

**D40W01**  
**Department of Planning**

***Operating Budget Data***

(\$ in Thousands)

	<u>FY 17</u> <u>Actual</u>	<u>FY 18</u> <u>Working</u>	<u>FY 19</u> <u>Allowance</u>	<u>FY 18-19</u> <u>Change</u>	<u>% Change</u> <u>Prior Year</u>
General Fund	\$12,151	\$12,584	\$12,178	-\$406	-3.2%
Adjustments	0	-153	87	240	
<b>Adjusted General Fund</b>	<b>\$12,151</b>	<b>\$12,431</b>	<b>\$12,265</b>	<b>-\$166</b>	<b>-1.3%</b>
Special Fund	3,736	4,362	7,185	2,824	64.7%
Adjustments	0	-12	6	18	
<b>Adjusted Special Fund</b>	<b>\$3,736</b>	<b>\$4,350</b>	<b>\$7,191</b>	<b>\$2,842</b>	<b>65.3%</b>
Federal Fund	1,404	1,585	1,494	-90	-5.7%
Adjustments	0	-12	7	19	
<b>Adjusted Federal Fund</b>	<b>\$1,404</b>	<b>\$1,572</b>	<b>\$1,501</b>	<b>-\$71</b>	<b>-4.5%</b>
Reimbursable Fund	854	1,326	1,106	-221	-16.6%
Adjustments	0	0	7	7	
<b>Adjusted Reimbursable Fund</b>	<b>\$854</b>	<b>\$1,326</b>	<b>\$1,113</b>	<b>-\$213</b>	<b>-16.1%</b>
<b>Adjusted Grand Total</b>	<b>\$18,144</b>	<b>\$19,679</b>	<b>\$22,071</b>	<b>\$2,391</b>	<b>12.2%</b>

Note: FY 18 Working includes targeted reversions, deficiencies, and across-the-board reductions. FY 19 Allowance includes contingent reductions and cost-of-living adjustments.

- The overall adjusted change in the Maryland Department of Planning (MDP) fiscal 2019 allowance is an increase of \$2,391,409, or 12.2%. The major change is an increase of \$2.6 million in special funds for the Maryland Heritage Areas Authority (MHAA) to provide grants to certified heritage areas per Chapters 660 and 661 of 2017 (Program Open Space (POS) – Authorized Transfer to the MHAA Financing Fund – Increase).
- The fiscal 2019 allowance includes budget bill language contingent upon a provision in the Budget Reconciliation and Financing Act (BRFA) of 2018 authorizing the use of up to \$300,000 of POS funding provided to the MHAA Financing Fund to be transferred to the Maryland Historical Trust (MHT) for the Non-Capital Grant Program.

Note: Numbers may not sum to total due to rounding.

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***Personnel Data***

	<b><u>FY 17</u></b> <b><u>Actual</u></b>	<b><u>FY 18</u></b> <b><u>Working</u></b>	<b><u>FY 19</u></b> <b><u>Allowance</u></b>	<b><u>FY 18-19</u></b> <b><u>Change</u></b>
Regular Positions	130.00	129.00	129.00	0.00
Contractual FTEs	<u>11.88</u>	<u>22.04</u>	<u>18.54</u>	<u>-3.50</u>
<b>Total Personnel</b>	<b>141.88</b>	<b>151.04</b>	<b>147.54</b>	<b>-3.50</b>

***Vacancy Data: Regular Positions***

Turnover and Necessary Vacancies, Excluding New Positions	6.49	5.03%
Positions and Percentage Vacant as of 12/31/17	13.75	10.66%

- Overall, regular positions have been reduced from 130 in the fiscal 2017 actual to 129 in the fiscal 2019 allowance. One position was transferred in fiscal 2018 from MDP to the Executive Department – Governor.
- MDP has 13.75 vacant positions as of December 31, 2017. One position – a planner IV in Planning Data Services – has been vacant for more than a year.
- Contractual full-time equivalents (FTE) decrease by a net of 3.5 in the fiscal 2019 allowance, reflecting a reduction of 7.5 FTEs, which is offset partially by an increase of 4 FTEs. There is an increase of 2 FTEs in Planning Data Services for the 2020 Census workload needs and 1 FTE each in Preservation Services for administering MHT capital grants and evaluating local designated historic districts for Maryland Heritage Structure Rehabilitation Tax Credit Program eligibility.
- The MDP turnover rate has been increased from 2.55% to 5.03% in the fiscal 2019 allowance, reflecting a shift from 3.29 necessary vacancies to 6.49 vacancies. This turnover is currently exceeded, given the 13.75 vacancies, or 10.66%, vacancy rate, as of December 31, 2017.

## *Analysis in Brief*

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### Major Trends

***MHAA Estimated Grant Requests Increase Substantially in Fiscal 2019:*** MHAA grant funding requests are estimated to increase substantially for fiscal 2019 as a result of an increase in available funding. The “intent to apply” submittal figures as of February 5, 2018, are 212 applications totaling \$8.4 million in requested funding. However, the number of intent to apply submittals for fiscal 2018 was 175, while the actual number of grant applications was 125, a decrease of 50, or 29%, so there will likely be some attrition in the fiscal 2019 submissions as well.

***National Register Nominations Increase Between Fiscal 2016 and 2017:*** The National Register nominations recommended to the Keeper of the National Register increased in fiscal 2017. One factor in the reversal of the trend in declining nominations is the filling of the vacant National Register program assistance position.

***Visitors to Jefferson Patterson Park and Museum Increase Again in Fiscal 2017:*** The number of visitors to Jefferson Patterson Park and Museum in Calvert County increased from 79,303 in fiscal 2016 to 84,752 in fiscal 2017. Of note, last year’s estimate for fiscal 2017 was 60,750 visitors. MDP attributes the recent increase in visitors to the park’s extended hours; unseasonably warm weather in the off-season; social media advertising; programmatic outreach; and increased pavilion rentals, including for weddings.

### Issues

***Former State Development Plan Rescinded and Rebranded:*** Executive Order 01.01.2017.18 – State Development Plan rescinded Executive Order 01.01.2011.22 – PlanMaryland. The new executive order acknowledges that PlanMaryland is now more than five years old and due for an update, which should involve local jurisdiction input and not be considered as usurping local government comprehensive plans. As a result, MDP is charged, in coordination with the Smart Growth Subcabinet and the Maryland Sustainable Growth Commission, local governments, and other stakeholders, with preparing a revised State development plan to replace PlanMaryland, which is to be prepared on or before July 1, 2019. In the meantime, PlanMaryland continues as the State development plan. **The Department of Legislative Services (DLS) recommends that MDP comment on how it plans to balance the bottom-up planning needs of local jurisdictions with the top-down plans for State programs and infrastructure, such as housing, transportation, education, Chesapeake Bay restoration, economic development, historic preservation, and climate change.**

***MHAA Funding Increases:*** The fiscal 2019 allowance includes \$6,000,000 in transfer tax funding for the MHAA Financing Fund. The funding is allocated between operating expenses and capital grants and is conditioned by budget bill language contingent on a provision in the BRFA of 2018 authorizing funding to be used for the Non-Capital Grant Program. Overall, the funding in fiscal 2019 does not meet the legislative request for \$1,500,000 per Chapter 513 of 2017 (MHT Grant Fund Improvement

Act), but it does allow for funding of an in-depth impact study of the MHAA Grant program. **DLS recommends that MDP comment on its plan for funding the legislative request of \$1.5 million for the MHT Grant Fund specified in Chapter 513 and on the status of convening the working group on the MHAA Program impact study. DLS also recommends that the \$42,797 in special funds budgeted in the Preservation Services program be reduced and that MDP provide a report with the fiscal 2020 budget submission detailing the funding plan for the MHAA Financing Fund for the fiscal 2018 actual, the fiscal 2019 working appropriation, and the fiscal 2020 allowance.**

**2020 Census Preparations:** The decennial process of doing a complete census of the U.S. population – 2020 Census – is fast approaching. The 2020 Census, in turn, will inform both federal aid to Maryland and its jurisdictions and legislative redistricting. MDP is the lead agency for coordinating the census effort in Maryland, and it has already started the process with the Local Update of Census Addresses component, which will be followed by the Participant Statistical Areas Program and the Complete Count Committees. MDP has 2 additional contractual FTEs for \$122,719 in general funds budgeted in fiscal 2019 for the 2020 Census work in Planning Data Services. **DLS recommends that MDP comment on Maryland’s current status relative to the 2020 Census preparations and whether it is on track to meet its goals. DLS also recommends that MDP comment on the staffing and resource levels for the 2010 Census and how they compare to the 2020 Census staffing and resources and whether the federal government is providing sufficient support for MDP’s activities.**

### Operating Budget Recommended Actions

	<u>Funds</u>
1. Adopt committee narrative on a Maryland Heritage Areas Authority Financing Fund spending plan.	
2. Reduce funding for Maryland Heritage Areas Authority Financing Fund special funds budgeted in the Preservation Services program.	\$ 42,797
<b>Total Reductions</b>	<b>\$ 42,797</b>

### Updates

**Non-Capital Grant Program Funding Allocated for Fiscal 2018:** MDP’s fiscal 2018 working appropriation includes \$200,000 in general funds for the Non-Capital Grant Program. While this funding was originally slated to be deleted as part of the September 6, 2017 Board of Public Works cost containment actions, the funding was restored in the final list of actions. The stated purpose of the Non-Capital Grant Program is to identify, document, and preserve buildings, communities, and sites of historical and cultural importance to the State. MDP received \$1.1 million in requests and awarded the full \$200,000 appropriation.

