

EFFECT OF THE 2025 LEGISLATIVE PROGRAM ON THE FINANCIAL CONDITION OF THE STATE



DEPARTMENT OF LEGISLATIVE SERVICES 2025

Effect of the 2025 Legislative Program on the Financial Condition of the State

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

June 2025

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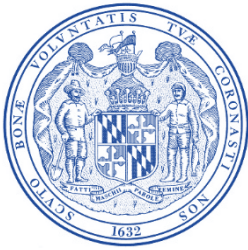
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DEPARTMENT OF LEGISLATIVE SERVICES
OFFICE OF POLICY ANALYSIS
MARYLAND GENERAL ASSEMBLY

Victoria L. Gruber
Executive Director

Ryan Bishop
Director

June 2025

The Honorable Bill Ferguson, President of the Senate
The Honorable Adrienne A. Jones, Speaker of the House of Delegates
Members of the Maryland General Assembly

Dear President Ferguson, Speaker Jones, and Members:

State law requires the Department of Legislative Services to annually prepare a report that summarizes the effect of the preceding legislative session on State and local governments. In accordance with this requirement, we are pleased to submit the following report, *Effect of the 2025 Legislative Program on the Financial Condition of the State*.

This document is divided into five chapters.

Chapter 1 highlights the major components of the fiscal 2026 operating budget (**House Bill 350/Chapter 602**).

Chapter 2 summarizes the fiscal 2026 capital budget program, including the 2025 capital budget bill (**House Bill 351/Chapter 603**).

Chapter 3 identifies enacted legislation from the 2025 session other than **House Bill 350** and **House Bill 351** that affects State revenues or expenditures. The revenue and expenditure effects of the legislation are summarized, as are the number of regular and contractual positions required to implement the legislation.

Chapter 4 identifies enacted legislation from the 2025 session that affects local governments. This chapter also identifies State mandates on units of local government and provides an overview of State aid to local governments.

Chapter 5 identifies 2025 bills vetoed by the Governor for policy reasons and the bills' associated fiscal impact if they had been enacted.

June 2025

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We trust this report will be a useful source of information for you. If you have any questions concerning its contents, please do not hesitate to contact us.

Sincerely,



Victoria L. Gruber
Executive Director



Ryan Bishop
Director

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Abbreviations

BOND	–	Bond
Ch.	–	Chapter
FF	–	Federal Fund
FY	–	Fiscal Year
GF	–	General Fund
GO	–	general obligation
GOCPP	–	Governor’s Office of Crime Prevention and Policy
HB	–	House Bill
HE	–	Higher Education
LEEF	–	Maryland Leaders in Environmentally Engaged Farming
MARBIDCO	–	Maryland Agricultural and Resource-Based Industry Development Corporation
MD Labor	–	Maryland Department of Labor
MIEMSS	–	Maryland Institute for Emergency Medical Services Systems
NB	–	Nonbudgeted
PAYGO	–	pay-as-you-go
RF	–	Reimbursable Fund
SB	–	Senate Bill
SF	–	Special Fund
TEDCO	–	Maryland Technology Development Corporation
()	–	Indicates decrease

Fiscal Effects of the 2025 Legislative Program

The fiscal 2026 budget (operating budget bill), **House Bill 350 (Ch. 602)**, provides approximately \$66.9 billion in appropriations for fiscal 2026 – an increase of \$82.6 million (0.1%) compared to fiscal 2025. The appropriations consist of 40.2% in general fund spending, 29% in federal fund spending, 21.6% in special fund spending, and 9.0% in higher education revenue spending. Increased use of funds from the Blueprint for Maryland’s Future Fund to support K-12 education enhancements and higher transportation spending contribute significantly to the special fund growth of \$1.3 billion, or 9.9%. State agency operations constitute the largest area of spending, accounting for 46.3% of the total budget.

The Maryland Consolidated Capital Bond Loan (MCCBL) of 2025 (capital budget bill), **House Bill 351 (Ch. 603)**, authorizes \$1.955 billion in general obligation (GO) bonds for capital spending. The overall capital budget program passed by the General Assembly for fiscal 2026 totals \$5.881 billion, consisting of the \$1.955 billion in GO bonds authorized under the MCCBL of 2025, \$2.783 billion for the transportation program, \$810.5 million in pay-as-you-go funding, \$302.2 million in Built to Learn revenue bonds, and \$30.0 million in academic revenue bonds for the University System of Maryland authorized by **House Bill 793 (Ch. 316)**.

Consistent with recommendations of the Spending Affordability Committee, the fiscal 2026 budget provides a structural surplus of \$8 million and a \$321 million cash balance. An estimated balance of \$2.1 billion is projected for the Revenue Stabilization Account (Rainy Day Fund).

While the overall fiscal effect of enacted legislation other than the fiscal 2026 operating and capital budget bills cannot be fully quantified due to certain fiscal impacts that could not be reliably estimated, the impacts of 2025 legislation that have been quantified in fiscal and policy notes total to a net increase in general fund revenues of \$1.6 billion and a net decrease in general fund expenditures of \$908.7 million in fiscal 2026, for an overall positive general fund impact of \$2.5 billion. Special fund revenues decrease by a net amount of \$1.3 billion, and special fund expenditures increase by a net amount of \$570.4 million in fiscal 2026. Federal fund revenues increase by a net of \$5.0 million, and federal fund expenditures decrease by a net of \$11.8 million in fiscal 2026. In addition, fiscal and policy notes in which personnel impacts were able to be quantified include an overall net increase of 131.5 regular and contractual positions in fiscal 2026.

**Total of Quantified General Fund Impacts of 2025 Legislation
Exclusive of the Operating and Capital Budget Bills**

	<u>FY 2026</u>	<u>FY 2027</u>	<u>FY 2028</u>	<u>FY 2029</u>	<u>FY 2030</u>
General Fund					
Revenues	\$1,565,687,472	\$1,355,445,248	\$1,310,315,644	\$1,333,272,063	\$1,344,488,897
General Fund					
Expenditures	(908,717,925)	(645,017,206)	(679,629,594)	(622,937,662)	(612,306,318)
Net General					
Fund Impact	2,474,405,397	2,000,462,454	1,989,945,238	1,956,209,725	1,956,795,215

Some of the quantified expenditure impacts of enacted 2025 legislation are already reflected in the fiscal 2026 budget. However, of the impacts that have been quantified in fiscal and policy notes, \$16.4 million in general fund expenditure increases are not accounted for in the fiscal 2026 budget and may result in deficiency appropriations for the affected agencies in the next budget bill or the need for agencies to absorb the added costs into their existing budgets. In the case of special and federal fund expenditure increases that are not reflected in the enacted budget, State agencies may add special and federal funds through the budget amendment process and, in certain cases, the expenditure impacts are offset by corresponding revenue increases.

**Fiscal 2026 Quantified Expenditure Increases Resulting from 2025 Legislation
Not Included in the Budget**

<u>General Funds</u>	<u>Special Funds</u>	<u>Federal Funds</u>
\$16,387,350	\$343,623,853	\$16,715,737

Although not contributing to the totals shown above, each enacted bill with an unquantified impact is listed in Chapter 3 with an indication of whether it is expected to have a positive or negative impact on the budget. All estimates of the impacts of 2025 legislation (aside from the operating and capital budget bills) are based on the assumptions stated in the fiscal and policy notes for the bills.

Chapter 4 includes a discussion of State aid to local governments and briefly describes the impacts on local governments of legislation enacted in 2025 other than the operating and capital budget bills. State aid to local governments will total \$11.5 billion in fiscal 2026, which represents a \$742.4 million (6.9%) increase over fiscal 2025. Consistent with prior years, local school systems receive the largest portion of State aid.

Finally, Chapter 5 provides a brief description of the fiscal impact for the 28 bills that were passed in 2025 that were vetoed by the Governor for policy reasons.

Chapter 1. Operating Budget

- Overview
- Budget in Brief
- Framing the Session: 2024 Interim Activity
- Governor's Spending Plan as Introduced
- Legislative Consideration of the Budget
- Selected Budgetary Initiatives and Enhancements
- By the Numbers

Overview

Significant projected general fund cash and structural budget shortfalls led to a challenging fiscal outlook as the 2025 session began. In December 2024, projected cash shortfalls totaled \$396 million for fiscal 2025 and \$2.95 billion for fiscal 2026, with structural shortfalls of \$1.07 billion and \$2.47 billion, respectively. The structural shortfall was projected to grow to \$6 billion by fiscal 2030. Sluggish economic growth, higher than expected entitlement costs, and a long-term commitment to enhancing K-12 education funding contributed to the fiscal challenges.

The immediate challenge occurred despite revenue increases in the September and December 2024 estimates from the Board of Revenue Estimates (BRE) as expenses far exceeded expectations. Significant fiscal 2024 costs were rolled into fiscal 2025, Developmental Disabilities Administration (DDA) and child care scholarship expenses in fiscal 2025 surpassed the appropriation by a wide margin and were projected to grow steadily from the higher level, and the number of Medicaid enrollees and their medical needs surpassed expectations. Rapid growth in these entitlement programs exacerbated the out-year challenge associated with funding ongoing K-12 education enhancements. Growing concerns about the impact of federal government layoffs led BRE to reduce general fund revenue expectations in March 2025 for both fiscal 2025 and 2026. Worries about the potential impact of federal spending retrenchment on the Maryland economy intensified toward the end of session due to pauses in certain federal payments, cancellations of expected funding, and discussions of changes to federal support for various programs, most notably Medicaid. The Transportation Trust Fund (TTF) also faced financial challenges due to a mismatch between available revenues and desired spending on capital priorities.

Governor Wes Moore introduced a fiscal 2026 budget that reduced general fund spending by \$274.1 million (1.0%), including \$1.03 billion in reductions contingent on legislation. The reduction in general fund spending occurred in part due to one-time deficiency appropriations related to prior year costs (\$268 million), lower costs for debt service (\$215 million), and one-time pay-as-you-go (PAYGO) spending and other capital spending shifted to general obligation (GO) bonds (\$116 million). As introduced, the budget anticipated a Revenue Stabilization Account (Rainy Day Fund) balance equaling about 8% of general fund revenues, despite a contingent reduction that eliminated the fiscal 2026 appropriation to the fund (\$419.5 million). The fiscal 2026 budget also included a number of enhancements that primarily reflected the Governor's economic development agenda.

Actions taken by the General Assembly in the budget bill and through final action on **House Bill 352 (Ch. 604)**, the Budget Reconciliation and Financing Act (BRFA) of 2025, reduced \$1.6 billion of general fund spending, including reductions taken in Supplemental Budget No. 2 at the direction of the General Assembly. The legislature increased general fund revenue in fiscal 2025 and 2026 by a combined \$1.50 billion, including \$1.2 billion from new taxes and fees, and provided approximately \$500 million of additional revenue to the TTF. The General Assembly added \$337 million in total funds to the budget to support legislative priorities across fiscal 2025 and 2026, including \$181.5 million to restore cost containment reductions in DDA (\$34.2 million in fiscal 2025 and \$147.2 million in fiscal 2026). Legislative action on the budget also restored

\$15 million from the Cigarette Restitution Fund (CRF) for cancer research at Statewide Academic Health Centers proposed to be eliminated in the fiscal 2026 budget as introduced. Approximately \$17.1 million in general funds were added to increase the maximum amount of the uncapped disparity grant local jurisdictions can receive in fiscal 2026 from 75% to 90%, benefiting five jurisdictions. The General Assembly also restored, through rejecting proposed reductions, \$10.8 million for victims of crime assistance, \$7.2 million for enterprise zone tax credits, and \$3.6 million for Baltimore City Community College (BCCC), among other programs.

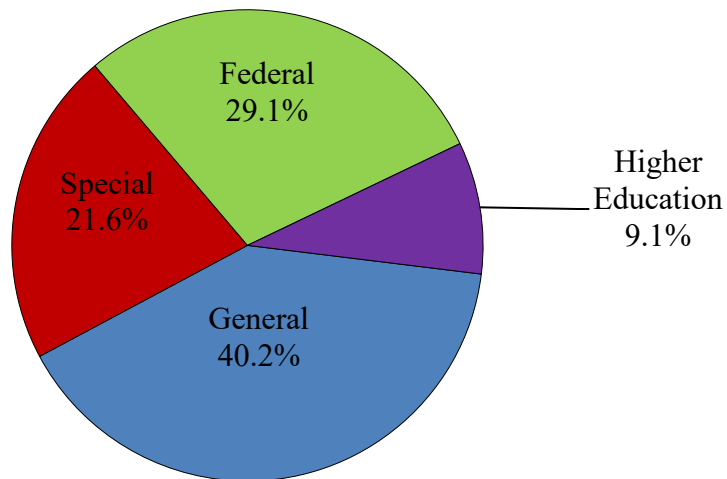
Final legislative action on the budget leaves an estimated general fund cash balance of \$321 million at the end of fiscal 2026, in addition to \$2.1 billion in the Rainy Day Fund. The legislature once again met all the recommendations of the Spending Affordability Committee (SAC). The General Assembly's actions significantly improve the long-term structural budget outlook by reducing the projected shortfall for fiscal 2027 from \$2.9 billion to \$69 million and cutting the shortfall forecast for fiscal 2030 by 50% from \$6.0 billion to \$3.0 billion.

Budget in Brief

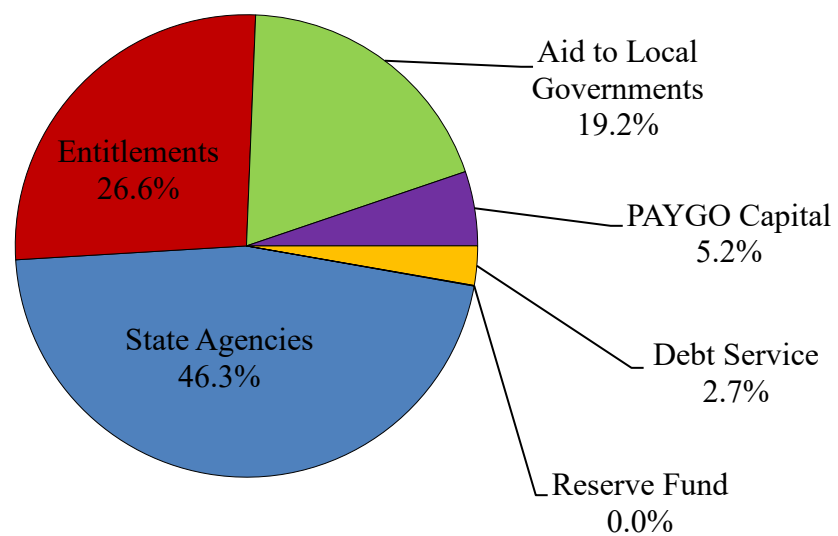
House Bill 350 (Ch. 602) provides approximately \$66.9 billion in appropriations for fiscal 2026 – an increase of \$81.7 million (0.1%) compared to fiscal 2025. **Exhibit 1.1** illustrates fiscal 2026 spending by fund source and purpose. General funds constitute the largest portion of the State budget, accounting for 40.2%, or \$26.9 billion, of the total fiscal 2026 legislative appropriation. Federal funds continue to account for approximately 29% of all spending (\$19.5 billion). Increased use of funds from the Blueprint for Maryland's Future Fund to support K-12 education enhancements and higher transportation spending contribute significantly to the special fund growth of \$1.3 billion, or 9.9%. With this increase, special fund appropriations total 21.6% of the fiscal 2026 appropriation (\$14.5 billion). Higher education revenues provide the remaining 9.0% of the budget. State agency operations constitute the largest area of spending, accounting for 46.3% of the total budget, followed by entitlements (26.6%) and aid to local governments (19.2%). Remaining appropriations fund PAYGO capital spending, debt service on State GO bonds, and appropriations to the Reserve Fund. The share of spending on the Reserve Fund continues to decline due to the reduced use of the Dedicated Purpose Account and no appropriation to the Rainy Day Fund.

Exhibit 1.1
Maryland's \$66.9 Billion Fiscal 2026 Budget

Where It Comes From: Budget by Fund Source



Where It Goes: Budget by Purpose



PAYGO: pay-as-you-go

Note: Does not account for assumed general fund reversions of \$75 million or a planned reversion of \$5.7 million in the fiscal 2026 budget.

Source: Department of Legislative Services

General fund appropriations decrease by \$404 million, or 1.5%, when compared to the fiscal 2025 adjusted working appropriation. Much of the decrease is due to the fiscal 2025 budget including \$268 million of one-time spending related to fiscal 2024 costs that exceeded available resources. Spending also declines as the State's budget challenges lead to less use of cash for capital projects (\$96 million) and to mitigate demands on the TTF (\$197 million). General fund spending on debt service declines by \$242 million due to lower overall expenses and the availability of bond premium and other special fund revenues. General funds for the University System of Maryland (USM) drop by \$141 million in fiscal 2026 due to cost containment actions. These decreases are partially offset by growth of \$227 million in entitlement spending due to higher Medicaid and foster care costs and \$158 million for salary increases for State employees. Other spending increases include \$71 million in local aid for community colleges, K-12 education, and libraries.

Special fund spending increases by approximately \$1.3 billion, or 9.9%, compared to the fiscal 2025 working appropriation. Blueprint for Maryland's Future Fund spending increases by nearly \$650 million to support growth in K-12 education spending. Another substantial driver of the increase is funding for transportation, which rises \$209 million combined between the operating and capital programs. Growth for transportation reflects increased spending made possible by revenue increases adopted in the BRFA. Debt service spending supported by property tax collections and bond premium revenue increases by \$125 million. Spending from the Strategic Energy Investment Fund (SEIF) for allowable purposes rises by more than \$120 million due to a recent surge in revenues. Special funds for Medicaid increase by \$50 million due to the BRFA, including a provision raising the hospital deficit assessment. A payment from Prince George's County for its share of fiscal 2026 costs for the public-private partnership under the Built to Learn school construction initiative increases special fund spending by \$42 million.

Federal fund spending in the budget decreases by a net \$981.2 million, or 4.8%, with reductions to federal support of entitlement programs accounting for much of the decrease. The dip in entitlement spending reflects fiscal 2024 Medicaid bills paid in fiscal 2025 and declines in expected spending on the Supplemental Nutrition Assistance Program (SNAP) of almost \$200 million. Federal support also falls as the State has spent most of the available federal funds for broadband enhancements, one-time capital spending on a new State veterans home ends, and funds for food programs for students are projected to decline by more than \$100 million in fiscal 2026.

Excluding State general and special funds, current unrestricted and current restricted funding for State public four-year institutions and BCCC increases by \$165 million to \$6.06 billion in fiscal 2026. Tuition and fee revenue increases due to enrollment growth and expected increases in charges, while auxiliary revenues increase due to anticipated enrollment growth. Revenue from federal grants and contracts is also expected to rise in fiscal 2026, reflecting the development of the budget prior to announcements of federal spending reductions.

With respect to State personnel, the size of the regular workforce increases to 86,698 in fiscal 2026, 936 more positions than the fiscal 2025 legislative appropriation. The budget provides

State employees a 1% general salary increase effective July 1, 2025, and increments are provided to State employees that are part of bargaining units.

Framing the Session: 2024 Interim Activity

Fiscal 2024 closed with a balance that was \$362 million higher than was anticipated at the end of the 2024 session, as shown in **Exhibit 1.2**. The higher closing balance was the result of reversions exceeding estimates by approximately \$164 million and revenue adjustments totaling \$217 million. Higher than expected interest earnings and a one-time spike in abandoned property revenue contributed to the stronger than expected revenue performance. The substantially higher than expected reversions included a significant level of reversions in error, the largest of which was approximately \$64 million from the Department of Human Services from the public benefits program. These erroneous reversions led to \$82 million in general fund deficiency appropriations in fiscal 2025 to cover costs and so only temporarily boosted the balance of the General Fund.

Exhibit 1.2 Fiscal 2024 Closeout (\$ in Millions)

	<u>2024</u>
Estimated Closing Balance	\$698
Revenue and Transfers	
Adjustment to Revenues	\$217
Transfers	-19
Spending	
Reversions Above Estimate	164
Closing Balance – September 2024	\$1,060

Source: Comptroller of Maryland

SAC Recommendations

As described below, SAC's December 2024 report to the Governor made recommendations concerning the fiscal 2026 spending limit, use of fund balances, State employment, and the TTF.

Spending Limit and Sustainability

During the 2024 interim, significant cash and structural shortfalls were projected for fiscal 2026, with a projected cash shortfall of nearly \$3 billion. These shortfalls were projected to

grow, accelerating particularly beginning in fiscal 2028, reaching more than \$6 billion in fiscal 2030. As a result, the committee recommended that the fiscal 2026 budget erase the projected structural gap of nearly \$2.5 billion. In addition, the committee recommended that the fiscal 2026 budget improve the outlook for fiscal 2028 so that ongoing revenues will support at least 94% of projected ongoing spending.

Fund Balances and Use of Surplus

The committee recognized that reducing the Rainy Day Fund balance below 10% would assist the State in resolving the projected cash shortfalls in the short term but would not fully resolve the fiscal 2026 deficit. In addition, the committee recognized that it was prudent to retain a healthy fund balance in the event of a recession or federal actions that harm the Maryland economy. The committee recommended exploring opportunities to better align ongoing spending with ongoing revenues and achieving one-time budgetary savings before drawing down the Rainy Day Fund balance. The committee specifically recommended maintaining a Rainy Day Fund balance of at least 7.5% and a minimum ending general fund balance of at least \$100 million in fiscal 2026.

Personnel

As of October 2024, excluding higher education, the Executive Branch had a vacancy rate of 10.4% (5,347 positions). At that time, there were approximately 2,300 more filled positions than at the same time in 2023. The committee recommended that the State fill existing positions within the limitations of the State's fiscal condition, prioritizing its most critical vacancies, such as those that provide health, public safety, and other essential services. In addition, the committee recommended new activities requiring additional personnel, including the operation of new facilities and the implementation of new programs and agencies, be prioritized in the same manner.

Transportation

SAC is annually required to recommend a fund balance for the TTF and a minimum expenditure level for system preservation by the Maryland Department of Transportation (MDOT). With MDOT having identified a 10-year shortfall of nearly \$11.2 billion between programmed spending for state of good repair and needed spending, SAC recommended a target fiscal 2026 closing balance of at least \$400 million and that system preservation funding total at least \$1.14 billion.

Governor's Spending Plan as Introduced

As introduced, the Governor's budget plan for the current fiscal year assumed \$66.5 billion in total spending, including \$27.3 billion in general funds, which left an estimated closing general fund balance of \$187 million in fiscal 2025. This spending included \$2.9 billion in deficiency appropriations net of planned reversions, including \$1.5 billion in general funds and \$1.2 billion in federal funds – the largest components of which were in entitlement programs

(\$1.1 billion in total funds and \$618.3 million in general funds). Deficiency appropriations, net of planned reversions, totaled \$717.1 million, including \$350.2 million of general funds to support prior year costs, including funds reverted in error at fiscal 2024 closeout or fiscal 2024 expenses for which agencies had insufficient appropriation, the largest component of which was related to Medicaid (\$509.9 million in total funds).

The fiscal 2026 budget plan proposed \$67.3 billion in total spending, an increase of approximately \$817 million compared to the fiscal 2025 spending plan. General fund spending declined by approximately \$274 million, including one-time expenses related to fiscal 2024 costs paid in fiscal 2025 (\$268 million), debt service (\$215 million), and PAYGO capital spending (\$116 million). These reductions were partially offset by increases primarily in entitlements (\$182 million) due to Medicaid and availability of federal funds for the foster care maintenance payments, and local aid (\$70.4 million) driven by teacher and community college retirement. With the Rainy Day Fund balance at 8% of general fund revenues in fiscal 2026, **House Bill 352**, the BRFA as introduced, included a provision to eliminate the required fiscal 2026 appropriation to the fund. The Governor's budget plan also reduced an additional \$513.5 million of general funds contingent on the BRFA. The largest contingent reductions shifted half of the fiscal 2026 increase in teacher and community college retirement to local jurisdictions (\$97.7 million), increased the Medicaid Deficit Assessment (\$92.5 million), and authorized the use of GO bonds for a PAYGO mandate (\$50 million). The Governor's legislative package also proposed approximately \$239 million of contingent special fund reductions, including \$124 million related to delaying the education collaborative time per pupil amount.

The Administration's legislative package contained \$4.8 million in contingent general fund spending primarily related to the Cyber Maryland program (\$3.1 million) and \$478 million of contingent special fund spending primarily due to fund swaps and increased fees to cover costs within certain agencies. The BRFA, as introduced, included additional general fund revenue of \$1.3 billion across fiscal 2025 and 2026, primarily due to personal income tax reform and establishment of a surcharge on capital gains income for high earners as well as other proposed tax changes including increasing the tax rate on table games and sports wagering. Additional tax changes were proposed for the out-years. In addition, the BRFA proposed increases in revenue to the TTF totaling \$470 million across fiscal 2025 and 2026, including establishing a retail delivery fee (\$225 million) and eliminating the trade-in allowance for vehicle purchases of more than \$15,000.

The budget, as introduced, met the SAC goals for the fiscal 2026 general fund balance and Rainy Day Fund balance but failed to meet the SAC goal of eliminating the fiscal 2026 structural shortfall. The Governor's budget plan left a \$186 million structural shortfall for fiscal 2026. **Exhibit 1.3** details the Governor's original general fund spending plan for fiscal 2025 and 2026.

Exhibit 1.3
Governor's Original Budget Plan – General Funds
Fiscal 2025-2026
(\$ in Millions)

	<u>2025</u>	<u>2026</u>
Opening Balance	\$1,060	\$187
BRE Revenues*	\$25,252	\$25,625
Changes to Revenue from Tax Changes, Contingent on the BRFA	10	956
Other Changes to Revenue, Contingent on the BRFA	33	33
Transfer from the Revenue Stabilization Account**	346	219
Transfers, Contingent on the BRFA	624	10
Additional Revenues and Transfers	172	111
<i>Subtotal</i>	<i>\$26,436</i>	<i>\$26,954</i>
Appropriations/Deficiencies	\$27,643	\$28,049
Contingent Reductions	-99	-933
Reversions	-235	-81
<i>Subtotal</i>	<i>\$27,309</i>	<i>\$27,035</i>
Adjusted Closing Balance	\$187	\$106

BRE: Board of Revenue Estimates

BRFA: Budget Reconciliation and Financing Act

* Includes \$272 million of revenue from a reduction in the revenue volatility adjustment contingent on the BRFA in fiscal 2026.

**In fiscal 2025, includes transfer above 10% of general fund revenues, \$150 million to support the Washington Metropolitan Area Transit Authority, and \$100 million to support Medicaid. In fiscal 2026, includes a transfer of amount above 8% of general fund revenue.

Source: Governor's Budget Books, Budget Highlights, Fiscal 2026

Legislative Consideration of the Budget

Exhibit 1.4 summarizes final legislative action on the fiscal 2025 and 2026 budgets, which included submission of two supplemental budgets from the Administration, a revenue write-down, and consideration of budget reconciliation and other legislation. The General Assembly's final actions on the budget leave an estimated closing general fund balance of approximately \$132 million in fiscal 2025 and \$321 million in fiscal 2026.

Exhibit 1.4
Final Legislative Budget Action – General Funds
Fiscal 2025-2026
(\$ in Millions)

	<u>2025</u>	<u>2026</u>
Opening Balance	\$1,060	\$132
BRE Revenues (Adjusted for March 2025 Revision)*	\$25,145	\$25,384
Changes to Revenue from Tax Changes, Contingent on the BRFA	0	1,157
Other Changes to Revenue, Contingent on the BRFA	45	88
Transfer from the Revenue Stabilization Account**	346	219
Transfers, Contingent on the BRFA	698	115
Additional Revenues and Transfers	172	155
Subtotal	\$26,406	\$27,118
Appropriations/Deficiencies	\$27,650	\$28,049
Supplemental Budgets	100	58
Legislative Additions	36	224
Legislative Reductions	-214	-1,319
Reversions	-238	-81
Subtotal	\$27,334	\$26,930
Adjusted Closing Balance	\$132	\$321

BRE: Board of Revenue Estimates

BRFA: Budget Reconciliation and Financing Act

*Includes \$205 million of revenue from a reduction in the revenue volatility adjustment contingent on the BRFA in fiscal 2026.

**In fiscal 2025, includes transfer above 10% of general fund revenues, \$150 million to support the Washington Metropolitan Area Transit Authority, and \$100 million to support Medicaid. In fiscal 2026, includes a transfer of amount above 8% of general fund revenue.

Source: Department of Legislative Services

Following introduction of the budget in January 2025, the Governor submitted two supplemental budgets, summarized in **Exhibit 1.5**, which as submitted added a net of just over \$426 million across the current and budgeted fiscal years, including a net \$127.4 million in general fund spending.

Exhibit 1.5
Summary of Supplemental Budget Spending by Fund
(\$ in Millions)

<u>Supplemental Budget</u>	<u>General Funds</u>	<u>Special Funds</u>	<u>Federal Funds</u>	<u>Reimbursable Funds</u>	<u>Total</u>
No. 1					
Fiscal 2025	\$99.6	\$58.3	\$224.8	\$6.1	\$388.8
Fiscal 2026	125.1	-67.6	110.3	-0.9	166.9
No. 2					
Fiscal 2026	-97.3	9.0	-42.1	0.7	-129.7
Original Spending Impacts	\$127.4	-\$0.2	\$293.0	\$5.9	\$426.0
Reductions	-\$6.6	-\$0.2	\$0.0		-\$6.8
Total Spending Impacts	\$120.8	-\$0.4	\$293.0	\$5.9	\$419.2
Reversions	\$2.6				
Net Impact on General Fund Balance	-\$118.2				

Note: Includes \$12.2 million of special fund spending that double counts general funds but excludes \$0.4 million of current unrestricted funds that double count general funds. In addition, this chart includes appropriations provided that were contingent on the Budget Reconciliation and Financing Act. The supplemental budget alters spending by striking deficiency appropriations that would have reduced spending contained in the budget as introduced as well as changing contingent reductions in the budget as introduced, which is counted as additional spending.

Source: Department of Legislative Services

Supplemental Budget No. 1 had a net impact of \$555.7 million of total spending (\$222.1 million in general funds). The primary drivers of increased spending in Supplemental Budget No. 1 were projected shortfalls in both fiscal 2025 and 2026 in the DDA Community Services program. The combined shortfalls totaled \$560 million, of which \$297 million were general funds. An increase of \$33.7 million in contingent general fund spending and \$66.8 million in contingent special fund reductions included in Supplemental Budget No. 1 reflected a planned 18-month delay in the implementation of the Family and Medical Leave Insurance (FAMLI) program, announced by the Maryland Department of Labor (MD Labor) in February 2025 and approved by the General Assembly in **House Bill 102 (Ch. 363)**. As the Division of Paid Leave in MD Labor that administers the program was funded entirely with anticipated contributions under the program, the delay in beginning contributions required an alteration to the fiscal 2026 funding, both to reduce the total amount needed as some costs would not be incurred absent implementation and to replace the special funds that would not be received without contributions. Supplemental Budget No. 2 reduced spending by a net of \$129.7 million, including \$97.3 million in general funds of which \$13.1 million was contingent on enactment of

the BRFA altering mandates and allowable uses of certain special funds. Supplemental Budget No. 2 was submitted in response to placeholder language included in the fiscal 2026 budget as passed by the House and Senate to reduce \$97 million across the board. The largest reduction contained in Supplemental Budget No. 2 was \$44.4 million to USM, to be allocated by USM. A reduction of \$69.4 million in total funds (\$33.8 million in general funds) was the result of deleting funds for a 1% provider rate increase for developmental disabilities, behavioral health, and certain Medicaid providers.

After accounting for planned reversions included in Supplemental Budget No. 1 and General Assembly actions to reduce a total of \$6.8 million (\$6.6 million in general funds) from Supplemental Budget No. 1, the net impact of the supplemental budgets was to reduce the general fund balance by \$118 million.

In March 2025, BRE revised its fiscal 2025 and 2026 general fund revenue estimates downward by a combined \$347 million across the two fiscal years, or \$280 million net of a resulting adjustment in the revenue volatility cap. Overall, legislative actions, including reductions to Supplemental Budget No. 1 and reductions contingent on legislation, resulted in \$219.1 million in reductions to the fiscal 2025 appropriation, including \$214.4 million in general fund reductions, and nearly \$2 billion in total fund reductions to the fiscal 2026 budget, of which \$1.3 billion was in general funds.

Legislative Priorities

As shown in **Exhibit 1.6**, the legislature reallocated approximately \$338 million to directly fund legislative priorities across the State in fiscal 2025 and 2026. However, the veto of legislation on which one addition was contingent and vetoes of two legislative additions reduced this amount to \$337.2 million. This included approximately \$181 million in general and special funds to restore funds reduced in fiscal 2025 and 2026 for planned cost containment actions related to DDA. The legislature also added \$32 million in special funds from the SEIF to replace GO bond funding for certain USM capital projects. An addition of \$17.1 million in general funds supports an increase in the maximum amount of the uncapped grant a jurisdiction can receive through the disparity grant from 75% to 90%, benefiting five jurisdictions. The General Assembly restored funds for cancer research at the Statewide Academic Health Centers by adding \$2 million in special funds from the CRF, which, when combined with striking a provision in the BRFA that would have eliminated the mandate for the program, funded the program at the same level as in fiscal 2025 (\$15 million). A general fund addition of \$15 million allowed for the backfilling of a reduction to the CRF in Medicaid since more CRF was needed to support the cancer research grants. Four additions totaling \$12.8 million were contingent on the enactment of legislation. An addition of \$10 million was contingent on the enactment of a provision in the BRFA authorizing an expanded use of the Expedited Service Fund in the State Department of Assessments and Taxation (SDAT) for administrative expenses. General funds of \$2.2 million and nine regular positions were added contingent on **House Bill 1253 (Ch. 605)** creating a new department of social and economic mobility. An addition of \$500,000 in special funds from the SEIF would have funded a study related to the cost of greenhouse gas emissions, contingent on **Senate Bill 149/House Bill 128**.

However, both the legislation and the addition were vetoed by the Governor. While special funds of \$100,000 were added to the Workers' Compensation Commission for the purpose of a special monitor of the Uninsured Employers' Fund, contingent on **Senate Bill 219/House Bill 193**, the veto of the legislation meant the addition was not effectuated.

Exhibit 1.6
Legislative Budget Priorities
(\$ in Millions)

Fiscal 2025 Additions
General Funds

<u>Purpose</u>	<u>Total</u>
Restore funds for DDA Community Services	\$34.2
Grant to Maryland Association of Boards of Education to Establish Direct Primary Health Care Systems in Any Areas of State	2.0
Total Fiscal 2025 Additions	\$36.2

Fiscal 2026 Additions
General Funds

<u>Purpose</u>	<u>Total</u>
Restore Funds for DDA Community Services	\$132.2
Disparity Grant – Increase the Maximum Amount of the Uncapped Grant a Jurisdiction Can Receive from 75% to 90% (Benefits Caroline, Dorchester, Prince George's, Somerset, and Wicomico Counties)	17.1
Medicaid Provider Reimbursements to Backfill for Oversubscribed CRFs	15.0
Grant to Baltimore County for Randallstown Branch Library (PAYGO)	12.0
Grant to University of Maryland Enterprise Corporation for Quantum	10.0
Dredge Material Replacement Cost for Tradeport Atlantic Project	6.0
Add Administrative Funds for Sun Bucks to Correct Program in DHS (Technical)	4.7
Grant for Access to Counsel	3.6
Address Pediatric Overstay Beds	3.0
Establish Department of Social and Economic Mobility (House Bill 1253)	2.2
Grant to Support Sail Baltimore's Sail 250	1.5
Grant to Schaefer Center for Public Policy	1.5
Comptroller for Staffing, Including 11 New Positions	1.3
Grant to Maryland Coalition Against Sexual Assault for Rape Crisis Centers	1.0
Grant for Dredging in Baltimore Harbor	1.0
Grant to Maryland Center for History and Culture	1.0

<u>Purpose</u>	<u>Total</u>
Grant to Boys and Girls Clubs of Maryland	1.0
Other Priorities under \$1 Million	9.6
Total General Fund Additions	\$223.8

Special Funds

<u>Purpose</u>	<u>Total</u>
Fund Strategic Energy Investment Fund-eligible Capital Costs with Cash	\$32.0
Restore DDA Reductions with Funds From Community Services Trust Fund	15.0
Fund SDAT Operating Costs with Expedited Service Funds, Not General Funds	10.0
Transportation Grants to Municipalities to Improve Access to the Purple Line	6.6
Fund School Resource Officers with Available Fund Balance	5.0
Statewide Academic Health Centers to Level Fund with Fiscal 2025 (BRFA Restores \$13 Million)	2.0
Dredge Material Replacement Cost for Tradepoint Atlantic Project	
Grant to Baltimore City for Clifton Park Project	1.1
Grant to Associated Jewish Federation of Baltimore for a Pilot for Bussing Students	0.3
Grant for Northwest Park (POS)	0.1
Grant for Wilbur Waters Park (POS)	0.1
Grant for Druid Hill Tennis Court Resurfacing (POS)	0.3
Grant for Patterson Park Master Plan Implementation (POS)	0.02
Total Special Fund Additions	\$72.5

Federal Funds

<u>Purpose</u>	<u>Total</u>
Add Administrative Funds for Sun Bucks to Correct Program in DHS (Technical)	\$4.7
Total Fiscal 2026 Additions	\$301.0

BRFA: Budget Reconciliation and Financing Act
 CRF: Cigarette Restitution Fund
 DDA: Developmental Disabilities Administration
 DHS: Department of Human Services

PAYGO: pay-as-you-go
 POS: Program Open Space
 SDAT: State Department of Assessments and Taxation

Note: Does not include three additions due to the veto of the addition (\$500,000 in special funds for a study required under **Senate Bill 149/House Bill 128**, and \$230,128 in general funds and three regular positions to assist local education agencies with cybersecurity efforts) or the veto of legislation on which the addition was contingent.

Source: Department of Legislative Services

Final Actions Related to SAC

Maintaining Structural Balance

SAC had recommended that the fiscal 2026 general fund budget erase the projected \$2.5 billion structural shortfall and improve the outlook for fiscal 2028 so that ongoing revenues will support at least 94% of projected ongoing spending. Final revenue and spending actions by the General Assembly resulted in a structural surplus of \$8 million and ongoing revenues being 94% of ongoing spending in fiscal 2028. **The structural budget goal for fiscal 2026 was met.**

General Fund and State Reserve Fund Balances

Per the recommendation to maintain a fiscal 2026 cash balance of at least \$100 million and a minimum of 7.5% balance in the Rainy Day Fund, legislative action resulted in (1) an estimated general fund closing fund balance of \$321 million and (2) an estimated Rainy Day Fund balance of \$2.1 billion, or 8%, of estimated general fund revenues compared to the December 2024 revenue estimate. **The cash and Rainy Day Fund balance goals for fiscal 2026 were met.**

State Employment

SAC recommended the filling of existing positions occur within the limitations of the State's fiscal condition, prioritizing its most critical vacancies such as those that provide health, public safety, and other essential services and that new activities requiring additional personnel be prioritized in the same manner. The General Assembly reduced funds in the fiscal 2026 budget to reflect vacancy savings from a turnover rate of 9.5%, which allowed for some filling of positions, but at a reduced rate compared to the budget as introduced. In addition, the General Assembly reduced the number of new positions created within the budget to focus on hiring of essential positions. **The personnel goals for fiscal 2026 were met.**

Transportation

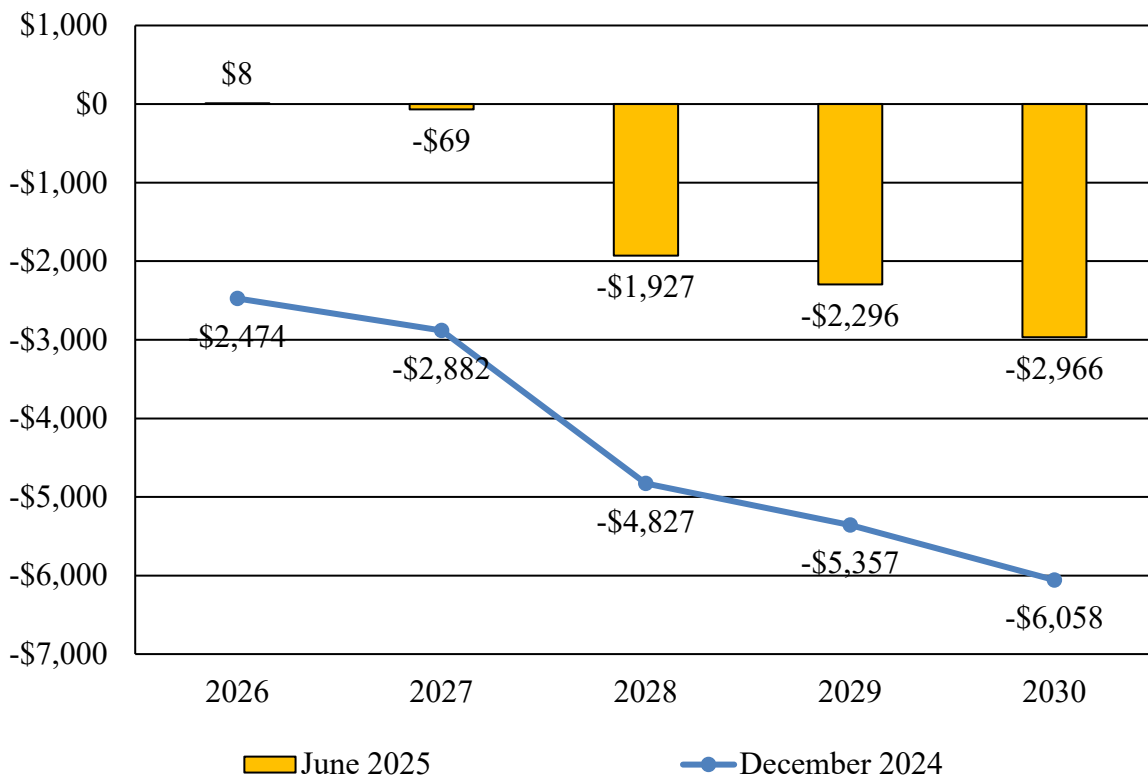
The fiscal 2026 budget as enacted includes \$1.3 billion for system preservation and a target closing balance of \$400 million for the TTF compared to the SAC goals of at least \$1.14 billion for system preservation and a \$400 million closing balance. **The transportation goals for fiscal 2026 were met.**

Outlook for Future Budgets

As shown in **Exhibit 1.7**, fiscal 2026 is projected to end with a structural surplus of \$8 million. In fiscal 2027, there is an estimated structural deficit of \$69 million that increases to just under \$3 billion by fiscal 2030. This forecast shows significant improvement compared to the December 2024 projection of a structural deficit at nearly \$2.5 billion in fiscal 2026, which would have grown to \$6 billion by fiscal 2030. The General Assembly took multiple actions to strengthen the State's fiscal outlook, including adopting \$1.6 billion in general fund reductions

(\$530.7 million of which were through the BRFA of 2025) and generating an estimated \$1.2 billion of ongoing general fund revenues in fiscal 2026 from tax and fee provisions.

Exhibit 1.7
General Assembly's Actions to Improve Structural Outlook
Fiscal 2026-2030
(\$ in Millions)



Source: Department of Legislative Services

Exhibit 1.8 shows further detail regarding the general fund budget outlook. Following the General Assembly's actions and Governor's vetoes, fiscal 2026 is projected to end with a general fund balance of \$321 million. Between fiscal 2026 and 2030, ongoing spending is projected to grow at an average annual rate of 5.8%, outpacing ongoing revenues, which are estimated to grow at an average annual rate of 3.4%. The structural gap grows substantially beginning in fiscal 2028 as the Blueprint for Maryland's Future costs exceed the available Blueprint revenues and \$1.9 billion of general funds are required to close the overall structural gap.

Exhibit 1.8
General Fund Budget Outlook
Fiscal 2026-2030
(\$ in Millions)

	Leg. Approp. <u>2026</u>	<u>2027</u>	<u>2028</u>	<u>2029</u>	<u>2030</u>	Avg. Annual Change <u>2026-30</u>
Revenues						
Opening Fund Balance	\$132	\$321	\$145	\$0	\$0	
Transfers	334	0	0	0	0	
One-time Revenues	13	0	0	0	0	
One-time Revenues – Legislation	0	0	-14	0	0	
Subtotal One-time Revenue	\$479	\$321	\$131	\$0	\$0	
Ongoing Revenues	\$25,337	\$26,289	\$27,327	\$28,204	\$29,199	
Revenue Adjustments – Legislation	1,436	1,346	1,312	1,346	1,355	
Subtotal Ongoing Revenue	\$26,772	\$27,636	\$28,639	\$29,549	\$30,555	3.4%
Total Revenues and Fund Balance	\$27,251	\$27,957	\$28,770	\$29,549	\$30,555	2.9%
Ongoing Spending						
Operating Spending	\$27,307	\$28,489	\$31,311	\$32,594	\$34,262	
Ongoing Reductions/Additions	-543	-805	-756	-763	-753	
Ongoing Spending – Legislation	0	21	11	14	11	
Subtotal Ongoing Spending	\$26,764	\$27,705	\$30,566	\$31,846	\$33,520	5.8%
One-time Spending	\$166	\$107	\$168	\$168	\$168	
Total Spending	\$26,930	\$27,811	\$30,734	\$32,013	\$33,688	5.8%
Ending Balance	\$321	\$145	-\$1,964	-\$2,464	-\$3,134	
Revenue Stabilization Account Balance	\$2,050	\$2,095	\$2,141	\$2,186	\$2,232	
Balance over 5% of GF Revenues	769	799	797	798	794	
As % of GF Revenues	8.0%	8.1%	8.0%	7.9%	7.8%	
Structural Balance	\$8	-\$69	-\$1,927	-\$2,296	-\$2,966	

GF: general fund

Source: Department of Legislative Services

Budget Reconciliation and Financing Act

Exhibit 1.9 summarizes the impact of the BRFA on the fiscal 2026 budget plan. General fund revenue and transfer actions total \$2.3 billion across fiscal 2025 and 2026. General fund expenditures decrease by \$530.7 million combined in fiscal 2025 and 2026. Special fund revenues increase by a net of \$712.4 million, including \$500 million for the TTF. Special fund reductions total \$38.9 million, while federal fund reductions total \$16.4 million. Special fund and federal fund appropriations totaling \$750.8 million are contingent on the BRFA, of which \$311.8 million is related to transportation revenue increases.

Exhibit 1.9
Summary of Actions in the Budget Reconciliation and Financing Act
Fiscal 2025-2026
(\$ in Millions)

	<u>General Funds</u>	<u>Special Funds</u>	<u>Federal Funds</u>
Revenue Actions	\$1,495.2	\$712.4	
Transfers	812.9	9.0	
Reductions	530.7	38.9	\$16.4
Appropriations		645.2	105.7
Additions		10.0	

Source: Department of Legislative Services

The BRFA also includes several provisions that provide one-time or ongoing general fund relief but are not counted in the impacts of the BRFA on the budget plan because the fiscal 2026 reductions were taken directly by the legislature:

- the required appropriation in fiscal 2026 of general fund surplus from fiscal 2024 was eliminated, for one-year savings of \$419.5 million;
- a reduction in the mandate for the Maryland Community College Promise Scholarship program from \$15 million to \$13.5 million;
- GO bonds were authorized as a source of a \$50 million mandate for the Continuing the CORE Partnership Fund in the Department of Housing and Community Development;
- the required appropriations to the pension system and other postemployment benefit trust fund of \$25 million each from the general fund surplus in the most recently completed year was permanently eliminated beginning in fiscal 2026; and

- the required set-aside of 20% of the Information Technology (IT) Investment Fund appropriation for expedited projects was permanently eliminated. In fiscal 2026, the set-aside totaled \$28 million, though only \$13.8 million was to be contingently reduced due to this provision. The legislature reduced the entire funding for this purpose.

General Fund Revenue and Transfers to the General Fund

As summarized in **Exhibit 1.10**, the BRFA includes provisions that result in an additional \$1.16 billion in general fund revenue due to ongoing tax changes. The largest revenue increase (\$482.8 million) results from applying a 3.0% sales tax on data/IT services, which is directed to the General Fund. The BRFA includes several exemptions from the tax and also protects affiliates from double taxation under the tax. A net increase of \$344.4 million results from changes to the personal income tax, including establishing two new brackets for high income earners, a phase-out of itemized deductions beginning with federal adjusted gross income above \$200,000, repealing the phase-in of the standard deduction, increasing the standard deduction by 20%, and allowing the child tax credit to phase out rather than having a cliff at \$15,000 of income. An increase of \$229.3 million in general fund revenue results from adding a surcharge of 2% on capital gains income for filers with federal adjusted gross income in excess of \$350,000, of which 1.25% goes to the General Fund. The remaining revenue of \$138 million (0.75%) is distributed to the TTF.

