

BaltimoreCounty_FAV_SB0002.pdf

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JOHN A. OLSZEWSKI, JR.
County Executive

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Director of Government Affairs

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Deputy Director of Government Affairs

BILL NO.: **SB 2**

TITLE: Maryland Environmental Service Reform Act of 2021

SPONSOR: Senator McCray

COMMITTEE: Budget and Taxation

POSITION: **SUPPORT**

DATE: January 27, 2021

Baltimore County **SUPPORTS** Senate Bill 2 – Maryland Environmental Service Reform Act of 2021. This legislation would require the Maryland Environmental Service to make changes to certain hiring practices, eliminating severance packages in certain cases, and requiring the appointment of a diversity officer.

The recent events that prompted this reform of the Maryland Environmental Service are a solemn reminder that without a mechanism for rooting out fraud, waste, and abuse, there is potential for exploitative behavior in government. Baltimore County Executive Olszewski pushed to create the Baltimore County Office of the Inspector General for this very reason. Open and transparent governance is the only way to promote and preserve faith in government institutions.

The Maryland Environmental Service, though not explicitly a government agency, receives 95% of its funding from state and local governments. Entities that operate exclusively or primarily on public funds must be made accountable to the public. They deserve better than to have their money wasted on frivolous purchases, and the money they contribute to state and local government must provide returns that benefit their communities. This bill will not only prevent incidents of abuse in the future, but will further a key policy objective of Baltimore County's.

Accordingly, Baltimore County requests a **FAVORABLE** report on SB 2. For more information, please contact Chuck Conner, Director of Government Affairs, at cconner@baltimorecountymd.gov.

Sen. McCray's Testimony_SB2-MES.pdf

Uploaded by: McCray, Cory

Position: FWA

CORY V. MCCRAY
Legislative District 45
Baltimore City

Budget and Taxation Committee

Capital Budget Subcommittee
Health and Human Services Subcommittee



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THE SENATE OF MARYLAND ANNAPOLIS, MARYLAND 21401

Vote Yes on Senate Bill 2

Bill Title: Maryland Environmental Service Reform Act of 2021

Hearing Date: January 27, 2021 – Budget and Taxation

Chair: The Honorable Guy Guzzone; Vice Chair: The Honorable James Rosapepe

I write to you today in support of Senate Bill 2. The Maryland Environmental Service (MES) is an independent agency of the State of Maryland, which is tasked with preserving our State's environment. While state funds are not directly appropriated to MES, nearly all of its revenue is from state and local governments that contracts with MES to manage several environmental projects such as landfill operations and recycling. On May 31, 2020 (in the midst of the global Covid-19 pandemic), former MES Director Roy McGrath resigned to become Chief of Staff to the Governor. Upon the Director's resignation, the MES Board of Directors – on which the Director and Deputy Director currently sits – approved a severance package close to \$300,000. In the past, MES Directors have only received severance packages upon leaving state government service. Mr. McGrath, however, did not leave state government service.

When Mr. McGrath's severance package became apparent, the Maryland General Assembly's subsequent investigation found that the former Director misled the Board of Directors and regularly approved his own expenses, including to international conferences. Mr. McGrath's MES tenure was akin to a CEO of a private company rather than as director of a quasi-government state agency.

The purpose of Senate Bill 2 is to remove the Director and Deputy Director from the MES Board of Directors; and to require the Board's Secretary and the Treasurer to be selected from amongst its members rather than the Deputy Director dually-serving in the roles. Further, the bill would prevent the Board from awarding a severance package to any individual not exiting state government employment. The MES Director would also be required to appoint a diversity officer and the State Treasurer would serve on the Board of Directors, providing additional financial oversight.

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If enacted, this bill would take effect on July 1, 2021. The Maryland Environmental Service would be required to establish policies consistent with the Act.

In efforts to increase government ethics and public trust while simultaneously holding the Maryland Environmental Service accountable, we hope that you will move for a **favorable** report of Senate Bill 2.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "Cory V. McCray".

Cory V. McCray
State Senator

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Position: INFO



Larry Hogan, Governor
Boyd Rutherford, Lt. Governor
Jeannie Haddaway-Riccio, Secretary

January 27, 2021

The Honorable Guy Guzzone
Chair, Budget and Taxation Committee
3 West Miller Senate Office Building
Annapolis, MD 21401

Re: Letter of Information – Senate Bill 2 – Maryland Environmental Service Reform Act of 2021

Dear Chair and Committee Members,

The Maryland Department of Natural Resources is providing the following information on Senate Bill 2. This bill seeks to make operational changes to the Maryland Environmental Service including tightening procurement authority and reorganizing its board of directors.

Both the Administration and the General Assembly share the goal of taking concrete and meaningful action to address practices within the Maryland Environmental Service. On December 16, 2020, Governor Hogan enacted Executive Order 01.01.2020.05, establishing the State Transparency and Accountability Reform (STAR) Commission with the task of reviewing quasi-governmental agencies and establishing best practices for their operations. Former Senator Andrew Serafini will chair the STAR Commission, on which Secretary Haddaway-Riccio is a member. Because the Commission's work is still underway, it is premature to make major operational changes to the Maryland Environmental Service at this time.

Thank you for allowing the department to submit this information on SB 2 for the committee's careful consideration.

Respectfully submitted,

James W. McKittrick
Director, Legislative and Constituent Services