

Department of Legislative Services
Maryland General Assembly
2026 Session

FISCAL AND POLICY NOTE
First Reader

Senate Bill 379
(Senator Guzzone)
Budget and Taxation

Recovery Residence Grant Program - Funding

This bill extends, through fiscal 2030, the requirement to include a \$500,000 appropriation for the Recovery Residence Grant Program in the annual budget bill. **The bill takes effect July 1, 2026.**

Fiscal Summary

State Effect: General fund expenditures increase by \$500,000 annually from FY 2028 through 2030. Revenues are not affected. **This bill extends a mandated appropriation beginning in FY 2028.**

(in dollars)	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
Revenues	\$0	\$0	\$0	\$0	\$0
GF Expenditure	0	500,000	500,000	500,000	0
Net Effect	\$0	(\$500,000)	(\$500,000)	(\$500,000)	\$0

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

Local Effect: None.

Small Business Effect: None.

Analysis

Current Law: A recovery residence is a service that provides alcohol- and drug-free housing to individuals with substance-related disorders or addictive disorders (including those that co-occur with mental disorders) and does not include clinical treatment services.

The Maryland Department of Health (MDH) designated the Behavioral Health Administration (BHA) as the approved credentialing entity for recovery residences, pursuant to Chapters 710 and 711 of 2016. The Maryland Certification of Recovery Residences oversees the application, certification, recertification, monitoring, and inspection of recovery residences to improve the quality of services. Maryland RecoveryNet partners with service providers across the State to fund access to recovery support services for individuals seeking treatment for substance use and co-occurring disorders.

Chapter 276 of 2023 established the Recovery Residence Grant Program in MDH to award competitive grants to recovery residences to support operations, services, and programs. From fiscal 2024 through 2027, the annual budget bill must include an appropriation of \$500,000 for the program. Annually by December 1, MDH must submit a report to the Governor and the General Assembly that includes (1) the number of grants distributed and (2) information about the grant recipients and programs and services provided.

MDH must establish for the grant program, in consultation with BHA, (1) application procedures; (2) criteria for prioritizing applications; (3) procedures for awarding grants; and (4) any other necessary procedures or criteria. To qualify for a grant, a recovery residence must, among other things, (1) be a nonprofit organization; (2) submit a current copy of its form 990; (3) be certified by the credentialing entity as a level I, II, or III recovery residence in accordance with the National Alliance for Recovery Residences standards; (4) not accept or receive reimbursement from Medicaid or private insurance; and (5) meet any other requirements established by MDH in regulation.

State Expenditures: General fund expenditures increase by \$500,000 annually from fiscal 2028 through 2030, due to the bill's extension of the mandated appropriation to the Recovery Residence Grant Program. This estimate assumes discretionary funding is not otherwise provided to the grant program in those years.

The fiscal 2027 budget as introduced includes \$500,000 for the grant program.

Additional Comments: According to MDH's fiscal 2025 [report](#) on the Recovery Residence Grant Program, there are 259 recovery residences and 2,468 certified beds. In fiscal 2025, the program awarded \$410,582 in grants to residences in Cecil, Garrett, Harford, and Howard counties to support such services as recovery housing, peer support, and transportation.

Additional Information

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

Designated Cross File: None.

Information Source(s): Department of Budget and Management; Maryland Department of Health; Department of Legislative Services

Fiscal Note History: First Reader - February 2, 2026

jg/jc

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