

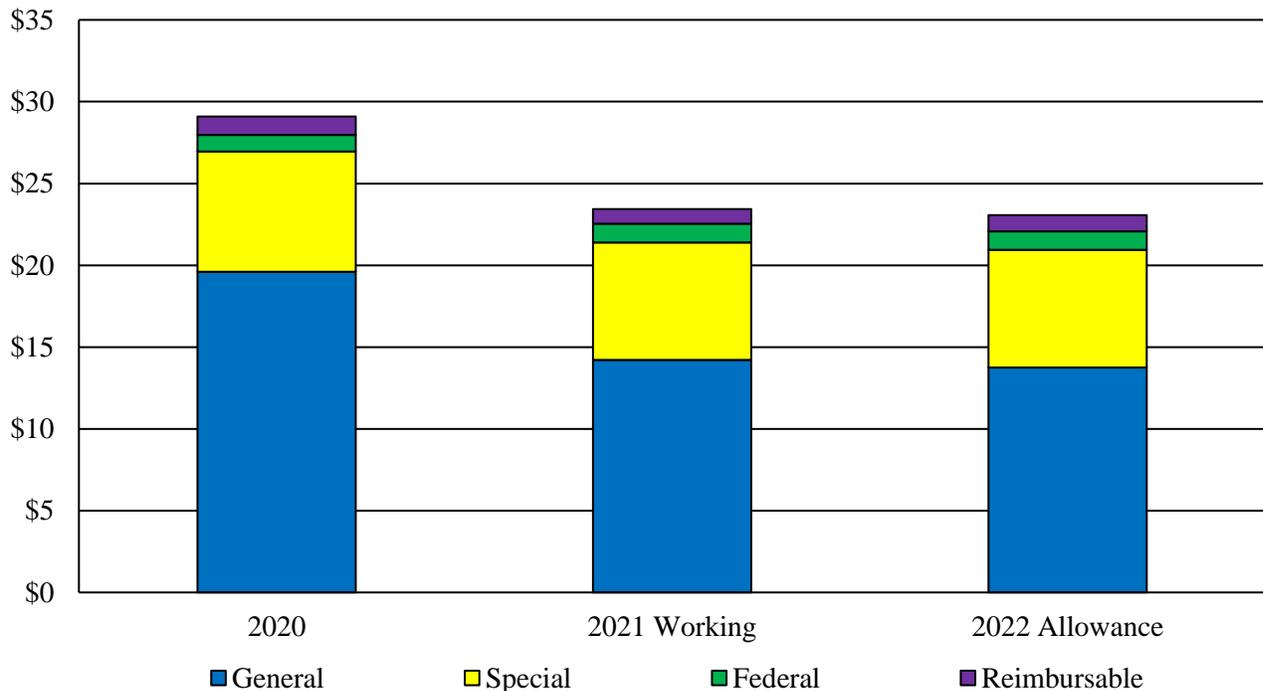
D40W01
Department of Planning

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 and protecting and interpreting historic resources. MDP’s goals are to provide efficient State Clearinghouse review of federal, State, and local plans and projects requiring intergovernmental coordination; provide timely data and intelligent tools to aid in implementation of State and local land use, conservation, community enhancement, and business development policies; support and enhance the vitality of towns, cities, and rural centers with existing or planned infrastructure; encourage economic development by enhancing historical resources and leveraging non-State investment; and protect and interpret historic resources.

Operating Budget Summary

Fiscal 2022 Budget Decreases \$0.4 Million, or 1.6%, to \$23.1 Million
(\$ in Millions)



Note: Numbers may not sum due to rounding. The fiscal 2021 appropriation includes deficiencies, planned reversions, and general salary increases. The fiscal 2022 allowance includes contingent reductions and annualization of the fiscal 2021 general salary increases.

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D40W01 – Department of Planning

- Major changes in the fiscal 2022 allowance include a decrease of \$375,000 in general funds in the Museum Services program to reflect the one-time costs of moving and storage of artifacts as part of the Maryland Archaeological Conservation Laboratory expansion and renovation capital project and the reduction of \$327,868 in general funds in nonpersonnel expenses related to the 2020 Census and redistricting in the Planning Data and Research program.

Fiscal 2021

Proposed Deficiency

The Governor has submitted a \$64,466 federal fund deficiency appropriation for the fiscal 2021 operating budget for the Museum Services program. The funding is ongoing and thus is included in the fiscal 2022 appropriation. The funding would support Jefferson Patterson Park and Museum's digital outreach programming through the hiring of 2 contractual full-time equivalents (FTE), including 1 education and exhibition trainee and 1 education and exhibition specialist for \$41,327; supplies and equipment for \$18,767; and travel for \$4,372. The federal funding is grant funding from the Institute of Museum and Library Services, which is an independent federal agency that provides library grants, museum grants, policy development, and research.

