



Report of the
**Transportation and the
Environment Subcommittee**
To the House Appropriations Committee

2023 SESSION

Recommendations, Reductions, and Summary of
Action Pertaining to:
House Bill 200

General Assembly of Maryland

House Appropriations Committee

Transportation and the Environment Subcommittee

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Subcommittee Coordinator

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Katylee M. Cannon

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Recommended Reductions
Transportation and the Environment Subcommittee

<u>Agency</u>	<u>General Funds</u>	<u>Special Funds</u>	<u>Federal Funds</u>	<u>Higher Ed Funds</u>	<u>Total Funds</u>
2024 Budget Request					
Maryland Energy Administration	\$0	-\$9,458,465	\$0	\$0	-\$9,458,465
Maryland Lottery and Gaming Control Agency	0	-1,175,000	0	0	-1,175,000
Department of Agriculture	-6,000,000	0	0	0	-6,000,000
<i>Subtotal Fiscal 2024 Regular Budget</i>	<i>-\$6,000,000</i>	<i>-\$10,633,465</i>	<i>\$0</i>	<i>\$0</i>	<i>-\$16,633,465</i>
Fiscal 2024 Total Budget	-\$6,000,000	-\$10,633,465	\$0	\$ 0	-\$16,633,465
Grand Total Budget Bill	-\$6,000,000	-\$10,633,465	\$0	\$0	-\$16,633,465

C90G00
Public Service Commission

Committee Narrative

Procedures Related to Court Filings on Behalf of the Public Service Commission (PSC) in Court Proceedings: Appeals of decisions issued by PSC may be elevated to the circuit court or appellate court level. The committees are concerned about issues with a filing made on behalf of PSC in PSC case 9673 in Montgomery County Circuit Court as part of the appeals process in that case. The committees request that PSC submit a report providing information on the steps that PSC has taken to ensure that correct versions of filings are submitted to the circuit courts by its general counsel office. The committees also request that the report include a discussion of the review process for filings made on behalf of the commission in circuit court and appellate court proceedings.

Information Request	Author	Due Date
Report on procedures implemented to ensure correct versions of filings are submitted in court proceedings	PSC	December 1, 2023

Outcomes of Appeals of the Public Service Commission (PSC) Decisions: The committees are interested in decisions issued by PSC that are appealed at the circuit court and appellate court levels and the outcomes of those appeals. The committees request that PSC submit a report that provides data from the 10 most recently completed fiscal years on the number of cases appealed to the circuit court level, the outcomes of those appeals, and the number of cases that are subsequently appealed to the appellate court level and the outcomes for those appeals.

Information Request	Author	Due Date
Report on outcomes of appeals of PSC decisions through the judicial process	PSC	November 1, 2023

Enforcement Actions Against Third-party Energy Suppliers: The committees are interested in enforcement action taken by the Public Service Commission (PSC) against third-party energy suppliers resulting from complaints filed against these entities related to prohibited marketing practices. The committees request that PSC submit a report discussing enforcement actions taken between calendar 2018 and 2022, including:

- the total number of enforcement actions by PSC as a result of prohibited marketing practices conducted by third-party energy suppliers;

C90G00

- the types of prohibited marketing practices energy suppliers were found to have engaged in separately for gas and electric suppliers;
- the outcomes of these enforcement actions, including the amount of fines levied;
- the current status of ongoing enforcement proceedings;
- the average length of time from when an initial complaint is filed with PSC to when PSC begins enforcement action; and
- the average length of time from when PSC begins an enforcement action to the final case resolution.

The report should also discuss whether these enforcement actions have deterred prohibited marketing practices and options for additional enforcement actions not currently authorized that could be taken in the future. The report should also discuss efforts that are being taken or could be taken in the future to improve consumer education relating to electric choice.

Information Request	Author	Due Date
Report on enforcement actions against third-party energy suppliers	PSC	December 1, 2023

D13A13

Maryland Energy Administration

Budget Amendments

D13A13.01 General Administration

Amend appropriation for the purposes indicated:

	<u>Funds</u>	<u>Positions</u>
1. Increase turnover expectancy for 10 new positions from 0% to 25% to be consistent with budgeted turnover for new positions.	-208,465	SF
Total Change	-208,465	0.00

<u>Effect</u>	<u>Allowance</u>	<u>Appropriation</u>	<u>Amount Change</u>	<u>Position Change</u>
Position	41.00	41.00		0.00
Special Fund	6,813,316	6,604,851	-208,465	
Federal Fund	1,388,336	1,388,336	0	
Total Funds	8,201,652	7,993,187	-208,465	

Amendment No. _____

Committee Narrative

Strategic Energy Investment Fund (SEIF) Revenue, Spending, and Fund Balance: The committees are interested in ensuring transparency in Regional Greenhouse Gas Initiative (RGGI) revenue assumptions and spending included in the budget as well as available fund balance. The committees request that the Department of Budget and Management (DBM) provide an annual report on the revenue from the RGGI carbon dioxide emissions allowance auctions, set-aside allowances, and interest income in conjunction with the submission of the fiscal 2025 budget as an appendix to the Governor's Fiscal 2025 Budget Books. The report shall include information on the actual fiscal 2023 budget, the fiscal 2024 working appropriation, and the fiscal 2025 allowance. The report shall detail:

- revenue assumptions used to calculate the available SEIF from RGGI auctions for each fiscal year, including the number of auctions, the number of allowances sold, the allowance price in each auction, and the anticipated revenue from set-aside allowances;
- interest income received on the SEIF;

D13A13

- amount of the SEIF from RGGI auction revenue available to each agency that receives funding through each required statutory allocation; dues owed to RGGI, Inc.; and transfers or diversions of revenue made to other funds; and
- fund balances for each SEIF subaccount, reflecting funds available to spend, for the fiscal 2023 actual, the fiscal 2024 working appropriation, and the fiscal 2025 allowance.

