

U00A
Department of the Environment

Operating Budget Data

(\$ in Thousands)

	<u>FY 10</u> <u>Actual</u>	<u>FY 11</u> <u>Working</u>	<u>FY 12</u> <u>Allowance</u>	<u>FY 11-12</u> <u>Change</u>	<u>% Change</u> <u>Prior Year</u>
General Fund	\$35,500	\$31,931	\$32,292	\$361	1.1%
Contingent & Back of Bill Reductions	0	0	-471	-471	
Adjusted General Fund	\$35,500	\$31,931	\$31,821	-\$110	-0.3%
Special Fund	48,415	68,752	53,860	-14,891	-21.7%
Contingent & Back of Bill Reductions	0	0	-304	-304	
Adjusted Special Fund	\$48,415	\$68,752	\$53,556	-\$15,196	-22.1%
Federal Fund	34,055	34,042	37,067	3,025	8.9%
Contingent & Back of Bill Reductions	0	0	-211	-211	
Adjusted Federal Fund	\$34,055	\$34,042	\$36,856	\$2,814	8.3%
Reimbursable Fund	4,228	4,142	3,767	-375	-9.1%
Contingent & Back of Bill Reductions	0	0	-25	-25	
Adjusted Reimbursable Fund	\$4,228	\$4,142	\$3,742	-\$400	-9.7%
Adjusted Grand Total	\$122,198	\$138,867	\$125,974	-\$12,892	-9.3%

- The Maryland Department of the Environment's (MDE) budget withdraws (negative deficiency) \$10.0 million in special funds to reflect the lack of Bay Restoration Fund debt service appropriation needed because revenue bonds are not expected to be issued during fiscal 2011.
- The overall adjusted change in MDE's fiscal 2012 budget is a decrease of \$12.9 million, or 9.3%. The major change is a special fund reduction of \$15.0 million for Bay Restoration Fund debt service.
- Adjusting for the withdrawal of \$10.0 million in special funds in fiscal 2011 for Bay Restoration Fund debt service, the budget decreases 2.2% between fiscal 2011 and 2012.

Note: Numbers may not sum to total due to rounding.

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Personnel Data

	<u>FY 10 Actual</u>	<u>FY 11 Working</u>	<u>FY 12 Allowance</u>	<u>FY 11-12 Change</u>
Regular Positions	970.00	959.00	959.00	0.00
Contractual FTEs	<u>34.59</u>	<u>45.50</u>	<u>44.50</u>	<u>-1.00</u>
Total Personnel	1,004.59	1,004.50	1,003.50	-1.00

Vacancy Data: Regular Positions

Turnover and Necessary Vacancies, Excluding New Positions	62.34	6.50%
Positions and Percentage Vacant as of 12/31/10	42.00	4.38%

- Contractual full-time equivalent positions are reduced by 1.0.
- MDE’s turnover rate is reduced from 7.25 to 6.50%.

Analysis in Brief

Major Trends

Enforcement Actions and Penalties Continue to Rise: MDE’s Annual Enforcement and Compliance report for fiscal 2010 reflects a substantial increase in both enforcement actions and the penalties received from fiscal 1998 to 2010.

Percent of Tidal Wetland Major Licenses and Permits within Turnaround Time Decreases: The percent of permits and licenses completed within the eight month turnaround period began to decline in fiscal 2008 in concert with the reduction in the number of total permits issued.

Issues

Strategic Energy Investment Fund Revenues and Expenditures Decline: Strategic Energy Investment Fund revenues (SEIF) continue to decline and yet MDE’s responsibilities under Chapters 171 and 172 of 2009 (Greenhouse Gas Emissions Reduction Act of 2009) are rapidly drawing near. **The Department of Legislative Services (DLS) recommends that restrictive budget bill language be placed on MDE’s general fund appropriation to require a report on the SEIF expenditures with the fiscal 2013 budget submission.**

Funding Analysis Generates Fee Review Schedule: MDE has conducted an annual fiscal analysis for the last couple of years. The most recent analysis focuses on the sustainability of fee revenue for meeting its statutory obligations. The analysis reflects 83 fees or other requirements on citizens of Maryland. **DLS recommends that MDE discuss whether it has approached the Joint Committee**

on Administrative, Executive, and Legislative Review concerning its schedule for fee reviews and on the methodology it is using for determining when and how often fees are reviewed and the amount of the fee.

Report on Status of Voluntary Cleanup Program Not Forthcoming: A report on the status of the voluntary cleanup program was requested in the 2010 *Joint Chairmen’s Report* to be submitted September 1, 2010, but was not available at the time this analysis was completed. **DLS recommends that MDE comment on why the requested report was not submitted.**

Recommended Actions

	<u>Funds</u>
1. Add budget bill language restricting funding until the submission of a report on climate change work.	
2. Delete operation and maintenance funding for wastewater treatment plants upgraded to enhanced nutrient removal technology.	\$ 1,000,000
Total Reductions	\$ 1,000,000

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Operating Budget Analysis

Program Description

The Maryland Department of the Environment (MDE) was created in 1987 to protect and restore the quality of the State's land, air, and water resources and safeguard citizens from health risks associated with pollution. It is responsible for planning, monitoring, controlling, and regulating air, solid, and hazardous wastes; radiation, sewage sludge, sediment, and stormwater; toxicities, sewage treatment, and water supply facilities; and environmental disease control programs. The department is structured into seven major administrative units.

- ***Office of the Secretary:*** This office provides direction and establishes State environmental policies to be implemented by the operating units.
- ***Administrative Services Administration:*** This administration provides general administrative and fiscal services to the department.
- ***Water Management Administration:*** This administration administers the State's water pollution control program; implements Total Maximum Daily Loads (TMDLs) for pollutants in impaired waterways; and regulates industrial/municipal wastewater and stormwater discharge.
- ***Science Services Administration:*** This administration develops and promulgates water quality standards; provides technical support and analysis for TMDLs; monitors shellfish; develops environmental and public health risk assessments; implements nonpoint source pollution programs; and develops and issues fish advisories.
- ***Land Management Administration:*** This administration ensures that all types of hazardous and nonhazardous solid wastes are managed in a manner that protects public health and the environment. It regulates solid waste management facilities, scrap tire recycling facilities, above-ground and below-ground petroleum storage facilities, petroleum distribution, hazardous waste transportation, and mining. Concentrated animal feeding operations are a relatively new area of responsibility.
- ***Air and Radiation Management Administration:*** This administration ensures that air quality and radiation levels in Maryland sustain public health, safety, and the environment. Climate change initiatives are a relatively new component of its operations.
- ***Coordinating Offices:*** This office manages budget matters, the Water Quality and Drinking Water Revolving Loan Funds and other water pollution control program capital projects, and Board of Public Works' (BPW) activities; coordinates public information and outreach;

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provides hazardous chemical and oil spill emergency response services; and provides legal advice.

MDE's four goals are consistent with the goals reported in the fiscal 2011 analysis and illustrate the core efforts to protect and preserve Maryland's natural resources. They are:

- ensuring safe and adequate drinking water;
- reducing Maryland citizens' exposure to hazards;
- ensuring the air is safe to breathe; and
- providing customer service and community outreach.

