral health crisis response systems. The fiscal 2021 budget includes \$4.0 million for the fund, as required by Chapters 209 and 210, an increase of \$1.0 million over the fiscal 2020 amount.

Allegany County

A. Direct Aid and Retirement Payments

1. Direct Aid

	<u>FY 2020</u>	<u>FY 2021</u>	<u>\$ Diff.</u>	<u>% Diff.</u>
	(\$ in Thousands)			
Foundation Aid	\$43,087	\$43,431	\$344	0.8%
Compensatory Education	22,243	22,064	-179	-0.8%
Student Transportation	5,066	5,116	50	1.0%
Special Education	7,970	7,636	-334	-4.2%
Limited English Proficiency Grants	87	117	30	34.2%
Guaranteed Tax Base	4,468	4,603	135	3.0%
Declining Enrollment Grants	845	1,032	187	22.1%
Kirwan Commission – Blueprint Funding	3,018	3,797	779	25.8%
Other Education Aid	519	448	-72	-13.8%
Primary and Secondary Education	\$87,303	\$88,244	\$940	1.1%
Libraries	\$840	\$859	\$19	2.3%
Community Colleges	6,594	7,628	1,034	15.7%
Health Formula Grant	1,997	2,024	26	1.3%
Transportation ¹	3,016	3,026	10	0.3%
Police and Public Safety ¹	848	843	-5	-0.6%
Fire and Rescue Aid ¹	352	352	0	0.0%
Disparity Grant	7,299	7,299	0	0.0%
Teachers Retirement Supplemental Grant	1,632	1,632	0	0.0%
Gaming Impact Aid	2,467	2,499	31	1.3%
Other Direct Aid	1,001	946	-56	-5.6%
Total Direct Aid	\$113,350	\$115,351	\$2,001	1.8%
Aid Per Capita (\$)	\$1,610	\$1,638	\$28	1.8%
Property Tax Equivalent (\$)	2.87	2.97	0.10	3.5%

¹ Municipal governments within the county receive a share of these funds.

2. Retirement Payments

County teachers and librarians are members of either the teachers' retirement or pension systems maintained and operated by the State. Community college faculty may also be members of these systems. The State pays a portion of the employer share on behalf of the subdivisions for these local employees. Fiscal 2021 State payments for Allegany County for teachers, librarians, and community college faculty are estimated to be \$8,417,000.

B. Selected State Grants for Capital Projects

Public Schools*

Braddock Middle School – renovations (boiler)	\$838,100
Center for Career and Technical Education – renovations (roof)	100,567
Washington Middle School – renovations (boiler)	93,000

*The final allocation of fiscal 2021 school construction funding will be made in May 2020.

Public Libraries

LaVale Library – renovation and expansion	1,800,000
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Allegany College of Maryland

Technology Building	2,830,000
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Strategic Demolition Fund

Allegany High School – demolition	500,000
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Program Open Space

Park acquisition and development	491,311
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Community Parks and Playgrounds

East First Street Playground	149,000
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Chesapeake Bay Water Quality Projects

Frostburg Combined Sewer – overflow elimination	173,086
Luke – Mullen Avenue sewer collection system	488,000

Chesapeake Bay Restoration Fund

Braddock and Jennings Run – sewage conveyance improvements	7,736,000
Evitts Creek – combined sewer overflow	4,180,000
Frostburg – combined sewer overflow	1,212,000
Mill Race – combined sewer overflow	11,285,000

Water Supply Financial Assistance Program

Westernport – water distribution system improvements	1,250,000
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Comprehensive Flood Mitigation Program

Cumberland – flood control system	188,000
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Mining Remediation Program

Jennings Run – watershed remediation	400,000
Upper George’s Creek – stream sealing	100,000

Other Projects

Allegany County Informational Historic Markers	5,000
Allegany Oxford House	50,000
Civil Air Patrol Squadron Building	42,000
Cumberland – Baltimore Street Town Centre	500,000
Frostburg – City Hall relocation	500,000
Greenway Avenue Stadium	750,000
Western Maryland Scenic Railroad	45,000

C. Capital Projects for State Facilities in the County**Maryland State Police**

Cumberland Barrack and Garage	\$2,352,000
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University System of Maryland

Frostburg State – Education Professions and Health Sciences Center	35,069,000
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Anne Arundel County

A. Direct Aid and Retirement Payments

1. Direct Aid

	<u>FY 2020</u>	<u>FY 2021</u>	<u>\$ Diff.</u>	<u>% Diff.</u>
	(\$ in Thousands)			
Foundation Aid	\$226,735	\$233,121	\$6,386	2.8%
Compensatory Education	71,252	73,680	2,428	3.4%
Student Transportation	26,495	27,425	929	3.5%
Special Education	29,892	31,578	1,686	5.6%
Limited English Proficiency Grants	16,739	19,269	2,529	15.1%
Geographic Cost of Education Index	10,543	10,885	341	3.2%
Kirwan Commission – Blueprint Funding	13,561	16,109	2,548	18.8%
Other Education Aid	1,556	1,627	70	4.5%
Primary and Secondary Education	\$396,775	\$413,693	\$16,918	4.3%
Libraries	\$2,432	\$2,516	\$84	3.5%
Community Colleges	31,777	36,294	4,517	14.2%
Health Formula Grant	4,714	4,792	78	1.7%
Transportation ¹	8,564	8,861	297	3.5%
Police and Public Safety ¹	9,014	9,031	17	0.2%
Fire and Rescue Aid ¹	1,250	1,250	0	0.0%
Gaming Impact Aid	27,662	27,795	133	0.5%
Other Direct Aid ¹	75	75	0	0.0%
Total Direct Aid	\$482,262	\$504,306	\$22,044	4.6%
Aid Per Capita (\$)	\$833	\$871	\$38	4.6%
Property Tax Equivalent (\$)	0.51	0.53	0.02	3.1%

¹ Municipal governments within the county receive a share of these funds.

2. Retirement Payments

County teachers and librarians are members of either the teachers' retirement or pension systems maintained and operated by the State. Community college faculty may also be members of these systems. The State pays a portion of the employer share on behalf of the subdivisions for these local employees. Fiscal 2021 State payments for Anne Arundel County for teachers, librarians, and community college faculty are estimated to be \$69,621,000.

B. Selected State Grants for Capital Projects

Public Schools*

Arundel Middle School – construction	\$3,293,750
Crofton Area High School – construction	9,411,938
Edgewater Elementary School – construction	3,685,000
Maryland City Elementary School – renovations (roof)	857,000
Richard Henry Lee Elementary School – construction	3,749,307
Tyler Heights Elementary School – construction	1,396,775
Supplemental Capital Grant Program for Local School Systems	9,176,590

*The final allocation of fiscal 2021 school construction funding will be made in May 2020.

Public Libraries

Riviera Beach Library – construction	2,500,000
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Anne Arundel Community College

Health Sciences and Biology Building	26,476,000
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Community Health Facilities Grant Program

Chrysalis House, Inc.	1,300,000
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Program Open Space

Park acquisition and development	5,343,505
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Comprehensive Flood Mitigation Program

Annapolis – city dock stormwater and flood mitigation	700,000
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Waterway Improvement

Annapolis – floating dock installation	191,000
Annapolis Fire Department – fire boat line deployment kits	3,200
Annapolis Maritime Museum – construct Back Creek dock	89,460
Deep Creek – headwaters and cove dredging	257,000
Riviera Beach Volunteer Fire Department – fire rescue boat pump replacement	13,037

Coastal Resiliency Program

St. Mary’s Church – shoreline enhancements	1,080,000
West River – shoreline and stormwater enhancements	880,000

Other Projects

American Legion Guy C. Parlett Post 7	38,000
American Legion Post 141	25,000
Annapolis – downtown mural project	15,000
Annapolis – park and playground improvements	350,000
Anne Arundel County – Brooklyn Park Athletic Complex	80,000
Anne Arundel County – Defenders of Freedom Capital Gazette Memorial	300,000
Anne Arundel County – Michael E. Busch Annapolis Library	100,000
Bello Machre Community Training and Gathering Center	150,000
Benson-Hammond House	100,000
Brewer Hill Cemetery	70,000
Deale Elks Lodge No. 2528	40,000
Eastport Elementary School – playground improvements	40,000
Girl Scouts of Central Maryland – Camp Woodlands	450,000
Goshen Farmhouse	60,000
Historic Annapolis, Inc.	1,000,000
Lakeshore Volunteer Fire Department	100,000
Langton Green Community Farm	100,000
Lindale Middle School – tennis courts	60,000
Linthicum Elementary School	60,000
Linthicum Veterans Memorial	82,000
National Cryptologic Museum	125,000
North County High School – field house	1,443,500
Northeast High School – physical endurance training course	75,000
Preservation Maryland – Burtis House	75,000
Ralph J. Bunche Community Center	250,000
Severn Intergenerational Center	1,000,000
Thomas Point Shoal Lighthouse	50,000
West County Family Support Center	200,000
Woods Community Center	100,000

C. Capital Projects for State Facilities in the County

General Government

Courts of Appeal Building	\$2,450,000
General Assembly – Department of Legislative Services building	3,500,000
Lawyer’s Mall – underground infrastructure and utilities	5,000,000

Department of Public Safety and Correctional Services

Jessup Region – electrical infrastructure upgrade	994,000
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Maryland Environmental Service

Crownsville Hospital Center – water tower	436,000
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Baltimore City

A. Direct Aid and Retirement Payments

1. Direct Aid

	<u>FY 2020</u>	<u>FY 2021</u>	<u>\$ Diff.</u>	<u>% Diff.</u>
	(\$ in Thousands)			
Foundation Aid	\$382,039	\$381,704	-\$335	-0.1%
Compensatory Education	286,650	289,071	2,421	0.8%
Student Transportation	21,129	21,270	140	0.7%
Special Education	59,689	59,880	191	0.3%
Limited English Proficiency Grants	27,564	35,446	7,882	28.6%
Guaranteed Tax Base	17,376	15,880	-1,496	-8.6%
Declining Enrollment Grants	15,494	4,989	-10,505	-67.8%
Geographic Cost of Education Index	22,387	22,641	254	1.1%
Kirwan Commission – Blueprint Funding	50,974	73,868	22,894	44.9%
Prekindergarten Grants	19,450	0	-19,450	-100.0%
Other Education Aid	5,291	5,429	137	2.6%
<i>Primary and Secondary Education</i>	<i>\$908,042</i>	<i>\$910,178</i>	<i>\$2,136</i>	<i>0.2%</i>
Libraries	\$9,501	\$9,549	\$48	0.5%
Health Formula Grant	8,593	8,747	154	1.8%
Transportation	157,730	162,810	5,080	3.2%
Police and Public Safety	20,176	15,451	-4,725	-23.4%
Fire and Rescue Aid	1,353	1,353	0	0.0%
Disparity Grant	76,580	79,052	2,471	3.2%
Teachers Retirement Supplemental Grant	10,048	10,048	0	0.0%
Gaming Impact Aid	27,202	27,385	183	0.7%
Other Direct Aid	1,589	1,744	155	9.7%
Total Direct Aid	\$1,220,815	\$1,226,316	\$5,502	0.5%
Aid Per Capita (\$)	\$2,057	\$2,066	\$9	0.5%
Property Tax Equivalent (\$)	2.79	2.76	-0.03	-1.3%

2. Retirement Payments

City teachers and librarians are members of either the teachers' retirement or pension systems maintained and operated by the State. The State pays a portion of the employer share on behalf of the subdivisions for these local employees. Fiscal 2021 State payments for Baltimore City for teachers and librarians are estimated to be \$63,039,000.

B. Selected State Grants for Capital Projects

Public Schools*

Barclay Elementary/Middle School #54 – renovations (roof)	\$1,267,000
Collington Square Elementary/Middle School #97 – renovations (fire safety)	288,000
Curtis Bay Elementary/Middle School #207 – renovations (HVAC/roof)	5,421,425
Dickey Hill Elementary/Middle School #201 – renovations (roof)	1,555,000
Diggs-Johnson Building #162 – renovations (classroom A/C units)	1,632,000
Fallstaff Elementary/Middle School #241 – construction	672,000
Federal Hill Preparatory School #45 – renovations (roof/structural)	2,296,000
Franklin Square Elementary/Middle School #95 – renovations	15,000
Fruman L. Templeton Elementary School #125 – renovations (roof)	1,958,000
Harlem Park Building #78 – renovations (elevator)	308,059
Harlem Park Elementary/Middle School #35 – renovations (HVAC)	1,301,875
Hazelwood Elementary/Middle School #210 – renovations (roof)	1,897,000
Northern Building #402 – renovations (elevator)	446,000
Thomas Jefferson Elementary/Middle School #232 – renovations (roof)	1,901,000
Woodhome Elementary/Middle School #205 – renovations (roof)	2,620,950

*The final allocation of fiscal 2021 school construction funding will be made in May 2020.

Community Health Facilities Grant Program

My Father's Heart, Inc.	33,000
People Encouraging People, Inc.	908,000
Project PLASE, Inc.	470,000
Tuerk House, Inc.	1,450,000

Federally Qualified Health Centers Grant Program

Baltimore Medical System, Inc.	649,075
Native American Lifelines, Inc.	1,437,737

Strategic Demolition Fund

Project C.O.R.E	21,000,000
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Program Open Space

Park acquisition and development	9,528,862
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Community Parks and Playgrounds

Mary Rodman Recreation Center	255,688
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Comprehensive Flood Mitigation Program

Frederick Avenue	67,000
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Waterway Improvement

Living Classroom Foundation – marina improvements and replacement	250,000
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Hazardous Substance Cleanup Program

Chemicals Metals, Inc. – hazardous waste remediation	50,000
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Other Projects

Ambassador Theater	250,000
Andre De Shields Center for the Arts	2,500,000
Arch Social Club, Inc.	500,000
Arena Players Theater	100,000
Baltimore City – Middle Branch Park	500,000
Baltimore Clayworks, Inc.	100,000
Baltimore Museum of Art	2,000,000
Baltimore Police Mounted Unit – stables	500,000
Baltimore Zoo – infrastructure improvements	5,050,000
Belair-Edison Neighborhoods, Inc.	200,000
Beloved Community Services Corp. – Public School 103 building	350,000
BLISS Meadows Farmhouse	50,000
Bon Secours Community Works	100,000
Boys and Girls Clubs of Metropolitan Baltimore	250,000
Cal Ripken, Sr. Foundation – athletic fields	500,000
Cecil Elementary School Community Park	300,000
Central Baltimore Partnership, Inc. – North Calvert redevelopment	1,000,000
Cherry Hill Development Corp. – blight reduction and homeownership initiative	270,000
Chesapeake Shakespeare Company	200,000
Community Mediation Center – Safe Streets	75,000
Community Mediation Program – Mediation Center	75,000
Creative Alliance	200,000
Fayette Street Outreach Community Center	100,000

Forest Park Senior Center	250,000
Franciscan Center, Inc.	200,000
Gilchrist Hospice Care, Inc.	1,000,000
Govans Ecumenical Development Corporation	25,000
Greenmount West Community Center	30,000
Habitat for Humanity of the Chesapeake	250,000
Hamilton Elementary/Middle School – playground and schoolyard improvements	75,000
Harlem Park Community Center	200,000
Helping Up Mission	500,000
Hippodrome Foundation, Inc. – France-Merrick Performing Arts Center	1,000,000
Hoen Lithograph Building	200,000
Hon’s Honey – storefront improvements	100,000
House of Ruth Maryland, Inc.	500,000
Howell Celebrating Lives Viola Family Support Center, Inc.	150,000
Italian Cultural Center of Maryland	25,000
Itineris Foundation, Inc.	100,000
Johns Hopkins Bayview Medical Center	2,000,000
Johns Hopkins Health System – Children’s Medical and Surgical Center	2,500,000
Johns Hopkins Hospital	691,000
Johns Hopkins University – Henrietta Lacks Building	4,000,000
Kappa Alpha Psi Youth and Community Center	150,000
Kennedy Krieger Children’s Hospital	450,000
Kennedy Krieger Institute	1,500,000
Lexington Market	2,000,000
LIFE Church Ministries Food Pantry	10,000
Living Classrooms Opportunity Hub	150,000
Lovely Lane Arts and Neighborhood Center	25,000
Mary Harvin Transformation Center	500,000
Maryland Historical Society	1,000,000
Maryland Institute College of Art – 81 Mosher Street Building	4,000,000
Maryland School for the Blind – construction	5,207,841
Maryland Science Center	1,500,000
Modell Performing Arts Center at the Lyric	500,000
Mount Pleasant Family Life Center	100,000
Mount Washington Pediatric Hospital	750,000
National Aquarium in Baltimore	5,000,000
New Antioch Baptist Church Community Outreach Center	15,000
Notre Dame of Maryland University – Knott Science Building	4,000,000
Orchard Street Church	300,000
Our Saviour Lutheran Church	40,000
Park West Health System, Inc.	500,000
Patterson Park Public Charter School, Inc.	300,000
Paul’s Place	250,000
Plantation Park Heights Urban Farm	250,000
Port Discovery Children’s Museum	1,000,000

Roberta's House	500,000
Ronald McDonald House	500,000
Sinai Hospital	1,500,000
South Baltimore Community Land Trust	200,000
St. Francis Neighborhood Center	500,000
The League for People with Disabilities	250,000
The Y in Central Maryland	1,000,000
Ulman House	100,000
Waterfront Partnership of Baltimore, Inc. – Rash Field	500,000
Young Adult Residential Fellowship Program	125,000
Youth Empowered Society Drop-In Center	100,000

C. Capital Projects for State Facilities in the City

General Government

Baltimore City District Court – Shillman Building	\$713,000
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Department of Public Safety and Correctional Services

Baltimore City Detention Center – demolition	5,647,000
Therapeutic Treatment Center	8,000,000

Baltimore City Community College

Campuswide – facilities renewal	500,000
Liberty Campus – improve and expand roadway and parking lots	4,623,000

Morgan State University

Campuswide – deferred maintenance and site improvements	10,000,000
Health and Human Services Building	5,382,000
Student Services Support Building	4,851,000

University System of Maryland

Baltimore – electric substation and electrical infrastructure	9,944,000
Coppin State – Percy Julian Building	7,513,000
Coppin State – public safety building	450,000

Other

University of Maryland Medical System – cancer treatment/organ transplant	7,500,000
University of Maryland Medical System – shock trauma center	3,000,000

Baltimore County

A. Direct Aid and Retirement Payments

1. Direct Aid

	<u>FY 2020</u>	<u>FY 2021</u>	<u>\$ Diff.</u>	<u>% Diff.</u>
	(\$ in Thousands)			
Foundation Aid	\$416,980	\$425,219	\$8,239	2.0%
Compensatory Education	154,225	160,497	6,272	4.1%
Student Transportation	34,547	35,414	867	2.5%
Special Education	58,838	64,720	5,882	10.0%
Limited English Proficiency Grants	27,866	32,799	4,933	17.7%
Geographic Cost of Education Index	6,356	6,490	134	2.1%
Kirwan Commission – Blueprint Funding	22,622	24,199	1,576	7.0%
Other Education Aid	3,575	3,904	329	9.2%
<i>Primary and Secondary Education</i>	<i>\$725,008</i>	<i>\$753,241</i>	<i>\$28,233</i>	<i>3.9%</i>
Libraries	\$6,407	\$6,541	\$134	2.1%
Community Colleges	45,505	52,400	6,896	15.2%
Health Formula Grant	5,668	5,770	101	1.8%
Transportation	9,399	9,641	242	2.6%
Police and Public Safety	12,815	12,777	-38	-0.3%
Fire and Rescue Aid	1,712	1,712	0	0.0%
Teachers Retirement Supplemental Grant	3,000	3,000	0	0.0%
Total Direct Aid	\$809,515	\$845,083	\$35,568	4.4%
Aid Per Capita (\$)	\$978	\$1,021	\$43	4.4%
Property Tax Equivalent (\$)	0.90	0.91	0.01	1.9%

2. Retirement Payments

County teachers and librarians are members of either the teachers' retirement or pension systems maintained and operated by the State. Community college faculty may also be members of these systems. The State pays a portion of the employer share on behalf of the subdivisions for these local employees. Fiscal 2021 State payments for Baltimore County for teachers, librarians, and community college faculty are estimated to be \$102,059,000.

B. Selected State Grants for Capital Projects

Public Schools*

Berkshire Elementary School – construction	\$9,290,349
Chadwick Elementary School – construction	5,465,496
Colgate Elementary School – construction	9,708,000
Supplemental Capital Grant Program for Local School Systems	9,468,851

*The final allocation of fiscal 2021 school construction funding will be made in May 2020.