Other tax changes impacting the sales tax include:

- increasing the tax rate on cannabis from 9% to 12% and altering the share of funds dedicated to the General Fund, providing \$39.1 million in general fund revenue; and
- repealing sales tax exemptions for vending machine sales of snacks, specified sales of photographic material, and the sales of precious metal coins or bullion over \$1,000 (though leaving an exemption for sales at the Baltimore City Convention Center). These changes increase general fund revenue by \$29.6 million and Blueprint for Maryland's Future Fund revenue by \$4.0 million.

The tax rate on sports wagering increases from 15% to 20%, with the increase directed to the General Fund beginning in fiscal 2026 (\$30.3 million). In fiscal 2025, the Blueprint for Maryland's Future Fund receives \$2.9 million of revenue from this change.

Exhibit 1.10
General Fund Revenue from Ongoing Tax Changes
Fiscal 2025 and 2026
(\$ in Millions)

Apply a Sales Tax on Data/IT Services with a Tax Rate of 3.0% with the Funds Directed to the General Fund	\$482.8
Personal Income Tax Reform – Increasing the Standard Deduction, Eliminating the Standard Deduction Phase-in, Establishing a Phase-out of Itemized Deductions, and Altering Tax Brackets to Add New Brackets for High-income Earners	351.4
Personal Income Tax – Add a 2% Surcharge on Capital Gains Income with 1.25% Distributed to the General Fund	229.3
Increase the Tax Rate on Cannabis from 9% to 12%	39.1
Increase the Tax Rate on Sports Wagering from 15% to 20%	31.8
Repeal the Sales Tax Exemption for Sales of Photographic Material	18.0
Apply a 6% Sales Tax to Vending Machine Sales	9.1
Repeal Sales Tax Exemption for Sales of Precious Metal Coins or Bullion Over \$1,000 with an Exemption for Sales at Baltimore City Convention Center	2.5
Changing the Child Tax Credit to Phase out Rather than Having a Cliff at \$15,000	-7.0
Total General Fund Revenue from Ongoing Tax Changes	\$1,157.1

IT: Information Technology

Source: Department of Legislative Services

Three additional provisions alter taxes on an ongoing basis but do not directly impact revenue, including:

- altering the trigger to reduce a tax credit for certain seniors if the revenue estimates decrease between the March and September BRE estimates from 7.5% to 3.75%;
- authorizing an increase in the maximum allowable local income tax rate from 3.2% to 3.3%; and
- allowing a pass-through entity that elects to pay income taxes on behalf of its members to pay the tax for resident members based on the pass-through entity's income attributable to both in-state and out-of-state income beginning in tax year 2026.

Exhibit 1.11 summarizes the remaining general fund revenues and transfers to the General Fund resulting from the BRFA. Three additional substantial general fund revenue actions with ongoing impacts include:

- setting the revenue volatility cap at \$0 through fiscal 2029, before returning to the current law requirement (up to 2% of general fund revenue);
- diverting \$25 million per year from fiscal 2026 through 2029 of revenue from the transfer tax that would otherwise be distributed to Program Open Space Land Acquisition, the Rural Legacy Program, and the Maryland Agricultural Land Preservation Program. This action also reduces the same amount of special fund revenue and expenditures in each of those years; and
- directing interest on the SEIF to the general fund beginning in fiscal 2025. This action is expected to produce \$65 million of revenue over fiscal 2025 and 2026.

Transfers to the General Fund total approximately \$813 million in fiscal 2025 and 2026 in the BRFA. The largest transfer totals \$307.9 million from the Local Income Tax Reserve Fund, with a portion (\$37.3 million) to be repaid within two years of MD Labor beginning collections under the FAMLI program. The remaining transfer from this source is to be repaid \$27.1 million per year from fiscal 2029 to 2038.

Exhibit 1.11
Other General Fund Revenue and Transfers
Fiscal 2025 and 2026
(\$ in Millions)

Other General Fund Revenue Actions

Set the Revenue Volatility Cap to \$0 through Fiscal 2029	\$205.1
SEIF Interest Directed to the General Fund	65.0
Divert \$25 Million of Transfer Tax Revenue Annually from Fiscal 2026 through 2029 Proportionately from POS Land Acquisition, Rural Legacy Program, and Maryland Agricultural Land Preservation Program	25.0
DGS PAYGO – Withdraw Fiscal 2024 Grant for Lansdowne Library to be Re-appropriated in Fiscal 2026 for Randallstown Library	12.0
Lottery Revenues from a Reduction to the Required Distribution to Bus Rapid Transit	10.0
One-time Reduction in Student Loan Debt Relief Tax Credit	9.0
Alter the Process for Transfers from the More Jobs For Marylanders Tax Credit Reserve Fund	6.0
Accelerate the Reduction in the Film Production Activity Tax Credit by One Year	6.0

Other General Fund Revenue Actions

Reduce the Mandate for the Maryland E-Innovation Initiative Program	2.5
Increase the Securities Act Registration Fee by \$15 of which \$5 Goes to the General Fund	1.4
Payments from Local Jurisdictions for 50% of New Settlements for Erroneously Confined Individuals	0.8
BPW – Unspent Funds for a Grant for the 2023 Artscape Festival (Re-appropriated in Fiscal 2026 for Artscape)	0.3
Tire Fee of \$5 – January Start Date	0.1
MCA – Social Equity Partnership Grants	-5.0
Total	\$338.1

Transfers to the General Fund

Local Income Tax Reserve Fund	\$307.9
MEA – SEIF Alternative Compliance Payments	230.0
DPA – PAYGO Funds	113.9
DPA – Cybersecurity Funds	63.5
DPA – State Center Move Funding	20.0
Judiciary – Land Records Improvement Fund	20.0
Unemployment Reserve Fund for State Employees	20.0
MDH – Maternal and Child Health Population Improvement Fund	13.1
DPSCS – Police Training and Standards Commission Fund	5.0
OAG – Mortgage Servicing Practices Settlement Fund	5.0
GOCPP – Violence and Intervention Prevention Program Fund	4.9
Commerce – More Jobs for Marylanders Tax Credit Reserve Fund	4.3
Interest Earnings from the Racing and Community Development Financing Fund	3.0
Commerce – Innovation Investment Tax Credit	1.4
Maryland Used Tire Cleanup and Recycling Fund	1.0
Total	\$812.9

BPW: Board of Public Works

DPA: Dedicated Purpose Account

DGS: Department of General Services

DPSCS: Department of Public Safety and Correctional Services

GOCPP: Governor's Office of Crime Prevention and Policy

MCA: Maryland Cannabis Administration

MDH: Maryland Department of Health

MEA: Maryland Energy Administration

OAG: Office of Attorney General

PAYGO: pay-as-you-go

POS: Program Open Space

SEIF: Strategic Energy Investment Fund

Source: Department of Legislative Services

Transportation Trust Fund Revenue and Other Transportation Actions

A series of actions in the BRFA increase revenue to the TTF by an estimated \$500 million in fiscal 2026, as summarized in **Exhibit 1.12**. The revenue amounts decrease to \$453 million in fiscal 2027 due to a one-time revenue action to accelerate the phase-in of the vehicle registration increases in fiscal 2026 (\$52 million). The largest of these actions relates to the new capital gains surcharge. Other provisions:

- double the certificate of title fee, which for new/used vehicles increases from \$100 to \$200;
- increase the vehicle excise tax from 6.0% to 6.5% beginning in fiscal 2026 and establish an excise tax at 3.5% for rental vehicles, with language related to these increases ensuring the higher excise taxes are not distributed to highway user revenues;
- increase the fee for the Vehicle Emissions Inspection Program from \$14 to \$30, and assume that late fees also increase;
- require that the Motor Vehicle Administration set miscellaneous fees at a level to collect at least 100% (instead of 95%) of projected costs, require the fees to be lowered if the projected revenue exceeds projected costs at a level of 105%, and alter the share of certificate of title fees included in the calculation of miscellaneous fees;
- alter the definition of historic vehicles for registration purposes to the 1999 model year or older;
- remove the discounted vehicle registration rate for rental vehicles, so that the registration for these vehicles is based on the class to which the car belongs; and
- establish a new tire fee of \$5 for the first sale of a new tire, which will begin with sales on January 1, 2026.

A series of other provisions also impact transportation by:

- reducing the annual distribution of lottery revenues for the Bus Rapid Transit Fund from \$27 million to \$17 million and requiring the TTF to provide the \$10 million to make the funding for the program whole, as well as increasing the share of the Bus Rapid Transit Fund that Montgomery County receives if there are two eligible grantees from \$20 million to \$25 million, and strengthening the bondability of these funds;
- increasing the debt outstanding limit on consolidated transportation bonds from \$4.5 billion to \$5 billion;

Exhibit 1.12
Transportation Trust Fund Revenue
Fiscal 2026-2030

	<u>2026</u>	<u>2027</u>	<u>2028</u>	<u>2029</u>	<u>2030</u>
Capital Gains Surcharge	\$138	\$102	\$102	\$102	\$102
Certificate of Title Fee Increase	103	103	103	103	103
Excise Tax at 6.5% Starting in Fiscal 2026	91	94	96	98	100
Registration Fee Acceleration	52				
VEIP – Double Fee (Including Late Fee)	30	31	31	32	32
Increase Cap on MVA Cost Recovery	20	42	38	56	63
Historic Tags	4	4	4	4	4
Tire Fee of \$5 – January 2026 Start Date	10	24	24	24	24
Rental Vehicle Excise Tax At 3.5%	46	47	48	49	50
Rental Car Registration Fee – No Preferential Rate	5	5	5	5	5
Total	\$500	\$453	\$452	\$474	\$484

MVA: Motor Vehicle Administration

VEIP: Vehicle Emissions Inspection Program

Source: Department of Legislative Services

- delaying from 2027 to 2032 the requirement for the Maryland Transit Administration to purchase only zero emission buses;
- expanding the types of projects that MDOT may fund using proceeds backed by future federal aid to include certain light rail related activities; and
- eliminating the requirement that operating expenses in the TTF forecast, for years beyond the budget year, be increased by the five-year average annual increase in developing departmental operating expense estimates and limiting the year-to-year variation in the rate.

Other Special Fund Revenue Actions

Exhibit 1.13 summarizes special fund revenue actions and transfers to special funds included in the BRFA, excluding revenues to the TTF, totaling \$221.2 million. The largest of these revenue actions results from a phased-in increase of the Medicaid Deficit Assessment in

fiscal 2025 (from \$294.8 million to \$344.8 million) and fiscal 2026 (\$394.8 million). The additional special fund revenue allows for a reduction in general fund spending totaling \$138.8 million combined between fiscal 2025 and 2026. Other notable increases include:

- \$33 million from a new administrative fee of 0.15% to support administrative costs in the Division of Unemployment Insurance in MD Labor, which is offset for the taxable employers by a reduction of the same level that would otherwise be required for unemployment insurance;
- \$21.2 million to increase the local cost share of certain SDAT costs from 50% to 90%, reducing the general fund expenditures in SDAT by the same level;
- \$16 million related to a one-time uniform broad-based assessment reflecting the Medicare Savings component for calendar 2023 to fund the Maryland Primary Care Program Fund, which is to serve as the foundation for advancing primary care in the State under the Advancing All-Payer Health Equity Approaches and Development model; and
- revenue derived from increased fees in the Maryland Department of the Environment and Maryland Department of Agriculture to cover costs of administering certain programs, a portion of which (\$425,000) reduce general fund expenditures.

Expenditure Impacts

As summarized in **Exhibit 1.14**, the BRFA reduces expenditures by a combined \$585.9 million in fiscal 2025 and 2026, primarily from general funds (\$530.7 million). Of the special fund reductions totaling \$38.9 million, \$8.8 million is the special fund share of general fund reductions. Federal fund expenditure reductions totaling \$16.4 million reflect the federal fund share of two general fund reductions. Three reductions totaling \$144 million reflect cost shifts to local governments including:

- a reduction of \$97.7 million in general funds results from shifting approximately 50% of the fiscal 2026 increase in the State's share of teacher and community college retirement costs to local governments, with this shift remaining at the same level in the out-years;
- a reduction of \$25 million for the nonpublic placement program, representing the first year of a two-year phase-in of a reduction of the State share of costs over 200% of the basic cost of education; and
- a reduction of \$21.2 million related to SDAT costs discussed earlier.

Exhibit 1.13

Other Special Fund Revenue Actions and Transfers

Other Special Fund Revenue Actions

MDH – Increase the Medicaid Hospital Deficit Assessment	\$150.0
MD Labor – Establish an Administrative Fee for Unemployment Insurance	33.0
SDAT – Alter the Cost Share of SDAT Operations with Local Jurisdictions from 50/50 to 90/10	21.2
MDH – Establish a Maryland Primary Care Program Fund from an Assessment on Hospitals	16.0
Blueprint Revenue from Repeal of Sales Tax Exemptions and Sports Wagering Tax Increase	6.9
MDE – Increase and Establish Various Fees Related to Wetlands and Waterways, Sediment and Erosion Control Training, Voluntary Cleanup, Rental Property Lead Registration Fee, and Mineral/Oil/Gas	3.1
OAG – Securities Act Registration Fund	2.7
Historic Tags Increase in Revenue for The Trauma System	2.5
MDA – Increase and Establish Various Fines and Fees Related to Horse Establishment Licenses, Wholesale Seedsman Permits, and Weights and Measures Registration	1.1
Accelerate the Reduction in the Film Production Activity Tax Credit by One Year Provides Revenue to HEIF	0.5
DNR – Impact of Vehicle Excise Tax Credit Changes	0.1
Divert \$25 Million of Transfer Tax Revenue Annually from Fiscal 2026 through 2029 Proportionately from POS Land Acquisition, Rural Legacy Program, and Maryland Agricultural Land Preservation Program	-25.0
Total	\$212.2

Transfer To The Blueprint For Maryland Future's Fund

Resilient Maryland Revolving Loan Fund Balance	\$9.0
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DNR: Department of Natural Resources

HEIF: Higher Education Investment Fund

MD Labor: Maryland Department of Labor

MDA: Maryland Department of Agriculture

MDE: Maryland Department of the Environment

MDH: Maryland Department of Health

OAG: Office of the Attorney General

POS: Program Open Space

SDAT: State Department of Assessments and Taxation

Source: Department of Legislative Services

Exhibit 1.14
Expenditure Impacts of the Budget Reconciliation and Financing Act
Fiscal 2025 and 2026
(\$ in Millions)

Contingent General Fund Reductions

*MDH – Increase the Medicaid Hospital Deficit Assessment	\$138.8
MSDE and MHEC – Alter the Local Share of Teacher Retirement and Community College Costs	97.7
DBM – Eliminate the Mandate for Retirement Reinvestment	43.6
MDH Medicaid – Expand the Allowable Uses of Certain Cigarette Restitution Funds in Fiscal 2026 Only	25.0
MSDE – Alter the Mandate for the State Share of the Nonpublic Placement Program	25.0
*SDAT – Alter the Cost Share of SDAT Operations with Local Jurisdictions from 50/50 to 90/10	21.2
DPSCS and MDH – Expand the Allowable Uses of Opioid Restitution Funds to Allow Funds to Supplant, Not Just Supplement, General Fund Appropriations in Fiscal 2025 and 2026 Only	15.4
*MDH – Remove the Requirement that Waiting List Equity Funds not Be Used to Supplant Funds for Emergency Community Placements and Transitioning Students, Allowing for a Broader Use of the Funds	15.0
MDH – Modify the Self-Directed Services Program in DDA	14.5
Payments to Civil Divisions – Phase Out Supplemental Retirement Grants to Local Jurisdictions Over Two Years	13.8
*DNR – Allow Up to \$10.5 Million From the Chesapeake And Atlantic Coastal Bays 2010 Trust Fund to be Used for Operating Expenses of the Department	13.1
*MDE – Allow SEIF to be Used for General Expenses of the Air and Radiation Administration	12.6
*DSP – Expand the Use of MEMSOF for General Operations in the Aviation Program in Fiscal 2025 and 2026 Only	11.0
*SDAT – Expand Allowable Uses of the Expedited Service Fund to Support Operations	10.0
*MCA – Allow the Cannabis Regulation and Enforcement Fund to be Used to Fulfill the Mandate for the Social Equity Partnership Grant Program	10.0
*Commerce – Expand the Uses of SMWOBA Funds to Include MSBDFA and Minority Pre-Seed Investment Fund	9.0
*MDH – Allow for Special Fund Balance for Various Health Occupation Boards to be Used to Support Behavioral Health Services	6.9
MHEC – Reduce the Mandate for the Police Officer and Probation Officer Loan Assistance Repayment Program	6.4
MHEC – Reduce the Mandate for the Police Officer and Probation Officer Scholarship Program	6.4

Contingent General Fund Reductions

DSCI – Reduce the Target Participation in the Young Adult Service Pathway Program by 250 Participants in Fiscal 2026 and Reduce the Mandate for the Maryland Service Year Pathway by \$2 Million	6.8
MSDE – Alter the Mandate for Safe Schools Grant to be a Mandate to the Program Rather Than the Fund	5.0
MDA – Reduce the Mandate for Tree Planting on Agricultural Land to \$500,000 Beginning in Fiscal 2025	4.0
Planning – Reduce the Mandate for Historic Revitalization Tax Credit through Fiscal 2028	3.5
*OAG – Allow Funds from the Securities Registration Act Fund to be Used for General Agency Operations	3.4
*DBM Personnel – Expand the Allowable Uses of the Senior Prescription Drug Assistance Program to Include Depositing Funds into Health Reimbursement Accounts for Certain Retirees	3.1
MDH – Eliminate the One-time Mandate for the 9-8-8 Crisis Hotline Due to the Availability of Special Funds	3.0
MDH – Eliminate the Mandate for the Maryland Patient Safety Center Fund	1.0
*Office of Correctional Ombudsman – Allow the Performance Incentive Grant Fund to be Used for Agency Operations	1.0
GOCPP – Reduce the Mandate for Warrants and Absconding Grants	1.0
MD Labor – Reduce the Mandate for the Career Pathways For Healthcare Workers Program	0.8
*MDE – Increase Wetlands and Waterways Fees and Mineral, Oil, and Gas Fees	0.6
MDH – Eliminate the Mandate for Value Based Purchasing Pilot Program	0.6
MDA – Eliminate the Mandate for the Watermen’s Microloan Program	0.5
*OAG – Require the Governor to Meet the Mandate for the Consumer Protection Division with Special Funds Instead of General Funds	0.4
MD Labor – Reduce the Mandate for the Maryland New Start Program to \$50,000	0.3
DNR – Eliminate the Mandate for the Maryland Forestry Education Program	0.3
MD Labor – Reduce the Mandate for the Construction Education and Innovation Fund	0.1
	\$530.7

Contingent Special Fund Reductions

DNR PAYGO and MDA PAYGO – Divert Transfer Tax Revenue from POS Land Acquisition, Rural Legacy Program, and Maryland Agricultural Land Preservation Program to the General Fund	\$25.0
DSCI – Reduce the Target Participation in the Young Adult Service Pathway Program by 250 Participants in Fiscal 2026 and Reduce the Mandate for the Maryland Service Year Pathway by \$2 Million	5.3
MTROA – Abolish MTROA and Make MSA and MEDCO the Successor Entities for Various Activities	3.5
DBM – Eliminate the Mandate for Retirement Reinvestment	3.5

Contingent General Fund Reductions

DNR PAYGO – Withdraw Prior Year Funding for Certain Projects in Baltimore City to be Reappropriated in Fiscal 2026	1.6
	\$38.9

Contingent Federal Fund Reductions

MDH – Modify the Self-Directed Services Program in DDA	\$14.5
DBM – Eliminate the Mandate for Retirement Reinvestment	1.9
	\$16.4

DBM: Department of Budget and Management
 DDA: Developmental Disabilities Administration
 DNR: Department of Natural Resources
 DPSCS: Department of Public Safety and Correctional Services
 DSCI: Department of Service and Civic Innovation
 DSP: Department of State Police
 GOCPP: Governor's Office of Crime Prevention and Policy
 MCA: Maryland Cannabis Administration
 MD Labor: Maryland Department of Labor
 MDA: Maryland Department of Agriculture
 MDE: Maryland Department of the Environment
 MDH: Maryland Department of Health
 MEDCO: Maryland Economic Development Corporation
 MEMSOF: Maryland Emergency Medical System Operations Fund

MHEC: Maryland Higher Education Commission
 MSA: Maryland Stadium Authority
 MSBDFA: Maryland Small Business Development Financing Authority
 MSDE: Maryland State Department of Education
 MTROA: Maryland Thoroughbred Racetrack Operating Authority
 OAG: Office of the Attorney General
 PAYGO: pay-as-you-go
 POS: Program Open Space
 SDAT: State Department of Assessments and Taxation
 SEIF: Strategic Energy Investment Fund
 SMWOBA: Small, Minority, and Women-Owned Businesses Account

*Indicates an associated special fund contingent appropriation or addition.

Source: Department of Legislative Services

Additional general fund relief (totaling approximately \$296.5 million) is provided on either a temporary or ongoing basis by expanding the uses of several special funds to cover administrative expenses, costs that would otherwise not be eligible, or increasing fees or assessments that replace general fund needs. In these cases, the fiscal 2026 budget generally also contains special fund appropriations or additions contingent on these provisions, resulting in no net impact on the program funding in the budget as passed. Additional ongoing relief is provided through reducing or eliminating a number of mandates with a combined impact of approximately \$53.9 million between fiscal 2025 and 2026. Several mandate reductions begin in fiscal 2025 producing savings in both years that are captured in that number. Two additional provisions allow planned reversions to occur by (1) authorizing, rather than requiring, unexpended funds to remain with core service agencies, local addiction authorities, local behavioral health authorities, or community providers (a \$22.7 million planned reversion) and (2) eliminating the prohibition on the use of the Board of Nursing Fund for infrastructure operations (a \$1.97 million planned reversion).

A special fund reduction of \$3.4 million, including deleting six regular positions, is associated with abolishing the Maryland Thoroughbred Racetrack Operating Authority effective

at the end of fiscal 2025. The provision makes the Maryland Stadium Authority the successor entity for construction activities related to a racing and community development project and the Maryland Economic Development Corporation for the operations of a racing and community development project. The provisions require the transfer of remaining funds in the Maryland Racing Operations Fund to the Racing and Community Development Facilities Fund.

Special and Federal Fund Contingent Appropriations and Additions

The BRFA effectuates special fund appropriations of \$645.2 million, a special fund addition of \$10 million, and a federal fund appropriation of \$105.7 million, as outlined in **Exhibit 1.15**. Of these amounts, \$206 million of special fund appropriations and \$105.7 million of federal fund appropriations are associated with the transportation revenue increases.

Exhibit 1.15 **Special and Federal Fund Contingent Appropriations and Additions** **Fiscal 2025-2026** **(\$ in Millions)**

Contingent Special Fund Appropriations

MDOT – Increase in Transportation Revenue	\$206.1
MDH – Increase the Medicaid Hospital Deficit Assessment	150.0
MDOT and MEA – Expand the Allowable Uses of Alternative Compliance Payments in Fiscal 2026 Only to Include Renewable Energy Projects on State Land and Renewable Energy Projects Undertaken by Local Governments	100.0
MD Labor – Establish an Administrative Fee for Unemployment Insurance	33.0
SDAT – Alter the Cost Share of SDAT Operations with Local Jurisdictions from 50/50 to 90/10	21.2
DNR – Authorize the Use of Program Open Space State Fund Balance to Be Used for the Maryland Park Service in Fiscal 2026 Only	16.4
MDH – Establish a Maryland Primary Care Program Fund From an Assessment on Hospitals	16.0
DPSCS and MDH – Expand the Allowable Uses of Opioid Restitution Funds to Allow Funds to Supplant, Not Just Supplement, General Fund Appropriations in Fiscal 2025 and 2026 Only	15.4
MDH – Remove the Requirement That Waiting List Equity Funds Not Be Used to Supplant Funds for Emergency Community Placements and Transitioning Students, Allowing for a Broader Use of the Funds	15.0
DNR – Allow Funds From the Chesapeake and Atlantic Coastal Bays 2010 Trust Fund to Be Used for Operating Expenses in the Chesapeake and Coastal Services Program	13.1
MDE – Allow the SEIF to Be Used for General Expenses of the Air and Radiation Administration	12.6
DSP – Expands the Use of the Maryland Emergency Medical System Operations Fund For the Aviation Program	11.0

Contingent Special Fund Appropriations

MCA – Allow the Cannabis Regulation and Enforcement Fund to Be Used to Fulfill the Mandate for the Social Equity Partnership Grant Program	10.0
Commerce – Expand the Uses of SMWOBA Funds to Include the Maryland Small Business Development Financing Authority and Minority Pre-Seed Investment Fund	9.0
MDE – Increase and Establish Various Fees Related to Wetlands and Waterways, Sediment and Erosion Control Training, Voluntary Cleanup, Rental Property Lead Registration Fee, and Mineral/Oil/Gas	4.3
MDH – Allow for Special Fund Balance for Various Health Occupation Boards to Be Used to Support Behavioral Health Services	4.0
OAG – Allow Funds From the Securities Registration Act Fund to Be Used for General Agency Operations	3.4
DBM Personnel – Expand the Allowable Uses of the Senior Prescription Drug Assistance Program to Include Depositing Funds Into Health Reimbursement Accounts for Certain Retirees	3.1
Office of Correctional Ombudsman – Allow the Performance Incentive Grant Fund to Be Used for Agency Operations	1.0
OAG – Require the Governor to Meet the Mandate for the Consumer Protection Division with Special Funds Instead of General Funds	0.4
DNR – Allow an Additional \$100,000 From the Waterway Improvement Fund to Support Marine Operations of the Natural Resources Police	0.1
	\$645.2

Contingent Special Fund Addition

SDAT – Expand Allowable Uses of the Expedited Service Fund	\$10.0
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Contingent Federal Fund Appropriations

MDOT – Increase in Transportation Revenue Allows State to Qualify for Additional Federal Grants	\$105.7
	\$105.7

DBM: Department of Budget and Management
DNR: Department of Natural Resources
DPSCS: Department of Public Safety and Correctional Services
DSP: Department of State Police
MCA: Maryland Cannabis Administration
MD Labor: Maryland Department of Labor
MDE: Maryland Department of the Environment

MDH: Maryland Department of Health
MDOT: Maryland Department of Transportation
MEA: Maryland Energy Administration
OAG: Office of the Attorney General
SDAT: State Department of Assessments and Taxation
SEIF: Strategic Energy Investment Fund
SMWOBA: Small, Minority, and Women-Owned Businesses Account

Source: Department of Legislative Services

Miscellaneous Provisions

The BRFA also contains provisions that do not directly impact spending but expand allowable uses of funds or alter or clarify requirements, which include:

- establishing a \$30 million per year cap on the restoration of cash assistance and SNAP benefits lost due to electronic benefit transfer theft;
- increasing the maximum amount that the Maryland Thoroughbred Horsemen's Association may deduct from open purses for the use of the association;
- waiving for fiscal 2026 only the requirement that 50% of CRF spending be appropriated for Medicaid;
- waiving for fiscal 2026 only the requirement that the Governor provide certain detail on across the board reductions;
- modifying the cap that DDA is authorized to establish for the Low Intensity Support Services (LISS) program to no less than \$1,000 per fiscal year per qualifying individual, rather than \$2,000;
- removing the Judicial Branch from a list of entities not subject to review by the Office of Program Evaluation and Government Accountability;
- requiring that upon notification of a certification of a final credit that the amount of the initial credit be transferred from the More Jobs for Marylanders Tax Credit Reserve Fund to the General Fund;
- adding a requirement that if federal revenues to State government decrease by at least \$1 billion due to a policy change compared to the amount budgeted in fiscal 2026 that the Department of Budget and Management must submit a report to the Legislative Policy Committee within 90 days of certifying the reduction;
- altering the annual interest rate paid for sales and use tax refunds resulting from a final decision in a certain case;
- requiring the Prince George's County Board of Education to procure an independent auditor to evaluate revenue and expenditures beginning with fiscal 2024, with a required report by January 1, 2026; and
- authorizing Montgomery County to request the delegation of authority to conduct certain surveys and complaint investigations if the Maryland Department of Health (MDH) failed

to comply with certain requirements in fiscal 2023 and 2024 and establishing a cost-share if the delegation occurs.

Selected Budgetary Initiatives and Enhancements

Developmental Disabilities Administration

Community Services Spending and Proposed Cost Containment Actions

In recent years, actual spending for community services in DDA surpassed budgeted spending by significant amounts due to inaccurate forecasts of the cost of the transition to the Long Term Services and Supports (LTSS) system. Most of the growth in cost throughout the LTSS transition was estimated to be due to increased rates built into LTSS, though some growth can be attributed to higher utilization of services. Actual spending in total funds throughout the LTSS transition exceeded the legislative appropriation by \$427 million in fiscal 2023 and \$724 million in fiscal 2024.

To offset the increasing community services spending, the Governor's fiscal 2026 budget plan included significant cost containment actions for fiscal 2025 and 2026. As introduced, the budget included reductions of \$160.1 million in total funds (\$81.6 million State funds) for fiscal 2025 and \$457.8 million in total funds (\$235.5 million State funds) for fiscal 2026. Some cost containment actions reduced services provided to participants, while others impacted the rates for providers.

Funding Restored for Cost Containment Actions

Many of the proposed reductions in the budget as introduced were revised in Supplemental Budget No. 1 to correct for lower than anticipated cost savings due to federal approval requirements from the Centers for Medicare and Medicaid Services, incorrectly budgeted effective dates, and inaccurate fund splits. The General Assembly fully or partially restored funds to undo much of the remaining proposed cost containment. **Exhibit 1.16** shows the original and revised reductions proposed by DDA, in addition to the restorations by the General Assembly for fiscal 2025 and 2026. The General Assembly's restorations included \$34.2 million in general funds for fiscal 2025 and \$132.2 million in general funds and \$15 million in special funds from the Community Services Trust Fund for fiscal 2026. The general fund restorations for services and provider reimbursements are largely assumed to receive the typical 50% federal fund match. In addition to legislative additions to restore funds, the proposed repeal of the LISS was struck from the BRFA, which preserved \$2.8 million in each of general funds and federal funds in the fiscal 2025 budget.

Exhibit 1.16
General Fund Proposed Reductions and Restorations
Fiscal 2025-2026
(\$ in Thousands)

<u>Cost Containment Action</u>	<u>Original Proposed Reductions</u>	<u>Revised Proposed Reductions</u>	<u>General Assembly Restorations</u>
Fiscal 2025			
Reasonable and Customary Wage	-\$18.3	-\$18.3	\$18.3
Geographical Differential	-28.0	0.0	0.0
Dedicated Hours Policy	-27.1	-13.6	13.6
Wage Exception	-2.4	-2.4	2.4
State-only Funded Services	-3.1	-3.1	0.0
LISS Program**	-2.8	0.0	0.0
WLEF Swap*	0.0	0.0	0.0
Total	-\$81.6	-\$37.3	\$34.2
Fiscal 2026			
Reasonable and Customary Wage	-\$73.1	-\$36.0	\$36.0
Geographical Differential	-56.0	-56.0	37.7
Dedicated Hours Policy	-54.2	-54.2	51.9
Self-directed Services IFDGS Cap*	-14.5	-14.5	7.0
Transitioning Youth	-9.6	0.0	0.0
Wage Exception	-9.4	-23.0	12.7
State-only Funded Services	-13.1	-13.1	0.0
LISS Program**	-5.5	-5.5	2.0
Total	-\$235.5	-\$202.3	\$147.2

DDA: Developmental Disabilities Administration

IFDGS: Individual and Family Directed Goods and Services

LISS: Low Intensity Support Services

WLEF: Waiting List Equity Fund

* These actions were contingent on the Budget Reconciliation and Financing Act (BRFA) of 2025 as introduced. Although the General Assembly partially restored funding for Self-directed Services IFDGS, the contingent reduction was effectuated by the BRFA.

** Supplemental Budget No. 1 removed the contingent reduction for the LISS in fiscal 2026, while leaving the contingent reduction in fiscal 2025. The repeal of the LISS program was struck from the BRFA during General Assembly consideration preserving the fiscal 2025 funds.

Note: Numbers may not sum to total due to rounding. The WLEF swap reflects \$15 million in special fund balance replacing \$15 million of general funds. The General Assembly's State fund restorations in fiscal 2026 include \$15 million in special funds.

Source: Department of Budget and Management; Department of Legislative Services

The combination of revisions to the cost containment savings through Supplemental Budget No. 1 and funding added by the General Assembly restored almost all DDA community services funding in fiscal 2025, with only the change to State-only funded services and the fund swap using Waiting List Equity Fund balance taking effect. For fiscal 2026, in addition to fully restoring funding for reasonable and customary wages for self-directed service participants to maintain them at their current level, the General Assembly partially restored funding to modify six cost containment actions. Most of the modifications include lowering the rates and funding provided for certain services instead of eliminating programs or processes, as was initially proposed. Other modifications include specifying how certain cost containment actions must be implemented. The following list summarizes the General Assembly's modifications to the proposed cost containment actions:

- ***Geographical Differential Rate:*** Lowered the geographical differential rate to 10% for services receiving a higher percentage instead of eliminating the geographical differential rate;
- ***Dedicated Hours:*** Lowered the dedicated hour rate to 86% of the fully loaded brick used for rate setting instead of requiring shared hours to be maximized prior to providing dedicated hours. Language added to the fiscal 2026 budget further specifies how DDA must implement the dedicated hour utilization policy;
- ***Individual and Family Directed Goods and Services (IFDGS) Cap:*** Passed a provision in the BRFA of 2025 that allows MDH to place a cap on IFDGS requests for self-directed services participants but removed the day-to-day administrator category from IFDGS. To effectuate this modification, \$7 million of the estimated \$14.5 million reduction is restored to cover day-to-day administrator costs;
- ***Wage Exception:*** Capped wage exceptions above the reasonable and customary wages to 15% for the standard maximum and 10% for the geographical differential maximum for self-directed service participants instead of eliminating the wage exception process;
- ***State-only Funded Services:*** Reduced State-only funded services as initially proposed but required individuals receiving services to apply for a DDA-operated Medicaid waiver and required DDA to continue providing services to ineligible individuals; and
- ***LISS Program:*** Reduced funding for LISS instead of eliminating the program and lowered the cap per eligible participant to \$1,000 instead of \$2,000.

Personnel

As introduced, the fiscal 2026 budget included \$12.5 billion in total personnel funds, representing approximately 18.6% of the State budget. As passed, the fiscal 2026 budget includes

\$12.3 billion in total personnel funds, including \$93.3 million for a 1% general salary increase effective July 1, 2025, and \$105 million for increments for State employees in bargaining units.

The legislature reduced statewide personnel funding in fiscal 2026 for the following purposes:

- vacancy savings to reflect a turnover expectancy of 9.5% (\$139.5 million); and
- abolishing 150.5 miscellaneous regular positions (\$16.5 million).

Other personnel reductions occurred related to specific agencies, the largest of which occur in the Judiciary including funding for merit raises for Judiciary employees (\$10.9 million), to be consistent with reductions for other nonrepresented employees included in Supplemental Budget No.1, and overbudgeted general salary increase funding for Judiciary employees (\$2.2 million).

The fiscal 2026 budget as introduced provided pension funding above the State's actuarially required contribution. The BRFA of 2025 reduces two required supplemental payments above the actuarially required level, including permanently eliminating the \$50 million contribution that was required until the pension system reached a certain funded status and permanently eliminated the \$25 million sweeper of the general fund surplus from the most recently completed fiscal year to the pension system. In addition, the BRFA permanently eliminated the \$25 million sweeper of the general fund surplus from the most recently completed fiscal year into the other postemployment health benefits trust fund.

Workforce Changes

The State workforce increases by 936 regular positions to 86,698 regular positions between the fiscal 2025 legislative appropriation and fiscal 2026 legislative appropriation, as shown in **Exhibit 1.17**. Supplemental Budget No. 1 added 109 positions in the Executive Branch. Legislative action on the budget reduced 354.5 positions in the Executive and Judicial Branches, including positions added through Supplemental Budget No. 1.

Exhibit 1.17
Regular Full-time Equivalent Position Changes
Fiscal 2025-2026

Department/ Service Area	2025 Leg. Approp	2026 Allowance	Supplemental Budget	Leg. Changes	2026 Leg. Approp.	2025 Leg. Approp. – 2026 Leg. Approp. Change
Largest Six State Agencies						
Public Safety and						
Correctional Services	9,213	9,229	10		9,239	26
Transportation	9,179	9,403	44	-88	9,359	180
Health	7,586	7,346	-10	-12	7,324	-262
Human Services	5,979	5,979			5,979	0
State Police	2,578	2,593	-2	-15	2,576	-2
Juvenile Services	2,143	2,146			2,146	3
Subtotal	36,677	36,695	42	-115	36,622	-55
Other Executive						
Legal (Excluding						
Judiciary)	1,701	1,807	3	-4	1,806	105
Executive and						
Administrative Control	2,043	2,200	15	-24	2,191	148
Financial and Revenue						
Administration	2,315	2,455		11	2,466	151
Budget and Management						
and DoIT	558	584		9	593	35
Retirement	199	207			207	8
General Services	727	732			732	5
Service and Civic						
Innovation	39	77		-21	56	17
Natural Resources	1,499	1,555			1,555	56
Agriculture	426	441	12	-13	440	13
Labor	1,785	1,969	23	-23	1,969	184
MSDE and Other						
Education	2,031	2,074	14	-18	2,070	39
Housing and Community						
Development	446	447		-1	446	0

<u>Department/ Service Area</u>	<u>2025 Leg. Approp</u>	<u>2026 Allowance</u>	<u>Supplemental Budget</u>	<u>Leg. Changes</u>	<u>2026 Leg. Approp.</u>	<u>2025 Leg. Approp. – 2026 Leg. Approp. Change</u>
Commerce	208	212			212	4
Environment	986	1,034			1,034	48
Subtotal	14,962	15,792	67	-84	15,775	814
Miscellaneous Adjustments				-151		
Executive Branch Subtotal	51,639	52,488	109	-350	52,247	609
Higher Education	29,145	29,463	0	0	29,463	318
Judiciary	4,165	4,178	0	-5	4,173	8
Legislature	813	814	0	0	814	1
Total	85,762	86,943	109	-355	86,698	936

DoIT: Department of Information Technology
MSDE: Maryland State Department of Education

Note: Excludes three positions added to MSDE in Section 21, as part of an addition that was vetoed.

Source: Department of Budget and Management; Department of Legislative Services

By the Numbers

A number of exhibits summarize legislative budget action, as described below.

Exhibit 1.18, the fiscal note on the budget bill, depicts the Governor's allowance, funding changes made through two supplemental budgets, legislative additions and reductions, and final appropriations for fiscal 2025 and 2026 by fund source. The Governor's original request provided for \$67.6 billion in fiscal 2026 expenditures and \$3 billion in fiscal 2025 deficiencies.

Supplemental budgets, excluding actions contingent on the BRFA, provided a net of \$400.6 million in additional spending across fiscal 2025 and 2026, of which approximately \$155.5 million was general funds, accounting for planned reversions, \$307.9 million was federal funds, and special funds were reduced by \$61.9 million. The legislature made approximately \$2 billion in reductions to the fiscal 2026 allowance (\$1.3 million in general funds), adding back approximately \$291 million (\$260 million in general funds) to fund targeted priorities. The legislature made an additional \$219 million in reductions to fiscal 2025 (including

\$214.4 million in general funds), adding back approximately \$36.2 million for targeted priorities. When all actions are considered, the fiscal 2026 all fund legislative appropriation reflects an increase of \$81.7 million compared to the fiscal 2025 appropriation. **Exhibit 1.19** through **Exhibit 1.24** provide detail for the budget changes by major expenditure category by fund.

Exhibit 1.18
Fiscal Note – Summary of the Fiscal 2026 Budget Bill – House Bill 350 (Ch. 602) House Bill 352 (Ch. 604)

	<u>General Funds</u>	<u>Special Funds</u>	<u>Federal Funds</u>	<u>Higher Education Funds</u>	<u>Total Funds</u>	
Governor’s Allowance						
Fiscal 2025 Budget	\$27,415,058,482	\$13,005,134,456	\$20,229,954,794	\$5,890,819,571	\$66,540,967,303	(1)
Fiscal 2026 Budget	27,967,936,476	14,237,811,356 (2)	19,633,990,180	6,056,068,626	67,895,806,638	(3)
Supplemental Budget No. 1						
Fiscal 2025 Deficiencies	\$97,015,748	\$55,383,197 (4)	\$224,822,845	\$0	\$377,221,790	
Fiscal 2026 Budget	\$141,748,000	-117,330,239	125,236,478	0	149,654,239	(5)
Subtotal	\$238,763,748	-\$61,947,042	\$350,059,323	\$0	\$526,876,029	
Supplemental Budget No. 2						
Fiscal 2025 Deficiencies	\$0	\$0	\$0	\$0	\$0	
Fiscal 2026 Budget	-84,219,124	0	-42,118,292		-126,337,416	(6)
Subtotal	-\$84,219,124	\$0	-\$42,118,292	\$0	-\$126,337,416	
Budget Reconciliation and Financing Act of 2025						
Fiscal 2025 Contingent Reductions	-\$102,707,587	\$0	\$0	\$0	-102,707,587	
Fiscal 2025 Contingent Appropriations	0	94,307,587	0	0	94,307,587	
Fiscal 2026 Contingent Reductions	-427,954,185	-32,004,624	-16,366,457	0	-476,325,266	
Fiscal 2026 Contingent Appropriations	0	550,842,697	105,660,000	0	656,502,697	
Fiscal 2026 Contingent Addition	0	10,000,000	0	0	10,000,000	
Subtotal	-\$530,661,772	\$623,145,660	\$89,293,543	\$0	\$181,777,431	
Legislative Reductions						
Fiscal 2025 Deficiencies	-\$111,726,259	-\$4,690,096	\$0	\$0	-\$116,416,355	
Fiscal 2026 Budget	-891,479,231	-259,976,843	-337,481,579	0	-1,488,937,653	(7)
Total Reductions	-\$1,003,205,490	-\$264,666,939	-\$337,481,579	\$0	-\$1,605,354,008	

	<u>General Funds</u>	<u>Special Funds</u>	<u>Federal Funds</u>	<u>Higher Education Funds</u>	<u>Total Funds</u>	
Legislative Additions						
Fiscal 2025 Deficiencies	\$36,224,704	\$0	\$0	\$0	\$36,224,704	
Fiscal 2026 Budget	\$223,806,875	\$62,468,488	\$4,700,000	\$0	\$290,975,363	(8)
Total Additions	\$260,031,579	\$62,468,488	\$4,700,000	\$0	\$327,200,067	
Appropriations						
Fiscal 2025 Budget	\$27,333,865,088	\$13,150,135,144	\$20,454,777,639	\$5,890,819,571	\$66,829,597,442	
Fiscal 2026 Budget	26,929,838,811	14,451,810,835	19,473,620,330	6,056,068,626	66,911,338,602	
Change	-\$404,026,277	\$1,301,675,691	-\$981,157,309	\$165,249,055	\$81,741,160	

(1) Reflects \$3.07 billion in proposed deficiencies, including \$1.67 billion in general funds, \$191.4 million in special funds, \$1.2 million in federal funds, and \$3.7 million in current restricted funds. Assumes \$75 million in unspecified general fund reversions and includes \$160.2 million in targeted general fund reversions and \$25.7 million in assumed federal fund cancellations. Excludes \$72.1 million in special funds that double count general fund spending.

(2) Excludes \$79 million of special funds that double counts general fund spending.

(3) Includes \$3.6 million in general fund and \$187.9 million in special fund appropriations that are contingent on legislation. Assumes \$75 million in unspecified general fund reversions and \$5.7 million of planned reversions that are contingent on legislation.

(4) Excludes \$2.95 million of special fund appropriations that double count general funds.

(5) Includes \$37.3 million of general fund appropriations that are contingent on legislation. Excludes \$250,000 of special fund appropriations that double count general funds. Includes \$8 million of general fund appropriations that are contingently reduced in the Budget Reconciliation and Financing Act. Excludes \$14.8 million of general fund reductions, \$66.1 million of special fund reductions contingent on legislation, \$116 million of special fund appropriations, and \$14.9 million of federal fund reductions contingent on legislation.

(6) Excludes \$13.1 million of general fund reductions and \$9 million of special fund appropriations that are contingent on the Budget Reconciliation and Financing Act.

(7) Includes \$14.9 million of general fund reductions, \$126.8 million of special fund reductions, and \$14.9 million of federal fund reductions that are contingent on legislation.

(8) Includes \$2.2 million in general funds that are contingent on legislation. Excludes a general fund addition of \$230,128 and special fund addition of \$500,000 that were vetoed, and a special fund addition of \$100,000 that was contingent on legislation that was vetoed.

Source: Department of Legislative Services

Exhibit 1.19
State Expenditures – General Funds
Fiscal 2024-2026
(\$ in Millions)

<u>Category</u>	<u>2024 Actual</u>	<u>2025 Working Appropriation</u>	<u>2025 Legislative Appropriation</u>	<u>\$ Change 2025 to 2026</u>	<u>% Change</u>
Debt Service	\$425.1	\$397.1	\$154.7	-\$242.4	-61.0%
County/Municipal	\$453.7	\$415.6	\$396.7	-\$19.0	-4.6%
Community Colleges	476.0	477.6	503.1	25.5	5.3%
Education/Libraries	7,214.7	7,383.8	7,429.2	45.5	0.6%
Health	135.0	111.2	115.0	3.8	3.4%
<i>Aid to Local Governments</i>	<i>\$8,279.4</i>	<i>\$8,388.2</i>	<i>\$8,444.0</i>	<i>\$55.9</i>	<i>0.7%</i>
Foster Care Payments	\$268.5	\$279.0	\$320.6	\$41.6	14.9%
Assistance Payments	58.4	136.4	145.6	9.2	6.8%
Medical Assistance	5,080.8	5,281.5	5,466.7	185.2	3.5%
Property Tax Credits	93.8	96.0	87.1	-8.9	-9.2%
<i>Entitlements</i>	<i>\$5,501.5</i>	<i>\$5,792.9</i>	<i>\$6,020.0</i>	<i>\$227.1</i>	<i>3.9%</i>
Health	\$2,276.0	\$3,141.9	\$3,167.3	\$25.4	0.8%
Human Services	515.6	513.3	550.9	37.6	7.3%
Juvenile Services	321.4	340.9	359.6	18.7	5.5%
Public Safety/Police	1,981.3	2,122.2	2,215.9	93.7	4.4%
Higher Education	2,333.7	2,277.9	2,298.8	20.8	0.9%
Transportation	0.3	196.9	1.1	-195.8	-99.4%
Other Education	930.0	1,039.6	1,024.6	-15.0	-1.4%
Agriculture/Natural Res./Environment	236.9	210.9	208.4	-2.6	-1.2%
Other Executive Agencies	1,414.8	1,708.2	1,594.3	-114.0	-6.7%
Judiciary	670.3	689.6	714.3	24.7	3.6%
Legislative	155.2	160.8	162.1	1.4	0.9%

<u>Category</u>	<u>2024 Actual</u>	<u>2025 Working Appropriation</u>	<u>2025 Legislative Appropriation</u>	<u>\$ Change 2025 to 2026</u>	<u>% Change</u>
<i>State Agencies</i>	\$10,835.5	\$12,402.3	\$12,297.2	-\$105.1	-0.8%
Deficiencies (for Prior Years)	\$0.0	\$267.6	\$0.0	-\$267.6	-100.0%
Total Operating	\$25,041.5	\$27,248.0	\$26,916.0	-\$332.1	-1.2%
Capital	\$1,145.0	\$158.3	\$62.4	-\$95.9	-60.6%
Subtotal	\$26,186.5	\$27,406.4	\$26,978.3	-\$428.0	-1.6%
Reserve Funds	\$1,210.6	\$2.5	\$26.5	\$24.0	960.0%
Appropriations	\$27,397.1	\$27,408.9	\$27,004.8	-\$404.0	-1.5%
Reversions	\$0.0	-\$75.0	-\$75.0	\$0.0	0.0%
Grand Total	\$27,397.1	\$27,333.9	\$26,929.8	-\$404.0	-1.5%

Note: The fiscal 2025 working appropriation reflects \$1.7 billion in deficiencies plus \$237.7 million in reversions including \$162.7 million in targeted reversions. It also reflects legislative additions of \$36.2 million.