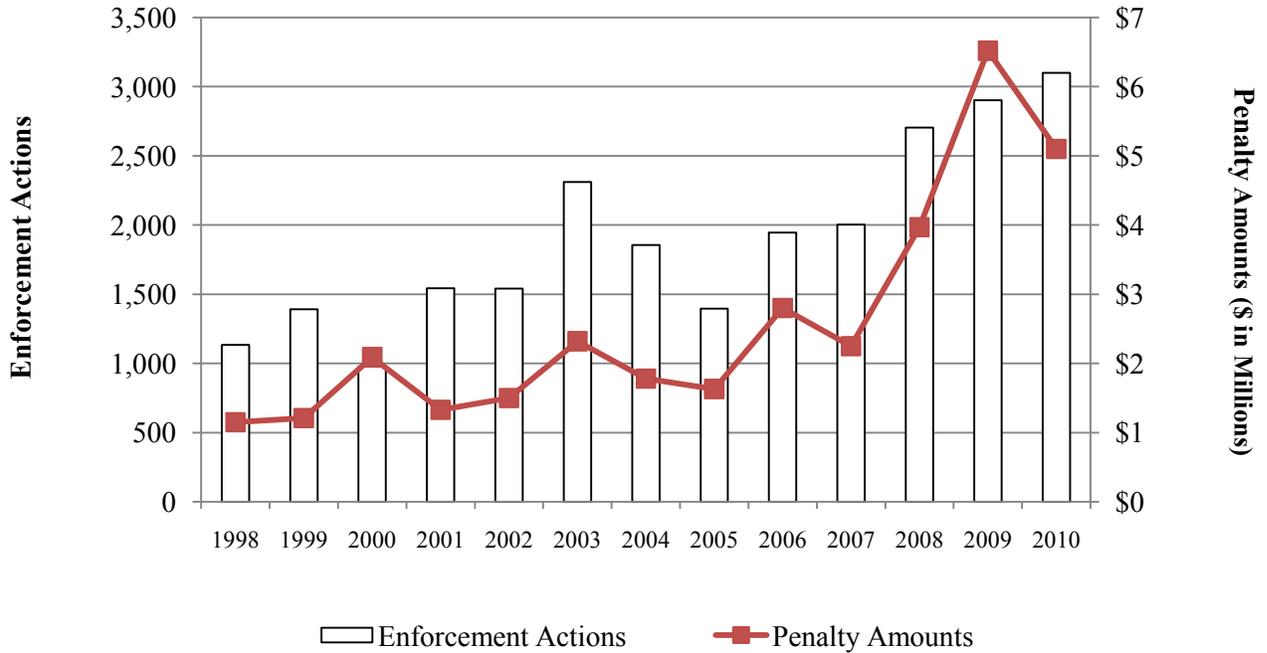
Performance Analysis: Managing for Results

MDE's Managing for Results measures show (1) an overall increase in enforcement and penalty amounts that reflect, in part, an increase in radiation machine enforcement actions, (2) scenarios for long-term atmospheric nitrogen deposition reductions to the Chesapeake Bay watershed, and (3) a decrease in the number of tidal wetland major license and permits reviewed in a timely fashion.

Overall Enforcement and Radiation Machine Enforcement

MDE's Annual Enforcement and Compliance report for fiscal 2010 reflects a substantial increase in both enforcement actions and the penalties received from fiscal 1998 to 2010. As shown in **Exhibit 1**, enforcement actions increased from 1,134 to 3,099, or 173%, over the time period shown. The penalty amounts increased from \$1.15 million to \$5.1 million, or 343%; the fiscal 2009 spike in penalty amounts is due to a \$4.0 million settlement – the largest State environmental penalty ever for MDE – with ExxonMobil Corporation for a greater than 25,000 gallon gasoline release in Baltimore County.

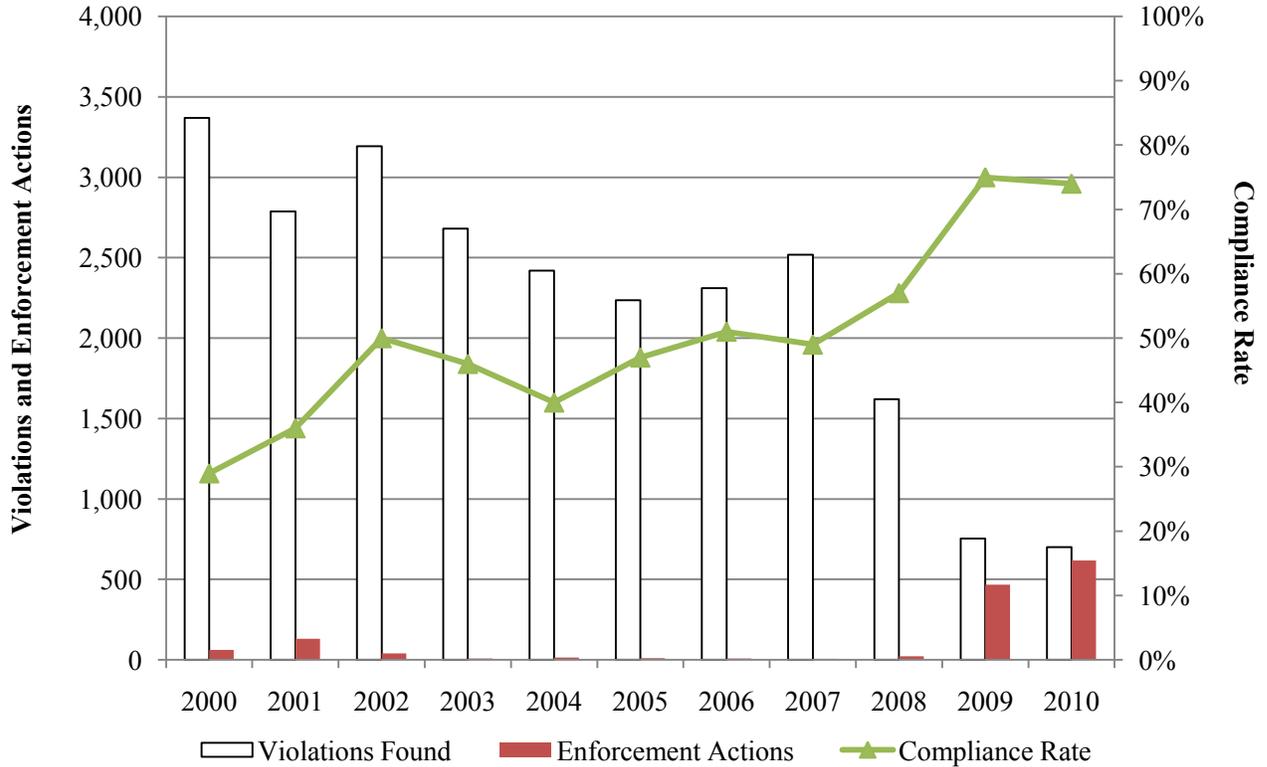
**Exhibit 1
Enforcement Actions and Penalties
Fiscal 1998-2010**



Source: Maryland Department of the Environment

Enforcement actions taken for radiation machines are a major component of the fiscal 2009 and 2010 increases in enforcement actions. Radiation machines are manufactured electronic sources of radiation and include dental and veterinary x-ray machines, mammography machines, diagnostic and therapeutic radiation machines, and security screening devices. As can be seen in **Exhibit 2**, the number of enforcement actions increases substantially between fiscal 2008 and 2010, from 22 to 617. However, there is an interesting trend toward fewer violations found, assuming no difference in the amount of effort expended on finding violations, even before the increase in enforcement actions. MDE notes that the increase in enforcement actions primarily was in the dental facility sector.

**Exhibit 2
Radiation Machine Division Enforcement Trends
Fiscal 2000-2010**



Source: Maryland Department of the Environment

A clearer causal relationship is found between enforcement actions and the compliance rate, which increases from an average of approximately 50% between fiscal 2002 and 2008 to 74% in fiscal 2010. MDE indicates that it anticipates fewer enforcement actions in fiscal 2011 due to Chapter 92 of 2010 which allows for a 20-day period during which a facility may comply with a corrective action and not be fined by MDE for a violation.

