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# Summary Reports of Committees To the Legislative Policy Committee

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2025 Interim Report

Annapolis, Maryland  
February 2026

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**Summary Reports of Committees  
To the Legislative Policy Committee**

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**Annapolis, Maryland  
February 2026**

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MARYLAND GENERAL ASSEMBLY  
LEGISLATIVE POLICY COMMITTEE

January 2026

Members of the Legislative Policy Committee  
Members of the Maryland General Assembly

Members:

Pursuant to Section 2-409(b) of the State Government Article, attached for your review and information is a compilation of the 2025 interim activities and recommendations of the standing, joint statutory, and special joint committees of the General Assembly.

For further information or copies of this summary report or individual committee reports, please email the staff for the Legislative Policy Committee, Ryane Necessary [ryane.necessary@mga.maryland.gov](mailto:ryane.necessary@mga.maryland.gov) or Dana Tagalicod [dana.tagalicod@mga.maryland.gov](mailto:dana.tagalicod@mga.maryland.gov).

We wish to thank the committee chairs and the staff from the Department of Legislative Services for their time, effort, and contributions to the work of the committees during the 2025 interim.

Sincerely,

  
William C. Ferguson IV  
Co-Chair

  
Joseline A. Peña-Melnyk  
Co-Chair

WCF:JAP/RMN:DKT/mpd



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# Standing Committees

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Guy Guzzone  
Chair

James C. Rosapepe  
Vice Chair



**THE SENATE OF MARYLAND**  
**Budget and Taxation Committee**

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Joanne C. Benson  
Paul D. Corderman  
Shelly Hettleman  
J.B. Jennings  
Nancy J. King  
Karen Lewis-  
Young  
Cory McCray  
Johnny Ray Salling  
Craig Zucker

December 16, 2025

The Honorable Bill Ferguson, Co-Chair  
The Honorable Joseline A. Peña-Melnyk, Co-Chair  
Members of the Legislative Policy Committee

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

The Senate Budget and Taxation Committee is pleased to present the report of its interim activities. The committee members were active in numerous commissions, committees, and studies. In addition, one site visit was conducted. The subcommittees did not meet.

**Full Committee Activities**

On November 12, 2025 the committee attended a joint fiscal briefing with the Spending Affordability Committee and the House Appropriations and Ways and Means Committees, during which the committees were briefed on the revenue and spending projections for the current and upcoming fiscal years.

On December 9, 2025 the Chancellor of the University System of Maryland and the presidents of Morgan State University and St. Mary's College of Maryland briefed the committee on the impact of federal actions on public senior higher education institutions.

I would like to thank the committee members for their continued dedication, representatives of the public and private organizations who kept us informed and expressed their views, as well as our committee counsel and staff for their support.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Guy Guzzone".

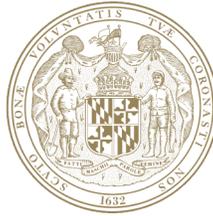
Guy Guzzone  
Chair

GG/ES/cgs/lkp

cc: Victoria L. Gruber  
Ryan Bishop  
Sally Robb  
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BRIAN J. FELDMAN  
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RON WATSON  
KAREN LEWIS-YOUNG

THE SENATE OF MARYLAND  
EDUCATION, ENERGY, AND THE ENVIRONMENT COMMITTEE

December 16, 2025

The Honorable Bill Ferguson, Co-Chair  
The Honorable Joseline A. Peña-Melnyk, Co-Chair  
Members of the Legislative Policy Committee

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

The Senate Committee on Education, Energy, and the Environment is pleased to report on its interim activities. During the 2025 interim, the committee participated in three days of site visits to multiple locations relevant to the committee's work.

**September 26: South Baltimore Gateway Partnership and Masonville Cove**

On September 26, the committee took a boat tour of the Middle Branch of the Patapsco River with the South Baltimore Gateway Partnership (SBGP). The tour highlighted SBGP's efforts to improve resilience and revitalize communities along the Middle Branch – including through providing grants for wetland restoration, public parks, and mixed-income housing projects. SBGP leverages funding from a variety of State and federal sources to support its work. During the tour, SBGP representatives discussed how recent cuts to the federal Building Resilient Infrastructure and Communities Program could impact the Partnership's plans to protect the Baltimore Gas and Electric (BGE) Company's Spring Gardens natural gas facility from storm surge and sea level rise.

Following the boat tour, the committee traveled to the Masonville Cove Dredged Material Containment Facility. There, representatives from the Maryland Environmental Service and the Maryland Port Administration (MPA) described the State's strategies for managing dredged materials from Baltimore harbor. These strategies include both land-based containment and the development of beneficial reuse options. The committee also toured the Masonville Cove Environmental Education Center, which was developed by MPA in conjunction with the Army Corps of Engineers in the early 2000s to provide environmental education and outdoor recreation opportunities to the surrounding community.

## **October 28: Montgomery County Board of Elections and PEPCO/Exelon's Operations Control Center**

On October 28, the committee traveled to the Montgomery County Board of Elections, the largest voting jurisdiction in the State, to meet the leadership and tour their offices and storage facilities. David Naimon, chair of the local board, and Boris Brajkovic, election director, provided the tour, introduced members of their team, and highlighted processes and technology used for the transparent and efficient administration of elections and their successful high school student recruitment program for the next generation of election judges. Despite being a large and resource rich county, they discussed the challenges of recruitment of election judges, storage of equipment and supplies, public perceptions of election integrity, and security of election officials.

Also on October 28, the committee visited PEPCO/Exelon's Operations Control Center in Rockville. During the visit, the members were briefed on the priorities of Exelon-owned utilities, PEPCO and BGE, for the upcoming legislative session. The committee then toured the Operations Control Center, which is the point of response for energy emergencies, power outages, and activations of personnel during weather events in the capital region. The committee witnessed real-time data on system activities and saw how the utility reroutes power in outage events.

## **November 10: Prince George's County Community Schools**

On November 10, the committee traveled to two community schools in Prince George's County to understand how community school funding can be used for students of different ages and community needs. Cherokee Lane Elementary School has been a community school for over five years, preceding the funding and legal requirements established in the Blueprint for Maryland's Future. The committee was given a lively and comprehensive presentation on the benefits of the dedicated funding for the community schools coordinator and wraparound services. The committee heard from the principal, the community schools coordinator, four service providers, and students on the benefits of various programs to students and families, including: Brighter Bites (food baskets); Nemas Gardens (community garden, produce, and education); Coaching Salud Holistica (case management and wellness workshops); and medical and dental services.

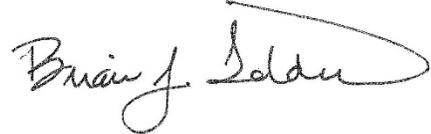
The committee also toured Laurel High School, a newly established community school. The principal and community schools coordinator led the tour of the school and gave a presentation on how community schools funding has been used to benefit school students and their families, including comments from teachers and students. The committee saw the student-run donation closet, food pantry, and family resource room. Funding has also been used toward mental health programs, afterschool programs, establishing a school garden, and a community-building activities fair.

December 11, 2025

Page 3

The committee greatly appreciates the assistance of the many private citizens, public officials, and legislative staff who participated in the activities of the committee during the 2025 interim. We look forward to continuing our work on these and other important topics during the upcoming legislative session.

Sincerely,

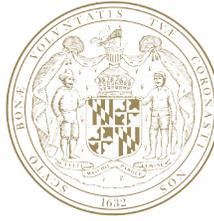
A handwritten signature in black ink that reads "Brian J. Feldman". The signature is written in a cursive style with a large, sweeping flourish at the end.

Brian J. Feldman  
Chair

cc: Sally Robb  
Michelle Firmin  
Victoria L. Gruber  
Ryan Bishop

PAMELA G. BEIDLE  
CHAIR

ANTONIO L. HAYES  
VICE CHAIR



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CARL JACKSON  
BENJAMIN F. KRAMER  
CLARENCE K. LAM  
JOHNNY MAUTZ  
JUSTIN READY  
ALONZO T. WASHINGTON

## THE SENATE OF MARYLAND FINANCE COMMITTEE

December 16, 2025

The Honorable Bill Ferguson, Co-Chair  
The Honorable Joseline A. Peña-Melnyk, Co-Chair  
Members of the Legislative Policy Committee

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

The Senate Finance Committee respectfully submits its report summarizing the committee's activities during the 2025 interim. Committee members participated in three full committee briefings and three site visits during the 2025 interim.

### **Briefings on Federal Proposals, Insurance Market Impacts, and H.R. 1**

During the 2025 interim, the committee focused on the changing federal landscape related to healthcare, particularly health insurance and Medicaid. The committee attended two joint briefings with the House Health and Government Operations Committee to receive information provided by the Maryland Insurance Administration (MIA) and the Maryland Health Benefit Exchange (MHBE) on relevant issues:

- A briefing on June 6 addressed recent federal proposals included in what would become H.R. 1 and provided information about the impact of those proposals on MHBE and insurance markets in the State.
- A briefing on October 16 covered the approved individual and small group insurance rates for 2026 filed with MIA, parameters for State subsidies and the reinsurance program for 2026, and other impacts on Maryland from H.R. 1 and other federal actions.

On December 2, the committee participated in a joint briefing with the House Health and Government Operations Committee on H.R. 1, during which the committee received information from the Department of Human Services (DHS) and the Maryland Department of Health (MDH). DHS provided information regarding the impacts of H.R. 1 and recent events, including the federal government shutdown, on the SNAP program. MDH presented information about the impact of H.R. 1 on Medicaid benefits and the administration of the Medicaid program in the State.

### **Site Visit to the University of Maryland Baltimore Washington Medical Center and R Adams Cowley Shock Trauma Center**

On June 24, the committee visited both the University of Maryland Baltimore Washington Medical Center (BWMC) and the R Adams Cowley Shock Trauma Center to learn about the challenges facing emergency departments in the State. At BWMC, the committee learned about innovations in patient screening and discharge procedures that have helped to improve the patient experience and emergency department throughput. At Shock Trauma, committee members toured the facility and learned about plans for improving the physical space while continuing to offer world-class medical care.

### **Site Visit to SunMed**

On October 14, the committee visited the SunMed grower and processor facilities to learn more about cannabis cultivation and processing, as well as business challenges facing licensees in the adult use cannabis industry. Members were given a tour of SunMed's 500,000 square foot facility with 250,000 square feet of cannabis canopy, in which over 30,000 cannabis plants grow simultaneously. The processor facilities on the site range from making edible and/or drinkable cannabis products to the complex machinery that fills pre-rolled cannabis products.

### **Site Visit to Tradepoint Atlantic and Amazon**

On November 18, the committee visited the offices of Tradepoint Atlantic to learn about recent activities at the site, as well as Tradepoint's impact to the State's economy. The committee was briefed on recently completed and upcoming projects at Tradepoint and toured a portion of the 3,300-acre site. The committee also toured the Amazon distribution center, DCA 1, located at Tradepoint, and learned about operations at the facility.

The committee expresses its appreciation for the advice and assistance provided by governmental officials, State agency staff, and members of the public during the 2025 interim. The committee looks forward to the same spirit of cooperation and assistance during the forthcoming 2026 session.

Respectfully submitted,



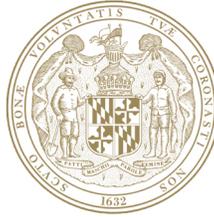
Pamela Beidle, Chair

PB/AG/cgs

cc: Sally Robb  
Michelle Firmin  
Victoria L. Gruber  
Ryan Bishop

WILLIAM C. SMITH, JR.  
CHAIR

JEFF WALDSTREICHER  
VICE CHAIR



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SARA N. LOVE  
MIKE MCKAY  
C. ANTHONY MUSE  
CHARLES E. SYDNOR III, ESQ.  
CHRIS WEST

THE SENATE OF MARYLAND  
JUDICIAL PROCEEDINGS COMMITTEE

December 16, 2025

The Honorable Bill Ferguson, Co-Chair  
The Honorable Joseline A. Peña-Melnyk, Co-Chair  
Members of the Legislative Policy Committee

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

The Senate Judicial Proceedings Committee respectfully submits this summary report of its activities during the 2025 interim. Committee members participated in two site visits during the 2025 interim.

**Frederick County Adult Detention Center**

On September 26, several Committee members visited the Frederick County Adult Detention Center to observe the operation of its “287(g) agreement” with the Department of Homeland Security, under which detention center personnel perform immigration enforcement functions.

**State Correctional Facilities**

On October 24, Committee members visited the Maryland Correctional Institute for Women and the Dorsey Run Correctional Facility in Jessup to observe facility operations, in particular, the provision of prerelease services to eligible incarcerated individuals. Members who were unable to attend the site visit had another opportunity for a similar site visit at these facilities on December 12.

The Committee is grateful to the State and local officials who took the time to make the Committee’s site visits possible. I would also like to personally thank the members and staff for their continued work and dedication.

Sincerely,

A handwritten signature in black ink that reads "William C. Smith, Jr." with a stylized flourish at the end.

William C. Smith, Jr.  
Chair

WCS/jsp/jdl

cc: Sally Robb  
Michelle Firmin  
Victoria Gruber  
Ryan Bishop



THE MARYLAND HOUSE OF DELEGATES  
APPROPRIATIONS COMMITTEE

December 16, 2025

The Honorable Bill Ferguson, Co-Chair  
The Honorable Joseline A. Peña-Melnyk, Co-Chair  
Members of the Legislative Policy Committee

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

I am pleased to provide the 2025 interim report for the House Appropriations Committee. The committee held five briefings, including three full committee meetings and two subcommittee meetings, and two site visits. A summary of the committee's activities is listed in the following.

**Full Committee**

On September 22, the committee held a briefing on the impacts of federal actions on public senior higher education institutions. The Department of Legislative Services (DLS) provided a briefing on the fiscal 2025 closeout, revenues, and the impact of federal legislation on the State budget. The University System of Maryland, Morgan State University, and St. Mary's College of Maryland reported on changes to student financial aid and the impact of federal grant rescissions and policy changes on university research.

On October 23, the committee visited Greenbrier State Park. The Department of Natural Resources briefed the committee on the department's capital program. Afterward, the committee traveled to the city of Hagerstown and met at Meritus Park. The committee heard an overview of the construction of Meritus Park and recent investment and local development within the city followed by a guided tour of the Meritus Park facility and surrounding downtown area. Afterward, the committee traveled to Oakland where the Garrett County Commissioners briefed the committee on the impact of State funding in the county.

On October 24, the committee traveled to the city of Cumberland and received an overview of the work of the Western Maryland Economic Future Investment Board and the projects awarded grants through the Senator George C. Edwards Fund. Afterward, the committee was provided a guided tour of downtown Cumberland, including several of the sites highlighted earlier during the overview.

December 16, 2025

Page 2

On October 29, the committee held a briefing on Maryland's response to shortfalls in the federal Supplemental Nutrition Assistance Program (SNAP) and food assistance amid the federal government shutdown. DLS provided an overview of program operations, administration, and the potential for use of the State Reserve Fund to sustain the program in the absence of federal funding. The Comptroller reported on the economic impact of SNAP benefits on the State, and the Department of Budget and Management and the Governor's Office discussed potential State responses.

On November 12, the committee held a joint fiscal briefing with the Senate Budget and Taxation Committee, the House Ways and Means Committee, and the Spending Affordability Committee. DLS reported on the economic outlook, revenue estimates, general fund forecast, and the status of the reserve fund.

