

WES MOORE
Governor

ARUNA MILLER
Lieutenant Governor



YAAKOV "JAKE" WEISSMANN
Secretary

MARC L. NICOLE
Deputy Secretary

TITLE: SB859 State Procurement and Personnel - Liquidated Damages Documentation Requirements and State Fiscal Leadership Capacity

DATE: March 31st 2026

COMMITTEE: Government Labor and Elections

EXPLANATION: The Department of Budget and Management supports Senate Bill 859 with the amendments adopted by the Budget and Taxation Committee.

HB 1422 addresses two specific areas of state fiscal management. First, it strengthens accountability around liquidated damages by removing the prior \$5,000,000 procurement threshold and requiring units that decide not to pursue liquidated damages to document their reasoning and report that decision to both the Board of Public Works and the Joint Audit and Evaluation Committee. Second, it establishes a statutory framework for CFO positions in large Executive Branch units, defining the role, authorizing DBM to set the pay scale to assist with recruitment and retention, requiring the Secretary to establish minimum qualifications through regulation by November 1, 2026, and imposing year-end financial reporting obligations to the Office of the Comptroller. The bill also extends parallel pay scale authority to Chief Information Officer positions.

The amendments improve the bill by creating a more flexible qualification-based framework: lowering the funding threshold, triggering CFOs' requirements from \$2 billion to \$1.75, clarifying that the University System of Maryland is exempt, and refining the CFO definition to focus on the highest-ranking executives responsible for directing all financial operations for at least six months.

DBM supports the favorable consideration of HB 1422 with the House amendments.

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