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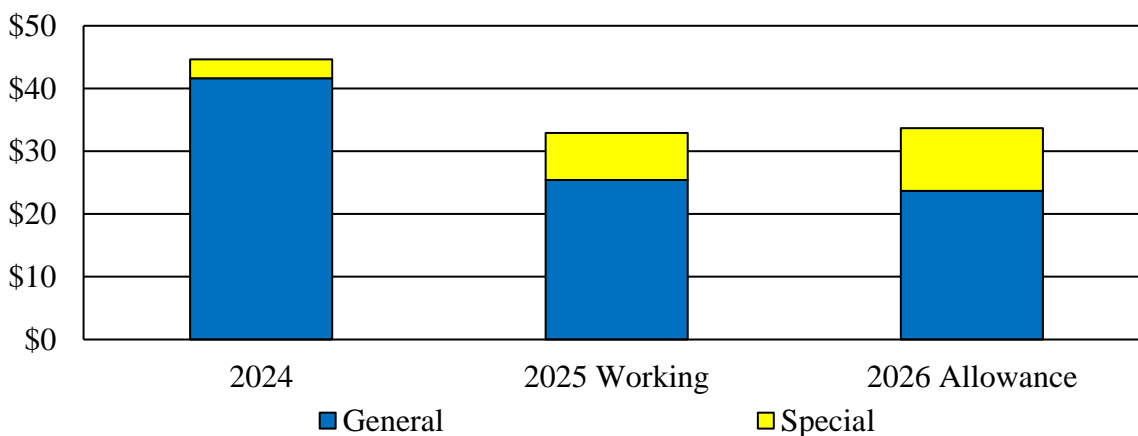
Board of Public Works

Program Description

The Governor, the Comptroller, and the State Treasurer comprise the Board of Public Works (BPW). The board approves leases and contracts executed by State agencies. It adopts and promulgates rules, regulations, and procedures for the administration of the State's procurement law. The board approves the amount and timing of bond sales. BPW owns multiple properties in Annapolis for which the Historic Annapolis Foundation receives a grant to manage. The Wetlands Administration is a division of the board that is also responsible for the issuance of licenses to people seeking to dredge in or to place fill on State tidal wetlands. This program coordinates the State's wetlands licensing program with other governmental agencies, landowners, and the public. BPW's goals are to (1) ensure that procurement expenditures are necessary, fiscally responsible, fair, and lawful; (2) ensure that procurement agencies comply with Minority Business Enterprise laws and procedures; (3) ensure that procurement agencies comply with Veteran-Owned Small Business Enterprise laws and procedures; (4) provide efficient recommendations to BPW on applications for wetlands licenses and promptly issue licenses as approved by the board; (5) provide administratively and ecologically sound recommendations to BPW on applications for wetlands licenses; (6) provide monetary compensation for the utilization of the State's submerged lands; and (7) provide public outreach on issues and trends related to Maryland tidal wetlands.

Operating Budget Summary

Fiscal 2026 Budget Increases \$0.8 Million, or 2.4%, to \$33.7 Million (\$ in Millions)



Note: The fiscal 2025 working appropriation accounts for a deficiency. The fiscal 2025 impacts of statewide salary adjustments are centrally budgeted in the Department of Budget and Management (DBM), and adjustments are not reflected in this agency's budget. The fiscal 2026 impacts of the fiscal 2025 statewide salary adjustments appear in this agency's budget. The fiscal 2026 statewide salary adjustments are centrally budgeted in DBM and are not included in this agency's budget.

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Fiscal 2024 Only

The contingent fund allows BPW to supplement an agency’s appropriation during the course of the fiscal year. **Exhibit 1** provides the annual summary of contingent fund activity for fiscal 2024.

Exhibit 1 Contingent Fund Activity Fiscal 2024

<u>Date</u>	<u>Fund Activity</u>	<u>Amount</u>
July 2023	Fiscal 2024 Legislative Appropriation	\$2,500,000
	Total Appropriation	\$2,500,000
December 2023	Supplemental Erroneous Conviction Payment (Grant Jones)	\$346,913
December 2023	Legal Counsel Payment (McCollum & Associates, LLC for Grant Jones)	6,281
April 2024	Maryland Department of Agriculture – Spongy Moth Suppression Work	300,000
June 2024	Department of General Services – Annapolis Complex Security Enhancements	306,130
	Total Board of Public Works Approvals	\$959,324
	Unspent Funds Reverted to the General Fund	\$1,540,676

Source: Board of Public Works; Department of Legislative Services

Fiscal 2024 and Fiscal 2025

Implementation of Legislative Priorities

Section 19 of the fiscal 2024 Budget Bill and §21 of the fiscal 2025 Budget Bill included a total of \$13.0 million and \$5.0 million, respectively, for BPW to provide grants to multiple private nonprofits. As shown in **Exhibit 2**, all fiscal 2024 grantees have received their funding. Three of the fiscal 2024 grantees also received fiscal 2025 funding. For fiscal 2025, all of the payments have been approved by BPW. The remaining fiscal 2025 amounts reflect fourth quarter payments for the grants that were approved to be paid in quarterly installments.

Exhibit 2
Board of Public Works Legislative Grants to Nonprofits
Fiscal 2024-2025

<u>Grantee</u>	<u>2024</u>	<u>2025</u>	<u>Status</u>
Maryland Association of Boards of Education – Direct Primary Care Health Centers	\$875,000	\$2,000,000	Fiscal 2024 distributed in full. Fiscal 2025 \$500,000 remains to be distributed.
Associated Jewish Federation of Baltimore	0	900,000	\$225,000 remains to be distributed.
Middle Branch of Patapsco River Revitalization	0	500,000	\$125,000 remains to be distributed.
Downtown Sailing Center	0	500,000	\$125,000 remains to be distributed.
Historic Annapolis Foundation	194,000	165,000	Fiscal 2024 distributed in full. Fiscal 2025 \$41,250 remains to be distributed.
Babe Ruth Museum	0	125,000	\$31,250 remains to be distributed.
Robert Johnson Community Center	0	100,000	\$25,000 remains to be distributed.
Maryland Council on Economic Education	200,000	100,000	Fiscal 2024 distributed in full. Fiscal 2025 \$25,000 remains to be distributed.
Baltimore Community Rowing	0	50,000	Distributed in full.
Sandy Spring Civic Association	0	50,000	Distributed in full.
Chesapeake K-9 Fund	0	50,000	Distributed in full.
Maryland Fire Museum	0	50,000	Distributed in full.
Fiscal 2024 Grantees Only	11,785,000	0	Fiscal 2024 distributed in full.
Total	\$13,054,000	\$4,590,000	

Note: Some fiscal 2025 grants were approved to be disbursed on a quarterly basis. The remaining amount for these grants reflects the funding not yet distributed for fourth quarter fiscal 2025 payments.

