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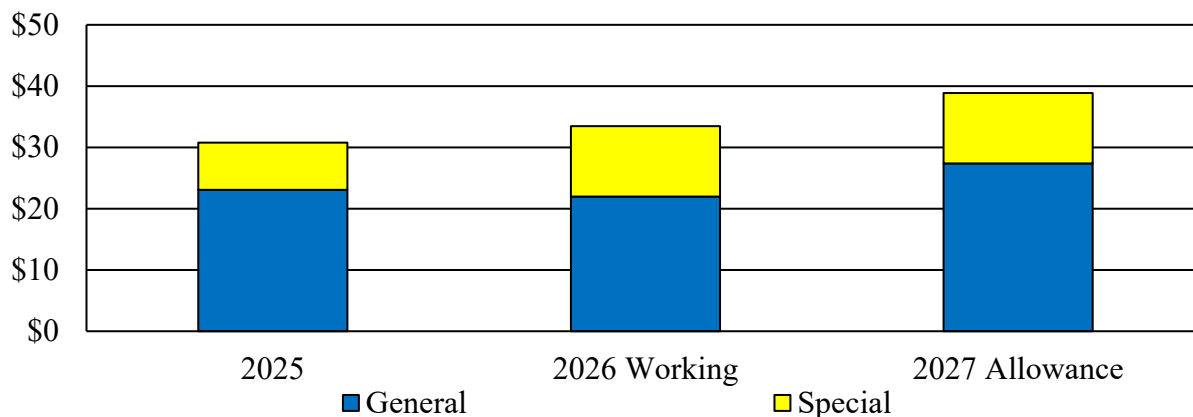
Board of Public Works

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 and appropriate, fiscally responsible, fair, and lawful; (2) ensure that procurement agencies comply with Minority Business Enterprise (MBE) 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 2027 Budget Increases \$5.4 Million, or 16.1%, to \$38.9 Million (\$ in Millions)



Note: The fiscal 2026 working appropriation accounts for deficiencies. The fiscal 2027 allowance accounts for contingent reductions. The fiscal 2027 statewide salary adjustments are centrally budgeted in the Department of Budget and Management and are not included in this agency's budget.

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- BPW’s general fund appropriation fluctuates from year to year largely due to changes in the amount of grant funding. The authorization to use the Strategic Energy Investment Fund (SEIF) for meeting funding mandates has increased the amount of special funds substantially since fiscal 2025.

Fiscal 2026

Status of Legislative Additions

Section 19 of the fiscal 2024 Budget Bill, §21 of the fiscal 2025 Budget Bill, and §19-21 of the fiscal 2026 Budget Bill included a total of \$14.2 million, \$4.6 million, and \$1.3 million, respectively, for BPW to provide grants to multiple private nonprofits and a local government. As shown in **Exhibit 1**, all fiscal 2024 grantees have received their funding, and some of the unused funding was reappropriated in fiscal 2026. All fiscal 2025 grantees have received their funding. The Maryland Association of Boards of Education – Direct Primary Care Health Centers funding originally appropriated to Prince George’s County was reappropriated for use in all 23 counties and Baltimore City. All fiscal 2026 funding has been approved by BPW. The remaining fiscal 2026 amounts reflect fourth quarter payments for the grants that were approved to be paid in quarterly installments.

Exhibit 1
Board of Public Works Legislative Grants to Nonprofits and Local Government
Fiscal 2024-2026

<u>Grantee</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>Total</u>	<u>Status</u>
<i>Miscellaneous Grants to Private Nonprofit Groups</i>					
Baltimore City Mayor’s Office – Art and Culture for the Artscape Festival	\$0	\$0	\$326,456	\$326,456	Distributed in full.
City of Hagerstown – Public Safety Project Feasibility Study	0	0	250,000	250,000	Distributed in full.
Historic Annapolis – Historic Properties Management	0	0	165,000	165,000	\$309,775 remains to be distributed of \$1,239,100 total grant.
Parks & People	0	0	150,000	150,000	\$37,500 remains to be distributed.
Board of Directors of Herring Run Park – Herring Run Park Stream Valley	0	0	150,000	150,000	\$37,500 remains to be distributed.
Team Thrill Youth Sports Organization Inc. – Developmental Basketball Opportunities for Young Scholars	0	0	60,000	60,000	Distributed in full.
Montgomery County – Downtown Silver Spring Parking Improvement Due to Purple Line	0	0	50,000	50,000	Distributed in full.
Association of Community Services of Howard County – Support Nonprofit Organization Capacity Building	0	0	50,000	50,000	Distributed in full.
The Sanctuary Collective – Support Youth Empowerment Through Sports and Education	0	0	50,000	50,000	Distributed in full.

<u>Grantee</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>Total</u>	<u>Status</u>
Baltimore City Recreation and Parks – Team Melo’s Developmental Basketball Opportunities for Young Scholars	0	0	40,000	40,000	Distributed in full.
Leaders Breeders, Inc.	\$0	\$0	\$25,000	\$25,000	Distributed in full.
Maryland Association of Boards of Education – Direct Primary Care Health Centers – Prince George’s County Only	875,000	2,000,000	0	2,875,000	Fiscal 2024 distributed in full.
Maryland Association of Boards of Education – Direct Primary Care Health Centers – Prince George’s County	0	-2,000,000	0	-2,000,000	Fiscal 2025 funding withdrawn.
Maryland Association of Boards of Education – Direct Primary Care Health Centers – All Local Jurisdictions	0	2,000,000	0	2,000,000	Fiscal 2025 funding reappropriated. June 2025 BPW agenda item approved.
Fiscal 2024 Grantees Only (Not Shown Individually)	12,179,000	0	0	12,179,000	Fiscal 2024 distributed in full.
Fiscal 2025 Grantees Only (Not Shown Individually)		2,590,000			Fiscal 2025 distributed in full.
Subtotal	\$13,054,000	\$4,590,000	\$1,316,456	\$16,370,456	
Miscellaneous Grants to Local Governments					
Baltimore City Mayor’s Office – Art and Culture for the 2023 Artscape Festival	\$1,500,000	\$0	\$0	\$1,500,000	
Baltimore City Mayor’s Office – Art and Culture for the 2023 Artscape Festival	-326,456	0	0	-326,456	Referenced in Miscellaneous Grants to Private Nonprofit Groups
Subtotal	\$1,173,544	\$0	\$0	\$1,173,544	