Scenarios for Long-term Atmospheric Nitrogen Deposition

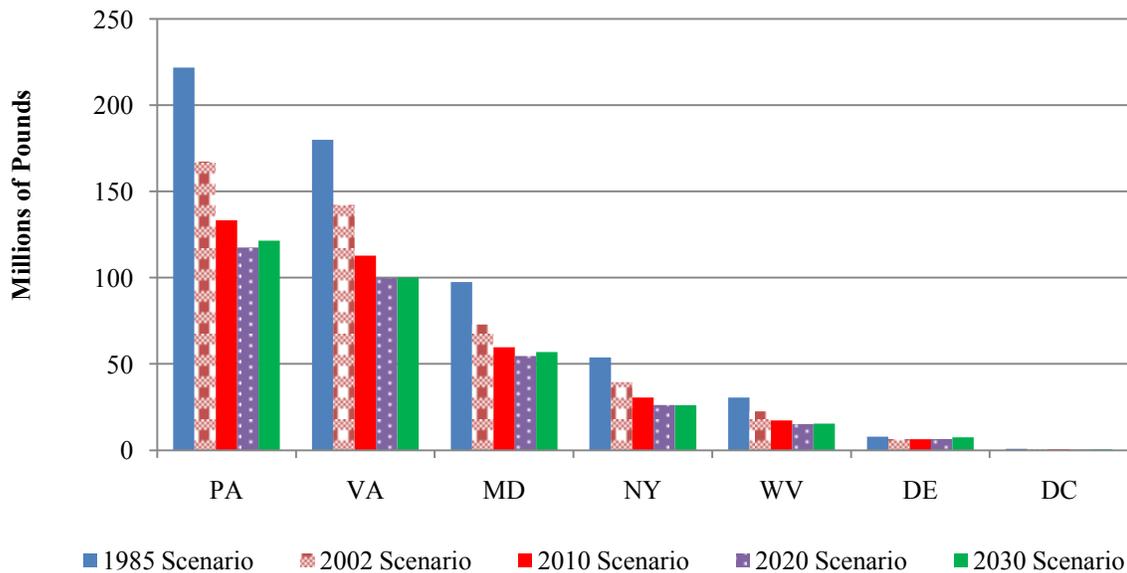
On December 31, 2010, the U.S. Environmental Protection Agency established the Chesapeake Bay TMDL for nitrogen, phosphorus, and sediment loadings to the Chesapeake Bay. Air deposition of nitrogen in the form of nitrogen oxides and ammonia accounts for approximately one-third of the overall nitrogen that the Chesapeake Bay eventually receives. However, the air deposition that reaches the Chesapeake Bay is only 6 to 8% of the total load; the other 27 to 29% of

the air deposition that counts toward the total nitrogen load to the bay falls on the land and is regulated as part of land use.

The Chesapeake Bay airshed is comprised of two airsheds which encompass the watershed and account for 75% of the air deposition to it. The nitrogen dioxide airshed extends as far west as Indiana, north into Canada, and south into South Carolina – an area of 570,000 square miles. The ammonia airshed is slightly smaller and extends as far west as Ohio, north to mid-New York, and south to the North Carolina-South Carolina border.

Exhibit 3 shows five scenarios from the Community Multi-scale Air Quality Model for total nitrogen deposition to the Chesapeake Bay watershed. This information includes deposition both directly to the Chesapeake Bay (direct deposition) and to the land in the surrounding watershed (indirect deposition) and, therefore, should not be construed as showing the regulated amounts of nitrogen deposition from the air required for any state to meet its loadings under the TMDL.

Exhibit 3
Atmospheric Nitrogen Deposition to the Chesapeake Bay Watershed
Calendar 1985-2030



DC: Washington, DC
DE: Delaware
MD: Maryland
NY: New York

PA: Pennsylvania
VA: Virginia
WV: West Virginia

Source: U.S. Environmental Protection Agency

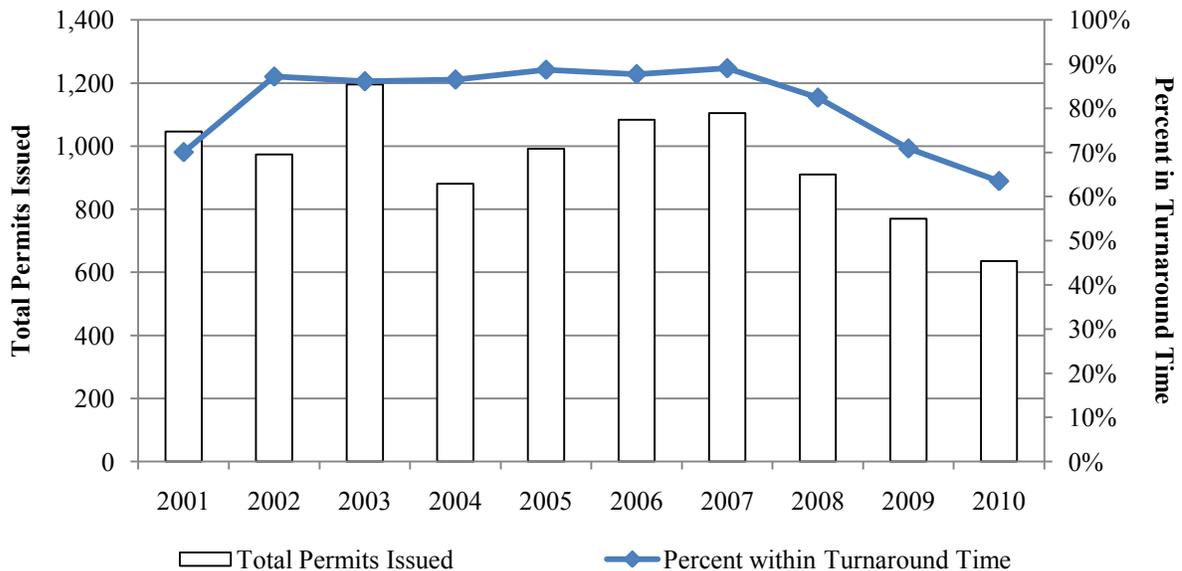
The scenarios are based on the assumption that implementation levels for federal regulations are increased over the time period shown. Major compliance categories include mobile sources (on road and nonroad), stationary sources (electric generating utilities, nonelectric generating utilities, and area sources), and marine vessels.

Tidal Wetland Major License and Permits Reviewed in a Timely Fashion

As part of its internal accountability process – MDEStat, MDE is tracking permit turnaround time for a number of its permits including tidal wetland licenses and permits. Tidal wetlands licenses and permits are divided into two size categories: major projects which involve public notice or coordination with other State and federal regulatory agencies and minor permits which do not require the same level of coordination.

Exhibit 4 shows the trend in the number of total tidal wetland major licenses and permits issued and the percent of these licenses and permits for which MDE completed its review within the turnaround period. It can be seen that the percent of permits and licenses completed within the eight-month turnaround period began to decline in fiscal 2008 in concert with the reduction in the number of total permits issued. Of note, MDE changed its metric for turnaround period in fiscal 2004.

Exhibit 4
Percent of Tidal Wetland Major Licenses and Permits within Turnaround Time
Fiscal 2001-2010



Note: Tidal wetland major permits had a turnaround time goal of five months from fiscal 2001 to 2003, which was increased to eight months in fiscal 2004.

Source: Maryland Department of the Environment

The Department of Legislative Services (DLS) recommends that MDE comment on whether radiation machine compliance rates can be maintained without penalties, the likelihood of Maryland meeting the air modeling scenarios for nitrogen deposition reduction, and the reason for the decrease in the number of tidal wetland major permit reviews completed within the turnaround time since fiscal 2008.