### **Education and Economic Development Subcommittee**

On October 30, the subcommittee met jointly with the Ways and Means Committee for a briefing by DLS regarding the status of child care in Maryland, State funding for child care, the Child Care Scholarship Program, and policy concerns for the 2026 session.

### **Transportation and Environment Subcommittee**

On December 10, the subcommittee met for a briefing by the Department of Transportation on the major projects and programs in the draft *Consolidated Transportation Program*.

The committee extends its appreciation for the assistance and information provided by State and local officials, private citizens, and the staff of DLS during the 2025 interim.

Sincerely,

A handwritten signature in black ink, appearing to read 'B. Barnes', written in a cursive style.

Ben Barnes  
Chair

BSB/MB/bao

cc: Sally Robb  
Michelle Firmin  
Victoria L. Gruber  
Ryan Bishop



THE MARYLAND HOUSE OF DELEGATES  
ECONOMIC MATTERS COMMITTEE

December 16, 2025

The Honorable Bill Ferguson, Co-Chair  
The Honorable Joseline A. Peña-Melnyk, Co-Chair  
Members of the Legislative Policy Committee

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

On behalf of the House Economic Matters Committee, I am submitting a summary report of our activities during the 2025 legislative interim.

The committee met for a retreat in Cambridge, Maryland on October 14 and 15, 2025. During the retreat the committee had two site visits and received several briefings. On the first day of the retreat, the committee visited the Delmarva Power Marvel Road Training Facility. The committee received a tour of the facility and viewed various equipment used in the training process. The committee also received a briefing about ongoing improvements Delmarva Power is making to transmission lines. The committee then visited the Nautilus-Mustang One Community Solar Facility. The committee toured the solar facility and viewed the solar panels actively gathering energy and the battery storage facilities. The committee was briefed on community solar in general and the challenges and future outlook for community solar.

On the second day, the committee received briefings from the Maryland Department of Labor and the Maryland Insurance Administration. The Maryland Department of Labor updated committee members on developments regarding unemployment insurance, including information on federal employee unemployment claims, trust fund solvency, and fraud prevention. The Maryland Insurance Administration gave an update on ratemaking, upcoming trends in property and casualty insurance, rising automobile and homeowners' insurance premium rates, and an overview of high-risk areas for homeowners' insurance.

December 16, 2025  
Page 2

The Economic Matters Committee wishes to thank those agencies and individuals who contributed their time and talent during this 2025 interim to inform and advise the committee.

Respectfully submitted,

A handwritten signature in black ink, appearing to be 'C.T. Wilson', written in a cursive style.

C.T. Wilson  
Chair

CTW/SMR:TKH:EMW/al

cc: Sally Robb  
Michelle Firmin  
Victoria Gruber  
Ryan Bishop



THE MARYLAND HOUSE OF DELEGATES  
ENVIRONMENT AND TRANSPORTATION COMMITTEE

December 19, 2025

The Honorable Bill Ferguson, Co-Chair  
The Honorable Joseline A. Peña-Melnyk, Co-Chair  
Members of the Legislative Policy Committee

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

On behalf of the House Environment and Transportation Committee, I am submitting this summary report of the committee’s activities during the 2025 interim.

The full committee held virtual briefings on (1) residential development and (2) recent federal actions impacting climate and energy policy. Members of the committee also served on a workgroup established jointly with the Senate Judicial Proceedings Committee to examine and make recommendations on automated traffic enforcement of the Maryland Vehicle Law. The committee conducted site visits to Baltimore City and Poplar Island, and a two-day site visit to the Lower Eastern Shore (Somerset and Wicomico counties). Lastly, many members worked diligently throughout the interim to assist the work of the committee by participating in several task forces and study commissions.

## Virtual Briefings

### Ins and Outs of Residential Development

On December 9, the committee held an in-depth briefing on residential development in Maryland. The Maryland Secretary of Housing and Community Development, Jacob R. Day, discussed the historic underproduction of housing in the State, the accompanying increase in the cost of housing, and highlighted permitting and zoning as notable barriers to housing development. Secretary Day also explained the work of the Department of Housing and Community Development (DHCD) to ensure affordable housing projects “pencil,” which is an industry term for demonstrating financial viability based on the costs (*e.g.*, construction costs and loan repayments) and the expected financial return (*e.g.*, rental income, sale prices, and tax credits).

Representatives from Baltimore City, Howard County, and the Town of Easton each spoke about jurisdiction-specific efforts to create more housing, including (1) the reduction of vacant buildings in Baltimore City; (2) how the Howard County comprehensive plan is guiding land use and development decisions; and (3) in the Town of Easton, the establishment of an affordable housing task force.

Representatives from the Maryland Affordable Housing Coalition and Affordable Homes & Communities noted that affordable housing developers face development challenges related to financing, lengthy permitting processes, and aging housing stock.

For the last panel, comprised of a representative from the Maryland Building Industry Association, a developer, and development consultants, the committee was presented with case studies to illustrate the challenges associated with residential development, such as the financial costs incurred at each stage of the development process and how extensive land use regulations can constrain development.

### **Recent Federal Actions Impacting Climate and Energy Policy**

The Climate Solutions Now Act of 2022 (Chapter 38) made broad changes to the State's approach to reducing statewide greenhouse gas (GHG) emissions and addressing climate change. Among other things, Chapter 38 accelerated previous statewide GHG emissions reductions targets originally established under the Greenhouse Gas Emissions Reduction Act by requiring the State to develop plans, adopt regulations, and implement programs to (1) reduce GHG emissions by 60% from 2006 levels by 2031 and (2) achieve net-zero statewide GHG emissions by 2045.

Although Maryland continues to make progress toward its GHG emissions reduction targets established under Chapter 38, the State's efforts may be impacted by a number of actions taken at the federal level since January 2025. To better understand the changing federal landscape regarding climate and energy policy, the committee held a joint virtual briefing with the House Economic Matters Committee on December 19. The Secretary of the Environment, Serena C. McIlwain, and Acting Director of the Maryland Energy Administration, Ian Ullman, provided an overview of various federal policy reversals, rollbacks, and other changes, including changes to tax and spending policies and constraints on funding for programs and initiatives that support clean energy, clean vehicles, and climate change adaptation and mitigation. A representative of the University of Maryland's Center for Global Sustainability provided an overview of the center's recent findings regarding the impact of the rollbacks on U.S. climate policy, which include slowed progress in reducing GHG emissions and negative impacts on health and economic outcomes. The committees also heard perspectives from various other stakeholders, including representatives of the Maryland Sierra Club, Green and Healthy Homes Initiative, Oceanic Network, Exelon, Southern Maryland Electric Cooperative, Chesapeake Solar and Storage Association, and the Maryland Automobile Dealers Association.

### **Workgroup on Automated Traffic Enforcement**

During the 2025 interim, the committee and the Senate Judicial Proceedings Committee established a workgroup to (1) address standards that the committees may wish to apply to future legislation that the committees consider on automated traffic enforcement; (2) compare the various automated traffic enforcement programs in Maryland to identify inconsistencies in their standards and requirements; (3) review automated traffic enforcement programs in other states; and (4) identify, analyze, and make recommendations on issues related to automated traffic

enforcement, including data collection and the assessment of penalties against both in- and out-of-state offenders. The workgroup expects to submit proposed standards for the consideration of automated traffic enforcement legislation to the committees before the 2026 session and to recommend legislation to address inconsistencies among the different programs. The workgroup also expects that its consideration of other matters related to automated traffic enforcement will extend into the 2026 interim.

## **Full Committee Site Visits**

### **August**

On August 27, the committee visited several locations across Baltimore City.

- The committee toured completed and ongoing housing development projects in West Baltimore that have received financing from DHCD programs, such as Rental Housing Works. The committee also received a briefing from DHCD on the wide range of work that the department is doing.
- In the Johnston Square and Greenmount West neighborhoods, the committee received a walking tour of various housing and community development projects that involve city, State, nonprofit, and community partners.
- The committee also toured 4MyCiTy Inc.'s facility, where the nonprofit organization is engaged in activities to address food waste and food insecurity by connecting surplus food to families in need or composting recovered food. The organization also seeks to improve economic opportunities by creating local jobs, paid youth training, and community-based work rooted in sustainability.

### **September**

On September 30, the committee visited Poplar Island in the Chesapeake Bay, where the Maryland Port Administration and the U.S. Army Corps of Engineers, in conjunction with the Maryland Environmental Service, are restoring the island by using dredged material from the Port of Baltimore's shipping channels. Although an expansion project is ongoing, Poplar Island has been restored to its original size and provides a safe habitat for the Bay's wildlife, bird, and fish species.

### **October**

On October 20 and 21, the committee visited several locations across the Lower Eastern Shore to conduct site visits.

December 19, 2025

Page 4

- The committee toured the Smith Island Bakery in Crisfield, which produces Smith Island Cake, the State dessert.
- The committee visited the Janes Island State Park where it was briefed by the Department of Natural Resources (DNR) and the Audubon Society. The briefing addressed climate resiliency and mitigation matters on the Lower Eastern Shore, carbon capture, threatened tidal marshes, and wetland restoration.
- The committee visited the J. Millard Tawes Historical Museum in Crisfield for a tour of the museum and a briefing by the City of Crisfield on its flood detection and mitigation program, marina and city dock improvements, and low-income housing initiative.
- The committee visited Somers Cove in Crisfield for a tour of the recently commissioned DNR marine vessel *Eddie Somers*, which performs many functions in support of the lower Chesapeake Bay. These functions include ice breaking, the emergency delivery of supplies to island communities, placing, maintaining, and removing marine navigational aids, removing dangerous debris and abandoned vessels from public waterways, and waterway charting.
- The committee toured two agricultural operations, a Perdue chicken hatchery in Salisbury and Bordeleau Vineyards & Winery in Eden.
- In Princess Anne, the committee visited the family farm of Delegate Charles J. Otto to honor its late longtime friend and committee member.
- The committee visited the Eastern Correctional Institution for a tour of its wastewater treatment plant operated by the Maryland Environmental Service.

The committee wishes to thank the many private citizens and public officials who participated in the committee's activities during the 2025 interim; their time and talents are greatly appreciated.

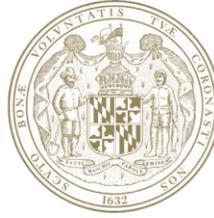
Respectfully submitted,

Marc Korman  
Chair

MK/RN/TPT/CCF/BV/km

cc: Matthew Jackson  
Sally Robb

Victoria L. Gruber  
Ryan Bishop



THE MARYLAND HOUSE OF DELEGATES  
HEALTH AND GOVERNMENT OPERATIONS COMMITTEE

December 16, 2025

The Honorable Bill Ferguson, Co-chair  
The Honorable Joseline A. Peña-Melnyk, Co-chair  
Members of the Legislative Policy Committee

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

This letter provides a summary of the interim work of the House Health and Government Operations Committee (HGO). The full committee met on four occasions for briefings in 2025 and attended four site visits.

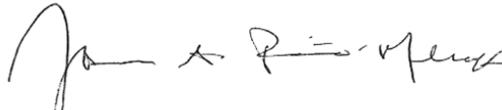
On June 6 and October 16, HGO held joint virtual briefings with the Senate Finance Committee. At both meetings, the Maryland Insurance Administration (MIA) and the Maryland Health Benefit Exchange (MHBE) presented on federal H.R. 1 (also known as the Federal Reconciliation Bill or One Big Beautiful Bill Act) and its potential impact on the Affordable Care Act and Maryland health insurance markets. At these briefings, MIA and MHBE also presented to the committees on 2026 individual and small group health insurance rates, the State Subsidy Program, the State Reinsurance Program, and the Access to Care Act. On December 2, HGO held a virtual briefing and heard from the Maryland Department of Health on the impacts of federal H.R. 1 on Medicaid benefits and administration and from the Department of Human Services on impacts to the Supplemental Nutrition Assistance Program. On December 5, HGO held an in-person briefing to provide an introduction to the Department of Social and Economic Mobility.

On October 23, HGO visited Kaiser Permanente Lutherville-Timonium and Mend Acupuncture in Baltimore County, and the committee visited MedStar Harbor Hospital and the Maryland Museum of Natural Sciences on November 5.

December 16, 2025  
Page 2

HGO appreciates the advice and assistance of the private citizens and public officials who participated in the committee's activities during the 2025 interim. As Chair, I would also like to thank the committee members and staff for their time and effort.

Sincerely,

A handwritten signature in black ink, appearing to read "Joseline A. Peña-Melnyk". The signature is fluid and cursive, with a large initial "J" and a long horizontal stroke.

Joseline A. Peña-Melnyk  
Chair

JAP/ERH:LAR:LJS/bao

Enclosure

cc: Sally Robb  
Michelle Firmin  
Victoria L. Gruber  
Ryan Bishop  
Members, Health and Government Operations Committee

# House Health and Government Operations Committee

## 2025 Interim Report

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### **Impact of Federal Actions on Health Insurance in Maryland**

On June 6 and October 16, the Maryland Insurance Administration (MIA) and the Maryland Health Benefit Exchange (MHBE) briefed the Health and Government Operations Committee (HGO) on the potential impacts H.R. 1 and other federal actions could have on health insurance for Maryland residents. New policies will affect lawfully present immigrants including Deferred Action for Childhood Arrivals recipients who will no longer be eligible to enroll on exchange and immigrants who earn under 100% of the federal poverty level who will no longer be eligible for advanced premium tax credits. Other changes that will impact Marylanders include the end of income verification extensions and the end of special enrollment periods that allowed the lowest income households (under 150% of federal poverty level (FLP)) to be able to enroll on the exchange at any point in the year. Additionally, the open enrollment period will be shortened. MIA and MHBE also emphasized that H.R. 1 did not include an extension of enhanced advanced premium tax credits (eAPTC). Without eAPTCs, premiums are expected to increase significantly, and marketplace enrollment is expected to decline.

### **2026 Individual and Small Group Health Insurance Rates**

On June 6 and October 16, HGO was briefed by MIA on the individual non-medigap and small group markets health insurance premiums for calendar 2026. MIA told committee members that carriers were asked to file two rate requests for the individual market: one in the event that eAPTCs are extended and one if they are not. On average, carriers requested increases of 7.9% and 17.1%, respectively. MIA approved an average premium increase of 13.4%. MIA attributed the increase to the exit of Aetna from the individual market; an increase in overall pricing trends; and an increase in morbidity because of an expected decline in enrollment due to increased premiums, the majority of which are expected to be healthier members of the risk pool. MIA also told committee members that premium increases would have been higher had the General Assembly not passed legislation to establish a State-based subsidy program. Additionally, approved 2026 rates for small group market health plans will increase by an average of 4.9%, and approved individual Affordable Care Act dental rates for 2026 will decrease by an average of -1.4%.

### **Maryland Health Benefit Exchange Updates**

On October 16, HGO was updated by MHBE on Maryland State-based subsidies, the State Reinsurance Program, and the Access to Care Act. In response to the possible termination of

eAPTCs, the State established a State-based subsidy program. The new program will provide financial support to Marylanders who earn under 400% FPL. For Marylanders who earn less than 200% FPL, the State subsidy will fully replace lost eAPTC, and for Marylanders who earn up to 400% FPL, the new program will replace 50% of lost eAPTC. Young adults aged 18-37 will continue to receive additional savings under the Young Adult Subsidy Program.

