

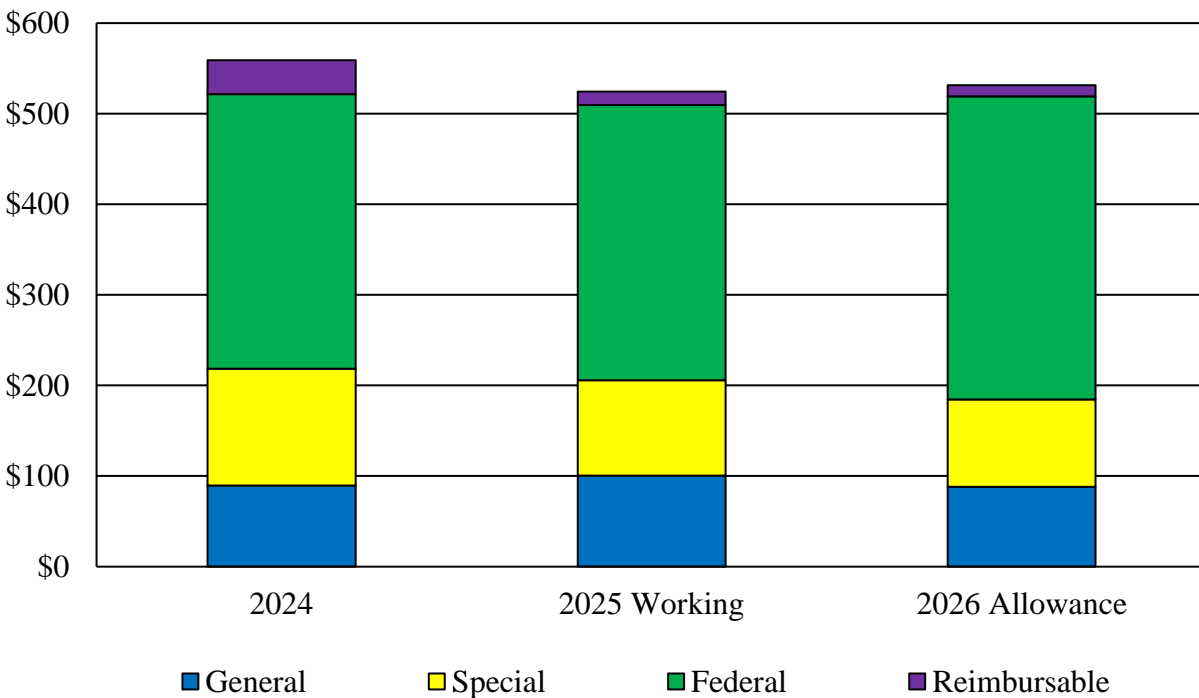
M00F03
Prevention and Health Promotion Administration
Maryland Department of Health

Executive Summary

The mission of the Maryland Department of Health (MDH) Prevention and Health Promotion Administration (PHPA) is to protect, promote, and improve the health and well-being of Marylanders and their families through the provision of public health leadership and community-based health efforts.

Operating Budget Summary

Fiscal 2026 Budget Increases \$7.0 Million, or 1.3%, to \$531.5 Million
(\$ in Millions)



Note: The fiscal 2025 working appropriation accounts for deficiencies. The fiscal 2026 allowance accounts for contingent reductions. The fiscal 2025 impacts of statewide salary adjustments are centrally budgeted in the Department of Budget and Management (DBM), and adjustments are not reflected in this agency’s budget. The fiscal 2026 impacts of the fiscal 2025 statewide salary adjustments appear in this agency’s budget. The fiscal 2026 statewide salary adjustments are centrally budgeted in DBM and are not included in this agency’s budget.

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- The fiscal 2026 allowance includes a \$13 million reduction in special funds from the Cigarette Restitution Fund (CRF) contingent on a provision in the Budget and Reconciliation Financing Act (BRFA) of 2025 that would eliminate the funding mandate for the Statewide Academic Health Center Cancer Research Grant program.
- The main drivers of the budgetary change from the fiscal 2025 working appropriation to the fiscal 2026 allowance are a \$60.6 million increase in federal funding for COVID-19 testing and surveillance, partially offset by a decrease of \$28.2 million in COVID-19 stimulus funding and a net decrease of \$17.8 million (\$5.0 million general funds and \$12.8 million federal funds) for various program realignments within MDH.

Key Observations

- ***Maryland AIDS Drug Assistance Program (MADAP) Rebates Significantly Decline Leading Balance to be Fully Expended:*** After reporting persistent closing MADAP special fund balances of over \$50 million through fiscal 2022, PHPA held a \$15 million closing balance at the end of fiscal 2023 and a \$1.1 million balance at the close of fiscal 2024. Considering the decline in available fund balance and revenues, the fiscal 2025 working appropriation and fiscal 2026 allowance project expenditures based on only the revenue projections in each respective year. PHPA attributes reduced MADAP rebate revenues to HIV drug vendors changing their regulations and procedures around drug stock and rebate eligibility.
- ***No Planned Spending of Pediatric Cancer Fund Balance in Fiscal 2026:*** Chapters 253 and 254 of 2022 established the Maryland Pediatric Cancer Fund and required MDH to administer the fund to distribute grants for pediatric cancer research, prevention, and treatment. The current fund balance is \$5.0 million, but the fiscal 2026 allowance does not include any expenditures from this balance. MDH reported that it is in the process of recruiting members for the Pediatric Cancer Research Commission, which will make recommendations on spending priorities and define grant program guidelines. As of January 17, 2025, 5 of the 12 positions remained vacant, with 2 of the 5 vacancies awaiting swear in.
- ***Maryland Prenatal and Infant Grant Care Program:*** MDH submitted a report on performance measures for the program as required by language in the fiscal 2025 Budget Bill (Chapter 716 of 2024). The report included information on grantees and expenditures between fiscal 2023 and 2027, as well as metrics to evaluate the program's progress.

Operating Budget Recommended Actions

	<u>Funds</u>
1. Reduce \$5.7 million in general funds for tobacco use prevention and enforcement programs to align with the mandated funding level.	-\$ 5,700,000
Total Net Change	-\$ 5,700,000

Updates

- The fiscal 2026 allowance for the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) program increases due to higher projected enrollment and rising costs of supplies.

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Operating Budget Analysis

Program Description

PHPA's mission is to protect, promote, and improve the health and well-being of Marylanders and their families through the provision of public health leadership and community-based health efforts in partnership with local health departments (LHD), public- and private-sector agencies, health care providers, and community-based organizations. PHPA is organized into five bureaus:

- the Infectious Disease Prevention and Health Services Bureau;
- the Infectious Disease Epidemiology and Outbreak Response Bureau;
- the Maternal and Child Health Bureau;
- the Environmental Health Bureau; and
- the Cancer and Chronic Disease Bureau.

PHPA accomplishes its mission by focusing, in part, on the prevention and control of infectious diseases, investigation of disease outbreaks, protection from food-related and environmental health hazards, and helping impacted persons live longer, healthier lives. Additionally, PHPA works to assure the availability of quality primary, prevention, and specialty care services with special attention to at-risk and vulnerable populations. Finally, the agency aims to prevent and control chronic diseases, engage in disease surveillance and control, prevent injuries, provide health information, prevent overdose deaths, and promote healthy behaviors.

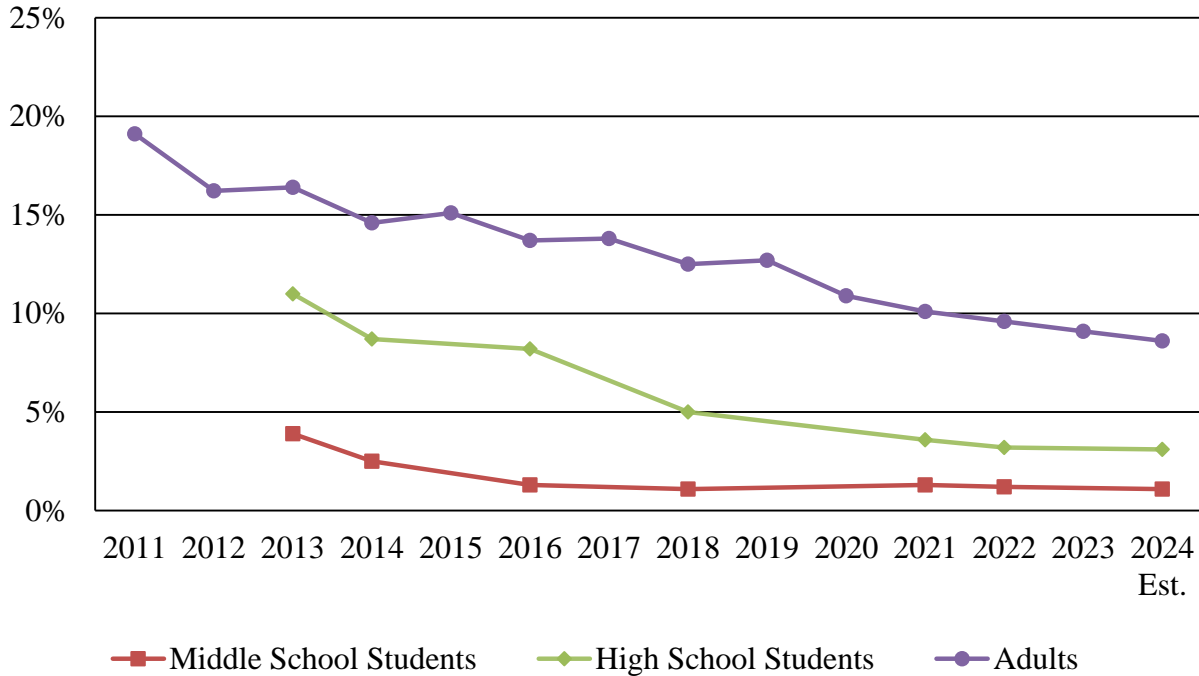
Performance Analysis: Managing for Results

1. Cigarette Use Among All Marylanders Declines, Particularly for Adults

PHPA sets annual performance goals related to reducing tobacco usage among adults and youth, including, since fiscal 2019, to reduce the proportion of Maryland adults who smoke cigarettes by 31.9% compared to the calendar 2011 level. The Department of Legislative Services (DLS) has noted previously that although PHPA achieved this goal by the close of calendar 2019, at which point 33.5% fewer adults smoked cigarettes compared to the proportion in calendar 2011, the goal has remained unchanged. As shown in **Exhibit 1**, cigarette smoking among adults continues to decline, reaching 9.1% of adults using cigarettes in calendar 2023, reflecting a

52.4% decline from the calendar 2011 proportion. PHPA expects the declining trend in cigarette usage to continue in calendar 2024.