Information Request	Author	Due Date
Report on revenue assumptions and use of RGGI auction revenue	DBM	With submission of the Governor's Fiscal 2025 Budget Books

Implementation of Residential-focused Rebate Programs Funded through the Federal Inflation Reduction Act (IRA): The committees are interested in better understanding the two new residential rebate programs that will be implemented by the Maryland Energy Administration (MEA) under federal stimulus funds available to Maryland under the IRA and the timelines for the implementation of these programs. The U.S. Department of Energy (DOE) has announced a total funding allocation of \$138.6 million available to the State for the Home Energy Performance-Based, Whole-House Rebate Program and the High-Efficiency Electric Home Rebate Program. Following issuance of federal guidance by DOE, MEA will be required to submit an application outlining a State plan for program implementation in order to be able to access funding. The committees request that MEA submit a report that includes a discussion of the timeline for submitting a State plan application to DOE to access federal IRA funding and the anticipated steps needed to implement the programs. If available at the time of report submission, the report should include a discussion of components of both programs and any estimates for the total number of households who will be eligible to receive benefits as well as benefit size.

Information Request	Author	Due Date
Report on the status of implementation of residential-focused rebate programs through federal stimulus funding	MEA	December 15, 2023

D13A13

Budget Amendments

D13A13.08 Renewable and Clean Energy Programs and Initiatives

Amend appropriation for the purposes indicated:	<u>Funds</u>	<u>Positions</u>
1. Delete funding for the Maryland Energy Infrastructure Grant Program, including the Contributions in Aid of Construction Dispensation Fund, the Anchor Customer Program, the Local Distribution Company Program, and technical assistance from the Maryland Gas Expansion Fund.	-9,250,000	SF
Total Change	-9,250,000	0.00

<u>Effect</u>	<u>Allowance</u>	<u>Appropriation</u>	<u>Amount Change</u>	<u>Position Change</u>
Special Fund	103,350,000	94,100,000	-9,250,000	
Total Funds	103,350,000	94,100,000	-9,250,000	

Amendment No. _____

D70J00
Maryland Automobile Insurance Fund

Committee Narrative

Policy Options to Address Surplus Decay: The committees are concerned about the long-standing issues related to the surplus of the Insured Division and the secondary and contributing difficulties that exist related to policy cancellation and rate inadequacy. Although it is too soon to determine the impact of the recent changes to the installment plan option, the committees request that the Maryland Automobile Insurance Fund (Maryland Auto) prepare a report summarizing:

- reasons for the long-running decline in the surplus, including discussion of any changes in the insurance market that have contributed;
- past efforts to address the decline in surplus;
- information on the number of policyholders choosing Maryland Auto's installment plan by calendar year since calendar 2014; and
- policy or funding changes that may be considered to target the problem of surplus decline; any necessary change to statute, law, or funding; and an estimated level of impact.

Information Request	Author	Due Date
Policy options to address surplus decline	Maryland Auto	November 1, 2023

Maryland Automobile Insurance Fund (Maryland Auto) Surplus and Activities: The committees are concerned about the decline in the surplus in Maryland Auto and funding adequacy in the insured and uninsured divisions, respectively. The committees request that Maryland Auto submit a report providing a 10-year history of the surplus and surplus-to-assessment ratio for the insured division and a 10-year history of the surplus for the uninsured division. It is the intent of the committees that Maryland Auto work with the Motor Vehicle Administration to consider an amnesty program for outstanding uninsured motorist fines for the purpose raising revenue. It is the intent of the committees that Maryland Auto not pay staff bonuses during any year in which a surplus deficit is projected within 2 years.

Information Request	Author	Due Date
Report on Maryland Auto surplus history	Maryland Auto	November 1, 2023

D80Z01
Maryland Insurance Administration

Committee Narrative

D80Z01.01 Administration and Operations

Maryland Automobile Insurance Fund (Maryland Auto) and the Private Insurance Market: The committees are interested in evaluating the current Maryland Auto rating methodology as part of an effort to address the problem of declining surplus in Maryland Auto. In 2004, the Maryland Insurance Administration (MIA) produced a report on the methodology used by Maryland Auto to determine rates. The committees request that MIA submit a report evaluating whether the current Maryland Auto rating methodology is producing rates that are adequate and whether any changes need to be made to the methodology to ensure adequate rates. The report should also address the sustainability of Maryland Auto, given declining market shares. The report should also discuss the advantages and disadvantages of alternative models for insuring substandard business (such as Assigned Risk) and make a recommendation as to whether the General Assembly should consider a different model for Maryland Auto.

Information Request	Author	Due Date
Evaluation of the Maryland Auto rate-setting and model	MIA	December 1, 2023

Insurance Tracking System (ITS) Project History and Future Management Plans: With significant new funding for the ITS project provided in the fiscal 2024 allowance, the committees are interested in better understanding the steps that the agency will take to prevent future delays in the project, similar to the defaulting of the prior contractor. The committees are also concerned that funding has been provided with no updated information on the project timeline and plans for the project. The committees request that the Maryland Insurance Administration (MIA) submit a report summarizing and including:

- the reasons for contractor default in March 2022 and how MIA will prevent contractor default on this project in the future;
- a detailed project spending history through fiscal 2023 or why this is not possible; and
- how MIA plans to track and report spending on this project through the completion of the project.

