

PUBLIC DEBT AND STATE RESERVE FUND

Public Debt

State Reserve Fund

PUBLIC DEBT

X00A00.01 REDEMPTION AND INTEREST ON STATE BONDS

Program Description:

Debt service payments on the State's general obligation bonds are paid from the Annuity Bond Fund. The revenue sources for the Fund include the State property tax, general funds, premium from bond sales, and repayments from certain State agencies, subdivisions and private organizations. General funds may be appropriated directly to the Annuity Bond Fund to make up the difference between the debt service payments and funds available from property taxes and other sources. In fiscal year 2003 and prior, general funds for the debt service on bonds sold for public school construction were appropriated to the Maryland State Department of Education and transferred to this program as reimbursable funds.

	2006 Actual	2007 Actual	2008 Estimated	2009 Estimated
Performance Measures/Performance Indicators				
Balance beginning of fiscal year (\$)	106,275,442	102,578,785	38,747,779	49,870,491
Property tax receipts	575,131,181	552,659,272	641,914,290	695,066,369
Interest and penalties on property taxes	2,126,374	2,402,564	1,500,000	1,500,000
Loan repayments	2,459,305	2,191,845	1,382,957	1,199,322
Miscellaneous receipts	9,420	1,325,087	200,000	200,000
Bond premium	41,784,924	31,644,847	29,314,942	16,557,042
Transfer to reserve	-102,578,785	-38,747,779	-49,870,491	-19,583,645
Total (\$) *	625,207,861	654,054,620	663,189,477	744,809,579
Excess Appropriation			156,250	

* Totals may not add due to rounding

Appropriation Statement:

	2007 Actual	2008 Appropriation	2009 Allowance
13 Fixed Charges	654,054,620	692,694,848	744,809,579
Total Operating Expenses	654,054,620	692,694,848	744,809,579
Total Expenditure	654,054,620	692,694,848	744,809,579
Net General Fund Expenditure		29,349,121	
Special Fund Expenditure	654,054,620	663,345,727	744,809,579
Total Expenditure	654,054,620	692,694,848	744,809,579

Special Fund Income:

X00301 Annuity Bond Fund	654,054,620	663,345,727	744,809,579
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STATE RESERVE FUND

OBJECTIVES

A State Reserve Fund is authorized in Sections 7-309 through 7-311, 7-314 and 7-324 of the State Finance and Procurement Article and is comprised of the following: (1) Revenue Stabilization Account, (2) Dedicated Purpose Account, (3) Economic Development Opportunities Program Account, (4) Catastrophic Event Account, and (5) The Joseph Fund Account. The objectives of the Fund are to designate, provide for and appropriate certain reserve funds for future use when the magnitude and timing of fiscal requirements are uncertain and retain in escrow State revenues for future requirements to reduce the need for future tax increases.

SUMMARY OF STATE RESERVE FUND

	2007 Actual	2008 Appropriation	2009 Allowance
Operating Expenses	791,382,470	262,794,899	231,543,342
Original General Fund Appropriation	771,382,470	262,794,899	
Transfer/Reduction	20,000,000		
Net General Fund Expenditure	<u>791,382,470</u>	<u>262,794,899</u>	<u>231,543,342</u>

	2006 Actual	2007 Actual	2008 Estimated	2009 Estimated
Performance Measures/Performance Indicators				
Balance as of June 30 (in millions of \$)				
Revenue Stabilization Account	758.8	1,432.2	681.8	738.9
Dedicated Purpose Account	31.5	142.6	1.0	
Economic Development Opportunities Account	12.8	6.7	4.3	
Catastrophic Event Account	8.3	8.3	8.3	8.3
Total Reserve Fund*	<u>811.4</u>	<u>1,589.7</u>	<u>695.3</u>	<u>747.2</u>

* Totals may not add due to rounding

STATE RESERVE FUND

Y01A01.01 REVENUE STABILIZATION ACCOUNT

Program Description:

Section 7-311 of the State Finance and Procurement Article establishes the Revenue Stabilization Account to retain revenues for future needs and reduce the need for future tax increases by moderating revenue growth. Appropriations are required when the unappropriated general fund surplus of the second preceeding fiscal year exceeds \$10 million. Appropriations are also required in years when the Account balance is less than 7.5% of general fund revenues as stated in the annual report of the Board of Revenue Estimates submitted to the Governor. If the Account balance is at least 3% but less than 7.5%, an appropriation of \$50 million or whatever lesser amount is necessary to bring the Account balance to 7.5% of estimated general fund revenues is required; if the account balance is less than 3%, the required appropriation is \$100 million. Transfer of funds from the Account that does not result in an account balance below 5% must be authorized by (1) an act of the General Assembly or (2) a specific provision of the State budget bill as enacted. Transfers resulting in an account balance below 5% must be authorized by an act of the General Assembly other the State budget bill. The use of a budget amendment for fund transfer is prohibited.

Appropriation Statement:

	2007 Actual	2008 Appropriation	2009 Allowance
12 Grants, Subsidies and Contributions.....	593,282,470	162,794,899	146,543,342
Total Operating Expenses.....	<u>593,282,470</u>	<u>162,794,899</u>	<u>146,543,342</u>
Total Expenditure	<u>593,282,470</u>	<u>162,794,899</u>	<u>146,543,342</u>
Net General Fund Expenditure.....	<u>593,282,470</u>	<u>162,794,899</u>	<u>146,543,342</u>

Y01A02.01 DEDICATED PURPOSE ACCOUNT

Program Description:

Section 7-310 of the State Finance and Procurement Article establishes the Dedicated Purpose Account to (1) retain appropriations for major, multi-year expenditures where the magnitude and timing of cash needs are uncertain and (2) meet expenditure requirements. Certain restrictions apply on the use of funds and the manner in which funds may be transferred from the Account. The fiscal year 2009 allowance reflects \$85 million to be transferred to the Maryland Transportation Authority for the Intercounty Connector.

Appropriation Statement:

	2007 Actual	2008 Appropriation	2009 Allowance
12 Grants, Subsidies and Contributions.....	198,100,000	100,000,000	85,000,000
Total Operating Expenses.....	<u>198,100,000</u>	<u>100,000,000</u>	<u>85,000,000</u>
Total Expenditure	<u>198,100,000</u>	<u>100,000,000</u>	<u>85,000,000</u>
Original General Fund Appropriation.....	178,100,000	100,000,000	
Transfer of General Fund Appropriation.....	<u>20,000,000</u>		
Net General Fund Expenditure.....	<u>198,100,000</u>	<u>100,000,000</u>	<u>85,000,000</u>