Exhibit 1
Cigarette Usage in Maryland
Calendar 2011-2024 Estimated



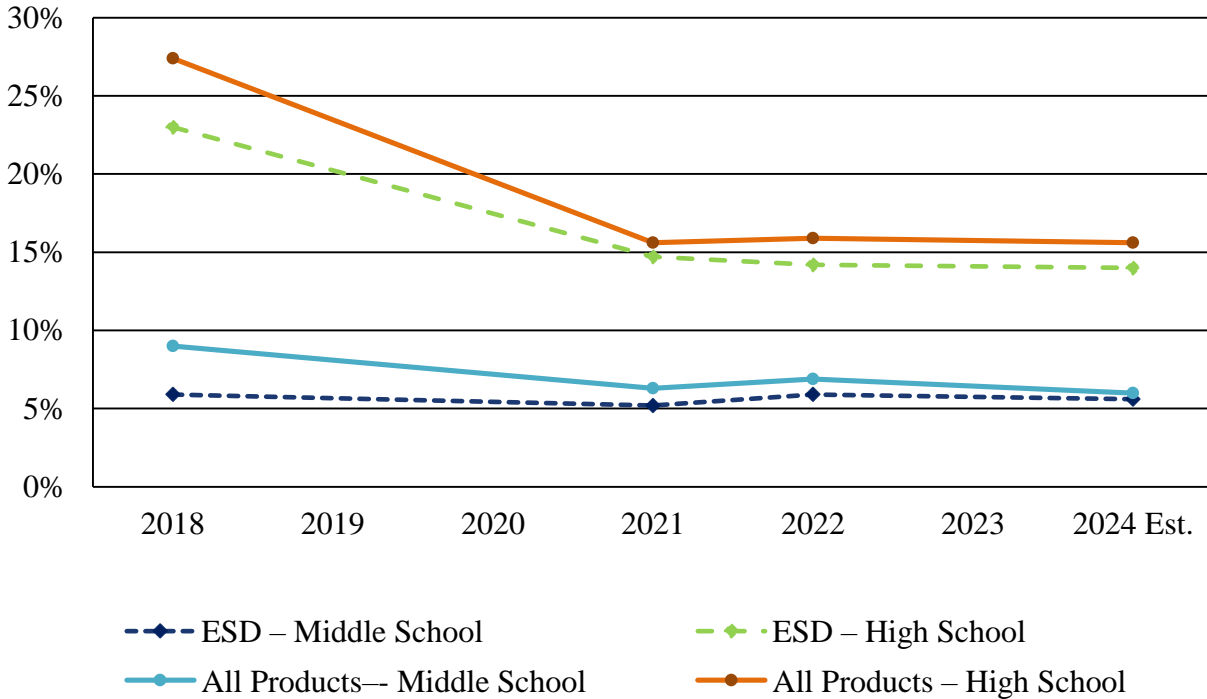
Note: Calendar 2024 data are projections. Youth smoking data is collected biennially. The COVID-19 pandemic caused the survey for calendar 2020 to be delayed to calendar 2021.

Source: Department of Budget and Management; Maryland Department of Health

PHPA also aims to reduce any tobacco usage among middle school youth by 5.6% from the calendar 2018 rate (9.0%) and among high school youth by 1.8% from the calendar 2018 rate (27.4%). As shown in **Exhibit 2**, the use of electronic smoking devices (ESD) is more prevalent among youth than smoking cigarettes. Surveys of middle and high school students take place every two years and were not conducted during the COVID-19 pandemic in calendar 2020. While data from the next available survey year, calendar 2021, shows that total tobacco usage among students declines by a greater amount than PHPA’s Measuring for Results (MFR) goals, fewer years of data exist for youth utilization compared to adult utilization. Moreover, from calendar 2021 to 2022, PHPA reported a small increase in ESD usage among middle schoolers (from 5.2% to 5.9%) and an increase in the usage of any tobacco product among both middle and

high school students. However, according to MFR data, ESD usage and cigarette usage among high school students decreased during this period.

Exhibit 2
Tobacco Usage Among Maryland Middle and High School Students
Calendar 2018-2024 Estimated



ESD: electronic smoking device

Note: Calendar 2024 data are projections. Youth smoking data is collected biennially. The COVID-19 pandemic caused the survey for calendar 2020 to be delayed to calendar 2021.

Source: Department of Budget and Management; Maryland Department of Health

PHPA should explain why the proportion of high school students using any tobacco products between calendar 2021 and 2022 increases while the proportion of high school students using each specific product decreases. PHPA should also indicate how it will update its MFR goals around adult tobacco usage to align with broader chronic disease prevention goals, given its current goal to reduce adult cigarette smoking by 31.9% compared to the calendar 2011 level has been met for several years in a row.

A portion of the CRF is used annually for tobacco cessation and tobacco use prevention programs and initiatives in the State. PHPA administers programs focused on decreasing the prevalence of smoking and tobacco usage among youth and adults in alignment with Centers for Disease Control and Prevention (CDC) guidelines. Chapter 37 of 2021 increased the mandated appropriation for tobacco use reduction from \$10.0 million to at least \$18.25 million beginning in fiscal 2021. Due to the Governor vetoing and the legislature subsequently overriding the veto, the increase in funding was first included in the State budget in fiscal 2023. The fiscal 2026 allowance includes \$24.0 million (\$9.0 million in general funds, \$11.2 million in special funds from the CRF, and \$3.5 million in federal funds) for tobacco cessation and tobacco use prevention programs and enforcement, surpassing the mandated level by just over \$5.7 million.

Due to budgeted funding for tobacco cessation and use prevention programs in excess of the \$18.25 million mandate, DLS recommends reducing the fiscal 2026 allowance by \$5.7 million in general funds to fund these efforts at the \$18.25 mandated level.

2. New Performance Goals for Unintentional Cannabis Exposure Among Adults and Children

Beginning with the fiscal 2026 MFR submission, PHPA began including two additional performance measures related to cannabis usage among adults and youth in Maryland: unintentional exposure to cannabis among children ages 0 to 9 and unintentional exposure to cannabis among Maryland residents of all age groups. **Exhibit 3** shows the new measures and goals included in the fiscal 2026 MFR submission. PHPA uses call volume data from the two poison centers located in Maryland, the Maryland Poison Center and the National Capital Poison Center, to record the number of calls related to unintentional exposure of cannabis for each age group.

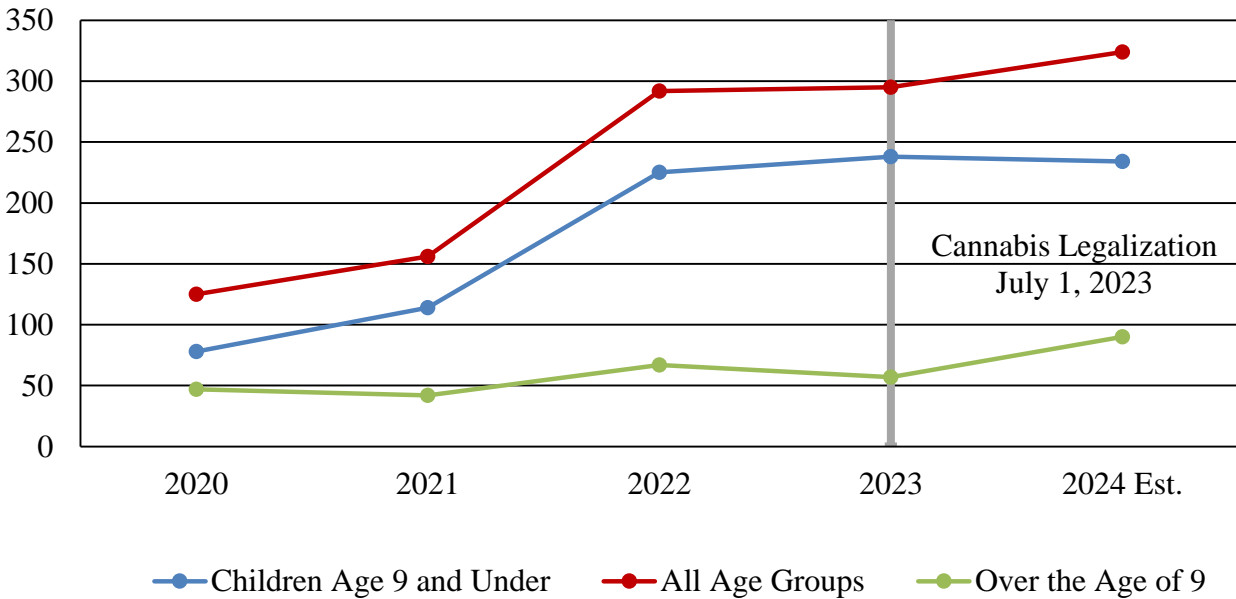
Exhibit 3
Fiscal 2026 Managing for Results Cannabis Usage Performance Measures

