

Department of Legislative Services
 Maryland General Assembly
 2006 Session

FISCAL AND POLICY NOTE

House Bill 1635 (Delegate Cane, *et al.*)
 Environmental Matters

Minorities Outreach and Involvement in the Environmental Community Program

This bill establishes a Minorities Outreach and Involvement in the Environmental Community Program within the Department of Natural Resources. The stated purpose of the program is to provide educational outreach initiatives; promote awareness about environmental issues and their impact on minority communities; and encourage young women and minorities to consider a career in natural resources. The bill requires the Chesapeake Bay Trust to provide funding for the program.

The bill takes effect July 1, 2006.

Fiscal Summary

State Effect: Special fund revenues and expenditures could each increase by \$197,300 in FY 2007 for DNR to implement the program, with funding provided by the Chesapeake Bay Trust. Future year estimates reflect annualization, inflation, and ongoing operating costs.

(in dollars)	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011
SF Revenue	\$197,300	\$263,600	\$269,200	\$275,000	\$281,200
SF Expenditure	197,300	263,600	269,200	275,000	281,200
Net Effect	\$0	\$0	\$0	\$0	\$0

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

Local Effect: The bill would not significantly affect local finances. Although local governments may currently be recipients of the Chesapeake Bay Trust funding that would be redirected to DNR, the program established by DNR may also benefit local governments.

Small Business Effect: Minimal.

Analysis

Bill Summary: The bill authorizes the program to solicit and accept grants or donations from a federal, State, local, or private entity; develop projects for sponsorship by corporate and business organizations or private individuals; and develop criteria for citizen involvement projects or corporate sponsorship projects. The bill also authorizes the program to receive appropriations as provided in the State budget.

Current Law: The Chesapeake Bay Trust (CBT) is a private, nonprofit organization established by the General Assembly in 1985 to promote public awareness and participation in the restoration and protection of the water quality and aquatic and land resources of the Chesapeake Bay and other aquatic and land resources of the State. CBT is authorized to, among other things, provide grants to a variety of entities for citizen involvement projects.

In addition to gifts from private citizens and the business community, CBT is supported by voluntary donations through a tax check-off on the Maryland income tax return and by sales of the commemorative “Treasure the Chesapeake” license plates.

Background: In 2003, CBT initiated a diversity program aimed at increasing grant funding to promote minority participation in environmental programs. The program includes targeted outreach, tracking diversity-related grants, and a minority scholarship that is presented annually to a Maryland student who combines an intense interest in and commitment to the environment and the Chesapeake Bay with an equal commitment to strengthening community awareness by promoting diversity and respect for all individuals. Three scholarships have been awarded so far. Targeting minority outreach to schools and organizations over the past three years, CBT has awarded \$625,000 for 268 diversity projects across the State.

DNR advises that it has established a Minority Recruitment Committee to help DNR formulate creative and proactive means of recruiting and retaining minority candidates for its workforce. Although DNR does not have a specific program for promoting awareness about environmental issues with minority communities, DNR advises that it already undertakes several activities in an effort to do so.

State Fiscal Effect: Special fund expenditures could increase by an estimated \$197,320 in fiscal 2007, which accounts for a 90-day start-up delay. This estimate reflects the cost

of hiring one administrator within DNR to implement the program. It includes a salary, fringe benefits, one-time start-up costs, and ongoing operating expenses, including costs to purchase instructional supplies and books as well as costs for contractual services for the development of projects and the printing of pamphlets and educational materials. Although the bill does not include many specifics regarding required program activities, the estimate is based on DNR's anticipated needs to establish a minimum viable program. It assumes that the activities DNR currently undertakes relating to minority participation in the environmental community would not be sufficient to meet the bill's intent.

Positions	1
Contractual Services	\$127,500
Salary and Fringe Benefits	44,905
Instructional Supplies and Books	16,575
Other Equipment/Operating Expenses	<u>8,340</u>
Total FY 2007 State Expenditures	\$197,320

Future year expenditures reflect: (1) a full salary with 4.6% annual increases and 3% employee turnover; and (2) 1% annual increases in ongoing operating expenses.

Under the bill, CBT would be required to provide funding for the new program in DNR from its income tax check-off funds. CBT advises that it received \$582,000 in fiscal 2005 from the income tax check-off system. It is assumed that the bill would not require CBT to divert all the funding it receives from the income tax check-off system to the new program each year, but only the amount that would be needed for DNR to implement the program, as estimated above. It is assumed that total program funding would come from CBT or donations and that general funds would not be affected.

Additional Comments: Although CBT would be required to fund the program established by the bill from its income tax check-off funds, the overall impact on CBT finances is unclear. Grant funding that CBT would have provided to other entities would merely be redirected to DNR. However, CBT advises that the bill could hinder its efforts to leverage funding from federal and private entities.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Department of Natural Resources, Chesapeake Bay Trust,
Comptroller's Office, Department of Legislative Services

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Analysis by: Lesley G. Cook

Direct Inquiries to:
(410) 946-5510
(301) 970-5510