

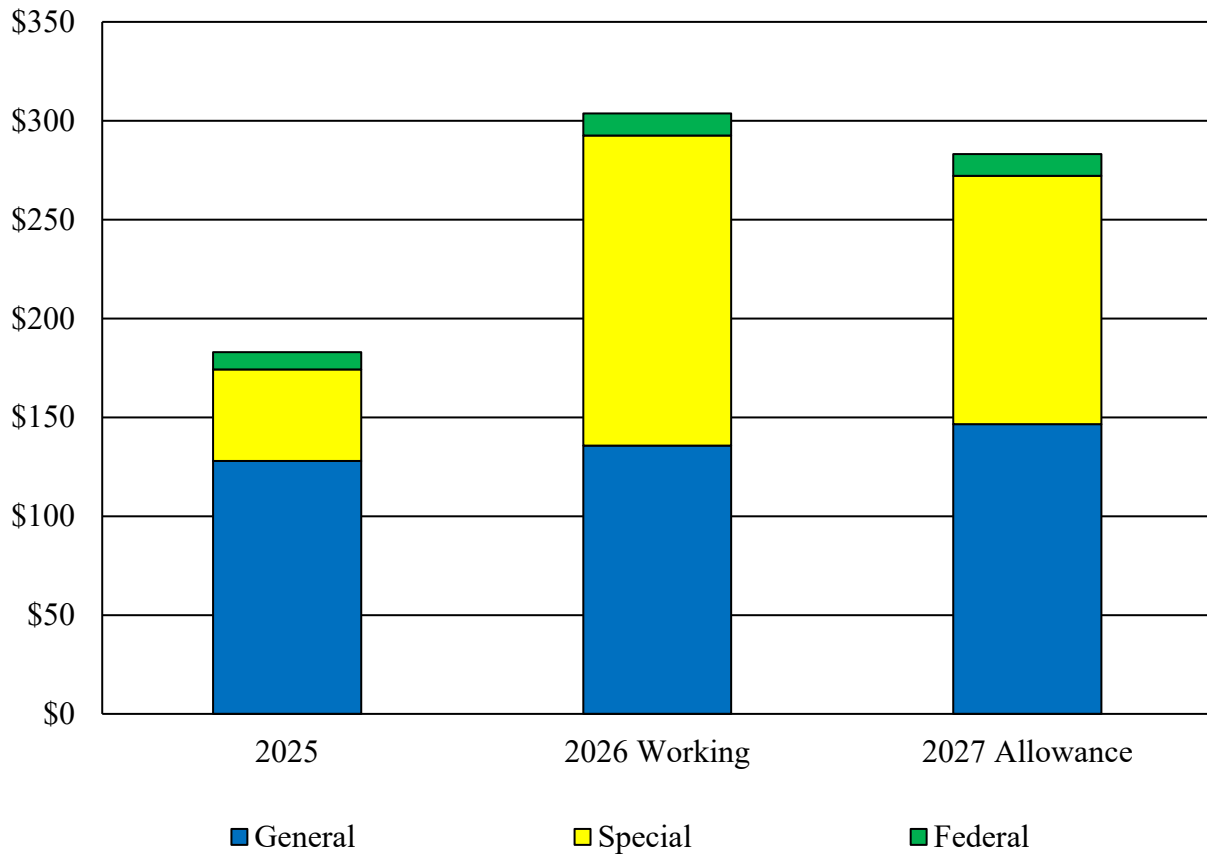
T00
Department of Commerce

Executive Summary

The mission of the Department of Commerce (Commerce) is to strengthen the Maryland economy. Commerce develops and implements programs that aim to generate new jobs or retain existing jobs, attract business investment in new or expanding companies, and promote the State’s strategic assets.

Operating Budget Summary

**Fiscal 2027 Budget Decreases \$20.5 Million, or 6.7%, to \$283.2 Million
(\$ in Millions)**



Note: The fiscal 2026 working appropriation accounts for deficiencies. 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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Key Observations

- ***More Jobs for Marylanders (MJM) Costs Difficult to Project:*** The fiscal 2027 allowance includes \$32.0 million for the MJM tax credit program. The cost of the program in the out-years has proven difficult to project. Based on the number of companies enrolled and the maximum number of eligible jobs that could be created, costs of the program could rise above \$100.0 million by fiscal 2029. Past projections, however, have been higher than actual costs. In fiscal 2025, the program certified tax credits worth \$23.4 million.
- ***Level Funding Proposed for the Economic Development Opportunities Program Account (Sunny Day Fund):*** The fiscal 2027 allowance includes \$16.0 million in general funds for the Sunny Day Fund, level with fiscal 2026 funding. Administration legislation introduced in the 2026 session would make changes to the fund, including establishing it within Commerce and removing the requirement that the Legislative Policy Committee (LPC) approve awards from the fund.
- ***Evaluation of Film Production Activity Tax Credit Released:*** The Film Production Activity Tax Credit offers a refundable tax credit of up to 28% of the direct costs of film production activity in the State, or 30% for a series. A Department of Legislative Services (DLS) evaluation of the tax credit concluded that the program is not likely to result in long-term economic development gains and recommended terminating the program.

Operating Budget Recommended Actions

	<u>Amount</u>
1. Reduce grant funding to the Maryland Tech Council for BioHub Maryland to the fiscal 2026 funding level of \$500,000.	-\$1,500,000
2. Delete funding for the Economic Development Opportunities Program Account.	-\$16,000,000
3. Reduce funding to the Strategic Infrastructure Revolving Loan Fund to \$5 million.	-\$5,000,000
4. Reduce general funds for the Biotechnology Investment Incentive Tax Credit by \$2 million, to a total program funding level of \$10 million.	-\$2,000,000
5. Reduce funding for the Build Our Future Grant Pilot Program from \$7 million to \$3.5 million.	-\$3,500,000

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|----|--|------------|
| 6. | Reduce general funds for the Maryland State Arts Council by \$620,240, level with the fiscal 2026 working appropriation. | -\$620,240 |
| 7. | Reduce funding for Maryland Small Business Development Financing Authority management fees that were overfunded in the allowance due to a data entry error. | -\$625,000 |
| 8. | Delete \$1 million in special funds for the Maryland State Arts Council contingent upon the enactment of legislation eliminating the annual distribution of State admissions and amusement tax revenue. | |
| 9. | Reduce general funds for the More Jobs for Marylanders Tax Credit Reserve Fund by \$17 million contingent upon the enactment of legislation limiting to \$15 million the aggregate amount of final tax credit certificates the Department of Commerce may issue each year under the program. | |

Total Net Change to FY 2027 Allowance **-\$29,245,240**

Budget Reconciliation and Financing Act Recommended Actions

1. In fiscal 2026 only, authorize \$250,000 from the Child Care Capital Support Revolving Loan Fund to be used by the Maryland Health Benefit Exchange for the purpose of an outreach campaign and a survey.
2. Cap the annual value of final tax credit certificates that may be awarded through the More Jobs for Marylanders program at \$15 million and require that the available funding be prorated among qualifying companies; establish in statute a sunset date of June 30, 2037, for the program.
3. Alter the funding formula for the Maryland State Arts Council to require level, rather than increasing, funding each year.
4. Eliminate an annual \$1 million distribution to the Maryland State Arts Council from the State admissions and amusement tax revenue and instead direct that revenue to the General Fund.
5. Sunset the Film Production Activity Tax Credit by providing that the Department of Commerce may not accept an application to qualify as a film production entity for the purpose of the tax credit after June 30, 2026.

