

EFFECT OF THE 2026 LEGISLATIVE PROGRAM ON THE FINANCIAL CONDITION OF THE STATE



DEPARTMENT OF LEGISLATIVE SERVICES 2026

**Effect of the 2026 Legislative Program
on the
Financial Condition of the State**

**Department of Legislative Services
Office of Policy Analysis
Annapolis, Maryland**

June 2026

For further information concerning this document contact:

Library and Information Services
Office of Policy Analysis
Department of Legislative Services
90 State Circle
Annapolis, Maryland 21401

410-946-5400 • 1-800-492-7122, Extension 5400
TTY: 410-946-5401

TTY users may also use the Maryland Relay Service
to contact the General Assembly.

Email: libr@mga.maryland.gov

Maryland General Assembly Website: <https://mgaleg.maryland.gov>

Department of Legislative Services Website: <https://dls.maryland.gov>

The Department of Legislative Services does not discriminate on the basis of age, ancestry, color, disability, gender identity, genetic information, marital status, national origin, pregnancy, race, religion, sex, or sexual orientation in the admission or access to its programs, services, or activities. Pursuant to Section 35.107 of the U.S. Department of Justice (DOJ) regulations, the Department of Legislative Services' Information Officer has been designated to coordinate compliance with the nondiscrimination requirements of Part 35 of the DOJ regulations, which implement provisions of the Americans with Disabilities Act. Requests for assistance should be directed to the Information Officer at the telephone numbers shown above.



DEPARTMENT OF LEGISLATIVE SERVICES
OFFICE OF POLICY ANALYSIS
MARYLAND GENERAL ASSEMBLY

June 2026

The Honorable Bill Ferguson, President of the Senate
The Honorable Joseline A. Peña-Melnyk, Speaker of the House of Delegates
Members of the Maryland General Assembly

Dear President Ferguson, Speaker Peña-Melnyk, and Members:

State law requires the Department of Legislative Services to annually prepare a report that summarizes the effect of the preceding legislative program on State and local governments. In accordance with this requirement, we are pleased to submit the following report, *Effect of the 2026 Legislative Program on the Financial Condition of the State*.

This document is divided into five chapters.

Chapter 1 highlights the major components of the fiscal 2027 operating budget (**Senate Bill 282/Chapter 4**).

Chapter 2 summarizes the fiscal 2027 capital budget program, including the 2026 capital budget bill (**Senate Bill 283/Chapter 5**).

Chapter 3 identifies enacted legislation from the 2026 session other than **Senate Bill 282** and **Senate Bill 283** that affects State revenues or expenditures. The revenue and expenditure effects of the legislation are summarized, as are the number of regular and contractual positions required to implement the legislation.

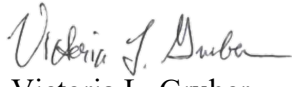
Chapter 4 identifies enacted legislation from the 2026 session that affects local governments. This chapter also identifies State mandates on units of local government and provides an overview of State aid to local governments.


Chapter 5 identifies 2026 bills vetoed by the Governor for policy reasons and the bills' associated fiscal impact if they had been enacted.

This report is prepared by the staff of the Office of Policy Analysis. The work was coordinated by Eric Pierce and reviewed by David Romans. In addition, Arnold Adja, Elizabeth Allison, Claire Austin-Washburn, Jennifer Botts, Anne Braun, Hiram Burch, Jacob Cash, Scott Gates, Donavan Ham, Emily Haskel, Callie Ingwersen, Laura McCarty, Eliana Prober, Michael Sousane, Theresa Tuszynski, and Tonya Zimmerman each contributed to the content or editing of the report.

We trust this report will be a useful source of information for you. If you have any questions concerning its contents, please do not hesitate to contact us.

Sincerely,


Victoria L. Gruber
Executive Director


Ryan Bishop
Director

Contents

Transmittal Letter.....	iii
Abbreviations.....	vii
Fiscal Effects of the 2026 Legislative Program.....	ix
Chapter 1. Operating Budget.....	1
Overview.....	3
Budget in Brief.....	4
Framing the Session: 2025 Interim Activity.....	8
Governor’s Spending Plan as Introduced	9
Legislative Consideration of the Budget.....	11
Selected Budgetary Initiatives and Enhancements	32
By the Numbers	42
Chapter 2. State Capital Program.....	53
Fiscal 2027 Capital Budget.....	55
Chapter 3. Impact of Legislation on State Revenues and Expenditures	79
Legislation Affecting State Revenues.....	81
Totals by Fund Type/Summary of Quantifiable Revenue Effects.....	104
Legislation Affecting State Expenditures	105
Quantifiable Expenditures by Agency	148
Totals by Fund Type/Summary of Quantifiable Expenditure Effects	154
Quantifiable Regular Positions Needed by Agency.....	155
Quantifiable Contractual Positions Needed by Agency.....	158
Chapter 4. Local Government	161
State Aid to Local Governments.....	163
Summary of State Mandates	180
Legislation Affecting Local Government Revenues.....	181
Legislation Affecting All/Multiple Local Jurisdictions	181
Legislation Affecting Local Governments by Subdivision	188
Anne Arundel County	188
Baltimore City.....	189
Baltimore County	189
Calvert County	189
Carroll County.....	190
Garrett County.....	190
Howard County.....	190
Montgomery County	190
Prince George’s County	190
St. Mary’s County	191

Washington County.....	191
Wicomico County	191
Worcester County	192
Legislation Affecting Local Government Expenditures	193
Legislation Affecting All/Multiple Local Jurisdictions	193
Legislation Affecting Local Governments by Subdivision	202
Allegany County	202
Anne Arundel County	202
Baltimore City.....	203
Baltimore County.....	203
Calvert County	203
Caroline County	204
Carroll County.....	204
Dorchester County	204
Frederick County.....	204
Garrett County.....	205
Howard County	205
Montgomery County	205
Prince George’s County	206
Somerset County	206
Washington County.....	207
Worcester County	207
Chapter 5. Vetoed Legislation	209
Vetoed Legislation	211

Abbreviations

BOND	–	Bond
Ch.	–	Chapter
FF	–	Federal Fund
FY	–	Fiscal Year
GF	–	General Fund
GO	–	general obligation
HB	–	House Bill
HE	–	Higher Education
NB	–	Nonbudgeted
PAYGO	–	pay-as-you-go
RF	–	Reimbursable Fund
SB	–	Senate Bill
SF	–	Special Fund
TEDCO	–	Maryland Technology Development Corporation
()	–	Indicates decrease

Fiscal Effects of the 2026 Legislative Program

The fiscal 2027 budget (operating budget bill), **Senate Bill 282 (Chapter 4)**, provides approximately \$71.0 billion in appropriations for fiscal 2027 – an increase of \$863.8 million (1.2%) compared to fiscal 2026. The appropriations consist of 39.2% in general fund spending, 29.7% in federal fund spending, 22.6% in special fund spending, and 8.5% in higher education revenue spending.

The Maryland Consolidated Capital Bond Loan of 2026 (capital budget bill), **Senate Bill 283 (Chapter 5)**, authorizes \$1.852 billion in general obligation bonds for capital spending. The overall capital budget program passed by the General Assembly for fiscal 2027 totals \$6.0 billion, including \$3.137 billion for the transportation program.

Consistent with recommendations of the Spending Affordability Committee, the fiscal 2027 budget reduces the structural shortfall to \$600 million and leaves a \$199 million cash balance. An estimated balance of \$2.2 billion is projected for the Revenue Stabilization Account.

While the overall fiscal effect of enacted legislation other than the fiscal 2027 operating and capital budget bills cannot be fully quantified due to certain fiscal impacts that could not be reliably estimated, the impacts of 2026 legislation that have been quantified in fiscal and policy notes total to a net increase in general fund revenues of \$167.8 million and a net decrease in general fund expenditures of \$608.7 million in fiscal 2027, for an overall positive general fund impact of \$776.6 million. Special fund revenues decrease by a net amount of \$389.8 million, and special fund expenditures increase by a net amount of \$484.7 million in fiscal 2027. Federal fund revenues increase by a net of \$13.9 million, and federal fund expenditures increase by a net of \$12.1 million in fiscal 2027. In addition, fiscal and policy notes in which personnel impacts were able to be quantified include an overall net increase of 101.5 regular and contractual positions in fiscal 2027.

Total of Quantified General Fund Impacts of 2026 Legislation (Exclusive of the Operating and Capital Budget Bills)

	<u>FY 2027</u>	<u>FY 2028</u>	<u>FY 2029</u>	<u>FY 2030</u>	<u>FY 2031</u>
General Fund Revenues	\$167,831,887	\$54,678,828	\$13,420,803	(\$24,013,510)	(\$64,985,720)
General Fund Expenditures	(608,740,963)	536,734,608	168,279,662	97,625,173	42,652,364
Net General Fund Impact	776,572,850	(482,055,780)	(154,858,859)	(121,638,683)	(107,638,084)

Some of the quantified expenditure impacts of enacted 2026 legislation are already reflected in the fiscal 2027 budget. However, of the impacts that have been quantified in fiscal and policy notes, \$33.9 million in general fund expenditure increases are not accounted for in the fiscal 2027 budget and may result in deficiency appropriations for the affected agencies in the next budget bill or the need for agencies to absorb the added costs into their existing budgets. In the case of special and federal fund expenditure increases that are not reflected in the enacted budget, State agencies may add special and federal funds through the budget amendment process and, in certain cases, the expenditure impacts are offset by corresponding revenue increases.

Fiscal 2027 Quantified Expenditure Increases Resulting from 2026 Legislation Not Included in the Budget

<u>General Funds</u>	<u>Special Funds</u>	<u>Federal Funds</u>
\$33,902,484	\$59,474,621	\$14,543,061

Although not contributing to the totals shown above, each enacted bill with an unquantified impact is listed in Chapter 3 with an indication of whether it is expected to have a positive or negative impact on the budget. All estimates of the impacts of 2026 legislation (aside from the operating and capital budget bills) are based on the assumptions stated in the fiscal and policy notes for the bills.

Chapter 4 includes a discussion of State aid to local governments and briefly describes the impacts on local governments of legislation enacted in 2026 other than the operating and capital budget bills. As shown in Chapter 4, State aid to local governments will total \$11.9 billion in fiscal 2027, which represents a \$409.4 million (3.6%) increase over fiscal 2026. Consistent with prior years, local school systems receive the largest portion of State aid.

Finally, Chapter 5 provides a brief description of the fiscal impact for 2026 bills that were vetoed for policy reasons. The Governor vetoed four such bills.

Chapter 1. Operating Budget

- Overview
- Budget in Brief
- Framing the Session: 2025 Interim Activity
- Governor's Spending Plan as Introduced
- Legislative Consideration of the Budget
- Selected Budgetary Initiatives and Enhancements
- By the Numbers

Operating Budget

Overview

Significant projected general fund cash and structural budget shortfalls led to a challenging fiscal outlook as the 2026 session began. In December 2025, projected cash shortfalls totaled \$1.56 billion for fiscal 2027, with structural shortfalls of \$259 million in fiscal 2026 and \$1.24 billion in fiscal 2027. The structural shortfall was projected to grow to \$3.7 billion by fiscal 2030. Limited general fund revenue growth, higher than expected entitlement costs, impacts on both revenues and expenditures from the federal One Big Beautiful Bill Act (OBBBA), and a long-term commitment to enhancing K-12 education funding contributed to the fiscal challenges.

The immediate challenge reflected rapidly increasing entitlement program costs that resulted in fiscal 2025 bills being rolled into fiscal 2026, and 2026 costs for the Developmental Disabilities Administration (DDA), Medicaid, and behavioral health all surpassing budgeted levels. Administrative costs for Medicaid and the Supplemental Nutrition Assistance Program (SNAP) were also expected to increase beginning in fiscal 2027 to comply with OBBBA provisions. Out-year OBBBA costs are partially mitigated by anticipated enrollment decreases in Medicaid, particularly among the expansion population due to new recertification and work requirements. The OBBBA also had negative impacts on revenue projections in the near term that were captured by the Board of Revenue Estimates (BRE) beginning with its September 2025 forecast.

In March 2026, BRE increased the general fund revenue estimate for fiscal 2026 by \$356 million, primarily driven by year-to-date experience in the estate and inheritance taxes, which is not expected to continue in fiscal 2027. Excluding the growth in estate and inheritance taxes, the March 2026 estimate for fiscal 2026 would be only \$95.1 million higher than the December 2025 estimate, with higher estimates for the personal income tax partially offset by lower estimates of corporate income and sales and use tax revenues. BRE lowered the fiscal 2027 general fund revenue estimate in March 2026 by approximately \$108 million, primarily due to a weaker outlook for the sales and use tax that is partially offset by growth in the personal income tax.

Governor Wes Moore introduced a fiscal 2027 budget that reduced general fund spending by \$153.8 million (0.6%), including \$592.9 million in reductions contingent on legislation. The reduction in general fund spending occurred in part due to one-time deficiency appropriations related to prior year costs (\$338.7 million), one-time costs in fiscal 2026 (\$118.7 million), lower costs associated with Major Information Technology Development Projects (\$35.4 million), and the Family and Medical Leave Insurance program beginning to collect contributions (\$29.2 million) to fund operations alleviating the need for general funds. As introduced, the budget anticipated a Revenue Stabilization Account (Rainy Day Fund) balance equaling about 8% of general fund revenues, despite a contingent reduction that eliminated the fiscal 2027 mandated appropriation to the fund (\$449.8 million). The fiscal 2027 budget also included a number of

enhancements that primarily reflected the Governor's economic development agenda, State employee salaries, and efforts to improve fiscal management.

Actions taken by the General Assembly in the budget bill and through final action on **Senate Bill 284 (Ch. 6)**, the Budget Reconciliation and Financing Act (BRFA) of 2026, reduced \$803.1 million of general fund spending, including reductions of \$75 million in placeholders included by the Governor in the budget as introduced and Supplemental Budget No. 2 for legislative priorities. The legislature increased general fund revenues in fiscal 2026 and 2027 by \$134.8 million primarily reflecting the full or partial decoupling from certain provisions in the federal OBBBA, which also produces approximately \$30.7 million of special fund revenue primarily for the Transportation Trust Fund (TTF) and Higher Education Investment Fund. The General Assembly added \$647.2 million in total funds to the budget to support legislative priorities across fiscal 2026 and 2027, including \$250 million in funds from Alternative Compliance Payments (ACP) in the Strategic Energy Investment Fund (SEIF), which were reallocated from the originally budgeted purposes. General fund additions totaling \$263.8 million included funding to free up general obligation (GO) bonds by shifting capital spending in the Department of Housing and Community Development to general funds (\$93.4 million), partially restore cost containment in DDA (\$23.1 million), reduce waitlists for the child care scholarship program (\$20.0 million), and provide a 1% rate increase for nursing home providers (\$8.1 million). The General Assembly also restored \$27.0 million for disparity grants, \$2.5 million for provider rate increases for nonpublic placement providers, and \$20.0 million in special funds for the Consortium for Coordinated Community Supports by rejecting reductions to these programs proposed by the Governor.

Final legislative action on the budget leaves an estimated general fund cash balance of \$199 million at the end of fiscal 2027, in addition to \$2.2 billion in the Rainy Day Fund. General fund spending decreases by \$91 million compared to fiscal 2026, while overall spending increases by 1.2%. The legislature met the recommendations of the Spending Affordability Committee (SAC) related to general fund and Rainy Day fund balances and the reduction to the structural shortfall.

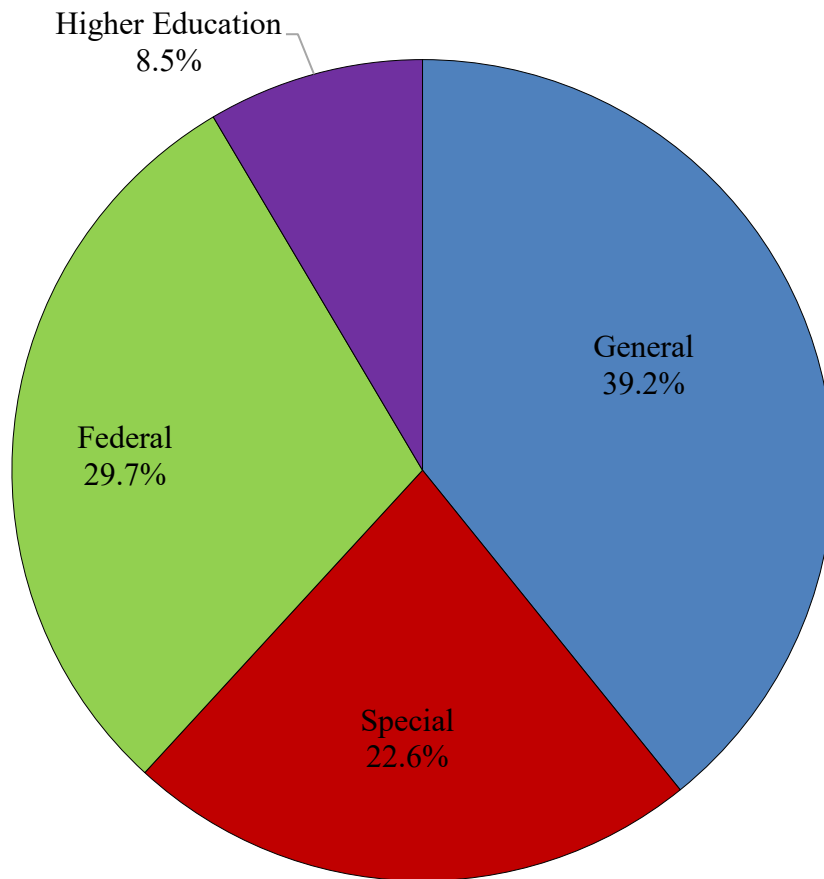
Budget in Brief

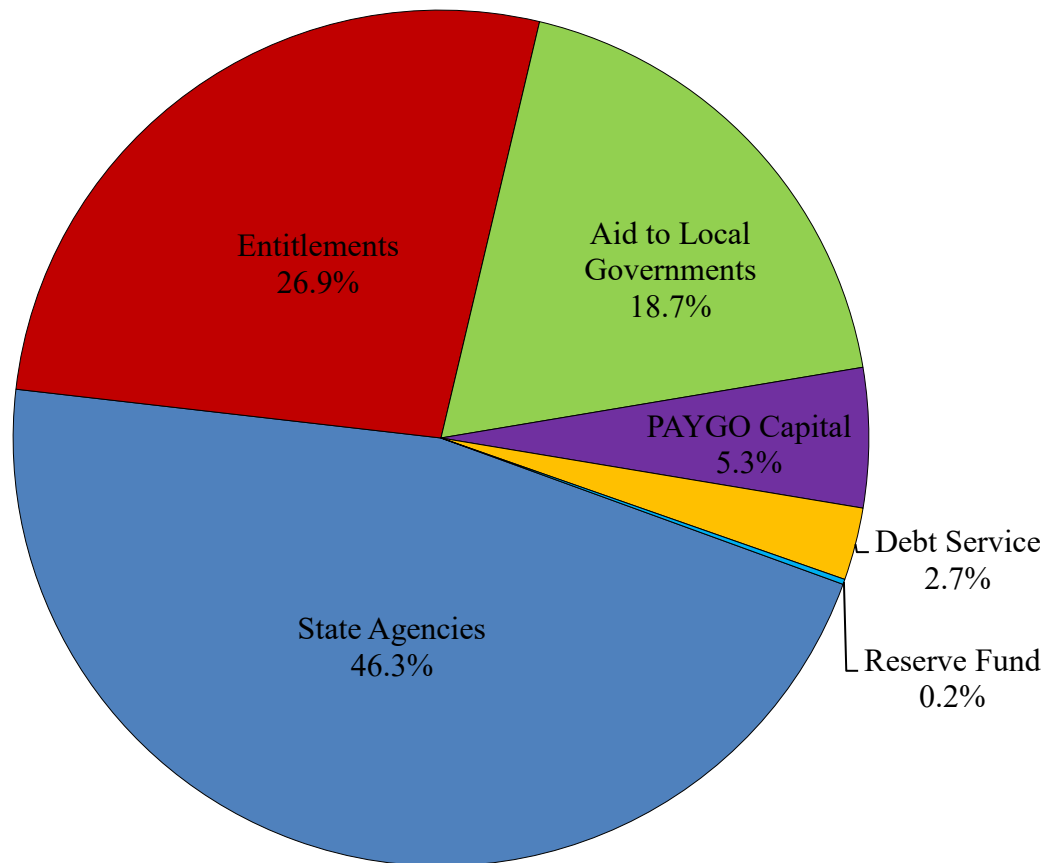
Senate Bill 282 (Ch. 4) provides approximately \$71.0 billion in appropriations for fiscal 2027 – an increase of \$863.8 million (1.2%) compared to fiscal 2026. **Exhibit 1.1** illustrates fiscal 2027 spending by fund source and purpose. General funds constitute the largest portion of the State budget, accounting for 39.2%, or \$27.8 billion, of the total fiscal 2027 legislative appropriation. Federal funds account for approximately 29.7% of all spending (\$21.1 billion). The increased use of funds from the Blueprint for Maryland's Future (Blueprint) Fund to support K-12 education enhancements, higher transportation spending reflecting recent transportation revenue increases, and increased spending from the SEIF contribute significantly to the special fund growth of \$1.2 billion, or 8.2%. With this increase, special fund appropriations total 22.6% of the fiscal 2027 appropriation (\$16.1 billion). Higher education revenues provide the remaining 8.5% of the budget. State agency operations constitute the largest area of spending, accounting for 46.3% of the total budget, followed by entitlements (26.9%) and aid to local

governments (18.7%). Remaining appropriations fund pay-as-you-go (PAYGO) capital spending, debt service on State GO bonds, and appropriations to the Reserve Fund. The share of spending on the Reserve Fund remains low due to no appropriation to the Rainy Day Fund.

Exhibit 1.1
Maryland's \$71.0 Billion Fiscal 2027 Budget

Where It Comes From: Budget by Fund Source



Where It Goes: Budget by Purpose

PAYGO: pay-as-you-go

Note: Does not account for assumed general fund reversions of \$100 million.

Source: Department of Legislative Services

General fund appropriations decrease by \$91.0 million, or 0.3%, when compared to the fiscal 2026 adjusted working appropriation. Much of the decrease results from \$321.8 million of one-time spending in fiscal 2026 related to prior year costs that exceeded available resources. Spending also declines as the State's budget challenges lead to less use of cash for capital projects (a decrease of \$5.9 million). Excluding these areas, general fund spending increases in the fiscal 2027 budget. Spending on local aid increases by \$65.2 million, primarily driven by retirement aid for teachers, librarians, and community colleges as well as new grants for Baltimore City. Entitlement spending increases by a net of \$64.2 million, primarily due to foster care maintenance payments and Medicaid driven by growth in Medicaid-eligible behavioral health

provider reimbursements. Spending on State agencies increases by \$141.2 million; a significant contributor to the overall growth is State employee salary adjustments totaling approximately \$144.4 million in general funds. Decreases in health and human services are driven by one-time funding related to COVID-19, a DDA audit disallowance, SNAP payment error rate penalties, and certain other penalties and fines in fiscal 2026.

Special fund spending increases by approximately \$1.2 billion, or 8.2%, compared to the fiscal 2026 working appropriation. The Blueprint Fund spending increases by more than \$350 million to support growth in K-12 education spending. Another substantial driver of the increase is funding for transportation, which rises \$237 million combined between the operating and capital programs. Growth for transportation reflects increased spending made possible by revenue increases adopted in the BRFA's of 2024 and 2025. Debt service spending supported by property tax collections and bond premium revenue increases by \$97.5 million. Spending from the SEIF increases due to higher revenues, expanded uses, and efforts to reduce the fund balance. Regional Greenhouse Gas Initiative (RGGI)-sourced SEIF spending increases by approximately \$184 million, including \$109 million added in Supplemental Budget No. 2 to support heat pump installation and replacement for low- and moderate-income households, the Climate Catalytic Capital Fund, the Power Plant Research program, and HVAC upgrades in Baltimore City public schools. Spending from ACP-supported revenues increases by \$162 million, including funds to support a reverse auction to increase renewable energy, offset ratepayer costs associated with a limited income discount mechanism and EmPOWER Maryland, and fund HVAC upgrades in public schools, higher education research, and solar on State facilities.

Federal fund spending in the budget decreases by a net \$301.9 million, or 1.4%, primarily driven by \$430.7 million of fiscal 2025 costs that were paid in fiscal 2026. Excluding those one-time costs, federal spending on Medicaid increases by more than \$225 million in fiscal 2027. This increase is partially offset by lower federal spending in public benefit programs primarily due to lower caseloads and benefit levels in SNAP. Federal support for capital activity increases by approximately \$102 million, the majority of which relates to transportation projects (\$71 million).

Excluding State general and special funds, current unrestricted and current restricted funding for State public four-year institutions and Baltimore City Community College increases by \$34.5 million to \$6.05 billion in fiscal 2027. Tuition and fee revenue increases due to enrollment growth and expected increases in charges, while auxiliary revenues increase due to anticipated enrollment growth. These increases are partially offset by reductions in current restricted funds primarily due to lower anticipated receipt of federal grant and contract revenues.

With respect to State personnel, the size of the regular workforce increases to 86,374 in fiscal 2027, 74 more positions than the fiscal 2026 legislative appropriation. The budget provides approximately \$206 million in total funds to provide most State employees with a 1.5% general salary increase effective July 1, 2026, increments in lieu of a general salary increase to members of the State Law Enforcement Officer's Labor Alliance (SLEOLA), annual salary review adjustments for selected classes of positions, and adjustments to the pay scale to ensure employee salaries increase at similar rates when they receive increments.

Framing the Session: 2025 Interim Activity

Fiscal 2025 closed with a balance that was \$139 million higher than was anticipated at the end of the 2025 session, as shown in **Exhibit 1.2**. The higher closing balance was primarily the result of revenues exceeding expectations by approximately \$521 million. Revenues from a number of sources beat expectations, but the largest source was nonwage income including capital gains. Sales and use tax revenues and miscellaneous revenues driven by abandoned property also exceeded expectations. General fund reversions by agencies also slightly exceeded expectations (\$27 million). These adjustments were partially offset by lower than expected transfers (\$409 million) primarily due to a required distribution of a combined \$382 million of higher than expected nonwage income to the Rainy Day Fund and the Fiscal Responsibility Fund.

Exhibit 1.2 Fiscal 2025 Closeout (\$ in Millions)

Estimated Closing Balance	\$132
Revenue and Transfers	
Adjustment to Revenues	521
Transfers	-409
Spending	
Reversions Above Estimate	27
Closing Balance	\$271

Source: Comptroller of Maryland

Spending Affordability Committee Recommendations

As described below, SAC's December 2025 report to the Governor made recommendations concerning the fiscal 2027 spending limit, use of fund balances, State employment, and the TTF.

Spending Limit and Sustainability: SAC recommended that the fiscal 2027 budget reduce the gap between general fund revenues and ongoing spending by 50% (\$600 million).

Fund Balances and Use of Surplus: SAC specifically recommended maintaining a Rainy Day Fund balance of at least 8% and a minimum ending general fund balance of at least \$100 million in fiscal 2027. If March revenues were revised downward by at least \$100 million or

the State's unemployment rate equaled or exceeded 5%, the Rainy Day Fund balance goal was to be reduced to 7.5%. SAC also recommended a combined balance of \$15 million between the Catastrophic Event Account and the State Disaster Recovery Fund beginning in fiscal 2027.

Personnel: SAC recommended maintaining the current level of authorized positions, filling vacant positions in mission critical positions, and increasing vacancies overall to meet budgeted turnover.

Transportation: Chapters 27 and 563 of 2022 expanded the required annual SAC recommendations to include a recommended fund balance for the TTF and a recommended minimum expenditure level for system preservation by the Maryland Department of Transportation (MDOT). With MDOT having identified a 10-year shortfall of nearly \$12.5 billion between programmed spending for state of good repair and needed spending, SAC recommended a target fiscal 2027 closing balance of at least \$550 million and that system preservation funding total at least \$1.15 billion. The SAC recommended fund balance exceeded the level assumed by MDOT in its draft financial forecast in recognition of concerns related to cash flow needs in the event that federal fund attainment is lower than projected.

Governor's Spending Plan as Introduced

As introduced, the Governor's budget plan for the current fiscal year assumed \$70.2 billion in total spending, including \$27.9 billion in general funds, which left an estimated closing general fund balance of \$303 million in fiscal 2026. This spending included \$3.0 billion in deficiency appropriations net of planned reversions, including \$965.8 million in general funds and \$1.9 billion in federal funds – the largest components of which were in entitlement programs and DDA provider reimbursements (\$2.5 billion in total funds and \$694.8 million in general funds), including funds to support prior year costs. Of this amount, \$718.3 million (including \$287.6 million in general funds) for DDA, Medicaid, and Medicaid-related behavioral health provider reimbursements were to support fiscal 2025 costs.

The fiscal 2027 budget plan proposed \$70.8 billion in total spending, an increase of approximately \$511.9 million compared to the fiscal 2026 spending plan. General fund spending declined by approximately \$153.8 million, including one-time expenses related to fiscal 2025 costs paid in fiscal 2026 (\$321.8 million), funding for facility repairs and infrastructure repairs provided as deficiency appropriations (\$52.7 million), COVID-19 related expenses (\$49.4 million), a DDA audit disallowance (\$39.3 million), and penalties and fines (\$30.1 million). These reductions were partially offset by increases including State employee salary adjustments (\$144.4 million) and administrative costs related to the OBBBA, including the change in the SNAP administrative match rate (\$53.6 million) and local aid (\$35.0 million). With the Rainy Day Fund balance at 8% of general fund revenues in fiscal 2027, **Senate Bill 284 (Ch. 6)**, the BRFA of 2026, as introduced, included a provision to eliminate the required fiscal 2027 appropriation to the fund (\$449.8 million). The Governor's budget plan also reduced an additional \$142.8 million of general funds contingent on the BRFA and \$250,000 contingent on other legislation. The largest contingent reductions related to shifting half of the fiscal 2026 increase in teacher, librarian, and

community college retirement costs to local jurisdictions (\$39.3 million), level funding the disparity grant at the fiscal 2026 formula funding level (\$27.0 million), and limiting the growth for each community college under the Senator John A. Cade (Cade) funding formula to 3% per year for fiscal 2027 through 2029 (\$21.0 million). The Governor’s legislative package also proposed approximately \$95.9 million of contingent special fund reductions, including \$71.9 million related to a diversion of transfer tax revenues to the General Fund and \$20 million to reduce the mandate for the Consortium on Coordinated Community Supports.

The Administration’s legislative package contained \$362.2 million of contingent special fund spending contingent on either provisions in the BRFA (\$262 million) or other legislation (\$100.3 million). Of the contingent appropriations, \$312 million was related to the expanded uses of the ACP funds in the SEIF. The remaining contingent appropriations were primarily related to fund swaps linked to contingent general or federal fund reductions. The BRFA, as introduced, included additional general fund revenues of \$206.5 million in fiscal 2027, primarily due to decoupling (either in full or part) from two income tax provisions contained in the federal OBBBA (\$132.8 million) and \$71.7 million from a diversion of transfer tax revenues to the General Fund in fiscal 2027 only.

The budget, as introduced, met the SAC goals for the fiscal 2027 general fund balance, Rainy Day Fund balance, and fiscal 2027 structural shortfall reduction. **Exhibit 1.3** details the Governor’s original general fund spending plan for fiscal 2026 and 2027.

Exhibit 1.3
Governor’s Original Budget Plan – General Funds
Fiscal 2026-2027
(\$ in Millions)

	<u>2026</u>	<u>2027</u>
Opening Balance	\$271	\$303
BRE Revenues	26,738	27,112
Changes to Revenue from Tax Changes, contingent on the BRFA		133
Other Changes to Revenue, contingent on the BRFA		74
Transfer from the Rainy Day Fund*	326	38
Transfers, contingent on the BRFA	493	90
Additional Revenues and Transfers	346	75
<i>Subtotal</i>	\$27,903	\$27,522

	<u>2026</u>	<u>2027</u>
Appropriations/Deficiencies	27,998	28,408
Contingent Reductions	-2	-591
Reversions	-126	-100
<i>Subtotal</i>	<i>\$27,871</i>	<i>\$27,717</i>
Adjusted Closing Balance	\$303	\$108

BRE: Board of Revenue Estimates

BRFA: Budget Reconciliation and Financing Act

* In fiscal 2026 and 2027, includes a transfer of amount above 8% of general fund revenue.

Source: Governor's Budget Books, Budget Highlights, Fiscal 2027

Legislative Consideration of the Budget

Exhibit 1.4 summarizes final legislative actions on the fiscal 2026 and 2027 budgets. During legislative deliberations, two supplemental budgets were received from the Administration, and revenues were revised by BRE. The General Assembly's final actions on the budget leave an estimated closing general fund balance of approximately \$753 million in fiscal 2026 and \$199 million in fiscal 2027.

Exhibit 1.4 Final Legislative Budget Actions – General Funds Fiscal 2026-2027 (\$ in Millions)

	<u>2026</u>	<u>2027</u>
Opening Balance	\$271	\$753
BRE Revenues (adjusted for March 2025 revision)	27,094	27,004
Changes to Revenue from Tax Changes, contingent on the BRFA		133
Other Changes to Revenue, contingent on the BRFA	-7	9
Transfer from the Rainy Day Fund*	326	43
Transfers, contingent on the BRFA	811	77
Revenue Impacts of Other Legislation	0	-51
Additional Revenues and Transfers	196	78
<i>Subtotal</i>	<i>\$28,420</i>	<i>\$27,292</i>

	<u>2026</u>	<u>2027</u>
Appropriations/Deficiencies	\$27,998	\$28,408
Supplemental Budgets	71	76
Legislative Additions	54	210
Legislative Reductions	-56	-747
Reversions	-129	-100
<i>Subtotal</i>	<i>\$27,938</i>	<i>\$27,847</i>
Adjusted Closing Balance	\$753	\$199

BRE: Board of Revenue Estimates

BRFA: Budget Reconciliation and Financing Act

* In fiscal 2026 and 2027, includes a transfer of amount above 8% of general fund revenue.

Source: Department of Legislative Services

Following submission of the budget in January 2026, the Governor submitted two supplemental budgets, summarized in **Exhibit 1.5**, which as submitted added a net of \$481.1 million across the current and budgeted fiscal years, including a net \$145.8 million in general fund spending after accounting for planned reversions.

Exhibit 1.5
Summary of Supplemental Budget Spending by Fund
(\$ in Millions)

<u>Supplemental Budget</u>	<u>General Funds</u>	<u>Special Funds</u>	<u>Federal Funds</u>	<u>Total</u>
No. 1				
Fiscal 2026	\$14.4	-\$18.0	\$4.3	\$0.7
Fiscal 2027	-8.8	3.0	0.0	-5.8
No. 2				
Fiscal 2026	55.8	0.1	51.3	107.2
Fiscal 2027	84.4	169.0	125.5	378.9
Original Spending Impacts	\$145.8	\$154.1	\$181.1	\$481.1

<u>Supplemental Budget</u>	<u>General Funds</u>	<u>Special Funds</u>	<u>Federal Funds</u>	<u>Total</u>
Reductions	-\$48.0			-\$48.0
Failed Contingent Reduction	0.2			
Total Spending Impacts	\$98.0	\$154.1	\$181.1	\$433.1
Reversions	3.1			
Net Impact on General Fund Balance	\$94.9			

Note: This chart includes appropriations and reductions that were provided contingent on the Budget Reconciliation and Financing Act of 2026 or other legislation, including provisions that were not adopted. Supplemental Budget No. 1 alters spending by striking deficiency appropriations that would have reduced or added spending contained in the budget as introduced, as well as changing contingent reductions and appropriations in the budget as introduced, which is counted as additional or reduced spending. This chart excludes reimbursable fund realignments, which have no net impact on spending.

Source: Department of Legislative Services

Supplemental Budget No. 1 had a net impact of reducing spending by \$5.1 million, however, general fund spending increases by a net of \$5.6 million. The supplemental budget assumed \$1.1 million in planned general fund reversions. In addition, Supplemental Budget No. 1 realigned \$138 million in total funds in fiscal 2026 and \$158 million in total funds in fiscal 2027 from Medicaid provider reimbursements to Medicaid-eligible behavioral health provider reimbursements to address a shortfall with available surplus. The primary driver of the increased general fund spending in fiscal 2026 and an associated special fund reduction is a fund swap shifting DDA costs from special funds to general funds as the special fund revenues were oversubscribed. Another significant driver of general fund spending was the addition of \$6.4 million in general funds across fiscal 2026 and 2027 to support the Maryland Department of Emergency Management (MDEM), replacing special fund appropriations provided contingent on a provision in the BRFA of 2026 as introduced, which the Administration proposed withdrawing. Increases in general funds were more than offset by reductions to eliminate double-budgeted funds (\$5.0 million), special funds available to replace general funds for a major information technology (IT) project (\$4.8 million), higher than expected vacancy savings in the Department of State Police (\$4.0 million), and the withdrawal of funds for expedited IT projects (\$3.0 million).

Supplemental Budget No. 2 added a total of \$486.1 million, including \$140.2 million in general funds, across fiscal 2026 and 2027. Of this amount, \$48 million was a placeholder for legislative priorities, which was deleted and added back for selected priorities by the General Assembly. Supplemental Budget No. 2 also assumed a planned reversion from fiscal 2026 of \$2.0 million related to the Cannabis Incubator, which was added back in fiscal 2027 to better align with the timing of anticipated expenditures. Of the remaining funding, \$109 million in special funds was funding provided under the SEIF for legislative priorities. A portion of these funds (\$84.8 million) were contingent on legislation, although unspecified. **House Bill 1532**

(Ch. 353) effectuate \$84.7 million of these contingencies with the remaining \$100,000 effectuated by **Senate Bill 739/House Bill 1219 (Chs. 696 and 697)**. Additional drivers of increased spending in Supplemental Budget No. 2 were \$72 million in total funds (split equally between general and federal funds) to address a fiscal 2026 shortfall in DDA provider reimbursements and approximately \$134 million in federal funds across fiscal 2026 and 2027 to recognize funding awarded to Maryland under the Rural Health Transformation program. An additional nine new positions and \$2.5 million of general funds across fiscal 2026 and 2027 were contingent on **Senate Bill 858/House Bill 1369 (Chs. 364 and 365)**.

After accounting for planned reversions and General Assembly actions to reduce funds added as a placeholder and to not enact legislation addressing one contingent reduction, the net impact of the supplemental budgets was to reduce the general fund balance by \$94.9 million.

In March 2026, BRE revised its fiscal 2026 general fund revenue estimate upward by \$355.7 million and fiscal 2027 general fund revenue estimate downward by \$108.1 million. Overall, legislative actions, including reductions to Supplemental Budget No. 2 and reductions contingent on legislation, resulted in \$285.9 million in reductions to the fiscal 2026 appropriation, including \$56.3 million in general fund reductions, and approximately \$1.3 billion in total fund reductions to the fiscal 2027 budget, of which \$746.8 million was general funds.

Legislative Priorities

As shown in **Exhibit 1.6**, the legislature reallocated approximately \$647.1 million to fund legislative priorities across the State in fiscal 2026 and 2027 and free up space for capital additions by shifting funding for housing projects from bonds to PAYGO. This included approximately \$113.5 million in fiscal 2026, including \$59.3 million in special funds from the Fiscal Responsibility Fund to pre-fund fiscal 2027 IT costs with an alternative source and \$51.2 million of Rental Housing funds to free up GO bonds. The General Assembly added \$533.5 million of total funds in fiscal 2027, including \$250 million of ACP-related SEIF revenues reduced from the fiscal 2027 budget and repurposed for other activities and \$27 million of State lottery funds for the Blue Line Corridor that were reduced and added for particular Blue Line Corridor projects. Of the \$209.6 million in general funds added in fiscal 2027, \$23.1 million partially mitigates DDA cost containment actions and \$5 million funds DDA data analytics support. General fund additions also support economic development initiatives totaling \$22.7 million across fiscal 2026 and 2027, including \$8 million for the Western Maryland Economic Future Investment Fund, \$5 million for the Maryland Innovation Initiative, \$3.0 million for the Maryland Advanced Manufacturing Grant program, and \$6.7 million to support legislation focused on economic development including:

- \$4.0 million for the Maryland Growth Initiative (**Senate Bill 763 (Ch. 381)**);
- \$1.5 million for the Maryland's Future Fund and an additional \$200,000 for a study related to economic growth (**Senate Bill 770/House Bill 1473 (Chs. 377 and 378)**); and

- \$1.0 million for the Maryland Workforce Launch Pilot Program (**Senate Bill 869 (Ch. 535)**).

Exhibit 1.6
Legislative Budget Priorities
(\$ in Millions)

Fiscal 2026 Additions
General Funds

<u>Purpose</u>	<u>Total</u>
Shift DHCD Rental Housing from GO Bonds to PAYGO	\$51.2
Maryland Advanced Manufacturing Grant Program	3.0
Total General Fund Fiscal 2026 Additions	\$54.2

Special Funds

<u>Purpose</u>	<u>Total</u>
MITDP (Fund Swap from General Funds)	\$59.3
Total Fiscal 2026 Additions	\$113.5

Fiscal 2027 Additions
General Funds

<u>Purpose</u>	<u>Total</u>
Shift Portion of DHCD Baltimore Vacants Reinvestment Initiative from GO Bonds to PAYGO	\$42.2
DDA to Reduce Cost Containment	23.1
MSDE to Reduce Waitlist for Child Care Scholarships	20.0
Maryland Legal Services Corporation for Access to Counsel	10.0
1% Rate Increase for Nursing Homes	8.1
Western Maryland Economic Future Investment Fund	8.0
Rental Assistance for Community School Families Program	6.0
MDH Prevention and Health Promotion Administration for Community Access Grant	5.0
TEDCO for Maryland Innovation Initiative	5.0
DDA to Contract for Data Analytics Support	5.0
TEDCO for Maryland Growth Initiative Contingent on SB 763	4.0
Grant to Revolutionary Studios (PAYGO)	4.0
Grant to Maryland Clean Energy Center	3.0
State Archives Supplemental Funding	2.8

<u>Purpose</u>	<u>Total</u>
MDP for Development of Integrated Data Dashboard	2.0
MDOA for Long-Term Care Ombudsman	2.0
MTA for a Pilot Bus Route in Baltimore County	2.0
Increase Funding for Local Management Boards	2.0
Maryland Seafood Industry Financial Assistance Fund Contingent on SB 558/HB 1599	2.0
UBalt for the Schaefer Center for Public Policy	1.5
Grant to Boys and Girls Clubs of Maryland	1.5
Commerce for Maryland's Future Fund Contingent on SB 770/HB 1473	1.5
Grant to CCI Health Services for Family Residency Program	1.5
25 PINs for Comptroller's Taxpayer Services Division	1.4
Increase Funds for Baltimore Cyber Range	1.3
Grant to Maryland Patient Safety Center	1.0
Grant to Maryland Coalition Against Sexual Assault for Rape Crisis Centers	1.0
Grant for Maryland Network Against Domestic Violence	1.0
Grant to Maryland Center for History and Culture	1.0
UMGC for Maryland Completion Scholarships	1.0
Enhance MSDE's Child Care Scholarship Program Information Technology System	1.0
Commerce for Maryland Workforce Launch Pilot Program Contingent on SB 869	1.0
Maryland Association for Boards of Education for Health Programs	1.0
Grant to Anne Arundel County Public Schools for a Pilot Program for High Acuity Students	1.0
Other Priorities under \$1.0 Million	35.8
Total Fiscal 2027 General Fund Additions	\$209.6

Special Funds

<u>Purpose</u>	<u>Total</u>
Section 38 Add Back of the SEIF (from Legislative Reductions)	\$250.0
MEDCO for Mixed-use Development Including Soccer Stadium at UMCP	18.0
Expand Prekindergarten Expansion Grants to \$36.6 Million	10.0
Fund Child Care Credential Program	5.7
Grant to the Velocity Companies for Improvements along Blue Line Corridor	4.0
Grant to Prince George's County for Addison Park Development Project	2.0
Grant to Prince George's County Redevelopment Authority to Support Artspace in Mount Rainier	1.5
Grant to Town of Colmar Manor for a Community Center and Town Hall	0.8
Grant to Town of Cottage City to Convert a Firehouse to Community Outreach Center	0.8
Additional Spending from Waterway Improvement Fund	0.1
Total Fiscal 2027 Special Fund Additions	\$292.8

Federal Funds

<u>Purpose</u>	<u>Total</u>
DDA to Reduce Cost Containment	23.1
1% Rate Increase for Nursing Homes	8.1
Total Fiscal 2027 Federal Fund Additions	31.2
Total Fiscal 2027 Additions	\$533.6

DDA: Developmental Disabilities Administration
 DHCD: Department of Housing and Community Development
 GO: general obligation
 MDH: Maryland Department of Health
 MDOA: Maryland Department of Aging
 MDP: Maryland Department of Planning
 MEDCO: Maryland Economic Development Corporation
 MITDP: Major Information Technology Development Project
 MSDE: Maryland State Department of Education
 MTA: Maryland Transit Administration
 PAYGO: pay-as-you-go
 SEIF: Strategic Energy Investment Fund
 TEDCO: Maryland Technology Development Corporation
 UBalt: University of Baltimore
 UMCP: University of Maryland College Park Campus
 UMGC: University of Maryland Global Campus

Source: Department of Legislative Services

General and special funds totaling \$35.7 million were also added to support early childhood development, including \$20 million in general funds to reduce the waitlist for the child care scholarship program, \$10 million in special funds to expand prekindergarten expansion grants, and \$5.7 million for the child care credential program.

Final Actions Related to SAC

Maintaining Structural Balance: SAC recommended that the fiscal 2027 general fund budget reduce the gap between general fund revenues and ongoing spending by 50% (\$600 million). Final revenue and spending actions by the General Assembly resulted in a structural shortfall of \$600 million. **The structural budget goal for fiscal 2027 was met.**

General Fund and State Reserve Fund Balances: Per the recommendation to maintain a fiscal 2027 cash balance of at least \$100 million and a minimum of 8.0% balance in the Rainy Day Fund, legislative action resulted in (1) an estimated general fund closing fund balance of \$199 million and (2) an estimated Rainy Day Fund balance of \$2.2 billion, or 8%, of estimated

general fund revenues compared to the December 2025 revenue estimate. **The cash and Rainy Day Fund balance goals for fiscal 2027 were met.**

SAC also recommended a combined balance in the State Disaster Recovery Fund and Catastrophic Event Account of \$15 million in fiscal 2027. **At a combined \$13.4 million balance, the goal for the State Disaster Recovery Fund and Catastrophic Event Account balance was not met.**

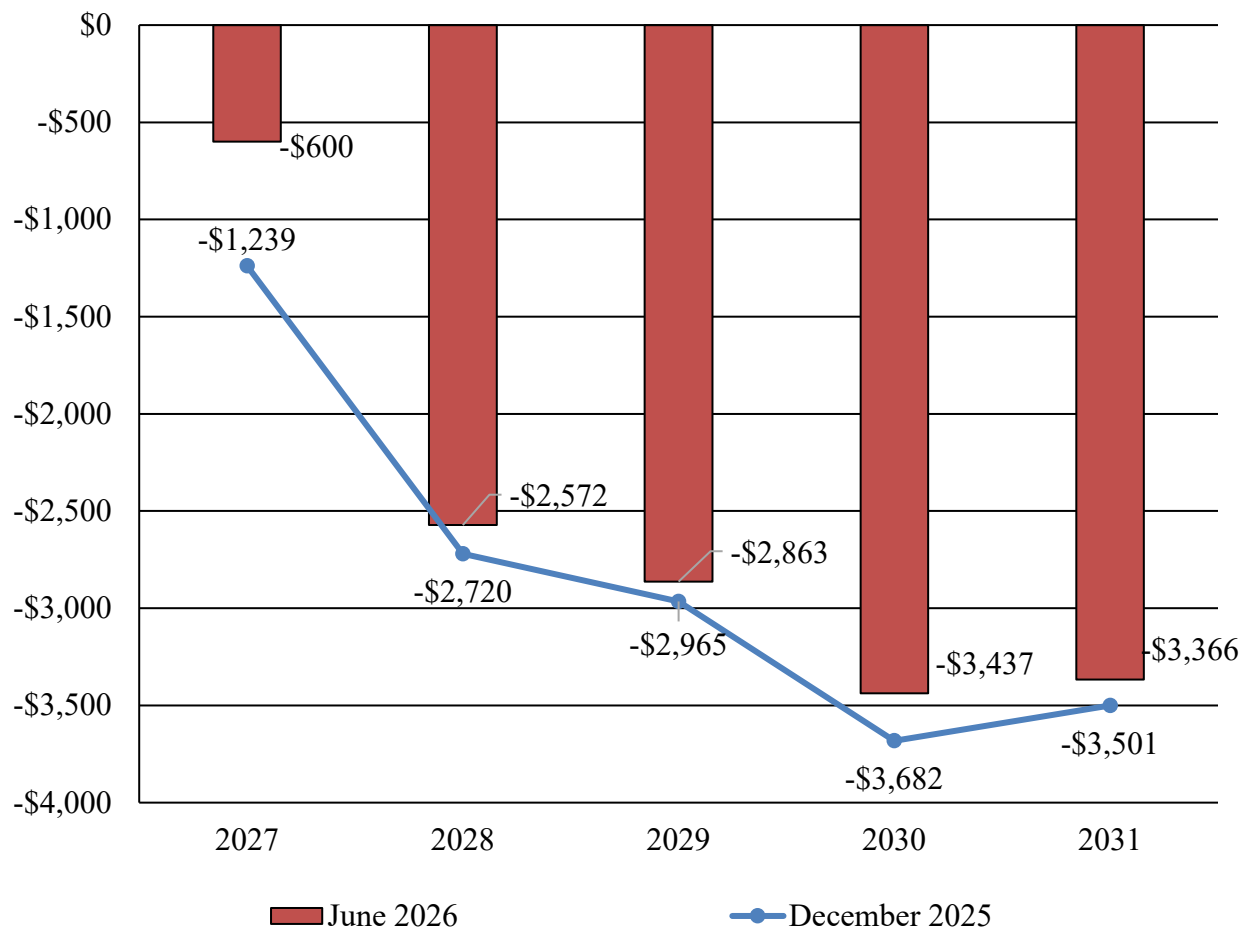
State Employment: SAC recommended maintaining the current level of authorized positions, filling vacant positions in mission critical positions, and increasing vacancies overall to meet budgeted turnover. As introduced, the fiscal 2027 budget included 94 fewer Executive Branch positions, including higher education, than fiscal 2026. Supplemental budgets added 78 new Executive Branch positions, and legislative actions on the budget added a net 30 positions. The budget assumed continued reductions in vacancy levels across most areas of the Executive Branch. **The personnel goal of level funding positions for fiscal 2027 was not met as net Executive Branch positions increased by 13 over fiscal 2026.**

Transportation: The fiscal 2027 budget as enacted includes \$1.39 billion for system preservation and a target closing balance of \$550 million for the TTF compared to the SAC goals of at least \$1.15 billion for system preservation and a \$550 million closing balance. **The transportation goals for fiscal 2027 were met.**

Outlook for Future Budgets

As shown in **Exhibit 1.7**, fiscal 2027 is projected to end with a structural shortfall of \$600 million. In fiscal 2028, there is an estimated structural deficit of \$2.57 billion that increases to \$3.44 billion by fiscal 2030. This forecast reduces the structural gap by 52% compared to the December 2025 projection of a structural deficit at \$1.24 billion in fiscal 2027, which would have grown to \$3.68 billion by fiscal 2030. The General Assembly took multiple actions to reduce the structural gap in fiscal 2027, including adopting \$803.1 million in general fund reductions and increasing ongoing general fund revenues by an estimated \$132.8 million in fiscal 2027 from actions to decouple from certain tax provisions in the federal OBBBA.

