

CAPITAL DEBT AFFORDABILITY COMMITTEE
Dereck E. Davis, Chair

October 16, 2025

The Honorable Wes Moore
Governor of Maryland
State House
Annapolis, Maryland 21401

The Honorable Bill Ferguson
President of the Senate
Maryland General Assembly
State House
Annapolis, Maryland 21401

The Honorable Adrienne A. Jones
Speaker of the House
Maryland General Assembly
State House
Annapolis, Maryland 21401

Governor Moore, President Ferguson, and Speaker Jones:

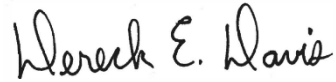
Section 8-104, *et seq.* of the State Finance and Procurement Article requires the Capital Debt Affordability Committee to submit to the Governor and the General Assembly an estimate of the maximum amount of new general obligation debt that may be prudently authorized for the next fiscal year. The statute also requires that the Committee submit an estimate of the amount of new academic revenue bonds that may be prudently authorized for academic facilities. As Chair of the Committee, I am submitting to you this letter which includes the Committee's recommendations pending completion of the official 2025 Capital Debt Affordability Committee Report.

The Committee met on October 16, 2025, to recommend the amount of new general obligation bonds to be authorized for the fiscal year 2027 capital program. The Committee also established planning assumptions for the Department of Budget and Management to use in its capital program planning process. After discussion, the Committee voted unanimously to recommend \$1.75 billion as the maximum amount of general obligation bonds to be authorized for fiscal year 2027. For planning purposes, the Committee recommended maintaining this level through fiscal year 2031. In light of recent expenditure trends, the Committee acknowledged that the forecasted issuance plans for the State over the next five fiscal years will likely be less than the annual amount of debt authorized, which would result in reduced debt service obligations and lower affordability ratios.

Based on its review of the size and condition of the debt of State institutions of higher education, the Committee, after discussion, voted unanimously to recommend a limit of \$30.0 million for new academic revenue bonds for the University System of Maryland for fiscal year 2027.

The Committee is in the process of finalizing its full report for fiscal year 2027, which will be submitted as soon as possible.

Sincerely,

A handwritten signature in black ink that reads "Dereck E. Davis". The signature is written in a cursive style with a large initial 'D'.

Dereck E. Davis
State Treasurer
Chair, Capital Debt Affordability Committee

DED:rjr

cc: The Honorable Brooke E. Lierman, State Comptroller
The Honorable Marc Nicole, Acting Secretary, Department of Budget and Management
The Honorable Samantha J. Biddle, Acting Secretary, Department of Transportation
The Honorable Senator Craig Zucker, Chair, Capital Budget Subcommittee
The Honorable Delegate Mark Chang, Chair, Capital Budget Subcommittee