Source: Fiscal 2024-2025 Budget Bill; Board of Public Works

Language in the fiscal 2024 Budget Bill added \$875,000 in general funds to the appropriation for program D05E01.10 Miscellaneous Grants to Private Nonprofit Groups within BPW for the purpose of providing a grant to the Maryland Association of Boards of Education (MABE) to fund pilot programs in at least two counties establishing direct primary care health

centers for school system employees and their families. Also, the language required MABE to submit a report to the budget committees on their progress in implementing the program. MABE provided updated information on the fiscal 2024 funding indicating that four health centers were funded as follows: Frederick County (\$340,000); St. Mary’s County (\$335,000); Washington County (\$25,000); and Wicomico County (\$175,000). All of the health centers are operated by Everside Health, which recently merged with Marathon Health. In terms of fiscal 2025 funding, Prince George’s County is working on a contract with Marathon Health with the intent to establish multiple health centers.

Fiscal 2025 Only

Fiscal 2025 actions affecting BPW include cost containment and a proposed deficiency in the fiscal 2026 Budget Bill.

Cost Containment

The BPW adopted cost containment actions in July 2024 that reduced the BPW general fund appropriation by \$2.5 million, from \$10.0 million to \$7.5 million, for the funding mandated by Chapter 645 of 2021. Chapter 645 mandates, in each fiscal year from 2024 through 2031, the Governor must appropriate \$10.0 million as a grant to the Chesapeake Bay Trust for the Urban Trees Program.

Proposed Deficiency

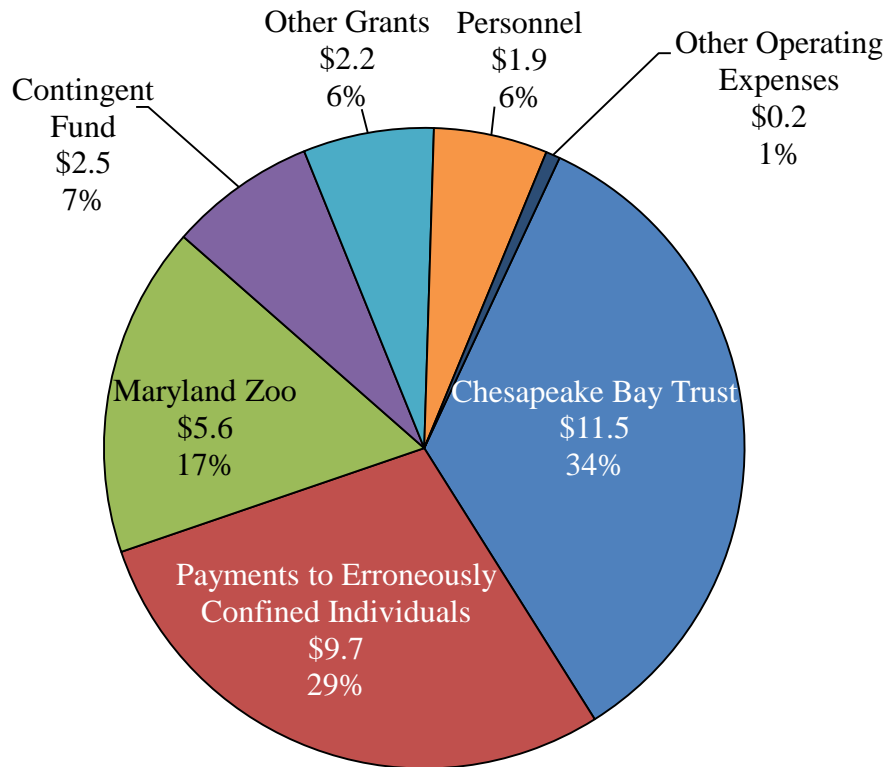
The fiscal 2026 budget contains a fiscal 2025 deficiency appropriation for the Miscellaneous Grants to Private Nonprofit Groups program that would swap special funds for general funds. The fund swap would increase the Strategic Energy Investment Fund (SEIF) special fund appropriation by \$7.5 million to defray an equal amount of general funds allowing the SEIF to be used to satisfy the Chapter 645 funding mandate. As noted above, fiscal 2025 cost-containment actions taken by BPW reduced the appropriation by \$2.5 million from \$10.0 million to \$7.5 million. Therefore, the swap would replace all of the remaining general funds supporting the mandate. This swap carries over into fiscal 2026 for the full \$10.0 million in mandated funding.

Fiscal 2026 Overview of Agency Spending

The fiscal 2026 allowance for BPW totals \$33.7 million. As shown in **Exhibit 3**, 94% of BPW’s budget supports grants, payments to erroneously confined individuals, and the contingent fund. The remainder of the allowance supports personnel costs and other operating expenses. The Chesapeake Bay Trust accounts for the largest portion of the grant funding, which totals \$11.5 million. As noted above, Chapter 645 mandates \$10 million per year from fiscal 2024 to 2031 to the Chesapeake Bay Trust for an Urban Trees grant program. In addition, Chapter 38 of 2022 mandates an appropriation of \$1.5 million for the Chesapeake Conservation Corps

administered by the Chesapeake Bay Trust. The Chesapeake Conservation Corps program trains young people to be stewards of the environment.