Exhibit 1.7
General Fund Structural Budget Outlook
Fiscal 2027-2031
(\$ in Millions)



Source: Department of Legislative Services

Exhibit 1.8 shows further detail regarding the general fund budget outlook. Following the General Assembly's actions, fiscal 2027 is projected to end with a general fund balance of \$199 million. Between fiscal 2027 and 2031, ongoing spending is projected to grow at an average annual rate of 5.6%, outpacing ongoing revenues, which are estimated to grow at an average annual rate of 3.5%. The structural gap grows substantially beginning in fiscal 2028 as the Blueprint costs exceed the available Blueprint revenues and nearly \$2.6 billion of general funds are required to close the overall structural gap.

Exhibit 1.8
General Fund Budget Outlook
Fiscal 2027-2031
(\$ in Millions)

	Leg. Approp.					Avg. Annual Change
	<u>2027</u>	<u>2028</u>	<u>2029</u>	<u>2030</u>	<u>2031</u>	<u>2027-31</u>
Revenues						
Opening Fund Balance	\$753	\$199	\$0	\$0	\$0	
Transfers	115	0	0	0	0	
One-time Revenues	2	0	0	0	0	
Subtotal One-time Revenue	\$870	\$199	\$0	\$0	\$0	
Ongoing Revenues	\$27,085	\$28,100	\$29,177	\$29,984	\$31,249	
Legislation	91	55	13	-24	-65	
Subtotal Ongoing Revenue	\$27,176	\$28,155	\$29,190	\$29,960	\$31,184	3.5%
Total Revenues and Fund Balance	\$28,046	\$28,354	\$29,190	\$29,960	\$31,184	2.7%
Ongoing Spending						
Operating Spending	\$27,838	\$30,728	\$32,276	\$33,790	\$35,032	
Reductions/Additions	-62	-42	-34	-12	-5	
Legislation	0	41	-189	-380	-477	
Subtotal Ongoing Spending	\$27,776	\$30,727	\$32,053	\$33,398	\$34,550	5.6%
One-time Spending	\$71	\$199	\$194	\$193	\$193	
Total Spending	\$27,847	\$30,926	\$32,247	\$33,590	\$34,742	5.7%
Ending Balance	\$199	-\$2,572	-\$3,057	-\$3,630	-\$3,559	
Rainy Day Fund Balance	\$2,156	\$2,202	\$2,248	\$2,295	\$2,342	
Balance over 5% of GF Revenues	800	796	793	803	791	
As % of GF Revenues	8.0%	7.8%	7.7%	7.7%	7.5%	
Structural Balance	-\$600	-\$2,572	-\$2,863	-\$3,437	-\$3,366	

GF: general fund

Source: Department of Legislative Services

Legislation affecting general fund revenues and/or spending by more than \$10 million annually includes:

- **Senate Bill 388/House Bill 898 (Chs. 351 and 352)** exempt certain related-party sales of data and IT services and digital goods from the sales and use tax, which reduces general fund revenues by a total of \$241.4 million from fiscal 2027 to 2031. This provision also reduces revenue for the Blueprint Fund by \$9.6 million, and as a result, general fund spending increases by \$9.6 million over the period to fund Blueprint expenses. In addition, the bills extend three tax credits that reduce general fund revenues by a combined \$55.1 million from fiscal 2028 through 2021 and extend the Build Our Future Grant Program resulting in an increase in general fund spending of a combined \$21 million from fiscal 2028 to 2030.
- Beginning in fiscal 2027, **House Bill 1581 (Ch. 376)** increases the amount of State lottery funds distributed annually to the Racing and Community Development Financing Fund for debt service from at least \$17 million to \$29 million and to the Blue Line Corridor Facility Fund for debt service from \$27 million to \$29 million. These actions combine for a decrease of \$14 million in general fund revenues annually beginning in fiscal 2027 for a total decrease of \$70 million from fiscal 2027 to 2031.
- **Senate Bill 311 (Ch. 602)** makes several alterations to Blueprint programs and initiatives, including extending a hold harmless provision for counts of low-income students through fiscal 2028. Since the forecasts prepared by the Administration and the Department of Legislative Services (DLS) at the beginning of session assumed the hold harmless provision would be extended permanently, the sunset of the provision after fiscal 2028 is calculated as reducing general fund spending from fiscal 2029 to 2031 by a total of \$1.21 billion.

Budget Reconciliation and Financing Act

Exhibit 1.9 summarizes the impact of the BRFA of 2026 on the fiscal 2027 budget plan. General fund revenue and transfer actions total \$1.02 billion, with an additional \$30.7 million of special fund revenues associated with the general fund revenue actions. Expenditure decreases total \$91.2 million across fiscal 2026 and 2027, with \$84.3 million in general funds. The BRFA of 2026 also effectuates \$126.8 million in contingent special fund appropriations.

Exhibit 1.9
Summary of Actions in the Budget Reconciliation and Financing Act
Fiscal 2026-2027
(\$ in Millions)

	<u>General Funds</u>	<u>Special Funds</u>	<u>Federal Funds</u>
Revenue Actions	\$134.8	\$30.7	
Transfers	888.4		
Reductions	84.3	4.4	2.5
Appropriations		126.8	

Source: Department of Legislative Services

The BRFA also includes several provisions that provide one-time or ongoing general fund relief but are not counted in the impacts of the BRFA on the budget plan because the fiscal 2027 reductions were taken directly by the legislature or the savings were assumed in budget development:

- eliminating the required appropriation in fiscal 2027 of general fund surplus from fiscal 2025, for one-year savings of \$449.8 million;
- limiting the growth for each community college under the Cade funding formula to 3% for fiscal 2027 through 2029, a fiscal 2027 savings of \$21.0 million;
- capping in fiscal 2027 only the value of final tax certificates that may be awarded under the More Jobs for Marylanders program at \$15 million and making a one-year change to how funds are transferred to the General Fund after the tax credit is claimed, for a reduction of \$17 million;
- level funding aid under the Joseph A. Sellinger Formula for Aid to Non-Public Institutions of Higher Education for each institution at the fiscal 2026 level through fiscal 2029, a fiscal 2027 reduction of \$4.5 million;
- reducing the mandate for the Maryland Loan Assistance Repayment Program for Police Officers and Probation Agents to \$500,000 beginning in fiscal 2027, a \$1.5 million reduction;

- reducing the mandate for the Maryland Police Officers and Probation Agents Scholarship Program to \$500,000 beginning in fiscal 2027, a \$1.5 million reduction; and
- slowing the growth in the target participation for the Young Adult Service Year Pathway in fiscal 2027 and 2028.

General Fund Revenue and Transfers to the General Fund

As summarized in **Exhibit 1.10**, the BRFA includes two provisions related to decoupling from OBBBA tax provisions that result in general fund revenues totaling \$132.8 million and related special fund revenues totaling \$30.7 million in fiscal 2027. Most of the revenues are associated with fully decoupling from an OBBBA provision that allows for full depreciation for qualified production property in the year it is put into service. The State also preserves revenue by limiting OBBBA's bonus depreciation allowance for qualified property put into service by manufacturing entities to a 20% rather than 100% deduction.

Exhibit 1.10
Revenue Impacts of the Budget Reconciliation and Financing Act of 2026
Fiscal 2026 and 2027
(\$ in Millions)

General Fund Revenue

Decouple from a Provision in the One Big Beautiful Bill Act (OBBBA) That Creates a Qualified Production Property Deduction	\$122.5
Partially Decouple from a Provision in the OBBBA to Allow for a 20% Deduction for Eligible Investments (Instead of 100% in the OBBBA)	10.3
Student Loan Debt Relief Tax Credit – Increase Cap in Tax Year 2025, but Lower Cap in Tax Year 2026	2.0
Total General Fund Revenue Actions	\$134.8

Special Fund Revenue from Provisions That Decouple Fully or Partially from OBBBA Tax Provisions

Transportation Trust Fund	\$22.9
Higher Education Investment Fund	7.4
Strategic Energy Investment Fund	0.4
Total Special Fund Revenue	\$30.7

Note: Revenue impacts are in fiscal 2027 only, except for the Student Loan Debt Relief Tax Credit.

Source: Department of Legislative Services

Another BRFA provision raises the cap on the maximum allowable student loan debt relief tax credits that the Maryland Higher Education Commission (MHEC) may authorize for tax year 2025 from \$9 million to \$16 million but lowers the maximum allowable credits that may be awarded for tax year 2026 from \$18 million to \$9 million. The changes result in a net increase in general fund revenues across the two years of \$2 million, with a decrease of \$7 million in fiscal 2026 and an increase of \$9 million in fiscal 2027.

Exhibit 1.11 summarizes the transfers to the General Fund resulting from the BRFA, which total \$888.4 million across fiscal 2026 and 2027. The largest transfer (\$380 million) is from the Local Income Tax Reserve Account reflecting an overallocation to the account. Transfers totaling \$77 million in fiscal 2027 from the Bay Restoration Fund and Waterway Improvement Fund are required to be replaced by GO bonds, with \$57 million replaced in fiscal 2027 and the remaining \$20 million to be replaced in fiscal 2028.

Exhibit 1.11
Other General Fund Revenue and Transfers
Fiscal 2026 and 2027
(\$ in Millions)

Fund Balance Transfers

2026

Local Income Tax Reserve Account Overallocation	\$380.0
Alternative Compliance Payments – SEIF	259.0
Fiscal Responsibility Fund	119.2
SEIF Administration Account	33.0
Nurse Support Program Assistance Fund	10.0
Performance Incentive Grant Fund	2.0
Maryland Police Training and Standards Commission Fund	2.0
Non-Depository Fund	3.5
Bank Institution and Credit Union Fund	1.5
DPA Fiscal 2023 Appropriations for Domestic Violence Centers (\$350,760), Assisted Living Facilities (\$201,292), DSP Gun Center (\$152,732), Crossing Jurisdictional Boundaries (\$100,001), Violence Prevention and Interruption Organizations (\$75,988), Greater Baltimore Regional Integrated Crisis System (\$51,600)	1.0
DPA Appropriations for Rebuilding State Government (\$197,530) and Food Banks (\$7,044)	0.2
<i>Fiscal 2026 Transfers</i>	<i>\$811.4</i>

Fund Balance Transfers**2027**

Bay Restoration Fund	\$70.0
Waterway Improvement Fund	7.0
Fiscal 2027 Transfers	\$77.0
Total Transfers to the General Fund	\$888.4

DPA: Dedicated Purpose Account

DSP: Department of State Police

SEIF: Strategic Energy Investment Fund

Source: Department of Legislative Services

Expenditure Impacts

As summarized in **Exhibit 1.12**, the BRFA reduces expenditures by a combined \$91.2 million, primarily from general funds (\$84.3 million). Of the reductions, \$39.3 million reflects a cost shift to local governments of 50% of the fiscal 2027 increase in the State's share of teacher, librarian, and community college retirement costs, with this shift remaining at the same level in the out-years. Additional general fund relief (totaling approximately \$36.4 million) is provided by expanding the uses of several special funds to cover administrative and programmatic expenses that would otherwise not be eligible uses of the special funds and by appropriating special fund revenues resulting from the OBBBA decoupling discussed above. Mandate relief saves the General Fund \$3.6 million while capping foster care provider rates at current levels saves an estimated \$6.5 million (of which \$5.1 million is general funds).

Exhibit 1.12
Expenditure Impacts of the Budget Reconciliation and Financing Act
Fiscal 2026 and 2027
(\$ in Millions)

Contingent General Fund Reductions

MSDE, Aid to Community Colleges, MSLA – alter the State share of retirement costs for teachers, community colleges, and librarians	\$39.3
*MDH – Alter the allowable uses of the CRF that would otherwise be required to be used for HBCU Settlement Funds in fiscal 2027 to include Medicaid	8.4
*Higher Education – Increased level of Higher Education Investment Funds due to decoupling from OBBBA provisions	6.8

Contingent General Fund Reductions

*DSP – Extend the expansion of allowable uses of MEMSOF to support general operations in the Aviation Program through fiscal 2029	5.5
DHS – Level fund provider rates for foster care at the rates in effect on January 21, 2026	5.1
*DoSEM – Expand the allowable uses of the Cannabis Business Assistance Fund to include operations of DoSEM from fiscal 2027 through 2029	5.0
*BPW – Expand the allowable uses of the SEIF to include the Chesapeake Conservation and Climate Corps beginning in fiscal 2026 (includes actions in fiscal 2026 and 2027)	3.0
*MDH – Allow for the special fund balance for the Board of Physicians to support the Maryland Loan Assistance Repayment Program for Physicians and Physician Assistants	2.0
*MDH – Reduce the mandated funding from the CRF in the Community Health Resources Commission allowing for these additional funds to support Medicaid (fiscal 2027 only)	2.0
MDH – Reduce the mandate for tobacco use prevention programs from \$18.25 million to \$17.52 million	1.6
*MDH – Expand the allowable uses of the Advance Directives Fund to include maternal and child health quality initiatives	1.0
*DNR – Expand the allowable uses of the SEIF to include the Environmental Research Program in the Power Plant Research Program	0.8
MD Labor – Reduce the mandate for the Public Safety Apprenticeship Program from \$750,000 to \$390,000 beginning in fiscal 2026 (fiscal 2026 and 2027)	0.7
BCCC – Reduce the State support per FTES funding that BCCC receives from 68.5% to 67.5% from fiscal 2027 through 2029 only	0.7
*DHCD, MDE, MDP, Comptroller – Expand the allowable uses of the SEIF to include climate change mitigation and climate change resiliency efforts and to support climate change, resiliency, and energy efficiency personnel	0.6
*MDH – Authorize the use of special fund balance from the Board of Counselors to be used for behavioral health services	0.5
*MHEC – Alter the mandate for the Title IX Proceedings Representation Program to be a mandate to the program rather than fund (includes actions in fiscal 2026 and 2027).	0.5
*MDEM – Expand the allowable uses of the SEIF to include resiliency efforts of the department	0.3
MD Labor – Reduce the mandated appropriation for the Career Pathways for Healthcare Workers Program from \$500,000 to \$350,000	0.2
MD Labor – Reduce the mandate for the Prince George’s County Re-Entry Employment Incentive Program from \$500,000 to \$350,000 for fiscal 2027 and 2028	0.2
MDA – Reduce the mandate for the Urban Agriculture and Power Grant Program and Fund from \$500,000 to \$400,000 (mandate ends after fiscal 2027)	0.1

Contingent General Fund Reductions

MDA – Reduce the mandate for the Healthy Soils Program from \$500,000 to \$400,000 (mandate scheduled to end in fiscal 2028)	0.1
MSDE – Eliminate the mandate for the Lacrosse Opportunities Program	0.04
Total General Fund Reductions	\$84.3

Contingent Special Fund Reductions

MSDE – Cap the expansion of Tier II eligibility for full day prekindergarten at 450% of the poverty level in fiscal 2027 only	\$3.3
MDH – Reduce the mandated funding for the Community Health Resources Commission from the CRF allowing for these funds to support Medicaid	1.0
DHS – Level fund provider rates for foster care at the rates in effect on January 21, 2026	0.1
Total Special Fund Contingent Reductions	\$4.4

Contingent Federal Fund Reductions

DHS – Level fund provider rates for foster care at the rates in effect on January 21, 2026	\$1.3
*MDEM – Expand the allowable uses of the SEIF to include resiliency efforts of the department	1.2
Total Federal Fund Contingent Reductions	\$2.5

BCCC: Baltimore City Community College
 BPW: Board of Public Works
 CRF: Cigarette Restitution Fund
 DHCD: Department of Housing and Community Development
 DHS: Department of Human Services
 DNR: Department of Natural Resources
 DoSEM: Department of Social and Economic Mobility
 DSP: Department of State Police
 FTES: full-time equivalent student
 HBCU: Historically Black Colleges and Universities
 MDA: Maryland Department of Agriculture

MDH: Maryland Department of Health
 MDE: Maryland Department of the Environment
 MDEM: Maryland Department of Emergency Management
 MD Labor: Maryland Department of Labor
 MDP: Maryland Department of Planning
 MEMSOF: Maryland Emergency Medical System Operations Fund
 MHEC: Maryland Higher Education Commission
 MSDE: Maryland State Department of Education
 MSLA: Maryland State Library Agency
 OBBBA: One Big Beautiful Bill Act
 SEIF: Strategic Energy Investment Fund

* Indicates an associated special fund contingent appropriation.

Source: Department of Legislative Services

A special fund reduction of \$3.3 million due to the phase-in of the expansion of the Tier II eligibility for full-day prekindergarten (\$3.3 million) will produce general fund savings in fiscal 2028 when general funds would otherwise be required to cover costs related to the Blueprint Fund.

Special and Federal Fund Contingent Appropriations

The BRFA effectuates special fund appropriations of \$126.8 million, as outlined in **Exhibit 1.13**. Of these amounts, \$84.9 million of special fund appropriations are associated with expanded uses of the SEIF that do not directly replace other spending, and \$4.4 million are expanded uses of the SEIF to substitute for general and federal funds.

Exhibit 1.13
Special and Federal Fund Contingent Appropriations and Additions
Fiscal 2026-2027
(\$ in Millions)

Contingent Special Fund Appropriations

Reserve Fund – Expand the allowable uses of the SEIF to include support for research centers at higher education institutions	\$42.0
DGS – Expand the allowable uses of the SEIF to include clean energy projects on State properties	20.0
MEA – Expand the allowable uses of ACP to support Tier 1 renewable and clean energy	13.0
MDE – Expand the allowable uses of the SEIF to include the Comprehensive Flood Management Program	9.5
*MDH – Alter the allowable uses of CRF that would otherwise be required to be used for HBCU Settlement Funds in fiscal 2027 to include Medicaid	8.4
*Higher Education – Increase the level of Higher Education Investment Funds due to decoupling from OBBBA provisions	6.8
DNR – Clarify that the Heritage Conservation Fund is considered as part of the POS State Land Acquisition balance	5.6
*DSP – Extend the expansion of allowable uses of MEMSOF to support general operations in the Aviation Program through fiscal 2029	5.5
*DoSEM – Expand the allowable uses of the Cannabis Business Assistance Fund to include operations of DoSEM in fiscal 2027 through fiscal 2029	5.0
*BPW – Expand the allowable uses of the SEIF to include the Chesapeake Conservation and Climate Corps beginning in fiscal 2026 (includes actions in fiscal 2026 and 2027)	3.0
*MDH – Allow for the special fund balance for the Board of Physicians to support the Maryland Loan Assistance Repayment Program for Physicians	2.0
*MDEM – Expand the allowable uses of the SEIF to include resiliency efforts of the department	1.5
*MDH – Reduce the mandated funding from the CRF in the Community Health Resources Commission allowing for these funds to support Medicaid	1.0

Contingent Special Fund Appropriations

*MDH – Expand the allowable uses of the Advance Directives Fund to include Maternal and Child Health Quality Initiatives	1.0
*DNR – Expand the allowable uses of the SEIF to include Environmental Research Program in the Power Plant Research Program	0.8
*DHCD, MDE, MDP, Comptroller – Expand the allowable uses of the SEIF to include climate change mitigation and climate change resiliency efforts – to support climate change, resiliency, and energy efficiency personnel	0.6
*MDH – Authorize the use of special fund balance from the Board of Counselors to be used for behavioral health services	0.5
MDEM – Expand the allowable uses of the SEIF to include a mandated study by the Office of Resilience (fiscal 2026 only)	0.4
*MHEC – Alter the mandate for the Title IX Proceedings Representation Program	0.3
Total Contingent Special Fund Appropriations	\$126.8

ACP: Alternative Compliance Payments
 BPW: Board of Public Works
 CRF: Cigarette Restitution Fund
 DGS: Department of General Services
 DHCD: Department of Housing and Community Development
 DNR: Department of Natural Resources
 DoSEM: Department of Social and Economic Mobility
 DSP: Department of State Police
 HBCU: Historically Black Colleges and Universities
 MDH: Maryland Department of Health
 MDE: Maryland Department of the Environment
 MDEM: Maryland Department of Emergency Management
 MD Labor: Maryland Department of Labor
 MDP: Maryland Department of Planning
 MEA: Maryland Energy Administration
 MEMSOF: Maryland Emergency Medical System Operations Fund
 MHEC: Maryland Higher Education Commission
 OBBBA: One Big Beautiful Bill Act
 POS: Program Open Space
 SEIF: Strategic Energy Investment Fund

Source: Department of Legislative Services

Miscellaneous Provisions

The BRFA also contains provisions that do not directly impact spending in fiscal 2027 but provide out-year relief, provide other clarifying or administrative changes, conform to actions in the fiscal 2026 or 2027 budget bills, delay the effective date for certain previously enacted

legislation, authorize spending under certain conditions, or otherwise impact out-year but not current year revenues. These provisions:

- phase in a local cost share for the Assisted Outpatient Treatment program beginning in fiscal 2028 at 25%, increasing until it reaches 100% in fiscal 2031, and require a waiver for the fiscal 2028 cost share for any jurisdiction submitting a certain report by January 1, 2027.
- alter the definition of historic motor vehicles beginning July 1, 2027, to be a vehicle that is at least 25 years old rather than model year 1999 or earlier;
- allocate State lottery funds for the Blue Line Corridor to particular projects, as provided for in the fiscal 2027 Budget Bill;
- require the Health Services Cost Review Commission (HSCRC) to examine the need for financial assistance to maintain the viability of Medicare Advantage plans in calendar 2026 and authorize the Department of Budget and Management to use up to \$14 million from the Population Health Improvement Fund in calendar 2026 to fund Medicaid costs if HSCRC increases hospital rates to maintain the viability of Medicare Advantage plans;
- require the suspension of State Aid for Police Protection Program funding to a law enforcement agency if the Governor's Office of Crime Prevention and Policy determines the agency is not in compliance with State law related to immigration enforcement agreements;
- alter the allowable uses of the African American Heritage Preservation Grant Fund to include noncapital projects, provided that the funds are on top of the mandated appropriation for capital purposes;
- alter the allowable uses of funds restricted in fiscal 2026 in the Department of Juvenile Services to be used for reopening a facility to instead be used to provide drug treatment services at other youth-serving facilities and reopen the facility as a facility for children;
- reduce the required distribution from the State Lottery Fund to the Racing and Community Development Financing Fund in fiscal 2026 only to align with actions taken in the fiscal 2026 budget;
- authorize, in fiscal 2026 only, funds from the Child Care Capital Support Revolving Loan Fund to be used by the Maryland Health Benefit Exchange for the purpose of an outreach campaign and survey consistent with actions taken in the fiscal 2026 Budget Bill;

- authorize the use of an unexpended fiscal 2018 Program Open Space (POS) State land acquisition appropriation restricted for a particular purpose to be used for an POS State land acquisition;
- authorize the reallocation of federal stimulus funds allocated in fiscal 2022 and 2023 for HVAC upgrades in public schools to ensure compliance with spending timelines in the stimulus law;
- repeal the three-year requirement to retain certain medication data and authorize the Secretary of Health to establish the retention period through regulation;
- require the Maryland Insurance Administration to order certain fund transfers to the Dedicated Purpose Account annually beginning July 1, 2026, based on certain levels of balance;
- delay the effective date from July 1, 2027 to July 1, 2028, for the centralized method of the Comptroller's Office collecting the local hotel rental tax from short term rentals under Chapter 638 of 2025;
- delay the effective date of a change to the calculation of income tax for pass through entities authorized in the BRFA of 2025 from tax year 2026 to 2027;
- clarify that changes made in Chapters 212 and 213 of 2025 related to certain capital credits held by an electric cooperative apply prospectively from October 1, 2025 (the effective date of the Acts);
- make changes to the membership, public meeting requirements, and reporting dates for the Maryland Reparations Commission;
- specify the calculation of the interest rate to be applied for any refund required after a final decision in a case related to the digital advertising gross revenues tax;
- authorize, for fiscal 2027 only, DDA to use either an expedited procurement or an interagency agreement for financial services, consulting, and data analytics contracts; and
- limit for Prince George's County only the types of modifications that may be made to the Maryland-National Capital Park and Planning Commission.

Selected Budgetary Initiatives and Enhancements

Strategic Energy Investment Fund

Revenue into the SEIF rapidly increased from both primary fund sources in recent years. Revenue from RGGI auctions increased from approximately \$140 million in fiscal 2023 to \$267.5 million in fiscal 2025. Revenue from ACP increased from less than \$100,000 in calendar 2020 to \$86.6 million in calendar 2022, before exceeding \$300 million in each of calendar 2023 and 2024. Due to the rapid growth in revenue, fund balance in the SEIF accumulated and at the close of fiscal 2025, the SEIF had an unencumbered balance of approximately \$836.4 million. As introduced, the Governor's fiscal 2027 budget plan reduced the estimated SEIF balance to approximately \$164 million at the close of fiscal 2027, through expanded uses of ACP and RGGI sourced revenue, as well as for budget relief in the form of transfers to the General Fund.

Alternative Compliance Payments

As introduced, the BRFA of 2026 contained a number of expanded uses, primarily for one-time purposes, with specific authorizations for certain activities in fiscal 2027 only, and one broader expanded use related to creation of Tier 1 renewable energy that is extended through fiscal 2031. A portion of these proposed items also supported activities authorized or created through Administration bills. These expanded uses totaled \$312 million, which along with \$98 million of other ACP spending in the budget of the Maryland Energy Administration and a proposed transfer of \$259 million of ACP to the General Fund, reduced the anticipated balance of the ACP account in the SEIF from \$393 million at the close of fiscal 2025 to less than \$250,000 in fiscal 2027. As shown in **Exhibit 1.14**, the General Assembly reallocated \$250 million of the planned expanded uses to provide rate relief in different forms than initially proposed, promote the creation of Tier 1 renewable energy generation through different mechanisms, provide additional funding to support energy efficiency upgrades in public schools, and increase investments in energy storage. The General Assembly concurred with some expanded uses as proposed by the Administration. In addition, although funding to implement Chapters 7 and 19 of the 2025 special session (for the Strategic Energy Planning Office) was struck as an expanded use of the SEIF, the General Assembly authorized a budget amendment through language in the budget bill to fund the office through the funding mechanism contained in the Acts. With the exception of the Higher Education Research Fund and the creation of Tier 1 renewable energy, the authorizations for these expanded uses were removed from the BRFA of 2026 and are instead contained within **House Bill 1532 (Ch. 353)**.

Exhibit 1.14
Alternative Compliance Payment Uses In Fiscal 2027 Budget Plan

	<u>As Introduced</u>	<u>Budget as Enacted</u>
Public Service Commission		
Rate Relief Credits	\$100.0	\$0.0
Downpayment on EmPOWER Maryland Residential Programming Costs***	0.0	100.0
Partially Offset Ratepayer Costs for the Limited Income Discount Program***	0.0	38.0
Maryland Energy Administration		
Gap Financing/Tax Credit – Solar Stabilization Program**	100.0	0.0
Grant Program Operated as a Reverse Auction for New Renewable Energy and Storage Capacity***	0.0	100.0
Additional Funding for Residential and Commercial Energy Storage Program (on Top of \$2.0 Million Budgeted)***	0.0	2.0
Interagency Commission on School Construction		
HVAC Upgrades – Public Schools in Baltimore City***	0.0	9.9
Comptroller of Maryland		
Study of HVAC Systems at 4 Baltimore City Public Schools***	0.0	0.2
Maryland Department of Transportation		
Study/Planning for Locating Transmission Lines along Existing Right-of-ways**	10.0	0.0
Department of General Services		
Solar on State Facilities**	20.0	20.0
Dedicated Purpose Account		
Higher Education Research Grant (as Introduced for Energy/Climate, as Enacted Any Research)**	42.0	42.0
Implementation of Chapters 7 and 19 of 2025 Special Session (Energy Resource Adequacy and Planning Act)**	25.0	0.0
Grid Enhancing Technologies/Advanced Transmission**	15.0	0.0

	<u>As Introduced</u>	<u>Budget as Enacted</u>
ACP Use for Expanded Purposes	\$312.0	\$312.0
<i>Other ACP Budgeted in the Maryland Energy Administration*</i>	<i>\$98.0</i>	<i>\$98.0</i>
Total ACP Spending in Fiscal 2027	\$410.0	\$410.0
<i>Transfer to the General Fund</i>	<i>\$259.0</i>	<i>\$259.0</i>
Total ACP Used to Support Fiscal 2027 Budget Plan	\$669.0	\$669.0

ACP: Alternative Compliance Payments

*As introduced was treated as all for allowable uses, as enacted includes \$13 million contingent on the expansion of allowable uses.

**Contingent on the Budget Reconciliation and Financing Act of 2026 either as introduced or as enacted.

***Provisions to meet the contingency are met with HB 1532 (Chapter 353).

Source: Department of Legislative Services

The Governor's fiscal 2027 budget plan also expanded the allowable uses of RGGI-sourced SEIF to provide general fund relief (\$4.7 million) and to transfer a portion of the RGGI Administration balance to the General Fund (\$33 million). The expanded allowable uses include: (1) Certificates of Public and Convenience and Necessity reviews by the Power Plant Research Program, including environmental reviews; (2) programs and applicable initiatives related to State climate change mitigation and resiliency efforts; and (3) programs and applicable initiatives related to resiliency efforts implemented by MDEM. The expanded uses effectuate contingent reductions and appropriations for personnel in a variety of agencies, with the most significant general fund relief in MDEM, the Power Plant Research Program, and the Climate Conservation Corps. The expanded uses also allow for the SEIF to support the Comprehensive Flood Management Program in the Maryland Department of the Environment. **Exhibit 1.15** outlines the general fund relief provided through the expanded uses and other budgetary changes effectuated by the expanded uses.

Exhibit 1.15
Budgetary Impact of Expanded Uses of RGGI-sourced SEIF
(\$ in Millions)

	2026		2027		FF Reduction
	GF Reduction	SF Appropriation	GF Reduction	SF Appropriation	
DNR	\$0.0	\$0.0	-\$0.8	\$0.8	\$0.0
Environmental Review Program in PPRP within DNR	0.0	0.0	-0.8	0.8	0.0
Climate Change Mitigation and Climate Change Resiliency Efforts	-1.5	1.5	-2.1	11.6	0.0
Chesapeake Conservation and Climate Corps Program in BPW	-1.5	1.5	-1.5	1.5	0.0
Comprehensive Flood Management Grant Program in MDE	0.0	0.0	0.0	9.5	0.0
Lead Resilience Planner in MDP	0.0	0.0	-0.1	0.1	0.0
Climate Resilience Director in the Comptroller's Office	0.0	0.0	-0.1	0.1	0.0
Two positions in the Housing and Building Energy program in DHCD	0.0	0.0	-0.2	0.2	0.0
Senior Climate Advisor in MDE	0.0	0.0	-0.2	0.2	0.0

	2026		2027		
	<u>GF Reduction</u>	<u>SF Appropriation</u>	<u>GF Reduction</u>	<u>SF Appropriation</u>	<u>FF Reduction</u>
MDEM	\$0.0	\$0.4	-\$0.3	\$1.5	-\$1.2
Programs and initiatives related to resiliency efforts implemented by MDEM	0.0	0.0	-0.3	1.5	-1.2
Economic analysis and policy benchmark study	0.0	0.4		0.0	
Total	-\$1.5	\$1.9	-\$3.2	\$13.9	-\$1.2

BPW: Board of Public Works
DHCD: Department of Housing and Community Development
DNR: Department of Natural Resources
FF: Federal Fund
GF: General Fund
MDE: Maryland Department of the Environment
MDEM: Maryland Department of Emergency Management
MDP: Maryland Department of Planning
PPRP: Power Plant Research Program
RGGI: Regional Greenhouse Gas Initiative
SEIF: Strategic Energy Investment Fund
SF: Special Fund

Source: Department of Legislative Services

In addition, during the General Assembly's review of the budget, certain additional priorities for RGGI-sourced SEIF revenues were identified. Supplemental Budget No. 2 directly added the spending for these purposes, along with an additional legislative priority funded by RGGI-sourced SEIF revenues, portions of which were contingent on legislation authorizing the spending for these programs notwithstanding restrictions on revenue distributions in SEIF accounts as outlined in **Exhibit 1.16**. The additional spending reduces the overall SEIF balance below the level initially anticipated with the Governor's fiscal 2027 budget plan, though still providing a hedge in case funding needs for energy assistance are greater than expected by protecting energy assistance funds from being transferred for this purpose.

Exhibit 1.16
Legislative Priorities for RGGI-Sourced SEIF Contained in
Supplemental Budget No. 2
(\$ in Millions)

MEA

Grant to MCEC for Climate Catalytic Capital Fund	\$23.8
Grant to Easton Utilities for an Energy Storage Project	0.5

IAC

HVAC Upgrades – Public Schools in Baltimore City*	9.0
---	-----

DNR

Power Plant Research Program Supplemental Funding to Assist in Review of Renewable and Clean Energy Projects*	3.0
---	-----

Higher Education

Grant to USMO for Conducting a Study to Evaluate the Relationship between Climate Change, the Availability and Price of Homeowner's Insurance, and Emergency Disaster Preparedness**	0.1
--	-----

Dedicated Purpose Account

MEA's Residential Energy Equity Program for Heat Pump Installation and Replacement for Low- and Moderate-income Households*	72.7
---	------

Supplemental 2 – RGGI Spending – Legislative Priorities **\$109.0**

IAC: Interagency Commission on School Construction
DNR: Department of Natural Resources
MCEC: Maryland Clean Energy Center

MEA: Maryland Energy Administration
RGGI: Regional Greenhouse Gas Initiative
SEIF: Strategic Energy Investment Fund
USMO: University of Maryland System Office

*Contingent on legislation, contingency met with HB 1532 (Chapter 353).

** Contingent on HB 1219 (Chapter 697) or SB 739 (Chapter 696).

Source: Department of Legislative Services

Developmental Disabilities Administration

Community Services Spending

Spending on community services in DDA nearly doubled from \$1.7 billion in fiscal 2022 to \$3.3 billion in fiscal 2025. The growth in costs is primarily attributable to the transition to the Long-Term Services and Supports (LTSS) system, which enhanced reimbursement levels for providers and led to higher utilization of services, growth in demand for the self-directed services model, and provider rate increases.

Governor's Proposed Budget

Escalating DDA costs continued in fiscal 2026 with the fiscal 2027 budget including \$452 million of deficiency appropriations (with the costs split evenly between State and federal funds) due to higher than expected fiscal 2026 costs. For fiscal 2027, the Governor proposed \$149.5 million in cost containment actions. Because DDA receives a federal fund match rate of 50% for Medicaid waiver services spending, the reduction would be \$299.0 million in total funds. The original cost containment actions included:

- ***Dedicated Hours:*** enforcing a dedicated hours policy requiring utilization reviews of shared hours;
- ***Reasonable and Customary Wages:*** reducing reasonable and customary wages to align with the Bureau of Labor Statistics wage for self-directed service participants;
- ***Wage Exception Elimination:*** eliminating the exception process for receiving wages above the reasonable and customary wages for self-directed service participants; and
- ***Person-centered Plan (PCP) Budget Cap:*** capping individual PCP budgets at \$500,000.

General Assembly Actions

The General Assembly:

- added \$23.1 million of general funds to the budget to limit general fund cost containment to \$126.4 million;
- prohibited the proposed PCP budget cap of \$500,000; and
- specified the fiscal 2027 cost containment actions DDA could implement.

Of the cost containment actions originally proposed by the Governor, the wage exception elimination and dedicated hours went into effect as originally proposed with the dedicated hours policy that will be used delineated in the budget bill. The reasonable and customary wage reduction was modified to differentiate reasonable and customary wages for family as staff and reasonable and customary wages for non-family as staff, which includes a wage enhancement for benefits. In addition to these modifications, the General Assembly authorized:

- eliminating reasonable and customary wages for unlicensed vendors, excluding nursing staff and support brokers;
- implementing a 60/40 hourly cap on family as staff in a week, which limits the total hours of paid care provided by family members to 60 and by an individual family member to 40;
- capping fee-for-service rates at 102% of the rates specified by DDA's actuary; and
- reducing rates by 2% for community service providers and coordinators of community service agencies.

The fiscal 2027 budget for DDA community services approved by the General Assembly is \$3.3 billion.

In addition to budget bill language specifying the policy for enforcing dedicated hours, the General Assembly added various pieces of budget bill language relating to other cost containment actions. This includes language that (1) restricts further reductions to rates, including geographical differential rates; (2) requires that DDA continue providing State-only funded services for certain individuals; and (3) specifies the implementation of day-to-day administrative supports for individuals in self-directed services. The General Assembly also added annual language restricting funds in the community services program to that purpose only, preventing budgetary transfer to any other uses.

Financial Management Support

The fiscal 2027 budget as enacted includes \$7.6 million for consulting and financial management services for DDA, which includes \$2.6 million added in Supplemental Budget No. 2, and \$5.0 million added by the General Assembly. The funding is intended to be used for a contract for data analytics support and tool development to ensure financial and programmatic efficiency. The General Assembly added budget language specifying that, as part of this consulting and financial management contract, DDA must review plans for the contract with specified stakeholders and engage the stakeholders in a discussion of any systemic findings and policy changes under consideration as a result of the contract. The General Assembly also authorized DDA to use an expedited procurement process to bring the consultant(s) on board.

Fiscal Capacity and Oversight

In recent years, the State has struggled to accurately forecast entitlement costs, many agencies have made significant errors during the end of the fiscal year closeout process, and legislative auditors have identified significant and recurring shortcomings in agency financial management practices. The fiscal 2027 budget includes substantial investments aimed at improving the State's financial management practices including:

- \$10 million to address repeat audit findings;
- \$5 million for contracts for data analytics support and development of a tool to ensure financial and programmatic efficiency for DDA;
- \$4 million for State fiscal leadership capacity;
- \$2.6 million in total funds for consulting and financial management services contracts for DDA; and
- Three new positions and \$552,837 to improve tracking and forecasting of spending in major entitlement programs in the Maryland Department of Health.

Personnel

As introduced, the fiscal 2027 budget included \$13.20 billion in total personnel funds, representing approximately 17.6% of the State budget. As enacted, the fiscal 2027 budget includes \$13.18 billion in total personnel funds, representing approximately 17.7% of the State budget. Funding includes \$129.7 million for a 1.5% general salary increase for most State employees, effective July 1, 2026, \$63.8 million for adjustments to salary step widths, \$10.0 million for salary step increments for law enforcement, and \$2.5 million for targeted Annual Salary Review grade increases.

Workforce Changes

The State workforce increases by 74 regular positions to 86,374 regular positions between the fiscal 2026 legislative appropriation and fiscal 2027 legislative appropriation, as shown in **Exhibit 1.17**. Supplemental budgets added 78 positions in the Executive Branch. Legislative actions on the budget reduced 3 positions in the Judicial Branch and 1 position in the State Department of Assessments and Taxation and added 39 positions in the Executive and Legislative Branches.

Exhibit 1.17
Regular Full-time Equivalent Position Changes
Fiscal 2026-2027

<u>Department/Service Area</u>	<u>Leg. Approp 2026</u>	<u>Allowance 2027</u>	<u>Supplemental Budgets</u>	<u>Legislative Changes</u>	<u>Leg. Approp. 2027</u>	<u>Leg. Approp. Change 2026 to 2027</u>
Largest Six State Agencies						
Public Safety and Correctional Services	9,199	9,199			9,199	0
Transportation	9,329	9,439		3	9,442	113
Health	7,264	7,247	12	1	7,260	-4
Human Services	5,888	5,870		1	5,871	-17
State Police	2,574	2,574			2,574	0
Juvenile Services	2,135	2,135			2,135	0
Subtotal	36,389	36,464	12	5	36,481	92
Other Executive						
Legal (Excluding Judiciary)	1,777	1,784	13		1,797	20
Executive and Administrative Control	2,135	2,164			2,164	29
Financial and Revenue Administration	2,438	2,438	30	24	2,492	54
Budget and Management and DoIT	583	616	9		625	42
Retirement	204	204	14		218	14
General Services	727	750			750	23
Service and Civic Innovation	56	66			66	10
Natural Resources	1,521	1,533			1,533	12
Agriculture	431	439			439	8
Labor	1,937	1,934			1,934	-3
MSDE and Other Education	2,050	2,053		1	2,054	3
Housing and Community Development	446	447			447	1
Commerce	209	209			209	0
Environment	1,004	1,003			1,003	-1
Subtotal	15,517	15,639	66	25	15,730	212

<u>Department/Service Area</u>	<u>Leg. Approp 2026</u>	<u>Allowance 2027</u>	<u>Supplemental Budgets</u>	<u>Legislative Changes</u>	<u>Leg. Approp. 2027</u>	<u>Leg. Approp. Change 2026 to 2027</u>
Miscellaneous Adjustments						
Executive Branch Subtotal	51,906	52,103	78	30	52,211	304
Higher Education	29,406	29,115	0	0	29,115	-291
Judiciary	4,173	4,224	0	-3	4,221	48
Legislature	814	819	0	8	827	13
Total	86,299	86,261	78	35	86,374	74

DoIT: Department of Information Technology
MSDE: Maryland State Department of Education

Note: The fiscal 2026 legislative appropriation reflects impacts of the Voluntary Separation Program (VSP) and Section 41 of the fiscal 2026 Budget Bill, and other vacant positions abolished by the Board of Public Works in October 2025. Section 41 required a reduction of 150.5 vacant or new positions. The Governor authorized VSP effective July 10, 2025. Additions in the supplemental budget includes 9 positions added in the Department of Budget and Management contingent on the enactment of SB 858/HB 1369 (Chs. 364 and 365).

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

By the Numbers

A number of exhibits summarize legislative budget action, as described below.

Exhibit 1.18, the fiscal note on the budget bill, depicts the Governor's allowance, funding changes made through two supplemental budgets, legislative additions and reductions, and final appropriations for fiscal 2026 and 2027 by fund source. The Governor's original request provided for \$71.3 billion in fiscal 2027 expenditures and \$3.0 billion in fiscal 2026 deficiencies.

Exhibit 1.18
Fiscal Note – Summary of the Fiscal 2027 Budget Bill – Senate Bill 282(Ch. 4) and Senate Bill 284 (Ch. 6)

	<u>General Funds</u>	<u>Special Funds</u>	<u>Federal Funds</u>	<u>Higher Education Funds</u>	<u>Total Funds</u>
Governor’s Allowance					
Fiscal 2026 Budget	\$27,872,511,964	\$14,863,507,207	\$21,489,613,219	\$6,012,054,613	\$70,237,687,003 ⁽¹⁾
Fiscal 2027 Budget	28,307,880,404	15,779,580,559 ⁽²⁾	21,179,986,754	6,046,558,004	71,314,338,518 ⁽³⁾
Supplemental Budget No. 1					
Fiscal 2026 Deficiencies	13,545,533 ⁽⁴⁾	-\$17,982,157	\$4,295,866	\$0	-\$140,758
Fiscal 2027 Budget	-8,403,760	2,965,423	-3,232,157	0	8,670,494 ⁽⁵⁾
Subtotal	\$5,141,773	-\$15,016,734	\$1,063,709	\$0	-\$8,811,252
Supplemental Budget No. 2					
Fiscal 2026 Deficiencies	\$53,821,610	\$86,592	\$51,310,484	\$0	\$105,218,686 ⁽⁶⁾
Fiscal 2027 Budget	84,399,753	168,996,093	125,532,683	0	378,928,529 ⁽⁷⁾
Subtotal	\$138,221,363	\$169,082,685	\$176,843,167	\$0	\$484,147,215
BRFA of 2026					
Fiscal 2026 Contingent Reductions	-\$2,110,000	\$0	\$0	\$0	-2,110,000
Fiscal 2026 Contingent Appropriations		1,900,000	0	0	1,900,000
Fiscal 2027 Contingent Reductions	-82,229,641	-4,408,440	-2,454,980	0	-89,093,061
Fiscal 2027 Contingent Appropriations	0	124,912,877	0	0	124,912,877
Subtotal	-\$84,339,641	\$122,404,437	-\$2,454,980	\$0	\$35,609,816
Legislative Reductions					
Fiscal 2026 Deficiencies	-\$54,200,000	-\$59,314,476	-\$170,230,827	\$0	-\$283,745,303
Fiscal 2027 Budget	-664,554,432	-295,106,528	-257,955,581	0	-1,217,616,541 ⁽⁸⁾
Total Reductions	-\$718,754,432	-\$354,421,004	-\$428,186,408	\$0	-\$1,501,361,844

	<u>General Funds</u>	<u>Special Funds</u>	<u>Federal Funds</u>	<u>Higher Education Funds</u>	<u>Total Funds</u>
Legislative Additions					
Fiscal 2026 Deficiencies	\$54,200,000	\$59,314,476	\$0	\$0	\$113,514,476
Fiscal 2027 Budget	209,631,692	292,812,000	31,190,991	0	533,634,683 ⁽⁹⁾
Total Additions	\$263,831,692	\$352,126,476	\$31,190,991	\$0	\$647,149,159
Appropriations					
Fiscal 2026 Budget	\$27,937,769,107	\$14,847,511,642	\$21,374,988,742	\$6,012,054,613	\$70,172,324,104
Fiscal 2027 Budget	27,846,724,016	16,069,751,984	21,073,067,710	6,046,558,004	71,036,101,714
Change	-\$91,045,091	\$1,222,240,342	-\$301,921,032	\$34,503,391	\$863,777,610

BRFA: Budget Reconciliation and Financing Act

⁽¹⁾ Reflects \$3.0 billion in proposed deficiencies, including \$987.7 million in general funds, \$104.9 million in special funds, and \$1.9 billion in federal funds. Assumes \$100.0 million in unspecified general fund reversions and includes \$25.7 million in targeted general fund reversions. Excludes \$68.7 million in special funds that double count general fund spending. Excludes deficiency appropriations that are contingent on the Budget Reconciliation and Financing Act of 2026.

⁽²⁾ Excludes \$95.0 million of special funds that double count general fund spending. Includes \$250,000 of special fund appropriations that are contingent on legislation.

⁽³⁾ Assumes \$100.0 million in unspecified general fund reversions.

⁽⁴⁾ Excludes a \$250,000 general fund reduction that is contingent on the Budget Reconciliation and Financing Act. Includes \$1.1 million of targeted reversions

⁽⁵⁾ Excludes \$250,000 of general fund reductions that are contingent on the Budget Reconciliation and Financing Act of 2026.

⁽⁶⁾ Includes \$0.2 million in general fund appropriations that are contingent on legislation. Assumes \$2.0 million from a targeted reversion.

⁽⁷⁾ Includes \$2.3 million in general fund appropriations and \$84.8 million in special fund appropriations that are contingent on legislation.

⁽⁸⁾ Includes a \$250,000 general fund reduction that is contingent on legislation.

⁽⁹⁾ Includes \$10.3 million of general fund additions and \$249.9 million of special fund additions that are contingent on the enactment of legislation

Source: Department of Legislative Services

Supplemental budgets, excluding actions contingent on the BRFA, provided a net of \$475.3 million in additional spending across fiscal 2026 and 2027, of which approximately \$143.4 million was general funds, accounting for planned reversions, \$154.1 million was special funds, and \$177.9 million in federal funds. The legislature made approximately \$1.3 billion in reductions to the fiscal 2027 allowance (\$746.8 million in general funds), adding back approximately \$533.6 million (\$209.6 million in general funds) to fund targeted priorities. The legislature made an additional \$285.9 million in reductions to fiscal 2026 (including \$56.3 million in general funds), adding back \$113.5 million for targeted priorities. When all actions are considered, the fiscal 2027 all fund legislative appropriation reflects an increase of \$863.8 million compared to the fiscal 2026 appropriation. **Exhibit 1.19** through **Exhibit 1.23** provide detail for the budget changes by major expenditure category by fund.

