



March 2, 2026

The Honorable Guy Guzzone
Chair, Senate Budget and Taxation Committee
3 West Miller Senate Office Building
Annapolis, MD 21401

RE: Senate Bill 284 - Budget Reconciliation and Financing Act of 2026 - Letter of Information

Dear Chair Barnes and Committee Members:

The Health Services Cost Review Commission (HSCRC) respectfully submits this Letter of Information on Senate Bill (SB) 284 - Budget Reconciliation and Financing Act of 2026

As originally drafted, SB284 authorizes a transfer of \$10 million from the Maryland Loan Assistance Repayment Program Fund (MLARP) for Nurses and Nursing Support Staff established under Health General §24-1902. However, the budget analysis completed for the Public Health Administration¹ indicated that the MLARP for Nurses and Nursing Support Staff was incorrectly named as the fund source, and the intended source is the Nurse Support Program (NSP II) Assistance Fund. The analysis indicates that the Department of Budget and Management will be submitting an amendment to BRFA to correct the language. The proposed transfer could disrupt established multi-year commitments to higher education institutions and faculty, and potentially end other planned statewide investments to grow nursing faculty and to increase teaching resources at schools of nursing.

SB284 also allows a transfer of \$6.7 million from the Maternal and Child Health Population Health Improvement Fund (MCH Fund) to the General Fund on or before June 30, 2027. The MCH Fund is slated to sunset in December 2027; transitioning these monies risks premature termination of the programs and services supported by the fund, leading to challenges in access.

Nursing Support Program Assistance Fund Purpose and Activities

The HSCRC initiated the Nurse Education Support Program (NESP) in 1986. The current iteration of the program, the Nurse Support Program II (NSP II), began in 2006

¹ [FY27 Public Health Administration Analysis](#)

and is focused on the dual goals of increasing nursing faculty capacity and diversity in nursing education. NSP II is funded through an annual, broad-based assessment of 0.1 percent of gross patient revenue built into hospital rates, totaling approximately \$21.2 million in FY 2026. The Maryland Higher Education Commission (MHEC) administers NSP II on behalf of the HSCRC, serving in its role as the State's coordinating board for higher education.

NSP II provides scholarships to nurses pursuing masters and doctoral degrees who commit to become nurse educators, expanding faculty capacity at nursing schools. NSP II funding also supports multi-year commitments to higher education institutions through competitive grants to support nurse education and nurse training. The majority of these awards span multiple years, with the longest commitments currently extending through 2030.

The most recent outcomes assessment for NSP II² identified several achievements. Notably, the NSP II has:

- Engaged 89 percent of all Maryland nursing schools in the Competitive Institutional Grants program;
- Increased the number of candidates taking the NCLEX-RN licensure exam by 22 percent and Maryland's first-time pass rates by six percent since FY 2018; and
- Expanded capacity at schools of nursing, allowing for an additional 1,545 graduates, and recruited 193 new nurse faculty into full-time positions at higher education institutions in Maryland.

Maternal and Child Health Population Health Improvement Fund Purpose and Activities

The Maternal and Child Health Improvement fund is a partnership effort between HSCRC, the Maryland Medicaid program and the Prevention and Health Promotion Administration (PHPA) at the Maryland Department of Health (MDH) designed to support jointly-identified priorities across the state.

The MCH Fund was funded by an assessment within hospital rates between FY 2022 and FY 2025, producing \$40 million of initial funding. Spending for the Medicaid services under the MCH Fund experienced a ramp-up period due to required federal and state authorities and the need to scale billing and services infrastructure. In 2025, the Maryland General Assembly extended the MCH Fund's sunset date through December 2027 to allow sufficient time for service provision. The most recent report of

² [Nurse Support Program II Competitive institutional Grants Program Outcomes Evaluation FY 2021-FY 2025 Report](#)

services and results indicated that services provided in CY 2024 doubled relative to CY 2023. Continued growth in utilization is expected for CY 2025, with an upward trajectory expected through the December 2027 sunset.

Within Medicaid the fund supports Medicaid doula, home visiting, CenteringPregnancy, HealthySteps and Maternal Opioid Misuse (MOM) services. Programs under PHPA complement the Medicaid programs by expanding the number of accredited home visiting and CenteringPregnancy providers, as well as increasing service provision of home visiting for asthma and perinatal support. During the remaining years of the Fund PHPA plans to continue its work expanding the Medicaid-eligible doula workforce and to conduct a perinatal health organizational assessment that will help to establish a mobile maternal health clinic. PHPA also plans to continue supporting children with moderate to severe asthma through expansion of home visiting programs, and capacity building for school nurse-led case management. Finally, PHPA plans to enhance care coordination for families with substance use challenges, home visiting needs, and bilingual services as part of its maternal health portfolio.

Impact of Proposed Fund Transfer on NSP II and MCH Initiatives

The proposed transfer from the NSP II could disrupt long-term commitments to community colleges, universities, and students. Reduction in program resources could also constrain faculty capacity at nursing schools, which would in turn place further strain on the current nursing workforce.

The proposed transfer from the MCH Fund would require re-consideration of planned interventions. Services designed to support child and maternal health through population health initiatives may need to be severely curtailed or eliminated.

HSCRC appreciates the opportunity to share this additional context as the Committee considers SB284. If I can provide additional information, please feel free to contact me at jon.kromm@maryland.gov.

Sincerely,



Jon Kromm
Executive Director