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Operating Budget Analysis

Program Description

Commerce’s primary goals are to increase business investment in Maryland, enhance business success and the competitiveness of businesses in their distinct markets, develop a diverse economic base, and ensure that all jurisdictions share in the State’s economic vitality. The department underwent a reorganization in response to an executive order in December 2024 that is reflected in the budget beginning in fiscal 2027. The department separated its prior division of Business and Industry Sector Development into the Division of Innovation and Growth and the Division of Business Attraction and Special Projects:

- ***Innovation and Growth:*** This division includes the offices of Strategic Industries, International Investment and Trade, and Military and Federal Affairs and administers the Maryland E-Innovation Initiative, which provides matching funds for research endowments at higher education institutions.
- ***Business Attraction and Special Projects:*** This division houses the Office of Business Advancement, Recruitment, and Retention and Commerce’s business assistance and financing programs, including the Maryland Economic Development Assistance Authority and Fund (MEDAAF); the Maryland Small Business Development Financing Authority (MSBDF); and the Small, Minority, and Women-Owned Businesses Account (SMWOBA). The division also administers several tax credit programs, two of which are budgeted within the department’s appropriation – the MJM and Biotechnology Investment Incentive programs.
- ***Marketing, Tourism, and the Arts:*** This division’s mission is to strengthen the State’s quality of life and encourage economic development by investing in and promoting Maryland’s unique historic, cultural, and natural assets. The division includes the offices of Marketing and Communications and Tourism Development and the Maryland State Arts Council (MSAC).
- ***Office of the Secretary:*** This division includes the offices of Administration and Technology and Policy and Research and handles the agency’s budget, contracts, and procurement.

Fiscal 2025

Commerce’s actual spending in fiscal 2025 was \$182.9 million, a 34% decrease from the working appropriation of \$276.7 million during last year’s budget process. Five grant and loan

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programs, whose appropriations were primarily in special funds, account for most of the underspending when comparing the fiscal 2025 working appropriation and actual spending:

- ***Cannabis Business Assistance Fund (CBAF) (\$26.2 Million Working, \$390,020 Actual):*** This program did not distribute any grants in fiscal 2025 due to the timing of when funding opportunities were announced. Commerce opened a funding opportunity in June 2025 and expects to expend more of the funds in fiscal 2026;
- ***SMWOBA (\$19.9 Million Working, \$2.9 Million Actual):*** The SMWOBA receives a fixed percentage of video lottery terminal (VLT) revenues, but the program has historically been underutilized. The program’s special fund closed fiscal 2025 with a balance of \$60.6 million, of which \$32.3 million has been awarded to fund managers and is available for them to draw down if and when they issue assistance through the program. Commerce is soliciting additional fund managers for the program as well as offering legislation (the Delivering Economic Competitiveness and Advancing Development Efforts (DECADE) Act) to reallocate VLT revenues to other business assistance programs;
- ***MJM (\$37.5 Million Working, \$23.4 Million Actual):*** This tax credit reserve fund is used to reimburse the General Fund when participating businesses are certified eligible to claim the MJM income tax credit. Actual utilization for this program has historically been difficult to predict, as it is largely dependent on when businesses choose to claim tax credits. The unused fiscal 2025 appropriation, which remains in the special fund, is incorporated into a proposed fiscal 2026 deficiency to increase the availability of special funds for this program and reduce the need for general funds;
- ***MEDAAF (\$17.5 Million Working, \$3.5 Million Actual):*** This program, also known as Advantage Maryland, provides financial assistance for economic development initiatives, primarily in the form of conditional loans to eligible businesses. Commerce reports that due to project timelines, it often takes more than a year to distribute funds for planned spending. As of September 2025, the agency reported \$13.3 million had been encumbered in fiscal 2026, with more encumbrances expected during the rest of the fiscal year; and
- ***MSBDFA Loan Funds (\$19.4 Million Working, \$7.9 Million Actual):*** Most of the funding for this program is federal State Small Business Credit Initiative (SSBCI) funding through the American Rescue Plan Act. As of January 2026, the MSBDFA’s fund manager had received \$14.0 million in SSBCI funding, settled transactions to distribute \$8.2 million, and was in the process of settling \$3.3 million.

Commerce should comment on why these programs were underutilized in fiscal 2025 and what is being done in fiscal 2026 to ensure that appropriated funding is reaching the intended recipients.

Fiscal 2026

Status of Legislative Additions

The fiscal 2026 Budget Bill included \$910,000 in general funds added by the legislature for grants to five organizations:

- \$300,000 for Ignite Capital;
- \$200,000 for the Baltimore Symphony Orchestra (BSO);
- \$150,000 for the Minority Business Economic Council to support MBE Night in Annapolis;
- \$150,000 for the Merriweather Arts and Culture Center; and
- \$110,000 for the Columbia Festival of the Arts.

Grants to Ignite Capital and BSO have been paid; all others were in progress as of January 2026 and are expected to be distributed soon. Continuing funding of \$300,000 for Ignite Capital is provided in the allowance. BSO also receives \$500,000 in the allowance following the end of mandated funding for the organization.

The legislature also added \$80,400 in general funds for a nonprofit organizations manager. Chapters 314 and 315 of 2025 instructed Commerce to designate a nonprofit organizations navigator to assist nonprofit organizations in accessing State grant programs. The contractual position has been filled, and continuing funding is provided in the fiscal 2027 allowance. The provisions establishing the navigator position sunset at the end of fiscal 2027.

Funding for Child Care Providers Survey and Outreach

Fiscal 2026 Budget Bill language restricted \$250,000 in special funds from the Child Care Capital Support Revolving Loan Fund for a transfer to the Maryland Health Benefit Exchange (MHBE) contingent on legislation that was enacted through Chapter 679 of 2025. MHBE was to use the funds for an outreach campaign to help child care workers enroll in health insurance and conduct a survey about the availability of health insurance among child care providers. MHBE has submitted the report but has not yet requested funding. Following the 2025 session, however, further research determined that the Child Care Capital Support special fund cannot be used for this purpose under the statute. **To effectuate the intended transfer, DLS recommends adopting a Budget Reconciliation and Financing Act (BRFA) provision authorizing the outreach campaign and survey as an allowable use from the special fund in fiscal 2026.**

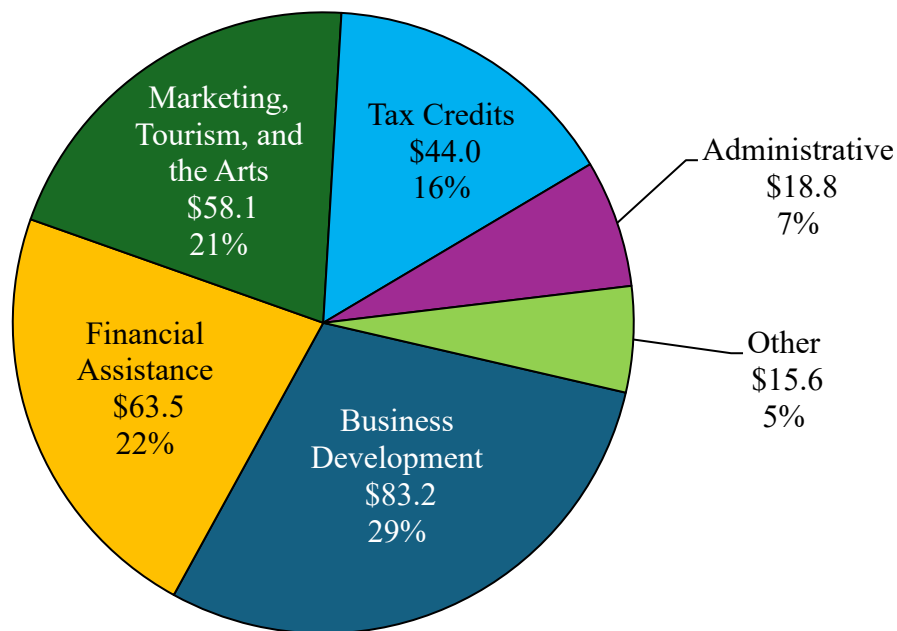
Proposed Deficiencies

The budget bill includes proposed personnel deficiencies totaling \$800,000 for shortfalls related to lower than expected vacancy savings. A fund swap in the MJM program also proposes replacing \$16.1 million in general funds with the same amount in special funds in fiscal 2026 in order to make use of an existing fund balance.

Fiscal 2027 Overview of Agency Spending

Commerce’s fiscal 2027 allowance totals \$283.2 million. As shown in **Exhibit 1**, the majority of the allowance goes to business development, financial assistance, and tax credit programs to encourage business attraction, retention, and growth. Commerce also includes the budget for MSAC, which administers a number of grant programs to support working artists and arts and culture programs in the State.

