

A00
Payments to Civil Divisions of the State

Operating Budget Data

(\$ in Thousands)

	<u>FY 09</u> <u>Actual</u>	<u>FY 10</u> <u>Working</u>	<u>FY 11</u> <u>Allowance</u>	<u>FY 10-11</u> <u>Change</u>	<u>% Change</u> <u>Prior Year</u>
General Fund	\$120,760	\$124,011	\$100,126	-\$23,885	-19.3%
Contingent & Back of Bill Reductions	0	0	-469	-469	
Adjusted General Fund	\$120,760	\$124,011	\$99,657	-\$24,354	-19.6%
Adjusted Grand Total	\$120,760	\$124,011	\$99,657	-\$24,354	-19.6%

- The fiscal 2011 allowance decreases by \$24.4 million for disparity grants. An increase of \$0.5 million for retirements costs for certain local officials costs is budgeted but is reduced contingent on the enactment of legislation at the 2010 session to correct a drafting oversight.
- The disparity grant program decrease is due to an overall drop in the average per capita income tax. Most of the loss is in Prince George’s County (-\$18.3 million), which basically maintained its income tax base while the overall State average fell by nearly \$21 per capita.
- Because of a cap on disparity grants adopted at the 2009 session, four jurisdictions that would have received new or higher grant amounts forgo \$3.0 million in fiscal 2011.

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

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Analysis in Brief

Issues

Modifications to Disparity Grant Cap Should Be Considered: The cap on the disparity grant program adopted at the 2009 session has the unintended consequences of excluding newly eligible jurisdictions and limiting individual jurisdictions where the income tax disparity has worsened. **The Department of Legislative Services recommends consideration of statutory changes to permit newly eligible jurisdictions to receive funding, and a provision to cap the overall funding amount so that the aggregate amount to be reduced above the cap is prorated across eligible jurisdictions.**

Recommended Actions

	<u>Funds</u>
1. Delete mandated grant to Baltimore City.	\$ 2,575,000
Total Reductions	\$ 2,575,000

A00
Payments to Civil Divisions of the State

Operating Budget Analysis

Program Description

State grant programs which provide funds to Maryland's counties are budgeted under Payments to Civil Divisions of the State. This includes disparity grants to low-wealth jurisdictions and a special grant to Baltimore City. Funding for retirement costs for certain local officials was repealed by Chapter 487 of 2009 (the Budget Reconciliation and Financing Act of 2009).

Proposed Budget

The Governor's allowance for Payments to Civil Divisions of the State will total \$99.7 million in fiscal 2011, representing a \$24.4 million, or 19.6%, decrease below the fiscal 2010 working appropriation. Disparity grants account for the largest share of this budget, totaling \$97.1 million. This is a \$24.4 million, or 20.1%, decline relative to the prior year. A special grant to Baltimore City is level funded at \$2.6 million. Funding of \$0.5 million for local retirement costs is also provided in fiscal 2011. Although the program was repealed by legislation at the 2009 session, some positions under the program were erroneously omitted.

Exhibit 1 illustrates the year-over-year change in funding between fiscal 2010 and 2011 for each program. **Exhibit 2** shows the funding amounts for each jurisdiction.

Impact of Cost Containment

Section 34 of Chapter 487 authorized the Governor to maintain funding at the fiscal 2010 level in fiscal 2011 and 2012 for any mandated appropriations that were not otherwise modified by that legislation. Section 9-1104 of Article 24 mandates a general fund grant of \$3,075,000 annually for Baltimore City; however, this amount was reduced to \$2,575,000 in the fiscal 2010 budget. The Administration has opted to exercise the mandate relief provision to this grant authorized by Section 34, at the revised \$2,575,000 level, which effectively saves \$500,000.

Fiscal 2011 Contingent Reduction

The fiscal 2011 budget bill includes a \$469,495 contingent general fund reduction for the remaining local retirement costs. The action is contingent on enactment of separate legislation to be introduced at the 2010 session by the Joint Committee on Pensions.

