

**D28A03**  
**Maryland Stadium Authority**

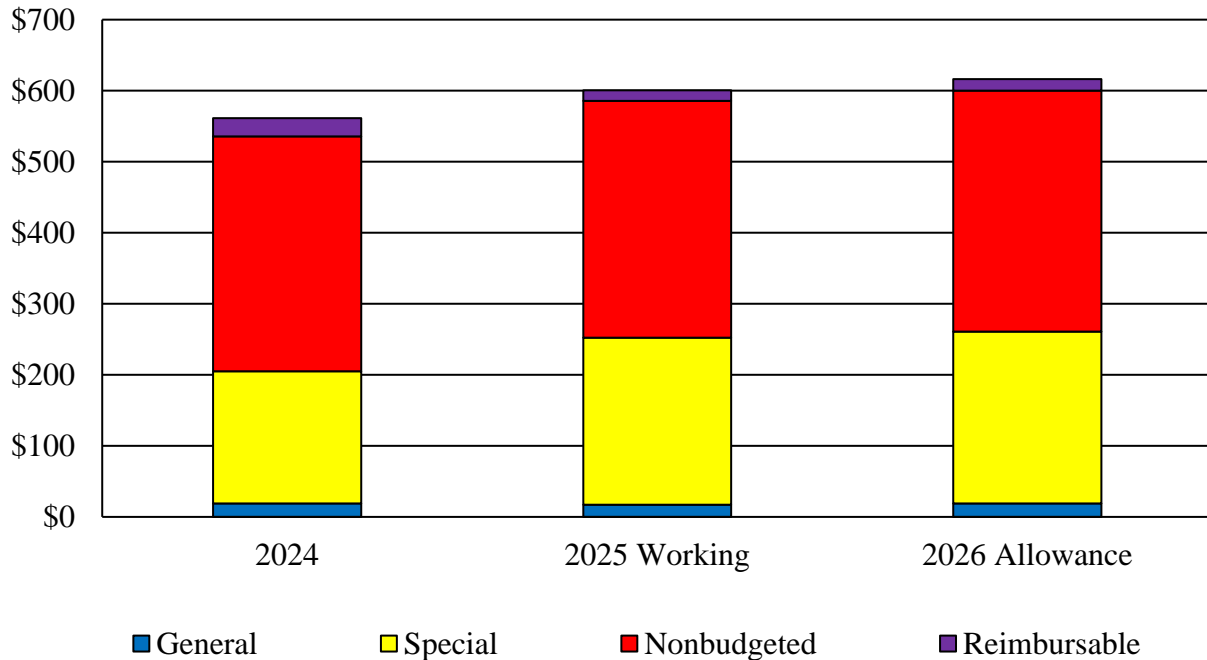
**Program Description**

The Maryland Stadium Authority (MSA) was established for the construction, operation, and maintenance of facilities for the Baltimore Orioles professional baseball and the Baltimore Ravens professional football teams. MSA’s authority has been extended to include administering and financing a Sports Entertainment Facilities Financing Fund, the construction and financing for the Baltimore City Convention Center (BCCC) expansion, the Ocean City Convention Center (OCCC) expansion, participation in the construction of the Hippodrome Performing Arts Center (Hippodrome) in Baltimore City, the financing and construction management of a program for school construction and renovation in Baltimore City, financing and construction management for a statewide school construction and renovation program, and construction management in and around Pimlico and Laurel Park racetracks. MSA also conducts feasibility studies and manages construction projects for local governments and State agencies.

***Operating Budget Summary***

---

**Fiscal 2026 Budget Increases \$15.8 Million, or 2.6%, to \$616.5 Million**  
**(\$ in Millions)**



Note: Fiscal 2025 includes special fund deficiencies.

---

For further information contact: Patrick S. Frank

patrick.frank@mlis.state.md.us

## **Proposed Deficiency**

The fiscal 2026 Budget Bill proposes a \$1,500,000 special fund deficiency appropriation funded with lottery revenues for MSA’s Major Sports and Entertainment Events to support the 150th Preakness Stakes.

The State provided funds for capital improvements to thoroughbred horse racing facilities, with the goal of making thoroughbred horse racing sustainable without ongoing operating subsidies. The Racing and Community Development Financing Fund (RCDF) resources include:

- \$68 million in lottery revenue appropriations for debt service and capital expenditures appropriated from fiscal 2022 through 2025; and
- \$6.7 million in investment income as of December 2024.