Exhibit 3
Overview of Agency Spending
Fiscal 2026 Allowance
(\$ in Millions)



Note: The fiscal 2026 statewide salary adjustments are centrally budgeted in the Department of Budget and Management and are not included in this agency’s budget.

Source: Governor’s Fiscal 2026 Budget Books

The contingent fund provides funding that may be allocated for shortfalls in agency budgets. The fiscal 2026 allowance includes \$2.5 million for this fund, the same level as fiscal 2025. BPW has not reported any expenditures from the contingent fund in fiscal 2025, so the fund does not appear to need the full \$2.5 million general fund appropriation in fiscal 2025. Given that only approximately \$1.0 million of the \$2.5 million appropriation was used in fiscal 2024 and no funding has been used so far in fiscal 2025, a reduction of \$1.5 million appears to be prudent. **The Department of Legislative Services (DLS) recommends that the fiscal 2026 contingent fund appropriation be reduced by \$1.5 million in general funds.**

Proposed Budget Change

As shown in **Exhibit 4**, the fiscal 2026 allowance reflects a net increase of \$0.8 million compared to the fiscal 2025 working appropriation. A decrease of \$4.6 million is related to one-time legislative priorities grant funding to nonprofits allocated in the fiscal 2025 Budget Bill.

Exhibit 4
Proposed Budget
Board of Public Works
 (\$ in Thousands)

How Much It Grows:	General Fund	Special Fund	Total
Fiscal 2024 Actual	\$41,656	\$3,009	\$44,664
Fiscal 2025 Working Appropriation	25,400	7,500	32,900
Fiscal 2026 Allowance	<u>23,706</u>	<u>10,000</u>	<u>33,706</u>
Fiscal 2025-2026 Amount Change	-\$1,694	\$2,500	\$806
Fiscal 2025-2026 Percent Change	-6.7%	33.3%	2.4%

Where It Goes:	Change
Personnel Expenses	
Salary increases and associated fringe benefits including fiscal 2025 cost-of-living adjustments and increments.....	\$271
Turnover increases from 0.00% to 0.02% (a reduction of \$375)	0
Employee and retiree health insurance.....	-63
Other Changes	
Payments to erroneously confined individuals.....	2,626
Chesapeake Bay Trust mandated funding for Urban Tree Program in special funds	2,500
Controlled Statewide subobjects, primarily for Department of Information Technology Services Allocation	38
Historic Sotterley revitalization grant to meet mandate in Chapter 595 of 2022.....	25
One-time grants to nonprofits in the fiscal 2025 Budget Bill	-4,590
Total	\$806

Note: Numbers may not sum to total due to rounding. The fiscal 2025 working appropriation accounts for a deficiency. The fiscal 2025 impacts of statewide salary adjustments are centrally budgeted in the Department of Budget and Management (DBM), and adjustments are not reflected in this agency’s budget. The fiscal 2026 impacts of the fiscal 2025 statewide salary adjustments appear in this agency’s budget. The fiscal 2026 statewide salary adjustments are centrally budgeted in DBM and are not included in this agency’s budget.

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- **Payments to Erroneously Confined Individuals:** increases from \$7,044,094 to \$9,669,708 in general funds in the fiscal 2026 allowance. This is discussed more in Key Observation 2 of this analysis.
- **Chesapeake Bay Trust Mandated Funding:** increases \$2.5 million to reflect the \$10.0 million mandated by Chapter 645. As noted above, BPW cost containment actions reduced the fiscal 2025 funding for the Urban Trees Program by \$2.5 million. Of note, a fiscal 2025 deficiency swaps out \$7.5 million in general funds for SEIF special funds, and the fiscal 2026 allowance reflects the total \$10.0 million funding as SEIF special funds.
- **Controlled Statewide Subobjects:** increases by \$38,121, primarily due to an increase of \$29,275 for the Department of Information Technology Services Allocation.
- **Historic Sotterley Revitalization Grant:** increases by \$25,000 to meet the mandate in Chapter 595 of 2022. The Governor must include \$350,000 in fiscal 2024, \$375,000 in fiscal 2025, and \$400,000 in fiscal 2026 for the design, construction, repair, renovation, reconstruction, and general operations and expenses of Historic Sotterley. As required by Chapter 595, BPW reported that the fiscal 2024 funding was distributed in four \$87,500 payments on July 6, 2023; October 13, 2023; December 15, 2023; and February 15, 2024.
- **Fiscal 2025 Grants:** decreases by \$4,590,000 for the one-time grants to nonprofits added by the Maryland General Assembly in the fiscal 2025 Budget Bill. Each grant and its current status are shown in Exhibit 2.

Personnel Data

	FY 24 <u>Actual</u>	FY 25 <u>Working</u>	FY 26 <u>Allowance</u>	FY 25-26 <u>Change</u>
Regular Positions	11.00	11.00	11.00	0.00
Contractual FTEs	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
Total Personnel	11.00	11.00	11.00	0.00

Vacancy Data: Regular Positions

Turnover and Necessary Vacancies, Excluding New Positions	0.00	0.02%
Positions and Percentage Vacant as of 11/30/24	0.00	0.00%

- As of November 30, 2024, BPW has no vacancies.
- Turnover increases by 0.02% in the fiscal 2026 allowance.