Exhibit 1
Overview of Agency Spending
Fiscal 2027 Allowance
(\$ in Millions)



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

Business Development

Commerce’s business development programs include the CBAF, for which the fiscal 2027 allowance includes \$25.9 million in special funds. The allowance also includes level funding for the Build Our Future Grant Pilot Program (\$7.0 million in general funds) and the Industry 4.0 Technology Grant Program, also known as Maryland Manufacturing 4.0 (\$2.0 million in general funds). Industry 4.0, established by Chapter 498 of 2023, provides grants to small and mid-sized manufacturers to purchase advanced manufacturing technology and train employees to use it. Chapter 498 also requires the Governor to include at least \$1.0 million for the program in the allowance annually in fiscal 2025 through 2028. Build Our Future, established by Chapter 430 of 2023, provides grants for infrastructure and workforce development in eligible technology sectors. With its focus on providing grants to support infrastructure development in the technology sector, Build Our Future overlaps significantly with other State programs, including Industry 4.0, the Maryland Technology Development Corporation’s Equitech Growth Fund, and several Maryland Department of Labor programs related to cybersecurity and cyber ranges. **Due to the similarity to other State programs and the State’s budget constraints, DLS recommends reducing funding for the Build Our Future program from \$7 million to \$3.5 million.**

Two programs within the Maryland Economic Development Corporation (MEDCO) that receive pass-through funding in Commerce’s allowance are the Strategic Infrastructure Revolving Loan Fund (\$10.0 million) and the Certified Sites program (\$3.5 million), both of which are level funded from the prior year. More about these programs can be found in the analysis for T00A99 – MEDCO. The Certified Sites program, which provides grants to support costs associated with site development and improvement, has awarded most of its fiscal 2026 appropriation through 24 grants. The Strategic Infrastructure program, which will provide loans for real estate and infrastructure projects with a focus on underutilized government and institutional property, is still in development, but MEDCO anticipates offering the first round of loans before the end of fiscal 2026. **DLS recommends reducing funds for the Strategic Infrastructure Revolving Loan Fund from \$10.0 million to \$5.0 million, since the program has not yet launched or started encumbering its fiscal 2026 appropriation.**

Financial Assistance and Tax Credits

Financial assistance programs receiving funding in the fiscal 2027 allowance include the SMWOBA (\$20.5 million in special funds), the MEDAAF (\$17.5 million in special funds), and the MSBDEFA (\$14.2 million in special and federal funds). The MJM tax credit, which is discussed further in the Issues section, receives \$32.0 million based on future estimates of tax credits to be claimed under the program. The Biotechnology Investment Incentive Tax Credit (BIITC) receives \$12.0 million, of which \$7.3 million is special funds from the program’s reserve fund balance and \$4.7 million is general funds. Program spending in recent years has been less than the appropriation, with BIITC awards in fiscal 2023 through 2025 averaging \$6.3 million annually. **DLS recommends reducing the general fund appropriation by \$2.0 million, due to the lower level of program utilization in recent years.** This would bring the total fiscal 2027 funding for BIITC to \$10.0 million.

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The allowance includes level funding of \$7.8 million in special funds and \$2.2 million in general funds for the Child Care Capital Support Revolving Loan Fund. The fund provides no-interest loans for licensed child care providers who participate in the State’s Child Care Scholarship Program for capital costs related to child care facilities. Capital projects may include facility acquisition, expansion, renovation, or construction. Since it was established by Chapter 466 of 2022, through mid-December 2025 the fund has made \$29.2 million in loans to 146 providers. Of those, 60 loans have payments that are delinquent by 31 or more days, including 40 that are delinquent by 121 or more days.

Arts Funding

MSAC receives \$31.9 million in the fiscal 2027 allowance, of which \$27.7 million is for grants. The council’s largest program, Grants for Organizations (\$20.4 million), provides general operating support to nonprofit and governmental arts organizations that present ongoing arts programming to the public. Other grant programs include Community Arts Development (\$4.9 million), which supports designated county arts offices; the Folklife Network (\$735,000), which supports traditional artists; and the Public Art program (\$650,000), which supports the commissioning and conservation of art in public spaces. The fiscal 2027 allowance also includes \$200,000 for a grant for the Hippodrome Theatre in Baltimore to complete a facility assessment study to determine needed infrastructure improvements. MSAC also administers a capital program, the Maryland Arts Capital Grant Program, which is discussed in the capital budget analysis for T00* – Commerce.

MSAC receives mandated annual funding through a formula that requires the Governor to include a general fund allowance that is at least equal to the previous year’s appropriation, increased by no less than the percentage by which statewide general fund revenues are projected by the Bureau of Revenue Estimates to rise in the allowance year. General funds for MSAC in the fiscal 2027 allowance total \$29.7 million. **DLS recommends reducing general funds to MSAC to \$29.1 million, level with the fiscal 2026 working appropriation, due to the State’s fiscal condition. DLS also recommends adopting a BRFA provision requiring the Governor to include a level, rather than increased, general fund allowance for MSAC each year.**

MSAC also receives an annual distribution of \$1.0 million from State admissions and amusement tax revenue. **DLS recommends eliminating this distribution and redirecting the revenue to the General Fund.**

Commerce also operates the Preservation of Cultural Arts (POCA) program, which is intended to provide emergency funding to prevent the closure, termination, or financial distress of cultural arts organizations, including museums. The fiscal 2027 allowance includes \$1.3 million in State admissions and amusement tax revenue for POCA, all of which must be distributed to specific entities named in statute.

Proposed Budget Change

As shown in **Exhibit 2**, the fiscal 2027 allowance decreases by \$20.5 million overall, as a \$31.2 million decrease in special fund spending is partially offset by a \$10.7 million increase in general funds. Funding for the MJM tax credit, which is discussed further in the Issues section, decreases by \$15.8 million overall. After a proposed deficiency, the entire fiscal 2026 appropriation of \$47.8 million for MJM will be in special funds to use an available fund balance. The fiscal 2027 allowance includes \$20.0 million in general funds and \$12.0 million in special funds for MJM, and this provision of general funds is a major factor in the overall budget’s general fund increase.

Exhibit 2
Proposed Budget
Department of Commerce
(\$ in Thousands)

How Much It Grows:	<u>General</u> <u>Fund</u>	<u>Special</u> <u>Fund</u>	<u>Federal</u> <u>Fund</u>	<u>Total</u>
Fiscal 2025 Actual	\$127,988	\$46,261	\$8,684	\$182,933
Fiscal 2026 Working	135,752	156,843	11,095	303,691
Fiscal 2027 Allowance	146,469	125,630	11,127	283,225
Fiscal 2026-2027 \$ Change	\$10,717	-\$31,214	\$31	-\$20,466
Fiscal 2026-2027 % Change	7.9%	-19.9%	0.3%	-6.7%
Where It Goes:				<u>Change</u>
Personnel Expenses				
Employee and retiree health insurance				\$1,021
Salary and associated fringe benefits.....				651
Deferred compensation match due to statewide change in budgeting.....				75
Workers’ compensation premium assessment				7
Turnover adjustment from 5.68% to 9.06%				-981
Other Changes				
Grant to MEDCO for Prieto Battery Headquarters				2,500
Increase in grant funding to the Maryland Tech Council for BioHub Maryland from \$500,000 to \$2 million.....				1,500
MSBDFSA Surety Bond Fund management fees increase due to a data entry error ...				625
Software licenses				343
Restoration of mandated funding for the Maryland New Start Microloan Program				300
Increase in Maryland State Arts Council funding for grants				471

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Where It Goes:	<u>Change</u>
Shared services cost allocations.....	44
Contractual personnel	-98
End of mandated funding for Baltimore Symphony Orchestra, partially offset by a \$500,000 grant	-200
Legislative additions for grants to the Baltimore Symphony Orchestra, Minority Business Economic Council, Merriweather Arts and Culture Center, and Columbia Festival of the Arts.....	-610
End of mandated funding for the Western Maryland Economic Future Investment Program.....	-10,000
More Jobs for Marylanders tax credit reserve funding.....	-15,800
Other	-317
Total	-\$20,466

MEDCO: Maryland Economic Development Corporation
MSBDFA: Maryland Small Business Development Financing Authority

Note: Numbers may not sum to total due to rounding. The fiscal 2026 working appropriation accounts for deficiencies. 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.

The allowance includes \$2.5 million in general funds for a grant to MEDCO to support the planned relocation to Maryland of Prieto Battery, a Colorado-based company that develops and manufactures rechargeable batteries. Commerce reports that details of the relocation are still being worked out, but that the headquarters is expected to employ 100 people initially and grow to 300 jobs at full capacity.

