

D40W01
Department of Planning

Operating Budget Data

(\$ in Thousands)

	<u>FY 06</u>	<u>FY 07</u>	<u>FY 08</u>	<u>FY 07-08</u>	<u>% Change</u>
	<u>Actual</u>	<u>Working</u>	<u>Allowance</u>	<u>Change</u>	<u>Prior Year</u>
General Fund	\$10,965	\$14,805	\$14,517	-\$288	-1.9%
Special Fund	1,770	4,304	4,119	-185	-4.3%
Federal Fund	919	819	937	118	14.4%
Reimbursable Fund	<u>1,529</u>	<u>1,261</u>	<u>1,172</u>	<u>-90</u>	<u>-7.1%</u>
Total Funds	\$15,183	\$21,190	\$20,746	-\$444	-2.1%

- The Maryland Department of Planning's (MDP) fiscal 2008 allowance of \$20.7 million represents a 2.1%, or \$444,294 decrease from the fiscal 2007 working appropriation. General funds decrease by 1.9%, special funds decrease by 4.3%, and federal funds increase by 14.4%. However, when the one-time decrease in health insurance is factored in the underlying growth in MDP's fiscal 2008 allowance is \$233,232, or 1.1%.
- The decrease of 1.9%, or \$228,004 in general funds is due to a \$751,722 reduction in the grants available to be distributed by the Office of Museum Services' Museum Assistance Grants Program. This decrease is partially offset by increases for personnel costs; fund swaps from reimbursable and special funds to general funds in Local Planning Assistance, and Office of Research Survey and Registration; and electricity cost increases at the Jefferson Patterson Park and Museum (\$158,355).
- Special funds decrease in the allowance by \$184,545, primarily due to decreases in Office of Museum Services' entrance fees, publications sales, rental fees, and curation projects associated with staffing shortages.
- Federal funds increase as a result of a \$167,000 increase in grants for Maryland's Appalachian Regional Commission program. Decreases due to a reduction in federally funded full-time equivalent (FTE) contractuels (\$18,913), and a one-time budget coding anomaly (\$13,609), partially offset the federal funds increase.

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

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Personnel Data

	<u>FY 06</u>	<u>FY 07</u>	<u>FY 08</u>	<u>FY 07-08</u>
	<u>Actual</u>	<u>Working</u>	<u>Allowance</u>	<u>Change</u>
Regular Positions	184.00	187.00	184.00	-3.00
Contractual FTEs	<u>9.67</u>	<u>14.20</u>	<u>15.92</u>	<u>1.72</u>
Total Personnel	193.67	201.20	199.92	-1.28

Vacancy Data: Regular Positions

Turnover, Excluding New Positions	9.38	5.10%
Positions Vacant as of 12/31/06	20.00	10.70%

- MDP’s regular positions are reduced by three in the fiscal 2008 allowance. Two positions were abolished in the Local Planning Assistance program, and one position was abolished in the Office of Museum Services. MDP reports that the loss of the two positions in the Local Planning Assistance program will not affect MDP’s ability to meet statutory requirements.
- Contractual positions for MDP increase by 1.72 FTEs. One contractual FTE will monitor easements for the Maryland Historical Trust in the Office of Preservation Services, and a second contractual FTE will perform accounting duties associated with the merger of MDP’s programs and the Division of Historical and Cultural Programs.
- To meet turnover, MDP only needs 9.38 vacant positions in fiscal 2008. However, MDP currently has 20 vacant positions, 3 of which are abolished in the fiscal 2008 allowance, 1 which has already been filled, and 1 position which is expected to be filled.

Analysis in Brief

Issues

Base Realignment and Closure Study Says More Planning Is Needed: The recent decennial round of federal military base consolidations proved to be a windfall for Maryland. Base Realignment and Closure (BRAC) will bring approximately 28,000 households to Maryland in the coming years and with these new households, the need for significant infrastructure improvements in Harford County (Aberdeen Proving Ground), Prince George’s County (Andrew’s Air Force Base), Montgomery County (National Naval Medical Center), and Anne Arundel County (Fort George G. Meade). **The Department of Legislative Services (DLS) recommends that MDP comment on the role of the State in planning for BRAC infrastructure and on how the State proposes to determine what its obligation is in terms of financing BRAC-related infrastructure needs.**

Legislation Creates New Planning Requirements: Maryland has a history of local planning autonomy: counties and municipalities create comprehensive plans which are put into effect by subdivision regulations, zoning, and in some but not all cases, *Capital Improvement Programs*. Maryland State law requires that comprehensive plans be written and that a separate water and sewerage plan be created. With the passage of Chapter 381 of 2006 (Land Use – Local Government Planning Act); Chapter 289 of 2006 (Agricultural Stewardship); and Chapter 483 of 2006 (Workforce Housing Grant Program), four new elements concerning existing and future growth have requirements in comprehensive plans. **DLS recommends that MDP brief the committees on the status of the Task Force on the Future for Growth and Development in Maryland and on preliminary findings related to municipal corporation and county ability to conduct the necessary planning to meet the four new comprehensive plan elements.**

