

Decision Document

**House Appropriations Committee
House Appropriations – Full Committee
2025 Session**

A15000
Payments to Civil Divisions of the State

	<u>Amount Change</u>	<u>Position Change</u>	<u>Agency Response Hearing Notes</u>	<u>House Decisions</u>	<u>Senate Decisions</u>
1. Concur with Governor's allowance.			Concur.		

B75A01
General Assembly of Maryland

	<u>Amount Change</u>	<u>Position Change</u>	<u>Agency Response Hearing Notes</u>	<u>House Decisions</u>	<u>Senate Decisions</u>
1. Concur with the budget as approved by the Legislative Policy Committee.			Concur.		

D23
Maryland Cannabis Administration

<u>Amount Change</u>	<u>Position Change</u>	<u>Agency Response Hearing Notes</u>	<u>House Decisions</u>	<u>Senate Decisions</u>
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1.	Concur with Governor’s allowance.		Concur.	
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H00
Department of General Services

Amount
Change

Position
Change

Agency Response Hearing Notes

House
Decisions

Senate
Decisions

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

Concur.

, provided that \$50,000 of this appropriation made for the purpose of Executive Direction may not be expended until the Department of General Services (DGS) submits a report to the budget committees on:

- (1) the status of moves and new site locations for each agency moving out of the State Center complex in Baltimore City; and
- (2) the uses and timing of State Center funds appropriated into the Dedicated Purpose Account to support State agency moves and demolition.

The report shall be submitted by October 1, 2025, and the budget committees shall have 45 days from the date of the receipt of the report to review and comment. Funds restricted pending the receipt of a report may not be transferred by budget amendment or otherwise to any other purpose and shall revert to the General Fund if the report is not submitted to the budget committees.

Explanation: The budget committees are interested in receiving updated information regarding the ongoing relocation of agencies from State Center in Baltimore City and how funding from the Dedicated Purpose Account has been used for this endeavor. This language restricts funds pending a report on State Center agency relocations.

Information Request

Author

Due Date

Status of State Center agency DGS
relocations and funding

October 1, 2025

H00
Department of General Services

<u>Amount Change</u>	<u>Position Change</u>	<u>Agency Response Hearing Notes</u>	<u>House Decisions</u>	<u>Senate Decisions</u>
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2. Adopt the following narrative:

Concur.

Status of Vacant Positions: The Department of General Services (DGS) experienced a large increase in its vacancy rate in calendar 2024, particularly within the Office of State Procurement and the Office of Facilities Security, stemming from the addition of 24 new positions that were largely not filled as of December 31, 2024. There were 80.5 vacant positions at that time, including 9 positions that were vacant for more than one year. The committees request that DGS submit a report including the following:

- the number of positions vacant as of December 31, 2024, that remain vacant as of September 1, 2025;
- a description of outreach and advertisement efforts used to recruit the vacant positions;
- the number of job postings and qualifying applicants received in response to each posting; and
- a description of specific actions that the agency is taking to fill positions that have been vacant for more than one year.

Information Request	Author	Due Date
Status update on vacant positions	DGS	October 1, 2025

3. Delete funding for 12 new positions added in fiscal 2025 that remain vacant as of December 31, 2024.	-\$ 1,418,115 GF	-12.00	Disagree; 7 of the 12 positions have already been filled as of 2/23/25, and DGS is interviewing candidates for 4 of 5 remaining positions.
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Q00C
DPSCS – Community Supervision

<u>Amount Change</u>	<u>Position Change</u>	<u>Agency Response Hearing Notes</u>	<u>House Decisions</u>	<u>Senate Decisions</u>
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1. Add the following language to the general fund appropriation:

Concur.

, provided that \$150,000 of this appropriation made for the purpose of general administration may not be expended until the Department of Public Safety and Correctional Services submits a report to the budget committees on its strategy to improve the safety of community supervision agents. The report shall include:

- (1) a description of the equipment provided to parole and probation agents as well as a comparative analysis of equipment provided by other states with similar community supervision populations;
- (2) a detailed explanation of the protocols developed to improve safety and supervision when an agent is on a home visit, including an update on the implementation of a police escort policy and the associated costs; and
- (3) an action plan for safely resuming home visits, including an explanation of any budgetary impacts associated with the extended suspension of home monitoring.

The report shall be submitted by October 15, 2025, and the budget committees shall have 45 days from the date of the receipt of the report to review and comment. Funds restricted pending the receipt of the report may not be transferred by budget amendment or otherwise to any other purpose and shall revert to the General Fund if the report is not submitted to the budget committees.

Explanation: This language restricts funds from the Division of Parole and Probation (DPP) within the Department of Public Safety and Correctional Services until the agency submits a report to the budget committees detailing safety equipment purchased, personnel transferred and added to DPP, and other efforts to promote agents' safety following the death of Agent Davis Martinez during a home visit.

Q00C
DPSCS – Community Supervision

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Information Request	Author	Due Date
Report on parole and probation agent safety efforts	DPP	October 15, 2025

2. Adopt the following narrative: Concur.

Division of Parole and Probation (DPP) Caseload Report: In recent fiscal years, DPP has been working to reduce supervision caseloads to a manageable level for its parole and probation agents. Caseload ratios overall are decreasing but remain high in some regions. The committees request a report due by September 15, 2025, from DPP on the following:

- the exact breakdown of support staff and general supervision caseloads by office into DPP supervision levels for fiscal 2024;
- the exact breakdown of case closures by reason, region, and office; and
- a description of strategies that DPP is using to reduce caseload ratios and prevent agents from taking on too many cases.

Information Request	Author	Due Date
DPP caseload report	DPP	September 15, 2025

3. Adopt the following narrative: Concur.

Report on Assessment Tools: The Division of Parole and Probation (DPP) has delayed the replacement of the assessment tools used to classify offenders placed on community supervision and the role of these tools in case management. This issue is of particular concern with regard to maintaining proper caseloads for agents as well as providing agents with a reliable framework for addressing the individual needs of each offender. The committees request that DPP submit a report, due

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DPSCS – Community Supervision

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September 1, 2025, on the transition to new screening tools used in community supervision. The report should include the following:

- a description of the new tools and process;
- improvements made to previous assessment processes;
- the transition timeline;
- challenges to implementation;
- alternatives considered, including the reasons for deciding against alternatives;
- a progress update on training initiatives to improve the accuracy of risk assessment administration and scoring; and
- an analysis of the reliability of the new screening tools to predict recidivism and security risk and/or compliance with conditions of supervision.

