

# **MDE 2007 Fiscal Analysis Project**

## **Steering Committee**

Jag Khuman, Chair, MDE Water Quality Financing Administration Director  
Heather Barthel, MDE Legislative and Policy Director  
Eric Christensen, MDOT  
Rich Eskin, MDE Science Services Administration Director  
Delegate Murray Levy, Maryland General Assembly  
Terri Wilson, MDE Budget Director

## **Scope of Work**

Conduct a comprehensive assessment of MDE revenue and expenditures (federal, general and special funds) to determine where program revenues cover program expenses, where program revenues are not adequate to meet program mandates, where program activities exceed statutory mandates, and where program mandates are unfunded or no longer necessary.

## **Underlying Premises**

This Analysis will not determine programmatic priorities; rather it is designed to inform managers where revenues are not adequate to cover expenses, where changes can be made to adjust revenues and where program activities exceed statutory mandates.

Special funds have been created ad hoc over a number of years using a variety of approaches. The special funds require a comprehensive analysis as they now comprise 1/3 of Department Operating Revenues.

Federal funds continue to be a major, although declining, source of revenues for the Department. It is critical that the Department, to the extent allowable use federal funds to meet MDE's highest priorities.

With little possibility for increased general funds for program operation, it is critical to determine whether and how to better prioritize expenditures with current public health/environmental priorities.

Current organizational structure is not a barrier to prioritizing resource expenditures.

Outcomes will provide a justified fiscal basis for legislative recommendations, reallocation of resources, recommendations to increase emphasis on certain activities and possible discontinuation of other activities.

## **Deliverables**

- Special Funds Analysis detailing revenues sources and history, expenditure history, whether requirements for fees to cover program, allowable uses, actual uses, any applicable cap, and 10 year trend analysis.
- General Funds Analysis detailing revenues sources and history, expenditure history, allowable uses, actual uses, and 10 year trend history
- Federal Funds Analysis detailing revenues sources and history, expenditure history, allowable uses, actual uses, and 10 year trend history
- Analysis of each permit fee to determine whether fee revenues adequately support program mandates
- Analysis of statutory mandates versus revenue sources and whether revenues adequate
- Analysis of non-statutorily required expenses
- Recommendations related to federal and special funds and any shortfall or surplus of resources to meet statutory mandates (programmatic priorities will be determined by program managers; the study should inform managers as to where revenues are not adequate to meet program needs.)
- Analysis of whether capital programs can more directly support operating program goals including whether applicable laws allow for any use of capital funds for administrative/operating expenses
- Executive Summary of Analysis

## **Timeline**

Completion date is August 15, 2007

## **Steering Committee Role and Support**

The Steering Committee is comprised of staff and interested persons outside of MDE who are volunteering their time due to their commitment and interest in MDE's mission. The Steering Committee will design and direct the project. The Steering Committee will have the ability to call on MDE senior staff and all personnel as needed to complete certain tasks and provide information as needed.