Key Observations

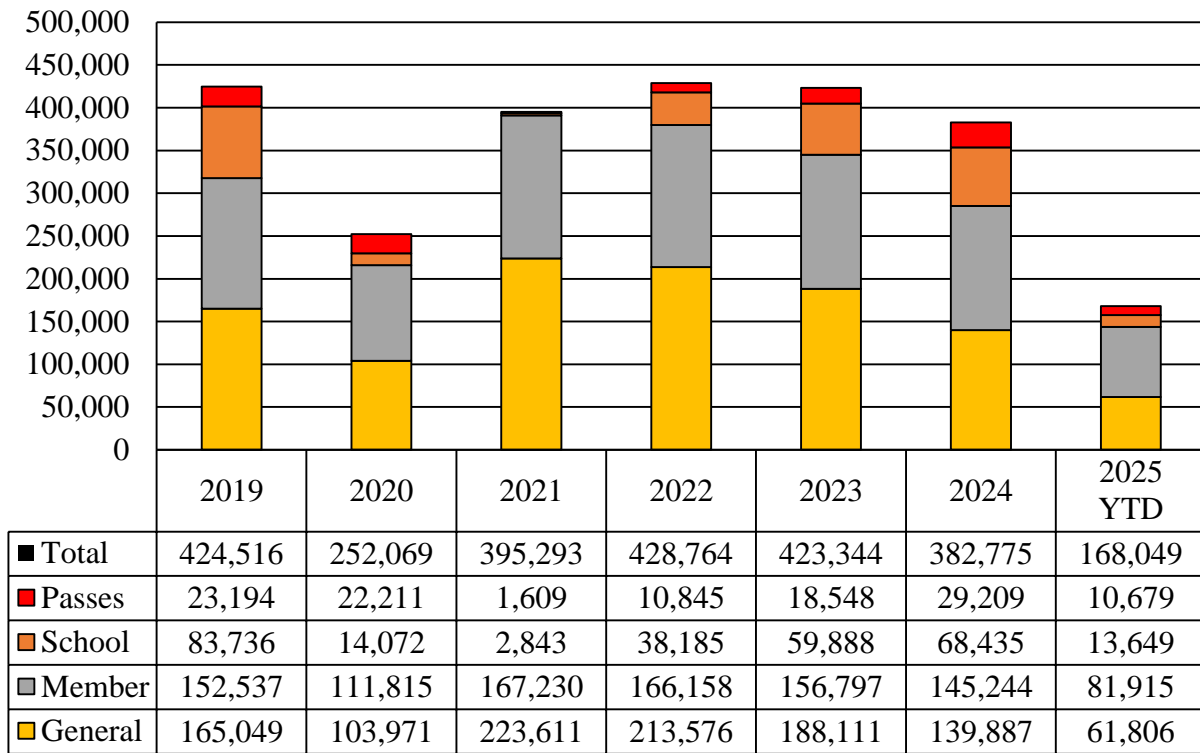
1. Annual Review of Maryland Zoo Attendance and Financial Statement

The Maryland Zoo in Baltimore is in year 33 of a 40-year lease between the State of Maryland and Baltimore City. There is a concurrent sub-lease between the State and the Maryland Zoological Society, Inc. (MZS) to manage the zoo. MZS is a nonprofit organization established for scientific, charitable, and education purposes chiefly in the fields of zoology, zoo operations, and other related endeavors, and the organization manages the daily operations of the zoo. The title to the zoo facilities and the animal and horticultural collection remains with Baltimore City. The zoo employs approximately 200 people.

Committee narrative in the 2024 *Joint Chairmen's Report* (JCR) requested that MZS submit financial statements and attendance reports to the budget committees. Attendance reports are provided quarterly, and the audited fiscal 2024 financial statement was received in October 2024. The quarterly reports include monthly attendance figures by visitor group.

As shown in **Exhibit 5**, zoo attendance decreased by 9.6%, or 40,569 attendees, from fiscal 2023 to 2024. External factors like weather, pricing, inflation, and other activities make it difficult to forecast zoo attendance accurately. In general, the zoo strives to forecast conservatively for revenue and attendance. The zoo's fiscal 2024 attendance of 382,775 is a decrease relative to prepandemic levels. MZS' goal is to implement a 10-year Master Plan with the primary goal of increasing attendance. Released in August 2022, the master plan includes multiple additions to the zoo, including the addition of the first new habitat with a new species in several decades. The fiscal 2025 monthly attendance data has been submitted from July to December 2024. The year-to-date data totals 168,049 attendees, which is a 1.0% decrease compared to the same period in fiscal 2024.

**Exhibit 5
Zoo Attendance by Visitor Group
Fiscal 2019-2025 YTD**



YTD: year to date

Source: Maryland Zoo in Baltimore

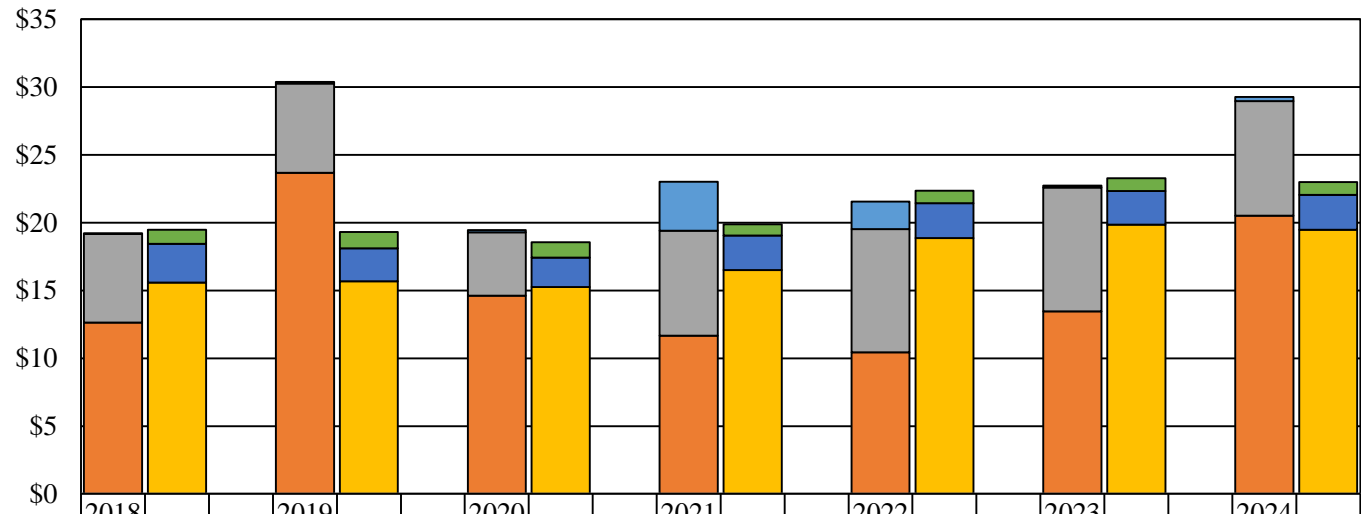
The general public attendance decreased by 25.6%, and member attendance decreased by 7.4% in fiscal 2024 compared with fiscal 2023. School field trips increased by 14.3% from fiscal 2023 to 2024 and passes increased by 57.5%. Over the time period shown, member attendance has been more consistent than attendance by the general public. This suggests that expanding the membership base may help to moderate large year-to-year changes in general public attendance.