Information Request	Author	Due Date
Report on assessment tools	DPP	September 1, 2025

X00A00
Public Debt

	<u>Amount Change</u>	<u>Position Change</u>	<u>Agency Response Hearing Notes</u>	<u>House Decisions</u>	<u>Senate Decisions</u>
1. Reduce general obligation bond debt service to be consistent with a \$900 million June 2025 bond sale. The fiscal 2026 allowance assumes that \$1,390 million in new par value bonds will be issued in June 2025. The State Treasurer's Office advises that the current estimate is that \$900 million will be issued, so the allowance overbudgets debt service costs. Savings from the smaller bond sale are partially offset by the assumption the State will maximize the present value of savings from a refunding issuance by spreading the savings out over multiple years rather than front loading the savings.	-\$ 2,900,000	GF	Disagree.		
2. Adopt the following narrative:			Disagree.		
Adopt State Policy of Having Multiple General Obligation (GO) Bond Sales: State procurement policy goals include providing a framework whereby procurements allow the State to get maximum benefits from its purchasing power. Consistent with this policy, GO bonds are sold by competitive sealed bids. Generally, at least three bidders are required for each sale. To further increase purchasing power, the State Treasurer's Office (STO) has divided tax-exempt GO bonds into multiple bidding groups in each sale. These policies strengthen the State's purchasing power. To keep costs low, Maryland has historically divided issuances into multiple sales in each fiscal year. Since fiscal 2022, the State has combined issuances into one large bond sale. Advantages to having multiple sales each year include (1) smaller and more competitive sales; (2) diversification of risks associated with the timing of bond sales; and (3) reduced budgetary uncertainty when approving annual operating budgets. STO should return to the policy of having multiple annual bond sales if total issuances exceed \$700 million. If there are two sales, the second sale's competitive bids should be opened before the second week of March so that debt service costs are known before the operating budget is enacted.					

X00A00
Public Debt

<u>Amount Change</u>	<u>Position Change</u>	<u>Agency Response</u>	<u>Hearing Notes</u>	<u>House Decisions</u>	<u>Senate Decisions</u>
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3. Adopt the following narrative:

Concur.

Study Group to Reevaluate General Obligation (GO) Bond Issuance

Assumptions: The budget bill authorizes GO bonds. There are no costs to these authorizations until bonds are sold. Capital projects often take years to complete, so there has been a consistent level of authorized but unissued debt. To estimate GO bond issuances, the State relies on a formula developed over 30 years ago. In recent years, the pace of capital spending has slowed. Historically, the amount of authorized but unissued debt has been about 20% of all authorized debt. This increased to 24% at the end of fiscal 2023 and 27% at the end of fiscal 2024. In recognition of recent trends, the State Treasurer’s Office (STO) should convene an interim study group to evaluate GO bond issuances and determine if revised policies are appropriate. The study group should report its findings to the Capital Debt Affordability Committee at its calendar 2025 briefings. The study group should include the Department of Budget and Management and the Department of Legislative Services.

Information Request	Author	Due Date
Review GO bond issuance formulas	STO	October 1, 2025

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Department of Budget and Management – Secretary

<u>Amount Change</u>	<u>Position Change</u>	<u>Agency Response Hearing Notes</u>	<u>House Decisions</u>	<u>Senate Decisions</u>
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1. Add the following language to the general fund appropriation: Concur.

, provided that \$200,000 of this appropriation made for the purpose of administrative expenses may not be expended until the Department of Budget and Management submits a report on the expenditure of federal funds available through the American Rescue Plan Act award for the State Fiscal Relief Fund (SFRF) program. The report shall include a table listing the amount available to the State through each SFRF grant, the amount expended for each fiscal year, and the remaining balance. The report shall identify the reasons why any funds are expected to expire prior to use. The report shall be submitted by September 15, 2025, and the budget committees shall have 45 days from the date of receipt of the report to review and comment. Funds restricted pending the receipt of a report may not be transferred by budget amendment or otherwise to any other purpose and shall revert to the General Fund if the report is not submitted to the budget committees.

Explanation: Appendix R of the Governor’s Fiscal 2026 Budget Highlights Book showed unexpended balances in federal SFRF monies totaling \$330 million. This language requires an update on SFRF spending to increase transparency and oversight of federal fund spending and maximize utilization of available resources.

Information Request	Author	Due Date
SFRF grant balances	Department of Budget and Management	September 15, 2025

2. Add the following language to the general fund appropriation: Concur.

Further provided that \$150,000 of this appropriation made for the purpose of administrative expenses may not be expended until the Department of Budget and Management (DBM) submits a report describing planned performance measures for the Audit and Finance Compliance Unit (AFCU) by August 15, 2025. The performance measures shall be developed in consultation with the Managing for Results (MFR) Guidebook and shall include goals and objectives that correspond to core unit activities. It is the intent of the budget committees that performance

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measures for AFCU identified in this report be included in the fiscal 2027 MFR submission of DBM and future submissions. The budget committees shall have 45 days from the date of receipt of the report to review and comment. Funds restricted pending the receipt of a report may not be transferred by budget amendment or otherwise to any other purpose and shall revert to the General Fund if the report is not submitted to the budget committees.

Explanation: AFCU was expanded to provide enhanced technical support to State agencies facing repeat audit findings, fiscal crises, and other financial management or audit compliance issues. No measures have been reported so far on activities, outputs, or outcomes of the unit, which could have a significant impact on the financial management and audit compliance needs of State agencies.

Information Request	Author	Due Date
Performance measures related to DBM AFCU		August 15, 2025

3. Adopt the following narrative:

Report on Efforts to Improve Training, Recruitment, and Retention of Fiscal Staff: A number of agencies made significant errors during the fiscal 2024 closeout or failed to disclose pertinent information to the General Accounting Division. The Office of Legislative Audits review of Statewide closeout transactions revealed that several State agencies faced significant difficulties in properly managing federal funds during the fiscal 2024 closeout, leading to discrepancies and unreported financial shortfalls. These findings underscore the need for a comprehensive review of financial management practices across State agencies, with a particular focus on improving training, recruitment, and retention of fiscal staff to strengthen accountability, reduce errors, and enhance the integrity of the budget closeout process. The budget committees request that the Department of Budget and Management (DBM) submit a report by August 1, 2025, detailing their efforts to address these issues, improve fiscal oversight, and ensure timely and accurate closeout documentation. The report should address the current status of and future

Concur in part. DBM concurs that there is an issue related to training, recruitment, and retention of fiscal staff in State agencies, but disagrees that DBM is in the role to fix the problem.

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improvements to training, recruitment, retention, processes, technologies, interagency collaboration, response to noncompliance, and other measures to ensure timeliness and accuracy of fiscal information.

Information Request	Author	Due Date
Efforts to improve training, recruitment, and retention of fiscal staff	DBM	August 1, 2025

4. Adopt the following narrative: Concur.

Submission of Select Budget Detail: The committees request that the Department of Budget and Management (DBM) submit complete fiscal 2027 subobject detail by program for Comptroller Objects 08 and 12 by the third Wednesday of January 2026 in an electronic format subject to the concurrence of the Department of Legislative Services.