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***Smart Growth Funding in Priority Funding Areas Reported:*** There is an annual reporting requirement under State Government Article Section 9-1406(i) for growth-related capital programs. The overall trend since fiscal 2011 is an increasing percentage of State capital spending inside priority funding areas (PFA) – designated mostly urbanized areas where growth is to be focused – relative to spending outside PFAs. The primary reasons for the spending increase inside of PFAs between fiscal 2016 and 2017 were \$138 million more spent by the Department of Housing and Community Development and \$136.7 million more spent by the Maryland Department of Transportation (MDOT), which were offset partially by a decrease of \$75.9 million spent by the Maryland Department of the Environment (MDE). The primary reason for the spending increase outside the PFAs was an increase of \$34.1 million spent by MDE for drinking water system improvements and wastewater treatment facilities, which is offset partially by a decrease of \$14.9 million spent by MDOT. An ongoing positive trend is reflected in MDOT spending, which increased inside PFAs as a percentage of overall MDOT spending for the fifth straight year.

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**Department of Planning**

***Operating Budget Analysis***

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**Program Description**

The Maryland Department of Planning (MDP) provides information and services that aid State and local governments and nonprofit organizations in supporting desirable growth in Maryland. MDP consists of an Administrative Unit and the programmatic units described as follows.

- ***State Clearinghouse*** – facilitates intergovernmental review and coordinates review of applications for federal and State financial assistance, proposals for direct federal development programs, drafts of environmental impact statements, State plans requiring gubernatorial review, and other actions requiring intergovernmental coordination per the Federal Intergovernmental Cooperation Act.
- ***Planning Data and Research*** – collects, analyzes, and publishes social, economic, and geographic information relating to the State and its political subdivisions; identifies and evaluates development issues in support of smart growth; and prepares reports and studies on specific topics for the Governor and the General Assembly. The program also makes available U.S. Census, American Community Survey, and other U.S. Department of Commerce information to State and local governments and the private sector.
- ***Planning Coordination*** – provides technical services to improve the planning and management capacity of local governments. The program, which includes Centreville, Cumberland, and Salisbury regional offices, helps local governments with land-use planning and zoning, as well as rural and urban design issues.
- ***Management Planning and Educational Outreach*** – provides administrative support for the Division of Historical and Cultural Programs and administers non-capital grants and the Maryland Heritage Areas Authority (MHAA) Program.
- ***Museum Services*** – provides technical assistance to approximately 220 historic and cultural museums and operates the Jefferson Patterson Park and Museum in Calvert County.
- ***Research, Survey, and Registration*** – provides assistance to advance research, documentation, evaluation, and retrieval of information about Maryland’s historical and cultural resources through the Maryland Inventory of Historic Properties and National Register of Historic Places. The program also handles nominations to the National Register of Historic Places.
- ***Preservation Services*** – seeks to protect and enhance historical and cultural properties in Maryland through State and federal regulatory reviews, historic preservation easements, and historic rehabilitation tax credits. The program also administers capital loans and grants.

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MDP’s primary goals are as follows:

- **Goal 1:** Provide efficient State Clearinghouse review of federal, State, and local plans and projects requiring intergovernmental coordination.
- **Goal 2:** Provide timely data and intelligent tools to aid in implementation of State and local land use, conservation, community enhancement, and business development policies.
- **Goal 3:** Support and enhance the vitality of towns, cities, and rural centers with existing or planned infrastructure.
- **Goal 4:** Encourage economic development by enhancing historical resources and leveraging non-State investment.
- **Goal 5:** Protect and interpret historic resources.

## **Performance Analysis: Managing for Results**

The discussion of the MDP fiscal 2019 Managing for Results (MFR) submission reflects MHAA estimated grant requests increasing substantially in fiscal 2019 due to additional funding being budgeted, National Register nominations reversing a decline in fiscal 2017, and visitors to the Jefferson Patterson Park and Museum continuing to increase in fiscal 2017.

### **1. MHAA Estimated Grant Requests Increase Substantially in Fiscal 2019**

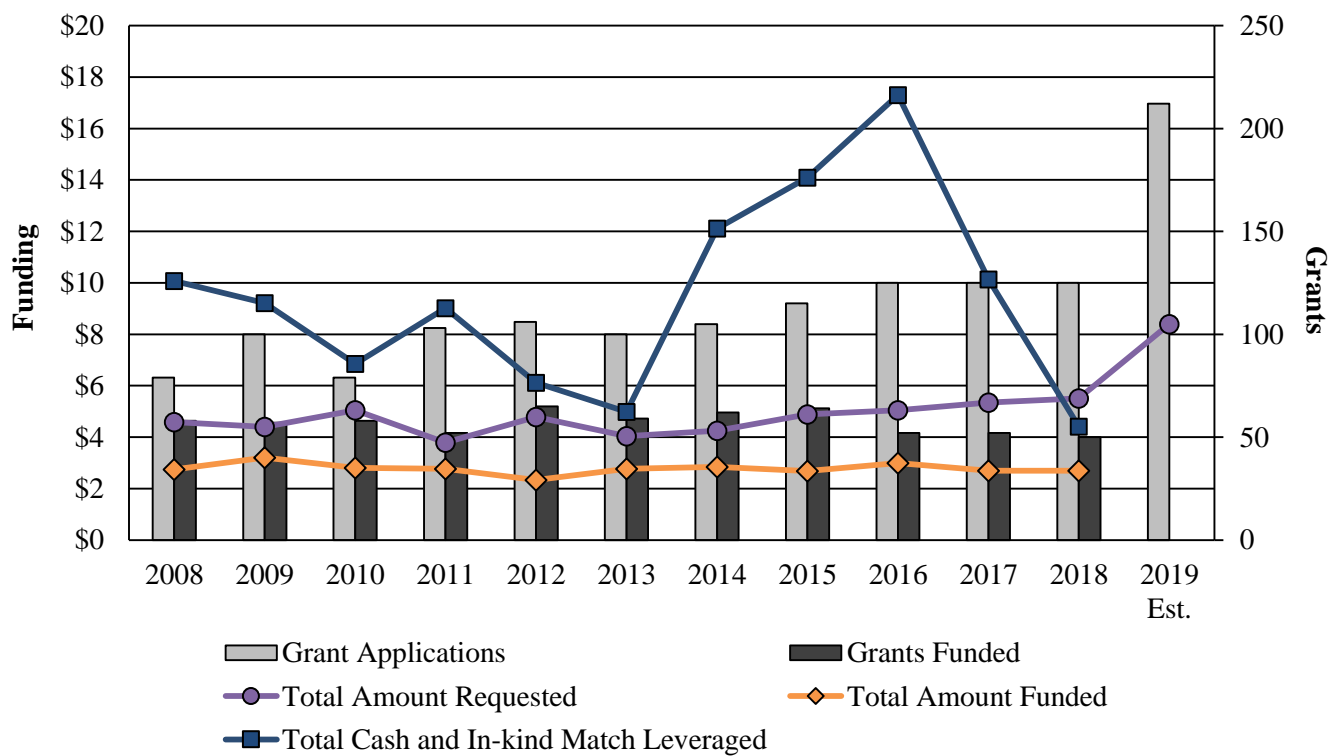
MDP’s fourth goal is to encourage economic development by enhancing historical resources and leveraging non-State investment. Under this goal, MDP has an objective to achieve a target non-State leverage ratio of 1:1 or greater for MHAA grant awards. In fact, a 1:1 match is required for all grantees, so the 1:1 match may be seen as a floor on top of which the “over match” for projects – the non-State support for the whole, beyond the grant funds and required matching funds – is a more appropriate goal.