Fiscal 2011 Actions

Proposed Deficiency

The Governor has submitted a deficiency appropriation for the fiscal 2011 operating budget, which would decrease MDE's special fund appropriation for debt service by \$10 million to reflect the revised issuance schedule for Bay Restoration Fund revenue bonds.

Impact of Cost Containment

Section 44 of the fiscal 2011 budget bill required the Governor to abolish 500 positions in the Executive Branch as of June 30, 2011. The positions and the funds associated with them have been removed from the fiscal 2011 working appropriation. MDE's share of the reduction was 11 full-time equivalent (FTE) positions and \$307,636 in fiscal 2011, which represents an ongoing annualized savings of \$846,755 for employee salary and fringe benefit expenditures. The impact of the loss of these positions is expected in the following areas:

- **Air and Radiation Management Administration** – mobile source inspection and planning activities;
- **Land Management Administration** – oil control program administrative support, Marcellus Shale compliance/permits, hazardous materials inspection, wastewater treatment plant sewage sludge production review; and
- **Water Management Administration** – septic engineering, water supply program administrative support, flood insurance program floodplain mapping, water management programs compliance inspection, and Board of Waterworks and Waste System Operators administrative support.

Budget Reconciliation and Financing Act of 2011

Fund Balance Transfer

An action in Section 7 of the Budget Reconciliation and Financing Act (BRFA) of 2011 would transfer monies from the State Used Tired Cleanup and Recycling Fund to the general fund in fiscal 2011. The \$500,000 proposed transfer is shown in **Exhibit 5**. MDE indicates that it would

Exhibit 5
Proposed Fiscal 2011 Special Fund Balance Transfers

<u>Fund</u>	<u>Revenue Source</u>	<u>Purpose</u>	<u>Original 2011 Closing Balance</u>	<u>Contingent Transfer</u>	<u>Contingent 2011 Closing Fund Balance</u>
State Used Tire Cleanup and Recycling Fund	Primarily tire recycling fee of \$0.80 on first sale of a new tire in the State by a tire dealer; fund balance capped at \$10.0 million	Removal, restoration, inspection, and monitoring in response to illegal disposal or storage of scrap tires	\$3,682,647	\$500,000	\$3,182,647

Source: Department of Legislative Services

like to retain \$2.5 million of the estimated fiscal 2011 closing fund balance in order to be able to clean up the 301,125 tires at the Boehm/Crownsville scrap tire site. MDE has had difficulty gaining the legal right to access the site but anticipates that this may be obtained relatively soon.

Proposed Budget

MDE's fiscal 2012 allowance decreases by \$12.9 million, or 9.3%, relative to the fiscal 2011 working appropriation, as shown in **Exhibit 6**. The changes by fund in Exhibit 6 reflect a decrease of \$0.1 million in general funds, a decrease of \$15.2 million in special funds, an increase of \$2.8 million in federal funds, and a decrease of \$0.4 million in reimbursable funds. Personnel changes are discussed first, then operating expenditures, and then a discussion of fiscal 2012 cost containment actions, which include across-the-board actions that are contingent on the BRFA of 2011.

Exhibit 6
Proposed Budget
Department of the Environment
(\$ in Thousands)

How Much It Grows:	General Fund	Special Fund	Federal Fund	Reimb. Fund	Total
2011 Working Appropriation	\$31,931	\$68,752	\$34,042	\$4,142	\$138,867
2012 Allowance	<u>32,292</u>	<u>53,860</u>	<u>37,067</u>	<u>3,767</u>	<u>126,986</u>
Amount Change	\$361	-\$14,891	\$3,025	-\$375	-\$11,881
Percent Change	1.1%	-21.7%	8.9%	-9.1%	-8.6%
Contingent Reduction	-\$471	-\$304	-\$211	-\$25	-\$1,011
Adjusted Change	-\$110	-\$15,196	\$2,814	-\$400	-\$12,892
Adjusted Percent Change	-0.3%	-22.1%	8.3%	-9.7%	-9.3%

Where It Goes:

Personnel Expenses

Salaries and wages increase due to restoration of furloughs	\$1,992
Retirement contribution net of contingent reductions	731
Decrease turnover on existing positions	310
Social Security contributions	135
Employee and retiree health insurance pay-as-you-go costs net of contingent and across-the-board reductions	127
Other personnel costs	19
Fiscal 2011 adjustments	-750
Workers' compensation	-103

Other Changes

Bay Restoration Fund debt service

Bay Restoration Fund debt service	-15,001
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Contracts and Grants Reprogramming

Water Supply Program Tracking System	1,000
Operation and maintenance funding for wastewater treatment plants	1,000
Outsourced engineering services	341
Software licenses, maintenance, and support	223
Air quality planning reductions	-890
Nonpoint source program federal funding reduction	-719

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Where It Goes:

Diesel emissions federal funding	-373
Website revamp phase 2 final funding	-350
Lead poisoning prevention.....	-309
<i>Operating Expenses</i>	
Replacement equipment.....	131
Furlough restoration for contractual full-time equivalent positions.....	94
New air quality monitoring sites and equipment	84
Acid mine drainage dosers reduced	-271
Statewide travel reductions	-96
Statewide communication reduction.....	-33
Fuel and utilities.....	-27
Fixed charges	-16
Motor vehicles.....	-2
Other changes.....	-139
Total	-\$12,892

Note: Numbers may not sum to total due to rounding.

Personnel

MDE’s overall personnel expenditures increase by \$2.5 million. The majority of the increase, \$2.0 million, is due to restoration of salaries and wages funding that were reduced by the fiscal 2011 furlough. The remainder of the increase is comprised of the following.

- **Retirement Contribution Net of the Contingent Reduction** – \$731,000.
- **Decrease Turnover on Existing Positions** – reduced turnover rate on existing positions from 7.25 to 6.50% for an increase of \$310,000.
- **Social Security Contributions** – increased Social Security contributions of \$135,000 as a result of salary increases.
- **Employee and Retiree Health Insurance Pay-as-you-go Costs Net of Contingent and Across-the-board Reductions** – increased health insurance contributions of \$127,000 as a result of salary increases.

Decreases in personnel funding include the reflection of \$750,000 in personnel adjustments usually handled by budget amendment that have not yet been made in fiscal 2012 and a workers’ compensation decrease of \$103,000.

Other Changes

Overall, the nonpersonnel portion of the fiscal 2012 allowance decreases by \$15,353,000. The areas of change include Bay Restoration Fund debt service, contracts and grants reprogramming, and operating expenses. The biggest change is a reduction of \$15.0 million for Bay Restoration Fund debt service payments due to a delay in the schedule of revenue bond issuances, which distorts the change between fiscal 2011 and 2012. This is discussed further in the MDE pay-as-you-go (PAYGO) budget analysis. Adjusting for the \$15.0 million reduction in debt service payments, the nonpersonnel portion of the fiscal 2012 allowance increases by \$352,000.

Bay Restoration Fund Debt Service

The fiscal 2011 working appropriation reflects \$19.6 million for debt service on \$50.0 million in revenue bonds issued in fiscal 2008 and an assumed issuance of \$180.0 million in fiscal 2011. However, the scheduled bond issuance has been pushed back due to slower than expected wastewater treatment plant upgrades and thus sufficient cash-on-hand to reimburse local jurisdictions. The issuance schedule is pushed back again for fiscal 2012, and the end result is a decrease of \$15.0 million in needed debt service payments.

Contracts and Grants Reprogramming

Several contract/grant changes between fiscal 2011 and 2012 may be seen. These changes are as follows.