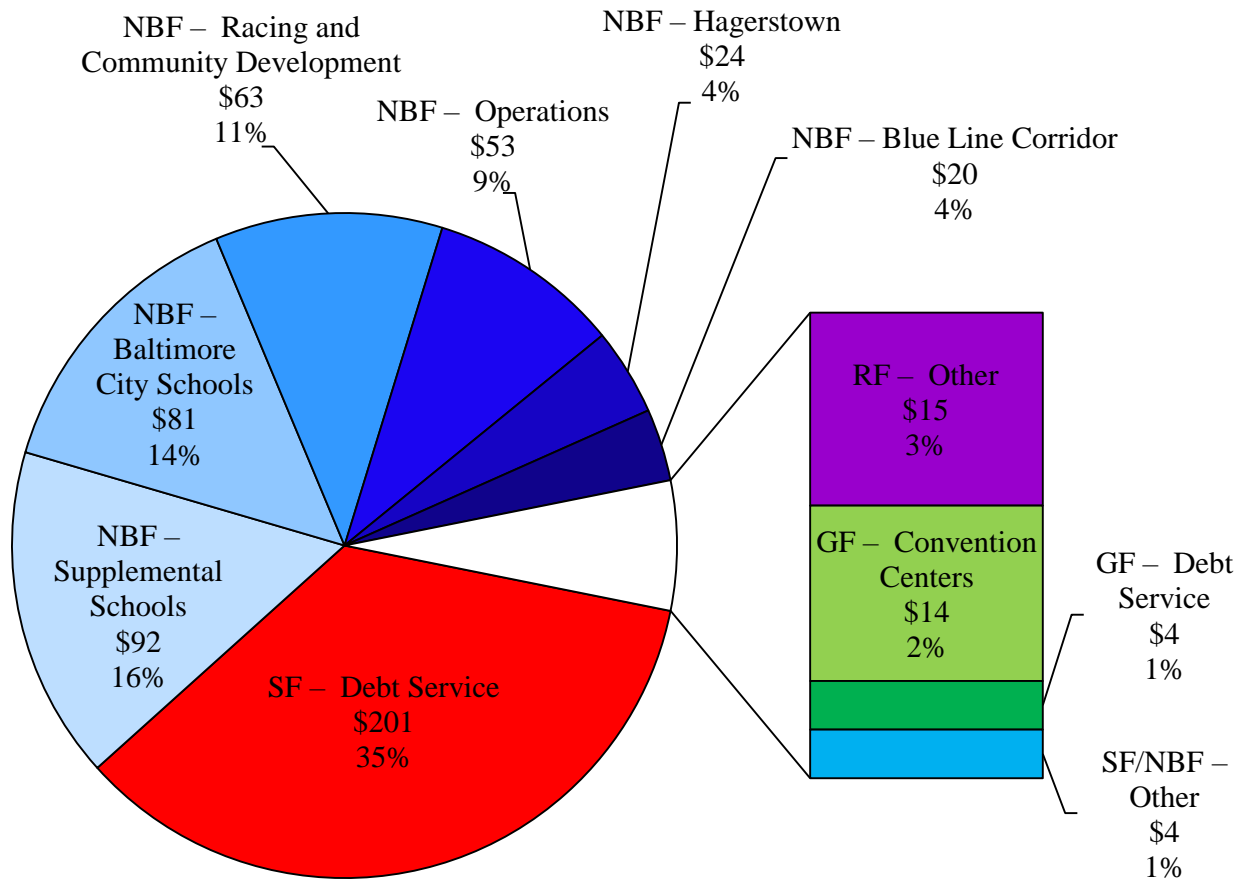
To provide additional support for Pimlico and a training facility, Chapter 406 of 2024 abolished the \$17 million limit on annual debt service appropriations and increased total debt outstanding to \$400 million. In the fiscal note for Chapter 406, the Department of Legislative Services (DLS) estimates that annual costs could be as much as \$25 million.

**DLS recommends deleting the deficiency appropriation. The unspent lottery funds would be deposited into the General Fund to help reduce the general fund deficit and the overall structural deficit. Since the RCDF has a substantial fund balance, those funds could be used to support the Preakness Stakes, but this would require a statutory change.**

## Fiscal 2026 Overview of Agency Spending

Exhibit 1 shows how MSA anticipates spending its \$616 million allowance in fiscal 2026.

**Exhibit 1**  
**Overview of Maryland Stadium Authority Spending**  
**Fiscal 2026 Allowance**  
 (\$ in Millions)



GF: general funds  
 NBF: nonbudgeted funds  
 RF: reimbursable funds  
 SF: special funds

Source: Department of Budget and Management

**Proposed Budget Change**

**Exhibit 2** shows how spending by program and fund type changes between the fiscal 2024 actual appropriation and the fiscal 2026 allowance.

