

Department of Legislative Services
 Maryland General Assembly
 2012 Session

FISCAL AND POLICY NOTE

House Bill 1337 (Delegate Smigiel, *et al.*)
 Appropriations

Upper Shore Regional Council - Mandatory Appropriation

This bill requires the Governor to include an appropriation of at least \$200,000 to the Upper Shore Regional Council in the State budget in fiscal 2014 and each fiscal year thereafter.

The bill takes effect July 1, 2012.

Fiscal Summary

State Effect: General fund expenditures increase by \$126,500 in FY 2014 and each fiscal year thereafter to fund the council. The Department of Business and Economic Development (DBED) currently funds the council with an annual grant of \$73,500. An additional appropriation from the general fund is necessary to cover the difference between the current level of funding and \$200,000. **This bill establishes a mandated appropriation beginning in FY 2014.**

(in dollars)	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
Revenues	\$0	\$0	\$0	\$0	\$0
GF Expenditure	0	126,500	126,500	126,500	126,500
Net Effect	\$0	(\$126,500)	(\$126,500)	(\$126,500)	(\$126,500)

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

Local Effect: Potential minimal decrease in local government expenditures for Cecil, Kent, and Queen Anne’s counties.

Small Business Effect: None.

Analysis

Current Law: The Upper Shore Regional Council and its activities may be jointly funded by the State and Cecil, Kent, and Queen Anne's counties. On or before August 1 of each year, the council must submit its proposed work programs and operating budget and supporting information to DBED. After review, DBED must forward the submission and any recommendations to the Department of Budget and Management for consideration. The governing bodies of Cecil, Kent, and Queen Anne's counties must each appropriate at least \$10,000 to the council, though the counties may appropriate additional funds. Other political subdivisions may appropriate money for the council. The council may accept additional money from any other public or private source.

The voting membership of the council includes (1) nine commissioners, three from each county, appointed by their respective governing bodies; (2) one elected municipal official from each county; and (3) members of the General Assembly representing the region who have a majority of their legislative district in the region. Nonvoting members of the council include (1) a county administrator from each county; (2) members of the General Assembly representing the region who do not have a majority of their district in the region; and (3) other county commissioners. The bylaws of the council may provide for additional private citizen membership. Members serve without compensation.

Background: The council was established by Chapter 100 of 2003 as a regional planning and development agency for Cecil, Kent, and Queen Anne's counties. It initiates and coordinates plans and projects in the three counties. The council has developed an array of community, business development, agriculture, tourism, and transportation plans, and participates in the planning and investigation of potential projects in the area.

DBED also funds four additional tri-county councils. Usually, each council, including the Upper Shore Regional Council, is funded with an annual grant of \$73,500. In fiscal 2012 *only*, an extra \$26,500 was allocated to each council, bringing the intended funding level to \$100,000 per council. Subsequently, however, in its review of the Upper Shore Regional Council's proposed work programs and operating budget for the year, DBED determined that the intent of the council – to effectively cease operations for the first half of fiscal 2012 – did not warrant the entire \$100,000 grant. DBED ultimately decided to fund the council for the second half of fiscal 2012, at half of the fiscal 2012 grant, or \$50,000.

State Expenditures: General fund expenditures increase by \$126,500 in fiscal 2014 and thereafter to raise the annual level of State funding to \$200,000. Legislative Services advises that DBED could also absorb the expenditure increase, but to do so would reduce funding for other grants and programs.

Local Expenditures: Each county currently funds the council at \$12,000 annually, rather than the statutory minimum of \$10,000 annually. Kent and Queen Anne's counties have indicated they will maintain their current funding level regardless of the passage of the bill. Cecil County also indicated no change in local expenditures due to the bill.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Cecil, Kent, and Queen Anne's counties; Department of Business and Economic Development; Department of Budget and Management; Upper Shore Regional Council; Department of Legislative Services

Fiscal Note History: First Reader - March 14, 2012
mc/rhh

Analysis by: Stephen M. Ross

Direct Inquiries to:
(410) 946-5510
(301) 970-5510