Source: Department of Legislative Services

Exhibit 1.20
State Expenditures – Special and Higher Education Funds*
Fiscal 2024-2026
(\$ in Millions)

<u>Category</u>	<u>2024 Actual</u>	<u>2025 Working Appropriation</u>	<u>2025 Legislative Appropriation</u>	<u>\$ Change 2025 to 2026</u>	<u>% Change</u>
Debt Service	\$1,427.6	\$1,556.9	\$1,681.6	\$124.7	8.0%
County/Municipal	\$511.6	\$595.2	\$659.5	\$64.3	10.8%
Community Colleges	0.0	0.0	0.0	0.0	n/a
Education/Libraries	1,498.0	1,807.0	2,429.9	622.8	34.5%
Health	0.0	0.0	0.0	0.0	n/a
<i>Aid to Local Governments</i>	<i>\$2,009.5</i>	<i>\$2,402.3</i>	<i>\$3,089.4</i>	<i>\$687.1</i>	<i>28.6%</i>
Foster Care Payments	\$2.2	\$2.7	\$3.5	\$0.8	30.1%
Assistance Payments	8.9	6.2	6.4	0.2	3.6%
Medical Assistance	763.8	793.3	862.7	69.4	8.7%
Property Tax Credits	0.0	0.0	0.0	0.0	n/a
<i>Entitlements</i>	<i>\$774.8</i>	<i>\$802.2</i>	<i>\$872.6</i>	<i>\$70.4</i>	<i>8.8%</i>
Health	\$697.3	\$759.7	\$796.9	\$37.1	4.9%
Human Services	172.7	164.3	219.4	55.1	33.5%
Juvenile Services	2.5	3.4	3.5	0.1	2.9%
Public Safety/Police	218.9	218.9	243.7	24.8	11.3%
Higher Education	5,687.6	6,068.1	6,224.7	156.6	2.6%
Other Education	298.2	311.0	303.6	-7.4	-2.4%
Transportation	2,386.8	2,660.5	2,909.4	248.9	9.4%
Agriculture/Natural Res./Environment	330.1	381.7	415.6	33.9	8.9%
Other Executive Agencies	1,300.0	1,589.6	1,695.0	105.4	6.6%
Judiciary	85.3	84.3	84.6	0.2	0.2%
<i>State Agencies</i>	<i>\$11,179.5</i>	<i>\$12,241.6</i>	<i>\$12,896.3</i>	<i>\$654.7</i>	<i>5.3%</i>

<u>Category</u>	<u>2024 Actual</u>	<u>2025 Working Appropriation</u>	<u>2025 Legislative Appropriation</u>	<u>\$ Change 2025 to 2026</u>	<u>% Change</u>
Deficiencies (for prior years)	\$0.0	\$5.6	\$0.0	-\$5.6	n/a
Total Operating	\$15,391.4	\$17,008.5	\$18,539.9	\$1,531.4	9.0%
Capital	\$2,150.4	\$1,942.5	\$1,968.0	\$25.5	1.3%
Transportation	1,125.2	1,492.5	1,452.5	-40.0	-2.7%
Environment	265.7	209.6	196.7	-12.9	-6.2%
Other	759.5	240.4	318.9	78.5	32.7%
<i>Subtotal</i>	<i>\$17,541.9</i>	<i>\$18,951.0</i>	<i>\$20,507.9</i>	<i>\$1,556.9</i>	<i>8.2%</i>
Reserve Funds	\$0.0	\$90.0	\$0.0	-\$90.0	n/a
Grand Total	\$17,541.9	\$19,041.0	\$20,507.9	\$1,466.9	7.7%

*Includes higher education funds (current unrestricted and current restricted) net of general and special funds.

Note: The fiscal 2025 working appropriation reflects deficiencies of \$248.1 million. Fiscal 2024 excludes \$200.6 million, fiscal 2025 excludes \$75.1 million, and fiscal 2026 excludes \$79.3 million that double counts general fund spending.

Source: Department of Legislative Services

Exhibit 1.21
State Expenditures – Federal Funds
Fiscal 2024-2026
(\$ in Millions)

<u>Category</u>	<u>2024 Actual</u>	<u>2025 Working Appropriation</u>	<u>2025 Legislative Appropriation</u>	<u>\$ Change 2025 to 2026</u>	<u>% Change</u>
Debt Service	\$6.4	\$4.9	\$2.6	-\$2.3	-46.9%
County/Municipal	\$64.0	\$82.1	\$82.1	\$0.0	0.0%
Community Colleges	0.0	0.0	0.0	0.0	n/a
Education/Libraries	1,186.3	1,329.2	1,217.8	-111.4	-8.4%
Health	0.0	25.0	0.0	-25.0	-100.0%
<i>Aid to Local Governments</i>	<i>\$1,250.2</i>	<i>\$1,436.3</i>	<i>\$1,300.0</i>	<i>-\$136.4</i>	<i>-9.5%</i>
Foster Care Payments	\$73.1	\$106.7	\$71.5	-\$35.2	-33.0%
Assistance Payments	1,800.6	2,058.9	1,840.8	-218.1	-10.6%
Medical Assistance	9,488.0	9,075.8	9,006.8	-69.1	-0.8%
Property Tax Credits	0.0	0.0	0.0	0.0	n/a
<i>Entitlements</i>	<i>\$11,361.6</i>	<i>\$11,241.4</i>	<i>\$10,919.1</i>	<i>-\$322.4</i>	<i>-2.9%</i>
Health	\$2,486.0	\$2,745.2	\$2,818.3	\$73.1	2.7%
Human Services	734.7	734.8	773.8	39.0	5.3%
Juvenile Services	9.4	6.3	6.4	0.0	0.6%
Public Safety/Police	36.1	37.6	37.8	0.2	0.6%
Higher Education	0.0	0.0	0.0	0.0	n/a
Other Education	411.1	376.2	383.5	7.2	1.9%
Transportation	253.9	139.9	141.1	1.2	0.9%
Agriculture/Natural Res./Environment	83.6	108.4	110.4	2.0	1.9%
Other Executive Agencies	1,543.9	1,627.5	1,525.5	-102.0	-6.3%
Judiciary	0.7	2.2	1.0	-1.2	-53.2%
<i>State Agencies</i>	<i>\$5,559.4</i>	<i>\$5,778.0</i>	<i>\$5,797.7</i>	<i>\$19.7</i>	<i>0.3%</i>

<u>Category</u>	<u>2024 Actual</u>	<u>2025 Working Appropriation</u>	<u>2025 Legislative Appropriation</u>	<u>\$ Change 2025 to 2026</u>	<u>% Change</u>
Deficiencies (for prior years)	\$0.0	\$335.6	\$0.0	-\$335.6	n/a
Total Operating	\$18,177.6	\$18,796.3	\$18,019.4	-\$776.9	-4.1%
Capital	\$1,323.8	\$1,658.5	\$1,454.3	-\$204.2	-12.3%
Transportation	1,013.4	1,205.8	1,230.7	24.9	2.1%
Environment	116.8	173.2	174.6	1.4	0.8%
Other	193.6	279.4	48.9	-230.6	-82.5%
Grand Total	\$19,501.5	\$20,454.8	\$19,473.6	-\$981.2	-4.8%

Note: The fiscal 2025 working appropriation reflects deficiencies of \$1.4 billion.

Source: Department of Legislative Services

Exhibit 1.22
State Expenditures – State Funds
Fiscal 2024-2026
(\$ in Millions)

<u>Category</u>	<u>2024 Actual</u>	<u>2025 Working Appropriation</u>	<u>2025 Legislative Appropriation</u>	<u>\$ Change 2025 to 2026</u>	<u>% Change</u>
Debt Service	\$1,852.7	\$1,954.0	\$1,836.3	-\$117.7	-6.0%
County/Municipal	\$965.3	\$1,010.8	\$1,056.2	\$45.4	4.5%
Community Colleges	476.0	477.6	503.1	25.5	5.3%
Education/Libraries	8,712.7	9,190.8	9,859.1	668.3	7.3%
Health	135.0	111.2	115.0	3.8	3.4%
<i>Aid to Local Governments</i>	<i>\$10,288.9</i>	<i>\$10,790.5</i>	<i>\$11,533.4</i>	<i>\$743.0</i>	<i>6.9%</i>
Foster Care Payments	\$270.7	\$281.7	\$324.1	\$42.4	15.0%
Assistance Payments	67.3	142.5	152.0	9.5	6.6%
Medical Assistance	5,844.5	6,074.8	6,329.4	254.6	4.2%
Property Tax Credits	93.8	96.0	87.1	-8.9	-9.2%
<i>Entitlements</i>	<i>\$6,276.3</i>	<i>\$6,595.1</i>	<i>\$6,892.6</i>	<i>\$297.5</i>	<i>4.5%</i>
Health	\$2,973.3	\$3,901.6	\$3,964.2	\$62.5	1.6%
Human Services	688.3	677.6	770.3	92.7	13.7%
Juvenile Services	324.0	344.3	363.1	18.8	5.5%
Public Safety/Police	2,200.1	2,341.1	2,459.6	118.4	5.1%
Higher Education	8,021.3	8,346.1	8,523.5	177.4	2.1%
Other Education	1,228.2	1,350.6	1,328.2	-22.4	-1.7%
Transportation	2,387.1	2,857.4	2,910.5	53.1	1.9%
Agriculture/Natural Res./Environment	567.0	592.7	624.0	31.3	5.3%
Other Executive Agencies	2,714.8	3,297.8	3,289.3	-8.6	-0.3%
Judiciary	755.6	773.9	798.8	24.9	3.2%
Legislative	155.2	160.8	162.1	1.4	0.9%
<i>State Agencies</i>	<i>\$22,015.0</i>	<i>\$24,643.9</i>	<i>\$25,193.5</i>	<i>\$549.6</i>	<i>2.2%</i>

<u>Category</u>	<u>2024 Actual</u>	<u>2025 Working Appropriation</u>	<u>2025 Legislative Appropriation</u>	<u>\$ Change 2025 to 2026</u>	<u>% Change</u>
Deficiencies (for prior years)	\$0.0	\$273.2	\$0.0	-\$273.2	-100.0%
Total Operating	\$40,432.9	\$44,256.5	\$45,455.8	\$1,199.3	2.7%
Capital	\$3,295.4	\$2,100.8	\$2,030.4	-\$70.4	-3.4%
Transportation	1,292.3	1,496.6	1,452.5	-44.1	-2.9%
Environment	282.5	210.6	197.3	-13.3	-6.3%
Other	1,720.7	393.6	380.6	-13.0	-3.3%
Subtotal	\$43,728.4	\$46,357.3	\$47,486.2	\$1,128.9	2.4%
Reserve Funds	\$1,210.6	\$92.5	\$26.5	-\$66.0	-71.4%
Appropriations	\$44,939.0	\$46,449.8	\$47,512.7	\$1,062.9	2.3%
Reversions	\$0.0	-\$75.0	-\$75.0	\$0.0	0.0%
Grand Total	\$44,939.0	\$46,374.8	\$47,437.7	\$1,062.9	2.3%

Note: The fiscal 2025 working appropriation reflects deficiencies of \$1.9 billion plus \$237.7 million in reversions including \$162.7 million in targeted reversions. It also reflects legislative additions of \$36.2 million. Fiscal 2024 excludes \$200.6 million, fiscal 2025 excludes \$75.1 million, and fiscal 2026 excludes \$79.3 million of special funds that double counts general fund spending.

Source: Department of Legislative Services

Exhibit 1.23
State Expenditures – All Funds
Fiscal 2024-2026
(\$ in Millions)

<u>Category</u>	<u>2024 Actual</u>	<u>2025 Working Appropriation</u>	<u>2025 Legislative Appropriation</u>	<u>\$ Change 2025 to 2026</u>	<u>% Change</u>
Debt Service	\$1,859.1	\$1,958.9	\$1,838.9	-\$120.0	-6.1%
County/Municipal	\$1,029.2	\$1,092.9	\$1,138.3	\$45.4	4.1%
Community Colleges	476.0	477.6	503.1	25.5	5.3%
Education/Libraries	9,898.9	10,520.0	11,076.9	557.0	5.3%
Health	135.0	136.2	115.0	-21.2	-15.6%
<i>Aid to Local Governments</i>	<i>\$11,539.2</i>	<i>\$12,226.8</i>	<i>\$12,833.4</i>	<i>\$606.6</i>	<i>5.0%</i>
Foster Care Payments	\$343.8	\$388.4	\$395.6	\$7.2	1.9%
Assistance Payments	1,867.9	2,201.5	1,992.8	-208.7	-9.5%
Medical Assistance	15,332.5	15,150.6	15,336.1	185.5	1.2%
Property Tax Credits	93.8	96.0	87.1	-8.9	-9.2%
<i>Entitlements</i>	<i>\$17,637.9</i>	<i>\$17,836.5</i>	<i>\$17,811.7</i>	<i>-\$24.8</i>	<i>-0.1%</i>
Health	\$5,459.3	\$6,646.8	\$6,782.4	\$135.6	2.0%
Human Services	1,423.0	1,412.4	1,544.1	131.7	9.3%
Juvenile Services	333.3	350.6	369.4	18.8	5.4%
Public Safety/Police	2,236.3	2,378.7	2,497.4	118.7	5.0%
Higher Education	8,021.3	8,346.1	8,523.5	177.4	2.1%
Other Education	1,639.3	1,726.9	1,711.7	-15.2	-0.9%
Transportation	2,641.1	2,997.3	3,051.6	54.4	1.8%
Agriculture/Natural Res./Environment	650.6	701.0	734.4	33.3	4.8%
Other Executive Agencies	4,258.7	4,925.3	4,814.8	-110.5	-2.2%
Judiciary	756.3	776.1	799.9	23.8	3.1%
Legislative	155.2	160.8	162.1	1.4	0.9%

<u>Category</u>	<u>2024 Actual</u>	<u>2025 Working Appropriation</u>	<u>2025 Legislative Appropriation</u>	<u>\$ Change 2025 to 2026</u>	<u>% Change</u>
<i>State Agencies</i>	\$27,574.4	\$30,422.0	\$30,991.3	\$569.3	1.9%
Deficiencies (for prior years)	\$0.0	\$608.8	\$0.0	-\$608.8	n/a
Total Operating	\$58,610.6	\$63,052.8	\$63,475.2	\$422.4	0.7%
Capital	\$4,619.3	\$3,759.3	\$3,484.7	-\$274.6	-7.3%
Transportation	2,305.7	2,702.4	2,683.2	-19.2	-0.7%
Environment	399.3	383.9	372.0	-11.9	-3.1%
Other	1,914.2	673.0	429.5	-243.5	-36.2%
Subtotal	\$63,229.8	\$66,812.1	\$66,959.8	\$147.7	0.2%
Reserve Funds	\$1,210.6	\$92.5	\$26.5	-\$66.0	-71.4%
Appropriations	\$64,440.4	\$66,904.6	\$66,986.3	\$81.7	0.1%
Reversions	\$0.0	-\$75.0	-\$75.0	\$0.0	0.0%
Grand Total	\$64,440.4	\$66,829.6	\$66,911.3	\$81.7	0.1%

Note: The fiscal 2025 working appropriation reflects deficiencies of \$3.3 billion plus \$237.7 million in reversions including \$162.7 million in targeted reversions. It also reflects legislative additions of \$36.2 million. Fiscal 2024 excludes \$200.6 million, fiscal 2025 excludes \$75.1 million, and fiscal 2026 excludes \$79.3 million of special funds that double counts general fund spending.

Source: Department of Legislative Services

Chapter 2. State Capital Program

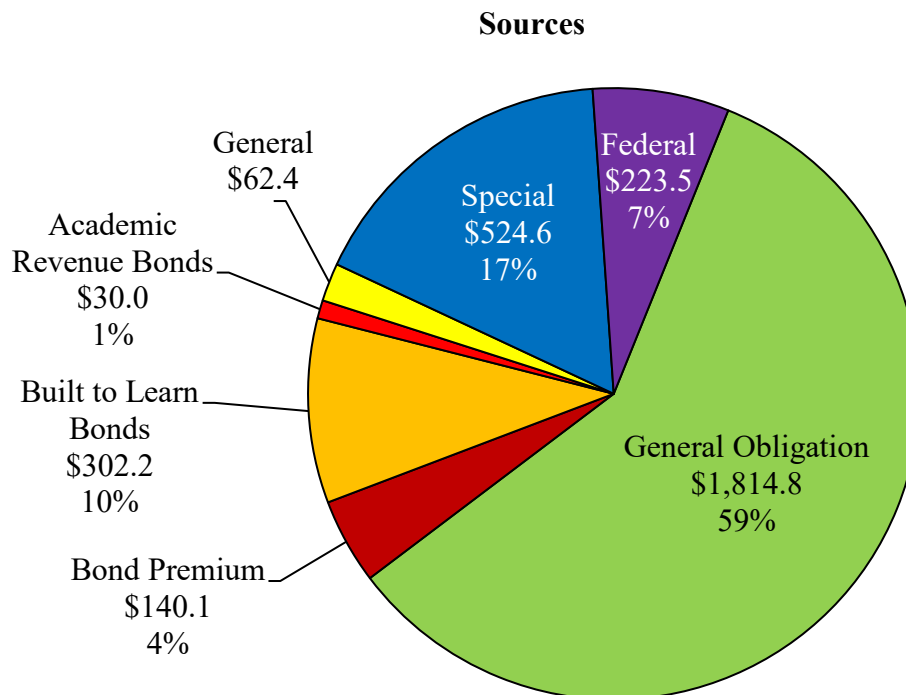
- Fiscal 2026 Capital Budget

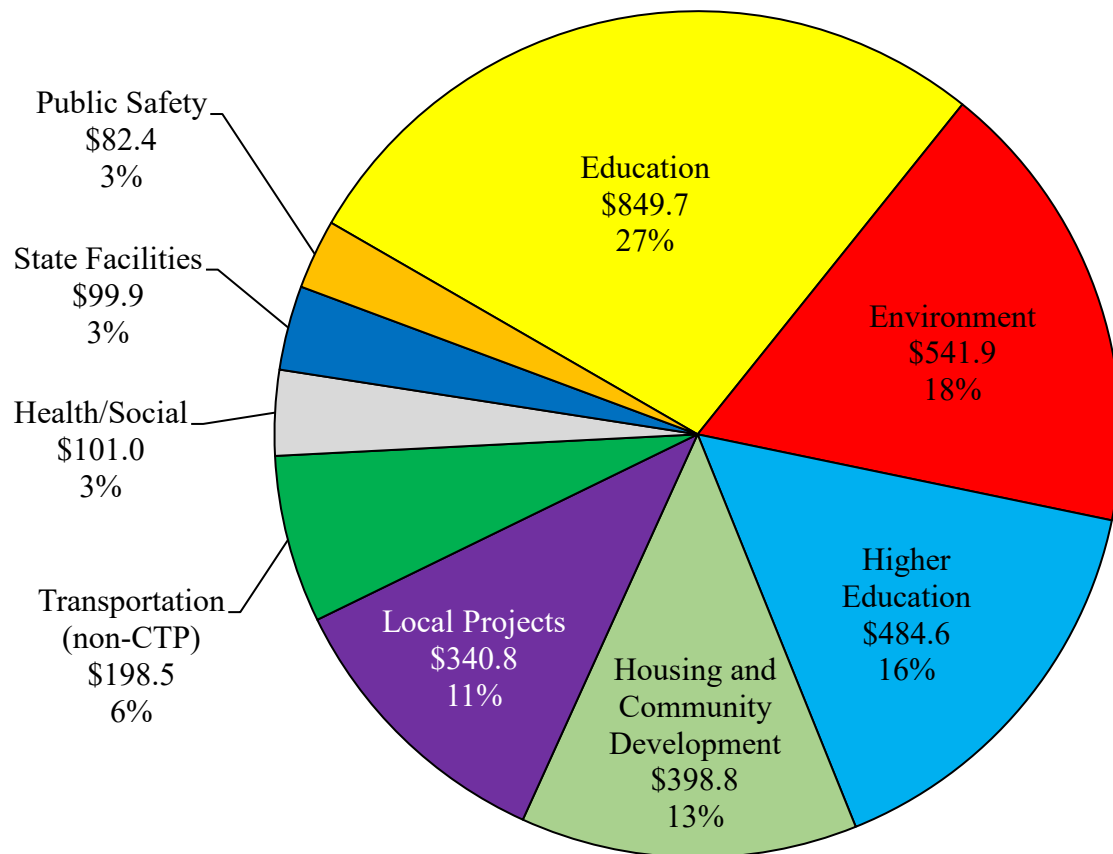
Fiscal 2026 Capital Budget

The General Assembly passed a fiscal 2026 capital program totaling \$5.881 billion, including \$2.783 billion for the transportation program through the *Consolidated Transportation Program* (CTP). Apart from the CTP, the program totals \$3.098 billion: \$1.955 billion is funded with general obligation (GO) bonds authorized in **House Bill 351 (Chapter 603)**, the Maryland Consolidated Capital Bond Loan (MCCBL) of 2025; \$810.5 million is funded on a pay-as-you-go (PAYGO) basis in the operating budget comprised of \$62.4 million of general funds, \$524.6 million of special funds, and \$223.5 million of federal funds; \$302.2 million for school construction projects is funded with revenue bonds through the Built to Learn (BTL) program; and \$30 million for University System of Maryland (USM) facilities is funded with Academic Revenue Bonds (ARB) authorized in **House Bill 793 (Chapter 316)**. The capital program also included \$42.4 million of fiscal 2025 deficiency appropriations, comprised of \$35.8 million of general funds, \$3.1 million of special funds, and \$3.5 million of federal funds.

Exhibit 2.1 provides a summary of the capital program by sources and uses and **Exhibit 2.2** provides a detailed list of capital projects and programs by function and fund source. The attached link to the Maryland General Assembly webpage provides a list of the *miscellaneous capital grants, including legislative bond initiative projects* funded in both the operating and capital budget bills of the 2025 session.

Exhibit 2.1
Fiscal 2026 Capital Program Sources and Uses
(\$ in Millions)



Uses

CTP: Consolidated Transportation Program

Source: Department of Legislative Services

Exhibit 2.2
Capital Program for the 2025 Session

		Bonds		Current Funds (PAYGO)			
<u>Budget Code</u>	<u>Project Title</u>	<u>General Obligation</u> ¹	<u>Revenue</u>	<u>General</u>	<u>Special</u> ²	<u>Federal</u>	<u>Total Funds</u>
State Facilities							
DA0201A	MDOD: Access Maryland	\$1,027,000	\$0	\$0	\$0	\$0	\$1,027,000
DE0201A	BPW: Facilities Renewal Fund	53,210,000	0	0	0	0	53,210,000
DE0201B	BPW: Fuel Storage Tank System Replacement Program	1,500,000	0	0	0	0	1,500,000
DE0201D	BPW: Revolutionary War Memorial for Black Soldiers	1,000,000	0	0	0	0	1,000,000
DE0211C	BPW: New Supreme Court of Maryland Building	26,117,000	0	0	0	0	26,117,000
DH0104A	DMIL: Glen Burnie Readiness Center Renovation and Expansion	176,000	0	0	0	227,000	403,000
DH0104B	DMIL: White Oak Readiness Center Renovation and Expansion	152,000	0	0	0	0	152,000
DH0104C	DMIL: New Joint Force Headquarters as Camp Fretterd	750,000	0	0	0	0	750,000
DP0002A	DVMF: Crownsville Veterans Cemetery Expansion and Improvements – Phase IV	113,000	0	0	0	0	113,000
FB04A	DoIT: MD FiRST	14,909,000	0	0	0	0	14,909,000
H0102A	DGS: Baltimore State Center Demolition	0	0	750,000	0	0	750,000
<i>Subtotal</i>		<i>\$98,954,000</i>	<i>\$0</i>	<i>\$750,000</i>	<i>\$0</i>	<i>\$227,000</i>	<i>\$99,931,000</i>

		Bonds		Current Funds (PAYGO)			
Budget Code	Project Title	General Obligation ¹	Revenue	General	Special ²	Federal	Total Funds
Health/Social							
MA01A	MDH: Community Health Facilities Grant Program	\$8,000,000	\$0	\$0	\$0	\$0	\$8,000,000
MA01B	MDH: Federally Qualified Health Centers Grant Program	3,500,000	0	0	0	0	3,500,000
MA01C	MDH: New Facility for Children and High-Intensity Residential Treatment Center	942,000	0	0	0	0	942,000
ML10A	MDH: Clifton T. Perkins Hospital Center Infrastructure Improvement	12,500,000	0	0	0	0	12,500,000
RQ00A	UMMS: Comprehensive Cancer Center	32,000,000	0	0	0	0	32,000,000
RQ00B	UMMS: R Adams Cowley Shock Trauma Center – Phase III	250,000	0	0	0	0	250,000
RQ00C	UMMS: University of Maryland Shore Regional Health – New Easton Regional Medical Center	20,000,000	0	0	0	0	20,000,000
VE01A	DJS: Maryland Youth Residence Center Renovation and Expansion	1,150,000	0	0	0	0	1,150,000
ZA01A	MHA: Atlantic General Hospital	79,000	0	0	0	0	79,000
ZA01B	MHA: Brook Lane Health Services	2,979,000	0	0	0	0	2,979,000
ZA01C	MHA: CalvertHealth Medical Center	3,972,000	0	0	0	0	3,972,000
ZA01D	MHA: Carroll Hospital Center	887,000	0	0	0	0	887,000
ZA01E	MHA: Frederick Health Hospital	100,000	0	0	0	0	100,000
ZA01F	MHA: Greater Baltimore Medical Center	1,280,000	0	0	0	0	1,280,000
ZA01G	MHA: Howard County General Hospital	733,000	0	0	0	0	733,000

<u>Budget Code</u>	<u>Project Title</u>	Bonds		Current Funds (PAYGO)			<u>Total Funds</u>
		<u>General Obligation¹</u>	<u>Revenue</u>	<u>General</u>	<u>Special²</u>	<u>Federal</u>	
ZA01H	MHA: Kennedy Krieger Children's Hospital	4,000,000	0	0	0	0	4,000,000
ZA01I	MHA: MedStar Southern Maryland Hospital Center	100,000	0	0	0	0	100,000
ZA01J	MHA: Mercy Medical Center	1,931,000	0	0	0	0	1,931,000
ZA01K	MHA: Montgomery General Hospital	100,000	0	0	0	0	100,000
ZA01L	MHA: Northwest Hospital Center	90,000	0	0	0	0	90,000
ZA01M	MHA: St. Agnes Healthcare	1,986,000	0	0	0	0	1,986,000
ZA01N	MHA: Sheppard Pratt Health System – Adolescent Neuropsychiatric Unit	185,000	0	0	0	0	185,000
ZA01O	MHA: Sheppard Pratt Health System – Adult Neuropsychiatric Unit	79,000	0	0	0	0	79,000
ZA01P	MHA: Sheppard Pratt Health System – Day Hospitals	97,000	0	0	0	0	97,000
ZA01Q	MHA: Sinai Hospital of Baltimore	393,000	0	0	0	0	393,000
ZA01R	MHA: The Children's Inn at the National Institutes of Health	208,000	0	0	0	0	208,000
ZA01S	MHA: The Johns Hopkins Hospital	172,000	0	0	0	0	172,000
ZA01T	MHA: TidalHealth Peninsula Regional	2,226,000	0	0	0	0	2,226,000
ZA01U	MHA: University of Maryland Baltimore Washington Medical Center	106,000	0	0	0	0	106,000

<u>Budget Code</u>	<u>Project Title</u>	<u>Bonds</u>		<u>Current Funds (PAYGO)</u>			<u>Total Funds</u>
		<u>General Obligation¹</u>	<u>Revenue</u>	<u>General</u>	<u>Special²</u>	<u>Federal</u>	
ZA01V	MHA: University of Maryland Upper Chesapeake Medical Center	973,000	0	0	0	0	973,000
<i>Subtotal</i>		<i>\$101,018,000</i>	<i>\$0</i>	<i>\$0</i>	<i>\$0</i>	<i>\$0</i>	<i>\$101,018,000</i>
Environment							
KA05A	DNR: Community Parks and Playgrounds	\$5,000,000	\$0	\$0	\$0	\$0	\$5,000,000
KA05E110	DNR: Program Open Space – Local	0	0	0	25,472,393	0	25,472,393
KA05E111	DNR: Program Open Space – State	0	0	0	13,894,479	5,000,000	18,894,479
KA05E114	DNR: Greenspace Equity Program	0	0	0	7,000,000	0	7,000,000
KA05E122	DNR: Rural Legacy Program	0	0	0	4,404,210	0	4,404,210
KA05E137	DNR: Natural Resources Development Fund	0	0	0	4,790,631	0	4,790,631
KA05E14	DNR: Ocean City Beach Replacement and Hurricane Protection Program	0	0	0	2,000,000	0	2,000,000
KA05E149	DNR: Program Open Space – Public Access Program	0	0	0	5,637,571	0	5,637,571
KA1401	DNR: Waterway Improvement Fund	0	0	0	24,000,000	1,500,000	25,500,000
KA1701A	DNR: Oyster Restoration Program	4,032,000	0	0	0	0	4,032,000
LA1111	MDA: Agricultural Land Preservation Program	0	0	0	18,629,109	0	18,629,109
UA0104	MDE: Hazardous Substance Cleanup Program	0	0	625,000	0	0	625,000
UA0111	MDE: Bay Restoration Fund Wastewater Program	0	0	0	50,000,000	0	50,000,000

<u>Budget Code</u>	<u>Project Title</u>	<u>Bonds</u>		<u>Current Funds (PAYGO)</u>			<u>Total Funds</u>
		<u>General Obligation¹</u>	<u>Revenue</u>	<u>General</u>	<u>Special²</u>	<u>Federal</u>	
UA0112	MDE: Bay Restoration Fund Septic System Upgrade Program	0	0	0	15,000,000	0	15,000,000
UA01A	MDE: Comprehensive Flood Management Grant Program	13,867,000	0	0	0	0	13,867,000
UA01B	MDE: Maryland Drinking Water Revolving Loan Fund	11,488,000	0	0	20,998,000	97,048,000	129,534,000
UA01C	MDE: Maryland Water Quality Revolving Loan Fund	15,029,000	0	0	110,713,000	77,597,000	203,339,000
UB00A	MES: State Water and Sewer Infrastructure Improvement Fund	2,598,000	0	0	5,585,000	0	8,183,000 ³
Subtotal		\$52,014,000	\$0	\$625,000	\$308,124,393	\$181,145,000	\$541,908,393
Public Safety							
H0102B	DPSCS: Life Skills and Re-Entry Center for Women	\$0	\$0	\$2,000,000	\$0	\$0	\$2,000,000
QB0101A	DPSCS: New Life Skills and Re- Entry Center for Women	2,000,000	0	0	0	0	2,000,000
QR0203A	DPSCS: RCI Perimeter Fence System Replacement	9,370,000	0	0	0	0	9,370,000
QS0201A	DPSCS: Jessup Region Electrical Infrastructure Upgrade	4,352,000	0	0	0	0	4,352,000
QS0208A	DPSCS: ECI High Temperature Distribution and Perimeter Security Improvements	5,868,000	0	0	0	0	5,868,000
QT04A	DPSCS: Baltimore Therapeutic Treatment Center	45,857,000	0	0	0	0	45,857,000
WA01A	DSP: Barrack A – Waterloo: New Barrack, Garage, and Historic Barrack Renovation	523,000	0	0	0	0	523,000
WA01B	DSP: Barrack J – Annapolis: Communications Room and New Garage	5,042,000	0	0	0	0	5,042,000

<u>Budget Code</u>	<u>Project Title</u>	<u>Bonds</u>		<u>Current Funds (PAYGO)</u>			<u>Total Funds</u>
		<u>General Obligation¹</u>	<u>Revenue</u>	<u>General</u>	<u>Special²</u>	<u>Federal</u>	
WA01C	DSP: Barrack L – Forestville: New Barrack and Garage	7,376,000	0	0	0	0	7,376,000
<i>Subtotal</i>		<i>\$80,388,000</i>	<i>\$0</i>	<i>\$2,000,000</i>	<i>\$0</i>	<i>\$0</i>	<i>\$82,388,000</i>
Education							
D25E0302	IAC: Built To Learn Fund	\$0	\$302,225,000	\$0	\$69,000,000	\$0	\$371,225,000 ⁴
D25E03A	IAC: Aging Schools Program	6,109,000	0	0	0	0	6,109,000
D25E03B	IAC: Healthy School Facility Fund	90,000,000	0	0	0	0	90,000,000
D25E03C	IAC: Public School Construction Program	290,857,000	0	0	9,143,411	0	300,000,411 ⁵
D25E03D	IAC: Senator James E. “Ed” DeGrange Nonpublic Aging Schools Program	3,500,000	0	0	0	0	3,500,000
D25E03E	IAC: Supplemental Capital Grant Program for Local School Systems	53,891,000	0	0	0	0	53,891,000
RA11A	MSLA: Public Library Capital Grant Program	7,500,000	0	0	0	0	7,500,000
RE01A	MSD: New Student Residences	12,193,000	0	0	0	0	12,193,000
RE01B	MSD: Facilities Renewal	750,000	0	0	0	0	750,000
ZA00CS	MISC: Public School Construction Grant – Montgomery County	4,500,000	0	0	0	0	4,500,000
<i>Subtotal</i>		<i>\$469,300,000</i>	<i>\$302,225,000</i>	<i>\$0</i>	<i>\$78,143,411</i>	<i>\$0</i>	<i>\$849,668,411</i>
Higher Education							
RB21A	UMB: New School of Social Work Building	\$37,924,000	\$0	\$0	\$5,000,000	\$0	\$42,924,000
RB22A	UMCP: Campuswide Building Systems and Infrastructure Improvements	7,500,000	5,000,000	0	0	0	12,500,000

<u>Budget Code</u>	<u>Project Title</u>	<u>Bonds</u>		<u>Current Funds (PAYGO)</u>			<u>Total Funds</u>
		<u>General Obligation¹</u>	<u>Revenue</u>	<u>General</u>	<u>Special²</u>	<u>Federal</u>	
RB22B	UMCP: Graduate Student Housing Site Development	5,000,000	0	0	0	0	5,000,000
RB22C	UMCP: New Interdisciplinary Engineering Building – Zupnik Hall	54,700,000	0	0	4,000,000	0	58,700,000
RB22D	UMCP: New Health and Human Sciences Complex	2,500,000	0	0	0	0	2,500,000
RB23A	BSU: New Thurgood Marshall Library and Academic Commons	2,230,000	0	0	0	0	2,230,000
RB24A	TU: Smith Hall Renovation and Reconstruction	62,102,000	0	0	9,000,000	0	71,102,000
RB24B	TU: Cook Library	300,000	0	0	0	0	300,000
RB25A	UMES: New Residence Hall	1,000,000	0	0	0	0	1,000,000
RB26A	FSU: Frostburg State University Baseball Complex	1,000,000	0	0	0	0	1,000,000
RB29A	SU: Blackwell Hall Renovation	30,011,000	0	0	5,000,000	0	35,011,000
RB31A	UMBC: Sherman Hall Renovation	21,211,000	0	0	0	0	21,211,000
RB31B	UMBC: UMBC Stadium Synthetic Running Track Surface	530,000	0	0	0	0	530,000
RB31C	UMBC: New Student Services Building	5,000,000	0	0	0	0	5,000,000
RB36A	USMO: Rita Colwell Center Deferred Maintenance	7,100,000	0	0	0	0	7,100,000
RB36RB	USMO: Capital Facilities Renewal	0	25,000,000	0	0	0	25,000,000
RC00A	BCCC: Deferred Maintenance	9,000,000	0	0	0	0	9,000,000
RC00B	BCCC: Unidentified Property Acquisition	0	0	0	9,000,000	0	9,000,000 ⁶
RI00A	MHEC: Community College Construction Grant Program	60,229,000	0	0	0	0	60,229,000

		Bonds		Current Funds (PAYGO)			
<u>Budget Code</u>	<u>Project Title</u>	<u>General Obligation¹</u>	<u>Revenue</u>	<u>General</u>	<u>Special²</u>	<u>Federal</u>	<u>Total Funds</u>
RI00B	MHEC: Community College Facilities Renewal Grant Program	3,011,000	0	0	0	0	3,011,000
RM00A	MSU: Campus Expansion, Phase I – Lake Clifton High School Demolition	6,256,000	0	0	0	0	6,256,000
RM00B	MSU: Campuswide Electric Infrastructure Upgrades	15,000,000	0	0	0	0	15,000,000
RM00C	MSU: Deferred Maintenance and Site Improvements	13,400,000	0	0	0	0	13,400,000
RM00D	MSU: New Science Center, Phase II	60,580,000	0	0	9,000,000	0	69,580,000
ZA00T	MICUA: Hood College	2,480,000	0	0	0	0	2,480,000
ZA00U	MICUA: McDaniel College	2,160,000	0	0	0	0	2,160,000
ZA00V	MICUA: Stevenson University	3,360,000	0	0	0	0	3,360,000
Subtotal		\$413,584,000	\$30,000,000	\$0	\$41,000,000	\$0	\$484,584,000⁷
Housing and Community Development							
D40W0111	MDP: Historic Preservation Loan Fund	\$0	\$0	\$0	\$150,000	\$0	\$150,000
DB01A	HSMCC: Visitor Center Conversion for Education and Artisan Centers	381,000	0	0	0	0	381,000
DW0110A	MDP: African American Heritage Preservation Grant Program	5,000,000	0	0	0	0	5,000,000
DW0110B	MDP: Historic Preservation Grant Fund	1,000,000	0	0	0	0	1,000,000
SA242350	DHCD: Community Development Block Grant Program	0	0	0	0	12,000,000	12,000,000
SA24A	DHCD: Baltimore Regional Neighborhood Initiative	18,000,000	0	0	0	0	18,000,000

<u>Budget Code</u>	<u>Project Title</u>	<u>Bonds</u>		<u>Current Funds (PAYGO)</u>			<u>Total Funds</u>
		<u>General Obligation¹</u>	<u>Revenue</u>	<u>General</u>	<u>Special²</u>	<u>Federal</u>	
SA24B	DHCD: Business Façade Improvement Program	5,000,000	0	0	0	0	5,000,000
SA24C	DHCD: Community Legacy Program	8,000,000	0	0	0	0	8,000,000
SA24D	DHCD: National Capital Strategic Economic Development Fund	18,000,000	0	0	0	0	18,000,000
SA24E	DHCD: Neighborhood Business Development Program	10,000,000	0	0	2,244,000	16,114,000	28,358,000
SA24F	DHCD: Seed Community Development Anchor Institution Fund	10,000,000	0	0	0	0	10,000,000
SA24G	DHCD: Strategic Demolition Fund	60,000,000	0	0	0	0	60,000,000
SA2515	DHCD: Housing and Building Energy Programs	0	0	0	56,500,000	0	56,500,000
SA25A	DHCD: Appraisal Gap Program – UPLIFT	10,000,000	0	0	0	0	10,000,000
SA25B	DHCD: Homeownership Programs	8,000,000	0	0	14,500,000	0	22,500,000
SA25C	DHCD: Partnership Rental Housing Program	6,000,000	0	0	0	0	6,000,000
SA25D	DHCD: Rental Housing Programs	85,000,000	0	0	19,500,000	9,000,000	113,500,000
SA25E	DHCD: Shelter and Transitional Housing Facilities Grant Program	3,000,000	0	0	0	0	3,000,000
SA25F	DHCD: Special Loan Programs	4,000,000	0	0	4,400,000	5,040,000	13,440,000
SA25G	DHCD: Housing Innovation Fund	5,000,000	0	0	0	0	5,000,000
TG00A	Commerce: Maryland Arts Capital Grant Program	3,000,000	0	0	0	0	3,000,000
Subtotal		\$259,381,000	\$0	\$0	\$97,294,000	\$42,154,000	\$398,829,000

		Bonds		Current Funds (PAYGO)			
<u>Budget Code</u>	<u>Project Title</u>	<u>General Obligation¹</u>	<u>Revenue</u>	<u>General</u>	<u>Special²</u>	<u>Federal</u>	<u>Total Funds</u>
Local Projects							
ZA00	Miscellaneous Projects	\$261,820,000	\$0	\$59,000,000	\$0	\$0	\$320,820,000
ZA02	Local House Initiatives	10,000,000	0	0	0	0	10,000,000
ZA03	Local Senate Initiatives	10,000,000	0	0	0	0	10,000,000
Subtotal		\$281,820,000	\$0	\$59,000,000	\$0	\$0	\$340,820,000
Transportation							
J00A01A	MDOT: Washington Metropolitan Transit Authority Upgrades	\$167,000,000	\$0	\$0	\$0	\$0	\$167,000,000
J00D00A	MDOT: Howard Street Tunnel	31,500,000	0	0	0	0	31,500,000
Subtotal		\$198,500,000	\$0	\$0	\$0	\$0	\$198,500,000
Current Year Total (Excluding MDOT CTP)		\$1,954,959,000	\$332,225,000	\$62,375,000	\$524,561,804	\$223,526,000	\$3,097,646,804
Transportation CTP		\$0	\$245,000,000	\$0	\$1,235,455,679	\$1,303,033,547	\$2,783,489,226
Current Year Total (Including MDOT CTP)		\$1,954,959,000	\$577,225,000	\$62,375,000	\$1,760,017,483	\$1,526,559,547	\$5,881,136,030
Deauthorizations		-\$64,825,000	\$0	\$0	\$0	\$0	-\$64,825,000
Current Year Total – Less Deauthorizations		\$1,890,134,000	\$577,225,000	\$62,375,000	\$1,760,017,483	\$1,526,559,547	\$5,816,311,030
Fiscal 2025 Deficiencies							
SA25B	DHCD: Homeownership Programs	\$0	\$0	\$0	\$500,000	\$1,000,000	\$1,500,000
SA2515	DHCD: Housing and Building Energy Programs	0	0	0	-2,408,908	2,500,000	91,092
J00D00A	MDOT: Howard Street Tunnel	0	0	3,998,349	0	0	3,998,349
H0103D8	UMMS: Comprehensive Cancer Treatment Center	0	0	0	5,000,000	0	5,000,000

<u>Budget Code</u>	<u>Project Title</u>	<u>Bonds</u>		<u>Current Funds (PAYGO)</u>			<u>Total Funds</u>
		<u>General Obligation¹</u>	<u>Revenue</u>	<u>General</u>	<u>Special²</u>	<u>Federal</u>	
H0103D7	DGS: Tradepoint Atlantic Container Terminal	0	0	16,000,000	0	0	16,000,000
H0103D5	DGS: City of Baltimore Warner and Stockholm Streets Improvements	0	0	2,000,000	0	0	2,000,000
H0103D4	DGS: Harmers Arts Center Project	0	0	700,000	0	0	700,000
H0103D3	DGS: City of Baltimore Penn Station Redevelopment	0	0	1,000,000	0	0	1,000,000
H0103D2	DGS: Pearlstone Conference and Treatment Center	0	0	500,000	0	0	500,000
H0103D1	DGS: City of Baltimore Renovations to Swimming Pool Facilities	0	0	3,000,000	0	0	3,000,000
H0102D2	MDH: Demolish Decommissioned Buildings	0	0	1,300,000	0	0	1,300,000
H0102D1	DGS: Washington County District Court Renovation and Expansion	0	0	5,275,000	0	0	5,275,000
D23A01D	MCA: MEDCO Cannabis Incubator	0	0	2,000,000	0	0	2,000,000
Subtotal		\$0	\$0	\$35,773,349	\$3,091,092	\$3,500,000	\$42,364,441
Grand Total		\$1,954,959,000	\$577,225,000	\$98,148,349	\$1,763,108,575	\$1,530,059,547	\$5,923,500,471

BCCC: Baltimore City Community College
 BPW: Board of Public Works
 BSU: Bowie State University
 Commerce: Department of Commerce
 CTP: Consolidated Transportation Program
 DGS: Department of General Services
 DHCD: Department of Housing and Community Development

DJS: Department of Juvenile Services
 DMIL: Military Department
 DNR: Department of Natural Resources
 DoIT: Department of Information Technology
 DPSCS: Department of Public Safety and Correctional Services
 DSP: Department of State Police
 DVMF: Department of Veterans and Military Families

ECI: Eastern Correctional Institution
 FSU: Frostburg State University
 HSMCC: Historic St. Mary's City Commission
 IAC: Interagency Commission on Public School Construction
 MCA: Maryland Cannabis Administration
 MD FiRST: Maryland First Responder Radio System Team
 MDA: Maryland Department of Agriculture
 MDE: Maryland Department of the Environment
 MDH: Maryland Department of Health
 MDOD: Maryland Department of Disabilities
 MDOT: Maryland Department of Transportation
 MDP: Maryland Department of Planning
 MEDCO: Maryland Economic Development Corporation
 MES: Maryland Environmental Service
 MHA: Maryland Hospital Association

MHEC: Maryland Higher Education Commission
 MICUA: Maryland Independent College and University Association
 MISC: miscellaneous
 MSD: Maryland School for the Deaf
 MSLA: Maryland State Library Agency
 MSU: Morgan State University
 PAYGO: pay-as-you-go
 RCI: Roxbury Correctional Institution
 SU: Salisbury University
 TU: Towson University
 UMB: University of Maryland, Baltimore Campus
 UMCP: University of Maryland, College Park Campus
 UMMS: University of Maryland Medical System
 USMO: University System of Maryland Office

¹ General obligation (GO) bond figures include \$140.1 million of bond premium proceeds comprised of \$50.0 million from the June 2024 bond sale and \$90.0 million of estimated premiums from the planned June 2025 bond sale.

² Special funds include \$5.0 million of bond premiums from the June 2024 bond sale.

³ Reflects the allocation of \$11,386,000 of Transfer Tax Revenue special funds from the DNR Natural Resources Development Fund to the MES State Water and Sewer Infrastructure Improvement fund for work at State Park facilities.

⁴ Special funds reflect \$27 million of Education Trust Fund revenues for Prince George's County Public-Private Partnership through Built To Learn and another \$42 million reflecting Prince George's County contribution.

⁵ Special funds include \$9.1 million from the Fiscal Responsibility Fund.

⁶ Special funds include \$9.0 million contributed from the BCCC fund balance.

⁷ Special funds include \$32 million from the Strategic Energy Investment Fund (SEIF) energy efficiency account to fund the sustainability components included in the scope of work for several higher education construction projects. The SEIF funds replace the planned use of GO bond funds on a one-for-one basis.

Note: Grand total figures include \$64.8 million of additional GO bond authorizations to account for deauthorizations included in the capital bill as introduced and \$140.1 million of bond premium proceeds. When adjusted for the deauthorizations and bond premiums, the level of new GO bond authorizations is \$1.750 billion, the same level recommended by the Spending Affordability Committee for the 2025 session.

Capital Budget Highlights

The fiscal 2026 capital program passed by the General Assembly is consistent with the recommendations of the Spending Affordability Committee, which set a level of new GO bond authorizations for the 2025 session of \$1.75 billion. As shown in **Exhibit 2.3**, the capital program is supplemented with bond premium proceeds from the sale of State GO bonds. This includes \$140.1 million authorized in the fiscal 2026 capital budget bill and \$5 million funded through a fiscal 2025 special fund deficiency appropriation.

Exhibit 2.3 Bond Premium Support of Fiscal 2026 Capital Program (\$ in Millions)

<u>Bond Sale</u>	<u>Capital</u>	<u>Notes</u>
June 2024	\$55.0	Includes \$50 million previously set aside for fiscal 2027 debt service and \$5 million above what is needed for debt service.
June 2025	90.1	Includes \$88 million that will be set aside to support capital spending from what was planned to support fiscal 2028 debt service and another \$2.1 million above what is needed for debt service.
Total	\$145.1	The MCCBL of 2025 authorizes the use of \$140.1 million, while \$5 million funds a proposed fiscal 2025 special fund deficiency appropriation.

MCCBL: Maryland Consolidated Capital Bond Loan

Source: Department of Legislative Services

The use of the bond premiums to support the capital program made possible the transfer and reversion of \$196 million of prior appropriated general funds to the General Fund as part of the larger fiscal strategy to address the budget shortfall and structural deficit. The Budget Reconciliation and Financing Act (BRFA) of 2025, **House Bill 352 (Chapter 604)**, includes \$113.9 million transferred from the Dedicated Purpose Account and another \$82.1 million of reversions, as shown in **Exhibit 2.4**. Of this amount, \$121.1 million was replaced with GO bond funds.

Exhibit 2.4 Transfers and Reversions

<u>Agency</u>	<u>Project</u>	<u>Proposed Transfer/Reversion</u>	<u>Replacement GO Funding</u>
Transfers from Dedicated Purpose Account			
BCCC	Deferred Maintenance	\$5,000,000	\$5,000,000
MSU	Deferred Maintenance	10,000,000	10,000,000
UMMS	Comprehensive Cancer and Organ Transplant Center	25,000,000	25,000,000
DVMF	New State Veterans Home	62,887,000	0
DNR	Critical Maintenance	11,000,000	0
Subtotal		\$113,887,000	\$40,000,000
Reversions			
Judiciary	New Supreme Court of Maryland Building	\$51,117,000	\$51,117,000
DGS	Inner Harbor Promenade	30,000,000	30,000,000
DGS	William Donald Schaefer Tower	961,485	0
Subtotal		\$82,078,485	\$81,117,000
Total		\$195,965,485	\$121,117,000

BCCC: Baltimore City Community College
DGS: Department of General Services
DNR: Department of Natural Resources
DVMF: Department of Veterans and Military Families

GO: general obligation
MSU: Morgan State University
UMMS: University of Maryland Medical System

Note: The Maryland Consolidated Capital Bond Loan of 2025 includes language that restricts authorizations for the construction of the new Supreme Court Building and the Baltimore Therapeutic Treatment Center projects to instead be used as a matching fund requirement for the construction of the New Veterans Home in Sykesville should the State receive a conditional federal award from the Veterans Home Construction Grant Program prior to June 1, 2026.

Source: Department of Legislative Services

The State's current budget challenges limit general fund support of the capital program. The budget includes \$98.2 million of general funds, comprised of \$62.4 million for fiscal 2026 and \$35.8 million for fiscal 2025 deficiencies. Of the \$98.2 million, \$64.5 million supports administration strategic economic initiatives, and \$31.8 million replaces funds reverted to the General Fund. **Exhibit 2.5** illustrates the PAYGO general fund component of the fiscal 2026 capital program.