- **Water Supply Program Tracking System** – Federal funding will be used to fund the first \$1,000,000 of a total \$1,800,000 planned for a new Water Supply Program Tracking System information technology project. The project is discussed further in the Major Information Technology (IT) Projects section of this analysis.
- **Operation and Maintenance Funding for Wastewater Treatment Plants** – MDE is required by the Bay Restoration Fund legislation to use up to 10% of the annual fee revenue collected from wastewater treatment plant users for operation and maintenance funding for wastewater treatment plants upgraded to enhanced nutrient removal technology. This accounts for a \$1.0 million increase in MDE's fiscal 2012 budget since the funding was deleted in the fiscal 2011 legislative appropriation. **DLS recommends that this funding again be reduced in order to provide more funding for upgrading the State's 67 major wastewater treatment plants.**
- **Outsourced Engineering Services** – There is an overall increase of \$341,000 for outside engineering services. MDE reports that it is increasing by \$200,000 the amount of funding budgeted for outside consultants to monitor State grant and loan capital projects including projects funded by the American Recovery and Reinvestment Act of 2009. In addition, there is an increase of \$141,000 for engineering services to assist with plans, specifications, and

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design review activities provided by the Maryland Center for Environmental Training, a part of the College of Southern Maryland.

- **Software Licenses, Maintenance, and Support** – Application software licenses, maintenance agreements, and support increase by \$223,000. The main change is an increase of \$150,000 for SharePoint content management system maintenance and support funding as part of the Web Revamp Project – Phase 2 discussed in the Major IT Projects section of this analysis.
- **Air Quality Planning Reductions** – A number of changes in Air Quality Planning program special projects and grant funding amount to a decrease of \$890,000 in the fiscal 2012 allowance. A component of this decrease is an approximately \$300,000 decrease in Regional Greenhouse Gas Initiative (RGGI) funding from the auction of carbon dioxide allowances. MDE anticipates receiving \$1.5 million from the auction of which \$0.45 million will be used to pay the State’s administrative costs for involvement in the RGGI and the remainder of \$1.05 million will be available for climate change policy work. It is anticipated that some portion of MDE’s fiscal 2011 special fund appropriation may be realigned due to declining revenues.
- **Nonpoint Source Program Federal Funding Reduction** – A decrease of \$719,000 in the Water Quality Protection and Restoration program primarily reflects a reduction of Clean Water Act Section 319 Nonpoint Source Management Program federal grant funding.
- **Diesel Emissions Federal Funding** – American Recovery and Reinvestment Act of 2009 funding allowed for the reduction of emissions from diesel vehicles such as school buses. A decrease of \$373,000 is programmed for the end of the federal funding; although, there is funding remaining in the program to complete diesel retrofits.
- **Website Revamp Phase 2 Final Funding** – The final funding for phase 2 of the website revamp information technology project is scheduled for fiscal 2012. The funding decreases by \$350,000 to reflect the \$400,000 needed in fiscal 2012 as planned for in MDE’s January 2010 information technology project report submission and discussed in the Major IT Projects section of this analysis.
- **Lead Poisoning Prevention** – There is a decrease of \$309,000 in Lead Poisoning Prevention Fund special funds that support lead poisoning prevention work.

Operating Expenses

Operating expenses include a number of minor changes in MDE’s budget that reflect cost containment actions and year-to-year funding fluctuations. The changes are as follows.

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- **Replacement Equipment** – Replacement equipment funding increases by \$131,000 mainly due to new criteria air pollutant ambient air monitoring equipment purchases and leases of both vehicles and computer equipment.
- **Furlough Restoration for Contractual Full-time Equivalent Positions** – The restoration of salaries and wages funding for fiscal 2012 increases by \$94,000 the amount budgeted for contractual FTE positions despite a net decrease of one FTE.
- **New Air Quality Monitoring Sites and Equipment** – An increase of \$84,000 for additional equipment in part reflects an increase of \$96,000 for two new nitrogen dioxide monitoring sites and associated equipment.
- **Acid Mine Drainage Dosers Reduced** – In supplies and materials, the fiscal 2012 allowance reflects a \$271,000 reduction, primarily due to a reduction of \$179,000 in funding for calcium oxide as part of acid mine drainage treatment and remediation.
- **Statewide Travel Reductions** – As part of cost containment an agencywide decrease of \$96,000 for travel is budgeted.
- **Statewide Communication Reduction** – Another cost containment action is a reduction of \$33,000 for cell phones and other communications funding.
- **Fuel and Utilities** – A decrease of \$27,000 is reflected for fuel and utilities funding.
- **Fixed Charges** – Fixed charges decrease by \$16,000.
- **Motor Vehicles** – The fiscal 2012 allowance reflects a minor negative adjustment of \$2,000 for motor vehicles.

Fiscal 2012 Cost Containment

MDE notes that it made travel, supplies, and cell phone reductions in its fiscal 2012 allowance as part of cost containment. In addition, the fiscal 2012 budget reflects several across-the-board actions. In fiscal 2012, MDE's share of the reduction is \$87,910 in general funds, \$114,624 in special funds, \$79,383 in federal funds, and \$9,346 in reimbursable funds for changes in employee health insurance. Reductions contingent upon statutory changes include \$145,513 in general funds, \$189,709 in special funds, \$131,391 in federal funds, and \$15,465 in reimbursable funds for retiree prescription drug benefits and \$237,842 in general funds for retirement benefits. MDE has 22 positions abolished under the Voluntary Separation Program for a total savings of \$1,262,403.

The fiscal 2012 budget bill as introduced includes in Section 26 a reduction of \$1.13 million in general funds contingent upon enactment of separate legislation consolidating aquaculture and land preservation functions in the Department of Natural Resources (DNR). MDE indicates that a supplemental budget will amend the reduction to \$100,000. At this point, it is not clear how MDE's

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fiscal 2012 budget would be affected by the transfer of its aquaculture functions to DNR. The reduction will be allocated by the Administration.

Federal Stimulus Funds

Federal stimulus funding in the fiscal 2012 allowance primarily reflects funds rolled over from fiscal 2011 for leaking underground storage tank mitigation (\$500,000); and for administering the Water Quality State Revolving Loan Fund (\$380,000), and Drinking Water State Revolving Loan Fund (\$100,000).

Issues

1. Strategic Energy Investment Fund Revenues and Expenditures Decline

Strategic Energy Investment Fund (SEIF) revenues continue to decline and yet MDE's responsibilities under Chapters 171 and 172 of 2009 (Greenhouse Gas Emissions Reduction Act of 2009) are rapidly drawing near.

Greenhouse Gas Emissions Reduction Act of 2009

Chapters 171 and 172 required the State to develop plans, adopt regulations, and implement programs to reduce greenhouse gas emissions by 25% from 2006 levels, by 2020. MDE's responsibilities under the bill are as follows:

- implement various measures designed to ensure that greenhouse gas reductions produce economic benefits for the State and do not adversely affect specified communities or economic interests; and
- publish a greenhouse gas emissions inventory for the year 2006, a "business as usual" projection of greenhouse gas emissions inventory for the year 2020, and a triennial inventory update beginning in 2011.

The first deadline is June 1, 2011, when MDE must publish the 2006 inventory and 2020 business as usual projection. While comprehensive carbon dioxide cap-and-trade legislation is unlikely at the federal level and there has been recent movement towards stripping the U.S. Environmental Protection Agency's authority to regulate carbon dioxide, there has been recent discussion of a clean energy standard which may involve changes that would impact MDE's work on climate change.

MDE's new responsibilities under Chapters 171 and 172 required 5 new positions and approximately \$557,500 in funding (the fiscal note indicated a need for \$537,451), neither of which MDE has received despite an agreement with the Maryland Energy Administration (MEA) to provide the funding from the Strategic Energy Investment Fund.