Other areas of change include a \$10.0 million decrease in general funds for the Western Maryland Economic Future Investment Program, which provides funding for infrastructure and business development projects through the Senator George C. Edwards Fund and the Tri-County Council of Western Maryland. Fiscal 2026 was the last year of mandated funding for the program. The allowance also increases grant funding for the Maryland Tech Council for BioHub Maryland from \$500,000 to \$2.0 million in general funds. **DLS recommends reducing funding for BioHub Maryland to the fiscal 2026 level due to the State’s fiscal condition.**

The allowance includes a \$625,000 increase in special funds for MSBDFA management funds, which Commerce reports is the result of a data entry error as the contract costs are not actually planned to increase. **DLS recommends deleting the increase for MSBDFA management funds.**

Budget Reconciliation and Financing Act

A provision in the BRFA as introduced would expand the allowable uses of the CBAF for fiscal 2027 through 2029 to include operating costs of up to \$5.0 million for the Department of Social and Economic Mobility (DoSEM). The budget as introduced includes \$5.0 million in special funds from the CBAF and a corresponding reduction in general funds in DoSEM’s budget, contingent on the enactment of the provision. For fiscal 2024 through 2028, the CBAF receives 5% of cannabis sales tax revenues, which totaled \$3.2 million in fiscal 2024 and \$2.1 million in fiscal 2025. The fund also received \$80.0 million total in general funds appropriated in fiscal 2023 and 2024. The CBAF closed fiscal 2025 with a balance of more than \$40.0 million; after accounting for planned fiscal 2026 spending and anticipated tax revenue, the fund is projected to close fiscal 2026 with a balance of \$16.2 million.

The CBAF does not have any annual recurring programs so far and has been offering one-time rounds of funding, primarily tailored to the needs of social equity cannabis licensees and applicants. In June 2025, Commerce opened applications for the most recent opportunity, which will provide direct capital assistance to social equity applicants that have been awarded conditional licenses. The funding will be provided in tranches as grantees meet various milestones on the way to becoming operational and securing standard adult-use cannabis licenses. If the BRFA provision is adopted, Commerce will need to take planned distributions to DoSEM into account when planning future rounds of funding.

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	208.00	209.00	209.00	0.00
Contractual FTEs	<u>23.45</u>	<u>22.40</u>	<u>22.41</u>	<u>0.01</u>
Total Personnel	231.45	231.40	231.41	0.01

Vacancy Data: Regular Positions

Turnover and Necessary Vacancies, Excluding New Positions	18.94	9.06%
Positions and Percentage Vacant as of 12/31/25	15.00	7.18%
Vacancies Below Turnover	3.94	

- In October 2025, the Board of Public Works (BPW) approved the abolition of 502.7 positions statewide, including 170.7 vacant positions and 332.0 positions associated with the Voluntary Separation Program (VSP). In Commerce, 3.0 positions were abolished, of which 1.0 was vacant and had never been filled and 2.0 in the administrative division that were due to the VSP. The 3.0 positions had a combined fiscal 2026 salary cost of \$531,659.

Issues

1. More Jobs for Marylanders Costs Prove Unpredictable

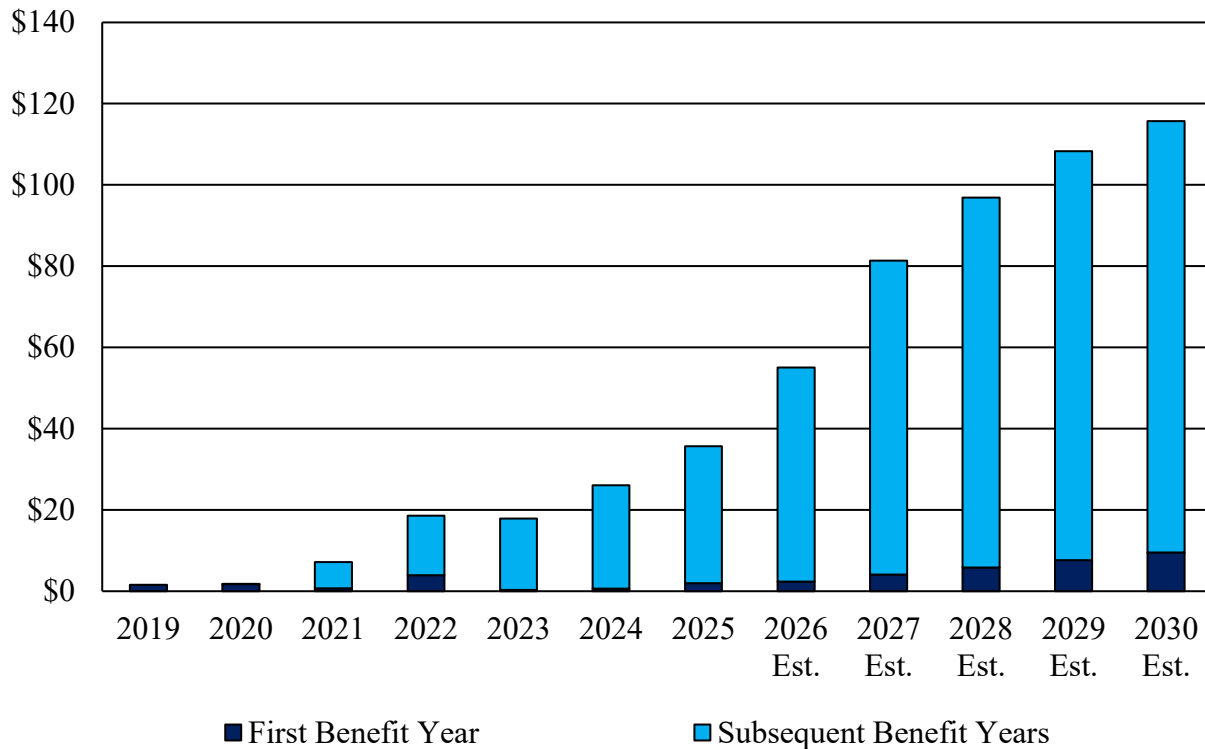
Chapter 149 of 2017, as modified by Chapter 136 of 2022, established the MJM program, which provides State income tax, sales tax, property tax, and fee benefits to certain businesses that create and maintain a minimum number of qualified jobs. Eligibility for specific benefits is determined by the type of business, its location, whether it is a new business, and whether it enrolled in the program before or after the Chapter 136 modifications. Generally, a business must be primarily engaged in manufacturing or located in a federal opportunity zone to be eligible. As long as program requirements continue to be met, businesses are eligible for 5 or 10 consecutive years of benefits. Benefits include a refundable State income tax credit equal to 4.75% or 5.75% of the wages paid to each qualified position, with the lower rate for projects enrolled after the Chapter 136 modifications. Enrollment for the program closed May 31, 2024.

General funds are appropriated to the MJM reserve fund based on the anticipated amount of credits to be claimed. When Commerce certifies the tax credit a company is eligible for in a particular year, the initial certificate amount is then transferred from the Reserve Fund to the General Fund. The fiscal 2027 allowance includes \$20.0 million in general funds and \$12.0 million in special funds for the program. The budget bill also includes a \$16.1 million special fund deficiency appropriation in fiscal 2026, to utilize an existing reserve fund balance and provide a corresponding reduction in general funds, making the full working appropriation in fiscal 2026 special funds total \$47.8 million.

Program Costs Have Increased But Remain Difficult to Project

After enrolling in the program, a company must file an initial certificate for each year of participation stating the number of qualifying jobs that it intends to create; this determines the maximum tax credit that the company will be eligible for in that benefit year. Statute limits the aggregate value of first-year initial credit certificates that Commerce may accept each fiscal year, but there is no limit on tax credits for later program years. After the jobs are created and sustained for at least one year, the company applies to Commerce for a final certificate, which states the final tax credit awarded to the company. **Exhibit 3** shows initial certificates issued during the program, divided into first-year certificates and subsequent program years.