As shown in **Exhibit 1**, MDP has met its 1:1 non-State leveraging ratio goal between fiscal 2008 and 2018. In particular, the ratio of non-State investment leveraged to MHAA funds increased from 1.8:1 in fiscal 2013 to 5.8:1 in fiscal 2016, which can be seen as the spike in funding leveraged in Exhibit 1. MDP notes that in fiscal 2016, seven capital grant projects – which are eligible for twice the level of funding as management grants and always account for the larger portion of the funds leveraged – leveraged a total of \$13,285,778 in matching funds. In addition, MDP notes that the largest over match was \$5,354,968, and that several projects had more than \$1 million in over match. For comparison purposes, in fiscal 2018, the largest over match was \$343,311. While MHAA does not control the applications submitted, the leveraging of non-State investment is an important component of the review criteria even though it relies heavily on the types of projects funded and the size of those



projects. MDP notes that for fiscal 2019 funding, the “intent to apply” submittal figures as of February 5, 2018, are 212 applications totaling \$8.4 million in requested funding. However, the number of intent to apply submittals for fiscal 2018 was 175, while the actual number of grant applications was 125, a decrease of 50, or 29%, so there will likely be some attrition in the fiscal 2019 submissions as well.

**Exhibit 1**  
**Maryland Heritage Areas Authority Grants History**  
**Fiscal 2008-2019 Est.**  
**(\$ in Millions)**

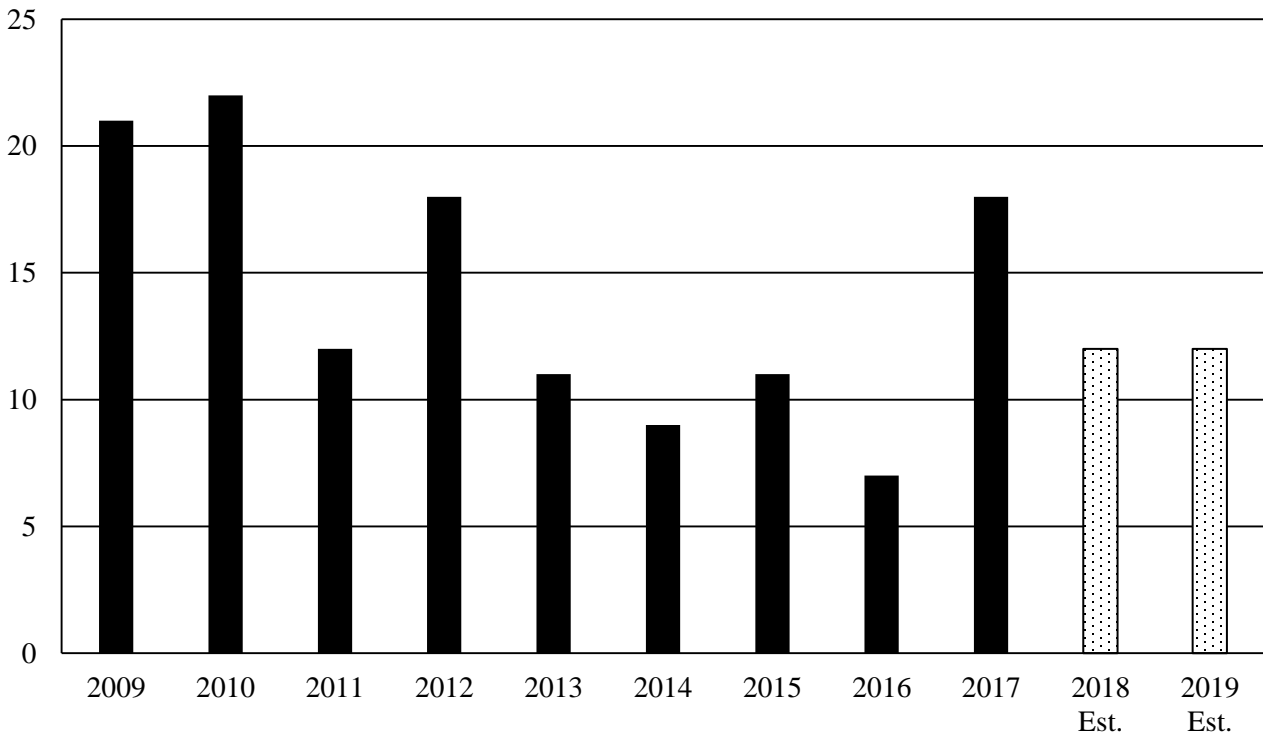


Source: Maryland Department of Planning; Department of Legislative Services

## 2. National Register Nominations Increase Between Fiscal 2016 and 2017

MDP’s fifth goal is to protect and interpret historic resources. There is no specific objective under this goal for the particular MFR measure under consideration. As shown in **Exhibit 2**, there has been a decline in the number of National Register nominations recommended to the Keeper of the National Register from a high of 22 in fiscal 2010 to a low of 7 in fiscal 2016. However, the number of nominations increased to 18 in fiscal 2017.

**Exhibit 2**  
**National Register Nominations Recommended to Keeper of the National Register**  
**Fiscal 2009-2019 Est.**



Source: Department of Budget and Management

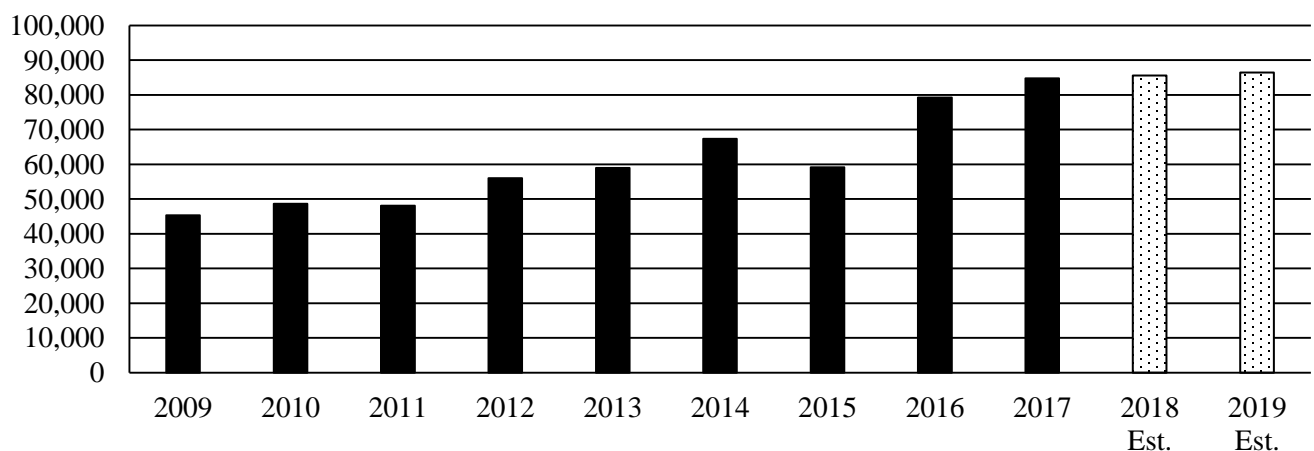
MDP notes that the National Register nominations documents are prepared by outside sources – property owners, developers, local governments, and other State agencies – since MDP has not received funding to initiate National Register nominations. These outside sources may not have the expertise to complete nominations, the nominations may be slowed by local government review that is required before submission to the National Park Service for action, or there may be the need for additional coordination and public outreach with neighborhood groups. In addition, MDP has noted in the past that nominations are affected by fluctuations in the real estate market since developers may initiate nominations in order to qualify their projects for rehabilitation tax credits. Finally, MDP notes that staffing may play a role in the number of nominations processed in a given year. For instance, MDP notes that the retirement of a long-term National Register program assistant in December 2015, a delay in filling that position, and the time needed to train a new incumbent affected the number of nominations recommended in fiscal 2016. However, these staffing concerns have been resolved, which contributes to the increase in the number of nominations recommended to the Keeper of the National Register in fiscal 2017.

### 3. Visitors to Jefferson Patterson Park and Museum Increase Again in Fiscal 2017

Also under the fifth goal is the objective to increase annual visitation at Jefferson Patterson Park and Museum. As shown in **Exhibit 3**, the number of visitors increased from 79,303 in fiscal 2016 to 84,752 in fiscal 2017. Of note, last year’s estimate for fiscal 2017 was 60,750 visitors. The estimate for fiscal 2018 has increased from 61,500 to 85,600, and the new fiscal 2019 estimate is 86,456. MDP attributes the increased visitation to the following:

- **Extended Hours** – the park hours have been expanded to 362 days each year, from 7:30 a.m. to dusk;
- **Unseasonably Warm Weather** – the unseasonably warm weather in what are usually considered out-of-season months (December through March);
- **Advertising and Technology** – the increase in foot traffic as the result of social media advertising and online program registration;
- **Programmatic Outreach** – programmatic outreach has been expanded to include an Egg Hunt and, in fiscal 2018, a Halloween Festival, which add to the existing rental by the Celtic Society for its annual festival in April that brings in 7,000 people; and
- **Rentals** – pavilion rentals exceeded expectations in fiscal 2017, and there were an average of three weddings per weekend in July.

