
Senate Budget and Taxation Committee

BRFA Additional Pages

March 2026

R62I0005

Aid to Community Colleges

Amount
Change

Position
Change

Agency Response
Hearing Notes

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Additional First House Action

4. Add the following language:

Adopt

, provided that the appropriation for the Senator John A. Cade Funding Formula shall be allocated to the institutions in the following amounts:

- (1) Allegany College 9,397,435
- (2) Anne Arundel Community College 44,660,516
- (3) Community College of Baltimore County 70,896,218
- (4) Carroll Community College 13,212,963
- (5) Cecil College 7,991,668
- (6) College of Southern Maryland 20,371,285
- (7) Chesapeake College 10,538,004
- (8) Frederick Community College 23,303,494
- (9) Garrett College 4,250,368
- (10) Hagerstown Community College 17,857,106
- (11) Harford Community College 19,212,843
- (12) Howard Community College 34,939,725
- (13) Montgomery Community College 74,640,855

R62I0005

Aid to Community Colleges

	<u>Amount</u> <u>Change</u>	<u>Position</u> <u>Change</u>	<u>Agency Response</u> <u>Hearing Notes</u>	<u>Senate</u> <u>Decisions</u>	<u>House</u> <u>Decisions</u>
(14)	<u>Prince George's Community College</u>	51,165,697			
(15)	<u>Wor-Wic Community College</u>	12,743,753			

Explanation:

This language specifies the allocation of Cade funds among the Maryland Association of Community Colleges institutions based on the level resulting from the provision in the Budget Reconciliation and Financing Act of 2026, which caps the increase in funding year-over-year for each institution at 3%.

R62I0001

Maryland Higher Education Commission

	<u>Amount Change</u>	<u>Position Change</u>	<u>Agency Response Hearing Notes</u>	<u>Senate Decisions</u>	<u>House Decisions</u>
Additional First House Action					
5. Reduce the appropriation for the Joseph A. Sellinger formula to fund the formula at the fiscal 2026 level. The Budget Reconciliation and Financing Act of 2026 includes a provision that specifies funding per institution at the fiscal 2026 level. This action takes the reduction directly rather than contingently.				Adopt.	
	-\$4,467,023	GF			

7. Strike the following language:
- ~~, provided that this appropriation shall be reduced by \$4,467,023 contingent upon the enactment of legislation to fund the Joseph A. Sellinger program at the fiscal 2026 level.~~

Explanation: This action strikes contingent language that is not necessary for the General Assembly to reduce the appropriation directly.

R62I0010

MHEC – Student Financial Assistance

	<u>Amount Change</u>	<u>Position Change</u>	<u>Agency Response Hearing Notes</u>	<u>Senate Decisions</u>	<u>House Decisions</u>
Additional First House Action					
4.	Reduce funds for the Community College Promise Scholarship from \$13.5 million to \$12.5 million.			Adopt	

Additional First House Action

7.	Strike the following language:			Adopt	
	provided that this appropriation shall be reduced by \$1,000,000 contingent upon the enactment of legislation to reduce the program funding mandate				

Explanation: This action strikes contingent language that is not necessary for the General Assembly to reduce the appropriation directly.

R62I0010

MHEC – Student Financial Assistance

	<u>Amount Change</u>	<u>Position Change</u>	<u>Agency Response Hearing Notes</u>	<u>Senate Decisions</u>	<u>House Decisions</u>
Additional First House Action					
5.				Adopt	
	Delete funds for the Maryland Loan Assistance Repayment Program for Police Officers and Probation Agents, reflecting a provision in the Budget Reconciliation and Financing Act of 2026 that reduces the mandate from \$2.0 million to \$500,000.				
	-\$1,500,000	GF			

Additional First House Action

8.	Strike the following language:			Adopt	
	, provided that this appropriation shall be reduced by \$1,500,000 contingent upon the enactment of legislation to reduce the program funding mandate				

Explanation: This action strikes contingent language that is not necessary for the General Assembly to reduce the appropriation directly.

D40W01

Department of Planning

**Amount
Change**

**Position
Change**

**Agency Response
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Additional First House Action

4. Strike the following language:

Adopt

~~, provided that this appropriation shall be reduced by \$1,500,000 contingent upon the enactment of legislation reducing the mandate for the Small Commercial Historic Revitalization Tax Credit~~

Explanation:

This action strikes contingent language that is not necessary for the General Assembly to reduce funds directly.