Exhibit 1
Proposed Budget
Payments to Civil Divisions of the State
(\$ in Thousands)

How Much It Grows:	General Fund	Total
2010 Working Appropriation	\$124,011	\$124,011
2011 Allowance	<u>100,126</u>	<u>100,126</u>
Amount Change	-\$23,885	-\$23,885
Percent Change	-19.3%	-19.3%
Contingent Reductions	-\$469	-\$469
Adjusted Change	-\$24,354	-\$24,354
Adjusted Percent Change	-19.6%	-19.6%

Where It Goes:

Grants

Decrease in disparity grants.....	-\$24,354
Total	-\$24,354

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

Source: Department of Legislative Services

Exhibit 2
State Funding for Payments to Civil Divisions
Fiscal 2011
(\$ in Thousands)

County	Disparity Grants	Retirement Payments	Miscellaneous Grants	Total Aid FY 2011	Total Aid FY 2010	Difference	Percent Difference
Allegany	\$6,032	\$0	\$0	\$6,032	\$7,299	-\$1,267	-17.4%
Anne Arundel	0	35	0	35	0	35	100.0%
Baltimore City	74,403	396	2,575	77,374	81,627	-4,253	-5.2%
Baltimore	0	0	0	0	0	0	0.0%
Calvert	0	0	0	0	0	0	0.0%
Caroline	2,132	0	0	2,132	2,132	0	0.0%
Carroll	0	39	0	39	0	39	100.0%
Cecil	0	0	0	0	0	0	0.0%
Charles	0	0	0	0	0	0	0.0%
Dorchester	2,023	0	0	2,023	2,023	0	0.0%
Frederick	0	0	0	0	0	0	0.0%
Garrett	2,056	0	0	2,056	2,131	-75	-3.5%
Harford	0	0	0	0	0	0	0.0%
Howard	0	0	0	0	0	0	0.0%
Kent	0	0	0	0	0	0	0.0%
Montgomery	0	0	0	0	0	0	0.0%
Prince George's	3,417	0	0	3,417	21,695	-18,278	-84.2%
Queen Anne's	0	0	0	0	0	0	0.0%
St. Mary's	0	0	0	0	0	0	0.0%
Somerset	4,822	0	0	4,822	4,908	-86	-1.7%
Talbot	0	0	0	0	0	0	0.0%
Washington	0	0	0	0	0	0	0.0%
Wicomico	2,197	0	0	2,197	2,197	0	0.0%
Worcester	0	0	0	0	0	0	0.0%
Total	\$97,082	\$469	\$2,575	\$100,126	\$124,011	-\$23,885	-19.3%

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

Source: Department of Legislative Services

Disparity Grants

Disparity grants address the difference in the abilities of counties to raise revenues from the local income tax, which for most counties is one of their larger revenue sources. Counties with per capita income tax revenues less than 75.0% of the statewide average receive grants, unless a county has an income tax rate below 2.4% or did not receive grant funding in fiscal 2010 making it subject to the cap restriction adopted at the 2009 session. This legislative change is discussed further below. Aid received by a county equals the lesser of the dollar amount necessary to raise the county's per capita income tax revenues to 75.0% of the statewide average or the amount received from the State in fiscal 2010. In fiscal 2011, Baltimore City and seven counties (Allegany, Caroline, Dorchester, Garrett, Prince George's, Somerset, and Wicomico) qualify for 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.

Funding History

State funding targeted to the disparity in local income tax capacity was authorized and modified by the following legislation since its inception in 1991:

- **Chapter 525 of 1991:** This bill repealed the sales and use tax exemption for cigarettes and dedicated the revenue to the six jurisdictions whose local income tax was below 67% of the statewide average. Baltimore City and five counties (Allegany, Caroline, Dorchester, Garrett, and Somerset) qualified for the grants which totaled \$8.5 million in fiscal 1992.
- **Chapter 2 of the First Special Session of 1992:** The program was repealed and reenacted, establishing a mandated annual grant to counties where per capita local income tax revenues were less than 70% of the statewide average.
- **Chapter 173 of 1996:** This act enhanced the program to provide disparity grants to jurisdictions where per capita local income tax revenues were less than 75% of the statewide average, rather than 70%. It became effective in fiscal 1998, and the result of this change was that Washington and Wicomico counties became eligible to receive disparity grants. In fiscal 2001, Prince George's County became eligible for the program.
- **Chapter 487 of 2009:** The Budget Reconciliation and Financing Act of 2009 capped the amount that any jurisdiction may receive under the grant program to the amount received in fiscal 2010. While this approach maintains the functionality of the formulas, it does serve to constrain growth for counties that otherwise would have seen an increase in grant amounts as well as prohibiting grants to any new jurisdiction that qualifies for funding in fiscal 2011 or beyond.