MHBE credited the State Reinsurance Program with both increasing enrollment on the exchange (to over 300,000 individuals) and reducing premiums in the individual market (by 17%) since establishment. Funding for the program is provided by both the State and federal government. The State portion of the funding is comprised of a 1% assessment on most State-regulated health insurance premiums, which also funds the State Subsidy Program and the Young Adult Subsidy Program. MHBE expressed concerns about the sustainability of this funding source for all three programs and currently projects that funding will be short for the State Reinsurance Program for calendar 2029.

MHBE also updated HGO on the implementation of the Access to Care Act, which was enacted in 2024 and directed MHBE to apply for a federal waiver amendment to allow all residents to enroll on exchange, regardless of immigration status. MHBE's waiver amendment request was approved for enrollment for 2026 plans but, due to recent federal developments, MHBE has proposed delaying implementation until open enrollment for 2028 plans.

## **Impact of Federal Action on Medicaid and the Supplemental Nutrition Assistance Program**

On December 2, HGO and the Senate Finance Committee received a briefing from the Maryland Department of Health (MDH) on the impacts of federal H.R. 1 on Medicaid and from the Department of Human Services (DHS) on impacts to the Supplemental Nutrition Assistance Program (SNAP). DHS shared that SNAP serves over 680,000 Marylanders which, prior to H.R. 1, were 100% federally funded with administrative costs split 50/50 with the State. DHS explained that as of November 1, 2025, H.R. 1 requires Maryland to expand Able-Bodied Adults Without Dependents work requirements; rescinds eligibility for most refugees and people granted asylum for SNAP unless they are also lawful permanent residents; and provides that households without an elderly or disabled member no longer automatically receive the Standard Utility Allowance. These changes will affect approximately 80,000 SNAP recipients. Maryland currently spends \$115 million in general funds to administer SNAP. When the federal/State administrative share changes to 25/75, Maryland will spend \$158.1 million in general funds in fiscal 2027. For fiscal 2028 and beyond, Maryland will spend \$172.5 million per year in general funds. The State will also be required to pay a portion of SNAP benefits costs based on the State's payment error rate. DHS is working with partner agencies to minimize harm and preserve benefit access in implementing H.R. 1.

MDH's Medicaid Director stated that once fully implemented, H.R. 1 will result in the loss of \$2.7 billion in federal funding to the State. MDH also discussed the impact of H.R. 1's Medicaid

immigrant eligibility provisions, work requirements, increased redeterminations, and shortened retroactive coverage opportunities, among other provisions. The State has established a comprehensive cross-agency team led by MDH, MHBE, and Maryland Benefits to implement H.R. 1's Medicaid eligibility requirements, in partnership with providers, plans, and stakeholders. MDH presented the timeline for implementing H.R. 1, the communications timeline, and staffing and training needs. MDH provided a detailed description of H.R. 1's work requirements and noted that MDH is still waiting for the Centers for Medicare and Medicaid Services to provide further guidance on implementing the work requirements.

## **Department of Social and Economic Mobility**

On December 5, HGO received a briefing from the Department of Social and Economic Mobility, which was created by Chapter 605 of 2025 and officially started its operations on October 1. Acting Secretary Walter L. Simmons provided an overview of the department and its purpose, including discussing the mission and vision of the department, the mandates of the three previously existing offices that were incorporated into the new department as well as the department's mandates established through legislation, and the Secretary's key priorities. In response to questions from committee members, Acting Secretary Simmons and Special Secretary of Small, Minority, and Women Business Affairs Y. Maria Martinez discussed their work on data sharing with other State agencies and other states, their response to changes in federal funding and program guidance, and communication with residents and businesses served by the department.

## **Site Visits**

On October 23, members of HGO visited the Kaiser Permanente facility in Lutherville-Timonium, which included an overview of their integrated health care model, a question-and-answer session, and a tour of the facility. The same day, members visited Mend Acupuncture to hear a presentation from the Maryland Association of Acupuncture and East Asian Medicine on the expansion of acupuncture benefits to Medicaid recipients.

On November 5, members of HGO visited MedStar Harbor Hospital to hear a presentation on the hospital and its history as well as a presentation from Dr. Hakan Koymen on pediatric dentistry and access to operating rooms. The group participated in a limited tour of the facility. The same day, members visited the Maryland Museum of Natural Sciences to learn about the museum's history and exhibits.



THE MARYLAND HOUSE OF DELEGATES  
JUDICIARY COMMITTEE

January 6, 2026

The Honorable Bill Ferguson, Co-Chair  
The Honorable Joseline A. Peña-Melnyk, Co-Chair  
Members of the Legislative Policy Committee

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

The House Judiciary Committee respectfully submits this summary report of its activities during the 2025 interim.

**Briefing on the Independent Audit of the Office of the Chief Medical Examiner**

On June 25, the Committee held a virtual briefing on an independent audit of the Office of the Chief Medical Examiner (OCME), the report of which was released in May 2025. The audit was initiated in response to serious concerns raised when former Maryland Chief Medical Examiner Dr. David Fowler testified in 2021 that George Floyd's death was not a homicide but rather was due to undetermined causes. This testimony prompted more than 450 medical experts to question similar death determinations made in Maryland under Dr. Fowler's leadership.

Attorney General Anthony G. Brown discussed the findings and recommendations of the audit, which focused on investigations that were conducted by OCME from 2003 through 2019. The audit evaluated 87 different death investigations where the death occurred unexpectedly during or soon after the individual was restrained, often by law enforcement. The audit's independent case reviewers' manner of death opinion differed from the official OCME determination for 44 of the 87 cases, including 36 cases that the case reviewers deemed homicides and OCME ruled as either undetermined, accidental, or natural. The audit identified several problems with the policies and procedures at OCME during the 16-year time frame, including patterns within OCME's determinations that are consistent with the possibility of both racial bias and pro-police bias.

Attorney General Brown discussed a number of significant improvements that the State has made to OCME since 2019 and explained that the release of the audit report prompted Governor Wes Moore to sign an executive order to improve accountability and transparency in the conduct of in-custody restraint-related death investigations. Specifically, the executive order directs the Attorney General, in consultation with local State's Attorneys' offices, to review each

case included within the audit to determine if the case should be reopened for investigation and established the Maryland Task Force on In-Custody Restraint-Related Death Investigations.

### **Site Visit to the University of Maryland, College Park**

On October 15, the Committee visited the University of Maryland, College Park. Members were briefed on a University of Maryland initiative called PROGRESS – Prevent Gun Violence: Research, Empowerment, Strategies & Solutions. They learned that PROGRESS aims to save lives and empower communities through innovative technologies, multidisciplinary translational science, and mutually beneficial university-community partnerships to reduce and prevent gun violence. PROGRESS focuses on three key areas of gun violence research: (1) community violence prevention and intervention; (2) community-based data for action; and (3) safe and secure firearm storage.

The Committee also received a briefing on the Center for the Study and Practice of Violence Reduction (VRC), housed within the Department of Criminology and Criminal Justice at the University of Maryland. The VRC’s mission is to save lives by stopping violence using science. Its three guiding principles are scientific rigor, real-world relevance, and independence. The Center is nonpartisan and maintains no financial or other interests in the strategies it recommends.

Finally, the Committee visited the University of Maryland SAFE Center for Human Trafficking Survivors. Members toured the facility and learned about the university-based services, research, and advocacy the Center provides for victims of sex and labor trafficking. In its nine years of operation, the SAFE Center has delivered comprehensive services to more than 500 human trafficking survivors and their family members in the Baltimore-Washington, D.C. metropolitan region.

### **Briefing on Wiretapping and Two-Party Consent**

On November 18, the Committee held a briefing on wiretapping and two-party consent.

Maryland’s Wiretapping and Electronic Surveillance Act (the Act), which is codified in Title 10, Subtitle 4 of the Courts and Judicial Proceedings Article, imposes restrictions on intercepting and recording conversations and other communications. The Act is intended to protect the privacy rights of citizens. The Act prohibits a series of activities including willfully intercepting, endeavoring to intercept, or procuring any other person to intercept, through the use of any electronic, mechanical, or other device, certain types of communications, including private conversations, landline telephone calls, cellular telephone calls, emails, and text messages. There are several exceptions to the prohibitions within the Act, including: an employee or agent of a wire or electronic communication service acting in the course of employment under specified circumstances; various types of law enforcement operations and activities, as specified; an employee or agent of a government emergency communications center who is a party to a

December 9, 2025  
Page 3

communication regarding an emergency; intercepts of public broadcasts; and use of a body-worn digital recording device by a law enforcement or correctional officer. In addition, under the “two-party consent” exception, a person who is a party to a communication may lawfully record a communication if all parties to the communication give consent.

Maryland is 1 of 12 states that require all parties to a recorded conversation to be aware of and consent to the recording. The wiretapping laws of the other 38 states and the federal government require only one-party consent. In other words, in one-party consent jurisdictions, a person may legally record the person’s own conversation, even if the other party or parties to the conversation are not aware of the recording.

The Act sets forth procedures by which law enforcement may obtain a court order from a circuit court judge authorizing wiretapping to obtain evidence of the commission of specified crimes. A violation of the Act is a felony punishable by imprisonment for up to five years and/or a fine of up to \$10,000. An individual whose communication is intercepted in violation of the Act can sue for damages, including actual damages, punitive damages, and attorney’s fees. No part of a communication that has been obtained in violation of the Act or any evidence derived therefrom may be received in evidence in any trial, hearing, or other proceeding.

Several bills have been introduced in recent years to make the Act less restrictive, such as reducing the associated criminal penalties and creating additional exceptions. Suggestions also have been made to repeal the two-party consent requirement.

At the November 18 hearing, witnesses presented information on the history of the Act, the law relating to wiretapping in other states, whether the two-party consent requirement should be retained, and whether additional exceptions to the Act should be adopted.

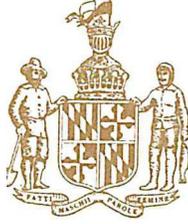
The House Judiciary Committee had a productive interim and we are looking forward to applying what we have learned during our interim activities to our consideration of bills introduced in the upcoming legislative session.

Sincerely,  


Luke Clippinger  
Chair

LHC/CER/jg

cc: Sally Robb  
Michelle Firmin  
Victoria L. Gruber  
Ryan Bishop



THE MARYLAND GENERAL  
ASSEMBLY  
ANNAPOLIS, MARYLAND 21401-1991

## **Ways and Means Committee**

December 17, 2025

The Honorable Bill Ferguson, Co-Chair  
The Honorable Joseline Peña-Melnyk, Co-Chair  
Members of the Legislative Policy Committee

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

The House Ways and Means Committee respectfully submits its report of activities for the 2025 interim. The committee conducted site visits, completed interim studies, and held briefings that will inform the committee's legislative work during the 2026 session and in future years. A summary of the committee's activities is below.

### **Site Visits**

On September 24, the committee visited the Maryland Lottery and Gaming Control Agency's headquarters in Baltimore where Director John Martin and senior staff provided an overview of the agency's activities and a tour of the headquarters premises. The committee then traveled to nearby Bingo World where the committee viewed the site's electronic bingo machine floor, live bingo area, and sports wagering facility. Afterwards, the committee traveled to Maryland Live! Casino in Hanover where the committee received a guided tour of the casino floor and learned about the intricacies of daily casino operations.

On October 21 and 22, the committee visited several sites on the Eastern Shore. On October 21, the committee's first stop was the CULTA cannabis facility in Cambridge. The committee toured the facility, viewing outdoor and indoor cannabis plant cultivation, the processing of cannabis plants, and the manufacture of cannabis products for shipment to retail stores. The committee also learned about current legal and policy issues affecting the cannabis industry in Maryland.

The committee's next stop was in Salisbury, where Housing and Community Development Secretary Jake Day led a walking tour of economic development projects in the downtown area. The highlight of the tour was The Ross, a new 14-story apartment building primarily for students. The construction of the building was made possible by a city and county property tax credit that was authorized by the General Assembly.

That evening, Mayor Rick Meehan welcomed the committee to Ocean City and briefed the committee on issues affecting the local economy and tourism. The committee stayed overnight in Ocean City.

On October 22, the committee visited the Worcester Technical High School in Newark and, along with members of state and local education bodies, viewed technical education programs at the school. The committee was briefed about the unique work being done in the school and how it was made possible through legislation passed by the General Assembly, including the Blueprint for Maryland's Future and childcare grants. Highlights of the visit included the Nest Early Learning Center, a childcare center located within the school where students get hands-on experience and work toward earning their Child Development Associate credential, and the Pines Café, a teaching café in which students gain experience with food preparation, hospitality, and management.

### **Interim Studies**

During the 2025 session, the committee referred House Bill 1178 to interim study, which would have authorized Baltimore City to establish special property tax rates on different classes of property. During the 2025 interim, committee staff met with proponents and opponents of the measure, consulted with the State Department of Assessments and Taxation and other experts, and conducted research. The discussions and information generated by the study will inform the committee's deliberations on the issue of special property tax rates in the 2026 session.

The committee also referred House Bill 862 to interim study, which would have required the formation of a commission to study childcare affordability. During the 2025 interim, committee staff met with legislators and representatives of the State Department of Education and conducted research into issues surrounding the Child Care Scholarship Program and its counterparts in other states. The discussions and information generated by the study will inform the committee's deliberations on issues related to the Child Care Scholarship Program in the 2026 session.

### **Briefings**

On October 30, the committee, along with the Education and Economic Development Subcommittee of the Appropriations Committee, received a briefing from the Department of Legislative Services (DLS) on the Child Care Scholarship Program.

On November 12, the committee met jointly with the Senate Budget and Taxation Committee, the House Appropriations Committee, and the Spending Affordability Committee for a fiscal briefing from DLS

December 17, 2025  
Page 3

The committee would like to extend its gratitude to the State and local officials as well as other private and public individuals who contributed their time, effort, knowledge, and talent during the 2025 interim to inform and advise the committee on issues of interest to the committee. The committee would also like to thank DLS and the committee staff for their continued support.

Sincerely,

A handwritten signature in black ink, reading "Vanessa Atterbeary". The signature is written in a cursive style with a large, looping flourish at the end.

Vanessa E. Atterbeary  
Chair

VEA/GHB:AMJ:SDW/egm

cc: Michelle Firmin  
Victoria L. Gruber  
Ryan Bishop

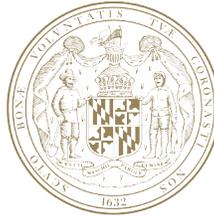
## **Statutory and Special Joint Committees**

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The following committees did not meet during the 2025 interim:

- Joint Committee on the Chesapeake and Atlantic Coastal Bays Critical Area;
- Joint Committee on Ending Homelessness; and
- Workers' Compensation Benefit and Insurance Oversight Committee.





MARYLAND GENERAL ASSEMBLY  
JOINT COMMITTEE ON ADMINISTRATIVE, EXECUTIVE, AND LEGISLATIVE REVIEW

December 16, 2025

The Honorable Bill Ferguson, Co-Chair  
The Honorable Joseline A. Peña-Melnyk, Co-Chair  
Members of the Legislative Policy Committee

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

The following report of the Joint Committee on Administrative, Executive, and Legislative Review (AELR) for 2025 is submitted in accordance with § 2-506(b) of the State Government Article. AELR has several statutory review functions relating to the activities of the Executive Branch. The joint committee's primary role is to review regulations issued by State administrative agencies.