Information Request	Author	Due Date
Comptroller Objects 08 and 12 budget detail	DBM	Third Wednesday of January 2026

5. Amend the following section: Disagree.

SECTION 2. AND BE IT FURTHER ENACTED, That in order to carry out the provisions of these appropriations the Secretary of Budget and Management is authorized:

- (a) To allot all or any portion of the funds herein appropriated to the various departments, boards, commissions, officers, schools and institutions by monthly, quarterly or seasonal periods and by objects of expense ~~and may place any funds appropriated but not allotted in~~

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contingency reserve available for subsequent allotment. Upon the Secretary's own initiative or upon the request of the head of any State agency, the Secretary may authorize a change in the amount of funds so allotted.				

The Secretary shall, before the beginning of the fiscal year, file with the Comptroller of the Treasury ~~a schedule of allotments, if any~~ a list limited to the appropriations restricted in this Act to be placed in contingency reserve. The Comptroller shall not authorize any expenditure or obligation in excess of the allotment made and any expenditure so made shall be illegal.

- (b) ~~To allot all or any portion of funds coming into the hands of any department, board, commission, officer, school and institution of the State, from sources not estimated or calculated upon in the budget.~~
- (e) (b) To fix the number and classes of positions, including temporary and permanent positions, or person years of authorized employment for each agency, unit, or program thereof, not inconsistent with the Public General Laws in regard to classification of positions. The Secretary shall make such determinations before the beginning of the fiscal year and shall base them on the positions or person years of employment authorized in the budget as amended by approved budgetary position actions. No payment for salaries or wages nor any request for or certification of personnel shall be made except in accordance with the Secretary's determinations. At any time during the fiscal year the Secretary may amend the number and classes of positions or person years of employment previously fixed by the Secretary; the Secretary may delegate all or part of this authority. The governing boards of public institutions of higher education shall have the authority to transfer positions between programs and campuses under each institutional board's

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jurisdiction without the approval of the Secretary, as provided in Section 15-105 of the Education Article.

(d) (c) To prescribe procedures and forms for carrying out the above provisions.

Explanation: This language limits the amount of appropriations that can be placed into contingency reserve to only those items restricted by the Maryland General Assembly.

6. Amend the following section:

Disagree.

SECTION 17. AND BE IT FURTHER ENACTED, That funds appropriated to the various State agency programs and subprograms in Comptroller Objects 0152 (Health Insurance), 0154 (Retirees Health Insurance Premiums), 0175 (Workers' Compensation), 0217 (Health Insurance), 0305 (Department of Budget and Management Paid Telecommunications), 0839 (Human Resources Shared Services), 0874 (Office of Attorney General Administrative Fee), 0876 (Department of Information Technology Information Technology Services Allocation), 0894 (State Personnel System Allocation), 0897 (Enterprise Budget System Allocation), and 1303 (rent paid to the Department of General Services) are to be utilized for their intended purposes only. ~~The expenditure or transfer of these funds for other purposes requires the prior approval of the Secretary of Budget and Management.~~ Notwithstanding any other provision of law, the Secretary of Budget and Management may transfer amounts appropriated in Comptroller Objects 0152, 0154, 0217, 0305, and 0876 between State departments and agencies by approved budget amendment in fiscal 2025 and 2026. All funds budgeted in or transferred to Comptroller Objects 0152 and 0154 and any funds restricted in this budget for use in the employee and retiree health insurance program that are unspent shall be credited to the fund as established in accordance with Section 2-516 of the State Personnel and Pensions Article.

Further provided that each agency that receives funding in this budget in any of the restricted Comptroller Objects listed within this section shall establish within the

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State's accounting system a structure of accounts to separately identify for each restricted Comptroller Object, by fund source, the legislative appropriation, monthly transactions, and final expenditures. It is the intent of the General Assembly that an accounting detail be established so that the Office of Legislative Audits may review the disposition of funds appropriated for each restricted Comptroller Object as part of each closeout audit to ensure that funds are used only for the purposes for which they are restricted and that unspent funds are reverted or canceled.

Explanation: This language pertaining to restricted objects of expenditures is amended to disallow transfers to other purposes and makes it possible for the Office of Legislative Audits to track the disposition of funds in restricted statewide subobjects.

7. Add the following section:

Concur.

Section XX Executive Long-term Forecast

SECTION XX. AND BE IT FURTHER ENACTED, That the Governor's budget books shall include a forecast of the impact of the executive budget proposal on the long-term fiscal condition of the General Fund, the Transportation Trust Fund, the Blueprint for Maryland's Future Fund, and higher education Current Unrestricted Fund accounts. This forecast shall estimate aggregate revenues, expenditures, and fund balances in each account for the fiscal year last completed, the current year, the budget year, and four years thereafter. Expenditures shall be reported at such agency, program or unit levels, or categories as may be determined appropriate after consultation with the Department of Legislative Services. A statement of major assumptions underlying the forecast shall also be provided including, but not limited to, general salary increases, inflation, and growth of caseloads in significant program areas.

Explanation: This annual language provides for the delivery of the Executive's General Fund, transportation, Blueprint for Maryland's Future Fund, and higher education forecasts and defines the conditions under which it is to be provided.

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Information Request	Author	Due Date
Executive forecasts	Department of Budget and Management	With submission of the Governor's Fiscal 2027 Budget Books

8. Add the following section: Concur.

Section XX Across-the-board Reductions and Higher Education

SECTION XX. AND BE IT FURTHER ENACTED, That all across-the-board reductions applied to the Executive Branch, unless otherwise stated, shall apply to current unrestricted and general funds in the University System of Maryland, St. Mary's College of Maryland, Morgan State University, and Baltimore City Community College.

Explanation: This section explicitly applies reductions intended for the full Executive Branch to the University System of Maryland, St. Mary's College of Maryland, Morgan State University, and Baltimore City Community College unless their exclusion is specifically stated.

9. Add the following section: Concur.

Section XX Reporting Federal Funds

SECTION XX. AND BE IT FURTHER ENACTED, That the Governor's budget books shall include a summary statement of federal revenues by major federal program sources supporting the federal appropriations made therein along with the major assumptions underpinning the federal fund estimates. The Department of Budget and Management (DBM) shall exercise due diligence in reporting this data and ensure that they are updated as appropriate to reflect ongoing congressional action on the federal budget. In addition, DBM shall provide to the Department of

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Legislative Services (DLS) data for the actual, current, and budget years listing the components of each federal fund appropriation by Catalog of Federal Domestic Assistance number or equivalent detail for programs not in the catalog. Data shall be provided in an electronic format subject to the concurrence of DLS.

Explanation: This annual language provides for consistent reporting of federal monies received by the State.