**Exhibit 2**  
**Overview of Maryland Stadium Authority Spending**  
**Fiscal 2024-2026**  
**(\$ in Thousands)**

	<b>Actual <u>2024</u></b>	<b>Working Approp. <u>2025</u></b>	<b>Allowance <u>2026</u></b>	<b>Change <u>2025-2026</u></b>
<b>General Funds</b>				
General Administration	\$375	\$0	\$0	\$0
Baltimore City Convention Center – State Operating Deficit Contribution	9,593	9,821	11,022	1,201
Ocean City Convention Center – State Operating Deficit Contribution	3,727	3,703	4,266	562
Montgomery County Conference Center – State Portion of Construction Costs	1,551	0	0	0
Hagerstown Multi-Use Facility Fund	3,740	3,750	3,750	0
<b>Subtotal</b>	<b>\$18,987</b>	<b>\$17,275</b>	<b>\$19,038</b>	<b>\$1,763</b>
<b>Special Funds: State Lottery Revenues, Education Trust Fund, and Admissions and Amusement Tax</b>				
Lottery Transfer to Maryland Stadium Authority Facilities Fund for Debt Service on Camden Yards Projects	\$14,142	\$47,894	\$59,506	\$11,612
Lottery Transfer to the Baltimore City Public School Construction Financing Fund	18,557	20,000	20,000	0
Racing and Community Development Financing Fund	17,000	17,000	17,000	0
Supplemental Public School Construction Financing Fund (BTL)	125,000	100,000	100,000	0
Michael Erin Busch Fund	2,200	1,500	1,500	0
Sports Entertainment Facilities Financing Fund <sup>1</sup>	0	12,401	12,403	3
Prince George's County Blue Line Corridor Facility Fund	1,096	27,000	27,000	0
Major Sports and Entertainment Event Program Fund	8,229	9,150	4,500	-4,650
<b>Subtotal</b>	<b>\$186,224</b>	<b>\$234,945</b>	<b>\$241,909</b>	<b>\$6,964</b>

*D28A03 – Maryland Stadium Authority*

	<b>Actual</b>	<b>Working</b>	<b>Allowance</b>	<b>Change</b>
	<b><u>2024</u></b>	<b><u>2025</u></b>	<b><u>2026</u></b>	<b><u>2025-2026</u></b>
<b>Nonbudgeted Funds: Maryland Stadium Authority Funds and Grant from Baltimore City</b>				
General Administration	\$7,560	\$5,718	\$7,653	\$1,934
Camden Yards – Debt Service and Other Costs Not Funded by Lottery Revenues	200,440	13,066	13,084	18
Camden Yards Complex Facilities Management	47,242	33,693	37,432	3,738
Facilities Management for Oriole Park Improvements Per Orioles’ Lease	0	200	200	0
Office of Sports Marketing	1,008	644	699	55
<b>Subtotal</b>	<b>\$256,249</b>	<b>\$53,322</b>	<b>\$59,067</b>	<b>\$5,745</b>
<b>Nonbudgeted Funds: Non-State Facilities</b>				
Hippodrome Performing Arts Center	\$250	\$250	\$250	\$0
Project C.O.R.E.	853	0	0	0
Racing and Community Development Facilities Fund <sup>1</sup>	284	63,000	63,000	0
Hagerstown Multi-Use Facility Fund	504	24,080	24,080	0
Prince George’s Blue Line Corridor Facility Fund	0	20,000	20,000	0
<b>Subtotal</b>	<b>\$1,891</b>	<b>\$107,330</b>	<b>\$107,330</b>	<b>\$0</b>
<b>Nonbudgeted Funds: School Financing and Construction</b>				
Baltimore City School Financing Fund	\$41,338	\$40,000	\$40,000	\$0
Baltimore City School Facilities Fund	30,745	40,742	40,276	-466
Supplemental Public School Construction Financing Fund (BTL)	0	0	0	0
Supplemental Public School Construction Facilities Fund (BTL))	308	92,232	92,232	0
<b>Subtotal</b>	<b>\$72,391</b>	<b>\$172,974</b>	<b>\$172,508</b>	<b>-\$466</b>
<b>Reimbursable Funds</b>				
General Administration	\$0	\$4,887	\$6,740	\$1,854
Baltimore City Convention Center	25,700	0	0	0
Project C.O.R.E.	0	10,000	9,870	-130
<b>Subtotal</b>	<b>\$25,700</b>	<b>\$14,887</b>	<b>\$16,610</b>	<b>\$1,724</b>
<b>Total</b>	<b>\$561,441</b>	<b>\$600,733</b>	<b>\$616,463</b>	<b>\$15,730</b>

BTL: Built to Learn

C.O.R.E.: Creating Opportunities for Renewal and Enterprise

<sup>1</sup> The project has been delayed, so it is unlikely that funds will be expended in fiscal 2025.

Note: Numbers may not sum to total due to rounding.

Source: Department of Budget and Management

## General Fund Appropriations

General funds comprise a small portion of MSA’s budget and are used to supplement debt service and operating costs for various economic development projects undertaken by the State.

- **BCCC:** Section 10-640 of the Economic Development Article requires MSA to contribute two-thirds of the annual operating deficit of BCCC through December 31, 2029. MSA is also required to contribute \$200,000 into the capital improvement fund. The fiscal 2026 allowance includes \$10.8 million for the operating deficit and \$200,000 for the capital improvement fund.
- **OCCC:** MSA is required under § 10-643 of the Economic Development Article to contribute one-half of the annual operating deficit of OCCC and \$100,000 into a capital improvement reserve fund. The fiscal 2026 allowance provides \$2.5 million for the operating deficit and reserve fund. Bonds with a par value of \$20.9 million were issued in November 2019 to fund improvements to the facility. The first four debt service payments were supported by the capitalized interest fund. State payments began in fiscal 2022, and the final payment is in fiscal 2040. The fiscal 2025 debt service payment is \$1.65 million.
- **Hagerstown Multi-Use Facility:** This funds debt service on \$57.6 million in par value bonds issued in March 2022. The fiscal 2026 appropriation is \$3.75 million. The final debt service payment is in fiscal 2052. This project also received \$20 million from the Sports Entertainment Facilities Financing Fund.