### Statistical Overview

The overall number of regulations submitted saw a significant increase in 2025 versus 2024. As of December 11, 2025, AELR had received 13 regulations submitted by executive agencies in 2025 for emergency approval and 305 regulations proposed for adoption within normal timeframes, for a total of 318 regulations. In 2024, AELR received 13 emergency regulations and 187 proposed regulations for a total of 200 regulations. The reason for the substantial increase in regulations submitted in 2025 is unclear. However, most of the increase is attributable to regulations submitted by the Maryland Department of Health (MDH) and health occupations boards. The department appears to be clearing a backlog of regulations, including some regulations that implement legislation passed over the last five years. The new electronic filing (ELF) system, which is the online database agencies use to submit and track regulations through the promulgation process, continues to be an ongoing issue and is discussed in more detail below.

AELR has compiled statistics since 1993 on the number of regulations received from each agency. MDH has historically been the most prolific agency in submitting regulations, and in 2025 again submitted the most regulations (112 regulations, of which 5 were emergency regulations). For comparison, MDH only submitted 28 regulations in 2024. In 2025, the Maryland Department of Labor submitted 39 regulations, 2 of which were emergency regulations, and the Department of Natural Resources (DNR) submitted 28 regulations. Also in 2025, the State Board of Education submitted 20 regulations, of which 1 was an emergency regulation; the Maryland Department of Transportation submitted 18 regulations, of which 1 was an emergency regulation; and the Public Service Commission submitted 11 regulations.

## **Major Regulatory Issues**

Typically, AELR meets infrequently, if at all, and in 2025 there were no hearings.

## **Supervisory Responsibilities under the State Documents Law**

As part of its supervisory responsibilities under the “State Documents Law” (Title 7, Subtitle 2 of the State Government Article), AELR continued to monitor significant developments concerning publications of the Division of State Documents (DSD), a unit within the Office of the Secretary of State. DSD publishes the *Maryland Register* and COMAR. One item of note is the ongoing update to DSD’s ELF system.

Due to a system upgrade, DSD took the previous ELF system offline in September 2022 and replaced it with a new system, referred to as “ELF 2.0.” Despite efforts by DSD and the Department of Information Technology, issues with the functionality and usability of ELF 2.0 have continued since the replacement.

Chapters 349 and 350 of 2023 were enacted in response to issues raised by the conversion to ELF 2.0. The Acts make various changes to the laws regarding the publishing of the *Maryland Register*, the submission and review of proposed and emergency regulations by State agencies, and the development and functionality of the electronic filing system. The Acts also required DSD to report to AELR by December 31, 2023, on the status of the development and deployment of ELF 2.0. In that report, DSD noted that ELF 2.0 “continues to fail many functions that delay agency regulations, on occasion fails to send adequate notices to the AELR Committee and causes [DSD] serious problems with our publication responsibilities.” Ultimately DSD concluded that there is support to establish a new database for COMAR and the *Maryland Register*, and that DSD intends to move to promptly secure their regulatory system.

DSD recently announced a new COMAR website, but it is unclear whether there have been updates to the ELF 2.0 system. Staff of the Department of Legislative Services (DLS) continue to report discrepancies between the versions of regulations submitted to the committee and those that are published in the *Maryland Register*. In some cases, it appears that the version that an agency

submits gets changed between input into ELF 2.0, submission to AELR, and even submission to DSD.

## **Existing Agency Operations and Regulations**

Under § 2-506(b) of the State Government Article, AELR is required to comment on any legislative action that is needed to change or reverse a regulation of a unit of the Executive Branch. AELR has generally been satisfied with the continued cooperation it receives from the Executive Branch regarding their regulation submissions. However, as discussed above, there have been ongoing issues regarding the electronic filing system used to submit regulations to DSD and, by extension, DLS. The committee and DLS will continue to monitor the situation and may recommend additional legislative actions depending on how the issue evolves.

AELR wishes to note its appreciation for the continued cooperation of the Executive Branch and its various agencies in making the process of legislative review of regulations successful.

Respectfully submitted,



Mary Washington  
Senate Chair



Samuel I. Rosenberg  
House Chair (Presiding)

MW:SIR/KPK:GC:KVL/bal

cc: Sally Robb  
Michelle Firmin  
Victoria L. Gruber  
Ryan Bishop



THE MARYLAND GENERAL ASSEMBLY  
ANNAPOLIS, MARYLAND 21401-1991

**JOINT AUDIT AND EVALUATION COMMITTEE**

January 20, 2026

The Honorable Bill Ferguson, Co-Chair  
The Honorable Joseline A. Peña-Melnyk, Co-Chair  
Members of the Legislative Policy Committee

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

The Joint Audit and Evaluation Committee respectfully submits the report of its activities during the 2025 interim. The joint committee's work covered the following principal areas of activity.

**Review of Selected Legislative Audits and Program Evaluations**

The joint committee met on September 10, October 22, October 29, and November 19 to review several legislative audits conducted by the Office of Legislative Audits (OLA) covering the period from April 2025 to November 2025. The joint committee reviewed the audits (and received updates from the prior audits) listed below:

- Department of General Services – Office of the Secretary and Other Units (report dated July 2025);
- Maryland Department of Health – Regulatory Services (report dated April 2025); and
- Department of Human Services – Social Services Administration (report dated September 2025).

In addition, OLA presented a summary of cybersecurity findings in the audits and provided an update on the Special Investigation Unit within OLA.

The joint committee also issued six letters of concern in response to audit reports (based on the nature and significance of the findings). Letters of concern typically request that agencies review the audit report, ascertain whether the recommendations have been or will be promptly implemented and that an ongoing monitoring process exists, and provide a status report to the

committee. The letters of concern issued by the joint committee are listed below:

- University of Maryland Global Campus (report dated August 2024);
- Department of Public Safety and Correctional Services (Healthcare Contracts) (report dated November 2024);
- Maryland Department of Health Regulatory Services (report dated April 2025);
- Department of Juvenile Services (report dated May 2025);
- Baltimore City Register of Wills Special Review (report dated July 2025); and
- Department of General Services (report dated July 2025).

The joint committee also reviewed the following program evaluation at the October 22 meeting, conducted by the Office of Program Evaluation and Government Accountability:

- State Board of Professional Counselors and Therapists (report dated September 2024).

### **Review of OLA Follow-up Processes for Repeat Audit Findings**

Agencies with five or more repeat audit findings are required by law to provide status reports to OLA on corrective actions taken on all findings within nine months of the related audit reports and, thereafter, quarterly status reports until satisfactory progress has been made on all findings or the next audit begins. At the November 19 meeting, review of the follow-up audit process from fiscal 2020 through 2025 showed that the overall percentage of repeat audit findings increased from 28% for the audit cycle ending June 30, 2020, to 34% for the audit cycle ending June 30, 2025. Since 2009, the overall percentage of repeat audit findings had decreased significantly to as low as 21% in 2013, but the overall repeat findings percentage has continued to increase steadily to 34 % in 2025.

### **Budget Actions on Repeat Audit Findings**

Since 2013, the *Joint Chairmen's Report* (JCR) has annually included budget bill language restricting appropriations for agencies with four or more repeat audit findings until corrective action has been taken on those repeat findings. This process is not mutually exclusive from the statutory follow-up process described above. The 2024 JCR contained budget bill language restrictions for five agencies with a combined 25 repeat findings. OLA's review of the status reports submitted by these agencies in calendar year 2024 concluded that all five agencies had not fully resolved the findings, with about 60% of the collective findings still in progress. The budget committees did not release the restricted funds for these agencies.

January 20, 2026  
Page 3

The 2025 JCR contained budget bill language restrictions for four agencies with a combined 15 repeat findings. OLA will review the reports submitted by these agencies and will report its conclusions regarding the corrective actions to the budget committees during the 2026 session. In addition, there were budget language restrictions in April 2024 and 2025 for cybersecurity-related findings. Finally, the committee has also prioritized working towards holistic solutions to systemic issues that have been identified by OLA and we look forward to working this Session to put those into statute.

Respectfully submitted,



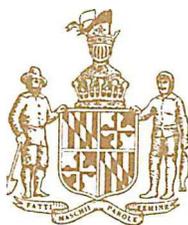
Senator Shelly Hettleman  
Senate Chair



Delegate Jared Solomon  
House Chair

SH:JS:DB/bal

cc: Sally Robb  
Michelle Firmin  
Victoria L. Gruber  
Ryan Bishop  
Brian Tanen  
Michael Powell



THE MARYLAND GENERAL ASSEMBLY  
ANNAPOLIS, MARYLAND 21401-1991

## **JOINT COMMITTEE ON CHILDREN, YOUTH, AND FAMILIES**

December 17, 2025

The Honorable Bill Ferguson, Co-Chair  
The Honorable Joseline Peña-Melnyk, Co-Chair  
Members of the Legislative Policy Committee

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

The Joint Committee on Children, Youth, and Families respectfully submits the following summary of its 2025 interim activities. The joint committee met twice to learn about programs that serve children, youth, and families and may be relevant throughout an individual's lifespan.

On October 14, the joint committee heard presentations on artificial intelligence (AI) in educational settings from researchers at the University of Maryland Center for Educational Data Science and Innovation, the Maryland State Department of Education (MSDE), and the Executive Director of Literacy and Humanities for Baltimore County Public Schools.

The University of Maryland Center for Educational Data Science and Innovation provided research insights and policy implications on utilizing AI in Maryland classrooms, noting the need for guidance for local school systems to vet AI tools for effectiveness. MSDE provided an update on the department's current projects that provide guidance and support for AI implementation in classrooms. Lastly, the Executive Director of Literacy and Humanities for Baltimore County Public Schools presented ways Baltimore County Public Schools leverages AI for reading growth in grades K through 3 and in some instances, grades 4 and 5.

On December 3, the joint committee heard presentations on local management boards and "cradle to career" support for students. The Maryland Association of Local Management Boards talked about the work local management boards do, working with the Children's Cabinet, and funding concerns. A representative from the National Governors Association spoke broadly on how states can use data collection and analysis to better support students from early ages to prepare them for success after secondary school. Maryland is noted as a leader on this approach. Researchers from the Maryland Longitudinal Data System Center reviewed the center's annual reports on wages earned, hours worked, and careers of recent Maryland high school graduates. MSDE described how it is promoting accountability through the Maryland State Report Card and

proposed changes to improve the accountability system. The department also presented on its college and career readiness standards.

Earlier this year, Chapter 485 (Child Abuse and Neglect – Reports and Records – Disclosure) was enacted. The Act improves transparency and accountability through reformed disclosure requirements about incidents of abuse or neglect of a child in an out-of-home placement. In 2023, at a meeting of the joint committee, multiple experts highlighted the potential benefits of stronger disclosure requirements for the Department of Human Services and local agencies when a child is hurt or killed while placed out-of-home. Senator Mary-Dulany James supported related legislation for multiple years, until Chapter 485 was successfully enacted.

The joint committee wishes to thank those individuals who contributed their time and expertise to inform and advise the joint committee’s work.

Sincerely,



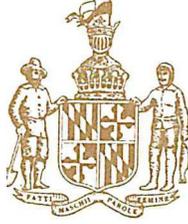
Mary-Dulany James  
Senate Chair



Kevin M. Harris  
House Chair

MDJ:KH/TB/KB/vc

cc: Sally Robb  
Michelle Firmin  
Victoria L. Gruber  
Ryan Bishop



THE MARYLAND GENERAL  
ASSEMBLY  
ANNAPOLIS, MARYLAND 21401-1991

**JOINT COMMITTEE ON CYBERSECURITY, INFORMATION TECHNOLOGY,  
AND BIOTECHNOLOGY**

December 17, 2025

The Honorable Bill Ferguson, Co-Chair  
The Honorable Joseline Peña-Melnyk, Co-Chair  
Members of the Legislative Policy Committee

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

The Joint Committee on Cybersecurity, Information Technology, and Biotechnology respectfully submits this summary report of its 2025 interim activities. The joint committee held two meetings: the first focused on the use of artificial intelligence (AI) in government services, and the second focused on cybersecurity and critical infrastructure.

At the first meeting on October 1, the joint committee heard from presenters regarding (1) an overview of AI policy and its use in the public sector; (2) a summary of the use of AI in State agencies; (3) selected examples of AI use in other states; and (4) how the private sector plays a role in using AI in other states.

- Representatives from the National Conference of State Legislatures provided an overview of federal action regarding AI regulation, a review of recent executive orders on streamlining the permitting of data centers and export controls on AI-related products, and considerations policy makers should explore when regulating AI at the state level.
- The Department of Information Technology (DoIT) provided an update on implementing AI in State agencies, the progress of publishing a statewide responsible AI policy, producing an inventory of AI use in State agencies, and how some State agencies are utilizing AI in customer-facing interactions. The report on the State's AI Enablement Strategy from DoIT and the AI Subcabinet remains outstanding despite the request from the joint committee. This report was originally scheduled for completion by December 1, 2025.

December 17, 2025

Page 2

- The Department of Budget and Management presented on its use of AI as part of an internal chat bot for employee benefits specialists. The Maryland Health Benefit Exchange presented on its use of a chat bot to support call center agents. The Department of Service and Civic Innovation presented on use cases where AI could be used to streamline the application process for volunteer and service opportunities to interested applicants.
- The Oregon Department of Human Services presented the use of its AI chat bot that assists staff in determining applicant eligibility for certain human services programs. The City of Denver presented on the use of AI within its 3-1-1 government services system.
- Google presented on how it assists government entities in creating AI tools to assist with public sector tasks.

At the second meeting on December 9, the joint committee heard from presenters regarding (1) the threats to critical infrastructure in Maryland and the United States, and (2) how Maryland's government is preparing against possible cyberattacks aimed at critical infrastructure in the State.

- ManTech presented on national and state-level threats against critical infrastructure and presented on how cyberattacks could cripple public utilities without adequate defense and preparation. Specifically, ManTech highlighted that (1) utilities services (power, water, and telecommunications) which underpin operations of certain military entities within the State are legitimate military targets and (2) disrupting that civilian infrastructure is likely to be considered a viable course of action for foreign actors.
- The Institute for Security and Technology provided information on the intersection between water utilities and public health systems, and how a cyberattack targeting water systems could cripple hospital networks.
- The Governor's Office of Homeland Security, the Maryland Department of Emergency Management, DoIT, the Maryland National Guard, and the Public Service Commission presented on how Maryland prepares itself against various cyber threats to critical infrastructure. The presentations included discussions on how each State agency operates
- in regards to preparedness and cyberattacks, how they can respond in the event critical

December 17, 2025  
Page 3

infrastructure is impacted due to a cyberattack, and potential legislative actions to strengthen their preparedness operations.

Please contact us if you have any questions concerning the joint committee's activities.

Respectfully submitted,



Katie Fry Hester  
Senate Chair



Anne R. Kaiser  
House Chair

KFH:ARK/TE/bal

cc: Sally Robb  
Michelle Firmin  
Victoria L. Gruber  
Ryan Bishop



THE MARYLAND GENERAL  
ASSEMBLY  
ANNAPOLIS, MARYLAND 21401-1991  
**JOINT COMMITTEE ON FAIR PRACTICES AND STATE PERSONNEL OVERSIGHT**

January 24, 2026

The Honorable Bill Ferguson, Co-Chair  
The Honorable Joseline A. Peña-Melnyk, Co-Chair  
Members of the Legislative Policy Committee

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

The Joint Committee on Fair Practices and State Personnel Oversight is charged with overseeing the employment policies and personnel systems of the Executive Branch of State government and the State's equal employment opportunity policies and procedures. The joint committee met twice during the interim, on October 29, 2025, and on January 13, 2026, and is pleased to present its interim report. The meetings and meeting materials are available for viewing at [Committees – Joint Committee on Fair Practices and State Personnel Oversight \(maryland.gov\)](https://www.maryland.gov/committees/joint-committee-on-fair-practices-and-state-personnel-oversight).

