



STATE OF MARYLAND

OFFICE OF THE GOVERNOR
Wes Moore

April 2, 2025

The Honorable Adrienne A. Jones
Speaker
Maryland House of Delegates
State House
Annapolis, MD 21401

Dear Madam Speaker:

Pursuant to the authority conferred on me by Article III, Section 52, Subsection (5) of the Constitution of Maryland, and in accordance with the consent of the House of Delegates, duly granted, I hereby submit Supplemental Budget No. 2 to House Bill 350/Senate Bill 319 in the form of an amendment to the budget for the Fiscal Year ending June 30, 2026.

Supplemental Budget No. 2 affects the previously estimated funds available for budget operations as shown in the following summary statement.

Sincerely,

A blue ink signature of Wes Moore, written in a stylized, cursive script.

Wes Moore
Governor

Enclosure:
Supplemental Budget No. 2

SUPPLEMENTAL BUDGET NO. 2 - FISCAL YEAR 2026

April 2, 2025

Mr. President, Madam Speaker,

Ladies and Gentlemen of the General Assembly:

Pursuant to the authority conferred on me by Article III, Section 52, Subsection (5) of the Constitution of Maryland, and in accordance with the consent of the (House of Delegates) - (State Senate), duly granted, I hereby submit a supplement to House Bill 350 and/or Senate Bill 319 in the form of an amendment to the original budget for the Fiscal Year ending June 30, 2026.

Supplemental Budget No. 2 will affect previously estimated funds available for budget operations as shown on the following summary statement.

SUPPLEMENTAL BUDGET SUMMARY**Sources:**

Estimated General Fund Unappropriated Balance		100,400,000
July 1, 2026 (per FY 2026 Supplemental Budget No. 1)		

General Funds:

Fiscal Year 2025 Revenues		
Board of Revenue Estimates, March 2025	-106,792,048	
Fiscal Year 2026 Revenues		
Board of Revenue Estimates, March 2025	-173,181,016	-279,973,064

Special Funds:

SWF321 Video Lottery Terminal Proceeds	1,500,000	
SWF321 Video Lottery Terminal Proceeds	7,500,000	9,000,000

Federal Funds:

93.778 Medical Assistance Program	-14,359,050	
93.778 Medical Assistance Program	-10,629,840	
93.767 Children's Health Insurance Program	-55,212	
93.778 Medical Assistance Program	-10,547,874	
93.778 Medical Assistance Program	-4,894,737	
93.778 Medical Assistance Program	-1,631,579	-42,118,292

Current Unrestricted Funds:

University System of Maryland	-44,000,000	-44,000,000
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Minimum Legislative Actions to Balance**182,253,940****Total Available****-74,437,416****Uses:**

General Funds	-97,319,124	
Special Funds	9,000,000	
Federal Funds	-42,118,292	
Current Unrestricted Funds	-44,400,000	-174,837,416

Revised Estimated General Fund Unappropriated**Balance July 1, 2026****100,000,000**

STATE TREASURER'S OFFICE

1. E20B04.02 Save4College State Contribution

To reduce the appropriation shown on page 33 of the printed bill (first reading file bill), to align with projected expenditures.

Object .12 Grants, Subsidies and Contributions	-500,000	
General Fund Appropriation		-500,000

MARYLAND DEPARTMENT OF HEALTH

2. M00L01.02 Community Services

To reduce the appropriation shown on page 74 of the printed bill (first reading file bill), to eliminate funding for a 1% provider rate increase.

Object .08 Contractual Services	-2,086,742	
General Fund Appropriation		-2,086,742

3. M00L01.03 Community Services for Medicaid State Fund Recipients

To reduce the appropriation shown on page 74 of the printed bill (first reading file bill), to eliminate funding for a 1% provider rate increase.

Object .08 Contractual Services	-932,476	
General Fund Appropriation		-932,476

4. M00M01.02 Community Services

To reduce the appropriation shown on page 77 of the printed bill (first reading file bill), to eliminate funding for a 1% provider rate increase.

Object .08 Contractual Services	-28,718,078	
General Fund Appropriation		-14,359,028
Federal Fund Appropriation		-14,359,050

5. M00Q01.03 Medical Care Provider Reimbursements

To reduce the appropriation shown on page 79 of the printed bill (first reading file bill), to eliminate funding for a 1% provider rate increase.

Object .08 Contractual Services	-21,144,774	
General Fund Appropriation		-10,514,934
Federal Fund Appropriation		-10,629,840

6. M00Q01.03 Medical Care Provider Reimbursements

To reduce the appropriation shown in Item 74 of Supplemental No. 1 of Fiscal Year 2026 for biomarker testing established under CH 322 of 2023.

Object .08 Contractual Services	-7,894,737	
General Fund Appropriation		-3,000,000
Federal Fund Appropriation		-4,894,737

7. M00Q01.07 Maryland Children's Health Program

To reduce the appropriation shown on page 79 of the printed bill (first reading file bill), to eliminate funding for a 1% provider rate increase.

Object .08 Contractual Services	-84,941	
General Fund Appropriation		-29,729
Federal Fund Appropriation		-55,212

8. M00Q01.10 Medicaid Behavioral Health Provider Reimbursements

To reduce the appropriation shown on page 80 of the printed bill (first reading file bill), to eliminate funding for a 1% provider rate increase.