## Special Funds

MSA receives special funds to support the following programs:

- **Camden Yards Complex:** Lottery proceeds support debt service payments on the Camden Yards Complex. The fiscal 2026 allowance includes \$59.5 million in special funds for this purpose.
- **Baltimore City School Construction Program:** The fiscal 2026 allowance receives an additional \$20 million in lottery proceeds to support MSA activities related to the Baltimore City school construction program. Chapter 647 of 2013 authorized up to \$1.1 billion in bonds for this project. MSA’s final issuance was in calendar 2022. The final debt service payment will be in fiscal 2055. DLS notes that MSA inadvertently reverted \$1.4 million in fiscal 2024 in lottery transfers. Debt service was paid with MSA revenues.
- **Michael Erin Busch Fund:** The Michael Erin Busch Fund’s fiscal 2026 special fund appropriation totals \$1.5 million. The source of the funds is lottery revenues, admissions and amusement tax revenues, and a share of proceeds from raffles conducted by a charitable foundation affiliated with the Washington Commanders. The fund supports the Office of Sports Marketing to provide grants for youth and amateur sports.

### *D28A03 – Maryland Stadium Authority*

- ***Maryland Racing Operations Fund:*** MSA is authorized to issue up to \$400 million in bonds for financing planning, design, construction, and related expenses for racing facilities at Pimlico. These funds also support the purchase, planning, design, construction, and related expenses for a training facility. The bonds support the clubhouse, racetracks, stables and barns, and associated roads and walkways. Beginning in fiscal 2022, at least \$17 million must be transferred from the State Lottery Fund to the RCDF for each fiscal year until the bonds issued for a racing facility have matured. There is no limit on the annual appropriations, but total debt issued cannot exceed \$400 million. To date, no bonds have been issued. Chapter 111 of 2023 created the Maryland Thoroughbred Racetrack Operating Authority (MTROA) and the Maryland Racing Operations Fund, which can receive funds from the RCDF. These issues are discussed in the budget analysis D29 – MTROA.
- ***Prince George’s County Blue Line Corridor Facility Fund:*** Lottery revenues are appropriated into the Prince George’s County Blue Line Corridor Facility Fund to support improving facilities along the Washington Metropolitan Area Transit Authority’s Blue Line. These funds can support debt service costs of bonds for capital improvements. Chapter 483 of 2024 provides that \$27 million is appropriated annually.

Other programs receiving special funds are the Supplemental Public School Construction Financing Fund; the Sports Entertainment Facilities Financing Fund; and the Major Sports and Entertainment Event Program Fund (MSEEPF).

### **Nonbudgeted Funds: MSA and Grants**

The MSA Financing Fund is a nonbudgeted account from which all the MSA operational expenses are paid, including the general administration of the Camden Yards Complex, repairs, renovations, and debt service payments. The fund is primarily supported through lottery and bond proceeds but also includes additional revenues associated with rent from the Orioles, operations and maintenance reimbursement from the Ravens, lease agreements at the warehouse and Camden Station, stadium admissions taxes, and MSA project management fees.

MSA is required to pay rent to the State equal to the difference between its actual revenues and budgeted resources, and MSA can reserve funds for working capital and projects. The rent formula is built into the sublease agreements for Camden Yards. The convention centers have always operated at a deficit, so no rent is due on those subleases. Therefore, activity at the Camden Yards Complex generates the rent payment, if any. Based on estimated revenues and expenditures, no rent payment is expected from fiscal 2024 to 2026. The most recent rent payment was \$1 million in fiscal 2015.

MSA’s revenues also support the Office of Sports Marketing, which promotes amateur and professional sports competitions in Maryland.

### **Nonbudgeted Funds: Non-State Facilities**

MSA supports the financing and construction of (1) horse racing facilities (Pimlico), which is discussed further in the analysis D29 – MTROA; (2) the Hagerstown Multi-Use Facility, which is funded by bonds supported by general funds; and (3) Prince George’s County Blue Line Corridor Facility Fund projects. MSA also pays the operator of the Hippodrome Theatre \$250,000 annually to defray the capital cost charges paid for HVAC utilities at the theatre.

### **Nonbudgeted Funds: School Financing and Construction**

MSA issues bonds and administers two programs that support local school construction and renovation – the Baltimore City public school construction program and the supplemental public school construction program. Baltimore City public school construction is winding down, as most schools have been completed. Changes in funding for the supplemental public school construction program are due to bond issuances and cash flow needs.

### **Reimbursable Funds**

Approximately \$6.7 million is provided for positions supporting school construction. With Project C.O.R.E. (Creating Opportunities for Renewal and Enterprise), MSA serves as the project manager and oversees the demolition of vacant buildings that are identified by Baltimore City and the Department of Housing and Community Development. The goal is to identify projects that build upon existing community strengths and assets. In fiscal 2026, \$9.9 million is expected to be spent on Project C.O.R.E.