As shown in **Exhibit 6**, the total combined support and revenue in fiscal 2024 was \$29.0 million, which compares well with the \$23.0 million in expenses. Support comes from grants and awards, contributions, and in-kind contributions. The total value of support was \$20.5 million in fiscal 2024, an increase of 52.5% compared to fiscal 2023. Attendance revenues consist of visitors, membership dues, special events, and education programs, with a combined total of \$8.4 million in fiscal 2024, a 7.4% decrease compared to fiscal 2023. The total expenses for

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program services, management, and fundraising total \$23.0 million in fiscal 2024. Program services expenditures decreased by 1.9% from fiscal 2023 to 2024. Management increased by 4.8% in fiscal 2024 compared to fiscal 2023. Fundraising decreased by 3.6% from fiscal 2023 to 2024. Additional information about the MZS audited financial statements may be found in **Appendix 2**.

Exhibit 6
Maryland Zoo – Audited Consolidated Statement of Activities
Fiscal 2018-2024
(\$ in Millions)

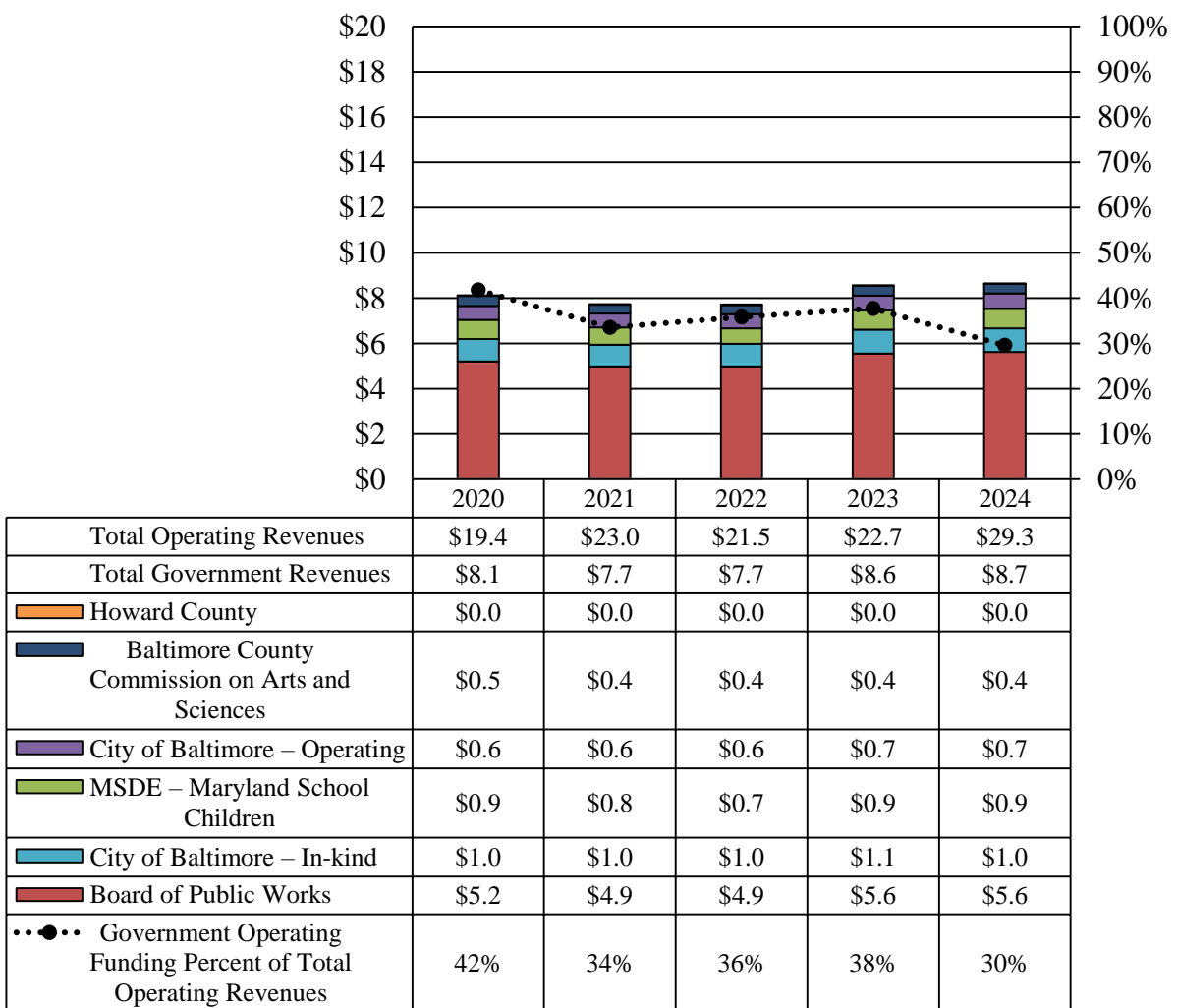


■ Revenues – Other Revenues	2018		2019		2020		2021		2022		2023		2024	
■ Revenues – Attendance Revenues		6.5		6.6		4.7		7.7		9.1		9.1		8.4
■ Revenues – Support		12.6		23.7		14.6		11.7		10.4		13.5		20.5
■ Expenses – Fundraising				1.0		1.2		1.1		0.8		0.9		1.0
■ Expenses – Management				2.8		2.4		2.2		2.6		2.6		2.5
■ Expenses – Program Services				15.6		15.7		15.3		16.5		18.9		19.9

Source: Maryland Zoological Society Consolidated Financial Statements,

Exhibit 7 shows State and local government contributions to the zoo including in-kind contributions. The majority of these contributions, approximately \$5.6 million in fiscal 2024, are from BPW. In fiscal 2023, the State and local government contributions to the zoo range accounted for 38% of the zoo’s total operating revenues. The high percentages of State and local government contributions to the zoo’s revenues highlight the revenue concentration concern raised in the annual consolidated financial statements.