Funding in Fiscal 2011

Baltimore City and seven counties (Allegany, Caroline, Dorchester, Garrett, Prince George's, Somerset, and Wicomico) qualified for disparity grant funding in fiscal 2010 and continue to qualify in fiscal 2011. State funding under current law totals \$121.4 million in fiscal 2010 and \$97.1 million in fiscal 2011. This represents a \$24.4 million decrease below the current year. The fiscal 2011 grant under statute is based on population estimates for July 2008 and calendar 2008 local income tax revenues raised from a 2.54% local income tax rate. A county may not receive this grant if the tax rate in that county is less than 2.40%. Beginning in fiscal 2011, a jurisdiction may not receive funding above the level that it received in fiscal 2010, nor may any new jurisdiction qualify for funding if it did not receive a grant in fiscal 2010.

Exhibit 3 shows the calculation of the fiscal 2011 disparity grant, including the effect of the cap and the change in the grant amount due to the economic downturn's erosion of the local income tax base.

Eligibility and funding levels for the disparity grant funding formula are based on an individual jurisdiction's adjusted per capita income tax relative to 75% of the statewide average per capita income tax. Each year, the statewide average per capita income tax base changes due to increases or decreases in the local income tax base and each jurisdiction's population. In good times, growth in the wealthier jurisdictions raises the statewide average and results in a greater disparity between the less wealthy jurisdictions. This requires more State funding for the program. Austere economic conditions result in income tax base erosion based on higher unemployment, reduced hours, and pay reductions. The effect is a lower statewide average and grant funding, but it does not necessarily impact all jurisdictions equally.

The effects of the recession on the income tax base, as well as population changes, had a significant effect on the seven jurisdictions that received disparity grants in fiscal 2010, as well as one county that would have been eligible for a grant in fiscal 2011. **Exhibit 4** shows the change in 75.0% of the average per capita income tax statewide, which is the criterion for eligibility for receiving disparity grant funding. As indicated, average per capita income taxes fell from \$393 to \$372, a reduction of 5.2%. To understand why the average per capita income tax fell by this amount, it is important to first examine the distribution of the tax base, which is provided in **Exhibit 5**. As shown, Anne Arundel, Baltimore, and Montgomery counties represent about 50.0% of the entire local income tax base, with Montgomery county accounting for nearly a quarter of the base.

**Exhibit 3
Disparity Grant Calculation
Fiscal 2011**

County	Population July 2008	Tax Year 2008 Adjusted Income Tax Revenues	Per Capita Tax Yield	Per Capita Grant	Prior Year Grant	Total Grant	Grant with Cap	Difference	Effect of Cap
Allegany	72,238	\$20,873,596	\$288.96	\$83.50	\$7,298,505	\$6,031,749	\$6,031,749	-\$1,266,756	\$0
Anne Arundel	512,790	306,243,413	597.21	0.00	0	0	0	0	0
Baltimore City	636,919	162,820,054	255.64	116.82	79,051,790	74,403,090	74,403,090	-4,648,700	0
Baltimore	785,618	403,213,106	513.24	0.00	0	0	0	0	0
Calvert	88,698	47,257,579	532.79	0.00	0	0	0	0	0
Caroline	33,138	9,732,581	293.70	78.76	2,131,782	2,609,806	2,131,782	0	-478,024
Carroll	169,353	88,211,761	520.88	0.00	0	0	0	0	0
Cecil	99,926	39,238,717	392.68	0.00	0	0	0	0	0
Charles	140,764	66,584,214	473.02	0.00	0	0	0	0	0
Dorchester	31,998	9,458,977	295.61	76.84	2,022,690	2,458,812	2,022,690	0	-436,122
Frederick	225,721	123,769,411	548.33	0.00	0	0	0	0	0
Garrett	29,698	9,005,182	303.23	69.23	2,131,271	2,055,963	2,055,963	-75,308	0
Harford	240,351	122,200,602	508.43	0.00	0	0	0	0	0
Howard	274,995	201,170,097	731.54	0.00	0	0	0	0	0
Kent	20,151	7,904,288	392.25	0.00	0	0	0	0	0
Montgomery	950,680	674,644,617	709.64	0.00	0	0	0	0	0
Prince George's	820,852	302,312,656	368.29	4.16	21,694,767	3,417,103	3,417,103	-18,277,664	0
Queen Anne's	47,091	24,671,062	523.90	0.00	0	0	0	0	0
St. Mary's	101,578	47,480,664	467.43	0.00	0	0	0	0	0
Somerset	26,119	4,905,713	187.82	184.63	4,908,167	4,822,418	4,822,418	-85,749	0
Talbot	36,215	20,298,611	560.50	0.00	0	0	0	0	0
Washington	145,384	53,712,903	369.46	3.00	0	435,975	0	0	-435,975
Wicomico	94,046	31,214,827	331.91	40.54	2,197,041	3,812,999	2,197,041	0	-1,615,958
Worcester	49,274	20,751,041	421.14	0.00	0	0	0	0	0
Total	5,633,597	\$2,797,675,672	\$496.61	\$0.00	\$121,436,013	\$100,047,914	\$97,081,836	-\$24,354,177	-\$2,966,079
		<i>Target (75%)</i>	<i>\$372.45</i>						