## ***Key Observations***

---

### **1. Third Series of Built to Learn Bonds Issued in 2024**

Chapter 20 of 2020 authorizes MSA to issue up to \$2.2 billion in revenue bonds to support public school facilities. The bonds are backed by mandated State appropriations from the Education Trust Fund (ETF). Prior to the issuance of any Built to Learn (BTL) bonds, MSA and the Interagency Commission on School Construction must enter into a program memorandum of understanding (MOU) that sets forth, among other things, the selection criteria under which schools will receive priority in funding under this program. This program MOU was approved in July 2021. Additionally, Chapter 20 requires an MOU between MSA, local boards of education, and local governments for proposed projects before any BTL funds may be allocated to a project. Any allocation for an approved project must be used within 10 years or be subject to reallocation.

The Supplemental Public School Construction Financing Fund is used to pay debt service on bonds issued by MSA for State school construction projects and all reasonable charges and expenses related to the issuance of bonds. The revenue source for this fund is transferred from the ETF, which collects proceeds from video lottery terminals and table games at licensed gaming facilities. Annual debt service funded with the ETF deposits is \$100 million beginning in fiscal 2025.

To support BTL, MSA is issuing 30-year bonds. **Exhibit 3** shows that the average debt service costs for the first three sales is \$64 million, leaving \$36 million in annual debt service capacity. Proceeds provided over \$1.1 billion for the project fund. An unusual element of the program is balloon payments at the end of each issuance after the first issuance; as a payment is no longer due, the next sale can increase its debt service correspondingly.

**Exhibit 3**  
**Results from the First Three Built to Learn Bond Sales**  
**October 2021, February 2022, and October 2024**  
(\$ in Millions)

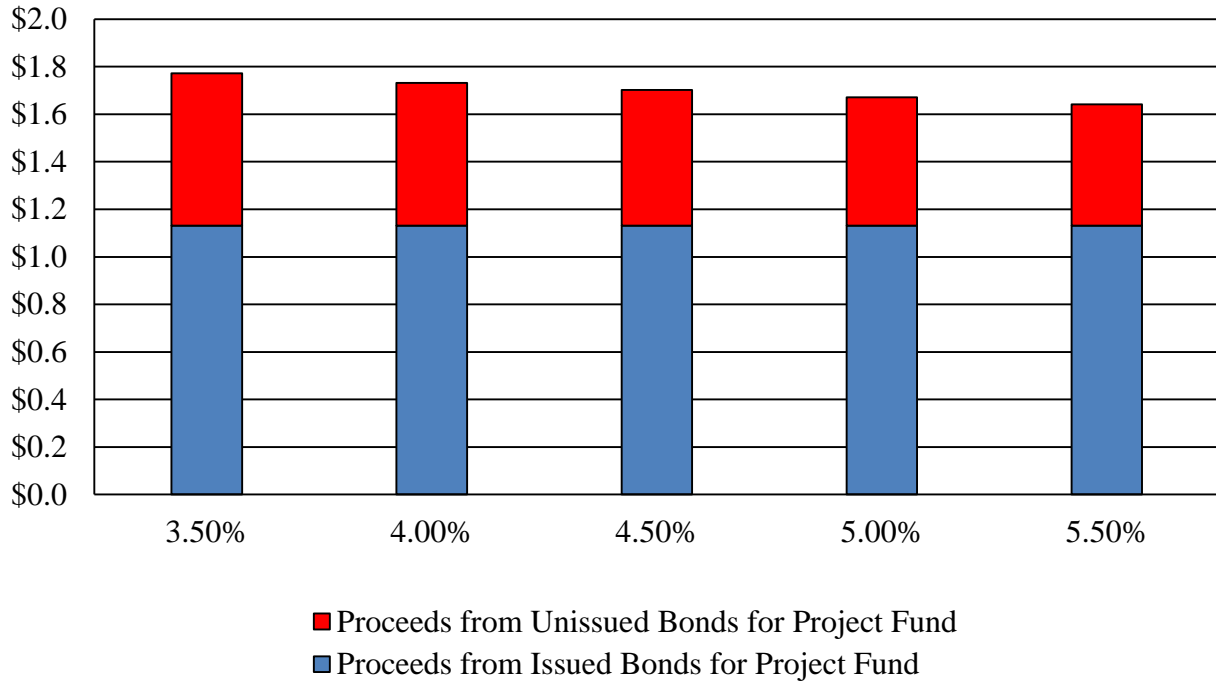
	<b>Series 2021</b>	<b>Series 2022</b>	<b>Series 2024</b>	<b>Total</b>
Fiscal Year That Issuance Matures	2051	2052	2054	
Par Value	\$257.0	\$373.1	\$410.7	\$1,040.8
Premium Net of Issuance and Capitalized Interest Costs	28.9	40.4	21.6	90.9
<b>Total Available for Project Fund</b>	<b>\$285.9</b>	<b>\$413.5</b>	<b>\$432.4</b>	<b>\$1,131.7</b>
Average Annual Debt Service	\$14.8	\$21.7	\$27.9	\$64.4
True Interest Cost	2.83%	3.21%	4.26%	
Average Coupon	3.80%	4.06%	4.90%	
Bond Buyer 20-Bond Index in Week of Sale	2.28%	3.19%	3.91%	
Average Life (Years)	18.4	19.4	20.7	

<sup>1</sup> Final debt service payments for the second and third sales will be \$36.5 million and \$59.2 million, respectively.