<u>Performance Measure</u>	<u>Indicator</u>	<u>Goal</u>	<u>Objective</u>
Unintentional exposure to cannabis among children ages 0 to 9	Number of cannabis-related calls to Maryland poison centers for children ages 9 and under	To reduce unintentional cannabis-related exposures among children ages 9 and under	By calendar 2030, reduce the number of cannabis-related unintentional exposure calls to poison centers by 10% for children ages 9 and under from a calendar 2023 baseline of 238 calls
Unintentional exposure to cannabis among Maryland residents of all ages	Number of cannabis-related calls to Maryland poison centers for unintentional exposure among all age groups	To limit unintentional cannabis-related exposures among all Maryland residents	Beginning in calendar 2025, no more than a 10% increase in cannabis-related calls to poison centers for unintentional exposures from a calendar 2023 baseline of 295 calls

Source: Maryland Department of Health; Department of Budget and Management

PHPA’s fiscal 2026 MFR submission included relevant poison control call data from calendar 2020 through 2023 and 2024 estimates. As shown in **Exhibit 4**, the number of calls for Marylanders of all ages increased between calendar 2020 (125) and 2023 (295) and nearly doubled between calendar 2021 (156) and 2022 (292). The sharp increase is driven by a higher number of calls for children aged 9 and under in calendar 2022 compared to 2021. Although the number of calls increased for those over the age of 9 following adult-use cannabis legalization, increases prior to legalization suggest other factors are contributing to the rise. It is not yet possible to assess PHPA’s progress on these MFR goals because the last year of reported actual data serves as PHPA’s baseline measure by which to measure change.

Exhibit 4
Calls to Poison Control for Unintentional Cannabis Exposure
Calendar 2020-2024



Note: Calendar 2024 data are projections.

Source: Governor’s Fiscal 2026 Budget Books

In June 2024, MDH also launched an online dashboard with public health data related to cannabis usage in the State. The dashboard includes data on emergency department visits, poison control calls, substance use services, and cannabis usage among adults and children, disaggregated by county, age, gender, geography, race (apart from poison control call data), and grade (for cannabis usage among youth). However, no additional data from the dashboard, other than poison control calls, has been incorporated into the fiscal 2026 MFR submission. PPHA indicated that beginning in fiscal 2028, it would include two additional MFR metrics on cannabis usage among youth. **Exhibit 5** shows these measures and related objectives. PPHA reported that it is currently collecting this data for the 2024-2025 school year and will need three subsequent years of data to compare utilization trends prior to and after the legalization of adult-use cannabis.

Exhibit 5
Fiscal 2028 Managing for Results
Cannabis Usage Performance Measures

<u>Performance Measure</u>	<u>Indicator</u>	<u>Goal</u>	<u>Objectives</u>
High school youth current cannabis use prevalence	Proportion of high school students who used cannabis within the last 30 days	To reduce the proportion of high school youth who use cannabis	By the end of calendar 2030, reduce the proportion of high school youth that currently use cannabis by 20% from the calendar 2021 baseline rate
Middle school youth current cannabis use prevalence	Proportion of middle school students who used cannabis within the last 30 days	To reduce the proportion of middle school youth who use cannabis	By the end of calendar 2030, reduce the proportion of middle school youth that currently use cannabis by 21% from the calendar 2021 baseline rate

Source: Maryland Department of Health

Cannabis Public Health Fund

Chapter 26 of 2022 (Cannabis Reform), as amended by Chapters 254 and 255 of 2023, established the Cannabis Public Health Fund in PHPA to address the health effects associated with the legalization of adult-use cannabis. In accordance with Chapter 26, the fund’s source of revenue is a share of the sales and use tax on adult-use cannabis. PHPA is charged with administering the new special fund, which supports an array of efforts aimed at increasing knowledge about the health impacts of cannabis usage as well as building capacity of the public health system to respond to and treat problematic cannabis usage.

PHPA received \$5.0 million from the Revenue Stabilization Account (also known as the Rainy Day Fund) in fiscal 2023 for initial capitalization of the Cannabis Public Health Fund, and PHPA expended \$2.2 million in fiscal 2024. The fiscal 2025 working appropriation for the fund includes \$5.0 million and 5.0 regular positions. Funding supports education and public awareness efforts to increase Marylanders’ understanding of the risks of cannabis and connect people to substance dependency resources. As of January 2025, PHPA has expended \$5.3 million across fiscal 2024 and 2025 to date, including:

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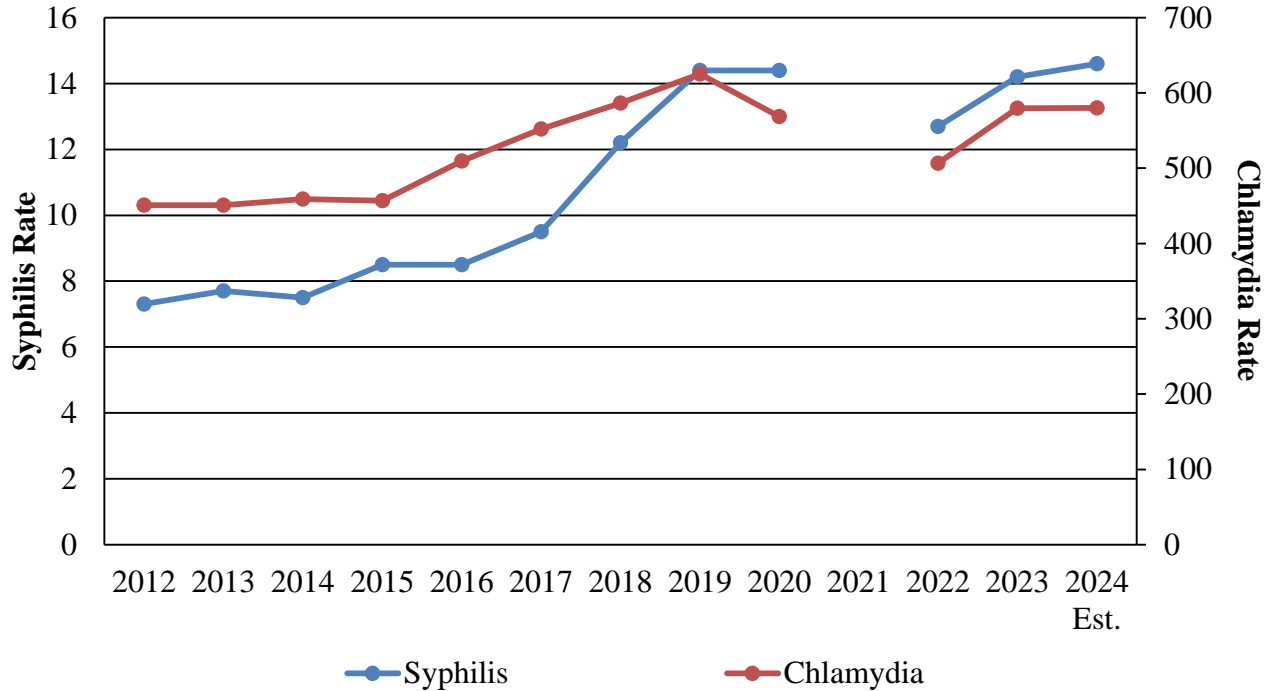
- \$1,604,232 in fiscal 2024 on program operations and to support educational programs and resources at 14 LHDs;
- \$1,642,241 for a media campaign and partnership implemented by the Maryland Cannabis Administration;
- \$1,579,436 in fiscal 2025 to support educational programs and resources at 23 LHDs; and
- \$510,638 in fiscal 2025 to support the Legal Resource Center for Public Health Policy.

As of December 2024, the fund had a balance of \$6.1 million. The fiscal 2026 allowance for the fund totals \$6.2 million in special fund expenditures, including \$2.0 million for grants to community-based organizations for programs aimed at reducing cannabis usage among youth and \$4.14 million for public health outreach, communication, and education activities.

3. Sexually Transmitted Infection Rates Continue to Increase in Maryland

According to data provided in the fiscal 2026 MFR submission, the infection rates for syphilis and chlamydia rose slightly between calendar 2022 and 2023. As shown in **Exhibit 6**, following nearly a decade of steady increase, the rate of syphilis infections per 100,000 population decreased from 14.4 to 12.7 cases between calendar 2020 and 2022, reflecting trends seen with other sexually transmitted infections (STI) during the COVID-19 pandemic. However, between calendar 2022 and 2023, the rate rose back to 14.2 infections per 100,000 population. PHPA also submits with the MFR data cases of chlamydia, which have followed a similar trajectory to syphilis rates, decreasing from 568.6 cases to 506.7 cases per 100,000 population between calendar 2020 and 2022 before rising to 579.8 cases per 100,000 population in calendar 2023. PHPA estimates that the rates of both infectious diseases will increase slightly in calendar 2024.

Exhibit 6
Rates of Syphilis and Chlamydia in Maryland
Calendar 2012-2024



Notes: No data is available for calendar 2021. Syphilis data includes primary/secondary syphilis cases only (excludes congenital and late stage or unknown stage syphilis). Rates are number of infections per 100,000 population.