## **October 29**

### **Maryland Department of Health**

Following up on topics covered last interim, the joint committee requested an update from the Maryland Department of Health (MDH). The department has experienced staffing issues within the Office of Health Care Quality (OHCQ) and at the Clifton T. Perkins Hospital (Perkins). A panel from the department, led by Secretary Meena Sushamani, described the progress MDH has made to improve those units.

OHCQ has improved staffing in its nursing home surveyor positions, which has enabled a reduction of a backlog of overdue annual inspections by 83% since December 2023 to October 2025 from 172 to 26 overdue surveys. The office was provided with additional PINs and funding through the budget process in recent years, which helped recruit, train, and retain inspectors.

The joint committee next focused on staffing levels and improving the physical building safety of Perkins. Through a combination of new recruiting and hiring practices and reforming the workplace culture at Perkins, MDH reduced the vacancy rate from 26.5% to 17.4% from

January 24, 2026

Page 2

March 2025 to October 2025, which may have contributed to a reduction in patient assaults during this time period. Lastly, Perkins went through an HVAC component replacement project that involved, among other things, disconnecting three boilers that were decades beyond their useful life. The project is expected to be completed in August 2026. The joint committee expressed concern regarding such an extended period of maintenance deferral.

MDH concluded with a summary of vacancy rates in exempt classifications and hiring initiatives, such as utilizing a human resources committee, social media outreach, and job fairs.

### **American Federation of State, County, and Municipal Employees**

The meeting closed with two representatives of the American Federation of State, County, and Municipal Employees commenting on the issues at State hospitals and the continued urgency of addressing low staffing levels.

## **January 13**

### **Department of Budget and Management**

The Department of Budget and Management (DBM), through a panel led by Acting Secretary Jake Weissmann, provided an overview of overtime expenses in the State Personnel Management System (SPMS), service contracts, the annual equal employment opportunity (EEO) report, and State employee workers' compensation data. In fiscal 2025, 97.2% of the overtime expenses in SPMS were attributable to five agencies. The Department of Public Safety and Correctional Services (DPSCS) had the largest share at 60% of total overtime costs, along with MDH, the Maryland State Police, the Department of Juvenile Services (DJS), and the Department of Human Services.

DBM advised that 14 service contracts were deemed to be exempt from the State policy of utilizing State employees, rather than contractors, for State functions. In each case, the exemption occurred because State employees were not available to perform the services.

DBM next covered the EEO report, which is shared with the joint committee annually. Notably, in fiscal 2025, 726 EEO complaints were filed compared to 593 complaints in fiscal 2024. The most common basis for complaints were disability, race, sex, and retaliation. The joint committee asked DBM to follow up with information that might explain the increase in complaints.

Finally, DBM provided an overview of data on State employee workers' compensation claims. From fiscal 2023 to 2025, the total number of claims increased from approximately 3,200 to 3,700, with DJS experiencing 28.48 claims per 100 employees in fiscal 2025, by far the highest rate. While DBM is not the administrator of State employee workers' compensation, the department acknowledges that the relationship between adequate staffing levels in the workforce and the number of claims being filed warrants further investigation, especially as it relates to costs.

### **Department of Public Safety and Correctional Services**

DPSCS, through a panel led by Secretary Caroline Scruggs, provided an update on the vacancy rates and hiring initiatives of the department. From January 2023 through December 2025, the overall vacancy rate has reduced from 11% to 8.4%. DPSCS also discussed the effect of being a member of the American Correctional Association, which dictates that certain standards be met in order for department facilities to be accredited. The joint committee found it concerning that according to DPSCS, the department is budgeted based on a historical 12% vacancy rate and, thus, improvements to those rates may result in a budget shortfall for DPSCS.

### **Department of Juvenile Services**

DJS, through a panel led by Acting Secretary Betsy Fox Tolentino, provided an overview of the DJS facilities, staffing, vacancies, overtime, and hiring initiatives. From fiscal 2023 through 2025, the vacancy rate has decreased from 16% to 11.4%; residential advisor positions have seen the largest improvement with a vacancy rate currently at 10.8%. DJS reports that weekly executive hiring meetings and on- and off-site hiring events have had positive impacts. DJS also discussed staffing ratios, which follow federal guidelines under the Prison Rape Elimination Act.

### **Maryland Department of Labor**

The Maryland Department of Labor (MD Labor), through a panel led by Commissioner Devki Virk, presented on the implementation of the recently adopted heat standards by Maryland Occupational Safety and Health and the Davis Martinez Act of 2025. Additionally, MD Labor provided information on the staffing of positions that enforce State wage and labor laws. The heat standards regulations went into effect in September 2024, and in the first year of implementation, there were 11 public sector heat-related violations, 5 of which were serious violations. Regarding the Davis Martinez Act, MD Labor notes it converted an existing PIN to create a new position to supervise the newly established Public Employee Safety and Health Unit. Also, the new workplace violence standard is in development and expected to become public sometime in 2026. Lastly, MD Labor shared data on the enforcement efforts under prevailing wage law, workplace fraud law, and wage and hour law, which showed steady improvements across the board over the last several fiscal years.

### **American Federation of State, County, and Municipal Employees**

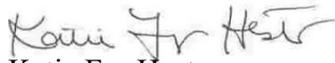
The meeting concluded with a representative of AFSCME commenting on the various items on the day's agenda, emphasizing competitive employee compensation as a critical piece in remedying staffing issues.

**Recommendation**

The joint committee is interested in exploring the cost-benefit analysis of reducing the administration's dependence on service contracts by hiring full-time State employees to provide the necessary services. Though some agencies and collective bargaining units believe using fewer service contracts will provide cost savings and improved quality of services, the joint committee did not have the necessary data to evaluate that practice. The joint committee recommends that the Spending Affordability Committee request the necessary data from the agencies and consider the extent to which the State could improve services and reduce costs by replacing service contracts with State personnel.

We wish to thank the joint committee members for their participation, the representatives of public and private organizations who kept us informed and expressed their views, and the joint committee staff for their support.

Sincerely,



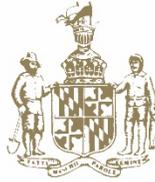
Katie Fry Hester  
Senate Chair



Lorig Charkoudian  
House Chair

KFH:LC/DAS/mpd

cc: Sally Robb  
Michelle Firmin  
Victoria L. Gruber  
Ryan Bishop



THE MARYLAND GENERAL ASSEMBLY  
ANNAPOLIS, MARYLAND 21401-1991

## JOINT COMMITTEE ON FEDERAL RELATIONS

December 19, 2025

The Honorable Bill Ferguson, Co-Chair  
The Honorable Joseline A. Peña-Melnyk, Co-Chair  
Members of the Legislative Policy Committee

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

As co-chairs of the Joint Committee on Federal Relations, we would like to give you an update on our committee's work this year. Here is a brief synopsis:

- In our capacity as co-chairs of the joint committee, we communicated with the Chief Justice of the Supreme Court of Maryland and others in the Maryland Judiciary and the State Superintendent of Schools regarding concerns and a question that arose during the joint committee's 2024 annual interstate compact review relating to the Interstate Compact for Juveniles and the Southern Regional Education Board, respectively.
- The joint committee was briefed by the Council of State Governments' National Center for Interstate Compacts on four relatively new interstate compacts of which Maryland is not yet a member but could consider joining.
- The joint committee was briefed by Senator Cheryl C. Kagan, Chair of the Maryland 9-1-1 Specialist Recruitment and Retention Workgroup (and a member of our committee), on a letter sent by the workgroup to the Maryland Congressional Delegation. In our capacity as co-chairs of the joint committee, we sent a letter on behalf of the joint committee to the Maryland Congressional Delegation supporting the 9-1-1 Specialist Recruitment and Retention Workgroup's letter.
- The joint committee undertook its annual review of a portion of the interstate compacts of which Maryland is a member.

### **Communications with the Chief Justice and Others in the Maryland Judiciary**

In our December 2024 letter to the Legislative Policy Committee, we noted that during the committee's annual interstate compact review, the Department of Juvenile Services' (DJS)

December 19, 2025

Page 2

questionnaire responses regarding the Interstate Compact for Juveniles (ICJ) identified concerns about (1) an ongoing vacancy in the judicial position on the State Council for Interstate Juvenile Supervision (which oversees the State's participation in ICJ activities) and (2) incidents of the Maryland Juvenile Court releasing confirmed and suspected victims of sex trafficking to individuals who had not been properly vetted through the ICJ. We indicated at the time that we planned to follow up on those concerns.

In January 2025, we sent a letter to Chief Justice Matthew J. Fader of the Supreme Court of Maryland regarding these concerns, and he promptly responded to acknowledge the seriousness of the matter and indicate that he was gathering more information on the incidents of noncompliance with the ICJ raised by DJS. Soon after, the Honorable Stephanie Picard Porter, Judge of the Circuit Court for Howard County, was appointed by the Chief Justice to the State council. In July 2025, the Chief Justice sent a follow-up letter providing a status update. We subsequently met with the Chief Justice in August 2025, along with County Administrative Judge William V. Tucker, who is the Chair of the Juvenile Law Committee at the Maryland Judicial Conference, State Court Administrator Judy K. Rupp, and other Judiciary staff to receive a confidential briefing on the Judiciary's findings, following the Judiciary's review and analysis of the incidents that were identified by DJS, and to learn about the Judiciary's actions to ensure compliance with the ICJ. The briefing discussing the incidents identified by DJS was confidential because of the sensitive nature of the matters that were discussed.

The Judiciary's actions to ensure compliance with the ICJ include (1) a new case type and alert in the electronic case file to notify judges that a case is subject to the ICJ; (2) ICJ training for judges in Baltimore City and Montgomery County, where ICJ cases are most common; (3) ICJ training for judges and magistrates attending the annual Child Abuse, Neglect, and Delinquency Options (also known as CANDO) conference in October 2025; and (4) the development of appropriate resource materials for the trainings, including a bench card on the ICJ, to provide to all members of the bench.

## **Correspondence with the State Superintendent of Schools**

In our December 2024 letter to the Legislative Policy Committee, we also noted that we planned to reach out to the State Superintendent of Schools regarding the Southern Regional Education Board (SREB). As background, SREB is a nonprofit, nonpartisan organization, created by the Southern Regional Education Compact, that works with 16 member states to improve public education from Pre-K through doctoral and workforce education.

We received information from the Maryland Higher Education Commission during the 2024 interstate compact review that the State received significant benefits from SREB related to higher education; however, we were not certain of the extent to which the State was making use of the board's Pre-K through 12 education resources. Through correspondence with State Superintendent of Schools Carey M. Wright in January 2025, we confirmed that the Maryland State Department of Education does benefit from data and support resources that are made

December 19, 2025

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available by SREB. State Superintendent Wright indicated that SREB is a strong partner to the department.

## **October 1 Briefing (and Related Letter to the Maryland Congressional Delegation)**

On October 1, the joint committee held a briefing during which the National Center for Interstate Compacts presented four interstate compacts of which Maryland is currently not a member but may consider joining: (1) the Emergency Medical Services Compact; (2) the Physician Assistant Compact; (3) the Dietitian Licensure Compact; and (4) the Interstate Massage Compact. These four compacts were selected for the briefing based on the criteria that: (1) they are relatively new compacts that other states have joined in recent years; (2) Maryland is not currently a member of these compacts; and (3) legislation proposing to enact these compacts has not been introduced in Maryland to date. The presentation included both an overview of interstate compacts in general and discussions of each of the four compacts.

Additionally, Senator Kagan, Chair of the Maryland 9-1-1 Specialist Recruitment and Retention Workgroup, provided an update on the workgroup's October 7, 2025 letter to the Maryland Congressional Delegation that (1) urged the delegation's support and advocacy for federal legislation that would reclassify public safety telecommunicators (including 9-1-1 Specialists) as a protective service occupation for statistical purposes and (2) encouraged membership in the Congressional NextGen 9-1-1 Caucus. In November 2025, on behalf of the joint committee, we sent a letter to the delegation expressing support for the 9-1-1 Specialist Recruitment and Retention Workgroup's letter.

## **Annual Interstate Compact Review**

The joint committee conducts an annual review of Maryland's membership in various interstate compacts (covering all compacts over a four-year cycle) by sending questionnaires to the State agencies involved with each of the compacts to assess if Maryland's continued membership serves the interests of the State and whether any legislative changes are needed.

The compacts up for review this year were: (1) the Appalachian States Low-Level Radioactive Waste Compact; (2) the Interstate Compact on Educational Opportunity for Military Children; (3) the Interstate Insurance Product Regulation Compact; (4) the National Racing Compact; (5) the Driver's License Compact; (6) the Interstate Corrections Compact; (7) the Interstate Agreement on Detainers; (8) the National Crime Prevention and Privacy Compact; (9) the Metrorail Safety Commission Interstate Compact; (10) the Audiology and Speech-Language Pathology Interstate Compact; and (11) the Psychology Interjurisdictional Compact.

Questionnaire responses were received for all 11 compacts up for review this interim. For 10 compacts, the agencies recommend that the State continue its membership in the compacts and

have not suggested any immediate, substantive legislative changes. For the remaining compact, the Psychology Interjurisdictional Compact, Maryland's Board of Examiners of Psychologists does not explicitly recommend or not recommend continued membership in the compact but instead identifies costs/disadvantages and benefits of the compact and raises two concerns about the compact. These concerns, as well as issues raised regarding 3 other compacts, are described below, along with our plans to gather more information on certain issues and pass along information on the issues to the relevant standing committees.

- ***Driver's License Compact*** – The Driver's License Compact allows for the exchange of information between states to ensure that drivers have only one license and driving record that is issued and controlled by the state in which the driver resides. The Maryland Department of Transportation (MDOT) indicated in its response to the questionnaire on the compact that (1) the increased use of automated traffic enforcement devices (*e.g.*, speed and red-light cameras) for traffic enforcement in recent years has increased the number of citations that are not captured in the compact's information sharing and (2) the compact will need to be updated in response, at some point in the future, to ensure its ongoing effectiveness. Additionally, MDOT did not specify the extent of Maryland's participation on the compact's governing bodies. We plan to request that MDOT provide additional information on these items, including the extent to which the compact states have discussed and/or acted upon the concern that increased use of automated traffic enforcement is increasing the number of citations that are not captured in the compact's information sharing. We plan to forward MDOT's response to the relevant standing committees and the Legislative Policy Committee.
- ***Metrorail Safety Commission Interstate Compact*** – The Metrorail Safety Commission Interstate Compact was enacted in 2017 and created the Washington Metrorail Safety Commission (WMSC) to oversee and enforce safety practices for Washington Metropolitan Area Transit Authority (WMATA) rail transit operations. In its response to the questionnaire on the compact, MDOT noted that ongoing disagreements between WMSC and WMATA regarding the scope of oversight and handling of safety issues have impacted the compact's effectiveness, particularly disagreements over Roadway Worker Protection, return to Automated Train Operations, and WMATA employee drug and alcohol reporting. Given that these disagreements have been reported in the media and appear to be a relatively well-known issue, we plan to simply inform the relevant standing committees that the ongoing disagreements were highlighted by MDOT during the joint committee's interstate compact review.
- ***Audiology and Speech-Language Pathology Interstate Compact*** – The Audiology and Speech-Language Pathology Interstate Compact was enacted in Maryland in 2021 and is intended to facilitate interstate practice by audiologists and speech-language pathologists. The compact has 36 member states but is just beginning operation, with the first 2 states to issue interstate practice privileges under the compact (Louisiana and West Virginia) beginning to issue privileges in October 2025. Maryland's Board of Examiners for

Audiologists, Hearing Aid Dispensers, Speech-Language Pathologists and Music Therapists, in its response to the questionnaire on the compact, reported a risk of potential delay in the implementation of the compact in Maryland because of a disparity in the information used by the compact and the board to identify licensees. We plan to request additional information from the board about this issue, how it will be addressed, and the potential extent of any delay in the implementation of the compact. We plan to forward the board's response to the relevant standing committees and the Legislative Policy Committee.