Senior Center Capital Grant Program

Parkville Senior Center	263,000
Victory Villa Senior Center	81,000

Program Open Space

Park acquisition and development	6,010,738
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Waterway Improvement

Bowleys Quarters Volunteer Fire Department – purchase fire/rescue boat	50,000
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Other Projects

Baltimore Association of Nepalese in America	125,000
Baltimore County – Cromwell Valley Park	200,000
Baltimore County – Hazelwood Park	150,000
Baltimore County – McCormick Elementary PAL Recreation Center	50,000
Baltimore County – police athletic league centers	500,000
Baltimore County – Police Department Precinct 1 Wilkens	2,000,000
Beacon of Hope	75,000
Community Assistance Network Food Pantry	250,000
Community Therapy Clinic	225,000
Gordon Center for the Performing Arts	150,000

Greater Baltimore Medical Center, Inc.	25,000
Gunpowder Elementary School – playground improvements	150,000
Junior Achievement of Central Maryland, Inc.	150,000
Liberty Community Development Youth Center	550,000
Liberty Road Volunteer Fire Company	300,000
Maryland State Fairgrounds	500,000
MedStar Franklin Square Hospital	3,500,000
National Center on Institutions and Alternatives	350,000
Parkville High School – athletic facilities	50,000
Pearlstone Conference and Retreat Center	1,000,000
Pikesville Volunteer Fire Company	150,000
Reisterstown Improvement Association, Inc. – Franklin Woodlands	40,000
Relay Town Hall	22,500
Shepard Pratt Health System, Inc. – Mann Residential Treatment Center	25,000
Simmons Museum of Negro Leagues Baseball	50,000
Sparrows Point High School – scoreboard	15,000
Special Olympics Maryland Headquarters	875,000
St. Stephen Church – fire suppression water tank	55,000
Timonium Elementary School – playground improvements	25,000
Towson Armory Building	500,000
Towson High School – stadium	225,000
Upper Falls Odd Fellows Lodge	53,000
WIN Team Headquarters and Treatment Facility	300,000
Woodlawn High School – athletic facilities	150,000

C. Capital Projects for State Facilities in the County

Military Department

Maryland Emergency Management Agency – headquarters renovation	\$585,000
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Maryland Environmental Service

Woodstock – wastewater treatment plant upgrades	2,222,000
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University System of Maryland

Baltimore County – Retriever Activities Center	13,100,000
Baltimore County – Sherman Hall	1,000,000
Baltimore County – The Commons renovation	860,000
Baltimore County – utility upgrades	6,041,000
Towson University – athletic fields	1,000,000
Towson University – College of Health Professions Building	6,437,000

A-114

Aid to Local Government – Baltimore County

Towson University – Glen Towers addition and renovation	24,513,000
Towson University – University Union addition and renovation	25,100,000

Other

Maryland Public Television – Studio "A" renovation and addition	545,000
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Calvert County

A. Direct Aid and Retirement Payments

1. Direct Aid

	<u>FY 2020</u>	<u>FY 2021</u>	<u>\$ Diff.</u>	<u>% Diff.</u>
	(\$ in Thousands)			
Foundation Aid	\$62,734	\$63,961	\$1,227	2.0%
Compensatory Education	10,133	10,075	-58	-0.6%
Student Transportation	6,296	6,412	117	1.9%
Special Education	5,467	5,657	190	3.5%
Limited English Proficiency Grants	555	607	52	9.3%
Geographic Cost of Education Index	2,354	2,398	44	1.9%
Kirwan Commission – Blueprint Funding	2,805	2,805	0	0.0%
Other Education Aid	312	302	-9	-2.9%
Primary and Secondary Education	\$90,655	\$92,218	\$1,563	1.7%
Libraries	\$515	\$546	\$31	6.0%
Community Colleges	2,809	3,083	274	9.8%
Health Formula Grant	851	862	11	1.3%
Transportation ¹	2,076	2,137	61	2.9%
Police and Public Safety ¹	801	805	4	0.4%
Fire and Rescue Aid ¹	300	300	0	0.0%
Other Direct Aid	2,632	2,370	-262	-9.9%
Total Direct Aid	\$100,638	\$102,320	\$1,682	1.7%
Aid Per Capita (\$)	\$1,088	\$1,106	\$18	1.7%
Property Tax Equivalent (\$)	0.80	0.79	-0.01	-1.2%

¹ Municipal governments within the county receive a share of these funds.

2. Retirement Payments

County teachers and librarians are members of either the teachers' retirement or pension systems maintained and operated by the State. Community college faculty may also be members of these systems. The State pays a portion of the employer share on behalf of the subdivisions for these local employees. Fiscal 2021 State payments for Calvert County for teachers, librarians, and community college faculty are estimated to be \$14,262,000.

B. Selected State Grants for Capital Projects

Public Schools*

Mt. Harmony Elementary School – renovations (HVAC)	\$698,275
Northern High School – renovations (sewage plant)	720,800
Patuxent High School – renovations (HVAC)	515,600
Southern Middle School – renovations (HVAC)	1,417,000

*The final allocation of fiscal 2021 school construction funding will be made in May 2020.

College of Southern Maryland

Hughesville Center for Health Sciences	6,732,000
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Program Open Space

Park acquisition and development	531,947
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Chesapeake Bay Restoration Fund

Prince Frederick WWTP – enhanced nutrient removal	4,897,000
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Waterway Improvement

Calvert Marine Museum – boat basin pier and bulkhead replacement	200,000
Solomons Island – boating facility repaving	250,000
Solomons Volunteer Fire Department – purchase rescue raft and equipment	3,500

Other Projects

Calvert Animal Welfare League	25,000
Calvert Marine Museum	250,000
Chesapeake Beach – Kellams Complex	50,000
End Hunger in Calvert County, Inc.	700,000

C. Capital Projects for State Facilities in the County

Maryland Department of Planning

Jefferson Patterson Park and Museum – Patterson Center	\$4,590,000
Maryland Archeological Conservation Laboratory – expansion and renovation	215,000

University System of Maryland

Center for Environmental Science – Chesapeake Analytics Collaboration	1,448,000
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Caroline County

A. Direct Aid and Retirement Payments

1. Direct Aid

	<u>FY 2020</u>	<u>FY 2021</u>	<u>\$ Diff.</u>	<u>% Diff.</u>
	(\$ in Thousands)			
Foundation Aid	\$31,353	\$31,595	\$242	0.8%
Compensatory Education	16,120	16,193	73	0.5%
Student Transportation	2,960	3,001	41	1.4%
Special Education	3,020	3,315	295	9.8%
Limited English Proficiency Grants	2,771	3,094	323	11.7%
Guaranteed Tax Base	1,827	2,170	343	18.8%
Kirwan Commission – Blueprint Funding	3,156	3,724	568	18.0%
Other Education Aid	376	393	17	4.5%
<i>Primary and Secondary Education</i>	<i>\$61,582</i>	<i>\$63,484</i>	<i>\$1,902</i>	<i>3.1%</i>
Libraries	\$334	\$345	\$10	3.0%
Community Colleges	1,789	2,022	233	13.0%
Health Formula Grant	988	1,001	14	1.4%
Transportation ¹	1,570	1,616	45	2.9%
Police and Public Safety ¹	340	345	4	1.3%
Fire and Rescue Aid ¹	305	305	0	0.0%
Disparity Grant	3,301	3,415	114	3.5%
Teachers Retirement Supplemental Grant	685	685	0	0.0%
Total Direct Aid	\$70,895	\$73,218	\$2,323	3.3%
Aid Per Capita (\$)	\$2,122	\$2,192	\$70	3.3%
Property Tax Equivalent (\$)	2.65	2.67	0.02	0.7%

¹ Municipal governments within the county receive a share of these funds.

2. Retirement Payments

County teachers and librarians are members of either the teachers' retirement or pension systems maintained and operated by the State. Community college faculty may also be members of these systems. The State pays a portion of the employer share on behalf of the subdivisions for these local employees. Fiscal 2021 State payments for Caroline County for teachers, librarians, and community college faculty are estimated to be \$4,922,000.

B. Selected State Grants for Capital Projects

Public Schools*

Greensboro Elementary School – construction	\$3,846,715
Supplemental Capital Grant Program for Local School Systems	1,695,701

*The final allocation of fiscal 2021 school construction funding will be made in May 2020.

Chesapeake College

Campuswide – facilities renewal	500,000
Campuswide – network and security infrastructure upgrades	833,000

Program Open Space

Park acquisition and development	231,890
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Community Parks and Playgrounds

Martin Sutton Park	29,500
Ober Park	200,000

Comprehensive Flood Mitigation Program

Federalsburg – Lake Chambers dam repairs	6,000
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Waterway Improvement

Choptank Marina – maintenance dredging	400,000
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Other Projects

Chesapeake Culinary Center	50,000
Colonel Richardson High School – track replacement	368,500
Compass Regional Hospice	400,000

C. Capital Projects for State Facilities in the County

Department of Natural Resources

Martinak State Park – bulkhead and dock replacement	\$2,000,000
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Carroll County

A. Direct Aid and Retirement Payments

1. Direct Aid

	<u>FY 2020</u>	<u>FY 2021</u>	<u>\$ Diff.</u>	<u>% Diff.</u>
	(\$ in Thousands)			
Foundation Aid	\$94,691	\$95,953	\$1,262	1.3%
Compensatory Education	14,252	14,889	637	4.5%
Student Transportation	10,674	10,859	185	1.7%
Special Education	10,866	11,664	798	7.3%
Limited English Proficiency Grants	1,148	1,217	69	6.0%
Declining Enrollment Grants	263	0	-263	-100.0%
Geographic Cost of Education Index	2,517	2,563	45	1.8%
Kirwan Commission – Blueprint Funding	4,591	4,755	165	3.6%
Other Education Aid	254	237	-17	-6.5%
Primary and Secondary Education	\$139,256	\$142,138	\$2,881	2.1%
Libraries	\$1,069	\$1,107	\$38	3.5%
Community Colleges	9,158	10,153	995	10.9%
Health Formula Grant	2,234	2,265	31	1.4%
Transportation ¹	4,829	4,977	148	3.1%
Police and Public Safety ¹	1,597	1,590	-7	-0.4%
Fire and Rescue Aid ¹	388	388	0	0.0%
Total Direct Aid	\$158,531	\$162,617	\$4,086	2.6%
Aid Per Capita (\$)	\$941	\$965	\$24	2.6%
Property Tax Equivalent (\$)	0.77	0.77	0.00	0.0%

¹ Municipal governments within the county receive a share of these funds.

2. Retirement Payments

County teachers and librarians are members of either the teachers' retirement or pension systems maintained and operated by the State. Community college faculty may also be members of these systems. The State pays a portion of the employer share on behalf of the subdivisions for these local employees. Fiscal 2021 State payments for Carroll County for teachers, librarians, and community college faculty are estimated to be \$21,628,000.

B. Selected State Grants for Capital Projects

Public Schools*

Career and Technology Center – construction	\$5,107,019
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*The final allocation of fiscal 2021 school construction funding will be made in May 2020.

Carroll Community College

Campuswide – facilities renewal	500,000
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Program Open Space

Park acquisition and development	1,193,649
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Community Parks and Playgrounds

Tahoma Road Boulder Park	75,000
Watkins Park	200,728

Other Projects

Carroll County – Charles Carroll Community Center	250,000
Carroll County – Hampstead Wastewater Treatment Plant	500,000
Carroll County – Public Safety Training Center	1,000,000
Carroll County Agriculture Center and Shipley Arena	250,000
Historical Society of Carroll County	40,000
Mount Airy – Center Street extension	500,000
Penn-Mar Human Services and Change	50,000
Westminster Rescue Mission	100,000

C. Capital Projects for State Facilities in the County

Maryland Environmental Service

Central Correctional Facility – sewer system improvements	\$492,000
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Cecil County

A. Direct Aid and Retirement Payments

1. Direct Aid

	<u>FY 2020</u>	<u>FY 2021</u>	<u>\$ Diff.</u>	<u>% Diff.</u>
	(\$ in Thousands)			
Foundation Aid	\$67,616	\$65,785	-\$1,830	-2.7%
Compensatory Education	23,141	23,185	44	0.2%
Student Transportation	5,672	5,764	92	1.6%
Special Education	8,495	8,353	-142	-1.7%
Limited English Proficiency Grants	1,310	1,376	66	5.0%
Declining Enrollment Grants	931	664	-267	-28.7%
Kirwan Commission – Blueprint Funding	3,949	6,730	2,781	70.4%
Other Education Aid	504	485	-19	-3.8%
<i>Primary and Secondary Education</i>	<i>\$111,618</i>	<i>\$112,343</i>	<i>\$725</i>	<i>0.6%</i>
Libraries	\$867	\$890	\$23	2.6%
Community Colleges	6,822	7,370	548	8.0%
Health Formula Grant	1,570	1,591	21	1.3%
Transportation ¹	2,640	2,719	79	3.0%
Police and Public Safety ¹	1,008	1,010	2	0.2%
Fire and Rescue Aid ¹	307	307	0	0.0%
Disparity Grant	1,504	1,846	341	22.7%
Gaming Impact Aid	4,269	4,273	4	0.1%
Total Direct Aid	\$130,604	\$132,347	\$1,743	1.3%
Aid Per Capita (\$)	\$1,270	\$1,287	\$17	1.3%
Property Tax Equivalent (\$)	1.20	1.18	-0.02	-1.7%

¹ Municipal governments within the county receive a share of these funds.

2. Retirement Payments

County teachers and librarians are members of either the teachers' retirement or pension systems maintained and operated by the State. Community college faculty may also be members of these systems. The State pays a portion of the employer share on behalf of the subdivisions for these local employees. Fiscal 2021 State payments for Cecil County for teachers, librarians, and community college faculty are estimated to be \$14,240,000.

B. Selected State Grants for Capital Projects

Public Schools*

Chesapeake City Elementary School – construction	\$3,266,019
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*The final allocation of fiscal 2021 school construction funding will be made in May 2020.

Cecil College

Entrance, Roadway and Facilities Management Building	5,051,000
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Program Open Space

Park acquisition and development	613,399
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Community Parks and Playgrounds

Rice Tot Lot Park	67,186
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Waterway Improvement

Charlestown – dredge material site repair and improvements	200,000
Water Witch Volunteer Fire Company – fire boat repairs	26,000

Other Projects

Bainbridge Development Corporation	2,000,000
Historical Society of Cecil County – Rev. Duke Log Cabin	150,000
NorthBay Education, Inc.	250,000
Upper Bay Counseling and Support Services, Inc.	500,000

Charles County

A. Direct Aid and Retirement Payments

1. Direct Aid

	<u>FY 2020</u>	<u>FY 2021</u>	<u>\$ Diff.</u>	<u>% Diff.</u>
	(\$ in Thousands)			
Foundation Aid	\$122,264	\$124,601	\$2,337	1.9%
Compensatory Education	35,505	36,634	1,129	3.2%
Student Transportation	11,968	12,205	237	2.0%
Special Education	11,605	11,106	-499	-4.3%
Limited English Proficiency Grants	3,393	3,924	531	15.7%
Guaranteed Tax Base	2,137	791	-1,346	-63.0%
Geographic Cost of Education Index	3,812	3,897	85	2.2%
Kirwan Commission – Blueprint Funding	7,076	7,447	371	5.2%
Other Education Aid	983	996	13	1.4%
Primary and Secondary Education	\$198,743	\$201,601	\$2,858	1.4%
Libraries	\$1,163	\$1,211	\$48	4.1%
Community Colleges	9,373	10,105	732	7.8%
Health Formula Grant	1,974	2,001	27	1.4%
Transportation ¹	2,917	3,017	100	3.4%
Police and Public Safety ¹	1,395	1,408	13	0.9%
Fire and Rescue Aid ¹	386	386	0	0.0%
Total Direct Aid	\$215,950	\$219,728	\$3,778	1.7%
Aid Per Capita (\$)	\$1,323	\$1,346	\$23	1.7%
Property Tax Equivalent (\$)	1.15	1.13	-0.02	-1.6%

¹ Municipal governments within the county receive a share of these funds.

2. Retirement Payments

County teachers and librarians are members of either the teachers' retirement or pension systems maintained and operated by the State. Community college faculty may also be members of these systems. The State pays a portion of the employer share on behalf of the subdivisions for these local employees. Fiscal 2021 State payments for Charles County for teachers, librarians, and community college faculty are estimated to be \$23,039,000.

B. Selected State Grants for Capital Projects

Public Schools*

Benjamin Stoddert Middle School – construction	\$6,086,250
Dr. James Craik Elementary School – kindergarten/pre-k addition	131,000
Eva Turner Elementary School – construction	1,281,188

*The final allocation of fiscal 2021 school construction funding will be made in May 2020.

College of Southern Maryland

Hughesville Center for Health Sciences	6,732,000
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Program Open Space

Park acquisition and development	1,091,405
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Other Projects

Charles County – Waldorf Multipurpose Civic Center	100,000
College of Southern Maryland – Velocity Center	100,000
La Plata – Kent Avenue Corridor Community Center	250,000
LifeStyles Homeless Services Center	200,000
Lions Camp Merrick	60,000
St. Ignatius Chapel Point and St. Thomas Manor	250,000

C. Capital Projects for State Facilities in the County

Department of Natural Resources

Smallwood State Park – Sweden Point Marina	\$100,000
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Dorchester County

A. Direct Aid and Retirement Payments

1. Direct Aid

	<u>FY 2020</u>	<u>FY 2021</u>	<u>\$ Diff.</u>	<u>% Diff.</u>
	(\$ in Thousands)			
Foundation Aid	\$23,981	\$24,195	\$213	0.9%
Compensatory Education	13,502	13,387	-115	-0.9%
Student Transportation	2,730	2,742	12	0.4%
Special Education	1,872	1,997	125	6.7%
Limited English Proficiency Grants	931	964	33	3.5%
Guaranteed Tax Base	1,413	1,400	-13	-0.9%
Declining Enrollment Grants	34	407	373	1091.0%
Kirwan Commission – Blueprint Funding	3,511	3,545	34	1.0%
Other Education Aid	955	933	-22	-2.3%
Primary and Secondary Education	\$48,930	\$49,571	\$641	1.3%
Libraries	\$309	\$317	\$9	2.8%
Community Colleges	1,203	1,383	180	15.0%
Health Formula Grant	945	957	12	1.2%
Transportation ¹	1,957	2,021	64	3.3%
Police and Public Safety ¹	387	356	-30	-7.9%
Fire and Rescue Aid ¹	329	329	0	0.0%
Disparity Grant	2,023	3,615	1,593	78.7%
Teachers Retirement Supplemental Grant	309	309	0	0.0%
Other Direct Aid	585	579	-6	-1.1%
Total Direct Aid	\$56,976	\$59,437	\$2,461	4.3%
Aid Per Capita (\$)	\$1,784	\$1,862	\$77	4.3%
Property Tax Equivalent (\$)	1.94	1.99	0.05	2.3%

¹ Municipal governments within the county receive a share of these funds.

2. Retirement Payments

County teachers and librarians are members of either the teachers' retirement or pension systems maintained and operated by the State. Community college faculty may also be members of these systems. The State pays a portion of the employer share on behalf of the subdivisions for these local employees. Fiscal 2021 State payments for Dorchester County for teachers, librarians, and community college faculty are estimated to be \$3,963,000.

B. Selected State Grants for Capital Projects

Public Schools*

Cambridge-South Dorchester High School – renovations (roof)	\$2,018,503
Sandy Hill Elementary School – renovations (roof)	1,083,000
Vienna Elementary School – renovations (roof)	335,387

*The final allocation of fiscal 2021 school construction funding will be made in May 2020.

Chesapeake College

Campuswide – facilities renewal	500,000
Campuswide – network and security infrastructure upgrades	833,000

Program Open Space

Park acquisition and development	199,262
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Community Parks and Playgrounds

Friendship Park	160,300
Triangle Park	138,710

Comprehensive Flood Mitigation Program

Cambridge – seawall replacement	368,000
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Waterway Improvement

Cambridge Municipal Marina – improvements	250,000
Hoopersville – boat ramp replacement	250,000
Public boating facilities – countywide maintenance	250,000
Secretary – boat ramp floating dock and pier redecking	80,000

Other Projects

American Legion Post 91	100,000
Chesapeake Grove – Harry and Jeanette Weinberg Center	1,000,000
Maces Lane Community Center	200,000
Patriot Point	320,000
Richardson Maritime Museum	100,000

Frederick County

A. Direct Aid and Retirement Payments

1. Direct Aid

	<u>FY 2020</u>	<u>FY 2021</u>	<u>\$ Diff.</u>	<u>% Diff.</u>
	(\$ in Thousands)			
Foundation Aid	\$171,209	\$176,560	\$5,351	3.1%
Compensatory Education	35,632	37,450	1,818	5.1%
Student Transportation	14,076	14,573	497	3.5%
Special Education	18,226	19,796	1,570	8.6%
Limited English Proficiency Grants	10,695	11,496	801	7.5%
Geographic Cost of Education Index	7,185	7,434	249	3.5%
Kirwan Commission – Blueprint Funding	8,720	9,440	720	8.3%
Other Education Aid	1,347	1,501	154	11.4%
Primary and Secondary Education	\$267,090	\$278,251	\$11,161	4.2%
Libraries	\$1,563	\$1,623	\$60	3.8%
Community Colleges	12,352	14,012	1,660	13.4%
Health Formula Grant	2,625	2,663	38	1.4%
Transportation ¹	7,419	7,774	355	4.8%
Police and Public Safety ¹	2,495	2,540	45	1.8%
Fire and Rescue Aid ¹	583	583	0	0.0%
Total Direct Aid	\$294,128	\$307,446	\$13,318	4.5%
Aid Per Capita (\$)	\$1,133	\$1,185	\$51	4.5%
Property Tax Equivalent (\$)	0.91	0.92	0.01	1.7%

¹ Municipal governments within the county receive a share of these funds.

2. Retirement Payments

County teachers and librarians are members of either the teachers' retirement or pension systems maintained and operated by the State. Community college faculty may also be members of these systems. The State pays a portion of the employer share on behalf of the subdivisions for these local employees. Fiscal 2021 State payments for Frederick County for teachers, librarians, and community college faculty are estimated to be \$35,791,000.

B. Selected State Grants for Capital Projects

Public Schools*

Blue Heron Elementary School – construction	\$3,000,000
Butterfly Ridge Elementary School – construction	974,000
Rock Creek Elementary School – construction	3,000,000
Urbana Elementary School – construction	2,756,500
Waverley Elementary School – construction	1,761,688
Supplemental Capital Grant Program for Local School Systems	4,787,877

*The final allocation of fiscal 2021 school construction funding will be made in May 2020.

Public Libraries

Middletown Library – construction	300,000
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Frederick Community College

Campuswide – facilities renewal	500,000
Linganore Hall – renovation and addition	2,832,000

Local Jails and Detention Centers

County Adult Detention Center – medical addition	1,263,000
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Program Open Space

Park acquisition and development	1,275,610
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Community Parks and Playgrounds

Baker Park – Culler Lake	228,155
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Waterway Improvement

Frederick – Riverside Park boat ramp improvements	250,000
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Other Projects

Brunswick – emergency operations center	476,000
Brunswick – reservoir storage tank	500,000
Brunswick Volunteer Ambulance Company	150,000
Carroll Manor Fire Company – Adamstown Fire Station	84,000
Frederick – Sophie and Madigan Lillard Memorial Playground	200,000
Frederick – Westside Regional Park	400,000
Frederick Arts Council, Inc.	50,000
Frederick County – Lake Linganore dredging	2,000,000
Frederick County – Public Safety Training Facility	1,500,000
Frederick Memorial Hospital	2,500,000
Goodwill Industries of Monocacy Valley, Inc.	500,000
Jefferson Ruritan Club, Inc. – community tennis court	13,000
Maryland Ensemble Theatre	75,000
Middletown – pedestrian and vehicular improvements	203,000
Mount Airy – Rails to Trails CSX	300,000
Museum of the Ironworker	50,000
New Market – stormwater drains	171,000
Phoenix Foundation of Maryland, Inc.	85,000
Religious Coalition for Emergency Human Needs in Frederick County, Inc.	500,000
Shafer Farm House	100,000
Weinberg Center for the Arts	200,000

C. Capital Projects for State Facilities in the County**Maryland Environmental Service**

Victor Cullen – wastewater treatment plant upgrades	\$2,564,000
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Other

School for the Deaf – Veditz Building	425,000
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Garrett County

A. Direct Aid and Retirement Payments

1. Direct Aid

	<u>FY 2020</u>	<u>FY 2021</u>	<u>\$ Diff.</u>	<u>% Diff.</u>
	(\$ in Thousands)			
Foundation Aid	\$12,440	\$13,053	\$613	4.9%
Compensatory Education	4,561	4,466	-95	-2.1%
Student Transportation	3,249	3,279	30	0.9%
Special Education	981	881	-100	-10.2%
Limited English Proficiency Grants	29	29	0	0.2%
Declining Enrollment Grants	0	106	106	n/a
Kirwan Commission – Blueprint Funding	607	1,195	589	97.0%
Prekindergarten Grants	515	0	-515	-100.0%
Other Education Aid	578	555	-23	-4.0%
Primary and Secondary Education	\$22,960	\$23,564	\$604	2.6%
Libraries	\$169	\$176	\$7	4.4%
Community Colleges	4,124	4,498	374	9.1%
Health Formula Grant	963	975	12	1.2%
Transportation ¹	1,891	1,919	28	1.5%
Police and Public Safety ¹	223	223	0	0.0%
Fire and Rescue Aid ¹	300	300	0	0.0%
Disparity Grant	2,131	2,131	0	0.0%
Teachers Retirement Supplemental Grant	406	406	0	0.0%
Other Direct Aid	1,489	1,602	112	7.5%
Total Direct Aid	\$34,656	\$35,793	\$1,136	3.3%
Aid Per Capita (\$)	\$1,194	\$1,234	\$39	3.3%
Property Tax Equivalent (\$)	0.74	0.76	0.02	2.3%

¹ Municipal governments within the county receive a share of these funds.