<u>Grantee</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>Total</u>	<u>Status</u>
Total	\$14,227,544	\$4,590,000	\$1,316,456	\$17,544,000	

BPW: Board of Public Works

Note: Some fiscal 2026 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 2026 payments. The fiscal 2024 Maryland Association of Boards of Education funding was for pilot programs in at least two counties establishing direct primary care health centers for school system employees and their families. The fiscal 2025 Maryland Association of Boards of Education funding was for establishing direct primary care health centers for school system employees, county government employees, and families of these employees in Prince George’s County only. The fiscal 2026 Budget Bill reflected the reduction of the \$2,000,000 Maryland Association of Boards of Education funding for Prince George’s County only and the appropriation of funding in fiscal 2025 for Maryland’s 23 counties and Baltimore City. The Budget Reconciliation and Financing Act of 2025 reduced the \$326,456 in unexpended funds – originally \$1,500,000 was provided – for the grant provided to the Baltimore City Mayor’s Office of Art and Culture for the 2023 Artscape Festival that was included in the fiscal year 2024 operating budget (Chapter 101 of 2023). The fiscal 2026 budget reappropriated the \$326,456 for the Artscape Festival.

Source: Fiscal 2024-2026 Budget Bill; Board of Public Works

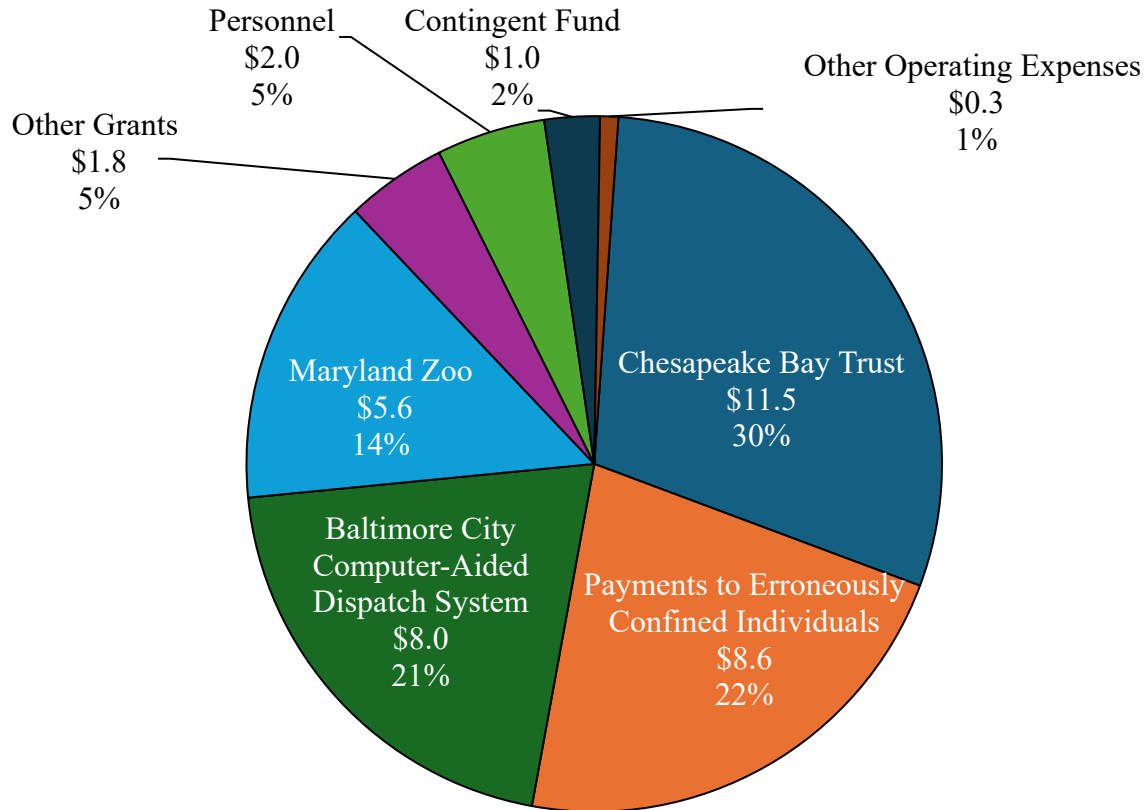
Proposed Deficiency

BPW has fiscal 2026 personnel deficiencies totaling \$36,008 in general funds, which include shortfalls related to lower than expected vacancy savings. BPW also has a combined deficiency appropriation that reduces \$1.5 million in general funds and increases the special fund appropriation by the same amount contingent on the Budget Reconciliation and Financing Act (BRFA) of 2026 expanding the allowable uses of the SEIF for the Chesapeake Conservation and Climate Corps Program. The combined deficiency appropriation funds the \$1.5 million mandate for the Chesapeake Conservation and Climate Corps Program with special funds instead of general funds. Most recently, the Chesapeake Conservation Corps Program was renamed the Chesapeake Conservation and Climate Corps Program by Chapter 533 of 2025. The funding mandate was instituted by Chapter 38 of 2022.

Fiscal 2027 Overview of Agency Spending

The fiscal 2027 allowance for BPW totals \$38.9 million. As shown in **Exhibit 2**, 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. Current law mandates that \$10 million per year from fiscal 2024 to 2031 be provided to the Chesapeake Bay Trust for an Urban Trees grant program. In addition, an appropriation of \$1.5 million is mandated for the Chesapeake Conservation and Climate Corps Program administered by the Chesapeake Bay Trust. The Chesapeake Conservation and Climate Corps Program trains young people to be stewards of the environment.

