

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

***Operating Budget Data***

(\$ in Thousands)

	<b><u>FY 12</u></b> <b><u>Actual</u></b>	<b><u>FY 13</u></b> <b><u>Working</u></b>	<b><u>FY 14</u></b> <b><u>Allowance</u></b>	<b><u>FY 13-14</u></b> <b><u>Change</u></b>	<b><u>% Change</u></b> <b><u>Prior Year</u></b>
General Fund	\$11,141	\$11,668	\$11,984	\$317	2.7%
Contingent & Back of Bill Reductions	0	0	-16	-16	
<b>Adjusted General Fund</b>	<b>\$11,141</b>	<b>\$11,668</b>	<b>\$11,968</b>	<b>\$300</b>	<b>2.6%</b>
Special Fund	4,350	4,599	4,450	-149	-3.2%
Contingent & Back of Bill Reductions	0	0	-2	-2	
<b>Adjusted Special Fund</b>	<b>\$4,350</b>	<b>\$4,599</b>	<b>\$4,449</b>	<b>-\$150</b>	<b>-3.3%</b>
Federal Fund	1,160	959	1,003	44	4.6%
Contingent & Back of Bill Reductions	0	0	-1	-1	
<b>Adjusted Federal Fund</b>	<b>\$1,160</b>	<b>\$959</b>	<b>\$1,002</b>	<b>\$43</b>	<b>4.4%</b>
Reimbursable Fund	1,214	1,443	1,337	-106	-7.3%
<b>Adjusted Reimbursable Fund</b>	<b>\$1,214</b>	<b>\$1,443</b>	<b>\$1,337</b>	<b>-\$106</b>	<b>-7.3%</b>
<b>Adjusted Grand Total</b>	<b>\$17,865</b>	<b>\$18,669</b>	<b>\$18,756</b>	<b>\$87</b>	<b>0.5%</b>

- The Governor has submitted a deficiency appropriation for the fiscal 2013 operating budget, which would increase the Maryland Department of Planning's (MDP) general fund appropriation by \$19,600 for redistricting appeals cases and special fund appropriation by \$200,000 for procurement of grants management software.
- The overall adjusted change in MDP's budget is an increase of \$87,000. The major change is a reduction of \$250,000 in general funds for the Maryland Women's Heritage Center.

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

For further information contact: Andrew D. Gray

Phone: (410) 946-5530

## ***Personnel Data***

	<b><u>FY 12 Actual</u></b>	<b><u>FY 13 Working</u></b>	<b><u>FY 14 Allowance</u></b>	<b><u>FY 13-14 Change</u></b>
Regular Positions	155.00	151.00	152.00	1.00
Contractual FTEs	<u>15.77</u>	<u>20.21</u>	<u>20.09</u>	<u>-0.12</u>
<b>Total Personnel</b>	<b>170.77</b>	<b>171.21</b>	<b>172.09</b>	<b>0.88</b>

### ***Vacancy Data: Regular Positions***

Turnover and Necessary Vacancies, Excluding New Positions	6.04	4.00%
Positions and Percentage Vacant as of 12/31/12	8.00	5.30%

- Regular positions increase by 1 in the fiscal 2014 allowance. The new program manager IV position in Administration would use real estate and development expertise to work with Sustainable Communities on stimulating smart growth projects.
- There are 3 positions that have been vacant for longer than a year. MDP indicates that 2 of the positions are being held open in order to meet the budgeted level of turnover and the third position will be filled on February 13, 2013.
- MDP's turnover rate remains at 4.0%.

## ***Analysis in Brief***

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### **Major Trends**

***Avoidance or Mitigation of Adverse Effects Could Be Improved:*** The attainment of a 1% threshold for federal and/or State environmental reviews completed without adverse effects continues, but there could be an increase in the percentage of projects with adverse effects avoided or mitigated.

***Local Water and Sewer Plans/Amendment Comments and Consistency Remain High:*** The number of local water and sewer plans/amendments comments by MDP have increased in recent years, and an increasing percentage is consistent with local and State development plans and policies. However, the inclusion of local water and sewer plan amendments obscures the overall consistency of the actual plans.

***Relation Between Comprehensive Plans and Smart Growth Obscured by Inclusion of Regulations:*** The number of comprehensive plans with one or more improved smart growth or resource conservation principles is obscured by the inclusion of data on regulations.

### **Issues**

***PlanMaryland Components Slowly Coming Together:*** PlanMaryland, the State Development Plan, was adopted on December 16, 2011, and a progress report was released in September 2012. Smart Growth Subcabinet agencies have developed 92 conceptual implementation strategies that will be aligned with Planning Areas submitted by jurisdictions. In addition, the percentage of State spending in priority funding areas increased in fiscal 2012, and \$7.5 million in general obligation bonds is programmed for PlanMaryland through the Department of Housing and Community Development. **The Department of Legislative Services recommends that MDP comment on why jurisdictions have been slow to identify Planning Areas, on why no State agency implementation plans have been finalized and formally accepted, and on any other funding in the fiscal 2014 operating and capital budgets supporting the implementation of PlanMaryland.**

### **Recommended Actions**

	<b><u>Funds</u></b>
1. Reduce funding to reflect 25% turnover for a new position.	\$ 13,846
<b>Total Reductions</b>	<b>\$ 13,846</b>

## **Updates**

***Maryland Women’s Heritage Center Funding Sustainability Plan:*** Committee narrative in the 2012 *Joint Chairmen’s Report* requested the Department of Human Resources (DHR), in conjunction with the Commission for Women and MDP, to develop a plan for funding sustainability for the Maryland Women’s Heritage Center (MWHC). Although a report was submitted, no recommendation was made about the level of State funding that MWHC requires because of the lack of long-term financial data. The agencies recommended a multi-year use of the fiscal 2013 grant and that MWHC undertake a strategic planning process, begin an auditing process, and receive assistance from DHR to improve its budgetary and accounting capacity. However, the use of funds is ultimately determined by MWHC. No funds are available from MDP or DHR Administration for MWHC in the fiscal 2014 allowance.

**D40W01**  
**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 as described below.

- **Communications and Intergovernmental Affairs** incorporates the State Clearinghouse for Intergovernmental Assistance as well as MDP's education and outreach efforts. The 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.
- **Planning Data Services** collects, analyzes, and publishes social, economic, and geographic information relating to the State and its political subdivisions; identifies and evaluates development issues; and prepares reports and studies on specific topics for the Governor and General Assembly. The program also disseminates U.S. Census and U.S. Department of Commerce information to State and local governments and the private sector. This program also develops and sells computerized property maps to the public.
- **Planning Services** provides technical services to improve the planning and management capacity of local governments. The program's Centreville, Cumberland, and Salisbury regional offices help local governments with land-use planning, zoning, 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 Program.
- **Office of Museum Services** provides financial and technical assistance to approximately 220 historic and cultural museums and operates the Jefferson Patterson Park and Museum in Calvert County.
- **Office of Research, Survey, and Registration** seeks 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.
- **Office of 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.