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

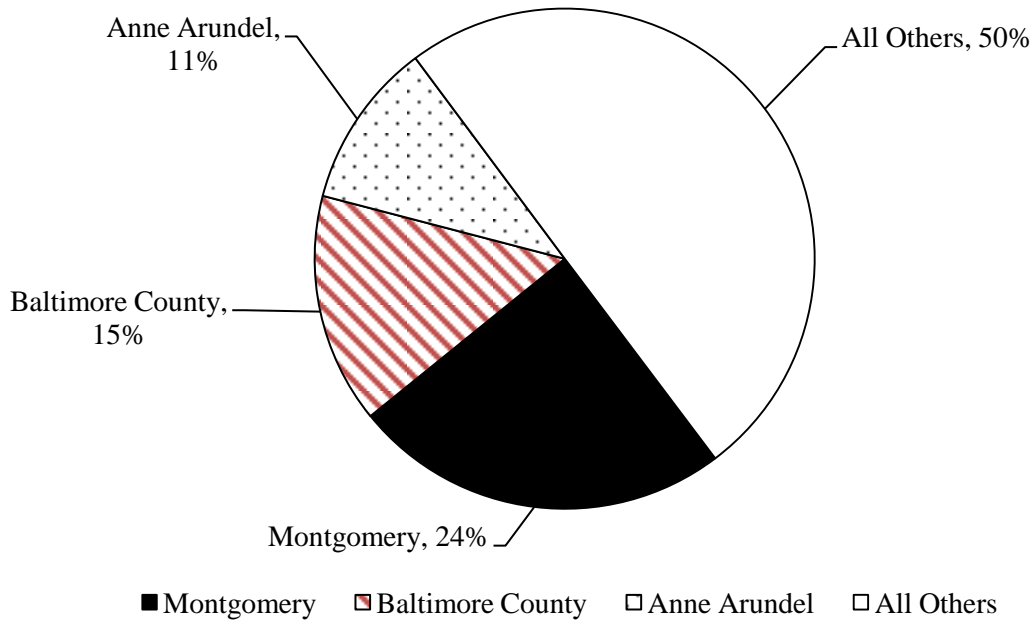
Source: Department of Legislative Services

Exhibit 4
Disparity Grant Components
Change in 75% of Average Per Capita Income Taxes

<u>Tax Year 2007 (FY 2010)</u> <u>75% of Per Capita Income Tax</u>	<u>Tax Year 2008 (FY 2011)</u> <u>75% of Per Capita Income Tax</u>	<u>Statewide</u> <u>Difference</u>	<u>%</u> <u>Difference</u>
\$393.02	\$372.45	-\$20.57	-5.2%

