

Federal Funding Rescissions and Restorations

Through August 2025, approximately \$75.9 million in anticipated federal funding for State agencies has been rescinded or canceled and not restored (see **Exhibit 1**). An additional \$538.2 million has been canceled and subsequently restored under injunctions or settlements (see **Exhibit 2**).

The largest losses include approximately \$46.4 million in federal research funding for University of Maryland institutions and Morgan State University (see **Exhibit 3**). In addition to these losses, multiple federal agencies have also announced a 15% cap on indirect costs that may be covered under federal research grants, which could have an additional unknown cost. Other losses include an anticipated \$4.6 million for the Local Food Purchase Assistance Agreement, which funds pass-through grants for food banks to buy food from Maryland farmers, and \$3.9 million in annual funding for Maryland Public Broadcasting that was lost when the U.S. Congress terminated the Corporation for Public Broadcasting.

The largest funding restorations include approximately \$237.8 million in Elementary and Secondary School Emergency Relief (ESSER) funds for local education agencies, provided via the Maryland State Department of Education (MSDE). MSDE was notified in March that it would not receive the pandemic-era funding, including \$190 million in reimbursement for funds already expended, but the federal Department of Education agreed to release the funds following a multistate lawsuit. An additional \$47.8 million in ESSER funds is expected to be made available in the future.

Funding for at least two programs has been restored under injunctions while litigation continues: \$30.0 million for the National Electric Vehicle and Infrastructure program, awarded to the Maryland Department of Transportation, and \$152.4 million in various grant obligations awarded to the Maryland Department of Health. While programs supported by these funding streams continue under the injunctions, they remain vulnerable to cancellation again in the future, should the injunctions be lifted. Funding for the Department of Natural Resources Police from the U.S. Coast Guard has been restored for fiscal 2025 at nearly \$4.0 million but is uncertain for federal fiscal 2026 as new terms and conditions may be applied to which the department may not agree.

Exhibit 1
Federal Award Rescissions Not Restored

<u>State Agency</u>	<u>Federal Grant or Program</u>	<u>Amount</u>
University of Maryland System	Various Research Grants	\$43,000,000
Department of Housing and Community Development	State Digital Equity Planning Grant Program – IIJA	13,427,134
Maryland Department of Agriculture	Local Food Purchase Assistance 2025 Agreement	4,850,000
Maryland Public Broadcasting Commission	Corporation for Public Broadcasting Annual Funding	3,900,000
Maryland Department of Transportation	Charging and Fueling Infrastructure Program	3,413,623
Morgan State University	Various Research Grants	3,400,000
Maryland Department of Health	Family Planning Services	2,171,714
Department of Disabilities	Social Security Research and Demonstration	1,275,467
Maryland Department of Agriculture	Spongy Moth Management	180,000
Historic St. Mary's City Commission	Promotion of the Humanities – Public Programs (National Endowment for the Humanities)	143,735
State Board of Elections	2023 State Homeland Security Program (via Maryland Department of Emergency Management)	117,078
Maryland Department of the Environment	Environmental Justice Government-to-Government Program	16,730
Total		\$75,895,481

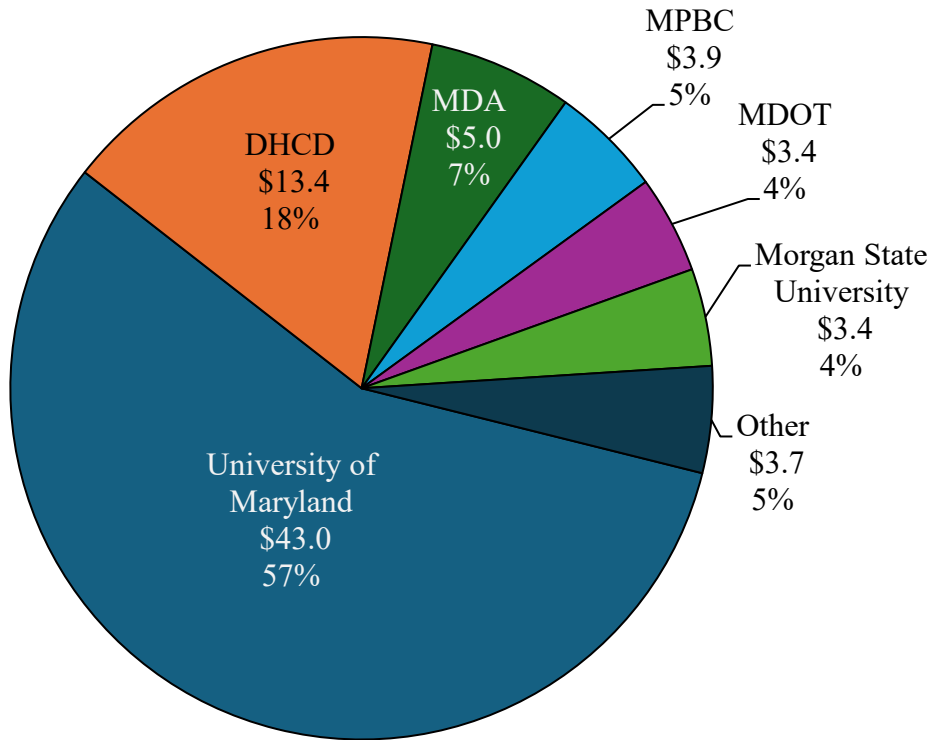
IIJA: Infrastructure and Investment Jobs Act

Note: Some amounts are estimates. Funds that were awarded directly to local governments or organizations are not included. Losses that could not be quantified are not included.

Exhibit 2 Federal Funding Restored

<u>State Agency</u>	<u>Federal Grant or Program</u>	<u>Amount</u>
Maryland State Department of Education	Elementary and Secondary School Emergency Relief (ESSER) Funds for Local Education Agencies (LEA), for Expenses Already Incurred	\$190,000,000
Maryland Department of Health	Various Grants from the U.S. Centers for Disease Control and Prevention and the Substance Abuse and Mental Health Services Administration – Funding Continues under a Preliminary Injunction while Litigation Is Ongoing	152,442,634
Maryland State Department of Education	Titles IC, IIA, III, IVA, and IVB Funding	110,193,772
Maryland State Department of Education	ESSER Funds for LEAs, for Ongoing and Future Expenses	47,800,000
Maryland Department of Transportation	National Electric Vehicle Infrastructure Program – Funding Continues under a Preliminary Injunction while Litigation Is Ongoing	30,000,000
Department of Natural Resources	U.S. Coast Guard State Recreational Boating Safety Program – Continued Funding in Federal Fiscal 2026 Depends on Whether State and Federal Partners Can Agree on New Terms and Conditions	3,964,905
Maryland State Library Agency	Library Services Program	3,332,465
Department of Natural Resources	AmeriCorps funding for Maryland Conservation Corps	386,231
Historic St. Mary's City Commission	Save America's Treasures (Department of the Interior/National Park Service)	65,161
Total		\$538,185,168

Exhibit 3
Federal Funding Not Restored, by Agency
(\$ in Millions)



DHCD: Department of Housing and Community Development

MDA: Maryland Department of Agriculture

MDOT: Maryland Department of Transportation

MPBC: Maryland Public Broadcasting Corporation