

Decision Document

**House Appropriations Committee
Transportation and the Environment Subcommittee
2025 Session**

C90G00
Public Service Commission

<u>Amount Change</u>	<u>Position Change</u>	<u>Agency Response</u>	<u>Hearing Notes</u>	<u>House Decisions</u>	<u>Senate Decisions</u>
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1. Adopt the following narrative:

Concur.

Arrearage and Termination Data: Given the reduced energy assistance benefits provided by the Department of Human Services Office of Home Energy Programs, high energy prices, and prolonged cold weather in the 2024 to 2025 winter as well as the unavailability of this data currently on the Public Service Commission (PSC) website while the new portal is under development, the committees are interested in receiving data on residential utility terminations and arrearages by month. The committees request that PSC provide residential terminations and arrearages data separately by utility and month in two reports. The first report should cover data from June 2024 through May 2025 and be submitted by July 15, 2025, and the second report should cover data from June 2025 through November 2025 and be submitted by December 15, 2025.

Information Request	Author	Due Date
Monthly data on residential utility terminations and arrearages	PSC	July 15, 2025 December 15, 2025

C91H00
Office of People's Counsel

<u>Amount Change</u>	<u>Position Change</u>	<u>Agency Response Hearing Notes</u>	<u>House Decisions</u>	<u>Senate Decisions</u>
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1. Concur with Governor's allowance.

Concur.

CHESBAY*
Chesapeake Bay Overview

<u>Amount Change</u>	<u>Position Change</u>	<u>Agency Response Hearing Notes</u>	<u>House Decisions</u>	<u>Senate Decisions</u>
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1. Nonbudgeted.

Concur.

D13A13
Maryland Energy Administration

	<u>Amount Change</u>	<u>Position Change</u>	<u>Agency Response</u>	<u>Hearing Notes</u>	<u>House Decisions</u>	<u>Senate Decisions</u>
1. Reduce funds allocated for reclassification, which are double budgeted. The Maryland Energy Administration (MEA) indicates that funds within the reclassification subobject account for the conversion of the contractual positions that took place in fiscal 2024. However, this expense is also accounted within the regular earnings subobject in MEA.	-\$ 116,518 SF			No response. MEA did not address this reduction in their testimony.		
2. Adopt the following narrative:				Concur.		
<p>Strategic Energy Investment Fund (SEIF) Revenue, Spending, and Fund Balance: The committees are interested in ensuring transparency in Regional Greenhouse Gas Initiative (RGGI) revenue assumptions and spending included in the budget as well as available fund balance and planned usages of revenues. The committees request that the Department of Budget and Management (DBM) provide an annual report on the revenue from RGGI carbon dioxide emissions allowance auctions, set-aside allowances, and interest income in conjunction with the submission of the fiscal 2027 budget as an appendix to the Governor’s Fiscal 2027 Budget Books. The report shall include information on the actual fiscal 2025 budget, the fiscal 2026 working appropriation, and the fiscal 2027 allowance. The report shall detail:</p> <ul style="list-style-type: none"> ● revenue assumptions used to calculate the available SEIF from RGGI auctions for each fiscal year, including the number of auctions, the number of allowances sold, the allowance price in each auction, and the anticipated revenue from set-aside allowances; ● interest income received on the SEIF; ● amount of the SEIF from RGGI auction revenue available to each agency that receives funding through each required statutory allocation, dues owed to RGGI, Inc, and transfers or diversions made to other funds; and 						

D13A13
Maryland Energy Administration

<u>Amount Change</u>	<u>Position Change</u>	<u>Agency Response Hearing Notes</u>	<u>House Decisions</u>	<u>Senate Decisions</u>
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- fund balances for each SEIF subaccount, reflecting funds available to spend for the fiscal 2025 actual accounting for encumbered funds, the fiscal 2026 working appropriation, and the fiscal 2027 allowance.

Information Request	Author	Due Date
Report on revenue assumptions, fund balance, and usage of SEIF revenues sourced from RGGI program auctions	DBM	With submission of the Governor’s Fiscal 2027 Budget Books

3. Adopt the following narrative: Concur.

Federal Infrastructure Investment and Jobs Act (IIJA) and Inflation Reduction Act (IRA) Funding for Energy-related Purposes: The committees are interested in tracking federal funds available to the Maryland Energy Administration (MEA) from the IIJA and the IRA for energy-related purposes and the status of implementation of programming using these funds. The committees request that MEA submit a report that includes a list of all IIJA and IRA programs for which it has submitted or anticipates submitting an application, the amount of funding available from each program (if funding allocations have been announced), the status of each application submitted or date funding was awarded, and the planned uses for funding from each program.

Additionally, the committees request that MEA provide an update on the implementation of the two home energy rebate programs through IRA funding, the Home Energy Performance-Based, Whole-House Rebate Program and the High-Efficiency Electric Home Rebate Program. The report should include the status of approval of MEA’s application for funding by the U.S. Department of Energy; program design and implementation activities completed, including outreach to the contractor community, and, if initial rebate awards have been made at the time of report submission; the number of rebates awarded under both programs; the average amount per rebate; and the total amount of rebates awarded. If initial rebate awards

D13A13
Maryland Energy Administration

<u>Amount Change</u>	<u>Position Change</u>	<u>Agency Response Hearing Notes</u>	<u>House Decisions</u>	<u>Senate Decisions</u>
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have not yet been made at the time of report submission, the report should include an anticipated timeline of when rebates under both programs will be available to the public.