Source: BofA Securities

Since annual appropriations for debt service are fixed at \$100 million per year, higher interest rates reduce bond proceeds. The most recent bond sale was in October 2024. The sale's true interest cost (TIC) was 4.26%, and The Bond Buyers 20-Bond Index was 3.91%. This index reflects market interest rates. The TIC from the first sale in October 2021 of 2.83% was considerably lower. Hence, the estimated amount available for projects has declined as interest rates have increased. **Exhibit 4** shows that if rates remain at current levels for the remaining sales, ETF revenues will support between \$1.6 and \$1.8 billion in projects.

**Exhibit 4**  
**Effect of Various Interest Rates on Proceeds for Built to Learn Bonds**  
**(\$ in Billions)**



Source: BofA Securities; Department of Legislative Services

**2. Lottery Support for the MSEEPF Expected to Exceed \$10 Million Annually**

MSA’s sports and entertainment event fund was created in Chapter 61 of 2022 to attract major events to the State. The fund is capitalized so that \$10 million is available for grants each fiscal year. **Exhibit 5** shows that grant awards are anticipated to increase from \$5.8 million in fiscal 2024 to over \$10 million in each of fiscal 2025 and 2026. Statute establishing the fund is interpreted such that the statutory \$10 million amount be regularly replenished. Thus, a \$10 million fund can spend more than \$10 million annually.

**Exhibit 5**  
**Major Sports and Entertainment Events Program Fund Activity**  
**Fiscal 2023-2026**  
**(\$ in Thousands)**

<b><u>Committed Spending</u></b>	<b><u>2023</u></b>	<b><u>2024</u></b>	<b><u>2025</u></b>	<b><u>2026</u></b>
	<b><u>Actual</u></b>	<b><u>Actual</u></b>	<b><u>Est.</u></b>	<b><u>Est.</u></b>
Annual Maryland 5 Star at Fair Hill	\$3,125	\$2,800	\$2,800	\$2,500
Sport and Entertainment Corporation of Maryland Operating Subsidy <sup>1</sup>	2,100	0	0	0
BMW Championships PGA Tournament	2,000	0	1,900	100
Navy-University of Notre Dame College Football Game	300	0	0	0
CIAA Conference Basketball Championships	0	1,500	1,625	1,650
English Premier League Friendlies <sup>1</sup>	0	750	350	0
Annual Maryland Cycling Classic	0	500	500	750
Ocean City Music Festival	0	250	250	250
Preakness 150 Festival	0	0	1,500	0
Barcelona versus AC Milan	0	0	350	0
Offshore Powerboat Racing	0	0	300	300
Washington International High School	0	0	250	250
Annapolis Songwriters Festival	0	0	250	250
Military Bowl	0	0	100	100
Naismith Hall of Fame Game	0	0	100	100
PGA Championships	0	0	0	1,000
Army-Navy College Football Game	0	0	0	750
<b><i>Subtotal</i></b>	<b><i>\$7,525</i></b>	<b><i>\$5,800</i></b>	<b><i>\$10,275</i></b>	<b><i>\$8,000</i></b>
<b><u>Additional Proposed Spending</u></b>				
Sport and Entertainment Corporation of Maryland Operating Subsidy	\$0	\$0	\$0	\$750
English Premier League Friendlies	0	0	0	1,050
Men's Soccer World Cup Training Site	0	0	0	250
<b><i>Subtotal</i></b>	<b><i>\$0</i></b>	<b><i>\$0</i></b>	<b><i>\$0</i></b>	<b><i>\$2,050</i></b>
<b>Total</b>	<b>\$7,525</b>	<b>\$5,800</b>	<b>\$10,275</b>	<b>\$10,050</b>

CIAA: Central Intercollegiate Athletic Association

PGA: Professional Golfers' Association

<sup>1</sup> Fiscal 2026 proposed but not committed.

Source: Maryland Stadium Authority

The MSEEPPF was created to subsidize sporting and entertainment events. It was capitalized with \$10 million in the first year and is structured so that funds are easily replenished by budget amendment. This formula has allowed the fund to quickly expand and give over \$10 million in grants annually. The fund was created in a time of budget surpluses but may no longer be affordable as it is currently structured.

The fund's structure allows the fund to provide large ongoing subsidies. The Annual Maryland 5 Star at Fair Hill has received approximately \$3 million annually since the fund's inception. This event also received substantial State funding for capital improvements on State lands. Since awarding large ongoing grants can crowd out new grants, MSA should consider limiting the number of years that an event can receive grants. Events permanently receiving large State grants can be moved to programs in other agencies like the Department of Commerce or find a pathway to self-sustainability. **DLS recommends that MSA adopt policies to avoid subsidizing ongoing events through the MSEEPPF.**

**To address the structural budget deficit, DLS recommends restructuring the MSEEPPF to limit annual appropriations to the fund and annual spending from the fund to \$5.0 million beginning in fiscal 2027. This will require an amendment to § 9-120(b)(1)(x) of the State Government Article in the Budget Reconciliation and Financing Act to effectuate. So that new grants are not crowded out by large ongoing grants, DLS also recommends that grants for the Annual Maryland 5 Star at Fair Hill be deleted.**

### **3. Oriole Park and Camden Yards Renovation Financing**

To provide a substantial State construction subsidy for renovations at both stadiums, Chapter 60 of 2022 increased MSA's total debt authorizations for the stadiums to \$1.2 billion, or \$600 million per team. The Act limited annual debt service costs to \$90 million, or \$45 million per team. By law, debt service payments cannot extend beyond the expiration period of any lease.

