MDH ATTENDEES: Laura Herrera Scott, MD, MPH, Secretary
Dr. Nilesh Kalyanaraman, Deputy Secretary, Public Health
Amalie Brandenburg, MDH Chief Financial Officer

Available For Questions: TBD

Maryland Department of Health (MDH) Prevention and Health Promotion Administration
Fiscal Year 2026 Operating Budget
Response to Department of Legislative Services Analysis

House Appropriations Committee
Health and Social Services Subcommittee
Delegate Emily Shetty
February 5, 2025

Senate Budget and Taxation Committee
Health and Human Services Subcommittee
Senator Cory McCray
February 6, 2025

The Department thanks the Governor, the Department of Budget and Management (DBM), and the Budget Committees for their support. We thank the Department of Legislative Services for its insightful budget analysis.

PHPA should explain why the proportion of high school students using any tobacco products between calendar 2021 and 2022 increases while the proportion of high school students using each specific product decreases. PHPA should also indicate how it will update its MFR goals around adult tobacco usage to align with broader chronic disease prevention goals, given its current goal to reduce adult cigarette smoking by 31.9% compared to the calendar 2011 level has been met for several years in a row (p. 6).

High school student cigar use is not reported separately in the MFRs, as cigarette and electronic smoking devices (ESDs) are. High school student cigar use, however, is included in the "any tobacco use" MFR measure. There was a significant increase in high school student cigar use between 2021 and 2022 (3.2 to 4.1 percent, respectively), which resulted in the "any tobacco product" measure increase.

PHPA will update this goal for the FY2027 reporting.

Due to budgeted funding for tobacco cessation and use prevention programs in excess of the $18.25 million mandate, DLS recommends reducing the fiscal 2026 allowance by $5.7 million in general funds to fund these efforts at the $18.25 mandated level (p. 7).

The Department respectfully disagrees with the DLS recommendation to reduce the budget for tobacco cessation programs.

PHPA is concerned the proposed $5.7M GF reduction will greatly compromise MDH's ability to continue the success of reducing tobacco use throughout the State. The reduction would mostly impact Local Health Department (LHD) awards, which supports local-level staffing and implementation of evidence-based programming. The current allocation to LHDs is $5.48M.

Below are the FY25 LHD GF award allocations. PHPA planned to level-fund the LHDs in FY26. Should there be a $5.7M GF reduction, there will be no LHD GF awards in FY26.

- Allegany $259,857
- Anne Arundel $230,833
- Baltimore City $275,833
- Baltimore County $260,833
- Calvert $190,833
- Caroline $235,833
- Carroll $210,833
- Cecil $195,833
- Charles $226,317
- Dorchester $240,833
- Frederick $195,833
- Garrett $235,833
- Harford $209,985
- Howard $200,833
- Kent $230,833
- Montgomery $313,033
- Prince George's $240,833
- Queen Anne's $240,833
- Saint Mary's $195,833
- Somerset $230,833
- Talbot $235,833
- Washington $215,833
- Wicomico $195,833
- Worcester $210,833

Total **$5,480,852**

PHPA should explain why it underspent in these areas [MADAP special funds, abortion care access program special funds, and COVID-19 federal stimulus funding] in fiscal 2024, and indicate which funding, if any, is eligible for spending in fiscal 2025 and 2026, and whether the funds are reappropriated in those years (p. 13).

<u>MADAP Special Funds</u>
The FY24 spending level for MADAP special funds was reduced from the original FY24 Appropriation in order to spend at the level of projected special fund revenues.

<u>Abortion Care Access Program</u>
In FY24, the program was still in its design phase and not fully operational with funding used to conduct a statewide needs assessment and develop training. The $2.9 million special fund appropriation was not spent and as a result that appropriation was canceled. The unspent special fund revenue is non-lapsing and PHPA has implemented a plan to expend unspent FY24 funds over several years.

