

**Department of Legislative Services**  
 Maryland General Assembly  
 2003 Session

**FISCAL AND POLICY NOTE**

House Bill 969 (Delegate C. Davis)  
 Environmental Matters

**Department of the Environment - Ombudsman Program**

This bill establishes an Ombudsman Program within the Maryland Department of the Environment (MDE). The Secretary must appoint an ombudsman to assist citizens in resolving complaints against MDE. The ombudsman must receive and investigate complaints from citizens about actions taken by MDE, use Alternative Dispute Resolution (ADR) procedures to resolve complaints in a timely manner, and act as a liaison between citizens and MDE. MDE must adopt regulations to implement the bill.

**Fiscal Summary**

**State Effect:** General fund expenditure increase of at least \$97,200 in FY 2004 to establish the program. Future year estimates are annualized, adjusted for inflation, and reflect ongoing operating expenses. Revenues would not be affected.

(in dollars)	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008
Revenues	\$0	\$0	\$0	\$0	\$0
GF Expenditure	97,200	106,400	112,300	118,700	125,600
Net Effect	(\$97,200)	(\$106,400)	(\$112,300)	(\$118,700)	(\$125,600)

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

**Local Effect:** The bill is not expected to significantly affect local operations or finances.

**Small Business Effect:** Potential meaningful. By providing an alternative to the judicial process, small businesses that have complaints regarding MDE actions could benefit from the establishment of the ombudsman program.

## Analysis

**Current Law:** There is an ombudsman program within the Department of Health and Mental Hygiene (Maryland Medical Assistance Program) and the Department of Aging (Maryland Long-term Care Program).

**Background:** The Mediation and Conflict Resolution Office (MACRO), a court-related agency, serves as an ADR resource for the State, supports innovative dispute resolution programs, and promotes the appropriate use of ADR. MDE is involved in the State's ongoing efforts to institute ADR as a tool for conflict resolution. MDE has received funds from MACRO and has hired mediators on a contractual basis to resolve complaints regarding permitting decisions. To date, MDE has used ADR in ten cases.

**State Expenditures:** General fund expenditures could increase by an estimated \$97,200 in fiscal 2004, which accounts for the bill's October 1, 2003 effective date. This estimate reflects the cost of hiring one ombudsman to receive and investigate complaints and a part-time administrative assistant to support the new program. It includes salaries, fringe benefits, one-time start-up costs, and ongoing operating expenses.

Salaries and Fringe Benefits	\$74,500
Auto Purchase/Operations	16,900
Other Operating Expenses	<u>5,800</u>
<b>FY 2004 State Expenditures</b>	<b>\$97,200</b>

MDE receives a number of complaints regarding a whole variety of topics, ranging from general environmental concerns to complaints regarding permitting decisions. The number of complaints that will be investigated by the ombudsman is unknown. Legislative Services advises that general fund expenditures could increase further to the extent the number of complaints being resolved with ADR necessitates hiring additional mediators on a contractual basis. The cost to hire a contractual mediator is approximately \$1,000 per day.

Future year expenditures reflect: (1) full salaries with 4.5% annual increases and 3% employee turnover; and (2) 1% annual increases in ongoing operating expenses.

While the establishment of an ombudsman program within MDE could result in a decrease in the number of environmental cases that go through the judicial process, the bill is not expected to materially affect the Judiciary's finances.

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### **Additional Information**

**Prior Introductions:** None.

**Cross File:** None.

**Information Source(s):** Maryland Department of the Environment, Judiciary (Administrative Office of the Courts), Department of Legislative Services

**Fiscal Note History:** First Reader - March 12, 2003  
ncs/jr

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