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

Although not included in MFR data, PPHA collects and reports on additional State STI trends annually. The 2023 Maryland Annual STI Epidemiological Profile revealed large disparities in STI rates between racial and ethnic groups, gender, and age. Infection rates for chlamydia, gonorrhea, and syphilis (not including congenital syphilis) were higher among Marylanders who identified as non-Hispanic black (817.1, 373.5, 101.7, respectively) or were ages 15-24 (5,728.5, 1,541.7, 139.5, respectively). Individuals assigned female at birth represented 62.2% of chlamydia cases in the State, while individuals assigned male at birth represented 61.0% of gonorrhea cases and 72.8% of syphilis cases. To better address these disparities, PPHA reported that it was in the process of reorganizing the Infectious Disease Prevention and Health Services Bureau. The agency indicated that it would restructure the existing five disease-specific units to a “whole person” model across five units to facilitate a more coordinated response to rising STI rates among certain groups.

Fiscal 2024

Closeout Analysis

The fiscal 2024 Budget Bill (Chapter 101 of 2023) included \$5.3 million in general funds for legislative priorities in PHPA. The budget included \$1.5 million for family planning and reproductive health grants, \$3.5 million for the implementation of the Maryland State Plan to Address Alzheimer’s Disease and Related Dementias, and \$325,000 to provide a grant to the Center for Infant & Child Loss and the School of Medicine at the University of Maryland. PHPA expended nearly all its appropriation for these purposes but reverted \$867,899 in general funds at the close of fiscal 2024 due to underspending for the Maryland State Plan to Address Alzheimer’s.

PHPA also canceled an additional \$56.5 million in total funding at the close of fiscal 2024, including:

- \$6.1 million in MADAP special funds due to a reduction in rebate revenue;
- \$2.9 million in special funds due to underspending in the abortion care access program; and
- \$47.6 million in federal COVID-19 stimulus funding which MDH indicated will not expire until September 2025 and will be utilized in fiscal 2026.

PHPA should explain why it underspent in these areas in fiscal 2024, and indicate which funding, if any, is eligible for spending in fiscal 2025 and 2026, and whether the funds are reappropriated in those years.

Fiscal 2025

Cost Containment

On July 17, 2024, the Board of Public Works approved cost containment measures across the fiscal 2025 budget, including a reduction of \$21,003 in general funds in PHPA due to delayed hiring of a new Reproductive Health Clinical Training Program Coordinator who would manage program activities, conduct analysis, oversee grants, and support equity initiatives.

Implementation of Legislative Priorities

Section 21 of the fiscal 2025 Budget Bill (Chapter 716 of 2024) added two items totaling \$550,000 in general funds. This included funding for a one-time \$250,000 grant to Zaching Against Cancer, which PHPA awarded on October 24, 2024.

The General Assembly also added \$300,000 for the Professional and Volunteer Firefighter Innovative Cancer Screening Technologies Program, contingent on passage of Chapters 782 and 783 of 2024. Chapters 782 and 783 repealed the \$100,000 mandate for the Professional and Volunteer Firefighter Innovative Cancer Screening Technologies Program and authorized the Governor to allocate up to \$500,000 annually for this purpose. The fiscal 2025 legislative appropriation included \$400,000 for the program, comprised of \$100,000 per the prior mandate and \$300,000 added in Section 21. The fiscal 2026 allowance level funds the program at \$400,000 in general funds.

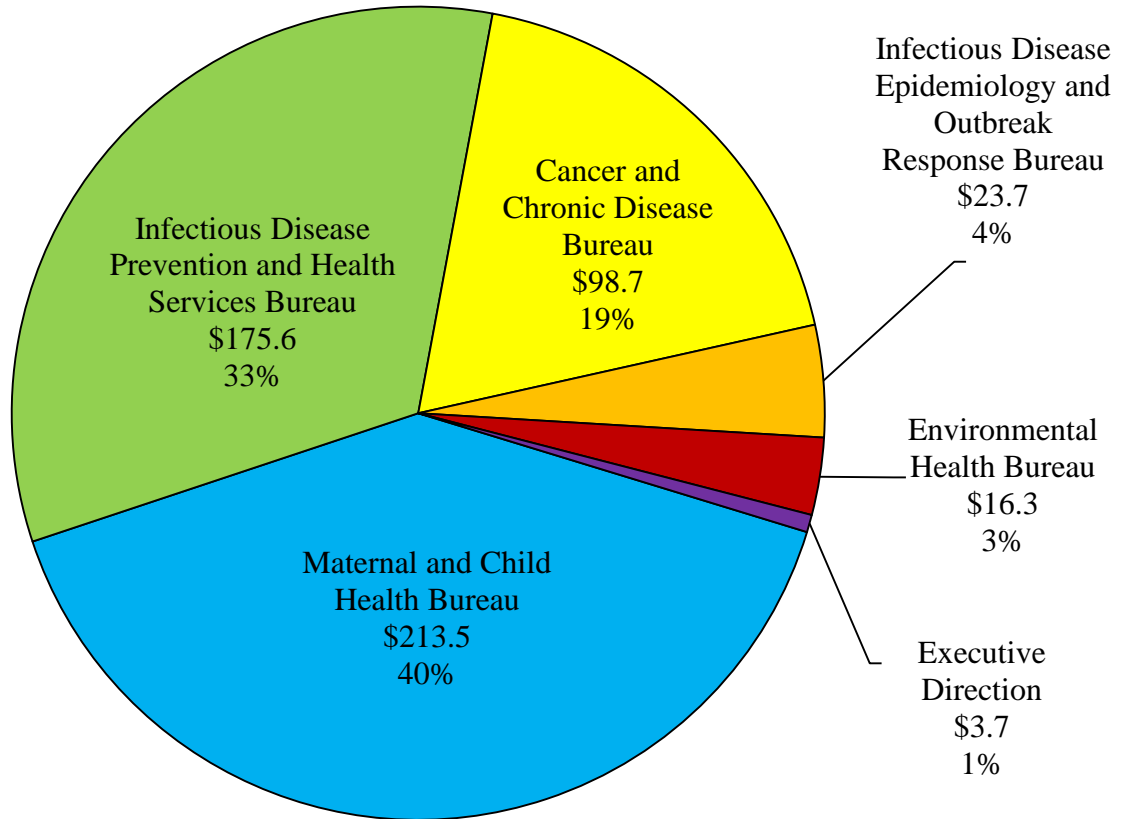
Proposed Deficiency

The fiscal 2026 allowance includes one proposed deficiency appropriation that withdraws \$4,668,432 in CRF special funds and replaces that amount with general funds yielding a net zero change in the fiscal 2025 appropriation. Due to the fiscal 2025 budget overestimating CRF revenue, this fund swap backfills CRF support for Breast and Cervical Cancer Diagnosis and Treatment Services with general funds.

Fiscal 2026 Overview of Agency Spending

Exhibit 7 shows the fiscal 2026 allowance of \$531.5 million for PHPA by the agency's five bureaus and Executive Direction. The Maternal and Child Health Bureau accounts for the largest share of PHPA's budget at 40% due mainly to federal fund spending in the WIC program. The Infectious Disease Prevention and Health Services Bureau makes up about one-third of the PHPA budget and houses the MADAP and Federal Ryan White Part B funding. In partnership with the Infectious Disease Epidemiology and Outbreak Response Bureau, these two offices carry out infectious disease surveillance, vaccine programs, and harm reduction activities.

Exhibit 7
Overview of Agency Spending
Fiscal 2026 Allowance
(\$ in Millions)



Note: The fiscal 2026 allowance accounts for contingent reductions. The fiscal 2026 statewide salary adjustments are centrally budgeted in the Department of Budget and Management and are not included in this agency’s budget.

Source: Department of Budget and Management

Proposed Budget Change

The fiscal 2026 allowance increases by \$7.0 million compared to the fiscal 2025 working appropriation. **Exhibit 8** shows the major changes in expenditures, the largest of which is an increase of \$60.6 million in federal funding due to an extension of a CDC Epidemiology and Laboratory Capacity Program Enhanced Detection grant to support COVID-19 testing and surveillance. This significant growth is partially offset by a decrease of \$28.2 million in COVID-19

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stimulus funding that expired in fiscal 2025 and was used for vaccine promotion activities. Additionally, there is a reduction of \$15 million in special funds from the CRF supporting the Statewide Academic Health Center Cancer Research Grants Program, of which \$13 million is contingent on a provision in the BRFA that would eliminate the funding mandate for the program. Several reductions in PHPA are due to the realignment of programs within MDH, including the removal of funding for the third year of the federal State Opioid Response (SOR) grant (\$12.8 million), which MDH has realigned under the Behavioral Health Administration (BHA).

