

WES MOORE
Governor

ARUNA MILLER
Lieutenant Governor



YAAKOV "JAKE" WEISSMANN
Secretary

MARC L. NICOLE
Deputy Secretary

**DEPARTMENT OF BUDGET AND MANAGEMENT - SECRETARY
FY 2027 Budget Hearing**

**Testimony of
Yaakov Jake Weissmann, Secretary
Department of Budget and Management**

**Senate Budget & Taxation Committee
February 24, 2026**

**House Appropriations Committee
February 27, 2026**

The Administration appreciates the thorough analysis put forward by the Department of Legislative Services (DLS).

The mission of the Department of Budget and Management (DBM) is to assist the Governor, State agencies, and their employees in providing effective, efficient, and fiscally sound government to the citizens of Maryland. We support agency efforts to achieve results by helping them obtain the fiscal, capital, and personnel resources needed to provide services to Maryland citizens. We are dedicated to providing advice and assistance with professionalism, state-of-the-art technology, modern management techniques, and teamwork. DBM supports Maryland's State government workforce with competitive benefits and opportunities for growth.

DBM's responses to the DLS recommendations in the analysis are below. We are available to answer any questions.

Central Collections Unit (CCU) Revenues versus Expenses (page 5): CCU should discuss the efforts it is undertaking to improve the rate of recoveries

During fiscal year 2025, MDTA assigned approximately 12.6 million EZPass toll-violation debts with a balance of \$403 million. This large placement significantly impacted the calculation of our collection recovery percentage denominator. Overall, fiscal year 2025 collections increased by \$59.5 million, or 47%, to \$185 million as a result of recovery efforts on that inventory.

Building on this momentum, through the end of January, CCU is currently \$9.6 million or 9% ahead of its collection recoveries compared to the same period last year

Budget Reconciliation and Financing Act of 2026 (page 12): The Department of Legislative Services (DLS) recommends striking the BRFA provision and striking the budget bill language reducing funds contingent on legislation removing the requirement for printed budget books.

DBM respectfully requests that, if the requirement to print budget books is struck, the legislature work with the Administration to provide additional flexibility around the ultimate format and content of published budget materials. The specificity of existing requirements, combined with the timelines necessary to print the materials prior to the submission date each year, restricts the ability of DBM to innovate and increase accessibility of the documents, which have barely changed in their content in decades despite the modernization of public budget information seen in other governments around the United States. DBM maintains that the current physical books are outdated soon after they are published and represent an antiquated means to share such significant information with stakeholders and the public.

Funding in DPA for Fiscal Leadership (page 17): DBM should comment on planned uses of DPA funding for recruitment and retention of State fiscal leaders

DBM appreciates the feedback from legislative leaders that led to the Administration setting aside these funds in the budget. Potential uses include targeted recruitment for fiscal roles, staff capacity expansion at key agencies, and reclassification of positions. Specific ideas under consideration include hiring MDH fiscal staff to serve as contact points for monitoring trends in individual entitlement programs such as Medicaid, DDA, and BHA, and partnering with the Government Finance Officers Association and the Comptroller's Office to support professional development for existing financial staff. DBM also plans to strengthen recruitment strategies for agency fiscal positions and work with partner agencies, including MDH and DDA, to specifically target opportunities for better fiscal management and forecasting in their agencies.

AFCU Performance Measures (page 20): AFCU should provide more information on why fiscal 2025 levels could not be reported for quarterly reports submitted by agency heads, addressing corrective actions.

AFCU had planned to implement formal quarterly reports to agency heads in fiscal 2026. This new process will complement AFCU's existing engagement with agencies, which typically involves periodic (usually monthly) status meetings with agency leadership. These meetings allow the AFCU to discuss the status of corrective actions and find resolutions, and to provide detailed feedback and recommendations for successful remediation.

The addition of quarterly reports is designed to enhance existing processes and ensure that agency heads, who may not always attend the monthly status meetings, are fully aware of the current status of corrective actions and finding a resolution.

DPA Funding for Repeat Audit Findings (page 22): DBM should provide more details on planned spending of the DPA funding for repeat audit findings.

On February 6th, the Governor issued a directive to all State agencies to immediately review and enhance audit resolution procedures. As part of this directive, cabinet secretaries must assess the root causes for repeat findings and identify where additional resources are needed. Agencies will submit those resource requests to DBM for evaluation and potential inclusion for funding from the DPA. Among some of the possible uses of the funding could be temporary staff, outside auditing support services, and IT solutions. The objective of spending the DPA funding is to implement solutions that reduce the recurrence of repeat audit findings or prevent future issues.