Exhibit 7
Contributions from State and Local Governments versus Total Revenues
Fiscal 2020-2024
(\$ in Millions)



Note: City of Baltimore – Operating and Howard County – Operating revenues are estimated for fiscal 2023 and 2024.

Source: Maryland Zoological Society Consolidated Financial Statements for Fiscal 2020-2024; Maryland Zoological Society; State operating and capital budgets, Baltimore County

From the zoo’s fiscal 2024 audit report, MZS is completing 21 construction project commitments with a total contract amount of \$14.1 million, which is up from the 14 project commitments with a total contract amount of \$10.5 million noted in the fiscal 2023 audit. As of June 30, 2024, MZS has expended \$11.9 million. The remaining contract commitment totals \$2.2 million. These commitments are to be reimbursed through capital funding from the State. **DLS recommends that MZS continue to submit financial statements and quarterly attendance reports with monthly attendance figures by visitor group to the budget committees.**

2. Review of Erroneous Convictions

BPW is authorized by statute to award compensation to individuals who have been erroneously convicted, sentenced, and confined if they have received from the Governor a full pardon stating that the individual’s conviction was shown conclusively to be in error. Chapters 799 and 800 of 2017 broadened eligibility to add individuals who may not have received a gubernatorial pardon but have received a State’s Attorney certification that the individual’s conviction was in error under §8-301 of the Criminal Procedure Article. Grants were at the discretion of BPW.

Chapters 76 and 77 of 2021 amended §10-501 of the State Finance and Procurement Article so that BPW is now required to make awards. Chapters 76 and 77 also defined the amount of the award as the number of days an individual is wrongfully confined, divided by 365, and multiplied by the State’s most recent annual median household income as published in the American Community Survey of the U.S. Census Bureau. The administrative law judge at the Office of Administrative Hearings (OAH) that is issuing an order may also direct the State to provide benefits free of charge, including:

- a State identification card;
- housing accommodations upon release not to exceed five years;
- health care and dental care for at least five years;
- education and training relevant to life skills, job training, or financial literacy as well as access to enrollment at and payment of tuition and fees for attending a public senior higher education institution, regional higher education center, and/or Baltimore City Community College; and
- reimbursement for court fines, fees, and restitution paid by the individual for the crime for which the individual was erroneously confined.

Chapters 138 and 139 of 2024 altered the circumstances under which individuals are eligible for compensation. Specifically, Chapters 138 and 139 (1) extend eligibility to individuals

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erroneously convicted, sentenced, and confined for conspiracy to commit a felony; (2) alter the benefits available to individuals; and (3) require the State to notify an individual in writing if the State intends to introduce certain evidence to reduce or prevent an award of compensation.

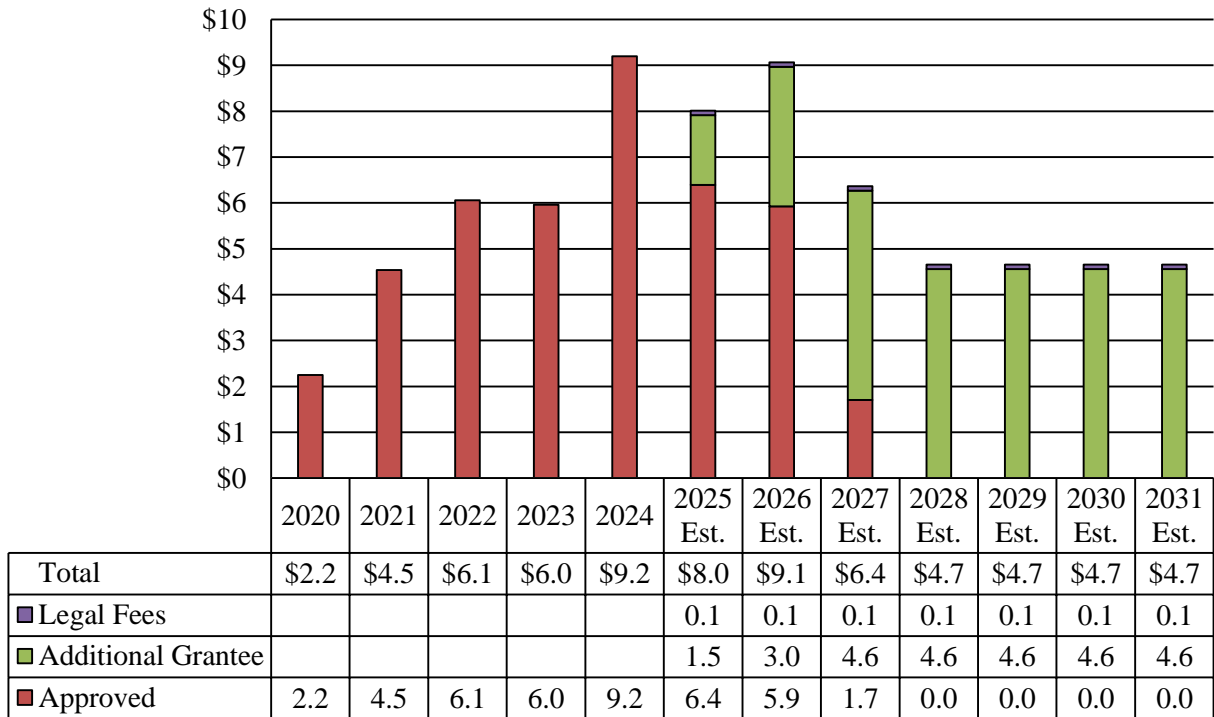
Since 2018, when the law no longer required a gubernatorial pardon, BPW has awarded 20 first-time grants to individuals and 5 supplemental grants for individuals whose previous grant was below the new standard. Chapters 76 and 77 also permitted attorneys' fees to be paid as part of the erroneous conviction compensation process. Since October 2021, grants have been used to cover approximately \$419,457 in attorneys' fees, pursuant to orders from OAH. When BPW approved the grants, the BPW item specified that the payments would be annuities paid over a period of years. Funding awards as annuities rather than as a one-time payment is intended to make it easier for individuals to manage a large grant. Annuities also reduce the State's immediate financial exposure and make it easier to manage the State budgetary impact.

