

State Aid to Local Governments

Overview

State aid to local governments will total \$8.5 billion in fiscal 2021, representing a \$310.5 million, or 3.8%, increase over fiscal 2020. Direct aid will increase by \$329.0 million, and State funding for retirement payments will decrease by \$18.5 million. As in prior years, local school systems will receive the largest increase in State funding. **Exhibit A-3.1** compares State aid by governmental entity in fiscal 2020 and 2021.

Exhibit A-3.1
State Aid to Local Governments
Fiscal 2020-2021
(\$ in Millions)

| | <u>2020</u> | <u>2021</u> | <u>Difference</u> | <u>% Difference</u> |
|------------------------------|------------------|------------------|-------------------|---------------------|
| Public Schools | \$6,236.1 | \$6,466.4 | \$230.3 | 3.7% |
| Libraries | 62.3 | 63.6 | 1.3 | 2.1% |
| Community Colleges | 285.0 | 321.8 | 36.8 | 12.9% |
| Local Health | 59.1 | 60.0 | 0.9 | 1.6% |
| County/Municipal | 709.9 | 769.6 | 59.6 | 8.4% |
| Subtotal – Direct Aid | \$7,352.5 | \$7,681.5 | \$329.0 | 4.5% |
| Retirement Payments | \$834.4 | \$815.9 | -\$18.5 | -2.2% |
| Total | \$8,186.9 | \$8,497.4 | \$310.5 | 3.8% |

Source: Department of Legislative Services

House Bill 1300 (passed), the Blueprint for Maryland’s Future – Implementation, substantially alters State aid and State policy for public schools. Policy and accountability recommendations of the Commission on Innovation and Excellence in Education are established in law. Funding for existing education formulas is altered and new funding formulas are established. Other grants and programs are also established, repealed, and altered. Local government school funding requirements are also altered. For further discussion, see Part L – Education of this *2020 Session Major Issues Review*.

Changes by Program

State aid for Baltimore City and all counties increases in fiscal 2021. **Exhibit A-3.2** summarizes the distribution of direct aid by governmental unit and shows the estimated State retirement payments for local government employees. **Exhibit A-3.3** shows total State aid in fiscal 2020 and 2021 by program. A more detailed discussion of the changes in State aid in fiscal 2021 follows the exhibits.

Exhibit A-3.2
State Aid to Local Governments
Fiscal 2021 Legislative Appropriation
(\$ in Thousands)

| County | County – Municipal | Community Colleges | <i>Direct State Aid</i> | | | | Subtotal | Retirement | Total | Change Over FY 2020 | Percent Change |
|-----------------|-----------------------|-----------------------|-------------------------|-----------------|-----------------|--------------------|------------------|--------------------|------------------|------------------------|-------------------|
| | | | Public Schools | Libraries | Health | | | | | | |
| Allegany | \$16,596 | \$7,628 | \$88,244 | \$859 | \$2,024 | \$115,351 | \$8,417 | \$123,768 | \$1,668 | 1.4% | |
| Anne Arundel | 47,012 | 36,294 | 413,693 | 2,516 | 4,792 | 504,306 | 69,621 | 573,927 | 21,206 | 3.8% | |
| Baltimore City | 297,842 | 0 | 910,178 | 9,549 | 8,747 | 1,226,316 | 63,039 | 1,289,355 | 3,881 | 0.3% | |
| Baltimore | 27,130 | 52,400 | 753,241 | 6,541 | 5,770 | 845,083 | 102,059 | 947,142 | 36,020 | 4.0% | |
| Calvert | 5,612 | 3,083 | 92,218 | 546 | 862 | 102,320 | 14,262 | 116,582 | 1,322 | 1.1% | |
| Caroline | 6,365 | 2,022 | 63,484 | 345 | 1,001 | 73,218 | 4,922 | 78,140 | 2,151 | 2.8% | |
| Carroll | 6,955 | 10,153 | 142,138 | 1,107 | 2,265 | 162,617 | 21,628 | 184,245 | 3,657 | 2.0% | |
| Cecil | 10,154 | 7,370 | 112,343 | 890 | 1,591 | 132,347 | 14,240 | 146,587 | 1,603 | 1.1% | |
| Charles | 4,811 | 10,105 | 201,601 | 1,211 | 2,001 | 219,728 | 23,039 | 242,767 | 3,323 | 1.4% | |
| Dorchester | 7,209 | 1,383 | 49,571 | 317 | 957 | 59,437 | 3,963 | 63,400 | 2,286 | 3.7% | |
| Frederick | 10,897 | 14,012 | 278,251 | 1,623 | 2,663 | 307,446 | 35,791 | 343,237 | 13,233 | 4.0% | |
| Garrett | 6,581 | 4,498 | 23,564 | 176 | 975 | 35,793 | 3,417 | 39,210 | 1,005 | 2.6% | |
| Harford | 8,575 | 14,801 | 232,898 | 1,820 | 3,005 | 261,098 | 31,083 | 292,182 | 8,254 | 2.9% | |
| Howard | 8,874 | 25,028 | 292,353 | 1,062 | 2,268 | 329,585 | 62,449 | 392,033 | 12,076 | 3.2% | |
| Kent | 1,435 | 562 | 10,279 | 111 | 936 | 13,324 | 1,836 | 15,160 | 30 | 0.2% | |
| Montgomery | 33,490 | 56,452 | 802,044 | 3,459 | 4,223 | 899,667 | 170,961 | 1,070,628 | 38,227 | 3.7% | |
| Prince George's | 111,091 | 39,288 | 1,269,872 | 7,641 | 6,819 | 1,434,712 | 119,406 | 1,554,118 | 58,255 | 3.9% | |
| Queen Anne's | 2,365 | 2,377 | 37,853 | 206 | 835 | 43,635 | 6,368 | 50,003 | 1,204 | 2.5% | |
| St. Mary's | 3,521 | 3,577 | 115,950 | 841 | 1,316 | 125,206 | 13,892 | 139,098 | 1,496 | 1.1% | |
| Somerset | 8,390 | 1,193 | 36,317 | 321 | 886 | 47,106 | 2,995 | 50,101 | 1,714 | 3.5% | |
| Talbot | 2,973 | 2,154 | 16,415 | 121 | 668 | 22,331 | 3,928 | 26,259 | 1,485 | 6.0% | |
| Washington | 14,184 | 11,668 | 198,105 | 1,460 | 2,508 | 227,924 | 18,241 | 246,165 | 11,610 | 4.9% | |
| Wicomico | 18,114 | 6,676 | 165,490 | 1,166 | 1,820 | 193,267 | 12,958 | 206,225 | 6,504 | 3.3% | |
| Worcester | 8,355 | 2,609 | 21,299 | 170 | 1,115 | 33,547 | 7,396 | 40,944 | 581 | 1.4% | |
| Unallocated | 101,029 | 6,506 | 139,028 | 19,535 | 0 | 266,099 | 0 | 266,099 | 77,683 | 41.2% | |
| Total | \$769,559 | \$321,839 | \$6,466,428 | \$63,593 | \$60,044 | \$7,681,462 | \$815,913 | \$8,497,375 | \$310,475 | 3.8% | |

Note: County/Municipal includes the municipal share of police aid, highway user revenue, and fire aid.