Exhibit 2
Overview of Agency Spending
Fiscal 2027 Allowance
(\$ in Millions)



Note: The fiscal 2027 allowance accounts for contingent reductions. The fiscal 2027 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 2027 Budget Books

Proposed Budget Change

As shown in **Exhibit 3**, the fiscal 2027 allowance reflects a net increase of \$5.4 million compared to the fiscal 2026 working appropriation. The main changes are as follows: an increase of \$8.0 million in general funds for a grant to the City of Baltimore for a new Computer-Aided Dispatch System; a decrease of \$1.3 million in one-time grant funding for nonprofits; a decrease of \$1.0 million in general funds for payments of judgments to erroneously convicted individuals;

and a decrease of \$0.4 million in general funds attributable to the expiration of the multi-year grant to Historic Sotterley mandated for fiscal 2024 through 2026.

Exhibit 3
Proposed Budget
Board of Public Works
(\$ in Thousands)

How Much It Grows:	<u>General Fund</u>	<u>Special Fund</u>	<u>Total</u>
Fiscal 2025 Actual	\$23,079	\$7,685	\$30,764
Fiscal 2026 Working	21,970	11,500	33,470
Fiscal 2027 Allowance	27,374	11,500	38,874
Fiscal 2026-2027 \$ Change	\$5,404	\$0	\$5,404
Fiscal 2026-2027 % Change	24.60%	0.00%	16.15%

Where It Goes:	<u>Change</u>
Personnel Expenses	
Employee and retiree health insurance	\$58
Salary adjustments	19
Deferred compensation match	5
Other Changes	
City of Baltimore's Computer Aided Dispatch System	8,000
Office of Administrative Hearings	64
Department of Information Technology information technology services allocation	21
Sign language interpreter services	7
Miscellaneous grants to private nonprofit groups	-1,316
Payments of judgments against the State (erroneously confined individuals)	-1,049
Historic Sotterley funding mandate ends in fiscal 2026	-400
Enterprise budget system allocation	-4
Retirement administrative fee	2
Other	0
Total	\$5,404

Note: The fiscal 2026 working appropriation accounts for deficiencies. The fiscal 2027 allowance accounts for contingent reductions. The fiscal 2027 statewide salary adjustments are centrally budgeted in the Department of Budget and Management and are not included in this agency's budget.

Budget Reconciliation and Financing Act

The BRFA of 2026 includes provisions that replace the use of general funds for SEIF special funds to meet the funding mandate for the Chesapeake Conservation and Climate Corps Program for both fiscal 2026 and 2027. This is executed through a contingent \$1.5 million general fund reduction and contingent \$1.5 million special fund appropriation in both years.

Computer-Aided Dispatch System

The largest change in BPW's budget is an increase of \$8.0 million in general funds for a grant to the City of Baltimore for a new Computer-Aided Dispatch System. The current system is unreliable and has been implicated in at least one death. Replacing the system could cost up to \$15 million. Of note, there are leasing and software-as-a-service models that could defray the need for an upfront capital expenditure and instead turn payments into an annual operating budget expenditure. This would reduce or eliminate the need for the State grant. **The Department of Legislative Services (DLS) recommends that the grant funding for the City of Baltimore Computer-Aided Dispatch System be deleted given the possible operating budget options available to Baltimore City to fund the system within its own operating budget.**

Personnel Data

	FY 25	FY 26	FY 27	FY 26-27
	<u>Actual</u>	<u>Working</u>	<u>Allowance</u>	<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	0.05	0.42%
Positions and Percentage Vacant as of 12/31/2025	0.00	0.00%
Vacancies Below Turnover	-0.05	

- As of January 14, 2026, BPW has no vacancies.
- Turnover remains low at 0.42% in the fiscal 2027 allowance.

Key Observations

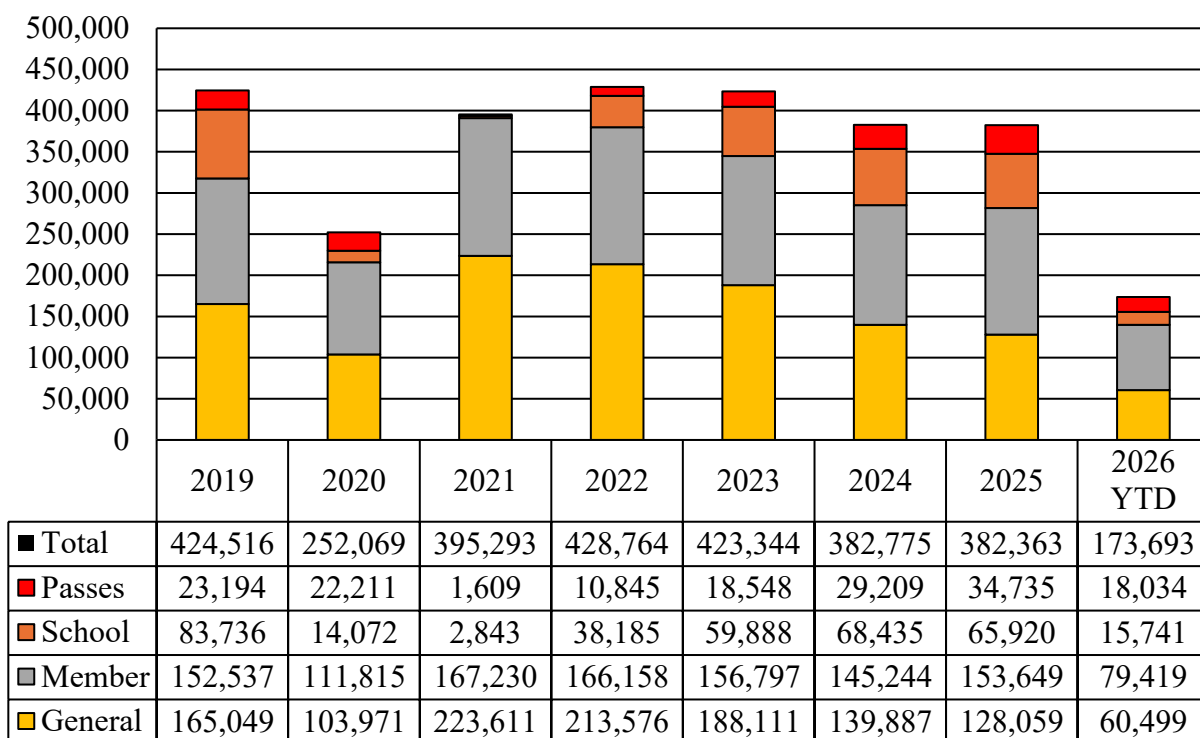
1. Annual Review of Maryland Zoo Attendance and Financial Statement