**Exhibit 3
More Jobs for Marylanders Tax Credits – Initial Certificates
Fiscal 2019-2030 Est.
(\$ in Millions)**



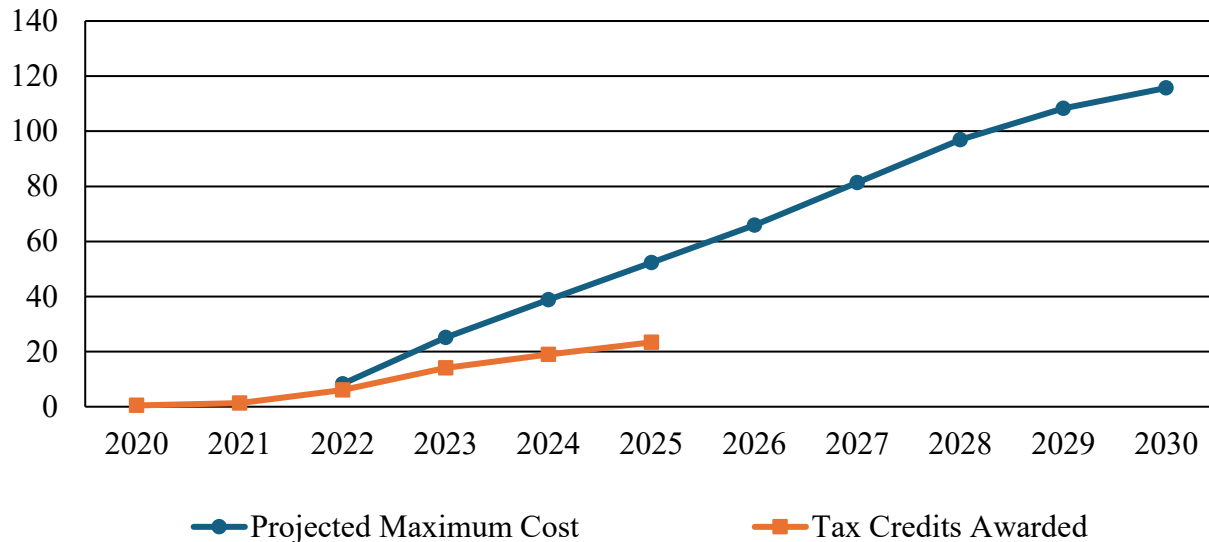
Source: Department of Commerce

Companies are eligible for 5 to 10 years of credits, depending on when they enrolled in the program, but there is no deadline in statute to apply for a final certificate. Companies are also not limited by the annual tax filing deadline, as Commerce reports that many opt to apply for a final certificate later and then file an amended tax return for a prior year. This creates substantial uncertainty about both the amount of credits that will ultimately be claimed and for how many years funding will be needed.

In any given year, the reserve fund balance must be sufficient to transfer the value of initial certificates to the General Fund. Commerce provides DLS with estimates of tax credits in the out-years based on the number of companies enrolled and how many years of credits have already been claimed, but these are typically higher than actual program spending. The agency also submits an annual reserve fund report stating the amount of funding that will likely be needed in the next year, which incorporates program staff’s previous experience and knowledge of the companies in

the program and is typically close to the funding appropriation. **Exhibit 4** shows previous estimates of out-year expenditures and general funds appropriated to the reserve fund.

Exhibit 4
More Jobs for Marylanders Projected and Actual Tax Credits Awarded
Fiscal 2020-2030
(\$ in Millions)



Source: Department of Commerce

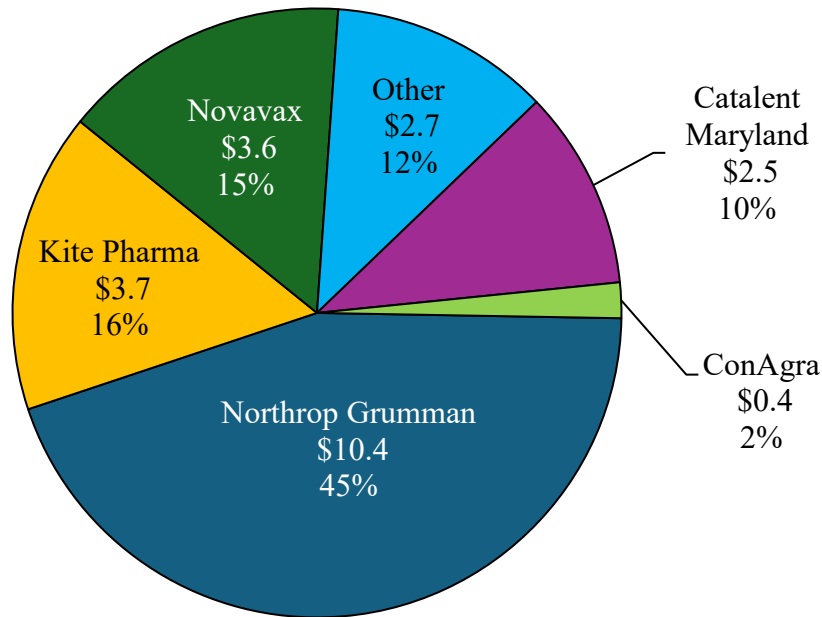
Although actual spending has been below the maximum projected costs, it has continued to rise, with \$23.4 million awarded in fiscal 2025. **To improve spending predictability and limit the budgetary impact going forward, DLS recommends adopting a BRFA provision to cap the annual value of final tax credit certificates that may be awarded at \$15.0 million and require that available funding be prorated among qualified companies. DLS also recommends setting a sunset date of June 30, 2037, for the program in statute, after which no applications for final certificates may be claimed. DLS also recommends reducing general funds for fiscal 2027 by \$17.0 million contingent on the enactment of the provision to reduce the program budget to the \$15.0 million cap.**

Fiscal 2025 Program Utilization

In fiscal 2025, Commerce awarded \$23.4 million in MJM tax credits to 30 companies with 33 project sites and 3,964 qualifying jobs. Northrop Grumman and 3 biotechnology companies – Novavax, Kite Pharma, and Catalent Maryland – collectively account for 86% of the tax credits awarded, as shown in **Exhibit 5**. Accounting for 12% of the credits are 25 companies with fewer

than 100 qualifying jobs each. A list of MJM tax credits awarded in fiscal 2025 is included in **Appendix 2**.

Exhibit 5
More Jobs for Marylanders Tax Credits by Company
Fiscal 2025
(\$ in Millions)



Source: Department of Commerce

2. Level Funding Proposed for Sunny Day Fund

The fiscal 2027 allowance includes \$16.0 million in general funds for the Sunny Day Fund within the State Reserve Fund. The fiscal 2026 budget as enacted appropriated \$16.0 million for the fund, which has not yet been encumbered. Commerce reports that it is working with four companies that it intends to request funding for, including AstraZeneca, which also receives \$14.6 million in pay-as-you-go (PAYGO) funding in the proposed budget as part of an eight-year capital commitment of \$116.6 million. More discussion of the proposed PAYGO funding can be found in the capital budget analysis for H00* – Department of General Services. Commerce also reports that it is in discussions with two companies to utilize funding appropriated in fiscal 2027, one of which would be continuing funding of a potential fiscal 2026 Sunny Day Fund award. **DLS recommends deleting fiscal 2027 funding for the Sunny Day Fund due to the State’s fiscal condition and since plans for fiscal 2026 funding have not been finalized at the time of writing.**

Sunny Day Fund History

The Sunny Day Fund may be used to provide loans, grants, or investments to take advantage of extraordinary economic development opportunities, broadly defined in part as those situations that create or retain substantial numbers of jobs and where considerable private investment is leveraged. In exchange for State support, statute requires that Sunny Day incentive agreements include performance requirements, such as job creation, capital investment, and other measures of economic development and a clawback or other recalibration clause if requirements are not met. Businesses must also invest in capital at a level at least equal to five times the value of the Sunny Day incentive offered. Proposals for Sunny Day funding must be approved by LPC.

The fund has been used sparingly in recent years. Northrop Grumman and Marriott each received \$20.0 million in calendar 2016 and 2017, respectively, to retain facilities in the State. An award totaling \$6.0 million over five years was proposed in calendar 2023 for United Safety Technology (UST), and the first planned distribution of \$2.0 million was included in the fiscal 2024 budget. UST ultimately did not move forward with the project, however, and funds were not distributed.

In October 2025, Commerce submitted a request to LPC for approval to transfer \$5 million from the fund to MEDCO for a grant to York Building Products to construct a new calcined clay manufacturing facility. DLS recommended that LPC not approve the request, as it did not meet several statutory requirements for use of the Sunny Day Fund, including requirements that the company meet minimum economic development outcomes in exchange for funding and a clawback provision if those outcomes are not met. Commerce subsequently withdrew the request. **Exhibit 6** shows recent projects proposed for the Sunny Day Fund.