**Exhibit 3**  
**Visitors to Jefferson Patterson Park and Museum**  
**Fiscal 2009-2019 Est.**



Source: Department of Budget and Management

## **Fiscal 2018 Actions**

There are two actions that impact MDP’s fiscal 2019 budget: the September 6, 2017 Board of Public Works (BPW) cost containment actions and a Section 19 across-the-board employee and retiree health insurance reduction.

### **Cost Containment**

MDP’s general fund appropriation decreases by \$203,121 due to cost containment. The cost containment was allocated through the September 6, 2017 BPW reductions that reduced spending on salaries from a vacant position in Research Survey and Registration (\$86,121); salaries by holding a position vacant in Planning Data and Research (\$77,000); operations costs, including equipment repair, maintenance, and contractual services in Museum Services (\$30,000); office supplies in the Operations Division (\$5,000); and motor vehicle fuel and oil due to the addition of fuel-efficient vehicles in Planning Coordination (\$5,000).

### **Across-the-board Employee and Retiree Health Insurance Reduction**

The budget bill includes an across-the-board reduction for employee and retiree health insurance in fiscal 2018 to reflect a surplus balance in the fund. This agency’s share of this reduction is \$152,918 in general funds, \$11,961 in special funds, and \$12,465 in federal funds for a total of \$177,344.

## **Budget Reconciliation and Financing Act Provision**

The Budget Reconciliation and Financing Act (BRFA) of 2018 includes a provision that authorizes the use of up to \$300,000 of Program Open Space (POS) funding provided to the MHAA Financing Fund to be transferred to the Maryland Historical Trust (MHT) for non-capital historic preservation grants through the Non-Capital Grant Program. The fiscal 2019 allowance reflects the restriction of \$300,000 of MHAA’s special fund appropriation for the Non-Capital Grant Program contingent upon the enactment of the provision.

## **Proposed Budget**

The MDP fiscal 2019 adjusted allowance increases by \$2,391,409, or 12.2%, relative to the fiscal 2018 working appropriation, as shown in **Exhibit 4**. The major change is an increase of \$2.6 million in special funds for MHAA to provide grants to certified heritage areas per Chapters 660 and 661 of 2017 (POS – Authorized Transfer to the MHAA Financing Fund – Increase), which increased from \$3 million to \$6 million the maximum amount of transfer tax funding distributed to the MHAA Financing Fund. The changes by fund in Exhibit 4 reflect a decrease of \$165,777 in general funds, an increase of \$2,841,567 in special funds, a decrease of \$71,100 in federal funds, and a decrease of \$213,281 in reimbursable funds. Fiscal 2019 personnel changes and operating expenditures are discussed as follows.

**Exhibit 4**  
**Proposed Budget**  
**Department of Planning**  
**(\$ in Thousands)**

<b>How Much It Grows:</b>	<b>General Fund</b>	<b>Special Fund</b>	<b>Federal Fund</b>	<b>Reimb. Fund</b>	<b>Total</b>
Fiscal 2017 Actual	\$12,151	\$3,736	\$1,404	\$854	\$18,144
Fiscal 2018 Working Appropriation	12,431	4,350	1,572	1,326	19,679
Fiscal 2019 Allowance	<u>12,265</u>	<u>7,191</u>	<u>1,501</u>	<u>1,113</u>	<u>22,071</u>
Fiscal 2018-2019 Amount Change	-\$166	\$2,842	-\$71	-\$213	\$2,391
Fiscal 2018-2019 Percent Change	-1.3%	65.3%	-4.5%	-16.1%	12.2%

**Where It Goes:**

**Personnel Expenses**

Employee and retiree health insurance including one-time reduction .....	\$177
General salary increase .....	107
Reclassification .....	-175
Turnover adjustments.....	-272
Other fringe benefit adjustments.....	-17

**Other Changes**

**Programmatic**

MHAA grant funding from the transfer tax .....	2,300
MHAA in-depth program impact study .....	109
Non-Capital Grant Program funding.....	100
Patterson Center move and storage costs .....	40
Grant changes in Management Planning and Educational Outreach .....	-36
One-time World War I Memorial restoration and repair .....	-90

**Routine Operations**

Vehicle purchases at Jefferson Patterson Park and Museum .....	44
Applications software maintenance .....	44
Equipment maintenance contracts at Jefferson Patterson Park and Museum .....	39
Statewide controlled subobjects .....	28
Systems software maintenance .....	26
Contractual services in Museum Services.....	-12
Contractual costs .....	-28
Other.....	7

**Total** **\$2,391**

MHAA: Maryland Heritage Areas Authority

Note: Numbers may not sum to total due to rounding.

## **Personnel**

The MDP overall personnel expenditures decrease by \$180,039 in the fiscal 2019 adjusted allowance. This decrease accounts for an across-the-board employee and retiree health insurance reduction and a general salary increase. The personnel changes are as follows.

- ***Employee and Retiree Health Insurance Including One-time Reduction:*** Employee and retiree health insurance costs increase by \$177,344 as a result of a one-time fiscal 2018 reduction in health insurance.
- ***General Salary Increase:*** The fiscal 2019 allowance includes funds for a 2% general salary increase for all State employees, effective January 1, 2019. These funds are budgeted in the Department of Budget and Management’s statewide program and will be distributed to agencies during the fiscal year. This agency’s share of the general salary increase is \$86,805 in general funds, \$6,053 in special funds, \$6,859 in federal funds, and \$7,294 in reimbursable funds for a total of \$107,011. In addition, employees will receive another 0.5% increase and a \$500 bonus effective April 1, 2019, if actual fiscal 2018 general fund revenues exceed the December 2017 estimate by \$75 million. These funds have not been budgeted. The Administration will need to process a deficiency appropriation if revenues are \$75 million more than projected.
- ***Reclassification:*** Funding for reclassification of positions decreases by a net \$174,960 in fiscal 2019. This reflects the one-time budgeting of funding for certain positions above the base in fiscal 2018 resulting in a reduction of \$239,738, which is offset partially by an increase of \$6,491 in special funds for budgeting positions above the base in Preservation Services and an increase of \$58,287 in general funds to reflect funding for a position that was not included in time for the deadline for determining fiscal 2019 salary requirements and thus was budgeted as a reclassification.
- ***Turnover Adjustments:*** Turnover expectancy is increased in the fiscal 2019 allowance reducing available funding by \$272,476. This reflects the turnover rate being increased from 2.55% to 5.03%.

## **Other Changes**

Overall, the nonpersonnel portion of the MDP fiscal 2019 adjusted allowance increases by \$2,571,448.

- ***MHAA Grant Funding from the Transfer Tax:*** There is an increase of \$2.3 million in MHAA grant funding due to the authorization of additional transfer tax funding. This reflects the budgeting of \$2.8 million in the fiscal 2018 working appropriation and \$5.4 million in the fiscal 2019 allowance. The overall appropriation of \$5.4 million for grants will be allocated as follows: \$5.1 million for grants through the MHAA Program (a \$2.3 million increase from

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fiscal 2018) and \$0.3 million through the Non-Capital Grant Program as specified by budget bill language that is contingent on the BRFA of 2018.

- ***MHAA In-depth Program Impact Study:*** Funding increases by \$109,289 in special funds from the MHAA Financing Fund in order to complete an in-depth program impact study.
- ***Non-Capital Grant Program Funding:*** There is an increase of \$100,000 for Non-Capital Grant Program funding. This reflects the increase from \$200,000 in general funds budgeted in the fiscal 2018 working appropriation to \$300,000 in transfer tax special funds from the MHAA Financing Fund as specified by budget bill language that is contingent on the BRFA of 2018.
- ***Contractual Costs:*** Contractual full-time equivalent (FTE) costs decrease by \$28,286 agencywide, reflecting a net decrease of 3.5 FTEs in the fiscal 2019 allowance. The overall reasons for the changes are noted in **Exhibit 5**.