The Maryland Zoo in Baltimore is in year 34 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 2025 *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 2025 financial statement was received in October 2025. The quarterly reports include monthly attendance figures by visitor group.

As shown in **Exhibit 4**, zoo attendance decreased by 0.1%, or 412 attendees, from fiscal 2024 to 2025. 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 2025 attendance of 382,363 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 2026 monthly attendance data has been submitted from July to December 2025. The year-to-date data totals 173,693 attendees, which is a 3.4% decrease compared to the same period in fiscal 2025.

Exhibit 4
Zoo Attendance by Visitor Group
Fiscal 2019-2026 YTD



YTD: year to date

Source: Maryland Zoo in Baltimore

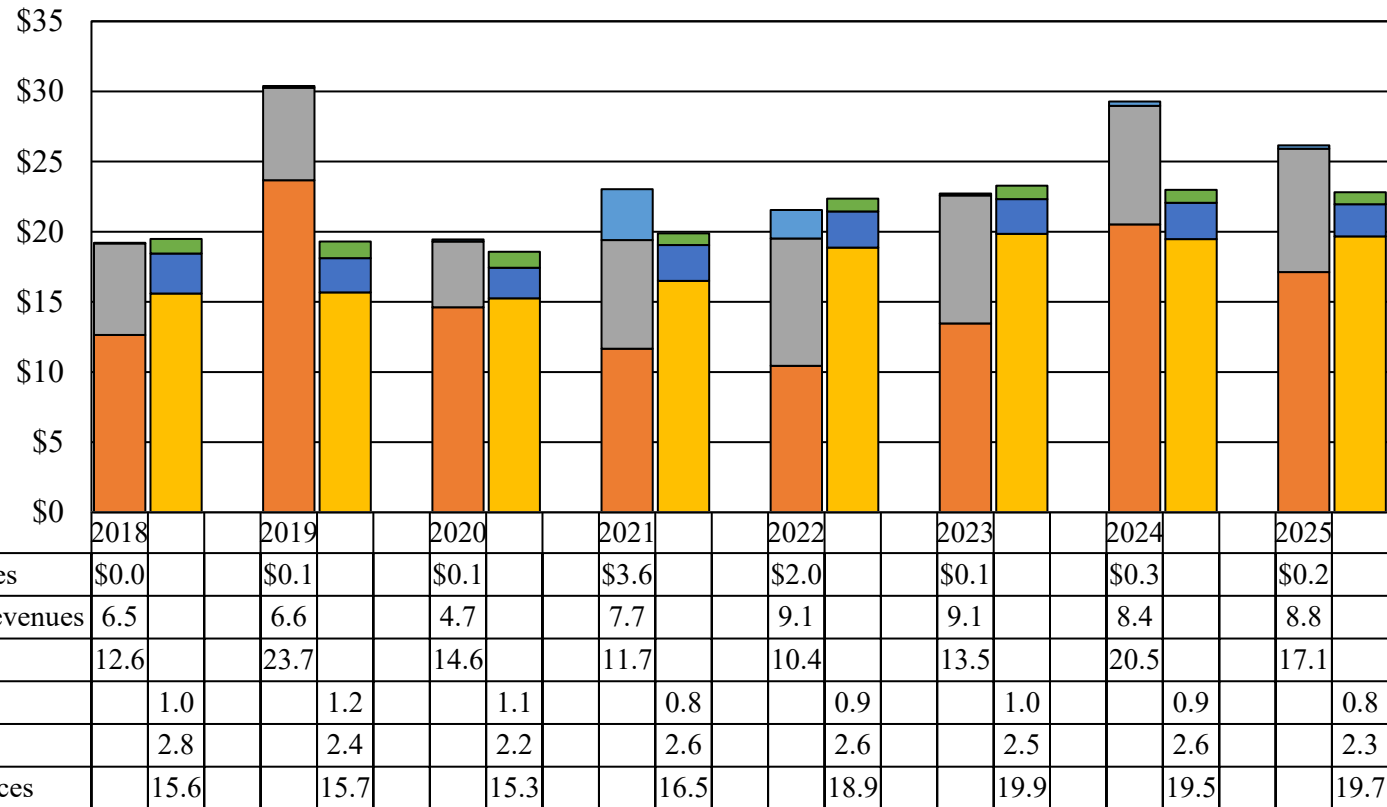
The general public attendance decreased by 8.5%, and school field trips decreased by 3.7% in fiscal 2025 compared with fiscal 2024. Member attendance increased by 5.8% from fiscal 2024 to 2025 and passes increased by 18.9%. Over the time period shown, member attendance has been more consistent than attendance by the general public. This suggests that expanding the membership base may help to moderate large year-to-year changes in general public attendance. **DLS recommends that MZS comment on its plans for reversing the decline in general public attendance.**