Additional First House Action

5. Reduce funding for the Maryland Historic Revitalization Tax Credit program's small commercial tax credits.

Adopt

-\$1,500,000 GF

Y01A

State Reserve Fund

	<u>Amount Change</u>	<u>Position Change</u>	<u>Agency Response Hearing Notes</u>	<u>Senate Decisions</u>	<u>House Decisions</u>
1.			Concur	Adopt	
	Reduce the appropriation to the Revenue Stabilization Account (Rainy Day Fund). Adequate funding exists to meet Spending Affordability Committee goals without the statutory appropriation to the Rainy Day Fund in fiscal 2027.				
	-\$449,787,611 GF				
5.			Concur	Adopt	
	Strike the following language: , provided that \$449,787,611 of this appropriation shall be reduced contingent upon enactment of legislation eliminating the required Revenue Stabilization Account appropriation for fiscal 2027.				

Explanation: This action strikes contingent language that is not needed for the General Assembly to reduce the appropriation directly.

M00Q

MDH – Medical Care Programs Administration

	<u>Amount Change</u>	<u>Position Change</u>	<u>Agency Response Hearing Notes</u>	<u>Senate Decisions</u>	<u>House Decisions</u>
7. Amend the following language:			Concur	Modify, see below	
<p>Further provided that this appropriation shall be reduced by \$1,000,000 contingent upon the enactment of legislation reducing the Cigarette Restitution Fund funding mandate for the Maryland Community Health Resources Commission Fund and using the Cigarette Restitution Fund balance to offset Medicaid general fund expenditures, and allowing the Commission to use its special fund balance to support operations.</p>					
Explanation:	This action makes a technical correction to contingent language on a general fund reduction to more closely align with the applicable provision in the Budget Reconciliation and Financing Act.				

First House Modification

Add the following language:			Concur	Adopt	
<p>Further provided that this appropriation shall be reduced by \$1,000,000 <u>2,000,000</u> contingent upon the enactment of legislation reducing the Cigarette Restitution Fund funding mandate for the Maryland Community Health Resources Commission Fund and using the Cigarette Restitution Fund balance to offset Medicaid general fund expenditures, and allowing the Commission to use its special fund balance to support operations.</p>					
Explanation:	This action increases the contingent general fund reduction under Medicaid to \$2.0 million due to additional fund balance availability within the Maryland Community Health Resources				

M00Q

MDH – Medical Care Programs Administration

Amount
Change

Position
Change

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Commission Fund. This action also makes a technical correction to contingent language on a general fund reduction to more closely align with the applicable provision in the Budget Reconciliation and Financing Act.

Department of Service and Civic Innovation

	<u>Amount Change</u>	<u>Position Change</u>	<u>Agency Response Hearing Notes</u>	<u>Senate Decisions</u>	<u>House Decisions</u>
1. Reduce funding for grants supporting Maryland Corps due to the fiscal condition of the State, the failure of the Department of Service and Civic Innovation to meet statutory participation targets, and the lack of a program evaluation.			Disagree	Reject	
	-\$8,544,218	GF			
	-\$4,371,639	SF			
2. Delete 10 new positions and associated funding, representing level participation in the Maryland Corps programs from Class 3 to Class 4. This action maintains current coach-to-participant levels for Maryland Corps by reducing new coach positions. This action also requires the department to use existing vacancies to increase administrative staff.			-10.00 Disagree	Reject	
	-\$1,034,097	GF			

R00A02

MSDE Aid to Education

	<u>Amount</u> <u>Change</u>	<u>Position</u> <u>Change</u>	<u>Agency Response</u> <u>Hearing Notes</u>	<u>Senate</u> <u>Decisions</u>	<u>House</u> <u>Decisions</u>
6.	Amend the following language:		Disagree	Reject	
	, provided that this appropriation shall be reduced by \$36,216,177 <u>\$72,432,355</u> contingent upon the enactment of legislation reducing the State share of K-12 teacher retirement costs.				

Explanation:

This action increases the general fund reduction for K-12 Teacher Retirement contingent on the enactment of legislation that reduces the State share of annual employer pension contributions for members of the Teachers' Retirement System/Teachers' Pension System employed by local education agencies.