Source: Department of Legislative Services

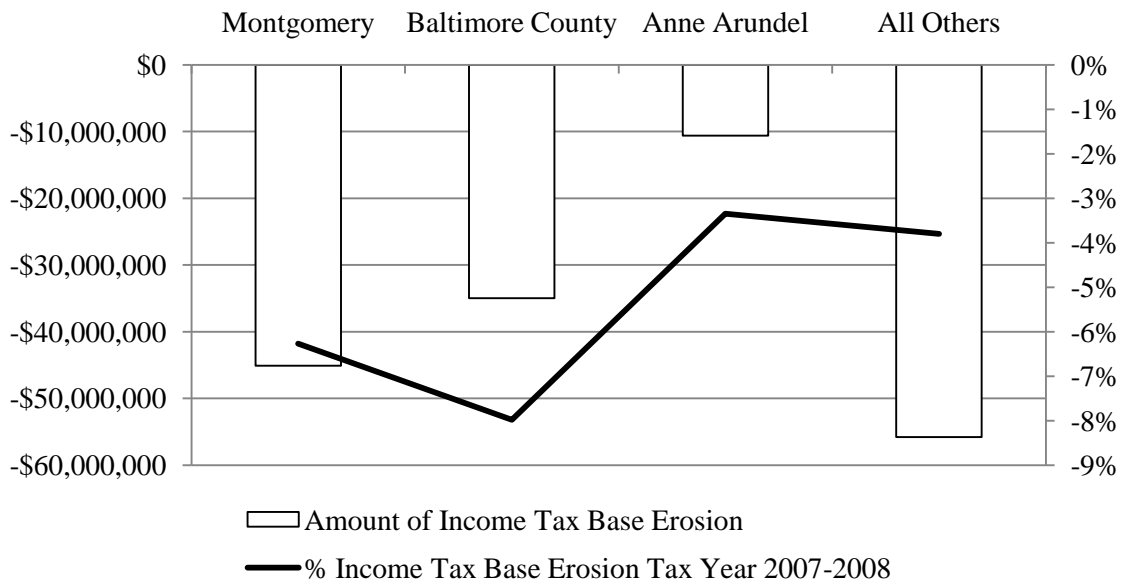
Exhibit 5
Distribution of the Local Income Tax Base
Tax Year 2008



Source: Department of Legislative Services

Exhibit 6 provides additional detail on the tax base lost by the three jurisdictions that account for one-half of the base. Montgomery County lost \$45 million in tax base between tax year 2007 and 2008, which is just over 6% of its base. Baltimore County lost \$35 million of its local income tax base, or 8%, and Anne Arundel lost \$11 million, or 3% of its base. Combined, these three jurisdictions were responsible for a \$91 million, or 6%, drop in the tax base while the remaining 21 jurisdictions had a combined tax base loss of \$56 million, or 4%.

Exhibit 6
Effect of Tax Base Erosion in Selected Jurisdictions
Tax Year 2008 Relative to Tax Year 2007



Source: Department of Legislative Services

A brief review of the dynamics in each of the disparity grant counties follows to clarify the change in fiscal 2011 funding.

- Large Grant Increases That Are Capped:** Four jurisdictions would have received new or higher grant amounts in the allowance based on the factors shown in **Exhibit 7**. Caroline, Dorchester, Washington, and Wicomico counties all saw large decreases in the income tax base with nominal population growth. The result was a loss in average per capita income tax that was greater than the statewide loss. Because of the cap, Washington County is not eligible to receive any funding, and the other three counties remain at the fiscal 2010 level – a combined loss of \$3 million.

Exhibit 7
Fiscal 2011 Disparity Grant Calculations
Counties Subject to Fiscal 2010 Cap

	<u>% Change Tax Base</u>	<u>% Change Population</u>	<u>Change in Per Capita Income Tax</u>	<u>Impact of Grant Cap</u>	<u>% of 2010 Grant</u>
Caroline	-9.9%	0.7%	-\$34.55	-\$478,024	-22.4%
Dorchester	-9.9%	0.5%	-33.90	-436,122	-21.6%
Washington	-6.6%	0.2%	-26.76	-435,975	-100.0%
Wicomico	-9.8%	0.5%	-37.64	-1,615,958	-73.6%
Statewide Average	-5.0%	0.3%	-\$20.57	-\$2,966,079	

Source: Department of Legislative Services

- **Small Grant Loss:** As seen in **Exhibit 8**, Garrett and Somerset counties experienced moderate losses in the income tax base and nominal population growth. This resulted in a per capita loss that was nominally lower than the statewide average. This caused small declines in the 2011 grants for those two counties, totaling \$0.2 million.

