

D40W01
Maryland Department of Planning

Operating Budget Data

(\$ in Thousands)

	FY 04	FY 05	FY 06	FY 05-06	% Change
	<u>Actual</u>	<u>Working</u>	<u>Allowance</u>	<u>Change</u>	<u>Prior Year</u>
General Fund	\$7,365	\$7,796	\$6,842	-\$954	-12.2%
Special Fund	285	325	318	-6	-2.0%
Federal Fund	308	0	0	0	
Reimbursable Fund	<u>1,314</u>	<u>1,006</u>	<u>1,037</u>	<u>32</u>	<u>3.2%</u>
Total Funds	\$9,271	\$9,126	\$8,197	-\$929	-10.2%
Contingent & Back of Bill Reductions			-39	-39	
Adjusted Total	\$9,271	\$9,126	\$8,158	-\$968	-10.6%

- The Maryland Department of Planning's (MDP) fiscal 2006 allowance represents a 10.6%, or \$967,731 decrease from the fiscal 2005 working appropriation. This overall decrease is primarily driven by a 12.7% decrease in MDP's general funds due to the elimination of 11 positions.

Personnel Data

	FY 04	FY 05	FY 06	FY 05-06
	<u>Actual</u>	<u>Working</u>	<u>Allowance</u>	<u>Change</u>
Regular Positions	120.00	121.00	110.00	-11.00
Contractual FTEs	<u>6.50</u>	<u>2.50</u>	<u>2.50</u>	<u>0.00</u>
Total Personnel	126.50	123.50	112.50	-11.00

Vacancy Data: Regular Positions

Turnover, Excluding New Positions	4.40	4.00%
Positions Vacant as of 12/31/04	6.00	4.96%

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

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- The fiscal 2006 allowance assumes the elimination of 11 positions, of which 7 are filled and 4 are vacant. These positions are located in the following program areas: 3 in General Administration, 1 in State Clearinghouse, 4 in Planning Data Services, and 3 in Local Planning Assistance.
- MDP's fiscal 2006 turnover rate of 4% is slightly lower than the fiscal 2005 working appropriation rate of 5%. MDP will be required to hold 4.4 regular positions vacant in fiscal 2006 to achieve this turnover rate.

Analysis in Brief

Issues

The Priority Places Strategy Advances: The Priority Places Strategy is a new, statewide effort to make well-planned development easier to achieve. Governor Robert L. Ehrlich, Jr. announced the first Priority Places designations in February 2005. **MDP should be prepared to discuss how it intends to evaluate the success of the Priority Places Strategy, whether other State agencies have the resources and authority to provide special assistance to Priority Places, whether this special treatment would result in other worthy projects receiving inadequate attention, and how Priority Places differs from Department of Housing and Community Development and Maryland Department of Transportation neighborhood investment programs.**

What the Push for Development Capacity Analysis Means for Maryland: Recently, the State has given considerable attention to the use of capacity or “build out” analysis as a primary tool for directing future development. **The Department of Legislative Services (DLS) recommends that MDP brief the committees on the status of its development capacity efforts and how they will be impacted by proposed fiscal 2006 position reductions; describe local jurisdictions’ interest and ability to use this data; and describe how this work will impact MDP’s efforts to promote growth in priority funding areas and preserve natural resources.**

MDP Submits Incomplete Report on Requiring Reimbursement for Local Planning Services: MDP submitted a report in October 2004 that described the Local Planning Division’s responsibilities but did not present a potential strategy for requiring local jurisdictions to reimburse the State for the Division’s planning services as requested. **MDP should be prepared to discuss why it did not fully comply with fiscal 2005 budget bill language that requested a potential strategy for requiring local jurisdictions to reimburse the State for planning services.**

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Recommended Actions

	<u>Funds</u>	<u>Positions</u>
1. Add budget bill language to require a report on the Priority Places Strategy.		
2. Delete an Assistant Secretary position.	\$ 98,562	1.0
3. Delete an Assistant Secretary position.	98,562	1.0
4. Add budget bill language reinstating three positions in Local Planning Assistance if special funding is secured.		
5. Reduce funding for the Local Planning Assistance division.	175,000	3.0
Total Reductions	\$ 372,124	5.0

Updates

Smart Growth and State Development Policy Report: This update summarizes a report on how MDP has integrated Smart Growth into the State Development Plan and its overall programs, goals, and organizational structure.

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Maryland Department of Planning

Operating Budget Analysis

Program Description

The Maryland Department of Planning (MDP) develops, coordinates, reviews, and monitors public and private sector plans for growth and development in the State. MDP consists of an administrative unit and the five programmatic units described below.