Exhibit A-3.2 (Cont.)
State Aid to Local Governments
Fiscal 2020 Working Appropriation
(\$ in Thousands)

| County | <i>Direct State Aid</i> | | | | | | Retirement | Total |
|-----------------|-------------------------------|-------------------------------|---------------------------|------------------|-----------------|--------------------|-------------------|--------------------|
| | County – Municipal | Community Colleges | Public Schools | Libraries | Health | Subtotal | | |
| Allegany | \$16,615 | \$6,594 | \$87,303 | \$840 | \$1,997 | \$113,350 | \$8,750 | \$122,100 |
| Anne Arundel | 46,564 | 31,777 | 396,775 | 2,432 | 4,714 | 482,262 | 70,459 | 552,721 |
| Baltimore City | 294,678 | 0 | 908,042 | 9,501 | 8,593 | 1,220,815 | 64,659 | 1,285,474 |
| Baltimore | 26,927 | 45,505 | 725,008 | 6,407 | 5,668 | 809,515 | 101,607 | 911,122 |
| Calvert | 5,809 | 2,809 | 90,655 | 515 | 851 | 100,638 | 14,621 | 115,260 |
| Caroline | 6,202 | 1,789 | 61,582 | 334 | 988 | 70,895 | 5,094 | 75,989 |
| Carroll | 6,814 | 9,158 | 139,256 | 1,069 | 2,234 | 158,531 | 22,056 | 180,587 |
| Cecil | 9,727 | 6,822 | 111,618 | 867 | 1,570 | 130,604 | 14,380 | 144,985 |
| Charles | 4,698 | 9,373 | 198,743 | 1,163 | 1,974 | 215,950 | 23,494 | 239,444 |
| Dorchester | 5,589 | 1,203 | 48,930 | 309 | 945 | 56,976 | 4,138 | 61,113 |
| Frederick | 10,497 | 12,352 | 267,090 | 1,563 | 2,625 | 294,128 | 35,876 | 330,004 |
| Garrett | 6,441 | 4,124 | 22,960 | 169 | 963 | 34,656 | 3,549 | 38,205 |
| Harford | 8,399 | 12,660 | 226,122 | 1,749 | 2,962 | 251,891 | 32,037 | 283,928 |
| Howard | 8,725 | 21,773 | 281,169 | 1,028 | 2,236 | 314,930 | 65,027 | 379,957 |
| Kent | 1,406 | 555 | 10,266 | 105 | 926 | 13,259 | 1,871 | 15,130 |
| Montgomery | 33,201 | 52,380 | 762,967 | 3,388 | 4,148 | 856,085 | 176,317 | 1,032,401 |
| Prince George's | 110,228 | 33,404 | 1,215,084 | 7,628 | 6,701 | 1,373,045 | 122,819 | 1,495,863 |
| Queen Anne's | 2,332 | 2,180 | 36,733 | 192 | 824 | 42,261 | 6,538 | 48,799 |
| St. Mary's | 3,431 | 3,315 | 114,348 | 807 | 1,296 | 123,197 | 14,405 | 137,602 |
| Somerset | 7,861 | 911 | 35,379 | 314 | 875 | 45,340 | 3,048 | 48,388 |
| Talbot | 2,928 | 1,825 | 15,410 | 119 | 659 | 20,940 | 3,833 | 24,773 |
| Washington | 8,405 | 9,838 | 193,513 | 1,417 | 2,474 | 215,647 | 18,908 | 234,555 |
| Wicomico | 16,352 | 5,905 | 161,135 | 1,132 | 1,796 | 186,320 | 13,401 | 199,722 |
| Worcester | 8,263 | 2,410 | 20,912 | 165 | 1,102 | 32,851 | 7,512 | 40,363 |
| Unallocated | 57,817 | 6,375 | 105,127 | 19,097 | 0 | 188,415 | 0 | 188,415 |
| Total | \$709,909 | \$285,038 | \$6,236,127 | \$62,308 | \$59,119 | \$7,352,500 | \$834,400 | \$8,186,900 |

Note: County/Municipal includes the municipal share of police aid, highway user revenue, and fire aid.

Exhibit A-3.2 (Cont.)
State Aid to Local Governments
Dollar Difference Between Fiscal 2021 Legislative Appropriation and Fiscal 2020 Working Appropriation
(\$ in Thousands)

| County | <i>Direct State Aid</i> | | | | | | Retirement | Total |
|-----------------|-------------------------------|-------------------------------|---------------------------|------------------|---------------|------------------|-------------------|------------------|
| | County – Municipal | Community Colleges | Public Schools | Libraries | Health | Subtotal | | |
| Allegany | -\$19 | \$1,034 | \$940 | \$19 | \$26 | \$2,001 | -\$332 | \$1,668 |
| Anne Arundel | 447 | 4,517 | 16,918 | 84 | 78 | 22,044 | -838 | 21,206 |
| Baltimore City | 3,164 | 0 | 2,136 | 48 | 154 | 5,502 | -1,620 | 3,881 |
| Baltimore | 204 | 6,896 | 28,233 | 134 | 101 | 35,568 | 452 | 36,020 |
| Calvert | -197 | 274 | 1,563 | 31 | 11 | 1,682 | -360 | 1,322 |
| Caroline | 164 | 233 | 1,902 | 10 | 14 | 2,323 | -172 | 2,151 |
| Carroll | 141 | 995 | 2,881 | 38 | 31 | 4,086 | -428 | 3,657 |
| Cecil | 426 | 548 | 725 | 23 | 21 | 1,743 | -140 | 1,603 |
| Charles | 113 | 732 | 2,858 | 48 | 27 | 3,778 | -455 | 3,323 |
| Dorchester | 1,620 | 180 | 641 | 9 | 12 | 2,461 | -175 | 2,286 |
| Frederick | 400 | 1,660 | 11,161 | 60 | 38 | 13,318 | -85 | 13,233 |
| Garrett | 140 | 374 | 604 | 7 | 12 | 1,136 | -131 | 1,005 |
| Harford | 176 | 2,141 | 6,776 | 72 | 43 | 9,207 | -954 | 8,254 |
| Howard | 149 | 3,255 | 11,184 | 34 | 32 | 14,655 | -2,579 | 12,076 |
| Kent | 29 | 7 | 13 | 6 | 10 | 65 | -35 | 30 |
| Montgomery | 289 | 4,071 | 39,077 | 71 | 74 | 43,583 | -5,356 | 38,227 |
| Prince George's | 862 | 5,884 | 54,788 | 13 | 118 | 61,667 | -3,412 | 58,255 |
| Queen Anne's | 32 | 197 | 1,120 | 14 | 11 | 1,374 | -170 | 1,204 |
| St. Mary's | 91 | 262 | 1,602 | 34 | 20 | 2,009 | -513 | 1,496 |
| Somerset | 529 | 282 | 938 | 7 | 11 | 1,766 | -53 | 1,714 |
| Talbot | 45 | 329 | 1,005 | 3 | 9 | 1,391 | 94 | 1,485 |
| Washington | 5,779 | 1,830 | 4,592 | 43 | 34 | 12,277 | -667 | 11,610 |
| Wicomico | 1,762 | 771 | 4,355 | 34 | 24 | 6,947 | -443 | 6,504 |
| Worcester | 92 | 199 | 387 | 5 | 13 | 696 | -115 | 581 |
| Unallocated | 43,213 | 131 | 33,901 | 439 | 0 | 77,683 | 0 | 77,683 |
| Total | \$59,650 | \$36,801 | \$230,301 | \$1,286 | \$925 | \$328,962 | -\$18,487 | \$310,475 |