Office of Smart Growth Revisited: Governor O’Malley has brought back the Office of Smart Growth (OSG), but this time it will likely be sited in the Maryland Department of Planning as opposed to being a separate cabinet-level entity. Being sited in MDP will reduce the likelihood of duplicative smart growth efforts as was a concern under the Glendening Administration’s arrangement. **DLS recommends that MDP comment on the OSG proposal and specifically comment on what funding, positions, and programmatic focus will be associated with the new office.**

Merger Progressing but Lacks Funding for Personnel Relocation: In accordance with Chapter 440 of 2005, the Division of Historical and Cultural Programs (including the Maryland Historical Trust and the Commission on African American History and Culture) and the Maryland Heritage Authority were transferred from the Department of Housing and Community Development to MDP. The merger began October 1, 2005, and MDP reports that the merger has had a number of successful integrations. **DLS recommends that MDP discuss what its plans are for physical integration of the historical and cultural program staff and what opportunities and challenges exist because of the merger.**

Recommended Actions

	<u>Funds</u>
1. Reduce Office of Museum Services grants to reflect a more realistically competitive grant disbursal program.	\$ 259,691
Total Reductions	\$ 259,691

Updates

Priority Funding Areas and Small Community Densities Report: Committee narrative in the 2006 *Joint Chairmen’s Report* required MDP to submit a report on the programmatic and/or regulatory changes that MDP intends to implement to help small communities access the State resources they need to manage growth, such as by securing Priority Funding Area designation. The language addressed the concern that density requirements preclude small communities from attaining Priority Funding Area designation – both because the 3.5 units per acre requirement is difficult to meet and because the density requirement makes it difficult to meet the community water systems requirement.

MDP Headquarters Move Report: Fiscal 2007 budget bill language required that MDP, the Department of Budget and Management, and the Department of General Services submit a report providing the best location for MDP’s headquarters, the economic impact of moving from Baltimore City, and a complete accounting of available State-owned buildings and land that would fit MDP’s needs. This report was required in response to the inclusion of funding in MDP’s fiscal 2007 allowance for moving MDP’s headquarters from Baltimore City to Prince George’s County. No funding is in the fiscal 2008 allowance for such a move.

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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 two administrative units and the programmatic units 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 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. This program also develops and sells computerized property maps on CD-ROM to the public.
- **Planning Services** 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, and provides technical support for the Patuxent River Commission.
- **Office of Museum Services** provides financial and technical assistance to more than 220 historic and cultural museums, and operates the Banneker-Douglass Museum in Annapolis and 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.
- **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 historical rehabilitation tax credits.

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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 (PFAs); and
- provide web-enabled information and services to the public over the Internet.

The Department of Legislative Services (DLS) recommends that MDP update its goals to reflect the merger with the Division of Historical and Cultural Programs.

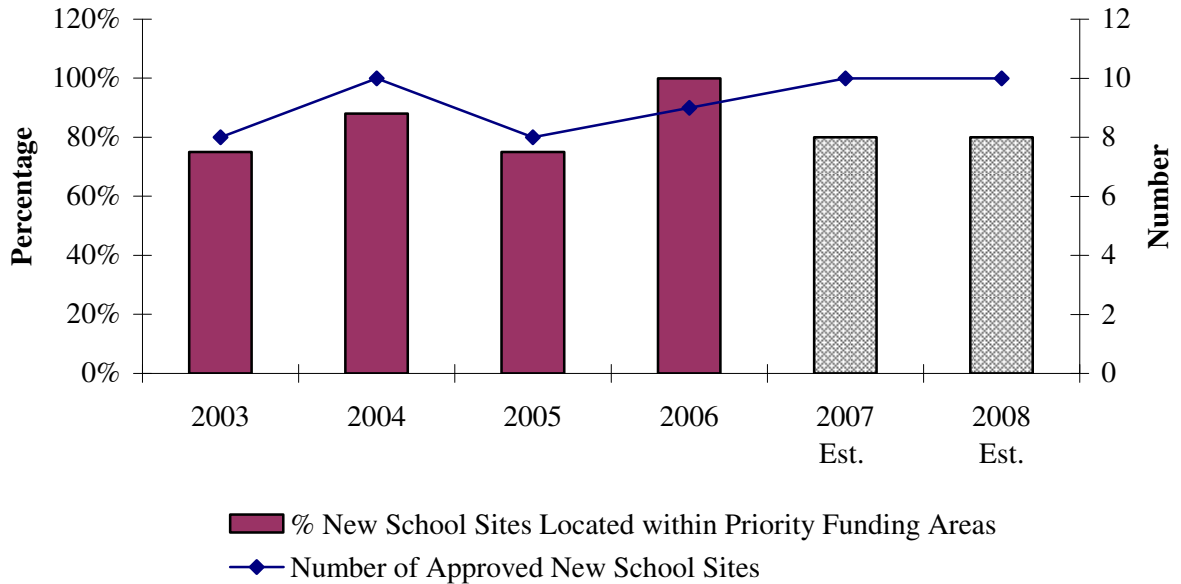
Performance Analysis: Managing for Results