Of note, the Budget Reconciliation and Financing Act (BRFA) of 2021 proposed establishing that, for all settlements entered into beginning in fiscal 2021, a local government must be responsible for 50% of any payments owed by BPW to an erroneously convicted individual under Title 10, Subtitle 5 of the State Finance and Procurement Article. **While this provision was not included in the final BRFA that year, DLS recommends that the local government payment sharing provision for erroneously confined individuals be considered again in the BRFA of 2025 given the financial condition of the State.**

There are three sources of funding for the payments to erroneously confined individuals. The primary funding is the Payments of Judgments Against the State program. There is also the authorization to use funding from the Contingent Fund to make payments. Finally, funding may be transferred from the Dedicated Purpose Account (DPA) for payments. BPW notes that general funds budgeted in the Payments of Judgments Against the State program are most accessible. If there is not enough appropriation in this program, then a transfer of special funds from DPA may be implemented. The Contingent Fund is considered as the last source of funding given timing constraints.

Exhibit 8 shows actual spending on payments from fiscal 2020 to 2024 and estimated spending from fiscal 2025 to 2031. Fiscal 2024 includes \$3.0 million in special funds from DPA. Aside from fiscal 2024, the assumption is that general funds will be used. Spending is expected to rise again between fiscal 2025 and 2026 to \$9.1 million. The out-year costs are projected to decline after fiscal 2026 before stabilizing in fiscal 2028 due to there being no known award amounts beyond fiscal 2027.

Exhibit 8
Erroneous Convictions Spending Forecast
Fiscal 2020-2031
(\$ in Millions)



Note: The approved amount reflects the actual expenditures for fiscal 2020 to 2024 and the approved payments for fiscal 2025 to 2027. No payments are approved beyond fiscal 2027. The additional grantee amount reflects the average payment per person per year between fiscal 2022 to 2024 (approximately \$380,000) multiplied by four new grantees each year. The legal fees amount reflects \$25,000 for the first year for each of the four new grantees.

Source: Board of Public Works; Department of Legislative Services

The fiscal 2026 allowance includes \$9.7 million for these payments, an increase of \$2.6 million from fiscal 2025. The fiscal 2026 allowance of \$9.7 million appears to be high relative to the need. However, the Administration may be taking additional factors into account beyond what is forecasted here. **DLS recommends that narrative be adopted requesting that BPW and OAH submit the data needed to forecast the required payments to erroneously confined individuals.**

Operating Budget Recommended Actions

- | | <u>Amount
Change</u> |
|---|---------------------------------|
| 1. Reduce the contingent fund appropriation by \$1.5 million leaving \$1.0 million. Approximately \$1.0 million of the \$2.5 million appropriation was used in fiscal 2024 and no funding has been used so far in fiscal 2025. In addition, the contingent fund appropriation was only recently increased from \$0.5 million to \$2.5 million in fiscal 2024. | -\$ 1,500,000 GF |
| 2. Adopt the following narrative: | |

Maryland Zoo Operational Reporting: In continuance of the practice that began in July 2008, the committees request that the Maryland Zoological Society, Inc. (MZS) submit audited financial statements for fiscal 2025 and quarterly reports showing monthly attendance figures for the zoo for fiscal 2026 by visitor group. This should include a breakdown of the kinds of passes allocated.

Information Request	Author	Due Date
Audited financials	MZS	November 1, 2025
Quarterly reports showing monthly attendance	MZS	July 15, 2025 October 15, 2025 January 15, 2026 April 15, 2026

3. Adopt the following narrative:

Data for Forecasting Payments to Erroneously Confined Individuals: The Board of Public Works (BPW) is required to make payments to erroneously confined individuals by § 10-501 of the State Finance and Procurement Article. Forecasting these payments requires data held by BPW and the Office of the Administrative Hearings (OAH), including orders for compensation and updates on hearing schedules for and outcomes of petitions with OAH. The committees request that BPW and OAH report on the data needed to forecast the required payments to erroneously confined individuals, including but not limited to orders for compensation and updates on hearing schedules and outcomes for petitions with OAH. The data is requested to be submitted by September 1, 2025, to inform the baseline budget process and again by January 1, 2026, to reflect the basis for the Governor’s fiscal 2027 allowance.

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Information Request	Author	Due Date
Data for forecasting	BPW	September 1, 2025
payments to erroneously confined individuals	OAH	January 1, 2026
Total General Fund Net Change		-\$ 1,500,000

Budget Reconciliation and Financing Act Recommended Actions

1. Add a provision amending § 10-501 of the State Finance and Procurement Article by establishing that, for all settlements entered into beginning in fiscal 2026, a local government must be responsible for 50% of any payments owed by the Board of Public Works to an erroneously convicted individual under Title 10, Subtitle 5 of the State Finance and Procurement Article.

Appendix 1
2024 Joint Chairmen’s Report Responses from Agency

The 2024 JCR requested that BPW prepare one report. Electronic copies of the full JCR responses can be found on the DLS Library website.

- ***Maryland Zoo:*** MZS was asked to submit audited financial statements for fiscal 2024 and monthly attendance figures for fiscal 2025 by visitor group. The reports required to date have been submitted, with additional quarterly reports due later in the fiscal year. Further discussion of the information in the reports can be found in Key Observation 1 of this analysis.