Exhibit 8
Proposed Budget
MDH – Prevention and Health Promotion Administration
(\$ in Thousands)

How Much It Grows:	<u>General Fund</u>	<u>Special Fund</u>	<u>Federal Fund</u>	<u>Reimb. Fund</u>	<u>Total</u>
Fiscal 2024 Actual	\$89,517	\$128,902	\$303,341	\$37,356	\$559,116
Fiscal 2025 Working Appropriation	100,544	105,341	303,683	14,884	524,451
Fiscal 2026 Allowance	<u>88,019</u>	<u>96,612</u>	<u>334,406</u>	<u>12,436</u>	<u>531,473</u>
Fiscal 2025-2026 Amount Change	-\$12,525	-\$8,729	\$30,723	-\$2,447	\$7,022
Fiscal 2025-2026 Percent Change	-12.5%	-8.3%	10.1%	-16.4%	1.3%
Where It Goes:					<u>Change</u>
Personnel Expenses					
Salary increases and associated fringe benefits including fiscal 2025 cost-of-living adjustments and increments.....					\$4,540
Turnover adjustments (decrease from 7.15% to 6.46%).....					452
Background checks for temporary employees for the MDH Youth Camps program					200
Accrued leave payout.....					47
Workers’ compensation					18
Employee and retiree health insurance					-59
Reclassification of new fiscal 2025 positions hired above base pay but originally budgeted at the base step					-333
COVID-19 Stimulus Funding					
Extension of CDC Enhanced Detection grant to July 2026 to support COVID-19 testing and surveillance					61,300
Expiration of federal stimulus funds for COVID-19 vaccine education and outreach activities.....					-26,227

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Where It Goes:	<u>Change</u>
Program Realignment	
Annual sickle cell disease grant funding moved from the MDH Office of the Secretary to PHPA (Chapter 452 of 2019).....	1,275
Center for Firearm Violence Prevention and Intervention moved to the MDH Office of the Secretary	-1,728
SOR III grant funding for harm reduction moved to BHA.....	-12,750
Maternal and Child Health Bureau	
Increased federal fund award for Special Supplemental Nutrition Program for Women, Infants, and Children	12,587
New federal award for integrated maternal health service grant.....	1,143
Less appropriation needed in fiscal 2026 than 2025 in the immigrant and refugee health grant program due in part to lower anticipated recent arrivals from conflict areas in the prior year (reimbursable funds).....	-2,900
Disease Prevention	
Education and awareness to prevent diabetes and other chronic diseases.....	410
Reduced fiscal 2026 funding for tobacco prevention and cessation grants.....	-1,016
Lower projections for Kidney Disease Program claims in fiscal 2026 compared to fiscal 2025 based on fiscal 2024 actuals	-2,551
Fiscal 2025 grant to the University of Maryland Medical System for the Cancer Moonshot Initiative	-4,228
Decrease in federal funding for HIV/AIDS prevention and treatment, driven by the expiration of the CDC Ending the HIV Epidemic project (\$3.4 million).....	-4,901
Cigarette Restitution Fund reduction for the Statewide Academic Health Center Cancer Research Grants program, including \$13 million reduction contingent on the BRFA of 2025 eliminating the mandate and \$2 million reduction from fiscal 2025 funding level	-15,000
Other Changes	
Net decrease of 52.31 contractual staff in fiscal 2026.....	-3,069
Other changes	-186
Total	\$7,022

BHA: Behavioral Health Administration
 BRFA: Budget Reconciliation and Finance Act
 CDC: Centers for Disease Control and Prevention
 MDH: Maryland Department of Health
 PHPA: Prevention and Health Promotion Administration
 SOR: State Opioid Response

Note: Numbers may not sum to total due to rounding. The fiscal 2025 working appropriation accounts for deficiencies. The fiscal 2026 allowance accounts for contingent reductions. The fiscal 2025 impacts of statewide salary adjustments are centrally budgeted in the Department of Budget and Management (DBM), and adjustments are not reflected in this agency’s budget. The fiscal 2026 impacts of the fiscal 2025 statewide salary adjustments appear in this agency’s budget. The fiscal 2026 statewide salary adjustments are centrally budgeted in DBM and are not included in this agency’s budget.

Epidemiology and Laboratory Capacity Grant Program

Most of PHPA’s federal fund spending for COVID-19 pandemic response activities has been supported with supplemental grant funding through the Epidemiology and Laboratory Capacity Grant Program (ELC) for Prevention and Control of Emerging Infectious Diseases cooperative agreement. The CDC distributes ELC funds to states for the following core areas: infectious disease surveillance, detection, and response; prevention and intervention; and communication and coordination activities. Supplemental ELC grants were authorized through all three major federal stimulus bills (the Coronavirus Aid, Relief, and Economic Security Act of 2020), the Coronavirus Response and Relief Supplemental Appropriations Act of 2021, and the American Rescue Plan Act) with varying allowable uses and grant terms. Allowable costs included personnel, testing, personal protective equipment, and cleaning supplies.

MDH indicated that the expiration date for the ELC Enhanced Detection Expansion grant has been extended to July 31, 2026, accounting for the increase in the fiscal 2026 allowance for this purpose. MDH also noted that because of the timing of the extension notification, MDH underspent \$47.6 million of the fiscal 2024 appropriation to use in outyears and did not budget any of this funding in fiscal 2025. MDH will realign and process budget amendments for any fiscal 2025 expenditures that use this funding.

Program Realignments

MDH is realigning certain programs within the department to increase operational efficiency and consolidate oversight of similar programs within each agency. These changes are reflected in the fiscal 2026 allowance and MDH indicated it will implement fiscal 2025 shifts via budget amendment. Changes in the number of personnel related to this realignment are noted in the Personnel section of this analysis. Program realignments involving PHPA in fiscal 2026 account for a decrease of \$17.8 million across fund types, including:

- -\$12.8 million in federal SOR III grant funding moving to BHA to support naloxone distribution and public awareness campaigns on the risk of opioid usage and the Center for Harm Reduction Services;
- -\$4.7 million in general funds shifting to BHA, from the Lieutenant Governor’s Heroin and Opioid Task Force for harm reduction services and grants;
- -\$2.0 million in general funds for the Center for Firearm Violence Prevention and Intervention moving to the Office of the Secretary;
- \$1.5 million in general funds for Sickle Cell Disease grant program authorized by Chapter 452 of 2019 from the Office of the Secretary to PHPA; and
- \$250,000 in general funds for the Office of School Health from the Office of Population Health Improvement to PHPA;

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Chapters 706 and 707 of 2024 established the Center for Firearm Violence Prevention and Intervention within MDH with the purpose of reducing firearm violence, harm from firearm violence, and misuse of firearms in the State by partnering with federal, State, and local agencies and affected communities to implement a public health approach to firearm violence reduction. The fiscal 2025 legislative appropriation included \$2.0 million in the PHPA budget to support the center’s establishment. As a part of the interdepartmental realignments, MDH moved the program from PHPA to the Office of the Secretary and indicated that it would align the fiscal 2025 working appropriation through budget amendment. Discussion of fiscal 2026 funding and activities to date is included in the M00A01 – MDH Administration budget analysis.

Budget Reconciliation and Financing Act

The fiscal 2026 allowance includes a special fund reduction of \$13 million for the Statewide Academic Health Center Cancer Research Grant program contingent on a provision in the BRFA of 2025 which would eliminate the funding mandate. The fiscal 2025 budget provided a higher CRF appropriation than mandated for this purpose, specifically \$12.4 million for the University of Maryland Medical System and \$2.6 million for Johns Hopkins Institutions. Therefore, CRF support for the statewide academic health centers decreases by \$15 million from fiscal 2025 to 2026.

Personnel Data

	<u>FY 24</u> <u>Actual</u>	<u>FY 25</u> <u>Working</u>	<u>FY 26</u> <u>Allowance</u>	<u>FY 25-26</u> <u>Change</u>
Regular Positions	510.00	562.00	550.00	-12.00
Contractual FTEs	<u>90.24</u>	<u>71.65</u>	<u>19.34</u>	<u>-52.31</u>
Total Personnel	600.24	633.65	569.34	-64.31

Vacancy Data: Regular Positions

Turnover and Necessary Vacancies, Excluding New Positions	35.53	6.46%
Positions and Percentage Vacant as of 12/31/24	105.00	18.68%
Vacancies Above Turnover	69.47	

- As of December 31, 2024, there were 105.0 vacancies in PHPA, 69.47 above the vacancies necessary to meet budgeted turnover. Of these vacant positions, 40 are regular positions created to replace contractual full-time equivalents in fiscal 2025 that have not yet been filled as of December 31, 2024.

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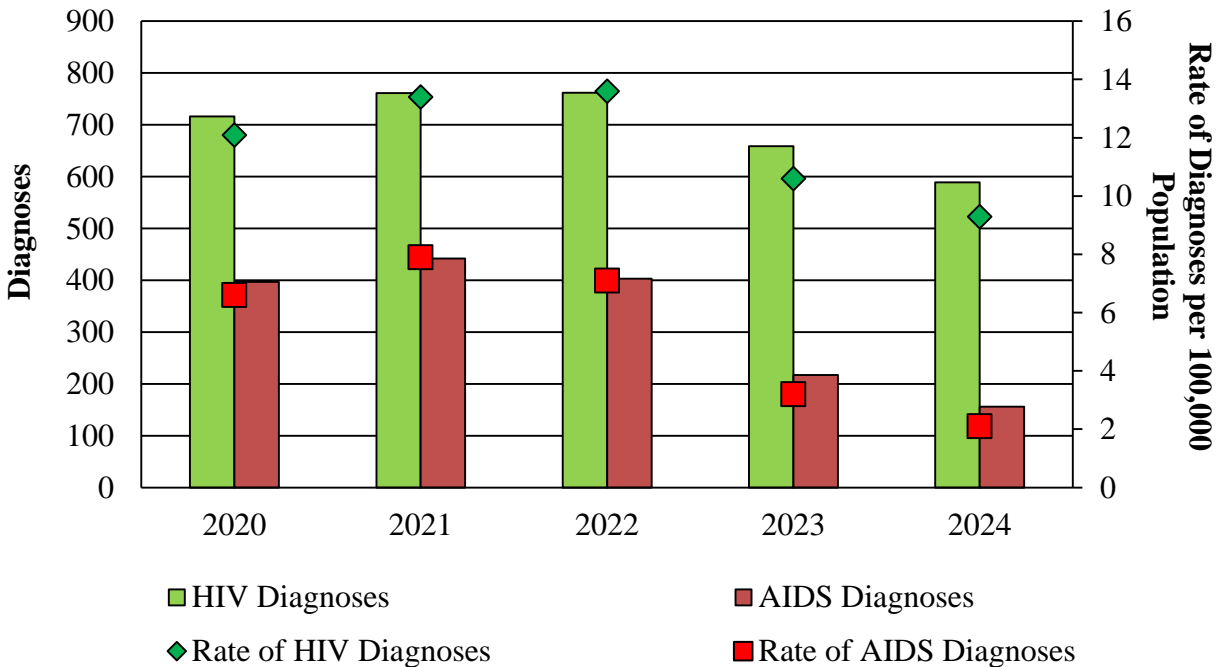
- PHPA’s December 2024 vacancy rate is 18.68%, approximately 12.2 percentage points above the necessary rate to meet budgeted turnover. **PHPA should comment on the job areas and function of the vacancies as of December 31, 2024, and discuss the impact that this level of vacancies has on agency operations.**
- The fiscal 2026 allowance includes 12 regular position transfers out of PHPA to other areas of MDH mainly to support harm reduction services in BHA. These transfers are part of 58.5 personnel transfers within MDH in fiscal 2026 to realign staffing capacity to support programming in appropriate agencies.

