

Department of Legislative Services
 Maryland General Assembly
 2005 Session

FISCAL AND POLICY NOTE
Revised

House Bill 361

(Delegate G. Clagett, *et al.*)

Environmental Matters

Education, Health, and Environmental Affairs

Advisory Committee on the Management and Protection of the State's Water Resources

This bill establishes an Advisory Committee on the Management and Protection of the State's Water Resources. Staffing for the committee will be provided by the Maryland Department of the Environment (MDE). The committee must report its findings and recommendations to the General Assembly by December 31, 2006.

The bill takes effect June 1, 2005 and terminates June 30, 2007. MDE must include in its report a recommendation on whether there is a need for the committee to continue to evaluate the State's water resources after the sunset date.

Fiscal Summary

State Effect: General fund expenditures would increase by \$67,500 in FY 2006 and \$73,600 in FY 2007 to begin fulfilling the committee's duties. No effect on revenues.

(in dollars)	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010
Revenues	\$0	\$0	\$0	\$0	\$0
GF Expenditure	67,500	73,600	0	0	0
Net Effect	(\$67,500)	(\$73,600)	\$0	\$0	\$0

Note:() = decrease; GF = general funds; FF = federal funds; SF = special funds; - = indeterminate effect

Local Effect: None.

Small Business Effect: None.

Analysis

Bill Summary: The committee must: (1) review the latest information from State, local, and federal agencies concerning assessments of the management and protection of the quality and quantity of the State's water resources; (2) review the results of ongoing scientific research regarding climate change and its regional impacts on aquifer depletion and recharging models; (3) review local, State, and federal laws, regulations, and policies related to the management, development, conservation, and protection of water resources; (4) assess the adequacy of existing governmental resources, regulatory enforcement, and monitoring programs; (5) recommend additional actions, studies, policies, regulations, or laws necessary to assure that management and protection of the State's water resources are conducted in a manner consistent with their long-term sustainable use and protection; and (6) provide a cost estimate and funding alternatives for implementation of each recommendation.

Current Law: MDE's Water Supply Program is responsible for implementing the federal Safe Drinking Water Act to ensure that communities are provided with safe water supplies that meet all drinking water standards and for managing the State's water supply resources to ensure that water supplies are not depleted through overuse.

Background: Governor Glendening established the Advisory Committee on the Management and Protection of the State's Water Resources in December 2002. On March 7, 2003, Governor Ehrlich reissued the executive order that established the committee. The principal charge of the committee was to evaluate the ability of the State to meet its projected water needs. The committee submitted its final report to the Governor on May 28, 2004. Due to time and staff constraints, the committee only broadly addressed its charges. Among other things, the committee recommended that the State: (1) continue with the statewide evaluation of water supply sources; (2) develop a comprehensive multi-aquifer model for the Coastal Plain; (3) review laws, regulations, funding resources, and State laboratory capacity relative to comprehensive management of the State's water resources; and (4) establish an advisory committee to provide periodic evaluation of implementation of its recommendations. The committee noted that full implementation of its recommendations would require a commitment of additional funding and sustained effort over several years.

With existing resources, MDE has developed an action plan for the implementation of the committee's recommendations. For example, staff in the Water Supply Program were reorganized to create a Water Policy and Security Division responsible for taking the lead in implementing the committee's recommendations and working on an ongoing basis with those members of the committee who have agreed to continue in an advisory capacity to MDE.

State Expenditures: General fund expenditures could increase by \$67,489 in fiscal 2006. This estimate reflects the cost of hiring two contractual employees (one natural resources planner and one water resources engineer) to assist with committee staffing, conduct research on water resources, review climate change studies, review laws and regulations, and assess existing programs. It includes salaries, fringe benefits, and ongoing operating expenses. The information and assumptions used in calculating the estimate are stated below.

- staffing the former advisory committee involved significant contributions of time from 21 employees within MDE, with up to five employees working nearly full-time for nearly two months at the peak of activity, and three additional employees devoting a substantial part of their time for support;
- existing employees within the Water Policy and Security Division will be utilized; and
- any expense reimbursements for committee members are anticipated to be minimal and absorbable within existing budgeted resources.

Salaries and Fringe Benefits	66,619
Operating Expenses	<u>870</u>
Total FY 2006 State Expenditures	\$67,489

Fiscal 2007 expenditures reflect: (1) 4.6% annual increases in contractual salaries and 6.8% employee turnover; (2) costs for report preparation; and (3) 1% annual increases in ongoing operating expenses.

Although the bill takes effect June 1, 2005, it is assumed that any start-up costs within fiscal 2005 could be handled with existing resources. No costs would be incurred after fiscal 2007 due to the bill's June 30, 2007 sunset date.

Additional Information

Prior Introductions: SB 630/HB 659 of 2003 would have established the advisory committee in an uncodified section of law. HB 659 passed the House with amendments and then passed the Senate but was vetoed by the Governor for the policy reason that the bill was not needed due to the 2003 executive order. SB 630 was referred to the Senate

Education, Health, and Environmental Affairs Committee but was subsequently withdrawn.

Cross File: SB 164 (Senator Middleton) – Education, Health, and Environmental Affairs.

Information Source(s): Maryland Department of the Environment, Department of Legislative Services

Fiscal Note History: First Reader - February 1, 2005
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