Cost Containment

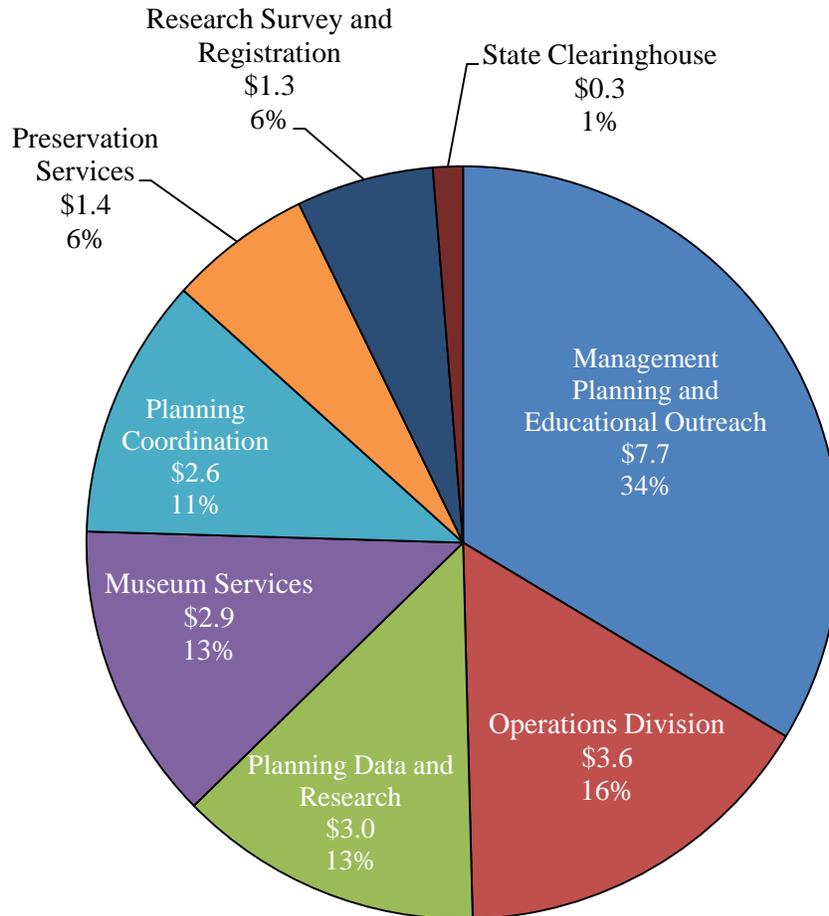
At the July 1, 2020 Board of Public Works meeting, the board approved cost containment reductions in order to balance the fiscal 2021 budget as a result of the COVID-19 pandemic. The MDP share of this reduction totaled \$112,055. This reflected \$107,339 in general funds comprised of \$57,561 for Department of Information Technology (DoIT) enterprise services costs, \$27,571 for information technology (IT) position salaries, and \$22,207 to reflect the transfer of excess funding from the State's Self-Insured Unemployment Insurance balance. This also reflected a special fund reduction of \$2,907 and a federal fund reduction of \$1,809 related to the Unemployment Insurance balance.

Fiscal 2022 Overview of Agency Spending

MDP consists of an Administrative Unit and seven programmatic units and is staffed by 127.0 regular positions and 19.30 contractual FTEs. **Exhibit 1** reflects the \$22.8 million spending breakdown for the Administrative Unit and the seven programmatic units without the adjustment for the annualization of the fiscal 2021 2% cost-of-living allowance as follows.

- ***Management Planning and Educational Outreach (\$7.7 Million, 34%):*** Provides administrative support for the Division of Historical and Cultural Programs and administers non-capital grants and the Maryland Heritage Areas Authority (MHAA) Program. The main funding categories are \$5.6 million in special funds for the MHAA grants for certified heritage areas and \$1.3 million for salaries.

Exhibit 1
Overview of Agency Spending
Fiscal 2022 Allowance
(\$ in Millions)



Note: The exhibit does not include annualization of the fiscal 2021 2% cost-of-living allowance.

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

- **Operations Division (\$3.6 Million, 16%):** Provides administrative services for financial, personnel, procurement, and IT needs; and supports the Interagency Commission on School Construction. The main funding categories are \$2.5 million for salaries and \$0.8 million in general funds for DoIT service charges that are now being reflected in agency budgets.

D40W01 – Department of Planning

- ***Planning Data and Research (\$3.0 Million, 13%):*** Collects, analyzes, and publishes social, economic, and geographic information relating to the State and its political subdivisions; identifies and evaluates development issues in support of smart growth; and prepares reports and studies on specific topics for the Governor and the General Assembly. The program also makes available U.S. Census, American Community Survey, and other U.S. Department of Commerce information to the State and local governments and the private sector. The main funding category is \$2.5 million for salaries and fiscal 2022 work includes wrap up work from the 2020 Census and new redistricting work.
- ***Museum Services (\$2.9 Million, 13%):*** Provides technical assistance to approximately 220 historic and cultural museums and operates the Jefferson Patterson Park and Museum in Calvert County. The main funding category is \$1.8 million for salaries along with \$0.4 million for 9.8 contractual FTEs – MDP’s largest complement of contractual FTEs – and \$0.3 million for fuel and utilities to operate the Jefferson Patterson Park and Museum.
- ***Planning Coordination (\$2.6 Million, 11%):*** Provides technical services to improve the planning and management capacity of local governments. The program, which includes Centreville, Cumberland, and Salisbury regional offices, helps local governments with land-use planning and zoning, as well as rural and urban design issues. The main funding category is \$2.4 million for salaries.
- ***Preservation Services (\$1.4 Million, 6%):*** Provides assistance 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. The main funding category is \$1.2 million for salaries.
- ***Research, Survey, and Registration (\$1.3 Million, 6%):*** Provides assistance to advance research, documentation, evaluation, and retrieval of information about Maryland’s historical and cultural resources through the Maryland Inventory of Historic Properties and National Register of Historic Places. The program also administers the Cultural Conservation Program, the library, and the Geographic Information System. The main funding category is \$1.2 million for salaries.
- ***State Clearinghouse (\$0.3 Million, 1%):*** Facilitates intergovernmental review and coordinates review of applications for federal and State financial assistance, proposals for direct federal development programs, drafts of environmental impact statements, State plans requiring gubernatorial review, and other actions requiring intergovernmental coordination per the Federal Intergovernmental Cooperation Act. The main funding category is \$0.3 million for salaries.

Proposed Budget Change

The MDP fiscal 2022 adjusted allowance decreases by \$377,032, or 1.6%, relative to the fiscal 2021 working appropriation, as shown in **Exhibit 2**. The major change is a decrease of \$375,000 in general funds in the Museum Services program to reflect the one-time costs of moving and storage of artifacts as part of the Maryland Archaeological Conservation Laboratory expansion and renovation capital project. Another large change is the reduction of \$327,868 in general funds in nonpersonnel expenses related to the 2020 Census and redistricting in the Planning Data and Research program. Fiscal 2022 personnel changes and operating expenditures are discussed as follows.