Issues

1. Funding for HIV/AIDS Services Declines with Decreasing MADAP Rebate Revenue

Most of the funding within the Infectious Disease Prevention and Health Services Bureau supports prevention activities and services for people living with HIV/AIDS through the MADAP. The primary funding sources for the program are federal funding through the Ryan White HIV/AIDS Program and special funds through MADAP pharmaceutical rebates. Ryan White Part B support provides funding to states based on a formula and is consequently impacted by changes in infection rates in the State. As new cases of HIV decline, the amount of federal funding that Maryland receives for HIV/AIDS programs also decreases. According to the federal Department of Health and Human Services, 90.6% of Ryan White program participants were virally suppressed in calendar 2023. PHPA reported that in Maryland, program participants have a 94% viral suppression rate. **Exhibit 9** shows the decline of new HIV/AIDS infections in the State since calendar 2021.

Exhibit 9
New Cases of HIV/AIDS
Calendar 2021-2024

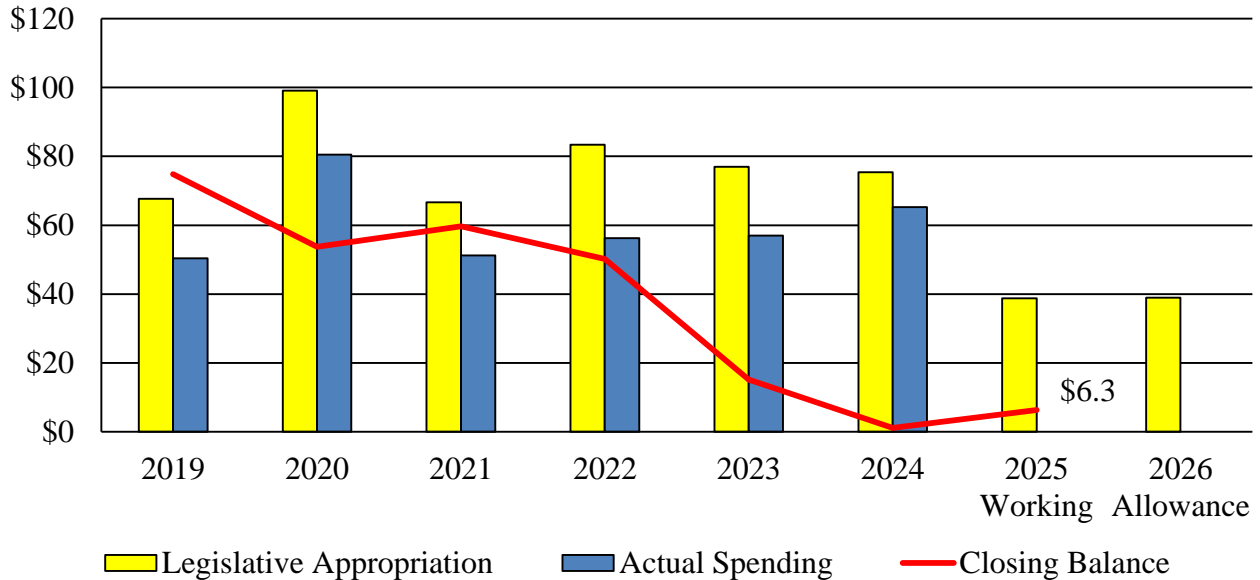


Source: Governor’s Fiscal 2026 Budget Books

These programs are also funded with special funds through rebate revenue generated by medications purchased with federal Ryan White Part B grants or general funds. Under federal law, states receive rebates on medications purchased at a price higher than a federally set rate. Rebates generated from general fund spending do not have the same restrictions on the use of funds as rebates generated from federal funds. PHPA expends MADAP special funds on a variety of services to support those living with HIV/AIDS, including medication, insurance premiums or copays, housing support, and syringe services.

In fiscal 2023, the closing MADAP rebate balance dropped to \$15.2 million from \$50.2 million at the close of fiscal 2022. At the close of fiscal 2023, the balance was \$15.2 million, and at the close of fiscal 2024, the balance was \$1.1 million. Considering this rapid decline in available balance and rebate revenues, PHPA indicated MADAP special fund spending would decrease to align with estimated rebate revenue. As seen in **Exhibit 10**, PHPA projects \$38.7 million in rebate revenue and spending in the fiscal 2025 working appropriation. The fiscal 2026 allowance level funds MADAP special fund expenditures at \$39.0 million.

Exhibit 10
Maryland AIDS Drug Assistance Program
Revenue and Expenditure
Fiscal 2019-2026
(\$ in Millions)



MADAP: Maryland AIDS Drug Assistance Program

Note: The fiscal 2025 closing balance shows the estimated balance as of December 31, 2024.

Source: Maryland Department of Health

PHPA attributed the decrease in rebate revenues to the onset of generic pharmaceuticals, HIV drug vendors changing how they calculate rebate eligibility, and fewer vendors willing to keep a separate stock of drugs for patients paying through Ryan White Part B grant funding versus those paying out of pocket or through private insurance. PHPA also indicated that it anticipates both of these funding sources (rebates and Ryan White Part B federal funds) to continue to decline as new infections decrease and HIV outcomes improve. **PHPA should indicate which specific services and grants have been reduced as a result of decreased MADAP rebate spending and how it plans to support programs in the future.**

In January 2022, MDH began a major information technology development project (MITDP) to automate and modernize the MADAP case management system. The system's specifications are described in further detail in **Appendix 2**. Because of waning MADAP fund balance, PHPA has used mostly general funds for the project. The fiscal 2024 budget included \$356,226 in MADAP rebate funds in the Office of the Secretary (where MDH MITDP projects are generally budgeted) for the case management system. The fiscal 2025 working appropriation and fiscal 2026 allowance do not include any MADAP rebate expenditures for the MITDP.

2. Pediatric Cancer Fund

Chapters 253 and 254 of 2022 established the Maryland Pediatric Cancer Fund and required MDH to administer the fund to distribute grants for pediatric cancer research, prevention, and treatment. The fiscal 2023 budget for the MDH Office of the Secretary included the mandated funding level of \$5 million from the Dedicated Purpose Account for the Pediatric Cancer Fund. According to PHPA, which would manage the fund, none of the fiscal 2023 appropriation was spent due to delays in developing regulations to implement the program and distribute the grants. The fiscal 2024 budget allocated an additional \$5 million in general funds for the fund under PHPA on a discretionary basis, but the fiscal 2025 budget plan included a deficiency appropriation withdrawing the \$5 million appropriation. The fiscal 2026 allowance does not include additional revenue for the fund or any planned spending from the fund, leaving the current balance at \$5 million.

Chapters 924 and 925 of 2024 altered the allowable uses of fund dollars to pediatric cancer research only and established a Pediatric Cancer Research Commission to oversee the grant process. MDH indicated that the commission would have input in the administration of the fund, such as grant program regulations and awardee criteria. Per the legislation, the commission will be comprised of the Secretary of Health and 12 Governor-appointed individuals from various medical and scientific backgrounds with expertise in pediatric cancers or with lived experience in pediatric cancer. As of January 2025, MDH reported that 7 of the 12 members had been appointed, 2 were awaiting swear in, and 3 were in active recruitment. MDH indicated that once the commission is fully appointed, the department will hire a full-time program administrator, and that any fiscal 2026 expenditures would be dependent on fully appointing the commission. **Given that the commission is nearly fully appointed, PHPA should indicate why it has not included any expenditures in the fiscal 2026 allowance for the fund's operations.**

3. Prenatal and Infant Care Grant Program

The Maryland Prenatal and Infant Care Grant Program provides grants to LHDs and other care providers, such as hospitals and federally qualified health centers (FQHC), to support programs that increase access to prenatal and infant care and connect people to perinatal care. Chapters 494 and 495 of 2021 made updates to the fund, including renaming the fund and increasing the annual funding mandate. The legislation requires the Governor to increase the annual appropriation for the fund by \$1 million annually between fiscal 2023 and 2025 and fund the program at \$3.1 million annually beginning in fiscal 2025. The program received the mandated \$2.1 million in fiscal 2024 and \$3.1 million in fiscal 2025. The fiscal 2026 allowance includes \$3.3 million for the program.