Exhibit 1.19
State Expenditures – General Funds
Fiscal 2025-2027

<u>Category</u>	<u>FY 2025</u> <u>Actual</u>	<u>FY 2026</u> <u>Working</u> <u>Approp.</u>	<u>FY 2027</u> <u>Legislative</u> <u>Approp.</u>	<u>\$ Change</u> <u>2026 to 2027</u>	<u>% Change</u>
Debt Service	\$397.1	\$154.7	\$177.7	\$23.0	14.9%
County/Municipal	\$417.2	\$395.9	\$420.0	\$24.1	6.1%
Community Colleges	478.3	504.3	518.5	14.2	2.8%
Education/Libraries	7,379.5	7,429.2	7,456.2	27.0	0.4%
Health	85.8	115.2	115.2	0.0	0.0%
<i>Aid to Local Governments</i>	<i>\$8,360.8</i>	<i>\$8,444.6</i>	<i>\$8,509.8</i>	<i>\$65.2</i>	<i>0.8%</i>
Foster Care Payments	\$279.0	\$336.4	\$346.1	\$9.7	2.9%
Assistance Payments	208.1	139.8	139.5	-0.3	-0.2%
Medical Assistance	5,652.3	5,626.2	5,688.7	62.5	1.1%
Property Tax Credits	96.0	98.3	90.5	-7.8	-7.9%
<i>Entitlements</i>	<i>\$6,235.4</i>	<i>\$6,200.7</i>	<i>\$6,264.9</i>	<i>\$64.2</i>	<i>1.0%</i>
Health	\$3,054.3	\$3,387.4	\$3,317.3	-\$70.2	-2.1%
Human Services	471.4	572.5	550.2	-22.4	-3.9%
Juvenile Services	341.9	367.2	372.2	4.9	1.3%
Public Safety/Police	2,208.8	2,231.7	2,276.3	44.5	2.0%
Higher Education	2,433.3	2,410.9	2,403.4	-7.6	-0.3%
Transportation	196.9	1.1	3.0	1.9	170.9%
Other Education	1,048.2	1,049.9	1,076.2	26.4	2.5%
Agriculture/Natural Res./Environment	214.4	201.5	214.3	12.9	6.4%
Other Executive Agencies	1,448.5	1,628.2	1,721.9	93.7	5.8%
Judiciary	708.3	708.0	764.0	56.1	7.9%
Legislative	165.0	163.5	164.4	1.0	0.6%
<i>State Agencies</i>	<i>\$12,291.0</i>	<i>\$12,721.9</i>	<i>\$12,863.1</i>	<i>\$141.2</i>	<i>1.1%</i>
Deficiencies (for prior years)	\$0.0	\$321.8	\$0.0	-\$321.8	n/a
Total Operating	\$27,284.3	\$27,843.7	\$27,815.4	-\$28.3	20.4%
Capital	\$146.1	\$114.6	\$108.7	-\$5.9	-5.1%
Subtotal	\$27,430.4	\$27,958.3	\$27,924.1	-\$34.1	11.1%
Reserve Funds	\$2.5	\$79.5	\$22.6	-\$56.9	-71.6%
Appropriations	\$27,432.9	\$28,037.8	\$27,946.7	-\$91.0	-0.3%
Reversions	\$0.0	-\$100.0	-\$100.0	\$0.0	n/a
Grand Total	\$27,432.9	\$27,937.8	\$27,846.7	-\$91.0	-0.3%

Note: The fiscal 2026 working appropriation reflects \$1.0 billion in deficiencies and supplemental deficiencies plus targeted reversions of \$28.9 million. It also reflects legislative additions of \$54.2 million.

Exhibit 1.20
State Expenditures – Special and Higher Education Funds*
Fiscal 2025-2027

<u>Category</u>	<u>FY 2025</u> <u>Actual</u>	<u>FY 2026</u> <u>Working</u> <u>Approp.</u>	<u>FY 2027</u> <u>Legislative</u> <u>Approp.</u>	<u>\$ Change</u> <u>2026 to 2027</u>	<u>% Change</u>
Debt Service	\$1,532.3	\$1,673.4	\$1,770.8	\$97.5	5.8%
County/Municipal	\$599.8	\$650.7	\$645.8	-\$4.8	-0.7%
Community Colleges	0.0	0.0	0.0	0.0	n/a
Education/Libraries	1,795.3	2,431.5	2,781.3	349.8	14.4%
Health	0.0	0.0	0.0	0.0	n/a
<i>Aid to Local Governments</i>	<i>\$2,395.0</i>	<i>\$3,082.2</i>	<i>\$3,427.1</i>	<i>\$345.0</i>	<i>11.2%</i>
Foster Care Payments	\$1.4	\$4.3	\$4.4	\$0.1	2.3%
Assistance Payments	12.0	14.1	12.3	-1.8	-12.6%
Medical Assistance	822.6	862.1	883.1	21.0	2.4%
Property Tax Credits	0.0	0.0	0.0	0.0	n/a
<i>Entitlements</i>	<i>\$835.9</i>	<i>\$880.5</i>	<i>\$899.8</i>	<i>\$19.3</i>	<i>2.2%</i>
Health	\$704.8	\$903.0	\$935.3	\$32.3	3.6%
Human Services	162.6	251.7	237.0	-14.7	-5.8%
Juvenile Services	3.3	3.5	3.3	-0.2	-5.1%
Public Safety/Police	196.4	242.9	246.0	3.1	1.3%
Higher Education	6,008.2	6,170.8	6,234.2	63.4	1.0%
Other Education	300.6	342.8	362.8	20.0	5.8%
Transportation	2,823.2	2,932.9	3,104.3	171.4	5.8%
Agriculture/Natural Res./Environment	351.2	415.0	430.9	15.9	3.8%
Other Executive Agencies	1,415.7	2,023.5	2,301.1	277.6	13.7%
Judiciary	73.2	83.5	80.2	-3.3	-3.9%
Legislative	0.0	0.0	0.0	0.0	n/a
<i>State Agencies</i>	<i>\$12,039.2</i>	<i>\$13,369.5</i>	<i>\$13,935.2</i>	<i>\$565.7</i>	<i>4.2%</i>
Deficiencies (for prior years)	\$0.0	-\$1.0	\$0.0	\$1.0	-100.0%
Total Operating	\$16,802.5	\$19,004.5	\$20,032.9	\$1,028.4	5.4%
Capital	\$1,990.5	\$1,855.1	\$1,968.7	\$113.7	6.1%
Transportation	1,450.5	1,330.5	1,396.2	65.7	4.9%
Environment	209.6	205.7	169.1	-36.6	-17.8%
Other	330.3	318.9	403.4	84.6	26.5%
<i>Subtotal</i>	<i>\$18,793.0</i>	<i>\$20,859.6</i>	<i>\$22,001.7</i>	<i>\$1,142.1</i>	<i>5.5%</i>
Reserve Funds	\$90.0	\$0.0	\$114.7	\$114.7	n/a
Grand Total	\$18,883.0	\$20,859.6	\$22,116.3	\$1,256.7	6.0%

* Includes higher education funds (current unrestricted and current restricted) net of general and special funds.

Note: The fiscal 2026 working appropriation reflects \$29.6 million in deficiencies and supplemental deficiencies. It also reflects \$59.3 million in legislative additions. Fiscal 2025 excludes \$70.3 million, fiscal 2026 excludes \$68.7 million, and fiscal 2027 excludes \$95.0 million of special funds that double counts general fund spending.

Exhibit 1.21
State Expenditures – Federal Funds
Fiscal 2025-2027

<u>Category</u>	<u>FY 2025 Actual</u>	<u>FY 2026 Working Approp.</u>	<u>FY 2027 Legislative Approp.</u>	<u>\$ Change 2026 to 2027</u>	<u>% Change</u>
Debt Service	\$4.1	\$2.9	\$0.8	-\$2.0	-71.3%
County/Municipal	\$100.8	\$82.1	\$82.2	\$0.1	0.1%
Community Colleges	0.0	0.0	0.0	0.0	n/a
Education/Libraries	1,202.2	1,232.8	1,251.6	18.7	1.5%
Health	25.0	0.0	0.0	0.0	n/a
<i>Aid to Local Governments</i>	<i>\$1,328.0</i>	<i>\$1,315.0</i>	<i>\$1,333.7</i>	<i>\$18.8</i>	<i>1.4%</i>
Foster Care Payments	\$130.8	\$85.1	\$85.1	\$0.0	0.0%
Assistance Payments	1,765.4	1,840.3	1,644.7	-195.5	-10.6%
Medical Assistance	9,885.5	10,001.6	10,228.5	227.0	2.3%
Property Tax Credits	0.0	0.0	0.0	0.0	n/a
<i>Entitlements</i>	<i>\$11,781.7</i>	<i>\$11,927.0</i>	<i>\$11,958.4</i>	<i>\$31.4</i>	<i>0.3%</i>
Health	\$2,822.1	\$3,081.9	\$3,024.1	-\$57.8	-1.9%
Human Services	786.5	779.9	671.7	-108.1	-13.9%
Juvenile Services	8.2	6.3	7.2	0.8	13.0%
Public Safety/Police	34.3	48.5	49.0	0.5	1.0%
Higher Education	0.0	0.0	0.0	\$0.0	n/a
Other Education	384.2	431.5	435.1	3.6	0.8%
Transportation	129.2	140.5	142.8	2.3	1.6%
Agriculture/Natural Res./Environment	95.1	113.8	128.4	14.6	12.9%
Other Executive Agencies	1,105.7	1,530.2	1,652.3	\$122.0	8.0%
Judiciary	1.2	1.0	1.4	0.4	36.8%
Legislative	0.0	0.0	0.0	0.0	n/a
<i>State Agencies</i>	<i>\$5,366.4</i>	<i>\$6,133.7</i>	<i>\$6,112.0</i>	<i>-\$21.7</i>	<i>-0.4%</i>
Deficiencies (for prior years)	\$0.0	\$430.7	\$0.0	-\$430.7	-100.0%
Total Operating	\$18,480.1	\$19,809.2	\$19,404.9	-\$404.3	-2.0%
Capital	\$1,506.2	\$1,565.8	\$1,668.2	\$102.4	6.5%
Transportation	1,107.9	1,342.2	1,413.0	\$70.7	5.3%
Environment	173.2	174.6	217.4	\$42.8	24.5%
Other	225.1	48.9	37.8	-\$11.1	-22.7%
Grand Total	\$19,986.4	\$21,375.0	\$21,073.1	-\$301.9	-1.4%

Note: The fiscal 2026 working appropriation reflects \$1.8 billion in deficiencies and supplemental deficiencies.

Exhibit 1.22
State Expenditures – State Funds
Fiscal 2025-2027

<u>Category</u>	<u>FY 2025</u> <u>Actual</u>	<u>FY 2026</u> <u>Working</u> <u>Approp.</u>	<u>FY 2027</u> <u>Legislative</u> <u>Approp.</u>	<u>\$ Change</u> <u>2026 to 2027</u>	<u>% Change</u>
Debt Service	\$1,929.4	\$1,828.1	\$1,948.5	\$120.5	6.6%
County/Municipal	\$1,017.0	\$1,046.6	\$1,065.8	\$19.2	1.8%
Community Colleges	478.3	504.3	518.5	14.2	2.8%
Education/Libraries	9,174.8	9,860.7	10,237.5	376.8	3.8%
Health	85.8	115.2	115.2	0.0	0.0%
<i>Aid to Local Governments</i>	<i>\$10,755.8</i>	<i>\$11,526.7</i>	<i>\$11,936.9</i>	<i>\$410.1</i>	<i>27.1%</i>
Foster Care Payments	\$280.4	\$340.6	\$350.5	\$9.8	2.9%
Assistance Payments	220.1	153.9	151.9	-2.1	-1.4%
Medical Assistance	6,474.9	6,488.3	6,571.8	83.5	1.3%
Property Tax Credits	96.0	98.3	90.5	-7.8	-7.9%
<i>Entitlements</i>	<i>\$7,071.3</i>	<i>\$7,081.2</i>	<i>\$7,164.6</i>	<i>\$83.5</i>	<i>1.2%</i>
Health	\$3,759.1	\$4,290.4	\$4,252.6	-\$37.9	-0.9%
Human Services	634.1	824.3	787.2	-37.1	-4.5%
Juvenile Services	345.1	370.7	375.5	4.8	1.3%
Public Safety/Police	2,405.2	2,474.6	2,522.2	47.6	1.9%
Higher Education	8,441.6	8,581.7	8,637.6	\$55.8	0.7%
Other Education	1,348.8	1,392.7	1,439.0	46.4	3.3%
Transportation	3,020.1	2,934.0	3,107.3	173.3	5.9%
Agriculture/Natural Res./Environment	565.6	616.5	645.2	28.8	4.7%
Other Executive Agencies	2,864.2	3,651.7	4,023.0	\$371.3	10.2%
Judiciary	781.5	791.4	844.2	52.8	6.7%
Legislative	165.0	163.5	164.4	1.0	0.6%
<i>State Agencies</i>	<i>\$24,330.2</i>	<i>\$26,091.4</i>	<i>\$26,798.3</i>	<i>\$706.9</i>	<i>2.7%</i>
Deficiencies (for prior years)	\$0.0	\$320.8	\$0.0	-\$320.8	-100.0%
Total Operating	\$44,086.8	\$46,848.2	\$47,848.3	\$1,000.1	2.1%
Capital	\$2,136.5	\$1,969.6	\$2,077.5	\$107.8	5.5%
Transportation	1,454.6	1,336.5	1,396.2	59.7	4.5%
Environment	210.6	206.3	169.6	-36.7	-17.8%
Other	471.3	426.8	511.6	84.8	19.9%
<i>Subtotal</i>	<i>\$46,223.4</i>	<i>\$48,817.8</i>	<i>\$49,925.8</i>	<i>\$1,107.9</i>	<i>2.3%</i>
Reserve Funds	\$92.5	\$79.5	\$137.3	\$57.8	72.6%
Appropriations	\$46,315.9	\$48,897.3	\$50,063.0	\$1,165.7	2.4%
Reversions	\$0.0	-\$100.0	-\$100.0	\$0.0	0.0%
Grand Total	\$46,315.9	\$48,797.3	\$49,963.0	\$1,165.7	2.4%

Note: The fiscal 2026 working appropriation reflects deficiencies and supplemental deficiencies of \$1.0 billion. It also reflects general fund targeted reversions of \$28.9 million and legislative additions of \$113.5 million. Fiscal 2025 excludes \$70.3 million, fiscal 2026 excludes \$68.7 million, and fiscal 2027 excludes \$95.0 million of special funds that double counts general fund spending.

Exhibit 1.23
State Expenditures – All Funds
Fiscal 2025-2027

<u>Category</u>	<u>FY 2025</u> <u>Actual</u>	<u>FY 2026</u> <u>Working</u> <u>Approp.</u>	<u>FY 2027</u> <u>Legislative</u> <u>Approp.</u>	<u>\$ Change</u> <u>2026 to 2027</u>	<u>% Change</u>
Debt Service	\$1,933.4	\$1,830.9	\$1,949.4	\$118.4	6.5%
County/Municipal	\$1,117.8	\$1,128.7	\$1,148.0	\$19.3	1.7%
Community Colleges	478.3	504.3	518.5	14.2	2.8%
Education/Libraries	10,377.0	11,093.5	11,489.0	395.5	3.6%
Health	110.8	115.2	115.2	0.0	0.0%
<i>Aid to Local Governments</i>	<i>\$12,083.8</i>	<i>\$12,841.7</i>	<i>\$13,270.6</i>	<i>\$428.9</i>	<i>3.3%</i>
Foster Care Payments	\$411.2	\$425.8	\$435.6	\$9.8	2.3%
Assistance Payments	1,985.4	1,994.2	1,796.6	-197.6	-9.9%
Medical Assistance	16,360.4	16,489.9	16,800.4	310.5	1.9%
Property Tax Credits	96.0	98.3	90.5	-7.8	-7.9%
<i>Entitlements</i>	<i>\$18,853.0</i>	<i>\$19,008.2</i>	<i>\$19,123.0</i>	<i>\$114.9</i>	<i>0.6%</i>
Health	\$6,581.1	\$7,372.3	\$7,276.7	-\$95.7	-1.3%
Human Services	1,420.6	1,604.1	1,458.9	-145.2	-9.1%
Juvenile Services	353.3	377.0	382.6	5.6	1.5%
Public Safety/Police	2,439.6	2,523.1	2,571.2	48.1	1.9%
Higher Education	8,441.6	8,581.7	8,637.6	55.8	0.7%
Other Education	1,733.0	1,824.2	1,874.2	50.0	2.7%
Transportation	3,149.3	3,074.5	3,250.1	175.6	5.7%
Agriculture/Natural Res./Environment	660.6	730.2	773.7	43.4	5.9%
Other Executive Agencies	3,969.9	5,181.9	5,675.6	493.3	9.5%
Judiciary	782.7	792.5	845.6	53.2	6.7%
Legislative	165.0	163.5	164.4	1.0	0.6%
<i>State Agencies</i>	<i>\$29,696.7</i>	<i>\$32,225.1</i>	<i>\$32,910.6</i>	<i>\$685.1</i>	<i>2.1%</i>
Deficiencies (for prior years)	\$0.0	\$751.6	\$0.0	-\$751.6	n/a
Total Operating	\$62,567.0	\$66,657.4	\$67,253.6	\$595.8	0.9%
Capital	\$3,642.8	\$3,535.4	\$3,745.6	\$210.2	5.9%
Transportation	2,562.6	2,678.7	2,809.2	130.5	4.9%
Environment	383.9	381.0	387.1	6.1	1.6%
Other	696.3	475.7	549.4	73.7	15.5%
<i>Subtotal</i>	<i>\$66,209.7</i>	<i>\$70,192.8</i>	<i>\$70,999.2</i>	<i>\$806.0</i>	<i>1.1%</i>

<u>Category</u>	<u>FY 2025 Actual</u>	<u>FY 2026 Working Approp.</u>	<u>FY 2027 Legislative Approp.</u>	<u>\$ Change 2026 to 2027</u>	<u>% Change</u>
Reserve Funds	\$92.5	\$79.5	\$137.3	\$57.8	72.6%
Appropriations	\$66,302.2	\$70,272.3	\$71,136.4	\$863.8	1.2%
Reversions	\$0.0	-\$100.0	-\$100.0	\$0.0	0.0%
Grand Total	\$66,302.2	\$70,172.3	\$71,036.4	\$863.8	1.2%

Note: The fiscal 2026 working appropriation reflects deficiencies and supplemental deficiencies of \$2.8 billion. It also reflects general fund targeted reversions of \$28.9 million and legislative additions of \$113.5 million. Fiscal 2026 excludes \$68.7 million, and fiscal 2027 excludes \$95.0 million of special funds that double counts general fund spending.

Chapter 2. State Capital Program

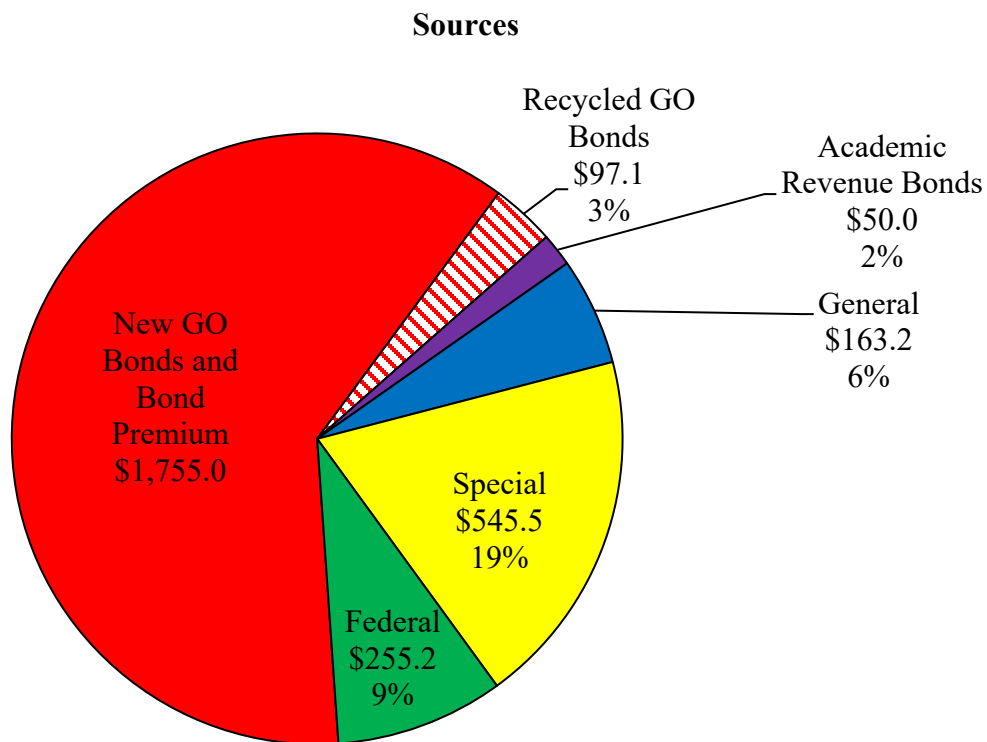
- Fiscal 2027 Capital Budget

Fiscal 2027 Capital Budget

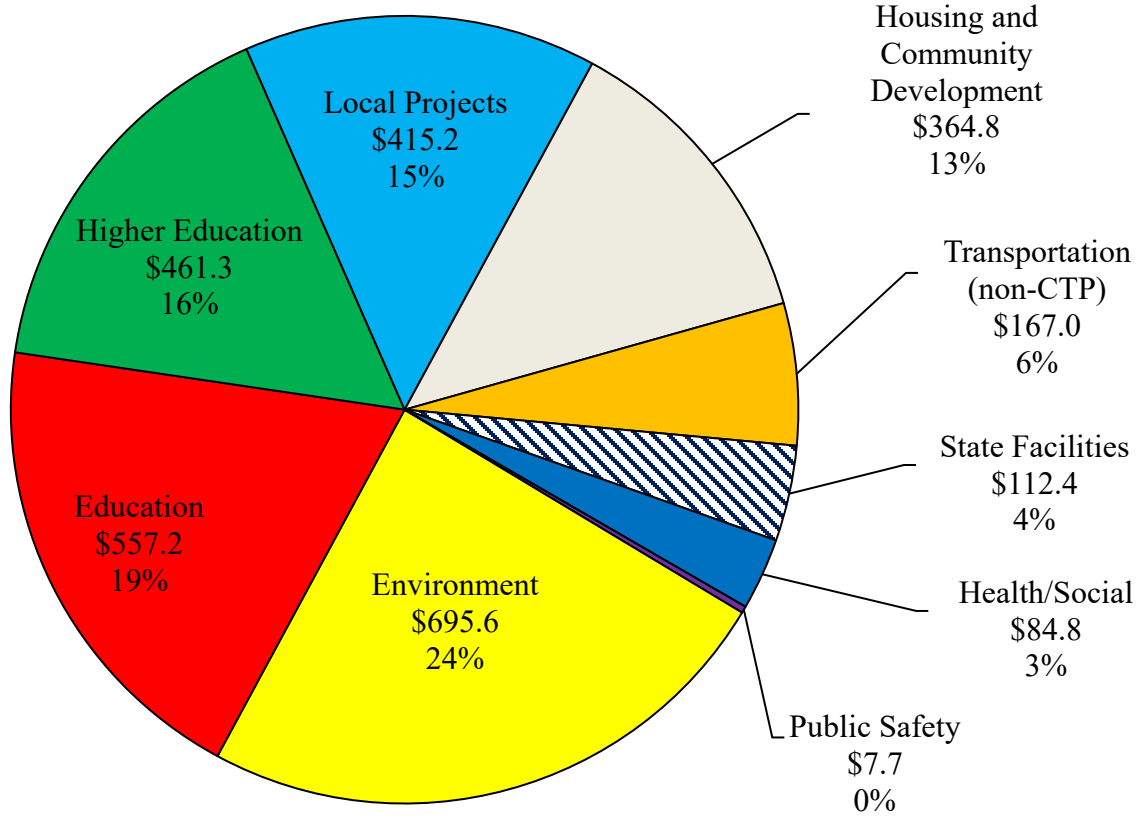
The General Assembly passed a fiscal 2027 capital program totaling \$6.0 billion, including \$3.137 billion for the transportation program through the *Consolidated Transportation Program* (CTP). Apart from the CTP, the program totals \$2.866 billion, consisting of \$1.852 billion in general obligation (GO) bonds authorized in **Senate Bill 283 (Ch. 5)**; \$963.9 million in pay-as-you-go (PAYGO) general, special, and federal funds in the operating budget, including \$55.4 million of fiscal 2026 deficiency appropriations; and \$50.0 million in Academic Revenue Bonds (ARB) for the University System of Maryland authorized in **Senate Bill 769 (Ch. 227)**. The fiscal 2027 capital program as enacted is consistent with the recommendations of the Spending Affordability Committee, which set a level of new GO bond authorizations for the 2026 session of \$1.75 billion and recommended \$50.0 million in ARBs.

Exhibit 2.1 provides a summary of the non-CTP capital program by sources and uses, and **Exhibit 2.2** provides a detailed list of capital projects and programs, excluding miscellaneous grant programs and legislative bond initiatives (LBI). A detailed list of miscellaneous grants and LBIs by jurisdiction can be found [here](#).

Exhibit 2.1
Fiscal 2027 Capital Program Sources and Uses
(\$ in Millions)



Uses



CTP: Consolidated Transportation Program
 GO: general obligation

Note: Includes \$55.4 million of fiscal 2026 general fund deficiency appropriations.

Source: Department of Legislative Services

**Exhibit 2.2
Capital Program for the 2026 Session**

<u>Budget Code</u>	<u>Project Title</u>	<u>Bonds</u>		<u>Current Funds (PAYGO)</u>			<u>Total Funds</u>
		<u>General Obligation</u>	<u>Revenue</u>	<u>General</u>	<u>Special</u>	<u>Federal</u>	
Education							
D25E0302	IAC: Built to Learn Fund	\$0	\$0	\$0	\$69,000,000	\$0	\$69,000,000
D25E0302A	IAC: Nancy K. Kopp Public School Facilities Priority Fund	70,000,000	0	0	0	0	70,000,000
D25E0302B	IAC: Public School Construction Program	300,000,000	0	0	0	0	300,000,000
D25E0302C	IAC: Senator James E. "Ed" DeGrange Nonpublic Aging Schools Program	5,000,000	0	0	0	0	5,000,000
D25E0302D	IAC: Supplemental Capital Grant Program	80,000,000	0	0	0	0	80,000,000
D25E0302D	IAC: HVAC Upgrades in Baltimore City Public Schools	0	0	0	18,850,000	0	18,850,000
RA11A	MSLA: Public Library Capital Grant Program	12,775,000	0	0	0	0	12,775,000
RE01A	MSD: New Student Residences	1,611,000	0	0	0	0	1,611,000
Subtotal		\$469,386,000	\$0	\$0	\$87,850,000	\$0	\$557,236,000
Environment							
K00A0510	DNR: Greenspace Equity Program	\$0	\$0	\$0	\$7,000,000	\$0	\$7,000,000
K00A0510	DNR: Ocean City Beach Replenishment and Hurricane Protection Program	0	0	0	4,500,000	0	4,500,000

		Bonds		Current Funds (PAYGO)			
<u>Budget Code</u>	<u>Project Title</u>	<u>General Obligation</u>	<u>Revenue</u>	<u>General</u>	<u>Special</u>	<u>Federal</u>	<u>Total Funds</u>
K00A0510	DNR: Program Open Space – Public Access Program	0	0	0	12,000,000	0	12,000,000
KA05A	DNR: Community Parks and Playgrounds	5,000,000	0	0	0	0	5,000,000
KA05B	DNR: Natural Resources Development Fund	500,000	0	0	10,928,565	0	11,428,565
KA05C	DNR: Program Open Space	0	0	0	81,113,991	5,000,000	86,113,991
KA05D	DNR: Rural Legacy Program	0	0	0	13,400,880	0	13,400,880
KA1401A	DNR: Waterway Improvement Capital Projects	7,011,156	0	0	6,932,000	1,000,000	14,943,156
KA1701A	DNR: Oyster Restoration Program	2,070,000	0	0	0	0	2,070,000
L00A1111	MDA: Agricultural Land Preservation Program	0	0	0	38,726,423	0	38,726,423
LA15A	MDA: Maryland Agricultural Cost-Share Program	8,000,000	0	0	0	0	8,000,000
U00A0104	MDE: Hazardous Substance Clean-up Program	0	0	550,000	0	0	550,000
U00A0112	MDE: Septic System Upgrade Program	0	0	0	15,000,000	0	15,000,000
UA01A	MDE: Bay Restoration Fund Wastewater Program	50,000,000	0	0	0	0	50,000,000
UA01B	MDE: Comprehensive Flood Management Grant Program	4,382,000	0	0	9,485,000	0	13,867,000
UA01C	MDE: Maryland Drinking Water Revolving Loan Fund	14,896,000	0	0	31,596,127	119,468,680	165,960,807
UA01D	MDE: Maryland Water Quality Revolving Loan Fund	19,591,000	0	0	113,011,815	97,952,000	230,554,815

<u>Budget Code</u>	<u>Project Title</u>	<u>Bonds</u>		<u>Current Funds (PAYGO)</u>			<u>Total Funds</u>
		<u>General Obligation</u>	<u>Revenue</u>	<u>General</u>	<u>Special</u>	<u>Federal</u>	
UA01E	MDE: Supplemental Assistance Program	3,000,000	0	0	0	0	3,000,000
UA01F	MDE: Water Supply Financial Assistance Program	2,419,000	0	0	0	0	2,419,000
UB00A	MES: State Water and Sewer Infrastructure Improvement Fund	3,162,000	0	0	7,953,000	0	11,115,000
Subtotal		\$120,031,156	\$0	\$550,000	\$351,647,801	\$223,420,680	\$695,649,637
Health/Social							
MA01A	MDH: Community Health Facilities Grant Program	\$10,000,000	\$0	\$0	\$0	\$0	\$10,000,000
MA01B	MDH: Demolish Decommissioned Buildings	103,000	0	0	0	0	103,000
MA01C	MDH: Federally Qualified Health Centers Grant Program	3,500,000	0	0	0	0	3,500,000
ML10A	MDH: Renovation of Clifton T. Perkins Hospital North Wing	12,363,000	0	0	0	0	12,363,000
RQ00A	UMMS: Comprehensive Cancer Center	5,000,000	0	0	0	0	5,000,000
RQ00B	UMMS: R Adams Cowley Shock Trauma Center Renovation – Phase III	5,000,000	0	0	0	0	5,000,000
RQ00C	UMMS: University of Maryland Shore Regional Health – New Easton Regional Medical Center	20,000,000	0	0	0	0	20,000,000
RQ00D	UMMS: Capital Region Medical Center – Clinic	3,000,000	0	0	0	0	3,000,000

		Bonds		Current Funds (PAYGO)			
<u>Budget Code</u>	<u>Project Title</u>	<u>General Obligation</u>	<u>Revenue</u>	<u>General</u>	<u>Special</u>	<u>Federal</u>	<u>Total Funds</u>
VE01A	DJS: New Cheltenham Youth Treatment Center	4,292,000	0	0	0	0	4,292,000
ZA01	MHA: Private Hospital Grant Program	21,550,000	0	0	0	0	21,550,000
<i>Subtotal</i>		<i>\$84,808,000</i>	<i>\$0</i>	<i>\$0</i>	<i>\$0</i>	<i>\$0</i>	<i>\$84,808,000</i>
Higher Education							
R30B36	USM: Capital Facilities Renewal	\$0	\$24,000,000	\$0	\$0	\$0	\$24,000,000
RB21A	UMB: Central Electric Substation and Electrical Infrastructure Upgrades	715,000	0	0	0	0	715,000
RB21B	UMB: New Dental Ambulatory Surgery Center	862,000	0	0	0	0	862,000
RB21C	UMB: New School of Social Work Building	43,732,000	0	0	3,015,000	0	46,747,000
RB22A	UMCP: New Health and Human Sciences Complex	29,315,000	15,000,000	0	0	0	44,315,000
RB22B	UMCP: New Interdisciplinary Engineering Building – Zupnik Hall	13,110,000	0	0	0	0	13,110,000
RB22C	UMCP: Xfinity Center Roof Repair	10,000,000	0	0	0	0	10,000,000
RB22D	UMCP: Graduate Student Housing	5,000,000	0	0	0	0	5,000,000
RB23A	BSU: New Thurgood Marshall Library and Academic Commons	4,802,000	0	0	0	0	4,802,000
RB23B	BSU: Boiler and Chiller Replacements	1,000,000	0	0	0	0	1,000,000
RB23C	BSU: Campus Safety and Security Upgrades	500,000	0	0	0	0	500,000

<u>Budget Code</u>	<u>Project Title</u>	<u>Bonds</u>		<u>Current Funds (PAYGO)</u>			<u>Total Funds</u>
		<u>General Obligation</u>	<u>Revenue</u>	<u>General</u>	<u>Special</u>	<u>Federal</u>	
RB23D	BSU: Bowie State MARC Station Redevelopment	2,000,000	0	0	0	0	2,000,000
RB24A	TU: Central Plant Restoration	10,600,000	0	0	0	0	10,600,000
RB24B	TU: Electrical Substation Expansion and Improvements	2,820,000	10,000,000	0	0	0	12,820,000
RB24C	TU: Smith Hall Renovation and Reconstruction	21,973,000	0	0	14,000,000	0	35,973,000
RB25A	UMES: New School of Veterinary Medicine and Health Professions	1,000,000	0	0	0	0	1,000,000
RB26A	FSU: Frostburg State University Baseball Complex	100,000	0	0	0	0	100,000
RB27A	CSU: New Residence Hall	2,000,000	0	0	0	0	2,000,000
RB28A	UBalt: 101 W. Mt. Royal Ave. Baltimore Property Acquisition	500,000	0	0	0	0	500,000
RB29A	SU: Blackwell Hall Renovation	1,124,000	0	0	0	0	1,124,000
RB30A	UMGC: Global Campus Administration Building Renovation	1,000,000	0	0	0	0	1,000,000
RB31A	UMBC: Sherman Hall Renovation	9,087,000	0	0	0	0	9,087,000
RB36A	USM: Rita Colwell Center Deferred Maintenance	2,906,000	1,000,000	0	0	0	3,906,000
RC00A	BCCC: Learning Commons Renovation and Addition	9,790,000	0	0	0	0	9,790,000
RC00B	BCCC: Deferred Maintenance	1,000,000	0	0	0	0	1,000,000
RD00A	SMCM: Campus Infrastructure Improvements	2,271,000	0	0	0	0	2,271,000
RD00B	SMCM: Montgomery Hall Renovation	959,000	0	0	0	0	959,000

		Bonds		Current Funds (PAYGO)			
<u>Budget Code</u>	<u>Project Title</u>	<u>General Obligation</u>	<u>Revenue</u>	<u>General</u>	<u>Special</u>	<u>Federal</u>	<u>Total Funds</u>
RI00A	MHEC: Community College Construction Grant Program	56,685,000	0	0	0	0	56,685,000
RI00B	MHEC: Community College Facilities Renewal Grant Program	2,618,000	0	0	0	0	2,618,000
RM00A	MSU: Campuswide Electric Infrastructure Upgrades	40,486,000	0	0	0	0	40,486,000
RM00B	MSU: Carter-Grant-Wilson Building Renovation	100,000	0	0	0	0	100,000
RM00C	MSU: New Science Center, Phase II	106,991,000	0	0	0	0	106,991,000
ZA00	MICUA: Private Higher Education Facilities Grant Program	9,200,000	0	0	0	0	9,200,000
<i>Subtotal</i>		<i>\$394,246,000</i>	<i>\$50,000,000</i>	<i>\$0</i>	<i>\$17,015,000</i>	<i>\$0</i>	<i>\$461,261,000</i>
Housing and Community Development							
DB01A	HSMCC: Site Improvements	\$925,000	\$0	\$0	\$0	\$0	\$925,000
DB01B	HSMCC: Visitor Center Conversion for Education and Artisan Centers	420,000	0	0	0	0	420,000
DW0110	MDP: Historic Preservation Loan Fund	0	0	0	300,000	0	300,000
DW0110A	MDP: African American Heritage Preservation Grant Program	5,000,000	0	0	0	0	5,000,000
DW0110B	MDP: Historic Preservation Grant Fund	1,035,000	0	0	0	0	1,035,000
S00A2402	DHCD: Community Development Block Grant Program	0	0	0	0	12,000,000	12,000,000

<u>Budget Code</u>	<u>Project Title</u>	<u>Bonds</u>		<u>Current Funds (PAYGO)</u>			<u>Total Funds</u>
		<u>General Obligation</u>	<u>Revenue</u>	<u>General</u>	<u>Special</u>	<u>Federal</u>	
S00A2515	DHCD: Housing and Building Energy Programs	0	0	0	54,000,000	2,500,000	56,500,000
S00A25F	DHCD: Special Loan Programs	0	0	0	4,400,000	5,040,000	9,440,000
SA24A	DHCD: Baltimore Regional Neighborhood Initiative	20,000,000	0	0	0	0	20,000,000
SA24B	DHCD: Business Façade Improvement Program	5,050,000	0	0	0	0	5,050,000
SA24C	DHCD: Community Legacy Program	8,000,000	0	0	0	0	8,000,000
SA24D	DHCD: National Capital Strategic Economic Development Fund	20,050,000	0	0	0	0	20,050,000
SA24E	DHCD: Seed Community Development Anchor Institution Fund	10,000,000	0	0	0	0	10,000,000
SA24F	DHCD: Strategic Demolition Fund	17,790,000	0	42,210,000	0	0	60,000,000
SA25A	DHCD: Appraisal Gap Program – UPLIFT	10,000,000	0	0	0	0	10,000,000
SA25B	DHCD: Homeownership Programs	20,000,000	0	0	5,000,000	0	25,000,000
SA25C	DHCD: Partnership Rental Housing Program	8,000,000	0	0	0	0	8,000,000
SA25D	DHCD: Rental Housing Programs	8,803,594	0	0	19,500,000	9,000,000	37,303,594
SA25E	DHCD: Shelter and Transitional Housing Facilities Grant Program	3,000,000	0	0	0	0	3,000,000
SA25F	DHCD: Housing Innovation Fund	5,000,000	0	0	0	0	5,000,000

		Bonds		Current Funds (PAYGO)			
<u>Budget Code</u>	<u>Project Title</u>	<u>General Obligation</u>	<u>Revenue</u>	<u>General</u>	<u>Special</u>	<u>Federal</u>	<u>Total Funds</u>
SA30A	DHCD: Neighborhood Business Development Program	10,000,000	0	0	2,289,000	0	12,289,000
TG00A	Commerce: Maryland Arts Capital Grant Program	3,000,000	0	0	0	0	3,000,000
<i>Subtotal</i>		<i>\$156,073,594</i>	<i>\$0</i>	<i>\$42,210,000</i>	<i>\$85,489,000</i>	<i>\$28,540,000</i>	<i>\$312,312,594</i>
Local Projects							
ZA00	Miscellaneous Projects	\$317,209,250	\$0	\$64,959,665	\$0	\$0	\$382,168,915
ZA02	Legislative Initiatives – Senate	15,000,000	0	0	0	0	15,000,000
ZA03	Legislative Initiatives – House	15,000,000	0	0	0	0	15,000,000
<i>Subtotal</i>		<i>\$347,209,250</i>	<i>\$0</i>	<i>\$64,959,665</i>	<i>\$0</i>	<i>\$0</i>	<i>\$412,168,915</i>
Public Safety							
QR0201A	DPSCS: MCI-H Perimeter Fence System Replacement	\$1,155,000	\$0	\$0	\$0	\$0	\$1,155,000
QR0203A	DPSCS: RCI Perimeter Fence System Replacement	1,511,000	0	0	0	0	1,511,000
WA01A	DSP: Barrack A – Waterloo: New Barrack, Garage, and Historic Barrack Renovation	763,000	0	0	0	0	763,000
WA01B	DSP: Barrack J – Annapolis: Communications Room and New Garage	3,579,000	0	0	0	0	3,579,000
ZB02	DPSCS: Local Jails and Detention Centers	700,000	0	0	0	0	700,000
<i>Subtotal</i>		<i>\$7,708,000</i>	<i>\$0</i>	<i>\$0</i>	<i>\$0</i>	<i>\$0</i>	<i>\$7,708,000</i>

<u>Budget Code</u>	<u>Project Title</u>	<u>Bonds</u>		<u>Current Funds (PAYGO)</u>			<u>Total Funds</u>
		<u>General Obligation</u>	<u>Revenue</u>	<u>General</u>	<u>Special</u>	<u>Federal</u>	
State Facilities							
DA0201A	MDOD: Access Maryland	\$1,124,000	\$0	\$0	\$0	\$0	\$1,124,000
DE0201A	DGS: Construction Contingency Fund	5,000,000	0	0	0	0	5,000,000
DE0201B	DGS: Facilities Renewal Fund	59,666,000	0	0	3,500,000	0	63,166,000
DE0201C	DGS: Louis L. Goldstein Treasury Building Renovation	2,060,000	0	0	0	0	2,060,000
DE0201D	DGS: Wineland Building Renovation	281,000	0	0	0	0	281,000
DE0201E	DGS: Revenue Administration Center – Individual Collections Unit Suite Modernization	350,000	0	0	0	0	350,000
DE0201E	Judiciary: New Supreme Court of Maryland Building	20,388,000	0	0	0	0	20,388,000
DH0104A	MMD: New Hagerstown Vehicle Maintenance Shop	500,000	0	0	0	3,250,000	3,750,000
FB04A	DoIT: Maryland FiRST Public Safety Radio System	16,268,000	0	0	0	0	16,268,000
Subtotal		\$105,637,000	\$0	\$0	\$3,500,000	\$3,250,000	\$112,387,000
Transportation							
J00A0105A	MDOT: Washington Metropolitan Area Transit Authority Upgrades	\$167,000,000	\$0	\$0	\$0	\$0	\$167,000,000
Subtotal		\$167,000,000	\$0	\$0	\$0	\$0	\$167,000,000
Current Year Total (Excluding MDOT CTP)		\$1,852,099,000	\$50,000,000	\$107,719,665	\$545,501,801	\$255,210,680	\$2,810,531,146
Transportation CTP		\$0	\$785,000,000	\$0	\$867,100,000	\$1,485,300,000	\$3,137,400,000
Current Year Total (Including MDOT)		\$1,852,099,000	\$835,000,000	\$107,719,665	\$1,412,601,801	\$1,740,510,680	\$5,947,931,146

		Bonds		Current Funds (PAYGO)			
<u>Budget Code</u>	<u>Project Title</u>	<u>General Obligation</u>	<u>Revenue</u>	<u>General</u>	<u>Special</u>	<u>Federal</u>	<u>Total Funds</u>
Deauthorizations							
	Deauthorizations as Introduced	-\$74,782,000	\$0	\$0	\$0	\$0	-\$74,782,000
	Additional Deauthorizations	-22,317,000	0	0	0	0	-22,317,000
	Subtotal	-\$97,099,000	\$0	\$0	\$0	\$0	-\$97,099,000
Current Year Total (Less Deauthorizations)		\$1,755,000,00	\$835,000,000	\$107,719,665	\$1,412,601,801	\$1,740,510,680	\$5,850,832,146
Fiscal 2026 Deficiencies							
D90U	Canal Place: New River Park	\$0	\$0	\$1,241,764	\$0	\$0	\$1,241,764
H00H0102	TEDCO: Regenerative Medicine and Advanced Manufacturing	0	0	3,000,000	0	0	3,000,000
S00A2507	DHCD: Rental Housing Programs	0	0	51,200,000	0	0	51,200,000
	Subtotal	\$0	\$0	\$55,441,764	\$0	\$0	\$55,441,764
Grand Total		\$1,852,099,000	\$835,000,000	\$163,161,429	\$1,412,601,801	\$1,740,510,680	\$6,003,372,910

BCCC: Baltimore City Community College
 BSU: Bowie State University
 Commerce: Department of Commerce
 CSU: Coppin State University
 DGS: Department of General Services
 DHCD: Department of Housing and Community Development
 DJS: Department of Juvenile Services
 DNR: Department of Natural Resources
 DoIT: Department of Information Technology
 DPSCS: Department of Public Safety and Correctional Services
 DSP: Department of State Police
 FSU: Frostburg State University
 HSMCC: Historic St. Mary's City Commission
 IAC: Interagency Commission on School Construction
 MCI-H: Maryland Correctional Institution – Hagerstown

MHA: Maryland Hospital Association
 MHEC: Maryland Higher Education Commission
 MICUA: Maryland Independent College and University Association
 MMD: Maryland Military Department
 MSD: Maryland School for the Deaf
 MSLA: Maryland State Library Agency
 MSU: Morgan State University
 PAYGO: pay-as-you-go
 RCI: Roxbury Correctional Institution
 SMCM: St. Mary's College of Maryland
 SU: Salisbury University
 TEDCO: Maryland Technology Development Corporation
 TU: Towson University
 Ubalt: University of Baltimore
 UMB: University of Maryland, Baltimore Campus

MDA: Maryland Department of Agriculture
MDE: Maryland Department of the Environment
MDH: Maryland Department of Health
MDOD: Maryland Department of Disabilities
MDP: Maryland Department of Planning
MES: Maryland Environmental Service
Maryland FiRST: Maryland First Responder Radio System Team

UMBC: University of Maryland Baltimore County
UMCP: University of Maryland, College Park Campus
UMES: University of Maryland Eastern Shore
UMGC: University of Maryland Global Campus
UMMS: University of Maryland Medical System
USM: University System of Maryland

Source: Department of Legislative Services

Capital Budget Highlights

As shown in **Exhibit 2.3** and **Exhibit 2.4**, the capital program increased from \$2.646 billion as introduced to \$2.866 billion as enacted, an increase of \$219.7 million:

- **General Funds Increased by \$103.8 Million:** general funds increased primarily because the General Assembly shifted funding for the Department of Housing and Community Development’s Rental Housing Programs (\$51.2 million) and Strategic Demolition Fund (\$42.2 million) from bonds to general funds. In addition, a supplemental budget added \$6.4 million in general funds for miscellaneous capital grants;
- **Special Funds Increased by \$93.6 Million:** **Senate Bill 284 (Ch. 6)**, the Budget Reconciliation and Financing Act of 2026, as introduced, included provisions that would have transferred \$71.9 million of transfer tax revenues and fund balance that fund Program Open Space (POS) programs as well as \$13.1 million from the Waterway Improvement Fund to the General Fund. These funds were replaced with GO bond funding in the capital budget as introduced, and the special funds for POS were contingently reduced in the operating budget bill as introduced. The General Assembly reduced the GO bond funds, rejected the transfer of transfer tax revenues, and modified the transfer of Waterway Improvement Funds to transfer \$7.0 million. This resulted in an increase of \$71.7 million in special funds in the capital program as enacted; the additional \$6.1 million in Waterway Improvement Funds now available will need to be added by budget amendment.

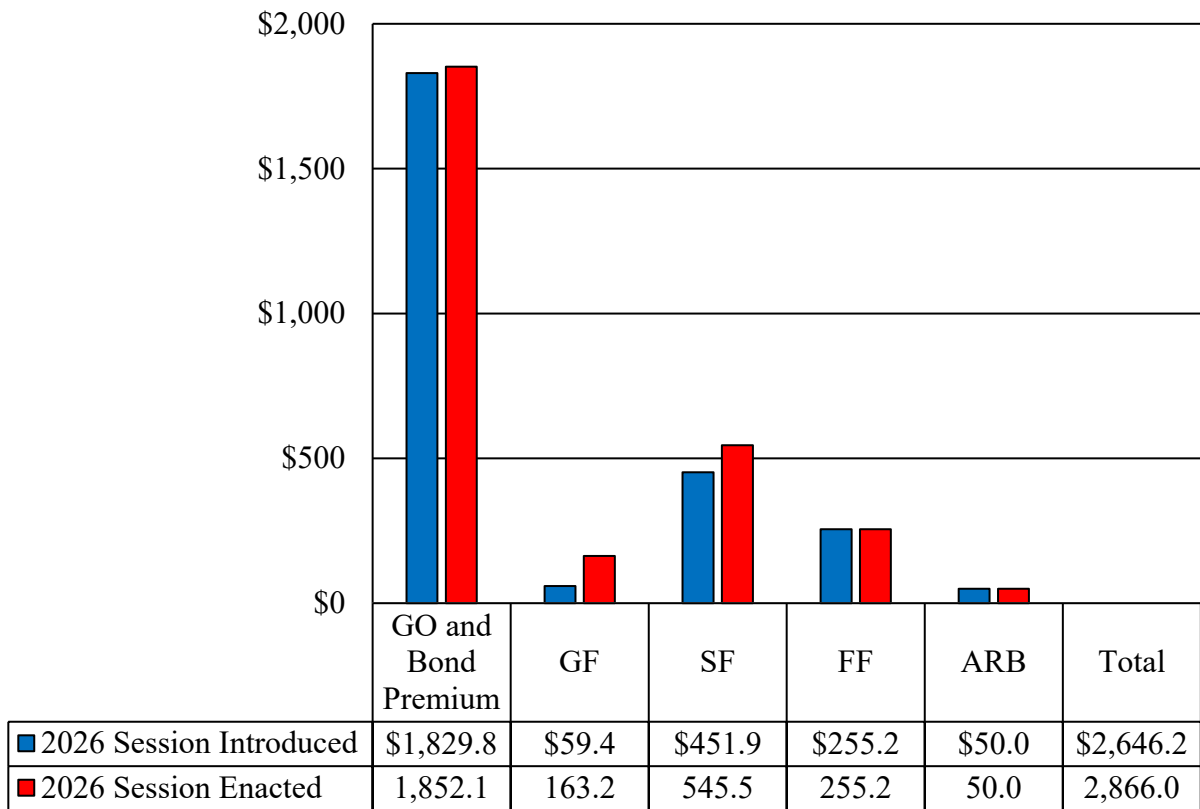
Funding for the Ocean City Beach Replenishment project was also increased by \$2.5 million by supplemental budget, bringing total funding for the project to \$4.5 million in special funds.