Information Request	Author	Due Date
Report on federal IJJA and IRA funding and implementation of home energy rebate programs	MEA	December 31, 2025

4. Adopt the following narrative: Concur.

Maryland Energy Administration (MEA) Funding in Detail: The committees request that MEA provide a report with details on the department’s funding with submission of the fiscal 2027 budget. The report should include information on the actual fiscal 2025 budget, the fiscal 2026 working appropriation, and the fiscal 2027 allowance. The report should detail for each budgetary program the programmatic activities by fund source within MEA.

Information Request	Author	Due Date
Report on MEA funding	MEA	With the submission of fiscal 2027 budget

D13A13
Maryland Energy Administration

<u>Amount Change</u>	<u>Position Change</u>	<u>Agency Response Hearing Notes</u>	<u>House Decisions</u>	<u>Senate Decisions</u>
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5. Adopt the following narrative:

Concur.

Usage of Strategic Energy Investment Fund (SEIF) Revenues Transferred to the Dedicated Purpose Account (DPA): The fiscal 2026 allowance reflects the transfer of \$180 million of SEIF fund balance to the DPA to be used for implementation of the State’s Climate Pollution Reduction Plan. The committees request that the Department of Budget and Management (DBM) and the Maryland Energy Administration (MEA) jointly submit a report outlining the sources, uses and planned uses of this funding. The committees also request MEA to submit a report outlining the uses and planned uses of the remainder of the \$90 million of SEIF fund balance transferred to the DPA in fiscal 2025.

Information Request	Author	Due Date
Report on the usage of SEIF revenues transferred to the DPA	DBM MEA	December 31, 2025

D40W01
Department of Planning

	<u>Amount Change</u>	<u>Position Change</u>	<u>Agency Response Hearing Notes</u>	<u>House Decisions</u>	<u>Senate Decisions</u>
1. In light of the State’s fiscal situation, reduce funding for the Maryland Historic Revitalization Tax Credit program’s competitive commercial credits. The fiscal 2026 allowance includes the mandated \$20 million for competitive commercial credits.	-\$ 2,000,000	GF	Disagree. The Maryland Department of Planning disagrees with the reduction overall, but if it moves forward, recommends taking the reduction from the small commercial component of the Historic Revitalization Tax Credit since past-year funds will be available for that program.		

D70J00
Maryland Automobile Insurance Fund

<u>Amount Change</u>	<u>Position Change</u>	<u>Agency Response</u>	<u>Hearing Notes</u>	<u>House Decisions</u>	<u>Senate Decisions</u>
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1. Adopt the following narrative:

Concur in part as Maryland Auto requests the due dates to be moved.

Quarterly Financial Statements for Insured and Uninsured Divisions: Annually, the Maryland Automobile Insurance Fund (Maryland Auto) provides end-of-year financial statements, including revenue, expenditure, and surplus figures for the closed-out, preceding year; estimates for the current year beginning at closeout; and projections for the immediate year ahead. Most revenue is derived from premiums in the Insured Division and a mandated appropriation of uninsured motorist fines under §17-106 of the Transportation Article for the Uninsured Division. However, both divisions derive revenue from investment dividends, which depend on investment portfolio decisions as well as stock market conditions. Comparisons of estimates to closeout and projections to end-of-year estimates suggest limited ability to forecast financial conditions for the full year. Given ongoing concerns about the financial stability of the agency and surplus levels in both divisions, the committees request quarterly updated financial statements for both divisions. The first report should cover data for the first two quarters of calendar 2025, and each subsequent report should cover the prior quarter.

Information Request	Author	Due Date
Quarterly financial statements for Insured Division and Uninsured Division	Maryland Auto	July 31, 2025 October 31, 2025 March 15, 2026 May 15, 2026

D80Z01
Maryland Insurance Administration

<u>Amount Change</u>	<u>Position Change</u>	<u>Agency Response Hearing Notes</u>	<u>House Decisions</u>	<u>Senate Decisions</u>
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1. Adopt the following narrative:

Concur.

Insurance Tracking System Project Status: After significant delays beginning in calendar 2020, active development of the Insurance Tracking System project is underway. The Maryland Insurance Administration (MIA) has begun Phase 1 of development in which there are four releases planned, with two releases anticipated to be completed as of January 2025. The fiscal 2026 allowance includes \$7.7 million for continued Insurance Tracking System project development. In order to continue monitoring this project and to be informed of any further delays or cost increases, the committees request that MIA submit initial and follow-up reports to update the committees, including:

- a summary of progress made on the project in the previous two quarters and projected tasks to be completed in the following two quarters, including a list of all identified project development benchmarks and target dates and actual completion dates for each major benchmark;
- actual project spending over the previous two quarters; and
- any updates to the estimated total project cost or anticipated project timeline.

Information Request	Author	Due Date
Insurance Tracking System Major Information Technology Development Project status	MIA	July 10, 2025 January 10, 2026

D90U00
Canal Place Preservation and Development Authority

Amount
Change

Position
Change

Agency Response Hearing Notes

House
Decisions

Senate
Decisions

1. Concur with Governor's allowance.

Concur.