Information Request	Author	Due Date
ITS project history and future management plans	MIA	July 31, 2023

E75D
Maryland Lottery and Gaming Control Agency

Budget Amendments

E75D00.01 Administration and Operations

Amend appropriation for the purposes indicated:	<u>Funds</u>	<u>Positions</u>
1. Delete funds budgeted for the televised lottery drawings. The Maryland Lottery and Gaming Control Agency has ended televised drawings.	-1,175,000	SF
Total Change	-1,175,000	0.00

<u>Effect</u>	<u>Allowance</u>	<u>Appropriation</u>	<u>Amount Change</u>	<u>Position Change</u>
Position	163.10	163.10		0.00
Special Fund	95,554,950	94,379,950	-1,175,000	
Total Funds	95,554,950	94,379,950	-1,175,000	

Amendment No. _____

J00

Department of Transportation

Budget Amendments

Add the following language:

Provided that it is the intent of the General Assembly that projects and funding levels appropriated for capital projects, as well as total estimated project costs within the Consolidated Transportation Program, shall be expended in accordance with the plan approved during the legislative session. The department shall prepare a report to notify the budget committees of the proposed changes in the event that the department modifies the program to:

- (1) add a new project to the construction program or development and evaluation program meeting the definition of a “major project” under Section 2-103.1 of the Transportation Article that was not previously contained within a plan reviewed in a prior year by the General Assembly and will result in the need to expend funds in the current budget year; or
- (2) change the scope of a project in the construction program or development and evaluation program meeting the definition of a “major project” under Section 2-103.1 of the Transportation Article that will result in an increase of more than 10% or \$1,000,000, whichever is greater, in the total project costs as reviewed by the General Assembly during a prior session.

For each change, the report shall identify the project title, justification for adding the new project or modifying the scope of the existing project, current year funding levels, and the total project cost as approved by the General Assembly during the prior session compared with the proposed current year funding and total project cost estimate resulting from the project addition or change in scope.

Further provided that notification of project additions, as outlined in paragraph (1) above; changes in the scope of a project, as outlined in paragraph (2) above; or moving projects from the development and evaluation program to the construction program shall be made to the General Assembly 45 days prior to the expenditure of funds or the submission of any contract for approval to the Board of Public Works.

Explanation: This annual budget bill language requires the department to notify the budget committees of proposed changes to the transportation capital program that will add a new project that was not in the fiscal 2023 to 2028 Consolidated Transportation Program (CTP) or will increase a total project's cost by more than 10%, or \$1 million, due to a change in scope. Reports are to be submitted with the draft and final versions of the CTP with each using the 2023 session CTP as the basis for comparison. In addition, notification is required as needed throughout the budget year if certain changes to projects are made.

J00

Information Request	Author	Due Date
Capital budget changes from one CTP version to the next	Maryland Department of Transportation (MDOT)	With draft CTP With final CTP
Capital budget changes throughout the year	MDOT	45 days prior to the expenditure of funds or seeking Board of Public Works approval

Amendment No. _____

Add the following language:

The Maryland Department of Transportation (MDOT) may not expend funds on any job or position of employment approved in this budget in excess of 9,120.5 positions and 115.0 contractual full-time equivalent (FTE) positions paid through special payments payroll (defined as the quotient of the sum of the hours worked by all such employees in the fiscal year divided by 2,080 hours) of the total authorized amount established in the budget for MDOT at any one time during fiscal 2024. The level of contractual FTE positions may be exceeded only if MDOT notifies the budget committees of the need and justification for additional contractual personnel due to:

- (1) business growth at the Helen Delich Bentley Port of Baltimore or Baltimore/Washington International Thurgood Marshall Airport that demands additional personnel; or
- (2) emergency needs that must be met, such as transit security or highway maintenance.

The Secretary shall use the authority under Sections 2-101 and 2-102 of the Transportation Article to implement this provision. However, any authorized job or position to be filled above the regular position ceiling approved by the Board of Public Works shall count against the Rule of 100 imposed by the General Assembly. The establishment of new jobs or positions of employment not authorized in the fiscal 2024 budget shall be subject to Section 7-236 of the State Finance and Procurement Article and the Rule of 100.

Explanation: This annual budget bill language establishes a position ceiling for MDOT each year to limit growth in regular positions and contractual FTEs.

J00

Information Request

Author

Due Date

Need for additional regular or contractual positions

MDOT

As needed

Amendment No. _____

J00A01
The Secretary's Office
Department of Transportation

Committee Narrative

J00A01.01 Executive Direction

Fees for Zero- and Low-emission Vehicles: The committees request that the Maryland Department of Transportation (MDOT) submit a report on the fees that other states impose on zero- and low-emission (e.g. hybrid-electric) vehicles and the revenue raised by each fee, along with an identification of any studies that have been done on the impact such fees have had on zero- and low-emission vehicle purchases.

The report should be submitted by September 1, 2023.

Information Request	Author	Due Date
Report on fees imposed by other states on zero- and low-emission vehicles and the revenues raised from those fees	MDOT	September 1, 2023

Budget Amendments

J00A01.02 Operating Grants-In-Aid

Add the following language to the special fund appropriation:

, provided that no more than \$5,556,686 of this appropriation may be expended for operating grants-in-aid, except for:

- (1) any additional special funds necessary to match unanticipated federal fund attainments;
or
- (2) any proposed increase either to provide funds for a new grantee or to increase funds for an existing grantee.

Further provided that no expenditures in excess of \$5,556,686 may occur unless the department provides notification to the budget committees to justify the need for additional expenditures due to either item (1) or (2) above, and the committees provide review and comment or 45 days elapse from the date such notification is provided to the committees.