In addition, special funds from the Strategic Energy Investment Fund (SEIF) totaling \$18.85 million were added by supplemental budget (\$9.0 million) and legislative addition (\$9.85 million) to fund HVAC upgrades in public schools in Baltimore City. These funds were contingent on legislation, **House Bill 1532 (Ch. 353)**, expanding authorizing the use of SEIF funds for this purpose;

- **GO Bonds Increased by \$22.3 Million:** the capital budget as introduced included \$74.8 million in recycled GO bond funding created through deauthorizations, including \$45.9 million deauthorized for the Baltimore Therapeutic Treatment Center and \$9.0 million deauthorized for the New Life Skills and Re-Entry Center for Women. The General Assembly deauthorized a further \$22.3 million in miscellaneous projects, creating additional GO bond capacity for new projects. **Exhibit 2.5** shows all deauthorizations and amendments to prior authorizations included in the Act. Additionally, **Senate Bill 1007 (Ch. 176)** made modifications to previously authorized miscellaneous grants to change the project scope, location, or grantee and to grant extensions; **Senate Bill 1007** also created one new project by reprogramming funding from another project; and

- Local Projects Account for 74% of Total Increase:** funding for local projects increased by \$162.8 million to a total of \$415.2 million in the capital program as enacted. The next largest increases were for higher education projects (13% of total increase) and school construction (9% of total increase).

Exhibit 2.3
Proposed and Authorized 2026 Session Capital Program by Fund Source
 (\$ in Millions)



ARB: academic revenue bonds
 FF: federal funds

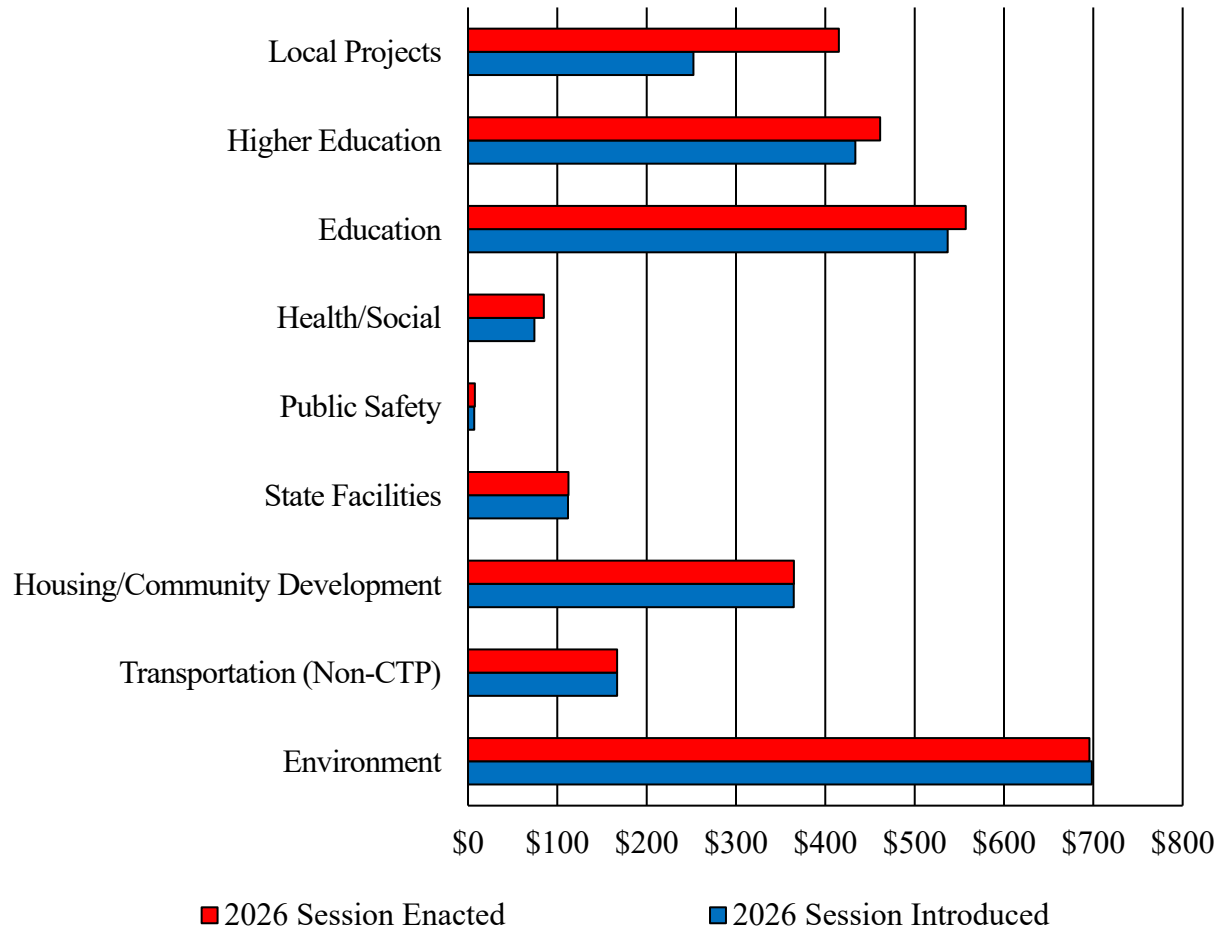
GF: general funds
 GO: general obligation

SF: special funds

Note: Includes fiscal 2026 general fund deficiency appropriations.

Source: Department of Legislative Services

Exhibit 2.4
Proposed and Authorized 2026 Session Capital Program by Category
(\$ in Millions)



CTP: Consolidated Transportation Program

Source: Department of Legislative Services

Exhibit 2.5 Deauthorizations and Amendments to Prior Authorizations

Deauthorizations

MCCBL Year(s)	Agency	Project Title	Amount Deauthorized
2015, 2016	DJS	New Female Detention Center	-\$1,334,432
2017	MHA	Union Hospital of Cecil County	-786,000
2018	MHA	State Library Resource Center	-586,357
2018, 2019	SMCM	Academic Building and Auditorium	-1,058,690
2019	MDA	Salisbury Animal Health Laboratory Replacement	-622,224
2019	MPBC	Studio A Renovation and Addition	-124,165
2020	BSU	Pedestrian and Vehicular Infrastructure Improvements	-150,000
2021	FSU	Challenger Center	-3,000,000
2021	DJS	Baltimore City Juvenile Justice Center Education Expansion	-2,147,132
2023, 2024, 2025	DPSCS	New Life Skills and Re-Entry Center for Women	-9,025,000
2023	MSU	New Health and Human Services Building	-3,000,000
2023	DPSCS	Frederick County Adult Detention Center Phase IV Medical Addition	-1,011,000
2023	BPW	State House and Old Treasury Building Renovation	-3,000,000
2024, 2025	DJS	Maryland Youth Residence Center Renovation and Expansion	-2,580,000
2025	DPSCS	Baltimore Therapeutic Treatment Center	-45,857,000
2025	MISC	Mid Shore Regional Detention Center	-500,000
<i>Deauthorizations as Introduced</i>			<i>-\$74,782,000</i>
2025	DGS	Revolutionary War Memorial for Black Soldiers	-\$250,000
2025	MMD	New Joint Force Headquarters at Camp Fretterd	-750,000
2014	MISC	Rockville Science Center	-75,000
2017	MISC	Southern Maryland Studies Center	-500,000
2018	MISC	Armory Plaza	-100,000
2018	MISC	Greenbelt Station Hiker and Biker Trail	-75,000
2018	MISC	Johns Hopkins University – Maryland Center for Cell Therapy Manufacturing	-5,000,000

<u>MCCBL</u>			<u>Amount</u>
<u>Year(s)</u>	<u>Agency</u>	<u>Project Title</u>	<u>Deauthorized</u>
2018	MISC	Lisbon Volunteer Fire Department	-125,000
2018	MISC	Prince George's County Volunteer Marine, Fire and Rescue Department	-50,000
2018	MISC	Riverfront Park Hiker and Biker Path	-50,000
2018	MISC	Rockville Welcome Center	-100,000
2019	MISC	Allentown Splash, Tennis and Fitness Park	-150,000
2019	MISC	Bus Shelter Public Art Projects	-150,000
2019	MISC	Carroll Baldwin Hall	-100,000
2019	MISC	Centerway Local Park	-250,000
2019	MISC	College Park Woods Community Facility Redevelopment	-200,000
2019	MISC	Doctors Community Hospital	-250,000
2019	MISC	East Baltimore Library and Library Annex	-100,000
2019	MISC	Guru Nanak Health Clinic	-100,000
2019	MISC	Johnston Square Greenspace	-15,000
2019	MISC	Le Mondo	-100,000
2019	MISC	Linwood School	-100,000
2019	MISC	New Creation Christian Church Hoop House	-100,000
2019	MISC	North County High School Field House	-200,000
2019	MISC	Northeast Family Life Center	-50,000
2019	MISC	Prince George's County Public Schools Electronic Signs	-105,000
2019	MISC	Restoration House	-50,000
2019	MISC	Stephen P. Turney Recreation Complex	-250,000
2019	MISC	Western Maryland Works	-60,000
2019	MISC	YMCA of Cumberland	-100,000
2020	MISC	Blight Reduction and Homeownership Initiative	-270,000
2020	MISC	Carroll Manor Fire Company	-42,000
2020	MISC	Central Baltimore Partnership	-1,000,000
2020	MISC	Charles County – Basketball Courts	-100,000
2020	MISC	Maryland Museum of Women's History	-150,000
2020	MISC	Mount Airy Center Street	-500,000
2020	MISC	Shafer Farm House	-100,000
2021	MISC	Germantown Volunteer Fire Department	-3,250,000
2021	MISC	Level82 Fund – Hilton Recreation Center Renovation	-500,000
2021	MISC	Manna Food Center	-150,000
2021	MISC	Montgomery County Homeless Youth Drop-In Center	-65,000
2021	MISC	Northeast Market	-100,000

MCCBL Year(s)	Agency	Project Title	Amount Deauthorized
2022	MISC	Ambassador Theater	-250,000
2022	MISC	Behavioral Health Crisis Mobile Response Unit	-500,000
2022	MISC	FC Frederick, Inc. – New Youth Sporting Complex	-600,000
2022	MISC	Food Systems Facility	-150,000
2022	MISC	Hancock Boys and Girls Club	-300,000
2022	MISC	Sanaa Center	-100,000
2022	MISC	The West North Avenue Development Authority	-1,000,000
2023	MISC	Baltimore Penn Station Redevelopment	-2,000,000
2023	MISC	Douglas Village Apartments Phase I	-150,000
2023	MISC	Frenchtown Wharf Park – Town of Elkton	-500,000
2023	MISC	Willing Helpers Society Renovation	-100,000
2024	MISC	Boys and Girls Club of Southern Maryland – Waldorf Club Park	-300,000
2025	MISC	Inner Harbor Promenade	-600,000
2025	MISC	Salem United Methodist Church	-35,000
Additional Deauthorizations			-\$22,317,000
Total Deauthorizations			-\$97,099,000

Other Amendments

MCCBL Year(s)	Agency	Project Title	Amendment
2016, 2018, 2019	MDOA	Senior Centers Capital Grant Program	Extends the termination date to June 1, 2028.
2017	MICUA	McDaniel College	Extends the termination date to June 1, 2028.
2018	HSMCC	Maryland Heritage Interpretive Center	Extends the termination date to June 1, 2028.
2018	USMO	Shady Grove Educational Center – Biomedical Sciences and Engineering Education Building	Extends the termination date to June 1, 2028.
2018	MSU	New Student Services Support Building	Extends the termination date to June 1, 2028.

<u>MCCBL</u> <u>Year(s)</u>	<u>Agency</u>	<u>Project Title</u>	<u>Amendment</u>
2019	MDP	Maryland Historical Trust – African American Heritage Preservation Grant Program	Extends the termination date to June 1, 2028.
2019	MDP	Maryland Historical Trust Capital Grant Fund	Extends the termination date to June 1, 2028.
2019	MICUA	Stevenson University New Academic Building	Extends the termination date to June 1, 2028.
2019	MMD	Havre de Grace Combined Support Maintenance Shop Automotive and Surface Equipment Facility	Extends the termination date to June 1, 2028.
2019	UMB	Central Electric Substation and Electrical Infrastructure Upgrades	Extends the termination date to June 1, 2028.
2019	MHA	Howard County General Hospital	Extends the termination date to June 1, 2028.
2020	MDA	Salisbury Animal Health Laboratory Replacement	Adds construction as eligible use of funds; extends the termination date to June 1, 2028.
2022	UMBC	Sherman Hall Renovation	Adds construction as eligible use of funds.
2022	DNR	Critical Maintenance Program	Removes certain project earmarks.
2024	UMES	Campus Switchgear Replacement	Modifies project scope.
2024	DHCD	Baltimore Regional Neighborhood Initiative	Modifies restricted funds for specified projects.
2025	BPW	New Supreme Court of Maryland Building	Removes contingency to use portion of funds for New State Veteran’s Home in Sykesville.
2025	UMES	Nuttle Hall Demolition	Amends project scope.
2025	DHCD	Baltimore Regional Neighborhood Initiative	Modifies restricted funds for specified projects.

MCCBL

<u>Year(s)</u>	<u>Agency</u>	<u>Project Title</u>	<u>Amendment</u>
2025	DHCD	National Capital Strategic Economic Development Fund	Modifies purpose of restricted funds for one project.
2025	STO	Amends Section 1(11)	Amends Section 1(11) to allow premiums from the sale of bonds in fiscal 2026 to be used to support capital expenditures authorized in the MCCBL of 2025.

BPW: Board of Public Works

BSU: Bowie State University

DGS: Department of General Services

DHCD: Department of Housing and Community Development

DJS: Department of Juvenile Services

DNR: Department of Natural Resources

DPSCS: Department of Public Safety and Correctional Services

FSU: Frostburg State University

HSMCC: Historic St. Mary's City Commission

MCCBL: Maryland Consolidated Capital Bond Loan

MDA: Maryland Department of Agriculture

MDOA: Maryland Department of Aging

MDP: Maryland Department of Planning

MHA: Maryland Hospital Association

MICUA: Maryland Independent College and University Association

MISC: miscellaneous

MMD: Maryland Military Department

MPBC: Maryland Public Broadcasting Commission

MSU: Morgan State University

SMCM: St. Mary's College of Maryland

STO: State Treasurer's Office

UMB: University of Maryland, Baltimore Campus

UMBC: University of Maryland, Baltimore County

UMES: University of Maryland Eastern Shore

USMO: University System of Maryland Office

Source: Department of Legislative Services

General Obligation Bond Preauthorizations

The Maryland Consolidation Capital Bond Loan (MCCBL) of 2026 includes \$777.8 million of preauthorized GO bond authorizations for future fiscal years, including \$511.0 million for fiscal 2028. Of the \$511.0 million preauthorized for fiscal 2028, \$409.2 million either continues funding for existing State construction contracts or allows projects expected to be contracted during fiscal 2027 to proceed without the full amount of the construction authorization provided in the fiscal 2027 budget. The remaining \$101.8 million expresses the General Assembly's support of State and local projects. **Exhibit 2.6** shows the preauthorizations for fiscal 2028 through 2030 that are included in the MCCBL of 2026.

Exhibit 2.6
General Obligation Bond Preauthorizations
Fiscal 2028-2030

<u>Agency</u>	<u>Project Title</u>	<u>2028</u>	<u>2029</u>	<u>2030</u>
Judiciary	New Supreme Court of Maryland Building	\$52,692,000	\$26,346,000	
Judiciary	Washington County District Court Renovation and Expansion	739,000		
MDP	African American Heritage Preservation Grant Program: Dowden Chapel	250,000		
MMD	Frederick Readiness Center Renovation and Expansion	2,678,000		
DNR	Natural Resources Development Fund	3,424,000		
MDH	Renovation of Clifton T. Perkins Hospital North Wing	28,593,000	4,766,000	
DPSCS	RCI Perimeter Fence System Replacement	12,801,000	2,133,000	
MSU	Campuswide Electric Infrastructure Upgrades	37,250,000	13,039,000	\$1,918,000
MSU	New Science Center, Phase II	74,944,000	55,551,000	
USM	101 W. Mt. Royal Ave., Baltimore Property Acquisition	7,100,000		
USM	Central Electric Substation and Electrical Infrastructure Upgrades	12,376,000		
USM	New Health and Human Sciences Complex	47,920,000		
USM	Rita Colwell Center Deferred Maintenance	4,820,000		
MHEC	Community College Construction Grant Program	65,092,000	68,515,000	25,781,000
BCCC	Learning Commons Renovation and Addition	23,903,000	3,984,000	
MSD	New Student Residences	22,937,000	40,206,000	8,650,000
MES	State Water and Sewer Infrastructure Improvement Fund	11,712,000		
DSP	Barrack L – Forestville: New Barrack and Garage	9,295,000	884,000	
MISC	City of Cambridge – Multiple Bridge Improvements	2,000,000		

<u>Agency</u>	<u>Project Title</u>	<u>2028</u>	<u>2029</u>	<u>2030</u>
MISC	Kingdom Care Center	500,000		
MISC	Luminis Health Doctors Community Medical Center – New Obstetrical Care Tower	10,000,000		
MISC	MedStar Southern Maryland Hospital	13,000,000		
MISC	Mount Vernon Place Conservancy – North and South Squares Revitalization	250,000		
MISC	Olney Satellite Police Station and Community Facility	2,000,000		
MISC	Pikesville Armory Foundation – Pikesville Armory Renovation	3,000,000		
MISC	Suitland – Silver Hill Redevelopment	10,000,000		
MISC	Westminster Fiber Project	1,000,000		
MISC	Ambassador Theater	250,000		
MISC	Arts Every Day	2,500,000		
MISC	Asian American Healthcare, Inc.	200,000		
MISC	Athlife Foundation	500,000		
MISC	B&O Railroad Museum Restoration	3,000,000		
MISC	Bel Air Community Park	2,000,000		
MISC	Bluebird Education Network, Clay Hill Public Charter School	1,000,000		
MISC	Bowleys Quarters Volunteer Fire Department	1,400,000		
MISC	Burtonsville Park and Ride	2,000,000		
MISC	Former GEICO Headquarters Redevelopment	2,500,000		
MISC	Howard County Chinese School Expansion for Cultural and Educational Enrichment	100,000		
MISC	Howard House Revitalization	1,330,000		
MISC	Inner Harbor Promenade	600,000		
MISC	International Union of Painters and Allied Trades, District Council 51	350,000		
MISC	MD 32 Noise Mitigation for Fox Valley Estates	2,500,000		
MISC	Montgomery County Fraternal Order of Police Lodge No. 35	250,000		
MISC	National Aquarium in Baltimore – Infrastructure Improvements	5,000,000		
MISC	North Locust Point Terminal	5,000,000		

<u>Agency</u>	<u>Project Title</u>	<u>2028</u>	<u>2029</u>	<u>2030</u>
MISC	Olney Boys and Girls Club	500,000		
MISC	Owings Mills High School – Field Improvements	1,000,000		
MISC	Port Discovery Capital Upgrades – Phase B	800,000		
MISC	Sandy Spring Volunteer Fire Department	1,450,000		
MISC	Schucks Road Regional Complex	500,000		
MISC	Solo Gibbs Recreation Center	1,000,000		
MISC	White Oak Redevelopment	15,000,000	15,000,000	
Preauthorizations		\$511,006,000	\$230,424,000	\$36,349,000

BCCC: Baltimore City Community College
DNR: Department of Natural Resources
DPSCS: Department of Public Safety and Correctional Services
DSP: Department of State Police
MDH: Maryland Department of Health
MDP: Maryland Department of Planning
MES: Maryland Environmental Service
MHEC: Maryland Higher Education Commission

MISC: miscellaneous
MMD: Maryland Military Department
MSD: Maryland School for the Deaf
MSU: Morgan State University
RCI: Roxbury Correctional Institute
USM: University System of Maryland

Source: Department of Legislative Services

Modifications to State Finance and Procurement Article

The MCCBL of 2026 also amended the State Finance and Procurement Article to change requirements related to the termination of miscellaneous capital grants as well as agency capital programs. The language makes the following changes:

- repeals the two-year termination for unencumbered miscellaneous capital grants, for both GO bond and PAYGO grants;
- requires that the Department of General Services submit an annual report to the Legislative Policy Committee identifying miscellaneous capital grants with no activity for three or more years;
- exempts capital programs administered by State agencies from the seven-year termination of GO bonds; and
- clarifies language regarding the termination of GO bond authorizations.

Chapter 3. Impact of Legislation on State Revenues and Expenditures

- Legislation Affecting State Revenues
- Totals by Fund Type/Summary of Quantifiable Revenue Effects
- Legislation Affecting State Expenditures
- Quantifiable Expenditures by Agency
- Totals by Fund Type/Summary of Quantifiable Expenditure Effects
- Quantifiable Regular Positions Needed by Agency
- Quantifiable Contractual Positions Needed by Agency

Legislation Affecting State Revenues

	<u>Fund</u>	<u>FY 2027</u>	<u>FY 2028</u>	<u>FY 2029</u>	<u>FY 2030</u>	<u>FY 2031</u>	<u>Comments</u>
SB 6	State Personnel – Collective Bargaining – Nontenure Track Faculty (Ch. 695)						
	RF	increase	increase	increase	increase	increase	Potential RF revenues for collective bargaining expenses. RF expenditures increase correspondingly.
SB 16	Child Support – Earnings Withholdings Limits (Ch. 868)						
	FF	\$0	\$0	\$408,434	\$39,283	\$39,283	Child support matching revenues. FF expenditures increase correspondingly.
SB 18/HB 769	State Board of Social Work Examiners – Provisional License to Practice Social Work – Established (Ch. 226/Ch. 227)						
	SF	increase	increase	increase	increase	increase	Potential fee revenues.
SB 22/HB 226	Department of Disabilities – Housing Programs and Affiliated Foundations – Establishment (Ch. 90/Ch. 89)						
	SF	increase	increase	increase	increase	increase	Potential grant revenues.
SB 43/HB 259	Financial Institutions – Maryland Community Investment Venture Fund and Regulation of Entities – Revisions (Ch. 132/Ch. 131)						
	SF	(\$25,000)	(\$35,000)	(\$52,000)	(\$52,000)	(\$52,000)	Fee revenues.
SB 82	Criminal Law – Counterfeiting and Possession of Counterfeit Lease of Real Property – Penalty (Ch. 550)						
	GF	increase	increase	increase	increase	increase	Minimal penalty revenues.
SB 111	Vehicle Laws – Out-of-State Vehicles – Improper Registration (Ch. 487)						
	GF	increase	increase	increase	increase	increase	Penalty revenues.
	NB	increase	increase	increase	increase	increase	Maryland Transportation Authority. Penalty revenues.
	SF	increase	increase	increase	increase	increase	Maryland Trauma Physician Services Fund. Fee revenues.
	SF	increase	increase	increase	increase	increase	Maryland Emergency Medical System Operations Fund. Fee revenues.
	SF	increase	increase	increase	increase	increase	Transportation Trust Fund. Fee revenues.
	SF	increase	increase	increase	increase	increase	R Adams Cowley Shock Trauma Center. Fee revenues.

Legislation Affecting State Revenues (Continued)

<u>Fund</u>	<u>FY 2027</u>	<u>FY 2028</u>	<u>FY 2029</u>	<u>FY 2030</u>	<u>FY 2031</u>	<u>Comments</u>	
SB 141	Election Law – Election Misinformation, Election Disinformation, and Deepfakes (Ch. 444)						
GF	increase	increase	increase	increase	increase	Potential revenues from damages.	
SF	increase	increase	increase	increase	increase	Potential fine revenues.	
SB 145/HB 174	Motor Vehicles and Marine Vessels – Transfer-on-Death Designations (Ch. 73/Ch. 72)						
SF	increase	increase	increase	increase	increase	State Boat Act Fund. Potential fee revenues.	
SF	increase	increase	increase	increase	increase	Transportation Trust Fund. Potential significant fee revenues.	
SB 148	Income Tax – Credit for 9-1-1 Specialist Retirement Income (Supporting Our 9-1-1 Specialists Act) (Ch. 877)						
GF	(\$250,000)	(\$250,000)	(\$250,000)	\$0	\$0	Personal income tax revenues.	
SB 169/HB 372	Hospitals – Emergency Pregnancy-Related Medical Conditions – Procedures (Ch. 788/Ch. 789)						
GF	increase	increase	increase	increase	increase	Potential penalty revenues.	
SB 176/HB 289	Video Lottery Facility Payouts – Intercepts for Restitution Payments, Child Support Payments, and Debts Owed to the State (Ch. 87/Ch. 88)						
GF	\$1,800,000	\$1,800,000	\$1,800,000	\$1,800,000	\$1,800,000	Fee revenues.	
SF	\$600,000	\$600,000	\$600,000	\$600,000	\$600,000	Fee revenues.	
FF	\$600,000	\$600,000	\$600,000	\$600,000	\$600,000	Fee revenues.	
HE	increase	increase	increase	increase	increase	Fee revenues.	
SF	\$510,000	\$510,000	\$510,000	\$510,000	\$510,000	Central Collection Fund. Fee revenues.	
SB 188/HB 229	Maryland Transportation Authority – Revenue Bond Limit – Increase (Ch. 115/Ch. 114)						
NB	\$0	\$0	increase	increase	increase	Transportation Authority. Potential bond revenues. NB capital expenditures increase correspondingly.	
SB 193	Washington County – Sales and Use Tax Exemption – Target Redevelopment Area (Ch. 731)						
GF	decrease	decrease	decrease	decrease	decrease	Sales and use tax revenues.	
SF	decrease	decrease	decrease	decrease	decrease	Sales and use tax revenues.	

Legislation Affecting State Revenues (Continued)

	<u>Fund</u>	<u>FY 2027</u>	<u>FY 2028</u>	<u>FY 2029</u>	<u>FY 2030</u>	<u>FY 2031</u>	<u>Comments</u>
SB 207/HB 231	Higher Education – Guaranteed Access Grant Program – Applicability (Ch. 99/Ch. 98)						
	HE	decrease	decrease	\$0	\$0	\$0	Potential receipt of GF appropriation to the University System of Maryland for implementation costs. HE expenditures increase correspondingly.
	HE	decrease	decrease	\$0	\$0	\$0	Potential receipt of GF appropriation to Morgan State University for implementation costs. HE expenditures increase correspondingly.
	HE	decrease	decrease	\$0	\$0	\$0	Potential receipt of GF appropriation to St. Mary’s College of Maryland for implementation costs. HE expenditures increase correspondingly.
	HE	decrease	decrease	\$0	\$0	\$0	Potential receipt of GF appropriation to Baltimore City Community College for implementation costs. HE expenditures increase correspondingly.
SB 223	Maryland Energy Administration – Jane E. Lawton Conservation Loan Program and Fund and Maryland Strategic Energy Investment Fund (Ch. 372)						
	NB	\$12,342,300	increase	increase	increase	increase	Maryland Clean Energy Center. In FY 2027, receipt of fund balance transfer (\$11.4 million) and loan repayment revenues (\$947,700). In out-years, ongoing loan repayment revenues. Maryland Energy Administration. Program transfer. Loan repayment revenues (including amount shown).
	SF	(\$947,700)	decrease	decrease	decrease	decrease	
SB 231/HB 228	Horse Racing – Prohibited Acts – Slaughter of Racehorses for Commercial Purposes (Ch. 84/Ch. 83)						
	SF	increase	increase	increase	increase	increase	Potential fine revenues.

Legislation Affecting State Revenues (Continued)

	<u>Fund</u>	<u>FY 2027</u>	<u>FY 2028</u>	<u>FY 2029</u>	<u>FY 2030</u>	<u>FY 2031</u>	<u>Comments</u>
SB 238/HB 340	School Psychologist Interstate Licensure Compact (Ch. 616/Ch. 617)						
	GF	increase	increase	increase	increase	increase	Department of Public Safety and Correctional Services. Fee revenues. GF expenditures increase correspondingly.
	GF	increase	increase	increase	increase	increase	Maryland State Department of Education. Potential license fee revenues.
SB 242	Modernizing Civil Relief for Service Members Act (Ch. 694)						
	GF	decrease	decrease	decrease	decrease	decrease	Potential fee revenues.
	GF/SF	decrease	decrease	decrease	decrease	decrease	Judiciary. Potential fee revenues.
	SF	decrease	decrease	decrease	decrease	decrease	Guaranty Fund. Potential fee revenues.
	SF	decrease	decrease	decrease	decrease	decrease	Multiple Health Occupations Board special funds. Potential fee revenues.
	SF	decrease	decrease	decrease	decrease	decrease	State Board of Veterinary Medical Examiners fund. Potential fee revenues.
SB 249	Tobacco Product Licensees – Additional Licensure for Electronic Smoking Devices (Ch. 415)						
	GF	\$25,050	\$25,050	\$25,050	\$25,050	\$25,050	Fee revenues.
SB 261	Maryland Money Transmission Act – Definition of Money Transmitter – Alteration (Ch. 21)						
	SF	(\$6,000)	(\$6,000)	(\$6,000)	(\$6,000)	(\$6,000)	Fee revenues.
SB 262/HB 478	Income Tax – Subtraction Modification for Classroom Supplies Purchased by Teachers – Alteration (Ch. 60/Ch. 61)						
	GF	(\$80,000)	(\$80,000)	(\$80,000)	(\$80,000)	(\$80,000)	Personal income tax revenues.
SB 272/HB 393	Health Insurance – Scalp Cooling Systems – Required Coverage (Ch. 51/Ch. 52)						
	SF	increase	\$0	\$0	\$0	\$0	Minimal fee revenues.
SB 276/HB 445	Maryland Medical Assistance Program and Health Insurance – Coverage for Orthoses and Prostheses (So Every Body Can Move Act) (Ch. 629/Ch. 628)						
	SF	increase	\$0	\$0	\$0	\$0	Minimal fee revenues.

Legislation Affecting State Revenues (Continued)

	<u>Fund</u>	<u>FY 2027</u>	<u>FY 2028</u>	<u>FY 2029</u>	<u>FY 2030</u>	<u>FY 2031</u>	<u>Comments</u>
SB 277/HB 17	Estates and Trusts – Venue for Administrative and Judicial Probate and Application of Inheritance Tax (Ch. 503/Ch. 504)						
	GF	decrease	decrease	decrease	decrease	decrease	Potential inheritance tax revenues.
SB 279	Baltimore City – Cigarettes, Other Tobacco Products, and Electronic Smoking Devices – Enforcement and Licensure (Ch. 387)						
	GF	decrease	decrease	decrease	decrease	decrease	Comptroller. Potential significant fee revenues.
	GF	increase	increase	increase	increase	increase	Alcohol, Tobacco, and Cannabis Commission. Potential significant fee revenues.
	SF	increase	increase	increase	increase	increase	Minimal fee revenues. SF revenues increase correspondingly.
SB 284	Budget Reconciliation and Financing Act of 2026 (Ch. 6)						
	FF	\$14,000,000	\$0	\$0	\$0	\$0	Maryland Department of Health. FF expenditures increase correspondingly.
	FF	(\$1,289,450)	(\$717,068)	(\$735,672)	(\$754,807)	(\$774,487)	Department of Human Services. Assumed in FY 2027 budget. FF expenditures decrease correspondingly.
	GF	\$141,846,696	\$132,078,955	\$95,168,236	\$61,032,562	\$22,309,081	Comptroller. GF revenues increase by \$373,000,000 in FY 2026. Assumed in FY 2027 budget.
	GF	\$0	\$0	\$0	\$0	\$0	Maryland Energy Administration. GF revenues increase by \$292,000,000 in FY 2026. Assumed in FY 2027 budget.
	GF	\$70,000,000	\$0	\$0	\$0	\$0	Maryland Department of Environment. Assumed in FY 2027 budget.
	GF	\$0	\$0	\$0	\$0	\$0	Maryland Higher Education Commission. GF revenues increase by \$10,000,000 in FY 2026.

Legislation Affecting State Revenues (Continued)

<u>Fund</u>	<u>FY 2027</u>	<u>FY 2028</u>	<u>FY 2029</u>	<u>FY 2030</u>	<u>FY 2031</u>	<u>Comments</u>
GF	\$0	\$0	\$0	\$0	\$0	Maryland Department of Labor. GF revenues increase by \$5,000,000 in FY 2026. Assumed in FY 2027 budget.
GF	\$0	\$0	\$0	\$0	\$0	State Lottery and Gaming Control Agency. GF revenues increase by \$3,600,000 in FY 2026. Assumed in FY 2027 budget.
GF	\$7,011,156	\$0	\$0	\$0	\$0	Department of Natural Resources. Assumed in FY 2027 budget.
GF	\$0	\$0	\$0	\$0	\$0	Department of Public Safety and Correctional Services. GF revenues increase by \$2,000,000 in FY 2026.
GF	\$0	\$0	\$0	\$0	\$0	Governor's Office of Crime Prevention, Youth, and Victim Services. GF revenues increase by \$2,000,000. Assumed in FY 2027 budget.
GF	\$0	\$0	\$0	\$0	\$0	State Reserve Fund. GF revenues increase by \$120,394,604 in FY 2026. Assumed in FY 2027 budget.
SF	(\$250,000)	(\$250,000)	(\$250,000)	(\$250,000)	(\$250,000)	Maryland Higher Education Commission. SF revenues decrease by \$250,000 in FY 2026. SF expenditures decrease correspondingly beginning in FY 2028.
SF	\$0	(\$227,500)	\$2,818,500	\$4,296,000	(\$520,000)	Maryland Department of Health. In FY 2029 and 2030, SF expenditures partially increase correspondingly.
SF	\$22,165,480	\$2,504,566	\$2,504,566	\$2,504,566	\$2,504,566	Department of Budget and Management.
SF	(\$449,787,611)	\$0	\$0	\$0	\$0	State Reserve Fund.

Legislation Affecting State Revenues (Continued)

<u>Fund</u>	<u>FY 2027</u>	<u>FY 2028</u>	<u>FY 2029</u>	<u>FY 2030</u>	<u>FY 2031</u>	<u>Comments</u>
SF	\$0	\$0	\$0	\$0	\$0	Maryland Stadium Authority. SF revenues decrease by \$3,600,000 in FY 2026. Assumed in FY 2027 budget.
SF	(\$8,138,340)	(\$9,155,633)	\$0	\$0	\$0	Department of Service and Civic Innovation. SF expenditures decrease correspondingly.
SF	(\$100,000)	\$0	\$0	\$0	\$0	Maryland Department of Agriculture. SF expenditures decrease correspondingly.
SF	\$7,357,566	\$7,203,528	\$5,190,988	\$3,328,414	\$1,216,194	University System of Maryland. \$6,788,391 assumed in FY 2027 budget.
SF	\$22,890,611	\$18,306,655	\$11,669,490	\$5,515,507	(\$1,285,467)	Transportation Trust Fund.
SF	\$406,636	\$422,009	\$314,247	\$189,917	\$61,507	Maryland Energy Administration.
SF	\$0	(\$1,264,815)	\$844,038	\$0	\$0	Comptroller. SF expenditures correspondingly decrease in FY 2028 and increase in FY 2029.
SF	\$0	(\$857,500)	(\$1,249,500)	(\$1,617,000)	(\$1,960,000)	Maryland Emergency Medical System Operations Fund.
SF	\$0	(\$315,000)	(\$459,000)	(\$594,000)	(\$720,000)	University of Maryland Medical System.
SB 309/HB 500	Sales and Use Tax – Precious Metal Bullion or Coins – Exemption (Ch. 730/Ch. 729)					
GF	(\$2,525,191)	(\$2,590,846)	(\$2,658,208)	(\$2,727,322)	(\$2,798,232)	Sales and use tax.
SF	(\$347,647)	(\$356,647)	(\$365,919)	(\$375,433)	(\$385,195)	Sales and use tax.
SB 311	Education – The Blueprint for Maryland’s Future – Revisions (Ch. 602)					
SF	(\$4,660,341)	(\$3,021,469)	\$0	\$0	\$0	Interest earnings.
SB 333/HB 619	Interstate Podiatric Medical Licensure Compact (Ch. 71/Ch. 70)					
SF	increase	increase	increase	increase	increase	Potential fee revenues.

Legislation Affecting State Revenues (Continued)

	<u>Fund</u>	<u>FY 2027</u>	<u>FY 2028</u>	<u>FY 2029</u>	<u>FY 2030</u>	<u>FY 2031</u>	<u>Comments</u>
SB 344/HB 734	Property Tax – Agricultural Use Assessment – Community Solar Energy Generating Systems (Ch. 46/Ch. 45)						
	SF	decrease	decrease	decrease	decrease	decrease	Potential property tax revenues.
SB 346	Civil Actions – Violation of Constitutional Rights (No Kings Act) (Ch. 460)						
	GF	increase	increase	increase	increase	increase	Potential awarded damages and recovered fees and costs.
SB 365	Security Guards – Certification Renewal – Requirements (Ch. 238)						
	GF	decrease	decrease	decrease	decrease	decrease	Fee revenues.
SB 366/HB 107	Motor Vehicles – Intelligent Speed Assistance System Pilot Program – Establishment (Ch. 869/Ch. 870)						
	SF	\$0	increase	increase	increase	increase	Minimal fee revenues.
SB 385/HB 637	Public Health – Recommendations for Immunizations, Screenings, and Preventive Services – Pharmacist Administration and Required Health Insurance Coverage (The Vax Act) (Ch. 8/Ch. 7)						
	SF	increase	\$0	\$0	\$0	\$0	Minimal fee revenues.
SB 388/HB 898	Economic Development – Delivering Economic Competitiveness and Advancing Development Efforts (DECADE) Act (Ch. 351/Ch. 352)						
	GF	increase	increase	increase	increase	increase	Department of Commerce. Redirection of Economic Development Opportunities Program Account (renamed Strategic Closing Fund) investment earnings from Revenue Stabilization Account.
	GF	(\$35,476,574)	(\$60,237,389)	(\$64,157,333)	(\$67,464,858)	(\$69,195,877)	Comptroller. Sales and use tax revenues.
	GF	decrease	decrease	decrease	decrease	decrease	State Department of Assessments and Taxation. Fee revenues.
	SF	(\$1,779,426)	(\$1,850,574)	(\$1,924,626)	(\$2,001,582)	(\$2,081,563)	Blueprint for Maryland’s Future Fund. Sales and use tax revenues. SF expenditures decrease correspondingly.

Legislation Affecting State Revenues (Continued)

<u>Fund</u>	<u>FY 2027</u>	<u>FY 2028</u>	<u>FY 2029</u>	<u>FY 2030</u>	<u>FY 2031</u>	<u>Comments</u>
SF	decrease	(\$2,240,037)	(\$2,240,041)	(\$2,511,560)	(\$2,511,562)	Transportation Trust Fund. Corporate income tax revenues, including potential corporate income tax revenue losses beyond amounts shown beginning in FY 2027. SF expenditures partially correspond.
SF	decrease	(\$792,000)	(\$792,000)	(\$888,000)	(\$887,999)	Higher Education Investment Fund. Corporate income tax revenues, including potential corporate income tax revenue losses beyond amounts shown beginning in FY 2027.
SF	decrease	decrease	decrease	decrease	decrease	Revenue Stabilization Account. Redirection of Economic Development Opportunities Program Account (renamed Strategic Closing Fund) investment earnings to general fund.
SB 395/HB 1186	Peer-to-Peer Car Sharing Programs – Insurance and Liability (Ch. 49/Ch. 50)					
SF	increase	\$0	\$0	\$0	\$0	Minimal fee revenues.
SB 403/HB 358	Sales and Use Tax – Elementary or Secondary School Book Fairs – Exemption (Ch. 185/Ch. 186)					
GF	decrease	decrease	decrease	decrease	decrease	Sales and use tax revenues.
SF	decrease	decrease	decrease	decrease	decrease	Sales and use tax revenues.
SB 413/HB 698	State Board of Morticians and Funeral Directors – Board Operations and Regulation of Crematories and Reduction Facilities (Ch. 187/Ch. 188)					
SF	increase	increase	increase	increase	increase	State Board of Morticians and Funeral Directors Fund. Minimal license fee revenues.
SF	decrease	decrease	decrease	decrease	decrease	Cemetery Oversight Fund. Minimal license fee revenues.
SB 418/HB 1120	Professional Licensing Portability – Members of the Foreign Service and Spouses (Ch. 493/Ch. 492)					
GF/SF	decrease	decrease	decrease	decrease	decrease	Potential fee revenues.

Legislation Affecting State Revenues (Continued)

	<u>Fund</u>	<u>FY 2027</u>	<u>FY 2028</u>	<u>FY 2029</u>	<u>FY 2030</u>	<u>FY 2031</u>	<u>Comments</u>
SB 420/HB 6	Public Institutions of Higher Education – Pregnant and Parenting Students – Plan and Reporting (Ch. 734/Ch. 735)						
	FF	increase	increase	increase	increase	increase	Potential Medicaid and Maryland Children’s Health Program revenues. FF expenditures increase correspondingly.
SB 428/HB 746	Maryland Medical Assistance Program and Health Insurance – Collaborative Care Model – Cost Sharing Prohibition (Ch. 614/Ch. 615)						
	SF	increase	\$0	\$0	\$0	\$0	Minimal fee revenues.
SB 440/HB 472	Income Tax – Theatrical Production Tax Credit – Alterations and Sunset Extension (Ch. 19/Ch. 18)						
	GF	\$0	(\$500,000)	(\$500,000)	(\$500,000)	(\$500,000)	Income tax revenues.
SB 466/HB 595	Income Tax – Credit for Physician Preceptors in Areas With Health Care Workforce Shortages – Alterations (Ch. 199/Ch. 200)						
	GF	decrease	decrease	decrease	decrease	decrease	Potential personal income tax revenues.
SB 469/HB 816	Maryland Automobile Insurance Fund – Affordability Program and Industry Automobile Insurance Association Assessments (Ch. 742/Ch. 741)						
	NB	\$0	indeterminate	indeterminate	\$0	\$0	Potential significant premium revenues.
SB 473/HB 829	Public Utilities – For-Hire Drivers and Transportation Network Operators – Human Trafficking Awareness and Prevention Training and Liability (Ch. 278/Ch. 279)						
	SF	\$10,000	\$0	\$0	\$0	\$0	Fee revenues. SF expenditures increase correspondingly.
SB 487	Motor Vehicles – Speed Monitoring Systems – Safety Corridors (Vulnerable Road User Protection Act of 2026) (Ch. 285)						
	GF	increase	increase	increase	increase	increase	Penalty revenues.
	SF	increase	increase	increase	increase	increase	Penalty revenues. SF expenditures increase correspondingly.
SB 497/HB 846	Property Tax – City of Hagerstown and the Hagerstown Multi-Use Sports and Events Facility, Inc. – Exemption (Ch. 809/Ch. 810)						
	SF	(\$102,602)	(\$22,311)	(\$22,311)	(\$22,311)	(\$22,311)	Property tax revenues
SB 519/HB 735	Earned Income Tax Credit – Assistance Program Implementation Delay and Study (Ch. 202/Ch. 201)						
	GF	increase	increase	increase	increase	\$0	Potential personal income tax revenues.
SB 529	Southern Maryland Early College Teacher Pathway Program Workgroup – Establishment (Ch 766)						
	HE	\$0	\$125,000	\$125,000	\$0	\$0	Receipt of GF appropriations. HE expenditures increase correspondingly.

Legislation Affecting State Revenues (Continued)

	<u>Fund</u>	<u>FY 2027</u>	<u>FY 2028</u>	<u>FY 2029</u>	<u>FY 2030</u>	<u>FY 2031</u>	<u>Comments</u>
SB 532/HB 1076	Higher Education Institutions – Over-the-Counter Contraception – Access and Reporting (Ch. 675/Ch. 674)						
	HE	increase	increase	increase	increase	increase	Minimal fee revenues. HE expenditures increase correspondingly.
SB 558/HB 1599	Chesapeake Bay – Enhancement Program and Maryland Seafood Industry Financial Assistance Fund – Established (Ch. 552/Ch. 553)						
	NB	\$2,000,000	increase	increase	increase	increase	Receipt of GF appropriations in FY 2027. Loan repayment revenues beginning FY 2028. NB expenditures increase correspondingly.
SB 562/HB 838	State Board of Pharmacy – Prescriber-Pharmacist Agreements – Treatment of Opioid Use Disorders (Ch. 54/Ch. 53)						
	GF	\$72,000	\$7,200	\$7,200	\$79,200	\$14,400	Fee revenues.
SB 587	Maryland Patient Safety Center Fund – Funding (Ch. 626)						
	SF	\$0	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	Receipt of GF appropriations. SF expenditures increase correspondingly.
SB 597	Higher Education – Maryland Artificial Intelligence Partnership (Ch. 633)						
	HE	\$500,000	increase	increase	increase	increase	Receipt of GF appropriations (assumed in FY 2027 budget).
SB 607	Income Tax – Subtraction Modification for Public Safety Retirement Income – Amount (Ch. 686)						
	GF	(\$330,000)	(\$677,000)	(\$1,037,000)	(\$1,406,000)	(\$1,788,000)	Personal income tax revenues.
SB 644/HB 933	Sales and Use Tax – Certificates Indicating Multiple Points of Use – Alterations (Ch. 197/Ch. 198)						
	GF	decrease	decrease	decrease	decrease	decrease	Potential sales and use tax revenues.
SB 645/HB 1192	State Board of Sign Language Interpreters – Membership and Licensing (Ch. 196/Ch. 195)						
	GF	decrease	\$0	\$0	\$0	\$0	Potential fee revenues.
	SF	decrease	\$0	\$0	\$0	\$0	Potential penalty revenues.
SB 651/HB 738	Real Property – Transfer-on-Death Deed – Establishment (Ch. 750/Ch. 751)						
	GF	decrease	decrease	decrease	decrease	decrease	Minimal fee and inheritance tax revenues.
	SF	increase	increase	increase	increase	increase	Minimal fee revenues.

Legislation Affecting State Revenues (Continued)

	<u>Fund</u>	<u>FY 2027</u>	<u>FY 2028</u>	<u>FY 2029</u>	<u>FY 2030</u>	<u>FY 2031</u>	<u>Comments</u>
SB 657/HB 919	Maryland Higher Education Commission – Practical Applications of Real Estate Appraisal (PAREA) Grant Program – Established (Ch. 743/Ch. 744)						
	SF	\$0	increase	increase	increase	increase	Minimal fee revenues.
SB 673/HB 1165	State Procurement – Apprenticeship Program Accountability and Completion (Ch. 532/Ch. 533)						
	SF	increase	increase	increase	increase	increase	Potential fee revenues.
SB 704	Maryland Estate Tax – Qualified Agricultural Property – Transfer to Limited Liability Company (Ch. 551)						
	GF	\$0	decrease	decrease	decrease	decrease	Potential estate tax revenues.
SB 719/HB 925	Sewage Sludge – Per- and Polyfluoroalkyl Substances – Regulation (Ch. 329/Ch. 330)						
	NB	\$0	\$0	increase	increase	increase	Potential fee revenues. NB expenditures increase correspondingly.
SB 728/HB 845	Higher Education – Student Financial Assistance – Alterations to Scholarship Programs (Ch. 713/Ch. 712)						
	SF	increase	increase	increase	increase	increase	Receipt of GF appropriations. SF expenditures increase correspondingly.
SB 739/HB 1219	Climate Change, Homeowner’s Insurance, and Emergency Management – Study (Ch. 696/Ch. 697)						
	HE	increase	\$0	\$0	\$0	\$0	Receipt of GF appropriations. HE expenditures increase correspondingly.
SB 763	Maryland Technology Development Corporation – Maryland Growth Initiative – Established (Ch. 381)						
	SF	\$4,000,000	\$5,000,000	\$5,000,000	\$5,000,000	\$5,000,000	Receipt of GF appropriation. SF expenditures increase correspondingly.
SB 765/HB 1148	Property Taxes – Tax Sales, Legacy Protection Program, and Tax Credits (Ch. 719/Ch. 718)						
	SF	\$0	\$750,000	\$750,000	\$750,000	\$750,000	Payments from counties and receipt of GF appropriations. SF expenditures increase correspondingly.
	SF	decrease	decrease	decrease	decrease	decrease	Potential property tax revenues.
SB 769	University System of Maryland – Academic Facilities Bonding Authority (Ch. 601)						
	BOND	\$50,000,000	\$0	\$0	\$0	\$0	Assumed in FY 2027 capital budget. Bond expenditures increase correspondingly.

