

**TO:** The Honorable Melissa Wells, Chair  
*House Government, Labor and Elections Committee*

**FROM:** Sameer Sidh  
*Director of Maryland Government Affairs, Johns Hopkins University and Medicine*

**DATE:** March 9, 2026

**RE:** HB1271 Reparations – Board, Fund, and Excise Tax on Endowments – Establishment

**Johns Hopkins opposes HB1271 Reparations – Board, Fund, and Excise Tax on Endowments – Establishment.** This bill establishes a Reparations Board to make certain examinations regarding reparations payments to provide grants to persons impacted by historic inequality, establishes the Maryland Reparations Fund, and imposes a 4% excise tax on non-public institutions with an endowment of over \$2B.

Johns Hopkins opposition to HB1271 is not an objection to the formation of the Maryland Reparations Commission, but rather a statement of concern over the structure of the new excise tax proposed in this legislation.

As drafted, HB1271 would impose a new excise tax on Johns Hopkins exceeding \$500 million annually, posing a potential threat to institutional operations, our ability to serve as a national leader in providing financial aid to our students, and our role as the State’s largest private employer. This new tax on nonpublic institutions is proposed as federal action targets funding sources supporting academic research institutions, which have forced Johns Hopkins to implement cost containment measures like cuts to discretionary spending, pauses in pay increases and reductions to the pace of capital projects in the past 12 months.

Without explanation, HB1271 targets entities engaged in philanthropic activity by applying an excise tax solely on institutions holding endowment funds. At Johns Hopkins, our endowment is used in part to create educational opportunities for students with financial needs. On average, 35% of our annual endowment payout is dedicated to support student financial aid. This intentional investment has led U.S. News and World Report to recognize Johns Hopkins for graduating undergraduate students with the lowest amount of federal loan debt in the nation.

Our endowment also supports the Johns Hopkins Tuition Promise, allowing the university to be tuition-free for all undergraduate students from families earning up to \$200,000 per year, and the Cummings Scholars program, providing financial support, leadership development and guided pathways to qualifying graduates of Baltimore and Washington DC public schools.

HB1271 also threatens Johns Hopkins research activity and role as the State’s largest private employer. In 2025, Johns Hopkins economic impact in Maryland exceeded \$40 billion, supporting nearly 150,000 jobs with 57,000 Maryland residents directly employed by the

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institution. Johns Hopkins pays \$1.1 billion annually to Maryland suppliers and contractors, and already carries a significant tax burden, with nearly \$374 million in taxes and fees paid to the State of Maryland in FY2024.

From a research perspective, Johns Hopkins expends over 40% of its annual endowment payout on teaching and research. Research funding allocations from our endowment support Johns Hopkins' role in the State's research economy, which has an approximate economic impact of over \$9 billion. In Baltimore City alone, Johns Hopkins and its affiliates have delivered roughly \$5 billion in economic impact annually, including hundreds of millions in annual payments to local Baltimore suppliers and contractors.

If passed, HB1271 would exacerbate federal research funding cuts that have impacted academic research institutions across the country in the past year. In 2025 alone, Johns Hopkins federal research grant funding portfolio declined by over \$500 million, with \$66 million in outright grant terminations. Future federal research funding opportunities have plummeted as well, with largest federal grantor (National Institutes of Health) reduced notices of new grant opportunities nationwide by over 80% in 2025.

Set in the context of federal research funding reductions, the passage of HB1271 would place significant additional risk on life saving research activity at Johns Hopkins. In recent years, research activity at Johns Hopkins has led to the following transformative breakthroughs in healthcare:

- Creation of a "liquid-biopsy," transforming a routine blood test into next-level cancer detection;
- Development of a non-invasive diagnostic tool for epilepsy, addressing one of the most commonly misdiagnosed diseases;
- Use of artificial intelligence to detect sepsis 2 hours earlier than traditional methods, reducing sepsis deaths in hospitals by nearly 20% nationally.

Last, HB1271 prematurely supersedes the work of the Maryland Reparations Commission, which was established legislatively in December 2025. The Maryland Reparations Commission is tasked in part with studying and providing recommendations on the types of benefits to be offered to those impacted by historic inequality, and is asked to submit a final report with recommendations on or before November 1, 2027. Given that Maryland would potentially be the first State in the nation to establish a Reparations Fund, a thoughtful approach to this work that allows the Commission to consider options should be taken.

HB1271 proposes a significant and targeted excise tax on endowments with little research or support for the approach the bill imposes.

For the reasons stated above, we urge an **UNFAVORABLE** committee report on HB1271.