J00A01

Explanation: This annual language caps the level of special funds provided for operating grants-in-aid. The cap may be increased to match unanticipated federal dollars or to provide new or expanded grant funding upon notification to the budget committees.

Information Request	Author	Due Date
Explanation of need for additional special funds for operating grants-in-aid	Maryland Department of Transportation	45 days prior to expenditure

Amendment No. _____

J00A01.03 Facilities and Capital Equipment

Add the following language to the special fund appropriation:

, provided that no funds may be expended by the Secretary's Office for any capital project or grant with a total project cost in excess of \$500,000 that is not currently included in the fiscal 2023 to 2028 Consolidated Transportation Program, except as outlined below:

- (1) the Secretary shall notify the budget committees of any proposed capital project or grant with a total cost in excess of \$500,000, including the need and justification for the project and its total cost; and
- (2) the budget committees shall have 45 days to review and comment on the proposed capital project or grant.

Explanation: This language provides legislative oversight of capital projects and grants exceeding \$500,000 that are not listed in the current Consolidated Transportation Program (CTP).

Information Request	Author	Due Date
Notification of the intent to fund a capital project or grant exceeding \$500,000 that is not listed in the current CTP	Maryland Department of Transportation	45 days prior to expenditure

Amendment No. _____

Committee Narrative

Flexing of Federal Dollars from Highways to Transit: The committees are interested in learning about the department’s ability to flex or transfer federal funding between highway and transit uses as allowed by federal law and the limitations related to that ability and request that the Maryland Department of Transportation (MDOT) submit a report with the following information for fiscal 2022 to 2024:

- the dollar amounts received or anticipated from the Surface Transportation Block Grant, National Highway Performance Program, and Congestion Mitigation and Air Quality formulas and how they were or will be spent according to MDOT’s investment categories used in the Consolidated Transportation Program;
- the amount of funding from each federal formula program that went or is programmed to go to road diets, retrofitting of roadways to lower vehicle speeds, transit lanes or other bus priority treatments, protected bicycle lanes, narrowed crossings, and expanded pedestrian facilities;
- the percentage of funds from the Surface Transportation Block Grant, National Highway Performance Program, Congestion Mitigation and Air Quality, and any other eligible source of federal formula funds that were flexed/transferred or are programmed to be flexed/transferred to another program, agency, project, or use;
- a list and description of the projects and programs that received or will receive flexed/transferred dollars, including how they are categorized according to the department investment categories; and
- the maximum amount of funding under each formula that could have been or could be flexed/transferred under federal regulations compared with the amount actually flexed/transferred or programmed to be flexed/transferred.

The report should be submitted by September 1, 2023.

Information Request	Author	Due Date
Report on flexing or transferring federal funding from highways to transit	MDOT	September 1, 2023

J00A01

J00A01.04 Washington Metropolitan Area Transit – Operating

Transit-oriented Development inside the Capital Beltway: During its budget hearing, the Washington Metropolitan Area Transit Authority (WMATA) cited a number of Metrorail stations at which it was looking to increase efforts to encourage development. Stations in the Blue Line Corridor were not mentioned as a focus for development, despite the corridor being a top development priority for Prince George’s County. The committees therefore request that WMATA provide a report summarizing its strategies for investing in transit-oriented development inside the Capital Beltway. The report should be submitted by December 1, 2023.

Information Request	Author	Due Date
Report on strategies for investing in transit-oriented development inside the Capital Beltway	WMATA	December 1, 2023

J00A04
Debt Service Requirements
Department of Transportation

Budget Amendments

Add the following language:

Consolidated Transportation Bonds may be issued in any amount, provided that the aggregate outstanding and unpaid balance of these bonds and bonds of prior issues may not exceed \$3,114,910,000 as of June 30, 2024.

Explanation: Section 3-202 of the Transportation Article requires the General Assembly to establish the maximum debt outstanding each year in the budget bill. The level is based on the outstanding debt as of June 30, 2022, plus projected debt to be issued during fiscal 2024 in support of the transportation capital program. No debt issuance is planned for fiscal 2023.

Amendment No. _____

Add the following language:

The Maryland Department of Transportation (MDOT) shall submit with its annual September and January financial forecasts information on:

- (1) anticipated and actual nontraditional debt outstanding as of June 30 of each year; and
- (2) anticipated and actual debt service payments for each outstanding nontraditional debt issuance from fiscal 2023 through 2033.

Nontraditional debt is defined as any debt instrument that is not a Consolidated Transportation Bond or a Grant Anticipation Revenue Vehicle bond; such debt includes, but is not limited to, Certificates of Participation; debt backed by customer facility charges, passenger facility charges or other revenues; and debt issued by the Maryland Economic Development Corporation or any other third party on behalf of MDOT.

Explanation: The General Assembly is interested in monitoring the use of nontraditional debt by MDOT. The information requested provides the budget committees with additional information on the usage and annual costs of nontraditional debt.

J00A04

Information Request	Author	Due Date
Nontraditional debt outstanding and anticipated debt service payments	MDOT	With the September forecast
Nontraditional debt outstanding and anticipated debt service payments	MDOT	With the January forecast

Amendment No. _____

Add the following language:

The total aggregate outstanding and unpaid principal balance of nontraditional debt, defined as any debt instrument that is not a Consolidated Transportation Bond or a Grant Anticipation Revenue Vehicle bond issued by the Maryland Department of Transportation (MDOT), exclusive of debt for the Purple Line Light Rail Project, may not exceed \$748,925,000 as of June 30, 2024. The total aggregate outstanding and unpaid principal balance on debt for the Purple Line may not exceed \$2,522,912,000 as of June 30, 2024. Provided, however, that in addition to the limits established under this provision, MDOT may increase the aggregate outstanding unpaid and principal balance of nontraditional debt so long as:

- (1) MDOT provides notice to the Senate Budget and Taxation Committee and the House Appropriations Committee stating the specific reason for the additional issuance and providing specific information regarding the proposed issuance, including information specifying the total amount of nontraditional debt that would be outstanding on June 30, 2024, and the total amount by which the fiscal 2024 debt service payment for all nontraditional debt would increase following the additional issuance; and
- (2) the Senate Budget and Taxation Committee and the House Appropriations Committee have 45 days to review and comment on the proposed additional issuance before the publication of a preliminary official statement. The Senate Budget and Taxation Committee and the House Appropriations Committee may hold a public hearing to discuss the proposed increase and shall signal their intent to hold a hearing within 45 days of receiving notice from MDOT.

