

**DA.15**  
**Office for Smart Growth**

***Operating Budget Data***

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(\$ in Thousands)

	<u>FY 00</u> <u>Actual</u>	<u>FY 01</u> <u>Working</u>	<u>FY 02</u> <u>Allowance</u>	<u>Change</u>	<u>% Change</u> <u>Prior Year</u>
General Fund	\$0	\$0	\$687	\$687	0%
<b>Total Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$687</b>	<b>\$687</b>	<b>0%</b>

- As the Office for Smart Growth (Office) does not currently exist, \$147,174 in start-up costs, including a building retro-fit, office equipment, software licenses, and an executive sedan are contained in the fiscal 2002 allowance.
- \$118,536 is included for contractual management studies. The studies will involve contracting with nationwide experts on land use, project development experts focused on land use and reuse, and public and private sector experts on land use. The funds are intended to support regional forums on smart growth.

***Personnel Data***

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	<u>FY 00</u> <u>Actual</u>	<u>FY 01</u> <u>Working</u>	<u>FY 02</u> <u>Allowance</u>	<u>Change</u>
Regular Positions	0.00	0.00	8.00	8.00
Contractual FTEs	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
<b>Total Personnel</b>	<b>0.00</b>	<b>0.00</b>	<b>8.00</b>	<b>8.00</b>

***Vacancy Data: Regular***

Budgeted Turnover: FY 02	n/a	25.01%
Positions Vacant as of 12/31/00	n/a	n/a

- Included in the eight new positions are a Special Secretary, a Deputy Special Secretary, an Executive Assistant II, two Administrator II positions, and three Administrative Staff positions. The Administrator II positions, which the Deputy Special Secretary oversees, are intended to assist local communities, local governments, and private developers to navigate the maze of Smart Growth. Additionally, the Administrator II positions are intended to help coordinate State resources in support of specific projects. The administrative staff is responsible for the day-to-day office operations.

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

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- DBM advises that the Office will actually have at least nine positions because the current Special Assistant to the Governor for Smart Growth will be moved to the Office. The special assistant is currently an employee of the Department of Natural Resources (DNR) and the funds for the position for fiscal 2002 are within DNR's budget. According to DBM, the special assistant will be a Senior Advisor for Smart Growth responsible for public outreach, education, and media relations.
- As eight positions are new positions, DBM assigned a vacancy rate of 25% to the new positions budgeted to the Office.

## Analysis in Brief

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### Issues

***The Office for Smart Growth Duplicates Role of the Department of Planning:*** The Governor is proposing to create the Office through legislation (SB 204/HB 302). The legislation not only creates the Office, but also creates a Smart Growth Subcabinet. The mandates of the Office set out in SB 204/HB 309 almost completely duplicate the statutory mandates of the Department of Planning (MDP). **The Department of Legislative Services (DLS) recommends deleting the Office because the Maryland Department of Planning (MDP) either currently performs the same functions that are proposed for the Office, or MDP should perform the same functions that are proposed for the Office.**

### Recommended Actions

	<u>Funds</u>	<u>Positions</u>
1. Delete the Office for Smart Growth.	\$ 687,000	8.0
<b>Total Reductions</b>	<b>\$ 687,000</b>	<b>8.0</b>

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**Office for Smart Growth**

***Operating Budget Analysis***

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**Program Description**

The Office for Smart Growth (Office), if legislation creating the Office is enacted, is tasked with the following:

- examining the Smart Growth Programs, services, and plans of State agencies to identify duplications, inefficiencies, and unmet needs in the State, and to evaluate the effectiveness of those programs, services, and plans;
- coordinating the Smart Growth Programs, services, and plans of State agencies to ensure interagency consensus and cooperation;
- providing advisory and technical assistance to local jurisdictions and to the public in preparing, financing, and developing Smart Growth and neighborhood conservation projects;
- gathering and disseminating information to the public, including local jurisdictions, nonprofit organizations, and developers on how to develop projects that are consistent with the State's Smart Growth policy;
- providing a single point of access for members of the public, including local jurisdictions, nonprofit organizations, and developers who need assistance or guidance in navigating the processes and regulations of State agencies on projects that are consistent with the State's Smart Growth policy;
- working with local governments in expediting review of projects that both the local government and the State agree are consistent with the State's Smart Growth policy;
- in cooperation with the Department of Planning, improving public access to information on the State clearinghouse for intergovernmental assistance, as established in §5-509 of the State finance and procurement article;
- providing effective public information on Smart Growth programs and educational activities, including relationships with the National Center for Smart Growth Education and Research at the University of Maryland, College Park, and coordinating smart growth outreach efforts to local governments, the general public, and other interest groups;
- coordinating the efforts of the Executive Branch to provide input to the General Assembly on legislation that concerns smart growth and neighborhood conservation;
- in coordination with the subcabinet, recommending to the Governor changes to State law and regulations necessary to advance the policy of Smart Growth; and

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- reporting to the Governor and, in accordance with §2-1246 of the State Government Article, to the General Assembly on or before December 1, 2001, and each December 1 thereafter on the activities of the Office and the implementation of smart growth projects in the preceding calendar year.

**Governor's Proposed Budget**

The proposed fiscal 2002 allowance for the Office totals \$687,000 in general funds as demonstrated in **Exhibit 1**. The largest portion of the budget is salary and wage expenses totaling \$362,230 for eight employees. The Department of Budget and Management (DBM) advises that \$118,536 is needed for "management studies" that will involve nationwide experts on land use, project development experts focused on land use and reuse, public and private sector experts on land use, and support for regional forums on smart growth.

**Exhibit 1**

**Governor's Proposed Budget  
Office for Smart Growth  
(\$ in Thousands)**

<b>How Much It Grows:</b>	<b>General Fund</b>	<b>Total</b>
2001 Working Appropriation	\$0	\$0
2002 Governor's Allowance	687	687
	<hr/>	<hr/>
Amount Change	\$687	\$687
Percent Change		
<b>Where It Goes:</b>		
<b>Personnel Expenses</b>		
New positions .....		\$358
Other fringe benefit adjustments .....		2
<b>Operating Expenses</b>		
Communication .....		8
Travel .....		5
Motor Vehicles .....		16
Contractual Services .....		118
Furniture .....		22
Copier .....		10
Data Processing .....		24
Office remodeling .....		76
Rent .....		41
Office Supplies .....		5
Other .....		2
<b>Total</b>		<b>\$687</b>

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

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

The Office does not have a Managing for Results (MFR) Plan. **As every agency is required to have one, and an MFR plan helps to measure the success of the agency in performing its mission, the Office should also have an MFR plan.**

## Issues

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### 1. The Office for Smart Growth Duplicates Role of the Department of Planning

The Governor is proposing to create the Office through legislation (SB 204/HB 302). The legislation not only creates the Office, but also creates a Smart Growth Subcabinet. The mandates of the Office set out in SB 204/HB 302 almost completely duplicate the statutory mandates of the Department of Planning (MDP), as shown in **Exhibit 2**.

While the language of HB 302/SB 204 is not exactly identical to MDP's statutory mandate, the practical effect of the new legislation would be for the Office to do almost exactly the same things that MDP is charged with doing. The biggest difference between the existing and proposed statute lies in the use of the term "Smart Growth." However, simply substituting the words "Smart Growth" for "planning" does not create a fundamentally different function. Since 1997 and the enactment of Smart Growth and Neighborhood Revitalization, any kind of planning in Maryland has had to involve smart growth. Smart Growth has required agencies to work together and drive the State's planning in a specific, coordinated direction. Therefore, "planning" is not really separate and distinct from smart growth.

#### Exhibit 2

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##### Office for Smart Growth vs. MDP Mandates

Senate Bill 204/HB302	Title 5 of the State Finance and Procurement Article
§9-1406(b)(1) provides that the Office shall: "examine the Smart Growth programs, services, and plans of State agencies to identify duplications, inefficiencies, and unmet needs in the State and to evaluate the effectiveness of those programs, services, and plans".	§5-401(a) states that: "to establish relative priorities and avoid duplication and conflicts, the Department [of Planning] shall advise the Governor on the means and methods available to coordinate the plans and programs of all units of State government."  §5-401(b) states that: "to avoid duplication and conflicts, the Department [of Planning] shall advise the Governor on the means and methods available to coordinate the plans and programs of federal, State, regional, and local governments."