- ***Psychology Interjurisdictional Compact*** – The Psychology Interjurisdictional Compact was enacted in Maryland in 2021 and has the purpose of facilitating the practice of telepsychology (provision of psychological services using telecommunication technologies) and the temporary (30 days within a calendar year) in-person, face-to-face practice of psychology across state boundaries. In its response to the questionnaire on the compact, the Board of Examiners of Psychologists raised concerns (1) about the potential for psychologists who do not meet Maryland's licensing standards to practice in Maryland under the compact and (2) that the involvement of the Association of State and Provincial Psychology Boards (ASPPB) in the decision-making of the compact's governing commission caused discord and confusion. However, after joint committee staff followed up with the board, we do not plan to take further action regarding this compact because (1) the concerns of the board about the qualifications of psychologists under the compact were considered by the General Assembly when it passed House Bill 970 of 2021, which established the compact (Chapter 329), and (2) the follow-up information provided by the board does not indicate that there have been particular issues or problems in the functioning of the compact caused by ASPPB's involvement, and ASPPB's involvement does not appear to be inconsistent with the language of the compact.

Sincerely,



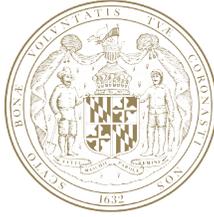
Jeff Waldstreicher  
Senate Chair



Lily Qi  
House Chair

JW:LQ/BV:YR/km

cc: Sally Robb  
Matthew Jackson  
Victoria L. Gruber  
Ryan Bishop



MARYLAND GENERAL ASSEMBLY  
JOINT COMMITTEE ON LEGISLATIVE ETHICS

December 16, 2025

The Honorable Bill Ferguson, Co-Chair  
The Honorable Joseline Peña-Melnyk, Co-Chair  
Members of the Legislative Policy Committee

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

The Joint Committee on Legislative Ethics met three times during the 2025 interim. At these meetings, the committee reviewed disclosures and disclaimers filed by legislators and revised Ethics Opinion 2: Use of Legislative Stationery and Ethics Opinion 12: Official Correspondence and Use of General Assembly Resources. As you know, any other activities of the committee are required by law to remain confidential.

The committee will continue to meet on an as-needed basis.

Respectfully Submitted,

Handwritten signature of Charles E. Sydnor III in black ink.

Charles E. Sydnor III  
Senate Co-chair

Handwritten signature of J. Sandy Bartlett in black ink.

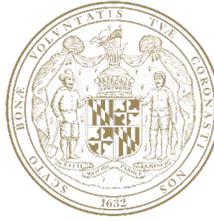
J. Sandy Bartlett  
House Co-chair

CES:JSB/DWD/mlm

cc: Sally Robb  
Michelle Firmin  
Victoria L. Gruber  
Ryan Bishop

SENATOR ARTHUR ELLIS  
SENATE CHAIR

SENATOR PAMELA G. BEIDLE  
SENATOR PAUL D. CORDERMAN  
SENATOR MARY-DULANY JAMES



DELEGATE COURTNEY WATSON  
HOUSE CHAIR

DELEGATE EMILY SHETTY  
DELEGATE JOSHUA STONKO

MARYLAND GENERAL ASSEMBLY  
JOINT COMMITTEE ON THE MANAGEMENT OF PUBLIC FUNDS

December 16, 2025

The Honorable Bill Ferguson, Co-Chair  
The Honorable Joseline Peña-Melnyk, Co-Chair  
Members of the Legislative Policy Committee

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

The Joint Committee on the Management of Public Funds is pleased to present this report on its activities undertaken during the 2025 interim in the conduct of its charge to oversee the general management of State public funds. The joint committee met twice and was briefed on several relevant topics, including the State's economic development programs, the activities of the Comptroller's and Treasurer's offices, and audits of local governments.

In our roles as co-chairs of the joint committee, we plan to reintroduce 2025 legislation to increase the annual audit waiver threshold from \$250,000 to \$700,000 for local governments under § 16-305 of the Local Government Article and to require minimum qualifications for municipal employees with specified financial responsibilities.

The joint committee greatly appreciates the assistance of the many individuals who participated in the activities of the joint committee during the 2025 interim.

Respectfully Submitted,

Handwritten signature of Arthur Ellis in black ink.

Arthur Ellis  
Senate Chair

Handwritten signature of Courtney Watson in black ink.

Courtney Watson  
House Chair

AE:CW/HM/EW/bal

Enclosure

cc: Sally Robb  
Michelle Firmin  
Victoria L. Gruber  
Ryan Bishop

# Joint Committee on the Management of Public Funds

## 2025 Interim Report

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The Joint Committee on the Management of Public Funds held two meetings during the 2025 interim.

### October 15 Meeting

Along with the State Treasurer's Office providing testimony, representatives of the Maryland Department of Commerce (Commerce), the Maryland Agricultural and Resource-Based Industry Development Corporation (MARBIDCO), the Maryland Technology Development Corporation (TEDCO), and Meridian Management Group (MMG) addressed the joint committee regarding their economic development and small business financing programs across the State.

State Treasurer Dereck Davis provided an update on the activities of the Treasurer's Office. The Treasurer highlighted the Maryland 529 Program, which has received several accolades since the Treasurer's Office assumed oversight of the program. In addition, the Treasurer addressed the State's downgraded credit rating. The Treasurer's priorities for 2026 include securing funding to support a major information technology project and other operational needs of the State Treasurer's Office.

Stephen Rice, Deputy Secretary of Commerce, and Andy Fish, senior director, provided an update on Commerce's business development programs. Several programs launched within the past few years, including the Build Our Future Grant Pilot Program, the Cannabis Business Assistance Fund, the Child Care Capital Support Revolving Loan Fund, and the Maryland New Start Microloan Program. In addition, Commerce updated the joint committee on three longstanding business assistance programs: the Maryland Small Business Development Financing Authority (MSBDFA) managed by MMG; the Small, Minority, and Women-Owned Businesses Account (SMWOBA) funded through video lottery terminal revenues; and the Maryland Economic Development Assistance Authority and Fund, which provides below-market, fixed-rate financing for businesses in priority funding areas in the State.

Stephen McHenry, Executive Director of MARBIDCO, briefed the committee on MARBIDCO's mission and on Maryland agriculture. MARBIDCO approved nearly \$9.4 million in new loans to support agricultural businesses in fiscal 2025, a record for the corporation. MARBIDCO's core loan programs are fully self-sustaining as of fiscal 2026, and the corporation plans to request level funding at \$300,000 for its livestock processing facility grant program in fiscal 2027.

Troy LeMaile-Stovall, TEDCO chief executive officer; Stephen Auvil, chief federal engagement officer; and Abi Kulshreshtha, Executive Director of the Maryland Innovation

Initiative, shared updates on TEDCO's investment, grant, and other business assistance programs. The corporation now has more than \$250 million in assets under management. The Maryland Stem Cell Research Fund, TEDCO's largest program, and the Maryland Innovation Initiative, which supports technology transfer and commercialization at colleges and universities, continue to receive high volumes of applications for funding.

Timothy Smoot, MMG executive vice president and chief financial officer, and Alex Agwuna, president of Morgan Advisory Group, provided updates on MMG's work with the MSBDFA and SMWOBA programs, both of which promote entrepreneurs in Maryland, particularly women- and minority-owned businesses. In addition to managing the MSBDFA program for Commerce, MMG is one of the largest SMWOBA fund managers.

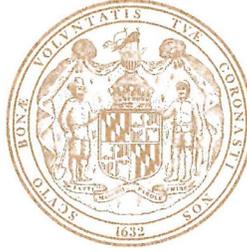
## **October 28 Meeting**

The joint committee heard from the Comptroller, the Office of Legislative Audits, and local governments.

Comptroller Brooke Lierman provided an update on the activities of the Comptroller's Office. The Comptroller explained how the agency is assisting federal employees and is launching Maryland Tax Connect, a new online portal for taxpayers. The Comptroller discussed the need for additional staffing for customer service in the Taxpayer Services Division and the status of implementing several major tax changes from the 2025 session.

The Office of Legislative Audits (OLA) presented information on the reviews of local government audits for fiscal 2024. OLA found that the local governments generally complied with generally accepted accounting principles and auditing standards, and the local governments generally appeared to be in good financial condition. However, OLA's report summarized the most significant and frequent problem areas found during its annual review of local government audits, which included failing to timely submit audit reports.

Failing to timely submit local government audit reports has been an ongoing issue for a number of years so the joint committee requested local governments that were delinquent in filing audit reports to report to the joint committee on their failure to timely submit the reports. The joint committee heard from Dorchester County, and the Town of Barclay, the Town of Eagle Heights, the Town of Lonaconing, and the Town of Rock Hall on their failures to timely submit audit reports. The joint committee also received written comments from the Town of Greensboro and the Town of Sudlersville on the status of their audit reports. The joint committee discussed reintroducing 2025 legislation to increase the annual audit waiver threshold from \$250,000 to \$700,000 for local governments under § 16-305 of the Local Government Article and to require minimum qualifications for municipal employees with specified financial responsibilities.



THE MARYLAND GENERAL ASSEMBLY  
ANNAPOLIS, MARYLAND 21401-1991

**JOINT COMMITTEE ON PENSIONS**

December 17, 2025

The Honorable Bill Ferguson, Co-Chair  
The Honorable Joseline A. Peña-Melnyk, Co-Chair  
Members of the Legislative Policy Committee

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

During the 2025 interim, the Joint Committee on Pensions met three times. The joint committee addressed legislative proposals requested by the Board of Trustees for the State Retirement and Pension System. The joint committee made recommendations on these items at its final meeting for the 2025 interim, voting to sponsor two legislative proposals. The joint committee also had briefings on the actuarial valuation of the system and the system's investments. In addition, the joint committee had a briefing from the Maryland State Employees Supplemental Retirement Plans that provided an overview of the plan and information on the new plan administrator. A complete report of the joint committee's 2025 interim activities and legislative recommendations will be published in January 2026.

We thank the joint committee members for their diligence and attention to the work of the committee. Also, on behalf of the committee members, we thank Phillip S. Anthony, Joe Gutberlet, and Callie Ingwersen of the Department of Legislative Services and the staff of the Maryland State Retirement Agency for their assistance.

Sincerely,

A handwritten signature in black ink that reads "Shelly Hettleman".

Shelly L. Hettleman  
Senate Chair

A handwritten signature in blue ink that reads "Cathi Forbes".

Catherine M. Forbes  
House Chair

MAJ:CMF/PSA:JG/csi

cc: Sally Robb  
Michelle Firmin  
Victoria L. Gruber  
Ryan Bishop



THE MARYLAND GENERAL  
ASSEMBLY  
ANNAPOLIS, MARYLAND 21401-1991

**Joint Subcommittee on Program Open Space and Agricultural Land Preservation**

December 22, 2025

The Honorable Bill Ferguson, Co-Chair  
The Honorable Joseline A. Peña-Melnyk, Co-Chair  
Members of the Legislative Policy Committee

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

The Joint Subcommittee on Program Open Space (POS) and Agricultural Land Preservation respectfully submits this summary report of its activities during the 2025 interim. The subcommittee held two virtual meetings during the 2025 interim.

**September 16 Meeting**

The September 16 meeting consisted of background presentations by representatives of the Department of Natural Resources (DNR), the Department of Agriculture (MDA), and the Department of Planning (MDP) on POS, the Maryland Agricultural Land Preservation Program, and allied programs. They discussed the status of recent legislation, including Natural Resources – Public Lands – Acquisition, Staffing, Operations, and Funding (Chapter 443 of 2025), Trees Solutions Now Act (Chapter 645 of 2021), Great Maryland Outdoors Act (Chapter 39 of 2022), Maryland the Beautiful Act (Chapter 546 of 2023), Natural Resources – Maryland State Parks – Funds and Plan Alterations (Chapter 402 of 2024), Natural Resources – Gwynns Falls State Park – Focus Group, Advisory Committee, and Report (Chapter 965 of 2024), Chesapeake Bay Legacy Act (Chapter 430 of 2025), and State Planning – Preservation of Agricultural Land – Goal (Chapter 285 of 2021). Agency representatives also provided information regarding (1) State/federal budget reduction impacts and responses, both in general and specifically related to POS and agricultural land preservation projects and initiatives; (2) Chesapeake Bay Agreement status and impact on POS and agricultural land preservation; (3) sea level rise and other climate-related events; (4) County Land Preservation, Parks and Recreation Plan submission status and land acquisition goal attainment; and (5) POS fund balances.

In terms of recent legislation, DNR noted the significance of Chapter 443 of 2025, which established operational parity and increased efficiency for conservation easements, set a formula for DNR to request additional positions based on acres acquired, increased funding opportunities for operational costs, and provided local jurisdictions with increased flexibility to spend their POS Local funds. Further, DNR addressed Chapter 645 of 2021, which set the goal of five million trees to be planted by 2031, with at least 10% in underserved areas. In 2024, the State planted more than one million trees. DNR also noted that between 2022 and 2024, the State planted 1,084,591 trees, 67,989 of which were in urban areas. The State met its “30 by 30” goal (conserving 30% of land by 2030) seven years ahead of schedule, with more than 1.85 million acres of land conserved by the time of the meeting. DNR noted that State agencies were now working towards achieving the “40 by 40” goal.

In fiscal 2025, DNR encumbered the highest amount of POS Stateside funding since 2009, with over \$40 million approved by the Board of Public Works and 4,188 acres protected, exceeding DNR’s goals for acquisitions and easement purchases. The POS Stateside balance at the time of the meeting was \$120 million. POS Stateside received \$2.5 million in fiscal 2025. DNR also noted that the Budget Reconciliation and Financing Act of 2025 was amended to divert \$25 million per year from fiscal 2026 through 2029 of revenue from the transfer tax that would otherwise be distributed to POS State land acquisition, the Rural Legacy Program, and the Maryland Agricultural Land Preservation Program: \$19.3 million was diverted from POS Stateside, and \$28.5 million diverted from the Rural Legacy Program.

The POS Local balance at the time of the meeting was \$120 million.

The Secretary of Natural Resources also responded to questions from Senator Gallion regarding the transfer timeline of Port of Deposit State Historical Park and funding for achieving the “40 by 40” goal, from Delegate Healey regarding State and federal partnerships related to the Harriet Tubman Underground Railroad experience, as well as from Chair Brooks and Chair Lewis about the State’s goals under the Tree Solutions Now Act and the status of the Gwynns Falls State Park. Finally, the Secretary responded to questions from Chair Brooks regarding climate resiliency efforts on State property.

