

Department of Legislative Services
Maryland General Assembly
2012 Session

FISCAL AND POLICY NOTE

Senate Bill 832 (Senator Pipkin)
Education, Health, and Environmental Affairs

Department of Natural Resources - Office of Planning

This bill abolishes the Maryland Department of Planning (MDP); transfers MDP's functions, powers, and duties to the Department of Natural Resources (DNR); and establishes an Office of Planning within DNR to assume the new planning functions, powers, and duties.

The bill takes effect July 1, 2012.

Fiscal Summary

State Effect: All MDP funds and positions are transferred to DNR in FY 2013 and subsequent years. Assuming MDP is not required to move offices, this analysis assumes that DNR can absorb any costs associated with consolidation, and that overall State finances are not materially affected.

Local Effect: None.

Small Business Effect: None.

Analysis

Bill Summary: As of July 1, 2012, the position of Secretary of Planning is abolished and a Director of the Office of Planning is established.

The Director of the Office of Planning must have (1) training or experience in State, regional, or local planning; or (2) significant civic, governmental, or business experience in matters connected with urban or rural planning. The director serves at the pleasure of,

is responsible directly to, and must advise, the Secretary of Natural Resources. The director is responsible for the operation of the Office of Planning and must establish guidelines and procedures to promote orderly and efficient administration.

Current Law/Background:

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 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. The program also disseminates U.S. Census and U.S. Department of Commerce information and 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 field 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 noncapital 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.
- 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.

The Governor's proposed fiscal 2013 budget includes \$17.2 million for MDP's operating budget and \$8.3 million for MDP's capital budget. The Governor's proposed fiscal 2013 operating budget for MDP includes a total of 171 positions and \$10.3 million in general funds.

Department of Natural Resources

DNR preserves, protects, enhances, and restores the State's natural resources for the use and enjoyment of all citizens. To accomplish this mission, DNR is structured into the programmatic units described below.

- The Office of the Secretary provides leadership, public outreach, customer service, legislative, financial, administrative, information technology, and legal services.
- The Forest Service manages the State forests and supports Maryland's forest and tree resources by providing private forestland management expertise, wildfire protection, and urban and community forestry assistance.
- The Wildlife and Heritage Service provides technical assistance and expertise to the public and private sectors for the conservation of Maryland's wildlife resources, including the management of threatened and endangered species, game birds and mammals, and the operation of Wildlife Management Areas.
- The Park Service manages natural, cultural, historic, and recreational resources in parks across the State and provides related educational services.

- Land Acquisition and Planning administers diverse financial assistance programs that support public land and easement acquisitions, local grants, waterway improvements, and shoreline protection.
- The Licensing and Registration Service operates seven regional service centers that assist the public with vessel titling and registration, off-road vehicle registration, commercial fishing licenses, and hunting and sport fishing licenses.
- The Natural Resources Police preserve and protect Maryland's natural resources and citizens through enforcement of conservation, boating, and criminal laws.
- Engineering and Construction provides engineering, project management, and construction services.
- The Chesapeake and Atlantic Coastal Bays Critical Area Commission promulgates criteria to minimize stormwater runoff impact, conserve living resources and habitats, and establish land use policies that accommodate growth while addressing the environmental impact of development along sensitive shorelines.
- Boating Services coordinates the Clean Marina Program, oversees two State-owned marinas, funds public boating access facilities and navigation channel dredging, and places regulatory markers and navigation aids.
- The Resource Assessment Service evaluates and directs implementation of environmental restoration and protection policy for tidal and nontidal ecosystems, ensures electricity demands are met at reasonable costs while protecting natural resources, and provides scientific assessments and technical guidance for the management of geologic and hydrologic resources.
- The Maryland Environmental Trust negotiates and accepts conservation easements over properties with environmental, scenic, historic, or cultural significance and provides grants, loans, and technical assistance to local land trusts.
- Watershed Services develops and supports watershed and waterway management strategies for the restoration, protection, and economic vitality of Chesapeake and coastal ecosystems.
- The Fisheries Service manages commercial and recreational harvests to maintain sustainable fisheries, enhance and restore fish species in decline, and promote fishery ethics and public involvement.

The Governor's proposed fiscal 2013 budget includes \$215.5 million for DNR's operating budget and \$156.6 million for DNR's capital budget. The Governor's proposed fiscal 2013 operating budget for DNR includes a total of 1,684 positions and \$43.7 million in general funds.

State Fiscal Effect: The bill requires all planning functions, powers, and duties to be transferred to DNR by July 1, 2012. Therefore, this analysis assumes all MDP operating and capital funds and positions shift to DNR in fiscal 2013 and subsequent years. **Exhibit 1** illustrates the Governor's proposed fiscal 2013 budgets for DNR and MDP.

Exhibit 1
Governor's Proposed Fiscal 2013 Budget – Funding and Positions
(\$ in Millions)

	<u>Department of Natural Resources</u>	<u>Maryland Department of Planning</u>
Operating Budget		
General Funds	\$43.7	\$10.3
Special Funds	129.9*	4.5
Federal Funds	28.3	1.0
Reimb. Funds	13.5	1.4
Subtotal	\$215.5	\$17.2
PAYGO Budget		
General Funds	0.0	7.0
Special Funds	3.0	0.1
Federal Funds	3.6	0.0
Subtotal	\$6.6	\$7.1
General Obligation Bonds	\$150.0	\$1.2
Total	\$372.1	\$25.5
Positions		
Regular	1,298.5	152.0
Contractual	385.5	19.2
Total	1,684.0	171.2

*Reflects \$1.2 million in State Program Open Space funding to be used for operating expenses in accordance with Chapter 397 of 2011.

Note: These budget amounts reflect funding reductions that are contingent on legislation.

Source: Governor's Fiscal 2013 Budget Books; Department of Legislative Services

Overall State revenues and expenditures are not expected to be materially affected by the bill. This analysis assumes that the Office of Planning operates out of MDP's existing offices in Baltimore, Crownsville, and in the field; the Secretary of Planning becomes the new Director of the Office of Planning and receives a comparable salary; all MDP staff are transferred to DNR and retain their positions and salaries; and, any decrease in expenditures associated with repealing the requirement for the Attorney General to be the legal advisor to MDP is offset by a corresponding increase in expenditures for the Attorney General to provide additional counsel to DNR.

Some efficiencies may be achieved by consolidating the two departments, especially in the information technology, administrative, and human resources areas. However, any savings will likely be offset by increases in administrative expenses associated with conducting routine business between Annapolis and Baltimore.

To the extent MDP is required to relocate to DNR's Annapolis office, expenditures increase significantly in fiscal 2013 to move to and establish new offices. MDP advises that moving offices may prompt significant staff retention issues, since individuals may not be willing to commute to Annapolis.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Department of Budget and Management, Department of Natural Resources, Maryland Department of Planning, Department of Legislative Services

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