Legislation Affecting State Revenues (Continued)

	<u>Fund</u>	<u>FY 2027</u>	<u>FY 2028</u>	<u>FY 2029</u>	<u>FY 2030</u>	<u>FY 2031</u>	<u>Comments</u>
SB 770/HB 1473	Economic Development – Maryland’s Future Board – Establishment (Ch. 377/Ch. 378)						
	SF	increase	\$0	increase	increase	increase	Receipt of GF appropriations. Expenditures increase correspondingly.
SB 772	Maryland Department of Health – Employment Training and Opportunity Database (Ch. 166)						
	FF	\$450,000	\$38,385	\$39,291	\$40,218	\$0	Medicaid matching revenues. FF expenditures increase correspondingly.
SB 778	Clinical Research Pharmacies and Clinical Trials – Permits and Ownership (Ch. 206)						
	SF	increase	increase	increase	increase	increase	Potential fee revenues.
SB 794	Health Insurance – Special Enrollment Period for Pregnancy – Coverage Effective Date (Ch. 787)						
	SF	increase	\$0	\$0	\$0	\$0	Minimal fee revenues.
SB 805	Income Tax – Student Loan Debt Relief Tax Credit – Alterations (Ch. 755)						
	GF	decrease	decrease	decrease	decrease	decrease	Potential personal income tax revenues.
SB 806/HB 1420	Health Occupations – Criminal History Records Checks (Ch. 371/Ch. 370)						
	GF	\$0	increase	increase	increase	increase	Fee revenues.
SB 813/HB 1091	Health Insurance and Dental Plan Organizations – Dentists – Assignment of Benefits and Reimbursement of Nonpreferred Providers (Ch. 737/Ch. 736)						
	SF	increase	\$0	\$0	\$0	\$0	Minimal fee revenues.
SB 822/HB 467	Correctional Services – Maryland Parole Commission and Erroneously Convicted Individuals – Improvements in Transparency and Equity (Ch. 431/Ch. 432)						
	GF	decrease	decrease	decrease	decrease	decrease	Potential fee revenues.
SB 828	State Finance – Delinquent Federal Funds (Federal Obligations Enforcement Act) (Ch. 248)						
	FF	decrease	decrease	decrease	decrease	decrease	Potential withholding of federal payments.
SB 839/HB 1470	Medical Assistance Programs – Drug Dispensing – Cost-of-Dispensing Survey (Ch. 708/Ch. 709)						
	FF	\$40,500	\$0	\$0	\$40,500	\$0	FF expenditures increase correspondingly.
SB 860/HB 804	Department of Aging – Aging Resilience Fund – Establishment (Ch. 16/Ch. 15)						
	SF	increase	increase	increase	increase	increase	Potential fee revenues. SF expenditures increase correspondingly.

Legislation Affecting State Revenues (Continued)

	<u>Fund</u>	<u>FY 2027</u>	<u>FY 2028</u>	<u>FY 2029</u>	<u>FY 2030</u>	<u>FY 2031</u>	<u>Comments</u>
SB 864	Higher Education – Tuition Exemption for Foster Care Recipients – Eligibility (Ch. 785)						
	HE	decrease	decrease	decrease	decrease	decrease	Potential significant University System of Maryland tuition revenues.
	HE	decrease	decrease	decrease	decrease	decrease	Potential significant Morgan State University tuition revenues.
	HE	decrease	decrease	decrease	decrease	decrease	Potential significant St. Mary’s College of Maryland tuition revenues.
	HE	decrease	decrease	decrease	decrease	decrease	Potential significant Baltimore City Community College tuition revenues.
SB 869	Economic Development – Maryland Workforce Launch Pilot Program – Establishment (Ch. 535)						
	HE	increase	increase	\$0	\$0	\$0	Potential receipt of GF appropriations. HE expenditures increase correspondingly.
SB 872	Reduction of Lead Risk in Housing – Rental Dwelling Unit – Definition (Ch. 225)						
	SF	\$1,406,250	\$281,250	\$1,406,250	\$281,250	\$1,406,250	Fee revenues.
SB 877	Baltimore City – Stop Sign Monitoring Systems Pilot Program – 41st Legislative District (Ch. 569)						
	GF	increase	increase	increase	increase	\$0	Minimal penalty revenues.
SB 891/HB 1118	Health, Health Insurance, and Health Occupations – Perinatal Behavioral Health Conditions (Ch. 636/Ch. 637)						
	SF	increase	\$0	\$0	\$0	\$0	Minimal fee revenues.
SB 892	Health Occupations, Public Health, and Insurance – Menopause – Provider Training Coverage Requirements, Policy Initiatives, and Access to Care (Ch. 605)						
	SF	increase	\$0	\$0	\$0	\$0	Minimal fee revenues. Duplicative of impact for HB 1365.
SB 905	Maryland Technology Development Corporation – Maryland Advanced Manufacturing Grant Program – Established (Ch. 379)						
	SF	\$5,000,000	\$5,000,000	\$5,000,000	\$5,000,000	\$5,000,000	Receipt of GF appropriations. SF expenditures increase correspondingly.
SB 910/HB 1094	Health Insurance – Graduate-Level Clinical Interns – Required Reimbursement (Ch. 43/Ch. 44)						
	SF	increase	\$0	\$0	\$0	\$0	Minimal fee revenues.

Legislation Affecting State Revenues (Continued)

	<u>Fund</u>	<u>FY 2027</u>	<u>FY 2028</u>	<u>FY 2029</u>	<u>FY 2030</u>	<u>FY 2031</u>	<u>Comments</u>
SB 964/HB 864	Public Works Contracts – Apprenticeship Requirements (Maryland Workforce Apprenticeship Utilization Act) (Ch. 409/Ch. 410)						
	SF	increase	increase	increase	increase	increase	Potential fee revenues.
SB 982/HB 1616	Mutual Insurance Holding Companies – Conversion to Mutual Insurers (Ch. 687/Ch. 688)						
	SF	increase	increase	increase	increase	increase	Minimal reimbursement revenues. SF expenditures increase correspondingly.
HB 3	Higher Education – Student Financial Assistance – Dependents of State or Local Public Safety Employees (Maryland Fallen Heroes Tuition Benefits Act) (Ch. 798)						
	HE	decrease	decrease	decrease	decrease	decrease	Receipt of SF scholarship distributions to the University System of Maryland. HE expenditures decrease correspondingly.
	HE	decrease	decrease	decrease	decrease	decrease	Receipt of SF scholarship distributions to Morgan State University. HE expenditures decrease correspondingly.
	HE	decrease	decrease	decrease	decrease	decrease	Receipt of SF scholarship distributions to St. Mary’s College of Maryland. HE expenditures decrease correspondingly.
	HE	decrease	decrease	decrease	decrease	decrease	Receipt of SF scholarship distributions to Baltimore City Community College. HE expenditures decrease correspondingly.
	SF	decrease	decrease	decrease	decrease	decrease	Receipt of GF appropriation. SF expenditures increase correspondingly.
HB 6/SB 420	See entry for SB 420.						
HB 17/SB 277	See entry for SB 277.						
HB 107/SB 366	See entry for SB 366.						
HB 118	Maryland Money Transmission Act – Definition of Money Transmitter – Alteration (Ch. 20)						
	SF	(\$6,000)	(\$6,000)	(\$6,000)	(\$6,000)	(\$6,000)	Fee revenues.

Legislation Affecting State Revenues (Continued)

	<u>Fund</u>	<u>FY 2027</u>	<u>FY 2028</u>	<u>FY 2029</u>	<u>FY 2030</u>	<u>FY 2031</u>	<u>Comments</u>
HB 141	State Personnel – Collective Bargaining – Graduate Assistants (Ch. 774)						
	RF	\$0	\$0	increase	increase	increase	Potential RF revenues for collective bargaining expenses. RF expenditures increase correspondingly.
HB 149	Fire Prevention – Assistant Fire Marshals, Residential Rental High-Rise Property Fire Safety Equipment, and Fire Alarm System Technicians (Ch. 422)						
	GF	increase	increase	increase	increase	increase	Fee revenues.
HB 174/SB 145	See entry for SB 145.						
HB 175	Income Tax Credit – Venison Donation – Alterations (Ch. 309)						
	GF	(\$125,000)	(\$125,000)	(\$125,000)	\$0	\$0	Personal income tax revenues.
HB 226/SB 22	See entry for SB 22.						
HB 228/SB 231	See entry for SB 231.						
HB 229/SB 188	See entry for SB 188.						
HB 231/SB 207	See entry for SB 207.						
HB 246	Video Tolls – Class G (Trailer) Vehicles – Liability (Ch. 482)						
	GF	increase	increase	increase	increase	increase	Minimal reversion revenues
	NB	increase	increase	increase	increase	increase	Potential significant toll and penalty revenues.
	SF	increase	increase	increase	increase	increase	Toll and penalty revenues.
HB 250	Environment – Appropriation or Use of Water and Dam Safety – Enforcement (Ch. 273)						
	SF	\$50,000	increase	increase	increase	increase	Potential penalty revenues.
HB 254	Supporting Inclusive Community Adaptation Act (Ch. 76)						
	GF	\$0	\$0	decrease	decrease	decrease	Minimal interest earnings.

Legislation Affecting State Revenues (Continued)

	<u>Fund</u>	<u>FY 2027</u>	<u>FY 2028</u>	<u>FY 2029</u>	<u>FY 2030</u>	<u>FY 2031</u>	<u>Comments</u>
	SF	decrease	decrease	indeterminate	indeterminate	indeterminate	Net effect of (1) minimal loan repayment revenues beginning in FY 2027 and (2) minimal interest earnings beginning in FY 2029.
HB 259/SB 43	See entry for SB 43.						
HB 272	Food Establishments – Lavatory Requirement and On-Farm Food Service Facility License (Ch. 189)						
	GF	increase	increase	increase	increase	increase	Minimal fee revenues.
HB 289/SB 176	See entry for SB 176.						
HB 308	Corporations and Associations – Principal Offices – Private Mailboxes (Ch. 247)						
	SF	increase	\$0	\$0	\$0	\$0	Minimal fee revenues.
HB 340/SB 238	See entry for SB 238.						
HB 351	Civil Actions – Violation of Constitutional Rights (No Kings Act) (Ch. 459)						
	GF	increase	increase	increase	increase	increase	Potential damages. Duplicative of impact for SB 346.
HB 358/SB 403	See entry for SB 403.						
HB 372/SB 169	See entry for SB 169.						
HB 393/SB 272	See entry for SB 272.						
HB 445/SB 276	See entry for SB 276.						
HB 461	Economic Development – Rural Readiness Program and Rural Maryland Capacity Building Fund – Establishment (Ch. 543)						
	SF	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	Receipt of GF appropriations. SF expenditures increase correspondingly.
HB 467/SB 822	See entry for SB 822.						
HB 472/SB 440	See entry for SB 440.						
HB 478/SB 262	See entry for SB 262.						

Legislation Affecting State Revenues (Continued)

	<u>Fund</u>	<u>FY 2027</u>	<u>FY 2028</u>	<u>FY 2029</u>	<u>FY 2030</u>	<u>FY 2031</u>	<u>Comments</u>
HB 500/SB 309	See entry for SB 309.						
HB 535	Food Establishments – Cottage Food Businesses – Maximum Annual Revenue (Ch. 320)						
	GF	decrease	decrease	decrease	decrease	decrease	Minimal fee revenues.
HB 547	Income Tax – Enhanced Agricultural Management Equipment Subtraction Modification and Parent of a Stillborn Child Credit (Ch. 327)						
	GF	\$0	(\$360,000)	(\$360,000)	(\$360,000)	(\$360,000)	Personal income tax revenues.
HB 557	Occupational Licensing and Certification – Criminal History – Predetermination Review Process (Ch. 302)						
	SF	indeterminate	indeterminate	indeterminate	\$0	\$0	Potential fee revenues.
HB 571	Nonprofit Housing Corporations – Taxes and Special Assessments Exemptions – Alterations (Ch. 727)						
	SF	decrease	decrease	decrease	decrease	decrease	Property tax revenues.
HB 595/SB 466	See entry for SB 466.						
HB 601	Montgomery County – Stop Sign Monitoring Systems Pilot Program – Gaithersburg and Rockville MC 5-26 (Ch. 557)						
	GF	increase	increase	increase	increase	\$0	Minimal penalty revenues.
HB 613	Department of the Environment – Waivers for Living Shorelines and Nonstructural Shoreline Stabilization Measures – Regulations and Scoring System (Ch. 321)						
	SF	increase	increase	increase	increase	increase	Potential fee revenues.
HB 619/SB 333	See entry for SB 333.						
HB 637/SB 385	See entry for SB 385.						
HB 698/SB 413	See entry for SB 413.						
HB 734/SB 344	See entry for SB 344.						
HB 735/SB 519	See entry for SB 519.						
HB 738/SB 651	See entry for SB 651.						
HB 746/SB 428	See entry for SB 428.						
HB 753	Tax Sales – Homeowner Protections – Revisions (Ch. 777)						
	SF	\$0	increase	increase	increase	increase	Potential tax sale revenues.

Legislation Affecting State Revenues (Continued)

	<u>Fund</u>	<u>FY 2027</u>	<u>FY 2028</u>	<u>FY 2029</u>	<u>FY 2030</u>	<u>FY 2031</u>	<u>Comments</u>
HB 769/SB 18	See entry for SB 18.						
HB 804/SB 860	See entry for SB 860.						
HB 816/SB 469	See entry for SB 469.						
HB 822	Circuit Court Clerks and Registers of Wills – Maximum Salary (Ch. 565)						
	GF	(\$386,250)	(\$662,142)	(\$662,142)	(\$662,142)	(\$662,142)	Inheritance tax revenue.
HB 829/SB 473	See entry for SB 473.						
HB 838/SB 562	See entry for SB 562.						
HB 845/SB 728	See entry for SB 728.						
HB 846/SB 497	See entry for SB 497.						
HB 864/SB 964	See entry for SB 964.						
HB 894	Land Use – Transit-Oriented Development – Alterations (Maryland Transit and Housing Opportunity Act) (Ch. 592)						
	GF	\$0	decrease	decrease	decrease	decrease	Potential income tax revenues.
	SF	\$0	decrease	decrease	decrease	decrease	Transportation Trust Fund. Potential corporate income tax revenues.
	SF	\$0	decrease	decrease	decrease	decrease	Higher Education Investment Fund. Potential corporate income tax revenues.
HB 896	Military Department – National Guard State Active Duty Mobilization Fund (Ch. 481)						
	SF	increase	indeterminate	indeterminate	indeterminate	indeterminate	Receipt of GF appropriations. SF expenditures increase correspondingly.
HB 898/SB 388	See entry for SB 388.						
HB 919/SB 657	See entry for SB 657.						
HB 925/SB 719	See entry for SB 719.						
HB 933/SB 644	See entry for SB 644.						

Legislation Affecting State Revenues (Continued)

	<u>Fund</u>	<u>FY 2027</u>	<u>FY 2028</u>	<u>FY 2029</u>	<u>FY 2030</u>	<u>FY 2031</u>	<u>Comments</u>
HB 972	Maryland Fair and Agricultural Education Promise Fund – Establishment (Charles J. Otto Agricultural Education Promise Act) (Ch. 163)						
	SF	\$0	\$200,000	\$200,000	\$200,000	\$200,000	Maryland Fair and Agricultural Education Promise Fund. Receipt of mandated GF appropriations. SF expenditures increase correspondingly.
	SF	\$75,000	\$75,000	\$75,000	\$75,000	\$75,000	Horse Racing Special Fund revenues from elimination of mandated distribution beginning in FY 2027.
HB 994	Business Regulation – Travel Services – Special Fund, Fees, and Surety Requirement (Don’t You Worry (Wurie) Act) (Ch. 611)						
	GF	increase	increase	increase	increase	increase	Minimal interest earnings.
	SF	\$99,000	\$111,375	\$111,375	\$111,375	\$111,375	Fee revenues. SF expenditures partially correspond.
HB 1076/SB 532	See entry for SB 532.						
HB 1091/SB 813	See entry for SB 813.						
HB 1094/SB 910	See entry for SB 910.						
HB 1109	Public Health Reform Act (Ch. 190)						
	SF	increase	increase	increase	increase	increase	Minimal fee revenues.
HB 1118/SB 891	See entry for SB 891.						
HB 1120/SB 418	See entry for SB 418.						
HB 1148/SB 765	See entry for SB 765.						
HB 1149	State Finance – Claims of the State – Settlement (Ch. 311)						
	GF	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000	Income tax revenues.
HB 1165/SB 673	See entry for SB 673.						
HB 1181	Family Law – Children in Out-of-Home Placement – Voluntary Placement Agreements (Ch. 159)						
	SF	decrease	decrease	decrease	decrease	decrease	Potential Child Support Foster Care Offset revenue decrease.

Legislation Affecting State Revenues (Continued)

	<u>Fund</u>	<u>FY 2027</u>	<u>FY 2028</u>	<u>FY 2029</u>	<u>FY 2030</u>	<u>FY 2031</u>	<u>Comments</u>
HB 1186/SB 395	See entry for SB 395.						
HB 1192/SB 645	See entry for SB 645.						
HB 1219/SB 739	See entry for SB 739.						
HB 1284	Residential Service Agencies – Private Duty Nursing – On-Site Nurse Training Programs (Ch. 217)						
	FF	\$52,561	\$62,449	\$65,321	\$68,255	\$71,233	Medicaid matching revenues. FF expenditures increase correspondingly.
HB 1346	State Department of Assessments and Taxation – Expedited Document Processing and Fees (Ch. 312)						
	SF	\$0	increase	increase	increase	increase	Potential fee revenues.
HB 1365	Health Occupations, Public Health, and Insurance – Menopause – Provider Training Coverage Requirements, Policy Initiatives, and Access to Care (Ch. 606)						
	SF	increase	\$0	\$0	\$0	\$0	Minimal fee revenues. Duplicative of impact for SB 892.
HB 1367	Commission on Re-Imagining Health Care in Maryland (Ch. 244)						
	SF	increase	increase	increase	increase	\$0	Potential private revenues. SF expenditures increase correspondingly.
HB 1376	Maryland Medical Assistance Program, Maryland Children’s Health Program, and Health Insurance – Transfers to Special Pediatric Hospitals – Requirements (Ch. 325)						
	FF	increase	increase	increase	increase	increase	Medicaid matching revenues. FF expenditures increase correspondingly.
HB 1420/SB 806	See entry for SB 806.						
HB 1452	Economic Development – Prince George’s County Suitland Development Authority – Established (Ch. 458)						
	SF	\$10,000,000	\$10,000,000	\$10,000,000	\$10,000,000	\$10,000,000	Receipt of GF appropriations. SF expenditures increase correspondingly.

Legislation Affecting State Revenues (Continued)

	<u>Fund</u>	<u>FY 2027</u>	<u>FY 2028</u>	<u>FY 2029</u>	<u>FY 2030</u>	<u>FY 2031</u>	<u>Comments</u>
HB 1470/SB 839	See entry for SB 839.						
HB 1473/SB 770	See entry for SB 770.						
HB 1530	Higher Education – Undocumented Students – Out-of-State Tuition Exemption Eligibility (Ch. 799)						
	HE	decrease	decrease	decrease	decrease	decrease	Minimal University System of Maryland tuition revenues
	HE	decrease	decrease	decrease	decrease	decrease	Minimal Morgan State University tuition revenues.
	HE	decrease	decrease	decrease	decrease	decrease	Minimal St. Mary’s College of Maryland tuition revenues.
	HE	decrease	decrease	decrease	decrease	decrease	Minimal Baltimore City Community College tuition revenues.
HB 1532	Utility RELIEF (Reducing Energy Load Inflation for Everyday Families) Act (Ch. 353)						
	NB	\$140,000	\$5,000,000	increase	increase	\$0	Maryland Clean Energy Center. Potential loan repayment revenues (in addition to amounts shown). NB expenditures increase correspondingly.
	SF	\$0	\$0	decrease	decrease	\$0	Maryland Energy Administration. Potential significant decrease in alternative compliance payment revenues.
	SF	\$0	increase	increase	indeterminate	indeterminate	Department of Housing and Community Development. Fee revenues beginning in FY 2028. Potential significant decrease in allocations from the EmPOWER Maryland Program beginning in FY 2030. SF expenditures correspond.
	SF	\$0	increase	increase	increase	\$0	Department of Human Services. Fee revenues. SF expenditures increase correspondingly.

Legislation Affecting State Revenues (Continued)

	<u>Fund</u>	<u>FY 2027</u>	<u>FY 2028</u>	<u>FY 2029</u>	<u>FY 2030</u>	<u>FY 2031</u>	<u>Comments</u>
	SF	\$105,510	\$57,905	increase	increase	\$0	Office of People’s Counsel – Public Utility Regulation Fund. SF revenues also increase by \$9,406 in FY 2026. Potential assessment revenues (in addition to amounts shown). SF expenditures increase correspondingly.
	SF	\$1,575,510	\$1,010,173	\$1,033,932	\$1,058,065	\$0	Public Service Commission – Public Utility Regulation Fund. SF revenues also increase by \$11,578 in FY 2026. SF expenditures fully offset amount shown in FY 2027 and increase correspondingly in out-years.
HB 1581	Economic Development – Horse Racing Facilities, Prince George’s County Blue Line Corridor Facilities, and Bus Rapid Transit – Alterations (Ch. 376)						
	GF	(\$14,000,000)	(\$14,000,000)	(\$14,000,000)	(\$14,000,000)	(\$14,000,000)	State Lottery Fund. Alters existing mandated distributions beginning in FY 2027.
	NB	\$14,000,000	\$19,000,000	\$14,000,000	\$14,000,000	\$14,000,000	Maryland Stadium Authority. Receipt of \$ 5.0 million mandated GF appropriation in FY 2028. Receipt of increased mandated distributions beginning FY 2027. NB expenditures increase correspondingly.
	SF	\$0	\$2,000,000	\$2,000,000	\$2,000,000	\$2,000,000	Bus Rapid Transit Fund. Receipt of mandated Transportation Trust Fund distribution. SF expenditures increase correspondingly.
HB 1599/SB 558	See entry for SB 558.						
HB 1616/SB 982	See entry for SB 982.						

Totals by Fund Type/Summary of Quantifiable Revenue Effects

<u>Fund Type</u>	<u>FY 2027</u>	<u>FY 2028</u>	<u>FY 2029</u>	<u>FY 2030</u>	<u>FY 2031</u>
GF	\$167,831,887	\$54,678,828	\$13,420,803	(\$24,013,510)	(\$64,985,720)
FF	\$13,853,611	(\$16,234)	\$377,374	\$33,449	(\$63,971)
SF	(\$389,799,104)	\$34,731,975	\$43,760,989	\$34,196,208	\$19,846,795
BOND	\$50,000,000	\$0	\$0	\$0	\$0
NB	\$28,482,300	\$24,000,000	\$14,000,000	\$14,000,000	\$14,000,000
HE	\$500,000	\$125,000	\$125,000	\$0	\$0

Legislation Affecting State Expenditures

	<u>Fund</u>	<u>Agency</u>	<u>FY 2027</u>	<u>FY 2028</u>	<u>FY 2029</u>	<u>FY 2030</u>	<u>FY 2031</u>	<u>Comments</u>
SB 6	State Personnel – Collective Bargaining – Nontenure Track Faculty (Ch. 695)							
	HE	All or Multiple Agencies	increase	increase	increase	increase	increase	Minimal collective bargaining expenses and potential salary expenditures.
	RF	Public Employee Relations Bd.	increase	increase	increase	increase	increase	Minimal administrative costs. RF revenues increase correspondingly.
SB 7/HB 720	Higher Education – Douglas J. J. Peters Veterans of the Afghanistan and Iraq Conflicts Scholarship – Repeal of Termination Date (Ch. 59/Ch. 58)							
	GF	Higher Education Commission	\$0	\$0	\$0	\$0	\$750,000	
SB 16	Child Support – Earnings Withholdings Limits (Ch. 868)							
	FF	Human Services	\$0	\$0	\$408,434	\$39,283	\$39,283	FF revenues increase correspondingly.
	GF	Human Services	\$0	\$0	\$210,406	\$20,237	\$20,237	
SB 18/HB 769	State Board of Social Work Examiners – Provisional License to Practice Social Work – Established (Ch. 226/Ch. 227)							
	SF	Health	\$64,900	\$74,648	\$78,209	\$81,793	\$85,366	
SB 28/HB 604	Arbitration Reform for State Employees Act of 2026 (Ch. 156/Ch. 155)							
	GF	Budget & Management	\$0	increase	increase	increase	increase	Potential personnel and labor relations costs.
	GF/SF/ FF	All or Multiple Agencies	\$0	\$0	indeterminate	indeterminate	indeterminate	Potential significant employee compensation costs and/or other expenditures or savings.
	HE	All or Multiple Agencies	\$0	\$0	indeterminate	indeterminate	indeterminate	Potential significant employee compensation costs and/or other expenditures or savings.

Legislation Affecting State Expenditures (Continued)

	<u>Fund</u>	<u>Agency</u>	<u>FY 2027</u>	<u>FY 2028</u>	<u>FY 2029</u>	<u>FY 2030</u>	<u>FY 2031</u>	<u>Comments</u>
	NB	Transportation	\$0	increase	indeterminate	indeterminate	indeterminate	Potential labor relations costs beginning in FY 2028. Potential significant employee compensation costs and/or other expenditures or savings beginning in FY 2029.
	SF	Transportation	\$0	increase	increase	increase	increase	Potential labor relations costs.
SB 39	Behavioral Health Rate Methodology Modernization – Workgroup Establishment and Study (Ch. 218)							
	GF	Health	\$181,699	\$158,511	\$0	\$0	\$0	
	SF	Health	\$210,275	\$197,587	increase	increase	increase	Potential personnel costs beginning in FY 2029.
SB 43/HB 259	Financial Institutions – Maryland Community Investment Venture Fund and Regulation of Entities – Revisions (Ch. 132/Ch. 131)							
	SF	Labor	\$0	\$0	\$14,000	\$14,000	\$0	
SB 82	Criminal Law – Counterfeiting and Possession of Counterfeit Lease of Real Property – Penalty (Ch. 550)							
	GF	Public Safety & Correctional Services	increase	increase	increase	increase	increase	Minimal incarceration costs.
SB 87/HB 248	Motor Vehicle Administration – Identification Cards, Licenses, and Permits – Repeal of Color Photograph Requirement (Ch. 117/Ch. 116)							
	SF	Transportation	(\$114,000)	(\$152,000)	(\$152,000)	(\$152,000)	(\$152,000)	
SB 101	Higher Education – Loan Repayment and Scholarships for Correctional Officers (Ch. 679)							
	GF	Higher Education Commission	\$20,000	\$0	\$0	\$0	\$0	
SB 111	Vehicle Laws – Out-of-State Vehicles – Improper Registration (Ch. 487)							
	SF	Transportation	\$379,365	\$428,104	\$445,916	\$463,826	\$481,697	
SB 114	3-1-1 Systems – Expansion Program and Oversight Board – Establishment (Ch. 434)							
	GF	Other	increase	increase	increase	increase	increase	Significant program and personnel costs.

Legislation Affecting State Expenditures (Continued)

	<u>Fund</u>	<u>Agency</u>	<u>FY 2027</u>	<u>FY 2028</u>	<u>FY 2029</u>	<u>FY 2030</u>	<u>FY 2031</u>	<u>Comments</u>
SB 140/HB 216	Criminal Law – Benefits Exploitation (Ch. 663/Ch. 662)							
	GF	Judiciary	\$1,573	\$0	\$0	\$0	\$0	
SB 148	Income Tax – Credit for 9-1-1 Specialist Retirement Income (Supporting Our 9-1-1 Specialists Act) (Ch. 877)							
	GF	Emergency Management	\$41,506	\$43,437	\$45,300	\$0	\$0	
SB 166/HB 1400	Shellfish Aquaculture – Penalties – Suspension or Revocation of Permit or Registration Card (Ch. 305/Ch. 304)							
	GF/SF	Natural Resources	increase	increase	increase	increase	increase	Potential administrative hearing costs.
SB 187	Correctional Services – Comprehensive Rehabilitative Prerelease Services – Female Incarcerated Individuals (Monica Cooper Prerelease Act) (Ch. 876)							
	GF	Office of the Correctional Ombudsman	\$51,822	\$86,173	\$90,235	\$94,342	\$98,462	Potential significant DPSCS GF personnel costs beginning FY 2032 (in addition to amounts shown).
SB 188/HB 229	Maryland Transportation Authority – Revenue Bond Limit – Increase (Ch. 115/Ch. 114)							
	NB	Transportation	\$0	\$0	increase	increase	increase	Potential capital expenditures (NB revenues increase correspondingly) and debt service expenditures.
SB 189	Municipalities – Open Drainage Inlets – Inventory and Improvements (Mason’s Law) (Ch. 356)							
	GF	Transportation	indeterminate	indeterminate	indeterminate	indeterminate	indeterminate	Potential infrastructure costs.
SB 198	Prince George’s Community College – Aerospace and Aviation Systems Technology Programs – Feasibility Study (Ch. 784)							
	GF	Higher Education Commission	\$250,000	\$100,000	\$0	\$0	\$0	\$250,000 included in FY 2027 budget. Mandated appropriation in FY 2028.

Legislation Affecting State Expenditures (Continued)

<u>Fund</u>	<u>Agency</u>	<u>FY 2027</u>	<u>FY 2028</u>	<u>FY 2029</u>	<u>FY 2030</u>	<u>FY 2031</u>	<u>Comments</u>
SB 207/HB 231	Higher Education – Guaranteed Access Grant Program – Applicability (Ch. 99/Ch. 98)						
GF	Baltimore City Community College	decrease	decrease	\$0	\$0	\$0	Potential general fund support for implementation costs.
GF	Higher Education Commission	decrease	decrease	increase	\$0	\$0	Potential administrative costs.
GF	Morgan State University	decrease	decrease	\$0	\$0	\$0	Potential general fund support for implementation costs.
GF	St. Mary’s College of Maryland	decrease	decrease	\$0	\$0	\$0	Potential general fund support for implementation costs.
GF	Univ. Sys. of Maryland	decrease	decrease	\$0	\$0	\$0	Potential general fund support for implementation costs.
HE	Baltimore City Community College	decrease	decrease	\$0	\$0	\$0	Scholarship administration costs. HE revenues may partially correspond.
HE	Morgan State University	decrease	decrease	\$0	\$0	\$0	Scholarship administration costs. HE revenues may partially correspond.
HE	St. Mary’s College of Maryland	decrease	decrease	\$0	\$0	\$0	Scholarship administration costs. HE revenues may partially correspond.
HE	Univ. Sys. of Maryland	decrease	decrease	\$0	\$0	\$0	Scholarship administration costs. HE revenues may partially correspond.

Legislation Affecting State Expenditures (Continued)

	<u>Fund</u>	<u>Agency</u>	<u>FY 2027</u>	<u>FY 2028</u>	<u>FY 2029</u>	<u>FY 2030</u>	<u>FY 2031</u>	<u>Comments</u>
SB 213/HB 193	State Procurement – Transparency and Procedures (Ch. 395/Ch. 396)							
	GF	All or Multiple Agencies	increase	increase	increase	increase	increase	Potential contract costs.
	NB	Transportation	increase	increase	increase	increase	increase	Potential contract costs.
	SF	All or Multiple Agencies	increase	increase	increase	increase	increase	Potential contract costs.
SB 221	Criminal Law – Child Pornography – Prohibitions and Penalties (Ch. 530)							
	GF	Public Safety & Correctional Services	increase	increase	increase	increase	increase	Minimal incarceration costs.
SB 223	Maryland Energy Administration – Jane E. Lawton Conservation Loan Program and Fund and Maryland Strategic Energy Investment Fund (Ch. 372)							
	NB	Md. Clean Energy Center	\$2,350,400	increase	increase	increase	increase	Loan expenditures (including amount shown).
	SF	Energy Administration	\$9,044,200	decrease	decrease	decrease	decrease	In FY 2027, transfer of fund balance (\$11.39 million) and related program expenditures (\$2.4 million) to Md. Clean Energy Center. In out-years, transfer of ongoing program expenditures.
SB 238/HB 340	School Psychologist Interstate Licensure Compact (Ch. 616/Ch. 617)							
	GF	Public Safety & Correctional Services	increase	increase	increase	increase	increase	Potential administrative costs. GF revenues increase correspondingly.
	GF	Education	\$37,000	\$7,000	\$7,000	\$7,000	\$7,000	

Legislation Affecting State Expenditures (Continued)

	<u>Fund</u>	<u>Agency</u>	<u>FY 2027</u>	<u>FY 2028</u>	<u>FY 2029</u>	<u>FY 2030</u>	<u>FY 2031</u>	<u>Comments</u>
SB 242	Modernizing Civil Relief for Service Members Act (Ch. 694)							
	GF	Judiciary	\$12,709	\$0	\$0	\$0	\$0	
	GF	Education	\$67,429	\$43,636	\$45,898	\$48,120	\$50,275	
	SF	Agriculture	\$15,000	\$0	\$0	\$0	\$0	
	SF	Health	increase	increase	increase	increase	increase	Potential programming costs and salary expenditures.
	SF	Labor	\$12,792	\$0	\$0	\$0	\$0	
SB 255	Voting Rights Act of 2026 – Counties and Municipal Corporations (Ch. 157)							
	GF	Attorney General	increase	increase	increase	increase	increase	Potential personnel and implementation costs.
SB 272/HB 393	Health Insurance – Scalp Cooling Systems – Required Coverage (Ch. 51/Ch. 52)							
	GF/SF/FF	Budget & Management	increase	increase	increase	increase	increase	Potential health insurance costs.
SB 279	Baltimore City – Cigarettes, Other Tobacco Products, and Electronic Smoking Devices – Enforcement and Licensure (Ch. 387)							
	GF	Judiciary	increase	\$0	\$0	\$0	\$0	Minimal administrative costs.
	SF	Comptroller	increase	increase	increase	increase	increase	Minimal program expenditures.
SB 284	Budget Reconciliation and Financing Act of 2026 (Ch. 6)							
	FF	Health	\$14,000,000	\$0	\$0	\$0	\$0	FF revenues increase correspondingly.
	FF	Emergency Management	(\$1,165,530)	(\$1,165,530)	(\$1,165,530)	(\$1,165,530)	(\$1,165,530)	Included in FY 2027 budget (contingent).

Legislation Affecting State Expenditures (Continued)

<u>Fund</u>	<u>Agency</u>	<u>FY 2027</u>	<u>FY 2028</u>	<u>FY 2029</u>	<u>FY 2030</u>	<u>FY 2031</u>	<u>Comments</u>
FF	Human Services	(\$1,289,450)	(\$717,068)	(\$735,672)	(\$754,807)	(\$774,487)	Included in FY 2027 budget (contingent). FF revenues decrease correspondingly.
GF	Archives	\$0	\$0	\$64,748	\$0	\$0	
GF	Baltimore City Community College	(\$713,762)	(\$713,762)	(\$717,968)	\$0	\$0	Included in FY 2027 budget (contingent). Alters existing mandated appropriation for FY 2027 through 2029.
GF	Public Works	(\$1,500,000)	(\$1,500,000)	(\$1,500,000)	(\$1,500,000)	(\$1,500,000)	GF expenditures also decrease by \$1,500,000 in FY 2026. Included in FY 2027 budget (contingent).
GF	Commerce	(\$17,000,000)	\$0	\$0	\$0	\$0	Included in FY 2027 budget.
GF	Comptroller	(\$125,051)	(\$127,552)	(\$130,103)	(\$132,705)	(\$135,359)	Included in FY 2027 budget (contingent).
GF	Housing & Community Development	(\$183,673)	(\$195,147)	(\$199,050)	(\$203,031)	(\$207,092)	Included in FY 2027 budget (contingent).
GF	Human Services	(\$5,136,043)	(\$4,697,901)	(\$4,819,789)	(\$4,945,151)	(\$5,074,090)	Included in FY 2027 budget (contingent).
GF	Natural Resources	(\$6,362,482)	(\$810,286)	(\$826,492)	(\$843,022)	(\$859,882)	Included in FY 2027 budget (\$764,039 is contingent).
GF	Information Technology	(\$59,314,476)	\$0	\$0	\$0	\$0	Included in FY 2027 budget.

Legislation Affecting State Expenditures (Continued)

<u>Fund</u>	<u>Agency</u>	<u>FY 2027</u>	<u>FY 2028</u>	<u>FY 2029</u>	<u>FY 2030</u>	<u>FY 2031</u>	<u>Comments</u>
GF	Social and Economic Mobility	(\$5,000,000)	(\$5,000,000)	(\$5,000,000)	\$0	\$0	Included in FY 2027 budget (contingent).
GF	Service & Civic Innovation	(\$8,138,340)	(\$9,155,633)	\$0	\$0	\$0	Included in FY 2027 budget.
GF	State Police	(\$5,500,000)	(\$5,500,000)	(\$5,500,000)	\$0	\$0	Included in FY 2027 budget (contingent).
GF	Agriculture	(\$200,000)	(\$100,000)	\$0	\$0	\$0	Included in FY 2027 budget (contingent). Reduces various existing mandated appropriations in FY 2027 and 2028.
GF	Environment	(\$178,267)	(\$139,323)	(\$142,109)	(\$144,951)	(\$147,850)	Included in FY 2027 budget (contingent).
GF	Emergency Management	(\$304,583)	(\$310,675)	(\$310,675)	(\$310,675)	(\$310,675)	Included in FY 2027 budget (contingent).
GF	Health	(\$42,080,000)	(\$730,000)	(\$3,880,000)	(\$5,455,000)	(\$730,000)	(\$15,470,332) included in FY 2027 budget (contingent). Reduces an existing mandated appropriation beginning in FY 2027.
GF	Labor	(\$660,000)	(\$660,000)	(\$510,000)	(\$510,000)	(\$510,000)	GF expenditures also decrease by \$360,000 in FY 2026. Included in FY 2027 budget (contingent). Reduces various existing mandated appropriations beginning in FY 2026.

Legislation Affecting State Expenditures (Continued)

<u>Fund</u>	<u>Agency</u>	<u>FY 2027</u>	<u>FY 2028</u>	<u>FY 2029</u>	<u>FY 2030</u>	<u>FY 2031</u>	<u>Comments</u>
GF	Planning	\$118,471	(\$139,323)	(\$142,109)	(\$144,951)	(\$147,850)	Included in FY 2027 budget (\$131,529 of reduction is contingent).
GF	Higher Education Commission	(\$31,052,327)	(\$12,785,633)	(\$14,679,498)	(\$5,344,823)	(\$5,344,823)	GF expenditures also decrease by \$250,000 in FY 2026. Included in FY 2027 budget (\$2,844,824 of reduction is contingent). Reduces various existing mandated appropriations beginning in FY 2026.
GF	Education	(\$36,256,177)	(\$39,600,143)	(\$36,256,176)	(\$36,256,176)	(\$36,256,176)	Included in FY 2027 budget (contingent). Alters/eliminates various mandated appropriations beginning in FY 2027.
GF	State Library Agency	(\$722,970)	(\$722,969)	(\$722,969)	(\$722,969)	(\$722,969)	Included in FY 2027 budget (contingent). Reduces an existing mandated appropriation beginning in FY 2027.
GF	Reserve Fund	(\$449,787,611)	\$0	\$0	\$0	\$0	Included in FY 2027 budget. Suspends a mandated appropriation in FY 2027.
GF	Univ. Sys. of Maryland	\$18,905,712	\$2,609,845	(\$4,866,290)	(\$3,096,358)	(\$1,042,954)	Included in FY 2027 budget (\$6,788,391 of reduction in FY 2027 is contingent).
SF	Education	(\$3,343,967)	\$3,343,967	\$0	\$0	\$0	Included in FY 2027 budget (contingent).

Legislation Affecting State Expenditures (Continued)

<u>Fund</u>	<u>Agency</u>	<u>FY 2027</u>	<u>FY 2028</u>	<u>FY 2029</u>	<u>FY 2030</u>	<u>FY 2031</u>	<u>Comments</u>
SF	Univ. Sys. of Maryland	(\$18,905,712)	(\$2,609,845)	\$4,866,290	\$3,096,358	\$1,042,954	Included in FY 2027 budget (\$6,788,391 is contingent).
SF	Health Benefit Exchange	\$0	\$0	\$0	\$0	\$0	SF expenditures increase by \$250,000 in FY 2026. Included in FY 2027 budget.
SF	Public Works	\$1,500,000	\$1,500,000	\$1,500,000	\$1,500,000	\$1,500,000	SF expenditures also increase by \$1,500,000 in FY 2026. Included in FY 2027 budget (contingent).
SF	Commerce	\$0	\$0	\$0	\$0	\$0	SF expenditures decrease by \$250,000 in FY 2026. Included in FY 2027 budget.
SF	Comptroller	\$125,051	(\$1,137,263)	\$974,141	\$132,705	\$135,359	Included in FY 2027 budget (contingent). SF revenues partially correspond in FY 2028 and 2029.
SF	General Services	\$20,000,000	\$0	\$0	\$0	\$0	Included in FY 2027 budget (contingent).
SF	Housing & Community Development	\$191,321	\$195,147	\$199,050	\$203,031	\$207,092	Included in FY 2027 budget (contingent).
SF	Human Services	(\$64,473)	\$0	\$0	\$0	\$0	Included in FY 2027 budget (contingent).
SF	Natural Resources	\$4,381,685	\$5,810,286	\$5,826,492	\$5,843,022	\$5,859,882	Included in FY 2027 budget (\$6,392,841 is contingent).

Legislation Affecting State Expenditures (Continued)

<u>Fund</u>	<u>Agency</u>	<u>FY 2027</u>	<u>FY 2028</u>	<u>FY 2029</u>	<u>FY 2030</u>	<u>FY 2031</u>	<u>Comments</u>
SF	Information Technology	\$0	\$0	\$0	\$0	\$0	SF expenditures increase by \$59,314,476 in FY 2026. Included in FY 2027 budget.
SF	Social and Economic Mobility	\$5,000,000	\$5,000,000	\$5,000,000	\$0	\$0	Included in FY 2027 budget (contingent).
SF	Service & Civic Innovation	(\$8,138,340)	(\$9,155,633)	\$0	\$0	\$0	SF revenues decrease correspondingly.
SF	State Police	\$5,500,000	\$5,500,000	\$5,500,000	\$0	\$0	Included in FY 2027 budget (contingent).
SF	Agriculture	(\$100,000)	\$0	\$0	\$0	\$0	Reduces an existing mandated appropriation in FY 2027. SF revenues decrease correspondingly.
SF	Environment	(\$40,331,763)	(\$10,375,677)	\$9,627,109	\$9,629,951	\$9,632,850	\$9,668,237 included in FY 2027 budget (contingent).
SF	Emergency Management	\$1,470,113	\$1,470,113	\$1,470,113	\$1,470,113	\$1,470,113	SF expenditures also increase by \$400,000 in FY 2026. Included in FY 2027 budget (contingent).
SF	Health	\$40,500,000	\$0	\$3,150,000	\$4,725,000	\$0	\$12,890,332 included in FY 2027 budget (\$11,890,332 is contingent). SF revenues correspond in FY 2029 and 2030.
SF	Transportation	\$4,578,123	\$3,178,339	\$2,290,369	\$1,468,563	\$536,610	

Legislation Affecting State Expenditures (Continued)

	<u>Fund</u>	<u>Agency</u>	<u>FY 2027</u>	<u>FY 2028</u>	<u>FY 2029</u>	<u>FY 2030</u>	<u>FY 2031</u>	<u>Comments</u>
	SF	Planning	\$136,591	\$139,323	\$142,109	\$144,951	\$147,850	Included in FY 2027 budget (contingent).
	SF	Energy Administration	\$13,000,000	\$0	\$0	\$0	\$0	Included in FY 2027 budget (contingent).
	SF	Higher Education Commission	\$0	(\$250,000)	(\$250,000)	(\$250,000)	(\$250,000)	SF revenues decrease correspondingly.
	SF	Reserve Fund	\$42,000,000	\$0	\$0	\$0	\$0	Included in FY 2027 budget (contingent).
	SF	School Construction	(\$178,465,596)	\$0	\$0	\$0	\$0	
SB 285/HB 852	Higher Education – Scholarships for Correctional Officers (Ch. 681/Ch. 680)							
	GF	Higher Education Commission	\$20,000	\$0	\$0	\$0	\$0	
SB 294	Criminal Procedure – Protection of Identity of Victim of Sexual Assault or Stalking (Ch. 542)							
	GF	Judiciary	\$13,540	\$0	\$0	\$0	\$0	
SB 305	Qualifying Nonprofit Organizations – Incarcerated Individual Training and Reentry Grant Fund – Extension (Ch. 403)							
	GF	Gov. Office of Crime Prevention & Policy	\$0	\$0	\$1,000,000	\$0	\$0	
SB 311	Education – The Blueprint for Maryland’s Future – Revisions (Ch. 602)							
	GF	Higher Education Commission	\$96,616	\$105,530	\$110,216	\$114,975	\$119,776	
	GF	Education	\$0	\$547,477,525	\$170,314,036	\$75,360,829	\$23,557,309	Existing mandated appropriations increase beginning in FY 2028.
	SF	Education	\$228,448,093	(\$236,129,903)	\$0	\$0	\$0	Included in FY 2027 budget. Existing mandated appropriations altered in FY 2027 and 2028.

Legislation Affecting State Expenditures (Continued)

	<u>Fund</u>	<u>Agency</u>	<u>FY 2027</u>	<u>FY 2028</u>	<u>FY 2029</u>	<u>FY 2030</u>	<u>FY 2031</u>	<u>Comments</u>
SB 312/HB 607	Constitutional Officers – Salaries (Ch. 562/Ch. 561)							
	GF	Comptroller	\$0	\$2,832	\$5,661	\$8,487	\$11,311	
	GF	Attorney General	\$0	\$2,832	\$5,661	\$8,487	\$11,311	
	GF	Secretary of State	\$0	\$2,265	\$4,528	\$6,790	\$9,049	
	GF	Treasurer	\$0	\$2,832	\$5,661	\$8,487	\$11,311	
SB 313/HB 608	Judicial and Quasi-Judicial Employees – Compensation (Ch. 564/Ch. 563)							
	SF	Workers' Compensation Commission	\$22,325	\$22,312	\$22,300	\$22,289	\$22,289	
SB 314	Courts – Immunity From Liability – Donation of Pet Supplies (Ch. 464)							
	GF	Agriculture	\$84,611	\$69,705	\$73,139	\$76,597	\$80,049	
SB 320/HB 187	Criminal Procedure – Expungement – No Finding and Case Terminated Without Finding (Ch. 465/Ch. 466)							
	GF	Judiciary	\$11,740	\$0	\$0	\$0	\$0	
SB 322	Courts – Jury Service – Disqualification							
	GF	Judiciary	\$28,064	\$0	\$0	\$0	\$0	
SB 323	Juvenile Court – Jurisdiction, Detention, and Confinement (Youth Charging Reform Act) (Ch. 609)							
	GF	Juvenile Services	decrease	decrease	decrease	decrease	decrease	Potential significant administrative costs.
	GF	Public Defender	decrease	decrease	decrease	decrease	decrease	Potential significant contractual costs.
SB 324	Higher Education – Public Senior Higher Education Institutions – Direct Admission Program and Study (Ch. 613)							
	GF	Higher Education Commission	\$50,000	increase	increase	increase	increase	Potential significant administrative costs.
	GF	Education	\$50,000	increase	increase	increase	increase	Potential significant administrative costs.
SB 331/HB 94	Public Safety – Handgun Permits – Expiration and Renewal Periods for Retired Law Enforcement Officer (Ch. 455/Ch. 454)							
	GF	State Police	\$170,000	\$0	\$0	\$0	\$0	

Legislation Affecting State Expenditures (Continued)

	<u>Fund</u>	<u>Agency</u>	<u>FY 2027</u>	<u>FY 2028</u>	<u>FY 2029</u>	<u>FY 2030</u>	<u>FY 2031</u>	<u>Comments</u>
SB 333/HB 619	Interstate Podiatric Medical Licensure Compact (Ch. 71/Ch. 70)							
	SF	Health	increase	increase	increase	increase	increase	Potential implementation costs.
SB 334	Criminal Law – Firearm Crimes – Machine Gun Convertible Pistols (Ch. 771)							
	GF	State Police	\$220,216	\$230,854	\$241,339	\$252,043	\$262,899	
SB 340/HB 671	Office of the Long-Term Care Ombudsman – Mandatory Appropriation (Ch. 761/Ch. 762)							
	GF	Health	\$0	\$2,000,000	\$2,000,000	\$2,000,000	\$2,000,000	Mandated appropriation beginning FY 2028.
	SF	Health	\$0	(\$2,000,000)	(\$2,000,000)	(\$2,000,000)	(\$2,000,000)	
	SF	Aging	\$0	\$2,000,000	\$2,000,000	\$2,000,000	\$2,000,000	
SB 365	Security Guards – Certification Renewal – Requirements (Ch. 238)							
	GF	State Police	\$100,000	\$0	\$0	\$0	\$0	
SB 366/HB 107	Motor Vehicles – Intelligent Speed Assistance System Pilot Program – Establishment							
	SF	Transportation	increase	\$0	\$0	\$0	\$0	Potential consultant costs.
SB 376/HB 470	Digital Asset and Blockchain Technology Task Force – Establishment (Ch. 549/Ch. 548)							
	SF	Labor	\$49,438	\$53,507	\$0	\$0	\$0	
SB 378	Public Libraries – Young Readers Matching Grant Program, Funding, and Services (Ch. 625)							
	GF	State Library Agency	\$0	\$1,345,874	\$2,685,325	\$3,886,612	\$5,247,995	Existing mandated appropriation increases beginning in FY 2028.
SB 379	Recovery Residence Grant Program – Funding (Ch. 627)							
	GF	Health	\$0	\$500,000	\$500,000	\$500,000	\$0	Mandated appropriation in FY 2028 through 2030.

