

Department of Legislative Services  
 Maryland General Assembly  
 2020 Session

FISCAL AND POLICY NOTE  
 Third Reader - Revised

Senate Bill 737

(Senator Elfreth)

Education, Health, and Environmental Affairs  
 and Budget and Taxation

Appropriations

Sustainable Maryland Program Fund - Establishment

This bill establishes the Sustainable Maryland Program Fund (SMPF), administered by the University of Maryland Environmental Finance Center (EFC), subject to specified requirements. The purpose of the fund is to expand and enhance Sustainable Maryland’s promotion and support of communities in the State in the effort to realize environmental, economic, and social sustainability. The Governor must include an appropriation of \$225,000 annually to SMPF beginning in fiscal 2022; this funding is supplemental to any funding that would otherwise be appropriated for the Sustainable Maryland program. **The bill takes effect July 1, 2020.**

Fiscal Summary

**State Effect:** General fund expenditures increase by \$225,000 annually beginning in FY 2022. Special fund revenues and expenditures for SMPF in the University System of Maryland increase correspondingly for authorized purposes. The bill does not otherwise directly affect State finances or operations. **This bill establishes a mandated appropriation beginning in FY 2022.**

(in dollars)	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
SF Revenue	\$0	\$225,000	\$225,000	\$225,000	\$225,000
GF Expenditure	\$0	\$225,000	\$225,000	\$225,000	\$225,000
SF Expenditure	\$0	\$225,000	\$225,000	\$225,000	\$225,000
Net Effect	\$0	(\$225,000)	(\$225,000)	(\$225,000)	(\$225,000)

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

**Local Effect:** Local government revenues and expenditures may increase beginning in FY 2022 from grants received under the bill.

**Small Business Effect:** Potential meaningful.

## Analysis

**Bill Summary:** SMPF is established as a special, nonlapsing fund, consisting of money appropriated in the State budget, interest earnings, and any other money from any other source. Expenditures from the fund may be made only in accordance with the State budget. SMPF may be used only for:

- offering training and education to ensure communities are well informed on advances in sustainability science, policy, and practice;
- outreach and engagement to build local capacity and institutionalize sustainability efforts within communities, including specified events and activities;
- developing and expanding the Sustainable Maryland program;
- improving green community certification tiers with new strategies and actions;
- providing annual community innovation small grants to help communities pilot new innovative strategies;
- recognizing community efforts toward achieving green certification; and
- administrative expenses related to the Sustainable Maryland program.

**Current Law/Background:** Sustainable Maryland is not established in State law. In practice, Sustainable Maryland is a collaborative effort between EFC at the University of Maryland, College Park Campus (UMCP) and the Maryland Municipal League for the stated purpose of replicating the success of the Sustainable Jersey initiative. EFC has nearly 20 staff and is housed within the School of Architecture, Preservation, and Planning at UMCP. A list of EFC's current projects can be found on its [website](#).

**State/Local Fiscal Effect:** Consistent with the timing of the required mandated appropriation, general fund expenditures increase by \$225,000 annually beginning in fiscal 2022. Assuming funds are received and expended in the same fiscal year, special fund revenues and expenditures for SMPF increase correspondingly for authorized purposes; depending on how EFC chooses to use the funds, expenditures may support additional staff or provide grants to local governments, in addition to other authorized uses.

**Small Business Effect:** Small businesses may benefit from grants awarded from SMPF beginning in fiscal 2022, which may be meaningful for a particular small business.

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## Additional Information

**Prior Introductions:** None.

**Designated Cross File:** HB 1520 (Delegate Solomon, *et al.*) - Appropriations.

**Information Source(s):** University System of Maryland; Department of Budget and Management; Department of Legislative Services

**Fiscal Note History:** First Reader - February 25, 2020  
rh/rhh Third Reader - April 3, 2020  
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