Explanation: This language limits the amount of nontraditional debt outstanding at the end of fiscal 2024, exclusive of debt issued for the Purple Line Light Rail Transit project, to the total amount that was outstanding from all previous nontraditional debt issuances as of December 31, 2022, plus an anticipated issuance of \$75 million for a new fare collection system for the Maryland Transit Administration. Debt outstanding for the Purple Line Project is capped at the projected maximum debt outstanding level that will occur during the construction phase

J00A04

of the Purple Line Project. The language allows MDOT to increase the amount of nontraditional debt outstanding in fiscal 2024 by providing notification to the budget committees regarding the reason that the additional debt is required.

Information Request	Author	Due Date
Justification for increasing nontraditional debt outstanding	MDOT	45 days prior to publication of a preliminary official statement

Amendment No. _____

J00H01
Maryland Transit Administration
Department of Transportation

Budget Amendments

J00H01.01 Transit Administration

Add the following language to the special fund appropriation:

, provided that \$100,000 of this appropriation made for the purpose of agency administration may not be expended until the Maryland Transit Administration submits five bimonthly construction status reports for the Purple Line Project to the budget committees. The status reports shall provide:

- (1) the completion percentages for the project as a whole and for each major category of work;
- (2) the running total amount expended for construction; and
- (3) an explanation of any material change to the total construction cost estimate or construction schedule as set forth in the revised public-private partnership agreement as amended to add Maryland Transit Solutions as the replacement design-build contractor for the project.

The first status report shall be submitted by July 1, 2023, and subsequent reports shall be submitted every second month thereafter, and the budget committees shall have 45 days from the date of the receipt of the final report to review and comment. Funds restricted pending the receipt of a report may not be transferred by budget amendment or otherwise to any other purpose and shall be canceled if the report is not submitted to the budget committees.

Explanation: This language restricts funds pending regular construction progress reports for the Purple Line Light Rail Project.

Information Request	Author	Due Date
Reports on Purple Line construction progress	Maryland Transit Administration	July 1, 2023, and bimonthly thereafter ending with the March 1, 2024 report

Amendment No. _____

J00I00
Maryland Aviation Administration
Department of Transportation

Committee Narrative

J00I00.02 Airport Operations

Solar Arrays at Baltimore/Washington International Thurgood Marshall Airport (BWI Marshall Airport): The committees are interested in the possibility of installing additional solar arrays at BWI Marshall Airport, particularly given a recent federal policy change that removes additional barriers to developing onsite solar systems. The committees request that the Maryland Aviation Administration (MAA) provide a report that describes the current deployment of solar at BWI Marshall Airport, including current locations and capacity, and considers the feasibility of additional solar installations at BWI Marshall Airport. The report should include details regarding space availability for solar infrastructure, procurement and funding needs, potential timelines, and any current plans or efforts in play to deploy solar.

Information Request	Author	Due Date
Solar arrays at BWI Marshall Airport	MAA	December 1, 2023

K00A
Department of Natural Resources

Budget Amendments

CHESAPEAKE AND COASTAL SERVICE

K00A14.02 Chesapeake and Coastal Service

Add the following language to the general fund appropriation:

, provided that \$100,000 of this appropriation made for the purpose of general administrative expenses may not be expended until the Department of Natural Resources submits the Chesapeake and Atlantic Coastal Bays 2010 Trust Fund annual work and expenditure plans to the budget committees. The annual work and expenditure plans shall be submitted with the fiscal 2025 budget submission as required by Section 8-2A-03(d) of the Natural Resources Article, and the budget committees shall have 45 days from the date of the receipt of the plans to review and comment. Funds restricted pending the receipt of annual work and expenditure plans may not be transferred by budget amendment or otherwise to any other purpose and shall revert to the General Fund if the annual work and expenditure plans are not submitted to the budget committees.

Explanation: Section 8-2A-03(d) of the Natural Resources Article requires the Governor to submit the Chesapeake and Atlantic Coastal Bays 2010 Trust Fund annual work and expenditure plans to the General Assembly as part of the annual budget submission, but the Governor has not done so on a regular basis. This action restricts funding in the Department of Natural Resources' (DNR) budget until the annual work and expenditure plans are submitted with the fiscal 2025 budget submission.

Information Request	Author	Due Date
Chesapeake and Atlantic Coastal Bays 2010 Trust Fund annual work and expenditure plans	DNR	Fiscal 2025 budget submission

Amendment No. _____

Committee Narrative

Summary of Chesapeake Bay Restoration Spending: The budget committees request that the Department of Budget and Management (DBM), the Department of Natural Resources (DNR), and the Maryland Department of the Environment (MDE) provide a report on Chesapeake Bay restoration spending. The report shall be drafted subject to the concurrence of the Department

K00A

of Legislative Services (DLS) in terms of both electronic format to be used and data to be included. The scope of the report is as follows: Chesapeake Bay restoration operating and capital expenditures by agency, fund type, and particular fund source based on programs that have over 50% of their activities directly related to Chesapeake Bay restoration for the fiscal 2023 actual; fiscal 2024 working appropriation; and fiscal 2025 allowance to be included as an appendix in the fiscal 2025 budget volumes and submitted electronically in disaggregated form to DLS.