Object .08 Contractual Services	-16,444,089	
General Fund Appropriation		-5,896,215
Federal Fund Appropriation		-10,547,874

9. M00Q01.10 Medicaid Behavioral Health Provider Reimbursements

To reduce the appropriation shown in Item 80 of Supplemental No. 1 of Fiscal Year 2026 for biomarker testing established under CH 322 of 2023.

Object .08 Contractual Services	-2,631,579	
General Fund Appropriation		-1,000,000
Federal Fund Appropriation		-1,631,579

Higher Education

10. R75T00.01 Support for State Operated Institutions of Higher Education

To reduce the appropriation shown on page 128 of the printed bill (first reading file bill), to reflect an adjustment in state support to the University System of Maryland. The allocation of the reduction to the institutions will be determined by the University System of Maryland and provided to the Department of Budget and Management by May 1, 2025.

Object .12 Grants, Subsidies and Contributions	-44,400,000	
General Fund Appropriation		-44,400,000

DEPARTMENT OF COMMERCE

11. T00F00.09 Maryland Small Business Development Financing Authority - Business Assistance

To revise the appropriation shown on page 136 of the printed bill (first reading file bill), to utilize available special funds.

Object .14 Land and Structures	0	
General Fund Appropriation, provided that this appropriation is contingent upon the enactment of legislation permitting the use of available funds from the Small, Minority, and Women-Owned Business Account.		-1,500,000
Special Fund Appropriation, provided that this appropriation is contingent upon the enactment of legislation permitting the use of available funds from the Small, Minority, and Women-Owned Business Account.		1,500,000

MARYLAND TECHNOLOGY DEVELOPMENT CORPORATION

12. T50T01.10 Minority Pre-Seed Investment Fund

To revise the appropriation shown on page 140 of the printed bill (first reading file bill), to utilize available special funds.

Object .12 Grants, Subsidies, and Contributions	0
General Fund Appropriation, provided that this appropriation is contingent upon the enactment of legislation permitting the use of available funds from the Small, Minority, and Women-Owned Business Account.	-7,500,000
Special Fund Appropriation, provided that this appropriation is contingent upon the enactment of legislation permitting the use of available funds from the Small, Minority, and Women-Owned Business Account.	7,500,000

AMENDMENTS TO HOUSE BILL 350 / SENATE BILL 319
(FIRST READING FILE BILL)

Amendment No. 1

On page 23, after "Appropriation" in line 1 insert "provided that this appropriation is reduce by \$3,500,000 contingent upon the enactment of HB 352 or SB 321 reducing the mandate for the Maryland Historic Revitalization Tax Credit program."

Reduces funding from the Maryland Historic Revitalization Tax Credit program in the Department of Planning.

Amendment No. 2

On page 74, after "Physicians" in line 17, insert "Further provided that this appropriation is reduced by \$600,000 contingent upon the enactment of HB 352 or SB 321 eliminating the mandate funding for the Value Based Purchasing Pilot."

Reduces funding for the Value Based Purchasing Pilot program.

Amendment No. 3

On page 120, after line 24, insert: "Provided that this appropriation shall be reduced by \$44,400,000 in Current Unrestricted. The University System of Maryland is authorized to allocate this reduction across the System. A schedule of the reductions should be provided to the Department of Budget and Management by May 1, 2025."

Reduces the Current Unrestricted appropriation for the University System of Maryland, consistent with Item 10 of this Supplemental Budget and specifies how the reduction can be applied across the System.

Amendment No. 4

On page 236 of the first reading file bill, insert the following after line 18: "SECTION 19. AND BE IT FURTHER ENACTED, That for fiscal year 2026, the general fund appropriations in Object .04 Travel for the Executive Branch is reduced by \$1,500,000. This reduction will be allocated to Object .04 subobjects in accordance with a schedule determined by the Governor. The Department of Budget and Management will submit detail on the allocation of these reductions by program, to the budget committees and the Department of Legislative Services by July 1, 2025."

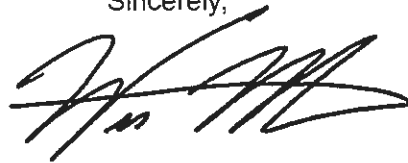
Reduces Object .04 Travel within the Executive Branch.

SUMMARY

SUPPLEMENTAL APPROPRIATIONS

	General Funds	Special Funds	Federal Funds	Current Unrestricted Funds	Current Restricted Funds	Total Funds
Appropriation						
2025 Fiscal Year	0	0	0	0	0	0
2026 Fiscal Year	0	9,000,000	0	0	0	9,000,000
Subtotal	0	9,000,000	0	0	0	9,000,000
Reduction in Appropriation						
2025 Fiscal Year	0	0	0	0	0	0
2026 Fiscal Year	-97,319,124	0	-42,118,292	-44,400,000	0	-183,837,416
Subtotal	-97,319,124	0	-42,118,292	-44,400,000	0	-183,837,416
Change in Appropriation	-97,319,124	9,000,000	-42,118,292	-44,400,000	0	-174,837,416

Sincerely,



Wes Moore
Governor

NOTE: The \$44,400,000 current unrestricted funds reduction is duplicative of \$44,400,000 of the \$97,319,124 general fund reduction in the table. The total funding reduction represented by this amendment (general, special, and federal) is \$130,437,416.