Exhibit 2.5
General Fund PAYGO in Fiscal 2026 Budget

<u>Agency</u>	<u>Project</u>	<u>Fiscal 2025 Deficiency</u>	<u>Fiscal 2026</u>	<u>Notes</u>
DGS	Washington County District Court Renovation and Expansion	\$5,275,000		Replacement
DGS	Demolish Decommissioned Buildings at MDH Properties	1,300,000		Replacement
DGS	City of Baltimore Renovations to Swimming Pool Facilities	3,000,000		Replacement
DGS	Pearlstone Conference and Treatment Center	500,000		Replacement
DGS	City of Baltimore Penn Station Redevelopment	1,000,000		Replacement
DGS	Harmers Arts Center Project	700,000		Replacement
DGS	City of Baltimore – Warner and Stockholm Streets	2,000,000		Replacement
MDOT	Howard Street Tunnel	3,998,349		Replacement
DGS	Life Skills and Re-Entry Center for Women		\$2,000,000	Replacement
DGS	Randallstown Library		12,000,000	Replacement
MEDCO	Cannabis Incubator Space	2,000,000	5,000,000	Governor's Initiative
MEDCO	Tradepoint Atlantic Container Terminal	16,000,000	22,000,000	Governor's Initiative
DGS	IonQ Headquarters		10,000,000	Governor's Initiative
DGS	New Downtown Frederick Hotel and Conference Center		7,500,000	Governor's Initiative
DGS	Johns Hopkins University Whiting School of Engineering – New Design Center		2,000,000	Governor's Initiative
DGS	State Center Demolition		750,000	
DGS	SEED School		500,000	
MDE	Hazardous Substance Cleanup Program		625,000	
Total		\$35,773,349	\$62,375,000	

DGS: Department of General Services
MDE: Maryland Department of the Environment
MDH: Maryland Department of Health

MDOT: Maryland Department of Transportation
MEDCO: Maryland Economic Development Corporation
PAYGO: pay-as-you-go

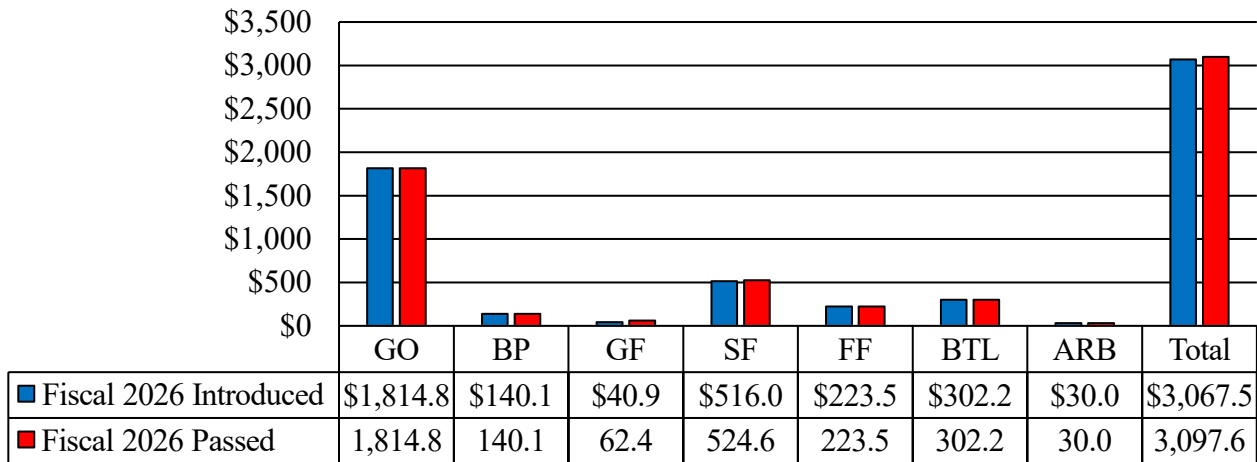
Source: Department of Legislative Services

Excluding the transportation program, the fiscal 2026 capital program of \$3.098 billion is \$30.1 million above the amount originally introduced by the Governor. This increase includes:

- General funds of \$21.5 million, of which \$12 million funds the construction of a new library in Randallstown and replaces a fiscal 2024 general fund appropriation that was to fund the construction of the Lansdowne Library, which will instead be reverted to the General Fund; \$6 million supports the Tradeport Atlantic Terminal project; and \$3.5 million is added through Supplemental Budget No. 2.
- Special funds of \$8.6 million, which includes an additional \$32 million from the Strategic Energy Investment Fund (SEIF) to fund the sustainability components included in the scope of work for several higher education construction projects, offset by a BRFA provision that redirects \$25 million in transfer tax revenue to the General Fund in each of fiscal 2026 through 2029.

Exhibits 2.6 and 2.7 illustrate the budget as introduced compared to the budget as passed by fund source and major funding category, excluding the funding for the transportation program provided through the CTP. **Exhibit 2.8** lists the deauthorizations included in the capital budget bill.

Exhibit 2.6
Proposed and Authorized 2025 Session Capital Program by Fund Source
(\$ in Millions)



ARB: Academic Revenue Bond

BTL: Built to Learn

BP: bond premium

FF: federal fund

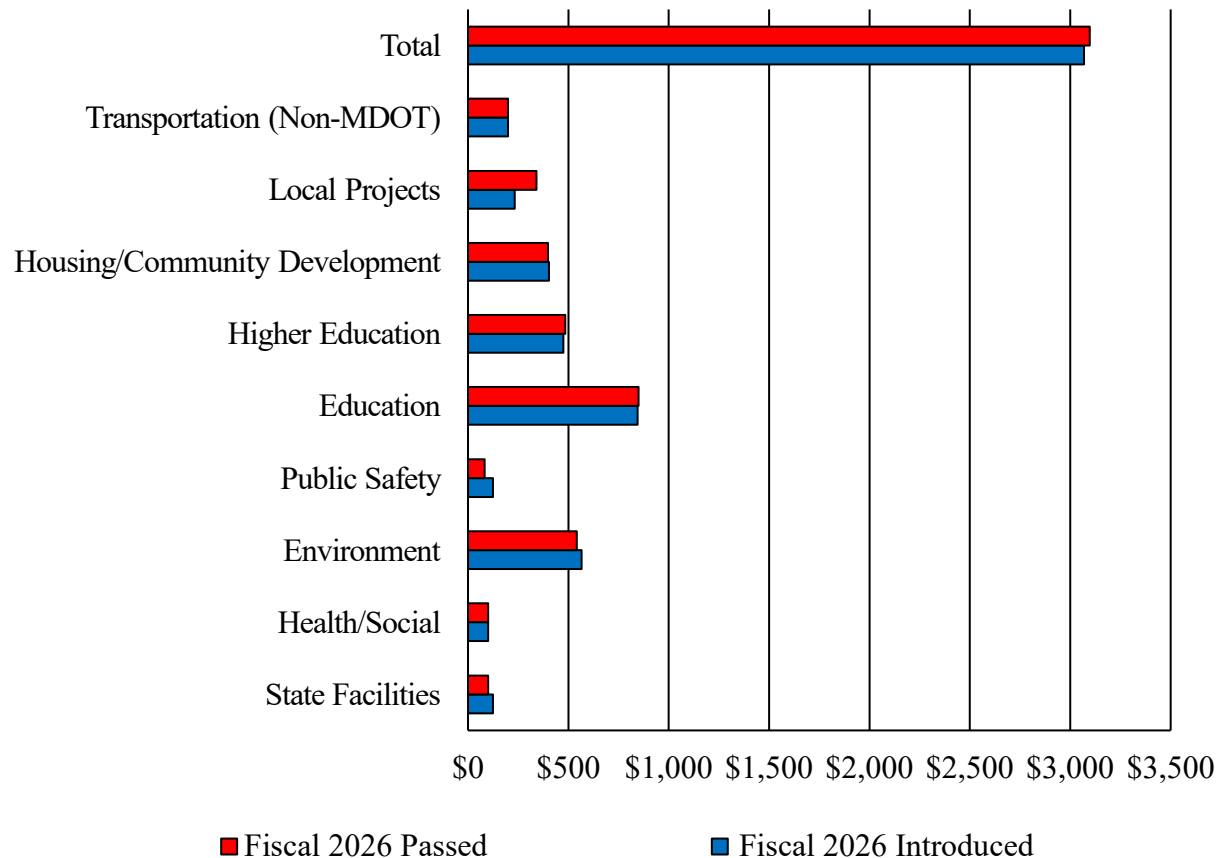
GF: general fund

GO: general obligation

SF: special fund

Source: Department of Legislative Services

Exhibit 2.7
Proposed and Authorized 2025 Session Capital Program by Uses
 (\$ in Millions)



MDOT: Maryland Department of Transportation

Source: Department of Legislative Services

While the final budget includes some adjustments to several categories of spending, funding for local miscellaneous capital grants increased by \$108.6 million above the level originally introduced by the Governor. The four largest areas of investment include:

- K-12 Education:*** The capital budget provides \$850 million for K-12 educational purposes. Some of the more significant investments include:

- \$300.0 million for public school construction, including \$290.9 million in GO bond funding and \$9.1 million in special funds.
- \$90.0 million in GO bonds for the Healthy School Facilities Fund and \$6.1 million for the Aging Schools Program.
- \$371.2 million is included for the BTL program, including \$302.2 million in revenue bonds to be issued by the Maryland Stadium Authority. Funding for the Prince George's County Public-Private Partnership project totals \$69.0 million in special funds.
- \$53.9 million for the Supplemental Capital Grant Program for Local School Systems. This program is available to school systems with significant enrollment growth or relocatable classrooms.
- ***Environment:*** \$542 million for environmental programs and the development and maintenance of State parks and local parks throughout the State, including:
 - \$98 million of transfer tax special fund revenues supporting State and local parks and wastewater and water treatment plant projects at State park facilities;
 - \$181 million of federal funds, including \$143 million of federal funds authorized through the Infrastructure Investment and Jobs Act in the Water Quality and Drinking Water revolving loan programs administered by the Maryland Department of the Environment; and
 - Another \$210 million of special fund revenues and \$52 million of GO bond funds to support water quality and drinking water programs and the health of the Chesapeake Bay.
- ***Higher Education:*** \$485 million for higher education, comprised of \$414 million of GO bond funds, \$30 million of ARBs authorized by separate legislation, and \$41 million of special funds, comprised of \$32 million from the SEIF energy efficiency account to fund the sustainability components included in the scope of work for several higher education construction projects and \$9 million from the Baltimore City Community College (BCCC) fund balance for property acquisition. Significant investments include:
 - \$300 million for USM campuses;
 - \$98.5 million for the State's historically Black colleges and universities (\$3.0 million for USM campuses), including \$95 million for Morgan State University;

- \$81 million for community college projects, including support with facilities renewal projects at all campuses across the State, including \$18 million for BCCC; and
- \$8 million for private colleges.
- ***Housing and Community Development:*** \$399 million for housing and community development programs, including the following significant investments:
 - \$135 million to support rental housing programs, including \$114 million for the traditional Rental Housing Program that provides low-interest loans to housing developers for the financing of affordable rental housing for low-income and moderate-income households; \$6 million for the Partnership Rental Housing Program, which finances development of affordable housing for households at or below 50% of the statewide median income; \$5 million to continue the implementation of the Housing Innovation Fund Program; and \$10 million to fund the Appraisal Gap Program (UPLIFT);
 - \$131 million for neighborhood and community revitalization programs, of which \$27.5 million was allocated to specific projects. This includes \$60 million for the Strategic Demolition Program, with a \$50 million set aside for the Baltimore Vacants Reinvestment Initiative (formerly Project CORE) in Baltimore City;
 - \$57 million for Housing and Building Energy Programs that provide loans and grants to promote energy-efficient improvements for single-family and rental housing projects. This funding includes \$22.5 million in special funds from Public Service Commission awards to address the energy savings requirements of Chapter 572 of 2023; and
 - \$28 million to support neighborhood business development, including \$16 million of federal American Rescue Plan Act funds to fund the State Small Business Credit Initiative.

Exhibit 2.8
Deauthorizations Included in House Bill 351

MCCBL			Amount
<u>Year(s)</u>	<u>Agency</u>	<u>Project Title</u>	<u>Deauthorized</u>
2013	DPSCS	560-bed Minimum Security Compound	-\$105,399
2017	UMB	Health Sciences Research Facility III	-301,740
2017	UMCP	A. James Clark Hall – New Bioengineering Building	-113,996
2019; 2020	DSP	New Cumberland Barrack and Garage	-840,037
2020	DPSCS	MCTC Housing Unit Windows and Steam Heating System	-4,434,893
2020	MSU	New Student Services Support Building	-1,000,000
2020	MHA	Atlantic General Hospital – Ambulatory Surgery Facility	-800,000
2021	DJS	Cheltenham Youth Treatment Center	-1,504,097
2022; 2023; 2024	UMGC	Adelphi Building Renovation	-2,324,838
2023	DGS	State House Exterior and Grounds Restoration, Renamed to State House and Old Treasury Building Restoration	-2,000,000
2023; 2024	MDH	Clifton T. Perkins Hospital	-24,500,000
2023	MISC	MEDCO Incubator Spaces – Cannabis	-2,000,000
2023	TU	New College of Health Professions Building	-3,000,000
2024	DGS	William Donald Schaefer Tower Renovation	-16,500,000
2024	MDH	Federally Qualified Health Centers Program	-2,900,000
2024	MSU	Carter-Grant-Wilson Building Renovation	-2,500,000
Total Deauthorizations			-\$64,825,000

DGS: Department of General Services

DJS: Department of Juvenile Services

DPSCS: Department of Public Safety and Correctional Services

DSP: Department of State Police

MCCBL: Maryland Consolidated Capital Bond Loan

MDH: Maryland Department of Health

MEDCO: Maryland Economic Development Corporation

MHA: Maryland Hospital Association

MISC: miscellaneous

MSU: Morgan State University

TU: Towson University

UMB: University of Maryland, Baltimore Campus

UMCP: University of Maryland, College Park Campus

UMGC: University of Maryland Global Campus

Source: Department of Legislative Services

GO Bond Preauthorizations

The MCCBL of 2025 includes \$916 million of GO bond authorizations that will not take effect until fiscal 2027; \$479.4 million that will not take effect until fiscal 2028; \$336.6 million that will not take effect until fiscal 2029; and \$54.6 million that will not take effect until fiscal 2030. Of the \$916 million preauthorized for fiscal 2027, \$822.5 million either continues funding for existing State construction contracts or allows projects expected to be contracted during fiscal 2026 to proceed without the full amount of the construction authorization provided in the fiscal 2026 budget. The remaining \$93.5 million expresses the General Assembly's support of State and local projects. **Exhibit 2.9** shows the preauthorizations for fiscal 2027 through 2030 that are included in the MCCBL of 2025.

Exhibit 2.9 Preauthorizations Included in House Bill 351

<u>Agency</u>	<u>Project Title</u>	<u>2026 Session</u>	<u>2027 Session</u>	<u>2028 Session</u>	<u>2029 Session</u>
Judiciary	New Supreme Court of Maryland Building	\$128,438,000	\$25,408,000		
Judiciary	Washington County District Court Renovation and Expansion	2,948,000			
DMIL	Frederick Readiness Center Renovation and Expansion	2,678,000			
DNR	Natural Resources Development Fund	1,008,000			
DNR	Waterway Improvement Fund – Somers Cover Marina	8,727,000			
MDH	Demolish Decommissioned Buildings	1,882,000	187,000		
MDH	Clifton T. Perkins Hospital North Wing	27,071,000	16,032,000		
DPSCS	RCI Perimeter Fence System Replacement	14,342,000	7,171,000		
DPSCS	Baltimore Therapeutic Treatment Center	323,415,000	238,023,000	\$252,510,000	\$40,116,000
UMB	New Dental Ambulatory Surgery Center	862,000			
UMB	New School of Social Work Building	39,430,000			
UMB	Central Electric Substation and Electrical Infrastructure Upgrades	0	1,523,000		

<u>Agency</u>	<u>Project Title</u>	<u>2026 Session</u>	<u>2027 Session</u>	<u>2028 Session</u>	<u>2029 Session</u>
UMCP	New Health and Human Sciences Complex	39,315,000	44,325,000	11,081,000	
UMCP	New Interdisciplinary Engineering Building – Zupnik Hall	10,860,000			
UMCP	Graduate Student Housing	5,000,000			
TU	Smith Hall Renovation and Reconstruction	23,736,000			
SU	Blackwell Hall Renovation	361,000			
UMBC	Sherman Hall Renovation	9,087,000			
UMBC	New Student Service Building	6,000,000			
UMGC	Global Campus Administration Building Renovation	3,200,000			
USMO	Rita Colwell Center Deferred Maintenance	2,906,000	4,820,000		
MSD	New Student Residences	9,224,000	16,731,000	10,407,000	14,476,000
BCCC	Unidentified Property Acquisition	9,000,000			
MHEC	Community College Construction Grant Program	35,502,000	21,842,000	9,254,000	
MSU	Campuswide Electric Infrastructure Upgrades	40,500,000	22,500,000	8,500,000	
MSU	New Science Center, Phase II	76,797,000	76,797,000	44,798,000	
MES	State Water and Sewer Infrastructure Improvement Fund	2,276,000			
DSP	Barrack J – Annapolis: Communications Room and New Garage	3,326,000			
DSP	Barrack L – Forestville: New Barrack and Garage	8,831,000			
MHA	Maryland Hospital Association	20,000,000			
MISC	Luminis Health Doctors Community Medical Center – New Obstetrical Care Tower	10,000,000			
MISC	Westminster Fiber	1,000,000			
MISC	Maryland Center for History and Culture – Enoch Pratt House and Collections Storage	2,500,000			
MISC	St. Agnes Healthcare	1,000,000			
MISC	Ellicott City North Tunnel Extension Project	10,000,000			
MISC	The Johns Hopkins Hospital	650,000			

<u>Agency</u>	<u>Project Title</u>	<u>2026 Session</u>	<u>2027 Session</u>	<u>2028 Session</u>	<u>2029 Session</u>
MISC	Catholic Charities – Intergenerational Center	2,000,000			
MISC	Damascus Sidewalk Repair	250,000			
MISC	B & O Railroad Museum	3,000,000			
MISC	Glen Echo Park Spanish Ballroom Renovation	1,500,000			
MISC	MD 32 Noise Mitigation for Fox Valley Estates	1,800,000			
MISC	Young Artists of America, Inc.	1,500,000			
MISC	Springsong Museum	1,000,000			
MISC	Pikesville Armory	3,000,000			
MISC	Bowie Mill Bike Trail	2,100,000			
MISC	MedStar Southern Maryland	10,000,000			
MISC	Baltimore Symphony Orchestra – Myerhoff Hall	1,500,000			
MISC	Southern Bridge Career and Education Center	2,500,000			
MISC	Kent County Public Schools	4,000,000	4,000,000		
Preauthorizations as Introduced		\$916,022,000	\$479,359,000	\$336,550,000	\$54,592,000

BCCC: Baltimore City Community College
 DMIL: Military Department
 DNR: Department of Natural Resources
 DPSCS: Department of Public Safety and Correctional Services
 DSP: Department of State Police
 MDH: Maryland Department of Health
 MES: Maryland Environmental Service
 MHA: Maryland Hospital Association
 MHEC: Maryland Higher Education Commission
 MISC: miscellaneous

MSD: Maryland School for the Deaf
 MSU: Morgan State University
 RCI: Roxbury Correctional Institution
 SU: Salisbury University
 TU: Towson University
 UMBC: University of Maryland Baltimore County
 UMCP: University of Maryland, College Park Campus
 UMGC: University of Maryland Global Campus
 USMO: University System of Maryland Office

Source: Department of Legislative Services

Additional Actions

House Bill 1519 (Chapter 643) includes amendments to prior authorizations that, among other changes, extend matching fund deadlines, extend deadlines for expending or encumbering funds, alter the purposes for which funds may be used, modify certification requirements, rename grant recipients, and alter project locations. The bill also includes amendments to prior authorizations that establish new grant purposes. As shown in **Exhibit 2.10**, a total of \$20.2 million was reprogrammed, establishing 33 new projects and grants.

Exhibit 2.10
New Capital Projects and Grants Established in House Bill 1519
(\$ in Millions)

<u>New Project</u>	<u>Amount</u>
Old Fairmont Heights High School – Security Upgrades	\$5,000,000
UMCP Health and Human Sciences Building	2,525,000
Strathmore Hall	2,000,000
White Oak Commercial Revitalization	2,000,000
Discovery Point Development Project	1,000,000
Jug Handle Connector	1,000,000
Howard County – New Cultural Center	800,000
10415 Montgomery Avenue – Public Parking	800,000
Charm TV	750,000
City of Salisbury – North Prong Project	500,000
Adventist Healthcare Shady Grove Medical Center	440,381
Pascal Crisis Center	400,000
Kennedy Krieger LEAP	300,000
Smallwood Square	300,000
4M Swim Club	300,000
St. Agnes Healthcare	200,000
Gaithersburg Municipal Complex	200,000
SS John Brown Liberty Ship	200,000
East Columbia 50+ Center	200,000
Critchlow Atkins Children’s Center’s Cordova Site Expansion	175,000
Bethel Outreach Center	163,000
Holland Hills Park	150,000
Riverdale Baptist Athletic Complex	150,000
Franklin Entrepreneurial and Apprenticeship Center	100,000
Hartman-Berkshire Park Playground	100,000
IND Water Main Replacement Project	100,000
Grantsville Volunteer Fire Dept	75,000
American Legion 175	75,000

<u>New Project</u>	<u>Amount</u>
Federal Little League	50,000
Bell Dental Clinic	50,000
Kitzmiller Volunteer Fire Dept	50,000
Charlotte Hall Veterans Home – White House	50,000
Alef Bet Montessori School	25,000
Total Reprogrammed Funds for New Projects	\$20,228,381

UMCP: University of Maryland, College Park Campus

Source: Department of Legislative Services

Chapter 3. Impact of Legislation on State Revenues and Expenditures

- Legislation Affecting State Revenues
- Totals by Fund Type/Summary of Quantifiable Revenue Effects
- Legislation Affecting State Expenditures
- Quantifiable Expenditures by Agency
- Totals by Fund Type/Summary of Quantifiable Expenditure Effects
- Quantifiable Regular Positions Needed by Agency
- Quantifiable Contractual Positions Needed by Agency

Legislation Affecting State Revenues

	<u>Fund</u>	<u>FY 2026</u>	<u>FY 2027</u>	<u>FY 2028</u>	<u>FY 2029</u>	<u>FY 2030</u>	<u>Comments</u>
SB 4/HB 258	Economic Development – West North Avenue Development Authority – Alterations (Ch. 216/Ch. 215)						
	SF	increase	increase	increase	increase	increase	Receipt of discretionary GF appropriations. SF expenditures increase correspondingly.
SB 9	Maryland Higher Education Commission – Academic Program Approval – Revisions (Ch. 143)						
	HE	indeterminate	indeterminate	indeterminate	indeterminate	indeterminate	Potential impact due to possible shift in academic program offerings. HE expenditures generally correspond.
SB 19/HB 27	Estates and Trusts – Compensation of Guardians of Property and Trustees (Ch. 223/Ch. 224)						
	GF	indeterminate	indeterminate	indeterminate	indeterminate	indeterminate	Potential income tax revenues.
SB 26/HB 176	Davis Martinez Public Employee Safety and Health Act (Ch. 608/Ch. 609)						
	SF	increase	increase	increase	increase	increase	Potential fine revenues.
SB 54/HB 313	Motor Vehicles – Specially Designed Vintage Reproduction Registration Plates (Ch. 492/Ch. 491)						
	SF	increase	increase	increase	increase	increase	Minimal fee revenues. SF expenditures partially correspond.
SB 60/HB 666	Maryland Medical Assistance Program and Health Insurance – Required Coverage for Calcium Score Testing (Ch. 685/Ch. 684)						
	FF	increase	increase	increase	increase	increase	Potential Medicaid matching revenues. FF expenditures increase correspondingly.
	SF	increase	\$0	\$0	\$0	\$0	Minimal fee revenues.
SB 154	Access to Counsel in Evictions – Task Force and Special Fund (Ch. 457)						
	GF	\$0	\$0	(\$14,000,000)	\$0	\$0	Mandated distribution of abandoned property proceeds in FY 2028.
	SF	\$0	\$0	\$14,000,000	\$0	\$0	Abandoned property proceeds. SF expenditures increase correspondingly.
SB 174/HB 345	Interstate Social Work Licensure Compact (Ch. 10/Ch. 9)						
	SF	increase	increase	increase	increase	increase	Minimal fee revenues.

Legislation Affecting State Revenues (Continued)

	<u>Fund</u>	<u>FY 2026</u>	<u>FY 2027</u>	<u>FY 2028</u>	<u>FY 2029</u>	<u>FY 2030</u>	<u>Comments</u>
SB 203	Vehicle Laws – Exceptional Hauling Permits for Farm Products (Ch. 52)						
	SF	increase	increase	increase	increase	increase	Potential fee revenues.
SB 208/HB 214	Human Services – Maryland Assistive Technology Program – Establishment (Ch. 419/Ch. 420)						
	SF	\$25,000	\$28,750	\$31,625	\$34,788	\$38,266	Fee revenues. SF expenditures increase correspondingly.
SB 210	Maryland Transportation Authority – Tolls, Fees, and Other Charges – Temporary Adjustments (Ch. 56)						
	NB	increase	increase	increase	increase	increase	Potential significant toll revenues.
SB 215	Cannabis Reform – Revisions (Ch. 120)						
	SF	decrease	decrease	decrease	\$0	\$0	Potential fee revenues.
SB 229/HB 54	Health Services Cost Review Commission – User Fee Assessment – Repeal of Sunset (Ch. 26/Ch. 25)						
	FF	\$189,245	\$281,468	\$376,919	\$475,711	\$577,960	Medicaid matching revenues. FF expenditures increase correspondingly.
	SF	\$1,577,046	\$2,345,571	\$3,140,995	\$3,964,258	\$4,816,335	Fee revenues. SF expenditures increase correspondingly.
SB 248/HB 33	Department of Service and Civic Innovation – Maryland Corps Program Service Year Option Pathways – Revisions (Ch. 94/Ch. 93)						
	GF	\$0	decrease	decrease	decrease	decrease	Foregone reversions from Maryland Service Year Pathway Fund. GF expenditures decrease correspondingly.
SB 249/HB 114	Pesticide and Pest Control – Revisions to Pesticide Applicator’s Law and Repeal of Obsolete Provisions (Ch. 42/Ch. 41)						
	SF	\$140,000	\$140,000	\$140,000	\$140,000	\$140,000	Fee revenues.
SB 250	Department of the Environment – Fees, Penalties, Funding, and Regulation (Ch. 432)						
	SF	\$4,988,085	\$7,207,138	\$7,285,082	\$7,353,153	\$7,420,706	Fee revenues. SF expenditures correspond in FY 2026 and partially correspond in out-years. Some impacts are duplicative of SB 425.
SB 258/HB 40	Natural Resources – Fishing Licenses and Stamps – Alterations (Ch. 46/Ch. 45)						
	GF	increase	increase	increase	\$0	\$0	Interest earnings beginning in FY 2025.

Legislation Affecting State Revenues (Continued)

	<u>Fund</u>	<u>FY 2026</u>	<u>FY 2027</u>	<u>FY 2028</u>	<u>FY 2029</u>	<u>FY 2030</u>	<u>Comments</u>
	SF	\$2,977,805	\$2,977,805	\$2,977,805	\$2,977,805	\$2,977,805	Fee revenues. SF revenues also increase by \$565,783 in FY 2025.
SB 265/HB 25	Environment – Reservoir Augmentation Permit – Establishment (Ch. 442/Ch. 441)						
	SF	\$0	\$0	\$0	\$0	\$75,000	Fee revenues.
SB 275/HB 448	Modernization of Military Laws Act (Ch. 253/Ch. 254)						
	GF/FF	increase	increase	increase	increase	increase	Potential fee and federal reimbursement revenues. GF/FF expenditures increase correspondingly.
SB 276/HB 600	Educational Equality for Service Members Act (Ch. 255/Ch. 256)						
	SF	increase	increase	increase	increase	increase	Receipt of GF appropriations. SF expenditures increase correspondingly.
SB 279/HB 895	Employment and Insurance Equality for Service Members Act (Ch. 5/Ch. 6)						
	SF	increase	\$0	\$0	\$0	\$0	Minimal fee revenues.
SB 281	Transportation Equality for Service Members Act (Ch. 264)						
	SF	decrease	decrease	decrease	decrease	decrease	Minimal excise tax revenues.
SB 295/HB 634	Income Tax – Income Tax Reconciliation Program – Established (Maryland Fair Taxation for Justice-Involved Individuals Act) (Ch. 735/Ch. 734)						
	GF	decrease	decrease	decrease	decrease	decrease	Personal income tax interest and penalty revenues.
SB 299/HB 1347	Security Guards and Security Guard Employers – Registration, Certification, and Regulation (Ch. 703/Ch. 702)						
	GF	decrease	decrease	decrease	decrease	decrease	Minimal fee revenues.
	SF	decrease	decrease	decrease	decrease	decrease	Minimal fee revenues.
SB 305	Financial Institutions and Activities – Virtual Currency Kiosks – Registration and Regulation (Ch. 117)						
	SF	\$84,000	\$84,000	\$84,000	\$84,000	\$84,000	Fee revenues.
SB 338	Baltimore County – Speed Monitoring Systems – Interstate 695 and Interstate 83 (Ch. 582)						
	SF	increase	increase	increase	increase	increase	Potential fine revenues. SF expenditures increase correspondingly.

Legislation Affecting State Revenues (Continued)

	<u>Fund</u>	<u>FY 2026</u>	<u>FY 2027</u>	<u>FY 2028</u>	<u>FY 2029</u>	<u>FY 2030</u>	<u>Comments</u>
SB 357/HB 424	Prescription Drug Affordability Board – Authority and Stakeholder Council Membership (Lowering Prescription Drug Costs for All Marylanders Now Act) (Ch. 610/Ch. 611)						
	SF	\$0	\$264,925	\$263,191	\$268,229	\$273,277	Fee revenues. SF expenditures increase correspondingly.
SB 363/HB 397	Maryland Agricultural and Resource-Based Industry Development Corporation – Oyster Shucking House Loan Program (Ch. 174/Ch. 173)						
	NB	increase	increase	increase	increase	increase	Potential loan repayment revenues. NB expenditures increase correspondingly.
SB 372/HB 869	Preserve Telehealth Access Act of 2025 (Ch. 481/Ch. 482)						
	FF	increase	increase	increase	increase	increase	Medicaid matching revenues. FF expenditures increase correspondingly.
	SF	decrease	\$0	\$0	\$0	\$0	Minimal fee revenues.
SB 423/HB 776	Maryland Medical Practice Act and Maryland Physician Assistants Act – Revisions (Ch. 675/Ch. 676)						
	GF	increase	increase	increase	increase	increase	Potential penalty revenues.
	SF	increase	increase	increase	increase	increase	Potential penalty revenues.
SB 425	Environment – Coal Combustion By-Products – Fees, Coordinating Committee, and Regulations (Ch. 529)						
	SF	\$0	\$1,031,344	\$1,055,612	\$1,078,947	\$1,102,594	Duplicative of impact for SB 250.
SB 431	Registered Apprenticeship Investments for a Stronger Economy (RAISE) Act (Ch. 2)						
	GF	increase	increase	increase	\$0	\$0	Minimal interest earnings.
	SF	\$0	increase	increase	increase	increase	Receipt of GF appropriations. SF expenditures increase correspondingly.
SB 432	Criminal Records – Expungement and Maryland Judiciary Case Search (Expungement Reform Act of 2025) (Ch. 95)						
	GF	increase	increase	increase	increase	increase	Minimal fee revenues.
SB 445/HB 538	Department of Human Services – Federal Commodity Supplemental Food Program – Administration (Ch. 371/Ch. 370)						
	FF	(\$221,930)	(\$295,907)	(\$295,907)	(\$295,907)	(\$295,907)	Maryland Department of Aging. FF expenditures decrease correspondingly.
	FF	\$221,930	\$295,907	\$295,907	\$295,907	\$295,907	Department of Human Services. FF expenditures increase correspondingly.

Legislation Affecting State Revenues (Continued)

	<u>Fund</u>	<u>FY 2026</u>	<u>FY 2027</u>	<u>FY 2028</u>	<u>FY 2029</u>	<u>FY 2030</u>	<u>Comments</u>
SB 511/HB 840	Public Senior Higher Education Institutions – Pregnant and Parenting Students – Plan Requirements (Pregnant and Parenting Student Support Act) (Ch. 335/Ch. 336)						
	FF	increase	increase	increase	increase	increase	Potential Medicaid and Maryland Children’s Health Program revenues. FF expenditures increase correspondingly.
SB 561/HB 227	Corporations and Associations – Electric Cooperatives – Nonescheat Capital Credits (Ch. 213/Ch. 212)						
	GF/SF	decrease	decrease	decrease	decrease	decrease	Potential abandoned property proceeds.
SB 566/HB 796	Real Property – Filing Fee for Residential Mortgage Foreclosure – Increase (Ch. 569/Ch. 581)						
	GF	increase	increase	increase	increase	increase	Minimal interest revenues.
	SF	\$525,600	\$700,800	\$700,800	\$700,800	\$700,800	Fee revenues.
SB 590/HB 744	Motor Vehicles – Reckless, Negligent, and Aggressive Driving (Sergeant Patrick Kepp Act) (Ch. 447/Ch. 446)						
	GF	increase	increase	increase	increase	increase	Minimal fine revenues.
SB 596	Property Tax Exemption and Payment in Lieu of Taxes – The Hagerstown Multi-Use Sports and Events Facility, Inc. (Ch. 428)						
	SF	(\$40,145)	(\$40,145)	(\$40,145)	(\$40,145)	(\$40,145)	Property tax revenues.
SB 603/HB 458	University of Maryland, College Park Campus – TerpsEXCEED Program – Funding (Ch. 348/Ch. 347)						
	HE	\$0	\$350,000	\$350,000	\$350,000	\$350,000	Receipt of GF appropriations. HE expenditures increase correspondingly.
SB 617/HB 1223	State Board of Cosmetologists – Licensing – Eyelash Extensions (Ch. 354/Ch. 355)						
	SF	increase	increase	increase	increase	increase	Minimal fee revenues.
SB 633	Campaign Finance – Political Organizations – Disclosures on Solicitations (Stop Scam PACs Act) (Ch. 313)						
	SF	increase	increase	increase	increase	increase	Minimal penalty revenues.
SB 641/HB 1355	Health Insurance – Required Coverage – Hearing Aids (Ch. 743/Ch. 742)						
	SF	increase	\$0	\$0	\$0	\$0	Minimal fee revenues.
SB 646/HB 970	Health Insurance – Insulin – Prohibition on Step Therapy or Fail-First Protocols (Ch. 689/Ch. 688)						
	SF	increase	\$0	\$0	\$0	\$0	Minimal fee revenues.

Legislation Affecting State Revenues (Continued)

	<u>Fund</u>	<u>FY 2026</u>	<u>FY 2027</u>	<u>FY 2028</u>	<u>FY 2029</u>	<u>FY 2030</u>	<u>Comments</u>
SB 665/HB 761	Maryland Uniform Disposition of Abandoned Property Act – Revisions (Ch. 635/Ch. 636)						
	GF	increase	increase	increase	increase	increase	Abandoned property proceeds.
	SF	increase	increase	increase	increase	increase	Abandoned property proceeds.
SB 669/HB 675	Public Safety – Rape Kit Testing – Tracking Program and Grant Fund (Ch. 667/Ch. 668)						
	SF	increase	increase	increase	increase	increase	Potential grant revenues.
SB 734/HB 968	Business Regulation – Licensing – Definition of Storage Warehouse (Ch. 358/Ch. 359)						
	GF	decrease	decrease	decrease	decrease	decrease	Minimal fee revenues.
SB 749/HB 723	Health Occupations – Authorization to Practice for Former Federal Employees and Dental Applicants Licensed or Certified in Another State (Ch. 11/Ch. 12)						
	SF	increase	increase	increase	increase	increase	Minimal fee revenues.
SB 773	Health Benefit Plans – Calculation of Cost-Sharing Contribution – Requirements (Ch. 692)						
	SF	increase	\$0	\$0	\$0	\$0	Minimal fee revenues.
SB 830	Workers’ Compensation – Claims Application Form – Authorization for Release of Information (Ch. 582)						
	NB	decrease	decrease	decrease	decrease	decrease	Minimal premium revenues. NB expenditures decrease correspondingly.
	SF	increase	\$0	\$0	\$0	\$0	Minimal fee revenues.
SB 848/HB 930	Public Health Abortion Grant Program – Establishment (Ch. 436/Ch. 435)						
	GF	increase	increase	increase	\$0	\$0	Minimal interest revenues.
	SF	\$19,306,461	\$2,500,000	\$2,500,000	\$2,500,000	\$2,500,000	SF expenditures partially correspond in FY 2026 and otherwise increase correspondingly beginning in FY 2027.
SB 862/HB 1072	State Retirement and Pension System – Administrative Fees – Repeal (Ch. 765/Ch. 764)						
	RF	(\$5,691,206)	\$0	\$0	\$0	\$0	Reversion of GF State agency administrative fees.
	SF	(\$21,760,483)	\$0	\$0	\$0	\$0	Repeal of local administrative fees.

Legislation Affecting State Revenues (Continued)

	<u>Fund</u>	<u>FY 2026</u>	<u>FY 2027</u>	<u>FY 2028</u>	<u>FY 2029</u>	<u>FY 2030</u>	<u>Comments</u>
SB 867	Cyber Maryland Program – Revisions (Ch. 218)						
	SF	\$3,099,000	\$3,099,000	\$3,099,000	\$3,099,000	\$3,099,000	MD Labor – Program transfer and receipt of additional GF appropriations. SF expenditures increase correspondingly.
	SF	(\$99,000)	(\$99,000)	(\$99,000)	(\$99,000)	(\$99,000)	TEDCO. Program transfer. SF expenditures decrease correspondingly.
SB 894	Office of Social Equity – Community Reinvestment and Repair Fund – Modifications (Ch. 195)						
	GF	(\$32,993)	(\$28,962)	(\$30,280)	(\$34,829)	(\$36,301)	Cannabis tax revenues.
	SF	(\$3,299)	(\$2,896)	(\$3,028)	\$0	\$0	Commerce – Cannabis Business Assistance Fund. Cannabis tax revenues.
	SF	(\$23,095)	(\$20,273)	(\$21,196)	(\$22,164)	(\$23,100)	Comptroller – Community Reinvestment and Repair Fund. Cannabis tax revenues. SF expenditures decrease correspondingly.
	SF	(\$3,299)	(\$2,896)	(\$3,028)	(\$3,166)	(\$3,300)	Maryland Department of Health – Cannabis Public Health Fund. Cannabis tax revenues.
	SF	\$65,986	\$57,923	\$60,559	\$63,325	\$66,001	Maryland Cannabis Administration – Cannabis Regulation and Enforcement Fund. Cannabis tax revenues. SF expenditures increase correspondingly.
SB 901	Environment – Packaging and Paper Products – Producer Responsibility Plans (Ch. 431)						
	SF	\$667,000	\$330,134	\$338,003	\$572,322	\$548,955	Fee revenues. SF expenditures increase correspondingly beginning in FY 2027.
SB 902/HB 11	Health Insurance – Access to Nonparticipating Providers – Referrals, Additional Assistance, and Coverage (Ch. 661/Ch. 660)						
	SF	increase	\$0	\$0	\$0	\$0	Minimal fee revenues.
SB 911/HB 910	Property Tax – Exemption for Blind Individuals – Alteration (Ch. 285./Ch. 284)						
	SF	(\$40,000)	(\$40,000)	(\$40,000)	(\$40,000)	(\$40,000)	Property tax revenues.

Legislation Affecting State Revenues (Continued)

	<u>Fund</u>	<u>FY 2026</u>	<u>FY 2027</u>	<u>FY 2028</u>	<u>FY 2029</u>	<u>FY 2030</u>	<u>Comments</u>
SB 921/HB 1087	Health Insurance – Step Therapy or Fail-First Protocols – Drugs to Treat Associated Conditions of Advanced Metastatic Cancer (Ch. 707/Ch. 706)						
	SF	increase	\$0	\$0	\$0	\$0	Minimal fee revenues.
SB 930/HB 1296	Environment – Managed Aquifer Recharge Pilot Program – Establishment (Ch. 475/Ch. 474)						
	GF	increase	increase	increase	increase	increase	Minimal reimbursement revenues for water testing. GF expenditures increase correspondingly.
SB 931/HB 1036	Public Utilities – Generating Stations – Generation and Siting (Renewable Energy Certainty Act) (Ch. 623/Ch. 624)						
	GF	\$0	increase	increase	increase	increase	Fee revenues.
	SF	\$0	\$500,018	\$513,359	\$527,356	\$541,326	Department of Natural Resources. Fee revenues.
	SF	\$403,385	\$244,646	\$255,462	\$266,806	\$278,223	Public Service Commission – Public Utility Regulation Fund. Fee revenues. SF expenditures increase correspondingly.
SB 937/HB 1035	Electricity and Gas – Emissions Reductions, Rate Regulation, Cost Recovery, Infrastructure, Planning, and Energy Assistance Programs (Next Generation Energy Act) (Ch. 625/Ch. 626)						
	SF	decrease	decrease	decrease	decrease	decrease	Department of Housing and Community Development. Significant surcharge revenues. SF expenditures generally correspond.
	SF	\$527,541	\$505,042	\$516,310	\$528,126	\$540,035	Office of People’s Counsel. SF expenditures increase correspondingly.
	SF	\$2,467,805	\$2,385,158	\$2,423,339	\$2,463,383	\$2,503,483	Public Service Commission. SF expenditures increase correspondingly.
SB 963/HB 535	Abandoned and Neglected Cemeteries Fund – Establishment (Ch. 409/Ch. 410)						
	SF	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000	SF expenditures increase correspondingly.
SB 975/HB 1243	Health Insurance – Coverage for Specialty Drugs (Ch. 728/Ch. 729)						
	SF	increase	\$0	\$0	\$0	\$0	Minimal fee revenues.

Legislation Affecting State Revenues (Continued)

	<u>Fund</u>	<u>FY 2026</u>	<u>FY 2027</u>	<u>FY 2028</u>	<u>FY 2029</u>	<u>FY 2030</u>	<u>Comments</u>
SB 979	Local Government – Accommodations Intermediaries – Hotel Rental Tax – Collection by Comptroller and Alterations (Ch. 638)						
	SF	\$0	\$0	increase	increase	increase	Administrative cost reimbursements.
SB 981/HB 268	Hospitals – Financial Assistance and Collection of Debts – Policies (Ch. 694/Ch. 693)						
	FF	increase	increase	increase	increase	increase	Potential Medicaid matching revenues. FF expenditures increase correspondingly.
SB 1026/HB 1516	Financial Institutions – Consumer Credit – Application of Licensing Requirements (Maryland Secondary Market Stability Act of 2025) (Ch. 118/Ch. 119)						
	SF	decrease	decrease	decrease	decrease	decrease	Minimal fee revenues.
HB 11/SB 902	See entry for SB 902.						
HB 18	Vehicle Laws – Noise Abatement Monitoring Systems Pilot Program – Inspection and Extension (Ch. 712)						
	GF	\$0	increase	increase	\$0	\$0	Minimal penalty revenues.
HB 19	Health Occupations – Nursing – Loan Repayment, Education, and Sunset Extension (Building Opportunities for Nurses Act of 2025) (Ch. 416)						
	GF	\$0	(\$100,000)	(\$100,000)	(\$100,000)	(\$100,000)	Personal income tax revenues.
	SF	\$100,000	\$300,000	\$300,000	\$300,000	\$300,000	Fee revenues and receipt of GF appropriations. SF expenditures increase correspondingly.
HB 25/SB 265	See entry for SB 265.						
HB 27/SB 19	See entry for SB 19.						
HB 33/SB 248	See entry for SB 248.						
HB 40/SB 258	See entry for SB 258.						
HB 49	Environment – Building Energy Performance Standards – Alterations and Analysis (Ch. 844)						
	SF	\$690,000	\$703,800	\$717,876	\$732,234	\$746,878	Fee revenues. SF expenditures increase correspondingly.
HB 54/SB 229	See entry for SB 229.						

Legislation Affecting State Revenues (Continued)

	<u>Fund</u>	<u>FY 2026</u>	<u>FY 2027</u>	<u>FY 2028</u>	<u>FY 2029</u>	<u>FY 2030</u>	<u>Comments</u>
HB 59	Property Tax – Tax Sales – Revisions (Ch. 231)						
	SF	decrease	decrease	decrease	decrease	decrease	Potential property tax revenues.
HB 102	Family and Medical Leave Insurance Program – Revisions (Ch. 363)						
	SF	(\$1,272,539,825)	(\$1,316,894,679)	decrease	\$0	\$0	Family and Medical Leave Insurance contributions decrease minimally in FY 2026 through 2028 (in addition to amounts shown).
HB 114/SB 249	See entry for SB 249.						
HB 176/SB 26	See entry for SB 26.						
HB 182	Motor Vehicles – Speed Monitoring Systems – Penalties (Ch. 505)						
	GF	increase	increase	increase	increase	increase	Penalty revenues.
	SF	increase	increase	increase	increase	\$0	Penalty revenues. SF expenditures increase correspondingly.
HB 214/SB 208	See entry for SB 208.						
HB 227/SB 561	See entry for SB 561.						
HB 258/SB 4	See entry for SB 4.						
HB 261	Estates and Trusts – Priority of Claims on an Estate – Unpaid Child Support (Ch. 225)						
	GF/SF	decrease	decrease	decrease	decrease	decrease	Potential estate claim revenues.
	HE	decrease	decrease	decrease	decrease	decrease	Potential estate claim revenues.
	NB	decrease	decrease	decrease	decrease	decrease	Potential estate claim revenues.
HB 268/SB 981	See entry for SB 981.						
HB 275	Family Law – Child Support – Multifamily Adjustment (Ch. 532)						
	FF	\$196,416	\$37,319	\$37,319	\$37,319	\$37,319	Child support matching revenues. FF expenditures increase correspondingly.

Legislation Affecting State Revenues (Continued)

	<u>Fund</u>	<u>FY 2026</u>	<u>FY 2027</u>	<u>FY 2028</u>	<u>FY 2029</u>	<u>FY 2030</u>	<u>Comments</u>
HB 313/SB 54	See entry for SB 54.						
HB 322	Election Law – Municipal Elections – Administration (Ch. 124)						
	SF	increase	increase	increase	increase	increase	Potential voting equipment lease revenues beginning in FY 2025.
HB 337	State Lottery Fund – Laurel Race Course – Local Impact Aid (Ch. 403)						
	GF	(\$250,000)	(\$250,000)	\$0	\$0	\$0	Mandated distribution in FY 2026 and 2027.
HB 345/SB 174	See entry for SB 174.						
HB 349	Prince George’s County – Speed Monitoring Systems – Maryland Route 210 PG 306-25 (Ch. 596)						
	GF	increase	increase	increase	increase	\$0	Penalty revenues. Duplicative of impact for HB 182.
	SF	increase	increase	increase	increase	\$0	Penalty revenues. SF expenditures increase correspondingly. Duplicative of impact for HB 182.
HB 352	Budget Reconciliation and Financing Act of 2025						
	FF	\$1,500,000	(\$500,000)	(\$14,500,000)	(\$14,500,000)	(\$14,500,000)	Maryland Department of Health. FF expenditures correspond. Assumed in FY 2026 budget.
	GF	\$8,500,000	\$11,812,000	\$14,859,175	\$17,069,524	\$18,599,799	Commerce. GF revenues increase by \$5,662,055 in FY 2025. \$2,500,000 assumed in FY 2026 budget.
	GF	\$1,000,000	\$0	\$0	\$0	\$0	Maryland Department of the Environment. Assumed in FY 2026 budget.
	GF	\$13,100,000	\$0	\$0	\$0	\$0	Maryland Department of Health. GF revenues increase by 22,701,797 in FY 2025. FY 2025 and 2026 amounts assumed in FY 2026 budget.
	GF	\$41,811,287	\$42,422,537	\$42,908,875	\$43,402,508	\$43,903,546	State Lottery. Assumed in FY 2026 budget.