**Exhibit 2**

**Office for Smart Growth vs. MDP Mandates**

<b>Senate Bill 204/HB302</b>	<b>Title 5 of the State Finance and Procurement Article</b>
<p>§9-1406(b)(2) states that the Office shall: "coordinate the Smart Growth programs, services, and plans of State agencies to ensure interagency consensus and cooperation."</p>	<p>§5-402(a) provides, in pertinent part, that the Department [of Planning] shall: "(1) harmonize its planning activities with the planning activities of other units of State government; (2) coordinate the plans and programs of all units of the State government; [and] (3) cooperate with and assist other units of the State government in the execution of their planning functions, to harmonize their planning activities with the State Development Plan."</p>
<p>§9-1406(b)(3) provides that the Office shall: "provide advisory and technical assistance to local jurisdictions and to the public in preparing, financing, and developing Smart Growth and neighborhood conservation projects."</p> <p>§9-1406(b)(6) provides that the Office shall: "work with local governments in expediting review of the projects that both the local government and the State agree are consistent with the State's Smart Growth Policy."</p>	<p>§5-402(b) provides that: the Department [of Planning] shall "(1) harmonize its planning activities with the planning activities of local governments; and (2) cooperate with and assist local governments in the execution of their planning functions, to harmonize their planning activities with the State Development Plan."</p>
<p>§9-1406(b)(7) states that the Office shall: "in cooperation with the Department of Planning, improve public access to information in the State Clearinghouse for Intergovernmental Assistance, as established in §5-509 of the State Finance and Procurement Article."</p>	<p>§5-509(a) states that: "the Department [of Planning] shall serve as a repository and clearinghouse for information concerning federal and State grants, loans, and other financial and technical assistance."</p> <p>§5-509(c) states that: "the Department [of Planning] shall annually publish information concerning State financial and technical assistance in a catalog or catalogs of State assistance programs."</p>

**Exhibit 2**

**Office for Smart Growth vs. MDP Mandates**

<b>Senate Bill 204/HB302</b>	<b>Title 5 of the State Finance and Procurement Article</b>
§9-1406(b)(11) provides that the Office shall: "report to the Governor and, in accordance with §2-1246 of the State Government Article, to the General Assembly on or before December 1, 2001 and each December 1 thereafter on the activities of the Office and the implementation of smart growth projects in the preceding calendar year."	§5-308 states that: "(a) On the request of the Governor, the General Assembly, or the Legislative Policy Committee, the Department [of Planning] shall submit a special report on any aspect of the work of the Department that is considered to be of current interest. (b) The Department may submit a special report on any aspect of its work that the Secretary considers to be of current interest. (c) The Department shall make special reports on major research and planning projects, as distinguished from mere compilations of current information, available as soon as practicable after completion."

**Areas that Are Not Duplicative**

There are some areas of the proposed legislation that are not quite duplicative. These areas largely involve outreach to individuals outside of government. The areas are as follows:

- gather and disseminate information to the public, including local jurisdictions, nonprofit organizations, and developers on how to develop projects that are consistent with Smart Growth and Neighborhood Conservation Projects;
- provide a single point of access for members of the public, including local jurisdictions, nonprofit organizations, and developers who need assistance or guidance in navigating the process and regulations of State agencies on projects that are consistent with the State's Smart Growth policy;
- provide effective public information on Smart Growth programs and educational activities, including relationships with the National Center for Smart Growth Education and Research at the University of Maryland College Park, and Coordination of Smart Growth outreach efforts to local governments, the general public and other interest groups;
- coordinate the efforts of the Executive Branch to provide input to the General Assembly on legislation that concerns smart growth; and
- in coordination with the Smart Growth Subcabinet, recommend to the Governor changes to State law and regulations necessary to advance the policy of Smart Growth.