- **State Clearinghouse for Intergovernmental Assistance** facilitates intergovernmental review. The clearinghouse also coordinates review of applications for financial assistance, nominations to the National Register of Historic Places, 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.
- **Local Planning Assistance** provides technical services to improve the planning and management capacity of local governments. The program's Centreville, Cumberland, Salisbury, and Annapolis offices help local governments with land use planning, zoning, and urban design issues.
- **Comprehensive Planning** prepares studies and plans to guide the State's development. The program also provides technical support for the Patuxent River Commission.
- **Parcel Mapping** prepares computerized property maps. The program develops and sells maps on CD-ROMs to the public. This function was transferred from the Department of Assessments and Taxation to MDP in fiscal 1998.

MDP's primary goals are to:

- preserve valuable State natural resources including forests and farmland;
- support and enhance the vitality of communities and neighborhoods that have an existing or planned infrastructure;
- increase the return on infrastructure investments by encouraging new residential and employment growth in Priority Funding Areas; and

- provide web-enabled information and services to the public over the Internet.

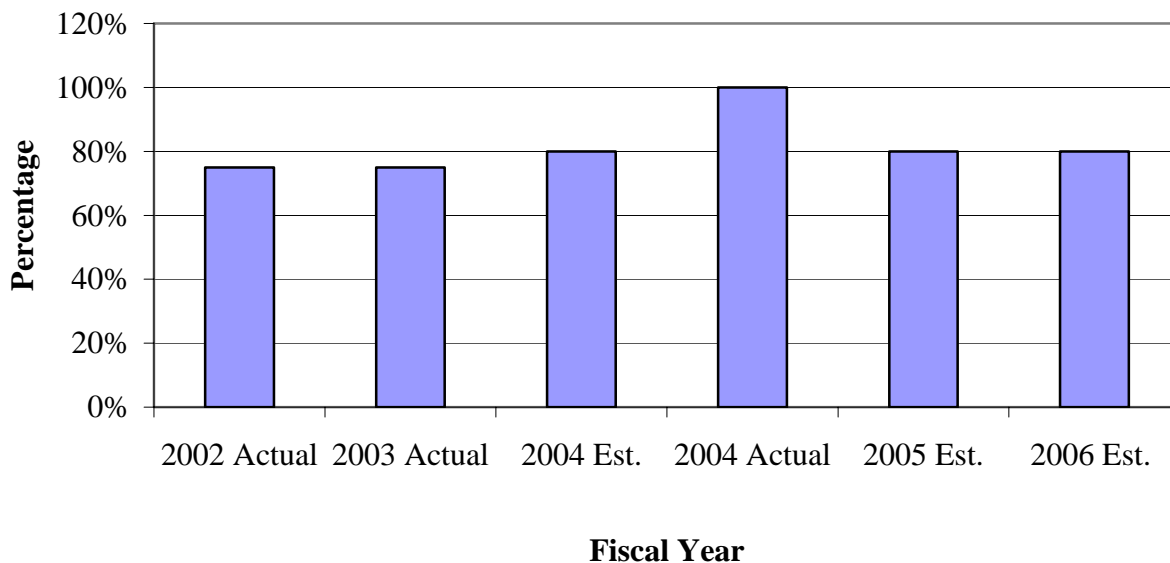
Performance Analysis: Managing for Results

Exhibits 1 and 2 provide data on two performance measurements that reflect key program areas. This data indicates the following performance trends:

- a projected decrease in new school sites being located in priority funding areas (PFAs), which are existing communities where local governments want State investment to support growth; and
- a projected decrease in the number of comprehensive plans and ordinances being written for local governments.

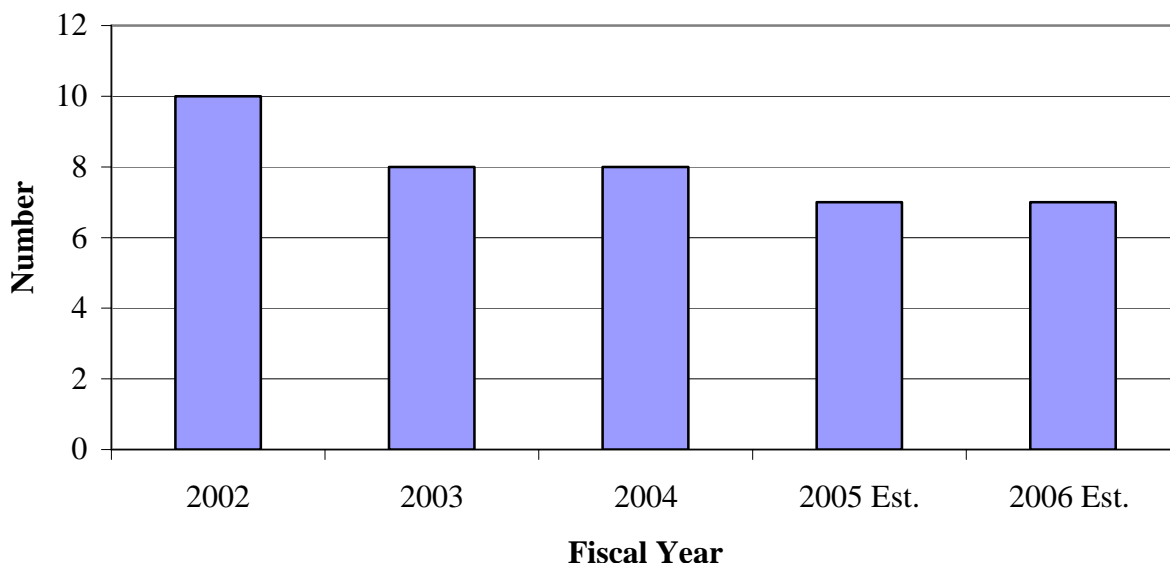
MDP should be prepared to discuss why it anticipates decreasing performance in these two areas, with a focus on the impact of fiscal 2006 funding decisions. Secondly, MDP should explain why the fiscal 2003 actual performance data for new school sites was changed from 50% in the fiscal 2005 budget books to 75% in the fiscal 2006 budget books, and whether the fiscal 2006 goal of 80% is an underestimate.