Legislation Affecting State Expenditures (Continued)

<u>Fund</u>	<u>Agency</u>	<u>FY 2027</u>	<u>FY 2028</u>	<u>FY 2029</u>	<u>FY 2030</u>	<u>FY 2031</u>	<u>Comments</u>
SB 388/HB 898	Economic Development – Delivering Economic Competitiveness and Advancing Development Efforts (DECADE) Act (Ch. 351/Ch. 352)						
GF	Commerce	\$9,000,000	indeterminate	indeterminate	indeterminate	indeterminate	In FY 2028 and beyond, net effect of transfers of (1) Economic Development Opportunities Program Account (renamed Strategic Closing Fund) from State Reserve Fund and (2) RISE Zone Program expenditures to MEDCO.
GF	MEDCO	\$7,000,000	\$7,000,000	\$7,000,000	\$7,000,000	increase	Potential expenditures beyond amounts shown in FY 2028 and beyond due to transfer of RISE Zone Program from Commerce.
GF	Education	\$0	\$3,630,000	\$1,924,626	\$2,001,582	\$2,081,563	Transfer of Economic Development Opportunities Program Account (renamed Strategic Closing Fund) to Commerce.
GF	Reserve Fund	(\$16,000,000)	decrease	decrease	decrease	decrease	
SF	Transportation	decrease	(\$349,445)	(\$349,447)	(\$391,804)	(\$391,804)	Potential local highway user revenue grant expenditures, including such expenditures beyond amounts shown beginning in FY 2027. SF revenues decrease correspondingly.

Legislation Affecting State Expenditures (Continued)

	<u>Fund</u>	<u>Agency</u>	<u>FY 2027</u>	<u>FY 2028</u>	<u>FY 2029</u>	<u>FY 2030</u>	<u>FY 2031</u>	<u>Comments</u>
	SF	Education	\$0	(\$3,630,000)	(\$1,924,626)	(\$2,001,582)	(\$2,081,563)	SF revenues decrease correspondingly.
SB 402/HB 396	Residential Child Care Programs – Education of Children and Training of Child and Youth Care Practitioners (Ch. 641/Ch. 640)							
	GF	Human Services	\$25,000	increase	increase	increase	increase	Potential administrative costs beginning in FY 2028.
SB 410/HB 660	Public Libraries – State Library Resource Center – Funding (Ch. 702/Ch. 703)							
	GF	State Library Agency	\$0	\$628,856	\$1,328,518	\$2,036,575	\$2,817,159	Existing mandated appropriation increases beginning in FY 2028.
SB 412	Maryland Department of Health – Forensic Review Boards and Community Forensic Aftercare Program (Ch. 237)							
	GF	Health	\$0	\$97,036	\$115,944	\$121,401	\$126,767	
SB 413/HB 698	State Board of Morticians and Funeral Directors – Board Operations and Regulation of Crematories and Reduction Facilities (Ch. 187/Ch. 188)							
	SF	Health	\$101,159	\$90,608	\$94,862	\$99,171	\$103,501	
SB 415/HB 730	Business Regulation – Maryland Franchise Registration and Disclosure Law – Alterations (Franchise Reform Act) (Ch. 414/Ch. 413)							
	GF	Attorney General	\$305,518	\$362,398	\$379,099	\$396,136	\$413,421	
SB 417	Labor and Employment – Mandatory Meetings on Religious or Political Matters – Employee Attendance and Participation (Maryland Worker Freedom Act) (Ch. 221)							
	GF	Labor	\$131,588	\$151,905	\$158,969	\$166,068	\$173,149	
SB 418/HB 1120	Professional Licensing Portability – Members of the Foreign Service and Spouses (Ch. 493/Ch. 492)							
	GF	Education	\$30,000	\$0	\$0	\$0	\$0	
	SF	MDA	\$15,000	\$0	\$0	\$0	\$0	
SB 420/HB 6	Public Institutions of Higher Education – Pregnant and Parenting Students – Plan and Reporting (Ch. 734/Ch. 735)							
	GF	All or Multiple Agencies	increase	increase	increase	increase	increase	Potential additional entitlement services.
	GF	Higher Education Commission	\$51,857	\$58,252	\$61,150	\$64,035	\$66,884	

Legislation Affecting State Expenditures (Continued)

	<u>Fund</u>	<u>Agency</u>	<u>FY 2027</u>	<u>FY 2028</u>	<u>FY 2029</u>	<u>FY 2030</u>	<u>FY 2031</u>	<u>Comments</u>
	GF/FF	Health	increase	increase	increase	increase	increase	Potential Medicaid and Maryland Children's Health Program expenditures. FF revenues increase correspondingly.
	HE	All or Multiple Agencies	increase	increase	increase	increase	increase	Potential administrative costs.
SB 431/HB 578	Fish and Wildlife – Endangered and Threatened Species and Migratory Birds – Regulations, Lists, Petitions, Essential Habitats, and Takings (Ch. 212/Ch. 211)							
	GF/SF/FF	All or Multiple Agencies	increase	increase	increase	increase	increase	Potential compliance costs.
	NB	Transportation	increase	increase	increase	increase	increase	Potential compliance costs.
SB 439	Employment Discrimination – Fire and Rescue Public Safety Employees – Use of Medical Cannabis (Ch. 183)							
	GF	MCCR	\$67,766	\$78,228	\$81,946	\$85,692	\$89,436	
	GF/SF	All or Multiple Agencies	increase	increase	increase	increase	increase	Potential litigation costs.
SB 467/HB 561	Maryland Child Care Credential Program – Extension of Funding (Ch. 624/Ch. 623)							
	GF	Education	\$0	\$5,687,000	\$5,687,000	\$5,687,000	\$0	Mandated appropriation in FY 2028 through 2030.
SB 473/HB 829	Public Utilities – For-Hire Drivers and Transportation Network Operators – Human Trafficking Awareness and Prevention Training and Liability (Ch. 278/Ch. 279)							
	SF	Public Service Commission	\$10,000	\$0	\$0	\$0	\$0	SF revenues increase correspondingly.
SB 487	Motor Vehicles – Speed Monitoring Systems – Safety Corridors (Vulnerable Road User Protection Act of 2026) (Ch. 285)							
	GF	Judiciary	\$17,560	\$0	\$0	\$0	\$0	

Legislation Affecting State Expenditures (Continued)

	<u>Fund</u>	<u>Agency</u>	<u>FY 2027</u>	<u>FY 2028</u>	<u>FY 2029</u>	<u>FY 2030</u>	<u>FY 2031</u>	<u>Comments</u>
	SF	Transportation	increase	increase	increase	increase	increase	Program expenditures correspond with SF penalty revenues.
SB 503/HB 742	Growing Family Child Care Opportunities Program – Funding (Ch. 700/Ch. 699)							
	GF	Education	\$0	\$0	\$0	\$0	\$0	Mandated appropriation in FY 2028 through 2030.
SB 509	Higher Education – Workforce Pell Grant Program – Implementation (Ch. 724)							
	GF	Labor	\$300,000	\$118,171	\$123,622	\$129,183	\$134,820	Included in FY 2027 budget (contingent).
	GF	Higher Education Commission	\$0	\$118,171	\$123,622	\$129,183	\$134,820	
SB 516/HB 904	Law Enforcement – Protective Body Armor – Requirements and Reporting (Ch. 461/Ch. 462)							
	GF	Health	\$55,305	\$0	\$0	\$0	\$0	
SB 529	Southern Maryland Early College Teacher Pathway Program Workgroup – Establishment (Ch. 766)							
	GF	Univ. Sys. of Maryland	\$0	\$125,000	\$125,000	\$0	\$0	Mandated appropriation in FY 2028 and 2029. SF revenues increase correspondingly. Potential administrative costs (in addition to amounts shown).
	HE	Univ. Sys. of Maryland	increase	\$125,000	\$125,000	\$0	\$0	
SB 532/HB 1076	Higher Education Institutions – Over-the-Counter Contraception – Access and Reporting (Ch. 675/Ch. 674)							
	HE	Baltimore City Community College	increase	increase	increase	increase	increase	Minimal implementation costs. HE revenues increase correspondingly.
SB 544/HB 492	Courtroom Security – Minimum Adequate Security Standard (Ch. 476/Ch. 475)							
	GF	Judiciary	\$5,600,000	\$0	\$0	\$0	\$0	Included in FY 2027 budget.

Legislation Affecting State Expenditures (Continued)

	<u>Fund</u>	<u>Agency</u>	<u>FY 2027</u>	<u>FY 2028</u>	<u>FY 2029</u>	<u>FY 2030</u>	<u>FY 2031</u>	<u>Comments</u>
SB 553/HB 833	Commission to Advance Lithium-Ion Battery Safety in Maryland – Reestablishment (Ch. 252/Ch. 251)							
	GF	State Police	\$70,656	\$30,100	\$0	\$0	\$0	
SB 555/HB 446	Health – Dementia Services and Brain Health Program and Provider Resource Toolkit (Ch. 240/Ch. 239)							
	GF	Health	\$77,674	\$90,608	\$94,862	\$99,171	\$103,501	
SB 558/HB 1599	Chesapeake Bay – Enhancement Program and Maryland Seafood Industry Financial Assistance Fund – Established (Ch. 552/Ch. 553)							
	GF	Agriculture	\$2,000,000	\$0	\$0	\$0	\$0	Included in FY 2027 budget (contingent).
	NB	Other	\$2,675,000	increase	increase	increase	increase	Loan expenditures, repayment expenditures, and administrative costs beginning FY 2028 (in addition to amount shown). NB revenues partially correspond in FY 2027 and fully correspond FY 2028 onwards.
SB 562/HB 838	State Board of Pharmacy – Prescriber-Pharmacist Agreements – Treatment of Opioid Use Disorders (Ch. 54/Ch. 53)							
	GF	Health	\$58,635	\$49,020	\$51,515	\$53,983	\$56,393	
SB 579	Counties – No-Cost Preventive Cancer Screenings for Volunteer and Retired Volunteer Firefighters (Ch. 319)							
	GF	Health	increase	increase	increase	increase	increase	Significant grant expenditures.
SB 585/HB 625	Human-Relevant Research Fund – Collection of Contributions – Responsible Entity (Ch. 384/Ch. 385)							
	GF	Agriculture	\$42,932	\$47,102	\$49,514	\$51,894	\$54,214	
SB 587	Maryland Patient Safety Center Fund – Funding (Ch. 626)							
	GF	Health	\$0	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	Mandated appropriation beginning FY 2028.
	SF	Health	\$0	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	SF revenues increase correspondingly.

Legislation Affecting State Expenditures (Continued)

	<u>Fund</u>	<u>Agency</u>	<u>FY 2027</u>	<u>FY 2028</u>	<u>FY 2029</u>	<u>FY 2030</u>	<u>FY 2031</u>	<u>Comments</u>
SB 597	Higher Education – Maryland Artificial Intelligence Partnership (Ch. 633)							
	GF	Univ. Sys. of Maryland	\$500,000	increase	increase	increase	increase	Included in FY 2027 budget (contingent). Significant administrative costs and grant expenditures.
	GF/SF	All or Multiple Agencies	increase	increase	increase	increase	increase	Potential fellowship administrative and program costs.
	HE	Univ. Sys. of Maryland	\$500,000	increase	increase	increase	increase	Significant administrative costs and grant expenditures HE revenues increase correspondingly.
SB 599/HB 429	On-Farm Organics Diversion and Recycling Grant Program – Established (Ch. 249/Ch. 250)							
	GF	Agriculture	\$0	\$250,000	\$371,471	\$375,847	\$380,254	Mandated appropriation beginning in FY 2028.
SB 637/HB 1387	Maryland Automobile Insurance Fund – Fund Producer Commission Rate (Ch. 796/Ch. 795)							
	NB	Md. Automobile Insurance Fund	decrease	decrease	decrease	decrease	decrease	Potential significant administrative costs.
SB 644/HB 933	Sales and Use Tax – Certificates Indicating Multiple Points of Use – Alterations (Ch. 197/Ch. 198)							
	GF	Comptroller	\$183,375	\$181,213	\$189,726	\$198,339	\$207,002	
SB 648/HB 856	Local School Systems – Educator Screening – Educator Identification Clearinghouse (School Personnel Vetting and Hiring Transparency Act) (Ch. 363/Ch. 362)							
	GF	Education	\$28,596	\$28,596	\$28,596	\$28,596	\$28,596	
SB 651/HB 738	Real Property – Transfer–on–Death Deed – Establishment (Ch. 750/Ch. 751)							
	GF	Judiciary	\$15,696	\$0	\$0	\$0	\$0	
SB 654	State Police Retirement System – Mandatory Retirement Age – Alteration (Ch. 268)							
	GF	State Police	\$0	(\$290,000)	(\$300,000)	(\$310,000)	(\$320,000)	

Legislation Affecting State Expenditures (Continued)

	<u>Fund</u>	<u>Agency</u>	<u>FY 2027</u>	<u>FY 2028</u>	<u>FY 2029</u>	<u>FY 2030</u>	<u>FY 2031</u>	<u>Comments</u>
SB 656/HB 1533	Public Health – Cosmetic Products – Enforcement and Penalties for Prohibited Ingredients (Crown and Care Act – Protecting Communities From Harmful Hair Chemicals) (Ch. 283/Ch. 284)							
	GF	Attorney General	increase	increase	increase	increase	increase	Potential administrative costs.
SB 657/HB 919	Maryland Higher Education Commission – Practical Applications of Real Estate Appraisal (PAREA) Grant Program – Established (Ch. 743/Ch. 744)							
	GF	Higher Education Commission	increase	increase	increase	increase	increase	Grant expenditures and minimal administrative costs.
SB 668/HB 680	Children’s Cabinet Fund – Renaming and Funding for Grants to Local Management Boards (Ch. 764/Ch. 765)							
	GF	Executive Dept.	\$0	\$0	\$0	\$0	\$500,000	Mandated appropriation for FY 2028 through 2031.
SB 673/HB 1165	State Procurement – Apprenticeship Program Accountability and Completion (Ch. 532/Ch. 533)							
	GF/SF/FF	All or Multiple Agencies	increase	increase	increase	increase	increase	Potential contract costs.
SB 707	Mental Health Law – Definition of Danger to the Life or Safety of the Individual or of Others and Reports on Emergency Evaluation Petitions (Right to Treatment) (Ch. 177)							
	GF	Judiciary	increase	increase	increase	increase	increase	Potential personnel costs.
SB 709/HB 623	Education – Purple Star Schools Program and Purple Star Colleges Program (Ch. 671/Ch. 670)							
	GF	Higher Education Commission	\$43,821	\$46,350	\$0	\$0	\$0	
SB 715/HB 1457	Washington County – Juveniles – Truancy Reduction Pilot Program (Ch. 812/Ch. 811)							
	GF	Judiciary	\$155,000	\$155,000	\$155,000	\$155,000	\$155,000	
SB 719/HB 925	Sewage Sludge – Per- and Polyfluoroalkyl Substances – Regulation (Ch. 329/Ch. 330)							
	GF	Environment	\$248,101	\$290,930	\$304,403	\$318,062	\$331,821	
	GF/SF	All or Multiple Agencies	\$0	\$0	increase	increase	increase	Potential compliance costs.

Legislation Affecting State Expenditures (Continued)

	<u>Fund</u>	<u>Agency</u>	<u>FY 2027</u>	<u>FY 2028</u>	<u>FY 2029</u>	<u>FY 2030</u>	<u>FY 2031</u>	<u>Comments</u>
	NB	Environmental Service	\$0	\$0	increase	increase	increase	Potential program costs. NB revenues increase correspondingly.
SB 720	Education – Artificial Intelligence – Guidelines, Professional Development, and Collaborative (Artificial Intelligence Ready Schools Act) (Ch. 634)							
	GF	Education	\$610,123	\$418,600	\$437,744	\$457,334	\$477,283	\$500,000 included in FY 2027 budget (contingent).
SB 728/HB 845	Higher Education – Student Financial Assistance – Alterations to Scholarship Programs (Ch. 713/Ch. 712)							
	GF	Higher Education Commission	increase	increase	increase	increase	increase	Scholarship expenditures.
	SF	Higher Education Commission	increase	increase	increase	increase	increase	Scholarship expenditures. SF revenues increase correspondingly.
SB 739/HB 1219	Climate Change, Homeowner’s Insurance, and Emergency Management – Study (Ch. 696/Ch. 697)							
	GF	Univ. Sys. of Maryland	increase	\$0	\$0	\$0	\$0	Potential implementation costs.
	HE	Univ. Sys. of Maryland	increase	\$0	\$0	\$0	\$0	Potential implementation costs. HE revenues increase correspondingly.
	SF	Energy Administration	\$100,000	\$0	\$0	\$0	\$0	Included in FY 2027 budget.
SB 757	Economic Development – Local Sourcing Database (Ch. 423)							
	GF	Commerce	\$142,936	\$91,781	\$95,064	\$98,492	\$102,068	

Legislation Affecting State Expenditures (Continued)

	<u>Fund</u>	<u>Agency</u>	<u>FY 2027</u>	<u>FY 2028</u>	<u>FY 2029</u>	<u>FY 2030</u>	<u>FY 2031</u>	<u>Comments</u>
SB 763	Maryland Technology Development Corporation – Maryland Growth Initiative – Established (Ch. 381)							
	GF	TEDCO	\$4,000,000	\$5,000,000	\$5,000,000	\$5,000,000	\$5,000,000	\$4.0 million included in FY 2027 budget (contingent). Mandated appropriation beginning in FY 2028.
	SF	TEDCO	\$4,000,000	\$5,000,000	\$5,000,000	\$5,000,000	\$5,000,000	SF revenues increase correspondingly.
SB 765/HB 1148	Property Taxes – Tax Sales, Legacy Protection Program, and Tax Credits (Ch. 719/Ch. 718)							
	GF	Assessments & Taxation	increase	\$250,000	\$250,000	\$250,000	\$250,000	Minimal program costs beginning in FY 2027 (in addition to amounts shown). Mandated appropriation of \$250,000 beginning in FY 2028. SF revenues increase correspondingly.
	SF	Assessments & Taxation	\$0	\$750,000	\$750,000	\$750,000	\$750,000	SF revenues increase correspondingly.
SB 769	University System of Maryland – Academic Facilities Bonding Authority (Ch. 601)							
	BOND	Univ. Sys. of Maryland	\$50,000,000	\$0	\$0	\$0	\$0	Included in FY 2027 capital budget. Bond revenues increase correspondingly.
	HE	Univ. Sys. of Maryland	\$0	\$4,153,000	\$4,153,000	\$4,153,000	\$4,153,000	
SB 770/HB 1473	Economic Development – Maryland’s Future Board – Establishment (Ch. 377/Ch. 378)							
	GF	Commerce	\$1,500,000	\$128,962	increase	increase	increase	Included in FY 2027 budget (contingent). Administrative costs and grant expenditures beginning in FY 2029.

Legislation Affecting State Expenditures (Continued)

	<u>Fund</u>	<u>Agency</u>	<u>FY 2027</u>	<u>FY 2028</u>	<u>FY 2029</u>	<u>FY 2030</u>	<u>FY 2031</u>	<u>Comments</u>
	GF	Comptroller	\$200,000	\$0	\$0	\$0	\$0	Included in FY 2027 budget (contingent).
	SF	Commerce	\$0	increase	increase	increase	increase	Implementation expenditures. SF revenues increase correspondingly.
SB 772	Maryland Department of Health – Employment Training and Opportunity Database (Ch. 166)							
	FF	Health	\$450,000	\$38,385	\$39,291	\$40,218	\$0	FF revenues increase correspondingly with FF expenditures.
	GF	Health	\$50,000	\$12,795	\$13,097	\$13,406	\$0	
SB 776/HB 552	Commission on the House of Reformation and Instruction for Colored Children – Establishment (Ch. 607/Ch. 608)							
	GF	Juvenile Services	\$1,050,000	increase	increase	\$0	\$0	Included in FY 2027 budget. Potential administrative expenditures (in addition to amount shown).
SB 778	Clinical Research Pharmacies and Clinical Trials – Permits and Ownership (Ch. 206)							
	SF	Health	\$85,616	\$100,530	\$105,216	\$109,975	\$114,776	Potential significant programming costs in FY 2027 only (in addition to amount shown).
SB 806/HB 1420	Health Occupations – Criminal History Records Checks (Ch. 371/Ch. 370)							
	GF	Public Safety & Correctional Services	\$0	increase	increase	increase	increase	Potential personnel costs.
SB 807	Alcoholic Beverages – Class 8 Farm Brewery Licenses (Ch. 861)							
	GF	Alcohol, Tobacco, and Cannabis Commission	\$196,687	\$236,511	\$245,736	\$255,078	\$264,482	

Legislation Affecting State Expenditures (Continued)

	<u>Fund</u>	<u>Agency</u>	<u>FY 2027</u>	<u>FY 2028</u>	<u>FY 2029</u>	<u>FY 2030</u>	<u>FY 2031</u>	<u>Comments</u>
SB 809/HB 1280	Supporting Our Caregiver Infrastructure Program – Feasibility Study (Ch. 705/Ch. 704)							
	HE	Univ. Sys. of Maryland	\$490,000	\$0	\$0	\$0	\$0	
SB 822/HB 467	Correctional Services – Maryland Parole Commission and Erroneously Convicted Individuals – Improvements in Transparency and Equity (Ch. 431/Ch. 432)							
	GF	Public Safety & Correctional Services	\$346,843	\$416,660	\$429,783	\$442,932	\$456,000	
SB 828	State Finance – Delinquent Federal Funds (Federal Obligations Enforcement Act) (Ch. 248)							
	BOND	Transportation	decrease	decrease	decrease	decrease	decrease	Potential significant reduction in capital program.
	PAYGO							
	EXP							
	GF	Comptroller	\$175,000	\$0	\$0	\$0	\$0	
	GF	Attorney General	\$485,827	\$565,867	\$591,934	\$618,328	\$644,894	
	GF/SF/FF	All or Multiple Agencies	decrease	decrease	decrease	decrease	decrease	Potential withholding of payments to federal government.
	SF	Budget & Management	increase	increase	increase	increase	increase	Potential central collection costs.
SB 829/HB 1137	Residential-in-Commercial-Zone Laws – Study (Bring Back Main Street Act) (Ch. 725/Ch. 726)							
	GF	Housing & Community Development	\$75,000	\$0	\$0	\$0	\$0	
SB 839/HB 1470	Medical Assistance Programs – Drug Dispensing – Cost-of-Dispensing Survey (Ch. 708/Ch. 709)							
	GF/FF	Health	\$81,000	\$0	\$0	\$81,000	\$0	FF revenues increase correspondingly with FF expenditures.
SB 858/HB 1369	Department of Budget and Management – Audit and Finance Compliance Unit – Establishment (Ch. 365/Ch. 364)							
	GF	Budget & Management	\$2,288,120	\$2,142,922	\$2,210,659	\$2,280,198	\$2,351,293	GF expenditures also increase by \$216,971 in FY 2026. Included in FY 2027 budget (contingent).

Legislation Affecting State Expenditures (Continued)

	<u>Fund</u>	<u>Agency</u>	<u>FY 2027</u>	<u>FY 2028</u>	<u>FY 2029</u>	<u>FY 2030</u>	<u>FY 2031</u>	<u>Comments</u>
SB 859/HB 1422	State Procurement and Personnel – Liquidated Damages Documentation Requirements and State Fiscal Leadership Capacity (Ch. 367)							
	GF/SF	All or Multiple Agencies	increase	increase	increase	increase	increase	Potential significant salary expenditures. \$4,000,000 in Dedicated Purpose Account included in FY 2027 budget.
SB 860/HB 804	Department of Aging – Aging Resilience Fund – Establishment (Ch. 16/Ch. 15)							
	SF	Aging	increase	increase	increase	increase	increase	Potential program expenditures. SF revenues increase correspondingly.
SB 864	Higher Education – Tuition Exemption for Foster Care Recipients – Eligibility (Ch. 785)							
	HE	Baltimore City Community College	increase	increase	increase	increase	increase	Additional enrollment costs.
	HE	Morgan State University	increase	increase	increase	increase	increase	Additional enrollment costs.
	HE	St. Mary’s College of Maryland	increase	increase	increase	increase	increase	Additional enrollment costs.
	HE	Univ. Sys. of Maryland	increase	increase	increase	increase	increase	Additional enrollment costs.
SB 869	Economic Development – Maryland Workforce Launch Pilot Program – Establishment (Ch. 535)							
	GF	Commerce	\$1,000,000	\$1,000,000	\$42,617	\$0	\$0	Included in FY 2027 budget (contingent).
	HE	Baltimore City Community College	increase	increase	\$0	\$0	\$0	Potential program costs. HE revenues increase correspondingly.
SB 872	Reduction of Lead Risk in Housing – Rental Dwelling Unit – Definition (Ch. 225)							
	SF	Environment	\$369,563	\$255,009	\$267,046	\$279,203	\$291,397	

Legislation Affecting State Expenditures (Continued)

	<u>Fund</u>	<u>Agency</u>	<u>FY 2027</u>	<u>FY 2028</u>	<u>FY 2029</u>	<u>FY 2030</u>	<u>FY 2031</u>	<u>Comments</u>
SB 877	Baltimore City – Stop Sign Monitoring Systems Pilot Program – 41st Legislative District (Ch. 569)							
	GF	Judiciary	\$5,938	\$0	\$0	\$0	\$0	
SB 892	Health Occupations, Public Health, and Insurance – Menopause – Provider Training Coverage Requirements, Policy Initiatives, and Access to Care (Ch. 605)							
	GF	Health	\$100,266	\$30,216	\$0	\$0	\$0	Duplicative of impact for HB 1365.
SB 905	Maryland Technology Development Corporation – Maryland Advanced Manufacturing Grant Program – Established (Ch. 379)							
	GF	TEDCO	\$775,157	\$0	\$0	\$0	\$0	
	PGO	TEDCO	\$0	\$5,000,000	\$5,000,000	\$5,000,000	\$5,000,000	
	GF							
	EXP							
	SF	TEDCO	\$5,000,000	\$5,000,000	\$5,000,000	\$5,000,000	\$5,000,000	Included in FY 2027 budget. SF revenues increase correspondingly.
SB 907/HB 1389	Public Health – Female Genital Mutilation (Ch. 28/Ch. 29)							
	GF	Health	\$39,463	\$40,866	\$17,898	\$0	\$0	
SB 941/HB 1218	Safe and Healthy Homes for All Act (Ch. 631/Ch. 632)							
	GF	Housing & Community Development	\$248,521	\$84,739	\$0	\$0	\$0	
SB 947/HB 1081	Maryland Transit Administration Reform Act (Ch. 419/Ch. 420)							
	SF	Transportation	\$319,456	\$210,511	\$242,977	\$276,210	\$310,069	Potential compensation costs (in addition to amounts shown).
SB 949	Election Law – Absentee Ballots – State and Federal Requirements (Ch. 440)							
	GF	Elections Board	\$317,000	\$0	\$182,000	\$0	\$182,000	Potential election costs in FY 2026.

Legislation Affecting State Expenditures (Continued)

	<u>Fund</u>	<u>Agency</u>	<u>FY 2027</u>	<u>FY 2028</u>	<u>FY 2029</u>	<u>FY 2030</u>	<u>FY 2031</u>	<u>Comments</u>
SB 982/HB 1616	Mutual Insurance Holding Companies – Conversion to Mutual Insurers (Ch. 687/Ch. 688)							
	SF	Insurance Administration	increase	increase	increase	increase	increase	Potential administrative costs. SF revenues increase correspondingly.
SJ 1/HJ 5	Governor’s Salary Commission – Salary Recommendations for Governor and Lieutenant Governor (JR 1/JR 3)							
	GF	Executive Dept.	\$0	\$6,796	\$13,585	\$20,935	\$28,278	
SJ 2/HJ 6	Judicial Compensation Commission – Recommendations (JR 2/JR 4)							
	GF	Judiciary	\$3,328,022	\$5,502,807	\$8,597,368	\$11,685,091	\$11,685,091	\$4,400,000 included in FY 2027 budget.
	GF	Public Defender	\$6,332	\$12,661	\$18,987	\$25,309	\$25,309	
	GF	OSP	\$6,332	\$12,661	\$18,987	\$25,309	\$25,309	
	SF	Workers’ Compensation Commission	\$63,325	\$126,614	\$189,868	\$253,092	\$253,092	
HB 3	Higher Education – Student Financial Assistance – Dependents of State or Local Public Safety Employees (Maryland Fallen Heroes Tuition Benefits Act) (Ch. 798)							
	GF	Higher Education Commission	decrease	decrease	decrease	decrease	decrease	Significant appropriations to scholarship fund. Entitlement provision terminating FY 2027.
	HE	Baltimore City Community College	decrease	decrease	decrease	decrease	decrease	Significant scholarship expenditures. HE revenues decrease correspondingly.
	HE	Morgan State University	decrease	decrease	decrease	decrease	decrease	Significant scholarship expenditures. HE revenues decrease correspondingly.

Legislation Affecting State Expenditures (Continued)

	<u>Fund</u>	<u>Agency</u>	<u>FY 2027</u>	<u>FY 2028</u>	<u>FY 2029</u>	<u>FY 2030</u>	<u>FY 2031</u>	<u>Comments</u>
	HE	St. Mary's College of Maryland	decrease	decrease	decrease	decrease	decrease	Significant scholarship expenditures. HE revenues decrease correspondingly.
	HE	Univ. Sys. of Maryland	decrease	decrease	decrease	decrease	decrease	Significant scholarship expenditures. HE revenues decrease correspondingly.
	SF	Higher Education Commission	decrease	decrease	decrease	decrease	decrease	Significant expenditures from distribution of scholarship funds to postsecondary institutions. SF revenues decrease correspondingly.
HB 6/SB 420	See entry for SB 420.							
HB 85	Corporations and Associations – Cooperative Limited Equity Housing Corporations – Establishment (Ch. 260)							
	GF	Housing & Community Development	increase	increase	increase	increase	increase	Potential administrative costs and grant expenditures.
HB 94/SB 331	See entry for SB 331.							
HB 107/SB 366	See entry for SB 366.							
HB 141	State Personnel – Collective Bargaining – Graduate Assistants (Ch 774)							
	HE	Univ. Sys. of Maryland	\$0	\$0	increase	increase	increase	Minimal RF expenditures for collective bargaining expenses and potential salary expenditures.

Legislation Affecting State Expenditures (Continued)

	<u>Fund</u>	<u>Agency</u>	<u>FY 2027</u>	<u>FY 2028</u>	<u>FY 2029</u>	<u>FY 2030</u>	<u>FY 2031</u>	<u>Comments</u>
	RF	Public Employee Relations Bd.	\$0	\$0	increase	increase	increase	Minimal administrative costs. RF revenues increase correspondingly.
HB 149	Fire Prevention – Assistant Fire Marshals, Residential Rental High-Rise Property Fire Safety Equipment, and Fire Alarm System Technicians (Ch. 422)							
	GF	All or Multiple Agencies	\$311,064	\$231,361	\$242,370	\$253,453	\$264,527	
HB 187/SB 320	See entry for SB 320.							
HB 193/SB 213	See entry for SB 213.							
HB 216/SB 140	See entry for SB 140.							
HB 229/SB 188	See entry for SB 188.							
HB 231/SB 207	See entry for SB 207.							
HB 246	Video Tolls – Class G (Trailer) Vehicles – Liability (Ch. 482)							
	SF	Budget & Management	increase	increase	increase	increase	increase	Administrative costs.
HB 248/SB 87	See entry for SB 87.							
HB 250	Environment – Appropriation or Use of Water and Dam Safety – Enforcement (Ch. 273)							
	GF	Environment	(\$250,000)	decrease	decrease	decrease	decrease	Included in FY 2027 budget (contingent). Program costs.
	SF	Environment	\$250,000	increase	increase	increase	increase	Included in FY 2027 budget (contingent). Program costs.

Legislation Affecting State Expenditures (Continued)

	<u>Fund</u>	<u>Agency</u>	<u>FY 2027</u>	<u>FY 2028</u>	<u>FY 2029</u>	<u>FY 2030</u>	<u>FY 2031</u>	<u>Comments</u>
HB 254	Supporting Inclusive Community Adaptation Act (Ch. 76)							
	PGO	Natural Resources	\$0	increase	increase	increase	increase	Potential grant expenditures.
	GF							
	EXP							
HB 259/SB 43	See entry for SB 43.							
HB 264	Maryland Data Privacy and Protection Act of 2026 (Ch. 435)							
	GF/SF	All or Multiple Agencies	increase	increase	increase	increase	increase	Potential administrative costs.
HB 281	Family Law – Child Care Providers – Criminal Background Investigations (Ch. 266)							
	GF	Human Services	increase	increase	increase	increase	\$0	Potential administrative costs.
HB 340/SB 238	See entry for SB 238.							
HB 343	Housing Development Projects – Housing Counseling Services (Ch. 64)							
	GF	Housing & Community Development	\$0	\$90,000	\$90,000	\$90,000	\$90,000	Mandated appropriation beginning in FY 2028.
HB 393/SB 272	See entry for SB 272.							
HB 396/SB 402	See entry for SB 402.							
HB 429/SB 599	See entry for SB 599.							
HB 446/SB 555	See entry for SB 555.							
HB 457	Institutions of Higher Education – Provision of Menstrual Hygiene Products – Requirement (Ch. 722)							
	HE	All or Multiple Agencies	\$0	\$0	increase	increase	increase	Potential implementation costs.
HB 461	Economic Development – Rural Readiness Program and Rural Maryland Capacity Building Fund – Establishment (Ch. 543)							
	GF	Agriculture	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	
	SF	Agriculture	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	SF revenues increase correspondingly.

Legislation Affecting State Expenditures (Continued)

	<u>Fund</u>	<u>Agency</u>	<u>FY 2027</u>	<u>FY 2028</u>	<u>FY 2029</u>	<u>FY 2030</u>	<u>FY 2031</u>	<u>Comments</u>
HB 467/SB 822	See entry for SB 822.							
HB 470/SB 376	See entry for SB 376.							
HB 492/SB 544	See entry for SB 544.							
HB 493	Washington County – Judgeships – District Court (Ch. 474)							
	GF	Judiciary	\$423,537	\$525,904	\$543,614	\$561,783	\$571,791	\$442,267 included in FY 2027 budget.
HB 535	Food Establishments – Cottage Food Businesses – Maximum Annual Revenue (Ch. 320)							
	GF	Health	\$52,434	\$59,029	\$61,934	\$64,827	\$67,684	
HB 552/SB 776	See entry for SB 776.							
HB 557	Occupational Licensing and Certification – Criminal History – Predetermination Review Process (Ch. 302)							
	SF	Agriculture	\$20,000	\$0	\$0	\$0	\$0	
	SF	Labor	\$30,814	\$22,510	\$23,452	\$0	\$0	
HB 561/SB 467	See entry for SB 467.							
HB 578/SB 431	See entry for SB 431.							
HB 604/SB 28	See entry for SB 28.							
HB 607/SB 312	See entry for SB 312.							
HB 608/SB 313	See entry for SB 313.							
HB 613	Department of the Environment – Waivers for Living Shorelines and Nonstructural Shoreline Stabilization Measures – Regulations and Scoring System (Ch. 321)							
	GF/SF	All or Multiple Agencies	increase	increase	increase	increase	increase	Potential project costs.
HB 619/SB 333	See entry for SB 333.							
HB 623/SB 709	See entry for SB 709.							

Legislation Affecting State Expenditures (Continued)

	<u>Fund</u>	<u>Agency</u>	<u>FY 2027</u>	<u>FY 2028</u>	<u>FY 2029</u>	<u>FY 2030</u>	<u>FY 2031</u>	<u>Comments</u>
HB 625/SB 585	See entry for SB 585.							
HB 660/SB 410	See entry for SB 410.							
HB 671/SB 340	See entry for SB 340.							
HB 680/SB 668	See entry for SB 668.							
HB 698/SB 413	See entry for SB 413.							
HB 711	Data Privacy – Consumer Data, Public Records, and Message Switching System (Data Privacy Act) (Ch. 874)							
	GF	Judiciary	increase	increase	increase	increase	increase	Potential significant personnel and programming costs.
HB 720/SB 7	See entry for SB 7.							
HB 730/SB 415	See entry for SB 415.							
HB 738/SB 651	See entry for SB 651.							
HB 742/SB 503	See entry for SB 503.							
HB 753	Tax Sales – Homeowner Protections – Revisions (Ch. 777)							
	SF	Assessments & Taxation	increase	increase	increase	increase	increase	Potential program expenditures.
HB 769/SB 18	See entry for SB 18.							
HB 772	Behavioral Health Rate Methodology Modernization – Workgroup Establishment and Study (Ch. 219)							
	GF	Health	\$181,699	\$158,511	\$0	\$0	\$0	Duplicative of impact for SB 39.
	SF	Health	\$210,275	\$197,587	increase	increase	increase	Potential personnel costs beginning in FY 2029. Duplicative of impact for SB 39.
HB 804/SB 860	See entry for SB 860.							

Legislation Affecting State Expenditures (Continued)

	<u>Fund</u>	<u>Agency</u>	<u>FY 2027</u>	<u>FY 2028</u>	<u>FY 2029</u>	<u>FY 2030</u>	<u>FY 2031</u>	<u>Comments</u>
HB 809	Walter Sondheim Jr. Public Service Internship Scholarship Program – Funding (Ch. 780)							
	GF	Univ. Sys. of Maryland	\$0	\$87,500	\$87,500	\$87,500	\$87,500	Mandated appropriation beginning in fiscal 2028.
HB 822	Circuit Court Clerks and Registers of Wills – Maximum Salary (Ch. 565)							
	GF	Judiciary	\$403,827	\$692,274	\$692,274	\$692,274	\$692,274	\$651,929 included in FY 2027 budget.
HB 829/SB 473	See entry for SB 473.							
HB 833/SB 553	See entry for SB 553.							
HB 838/SB 562	See entry for SB 562.							
HB 845/SB 728	See entry for SB 728.							
HB 849	Child Care Scholarship Program – Freeze in Enrollment – Exceptions and Waitlist (Ch. 594)							
	GF	Education	\$350,000	\$0	\$0	\$0	\$0	Included in FY 2027 budget.
HB 852/SB 285	See entry for SB 285.							
HB 854	School Construction – Nonpublic Special Education School Renovation Program – Established (Ch. 768)							
	GF	Education	\$76,270	\$131,990	\$138,042	\$144,230	\$150,523	
	GF	School Construction	\$68,896	\$118,171	\$123,622	\$129,183	\$134,820	
HB 856/SB 648	See entry for SB 648.							
HB 894	Land Use – Transit-Oriented Development – Alterations (Maryland Transit and Housing Opportunity Act) (Ch. 592)							
	GF	Assessments & Taxation	\$0	increase	increase	increase	increase	Potential tax credit expenditures.
	SF	Transportation	increase	increase	increase	increase	increase	Potential consultant costs.

Legislation Affecting State Expenditures (Continued)

	<u>Fund</u>	<u>Agency</u>	<u>FY 2027</u>	<u>FY 2028</u>	<u>FY 2029</u>	<u>FY 2030</u>	<u>FY 2031</u>	<u>Comments</u>
HB 895	Food Retailers and Third-Party Delivery Service Providers – Dynamic Pricing and Personal Data (Protection From Predatory Pricing Act) (Ch. 154)							
	GF	Attorney General	increase	increase	increase	increase	\$0	Potential personnel costs.
HB 896	Military Department – National Guard State Active Duty Mobilization Fund (Ch. 481)							
	GF	Military Dept.	increase	\$0	\$0	\$0	\$0	Potential implementation costs.
	SF	Military Dept.	increase	increase	increase	increase	increase	Potential implementation costs. SF revenues increase correspondingly.
HB 898/SB 388	See entry for SB 388.							
HB 904/SB 516	See entry for SB 516.							
HB 919/SB 657	See entry for SB 657.							
HB 925/SB 719	See entry for SB 719.							
HB 933/SB 644	See entry for SB 644.							
HB 956	Condominiums – Buildings More Than 40 Years Old – Study (Ch. 779)							
	GF	Housing & Community Development	\$75,000	\$0	\$0	\$0	\$0	
HB 972	Maryland Fair and Agricultural Education Promise Fund – Establishment (Charles J. Otto Agricultural Education Promise Act) (Ch. 163)							
	GF	Agriculture	\$0	\$200,000	\$200,000	\$200,000	\$200,000	Mandated appropriation beginning in FY 2028.
	SF	Agriculture	\$0	\$200,000	\$200,000	\$200,000	\$200,000	Mandated distributions beginning in FY 2028. SF revenues increase correspondingly.

Legislation Affecting State Expenditures (Continued)

	<u>Fund</u>	<u>Agency</u>	<u>FY 2027</u>	<u>FY 2028</u>	<u>FY 2029</u>	<u>FY 2030</u>	<u>FY 2031</u>	<u>Comments</u>
HB 980	Family Law and Human Services – Guardianship Assistance Program and State Foster Youth Ombudsman – Establishment (Kanaiyah’s Law) (Ch. 158)							
	GF	Human Services	\$0	\$37,500	\$50,000	\$50,000	\$50,000	
HB 994	Business Regulation – Travel Services – Special Fund, Fees, and Surety Requirement (Don’t You Worry (Wurie) Act) (Ch. 611)							
	GF	Labor	\$5,513	\$0	\$0	\$0	\$0	
	SF	Labor	\$106,513	\$95,405	\$99,867	\$104,394	\$108,952	SF revenues partially correspond.
HB 1076/SB 532	See entry for SB 532.							
HB 1081/SB 947	See entry for SB 947.							
HB 1109	Public Health Reform Act (Ch. 190)							
	GF	Legislative Services	increase	increase	\$0	\$0	\$0	Potential administrative costs.
	GF/SF	Health	increase	increase	increase	increase	increase	Appropriations to the Public Health Workforce Development Fund.
	HE	All or Multiple Agencies	increase	increase	\$0	\$0	\$0	Potential administrative costs.
	SF	Health	increase	increase	increase	increase	increase	Expenditures correspond with GF/SF appropriations to the fund.
HB 1120/SB 418	See entry for SB 418.							
HB 1137/SB 829	See entry for SB 829.							
HB 1148/SB 765	See entry for SB 765.							
HB 1149	State Finance – Claims of the State – Settlement (Ch. 311)							
	GF	Comptroller	\$74,124	\$86,173	\$90,235	\$94,342	\$98,462	

Legislation Affecting State Expenditures (Continued)

	<u>Fund</u>	<u>Agency</u>	<u>FY 2027</u>	<u>FY 2028</u>	<u>FY 2029</u>	<u>FY 2030</u>	<u>FY 2031</u>	<u>Comments</u>
	SF	Transportation	increase	increase	increase	increase	increase	Potential grant expenditures.
HB 1165/SB 673	See entry for SB 673.							
HB 1181	Family Law – Children in Out-of-Home Placement – Voluntary Placement Agreements (Ch. 159)							
	GF	Human Services	\$94,709	\$111,890	\$117,069	\$122,345	\$127,684	
HB 1218/SB 941	See entry for SB 941.							
HB 1219/SB 739	See entry for SB 739.							
HB 1252	Department of Housing and Community Development – Montgomery County Study MC 19-26 (Ch. 582)							
	GF	Housing & Community Development	\$50,000	\$50,000	\$50,000	\$0	\$0	
HB 1280/SB 809	See entry for SB 809.							
HB 1284	Residential Service Agencies – Private Duty Nursing – On-Site Nurse Training Programs (Ch. 217)							
	GF	Health	\$152,296	\$180,620	\$188,943	\$197,437	\$206,052	
	FF	Health	\$52,561	\$62,449	\$65,321	\$68,255	\$71,233	Medicaid expenditures. FF revenues increase correspondingly with FF expenditures.
HB 1321	Child Care Scholarship Program – Application Process and Copays – Alterations (Ch. 595)							
	GF	Education	\$749,736	\$118,171	\$123,622	\$129,183	\$134,820	\$650,000 included in FY 2027 budget.
HB 1330	Homeowners’ Property Tax Credit – Year–Round Application (Ch. 782)							
	GF	Assessments & Taxation	\$0	increase	increase	increase	increase	Homeowner property tax credit expenditures.
HB 1335	Department of Information Technology – Information Technology Staffing and Capability Assessment – Independent Study (Ch. 871)							
	GF	Information Technology	\$250,000	\$250,000	\$0	\$0	\$0	Included in budget (contingent).

Legislation Affecting State Expenditures (Continued)

	<u>Fund</u>	<u>Agency</u>	<u>FY 2027</u>	<u>FY 2028</u>	<u>FY 2029</u>	<u>FY 2030</u>	<u>FY 2031</u>	<u>Comments</u>
HB 1365	Health Occupations, Public Health, and Insurance – Menopause – Provider Training Coverage Requirements, Policy Initiatives, and Access to Care (Ch. 606)							
	GF	Health	\$100,266	\$30,216	\$0	\$0	\$0	
HB 1367	Commission on Re-Imagining Health Care in Maryland (Ch. 244)							
	SF	Health	increase	increase	increase	increase	\$0	Administrative costs.
HB 1369/SB 858	See entry for SB 858.							
HB 1376	Maryland Medical Assistance Program, Maryland Children’s Health Program, and Health Insurance – Transfers to Special Pediatric Hospitals – Requirements (Ch. 325)							
	GF/FF	Health	increase	increase	increase	increase	increase	Medicaid expenditures. FF revenues increase correspondingly with FF expenditures.
HB 1387/SB 637	See entry for SB 637.							
HB 1389/SB 907	See entry for SB 907.							
HB 1400/SB 166	See entry for SB 166.							
HB 1420/SB 806	See entry for SB 806.							
HB 1422/SB 859	See entry for SB 859.							
HB 1430	Maryland Public Charter School Program – School Facilities – Funding (Ch. 767)							
	GF	School Construction	\$116,835	\$5,170,141	\$5,226,828	\$5,284,168	\$5,342,134	Mandated appropriation beginning in FY 2028.
HB 1452	Economic Development – Prince George’s County Suitland Development Authority – Established (Ch. 458)							
	GF	New Agency	\$10,000,000	\$10,000,000	\$10,000,000	\$10,000,000	\$10,000,000	Mandated appropriation beginning in FY 2028.
	SF	New Agency	\$10,000,000	\$10,000,000	\$10,000,000	\$10,000,000	\$10,000,000	SF revenues increase correspondingly.
HB 1457/SB 715	See entry for SB 715.							

Legislation Affecting State Expenditures (Continued)

	<u>Fund</u>	<u>Agency</u>	<u>FY 2027</u>	<u>FY 2028</u>	<u>FY 2029</u>	<u>FY 2030</u>	<u>FY 2031</u>	<u>Comments</u>
HB 1470/SB 839	See entry for SB 839.							
HB 1473/SB 770	See entry for SB 770.							
HB 1530	Higher Education – Undocumented Students – Out-of-State Tuition Exemption Eligibility (Ch. 799)							
	GF	Higher Education Commission	\$0	\$0	increase	increase	increase	Community college funding formula costs.
HB 1532	Utility RELIEF (Reducing Energy Load Inflation for Everyday Families) Act (Ch. 353)							
	GF	Housing & Community Development	\$0	\$0	\$0	increase	\$0	Potential use of GF to retain existing personnel.
	GF	Natural Resources	decrease	decrease	decrease	decrease	\$0	Potential reduction in use of GF to support Power Plant Research Program.
	GF	Natural Resources	\$446,069	\$357,047	\$364,372	\$371,818	\$0	GF expenditures also increase by \$11,298 in FY 2026. Potential administrative costs (in addition to amounts shown).
	SF	Natural Resources	\$446,069	\$357,047	\$364,372	\$371,818	\$0	SF expenditures also increase by \$11,298 in FY 2026. Potential administrative costs (in addition to amounts shown).
	GF/SF	Environment	\$0	increase	increase	increase	\$0	Potential significant personnel costs.
	GF/SF/FF	All or Multiple Agencies	decrease	decrease	decrease	decrease	\$0	Potential significant effect on direct State expenditures for electricity.

Legislation Affecting State Expenditures (Continued)

<u>Fund</u>	<u>Agency</u>	<u>FY 2027</u>	<u>FY 2028</u>	<u>FY 2029</u>	<u>FY 2030</u>	<u>FY 2031</u>	<u>Comments</u>
HE	All or Multiple Agencies	decrease	decrease	decrease	decrease	\$0	Potential significant effect on direct State expenditures for electricity.
NB	Md. Clean Energy Center	\$140,000	\$5,000,000	increase	increase	\$0	Potential loan program expenditures beyond FY 2028. NB revenues increase correspondingly.
SF	Comptroller	\$150,000	\$0	\$0	\$0	\$0	Included in FY 2027 budget.
SF	Housing & Community Development	\$0	increase	increase	-/(-)	\$0	Beginning in FY 2028, increased EmPOWER Maryland Program expenditures. Beginning in FY 2030, potential reallocation of EmPOWER expenditures to third-party administrator. SF revenues correspond.
SF	Human Services	increase	increase	increase	increase	\$0	Potential Electric Universal Service Program expenditures. SF revenues increase correspondingly.
SF	Natural Resources	\$3,000,000	\$5,000,000	\$5,000,000	\$5,000,000	\$0	Included in FY 2027 budget (contingent). Mandated appropriation beginning in FY 2028.