F50
Department of Information Technology

	<u>Amount Change</u>	<u>Position Change</u>	<u>Agency Response</u>	<u>Hearing Notes</u>	<u>House Decisions</u>	<u>Senate Decisions</u>
1. Delete general funds for the State Board of Elections (SBE) Voter Registration and Election Administration Modernization Major Information Technology Development Project (MITDP). Considering recent delays in ongoing MITDPs managed by SBE, and to avoid having all major systems operated by SBE undergoing an MITDP at the same time, this project should be deferred. The deletion of special funds for this project is recommended in D38I01 – SBE.	-\$ 602,614 GF			Disagree. The Department of Information Technology discussed this reduction with SBE and SBE disagrees with the recommendation.		
2. Reduce the general fund appropriation in the Information Technology Investment Fund for three Major Information Technology Development Projects (MITDP) to align the fiscal 2026 budgeted amount with the cashflows available for the projects. This action reduces the general fund appropriation for three MITDPs which include general fund reductions in the Maryland Department of Health (MDH) Statewide Electronic Health Records MITDP by \$2,525,251; MDH Licensing and Regulatory Management System MITDP by \$177,485; and MDH Office of Provider Engagement and Regulations Systems Integration and Modernization by \$278,015.	-\$ 2,981,015 GF			Concur.		
3. Adopt the following narrative:					Concur.	
<p>Criteria for Expedited Projects: Chapter 497 of 2024 created a new category of information technology (IT) projects called “expedited project”. The Act defines “expedited project” as an IT project that is not a Major Information Technology Development Project but receives funds from the Information Technology</p>						

F50
Department of Information Technology

<u>Amount Change</u>	<u>Position Change</u>	<u>Agency Response Hearing Notes</u>	<u>House Decisions</u>	<u>Senate Decisions</u>
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Investment Fund (ITIF) to support modernization projects. The committees are interested in better understanding the criteria that classifies an IT project as an expedited project and requests that the Department of Information Technology (DoIT) submit a report describing the criteria for an expedited project. The report should also list IT projects that DoIT categorizes as expedited projects and intends to fund through the ITIF.

Information Request	Author	Due Date
Report on classification of IT projects as expedited projects	DoIT	November 15, 2025

4. Add the following language to the general fund appropriation: Disagree.

, provided that since the Department of Information Technology (DoIT) has had four or more repeat audit findings in the most recent fiscal compliance audit issued by the Office of Legislative Audits (OLA), \$250,000 of this agency’s administrative appropriation may not be expended unless:

- (1) DoIT has taken corrective action with respect to all repeat audit findings on or before November 1, 2025; and
- (2) a report is submitted to the budget committees by OLA listing each repeat audit finding along with a determination that each repeat finding was corrected. The budget committees shall have 45 days from the receipt of the report to review and comment to allow for funds to be released prior to the end of fiscal 2026.

Explanation: The Joint Audit and Evaluation Committee (JAEC) has requested that budget bill language be added for each unit of State government that has four or more repeat audit findings in its most recent fiscal compliance audit. Each agency is to have a portion of its administrative budget withheld pending the adoption of corrective action by the agency and a determination by the Office of Legislative

F50
Department of Information Technology

<u>Amount</u> <u>Change</u>	<u>Position</u> <u>Change</u>	<u>Agency Response</u>	<u>Hearing Notes</u>	<u>House</u> <u>Decisions</u>	<u>Senate</u> <u>Decisions</u>
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Audits (OLA) that each finding was corrected. OLA shall submit a report to the budget committees on the status of repeat findings.

If OLA reports that an agency failed to completely resolve or make adequate progress toward resolving those repeat audit findings, JAEC requests that \$250,000 in general funds is withheld from each agency’s appropriation in the fiscal year following the OLA report until more satisfactory progress has been made toward resolution of those repeat findings.

Information Request	Author	Due Date
Status of corrective actions related to the most recent fiscal compliance audit	OLA	45 days before the release of funds

- | | | |
|---|----------------|---|
| 5. Reduce special funds to delete 2.0 long-term vacant positions within the Infrastructure program. | -\$ 210,608 SF | Disagree. These positions are in the process of being reclassified to support centralizing statewide platforms. |
| 6. Delete general funds in the Radio Program as a technical correction. The Radio program operates the State’s 700 megahertz radio system and is funded through the telecommunication fee charges to its users which are funded in the Department of Information Technology as reimbursable funds. This action deletes the incorrect allocation of general funds as a technical correction. | -\$ 50,081 GF | Concur. |

F50
Department of Information Technology

	<u>Amount Change</u>	<u>Position Change</u>	<u>Agency Response</u>	<u>Hearing Notes</u>	<u>House Decisions</u>	<u>Senate Decisions</u>
7. Reduce the fiscal 2025 proposed deficiency appropriation for the State Board of Elections (SBE) New Campaign Reporting Information System (NCRIS) Major Information Technology Development Project (MITDP). This reduction aligns the proposed deficiency appropriation with SBE's estimated requirement to support NCRIS MITDP in fiscal 2025.	-\$ 193,000	GF		Concur.		
8. Add the following section: <u>SECTION XX. AND BE IT FURTHER ENACTED, That for fiscal 2026 the statewide 700 megahertz (MHz) radio system operating cost allocation shall be reduced by \$1,677,680 in Executive Branch agencies. Funding for this purpose shall be reduced in Comptroller Object 0305 (700 MHz Radio System Operating Cost) within programs in the Executive Branch agencies in §1 of this Act in fiscal 2026 by \$1,021,650 in general funds, \$654,150 in special funds, and \$1,880 in federal funds in accordance with a schedule determined by the Governor.</u>					Disagree.	

Phase 5 of the radio system buildout is coming out of its two-year warranty and being included under the maintenance contract which resulted in an increase of the maintenance cost.

Explanation: This language reduces funding for the operating cost of the statewide 700 megahertz radio system to better align with recent actual expenditures.

J00*
Maryland Department of Transportation Overview

<u>Amount Change</u>	<u>Position Change</u>	<u>Agency Response</u>	<u>Hearing Notes</u>	<u>House Decisions</u>	<u>Senate Decisions</u>
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1. Add the following language:

Concur.