Exhibit 1
Approved New School Sites Located within Priority Funding Areas
Fiscal 2002 – 2006



Source: Governor's Budget Books, Fiscal 2005 and 2006

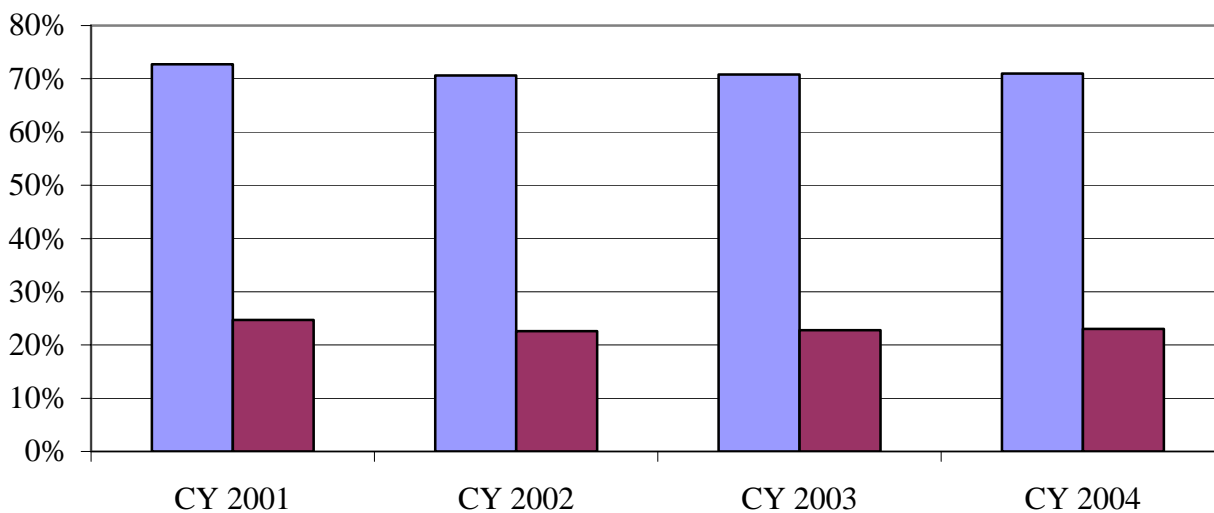
Exhibit 2
Comprehensive Plans and Ordinances Written for Local Governments
Fiscal 2002 – 2006



Source: Governor’s Budget Books, Fiscal 2005 and 2006

The State’s Smart Growth effort seeks to direct growth to PFAs. So one measure of the success of this effort is how much new development occurs within PFAs. There are two units of measurement that are used to track development – acres or recorded parcels, which can represent any number of acres. As shown in **Exhibit 3**, when total parcels developed are tracked, a high percentage of development is occurring inside PFAs. However, when total acres developed are tracked, significantly more land is consumed by development outside PFAs. This data suggests that while progress is being made, there is a significant amount of land being developed outside PFAs.

Exhibit 3
Percent of State Development inside Priority Funding Areas
Calendar 2001 – 2004



- % of Residential Single-family Parcels (20 Acres or Less in Size) Developed inside PFAs.
- % of Acreage Associated with Residential Single-family Parcels (20 Acres or Less in Size) Developed inside PFAs.

Source: Governor's Budget Books, Fiscal 2005 and 2006

Governor's Proposed Budget

As illustrated in **Exhibit 4**, MDP's fiscal 2006 allowance represents a 10.6%, or \$967,731 decrease from the fiscal 2005 working appropriation. This overall decrease is primarily driven by a 12.7% decrease in MDP's general funds due to the elimination of 11 positions. In addition, MDP's overall funding for contractual services decreases by \$105,568, limiting MDP's ability to do planning data compilation and analysis, and survey work. Other smaller reductions – consisting primarily of general funds – were made to telephone charges (\$45,176) and general office supplies and materials (\$35,630).