MDP's performance information indicates increases for comprehensive plan writing and museum visitation. **Exhibit 1** provides data on performance measurements that reflect key program areas. This data indicates the following performance trends:

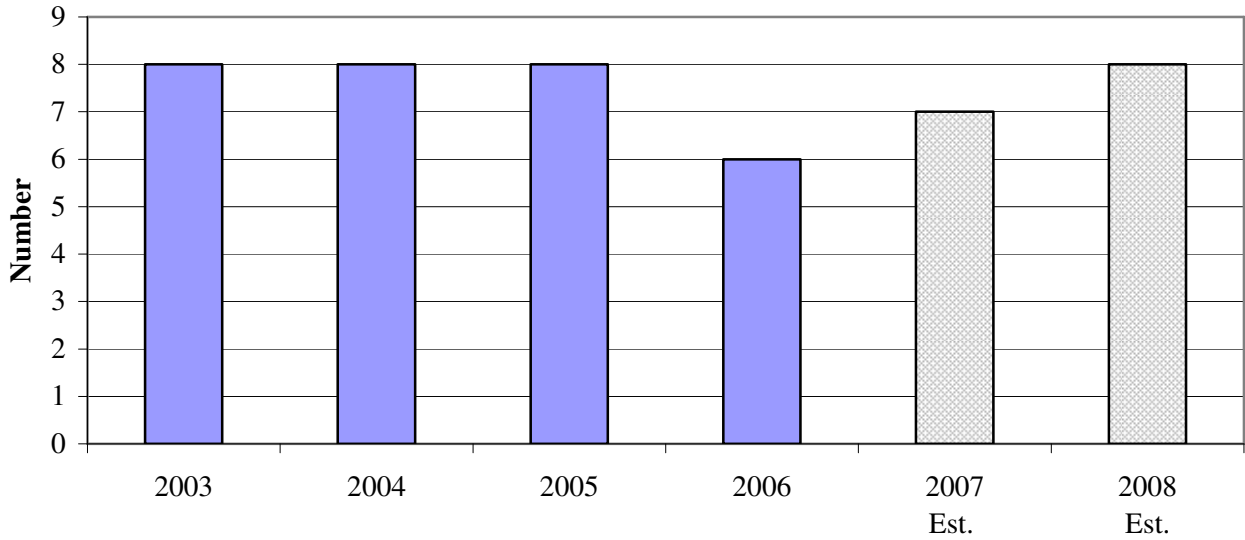
- a projected decrease in new school sites being located in PFAs, which are existing communities where local governments want State investment to support growth;
- a projected increase in the number of comprehensive plans and ordinances being written for local governments; and
- a significant projected increase in museum visitation in fiscal 2007 and 2008.

MDP should discuss the reasons for why fewer new school sites are projected to be located in PFAs, why the number of comprehensive plans and ordinances written are expected to increase, and why significant increases in museum visitation are projected in fiscal 2007 and 2008 for both the Jefferson Patterson Park and Museum and Banneker-Douglass Museum.

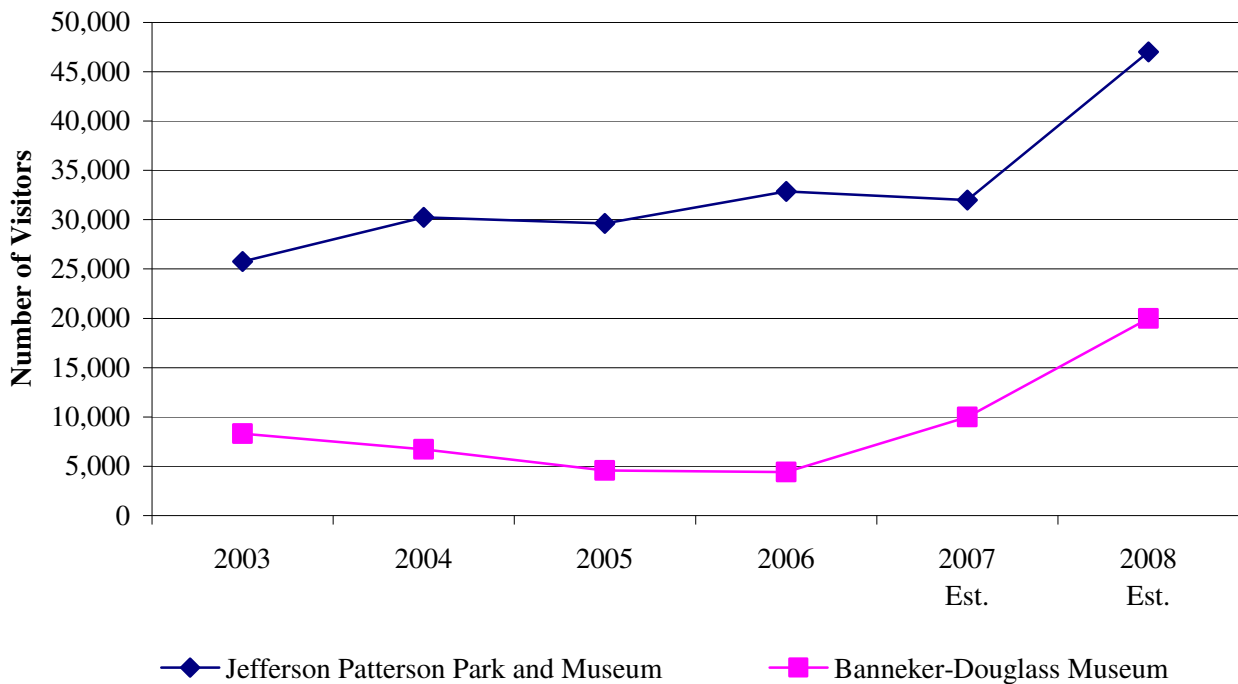
**Exhibit 1
New School Sites Located within Priority Funding Areas
Fiscal 2003-2008**