Information Request	Author	Due Date
Reporting components of each DBM federal fund appropriation		With submission of the Governor's Fiscal 2027 Budget Books

10. Add the following section: Concur.

Section XX Federal Fund Spending

SECTION XX. AND BE IT FURTHER ENACTED, That in the expenditure of federal funds appropriated in this budget or subsequent to the enactment of this budget by the budget amendment process:

- (1) State agencies shall administer these federal funds in a manner that recognizes that federal funds are taxpayer dollars that require prudent fiscal management, careful application to the purposes for which they are directed, and strict attention to budgetary and accounting procedures established for the administration of all public funds.

- (2) For fiscal 2026, except with respect to capital appropriations, to the extent consistent with federal requirements:

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(a)	<u>when expenditures or encumbrances may be charged to either State or federal fund sources, federal funds shall be charged before State funds are charged except that this policy does not apply to the Department of Human Services with respect to federal Temporary Assistance for Needy Families funds to be carried forward into future years;</u>					
(b)	<u>when additional federal funds are sought or otherwise become available in the course of the fiscal year, agencies shall consider, in consultation with the Department of Budget and Management (DBM), whether opportunities exist to use these federal revenues to support existing operations rather than to expand programs or establish new ones; and</u>					
(c)	<u>DBM shall take appropriate actions to effectively establish the provisions of this section as policies of the State with respect to the administration of federal funds by executive agencies.</u>					

Explanation: This annual language defines the policies under which federal funds shall be used in the State budget.

11. Add the following section:

Concur.

Section XX Reporting on Budget Data and Organizational Charts

SECTION XX. AND BE IT FURTHER ENACTED, That it is the intent of the General Assembly that all State departments, agencies, bureaus, commissions, boards, and other organizational units included in the State budget, including the Judiciary, shall prepare and submit items for the fiscal 2027 budget detailed by Comptroller subobject classification in accordance with instructions promulgated by the Comptroller of Maryland. The presentation of budget data in the Governor's budget books shall include object, fund, and personnel data in the manner provided for in fiscal 2026 except as indicated elsewhere in this Act; however, this may not preclude the placement of additional information into the budget books. For actual

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<u>fiscal 2025 spending, the fiscal 2026 working appropriation, and the fiscal 2027 allowance, the budget detail shall be available from the Department of Budget and Management (DBM) automated data system at the subobject level by subobject codes and classifications for all agencies. To the extent possible, except for public higher education institutions, subobject expenditures shall be designated by fund for actual fiscal 2025 spending, the fiscal 2026 working appropriation, and the fiscal 2027 allowance. The agencies shall exercise due diligence in reporting this data and ensuring correspondence between reported position and expenditure data for the actual, current, and budget fiscal years. This data shall be made available on request and in a format subject to the concurrence of the Department of Legislative Services (DLS). Further, the expenditure of appropriations shall be reported and accounted for by the subobject classification in accordance with the instructions promulgated by the Comptroller of Maryland.</u>				
<u>Further provided that due diligence shall be taken to accurately report full-time equivalent (FTE) counts of contractual FTEs in the budget books. For the purpose of this count, contractual FTEs are defined as those individuals having an employee-employer relationship with the State. This count shall include those individuals in higher education institutions who meet this definition but are paid with additional assistance funds.</u>				
<u>Further provided that DBM shall provide to DLS with the allowance for each department, unit, agency, office, and institution, a one-page organizational chart in Microsoft Word or Adobe PDF format that depicts the allocation of personnel across operational and administrative activities of the entity.</u>				
<u>Further provided that for each across-the-board reduction to appropriations or positions in the fiscal 2027 Budget Bill affecting fiscal 2026 or 2027, DBM shall allocate the reduction for each agency in a level of detail not less than the three-digit R*Stars financial agency code and by each fund type.</u>				
<u>Further provided that DBM shall provide to DLS special and federal fund accounting detail for the fiscal year last completed, current year, and budget year for each fund.</u>				

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The account detail, to be submitted with the allowance, should at a minimum provide revenue and expenditure detail, along with starting and ending balances.

Further provided that DBM shall provide to DLS by September 1, 2025, a list of subprograms used by each department, unit, agency, office, and institution, along with a brief description of the subprograms' purpose and responsibilities.

Explanation: This annual language provides for consistent reporting of fiscal 2025, 2026, and 2027 budget data and provides for the submission of department, unit, agency, office, and institutions' organizational charts to DLS with the allowance. It also requires DBM to allocate across-the-board reductions to positions or funding to ensure transparency in budget allocations.

Information Request	Author	Due Date
Agency organizational charts and special and federal fund accounting detail	DBM	With submission of the Governor's Fiscal 2027 Budget Books
List of subprograms	DBM	September 1, 2025

12. Add the following section: Concur.

Section XX Interagency Agreements

SECTION XX. AND BE IT FURTHER ENACTED, That on or before August 1, 2025, each State agency and each public institution of higher education shall report to the Department of Budget and Management (DBM) any agreements in place for any part of fiscal 2025 between State agencies and any public institution of higher education involving potential expenditures in excess of \$100,000 over the term of the agreement. Further provided that DBM shall provide direction and guidance to all State agencies and public institutions of higher education as to the

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<u>procedures and specific elements of data to be reported with respect to these interagency agreements, to include at a minimum:</u>					
(1)	<u>a common code for each interagency agreement that specifically identifies each agreement and the fiscal year in which the agreement began;</u>				
(2)	<u>the starting date for each agreement;</u>				
(3)	<u>the ending date for each agreement;</u>				
(4)	<u>a total potential expenditure, or not-to-exceed dollar amount, for the services to be rendered over the term of the agreement by any public institution of higher education to any State agency;</u>				
(5)	<u>a description of the nature of the goods and services to be provided;</u>				
(6)	<u>the total number of personnel, both full- and part-time, associated with the agreement;</u>				
(7)	<u>contact information for the agency and the public institution of higher education for the person(s) having direct oversight or knowledge of the agreement;</u>				
(8)	<u>total indirect cost recovery or facilities and administrative (F&A) expenditures authorized for the agreement;</u>				
(9)	<u>the indirect cost recovery or F&A rate for the agreement and brief description of how the rate was determined;</u>				
(10)	<u>actual expenditures for the most recently closed fiscal year;</u>				
(11)	<u>actual base expenditures that the indirect cost recovery or F&A rate may be applied against during the most recently closed fiscal year;</u>				

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Department of Budget and Management – Secretary

	<u>Amount Change</u>	<u>Position Change</u>	<u>Agency Response Hearing Notes</u>	<u>House Decisions</u>	<u>Senate Decisions</u>
(12)	<u>actual expenditures for indirect cost recovery or F&A for the most recently closed fiscal year; and</u>				
(13)	<u>total authorized expenditures for any subaward(s) or subcontract(s) being used as part of the agreement and a brief description of the type of award or contract.</u>				

Further provided that DBM shall submit a consolidated report to the budget committees and the Department of Legislative Services by December 1, 2025, that contains information on all agreements between State agencies and any public institution of higher education involving potential expenditures in excess of \$100,000 that were in effect at any time during fiscal 2025.

