

Summary of House, Senate, and Conference Committee Budget Actions

Action	House Decision	Senate Decision	Conference Committee and Final Action
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.	House and Senate rejected a shift in teacher retirement expenses to the counties, but did approve charging an administrative fee to local boards of education and community colleges. The cost per employee is \$163 and it generates \$17 million in revenue.
Transportation Trust Fund/Local Roadways	Adopted a proposal to provide a one-time payment of \$13.3 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.	House and Senate agreed to provide \$13.3 million for local roadways to counties (\$5 million) and municipalities (\$13.3 million); Agreed to exempt rental cars from increase in Certificate of Title Fee for FY 2012 through 2014.
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	House and Senate agreed to reject this provision.

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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.	House and Senate agreed to a 90 percent shift in costs for FY 2012 and 2013 and 50 percent thereafter.
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.	House and Senate agreed 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.
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 \$8.8 million increase in the disparity grant for Prince George's County.	House and Senate agreed to a change in the calculation of the disparity grant which would result in an \$8.8 million increase in the grant program for Prince George's County; funding is contingent upon passage of the 3% increase in the tax on alcohol sales.
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	House and Senate agreed to set per pupil foundation amount at \$6,694 for FY 2012 restoring \$58.5 million in education funding.

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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.	House and Senate agreed to provide \$12 million to Baltimore City through the Guaranteed Tax Base program because it moved the cost of retiree health benefits from the City to the board of school commissioners; funding is contingent on 3% increase in the tax on alcohol sales.
Education, Additional Grants	No Action Taken	The Senate adopted language to provide for additional grants to Allegany (\$853,035) and Garrett (\$758,760) to limit decreases in education funding formulas to 6%; funding is contingent on 3% increase in the tax on alcohol sales.	House and Senate agreed to provide for additional grants to Allegany (\$780,000) and Garrett (\$641,000) to limit decreases in education funding formulas to 6.5%; funding is contingent on 3% increase in the tax on alcohol sales.
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.	House and Senate agreed to the following: 1) adopted language clarifying that any penalty imposed is based on the net increase in Foundation aid from one year to the next regardless of fund source; and 2) adopted language to clarify that no county can fund education aid below the local share of the foundation program

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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	House and Senate agreed to language 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.
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.	House and Senate agreed to modify community college funding as adopted by the Senate and restored the \$5 million in funding for the Keeping Maryland Community Colleges Affordable Grant.
Maryland Mined Coal	Restored the Maryland Mined Coal Tax Credit	Concurred	House and Senate agreed to restore the Maryland Mined Coal Tax Credit.
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	House and Senate agreed to continue funding POS and other land preservation programs through transfer tax revenue.
State Forest and Park Reserves, Payment-in-lieu-of-taxes	Modified 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 in FY 2012 and 2013 and restore the timber and Deep Creek Lake revenues.	Concurred	House and Senate agreed to suspend payment from park earnings for FY 2012 and 2013; restored payments from timber sales and Deep Creek Lake revenues.

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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	House and Senate agreed not to modify the Enterprise Zone Tax Credit program.
Horse Racing Impact Aid	Adopted a DLS recommendation to delete horse racing impact aid to local jurisdictions, \$1.2 million.	Concurred	House and Senate agree to delete horse racing impact aid to local jurisdictions.
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.	House and Senate agreed to workgroup language.
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	House and Senate agreed to authorize county boards of health to establish fees to cover actual costs of licensing and conducting inspections of food service facilities.