**Exhibit 5**  
**Changes in Contractual Full-time Equivalents**  
**Fiscal 2018-2019**

<u>Program</u>	<u>Change</u>	<u>Explanation</u>
Museum Services – Jefferson Patterson Park and Museum – Administration	-3.00	Two of the full-time equivalents (FTE) were associated with the public archeology program and provided a match for a State Highway Administration (SHA) Transportation Enhancement Program grant. The SHA project ended, and funding for a new project was not received, and therefore, the FTEs were deleted from the fiscal 2019 allowance. The third FTE was converted to a permanent position.
Museum Services – Jefferson Patterson Park and Museum – Maryland Archaeological Conservation Laboratory Facility	-2.00	Two FTEs were budgeted in fiscal 2018 under the assumption that Jefferson Patterson Park and Museum would receive funding from a SHA grant. The funding was not received, so the FTEs were deleted from the fiscal 2019 allowance.
Management Planning and Educational Outreach	-1.50	One FTE associated with funding from Hurricane Sandy was deleted in the fiscal 2019 allowance as the position was no longer needed. The 1.0 FTE functioning as an easement documentation processor has been reduced to a 0.5 FTE in the fiscal 2019 allowance in order to match the funding available.
Research Survey and Administration	-1.00	The Research Survey and Administration program received funding from SHA for data development and analysis of architectural resources. In fiscal 2018, the Maryland Department of Planning projected 2.0 FTEs for data development; however, only 1.0 FTE is needed and funded. Therefore, the fiscal 2019 allowance was reduced by 1.0 FTE.
Planning Data Services	2.00	In Planning Data Services, 2.0 new FTEs are budgeted for the 2020 Census workload needs.
Preservation Services	2.00	In Preservation Services, 2.0 new FTEs were established. The new FTEs are for an administrator for the Maryland Historical Trust Capital Grant Program, which received funding in fiscal 2018, and an architectural historian for the Maryland Heritage Structure Rehabilitation Tax Credit Program who will evaluate locally designated historic districts for eligibility for the tax credit program.
<b>Total</b>	<b>-3.50</b>	

Source: Maryland Department of Planning



## ***Issues***

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### **1. Former State Development Plan Rescinded and Rebranded**

MDP worked with State agencies, local governments, private industry, and the general public to develop the State’s first comprehensive development plan, known as PlanMaryland. PlanMaryland was a policy framework for growth and preservation in the State and a blueprint to help guide State agencies in their decision making on programs and funding for growth and preservation. MDP released a draft plan in April 2011 and subsequently sought public input through open houses, targeted meetings, and an online comment tool. MDP released a revised draft plan in September 2011 that reflected public feedback and established an additional public comment period. The final PlanMaryland document was submitted to former Governor Martin J. O’Malley in December 2011. On December 19, 2011, the Governor accepted PlanMaryland and filed Executive Order 01.01.2011.22, which outlined a process for implementing the plan.

#### **PlanMaryland**

PlanMaryland proposed focusing State financial assistance in specific geographic areas and aligning State regulations and procedures. The plan called for targeting State financial assistance to specific places that were designated for growth, revitalization, land preservation and resource conservation, and maintaining public services and quality of life. The plan anticipated a future local-State effort to identify planning areas that reflected local feedback and data from existing State mapping tools. To streamline State regulations and procedures, the plan proposed that (1) State capital spending and non-capital plans, programs, and procedures be realigned and focused to achieve the objectives; and (2) MDP collaborate with other State agencies to incorporate PlanMaryland into other strategic State plans for major needs, such as transportation.

#### **A Better Maryland**

Executive Order 01.01.2017.18 – State Development Plan rescinded Executive Order 01.01.2011.22 – PlanMaryland. The new executive order acknowledges that PlanMaryland is now more than five years old and is due for an update, which should involve local jurisdiction input and not be considered as usurping local government comprehensive plans. As a result, MDP is charged, in coordination with the Smart Growth Subcabinet and the Maryland Sustainable Growth Commission, local governments, and other stakeholders, with preparing a revised State development plan to replace PlanMaryland, to be prepared on or before July 1, 2019. In the meantime, PlanMaryland continues as the State development plan.

The Administration has rebranded the State development plan as A Better Maryland. This new State development plan will have two components:

- ***State Development Plan Guidelines*** – to reflect the purpose and objectives of the plan, including collaborative strategies; and
- ***State Planning Digital Resource Center*** – to organize State and local plans and related planning resources in order to provide for transparency in the planning and coordinating of responsible growth and resource protection.

As part of the State development plan process, the Administration has posted an online survey consisting of 11 questions and has planned listening sessions for the 23 counties and Baltimore City. The plan is to hold listening sessions with local staff, elected officials, and the public over winter 2017 and early spring 2018, in order to determine what should be in the plan and how it should be organized. **The Department of Legislative Services (DLS) recommends that MDP comment on how it plans to balance the bottom-up planning needs of local jurisdictions with the top-down plans for State programs and infrastructure, such as housing, transportation, education, Chesapeake Bay restoration, economic development, historic preservation, and climate change.**

## **2. MHAA Funding Increases**

The fiscal 2019 allowance includes \$6,000,000 in transfer tax funding as a result of Chapters 660 and 661 (POS – Authorized Transfer to the MHAA Financing Fund – Increase). Chapters 660 and 661 increased, from \$3 million to \$6 million, the maximum amount of transfer tax funding distributed to POS that may be transferred to the MHAA Financing Fund.

### **Overall Funding**

As shown in **Exhibit 6**, the overall funding for the MHAA Financing Fund in fiscal 2019 is \$6,000,000. This funding may be divided into two main components: the 10% that may be used for administrative expenses and the remaining 90% that may be used for MHAA Program grants. The 10% allocated for administrative expenses is divided into sub-allocations of \$407,203 for ongoing administrative costs, \$42,797 for operating expenses in the Preservation Services program, and \$150,000 for an in-depth impact study of the MHAA Program. The 90% allocated for the MHAA Program grants is divided into the intended use of \$5.1 million for MHAA Program grants and \$300,000 for the Non-Capital Grant Program as specified by budget bill language contingent on a provision in the BRFA of 2018. MDP notes that both types of grants would go to nonprofit organizations and local governments, but the types of projects supported are different: the Non-Capital Historic Preservation grants support historic resource identification, evaluation, planning, and education projects, while the MHAA Program grants support heritage area operations, marketing activities, and both capital and non-capital heritage tourism product development activities within the boundaries of the 13 certified heritage areas.

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**Exhibit 6**  
**MHAA Grant Program Funding Increase Allocation**  
**Fiscal 2019**

<b><u>Funding Category</u></b>	<b><u>Particular Use</u></b>	<b><u>Amount</u></b>
Administrative Expenditures (10% of \$6,000,000)	Ongoing Administration in the Management Planning and Educational Outreach Program	\$407,203
	Operating Expenses in the Preservation Services program	42,797
	Impact Study	150,000
<b><i>Subtotal</i></b>		<b><i>\$600,000</i></b>
MHAA Grants (90% of \$6,000,000)	MHAA Grants	\$5,100,000
	Non-Capital Grant Program (specified by budget bill language)	300,000
<b><i>Subtotal</i></b>		<b><i>\$5,400,000</i></b>
<b>Total</b>		<b>\$6,000,000</b>

MHAA: Maryland Heritage Areas Authority

Source: Department of Budget and Management; Department of Legislative Services

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MDP notes that 125 grant applications were submitted requesting \$1,100,010 for the \$200,000 in fiscal 2018 Non-Capital Historic Preservation grant funding and that 125 grant applications were submitted requesting \$5,510,532 for the \$2,695,655 in fiscal 2018 MHAA Program grants funding. However, as noted previously, MDP notes that for fiscal 2019 funding, the intent to apply submittal figures as of February 5, 2018, are 212 applications totaling \$8.4 million in requested funding for the MHAA Program grants, although there may be some attrition.

### **Funding Request**

Chapter 513 of 2017 (MHT Grant Fund Improvement Act) required the Governor to include \$1,500,000, subject to the limitations of the State budget, for the MHT Grant Fund, one purpose of which is to fund the Non-Capital Grant Program. The funding provided for the MHT Grant Fund in fiscal 2019 includes the \$300,000 in special funds for the Non-Capital Grant Program and the \$600,000 in general obligation bond authorization in the fiscal 2019 capital budget for the MHT Capital Grant Fund. However, the combined \$900,000 provided falls short of the legislative funding request of \$1.5 million required by Chapter 513.

## **In-depth Impact Study**

It has been a number of years since the MHAA Grant program has conducted an impact study of its grants to the certified heritage areas. In calendar 2017, MHAA hired a consultant to conduct a short economic impact study using the IMPLAN input-output model developed by the U.S. Department of Agriculture's Forest Service in the mid-1970s for a community impact analysis. The final report of that study is being compiled, but MDP notes that since raw data was compiled it will not be shared.

For fiscal 2019, MDP's budget includes \$150,000 for a larger program impact study. This study will be informed by a working group that MHAA is convening. The working group will look at how to capture the impacts of the MHAA Program given that it has both quantitative and qualitative impacts on cultural, natural, and heritage resources that extend beyond traditional county and municipal boundaries. In addition, the plan is for the working group to build-in a recurring update to the program impact study into the program's operations so that it can be regularly updated moving forward. The idea is for the working group to make recommendations by the end of fiscal 2018 so that the program impact study can then begin in early fiscal 2019.

## **Need For Additional Funding Transparency**

The additional \$3.0 million in MDP's fiscal 2019 allowance for the MHAA Financing Fund raises the question of the need for additional funding transparency about how the funding is being used. For instance, \$42,797 of the overall \$6.0 million budgeted in fiscal 2019 is being used for operating expenses in the Preservation Services program despite the lack of any connection between MHAA and the Preservation Services program.