Provided that it is the intent of the General Assembly that projects and funding levels appropriated for capital projects, as well as total estimated project costs within the Consolidated Transportation Program, shall be expended in accordance with the plan approved during the legislative session. The department shall prepare a report to notify the budget committees of the proposed changes in the event that the department modifies the program to:

- (1) add a new project to the construction program or development and evaluation program meeting the definition of a “major project” under §2-103.1 of the Transportation Article that was not previously contained within a plan reviewed in a prior year by the General Assembly and will result in the need to expend funds in the current budget year; or
- (2) change the scope of a project in the construction program or development and evaluation program meeting the definition of a “major project” under §2-103.1 of the Transportation Article that will result in an increase of more than 10% or \$1,000,000, whichever is greater, in the total project costs as reviewed by the General Assembly during a prior session.

For each change, the report shall identify the project title, justification for adding the new project or modifying the scope of the existing project, current year funding levels, and the total project cost as approved by the General Assembly during the prior session compared with the proposed current year funding and total project cost estimate resulting from the project addition or change in scope.

Further provided that notification of project additions, as outlined in paragraph (1) above; changes in the scope of a project, as outlined in paragraph (2) above; or moving projects from the development and evaluation program to the construction program shall be made to the General Assembly 45 days prior to the expenditure of funds or the submission of any contract for approval to the Board of Public Works.

J00*
Maryland Department of Transportation Overview

<u>Amount Change</u>	<u>Position Change</u>	<u>Agency Response Hearing Notes</u>	<u>House Decisions</u>	<u>Senate Decisions</u>
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Explanation: This annual budget bill language requires the department to notify the budget committees of proposed changes to the transportation capital program that will add a new project that was not in the fiscal 2025 to 2030 Consolidated Transportation Program (CTP) or will increase a total project’s cost by more than 10%, or \$1 million, due to a change in scope. Reports are to be submitted with the draft and final versions of the CTP with each using the 2025 session CTP as the basis for comparison. In addition, notification is required as needed throughout the budget year if certain changes to projects are made.

Information Request	Author	Due Date
Capital budget changes from one CTP version to the next	Maryland Department of Transportation (MDOT)	With draft CTP With final CTP
Capital budget changes throughout the year	MDOT	45 days prior to the expenditure of funds or seeking Board of Public Works approval

J00A01
MDOT – The Secretary’s Office

	<u>Amount Change</u>	<u>Position Change</u>	<u>Agency Response</u>	<u>Hearing Notes</u>	<u>House Decisions</u>	<u>Senate Decisions</u>
1. Delete funding for a new administrator V position. The Secretary’s Office had 40 vacant positions as of January 1, 2025, and should reclassify a vacant position instead of adding a new one.	-\$ 132,760 SF	-1.00	Disagree.			

2. Add the following language to the special fund appropriation: Concur.

, provided that no more than \$6,951,128 of this appropriation may be expended for operating grants-in-aid, except for:

(1) any additional special funds necessary to match unanticipated federal fund attainments; or

(2) any proposed increase either to provide funds for a new grantee or to increase funds for an existing grantee.

Further provided that no expenditures in excess of \$6,951,128 may occur unless the department provides notification to the budget committees to justify the need for additional expenditures due to either item (1) or (2) above, and the committees provide review and comment or 45 days elapse from the date such notification is provided to the committees.

Explanation: This annual language caps the level of special funds provided for operating grants-in-aid. The cap may be increased to match unanticipated federal dollars or to provide new or expanded grant funding upon notification to the budget committees.

Information Request	Author	Due Date
Explanation of need for additional special funds for operating grants-in-aid	Maryland Department of Transportation	45 days prior to expenditure

J00A0103
MDOT – Secretary’s Office – PAYGO Capital

<u>Amount Change</u>	<u>Position Change</u>	<u>Agency Response Hearing Notes</u>	<u>House Decisions</u>	<u>Senate Decisions</u>
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1. Add the following language to the special fund appropriation: Concur.

, provided that no funds may be expended by the Secretary’s Office for any capital project or grant with a total project cost in excess of \$500,000 that is not currently included in the fiscal 2025 to 2030 Consolidated Transportation Program, except as outlined below:

- (1) the Secretary shall notify the budget committees of any proposed capital project or grant with a total cost in excess of \$500,000, including the need and justification for the project and its total cost; and
- (2) the budget committees shall have 45 days to review and comment on the proposed capital project or grant.

Explanation: This language provides legislative oversight of capital projects and grants exceeding \$500,000 that are not listed in the current Consolidated Transportation Program (CTP).

Information Request	Author	Due Date
Notification of the intent to fund a capital project or grant exceeding \$500,000 that is not listed in the current CTP	Maryland Department of Transportation	45 days prior to expenditure

J00A0104
MDOT – WMATA – Operating Budget

<u>Amount</u> <u>Change</u>	<u>Position</u> <u>Change</u>	<u>Agency Response Hearing Notes</u>	<u>House</u> <u>Decisions</u>	<u>Senate</u> <u>Decisions</u>
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1. Concur with Governor's allowance.

Concur.

J00A0105
MDOT – WMATA – Capital Budget

<u>Amount Change</u>	<u>Position Change</u>	<u>Agency Response Hearing Notes</u>	<u>House Decisions</u>	<u>Senate Decisions</u>
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1. Concur with Governor's allowance.

Concur.

J00A04
MDOT – Debt Service Requirements

<u>Amount Change</u>	<u>Position Change</u>	<u>Agency Response</u>	<u>Hearing Notes</u>	<u>House Decisions</u>	<u>Senate Decisions</u>
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1. Add the following language:

Concur.

