



**R62\***

**Capital Budget**

**Maryland Higher Education Commission**

**Fiscal Year 2027 Capital Budget Testimony**

**House Appropriations Subcommittee on Capital Budget**

**Delegate Malcolm P. Ruff, Chair**

**March 9, 2026**

**Senate Budget and Taxation Subcommittee on Capital Budget**

**Senator Craig J. Zucker, Chair**

**March 10, 2026**

**Background:** The Maryland Higher Education Commission (MHEC) appreciates the thorough analysis provided by the Department of Legislative Services and welcomes the opportunity to provide additional context and clarification on the questions raised in the capital budget analysis.

MHEC serves as the State's coordinating and regulatory authority for postsecondary education, ensuring that Maryland's postsecondary education system remains accessible, affordable, and aligned with workforce and economic priorities. The statutorily established Commission sets policy direction and adopts regulations, while the agency's professional staff, under the leadership of the Secretary, implements those policies, administers programs, and ensures compliance and transparency.

MHEC's responses to the referenced statements and highlighted concerns are provided below. Quoted text from the DLS analysis appears in bold.

MHEC thanks the committees for their continued support of the Community College Construction Grant Program (CCCGP) and the Community Colleges Facilities Renewal Grant Program (CCFRGP) and urges adoption of the Governor's Capital Budget as proposed for both programs.

***Page 12 - "The Department of Legislative Services (DLS) recommends adopting committee narrative requesting the submission of an annual project status report. The report should outline the stage of design and construction completeness for all CCCGP projects with outstanding unencumbered and unexpended funds as of December 1, 2026. This information is essential to both DBM and DLS to properly evaluate annual program funding needs and to identify and highlight any issues impacting scheduling, funding, and project implementation for projects already funded by the State."***

MHEC concurs with the Department of Legislative Services' recommended action to adopt language requiring a funding status report for all CCCGP projects with outstanding unencumbered and unexpended funds. MHEC stands ready to submit the report by the January 10, 2027, deadline as required.



**Maryland**

DEPARTMENT OF BUDGET  
AND MANAGEMENT

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*Lieutenant Governor*

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*Deputy Secretary*

**Department of Budget and Management  
Fiscal Year 2027 Capital Budget  
Written Response to Department of Legislative Services Analysis  
(Maryland Higher Education Commission)**

**House Appropriations Committee  
Capital Budget Subcommittee  
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**Page 3: The Department of Budget and Management (DBM) should brief the committee as to why the planned funding levels for fiscal year 2030 and 2031 have been reduced from \$80 million to \$60 million.**

There are 2 primary factors contributing to DBM's \$20 million reduction to planned funding levels for the Community College Construction Grant Program (CCCGP) in FY 2030 and FY 2031. The decrease more accurately reflects actual CCCGP funding needs in recent years, and it considers limited budget capacity in the out years of the Capital Improvement Program (CIP).

- **Alignment with Program Needs:** Recent data does not support an \$80 million Community College Construction Grant Program. The proposed budget generally provides funding for projects based on DBM analysis on project justifications, estimated project schedules, and cash flow needs. FY 2024-2027 data suggests the \$80 million funding level is too high for the CCCGP. Per the summary table on the following page, the FY 2024-2026 average of enacted capital budget funding for the program is approximately \$50 million, 33% less than planned funding. Inclusive of the FY 2027 capital budget as proposed, the average increases to \$50.6 million, 34% less than the \$80 million level. DBM's recommended out-year reduction is therefore commensurate with recent capital budgets and represents a more accurate and efficient projection.

**Fig. 1: Maryland Higher Education – Planned vs. Enacted Capital Funding, CCCGP (\$ thousands)**

	<b>FY 2024</b>	<b>FY 2025</b>	<b>FY 2026</b>	<b>FY 2027*</b>	<b>FY 2024-26 Average</b>	<b>FY 2024-27 Average</b>
Planned	75,000	80,000	70,000	80,000	75,000	76,250
Enacted	51,735	38,054	60,229	52,360	50,006	50,595
<b>Difference</b>	<b>(23,265)</b>	<b>(41,946)</b>	<b>(9,771)</b>	<b>(27,640)</b>	<b>(24,994)</b>	<b>(25,656)</b>
% Change	(31%)	(52%)	(14%)	(35%)	(33%)	(34%)

*\*FY 2027 funding as proposed, not enacted*

- Limited Out Year Budget Capacity:** The reprogramming of planned FY 2027 funds to the out years required DBM to generate additional out-year capacity to remain within the State’s planned GO bond limit of \$1.75 billion. The \$20 million reduction to the CCCGP represents one among multiple actions taken to achieve a balanced 5-year capital plan.

As a reminder, the Administration updates the CIP every year. CCCGP funding levels may be adjusted in the future depending on funding needs of the community colleges and available budget capacity.