**Comprehensive Plans and Ordinances Written for Local Governments
Fiscal 2003-2008**



**Jefferson Patterson Park and Museum
Banneker-Douglas Museum
Fiscal 2003-2008**



Governor's Proposed Budget

As illustrated in **Exhibit 2**, MDP's fiscal 2007 allowance of \$20.7 million represents a 2.1%, or \$0.4 million decrease from the fiscal 2007 working appropriation. However, when the one-time decrease in health insurance is factored in the underlying growth in MDP's fiscal 2008 allowance is \$233,232, or 1.1%. The overall decrease in funding (not counting the health insurance change) reflects a significant general fund decrease, as described below.

Personnel Expenses

The fiscal 2008 allowance provides \$54,000 less for personnel expenses than the fiscal 2007 working appropriation primarily due to the one-time decrease in health insurance costs. The personnel expense decreases include \$489,183 for one-time health insurance savings and \$171,843 for three abolished positions. The largest personnel cost increase is \$225,286 for employee retirement contributions followed by \$213,813 for turnover reduction adjustments and \$161,882 for increments and other compensation.

**Exhibit 2
Governor’s Proposed Budget
Department of Planning
(\$ in Thousands)**

How Much It Grows:	General Fund	Special Fund	Federal Fund	Reimb. Fund	Total
2007 Working Appropriation	\$14,805	\$4,304	\$819	\$1,261	\$21,190
2008 Governor’s Allowance	<u>14,517</u>	<u>4,119</u>	<u>937</u>	<u>1,172</u>	<u>20,746</u>
Amount Change	-\$288	-\$185	\$118	-\$90	-\$444
Percent Change	-1.9%	-4.3%	14.4%	-7.1%	-2.1%

Where It Goes:

Personnel Expenses

Employee retirement contributions.....	\$225
Turnover reduction adjustments	214
Increments and other compensation.....	162
Social Security and Medicare contributions	24
Deferred compensation	12
Health insurance costs decline due to one-time savings	-489
Abolished/transferred positions	-172
Workers’ compensation premium assessment	-30

Other Changes

Enhance the Vitality of Communities and Neighborhoods

Grant money for the Appalachian Regional Commission program in Maryland	167
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Provide the Resources Necessary to Accomplish MDP’s Mission

Electricity increases at Jefferson Patterson Park and Museum.....	158
Additional contractual employees.....	30
Other adjustments	6

Encourage Economic Development by Enhancing Historic Resources

Reduction in Museum Assistance Grants Program.....	-751
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Total	-\$444
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MDP: Maryland Department of Planning

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

Programmatic Expenses

Programmatic expenses decrease \$390,000 between the fiscal 2007 working appropriation and the fiscal 2008 allowance. The most significant change is a \$751,722 reduction for the Museum Assistance Grants Program. This reduction in grants will result in a more competitive grants disbursement process. MDP's goal of enhancing the vitality of communities and neighborhoods is furthered by the increase of \$167,000 for Maryland's Appalachian Regional Commission program grants in Allegany, Garrett, and Washington counties. Electricity increases at Jefferson Patterson Park and Museum for \$158,355 reflect its energy-intensive nature relative to most of MDP's operations.

Issues

1. Base Realignment and Closure Study Says More Planning Is Needed

The recent decennial round of federal military base consolidations proved to be a windfall for Maryland. Base Realignment and Closure (BRAC) will bring approximately 28,000 households to Maryland in the coming years and with these new households, the need for significant infrastructure improvements in Harford County (Aberdeen Proving Ground), Prince George's County (Andrew's Air Force Base), Montgomery County (National Naval Medical Center), and Anne Arundel County (Fort George G. Meade). In addition, spillover effects are anticipated in Baltimore City, Baltimore County, Cecil County, and Howard County. The Maryland Department of Planning recently published a study on the impacts of BRAC in Maryland. The study was embargoed for over half a year until an agreement could be made about sensitive growth projections.

BRAC Subcabinet, Infrastructure Fast-tracking, or Both?

