

Comparison of House and Senate Budget Actions

| Action | House Decision | Senate Decision | Conference Committee |
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| Teacher Pensions | Rejected a Department of Legislative Services (DLS) recommendation to transfer 50 percent of teacher retirement expenses to the local boards of education. However, the Committee did approve charging an administrative fee to local employers (local boards of education, libraries, and community colleges) on whose behalf the State makes retirement payments. The cost per employee is \$163 and it generates \$17 million in revenue. | Concurred with slight modification to remove libraries. | Modification to be resolved in conference |
| Transportation Trust Fund/Local Roadways | Adopted a proposal to provide a one-time payment of \$13.2 million to counties and municipalities, \$5 million and \$8.2 million respectively, for local roadways. Motor vehicle titling and vanity tag fees are being increased to provide the funding. The Committee also adopted a statutory provision to require a five year repayment plan for any future transfers of Transportation Trust Fund (TTF) revenues to the General Fund instead of a constitutional firewall. Lastly, the Committee adopted DLS's recommendation to "true up" or reconcile special fund and general funds within the TTF. | Concurred with slight modification to exempt rental cars from increase in Certificate of Title Fee. | Modification to be resolved in conference |
| Flat Funding at the FY 2012 Level | Rejected a provision in the proposed budget that would have authorized the Governor to flat fund nearly all programs (with the limited exceptions of education, employee retirement, MARBIDCO, and the Rainy Day Fund) at the FY 2012 level for FY 2013 through 2016. MACo had objected to this provision as being overbroad and too long-term. | Concurred | No Issue to be Resolved |

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| Assessment Function Shift | Modified the proposal in the Governor's budget to transfer assessment costs to the counties to shift 50 percent of costs instead of the 90 percent as originally proposed. | Rejected House modification, and adopted full 90 percent shift as in Governor's proposed budget. | To be resolved in conference |
| Shift of Parole Cost | Rejected a DLS recommendation to require counties to reimburse the Parole Commission for the costs of conducting parole hearings and instead adopted language to implement a pilot program using a video conferencing system to hold local inmate parole hearings. The following counties have been identified for the pilot: Allegany, Baltimore, Frederick, Prince George's, and Washington. Counties are to be reimbursed to half the costs for purchasing of video equipment. | Adopted alternative language to require the Department of Public Safety and Correctional Services to enter into an MOU with each local detention center to implement a video conference system to perform all local inmate parole hearings. The MOU shall specify that the local detention center shall be responsible for the purchase of any new equipment needed by the local facility to operate the video teleconferencing system and all ongoing maintenance and operating costs. Per diem grants, \$1.4 million, may not be expended until each county enters into an MOU. | To be resolved in conference |
| Disparity Grant | No Action Taken | Contingent on passage of SB 994 (imposes a 3% increase in the tax on alcohol sales) and for FY 2012 only, the Senate adopted an \$8 million increase in the disparity grant for Prince George's County. | To be resolved in conference |
| Education, K-12 | Restored \$58.5 million in education funding by setting the per pupil amount used in the education formulas, including GCEI, at \$6,694. In the Governor's proposed budget, the per pupil amount was reduced by \$150 from \$6,749 to \$6,599, but GCEI was funded at the full amount. | Concurred | No Issue to be Resolved |

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| Education, Guaranteed Tax Base Program | No Action Taken | Contingent on passage of SB 994 (imposes a 3% increase in the tax on alcohol sales) and for FY 2012 only, the Senate adopted a \$12 million increase in the Guaranteed Tax Base program (a Thornton program that creates an incentive for lower wealth subdivisions to increase local appropriations) for Baltimore City. The City increase occurs because it moved the cost of retiree health benefits from the City to the board of school commissioners. | To be resolved in conference |
| Education, MOE | No Action Taken | The Senate adopted language to clarify the calculation of the penalty for being found in noncompliance of MOE. Specifically, the penalty is the net increase in Foundation funds, from one year to the next, regardless of source of funds. Some of you may have been aware that this was subject to interpretation because of the backfilling of Federal dollars with State dollars. | To be resolved in conference |
| Education, Children in Nonpublic Residential Placements | Adopted a proposal in the Governor's budget to require local school systems to pay for a share of costs of children in State custody who are placed in a nonpublic residential placement that provides education for the child. Local cost is defined as the average amount spent by a county from county and State dollars for the education of a nondisabled child. | Concurred | No Issue to be Resolved |

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| Community Colleges | Adopted a DLS recommendation to reduce funding for community colleges by freezing the formula percentage at 18.5% of the per student funding amount for FY 2012 and 2013 and pushing out the full phase-in with a formula percentage of 29% until FY 2023. | Modified the formula percentage to be 19.5% of the per student funding amount for FY 2013 through 2015, increasing to 22% in FY 2016 and then increasing a percentage each year thereafter until fully phased in at 29% in FY 2023; Deleted \$5 million in funding for the Keeping Maryland Community Colleges Affordable Grant. | To be resolved in conference |
| Maryland Mined Coal | Restored the Maryland Mined Coal Tax Credit | Concurred | No Issue to be Resolved |
| Program Open Space | Rejected a DLS recommendation to direct all transfer tax revenue, which funds Program Open Space (POS) and other land preservation programs, to the General Fund and establish a statutory minimum funding level for all programs of \$50 million. Local governments would receive significantly less POS funding in FY 2013 through FY 2016. | Concurred | No Issue to be Resolved |
| State Forest and Park Reserves | Modified the proposal in the Governor's budget to repeal the statutory requirement for payment in lieu of taxes for State forest and park reserves and Deep Creek Lake revenues to discontinue the payments only in FY 2012 and 2013 and restore the timber and Deep Creek Lake revenues. | Concurred | No Issue to be Resolved |

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| Enterprise Zone Tax Credit | House adopted a DLS recommendation to modify the Urban Enterprise Zone Tax Credit, for companies certified after July 1, 2011, the credits over a 10-year period will be modified as follows: 50% for the first six years, 40% in year 7, 30% in year 8, 20% in year 9, and 10% in year 10. Under current law the credits are: 80% for the first five years, 70% in year 6, 60% in year 7, 50% in year 8, 40% in year 9 and 30% in year 10. | Rejected | To be resolved in conference |
| Horse Racing Impact Aid | Adopted a DLS recommendation to delete horse racing impact aid to local jurisdictions, \$1.2 million. | Concurred | No Issue to be Resolved |
| Temporary Limited Guardian | No Action Taken | Senate adopted language for DHR to convene a workgroup to develop a uniform statewide policy relating to the appointment of temporary limited guardians for hospitalized adult disabled persons and the make recommendations for improving the guardianship process generally. | To be resolved in conference |
| Food Service Facility Fees | House adopted language to authorize all county boards of health to establish fees for food service facilities based on actual cost of licensing and conducting related food safety inspections. | Concurred | No Issue to be Resolved |