Legislation Affecting State Revenues (Continued)

<u>Fund</u>	<u>FY 2026</u>	<u>FY 2027</u>	<u>FY 2028</u>	<u>FY 2029</u>	<u>FY 2030</u>	<u>Comments</u>
GF	\$205,109,000	\$63,815,000	\$0	\$0	\$0	State Reserve Fund. Assumed in FY 2026 budget.
GF	\$0	\$0	\$0	\$0	\$0	Board of Public Works. GF revenues increase by \$326,456 in FY 2025. Assumed in FY 2026 budget.
GF	\$0	\$0	\$0	\$0	\$0	Department of General Services. GF revenues increase by \$12,000,000 in FY 2025. Assumed in FY 2026 budget.
GF	\$37,300,000	\$0	\$0	\$0	\$0	MD Labor. Assumed in FY 2026 budget. GF expenditures decrease correspondingly in HB 102.
GF	\$0	\$0	\$0	\$0	\$0	All or multiple agencies. GF revenues increase by \$217,365,440 in FY 2025. Assumed in FY 2026 budget.
GF	\$1,179,900,178	\$1,191,524,673	\$1,225,427,874	\$1,231,684,860	\$1,265,871,853	Comptroller. GF revenue increase by \$227,500,000 in FY 2025. Assumed in FY 2026 budget.
GF	\$30,000,000	\$20,000,000	\$15,000,000	\$15,000,000	\$15,000,000	Maryland Energy Administration. GF revenues increase by \$265,000,000 in FY 2025. Assumed in FY 2026 budget.
GF	\$20,000,000	\$0	\$0	\$0	\$0	Judiciary. Assumed in FY 2026 budget.
GF	\$25,000,000	\$25,000,000	\$25,000,000	\$25,000,000	\$0	Department of Natural Resources. Assumed in FY 2026 budget.
GF	\$0	\$0	\$0	\$0	\$0	Governor's Office of Crime Prevention and Policy. GF revenues increase by \$4,900,000 in FY 2025. Assumed in FY 2026 budget.
GF	\$3,000,000	\$0	\$0	\$0	\$0	Maryland Stadium Authority. Assumed in FY 2026 budget.
GF	\$1,250,000	\$1,250,000	\$1,250,000	\$1,250,000	\$1,250,000	Attorney General. GF revenues increase by \$5,104,170 in FY 2025. Assumed in FY 2026 budget.
GF	\$0	\$0	\$0	\$0	\$0	Public Safety and Correctional Services. GF revenues increase by \$5,000,000 in FY 2025; assumed in FY 2026 budget.
NB	(\$33,000,000)	(\$33,000,000)	(\$33,000,000)	(\$33,000,000)	(\$33,000,000)	MD Labor.

Effect of the 2025 Legislative Program on the Financial Condition of the State

Legislation Affecting State Revenues (Continued)

<u>Fund</u>	<u>FY 2026</u>	<u>FY 2027</u>	<u>FY 2028</u>	<u>FY 2029</u>	<u>FY 2030</u>	<u>Comments</u>
SF	(\$2,750,000)	(\$2,750,000)	(\$2,750,000)	(\$2,500,000)	(\$2,500,000)	Commerce. SF revenues decrease by \$250,000 in FY 2025.
SF	\$3,061,645	\$3,817,399	\$3,879,245	\$4,081,977	\$4,202,452	Maryland Department of the Environment. SF revenues increase by \$72,627 in FY 2025. SF expenditures partially correspond. \$4,335,000 assumed in FY 2026 budget.
SF	\$115,158,330	\$113,158,330	\$99,158,330	\$99,158,330	\$99,158,330	Maryland Department of Health. SF revenues increase by \$46,750,000 in FY 2025. SF expenditures partially correspond. FY 2026 budget assumes \$50,000,000 in FY 2025 and \$116,000,000 in FY 2026.
SF	(\$624,608,483)	(\$63,815,000)	\$0	\$0	\$0	State Reserve Fund. Assumed in FY 2026 budget.
SF	(\$25,000,000)	(\$25,000,000)	(\$25,000,000)	\$0	\$0	Department of Budget and Management – Postretirement Health Benefits Trust Fund. Assumed in FY 2026 budget.
SF	(\$25,000,000)	(\$25,000,000)	(\$25,000,000)	\$0	\$0	State Retirement Agency – State Retirement and Pension System Trust Fund. Assumed in FY 2026 budget.
SF	(\$5,000,000)	(\$10,000,000)	(\$10,000,000)	(\$10,000,000)	(\$10,000,000)	Maryland Center for School Safety. SF expenditures decrease correspondingly beginning in FY 2029.
SF	\$33,000,000	\$33,000,000	\$33,000,000	\$33,000,000	\$33,000,000	MD Labor. SF expenditures increase correspondingly. Assumed in FY 2026 budget.
SF	\$0	\$0	\$0	\$0	\$0	Maryland Department of Emergency Management. SF revenues decrease by \$9,000,000 in FY 2025.
SF	\$481,737,771	\$411,011,382	\$414,301,525	\$417,535,382	\$420,983,382	Transportation Trust Fund. \$241,085,000 assumed in FY 2026 budget.
SF	\$4,013,677	\$4,269,748	\$4,392,014	\$4,517,794	\$4,647,190	Maryland Department of Education. SF revenues increase by \$11,871,867 in FY 2025. \$2,500,000 assumed in

Legislation Affecting State Revenues (Continued)

<u>Fund</u>	<u>FY 2026</u>	<u>FY 2027</u>	<u>FY 2028</u>	<u>FY 2029</u>	<u>FY 2030</u>	<u>Comments</u>
						FY 2026 budget. SF expenditures partially correspond beginning in FY 2027.
SF	\$565,380	\$565,380	\$565,380	\$565,380	\$565,380	University of Maryland Medical System.
SF	\$480,000	\$0	\$0	\$0	\$0	University System of Maryland.
SF	(\$1,750,000)	(\$1,750,000)	(\$1,750,000)	(\$1,750,000)	(\$1,750,000)	Comptroller. SF revenues decrease by \$1,750,000 in FY 2025. SF expenditures decrease correspondingly.
SF	(\$30,000,000)	(\$20,000,000)	(\$15,000,000)	(\$15,000,000)	(\$15,000,000)	Maryland Energy Administration. SF revenues decrease by \$35,000,000 in FY 2025. FY 2025 and 2026 amounts assumed in FY 2026 budget.
SF	(\$13,896,986)	(\$12,206,635)	(\$10,875,936)	(\$10,657,534)	\$1,118,672	Department of Agriculture. SF expenditures partially correspond. \$15,020,658 reduction assumed in FY 2026 budget.
SF	\$1,539,090	\$1,539,090	\$1,539,090	\$1,539,090	\$1,539,090	MIEMSS.
SF	(\$10,101,342)	(\$11,540,193)	(\$12,870,392)	(\$13,086,794)	\$140,000	Department of Natural Resources. SF expenditures partially correspond. SF revenues increase by \$1,596,400 in FY 2025, which is assumed in the FY 2026 budget. FY 2026 budget also assumes \$9,979,342 reduction in FY 2026.
SF	(\$3,500,000)	(\$3,500,000)	(\$3,500,000)	\$0	\$0	Department of Planning. SF expenditures decrease correspondingly.
SF	\$21,231,952	\$21,656,591	\$22,089,723	\$22,531,517	\$22,982,148	State Department of Assessments and Taxation. SF expenditures increase correspondingly. Assumed in FY 2026 budget.
SF	\$2,500,000	\$2,500,000	\$2,500,000	\$2,500,000	\$2,500,000	Attorney General. SF revenues increase by \$208,330 in FY 2025.
SF	(\$6,800,000)	\$0	\$0	\$0	\$0	Department of Service and Civic Innovation. Assumed in FY 2026 budget.

Legislation Affecting State Revenues (Continued)

	<u>Fund</u>	<u>FY 2026</u>	<u>FY 2027</u>	<u>FY 2028</u>	<u>FY 2029</u>	<u>FY 2030</u>	<u>Comments</u>
	SF	\$5,000,000	\$5,000,000	\$5,000,000	\$5,000,000	\$5,000,000	Maryland Cannabis Administration. SF revenues increase by \$5,000,000 in FY 2025. SF expenditures increase correspondingly. FY 2025 and 2026 amounts assumed in FY 2026 budget.
HB 397/SB 363	See entry for SB 363.						
HB 424/SB 357	See entry for SB 357.						
HB 448/SB 275	See entry for SB 275.						
HB 458/SB 603	See entry for SB 603.						
HB 504	Excellence in Maryland Public Schools Act (Ch. 237)						
	SF	\$602,656	\$2,800,000	\$0	\$0	\$0	Interest revenues.
HB 506	Chesapeake Bay Legacy Act (Ch. 430)						
	SF	\$500,000	\$900,000	\$900,000	\$900,000	\$900,000	Maryland Department of Agriculture (LEEF Program Fund). Receipt of GF appropriations. SF expenditures increase correspondingly.
	SF	increase	increase	increase	increase	increase	Department of Natural Resources. Minimal fee revenues and potential significant water quality trading credit revenues.
HB 527	Maryland Transit Administration – Purple Line – Free Ridership and Promotional Materials and Services (Ch. 494)						
	SF	\$0	\$0	(\$75,000)	\$0	\$0	Fare revenues.
HB 535/SB 963	See entry for SB 963.						
HB 538/SB 445	See entry for SB 445.						
HB 600/SB 276	See entry for SB 276.						

Legislation Affecting State Revenues (Continued)

	<u>Fund</u>	<u>FY 2026</u>	<u>FY 2027</u>	<u>FY 2028</u>	<u>FY 2029</u>	<u>FY 2030</u>	<u>Comments</u>
HB 618	State Lottery – Internet Sales of Subscription Plans – Authorization (Ch. 340)						
	GF	increase	increase	increase	increase	increase	Minimal lottery revenues.
HB 634/SB 295	See entry for SB 295.						
HB 666/SB 60	See entry for SB 60.						
HB 675/SB 669	See entry for SB 669.						
HB 681	Child Support – Driver’s License Suspension for Arrearages and Court Orders (Ch. 578)						
	FF	\$82,500	increase	increase	increase	increase	Child support matching revenues. FF expenditures increase correspondingly.
	GF	decrease	decrease	decrease	decrease	decrease	Potential fine revenues.
HB 719	Natural Resources – State Boat Act – Alterations (Ch. 433)						
	FF	\$0	increase	increase	increase	increase	Boating safety financial assistance.
	SF	\$4,904,190	\$4,904,190	\$4,904,190	\$4,904,190	\$4,904,190	Fee revenues.
HB 720	Natural Resources – Repeal of Somers Cove Marina Commission and Improvement Fund and Alteration of Operations (Ch. 444)						
	GF	increase	increase	increase	\$0	\$0	Minimal interest earnings.
	SF	increase	increase	increase	increase	increase	Potential significant marina operations revenues or marina lease revenues. In FY 2026 only, receipt of potential significant balance of repealed fund (that holds non-State money).
HB 723/SB 749	See entry for SB 749.						
HB 744/SB 590	See entry for SB 590.						
HB 761/SB 665	See entry for SB 665.						
HB 765	Hospitals – Medical Debt Collection – Sale of Patient Debt (Ch. 750)						
	FF	indeterminate	indeterminate	indeterminate	\$0	\$0	Potential Medicaid matching revenues. FF expenditures change correspondingly.

Legislation Affecting State Revenues (Continued)

	<u>Fund</u>	<u>FY 2026</u>	<u>FY 2027</u>	<u>FY 2028</u>	<u>FY 2029</u>	<u>FY 2030</u>	<u>Comments</u>
HB 776/SB 423	See entry for SB 423.						
HB 793	University System of Maryland – Academic Facilities Bonding Authority (Ch. 316)						
	BOND	\$30,000,000	\$0	\$0	\$0	\$0	Assumed in FY 2026 capital budget. Bond expenditures increase correspondingly.
HB 796/SB 566	See entry for SB 566.						
HB 799	Economic Development – Maryland Innovation Initiative Institution Partnership Extension Program – Establishment (Ch. 217)						
	SF	\$0	\$250,000	\$250,000	\$1,000,000	\$1,000,000	Receipt of GF appropriations. SF expenditures increase correspondingly.
HB 813	Maryland Insurance Administration and Maryland Department of Health – Workgroup to Study Pharmacy Benefits Managers (Ch. 730)						
	FF	\$25,646	\$10,567	\$0	\$0	\$0	FF expenditures increase correspondingly.
HB 820	Health Insurance – Utilization Review – Use of Artificial Intelligence (Ch. 747)						
	SF	increase	increase	increase	increase	increase	Minimal fee revenues.
HB 840/SB 511	See entry for SB 511.						
HB 859	Access to Health Insurance for Child Care Professionals – Outreach (Ch. 679)						
	SF	\$250,000	\$0	\$0	\$0	\$0	Assumed in FY 2026 budget. SF expenditures increase correspondingly.
HB 860	Public Nuisance – Common Carriers – Damage to Public Infrastructure (Ch. 454)						
	GF	increase	increase	increase	increase	increase	Potential penalty revenues.
	SF	increase	increase	increase	increase	increase	Potential damages.
HB 865	Catastrophic Event Account – Transfer of Funds – State Disaster Recovery Fund (Ch. 559)						
	SF	increase	increase	increase	increase	increase	Potential receipt of funding from the Catastrophic Event Account. SF expenditures increase correspondingly.

Legislation Affecting State Revenues (Continued)

	<u>Fund</u>	<u>FY 2026</u>	<u>FY 2027</u>	<u>FY 2028</u>	<u>FY 2029</u>	<u>FY 2030</u>	<u>Comments</u>
HB 869/SB 372	See entry for SB 372.						
HB 881	Family Investment Program – Child Support (Ch. 373)						
	FF	\$0	\$268,013	\$0	\$0	\$0	Child support matching revenues. FF expenditures increase correspondingly.
	SF	\$0	\$0	(\$2,350,000)	(\$6,200,000)	(\$10,050,000)	SF expenditures decrease correspondingly.
HB 895/SB 279	See entry for SB 279.						
HB 910/SB 911	See entry for SB 911.						
HB 913	Baltimore City – Speed Monitoring Systems – Interstate 83 (Ch. 567)						
	GF	increase	increase	increase	increase	increase	Potential penalty revenues.
HB 930/SB 848	See entry for SB 848.						
HB 953	Tax Sales – Homeowner Protection Program – Funding and Alterations (Ch. 647)						
	SF	\$750,000	\$750,000	\$750,000	\$750,000	\$750,000	Receipt of GF appropriations and county payments to Homeowner Protection Fund. SF expenditures increase correspondingly.
HB 968/SB 734	See entry for SB 734.						
HB 970/SB 646	See entry for SB 646.						
HB 988	Montgomery County – Speed Monitoring Systems – Maryland Route 200 (Intercounty Connector) MC 10-25 (Ch. 587)						
	NB	increase	increase	increase	increase	increase	Potential significant penalty revenues. NB expenditures increase correspondingly.
HB 1007	Disability and Life Insurance – Medical Information (Genetic Testing Protection Act) (Ch. 394)						
	GF	indeterminate	indeterminate	indeterminate	indeterminate	indeterminate	Potential premium tax revenues.
	SF	increase	\$0	\$0	\$0	\$0	Minimal fee revenues.

Legislation Affecting State Revenues (Continued)

	<u>Fund</u>	<u>FY 2026</u>	<u>FY 2027</u>	<u>FY 2028</u>	<u>FY 2029</u>	<u>FY 2030</u>	<u>Comments</u>
HB 1010	African American Heritage Preservation Program and Grant Fund – Noncapital Grants and Donations (Ch. 622)						
	SF	increase	increase	increase	increase	increase	Potential grant and donation revenues. SF expenditures increase correspondingly.
HB 1035/SB 937	See entry for SB 937.						
HB 1036/SB 931	See entry for SB 931.						
HB 1069	Life and Health Insurance Policies and Annuity and Health Maintenance Organization Contracts – Discretionary Clauses – Prohibition (Ch. 396)						
	SF	increase	\$0	\$0	\$0	\$0	Minimal fee revenues.
HB 1072/SB 862	See entry for SB 862.						
HB 1085	Housing Authorities – Tax-Exempt Status – Modifications (Ch. 169)						
	SF	decrease	decrease	decrease	decrease	decrease	Potential property tax revenues (likely minimal).
HB 1086	Maryland Medical Assistance Program and Health Insurance – Coverage for Anesthesia – Prohibiting Time Limitations (Ch. 683)						
	FF	increase	increase	increase	increase	increase	Minimal Medicaid matching revenues. FF expenditures increase correspondingly.
HB 1087/SB 921	See entry for SB 921.						
HB 1098	Insurance – Automobile Insurance – Maryland Automobile Insurance Fund and Affordability Study (Ch. 395)						
	NB	indeterminate	indeterminate	indeterminate	indeterminate	indeterminate	Potential impact from decreased investment income.
HB 1104	Maryland Department of Health – AHEAD Model Implementation – Electronic Health Care Transactions and Population Health Improvement Fund (Ch. 615)						
	FF	\$3,000,000	increase	increase	\$0	\$0	Medicaid matching revenues. Assumed in FY 2026 budget. FF expenditures increase correspondingly.
	GF	increase	increase	increase	\$0	\$0	Minimal interest earnings.

Legislation Affecting State Revenues (Continued)

	<u>Fund</u>	<u>FY 2026</u>	<u>FY 2027</u>	<u>FY 2028</u>	<u>FY 2029</u>	<u>FY 2030</u>	<u>Comments</u>
	SF	\$25,000,000	increase	increase	\$0	\$0	Assessment revenues. SF expenditures increase correspondingly.
HB 1173	Montgomery County – Speed Monitoring Systems – High-Risk Highways MC 17-25 (Ch. 590)						
	GF	increase	increase	increase	increase	increase	Potential penalty revenues.
HB 1223/SB 617	See entry for SB 617.						
HB 1243/SB 975	See entry for SB 975.						
HB 1253	Department of Social and Economic Mobility Established (Ch. 605)						
	SF	\$5,421,131	\$7,372,739	\$7,520,193	\$7,670,597	\$7,824,009	New Agency. SF expenditures increase correspondingly.
	SF	\$0	(\$3,190,739)	(\$3,254,553)	(\$3,319,644)	(\$3,386,037)	Maryland Cannabis Administration. SF expenditures decrease correspondingly.
HB 1296/SB 930	See entry for SB 930.						
HB 1301	Maryland Medical Assistance Program, Maryland Children’s Health Program, and Health Insurance – Transfers to Special Pediatric Hospitals – Prior Authorizations (Ch. 612)						
	FF	increase	increase	increase	increase	increase	Minimal Medicaid matching revenues. FF expenditures increase correspondingly.
	SF	increase	\$0	\$0	\$0	\$0	Minimal fee revenues.
HB 1315	Vaccinations by Pharmacists and Health Insurance Coverage for Immunizations (Ch. 738)						
	SF	increase	\$0	\$0	\$0	\$0	Minimal fee revenues.
HB 1347/SB 299	See entry for SB 299.						
HB 1355/SB 641	See entry for SB 641.						
HB 1424	Support and Protections for Individuals Affected by Federal Actions (Protect Our Federal Workers Act) (Ch. 97)						
	SF	\$10,000,000	\$0	\$0	\$0	\$0	Federal Government Employee Assistance Loan Fund. MD Labor revenues increase by \$5,000,000 in

Legislation Affecting State Revenues (Continued)

	<u>Fund</u>	<u>FY 2026</u>	<u>FY 2027</u>	<u>FY 2028</u>	<u>FY 2029</u>	<u>FY 2030</u>	<u>Comments</u>
	SF	\$0	\$0	\$0	\$0	\$0	FY 2025. SF expenditures increase correspondingly. Office of Attorney General. SF revenues increase by \$1,500,000 in FY 2025. SF expenditures increase correspondingly.
	SF	\$0	\$0	\$0	\$0	\$0	Office of Attorney General. SF revenues increase by \$1,500,000 in FY 2025. SF expenditures increase correspondingly.
HB 1464	Motor Vehicles – Rental Fleet Vehicles – Registration (Ch. 526)						
	SF	\$207,984	\$277,313	\$69,328	increase	increase	Fee revenues (minimal beginning in FY 2029).
HB 1473	State Government – Equal Access to Public Services for Individuals with Limited English Proficiency and Individuals with Disabilities (Ch. 434)						
	FF	\$0	increase	increase	\$0	\$0	Matching revenues. FF expenditures increase correspondingly.
HB 1481	Disability Services – Adapted Vehicle Access Pilot Program – Established (Ch. 393)						
	FF	increase	increase	increase	increase	increase	Potential grant revenues. FF expenditures increase correspondingly.
	SF	increase	increase	increase	increase	increase	Potential grant revenues. SF expenditures increase correspondingly.
HB 1503	State Personnel – Paid Family and Medical Leave (Ch. 606)						
	SF	decrease	decrease	decrease	decrease	decrease	Significant Family and Medical Leave Insurance contributions.
HB 1516/SB 1026	See entry for SB 1026.						

Totals by Fund Type/Summary of Quantifiable Revenue Effects

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<u>Fund Type</u>	<u>FY 2026</u>	<u>FY 2027</u>	<u>FY 2028</u>	<u>FY 2029</u>	<u>FY 2030</u>
GF	\$1,565,687,472	\$1,355,445,248	\$1,310,315,644	\$1,333,272,063	\$1,344,488,897
FF	\$4,993,807	\$97,367	(\$14,085,762)	(\$13,986,970)	(\$13,884,721)
SF	(\$1,289,097,437)	(\$857,455,584)	\$527,784,146	\$569,761,395	\$596,223,351
BOND	\$30,000,000	\$0	\$0	\$0	\$0
NB	(\$33,000,000)	(\$33,000,000)	(\$33,000,000)	(\$33,000,000)	(\$33,000,000)
HE	\$0	\$350,000	\$350,000	\$350,000	\$350,000
RF	(\$5,691,206)	\$0	\$0	\$0	\$0

Effect of the 2025 Legislative Program on the Financial Condition of the State

Legislation Affecting State Expenditures

	<u>Fund</u>	<u>Agency</u>	<u>FY 2026</u>	<u>FY 2027</u>	<u>FY 2028</u>	<u>FY 2029</u>	<u>FY 2030</u>	<u>Comments</u>
SB 4/HB 258	Economic Development – West North Avenue Development Authority – Alterations (Ch. 216/Ch. 215)							
	GF	West North Avenue Development Corp.	\$82,614	increase	\$0	\$0	\$0	\$21.2 million included in FY 2026 budget (\$82,614 for personnel costs is contingent).
	SF	West North Avenue Development Corp.	increase	increase	increase	increase	increase	SF revenues increase correspondingly.
SB 5/HB 297	Maryland Health Benefit Exchange – State-Based Young Adult Health Insurance Subsidies Pilot Program – Sunset Repeal (Ch. 722)							
	SF	Health Benefit Exchange	\$13,000,000	\$26,000,000	\$26,000,000	\$13,000,000	\$0	Included in FY 2026 budget (contingent).
SB 9	Maryland Higher Education Commission – Academic Program Approval – Revisions (Ch. 143)							
	HE	All or Multiple Agencies	indeterminate	indeterminate	indeterminate	indeterminate	indeterminate	Potential impact due to possible shift in academic program offerings. HE tuition revenues generally correspond.
SB 26/HB 176	Davis Martinez Public Employee Safety and Health Act (Ch. 608/Ch. 609)							
	GF	Attorney General	\$106,659	\$128,652	\$134,337	\$140,297	\$146,304	
	GF/SF	All or Multiple Agencies	increase	increase	increase	increase	increase	Potential compliance and enforcement costs.
	HE	All or Multiple Agencies	increase	increase	increase	increase	increase	Potential compliance and enforcement costs.
	NB	All or Multiple Agencies	increase	increase	increase	increase	increase	Potential compliance and enforcement costs.
	SF	Labor	\$69,385	\$81,312	\$84,843	\$88,547	\$92,199	
	GF	Public Safety & Correctional Services	\$428,790	\$0	\$0	\$0	\$0	Included in the FY 2026 budget (contingent).

Legislation Affecting State Expenditures (Continued)

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	<u>Fund</u>	<u>Agency</u>	<u>FY 2026</u>	<u>FY 2027</u>	<u>FY 2028</u>	<u>FY 2029</u>	<u>FY 2030</u>	<u>Comments</u>
SB 36/HB 421	Public Safety – 9-1-1 Trust Fund – 9-8-8 Suicide Prevention Hotline (Ch. 14/Ch. 13)							
	SF	Emergency Management	increase	increase	increase	increase	increase	Program expenditures.
	SF	Health	decrease	decrease	decrease	decrease	decrease	Program expenditures.
SB 47/HB 3	State Board of Physical Therapy Examiners – Revisions (Ch. 353/Ch. 352)							
	SF	Health	decrease	decrease	decrease	decrease	decrease	Minimal administrative costs.
SB 54/HB 313	Motor Vehicles – Specially Designed Vintage Reproduction Registration Plates (Ch. 492/Ch. 491)							
	SF	Transportation	increase	increase	increase	increase	increase	Minimal administrative costs. SF revenues increase correspondingly.
SB 60/HB 666	Maryland Medical Assistance Program and Health Insurance – Required Coverage for Calcium Score Testing (Ch. 685/Ch. 684)							
	GF/FF	Health	increase	increase	increase	increase	increase	Potential minimal Medicaid expenditures. FF revenues increase correspondingly with FF expenditures.
SB 67	Health Occupations Boards – Notation of Veteran Status and Eligibility for Benefits (Ch. 248)							
	SF	Health	increase	increase	increase	increase	increase	Potential administrative costs.
SB 68/HB 197	Public Schools – Restorative Practices Schools – Comprehensive Plan (Ch. 241/Ch. 240)							
	GF	Education	\$100,000	\$0	\$0	\$0	\$0	

Effect of the 2025 Legislative Program on the Financial Condition of the State

Legislation Affecting State Expenditures (Continued)

	<u>Fund</u>	<u>Agency</u>	<u>FY 2026</u>	<u>FY 2027</u>	<u>FY 2028</u>	<u>FY 2029</u>	<u>FY 2030</u>	<u>Comments</u>
SB 80	Criminal Law – Animal Abuse or Neglect – Penalties (Ch. 183)							
	GF	Public Safety & Correctional Services	increase	increase	increase	increase	increase	Potential incarceration costs beginning in FY 2025.
	GF	Judiciary	\$0	\$0	\$0	\$0	\$0	GF expenditures increase by \$34,558 in FY 2025.
SB 92/HB 236	Peace Orders and Criminal Harassment – Intentional Visual Surveillance (Ch. 575/Ch. 574)							
	GF	Judiciary	\$29,640	\$0	\$0	\$0	\$0	
SB 144/HB 15	Corporations and Associations – Limited Worker Cooperative Associations – Authorization (Maryland Limited Worker Cooperative Association Act) (Ch. 199/Ch. 198)							
	GF	Assessments & Taxation	\$0	\$278,400	\$0	\$0	\$0	
SB 154	Access to Counsel in Evictions – Task Force and Special Fund (Ch. 457)							
	SF	Md. Legal Services Corporation	\$0	\$0	\$14,000,000	\$0	\$0	Mandated appropriation in FY 2028. SF revenues increase correspondingly.
SB 174/HB 345	Interstate Social Work Licensure Compact (Ch. 10/Ch. 9)							
	SF	Health	\$73,917	\$86,925	\$90,800	\$94,865	\$98,894	
SB 175/HB 222	Public Safety – Fuel Gas Piping Systems and Corrugated Stainless Steel Tubing – Prohibitions and Study (Ch. 384/Ch. 385)							
	GF	Labor	\$101,983	\$22,124	\$0	\$0	\$0	
SB 181/HB 1123	Correctional Services – Geriatric and Medical Parole (Ch. 102)							
	GF	Public Safety & Correctional Services	\$474,494	\$575,599	\$600,976	\$627,587	\$654,511	
SB 183/HB 133	State Department of Assessments and Taxation – Notification of Constant Yield Tax Rate – Alteration (Ch. 72/Ch. 71)							
	GF	Assessments & Taxation	decrease	decrease	decrease	decrease	decrease	Minimal administrative costs.

Legislation Affecting State Expenditures (Continued)

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	<u>Fund</u>	<u>Agency</u>	<u>FY 2026</u>	<u>FY 2027</u>	<u>FY 2028</u>	<u>FY 2029</u>	<u>FY 2030</u>	<u>Comments</u>
SB 203	Vehicle Laws – Exceptional Hauling Permits for Farm Products (Ch. 52)							
	SF	Transportation	indeterminate	indeterminate	indeterminate	indeterminate	indeterminate	Minimal highway maintenance costs.
SB 208/HB 214	Human Services – Maryland Assistive Technology Program – Establishment (Ch. 419/Ch. 420)							
	SF	Disabilities	\$25,000	\$28,750	\$31,625	\$34,788	\$38,266	SF revenues increase correspondingly.
SB 210	Maryland Transportation Authority – Tolls, Fees, and Other Charges – Temporary Adjustments (Ch. 56)							
	GF/SF	All or Multiple Agencies	increase	increase	increase	increase	increase	Potential significant toll expenditures.
SB 217/HB 256	Health Occupations Boards – Membership Alteration and Sunset Extensions (Ch. 32/Ch. 31)							
	SF	Health	\$3,500	\$3,500	\$3,500	\$3,500	\$3,500	
SB 229/HB 54	Health Services Cost Review Commission – User Fee Assessment – Repeal of Sunset (Ch. 26/Ch. 25)							
	FF	Health	\$189,245	\$281,468	\$376,919	\$475,711	\$577,960	FF revenues increase correspondingly.
	GF	Health	\$126,164	\$187,646	\$251,280	\$317,141	\$385,307	
	SF	Health	\$1,577,046	\$2,345,571	\$3,140,995	\$3,964,258	\$4,816,335	SF revenues increase correspondingly.
SB 246/HB 228	Maryland Veterans Trust – Assistance to Members of the Maryland National Guard (Ch. 618/Ch. 617)							
	NB	Veterans & Military Families	increase	increase	increase	increase	increase	Minimal grant expenditures.
SB 248/HB 33	Department of Service and Civic Innovation – Maryland Corps Program Service Year Option Pathways – Revisions (Ch. 94/Ch. 93)							
	GF	Service & Civic Innovation	\$0	decrease	decrease	decrease	decrease	Program costs. GF revenues decrease correspondingly.

Effect of the 2025 Legislative Program on the Financial Condition of the State

Legislation Affecting State Expenditures (Continued)

	<u>Fund</u>	<u>Agency</u>	<u>FY 2026</u>	<u>FY 2027</u>	<u>FY 2028</u>	<u>FY 2029</u>	<u>FY 2030</u>	<u>Comments</u>
SB 250	Department of the Environment – Fees, Penalties, Funding, and Regulation (Ch. 432)							
	SF	Environment	\$6,668,000	\$6,379,795	\$6,437,549	\$6,486,447	\$6,534,599	Included in FY 2026 budget (contingent). SF revenues partially correspond in FY 2026 and otherwise increase correspondingly in out-years. Some impacts are duplicative of SB 425.
SB 265/HB 25	Environment – Reservoir Augmentation Permit – Establishment (Ch. 442/Ch. 441)							
	GF	Environment	\$97,293	\$85,797	\$89,493	\$0	\$0	
SB 269/HB 473	Maryland Community College Promise Scholarship Program – Revisions (Ch. 378/Ch. 377)							
	GF	Higher Education Commission	\$7,000	\$0	\$0	\$0	\$0	
	SF	Treasurer	increase	increase	increase	increase	increase	Minimal tort claim expenditures.
SB 273/HB 533	Peace Orders and Protective Orders – Military Protection Orders (Ch. 531/Ch. 530)							
	GF	Judiciary	\$99,858	\$0	\$0	\$0	\$0	
SB 275/HB 448	Modernization of Military Laws Act (Ch. 253/Ch. 254)							
	GF/FF	Veterans & Military Families	increase	increase	increase	increase	increase	Potential administrative costs. GF/FF revenues increase correspondingly.
SB 276/HB 600	Educational Equality for Service Members Act (Ch. 255/Ch. 256)							
	GF	Higher Education Commission	increase	increase	increase	increase	increase	Potential appropriations to scholarship fund.
	SF	Higher Education Commission	increase	increase	increase	increase	increase	Potential scholarship expenditures. SF revenues increase correspondingly.

Legislation Affecting State Expenditures (Continued)

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	<u>Fund</u>	<u>Agency</u>	<u>FY 2026</u>	<u>FY 2027</u>	<u>FY 2028</u>	<u>FY 2029</u>	<u>FY 2030</u>	<u>Comments</u>
SB 280/HB 1060	Judicial and Public Safety for Service Members Act (Ch. 261/Ch. 262)							
	GF	State Police	\$50,000	\$0	\$0	\$0	\$0	
SB 299/HB 1347	Security Guards and Security Guard Employers – Registration, Certification, and Regulation (Ch. 703/Ch. 702)							
	GF	State Police	\$75,000	\$0	\$0	\$0	\$0	
	SF	Public Safety & Correctional Services	decrease	decrease	decrease	decrease	decrease	Minimal administrative costs.
SB 313/HB 426	Election Law – Postelection Tabulation Audits – Risk-Limiting Audits (Ch. 320/Ch. 321)							
	GF	Election Board	\$77,000	\$72,000	\$51,000	\$51,000	\$51,000	
SB 318/HB 643	Higher Education – Janet L. Hoffman Loan Assistance Repayment Program – Eligibility (Ch. 387/Ch. 388)							
	GF	Higher Education Commission	\$8,000	\$0	\$0	\$0	\$0	
SB 338	Baltimore County – Speed Monitoring Systems – Interstate 695 and Interstate 83 (Ch. 582)							
	GF	Judiciary	\$12,208	\$0	\$0	\$0	\$0	
	SF	Transportation	increase	increase	increase	increase	increase	Potential program expenditures correspond with potential SF fine revenues.
SB 354/HB 509	Maryland Inventory of Cemeteries and Burial Sites Workgroup – Establishment (Ch. 412/Ch. 411)							
	GF	Planning	\$42,178	\$0	\$0	\$0	\$0	
SB 357/HB 424	Prescription Drug Affordability Board – Authority and Stakeholder Council Membership (Lowering Prescription Drug Costs for All Marylanders Now Act) (Ch. 610/Ch. 611)							
	GF	Attorney General	\$106,659	\$128,652	\$134,337	\$140,297	\$146,304	
	SF	Prescription Drug Affordability Board	\$0	\$264,925	\$263,191	\$268,229	\$273,277	SF revenues increase correspondingly.

Effect of the 2025 Legislative Program on the Financial Condition of the State

Legislation Affecting State Expenditures (Continued)

	<u>Fund</u>	<u>Agency</u>	<u>FY 2026</u>	<u>FY 2027</u>	<u>FY 2028</u>	<u>FY 2029</u>	<u>FY 2030</u>	<u>Comments</u>
SB 358/HB 678	Maryland Deaf Culture Digital Library – Funding and Budget Submission (Ch. 326/Ch. 325)							
	GF	State Library Agency	\$49,000	\$49,000	\$49,000	\$49,000	\$49,000	Mandated appropriation beginning in FY 2027.
SB 359/HB 185	Therapeutic Child Care Grant Program – Funding – Alterations (Ch. 239/Ch. 238)							
	GF	Education	\$0	\$2,200,000	\$2,200,000	\$2,200,000	\$0	Mandated appropriation in FY 2027 through 2029.
SB 363/HB 397	Maryland Agricultural and Resource-Based Industry Development Corporation – Oyster Shucking House Loan Program (Ch. 174/Ch. 173)							
	NB	MARBIDCO	increase	increase	increase	increase	increase	Potential loan expenditures. Nonbudgeted revenues partially correspond.
SB 365/HB 541	Department of Commerce – Nonprofit Organizations Navigator – Established (Ch. 314/Ch. 315)							
	GF	Commerce	\$80,428	\$69,800	\$0	\$0	\$0	\$80,400 included in FY 2026 budget.
SB 371/HB 565	State Board of Pharmacy – Renewal Notices – Electronic Means (Ch. 306/Ch. 307)							
	SF	Health	(\$14,500)	(\$14,500)	(\$14,500)	(\$14,500)	(\$14,500)	
SB 372/HB 869	Preserve Telehealth Access Act of 2025 (Ch. 481/Ch. 482)							
	GF/FF	Health	increase	increase	increase	increase	increase	Medicaid expenditures. FF revenues increase correspondingly with FF expenditures.
	SF	Health	\$0	\$100,000	\$0	\$0	\$0	

Legislation Affecting State Expenditures (Continued)

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	<u>Fund</u>	<u>Agency</u>	<u>FY 2026</u>	<u>FY 2027</u>	<u>FY 2028</u>	<u>FY 2029</u>	<u>FY 2030</u>	<u>Comments</u>
SB 373/HB 599	State Personnel – BWI Airport Fire and Rescue Department – Collective Bargaining and Arbitration Processes (Ch. 653/Ch. 654)							
	GF	Budget & Management	increase	increase	increase	increase	increase	Potential personnel costs.
	SF	Transportation	increase	indeterminate	indeterminate	indeterminate	indeterminate	Potential human resources or labor relations personnel costs beginning in FY 2026. Beginning in FY 2027, potential significant employee compensation costs and/or other expenditures or savings.
SB 374/HB 459	Counties – Cancer Screening for Professional Firefighters – Required Coverage (James “Jimmy” Malone Act) (Ch. 656/Ch. 655)							
	SF	Health	\$0	\$0	\$0	\$100,000	\$0	
SB 378/HB 415	State Library Agency – Family Literacy Pilot Program – Establishment (Ch. 368/Ch. 367)							
	GF	Public Safety & Correctional Services	\$61,957	\$69,800	\$72,833	\$37,999	\$0	
	GF	State Library Agency	\$7,250	\$1,000	\$1,000	\$500	\$0	
SB 425	Environment – Coal Combustion By-Products – Fees, Coordinating Committee, and Regulations (Ch. 529)							
	SF	Environment	\$200,000	\$204,000	\$208,080	\$212,242	\$216,486	Included in FY 2026 budget (contingent). Duplicative of impact for SB 250.
SB 431	Registered Apprenticeship Investments for a Stronger Economy (RAISE) Act (Ch. 2)							
	GF	Labor	\$1,500,000	\$1,517,390	\$1,584,655	\$1,655,204	\$1,725,868	Included in FY 2026 budget. Mandated appropriation in FY 2027 through 2030. Potential significant appropriations to the Maryland Pay Per

Effect of the 2025 Legislative Program on the Financial Condition of the State

Legislation Affecting State Expenditures (Continued)

	<u>Fund</u>	<u>Agency</u>	<u>FY 2026</u>	<u>FY 2027</u>	<u>FY 2028</u>	<u>FY 2029</u>	<u>FY 2030</u>	<u>Comments</u>
								Apprentice Program Fund in FY 2027 through 2030 in addition to amounts shown.
	SF	Labor	\$0	increase	increase	increase	increase	Potential significant grant expenditures. SF revenues increase correspondingly.
SB 432	Criminal Records – Expungement and Maryland Judiciary Case Search (Expungement Reform Act of 2025) (Ch. 95)							
	GF	Judiciary	\$23,824	\$0	\$0	\$0	\$0	
SB 436/HB 489	Maryland Department of Labor – Study on Building Code Requirements for Single-Staircase Buildings (Ch. 503/Ch. 504)							
	GF	Labor	\$58,222	\$21,317	\$0	\$0	\$0	
SB 445/HB 538	Department of Human Services – Federal Commodity Supplemental Food Program – Administration (Ch. 371/Ch. 370)							
	FF	Human Services	\$221,930	\$295,907	\$295,907	\$295,907	\$295,907	FF revenues increase correspondingly.
	FF	Aging	(\$221,930)	(\$295,907)	(\$295,907)	(\$295,907)	(\$295,907)	FF revenues decrease correspondingly.
	GF	Aging	\$22,032	\$29,376	\$29,376	\$29,376	\$29,376	
SB 456/HB 265	Dental Services – Qualification for Maryland Dent-Care Program (Ch. 357/Ch. 356)							
	GF	Higher Education Commission	\$6,000	\$0	\$0	\$0	\$0	
SB 495/HB 728	Opioid Restitution Fund – Authorized Uses (Ch. 701/Ch. 700)							
	SF	Attorney General	\$1,500,000	\$1,500,000	\$1,500,000	\$1,500,000	\$0	Opioid Restitution Fund. Included in FY 2026 budget.
	SF	All or Multiple Agencies	(\$1,500,000)	(\$1,500,000)	(\$1,500,000)	(\$1,500,000)	\$0	Opioid Restitution Fund. Included in FY 2026 budget.

Legislation Affecting State Expenditures (Continued)

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	<u>Fund</u>	<u>Agency</u>	<u>FY 2026</u>	<u>FY 2027</u>	<u>FY 2028</u>	<u>FY 2029</u>	<u>FY 2030</u>	<u>Comments</u>
SB 511/HB 840	Public Senior Higher Education Institutions – Pregnant and Parenting Students – Plan Requirements (Pregnant and Parenting Student Support Act) (Ch. 335/Ch. 336)							
	GF	All or Multiple Agencies	increase	increase	increase	increase	increase	Potential additional entitlement services.
	GF/FF	Health	increase	increase	increase	increase	increase	Potential Medicaid and Maryland Children’s Health Program expenditures. FF revenues increase correspondingly.
	HE	All or Multiple Agencies	increase	increase	increase	increase	increase	Potential voluntary services for pregnant and parenting students.
SB 590/HB 744	Motor Vehicles – Reckless, Negligent, and Aggressive Driving (Sergeant Patrick Kepp Act) (Ch. 447/Ch. 446)							
	GF	Public Defender	\$534,785	\$637,886	\$666,174	\$695,845	\$725,541	Potential personnel costs (in addition to amounts shown).
SB 599	Behavioral Health Crisis Response Grant Program – Funding (Ch. 666)							
	GF	Health	\$0	\$5,000,000	\$5,000,000	\$5,000,000	\$0	Mandated appropriation in FY 2027 through 2029.
SB 600	Baltimore City and Takoma Park – Stop Sign Monitoring Systems – Authorization of Pilot Program (Ch. 571)							
	GF	Judiciary	\$10,920	\$0	\$0	\$0	\$0	
SB 603/HB 458	University of Maryland, College Park Campus – TerpsEXCEED Program – Funding (Ch. 348/Ch. 347)							
	GF	Univ. Sys. of Maryland	\$0	\$350,000	\$350,000	\$350,000	\$350,000	
	HE	Univ. Sys. of Maryland	\$0	\$350,000	\$350,000	\$350,000	\$350,000	HE revenues increase correspondingly.
SB 605/HB 546	Digital Advertising Gross Revenues Tax – Assessments – Appeals and Corrections (Ch. 678/Ch. 677)							
	GF	Comptroller	\$132,148	\$229,437	\$239,594	\$250,248	\$260,943	

Effect of the 2025 Legislative Program on the Financial Condition of the State

Legislation Affecting State Expenditures (Continued)

	<u>Fund</u>	<u>Agency</u>	<u>FY 2026</u>	<u>FY 2027</u>	<u>FY 2028</u>	<u>FY 2029</u>	<u>FY 2030</u>	<u>Comments</u>
SB 617/HB 1223	State Board of Cosmetologists – Licensing – Eyelash Extensions (Ch. 354/Ch. 355)							
	SF	Labor	\$25,000	\$0	\$0	\$0	\$0	
SB 618/HB 707	Vehicle Laws – Licenses, Identification Cards, and Moped Operator’s Permits – Notation of Nonapparent Disability (Eric’s ID Law) (Ch. 448/Ch. 440)							
	SF	Transportation	\$75,000	increase	increase	increase	increase	Potential administrative costs (in addition to amount shown).
SB 633	Campaign Finance – Political Organizations – Disclosures on Solicitations (Stop Scam PACs Act) (Ch. 313)							
	GF	Election Board	\$106,766	\$96,930	\$101,239	\$105,757	\$110,262	
SB 653/HB 819	Procurement – Employee Stock Ownership Plan Preference – Pilot (Ch. 736/Ch. 737)							
	GF	Baltimore City Community College	increase	increase	increase	increase	increase	Potential expenditures from application of evaluation factor.
	HE	All or Multiple Agencies	increase	increase	increase	increase	increase	Potential expenditures from application of evaluation factor.
	NB	Stadium Authority	increase	increase	increase	increase	increase	Potential expenditures from application of evaluation factor.
SB 663/HB 603	Earned Income Tax Credit – Notice of Eligibility – Alteration (Ch. 630)							
	GF	Comptroller	decrease	decrease	decrease	decrease	decrease	Potential mailing costs.
SB 665/HB 761	Maryland Uniform Disposition of Abandoned Property Act – Revisions (Ch. 635/Ch. 636)							
	SF	Comptroller	increase	increase	increase	increase	increase	Administrative costs.
SB 666	Maryland Community Action Agencies – Funding (Ch. 288)							
	GF	Housing & Community Development	\$0	\$250,000	\$250,000	\$250,000	\$250,000	Mandated appropriation in FY 2027 through 2030.

Legislation Affecting State Expenditures (Continued)

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	<u>Fund</u>	<u>Agency</u>	<u>FY 2026</u>	<u>FY 2027</u>	<u>FY 2028</u>	<u>FY 2029</u>	<u>FY 2030</u>	<u>Comments</u>
SB 669/HB 675	Public Safety – Rape Kit Testing – Tracking Program and Grant Fund (Ch. 667/Ch. 668)							
	SF	Gov. Office of Crime Prevention & Policy	increase	increase	increase	increase	increase	Potential grant expenditures.
	SF	Attorney General	increase	increase	increase	increase	increase	Potential program costs.
SB 685/HB 983	Election Law – Local Boards of Elections – Language Assistance Program (Ch. 277/Ch. 278)							
	GF	Election Board	\$122,000	\$0	\$50,000	\$0	\$50,000	
SB 695	Labor and Employment – Uninsured Employers’ Fund Board – Membership and Reserves (Ch. 309)							
	SF	Uninsured Employers’ Fund	increase	increase	increase	increase	increase	Minimal salary expenditures.
SB 696/HB 962	Public Health – Pediatric Hospital Overstay Patients and Workgroup on Children in Unlicensed Settings and Pediatric Overstays (Ch. 480/Ch. 479)							
	GF	Health	\$3,000,000	\$3,000,000	\$3,000,000	\$3,000,000	\$3,000,000	Included in FY 2026 budget.
SB 705/HB 738	Department of Information Technology – Major Information Technology Development Projects – Oversight (Ch. 846/845)							
	SF	Information Technology	\$4,300,000	increase	increase	increase	increase	Significant administrative costs. \$4.3 million included in FY 2026 budget (contingent).
	GF	Information Technology	\$0	increase	increase	increase	increase	Potential use of general funds to meet administrative costs.
SB 721/HB 929	Family Law – Permanent Protective Orders – Consent (Ch. 537/Ch. 538)							
	GF	Judiciary	\$30,320	\$0	\$0	\$0	\$0	
SB 748/HB 1004	Public Health – Alzheimer’s Disease and Related Dementias – Information on Prevalence and Treatment (Ch. 682/Ch. 681)							
	GF	Health	\$59,019	\$40,822	\$21,000	\$21,000	\$21,000	

Effect of the 2025 Legislative Program on the Financial Condition of the State

Legislation Affecting State Expenditures (Continued)

	<u>Fund</u>	<u>Agency</u>	<u>FY 2026</u>	<u>FY 2027</u>	<u>FY 2028</u>	<u>FY 2029</u>	<u>FY 2030</u>	<u>Comments</u>
SB 768/HB 1029	Correctional Officers' Retirement System – Membership – Clarifications (Ch. 776)							
	FF	All or Multiple Agencies	\$0	\$0	\$10,712	\$11,033	\$11,364	
	GF	All or Multiple Agencies	\$0	\$0	\$32,136	\$33,100	\$34,093	
	SF	All or Multiple Agencies	\$0	\$0	\$10,712	\$11,033	\$11,364	
SB 775/HB 1027	Workgroup to Study Implementation of an Expanded 3-1-1 Nonemergency System (Ch. 18/Ch. 17)							
	GF	Information Technology	\$50,000	\$0	\$0	\$0	\$0	
SB 776/HB 995	Workgroup to Study the Rise in Adverse Decisions in the State Health Care System – Establishment (Ch. 671/Ch. 672)							
	SF	Health	\$50,000	\$0	\$0	\$0	\$0	
SB 810/HB 1028	Board of Trustees for the State Retirement and Pension System – Investment Division – Compensation and Staffing (Ch. 772/Ch. 773)							
	SF	Retirement Agency	\$10,000	\$10,000	\$10,000	\$0	\$10,000	Potential executive search consultant costs (in addition to amounts shown).
SB 830	Workers' Compensation – Claims Application Form – Authorization for Release of Information (Ch. 308)							
	GF/SF/ FF	All or Multiple Agencies	decrease	decrease	decrease	decrease	decrease	Minimal workers' compensation costs.
	HE	All or Multiple Agencies	decrease	decrease	decrease	decrease	decrease	Minimal workers' compensation costs.
	NB	All or Multiple Agencies	decrease	decrease	decrease	decrease	decrease	Minimal workers' compensation costs.
	NB	Injured Workers' Insurance Fund	decrease	decrease	decrease	decrease	decrease	Minimal workers' compensation costs. NB revenues decrease correspondingly.