Note: County/Municipal includes the municipal share of police aid, highway user revenue, and fire aid.

Exhibit A-3.2 (Cont.)
State Aid to Local Governments
Percent Change: Fiscal 2021 Legislative Appropriation over Fiscal 2020 Working Appropriation

| County | <i>Direct State Aid</i> | | | | | | Retirement | Total |
|-----------------|-------------------------|-----------------------|-------------------|-------------|-------------|-------------|--------------|-------------|
| | County – Municipal | Community Colleges | Public Schools | Libraries | Health | Subtotal | | |
| Allegany | -0.1% | 15.7% | 1.1% | 2.3% | 1.3% | 1.8% | -3.8% | 1.4% |
| Anne Arundel | 1.0% | 14.2% | 4.3% | 3.5% | 1.7% | 4.6% | -1.2% | 3.8% |
| Baltimore City | 1.1% | n/a | 0.2% | 0.5% | 1.8% | 0.5% | -2.5% | 0.3% |
| Baltimore | 0.8% | 15.2% | 3.9% | 2.1% | 1.8% | 4.4% | 0.4% | 4.0% |
| Calvert | -3.4% | 9.8% | 1.7% | 6.0% | 1.3% | 1.7% | -2.5% | 1.1% |
| Caroline | 2.6% | 13.0% | 3.1% | 3.0% | 1.4% | 3.3% | -3.4% | 2.8% |
| Carroll | 2.1% | 10.9% | 2.1% | 3.5% | 1.4% | 2.6% | -1.9% | 2.0% |
| Cecil | 4.4% | 8.0% | 0.6% | 2.6% | 1.3% | 1.3% | -1.0% | 1.1% |
| Charles | 2.4% | 7.8% | 1.4% | 4.1% | 1.4% | 1.7% | -1.9% | 1.4% |
| Dorchester | 29.0% | 15.0% | 1.3% | 2.8% | 1.2% | 4.3% | -4.2% | 3.7% |
| Frederick | 3.8% | 13.4% | 4.2% | 3.8% | 1.4% | 4.5% | -0.2% | 4.0% |
| Garrett | 2.2% | 9.1% | 2.6% | 4.4% | 1.2% | 3.3% | -3.7% | 2.6% |
| Harford | 2.1% | 16.9% | 3.0% | 4.1% | 1.5% | 3.7% | -3.0% | 2.9% |
| Howard | 1.7% | 14.9% | 4.0% | 3.4% | 1.4% | 4.7% | -4.0% | 3.2% |
| Kent | 2.0% | 1.3% | 0.1% | 5.9% | 1.1% | 0.5% | -1.9% | 0.2% |
| Montgomery | 0.9% | 7.8% | 5.1% | 2.1% | 1.8% | 5.1% | -3.0% | 3.7% |
| Prince George's | 0.8% | 17.6% | 4.5% | 0.2% | 1.8% | 4.5% | -2.8% | 3.9% |
| Queen Anne's | 1.4% | 9.0% | 3.0% | 7.3% | 1.3% | 3.3% | -2.6% | 2.5% |
| St. Mary's | 2.6% | 7.9% | 1.4% | 4.3% | 1.5% | 1.6% | -3.6% | 1.1% |
| Somerset | 6.7% | 30.9% | 2.7% | 2.3% | 1.2% | 3.9% | -1.7% | 3.5% |
| Talbot | 1.5% | 18.0% | 6.5% | 2.3% | 1.4% | 6.6% | 2.5% | 6.0% |
| Washington | 68.8% | 18.6% | 2.4% | 3.0% | 1.4% | 5.7% | -3.5% | 4.9% |
| Wicomico | 10.8% | 13.1% | 2.7% | 3.0% | 1.4% | 3.7% | -3.3% | 3.3% |
| Worcester | 1.1% | 8.3% | 1.8% | 3.0% | 1.2% | 2.1% | -1.5% | 1.4% |
| Unallocated | 74.7% | 2.1% | 32.2% | 2.3% | n/a | 41.2% | -100.0% | 41.2% |
| Total | 8.4% | 12.9% | 3.7% | 2.1% | 1.6% | 4.5% | -2.2% | 3.8% |

Note: County/Municipal includes the municipal share of police aid, highway user revenue, and fire aid.

