

SB315_Brooks.pdf

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BENJAMIN BROOKS
Legislative District 10
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Education, Energy, and the
Environment Committee
Energy Subcommittee

Chair, Joint Electric Universal
Service Program Workgroup



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SB 315
**Maryland Environmental Service – Membership of Board of Directors –
Alterations**

Education, Energy and the Environment Committee
January 28, 2024

Chairman Feldman, Vice-Chair Kagan, and Members of the Committee,

Thank you for the opportunity to testify before you on SB315 - Maryland Environmental Service - Membership of Board of Directors - Alterations. The purpose of this bill is to change the composition of the Maryland Environmental Service's (MES) Board of Directors by removing the State Treasurer and replacing the role with the Secretary of the Maryland Department of Planning. This small change would lighten the burden on the State Treasurer's duties and responsibilities and ensure that the Board of Directors continues to operate smoothly.

In 2021, the legislature passed the MES Reform Act which kept MES's independent status, but reformed its governance structure, into what it is today — a seven-member Board of Directors which is confirmed by the Senate. The governance reform also added the State Treasurer to the MES Board of Directors. The Board is mainly responsible for the governance and approving contracts at MES's monthly board meetings.

The Office of the State Treasurer, despite its small staff, took over the massive task of managing the Maryland 529 College Savings Plan. The addition of this responsibility led to several challenges pertaining to the number of boards and commissions that the State Treasurer is expected to act on. In the 2024 session, the legislature successfully passed a bill to remove the Office of the State Treasurer from four boards and commissions. Despite this adjustment, the bill kept the State Treasurer on the MES board, prompting the need for alterations.

SB315 would allow the Secretary of Planning, or their designee, to replace the State Treasurer under the same provisions in which the Treasurer currently serves. Specifically, exempting the Secretary of Planning and the Executive Director from a staggered term of four years and/or allowing them to serve as an executive officer of the board.

In order for the future of the MES to continue to protect the environment and improve the quality of Maryland's air, land, and water, it is imperative that Board of Directors is functioning well. All parties involved, including the Governor, State Treasurer, and the Planning Secretary are supportive of this transition. SB315 will ensure that the Maryland Environmental Service's Board of Directors operates at an efficient capacity for the health and wellbeing of our environment.

For the reasons, I am requesting a favorable report on Senate Bill 315.

With kindest regards,

A handwritten signature in cursive script that reads "Benjamin F. Brooks".

Benjamin Brooks

SB 315 MES Support.pdf

Uploaded by: Charles Glass

Position: FAV



Wes Moore GOVERNOR

Aruna Miller LT. GOVERNOR

Charles Glass, Ph.D., P.E. EXECUTIVE DIRECTOR

January 28, 2025

The Honorable Brian Feldman, Chair
Education, Energy, and the Environment Committee
2 West Miller Senate Office Building
Annapolis, Maryland 21401

Re: Senate Bill 315 – Maryland Environmental Service - Membership of Board of
Directors - Alterations

Dear Chair Feldman and Members of the Committee,

We would like to thank Senator Brooks for sponsoring Senate Bill 315, which proposes to remove the State Treasurer from the Maryland Environmental Service (MES) Board of Directors and replace that position with the Secretary of the Maryland Department of Planning. MES writes to you today in support of this bill.

The Maryland General Assembly passed the MES Reform Act of 2021, which restructured the MES Board into what it is today - an eight member (seven voting) governing body with the following members: the State Treasurer, three private sector members, three public sector members, and the executive director (who serves on the board, but in a non-voting capacity).

In 2023, Chapter 113 (SB 959), which was considered by this Committee, was approved by the Maryland General Assembly and signed into law by Governor Moore. This bill transferred the Maryland 529 Plan to the Office of the State Treasurer. The beleaguered college investment plan program has since consumed a significant amount of the Office of the State Treasurer's time and attention. Consequently, MES worked with the Office of the State Treasurer during the 2024 interim to develop a solution to help relieve the burden on their resources.

The Maryland Department of Planning is well positioned to contribute to MES's governance. Like MES, MDP works hand-in-hand with local jurisdictions to solve unique problems facing Maryland's counties and municipalities. MDP's mission is very

much focused on the preservation of our State's environment and natural resources, which compliments MES's mission and statutory charter. We believe the Secretary of Planning is a natural fit for the MES Board of Directors and will result in a seamless transition.

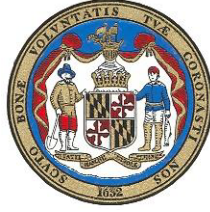
With this, MES urges the Committee to grant SB 315 a favorable report.