As shown in **Exhibit 5**, the total combined support and revenue in fiscal 2025 was \$26.2 million, exceeding the \$22.8 million in expenses. Support comes from grants and awards, contributions, and in-kind contributions. The total value of support was \$17.1 million in fiscal 2025, a decrease of 16.6% compared to fiscal 2024. Attendance revenues consist of visitors, membership dues, special events, and education programs, with a combined total of \$8.8 million

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in fiscal 2025, a 4.2% decrease compared to fiscal 2024. The expenses for program services, management, and fundraising total \$22.8 million in fiscal 2025. Program services expenditures increased by 1.0% from fiscal 2024 to 2025. Management expenses decreased by 11.4% in fiscal 2025 compared to fiscal 2024. Fundraising decreased by 8.4% from fiscal 2024 to 2025. Additional information about the MZS audited financial statements may be found in **Appendix 2**.

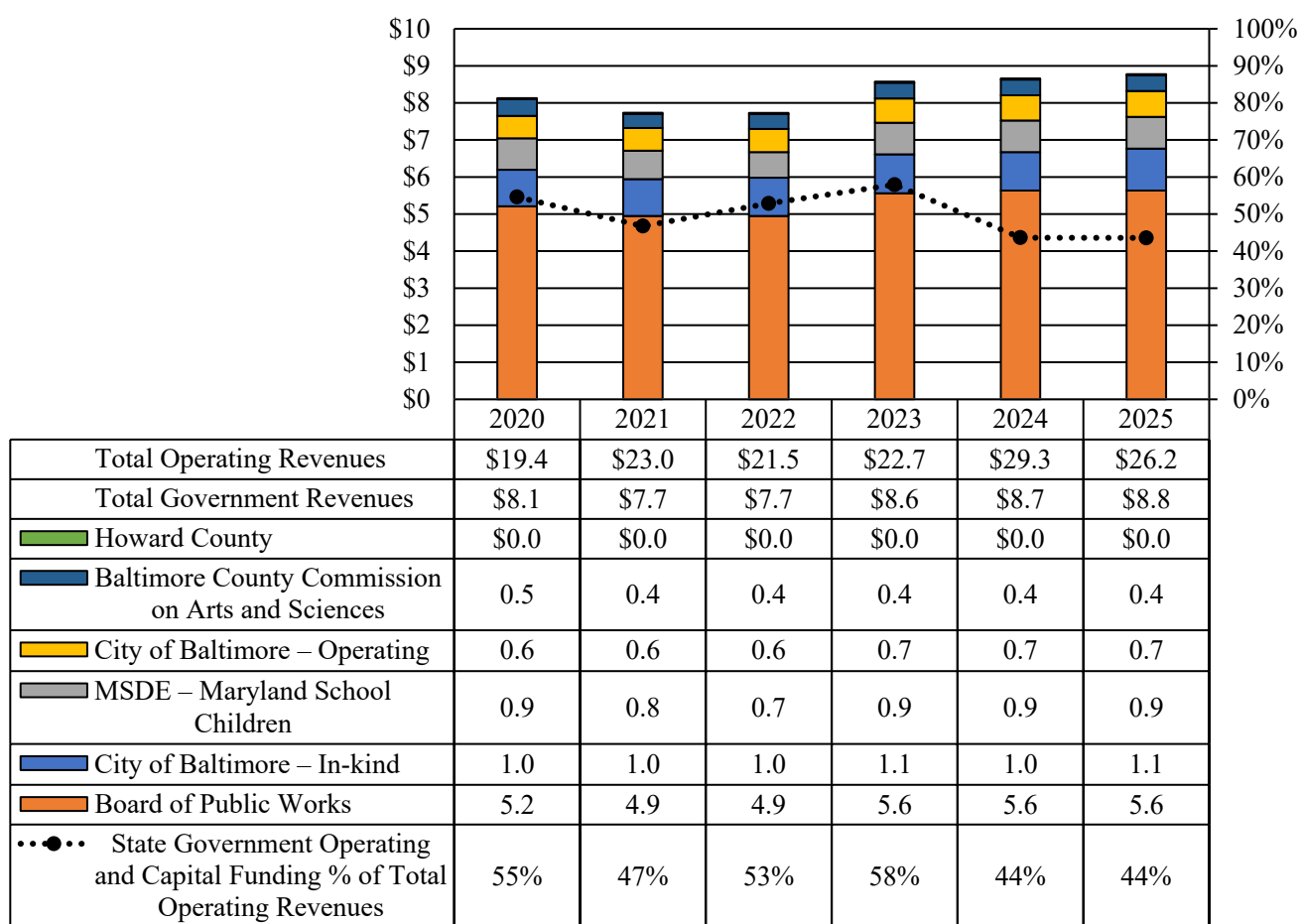
Exhibit 5
Maryland Zoo – Audited Consolidated Statement of Activities
Fiscal 2018-2025
(\$ in Millions)



Source: Maryland Zoological Society Consolidated Financial Statements

Exhibit 6 shows State and local government contributions to the zoo including in-kind contributions. The majority of these contributions, approximately \$5.6 million in fiscal 2025, are from BPW. In fiscal 2025, State contributions to the zoo accounted for 44% of the zoo's total operating revenues. The high percentage of State contributions to the zoo's revenues are highlighted in the BPW's annual consolidated financial statements.

Exhibit 6
Contributions from State and Local Governments versus Total Revenues
Fiscal 2020-2025
(\$ in Millions)



MSDE: Maryland State Department of Education

Note: City of Baltimore – Operating and Howard County – Operating revenues are estimated for fiscal 2023 and 2024. Howard County provides approximately \$30,000 per year.