Exhibit A-3.3
Total State Aid to Local Governments
Fiscal 2020-2021

| <u>Program</u> | <u>2020</u> | <u>2021</u> | <u>Difference</u> |
|--|------------------------|------------------------|----------------------|
| Foundation Aid | \$3,140,366,550 | \$3,218,368,959 | \$78,002,409 |
| Supplemental Program | 46,620,083 | 46,620,083 | 0 |
| Geographic Cost of Education Index | 145,450,405 | 149,532,468 | 4,082,063 |
| Net Taxable Income Education Grant | 65,300,825 | 69,732,482 | 4,431,657 |
| Tax Increment Financing Education Grants | 1,036,180 | 1,312,728 | 276,548 |
| Foundation – Special Grants | 11,931,278 | 9,487,532 | -2,443,746 |
| Declining Enrollment Education Grants | 18,895,647 | 7,633,437 | -11,262,210 |
| Compensatory Education | 1,330,428,825 | 1,364,738,738 | 34,309,913 |
| Student Transportation – Regular | 275,737,654 | 282,192,610 | 6,454,956 |
| Student Transportation – Special Education | 27,307,000 | 27,994,000 | 687,000 |
| Special Education – Formula | 303,250,297 | 314,871,453 | 11,621,156 |
| Special Education – Nonpublic Placements | 123,470,000 | 123,899,400 | 429,400 |
| Special Education – Infants and Toddlers | 10,389,104 | 10,389,104 | 0 |
| Limited English Proficiency Grants | 311,079,529 | 348,240,587 | 37,161,058 |
| Guaranteed Tax Base | 43,684,957 | 41,232,314 | -2,452,643 |
| Prekindergarten Expansion Program | 26,644,000 | 72,202,350 | 45,558,350 |
| Prekindergarten Supplemental Grants | 21,131,425 | 0 | -21,131,425 |
| School Safety Grants | 16,630,295 | 10,600,000 | -6,030,295 |
| Kirwan – Concentration of Poverty | 48,522,435 | 65,194,246 | 16,671,811 |
| Kirwan – Mental Health Coordinators | 2,000,000 | 2,000,000 | 0 |
| Kirwan – Prekindergarten | 31,677,733 | 64,032,481 | 32,354,748 |
| Kirwan – Special Education | 65,468,589 | 65,468,589 | 0 |
| Kirwan – Teacher Salary Incentives | 75,000,001 | 75,000,001 | 0 |
| Kirwan – Transitional Supplemental Instruction | 23,000,000 | 23,000,000 | 0 |
| Food Service | 12,996,664 | 14,086,664 | 1,090,000 |
| SEED School | 10,715,642 | 10,844,230 | 128,588 |
| Judy Hoyer Centers | 10,575,000 | 10,575,000 | 0 |
| Teacher Development | 4,520,000 | 4,520,000 | 0 |
| Next Generation Scholars | 5,000,000 | 5,000,000 | 0 |
| Public School Opportunities | 3,000,000 | 3,000,000 | 0 |
| Out-of-county Foster Placements | 2,000,000 | 1,900,000 | -100,000 |
| Head Start | 3,000,000 | 3,000,000 | 0 |
| Other Education Aid | 19,296,727 | 19,758,503 | 461,776 |
| Total Primary and Secondary Education | \$6,236,126,845 | \$6,466,427,959 | \$230,301,114 |

| <u>Program</u> | <u>2020</u> | <u>2021</u> | <u>Difference</u> |
|---|----------------------|----------------------|---------------------|
| Library Formula | \$43,211,040 | \$44,058,137 | \$847,097 |
| Library Network | 19,096,631 | 19,535,167 | 438,536 |
| Total Libraries | \$62,307,671 | \$63,593,304 | \$1,285,633 |
| Community College Formula | \$249,720,042 | \$286,113,142 | \$36,393,100 |
| Optional Retirement | 17,000,000 | 17,000,000 | 0 |
| Grants for ESOL Programs | 5,223,910 | 4,918,896 | -305,014 |
| Small College Grants | 6,118,140 | 6,700,589 | 582,449 |
| Other Community College Aid | 6,975,430 | 7,106,162 | 130,732 |
| Total Community Colleges | \$285,037,522 | \$321,838,789 | \$36,801,267 |
| Highway User Revenue | \$255,931,515 | \$264,193,665 | \$8,262,150 |
| Elderly and Disabled Transportation Aid | 4,305,908 | 4,305,908 | 0 |
| Paratransit Grants | 1,508,450 | 1,508,450 | 0 |
| Total Transportation | \$261,745,873 | \$270,008,023 | \$8,262,150 |
| Police Aid | \$74,848,737 | \$74,518,472 | -\$330,265 |
| Fire and Rescue Aid | 15,000,000 | 15,000,000 | 0 |
| 9-1-1 Grants | 14,400,000 | 58,042,886 | 43,642,886 |
| Baltimore City Direct Police Grant | 9,180,113 | 9,180,113 | 0 |
| Baltimore City Technology Improvements | 4,600,000 | 0 | -4,600,000 |
| Safe Streets Program | 3,600,000 | 3,600,000 | 0 |
| State's Attorney Grants | 3,478,839 | 3,228,839 | -250,000 |
| Violent Crime Grants | 2,292,489 | 2,292,489 | 0 |
| Vehicle Theft Prevention | 1,886,020 | 1,886,020 | 0 |
| Drug Enforcement Grants | 1,214,610 | 1,214,610 | 0 |
| Maryland Criminal Intelligence Network | 5,789,746 | 5,789,746 | 0 |
| Police Recruitment and Retention | 3,000,000 | 3,000,000 | 0 |
| Rape Kit Testing Grant Fund | 3,500,000 | 0 | -3,500,000 |
| Other Public Safety Aid | 5,436,509 | 6,186,509 | 750,000 |
| Total Public Safety | \$148,227,063 | \$183,939,684 | \$35,712,621 |
| Wastewater Treatment – Nutrient Removal | \$7,000,000 | \$8,000,000 | 1,000,000 |
| Critical Area Grants | 175,500 | 175,500 | 0 |
| Total Recreation/Environment | \$7,175,500 | \$8,175,500 | \$1,000,000 |
| Local Health Formula | \$59,119,375 | \$60,043,926 | \$924,551 |
| Disparity Grant | \$146,172,853 | \$158,321,523 | \$12,148,670 |

| <u>Program</u> | <u>2020</u> | <u>2021</u> | <u>Difference</u> |
|---|------------------------|------------------------|----------------------|
| Gaming Impact Grants | \$93,745,698 | \$95,009,377 | 1,263,679 |
| Teachers Retirement Supplemental Grants | 27,658,661 | 27,658,661 | 0 |
| Adult Education | 8,011,986 | 8,011,986 | 0 |
| Statewide Voting Systems | 3,123,036 | 3,442,793 | 319,757 |
| Revenue Equity Program | 3,543,430 | 3,593,152 | 49,722 |
| Payments in Lieu of Taxes (PILOT) | 1,664,051 | 1,818,870 | 154,819 |
| PILOT – Park Service | 2,300,000 | 2,300,000 | 0 |
| PILOT – Forest Service | 144,708 | 144,708 | 0 |
| Instant Bingo | 2,631,588 | 2,370,000 | -261,588 |
| Behavioral Health Crisis Response | 3,000,000 | 4,000,000 | 1,000,000 |
| Senior Citizens Activities Center | 764,238 | 764,238 | 0 |
| Total Other Direct Aid | \$146,587,396 | \$149,113,785 | \$2,526,389 |
| Total Direct Aid | \$7,352,500,098 | \$7,681,462,493 | \$328,962,395 |
| Retirement – Teachers | \$767,888,790 | \$750,289,290 | -\$17,599,500 |
| Retirement – Libraries | 20,878,222 | 20,245,183 | -633,039 |
| Retirement – Community Colleges | 45,632,754 | 45,378,132 | -254,622 |
| Total Payments-in-behalf | \$834,399,766 | \$815,912,605 | -\$18,487,161 |
| Total State Aid | \$8,186,899,864 | \$8,497,375,098 | \$310,475,234 |