## **MDP Already Performs these Functions Without a Statutory Mandate**

While these specific items are not in MDP's legislative mandate, MDP's MFR addresses each of the items. The mission of MDP is to "provide information and services that improve the ability of State and Local government, and community, development and environmental organizations to support desirable growth in Maryland. Promote growth in Maryland that fosters vibrant, liveable communities, preserves and protects the environment, and makes efficient use of State resources." The vision for MDP is "to assure that present policy makers have the creative and informational tools necessary to make decisions relative to Maryland's people and land," and to support the vision and mission. Goal 4 is to "provide web enabled information and services to the public over the internet."

MDP runs a helpful website, <http://www.mdp.state.md.us>. On the website, the agency goes into great detail about what Smart Growth is and provides guides like:

- Smart Growth: Municipal Implementation (a guide to meet the requirements and take advantage of Smart Growth) for a modest \$2 fee.
- A summary chart of Priority Funding Areas criteria that is offered for free and a more detailed explanation available for a modest \$2 fee.
- An interactive rough guide to the Priority Funding Areas in Maryland.
- A free 52-page report on Smart Growth and Neighborhood Conservation initiatives.

While there may be disagreement as to the extent that MDP is successful in its outreach efforts, for the most part the agency is addressing the tasks that are enumerated in the legislation that proposes to create the Office. Additionally, MDP has just been restored to a Cabinet-level department. This legislative session is the first for MDP's new Secretary. MDP should have more than a year as a Cabinet-level department before a new executive agency is created that seems to usurp many of MDP's statutory mandates. If outreach is a severe problem that MDP is not addressing, the remedy would be to either increase resources to MDP, or by reallocating current resources. The answer is not to create an almost \$700,000 executive agency that is duplicative of another agency in State government and add yet another layer of bureaucracy that State and local governments and the public have to confront when undertaking planning activities.

**DLS recommends deleting the Office because the MDP either currently performs or should be performing the same functions that are proposed for the Office.**

***Recommended Actions***

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	<b><u>Amount Reduction</u></b>		<b><u>Position Reduction</u></b>
1. Delete \$687,000 in general funds for the Office for Smart Growth (Office) because the Maryland Department of Planning (MDP) either currently performs or should be performing the same functions that are proposed for the Office.	\$ 687,000	GF	8.0
<b>Total General Fund Reductions</b>	<b>\$ 687,000</b>		<b>8.0</b>

**Object/Fund Difference Report  
Governor's Office for Smart Growth**

	<u>Object/Fund</u>	FY00	FY01	FY02	FY01 - FY02	Percent <u>Change</u>
		<u>Actual</u>	<u>Working Appropriation</u>	<u>Allowance</u>	<u>Amount Change</u>	
<b>Positions</b>						
01	Regular	0	0	8.00	8.00	N/A
<b>Total Positions</b>		<b>0</b>	<b>0</b>	<b>8.00</b>	<b>8.00</b>	<b>N/A</b>
<b>Objects</b>						
01	Salaries and Wages	\$ 0	\$ 0	\$ 362,230	\$ 362,230	N/A
03	Communication	0	0	7,500	7,500	N/A
04	Travel	0	0	5,000	5,000	N/A
07	Motor Vehicles	0	0	16,250	16,250	N/A
08	Contractual Services	0	0	124,936	124,936	N/A
09	Supplies & Materials	0	0	5,000	5,000	N/A
11	Equip - Additional	0	0	50,019	50,019	N/A
14	Land & Structures	0	0	116,065	116,065	N/A
<b>Total Objects</b>		<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 687,000</b>	<b>\$ 687,000</b>	<b>N/A</b>
<b>Funds</b>						
01	General Fund	\$ 0	\$ 0	\$ 687,000	\$ 687,000	N/A
<b>Total Funds</b>		<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 687,000</b>	<b>\$ 687,000</b>	<b>N/A</b>

Note: Full-time and contractual positions and salaries are reflected for operating budget programs only.