Legislation Affecting State Expenditures (Continued)

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	<u>Fund</u>	<u>Agency</u>	<u>FY 2026</u>	<u>FY 2027</u>	<u>FY 2028</u>	<u>FY 2029</u>	<u>FY 2030</u>	<u>Comments</u>
SB 848/HB 930	Public Health Abortion Grant Program – Establishment (Ch. 436/Ch. 435)							
	SF	Health	\$2,000,000	\$2,500,000	\$2,500,000	\$2,500,000	\$2,500,000	SF revenues increase correspondingly. Mandated appropriation beginning in FY 2027.
SB 849/HB 757	Professional and Volunteer Firefighter Innovative Cancer Screening Technologies Program – Funding (Ch. 640/Ch. 639)							
	GF	Health	\$400,000	\$400,000	\$400,000	\$400,000	\$400,000	
SB 856	Mold – Landlord Requirements and Regulations (Maryland Tenant Mold Protection Act) (Ch. 539)							
	GF	Environment	\$125,000	\$0	\$0	\$0	\$0	
SB 858/HB 1144	State Public Transit Service and Stations – Exclusion for Assault and Bodily Injury (Ch. 541/Ch. 542)							
	SF	Transportation	\$131,200	\$0	\$0	\$0	\$0	SF expenditures also increase by \$18,800 in FY 2025.
SB 862/HB 1072	State Retirement and Pension System – Administrative Fees – Repeal (Ch. 764/Ch. 765)							
	GF	All or Multiple Agencies	(\$5,691,206)	\$0	\$0	\$0	\$0	
SB 867	Cyber Maryland Program – Revisions (Ch. 218)							
	GF	Labor	\$3,099,000	\$3,099,000	\$3,099,000	\$3,099,000	\$3,099,000	Included in FY 2026 budget (contingent).
	GF	TEDCO	(\$99,000)	(\$99,000)	(\$99,000)	(\$99,000)	(\$99,000)	Included in FY 2026 budget (contingent). Mandated appropriation eliminated beginning in FY 2026.
	SF	Labor	\$3,099,000	\$3,099,000	\$3,099,000	\$3,099,000	\$3,099,000	SF revenues increase correspondingly.
	SF	TEDCO	(\$99,000)	(\$99,000)	(\$99,000)	(\$99,000)	(\$99,000)	SF revenues decrease correspondingly.

Effect of the 2025 Legislative Program on the Financial Condition of the State

Legislation Affecting State Expenditures (Continued)

	<u>Fund</u>	<u>Agency</u>	<u>FY 2026</u>	<u>FY 2027</u>	<u>FY 2028</u>	<u>FY 2029</u>	<u>FY 2030</u>	<u>Comments</u>
SB 871	Department of the Environment – Community Water and Sewerage Systems – Cybersecurity Planning and Assessments (Ch. 495)							
	GF	Information Technology	\$171,700	\$211,539	\$220,818	\$230,542	\$240,479	
	GF	Emergency Management	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	
	GF/SF	All or Multiple Agencies	increase	increase	increase	increase	increase	Potential cybersecurity costs.
	HE	All or Multiple Agencies	increase	increase	increase	increase	increase	Potential cybersecurity costs.
SB 880	Governor’s Office for Children – Boys and Girls Clubs of Maryland – Grant Funding (Ch. 242)							
	GF	Executive Dept.	\$0	\$250,000	\$250,000	\$250,000	\$250,000	Mandated appropriation in FY 2027 through 2030.
SB 894	Office of Social Equity – Community Reinvestment and Repair Fund – Modifications (Ch. 195)							
	SF	Comptroller	(\$23,095)	(\$20,273)	(\$21,196)	(\$22,164)	(\$23,100)	SF revenues decrease correspondingly.
	SF	Cannabis Administration	\$65,986	\$57,923	\$60,559	\$63,325	\$66,001	SF revenues increase correspondingly.
SB 900/HB 1146	Maryland Behavioral Health Crisis Response System – Integration of 9-8-8 Suicide and Crisis Lifeline Network and Outcome Evaluations (Ch. 658/Ch. 659)							
	GF	Health	\$63,092	\$55,155	\$57,672	\$60,312	\$62,858	
SB 901	Environment – Packaging and Paper Products – Producer Responsibility Plans (Ch. 431)							
	GF/SF	All or Multiple Agencies	\$0	\$0	\$0	increase	increase	Potential compliance costs.
	HE	All or Multiple Agencies	\$0	\$0	\$0	increase	increase	Potential compliance costs.
	SF	Environment	\$212,843	\$330,134	\$338,003	\$572,322	\$548,955	SF revenues increase correspondingly beginning in FY 2027.

Legislation Affecting State Expenditures (Continued)

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	<u>Fund</u>	<u>Agency</u>	<u>FY 2026</u>	<u>FY 2027</u>	<u>FY 2028</u>	<u>FY 2029</u>	<u>FY 2030</u>	<u>Comments</u>
SB 930/HB 1296	Environment – Managed Aquifer Recharge Pilot Program – Establishment (Ch. 475/Ch. 474)							
	GF	Environment	increase	increase	increase	increase	increase	Potential water testing costs.
	GF	Health	increase	increase	increase	increase	increase	Potential minimal water testing costs. GF revenues increase correspondingly.
SB 931/HB 1036	Public Utilities – Generating Stations – Generation and Siting (Renewable Energy Certainty Act) (Ch. 623/Ch. 624)							
	GF	Labor	\$187,270	\$216,807	\$226,540	\$236,756	\$246,782	
	GF/SF	Natural Resources	\$1,816,564	\$1,227,670	\$1,203,386	\$1,230,361	\$1,257,244	
	SF	Public Service Commission	\$403,385	\$244,646	\$255,462	\$266,806	\$278,223	SF revenues increase correspondingly.
SB 937/HB 1035	Electricity and Gas – Emissions Reductions, Rate Regulation, Cost Recovery, Infrastructure, Planning, Renewable Energy Portfolio Standard, and Energy Assistance Programs (Next Generation Energy Act) (Ch. 625/Ch. 626)							
	GF	General Services	increase	increase	increase	increase	increase	Potential personnel costs.
	GF/SF	Natural Resources	\$822,795	\$1,186,325	\$1,216,715	\$1,248,585	\$1,280,576	
	SF	Housing & Community Development	decrease	decrease	decrease	decrease	decrease	Significant program costs. SF revenues generally correspond.
	SF	Transportation	\$150,000	\$0	\$0	\$0	\$0	
	SF	Energy Administration	\$150,000	decrease	decrease	decrease	decrease	Potential significant program expenditures beginning in FY 2027 .
	SF	People’s Counsel	\$527,541	\$505,042	\$516,310	\$528,126	\$540,035	SF revenues increase correspondingly.
	SF	Public Service Commission	\$202,467,805	\$2,385,158	\$2,423,339	\$2,463,383	\$2,503,483	\$200 million transfer authorized in FY 2026 budget (contingent) facilitates \$200 million of FY 2026 expenditures. Potential significant grant expenditures beginning in

Effect of the 2025 Legislative Program on the Financial Condition of the State

Legislation Affecting State Expenditures (Continued)

<u>Fund</u>	<u>Agency</u>	<u>FY 2026</u>	<u>FY 2027</u>	<u>FY 2028</u>	<u>FY 2029</u>	<u>FY 2030</u>	<u>Comments</u>
							FY 2027 (in addition to amounts shown).
SB 963/HB 535	Abandoned and Neglected Cemeteries Fund – Establishment (Ch. 409/Ch. 410)						
	GF Labor	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000	
	SF Labor	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000	SF revenues increase correspondingly.
SB 964/HB 1124	Dorchester County – Well and On-Site Sewage Disposal Activities – Privatization Program (Ch. 424/Ch. 425)						
	GF Environment	\$96,043	\$84,534	\$88,218	\$0	\$0	
SB 979	Local Government – Accommodations Intermediaries – Hotel Rental Tax – Collection by Comptroller and Alterations (Ch. 638)						
	SF Comptroller	\$0	\$0	\$1,264,815	\$420,777	\$438,078	
SB 981/HB 268	Hospitals – Financial Assistance and Collection of Debts – Policies (Ch. 694/Ch. 693)						
	GF/FF Health	increase	increase	increase	increase	increase	Potential Medicaid expenditures. FF revenues correspond with FF expenditures.
SB 1026/HB 1516	Financial Institutions – Consumer Credit – Application of Licensing Requirements (Maryland Secondary Market Stability Act of 2025) (Ch. 118/Ch. 119)						
	SF Labor	decrease	decrease	decrease	decrease	decrease	Minimal administrative costs.
HB 1	Department of Transportation – Human Trafficking Awareness, Training, and Response (See Someone, Save Someone Act) (Ch. 437)						
	SF Transportation	\$262,525	\$137,525	\$0	\$0	\$0	
HB 3/SB 47	See entry for SB 47.						
HB 15/SB 144	See entry for SB 144.						

Legislation Affecting State Expenditures (Continued)

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	<u>Fund</u>	<u>Agency</u>	<u>FY 2026</u>	<u>FY 2027</u>	<u>FY 2028</u>	<u>FY 2029</u>	<u>FY 2030</u>	<u>Comments</u>
HB 19	Health Occupations – Nursing – Loan Repayment, Education, and Sunset Extension (Building Opportunities for Nurses Act of 2025) (Ch. 416)							
	GF	Health	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	
	SF	Health	\$100,000	\$300,000	\$300,000	\$300,000	\$300,000	SF expenditures also increase by \$440,000 in FY 2025. SF revenues increase correspondingly in FY 2026 through 2030.
HB 25/SB 265	See entry for SB 265.							
HB 33/SB 248	See entry for SB 248.							
HB 49	Environment – Building Energy Performance Standards – Alterations and Analysis (Ch. 844)							
	GF	Environment	\$343,837	\$0	\$0	\$0	\$0	
	GF/SF	All or Multiple Agencies	increase	increase	increase	increase	increase	Minimal annual reporting fee.
	HE	All or Multiple Agencies	increase	increase	increase	increase	increase	Minimal annual reporting fee.
	SF	Environment	\$690,000	\$484,651	\$506,192	\$528,785	\$551,308	SF revenues increase correspondingly. \$1.0 million included in FY 2026 budget (contingent).
HB 54/SB 229	See entry for SB 229.							
HB 71	Education – Holocaust Education Assistance Grant Program – Established (Ch. 137)							
	GF	Education	\$0	\$50,000	\$50,000	\$50,000	\$50,000	Mandated appropriation beginning in FY 2027.

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Legislation Affecting State Expenditures (Continued)

	<u>Fund</u>	<u>Agency</u>	<u>FY 2026</u>	<u>FY 2027</u>	<u>FY 2028</u>	<u>FY 2029</u>	<u>FY 2030</u>	<u>Comments</u>
HB 102	Family and Medical Leave Insurance Program – Revisions (Ch. 363)							
	FF	Health	(\$14,949,024)	decrease	\$0	\$0	\$0	Included in FY 2026 budget (contingent). Mandated appropriation eliminated in FY 2026 and additional mandate relief in FY 2027 for service providers.
	GF	Health	(\$14,838,755)	decrease	\$0	\$0	\$0	Included in FY 2026 budget (contingent). Mandated appropriation eliminated in FY 2026 and additional mandate relief in FY 2027 for service providers.
	GF	Labor	\$37,300,000	\$0	\$0	\$0	\$0	Included in FY 2026 budget (contingent). HB 352 transfers a corresponding amount from Local Reserve Account.
	SF	Labor	(\$66,805,581)	(\$1,753,500,000)	(\$946,700,000)	decrease	decrease	Included in FY 2026 budget (contingent).
HB 133/SB 183	See entry for SB 183.							
HB 176/SB 26	See entry for SB 26.							
HB 182	Motor Vehicles – Speed Monitoring Systems – Penalties (Ch. 505)							
	GF	Judiciary	\$33,596	\$0	\$0	\$0	\$0	

Legislation Affecting State Expenditures (Continued)

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	<u>Fund</u>	<u>Agency</u>	<u>FY 2026</u>	<u>FY 2027</u>	<u>FY 2028</u>	<u>FY 2029</u>	<u>FY 2030</u>	<u>Comments</u>
	SF	Transportation	\$75,000	increase	increase	increase	\$0	Program expenditures beginning in FY 2026. Program expenditures correspond with SF penalty revenues.
HB 185/SB 359	See entry for SB 359.							
HB 197/SB 68	See entry for SB 68.							
HB 214/SB 208	See entry for SB 208.							
HB 222/SB 175	See entry for SB 175.							
HB 228/SB 246	See entry for SB 246.							
HB 236/SB 92	See entry for SB 92.							
HB 256/SB 217	See entry for SB 217.							
HB 258/SB 4	See entry for SB 4.							
HB 265/SB 456	See entry for SB 456.							
HB 268/SB 981	See entry for SB 981.							
HB 275	Family Law – Child Support – Multifamily Adjustment (Ch. 532)							
	GF	Human Services	\$101,184	\$19,222	\$19,222	\$19,222	\$19,222	
	FF	Human Services	\$196,416	\$37,319	\$37,319	\$37,319	\$37,319	FF revenues increase correspondingly.
HB 297/SB 5	See entry for SB 5.							
HB 313/SB 54	See entry for SB 54.							

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Legislation Affecting State Expenditures (Continued)

	<u>Fund</u>	<u>Agency</u>	<u>FY 2026</u>	<u>FY 2027</u>	<u>FY 2028</u>	<u>FY 2029</u>	<u>FY 2030</u>	<u>Comments</u>
HB 345/SB 174	See entry for SB 174.							
HB 349	Prince George's County – Speed Monitoring Systems – Maryland Route 210 PG 306-25 (Ch. 596)							
	GF	Judiciary	\$21,048	\$0	\$0	\$0	\$0	Duplicative of impact for HB 182.
	SF	Transportation	increase	increase	increase	increase	\$0	Program expenditures. SF revenues increase correspondingly. Duplicative of impact for HB 182.
HB 352	Budget Reconciliation and Financing Act of 2025							
	FF	All or Multiple Agencies	(\$1,866,457)	(\$1,866,457)	(\$1,866,457)	(\$1,866,457)	(\$1,866,457)	Included in FY 2026 budget (contingent). Eliminates an existing mandated appropriation beginning in FY 2026.
	FF	Health	\$1,500,000	(\$500,000)	(\$14,500,000)	(\$14,500,000)	(\$14,500,000)	\$14,500,000 reduction included in FY 2026 budget (contingent). FF revenues correspond.
	GF	Correctional Ombudsman	(\$1,000,000)	(\$1,000,000)	(\$1,000,000)	(\$1,000,000)	(\$1,000,000)	Included in FY 2026 budget (contingent).
	GF	All or Multiple Agencies	(\$43,587,917)	(\$43,587,917)	(\$43,587,917)	(\$43,587,917)	(\$43,587,917)	Included in FY 2026 budget (contingent). Eliminates an existing mandated appropriation beginning in FY 2026.
	GF	Commerce	(\$1,500,000)	(\$1,500,000)	(\$1,500,000)	\$0	\$0	Included in FY 2026 budget (contingent).
	GF	GOCPP	(\$1,000,000)	\$0	\$0	\$0	\$0	Included in FY 2026 budget (contingent). Reduces an existing

Legislation Affecting State Expenditures (Continued)

<u>Fund</u>	<u>Agency</u>	<u>FY 2026</u>	<u>FY 2027</u>	<u>FY 2028</u>	<u>FY 2029</u>	<u>FY 2030</u>	<u>Comments</u>
							mandated appropriation in FY 2025 and 2026.
GF	Md. Center for School Safety	(\$5,000,000)	(\$10,000,000)	(\$10,000,000)	\$0	\$0	Included in FY 2026 budget (contingent). Alters an existing mandated appropriation beginning in FY 2026.
GF	Labor	(\$743,750)	(\$743,750)	(\$743,750)	(\$593,750)	(\$500,000)	GF expenditures decrease by \$400,000 in FY 2025. FY 2025 and 2026 amounts included in FY 2026 budget (contingent). Reduces various existing mandated appropriations beginning in FY 2025.
GF	Environment	(\$6,644,452)	(\$6,655,952)	(\$6,667,682)	(\$6,679,647)	(\$6,691,850)	GF expenditures decrease by \$6,565,333 in FY 2025. FY 2025 and 2026 amounts included in FY 2026 budget (contingent).
GF	Education	(\$117,937,289)	(\$162,977,534)	(\$148,211,955)	(\$149,355,388)	(\$150,522,789)	Included in FY 2026 budget (contingent). Reduces existing mandated appropriations beginning in FY 2026.
GF	State Reserve Fund	(\$419,499,483)	\$0	\$0	\$0	\$0	Included in FY 2026 budget. SF revenues decrease correspondingly. Suspends an existing mandated appropriation for FY 2026.
GF	Univ. Sys. of Maryland	\$0	\$25,000,000	\$0	\$0	\$0	

Legislation Affecting State Expenditures (Continued)

<u>Fund</u>	<u>Agency</u>	<u>FY 2026</u>	<u>FY 2027</u>	<u>FY 2028</u>	<u>FY 2029</u>	<u>FY 2030</u>	<u>Comments</u>
GF	Comptroller	\$1,043,557	\$288,568	\$301,396	\$314,852	\$328,260	
GF	Budget & Management	(\$28,118,182)	(\$25,000,000)	(\$25,000,000)	\$0	\$0	Included in FY 2026 budget (\$3,118,182 of FY 2026 reductions is contingent). Eliminates an existing mandated appropriation beginning in FY 2024.
GF	Retirement Agency	(\$25,000,000)	(\$25,000,000)	(\$25,000,000)	\$0	\$0	Included in FY 2026 budget. Eliminates an existing mandated appropriation beginning in FY 2024.
GF	Natural Resources	(\$10,750,000)	(\$10,500,000)	(\$10,500,000)	(\$10,500,000)	(\$10,500,000)	Existing mandated appropriation eliminated in FY 2026. GF expenditures decrease by \$2,586,587 in FY 2025. FY 2025 and 2026 reductions included in FY 2026 budget (contingent).
GF	Information Technology	\$0	(\$68,239,444)	(\$48,864,128)	(\$61,673,803)	(\$44,405,138)	
GF	Public Safety & Correctional Services	(\$5,000,000)	\$0	\$0	\$0	\$0	GF expenditures decrease by \$5,000,000 in FY 2025. FY 2025 and 2026 amounts included in FY 2026 budget (contingent).
GF	Service & Civic Innovation	(\$6,800,000)	\$0	\$0	\$0	\$0	Included in FY 2026 budget (contingent). SF revenues decrease correspondingly.

Legislation Affecting State Expenditures (Continued)

<u>Fund</u>	<u>Agency</u>	<u>FY 2026</u>	<u>FY 2027</u>	<u>FY 2028</u>	<u>FY 2029</u>	<u>FY 2030</u>	<u>Comments</u>
GF	State Police	(\$5,500,000)	\$0	\$0	\$0	\$0	GF expenditures decrease by \$5,500,000 in FY 2025. FY 2025 and 2026 amounts included in FY 2026 budget (contingent).
GF	Cannabis Administration	(\$5,000,000)	(\$5,000,000)	(\$5,000,000)	(\$5,000,000)	(\$5,000,000)	GF expenditures decrease by \$5,000,000 in FY 2025. FY 2025 and 2026 amounts included in FY 2026 budget (contingent). Alters fund source of an existing mandated appropriation beginning in FY 2025.
GF	Agriculture	(\$2,500,000)	(\$2,000,000)	(\$2,000,000)	(\$2,000,000)	(\$2,000,000)	Mandated appropriation of \$500,000 eliminated in FY 2026. Additional mandated appropriation reduced from FY 2025 to 2031. GF expenditures decrease by \$2,000,000 in FY 2025. FY 2025 and 2026 amounts included in FY 2026 budget (contingent).
GF	Health	(\$142,964,083)	(\$108,600,000)	(\$108,000,000)	(\$108,000,000)	(\$108,000,000)	Existing mandated appropriation eliminated beginning in FY 2026. Additional mandated appropriation repealed from FY 2026 through 2027. GF expenditures decrease by \$69,186,784 in FY 2025.

Legislation Affecting State Expenditures (Continued)

<u>Fund</u>	<u>Agency</u>	<u>FY 2026</u>	<u>FY 2027</u>	<u>FY 2028</u>	<u>FY 2029</u>	<u>FY 2030</u>	<u>Comments</u>
							(\$197,150,867) included in FY 2026 budget. (\$64,250,000 of FY 2025 reductions and \$142,964,083 of FY 2026 reductions is contingent).
GF	Planning	(\$3,500,000)	(\$3,500,000)	(\$3,500,000)	\$0	\$0	Existing mandated appropriation reduced from FY 2026 through 2028. Included in FY 2026 budget (contingent). SF revenues increase correspondingly.
GF	Higher Education Commission	(\$12,307,230)	(\$12,307,231)	(\$12,307,231)	(\$12,307,231)	(\$12,307,231)	Existing mandated appropriations reduced beginning in FY 2025 and 2026. GF expenditures decrease by \$6,750,000 in FY 2025. FY 2025 and 2026 amounts included in FY 2026 budget. (FY 2025 reduction and \$4,807,230 of FY 2026 reduction is contingent.)
GF	Attorney General	(\$2,040,000)	(\$2,040,000)	(\$2,040,000)	(\$2,040,000)	(\$2,040,000)	Alters fund source of existing mandated appropriation beginning in FY 2026. GF expenditures decrease by \$1,690,000 in FY 2025. FY 2025 and 2026 amounts included in FY 2026 budget (contingent).

Legislation Affecting State Expenditures (Continued)

<u>Fund</u>	<u>Agency</u>	<u>FY 2026</u>	<u>FY 2027</u>	<u>FY 2028</u>	<u>FY 2029</u>	<u>FY 2030</u>	<u>Comments</u>
GF	Payments to Civil Divisions	(\$13,829,330)	(\$27,658,661)	(\$27,658,661)	(\$27,658,661)	(\$27,658,661)	Existing mandated appropriation reduced in FY 2026 and eliminated in FY 2027. Included in FY 2026 budget (contingent).
GF	Assessments & Taxation	(\$31,231,952)	(\$31,656,591)	(\$22,089,723)	(\$22,531,517)	(\$22,982,148)	Included in FY 2026 budget (contingent).
GF	TEDCO	(\$7,500,000)	(\$7,500,000)	(\$7,500,000)	\$0	\$0	Included in FY 2026 budget (contingent).
NB	All or Multiple Agencies	(\$1,004,206)	(\$1,004,206)	(\$1,004,206)	(\$1,004,206)	(\$1,004,206)	
GF - PAYGO	Housing & Community Development	(\$50,000,000)	(\$50,000,000)	(\$50,000,000)	(\$50,000,000)	(\$50,000,000)	Alters existing mandated appropriation beginning in FY 2026. Included in FY 2026 budget.
SF	All or Multiple Agencies	(\$3,541,420)	(\$3,541,420)	(\$3,541,420)	(\$3,541,420)	(\$3,541,420)	Included in FY 2026 budget (contingent). Eliminates an existing mandated appropriation beginning in FY 2026.
SF	Commerce	\$1,500,000	\$1,500,000	\$1,500,000	\$0	\$0	Included in FY 2026 budget (contingent).
SF	Service & Civic Innovation	(\$5,264,475)	\$0	\$0	\$0	\$0	Included in FY 2026 budget (contingent).
SF	State Police	\$5,500,000	\$0	\$0	\$0	\$0	SF expenditures increase by \$5,500,000 in FY 2025. FY 2025 and 2026 amounts included in FY 2026 budget (contingent).
SF	Md. Center for School Safety	\$0	\$0	\$0	(\$10,000,000)	(\$10,000,000)	SF revenues decrease correspondingly.

Legislation Affecting State Expenditures (Continued)

<u>Fund</u>	<u>Agency</u>	<u>FY 2026</u>	<u>FY 2027</u>	<u>FY 2028</u>	<u>FY 2029</u>	<u>FY 2030</u>	<u>Comments</u>
SF	Labor	\$33,000,000	\$33,000,000	\$33,000,000	\$70,300,000	\$33,000,000	Included in FY 2026 budget (contingent). SF revenues increase correspondingly.
SF	Md. Thoroughbred Racetrack Operating Authority	(\$3,463,204)	\$0	\$0	\$0	\$0	Included in FY 2026 budget (contingent).
SF	Correctional Ombudsman	\$1,000,000	\$0	\$0	\$0	\$0	Included in FY 2026 budget (contingent).
SF	State Reserve Fund	\$0	\$0	(\$102,554,500)	(\$31,907,500)	\$0	
SF	TEDCO	\$7,500,000	\$7,500,000	\$7,500,000	\$0	\$0	Included in FY 2026 budget (contingent).
SF	Univ. Sys. of Maryland	\$0	(\$25,000,000)	\$0	\$0	\$0	
SF	Budget & Management	\$3,118,182	\$0	\$0	\$0	\$0	Included in FY 2026 budget (contingent).
SF	Comptroller	(\$1,750,000)	(\$1,750,000)	(\$1,750,000)	(\$1,750,000)	(\$1,750,000)	SF revenues decrease correspondingly.
SF	Natural Resources	\$16,770,658	(\$1,072,193)	(\$2,405,392)	(\$2,623,794)	\$10,600,000	Existing mandated appropriation reduced in FY 2026. SF expenditures increase by \$2,586,587 in FY 2025. \$19,607,245 included in FY 2026 budget (contingent). SF revenues partially correspond.
SF	Public Safety & Correctional Services	\$5,000,000	\$0	\$0	\$0	\$0	SF expenditures increase by \$5,000,000 in FY 2025. FY 2025 and 2026 amounts included in FY 2026 budget (contingent).

Legislation Affecting State Expenditures (Continued)

<u>Fund</u>	<u>Agency</u>	<u>FY 2026</u>	<u>FY 2027</u>	<u>FY 2028</u>	<u>FY 2029</u>	<u>FY 2030</u>	<u>Comments</u>
SF	Cannabis Administration	\$5,000,000	\$5,000,000	\$5,000,000	\$5,000,000	\$5,000,000	SF expenditures increase by \$5,000,000 in FY 2025. FY 2025 and 2026 amounts included in FY 2026 budget (contingent). SF revenues increase correspondingly.
SF	Agriculture	(\$15,020,658)	(\$13,327,807)	(\$11,994,608)	(\$11,776,206)	\$0	Included in FY 2026 budget (contingent). SF revenues partially correspond.
SF	Environment	\$10,404,452	\$9,560,695	\$9,611,953	\$9,807,579	\$9,920,315	SF expenditures increase by \$6,565,333 in FY 2025. FY 2025 and 2026 amounts included in FY 2026 budget (contingent). SF revenues partially correspond.
SF	Health	\$164,364,082	\$113,000,000	\$99,000,000	\$99,000,000	\$99,000,000	Existing mandated appropriation eliminated beginning in FY 2026. SF expenditures increase by \$69,936,784 in FY 2025. \$205,413,778 included in FY 2026 budget. (\$65,000,000 of FY 2025 appropriations and \$122,448,111 of FY 2026 appropriations is contingent.) SF revenues partially correspond. \$440,000 in FY 2025 is duplicative of HB 19 (Chapter 416).

Legislation Affecting State Expenditures (Continued)

<u>Fund</u>	<u>Agency</u>	<u>FY 2026</u>	<u>FY 2027</u>	<u>FY 2028</u>	<u>FY 2029</u>	<u>FY 2030</u>	<u>Comments</u>
SF	Transportation	\$61,397,580	(\$18,000,000)	(\$18,000,000)	(\$18,000,000)	(\$18,000,000)	\$50,000,000 included in FY 2026 budget (contingent).
SF	Planning	(\$3,500,000)	(\$3,500,000)	(\$3,500,000)	\$0	\$0	Existing mandated appropriation reduced from FY 2026 through 2028. SF revenues decrease correspondingly.
SF	Energy Administration	\$50,000,000	\$0	\$0	\$0	\$0	Included in FY 2026 budget (contingent).
SF	Education	\$0	\$20,155,292	\$4,392,014	\$4,517,794	\$4,647,190	
SF	Attorney General	\$3,440,000	\$2,040,000	\$2,040,000	\$2,040,000	\$2,040,000	Fund source of existing mandated appropriation altered beginning in FY 2026. SF expenditures increase by \$1,690,000 in FY 2025. FY 2025 and 2026 amounts included in FY 2026 budget (contingent).
SF	Assessments & Taxation	\$31,231,952	\$31,656,591	\$22,089,723	\$22,531,517	\$22,982,148	Included in FY 2026 budget (contingent). SF revenues partially correspond.

HB 397/SB 363 See entry for SB 363.

HB 415/SB 378 See entry for SB 378.

HB 421/SB 36 See entry for SB 36.

HB 424/SB 357 See entry for SB 357.

HB 426/SB 313 See entry for SB 313.

Legislation Affecting State Expenditures (Continued)

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	<u>Fund</u>	<u>Agency</u>	<u>FY 2026</u>	<u>FY 2027</u>	<u>FY 2028</u>	<u>FY 2029</u>	<u>FY 2030</u>	<u>Comments</u>
HB 448/SB 275	See entry for SB 275.							
HB 458/SB 603	See entry for SB 603.							
HB 459/SB 374	See entry for SB 374.							
HB 473/SB 269	See entry for SB 269.							
HB 489/SB 436	See entry for SB 436.							
HB 500	Procurement Reform Act of 2025 (Ch. 601)							
	GF	Information Technology	\$728,219	\$884,398	\$923,374	\$964,243	\$1,005,623	
	GF	Attorney General	\$112,629	\$136,260	\$142,273	\$148,578	\$154,947	
HB 502	Office of Disability Employment Advancement and Policy and Maryland as a Model Employer Initiative – Established (Ch. 1)							
	GF	Disabilities	\$0	\$250,000	\$250,000	\$250,000	\$250,000	
HB 504	Excellence in Maryland Public Schools Act (Ch. 237)							
	GF	Education	\$0	(\$91,727,827)	(\$147,798,895)	(\$154,076,785)	(\$156,117,200)	Mandated appropriations decrease beginning in FY 2027.
	SF	Education	\$30,458,000	\$62,944,657	\$30,000,000	\$30,000,000	\$30,000,000	Existing mandated appropriation decreases beginning in FY 2027.
	SF	Health	(\$60,000,000)	(\$30,000,000)	(\$30,000,000)	(\$30,000,000)	(\$30,000,000)	\$60.0 million reduction for Coordinated Community Supports Partnership Fund included in FY 2026 budget (contingent). Existing mandated appropriation decreases beginning in FY 2026.

Effect of the 2025 Legislative Program on the Financial Condition of the State

Legislation Affecting State Expenditures (Continued)

	<u>Fund</u>	<u>Agency</u>	<u>FY 2026</u>	<u>FY 2027</u>	<u>FY 2028</u>	<u>FY 2029</u>	<u>FY 2030</u>	<u>Comments</u>
HB 506	Chesapeake Bay Legacy Act (Ch. 430)							
	GF	Agriculture	\$500,000	\$900,000	\$900,000	\$900,000	\$900,000	\$500,000 included in FY 2026 budget (contingent). Mandated appropriation beginning in FY 2027.
	SF	Agriculture	\$500,000	\$900,000	\$900,000	\$900,000	\$900,000	SF revenues increase correspondingly.
HB 509/SB 354	See entry for SB 354.							
HB 517	Workgroup on the Reorganization of the Maryland Transit Administration (Ch. 462)							
	SF	Transportation	\$324,000	\$324,000	\$0	\$0	\$0	
HB 527	Maryland Transit Administration – Purple Line – Free Ridership and Promotional Materials and Services (Ch. 494)							
	SF	Transportation	increase	increase	increase	\$0	\$0	Potential administrative costs.
HB 533/SB 273	See entry for SB 273.							
HB 535/SB 963	See entry for SB 963.							
HB 538/SB 445	See entry for SB 445.							
HB 541/SB 365	See entry for SB 365.							
HB 546/SB 605	See entry for SB 605.							
HB 565/SB 371	See entry for SB 371.							
HB 599/SB 373	See entry for SB 373.							
HB 600/SB 276	See entry for SB 276.							
HB 603/SB 663	See entry for SB 663.							

Legislation Affecting State Expenditures (Continued)

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	<u>Fund</u>	<u>Agency</u>	<u>FY 2026</u>	<u>FY 2027</u>	<u>FY 2028</u>	<u>FY 2029</u>	<u>FY 2030</u>	<u>Comments</u>
HB 643/SB 318	See entry for SB 318.							
HB 666/SB 60	See entry for SB 60.							
HB 672	School Health and Wellness Personnel Assessment and Maryland Council on Advancement of School-Based Health Centers (Ch. 345)							
	GF	Health	\$0	\$61,695	\$57,672	\$60,312	\$62,858	
HB 675/SB 669	See entry for SB 669.							
HB 678/SB 358	See entry for SB 358.							
HB 681	Child Support – Driver’s License Suspension for Arrearages and Court Orders (Ch. 578)							
	GF	Judiciary	increase	increase	increase	increase	increase	Potential implementation costs.
	FF	Human Services	\$82,500	increase	increase	increase	increase	Potential significant personnel costs (in addition to amount shown). FF revenues increase correspondingly.
	GF	Human Services	\$42,500	increase	increase	increase	increase	Potential significant personnel costs (in addition to amount shown).
HB 707/SB 618	See entry for SB 618.							
HB 717	Natural Resources – Public Lands – Acquisition, Staffing, Operations, and Funding (Ch. 443)							
	SF	Natural Resources	\$212,543	\$594,565	\$988,084	\$1,415,801	\$1,875,970	\$212,543 included in FY 2026 budget (contingent). Potential additional use of land acquisition funding for operating costs (in

Effect of the 2025 Legislative Program on the Financial Condition of the State

Legislation Affecting State Expenditures (Continued)

	<u>Fund</u>	<u>Agency</u>	<u>FY 2026</u>	<u>FY 2027</u>	<u>FY 2028</u>	<u>FY 2029</u>	<u>FY 2030</u>	<u>Comments</u>
								addition to amounts shown).
HB 719	Natural Resources – State Boat Act – Alterations (Ch. 433)							
	SF	Natural Resources	increase	increase	increase	increase	increase	Net effect of potential significant grant expenditures and minimal newspaper advertising cost savings.
HB 720	Natural Resources – Repeal of Somers Cove Marina Commission and Improvement Fund and Alteration of Operations (Ch. 444)							
	SF	Natural Resources	increase	increase	increase	increase	increase	Potential significant marina operations costs.
HB 728/SB 495	See entry for SB 495.							
HB 731	Wildlife – Protections and Highway Crossings (Ch. 549)							
	SF	Transportation	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	
HB 738/SB 705	See entry for SB 705.							
HB 744/SB 590	See entry for SB 590.							
HB 757/SB 849	See entry for SB 849.							
HB 761/SB 665	See entry for SB 665.							
HB 765	Hospitals – Medical Debt Collection – Sale of Patient Debt (Ch. 750)							
	GF/FF	Health	indeterminate	indeterminate	indeterminate	\$0	\$0	Potential impact on Medicaid expenditures. FF revenues correspond with FF expenditures.

Legislation Affecting State Expenditures (Continued)

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	<u>Fund</u>	<u>Agency</u>	<u>FY 2026</u>	<u>FY 2027</u>	<u>FY 2028</u>	<u>FY 2029</u>	<u>FY 2030</u>	<u>Comments</u>
HB 782	Study on Detecting Deadly Weapons in Public Middle and High Schools (Ch. 244)							
	GF	Md. Center for School Safety	increase	increase	\$0	\$0	\$0	Potential contractual costs.
HB 783	Health Occupations – Implicit Bias and Structural Racism Training (Ch. 478)							
	GF	Health	increase	\$0	\$0	\$0	\$0	Minimal administrative costs.
	SF	Health	increase	\$0	\$0	\$0	\$0	Minimal administrative costs.
HB 793	University System of Maryland – Academic Facilities Bonding Authority (Ch. 316)							
	BOND	Univ. Sys. of Maryland	\$30,000,000	\$0	\$0	\$0	\$0	Included in FY 2026 capital budget. Bond revenues increase correspondingly.
	HE	Univ. Sys. of Maryland	\$0	\$2,491,891	\$2,491,891	\$2,491,891	\$2,491,891	
HB 799	Economic Development – Maryland Innovation Initiative Institution Partnership Extension Program – Establishment (Ch. 217)							
	GF	TEDCO	\$0	\$250,000	\$250,000	\$1,000,000	\$1,000,000	
	HE	All or Multiple Agencies	\$0	\$15,000	\$15,000	increase	increase	Potential matching fund expenditures beginning in FY 2029 (in addition to amount shown).
	SF	TEDCO	\$0	\$250,000	\$250,000	\$1,000,000	\$1,000,000	SF revenues increase correspondingly.
HB 813	Maryland Insurance Administration and Maryland Department of Health – Workgroup to Study Pharmacy Benefits Managers (Ch. 730)							
	FF	Health	\$25,646	\$10,567	\$0	\$0	\$0	FF revenues increase correspondingly.
	GF	Health	\$25,646	\$10,567	\$0	\$0	\$0	
	SF	Insurance Administration	increase	increase	\$0	\$0	\$0	Potential consulting costs.

Effect of the 2025 Legislative Program on the Financial Condition of the State

Legislation Affecting State Expenditures (Continued)

	<u>Fund</u>	<u>Agency</u>	<u>FY 2026</u>	<u>FY 2027</u>	<u>FY 2028</u>	<u>FY 2029</u>	<u>FY 2030</u>	<u>Comments</u>
HB 819/SB 653	See entry for SB 653.							
HB 820	Health Insurance – Utilization Review – Use of Artificial Intelligence (Ch. 747)							
	SF	Insurance Administration	increase	increase	increase	increase	increase	Potential significant contractual costs.
HB 840/SB 511	See entry for SB 511.							
HB 853	Postconviction Review – Procedure to Reduce Duration of Sentence (Maryland Second Look Act) (Ch. 96)							
	GF	Public Safety & Correctional Services	decrease	decrease	decrease	decrease	decrease	Potential incarceration costs.
	GF	Public Defender	\$538,061	\$642,063	\$670,531	\$700,394	\$730,286	
HB 859	Access to Health Insurance for Child Care Professionals – Outreach (Ch. 679)							
	SF	Commerce	\$250,000	\$0	\$0	\$0	\$0	Included in FY 2026 budget (contingent).
	SF	Health Benefit Exchange	\$250,000	\$0	\$0	\$0	\$0	Included in FY 2026 budget (contingent). SF revenues increase correspondingly.
HB 860	Public Nuisance – Common Carriers – Damage to Public Infrastructure (Ch. 454)							
	NB	Transportation	increase	increase	increase	increase	increase	Potential litigation costs.
	SF	Transportation	increase	increase	increase	increase	increase	Potential litigation costs.
HB 865	Catastrophic Event Account – Transfer of Funds – State Disaster Recovery Fund (Ch. 559)							
	SF	State Reserve Fund	increase	increase	increase	increase	increase	Potential transfer to State Disaster Recovery Fund. SF revenues increase correspondingly.
HB 869/SB 372	See entry for SB 372.							

Legislation Affecting State Expenditures (Continued)

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	<u>Fund</u>	<u>Agency</u>	<u>FY 2026</u>	<u>FY 2027</u>	<u>FY 2028</u>	<u>FY 2029</u>	<u>FY 2030</u>	<u>Comments</u>
HB 877	Prison Education Delivery Reform Commission – Reporting and Sunset Extension (Ch. 110)							
	GF	GOCPP	\$28,451	\$65,559	\$68,406	\$42,113	\$0	
HB 881	Family Investment Program – Child Support (Ch. 373)							
	FF	Human Services	\$0	\$268,013	\$0	\$0	\$0	FF revenues increase correspondingly.
	GF	Human Services	\$0	\$138,067	\$2,350,000	\$6,200,000	\$10,050,000	
	SF	Human Services	\$0	\$0	(\$2,350,000)	(\$6,200,000)	(\$10,050,000)	SF revenues decrease correspondingly.
HB 893	Tidal Fish Licenses – Oyster Authorizations – Administrative Penalties (Ch. 552)							
	GF	Natural Resources	\$5,290	\$5,290	\$5,290	\$5,290	\$5,290	Administrative hearing costs.
	SF	Natural Resources	\$6,210	\$6,210	\$6,210	\$6,210	\$6,210	Administrative hearing costs.
HB 929/SB 721	See entry for SB 721.							
HB 930/SB 848	See entry for SB 848.							
HB 932	Public Ethics – Conflicts of Interest and Blind Trust – Governor (Ch. 300)							
	GF	General Services	\$20,000	\$0	\$0	\$0	\$0	
	GF	Ethics Commission	\$75,000	\$0	\$0	\$0	\$0	
HB 953	Tax Sales – Homeowner Protection Program – Funding and Alterations (Ch. 647)							
	GF	Assessments & Taxation	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000	Mandated appropriation beginning in FY 2027.
	SF	Assessments & Taxation	\$750,000	\$750,000	\$750,000	\$750,000	\$750,000	SF revenues increase correspondingly.
HB 956	Consumer Protection – Workgroup on Artificial Intelligence Implementation (Ch. 105)							
	GF	Univ. Sys. of Maryland	increase	\$100,000	\$100,000	\$100,000	\$0	Potential administrative costs.

Effect of the 2025 Legislative Program on the Financial Condition of the State

Legislation Affecting State Expenditures (Continued)

	<u>Fund</u>	<u>Agency</u>	<u>FY 2026</u>	<u>FY 2027</u>	<u>FY 2028</u>	<u>FY 2029</u>	<u>FY 2030</u>	<u>Comments</u>
HB 962/SB 696	See entry for SB 696.							
HB 983/SB 685	See entry for SB 685.							
HB 988	Montgomery County – Speed Monitoring Systems – Maryland Route 200 (Intercounty Connector) MC 10-25 (Ch. 587)							
	GF	Judiciary	\$277,768	\$0	\$0	\$0	\$0	
	NB	Transportation Authority	increase	increase	increase	increase	increase	Potential significant administrative costs. NB revenues increase correspondingly.
HB 995/SB 776	See entry for SB 776.							
HB 1004/SB 748	See entry for SB 748.							
HB 1010	African American Heritage Preservation Program and Grant Fund – Noncapital Grants and Donations (Ch. 622)							
	SF	Planning	increase	increase	increase	increase	increase	Potential grant expenditures. SF revenues increase correspondingly.
HB 1016	Baltimore Convention and Tourism Redevelopment and Operating Authority Task Force – Revisions (Ch. 214)							
	GF	Commerce	\$350,000	\$0	\$0	\$0	\$0	
HB 1027/SB 775	See entry for SB 775.							
HB 1028/SB 810	See entry for SB 810.							
HB 1029/SB 768	See entry for SB 768.							
HB 1035/SB 937	See entry for SB 937.							
HB 1036/SB 931	See entry for SB 931.							
HB 1060/SB 280	See entry for SB 280.							

Legislation Affecting State Expenditures (Continued)

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	<u>Fund</u>	<u>Agency</u>	<u>FY 2026</u>	<u>FY 2027</u>	<u>FY 2028</u>	<u>FY 2029</u>	<u>FY 2030</u>	<u>Comments</u>
HB 1066	Commission on Behavioral Health Care Treatment and Access – Workgroups (Ch. 763)							
	GF	Health	\$38,019	\$39,644	\$0	\$0	\$0	
HB 1072/SB 862	See entry for SB 862.							
HB 1082	Health Insurance – Individual Market Stabilization – Establishment of the State-Based Health Insurance Subsidies Program (Ch. 468)							
	SF	Health Benefit Exchange	increase	increase	increase	\$0	\$0	Potential significant subsidy costs.
HB 1086	Maryland Medical Assistance Program and Health Insurance – Coverage for Anesthesia – Prohibiting Time Limitations (Ch. 683)							
	GF/FF	Health	increase	increase	increase	increase	increase	Minimal Medicaid expenditures. FF revenues increase correspondingly with FF expenditures.
HB 1104	Maryland Department of Health – AHEAD Model Implementation – Electronic Health Care Transactions and Population Health Improvement Fund (Ch. 615)							
	GF	Health	\$2,000,000	increase	increase	\$0	\$0	Included in FY 2026 budget.
	FF	Health	\$3,000,000	increase	increase	\$0	\$0	Included in FY 2026 budget. FF revenues increase correspondingly.
	SF	Health	\$25,000,000	increase	increase	\$0	\$0	SF revenues increase correspondingly.
HB 1121	Child Care Scholarship Program – Youth Transitioning From Foster Placement to Successful Adulthood Program – Establishment (Ch. 369)							
	GF	Education	\$91,000	increase	increase	increase	increase	Child Care Scholarship expenditures (in addition to amount shown).
HB 1123/SB 181	See entry for SB 181.							
HB 1124/SB 964	See entry for SB 964.							

Effect of the 2025 Legislative Program on the Financial Condition of the State

Legislation Affecting State Expenditures (Continued)

	<u>Fund</u>	<u>Agency</u>	<u>FY 2026</u>	<u>FY 2027</u>	<u>FY 2028</u>	<u>FY 2029</u>	<u>FY 2030</u>	<u>Comments</u>
HB 1126	Unemployment Insurance – Child Support Arrearage to Work Pilot Program – Established (Ch. 579)							
	GF	Labor	increase	\$0	\$0	\$0	\$0	Potential personnel costs.
HB 1131	Public Health – Buprenorphine – Training Grant Program and Workgroup (Ch. 759)							
	GF	Health	\$56,066	\$0	\$0	\$0	\$0	
HB 1143	Maryland Collaborative to Improve Children’s Oral Health Through School-Based Programs – Establishment (Ch. 753)							
	GF	Health	\$38,019	\$16,650	\$0	\$0	\$0	
HB 1144/SB 858	See entry for SB 858.							
HB 1146/SB 900	See entry for SB 900.							
HB 1173	Montgomery County – Speed Monitoring Systems – High-Risk Highways MC 17-25 (Ch. 590)							
	GF	Judiciary	\$12,208	\$0	\$0	\$0	\$0	
HB 1193	Housing Development Permits – Local Reporting Requirements (Maryland Housing Data Transparency Act) (Ch. 349)							
	GF	Planning	\$86,109	\$102,464	\$107,012	\$111,782	\$116,549	
HB 1223/SB 617	See entry for SB 617.							
HB 1251	Hospitals and Medical Professional Liability Insurers – Obstetric Services Policies (Doula and Birth Policy Transparency Act) (Ch. 751)							
	GF	Health	\$90,756	\$108,385	\$113,191	\$118,229	\$123,277	
HB 1253	Department of Social and Economic Mobility – Established (Ch. 605)							
	GF	Executive Dept.	(\$1,963,450)	(\$2,670,292)	(\$2,723,697)	(\$2,778,171)	(\$2,833,735)	
	GF	Cannabis Administration	(\$3,750,000)	(\$5,000,000)	(\$5,000,000)	(\$5,000,000)	(\$5,000,000)	
	GF	New Agency	\$8,011,704	\$9,269,940	\$9,387,045	\$9,508,233	\$9,631,445	\$2,200,000 included in FY 2026 budget (contingent).
	SF	Cannabis Administration	\$0	(\$3,190,739)	(\$3,254,553)	(\$3,319,644)	(\$3,386,037)	SF revenues decrease correspondingly.

Legislation Affecting State Expenditures (Continued)

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	<u>Fund</u>	<u>Agency</u>	<u>FY 2026</u>	<u>FY 2027</u>	<u>FY 2028</u>	<u>FY 2029</u>	<u>FY 2030</u>	<u>Comments</u>
	SF	New Agency	\$5,421,131	\$7,372,739	\$7,520,193	\$7,670,597	\$7,824,009	SF revenues increase correspondingly.
HB 1296/SB 930	See entry for SB 930.							
HB 1301	Maryland Medical Assistance Program, Maryland Children's Health Program, and Health Insurance – Transfers to Special Pediatric Hospitals – Prior Authorizations (Ch. 612)							
	GF/FF	Health	increase	increase	increase	increase	increase	Minimal Medicaid expenditures. FF revenues increase correspondingly with FF expenditures.
HB 1310	Prescription Drug Repository Program – Revisions (Ch. 705)							
	SF	Health	\$53,844	\$61,345	\$64,111	\$67,013	\$69,831	
HB 1344	Department of General Services – Assessment of State-Owned Facilities – Child Care Centers (Ch. 650)							
	GF	General Services	\$96,043	\$35,505	\$0	\$0	\$0	
HB 1347/SB 299	See entry for SB 299.							
HB 1378	Civil Actions – Child Sexual Abuse (Ch. 104)							
	GF/SF	All or Multiple Agencies	decrease	decrease	decrease	decrease	decrease	Potential significant reduction in claims payments.
HB 1424	Support and Protections for Individuals Affected by Federal Actions (Protect Our Federal Workers Act) (Ch. 97)							
	GF	Labor	\$1,709,341	\$0	\$0	\$0	\$0	
	GF	Attorney General	\$0	\$1,500,000	\$1,500,000	\$1,500,000	\$1,500,000	Existing mandated appropriation increases beginning in FY 2027.