ESOL: English for Speakers of Other Languages

Kirwan: Commission on Innovation and Excellence in Education

SEED: School of Education Evaluation and Development

Primary and Secondary Education

Foundation Program: The foundation formula ensures a minimum funding level per pupil and requires local governments to provide a local match. The formula is calculated based on a per pupil amount and student enrollment. Less wealthy school systems, as measured by the assessable base and net taxable income (NTI), receive more aid per pupil than wealthier school systems. State aid under the foundation program will total \$3.2 billion in fiscal 2021, a \$78.0 million, or 2.5%, increase from the prior year. The increase is attributable to a statewide enrollment growth of 1.3% and a 1.2% inflationary increase in the per pupil foundation amount, from \$7,244 to \$7,331. The 1.2% increase in the per pupil foundation amount is equivalent to the increase in the Consumer Price Index (CPI) for all urban consumers (commonly known as CPI-U) for the Washington statistical area. Statute provides that the inflationary adjustment is the lesser of CPI-U or the Implicit Price Deflator for State and local government up to 5.0%. *House Bill 1300* specifies per pupil funding increases for fiscal 2022 through 2033.

In addition, \$46.6 million in supplemental grants will be provided to nine local school systems in fiscal 2021. The fiscal 2021 budget also includes a total of \$9.5 million in discretionary foundation funding, with most (\$7.7 million) of this additional funding allocated to Baltimore City.

Geographic Cost of Education Index (GCEI): GCEI is a mandated formula that accounts for the differences in the costs of educational resources among local school systems. Thirteen local school systems are eligible for GCEI funds in fiscal 2021, receiving a total increase of \$4.1 million, or 2.8% over the prior year. Fiscal 2021 funding totals \$149.5 million. Under [*House Bill 1300*](#), GCEI funding is repealed after fiscal 2023 and replaced by Comparable Wage Index funding in fiscal 2024.

NTI Grants: Pursuant to Chapter 4 of 2013, State education aid formulas that include a local wealth component must be calculated twice, once using an NTI amount for each county based on tax returns filed by September 1 and once using an NTI amount based on tax returns filed by November 1. Each local school system then receives the higher State aid amount resulting from the two calculations. Fiscal 2021 funding of NTI grants totals \$69.7 million, a \$4.4 million, or 6.8%, increase compared to fiscal 2020. NTI grants are repealed beginning in fiscal 2022, under [*House Bill 1300*](#).

Tax Increment Financing Grants: Chapter 258 of 2016 authorized grants in fiscal 2018 and 2019 for counties that establish a tax increment financing development district after May 1, 2016, and qualify for State disparity grant funding. If the amount of State education aid for the county calculated as reduced by the tax increment is greater than the amount of State aid calculated without excluding the tax increment, the difference is provided as a grant to the local school system. Chapter 387 of 2018 extended the grant for fiscal 2020 and beyond. Grants totaling \$1.3 million in fiscal 2021 benefit Baltimore City and Prince George’s County. Under [*House Bill 1300*](#), tax increment financing grants are repealed. However, specified tax increment wealth is subtracted within the definition of local wealth used for education funding formulas.

Declining Enrollment Grants: Chapters 6 and 607 of 2017 created grants in fiscal 2018 through 2020 for local school systems with declining enrollment. Chapter 771 of 2019 extended this program into fiscal 2021. A local school system is eligible for an enrollment-based supplemental grant if the county’s most recent prior three-year average full-time equivalent (FTE) enrollment is greater than the FTE enrollment in the previous school year. Nine local school systems qualify for this grant in fiscal 2021, totaling \$7.6 million. The majority of this funding (\$5.0 million) is for Baltimore City.

Guaranteed Tax Base: The Bridge to Excellence in Public Schools Act included an add-on grant for jurisdictions with less than 80% of statewide per pupil wealth that contributed more than the minimum required local share under the foundation program in the prior year. The grant is based on local support for education relative to local wealth. The grant cannot exceed 20% of the per pupil foundation amount. Eight local school systems will qualify for grants totaling \$41.2 million in fiscal 2021, a decrease of \$2.5 million from the prior year.

Compensatory Education Program: The compensatory education formula provides additional funding based on the number of students eligible for free and reduced-price meals (FRPM). The formula is calculated using the number of eligible students and 97% of the per pupil foundation amount. The State share of the formula cost is 50%. Funds are distributed to each local school system based on eligible enrollment in the school system and local wealth with the State paying no less than 40% of formula funding for each local school system. State aid under the compensatory education program will total \$1.4 billion in fiscal 2021. The \$34.3 million increase in fiscal 2021 is based on modest increases in both inflation and student counts. Currently, 42% of students statewide qualify for compensatory education funding. *House Bill 1300* alters per pupil funding beginning in fiscal 2022 and specifies future changes to the enrollment count for the program.

Concentration of Poverty School Grant Program: This program provides grants to public schools in which at least 80% of the students were eligible for FRPM. For both fiscal 2020 and 2021, the State must distribute a grant to each local school system equal to \$248,833 for each eligible school; that same amount must be distributed by the local school system to each eligible school. However, if the local school system has at least 40 eligible schools, the local school system may distribute the funds in accordance with a plan developed in consultation with eligible schools that ensures that each eligible school receives the required positions and services. Statewide grant totals are estimated at \$65.2 million in fiscal 2021, an increase of \$16.7 million over fiscal 2020. *House Bill 1300* alters the program and extends the program indefinitely.

Transitional Supplemental Instruction: This program provides additional academic support using evidence-based programs and strategies that meet the expectations of strong or moderate evidence as defined in the federal Every Student Succeeds Act. In fiscal 2020 and 2021, the State must distribute to local boards of education funds totaling \$23.0 million. Transitional supplemental instruction includes one-on-one and small-group tutoring with a certified teacher, a teaching assistant, or any other trained professional; cross-age peer tutoring; and screening, identifying, and addressing literacy deficits. Struggling learners are students who perform below grade level in English/language arts or reading in kindergarten through grade 3. The program is extended and enhanced under *House Bill 1300* through fiscal 2024, but funding phases downward in fiscal 2025 and 2026 and is repealed after fiscal 2026.

