



MARTIN O'MALLEY  
Governor

ANTHONY BROWN  
Lieutenant Governor

T. ELOISE FOSTER  
Secretary

DAVID C. ROMANS  
Deputy Secretary

## **PAYMENTS TO CIVIL DIVISIONS OF THE STATE**

*Testimony of T. Eloise Foster  
Senate Budget and Taxation Committee  
February 14, 2012*

The Governor's proposed fiscal year 2013 budget includes funding for Payments to Civil Divisions of the State totaling \$140 million. The budget fully funds the disparity grant and proposes to eliminate funding for the miscellaneous grant to Baltimore City.

The FY 2013 allowance includes \$19.6 million as part of a larger relief package to help mitigate the impact of sharing teacher retirement costs with local jurisdictions. Under this plan, disparity grant eligible jurisdictions, or those jurisdictions with the least ability to generate income tax revenues in comparison to the statewide average, are held harmless in FY 2013 from the impact of the cost-sharing proposal.

The Department of Budget and Management fully supports the plan put forth by the Governor and therefore, respectfully disagrees with the Department of Legislative Services' recommendation to reallocate the Baltimore City grant to three jurisdictions currently excluded from the disparity grant.

The Department of Budget and Management requests the Committee to reject the DLS recommendation and to support for funding for Payments to Civil Divisions of the State as provided in the Governor's budget proposal.

~Effective Resource Management~

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