Exhibit 2
Proposed Budget
Department of Planning
(\$ in Thousands)

How Much It Grows:	<u>General</u>	<u>Special</u>	<u>Federal</u>	<u>Reimbursable</u>	<u>Total</u>
	<u>Fund</u>	<u>Fund</u>	<u>Fund</u>	<u>Fund</u>	
Fiscal 2020 Actual	\$19,603	\$7,346	\$1,009	\$1,142	\$29,100
Fiscal 2021 Working Appropriation	14,210	7,182	1,139	906	23,437
Fiscal 2022 Allowance	<u>13,740</u>	<u>7,210</u>	<u>1,114</u>	<u>996</u>	<u>23,059</u>
Fiscal 2021-2022 Amount Change	-\$469	\$28	-\$25	\$90	-\$377
Fiscal 2021-2022 Percent Change	-3.3%	0.4%	-2.2%	9.9%	-1.6%
Where It Goes:					<u>Change</u>
Personnel Expenses					
Employee and retiree health insurance					\$178
Regular earnings, including cost-of-living allowances					137
Reclassification.....					117
Unemployment compensation					26
Fiscal 2021 annual salary review for fiscal series					22
Other fringe benefit adjustments					12
Pension contribution					-21
Abolished/transferred positions					-131
Other Changes					
<i>2020 Census and Redistricting</i>					
Statewide personnel system allocation					-3
Postage for mailers					-6
Printing					-9
Education/training contracts					-15
Advertising through Granicus' govDelivery e-mail platform					-20

D40W01 – Department of Planning

Where It Goes:	<u>Change</u>
Travel.....	-20
Office supplies.....	-27
Data processing	-71
Software licenses for mapping	-73
Legal services	-84
<i>Maryland Historical Trust</i>	
Maryland Heritage Areas Authority grants	70
Fuel at the Maryland Archaeological Conservation Laboratory based on actuals	-20
Maryland Archaeological Conservation Laboratory one-time moving and storage costs...	-375
<i>Other Administrative Costs</i>	
Department of Information Technology services allocation	59
Other.....	-30
Contractual full-time equivalents	-94
Total	- \$377

Note: Numbers may not sum due to rounding. The fiscal 2021 appropriation includes deficiencies, planned reversions, and general salary increases. The fiscal 2022 allowance includes contingent reductions and annualization of the fiscal 2021 general salary increases.

Personnel

Overall personnel expenditures for MDP increase by \$340,390 in the fiscal 2022 adjusted allowance. The largest change is an increase of \$177,970 for employee and retiree health insurance. Other large increases include a \$137,328 net increase for regular earnings, which reflects a net increase of \$126,935 for the fiscal 2021 2% cost-of-living allowance and fiscal 2022 annualization, and \$10,303 for salary changes; and an increase of \$116,672 for reclassification of positions in order to maintain equity within the agency and remain competitive in recruitments. Other increases include \$25,569 for unemployment compensation and \$21,941 for an annual salary review for the fiscal series. The annual salary review funding will be allocated by budget amendment from the Department of Budget and Management. MDP’s share of the funding is \$17,336 in general funds, \$3,109 in special funds, and \$1,496 in federal funds.

There are also several reductions in MDP’s fiscal 2022 adjusted allowance. The largest reduction is \$130,699 as a result of the abolishment of 2 long-term vacant positions whose duties were reassigned – an administrator I position in the Administration program and a planner lead/advanced position in the Planning Data and Research program. The other decrease is \$20,512 for retirement contributions.

Other Changes

Overall, the nonpersonnel portion of the MDP fiscal 2022 adjusted allowance decreases by \$717,422. The major categories of change are the 2020 Census and redistricting, Maryland Historical Trust, and other administrative expenses.

2020 Census and Redistricting

Funding decreases by \$327,868 in general funds in nonpersonnel expenses related to the 2020 Census and redistricting in the Planning Data and Research program. Reductions include \$84,155 for legal services, \$73,270 for software licenses for mapping, \$70,711 for data processing, \$27,031 for office supplies, \$19,600 for advertising the 2020 Census to the public through Granicus' govDelivery e-mail platform, \$20,000 for travel, \$15,000 for education/training contracts, \$9,000 for printing, \$6,000 for mailer postage, and \$3,101 for the statewide personnel system allocation.

Maryland Historical Trust

Within the Maryland Historical Trust, there are several large changes in the fiscal 2022 allowance. The one increase in funding is \$70,000 in special funds in order to increase funds available for emergency MHAA grants. Reductions include \$375,000 in general funds for one-time moving and storage costs associated with the Maryland Archaeological Conservation Laboratory expansion and renovation project. The project has been delayed, so this funding will need to be encumbered in fiscal 2021. There is also a reduction of \$20,000 for fuel at the Maryland Archaeological Conservation Laboratory based on fiscal 2020 actual funding.

Other Administrative Costs

There are two funding changes under the broad category of other administrative costs. These costs include a \$59,224 increase for DoIT services allocation fees and a decrease of \$93,999 across the agency for contractual FTEs, corresponding to the reduction of the 2.46 contractual FTEs noted in the personnel section.

Personnel Data

	<u>FY 20</u>	<u>FY 21</u>	<u>FY 22</u>	<u>FY 21-22</u>
	<u>Actual</u>	<u>Working</u>	<u>Allowance</u>	<u>Change</u>
Regular Positions	130.00	129.00	127.00	-2.00
Contractual FTEs	<u>11.59</u>	<u>21.76</u>	<u>19.30</u>	<u>-2.46</u>
Total Personnel	164.65	150.76	146.30	-4.46

Vacancy Data: Regular Positions

Turnover and Necessary Vacancies, Excluding New Positions	8.34	6.57%
Positions and Percentage Vacant as of 12/31/20	13.00	10.08%

Vacancies Above (Below) Turnover 4.66

- Overall, regular positions decrease by 2.0 between the fiscal 2021 working appropriation and the fiscal 2022 allowance. As mentioned previously, the 2 positions abolished are long-term vacant positions whose duties were reassigned.
- MDP has 13 vacant positions as of December 31, 2020, with 6 positions vacant for more than a year. Of these 6 positions, 2 are abolished in the fiscal 2022 allowance and 1 was filled on January 4, 2021. The 3 remaining positions are currently in the reclassification process as follows: planner lead/advanced (Planning Data and Research program); information technology programmer analyst II (Administration program); and Administrator IV (Planning Data and Research program).
- Contractual FTEs decrease by a net of 2.46 positions in the fiscal 2022 allowance.
- The MDP turnover rate is increased slightly from 6.55% to 6.57% in the fiscal 2022 allowance, reflecting 8.34 necessary vacancies. This turnover rate is currently exceeded by 4.66 vacancies given the 13 vacancies, or 10.08% vacancy rate, as of December 31, 2020.