Special Education: State aid for special education recognizes the additional costs associated with providing programs for students with disabilities. Most special education students receive services in the public schools; however, if an appropriate program is not available in the public schools, students may be placed in a private school offering more specialized services. The State and local school systems share the costs of these nonpublic placements.

The special education formula is calculated based on 74% of the annual per pupil foundation amount and the number of special education students from the prior fiscal year. The State share of program cost is 50% statewide with a floor of 40% for each local school system. State formula funding for public special education programs will total \$314.9 million in fiscal 2021, an \$11.6 million, or 3.8%, increase over the prior year. Chapter 771 provides an

additional \$65.5 million for public school special education in fiscal 2021. *House Bill 1300* specifies per pupil formula funding through fiscal 2033.

Funding for nonpublic placements totals \$123.9 million in fiscal 2021, a \$0.4 million, or 0.3% increase. The costs for these students, who are placed in nonpublic day or residential facilities, are shared by the local school system and the State. The local school system contributes an amount equal to the local share of the basic cost of educating a child without disabilities plus two times the total basic cost. Any costs above this are split 70% State/30% local.

Infants and Toddlers Program: This program involves a statewide community-based interagency system of comprehensive early intervention services for eligible children until the beginning of the school year following a child's fourth birthday. State funding for infants and toddlers programs will total \$10.4 million in fiscal 2021, the same annual amount that has been provided since fiscal 2009. *House Bill 1300* increases annual funding through fiscal 2030. However, funding above the \$10.4 million level in fiscal 2021 is at the Governor's discretion.

Limited English Proficiency: The State provides grants based on non- and limited-English proficient (LEP) students using a definition consistent with federal guidelines. This formula provides additional funds based on the number of students for whom English is a second language. The formula is calculated based on eligible enrollment and 99% of the per pupil foundation amount. Like the compensatory formula, the State pays 50% of the formula costs statewide with a floor of 40% for each local school system. Fiscal 2021 funding totals \$348.2 million. The \$37.2 million increase represents an 11.9% increase over the fiscal 2020 level and is based on a 10.9% increase in the number of LEP students. *House Bill 1300* alters per pupil funding beginning in fiscal 2022.

Prekindergarten Funding: Under Chapter 361 of 2018, beginning in fiscal 2020, mandatory annual State funding for prekindergarten expansion grants increased to \$26.6 million. However, fiscal 2021 funding totaling \$72.2 million substantially exceeds this requirement. Also, prekindergarten supplemental grants for four-year-olds enrolled in full-day prekindergarten total \$64.0 million in fiscal 2021. Under *House Bill 1300*, prekindergarten supplemental grants are extended by one year through fiscal 2022. Beginning in fiscal 2023, a new publicly funded full-day prekindergarten program for voluntary full-day prekindergarten for four-year-olds and three-year-olds from low-income families is phased-in. The prekindergarten expansion grant program is modified and funds appropriated to the Prekindergarten Expansion Fund are consolidated into the new full-day prekindergarten formula after fiscal 2025.

Judy Hoyer and Ulysses Currie Head Start Programs: These programs provide financial support for the establishment of centers that provide full-day, comprehensive, early education programs and family support services that will assist in preparing children to enter school ready to learn. The programs also provide funding to support early childhood educators and statewide implementation of an early childhood assessment system. Chapters 555 and 556 of 2018 require an annual State funding level of \$3.0 million for Head Start, which was named the Ulysses Currie Head Start Program by the legislation. The fiscal 2021 budget includes \$10.6 million for

Judy Hoyer programs and \$3.0 million for the Ulysses Currie Head Start program. **House Bill 1300** increases the number of Judy Centers and provides increased funding annually through fiscal 2030. However, funding above the \$10.6 million level in fiscal 2021 is at the Governor's discretion.

Teacher Development and Salary Incentives: State aid for teacher development totals \$4.5 million in fiscal 2021, level with fiscal 2020 funding. This includes \$96,000 for the Governor's Teacher Excellence Award Program, which distributes awards to teachers for outstanding performance and also includes \$600,000 for national certification fees. It also includes funds totaling \$3.8 million for Quality Teacher Incentives, which are used to recruit and retain quality teachers by providing stipends to teachers achieving National Board Certification.

Incentive grants of \$75.0 million are provided for increased teacher salaries in each of fiscal 2020 and 2021. The State must provide a grant to a local school system if the local board provides a negotiated and funded average salary increase for teachers of at least 3.0% in fiscal 2020. However, funding is dependent on local boards providing the required documentation.

Innovative Programs: Funding for Innovative Programs totals \$27.8 million in fiscal 2021, an increase of \$461,800 over the prior year. This increase is due to a \$100,000 increase for the Robotics program and a \$361,800 increase for the Pathways in Technology Early College High School program. Fiscal 2021 funding includes full funding (\$9.0 million) for three programs: the Learning in Extended Academic Programs grant program; the Maryland Early Literacy Initiative; and the Career and Technology Education Innovation grant program.

School-based Health Centers: The fiscal 2021 budget includes \$2.6 million for school-based health centers that provide primary medical care as well as social, mental health, and health education services for students and their families. This amount reflects virtually level funding since fiscal 2012. **House Bill 1300** increases State funding for school-based health centers to \$9.0 million annually beginning in fiscal 2021, however, funding above the \$2.6 million level in fiscal 2021 is at the Governor's discretion.

Healthy Families/Home Visits Program: The Healthy Families Program aims to promote positive parenting to enhance child health and development and to prevent child abuse and neglect through home visits prenatally through early childhood. Fiscal 2021 funding remains level at \$4.6 million.

Student Transportation: The State provides grants to assist local school systems with the cost of transporting students to and from school. The grants consist of three components: regular student ridership funds; special education student ridership funds; and additional enrollment funds. The fiscal 2021 budget includes \$282.2 million for regular transportation services and \$28.0 million for special transportation services. This represents a \$7.1 million, or 2.4%, increase from the prior year. This modest growth is due largely to a 1% increase in the inflation factor used in the funding formula.

School Safety Grants: The fiscal 2021 budget includes \$10.6 million in State funding for public school safety grants, \$6.0 million less than fiscal 2020 funding.