Exhibit 4
Governor's Proposed Budget
Maryland Department of Planning
(\$ in Thousands)

How Much It Grows:	General Fund	Special Fund	Reimbursable Fund	Total
2005 Working Appropriation	\$7,796	\$325	\$1,006	\$9,126
2006 Governor's Allowance	6,842	318	1,037	8,197
Contingent & Back of Bill Reductions	<u>-32</u>	<u>-2</u>	<u>-5</u>	<u>-39</u>
Adjusted Allowance	\$6,809	\$316	\$1,032	\$8,158
Amount Change	-\$986	-\$8	\$27	-\$968
Percent Change	-12.7%	-2.5%	2.7%	-10.6%

Where It Goes:

Personnel Expenses

Abolished 11 positions.....	-\$666
Increments and other compensation.....	176
Employee and retiree health insurance.....	-66
Turnover adjustments.....	52
Adjustments that MDP plans to offset with potential, new special, or federal revenue.....	-108
Funds associated with previously abolished positions.....	-163
Other personnel adjustments.....	12

Other Changes

Reduced contractual services throughout agency.....	-106
Telephone communication costs.....	-45
Supplies and materials.....	-36
Other adjustments.....	-18

Total **-\$968**

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

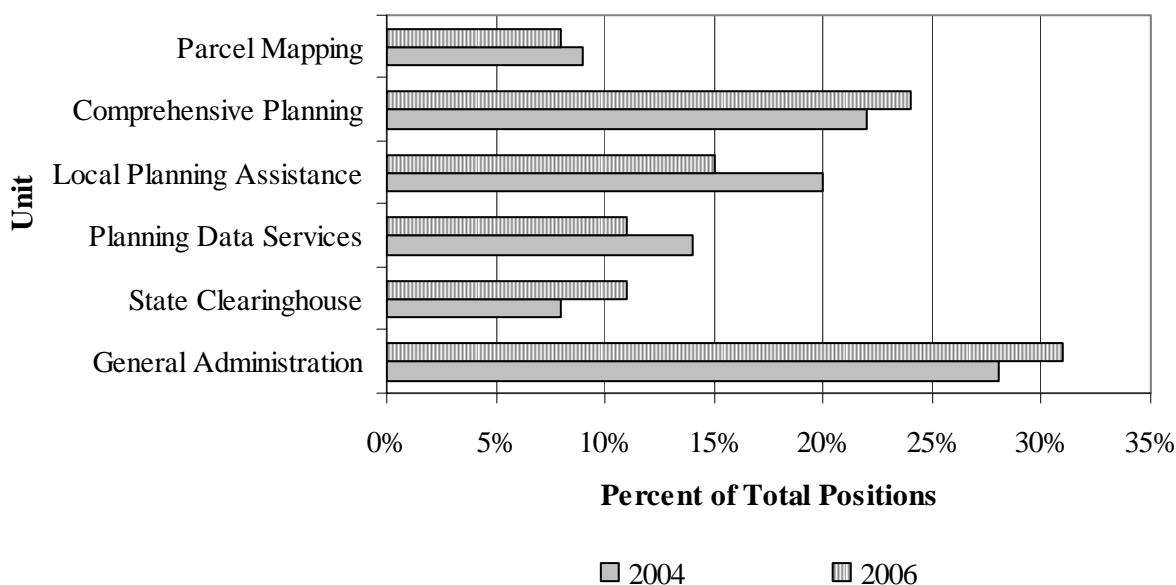
Impact of Strategic Budget Reductions

The fiscal 2006 allowance reduces MDP’s staff by 9%, targeting positions throughout the organization. This substantial reduction in staff will reduce the agency’s ability to develop and analyze planning data and to ensure that local development reflects State planning policies. This reduction in positions coupled with internal reorganizations aimed at better aligning staff within programs has shifted the organization’s focus. As shown in **Exhibit 5**, a greater percentage of the overall staff is working in Comprehensive Planning, the State Clearinghouse, and General Administration, while fewer staff resources are dedicated to Local Planning and Planning Data Services. The percentage of staff in General Administration grew from 28% in fiscal 2004, to a projected 31% in fiscal 2006. However, it is important to note that this shift is largely due to MDP consolidating approximately six secretarial positions in General Administration to improve managerial oversight and maintain flexibility.

Proposed Contingent Reductions

The fiscal 2006 allowance reflects the elimination of \$39,213 (subobject 0172), the appropriation for matching employee deferred compensation contributions up to \$600, contingent upon enactment of a provision in budget reconciliation legislation.

Exhibit 5
MDP Staffing Trends



Source: Department of Legislative Services

Issues

1. The Priority Places Strategy Advances

Background

The Priority Places Strategy is a new, statewide effort that seeks to make well-planned development easier to achieve. This initiative was launched in response to difficulties the State has faced in trying to promote well-planned development in existing communities and targeted growth areas. Specifically, this initiative seeks to foster development, redevelopment, and revitalization efforts that are models for land use patterns that benefit the economy, quality of life, and the environment, and ensure the best possible return on State investments. Priority Places will also recognize areas that are doing the planning necessary to accommodate expected growth, even if there is not a specific development project.