Source: Maryland Zoological Society Consolidated Financial Statements for Fiscal 2020-2025; Maryland Zoological Society; State operating and capital budgets; Baltimore County

From the zoo’s fiscal 2025 audit report, MZS is using State capital funding on a reimbursable basis to complete 26 construction project commitments with a total contract amount of \$13.7 million. As of June 30, 2025, MZS has expended \$4.6 million. The remaining contract commitment totals \$9.1 million. Of note, in addition to its annual winter price reduction, MZS reduced its entrance fee for the last two weeks of November 2025 for people who rely on Supplemental Nutrition Assistance Program benefits and 62 people took advantage of the offer. **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 under two circumstances: (1) they have received from the Governor a full pardon stating that the individual’s conviction was shown conclusively to be in error; or (2) an administrative law judge finds that the individual has proven by clear and convincing evidence that certain requirements specified in statute are met

Legislation

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 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.

Most recently, Chapter 604 of 2025 made several changes to statute regarding the county government share of the compensation awards, as follows: (1) required that the county government in which the conviction of an individual occurred must pay to the State 50% of the amount of compensation awarded to an individual, applicable to new awards beginning in fiscal 2026; (2) required counties to annually remit their full share of payments for the fiscal year to the Comptroller by June 30; (3) required BPW to notify the Comptroller and each county of their share of each erroneous conviction award during the fiscal year on October 1, December 1, March 1, and June 1; and (4) authorized the Comptroller to withhold a portion of a local income tax distribution of a county that fails to make a timely payment. As of December 1, 2025, BPW indicates that Wicomico County's share of fiscal 2026 payments is \$286,706, with no other counties required to make payments.

Committee Narrative

Committee narrative in the 2025 JCR requested 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 was 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. The September 1, 2025 report provides a breakdown of the case types for erroneously confined individuals as well as the payment and legal fee amounts. As shown in **Exhibit 7**, on average there were three individuals found eligible with benefits for the full and partial calendar years between July 1, 2021 and July 1, 2025. There were almost an equal number of individuals found eligible with benefits as were found to be not eligible. Overall, there were 41 cases and payments were awarded for 13 individuals totaling \$21.4 million.

Exhibit 7
Erroneously Confined Individuals Caseload
July 1, 2021 through July 30, 2025

	<u>July 1 to December 31, 2021</u>	<u>Calendar 2022</u>	<u>Calendar 2023</u>	<u>Calendar 2024</u>	<u>January 1 to July 30, 2025</u>	<u>Total</u>	<u>Annual Average</u>
Eligible with Benefits	2	2	5	2	2	13	3
Eligible with No Benefits	1	0	0	0	0	1	0
Not Eligible	2	6	3	1	0	12	2
Withdrawn Cases	1	2	0	0	0	3	1
Dismissed Cases	2	2	4	1	0	9	2
Canceled Hearing	0	0	0	0	1	1	0
Awaiting Scheduling	0	0	0	0	1	1	0
Prehearing Conference							
Scheduled	0	0	0	0	1	1	0
Total	8	12	12	4	5	41	8
Benefits	\$1,699,567	\$3,836,971	\$8,792,639	\$3,783,008	\$3,322,207	\$21,434,391	\$4,286,878
Attorney Fees	70,445	95,625	118,438	475,051	14,264	773,822	154,764

Source: Office of Administrative Hearings

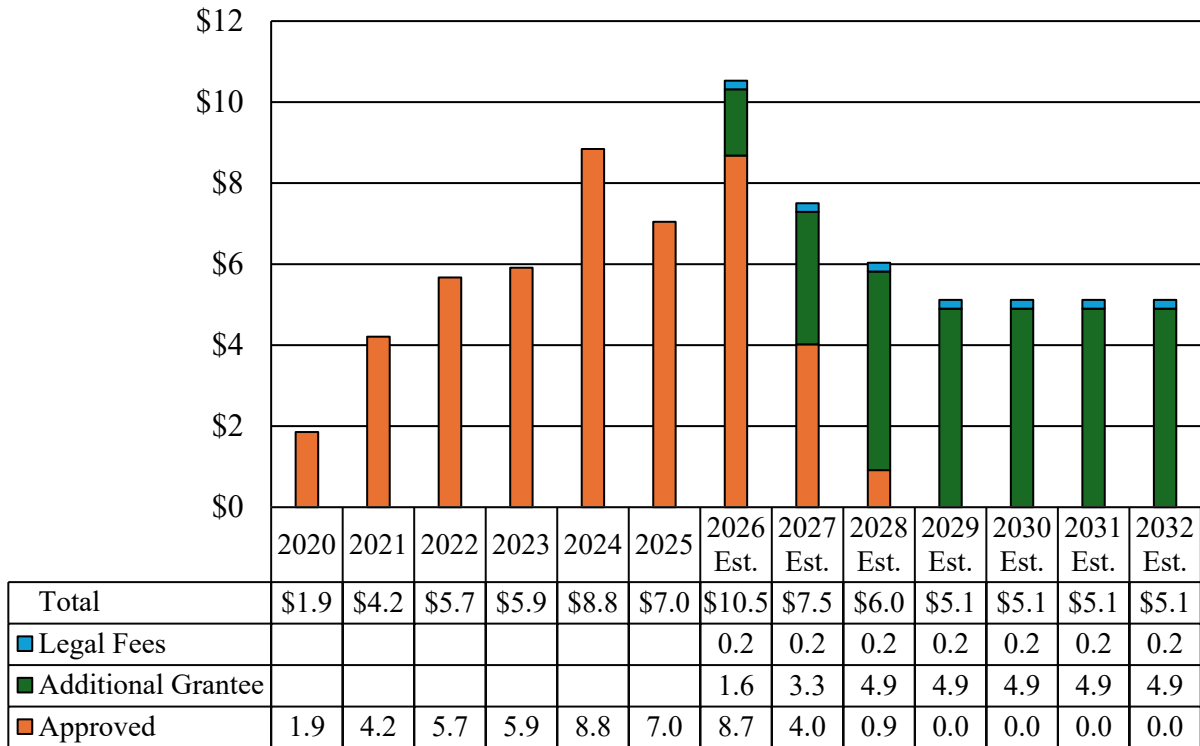
Funding Sources and Grant Amounts

Since 2018, when the law no longer required a gubernatorial pardon, BPW has awarded 24 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 \$906,730 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, BPW has approved accelerated payment schedules for individuals, which raises State expenditures in the early years and reduces the out-year costs.