SEIF Revenue Uncertainty and Decline

The SEIF was created in order to receive the revenues from the sale of carbon dioxide allowances as part of the State's involvement in the 10-state RGGI. MDE has been designated a recipient of Maryland's portion of RGGI funding with the expectation that it would fund climate change programs and the necessary administrative work for Maryland's involvement in the quarterly carbon dioxide gas auctions administered by RGGI.

Auction prices have declined from a peak of \$3.51 to the floor price, and not all of the current control period allowances were sold in the September and December 2010 auctions. Carbon dioxide allowance revenue reductions can be attributed to the economic downturn, the generous overall carbon dioxide allowance cap, and the national climate change trading system no longer being a viable option in the short-term. Therefore, there is no speculation about RGGI allowances being granted one-to-one with more expensive federal credits.

MDE's fiscal 2011 appropriation of funding from RGGI allowances is \$1.8 million; however, it is likely that some portion of this appropriation will be realigned with other programs due to insufficient carbon dioxide allowance revenue to support the appropriation. The fiscal 2012 allowance includes \$1.5 million in total – \$1,054,223 for climate change work and \$450,000 for RGGI administrative dues.

Audit

The MEA audit conducted by the Office of Legislative Audits for the time period November 5, 2007, through May 31, 2010, found that two disbursements totaling \$3.2 million from MEA did not have sufficient documentation, which would have included a memorandum of understanding. The fiscal 2009 and 2010 money was from the SEIF. MEA noted that there was a verbal agreement and that MEA paid MDE based on annual invoices submitted by MDE. MEA agreed to a formal written agreement that will be completed by March 31, 2011, outlining the amount of funding MDE is to receive.

SEIF Expenditures

A report on how MDE is using the revenues from the SEIF to further climate change work, in general, and to meet the requirements of Chapters 171 and 172, in particular, was requested in the 2010 *Joint Chairmen's Report*. The report was requested to cover the fiscal 2010 actual, fiscal 2011 working, and fiscal 2012 allowance funding period. To date, this report has not been submitted.

DLS recommends that restrictive budget bill language be placed on MDE's general fund appropriation to require a report on the SEIF expenditures, with the fiscal 2013 budget submission.

2. Funding Analysis Generates Fee Review Schedule

MDE has conducted an annual fiscal analysis for the last couple of years. The most recent analysis focuses on the sustainability of fee revenue for meeting its statutory obligations. The analysis involves 83 fees or other requirements on citizens of Maryland. **Exhibit 7** provides an overview of the fees. It can be seen that most of the fees are statutory, that fiscal 2012 and 2014 will be the years in which fees will be most heavily reviewed, and that the majority of fees will be reviewed every four years.

**Exhibit 7
MDE Fee Review Schedule Statistics**

<u>Category</u>	<u>Variable</u>	<u>Number</u>
<i>Authorization Mechanism</i>	Regulatory	27
	Statutory	30
	N/A (no fee or set at local level)	25
	Departmental Policy	1
	Total	83
<i>Next Review</i>	2011	14
	2012	24
	2013	16
	2014	25
	N/A	1
	Per sunset review	3
	Total	83
<i>Review Frequency (years)</i>	1	1
	3	4
	4	47
	5	26
	Per advisory committee/statute	2
	Per sunset review	3
	Total	83

MDE: Maryland Department of the Environment

Note: The Radiation Machine Facility Registration fee will be reviewed for dentists in fiscal 2011 and for nondentists in fiscal 2015, but only the fiscal 2011 review is listed so as not to double count. The most restrictive requirement – legislation – is shown if there is a combination of statutory and regulatory authorization mechanisms for a particular fee.

Source: Maryland Department of the Environment

Two major fees to be considered in fiscal 2011 with possible Administration legislation in the 2012 session are the Bay Restoration Fund fees for wastewater treatment plants and septic system users. **Exhibit 8** shows fees that MDE plans on reviewing in fiscal 2011.

**Exhibit 8
MDE Fees Reviewed in Fiscal 2011**

<u>Fee</u>	<u>Amount</u>	<u>Authorization Mechanism</u>	<u>Review Period (Years)</u>
Asbestos Contractor License	2 or less employees, \$125; 3 or more employees, \$750.	Regulation	4
Asbestos Training Provider Approval	\$100 per day of training.	Regulation	4
Asbestos Photo Identification Card	\$25.	Regulation	4
Radiation Machine Facility Registration	Dentist \$80; veterinarians \$115; mammography facilities \$100; \$100 - \$500 for all other x-ray facilities.	Statute	4
Radioactive Materials License	An annual fee of \$475 to \$9,125, depending on the complexity of the operation. Fee schedule is found in COMAR 26.12.03.	Regulation	4
Private Inspector License for Inspecting X-Ray Machines	No fee.	N/A	4
Reciprocal Recognition of Out-Of-State Radioactive Materials Licenses	\$475-\$9,125 fees vary with facility type. Fee schedule is found in COMAR 26.12.03.	Regulation	4
Radioactive Material General License Registration	\$100 annual fee for each separate facility site with possession of the general licensed material.	Statute	4
Registered Service Provider for X-Ray Machines	No fee.	N/A	4
Sewage Sludge Utilization Permits	\$25-\$750 depending on type of approval (fees vary based on facility size and project type).	Regulation	5
Oversight Fee for Generation of Sludge by Permitted Generators (fees vary based on facility size and project type)	Base Fee: \$1 per wet ton then adjusted by multiplying the base fee by fee factors (COMAR 26.04.06.13 E(2)).	Regulation	5
Permit for Stormwater Associated with Construction Activity	1 to less than 10 acres - \$100; 10 to less than 15 acres - \$500; 15 to less than 20 acres - \$1,500; 20 acres or more - \$2,500.	Regulation	5

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<u>Fee</u>	<u>Amount</u>	<u>Authorization Mechanism</u>	<u>Review Period (Years)</u>
Bay Restoration Fund (BRF) fees: Enhanced Nutrient Removal	Up to 1.5% of total fees imposed on users of wastewater facilities.	Statute	Per advisory committee/statute
BRF fees: Septic	Up to 8.0% of funds deposited into a separate account established by Comptroller from septic fees.	Statute	Per advisory committee/statute

MDE: Maryland Department of the Environment

Source: Maryland Department of the Environment

DLS recommends that MDE discuss whether it has approached the Joint Committee on Administrative, Executive, and Legislative Review concerning its schedule for fee reviews and on the methodology it is using for determining when and how often fees are reviewed and the amount of the fee.

3. Report on Status of Voluntary Cleanup Program Not Forthcoming

A report on the status of the voluntary cleanup program was requested in the 2010 *Joint Chairmen's Report* to be submitted September 1, 2010, but was not available at the time this analysis was completed. The Voluntary Cleanup Program oversees voluntary cleanups of properties contaminated with hazardous substances in order to increase the number of sites cleaned by streamlining the cleanup process. The report requested information on the following:

- number of Voluntary Cleanup Program applications MDE has received for each year since fiscal 2010;
- geographic location of applications;
- number of acres and properties in the program completed and a No Further Requirements Determination or a Certificate of Completion issued and where they are located;
- cumulative number of properties remediated/completed since the beginning of the program;
- number of jobs created each year as a result of the program;
- amount of capital investment in program sites that have been cleaned up; and

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- increase in the tax base from job creation or capital investment resulting from cleanup of program sites.

In addition, MDE was requested to comment in the report on why applications have decreased and whether the program should be improved, and how, or whether it should be ended. **DLS recommends that MDE comment on why the requested report was not submitted.**

Recommended Actions

1. Add the following language to the general fund appropriation:

provided that \$500,000 of the General Fund appropriation for the Maryland Department of the Environment’s (MDE) Air and Radiation Management Administration made for the purpose of general operating expenses may not be expended until MDE submits a report on how it is using the revenues from the Strategic Energy Investment Fund (SEIF) to further climate change work, in general, and to meet the requirements of Chapters 171 and 172. The budget committees shall have 45 days to review and comment upon the receipt of the report. Funds restricted pending the receipt of the report may not be transferred by budget amendment or otherwise to any other purpose and shall revert to the General Fund if the report is not submitted to the budget committees.

