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ARUNA MILLER
Lieutenant Governor



YAAKOV "JAKE" WEISSMANN
Secretary

MARC L. NICOLE
Deputy Secretary

TITLE: SB 340 Office of the Long-Term Care Ombudsman - Mandatory Appropriation

DATE: April 7th

COMMITTEE: Appropriations

POSITION: Letter of Concern

SUMMARY OF BILL: Senate Bill 340 establishes a mandatory appropriation to support the operations of the Office of the Long-Term Care Ombudsman in the Department of Aging. As amended by the Senate Finance Committee, the bill requires the Governor to include an appropriation of \$2,000,000 for the Office, sourced from money remitted by managed care organizations under COMAR 10.67.04.19-4(I) in the second immediately preceding fiscal year. If the total amount remitted by managed care organizations is less than \$2,000,000, the bill requires a general fund appropriation equal to the difference.

EXPLANATION: This legislation establishes a mandated appropriation, increasing expenditures by at least \$2,000,000 annually beginning in Fiscal Year 2027, and exposes the State to general fund liability if managed care organization remittances fall short of that threshold. The non-supplantation requirement further constrains budget flexibility by locking in baseline funding levels independent of overall fiscal conditions.

Given the significant uncertainty in federal policy and the escalating fiscal shortfalls forecasted through Fiscal Year 2028, the Department urges caution against legislation that increases expenditures or diverts revenue without sustainable funding offsets. In light of the current fiscal crisis, the State must remain disciplined and strategic in its funding decisions to protect essential services for all Marylanders.

The Department recognizes the important work of the Office of the Long-Term Care Ombudsman and supports adequate funding for long-term care advocacy. However, the Department believes that funding decisions of this nature are best addressed through the annual budget process, where the full fiscal picture can be considered and resources can be allocated

consistent with the State's overall priorities and capacity. For these reasons, the Department of Budget and Management respectfully submits this letter of concern regarding Senate Bill 340.

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