



AFSCME Maryland Council 3 State & Federal Budget Snapshot July 2025

- **2015 – 2022:** Former Governor Larry Hogan's term in office, during which he disinvested in state services that lead to a historical staffing crisis in state government.
- **March 2021:** President Biden signs into law the American Rescue Plan Act (ARPA) that allocated federal one-time Covid-19 relief funding to state and local governments. In total, Maryland state and local governments received approximately \$12.3 billion in ARPA funds.
- **2022:** At the end of Hogan's term, most state agencies report vacancy rates in the double digits. Vacancy rates in public safety, health, and human services ranged from 12.7% - 14.7%, which lead to increases in mandatory overtime and unsafe working conditions. Total state vacancies at the end of Hogan's term are approximately 10,000.
- **2023-2024:** Governor Wes Moore assumes office and begins the work of rebuilding state government to fully staff state services.
- **2025:** federal one-time ARPA funding ends for state and local governments. At the start of the 2025 Maryland General Assembly session, the total state agency vacancy rates trend downward to 10%. Moore Administration continues to convert contractual employees to permanent state employees and fill state vacancies.
- **2025:** Maryland General Assembly opens session with projected \$3.3 billion structural deficit. The \$3.3 billion deficit was the result of a slow growing economy that failed to generate enough revenue to support an increase in demand for essential public services like healthcare, transportation, and education. The deficit is closed through a combination of revenue reform, by raising state income tax rates on the wealthiest Marylanders, and targeted spending cuts.
- **FY2026:** At the outset of FY2026, the Maryland state budget is balanced with a forecasted end balance of \$315 million. However, at this time, it is not known what the final impact of H.R. 1 will have on Maryland's state budget.
- **H.R. 1:** As enacted has the following effects:
 - Over 70% of the tax cuts go to the wealthiest 20% of Americans
 - \$300 billion cut to Supplemental Nutrition Assistance Program: 71,000 Marylanders lose food assistance
 - Over \$400 million in SNAP costs shift from the federal government to Maryland
 - Approximately \$1 trillion cut to Medicaid and cuts the Affordable Care Act: Anywhere from 130,000 – 205,000 Marylanders lose health coverage
 - \$3.4 trillion added to the national debt over the next decade