MDA noted that MALPF has protected over 385,000 acres of land and has seen a public investment of over \$1.04 billion, with 2,881 easements across the State. MDA outlined budget reductions in fiscal 2025 that have had impacts on programs, including MALPF and the Maryland Agricultural Water Quality Cost-Share Program. MDA noted that they continued to collaborate with the Governor’s Modernization Initiative for cost savings across programs. MDA also noted the impact of federal cuts, including programs such as the Local Food Purchase Assistance Program (LFPA) which was terminated in March 2025. MDA’s fiscal 2025 LFPA funds were slated for \$4.85 million. Additionally, the federal One Big Beautiful Bill reduced SNAP benefits which reduced spending at food retailers. MDA also spoke of the opportunities under the Chesapeake Bay Legacy Act, particularly the Leaders in Environmentally Engaged Farming Program.

December 22, 2025

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Senator Gallion raised questions about funding for MDA's Cover Crop Program. Chair Brooks raised questions about MALPF State budget reduction impacts. Chair Lewis spoke of the nutritional impact of federal budget cuts for SNAP benefits.

Finally, MDP noted that 942,644 acres were needed to achieve 91.52% of the State's goal of preserving a total of 1,030,000 acres of productive agricultural land by 2030. MDP also addressed measures protecting historic resources from climate related impacts. MDP responded to questions from Delegate Healey on how MDP interacts with other groups including the Maryland-National Capital Park and Planning Commission, housing, and solar panels on agricultural land, from Chair Brooks on the Weather It Together Program, sustainability, and resilience, and from Chair Lewis regarding departmental mandates and investments.

## **December 10 Meeting**

The December 10 meeting consisted of a discussion on the Gwynn Falls Partnership Park tour and status of the 2025 report; the status of components of Chapter 443 of 2025 since the Act took effect; a status update on the Chesapeake Bay Watershed Agreement; an urban farms update; the impact of federal and State budget changes; and priorities for the 2026 legislative session. Once again, the joint subcommittee heard from representatives of DNR, MDA, and MDP.

DNR noted goals established under the Revised Chesapeake Bay Watershed Agreement including protecting an additional two million acres of land across the watershed by 2040, including specific targets for riparian forests, wetlands, agricultural lands, and urban green space, along with adding new public access sites and a new focus to upgrade accessibility at existing public access sites across the watershed. DNR also highlighted its legislative priorities, including modernizing the Tree-Mendous Maryland Program to enable funding to be used for the promotion and maintenance of native trees, and supporting inclusive community adaptation and resilience. DNR responded to questions from Delegate Healey regarding the fee structure at Gwynn Falls Partnership Park and from Chair Brooks regarding the status of the Tree Solutions Now Act goals. Chair Lewis discussed the Gwynns Falls Partnership Park report and upcoming steps, and DNR's legislative goals.

MDA noted that through Urban Agriculture Water and Power Infrastructure Grants, 14 projects received a total of \$309,970 in fiscal 2025. MDA's legislative priorities for 2026 included extending the sunset of the Maryland Horse Industry Board from 2026 to 2036. Delegate Healey discussed urban farming and the importation of fertilizer into the State. Chair Brooks raised questions about the application process for urban farming grants and what systems were in place to assist small and emerging farmers navigate the grant requirements. Chair Lewis discussed the impact of SNAP cuts and tariffs and raised questions about the likelihood of food sustainability within the State.

December 22, 2025  
Page 4

MDP highlighted its legislative proposals, including (1) making alterations to comprehensive planning elements to align with the State growth policy and ensure that there are no disparities between charter county and other local jurisdiction requirements; (2) requiring localities to inform MDP when they begin their 10-year comprehensive plan review; and (3) administrative changes to the operations and management of the Maryland Heritage Area Authority to align with the recently adopted Maryland Heritage Areas Program Strategic Plan. Chair Lewis raised a question about how the Planning Principles legislation was received by planning entities around the State.

Respectfully submitted,

Benjamin T. Brooks  
Senate Chair

Robbyn Lewis  
House Chair

BTB:RL/AG:DM/ael

cc: Sally Robb  
Michelle Firmin  
Victoria L. Gruber  
Ryan Bishop



MARYLAND GENERAL ASSEMBLY  
SPENDING AFFORDABILITY COMMITTEE

December 19, 2025

The Honorable Wes Moore.  
Governor, State of Maryland  
State House  
Annapolis, Maryland 21401

Dear Governor Moore:

We are pleased to submit the fiscal policy recommendations of the Spending Affordability Committee made during the 2025 interim. These recommendations were adopted by the committee at its meeting on December 18, 2025. The committee reviewed data concerning the economic condition of the State, revenue and expenditure trends during the past several years, personnel data, the Transportation Trust Fund, and the results of the Capital Debt Affordability Committee report.

Recommendations were made concerning the fiscal 2027 spending limit and sustainability, general fund and reserve fund balances, general obligation and higher education debt limits, State employment, and the Transportation Trust Fund.

As required by law, the recommendations of the committee have been submitted to the Governor and the Legislative Policy Committee.

We are most appreciative of the time and effort expended by each member of the committee. A special note of thanks and appreciation is extended to John L. Bohanan, Jr., Citizens Advisor, for his valuable assistance and input.

Sincerely,

Handwritten signature of Senator Jim Rosapepe in black ink.

Senator Jim Rosapepe  
Presiding Chair

Handwritten signature of Delegate Mark S. Chang in black ink.

Delegate Mark S. Chang  
House Chair

MC:JR/MM/mrm

Enclosure



MARYLAND GENERAL ASSEMBLY  
SPENDING AFFORDABILITY COMMITTEE

December 19, 2025

The Honorable Bill Ferguson, Co-Chair  
The Honorable Joseline A. Peña-Melnyk, Co-Chair  
Members of the Legislative Policy Committee

Dear Colleagues:

We are pleased to submit the fiscal policy recommendations of the Spending Affordability Committee made during the 2025 interim. These recommendations were adopted by the committee at its meeting on December 18, 2025. The committee reviewed data concerning the economic condition of the State, revenue and expenditure trends during the past several years, personnel data, the Transportation Trust Fund, and the results of the Capital Debt Affordability Committee report.

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Sincerely,

A handwritten signature in black ink, appearing to read "Jim Rosapepe".

Senator Jim Rosapepe  
Presiding Chair

A handwritten signature in black ink, appearing to read "Mark S. Chang".

Delegate Mark S. Chang  
House Chair

MC:JR/MM/mrm

Enclosure

# 2025 Spending Affordability Committee Report and Recommendations to the Governor and the Legislative Policy Committee

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The Spending Affordability Committee was created in 1982 (Chapter 585). The committee is composed of equal numbers of senators and delegates and includes the Presiding Officers, the majority and minority leaders, the chairs of the fiscal committees (or their designees), and other members appointed by the Presiding Officers. A citizen advisory committee assists the committee.

The committee's primary responsibility is to recommend to the Governor and the General Assembly a level of spending for the State operating budget that is reflective of the current and prospective condition of the State's economy. Historically, this has been in the form of a recommended growth limit. More recently, however, the structural budget gap has been the focus of the committee's recommendations. The full list of the committee's prior recommendations and legislative action on the operating budget are reflected in the table in **Appendix 1**. Since the committee's inception over 40 years ago, its recommendations have been adhered to by the legislature in all but 1 year.

The committee's statutory responsibility is to consider spending in relation to the State's economy. In determining its recommendations, the committee has considered economic performance, revenue estimates, and current and future budget requirements.

## Economy

The U.S. economy experienced strong growth in the last two years with inflation-adjusted gross domestic product increasing 2.9% in calendar 2023 and 2.8% in calendar 2024. Growth slowed in the first half of calendar 2025 to 2.1% compared to the first half of 2024. Employment growth also slowed in 2025, increasing 1.1% in the first nine months of 2025 compared to 1.3% in 2024. Year-over-year growth in the third quarter (July through September) was 0.9% and since December, the economy has added 684,000 jobs, an increase of just 0.4%. A significant reduction in federal employment has been a drag on the labor market. Between December 2024 and September 2025, federal employment fell by 94,000 jobs, or 3.1%.

With its proximity to Washinton, D.C., federal employment is more important to the Maryland economy than average. In calendar 2024, federal employment accounted for 5.7% of jobs in Maryland compared to 1.9% nationally. The Maryland share is understated because employment data does not include classified agencies like the National Security Agency. In addition to direct jobs in the State, many Marylanders commute to federal jobs in Washington, D.C. and Virginia. As of September 2025, total federal jobs in Maryland are down 14,000 since December 2024, a decline of 8.6%. Maryland has experienced the largest drop of any state and accounts for about 14% of the total federal job loss. Over this same period, Washington, D.C. saw federal employment fall by 9,100 (-4.7%), and Virginia lost 11,300 federal jobs (-5.7%).

## *2025 Spending Affordability Committee Report*

In September, the Board of Revenue Estimates (BRE) issued a revised economic forecast for Maryland, its first since March 2025. BRE estimated that employment, which grew 1.9% in calendar 2024, will increase 0.4% in calendar 2025 and fall 0.3% in 2026. Employment growth slows to just 0.1% in calendar 2027 and 2028 due to low population growth and an aging workforce. Wage growth is projected to slow from 6.4% in 2024 to 3.4% in 2025. With the small decline in employment, BRE estimated wage growth will slow to 2.7% in calendar 2026. In December 2025, BRE revised down their estimate of personal income growth in calendar 2025 due to revisions and new data for the second quarter. The economic forecast beyond 2025 was little changed in December.

## **Revenues**

Fiscal 2025 general fund revenues exceeded the estimate by \$520.6 million, or 2.1%. General fund revenues totaled \$25.7 billion in fiscal 2025, an increase of 3.4% over fiscal 2024, reflecting a one-time transfer in 2024 of \$150 million from the local income tax reserve account to the General Fund. In fiscal 2025, ongoing revenues grew 4.1% over fiscal 2024.

Among the major revenue sources, the personal income tax was above the estimate by \$263.8 million, or 1.8%. The sales tax exceeded the estimate by \$72.4 million (1.2%), and the corporate income tax was below the estimate by \$46.9 million (-2.4%). The State lottery was slightly below the estimate in fiscal 2025 by \$4.0 million (-0.8%). All other sources exceeded the estimate with substantial overattainment for franchise taxes, the tax on insurance premiums, interest on investments and miscellaneous revenues, mostly related to unclaimed property. Combined, the other revenue sources were over the estimate in fiscal 2025 by \$235.4 million, or 9.5%.

In September 2025, BRE lowered its estimate for fiscal 2026 general fund revenues by \$19.1 million, or -0.1%, reflecting the pass-through effects of the federal One Big Beautiful Bill Act (OBBBA). Total general fund revenues were projected to increase by 3.7% in fiscal 2026 as a variety of State tax law changes from Chapter 604 of 2025 (Budget Reconciliation and Financing Act) take effect. Ongoing revenues were forecasted to grow 3.6% in fiscal 2026 and 1.7% in fiscal 2027.

In December, BRE increased the estimate for fiscal 2026 general fund revenues by \$90.7 million, or 0.3%. Growth over fiscal 2025 is projected to be 4.1%. The personal income tax estimate was increased by \$79 million (0.5%), and there were substantial upward revisions to the estimates for estate and inheritance taxes and interest earnings based on strong year-to-date collections. BRE also reduced their estimate for the corporate income tax by \$97 million (-5.4%) and the sales tax by \$77 million (1.2%). For fiscal 2027, BRE revised up their estimate by \$9 million and is projecting 1.4% growth over fiscal 2026.

## **Budget Requirements**

General fund deficiency appropriations totaling \$803 million are forecast for fiscal 2026. The figure includes \$356 million related to prior year expenses, with provider reimbursements in the Maryland Department of Health representing the largest share (approximately \$300 million). The remaining \$447 million in anticipated general fund deficiencies relate to projected shortfalls in fiscal 2026. The largest projected deficiencies are to pay provider reimbursements related to developmental disabilities services (\$140 million) and behavioral health (\$107 million), which were understated due to higher than expected utilization growth. Other significant deficiency appropriations support:

- foster care maintenance payments (\$41 million);
- personnel costs due to lower than expected vacancy savings (\$30 million);
- child care scholarships (\$29 million); and
- inmate medical contracts (\$26 million).

The committee's forecast assumes the transfer of \$265 million from the Revenue Stabilization Account (Rainy Day Fund) in fiscal 2026 to offset a portion of the deficiencies. With this transfer, a cash deficit of about \$17 million is forecast at the close of fiscal 2026.

The baseline estimate for fiscal 2027 projects that general fund spending will increase by \$1.34 billion compared to the fiscal 2026 legislative appropriation after adjusting for anticipated deficiencies. The fiscal 2027 general fund ending balance is projected to be a shortfall of \$1.56 billion, after accounting for a transfer of \$304 million from the Rainy Day Fund that represents the amount over 8% of general fund revenue. The significant general fund spending increase reflects \$343 million related to entitlements, driven primarily by Medicaid and Medicaid-eligible behavioral health provider reimbursements (\$310 million). In addition, the baseline anticipates a net increase of \$432 million in appropriations to the Reserve Fund. Spending on local aid increases by \$112.5 million, driven primarily by retirement costs (\$79 million) and community college funding (\$31 million).

State agency costs are projected to increase by \$568 million. The largest increase in State agency spending supports an increase in personnel costs, including \$94 million for a 2% general salary increase and \$50 million for health insurance costs. Additional significant increases include provider reimbursements for the Developmental Disabilities Administration and non-Medicaid-eligible behavioral health services (\$131 million), Information Technology Investment Fund projects (\$97 million), and the State share of administrative costs for the Supplemental Nutrition Assistance Program due to the lower federal share beginning on October 1, 2026 (\$60 million).

*2025 Spending Affordability Committee Report*

The committee budget forecast assumes that the State will close fiscal 2027 with a balance of \$2.17 billion in the Rainy Day Fund, which represents 8% of general fund revenues.

As shown in **Exhibit 1**, which provides the cash and structural balance projections for the General Fund through fiscal 2031, the cash deficit worsens over time, growing from \$1.56 billion in fiscal 2027 to \$3.9 billion by fiscal 2030. The projected structural shortfall also increases substantially, rising from \$1.2 billion in fiscal 2027 to \$2.7 billion in fiscal 2028 with additional increases through fiscal 2030 before slightly improving to \$3.5 billion in fiscal 2031. Both the cash and structural shortfalls increase beginning in fiscal 2028 due to the need for general funds to support costs related to the Blueprint for Maryland’s Future (Blueprint). The general funds required to support Blueprint costs rise from \$0 in fiscal 2027 to \$1.57 billion in fiscal 2028, increasing further to \$3.43 billion in fiscal 2031.

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**Exhibit 1**  
**General Fund Budget Outlook**  
**Fiscal 2026-2031 Est.**  
**(\$ in Millions)**

	<b>Working Appropriation <u>2026</u></b>	<b>Est. <u>2027</u></b>	<b>Est. <u>2028</u></b>	<b>Est. <u>2029</u></b>	<b>Est. <u>2030</u></b>	<b>Est. <u>2031</u></b>
Cash	-\$17	-\$1,562	-\$2,709	-\$3,132	-\$3,850	-\$3,669
Structural Balance	-259	-1,239	-2,720	-2,965	-3,682	-3,501

Note: Estimates assume a Revenue Stabilization Account balance of 8% of general fund revenues.

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## **Recommendations**

In light of the considerations discussed earlier, the committee proposes the following recommendations for the 2026 session:

### **1. Operating Budget Spending Limit and Sustainability**

A structural deficit of \$1.2 billion is forecast for fiscal 2027 and is projected to increase to \$3.7 billion by fiscal 2030. Cash shortfalls are expected to grow from \$1.6 billion in fiscal 2027 to \$3.9 billion by fiscal 2030.