Information Request	Author	Due Date
Summary of Chesapeake Bay restoration spending for programs that have over 50% of their activities directly related to Chesapeake Bay restoration	DBM DNR MDE	Fiscal 2025 budget submission

L00A
Department of Agriculture

Budget Amendments

OFFICE OF MARKETING, ANIMAL INDUSTRIES, AND CONSUMER SERVICES

L00A12.20 Maryland Agricultural and Resource-Based Industry Development Corporation

Amend appropriation for the purposes indicated:

	<u>Funds</u>	<u>Positions</u>
1. Reduce general fund appropriation for the Maryland Agricultural and Resource-Based Industry Development Corporation's Next Generation Farmland Acquisition Program funding. The Governor's fiscal 2024 allowance included \$10,000,000 in general funds for the Next Generation Farmland Acquisition Program as mandated by Chapter 39 of 2022 (Natural Resources – Maryland Park Service and State Parks – Alterations (Great Maryland Outdoors Act)). This action reduces \$6,000,000 from the appropriation for the Next Generation Farmland Acquisition Program so that the funding can be added back to the Maryland Agricultural and Resource-Based Industry Development Corporation's budget for its core loan programs, including the Maryland Resource-Based Industry Financing Fund, given the demand for loans in the high interest rate environment.	-6,000,000	GF
Total Change	-6,000,000	0.00

<u>Effect</u>	<u>Allowance</u>	<u>Appropriation</u>	<u>Amount Change</u>	<u>Position Change</u>
General Fund	15,235,000	9,235,000	-6,000,000	
Total Funds	15,235,000	9,235,000	-6,000,000	

Amendment No. _____

U00A
Department of the Environment

Budget Amendments

LAND AND MATERIALS ADMINISTRATION

U00A06.01 Land and Materials Administration

Add the following language to the general fund appropriation:

, provided that \$200,000 of this appropriation made for the purpose of general administrative expenses in the Land and Materials Administration may not be expended pending the submission of the Maryland Scrap Tire annual report. The requested report shall be submitted no later than November 1, 2023. The budget committees shall have 45 days from the date of the receipt of the report to review and comment. Funds restricted pending the receipt of the report may not be transferred by budget amendment or otherwise to any other purpose and shall revert to the General Fund if the report is not submitted to the budget committees.

Explanation: This action restricts funding pending the submission by November 1, 2023, of the Maryland Scrap Tire Annual Report. Section 9-275(c) of the Environment Article specifies that an annual status report is due on or before November 1 of each year, which was not consistently met before the inclusion of annual budget bill language.

Information Request	Author	Due Date
Maryland Used Tire Cleanup and Recycling Fund annual report	Maryland Department of the Environment	November 1, 2023

Amendment No. _____

Committee Narrative

AIR AND RADIATION ADMINISTRATION

U00A07.01 Air and Radiation Administration

Ambient Air Monitoring Report: The committees are interested in what is needed to deploy an ambient air monitoring network across the State and how this would improve public health. Therefore, the committees request that the Maryland Department of the Environment (MDE) submit a report on what is needed to deploy an ambient air monitoring network across the State. In addition, the report is requested to include information on how the data collected from a network would mitigate exposure to toxic pollutants, inform permit decision-making processes,

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and help reduce the cumulative impacts of pollutants such as particulate matter and fine particulate matter. The report is requested to be submitted to the committees by December 31, 2023.

Information Request	Author	Due Date
Ambient air monitoring report	MDE	December 31, 2023

Budget Amendments

COORDINATING OFFICES

U00A10.01 Coordinating Offices

Add the following language to the general fund appropriation:

, provided that \$200,000 of this appropriation made for the purpose of general administrative expenses may not be expended until the Maryland Department of the Environment (MDE), in cooperation with the Department of Budget and Management, submits a confirmatory letter to the budget committees indicating that MDE's fiscal 2023 actual personnel expenditures and the fiscal 2024 working appropriation personnel expenditures are budgeted in the correct statewide subobjects. The confirmatory letter shall be submitted with the fiscal 2025 budget submission, and the budget committees shall have 45 days from the date of the receipt of the confirmatory letter to review and comment. Funds restricted pending the receipt of a confirmatory letter may not be transferred by budget amendment or otherwise to any other purpose and shall revert to the General Fund if the confirmatory letter is not submitted to the budget committees.

Explanation: For the second year in a row, MDE's most recent actual fiscal year budget data incorrectly reflects the allocation of funding for personnel expenditures. The 2021 Joint Chairmen's Report included committee narrative requesting that the fiscal 2021 budget data be correctly reflected with the fiscal 2023 budget submission. Then, fiscal 2023 budget bill language restricted funding pending the submission of a confirmatory letter with the fiscal 2024 budget submission, indicating that prior year actual personnel expenditures up to and including fiscal 2022 are budgeted in the correct statewide subobjects. The fringe benefit expenditures – health insurance, pension contributions, and turnover adjustments, among others – are almost entirely reflected as Social Security contributions, which makes it difficult to do historical data comparisons. In addition, MDE budgets in its working appropriation a portion of its personnel expenditures in a subobject used as a temporary placeholder, miscellaneous adjustments, which makes it difficult to compare the working appropriation with the Governor's allowance. Therefore, increased funding is restricted until MDE and the Department of Budget and Management (DBM) submit a confirmatory letter with the fiscal 2025 budget submission indicating that fiscal 2023 actual personnel expenditures and fiscal 2024 working appropriation personnel expenditures are budgeted in the correct statewide subobjects.