R11A

Maryland State Library Agency

	<u>Amount Change</u>	<u>Position Change</u>	<u>Agency Response Hearing Notes</u>	<u>Senate Decisions</u>	<u>House Decisions</u>
1. Amend the following language:			Disagree	Reject	
, provided that this appropriation shall be reduced by \$722,970 <u>\$1,408,939</u> contingent upon the enactment of legislation to require local governments to share increased retirement costs.					

Explanation:

This action increases the amount of the reduction in general funds for Retirement for Libraries, R11A11.04, that is contingent on the enactment of legislation that reduces the State share of annual employer pension contributions for members of the Teachers' Retirement System/Teachers' Pension System employed by local libraries.

R62I0005

Aid to Community Colleges

	<u>Amount Change</u>	<u>Position Change</u>	<u>Agency Response Hearing Notes</u>	<u>Senate Decisions</u>	<u>House Decisions</u>
1. Amend the following language:			No response	Reject	
, provided that this appropriation shall be reduced by \$2,344,824 <u>\$4,689,648</u> contingent upon the enactment of legislation that reduces the State share of community college retirement costs					

Explanation:

This action increases the amount of the reduction in general funds for Aid to Community Colleges – Fringe Benefits, R62I00.06, that is contingent on the enactment of legislation that reduces the State share of annual employer pension contributions for member of the Teachers' Retirement System/Teachers' Pension System employed by local libraries. A similar action is included in the R00A02.03 Aid for Local Employee Fringe Benefits and R11A11.04 Retirement for Libraries.

K00A05

Department of Natural Resources PAYGO

Amount
Change

Position
Change

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Additional First House Action

2. Amend the following language:

Adopt

~~Further provided that this appropriation shall be reduced by \$71,932,000 contingent upon the enactment of legislation allowing the transfer tax appropriation to Program Open Space, Rural Legacy, and the Natural Resources Development Fund to be swapped with General Obligation Bonds fiscal 2027 only.~~

Further provided that \$7,953,000 of this appropriation made for the purpose of funding Natural Resources Development Fund projects may be used only to fund State Water and Sewer Infrastructure Improvement Fund projects administered by the Maryland Environmental Service. Funds not expended for this restricted purpose may not be transferred by budget amendment or otherwise to any other purpose and shall be canceled.

Explanation:

The fiscal 2027 spending plan as introduced included a Budget Reconciliation and Financing Act of 2026 provision that redirected funding for three programs supported by the transfer tax – Program Open Space, Rural Legacy, and the Natural Resources Development Fund – to the General Fund and required the redirected funding to be replaced with general obligation bonds. Of this amount, \$7,953,000 was attributable to State Water and Sewer Infrastructure Improvement Fund projects administered by the Maryland

K00A05

Department of Natural Resources PAYGO

<u>Amount Change</u>	<u>Position Change</u>	<u>Agency Response Hearing Notes</u>	<u>Senate Decisions</u>	<u>House Decisions</u>
<p>Environmental Service and \$804,000 to the Cedarville State Forest - New Manning Freshwater Mussel Hatchery project under the Natural Resources Development Fund. The Budget Reconciliation and Financing Act provision was not adopted and thus this action strikes the contingent reduction and restricts \$7,953,000 intended to be used for State Water and Sewer Infrastructure Projects to that purpose.</p>				

F50

Department of Information Technology

<u>Amount Change</u>	<u>Position Change</u>	<u>Agency Response Hearing Notes</u>	<u>Senate Decisions</u>	<u>House Decisions</u>
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Additional First House Action

9. Reduce general funds for the Information Technology Investment Fund. An equivalent amount of special fund appropriation is added to the fiscal 2026 working appropriation in a separate action. The Secretary of the Department of Information Technology is authorized to allocate this reduction among projects.

Adopt

-\$59,314,476 GF

SECTION 37. AND BE IT FURTHER ENACTED, That funds are added, and shall be available immediately upon the enactment of this budget, to the fiscal 2026 working appropriation in the following manner:

- (1) \$59,314,476 in special funds from the Fiscal Responsibility Fund is added to the fiscal 2026 working appropriation for program F50A01.01 Information Technology Investment Fund (ITIF) within the Department of Information Technology (DoIT) for the purpose of funding of Major Information Technology Development Projects. The Secretary of DoIT may allocate the funds among projects. Unexpended funds shall be retained within ITIF for use for projects in fiscal 2027;

R00A02

MSDE Aid to Education

	<u>Amount Change</u>	<u>Position Change</u>	<u>Agency Response Hearing Notes</u>	<u>Senate Decisions</u>	<u>House Decisions</u>
9.	Add the following language: <u>. provided that this appropriation made for the purpose of the special education funding formula shall be reduced by \$58,460,253 contingent on the enactment of legislation to reduce the per pupil rate for the special education funding formula.</u>		Disagree - "MSDE Reject appreciates the Analyst's recommendation, and respectfully suggests this issue be addressed after the completion of the mandated Special Education Study in December 2026."		