Explanation: MDE receives funding from the SEIF that is deposited into the Maryland Clean Air Fund. The committees are concerned that the revenues from the SEIF – the sale of carbon dioxide allowances – is subject to uncertainty and year-to-year variability despite the need for MDE to recoup the costs of managing Maryland’s role in the quarterly carbon dioxide allowance auctions and the expenses associated with implementing Chapters 171 and 172 of 2009. In addition, the committees are concerned that it is not clear how the revenues received from the SEIF are being used. Finally, the committees are concerned that a similar report was requested in the 2010 *Joint Chairmen’s Report* for submission with the fiscal 2012 budget but was not submitted. Therefore, this language restricts funds until MDE submits a report to the committees on how it is using the revenues from the SEIF to further climate change work, in general, and to meet the requirements of Chapters 171 and 172. The report shall cover the fiscal 2010 actual, fiscal 2011 actual, fiscal 2012 working, and fiscal 2013 allowance funding period.

Information Request	Author	Due Date
Report on Strategic Energy Investment Fund expenditures	MDE	Fiscal 2013 submission and annually thereafter

	<u>Amount Reduction</u>
2. Delete operation and maintenance funding for wastewater treatment plants upgraded to enhanced nutrient removal technology. The agency is required to use up to 10% of the annual fee revenue from wastewater treatment plant users for this purpose. However, one option for reducing the funding gap for upgrading the State’s 67 major wastewater	\$ 1,000,000 SF

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treatment plants to enhanced nutrient removal technology would be to discontinue the annual operation and maintenance grants. A provision in budget reconciliation legislation would be required to effect this option.

Total Special Fund Reductions **\$ 1,000,000**

Current and Prior Year Budgets

Current and Prior Year Budgets Maryland Department of the Environment (\$ in Thousands)

	<u>General Fund</u>	<u>Special Fund</u>	<u>Federal Fund</u>	<u>Reimb. Fund</u>	<u>Total</u>
Fiscal 2010					
Legislative Appropriation	\$38,022	\$59,620	\$39,720	\$4,147	\$141,509
Deficiency Appropriation	0	0	0	0	0
Budget Amendments	0	4,273	1,575	157	6,004
Cost Containment	-2,521	-735	0	0	-3,256
Reversions and Cancellations	0	-14,743	-7,240	-76	-22,059
Actual Expenditures	\$35,500	\$48,415	\$34,055	\$4,228	\$122,198
Fiscal 2011					
Legislative Appropriation	\$31,931	\$68,752	\$30,307	\$4,142	\$135,132
Budget Amendments	0	0	3,735	0	3,735
Working Appropriation	\$31,931	\$68,752	\$34,042	\$4,142	\$138,867

Note: Numbers may not sum to total due to rounding.

Fiscal 2010

MDE's general fund appropriation decreases by \$2.5 million. The change is due to cost containment actions including fund swaps with special funds for positions and programmatic expenses (\$1,574,623), and across-the-board furlough reductions (\$728,520).

MDE's special fund appropriation decreases by \$11.2 million. The changes are as follows:

- **Budget Amendments** – an increase of \$4.3 million for Land Management Administration appropriation to reflect BRFA of 2009 language allowing for up to 50% of State Used Tire Cleanup and Recycling Fund revenue to be used for operations (\$1,800,000); for 21 positions created by June 17, 2009 BPW actions to handle coal combustion by-products and individual discharge permits (\$1,042,684); for special fund replacement of general funds for salaries and fringe benefits and TMDL development funding reduced by August 26, 2009 BPW actions (\$1,000,000);
- **Cost Containment** – a decrease of \$0.7 million including across-the-board furlough reductions (\$720,266); and
- **Cancellations** – decrease of \$14.7 million primarily due to appropriations in excess of expenditures in Bay Restoration Fund Debt Service due to the cancellation of a revenue bond issuance (\$7.0 million), Land Management Administration (\$3.7 million), Water Management Administration (\$1.3 million), Air and Radiation Management Administration (\$1.1 million), and Coordinating Offices (\$1.0 million).

MDE's federal fund appropriation decreases by \$5.7 million. The changes are as follows:

- **Budget Amendments** – an increase of \$1.6 million for information technology services provided under the Environmental Information Exchange Network Grant program (\$519,861); for public water system operator training program classes, certification and testing, and training materials distribution (\$455,000); and for realignment from the PAYGO to operating budget from the Water Quality Revolving Loan Fund (\$500,000) and Drinking Water Revolving Loan Fund (\$100,000) to Coordinating Offices; and
- **Cancellations** – a decrease of \$7.2 million primarily due to appropriations in excess of expenditures in Land Management Administration (\$3.3 million), Air and Radiation Management Administration (\$2.0 million), Science Services Administration (\$1.1 million), and Water Management Administration (\$0.7 million).

MDE's reimbursable fund appropriation increases by \$80,925. The changes are as follows:

- **Budget Amendments** – an increase of \$0.2 million due to transfers from the Maryland Port Administration for Hart Miller Island Dredged Material Containment Facility activities (\$86,946), and the chromium cleanup at Dundalk Marine Terminal (\$70,000); and

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- **Cancellations** – a decrease of \$0.1 million primarily due to unneeded appropriation in Water Management Administration (\$31,607), Coordinating Offices (\$27,078), and Science Services Administration (\$15,913).

Fiscal 2011

MDE's general fund, special fund, and reimbursable fund appropriations have not changed.

MDE's federal fund appropriation has increased by \$3.7 million due to a budget amendment for Chesapeake Bay restoration purposes (\$2,444,600), ozone-related operating costs (\$790,000), and tracking and reporting of public water system activities (\$500,000).

Major Information Technology Projects

Maryland Department of the Environment Website Revamp – Phase #2

Project Description:	The Website Revamp project as a whole is intended to implement a new Content Management System because the original system is no longer supported (Phase 1) and to expand web site functionality to include online payments, permit tracking, and to automate the processes involved with Public Information Act requests, permits, notifications, and customer service processes (Phase II).		
Project Business Goals:	Phase I consisted of replacing the current Content Management System, which is undocumented and unsupported and thus could jeopardize continuity of operations should it fail. Phase II consists of increasing efficiency and transparency by implementing web enabling technologies.		
Estimated Total Project Cost:	Phase I is estimated to cost \$2,200,000 and Phase II is estimated to cost \$1,150,000 for a total of \$3,350,000.	New/Ongoing Project:	This is the second and final year of funding for the second phase of a project that started in July 2008.
Project Start Date:	Phase I began on July 17, 2008 (web revamp feasibility study), and Phase II is scheduled to start on February 4, 2010, with the development of the task order request for proposals; although, it appears this schedule may have slipped.	Projected Completion Data:	Phase II ePermit and eCommerce is scheduled to start March 2, 2011.
Schedule Status:	Project initiation (task 1) of Phase I was completed in September 2009. The current status of the project is unclear since no end dates have been filled in for the Information Technology Project Request (ITPR) form. The ITPR indicates that the agency is targeting the second quarter of fiscal 2011 for having the contract in place to begin the development of a system to receive registrations online with associated fee payment.		
Cost Status:	Phase I consisted of fiscal 2009 funding of \$1.0 million and fiscal 2010 funding of \$1.2 million. The fiscal 2012 funding of \$400,000 will use the following special funds: Maryland Clean Air Fund (\$150,000), Maryland Clean Water Fund (\$100,000), and Oil Disaster Containment, Clean-Up and Contingency Fund (\$150,000). The cost estimate for Phase II has not changed.		
Scope Status:	The scope for Phase II of the project does not appear to have changed.		
Project Management Oversight Status:	The Department of Information Technology has approved the information technology request.		
Identifiable Risks:	Security and privacy will need to be ensured for online fee payments, online permit applications, and ePermits. Maryland Department of the Environment (MDE) staff will need to commit to the project for successful implementation.		
Additional Comments:	MDE notes that Phase I of the project used a certified project manager.		