2. Retirement Payments

County teachers and librarians are members of either the teachers' retirement or pension systems maintained and operated by the State. Community college faculty may also be members of these systems. The State pays a portion of the employer share on behalf of the subdivisions for these local employees. Fiscal 2021 State payments for Garrett County for teachers, librarians, and community college faculty are estimated to be \$3,417,000.

B. Selected State Grants for Capital Projects

Public Schools*

Southern High School – renovations (building envelope)	\$952,575
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*The final allocation of fiscal 2021 school construction funding will be made in May 2020.

Garrett Community College

Campuswide – facilities renewal	500,000
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Program Open Space

Park acquisition and development	246,558
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Community Parks and Playgrounds

Accident Community Pond – Fishing Pier	27,731
Friendsville Community Park	25,006

Other Projects

Believe in Tomorrow Children's House at Deep Creek Lake	27,200
Garrett College – Community Education and Performing Arts Center	9,200,000
Garrett County Public High Schools – athletic track improvements	300,000
Oakland – Bradford Park	50,000

C. Capital Projects for State Facilities in the County

Maryland Environmental Service

New Germany State Park – water/wastewater/collection system upgrades	\$700,000
Swallow Falls State Park – water and wastewater treatment plant upgrades	800,000

Harford County

A. Direct Aid and Retirement Payments

1. Direct Aid

	<u>FY 2020</u>	<u>FY 2021</u>	<u>\$ Diff.</u>	<u>% Diff.</u>
	(\$ in Thousands)			
Foundation Aid	\$145,571	\$150,152	\$4,581	3.1%
Compensatory Education	35,045	36,191	1,146	3.3%
Student Transportation	13,728	14,082	354	2.6%
Special Education	19,967	19,651	-317	-1.6%
Limited English Proficiency Grants	2,626	2,939	313	11.9%
Kirwan Commission – Blueprint Funding	8,656	9,320	665	7.7%
Other Education Aid	529	562	33	6.3%
<i>Primary and Secondary Education</i>	<i>\$226,122</i>	<i>\$232,898</i>	<i>\$6,776</i>	<i>3.0%</i>
Libraries	\$1,749	\$1,820	\$72	4.1%
Community Colleges	12,660	14,801	2,141	16.9%
Health Formula Grant	2,962	3,005	43	1.5%
Transportation ¹	4,967	5,134	167	3.4%
Police and Public Safety ¹	2,862	2,872	9	0.3%
Fire and Rescue Aid ¹	569	569	0	0.0%
Total Direct Aid	\$251,891	\$261,098	\$9,207	3.7%
Aid Per Capita (\$)	\$986	\$1,022	\$36	3.7%
Property Tax Equivalent (\$)	0.85	0.87	0.02	3.2%

¹ Municipal governments within the county receive a share of these funds.

2. Retirement Payments

County teachers and librarians are members of either the teachers' retirement or pension systems maintained and operated by the State. Community college faculty may also be members of these systems. The State pays a portion of the employer share on behalf of the subdivisions for these local employees. Fiscal 2021 State payments for Harford County for teachers, librarians, and community college faculty are estimated to be \$31,083,000.

B. Selected State Grants for Capital Projects

Public Schools*

Bel Air Middle School – renovations (roof)	\$751,628
Hickory Elementary School – renovations (roof)	1,588,000
Joppatowne High School – construction	6,052,500

*The final allocation of fiscal 2021 school construction funding will be made in May 2020.

Harford Community College

Campuswide – facilities renewal	500,000
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Program Open Space

Park acquisition and development	1,770,052
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Community Parks and Playgrounds

Homestead Park	115,000
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Waterway Improvement

Mariner Point Park – remediation of dredge material placement site	1,200,000
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Hazardous Substance Cleanup Program

Former Ames Shopping Plaza – hazardous waste remediation	50,000
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Other Projects

Aberdeen – Family Swim Center	100,000
Boy Scouts of America – Broad Creek Memorial Scout Reservation	500,000
Harford County – Agricultural Center	400,000
Harford County – Ma and Pa Trail	100,000

A-138

Aid to Local Government – Harford County

Harford County – Walters Mill canoe and kayak launch	25,000
Havre de Grace – community redevelopment plan	150,000
Havre de Grace – cultural and scholastic event center	100,000
Havre de Grace – Sgt. Alfred B. Hilton Memorial	50,000
Hosanna School Museum	50,000
Ripken Stadium	1,419,000

C. Capital Projects for State Facilities in the County

Military Department

Havre de Grace Surface Equipment and Automotive Maintenance Facility	\$5,049,000
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Howard County

A. Direct Aid and Retirement Payments

1. Direct Aid

	<u>FY 2020</u>	<u>FY 2021</u>	<u>\$ Diff.</u>	<u>% Diff.</u>
	(\$ in Thousands)			
Foundation Aid	\$183,890	\$190,190	\$6,301	3.4%
Compensatory Education	33,848	34,920	1,071	3.2%
Student Transportation	19,740	20,363	623	3.2%
Special Education	17,409	19,550	2,141	12.3%
Limited English Proficiency Grants	10,352	10,966	614	5.9%
Geographic Cost of Education Index	6,129	6,310	182	3.0%
Kirwan Commission – Blueprint Funding	8,732	8,770	38	0.4%
Other Education Aid	1,069	1,283	214	20.0%
<i>Primary and Secondary Education</i>	<i>\$281,169</i>	<i>\$292,353</i>	<i>\$11,184</i>	<i>4.0%</i>
Libraries	\$1,028	\$1,062	\$34	3.4%
Community Colleges	21,773	25,028	3,255	14.9%
Health Formula Grant	2,236	2,268	32	1.4%
Transportation	4,136	4,278	142	3.4%
Police and Public Safety	3,881	3,888	7	0.2%
Fire and Rescue Aid	619	619	0	0.0%
Gaming Impact Aid	89	89	0	0.0%
Total Direct Aid	\$314,930	\$329,585	\$14,655	4.7%
Aid Per Capita (\$)	\$967	\$1,012	\$45	4.7%
Property Tax Equivalent (\$)	0.57	0.58	0.01	2.1%

2. Retirement Payments

County teachers and librarians are members of either the teachers' retirement or pension systems maintained and operated by the State. Community college faculty may also be members of these systems. The State pays a portion of the employer share on behalf of the subdivisions for these local employees. Fiscal 2021 State payments for Howard County for teachers, librarians, and community college faculty are estimated to be \$62,449,000.

B. Selected State Grants for Capital Projects

Public Schools*

New High School #13 – construction	\$13,903,908
Supplemental Capital Grant Program for Local School Systems	14,138,305

*The final allocation of fiscal 2021 school construction funding will be made in May 2020.

Howard Community College

Campuswide – facilities renewal	500,000
Mathematics and Athletics Complex	7,437,000

Strategic Demolition Fund

Ellicott City	5,000,000
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Program Open Space

Park acquisition and development	3,143,402
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Comprehensive Flood Mitigation Program

Ellicott City – Maryland Avenue culverts	3,000,000
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Other Projects

Athelas Institute	25,000
Community Action Council – Early Childhood Education Center	150,000
Howard County – Ellicott City Main Street streetscape	250,000
Howard County – Long Reach Village Center	100,000
Howard County – Veterans Monument	350,000
Howard County Conservancy, Inc.	350,000
Living in Recovery, Inc.	75,000
Maryland University of Integrated Health, Inc.	350,000

Part A – Budget and State Aid

A-141

Merriweather Post Pavilion	2,000,000
Sheppard Pratt Hospital	2,000,000
The Community Ecology Institute	100,000
The Living Farm Heritage Museum	200,000
Winter Growth, Inc.	50,000

C. Capital Projects for State Facilities in the County

Maryland State Police

Tactical Services Facility – operations building	\$742,000
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Kent County

A. Direct Aid and Retirement Payments

1. Direct Aid

	<u>FY 2020</u>	<u>FY 2021</u>	<u>\$ Diff.</u>	<u>% Diff.</u>
	(\$ in Thousands)			
Foundation Aid	\$3,315	\$3,398	\$84	2.5%
Compensatory Education	2,771	2,868	97	3.5%
Student Transportation	1,699	1,719	20	1.2%
Special Education	884	817	-67	-7.6%
Limited English Proficiency Grants	201	226	26	12.8%
Declining Enrollment Grants	276	99	-177	-64.1%
Geographic Cost of Education Index	130	132	2	1.6%
Kirwan Commission – Blueprint Funding	311	458	148	47.6%
Prekindergarten Grants	140	0	-140	-100.0%
Other Education Aid	541	563	22	4.1%
Primary and Secondary Education	\$10,266	\$10,279	\$13	0.1%
Libraries	\$105	\$111	\$6	5.9%
Community Colleges	555	562	7	1.3%
Health Formula Grant	926	936	10	1.1%
Transportation ¹	899	928	29	3.2%
Police and Public Safety ¹	195	195	0	-0.1%
Fire and Rescue Aid ¹	311	311	0	0.0%
Total Direct Aid	\$13,259	\$13,324	\$65	0.5%
Aid Per Capita (\$)	\$683	\$686	\$3	0.5%
Property Tax Equivalent (\$)	0.44	0.44	0.00	0.0%

¹ Municipal governments within the county receive a share of these funds.

2. Retirement Payments

County teachers and librarians are members of either the teachers' retirement or pension systems maintained and operated by the State. Community college faculty may also be members of these systems. The State pays a portion of the employer share on behalf of the subdivisions for these local employees. Fiscal 2021 State payments for Kent County for teachers, librarians, and community college faculty are estimated to be \$1,836,000.

B. Selected State Grants for Capital Projects

Public Schools*

Galena Elementary School – construction	\$2,090,990
Rock Hall Elementary School – renovations (HVAC/fire safety)	120,260

*The final allocation of fiscal 2021 school construction funding will be made in May 2020.

Chesapeake College

Campuswide – facilities renewal	500,000
Campuswide – network and security infrastructure upgrades	833,000

Program Open Space

Park acquisition and development	149,097
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Waterway Improvement

Cliff City Public Landing – riprap bulkhead	178,000
Turner's Creek – boat ramp replacement	246,200

Other Projects

Kent County High School – athletic track and tennis courts	250,000
Kent School	100,000

Montgomery County

A. Direct Aid and Retirement Payments

1. Direct Aid

	<u>FY 2020</u>	<u>FY 2021</u>	<u>\$ Diff.</u>	<u>% Diff.</u>
	(\$ in Thousands)			
Foundation Aid	\$368,197	\$388,036	\$19,838	5.4%
Compensatory Education	143,061	148,570	5,509	3.9%
Student Transportation	46,449	47,626	1,177	2.5%
Special Education	61,642	65,024	3,383	5.5%
Limited English Proficiency Grants	76,847	81,960	5,114	6.7%
Geographic Cost of Education Index	38,902	39,977	1,075	2.8%
Kirwan Commission – Blueprint Funding	24,424	27,405	2,981	12.2%
Other Education Aid	3,444	3,446	2	0.0%
<i>Primary and Secondary Education</i>	<i>\$762,967</i>	<i>\$802,044</i>	<i>\$39,077</i>	<i>5.1%</i>
Libraries	\$3,388	\$3,459	\$71	2.1%
Community Colleges	52,380	56,452	4,071	7.8%
Health Formula Grant	4,148	4,223	74	1.8%
Transportation ¹	14,710	15,125	415	2.8%
Police and Public Safety ¹	16,532	16,406	-126	-0.8%
Fire and Rescue Aid ¹	1,959	1,959	0	0.0%
Total Direct Aid	\$856,085	\$899,667	\$43,583	5.1%
Aid Per Capita (\$)	\$815	\$856	\$41	5.1%
Property Tax Equivalent (\$)	0.43	0.44	0.01	3.1%

¹ Municipal governments within the county receive a share of these funds.

2. Retirement Payments

County teachers and librarians are members of either the teachers' retirement or pension systems maintained and operated by the State. Community college faculty may also be members of these systems. The State pays a portion of the employer share on behalf of the subdivisions for these local employees. Fiscal 2021 State payments for Montgomery County for teachers, librarians, and community college faculty are estimated to be \$170,961,000.

B. Selected State Grants for Capital Projects

Public Schools*

Argyle Middle School – renovations (roof)	\$321,000
Bethesda Elementary School – renovations (roof)	388,500
Brookhaven Elementary School – renovations (HVAC)	355,500
Clarksburg Elementary School – renovations (HVAC)	421,500
Damascus Elementary School – renovations (roof)	264,750
John Poole Middle School – renovations (roof)	359,250
Kingsview Middle School – renovations (roof)	650,250
Lucy V. Barnsley Elementary School – renovations (roof)	230,250
Maryvale Elementary/Carl Sandburg School – construction	7,620,955
Meadow Hall Elementary School – renovations (HVAC)	374,250
Quince Orchard High School – renovations (HVAC)	468,000
Ronald McNair Elementary School – renovations (HVAC)	365,250
S. Christa McAuliffe Elementary School – construction	1,155,750
Tilden Middle/Rock Terrace School – construction	10,734,780
Walt Whiteman High School – construction	1,205,220
Westland Middle School – renovations (roof)	418,500
Supplemental Capital Grant Program for Local School Systems	22,295,928

*The final allocation of fiscal 2021 school construction funding will be made in May 2020.

Public Libraries

Chevy Chase Library – renovation	200,000
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Montgomery College

Catherine and Isiah Leggett Math and Science Building	18,295,000
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Community Health Facilities Grant Program

Community Services for Autistic Adults and Children, Inc.	974,000
Housing Unlimited, Inc.	1,052,000
Main Street Connect, Inc.	567,000

Program Open Space

Park acquisition and development	7,978,747
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Community Parks and Playgrounds

Duvall Park	150,000
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Other Projects

A Wider Circle Community Services Center	700,000
Arts on the Block Studio	100,000
BlackRock Center for the Arts	250,000
Charles E. Smith Jewish Day School	600,000
Charles E. Smith Life Communities	100,000
Easter Seals Inter-Generational Center	150,000
Fairland Recreation Park	100,000
Gaithersburg – police station	1,000,000
Hero Dogs, Inc.	30,000
Homecrest House	175,000
Imagination Stage	300,000
Ivymount School, Inc.	150,000
Jewish Foundation for Group Homes, Inc.	150,000
Long Branch-Garland Neighborhood Park	350,000
MedStar Montgomery Medical Center	400,000
Montgomery County – Kensington Multipurpose Recreation Center	100,000
Montgomery County Homeless Youth Drop-In Center	217,500
OASIS Farm	44,000
Olney Family Neighborhood Park	200,000
Olney Theatre	2,000,000
Rockville Welcome Center	200,000
Round House Theatre	1,500,000
Sandy Spring Meadow – community basketball court	7,000
Sandy Spring Museum	34,500
VisArts	150,000
Warrior Canine Connection, Inc.	500,000
Willett Branch Greenway	400,000
YMCA Bethesda-Chevy Chase	325,000

C. Capital Projects for State Facilities in the County

Department of Natural Resources

Patuxent River State Park

\$100,000

Prince George’s County

A. Direct Aid and Retirement Payments

1. Direct Aid

	<u>FY 2020</u>	<u>FY 2021</u>	<u>\$ Diff.</u>	<u>% Diff.</u>
	(\$ in Thousands)			
Foundation Aid	\$598,059	\$618,514	\$20,455	3.4%
Compensatory Education	289,088	298,754	9,665	3.3%
Student Transportation	44,369	45,654	1,286	2.9%
Special Education	68,342	70,726	2,384	3.5%
Limited English Proficiency Grants	113,919	126,627	12,708	11.2%
Geographic Cost of Education Index	44,290	45,950	1,659	3.7%
Kirwan Commission – Blueprint Funding	53,628	60,134	6,505	12.1%
Other Education Aid	3,389	3,514	125	3.7%
<i>Primary and Secondary Education</i>	<i>\$1,215,084</i>	<i>\$1,269,872</i>	<i>\$54,788</i>	<i>4.5%</i>
Libraries	\$7,628	\$7,641	\$13	0.2%
Community Colleges	33,404	39,288	5,884	17.6%
Health Formula Grant	6,701	6,819	118	1.8%
Transportation ¹	15,265	15,809	544	3.6%
Police and Public Safety ¹	19,921	19,655	-266	-1.3%
Fire and Rescue Aid ¹	1,703	1,703	0	0.0%
Disparity Grant	36,197	35,943	-254	-0.7%
Teachers Retirement Supplemental Grant	9,629	9,629	0	0.0%
Gaming Impact Aid	27,514	28,352	838	3.0%
Total Direct Aid	\$1,373,045	\$1,434,712	\$61,667	4.5%
Aid Per Capita (\$)	\$1,510	\$1,578	\$68	4.5%
Property Tax Equivalent (\$)	1.36	1.37	0.01	0.9%

¹ Municipal governments within the county receive a share of these funds.

2. Retirement Payments

County teachers and librarians are members of either the teachers' retirement or pension systems maintained and operated by the State. Community college faculty may also be members of these systems. The State pays a portion of the employer share on behalf of the subdivisions for these local employees. Fiscal 2021 State payments for Prince George's County for teachers, librarians, and community college faculty are estimated to be \$119,406,000.

B. Selected State Grants for Capital Projects

Public Schools*

Cherokee Lane Elementary School – construction	\$2,183,471
Glenridge Area Middle School – construction	9,051,750
William Wirt Middle School – construction	9,021,750
Supplemental Capital Grant Program for Local School Systems	13,436,748

*The final allocation of fiscal 2021 school construction funding will be made in May 2020.

Prince George's Community College

Largo Student Center – renovation and addition	1,500,000
Marlboro Hall – renovation and addition	14,532,000

Program Open Space

Park acquisition and development	6,811,645
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Community Parks and Playgrounds

Edmonston Park	74,500
Seat Pleasant Park	192,700

Chesapeake Bay Restoration Fund

Beaverdam Basin – sanitary sewer reconstruction	3,049,000
Broad Creek Basin – sanitary sewer reconstruction	3,856,000
Lower Anacostia Basin – sanitary sewer reconstruction	5,233,000
Oxon Run Basin – sanitary sewer reconstruction	11,716,000
Parkway Basin – sanitary sewer reconstruction	159,000
Piscataway Basin – sanitary sewer reconstruction	2,235,000

Hazardous Substance Cleanup Program

Anacostia River – Northeast and Northwest Branches	150,000
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Other Projects

Alice Ferguson Foundation, Inc. – Hard Bargain Farm Environmental Center	200,000
American Legion Post 66	30,000
Bay Sox Stadium	500,000
Beacon Heights – East Pines redevelopment	400,000
Berwyn Heights – Senior Center	50,000
Bishop McNamara High School – La Reine Science and Innovation Center	500,000
Bladensburg Waterfront – dock construction	250,000
Bladensburg World War I Memorial Peace Cross	160,000
Bowie State University Foundation, Inc. – Goodloe Alumni House	50,000
Camp Springs Elks Lodge No. 2332	30,000
College Park – city hall improvements	500,000
College Park – Discovery Park at the University of Maryland	150,000
Crossland High School – stadium bleachers and press box	325,000
Ebenezer A.M.E. Church of Fort Washington	150,000
Educare Resource Center, Inc.	50,000
Fort Foote Baptist Church Youth and Adult Center	200,000
Fort Washington Medical Center	500,000
Glut Food Co-op	50,000
Greenbelt – Greenbelt Station Hiker and Biker Trail	250,000
Hillel Center for Social Justice	600,000
Hyattsville – police and public safety headquarters	200,000
Hyattsville – police headquarters	150,000
Hyattsville – Teen Activity and Mentoring Center	50,000
Laurel – Laurel Museum at Riverfront Park	100,000
Laurel – municipal building improvements	150,000
MD Nat’l Capital Park and Planning Comm. – former Lake Arbor golf course	500,000
Neighborhood Culinary Alliance, Corp. – Savor Food Hall	75,000
Paint Branch Parkway – pedestrian improvements	200,000
Paint Branch Trail and Baltimore Avenue Bridge – walkways	250,000
Prince George’s County – high school athletic facilities	4,000,000
Prince George’s County – hospital center redevelopment	200,000
Prince George’s County Amphitheatre at Central Park	5,000,000
Riverdale Park – municipal center improvements	75,000
Riverdale Park Business Association, Inc.	250,000
Sacred Heart House on the Hill Community Outreach	75,000
Sarvis Empowerment Cafe	125,000
Seat Pleasant – city hall improvements	250,000
Success Factors Foundation Youth Development Center	75,000
Temple Hills Swim Club	50,000

The Ivy Village Incubator for Nonprofit Excellence	300,000
Walker Mill Community Development Corporation	150,000

C. Capital Projects for State Facilities in the County

University System of Maryland

Bowie State – Communication Arts and Humanities Building	\$6,100,000
Bowie State – pedestrian and vehicular infrastructure improvements	150,000
College Park – campuswide infrastructure improvements	10,000,000
College Park – Chemistry Building	5,000,000
College Park – high rise residence halls renovations	7,750,000
College Park – Maryland Basketball Performance Center	5,000,000
College Park – north campus dining hall replacement	10,400,000
College Park – residence halls construction	7,900,000
College Park – School of Public Policy	5,000,000
College Park – south campus recreation center	9,000,000

Queen Anne’s County

A. Direct Aid and Retirement Payments

1. Direct Aid

	<u>FY 2020</u>	<u>FY 2021</u>	<u>\$ Diff.</u>	<u>% Diff.</u>
	(\$ in Thousands)			
Foundation Aid	\$22,787	\$23,357	\$570	2.5%
Compensatory Education	5,092	5,121	28	0.6%
Student Transportation	3,676	3,736	60	1.6%
Special Education	1,999	2,171	172	8.6%
Limited English Proficiency Grants	843	953	110	13.0%
Declining Enrollment Grants	3	38	35	1292.2%
Geographic Cost of Education Index	597	605	8	1.3%
Kirwan Commission – Blueprint Funding	1,372	1,351	-21	-1.5%
Other Education Aid	364	522	159	43.6%
Primary and Secondary Education	\$36,733	\$37,853	\$1,120	3.0%
Libraries	\$192	\$206	\$14	7.3%
Community Colleges	2,180	2,377	197	9.0%
Health Formula Grant	824	835	11	1.3%
Transportation ¹	1,590	1,618	28	1.8%
Police and Public Safety ¹	442	446	4	0.9%
Fire and Rescue Aid ¹	300	300	0	0.0%
Total Direct Aid	\$42,261	\$43,635	\$1,374	3.3%
Aid Per Capita (\$)	\$839	\$866	\$27	3.3%
Property Tax Equivalent (\$)	0.50	0.50	0.00	0.0%

¹ Municipal governments within the county receive a share of these funds.