<u>COVID-19 Federal Stimulus Funding</u>
During FY24 MDH learned that an additional two years was being provided to spend the funding. Once MDH learned of the extension, PHPA decided to underspend in FY24 so that funding could continue over the outyears. PHPA plans to utilize a significant portion of funds in FY25 and FY26.

PHPA should comment on the job areas and function of the vacancies as of December 31, 2024, and discuss the impact that this level of vacancies has on agency operations (p. 20).

PHPA vacancies are spread throughout the administration, impacting all five bureaus, and range in job classifications, including Agency Grant Specialist and Program Manager. Current staff and leadership assume additional responsibilities in order to maintain essential services and program delivery.

As of January 1, 2025, PHPA has 91 vacancies. Forty-four PINs were newly created in FY25. Thirty-three of these positions (75%) are currently filled as SPPs and awaiting conversion. Of the 47 vacant PINs that are not part of the FY25 new merit PINs (which represents a vacancy rate of 8.54%): 7 PINs were realigned within MDH, 16 are in active recruitment with 8 of those PINs in the interview and selection phase of the hiring process, 17 PIN vacancies are being revised to ensure efficient and effective program delivery in the HIV/STI unit due to decreasing MADAP rebate revenue, and 7 PINs are being repurposed and realigned within the administration, primarily to the Maternal and Child Health Bureau, to support quality initiatives and key programs

PHPA should indicate which specific services and grants have been reduced as a result of decreased MADAP rebate spending and how it plans to support programs in the future (p. 23).

LHD awards that were reduced impacted Ryan White Part B support services, sexually transmitted infection programs including disease investigation activities, and standalone HIV pre-exposure prophylaxis (i.e., prevention) navigation services. PHPA will continue to work closely with LHDs to prioritize local needs, monitor health outcomes, and integrate programs to align activities with available funding.

Given that the [Pediatric Cancer Research] commission is nearly fully appointed, PHPA should indicate why it has not included any expenditures in the fiscal 2026 allowance for the fund's operations (p. 23).

At the time of the FY 2026 budget preparation, the Governor's Appointment Office was still vetting applications and PHPA did not anticipate that all the commission members would be appointed in time to award grants in FY 2026. If all the commission members are appointed before or during FY 2026, PHPA will request a budget amendment to utilize the Pediatric Cancer Special Fund balance.

PHPA should clarify when its next round of [Prenatal and Infant Care Grant Program] proposal evaluation and awards will take place given that the fiscal 2026 allowance includes $3.3 million for the program (p. 24).

The next round of proposal evaluations will occur in March & April 2025 for FY26 awards.

PHPA should provide the qualitative and quantitative performance metrics used in fiscal 2023 and 2024 to evaluate [Prenatal and Infant Care Grant Program] grantees' impact on maternal and child health (p. 26).

For Fiscal Year 2023, the performance metrics for the Prenatal and Infant Care Grant Program were to a) enroll 345 participants; b) refer 40% of enrolled participants to prenatal care; c) provide 3,000 encounters for care coordination services during pregnancy; and d) to refer 30 clients to mental health services. In FY23 PHPA exceeded all metrics, totalling 436 participants enrolled in the program with 3,088 actual encounters. Forty-eight percent of the clients were referred to prenatal care. There were 58 referrals to mental health.

For Fiscal Year 2024, the performance metrics for the Program were to a) enroll 1,500 participants; b) refer 40% of newly enrolled participants to prenatal care; c) provide 7,500 care coordination encounters during pregnancy; and d) refer 140 clients to mental health services. In FY24, PHPA again exceeded all metrics, totalling 2,207 newly enrolled participants with 8,273 care coordination encounters during pregnancy. Fifty-one percent of the newly enrolled clients were enrolled in prenatal care services. There were 145 clients referred to mental health services.

DLS determined the report to be in compliance with the language and recommends the release of $100,000 in general funds restricted in fiscal 2025 pending the submission of a report on Prenatal and Infant Care Grant Program performance measures and will process a letter to this effect if no objections are raised by the subcommittees (p. 26).

The Department thanks DLS for its review of the report and for the recommendation to release funds.