
Analysis of Supplemental Budget No. 1

**Department of Legislative
Services Office of Policy Analysis
Annapolis, Maryland**

March 11, 2026

General Fund Impact of Supplemental No. 1
(\$ in Millions)

Fiscal 2027 Closing Balance Before Supplemental No. 1		\$108.0
Revenue Adjustments		-2.5
Fiscal Responsibility Fund Transfer (BRFA)	-\$9.1	
Rainy Day Fund Transfer Due to Higher Interest Estimate	5.0	
State-Aided Institution Field Trip Fund (BRFA)	0.6	
Non-Depository Funds (MD Labor) (BRFA)	1.0	
New Spending		-173.2
Behavioral Health (Fiscal 2026 and 2027)	-150.0	
Fund Swap in Developmental Disabilities Administration	-15.0	
General Fund Replace 9-1-1 Funds for MDEM	-6.5	
Other	-1.7	
Spending Reductions		167.5
Medicaid (Fiscal 2026 and 2027)	150.0	
Climate Catalytic Capital Fund – Double Budgeted	5.0	
Fund Swap in DoIT	4.7	
MSP Vacancy Savings in Fiscal 2026	4.0	
DoIT Expedited Projects	3.0	
Other	0.8	
Fiscal 2026 Reversions		1.1
Commerce – Business Telework Assistance Grant Fund	1.0	
Commerce – Environmental Product Declaration Assistance Fund	0.1	
Revised Closing Balance		\$100.9

Supplemental Budget No. 1 Summary

	<u>PINS</u>	<u>GF</u>	<u>SF</u>	<u>FF</u>	<u>RF</u>	<u>CUF</u>	<u>Total</u>
Fiscal 2026	0	\$14,431,157	-\$17,982,157	\$4,295,866	\$0	\$0	\$744,866
Fiscal 2027	5	-8,803,760	2,965,423	0	0	0	-5,838,337
Total	5	\$5,627,397	-\$15,016,734	\$4,295,866	\$0	\$0	-\$5,093,471
Planned Reversions		-\$1,135,624					-\$1,135,624
Net Impact	5	\$4,491,773	-\$15,016,734	\$4,295,866	\$0	\$0	-\$6,229,095
Revenues							
Fiscal 2026		-\$7,543,411					
Fiscal 2027		5,000,000					
		-\$7,035,184					

Supplemental Budget No. 1

<u>Item #</u>	<u>Agency</u>	<u>Fiscal Year</u>	<u>Description</u>	<u>GF</u>	<u>SF</u>	<u>FF</u>	<u>RF</u>	<u>Total</u>
Reductions								
13	DoIT	2027	Reduce funding for expedited projects	-\$3,000,000				-\$3,000,000
23	MDH	2027	Align funding for R Adams Cowley Shock Trauma Center with estimated revenues		-\$151,217			-151,217
24	DHS	2027	Remove funds to support departmental legislation that has been withdrawn	-250,000				-250,000
38, Amend 5	UMCP	2027	Delete double budgeted funds for the Climate Catalytic Capital Fund	-5,000,000				-5,000,000
40	DSP	2026	Vacancy Savings	-4,000,000				-4,000,000
Subtotal of Reductions				-\$12,250,000	-\$151,217	\$0	\$0	-\$12,401,217
Contingent Reductions								
32	MSDE	2027	Add mandated funding for the Open-Source Phonics Program (\$150,000) but delete the funding contingent on legislation eliminating the mandate	\$0				\$0
36	MHEC	2026	Reduce general funds contingent on legislation modifying the mandate on the Title IX Representation Fund to allow the fund balance to be used for this purpose	-250,000				-250,000
Amend 2	MEA; DGS	2027	Reduce the amount of funds contingent on the enactment of legislation expanding the use of the SEIF from \$100.0 million to \$70.0 million in MEA and from \$20.0 million to \$17.0 million in DGS	0				0
Amend 4	MHEC	2027	Add language reducing general funds and making a portion of the existing appropriation contingent on legislation modifying the mandate for the Title IX Restoration Fund	-250,000				-250,000
Subtotal of Contingent Reductions				-\$500,000	\$0	\$0	\$0	-\$500,000
Fund Swaps								
3, 12	SBE; DoIT	2027	Replace State funds with local funds due to cost share	-\$4,772,235	\$4,772,235			\$0
4, Amend 6	MDEM	2026	Substitute general funds for 9-1-1 Funds that are not eligible to support MDEM costs	3,232,157	-3,232,157	\$0		0
5, Amend 3	MDEM	2027	Substitute general funds for 9-1-1 Funds that are not eligible to support MDEM costs	3,232,157	-3,232,157	0		0
Subtotal of Fund Swaps				\$1,692,079	-\$1,692,079	\$0	\$0	\$0
Total Reductions and Fund Swaps				-\$11,057,921	-\$1,843,296	\$0	\$0	-\$12,901,217