Legislation has been introduced in the 2007 session (HB 136/SB110, Base Realignment and Closure Subcabinet) to create a BRAC Subcabinet. The group would be led by the Lieutenant Governor and would include the Secretaries of the Department of Business and Economic Development, Maryland Department of the Environment, Maryland Higher Education Commission, Department of Housing and Community Development (DHCD), Department of Labor, Licensing, and Regulation, Department of Transportation, Department of Budget and Management (DBM), and MDP. Noticeably absent from the proposed legislation is the Department of Natural Resources. The subcabinet would be tasked with tracking funding, activities, and ensuring quality of life during the BRAC process. The idea is for the subcabinet to help decide what is BRAC-related infrastructure so that the State may provide adequate funding to meet its infrastructure development obligations.

In addition, House Bill 118 (State Government – Priority Funding for Public School and Transportation Projects for BRAC) has been submitted. This bill would involve the Interagency Committee on School Construction and the *Consolidated Transportation Program* (CTP). Any public school construction project that is needed to accommodate projected student population growth would be prioritized by the Interagency Committee on School Construction, and any capital project that is needed to accommodate projected transportation needs related to BRAC would be prioritized in the CTP.

Planning and Funding Needs

Funding for BRAC improvements in Maryland has yet to be determined. MDP projects that infrastructure funding may come from a combination of local, State, and federal sources.

Already Harford, Baltimore and Cecil counties have formed the “Chesapeake Science & Security Corridor” to address planning and funding of BRAC-related growth surrounding Aberdeen Proving Ground. **Exhibit 3** shows information in MDP’s BRAC report that reflects the planning needs of counties and jurisdictions. Overall, MDP’s report indicates that Cecil and Harford counties are expected to have the greatest planning needs because they will experience the greatest growth pressures for both new and existing housing between 2009 and 2015, the period of greatest BRAC-related housing demand. In addition, from a smart growth perspective, counties with less protective rural zoning have the potential for significant sprawl due to the anticipated shortage of higher income housing capacity in the Priority Funding Areas of BRAC-impacted counties.

DLS recommends that MDP comment on the role of the State in planning for BRAC infrastructure and on how the State proposes to determine what its obligation is in terms of financing BRAC-related infrastructure needs.

2. Legislation Creates New Planning Requirements

Maryland has a history of local planning autonomy – counties and municipalities create comprehensive plans which are put into effect by subdivision regulations, zoning, and in some but not all cases, *Capital Improvement Programs*. Maryland State law requires that comprehensive plans be written and that a separate water and sewerage plan be created. With the passage of Chapter 381 of 2006 (Land Use – Local Government Planning Act); Chapter 289 of 2006 (Agricultural Stewardship); and Chapter 483 of 2006 (Workforce Housing Grant Program), four new elements concerning existing and future growth have requirements in comprehensive plans as follows (with deadlines):

- **Water Resource Element** – identification of drinking water and suitable waters/land areas for solid waste management and wastewater treatment (October 1, 2009);
- **Municipal Growth Element** – identification of past and current growth trends, projection of future growth and annexations (requires communication between a municipality and its county), and examination of infrastructure and natural resources impacts (October 1, 2009);
- **Priority Preservation Area Element** – certification of alignment with Maryland Agricultural Land Preservation Fund (MALPF) agricultural preservation guidelines for future MALPF funding eligibility (July 1, 2008); and

Exhibit 3
BRAC Water and Wastewater Planning Needs

County	Jurisdictions	Sewage Treatment Capacity Status	Water Treatment Capacity Status	Comprehensive Plan Current/Due	County Water and Sewerage Plan Current/Due	Rural Zoning MDP Rating
Cecil		Adequate	Inadequate	1997/2003	2004/2007	Least Protective
	Elkton	Adequate	Limited			
	Perryville	Limited	Limited			
	Port Deposit	Inadequate	Inadequate			
	Rising Sun	Limited	Limited			
	North East	Adequate	Adequate			
	Charlestown	Adequate	Limited			
Harford		Adequate	Limited	2004/2010	2005/2008	Least Protective
	Havre de Grace	Adequate	Adequate			
	Aberdeen	Adequate	Limited			
	Bel Air	Adequate	Inadequate			
	APG (Army)	Unknown				
	Edgewood (Army)	Unknown				
Baltimore County		Adequate	Adequate	2000/2006	2004/2007	Most Protective
Baltimore City		Adequate	Adequate	1973/2006	1995/1998	
Anne Arundel		Adequate	Adequate	1997/2003	2003/2006	Moderately Protective
	Ft. Mead Army	Unknown			2004/2007	

County	Jurisdictions	Sewage Treatment Capacity Status	Water Treatment Capacity Status	Comprehensive Plan Current/Due	County Water and Sewerage Plan Current/Due	Rural Zoning MDP Rating
Howard		Limited in Patuxent Adequate in Patapsco	Adequate	2000/2006		Least Protective
Prince George's		Adequate	Adequate	2000/2006	2001/2004	Least Protective
	Bowie	Adequate	Limited			
Montgomery		Adequate	Adequate	1993 + Sector Plans	2003/2007	Most Protective

BRAC: Base Realignment and Closure
 MDP: Maryland Department of Planning

Source: Maryland Department of Planning

- **Workforce Housing Element** – approval of a U.S. Department of Housing and Urban Development-required workforce housing element for Workforce Housing Grant Program funding eligibility.

