

Department of Legislative Services
 Maryland General Assembly
 2016 Session

FISCAL AND POLICY NOTE
First Reader

House Bill 548 (Delegate Glenn, *et al.*)
 Economic Matters

Economic Competitiveness and Commerce - Maryland Design Excellence Commission

This bill establishes the Maryland Design Excellence Commission to study and develop specified design-related policy issues and projects. The Morgan State University (MSU) School of Architecture and Planning must provide staff for the commission. The commission has to report its findings, recommendations, and actions implemented to the General Assembly by December 31 each year.

The bill takes effect October 1, 2016, and terminates September 30, 2019.

Fiscal Summary

State Effect: General fund expenditures for MSU increase by \$45,800 in FY 2017 for MSU to provide contractual staff for the commission, as discussed below. Future year expenditures reflect annualization and the elimination of the contractual position in FY 2020. Any expense reimbursements for commission members are assumed to be minimal and absorbable within existing budgeted resources.

(in dollars)	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
Revenues	\$0	\$0	\$0	\$0	\$0
GF Expenditure	45,800	51,700	53,500	13,800	0
Net Effect	(\$45,800)	(\$51,700)	(\$53,500)	(\$13,800)	\$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 in the Maryland Technology Development Corporation (TEDCO) 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 MSU School of Architecture and Planning 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 Commerce 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 MSU School of Architecture and Planning addresses, from an interdisciplinary perspective, the social, environmental, physical, economic, and political issues that shape urban communities and form. The school offers several undergraduate and graduate programs in design-related fields – including graduate programs in architecture, landscape architecture, and city and regional planning.

State Expenditures: Based on similar legislation proposed in 2015 (Senate Bill 581), this analysis assumes one full-time contractual analyst is necessary for MSU to staff the commission. Therefore, general fund expenditures for MSU increase by \$45,833 in fiscal 2017, which accounts for the bill's October 1, 2016 effective date. This estimate includes a salary, fringe benefits, one-time start-up costs, and ongoing operating expenses.

Contractual Position	1
Salary and Fringe Benefits	\$41,018
Other Operating Expenses	<u>4,815</u>
Total FY 2017 State Expenditures	\$45,833

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, 2019. The actual cost varies from this estimate to the extent MSU requires a different level of contractual support to staff the commission.

Any expense reimbursements for commission members are assumed to be minimal and absorbable within existing budgeted resources. Although established in TEDCO, there does not appear to be any operational or fiscal impact on the corporation.

Additional Information

Prior Introductions: SB 581 of 2015, a similar bill, received a hearing in the Senate Finance Committee, but no further action was taken. Its cross file, HB 1084, received an unfavorable report from the House Economic Matters Committee.

Cross File: SB 429 (Senator Pugh, *et al.*) - Finance.

Information Source(s): Department of Commerce, Morgan State University, Maryland Technology Development Corporation, Department of Legislative Services

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