The Orioles entered into an MOU with MSA in September 2023, and a new lease was approved by the Board of Public Works (BPW) in December 2023. The lease approved by BPW maintains the current lease arrangement and extends the lease period through the end of 2053, with four 5-year options to extend the lease. The final lease agreement could still contain provisions from the MOU; the agreement requires that both parties will use commercially reasonable efforts to negotiate and finalize a form of ground lease and master development plan by December 31, 2027. If MSA and the Orioles do not have an approved ground lease and master plan, the team can reduce the lease to 15 years. Until there is an agreement that binds the team to Baltimore past fiscal 2039, bonds issued to renovate the stadium cannot mature after fiscal 2039.

In January 2025, MSA issued \$128.6 million in bonds to finance the first series of construction projects for Oriole Park in Camden Yards. Consistent with the current agreement, the bonds retire in fiscal 2039. **Exhibit 6** shows that the average debt service payment is just over \$13.5 million, and the interest rate is 5.69%. The sale has a level debt service structure that is common with MSA and other State bonds.

**Exhibit 6**  
**Oriole Park Renovation Private Placement Bond Sale**  
**Fiscal 2025-2039**  
**(\$ in Thousands)**

<b>Bond Proceeds</b>	
Available for the Project Fund	\$125,000
Capitalized Interest Fund for Fiscal 2025 Debt Service Payment	3,137
Cost of Issuance and Underwriter’s Discount	438
<b>Total Available for Project Fund</b>	<b>\$128,575</b>
Maximum Annual Debt Service Fiscal 2026 to 2039	\$13,532
Minimum Annual Debt Service Fiscal 2026 to 2039	13,527
True Interest Cost	5.69%

Source: RBC Capital Markets, LLC

---

This was not a typical bond sale, whereby bonds are sold to underwriters that resell the bonds on the secondary market. Rather, this was a private placement with Zion’s Bancorporation, National Association. The key advantage to this approach is that it will be easier to consolidate and refinance this sale into another issuance if the Orioles and MSA complete the ground lease and master plan agreements by 2027. The sale also did not require credit ratings and disclosure documents that are needed with bonds sold on the secondary market.

## Operating Budget Recommended Actions

	<b><u>Amount Change</u></b>	
1. Reduce funds for Stadium debt service to reflect recent bond sales and revised estimates. After adjusting estimates for the Ravens Stadium 2023B variable loan and the Oriole Park January 2025 private placement, estimated fiscal 2026 totals \$59.25 million. The allowance totals \$59.51 million. The bonds are supported by lottery revenues. Unspent appropriations are deposited into the General Fund.	-\$ 250,000	SF
2. Reduce funds for Annual Maryland 5 Star at Fair Hill. This is an ongoing subsidy for an economic development event that is crowding out the Major Sports and Entertainment Event Program Fund’s resources.	-\$ 2,500,000	SF
3. Reduce proposed deficiency appropriation for Preakness Stakes operating budget subsidy. The State provided funds for capital improvements to thoroughbred horse racing facilities with the goal of making thoroughbred horse racing sustainable without ongoing operating subsidies. The Racing and Community Development Financing Fund (RCDFD) resources include \$68 million, or \$17 million annually from fiscal 2022 to 2025, in lottery revenue appropriations for debt service and capital expenditures. The RCDFD also earned \$6.7 million in investment income as of December 2024. To provide additional support for Pimlico and a training facility, Chapter 406 of 2024 abolished the \$17 million limit on annual debt service appropriations and increased total debt outstanding to \$400 million. In the fiscal note, the Department of Legislative Services estimates that annual costs could be as much as \$25 million. Unspent lottery funds are deposited into the General Fund to support the structural deficit. Reducing the appropriation reduces the general fund deficit and minimizes operating subsidies.	-\$ 1,500,000	SF
<b>Total Net Change to Fiscal 2025 Deficiency</b>	<b>-\$ 1,500,000</b>	
<b>Total Special Fund Net Change to Allowance</b>	<b>-\$ 2,750,000</b>	

## **Budget Reconciliation and Financing Act Recommended Actions**

1. Major Sports and Entertainment Event Program Fund spending increased to over \$10 million annually by its third year. The State has a long-term structural deficit. Substantial reductions are required. Reducing to annual appropriations to \$5 million and limiting annual spending to \$5 million beginning in fiscal 2027 reduces out-year spending by more than \$5 million annually. To address the long-term structural deficit, the Department of Legislative Services recommends that the Budget Reconciliation and Financing Act amend § 9-120(b)(1)(x) of the State Government Article to reduce the annual appropriations to \$5 million and limit annual spending to \$5 million annually.



