

Department of Legislative Services
 Maryland General Assembly
 2024 Session

FISCAL AND POLICY NOTE
First Reader

House Bill 1375 (Delegate Rosenberg)
 Environment and Transportation

Environmental Justice - Identification of and Investment in Overburdened and Underserved Communities - Report

This bill requires the Maryland Department of the Environment (MDE), by December 31, 2024, and each December 31 thereafter, to submit a report to the Governor and the General Assembly on (1) the identification of overburdened and underserved communities in the State; (2) the percentage of overall spending for programs, projects, and investments that benefited overburdened and underserved communities during the prior fiscal year within specified governmental entities; and (3) specific recommendations to improve the identification of and provision of assistance to overburdened and underserved communities, including legislative and regulatory changes. **The bill takes effect July 1, 2024.**

Fiscal Summary

State Effect: General fund expenditures for MDE increase by \$72,600 in FY 2025; future years reflect inflation and ongoing costs. Transportation Trust Fund (TTF) expenditures increase by at least \$189,600 annually beginning in FY 2025. The Maryland Department of Labor (MDL) indicates significant operational effects for existing staff. Most other affected State agencies indicate that they can handle the bill’s requirements with existing budgeted resources; others did not respond to requests for information for this fiscal and policy note. Revenues are not affected.

(in dollars)	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
Revenues	\$0	\$0	\$0	\$0	\$0
GF Expenditure	72,600	64,700	67,600	70,600	73,700
SF Expenditure	189,600	189,600	189,600	189,600	189,600
Net Effect	(\$262,200)	(\$254,300)	(\$257,200)	(\$260,200)	(\$263,300)

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

Local Effect: The bill does not materially affect local government finances or operations.

Small Business Effect: None.

Analysis

Bill Summary: The report must include information for the following agencies: MDE, the Maryland Energy Administration, MDL, the Department of Human Services (DHS), the Maryland Department of Transportation (MDOT), the Department of Commerce, the Military Department, the Department of Natural Resources (DNR), the Maryland Department of Agriculture (MDA), the Maryland Department of Health (MDH), and any other relevant agencies or programs.

Current Law: “Underserved community” means any census tract in which, according to the most recent U.S. Census Bureau Survey (1) at least 25% of the residents qualify as low-income; (2) at least 50% of the residents identify as nonwhite; or (3) at least 15% of the residents have limited English proficiency. “Overburdened community” means any census tract for which three or more of specified environmental health indicators are above the seventy-fifth percentile statewide.

MDE staffs the Commission on Environmental Justice and Sustainable Communities, which has several statutory duties, including, among other things, (1) advising State government agencies on environmental justice and related community issues; (2) analyzing the impact of current State and local laws, permits, actions, and policies on the issue of environmental justice and sustainable communities; (3) assessing the adequacy of State and local laws to address the issue of environmental justice and sustainable communities; and (4) recommending options to the Governor and the General Assembly for addressing issues, concerns, or problems related to environmental justice, as specified.

MDE, in coordination with the Commission on Environmental Justice and Sustainable Communities, must (1) adopt a methodology for identifying communities disproportionately affected by climate impacts, as specified; (2) develop specific strategies to address geographical impact concerns, reduce emissions of greenhouse gases (GHGs) and co-pollutants, and build climate equity and resilience within disproportionately affected communities; (3) set appropriate goals for the percentage of State funding for GHG emissions reduction measures that should be used for the benefit of disproportionately affected communities; and (4) report the policies and programs developed to the Maryland Commission on Climate Change.

State Expenditures: General fund expenditures for MDE increase by \$72,608 in fiscal 2025, which accounts for the bill’s July 1, 2024 effective date. This estimate reflects the cost of hiring one administrative aide to collect information from other affected State agencies and develop and submit the required annual report. It includes a salary, fringe benefits, one-time start-up costs, and ongoing operating expenses.

Position	1.0
Salary and Fringe Benefits	\$65,082
Operating Expenses	<u>7,526</u>
Total FY 2025 MDE Admin. Costs	\$72,608

Future year expenditures reflect a salary with annual increases and employee turnover as well as annual increases in ongoing operating expenses.

In the execution of its duties, MDOT and its modal units often engage expert consultants to handle research, evaluations, studies, and staffing duties. The Maryland Transit Administration estimates costs of approximately \$189,600 annually to hire a consultant to prepare the information required by the bill on its behalf. The State Highway Administration may also have costs for the same purpose but cannot determine an amount at this time. Accordingly, TTF expenditures increase by at least \$189,600 annually beginning in fiscal 2025.

MDL’s Division of Workforce Development and Adult Learning experiences significant operational effects to collect and report the required information to MDE – a cost allocation of existing staff salaries is estimated to be about \$170,000 annually across six separate staff, although MDL did not indicate the need for additional staff or other incremental expenses.

DNR, DHS, Commerce, MDA, and MDH each advise that they can provide information to MDE with existing budgeted resources.

Additional Information

Recent Prior Introductions: Similar legislation has not been introduced within the last three years.

Designated Cross File: None.

Information Source(s): Maryland Department of the Environment; Department of Commerce; Maryland Department of Agriculture; Department of Human Services; Maryland Department of Labor; Department of Natural Resources; Maryland Department of Transportation; Maryland Department of Health; Department of Legislative Services

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km/lgc

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