

Department of Legislative Services
Maryland General Assembly
2006 Session

FISCAL AND POLICY NOTE

House Bill 1700
Economic Matters

(Delegates Bohanan and O'Donnell)

Finance

Maryland Military Installation Council

This bill renames the Maryland Military Installation Strategic Planning Council (MMISPC) to be the Maryland Military Installation Council (MMIC). The bill also extends the council from December 31, 2008 to December 31, 2011 and provides for the end of terms of existing members of the council. The council must report to the General Assembly by December 31 of each year and issue a final report by December 1, 2011.

The bill takes effect on June 1, 2006 and terminates on December 31, 2011.

Fiscal Summary

State Effect: None. The bill would not substantively change State activities or operations.

Local Effect: None.

Small Business Effect: None.

Analysis

Bill Summary: All members currently serving as members of the MMISPC will continue to serve as members of the MMIC until June 30, 2009. In addition, whereas MMISPC was required to review State policies to identify actions necessary to prepare for the Base Realignment and Closure initiative of 2005, MMIC is charged with reviewing State policies, including funding and legislation, to identify actions necessary to provide State and local support to support the mission of each military installation in Maryland.

MMIC must emphasize the latest edition of *Practical Guide to Compatible Civilian Development Near Military Installations* in its research on how other facilities have addressed issues regarding encroachment and partnership formation.

Current Law: In 1990 Congress created a process known as Base Realignment and Closure (BRAC) to address an excess capacity of military facilities. BRAC allows for the appointment of an independent commission that evaluates the military's needs and offers recommendations. The 2005 BRAC represents the first major base closure and realignment activity in 10 years.

Chapter 335 of 2003 established the 19-member Military Installation Strategic Planning Council to examine issues related to the expansion of military installations. The council was charged with identifying:

- public infrastructure and other community support necessary to improve mission efficiencies and develop existing installations in the State;
- existing and potential impacts of encroachment on military installations in Maryland;
- potential State and community actions that could minimize the impacts of encroachment and enhance the long-term potential of military installations; and
- opportunities for collaboration among military contractors, academic institutions, local governments, the State, and military departments.

The council was also charged with reviewing State policies to identify actions needed to prepare for the U.S. Department of Defense (DOD) Facilities Initiative that began in 2005 and research how jurisdictions have addressed encroachment and partnership formation issues. Chapter 240 of 2005 extended the termination date of the council until December 31, 2007.

Chapter 315 of 2004 requires the Secretary of Business and Economic Development to designate an entity within the Department of Business and Economic Development (DBED) as the single contact for issues relating to realignment and closure of federal military installations in the State. The council serves as that point of contact.

Background: The BRAC finished its work and submitted its recommendations to the President on September 8, 2005. The recommendations were subsequently submitted to the U.S. Congress and took effect November 9, 2005.

In total, Maryland gained approximately 17,000 DOD military and civilian jobs, which will be phased in over a five- to six-year period. With the bulk of the gains at Aberdeen Proving Ground, Fort Meade, and the new Walter Reed National Military Medical

Center, most of these jobs are projected to be medical professionals, engineers, and management positions. According to DBED, the total number of new jobs could exceed 40,000, many of which could go to existing Maryland residents. In addition to new jobs, new residents could approach 50,000 individuals, concentrated primarily in Harford, Anne Arundel, and Montgomery counties.

Military Affairs is an office of the Division of Regional Development. The fiscal 2006 appropriation for this division included 40 positions and \$8.5 million in expenditures. The Governor's proposed budget for fiscal 2007 includes 40 positions and an allowance of \$8.0 million, mainly composed of general funds. In addition, DBED is scheduled to receive \$800,000 in reimbursable revenue from the Department of Labor, Licensing, and Regulation to conduct four planning studies associated with BRAC and the anticipated influx of new jobs and residents to Maryland.

State Fiscal Effect: DBED advises that it would require \$90,000 annually to fund MMIC activities. Approximately \$30,000 annually would be used to pay for operational costs for MMIC meetings, such as travel expenses and seminars, and \$60,000 annually would be used to fund military research consulting projects. Legislative Services advises that no additional research or consulting projects are required by the bill; rather the bill requires that currently mandated research emphasize additional documents. Therefore, the requirements of the bill could be handled with existing resources.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Maryland Department of Planning, Department of Business and Economic Development, Maryland Department of Transportation, Department of Legislative Services

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ncs/rhh

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