Further provided that no new higher education interagency agreement with State agencies with a projected value in excess of \$500,000 may be entered into during fiscal 2026 without prior approval of the Secretary of Budget and Management.

Explanation: This annual language requires DBM to report on all interagency agreements between State agencies and public institutions of higher education having a total potential expenditure over the term of the agreement in excess of \$100,000. This applies only to agreements for the purchase of goods and/or services and does not apply to grants or space agreements. Further, it requires that no new higher education interagency agreement with State agencies with a projected value in excess of \$500,000 be entered into during fiscal 2026 without prior approval of the Secretary of Budget and Management.

Information Request	Author	Due Date
Consolidated report on interagency agreements	DBM	December 1, 2025

F10A
Department of Budget and Management – Secretary

<u>Amount Change</u>	<u>Position Change</u>	<u>Agency Response Hearing Notes</u>	<u>House Decisions</u>	<u>Senate Decisions</u>
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13. Add the following section:

Section XX Budget Amendments

SECTION XX. AND BE IT FURTHER ENACTED, That any budget amendment to increase the total amount of special, federal, or higher education (current restricted and current unrestricted) fund appropriations, or to make reimbursable fund transfers from the Governor’s Office of Crime Prevention and Policy or the Maryland Department of Emergency Management made in Section 1 of this Act shall be subject to the following restrictions:

Concur in part. DBM agrees to work with agencies and try to ensure that all budget amendments are submitted prior to October 31, but requests flexibility for extraordinary circumstances.

- (1) This section may not apply to budget amendments for the sole purpose of:
 - (a) appropriating funds available as a result of the award of federal disaster assistance; and
 - (b) transferring funds from the State Reserve Fund – Economic Development Opportunities Account for projects approved by the Legislative Policy Committee (LPC).
- (2) Budget amendments increasing total appropriations in any fund account by \$100,000 or more may not be approved by the Governor until:
 - (a) that amendment has been submitted to the Department of Legislative Services (DLS); and
 - (b) the budget committees or LPC has considered the amendment or 45 days have elapsed from the date of submission of the amendment. Each amendment submitted to DLS shall include a statement of the amount, sources of funds and purposes of the amendment, and a summary of the impact on regular position or contractual full-time equivalent payroll requirements.

F10A
Department of Budget and Management – Secretary

	<u>Amount Change</u>	<u>Position Change</u>	<u>Agency Response Hearing Notes</u>	<u>House Decisions</u>	<u>Senate Decisions</u>
(3)	<u>Unless permitted by the budget bill or the accompanying supporting documentation or by any other authorizing legislation, and notwithstanding the provisions of Section 3 216 of the Transportation Article, a budget amendment may not:</u>				
	(a) <u>restore funds for items or purposes specifically denied by the General Assembly;</u>				
	(b) <u>fund a capital project not authorized by the General Assembly provided, however, that subject to provisions of the Transportation Article, projects of the Maryland Department of Transportation (MDOT) shall be restricted as provided in Section 1 of this Act;</u>				
	(c) <u>increase the scope of a capital project by an amount 7.5% or more over the approved estimate or 5.0% or more over the net square footage of the approved project until the amendment has been submitted to DLS, and the budget committees have considered and offered comment to the Governor, or 45 days have elapsed from the date of submission of the amendment. This provision does not apply to MDOT; and</u>				
	(d) <u>provide for the additional appropriation of special, federal, or higher education funds of more than \$100,000 for the reclassification of a position or positions.</u>				
(4)	<u>A budget may not be amended to increase a federal fund appropriation by \$100,000 or more unless documentation evidencing the increase in funds is provided with the amendment and fund availability is certified by the Secretary of Budget and Management.</u>				
(5)	<u>No expenditure or contractual obligation of funds authorized by a proposed budget amendment may be made prior to approval of that amendment by the Governor.</u>				

F10A
Department of Budget and Management – Secretary

	<u>Amount Change</u>	<u>Position Change</u>	<u>Agency Response Hearing Notes</u>	<u>House Decisions</u>	<u>Senate Decisions</u>
(6)	<u>Notwithstanding the provisions of this section, any federal, special, or higher education fund appropriation may be increased by budget amendment upon a declaration by the Board of Public Works that the amendment is essential to maintaining public safety, health, or welfare, including protecting the environment or the economic welfare of the State.</u>				
(7)	<u>Budget amendments for new major information technology projects, as defined by Sections 3A 301 and 3A 302 of the State Finance and Procurement Article, must include an Information Technology Project Request, as defined in Section 3A 308 of the State Finance and Procurement Article.</u>				
(8)	<u>Further provided that the fiscal 2026 appropriation detail as shown in the Governor’s budget books submitted to the General Assembly in January 2026 and the supporting electronic detail may not include appropriations for budget amendments that have not been signed by the Governor, exclusive of the MDOT pay-as-you-go capital program.</u>				
(9)	<u>Further provided that it is the policy of the State to recognize and appropriate additional special, higher education, and federal revenues in the budget bill as approved by the General Assembly. Further provided that for the fiscal 2027 allowance, the Department of Budget and Management shall continue policies and procedures to minimize reliance on budget amendments for appropriations that could be included in a deficiency appropriation.</u>				
(10)	<u>Further provided that budget amendments submitted for a fiscal year that has ended must be submitted to the budget committees no later than October 31 of the next fiscal year to be considered for approval.</u>				

Explanation: This annual language defines the process under which budget amendments may be used.

F10A
Department of Budget and Management – Secretary

**Amount
Change**

**Position
Change**

Agency Response Hearing Notes

**House
Decisions**

**Senate
Decisions**

14. Add the following section:

Concur.

Section XX Maintenance of Accounting Systems

SECTION XX. AND BE IT FURTHER ENACTED, That:

- (1) The Secretary of Health shall maintain the accounting systems necessary to determine the extent to which funds appropriated for fiscal 2025 in program M00Q01.03 Medical Care Provider Reimbursements and M00Q01.10 Medicaid Behavioral Health Provider Reimbursements have been disbursed for services provided in that fiscal year and shall prepare and submit the monthly reports by fund type required under this section for that program.
- (2) The State Superintendent of Schools shall maintain the accounting systems necessary to determine the extent to which funds appropriated for fiscal 2025 to program R00A02.07 Students With Disabilities for nonpublic placements have been disbursed for services provided in that fiscal year and to prepare monthly reports as required under this section for that program.
- (3) The Secretary of Human Services shall maintain the accounting systems necessary to determine the extent to which funds appropriated for fiscal 2025 in program N00G00.01 Foster Care Maintenance Payments have been disbursed for services provided in that fiscal year, including detail by placement type for the average monthly caseload, average monthly cost per case, and the total expended for each foster care program, and to prepare the monthly reports required under this section for that program.
- (4) For the programs specified, reports must indicate by fund type total appropriations for fiscal 2025 and total disbursements for services provided during that fiscal year up through the last day of the second month