2. Retirement Payments

County teachers and librarians are members of either the teachers' retirement or pension systems maintained and operated by the State. Community college faculty may also be members of these systems. The State pays a portion of the employer share on behalf of the subdivisions for these local employees. Fiscal 2021 State payments for Queen Anne's County for teachers, librarians, and community college faculty are estimated to be \$6,368,000.

B. Selected State Grants for Capital Projects

Public Schools*

Bayside Elementary School – renovations (windows/doors)	\$147,900
Kent Island High School – renovations (roof)	500,000
Sudlersville Elementary School – renovations (chiller/fire safety)	234,475

*The final allocation of fiscal 2021 school construction funding will be made in May 2020.

Public Libraries

Kent Island Library – renovation and expansion	2,500,000
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Chesapeake College

Campuswide – facilities renewal	500,000
Campuswide – network and security infrastructure upgrades	833,000

Local Jails and Detention Centers

County Detention Center – additions and renovations	4,852,000
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Program Open Space

Park acquisition and development	323,264
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Community Parks and Playgrounds

Wharf Park	157,983
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Chesapeake Bay Water Quality Projects

Barclay – sanitary project	1,500,000
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Chesapeake Bay Restoration Fund

Barclay – sanitary project	1,640,000
Southern Kent Island – sanitary project	4,000,000

Waterway Improvement

Centreville Wharf – boat slip improvements	87,000
Kent Narrows Landing – parking lot improvements	100,000
Queenstown – bulkhead and decking improvements	250,000

Other Projects

Compass Regional Hospice	500,000
Haven Ministries, Inc.	150,000
Maryland Museum of Women’s History	150,000
Queen Anne’s County Arts Council, Inc.	375,000

St. Mary's County

A. Direct Aid and Retirement Payments

1. Direct Aid

	<u>FY 2020</u>	<u>FY 2021</u>	<u>\$ Diff.</u>	<u>% Diff.</u>
	(\$ in Thousands)			
Foundation Aid	\$75,306	\$76,112	\$806	1.1%
Compensatory Education	18,866	19,377	511	2.7%
Student Transportation	7,587	7,671	84	1.1%
Special Education	6,484	6,610	126	1.9%
Limited English Proficiency Grants	1,083	1,272	189	17.4%
Declining Enrollment Grants	430	0	-430	-100.0%
Geographic Cost of Education Index	247	251	4	1.8%
Kirwan Commission – Blueprint Funding	3,925	4,223	298	7.6%
Other Education Aid	420	434	14	3.4%
Primary and Secondary Education	\$114,348	\$115,950	\$1,602	1.4%
Libraries	\$807	\$841	\$34	4.3%
Community Colleges	3,315	3,577	262	7.9%
Health Formula Grant	1,296	1,316	20	1.5%
Transportation ¹	2,171	2,265	94	4.3%
Police and Public Safety ¹	960	956	-3	-0.3%
Fire and Rescue Aid ¹	300	300	0	0.0%
Total Direct Aid	\$123,197	\$125,206	\$2,009	1.6%
Aid Per Capita (\$)	\$1,085	\$1,103	\$18	1.6%
Property Tax Equivalent (\$)	0.95	0.96	0.01	1.1%

¹ Municipal governments within the county receive a share of these funds.

2. Retirement Payments

County teachers and librarians are members of either the teachers' retirement or pension systems maintained and operated by the State. Community college faculty may also be members of these systems. The State pays a portion of the employer share on behalf of the subdivisions for these local employees. Fiscal 2021 State payments for St. Mary's County for teachers, librarians, and community college faculty are estimated to be \$13,892,000.

B. Selected State Grants for Capital Projects

Public Schools*

Dynard Elementary School – renovations (HVAC/roof)	\$2,770,541
Green Holly Elementary School – renovations (HVAC)	934,981

*The final allocation of fiscal 2021 school construction funding will be made in May 2020.

College of Southern Maryland

Hughesville Center for Health Sciences	6,732,000
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Local Jails and Detention Centers

County Adult Detention Center – upgrades, housing, and medical units	5,530,000
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Program Open Space

Park acquisition and development	603,751
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Chesapeake Bay Restoration Fund

Point Lookout WWTP – enhanced nutrient removal	3,222,000
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Waterway Improvement

Leonardtown Wharf – construct transient boat dock and slips	175,000
St. Inigoes Landing – boat ramp improvements	250,000

Other Projects

Chancellor's Point Community Sailing Center	73,300
Chopticon High School – stadium field press box	100,000
Innovative Center for Autonomous Systems	500,000

Part A – Budget and State Aid

A-157

Sotterley Plantation	50,000
Tri-County Council of Southern Maryland – Regional Agricultural Center	200,000

C. Capital Projects for State Facilities in the County

Department of Natural Resources

Point Lookout State Park – pier redecking	\$100,000
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St. Mary’s College

Academic Building and Auditorium – construction	30,678,000
Campuswide – infrastructure improvements	4,472,000

University System of Maryland

Southern Maryland Regional Higher Education Center	62,202,000
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Somerset County

A. Direct Aid and Retirement Payments

1. Direct Aid

	<u>FY 2020</u>	<u>FY 2021</u>	<u>\$ Diff.</u>	<u>% Diff.</u>
	(\$ in Thousands)			
Foundation Aid	\$14,848	\$14,987	\$139	0.9%
Compensatory Education	10,461	10,532	70	0.7%
Student Transportation	2,074	2,095	21	1.0%
Special Education	1,931	1,960	28	1.5%
Limited English Proficiency Grants	637	667	30	4.7%
Guaranteed Tax Base	1,626	1,743	117	7.2%
Declining Enrollment Grants	39	206	168	435.3%
Kirwan Commission – Blueprint Funding	1,943	3,315	1,372	70.6%
Prekindergarten Grants	1,026	0	-1,026	-100.0%
Other Education Aid	794	812	19	2.3%
Primary and Secondary Education	\$35,379	\$36,317	\$938	2.7%
Libraries	\$314	\$321	\$7	2.3%
Community Colleges	911	1,193	282	30.9%
Health Formula Grant	875	886	11	1.2%
Transportation ¹	1,032	1,046	14	1.4%
Police and Public Safety ¹	242	236	-6	-2.4%
Fire and Rescue Aid ¹	309	309	0	0.0%
Disparity Grant	5,429	5,950	521	9.6%
Teachers Retirement Supplemental Grant	382	382	0	0.0%
Other Direct Aid	467	467	0	-0.1%
Total Direct Aid	\$45,340	\$47,106	\$1,766	3.9%
Aid Per Capita (\$)	\$1,770	\$1,839	\$69	3.9%
Property Tax Equivalent (\$)	3.03	3.16	0.13	4.3%

¹ Municipal governments within the county receive a share of these funds.

2. Retirement Payments

County teachers and librarians are members of either the teachers' retirement or pension systems maintained and operated by the State. Community college faculty may also be members of these systems. The State pays a portion of the employer share on behalf of the subdivisions for these local employees. Fiscal 2021 State payments for Somerset County for teachers, librarians, and community college faculty are estimated to be \$2,995,000.

B. Selected State Grants for Capital Projects

Public Schools*

Crisfield High School and Academy – renovations (roof)	\$2,175,000
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*The final allocation of fiscal 2021 school construction funding will be made in May 2020.

Program Open Space

Park acquisition and development	142,071
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Water Supply Financial Assistance Program

Deal Island Road – water main loop	176,000
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Comprehensive Flood Mitigation Program

Crisfield – tide gates, culvert modification and pump station	172,000
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Waterway Improvement

Crisfield – dock mooring piles and deckboard replacement	75,000
Rumbley Harbor – dock and retainment wall replacement	150,000
St. Peters Creek Marina – bulkhead replacement	100,000

Other Projects

Somerset County – Crisfield-Somerset County Airport	300,000
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C. Capital Projects for State Facilities in the County

Department of Public Safety and Correctional Services

Eastern Correctional Institution – water system and perimeter improvements	\$18,141,000
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Department of Natural Resources

Somers Cove Marina – improvements	2,000,000
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Maryland Environmental Service

Eastern Correctional Institution – co-generation plant conversion to natural gas	3,589,000
Eastern Correctional Institution – co-generation plant upgrades	273,000
Eastern Correctional Institution – wastewater treatment plant upgrade	500,000

University System of Maryland

Eastern Shore – campus flood mitigation	10,000,000
Eastern Shore – School of Pharmacy and Allied Health Professions	57,287,000

Talbot County

A. Direct Aid and Retirement Payments

1. Direct Aid

	<u>FY 2020</u>	<u>FY 2021</u>	<u>\$ Diff.</u>	<u>% Diff.</u>
	(\$ in Thousands)			
Foundation Aid	\$4,777	\$4,892	\$115	2.4%
Compensatory Education	5,520	5,886	366	6.6%
Student Transportation	1,843	1,875	33	1.8%
Special Education	1,155	1,316	161	13.9%
Limited English Proficiency Grants	1,165	1,478	313	26.9%
Kirwan Commission – Blueprint Funding	666	683	17	2.6%
Other Education Aid	285	285	0	0.0%
<i>Primary and Secondary Education</i>	<i>\$15,410</i>	<i>\$16,415</i>	<i>\$1,005</i>	<i>6.5%</i>
Libraries	\$119	\$121	\$3	2.3%
Community Colleges	1,825	2,154	329	18.0%
Health Formula Grant	659	668	9	1.4%
Transportation ¹	2,191	2,251	60	2.7%
Police and Public Safety ¹	420	406	-15	-3.5%
Fire and Rescue Aid ¹	317	317	0	0.0%
Total Direct Aid	\$20,940	\$22,331	\$1,391	6.6%
Aid Per Capita (\$)	\$563	\$601	\$37	6.6%
Property Tax Equivalent (\$)	0.25	0.26	0.01	6.0%

¹ Municipal governments within the county receive a share of these funds.

2. Retirement Payments

County teachers and librarians are members of either the teachers' retirement or pension systems maintained and operated by the State. Community college faculty may also be members of these systems. The State pays a portion of the employer share on behalf of the subdivisions for these local employees. Fiscal 2021 State payments for Talbot County for teachers, librarians, and community college faculty are estimated to be \$3,928,000.

B. Selected State Grants for Capital Projects

Public Schools*

Easton Elementary School/Dobson Building – construction	\$2,045,871
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*The final allocation of fiscal 2021 school construction funding will be made in May 2020.

Chesapeake College

Campuswide – facilities renewal	500,000
Campuswide – network and security infrastructure upgrades	833,000

Program Open Space

Park acquisition and development	337,743
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Community Parks and Playgrounds

Motion Park	135,145
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Chesapeake Bay Restoration Fund

Region II – sewer system extension	10,580,000
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Comprehensive Flood Mitigation Program

North Fork Tanyard Branch – stream stabilization	106,000
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Waterway Improvement

Bellevue landing – deck and handrail replacement	40,000
Fairbanks Landing – deck replacement	60,000
Oxford – purchase fire rescue vessel	50,000

Hazardous Substance Cleanup Program

Glebe Road 50,000

Coastal Resiliency Program

Oxford – shoreline and stormwater enhancements 1,000,000

Other Projects

American Legion Post 77 100,000
Chesapeake Bay Maritime Museum 300,000
St. Michaels Community Center 25,000

Washington County

A. Direct Aid and Retirement Payments

1. Direct Aid

	<u>FY 2020</u>	<u>FY 2021</u>	<u>\$ Diff.</u>	<u>% Diff.</u>
	(\$ in Thousands)			
Foundation Aid	\$108,397	\$109,599	\$1,202	1.1%
Compensatory Education	45,733	47,083	1,350	3.0%
Student Transportation	7,935	8,038	103	1.3%
Special Education	10,091	10,510	419	4.2%
Limited English Proficiency Grants	2,877	3,079	203	7.0%
Guaranteed Tax Base	7,644	7,021	-623	-8.2%
Declining Enrollment Grants	581	93	-488	-84.0%
Kirwan Commission – Blueprint Funding	9,208	11,664	2,456	26.7%
Other Education Aid	1,049	1,018	-31	-2.9%
Primary and Secondary Education	\$193,513	\$198,105	\$4,592	2.4%
Libraries	\$1,417	\$1,460	\$43	3.0%
Community Colleges	9,838	11,668	1,830	18.6%
Health Formula Grant	2,474	2,508	34	1.4%
Transportation ¹	4,503	4,578	76	1.7%
Police and Public Safety ¹	1,504	1,486	-18	-1.2%
Fire and Rescue Aid ¹	337	337	0	0.0%
Disparity Grant	2,060	7,781	5,721	277.7%
Total Direct Aid	\$215,647	\$227,924	\$12,277	5.7%
Aid Per Capita (\$)	\$1,428	\$1,509	\$81	5.7%
Property Tax Equivalent (\$)	1.60	1.67	0.07	4.1%

¹ Municipal governments within the county receive a share of these funds.

2. Retirement Payments

County teachers and librarians are members of either the teachers' retirement or pension systems maintained and operated by the State. Community college faculty may also be members of these systems. The State pays a portion of the employer share on behalf of the subdivisions for these local employees. Fiscal 2021 State payments for Washington County for teachers, librarians, and community college faculty are estimated to be \$18,241,000.

B. Selected State Grants for Capital Projects

Public Schools*

North Hagerstown High School – renovations (chiller)	\$618,112
Sharpsburg Elementary School – construction	3,104,978
South Hagerstown High School – renovations (roof)	910,907
Western Heights Middle School – renovations (roof)	1,873,000

*The final allocation of fiscal 2021 school construction funding will be made in May 2020.

Hagerstown Community College

Campuswide – facilities renewal	500,000
Center for Business and Entrepreneurial Studies	3,234,000

Community Health Facilities Grant Program

The Arc of Washington County, Inc.	750,000
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Program Open Space

Park acquisition and development	937,071
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Community Parks and Playgrounds

Lions Community Park	157,640
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Chesapeake Bay Water Quality Projects

Williamsport – sewer line and manhole rehabilitation	874,457
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Waterway Improvement

Hancock – boat ramp improvements	250,000
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Hazardous Substance Cleanup Program

Garden State Tannery	100,000
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Other Projects

Easterseals Adult Day Services Hagerstown Center	150,000
Hagerstown – minor league baseball stadium	500,000
Hagerstown BMX Track	75,000
Meritus Medical Center	509,000
Preservation Maryland – Jonathan Street improvements	250,000
Smithsburg Community Volunteer Fire Company	75,000
Smithsburg High School – athletic facilities	50,000
Washington County – Hagerstown revitalization	2,500,000
Washington County – public service academy	500,000

C. Capital Projects for State Facilities in the County**Department of Public Safety and Correctional Services**

Correctional Training Center – replace windows and heating system	\$7,460,000
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Department of Natural Resources

National Park Service – Four Locks boat ramp improvements	250,000
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Wicomico County

A. Direct Aid and Retirement Payments

1. Direct Aid

	<u>FY 2020</u>	<u>FY 2021</u>	<u>\$ Diff.</u>	<u>% Diff.</u>
	(\$ in Thousands)			
Foundation Aid	\$78,055	\$80,045	\$1,990	2.5%
Compensatory Education	46,283	46,288	5	0.0%
Student Transportation	5,734	5,864	130	2.3%
Special Education	8,153	8,064	-88	-1.1%
Limited English Proficiency Grants	7,044	7,305	262	3.7%
Guaranteed Tax Base	7,194	7,625	431	6.0%
Kirwan Commission – Blueprint Funding	7,528	9,071	1,542	20.5%
Other Education Aid	1,145	1,228	83	7.3%
Primary and Secondary Education	\$161,135	\$165,490	\$4,355	2.7%
Libraries	\$1,132	\$1,166	\$34	3.0%
Community Colleges	5,905	6,676	771	13.1%
Health Formula Grant	1,796	1,820	24	1.4%
Transportation ¹	3,676	3,789	113	3.1%
Police and Public Safety ¹	1,121	1,129	8	0.7%
Fire and Rescue Aid ¹	338	338	0	0.0%
Disparity Grant	9,649	11,290	1,641	17.0%
Teachers Retirement Supplemental Grant	1,568	1,568	0	0.0%
Total Direct Aid	\$186,320	\$193,267	\$6,947	3.7%
Aid Per Capita (\$)	\$1,798	\$1,865	\$67	3.7%
Property Tax Equivalent (\$)	2.78	2.81	0.03	0.9%

¹ Municipal governments within the county receive a share of these funds.

2. Retirement Payments

County teachers and librarians are members of either the teachers' retirement or pension systems maintained and operated by the State. Community college faculty may also be members of these systems. The State pays a portion of the employer share on behalf of the subdivisions for these local employees. Fiscal 2021 State payments for Wicomico County for teachers, librarians, and community college faculty are estimated to be \$12,958,000.

B. Selected State Grants for Capital Projects

Public Schools*

Beaver Run Elementary School – construction	\$7,683,322
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*The final allocation of fiscal 2021 school construction funding will be made in May 2020.

Wor-Wic Community College

Applied Technology Building	1,522,000
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Program Open Space

Park acquisition and development	624,825
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Chesapeake Bay Water Quality Projects

Delmar – sewer replacement project	1,139,457
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Comprehensive Flood Mitigation Program

Fruitland – Tuxents Branch stormwater drainage upgrade	945,000
Salisbury – Hunters Mill Pond rehabilitation	428,000

Waterway Improvement

Cedar Hill Marina – bulkhead replacement	200,000
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Hazardous Substance Cleanup Program

Elite Free State Cleaners	50,000
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Other Projects

Queen City Elks Lodge No. 1051 and Success Temple No. 154	200,000
Salisbury – infrastructure upgrades	1,000,000
Wicomico County – bookmobile	100,000
Wicomico County – inclusive playground and sensory trail	100,000

C. Capital Projects for State Facilities in the County

Department of Agriculture

Salisbury Animal Health Laboratory	\$1,074,000
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University System of Maryland

Salisbury – student recreation center	2,500,000
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Worcester County

A. Direct Aid and Retirement Payments

1. Direct Aid

	<u>FY 2020</u>	<u>FY 2021</u>	<u>\$ Diff.</u>	<u>% Diff.</u>
	(\$ in Thousands)			
Foundation Aid	\$6,926	\$7,061	\$135	1.9%
Compensatory Education	7,445	7,559	114	1.5%
Student Transportation	3,349	3,404	55	1.7%
Special Education	1,780	1,811	31	1.7%
Limited English Proficiency Grants	399	430	31	7.8%
Kirwan Commission – Blueprint Funding	689	688	-1	-0.2%
Other Education Aid	324	346	22	6.7%
Primary and Secondary Education	\$20,912	\$21,299	\$387	1.8%
Libraries	\$165	\$170	\$5	3.0%
Community Colleges	2,410	2,609	199	8.3%
Health Formula Grant	1,102	1,115	13	1.2%
Transportation ¹	2,598	2,671	73	2.8%
Police and Public Safety ¹	749	694	-55	-7.3%
Fire and Rescue Aid ¹	373	373	0	0.0%
Gaming Impact Aid	4,543	4,617	74	1.6%
Total Direct Aid	\$32,851	\$33,547	\$696	2.1%
Aid Per Capita (\$)	\$628	\$642	\$13	2.1%
Property Tax Equivalent (\$)	0.20	0.20	0.00	0.0%

¹ Municipal governments within the county receive a share of these funds.

2. Retirement Payments

County teachers and librarians are members of either the teachers' retirement or pension systems maintained and operated by the State. Community college faculty may also be members of these systems. The State pays a portion of the employer share on behalf of the subdivisions for these local employees. Fiscal 2021 State payments for Worcester County for teachers, librarians, and community college faculty are estimated to be \$7,396,000.

B. Selected State Grants for Capital Projects

Public Schools*

Pocomoke Middle School – renovations (roof)	\$1,275,000
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*The final allocation of fiscal 2021 school construction funding will be made in May 2020.

Wor-Wic Community College

Applied Technology Building	1,522,000
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Federally Qualified Health Centers Grant Program

Three Lower Counties Community Services, Inc.	697,500
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Program Open Space

Park acquisition and development	606,101
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Community Parks and Playgrounds

Ocean City Dog Park	108,620
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Waterway Improvement

Public Landing Marina – finger piers installation	250,000
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Coastal Resiliency Program

Selsey Road – shoreline enhancements	100,000
Tizzard Island – shoreline enhancements	1,100,000

Other Projects

Atlantic General Hospital	800,000
Believe In Tomorrow House at the Beach	100,000
Pocomoke City Elks Lodge No. 1624	75,000

C. Capital Projects for State Facilities in the County**Maryland State Police**

Berlin Barrack, Forensic Lab, and Garage	\$158,000
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Department of Natural Resources

Ocean City Beach Maintenance	2,000,000
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Part B Taxes

Sales Tax

The advent of the digital age has contributed to the erosion of the sales tax base as consumers have transitioned from purchasing tangible goods to digital goods, such as computer software, music, videos, and other electronic files. For example, rather than purchasing a bound book that is subject to the sales tax, an individual may instead download a copy of the book, a transaction that traditionally would not be subject to tax. The disparate treatment of tangible and intangible versions of the same product has created inequities in sales tax codes.