Legislation Affecting State Expenditures (Continued)

<u>Fund</u>	<u>Agency</u>	<u>FY 2027</u>	<u>FY 2028</u>	<u>FY 2029</u>	<u>FY 2030</u>	<u>FY 2031</u>	<u>Comments</u>
SF	Energy Administration	\$174,790,000	\$114,000,000	\$9,000,000	\$9,000,000	\$0	\$174,650,000 included in FY 2027 budget (contingent). Mandated appropriations beginning in FY 2028. SF expenditures also increase by \$9,406 in FY 2026. Potential administrative costs (in addition to amounts shown). SF revenues increase correspondingly.
SF	People's Counsel	\$105,510	\$57,905	increase	increase	\$0	
SF	Public Service Commission	\$139,575,510	\$1,010,173	\$1,033,932	\$1,058,065	\$0	
SF	School Construction	\$18,850,000	\$0	\$0	\$0	\$0	
HB 1533/SB 656 See entry for SB 656.							
HB 1540 University of Maryland Capital Region Medical Center – Funding – Repeal of Termination Date (Ch. 797)							
GF	University of Maryland Medical System	\$0	\$0	\$10,000,000	\$10,000,000	\$10,000,000	Mandated appropriation beginning FY 2028.

Legislation Affecting State Expenditures (Continued)

	<u>Fund</u>	<u>Agency</u>	<u>FY 2027</u>	<u>FY 2028</u>	<u>FY 2029</u>	<u>FY 2030</u>	<u>FY 2031</u>	<u>Comments</u>
HB 1554	Sales and Use Tax – Electricity for Agriculture Purposes – Study and Report (Ch. 783)							
	GF	Comptroller	increase	\$0	\$0	\$0	\$0	Potential study costs.
HB 1557	Procurement – Real Estate Advisory Committee and Property Acquisition and Lease Requirements (Ch. 368)							
	GF	General Services	\$90,008	\$106,017	\$110,941	\$115,950	\$121,011	
HB 1559	Children in Unlicensed Settings and Pediatric Hospital Overstay Patients – Placement (Ch. 160)							
	GF	Executive Dept.	\$204,626	\$241,536	\$252,329	\$152,827	\$121,011	Included in FY 2027 budget.
HB 1581	Economic Development – Horse Racing Facilities, Prince George’s County Blue Line Corridor Facilities, and Bus Rapid Transit – Alterations (Ch. 376)							
	GF	Stadium Authority	\$0	\$5,000,000	increase	increase	increase	Mandated appropriation in FY 2028. Potential personnel and administrative expenditures beginning in FY 2028 (in addition to amount shown).
	NB	Stadium Authority	\$14,000,000	\$19,000,000	\$14,000,000	\$14,000,000	\$14,000,000	NB revenues increase correspondingly.
	SF	Transportation	\$0	\$2,000,000	\$2,000,000	\$2,000,000	\$2,000,000	Transportation Trust Fund. Alters existing mandated distribution beginning in FY 2028 to Bus Rapid Transit fund.
	SF	MEDCO	\$0	\$2,000,000	\$2,000,000	\$2,000,000	\$2,000,000	Purse Dedication Account. Mandated appropriation beginning in FY 2028.
	SF	Other	\$0	\$2,000,000	\$2,000,000	\$2,000,000	\$2,000,000	Bus Rapid Transit Fund. SF revenues increase correspondingly.

Legislation Affecting State Expenditures (Continued)

	<u>Fund</u>	<u>Agency</u>	<u>FY 2027</u>	<u>FY 2028</u>	<u>FY 2029</u>	<u>FY 2030</u>	<u>FY 2031</u>	<u>Comments</u>
HB 1587	Gaming – Operation of Electronic Instant Bingo Machines and Report by State Lottery and Gaming Control Agency (Ch. 669)							
	GF	Lottery Agency	\$100,000	\$0	\$0	\$0	\$0	
HB 1599/SB 558	See entry for SB 558.							
HB 1616/SB 982	See entry for SB 982.							
HJ 5/SJ 1	See entry for SJ 1.							
HJ 6/SJ 2	See entry for SJ 2.							

Quantifiable Expenditures by Agency

<u>Agency</u>	<u>Fund</u>	<u>FY 2027</u>	<u>FY 2028</u>	<u>FY 2029</u>	<u>FY 2030</u>	<u>FY 2031</u>
Aging	SF	\$0	\$2,000,000	\$2,000,000	\$2,000,000	\$2,000,000
Agriculture	GF	\$2,027,543	\$566,807	\$794,124	\$804,338	\$814,517
	SF	\$50,000	\$300,000	\$300,000	\$300,000	\$300,000
All or Multiple Agencies	GF	\$311,064	\$231,361	\$242,370	\$253,453	\$264,527
Archives	GF	\$0	\$0	\$64,748	\$0	\$0
Assessments & Taxation	GF	\$0	\$250,000	\$250,000	\$250,000	\$250,000
	SF	\$0	\$750,000	\$750,000	\$750,000	\$750,000
Alcohol, Tobacco, and Cannabis Commission	GF	\$196,687	\$236,511	\$245,736	\$255,078	\$264,482
Attorney General's Office	GF	\$791,345	\$931,097	\$976,694	\$1,022,951	\$1,069,626
Baltimore City Community College	GF	(\$713,762)	(\$713,762)	(\$717,968)	\$0	\$0
Board of Public Works	GF	(\$1,500,000)	(\$1,500,000)	(\$1,500,000)	(\$1,500,000)	(\$1,500,000)
	SF	\$1,500,000	\$1,500,000	\$1,500,000	\$1,500,000	\$1,500,000
Budget & Management	GF	\$2,288,120	\$2,142,922	\$2,210,659	\$2,280,198	\$2,351,293
Commerce	GF	(\$5,357,064)	\$1,220,743	\$137,681	\$98,492	\$102,068

Quantifiable Expenditures by Agency (Continued)

<u>Agency</u>	<u>Fund</u>	<u>FY 2027</u>	<u>FY 2028</u>	<u>FY 2029</u>	<u>FY 2030</u>	<u>FY 2031</u>
Comptroller						
	GF	\$507,448	\$142,666	\$155,519	\$168,463	\$181,416
	SF	\$275,051	(\$1,137,263)	\$974,141	\$132,705	\$135,359
Correctional Ombudsman						
	GF	\$51,822	\$86,173	\$90,235	\$94,342	\$98,462
Crime Prevention and Policy						
	GF	\$0	\$0	\$1,000,000	\$0	\$0
Education						
	GF	(\$34,257,023)	\$517,942,375	\$142,450,388	\$47,607,698	(\$9,768,807)
	SF	\$225,104,126	(\$236,415,936)	(\$1,924,626)	(\$2,001,582)	(\$2,081,563)
Election Board						
	GF	\$317,000	\$0	\$182,000	\$0	\$0
Emergency Management						
	GF	(\$263,077)	(\$267,238)	(\$265,375)	(\$310,675)	(\$310,675)
	SF	\$1,470,113	\$1,470,113	\$1,470,113	\$1,470,113	\$1,470,113
	FF	(\$1,165,530)	(\$1,165,530)	(\$1,165,530)	(\$1,165,530)	(\$1,165,530)
Energy Administration						
	SF	\$196,934,200	\$114,000,000	\$9,000,000	\$9,000,000	\$0
Environment						
	GF	(\$180,166)	\$151,607	\$162,294	\$173,111	\$183,971
	SF	(\$39,712,200)	(\$10,120,668)	\$9,894,155	\$9,909,154	\$9,924,247
Executive Department						
	GF	\$204,626	\$248,332	\$265,914	\$173,762	\$649,289
General Services						
	GF	\$90,008	\$106,017	\$110,941	\$115,950	\$121,011
	SF	\$20,000,000	\$0	\$0	\$0	\$0

Quantifiable Expenditures by Agency (Continued)

<u>Agency</u>	<u>Fund</u>	<u>FY 2027</u>	<u>FY 2028</u>	<u>FY 2029</u>	<u>FY 2030</u>	<u>FY 2031</u>
Health						
	GF	(\$41,271,728)	\$3,488,701	\$164,193	(\$1,364,275)	\$2,830,397
	SF	\$40,961,950	(\$536,627)	\$2,428,287	\$4,015,939	(\$696,357)
	FF	\$14,543,061	\$100,834	\$104,612	\$148,973	\$71,233
Higher Education Commission						
	GF	(\$30,520,033)	(\$12,357,330)	(\$14,384,510)	(\$5,036,630)	(\$4,273,343)
	SF	\$0	(\$250,000)	(\$250,000)	(\$250,000)	(\$250,000)
Housing & Community Development						
	GF	\$264,848	\$29,592	(\$59,050)	(\$113,031)	(\$117,092)
	SF	\$191,321	\$195,147	\$199,050	\$203,031	\$207,092
Human Services						
	GF	(\$5,016,334)	(\$4,548,511)	(\$4,442,314)	(\$4,752,569)	(\$4,876,169)
	SF	(\$64,473)	\$0	\$0	\$0	\$0
	FF	(\$1,289,450)	(\$717,068)	(\$327,238)	(\$715,524)	(\$735,204)
Information Technology						
	GF	(\$59,064,476)	\$250,000	\$0	\$0	\$0
	SF	\$0	\$0	\$0	\$0	\$0
Judiciary						
	GF	\$10,017,206	\$6,875,985	\$9,988,256	\$13,094,148	\$13,104,156
Juvenile Services						
	GF	\$1,050,000	\$0	\$0	\$0	\$0
Labor						
	GF	(\$222,899)	(\$389,924)	(\$227,409)	(\$214,749)	(\$202,031)
	SF	\$199,557	\$171,422	\$137,319	\$118,394	\$108,952
Lottery Agency						
	GF	\$100,000	\$0	\$0	\$0	\$0
Maryland Agricultural and Resourced-Based Industry Development Corporation						
	NB	\$2,675,000	\$0	\$0	\$0	\$0

Quantifiable Expenditures by Agency (Continued)

<u>Agency</u>	<u>Fund</u>	<u>FY 2027</u>	<u>FY 2028</u>	<u>FY 2029</u>	<u>FY 2030</u>	<u>FY 2031</u>
Maryland Clean Energy Center	NB	\$2,490,400	\$5,000,000	\$0	\$0	\$0
Maryland Commission on Civil Rights	GF	\$67,766	\$78,228	\$81,946	\$85,692	\$89,436
Maryland Economic Development Corporation	GF	\$7,000,000	\$7,000,000	\$7,000,000	\$7,000,000	\$0
	SF	\$0	\$2,000,000	\$2,000,000	\$2,000,000	\$2,000,000
Maryland Library Agency	GF	(\$722,970)	\$1,251,761	\$3,290,874	\$5,200,218	\$7,342,185
Natural Resources¹	GF	(\$5,916,413)	(\$453,239)	(\$462,120)	(\$471,204)	(\$859,882)
	SF	\$7,827,754	\$11,167,333	\$11,190,864	\$11,214,840	\$5,859,882
New Agency – Prince George's County Suitland Development Authority	GF	\$10,000,000	\$10,000,000	\$10,000,000	\$10,000,000	\$10,000,000
	SF	\$10,000,000	\$10,000,000	\$10,000,000	\$10,000,000	\$10,000,000
People's Council	SF	\$105,510	\$57,905	\$0	\$0	\$0
Planning	GF	\$118,471	(\$139,323)	(\$142,109)	(\$144,951)	(\$147,850)
	SF	\$136,591	\$139,323	\$142,109	\$144,951	\$147,850
Public Defender	GF	\$6,332	\$12,661	\$18,987	\$25,309	\$25,309
Public Safety & Correctional Services	GF	\$346,843	\$416,660	\$429,783	\$442,932	\$456,000
Public Service Commission	SF	\$139,585,510	\$1,010,173	\$1,033,932	\$1,058,065	\$0

Quantifiable Expenditures by Agency (Continued)

<u>Agency</u>	<u>Fund</u>	<u>FY 2027</u>	<u>FY 2028</u>	<u>FY 2029</u>	<u>FY 2030</u>	<u>FY 2031</u>
Reserve Fund						
	GF	(\$465,787,611)	\$0	\$0	\$0	\$0
	SF	\$42,000,000	\$0	\$0	\$0	\$0
School Construction						
	GF	\$185,731	\$5,288,312	\$5,350,450	\$5,413,351	\$5,476,954
	SF	(\$159,615,596)	\$0	\$0	\$0	\$0
Secretary of State						
	GF	\$0	\$2,265	\$4,528	\$6,790	\$9,049
Stadium Authority						
	GF	\$0	\$5,000,000	\$0	\$0	\$0
	NB	\$14,000,000	\$19,000,000	\$14,000,000	\$14,000,000	\$14,000,000
Service & Civic Innovation						
	GF	(\$8,138,340)	(\$9,155,633)	\$0	\$0	\$0
	SF	(\$8,138,340)	(\$9,155,633)	\$0	\$0	\$0
Social and Economic Mobility						
	GF	(\$5,000,000)	(\$5,000,000)	(\$5,000,000)	\$0	\$0
	SF	\$5,000,000	\$5,000,000	\$5,000,000	\$0	\$0
State Police						
	GF	(\$4,939,128)	(\$5,529,046)	(\$5,558,661)	(\$57,957)	(\$57,101)
	SF	\$5,500,000	\$5,500,000	\$5,500,000	\$0	\$0
State Prosecutor						
	GF	\$6,332	\$12,661	\$18,987	\$25,309	\$25,309
TEDCO						
	GF	\$4,775,157	\$5,000,000	\$5,000,000	\$5,000,000	\$5,000,000
	GF - PAYGO	\$0	\$5,000,000	\$5,000,000	\$5,000,000	\$5,000,000
	SF	\$9,000,000	\$10,000,000	\$10,000,000	\$10,000,000	\$10,000,000

Quantifiable Expenditures by Agency (Continued)

<u>Agency</u>	<u>Fund</u>	<u>FY 2027</u>	<u>FY 2028</u>	<u>FY 2029</u>	<u>FY 2030</u>	<u>FY 2031</u>
Transportation²	SF	\$5,162,944	\$7,315,509	\$6,477,815	\$5,664,795	\$4,784,572
Treasurer	GF	\$0	\$2,832	\$5,661	\$8,487	\$11,311
University of Maryland Medical System	GF	\$0	\$0	\$10,000,000	\$10,000,000	\$10,000,000
University System of Maryland	GF	\$19,405,712	\$2,822,345	(\$4,653,790)	(\$3,008,858)	(\$955,454)
	HE	\$990,000	\$4,278,000	\$4,278,000	\$4,153,000	\$4,153,000
	BOND	\$50,000,000	\$0	\$0	\$0	\$0
	SF	(\$18,905,712)	(\$2,609,845)	\$4,866,290	\$3,096,358	\$1,042,954
Workers' Compensation Commission	SF	\$85,650	\$148,926	\$212,168	\$275,381	\$275,381

Totals by Fund Type/Summary of Quantifiable Expenditure Effects

<u>Fund Type</u>	<u>FY 2027</u>	<u>FY 2028</u>	<u>FY 2029</u>	<u>FY 2030</u>	<u>FY 2031</u>
GF ¹	(\$608,740,963)	\$531,734,608	\$163,279,662	\$92,625,173	\$37,652,364
GF – PAYGO	\$0	\$5,000,000	\$5,000,000	\$5,000,000	\$5,000,000
FF	\$12,088,081	(\$1,781,764)	(\$1,388,156)	(\$1,732,081)	(\$1,829,501)
SF ^{1,2}	\$484,653,956	(\$87,500,121)	\$82,901,617	\$70,602,144	\$47,478,482
BOND	\$50,000,000	\$0	\$0	\$0	\$0
NB	\$19,165,400	\$24,000,000	\$14,000,000	\$14,000,000	\$14,000,000
HE	\$990,000	\$4,278,000	\$4,278,000	\$4,153,000	\$4,153,000

¹ Assumes that certain Department of Natural Resources expenditures associated with the implementation of HB 1532 (Ch. 353) consist of 50% general funds and 50% special funds.

² Maryland Department of Transportation special fund expenditures shown include Bus Rapid Transit Fund expenditures associated with HB 1581 (Ch. 376).

Quantifiable Regular Positions Needed by Agency

<u>Agency</u>	<u>Fund</u>	<u>Beginning in FY 2027</u>	<u>Beginning in FY 2028</u>
Agriculture	GF	1.5	1
Alcohol, Tobacco, and Cannabis Commission	GF	2.0	0
Attorney General's Office	GF	9.0	0
Budget & Management	GF	9.0	0
Comptroller	GF	3.0	0
	SF	1.0	-5.0
Correctional Ombudsman	GF	1.0	0
Education	GF	5.5	0
Environment	GF	3.0	0
	SF	3.0	0
	GF	1.0	0
General Services	GF	1.0	0

Quantifiable Regular Positions Needed by Agency (Continued)

<u>Agency</u>	<u>Fund</u>	<u>Beginning in FY 2027</u>	<u>Beginning in FY 2028</u>
Higher Education Commission	GF	1.5	0
Human Services	GF	1.0	0
Judiciary	GF	2.0	0
Labor	GF	2.5	0
Maryland Commission on Civil Rights	GF	1.0	0
Maryland Department of Health	GF	3	1
	SF	3	0
	GF/FF	1	0
Natural Resources	GF/SF	2.5	0
Planning	SF	2.0	0
Public Safety & Correctional Services	GF	4.0	0

Quantifiable Regular Positions Needed by Agency (Continued)

<u>Agency</u>	<u>Fund</u>	<u>Beginning in FY 2027</u>	<u>Beginning in FY 2028</u>
Public Service Commission	SF	4.0	0
School Construction	GF	2.0	0
State Police	GF	5.0	0
Transportation	SF	10.0	0
Total		84.5	-3.0

Quantifiable Contractual Positions Needed by Agency

<u>Agency</u>	<u>Fund</u>	<u>Beginning in FY 2027</u>	<u>Beginning in FY 2028</u>
Department of Commerce	GF	3.0	0
Emergency Management	GF	0.5	0
Energy Administration	SF	2.0	0
Executive Department	GF	1.0	0
Labor	SF	1.5	0
Maryland Department of Health	GF	5.5	(1.0)
Higher Education Commission	GF	0.5	(0.5)
Housing & Community Development	GF	2.0	(2.0)
Judiciary	GF	2.0	0

Quantifiable Contractual Positions Needed by Agency (Continued)

<u>Agency</u>	<u>Fund</u>	<u>Beginning in FY 2027</u>	<u>Beginning in FY 2028</u>
Natural Resources	GF/SF	(2.0)	0
State Police	GF	1.0	(1.0)
Total		17.0	(4.5)

Chapter 4. Local Government

- State Aid to Local Governments
- Summary of State Mandates
- Legislation Affecting Local Government Revenues
- Legislation Affecting Local Government Expenditures

State Aid to Local Governments

Overview

State aid to local governments will total \$11.9 billion in fiscal 2027, representing a \$409.4 million, or 3.6%, increase over fiscal 2026. Direct aid will increase by \$370.6 million, and State funding for retirement payments will increase by \$38.8 million. Local school systems will receive the largest total increase in State funding on a dollar and percentage basis. **Exhibit 4.1** compares State aid by governmental entity in fiscal 2026 and 2027.

Exhibit 4.1
State Aid to Local Governments
Fiscal 2026 and 2027
(\$ in Millions)

	<u>2026</u>	<u>2027</u>	<u>\$ Difference</u>	<u>% Difference</u>
Public Schools	\$8,778.1	\$9,115.9	\$337.8	3.8%
Libraries	73.1	75.6	2.5	3.4%
Community Colleges	447.1	458.1	11.1	2.5%
Local Health	115.2	115.2	0.0	0.0%
County/Municipal	1,046.6	1,065.8	19.2	1.8%
Subtotal – Direct Aid	\$10,460.0	\$10,830.6	\$370.6	3.5%
Retirement Payments	\$1,067.5	\$1,106.3	\$38.8	3.6%
Total	\$11,527.5	\$11,936.9	\$409.4	3.6%

Source: Department of Legislative Services

Major Legislative and Budgetary Actions

The Administration's fiscal 2027 budget and actions taken by the General Assembly during the 2026 session resulted in several changes to State aid to local governments, including both enhancements and reductions as detailed in **Exhibit 4.2**. A summary of these actions for each county is provided in **Exhibit 4.3**.

Exhibit 4.2
Changes to State Aid Under Legislative Budget Plan
Fiscal 2027
(\$ in Millions)

<u>Aid Program</u>	<u>Fiscal Impact</u>
Public Schools	
Revised FRPM Count – Formula Aid	\$228.5
Prekindergarten Programs	6.7
Special Education – High Acuity Students	1.0
<i>Subtotal</i>	<i>\$236.2</i>
Community Colleges	
Cade Formula Aid	-\$21.0
Police Aid Enhancement	
Police Aid Enhancement Grants	-\$6.0
Encrypted Communications Systems	6.0
<i>Subtotal</i>	<i>\$0.0</i>
Special Grants	
Dispatch System – Baltimore City	\$8.0
Public Safety Grants – Baltimore City	5.6
Enoch Pratt Free Library	0.6
Miscellaneous Grants	0.7
<i>Subtotal</i>	<i>\$14.9</i>
Retirement Payments	
Public Schools	-\$36.2
Libraries	-0.7
Community Colleges	-2.3
<i>Subtotal</i>	<i>-\$39.3</i>
Total State Aid	\$190.8

FRPM: free and reduced-price meal

Source: Department of Legislative Services

Exhibit 4.3
Changes to State Aid Under Legislative Budget Plan
Fiscal 2027
(\$ in Thousands)

County	Public Schools	Community Colleges	Police Aid Enhancement	Special Grants	Retirement Payments	Total State Aid
Allegany	\$3,131	-\$219	-\$40	\$0	-\$386	\$2,486
Anne Arundel	913	-3,818	-412	0	-3,605	-6,922
Baltimore City	113,652	0	-2,112	13,849	-3,239	122,151
Baltimore	7,054	-2,900	-804	250	-4,770	-1,171
Calvert	-165	-210	-27	0	-637	-1,039
Caroline	4,236	-17	-23	0	-224	3,972
Carroll	-330	-595	-102	0	-1,038	-2,064
Cecil	-264	-72	-84	0	-637	-1,057
Charles	2,209	-430	-130	0	-1,115	535
Dorchester	-84	-13	-32	0	-204	-334
Frederick	-890	-1,480	-149	50	-1,974	-4,442
Garrett	3,475	0	-5	0	-160	3,310
Harford	-662	-609	-139	0	-1,613	-3,023
Howard	157	-909	-106	0	-2,866	-3,724
Kent	145	-5	-6	0	-90	44
Montgomery	18,871	-3,116	-474	100	-7,893	7,488
Prince George's	67,053	-4,479	-973	100	-5,675	56,025
Queen Anne's	-23	-21	-11	0	-283	-338
St. Mary's	239	-257	-49	0	-643	-710
Somerset	-146	-182	-24	0	-129	-481
Talbot	-36	-15	-22	0	-198	-271
Washington	4,262	0	-121	0	-882	3,259
Wicomico	3,126	-1,223	-118	0	-674	1,111
Worcester	238	-421	-37	0	-350	-569
Unallocated	10,003	0	6,000	550	0	16,553
Total	\$236,163	-\$20,990	\$0	\$14,899	-\$39,284	\$190,788

Source: Department of Legislative Services

Public schools receive the majority of the increases in State funding. The Administration's decision to apply a revised enrollment count for free and reduced-price meals (FRPM) increases public school funding statewide by \$228.5 million above statutory funding levels. Prekindergarten programs also benefit from an additional \$6.7 million in State support. The General Assembly further allocated funding to Anne Arundel County Public Schools for a pilot program for high acuity students. Other major enhancements include \$8.0 million for Baltimore City to replace its dispatch communications system, along with several public safety and miscellaneous grants to Baltimore City and other local governments.

The Budget Reconciliation and Financing Act (BRFA) of 2026, **Senate Bill 284 (Ch. 6)**, reduces community college funding under the Cade formula in fiscal 2027 by \$21.0 million statewide by capping each institution's year-over-year increase at 3% through fiscal 2029. In addition, the BRFA of 2026 shifts a greater share of employer pension contributions for teachers, librarians, and community college faculty to county governments. Finally, budget language carves out part of the police aid enhancement funding for grants supporting encrypted communications systems.

Changes by Program

State aid to local governments increases for Baltimore City and all counties in fiscal 2027, except for Garrett County. The decrease in State aid for Garrett County is due to a sizeable increase in property assessments, a continued decrease in student enrollment, and the elimination of a one-time education grant to offset prior year reductions in State education aid. **Exhibit 4.4** summarizes the distribution of direct aid by governmental unit and shows the estimated State retirement payments for local government employees. **Exhibit 4.5** shows total State aid in fiscal 2026 and 2027 by program. A more detailed discussion of the changes in State aid in fiscal 2027 follows the exhibits.

Exhibit 4.4
State Aid to Local Governments
Fiscal 2027 Legislative Appropriation
(\$ in Thousands)

County	County – Municipal	Community Colleges	<i>Direct State Aid</i>				Subtotal	Retirement	Total	Change Over FY 2026	Percent Change
			Public Schools	Libraries	Health						
Allegany	\$24,360	\$11,778	\$121,520	\$917	\$4,659	\$163,235	\$10,882	\$174,117	\$10,349	6.3%	
Anne Arundel	57,117	47,114	615,036	3,359	9,614	732,240	100,461	832,701	24,700	3.1%	
Baltimore City	422,058	0	1,353,600	9,962	13,071	1,798,691	90,978	1,889,669	84,953	4.7%	
Baltimore	36,596	74,693	1,060,534	8,062	8,627	1,188,512	135,440	1,323,953	38,229	3.0%	
Calvert	7,890	4,997	117,649	661	2,799	133,995	17,933	151,928	4,893	3.3%	
Caroline	8,265	3,070	89,991	397	2,043	103,766	6,299	110,064	4,881	4.6%	
Carroll	11,057	15,498	203,152	1,353	4,453	235,513	29,209	264,723	8,460	3.3%	
Cecil	11,235	9,953	152,133	1,030	3,174	177,524	18,182	195,707	3,024	1.6%	
Charles	7,892	10,251	289,442	1,489	4,722	313,796	31,363	345,159	15,249	4.6%	
Dorchester	9,804	2,269	64,752	369	2,525	79,719	5,656	85,375	1,930	2.3%	
Frederick	17,721	24,602	414,069	2,092	5,060	463,544	54,500	518,045	14,932	3.0%	
Garrett	7,644	6,272	25,840	116	2,503	42,376	4,574	46,950	-2,043	-4.2%	
Harford	13,025	20,118	347,345	2,277	5,847	388,613	45,688	434,300	15,375	3.7%	
Howard	13,449	36,928	415,185	1,364	5,607	472,532	81,103	553,635	18,562	3.5%	
Kent	2,153	949	13,761	139	2,204	19,207	2,591	21,798	545	2.6%	
Montgomery	73,378	79,796	1,054,791	4,134	6,304	1,218,404	221,748	1,440,152	17,167	1.2%	
Prince George's	167,451	55,068	1,808,015	9,297	10,039	2,049,870	160,811	2,210,681	105,501	5.0%	
Queen Anne's	3,578	3,728	47,242	228	2,004	56,780	7,975	64,755	1,196	1.9%	
St. Mary's	5,342	6,130	155,059	1,003	3,560	171,094	18,162	189,257	3,236	1.7%	
Somerset	11,227	1,501	48,625	352	1,876	63,581	3,624	67,205	1,880	2.9%	
Talbot	4,403	2,748	25,239	146	1,862	34,398	5,625	40,022	861	2.2%	
Washington	13,091	20,543	277,502	1,684	4,402	317,222	24,551	341,773	11,616	3.5%	
Wicomico	22,588	10,080	232,787	1,333	4,692	271,480	18,887	290,368	3,455	1.2%	
Worcester	11,148	3,468	34,095	208	3,510	52,428	10,039	62,467	1,183	1.9%	
Unallocated	103,344	6,588	148,543	23,603	0	282,077	0	282,077	19,256	7.3%	
Total	\$1,065,815	\$458,140	\$9,115,907	\$75,576	\$115,158	\$10,830,596	\$1,106,283	\$11,936,880	\$409,391	3.6%	

Note: County/Municipal includes the municipal share of police aid, highway user revenue, and fire aid.

**State Aid to Local Governments
Fiscal 2026 Working Appropriation
(\$ in Thousands)**

County	<i>Direct State Aid</i>						Retirement	Total
	County – Municipal	Community Colleges	Public Schools	Libraries	Health	Subtotal		
Allegany	\$18,884	\$11,477	\$116,694	\$913	\$5,258	\$153,225	\$10,543	\$163,768
Anne Arundel	57,406	45,798	596,918	3,234	9,455	712,811	95,190	808,001
Baltimore City	415,321	0	1,284,420	9,812	10,405	1,719,957	84,758	1,804,715
Baltimore	38,594	72,823	1,026,973	7,825	6,819	1,153,033	132,690	1,285,724
Calvert	7,894	5,001	112,046	629	3,426	128,996	18,039	147,035
Caroline	8,565	3,211	84,754	382	2,186	99,097	6,086	105,183
Carroll	11,132	15,074	196,594	1,351	4,671	228,821	27,442	256,263
Cecil	11,304	9,693	149,572	1,013	3,399	174,981	17,701	192,682
Charles	7,991	9,768	276,619	1,442	5,300	301,120	28,790	329,911
Dorchester	10,112	2,118	62,439	364	3,006	78,039	5,407	83,446
Frederick	17,767	23,978	401,216	2,067	5,154	450,183	52,929	503,112
Garrett	7,737	6,175	27,546	144	2,953	44,556	4,438	48,993
Harford	13,126	19,602	333,508	2,249	6,002	374,487	44,438	418,925
Howard	13,496	36,024	397,558	1,311	6,283	454,672	80,402	535,073
Kent	2,155	906	12,990	135	2,620	18,804	2,449	21,253
Montgomery	76,760	77,768	1,041,495	3,959	5,065	1,205,047	217,938	1,422,985
Prince George's	170,047	53,030	1,713,745	8,838	8,321	1,953,981	151,198	2,105,179
Queen Anne's	3,577	3,581	45,649	224	2,296	55,326	8,234	63,559
St. Mary's	5,378	6,327	151,233	975	4,029	167,941	18,079	186,021
Somerset	12,007	1,435	45,579	344	2,104	61,470	3,855	65,325
Talbot	4,408	2,614	24,546	141	2,186	33,895	5,267	39,162
Washington	13,114	21,019	266,114	1,667	4,453	306,367	23,790	330,157
Wicomico	25,682	9,690	226,669	1,300	5,416	268,757	18,156	286,913
Worcester	11,171	3,445	32,473	203	4,353	51,645	9,639	61,284
Unallocated	82,985	6,499	150,753	22,583	0	262,820	0	262,820
Total	\$1,046,611	\$447,057	\$8,778,101	\$73,105	\$115,158	\$10,460,032	\$1,067,457	\$11,527,489

Note: County/Municipal includes the municipal share of police aid, highway user revenue, and fire aid.

State Aid to Local Governments
Dollar Difference Between Fiscal 2027 Legislative Appropriation and Fiscal 2026 Working Appropriation
(\$ in Thousands)

County	<i>Direct State Aid</i>					Subtotal	Retirement	Total
	County – Municipal	Community Colleges	Public Schools	Libraries	Health			
Allegany	\$5,476	\$301	\$4,826	\$5	-\$598	\$10,010	\$339	\$10,349
Anne Arundel	-290	1,316	18,119	125	159	19,429	5,271	24,700
Baltimore City	6,737	0	69,180	150	2,665	78,733	6,220	84,953
Baltimore	-1,998	1,870	33,561	237	1,809	35,479	2,750	38,229
Calvert	-4	-4	5,603	31	-627	4,999	-106	4,893
Caroline	-300	-141	5,237	15	-143	4,669	212	4,881
Carroll	-74	424	6,558	2	-218	6,692	1,768	8,460
Cecil	-69	260	2,561	17	-226	2,543	481	3,024
Charles	-100	482	12,824	47	-577	12,676	2,573	15,249
Dorchester	-307	151	2,313	5	-480	1,680	249	1,930
Frederick	-46	623	12,853	25	-94	13,362	1,571	14,932
Garrett	-93	97	-1,706	-27	-450	-2,180	137	-2,043
Harford	-101	516	13,837	28	-154	14,126	1,249	15,375
Howard	-47	904	17,627	52	-676	17,861	701	18,562
Kent	-1	43	772	4	-415	402	143	545
Montgomery	-3,382	2,028	13,296	176	1,239	13,356	3,810	17,167
Prince George's	-2,596	2,039	94,270	459	1,717	95,889	9,613	105,501
Queen Anne's	1	147	1,593	4	-291	1,454	-258	1,196
St. Mary's	-36	-197	3,827	28	-469	3,153	83	3,236
Somerset	-780	66	3,046	8	-228	2,111	-230	1,880
Talbot	-5	134	693	5	-324	503	358	861
Washington	-23	-476	11,388	17	-51	10,855	761	11,616
Wicomico	-3,094	389	6,118	33	-724	2,723	732	3,455
Worcester	-23	23	1,622	5	-843	783	400	1,183
Unallocated	20,359	89	-2,210	1,019	0	19,256	0	19,256
Total	\$19,204	\$11,084	\$337,806	\$2,471	\$0	\$370,565	\$38,826	\$409,391

Note: County/Municipal includes the municipal share of police aid, highway user revenue, and fire aid.

State Aid to Local Governments
Percent Change: Fiscal 2027 Legislative Appropriation over Fiscal 2026 Working Appropriation

County	<i>Direct State Aid</i>						Retirement	Total
	County – Municipal	Community Colleges	Public Schools	Libraries	Health	Subtotal		
Allegany	29.0%	2.6%	4.1%	0.5%	-11.4%	6.5%	3.2%	6.3%
Anne Arundel	-0.5%	2.9%	3.0%	3.9%	1.7%	2.7%	5.5%	3.1%
Baltimore City	1.6%	n/a	5.4%	1.5%	25.6%	4.6%	7.3%	4.7%
Baltimore	-5.2%	2.6%	3.3%	3.0%	26.5%	3.1%	2.1%	3.0%
Calvert	0.0%	-0.1%	5.0%	5.0%	-18.3%	3.9%	-0.6%	3.3%
Caroline	-3.5%	-4.4%	6.2%	4.0%	-6.5%	4.7%	3.5%	4.6%
Carroll	-0.7%	2.8%	3.3%	0.2%	-4.7%	2.9%	6.4%	3.3%
Cecil	-0.6%	2.7%	1.7%	1.7%	-6.6%	1.5%	2.7%	1.6%
Charles	-1.2%	4.9%	4.6%	3.3%	-10.9%	4.2%	8.9%	4.6%
Dorchester	-3.0%	7.1%	3.7%	1.4%	-16.0%	2.2%	4.6%	2.3%
Frederick	-0.3%	2.6%	3.2%	1.2%	-1.8%	3.0%	3.0%	3.0%
Garrett	-1.2%	1.6%	-6.2%	-19.0%	-15.2%	-4.9%	3.1%	-4.2%
Harford	-0.8%	2.6%	4.1%	1.3%	-2.6%	3.8%	2.8%	3.7%
Howard	-0.3%	2.5%	4.4%	4.0%	-10.8%	3.9%	0.9%	3.5%
Kent	-0.1%	4.8%	5.9%	2.7%	-15.8%	2.1%	5.8%	2.6%
Montgomery	-4.4%	2.6%	1.3%	4.4%	24.5%	1.1%	1.7%	1.2%
Prince George's	-1.5%	3.8%	5.5%	5.2%	20.6%	4.9%	6.4%	5.0%
Queen Anne's	0.0%	4.1%	3.5%	1.9%	-12.7%	2.6%	-3.1%	1.9%
St. Mary's	-0.7%	-3.1%	2.5%	2.9%	-11.6%	1.9%	0.5%	1.7%
Somerset	-6.5%	4.6%	6.7%	2.2%	-10.8%	3.4%	-6.0%	2.9%
Talbot	-0.1%	5.1%	2.8%	3.3%	-14.8%	1.5%	6.8%	2.2%
Washington	-0.2%	-2.3%	4.3%	1.0%	-1.1%	3.5%	3.2%	3.5%
Wicomico	-12.0%	4.0%	2.7%	2.6%	-13.4%	1.0%	4.0%	1.2%
Worcester	-0.2%	0.7%	5.0%	2.5%	-19.4%	1.5%	4.1%	1.9%
Unallocated	24.5%	1.4%	-1.5%	4.5%	n/a	7.3%	n/a	7.3%
Total	1.8%	2.5%	3.8%	3.4%	0.0%	3.5%	3.6%	3.6%

Note: County/Municipal includes the municipal share of police aid, highway user revenue, and fire aid.

Exhibit 4.5
Total State Aid to Local Governments

<u>Program</u>	<u>Fiscal 2026</u>	<u>Fiscal 2027</u>	<u>Difference</u>
Foundation Aid	\$3,981,543,393	\$4,117,128,064	\$135,584,671
Foundation – Special Grants	1,969,251	0	-1,969,251
Comparable Wage Index	157,897,887	159,907,056	2,009,169
Compensatory Education	1,778,637,727	1,738,239,134	-40,398,593
Student Transportation – Regular	352,000,869	355,619,903	3,619,034
Student Transportation – Special Education	29,917,000	31,377,000	1,460,000
Special Education – Formula	589,791,769	691,424,378	101,632,609
Special Education – Nonpublic Placements	147,108,159	125,534,440	-21,573,719
Special Education – Infants and Toddlers	18,099,919	19,242,082	1,142,163
Special Education – High Acuity Students	0	1,000,000	1,000,000
English Learners Grant	554,454,771	542,029,056	-12,425,715
Guaranteed Tax Base	64,964,792	68,983,149	4,018,357
Prekindergarten Expansion Program	26,644,000	36,644,000	10,000,000
School Safety Grants	23,600,000	20,600,000	-3,000,000
Blueprint – Concentration of Poverty	492,583,576	572,672,740	80,089,164
Blueprint – Transitional Instruction	23,856,991	0	-23,856,991
Blueprint – Transition Grants	37,497,504	28,844,235	-8,653,269
Blueprint – Full Day PreKindergarten	172,617,689	254,729,651	82,111,962
Blueprint – College and Career Readiness	31,769,353	30,866,029	-903,324
Blueprint – Education Effort Index	145,398,431	166,051,382	20,652,951
Blueprint – Career Ladder	26,202,362	29,074,593	2,872,231
Blueprint – Coordinators	1,823,958	1,823,725	-233
Food Service	20,296,664	18,296,664	-2,000,000
SEED School	13,646,664	14,177,600	530,936
Judy Hoyer Centers	36,816,380	42,756,380	5,940,000
Teacher Development	20,430,000	20,430,000	0
Public School Opportunities	3,000,000	3,000,000	0
Out-of-county Foster Placements	1,750,000	1,750,000	0
Head Start	3,000,000	3,000,000	0
Other Education Aid	20,782,038	20,705,970	-76,068
Total Primary and Secondary Education	\$8,778,101,147	\$9,115,907,231	\$337,806,084

<u>Program</u>	<u>Fiscal 2026</u>	<u>Fiscal 2027</u>	<u>Difference</u>
Library Formula	\$50,521,621	\$51,973,522	\$1,451,901
Library Network	22,583,357	23,602,516	1,019,159
Total Libraries	\$73,104,978	\$75,576,038	\$2,471,060
Community College Formula	\$404,517,218	\$415,311,261	\$10,794,043
Optional Retirement	19,541,338	18,906,049	-635,289
Grants for ESOL Programs	4,661,416	4,893,863	232,447
Small College Grants	11,837,687	12,191,678	353,991
Other Community College Aid	6,499,071	6,837,573	338,502
Total Community Colleges	\$447,056,730	\$458,140,424	\$11,083,694
Highway User Revenue	\$437,422,493	\$437,633,666	\$211,173
Elderly and Disabled Transportation Aid	4,628,239	4,743,944	115,705
Paratransit Grants	1,408,450	1,408,450	0
Bus Rapid Transit Systems	27,000,000	27,000,000	0
Purple Line Access	6,622,088	0	-6,622,088
Total Transportation	\$477,081,270	\$470,786,060	-\$6,295,210
Police Aid	\$75,924,058	\$77,010,378	\$1,086,320
Police Aid Enhancement	45,878,144	41,132,583	-4,745,561
Fire and Rescue Aid	16,500,000	16,500,000	0
9-1-1 Grants	28,421,995	28,421,995	0
Baltimore City Direct Police Grant	9,180,113	9,180,113	0
Safe Streets Program	3,600,000	5,450,000	1,850,000
State's Attorney Grants	2,905,955	2,905,955	0
Violent Crime Grants	2,292,489	2,292,489	0
Vehicle Theft Prevention	2,445,296	2,400,000	-45,296
Drug Enforcement Grants	1,214,610	1,214,610	0
Maryland Criminal Intelligence Network	6,723,865	6,723,865	0
Police Recruitment and Retention	1,300,000	1,300,000	0
Rape Kit Testing Grant Fund	3,500,000	3,500,000	0
Police Accountability	4,000,000	0	-4,000,000
Warrant Apprehension Grant	4,250,000	3,250,000	-1,000,000
Group Violence Reduction Strategy	0	2,500,000	2,500,000
Encrypted Communications Systems	0	6,000,000	6,000,000
Other Public Safety Aid	5,426,509	5,426,509	0
Total Public Safety	\$213,563,034	\$215,208,497	\$1,645,463

<u>Program</u>	<u>Fiscal 2026</u>	<u>Fiscal 2027</u>	<u>Difference</u>
Wastewater Treatment – Nutrient Removal	\$11,000,000	\$11,000,000	0
Critical Area Grants	159,356	159,356	0
Total Recreation/Environment	\$11,159,356	\$11,159,356	\$0
Local Health Formula	\$115,158,148	\$115,158,148	\$0
Disparity Grant	\$193,742,448	\$203,599,585	\$9,857,137
Gaming Impact Grants	\$102,081,669	\$102,670,371	\$588,702
Teachers Retirement Supplemental Grants	13,829,332	0	-13,829,332
Adult Education	7,611,986	7,611,986	0
Statewide Voting Systems	3,170,661	21,635,235	18,464,574
Revenue Equity Program	4,142,365	4,334,673	192,308
Payments in Lieu of Taxes (PILOT)	1,774,074	1,774,074	0
PILOT – Park Service	2,640,000	2,630,000	-10,000
PILOT – Forest Service	199,604	199,604	0
Instant Bingo	3,150,000	3,150,000	0
Cannabis Sales Tax	2,133,097	3,044,887	911,790
Behavioral Health Crisis Response	5,000,000	5,000,000	0
Senior Citizens Activities Center	765,241	765,241	0
Local Impact Grants	3,250,000	3,250,000	0
Maryland Park Explorers Program	100,000	0	-100,000
Prince George’s County Reentry Program	500,000	350,000	-150,000
Miscellaneous Grants	716,456	8,645,000	7,928,544
Total Other Direct Aid	\$151,064,485	\$165,061,071	\$13,996,586
Total Direct Aid	\$10,460,031,596	\$10,830,596,410	\$370,564,814
Retirement – Teachers	\$981,762,231	\$1,017,978,410	\$36,216,179
Retirement – Libraries	27,725,438	27,990,432	264,994
Retirement – Community Colleges	57,969,531	60,314,354	2,344,823
Total Payments-in-behalf	\$1,067,457,200	\$1,106,283,196	\$38,825,996
Total State Aid	\$11,527,488,796	\$11,936,879,606	\$409,390,810

ESOL: English for Speakers of Other Languages

Source: Department of Legislative Services

Primary and Secondary Education

Public schools account for the vast majority of State funding to local governments, representing approximately 85% of total State aid. State aid to public schools will total \$10.1 billion in fiscal 2027, an increase of \$374.0 million over fiscal 2026, and includes \$9.1 billion in direct aid and \$1.0 billion in retirement payments. The total increase is driven by four major direct aid programs that each increase by over \$80.0 million and teachers' retirement payments (\$36.2 million increase). The following provides (1) a summary of the funding increases for these programs, including the foundation program, which remains the single greatest contributor to overall State aid to public schools; and (2) a discussion of substantial decreases in year-to-year funding for some programs, partially offsetting overall State public school funding increases.

Foundation formula funding increases by \$135.6 million in fiscal 2027, or 3.4%, due to a 3.6% increase in the per pupil funding amount and despite a 0.6% decrease in the student enrollment count used to determine program funding. Comparable wage index funding, which is linked to the foundation program, increases by \$2.0 million in fiscal 2027.

Concentration of Poverty Grant program funding increases by \$80.1 million in fiscal 2027, partially due to the inclusion of \$24.1 million in the State budget beyond the mandated level for the program, consistent with **Senate Bill 311 (Ch. 602)**. The increase in funding is also due to the expansion of school eligibility for per pupil grants, inflation adjustments, and enhanced funding for schools reaching an additional year of eligibility.

Special education formula funding increases by \$101.6 million in fiscal 2027, due to a 14.7% per pupil funding increase and a 2.0% increase in the relevant enrollment count. The BRFA of 2026, through a provision added by the General Assembly, limits Tier II full-day prekindergarten to students whose families earn between 300% and 450% (as opposed to 600%) of the federal poverty level. Even with this change, the full-day prekindergarten program increases by \$82.1 million in fiscal 2027.

The increases described above are partially offset by substantial fiscal 2027 decreases in State funding for other major direct aid programs. Formula funding for English learners decreases by \$12.4 million in fiscal 2027, due to a 3.6% decrease in the relevant enrollment count. Nonpublic special education placement funding decreases by \$21.6 million, or 14.7%. Compensatory education funding, which provides additional resources for students from low-income families, decreases by \$40.4 million in fiscal 2027. This decrease is due to a 0.7% decrease in per pupil funding and a 1.7% decrease in student enrollment for the program. State funding for compensatory education would have realized an even greater funding decrease without the adoption of a revised enrollment count for FRPMs as provided in **Senate Bill 311**. This provision provides \$137.8 million in additional funding for the program as reflected in the State budget. Finally, transitional supplemental instruction grants, for students in kindergarten through grade 3 who are identified as struggling learners, sunset after fiscal 2026, resulting in a \$23.9 million decrease in State funding in fiscal 2027.

State aid for teachers' retirement increases by \$36.2 million, or 3.7%, despite a provision in the BRFA that reduces the State share, and increases the county share, of employer pension contributions for Teachers' Retirement System/Teachers' Pension System members employed by local school systems, community colleges, and libraries beginning in fiscal 2027.

Local Libraries

State aid to local libraries will total \$103.6 million in fiscal 2027, an increase of \$2.7 million, which includes \$75.6 million in direct aid and \$28.0 million in retirement payments. Local libraries account for approximately 1% of total State aid to local governments, with funding targeted to local library systems, regional resource centers, and the State Library Resource Center (SLRC) in Baltimore City.

The State provides funding to local library systems through a formula that determines the State and local shares of a minimum per capita library program. Per capita funding is set at \$19.10 for fiscal 2027 and each year thereafter, resulting in a statewide total of \$49.0 million in fiscal 2027. In addition, Baltimore City continues to receive \$3.0 million annually to support expanded operations as it has since fiscal 2018. **Senate Bill 378 (Ch. 625)** phases in increases to per capita funding amounts over five years, rising from \$19.50 in fiscal 2028 to \$21.15 by fiscal 2032 and each year thereafter.

The State also provides State library network funding in the form of per capita funding to regional resource centers (\$9.99 per capita in fiscal 2027) and for SLRC (\$2.07 annually). State library network funding totals \$23.6 million in fiscal 2027, including a one-time \$550,000 grant to the Enoch Pratt Free Library provided by the General Assembly. This reflects a \$1.0 million increase over the prior year. **Senate Bill 378** also raises per capita funding amounts to regional resource centers over five years, from \$10.19 in fiscal 2028 to \$11.02 in fiscal 2032 and each year thereafter. **Senate Bill 410/House Bill 660 (Chs. 702 and 703)** similarly increase per capita funding for SLRC from \$2.17 in fiscal 2028 to \$2.64 in fiscal 2032 and each year thereafter.

Community Colleges

State aid to local community colleges will total \$518.5 million in fiscal 2027, an increase of \$13.4 million, which includes \$458.1 million in direct aid and \$60.3 million in retirement payments. Community colleges account for 4.3% of total State aid to local governments.

The Cade funding formula is the main source of State funding in support of community colleges. The formula is based on a percentage (27.2%) of the current year's State aid to selected four-year public higher education institutions and the total number of full-time equivalent students at the community colleges. The total is then distributed to each college based on the previous year's direct grant, enrollment, and a small-size factor. The BRFA of 2026 includes a provision capping each community college's year-over-year increase at 3% under the Cade funding formula for fiscal 2027 through 2029.

Local Health

The State provides funds to support the delivery of public health services, including child health, communicable disease prevention, maternal health, family planning, environmental health, and administration of local health departments. In fiscal 2027, State funding for local health departments will total \$115.2 million, level with the prior year. This figure excludes cost-of-living or salary adjustments for State employees at local health departments, which are anticipated to be distributed separately.

Transportation

The Maryland Department of Transportation provides capital transportation grants to local governments based on the amount of revenue allocated to the Gasoline and Motor Vehicle Revenue Account (GMVRA). This funding is allocated to local governments through the local highway user revenues program. For fiscal 2027, local governments receive 20% of total GMVRA revenues; this allocation is scheduled to decline to 15.6% beginning in fiscal 2028. Allocations to counties and municipalities are based on the percentage of road miles and vehicle registrations within each local jurisdiction. Baltimore City receives a larger share of local highway user revenues than other jurisdictions because the State does not conduct highway maintenance or construction within the city (except for portions of I-95). In fiscal 2027, local highway user revenues will total \$437.6 million, a \$0.2 million increase over the fiscal 2026 amount. Of this amount, county governments will receive \$105.0 million, municipal governments will receive \$65.6 million, and Baltimore City will receive \$267.0 million.