Exhibit 6 Proposed Sunny Day Fund Projects Calendar 2016-2025

	<u>State Investment</u>	<u>Permanent Jobs</u>	<u>Cost Per Job</u>	<u>Project Outcome</u>
Northrop Grumman Corporation (2016)	\$20,000,000	10,000	\$2,000	Completed
Marriott International (2017)	20,000,000	3,250	6,154	Completed
United Safety Technology (Proposed 2023)	6,000,000	1,806	3,322	Not Completed
York Building Products (Proposed 2025)	5,000,000	45	111,111	Withdrawn

Note: Permanent jobs includes the projected number of full-time jobs created or retained by the project. Cost per job is the amount of Sunny Day funding per projected job.

Source: Department of Legislative Services

Potential Legislative Changes

SB 388/HB 898 (the DECADE Act) are Administration bills that propose to rename the Sunny Day Fund to the Strategic Closing Account, establish it within Commerce rather than the State Reserve Fund, and remove the requirement that a recipient of assistance from the fund invest in capital at a level equal to five times the value of the incentive offered. The legislation would also remove the requirement that LPC approve uses of the fund and instead require only LPC notification. Commerce has stated that it intends to focus use of the fund on business attraction, rather than retention. Removing the requirement for LPC approval could expedite the process of making awards from the fund but would reduce legislative oversight of its use.

3. Film Production Activity Tax Credit

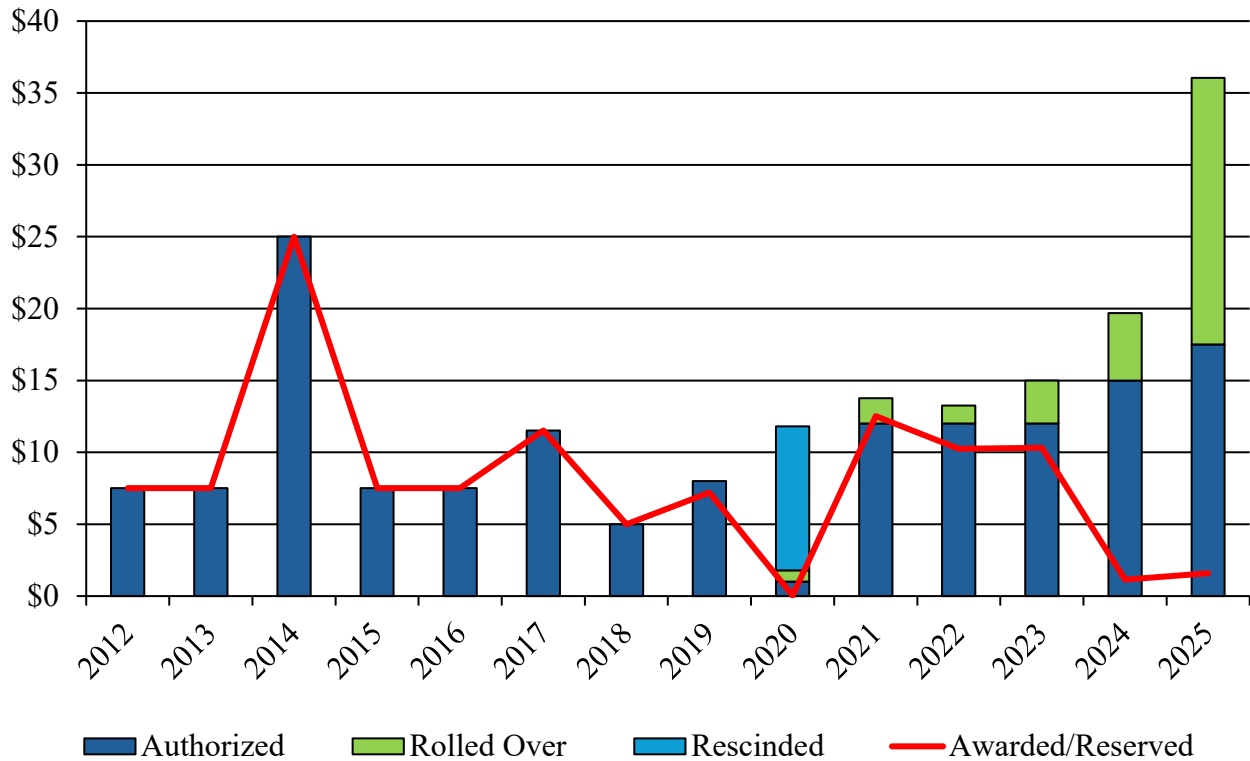
The Film Production Activity Tax Credit offers a refundable tax credit of up to 28% of the direct costs of film production activity in the State, or 30% for a series. Under current statute, Commerce may certify film credits of up to \$12.0 million per year, with a \$10.0 million limit on credits to a single production.

DLS conducted an evaluation of the film tax credit during the 2025 interim that recommended the General Assembly consider terminating the tax credit and instead focus economic development efforts on incentives that generate lasting economic development. **Consistent with the evaluation’s findings, DLS recommends adopting a BRFA provision to sunset the Film Production Activity Tax Credit after fiscal 2026.**

Program Activity

The total amount of funding awarded peaked in fiscal 2014, when three seasons of *House of Cards* and two seasons of *VEEP* received tax credits. Since fiscal 2019, annual tax credit awards have lagged behind available funding. Those two series received 97% of the total awards in fiscal 2012 through 2016. In fiscal 2017 through 2025, four series – *House of Cards*, *Lady in the Lake*, *Lioness*, and *We Own this City* – accounted for 90% of the total amount of tax credits awarded or reserved. The amount of available tax credit has been changed in statute several times. Chapter 595 of 2018 established a 10% set-aside for small and independent films and the \$10.0 million per-production cap. **Exhibit 7** shows the total amount of tax credits available and awarded in each year for which the program has been in effect. This includes unused portions of the tax credit cap, which may be rolled over each year.

Exhibit 7
Authorized and Awarded Film Production Activity Tax Credits
Fiscal 2012-2025
(\$ in Millions)



Note: Rescinded credits reflect a \$10.0 million award that was reserved against fiscal 2020 funding and subsequently rescinded during the COVID-19 pandemic under State cost containment measures.

Source: Department of Commerce; Department of Legislative Services

Tax Credit Evaluation Findings

The DLS evaluation concluded that the program is unlikely to generate lasting economic growth, in part because economic activity generated by film or television production is generally temporary in nature. The existing research literature on state film tax incentives also does not offer strong evidence that film tax credits are an effective economic development tool. Recent evaluations in other states have estimated small, positive economic effects and limited return on investment. Estimates of tax revenue generated by film tax credits have ranged from \$0.03 to \$0.31 for each dollar in credit awarded.

Potential Legislative Changes

The DECADE Act proposes eliminating the current \$10.0 million cap on tax credits that a single production may receive. Commerce’s film office reports that the per-production cap is a barrier to attracting large productions to the State. The statute allows unused tax credit amounts up to the annual cap to be rolled over to increase capacity in future years; due to this provision, the available funding in fiscal 2026 includes \$34.5 million in unused credits from past years that may be issued in a future year. A larger tax credit using the rolled-over funds could be used to attract a large production to the State, but it could also lead to a larger revenue decrease in the year when the credit is claimed. The film tax credit is refundable and thus not limited by a film production’s State tax liability. The tax credit evaluation recommended reevaluating the per-project cap but also considering a limit on the amount of available tax credit funding that may be rolled over.