House Bill 932 (passed) imposes the sales and use tax on specified digital products and codes. A digital product is a product that is obtained electronically by the buyer or delivered by means other than tangible storage media through the use of technology having electrical, digital, magnetic, wireless, optical, electromagnetic, or similar capabilities. A digital code is a code that may be obtained by any means, including in a tangible form, such as a card or through email, and provides a buyer with a right to obtain one or more digital products. A digital code does not include a gift certificate or gift card with a monetary value that may be redeemable for an item other than a digital product. The retail sale of a digital code or digital product is presumed to be made in the state in which the customer's tax address is located.

House Bill 932 also requires all sales and use tax revenue received from the sale of digital products and codes to be distributed to the Blueprint for Maryland's Future Fund. Although the actual revenue increase depends on the amount and cost of digital products and codes that are purchased by Maryland consumers, under one set of assumptions, the Blueprint for Maryland's Future Fund revenues may increase by approximately \$83.1 million in fiscal 2021 and by \$118.6 million in fiscal 2025.

Finally, the bill states that it is the intent of the General Assembly that the Comptroller distribute, as necessary, sales and use taxes collected in fiscal 2021 from the sale of digital products or codes to the expenditure accounts of the appropriate units of State government to fund costs associated with the 2019 novel coronavirus (COVID-19) and to the Revenue Stabilization Account. Accordingly, transfers and expenditures to these funds may increase in fiscal 2021, resulting in a corresponding decrease in the Blueprint for Maryland's Future Fund revenue.

Miscellaneous Taxes

House Bill 732 (passed) increases various taxes imposed on cigarettes, electronic smoking devices (ESD), and other tobacco products (OTP). In addition, the bill imposes a tax on the gross revenues of certain entities derived from digital advertising.

Tobacco and Sales and Use Taxes

House Bill 732 increases the tobacco tax rate from \$2.00 to \$3.75 per pack of 20 cigarettes; increases from 10 cents to 17.5 cents the tax rate for each cigarette in a package of more than 20 cigarettes; and increases the OTP tax rate for all products other than pipe tobacco and cigars from 30% to 53% of the wholesale price. The tax rate remains at 30% for pipe tobacco, 15% for premium cigars, and 70% for all other cigars. The bill also imposes a one-time floor tax on cigarettes and OTP in fiscal 2021.

The bill increases the sales and use tax rate imposed on ESD, commonly known as e-cigarettes or vaping products. The sales and use tax rate imposed on ESD is increased from 6% to 12%, except the tax rate is increased to 60% for vaping liquids sold in containers of five milliliters or less. An ESD does not include a battery or battery charger when sold separately.

The bill states the intent of the General Assembly that the Comptroller distribute, as necessary, the fiscal 2021 tobacco taxes generated by the bill, including the sales tax imposed on ESD, to the Revenue Stabilization Account (Rainy Day Fund) and to the expenditure accounts of the appropriate units of State government to fund costs associated with COVID-19. Beginning in fiscal 2022, the Governor is required to include at least \$18.25 million in annual funding for the Tobacco Use Prevention and Cessation Program. It is estimated that net State revenues will increase by \$100.1 million in fiscal 2021 and by \$80.5 million in fiscal 2025 due to additional cigarette, OTP, and net sales and use tax revenue.

Digital Advertising Gross Revenues Tax

House Bill 732 imposes a tax on the annual gross revenues of a business derived from digital advertising services in the State. The bill requires a business with at least \$100.0 million in global annual gross revenues to pay the tax at a rate determined by the business's global annual gross revenues. The part of the annual gross revenues of a business derived from digital advertising services in the State is to be determined using an apportionment fraction based on the annual gross revenues of the business derived from digital advertising services in the State (the numerator) and in the United States (the denominator). The Comptroller must adopt regulations that determine the state from which revenues from digital advertising services are derived.

Revenues from the digital advertising gross revenues tax are distributed to the Blueprint for Maryland's Future Fund, after the Comptroller's costs to administer the tax are deducted. Under one set of assumptions, special fund revenues could increase by as much as \$250.0 million in the first full year that the tax is imposed and collected. However, the potential for legal

challenges and compliance issues may significantly impact the amount of revenues the State collects from the tax, particularly in the short term.

Part C

State Government

General Assembly

Constitutional Amendment – State Budget

Section 52 of Article III of the Constitution of Maryland prohibits the General Assembly from increasing any budget item or adding any new appropriations item to the Governor's operating budget for Executive Branch agencies. The General Assembly can decrease an appropriation for any branch of State government and increase appropriations relating only to the legislature or Judiciary. Under current provisions of the Constitution, the budget bill is enacted immediately upon passage by both houses of the General Assembly, without further action by the Governor. The Maryland General Assembly is one of only a few state legislatures that does *not* have the authority to increase or add an item of appropriation in an operating budget for the Executive Branch.

Senate Bill 1028 (passed) proposes a constitutional amendment that, if approved by the voters at the 2020 general election, would require the budget bill to be presented to the Governor for approval or disapproval. It would also authorize the General Assembly, beginning with the fiscal 2024 operating budget, to increase appropriations made by the Governor and add items to appropriations for Executive Branch agencies. The total appropriation in the operating budget for the Executive Branch approved by the General Assembly cannot exceed the total proposed appropriation for the Executive Branch submitted by the Governor. The proposed amendment further authorizes the Governor to veto items increased or added by the General Assembly for Executive Branch agencies. The General Assembly may convene in extraordinary session to consider and vote on whether to override any vetoed items.

Part E

Crimes, Corrections, and Public Safety

Public Safety

Sales, Rentals, and Transfers of Rifles and Shotguns

Generally, in Maryland, federal law rather than State law governs the transfer of rifles and shotguns. Accordingly, licensed firearms dealers must conduct a National Instant Criminal Background Check System (NICS Index) background check through the Federal Bureau of Investigation prior to the transfer of any long gun to an unlicensed individual. In general, any other Maryland resident may transfer a long gun to another Maryland resident as long as the transferor does not know or have reasonable cause to believe that the recipient is prohibited from receiving or possessing firearms under federal law.

Senate Bill 208/House Bill 4 (both passed) require, with certain exceptions, that the sale, rental, or transfer of a rifle or shotgun by a person who is not a licensed firearms dealer be facilitated by a licensed firearms dealer. A dealer who agrees to facilitate such a sale, rental, or transfer must take certain actions, including conducting a NICS Index background check on the purchaser, lessee, or transferee, and may charge a reasonable fee.

The bills also prohibit a licensee or any other person from selling, renting, transferring, or loaning a rifle or shotgun to a purchaser, lessee, transferee, or recipient who the licensee or other person knows or has reasonable cause to believe (1) is prohibited from possession of a rifle or shotgun under Maryland law, as specified; (2) is visibly under the influence of alcohol or drugs; (3) is a participant in a straw purchase; or (4) intends to use the rifle or shotgun to commit a crime or cause harm to the purchaser, lessee, transferee, or recipient or another person.

Senate Bill 208/House Bill 4 establish criminal penalties for violations and a certain civil liability protection for dealers. In addition, the bills establish the intent of the General Assembly regarding the interpretation of the term “transfer” and specify that the term does not include a temporary gratuitous exchange of a rifle or shotgun.

Part F

Courts and Civil Proceedings

Human Relations

Housing Discrimination Based on Source of Income

State law prohibits housing discrimination because of race, color, religion, sex, disability, marital status, familial status, sexual orientation, gender identity, or national origin. Numerous states and local jurisdictions, including some cities and counties within Maryland, also prohibit housing discrimination on the basis of a person's source of income. Such laws are often intended to expand available housing opportunities to individuals who utilize housing choice vouchers. *Senate Bill 530/House Bill 231 (both passed)* expand State discrimination laws to prohibit discriminatory practices in residential real estate transactions and the sale or rental of a dwelling because of a person's source of income. "Source of income" means any lawful source of money paid directly or indirectly to or on behalf of a renter or buyer of housing. It includes income from (1) lawful employment; (2) any government or private assistance, grant, loan, or rental assistance program, including low-income housing assistance vouchers; (3) a gift, inheritance, pension, annuity, alimony, child support, or other consideration or benefit; or (4) the sale or pledge of property or an interest in property. The bills do not require an individual to consider income derived from criminal activity and do not prohibit a person from determining the ability of a potential buyer or renter to pay a purchase price or pay rent by verifying, in a commercially reasonable and nondiscriminatory manner, the source and amount of income or creditworthiness of the potential buyer or renter. The bills also do not prohibit a person from determining, in accordance with applicable federal and State laws, the ability of a potential buyer to repay a mortgage loan.

Part G

Transportation and Motor Vehicles

Transportation

Transportation Facilities Projects

Transportation facilities projects include projects that the Maryland Transportation Authority (MDTA) authorizes to be acquired, constructed, improved, or enlarged. MDTA is authorized to set charges or tolls related to transportation facilities projects. Transportation facilities projects in Maryland include (1) the William Preston Lane, Jr. Memorial Chesapeake Bay Bridge and the parallel Chesapeake Bay Bridge (Bay Bridge); (2) the Harry W. Nice/Thomas “Mac” Middleton Potomac River Bridge; (3) the Susquehanna River Bridge; (4) the Francis Scott Key Bridge; (5) the Baltimore Harbor and Fort McHenry Tunnels; and (6) the John F. Kennedy Memorial Highway (I-95 north of Baltimore City).

Public-private Partnerships

A public-private partnership (P3) is a method for delivering public infrastructure assets using a long-term, performance-based agreement between specified State “reporting” agencies, such as MDTA, and a private entity where appropriate risks and benefits are allocated in a cost-effective manner between the contract partners. The private entity performs functions normally undertaken by the government, but the reporting agency remains ultimately accountable for the public infrastructure asset and its public function. The State may retain ownership of the public infrastructure asset and the private entity may be given additional decision-making rights in determining how the asset is financed, developed, constructed, operated, and maintained over its life cycle.

Although P3 agreements in the State have often been used for the construction and continued maintenance of new transportation facilities projects, a P3 agreement may also be used to generate revenue from existing transportation facilities projects (commonly referred to as asset recycling). *House Bill 56 (passed)* prohibits the State or any P3 reporting agency from (1) transferring by sale, lease, or other agreement the full or partial ownership, operation, or management of an existing MDTA transportation facilities project to a private entity or (2) issuing

a public notice of solicitation for a P3 for an existing MDTA transportation facilities project. The bill also applies to the Thomas J. Hatem Bridge, but expressly does not apply to the I-495 and I-270 P3 program. The prohibitions terminate March 1, 2021.

Chesapeake Bay Bridge Reconstruction Advisory Group

MDTA established the Chesapeake Bay Bridge Reconstruction Advisory Group (advisory group) in 2005 to advise MDTA on issues related to the Bay Bridge. Topics of discussion for the advisory group have included long-term issues such as tolling rates and methods and the National Environmental Policy Act study for a third span across the Chesapeake Bay.

House Bill 56 also codifies the advisory group, which is to be housed within the Maryland Department of Transportation and staffed by MDTA. Under the bill, the advisory group is required to (1) provide MDTA with an independent, citizen-informed perspective on MDTA's operations at the Bay Bridge; (2) work collaboratively with MDTA and provide pertinent input related to traffic and customer service issues; and (3) assist MDTA in addressing potential concerns with, and educating the general public about, activity related to the Bay Bridge.

Part H

Business and Economic Issues

Public Service Companies

Member-regulated Cooperatives and Rural Broadband

House Bill 999 (passed) is an emergency bill that establishes procedures for an electric cooperative to operate as a member-regulated cooperative on the Eastern Shore, subject to specified requirements. The bill's preamble states that current statutory and regulatory restrictions prevent the Choptank Electric Cooperative, which operates on the Eastern Shore, from delivering broadband Internet service to the homes of members and that the intent of the bill is to empower the members of the cooperative to regulate themselves and provide economically efficient broadband Internet service. The Public Service Commission (PSC) retains only limited jurisdiction over a member-regulated cooperative, which does not include rate setting.

To operate as a member-regulated cooperative, a cooperative must either (1) submit a request to PSC for a waiver from the application of specified affiliate regulations, which PSC must review expeditiously or (2) conduct a vote of the cooperative's members, subject to numerous requirements. Once a member-regulated cooperative has been established, the bill places restrictions on the ability of the cooperative to adopt a new rate or alter its rates or charges for the services that it provides without providing advance notice to its members and an opportunity to comment on and to observe the board of directors' vote to change the rates. A member-regulated cooperative must also (1) make specified information available to its members; (2) implement a net-metering program consistent with State law; (3) adopt procedures to hear, decide, and resolve complaints; and (4) establish policies related to termination of service.

Generally, a member-regulated cooperative may not prohibit a telecommunications or cable service provider from accessing a pole, duct, conduit, right-of-way, or similar facility owned or controlled by the cooperative. However, access may be denied if it is on a nondiscriminatory basis and if the member-regulated cooperative determines that (1) the facility does not have sufficient capacity to allow access or (2) allowing access would create safety, reliability, or engineering concerns. A member-regulated cooperative must charge a reasonable rate for access to these facilities.

A member-regulated cooperative must report to the Senate Finance Committee and the House Economic Matters Committee on the status of broadband Internet deployment by December 1 each year. It is the intent of the General Assembly that, during the 2028 legislative session, the General Assembly deliberate and determine whether the provisions of the bill must be terminated. However, if the General Assembly does not take any action to terminate the provisions, they will continue in full force and effect.

Horse Racing and Gaming

Horse Racing

Senate Bill 987 (passed) provides for the redevelopment of Pimlico Race Course in Baltimore City and Laurel Park in Anne Arundel County, as well as for the conveyance of the Bowie Race Course Training Center. Initial plans for the redevelopment indicate that the Laurel Park racing facility project will be undertaken first, followed by the Pimlico racing facility project. The goal is to have the two projects completed over a five-year period with the Preakness Stakes continuing to be held at Pimlico each year.

Maryland Stadium Authority, Construction Projects, and Bonding Authority

Senate Bill 987 authorizes the Maryland Stadium Authority (MSA), subject to the approval of the Board of Public Works (BPW), to issue up to \$375 million in bonds to finance planning, design, and construction and related expenses for construction management, professional fees, and contingencies in connection with racing facilities. MSA must enter into agreements with project entities or local entities for planning, design, and construction of the racing and community development projects at a racing facility site. In addition, MSA must provide to the fiscal committees of the General Assembly specified financing plans at least 45 days before seeking approval of BPW for each bond issue or other borrowing. The financing plan or plans must provide for at least \$180 million in anticipated project costs at the Pimlico site and \$155 million in anticipated project costs at the Laurel Park site. Debt issued for the redevelopment projects is a limited obligation of MSA and is not an obligation or debt of the State.

MSA may enter into agreements with project entities for the construction of the projects during the periods of planning, design, and construction of the facilities. Before the issuance of any bonds to finance improvements to a racing facility, MSA may pay for any costs for administration, overhead, and operations of MSA or costs of engineering, architectural, and other design professionals from the Racing and Community Development Facilities Fund (Facilities Fund).

Ownership and Management of Racing Facility Sites

Senate Bill 987 specifies the requirements for and the contents of long-term agreements for management and operations at the Pimlico and Laurel Park racing facility sites.

With regard to the Pimlico racing facility, the Pimlico site will be conveyed to Baltimore City, the Baltimore Development Corporation, or a designated project entity established in the long-term agreement. MSA will manage and operate the Pimlico Clubhouse and Events Facility, grounds, and any facility not designated for the Maryland Jockey Club (MJC) Entities' year-round use. MSA is obligated to maintain the facility site as a first-class facility and to cooperate with respect to the provision of adequate parking and efficient transportation plans around the site. MJC Entities will maintain the track surfaces and have priority of use over the Pimlico Clubhouse and Events Facility and grounds for purposes related to racing, wagering, and other agreed-on uses and rights to access and egress from the site during periods identified in the agreement.

With regard to the Laurel Park racing facility, an interest in the site, in whole or in part, will be granted to Anne Arundel County or an entity or entities designated by the county at a time and on conditions established in the agreement. MJC Entities must pay to Anne Arundel County or an entity designated by the county, an amount equal to at least the prorated amount of real property taxes paid in fiscal 2020 for the site. MJC Entities will manage and operate the racing facility site and conduct year-round thoroughbred training and racing, satellite simulcast wagering, advanced deposit wagering, and other lawful activities and is obligated to maintain the facility site as a first-class facility and in good condition and repair. The agreement must provide for the running of the Maryland Million at Laurel Park each year, except during periods of construction or if prevented by weather, acts of God, or other circumstances beyond the control of the racing licensee.

If thoroughbred racing is no longer a lawful activity, or is otherwise rendered not commercially viable as a result of a change in law or regulation, the parties to the long-term agreements must notify BPW at least 180 days before the expiration or termination of the long-term agreements. The notice must contain a wind down plan. The long-term agreement must contain dispute resolution provisions, including expedited review, in the event that there is a dispute among the parties regarding the existence of specified conditions or the contents of the wind down plans.

Funding and Fund Transfers

Senate Bill 987 provides for the financing of the racing facility redevelopment projects and for the payment of debt service for bonds issued by MSA. *Senate Bill 987* establishes the Racing and Community Development Financing Fund (Financing Fund) and the Facilities Fund. The Financing Fund is established as a revolving fund for implementing provisions of law concerning racing and community development projects and for the payment of debt service expenses incurred by MSA, or otherwise approved by MSA, concerning the projects. The fund consists of proceeds from the sale of bonds and money paid to the fund from the State Lottery Fund. The Facilities Fund is established as a revolving fund for implementing provisions of law concerning racing and community development projects and to pay specified expenses incurred by MSA. The fund consists of specified monies, fund transfers, and the unencumbered fund balances allocated to thoroughbred tracks and Rosecroft Raceway under the Racetrack Facility Renewal Account (RFRA), as of June 30, 2020.

Senate Bill 987 requires that, beginning in fiscal 2022, \$17 million be transferred from the State Lottery Fund to the Financing Fund for each fiscal year until the bonds issued for a racing facility project have matured. Funds from the Financing Fund may be transferred to the Facilities Fund if not needed for specified debt service payments.

Senate Bill 987 requires \$5.0 million in fiscal 2021 funds from the Purse Dedication Account (PDA) dedicated to thoroughbred purses to be transferred to the Facilities Fund. Beginning in fiscal 2022, \$5.0 million from PDA funds dedicated to thoroughbred purses must be transferred to the State Lottery Fund for each fiscal year until bonds, debt, or other financial instruments issued or made available for a racing facility reach final maturity.

RFRA funds allocated to thoroughbred racing (80% of total RFRA funds) must be transferred to the State Lottery Fund, and the Maryland Racing Commission (MRC) must establish a formula for the allocation of funds to Rosecroft Raceway and Ocean Downs Race Course (20% of total RFRA funds). Beginning in fiscal 2021, \$200,000 must be transferred annually from the amount allocated for Rosecroft Raceway from RFRA to Employ Prince George's, Inc. for workforce development and small, minority, and women-owned business development.

For fiscal 2022 through 2032, \$3.5 million of funds otherwise directed to the Pimlico Community Development Authority from video lottery terminal (VLT) proceeds must be transferred to the State Lottery Fund. Beginning in fiscal 2033, Baltimore City must transfer \$3.5 million of local impact grant funds from VLT proceeds to the State Lottery Fund. In addition, for fiscal 2021 through 2032, the greater of \$2.4 million, or 24%, of the total amount of funds directed to the Pimlico Community Development Authority from VLT proceeds must be provided to Park Heights Renaissance, Inc.

Any unencumbered fund balance as of June 30, 2020, including accrued interest, that is allocated to thoroughbred tracks and Rosecroft Raceway from RFRA must be transferred to the Facilities Fund by June 30, 2020. Between \$1.0 million and \$1.5 million from the Facilities Fund must be transferred to the City of Bowie for remediation costs at the Bowie Race Course Training Center, provided a specified agreement between the City of Bowie and Bowie State University has been executed. In addition, \$2.0 million of the money transferred to the Facilities Fund may be used to reimburse racing licensee costs attributable to maintaining ongoing year-round racing operations, ensuring the continued running of the Preakness Stakes at Pimlico during construction, and other expenses relating to the Bowie Race Course Training Center.

Tax Incentives

Senate Bill 987 provides a variety of tax incentives for the redevelopment and conveyance of the racing facilities and the Bowie Race Course Training Center.

A subtraction modification is provided for gains recognized as a result of the direct or indirect transfer or conveyance of the Laurel Park or Pimlico sites and any portion of the Bowie Race Course Training Center and the amount of income recognized as a result of any expenditure of funds.

A sales and use tax exemption is provided for specified construction materials purchased for use in the construction or redevelopment of the Laurel Park and Pimlico sites. Purchases must be made by January 1, 2026, to be eligible for the exemption.

A property tax exemption is provided for the interests of a person in an improvement at the Laurel Park or Pimlico racing facility sites for the duration of specified long-term agreements. A recordation tax exemption is provided for instruments of writing that transfer or grant a security interest in property that is within the Laurel Park or Pimlico racing facility sites or Pimlico site if the transfer or grant is by any combination of project entities, MJC Entities, Baltimore City, an entity designated by Baltimore City, Anne Arundel County, or an entity designated by the county or the Bowie Race Course Training Center property if transferred to a government entity. State and local transfer tax exemptions are provided for instruments of writing to the same extent that the transfers are not subject to the recordation tax.

Live Racing Days and Health, Safety, and Wellness of Horses and Track Workers

Senate Bill 987 alters the number of live racing days specified in statute to reflect current practices. In addition, *Senate Bill 987* requires MRC to consider the health, safety, and welfare of horses engaged in racing and training at tracks and training facilities in the State and establishes an Equine Health, Safety, and Welfare Advisory Committee within MRC.

Senate Bill 987 prohibits MSA from expending funds, other than for specified purposes, for construction or reconstruction of racing surfaces at Pimlico or Laurel Park until MRC, in consultation with certain parties, consults with national experts in thoroughbred racetrack surfaces and equine safety and MRC provides a report to the Legislative Policy Committee. In addition, *Senate Bill 987* requires MSA to report on the feasibility of creating an Equine Health, Safety, and Research Center at Laurel Park.

Any housing facilities for track workers located at Pimlico Race Course, Laurel Park, or the Bowie Race Course Training Center and used during the transition or construction periods of the development of the projects must meet applicable health and housing requirements of the applicable local jurisdiction.

Transfer of the Bowie Race Course Training Center Property

By December 31, 2023, the owner of the Bowie Race Course Training Center must convey the training center property to the City of Bowie “as is,” with all defects that may exist, whether known or unknown, and without any express or implied warranty, guarantee by, or recourse against the conveyor of the property. *Senate Bill 987* specifies permissible uses for certain portions of the transferred property. By January 1, 2021, the City of Bowie must enter into a joint use agreement, including an easement, with Bowie State University for the future use of the property.