Consolidated Transportation Bonds may be issued in any amount, provided that the aggregate outstanding and unpaid balance of these bonds and bonds of prior issues may not exceed \$2,863,795,000 as of June 30, 2026. The total aggregate outstanding and unpaid principal balance of nontraditional debt, defined as any debt instrument that is not a Consolidated Transportation Bond or a Grant Anticipation Revenue Vehicle bond issued by the Maryland Department of Transportation (MDOT), exclusive of debt for the Purple Line Light Rail Project, may not exceed \$820,420,000 as of June 30, 2026. The total aggregate outstanding and unpaid principal balance on debt for the Purple Line may not exceed \$2,506,171,000 as of June 30, 2026. Provided, however, that in addition to the limits established under this provision, MDOT may increase the aggregate outstanding unpaid and principal balance of Consolidated Transportation Bond debt or nontraditional debt so long as:

- (1) MDOT provides notice to the Senate Budget and Taxation Committee and the House Appropriations Committee stating the specific reason for the additional issuance and providing specific information regarding the proposed issuance, including information specifying the total amount of Consolidated Transportation Bond debt or nontraditional debt that would be outstanding on June 30, 2026, and the total amount by which the fiscal 2026 debt service payment for all Consolidated Transportation Bond debt or nontraditional debt would increase following the additional issuance; and
- (2) the Senate Budget and Taxation Committee and the House Appropriations Committee have 45 days to review and comment on the proposed additional issuance before the publication of a preliminary official statement. The Senate Budget and Taxation Committee and the House Appropriations Committee may hold a public hearing to discuss the proposed increase and shall signal their intent to hold a hearing within 45 days of receiving notice from MDOT.

J00A04
MDOT – Debt Service Requirements

<u>Amount Change</u>	<u>Position Change</u>	<u>Agency Response Hearing Notes</u>	<u>House Decisions</u>	<u>Senate Decisions</u>
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Explanation: Section 3-202 of the Transportation Article requires the General Assembly to establish the maximum debt outstanding for Consolidated Transportation Bonds each year in the budget bill. The level is based on the outstanding debt as of June 30, 2024, plus projected debt to be issued during fiscal 2025 and 2026 in support of the transportation capital program. For nontraditional debt, this language limits the amount of debt outstanding at the end of fiscal 2026, exclusive of debt issued for the Purple Line Light Rail Transit project, to the total amount that was outstanding from all previous nontraditional debt issuances as of December 31, 2024, plus anticipated issuances of \$75 million for a new fare collection system for the Maryland Transit Administration. Debt outstanding for the Purple Line Project is capped at the projected maximum debt outstanding level that will occur during the construction phase of the Purple Line Project. The language allows the Maryland Department of Transportation (MDOT) to increase the amount of Consolidated Transportation Bond debt or nontraditional debt outstanding in fiscal 2026 by providing notification to the budget committees regarding the reason that the additional debt is required.

Information Request	Author	Due Date
Justification for increasing Consolidated Transportation Bond debt or nontraditional debt outstanding	MDOT	45 days prior to publication of a preliminary official statement

2. Add the following language: Concur.

The Maryland Department of Transportation (MDOT) shall submit with its annual September and January financial forecasts information on:

- (1) anticipated and actual nontraditional debt outstanding as of June 30 of each year; and
- (2) anticipated and actual debt service payments for each outstanding nontraditional debt issuance from fiscal 2025 through 2035.

J00A04
MDOT – Debt Service Requirements

<u>Amount Change</u>	<u>Position Change</u>	<u>Agency Response Hearing Notes</u>	<u>House Decisions</u>	<u>Senate Decisions</u>
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Nontraditional debt is defined as any debt instrument that is not a Consolidated Transportation Bond or a Grant Anticipation Revenue Vehicle bond; such debt includes, but is not limited to, Certificates of Participation; debt backed by customer facility charges, passenger facility charges or other revenues; and debt issued by the Maryland Economic Development Corporation or any other third party on behalf of MDOT.

Explanation: The General Assembly is interested in monitoring the use of nontraditional debt by the Maryland Department of Transportation (MDOT). The information provides the budget committees with additional information on the usage and annual costs of nontraditional debt.

Information Request	Author	Due Date
Nontraditional debt outstanding and anticipated debt service payments	MDOT	With the September forecast With the January forecast

J00B01
MDOT – State Highway Administration

	<u>Amount Change</u>	<u>Position Change</u>	<u>Agency Response Hearing Notes</u>	<u>House Decisions</u>	<u>Senate Decisions</u>
1. Delete funding for 8 new positions (PINs: J00B01089187; J00B01089190; J00B01089191; J00B01089192; J00B01089193; J00B01089194; J00B01089195; J00B01089196). The State Highway Administration had 210 vacant positions as of January 1, 2025, and should reclassify positions instead of adding new ones.	-\$ 853,894 SF	-8.00	Disagree.		

J00B0101

MDOT – State Highway Administration – PAYGO Capital

**Amount
Change**

**Position
Change**

Agency Response Hearing Notes

**House
Decisions**

**Senate
Decisions**

1. Concur with Governor's allowance.

Concur.

J00D00
MDOT – Maryland Port Administration

	<u>Amount Change</u>	<u>Position Change</u>	<u>Agency Response</u>	<u>Hearing Notes</u>	<u>House Decisions</u>	<u>Senate Decisions</u>
1. Delete funding for a new cybersecurity position (PIN J00D01889810). The Maryland Port Administration had 17 vacant positions as of January 1, 2025, and should reclassify 1 vacant position instead of adding a new position.	-\$ 143,348 SF	-1.00		Disagree.		
2. Adopt the following narrative:					Concur.	