Exhibit 8
Fiscal 2011 Disparity Grant Calculations
Factors Causing Small Grant Loss

	<u>% Change Tax Base</u>	<u>% Change Population</u>	<u>Change in Per Capita Income Tax</u>	<u>Grant Change</u>	<u>% of 2010 Grant</u>
Garrett	-5.3%	0.2%	-\$17.86	-\$75,308	-3.5%
Somerset	-7.7%	0.4%	-16.54	-85,749	-1.7%
Statewide Average	-5.0%	0.3%	-\$20.57	-\$161,058	

Source: Department of Legislative Services

- **Moderate Grant Loss:** **Exhibit 9** indicates that Baltimore City's tax base fell at the same level as the State average but had a small decline in population. This resulted in a per capita income tax that fell at a much lower rate than the statewide average and resulted in a moderate loss of disparity grant funds of \$4.6 million (5.9%).

Exhibit 9
Fiscal 2011 Disparity Grant Calculations
Factors Causing Moderate Grant Loss

	<u>% Change Tax Base</u>	<u>% Change Population</u>	<u>Change in Per Capita Income Tax</u>	<u>Grant Change</u>	<u>% of 2010 Grant</u>
Baltimore City	-5.1%	-0.1%	-\$13.37	-\$4,648,700	-5.9%
Statewide Average	-5.0%	0.3%	-\$20.57	-\$4,648,700	

Source: Department of Legislative Services

- Large Grant Loss:** Finally, **Exhibit 10** shows that Allegany and Prince George’s counties saw large grant declines since both jurisdictions retained their income tax base and had nominal population losses. This resulted in very little change in per capita income taxes, whereas the statewide average fell nearly \$21. In tax year 2008, Prince George’s County is at 74.2% of the statewide average, and thus declines \$18.3 million (84.2%) in disparity grants in fiscal 2011. Allegany County improves from 55.8 to 58.2% of the statewide average, so its grant amount decreases by \$1.3 million, or 17.4%, in 2011.

Exhibit 10
Fiscal 2011 Disparity Grant Calculations
Factors Causing Large Grant Loss

	<u>% Change Tax Base</u>	<u>% Change Population</u>	<u>Change in Per Capita Income Tax</u>	<u>Grant Change</u>	<u>% of 2010 Grant</u>
Allegany	-1.7%	-0.5%	-\$3.53	-\$1,266,756	-17.4%
Prince George’s	-0.6%	-1.0%	1.45	-18,277,664	-84.2%
Statewide Average	-5.0%	0.3%	-\$20.57	-\$19,544,420	

Source: Department of Legislative Services

Baltimore City Grant

Chapter 6 of the 2007 special session established a new mandated general fund grant of \$3,075,000 for Baltimore City, replacing an existing grant program that was based on a share of security interest filing fee revenue. Since fiscal 1998, Baltimore City had received a grant equal to \$5 of each security interest filing fee collected by the Motor Vehicle Administration pursuant to

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Chapter 163 of 1996 that revised the allocation of highway user revenues between Baltimore City and the other subdivisions. The grant was reduced by \$500,000 for fiscal 2010, to \$2,575,000. Under Section 34 of Chapter 487, the Governor was authorized to fund certain mandates at the fiscal 2010 level for each of fiscal 2011 and 2012. The Baltimore City grant was level funded at \$2,575,000 in fiscal 2011, under this provision.

Issues

1. Modifications to Disparity Grant Cap Should Be Considered

A cap on the Disparity Grant program was adopted through Chapter 487 of 2009 (the Budget Reconciliation and Financing Act of 2009), to limit the amount received by each county to the level of funding provided in fiscal 2010. The change was drafted in this manner to maintain the functionality of the formula calculation for determining each jurisdiction's per capita income tax in relation to 75% of the statewide average. However, this method of calculation has two unanticipated consequences that the legislature may wish to consider addressing.

- **Exclusion of Newly Eligible Counties:** The statute limits grant funding in fiscal 2011 and beyond to no higher than the amount received in fiscal 2010. For practical purposes, any jurisdiction that received \$0 dollars in the 2010 grant cannot receive any funding in any future year if its income tax disparity falls below 75%, making it eligible for the program. For example, Washington County experienced a loss of income tax per capita using tax year 2008 data, that would have made the county eligible for a grant of \$435,975 in fiscal 2011. However, since the county did not receive any funding through the program in fiscal 2010, it is ineligible to receive any funding in any future fiscal year; and
- **Limiting Grant Funding within Individual Jurisdictions:** As discussed, the overall statewide average per capita income tax fell in tax year 2008 based on economic conditions. This has resulted in an overall reduction of \$24.4 million based on five of the eight disparity grant recipients. However, three jurisdictions experienced a greater per capita income tax loss than the statewide average and technically are eligible for an aggregate \$2.5 million. If the cap was structured at the aggregate \$121.4 million figure, then those jurisdictions would have received the additional funding in fiscal 2011. When the overall funding cap is reached, it would be more equitable to prorate the reduction across all grant recipient jurisdictions.