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. The DPA currently has \$4.5 million allocated for this purpose. BPW has noted 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 2025 and estimated spending from fiscal 2026 to 2032. Fiscal 2024 includes \$3.0 million in special funds from the DPA. Aside from fiscal 2024, the assumption is that general funds will be used. Spending is estimated to fall from \$10.5 million in fiscal 2026 to \$7.5 million in fiscal 2027. The fiscal 2026 working appropriation includes \$9.7 million and the fiscal 2027 allowance includes \$8.6 million – \$5.5 million for existing awards and \$3.2 million for estimated initial payments for new awards – which should cover the estimated spending. The out-year costs are projected to continue to decline after fiscal 2027 before stabilizing in fiscal 2029 due to there being no known award amounts beyond fiscal 2028.

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



Note: The approved amount reflects the actual expenditures for fiscal 2020-2025 and the approved payments for fiscal 2026-2028. No payments are approved beyond fiscal 2028. The additional grantee and legal fees amounts reflect the average payment and legal fees per person per year between fiscal 2023-2025 – approximately \$409,000 and \$54,000 respectively – multiplied by 4 new grantees each year.

Source: Board of Public Works; Department of Legislative Services

Operating Budget Recommended Actions

- | | <u>Amount
Change</u> | <u>Position
Change</u> |
|--|---------------------------------|-----------------------------------|
| 1. Delete the \$8.0 million general fund grant for the Baltimore City Computer-Aided Dispatch System. Baltimore City should use a leasing arrangement or software-as-a-service model to pay for the System through its annual operating budget. | -\$8,000,000 | GF |
| 2. 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 2026 and quarterly reports showing monthly attendance figures for the zoo for fiscal 2027 by visitor group. This should include a breakdown of the kinds of passes allocated. | | |

Information Request	Author	Due Date
Audited financials	MZS	November 1, 2026
Quarterly reports showing monthly attendance	MZS	July 15, 2026 October 15, 2026 January 15, 2027 April 15, 2027
Total Net Change to Fiscal 2027 Allowance		-\$8,000,000 0.0

Updates

- ***Procurement Reform Act of 2025 Requirements for BPW:*** Chapter 601 of 2025 is the most recent comprehensive procurement reform in Maryland. For BPW, Chapter 601 requires the following:
 - ***Responsibility Transfer:*** transfer responsibility for establishing various regulations and procedures relating to small businesses and MBE from BPW to the Special Secretary for the Office of Small, Minority, and Women Business Affairs; and
 - ***Procurement Report:*** require the Procurement Advisor to BPW to conduct a study of the economic impacts of instituting an in-state preference for Maryland vendors for all State procurements and submit a report of its findings and recommendations to BPW and General Assembly by December 1, 2025. The submitted report recommends against instituting another in-state preference for State procurements. This recommendation is based on the following: the potential for stifled competition; an existing decline in competitive procurement awards; contradiction of the Purposes and Policies of the State Procurement Law; potential legal challenges; and retaliatory legislation in other states.
- ***No Audit Findings in March 2025 Audit Report:*** The Office of Legislative Audits released an audit report for BPW on March 28, 2025, covering July 1, 2021 through January 15, 2025. There were no audit findings.
- ***Contingent Fund Summary:*** The contingent fund allows BPW to supplement an agency's appropriation during the fiscal year. **Exhibit 9** provides the fiscal 2024 to 2026 summary of contingent fund activity. No activity has occurred in fiscal 2026 beyond the initial appropriation.

Exhibit 9
Contingent Fund Activity
Fiscal 2024-2026

<u>Date</u>	<u>Fund Activity</u>	<u>Amount</u>
July 2023	Fiscal 2024 Legislative 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
July 2024	Fiscal 2025 Legislative Appropriation	\$2,500,000
April 2025	Maryland Department of Agriculture – Spongy Moth Suppression Work (\$135,000) and Highly Pathogenic Avian Influenza Outbreak Response (\$33,000)	\$168,000
June 2025	Department of General Services – emergency response to mold infestation at 100 Community Place in Crownsville	1,069,745
June 2025	Maryland Department of Health – Springfield Hospital Center critical facility maintenance	430,000
June 2025	Maryland Military Department – critical maintenance facility costs	340,000
June 2025	Maryland School for the Deaf – chiller rental costs for academic building until replacement procured	300,000
June 2025	Maryland Department of Planning – offset partial salary and fringe costs of 18 positions since no federal historic preservation funds funding opportunity	180,000
	Total Board of Public Works Approvals	\$2,487,745
	Unspent Funds Reverted to the General Fund	\$12,255
July 2025	Fiscal 2026 Legislative Appropriation	\$1,000,000

Source: Board of Public Works

Appendix 1
2025 Joint Chairmen’s Report Responses from Agency

The 2025 JCR requested that BPW prepare two reports with multiple submission deadlines. Electronic copies of the full JCR responses can be found on the DLS Library website.

- ***Maryland Zoo Operational Reporting:*** MZS was asked to submit audited financial statements for fiscal 2025 and monthly attendance figures for fiscal 2026 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.
- ***Data for Forecasting Payments to Erroneously Confined Individuals:*** BPW and OAH were asked to submit 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 September 1, 2025 report has been submitted, but the January 1, 2026 report has not been submitted. Further discussion of the information in the reports can be found in Key Observation 2 of this analysis.