Key Observations

1. Impact of the COVID-19 Pandemic on MDP

MDP has largely transitioned to a telework model during the COVID-19 pandemic. No State or federal funding has been specifically authorized for MDP related to the COVID-19 pandemic.

MDP notes that there has been minimal impact on its operations as a result of the transition to telework and that it continues to support the Maryland Department of Health and other State agencies in their COVID-19 response efforts. However, the Historic Revitalization Tax Credit Program website notes that due to ongoing staff vacancies and the challenges of remote working requirements, review periods for tax credit applications are between 60 and 85 days and are likely to increase. In addition, while not part of MDP, State heritage areas that receive funding from MHAA have seen steep declines in visitors due to the pandemic. MHAA has awarded emergency COVID-19 funding, extended deadlines, and authorized grantees to convert grants to be used for operations.

2. Outcome of the 2020 Census

The 2020 Census was completed despite the COVID-19 pandemic, which necessitated a shift from in-person to online advertising and outreach. The *2020 Joint Chairmen's Report* requested two reports on the outcome of the 2020 Census. The first report was due by May 15, 2020, and was to include the status of census outreach by MDP and local jurisdictions in response to real-time self-response rate information. The second report was due January 1, 2021, and was to include information on whether Maryland met its goal of being in the top 10 states for self-response rate; the lessons learned from the 2020 Census Grant Program, MDP's own census outreach efforts, and the work of the Maryland Complete Count Committee; and the funding and resources needed to improve the self-response rate for the 2030 census.

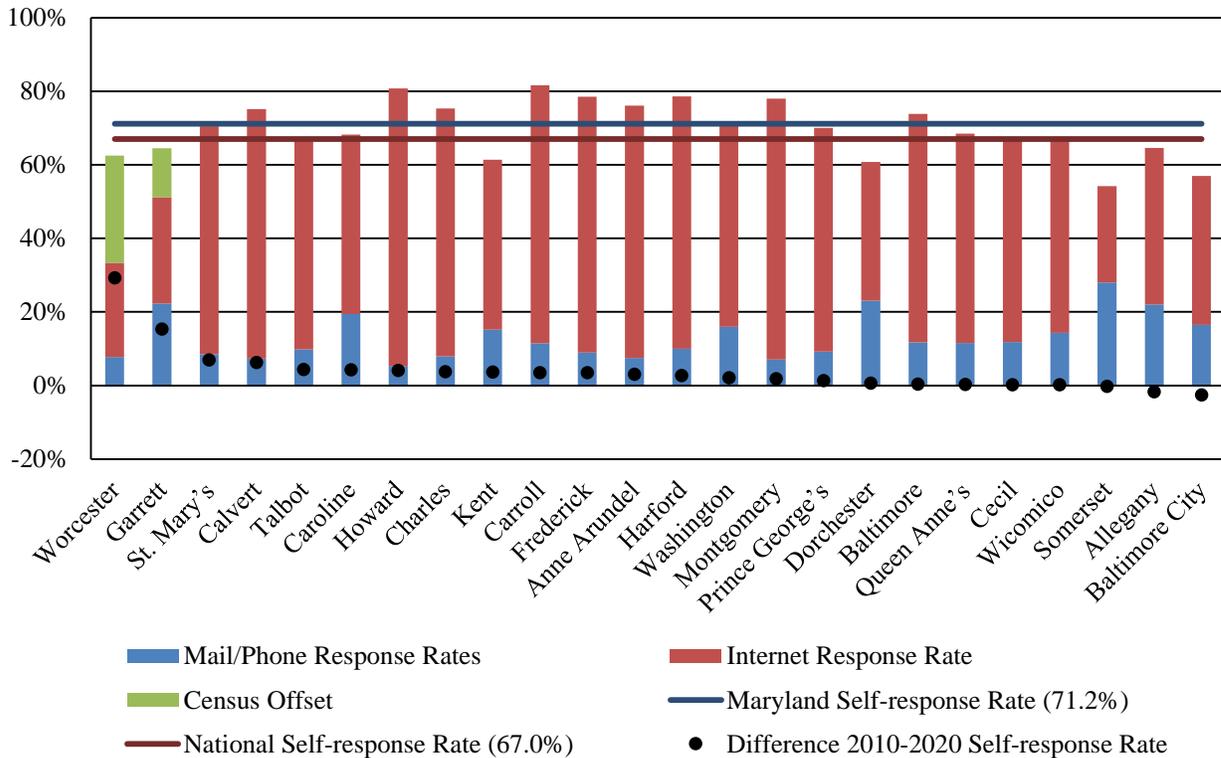
Self-response Rate

MDP was able to provide real-time information to local jurisdictions on self-response rates, particularly in low response areas, which have been extensively mapped by MDP. Local jurisdictions then acted on this real-time information to increase local self-response rates and boost Maryland's overall self-response rate to 71.2%, the ninth highest rate in the country, thus meeting its goal. While MDP met its goal of Maryland being in the top 10 states for self-response rate, it was not able to determine whether it met the goal noted in the fiscal 2020 budget analysis of increasing the 76% total response rate in the 2000 and 2010 censuses by 3 to 5 percentage points in the 2020 Census. This is because the U.S. Census Bureau provided online and phone response options for the first time with the 2020 Census, and so the 2020 Census total response rate of 99.9% is not directly comparable to Maryland's total response rate in the 2000 and 2010 censuses.

Exhibit 3 reflects the self-response rates for Maryland's 23 counties and Baltimore City. The exhibit is ranked from left to right by the greatest positive to negative difference between 2010 and

2020 Census self-response rates. As can be seen, Worcester and Garrett counties rank the highest; and Somerset and Allegany counties and Baltimore City rank the lowest with negative percentages. However, the data is somewhat skewed by the fact that Worcester and Garrett counties have adjusted self-response rates that exclude census tracts with secondary homes near Ocean City and Deep Creek Lake, respectively. The 2020 Census was the first Census conducted at least partially online as shown by the internet response rates, which is one of the reasons that the COVID-19 pandemic did not affect the Census outcomes as much as it might have. In fact, the internet response rate exceeded the traditional mail/phone response rate in all but Somerset County. As noted in MDP’s January 1, 2021 report, Carroll County had the highest self-response, again, with an 81.5% self-response rate, which was twenty-fourth in the United States out of more than 3,200 counties. Overall, Maryland had four counties in the top 100 in the United States and 21 of Maryland’s 24 jurisdictions exceeded their 2010 self-response rates, with Allegany and Somerset counties and Baltimore City being the exceptions.