Small, Minority, and Women-owned Businesses

Senate Bill 987 specifies the intent of the General Assembly that after the completion of the construction at the Pimlico site by MSA, the construction of improvements on any part of the

Pimlico site that is not part of the racing facility site must, to the extent possible and permitted by federal and State law, comply with (1) the minority business participation goal established for a unit by the Special Secretary for the Office of Small, Minority, and Women Business Affairs and any other corresponding provisions of law under the State Finance and Procurement Article or (2) specified requirements of the Baltimore City Code regarding participation of minority and women's business enterprises and local small business enterprises.

Sports Wagering

In Maryland, legalized sports wagering is considered an expansion of commercial gaming. Article XIX of the Constitution of Maryland provides that the General Assembly may only authorize additional forms or an expansion of commercial gaming if approved through a referendum by a majority of the voters in a general election. *Senate Bill 4 (passed)* establishes, subject to voter approval in the November 2020 general election, that the General Assembly may authorize the State Lottery and Gaming Control Commission (SLGCC) to issue a license to offer sports and event wagering in the State, the revenues from which shall primarily be used for public education. As introduced, the bill would have provided for the operation and regulation of sports wagering in the State. As passed, however, *Senate Bill 4* does not include implementation measures; rather, the bill requires the General Assembly to pass sports wagering legislation that must specify the criteria for eligible licensees and the permissible forms, means of conduct, and premises of wagering.

Finally, *Senate Bill 4* requires the Maryland Department of Transportation (MDOT) and SLGCC to determine, on or before October 1, 2020, whether data from the existing disparity study for the State's Minority Business Enterprise (MBE) program apply to the sports and event wagering industries. If it is determined that the data do not apply, MDOT, in consultation with the General Assembly and the Office of the Attorney General, must conduct its own disparity study to determine whether there is a compelling interest to require sports and event wagering licensees to meet State MBE participation goals. MDOT must report to SLGCC and the Legislative Policy Committee on the findings of the study.

Alcoholic Beverages (Statewide)

Alcohol and Tobacco Commission

Chapter 12 of 2019 established the Alcohol and Tobacco Commission (ATC), beginning June 1, 2020, and required the transfer of personnel, powers, duties, and responsibilities that relate to the regulation of alcoholic beverages and tobacco products from the Comptroller's Office, specifically the Field Enforcement Division (FED), to ATC. Chapter 12 specified that all duties and responsibilities associated with FED's alcoholic beverages and tobacco regulation functions must continue under ATC. Employees transferred under Chapter 12 retain any merit system and retirement status that they may have on the date of transfer and must be transferred without any change or loss of pay, working conditions, benefits, rights, or status. Furthermore, Chapter 12

specified that files, furniture, fixtures, records, other properties, credits, liabilities, and obligations are retained by the appropriate entity under the transfer.

Although Chapter 12 required the transfer of certain FED agents to ATC, it did not make the explicit changes necessary to ensure that those agents retain their rights and responsibilities as police officers. Agents under FED utilize those powers to conduct inspections and investigations of alcoholic beverages and tobacco crimes under the existing regulatory structure, in addition to enforcement of motor fuel and certain other tax areas. As such, *Senate Bill 911/House Bill 900 (both passed)* grant authorized employees of FED transferred to ATC the powers of police and peace officers and classify them as police officers and law enforcement officers. Doing so ensures that the transferred employees can continue to fulfill their regulatory duties once the transfer to ATC occurs.

The bills also delay the effective date of Chapter 12 from June 1, 2020, to January 1, 2021, effectively postponing the establishment of ATC to the later date, and add one year to the initial terms of ATC members. The bills clarify the responsibilities of ATC and the Comptroller's Office under Chapter 12. These clarifications include authorizing ATC to conduct warrantless inspections and seize contraband under certain circumstances. Similarly, the bills specify the respective authority and responsibilities of ATC and the Comptroller over the regulation and taxation of alcohol and tobacco products, and delineate the respective functions of personnel of FED under ATC and those remaining in the Comptroller's Office over motor fuel and other areas handled together with alcohol and tobacco products by FED before the transfer occurs. The bills require ATC and the Comptroller's Office to (1) cooperate and share information and personnel in investigations and other matters relating to alcohol and tobacco regulation and (2) enter into a memorandum of understanding and other cooperative arrangements. The bills also authorize ATC to enter into similar arrangements with other governmental agencies.

Additionally, the fiscal 2021 operating budget includes two provisions related to the establishment of ATC. First, the budget restricts \$10.1 million in special funds for the Integrated Tax System Major Information Technology Project until the Comptroller's Office submits documentation to the budget committees certifying that the agency will provide ATC office space and access to FED's existing comprehensive document management and licensing database system for the second half of fiscal 2021. The Comptroller's Office must submit the documentation by June 1, 2020. Second, the budget restricts the use of \$1.6 million of the Comptroller's budget for any purpose other than being transferred to ATC on January 1, 2021, along with 27 FED positions.

Part J

Health and Human Services

COVID-19 Public Health Emergency Protection Act

COVID-19, a novel coronavirus first identified in Wuhan, China, in December 2019, has resulted in a global pandemic with more than 1.8 million infections and more than 117,000 deaths worldwide as of April 14, 2020 (according to the [*World Health Organization*](#) daily situation report). The virus arrived in Maryland in March 2020 and approached 9,500 confirmed cases with 302 deaths as of April 14, 2020 (according to the Maryland Department of Health ([*MDH*](#))). The virus currently has no vaccine or specific antiviral treatment. On March 5, 2020, Governor Lawrence J. Hogan, Jr., declared a state of emergency to mobilize all available State resources in response to COVID-19.

[*Senate Bill 1080/House Bill 1663 \(Chs. 13 and 14\)*](#), both emergency Acts, authorize the Governor, for the duration of the emergency, to take actions relating to health insurance, Medicaid, retailer profits, employer actions, and personnel at State health care facilities as a result of the March 5, 2020 proclamation (or any other proclamation) declaring a state of emergency and the existence of a catastrophic health emergency relating to the outbreak of COVID-19. The Acts also authorize the Secretary of Labor to determine certain individuals eligible for unemployment insurance (UI) benefits due to COVID-19. The Acts terminate April 30, 2021.

Health Insurance and Medicaid

The Governor may take a series of actions to facilitate access to health care and provision of that care and mitigate costs to individuals for COVID-19 diagnosis and treatment, including prohibiting cost-sharing by health insurance carriers for COVID-19 testing, ordering MDH to cover the cost of testing if not paid for by a carrier or another third party, and requiring carriers to cover a COVID-19 immunization (if and when available) without cost-sharing. The Governor may establish or waive telehealth protocols and order MDH to reimburse certain Medicaid telehealth services for COVID-19 patients. The Governor may also consult with MDH, the Maryland Insurance Commissioner, and the Maryland Health Benefit Exchange to develop and implement orders to minimize disruption in enrollment in health insurance and Medicaid and to facilitate reimbursement for certain services relating to COVID-19.

Retail Profits

The Governor may prohibit a retailer from increasing the sale or rental price of any good or service to a price that increases the retailer's value of profit by more than 10%, including food, fuel, water and ice, medicine, medical supplies and equipment, cleaning products, building supplies and equipment, energy sources, and storage space. A violation by a retailer of a prohibited price increase is an unfair, abusive, and deceptive trade practice under the Maryland Consumer Protection Act (MCPA), subject to MCPA's civil and criminal penalty provisions.

Employer Actions

The Acts authorize the Governor to prohibit an employer from terminating an employee solely on the basis that the employee has been required to be isolated or quarantined.

Increased Unemployment Insurance Eligibility

UI provides temporary, partial wage replacement benefits to individuals who are unemployed through no fault of their own and are willing to work, able to work, and actively seeking employment. The Acts authorize the Secretary of Labor to determine that an individual is eligible for UI benefits if (1) the individual's employer temporarily ceases operations due to COVID-19, preventing employees from coming to work; (2) the individual is quarantined due to COVID-19 with the expectation of returning to work after the quarantine is over; or (3) the individual leaves employment due to a risk of exposure or infection of COVID-19 or to care for a family member due to COVID-19. An individual need not separate from the individual's employment to be determined eligible for benefits.

Public Health – Generally

Medical Cannabis in Schools

The Natalie M. LaPrade Medical Cannabis Commission is responsible for implementation of the State's medical cannabis program. There is a framework to certify health care providers (including physicians, dentists, podiatrists, nurse practitioners, and nurse midwives), qualifying patients, and their caregivers to provide qualifying patients with medical cannabis legally under State law via written certification. As of April 2020, there are 96,892 certified patients, 8,617 caregivers, and 1,811 certifying providers. Of these patients, 163 are minors.

According to the commission, as of July 2019, nine states authorize medical cannabis to be administered on school property. There are four primary policy distinctions between the state policies: (1) who can administer the medical cannabis (self-administration, school staff, and/or parents or guardians); (2) where the medical cannabis can be administered (on school grounds, on a school bus, at a school-sponsored event); (3) whether medical cannabis can be stored on school grounds; and (4) whether a school is required or permitted to allow medical cannabis administration on school property. Additionally, the Council of the District of Columbia passed

emergency legislation in September 2019 to clarify that existing city law does not prohibit students with medical cannabis licenses from consuming medical cannabis on school grounds.

Senate Bill 604/House Bill 617 (both passed) require the Maryland State Department of Education (MSDE) and the commission to jointly develop guidelines for public schools allowing the administration of medical cannabis during school hours and school-sponsored activities and while on a school bus to students who are qualifying patients. By December 31, 2020, MSDE and the commission must develop the guidelines, which must address a number of specified issues, including the school personnel who are authorized to administer medical cannabis, the specific locations where the medical cannabis may be administered, certain safety considerations and security protocols, notice requirements, and whether the medical cannabis can be retained on school grounds. The guidelines must include a clear prohibition on any method of administration of medical cannabis that includes smoking or vaping. Nonpublic schools may establish a policy regarding the administration of medical cannabis to students. The bills also establish that a school nurse is not required to administer medical cannabis.

By December 31, 2020, the commission and the Maryland Board of Nursing must report to the General Assembly on any recommended amendments to Title 8 of the Health Occupations Article or any other State law to allow school nurses or other authorized designated school personnel to administer medical cannabis to a student who is a qualifying patient.

The bills also expand the definition of “caregiver” to include, for a qualifying patient younger than age 18, up to two additional adults designated by the parent or legal guardian. A qualifying patient younger than age 18 may have up to four caregivers. Beginning June 1, 2020, a caregiver may administer medical cannabis to a student who is a qualifying patient on school property, during school-sponsored activities, and while on a school bus.

Health Occupations

State Board of Physicians – Program Evaluation and Termination

The State Board of Physicians (MBP) is charged with enforcing the Maryland Medical Practice Act and the Maryland Physician Assistants Act. MBP licenses and regulates physicians and the following allied health professions: (1) physician assistants; (2) radiographers, radiation therapists, nuclear medicine technologists, and radiologist assistants; (3) respiratory care practitioners; (4) polysomnographic technologists; (5) athletic trainers; (6) perfusionists; and (7) naturopathic doctors.

Chapter 419 of 2019 advanced the termination date of MBP and the related allied health advisory committees (with the exception of the Physician Assistants Advisory Committee) from July 1, 2023, to June 1, 2020, and required that the Department of Legislative Services (DLS) conduct an evaluation of MBP during the 2019 interim. *Senate Bill 395/House Bill 560 (both passed)* are emergency bills that generally implement the recommendations of the 2019 DLS evaluation and extend the termination date of MBP and its related allied health advisory

committees by 10 years to July 1, 2030. In addition, the bills make a variety of changes to clarify or enhance the board's statutory authority, increase uniformity in processes among the health occupations regulated by the board, enhance board effectiveness, and remove outdated requirements and references related to board operations.

Part K

Natural Resources, Environment, and Agriculture

Oyster Management

Background

In May 2019, the Department of Natural Resources (DNR) released a final draft of the *2019 Maryland Chesapeake Bay Oyster Management Plan* (2019 OMP). The 2019 OMP replaced the previous plan released in 2004 and amended in 2010. It describes the history and current status of the State’s oyster fishery and provides a broad framework for managing oyster harvesting, restoration, and aquaculture going forward.

The stated goal of the 2019 OMP is to “conserve, protect, and where possible, rebuild oyster populations to fulfill their important ecological role and to support the culturally significant oyster fishery and industry throughout the Maryland portion of the Chesapeake Bay.” To this end, the 2019 OMP establishes objectives for the management of the State’s oyster resource, general strategies for achieving those objectives, and specific actions for carrying out those strategies. DNR indicates that, through the use of the adaptive management techniques outlined in the 2019 OMP, it expects to end overfishing and achieve sustainable oyster harvest levels within 8 to 10 years. However, many environmental groups have advocated for a more aggressive approach.

2019 Legislation and Veto Override

Informed by the outcome of the two-year research and consensus building process of the OysterFutures Stakeholder Workgroup (completed in May 2018), Senate Bill 830 and House Bill 720 of 2019 called for a similar State-initiated process (with an expanded scope) to be undertaken by a reorganized Oyster Advisory Commission that would develop consensus recommendations for enhancing and implementing the State’s fishery management plan for oysters. The Governor vetoed Senate Bill 830 and House Bill 720, but the General Assembly overrode the vetoes during the 2020 session (Chapters 5 and 9 of 2020).

Chapters 5 and 9 of 2020 reorganize the Oyster Advisory Commission with specified new membership that includes various representatives of the oyster industry, academia, and

conservation and research organizations. The Oyster Advisory Commission, in coordination with DNR and with the assistance of external conflict resolution and facilitation specialists, must (1) develop a package of consensus recommendations through a facilitated consensus solutions process, based on a 75% majority agreement level for each recommendation; (2) recommend management actions or combinations of management actions to achieve the targets identified in the oyster stock assessment with the goal of increasing oyster abundance; and (3) review model results for each management action or combination of management actions to inform its recommendations. The Acts also specifically require the State's oyster fishery management plan to (1) end the overfishing of oysters in all areas and regions of the Chesapeake Bay and its tributaries where overfishing has occurred; (2) achieve fishing mortality rates at target levels; (3) increase oyster abundance; (4) increase oyster habitat; and (5) facilitate the long-term sustainable harvest of oysters, including the public fishery.

2020 Legislation

Senate Bill 808/House Bill 911 (both passed) are emergency bills aimed at facilitating implementation of Chapters 5 and 9. Specifically, the bills (1) change the deadline for convening the reorganized Oyster Advisory Commission from June 1, 2019, to April 1, 2020; (2) repeal an authorization for the commission to meet and deliberate in closed session under specified circumstances; and (3) modify reporting requirements related to the development of consensus recommendations, including moving the due date of the final report from July 1, 2021, to December 1, 2021. The bills also clarify that DNR's implementation of the 2019 OMP must be consistent with a specified restriction on reducing or altering existing oyster sanctuary boundaries.

Chlorpyrifos

Chlorpyrifos is an organophosphate pesticide that is used in a variety of agricultural and nonagricultural settings, including on food and feed crops, ornamental plants, agricultural seed, golf courses, and nonresidential turf. It is also used as an adult mosquitocide, a nonstructural wood treatment, and in roach and ant bait. The U.S. Environmental Protection Agency (EPA) is evaluating the potential risks posed by chlorpyrifos as part of a statutorily mandated review program intended to ensure the continued safety of federally registered pesticides. EPA is also required, under federal law, to establish maximum limits (or tolerances) for the amount of pesticide residue that can safely remain on food and feed commodities (unless a pesticide is exempted from the tolerance requirement) and, accordingly, there are chlorpyrifos tolerances established in federal regulations for various food and feed commodities. The continuation of the registrations and tolerances associated with chlorpyrifos pesticide products has been a long-standing issue.

In September 2007, public interest groups filed a petition requesting that EPA revoke the food tolerances for chlorpyrifos (which would not allow any residue to remain on food or feed commodities) and cancel all chlorpyrifos pesticide product registrations. The petition argued that the continuation of the registrations and tolerances exposed the public to unsafe levels of chlorpyrifos. In November 2015, EPA proposed to revoke the tolerances for chlorpyrifos because it could not determine that they were safe and, in November 2016, sought comment on additional

data related to the proposal. The 2015 proposal was not finalized, and in March 2017, EPA denied the 2007 petition, indicating that further scientific evaluation was needed. In July 2019, EPA issued a final order denying objections (to the 2017 denial of the 2007 petition) filed by various public interest groups and states, including Maryland. In ongoing litigation in the 9th Circuit U.S. Court of Appeals (*LULAC v. Wheeler*), public interest groups and a number of states, including Maryland, have asked the court to set aside EPA’s decisions to deny the 2007 petition and the subsequent objections, and to compel EPA to revoke the tolerances for chlorpyrifos.

Senate Bill 300 (passed) generally prohibits a person from using chlorpyrifos in the State, including insecticides that contain chlorpyrifos and seeds that have been treated with chlorpyrifos, beginning December 31, 2020. Exceptions are made to allow, until June 30, 2021, the use of (1) insecticides that contain chlorpyrifos to treat the trunks and lower limbs of fruit trees and (2) snap bean seeds that have been treated with chlorpyrifos. These exceptions may continue from July 1, 2021, until December 31, 2021, on written application, if the Maryland Department of Agriculture (MDA) concludes that no effective alternative exists. Additionally, beginning October 1, 2020, a person may not conduct an aerial application of chlorpyrifos. ***Senate Bill 300*** also establishes a Pesticide Transition Fund and Pesticide Transition Task Force to support Maryland farmers in the transition away from the use of chlorpyrifos. Beginning in fiscal 2022, the Governor must annually appropriate to the fund an amount that is sufficient to support MDA’s activities implementing the purpose and uses of the fund. Finally, the bill requires MDA, with existing budgeted resources, to provide farmers, certified crop advisors, and pesticide applicators education and assistance relating to integrated pest management, including information on safer alternatives to chlorpyrifos. The bill terminates June 30, 2024.

Part L

Education

Education – Primary and Secondary

Blueprint for Maryland’s Future – Implementation

Commission on Innovation and Excellence in Education

Chapters 701 and 702 of 2016 established the Commission on Innovation and Excellence in Education (also known as the Kirwan Commission) to (1) review the findings of a consultant’s study on adequacy of education funding and its related studies and make recommendations on the funding formulas; (2) review and make recommendations on expenditures of local education agencies; (3) review and make recommendations on innovative education delivery mechanisms and other strategies to prepare Maryland students for the 21st century workforce and global economy; and (4) review and make recommendations on expanding prekindergarten, including special education prekindergarten.

The Kirwan Commission held its first meeting in September 2016, and its final meeting was held in November 2019. During that time, the Kirwan Commission worked with staff and consultants to benchmark Maryland’s education system against top-performing systems around the world and made policy recommendations to enable Maryland students to perform at the levels of the best in the world. Chapter 361 of 2018 implemented the Kirwan Commission’s preliminary recommendations by establishing a Comprehensive Teacher Recruitment and Outreach Program, the Maryland Early Literacy Initiative, the Learning in Extended Academic Programs Grant Program, the Career and Technology Education Innovative Grant Program, and a special fund to implement the Kirwan Commission recommendations.

The Kirwan Commission also reviewed the adequacy study conducted for the State and utilized those findings to estimate the cost of implementing its interim policy recommendations. Chapter 771 of 2019, The Blueprint for Maryland’s Future (Blueprint), implemented the Kirwan Commission interim recommendations by establishing an array of programs and funding for fiscal 2020 and 2021, including (1) a Concentration of Poverty School Grant Program; (2) a Teacher Collaborative Grant Program; (3) a Teacher Salary Incentive Grant Program; (4) a

Transitional Supplemental Instruction for Struggling Learners Program; and (5) enhancement funds for students with disabilities.

Finally, in 2019, the Kirwan Commission endorsed a set of recommendations made by the Funding Formula Workgroup to incorporate the cost of implementing the policy recommendations into education funding formulas and programs. It also finalized its policy recommendations and timeline for implementation.

Blueprint for Maryland's Future – Summary of Provisions by Policy Area

House Bill 1300 (*passed*) implements the final recommendations made by the Kirwan Commission in the policy areas of (1) early childhood education; (2) high-quality and diverse teachers and leaders; (3) college and career readiness pathways; (4) governance and accountability; and (5) more resources to ensure all students are successful. The bill also contains numerous provisions relating to education funding and funding formulas.

Early Childhood Education: **House Bill 1300** expands the availability of prekindergarten by establishing voluntary full-day prekindergarten for three- and four-year-olds. Beginning in the 2022-2023 school year, expansion is initially focused on three- and four-year-olds from families whose income is at or below 300% of the federal poverty level (FPL). Beginning in the 2024-2025 school year, four-year-olds from families whose income is between 300% and 600% of FPL may be offered full-day prekindergarten if space is available to encourage socioeconomic diversity in prekindergarten classrooms. Funding for the program is split between State, county, and family shares of the cost. A family below 300% of FPL does not pay a family share. The Maryland State Department of Education (MSDE) must develop a sliding scale to calculate the family share for families with income above 300% of FPL by July 1, 2022. For four-year-olds from families with income above 600% of FPL, the family share is 100% of the cost of full-day prekindergarten. However, a county board may provide up to 100% of the family share on behalf of the family. Public and private providers must meet specified staffing, quality, and nondiscrimination requirements to be eligible to participate in the publicly funded full-day program. Initially, private providers must make up 30% of full-day prekindergarten slots, increasing to 50% in fiscal 2025 and thereafter, unless a waiver is issued by MSDE.

The bill also mandates increased funding for several early childhood accreditation and capacity building programs. Additionally, funding is provided for the Maryland Infant and Toddlers Program, for additional Judy Centers, and for additional Family Support Centers, which will be known as Patty Centers after Patricia H. Kirwan. Finally, to transition to the new publicly funded prekindergarten program, the bill modifies the existing Prekindergarten Expansion Grant Program by expanding to three-year-olds through fiscal 2025 and expiring thereafter.

High-quality and Diverse Teachers and Leaders: **House Bill 1300** establishes a professionalized career framework for teachers and school leaders through a career ladder. This ladder consists of four levels and two tracks (teacher leadership and administrative) and must be implemented by each county board of education by July 1, 2023. The career ladder incorporates additional time for team collaboration, professional development, additional professional

responsibilities, career advancement opportunities, and financial incentives not tied to seniority. Teachers are incentivized to obtain certification from the National Board for Professional Teaching Standards through financial incentives and other resources and supports beginning in fiscal 2022. Ascension of the career ladder beyond the second level requires National Board Certification (NBC) or, if NBC is not available in a teacher’s subject area, a master’s degree in that subject area. Beginning in July 2024, county boards must demonstrate to the Accountability and Implementation Board (AIB), discussed below, that all teachers received at least a 10% salary increase over the preceding five-year period. By fiscal 2027, all teachers must receive a salary of at least \$60,000.