The Smart Growth Subcabinet, composed of the Secretaries of State agencies involved in decisions that affect growth, is overseeing the Priority Places initiative. The 11 agencies that will be partnering in this effort are listed in **Exhibit 6**. Designated Priority Places will benefit from a multiple-agency commitment to streamlined reviews and coordination as well as planning and technical assistance, targeted grant or loan funds, and expedited environmental review. As soon as a Priority Place is designated, the Smart Growth Subcabinet will create a comprehensive plan of assistance, committing the specific regulatory, technical, and financial resources to help local officials and developers bring the proposal to fruition. Each Priority Place will be designated for a limited period of time, typically three to five years or whenever the project is completed, whichever happens first.

Exhibit 6 Priority Places Partners

Department of Agriculture	Department of Natural Resources
Department of Budget and Management	Department of Housing and Community Development
Department of Transportation	Department of Business and Economic Development
Department of the Environment	Maryland Higher Education Commission
Department of General Services	University of Maryland, National Center for Smart Growth Research and Education
Department of Planning	

Source: Maryland Department of Planning

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In addition to supporting exemplary development projects, Priority Places will seek to identify ways to make State programs have a more positive impact on the cost, timing, and quality of development throughout PFAs. The State directs funding for growth-related infrastructure and facilities to PFAs, which are designated by local governments under the State's smart growth program. Over the long run, this initiative will seek to produce case studies that reveal stumbling blocks in State programs, policies that hinder development in PFAs, and difficulties in government coordination.

Current Status

In September 2004, 22 applications were submitted for the first round of Priority Places designations. Governor Robert L. Ehrlich, Jr. announced the first two Priority Places designations in February 2005, and they are described in **Exhibit 7**.

Exhibit 7
Priority Places
(As of February 2005)

<u>Project Name</u>	<u>Location</u>	<u>Purpose/Goal</u>
Poppleton Neighborhood	Baltimore City	To develop mixed income housing in a neighborhood that is poised for a turnaround after losing 37% of its population in the 1990s. The revitalization plan will leverage existing investment in the Hippodrome Theater as well as the BioPark being constructed by the University of Maryland.
Leonardtown Wharf	Leonardtown, St. Mary's County	To develop 5.5 acres along Breton Bay with offices, shops, apartments, and a park, and thus create an attractive waterfront destination on a site that has been vacant since the 1980s. A \$104,000 Community Legacy grant was used to clean up the site, and the community has already worked with State agencies on environmental issues.

Source: Maryland Department of Planning

Program Implementation Issues

Several issues concerning the Priority Places Strategy that may merit closer consideration are summarized below.

- **Capacity:** It is not clear that State agencies have the resources and authority to provide special assistance to Priority Places, or the guidance necessary to know what special services they should provide.
- **Fairness:** It is possible that the extra attention agencies will be required to give Priority Places may result in other worthy projects receiving inadequate attention.
- **Overlap:** The Department of Housing and Community Development's (DHCD) Community Legacy and Neighborhood Business Development programs and the Maryland Department of Transportation's (MDOT) Community Safety and Enhancement Program provide funds to assist neighborhoods with a wide variety of revitalization projects. There appears to be significant overlap between the Priorities Places Strategy and these programs.

MDP should be prepared to discuss how it intends to evaluate the success of the Priority Places Strategy, whether other State agencies have the resources and authority to provide special assistance to Priority Places, whether this special treatment would result in other worthy projects receiving inadequate attention, and how Priority Places differs from DHCD and MDOT neighborhood investment programs. Furthermore, budget bill language is recommended requiring MDP to submit a report on the status and impact of the Priority Places Strategy.

2. What the Push for Development Capacity Analysis Means for Maryland

Background

Since Maryland is the fifth most densely populated state in the country, the State's capacity to accommodate more development is an issue of great interest to MDP, builders, and the local governments that regulate growth. Homebuilders claim they are hampered by a lack of developable land and local zoning restrictions that make it difficult to build enough housing to keep home prices down. Environmentalists are concerned about the impact residential growth is having on natural resources.

Capacity or "build out" analysis is an analytical tool that determines the appropriate location for development as well as the development capacity of the natural or infrastructure systems. Capacity analysis addresses issues such as the availability of water to supply projected development, how pollution generated by new development will impact local streams and lakes, and the ability of existing roads and transit systems to handle increased traffic. There has been very limited use of

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build-out and capacity analysis in Maryland. This may be due in part to the costs associated with implementing these analytical techniques and disagreement concerning the most appropriate data and methodologies to use.

Recently, the State has given considerable attention to the use of capacity analysis as a primary tool for directing future development. Several key events are described below.