Howard Street Tunnel Project Quarterly Reporting: The committees are interested in monitoring the progress being made on the Howard Street Tunnel project and request that the Maryland Port Administration (MPA) provide four quarterly reports on the status of the project, including percentage completion and any material changes to the project schedule or cost. The committees request that the first report be submitted by July 1, 2025, with subsequent reports submitted every three months thereafter.

Information Request	Author	Due Date
Status reports on the Howard Street Tunnel project	MPA	July 1, 2025 October 1, 2025 January 1, 2026 April 1, 2026

J00D0002

MDOT – Maryland Port Administration – PAYGO Capital

**Amount
Change**

**Position
Change**

Agency Response Hearing Notes

**House
Decisions**

**Senate
Decisions**

1. Concur with Governor's allowance.

Concur.

J00E00
MDOT – Motor Vehicle Administration

<u>Amount Change</u>	<u>Position Change</u>	<u>Agency Response Hearing Notes</u>	<u>House Decisions</u>	<u>Senate Decisions</u>
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1. Concur with Governor's allowance.

Concur.

J00E00.07

MDOT – Motor Vehicle Administration – PAYGO Capital

<u>Amount Change</u>	<u>Position Change</u>	<u>Agency Response Hearing Notes</u>	<u>House Decisions</u>	<u>Senate Decisions</u>
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1. Concur with Governor's allowance.

Concur.

J00H01
MDOT – Maryland Transit Administration

<u>Amount Change</u>	<u>Position Change</u>	<u>Agency Response Hearing Notes</u>	<u>House Decisions</u>	<u>Senate Decisions</u>
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1. Adopt the following narrative:

Concur.

Purple Line Project Status Reports: Given challenges and cost overruns associated with completing construction on the Purple Line light rail project, the committees request that the Maryland Transit Administration (MTA) submit six bimonthly construction status reports for the Purple Line to the committees. The status reports shall provide:

- the completion percentages for the project as a whole and for each major category of work;
- the running total amount expended for construction; and
- an explanation of any material change to the total construction cost estimate or construction schedule as set forth in the revised public-private partnership agreement as amended to add Maryland Transit Solutions as the replacement design-build contractor for the project.

Information Request	Author	Due Date
Reports on Purple Line construction progress	MTA	July 1, 2025, and bimonthly thereafter ending with the May 1, 2026 report

J00H0105

MDOT – Maryland Transit Admin – PAYGO Capital

**Amount
Change**

**Position
Change**

Agency Response Hearing Notes

**House
Decisions**

**Senate
Decisions**

1. Concur with Governor's allowance.

Concur.

J00I00

MDOT – Maryland Aviation Administration

	<u>Amount Change</u>	<u>Position Change</u>	<u>Agency Response Hearing Notes</u>	<u>House Decisions</u>	<u>Senate Decisions</u>
1. Delete funding for a new information technology tech support position (PIN J00I00089224). The Maryland Aviation Administration had 36 vacant positions as of January 1, 2025, and should reclassify a vacant position instead of adding a new position.	-\$ 122,476 SF	-1.00	Disagree.		

J00I0003

MDOT – Maryland Aviation Administration – PAYGO Capital

	<u>Amount Change</u>	<u>Position Change</u>	<u>Agency Response Hearing Notes</u>	<u>House Decisions</u>	<u>Senate Decisions</u>
1. Concur with Governor's allowance.			Concur.		

J00J00

Maryland Transportation Authority

**Amount
Change**

**Position
Change**

Agency Response Hearing Notes

**House
Decisions**

**Senate
Decisions**

1. Nonbudgeted.

Concur.

J00J0042

Maryland Transportation Authority – PAYGO Capital

<u>Amount Change</u>	<u>Position Change</u>	<u>Agency Response Hearing Notes</u>	<u>House Decisions</u>	<u>Senate Decisions</u>
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1. Nonbudgeted.

Concur.

K00A
Department of Natural Resources

<u>Amount Change</u>	<u>Position Change</u>	<u>Agency Response Hearing Notes</u>	<u>House Decisions</u>	<u>Senate Decisions</u>
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1. Adopt the following narrative:

Concur.

Summary of Chesapeake Bay Restoration Spending: The committees request that the Department of Budget and Management (DBM), the Department of Natural Resources (DNR), and the Maryland Department of the Environment (MDE) provide a report on Chesapeake Bay restoration spending. The report shall be drafted subject to the concurrence of the Department of Legislative Services (DLS) in terms of both electronic formats to be used and data to be included. The scope of the report is as follows: Chesapeake Bay restoration operating and capital expenditures by agency, fund type, and particular fund source based on programs that have over 50% of their activities directly related to Chesapeake Bay restoration for the fiscal 2025 actual, fiscal 2026 working appropriation, and fiscal 2027 allowance to be included as an appendix in the fiscal 2027 budget volumes and submitted electronically in disaggregated form to DLS.

Information Request	Author	Due Date
Summary of Chesapeake Bay restoration spending for programs that have over 50% of their activities directly related to Chesapeake Bay restoration	DBM DNR MDE	Fiscal 2027 budget submission

2. Adopt the following narrative:

Concur in part. The Administration requests that the scope of the requested report be scaled back from what historically has been requested.

