

Department of Legislative Services
Maryland General Assembly
2025 Session

FISCAL AND POLICY NOTE
Third Reader

Senate Bill 587

(Senator Muse, *et al.*)

Education, Energy, and the Environment

Health and Government Operations

State Government - Maryland Reparations Commission

This bill establishes the Maryland Reparations Commission, staffed by the Maryland State Archives (MSA) and the public historically Black college or university represented as a member of the commission. The commission must (1) study and make recommendations relating to appropriate benefits to be offered to individuals impacted by historical inequality; (2) by January 1, 2027, submit a preliminary report of its findings and recommendations; and (3) by November 1, 2027, submit a final report of its findings and recommendations to the Governor and the General Assembly. Commission members may not receive compensation but are entitled to reimbursement for expenses, as specified. **The bill takes effect July 1, 2025, and terminates June 30, 2028.**

Fiscal Summary

State Effect: General fund expenditures increase by \$54,500 in FY 2026 for contractual staff; future years reflect annualization, ongoing costs, and the termination of the contractual position at the end of FY 2028. Expense reimbursements for commission members are assumed to be minimal and absorbable within existing budgeted resources. No effect on revenues.

(in dollars)	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
Revenues	\$0	\$0	\$0	\$0	\$0
GF Expenditure	54,500	60,400	63,100	0	0
Net Effect	(\$54,500)	(\$60,400)	(\$63,100)	\$0	\$0

Note: () = decrease; GF = general funds; FF = federal funds; SF = special funds; - = indeterminate increase; (-) = indeterminate decrease

Local Effect: The bill is not anticipated to materially affect local government operations or finances.

Small Business Effect: None.

Analysis

Bill Summary: In conducting the study, the commission must examine (1) reparations payments made and benefits offered in the United States by the federal government, states, cities, religious institutions, and colleges and universities; (2) types of benefits appropriate for reparations, as specified; (3) the history of slavery in Maryland and the number of individuals whose ancestors were enslaved in the State; (4) inequitable government policies, the size of the impacted populations, and how public and private institutions benefited from these policies; and (5) any other topic deemed appropriate by the commission.

Recommendations made by the commission must include (1) common procedures for evaluating evidence of the lineage of potential recipients; (2) information necessary to be included in any application to verify lineage and receive reparations; (3) eligibility requirements for applicants, if any, including appropriate methods of determining eligibility; (4) a process for approving applications for benefits; (5) an estimate of the costs associated with awarding any type of reparations *recommended* by the commission; and (6) if monetary compensation is a type of reparation recommended by the commission, the amount of monetary compensation recommended, potential sources of funding, the feasibility of creating and administering a reparations fund, and appropriate methods of distributing the recommended compensation, as specified.

The commission may seek the assistance of State agencies in conducting the study or making recommendations. To the extent authorized by law, State agencies must assist the commission in a request.

Current Law: There is no relevant State law. In the November 2021 election, voters in Greenbelt passed a referendum directing the city council to establish a 21-person commission to review, discuss, and make recommendations related to local reparations for African American and Native American residents of Greenbelt. On December 14, 2021, the City of College Park established the Restorative Justice Commission with the mission to, among other things, explain the Lakeland community's history within the context of urban renewal.

State Expenditures: MSA advises it is unable to absorb additional duties and has determined that one temporary contractual staff member is needed to staff the commission. Given the intricacy of the commission's duties, the Department of Legislative Services concurs.

Thus, MSA general fund expenditures increase by \$54,522 in fiscal 2026, which accounts for a 90-day start-up delay from the bill's July 1, 2025 effective date. This estimate reflects the cost of hiring one contractual archivist to staff the commission and produce the

mandatory reports. It includes a salary, fringe benefits, one-time start-up costs, and ongoing operating expenses.

Position	1.0
Salary and Fringe Benefits	\$47,153
Operating Expenses	<u>7,369</u>
Total FY 2026 State Expenditures	\$54,522

This estimate does not include any health insurance costs that could be incurred for specified contractual employees under the State's implementation of the federal Patient Protection and Affordable Care Act.

Future year expenditures reflect a full salary with annual increases and employee turnover as well as annual increases in ongoing operating expenses. This estimate also assumes that the contractual position terminates June 30, 2028, concurrent with the termination of the commission.

It is assumed that the public historically Black college or university represented on the commission can provide staff with existing resources. It is also assumed that State agencies assisting with the commission can do so with existing resources.

Additional Information

Recent Prior Introductions: Similar legislation has not been introduced within the last three years.

Designated Cross File: HB 1422 (Delegate McCaskill, *et al.*) - Health and Government Operations.

Information Source(s): Comptroller's Office; Maryland State Treasurer's Office; Maryland Higher Education Commission; University System of Maryland; Morgan State University; Maryland Independent College and University Association; Department of Budget and Management; Maryland State Archives; Department of Legislative Services

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