In accordance with statutory requirements, the State budget provides \$27.0 million in dedicated funding for a bus rapid transit system in Montgomery County, comprising \$17.0 million in State lottery fund distributions and \$10.0 million from the Transportation Trust Fund (TTF). **House Bill 1581 (Ch. 376)** requires a distribution of \$2.0 million to Howard County for a bus rapid transit system and further modifies the TTF mandate, increasing the annual appropriation from \$10.0 million to \$12.0 million beginning in fiscal 2027.

Local governments will also receive \$4.7 million for elderly and disabled transportation services and \$1.4 million in support for paratransit services, largely consistent with prior year funding levels.

Public Safety

State aid for public safety programs will total \$215.2 million in fiscal 2027. Funding is provided under the police aid formula, targeted crime grants, emergency 9-1-1 systems, and through fire and rescue aid.

Maryland's counties and municipalities receive grants for police protection through the police aid formula. The police aid formula allocates funds on a per capita basis, and jurisdictions with a higher population density receive greater per capita grants. Municipalities receive additional

grants based on the number of sworn officers. State funding for police aid will total \$77.0 million in fiscal 2027, a \$1.1 million increase over the fiscal 2026 amount, resulting from minor increases in population.

The State budget also includes, for the fifth consecutive year, enhanced police aid funding to address violent crime, with this funding allocated based on each jurisdiction's share of total violent offenses committed in the State. In fiscal 2027, \$41.1 million is provided for this purpose. Under the fiscal 2027 budget bill, law enforcement agencies must attest to the Governor's Office of Crime Prevention and Policy (GOCPP) compliance with the Maryland Sexual Assault Kit Initiative Victim Notification Protocol before receiving their share of funds. In addition, \$6.0 million is earmarked for GOCPP to provide grants to law enforcement agencies to encrypt communications systems.

Notably, the BRFA of 2026 requires the Comptroller to suspend, until notification of compliance is received, enhanced or discretionary police protection funding for any county or qualifying municipality that is found to be not in compliance with State law related to immigration enforcement agreements.

Local law enforcement agencies receive additional State funding through targeted crime grants, which will total \$46.1 million in fiscal 2027. This funding includes a \$2.5 million targeted crime grant to Baltimore City for the Group Violence Reduction Strategy, as well as a \$1.85 million increase in funding for the Safe Streets Initiative, a community-based violence prevention and intervention program.

State funding for county 9-1-1 systems, which consists of funding from the State 9-1-1 fee and 25% of the prepaid wireless E 9-1-1 fee, is level funded in fiscal 2027 at \$28.4 million. Local governments will also receive \$16.5 million for fire and rescue aid in fiscal 2027, which reflects constant funding from the prior year.

Disparity Grants

The disparity grant program provides funding to low-wealth jurisdictions where per capita local income tax revenue is below 75% of the statewide average. To help alleviate potential disparities in local income tax collections, the program provides a grant to enable local income tax revenues to reach at least 75% of the statewide average.

Based on the current statutory formula, Baltimore City and eight counties (Allegany, Caroline, Dorchester, Garrett, Prince George's, Somerset, Washington, and Wicomico) qualify for disparity grants. The Administration's fiscal 2027 budget, as introduced, included a provision in the BRFA of 2026 to level-fund the disparity grant program at the fiscal 2026 formula amount of \$176.6 million for fiscal 2027 through 2029. This represented a \$17.1 million reduction from the \$193.7 million in total aid provided in fiscal 2026, which included a one-time grant to raise the minimum funding level for five jurisdictions that imposed the maximum 3.2% local income tax rate from 75% to 90%. The General Assembly rejected the provision and restored the

full formula-required amount for the program. In fiscal 2027, disparity grant funding will total \$203.6 million, representing a \$9.9 million increase compared to the enhanced fiscal 2026 amount.

Gaming Impact Grants

From the proceeds generated by video lottery terminals at video lottery facilities in the State, generally 5.5% is distributed to local governments in which a video lottery facility is operating. In addition, 5.0% of table game revenues are distributed to local jurisdictions where a video lottery facility is located. In fiscal 2027, gaming impact grants total \$102.7 million, an increase of \$0.6 million over fiscal 2026 levels.

Cannabis Sales Tax

Chapters 254 and 255 of 2023, which implemented the regulatory framework for the cannabis industry, require the Comptroller to distribute 5% of the sales and use tax collected from cannabis sales to Maryland counties and municipalities. Each county's share is based on the percentage of cannabis tax revenue generated within that county. A county must pay to a municipality within the county 50% of its allocation that is attributable to cannabis tax revenue generated by a dispensary located within that municipality. Cannabis sales tax distributions will total \$3.0 million in fiscal 2027, an increase of \$0.9 million over fiscal 2026.

Other Grants

The fiscal 2027 budget includes various one-time and miscellaneous grants to local governments. Baltimore City will receive \$8.0 million to replace the city's dispatch communications system, which supports call processing for fire, police, and public works agencies. Baltimore City will also receive two grants of \$100,000 each: one for the Baltimore City Department of Recreation and Parks for portable lighting for youth fields; and one for the Baltimore City Department of Transportation for stop sign safety camera implementation. The Baltimore City Department of Recreation and Parks will further receive a \$45,000 grant for a flag football league.

Baltimore County will receive a \$250,000 grant through the West Baltimore County Redevelopment Authority to support recommendations regarding the acquisition, development, redevelopment, or disposal of land or property in west Baltimore County. The Montgomery County Department of Recreation will receive a \$100,000 grant for a new recreation center. Additionally, the City of Frederick will receive a \$50,000 grant for operating and programming costs associated with the Frederick Youth Center.

Prince George's County will receive \$3.0 million as required by the mandated annual distribution from the State Lottery Fund for supplemental local impact grants. Separately, Chapter 403 of 2025 requires that \$250,000 in supplemental local impact aid from Racetrax lottery

proceeds be distributed to Anne Arundel County, Howard County, and the City of Laurel in accordance with established proportions in fiscal 2026 and 2027.

Chapter 791 of 2023 requires the Governor to include in the annual budget an appropriation of \$500,000 in each of fiscal years 2025 through 2028 for the Prince George's County Reentry Employment Incentive Program. The BRFA of 2026 reduces this mandated appropriation to \$350,000 for fiscal 2027 and 2028.

Summary of State Mandates	
Cybersecurity	1
Elections	2
Environment	1
Finances and Taxes	6
Higher Education	3
Housing/Environment	2
Personnel	4
Planning	2
Public Safety	2
Public Schools	3
Public Utilities	2
Total	28

Mandate is defined as a directive in a bill requiring a local government unit to perform a task or assume a responsibility that has a discernible fiscal impact on the local government unit (*Maryland Annotated Code*, State Government Article, § 2-1501(c)). In the following sections, legislation that imposes a State mandate is marked accordingly.

Legislation Affecting Local Government Revenues

<u>Bill #</u>	<u>Title</u>	<u>Comment</u>	<u>Mandate</u>
Legislation Affecting All/Multiple Local Jurisdictions			
SB 58/HB 161	Property Tax Credit – Retail Service Station Conversions (Ch. 642/Ch. 643)	Potential decrease in property tax revenues.	No
SB 82	Criminal Law – Counterfeiting and Possession of Counterfeit Lease of Real Property – Penalty (Ch. 550)	Minimal penalty revenues.	No
SB 100/HB 263	Election Law – Early Voting Centers – Bus Stops (Ch. 107/Ch. 106)	Potential fare revenues.	No
SB 111	Vehicle Laws – Out-of-State Vehicles – Improper Registration (Ch. 487)	Potential local highway user revenues and penalty revenues.	No
SB 169/HB 372	Hospitals – Emergency Pregnancy-Related Medical Conditions – Procedures (Ch. 788/Ch. 789)	Potential penalty revenues.	No
SB 176/HB 289	Video Lottery Facility Payouts – Intercepts for Restitution Payments, Child Support Payments, and Debts Owed to the State (Ch. 87/Ch. 88)	Potential community college revenues.	No
SB 189	Municipalities – Open Drainage Inlets – Inventory and Improvements (Mason’s Law) (Ch. 356)	Potential grant revenues.	No
SB 226/HB 238	Maryland Heritage Area Authority and Heritage Areas – Alterations (Ch. 124/Ch. 123)	Potential grant and loan revenues.	No
SB 262/HB 478	Income Tax – Subtraction Modification for Classroom Supplies Purchased by Teachers – Alteration (Ch. 60/Ch. 61)	Local income tax revenues may decrease by about \$50,000 annually beginning in FY 2027.	No

Legislation Affecting Local Government Revenues (Continued)

<u>Bill #</u>	<u>Title</u>	<u>Comment</u>	<u>Mandate</u>
SB 284	Budget Reconciliation and Financing Act of 2026 (Ch. 6)	Local income tax revenues and local highway user revenues increase by \$25.3 million and \$4.6 million, respectively, in FY 2027 and by \$4.2 million and \$0.6 million, respectively, in FY 2031 due to the foregone acceleration of depreciation deductions. Local governments may benefit from authorizing funds included in the State budget for the African American Heritage Preservation Grant Fund to be used for noncapital grants. Potential additional county and municipal hotel rental tax revenues (anticipated under Chapter 638 of 2025, which establishes a centralized method of collecting local hotel rental taxes from short-term rentals) are delayed one year to FY 2029. Direct State aid for local community colleges decreases by \$21.0 million in FY 2027, \$4.6 million in FY 2028, and \$4.4 million in FY 2029 as a result of limiting the State share of community college aid provided under the Senator John A. Cade Funding Formula. State Aid decreases by \$3.3 million in FY 2027 as a result of limiting the expansion of Tier II full-day prekindergarten eligibility. Prince George’s County revenues associated with the Prince George’s County Reentry Employment Incentive Program decrease by \$150,000 in FY 2027 and 2028.	Yes
SB 311	Education – The Blueprint for Maryland’s Future – Revisions (Ch. 602)	Local school system revenues significantly increase beginning in FY 2027.	No
SB 325/HB 548	Land Use – Permitting – Development Rights (Maryland Housing Certainty Act) (Ch. 590/Ch. 591)	Potential delay in fee and excise tax revenues.	Yes
SB 340/HB 671	Office of the Long-Term Care Ombudsman – Mandatory Appropriation (Ch. 761/Ch. 762)	Potential receipt of additional State funding for area agencies on aging.	No
SB 344/HB 734	Property Tax – Agricultural Use Assessment – Community Solar Energy Generating Systems (Ch. 46/Ch. 45)	Potential decrease in local property tax revenues.	Yes
SB 378	Public Libraries – Young Readers Matching Grant Program, Funding, and Services (Ch. 625)	State aid to local library systems increases by \$1.2 million in FY 2028 and by \$5.1 million in FY 2031.	No
SB 388/HB 898	Economic Development – Delivering Economic Competitiveness and Advancing Development Efforts (DECADE) Act (Ch. 351/Ch. 352)	Local highway user revenues may decrease by more than \$0.3 million in FY 2028 and \$0.4 million in FY 2031 and may also decrease in FY 2027. Local property tax revenues may also be affected beginning as early as FY 2027. Local revenues may be further affected by changes to State grant and other financial assistance programs.	No

Legislation Affecting Local Government Revenues (Continued)

<u>Bill #</u>	<u>Title</u>	<u>Comment</u>	<u>Mandate</u>
SB 440/HB 472	Income Tax – Theatrical Production Tax Credit – Alterations and Sunset Extension (Ch. 19/Ch. 18)	Potential decrease in local highway user revenues beginning in FY 2028.	No
SB 487	Motor Vehicles – Speed Monitoring Systems – Safety Corridors (Vulnerable Road User Protection Act of 2026) (Ch. 285)	Potential fine revenues.	No
SB 519/HB 735	Earned Income Tax Credit – Assistance Program Implementation Delay and Study (Ch. 202/Ch. 201)	Potential increase in local income tax revenues.	No
SB 532/HB 1076	Higher Education Institutions – Over-the-Counter Contraception – Access and Reporting (Ch. 675/Ch. 674)	Minimal fee revenues.	No
SB 599/HB 429	On-Farm Organics Diversion and Recycling Grant Program – Established (Ch. 249/Ch. 250)	Potential grant revenues.	No
SB 607	Income Tax – Subtraction Modification for Public Safety Retirement Income – Amount (Ch. 686)	Local income tax revenues decrease by \$0.3 million in FY 2027 and \$1.4 million in FY 2031.	No
SB 624/HB 1221	Public Safety – Short-Term Rental Units – Safety (Jillian and Lindsay Wiener Short-Term Rental Safety Act) (Ch. 10/Ch. 9)	Potential fee revenues.	No
SB 668/HB 680	Children’s Cabinet Fund – Renaming and Funding for Grants to Local Management Boards (Ch. 764/Ch. 765)	Grant revenues to eligible local management boards increase by \$500,000 in FY 2031.	No
SB 719/HB 925	Sewage Sludge – Per- and Polyfluoroalkyl Substances – Regulation (Ch. 329/Ch. 330)	Potential fee revenues.	No
SB 765/HB 1148	Property Taxes – Tax Sales, Legacy Protection Program, and Tax Credits (Ch. 719/Ch. 718)	Potential decrease in property tax revenues.	Yes
SB 767	Property Tax – Credit for Commercial Buildings Rented to Small Businesses (Ch. 603)	Potential decrease in local property tax revenues beginning in FY 2027.	No

Legislation Affecting Local Government Revenues (Continued)

<u>Bill #</u>	<u>Title</u>	<u>Comment</u>	<u>Mandate</u>
SB 777	Labor and Employment – Workforce Development – Hospital Employee Retraining and Placement Program and Workforce Development and Local Workforce Development Boards (Local Workforce Solutions Investment Act) (Ch. 298)	Hospital Employee Retraining Fund distribution revenues.	No
SB 864	Higher Education – Tuition Exemption for Foster Care Recipients – Eligibility (Ch. 785)	Potential significant decrease in community college tuition revenues.	Yes
SB 869	Economic Development – Maryland Workforce Launch Pilot Program – Establishment (Ch. 535)	Potential grant revenues for community colleges in FY 2027 and 2028.	No
SB 920/HB 798	Economic Development – Small, Minority, and Women-Owned Business Accounts – Management Fees (Small Business Increased Access to Capital Act) (Ch. 392/Ch. 391)	Potential fee revenues.	No
HB 3	Higher Education – Student Financial Assistance – Dependents of State or Local Public Safety Employees (Maryland Fallen Heroes Tuition Benefits Act) (Ch. 798)	Potential significant decrease in scholarship distribution revenues.	No
HB 135	Economic Development – Tax Increment Financing – Noncontiguous Areas (Ch. 536)	Potential bond and property tax revenues.	No
HB 161/SB 58	See entry for SB 58.		No
HB 168	Housing and Community Development – Affordable Housing – Educator Workforce Housing and Municipal Corporations (Ch. 678)	Potential grant and loan revenues for educator workforce housing construction.	No
HB 238/SB 226	See entry for SB 226.		No
HB 254	Supporting Inclusive Community Adaptation Act (Ch. 76)	Potential grant revenues.	No
HB 263/SB 100	See entry for SB 100.		No
HB 289/SB 176	See entry for SB 176.		No

Legislation Affecting Local Government Revenues (Continued)

<u>Bill #</u>	<u>Title</u>	<u>Comment</u>	<u>Mandate</u>
HB 359	Property Tax Credit – Urban Agricultural Property – Alterations (Ch. 769)	Potential decrease in county and municipal property tax revenues.	No
HB 372/SB 169	See entry for SB 169.		No
HB 429/SB 599	See entry for SB 599.		No
HB 461	Economic Development – Rural Readiness Program and Rural Maryland Capacity Building Fund – Establishment (Ch. 543)	Potential grant revenues.	No
HB 472/SB 440	See entry for SB 440.		No
HB 478/SB 262	See entry for SB 262.		No
HB 548/SB 325	See entry for SB 325.		Yes
HB 571	Nonprofit Housing Corporations – Taxes and Special Assessments Exemptions – Alterations (Ch. 727)	Potential decrease in property tax revenues.	No
HB 671/SB 340	See entry for SB 340.		No
HB 680/SB 668	See entry for SB 668.		No
HB 734/SB 344	See entry for SB 344.		Yes
HB 735/SB 519	See entry for SB 519.		No
HB 753	Tax Sales – Homeowner Protections – Revisions (Ch. 777)	Potential delay/minimal decrease in property tax revenues.	No
HB 798/SB 920	See entry for SB 920.		No
HB 805	Building Homes Act (Ch. 698)	Potential decrease in property tax revenues.	No
HB 842	Property Tax Credit – Surviving Spouse of Military Service Member (Ch. 647)	Potential decrease in property tax revenues.	No

Legislation Affecting Local Government Revenues (Continued)

<u>Bill #</u>	<u>Title</u>	<u>Comment</u>	<u>Mandate</u>
HB 894	Land Use – Transit-Oriented Development – Alterations (Maryland Transit and Housing Opportunity Act) (Ch. 592)	Potential decrease in property tax revenues.	No
HB 898/SB 388	See entry for SB 388.		Yes
HB 925/SB 719	See entry for SB 719.		No
HB 1076/SB 532	See entry for SB 532.		No
HB 1109	Public Health Reform Act (Ch. 190)	Potential grant revenues.	No
HB 1148/SB 765	See entry for SB 765.		Yes
HB 1149	State Finance – Claims of the State – Settlement (Ch. 311)	Potential local income tax revenues and local highway user revenues.	No
HB 1221/SB 624	See entry for SB 624.		No
HB 1330	Homeowners’ Property Tax Credit – Year-Round Application (Ch. 782)	Potential decrease in property tax revenues.	No
HB 1504	Highways – Sidewalks and Bicycle Pathways – Construction and Reconstruction (The Honorable Anne Healey Pedestrian Safety Act of 2026) (Ch. 418)	Potential effect on grant funding in some jurisdictions.	No
HB 1530	Higher Education – Undocumented Students – Out-of-State Tuition Exemption Eligibility (Ch. 799)	Potential effect on community college tuition revenues.	No
HB 1532	Utility RELIEF (Reducing Energy Load Inflation for Everyday Families) Act (Ch. 353)	Potential indeterminate effect on Strategic Energy Investment Fund allocations and solar permitting fee revenues.	No
HB 1581	Economic Development – Horse Racing Facilities, Prince George’s County Blue Line Corridor Facilities, and Bus Rapid Transit – Alterations (Ch. 376)	Howard County grant revenues increase by \$2.0 million annually.	No

Legislation Affecting Local Government Revenues (Continued)

<u>Bill #</u>	<u>Title</u>	<u>Comment</u>	<u>Mandate</u>
HB 1611	Property Tax – Credit for Dwelling House of Disabled Veterans and Surviving Spouses – Income Eligibility (Ch. 646)	Potential decrease in property tax revenues.	No

Legislation Affecting Local Government Revenues (Continued)

<u>Bill #</u>	<u>Title</u>	<u>Comment</u>	<u>Mandate</u>
Legislation Affecting Local Governments by Subdivision			
<i>Anne Arundel County</i>			
SB 109/HB 606	Anne Arundel County – Residential Property Tax Payment Deferrals – Eligibility (Ch. 690/Ch. 691)	Potential delay or minimal reduction in property tax revenues.	No
SB 399/HB 522	Anne Arundel County – Alcoholic Beverages Licenses – Class C Per Diem License Fees (Ch. 857/Ch. 858)	Fee revenues increase by up to \$7,000 annually.	No
SB 414	Anne Arundel County – Alcoholic Beverages – Consumption-Only Nonprofit Swim Club License (Ch. 829)	Minimal fee revenues.	No
SB 441/HB 682	Anne Arundel County – Alcoholic Beverages – Golf Course License and Sports Activity Venue Licenses (Ch. 851/Ch. 850)	Minimal fee revenues.	No
SB 442	Anne Arundel County – Population Ratio Quota for Class A (Off-Sale) and Class D (Off-Sale) Licenses – Exemption (Ch. 859)	Fee revenues increase by \$5,160 annually.	No
SB 851/HB 320	Anne Arundel County – Property Tax Credit – Rural Legacy Program (Ch. 619/Ch. 620)	County property tax revenues decrease by approximately \$27,800 annually.	No
HB 320/SB 851	See entry for SB 851.		No
HB 522/SB 399	See entry for SB 399.		No
HB 606/SB 109	See entry for SB 109.		No
HB 682/SB 441	See entry for SB 441.		No

Legislation Affecting Local Government Revenues (Continued)

<u>Bill #</u>	<u>Title</u>	<u>Comment</u>	<u>Mandate</u>
<i>Baltimore City</i>			
SB 17/HB 20	Baltimore City – Alcoholic Beverages – Related Event Promoter’s Permit (Ch. 3/Ch. 74)	Minimal fee revenues in FY 2026 through 2029.	No
SB 290/HB 681	Baltimore City – Ordinance Enforcement – Fines and Penalties (Ch. 485/Ch. 486)	Potential significant fine revenues.	No
SB 756/HB 1232	Baltimore City – Economic Development Project in Downtown RISE District – Payment in Lieu of Taxes (Ch. 146/Ch. 145)	Potential decrease in property tax revenues in FY 2027 through 2036.	No
SB 877	Baltimore City – Stop Sign Monitoring Systems Pilot Program – 41st Legislative District (Ch. 569)	Potential fine revenues in FY 2027 through 2030.	No
SB 927	Baltimore City – Alcoholic Beverages – Related Event Promoter’s Permit (Ch. 843)	Potential fee revenues in FY 2027 and 2028.	No
HB 20/SB 17	See entry for SB 17.		No
HB 681/SB 290	See entry for SB 290.		No
HB 1232/SB 756	See entry for SB 756.		No
<i>Baltimore County</i>			
SB 30/HB 211	Baltimore County – Property Tax Credit – Fraternal Order of Police Lodge 34 (Ch. 801/Ch. 800)	Property tax revenues potentially decrease by \$9,600 annually.	No
HB 211/SB 30	See entry for SB 30.		No
<i>Calvert County</i>			
HB 1095	Calvert County – Property Tax Credit – Tobacco Barns (Ch. 147)	Potential decrease in property tax revenues.	No
HB 1513	Calvert County – Public Facilities Bonds (Ch. 339)	Bond revenues increase by up to \$81.0 million.	No

Legislation Affecting Local Government Revenues (Continued)

<u>Bill #</u>	<u>Title</u>	<u>Comment</u>	<u>Mandate</u>
<i>Carroll County</i>			
HB 927	Carroll County – Public Facilities Bond (Ch. 343)	Bond revenues increase by up to \$27.0 million.	No
<i>Garrett County</i>			
SB 802/HB 1203	Garrett County – Alcoholic Beverages Act of 2026 (Ch. 827/Ch. 828)	Potential license fee revenues.	No
HB 1203/SB 802	See entry for SB 802.		No
<i>Howard County</i>			
HB 456	Howard County – Alcoholic Beverages – Gift Basket Permit Ho. Co. 2-26 (Ch. 817)	Potential permit fee revenues.	No
<i>Montgomery County</i>			
HB 601	Montgomery County – Stop Sign Monitoring Systems Pilot Program – Gaithersburg and Rockville MC 5-26 (Ch. 557)	Potential fine revenues for the City of Gaithersburg and City of Rockville in FY 2027 through 2030.	No
<i>Prince George’s County</i>			
SB 198	Prince George’s Community College – Aerospace and Aviation Systems Technology Programs – Feasibility Study (Ch. 784)	Prince George’s County Community College revenues increase by \$250,000 in FY 2027 (in accordance with the State budget) and \$100,000 in FY 2028.	No
HB 443	Prince George’s County – Alcoholic Beverages – Class B-SEC (Small Event Center) License PG 312-26 (Ch. 838)	Fee revenues increase by approximately \$10,500 annually.	No
HB 1243	Prince George’s County – Personal Property Tax Exemption for Small Manufacturers PG 423-26 (Ch. 806)	Minimal decrease in municipal property tax revenues.	Yes

Legislation Affecting Local Government Revenues (Continued)

<u>Bill #</u>	<u>Title</u>	<u>Comment</u>	<u>Mandate</u>
HB 1247	Prince George's County – Tax Increment Financing – Extraordinary Development District – Alterations PG 425-26 (Ch. 348)	Potential bond and/or property tax revenues beginning in FY 2026.	No
HB 1452	Economic Development – Prince George's County Suitland Development Authority – Established (Ch. 458)	Potential effect on property tax revenues.	No
<i>St. Mary's County</i>			
HB 600	St. Mary's County – Metropolitan Commission (Ch. 349)	Minimal fine revenues.	No
<i>Washington County</i>			
SB 497/HB 846	Property Tax – City of Hagerstown and the Hagerstown Multi-Use Sports and Events Facility, Inc. – Exemption (Ch. 809/Ch. 810)	County property tax revenues decrease by \$1.3 million in FY 2027 due to tax refunds. County property tax revenues decrease by an additional \$160,000 annually beginning in FY 2027 due to exemptions for the City of Hagerstown.	Yes
SB 501/HB 783	Washington County – Property Tax Credit – Platoon 22, Incorporated (Ch. 808/Ch. 807)	Property tax revenues for Washington County and the City of Hagerstown decrease minimally beginning in FY 2027.	Yes
SB 715/HB 1457	Washington County – Juveniles – Truancy Reduction Pilot Program (Ch. 812/Ch. 811)	Grant revenues increase by \$155,000 annually.	No
HB 783/SB 501	See entry for SB 501.		Yes
HB 846/SB 497	See entry for SB 497.		Yes
HB 1457/SB 715	See entry for SB 715.		No
<i>Wicomico County</i>			
SB 847/HB 889	Wicomico County – Property Tax Credit – Salisbury Neighborhood Housing Services, Inc. (Ch. 710/Ch. 711)	Potential decrease in county and municipal property tax revenues.	No
HB 889/SB 847	See entry for SB 847.		No

Legislation Affecting Local Government Revenues (Continued)

<u>Bill #</u>	<u>Title</u>	<u>Comment</u>	<u>Mandate</u>
<i>Worcester County</i>			
SB 846/HB 1101	Worcester County – Alcoholic Beverages – Temporary To-Go Event Permit and Class C Per Diem Municipal To-Go Beer, Wine, and Liquor License (Ch. 835/Ch. 834)	Potential license/permit fee revenues.	No
HB 1101/SB 846	See entry for SB 846.		No

Legislation Affecting Local Government Expenditures

<u>Bill #</u>	<u>Title</u>	<u>Comment</u>	<u>Mandate</u>
Legislation Affecting All/Multiple Local Jurisdictions			
SB 12	Residential Rental Apartments – Air-Conditioning Requirement (Ch. 664)	Potential significant compliance costs.	Yes
SB 82	Criminal Law – Counterfeiting and Possession of Counterfeit Lease of Real Property – Penalty (Ch. 550)	Minimal incarceration costs.	No
SB 100/HB 263	Election Law – Early Voting Centers – Bus Stops (Ch. 107/Ch. 106)	Potential transportation costs.	Yes
SB 114	3-1-1 Systems – Expansion Program and Oversight Board – Establishment (Ch. 434)	Potential decrease in program costs in some jurisdictions.	No
SB 189	Municipalities – Open Drainage Inlets – Inventory and Improvements (Mason’s Law) (Ch. 356)	Potential significant program expenditures.	Yes
SB 197/HB 243	Land Use – Comprehensive and General Plans – Alteration of Elements (Ch. 111/Ch. 110)	Potential administrative costs.	Yes
SB 207/HB 231	Higher Education – Guaranteed Access Grant Program – Applicability (Ch. 99/Ch. 98)	Scholarship administration costs decrease in FY 2027 and 2028.	No
SB 226/HB 238	Maryland Heritage Area Authority and Heritage Areas – Alterations (Ch. 124/Ch. 123)	Potential grant and loan expenditures.	No
SB 241/HB 115	Election Law – Individuals Released From State Correctional Facilities – Automatic Restoration of Voter Registration (Ch. 427/ Ch. 428)	Programming costs increase by \$400,000 in FY 2027 only.	Yes

Legislation Affecting Local Government Expenditures (Continued)

<u>Bill #</u>	<u>Title</u>	<u>Comment</u>	<u>Mandate</u>
SB 272/HB 393	Health Insurance – Scalp Cooling Systems – Required Coverage (Ch. 51/Ch. 52)	Potential health insurance costs.	No
SB 276/HB 445	Maryland Medical Assistance Program and Health Insurance – Coverage for Orthoses and Prostheses (So Every Body Can Move Act) (Ch. 629/Ch. 628)	Potential health insurance costs.	No
SB 284	Budget Reconciliation and Financing Act of 2026 (Ch. 6)	Local school system spending decreases by \$3.3 million in FY 2027 as a result of limiting the expansion of Tier II full-day prekindergarten eligibility. County and Baltimore City expenditures increase by \$39.3 million annually beginning in FY 2027 due to increased local cost share of pension system payments by local school systems, community colleges, and libraries. Expenditures increase by up to \$1.6 million in FY 2028 (but costs are waived for any counties that submit a cost-benefit analysis) and by up to \$4.7 million in FY 2030 as a result of requiring local governments to reimburse the State for Assisted Outpatient Treatment program costs. Prince George’s County expenditures associated with the Prince George’s County Reentry Employment Incentive Program decrease by \$150,000 in FY 2027 and 2028.	Yes
SB 292/HB 319	County Boards of Education – Student Transportation – Sunset Repeal and Study (Ch. 682/Ch. 683)	Potential decrease in student transportation costs.	No
SB 311	Education – The Blueprint for Maryland’s Future – Revisions (Ch. 602)	Local expenditures for public schools increase significantly for certain jurisdictions beginning in FY 2027 due to compensatory enrollment changes.	Yes
SB 323	Juvenile Court – Jurisdiction, Detention, and Confinement (Youth Charging Reform Act) (Ch. 609)	Potential significant personnel costs for State’s Attorneys’ offices. Potential decrease in program costs for local detention facilities beginning in FY 2030.	No
SB 340/HB 671	Office of the Long-Term Care Ombudsman – Mandatory Appropriation (Ch. 761/Ch. 762)	Potential program costs for area agencies on aging.	No

Legislation Affecting Local Government Expenditures (Continued)

<u>Bill #</u>	<u>Title</u>	<u>Comment</u>	<u>Mandate</u>
SB 388/HB 898	Economic Development – Delivering Economic Competitiveness and Advancing Development Efforts (DECADE) Act (Ch. 351/Ch. 352)	Local governments and economic development corporations may be affected by changes to State grant and other financial assistance programs.	No
SB 420/HB 6	Public Institutions of Higher Education – Pregnant and Parenting Students – Plan and Reporting (Ch. 734/Ch. 735)	Minimal administrative costs.	No
SB 431/HB 578	Fish and Wildlife – Endangered and Threatened Species and Migratory Birds – Regulations, Lists, Petitions, Essential Habitats, and Takings (Ch. 212/Ch. 211)	Potential infrastructure costs.	No
SB 439	Employment Discrimination – Fire and Rescue Public Safety Employees – Use of Medical Cannabis (Ch. 183)	Potential litigation costs.	No
SB 445/HB 532	Employment Standards – Firefighters – Payment of Wages and Payroll Information (Ch. 181/Ch. 182)	Potential personnel costs for firefighters beginning in FY 2029.	No
SB 468/HB 363	Local Government – Grant for Recipients of State Child Tax Credit – Authorization (Ch. 203/Ch. 204)	Potential grant expenditures beginning in FY 2027.	No
SB 487	Motor Vehicles – Speed Monitoring Systems – Safety Corridors (Vulnerable Road User Protection Act of 2026) (Ch. 285)	Potential implementation and administrative costs.	No
SB 532/HB 1076	Higher Education Institutions – Over-the-Counter Contraception – Access and Reporting (Ch. 675/Ch. 674)	Minimal administrative costs.	No
SB 544/HB 492	Courtroom Security – Minimum Adequate Security Standard (Ch. 476/Ch. 475)	Potential significant personnel costs.	Yes

Legislation Affecting Local Government Expenditures (Continued)

<u>Bill #</u>	<u>Title</u>	<u>Comment</u>	<u>Mandate</u>
SB 556/HB 1164	Water Companies, Sewage Disposal Companies, and Water and Sewage Disposal Companies – Limited-Income Mechanisms (Ch. 525/Ch. 526)	Potential costs for water and sewage services.	No
SB 579	Counties – No-Cost Preventive Cancer Screenings for Volunteer and Retired Volunteer Firefighters (Ch. 319)	Potential significant health insurance costs.	Yes
SB 599/HB 429	On-Farm Organics Diversion and Recycling Grant Program – Established (Ch. 249/Ch. 250)	Potential grant expenditures.	No
SB 601/HB 957	Cybersecurity – Standards and Compliance – Alterations (Ch. 35/Ch. 34)	Potential significant cybersecurity costs.	Yes
SB 624/HB 1221	Public Safety – Short-Term Rental Units – Safety (Jillian and Lindsay Wiener Short-Term Rental Safety Act) (Ch. 10/Ch. 9)	Potential personnel costs.	Yes
SB 646	Public School System Contracts – Prohibited Provisions (Ch. 701)	Potential contract costs.	No
SB 668/HB 680	Children’s Cabinet Fund – Renaming and Funding for Grants to Local Management Boards (Ch. 764/Ch. 765)	Grant expenditures from eligible local management boards increase by \$500,000 in FY 2031.	No
SB 673/HB 1165	State Procurement – Apprenticeship Program Accountability and Completion (Ch. 532/Ch. 533)	Potential contract costs.	No
SB 685	State Department of Education – Sexual Abuse and Sexual Misconduct Model Response Policy – Requirements (Ch. 639)	Potential legal costs and program expenditures for school systems beginning in FY 2027.	No

Legislation Affecting Local Government Expenditures (Continued)

<u>Bill #</u>	<u>Title</u>	<u>Comment</u>	<u>Mandate</u>
SB 719/HB 925	Sewage Sludge – Per- and Polyfluoroalkyl Substances – Regulation (Ch. 329/Ch. 330)	Potential significant compliance costs.	Yes
SB 720	Education – Artificial Intelligence – Guidelines, Professional Development, and Collaborative (Artificial Intelligence Ready Schools Act) (Ch. 634)	Potential significant staffing costs.	Yes
SB 734/HB 1139	State Retirement and Pension System – Administration and Clarification (Ch. 290/Ch. 291)	Potential administrative costs in some jurisdictions.	No
SB 765/HB 1148	Property Taxes – Tax Sales, Legacy Protection Program, and Tax Credits (Ch. 719/Ch. 718)	County Legacy Protection Program expenditures increase by \$500,000 annually (in aggregate) beginning in FY 2028.	Yes
SB 777	Labor and Employment – Workforce Development – Hospital Employee Retraining and Placement Program and Workforce Development and Local Workforce Development Boards (Local Workforce Solutions Investment Act) (Ch. 298)	Potential program costs.	No
SB 864	Higher Education – Tuition Exemption for Foster Care Recipients – Eligibility (Ch. 785)	Additional enrollment costs.	Yes
SB 869	Economic Development – Maryland Workforce Launch Pilot Program – Establishment (Ch. 535)	Potential operational costs for community colleges in FY 2027 and 2028.	No
SB 872	Reduction of Lead Risk in Housing – Rental Dwelling Unit – Definition (Ch. 225)	Potential compliance and lead remediation costs.	Yes
SB 892	Health Occupations, Public Health, and Insurance – Menopause – Provider Training Coverage Requirements, Policy Initiatives, and Access to Care (Ch. 605)	Potential health insurance costs (duplicative of impact for HB 1365).	No

Legislation Affecting Local Government Expenditures (Continued)

<u>Bill #</u>	<u>Title</u>	<u>Comment</u>	<u>Mandate</u>
SB 920/HB 798	Economic Development – Small, Minority, and Women-Owned Business Accounts – Management Fees (Small Business Increased Access to Capital Act) (Ch. 392/Ch. 391)	Potential administrative costs.	No
SB 949	Election Law – Absentee Ballots – State and Federal Requirements (Ch. 440)	Potential election-related costs.	No
SB 964/HB 864	Public Works Contracts – Apprenticeship Requirements (Maryland Workforce Apprenticeship Utilization Act) (Ch. 409/Ch. 410)	Potential contract costs.	No
SB 968	Education – School Bus – Fire Safety Standards (Ch. 524)	Potential decrease in student transportation costs.	No
SJ 2/HJ 6	Judicial Compensation Commission – Recommendations (JR 2/JR 4)	Minimal salary expenditures for some jurisdictions.	No
HB 3	Higher Education – Student Financial Assistance – Dependents of State or Local Public Safety Employees (Maryland Fallen Heroes Tuition Benefits Act) (Ch. 798)	Potential significant decrease in scholarship expenditures.	No
HB 6/SB 420	See entry for SB 420.		No
HB 115/SB 241	See entry for SB 241.		Yes
HB 135	Economic Development – Tax Increment Financing – Noncontiguous Areas (Ch. 536)	Potential significant program costs and debt service expenditures.	No
HB 149	Fire Prevention – Assistant Fire Marshals, Residential Rental High-Rise Property Fire Safety Equipment, and Fire Alarm System Technicians (Ch. 422)	Potential program costs.	No

Legislation Affecting Local Government Expenditures (Continued)

<u>Bill #</u>	<u>Title</u>	<u>Comment</u>	<u>Mandate</u>
HB 231/SB 207	See entry for SB 207.		No
HB 238/SB 226	See entry for SB 226.		No
HB 243/SB 197	See entry for SB 197.		Yes
HB 263/SB 100	See entry for SB 100.		Yes
HB 319/SB 292	See entry for SB 292.		No
HB 363/SB 468	See entry for SB 468.		No
HB 393/SB 272	See entry for SB 272.		No
HB 429/SB 599	See entry for SB 599.		No
HB 445/SB 276	See entry for SB 276.		No
HB 457	Institutions of Higher Education – Provision of Menstrual Hygiene Products – Requirement (Ch. 722)	Potential community college operating costs.	Yes
HB 461	Economic Development – Rural Readiness Program and Rural Maryland Capacity Building Fund Establishment (Ch. 543)	Potential matching expenditures.	No
HB 492/SB 544	See entry for SB 544.		Yes
HB 532/SB 445	See entry for SB 445.		No
HB 578/SB 431	See entry for SB 431.		No

Legislation Affecting Local Government Expenditures (Continued)

<u>Bill #</u>	<u>Title</u>	<u>Comment</u>	<u>Mandate</u>
HB 613	Department of the Environment – Waivers for Living Shorelines and Nonstructural Shoreline Stabilization Measures – Regulations and Scoring System (Ch. 321)	Potential project costs.	No
HB 671/SB 340	See entry for SB 340.		No
HB 680/SB 668	See entry for SB 668.		No
HB 711	Data Privacy – Consumer Data, Public Records, and Message Switching System (Data Privacy Act) (Ch. 874)	Potential significant compliance costs.	No
HB 798/SB 920	See entry for SB 920.		No
HB 864/SB 964	See entry for SB 964.		No
HB 898/SB 388	See entry for SB 388.		No
HB 925/SB 719	See entry for SB 719.		Yes
HB 957/SB 601	See entry for SB 601.		Yes
HB 1012	Public Health – Local Suicide Fatality Review Teams – Authorization (Ch. 328)	Potential local health department and municipal government implementation costs.	No
HB 1076/SB 532	See entry for SB 532.		No
HB 1139/SB 734	See entry for SB 734.		No
HB 1148/SB 765	See entry for SB 765.		Yes
HB 1164/SB 556	See entry for SB 556.		No

Legislation Affecting Local Government Expenditures (Continued)

<u>Bill #</u>	<u>Title</u>	<u>Comment</u>	<u>Mandate</u>
HB 1165/SB 673	See entry for SB 673.		No
HB 1221/SB 624	See entry for SB 624.		Yes
HB 1365	Health Occupations, Public Health, and Insurance – Menopause – Provider Training Coverage Requirements, Policy Initiatives, and Access to Care (Ch. 606)	Potential health insurance costs (duplicative of impact for SB 892).	No
HB 1504	Highways – Sidewalks and Bicycle Pathways – Construction and Reconstruction (The Honorable Anne Healey Pedestrian Safety Act of 2026) (Ch. 418)	Potential impact on grant funding in some jurisdictions.	No
HB 1532	Utility RELIEF (Reducing Energy Load Inflation for Everyday Families) Act (Ch. 353)	Potential significant administrative costs associated with several provisions (<i>e.g.</i> , requirements relating to residential solar permitting, inspections, etc.). Potential administrative expenditures for municipal electric utilities. Potential significant decrease in electricity expenditures beginning as early as FY 2027. Potential effect on Strategic Energy Investment Fund expenditures.	Yes
HJ 6/SJ 2	See entry for SJ 2.		No

Legislation Affecting Local Government Expenditures (Continued)

<u>Bill #</u>	<u>Title</u>	<u>Comment</u>	<u>Mandate</u>
Legislation Affecting Local Governments by Subdivision			
<i>Allegany County</i>			
SB 748/HB 1102	Correctional Officers' Retirement System – Allegany County (Ch. 178/Ch. 179)	Pension costs increase by \$165,000 annually beginning in FY 2028.	No
HB 1102/SB 748	See entry for SB 748.		No
<i>Anne Arundel County</i>			
SB 397/HB 11	Anne Arundel County – Sheriff – Appointment of Majors (Ch. 566/Ch. 567)	Salary expenditures increase by approximately \$822,300 in FY 2027 and at least \$730,000 annually thereafter to fund required new positions.	Yes
SB 398/HB 874	Anne Arundel County – Board of License Commissioners – Alterations (Ch. 831/Ch. 830)	Salary expenditures increase by \$39,995 annually.	Yes
SB 401/HB 512	Anne Arundel County – Board of License Commissioners and Part-Time Inspectors – Compensation (Ch. 852/Ch. 853)	Salary expenditures increase by at least \$33,716 annually.	No
HB 11/SB 397	See entry for SB 397.		Yes
HB 512/SB 401	See entry for SB 401.		No
HB 874/SB 398	See entry for SB 398.		No

Legislation Affecting Local Government Expenditures (Continued)

<u>Bill #</u>	<u>Title</u>	<u>Comment</u>	<u>Mandate</u>
<i>Baltimore City</i>			
SB 279	Baltimore City – Cigarettes, Other Tobacco Products, and Electronic Smoking Devices – Enforcement and Licensure (Ch. 387)	Potential administrative costs.	No
SB 877	Baltimore City – Stop Sign Monitoring Systems Pilot Program – 41st Legislative District (Ch. 569)	Potential implementation and administrative costs in FY 2027 through 2030.	No
HB 503	Baltimore City Sheriff’s Office – Collective Bargaining – Compensation (Ch. 568)	Potential personnel costs.	No
<i>Baltimore County</i>			
SB 253/HB 388	Baltimore County Public Library – Collective Bargaining – Supervisory Employees (Ch. 756/Ch. 757)	Potential salary expenditures and contractual costs.	No
HB 388/SB 253	See entry for SB 253.		No
<i>Calvert County</i>			
HB 1156	Calvert County – Length of Service Award Program – Benefits (Ch. 556)	Potential benefits payments.	No
HB 1513	Calvert County – Public Facilities Bonds (Ch. 339)	Debt service expenditures increase by up to \$6.3 million annually.	No
HB 1514	Calvert County – County Officials and Board of Education – Salaries and Benefits (Ch. 574)	Salary expenditures increase by \$52,300 in FY 2027 and by at least \$100,900 annually thereafter.	No

Legislation Affecting Local Government Expenditures (Continued)

<u>Bill #</u>	<u>Title</u>	<u>Comment</u>	<u>Mandate</u>
<i>Caroline County</i>			
SB 705	Caroline County Board of Education – Member Compensation – Increase (Ch. 575)	Board member compensation costs increase by \$2,300 in FY 2027 and by \$10,00 annually beginning in FY 2030.	No
<i>Carroll County</i>			
SB 449/HB 878	Workers’ Compensation – Heart Disease and Hypertension Presumption and Permanent Partial Disability – Carroll County Correctional Deputies (Ch. 342/Ch. 341)	Workers’ compensation costs.	Yes
HB 878/SB 449	See entry for SB 449.		Yes
HB 927	Carroll County – Public Facilities Bond (Ch. 343)	Debt service expenditures increase by up to \$2.0 million annually over a 20-year period.	No
<i>Dorchester County</i>			
SB 614/HB 744	Correctional Officers’ Retirement System – Dorchester County (Ch. 344/Ch. 345)	Pension costs increase by \$37,000 annually beginning in FY 2028.	No
HB 744/SB 614	See entry for SB 614.		No
<i>Frederick County</i>			
SB 534/HB 839	Frederick Community College – Board of Trustees – Meeting and Training Requirements (Ch. 577/Ch. 576)	Potential administrative costs.	Yes
HB 839/SB 534	See entry for SB 534.		Yes

Legislation Affecting Local Government Expenditures (Continued)

<u>Bill #</u>	<u>Title</u>	<u>Comment</u>	<u>Mandate</u>
<i>Garrett County</i>			
SB 802/HB 1203	Garrett County – Alcoholic Beverages Act of 2026 (Ch. 827/Ch. 828)	Salary expenditures increase by \$3,000 annually.	No
HB 1203/SB 802	See entry for SB 802.		No
<i>Howard County</i>			
SB 1003	Howard County – Sheriff and State’s Attorney – Compensation Ho. Co. 12-26 (Ch. 581)	Salary expenditures increase by at least \$48,000 in FY 2027 and at least \$96,000 annually thereafter.	No
<i>Montgomery County</i>			
HB 601	Montgomery County – Stop Sign Monitoring Systems Pilot Program – Gaithersburg and Rockville MC 5-26 (Ch. 557)	Potential implementation and administrative costs for the City of Gaithersburg and City of Rockville in FY 2027 through 2030.	No
HB 936	Montgomery County Public Schools – Jane E. Lawton Local Food Procurement MC 7-26 (Ch. 805)	Personnel costs beginning in FY 2027. Administrative costs in FY 2027 only.	Yes
HB 1181	Family Law – Children in Out-of-Home Placement – Voluntary Placement Agreements (Ch. 159)	Salary expenditures and programming costs increase by approximately \$162,000 annually.	No

Legislation Affecting Local Government Expenditures (Continued)

<u>Bill #</u>	<u>Title</u>	<u>Comment</u>	<u>Mandate</u>
<i>Prince George's County</i>			
SB 198	Prince George's Community College – Aerospace and Aviation Systems Technology Programs – Feasibility Study (Ch. 784)	Study costs increase by \$250,000 in FY 2027 (in accordance with funding included in the FY 2027 State budget) and \$100,000 in FY 2028.	No
HB 423	Prince George's County – Public High Schools – Drug Detection Products PG 501-26 (Ch. 583)	Minimal infrastructure costs.	No
HB 872	Law Enforcement Officers' Pension System – Seat Pleasant Police Department (Ch. 57)	Pension costs increase by \$541,380 annually beginning in FY 2028.	No
HB 1222	Prince George's County – State's Attorney Salary – Alteration PG 426-26 (Ch. 584)	Salary expenditures increase by \$40,371 in FY 2027 and \$69,207 annually thereafter.	No
HB 1247	Prince George's County – Tax Increment Financing – Extraordinary Development District – Alterations PG 425-26 (Ch. 348)	Potential bond and/or tax expenditures beginning in FY 2026.	No
HB 1452	Economic Development – Prince George's County Suitland Development Authority – Established (Ch. 458)	Potential administrative costs.	No
<i>Somerset County</i>			
SB 508/HB 1428	Somerset County Board of Education – Alterations (Ch. 151/Ch. 150)	Board member compensation costs increase by \$3,450 in FY 2027 and \$12,200 annually beginning in FY 2030.	No
HB 1428/SB 508	See entry for SB 508.		No

Legislation Affecting Local Government Expenditures (Continued)

<u>Bill #</u>	<u>Title</u>	<u>Comment</u>	<u>Mandate</u>
<i>Washington County</i>			
SB 715/HB 1457	Washington County – Juveniles – Truancy Reduction Pilot Program (Ch. 812/Ch. 811)	Program costs increase by \$155,000 annually.	No
HB 1457/SB 715	See entry for SB 715.		No
<i>Worcester County</i>			
SB 681/HB 914	Worcester County – Board of License Commissioners – Membership (Ch. 839/Ch.840)	Salary expenditures increase by \$4,200 annually.	No
HB 914/SB 681	See entry for SB 681.		No

Chapter 5. Vetoed Legislation

- Vetoed Legislation

Vetoed Legislation

The following are 2026 bills that were vetoed by the Governor for policy reasons. The fiscal impact of the legislation is summarized below.

SB 426 Public Information Act – Divorce Records

The bill would not have materially affected State or local finances.

SB 459 Procurement – Advertising – Maryland News Organizations (Local News for Maryland Communities Act of 2026)

The bill would have created operational inefficiencies to the extent State agencies would have altered the placement of paid media advertisements. General and special fund expenditures would have potentially increased as agencies complied with the bill's requirements. The bill would not have directly affected revenues.

HB 862 Railroads – Required Crew for Movement of Freight

In the absence of changes to federal law and/or regulations, the bill would not have materially affected State or local finances.

HB 1151 Maryland Department of Health – Study on Maryland Medical Assistance Program Reimbursement of Hospice Room and Board Services

Medicaid expenditures would have increased by as much as \$52,000 (50% general funds, 50% federal funds) in FY 2027 only for contractual services to prepare the report. Otherwise, the Maryland Health Care Commission would have handled the bill with existing resources.