- **October 2003:** A Development Capacity Task Force was established through the Priority Places Executive Order (01.01.2003.33).
- **July 2004:** The Development Capacity Task Force submitted a report that reviewed methods for estimating residential development capacity (i.e., how many new households could “fit” across the State) and recommended uses for this information.
- **August 2004:** A Development Capacity Executive Order (01.01.2004.43) was announced that directs MDP to work with associations representing local governments, homebuilders, and environmental advocates to coordinate and direct future growth through a statewide development capacity analysis. Also, a local Memorandum of Understanding was signed by the State, Maryland Association of Counties, and Maryland Municipal League reinforcing a commitment to develop and use residential development capacity inventories.

Applying Capacity Analysis

MDP is currently working with local jurisdictions to develop the inventory data necessary to implement capacity analysis throughout the State. The goal of this effort is for local governments to use this development capacity information to update their comprehensive plans and potentially to adapt zoning codes to create enough capacity for future residential growth. To date, MDP has implemented this intensive capacity analysis work with existing staff and level funding. One of the most costly and time consuming elements of this effort is the development and standardization of local data. MDP advises that the State’s investment in this effort will help ensure similar methodologies and comparable data throughout the State, thus facilitating statewide analysis.

The Department of Legislative Services (DLS) recommends that MDP brief the committees on the status of its development capacity efforts and how they will be impacted by the proposed fiscal 2006 position reductions; describe local jurisdictions interest and ability to use this data; and describe how this work will impact MDP’s efforts to promote growth in PFAs and preserve natural resources.

3. MDP Submits Incomplete Report on Requiring Reimbursement for Local Planning Services

MDP planners currently provide technical assistance to local governments without financial compensation. Fiscal 2005 budget bill language required MDP to submit a report that outlined a strategy for ensuring that the State recovers the costs incurred by the Local Planning Division for providing technical assistance to local jurisdictions. MDP submitted a report in October 2004 that described the Local Planning Division's responsibilities but did not present a potential strategy for requiring local jurisdictions to reimburse the State for planning services. In this report, MDP argued strongly against requiring local reimbursement for services. Generally, the agency stated that if this occurs, it would strain established relationships with local jurisdictions and lead to less State participation in local land use decision making. This in turn would inhibit progress towards achieving statewide policy goals.

Specific arguments MDP provided for not outlining a reimbursement strategy are described below.

- Since no charges exist, planners are free to provide an unbiased State perspective; they are not required to make recommendations and write plans with the expectations of a paying client factoring into their decision making.
- MDP's ability to generate statewide plans and planning data tools such as the Maryland Property View is dependent upon local jurisdictions providing local data. If MDP is required to charge for its technical assistance, it may negatively impact its relationships with local jurisdictions and make it more difficult to obtain information.
- MDP lacks appropriate staff and infrastructure to undertake this shift in operations. Specifically, MDP planners lack experience in bidding out pieces of work, and it would be difficult to develop accurate work estimates.

MDP should be prepared to discuss why it did not fully comply with the fiscal 2005 budget bill language that requested a potential strategy for requiring local jurisdictions to reimburse the State for planning services.

Recommended Actions

1. Add the following language:

Further provided that the Maryland Department of Planning shall submit a report to the budget committees by December 1, 2005, describing the status and impact of the Priority Places Strategy. This report should provide specific examples of how State program coordination has improved, and a complete accounting of the financial support various State programs have or will target to each designated Priority Place. The committees shall have 45 days to review and comment upon the report.

Explanation: This bill language requires the Maryland Department of Planning (MDP) to submit a report by December 1, 2005, providing an update on the implementation of the Priority Places Strategy. Specifically, this report should provide the following information:

- several examples of how State program coordination has improved; and
- a complete accounting of the financial support various State programs have or will target to each designated Priority Place.

Information Request	Author	Due Date
Priority Places report	MDP	December 1, 2005

	<u>Amount Reduction</u>		<u>Position Reduction</u>
2. Delete an Assistant Secretary position (PIN 005483). This reduction reflects the fact that the Maryland Department of Planning is a small organization and does not require such significant executive oversight. The fiscal 2006 allowance includes funding for three Assistant Secretaries. Approximately two years ago, the agency had only one Assistant Secretary position.	\$ 98,562	GF	1.0
3. Delete an Assistant Secretary position (PIN 005457). This reduction reflects the fact that the Maryland Department of Planning is a small organization and does not require such significant executive oversight. The fiscal 2006 allowance includes funding for three Assistant Secretaries. Approximately two years ago, the agency had only one Assistant Secretary position.	98,562	GF	1.0

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4. Add the following language:

Provided that three positions in Local Planning Assistance may be reinstated if a budget amendment is submitted by July 1, 2005 providing special funds from local jurisdictions to pay for these positions.

Explanation: This provision reinstates three positions in the Maryland Department of Planning’s Local Planning Assistance division if special funds from local jurisdictions are provided to pay for these positions.