The bill also provides for the recruitment, preparation, and induction of teachers including a school leadership training program. Specifically, increased funding is required for the Maryland Teaching Fellows Scholarship Program, award alterations are made to the Nancy Grasmick Teacher Awards (Loan Assistance Repayment Program for teachers), and the Teacher Quality and Diversity Program is established. MSDE is required to develop guidelines for comprehensive teacher induction programs in consultation with local school systems and the Maryland Education Deans and Directors Council. The bill also establishes requirements for teacher preparation programs at institutions of higher education and alternative teacher preparation programs. Teacher training practicums must be of a specified duration, set to increase within five years from enactment, and developed in collaboration with partner schools. Finally, MSDE must adopt or develop challenging subject-specific exams as well as exams for teaching ability and reading instruction among other skills. Beginning in 2025, teachers must pass these exams to be certified in Maryland.

College and Career Readiness Pathways: *House Bill 1300* requires the State Board of Education (SBE) to adopt a College and Career Ready Standard (CCR standard) as specified in English language arts, mathematics, and, when practicable, science. Beginning with the 2020-2021 school year, each student must be assessed no later than grade 10 by a method adopted by SBE to determine whether the student meets the CCR standard. Initially, the standard will be pegged to the Maryland Comprehensive Assessment Program grade 10 assessments, but MSDE is required to contract with a public or private entity to conduct an empirical study of the CCR standard to be completed with recommendations by September 1, 2022. Based on the empirical study and periodically thereafter, SBE must adopt a new CCR standard and assessments as specified.

Each local board of education, in collaboration with the community colleges, must develop and implement by the 2021-2022 school year, a program of study for students who have not met the CCR standard by the end of grade 10. Students who have not met the CCR standard by the end of grade 10 must receive an individualized plan to meet the standard. Beginning in the 2023-2024 school year, each local board must provide all students who meet the CCR standard with access to the following post-CCR pathways, at no cost to the student or the student’s parents, including the cost of any fees: (1) a competitive entry college preparatory program; (2) a program that allows a student, through an early college program or dual enrollment at a student’s high school and an institution of higher education; and (3) a robust set of Career and Technical

Education (CTE) programs that lead to an industry-recognized credential or apprenticeship. Each student who meets the CCR standard must be enrolled in at least one post-CCR pathway.

The bill creates a CTE Committee within the Governor's Workforce Development Board to build an integrated, globally competitive framework for providing CTE to Maryland students in public schools, institutions of postsecondary education, and the workforce. The bill also establishes a Skills Standards Advisory Committee to make recommendations to the CTE Committee on the CTE courses to be offered. Responsibility for administering the federal Carl T. Perkins Career and Technical Education Act is transferred from MSDE to the CTE Committee, contingent on the federal government approving a waiver to allow the transfer. SBE must submit the waiver request to the federal government by October 1, 2020.

Governance and Accountability: *House Bill 1300* establishes an AIB designed to hold other units of government accountable for implementing the Blueprint and evaluating the outcomes of the Blueprint during the implementation period. The bill establishes AIB's powers, duties, roles, and responsibilities, which center on the development, approval, implementation, and monitoring of plans, and progress made under the plans, to implement the Blueprint. AIB is required to work with the Maryland Longitudinal Data System Center to collect and analyze specified data in order to determine if the Blueprint is working as intended. Beginning in fiscal 2022, 25% of the increase in the State's share of major education aid over the amount provided in the current fiscal year will automatically be withheld from a school system or public school. In fiscal 2022 through 2024, AIB may release these funds if implementation plans are adopted in a timely manner; in fiscal 2025 and afterwards, AIB may release these funds under specified conditions related to school performance. AIB may also withhold additional funds.

Each November 1, the board must report on the progress made on the implementation of the Blueprint. In addition, the board must contract with an entity to conduct an independent evaluation of the State's progress toward implementing the Blueprint. An independent entity is required to report its results to the board by October 1, 2024, and October 1, 2030. The board must submit a report by December 1, 2024, that includes whether the Blueprint is being implemented as intended and whether any legislative or structural corrections are necessary to fully implement the Blueprint. If AIB reports in December 2024 that the Blueprint is not being implemented as intended and is not achieving the expected outcomes, then required State funding increases under the bill beginning in fiscal 2026 are limited to inflation as specified. If this occurs, then it is the intent of the General Assembly to take immediate action to adjust the formula and policies to achieve the goals of the Blueprint. By December 1, 2030, the board must submit a final report that includes whether the Blueprint is working as intended and whether AIB should continue to exist and monitor implementation of the Blueprint after June 30, 2031.

The bill also establishes the Expert Review Team Program, administered by MSDE, which will deploy teams of teachers and other experts to certain schools to determine whether the Blueprint is being successfully implemented. Deployment of these teams will be to a mix of high- and low-performing schools, with a specified minimum percentage of schools to be visited annually. The bill also establishes a CTE Expert Review Team Program under the CTE Committee

with similar powers and duties relating to CTE. Beginning in fiscal 2025, the board may use expert review team reports in determining funding consequences.

More Resources to Ensure All Students Are Successful: In addition to other funding formula changes that are discussed below related to compensatory education, English learners, and special education, and similar to the grants provided in fiscal 2020, [House Bill 1300](#) provides concentration of poverty grants in fiscal 2021 and each subsequent year to qualifying schools. The grant has two components that the qualifying schools will receive. First, each school receives a personnel grant to employ a community school coordinator with specified qualifications and provide full-time coverage by at least one health care practitioner. Second, per pupil grants are provided for each school following the completion of an assessment of the needed services for the school. The bill clarifies that eligible schools include public charter schools and also alternative option programs, if the students are not counted in the enrollment of another program or school for the purpose of qualifying for the grants. All eligible schools must establish a community school to provide wrap-around services to all children enrolled in the school.

Maryland Consortium of Coordinated Community Supports: In addition to implementing the final recommendations made by the Kirwan Commission, [House Bill 1300](#) makes several other changes to the education system. One of these changes is the establishment of the Maryland Consortium of Coordinated Community Supports in the Maryland Community Health Resources Commission. The consortium is tasked with (1) supporting the development of coordinated community supports partnerships to meet student behavioral health needs and other related challenges in a holistic, nonstigmatized, and coordinated manner and (2) providing expertise for the development of best practices in the delivery of student behavioral health services, supports, and wrap-around services. The consortium may award grants to coordinated community supports partnerships to deliver services and supports to meet students' holistic behavioral health needs and to address other related challenges. The bill mandates funding for the consortium beginning with \$25 million in fiscal 2022 and phasing up to \$125 million annually in fiscal 2026.

Summary of Mandated Funding and Funding Formulas – State Funding

Exhibit L-1 shows the estimated change in State expenditures for the major funding formulas that have either been modified by the bill or are new formulas or expenditures for programs previously discussed. The new/modified funding formulas apply beginning in fiscal 2022. The bill requires the Governor to provide sufficient funding and personnel to implement the Blueprint beginning in fiscal 2022 and mandates specific amounts for many of these programs. These amounts are primarily shown in the exhibit as Other Categorical Spending. Further information on the fiscal impact of [House Bill 1300](#) through fiscal 2030 is available in the [Fiscal and Policy Note](#).

Exhibit L-1
Estimated Change in State Expenditures under the Bill
Fiscal 2022-2025
(\$ in Millions)

<u>Program</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Foundation Program ¹	\$226.2	\$303.1	\$376.5	\$335.4
CWI/GCEI ²	0.0	0.0	-0.4	-1.5
Supplemental Grants	-46.6	-46.6	-46.6	-46.6
Net Taxable Income Grants	-64.2	-64.8	-66.0	-67.5
Transition Grants	57.7	57.7	57.7	49.0
Guaranteed Tax Base	6.0	6.8	4.7	6.7
Transitional Supplemental Instruction	32.9	45.9	47.1	36.1
Teacher Career Ladder	10.6	11.6	14.8	19.8
Post-CCR	11.2	12.4	13.8	15.3
Compensatory Education	9.4	5.2	-3.5	-18.6
Concentration of Poverty	115.7	183.2	239.8	336.0
English Learners	32.3	41.5	50.2	58.1
Special Education	80.1	90.2	110.1	125.4
Prekindergarten	80.6	75.9	97.9	120.2
Education Effort Adjustment	128.6	142.5	174.2	199.9
Categorical State Aid ³	11.1	14.7	18.3	19.9
Total Change in State Aid	691.7	879.3	1,088.5	1,187.7
Other Categorical Spending ³	69.5	98.3	126.9	151.1
Total Change in State Expenditures	\$761.1	\$977.6	\$1,215.4	\$1,338.7

CCR: College and Career Ready

CWI: Comparable Wage Index

GCEI: Geographic Cost of Education Index

¹ Includes impact due to repeal of tax increment financing grants.

² GCEI grants are replaced by CWI grants beginning in fiscal 2024.

³ Categorical State aid includes funding for Judy Centers, School-Based Health Centers, Infants and Toddlers, and the National Board Certification support program and accounts for the repeal of Learning in Extended Academic Programs in fiscal 2022 and of existing career and technical education grants after fiscal 2024. Other categorical spending is not primarily provided to local government, which includes Consortium for Coordinated Community Supports funding.

Source: Department of Legislative Services

Foundation Program: The calculation of the foundation program is altered such that the count of students to be funded is the greater of (1) the prior year full-time equivalent (FTE) enrollment or (2) the three-year moving average of FTE enrollment. Also, the target per pupil foundation amount (PPFA) is gradually increased from fiscal 2022 to 2033, thus, increasing annual

funding under the program. After fiscal 2033, the PPFA is increased by inflation in accordance with current law.

Alteration to Local Wealth, Obsolete Grants Repealed, and Transition Grants Added: The calculation of the State and local share of education aid using wealth was adjusted by specifying the use of September net taxable income and that certain tax increment financing wealth is subtracted from a jurisdiction’s wealth calculation. This made several grants obsolete; thus, they are repealed. These include the tax increment financing grant, the net taxable income grant, and the supplemental grants. However, Blueprint transition grants are provided under the bill to 12 counties that phase down and terminate after fiscal 2029.

Comparable Wage Index/Geographic Cost of Education Index: Beginning in fiscal 2024, the State Geographic Cost of Education Index (GCEI) funding is repealed and replaced with the Comparable Wage Index (CWI), which is calculated by measuring variation in the wages of workers similar to teachers and examining costs outside of a school district’s control and, unlike GCEI, isolates only wage costs. To transition from GCEI to CWI, the bill specifies an amount of money to be provided to certain jurisdictions for fiscal 2022 and 2023 and provides the State share of funding for CWI beginning in fiscal 2024.

Targeted Programs: Alteration of the funding weights applied to PPFA for special education, compensatory education, and English learner (formerly limited English proficient) grants is phased in, beginning in fiscal 2022 through 2030. The enrollment count for compensatory education is also altered for all eligible students and for schools or districts participating in the U.S. Department of Agriculture Community Eligibility Provision.

Concentration of poverty grants are phased in so that, by fiscal 2025, schools with at least 55% of compensatory education students are eligible for the personnel grant, and by fiscal 2027, the school is eligible for the per pupil grant. School concentration percentages are based on a three-year average of compensatory education enrollment in each public school. The per pupil funding amount for each eligible school is calculated based on a sliding scale linear equation, adjusted annually for inflation.

Transitional Supplemental Instruction: Transitional Supplemental Instruction (TSI) grants are provided to fund TSI, such as tutoring, for students in kindergarten through grade 3 who are identified as struggling learners. Literacy should be given priority in the provision of TSI; however, a district may direct funds toward mathematics if this is the priority for the district or a school. TSI funding phases up by fiscal 2024 and then phases down after fiscal 2026 to account for other provisions of the bill being implemented that serve the same purpose as TSI.

Full-day Prekindergarten: The new prekindergarten program is funded similar to the foundation program with its own per pupil amount and phase-in schedule previously discussed.

Exhibit L-2 shows the same funding programs included in Exhibit L-1 but broken out by the estimated increase in State aid for each county.

Exhibit L-2
Estimated Increase in Direct State Aid to Public Schools
Fiscal 2022-2025
(\$ in Millions)

<u>County</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Allegany	\$7.5	\$9.6	\$13.1	\$15.1
Anne Arundel	35.4	44.4	58.2	59.3
Baltimore City	214.1	258.9	284.1	317.9
Baltimore	55.6	79.1	113.8	123.6
Calvert	7.1	9.7	11.1	10.7
Caroline	5.5	6.4	6.5	7.0
Carroll	12.3	14.6	16.3	15.8
Cecil	9.7	12.3	15.9	16.5
Charles	15.2	19.1	23.5	23.0
Dorchester	5.9	8.1	8.9	9.7
Frederick	22.8	29.3	32.7	32.9
Garrett	1.8	2.2	2.9	3.4
Harford	20.3	25.9	39.3	40.9
Howard	22.3	28.4	44.7	44.9
Kent	0.6	1.1	1.3	1.5
Montgomery	39.6	57.5	67.9	70.5
Prince George's	151.8	193.0	249.4	289.7
Queen Anne's	3.1	3.6	3.8	4.0
St. Mary's	10.4	13.1	18.6	18.5
Somerset	5.1	5.9	6.7	8.2
Talbot	1.1	1.7	1.8	2.0
Washington	17.5	20.2	24.4	25.5
Wicomico	14.6	18.1	22.2	24.0
Worcester	1.3	2.5	3.0	3.2
Unallocated	11.1	14.7	18.3	19.9
Total	\$691.7	\$879.3	\$1,088.5	\$1,187.7

Estimated General Fund Revenues and Projected Education Funding Deficit

The bill specifies that if estimated general fund revenues as reported by the Board of Revenue Estimates (BRE) in March and December of a calendar year beginning December 1, 2020, decrease by more than 7.5%, then the annual increases in education funding required by the bill will be limited to inflation, beginning as soon as fiscal 2022. That would be equivalent to a \$1.45 billion reduction in estimated general fund revenues from March to December 2020.

The bill requires the Department of Legislative Services to report whether a projected education funding deficit exists and, if so, the amount, based on the difference between BRE estimates in December 2023 and 2024 of funding dedicated to public education and the funding required to fully implement the Blueprint for Maryland’s Future in fiscal 2026 through 2030.

Required Local Appropriations for Education

As with current law, the bill requires local governments to share in the cost of providing public education in the county. **Exhibit L-3** shows the estimated increase in the required local share as compared to the estimated required local share under current law.

Exhibit L-3
Estimated Increase in Direct Local Appropriations to Public Schools,
Assuming the Required Local Share May Not Cover Local Retirement Costs
Fiscal 2022-2025
(\$ in Millions)

<u>County</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Allegany	\$0.0	\$0.0	\$0.0	\$0.0
Anne Arundel	0.0	0.0	0.0	0.0
Baltimore City	54.0	63.0	86.1	87.9
Baltimore	0.0	0.0	0.0	0.0
Calvert	0.0	0.0	0.0	0.0
Caroline	1.7	1.4	1.1	0.8
Carroll	0.0	0.0	0.0	0.0
Cecil	0.0	0.0	0.0	0.0
Charles	0.0	0.0	0.0	0.0
Dorchester	1.2	1.3	1.4	1.3
Frederick	0.0	0.0	0.0	0.0
Garrett	0.0	0.0	0.0	0.0
Harford	0.0	0.0	0.0	0.0
Howard	0.0	0.0	0.0	0.0
Kent	0.0	0.4	0.8	1.1
Montgomery	0.0	0.0	0.0	0.0
Prince George's	8.5	38.8	64.1	60.0
Queen Anne's	0.0	0.0	0.0	0.0
St. Mary's	0.0	0.0	0.0	0.0
Somerset	0.2	0.3	0.3	0.0
Talbot	1.8	3.9	4.9	5.6
Washington	0.0	0.0	0.0	0.0
Wicomico	2.6	3.1	2.3	1.4
Worcester	0.0	0.0	0.0	0.0
Total	\$69.9	\$112.1	\$160.9	\$158.1

Maintenance of Effort and Local Share: Each year, county government is required to appropriate funds to the local board of education equivalent to at least the same per pupil level as in the prior year (maintenance of effort (MOE)), or its required local share – whichever is greater. Beginning with the fiscal 2022 appropriation, the per pupil MOE level each year is based upon the greater of (1) the prior year FTE enrollment and (2) the three-year moving average of FTE enrollment. The bill repeals, beginning in fiscal 2024, the requirement that a county that is below the statewide five-year moving average education effort level must increase its per pupil MOE amount by the lesser of (1) the increase in local wealth per pupil; (2) the statewide average increase

in local wealth per pupil; or (3) 2.5%. MSDE must report by November 1, 2021, on the impact on school funding of repealing this requirement.

Beginning in fiscal 2022, the local share requirement continues to include the local share of the foundation formula but also includes the local share of the compensatory education, English learner, special education, CWI (beginning in fiscal 2024), full-day prekindergarten (beginning in fiscal 2023), CCR, TSI (through fiscal 2026), and career ladder grant programs. Also, counties that benefit from the compensatory education State funding floor are required to fund the local share of the concentration of poverty grant program. However, for some counties, the combined local share across these several programs is subject to adjustments as described below.

Education Effort Adjustment to Local Share Requirement: Though the bill maintains the requirement that local governments fund the local share of the foundation program and establishes required local shares for several existing and new funding formula programs, the bill also includes a mechanism for establishing a maximum local share that a county must fund each year. This involves determining a local education effort for each county. An education effort index is then calculated, which is the local education effort divided by the State average education effort. A maximum local share is then calculated for each county based on each county's index. Each county with an education effort above 1.0 for two consecutive years receives relief by the amount by which that calculated local share exceeds the maximum local share. This relief is provided by the State to counties within one of three tiers, based on whether the education effort is (1) greater than 1.0 but less than 1.15; (2) at least 1.15 but less than 1.27; or (3) at least 1.27. State relief for the first tier is phased up from 10% of the education effort adjustment in fiscal 2022 to 50% by fiscal 2030. State relief for the second tier is phased up from 20% of the education effort adjustment in fiscal 2022 to 100% by fiscal 2030. State relief for the third tier is 100% beginning in fiscal 2022. However, the education adjustment for a county is only allowed to the degree that the per pupil MOE is met each year. The estimated State impact of this adjustment for fiscal 2022 through 2025 is shown in Exhibit L-1; Exhibit L-2 includes funding for eligible counties.

Additional Reductions to Local Share: A county may be eligible for a reduction in the required local share of major aid formulas in three additional ways: (1) if a county receives State funds from the Guaranteed Tax Base (GTB) program, the local share may be reduced by the amount of GTB funds, except that for Baltimore City only the amount above \$10 million may be reduced from the local share; (2) if a county receives State funds to support the minimum funding floors of 15% for the foundation and 40% for the targeted programs; and (3) if a county has a CWI index of at least 0.13, the local share of CWI may be reduced by 50%. However, in all of these cases, the local share may not be reduced below the required per pupil MOE amount.

Local School Board Budgets, Financial Management, and Student Data Tracking System: Except for specified systemwide obligations and contracts and subject to a waiver process, the bill generally requires at least 75% of most formula funding (100% of concentration of poverty and full-day prekindergarten funds for private providers) to be allocated by local boards to the schools those students attended (*i.e.*, money follows the students). Beginning with the fiscal 2024 budget, each local school board must provide additional specified detail and, for

specified categories, must show current year expenditure estimates and prior year actual expenditures for school-level expenditures; for fiscal 2022 and 2023, they must report expenditures in accordance with federal requirements. By July 1, 2022, MSDE, in collaboration with AIB, must implement a financial management system and student data system capable of tracking and analyzing the information provided to SBE from local board budgets. In both fiscal 2021 and 2022, the Governor must appropriate \$2.5 million from the Blueprint Fund for MSDE to develop and implement the financial management and student data system.

State Education Aid for Fiscal 2021

Overall, State aid for public schools increases by \$212.7 million, or 3.0%, in fiscal 2021, to \$7.2 billion. State aid provided directly to the local boards of education increases by \$230.3 million, or 3.7%, while retirement aid decreases by \$17.6 million, or 2.3%. Fiscal 2021 changes in major State education aid programs are shown in **Exhibit L-4**. This exhibit includes Blueprint for Maryland's Future funding mandated by Chapter 771 of 2019 for fiscal 2020 and 2021.

House Bill 1300 provides \$37 million in additional funding in fiscal 2021, of which approximately \$20.7 million is shown in the exhibit under the Prekindergarten Expansion grants for early childhood programs. The fiscal 2021 budget also restricts approximately \$6.5 million in available Blueprint special funds to cover a portion of the additional costs to implement the Blueprint in fiscal 2021 (not shown in the exhibit). These include \$1.5 million to establish the Accountability and Implementation Board, \$1.3 million for School-Based Health Centers, and \$1.7 million for a new MSDE school-level financial management system. These funds are contingent on enactment of *House Bill 1300* and the Governor's release of the funds.

Exhibit L-4
State Aid for Education
Fiscal 2020 and 2021
(\$ in Thousands)

<u>Program</u>	<u>2020</u>	<u>2021</u>	<u>\$ Change</u>	<u>% Change</u>
Foundation Program	\$3,140,367	\$3,218,369	\$78,002	2.5%
Net Taxable Income Grant	65,301	69,732	4,432	6.8%
Tax Increment Financing Grant	1,036	1,313	277	26.7%
Geographic Cost of Education Index	145,450	149,532	4,082	2.8%
Supplemental Grant	46,620	46,620	0	0.0%
Foundation Special Grant	11,931	9,488	-2,444	-20.5%
Declining Enrollment Supplemental Grant	18,896	7,633	-11,262	-59.6%
Compensatory Education Program	1,330,429	1,364,739	34,310	2.6%
Special Education Program	303,250	314,871	11,621	3.8%
Limited English Proficiency	311,080	348,241	37,161	11.9%
Guaranteed Tax Base	43,685	41,232	-2,453	-5.6%
Student Transportation	303,045	310,187	7,142	2.4%
Nonpublic Special Education	123,470	123,899	429	0.3%
Prekindergarten Expansion	26,644	72,202	45,558	171.0%
Prekindergarten Supplemental Grant ¹	21,131	0	-21,131	-100.0%
School Safety Grants	16,630	10,600	-6,030	-36.3%
The Blueprint for Maryland's Future ²	245,669	294,695	49,027	20.0%
Other Programs ³	81,493	83,074	1,580	1.9%
<i>Direct Aid Subtotal</i>	<i>\$6,236,127</i>	<i>\$6,466,428</i>	<i>\$230,301</i>	<i>3.7%</i>
Teachers' Retirement	\$767,889	\$750,289	-\$17,600	-2.3%
Grand Total	\$7,004,016	\$7,216,717	\$212,702	3.0%

¹ The fiscal 2020 and 2021 figures excludes enhancements to the program under The Blueprint for Maryland's Future, which are reflected in the total shown below.

