

CAPITAL DEBT AFFORDABILITY COMMITTEE Dereck E. Davis, Chair

October 9, 2026

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 Joseline A. Peña-Melnyk
Speaker of the House
Maryland General Assembly
State House
Annapolis, Maryland 21401

Governor Moore, President Ferguson, and Speaker Peña-Melnyk:

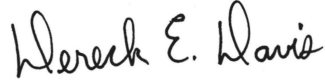
Section 8-104, *et seq.* of the State Finance and Procurement Article requires the Capital Debt Affordability Committee to submit to the Governor and the General Assembly an estimate of the maximum amount of new general obligation debt that may be prudently authorized for the next fiscal year. The statute 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 2026 Capital Debt Affordability Committee Report.

The Committee met on October 9, 2026, to recommend the amount of new general obligation bonds to be authorized for the fiscal year 2028 capital program. The Committee also established planning assumptions for the Department of Budget and Management to use in its capital program planning process. The Committee voted unanimously to recommend \$1.75 billion as the maximum amount of general obligation bonds to be authorized for fiscal year 2028. For planning purposes, the Committee recommended maintaining this level through fiscal year 2032.

Based on its review of the size and condition of the debt of State institutions of higher education, the Committee voted unanimously to recommend a limit of \$50.0 million for new academic revenue bonds for the University System of Maryland for fiscal year 2028.

The Committee is in the process of finalizing its full report for fiscal year 2028, 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, slightly slanted style.

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

DED:rjr

cc: The Honorable Brooke E. Lierman, State Comptroller
The Honorable Yaakov (Jake) Weissmann, Secretary, Department of Budget and Management
The Honorable Kathryn (Katie) Thomson, Secretary, Department of Transportation
The Honorable Senator Craig Zucker, Chair, Capital Budget Subcommittee
The Honorable Delegate Malcom P. Ruff, Chair, Capital Budget Subcommittee