**DLS recommends that MDP comment on its plan for funding the legislative request of \$1.5 million for the MHT Grant Fund specified in Chapter 513 and on the status of convening the working group on the MHAA Program impact study. DLS also recommends that the \$42,797 in special funds budgeted in the Preservation Services program be reduced and that MDP provide a report with the fiscal 2020 budget submission detailing the funding plan for the MHAA Financing Fund for the fiscal 2018 actual, the fiscal 2019 working appropriation, and the fiscal 2020 allowance.**

### **3. 2020 Census Preparations**

The decennial process of doing a complete census of the U.S. population – 2020 Census – is fast approaching. The 2020 Census, in turn, will inform both federal aid to Maryland and its jurisdictions and legislative redistricting under the requirement in Article III of the Maryland Constitution for the Governor to prepare a plan for legislative districts and present the plan to the President of the Senate and the Speaker of the House of Delegates. MDP is the lead agency for coordinating the census effort in Maryland, and it has already started the process with the Local Update of Census Addresses component, which will be followed by the Participant Statistical Areas Program and the Complete Count Committees. MDP has 2 additional contractual FTEs for \$122,719 in general funds budgeted in fiscal 2019 for the 2020 Census work in Planning Data Services.

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The three components of MDP's preparations for the 2020 Census are as follows.

- ***Local Update of Census Addresses*** – According to the U.S. Census Bureau, the Local Update of Census Addresses process is the only opportunity for the State to review and comment on the U.S. Census Bureau's residential address list prior to the 2020 Census. The process involves verifying and making sure the State has accurate addresses for the U.S. Census Bureau. For the 2010 Census, a number of jurisdictions said they would do this work on their own, but when they received the data from the U.S. Census Bureau and needed to do the work, the jurisdictions deferred to MDP. For the 2020 Census, 22 of 24 local jurisdictions are going to do their own address verification, and MDP will do the verification for St. Mary's and Dorchester counties. In addition, MDP is responsible statewide for verifying group quarters – dormitories, prisons, retirement communities, and senior assisted living. Between January and July 2018, the local jurisdictions and MDP will receive files from the U.S. Census Bureau and then will have 120 days to complete the Local Update of Census Addresses process.
- ***Participant Statistical Areas Program*** – Following the Local Update of Census Addresses process, MDP has to finalize the block group, census tracts, and census county divisions. This will most likely happen in fiscal 2019.
- ***Complete Count Committees*** – MDP will work with the U.S. Census Bureau via Complete Count Committees on outreach for hard-to-count communities, and the U.S. Census Bureau will provide data for mapping the communities. This will most likely happen in fiscal 2019.

At this point, it is unclear whether MDP is sufficiently staffed and funded in order to undertake the activities noted for the two counties that have deferred to MDP for the Local Update of Census Addresses work and whether it is receiving sufficient technical support from the U.S. Census Bureau. For instance, the U.S. Census Bureau is operating under a federal Continuing Resolution, which provides level funding with federal fiscal 2017 despite the presumed increase in funding needs for the 2020 Census preparations. For fiscal 2019, MDP has 2 additional contractual FTEs for \$122,719 in general funds budgeted for the 2020 Census work in Planning Data Services. **DLS recommends that MDP comment on Maryland's current status relative to the 2020 Census preparations and whether it is on track to meet its goals. DLS also recommends that MDP comment on the staffing and resource levels for the 2010 Census and how they compare to the 2020 Census staffing and resources, and whether the federal government is providing sufficient support for MDP's activities.**

## Operating Budget Recommended Actions

1. Adopt the following narrative:

**Maryland Heritage Areas Authority Financing Fund Spending Plan:** The committees are concerned that there is an additional \$3.0 million in the Maryland Department of Planning’s (MDP) fiscal 2019 allowance for the Maryland Heritage Areas Authority (MHAA) Financing Fund without a detailed spending plan being available. Therefore, the committees request that MDP provide a report with the fiscal 2020 budget submission detailing the spending plan for the MHAA Financing Fund for the fiscal 2018 actual, the fiscal 2019 working appropriation, and the fiscal 2020 allowance.

<b>Information Request</b>	<b>Author</b>	<b>Due Date</b>
MHAA Financing Fund spending plan	MDP	Fiscal 2020 State budget submission

	<b><u>Amount Reduction</u></b>
2. Reduce funding for the Maryland Heritage Areas Authority (MHAA) Financing Fund special funds budgeted in the Preservation Services program. The MHAA Financing Fund is authorized to use up to 10% of transfer tax funds to pay the operating expenses of the authority. There is no connection between the authority and the Preservation Services program and so the funding is reduced.	\$ 42,797 SF
<b>Total Special Fund Reductions</b>	<b>\$ 42,797</b>

## *Updates*

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### **1. Non-Capital Grant Program Funding Allocated for Fiscal 2018**

MDP’s fiscal 2018 working appropriation includes \$200,000 in general funds for the Non-Capital Grant Program. While this funding was originally slated to be deleted as part of the September 6, 2017 BPW cost containment actions, the funding was restored in the final list of actions. The stated purpose of the Non-Capital Grant Program is to identify, document, and preserve buildings, communities, and sites of historical and cultural importance to the State. MDP received \$1.1 million in requests and awarded the full \$200,000 appropriation.

Funding for the Non-Capital Grant Program had not been provided since fiscal 2012. As a result, MDP identified the following funding priorities: broad-based and comprehensive archeological or architectural surveys; assessment and documentation of threatened areas of the State due to impacts of natural disasters and ongoing natural processes; and projects undertaking in-depth architectural or archeological study of a specific topic, time period, or theme. **Exhibit 7** shows the allocation of grant funding, which ranged from \$10,000 to \$45,000.

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**Exhibit 7**  
**Non-Capital Grant Program Allocation**  
**Fiscal 2018**

<u>Recipient</u>	<u>County</u>	<u>Description</u>	<u>Grant Amount</u>
Somerset County Historical Trust, Inc.	Somerset and Dorchester	Completion of an historic sites survey of threatened sites.	\$45,000
The Society for the Preservation of Maryland Antiquities, Inc./ Preservation Maryland	Statewide	Research and educational activities related to the women’s suffrage movement in Maryland.	20,000
St. Mary’s College of Maryland	Prince George’s, Charles, Calvert, and St. Mary’s	Survey and documentation of early domestic outbuildings in southern Maryland.	45,000
The Archaeological Society of Maryland, Inc.	Frederick	Preparation of a final report on multiple twentieth and twenty-first century excavations at the prehistoric Biggs Ford site.	13,500
Anne Arundel County, Cultural Resources Division	Anne Arundel	Review of heritage themes and sites.	17,500

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<u>Recipient</u>	<u>County</u>	<u>Description</u>	<u>Grant Amount</u>
Historic St. Mary's City	St. Mary's	Geophysical prospection to locate the seventeenth century palisaded fort erected by the first European settlers of Maryland.	16,000
The Archaeological Society of Maryland, Inc.	To be determined	Provide the public the opportunity to participate in a supervised archaeological excavation through the 2018 Tyler Bastian Field Session in Archeology.	13,000
The Morgan Park Improvement Association, Inc.	Baltimore City	Completion of a National Register nomination for Morgan Park, an African American neighborhood in Baltimore with strong ties to Morgan State University.	10,000
Chesapeake Bay Watershed Archeological Foundation, Inc.	Dorchester	Survey of the Honga River Watershed shoreline for undocumented prehistoric and historic sites and to supplement the Maryland Historic Trust's data concerning previously documented sites.	20,000
<b>Total</b>			<b>\$200,000</b>

Source: Maryland Department of Planning

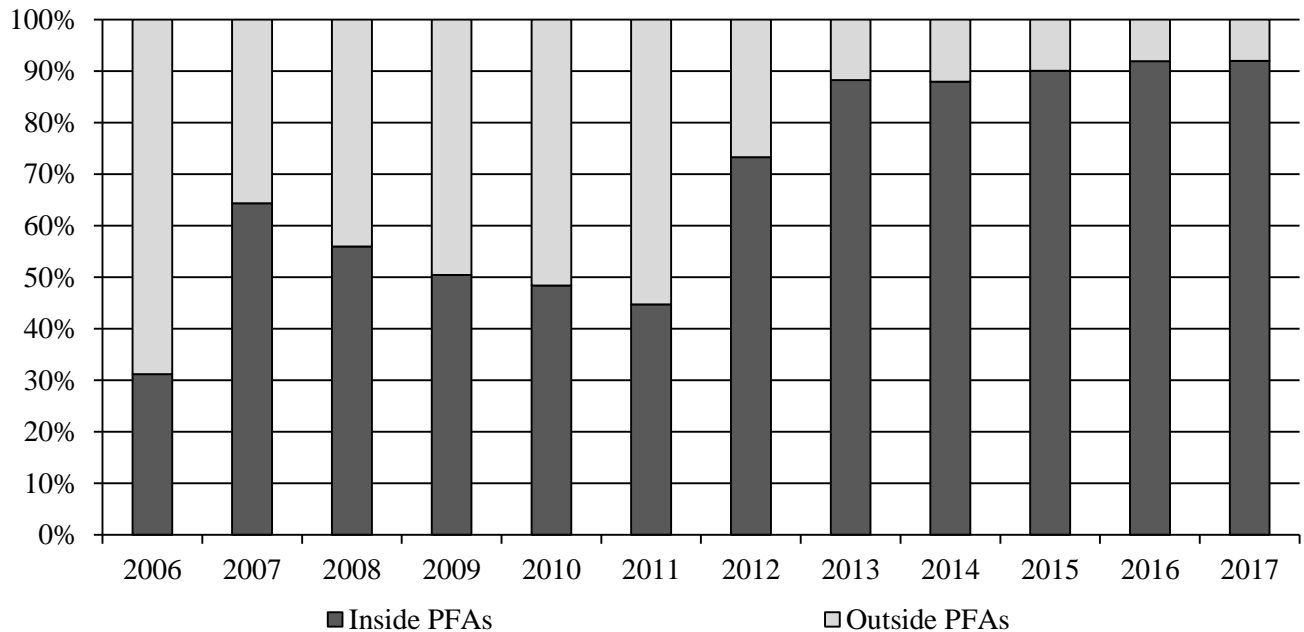
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## **2. Smart Growth Funding in Priority Funding Areas Reported**