F10A
Department of Budget and Management – Secretary

	<u>Amount Change</u>	<u>Position Change</u>	<u>Agency Response Hearing Notes</u>	<u>House Decisions</u>	<u>Senate Decisions</u>
	<u>preceding the date on which the report is to be submitted and a comparison to data applicable to those periods in the preceding fiscal year.</u>				
(5)	<u>Reports shall be submitted to the budget committees, the Department of Legislative Services, the Department of Budget and Management, and the Comptroller beginning August 15, 2025, and submitted on a monthly basis thereafter.</u>				
(6)	<u>It is the intent of the General Assembly that general funds appropriated for fiscal 2025 to the programs specified that have not been disbursed within a reasonable period, not to exceed 12 months from the end of the fiscal year, shall revert.</u>				

Explanation: This annual language requires the maintenance of accounting systems for certain programs, states the intent of the General Assembly that general funds not disbursed be reverted, and requires reporting of disbursements by the Maryland Department of Health (MDH), the Maryland State Department of Education (MSDE), and the Department of Human Services (DHS).

Information Request	Author	Due Date
Report on appropriations and disbursements in M00Q01.03, M00Q01.10, R00A02.07, and N00G00.01	MDH MSDE DHS	August 15, 2025, and monthly thereafter

F10A02
Department of Budget and Management – Personnel

**Amount
Change**

**Position
Change**

Agency Response Hearing Notes

**House
Decisions**

**Senate
Decisions**

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

Concur.

, provided that \$100,000 of this appropriation made for the purpose of general administration may not be expended until the Department of Budget and Management submits quarterly reports on medical, dental, and prescription plan costs. Medical and dental reports shall provide utilization and cost data broken out by plans as well as actives, non-Medicare-eligible retirees, and Medicare-eligible retirees. The reports shall include utilization per 1,000 plan participants; unit cost and per member costs for hospital inpatient services; hospital outpatient services; professional inpatient services; professional outpatient services; and ancillary services, provided by the State's health plans. Prescription reports shall provide information on the highest cost prescription drugs by category of treatment; the prescription drugs accounting for the largest increases in drug spending; the top 25 most costly individual prescription drugs in generic, brand, biologics, and specialty drug categories; recent drug patent expirations; and upcoming new drug patent approvals. Additionally, the reports shall include data on the cost drivers and drug trends by actives, non-Medicare retirees, and Medicare retirees. The first report shall be submitted no later than September 15, 2025, the second report shall be submitted by December 15, 2025, the third report shall be submitted by March 15, 2026, and the fourth report shall be submitted by June 15, 2026. The budget committees shall have 45 days from the date of the receipt of the second report to review and comment. Funds restricted pending the receipt of a report may not be transferred by budget amendment or otherwise to any other purpose and shall revert to the General Fund if the report is not submitted to the budget committees.

Explanation: In recent years, the State has implemented different strategies to contain medical and prescription costs. The budget committees have annually requested that the Department of Budget and Management (DBM) submit quarterly reports on plan performance of the State's prescription, medical, and dental plans. DBM submitted three fiscal 2024 reports and one fiscal 2025 report late, impacting the ability of the legislature to accurately gauge prescription drug liabilities.

F10A02
Department of Budget and Management – Personnel

<u>Amount Change</u>	<u>Position Change</u>	<u>Agency Response Hearing Notes</u>	<u>House Decisions</u>	<u>Senate Decisions</u>
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Information Request	Author	Due Date
Quarterly State medical, dental, and prescription drug plan performance reports	DBM	September 15, 2025 December 15, 2025 March 15, 2026 June 15, 2026

2. Adopt the following narrative: Concur.

Health Insurance Account Closeout Report: The committees request a report on the fiscal 2025 closeout of the Employee and Retiree Health Insurance Account. This report shall include:

- the closing fiscal 2025 fund balance;
- the actual provider payments due in the fiscal year broken out by medical payments for active employees, medical payments for non-Medicare-eligible retirees, medical payments for Medicare-eligible retirees, prescription drug payments for active employees, prescription drug payments for non-Medicare-eligible retirees, and prescription drug payments for Medicare-eligible retirees;
- State employee and retiree contributions, broken out by active employees, non-Medicare-eligible retirees, and Medicare-eligible retirees;
- an accounting of rebates, recoveries, and other costs, broken out into rebates, recoveries, and other costs associated with active employees, non-Medicare-eligible retirees, and Medicare-eligible retirees;
- any closeout transactions processed after the fiscal year ended; and
- actual incurred but not received costs.

F10A02
Department of Budget and Management – Personnel

		<u>Amount Change</u>	<u>Position Change</u>	<u>Agency Response Hearing Notes</u>	<u>House Decisions</u>	<u>Senate Decisions</u>
Information Request	Author	Due Date				
Report on fiscal 2025 closeout data for the Employee and Retiree Health Insurance Account	Department of Budget and Management	October 1, 2025				
3. Reduce funding for the fiscal 2026 1% cost-of-living adjustment due to the collective impact of recent salary enhancements and the fiscal condition of the State.		-\$ 70,894,524 GF -\$ 12,871,394 SF -\$ 11,798,777 FF		Disagree. DBM advises that the State negotiated these increases with the representatives of the bargaining units. DBM feels strongly that the negotiated agreements should be honored, and this provision should not be modified.		
4. Reduce funding for fiscal 2026 increments due to the collective impact of recent salary enhancements and the fiscal condition of the State.		-\$ 109,624,810 GF -\$ 17,364,538 SF -\$ 15,917,493 FF		Disagree. DBM advises that the State negotiated these increases with the representatives of the bargaining units. DBM feels strongly that the negotiated agreements should be honored, and this provision should not be modified.		
5. Adopt the following narrative:				Concur.		

Funding of Supplemental Retirement Match: The fiscal 2026 budget includes a planned reversion of \$11.95 million in general funds for the Supplemental Retirement Match program. The Department of Budget and Management (DBM) has reported that agencies will not receive centralized funding in fiscal 2025 for the Supplemental Retirement Match program but will use savings from other areas of the budget. Additionally, no centralized funding is provided for the Supplemental Retirement Match in fiscal 2026. The budget committees request that DBM provide a report, due

F10A02
Department of Budget and Management – Personnel

<u>Amount Change</u>	<u>Position Change</u>	<u>Agency Response Hearing Notes</u>	<u>House Decisions</u>	<u>Senate Decisions</u>
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September 15, 2025, that specifies the amount of the match contributed in fiscal 2025 and anticipated for fiscal 2026 and discuss the areas where savings were identified in agency budgets to support these costs. To increase transparency in the budgeting process, the committees also request that beginning with the fiscal 2027 submission, funding for the supplemental retirement match be accounted for within the budgets of State agencies in a subobject identified for this purpose.