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Information Request	Author	Due Date
Budgeting of fiscal 2023 actual and fiscal 2024 working appropriation personnel expenditures	MDE DBM	Fiscal 2025 budget submission

Amendment No. _____

Add the following language to the general fund appropriation:

Further provided that \$100,000 of this appropriation made for the purpose of general operating expenses may not be expended until the Maryland Department of the Environment submits a report to the budget committees on revised fee structures for the fees that support the Maryland Clean Water Fund, Lead Poisoning Prevention Fund, and Maryland Clean Air Fund to ensure that the special funds can adequately support the Water and Science Administration, the Land and Materials Administration, and the Air and Radiation Administration, respectively, and to reduce the need for general fund support. The report shall include the following:

- (1) a description of who pays each fee;
- (2) a description of how the revenue for each fee is used;
- (3) whether each fee is recurring or one time;
- (4) the volume of payors and revenue for each year since each fee was last increased;
- (5) an explanation for any significant changes in the revenues received from each fee, including, but not limited to, changes in the number of payors or amount paid by each payor;
- (6) a comparison of Maryland to other peer states in terms of how the functions supported by each fee are handled;
- (7) the size of each of the special fund shortfalls now and a projection of each of the special fund shortfalls into the future; and
- (8) an analysis of how much of each of the special fund shortfalls would have been addressed by indexing each fee to inflation.

The report shall be submitted by September 29, 2023, and the budget committees shall have 45 days from the date of the receipt of the report to review and comment. Funds restricted pending the receipt of a report may not be transferred by budget amendment or otherwise to any other purpose and shall revert to the General Fund if the report is not submitted to the budget committees.

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Explanation: Fiscal 2023 general fund deficiency appropriations of \$1.5 million are budgeted in each of the Water and Science Administration, the Land and Materials Administration, and the Air and Radiation Administration to counter declining special fund revenue. This is the fourth fiscal year in which funding has been provided for declining special fund revenue in at least one of the Maryland Department of the Environment's (MDE) administrations. According to the polluter pays principle, a core tenant of environmental law and environmental economics, social welfare is maximized when all costs – environmental, social, and actual – are reflected in prices. This is not occurring because of outdated fee structures for the special funds supporting the three administrations: Maryland Clean Water Fund; Lead Poisoning Prevention Fund; and Maryland Clean Air Fund. Therefore, this budget bill language restricts funding pending the submission of a report on revised fee structures for the fees supporting these three special funds by September 29, 2023.

Information Request	Author	Due Date
Revised fee structures report	MDE	September 29, 2023

Amendment No. _____

Committee Narrative

Text Alert System for Environmental Accidents: The committees are concerned that affected parties are not notified of environmental accidents, such as the release of hazardous materials, in a timely manner. Therefore, the committees request that the Maryland Department of the Environment (MDE) and Maryland Department of Emergency Management (MDEM) conduct a study to determine the feasibility and cost of implementing a text alert system for environmental accidents along the lines of the current weather and AMBER alert systems. The study should include information about the relevancy of the national Emergency Alert System to the proposed text alert system and an evaluation of the type of environmental events or accidents that would be most beneficial to include in such a system. The report is requested to be submitted by September 29, 2023.

Information Request	Author	Due Date
Text alert system for environmental accidents	MDE MDEM	September 29, 2023

U10B00
Maryland Environmental Service

Committee Narrative

U10B00.41 General Administration

Maryland Environmental Service (MES) Funding Statement: The committees request that MES continue to provide a report on the following:

- undesignated unrestricted net assets for fiscal 2023, 2024, and 2025 estimated and an explanation for any changes between each of these years, including revenues credited to and expenditures debited from the net assets;
- overhead rate for fiscal 2023, 2024, and 2025 estimated, including a separate calculation for the water and wastewater overhead rate for each fiscal year from fiscal 2017 through 2025;
- project reserve fund status by beginning balance, approved retainage, funds used, and interest earned for fiscal 2023 and 2024 for the State Reimbursable Project Contingency Fund, the Eastern Correctional Institution (ECI) Steam Turbine Contingency Fund, the Department of Natural Resources Project Contingency Fund, ECI Energy Upgrade Project Reserve Fund, and any other project reserve funds created by MES; and
- justification for the changes in reimbursable project funding for fiscal 2023, 2024, and 2025 estimated based on a discussion about how MES's undesignated unrestricted net assets allow for reducing MES's overhead rate for State reimbursable projects and how project reserve funds are available for any under budgeting.

The report should be submitted in coordination with the Department of Budget and Management (DBM) with the fiscal 2025 budget submission.

Information Request	Author	Due Date
MES funding statement	MES DBM	Fiscal 2025 budget submission

Sections

Budget Amendments

Add the following section:

Section 21. AND BE IT FURTHER ENACTED, That \$200,000 of the general fund appropriation in the Maryland Department of Planning, \$200,000 of the general fund appropriation in the Department of Natural Resources, \$200,000 of the general fund appropriation in the Maryland Department of Agriculture, \$200,000 of the general fund appropriation in the Maryland Department of the Environment, and \$200,000 of the general fund appropriation in the Department of Budget and Management made for the purpose of general operating expenses may not be expended until the agencies provide a report to the budget committees on Chesapeake Bay restoration spending. The report shall be drafted subject to the concurrence of the Department of Legislative Services (DLS) in terms of both electronic format to be used and data to be included. The report shall include:

- (1) fiscal 2023 annual spending by fund, fund source, program, and State government agency; associated nutrient and sediment reductions; and the impact on living resources and ambient water quality criteria for dissolved oxygen, water clarity, and “chlorophyll a” for the Chesapeake Bay and its tidal tributaries to be submitted electronically in disaggregated form to DLS;
- (2) projected fiscal 2024 to 2025 annual spending by fund, fund source, program, and State government agency; associated nutrient and sediment reductions; and the impact on living resources and ambient water quality criteria for dissolved oxygen, water clarity, and “chlorophyll a” for the Chesapeake Bay and its tidal tributaries to be submitted electronically in disaggregated form to DLS;
- (3) an overall framework discussing the needed regulations, revenues, laws, and administrative actions and their impacts on individuals, organizations, governments, and businesses by year from fiscal 2023 to 2025 in order to reach the calendar 2025 requirement of having all best management practices in place to meet water quality standards for restoring the Chesapeake Bay, to be both written in narrative form and tabulated in spreadsheet form that is submitted electronically in disaggregated form to DLS;
- (4) an analysis of the various options for financing Chesapeake Bay restoration including public-private partnerships, a regional financing authority, nutrient trading, technological developments, and any other policy innovations that would improve the effectiveness of Maryland and other states’ efforts toward Chesapeake Bay restoration;
- (5) an analysis on how cost effective the existing State funding sources, such as the Bay Restoration Fund, Chesapeake and Atlantic Coastal Bays 2010 Trust Fund, Water Quality Revolving Loan Fund, and Clean Water Commerce Account among others, are for Chesapeake Bay restoration purposes; and

Sections

- (6) updated information on the Phase III Watershed Implementation Plan implementation and how the loads associated with the Conowingo Dam infill, growth of people and animals, and climate change will be addressed.

The report shall be submitted by December 1, 2023, and the budget committees shall have 45 days from the date of the receipt of the report to review and comment. Funds restricted pending the receipt of a report may not be transferred by budget amendment or otherwise to any other purpose and shall revert to the General Fund if the report is not submitted to the budget committees.

Explanation: This language restricts funding in the Maryland Department of Planning (MDP), the Department of Natural Resources (DNR), the Maryland Department of Agriculture (MDA), the Maryland Department of the Environment (MDE), and the Department of Budget and Management (DBM) until the agencies provide a report by December 1, 2023, on recent and projected Chesapeake Bay restoration spending and associated impacts, and the overall framework to meet the calendar 2025 requirement of having all best management practices in place to meet water quality standards for restoring the Chesapeake Bay. In addition, the language expresses the intent that the report include information on policy innovations that improve the effectiveness of Maryland and other states' efforts toward Chesapeake Bay restoration; an analysis of how cost effective the State funding sources are that are being used; updated information on the Phase III Watershed Implementation Plan implementation; and how Conowingo Dam infill, people and animal growth, and climate change will be addressed.

Information Request	Author	Due Date
Historical and projected Chesapeake Bay restoration spending	MDP DNR MDA MDE DBM	December 1, 2023
Amendment No. _____		

Add the following section:

SECTION 37. AND BE IT FURTHER ENACTED, That \$200,000 of the general fund appropriation in the Maryland Department of the Environment (MDE) and \$200,000 of the general fund appropriation in the Maryland Department of Agriculture (MDA) made for the purpose of general operating expenses may be expended only for the purpose of filling vacant compliance and enforcement positions provided; however, that no funds may be expended until MDE and MDA jointly prepare and submit quarterly reports on July 1, 2023; October 1, 2023; January 1, 2024; and April 1, 2024, which shall include:

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- (1) an evaluation of the adequacy of Maryland's current authorized compliance and enforcement positions in the departments. In completing the assessment, the departments shall:
 - (a) provide information on the delegation of authority by the federal government to the departments, including any evaluations of this delegated authority, and on the delegation of authority by the departments to other entities; and
 - (b) assess the impact of the role that technology has played on compliance and enforcement responsibilities;
- (2) a comparison of the size, roles, responsibilities, and inspection workload of the departments' compliance and enforcement positions to neighboring or similar states;
- (3) a list of all inspection activities conducted by the MDE Water and Science Administration, the Land and Materials Administration, the Air and Radiation Administration, and the MDA Office of Resource Conservation;
- (4) the number of:
 - (a) regular positions and contractual full-time equivalents associated with the inspections, including the number of vacancies for fiscal 2013 through 2023 actuals; and
 - (b) fiscal 2024 current and fiscal 2025 estimated appropriations;
- (5) PINs and titles for all positions filled with restricted funding, and how the positions are being used; and
- (6) a description of the use of and outcomes from any next generation compliance techniques to increase compliance with Maryland's environmental regulations.

Further provided that funding restricted for this purpose may be released quarterly in \$50,000 installments for each agency upon receipt of the required quarterly reports by the budget committees. The budget committees shall have 45 days from the date of the receipt of the reports to review and comment. Funds restricted may not be transferred by budget amendment or otherwise to any other purpose and shall revert to the General Fund if the reports are not submitted to the budget committees and the released funding is not used to fill vacant compliance and enforcement positions.

Explanation: This language restricts funding until the submission of quarterly reports from MDE and MDA to the budget committees on compliance and enforcement inspections and positions and then further restricts the funding for filling vacant compliance and enforcement positions. The 2022 Joint Chairmen's Report included the request for a similar report on compliance and enforcement inspections and positions for Chesapeake Bay restoration.

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Information Request

Author

Due Date

Enforcement and inspection
position strength assessment
and vacant position

MDA
MDE

July 1, 2023
October 1, 2023
January 1, 2024
April 1, 2024

Amendment No. _____