

On January 15, Governor Moore released his [proposed budget for FY2026](#). The budget proposal must address Maryland's structural budget deficit. CBH offers its **preliminary** take on the high-level budget documents currently available, including the budget summary, DBM's projected utilization figures, and the Governor's proposed BRFA bill.

Key Takeaways

All of you want to know what the budget says about provider-level funding for behavioral health and child welfare services; **we do not yet have enough information to answer that question**. None of the information presented below gets to the level of specificity to draw conclusions about the adequacy of provider funding.

Early indications suggest that PBHS rate cuts, walking back CCBHC commitments, and permanent slashing of Consortium funding may be part of the Governor's budget proposal, but **it is too early for definitive conclusions or action**. Early indications suggest that child welfare funding may be adequate. All of these early conclusions may be wrong; CBH is still working to fully understand the budget proposal. Please read on bearing that limitation in mind.

Our limited, preliminary information about Governor Moore's [budget proposal](#) can be found below. Please note that page numbers refer to the numbering of the pdf document for clarity, not the page numbers identified within the document itself.

Public Behavioral Health Service Funding

- **Projected Utilization.** There are two elements to analyzing any budget proposal: how much money is appropriated and how many people it is anticipated to cover. For FY2026, Governor Moore's budget is projecting a 4% increase in PBHS utilization (DBM: [BHA MFR](#), p. 3). Thus, in order to keep pace with rising utilization, appropriated funds should increase by at least 4%.
- **PBHS Funding.** The majority of funding for Maryland's PBHS is embedded in three line items – two Community Services line items in BHA's budget, and Medicaid's line item for behavioral health services.
 - **Medicaid Behavioral Health Appropriation.** For FY2026, the Medicaid line item for PBHS funding increases by 4.2% to \$2.6 billion ([Budget Summary](#), p. 72), which appears to keep pace with projected enrollment growth;
 - **BHA Community Services Appropriation.** For FY2026, the two line items for Community Services in BHA's budget increase by 7.2% ([Budget Summary](#), p. 72) but there is also a \$53.6 million reduction in the Community Services line item for the current fiscal year (p. 90). We are working to understand what this means.
 - **BRFA Actions for PBHS.** Governor Moore's proposed budget bill seeks to **remove the statutory requirement that MDH apply for a CCBHC planning grant** ([Proposed BRFA](#), p. 128). The proposed bill also seeks to make the \$12 million FY25 allocation for 988 discretionary rather than mandatory ([Proposed BRFA](#), pp. 127-128).
 - **Narrative.** Governor Moore's budget narrative suggests that cuts to some behavioral health rates may be embedded in the budget. The summary indicates that the budget offers

“[i]ncreased funding for mental health and substance use disorder programs. ... including: \$966.5 million for federally-entitled behavioral health services for Medicaid recipients (a 12.7% increase over FY 2025); [and] \$95.8 million for additional mental health and substance use disorder treatment for the Medicaid-eligible population (a 12.8% increase over FY 2025).” **Because the appropriation line items increase by only 4-7%, not 12.8%, CBH is concerned that the proposed budget may contain offsets generated from rate cuts.** We are working to learn more and will share information once we have it; rest assured that, once we have reliable information, we will communicate it to everyone.

Child Welfare Service Funding

- **Projected Utilization.** There are two elements to analyzing any budget proposal: how much money is appropriated and how many people it is anticipated to cover. No information is available about the projected number of youth anticipated to need child welfare services in FY2026 (DBM: [DHS MFR](#)). Thus, it is not possible at this time to accurately evaluate the adequacy of proposed provider-level funding.
- **Provider Funding.**
 - **Child Welfare Funding Appropriation.** Governor Moore’s proposed appropriation for foster care maintenance payments increases by 12.9% and child welfare services increases by 64% ([Budget Summary](#), p. 73). While the scope of these line items is unclear at this time and the target population is unknown, the proposed appropriation appears positive.
 - **Narrative.** Governor Moore’s budget narrative indicates that it is “[i]ncreasing funding by \$90 million in FY 2026 to fully fund existing safety net programs including foster care, temporary cash assistance, and temporary disability assistance” ([Budget Summary](#), p. 7).

School Mental Health Funding via Consortium for Coordinated Community Supports

Finally, Governor Moore’s proposed budget makes permanent the “one time cut” in Consortium funding that we saw last year by reducing the allocation from \$130 million to \$40 million in FY25 *and in each year thereafter* ([Proposed BRFA](#), p. 22).