Information Request	Author	Due Date
Accounting of vacancy savings and supplemental retirement match	DBM	September 15, 2025

6. Add the following section: Concur.

Section XX Positions Abolished in the Budget

SECTION XX. AND BE IT FURTHER ENACTED, That no position identification number assigned to a position abolished in this budget may be reassigned to a job or function different from that to which it was assigned when the budget was submitted to the General Assembly. Incumbents in positions abolished may continue State employment in another position.

Explanation: This language prevents employees from being moved into positions abolished in the budget. It also allows that incumbents in abolished positions may continue State employment in another position.

7. Add the following section: Concur.

Section XX Injured Workers' Insurance Fund Accounts

SECTION XX. AND BE IT FURTHER ENACTED, That the General Accounting Division of the Comptroller of Maryland shall establish a subsidiary ledger control account

F10A02
Department of Budget and Management – Personnel

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to debit all State agency funds budgeted under subobject 0175 (Workers' Compensation) and to credit all payments disbursed to the Injured Workers' Insurance Fund (IWIF) via transmittal. The control account shall also record all funds withdrawn from IWIF and returned to the State and subsequently transferred to the General Fund. IWIF shall submit monthly reports to the Department of Legislative Services concerning the status of the account.

Explanation: This section provides continuation of a system to track workers' compensation payments to IWIF for payments of claims, current expenses, and funded liability for incurred losses by the State.

Information Request	Author	Due Date
Report on the status of ledger control account	IWIF	Monthly beginning July 1, 2025

8. Add the following section: Concur.

Section XX The "Rule of 100"

SECTION XX. AND BE IT FURTHER ENACTED, That the Board of Public Works (BPW), in exercising its authority to create additional positions pursuant to Section 7-236 of the State Finance and Procurement Article, may authorize during the fiscal year no more than 100 positions in excess of the total number of authorized State positions on July 1, 2025, as determined by the Secretary of Budget and Management. Provided, however, that if the imposition of this ceiling causes undue hardship in any department, agency, board, or commission, additional positions may be created for that affected unit to the extent that an equal number of positions authorized by the General Assembly for the fiscal year are abolished in that unit or in other units of State government. It is further provided that the limit of 100 does not apply to any position that may be created in conformance with specific manpower statutes that may be enacted by the State or federal government nor to any positions created to implement block grant actions or to implement a program reflecting fundamental changes in federal/State relationships. Notwithstanding anything contained in this section, BPW may authorize additional positions to meet public

F10A02
Department of Budget and Management – Personnel

<u>Amount Change</u>	<u>Position Change</u>	<u>Agency Response Hearing Notes</u>	<u>House Decisions</u>	<u>Senate Decisions</u>
<u>emergencies resulting from an act of God and violent acts of man that are necessary to protect the health and safety of the people of Maryland. BPW may authorize the creation of additional positions within the Executive Branch provided that 1.25 contractual full-time equivalents (FTE) are abolished for each regular position authorized and that there be no increase in agency funds in the current budget and the next two subsequent budgets as the result of this action. It is the intent of the General Assembly that priority is given to converting individuals that have been in contractual FTEs for at least two years. Any position created by this method may not be counted within the limitation of 100 under this section. The numerical limitation on the creation of positions by BPW established in this section may not apply to positions entirely supported by funds from federal or other non-State sources so long as both the appointing authority for the position and the Secretary of Budget and Management certify for each position created under this exception that:</u> (1) <u>funds are available from non-State sources for each position established under this exception; and</u> (2) <u>any positions created will be abolished in the event that non-State funds are no longer available. The Secretary of Budget and Management shall certify and report to the General Assembly by June 30, 2026, the status of positions created with non-State funding sources during fiscal 2023 through 2026 under this provision as remaining, authorized, or abolished due to the discontinuation of funds.</u>				

Explanation: This annual language, the Rule of 100, limits the number of positions that may be added after the beginning of the fiscal year to 100 and provides exceptions to the limit.

Information Request	Author	Due Date
Certification of the status of positions created with non-State funding sources during fiscal 2023 through 2026	Department of Budget and Management	June 30, 2026

F10A02
Department of Budget and Management – Personnel

Amount
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Agency Response Hearing Notes

House
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9. Add the following section:

Concur.

Section XX Annual Report on Authorized Positions

SECTION XX. AND BE IT FURTHER ENACTED, That immediately following the close of fiscal 2025, the Secretary of Budget and Management shall determine the total number of full-time equivalent (FTE) positions that are authorized as of the last day of fiscal 2025 and on the first day of fiscal 2026. Authorized positions shall include all positions authorized by the General Assembly in the personnel detail of the budgets for fiscal 2025 and 2026, including nonbudgetary programs, the Maryland Transportation Authority, the University System of Maryland self-supported activities, and Maryland Correctional Enterprises. The Department of Budget and Management shall also prepare a report during fiscal 2026 for the budget committees upon creation of regular FTE positions through Board of Public Works action and upon transfer or abolition of positions. It shall note, at the program level:

- (1) where regular FTE positions have been abolished;
- (2) where regular FTE positions have been created;
- (3) from where and to where regular FTE positions have been transferred; and
- (4) where any other adjustments have been made. Provision of contractual FTE information in the same fashion as reported in the appendices of the Governor's Fiscal 2026 Budget Books shall also be provided.

Further provided that this report shall also be submitted as an appendix with the Governor's Fiscal 2027 Budget Books, and that the report shall provide information that is consistent with information in the individual agency pages of the Budget Books and with data provided to the Department of Legislative Services.

Explanation: This annual language provides reporting requirements for regular positions and contractual FTEs.

F10A02
Department of Budget and Management – Personnel

<u>Amount Change</u>	<u>Position Change</u>	<u>Agency Response</u>	<u>Hearing Notes</u>	<u>House Decisions</u>	<u>Senate Decisions</u>
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Information Request	Author	Due Date
Total number of FTEs on June 30, 2025, and July 1, 2025	Department of Budget and Management (DBM)	July 14, 2025
Report on the creation, transfer, or abolition of regular positions	DBM	With the Governor's fiscal 2027 budget submission and as needed

10. Add the following section: Concur.

Section XX Annual Report on Health Insurance Receipts and Spending

SECTION XX. AND BE IT FURTHER ENACTED, That the Secretary of Budget and Management shall include as an appendix in the Governor's Fiscal 2027 Budget Books an accounting of the fiscal 2025 actual, fiscal 2026 working appropriation, and fiscal 2027 estimated revenues and expenditures associated with the employees' and retirees' health plan. The data in this report should be consistent with the budget data submitted to the Department of Legislative Services. This accounting shall include:

- (1) any health plan receipts received from State agencies, as well as prescription rebates or recoveries, or audit recoveries, and other miscellaneous recoveries;
- (2) any health plan receipts received from employees and retirees, broken out by active employees, non-Medicare-eligible retirees, and Medicare-eligible retirees;
- (3) any premium, capitated, or claims expenditures paid on behalf of State employees and retirees for any health, mental health, dental, or prescription plan, as well as any administrative costs not covered by these plans, with health, mental health, and prescription drug expenditures broken out by medical payments for active employees, non-Medicare-eligible retirees, and Medicare-eligible retirees, and prescription drug expenditures broken out by active employees, non-Medicare-eligible retirees, and Medicare-eligible retirees; and

F10A02
Department of Budget and Management – Personnel

<u>Amount Change</u>	<u>Position Change</u>	<u>Agency Response Hearing Notes</u>	<u>House Decisions</u>	<u>Senate Decisions</u>
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(4) any balance remaining and held in reserve for future provider payments.