Operating Budget Recommended Actions

	<u>Amount Change</u>	<u>Position Change</u>
1. Reduce grant funding to the Maryland Tech Council for BioHub Maryland to the fiscal 2026 funding level of \$500,000.	-\$1,500,000	GF
2. Delete funding for the Economic Development Opportunities Program Account, commonly referred to as the Sunny Day Fund, due to the State’s budget constraints.	-\$16,000,000	GF
3. Reduce funding to the Strategic Infrastructure Revolving Loan Fund from \$10 million to \$5 million.	-\$5,000,000	GF
4. Reduce general funds for the Biotechnology Investment Incentive Tax Credit by \$2 million, to a total program funding level of \$10 million.	-\$2,000,000	GF
5. Reduce funding for the Build Our Future Grant Pilot Program from \$7 million to \$3.5 million due to the State’s budget constraints and the program’s overlap with other State technology infrastructure grant programs.	-\$3,500,000	GF
6. Reduce general funds for the Maryland State Arts Council by \$620,240, level with the fiscal 2026 working appropriation.	-\$620,240	GF
7. Reduce funding for Maryland Small Business Development Financing Authority management fees that were overfunded in the allowance due to a data entry error.	-\$625,000	SF
8. Add the following language to the special fund appropriation: <u>. provided that this appropriation shall be reduced by \$1,000,000 contingent upon the enactment of legislation eliminating the annual distribution to the Maryland State Arts Council from the revenue from the State admissions and amusement tax on electronic bingo and electronic tip jars</u>		

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Explanation: A related Budget Reconciliation and Financing Act recommendation would eliminate an annual \$1 million distribution to the Maryland State Arts Council (MSAC) from the State admissions and amusement tax revenue and redirect that revenue to the General Fund. This language reduces the special fund appropriation for MSAC by \$1 million contingent upon the enactment of that provision.

9. Add the following language to the general fund appropriation:

. provided that this appropriation shall be reduced by \$17,000,000 contingent upon the enactment of legislation limiting to no more than \$15,000,000 the aggregate amount of final tax credit certificates the Department of Commerce may issue each year under the More Jobs for Marylanders program

Explanation: A related Budget Reconciliation and Financing Act recommendation would limit the annual amount of final tax credit certificates that may be issued each year under the More Jobs for Marylanders program to no more than \$15 million. This language reduces general funds for the program contingent on the enactment of the provision, so that total fiscal 2027 funding is \$15 million.

Total Net Change to FY 2027 Allowance	-\$29,245,240	0.0
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Budget Reconciliation and Financing Act Recommended Actions

1. In fiscal 2026 only, authorize \$250,000 from the Child Care Capital Support Revolving Loan Fund to be used by the Maryland Health Benefit Exchange for the purpose of an outreach campaign and a survey.
2. Cap the annual value of final tax credit certificates that may be awarded through the More Jobs for Marylanders program at \$15 million and require that the available funding be prorated among qualifying companies; establish in statute a sunset date of June 30, 2037, for the program.
3. Alter the funding formula for the Maryland State Arts Council to require level, rather than increasing, funding each year.
4. Eliminate an annual \$1 million distribution to the Maryland State Arts Council from the State admissions and amusement tax revenue and instead direct that revenue to the General Fund.
5. Sunset the Film Production Activity Tax Credit by providing that the Department of Commerce may not accept an application to qualify as a film production entity for the purpose of the tax credit after June 30, 2026.

Appendix 1
2025 Joint Chairmen’s Report Responses from Agency

The 2025 *Joint Chairmen’s Report* (JCR) requested that Commerce prepare two reports. Electronic copies of the full JCR responses can be found on the DLS Library website.

- ***Mitigation of Impacts from Dredging Related to Sparrows Point Container Terminal Project:*** Commerce and Tradepoint Atlantic reported on efforts to mitigate the impacts of dredging operations on the Pleasant and North Point yacht clubs. Tradepoint has found alternative placements for dredging material and no longer needs to use yacht club properties for this purpose. Discussions between Tradepoint Atlantic and Pleasant Yacht Club about the possibility of a long-term lease to allow Pleasant Yacht Club to continue to use the property were ongoing as of October 2025.
- ***Report on the Use of Grant Funds:*** MSAC and BPW both provided reports on the use of grant funds provided to the Baltimore Mayor’s Office of Art and Culture or to the Baltimore Office of Promotion and the Arts (BOPA) in fiscal 2024 through 2026. MSAC reported that BOPA and the associated nonprofit Baltimore Festival of the Arts have received support from the County Arts Development and Grants for Organizations programs. The Mayor’s Office of Art and Culture did not receive funds from Commerce or MSAC during this time period.

Appendix 2
More Jobs for Marylanders Tax Credits
Fiscal 2025

<u>Business</u>	<u>County</u>	<u>Jobs Certified</u>	<u>Final Credit Amount</u>
Catalent Maryland, Inc. Harmans	Anne Arundel	396	\$1,976,089
Northrop Grumman Systems Corporation	Anne Arundel	1,574	9,799,658
Kratos Space and Missile Defense Systems, Inc.	Anne Arundel	11	76,382
L3 Technologies, Inc.	Anne Arundel	25	133,417
Gotham Greens Baltimore LLC	Baltimore	33	72,053
Michele’s Granola LLC	Baltimore	23	37,090
Niagara Bottling, LLC	Baltimore	18	92,057
Sumatech, Inc.	Baltimore	18	62,493
Catalent Maryland, Inc.	Baltimore City	102	494,567
General Ship Repair Corp., The	Baltimore City	17	58,844
Marlin Steel Wire Products LLC	Baltimore City	20	92,382
Union Craft Brewing Company LLC	Baltimore City	10	18,986
EVAPCO, Inc.	Carroll	86	364,246
Northrop Grumman Innovation Systems (fka Alliant Techsystems Operations, LLC)	Cecil	116	620,127
Kite Pharma, Inc.	Frederick	461	3,724,591
BioFactura, Inc.	Frederick	15	100,704
Wright Manufacturing, Inc.	Frederick	31	80,069
Beitzel Corporation	Garrett	31	125,205
Elite Comfort Solutions, LLC	Harford	31	103,057
Impact Automation Inc.	Howard	14	106,264
Novavax, Inc.	Montgomery	445	3,574,181
Lentigen Technology, LLC	Montgomery	50	276,999
Miltenyi Biotec North America, Inc.	Montgomery	27	135,091
Whisked, Inc.	Prince George’s	16	44,634
Miltec Corporation	Queen Anne	11	50,846
The Sherwin Williams Company	Somerset	30	103,801
Aphena Pharma Solutions-Maryland, LLC 1	Talbot	52	168,617
ConAgra Foods Packaged Foods, LLC	Washington	150	440,052
Fabricated Extrusion Co. of MD LLC	Washington	32	118,278
Hitachi Rail STS USA, Inc.	Washington	11	66,399
Ring Container Technologies, LLC	Washington	17	61,119
Chesapeake Shipbuilding Corporation	Wicomico	85	164,822
Chesapeake Shipbuilding Corporation	Wicomico	6	20,428
Total		3,964	\$23,363,548

Source: Department of Commerce

Appendix 3
Object/Fund Difference Report
Department of Commerce

<u>Object/Fund</u>	<u>FY 25</u> <u>Actual</u>	<u>FY 26</u> <u>Work Approp.</u>	<u>FY 27</u> <u>Allowance</u>	<u>FY 26 - 27</u>	
				<u>\$ Change</u>	<u>% Change</u>
Positions					
01 Regular	208.00	209.00	209.00	0.00	0.0%
02 Contractual	23.45	22.40	22.41	0.01	0.0%
Total Positions	231.45	231.40	231.41	0.01	0.0%
Objects					
01 Salaries, Wages, and Fringe Benefits	30,163,952	30,011,494	30,785,884	774,390	2.6%
02 Technical and Special Fees	1,213,936	1,337,624	1,239,892	-97,732	-7.3%
03 Communications	227,415	290,563	290,563	0	0.0%
04 Travel	912,306	587,671	588,802	1,131	0.2%
06 Fuel and Utilities	17,052	18,203	18,203	0	0.0%
07 Motor Vehicle Operation and Maintenance	266,923	300,060	300,376	316	0.1%
08 Contractual Services	20,965,765	18,181,410	19,194,045	1,012,635	5.6%
09 Supplies and Materials	183,368	242,374	244,905	2,531	1.0%
10 Equipment – Replacement	14,409	34,900	34,900	0	0.0%
11 Equipment – Additional	96,535	0	0	0	N/A
12 Grants, Subsidies, and Contributions	92,335,138	183,055,071	170,900,755	-12,154,316	-6.6%
13 Fixed Charges	2,334,378	1,771,636	1,766,780	-4,856	-0.3%
14 Land and Structures	34,201,919	67,860,000	57,860,000	-10,000,000	-14.7%
Total Objects	\$182,933,096	\$303,691,006	\$283,225,105	-\$20,465,901	-6.7%
Funds					
01 General Funds	127,988,038	135,752,233	146,468,905	10,716,672	7.9%
03 Special Funds	46,261,300	156,843,467	125,629,549	-31,213,918	-19.9%
05 Federal Funds	8,683,758	11,095,306	11,126,651	31,345	0.3%
Total Funds	\$182,933,096	\$303,691,006	\$283,225,105	-\$20,465,901	-6.7%

