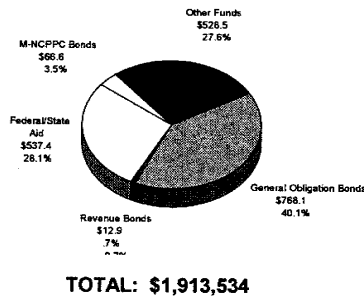


Revenues

The FY 2011-2016 Proposed Capital Improvement Program is supported by a multiplicity of revenue sources. General obligation bonds comprise the largest component at \$768.1 million or 40.1% of the total. Revenue bonds account for \$12.9 million or .7% of the total revenues. Maryland-National Capital Park and Planning Commission bonds support 3.5% of the total at \$66.6 million. Federal and State aid provides \$537.4 million, or 28.1% of the capital program. The remaining 27.6%, or \$528.5 million, is supported by PAYGO, stormwater management bonds, developer contributions and other funding sources. The FY 2011-2016 Proposed Capital Improvement Program is supported by revenues received in prior fiscal years and by new sources to be generated over the next six years.

FY 2011-2016 Capital Improvement Program Revenues (in millions)



MAJOR FUNDING SOURCES

1. General Obligation Bonds

The County government, pursuant to authority granted to it by the General Assembly, is authorized to undertake borrowing for any public purpose of the County, provided that the aggregate amount of indebtedness outstanding at any one time should not exceed 6% of the County's assessable base. The County Charter specifies that both a bond-enabling act and a bond authorization act must be passed prior to the issuance of County general obligation bonds (GOB). The Charter also states that the Council shall refer to a referendum of the voters of the County, at the ensuing regular congressional primary or general election, any act enabling the County to borrow money to finance capital projects. School construction bonds are exempt from this Charter requirement. The funds to repay the interest and principal on general obligation bonds come from the operating funds that are collected by the County. The County has adopted fiscal policies limiting the ratio of debt service payments to the total general fund operating budget, and the ratio of outstanding debt to the County's assessable base. These policies help to ensure the County's fiscal health by restricting the amount of bonds that the County will issue in any one year, or over a period of time.

2. Federal Aid

Direct Federal funding comprises 1.7% County's Capital Improvement Program. Transportation projects that involve Federal aid include mass transit, interstate highway intersections and bridges. Federal aid is also provided through the Community Development Block Grant (CDBG) program. CDBG funds support neighborhood improvements and facilities in areas of the County that have experienced building deterioration or economic disadvantage.

3. State Aid

The County uses State aid, in the form of grants or matching funds, in transportation projects, public schools, the community college, and criminal justice facilities. The rules and regulations pertaining to the receipt of State funds differ for each purpose toward which the State contributes. Some State contributions are one-time grants while others are formula-driven programs, which provide annual contributions to every jurisdiction in the State based on established criteria. Most require a matching contribution by the County government. The State contribution to County construction projects is in