

Department of Legislative Services
 Maryland General Assembly
 2009 Session

FISCAL AND POLICY NOTE

House Bill 876 (Delegate Glenn, *et al.*)
 Environmental Matters

Environment - Healthy Homes Initiative

This bill establishes the Healthy Homes Initiative within the Maryland Department of the Environment (MDE) in order to protect children and adults from housing-related health and safety hazards, including lead exposure. The Secretary of the Environment is authorized to apply for federal grants from the Healthy Homes Demonstration Program and Healthy Homes Technical Studies Program within the U.S. Department of Housing and Urban Development.

Fiscal Summary

State Effect: Special fund expenditures increase by \$60,300 in FY 2010 for MDE to hire one additional full-time employee and one part-time contractual employee to implement the bill. Federal fund revenues may increase in any fiscal year in which a federal grant is awarded to the State.

(in dollars)	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
FF Revenue	-	-	-	-	-
SF Expenditure	\$60,300	\$62,900	\$65,900	\$69,100	\$72,500
Net Effect	(\$60,300)	(\$62,900)	(\$65,900)	(\$69,100)	(\$72,500)

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

Local Effect: None.

Small Business Effect: None.

Analysis

Current Law: Chapter 114 of 1994 established the Lead Paint Poisoning Prevention Program in MDE. The program provides limited liability relief for owners of rental property built before 1950 and others in exchange for the reduction of lead hazards in these older rental properties. The program also provides for limited compensation to children who are poisoned by lead. By December 31, 1995, the owner of an affected property must have registered that property with MDE. An owner who first acquires affected property after that date must register the property within 30 days of acquisition. At each change in occupancy, before the next tenant occupies the property, an owner must satisfy the risk reduction standard by passing the test for lead contaminated dust or performing specified lead hazard reduction treatments.

Background: The federal Healthy Homes Technical Studies Grant Program assists academic institutions, nonprofit and for-profit organizations (provided no fees are charged for services), states, Native American tribes, and local governments to develop cost-effective methods for identifying and controlling housing-related hazards and build local capacity to operate sustainable programs to prevent, minimize, and control housing-related hazards in eligible residences. Each year the program awards roughly three cooperative agreements of up to \$1 million per agreement. Applicants are not required to provide a match to participate. In addition, the Healthy Homes Demonstration Grant Program assists these same parties to address the environmental causes of illness and build capacity in the target community to assure long-term progress of healthy homes efforts. Each year this program awards about five cooperative agreements of up to \$1 million per agreement. Applicants are not required to provide a match to participate.

The Baltimore City Health Department administers a Healthy Homes and Communities Initiative (HHCI) to address asthma, lead poisoning, and injuries among city residents. According to the U.S Environmental Protection Agency , Baltimore's HHCI program is a participant in a local-federal cooperative agreement focusing on 12 neighborhoods in Southwest Baltimore. Under this partnership, the U.S. Department of Health and Human Service's Agency for Toxic Substances and Disease Registry identified five facilities in these neighborhoods that produced toxic wastes, zinc, ethylene glycol, and polycyclic aromatic compounds. In addition, it was found that these neighborhoods also face housing environmental hazards including lead, mold, leaks, structural deficiencies, poor indoor air quality, and inadequate ventilation, which are associated with lead poisoning, asthma, and other respiratory diseases. Next steps include the development and application of health-related protocols for building community environmental health leadership capacity in Southwest Baltimore.

State Revenues: As noted above, the federal Healthy Homes Technical Studies Grant Program and the Healthy Homes Demonstration Grant Program award about eight grants annually to various governmental and nongovernmental entities around the county, with each grant up to \$1 million. It is unclear whether the grant award to Baltimore City will affect the likelihood that the State also receives a grant to implement the bill.

State Expenditures: Legislative Services advises that the bill requires MDE to establish a Healthy Homes Initiative regardless of whether federal grant money is awarded to the State. Thus, special fund expenditures increase by \$60,319 in fiscal 2010, which accounts for the bill's October 1, 2009 effective date. This estimate reflects the cost of contracting for the services of one grant specialist for three months and hiring one technical staff person familiar with indoor environmental health issues within MDE's Lead Poisoning Prevention Program to implement the initiative. However, if a federal grant is awarded, the contractual grant specialist will need to be hired as a permanent full-time employee at a cost of around \$63,000 in the first full fiscal year, which includes salary, fringe benefits, and other personnel costs. Currently, the MDE Lead Poisoning Prevention Program consists of 37 permanent technical, administrative, and supervisory staff. The fiscal 2008 ending fund balance for the Lead Poisoning Prevention Fund was just over \$1.6 million and the fiscal 2009 appropriation was about \$2.9 million; this estimate assumes that the initiative will be administered within the Lead Poisoning Prevention Program and that the additional personnel cost to implement the bill can be covered by the fund. However, general fund expenditures may increase to the extent that Lead Poisoning Prevention Fund money is not available to support the creation of any additional positions necessary for the implementation of the bill.

	<u>FY 2010</u>	<u>FY 2011</u>
MDE Salaries and Fringe Benefits	\$44,776	\$60,780
MDE Start-up Costs and Operating Expenses	5,894	2,100
MDE Contractual Costs	9,649	
Total MDE Expenditures	\$60,319	\$62,800
Position	1	

Future year expenditures reflect a full salary with 4.4% annual increases, 3% employee turnover, and 1% annual increases in ongoing operating expenses.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Baltimore City, Maryland Department of the Environment, Department of Housing and Community Development, Department of Health and Mental Hygiene, Department of Legislative Services

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mlm/ljm

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