Exhibit 3
Census 2020 Self-response Rates Comparison
Calendar 2010-2020



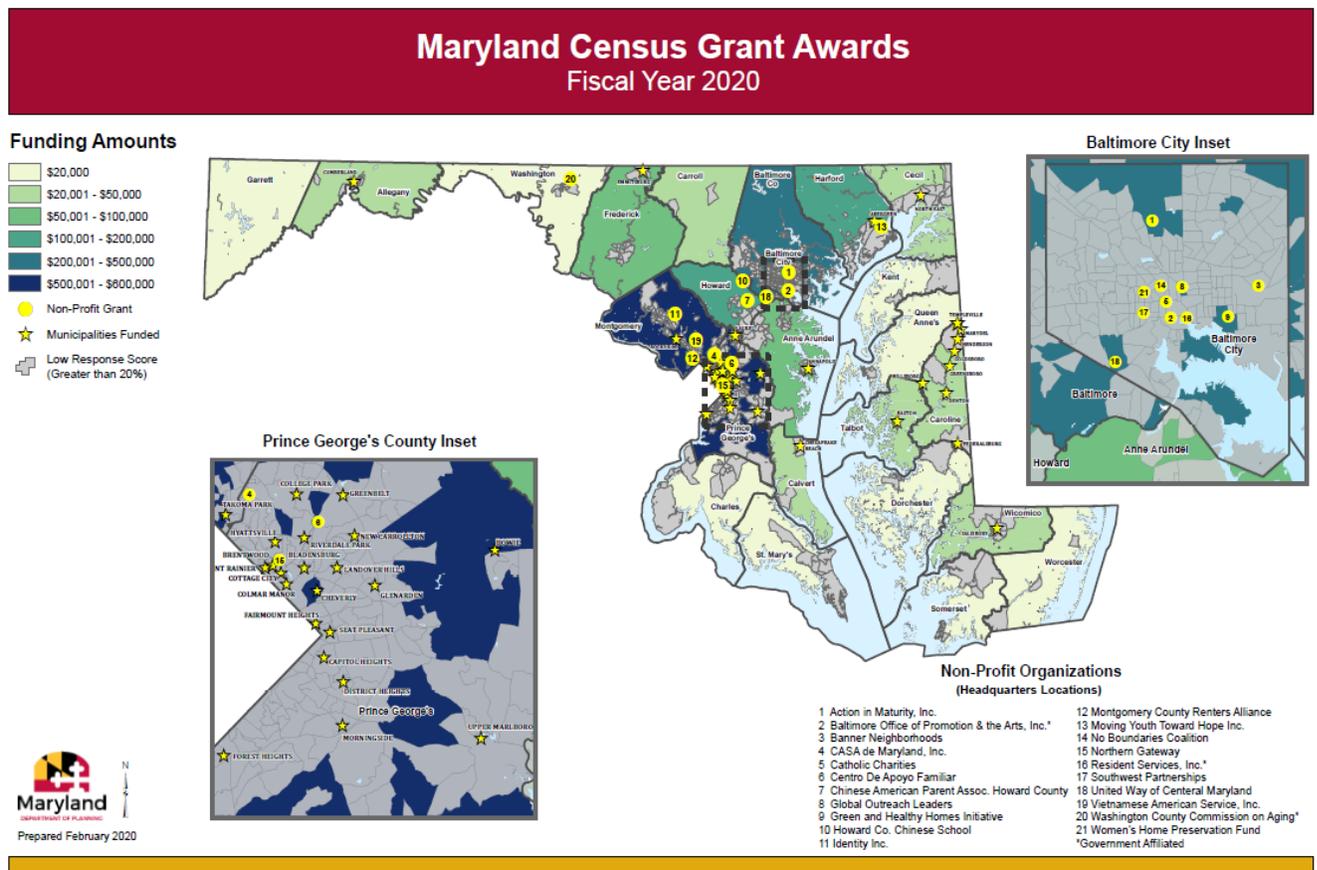
Source: Maryland Department of Planning

2020 Census Grant Program

The fiscal 2020 budget included \$5.0 million in general funds for the 2020 Census Grant Program created by Chapter 18 of 2018 and an additional \$1.3 million for MDP to conduct statewide outreach on census preparation. MDP originally received 36 applications for the 2020 Census Grant Program for a total request of \$4,099,321. Ultimately, 34 applications with signed grant agreements were funded for \$4,066,821, which leveraged the same amount of funding for a total impact of \$8,133,642. The remaining \$933,179 was allocated as follows: \$300,679 to the Maryland Complete Count Committee; \$300,000 in \$20,000 grant amounts to the 15 counties that did not receive initial funding; and \$332,500 to 32 municipalities.

Exhibit 4 reflects the recipients of 2020 Census Grant Program funding. As can be seen, Maryland’s urban core between Washington, DC and Baltimore City had the most organizations receiving funding and received the most funding.