Language in the fiscal 2025 Budget Bill restricted \$100,000 in general funds pending a report on performance monitoring of the Prenatal and Infant Care Grant Program. PHPA submitted the report on January 15, 2025. The report described the program structure and fiscal 2023-2025 grantees. PHPA developed funding priorities based on feedback from providers across the State. As of July 1, 2024, under the Healthy Babies Equity Act (Chapter 28 of 2022), pregnant and postpartum individuals who were previously ineligible for perinatal health coverage through Medicaid due to their immigration status could begin receiving Medicaid coverage. Because of this Medicaid expansion for this population, PHPA limited the amount and types of direct clinical services that were eligible for funding through the Prenatal and Infant Care grant program. PHPA considered awarding grant funding for clinical services if they were not otherwise reimbursed by a third-party payer and made up a maximum of 30% of the total budget for the proposed project. Other eligible uses for grant funding include:

- care coordination;
- telehealth services;
- transportation or child care support;
- services that increase culturally appropriate care; and
- workforce development for perinatal mental health care.

PHPA selected grantees based on program proposals submitted by organizations and LHDs. In each year between fiscal 2023 and 2025, PHPA allocated its entire annual appropriation on grant awards. **Appendix 4** contains a list of grantees to date and their grant amounts. According to the report, PHPA has dedicated \$900,762 in grant funding in fiscal 2026 to grantees whose awards started in prior fiscal years. **PHPA should clarify when its next round of proposal evaluation and awards will take place given that the fiscal 2026 allowance includes \$3.3 million for the program.**

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The report also included information on how PHPA measures program performance and results. PHPA requires program grantees to report qualitative and quantitative data on a quarterly basis. This data includes demographic information about program participants and the number and types of referrals issued by the program. PHPA is required to submit annual reports to the Governor and General Assembly on December 1 of each year. As of this writing, the fiscal 2024 annual report had not yet been submitted. However, the response to the fiscal 2025 budget language included performance data from fiscal 2023 and 2024 aligned with programmatic goals of expanding access to care for priority populations. PHPA reported that it also plans to compile information from grantees into a program evaluation plan that aggregates service data to assess the extent to which access to care has been expanded and priority populations have been reached.

In fiscal 2023, PHPA issued grants to three LHDs and two FQHCs, and reported the following outputs:

- 436 new enrollees (192 enrolled in Medicaid);
- a total of 765 referrals (210 to prenatal care, 497 to dental care, 58 to mental health services); and
- a total of 4,833 care coordination encounters (3,088 during pregnancy and 1,745 during postpartum).

In fiscal 2024, PHPA issued grants to six LHDs and three FQHCs and reported the following outputs:

- 2,207 new enrollees (1,651 enrolled in Medicaid);
- a total of 2,600 referrals (1,141 to prenatal care, 1,314 to dental care, 145 to mental health services); and
- a total of 16,269 care coordination encounters (8,273 during pregnancy and 7,996 during postpartum).

Performance goals for fiscal 2025 include:

- 2,500 individuals newly enrolled in the Prenatal and Infant Care Grant Program;
- perinatal mental health assessments complete for 70% of newly enrolled program participants (beginning in fiscal 2025, grantees are required to address perinatal mental health as a part of their programming); and
- referrals to prenatal care made for 75% of newly enrolled program participants.

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Although the report includes evaluation questions and data for fiscal 2023 and 2024, it does not include goals for the specific population health metrics PPHA uses to evaluate its performance for this program. The program cannot be assessed using the data provided without targets by which to evaluate them. **PHPA should provide the qualitative and quantitative performance metrics used in fiscal 2023 and 2024 to evaluate grantees' impact on maternal and child health.**

DLS determined the report to be in compliance with the language and recommends the release of \$100,000 in general funds restricted in fiscal 2025 pending the submission of a report on Prenatal and Infant Care Grant Program performance measures and will process a letter to this effect if no objections are raised by the subcommittees.

Operating Budget Recommended Actions

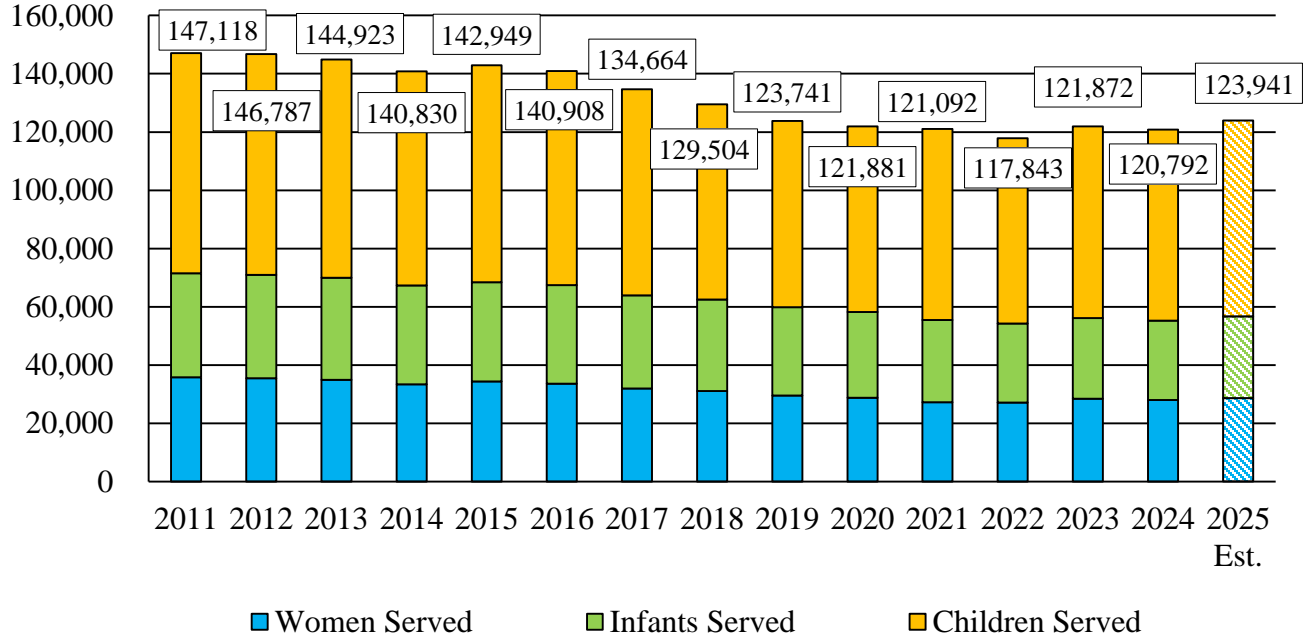
	<u>Amount Change</u>
1. Reduce general funds for tobacco use prevention and enforcement programs to the mandated level of \$18.25 million in total funds established by Chapter 37 of 2021.	-\$ 5,700,000 GF
Total General Fund Net Change	-\$ 5,700,000

Updates

1. Special Supplemental Nutrition Program for Women, Infants, and Children

The federal WIC program provides supplemental food, referrals to health care and social services, breastfeeding promotion and support, and nutrition education to low-income women, infants, and children. Eligible groups specifically include low-income (below 185% of the federal poverty level) pregnant, postpartum, and breastfeeding women and children up to age 5. As shown in **Exhibit 11**, enrollment decreased slightly between fiscal 2023 and 2024, but PHPA estimates that WIC enrollment will increase in fiscal 2025 in each of the three enrollment groups. The fiscal 2026 allowance includes \$145.8 million in mostly federal funds (\$65,000 in general funds) for the WIC program. This is a \$13.0 million increase from the fiscal 2025 appropriation, which PHPA attributes to projected increased enrollment and rising costs of supplies.

Exhibit 11
Special Supplemental Nutrition Program for
Women, Infants, and Children Enrollment
Fiscal 2011-2025 Estimated



Source: Maryland Department of Health; Department of Budget and Management

Appendix 1 2024 Joint Chairmen’s Report Responses from Agency

The 2024 *Joint Chairmen’s Report* (JCR) requested that MDH prepare five reports. Electronic copies of the full JCR responses can be found on the DLS Library website.

- ***Efforts to Fill Long-term Vacant Positions:*** The committees requested information on 4 positions that had been vacant for more than one year as of February 9, 2024. PPHA reported that 2 of these positions are in the process of being reclassified, 1 was filled on July 10, 2024, and the last 1 has been repurposed to be a manager of an apprenticeship program scheduled to launch in fall 2024, dependent on the coordination between multiple state agencies and a university.
- ***Maryland Pediatric Cancer Fund Administration:*** Chapters 924 and 925 altered the allowable uses of Pediatric Cancer Fund dollars to pediatric cancer research only and established a Pediatric Cancer Research Commission to oversee the grant process. As of January 17, 2025, 5 of the 12 positions remained vacant, with 2 of the 5 vacancies awaiting swearing in. The fund is discussed further in Issue 2 of this analysis.
- ***Performance Monitoring of the Maryland Prenatal and Infant Care Grant Program:*** PPHA submitted a report on January 15, 2025, with Prenatal and Infant Care Grant program grantees and performance measures. The report included funding history and program descriptions for each grantee and performance metrics and information on evaluation procedures. The content of the report is further discussed in Issue 3 of this analysis.
- ***Performance Measures Related to Public Health Effects of Adult-use Cannabis:*** PPHA submitted a report on December 5, 2024, describing key performance measures that it would include with fiscal 2026 and 2028 MFR submissions. PPHA is interested in collecting data on cannabis usage and unintentional exposure to cannabis among youth and adults in Maryland and using this data to inform strategies to reduce cannabis usage. Further discussion about cannabis usage in the State and related performance measures are included in the Performance Analysis section of this analysis.
- ***Care Coordination for Children with Special Needs:*** On December 18, 2024, PPHA submitted a report to the budget committees on the transition of the administration of the Care Coordination for Children with Special Needs program from a nonprofit organization to LHDs. The report includes details on the current program administered by LHDs, including the number of children served and geographic location of programs; efforts MDH has taken to increase the number of LHDs applying for grants; and the actual expenditures from fiscal 2023 and 2024.