- **Office of Smart Growth** works with State agencies, local governments, community partners, and the private sector to achieve smarter, more sustainable growth in Maryland, although no funding or positions are provided in the fiscal 2014 allowance.

The Division of Historical and Cultural Programs and the Maryland Heritage Areas Authority were merged with MDP in fiscal 2006. However, MDP does not appear to have updated its goals in its Managing for Results (MFR) submission in order to reflect the merger. MDP's primary goals are as follows:

- preserving valuable natural resources including forest and farmland;
- supporting existing communities by targeting resources to areas where infrastructure exists;
- increasing infrastructure investment returns by encouraging growth in priority funding areas (PFA); and
- providing web-enabled information and services to the public over the Internet.

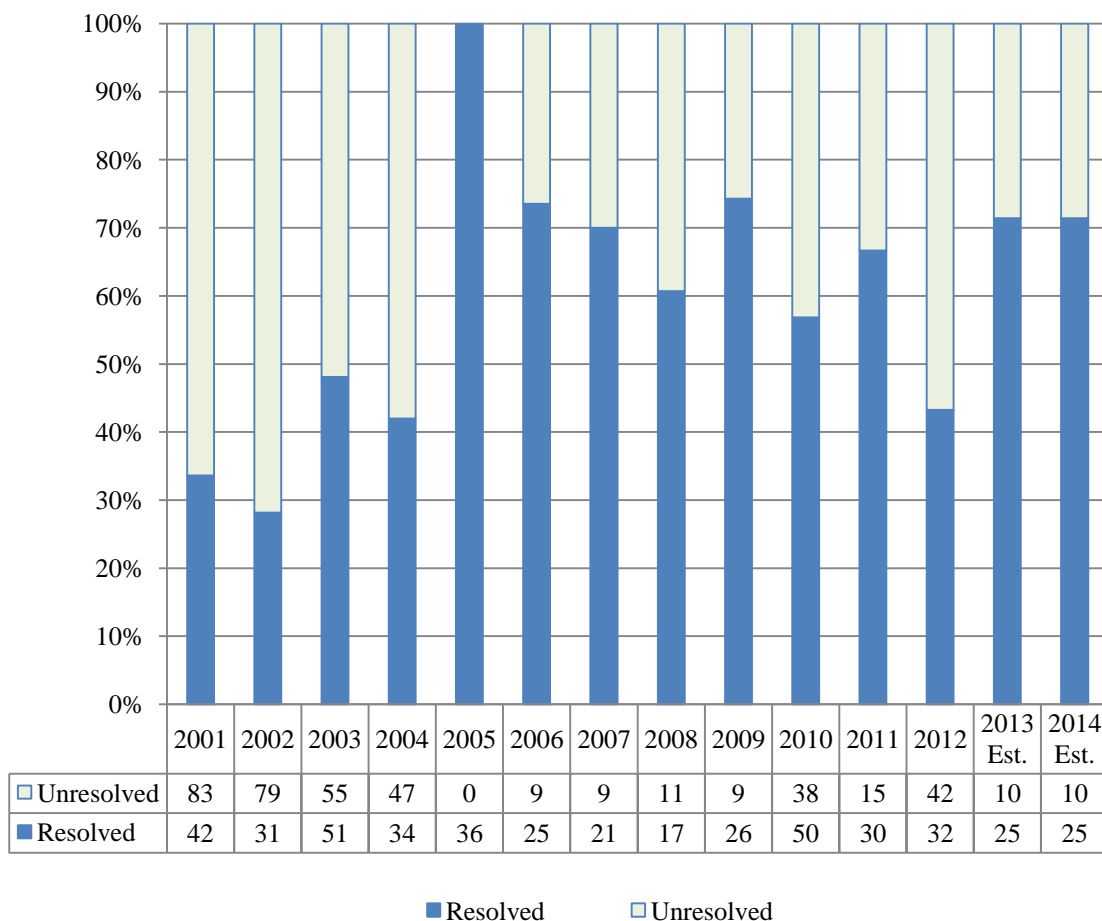
## **Performance Analysis: Managing for Results**

MDP's fiscal 2014 MFR submission reflects a continued attainment of a 1% threshold for federal and/or State environmental reviews completed with adverse effects, but there could be an increase in the percentage of projects with adverse effects mitigated. For the number of local water and sewer plans/amendments consistent with local and State development plans and policies, there is a high number of consistent plans/amendments, but this obscures the consistency of county plans. Similarly, for the MFR on updated local comprehensive plans/ordinances that include one or more improved smart growth or resource conservation principles, the most important measure – comprehensive plans with the desired element – is obscured by the inclusion of regulations as well.

### **1. Avoidance or Mitigation of Adverse Effects Could Be Improved**

The Preservation Services program has a goal of keeping the percentage of adverse effect determinations below 1% for federal and/or State environmental reviews. This goal has been met despite a substantial number of reviews being completed during the fiscal 2001 to 2014 time period. However, adverse effects are relatively low to begin with: there has been an average of approximately 4,600 reviews completed over the fiscal 2001 to 2014 time period, but only an average of approximately 62 adverse effects determined per year. MDP has been able to avoid or mitigate an average of 32 of these adverse effects per year, an average of 60% of the adverse effects in each fiscal year, through negotiating a formal memorandum of agreement, programmatic agreement, or significantly reduce letter. For fiscal 2013 and 2014, MDP estimates that it will mitigate 71% of the adverse effects. **DLS recommends that MDP comment on the nature of the adverse effects that could not be mitigated and how an even higher percentage of adverse effects could be mitigated.**