Appendix 2
Maryland Zoo in Baltimore – Audited Financial Statements
Fiscal 2018-2024

Revenues	2018	2019	2020	2021	2022	2023	2024	Change 2023-2024	% Change 2023- 2024	Change 2018-2024	Annual % Change 2018- 2024
Attendance Revenues											
Visitor Revenue	\$3,561,639	\$3,631,451	\$2,561,375	\$5,160,813	\$5,618,115	\$5,414,184	\$4,866,516	-\$547,668	-10.1%	\$1,304,877	5.3%
Membership Dues	1,997,643	1,967,320	1,720,012	1,991,610	2,500,700	2,599,009	2,410,346	-188,663	-7.3%	412,703	3.2%
Insurance Recoveries	0	0	0	0	0	0	0	0	n/a	0	n/a
Special Events	636,016	652,326	275,464	526,515	766,226	853,612	817,238	-36,374	-4.3%	181,222	4.3%
Education Programs	334,334	340,411	127,394	67,739	195,804	253,649	354,412	100,763	39.7%	20,078	1.0%
Subtotal	\$6,529,632	\$6,591,508	\$4,684,245	\$7,746,677	\$9,080,845	\$9,120,454	\$8,448,512	-\$671,942	-7.4%	\$1,918,880	4.4%
Grants and Contributions											
Grants and Awards	\$10,603,703	\$19,564,504	\$12,108,754	\$9,459,176	\$8,194,074	\$10,035,516	\$17,249,522	\$7,214,006	71.9%	\$6,645,819	8.4%
Contributions	1,045,627	3,130,627	1,483,297	1,194,619	1,205,514	2,374,601	2,237,844	-136,757	-5.8%	1,192,217	13.5%
In-kind Donations	988,617	980,814	1,026,583	1,003,996	1,041,916	1,054,602	1,040,506	-14,096	-1.3%	51,889	0.9%
Subtotal	\$12,637,947	\$23,675,945	\$14,618,634	\$11,657,791	\$10,441,504	\$13,464,719	\$20,527,872	\$7,063,153	52.5%	\$7,889,925	8.4%
Other Revenues											
Investment Income	\$13,558	\$27,974	\$22,152	\$55,001	-\$30,918	\$134,169	\$284,547	\$150,378	112.1%	\$270,989	66.1%
PPP Loan Forgiveness	0	0	0	1,993,600	1,993,683	0	0	0	n/a	0	n/a
Employee Retention Credit	0	0	0	1,387,257	603	0	0	0	n/a	0	n/a
Other Revenues	31,936	93,606	123,542	189,546	57,594	40,002	15,388	-24,614	-61.5%	-16,548	-11.5%

<u>Revenues</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>Change</u> <u>2023-2024</u>	<u>%</u> <u>Change</u> <u>2023-</u> <u>2024</u>	<u>Change</u> <u>2018-2024</u>	<u>Annual</u> <u>%</u> <u>Change</u> <u>2018-</u> <u>2024</u>
Gain/loss on the sale of asset	0	0	0	0	5,161	-32,197	253	32,450	100.8%	253	n/a
Subtotal	\$45,494	\$121,580	\$145,694	\$3,625,404	\$2,026,123	\$141,974	\$300,188	\$158,214	111.4%	\$254,694	37.0%
Total Revenues	\$19,213,073	\$30,389,033	\$19,448,573	\$23,029,872	\$21,548,472	\$22,727,147	\$29,276,572	\$6,549,425	28.8%	\$10,063,499	7.3%
<u>Expenses</u>					\$263,056	-\$295,729	-\$662,360				
Program Services	\$15,597,822	\$15,674,587	\$15,255,416	\$16,499,987	\$18,866,980	\$19,853,333	\$19,472,781	-\$380,552	-1.9%	\$3,874,959	3.8%
Supporting Services (Management and General)	2,845,974	2,438,999	2,174,542	2,550,627	2,579,229	2,470,392	2,588,820	118,428	4.8%	-257,154	-1.6%
Fundraising	1,043,783	1,193,368	1,140,243	835,077	916,560	962,575	927,798	-34,777	-3.6%	-115,985	-1.9%
Total Expenses	\$19,487,579	\$19,306,954	\$18,570,201	\$19,885,691	\$22,362,769	\$23,286,300	\$22,989,399	-\$296,901	-1.3%	\$3,501,820	2.8%
Change in Net Assets	-\$274,506	\$11,082,079	\$878,372	\$3,144,181	-\$814,297	-\$559,153	\$6,287,173				
Net Assets End of Year	\$53,358,199	\$64,440,278	\$65,318,650	\$68,462,831	\$67,648,534	\$67,089,381	\$73,376,554				

Source: Maryland Zoological Society

**Appendix 3
Object/Fund Difference Report
Board of Public Works**

<u>Object/Fund</u>	<u>FY 24 Actual</u>	<u>FY 25 Working Appropriation</u>	<u>FY 26 Allowance</u>	<u>FY 25 - FY 26 Amount Change</u>	<u>Percent Change</u>
Positions					
01 Regular	11.00	11.00	11.00	0.00	0%
Total Positions	11.00	11.00	11.00	0.00	0%
Objects					
01 Salaries and Wages	\$ 1,682,080	\$ 1,729,663	\$ 1,936,929	\$ 207,266	12.0%
02 Technical and Special Fees	8,700	24,290	24,290	0	0%
03 Communication	10	1,238	1,238	0	0%
04 Travel	650	2,147	2,147	0	0%
08 Contractual Services	78,850	114,738	152,726	37,988	33.1%
09 Supplies and Materials	17,175	51,286	51,286	0	0%
10 Equipment – Replacement	0	544	544	0	0%
12 Grants, Subsidies, and Contributions	42,865,429	30,967,859	31,528,473	560,614	1.8%
13 Fixed Charges	6,521	7,934	8,067	133	1.7%
14 Land and Structures	5,063	538	538	0	0%
Total Objects	\$ 44,664,478	\$ 32,900,237	\$ 33,706,238	\$ 806,001	2.4%
Funds					
01 General Fund	\$ 41,655,676	\$ 32,900,237	\$ 23,706,238	-\$ 9,193,999	-27.9%
03 Special Fund	3,008,802	0	10,000,000	10,000,000	N/A
Total Funds	\$ 44,664,478	\$ 32,900,237	\$ 33,706,238	\$ 806,001	2.4%

Note: The fiscal 2025 appropriation does not include deficiencies. The fiscal 2026 allowance does not include statewide salary adjustments budgeted within the Department of Budget and Management.