
Senate Budget and Taxation Committee

Budget Reconciliation and Financing Act Additional Pages

March 13, 2026

R62I0005
Maryland Higher Education Commission

R62I00.05 The Senator John A. Cade Funding Formula

Strike the following language to the general fund appropriation:

~~, provided that this appropriation shall be reduced by \$20,990,480 contingent upon the enactment of legislation that alters the John A. Cade Funding Formula by implementing a 3% cap on the maximum percentage increase each institution can receive compared to the prior fiscal year~~

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

Add the following language to the general fund appropriation:

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

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

- (14) Prince George’s Community College 51,165,697
- (15) Wor-Wic Community College 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%

Amend appropriation for the purposes indicated:

	<u>Funds</u>	<u>Positions</u>
1. Reduce the general fund appropriation for the Senator John A. Cade Funding Formula. This action reflects a change in the funding formula included in a provision in the Budget Reconciliation and Financing Act of 2026.	-\$20,990,480	GF
Total Change	-\$20,990,480	0.00

<u>Effect</u>	<u>Allowance</u>	<u>Appropriation</u>	<u>Amount Change</u>	<u>Position Change</u>
General Funds	\$459,845,526	\$438,855,046	-\$20,990,480	
Total Funds	\$459,845,526	\$438,855,046	-\$20,990,480	

R62I0001
Maryland Higher Education Commission

R62I00.03 Joseph A. Sellinger Formula Aid to Non-public Institutions for Higher Education

Strike the following language in the general fund appropriation:

~~, 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.

Amend appropriation for the purposes indicated:

Funds

- | | |
|--|------------|
| 1. 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. | -4,467,023 |
|--|------------|

R62I0010
Student Financial Assistance
Maryland Higher Education Commission

R62I00.48 Maryland Community College Promise Scholarship Program

Strike the following language to the general fund appropriation:

~~, 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.

		<u>Funds</u>	
2.	Reduce funds for the Community College Promise Scholarship from \$13.5 million to \$12.5 million.	-1,000,000	GF

R62I0010
Student Financial Assistance
Maryland Higher Education Commission

R62I00.52 Maryland Loan Assistance Repayment Program for Police Officers

Strike the following language to the general fund appropriation:

~~, 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.

		<u>Funds</u>	
1.	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

R62I0010
Student Financial Assistance
Maryland Higher Education Commission

R62I00.53 Maryland Police Officers Scholarship Program

Strike the following language to the general fund appropriation:

~~, 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.

		<u>Funds</u>	
1.	Delete funds for the Maryland Police Officer and Probation Agents Scholarship program, 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

D40W01
Department of Planning

Budget Amendment

D40W01.12 Maryland Historic Revitalization Tax Credit

Amend appropriation for the purpose indicated:	<u>Funds</u>	<u>Positions</u>
1. Reduce funding for the Maryland Historic Revitalization Tax Credit program's small commercial tax credits.	-1,500,000 GF	
Total Change	-1,500,000	0.0

Budget Amendment

D40W01.12 Maryland Historic Revitalization Tax Credit

Strike the following language from the general fund appropriation:

~~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.

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. 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		Concur	
5. Add the following language:				Concur	
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.

DLS Recommendation

M00Q01 Medical Care Programs Administration Maryland Department of Health

Budget Amendment

M00Q01.03 Medical Care Provider Reimbursements

Amend the following language on the general fund appropriation:

Further provided that this appropriation shall be reduced by ~~\$1,000,000~~ 2,000,000 contingent upon the enactment of legislation eliminating 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.~~

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 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 of 2026.

I00

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.	-\$8,544,218	GF			
	-\$4,371,639	SF	Disagree		
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.	-\$1,034,097	GF			
			Disagree		

R00A02
MSDE Aid to Education

Amount
Change

Position
Change

Agency Response
Hearing Notes

Senate
Decision

House
Decision

1. Add the following language:

Disagree

, provided that this appropriation shall be reduced by ~~\$36,216,177~~\$72,432,355 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.

R11

Maryland State Library Agency

**Amount
Change**

**Position
Change**

**Agency Response
Hearing Notes**

**Senate
Decision**

**House
Decision**

1. Amend the following language:

Disagree

, provided that this appropriation shall be reduced by ~~\$722,970~~ \$1,408,939 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

**Amount
Change**

**Position
Change**

**Agency Response
Hearing Notes**

**Senate
Decision**

**House
Decision**

1. Add the following language:

No response

, provided that this appropriation shall be reduced by ~~\$2,344,824~~\$4,689,648 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.

K00A
Department of Natural Resources

Budget Amendments

LAND ACQUISITION AND PLANNING

K00A05.10 Outdoor Recreation Land Loan – Capital Appropriation

Amend the following language to the special fund appropriation:

~~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 (BRFA) 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 Environmental Service and \$804,000 to the Cedarville State Forest - New Manning Freshwater Mussel Hatchery project under the Natural Resources Development Fund. The BRFA 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.

BRFA Amendment
Department of Natural Resources

BRFA Item 52: Authorizes transfer of Waterway Improvement Funds for projects to be replaced with general obligation bonds

Amend the following language:

SECTION 9. AND BE IT FURTHER ENACTED, That, notwithstanding any other provision of law, on or before June 30, 2027, the Governor may transfer to the General Fund the following, with the funds for related projects to be replaced with General Obligation Bonds:

(2) ~~\$13,068,000~~ \$7,011,156 from the Waterway Improvement Fund established under § 8-707 of the Natural Resources Article; and

Explanation: This modification reduces the Waterway Improvement Fund transfer to the General Fund from \$13,068,000 to \$7,011,156, leaving \$6,056,844 Waterway Improvement Fund special funds in the operating budget.