Effect of the 2025 Legislative Program on the Financial Condition of the State

Legislation Affecting State Expenditures (Continued)

	<u>Fund</u>	<u>Agency</u>	<u>FY 2026</u>	<u>FY 2027</u>	<u>FY 2028</u>	<u>FY 2029</u>	<u>FY 2030</u>	<u>Comments</u>
	SF	Labor	\$15,000,000	\$0	\$0	\$0	\$0	Potential loan expenditure increase beginning as early as FY 2025. SF revenues increase correspondingly over two years.
	SF	Attorney General	\$1,500,000	\$0	\$0	\$0	\$0	SF revenues increase correspondingly in FY 2025.
	SF	Reserve Fund	\$11,500,000	\$0	\$0	\$0	\$0	SF expenditures also increase by \$7,000,000 in FY 2025; SF revenues partially correspond (\$5,000,000 for MD Labor and \$1,500,000 for Attorney General). \$2,000,000 in Dedicated Purpose Account included in FY 2026 budget.
HB 1440	Courts – Parental Accommodations (Ch. 137)							
	GF	Judiciary	\$44,844	\$0	\$0	\$0	\$0	
HB 1464	Motor Vehicles – Rental Fleet Vehicles – Registration (Ch. 526)							
	SF	Transportation	\$293,625	\$411,075	\$107,907	increase	increase	Minimal administrative costs beginning in FY 2029.
HB 1473	State Government – Equal Access to Public Services for Individuals with Limited English Proficiency and Individuals with Disabilities (Ch. 434)							
	GF	Executive Dept.	\$55,991	\$64,050	\$66,952	\$69,996	\$72,963	

Legislation Affecting State Expenditures (Continued)

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	<u>Fund</u>	<u>Agency</u>	<u>FY 2026</u>	<u>FY 2027</u>	<u>FY 2028</u>	<u>FY 2029</u>	<u>FY 2030</u>	<u>Comments</u>
	GF/SF	All or Multiple Agencies	\$0	increase	increase	increase	increase	Potential significant implementation and personnel costs.
	GF/SF/ FF	Human Services	\$0	increase	increase	\$0	\$0	Potential significant programming costs. FF revenues correspond.
HB 1481	Disability Services – Adapted Vehicle Access Pilot Program – Established (Ch. 393)							
	FF	Disabilities	increase	increase	increase	increase	increase	Potential program expenditures. FF revenues increase correspondingly.
	SF	Disabilities	increase	increase	increase	increase	increase	Potential program expenditures. FF revenues increase correspondingly.
HB 1503	State Personnel – Paid Family and Medical Leave (Ch. 606)							
	GF/SF	All or Multiple Agencies	decrease	indeterminate	indeterminate	indeterminate	indeterminate	Savings from no employer contributions beginning in FY 2026; expenditures increase beginning in FY 2027 to provide and administer leave.
	HE	All or Multiple Agencies	decrease	indeterminate	indeterminate	indeterminate	indeterminate	Savings from no employer contributions beginning in FY 2026; expenditures increase beginning in FY 2027 to provide and administer leave.
	NB	All or Multiple Agencies	decrease	indeterminate	indeterminate	indeterminate	indeterminate	Savings from no employer contributions beginning in FY 2026; expenditures increase beginning in FY 2027 to provide and administer leave.

Effect of the 2025 Legislative Program on the Financial Condition of the State

Legislation Affecting State Expenditures (Continued)

<u>Fund</u>	<u>Agency</u>	<u>FY 2026</u>	<u>FY 2027</u>	<u>FY 2028</u>	<u>FY 2029</u>	<u>FY 2030</u>	<u>Comments</u>
SF	Labor	\$0	decrease	decrease	decrease	decrease	Benefits payments for State employees.
HB 1516/SB 1026	See entry for SB 1026.						
HB 1547	Barbers and Cosmetologists – License Qualifications – Domestic Violence Awareness Training (Ch. 286)						
SF	Labor	\$10,000	\$0	\$0	\$0	\$0	

Quantifiable Expenditures by Agency

<u>Agency</u>	<u>Fund</u>	<u>FY 2026</u>	<u>FY 2027</u>	<u>FY 2028</u>	<u>FY 2029</u>	<u>FY 2030</u>
Aging	GF	\$22,032	\$29,376	\$29,376	\$29,376	\$29,376
	FF	(\$221,930)	(\$295,907)	(\$295,907)	(\$295,907)	(\$295,907)
Agriculture	GF	(\$2,000,000)	(\$1,100,000)	(\$1,100,000)	(\$1,100,000)	(\$1,100,000)
	SF	(\$14,520,658)	(\$12,427,807)	(\$11,094,608)	(\$10,876,206)	\$900,000
All or Multiple Agencies	GF	(\$49,279,123)	(\$43,587,917)	(\$43,555,781)	(\$43,554,817)	(\$43,553,824)
	SF	(\$5,041,420)	(\$5,041,420)	(\$5,030,708)	(\$5,030,387)	(\$3,530,056)
	FF	(\$1,866,457)	(\$1,866,457)	(\$1,855,745)	(\$1,855,424)	(\$1,855,093)
	HE	\$0	\$15,000	\$15,000	\$0	\$0
	NB	(\$1,004,206)	(\$1,004,206)	(\$1,004,206)	(\$1,004,206)	(\$1,004,206)
Assessments & Taxation	GF	(\$30,981,952)	(\$31,128,191)	(\$21,839,723)	(\$22,281,517)	(\$22,732,148)
	SF	\$31,981,952	\$32,406,591	\$22,839,723	\$23,281,517	\$22,732,148
Attorney General's Office	GF	(\$1,714,053)	(\$146,436)	(\$129,053)	(\$110,828)	(\$92,445)
	SF	\$6,440,000	\$3,540,000	\$3,540,000	\$3,540,000	\$2,040,000
Budget & Management²	GF	(\$28,118,182)	(\$25,000,000)	(\$25,000,000)	\$0	\$0
	SF	\$3,118,182	\$0	\$0	\$0	\$0
Cannabis Administration¹	GF	(\$8,750,000)	(\$10,000,000)	(\$10,000,000)	(\$10,000,000)	(\$10,000,000)
	SF	\$5,065,986	\$1,867,184	\$1,806,006	\$1,743,681	\$1,679,964
Commerce	GF	(\$1,069,572)	(\$1,430,200)	(\$1,500,000)	\$0	\$0
	SF	\$1,750,000	\$1,500,000	\$1,500,000	\$0	\$0

Quantifiable Expenditures by Agency (Continued)

<u>Agency</u>	<u>Fund</u>	<u>FY 2026</u>	<u>FY 2027</u>	<u>FY 2028</u>	<u>FY 2029</u>	<u>FY 2030</u>
Comptroller						
	GF	\$1,175,705	\$518,005	\$540,990	\$565,100	\$589,203
	SF	(\$1,773,095)	(\$1,770,273)	(\$506,381)	(\$1,351,387)	(\$1,335,022)
Correctional Ombudsman						
	GF	(\$1,000,000)	(\$1,000,000)	(\$1,000,000)	(\$1,000,000)	(\$1,000,000)
	SF	\$1,000,000	\$0	\$0	\$0	\$0
Crime Prevention and Policy						
	GF	(\$971,549)	\$65,559	\$68,406	\$42,113	\$0
Disabilities						
	GF	\$0	\$250,000	\$250,000	\$250,000	\$250,000
	SF	\$25,000	\$28,750	\$31,625	\$34,788	\$38,266
Education						
	GF	(\$117,746,289)	(\$252,505,361)	(\$293,810,850)	(\$301,232,173)	(\$306,639,989)
	SF	\$30,458,000	\$83,149,949	\$34,442,014	\$34,567,794	\$34,697,190
Election Board						
	GF	\$305,766	\$168,930	\$202,239	\$156,757	\$211,262
Emergency Management						
	GF	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000
Energy Administration						
	SF	\$50,150,000	\$0	\$0	\$0	\$0
Environment						
	GF	(\$5,982,279)	(\$6,485,621)	(\$6,489,971)	(\$6,679,647)	(\$6,691,850)
	SF	\$17,975,295	\$16,755,275	\$16,893,697	\$17,395,133	\$17,555,177
Ethics Commission						
	GF	\$75,000	\$0	\$0	\$0	\$0

Quantifiable Expenditures by Agency (Continued)

<u>Agency</u>	<u>Fund</u>	<u>FY 2026</u>	<u>FY 2027</u>	<u>FY 2028</u>	<u>FY 2029</u>	<u>FY 2030</u>
Executive Department	GF	(\$1,907,459)	(\$2,356,242)	(\$2,406,745)	(\$2,458,175)	(\$2,510,772)
General Services	GF	\$116,043	\$35,505	\$0	\$0	\$0
Health	GF	(\$151,763,557)	(\$99,579,436)	(\$98,999,185)	(\$98,923,006)	(\$103,844,700)
	SF	\$133,207,889	\$88,382,841	\$75,084,906	\$76,015,136	\$76,774,060
	FF	(\$10,151,633)	(\$207,965)	(\$14,123,081)	(\$14,024,289)	(\$13,922,040)
Health Benefit Exchange	SF	\$13,250,000	\$26,000,000	\$26,000,000	\$13,000,000	\$0
Higher Education Commission	GF	(\$12,286,230)	(\$12,307,231)	(\$12,307,231)	(\$12,307,231)	(\$12,307,231)
Housing & Community Development	GF	\$0	\$250,000	\$250,000	\$250,000	\$250,000
	GF - PAYGO	(\$50,000,000)	(\$50,000,000)	(\$50,000,000)	(\$50,000,000)	(\$50,000,000)
Human Services	GF	\$101,184	\$157,292	\$2,369,225	\$6,219,225	\$10,069,225
	SF	\$0	\$0	(\$2,350,000)	(\$6,200,000)	(\$10,050,000)
	FF	\$418,346	\$601,239	\$333,226	\$333,226	\$333,226
Information Technology	GF	\$949,919	(\$67,143,507)	(\$47,719,936)	(\$60,479,018)	(\$43,159,036)
	SF	\$4,300,000	\$0	\$0	\$0	\$0
Judiciary	GF	\$575,186	\$0	\$0	\$0	\$0

Quantifiable Expenditures by Agency (Continued)

<u>Agency</u>	<u>Fund</u>	<u>FY 2026</u>	<u>FY 2027</u>	<u>FY 2028</u>	<u>FY 2029</u>	<u>FY 2030</u>
Labor						
	GF	\$43,462,066	\$4,382,888	\$4,416,445	\$4,647,210	\$4,821,650
	SF	(\$15,352,196)	(\$1,717,069,688)	(\$910,266,157)	\$73,737,547	\$36,441,199
Maryland Legal Services Corporation						
	SF	\$0	\$0	\$14,000,000	\$0	\$0
Maryland Library Agency						
	GF	\$56,250	\$50,000	\$50,000	\$49,500	\$49,000
Maryland Center for School Safety						
	GF	(\$5,000,000)	(\$10,000,000)	(\$10,000,000)	\$0	\$0
	SF	\$0	\$0	\$0	(\$10,000,000)	(\$10,000,000)
Natural Resources						
	GF	(\$10,744,710)	(\$10,494,710)	(\$10,494,710)	(\$10,494,710)	(\$10,494,710)
	SF	\$19,628,770	\$1,942,577	\$1,009,003	\$1,277,163	\$15,020,000
New Agency – Department of Social and Economic Mobility						
	GF	\$8,011,704	\$9,269,940	\$9,387,045	\$9,508,233	\$9,631,445
	SF	\$5,421,131	\$7,372,739	\$7,520,193	\$7,670,597	\$7,824,009
Payments to Civil Divisions						
	GF	(\$13,829,330)	(\$27,658,661)	(\$27,658,661)	(\$27,658,661)	(\$27,658,661)
People’s Council						
	SF	\$527,541	\$505,042	\$516,310	\$528,126	\$540,035
Planning						
	GF	(\$3,371,713)	(\$3,397,536)	(\$3,392,988)	\$111,782	\$116,549
	SF	(\$3,500,000)	(\$3,500,000)	(\$3,500,000)	\$0	\$0
Prescription Drug Affordability Board						
	SF	\$0	\$264,925	\$263,191	\$268,229	\$273,277

Quantifiable Expenditures by Agency (Continued)

<u>Agency</u>	<u>Fund</u>	<u>FY 2026</u>	<u>FY 2027</u>	<u>FY 2028</u>	<u>FY 2029</u>	<u>FY 2030</u>
Public Defender	GF	\$1,072,846	\$1,279,949	\$1,336,705	\$1,396,239	\$1,455,827
Public Safety & Correctional Services	GF	(\$4,034,759)	\$645,399	\$673,809	\$665,586	\$654,511
	SF	\$5,000,000	\$0	\$0	\$0	\$0
Public Service Commission²	SF	\$202,871,190	\$2,629,804	\$2,678,801	\$2,730,189	\$2,781,706
Reserve Fund	GF	(\$419,499,483)	\$0	\$0	\$0	\$0
	SF	\$11,500,000	\$0	(\$102,554,500)	(\$31,907,500)	\$0
Retirement Agency	GF	(\$25,000,000)	(\$25,000,000)	(\$25,000,000)	\$0	\$0
	SF	\$10,000	\$10,000	\$10,000	\$0	\$10,000
Service & Civic Innovation	GF	(\$6,800,000)	\$0	\$0	\$0	\$0
	SF	(\$5,264,475)	\$0	\$0	\$0	\$0
State Police	GF	(\$5,375,000)	\$0	\$0	\$0	\$0
	SF	\$5,500,000	\$0	\$0	\$0	\$0
TEDCO	GF	(\$7,599,000)	(\$7,349,000)	(\$7,349,000)	\$901,000	\$901,000
	SF	\$7,401,000	\$7,651,000	\$7,651,000	\$901,000	\$901,000
Maryland Thoroughbred Racetrack Operating Authority	SF	(\$3,463,204)	\$0	\$0	\$0	\$0
Transportation	SF	\$62,758,930	(\$17,077,400)	(\$17,842,093)	(\$17,950,000)	(\$17,950,000)

Quantifiable Expenditures by Agency (Continued)

<u>Agency</u>	<u>Fund</u>	<u>FY 2026</u>	<u>FY 2027</u>	<u>FY 2028</u>	<u>FY 2029</u>	<u>FY 2030</u>
University System of Maryland						
	GF	\$0	\$25,450,000	\$450,000	\$450,000	\$350,000
	HE	\$0	\$2,841,891	\$2,841,891	\$2,841,891	\$2,841,891
	BOND	\$30,000,000	\$0	\$0	\$0	\$0
	SF	\$0	(\$25,000,000)	\$0	\$0	\$0
West North Avenue Development Authority						
	GF	\$82,614	\$0	\$0	\$0	\$0

Totals by Fund Type/Summary of Quantifiable Expenditure Effects

<u>Fund Type</u>	<u>FY 2026</u>	<u>FY 2027</u>	<u>FY 2028</u>	<u>FY 2029</u>	<u>FY 2030</u>
GF	(\$858,717,925)	(\$595,017,206)	(\$629,629,594)	(\$572,937,662)	(\$562,306,318)
GF – PAYGO	(\$50,000,000)	(\$50,000,000)	(\$50,000,000)	(\$50,000,000)	(\$50,000,000)
FF	(\$11,821,674)	(\$1,769,090)	(\$15,941,507)	(\$15,842,394)	(\$15,739,814)
SF ²	\$570,425,818	(\$1,507,879,911)	(\$837,357,978)	\$173,375,420	\$178,342,953
BOND	\$30,000,000	\$0	\$0	\$0	\$0
NB	(\$1,004,206)	(\$1,004,206)	(\$1,004,206)	(\$1,004,206)	(\$1,004,206)
HE	\$0	\$2,856,891	\$2,856,891	\$2,841,891	\$2,841,891

¹ Maryland Cannabis Administration (MCA) general fund expenditure effects shown reflect duplicative general fund expenditure decreases associated with the use of the Cannabis Regulation and Enforcement Fund (CREF) to support the Social Equity Partnership Grant Program pursuant to HB 352 (Ch. 604) and the transfer of this program to the newly established Department of Social and Economic Mobility (DoSEM) pursuant to HB 1253 (Ch. 605). MCA general fund expenditure decreases associated with HB 1253 are offset by corresponding general fund expenditure increases shown under New Agency – DoSEM. MCA special fund expenditures associated with the use of CREF to support the Social Equity Partnership Grant Program are ultimately expected to be incurred by DoSEM and replace related general fund expenditures for DoSEM.

² Assumes that Department of Natural Resources expenditures associated with SB 931/HB 1036 (Ch. 623/Ch. 624) and SB 937/HB 1035 (Ch. 625/Ch. 626) are met with special funds. To the extent available special funds are insufficient, special fund expenditures are less, and general fund expenditures increase by a corresponding amount.

Quantifiable Regular Positions Needed by Agency

<u>Agency</u>	<u>Fund</u>	<u>Beginning in FY 2026</u>	<u>Beginning in FY 2027</u>
Agriculture	SF	1.0	1.0
Attorney General's Office	GF	3.0	6.0
	SF	6.0	(6.0)
Cannabis Administration	SF	-6.5	0
Comptroller	GF	5.0	0
Department of Information Technology	GF	7.0	0
Disabilities	GF	0	2.0
Education	SF	3.0	0
Election Board	GF	1.0	0
Environment	SF	8.0	2.0

Quantifiable Regular Positions Needed by Agency (Continued)

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<u>Agency</u>	<u>Fund</u>	<u>Beginning in FY 2026</u>	<u>Beginning in FY 2027</u>
Executive Department			
	GF	(17.5)	0
Labor			
	GF	16.5	0
	SF	5.0	0
Maryland Cannabis Administration			
	SF	(6.5)	0
Maryland Department of Health			
	GF	2.0	0.5
	SF	3.0	0
	GF/FF	0.5	(0.5)
Maryland Thoroughbred Racetrack Operating Authority			
	SF	(6.0)	0
Natural Resources			
	SF	2.0	4.0
	GF/SF	11.0	0
New Agency			
	GF	27.0	0
	SF	39.0	0
People's Council			
	SF	2.0	0

Effect of the 2025 Legislative Program on the Financial Condition of the State

Quantifiable Regular Positions Needed by Agency (Continued)

<u>Agency</u>	<u>Fund</u>	<u>Beginning in FY 2026</u>	<u>Beginning in FY 2027</u>
Planning	GF	1.0	0
	SF	2.0	0
Prescription Drug Affordability Board	SF	0	1.0
Public Defender	GF	12.0	0
Public Safety & Correctional Services	GF	4.0	0
Public Service Commission	SF	10.0	0
Transportation	SF	(32.0)	0
Total		109.0	10.0

Quantifiable Contractual Positions Needed by Agency

Crime Prevention & Policy	GF	1.0	0
Department of Commerce	GF	1.0	0
Environment	GF	2.0	0
General Services	GF	1.0	(1.0)
Labor	GF	13.0	(13.0)
Maryland Department of Health	GF	2.5	(2.0)
Planning	GF	1.0	(1.0)
Public Safety & Correctional Services	GF	1.0	0
Total		22.5	(17.0)

Chapter 4. Local Government

- State Aid to Local Governments
- Summary of State Mandates
- Legislation Affecting Local Government Revenues
- Legislation Affecting Local Government Expenditures

State Aid to Local Governments

Overview

State aid to local governments will total \$11.5 billion in fiscal 2026, representing a \$742.4 million, or 6.9%, increase over fiscal 2025. Direct aid will increase by \$670.9 million, and State funding for retirement payments will increase by \$71.5 million. Local school systems will receive the largest total increase in State funding on a dollar and percentage basis. **Exhibit 4.1** compares State aid by governmental entity in fiscal 2025 and 2026.

Exhibit 4.1
State Aid to Local Governments
Fiscal 2025 and 2026
(\$ in Millions)

	<u>2025</u>	<u>2026</u>	<u>\$ Difference</u>	<u>% Difference</u>
Public Schools	\$8,177.4	\$8,776.7	\$599.3	7.3%
Libraries	71.9	73.1	1.2	1.6%
Community Colleges	423.3	445.2	21.8	5.2%
Local Health	111.2	115.0	3.8	3.4%
County/Municipal	1,011.4	1,056.2	44.8	4.4%
Subtotal – Direct Aid	\$9,795.3	\$10,466.2	\$670.9	6.8%
Retirement Payments	\$995.7	\$1,067.2	\$71.5	7.2%
Total	\$10,791.0	\$11,533.4	\$742.4	6.9%

Source: Department of Legislative Services

Changes by Program

State aid to local governments increases for Baltimore City and all counties in Maryland in fiscal 2026. **Exhibit 4.2** summarizes the distribution of direct aid by governmental unit and shows the estimated State retirement payments for local government employees. **Exhibit 4.3** shows total State aid in fiscal 2025 and 2026 by program. A more detailed discussion of the changes in State aid in fiscal 2026 follows the exhibits.

Exhibit 4.2
State Aid to Local Governments
Fiscal 2026 Legislative Appropriation
(\$ in Thousands)

County	County – Municipal	Community Colleges	<i>Direct State Aid</i>				Retirement	Total	Change Over FY 2025	Percent Change
			Public Schools	Libraries	Health	Subtotal				
Allegany	\$18,901	\$11,440	\$116,988	\$913	\$5,399	\$153,641	\$10,543	\$164,184	\$6,804	4.3%
Anne Arundel	58,462	45,589	598,629	3,234	9,733	715,648	95,190	810,838	58,742	7.8%
Baltimore City	421,378	0	1,282,726	9,812	10,393	1,724,309	84,758	1,809,067	146,064	8.8%
Baltimore	38,311	72,492	1,026,322	7,825	6,824	1,151,774	132,690	1,284,464	91,392	7.7%
Calvert	7,858	4,980	112,153	629	3,463	129,083	18,039	147,122	24,726	20.2%
Caroline	8,614	3,200	84,829	382	2,210	99,234	6,086	105,320	5,917	6.0%
Carroll	11,262	15,019	196,857	1,351	4,798	229,286	27,442	256,728	14,408	5.9%
Cecil	11,699	9,662	148,071	1,013	3,480	173,924	17,701	191,625	9,583	5.3%
Charles	8,072	9,727	276,768	1,442	5,409	301,418	28,790	330,209	10,285	3.2%
Dorchester	10,202	2,111	62,104	364	3,065	77,845	5,407	83,252	2,876	3.6%
Frederick	18,192	23,870	399,396	2,067	5,285	448,810	52,929	501,739	27,318	5.8%
Garrett	7,747	6,161	27,048	144	3,035	44,135	4,438	48,572	1,553	3.3%
Harford	13,304	19,513	328,450	2,249	6,129	369,646	44,438	414,084	19,512	4.9%
Howard	13,564	35,860	391,651	1,311	6,474	448,862	80,402	529,263	31,972	6.4%
Kent	2,197	902	12,607	135	2,625	18,467	2,449	20,916	587	2.9%
Montgomery	77,348	77,419	1,042,921	3,959	5,063	1,206,710	217,718	1,424,428	90,025	6.7%
Prince George's	170,503	52,791	1,717,186	8,838	8,319	1,957,636	151,198	2,108,834	133,315	6.7%
Queen Anne's	3,637	3,569	45,597	224	2,339	55,366	8,234	63,599	3,047	5.0%
St. Mary's	5,465	6,300	151,601	975	4,076	168,417	18,079	186,496	6,581	3.7%
Somerset	12,036	1,430	45,601	344	2,128	61,540	3,855	65,394	2,741	4.4%
Talbot	4,525	2,605	24,424	141	2,202	33,898	5,267	39,165	3,314	9.2%
Washington	13,239	20,935	266,162	1,667	4,548	306,551	23,790	330,340	24,559	8.0%
Wicomico	25,778	9,658	226,483	1,300	5,525	268,744	18,156	286,900	30,314	11.8%
Worcester	11,184	3,433	32,165	203	4,480	51,465	9,639	61,104	3,795	6.6%
Unallocated	82,705	6,499	159,992	22,583	-2,000	269,780	0	269,780	-7,033	-2.5%
Total	\$1,056,185	\$445,164	\$8,776,731	\$73,105	\$115,000	\$10,466,186	\$1,067,237	\$11,533,423	\$742,396	6.9%

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

**State Aid to Local Governments
Fiscal 2025 Working Appropriation
(\$ in Thousands)**

County	<i>Direct State Aid</i>						Retirement	Total
	County – Municipal	Community Colleges	Public Schools	Libraries	Health	Subtotal		
Allegany	\$19,083	\$10,300	\$112,066	\$894	\$4,994	\$147,337	\$10,042	\$157,379
Anne Arundel	56,534	45,157	550,583	3,117	9,155	664,546	87,550	752,096
Baltimore City	394,858	0	1,169,832	9,741	10,393	1,584,824	78,178	1,663,002
Baltimore	38,017	72,386	942,727	7,633	6,814	1,067,577	125,495	1,193,072
Calvert	7,457	5,068	89,252	610	3,223	105,611	16,785	122,396
Caroline	7,967	2,639	80,624	374	2,094	93,697	5,706	99,403
Carroll	9,973	13,932	187,203	1,304	4,481	216,894	25,426	242,320
Cecil	11,129	8,972	140,923	973	3,253	165,250	16,792	182,042
Charles	7,371	9,888	269,514	1,412	5,040	293,225	26,699	319,924
Dorchester	9,390	1,664	61,166	356	2,837	75,414	4,962	80,376
Frederick	17,028	21,906	380,431	1,991	4,966	426,322	48,100	474,421
Garrett	7,616	5,295	26,876	165	2,789	42,741	4,278	47,020
Harford	12,259	18,884	313,683	2,179	5,778	352,784	41,788	394,572
Howard	12,782	34,965	366,793	1,259	5,972	421,771	75,520	497,291
Kent	1,990	904	12,462	132	2,475	17,962	2,367	20,329
Montgomery	70,578	74,313	977,657	3,852	5,056	1,131,456	202,947	1,334,403
Prince George's	165,375	47,910	1,603,348	8,692	8,287	1,833,611	141,908	1,975,519
Queen Anne's	3,295	3,106	44,041	222	2,177	52,842	7,711	60,553
St. Mary's	5,018	6,577	146,666	949	3,829	163,039	16,876	179,916
Somerset	10,054	1,435	45,196	334	2,002	59,022	3,632	62,653
Talbot	4,034	2,590	22,095	139	2,068	30,926	4,925	35,851
Washington	12,257	16,707	248,888	1,664	4,296	283,813	21,968	305,781
Wicomico	22,598	8,413	202,254	1,286	5,132	239,683	16,903	256,586
Worcester	10,658	3,130	30,077	197	4,085	48,147	9,162	57,309
Unallocated	94,089	7,190	153,063	22,471	0	276,813	0	276,813
Total	\$1,011,409	\$423,331	\$8,177,421	\$71,946	\$111,198	\$9,795,306	\$995,722	\$10,791,027

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

State Aid to Local Governments
Dollar Difference Between Fiscal 2026 Legislative Appropriation and Fiscal 2025 Working Appropriation
(\$ in Thousands)

County	County – Municipal	Community Colleges	<i>Direct State Aid</i>				Retirement	Total
			Public Schools	Libraries	Health	Subtotal		
Allegany	-\$182	\$1,140	\$4,921	\$19	\$405	\$6,304	\$500	\$6,804
Anne Arundel	1,928	432	48,046	117	578	51,102	7,640	58,742
Baltimore City	26,520	0	112,893	71	0	139,484	6,580	146,064
Baltimore	294	106	83,595	192	10	84,197	7,195	91,392
Calvert	401	-88	22,901	19	239	23,472	1,254	24,726
Caroline	647	561	4,205	8	116	5,537	380	5,917
Carroll	1,289	1,087	9,654	47	316	12,393	2,015	14,408
Cecil	569	690	7,148	40	227	8,674	909	9,583
Charles	701	-161	7,254	30	369	8,194	2,091	10,285
Dorchester	812	447	938	7	228	2,431	445	2,876
Frederick	1,165	1,963	18,964	76	319	22,488	4,830	27,318
Garrett	131	866	172	-21	245	1,393	159	1,553
Harford	1,045	628	14,768	70	351	16,862	2,650	19,512
Howard	782	895	24,858	52	502	27,090	4,882	31,972
Kent	207	-2	146	4	150	505	82	587
Montgomery	6,771	3,106	65,264	106	7	75,254	14,771	90,025
Prince George's	5,128	4,881	113,837	146	33	124,024	9,290	133,315
Queen Anne's	342	462	1,556	2	162	2,524	523	3,047
St. Mary's	447	-277	4,935	26	247	5,378	1,203	6,581
Somerset	1,982	-4	405	10	125	2,518	223	2,741
Talbot	491	15	2,329	3	134	2,973	342	3,314
Washington	982	4,228	17,274	3	252	22,738	1,821	24,559
Wicomico	3,180	1,245	24,230	14	393	29,061	1,252	30,314
Worcester	526	303	2,088	5	394	3,318	477	3,795
Unallocated	-11,384	-691	6,929	113	-2,000	-7,033	0	-7,033
Total	\$44,775	\$21,833	\$599,311	\$1,159	\$3,802	\$670,880	\$71,516	\$742,396

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

State Aid to Local Governments
Percent Change: Fiscal 2026 Legislative Appropriation over Fiscal 2025 Working Appropriation

County	County – Municipal	Community Colleges	<i>Direct State Aid</i>				Retirement	Total
			Public Schools	Libraries	Health	Subtotal		
Allegany	-1.0%	11.1%	4.4%	2.2%	8.1%	4.3%	5.0%	4.3%
Anne Arundel	3.4%	1.0%	8.7%	3.8%	6.3%	7.7%	8.7%	7.8%
Baltimore City	6.7%	n/a	9.7%	0.7%	0.0%	8.8%	8.4%	8.8%
Baltimore	0.8%	0.1%	8.9%	2.5%	0.1%	7.9%	5.7%	7.7%
Calvert	5.4%	-1.7%	25.7%	3.1%	7.4%	22.2%	7.5%	20.2%
Caroline	8.1%	21.3%	5.2%	2.1%	5.5%	5.9%	6.7%	6.0%
Carroll	12.9%	7.8%	5.2%	3.6%	7.1%	5.7%	7.9%	5.9%
Cecil	5.1%	7.7%	5.1%	4.1%	7.0%	5.2%	5.4%	5.3%
Charles	9.5%	-1.6%	2.7%	2.1%	7.3%	2.8%	7.8%	3.2%
Dorchester	8.6%	26.8%	1.5%	2.0%	8.0%	3.2%	9.0%	3.6%
Frederick	6.8%	9.0%	5.0%	3.8%	6.4%	5.3%	10.0%	5.8%
Garrett	1.7%	16.4%	0.6%	-12.8%	8.8%	3.3%	3.7%	3.3%
Harford	8.5%	3.3%	4.7%	3.2%	6.1%	4.8%	6.3%	4.9%
Howard	6.1%	2.6%	6.8%	4.1%	8.4%	6.4%	6.5%	6.4%
Kent	10.4%	-0.2%	1.2%	2.7%	6.0%	2.8%	3.5%	2.9%
Montgomery	9.6%	4.2%	6.7%	2.8%	0.1%	6.7%	7.3%	6.7%
Prince George's	3.1%	10.2%	7.1%	1.7%	0.4%	6.8%	6.5%	6.7%
Queen Anne's	10.4%	14.9%	3.5%	1.1%	7.4%	4.8%	6.8%	5.0%
St. Mary's	8.9%	-4.2%	3.4%	2.8%	6.4%	3.3%	7.1%	3.7%
Somerset	19.7%	-0.3%	0.9%	2.9%	6.2%	4.3%	6.1%	4.4%
Talbot	12.2%	0.6%	10.5%	1.9%	6.5%	9.6%	6.9%	9.2%
Washington	8.0%	25.3%	6.9%	0.2%	5.9%	8.0%	8.3%	8.0%
Wicomico	14.1%	14.8%	12.0%	1.1%	7.7%	12.1%	7.4%	11.8%
Worcester	4.9%	9.7%	6.9%	2.8%	9.7%	6.9%	5.2%	6.6%
Unallocated	-12.1%	-9.6%	4.5%	0.5%	n/a	-2.5%	n/a	-2.5%
Total	4.4%	5.2%	7.3%	1.6%	3.4%	6.8%	7.2%	6.9%

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

Exhibit 4.3
Total State Aid to Local Governments
Fiscal 2025 and 2026

<u>Program</u>	<u>2025</u>	<u>2026</u>	<u>Difference</u>
Foundation Aid	\$3,778,346,293	\$3,981,543,393	\$203,197,100
Foundation – Special Grants	854,945	1,969,251	1,114,306
Comparable Wage Index	155,711,837	157,897,887	2,186,050
Compensatory Education	1,715,307,029	1,778,637,727	63,330,698
Student Transportation – Regular	340,683,854	352,000,869	11,317,015
Student Transportation – Special Education	28,873,000	29,917,000	1,044,000
Special Education – Formula	531,272,827	589,791,769	58,518,942
Special Education – Nonpublic Placements	172,549,592	147,108,160	-25,441,432
Special Education – Infants and Toddlers	16,957,756	18,099,919	1,142,163
English Language Learners Grant	519,503,455	554,454,771	34,951,316
Guaranteed Tax Base	74,897,532	64,964,792	-9,932,740
Prekindergarten Expansion Program	26,644,000	26,644,000	0
School Safety Grants	23,600,000	28,600,000	5,000,000
Blueprint – Concentration of Poverty	363,289,403	492,583,576	129,294,173
Blueprint – Transitional Instruction	34,390,412	23,856,991	-10,533,421
Blueprint – Transition Grants	49,035,197	37,497,504	-11,537,693
Blueprint – Full Day PreKindergarten	134,867,120	172,617,689	37,750,569
Blueprint – College and Career Readiness	11,572,898	31,769,353	20,196,455
Blueprint – Education Effort Index	96,507,515	145,398,431	48,890,916
Blueprint – Career Ladder	8,936,056	19,563,161	10,627,105
Blueprint – Coordinators	2,000,000	1,823,959	-176,041
Food Service	20,296,664	20,296,664	0
SEED School	13,000,274	13,646,664	646,390
Judy Hoyer Centers	30,876,380	36,816,380	5,940,000
Teacher Development	996,000	20,430,000	19,434,000
Public School Opportunities	3,000,000	3,000,000	0
Out-of-county Foster Placements	2,000,000	2,000,000	0
Head Start	3,000,000	3,000,000	0

<u>Program</u>	<u>2025</u>	<u>2026</u>	<u>Difference</u>
Other Education Aid	18,450,732	20,801,472	2,350,740
Total Primary and Secondary Education	\$8,177,420,771	\$8,776,731,382	\$599,310,611
Library Formula	\$49,475,609	\$50,521,621	\$1,046,012
Library Network	22,470,558	22,583,357	112,799
Total Libraries	\$71,946,167	\$73,104,978	\$1,158,811
Community College Formula	\$384,759,181	\$404,517,218	\$19,758,037
Optional Retirement	17,420,000	17,649,000	229,000
Grants for ESOL Programs	3,891,473	4,661,416	769,943
Small College Grants	10,665,105	11,837,687	1,172,582
Other Community College Aid	6,595,195	6,499,071	-96,124
Total Community Colleges	\$423,330,954	\$445,164,392	\$21,833,438
Highway User Revenue	\$393,233,001	\$445,803,000	\$52,569,999
Elderly and Disabled Transportation Aid	4,441,113	4,628,239	187,126
Paratransit Grants	1,408,450	1,408,450	0
Bus Rapid Transit Systems	27,000,000	27,000,000	0
Purple Line Access	0	6,622,088	6,622,088
Total Transportation	\$426,082,564	\$485,461,777	\$59,379,213
Police Aid	\$75,504,655	\$75,924,058	\$419,403
Police Aid Enhancement	45,878,143	45,878,144	1
Fire and Rescue Aid	15,000,000	16,500,000	1,500,000
9-1-1 Grants	28,421,995	28,421,995	0
Baltimore City Direct Police Grant	9,180,113	9,180,113	0
Safe Streets Program	3,600,000	3,600,000	0
State's Attorney Grants	3,405,955	2,905,955	-500,000
Violent Crime Grants	2,292,489	2,292,489	0
Vehicle Theft Prevention	3,136,020	2,445,296	-690,724
Drug Enforcement Grants	1,214,610	1,214,610	0
Maryland Criminal Intelligence Network	6,723,865	6,723,865	0
Police Recruitment and Retention	1,300,000	1,300,000	0
Rape Kit Testing Grant Fund	3,500,000	3,500,000	0
Police Accountability	4,000,000	4,000,000	0
Warrant Apprehension Grant	4,250,000	4,250,000	0
Other Public Safety Aid	5,431,509	5,426,509	-5,000
Total Public Safety	\$212,839,354	\$213,563,034	\$723,680

<u>Program</u>	<u>2025</u>	<u>2026</u>	<u>Difference</u>
Wastewater Treatment – Nutrient Removal	\$11,000,000	\$11,000,000	\$0
Critical Area Grants	159,356	159,356	0
Total Recreation/Environment	\$11,159,356	\$11,159,356	\$0
Local Health Formula	\$111,198,344	\$115,000,173	\$3,801,829
Disparity Grant	\$188,539,507	\$193,742,448	\$5,202,941
Gaming Impact Grants	\$103,897,926	\$104,936,915	\$1,038,989
Teachers Retirement Supplemental Grants	27,658,661	13,829,332	-13,829,329
Adult Education	8,011,986	8,011,986	0
Statewide Voting Systems	13,534,596	3,492,124	-10,042,472
Revenue Equity Program	4,035,013	4,142,365	107,352
Payments in Lieu of Taxes (PILOT)	1,774,074	1,774,074	0
PILOT – Park Service	2,879,000	2,640,000	-239,000
PILOT – Forest Service	205,708	199,604	-6,104
Instant Bingo	3,150,000	3,150,000	0
Behavioral Health Crisis Response	5,000,000	5,000,000	0
Senior Citizens Activities Center	765,241	765,241	0
Local Impact Grants	0	3,000,000	3,000,000
Maryland Park Explorer Program	76,400	100,000	23,600
Prince George’s County Reentry Program	500,000	500,000	0
Miscellaneous Grants	1,300,000	716,456	-583,544
Total Other Direct Aid	\$172,788,605	\$152,258,097	-\$20,530,508
Total Direct Aid	\$9,795,305,622	\$10,466,185,637	\$670,880,015
Retirement – Teachers	\$917,173,759	\$981,762,231	\$64,588,472
Retirement – Libraries	24,256,817	27,505,438	3,248,621
Retirement – Community Colleges	54,290,926	57,969,531	3,678,605
Total Payments-in-behalf	\$995,721,502	\$1,067,237,200	\$71,515,698
Total State Aid	\$10,791,027,124	\$11,533,422,837	\$742,395,713

ESOL: English for Speakers of Other Languages

Source: Department of Legislative Services

Primary and Secondary Education

Public schools account for the vast majority of State funding to local governments, representing approximately 85% of total State aid. State aid to public schools will total \$9.8 billion in fiscal 2026, an increase of \$663.9 million over fiscal 2025, and includes \$8.8 billion in direct aid and \$981.8 million in retirement payments. The majority of this increase is driven by six major direct aid programs (\$527.0 million increase) and teacher retirement payments (\$64.6 million increase). The following provides a summary of the funding increase for these programs, including the foundation program, which remains the single largest contributor to overall State aid to public schools.

Foundation formula funding increases by \$203.2 million in fiscal 2026, or 5.4%, due to a 5.0% increase in the per pupil funding amount (PPFA) and a 0.1% increase in the enrollment count used to determine program funding. Comparable wage index funding, which is linked to the foundation program, increases by \$2.2 million in fiscal 2026. The fiscal 2026 budget also includes foundation special hold harmless grants of approximately \$139,400 for Dorchester County Public Schools and \$1.8 million for Garrett County Public Schools, preventing a substantial year-to-year decrease in direct State education aid for these school systems. **House Bill 504 (Chapter 237)** alters per pupil funding through the foundation program, beginning in fiscal 2027. Under the Governor's proposed budget, the PPFA was reduced by \$163 in fiscal 2026, with a corresponding reduction in mandated local school system per pupil expenditure on collaborative learning time. While the Governor's proposal resulted in reduced foundation funding and reduced funding for several other programs that are tied to the PPFA, resulting in a net reduction of \$122.4 million in fiscal 2026, the bill as enacted does not reduce major State aid formulas in fiscal 2026.

The Concentration of Poverty Grant program, which provides funding to schools with relatively high concentrations of students from low-income families, has two components. First, for each eligible school, a personnel grant is provided to employ a community school coordinator with specified qualifications and provide full-time coverage by at least one health care practitioner. Second, per pupil grants are provided for each qualifying school following the completion of a community school needs assessment. Concentration of Poverty Grant funding increases by \$129.3 million in fiscal 2026, due to an expansion of school eligibility for per pupil grants.

Special education formula funding increases by \$58.5 million in fiscal 2026, due to a 9.2% per pupil funding increase and a 1.9% increase in the relevant enrollment count. Formula funding for English language learners increases by \$35.0 million in fiscal 2026, due to a 0.8% per pupil funding increase and a 6.0% increase in the enrollment count. Compensatory education funding, which provides additional resources for students from low-income families, increases by \$63.3 million in fiscal 2026, due mostly to a 3.7% increase in per pupil funding for the program.

The full-day prekindergarten program increases by \$37.8 million in fiscal 2026, due to State funding for students whose families earn between 300% and 360% of the federal poverty level in fiscal 2026; a 15.2% increase in the relevant student count; and an 11.3% increase in per pupil funding for students whose families earn up to 300% of the federal poverty level.

The Budget Reconciliation and Financing Act (BRFA) of 2025, **House Bill 352 (Chapter 604)**, reduces the State share of the cost of educating a student with disabilities in a nonpublic placement program. This results in a decrease of \$25.4 million for nonpublic placements in fiscal 2026 as compared to fiscal 2025.

State funding for teacher retirement payments increases by \$64.6 million, or 7.0%, despite provisions in the BRFA that (1) reduce the State share while increasing the county share of employer pension contributions for Teachers' Retirement System/Teachers' Pension System (TRS/TPS) members employed by local school systems and community colleges annually beginning in fiscal 2026 and (2) repeal, beginning in fiscal 2026, the \$50.0 million annual supplemental contribution to the State Retirement and Pension System that was required to be paid until the system's funding ratio reaches 85%.

Local Libraries

State aid to local libraries will total \$100.6 million in fiscal 2026, an increase of \$4.4 million, which includes \$73.1 million in direct aid and \$27.5 million in retirement payments. Local libraries account for approximately 1% of total State aid to local governments, with funding targeted to local library systems, regional resource centers, and the State Library Resource Center (SLRC) in Baltimore City.

The State provides funding to local library systems through a formula that determines the State and local shares of a minimum per capita library program. Per capita funding is \$18.70 in fiscal 2026 and is set to increase to \$19.10 annually beginning in fiscal 2027. Fiscal 2026 funding totals \$47.5 million. In addition, Baltimore City continues to receive \$3.0 million annually to support expanded operations as it has since fiscal 2018. The State also provides State library network funding in the form of per capita funding to regional resource centers (\$9.79 per capita in fiscal 2026) and for SLRC (\$2.07 annually). Regional resource center per capita funding is set to increase to \$9.99 annually beginning in fiscal 2027. State library network funding totals \$22.6 million in fiscal 2026, an increase of \$112,800.

Community Colleges

State aid to local community colleges will total \$503.1 million in fiscal 2026, an increase of \$25.5 million, which includes \$445.2 million in direct aid and \$58.0 million in retirement payments. Community colleges account for 4.4% of total State aid to local governments. The Cade funding formula is the main source of State funding in support of community colleges. The formula is based on a percentage (27.2%) of the current year's State aid to selected four-year public higher education institutions and the total number of full-time equivalent students at the community colleges. The total is then distributed to each college based on the previous year's

direct grant, enrollment, and a small-size factor. The fiscal 2026 budget includes a one-time \$300,000 Cade funding hold-harmless grant to the College of Southern Maryland.

Local Health

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 local health 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 budget as originally introduced included \$117.0 million in funding for local health departments. However, legislative action reduced funding by \$2.0 million. Accordingly, in fiscal 2026, State funding for local health departments will total \$115.0 million, which represents a \$3.8 million increase from the prior year.

Transportation

The Maryland Department of Transportation provides capital transportation grants to local governments based on the amount of revenue allocated to the Gasoline and Motor Vehicle Revenue Account (GMVRA). This funding is allocated to local governments through the local highway user revenues program. In fiscal 2026, funding to local governments is based on 20% of total GMVRA revenues. Allocations to counties and municipalities are based on the percentage of road miles and vehicle registrations within each local jurisdiction. Baltimore City receives a larger share of local highway user revenues than other jurisdictions because the State does not conduct highway maintenance or construction within the city (except for portions of I-95). In fiscal 2026, local highway user revenues will total \$445.8 million, a \$52.6 million increase over the fiscal 2025 amount. Of this amount, county governments will receive \$107.0 million, municipal governments will receive \$66.9 million, and Baltimore City will receive \$271.9 million.

As required by law, the State budget includes \$27.0 million in funding for a bus rapid transit system in Montgomery County. The BRFA modifies how the grant is funded by (1) reducing, from \$27.0 million to \$17.0 million, the statutory distribution of State lottery funds for the program and (2) requiring an annual appropriation of \$10.0 million from the Transportation Trust Fund.

Local governments will also receive \$4.6 million for elderly and disabled transportation services and \$1.4 million in support for paratransit services. In addition, the General Assembly added \$6.6 million in funding to provide equal grants to Montgomery and Prince George's counties to improve pedestrian and bicycle access to Purple Line mass transit stations.

Public Safety

State aid for public safety programs will total \$213.6 million in fiscal 2026. Funding is provided under the police aid formula, targeted crime grants, emergency 9-1-1 systems, and through fire and rescue aid.

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. State funding for police aid will total \$75.9 million in fiscal 2026, representing a slight increase from the fiscal 2025 amount due to minor increases in population and the number of sworn officers in some municipalities. The State budget includes, for a fourth year, an additional \$45.9 million in enhanced police aid funding to address violent crime, with this funding allocated based on each jurisdiction's share of total violent offenses committed in the State.

Chapter 174 of 2022 required, for fiscal 2024 through 2026, an annual appropriation of \$2.0 million to provide grants to local law enforcement agencies for warrant apprehension efforts. The BRFA of 2025 alters the mandated appropriation to \$1.0 million for fiscal 2025 and 2026. The fiscal 2026 budget includes \$1.0 million for the program, contingent on the enactment of the BRFA.

Local law enforcement agencies receive additional State funding through targeted crime grants, which will total \$45.8 million in fiscal 2026, a decrease of \$1.2 million due to the elimination of a one-time grant to State's Attorney's Offices across the State to establish or improve automated case management systems and a reduction in funding to the Vehicle Theft Prevention Program to align funding with anticipated grant awards.

State funding for county 9-1-1 systems, which consists of funding from the State 9-1-1 fee and 25% of the prepaid wireless E 9-1-1 fee, is level funded in fiscal 2026 at \$28.4 million. Local governments will also receive \$16.5 million for fire and rescue aid. Under Chapters 718 and 719 of 2024, the annual appropriation for the program increased to \$16.5 million from the prior funding amount of \$15.0 million beginning in fiscal 2026.

Disparity Grants

The disparity grant program provides funding to low-wealth jurisdictions where per capita local income tax revenue is below 75% of the statewide average. To help alleviate potential disparities in local income tax collections, the program provides a grant to enable local income tax revenues to reach at least 75% of the statewide average.

Based on the current statutory formula, Baltimore City and eight counties (Allegany, Caroline, Dorchester, Garrett, Prince George's, Somerset, Washington, and Wicomico) qualify for disparity grants. As provided by the General Assembly, the fiscal 2026 budget includes a

one-time grant that increases, from 75% to 90%, the maximum amount of uncapped disparity grants for five jurisdictions (Caroline, Dorchester, Prince George's, Somerset, and Wicomico) that impose the maximum 3.2% local income tax rate. This grant increases disparity grant funding by \$17.1 million over the previously required amount. In fiscal 2026, disparity grant funding will total \$193.7 million, which represents a \$5.2 million increase from the prior year.

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. In addition, 5.0% of table game revenues are distributed to local jurisdictions where a video lottery facility is located. In fiscal 2026, gaming impact grants total \$104.9 million, an increase of \$1.0 million over fiscal 2025 levels.

Behavioral Health Crisis Response

The Behavioral Health Crisis Response Grant Program provides funds to local jurisdictions to establish and expand community behavioral health crisis response systems, including programs and services such as mobile crisis teams, on-demand walk-in services, and crisis residential beds. Mandated appropriations for the program were established in statute through 2025. The fiscal 2026 budget includes \$5.0 million for the program. In addition, **Senate Bill 599 (Chapter 666)** reestablishes the \$5.0 million annual mandated appropriation for the program in each of fiscal 2027 through 2029.

Teacher Retirement Supplemental Grants

Pursuant to Chapter 1 of the first special session of 2012, teacher retirement supplemental grants totaling \$27.7 million are distributed annually to nine jurisdictions to help offset the impact of sharing teacher retirement costs with the counties. The BRFA phases out, over two years, the annual mandated appropriation for the grant program, reducing the grants by half in fiscal 2026 and fully eliminating them in fiscal 2027. The fiscal 2026 budget includes \$13.8 million for this purpose.

Other Grants

The fiscal 2026 budget includes several one-time grants to local governments. Grants totaling \$326,500 and \$40,000 are provided to Baltimore City to support the Artscape festival and developmental basketball opportunities for young scholars, respectively. The City of Hagerstown will receive a \$250,000 grant for the Hagerstown Public Safety Project Feasibility Study.

The budget includes a grant of \$50,000 for the Neighborhood Revitalization program within the Department of Housing and Community Development to provide a grant to Montgomery County for improvements to the Damascus Main Street area. In addition, Montgomery County will receive a \$50,000 grant to improve parking in Downtown Silver Spring due to the construction of the Purple Line.