**Exhibit 1**  
**Adverse Effects Found in Environmental Reviews Resolved**  
**Fiscal 2001-2014**



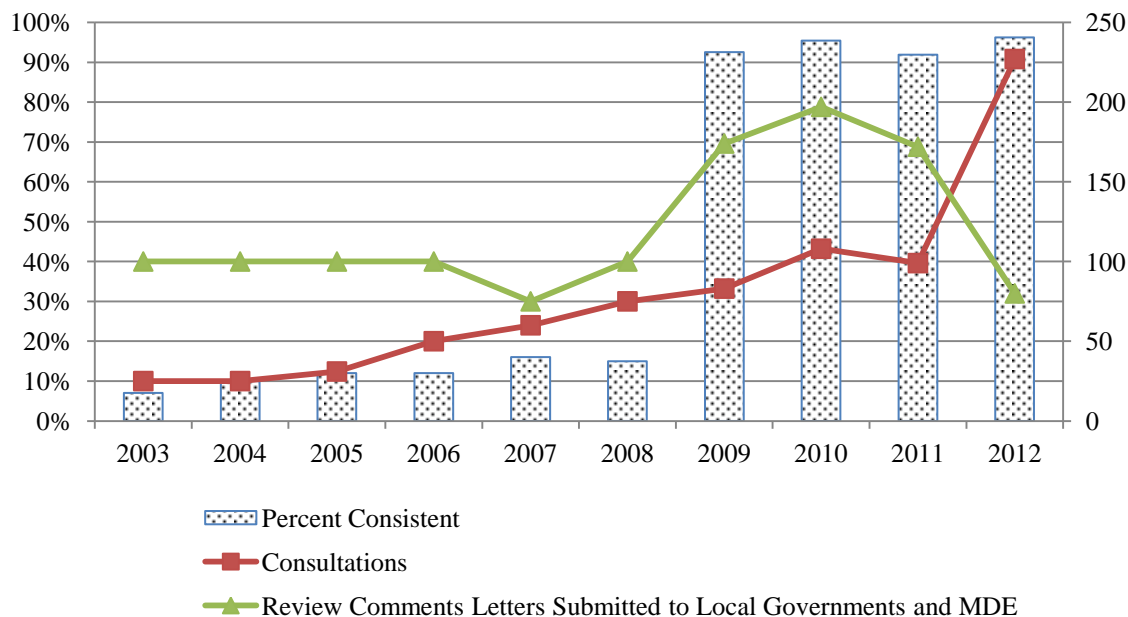
Note: Avoidance or mitigation of adverse effects span multiple years, and a single project may have adverse effects on one or more historic properties. The goal has been met to keep the number of adverse effect determinations where effects cannot be reduced to below 1% annually.

Source: Maryland Department of Planning

## 2. Local Water and Sewer Plans/Amendment Comments and Consistency Remain High

The Planning Services program has the goal of encouraging growth and development inside of PFAs by providing advisory comments to local governments and the Maryland Department of the Environment (MDE) on county water and sewer plans and amendments. To gauge results, MDP measures the number of review comments letters submitted to local governments and MDE and determines the consistency with local and State development plans and policies. In addition, MDP measures the number of consultations associated with this review. As can be seen in **Exhibit 2**, there was a substantial increase in the percentage of consistent plans between fiscal 2008 and 2009, an increase in the number of consultations between fiscal 2002 and 2012, and between fiscal 2010 and 2012, a projected decline in the number of review comments letters submitted.

**Exhibit 2**  
**Local Water and Sewer Plans/Amendments Consistent with Local and State Development Plans and Policies**  
**Fiscal 2003-2012**



MDE: Maryland Department of the Environment

Note: Fiscal 2003 through 2008 data reflects county plans only. Fiscal 2010 through 2012 data reflects the addition of municipal plans.

Source: Maryland Department of Planning

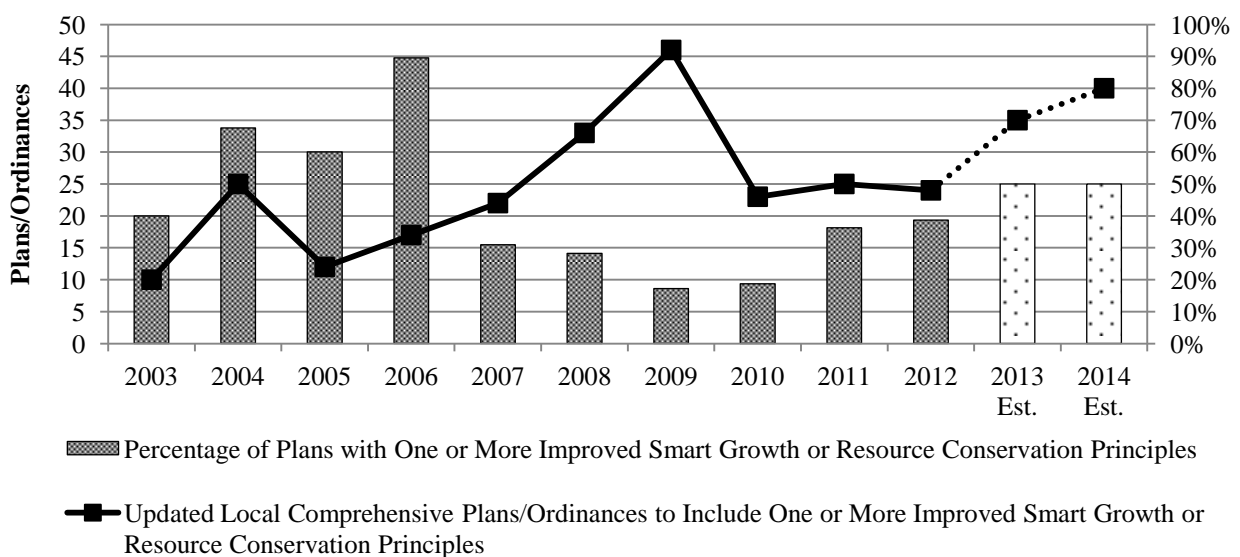


The reason for the increase in the percentage of consistent plans between fiscal 2008 and 2009 is a change in measurement methodology from including data solely on county plans/amendments to include municipal plans/amendments as well. However, the inclusion of municipal plans/amendments makes it difficult to determine if there has been any improvement in the consistency of county plans since only county plans are submitted for State review. **DLS recommends that MDP comment on the consistency of county plans with local and State development plans and policies over the time period shown and how this information may be reflected in future MFR measure submissions.**

### 3. Relation Between Comprehensive Plans and Smart Growth Obscured by Inclusion of Regulations

The Planning Services program also has a goal of preserving Maryland State natural resources, including forests and grasslands. One of the measures used is the number of annually updated local comprehensive plans/ordinances to include one or more improved smart growth or resource conservation principles. MDP's goal is that by fiscal 2014, 40 local governments will include the smart growth or resource conservation principles. As shown in **Exhibit 3**, the goal was met in fiscal 2009 and is estimated to be met in fiscal 2014.

**Exhibit 3**  
**Updated Local Comprehensive Plans/Ordinances to Include One or More Improved Smart Growth or Resource Conservation Principles**  
**Fiscal 2003-2014**



Source: Maryland Department of Planning

The substantial increase in the number of updated local comprehensive plans/ordinances of the desired type between fiscal 2006 and 2009 is due to the updates or new planning elements required by Chapter 289 of 2006 (Agricultural Stewardship Act of 2006), which incorporated priority preservation area elements into the existing county agricultural land preservation certification program, and Chapter 381 of 2006 (Land Use – Local Government Planning), which required the inclusion of municipal growth and water resources elements to be added to local comprehensive plans. However, the percent of plans with one or more improved smart growth or resource conservation principles actually decreased to a low of 17% in fiscal 2009 and is only anticipated to increase to 50% in the fiscal 2013 and 2014 estimates. The fiscal 2009 data shows that meeting the goal of 40 plans/ordinances with smart growth principles can be very dependent on the number received in a given year by MDP. Setting a percentage instead of an absolute number may be a more appropriate goal.