In addition, the legislation called for the creation of the Task Force on the Future for Growth and Development in Maryland. The task force includes members of the House and Senate; Secretary of Planning; Secretary of the Environment; Director of the University of Maryland’s National Center for Smart Growth; four representatives designated by the Maryland Municipal League and Maryland Association of Counties; and a Governor-appointed member of the environmental community, of the State Builders Association, and the agricultural community. The task force is required to submit a report on or before December 1, 2007, that provides the findings and recommendations about growth in Maryland in general, and specifically, about the impacts of municipal corporation and county growth on each other.

DLS recommends that MDP brief the committees on the status of the Task Force on the Future for Growth and Development in Maryland and on preliminary findings related to municipal corporation and county ability to conduct the necessary planning to meet the four new comprehensive plan elements.

3. Office of Smart Growth Revisited

Governor Martin O’Malley plans to reestablish the Office of Smart Growth (OSG), but this time it will likely be sited in the Maryland Department of Planning as opposed to being a separate cabinet-level entity. Being sited in MDP will reduce the likelihood of duplicative smart growth efforts as was a concern under the Glendening Administration’s arrangement. No information about either funding and positions needed for the new office or a final announcement of where it will be sited is available yet; however, in the State of the State Address, Governor O’Malley tasked MDP with creating a proposal for the new office, which makes it likely that it will be sited in MDP. **DLS recommends that MDP comment on the OSG proposal and specifically comment on what funding, positions, and programmatic focus will be associated with the new office.**

4. Merger Progressing but Lacks Money for Personnel Relocation

In accordance with Chapter 440 of 2005, the Division of Historical and Cultural Programs (including the Maryland Historical Trust and the Commission on African American History and Culture) and the Maryland Heritage Authority were transferred from DHCD to MDP. The merger began October 1, 2005, and MDP reports that the merger has had the following successful integrations:

- personnel transactions;
- payroll functions;

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- account payables and receivables;
- grant management and disbursement (an audit concern for the division while at DHCD that MDP has worked to resolve);
- information technology network; and
- software applications.

However, while connected to MDP's network, the historical and cultural program staff are still located in DHCD office space in Crownsville. MDP reports that sufficient money is not budgeted for the relocation, but that MDP has other regional offices so the lack of physical integration is not unusual. **DLS recommends that MDP discuss what its plans are for physical integration of the historical and cultural program staff and what opportunities and challenges exist because of the merger.**

Recommended Actions

	<u>Amount Reduction</u>	
1. Reduce Office of Museum Services grants to further encourage a more realistically competitive grant process. The Office of Museum Services' Museum Advancement Grant Program had a fiscal 2006 actual appropriation of \$378,519 and a fiscal 2007 working appropriation of \$2,241,000 (including the first installment of a grant to the Women's Heritage Museum). The fiscal 2008 allowance is currently \$1,509,691, which includes \$250,000 for the second installment of a grant to the Women's Heritage Museum. By reducing the fiscal 2008 allowance by \$259,691, the Office of Museum Services still has a \$1,000,000 budget for the Museum Advancement Grant Program, which is a 264% increase from the fiscal 2006 actual appropriation. In addition, this leaves intact the \$250,000 grant to the Women's Heritage Museum.	\$ 259,691	GF
Total General Fund Reductions	\$ 259,691	

Updates

1. Priority Funding Areas and Small Community Densities Report

Committee narrative in the 2006 *Joint Chairmen's Report* required MDP to submit a report on the programmatic and/or regulatory changes that MDP intends to implement to help small communities access the State resources needed to manage growth, such as by securing Priority Funding Area designation. The language addressed the concern that density requirements preclude small communities from attaining Priority Funding Area designation both because the 3.5 units per acre requirement is difficult to meet and because the density requirement makes it difficult to meet the community water systems requirement.

Density Requirement

The report states that 3.5 units per acre is a planning term that means that this is the maximum density at which a particular area can be developed and not a minimum. Therefore, the Priority Funding Area requirement is that a maximum 3.5 units per acre density has to be designated, but that in reality a residential density can actually be anything below this zoning. For this reason, MDP believes that the density requirement does not unfairly preclude small communities from attaining Priority Funding Area status. In addition, the report states that the 3.5 units per acre density requirement was designed with small communities like the town of Middletown in Frederick County in mind.

Community Water Systems Requirement

In terms of groundwater, the report states that residential density is not a consideration in the community water systems requirement. However, the report acknowledges that small communities in the Piedmont areas of Maryland using groundwater as a source of supply, may face water supply constraints. The implication is that these water supply constraints, regardless of residential density, will preclude some communities from meeting the community water systems requirement for Priority Funding Areas designation.

Finally, the report states that MDP only has the power to comment on areas certified as Priority Funding Areas by local governments. This does not give MDP any regulatory authority; however, the report acknowledges that MDP's comments would be provided to State agencies that are responsible for infrastructure investment.

