

**Department of Legislative Services**  
 Maryland General Assembly  
 2015 Session

**FISCAL AND POLICY NOTE**

Senate Bill 581 (Senator Pugh)  
 Finance

**Business and Economic Development - Maryland Design Excellence Commission**

This bill establishes the Maryland Design Excellence Commission to study and develop specified design-related policy issues and projects. By December 31 of each year the commission must report its findings, recommendations, and actions implemented to the General Assembly.

The bill takes effect October 1, 2015, and terminates September 30, 2018.

**Fiscal Summary**

**State Effect:** General fund expenditures increase by \$45,700 in FY 2016 for the University System of Maryland (USM) to provide contractual staff for the commission. Future year expenditures reflect annualization and the elimination of the contractual position in FY 2019. Any expense reimbursements for commission members are assumed to be minimal and absorbable within existing budgeted resources.

(in dollars)	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Revenues	\$0	\$0	\$0	\$0	\$0
GF Expenditure	45,700	52,400	54,700	14,300	0
Net Effect	(\$45,700)	(\$52,400)	(\$54,700)	(\$14,300)	\$0

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

**Local Effect:** None.

**Small Business Effect:** None.

## Analysis

**Bill Summary:** The Maryland Design Excellence Commission is established to (1) develop comprehensive design policy for the State that addresses design in all of its forms and processes; (2) foster innovation, accessibility, and sustainability in the design and manufacture of new technologies for the built and virtual environments; and (3) ensure that the built and virtual environments are readily accessible and usable by all residents of the State. The Maryland Association of Community Colleges (MACC), a nonprofit advocacy organization, and USM must provide staff for the commission, which must:

- study relevant design excellence policy issues and projects;
- develop a design economic index compatible with the Maryland Genuine Progress Indicator Index that measures the economic impact of design industry development activities;
- hear testimony and convene “world café” events for the public with representatives from State agencies, the business community, and the design community;
- develop mutually beneficial relationships with existing commissions and task forces, including the U.S. Green Building Council Maryland Chapter, to share advice on design excellence policy;
- plan and coordinate an annual “MarylandByDesign Week” fostering public education about design excellence practices and outcomes among the built and virtual environments;
- establish design districts in the State to provide incentives for the practice of design excellence and product design by Maryland-based designers; and
- develop a 10- and 20-year design, innovation, accessibility, and sustainability plan for the State.

The Secretary of Business and Economic Development may recommend to the General Assembly or the Governor that the commission be converted, at the expiration of its term, into a standing commission.

**Current Law/Background:** No statewide coordinating body for a broad array of design excellence exists. The U.S. General Services Administration has a design excellence policy for federal buildings.

The U.S. Green Building Council Maryland Chapter was established in 2004. It is a nonprofit charitable organization. Its mission is to use education, advocacy, and community outreach to support the development of sustainable buildings and communities.

The Maryland Green Building Council (a different entity) was established by Chapters 115 and 116 of 2007. The council evaluates current high-performance building technologies.

It recommends cost-effective green building technologies that the State could require to be used in the construction of State facilities. In its annual report, the council recommends an implementation plan for a State higher-performance building program.

**State Expenditures:** As MACC is a nonprofit entity and does not receive direct State funding, it is assumed that USM provides the resources necessary to staff the commission. Therefore, general fund expenditures increase by \$45,738 in fiscal 2016, which accounts for the bill's October 1, 2015 effective date. This estimate reflects the cost of hiring one full-time contractual analyst to staff the commission. It includes a salary, fringe benefits, one-time start-up costs, and ongoing operating expenses.

Contractual Position	1
Salary and Fringe Benefits	\$41,014
Other Operating Expenses	<u>4,724</u>
<b>Total FY 2016 State Expenditures</b>	<b>\$45,738</b>

This estimate does not include any health insurance costs that could be incurred for specified contractual employees under the State's implementation of the federal Patient Protection and Affordable Care Act.

Future year expenditures reflect a full salary with annual increases and employee turnover as well as annual increases in ongoing operating expenses and the elimination of the contractual position on September 30, 2018.

Any expense reimbursements for commission members are assumed to be minimal and absorbable within existing budgeted resources.

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### **Additional Information**

**Prior Introductions:** None.

**Cross File:** HB 1084 (Delegate Pena-Melnyk, *et al.*) - Economic Matters.

**Information Source(s):** University System of Maryland, Department of Business and Economic Development, Department of Legislative Services

**Fiscal Note History:** First Reader - February 28, 2015  
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