



# MARYLAND DEVELOPMENTAL DISABILITIES COALITION

Dedicated to the rights and quality of life for people with developmental disabilities in Maryland



## Proposed FY 2026 Budget Cuts and FY 2025 Contingency Cuts

### Overview



Governor Moore's FY 26 budget includes several significant cuts and cost containment measures that negatively impact people with developmental disabilities and community providers. Below is a summary of the proposed cuts for both years, with the financial impact that has been made public for FY25 for each item. The amount associated with each cut for FY26 has not been made public at this date, but the total fiscal cut for FY26 is referenced below.



Initial information indicates that the DDA budget also increases, to expand supports for Transitioning Youth, people on the DDA Waiting List, people experiencing emergencies, and young adults exiting DHS services. Exact funding levels are not known at this time.

Overall, the historic funding cuts will negatively impact provider capacity, making it challenging to expand supports to the groups listed above.

### Proposed Budget Cuts for FY25 and FY26



Maryland Developmental Disabilities Council

**Overall impact in FY25: \$194m** (total funds: 50/50 state and federal)

**Overall impact in FY26: \$470m** (total funds: 50/50 state and federal)

**This represents a 22% overall cut to DD community supports in FY26.**

#### 1. **Revision of Dedicated Hours Policy to Exhaust Shared Hours in Community Living**

Description: Requires the exhaustion of shared hours before approving dedicated hours to meet the needs of people with greater support needs in community living.

Projected FY 25 Fiscal Impact: \$54.2 million

Impact: Funding for residential supports for people who need dedicated hours will be significantly reduced, negatively impacting the people who need that level of support, and the people they live with. This cut reverses the progress that was made in strengthening community living, and runs counter to the federal Community Rule that requires that states give people the opportunity to have choice in their daily activities.



#### 2. **Elimination of the Geographic Differential Rate**

Description: Transitions to a single rate for all counties, aligning with the current "rest of state" rate.

Projected FY 25 Fiscal Impact: \$56 million

Impact: This change will reduce the funding available for supports in Montgomery, Prince George's, Charles, Calvert, and Frederick Counties, leading to diminished support for people and reduced provider capacity in those counties.