In addition, MDP indicates that each comprehensive plan or regulation is only counted once as having adopted a smart growth or resource conservation principle in order to avoid double counting, but this obscures the cumulative number of comprehensive plans that actually have a smart growth or resource conservation principle. **DLS recommends that MDP comment on the absolute number of comprehensive plans that have adopted a smart growth or resource conservation principle over the time period shown and how this information may be reflected in future MFR measure submissions.**

## **Fiscal 2013 Actions**

### **Proposed Deficiency**

The Governor has submitted a deficiency appropriation for the fiscal 2013 operating budget, which would increase MDP's general fund appropriation by \$19,600 and its special fund appropriation by \$200,000. The increased general fund appropriation would be used in the Planning Data Services program in order to supplement payments to the Office of the Attorney General relating to redistricting appeals cases. The increased special fund appropriation would be used in the Management Planning and Educational Outreach program to supplement funding for procurement of grants management software. A similar appropriation increase for the grants management software was included as a deficiency appropriation for the fiscal 2012 operating budget but was not used due to insufficient time remaining in the fiscal year.

MDP indicates that the \$19,600 in general funds is the last bill to be paid for legal services and that \$678,670 in general funds were reverted back to the State. In terms of the grants management software, MDP will make every effort possible to procure the software despite the limited time available and the difficulties it has had in the past with the same procurement.

## Cost Containment

Section 25 of Chapter 1 of the First Special Session of 2012 – the Budget Reconciliation and Financing Act (BRFA) of 2012 – required the Governor to abolish at least 100 vacant positions as of January 1, 2013, saving at least \$6 million in general funds. MDP's share of the reduction was 1 position, an accountant advanced, and \$33,283 in general funds. The annualized salary savings due to the abolition of this position is expected to be \$62,142 in general funds.

## Proposed Budget

MDP's fiscal 2014 allowance increases by \$87,000, or 0.5%, relative to the fiscal 2013 working appropriation, as shown in **Exhibit 4**. The changes by fund in Exhibit 4 reflect an increase of \$300,000 in general funds, a decrease of \$150,000 in special funds, an increase of \$43,000 in federal funds, and a decrease of \$106,000 in reimbursable funds. Personnel changes are discussed first, then operating expenditures.

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**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>
2013 Working Appropriation	\$11,668	\$4,599	\$959	\$1,443	\$18,669
2014 Allowance	<u>11,984</u>	<u>4,450</u>	<u>1,003</u>	<u>1,337</u>	<u>18,775</u>
Amount Change	\$317	-\$149	\$44	-\$106	\$106
Percent Change	2.7%	-3.2%	4.6%	-7.3%	0.6%
Contingent Reduction	-\$16	-\$2	-\$1	\$0	-\$19
Adjusted Change	\$300	-\$150	\$43	-\$106	\$87
Adjusted Percent Change	2.6%	-3.3%	4.4%	-7.3%	0.5%

### Where It Goes:

#### Personnel Expenses

Retirement contribution .....	\$267
Annualized general salary increase .....	111
Employee and retiree health insurance net of an across-the-board reduction .....	106
New position in administration .....	98
Workers' compensation .....	-38
Salaries and wages .....	-34
Turnover adjustments .....	-12
Other fringe benefit adjustments .....	1

*D40W01 – Department of Planning*

**Where It Goes:**

**Other Changes**

***Programmatic Funding***

Maryland Maritime Archeology Program equipment .....	19
Maryland Women’s Heritage Center one-time funding.....	-250
War of 1812 publications completed .....	-55
Preserve America Project and Archeology Synthesis Project.....	-49

***Routine Operations***

Fuel and utilities at Jefferson Patterson Park and Museum.....	84
Fixed charges and communications .....	6
Contractual positions.....	4
Applications software renewals and maintenance.....	-65
Data processing equipment – peripherals and office supplies .....	-34
Statewide cost allocations .....	-21
Library supplies.....	-18
Vehicle purchase costs .....	-3
Other.....	-30

<b>Total</b>	<b>\$87</b>
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Note: Numbers may not sum to total due to rounding.

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**Personnel**

MDP’s overall personnel expenditures increase by \$499,000. The changes are as follows:

- **Retirement Contribution** – Retirement contribution increases \$266,894. Statewide contribution rates for the regular employees’, teachers’, State Police’, and law enforcement officers’ pension plans increase in fiscal 2014. The rate increases are attributable to underattained investment returns, adjusted actuarial assumptions, and increased reinvestment of savings achieved in the 2011 pension reform.
- **Annualized General Salary Increase** – General salaries increase by \$110,729 to reflect the annualization of the (COLA) provided on January 1, 2013.
- **Employee and Retiree Health Insurance Net of Across-the-board Reduction** – Health insurance costs increase by a net of \$106,289, accounting for a statewide across-the-board reduction. MDP’s portion of the across-the-board reduction is allocated as follows: \$16,179 in general funds; \$1,512 in special funds; and \$1,343 in federal funds.

#### *D40W01 – Department of Planning*

- **New Position in Administration** – A new program manager IV position is budgeted in administration for a total increase of \$98,005. The position turnover is budgeted at 10.02%. **DLS recommends that the turnover for the position be increased to 25.0% to be consistent with how new positions are usually budgeted.**
- **Workers' Compensation** – Workers' compensation premium assessment decreases by \$37,867.
- **Salaries and Wages** – Salaries and wages decrease \$33,901.
- **Turnover Adjustments** – Turnover is reduced by \$11,978.

#### **Other Changes**

Overall, the nonpersonnel portion of MDP's fiscal 2014 allowance decreases \$412,331. The areas of change may be broadly categorized as programmatic funding and routine operations. The biggest change is a reduction of \$250,000 in general funds for one-time Maryland Women's Heritage Center (MWHC) funding.