## *2025 Spending Affordability Committee Report*

The State's budget challenges reflect the negative impact of the Donald J. Trump Administration's policies and the costs of entitlement and education programs surpassing planning estimates. Federal job cuts have weakened the State's economy, contributing to a March 2025 revenue write-down of more than \$1 billion over the fiscal 2025 through 2030 period. The OBBBA ALONE will increase State spending by about \$100 million annually and reduce taxes paid by businesses by more than \$350 million over the next two years. In addition, the Trump Administration's unpredictable policies on trade, federal employment, and government services add material downside risks to Maryland's economy and fiscal situation.

**In recognition of the fiscal outlook, the committee recommends that the fiscal 2027 budget, as introduced and enacted, reduce the gap between general fund revenues and ongoing spending by 50% (\$600 million).**

The committee notes that the reliability of budget actions depends heavily on the quality, consistency, and alignment of underlying fiscal projections. In recent budget cycles, changes to revenue and expenditure outlooks have materially affected the State's structural balance, underscoring the need for enhanced coordination, consensus, and shared forecasting assumptions. Recently, the Department of Legislative Services (DLS), the Department of Budget and Management (DBM), and BRE have increased coordination and data sharing. To support more durable budget decisions, the committee recommends continued and regular consultation among the agencies, including more frequent cross-checks and updates.

## **2. Fund Balances**

After assuming the transfer of funds in excess of 8% of general fund revenues from the Rainy Day Fund, it is anticipated that there will be a cash shortfall of \$1.6 billion at the close of fiscal 2027. Reducing the Rainy Day Fund balance below 8% would assist the State in resolving the short-term fiscal challenges but leave the State vulnerable to the impact of a recession. It is important to keep in mind that the Rainy Day Fund is supposed to be used in emergency situations such as when unemployment is above 5% or unexpected revenue write-downs occur in the middle of drafting the fiscal 2027 budget.

In light of current economic uncertainties, it is prudent to retain a healthy fund balance so that funds remain available in the event of a recession or additional federal actions that harm the Maryland economy. **Before considering drawing on the Rainy Day Fund, opportunities should be explored to (1) better align ongoing spending with ongoing revenues and (2) achieve one-time budgetary savings. The committee recommends:**

- **the fiscal 2027 budget as introduced maintain a Rainy Day Fund balance of at least 8.0% of general fund revenues to ensure that resources are available to mitigate the impact of an economic downturn and/or federal actions that harm the Maryland economy; and**

- a minimum ending balance of at least \$100 million in the General Fund for fiscal 2027.

**Notwithstanding the goal of 8%, in the event that March revenues are revised downward by \$100 million or more or the State’s unemployment rate reaches 5.0% or more, a Rainy Day Fund balance of at least 7.5% will be maintained.**

Excluding COVID-19 related disaster assistance, between fiscal 2010 and 2025 Maryland received \$325.8 million in federal disaster assistance, an average of \$21.4 million per year. Federal policymakers appear to be transitioning to a policy of severely limiting future aid to states. The Federal Emergency Management Agency denied a request for a disaster declaration and resulting aid from the May 2025 floods in Western Maryland, for which Maryland had requested \$33.7 million in aid. Maryland has two funds that can be used to support costs related to disasters: (1) the Catastrophic Event Account – which supports disaster assistance and federal employee hardship related to layoffs, relocations, and government shutdowns; and (2) the State Disaster Recovery Fund – which supports disaster relief regardless of an official disaster declaration. Historically, the Catastrophic Event Account is maintained with a balance of \$10 million, and it is expected to require replenishment in fiscal 2027 to be at this level following use for federal government shutdown assistance. DLS anticipates a balance of \$2.3 million at the close of fiscal 2027 in the State Disaster Recovery Fund. **Since the federal government appears less likely to provide disaster assistance in the future, the State should maintain a combined balance of at least \$15 million in these two funds beginning in fiscal 2027. The Treasurer’s Office should also explore the cost of purchasing disaster recovery insurance to cover at least a portion of the cost of assisting communities impacted by natural disasters.**

### 3. Capital Budget

#### A. General Obligation Debt

In its 2025 report, the Capital Debt Affordability Committee (CDAC) recommended keeping annual general obligation (GO) bond authorizations at \$1.750 billion in fiscal 2027 and through the five-year planning period, which is consistent with the amount planned by CDAC last year and with the amount programmed in the 2025 *Capital Improvement Program* (CIP). **The committee recommends the authorization of \$1.750 billion in new GO bonds for the 2026 session. For planning purposes, the level of authorizations should remain at the CDAC-recommended level of \$1.750 billion from fiscal 2028 through 2031.**

CDAC also considered alternative assumptions regarding the annual level of GO bond issuances. The 2025 *Joint Chairmen’s Report* (JCR) directed the State Treasurer’s Office to work with DBM and DLS to convene a workgroup to evaluate the issuance assumptions used by CDAC, which are based on a formula that has been unchanged for several decades. The workgroup recommended that CDAC adopt issuance assumptions based on a 10-year weighted average of actual project expenditures.

## *2025 Spending Affordability Committee Report*

Although DBM participated in the JCR workgroup, DBM proposed and CDAC adopted an alternative recommendation to use issuance assumptions based on recent experience of lower expenditure levels.

Because the CDAC-adopted issuance assumptions are based on trends in expenditure levels rather than trends in expenditure rates, the adopted assumptions significantly underestimate future issuance needs. The GO bond authorization level increased significantly in fiscal 2025, from \$1.205 billion in fiscal 2024 to \$1.750 billion in fiscal 2025. Issuances would also be expected to increase significantly as projects authorized in fiscal 2025 begin to expend funds. **Accordingly, the committee recommends using the JCR workgroup recommendation based on expenditure rates for the purposes of debt affordability analysis.**

### **B. Higher Education Debt**

The University System of Maryland (USM) intends to issue \$30 million in academic debt for fiscal 2027, which is the amount recommended by CDAC and is consistent with the level of issuance authorized for fiscal 2026. This level of issuance will result in a ratio of debt service, including payments on capital lease obligations, to operating revenues and State appropriations of 3% or less through fiscal 2031. This is well below the 4.0% limit recommended by the system's financial advisers.

**The committee recommends the level of Academic Revenue Bond authorizations be set at \$50 million for fiscal 2027 and for planning purposes remain at \$50 million annually through fiscal 2031. The recommendation is affordable within USM debt limitation policies and will provide \$20 million of additional authorization in fiscal 2027 and a total of \$100 million through the planning period above the amounts currently programmed in the 2025 CIP. The committee also recommends that the additional \$20 million annual authorization be earmarked for USM stand-alone State-owned projects included in the CIP.**

## **4. State Employment**

Personnel costs comprise approximately 18% of the State's operating budget. The committee anticipates a net decrease of 318.7 positions in the fiscal 2027 budget compared to the fiscal 2026 legislative appropriation, adjusted to account for positions abolished in October 2025 by the Board of Public Works. The resulting authorized number of State employees would be 85,958.8 in fiscal 2027.

The Executive Branch currently has a vacancy rate of 10.0% with 5,194 Executive Branch vacancies in October 2025, excluding higher education. While the vacancy rate is relatively high, the budgeted turnover rate is higher, at 10.5%. The Executive Branch is approximately 318 vacancies short of meeting budgeted turnover in fiscal 2026. Compared to one year ago, the Executive Branch has grown by approximately 650 filled positions.

The committee recommends that the Executive Branch maintain current levels of authorized positions, fill vacancies in mission critical positions, and increase vacancies overall to meet budgeted turnover.

## **5. Transportation**

The target closing balance for the Transportation Trust Fund (TTF) is intended to ensure that the Maryland Department of Transportation (MDOT) has sufficient working cash to administer its operating and capital programs. System preservation spending is necessary to maintain or bring capital assets into a State of Good Repair (SOGR), which is where assets are performing as designed, and the chance of breakdowns is small. MDOT's most recent calculation of the SOGR funding needs and the amount of programmed and projected funding identified a 10-year gap of \$12.5 billion. **The committee recommends:**

- **a fiscal 2027 target closing balance of at least \$550 million for the TTF, which is \$50 million greater than the target closing balance assumed by MDOT in its draft September 2025 financial forecast. The committee is recommending a larger TTF fund balance to ensure the continued ability of MDOT to meet its cash flow needs in the case that federal fund attainment, including federal reimbursement for capital projects, is less than currently projected by the department; and**
- **fiscal 2027 spending on system preservation of at least \$1.15 billion, which is the average annual amount spent over the previous 10 years.**

2025 Spending Affordability Committee Report

**Appendix 1**  
**Prior Recommendations and Legislative Action on the Operating Budget**  
**(\$ in Millions)**

<u>Session Year</u>	<u>Committee Recommendation</u>		<u>Legislative Action</u>	
	<u>Growth Rate</u>	<u>Amount</u>	<u>Growth</u>	<u>Amount</u>
1983	9.00%	\$428.0	5.70	\$269.8
1984	6.15%	326.7	8.38	402.0
1985	8.00%	407.2	7.93	404.6
1986	7.70%	421.5	7.31	402.2
1987	7.28%	430.2	7.27	429.9
1988	8.58%	557.5	8.54	552.9
1989	8.79%	618.9	8.78	618.2
1990	9.00%	691.6	8.98	689.7
1991	5.14%	421.8	5.00	410.0
1992		No recommendation	10.0	823.3
1993	2.50%	216.7	2.48	215.0
1994	5.00%	443.2	5.00	443.2
1995	4.50%	420.1	4.50	420.0
1996	4.25%	415.0	3.82	372.8
1997	4.15%	419.6	4.00	404.6
1998	4.90%	514.9	4.82	506.6
1999	5.90%	648.8	5.82	640.6
2000 <sup>1</sup>	6.90%	803.0	6.87	800.0
2001 <sup>2</sup>	6.95%	885.3	6.94	884.6
2002	3.95%	543.2	3.40	468.1
2003	2.50%	358.2	0.94	134.1
2004	4.37%	635.2	4.33	629.0
2005 <sup>3</sup>	6.70%	1,037.1	6.69	1,036.3
2006 <sup>3</sup>	9.60%	1,604.7	9.57	1,599.0
2007	7.90%	1,450.0	7.51	1,378.4
2008	4.27%	848.7	4.16	826.8
2009 <sup>4</sup>	0.70%	145.7	0.19	39.2
2010 <sup>4</sup>	0.00%	0.0	-	-626.9
2011	Reduce fiscal 2012 structural deficit by 33⅓%		36.90%/46.00% <sup>5</sup>	
2012	Reduce fiscal 2013 structural deficit by 50.0%		50.60%	
2013	Reduce fiscal 2014 structural deficit by \$200.0 million			-211.2
2014	4.00%	937.8	2.76	646.4
	Reduce fiscal 2015 structural deficit by \$125.0 million			-126.1

*2025 Spending Affordability Committee Report*

<u>Session Year</u>	<u>Committee Recommendation</u>		<u>Legislative Action</u>	
	<u>Growth Rate</u>	<u>Amount</u>	<u>Growth</u>	<u>Amount</u>
2015	Reduce fiscal 2016 structural deficit by 50.0%		68.27%	
2016	4.85%	1,184.2	4.55	1,111.2
2017	Reduce fiscal 2018 structural deficit by at least 50.0%		90.19%	
2018	Eliminate 100% of the fiscal 2019 structural deficit		100%	
2019	3.75%	1,019.0	3.31	900.7
	Maintain structural balance in fiscal 2020			76.0 <sup>6</sup>
2020	Maintain structural balance in fiscal 2021			160.2
2021	Limit fiscal 2022 structural deficit to \$700 million or less			63.0
2022	Maintain structural balance in fiscal 2023			276.0
2023	Structural surplus of \$100 million in fiscal 2024			146.0
2024	Limit fiscal 2025 structural deficit to \$508 million or less			483.1
2025	Eliminate 100% of the fiscal 2026 structural deficit		100%	

<sup>1</sup>2000 legislative action does not reflect \$266 million of Cigarette Restitution Fund (CRF) appropriations. CRF dollars were excluded because it had not previously been available to the State. The 2000 growth rate, including CRF dollars, was 9.16%.

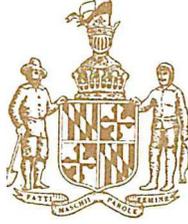
<sup>2</sup>Methodology revised effective with the 2001 session.

<sup>3</sup>The committee initially approved a limit of 5.70% for 2005 and 8.90% for 2006.

<sup>4</sup>Legislative action calculation includes federal funds under the American Recovery and Reinvestment Act of 2009 used in lieu of ongoing general fund spending.

<sup>5</sup>Spending reduction/total reduction.

<sup>6</sup>Amount reflects difference between the estimated structural deficit of \$64 million in the Governor's allowance and the structural surplus of \$12 million in the legislative appropriation.



THE MARYLAND GENERAL  
ASSEMBLY  
ANNAPOLIS, MARYLAND 21401-1991

## **Joint Committee on Unemployment Insurance Oversight**

December 16, 2025

The Honorable Bill Ferguson, Co-Chair  
The Honorable Joseline A. Peña-Melnyk, Co-Chair  
Members of the Legislative Policy Committee

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

The Joint Committee on Unemployment Insurance Oversight respectfully submits a summary report of its 2025 interim activities. The joint committee met twice during the interim to receive briefings from the Secretary of Labor and to discuss the status and solvency of the trust fund. At each meeting, the joint committee heard from the Honorable Portia Wu, Secretary of Labor; Andrew Fulginiti, Legislative Director; Rachel Torres, Assistant Secretary for the Division of Unemployment Insurance; and Urwah Faisal, Labor Market Information Specialist.

On July 8, the joint committee focused on the solvency of the State's unemployment trust fund. The Department of Labor presented projections demonstrating reduced solvency of the fund in the coming years and discussed various policy changes that could help maintain solvency.

On September 10, the joint committee reviewed historic trends in the timeliness of claim payments and the steps the Department is taking to ensure that claims are processed quickly. The Department also discussed the impact of fraud on the unemployment insurance system and the measures the Department is taking to reduce fraudulent claims. Additionally, joint committee members and the Department discussed anecdotal reports of "ghosting" in a job interview context. MDL conducted a study required by HB 998 in the 2024 Session. The study found that there is no evidence that ghosting is a prevalent problem in the Maryland UI system.

In summary, the joint committee is pleased to report that the State's unemployment trust fund is currently solvent. The average high-cost multiplier is above the target measure of 1.0, which enables the State to receive interest-free loans from the federal government. However, increasing unemployment rates, rising inflation, and a higher share of claimants entitled to the maximum weekly benefit may put increasing pressure on the fund and lead to reduced solvency in the very near future.

During the 2025 interim, as co-chairs we also participated in and monitored many other unemployment insurance meetings involving various groups, including the Senate Finance Committee and the House Economic Matters Committee. During the 2026 session, the joint committee plans to conduct its annual review of unemployment insurance related legislation and discuss any outstanding issues raised during the interim. As always, we will work hard to balance the interests of all Marylanders and protecting the Unemployment Insurance Trust Fund to the best of our ability.

The joint committee is appreciative of the advice and assistance provided by governmental officials, members of the public, and legislative staff during the 2025 interim and looks forward to the same spirit of cooperation and assistance during the 2026 legislative session.

Respectfully submitted,

Benjamin F. Kramer  
Senate Chair

Lorig Charkoudian  
House Chair

BFK:LC/LT:TKH/egm

cc: Sally Robb  
Michelle Firmin  
Victoria L. Gruber  
Ryan Bishop