There is an annual reporting requirement under State Government Article Section 9-1406(i) for growth-related capital programs. The overall trend since fiscal 2011 is an increasing percentage of State capital spending inside priority funding areas (PFA) – designated mostly urbanized areas where growth is to be focused – relative to spending outside PFAs. As shown in **Exhibit 8**, State spending declined to a recent low of 45% inside PFAs in fiscal 2011 and since then increased to 92% in fiscal 2017. Between fiscal 2016 and 2017, there has been no change in the percent of State spending inside PFAs.



**Exhibit 8  
State Spending Inside and Outside of the Priority Funding Areas  
Fiscal 2006-2017**



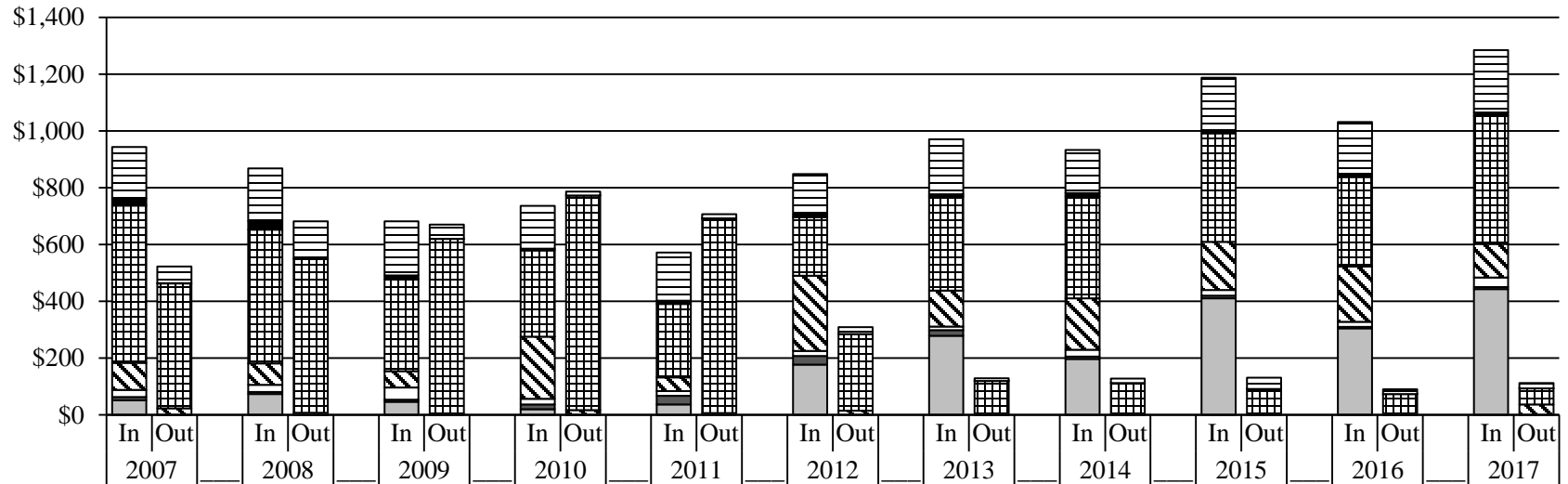
PFA: priority funding area

Note: The data includes Maryland Historical Trust programs and public school construction even though these expenditures are not mandated to be included in PFAs spending disclosure. The data does not include Maryland Department of Transportation spending that could not be tied to a particular place.

Source: Maryland Department of Planning

Between fiscal 2016 and 2017, overall spending increases for the programs, as shown in **Exhibit 9**. However, the spending inside of PFAs increased by a greater percentage than did the spending outside of PFAs. The primary reasons for the spending increase inside of PFAs were \$138 million more spent by the Department of Housing and Community Development and \$136.7 million more spent by the Maryland Department of Transportation (MDOT), which were offset partially by a decrease of \$75.9 million spent by the Maryland Department of the Environment (MDE). The primary reason for the spending increase outside the PFAs was an increase of \$34.1 million spent by MDE for drinking water system improvements and wastewater treatment facilities, which is offset partially by a decrease of \$14.9 million spent by MDOT. An ongoing positive trend is reflected in MDOT spending, which increased inside PFAs as a percentage of overall MDOT spending for the fifth straight year. Over the time period shown, the primary reason for the increase in the percentage of funding inside PFAs is spending by MDOT. For instance, MDOT spent \$685.7 million outside of PFAs in fiscal 2011, primarily due to the InterCounty Connector spending, while spending outside of PFAs was down to \$56 million in fiscal 2017.

**Exhibit 9**  
**Funding Inside and Outside of Priority Funding Areas**  
**Fiscal 2007-2017**  
**(\$ in Millions)**



	In		Out		In		Out		In		Out		In		Out		In		Out			
	2007		2008		2009		2010		2011		2012		2013		2014		2015		2016		2017	
Public School	\$18	\$59	\$18	\$13	\$19	\$50	\$15	\$13	\$17	\$14	\$14	\$24	\$19	\$10	\$15	\$15	\$18	\$39	\$18	\$16	\$22	\$19
MHT	26	1	31	1	12	0	5	0	11	0	10	0	8	0	12	0	11	0	11	0	12	0
MDOT	554	440	471	542	325	615	304	756	259	686	206	270	330	119	359	110	382	87	315	71	452	56
MDE	95	23	75	8	58	4	219	17	48	7	265	15	127	0	181	2	170	5	194	3	119	37
Commerce	25	0	26	0	43	0	19	0	17	0	17	0	12	0	25	0	19	0	18	0	33	0
DGS	12	0	7	0	7	0	17	0	30	0	30	0	20	0	9	0	10	0	6	0	8	0
DHCD	52	0	73	0	46	0	20	0	37	0	177	0	278	0	197	0	411	0	305	0	443	0

Commerce: Department of Commerce  
 DGS: Department of General Services  
 DHCD: Department of Housing and Community Development

MDE: Maryland Department of the Environment  
 MDOT: Maryland Department of Transportation  
 MHT: Maryland Historical Trust

Source: Maryland Department of Planning

**Appendix 1  
Current and Prior Year Budgets  
Maryland Department of Planning  
(\$ in Thousands)**

	<b><u>General Fund</u></b>	<b><u>Special Fund</u></b>	<b><u>Federal Fund</u></b>	<b><u>Reimb. Fund</u></b>	<b><u>Total</u></b>
<b>Fiscal 2017</b>					
Legislative Appropriation	\$13,056	\$4,399	\$1,453	\$959	\$19,866
Deficiency Appropriation	0	0	0	0	0
Cost Containment	0	0	0	0	0
Budget Amendments	-172	11	76	0	-85
Reversions and Cancellations	-733	-675	-124	-105	-1,637
<b>Actual Expenditures</b>	<b>\$12,151</b>	<b>\$3,736</b>	<b>\$1,404</b>	<b>\$854</b>	<b>\$18,144</b>
<b>Fiscal 2018</b>					
Legislative Appropriation	\$12,787	\$4,362	\$1,585	\$1,236	\$19,970
Cost Containment	-203	0	0	0	-203
Budget Amendments	0	0	0	90	90
<b>Working Appropriation</b>	<b>\$12,584</b>	<b>\$4,362</b>	<b>\$1,585</b>	<b>\$1,326</b>	<b>\$19,857</b>

Note: The fiscal 2018 appropriation does not include deficiencies, targeted reversions, or across-the-board reductions. Numbers may not sum to total due to rounding.

## **Fiscal 2017**

The general fund appropriation decreased by \$904,647. The changes are as follows.