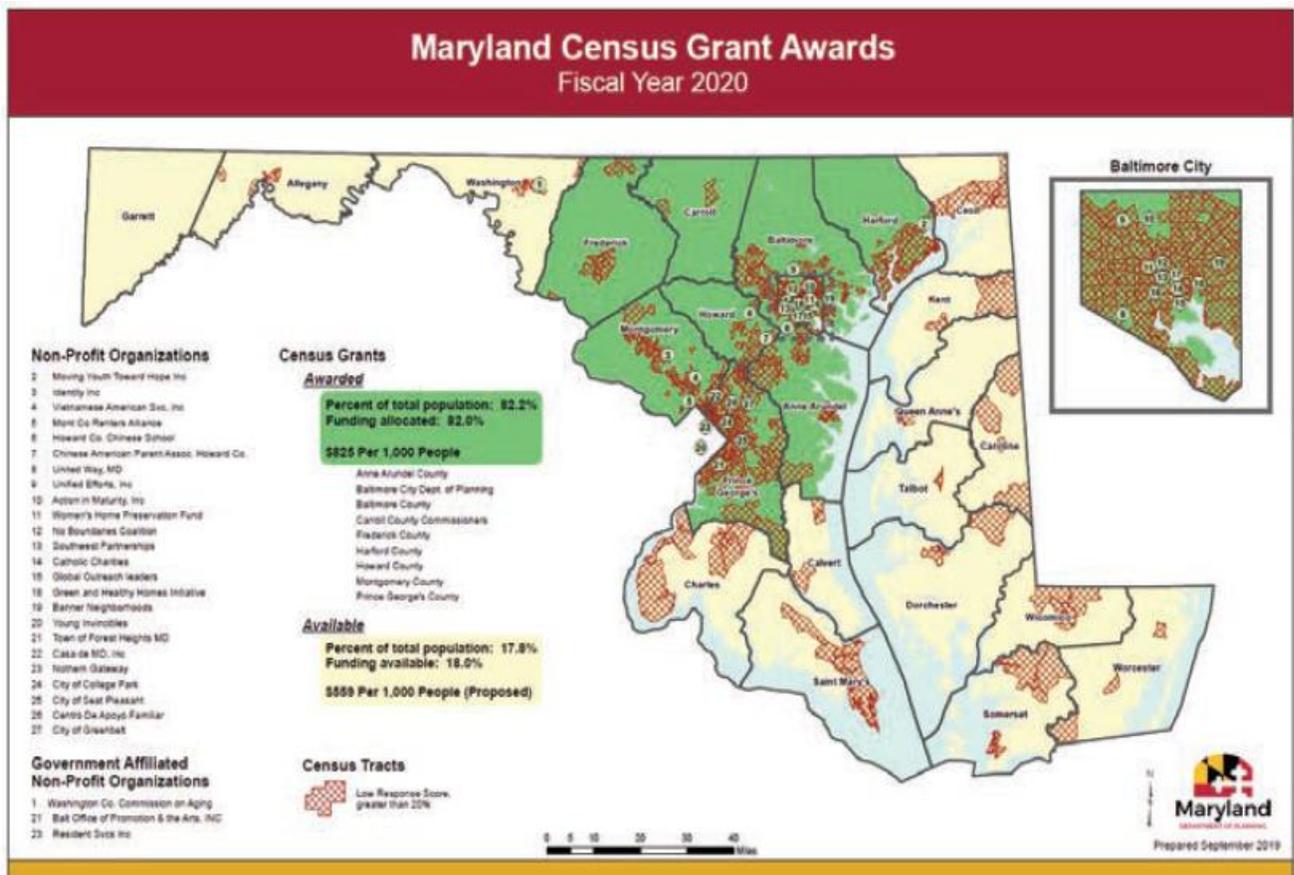
Exhibit 4
Maryland 2020 Census Grant Awards
Fiscal 2020



Source: Maryland Department of Planning

Exhibit 5 reflects the same information but with the inclusion of 2010 Census low response score areas as well. The 2010 Census low response score areas appear to be oriented along the I-95 corridor from Washington, DC to northeast of Baltimore City along with large areas in Southern Maryland and on the Eastern Shore. However, the low response score areas in Southern Maryland and the Eastern Shore do not appear to have been covered well by the 2020 Census Grant Program funding, most likely due to the lower population densities in these areas. MDP notes that it is too early to tell what the impacts of the 2020 Census Grant Program and other sources of outreach funding were on the 2020 Census outcomes because the final Census numbers are not available yet and that it is inherently difficult to determine the geographic extent of the work done by organizations that have received funding through the 2020 Census Grant Program. The undercount process, which reflects the Census Bureau’s review of factors influencing the count, was not done until 2012 after the 2010 Census and so it may not be until 2022 or later that the final 2020 Census numbers are known.

Exhibit 5
Maryland 2020 Census Grant Awards With 2010 Low Response Score Areas
Fiscal 2020



Source: Maryland Department of Planning

2020 Census Lessons Learned for the 2030 Census

In terms of lessons learned for the 2030 Census, the report notes several procedural actions that can be taken but does not give any firm funding guidance. MDP notes that this is because technological advances between 2020 and 2030 cannot be foreseen and thus funding decisions cannot be made at this time. Instead, the guidance provided includes the following:

- **Media Procurement Process:** begin the procurement process for any media purchases as early as possible with groundwork to begin in early 2029;
- **Maryland Complete Count Committee:** define the role of the Maryland Complete Count Committee chairs and members to improve coordination, begin initiating partnerships with local Complete Count Committees earlier, and create a repository of customizable digital and print resources for all Complete Count Committee leaders to use; and
- **State Data Center:** increase the role of MDP’s State Data Center in the development and distribution of information to local jurisdictions.

The Department of Legislative Services (DLS) recommends that MDP comment on a methodology for determining the impact of all of the types of 2020 Census outreach on the self-response rates in low response rate areas and comment on how these self-response rates can be increased.

