



Wes Moore **GOVERNOR**

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## **MARYLAND ENVIRONMENTAL SERVICE**

### **FISCAL YEAR 2027 OPERATING BUDGET HEARING**

#### **RESPONSE TO DEPARTMENT OF LEGISLATIVE SERVICES ANALYSIS**

**Senate Budget and Taxation Committee**

**Subcommittee on Public Safety, Transportation and Environment**

**The Honorable Shelly Hettleman, Chair**

**February 27, 2025**

**House Appropriations Committee**

**Subcommittee on Transportation and the Environment**

**The Honorable Courtney Watson, Chair**

**March 2, 2025**

We first would like to thank Mr. Samuel Quist and the entire DLS team for their thorough work on the MES Operating and Capital Budgets. Mr. Quist has been terrific to work with. We greatly appreciate his professionalism and attention to detail throughout this process.

The operating budget analysis provided by DLS requested that MES comment on one item:

*DLS recommends that committee narrative be adopted requesting that MES continue to provide an MES annual funding statement, including information on MES' undesignated unrestricted net assets for fiscal 2026, 2027, and 2028, including revenues credited to and expenditures debited from the net assets; overhead rates for fiscal 2026, 2027, and 2028; and project reserve fund status by beginning balance, approved retainage, funds withdrawn, and interest earned for fiscal 2026 and 2027 for the State Reimbursable Project Contingency Fund, the Eastern Correctional Institution Steam Turbine Contingency Fund, the Department of Natural Resources Project Contingency Fund, and any other project reserve funds created by MES, including the justification for any approved retainages or funds withdrawn in any project reserve fund during fiscal 2026, 2027 and 2028 estimated. This should be submitted in coordination with the Department of Budget and Management with the fiscal 2028 budget submission.*

**MES Response:** MES concurs with this recommendation.