² Chapter 771 of 2019 State aid enhancements. Excludes additional State aid funded with Blueprint for Maryland's Future funds in fiscal 2021.

³ Excludes enhancements in fiscal 2021 under *House Bill 1300* that are not budgeted.

Public School Construction

The Interagency Commission on School Construction (IAC) administers several school construction programs, the largest of which is the Public School Construction Program (PSCP). Chapter 14 of 2018, the 21st Century Public School Facilities Act, set a goal of at least \$400 million for school construction annually, if fiscal conditions permit. For fiscal 2021, a total of \$401.1 million is authorized in general obligation bonds and general fund pay-as-you-go for public school construction (nonpublic schools receive an additional \$7.0 million for aging schools and school security). PSCP, which reimburses local school systems for at least 50% of eligible costs related to the construction, renovation, and capital improvement of public school facilities, receives the largest amount of \$280 million in new funds. **Exhibit L-5** shows the 75% school construction allocations that were approved for the 24 local school systems and the Maryland School for the Blind in January 2020 and the preliminary allocation of 100% of the fiscal 2021 PSCP funds. These allocations do not include \$35.9 million in previously authorized funds that may be “recycled” for use on other projects. IAC will approve 100% of the allocations for school construction projects, including recycled funds, in May 2020.

Exhibit L-5
Public School Construction Program Funding
Fiscal 2021
(\$ in Thousands)

<u>Local Education Agency</u>	<u>IAC Approved 75% Funding Allocation</u>	<u>100% Preliminary Allocation</u>
Allegany	\$1,032	\$1,179
Anne Arundel	22,394	7,817
Baltimore City	23,579	7,769
Baltimore	24,464	30,705
Calvert	3,352	3,678
Caroline	3,847	13,042
Carroll	5,107	7,257
Cecil	3,266	3,633
Charles	7,498	9,752
Dorchester	3,437	3,912
Frederick	11,492	17,334
Garrett	953	1,145
Harford	8,392	11,678
Howard	13,904	16,876
Kent	2,211	2,211
Montgomery	25,334	31,746
Prince George's	20,257	28,347
Queen Anne's	882	951
St. Mary's	3,706	4,804
Somerset	2,175	2,900
Talbot	2,046	2,973
Washington	6,507	7,510
Wicomico	7,683	9,172
Worcester	1,275	1,275
MD School for the Blind	5,207	6,578
Funding Reserved*	0	5,256
Total	\$210,000	\$279,500

IAC: Interagency Commission on School Construction

* Funding reserved by IAC for final 100% allocation.

Note: Does not include recycled funds or consultant fees. Total may not sum due to rounding.

The next largest school construction program, known as the Enrollment Growth and Relocatable Classrooms (EGRC) Program, provides supplemental school construction funding for local school systems with significant enrollment growth or relocatable classrooms. The program must receive at least \$40 million annually, although in most years, the General Assembly authorizes additional funding in the capital budget. For fiscal 2021, a total of \$75 million is provided for EGRC with a portion of the funds (\$25 million) *not* subject to the required local cost share. **Exhibit L-6** shows the distribution of EGRC funds.

Exhibit L-6
Enrollment Growth and Relocatable Classrooms Program
Fiscal 2021
(\$ in Thousands)

<u>Local Education Agency</u>	<u>Initial Allocation</u>	<u>Additional Funds*</u>	<u>Total</u>
Anne Arundel	\$6,981	\$2,195	\$9,176
Baltimore County	9,469	-	9,469
Caroline	476	1,220	1,696
Frederick	3,568	1,220	4,788
Howard	4,870	9,268	14,138
Montgomery	13,367	8,659	22,026
Prince George's	10,998	2,439	13,437
Total	\$50,000	\$25,000	\$75,000

*Additional funds do not require local cost share.

Note: Numbers may not sum to total due to rounding.

Additional public school construction funds provided in fiscal 2021 include (1) school safety-related improvements (\$10 million); (2) improvements to heating, air conditioning, and other health-related costs in schools through the Healthy School Facility Fund (\$30 million); and (3) the renovation of aging schools (\$6.1 million). School construction costs that generally are eligible for partial State reimbursement include construction costs (bricks and mortar) and site improvement; architectural and engineering costs and movable fixtures, furniture, and equipment generally are not eligible for reimbursement from the State.

Built to Learn Act

House Bill 1 (*passed*) substantially increases funding for public school construction in the State and expands the costs that are eligible for reimbursement from the State. The most significant provisions authorize the Maryland Stadium Authority (MSA) to issue up to \$2.2 billion in revenue bonds, backed by annual payments from the Education Trust Fund (ETF) beginning in fiscal 2022,

for public school construction projects in the State, including to support a possible public-private partnership (P3) agreement for Prince George’s County. Also, the bill increases mandated funding for the EGRC program and establishes a new mandate for the highest priority schools identified by a statewide school facility assessment. The bill also expands school construction-related costs that are eligible for reimbursement from the State. Enactment of the bill is contingent on the enactment of *House Bill 1300 (passed)*, which implements the Blueprint for Maryland’s Future.

Maryland Stadium Authority and ETF: The bill codifies the “ETF lockbox” ratified by voters in the 2018 general election and requires annual payments from ETF to MSA to back the sale of the MSA revenue bonds used for school construction. The provisions of the lockbox require specified gaming revenues to be reserved for supplemental educational expenditures, including school construction. The bill requires transfers from ETF to MSA of \$30 million in fiscal 2022, \$60 million in 2023, and \$125 million each year thereafter to cover debt service payments for the MSA revenue bonds and, potentially, the State’s share of availability payments under a P3 agreement in Prince George’s County, as discussed below. As the bill allocates existing ETF revenues for education, the transfers do not represent additional costs to the State.

Proceeds of MSA’s sale of revenue bonds (including bond premiums) must be allocated to local school systems as shown in **Exhibit L-7**, which reflects anticipated proceeds of \$2.0 billion based on available resources for debt service payments and excluding P3 availability payments. The P3 payments to Prince George’s County reduce the amount available for debt service from \$125 million annually to \$100 million annually, which is expected to support \$2.0 billion in bond proceeds rather than the full \$2.2 billion authorized by the bill. The bond proceeds provided to each school system must be used within 10 years or be reallocated, and they represent the State share of eligible public school construction costs. Unallocated funds are expected to be used for personnel, administrative, and other related costs over the course of at least 10 years.

The bill authorizes MSA to issue bonds on or after January 1, 2021, with anticipated bond proceeds of \$150 million to be available in fiscal 2021 (with debt service costs covered by the fiscal 2022 ETF payment). The first projects funded must be projects that IAC has deemed eligible for funding under PSCP but for which State funding has been deferred due to fiscal constraints.

Exhibit L-7
Allocation of Bond Sale Proceeds under *House Bill 1*
(\$ in Millions)

	<u>Percent of Total</u>	<u>Proceeds</u>
Anne Arundel	12.5%	\$250.0
Baltimore City	21.0%	420.0
Baltimore	21.0%	420.0
Frederick	5.1%	102.0
Howard	6.6%	132.0
Montgomery	21.0%	420.0
Prince George's	*	*
All Other Counties	11.5%	230.0
Unallocated/MSA	1.3%	26.0
Total	100.0%	\$2,000.0

MSA: Maryland Stadium Authority

*Under the bill, Prince George's County receives \$25.0 million annually for up to 30 years to supplement local funds for an availability payment if it enters into a public-private partnership agreement, subject to other provisions in the bill.

Source: Department of Legislative Services

The bill requires MSA to be responsible for the construction and improvements to public school facilities financed with the revenue bond proceeds. However, except for Baltimore City, MSA may authorize a local school board with sufficient capacity and expertise to contract for, manage, and oversee public school facility projects under its jurisdiction. Projects managed by MSA and local school systems are subject to the same requirements and procedures that govern PSCP. Before projects are approved for funding under the bill, MSA and IAC must enter into a memorandum of understanding (MOU) with specified provisions. Also, each county, county board, and MSA must enter into a project MOU with specified provisions.

Construction materials purchased for public school facility projects managed by MSA are exempt from the State sales and use tax.

Prince George's County P3 Agreement: If Prince George's County enters into a P3 agreement with a private entity for the construction, improvement, renovation, and operation and maintenance of at least six public schools by July 1, 2022, MSA must deposit \$25.0 million annually, beginning in fiscal 2024 and not after 2053, into the existing Prince George's County P3 Fund. In order for Prince George's County to receive these payments, the P3 agreement must also include a commitment by the local government and local school board to provide the local share of the availability payment.

Additional School Construction Funding: The bill creates the Public School Facilities Priority Fund to provide State funds, beginning in fiscal 2025, to address the facility needs of the highest priority schools identified by the statewide facilities assessment completed by the IAC under current law, with highest priority given to schools with a severe facility issue that required the school to be closed. The Governor must appropriate at least \$40 million to the fund in fiscal 2025 and 2026 and at least \$80 million annually beginning in fiscal 2027. The bill expresses the intent that funding for the Aging Schools Program and the School Safety Grant Program be consolidated into the priority fund beginning in fiscal 2027 and repeals these programs effective July 1, 2026. The bill also extends the deadline for completion of the Workgroup on Facilities Assessment and Funding of School Facilities final report based on the statewide facilities assessment to December 1, 2021, and makes other changes related to the workgroup.

In addition to repealing the Aging Schools Program and the School Safety Grant Program, the legislation makes several changes to existing public school construction programs. For EGRC, the bill increases the funding mandate to \$80 million beginning in fiscal 2027, establishes new allocation criteria for funding in excess of \$40 million, and adjusts the eligibility criteria for the program. The bill extends mandated funding for the Healthy School Facility Fund by three years, through fiscal 2024, with at least \$30.0 million mandated in fiscal 2022 and at least \$40.0 million mandated in each of fiscal 2023 and 2024. For fiscal 2021 through 2024, 50% of money appropriated to the fund must be awarded to public schools in Baltimore City.

Eligible School Construction Costs: The bill makes architectural, engineering, consulting, and other school construction planning costs eligible for reimbursement from the State (including for projects funded under PSCP and by MSA bonds). It also requires IAC to develop regulations that define eligibility criteria for State reimbursement of expenditures on furniture, fixtures, and equipment with a median useful life of at least 15 years. For school construction projects in Baltimore City that are managed by MSA, bond proceeds may be used for specified expenditures that are otherwise not currently eligible costs for State funding, including furniture, fixtures, equipment, and project staffing. The bill also alters the State-local cost share for counties that meet specified criteria for PSCP and MSA funded projects.

Higher Education

Operating Budget

State support for higher education in the fiscal 2021 budget totals \$2.4 billion, an increase of \$150.9 million, or 6.8%, over fiscal 2020, as shown in **Exhibit L-8**. Public four-year institutions receive the bulk of the new State funds totaling \$94.6 million, which includes \$29.8 million for general salary increases (effective January 1, 2021) in fiscal 2021. Overall, funding grows 13.4% and 5.3% for Morgan State University (MSU) and the University System of Maryland (USM), respectively, after accounting for legislative reductions. The budget assumes a 2% increase in resident undergraduate tuition at USM and MSU; this is contingent upon approval of the governing boards. St. Mary's College of Maryland's Board of Trustees approved a 0% increase in tuition and fees (and room and board) for all students in fiscal 2021.

Exhibit L-8
State Support for Higher Education
Fiscal 2020 and 2021
(\$ in Thousands)

	<u>2020¹</u>	<u>2021²</u>	<u>\$ Change</u> <u>2020-2021</u>	<u>% Change</u> <u>2020-2021</u>
University System of Maryland	\$1,503,086	\$1,582,524	\$79,438	5.3%
Morgan State University	102,717	116,505	13,788	13.4%
St. Mary's College	27,158	28,510	1,352	5.0%
MHEC Special Grants ³	5,764	5,742	-23	-0.4%
MHEC Grants for Maryland 529	10,166	10,068	-99	-1.0%
Community Colleges ⁴	330,998	367,217	36,219	10.9%
Baltimore City Community College	40,316	40,413	96	0.2%
Independent Institutions	59,025	69,625	10,600	18.0%
MHEC Administration	6,814	6,814	0	0.0%
MHEC Student Financial Aid	122,058	131,572	9,514	7.8%
Total	\$2,208,103	\$2,358,989	\$150,886	6.8%

MHEC: Maryland Higher Education Commission

¹ Fiscal 2020 general funds are adjusted to reflect mid-year general salary increase.

² Fiscal 2021 general funds are adjusted to reflect general salary increases; reductions related to legislative actions; anticipated transfers from MHEC to University of Maryland, Baltimore Campus for the WellMobile; and University of Maryland Global Campus for management of the Waldorf Center.

³ Special grants funded with State general and special funds are included.

⁴ Community College funds include the Senate John A. Cade formula, other programs, and fringe benefits.

Source: Maryland State Budget Books; Department of Legislative Services

In fiscal 2021, under current law, independent institutions were to receive \$91.1 million through the Joseph A. Sellinger formula, an increase of \$32.0 million, or 54.3%, over fiscal 2020. However, a provision in the Budget Reconciliation and Financing Act of 2020, *Senate Bill 192 (passed)*, reduces funding by \$21.4 million to \$69.6 million, resulting in an increase of \$10.6 million, or 18.0% over fiscal 2020. State funding for community colleges increases \$36.2 million, or 10.9%, to \$367.2 million, in fiscal 2021, which includes full funding for the Senator John A. Cade funding formula. Funding for Baltimore City Community College, which has a separate statutory funding formula, grows 0.2%, or \$96,300.

State support for student financial aid increases 7.8%, or \$9.5 million, to \$131.6 million in fiscal 2021. This does not include State matching grants for Maryland 529, which are funded at

\$10.1 million in fiscal 2021. After accounting for a fiscal 2020 reversion of \$11.0 million, funding for the Maryland Community College Promise Scholarship increases \$7.5 million, to \$11.5 million in fiscal 2021. The largest need-based aid program, the Delegate Howard P. Rawlings Educational Excellence Awards Program, receives \$88.4 million, an increase of \$1.7 million, or 2.0%, over fiscal 2020.

The Coalition for Equity and Excellence in Maryland Higher Education v. Maryland Higher Education Commission

The Coalition for Equity and Excellence in Maryland Higher Education, et al. v. MHEC, et al. (06-CV-02773-CCB) is a lawsuit filed in the U.S. District Court for the District of Maryland in which the State of Maryland has been a defendant for the last 13 years. The action arose out of allegations by former and current students of historically black colleges and universities (HBCU) that the State, through ongoing policies and practices within the State’s system of higher education, violated the Civil Rights Act of 1964 and the Equal Protection Clause of the Fourteenth Amendment.

After previously rejecting plaintiffs’ claims related to limited institutional missions and operating funding deficiencies, on October 7, 2013, the District Court found that the State failed to eliminate a traceable *de jure* (as a matter of law) era policy of unnecessary program duplication that has exacerbated the racial identifiability of Maryland’s HBCUs, which are MSU and Bowie State University, Coppin State University, and the University of Maryland Eastern Shore within USM. Unnecessary duplication is defined as the offering by two or more institutions of the same nonessential or noncore programs, nonbasic liberal arts and sciences course work at the bachelor’s level, and all duplication at the master’s level and above. Moreover, the court cited the Maryland Higher Education Commission’s (MHEC) decision to approve a joint University of Baltimore/Towson University Masters of Business Administration program over the objections of MSU in 2005 as an example of how the State failed to prevent additional unnecessary duplication. (The joint program terminated in 2015 and reverted to University of Baltimore.)

The case remains unresolved after years of mediation, attempted negotiations, and a 2017 District Court Memorandum Opinion and Order on remedies. The plaintiffs’ attorneys made a proposal to settle the case for \$577 million in fall 2019. The Governor subsequently proposed a \$200 million “final offer” settlement amount, which was rejected by the plaintiffs. If the parties do not reach an agreement, it will move back to the federal appeals court for further litigation.

Legislation Mandates Funding for HBCUs Contingent on Final Settlement

House Bill 1260 (passed) provides an additional \$577 million to support HBCUs, contingent on final settlement of the lawsuit by December 1, 2020. The bill provides \$57.7 million annually for HBCUs from fiscal 2022 through 2031 to be distributed and used as discussed below. A new academic program evaluation unit is also established in MHEC with 10 additional staff mandated for the unit to provide sufficient capacity for MHEC to perform its duties. The estimated distribution of funds to HBCUs and estimated MHEC expenditures for fiscal 2022 through 2025

are shown in **Exhibit L-9**. Excluding the MHEC document management system costs, all expenditures shown in Exhibit L-9 are mandated by the bill.

Exhibit L-9
House Bill 1260 Estimated General Fund Expenditures
Fiscal 2022-2025
(\$ in Thousands)

	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Bowie State University	\$10,379	\$16,850	\$16,890	\$16,926
Coppin State University	4,458	7,210	7,217	7,217
Morgan State University	14,838	23,964	23,950	23,938
Univ. of MD Eastern Shore	5,992	9,676	9,644	9,618
Attorney Fees and Expenses	22,032	0	0	0
MHEC Staffing	731	749	775	802
MHEC Document Management	428	32	32	17
Other Operating Costs	55	6	6	6
Total	\$58,914	\$58,487	\$58,513	\$58,525

MHEC: Maryland Higher Education Commission

Source: Department of Legislative Services

For fiscal 2022, the bill establishes a mandated distribution for the \$57.7 million to HBCUs, and attorney fees and expenses in an amount of at least \$14.0 million but no more than \$25.0 million must be taken proportionately from that distribution. The \$22 million amount shown in Exhibit L-1 reflects the most recent court filing by the plaintiffs' attorneys for fees and expenses. For each of fiscal 2023 through 2031, the Governor must include in the annual State operating budget general funds of at least \$57.7 million to be allocated to HBCUs based on the percentage share of full-time equivalent students enrolled during the immediately preceding academic year. Additionally, funds provided by the bill are supplemental and do not supplant any other funds appropriated to public institutions of higher education in the State budget. The funds may be used for the following purposes, as determined by the university receiving the funds: scholarships and financial aid support services; faculty recruitment and development; expanding and improving existing academic programs, including online programs; development and implementation of new academic programs, including online programs; academic support; and marketing. These funds are not to be included in the calculations of State funding for the higher education funding formulas.

During the duration of the funding distribution, each HBCU must report annually on (1) the uses of the funds and (2) any new academic program developed with respect to development costs, startup costs, and ongoing costs to maintain the program. At the end of each fiscal year, any unused

funds provided under the bill must be distributed to the HBCU Reserve Fund established by the bill. MHEC must administer the fund, and the funds may be used for the same purpose as specified for the initial allocation of the funds.

Requirements for the Final Settlement Agreement: The bill authorizes the Attorney General to execute a final settlement agreement on behalf of the State that resolves the lawsuit. Section 1 of the bill, which includes all of the provisions discussed above, is contingent on the execution of the final settlement agreement by December 1, 2020. This settlement agreement is not subject to approval by the Board of Public Works and must (1) incorporate and not exceed the financial and programmatic commitments contained in Section 1 of the bill; (2) incorporate a court order regarding the case as discussed in (2) below; and (3) provide for attorney’s fees and expenses in an amount of at least \$14.0 million but no more than \$25.0 million to plaintiffs’ counsel in the case.

Importantly, Section 1 of the bill is null and void if, by December 11, 2020, (1) the Department of Legislative Services has not received notice of the settlement agreement and (2) an order has not been issued from the U.S. District Court for the District of Maryland or the U.S. Court of Appeals for the Fourth Circuit that reverses or vacates the District Court’s holding that the State failed to eliminate traceable *de jure* era policy of unnecessary program duplication or holds that any policy of unnecessary program duplication traceable to *de jure* segregation has been cured by the terms of the settlement agreement.

Provisions Not Contingent on Final Settlement Agreement: The bill also has several other provisions that are not contingent on a final settlement agreement. These provisions take effect July 1, 2020. The University System of Maryland William E. Kirwan Center for Academic Innovation, in collaboration with UMUC Ventures, must work with the State’s HBCUs with the goal of developing and offering online academic programs. Each institution must report on progress as specified by December 1, 2020. Also by December 1, 2020, MHEC must, in consultation with the public four-year institutions of higher education, study and report on its academic program review policies and practices and any changes made as a result of the bill for the purpose of evaluating, streamlining, and improving academic program review; enhancing the economic competitiveness of the State by ensuring the responsiveness of institutions of higher education to market demand; and effectively supporting the State’s workforce development requirements. Finally, the bill encourages HBCUs to hire a consultant to assist the institutions, as a collective, with programmatic development. The State’s HBCUs are also encouraged to use funds provided under the bill to support and implement [*House Bill 1300*](#), the Blueprint for Maryland’s Future.

Part M Index of Bills

HB0001A-13, A-37, A-61, A-72, A-77, A-78, L-16, L-18	SB0530..... F-1
HB0004 E-1	SB0604..... J-3
HB0056 G-1, G-2	SB0693..... A-14
HB0231 F-1	SB0808..... K-2
HB0350 A-7	SB0911..... H-7
HB0361 A-7	SB0985..... A-18
HB0560 J-3	SB0987..... H-2, H-3, H-4, H-5
HB0617 J-3	SB1028..... C-1
HB0732 A-13, B-2	SB1079..... A-21
HB0737 A-14, A-97	SB1080..... J-1
HB0900 H-7	SB1081..... A-73
HB0911 K-2	
HB0932 B-1	
HB0999 H-1	
HB1260 A-13, L-21, L-22	
HB1300A-13, A-81, A-88, A-89, A-90, A-91, A-92, L-2, L-3, L-4, L-5, L-12, L-13, L-17, L-23	
HB1488 A-18	
HB1663 J-1	
SB0004..... H-6	
SB0190..... A-1, A-21, A-30, A-31	
SB0191..... A-37	
SB0192..... A-7, A-12, A-14, A-21, A-30, A-72, A-80, L-20	
SB0208..... E-1	
SB0269..... A-7	
SB0279..... A-7	
SB0300..... K-3	
SB0344..... A-37	
SB0395..... J-3	