3. Redistricting Status

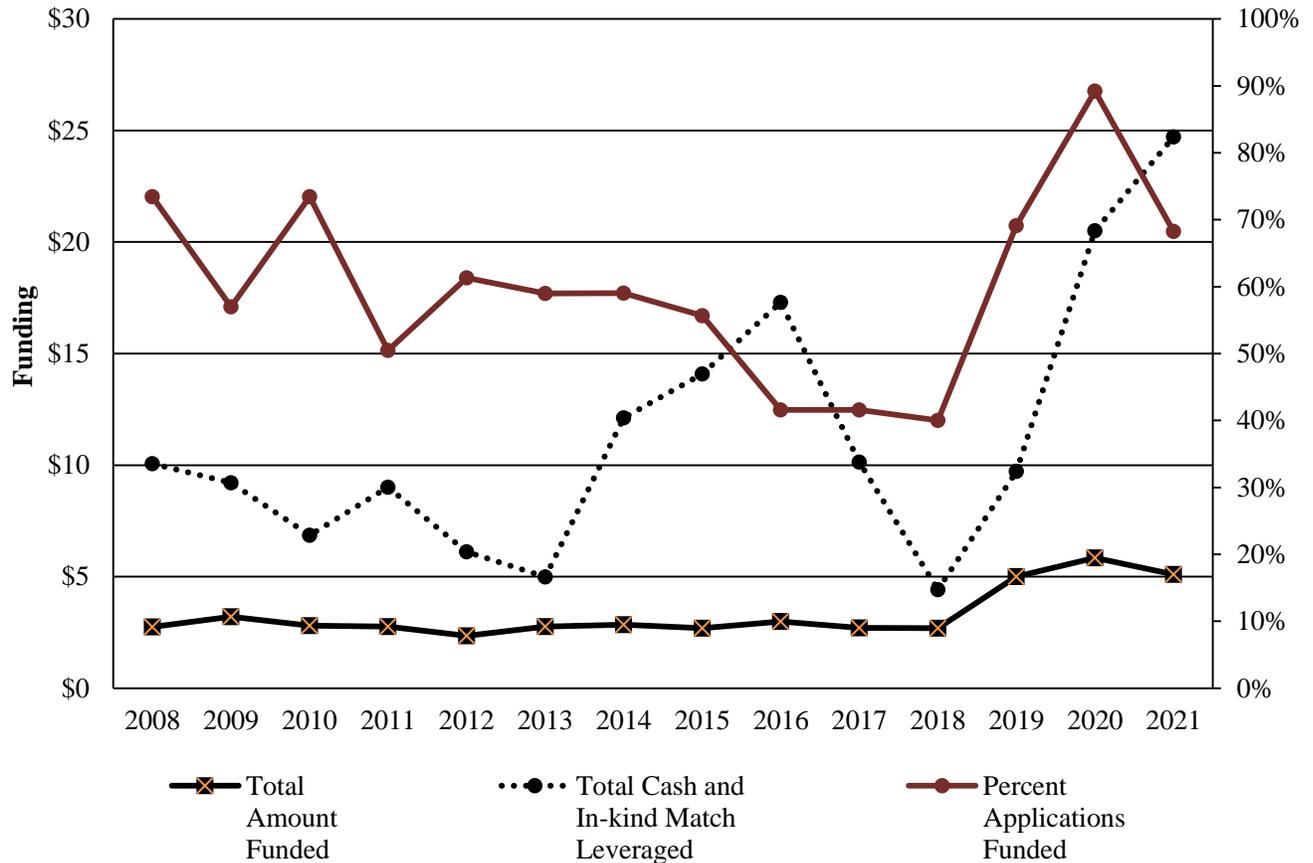
The redistricting process follows the 2020 Census. In August 2020, MDP and DLS signed a memorandum of understanding on data sharing of geocoded addresses for prisoners. In addition, Governor Lawrence J. Hogan Jr. created an independent Maryland Citizens Redistricting Commission by Executive Order 01.01.2021.02 on January 12, 2021. MDP notes that it will assist the commission in the management of the redistricting.maryland.gov website, scheduling and staffing meetings, and communications, among other activities. Finally, while MDP does not have a role in the drawing of any district boundaries, MDP does adjust the census 2010 geographies to 2020 geographies with regard to census tracts and blocks based on census geographic data. Maryland has already received this census geographic data and is in the process of making the geographic adjustments to the newly created 2020 Census blocks, updated block groups, and census tracts. With the receipt of redistricting population data, which is now not expected before July 31, 2021, MDP will be able to complete the process of reallocating incarcerated individuals.

4. Cash Match Requirement for MHAA Grants Funding Removed and Economic Contribution Study Completed

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

As shown in **Exhibit 6**, MDP has met its 1:1 non-State leveraging ratio goal between fiscal 2008 and 2021. While MHAA does not control the applications submitted, the leveraging of non-State investment is an important component of the review criteria even though it relies heavily on the types of projects funded and the size of those projects. Fiscal 2020 saw the highest grant funding provided between fiscal 2008 and 2020 due to the additional \$3.0 million in transfer tax funding made available by Chapters 660 and 661 of 2017 and the use of \$617,710 in fund balance that was used to fund 15 projects from the Reserve List, which was offset partially by \$130,000 held in reserve for potential emergency projects. In addition, fiscal 2020 funding reflects the greatest amount of non-State support leveraged, which is comprised of \$4.9 million in required cash match, \$0.6 million in required in-kind match, and \$15.1 million in additional non-State support, although it is not clear whether additional non-State support has been included in prior year leveraging calculations.

**Exhibit 6
Maryland Heritage Areas Authority Grants
Fiscal 2008-2021
(\$ in Millions)**



Source: Maryland Department of Planning; Department of Legislative Services

Cash Match Requirement Changed

At its July 8, 2020 meeting, MHAA announced that it had changed its cash match requirement. The original requirement was for projects to provide 1:1 match funding with at least a 75% cash match; the remainder could be in-kind contributions. Starting with fiscal 2022 funding, the requirement still stands that a project must meet the 1:1 match, but the match can be any combination of cash and in-kind contributions. MDP notes that the original 75% cash match requirement was instituted in order increase the amount of investment leveraged in Maryland’s cultural and natural resources, but the Maryland Commission on Indian Affairs and the Maryland Commission on African American History and Culture have indicated to MDP that the requirement creates a barrier to the consideration of certain

types of projects. Also, consideration has been given to this topic in the Preserve Maryland II, the State preservation plan. Anecdotal evidence suggests that there may have been some dampening of interest from applicants as a result of the cash match requirement. For instance, in fiscal 2021, MDP received 256 intent to apply forms, but only 167 full applications were received. MDP notes that new communities will be able to apply for funding as a result of the change and existing organizations whose finances are challenged by the COVID-19 pandemic will be able to continue to request funding for projects by providing a greater percentage of in-kind contributions as part of the 1:1 match.

In addition to instituting the 75% cash match requirement change, MHAA has convened a Racial Equity Working Group. The group includes representatives of MHAA, its staff, the Coalition of Maryland Heritage Areas, and representatives from the Governor’s cultural and ethnic commissions, including the Commissions on African American History and Culture, African Affairs, and Hispanic Affairs. In terms of activities, a request for proposals has been released to hire a facilitator for the development of an action plan and a demographic survey is being conducted to determine the number of African-American-led organizations that have received funds from the program.