Appendix 2
Maryland Zoo in Baltimore – Audited Financial Statements
Fiscal 2018-2025

<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>2025</u>	<u>Change 2024-2025</u>	<u>% Change 2024- 2025</u>	<u>Change 2018-2025</u>	<u>Annual % Change 2018- 2025</u>
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	\$5,229,311	\$362,795	7.5%	\$1,667,672	5.6%
Membership Dues	1,997,643	1,967,320	1,720,012	1,991,610	2,500,700	2,599,009	2,410,346	2,514,046	103,700	4.3%	516,403	3.3%
Insurance Recoveries	0	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	702,583	-114,655	-14.0%	66,567	1.4%
Education Programs	334,334	340,411	127,394	67,739	195,804	253,649	354,412	354,463	51	0.0%	20,129	0.8%
Subtotal	\$6,529,632	\$6,591,508	\$4,684,245	\$7,746,677	\$9,080,845	\$9,120,454	\$8,448,512	\$8,800,403	\$351,891	4.2%	\$2,270,771	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	\$13,400,083	-\$3,849,439	-22.3%	\$2,796,380	3.4%
Contributions	1,045,627	3,130,627	1,483,297	1,194,619	1,205,514	2,374,601	2,237,844	2,572,607	334,763	15.0%	1,192,217	13.7%
In-kind Donations	988,617	980,814	1,026,583	1,003,996	1,041,916	1,054,602	1,040,506	1,146,524	106,018	10.2%	51,889	2.1%
Subtotal	\$12,637,947	\$23,675,945	\$14,618,634	\$11,657,791	\$10,441,504	\$13,464,719	\$20,527,872	\$17,119,214	-\$3,408,658	-16.6%	\$4,040,486	4.4%
Other Revenues												
Investment Income	\$13,558	\$27,974	\$22,152	\$55,001	-\$30,918	\$134,169	\$284,547	\$221,997	-\$62,550	-22.0%	\$208,439	49.1%
PPP Loan Forgiveness	0	0	0	1,993,600	1,993,683	0	0	0	0	n/a	0	n/a

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<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>2025</u>	<u>Change 2024-2025</u>	<u>% Change 2024- 2025</u>	<u>Change 2018-2025</u>	<u>Annual % Change 2018- 2025</u>
Employee Retention Credit	0	0	0	1,387,257	603	0	0	0	0	n/a	0	n/a
Other Revenues	31,936	93,606	123,542	189,546	57,594	40,002	15,388	10,482	-4,906	-31.9%	-21,454	-14.7%
Gain/loss on the sale of asset	0	0	0	0	5,161	-32,197	253	1,250	997	394.1%	1,250	n/a
Subtotal	\$45,494	\$121,580	\$145,694	\$3,625,404	\$2,026,123	\$141,974	\$300,188	\$233,729	-\$66,459	-22.1%	\$188,235	26.3%
Total Revenues	\$19,213,073	\$30,389,033	\$19,448,573	\$23,029,872	\$21,548,472	\$22,727,147	\$29,276,572	\$26,153,346	-\$3,123,226	-10.7%	\$6,499,492	4.5%
<u>Expenses</u>												
Program Services	\$15,597,822	\$15,674,587	\$15,255,416	\$16,499,987	\$18,866,980	\$19,853,333	\$19,472,781	\$19,671,593	\$198,812	1.0%	\$4,073,771	3.4%
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	2,292,602	-296,218	-11.4%	-553,372	-3.0%
Fundraising	1,043,783	1,193,368	1,140,243	835,077	916,560	962,575	927,798	849,867	-77,931	-8.4%	-193,916	-2.9%
Total Expenses	\$19,487,579	\$19,306,954	\$18,570,201	\$19,885,691	\$22,362,769	\$23,286,300	\$22,989,399	\$22,814,062	-\$175,337	-0.8%	\$3,326,483	2.3%
Change in Net Assets	-\$274,506	\$11,082,079	\$878,372	\$3,144,181	-\$814,297	-\$559,153	\$6,287,173	\$3,339,284				
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	\$76,715,838				

Appendix 3
Object/Fund Difference Report
Board of Public Works

<u>Object/Fund</u>	<u>FY 25 Actual</u>	<u>FY 26 Wrk Approp</u>	<u>FY 27 Allowance</u>	<u>FY 26-27 \$ Change</u>	<u>% Change</u>
Positions					
01 Regular	11.00	11.00	11.00	0.00	0.0%
02 Contractual	0.00	0.00	0.00	0.00	N/A
Total Positions	11.00	11.00	11.00	0.00	0.0%
Objects					
01 Salaries, Wages and Fringe Benefits	\$1,970,105	\$1,884,499	\$1,966,393	\$81,894	4.3%
02 Technical and Special Fees	14,755	24,290	24,290	0	0.0%
03 Communications	41	1,238	1,238	0	0.0%
04 Travel	748	1,696	1,696	0	0.0%
08 Contractual Services	107,390	152,726	239,771	87,045	57.0%
09 Supplies and Materials	10,791	51,286	51,286	0	0.0%
10 Equipment – Replacement	0	544	544	0	0.0%
12 Grants, Subsidies, and Contributions	28,652,759	31,344,929	38,079,754	6,734,825	21.5%
13 Fixed Charges	7,275	8,067	8,067	0	0.0%
14 Land and Structures	0	538	538	0	0.0%
Total Objects	\$30,763,864	\$33,469,813	\$40,373,577	\$6,903,764	20.6%
Funds					
01 General Funds	\$23,078,964	\$21,969,813	\$28,873,577	\$6,903,764	31.4%
03 Special Funds	7,684,900	11,500,000	11,500,000	0	0.0%
Total Funds	\$30,763,864	\$33,469,813	\$40,373,577	\$6,903,764	20.6%

Note: The fiscal 2026 appropriation includes proposed deficiency appropriations. The fiscal 2027 allowance does not include contingent reductions or statewide salary adjustments budgeted within the Department of Budget and Management.