	<u>Amount Reduction</u>		<u>Position Reduction</u>
5. Reduce funding for the Local Planning Assistance division. This reduction would result in three filled positions being eliminated. In light of the State’s fiscal situation, funding for responsibilities of the local jurisdictions should not be a priority. The Maryland Department of Planning should be seeking reimbursement from local jurisdictions for the services it provides and bringing these special funds into its budget via budget amendment.	175,000	GF	3.0
Total General Fund Reductions	\$ 372,124		5.0

Updates

1. Smart Growth and State Development Policy Report

Narrative in the 2004 *Joint Chairmen's Report* required a report on how MDP has integrated Smart Growth into the State Development Plan and its overall programs, goals, and organizational structure. MDP submitted this report in October 2004. Several of the Smart Growth integration strategies MDP discussed in the report are summarized below.

- MDP has not developed a single written document that serves as the State Development Plan. Rather, MDP explains that the State Development Plan "...exists as a unified State-local system for economic growth and resource protection, driven by comprehensive planning, and based on universal statutory planning principles known as the Eight Visions."
- MDP has been working with a variety of local governments to revise and streamline local zoning and development regulations to encourage infill and walkable, mixed communities and to improve rural land preservation policies.
- MDP monitors county and municipal efforts to implement the Economic Growth, Resource Protection, and Planning Act of 1992 and to bolster efforts to direct growth to PFAs.
- MDP staffs and participates in the Smart Growth and Neighborhood Conservation Coordinating Committee, which reviews funding requests for projects outside PFAs, and serves as a forum for discussion of interdepartmental issues affecting Smart Growth.
- MDP recently launched the Priority Places Strategy, an effort to nurture potential models of Smart Growth.
- MDP intends to integrate Smart Growth principles into its efforts to help local jurisdictions institute development capacity (build-out) analyses into their comprehensive planning process.

Current and Prior Year Budgets

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

	<u>General Fund</u>	<u>Special Fund</u>	<u>Federal Fund</u>	<u>Reimb. Fund</u>	<u>Total</u>
Fiscal 2004					
Legislative Appropriation	\$7,820	\$225	\$0	\$1,004	\$9,049
Deficiency Appropriation	0	0	0	0	0
Budget Amendments	0	60	344	422	826
Cost Containment	-414	0	0	0	-414
Reversions and Cancellations	-41	0	-36	-112	-189
Actual Expenditures	\$7,365	\$285	\$308	\$1,314	\$9,272
Fiscal 2005					
Legislative Appropriation	\$7,714	\$325	\$0	\$1,006	\$9,045
Budget Amendments	82	0	0	0	82
Working Appropriation	\$7,796	\$325	\$0	\$1,006	\$9,127

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

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Fiscal 2004

MDP's general funds dedicated to operating functions decreased by \$455,149. This reduction is largely due to cost containment actions under the provisions of Section 7-213(a) of the State Finance and Procurement Article (Budget Amendment 37-04).

Special funds increased by \$60,000, due to a budget amendment that brought in increased revenue from the sale of MdProperty Map Web Companion software.

Federal funds increased by \$308,142. A total of \$344,400 in federal funds was brought in via budget amendment. These funds were used to provide small grants to communities in Western Maryland (Allegany, Garrett, and Washington counties) to implement community development projects and the Owings Mills Joint Development project, an effort to promote Smart Growth and improve air quality. These increases were partially offset by \$36,258 in project cancellations.

Reimbursable funds increased by \$309,154. This increase may be attributed to several additional projects, including \$141,400 from the University of Maryland for a land use project, and \$84,061 from the Department of Natural Resources to integrate growth management into the tributary strategy development process.

Fiscal 2005

General funds increased by \$81,204 due to allocation of the cost-of-living adjustment to State agencies as authorized in the fiscal 2005 budget bill (Budget Amendment 006-05).

Audit Findings

Audit Period for Last Audit:	February 16, 1999 – November 26, 2001
Issue Date:	April 2002
Number of Findings:	3
Number of Repeat Findings:	3
% of Repeat Findings:	43%
Rating: (if applicable)	

Finding 1: MDP and the Department of Budget and Management recorded certain transactions at the end of fiscal 2001 in a manner that circumvented budget procedures and the intent of State budgetary law.

Finding 2: MDP lacked proper controls and accountability over its equipment inventory, and did not comply with numerous requirements of the Department of General Services' *Inventory Control Manual*.

Finding 3: MDP did not fully use available security features of the State's Financial Management Information System to restrict user access and prevent unauthorized purchasing and disbursement transactions.

*Bold denotes item repeated in full or part from preceding audit report.