#### **Programmatic Funding**

The programmatic funding changes in the fiscal 2014 allowance are as follows:

- **Maryland Maritime Archeology Program Equipment** – Funding increases by \$19,310 in the Preservation Services program for the purchase of replacement survey equipment for the Maryland Maritime Archeology project including an Edgetech side scan sonar, a Geometrics G-882 magnetometer, and a Trimble Differential Global Positioning System that will be purchased using a three-year lease purchase arrangement (\$11,765) and for software necessary to enable the program to integrate multiple sonar data files into sonar mosaics for required reports (\$7,545).
- **Maryland Women's Heritage Center One-time Funding** – MWHC received one-time funding of \$250,000 in general funds in Supplemental Budget No. 1 in the 2012 session. An update on the fiscal 2013 funding is included in this analysis. The Museum Assistance Program does not receive any funding in fiscal 2014. The Maryland Humanities Council grant is \$53,500 in general funds for fiscal 2014, which is level with the fiscal 2013 appropriation, although the fund mix has changed from the fiscal 2013 funding of \$43,500 in general funds and \$10,000 in special funds.
- **War of 1812 Publications Completed** – Funding decreases by \$54,737 in the Management Planning and Educational Outreach program due to the completion of publications associated with the War of 1812 celebration.

*D40W01 – Department of Planning*

- **Preserve America Project and Archeology Synthesis Project** – Funding decreases by \$49,000 in the Office of Research, Survey, and Registration program because the contractual services associated with the National Park Service’s Preserve America Project are expected to be completed in fiscal 2013, and the contractual services for the Archeology Synthesis project are expected to be reduced in fiscal 2014, as the project nears completion. As part of the net decrease, there is an increase of \$20,000 for a publication associated with the Archeology Synthesis project.

**Routine Operations**

- **Fuel and Utilities at Jefferson Patterson Park and Museum** – The appropriation for fuel and utilities increases by \$84,280 in the Jefferson Patterson Park and Museum – Operations program.
- **Fixed Charges and Communications** – There is an increase of \$5,825, which is comprised of increases of \$3,025 for fixed charges such as insurance, rent, and subscription and a net increase of \$2,800 for postage and telephone.
- **Contractual Positions** – There is an overall increase of \$3,952 for contractual full-time equivalents (FTE), although FTEs actually decrease by 0.12. The changes include increases of 1.67 FTEs and \$85,986 in the Jefferson Patterson Park and Museum – administration program and increases in funding of \$24,505 in the Planning Services program and \$447 in the Preservation Services program without increases of FTEs. There is a decrease of 1.79 FTEs and \$106,986 in the Jefferson Patterson Park and Museum – Maryland Archaeological Conservation Laboratory program.
- **Applications Software Renewals and Maintenance** – There is a decrease in funding for applications software renewals of \$73,187 in the Management Planning and Educational Outreach program due to the renewals being completed on a three-year rotating basis. This is partially offset by an increase of \$8,070 in the administration program for an overall net decrease of \$65,117.
- **Data Processing Equipment – Peripherals and Office Supplies** – Due to the need to contain costs, there is a decrease for data processing equipment – peripherals of \$18,000 in the Planning Services program and \$4,048 in the administration program as well an agencywide reduction of \$11,995 in office supplies for a total reduction of \$34,043.
- **Statewide Cost Allocations** – Statewide cost allocations decrease by a net of \$21,000 due to reductions for statewide personnel system allocation (\$13,286), telecommunications capital lease (\$10,214), Department of Information Technology information technology services allocation (\$6,279), and Annapolis Data Center usage charge (\$800). These reductions are offset partially by increases for DBM paid telecommunications (\$7,757), retirement administrative fee (\$1,265), and Attorney General administrative fee (\$748).

*D40W01 – Department of Planning*

- **Library Supplies** – Library supplies decrease by \$17,554 in total for the Planning Services and Management Planning and Educational Outreach programs to reflect fiscal 2012 actual expenditures.
- **Vehicle Purchase Costs** – Vehicle costs decrease by \$2,777 in special funds for purchase of new vehicles due to a one-time fiscal 2013 purchase in the Preservation Services program (\$17,777), which is offset partially by an increase in the Management Planning and Educational Outreach program (\$15,000) in fiscal 2014 in order to replace a 1997 Chevy Cavalier with 169,571 miles and a broken air conditioning system. MDP indicates that the replacement vehicle will be used for site visits and off-site meetings by staff architectural historians, archeologists, historians, and other administrators.

## ***Issues***

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### **1. PlanMaryland Components Slowly Coming Together**

PlanMaryland is the State Development Plan as required by State Finance and Procurement Article Sections 5-601 to 5-615 and was ordered to be implemented by Executive Order 01.01.2011.22. It works within existing State programs and resources and seeks to align the funding of disparate programs within the existing PFAs. PlanMaryland was adopted December 16, 2011, and a progress report was released in September 2012.

#### **2012 Progress Report Update**

The September 2012 progress report update indicated the following:

- **Conceptual Implementation Strategies** – Smart Growth Subcabinet agencies have identified 93 conceptual implementation strategies. The strategies break down as follows: 42 related to growth within existing planned infrastructure communities, 12 related to environmentally sensitive and rural lands, and 38 to ensure quality of life is sustainable. It is anticipated that many State agency Implementation Strategies will be finalized and in place by January 2013.
- **Planning Areas** – It is anticipated that most Maryland jurisdictions will have Planning Areas identified by January 2013, although none had been submitted by September 2012.
- **Alignment** – Smart Growth Subcabinet agencies are working to align their programs with the PlanMaryland Planning Areas.

#### **January 2013 Progress Update**

In terms of the State agency implementation strategies, MDP indicates that none have been finalized and formally accepted by the Smart Growth Subcabinet at this time.

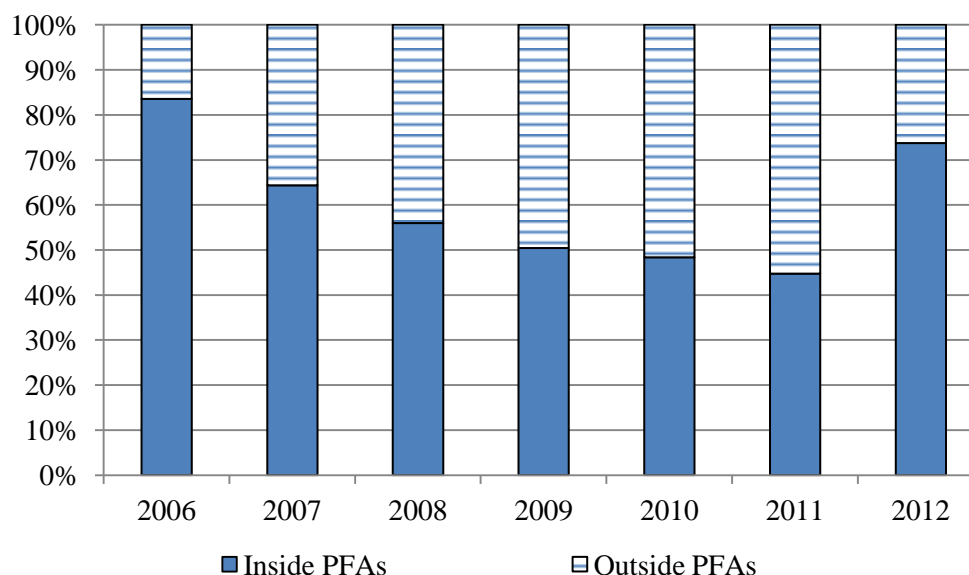
MDP indicates that five jurisdictions have formally submitted their Planning Areas for review to the Smart Growth Subcabinet and that the submissions are under review. The five jurisdictions are as follows: Baltimore City, City of Brunswick, Town of Union Bridge, Town of Secretary, and Town of Church Creek. In addition, MDP's regional planners are helping over thirty jurisdictions identify their planning areas and over the next six months, MDP anticipates that 11 or more counties and over 20 municipalities will complete their Planning Areas as part of the completion of the Growth Tier mapping process – a component of Chapter 236 of 2012 (Sustainable Growth and Agriculture Preservation Act of 2012).