2. MDP Headquarters Move Report

Fiscal 2007 budget bill language required that MDP, DBM, and the Department of General Services submit a report providing the best location for MDP's headquarters, the economic impact of moving from Baltimore City, and a complete accounting of available State-owned buildings and land that would fit MDP's needs. This report was required in response to the inclusion of funding in

MDP's fiscal 2007 allowance for moving MDP's headquarters from Baltimore City to Prince George's County. The General Assembly deleted funding for the move in fiscal 2007 and no funding is in the fiscal 2008 allowance for such a move.

Best Location

The report states that as long as sufficient space is provided, MDP does not require a particular location, although MDP Baltimore staff coordinate State agencies. To reflect its mission, the report states that MDP should be located within a Priority Funding Area in a revitalized community accessible by public transportation. In addition, it should be near the Chesapeake Bay Bridge in order to reach the Eastern Shore.

Economic Impact

The movement of the 26 MDP employees living in Baltimore City would only decrease tax revenues in Baltimore City by \$34,300. In addition, the loss of MDP's 200 State positions would not seriously impact the overall total of 36,000 State positions in Baltimore City.

The report outlines four alternative move scenarios as follows:

- **Maintaining the Two Current Offices** – limits the policy integration of MDP and the Division of Historical and Cultural Programs and maintains logistical difficulties;
- **Move Crownsville Staff to 301 W. Preston** – insufficient space precludes this option (\$400,000 for renovations at 301 W. Preston and \$50,000 for furniture relocation from Crownsville);
- **Move Baltimore Staff to Community Place (Crownsville)** – requires DHCD to move out of Community Place (\$100,000 for MDP staff furniture and server room relocation); and
- **Lease Space in Baltimore or Annapolis** – move cost would be comparable to moving to Prince George's County (\$3.0 million in short-term costs and \$1.0 million annually, thereafter).

MDP concludes that Prince George's County is the ideal location for MDP based on inadequacies in the four alternative scenarios. MDP was unable to determine a best and final building proposal within Prince George's County because of suspension of the building search process when it became apparent that no funding was available for the move.

State-owned Buildings

A number of State-owned buildings were identified in Baltimore and Annapolis. However, the report notes that relocating existing State personnel twice for building renovations and then renovating new space for MDP would cost between \$3,500 and \$5,000 per employee.

Current and Prior Year Budgets

Current and Prior Year Budgets 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 2006					
Legislative Appropriation	\$6,830	\$318	\$0	\$1,036	\$8,184
Deficiency Appropriation	0	0	0	0	0
Budget Amendments	4,136	2,005	1,147	552	7,840
Reversions and Cancellations	-1	-553	-228	-58	-840
Actual Expenditures	\$10,965	\$1,770	\$919	\$1,530	\$15,184
Fiscal 2007					
Legislative Appropriation	\$14,654	\$4,286	\$819	\$1,261	\$21,020
Budget Amendments	151	18	0	0	169
Working Appropriation	\$14,805	\$4,304	\$819	\$1,261	\$21,189

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

Fiscal 2006

MDP's general fund appropriation increased by \$4.1 million. Part of the increase was due to reallocation of the health insurance appropriation (\$105,940) as authorized in the fiscal 2006 budget bill (Budget Amendment 197-06) and to allocation of the cost-of-living adjustment (COLA) general fund appropriation (\$84,158) as authorized in the fiscal 2006 budget bill (Budget Amendment 004-06).

The majority of the general fund increase (\$3.9 million) was due to the assimilation of DHCD's historical and cultural programs into MDP in accordance with Chapter 440 of 2005. General funds associated with assimilation of the historical and cultural programs were brought in via two budget amendments as follows:

- \$2,251,141 for Office of Museum Services;
- \$958,521 for Management Planning and Educational Outreach;
- \$407,520 for Research Survey and Registration;
- \$185,000 for General Administration; and
- \$143,458 for Preservation Services.

Special funds dedicated to operating functions increased by a net of \$1.5 million. The increase in special funds was due to the assimilation of DHCD's historical and cultural programs into MDP. The following special funds were brought in via budget amendment:

- \$1,050,886 for Management Planning and Educational Outreach;
- \$484,864 for Preservation Services;
- \$206,064 for Office of Museum Services;
- \$200,000 for costs in the Preservation Services program associated with administering the Maryland Heritage Structure Rehabilitation Tax Credit Program, which was transferred to MDP from DHCD; and
- \$63,646 for Research Survey and Registration.

The special fund increases were offset by \$553,125 in cancellations. The cancellations were in the following programs: Preservation Services (\$455,447), Museum Services (\$51,283), Research Survey and Registration (\$26,853), Management Planning and Educational Outreach (\$10,967), and Parcel Mapping (\$8,576).

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The federal fund appropriation increased by a net of \$918,986. The majority of the federal fund increase was due to the assimilation of DHCD's historical and cultural programs into MDP. The following federal funds were brought in via budget amendment:

- \$301,623 for Office of Museum Services;
- \$242,132 for Management Planning and Educational Outreach;
- \$224,250 for several small grants in the Local Planning Assistance program intended for communities in Western Maryland (Allegany, Garrett, and Washington counties) to implement community development projects with funds made available by the Appalachian Regional Commission;
- \$220,266 for Preservation Services; and
- \$159,034 for Research Survey and Registration.