Explanation:

The mandated growth in per pupil special education funding was based on an assumption that early interventions would reduce the overall number of students enrolled in special education later on. The growing per-pupil funding levels would reflect a shrinking, but higher-need population of students. This assumption has not come to fruition, yet the mandated growth in per pupil funding has not been adjusted. This action reduces funding for special education funding formula contingent on the enactment of legislation that reduces the per-pupil funding in the special ed.

R00A99

MSDE Early Childhood Development

	<u>Amount Change</u>	<u>Position Change</u>	<u>Agency Response Hearing Notes</u>	<u>Senate Decisions</u>	<u>House Decisions</u>
1. Add the following language:			Disagree	Modify, see below	

, provided that this appropriation made for the purpose of the prekindergarten funding formula shall be reduced by \$52,574,885 contingent on the enactment of legislation to limit the expansion of Tier II full-day prekindergarten eligibility and adjust per pupil funding growth.

Explanation: The expansion of full-day prekindergarten is a key initiative aimed at increasing access to early childhood education. To ensure a more sustainable funding trajectory while maintaining the core objectives of the program, this recommended action modifies the rate of expansion by capping Tier II eligibility at 360% FPG rather than expanding to 600% of the federal poverty level starting in fiscal 2027 as required under current law and reduces the per pupil funding increase for fiscal 2027, setting it at \$17,211 instead of \$19,950, before aligning with inflationary increases in subsequent years.

First House Modification

Adopt

Add the following language:

, provided that this appropriation made for the purpose of the prekindergarten funding formula shall be reduced by \$3,602,296 contingent on the enactment of legislation to limit the expansion of Tier II full-day prekindergarten eligibility.

Explanation: The expansion of full-day prekindergarten is a key initiative aimed at increasing access to early childhood education. To ensure a more

R00A99

MSDE Early Childhood Development

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sustainable funding trajectory while maintaining the core objectives of the program, this language reduces funding for the full-day prekindergarten formula contingent on the enactment of legislation that limits the expansion of Tier II eligibility. The Budget Reconciliation and Financing Act of 2026 includes a provision that caps Tier II eligibility at 450% of the federal poverty level (FPL) rather than expanding to 600% FPL starting in fiscal 2027 as required under current law.

T00

Department of Commerce

	<u>Amount Change</u>	<u>Position Change</u>	<u>Agency Response Hearing Notes</u>	<u>Senate Decisions</u>	<u>House Decisions</u>
9. Add the following language: <u>, provided that this appropriation shall be reduced by \$17,000,000 contingent upon the enactment of legislation limiting to no more than \$15,000,000 the aggregate amount of final tax credit certificates the Department of Commerce may issue each year under the More Jobs for Marylanders program.</u>			Disagree - Establishing a \$15 million annual cap on final tax credits awarded would result in a significant retraction of previously committed incentive funding offered to companies that choose to locate and expand here in Maryland.	Reject	

T00

Department of Commerce

	<u>Amount Change</u>	<u>Position Change</u>	<u>Agency Response Hearing Notes</u>	<u>Senate Decisions</u>	<u>House Decisions</u>
8. Add the following language: <u>. provided that this appropriation shall be reduced by \$1,000,000 contingent upon the enactment of legislation eliminating the annual distribution to the Maryland State Arts Council from the revenue from the State admissions and amusement tax on electronic bingo and electronic tip jars.</u>			Disagree - As resources have tightened, revenue from the Admissions and Amusement tax has bolstered MSAC's ability to provide stabilizing operating support to arts organizations. Removing A&A tax distribution at this stage would result in a potential decrease of at least 5% per grant through MSAC's Grants for Organizations program.	Reject	

Explanation:

A related Budget Reconciliation and Financing Act recommendation would eliminate an annual \$1 million distribution to the Maryland State Arts Council (MSAC) from the State admissions and amusement tax revenue and redirect that revenue to the General Fund. This language reduces the special fund appropriation for MSAC by \$1 million contingent upon the enactment of that provision.