## Smart Growth Funding Report

At this point, no new programs have been added to the reporting requirement in State Government Article 9-1406 for growth-related capital programs. However, there is an improvement between fiscal 2011 and 2012 in the percentage of State capital spending inside PFAs relative to spending outside. As shown in **Exhibit 5**, State spending declined to a low of 45% inside PFAs in fiscal 2011 and then increased to 74% in fiscal 2012.

**Exhibit 5**  
**State Spending Inside and Outside of the PFA**  
**Fiscal 2006-2012**



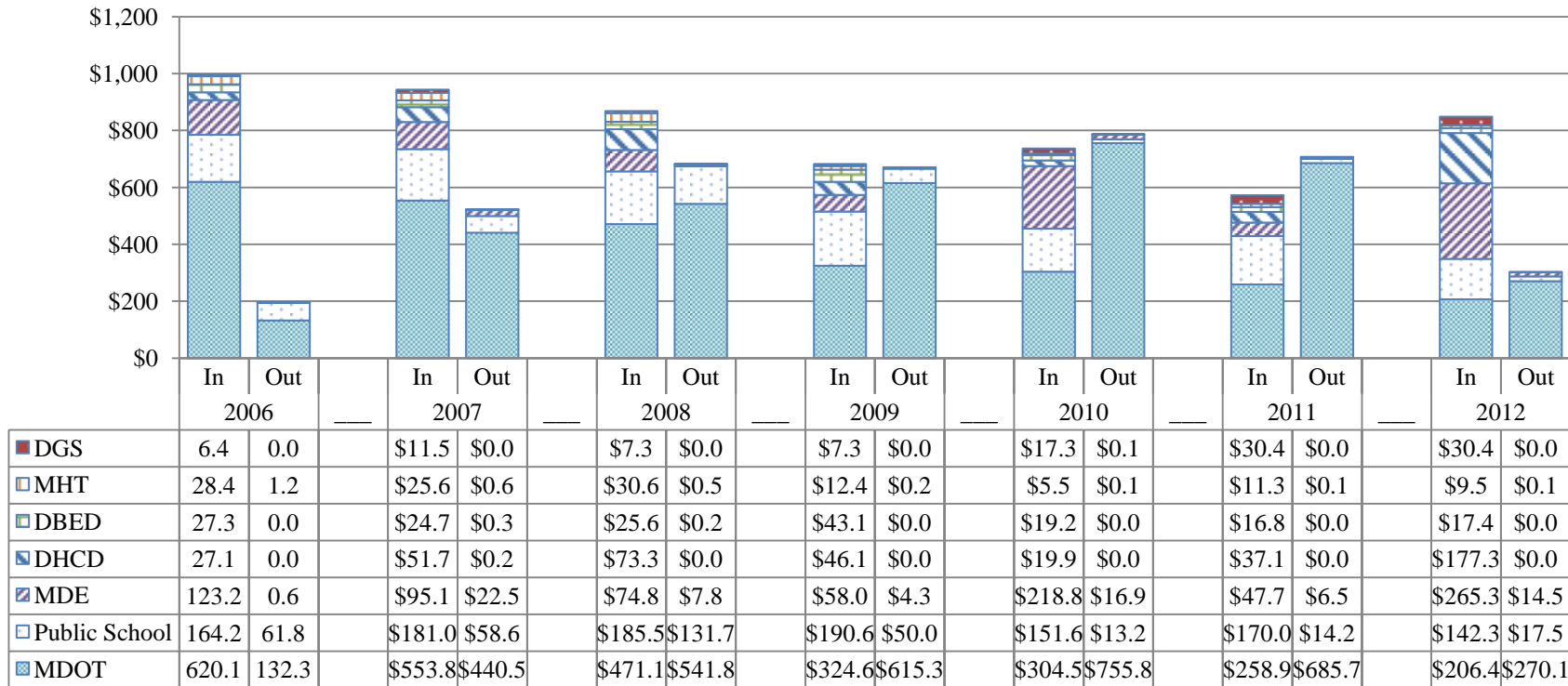
PFA: priority funding area

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

The primary reason for the increase in the percentage of funding inside PFAs is spending by the Maryland Department of Transportation (MDOT), as shown in **Exhibit 6**. In fiscal 2011, MDOT spent \$685.7 million outside of the PFAs, primarily due to InterCounty Connector spending, which was down to \$270.1 million in fiscal 2012. However, transportation spending outside of the PFAs in fiscal 2012 was still greater than the amount spent inside for either fiscal 2011 or 2012.

**Exhibit 6**  
**Funding Inside and Outside of Priority Funding Areas**  
**Fiscal 2006-2012**  
**(\$ in Millions)**



DBED: Department of Business and Economic Development  
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

## **Fiscal 2014 Funding for Smart Growth**

There appears to be only one substantial spending increase related to PlanMaryland in the State's fiscal 2014 budget. There is \$7.5 million in general obligation bond authorization in the Department of Housing and Community Development – Division of Neighborhood Revitalization for a Strategic Demolition and Smart Growth Impact Project Fund. This would provide funds for grants and loans to government agencies, nonprofit organizations, and private entities for demolition, land assembly, housing development or redevelopment, and revitalization projects in areas (1) designated a Sustainable Community, a Base Realignment and Closure Act Revitalization and Incentive Zone, or a transit-oriented development; or (2) that will become designated through the implementation of PlanMaryland.