Appendix 2
Audit Findings
Maryland Department of Health – Pharmacy Services

Audit Period for Last Audit:	July 1, 2019-December 31, 2022
Issue Date:	August 2024
Number of Findings:	5
Number of Repeat Findings:	3
% of Repeat Findings:	60.0%
Rating: (if applicable)	n/a

Finding 4: **Maryland Department of Health (MDH) did not ensure that drug manufacturers provided timely and proper Maryland AIDS Drug Assistance Program drug (MADAP) rebate payments.**

*Bold denotes item repeated in full or part from preceding audit report.

Note: This audit included a review of MDH pharmacy services in the MADAP, the Kidney Disease Program, and Breast and Cervical Cancer Diagnosis and Treatment Program in Prevention and Health Promotion Administration, and the Maryland Medicaid Pharmacy Program and Medicaid Managed Care Program in the Medical Care Programs Administration. Of the five findings, one pertained to MADAP, and this summary is limited to that finding but references the finding number in the audit.

**Appendix 3
Audit Findings**

Audit Period for Last Audit:	October 21, 2019-June 30, 2023
Issue Date:	August 2024
Number of Findings:	3
Number of Repeat Findings:	1
% of Repeat Findings:	33.3%
Rating: (if applicable)	N/A

Finding 1: Prevention and Health Promotion Administration (PHPA) did not conduct timely inspections to ensure food-processing facilities were operating in accordance with State regulations.

*Bold denotes item repeated in full or part from preceding audit report.

Note: This audit included a review of PHPA, the Office of Population Health Improvement, the Office of Preparedness and Response, and the Office of Provider Engagement and Regulation. Of the three findings, one pertained to PHPA and this summary is limited to that finding but references the finding number in the audit.

Appendix 4
Maryland AIDS Drug Assistance Program
Case Management System
Major Information Technology Development Project
Maryland Department of Health – Prevention and Health Promotion Administration

Funding for this program is budgeted in the MITDP program within MDH Office of the Secretary.

New/Ongoing: Ongoing								
Start Date: January 10, 2022					Est. Completion Date: July 30, 2027			
Implementation Strategy: Agile								
(\$ in Millions)	Prior Year	2025	2026	2027	2028	2029	Remainder	Total
GF	\$0.222	\$0.000	\$2.330	\$3.923	\$3.923	\$3.923	\$0.000	\$14.320
SF	0.562	0.050	0.000	0.000	0.000	0.000	0.000	0.612
Total	\$0.784	\$0.050	\$2.330	\$3.923	\$3.923	\$3.923	\$0.000	\$14.932

Note: Numbers may not sum to total due to rounding.

- Project Summary:** This project automates and modernizes MADAP’s case management system to streamline client data management and improve eligibility and enrollment processes. MDH uses the case management system to ensure that MADAP participants living with HIV or AIDS receive timely and proper amounts of financial support for medication. The fiscal 2026 allowance includes \$50,000 for oversight within the budget for the Department of Information Technology.
- Changes:** In fiscal 2024, MDH reduced the original project scope due to its development partner filing for bankruptcy during the design phase. The reduction in scope resulted in a \$1.2 million reduction in estimated project costs and a completion delay of one year to fiscal 2027. MDH indicated that the updated scope also required technical contractual staff. As a result, the fiscal 2026 total estimated project cost increases from the fiscal 2025 estimate by \$8.5 million for technical contractual and vendor implementation costs not included in prior requests. MDH reports that this increase also reflects spending based on an updated timeline due to delayed procurement.
- Observations and Milestones:** MDH submitted the procurement draft for technical staff and vendors to the first level of draft review and approval process in February 2024. MDH indicated that additional project delays may occur if the procurement is not completed timely.
- Concerns:** Between fiscal 2025 and 2026, estimated project costs have more than doubled. MDH has expressed concern around recruiting technical staff due to delays in procuring sufficient resources. If staffing continues to be a challenge, the timeline could be further delayed, and project costs may continue to grow. MDH has also emphasized a need to use

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general funds for the project rather than the program’s special fund due to limited availability of MADAP special funds after fiscal 2024.

Appendix 5
Maryland Prenatal and Infant Care Grant Program Recipients
Fiscal 2023-2027
(\$ in Thousands)

<u>Grantee</u>	<u>Jurisdiction</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>
Baltimore City Health Department	Baltimore City			\$1,068.2	\$210.4	\$210.4
Baltimore County Health Department	Baltimore County		\$40.0			
Caroline County Health Department	Caroline County		30.0			
Harford County Health Department	Harford County	\$150.0	88.4	337.8	280.0	
Prince George’s County Health Department	Prince George’s County		\$200.0			
St. Mary’s County Health Department	St. Mary’s County	250.0	244.6	257.8		
Wicomico County Health Department	Wicomico County	250.0	210.0	257.8		
CCI Health Services, Inc.	Prince George’s County	250.0	312.1	257.8		
Greater Baden Medical Services	Prince George’s County		360.0	457.8	200.0	
Mary’s Center for Maternal and Child Care	Multiple (Prince George’s and Montgomery Counties)	200.0	514.9	462.9	210.4	
Total		\$1,100.0	\$2,100.0	\$3,100.0	\$900.8	\$210.4

Source: Maryland Department of Health

Appendix 6
Object/Fund Difference Report
Maryland Department of Health – Prevention and Health Promotion Administration

<u>Object/Fund</u>	<u>FY 24</u> <u>Actual</u>	<u>FY 25</u> <u>Working</u> <u>Appropriation</u>	<u>FY 26</u> <u>Allowance</u>	<u>FY 25 - FY 26</u> <u>Amount Change</u>	<u>Percent</u> <u>Change</u>
Positions					
01 Regular	510.00	562.00	550.00	-12.00	-2.1%
02 Contractual	90.24	71.65	19.34	-52.31	-73.0%
Total Positions	600.24	633.65	569.34	-64.31	-10.1%
Objects					
01 Salaries and Wages	\$ 59,438,974	\$ 64,991,180	\$ 69,854,889	\$ 4,863,709	7.5%
02 Technical and Special Fees	7,895,223	4,847,392	1,778,749	-3,068,643	-63.3%
03 Communication	433,657	416,812	410,583	-6,229	-1.5%
04 Travel	552,609	625,523	601,963	-23,560	-3.8%
06 Fuel and Utilities	0	0	94,008	94,008	N/A
07 Motor Vehicles	152,664	201,877	139,037	-62,840	-31.1%
08 Contractual Services	274,235,896	290,679,692	250,772,619	-39,907,073	-13.7%
09 Supplies and Materials	128,156,556	45,197,578	129,856,939	84,659,361	187.3%
10 Equipment – Replacement	238,905	114,467	3,122,409	3,007,942	2627.8%
11 Equipment – Additional	843,005	376,086	1,668,106	1,292,020	343.5%
12 Grants, Subsidies, and Contributions	86,194,851	116,181,515	85,150,698	-31,030,817	-26.7%
13 Fixed Charges	973,554	819,252	1,022,953	203,701	24.9%
Total Objects	\$ 559,115,894	\$ 524,451,374	\$ 544,472,953	\$ 20,021,579	3.8%
Funds					
01 General Fund	\$ 89,517,073	\$ 95,875,112	\$ 88,018,730	-\$ 7,856,382	-8.2%
03 Special Fund	128,901,944	110,009,877	109,612,011	-397,866	-0.4%
05 Federal Fund	303,340,861	303,682,614	334,405,758	30,723,144	10.1%
09 Reimbursable Fund	37,356,016	14,883,771	12,436,454	-2,447,317	-16.4%
Total Funds	\$ 559,115,894	\$ 524,451,374	\$ 544,472,953	\$ 20,021,579	3.8%

Note: The fiscal 2025 appropriation does not include deficiencies. The fiscal 2026 allowance does not include contingent reductions or statewide salary adjustments budgeted within the Department of Budget and Management.

**Appendix 7
Fiscal Summary
MDH Prevention and Health Promotion Administration**

<u>Program/Unit</u>	<u>FY 24 Actual</u>	<u>FY 25 Wrk Approp</u>	<u>FY 26 Allowance</u>	<u>Change</u>	<u>FY 25 - FY 26 % Change</u>
01 Administrative, Policy, and Management	\$ 266,370,982	\$ 212,463,482	\$ 219,294,537	\$ 6,831,055	3.2%
04 Family Health and Chronic Disease Services	292,744,912	311,987,892	325,178,416	13,190,524	4.2%
Total Expenditures	\$ 559,115,894	\$ 524,451,374	\$ 544,472,953	\$ 20,021,579	3.8%
General Fund	\$ 89,517,073	\$ 95,875,112	\$ 88,018,730	-\$ 7,856,382	-8.2%
Special Fund	128,901,944	110,009,877	109,612,011	-397,866	-0.4%
Federal Fund	303,340,861	303,682,614	334,405,758	30,723,144	10.1%
Total Appropriations	\$ 521,759,878	\$ 509,567,603	\$ 532,036,499	\$ 22,468,896	4.4%
Reimbursable Fund	\$ 37,356,016	\$ 14,883,771	\$ 12,436,454	-\$ 2,447,317	-16.4%
Total Funds	\$ 559,115,894	\$ 524,451,374	\$ 544,472,953	\$ 20,021,579	3.8%

Note: The fiscal 2025 appropriation does not include deficiencies. The fiscal 2026 allowance does not include contingent reductions or statewide salary adjustments budgeted within the Department of Budget and Management.