Explanation: This language provides an accounting of the health plan revenues received and expenditures made on behalf of State employees and retirees. The language proposes that the language in the report be consistent with the budget data submitted with the budget bill.

Information Request	Author	Due Date
Accounting of the employee and retiree health plan revenues and expenditures	Department of Budget and Management	With the submission of the Governor's Fiscal 2027 Budget Books

11. Add the following section: Disagree.

Section XX Judiciary Merit Raises

SECTION XX. AND BE IT FURTHER ENACTED, That funding provided for Judiciary employee merit raises is hereby decreased by \$14,020,764 in general funds and \$1,557,863 in special funds.

Explanation: Due to the fiscal condition of the State, and to be consistent with actions taken for other state employees, this action reduces the funding set aside for Judiciary employee merit raises.

12. Add the following section: Disagree. DBM is concerned that if the recommended reduction is taken, there will need to be a deficiency backfilling funds during fiscal 2026 as agencies face operating budget shortfalls.

Section XX Vacancy Savings

SECTION XX. AND BE IT FURTHER ENACTED, That funds appropriated for salary and fringe adjustments and other personnel expenses are hereby reduced by \$59,611,402 in general funds, \$15,953,094 in special funds, and \$9,669,343 in federal funds to account for vacant positions. Funding shall be reduced from within programs

F10A02
Department of Budget and Management – Personnel

<u>Amount Change</u>	<u>Position Change</u>	<u>Agency Response Hearing Notes</u>	<u>House Decisions</u>	<u>Senate Decisions</u>
<u>in the Executive Branch, Legislative Branch, and Judicial Branch agencies in Section 1 of this Act in accordance with a schedule determined by the Governor, the Presiding Officers, and the Chief Judge.</u>				

Explanation: The fiscal 2026 allowance assumes employee turnover of 7.26% on average across Executive Branch agencies, excluding higher education. Vacancies in the first half of fiscal 2025 have been 10% of the total position allotment on average. This action increases the average budgeted turnover rate to 8.63%, approximately halfway between current and budgeted vacancies.

G20J01
State Retirement Agency

<u>Amount Change</u>	<u>Position Change</u>	<u>Agency Response Hearing Notes</u>	<u>House Decisions</u>	<u>Senate Decisions</u>
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1. Concur with Governor's allowance.

Concur.

G50L00
Maryland Supplemental Retirement Plans

	<u>Amount Change</u>	<u>Position Change</u>	<u>Agency Response Hearing Notes</u>	<u>House Decisions</u>	<u>Senate Decisions</u>
1. Concur with Governor's allowance.			Concur.		

Y01A
State Reserve Fund

	<u>Amount Change</u>	<u>Position Change</u>	<u>Agency Response Hearing Notes</u>	<u>House Decisions</u>	<u>Senate Decisions</u>
5. Amend the following language to the general fund appropriation:			No response.		
Economic Agenda Information Technology Investments	2,000,000	1,200,000			
Strategic Infrastructure Revolving Fund	10,000,000	7,500,000			
Certified Sites Program	7,000,000	3,500,000			
Capital of Quantum Initiative	17,500,000	15,750,000			
Biomarker Bill		8,000,000			
Hagerstown Public Safety Project Feasibility Study	250,000				
EARN Maryland Program		5,000,000			
Cyber Workforce Grants		2,000,000			
Baltimore Cyber Ranges		1,300,000			
Labor Office of Strategic Initiatives		1,000,000			
Child Care Capital Revolving Fund		2,200,000			
OPEB Sweeper		25,000,000			
Pension Sweeper		25,000,000			
Explanation: This action amends line-item appropriations for funds that are being reduced by the General Assembly.					
7. Reduce funds for Strategic Infrastructure Revolving Fund due to the State's fiscal condition.	-\$ 2,500,000 GF		Disagree. DBM cites significant demand for the fund for eligible projects ready for development that would not be met if the appropriation is reduced.		
8. Reduce funds for Certified Site Program due to the State's fiscal condition.	-\$ 3,500,000 GF		Disagree. DBM advises that Maryland remains behind competitor states in preparing sites for development, and disagrees that the program should be delayed or reduced in size due to the fiscal condition of the State.		

Y01A
State Reserve Fund

	<u>Amount Change</u>	<u>Position Change</u>	<u>Agency Response Hearing Notes</u>	<u>House Decisions</u>	<u>Senate Decisions</u>
9. Reduce funds for Cyber Workforce Grants due to the State's fiscal condition and the availability of other funds for this purpose.	-\$ 2,000,000	GF	Disagree. DBM advises that the funding is a necessary component of efforts to build a skilled workforce in Maryland in the cyber industry.		
10. Reduce funds for Capital of Quantum Initiative, as the personnel spending for the 20 new quantum science faculty is expected to grow over time and only a portion of personnel costs are needed at this time.	-\$ 1,750,000	GF	Disagree. DBM and University of Maryland, College Park advise that slowing hiring will have adverse effects on the Capital of Quantum Initiative.		
11. Reduce funds for Economic Agenda Information Technology (IT) Investments allocated for a customer management system and other IT tools in the Department of Commerce.	-\$ 800,000	GF	Disagree. DBM advises that the Department of Commerce lacks modern technologies to remain effective, and the Governor's Maryland Economic Council recommended improving the "deficiency in modernization".		
12. Reduce funds for Biomarker testing, delaying implementation, due to the State's fiscal condition.	-\$ 8,000,000	GF	Disagree. DBM advises that the \$8 million appropriation already represents a reduced amount and does not believe there should be a delay in implementation of expanded Biomarker testing.		

Y01A
State Reserve Fund

	<u>Amount Change</u>	<u>Position Change</u>	<u>Agency Response Hearing Notes</u>	<u>House Decisions</u>	<u>Senate Decisions</u>
14. Add the following language to the special fund appropriation: <u>, provided that this appropriation for the purpose of implementation of the State's Climate Pollution Reduction Plan is contingent on the enactment of legislation expanding to use Alternative Compliance Payment revenues in the Strategic Energy Investment Fund in fiscal 2026 only.</u>			Disagree. DBM does not believe there is an issue with the use of funds as proposed.		

Explanation: This action makes special fund appropriation to the Dedicated Purpose Account contingent on legislation authorizing the expanded use of funds.