Historical and Projected Chesapeake Bay Restoration Spending: The committees are interested in the status of Chesapeake Bay restoration. Therefore, the committees request that the Maryland Department of Planning (MDP), the Department of Natural Resources (DNR), the Maryland Department of Agriculture (MDA), the Maryland Department of the Environment (MDE), and the Department of Budget and Management (DBM) provide a report by December 1, 2025, on recent and projected Chesapeake Bay restoration spending and associated impacts and the overall framework to meet the calendar 2025 requirement of having all best

K00A
Department of Natural Resources

<u>Amount Change</u>	<u>Position Change</u>	<u>Agency Response</u>	<u>Hearing Notes</u>	<u>House Decisions</u>	<u>Senate Decisions</u>
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management practices (BMP) in place to meet water quality standards for restoring the Chesapeake Bay. The report is requested to include the following:

- fiscal 2025 annual spending by fund, fund source, program, and State government agency; associated nutrient and sediment reductions; and the impact on living resources and ambient water quality criteria for dissolved oxygen, water clarity, and “chlorophyll a” for the Chesapeake Bay and its tidal tributaries to be submitted electronically in disaggregated form to the Department of Legislative Services (DLS);
- projected fiscal 2026 to 2027 annual spending by fund, fund source, program, and State government agency; associated nutrient and sediment reductions; and the impact on living resources and ambient water quality criteria for dissolved oxygen, water clarity, and “chlorophyll a” for the Chesapeake Bay and its tidal tributaries to be submitted electronically in disaggregated form to DLS;
- an overall framework discussing the needed regulations, revenues, laws, and administrative actions and their impacts on individuals, organizations, governments, and businesses by year from fiscal 2025 to 2026 in order to reach the calendar 2025 requirement of having all BMPs in place to meet water quality standards for restoring the Chesapeake Bay, to be both written in narrative form and tabulated in spreadsheet form that is submitted electronically in disaggregated form to DLS;
- an analysis of the various options for financing Chesapeake Bay restoration, including public-private partnerships, a regional financing authority, nutrient trading, technological developments, and any other policy innovations that would improve the effectiveness of Maryland and other states’ efforts toward Chesapeake Bay restoration;

K00A
Department of Natural Resources

<u>Amount Change</u>	<u>Position Change</u>	<u>Agency Response</u>	<u>Hearing Notes</u>	<u>House Decisions</u>	<u>Senate Decisions</u>
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- an analysis on how cost effective the existing State funding sources, such as the Bay Restoration Fund, the Chesapeake and Atlantic Coastal Bays 2010 Trust Fund, the Water Quality Revolving Loan Fund, the Clean Water Commerce Account, and the Whole Watershed Fund among others are for Chesapeake Bay restoration purposes; and
- updated information on the Phase III Watershed Implementation Plan implementation and how the loads associated with the Conowingo Dam infill, growth of people and animals, and climate change will be addressed.

Information Request	Author	Due Date
Historical and projected Chesapeake Bay restoration spending	MDP DNR MDA MDE DBM	December 1, 2025

3. Adopt the following narrative:

Concur.

Chesapeake and Atlantic Coastal Bays 2010 Trust Fund Annual Work and Expenditure Plans: The committees are concerned that §8-2A-03(d) of the Natural Resources Article requires the Governor to submit the Chesapeake and Atlantic Coastal Bays 2010 Trust Fund annual work and expenditure plans to the General Assembly as part of the annual budget submission, but the Governor has not done so on a regular basis. Therefore, the committees request that the Department of Natural Resources (DNR) submit the Chesapeake and Atlantic Coastal Bays 2010 Trust Fund annual work and expenditure plans with the fiscal 2027 budget submission.

K00A
Department of Natural Resources

<u>Amount Change</u>	<u>Position Change</u>	<u>Agency Response Hearing Notes</u>	<u>House Decisions</u>	<u>Senate Decisions</u>
Information Request	Author	Due Date		
Chesapeake and Atlantic Coastal Bays 2010 Trust Fund annual work and expenditure plans	DNR	Fiscal 2027 budget submission		

L00A
Department of Agriculture

<u>Amount Change</u>	<u>Position Change</u>	<u>Agency Response</u>	<u>Hearing Notes</u>	<u>House Decisions</u>	<u>Senate Decisions</u>
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1. Add the following language:

Provided that \$176,492 in general funds and \$290,870 in special funds are reduced and the following new regular positions are deleted: N2616630; N2617652; N2617155; N2617152; N2617153; and N2617154.

Explanation: This action reduces the 6.0 new positions and associated funding in the Maryland Department of Agriculture’s (MDA) fiscal 2026 budget. MDA also has 8.0 contractual conversions in the fiscal 2026 budget, which are not affected by this action. Given the high number of vacancies and positions above budgeted turnover, MDA can reclassify existing vacant positions instead.

Disagree. MDA has filled a number of positions since the December 31, 2024 data was released reducing its vacancy rate to 7.03% as of February 1, 2025, and an estimated 4.68% by March 1, 2025. Remaining vacancies are for specific roles and programs and cannot be transferred to fulfill roles elsewhere.

2. Add the following language to the general fund appropriation:

Further provided that the appropriation made for the purpose of the Maryland Leaders in Environmentally Engaged Farming (LEEF) Program shall be reduced by \$500,000 contingent on failure of SB 428 and HB 506 establishing the LEEF Program.

Further provided that \$100,000 of the appropriation made for the purpose of the LEEF Program that is contingent on the enactment of SB 428 or HB 506 establishing the program may not be expended until the Maryland Department of Agriculture (MDA) submits a report to the budget committees on the implementation of the program. The report shall describe the program’s final parameters, a detailed spending plan, the criteria for establishing each of the proposed engagement tiers, the incentives available to program participants under each tier, the relationship with other MDA policy and funding programs, and proposed Managing for Results measures and goals to determine program success, including how the program is anticipated to improve agriculture sector outcomes for Chesapeake Bay restoration and increase farming profitability. The report shall be submitted by September 1, 2025, and the budget committees shall have 45 days from the date of the receipt of the report to review and comment. Funds restricted pending the receipt of a report may not be transferred by budget amendment or otherwise to any other

Disagree. Detailed information on the program has been provided in response to the fiscal note for SB 428/HB 506, including detailed costs for salaries, contractual services, and grants and subsidies for farmers as incentives to participate in the program.