The federal fund increases were offset by \$228,319 in cancellations. The cancellations were in the following programs: Museum Services (\$161,806), Preservation Services (\$47,744), Planning Services (\$10,205), Research Survey and Registration (\$8,418), and Management Planning and Educational Outreach (\$146).

Fiscal 2007

MDP's general fund appropriation increased by a net of \$151,131. The increase was due to allocation of the COLA general fund appropriation (\$153,439) as authorized in the fiscal 2007 budget bill (Budget Amendment 001-07), which was offset by the transfer of funds to DBM for a comprehensive salary study (\$2,308).

The special fund appropriation increased by \$18,306. This change reflects allocation of the COLA special fund appropriation as authorized in the fiscal 2007 budget bill (Budget Amendment 011-07).

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

<u>Object/Fund</u>	<u>FY06 Actual</u>	<u>FY07 Working Appropriation</u>	<u>FY08 Allowance</u>	<u>FY07-FY08 Amount Change</u>	<u>Percent Change</u>
Positions					
01 Regular	184.00	187.00	184.00	-3.00	-1.6%
02 Contractual	9.67	14.20	15.92	1.72	12.1%
Total Positions	193.67	201.20	199.92	-1.28	-0.6%
Objects					
01 Salaries and Wages	\$ 10,941,545	\$ 13,325,518	\$ 13,271,149	-\$ 54,369	-0.4%
02 Technical and Spec Fees	317,760	505,876	536,217	30,341	6.0%
03 Communication	195,030	238,981	216,722	-22,259	-9.3%
04 Travel	125,727	85,943	86,033	90	0.1%
06 Fuel and Utilities	377,003	272,706	429,631	156,925	57.5%
07 Motor Vehicles	54,422	28,481	61,647	33,166	116.4%
08 Contractual Services	760,229	713,588	746,172	32,584	4.6%
09 Supplies and Materials	190,844	159,307	169,280	9,973	6.3%
10 Equipment – Replacement	34,422	2,993	3,892	899	30.0%
11 Equipment – Additional	292,368	899	0	-899	-100.0%
12 Grants, Subsidies, and Contributions	1,822,747	5,773,385	5,136,458	-636,927	-11.0%
13 Fixed Charges	70,988	82,118	88,300	6,182	7.5%
Total Objects	\$ 15,183,085	\$ 21,189,795	\$ 20,745,501	-\$ 444,294	-2.1%
Funds					
01 General Fund	\$ 10,964,906	\$ 14,805,231	\$ 14,517,227	-\$ 288,004	-1.9%
03 Special Fund	1,769,873	4,303,818	4,119,273	-184,545	-4.3%
05 Federal Fund	918,986	819,479	937,299	117,820	14.4%
09 Reimbursable Fund	1,529,320	1,261,267	1,171,702	-89,565	-7.1%
Total Funds	\$ 15,183,085	\$ 21,189,795	\$ 20,745,501	-\$ 444,294	-2.1%

Note: The fiscal 2007 appropriation does not include deficiencies, and the fiscal 2008 allowance does not reflect contingent reductions.

**Fiscal Summary
Department of Planning**

<u>Program/Unit</u>	<u>FY06 Actual</u>	<u>FY07 Wrk Approp</u>	<u>FY08 Allowance</u>	<u>Change</u>	<u>FY07-FY08 % Change</u>
01 General Administration	\$ 2,768,758	\$ 2,873,034	\$ 3,143,598	\$ 270,564	9.4%
02 State Clearinghouse	914,075	973,497	986,055	12,558	1.3%
03 Planning Data Services	1,778,706	1,739,494	1,803,846	64,352	3.7%
04 Local Planning Assistance	3,707,149	3,647,161	3,535,056	-112,105	-3.1%
07 Management Planning and Educational Outreach	2,265,339	4,910,884	4,588,839	-322,045	-6.6%
08 Office of Museum Services	2,562,521	5,297,256	4,585,365	-711,891	-13.4%
09 Office of Research Survey and Registration	641,377	914,668	1,122,823	208,155	22.8%
10 Office of Preservation Services	545,160	833,801	979,919	146,118	17.5%
Total Expenditures	\$ 15,183,085	\$ 21,189,795	\$ 20,745,501	-\$ 444,294	-2.1%
General Fund	\$ 10,964,906	\$ 14,805,231	\$ 14,517,227	-\$ 288,004	-1.9%
Special Fund	1,769,873	4,303,818	4,119,273	-184,545	-4.3%
Federal Fund	918,986	819,479	937,299	117,820	14.4%
Total Appropriations	\$ 13,653,765	\$ 19,928,528	\$ 19,573,799	-\$ 354,729	-1.8%
Reimbursable Fund	\$ 1,529,320	\$ 1,261,267	\$ 1,171,702	-\$ 89,565	-7.1%
Total Funds	\$ 15,183,085	\$ 21,189,795	\$ 20,745,501	-\$ 444,294	-2.1%

Note: The fiscal 2007 appropriation does not include deficiencies, and the fiscal 2008 allowance does not reflect contingent reductions.