**DLS recommends that MDP comment on why jurisdictions have been slow to identify Planning Areas, on why no State agency implementation plans have been finalized and formally accepted, and on any other funding in the fiscal 2014 operating and capital budgets supporting the implementation of PlanMaryland.**

## ***Recommended Actions***

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	<b><u>Amount Reduction</u></b>	
1. Reduce funding to reflect 25% turnover for the proposed new program manager IV position. The current budgeted level of turnover is 10%.	\$ 13,846	GF
<b>Total General Fund Reductions</b>	<b>\$ 13,846</b>	

## ***Updates***

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### **1. Maryland Women’s Heritage Center Funding Sustainability Plan**

Due to concern about the sustainability of MWHC without State support, the 2012 *Joint Chairmen’s Report* requested that the Department of Human Resources (DHR), in conjunction with the Maryland Commission for Women and MDP, work with MWHC to develop a plan on funding sustainability and the amount of State support needed annually to maintain operations. The narrative also expressed intent that State support for MWHC be provided in the fiscal 2014 budget in either DHR or MDP. The report was submitted on October 15, 2012. Supplemental Budget No. 1 in the 2012 session provided \$250,000 in fiscal 2013 to MDP for a grant to MWHC.

#### **Background**

MWHC became a nonprofit organization in 2007, following more than 20 years of a collaborative effort between the Maryland Commission for Women and the Maryland State Department of Education. MWHC currently resides in a donated space in Baltimore City and hosts the Maryland Women’s Hall of Fame. MWHC has 2.5 staff and volunteers that support its work. MWHC has been open to the public four days per week since June 2010.

#### **State Support**

Although MWHC has its own staff, the State has provided support through a shared position with the Maryland Commission for Women since 2007. The shared staff position works at MWHC two days per week conducting and assisting with the development of outreach activities (including outreach to businesses, foundations, schools, and community organizations to increase awareness and gather support and outreach to museums, related organization, and institutions of higher learning for partnership, collaborative programs, and exhibits); working with the Board of Trustees and advisory committees on development of policies, procedures, strategic plans, objectives, and vision; assisting with the determination of how rooms/exhibits will be utilized; and assisting with development of program recommendations.

MWHC has also received funds in the State budget through MDP in several years (\$250,000 in each of fiscal 2007, 2008, and 2013). Despite several years of State funding, MWHC has operated at a deficit in multiple years.

#### **Funding Sustainability Plan**

Several financial concerns regarding MWHC were highlighted in the report including that:

- MWHC had operated at a deficit in three of four years between fiscal 2008 and 2011 with a total deficit of \$117,883;

#### *D40W01 – Department of Planning*

- MWHC has heavily relied on State support for revenue (only \$151,051, or 40.09%, was obtained from other sources between fiscal 2008 and 2011); and
- MWHC spends very little on programming (5.12% of expenditures between fiscal 2008 and 2011) relative to staffing (40.7%), and nonstaffing operational costs (54.15% of expenditures between fiscal 2008 and 2011), which was considered unusual for an organization of this type.

The primary recommendation of the report focused on conducting a strategic planning process during which MWHC would identify performance measures to be tracked, assess staffing requirements, and identify whether the organization will operate as a community/cultural center or museum. The report also recommended that MWHC begin routinely completing audited annual financial reports. In addition, the report recommended that MWHC consider connecting with another museum if it intends to remain in downtown Baltimore City.

The response did not include a funding sustainability plan as requested because there was not sufficient information to use as a basis to inform the plan. Specifically, the response noted that there were not three years of audited financial statements or a strategic plan. As a result, the response also did not provide an amount of State support that is needed for MWHC. DHR will provide assistance beginning in fiscal 2013 to support MWHC's budgetary and accounting capacity and either conduct a financial audit or help MWHC prepare for an outside firm to conduct such an audit.

The response did, however, include a recommendation on the use of the fiscal 2013 State funds provided to MWHC. Under this recommendation, the funds would be used to support the strategic planning process (\$50,000) and provide operational support in each of fiscal 2013 and 2014 (\$100,000 in each year). The response recommended a cash match requirement for these funds of 25% in fiscal 2013 and 50% in fiscal 2014.

### **Recent Activity**

Ultimately, the use of the funds is at the discretion of MWHC. MDP, as the granting entity, did not require the match recommended in the JCR response. MDP is disbursing the funds to MWHC in multiple phases. The first disbursement consisted of \$150,000. The remaining \$100,000 will be disbursed in two phases: (1) approximately on March 15, 2013, following a mid-project report; and (2) approximately on August 30, 2013, following a final project report. No funds were provided to MWHC in MDP or DHR Administration in the fiscal 2014 budget.

## ***Current and Prior Year Budgets***

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### **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 2012</b>					
Legislative Appropriation	\$11,047	\$4,464	\$941	\$1,403	\$17,855
Deficiency Appropriation	0	0	0	0	0
Budget Amendments	94	159	297	0	550
Reversions and Cancellations	0	-273	-79	-189	-540
<b>Actual Expenditures</b>	<b>\$11,141</b>	<b>\$4,350</b>	<b>\$1,160</b>	<b>\$1,214</b>	<b>\$17,865</b>
<b>Fiscal 2013</b>					
Legislative Appropriation	\$11,668	\$4,540	\$953	\$1,443	\$18,603
Budget Amendments	0	60	6	0	66
<b>Working Appropriation</b>	<b>\$11,668</b>	<b>\$4,599</b>	<b>\$959</b>	<b>\$1,443</b>	<b>\$18,669</b>

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

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## **Fiscal 2012**

The general fund appropriation increased by \$94,184 to reflect the budget amendment for the general fund portion of the \$750 bonus as authorized in the fiscal 2012 budget bill.

The special fund appropriation decreased by \$113,884. The changes are as follows:

- **Budget Amendments** – An increase of \$158,738 for purchasing grants lifecycle management software for administration of the Maryland Heritage Areas Grant Program from a portion of the unspent prior year 10% allowance for administration expenses from State transfer tax funding (\$150,425) and for allocating the special fund portion of the \$750 bonus as authorized in the fiscal 2012 budget bill (\$8,313).
- **Cancellations** – A decrease of \$272,622 primarily as a result of cancellations in Management Planning and Educational Outreach primarily due to the Grants Management Software procurement being incomplete (\$198,701), Research Survey and Registration due to funding for an archaeological synthesis project publication not being expended and contractual FTE vacancies (\$44,264), and Planning Data Services due to lower than anticipated sales of MdProperty View, Finder, and tax maps (\$22,950).