The Department of Legislative Services recommends that consideration be given to modifying Article 24, Title 9-1101 so that the funding cap is based on the overall fiscal 2010 funding level. This will permit newly eligible jurisdictions to receive funding, as well as for current grant recipients to receive funding when their per capital income tax worsens, relative to the statewide average. as long as the program is funded below \$121.4 million. Once the cap level is reached, it would be more equitable to allocate the reduction above the cap on a prorated basis to all disparity grant recipients.

Recommended Actions

	<u>Amount Reduction</u>	
1. Delete mandated grant to Baltimore City. The State needs to reduce its cost structure to address the structural general fund deficit. The deletion of this mandated grant is recommended as non-core spending. A separate action to delete the mandate in statute will be recommended in conjunction with budget reconciliation legislation.	\$ 2,575,000	GF
Total General Fund Reductions	\$ 2,575,000	

Current and Prior Year Budgets

Current and Prior Year Budgets Payments to Civil Divisions of the State (\$ in Thousands)

	<u>General Fund</u>	<u>Special Fund</u>	<u>Federal Fund</u>	<u>Reimb. Fund</u>	<u>Total</u>
Fiscal 2009					
Legislative Appropriation	\$120,760	\$0	\$0	\$0	\$120,760
Deficiency Appropriation	0	0	0	0	0
Budget Amendments	0	0	0	0	0
Cost Containment	0	0	0	0	0
Reversions and Cancellations	0	0	0	0	0
Actual Expenditures	\$120,760	\$0	\$0	\$0	\$120,760
Fiscal 2010					
Legislative Appropriation	\$124,011	\$0	\$0	\$0	\$124,011
Cost Containment	0	0	0	0	0
Budget Amendments	0	0	0	0	0
Working Appropriation	\$124,011	\$0	\$0	\$0	\$124,011

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

Source: Department of Legislative Services

**Disparity Grant Program – Funding History
Fiscal 1992-2001**

County	FY 1992	FY 1993	FY 1994	FY 1995	FY 1996	FY 1997	FY 1998	FY 1999	FY 2000	FY 2001
Allegany	\$370,000	\$1,281,750	\$1,637,429	\$1,987,382	\$2,032,596	\$2,375,837	\$3,592,611	\$3,885,677	\$4,206,580	\$5,099,138
Anne Arundel	0	0	0	0	0	0	0	0	0	0
Baltimore City	7,396,000	18,344,250	29,695,890	34,822,600	37,027,987	37,608,294	50,506,101	51,473,147	56,517,265	61,013,229
Baltimore	0	0	0	0	0	0	0	0	0	0
Calvert	0	0	0	0	0	0	0	0	0	0
Caroline	109,000	381,750	612,812	852,456	818,556	901,235	1,493,402	1,625,590	1,834,748	2,170,977
Carroll	0	0	0	0	0	0	0	0	0	0
Cecil	0	0	0	0	0	0	0	0	0	0
Charles	0	0	0	0	0	0	0	0	0	0
Dorchester	86,000	406,500	647,687	881,526	843,047	957,817	1,290,582	1,357,021	1,462,155	1,668,683
Frederick	0	0	0	0	0	0	0	0	0	0
Garrett	243,000	882,750	1,413,266	1,420,854	1,428,125	1,458,779	2,029,289	2,177,813	2,326,328	2,585,412
Harford	0	0	0	0	0	0	0	0	0	0
Howard	0	0	0	0	0	0	0	0	0	0
Kent	0	0	0	0	0	0	0	0	0	0
Montgomery	0	0	0	0	0	0	0	0	0	0
Prince George's	0	0	0	0	0	0	0	0	0	4,775,506
Queen Anne's	0	0	0	0	0	0	0	0	0	0
St. Mary's	0	0	0	0	0	0	0	0	0	0
Somerset	344,000	1,203,000	2,067,096	2,272,400	2,097,023	2,211,700	2,734,070	2,954,585	3,246,259	3,524,771
Talbot	0	0	0	0	0	0	0	0	0	0
Washington	0	0	0	0	0	0	229,353	195,976	207,670	0
Wicomico	0	0	0	0	0	0	150,295	446,216	577,823	788,963
Worcester	0	0	0	0	0	0	0	0	0	0
Total	\$8,548,000	\$22,500,000	\$36,074,180	\$42,237,218	\$44,247,334	\$45,513,662	\$62,025,703	\$64,116,025	\$70,378,828	\$81,626,679