Economic Contribution Study

MDP completed an economic impact study of 12 of Maryland’s 13 certified heritage areas using the IMPLAN input-output model in November 2017, and released the study in December 2018. Subsequently, MDP convened a working group of stakeholders to develop a template for a program impact study that was to look beyond the economic impact of certified heritage areas. This expanded review was to address more qualitative factors such as quality of life and the preservation of historic resources and provide for a framework in which data can continue to be collected and analyzed after the study is completed. The firm Parker Phillips, LLC was hired to complete the program impact study, and the final report was anticipated to be completed in spring 2020.

The completed study was released on January 22, 2021, and reflects a \$2.4 billion annual economic impact from heritage areas, although the economic impact is not broken down by individual heritage area. This study is also based on an IMPLAN input-output model’s calculations for direct, indirect, and induced spending from operations and grantmaking (\$17.9 million) and heritage tourism itself (\$2.4 billion). Parker Phillips, LLC – the consultant on the project – makes clear that the study is not an economic impact study but rather an economic contribution study. The distinction is that an economic contribution study does not calculate the lost revenue from someone visiting Maryland as a heritage tourist as opposed to another kind of tourist. In addition, the study notes that the additional spending calculated in the model will tend to stay in a larger, more economically diverse region before it is eventually spent on goods and services that are not provided in that region. It is not clear whether or to what degree heritage tourism contributes to the economic diversity of a region. Finally, the study notes that the economic and survey data collected was from fiscal 2019 and thus does not reflect the impact of the COVID-19 pandemic. **DLS recommends that MDP comment on the breakdown of the data from the completed study for each of the 13 certified heritage areas, what lessons are to be learned from the study about the management of the heritage areas, and how these lessons will be applied.**

Operating Budget Recommended Actions

	<u>Amount Reduction</u>		<u>Position Reduction</u>
1. Delete long-term vacant planner lead/advanced position (PIN 00518) and funding in the Planning Data and Research Program. The position has been vacant since December 5, 2018. The Maryland Department of Planning notes that the position is currently in the reclassification process, but the urgency to do so appears limited given the greater than two-year vacancy period.	\$ 81,528	GF	-1.0
Total General Fund Reductions	\$ 81,528		-1.0

Appendix 1
2020 Joint Chairmen’s Report Responses from the
Maryland Department of Planning

The 2020 *Joint Chairmen’s Report* (JCR) requested that the Maryland Department of Planning (MDP) prepare two reports. Electronic copies of the full JCR responses can be found on the Department of Legislative Services (DLS) Library website.

- ***Outcome of the 2020 Census:*** Committee narrative expressed the budget committees’ interest in receiving two reports on the outcome of the 2020 Census. The first report was due by May 15, 2020, and was to include the status of census outreach by MDP and the local jurisdictions in response to real-time self-response rate information. The second report was due January 1, 2021, and was to include information on whether Maryland met its goal of being in the top 10 states for self-response rate; the lessons learned from the 2020 Census Grant Program, MDP’s own census outreach efforts, and the work of the Maryland Complete Count Committee; and the funding and resources needed to improve the self-response rate for the 2030 census. Further discussion of this data can be found in Key Observation 2 of this analysis.

- ***Memorandum of Understanding on Geocoded Addresses for Prisoners:*** Budget bill language in the fiscal 2021 operating budget restricted \$150,000 pending the submission of a confirmatory letter by August 1, 2020, that a memorandum of understanding (MOU) has been signed between MDP and DLS on data sharing of geocoded addresses for prisoners. In addition, the Budget Reconciliation and Financing Act of 2020 contained a provision requiring the MOU. The confirmatory letter was submitted and the funds released. Further discussion of this data can be found in Key Observation 3 of this analysis.

**Appendix 2
Object/Fund Difference Report
Department of Planning**

<u>Object/Fund</u>	<u>FY 20 Actual</u>	<u>FY 21 Working Appropriation</u>	<u>FY 22 Allowance</u>	<u>FY 21 - FY 22 Amount Change</u>	<u>Percent Change</u>
Positions					
01 Regular	130.00	129.00	127.00	-2.00	-1.6%
02 Contractual	34.65	21.76	19.30	-2.46	-11.3%
Total Positions	164.65	150.76	146.30	-4.46	-3.0%
Objects					
01 Salaries and Wages	\$ 12,806,518	\$ 13,033,925	\$ 13,225,439	\$ 191,514	1.5%
02 Technical and Spec. Fees	611,537	1,075,246	981,247	-93,999	-8.7%
03 Communication	64,066	55,797	49,797	-6,000	-10.8%
04 Travel	108,634	101,541	84,541	-17,000	-16.7%
06 Fuel and Utilities	237,060	278,990	258,990	-20,000	-7.2%
07 Motor Vehicles	36,644	33,065	33,065	0	0%
08 Contractual Services	3,662,732	2,411,859	1,925,314	-486,545	-20.2%
09 Supplies and Materials	126,666	198,535	169,664	-28,871	-14.5%
10 Equipment – Replacement	10,451	6,000	18,000	12,000	200.0%
11 Equipment – Additional	5,644	82,711	0	-82,711	-100.0%
12 Grants, Subsidies, and Contributions	11,374,684	5,934,000	6,004,000	70,000	1.2%
13 Fixed Charges	55,250	59,626	59,796	170	0.3%
Total Objects	\$ 29,099,886	\$ 23,271,295	\$ 22,809,853	-\$ 461,442	-2.0%
Funds					
01 General Fund	\$ 19,603,042	\$ 14,120,266	\$ 13,533,616	-\$ 586,650	-4.2%
03 Special Fund	7,346,441	7,177,051	7,195,976	18,925	0.3%
05 Federal Fund	1,008,673	1,067,994	1,099,366	31,372	2.9%
09 Reimbursable Fund	1,141,730	905,984	980,895	74,911	8.3%
Total Funds	\$ 29,099,886	\$ 23,271,295	\$ 22,809,853	-\$ 461,442	-2.0%

Note: The fiscal 2021 appropriation does not include deficiencies, targeted revenues, or across-the-board reductions. The fiscal 2022 allowance does not include contingent reductions or cost-of-living adjustments.