Timing of Budget Amendments (page 24): DBM should discuss efforts that it will undertake to submit budget amendments in a timely manner.

In response to concerns from the Maryland General Assembly and language in the fiscal year 2027 Budget Bill requiring fiscal year 2025 amendments to be submitted for legislative review by October 31, 2025, DBM significantly increased the frequency of tracking and follow-up with agencies regarding the submission of closeout amendments.

Starting in July 2025 with the fiscal year 2025 closeout process, a central coordinator in the Office of Budget Analysis (OBA) sent regular reminders to the OBA team, who then followed up with their agencies regarding the timely submission of the closing form and any related amendments. Management also reviewed the tracker regularly to ensure that agencies and DBM staff were working towards the October 31st deadline. This central coordination and oversight resulted in a significant improvement in amendment timeliness over previous years. Moving forward, DBM will continue this enhanced monitoring process with an extra focus on those agencies that were unable to meet the deadlines for fiscal year 2025.

Fleet Maintenance Procurement Delays (page 26): DBM should discuss the cause of recent procurement delays.

On December 17, 2025, after numerous delays and many contract extensions, the Board of Public Works (BPW) approved the new fleet maintenance contract with Element Fleet Corporation. The contract has a base five-year term (January 2026 - December 2030) of \$90 million and a five-year renewal option for \$77 million.

DLS Recommendations and DBM Responses

- 1) **DLS recommends amending Section 2 to limit appropriations that can be placed into the contingency reserve to items restricted by the General Assembly**

DBM respectfully does not concur with this proposed limitation on the Secretary's authority to manage the budget and would ask the committees to accept the language in this section in the budget as introduced.

- 2) **DLS recommends amending section 17 to add the tracking structure necessary for legislative audits and to disallow transfers to other purposes.**

DBM respectfully does not concur with the recommendation to disallow transfers from restricted objects of expenditure to other purposes, as in very limited circumstances, this can be a useful budget management tool. The language permitting the Secretary of Budget and Management to approve the transfer of funds from various statewide allocations for other purposes had been included in annual budget bills for several years prior to fiscal year 2016. Given that, DBM respectfully requests that the committees reject the analyst's recommendation and allow the current Administration to resume this authority.

- 3) **DLS recommends adding a section requiring long-term forecasts for the General Fund Blueprint for Maryland Future Fund, and higher education Current Unrestricted Fund accounts.**

DBM concurs

- 4) **DLS recommends adding a section applying across-the-board reductions to institutions of higher education**

DBM concurs.

- 5) **DLS recommends adding a section requiring reporting on the federal funds received by the State.**

DBM concurs.

- 6) **DLS recommends adding a section defining the use of federal funds in the budget.**

DBM concurs.

- 7) **DLS recommends adding a section requiring consistent presentation of budget data and organizational charts.**

DBM concurs.

8) DLS recommends adding a section reporting on interagency agreements and approval by the Department of Budget and Management.

DBM concurs.

9) DLS recommends adding a section defining the budget amendment process.

DBM concurs with the goal of having all amendments to be submitted by October 31st of the next fiscal year, although we would appreciate some flexibility in the case of exceptional circumstances.

10) DLS recommends adding a section requiring maintenance of accounting systems for certain programs.

DBM concurs

11) DLS recommends striking contingent language for printing budget books.

DBM respectfully requests that, if the requirement to print budget books is struck, the legislature works with the Administration to provide additional flexibility around the ultimate format and content of published budget materials. The specificity of existing requirements, combined with the timelines necessary to print the materials prior to the submission date each year restricts the ability of DBM to innovate and increase accessibility of the documents, which have barely changed in their content in decades despite the modernization of public budget information seen in other governments around the United States. DBM maintains that the current physical books are outdated soon after they are published and represent an antiquated means to share such significant information with stakeholders and the public.

12) DLS recommends adding a section restricting funds in certain agency budgets pending the timely submission of fiscal 2026 budget amendments.

DBM respectfully does not concur with this proposed limitation on another Secretary's authority to manage the budget.

13) DLS recommends restricting funds pending a report on the American Rescue Plan Act Funding.

DBM concurs.

14) DLS recommends adopting annual narrative requesting the submission of budget details for contracts and grants.

DBM concurs.