Food and Nutrition Services: In addition to federal funds, the State provides matching funds to support food and nutrition programs for low-income children. The programs provide free and reduced-price breakfasts, lunches, and snacks to public or private nonprofit school students. All public schools in the State are required to provide subsidized or free nutrition programs for eligible students. Chapter 560 of 2018 makes the State responsible for the student share of the costs of (1) reduced-price breakfasts provided under the federal School Breakfast Program and (2) reduced-price lunches provided under the National School Lunch Program by fiscal 2023 and phases in this responsibility beginning in fiscal 2020. Qualifying public and nonpublic schools are eligible for reimbursement. Chapter 562 of 2018 requires minimum annual funding of \$7.6 million for Maryland Meals for Achievement. The fiscal 2021 budget includes \$14.1 million in State aid for food and nutrition services, an increase of \$1.1 million.

Teachers' Retirement Payments: State retirement costs for public school teachers and other professional public school personnel will total an estimated \$750.3 million in fiscal 2021, a decrease of \$17.6 million (2.3%) compared to fiscal 2020 State funding.

Local Libraries

Library Aid Program: The State provides assistance to public libraries through a formula that determines the State and local shares of a minimum per capita library program. Overall, the State provides 40% of the minimum program, and the counties provide 60%. The State/local share of the minimum program varies by county depending on local wealth. Fiscal 2021 funding totals \$41.1 million, an \$847,100 increase compared to fiscal 2020. In addition, Baltimore City will receive \$3.0 million to support expanded operations throughout the library system. This annual support of \$3.0 million terminates after fiscal 2022.

State Library Network: The State provides funds to libraries designated as resource centers, including the State Library Resource Center in Baltimore City, and to regional resource centers, including the Eastern Resource Center in Salisbury, the Southern Resource Center in Charlotte Hall, and the Western Resource Center in Hagerstown. Participating regional resource centers must receive a minimum amount of funding for each resident of the area served to be used for operating and capital expenses. Fiscal 2021 State library network funding totals \$19.5 million, an increase of \$438,500 over fiscal 2020.

Retirement Payments: The State pays 100% of the retirement costs for local library employees. Fiscal 2021 funding totals \$20.2 million, a decrease of \$633,000 compared to fiscal 2020.

Community Colleges

Senator John A. Cade Formula Funding: The Cade funding formula aid is based on a percentage (25% in fiscal 2021) of the current year's State funding formula results for selected four-year public higher education institutions and the total number of FTE students at the community colleges. The total is then distributed to each community college based on the previous year's direct grant, enrollment, and a small-size factor. Fiscal 2021 funding totals \$286.1 million, an increase of \$36.4 million, or 14.6%, over fiscal 2020 funding.

Special Programs: State funding in fiscal 2021 will total \$6.7 million for small college grants and \$600,000 for Allegany/Garrett counties unrestricted grants. Funding for statewide and regional programs will total \$6.5 million. The English as a Second Language Program will receive \$4.9 million.

Retirement Payments: Fiscal 2021 funding totals \$45.4 million, a decrease of \$254,600 compared to fiscal 2020. However, State funding for the optional retirement program totaling \$17.0 million will remain level in fiscal 2021.

Local Health Departments

The State provides funds to support the delivery of public health services, including child health, communicable disease prevention, maternal health, family planning, environmental health, and administration of the departments. The funding formula is adjusted annually for inflation and statewide population growth for the second preceding fiscal year. The annual adjustment is generally allocated to each county based on its percentage share of State funds distributed in the previous fiscal year. The need to address a substantial change in community health needs as determined by the Secretary of Health may also affect allocations of the annual adjustment. The fiscal 2021 budget includes \$60.0 million for local health grants, which is a 1.6% increase over the fiscal 2020 amount.

County and Municipal Governments

Approximately 9.1% of State aid is allocated to county and municipal governments to finance general government, transportation, public safety, and recreation projects. County and municipal governments will receive \$769.6 million in fiscal 2021, an increase of \$59.6 million over fiscal 2020 funding. The major State aid programs assisting county and municipal governments include transportation aid, disparity grants, adult education, teacher retirement supplemental grants, police aid, and gaming impact aid.

Highway User Revenue: The State has shared various transportation revenues with the counties and municipalities through the local highway user revenue program. Allocations to counties and municipalities from the Gasoline and Motor Vehicle Revenue Account (GMVRA) have been based on the percentage of road miles and vehicle registrations within each local jurisdiction.

Chapters 330 and 331 of 2018 require 100% of the funds in the GMVRA of the Transportation Trust Fund (TTF) to be retained by the TTF beginning in fiscal 2020. Beginning in that same year, instead of directly sharing GMVRA revenue with local governments, the Maryland Department of Transportation must provide capital transportation grants to local governments based on the amount of revenue allocated to the GMVRA. For fiscal 2020 through 2024, capital grants equivalent to 13.5% of the revenue allocated to the GMVRA must be provided to local governments as follows: Baltimore City (8.3%); counties (3.2%); and municipalities (2.0%).

Beginning in fiscal 2025, capital grants equivalent to 9.6% of the revenue allocated to the GMVRA must be provided to local governments as follows: Baltimore City (7.7%); counties (1.5%); and municipalities (0.4%); this is equivalent to the previous GMVRA distribution to localities.

The fiscal 2021 allocation is based on projected TTF revenue from motor fuel taxes, motor vehicle titling taxes, motor vehicle registration fees, and corporate income taxes. Based on this formula, the fiscal 2021 budget includes a total of \$264.2 million for local highway funding, which is an \$8.3 million increase from fiscal 2020. Baltimore City will receive \$162.4 million, county governments will receive \$62.6 million, and municipal governments will receive \$39.1 million.

Special Transportation Grants: State funding for elderly/disabled transportation grants will total \$4.3 million in fiscal 2021, and State funding for paratransit grants will total \$1.5 million, both of which are the same amounts as were provided in fiscal 2020.

Police Aid Formula: Maryland's counties and municipalities receive grants for police protection through the police aid formula. The police aid formula allocates funds on a per capita basis, and jurisdictions with a higher population density receive greater per capita grants. Municipalities receive additional grants based on the number of sworn officers. The Maryland State Police recovers 30% of the State crime laboratory costs relating to evidence-testing services from each county's formula allocation. Funding for fiscal 2021 totals \$74.5 million, a decrease of 0.4% from fiscal 2020, resulting primarily from a decrease in the number of sworn officers in some municipalities.

Fire, Rescue, and Ambulance Service: The State provides formula grants through the Senator William H. Amoss Fire, Rescue, and Ambulance Fund to the counties, Baltimore City, and qualifying municipalities for local and volunteer fire, rescue, and ambulance services. The program supports the purchase of fire and rescue equipment and capital building improvements and is funded through the Maryland Emergency Medical System Operations Fund. Fiscal 2021 funding totals \$15.0 million, which is the same as the fiscal 2020 amount.