New Spending

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1	MDOD	2026	Costs previously supported by Reimbursable Funds from MDH are no longer available		\$224,000				\$224,000
2	MDOD	2027	Costs previously supported by Reimbursable Funds from MDH are no longer available		143,271				143,271
6	Comptroller	2026	Attorney's fees related to the Digital Advertising Tax		225,000				225,000
7	MLGCA	2027	Extension of the Instant Ticket Lottery Machine program under Chapter 4 of the 2025 special session	2		\$161,775			161,775
16, 17	MDA	2027	Realigns funding for cover crops between programs and provide additional general funds for this purpose		392,542			\$0	392,542
18	MDH	2027	New positions to improve tracking and forecasting in entitlement programs	3	552,837				552,837
25	MD Labor	2026	Additional funding for Local Impact Aid for Laurel Racecourse as required by Chapter 403 of 2025			250,000			250,000
26	MD Labor	2027	Additional funding for Local Impact Aid for Laurel Racecourse as required by Chapter 403 of 2025			250,000			250,000
4 33	MSDE	2027	Provides additional funds in the Guaranteed Tax Base program due to updated data for Caroline County		18,337				18,337
34	MSDE	2027	Provides additional funds for the Maryland EXCELS Participation Bonuses mandated by Chapter 594 of 2021			864,787			864,787
37	MHEC	2027	Corrects small school grant amount for Hagerstown Community College		129,331				129,331
39	DHCD	2027	Assistance to veterans and families of veterans in consultation with DVMF under Chapter 4 of the 2025 special session			300,000			300,000
Amend 7	MDH	2026	Strikes a portion of a deficiency that would have reduced federal funds for the Community Services program in BHA				\$4,295,866		4,295,866
Amend 8	MDH	2026	Undoes a portion of a fund swap in DDA based on the availability of special funds		15,000,000	-15,000,000			0
Subtotal of New Spending					\$16,685,318	-\$13,173,438	\$4,295,866	\$0	\$7,807,746

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Realignments									
8, 9, 10, 11	DBM	2027	Realigns positions and funding	\$0	\$0			\$0	\$0
14, 15	DGS	2026	Realigns positions and funding to new Office of External Affairs	0				0	0
19	MDH	2026	Realigns surplus from Medicaid Provider Reimbursements to support Behavioral Health Medicaid shortfall		-70,000,000			-67,946,907	-137,946,907
21	MDH	2026	Realigns surplus from Medicaid Provider Reimbursements to support Behavioral Health Medicaid shortfall		70,000,000			67,946,907	137,946,907
20	MDH	2027	Realigns surplus from Medicaid Provider Reimbursements to support Behavioral Health Medicaid shortfall		-80,000,000			-77,653,609	-157,653,609
22	MDH	2027	Realigns surplus from Medicaid Provider Reimbursements to support Behavioral Health Medicaid shortfall		80,000,000			77,653,609	157,653,609
27, 29	MD Labor	2026	Realigns a reduction to the Adult External High School between programs		0				0
28, 30	MD Labor	2027	Realigns a reduction to the Adult External High School between programs		0				0
31, 35	MSDE	2027	Realigns administrative costs for the Academic Excellence Fund to an administrative program		0				0
Subtotal of Realignments				\$0	\$0	\$0	\$0	\$0	\$0
Other									
Amend 1	BPW	2027	Clarifies the purpose of grant funding in BPW						
Amend 9	DJS	2026	Clarifies the purpose of a deficiency withdrawing funds						
Amend 10	MIEMSS	2027	Corrects the salary of the EMS executive director						

Revenues
Fiscal 2026-2027

	<u>2026</u>	<u>2027</u>
Fiscal Responsibility Fund	-\$9,143,411	
Transfer from State-Aided Institutions Field Trip Fund	600,000	
Non-Depository Fund (Maryland Department of Labor)	1,000,000	
Rainy Day Fund Interest		\$5,000,000
Revenue Impact	-\$7,543,411	\$5,000,000
Assumed Reversions		
Commerce – Business Telework Assistance Grant Fund	\$1,000,000	
Commerce – Environmental Product Declaration Assistance Fund	135,624	
Reversions Impact	\$1,135,624	

Acronym List

BRFA: Budget Reconciliation and Financing Act
BHA: Behavioral Health Administration
BPW: Board of Public Works
Comptroller: Comptroller of Maryland
CUF: current unrestricted funds
DBM: Department of Budget and Management
DDA: Developmental Disabilities Administration
DGS: Department of General Services
DHCD: Department of Housing and Community Development
DHS: Department of Human Services
DJS: Department of Juvenile Services
DoIT: Department of Information Technology
DSP: Department of State Police
DVMF: Maryland Department of Veterans and Military Families
EMS: emergency medical services
FF: federal funds
GF: general funds
MD Labor: Maryland Department of Labor
MDA: Maryland Department of Agriculture
MDEM: Maryland Department of Emergency Management
MDH: Maryland Department of Health
MDOD: Maryland Department of Disabilities
MEA: Maryland Energy Administration
MHEC: Maryland Higher Education Commission
MIEMSS: Maryland Institute for Emergency Medical Services Systems
MLGCA: Maryland Lottery and Gaming Control Agency
MSDE: Maryland State Department of Education
MSP: Mayor's Scholars Program
PIN: position identification number
RF: reimbursable funds
SBE: State Board of Elections
SEIF: Strategic Energy Investment Fund
SF: special funds
UMCP: University of Maryland, College Park Campus