## Updates

- Summary of MSA Authorizations:** MSA administers various debt programs. **Exhibit 7** lists MSA’s current tax-supported authorized debt, debt outstanding, and annual debt service. MSA also issues debt that the State does not consider to be tax-supported. DLS notes that Moody’s considers lottery debt to be tax-supported.

**Exhibit 7**  
**MSA Revenue Debt Authorizations, Debt Outstanding, and Debt Service**  
**Fiscal 2025**  
**(\$ in Thousands)**

<u>Project</u>	<u>Revenues Supporting Debt</u>	<u>Authorized</u>	<u>Debt Outstanding</u>	<u>2025 Debt Service</u>
<b>State Debt</b>				
Hagerstown Multi-Use Sports and Events Facility	General Fund	\$59,500	\$55,295	\$3,749
Baltimore City Convention Center	General Fund	55,000	0	0
Ocean City Convention Center	General Fund	24,500	18,530	1,655
Baseball and Football Stadiums	Lottery and MSA	N/A	43,970	12,289
<b>Subtotal</b>		<b>\$139,000</b>	<b>\$117,795</b>	<b>\$17,693</b>
<b>Non-State Debt</b>				
Built to Learn	Education Trust Fund	\$2,200,000	\$1,011,190	\$48,334
Baseball and Football Stadiums and Camden Station <sup>1</sup>	Lottery and MSA	1,200,000	407,471	35,699
Baltimore City Public Schools	Lottery, Baltimore City, State grants to Baltimore City	1,100,000	968,075	60,000
Blue Line Corridor Projects	Lottery	400,000	0	0
Horse Racing and Community Development	Lottery	400,000	0	0
Sports Entertainment Facilities Financing Fund	Lottery	220,000	91,045	12,401

*D28A03 – Maryland Stadium Authority*

<b><u>Project</u></b>		<b><u>Revenues Supporting Debt</u></b>	<b><u>Authorized</u></b>	<b><u>Debt Outstanding</u></b>	<b><u>2025 Debt Service</u></b>
Supplemental Fund	Facilities	MSA	25,000	0	0
<b><i>Subtotal</i></b>			<b><i>\$5,545,000</i></b>	<b><i>\$2,477,781</i></b>	<b><i>\$156,434</i></b>
<b>Total</b>			<b>\$5,684,000</b>	<b>\$2,595,576</b>	<b>\$174,127</b>

MSA: Maryland Stadium Authority

<sup>1</sup> Authorization limit for Camden Complex includes the stadiums and Camden Station. The authorization does not specify between State and non-State debt.

Note: Numbers may not sum to total due to rounding.

Source: Maryland Stadium Authority

---

**Appendix 1  
Object/Fund Difference Report  
Maryland Stadium Authority**

<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>
<b>Positions</b>					
01 Regular	127.80	127.80	140.80	13.00	10.2%
02 Contractual	30.00	15.00	15.00	0.00	0%
<b>Total Positions</b>	<b>157.80</b>	<b>142.80</b>	<b>155.80</b>	<b>13.00</b>	<b>9.1%</b>
<b>Objects</b>					
01 Salaries and Wages	\$ 21,246,367	\$ 16,868,688	\$ 23,686,724	\$ 6,818,036	40.4%
02 Technical and Special Fees	599,070	516,190	532,165	15,975	3.1%
03 Communication	197,007	114,330	114,330	0	0%
04 Travel	177,312	158,206	158,206	0	0%
06 Fuel and Utilities	6,143,785	5,573,727	5,573,727	0	0%
07 Motor Vehicles	196,602	71,300	71,300	0	0%
08 Contractual Services	340,588,200	279,890,467	280,041,312	150,845	0.1%
09 Supplies and Materials	1,278,906	805,794	805,794	0	0%
10 Equipment – Replacement	224,395	0	0	0	0.0%
11 Equipment – Additional	94,345	2,760	2,760	0	0%
12 Grants, Subsidies, and Contributions	86,301,251	89,038,306	99,266,096	10,227,790	11.5%
13 Fixed Charges	104,394,194	206,192,787	206,210,555	17,768	0%
<b>Total Objects</b>	<b>\$ 561,441,434</b>	<b>\$ 599,232,555</b>	<b>\$ 616,462,969</b>	<b>\$ 17,230,414</b>	<b>2.9%</b>
<b>Funds</b>					
01 General Fund	\$ 18,986,618	\$ 17,274,555	\$ 19,037,915	\$ 1,763,360	10.2%
03 Special Fund	186,223,975	233,445,072	241,909,258	8,464,186	3.6%
07 Nonbudgeted Fund	330,530,841	333,626,427	338,905,314	5,278,887	1.6%
09 Reimbursable Fund	25,700,000	14,886,501	16,610,482	1,723,981	11.6%
<b>Total Funds</b>	<b>\$ 561,441,434</b>	<b>\$ 599,232,555</b>	<b>\$ 616,462,969</b>	<b>\$ 17,230,414</b>	<b>2.9%</b>

Note: The fiscal 2025 appropriation does not include deficiencies, targeted revenues, or across-the-board reductions. The fiscal 2026 allowance does not include contingent reductions or cost-of-living adjustments.