9-1-1 Emergency Systems Grants: The State 9-1-1 system is supported by a State and a local fee on telephone subscribers that is deposited into a trust fund that provides reimbursements to counties for improvements and enhancements to their 9-1-1 systems. Counties may only use the trust fund money to supplement their spending, not to supplant it. Chapters 301 and 302 of 2019

doubled the State 9-1-1 fee, allowed counties to double their 9-1-1 fees, and required the fee to be assessed on each phone line on a customer account as opposed to being assessed once per account. As a result, State funding to local 9-1-1 emergency systems will increase from \$14.4 million in fiscal 2020 to \$58.0 million in fiscal 2021.

Targeted Public Safety Grants: State funding for targeted public safety grants will total \$34.5 million in fiscal 2021, representing a \$7.6 million decrease from the prior year. Funding for fiscal 2021 includes \$15.5 million in targeted grants for Baltimore City and \$4.8 million in targeted grants for Prince George's County. This funding also includes \$14.3 million for several statewide initiatives (*i.e.*, the Maryland Criminal Intelligence Network, police recruitment and retention, Internet Crimes Against Children Task Force, S.T.O.P. gun violence grants, community program fund, day reporting centers, domestic violence grants, law enforcement and correctional officers training grants, sex offender and compliance enforcement, and body armor grants). New initiatives for fiscal 2021 include \$750,000 for pretrial services grants, which were previously funded at \$1.0 million in fiscal 2019 but not funded in fiscal 2020.

Vehicle Theft Prevention: This program provides grants to law enforcement agencies, prosecutors' offices, local governments, and community organizations for vehicle theft prevention, deterrence, and educational programs. Funds are used to enhance the prosecution and adjudication of vehicle theft crimes. Funding for the program is provided through the Vehicle Theft Prevention Fund and from inspection fees collected for salvaged vehicle verification. State funding for this program will total \$1.9 million in fiscal 2021, the same amount that was provided in fiscal 2020.

Wastewater Treatment – Nutrient Removal Program: The Maryland Department of the Environment provides grants to local governments to assist with operation and maintenance costs associated with enhanced nutrient removal at wastewater treatment facilities. The fiscal 2021 budget includes \$8.0 million in funding, which is a \$1.0 million increase over the fiscal 2020 amount.

Disparity 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. Specifically, disparity grants address the differences in the abilities of counties to raise revenues from the local income tax, which for most counties is one of the larger revenue sources.

Based on the statutory formula, Baltimore City and nine counties (Allegany, Caroline, Cecil, Dorchester, Garrett, Prince George's, Somerset, Washington, and Wicomico) qualify for disparity grants. Of these jurisdictions, seven currently impose the maximum 3.2% local income tax rate. Two of the jurisdictions (Dorchester and Washington) increased their local income tax rate this year as a way to receive additional State funding, with Caroline County increasing its income tax rate in the previous year. The fiscal 2021 budget includes \$158.3 million for disparity grants, a \$12.1 million increase from the prior year. Of this amount, \$7.6 million is due to the enhanced minimum grant amount for jurisdictions with a 3.2% local income tax rate.

House Bill 737 (passed) alters the enhanced State funding provided under the disparity grant program to jurisdictions with a local income tax rate of 3.2% by (1) increasing the minimum grant amount from 67.5% to 75% and (2) repealing the termination date for the enhanced funding. As a result, eligible jurisdictions will receive at least 75% of their formula allocation under the disparity grant program beginning in fiscal 2022.

Gaming Impact Grants: From the proceeds generated by video lottery terminals at video lottery facilities in the State, generally 5.5% is distributed to local governments in which a video lottery facility is operating. Of this amount, 18% is distributed for 20 years (starting in fiscal 2012 and ending in fiscal 2032) to Baltimore City through the Pimlico Community Development Authority and to Prince George’s County for the community surrounding Rosecroft (\$1.0 million annually). Beginning with fiscal 2015, \$500,000 of the 18% dedication is distributed to communities within three miles of Laurel Race Course, resulting in \$89,300 for Howard County, an additional \$357,100 for Anne Arundel County, and \$53,600 for the City of Laurel. In addition, 5% of table game revenues are distributed to local jurisdictions where a video lottery facility is located. Gaming impact grants total \$95.0 million in fiscal 2021, an increase of \$1.3 million or 1.3%, over fiscal 2020 levels.

Teacher Retirement Supplemental Grants: Grants totaling \$27.7 million are distributed annually to nine counties (including Baltimore City) to help offset the impact of sharing teachers’ retirement costs with the counties.

Revenue Equity Program: Chapter 692 of 2017 established a State Forest, State Park, and Wildlife Management Area Revenue Equity Program to make annual payments, beginning in fiscal 2019, to counties that have a certain amount of State forests, State parks, and wildlife management areas that are exempt from property tax. The payments replace payment in lieu of taxes (PILOT) in the affected counties. The fiscal 2021 budget includes total payments of \$3.6 million to Allegany, Dorchester, Garrett, and Somerset counties, which is an increase of \$49,700 over the fiscal 2020 amount.

Forest Service and Maryland Park Service – PILOT: Each county in which any State forest or park is located annually receives 15% of the net revenues derived from the forest or park located in that county, including concession operations. If the forest or park reserve comprises 10% or more of its total land area, the county annually receives 25% of the net revenues derived from the reserve. The original intent of the county payments was to offset the loss in property taxes to counties in which the State owned a significant amount of acreage. In both fiscal 2020 and 2021, Forest Service payments to local governments total \$144,700, and Maryland Park Service payments to local governments total \$2.3 million.

Senior Citizen Activities Center Operating Fund: The Senior Citizen Activities Center Operating Fund is a nonlapsing fund that consists of appropriations from the State budget. The fund supplements any other funding for senior citizen activities centers in the State budget; it may not be used to replace existing funding. Funding is distributed to counties based on a competitive grant process with at least 50% of the funds distributed based on need for senior citizen activities

centers in counties determined by the Maryland Department of Aging to meet criteria related to economic distress. The fiscal 2021 budget includes \$764,200 for the program, which is the same amount that was included for fiscal 2020.

Adult Education: The State provides funding for adult education services, including classes on basic skills in reading, writing, and math, or learning to speak and understand the English language. Grants also assist adults to prepare to earn a high school diploma through GED tests or the National External Diploma Program. The fiscal 2021 budget includes \$8.0 million for adult education programs in fiscal 2021, level with fiscal 2020 funding.

Behavioral Health Crisis Response: Chapters 209 and 210 of 2018 established the Behavioral Health Crisis Response Grant Program in the Maryland Department of Health to provide funds to local jurisdictions to establish and expand community behavioral health crisis response systems. The fiscal 2021 budget includes \$4.0 million for the fund, as required by Chapters 209 and 210, an increase of \$1.0 million over the fiscal 2020 amount.