- **Budget Amendments:** A decrease of \$171,714 due to a budget amendment that transfers to the Department of Information Technology funding related to 4 full-time equivalents transferred during calendar 2016 for the Information Technology Enterprise Initiative as authorized by Section 21 of the fiscal 2017 budget bill (\$332,259), which is offset partially by increases to allocate fiscal 2017 increment funding as authorized in the fiscal 2017 budget bill (\$156,151) and realign funds for telecommunications expenditures as authorized by Section 17 of the fiscal 2017 budget bill (\$4,394).
- **Reversions:** A decrease of \$732,933 primarily as a result of reversions in Planning Data and Research (\$543,789), Planning Coordination (\$155,890), and Operations Division (\$32,440).

The special fund appropriation decreased by \$663,824. The changes are as follows.

- **Budget Amendments:** An increase of \$11,099 due to a budget amendment that allocates fiscal 2017 increment funding as authorized in the fiscal 2017 budget bill.
- **Cancellations:** A decrease of \$674,923 primarily due to cancellations in the Management Planning and Educational Outreach program due to no emergency grants and a declined grant in the Maryland Heritage Areas Authority Grant program, a permanent staff vacancy that was longer than expected, and no publications being ready for printing (\$262,519); the Museum Services program due to vacancies not being filled or recruitments taking longer than expected (\$176,449); the Preservation Services program due to vacancies and recruitments taking longer than expected (\$117,734); and the Research Survey and Registration program due to insufficient time available to complete the Maryland State House Historic Structure Report, recruitment delays, and a delay in the start of the T-21 grant administered by the State Highway Administration (SHA), which had a budgeted match (\$115,813).

The federal fund appropriation decreased by \$48,819. The changes are as follows.

- **Budget Amendments:** An increase of \$75,594 due to budget amendments that allocate funds to the Planning Coordination program from the U.S. Environmental Protection Agency's Environmental Policy and Innovation Grants (\$63,761) and that allocate fiscal 2017 increment funding as authorized in the fiscal 2017 budget bill (\$11,833).
- **Cancellations:** A decrease of \$124,413, primarily as a result of cancellations in the Museum Services program due to an Institute of Museum and Library Services grant not being received (\$69,015), the Management Planning and Educational Outreach program due to lower expenditures than anticipated for the U.S. Department of the Interior National Park Service's

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National Maritime Heritage Grants (\$31,890), and the Research Survey and Registration program due to a vacant position taking longer to fill than expected (\$21,532).

The reimbursable fund appropriation decreased by \$105,034 due to cancellations related to a T-21 grant administered by SHA not being received.

**Fiscal 2018**

The Maryland Department of Planning (MDP) general fund appropriation decreases by \$203,121 due to cost containment. The cost containment was allocated through the September 6, 2017 Board of Public Works reductions that reduced spending on salaries from a position vacant in Research Survey and Registration (\$86,121); salaries by holding a position vacant in Planning Data and Research (\$77,000); operations costs, including equipment repair, maintenance, and contractual services in Museum Services (\$30,000); office supplies in the Operations Division (\$5,000); and motor vehicle fuel and oil due to the addition of fuel efficient vehicles in Planning Coordination (\$5,000).

The MDP reimbursable fund appropriation is increased by \$90,000. This reflects a budget amendment transferring funding from the Military Department to MDP's Research Survey and Registration program as part of a Memorandum of Understanding to procure the services of a firm to provide restoration and repair services in order to restore the World War I Memorial located above the entrance to the Fifth Regiment Armory in Baltimore City.

**Appendix 2  
Audit Findings**

Audit Period for Last Audit:	November 13, 2013 – November 20, 2016
Issue Date:	April 2017
Number of Findings:	0
Number of Repeat Findings:	0
% of Repeat Findings:	0%
Rating: (if applicable)	n/a

The audit did not disclose any findings.

**Appendix 3  
Object/Fund Difference Report  
Department of Planning**

<u>Object/Fund</u>	<u>FY 17 Actual</u>	<u>FY 18 Working Appropriation</u>	<u>FY 19 Allowance</u>	<u>FY 18 - FY 19 Amount Change</u>	<u>Percent Change</u>
<b>Positions</b>					
01 Regular	130.00	129.00	129.00	0.00	0%
02 Contractual	11.88	22.04	18.54	-3.50	-15.9%
<b>Total Positions</b>	<b>141.88</b>	<b>151.04</b>	<b>147.54</b>	<b>-3.50</b>	<b>-2.3%</b>
<b>Objects</b>					
01 Salaries and Wages	\$ 12,537,532	\$ 13,176,945	\$ 12,712,551	-\$ 464,394	-3.5%
02 Technical and Spec. Fees	496,271	898,683	870,397	-28,286	-3.1%
03 Communication	152,913	167,977	187,879	19,902	11.8%
04 Travel	110,060	78,470	90,370	11,900	15.2%
06 Fuel and Utilities	267,008	297,899	290,713	-7,186	-2.4%
07 Motor Vehicles	42,295	57,690	89,461	31,771	55.1%
08 Contractual Services	995,073	1,016,258	1,171,230	154,972	15.2%
09 Supplies and Materials	245,963	146,316	171,436	25,120	17.2%
10 Equipment – Replacement	211,073	6,000	6,000	0	0%
11 Equipment – Additional	3,434	0	0	0	0.0%
12 Grants, Subsidies, and Contributions	3,031,022	3,957,791	6,322,000	2,364,209	59.7%
13 Fixed Charges	51,500	52,703	51,749	-954	-1.8%
<b>Total Objects</b>	<b>\$ 18,144,144</b>	<b>\$ 19,856,732</b>	<b>\$ 21,963,786</b>	<b>\$ 2,107,054</b>	<b>10.6%</b>
<b>Funds</b>					
01 General Fund	\$ 12,151,074	\$ 12,583,896	\$ 12,178,396	-\$ 405,500	-3.2%
03 Special Fund	3,735,580	4,361,712	7,185,265	2,823,553	64.7%
05 Federal Fund	1,403,797	1,584,823	1,494,399	-90,424	-5.7%
09 Reimbursable Fund	853,693	1,326,301	1,105,726	-220,575	-16.6%
<b>Total Funds</b>	<b>\$ 18,144,144</b>	<b>\$ 19,856,732</b>	<b>\$ 21,963,786</b>	<b>\$ 2,107,054</b>	<b>10.6%</b>

Note: The fiscal 2018 appropriation does not include deficiencies, targeted reversions, or across-the-board reductions. The fiscal 2019 allowance does not include contingent reductions or cost-of-living adjustments.

**Appendix 4  
Fiscal Summary  
Department of Planning**

<u>Program/Unit</u>	<u>FY 17 Actual</u>	<u>FY 18 Wrk Approp</u>	<u>FY 19 Allowance</u>	<u>Change</u>	<u>FY 18 - FY 19 % Change</u>
01 Operations Division	\$ 2,898,520	\$ 2,863,995	\$ 2,861,316	-\$ 2,679	-0.1%
02 State Clearinghouse	544,630	526,859	534,184	7,325	1.4%
03 Planning Data and Research	2,411,591	2,465,119	2,588,972	123,853	5.0%
04 Planning Coordination	2,511,169	2,560,356	2,326,954	-233,402	-9.1%
07 Management Planning and Educational Outreach	4,712,088	5,556,693	7,905,999	2,349,306	42.3%
08 Museum Services	2,637,393	2,987,181	2,925,909	-61,272	-2.1%
09 Research Survey and Registration	1,228,701	1,479,787	1,383,224	-96,563	-6.5%
10 Preservation Services	1,200,052	1,416,742	1,437,228	20,486	1.4%
<b>Total Expenditures</b>	<b>\$ 18,144,144</b>	<b>\$ 19,856,732</b>	<b>\$ 21,963,786</b>	<b>\$ 2,107,054</b>	<b>10.6%</b>
General Fund	\$ 12,151,074	\$ 12,583,896	\$ 12,178,396	-\$ 405,500	-3.2%
Special Fund	3,735,580	4,361,712	7,185,265	2,823,553	64.7%
Federal Fund	1,403,797	1,584,823	1,494,399	-90,424	-5.7%
<b>Total Appropriations</b>	<b>\$ 17,290,451</b>	<b>\$ 18,530,431</b>	<b>\$ 20,858,060</b>	<b>\$ 2,327,629</b>	<b>12.6%</b>
Reimbursable Fund	\$ 853,693	\$ 1,326,301	\$ 1,105,726	-\$ 220,575	-16.6%
<b>Total Funds</b>	<b>\$ 18,144,144</b>	<b>\$ 19,856,732</b>	<b>\$ 21,963,786</b>	<b>\$ 2,107,054</b>	<b>10.6%</b>

Note: The fiscal 2018 appropriation does not include deficiencies, targeted reversions, or across-the-board reductions. The fiscal 2019 allowance does not include contingent reductions or cost-of-living adjustments.