Contact: Jeff Tosi, Director of Government Affairs
Phone/Email: 410-729-8504 (w) | jtosi@menv.com

SB 315 - STO Testimony for EEE.pdf

Uploaded by: Dereck Davis

Position: FAV



MARYLAND STATE TREASURER
Dereck E. Davis

Testimony of the Maryland State Treasurer's Office

Senate Bill 315: Maryland Environmental Service – Membership of Board of Directors – Alterations

Position: Favorable

Senate Education, Energy, and the Environment Committee

January 28, 2025

Senate Bill 315 recognizes a reality that the State Treasurer's Office (STO) has faced in recent years – constrained resources. In addition to fulfilling various Constitutional and statutory responsibilities related to banking, debt management, and insurance, the Treasurer serves on 21 State boards and commissions. For the reasons discussed below, STO respectfully requests a favorable report on Senate Bill 315, which will substitute the Secretary of Planning for the Treasurer on the Board of Directors for the Maryland Environmental Service (MES Board).

Expanded Portfolio

[Chapter 113](#) of the Acts of 2023 abolished the Maryland 529 Board, transferring the Maryland 529 Program under STO. That transfer, coupled with the staff resources that STO is dedicating to integrating the agency and addressing the Program's issues, significantly added to STO's workload. While STO has resolved many of the initial operational challenges, the Treasurer remains the sole Trustee under the plans, requiring much more time than STO had previously dedicated to supporting the Treasurer as a member of the Maryland 529 Board.

Limited Staff Resources

Only a handful of STO employees have the experience and capacity to serve as designees for the Treasurer. Meeting obligations vary from bimonthly to periodically every few years

(see “State Treasurer’s Board Responsibilities” chart below). Aside from official meetings, several of the boards require STO to expend a substantial amount of staff resources in between meetings to coordinate briefings with other agencies and public officials, collect background information, and prepare for votes and discussion. The Treasurer’s two most time-consuming board responsibilities are the Board of Trustees of the Maryland State Retirement and Pension System, for which the Treasurer serves as Chair, and the Board of Public Works.

For illustrative purposes, one employee serves as the Treasurer’s Liaison to the Board of Public Works – itself a full-time job and one that is shared by multiple staff in one of the other member’s offices. In addition to BPW-related responsibilities, the staff person serves as the Treasurer’s designee for the MES Board and one other board that is not affected by this bill. STO estimates that, in terms of meetings and preparation, the staff person dedicates approximately 7 hours per month to MES. This is in addition to the time that the Treasurer spends attending the meetings or receiving updates from the staff person. Removal of the Treasurer and his designee from this board will allow this staff person to dedicate approximately one day of working time each month to other responsibilities.

Nexus to STO’s Core Responsibilities

STO recently undertook a review of the Treasurer’s board commitments to identify those that reflected the weakest nexus to the Office’s core responsibilities. After much consideration, STO determined that the MES Board was among those commitments with the least strong connection to the Office’s other work. Removing obligations related to the MES Board will allow the Treasurer and staff to focus on other mission-critical responsibilities.

2024 Legislation

During the 2024 session, the General Assembly passed departmental legislation ([Senate Bill 777/House Bill 918](#)) that alleviated some of the Treasurer’s membership responsibilities. As introduced, the bills would have removed the Treasurer from the MES Board without identifying a replacement member. Senate Bill 315, in contrast, builds upon the prior legislation by substituting the Secretary of Planning for the Treasurer, thereby preserving the current Board structure while alleviating STO’s workload.

For the foregoing reasons, STO requests that the Committee give Senate Bill 315 a favorable report. Please contact Laura Atas, Deputy Treasurer for Public Policy (latas@treasurer.state.md.us), with any questions.

State Treasurer's Board Responsibilities

Board of Public Works	Bi-monthly
Capital Debt Affordability Committee	October (3 meetings)
Commission on State Debt	April
Board of Trustees of the Maryland State Retirement and Pension Systems	Monthly
Board of Revenue Estimates	March, September, December
Maryland Environmental Services Board	Monthly
Maryland Supplemental Retirement Board	Monthly
Maryland Small Business Retirement Savings Board	Quarterly
Maryland Health and Higher Education Facilities Authority	Monthly
Maryland Green Purchasing Committee	Quarterly
Maryland Efficient Grant Application Council	Quarterly
Financial Education and Capability Commission	Required to meet at least twice yearly
Procurement Improvement Council	Quarterly
IWIF Board	Quarterly
eMaryland Marketplace Advantage Steering Committee	As needed
Revenue Bond Advisory Board (DHCD)	Monthly
Revenue Monitoring Committee	Monthly
Hall of Records Commission	Semi-annually
Board of State Canvassers	Periodically during election years (After a presidential primary election, a State general election, or a general or special general election that includes a candidate for Congress)
Governor's Salary Commission	Periodically every four years
21st Century Financial Systems Enterprise (21CFSE)	As needed