



Larry Hogan, Governor
Boyd K. Rutherford, Lt. Governor
Mary Beth Tung, Director

TO: Members, House Environment and Transportation Committee
FROM: Mary Beth Tung – Director, MEA
SUBJECT: HB 880 Environment - Impact of Actions on Climate, Labor, and Environmental Justice
DATE: March 2, 2022

MEA POSITION: Letter of Information

The Maryland Energy Administration (MEA) appreciates the sponsor's intent to pursue more equitable distribution of state funds. However, under this bill every state agency will be required to incorporate a litany of new considerations into their respective programs. **The administration of these new considerations is anticipated to be onerous for both the state and prospective applicants.**

Within the bill, Section 1-904 prescribes labor standards that would be **difficult and burdensome** to verify, because much of the information is outside of any given agency's control. The employment standards similarly are typically outside of any given agency's control. Additionally, it will be difficult for the small, often faith-based organizations that serve low-to-moderate income communities to verify the information as well. This would likely have a **chilling effect on grant program application**. For the contractors that ultimately perform the work being incentivized, **the increased administrative burdens may outweigh the benefits of a given grant program.**

MEA issues more than 3,000 grants, rebates, or other benefits to customers each year. Each application for those programs would be subjected to new levels of scrutiny. While MEA currently has adequate and sufficient staff and resources to conduct its mission effectively and efficiently, any additional legislatively-mandated program or requirement, such as this, could hamper our efficiency, force us to divert resources away from current core competencies, and could disrupt customer service or diminish services. MEA could not absorb this increase without a corresponding increase in staffing.

MEA requests the commission consider the foregoing prior to issuing its report for HB 880.