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

<u>Object/Fund</u>	<u>FY04 Actual</u>	<u>FY05 Working Appropriation</u>	<u>FY06 Allowance</u>	<u>FY05 - FY06 Amount Change</u>	<u>Percent Change</u>
Positions					
01 Regular	120.00	121.00	110.00	-11.00	-9.1%
02 Contractual	6.50	2.50	2.50	0	0%
Total Positions	126.50	123.50	112.50	-11.00	-8.9%
Objects					
01 Salaries and Wages	\$ 7,883,376	\$ 8,275,719	\$ 7,551,692	-\$ 724,027	-8.7%
02 Technical & Spec Fees	92,899	71,325	74,275	2,950	4.1%
03 Communication	134,100	183,768	142,970	-40,798	-22.2%
04 Travel	88,354	31,306	26,445	-4,861	-15.5%
07 Motor Vehicles	10,870	18,220	12,688	-5,532	-30.4%
08 Contractual Services	547,202	384,337	278,769	-105,568	-27.5%
09 Supplies & Materials	135,622	99,278	63,648	-35,630	-35.9%
10 Equip - Replacement	102,563	11,000	0	-11,000	-100.0%
11 Equip - Additional	42,757	0	0	0	0.0%
12 Grants, Subsidies, and Contributions	185,408	0	0	0	0.0%
13 Fixed Charges	48,251	50,897	46,845	-4,052	-8.0%
Total Objects	\$ 9,271,402	\$ 9,125,850	\$ 8,197,332	-\$ 928,518	-10.2%
Funds					
01 General Fund	\$ 7,364,740	\$ 7,795,681	\$ 6,841,695	-\$ 953,986	-12.2%
03 Special Fund	285,000	324,610	318,151	-6,459	-2.0%
05 Federal Fund	308,142	0	0	0	0.0%
09 Reimbursable Fund	1,313,520	1,005,559	1,037,486	31,927	3.2%
Total Funds	\$ 9,271,402	\$ 9,125,850	\$ 8,197,332	-\$ 928,518	-10.2%

Note: The fiscal 2005 appropriation does not include deficiencies, and the fiscal 2006 allowance does not reflect contingent reductions.

**Fiscal Summary
Maryland Department of Planning**

<u>Program/Unit</u>	<u>FY04 Actual</u>	<u>FY05 Wrk Approp</u>	<u>FY06 Allowance</u>	<u>Change</u>	<u>FY05 - FY06 % Change</u>
01 General Administration	\$ 2,528,513	\$ 2,849,208	\$ 2,455,290	-\$ 393,918	-13.8%
02 State Clearinghouse	536,588	626,421	903,462	277,041	44.2%
03 Planning Data Services	1,605,122	1,469,725	1,169,509	-300,216	-20.4%
04 Local Planning Assistance	1,770,984	1,728,471	1,054,768	-673,703	-39.0%
05 Comprehensive Planning	2,105,912	1,731,599	2,005,758	274,159	15.8%
06 Parcel Mapping	724,283	720,426	608,545	-111,881	-15.5%
Total Expenditures	\$ 9,271,402	\$ 9,125,850	\$ 8,197,332	-\$ 928,518	-10.2%
General Fund	\$ 7,364,740	\$ 7,795,681	\$ 6,841,695	-\$ 953,986	-12.2%
Special Fund	285,000	324,610	318,151	-6,459	-2.0%
Federal Fund	308,142	0	0	0	0.0%
Total Appropriations	\$ 7,957,882	\$ 8,120,291	\$ 7,159,846	-\$ 960,445	-11.8%
Reimbursable Fund	\$ 1,313,520	\$ 1,005,559	\$ 1,037,486	\$ 31,927	3.2%
Total Funds	\$ 9,271,402	\$ 9,125,850	\$ 8,197,332	-\$ 928,518	-10.2%

Note: The fiscal 2005 appropriation does not include deficiencies, and the fiscal 2006 allowance does not reflect contingent reductions.

**Fiscal 2006 Cost Containment Actions
As Submitted by the Agency
Estimated Fiscal 2006 Savings
Compared to Fiscal 2005**

<u>Cost Saving Action/Efficiency Measure</u>	<u>Program Code</u>	<u>Total Funds</u>	<u>General Funds</u>	<u>Special Funds</u>	<u>Positions Reduced</u>	<u>Impact of Action</u>
Elimination of GIS Unit Employee	D40W0103				1	Less support to citizens and agencies.
Elimination of GIS Unit Employee	D40W0103				1	Eliminate land use land cover updates.
Elimination of GIS Unit Employee	D40W0103				1	Eliminate State Highway Administration grid map updates.
Elimination of GIS Unit Employee	D40W0103				1	Eliminate numerous other layer updates.
Elimination of Local Planner	D40W0104				1	Potential problems with future infrastructure surveys.
Elimination Clearinghouse Employee	D40W0102				1	Less and slower EMIRC reviews.
Elimination of Network Administrator	D40W0101				1	Reduced network support.
Elimination of vacancy	D40W0101				1	
Elimination of vacancy	D40W0101				1	
Elimination of vacancy	D40W0104				1	
Elimination of vacancy	D40W0104				1	
					11	