



MDH ATTENDEES: Meena Seshamani, MD, PhD, Secretary
Meg Sullivan, MD, MPh, Deputy Secretary, Public Health
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Available For Questions: TBD

Maryland Department of Health (MDH) Prevention & Health Promotion Administration
Fiscal Year 2027 Operating Budget
Response to Department of Legislative Services Analysis

House Appropriations Committee
Health and Social Services Subcommittee
Delegate Emily Shetty
February 12, 2026

Senate Budget and Taxation Committee
Health and Human Services Subcommittee
Senator Cory McCray
February 18, 2026

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 comment on its plans to update its goals related to adult cigarette usage to reflect current trends and population health objectives (p. 4).

The Behavioral Risk Factor Surveillance System (BRFSS) is the only ongoing, comprehensive state-level surveillance system that provides representative adult tobacco use data for Maryland. Prior year data is finalized by the end of the subsequent calendar year. CY 2024 data therefore was not available until after the FY 2027 MFR submission was finalized. PHPA will use the 2024 BRFSS data to update the adult tobacco use goals in the FY 2028 MFR template.

Therefore, DLS recommends modifying the [BRFA] language to align with the provision in the BRFA as introduced by making the general fund reduction [to the tobacco cessation funding mandate] contingent on legislation reducing the funding mandate (p. 6).

MDH concurs with the DLS recommendation.

PHPA should clarify how it determined the new mandated level of \$17.52 million and explain the impact that this reduction will have on tobacco use reduction programs locally and statewide. DLS also recommends increasing the contingent general fund reduction by \$850,000 to provide the proposed mandated appropriation of \$17.52 million in fiscal 2027 (p. 6).

The department concurs with this recommendation.

MDH does not anticipate any negative impact on tobacco use reduction programs. The tobacco control program has accomplished significant decreases in tobacco use and has estimated that \$17.52 million will be sufficient to maintain its effectiveness and continue to decrease tobacco use in Maryland.

Given the uncertainty of future funding, PHPA should comment on its efforts to monitor ongoing changes at the federal level and communicate with grantees (p. 6).

The federal FY 26 consolidated appropriations bill enacted February 3, 2026 has largely level funding for the major HHS grant programs. We are closely monitoring Federal grant funding opportunities and any proposed changes to existing grant programs and will continue to prioritize timely communication with grantees.

PHPA should comment on other efforts to spend down the fund balance while ensuring sustainable spending on MADAP programs based on service demand and available revenue (p. 11).

Recent federal legislative actions and inactions affecting the Affordable Care Act insurance premium subsidies resulted in an estimated 17% increase in premium costs. The MADAP expenditures are increasing significantly as compared to FY 2025 as MADAP has expanded its insurance assistance to ensure no lapse in client care.

MADAP will allocate \$46M in existing fund balances over a five-year period as one-time and multi-year investments to improve program data systems including a new integrated client management data system and patient portal, enhancements to HIV/STI prevention programming including integrated adolescent and young adult (AYA) HIV PrEP/PEP and DoxyPEP services, and continued sustainability of MADAP services.

PHPA should specify how many of the transferred positions are vacant, if applicable. Additionally, PHPA should comment on its plans to fill or abolish its long-term vacant positions (p. 13).

There are 508 merit FTE budgeted in PHPA programs in FY 2027 Allowance, which is 33 FTE fewer than the 541 FTE budgeted in the FY 2026 working appropriation. The -33 FTE change from FY 2026 to FY 2027 reflects the realignment of 37 positions from PHPA to other programs and the realignment of 4 positions into PHPA. Of the 37 positions realigned out of PHPA, 22 are filled and 15 are vacant as of 1/31/26.

PHPA has prioritized its vacant positions for the hiring freeze exemption process. We expect to fill all vacant positions after the lifting of the statewide hiring freeze.

PHPA should comment on when it plans to release a request for [Maryland Pediatric Cancer Fund] proposals and when it will hire the program administrator. Considering the grant program is supported with fund balance and does not have an ongoing revenue source, PHPA should discuss how the grants will be used on one-time purposes and the timing for distributing the grants (p. 17).

PHPA expects to release the RFP in November 2026. Based on the recommendations of the Commission, funds will be distributed for a 24-month award period beginning in March 2027. The Commission advises that these one-time awards will have a significant impact on time-limited specific research objectives or be leveraged for specific outcomes within larger research initiatives.

PHPA currently plans to hire the program administrator position when the hiring freeze is ended.

PHPA should specify the fund source used to continue distributing [WIC] benefits during the shutdown and whether the \$10 million emergency appropriation was expended in fiscal 2026 (p. 21).

The WIC Program remained open and operational by utilizing the prior federal fiscal year funding, as allowed by the federal regulations, as well as federal funding provided by the USDA through the shutdown. The \$10 million in emergency grant funding was made available not for WIC operations, but rather to purchase and distribute additional food for food banks, local pantries, school pantries, and mobile distributions programs, through the Maryland Department of Human Services.