The federal fund appropriation increased by \$218,653. The changes are as follows:

- **Budget Amendments** – An increase of \$297,200 for preparing Phase II of a *Historic Structures Report* for the Patterson Center at Jefferson Patterson Park and Museum in Calvert County (\$150,000), for the production of a *Pocket Guide to the Star Spangled Banner National Historic Trail* and development of interpretive projects for commemorating the Chesapeake Campaign of the War of 1812 as part of additions to the Cooperative Agreement for the War of 1812 History and Travel Guide (\$81,068), for covering turnover costs in Research Survey and Registration and Preservation Services (\$50,048), for hiring contractual staff to complete the Preserve America grant project which will result in public Internet access to the Maryland Historical Trust Library resources, including the Maryland Inventory of Historic Properties and National Register forms (\$8,454), and for the federal fund portion of the \$750 bonus as authorized in the fiscal 2012 budget bill (\$7,630).
- **Cancellations** – A decrease of \$78,547 primarily as a result of cancellations in Management Planning and Educational Outreach due to lower than anticipated funding needed from the Save America's Treasures grant and War of 1812 grant (\$40,106), Museum Services primarily due to salaries being charged to another fund type (\$23,284), and Research Survey and Registration primarily due to a Preserve America project contractual FTE being vacant (\$13,799).

The reimbursable fund appropriation decreased by \$189,123 due to cancellations. The cancellations primarily are in Planning Services due to reduced POS agreement funding (\$87,634), Planning Data Services due to a State agency not renewing its MdProperty yearly subscription (\$27,444), Museum Services due to Scorpion project conservation services not being needed yet



*D40W01 – Department of Planning*

(\$24,000), and Research Survey and Administration due to funding for an archaeological synthesis project publication not being expended (\$23,505).

**Fiscal 2013**

MDP's general fund appropriation has not changed.

MDP's special fund appropriation increases by \$59,568 to allocate the fiscal 2013 special fund appropriation for the COLA since the General Assembly created a special fund source, Budget Restoration Fund, during the 2012 special session in order to fund the general fund share of the COLA.

MDP's federal fund appropriation increases by \$6,485 to allocate the fiscal 2013 special fund appropriation for the COLA.

MDP's reimbursable fund appropriation has not changed.

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

<u>Object/Fund</u>	<u>FY 12 Actual</u>	<u>FY 13 Working Appropriation</u>	<u>FY 14 Allowance</u>	<u>FY 13 - FY 14 Amount Change</u>	<u>Percent Change</u>
<b>Positions</b>					
01 Regular	155.00	151.00	152.00	1.00	0.7%
02 Contractual	15.77	20.21	20.09	-0.12	-0.6%
<b>Total Positions</b>	<b>170.77</b>	<b>171.21</b>	<b>172.09</b>	<b>0.88</b>	<b>0.5%</b>
<b>Objects</b>					
01 Salaries and Wages	\$ 12,739,675	\$ 13,096,754	\$ 13,614,872	\$ 518,118	4.0%
02 Technical and Spec. Fees	480,693	666,449	670,401	3,952	0.6%
03 Communication	174,409	120,179	120,522	343	0.3%
04 Travel	144,502	100,544	76,356	-24,188	-24.1%
06 Fuel and Utilities	412,933	317,480	401,760	84,280	26.5%
07 Motor Vehicles	61,168	67,324	64,377	-2,947	-4.4%
08 Contractual Services	908,369	938,673	749,953	-188,720	-20.1%
09 Supplies and Materials	188,877	160,435	132,642	-27,793	-17.3%
10 Equipment – Replacement	133,863	26,339	16,056	-10,283	-39.0%
11 Equipment – Additional	5,530	0	0	0	0.0%
12 Grants, Subsidies, and Contributions	2,443,635	3,096,500	2,846,500	-250,000	-8.1%
13 Fixed Charges	171,211	78,615	81,640	3,025	3.8%
<b>Total Objects</b>	<b>\$ 17,864,865</b>	<b>\$ 18,669,292</b>	<b>\$ 18,775,079</b>	<b>\$ 105,787</b>	<b>0.6%</b>
<b>Funds</b>					
01 General Fund	\$ 11,141,192	\$ 11,667,723	\$ 11,984,308	\$ 316,585	2.7%
03 Special Fund	4,350,052	4,599,276	4,450,354	-148,922	-3.2%
05 Federal Fund	1,159,936	959,098	1,002,965	43,867	4.6%
09 Reimbursable Fund	1,213,685	1,443,195	1,337,452	-105,743	-7.3%
<b>Total Funds</b>	<b>\$ 17,864,865</b>	<b>\$ 18,669,292</b>	<b>\$ 18,775,079</b>	<b>\$ 105,787</b>	<b>0.6%</b>

Note: The fiscal 2013 appropriation does not include deficiencies. The fiscal 2014 allowance does not include contingent reductions.

**Fiscal Summary  
Department of Planning**

<u>Program/Unit</u>	<u>FY 12 Actual</u>	<u>FY 13 Wrk Approp</u>	<u>FY 14 Allowance</u>	<u>Change</u>	<u>FY 13 - FY 14 % Change</u>
01 Administration	\$ 2,881,822	\$ 2,874,201	\$ 2,916,852	\$ 42,651	1.5%
02 Communications and Intergovernmental Affairs	912,205	931,170	977,402	46,232	5.0%
03 Planning Data Services	1,955,219	2,003,620	2,083,074	79,454	4.0%
04 Planning Services	3,051,357	3,097,029	3,204,765	107,736	3.5%
07 Management Planning and Educational Outreach	4,207,511	4,546,072	4,463,573	-82,499	-1.8%
08 Museum Services	2,431,073	2,877,169	2,751,679	-125,490	-4.4%
09 Research Survey and Registration	1,196,985	1,266,204	1,262,630	-3,574	-0.3%
10 Preservation Services	1,009,899	1,073,827	1,115,104	41,277	3.8%
13 Office of Smart Growth	218,794	0	0	0	0%
<b>Total Expenditures</b>	<b>\$ 17,864,865</b>	<b>\$ 18,669,292</b>	<b>\$ 18,775,079</b>	<b>\$ 105,787</b>	<b>0.6%</b>
General Fund	\$ 11,141,192	\$ 11,667,723	\$ 11,984,308	\$ 316,585	2.7%
Special Fund	4,350,052	4,599,276	4,450,354	-148,922	-3.2%
Federal Fund	1,159,936	959,098	1,002,965	43,867	4.6%
<b>Total Appropriations</b>	<b>\$ 16,651,180</b>	<b>\$ 17,226,097</b>	<b>\$ 17,437,627</b>	<b>\$ 211,530</b>	<b>1.2%</b>
Reimbursable Fund	\$ 1,213,685	\$ 1,443,195	\$ 1,337,452	-\$ 105,743	-7.3%
<b>Total Funds</b>	<b>\$ 17,864,865</b>	<b>\$ 18,669,292</b>	<b>\$ 18,775,079</b>	<b>\$ 105,787</b>	<b>0.6%</b>

Note: The fiscal 2013 appropriation does not include deficiencies. The fiscal 2014 allowance does not include contingent reductions.