Prince George's County will receive \$3.0 million as required by the mandated annual distribution from the State Lottery Fund for supplemental local impact grants. For the second year, the budget also includes funding for the Prince George's County Reentry Employment Incentive Program. Mandated appropriations of \$500,000 in each of fiscal 2025 through 2028 are established by Chapter 791 of 2023.

State-local Cost Shifts

The BRFA includes several provisions that reduce State support to local governments in the form of cost shifts by requiring local governments to cover certain costs previously paid for by the State. As shown in Exhibit 4.4, the combined local costs from these provisions are projected to total approximately \$145.5 million in fiscal 2026.

The State and local school systems share in the costs of nonpublic placements for special education students who cannot receive an appropriate education in a public school. The BRFA reduces the State share of the cost of educating a student with disabilities in a nonpublic placement program by phasing in, over two years, a change in the additional amount above 200% of the basic cost of education that local education agencies are required to provide – specifically, 40% in fiscal 2026 and 50% in fiscal 2027 and subsequent years. In fiscal 2026, local school systems will be required to provide an additional \$25.0 million to cover the costs for nonpublic placements.

The BRFA reduces, beginning in fiscal 2026, the State share of annual employer pension contributions for members of TRS/TPS employed by local school systems and community colleges. Correspondingly, it increases employer contributions by counties and Baltimore City commensurately in proportion to their respective shares of TRS/TPS membership. These provisions result in a \$97.7 million reduction in State support to local governments. Of the total amount, \$92.9 million is attributable to members employed by local school systems, and \$4.8 million is attributable to members employed by community colleges.

In accordance with the State's cost-sharing structure with local governments, the costs to conduct property assessments are shared 50/50 by the State and local governments. The BRFA increases the local cost share amount, from 50% to 90%, that Baltimore City and county governments are required to pay the State Department of Assessments and Taxation (SDAT) for costs associated with real property valuation, business personal property valuation, and information technology, beginning in fiscal 2026. As a result, local government expenditures increase by \$21.2 million in fiscal 2026, and by growing amounts in future years, to reimburse SDAT for the assessment of all property in the State.

In addition, the BRFA includes a provision that requires, beginning in fiscal 2026, a local government in which a conviction of an individual occurred to be responsible for 50% of any payments owed by the Board of Public Works to an erroneously convicted individual. The projected increase in local costs from this provision may total \$1.5 million in fiscal 2026.

Exhibit 4.4
State-local Cost Shift under Legislative Budget Plan
Fiscal 2026

<u>County</u>	<u>Teacher Retirement</u>	<u>Nonpublic Placement</u>	<u>Community College Retirement</u>	<u>Property Assessments</u>	<u>Erroneous Convictions</u>	<u>Total Amount</u>
Allegany	-\$604,665	-\$269,996	-\$149,530	-\$359,963	\$0	-\$1,384,154
Anne Arundel	-9,085,294	-2,315,506	-653,581	-2,010,742	0	-14,065,123
Baltimore City	-8,802,113	-1,666,525	0	-2,080,550	0	-12,549,189
Baltimore	-9,460,061	-4,828,425	-892,051	-2,711,968	0	-17,892,505
Calvert	-1,582,278	-161,998	-65,202	-376,580	0	-2,186,057
Caroline	-509,444	-12,112	-52,201	-139,437	0	-713,193
Carroll	-2,508,981	-605,599	-115,073	-611,399	0	-3,841,051
Cecil	-1,274,570	-127,097	-52,552	-438,600	0	-1,892,818
Charles	-2,658,455	-238,875	-127,911	-620,010	0	-3,645,251
Dorchester	-550,943	-46,799	-39,563	-190,050	0	-827,354
Frederick	-5,591,823	-775,771	-333,784	-920,957	0	-7,622,334
Garrett	-218,799	-3,701	-50,409	-267,650	0	-540,558
Harford	-3,385,485	-1,007,986	-299,592	-932,791	0	-5,625,853
Howard	-6,674,510	-1,564,464	-155,657	-1,028,816	0	-9,423,447
Kent	-161,495	-21,600	-3,994	-112,232	0	-299,320
Montgomery	-19,857,627	-3,573,395	-1,003,851	-3,120,562	0	-27,555,434
Prince George's	-12,619,160	-3,863,646	-380,902	-2,750,473	0	-19,614,181
Queen Anne's	-644,041	-67,289	-47,238	-234,602	0	-993,170
St. Mary's	-1,488,506	-218,688	-73,508	-441,155	0	-2,221,858
Somerset	-311,025	-9,000	-3,041	-158,176	0	-481,241
Talbot	-440,098	-84,111	-12,858	-182,425	0	-719,492
Washington	-2,232,752	-260,744	-165,137	-552,868	0	-3,211,500
Wicomico	-1,602,847	-4,206	-102,041	-413,689	0	-2,122,782
Worcester	-672,312	-1,800	-27,560	-576,260	0	-1,277,931
Unallocated	0	-3,270,667	0	0	-1,500,000	-4,770,667
Total	-\$92,937,284	-\$25,000,000	-\$4,807,229	-\$21,231,952	-\$1,500,000	-\$145,476,464

Source: Department of Legislative Services

Summary of State Mandates	
Environment	4
Elections	3
Finances and Taxes	6
Housing/Environment	1
Housing/Planning	1
Public Facilities	1
Public Health	2
Public Safety	1
Public Schools	1
Public Utilities	2
Total	22

Mandate is defined as a directive in a bill requiring a local government unit to perform a task or assume a responsibility that has a discernible fiscal impact on the local government unit (*Maryland Annotated Code*, State Government Article, § 2-1501(c)). In the following sections, legislation that imposes a State mandate is marked accordingly.

Legislation Affecting Local Government Revenues

<u>Bill #</u>	<u>Title</u>	<u>Comment</u>	<u>Mandate</u>
Legislation Affecting All/Multiple Local Jurisdictions			
SB 26/HB 176	Davis Martinez Public Employee Safety and Health Act (Ch. 608/Ch. 609)	Potential compliance and civil penalty costs.	No
SB 80	Criminal Law – Animal Abuse or Neglect – Penalties (Ch. 183)	Potential penalty revenues.	No
SB 94/HB 553	Maryland Medical Assistance Program – Maternal Health Self-Measured Blood Pressure Monitoring (Ch. 715/Ch. 714)	Potential reimbursement revenues for local health departments.	No
SB 117/HB 131	Environment – Bay Restoration Fund – Septic System Upgrade Program (Ch. 460/Ch. 461)	Potential reallocation of grant revenues.	No
SB 212/HB 36	Department of Aging – Aging Services – Program Repeal and Consolidation (Ch. 34/Ch. 33)	Potential reimbursement revenues for services beginning in FY 2027.	No
SB 223/HB 158	Department of Aging – Senior Call-Check and Social Connections Program (Ch. 36/Ch. 35)	Potential reimbursement revenues for services.	No
SB 295/HB 634	Income Tax – Income Tax Reconciliation Program – Established (Maryland Fair Taxation for Justice-Involved Individuals Act) (Ch. 409/Ch. 410)	Decrease in local income tax interest and penalty revenues.	No
SB 327/HB 390	Affordable Housing Payment In Lieu of Taxes Expansion Act (Ch. 106/Ch. 107)	Potential decrease in county property tax revenues.	No
SB 502/HB 1200	Property Tax – Credit for Law Enforcement Officer or Rescue Worker – Expansion to Judicial Officer (Ch. 130/Ch. 129)	Potential decrease in county and municipal property tax revenues.	No
SB 516/HB 389	Property Tax – Day Care Centers, Child Care Homes, and Child Care Centers (Ch. 123/Ch. 122)	Potential decrease in county and municipal property tax revenues.	No
SB 599	Behavioral Health Crisis Response Grant Program – Funding (Ch. 666)	Potential grant revenues in FY 2027 through 2029.	No

Legislation Affecting Local Government Revenues (Continued)

<u>Bill #</u>	<u>Title</u>	<u>Comment</u>	<u>Mandate</u>
SB 600	Baltimore City and Takoma Park – Stop Sign Monitoring Systems – Authorization of Pilot Program (Ch. 571)	Potential fine revenues for Baltimore City, Prince George’s County, and Takoma Park.	No
SB 666	Maryland Community Action Agencies – Funding (Ch. 288)	Potential grant revenues.	No
SB 774/HB 969	Property Tax – Payment in Lieu of Taxes Agreements – Broadband Service Providers (Ch. 208/Ch. 209)	Potential decrease in property tax revenues; partially offset by payment in lieu of taxes agreements.	No
SB 820	Municipalities – Enforcement of Ordinances and Resolutions (Ch. 570)	Potential fine revenues.	No
SB 849/HB 757	Professional and Volunteer Firefighter Innovative Cancer Screening Technologies Program – Funding (Ch. 640/Ch. 639)	Potential grant revenues.	No
SB 867	Cyber Maryland Program – Revisions (Ch. 218)	Potential grant revenues.	No
SB 891/HB 1466	Land Use and Real Property – Accessory Dwelling Units – Requirements and Prohibitions (Ch. 196/Ch. 197)	Potential accessory dwelling unit development fee revenues.	No
SB 894	Office of Social Equity – Community Reinvestment and Repair Fund – Modifications (Ch. 195)	Minimal decrease in cannabis sales tax distribution revenues.	No
SB 901	Environment – Packaging and Paper Products – Producer Responsibility Plans (Ch. 431)	Potential impact on recycling streams likely beginning in FY 2029. Potential reimbursement revenues likely beginning in FY 2029.	No
SB 911/HB 910	Property Tax – Exemption for Blind Individuals – Alteration (Ch. 285/Ch. 284)	Local property tax revenues decrease by approximately \$450,000 annually.	No
SB 931/HB 1036	Public Utilities – Generating Stations – Generation and Siting (Renewable Energy Certainty Act) (Ch. 623/Ch. 624)	Potential property tax and fee revenues.	No

Legislation Affecting Local Government Revenues (Continued)

<u>Bill #</u>	<u>Title</u>	<u>Comment</u>	<u>Mandate</u>
SB 937/HB 1035	Electricity and Gas – Emissions Reductions, Rate Regulation, Cost Recovery, Infrastructure, Planning, Renewable Energy Portfolio Standard, and Energy Assistance Programs (Next Generation Energy Act) (Ch. 625/Ch. 626)	Potential decrease in grant revenues beginning in FY 2027. Montgomery County renewable energy credit revenues decrease by \$12.2 million annually beginning in FY 2027.	Yes
SB 979	Local Government – Accommodations Intermediaries – Hotel Rental Tax – Collection by Comptroller and Alterations (Ch. 638)	Potential county and municipal hotel rental tax revenues beginning in FY 2028. Howard County hotel tax revenues may increase by an additional \$0.8 million annually beginning in FY 2028.	No
SB 1005/HB 43	Federally Qualified Health Centers Grant Program – Acquisition of Land (Ch. 641/Ch. 642)	Potential grant revenues.	No
HB 18	Vehicle Laws – Noise Abatement Monitoring Systems Pilot Program – Inspection and Extension (Ch. 712)	Potential fine revenues for Montgomery and Prince George’s counties.	No
HB 36/SB 212	See entry for SB 212.		No
HB 43/SB 1005	See entry for SB 1005.		No
HB 59	Property Tax – Tax Sales – Revisions (Ch. 231)	Delay or reduction in tax revenue.	Yes
HB 71	Education – Holocaust Education Assistance Grant Program – Established (Ch. 317)	Potential grant revenues.	No
HB 131/SB 117	See entry for SB 117.		No
HB 158/SB 223	See entry for SB 223.		No
HB 176/SB 26	See entry for SB 26.		No
HB 182	Motor Vehicles – Speed Monitoring Systems – Penalties (Ch. 505)	Potential significant fine revenues.	No
HB 261	Estates and Trusts – Priority of Claims on an Estate – Unpaid Child Support (Ch. 225)	Potential minimal decrease in estate claim revenues.	No

Legislation Affecting Local Government Revenues (Continued)

<u>Bill #</u>	<u>Title</u>	<u>Comment</u>	<u>Mandate</u>
HB 337	State Lottery Fund – Laurel Race Course – Local Impact Aid (Ch. 403)	Local impact aid grant revenues for Anne Arundel County, Howard County, and the City of Laurel increase by \$250,000 in FY 2026 and 2027 (an estimated \$178,571 for Anne Arundel County, \$44,643 for Howard County, and \$26,786 for the City of Laurel).	No
HB 352	Budget Reconciliation and Financing Act of 2025	Revenues in eight counties and Baltimore City decrease by \$13.8 million in FY 2026 and by \$27.7 million annually beginning in FY 2027 due to the phasing out of teacher retirement supplemental grants. Local government revenues associated with warrants and absconding grants decrease by \$1.0 million in FY 2026. Local highway user revenues decrease by \$0.3 million in FY 2026. Local income tax revenues increase by an estimated \$28.2 million in FY 2026, \$21.6 million in FY 2027, and similar amounts annually thereafter due to alterations to Maryland deductions; local income tax revenues may be further affected beginning in FY 2026 to the extent counties alter income tax rates. Local revenues from cannabis tax revenue distributions decrease by \$250,000 annually beginning in FY 2025. Community Reinvestment and Repair Fund distributions to counties decrease by \$1.75 million annually beginning in FY 2025. Potential reduction in Maryland Heritage Area Authority grants and leveraged non-State funds. Residual grant funding available to core service agencies, local behavioral health authorities, and community providers from FY 2024 decreases by \$22.7 million; funding further decreases to the extent of any unexpended Behavioral Health Administration grants at the close of each fiscal year. Potential decrease in Chesapeake and Atlantic Coastal Bays 2010 Trust Fund local project grants beginning in FY 2025. Local governments may benefit from \$50.0 million of Alternative Compliance Payment funds in the Maryland Energy Administration being used for local government renewable energy projects.	Yes
HB 389/SB 516	See entry for SB 516.		No
HB 390/SB 327	See entry for SB 327.		No
HB 504	Excellence in Maryland Public Schools Act (Ch. 237)	Local school system revenues significantly increase in FY 2026 and significantly decrease beginning in FY 2027. Potential revenues for local workforce development boards that are a unit of local governments in FY 2027 and 2028.	No
HB 506	Chesapeake Bay Legacy Act (Ch. 430)	Potential water quality trading credit revenues.	No

Legislation Affecting Local Government Revenues (Continued)

<u>Bill #</u>	<u>Title</u>	<u>Comment</u>	<u>Mandate</u>
HB 553/SB 94	See entry for SB 94.		No
HB 634/SB 295	See entry for SB 295.		No
HB 716	Housing and Community Development – Statewide Rental Assistance Voucher Program Eligibility – Alterations (Ch. 234)	Potential revenues due to additional State support distributed to local public housing authorities.	No
HB 719	Natural Resources – State Boat Act – Alterations (Ch. 433)	Increased availability/flexibility of Waterway Improvement Fund financing.	No
HB 757/SB 849	See entry for SB 849.		No
HB 799	Economic Development – Maryland Innovation Initiative Institution Partnership Extension Program – Establishment (Ch. 217)	Potential grant revenues for community colleges beginning in FY 2027.	No
HB 860	Public Nuisance – Common Carriers – Damage to Public Infrastructure (Ch. 454)	Potential revenues from civil penalties and damages.	No
HB 910/SB 911	See entry for SB 911.		No
HB 969/SB 774	See entry for SB 774.		No
HB 1010	African American Heritage Preservation Program and Grant Fund – Noncapital Grants and Donations (Ch. 622)	Potential grant revenues.	No
HB 1035/SB 937	See entry for SB 937.		Yes
HB 1036/SB 931	See entry for SB 931.		No
HB 1085	Housing Authorities – Tax-Exempt Status – Modifications (Ch. 169)	Minimal decrease in county property tax revenues.	No

Legislation Affecting Local Government Revenues (Continued)

<u>Bill #</u>	<u>Title</u>	<u>Comment</u>	<u>Mandate</u>
HB 1111	Public Utilities – Solar Energy Generating Systems – Systems Located on or Over Water Retention Ponds, Quarries, or Brownfields (Ch. 485)	Potential decrease in property tax revenues.	No
HB 1200/SB 502	See entry for SB 502.		No
HB 1466/SB 891	See entry for SB 891.		No

Legislation Affecting Local Governments by Subdivision

Anne Arundel County

SB 17/HB 515	Anne Arundel County – Alcoholic Beverages Licenses – Veterans’ Organizations (Ch. 738/Ch. 782)	License fee revenues decrease by \$2,400 annually beginning in FY 2026.	No
SB 131/HB 598	Anne Arundel County – Property Tax Credit – Supermarkets (Ch. 176/Ch. 177)	Potential decrease in county and municipal property tax revenues.	No
SB 178/HB 447	Anne Arundel County – Property Tax Credit – Habitat for Humanity of the Chesapeake, Incorporated (Ch. 179/Ch. 178)	Potential decrease in county and municipal property tax revenues.	No
SB 572/HB 453	Anne Arundel County – Development Impact Fees (Ch. 472/Ch. 473)	Potential decrease in fee revenue.	No
HB 447/SB 178	See entry for SB 178.		No
HB 453/SB 572	See entry for SB 572.		No
HB 515/SB 17	See entry for SB 17.		No
HB 598/SB 131	See entry for SB 131.		No
HB 1343	Anne Arundel County – Property Tax – Day Care Centers and Child Care Centers (Ch. 175)	Decrease in county and municipal property tax revenues.	No

Legislation Affecting Local Government Revenues (Continued)

<u>Bill #</u>	<u>Title</u>	<u>Comment</u>	<u>Mandate</u>
HB 1467	Local Finance – Special Taxing Districts – Anne Arundel County Erosion Prevention Projects and Erosion Control Projects (Ch. 168)	Potential increase in property tax revenues.	No
<i>Baltimore City</i>			
SB 4/HB 258	Economic Development – West North Avenue Development Authority – Alterations (Ch. 216/Ch. 215)	Potential increase in property tax revenues.	No
SB 284	Baltimore City – Alcoholic Beverages – Hours of Operation Violations – Civil Penalties (Ch. 826)	Potential fine revenues.	No
SB 550	Baltimore City – Property Tax – Authority to Impose on Vacant and Abandoned Property Owned by Nonprofit Organizations (Ch. 170)	Potential property tax revenues.	No
SB 939/HB 1172	Baltimore City – Alcoholic Beverages – Authorizations and Revisions (Ch. 811/Ch. 812)	Fee and license revenues.	No
HB 258/SB 4	See entry for SB 4.		No
HB 913	Baltimore City – Speed Monitoring Systems – Interstate 83 (Ch. 567)	Potential fine revenues in FY 2026. Significant fine revenues beginning in FY 2027.	No
HB 1172/SB 939	See entry for SB 939.		No
<i>Baltimore County</i>			
HB 987	Baltimore County – Alcoholic Beverages – Class B-OB-CRD (Office Building – Commercial Revitalization District) Beer, Wine, and Liquor License (Ch. 797)	Fee revenues increase by \$1,500 annually.	No

Legislation Affecting Local Government Revenues (Continued)

<u>Bill #</u>	<u>Title</u>	<u>Comment</u>	<u>Mandate</u>
<i>Caroline County</i>			
SB 910/HB 1335	Caroline County – Alcoholic Beverages – Special Event Venue License and Multiple Event Licenses (Ch. 830/Ch. 831)	Minimal license fee revenues.	No
HB 1335/SB 910	See entry for SB 910.		No
<i>Carroll County</i>			
HB 833	Carroll County – Public Facilities Bond (Ch. 423)	Bond revenues increase by up to \$36.9 million.	No
<i>Charles County</i>			
HB 1283	Charles County – Off-Highway Recreational Vehicles – Regulation and Enforcement (Ch. 583)	Potential fee revenues.	No
<i>Dorchester County</i>			
SB 800/HB 567	Dorchester County Alcoholic Beverages – Arts Beer and Wine License (Ch. 799/Ch. 800)	Minimal license fee revenues.	No
SB 802/HB 564	Dorchester County – Alcoholic Beverages – Venue Beer, Wine, and Liquor License (Ch. 821/Ch. 820)	Minimal license fee revenues.	No
SB 869/HB 566	Dorchester County – Alcoholic Beverages Licenses – Fees (Ch. 833/Ch. 832)	License fee revenues increase by at least \$10,250 beginning annually in FY 2026.	No
HB 564/SB 802	See entry for SB 802.		No
HB 566/SB 869	See entry for SB 869.		No
HB 567/SB 800	See entry for SB 800.		No

Legislation Affecting Local Government Revenues (Continued)

<u>Bill #</u>	<u>Title</u>	<u>Comment</u>	<u>Mandate</u>
<i>Frederick County</i>			
SB 670/HB 866	Frederick County – Alcoholic Beverages – Class C (Theater) Beer, Wine, and Liquor License (Ch. 823/Ch. 822)	Minimal license fee revenues.	No
HB 866/SB 670	See entry for SB 670.		No
<i>Garrett County</i>			
SB 826/HB 685	Garrett County Alcoholic Beverages Act of 2025 (Ch. 791)	Minimal license fee revenues.	No
HB 685/SB 826	See entry for SB 826.		No
<i>Montgomery County</i>			
HB 1173	Montgomery County – Speed Monitoring Systems – High-Risk Highways MC 17-25 (Ch. 590)	Potential significant fine revenues.	No
<i>Prince George’s County</i>			
HB 360	Prince George’s County – Community Associations – Registration Fees for Administrative Hearing Process PG 408-25 (Ch. 597)	Potential significant fee revenues.	No
<i>St. Mary’s County</i>			
SB 623	St. Mary’s County – Public Facilities Bond (Ch. 408)	Bond revenues increase by up to \$71.0 million.	No
HB 491	St. Mary’s County – Metropolitan Commission – Discontinuance of Service (Ch. 599)	Potential assessment revenues.	No

Legislation Affecting Local Government Revenues (Continued)

<u>Bill #</u>	<u>Title</u>	<u>Comment</u>	<u>Mandate</u>
<i>Somerset County</i>			
SB 719/HB 791	Somerset County – Property Tax – Emergency Services Tax (Ch. 70/Ch. 69)	Potential property tax revenues.	No
HB 791/SB 719	See entry for SB 719.		No
HB 1238	Somerset County – Alcoholic Beverages – Liquor Tasting License (Ch. 786)	Minimal license fee revenues.	No
<i>Washington County</i>			
SB 596	Property Tax Exemption and Payment in Lieu of Taxes – The Hagerstown Multi-Use Sports and Events Facility, Inc. (Ch. 428)	Washington County property tax revenues decrease by \$287,800 annually, and Hagerstown property tax revenues decrease by \$359,200 annually (potentially partially offset by payment in lieu of taxes agreements).	Yes
HB 750	Washington County – Property Tax Credit – Economic Development Projects (Ch. 236)	Property tax revenues increase by approximately \$710,000 annually.	No
<i>Wicomico County</i>			
SB 798/HB 655	Wicomico County – Alcoholic Beverages – Temporary To-Go Event Permit and Class C Per Diem Municipal To-Go Beer, Wine, and Liquor License (Ch. 794)	Minimal license fee revenues.	No
HB 655/SB 798	See entry for SB 798.		No

Legislation Affecting Local Government Expenditures

<u>Bill #</u>	<u>Title</u>	<u>Comment</u>	<u>Mandate</u>
Legislation Affecting All/Multiple Local Jurisdictions			
SB 26/HB 176	Davis Martinez Public Employee Safety and Health Act (Ch. 608/Ch. 609)	Potential compliance and civil penalty costs.	No
SB 60/HB 666	Maryland Medical Assistance Program and Health Insurance – Required Coverage for Calcium Score Testing (Ch. 685/Ch. 684)	Potential health insurance costs.	No
SB 80	Criminal Law – Animal Abuse or Neglect – Penalties (Ch. 183)	Potential incarceration costs and administrative costs.	No
SB 102/HB 100	Insurance Pooling – Public Entity – Definition (Ch. 350/Ch. 351)	Potential decrease in insurance premium costs.	No
SB 117/HB 131	Environment – Bay Restoration Fund – Septic System Upgrade Program (Ch. 460/Ch. 461)	Potential reallocation of grant expenditures	No
SB 203/HB 225	Vehicle Laws – Exceptional Hauling Permits for Farm Products (Ch. 52/Ch. 51)	Potential increase and/or decrease in highway preservation and maintenance costs.	No
SB 208/HB 214	Human Services – Maryland Assistive Technology Program – Establishment (Ch. 419/Ch. 420)	Minimal service costs.	No
SB 210/HB 288	Maryland Transportation Authority – Tolls, Fees, and Other Charges – Temporary Adjustments (Ch. 56/Ch. 55)	Potential toll expenditures.	No
SB 212/HB 36	Department of Aging – Aging Services – Program Repeal and Consolidation (Ch. 34/Ch. 33)	Potential expenditures to provide services beginning in FY 2027.	No
SB 223/HB 158	Department of Aging – Senior Call-Check and Social Connections Program (Ch. 36/Ch. 35)	Potential expenditures to provide services.	No

Legislation Affecting Local Government Expenditures (Continued)

<u>Bill #</u>	<u>Title</u>	<u>Comment</u>	<u>Mandate</u>
SB 250	Department of the Environment – Fees, Penalties, Funding, and Regulation (Ch. 432)	Minimal fee expenditures.	Yes
SB 262/HB 75	Election Law – Special Elections (Ch. 125/Ch. 126)	Potential significant increase or decrease in special election costs.	No
SB 265/HB 25	Environment – Reservoir Augmentation Permit – Establishment (Ch. 442/Ch. 441)	Potential significant permit fees and water treatment costs.	No
SB 271	Maryland Tort Claims Act – Employees of an Office of a Sheriff (Ch. 133)	Minimal decrease in payments for tort claims.	No
SB 313/HB 426	Election Law – Postelection Tabulation Audits – Risk-Limiting Audits (Ch. 320/Ch. 321)	Potential election-related costs.	Yes
SB 337/HB 412	Elections – Local Boards of Elections – Open Meeting Requirements (Local Boards of Elections Transparency Act) (Ch. 304/Ch. 303)	Open meetings compliance costs.	Yes
SB 369/HB 593	Public Libraries – Automated External Defibrillator Program (Raymono A. Russell Act) (Ch. 613/Ch. 614)	Minimal automated external defibrillator costs for libraries.	Yes
SB 372/HB 869	Preserve Telehealth Access Act of 2025 (Ch. 481/Ch. 482)	Potential health insurance costs.	No
SB 374/HB 459	Counties – Cancer Screening for Professional Firefighters – Required Coverage (James “Jimmy” Malone Act) (Ch. 656/Ch. 655)	Potential health insurance costs.	Yes
SB 381/HB 516	Motor Vehicles – Automated Enforcement Programs – Privacy Protections (Ch. 463/Ch. 464)	Potential administrative costs.	No
SB 544/HB 559	Food Establishments – Portable Chemical Toilets (Ch. 761/Ch. 762)	Potential inspection costs beginning in FY 2026.	No

Legislation Affecting Local Government Expenditures (Continued)

<u>Bill #</u>	<u>Title</u>	<u>Comment</u>	<u>Mandate</u>
SB 599	Behavioral Health Crisis Response Grant Program – Funding (Ch. 666)	Potential program expenditures in FY 2027 through 2029.	No
SB 600	Baltimore City and Takoma Park – Stop Sign Monitoring Systems – Authorization of Pilot Program (Ch. 571)	Potential implementation and administration costs for Baltimore City, Prince George’s County, and Takoma Park.	No
SB 666	Maryland Community Action Agencies – Funding (Ch. 288)	Potential grant expenditures.	No
SB 685/HB 983	Election Law – Local Boards of Elections – Language Assistance Program (Ch. 277/Ch. 278)	Election-related costs.	Yes
SB 773	Health Benefit Plans – Calculation of Cost-Sharing Contribution – Requirements (Ch. 692)	Potential health insurance costs.	No
SB 830	Workers’ Compensation – Claims Application Form – Authorization for Release of Information (Ch. 308)	Minimal decrease in workers’ compensation costs.	No
SB 849/HB 757	Professional and Volunteer Firefighter Innovative Cancer Screening Technologies Program – Funding (Ch. 640/Ch. 639)	Potential program expenditures.	No
SB 856	Mold – Landlord Requirements and Regulations (Maryland Tenant Mold Protection Act) (Ch. 539)	Potential significant enforcement and mold assessment and remediation costs.	Yes
SB 862/HB 1072	State Retirement and Pension System – Administrative Fees – Repeal (Ch. 765/Ch. 764)	Expenditures decrease by \$21.8 million only in FY 2026.	No
SB 871	Department of the Environment – Community Water and Sewerage Systems – Cybersecurity Planning and Assessments (Ch. 495)	Potential significant cybersecurity costs.	Yes

Legislation Affecting Local Government Expenditures (Continued)

<u>Bill #</u>	<u>Title</u>	<u>Comment</u>	<u>Mandate</u>
SB 891/HB 1466	Land Use and Real Property – Accessory Dwelling Units – Requirements and Prohibitions (Ch. 196/Ch. 197)	Potential implementation costs.	Yes
SB 894	Office of Social Equity – Community Reinvestment and Repair Fund – Modifications (Ch. 195)	Potential significant administrative costs.	No
SB 901	Environment – Packaging and Paper Products – Producer Responsibility Plans (Ch. 431)	Potential impact on recycling streams likely beginning in FY 2029. Potential compliance costs likely beginning in FY 2029.	No
SB 923	Public Schools – High School Sports Officials – Payment and Fees (Ch. 342)	High school sports officiating contractual expenditures.	Yes
SB 930/HB 1296	Environment – Managed Aquifer Recharge Pilot Program – Establishment (Ch. 475/Ch. 474)	Potential significant water treatment costs.	No
SB 931/HB 1036	Public Utilities – Generating Stations – Generation and Siting (Renewable Energy Certainty Act) (Ch. 623/Ch. 624)	Potential significant administrative costs.	Yes
SB 937/HB 1035	Electricity and Gas – Emissions Reductions, Rate Regulation, Cost Recovery, Infrastructure, Planning, Renewable Energy Portfolio Standard, and Energy Assistance Programs (Next Generation Energy Act) (Ch. 625/Ch. 626)	Administrative expenditures for municipal electric utilities in at least FY 2026. Administrative expenditures for energy project siting beginning as early as FY 2026. Potential change in electricity expenditures beginning as early as FY 2026.	Yes
SB 962	Municipalities – Legislative Audit – Exemption (Ch. 727)	Minimal decrease in audit costs.	No
SB 1005/HB 43	Federally Qualified Health Centers Grant Program – Acquisition of Land (Ch. 641/Ch. 642)	Potential grant expenditures.	No

Legislation Affecting Local Government Expenditures (Continued)

<u>Bill #</u>	<u>Title</u>	<u>Comment</u>	<u>Mandate</u>
HB 18	Vehicle Laws – Noise Abatement Monitoring Systems Pilot Program – Inspection and Extension (Ch. 712)	Potential administrative costs for Montgomery and Prince George’s counties.	No
HB 25/SB 265	See entry for SB 265.		No
HB 36/SB 212	See entry for SB 212.		No
HB 43/SB 1005	See entry for SB 1005.		No
HB 49	Environment – Building Energy Performance Standards – Alterations and Analysis (Ch. 844)	Minimal fee expenditures for local covered building owners.	Yes
HB 59	Property Tax – Tax Sales – Revisions (Ch. 231)	Minimal programming and/or personnel costs.	No
HB 71	Education – Holocaust Education Assistance Grant Program – Established (Ch. 317)	Potential grant expenditures.	No
HB 75/SB 262	See entry for SB 262.		No
HB 100/SB 102	See entry for SB 102.		No
HB 102	Family and Medical Leave Insurance Program – Revisions (Ch. 363)	Payroll costs decrease in FY 2026 and 2027 due to delayed employer contributions.	No
HB 131/SB 117	See entry for SB 117.		No
HB 158/SB 223	See entry for SB 223.		No
HB 176/SB 26	See entry for SB 26.		No
HB 182	Motor Vehicles – Speed Monitoring Systems – Penalties (Ch. 505)	Potential significant administrative costs.	No
HB 214/SB 208	See entry for SB 208.		No

Legislation Affecting Local Government Expenditures (Continued)

<u>Bill #</u>	<u>Title</u>	<u>Comment</u>	<u>Mandate</u>
HB 225/SB 203	See entry for SB 203.		No
HB 288/SB 210	See entry for SB 210.		No
HB 322	Election Law – Municipal Elections – Administration (Ch. 124)	Potential election equipment lease costs beginning as early as FY 2025.	No
HB 352	Budget Reconciliation and Financing Act of 2025 (Ch. 604)	<p>The local share of nonpublic placement program costs for educating children with disabilities increases by \$25.0 million in FY 2026 and by \$52.9 million by FY 2030. Local government expenditures associated with warrants and absconding grants decrease by \$1.0 million in FY 2026. County expenditures associated with Community Reinvestment and Repair Fund distributions decrease by \$1.75 million annually beginning in FY 2025. County and Baltimore City expenditures increase by \$97.7 million annually beginning in FY 2026 due to increased local cost share of teacher and community college retirement system payments. Local expenditures increase by \$21.2 million in FY 2026 and by \$23.0 million in FY 2030 due to increased local cost share for property valuation. Local government expenditures increase beginning in FY 2026 due to local cost share for compensation awarded to individuals erroneously convicted, sentenced, and confined under State law. Local expenditures for the purchase of new tires increase minimally beginning in FY 2026 due to the new tire fee and increased tire recycling fee.</p> <p>Prince George’s County Board of Education expenditures increase, likely by at least \$200,000, to procure an independent certified public accounting firm to conduct a required audit. Montgomery County expenditures increase by an indeterminate but potentially significant amount beginning as early as FY 2026 to pay 50% of the costs to conduct nursing home surveys and complaint investigations.</p>	Yes
HB 412/SB 337	See entry for SB 337.		Yes
HB 426/SB 313	See entry for SB 313.		Yes
HB 459/SB 374	See entry for SB 374.		Yes

Legislation Affecting Local Government Expenditures (Continued)

<u>Bill #</u>	<u>Title</u>	<u>Comment</u>	<u>Mandate</u>
HB 504	Excellence in Maryland Public Schools Act (Ch. 237)	Funding expenditures on public schools decrease in some jurisdictions, beginning in FY 2027. Local school system expenditures increase substantially in FY 2026 and decrease substantially beginning in FY 2027.	No
HB 516/SB 381	See entry for SB 381.		No
HB 559/SB 544	See entry for SB 544.		No
HB 593/SB 369	See entry for SB 369.		Yes
HB 666/SB 60	See entry for SB 60.		No
HB 717	Natural Resources – Public Lands – Acquisition, Staffing, Operations, and Funding (Ch. 443)	Increased flexibility for use of Program Open Space funding.	No
HB 757/SB 849	See entry for SB 849.		No
HB 765	Hospitals – Medical Debt Collection – Sale of Patient Debt (Ch. 750)	Potential patient debt purchasing expenditures in FY 2026 through 2028.	No
HB 790	Property Tax – Payment Plans – Notice to Taxpayers (Ch. 108)	Potential notification costs beginning in FY 2027.	Yes
HB 799	Economic Development – Maryland Innovation Initiative Institution Partnership Extension Program – Establishment (Ch. 217)	Potential matching expenditures for community colleges beginning in FY 2027.	No
HB 860	Public Nuisance – Common Carriers – Damage to Public Infrastructure (Ch. 454)	Potential legal costs.	No
HB 869/SB 372	See entry for SB 372.		No
HB 953	Tax Sales – Homeowner Protection Program – Funding and Alterations (Ch. 647)	Collectively, county Homeowner Protection Program funding expenditures increase by \$500,000 annually.	Yes

Legislation Affecting Local Government Expenditures (Continued)

<u>Bill #</u>	<u>Title</u>	<u>Comment</u>	<u>Mandate</u>
HB 983/SB 685	See entry for SB 685.		Yes
HB 1010	African American Heritage Preservation Program and Grant Fund – Noncapital Grants and Donations (Ch. 622)	Potential grant expenditures.	No
HB 1035/SB 937	See entry for SB 937.		Yes
HB 1036/SB 931	See entry for SB 931.		Yes
HB 1072/SB 862	See entry for SB 862.		No
HB 1204	Public and Nonpublic Schools – Student Elopement – Notice and Reporting Requirements (Ace’s Law) (Ch. 339)	Minimal local school system staffing costs.	No
HB 1296/SB 930	See entry for SB 930.		No
HB 1378	Civil Actions – Child Sexual Abuse (Ch. 104)	Potential significant reduction in claims payments.	No
HB 1440	Courts – Parental Accommodations (Ch. 137)	Potential significant infrastructure expenditures.	Yes
HB 1466/SB 891	See entry for SB 891.		Yes

Legislation Affecting Local Government Expenditures (Continued)

<u>Bill #</u>	<u>Title</u>	<u>Comment</u>	<u>Mandate</u>
Legislation Affecting Local Governments by Subdivision			
<i>Anne Arundel County</i>			
SB 307/HB 402	Anne Arundel County Board of Education – Student Member Scholarship – Increase (Ch. 8/Ch. 7)	Student member compensation costs increase by \$7,000 annually.	No
SB 568/HB 409	Anne Arundel County – Board of License Commissioners – Part-Time Deputy Chief Inspector – Compensation (Ch. 817/Ch. 816)	Salary expenditures increase by \$9,000 annually.	No
HB 402/SB 307	See entry for SB 307.		No
HB 409/SB 568	See entry for SB 568.		No
HB 1467	Local Finance – Special Taxing Districts – Anne Arundel County Erosion Prevention Projects and Erosion Control Projects (Ch. 168)	Potential increase in program expenditures.	No
<i>Baltimore City</i>			
SB 4/HB 258	Economic Development – West North Avenue Development Authority – Alterations (Ch. 216/Ch. 215)	Potential additional expenditures to fund Baltimore City to West North Avenue Development Authority in FY 2027.	No
HB 258/SB 4	See entry for SB 4.		No
HB 913	Baltimore City – Speed Monitoring Systems – Interstate 83 (Ch. 567)	Potential administrative costs in FY 2026. Significant administrative costs beginning in FY 2027.	No
HB 1293	Baltimore City – Office of the Sheriff – Neighborhood Services Unit (Ch. 515)	Potential significant implementation costs.	Yes

Legislation Affecting Local Government Expenditures (Continued)

<u>Bill #</u>	<u>Title</u>	<u>Comment</u>	<u>Mandate</u>
<i>Calvert County</i>			
SB 767	Calvert County Sheriff – Deputy Sheriffs and Correctional Deputies – Collective Bargaining (Ch. 132)	Potential collective bargaining and personnel costs.	No
<i>Carroll County</i>			
HB 833	Carroll County – Public Facilities Bond (Ch. 423)	Debt service expenditures increase by up to \$2.6 million annually over a 20-year period.	No
<i>Frederick County</i>			
HB 492	Frederick County – County Employees and Volunteers – Criminal History Records Check (Ch. 149)	Potential minimal background check costs.	No
<i>Howard County</i>			
SB 813	Howard Community College – Board of Trustees, Meetings, and Contracts – Alterations Ho. Co. 1-25 (Ch. 585)	Potential survey and meeting recording costs.	Yes
<i>Montgomery County</i>			
SB 202/HB 259	Public Safety – Statewide DNA Database System, DNA Collection, and Penalties – Alterations (Ch. 92/Ch. 91)	DNA testing personnel costs increase by \$200,000 annually.	No
HB 259/SB 202	See entry for SB 202.		No
HB 1173	Montgomery County – Speed Monitoring Systems – High-Risk Highways MC 17-25 (Ch. 590)	Potential significant administrative costs.	No

Legislation Affecting Local Government Expenditures (Continued)

<u>Bill #</u>	<u>Title</u>	<u>Comment</u>	<u>Mandate</u>
HB 1227	Montgomery County – School Bus Stops on Highways – Alterations MC 8-25 (Ch. 589)	Potential decrease in personnel and implementation costs.	No
<i>Prince George’s County</i>			
SB 525	Prince George’s County – Illegal Dumping and Litter Control Law – Video Evidence and Reward Programs (Ch. 181)	Potential program start-up costs.	No
HB 360	Prince George’s County – Community Associations – Registration Fees for Administrative Hearing Process PG 408-25 (Ch. 597)	Potential significant administrative costs.	No
HB 1065	Prince George’s County – Board of Appeals – Membership MC/PG 106-25 (Ch. 592)	Potential personnel costs.	No
HB 1470	Prince George’s County – Chesapeake and Atlantic Coastal Bays Critical Area Protection Program – Cutting or Clearing Trees MC/PG 113-25 (Ch. 595)	Expenditures increase by approximately \$40,000 in FY 2026 only.	Yes
<i>Queen Anne’s County</i>			
HB 1236	Queen Anne’s County – Municipalities – Speed Limits (Ch. 557)	Minimal decrease in transportation planning costs.	No
<i>St. Mary’s County</i>			
SB 623	St. Mary’s County – Public Facilities Bond (Ch. 408)	Debt service expenditures increase by up to \$5.0 million annually over a 20-year period.	No

Legislation Affecting Local Government Expenditures (Continued)

<u>Bill #</u>	<u>Title</u>	<u>Comment</u>	<u>Mandate</u>
<i>Somerset County</i>			
SB 717/HB 844	Somerset County – Salaries of Local Officials – Increase (Ch. 399/Ch. 400)	Salary expenditures increase by at least \$23,300 in FY 2027 and by a minimum of \$40,000 annually thereafter.	No
HB 844/SB 717	See entry for SB 717.		No

Chapter 5. Vetoed Legislation

- Vetoed Legislation

Vetoed Legislation

The following are 2025 bills that were vetoed by the Governor for policy reasons. The fiscal impact of the legislation is summarized below.

SB 116/HB 270 Data Center Impact Analysis and Report

State expenditures for the Maryland Department of the Environment, Maryland Energy Administration (MEA), and University System of Maryland (USM) would have collectively increased by up to \$502,000 in FY 2026 only (\$250,000 general funds/\$200,000 special funds/\$52,000 higher education funds). State revenues and local revenues and expenditures would not have been affected.

SB 149/HB 128 Climate Change Adaptation and Mitigation – Total Assessed Cost of Greenhouse Gas Emissions – Study and Reports

State expenditures would have increased by \$600,000 in FY 2026 only (\$500,000 special funds/\$100,000 general funds). The FY 2026 budget as passed by the General Assembly included \$500,000 in funding from the Strategic Energy Investment Fund for the study required by the bills; these funds were contingent on the enactment of one of the bills. (The related funding was also explicitly vetoed by the Governor via a line-item veto to Chapter 602 (the FY 2026 Budget Bill).) State revenues and local finances would not have been affected.

SB 157/HB 384 Maryland Disability Service Animal Program – Established

General fund expenditures would have increased by as much as \$170,000 beginning in FY 2027, reflecting a mandated appropriation of \$25,000 as well as additional capitalization of the fund to cover all anticipated program costs; special fund revenues and expenditures would have increased correspondingly. Special fund revenues may have increased by an additional amount beginning in FY 2027 (due to private donations, gifts, or grants). Local finances would not have been affected.

SB 168 Confined Aquatic Disposal Cells – Construction – Moratorium

The bill would not have materially affected State or local finances.

SB 177/HB 56 Procurement – State Department of Education – Local Food Purchasing Program

General fund expenditures would have increased by approximately \$67,200 beginning in FY 2026, increasing to \$89,100 by FY 2030. Related local school system expenditures would have increased by up to 5%. State and local revenues would not have been affected.

SB 219/HB 193 Uninsured Employers' Fund – Assessments and Special Monitor

Under one set of assumptions, special fund revenues for the Uninsured Employers' Fund (UEF) would have increased by approximately \$2.25 million annually from FY 2026 through 2030, with potential for continued annual increases in future fiscal years. State expenditures (all funds) would have likely increased by more than \$100,000 annually from FY 2026 through 2030. UEF expenditures would have increased by about \$100,000 in FY 2026 only. The FY 2026 budget as passed by the General Assembly included \$100,000 in UEF special funds for this purpose, contingent on passage of the bills. Expenditures from the Chesapeake Employers' Insurance Company (Chesapeake) would have increased by at least \$200,000 annually from FY 2026 through 2030 to pay additional assessments. Chesapeake revenues would have potentially increased beginning in FY 2026, to the extent premiums would have increased to account for additional costs. Local expenditures would have increased indeterminately from FY 2026 through 2030, though the impact on any individual local government would likely have been insignificant. Local revenues would not have been affected.

SB 227 Workers' Compensation – Payment from Uninsured Employers' Fund – Revisions

Any impacts on the Uninsured Employers' Fund were not anticipated to be significant. Local revenues and expenditures would not have been affected.

SB 455 Security Guard Agencies – Special Police Officers – Application for Appointment

Under one set of assumptions, general fund expenditures would have increased by approximately \$401,400 in FY 2026, with lesser increases in the out-years due to ongoing costs. Net general fund revenues would have increased by about \$931,300 in FY 2026 and \$739,800 by FY 2030. Local expenditures and revenues would likely not have been significantly affected.

SB 503/HB 481 Washington County – Board of License Commissioners – Membership

The bills would not have materially affected State or local finances.

SB 587 State Government – Maryland Reparations Commission

General fund expenditures would have increased by \$54,500 in FY 2026 and by approximately \$60,000 annually in FY 2027 and 2028. State revenues and local finances would not have been affected.

SB 655 Courts – Artificial Intelligence Evidence Clinic Pilot Program – Establishment

General fund expenditures would have increased by \$250,000 in FY 2027 and 2028 and may have increased further in the out-years. Higher education revenues and expenditures would have increased correspondingly. Local operations and finances would not have been materially affected.

SB 691/HB 333 Healthcare Ecosystem Stakeholder Cybersecurity Workgroup

The workgroup established by the bill could have been implemented with existing budgeted resources. State revenues and local finances would not have been affected.

SB 909/HB 1037 Energy Resource Adequacy and Planning Act

Special fund expenditures for the Strategic Energy Planning Office (SEPO) would have increased by \$4.4 million to \$5.3 million annually beginning in FY 2026, and special fund expenditures for the Public Service Commission (PSC) would have increased by \$700,000 annually beginning in FY 2027. Special fund expenditures for the Office of People’s Council (OPC) may have also increased beginning in FY 2026. Special fund revenues for SEPO, PSC, and OPC would have increased correspondingly from assessments imposed on public service companies. Additionally, special fund expenditures for the Maryland Energy Administration would have increased by \$150,000 annually in FY 2026 and 2027, and special fund expenditures from the Transportation Trust Fund would have increased by \$100,000 in FY 2026 and by \$50,000 in FY 2027. Local government finances and operations would not have been materially affected.

SB 972 Anne Arundel County – Board of License Commissioners – Alterations

The bill would not have materially affected State finances or operations. Anne Arundel County expenditures would have increased by \$35,000 in

FY 2026 and by \$30,000 annually thereafter. Anne Arundel County revenues would not have been affected.

SB 980

Natural Resources – Maryland Heritage Areas Authority – Funding and Grants

The bill would have had no net effect on overall State finances but could have resulted in the hiring of additional personnel (covered by existing, transferred funds). Local revenues and expenditures may have increased indeterminately due to grant funding.

HB 328

State Lottery – Instant Ticket Lottery Machines – Veterans’ and Fraternal Organizations

Under one set of assumptions, general fund revenues would have decreased by at least \$3.5 million annually beginning in FY 2026. Special fund revenues would have increased by at least \$4.6 million annually beginning in FY 2026, of which \$2.4 million would have been for the Education Trust Fund (ETF). Special fund expenditures would have increased by approximately \$900,000 in FY 2026, \$8.2 million in FY 2027 and at least \$5.9 million annually thereafter. General fund expenditures for education would have decreased correspondingly with the increase in ETF expenditures beginning in FY 2026. The bill would have had minimal impact on local expenditures and revenues.

HB 482

Occupational Licensing and Certification – Criminal History – Predetermination Review Process

Special fund expenditures for the Maryland Department of Labor and the Maryland Department of Agriculture would have increased by \$337,600 in FY 2026 and by approximately \$226,000 annually in FY 2027 and 2028. Special fund revenues would have been minimally affected through FY 2028. The bill would not have impacted local expenditures or revenues.

HB 628

Highways – Sidewalks and Bicycle Pathways – Construction and Reconstruction

The bill would not have affected State finances; however, funding for Transportation Trust Fund projects may have been prioritized differently beginning in FY 2026. Local expenditures and revenues would have been affected in certain cases, as some local governments may have received less funding, while others would have received more due to project reprioritization.

HB 1116 Public Safety – State Clearinghouse for Missing Persons

The Department of State Police and local law enforcement agencies could have implemented the bill using existing budgeted resources. The bill would not have materially affected State or local revenues.

HB 1316 Primary and Secondary Education – Youth-Centric Technology and Social Media Resource Guide

Under one set of assumptions, general fund expenditures for the University System of Maryland (USM) would have increased by \$175,000 in FY 2026 and 2027. USM higher education revenues and expenditures would have increased correspondingly. Beginning in FY 2028, general fund expenditures (and corresponding higher education revenues and expenditures) may have increased indeterminately to support periodic updates to the resource guide, contingent on available funding and USM's continued role. Local revenues and expenditures would not have been affected.