Source: Department of Legislative Services

**Disparity Grant Program – Funding History
Fiscal 2002-2011**

County	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011
Allegany	\$5,264,420	\$7,590,374	\$7,505,173	\$5,901,718	\$6,100,040	\$7,345,435	\$6,971,337	\$6,742,870	\$7,298,505	\$6,031,749
Anne Arundel	0	0	0	0	0	0	0	0	0	0
Baltimore City	64,361,931	76,035,628	75,060,702	69,559,286	69,695,420	76,002,034	78,160,604	75,524,256	79,051,790	74,403,090
Baltimore	0	0	0	0	0	0	0	0	0	0
Calvert	0	0	0	0	0	0	0	0	0	0
Caroline	2,316,232	2,456,358	2,149,120	1,814,313	1,889,377	1,838,418	1,912,848	2,253,325	2,131,782	2,131,782
Carroll	0	0	0	0	0	0	0	0	0	0
Cecil	0	0	0	0	0	0	0	0	0	0
Charles	0	0	0	0	0	0	0	0	0	0
Dorchester	1,928,463	1,854,882	2,344,457	1,890,562	2,032,786	1,493,893	2,088,839	2,130,708	2,022,690	2,022,690
Frederick	0	0	0	0	0	0	0	0	0	0
Garrett	2,999,791	3,010,417	4,589,226	2,716,755	2,039,677	2,307,278	2,089,259	2,012,030	2,131,271	2,055,963
Harford	0	0	0	0	0	0	0	0	0	0
Howard	0	0	0	0	0	0	0	0	0	0
Kent	0	0	0	0	0	0	0	0	0	0
Montgomery	0	0	0	0	0	0	0	0	0	0
Prince George's	6,879,315	14,753,100	6,792,727	5,509,803	9,762,389	15,962,593	19,110,236	21,714,314	21,694,767	3,417,103
Queen Anne's	0	0	0	0	0	0	0	0	0	0
St. Mary's	0	0	0	0	0	0	0	0	0	0
Somerset	3,754,928	4,288,581	4,347,556	3,752,653	3,732,513	4,500,748	4,450,729	4,370,509	4,908,167	4,822,418
Talbot	0	0	0	0	0	0	0	0	0	0
Washington	676,132	1,987,118	213,559	0	0	0	0	0	0	0
Wicomico	1,108,345	3,203,426	2,828,900	1,957,309	1,325,931	0	0	741,624	2,197,041	2,197,041
Worcester	0	0	0	0	0	0	0	0	0	0
Total	\$89,289,557	\$115,179,884	\$105,831,420	\$93,102,399	\$96,578,133	\$109,450,399	\$114,783,852	\$115,489,636	\$121,436,013	\$97,081,836

Source: Department of Legislative Services

Fiscal Summary
Payments to Civil Divisions of the State

<u>Program/Unit</u>	<u>FY09 Actual</u>	<u>FY10 Wrk Approp</u>	<u>FY11 Allowance</u>	<u>Change</u>	<u>FY10 - FY11 % Change</u>
01 Miscellaneous Grants	\$ 3,075,000	\$ 2,575,000	\$ 2,575,000	\$ 0	0%
01 Disparity Grants	115,489,636	121,436,013	97,081,836	-24,354,177	-20.1%
01 Retirement Contribution-Certain Local Employees	2,194,900	0	469,497	469,497	0%
Total Expenditures	\$ 120,759,536	\$ 124,011,013	\$ 100,126,333	-\$ 23,884,680	-19.3%
General Fund	\$ 120,759,536	\$ 124,011,013	\$ 100,126,333	-\$ 23,884,680	-19.3%
Total Appropriations	\$ 120,759,536	\$ 124,011,013	\$ 100,126,333	-\$ 23,884,680	-19.3%

Note: The fiscal 2010 appropriation does not include deficiencies.