L00A
Department of Agriculture

<u>Amount Change</u>	<u>Position Change</u>	<u>Agency Response</u>	<u>Hearing Notes</u>	<u>House Decisions</u>	<u>Senate Decisions</u>
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purpose and shall revert to the General Fund if the report is not submitted to the budget committees.

Explanation: The fiscal 2026 budget as introduced includes a \$900,000 general fund appropriation for the new Maryland Leaders in Environmentally Engaged Farming Program, established by SB 428/HB 506 of the 2025 legislative session. The program’s parameters have not been fully defined. Therefore, this budget bill language makes a portion of the funding contingent on the policy bills establishing the program and restricts a portion of the funding pending the submission of a report on the program’s parameters.

Information Request	Author	Due Date
LEEF Program report	MDA	September 1, 2025

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|----|---|------------------|--|
| 3. | Reduce \$400,000 in general fund grant funding for the new Maryland Leaders in Environmentally Engaged Farming program. The fiscal 2026 budget includes a \$900,000 general fund appropriation for the new program, established by SB 428/HB 506 of the 2025 session. Program funding is unclear due to multiple possible interpretations of the funding parameters in the bills and a related provision in the Budget Reconciliation and Financing Act of 2025. In addition, the fiscal condition of the State does not warrant the level of expenditure proposed. | -\$ 400,000 GF | Disagree. The requested funding is the minimum funding level needed in the first year to develop the program. Any reductions will limit the effectiveness of the program by reducing the funding available as incentives to farmers to participate in the program. |
| 4. | Delete funding for a U.S. Department of Agriculture federal fund grant that was not awarded. The funding would have been from the Natural Resources Conservation Service’s Regional Conservation Partnership Program. | -\$ 2,000,000 FF | Concur. |

U00A
Department of the Environment

<u>Amount Change</u>	<u>Position Change</u>	<u>Agency Response Hearing Notes</u>	<u>House Decisions</u>	<u>Senate Decisions</u>
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1. Adopt the following narrative:

Concur.

Maryland Used Tire Cleanup and Recycling Fund Annual Report: Section 9-275(c) of the Environment Article specifies that an annual status report on the Maryland Used Tire Cleanup and Recycling Fund is due on or before November 1 of each year, which was not consistently met before the inclusion of annual budget bill language or committee narrative. Therefore, the committees request that the Maryland Department of the Environment (MDE) submit the Maryland Used Tire Cleanup and Recycling Fund annual status report on November 1, 2025.

Information Request	Author	Due Date
Maryland Used Tire Cleanup and Recycling Fund annual report	MDE	November 1, 2025

2. Adopt the following narrative:

Concur.

Enforcement and Inspection Position Strength Assessment: The committees are interested in the enforcement and inspection positions strength of the Maryland Department of the Environment (MDE) and the Maryland Department of Agriculture (MDA). Therefore, the committees request that MDE and MDA submit a report on the following:

- an evaluation of the adequacy of Maryland’s current authorized compliance and enforcement positions in the departments. In completing the assessment, the departments shall provide information on the delegation of authority by the federal government to the departments, including any evaluations of this delegated authority, and on the delegation of authority by the departments to other entities; and assess the impact of the role that technology has played on compliance and enforcement responsibilities;

U00A
Department of the Environment

<u>Amount Change</u>	<u>Position Change</u>	<u>Agency Response</u>	<u>Hearing Notes</u>	<u>House Decisions</u>	<u>Senate Decisions</u>
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- a comparison of the size, roles, responsibilities, and inspection workload of the departments' compliance and enforcement positions to neighboring or similar states;
- a list of all inspection activities conducted by the MDE Water and Science Administration, the Land and Materials Administration, the Air and Radiation Administration, and the MDA Office of Resource Conservation;
- the number of regular positions and contractual full-time equivalents associated with the inspections, including the number of vacancies for fiscal 2013 through 2025 actuals, and fiscal 2026 current and fiscal 2027 estimated appropriations; and
- a description of the use of and outcomes from any next generation compliance techniques to increase compliance with Maryland's environmental regulations.

Information Request	Author	Due Date
Enforcement and inspection position strength assessment	MDA MDE	January 1, 2026

U10B00
Maryland Environmental Service

<u>Amount Change</u>	<u>Position Change</u>	<u>Agency Response</u>	<u>Hearing Notes</u>	<u>House Decisions</u>	<u>Senate Decisions</u>
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1. Adopt the following narrative:

Concur.

Maryland Environmental Service (MES) Funding Statement: The committees request that MES continue to provide a report on the following:

- undesignated, unrestricted net assets for fiscal 2025, 2026, and 2027 estimated and an explanation for any changes between each of these years, including revenues credited to and expenditures debited from the net assets;
- overhead rates for fiscal 2025, 2026, and 2027 estimated;
- project reserve fund status by beginning balance, approved retainage, funds withdrawn, and interest earned for fiscal 2025 and 2026 for the State Reimbursable Project Contingency Fund, the Eastern Correctional Institution Steam Turbine Contingency Fund, the Department of Natural Resources Project Contingency Fund, and any other project reserve funds created by MES, including justification for any approved retainage or funds withdrawn in any project reserve fund during fiscal 2025 or 2026; and
- justification for the changes in reimbursable project funding for fiscal 2025, 2026, and 2027 estimated.

The report should be submitted in coordination with the Department of Budget and Management (DBM) with the fiscal 2027 budget submission.

Information Request	Author	Due Date
MES funding statement	MES DBM	With the fiscal 2027 budget submission