R00A02
MSDE Aid to Education

	<u>Amount Change</u>	<u>Position Change</u>	<u>Agency Response Hearing Notes</u>	<u>Senate Decision</u>	<u>House Decision</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 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

BRFA
Amendment to HB 392

Limit the Expansion of Prekindergarten Eligibility

Description: Under the full-day prekindergarten funding formula, reduce the expansion of Tier II full-day prekindergarten eligibility from 600% to 450% of the federal poverty level (FPL) for fiscal 2027 only.

Explanation: Since fiscal 2023, the Maryland State Prekindergarten Grant Program has fully covered the per pupil cost of high-quality full-day prekindergarten for families with incomes up to 300% of FPL (Tier I students). Under the formula established in Chapter 36 of 2021, as amended by Chapter 55 of 2021 and Chapter 717 of 2024 (the Budget Reconciliation and Financing Act), the Maryland State Department of Education must implement a sliding scale to subsidize prekindergarten for Tier II students with household incomes between 300% and 360% of FPL in fiscal 2026 and between 360% and 600% of FPL beginning in fiscal 2027. This action alters the expansion of Tier II eligibility to instead increase to 450% of FPL in fiscal 2027 only.

R00A99
Early Childhood Development
Maryland State Department of Education

Budget Amendment

R00A02.06 Prekindergarten

Add the following language to the special fund appropriation:

, 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 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.

R00A99

MSDE Early Childhood Development

	<u>Amount Change</u>	<u>Position Change</u>	<u>Agency Response Hearing Notes</u>	<u>Senate Decision</u>	<u>House Decision</u>
1.	Add the following language on the special fund appropriation:		Disagree		

. 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% federal poverty guideline 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.

T00
Commerce

	<u>Amount Change</u>	<u>Position Change</u>	<u>Agency Response Hearing Notes</u>	<u>Senate Decision</u>	<u>House Decision</u>
<p>2. Add the following language to the general fund appropriation:</p> <p><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></p>			<p>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.</p>		

Explanation:

A related Budget Reconciliation and Financing Act recommendation would limit the annual amount of final tax credit certificates that may be issued each year under the More Jobs for Marylanders program to no more than \$15 million. This language reduces general funds for the program contingent on the enactment of the provision, so that total fiscal 2027 funding is \$15 million.

T00
Commerce

	<u>Amount Change</u>	<u>Position Change</u>	<u>Agency Response Hearing Notes</u>	<u>Senate Decision</u>	<u>House Decision</u>
1. Add the following language to the special fund appropriation: <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.		

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.

BRFA Amendment – Fiscal Responsibility Fund

Under current law, the Fiscal Responsibility Fund is required to be used for capital projects for public school construction, community colleges and the public four-year institutions of higher education.

Amendment 1

Authorize for fiscal 2026 only, the allowable uses be expanded to include Major Information Technology Development Projects funded in the Information Technology Investment Fund. Funds unexpended in fiscal 2026 would remain in the account to be used in fiscal 2027.

Amendment 2

Reduce the amount of funds authorized to be transferred from the Fiscal Responsibility Fund to \$119,151, 120 to reflect funds available for transfer and to allow for funds to be used for Major IT in fiscal 2026.

Operating Budget Actions

F50

Department of Information Technology

Budget Amendment

F50A01.01 Information Technology Investment Fund

Amend appropriation for the purposes indicated:	<u>Funds</u>		<u>Positions</u>
1. 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.	-59,314,476	GF	0.00
Total Change	-59,314,476		0.00

Sections

Budget Amendment

Add the following language:

Section XX Fiscal 2026 Legislative Addition

SECTION XX. 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 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.

Explanation: This language replaces funds reduced in fiscal 2027 from the Information Technology Investment Fund with an equivalent amount of special fund appropriation from the Fiscal Responsibility Fund in fiscal 2026 working appropriation and authorizes the Secretary of Department of Information Technology to allocate the added funds among projects. Unexpended funds are to be retained for use for projects in fiscal 2027.

BRFA Amendment

Short Term Rental

Delay the effective date of Chapter 638 of 2025 which creates a centralized method of collecting the local hotel rental tax from short term rentals by remitting the taxes to the Comptroller's Office from July 1, 2027 to July 1, 2028.

BRFA – Prescription Drug Monitoring Program

Authorizing the Secretary of Health to establish the retention period for prescription monitoring data and naloxone medication data through regulation by repealing the 3–year retention requirement in statute.

Article – Health – General

“21–2A–02.

_____ (a) There is a Prescription Drug Monitoring Program in the Department.

21–2A–04.

_____ (a) The Secretary, in consultation with the Board, shall adopt regulations to carry out this subtitle.

_____ (b) The regulations adopted by the Secretary shall:

_____ (1) Specify the prescription monitoring data and naloxone medication data required to be submitted under § 21–2A–03 of this subtitle;

_____ (2) Specify the electronic or other means by which information is to be submitted:

_____ (i) Without unduly increasing the workload and expense on dispensers; and

_____ (ii) In a manner as compatible as possible with existing data submission practices of dispensers;

_____ (3) Specify that the information be submitted by dispensers once every 24 hours;

_____ (4) Specify that the Program:

_____ (i) Shall provide the information technology software to dispensers necessary to upload prescription drug monitoring data and naloxone medication data to the Program; and

_____ (ii) May not impose any fees or other assessments on prescribers or dispensers to support the operation of the Program;