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

**Appendix 4
Fiscal Summary
Department of Commerce**

<u>Program/Unit</u>	<u>FY 25 Actual</u>	<u>FY 26 Work Approp.</u>	<u>FY 27 Allowance</u>	<u>FY 26 - 27 \$ Change</u>	<u>% Change</u>
01 Office of the Secretary	\$2,435,439	\$1,873,786	\$1,905,339	\$31,553	1.7%
02 Office of Policy and Research	2,025,570	1,636,869	4,084,588	2,447,719	149.5%
03 Office of the Attorney General	1,924,489	1,940,694	1,995,516	54,822	2.8%
08 Division of Administration and Technology	8,063,901	7,534,312	8,159,361	625,049	8.3%
10 Maryland Marketing Partnership	2,434,347	2,500,950	0	-2,500,950	-100.0%
01 Office of the Deputy Secretary –Innv & Growth	0	0	10,371,460	10,371,460	N/A
02 Office of the Assistant Secretary – Innv & Growth	0	0	443,985	443,985	N/A
03 Office of Strategic Industries and Entrepreneurship	0	0	7,692,491	7,692,491	N/A
04 Office of International Investment and Trade	0	0	4,960,835	4,960,835	N/A
05 Office of Military Affairs and Federal Affairs	0	0	4,075,577	4,075,577	N/A
06 Maryland E-Nnovation Initiative	0	0	8,500,000	8,500,000	N/A
01 Office of the Deputy Secretary – BA & SP	0	0	3,781,475	3,781,475	N/A
02 Office of the Assistant Secretary – BA & SP	0	0	1,137,361	1,137,361	N/A
03 Office of Business Advancement, Recruitment and Retention	0	0	3,970,273	3,970,273	N/A
04 Office of Finance Programs	0	0	5,132,881	5,132,881	N/A
05 Maryland Small Business Development Financing Authority (MSBDFA)	0	0	14,233,375	14,233,375	N/A
06 Maryland Economic Development Assistance Authority and Fund (MEDAAF)	0	0	17,500,000	17,500,000	N/A
07 Maryland Not-For-Profit Development Program Fund	0	0	1,150,000	1,150,000	N/A
08 Small, Minority, and Women-Owned Businesses Account	0	0	20,458,340	20,458,340	N/A
09 Office of Business Assistance	0	0	33,248,854	33,248,854	N/A
10 Child Care Capital Support Revolving Loan Fund	0	0	10,000,000	10,000,000	N/A
12 Partnership for Workforce Quality	0	0	1,000,000	1,000,000	N/A
13 Military Personnel and Service-Disabled Veteran Loan Program	0	0	300,000	300,000	N/A
14 Capital-Maryland Economic Adjustment Fund	0	0	700,000	700,000	N/A
15 Maryland Biotech Investment Tax Credit Reserve Fund	0	0	12,000,000	12,000,000	N/A
17 More Jobs For Marylanders Tax Credit Reserve	0	0	32,000,000	32,000,000	N/A

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<u>Program/Unit</u>	<u>FY 25 Actual</u>	<u>FY 26 Work Approp.</u>	<u>FY 27 Allowance</u>	<u>FY 26 - 27 \$ Change</u>	<u>% Change</u>
18 Maryland New Start Microloan Program	0	0	300,000	300,000	N/A
01 Office of the Assistant Secretary	0	0	423,387	423,387	N/A
02 Office of Tourism Development	0	0	6,594,874	6,594,874	N/A
03 Maryland Tourism Development Board	0	0	12,293,691	12,293,691	N/A
04 Office of Marketing and Communications	0	0	5,137,120	5,137,120	N/A
05 Maryland State Arts Council	0	0	31,874,322	31,874,322	N/A
06 Preservation of Cultural Arts Program	0	0	1,300,000	1,300,000	N/A
07 Baltimore Symphony Orchestra (BSO)	0	0	500,000	500,000	N/A
01 Managing Director of Business and Industry Sector Development	1,072,474	15,213,086	0	-15,213,086	-100.0%
03 Maryland Small Business Development Financing Authority	2,550,875	2,548,375	0	-2,548,375	-100.0%
04 Office of Business Development	4,861,419	30,843,295	0	-30,843,295	-100.0%
05 Office of Strategic Industries and Entrepreneurship	16,463,826	13,339,013	0	-13,339,013	-100.0%
07 Partnership for Workforce Quality	974,082	1,000,000	0	-1,000,000	-100.0%
08 Office of Finance Programs	4,537,636	4,741,974	0	-4,741,974	-100.0%
09 MSBDFA	7,926,039	11,060,000	0	-11,060,000	-100.0%
10 Office of International Investment and Trade	4,982,270	4,981,930	0	-4,981,930	-100.0%
11 Maryland Nonprofit Development Fund	565,000	1,150,000	0	-1,150,000	-100.0%
12 Maryland Biotechnology Investment Tax Credit Reserve Fund	7,000,000	12,000,000	0	-12,000,000	-100.0%
13 Office of Military Affairs and Federal Affairs	2,692,156	4,071,005	0	-4,071,005	-100.0%
15 Small, Minority, and Women-Owned Businesses Account	2,940,974	20,773,866	0	-20,773,866	-100.0%
18 Military Personnel and Service-Disabled Veteran Loan Program	430,000	300,000	0	-300,000	-100.0%
19 Innovation Investment Incentive Tax Credit Program	115,500	0	0	0	N/A
20 Maryland E-Innovation Initiative	8,375,000	8,500,000	0	-8,500,000	-100.0%
21 Maryland Economic Adjustment Fund	0	700,000	0	-700,000	-100.0%
23 (MEDAAF)	3,505,000	17,500,000	0	-17,500,000	-100.0%
24 More Jobs For Marylanders Tax Credit Reserve Fund	23,363,648	47,800,000	0	-47,800,000	-100.0%
30 Regional Institution Strategic Enterprise Zone Program	312,500	0	0	0	N/A
31 Child Care Capital Support Revolving Loan Fund	4,901,000	10,000,000	0	-10,000,000	-100.0%
32 Western Maryland Economic Future Investment Program – Capital Appropriation	10,000,000	10,000,000	0	-10,000,000	-100.0%
33 Maryland New Start Microloan Program	152,211	0	0	0	N/A

<u>Program/Unit</u>	<u>FY 25</u>	<u>FY 26</u>	<u>FY 27</u>	<u>FY 26 - 27</u>	
	<u>Actual</u>	<u>Work Approp.</u>	<u>Allowance</u>	<u>\$ Change</u>	<u>% Change</u>
34 Port of Baltimore Emergency Business Assistance Program	475,000	0	0	0	N/A
01 Office of the Assistant Secretary	315,369	382,391	0	-382,391	-100.0%
02 Office of Tourism Development	6,385,185	6,895,398	0	-6,895,398	-100.0%
03 Maryland Tourism Development Board	13,925,929	12,304,698	0	-12,304,698	-100.0%
04 Office of Marketing and Communications	2,514,895	2,414,140	0	-2,414,140	-100.0%
05 Maryland State Arts Council	32,011,362	31,485,224	0	-31,485,224	-100.0%
08 Preservation of Cultural Arts Program	1,300,000	1,300,000	0	-1,300,000	-100.0%
09 BSO	1,400,000	900,000	0	-900,000	-100.0%
01 Economic Development Opportunities Program Account	0	16,000,000	16,000,000	0	0.0%
Total Expenditures	\$182,933,096	\$303,691,006	\$283,225,105	-\$20,465,901	-6.7%
General Funds	\$127,988,038	\$135,752,233	\$146,468,905	\$10,716,672	7.9%
Special Funds	46,261,300	156,843,467	125,629,549	-31,213,918	-19.9%
Federal Funds	8,683,758	11,095,306	11,126,651	31,345	0.3%
Total Appropriations	\$182,933,096	\$303,691,006	\$283,225,105	-\$20,465,901	-6.7%

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