Fiscal Year Funding (000)	Prior Years	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	Balance to Complete	Total
Personnel Services	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Professional and Outside Services	0.750	0.400	0.0	0.0	0.0	0.0	0.0	1.150
Other Expenditures	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Funding	\$0.750	\$0.400	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$1.150

Maryland Department of the Environment Water Supply Program Tracking System

Project Description:	The Water Supply Program Tracking System is intended to develop and implement a new system for issuing permits to people, companies, or other entities for use of ground or surface water. Business processes supported will include submission of permit applications, analysis and approval of requests, and subsequent monitoring of compliance with permits. In addition, authorized users will be able to check the status of new or renewed permit applications and issued permits.							
Project Business Goals:	The project will enable MDE to achieve operational efficiencies, transparency, and improved customer service. In addition, the Maryland Department of the Environment (MDE) will need to rely less on outside vendors.							
Estimated Total Project Cost:	The total project cost is estimated to be \$1.8 million. However, the Information Technology Project Request (ITPR) mentions that spending breakouts are estimates.				New/Ongoing Project:		New; however, this project may make use of the TEMPO backed database as a data repository for the proposed tracking system.	
Project Start Date:	The project is anticipated to begin in February 2011 with the development of the Task Order request for proposals.			Projected Completion Data:		The project is anticipated to go live December 31, 2013.		
Schedule Status:	MDE awaits further approval. MDE is targeting the first quarter of fiscal 2012 for having the Consulting and Technical Services II contract in place to begin activities.							
Cost Status:	No funding has been allocated to this project; although, the fiscal 2012 allowance includes \$1.0 million in federal funds.							
Scope Status:	The project has not yet begun.							
Project Management Oversight Status:	The Department of Information Technology has approved the information technology request.							
Identifiable Risks:	No risks are identified; although, the project is contingent upon funding. MDE indicates that funds are available in federal fiscal 2008 and 2010 grants.							
Additional Comments:	MDE notes that it will be acquiring a project manager that is certified as a Project Management Professional by the Project Management Institute. In addition, MDE notes that an executive steering committee, chaired by Acting Secretary Dr. Robert Summers, will provide oversight.							
Fiscal Year Funding (Millions)	Prior Years	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	Balance to Complete	Total
Personnel Services	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Professional and Outside Services	0.0	1.0	0.8	0.0	0.0	0.0	0.0	1.8
Other Expenditures	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Funding	\$0.0	\$1.0	\$0.8	\$0.0	\$0.0	\$0.0	\$0.0	\$1.8

**Object/Fund Difference Report
Department of the Environment**

<u>Object/Fund</u>	<u>FY 10 Actual</u>	<u>FY 11 Working Appropriation</u>	<u>FY 12 Allowance</u>	<u>FY 11 - FY 12 Amount Change</u>	<u>Percent Change</u>
Positions					
01 Regular	970.00	959.00	959.00	0.00	0%
02 Contractual	34.59	45.50	44.50	-1.00	-2.2%
Total Positions	1,004.59	1,004.50	1,003.50	-1.00	-0.1%
Objects					
01 Salaries and Wages	\$ 76,680,702	\$ 75,703,061	\$ 79,175,165	\$ 3,472,104	4.6%
02 Technical and Spec. Fees	1,451,442	1,416,400	1,510,592	94,192	6.7%
03 Communication	719,070	736,717	704,149	-32,568	-4.4%
04 Travel	224,422	166,947	70,977	-95,970	-57.5%
06 Fuel and Utilities	464,266	511,974	484,828	-27,146	-5.3%
07 Motor Vehicles	1,101,670	1,288,473	1,286,307	-2,166	-0.2%
08 Contractual Services	10,112,043	13,490,460	21,034,034	7,543,574	55.9%
09 Supplies and Materials	1,309,918	1,636,821	1,365,480	-271,341	-16.6%
10 Equipment – Replacement	922,925	1,201,441	1,332,387	130,946	10.9%
11 Equipment – Additional	275,072	526,767	611,036	84,269	16.0%
12 Grants, Subsidies, and Contributions	19,842,997	18,419,783	10,659,920	-7,759,863	-42.1%
13 Fixed Charges	4,170,477	4,151,766	4,135,707	-16,059	-0.4%
14 Land and Structures	4,922,674	19,616,000	4,615,000	-15,001,000	-76.5%
Total Objects	\$ 122,197,678	\$ 138,866,610	\$ 126,985,582	-\$ 11,881,028	-8.6%
Funds					
01 General Fund	\$ 35,500,058	\$ 31,931,019	\$ 32,291,802	\$ 360,783	1.1%
03 Special Fund	48,414,669	68,751,593	53,860,109	-14,891,484	-21.7%
05 Federal Fund	34,055,315	34,041,943	37,066,916	3,024,973	8.9%
09 Reimbursable Fund	4,227,636	4,142,055	3,766,755	-375,300	-9.1%
Total Funds	\$ 122,197,678	\$ 138,866,610	\$ 126,985,582	-\$ 11,881,028	-8.6%

Note: The fiscal 2011 appropriation does not include deficiencies. The fiscal 2012 allowance does not include contingent reductions.

**Fiscal Summary
Department of the Environment**

<u>Program/Unit</u>	<u>FY 10 Actual</u>	<u>FY 11 Wrk Approp</u>	<u>FY 12 Allowance</u>	<u>Change</u>	<u>FY 11 - FY 12 % Change</u>
01 Office of the Secretary	\$ 1,902,936	\$ 2,240,651	\$ 2,226,462	-\$ 14,189	-0.6%
02 Administrative Services Administration	7,956,639	7,699,305	7,924,589	225,284	2.9%
04 Water Management Administration	29,106,281	28,535,879	29,685,026	1,149,147	4.0%
05 Science Services Administration	13,070,170	14,457,303	13,666,794	-790,509	-5.5%
06 Land Management Administration	28,259,420	31,311,592	31,830,418	518,826	1.7%
07 Air and Radiation Management Administration	21,271,325	20,277,631	19,528,609	-749,022	-3.7%
10 Coordinating Offices	20,630,907	34,344,249	22,123,684	-12,220,565	-35.6%
Total Expenditures	\$ 122,197,678	\$ 138,866,610	\$ 126,985,582	-\$ 11,881,028	-8.6%
General Fund	\$ 35,500,058	\$ 31,931,019	\$ 32,291,802	\$ 360,783	1.1%
Special Fund	48,414,669	68,751,593	53,860,109	-14,891,484	-21.7%
Federal Fund	34,055,315	34,041,943	37,066,916	3,024,973	8.9%
Total Appropriations	\$ 117,970,042	\$ 134,724,555	\$ 123,218,827	-\$ 11,505,728	-8.5%
Reimbursable Fund	\$ 4,227,636	\$ 4,142,055	\$ 3,766,755	-\$ 375,300	-9.1%
Total Funds	\$ 122,197,678	\$ 138,866,610	\$ 126,985,582	-\$ 11,881,028	-8.6%

Note: The fiscal 2011 appropriation does not include deficiencies. The fiscal 2012 allowance does not include contingent reductions.