



THE PRINCE GEORGE'S COUNTY GOVERNMENT

Office of Audits and Investigations

April 19, 2018

MEMORANDUM

TO: Todd M. Turner, Chair
Transportation, Housing and the Environment Committee (THE)

THRU: David H. Van Dyke, County Auditor *DHV*

FROM: Sylvia King, Audit Manager *OK*

RE: Soil Conservation District
Fiscal Year 2019 Budget Review

Operating Budget Overview

The FY 2019 Proposed Budget for the Soil Conservation District (the "District") before recoveries is \$1,580,400, an increase of \$164,200, or 11.6%, over the FY 2018 Approved Budget. The budget change is attributed to increases in compensation costs related to a new position and mandated salary requirements, in addition to increases in fringe benefits as a result of compensation adjustments, and increases in operating costs related to office automation.

The General Fund cost of the Soil Conservation District is fully recoverable from the Stormwater Management Enterprise Fund, which includes District reimbursements for sediment control fees and a State reimbursement to offset salaries. In addition, the District will recover \$12,500 from the Maryland Agricultural Land Transfer Tax, for the expenditures associated with the Agricultural Land Preservation Program.

Budget Comparison – General Fund

Approved Fiscal Year 2018 to Proposed Fiscal Year 2019

Category	FY 2017 Actual	FY 2018 Approved	FY 2018 Estimated	% Change - Est vs App	FY 2019 Proposed	\$ Change	% Change
Compensation	\$ 1,006,198	\$ 1,072,500	\$ 1,049,900	-2.1%	\$ 1,168,000	\$ 95,500	8.9%
Fringe Benefits	290,537	329,300	322,200	-2.2%	361,000	\$ 31,700	9.6%
Operating Expenses	14,020	14,400	14,400	0.0%	51,400	\$ 37,000	256.9%
Sub-Total	\$ 1,310,755	\$ 1,416,200	\$ 1,386,500	-2.1%	\$ 1,580,400	\$ 164,200	11.6%
Recoveries	(1,310,755)	(1,416,200)	(1,386,500)	-2.1%	(1,580,400)	(164,200)	11.6%
Total	\$ -	\$ -	\$ -	-	\$ -	\$ -	-

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Authorized Staffing Count - General Fund

	FY 2018 Approved	FY 2019 Proposed	Change Amount	Percentage Change
Full-Time	15	16	1	6.7%
Part-Time	0	0	0	0.0%
Limited Term	0	0	0	0.0%
Total	15	16	1	6.7%

Staffing Changes and Compensation

- The FY 2019 Proposed Budget includes funding for 16 full-time positions, which includes two (2) District staff who are located at the District's satellite office, which is housed at the Department of Permitting, Inspections, and Enforcement ("DPIE"). This staffing complement represents an increase of one (1) position from the previous fiscal year's approved budget, for a new Planner III position to lead the Urban Agriculture Soil and Water Conservation Program.
- The District is reporting one (1) Engineer II vacancy in the current fiscal year (as of 3/12/2018), which is expected to be filled in April 2018.
- FY 2019 proposed compensation is \$1,168,000, an increase of \$95,500, or 8.9%, over the FY 2018 approved level. The increase is reflective of the funding adjustments necessary to support anticipated cost-of-living adjustments (2% effective January 2019), and merit increases (generally 3.5% for eligible employees on their anniversary date), for the current staffing complement, as well as for the new Planner III position.

Fringe Benefits

- In FY 2019 Fringe Benefit expenditures are proposed at \$361,000, an increase of \$31,700, or 9.6%, over the FY 2018 approved level, to reflect a change in the fringe rate, compensation adjustments, and an additional position.
- A five-year trend analysis of fringe benefits is included in the table below.

Fringe Benefits Historical Trend					
	FY 2015 Actual	FY 2016 Actual	FY 2017 Actual	FY 2018 Estimated	FY 2019 Proposed
Fringe Benefits Expenditures	\$ 276,232	\$ 297,102	\$ 290,537	\$ 322,200	\$ 361,000
As a % of Compensation	29.2%	29.2%	28.9%	30.7%	30.9%
Annual % Change	19.8%	7.6%	-2.2%	10.9%	12.0%

Operating Expenses

- In FY 2019, operating expenses are proposed at \$51,400, which represents an increase of \$37,000, or 256.9%, over the Approved FY 2018 levels, due to a change in the office automation charge methodology which is based on the number of funded positions.
- The accompanying table compares the FY 2019 Proposed Budget operating expenditures with the FY 2018 Approved Budget operating expenditures. The FY 2019 Proposed Budget level increases for office automation, and remains unchanged for general office supplies and printing.

Operating Objects	FY 2018 Budget	FY 2019 Proposed	FY 2018 - FY 2019	
			\$ Change	% Change
Office Automation	9,600	46,600	37,000	385.4%
General Office Supplies	4,400	4,400	-	0.0%
Printing	400	400	-	0.0%
TOTAL	\$ 14,400	\$ 51,400	\$ 37,000	256.9%

Recoveries

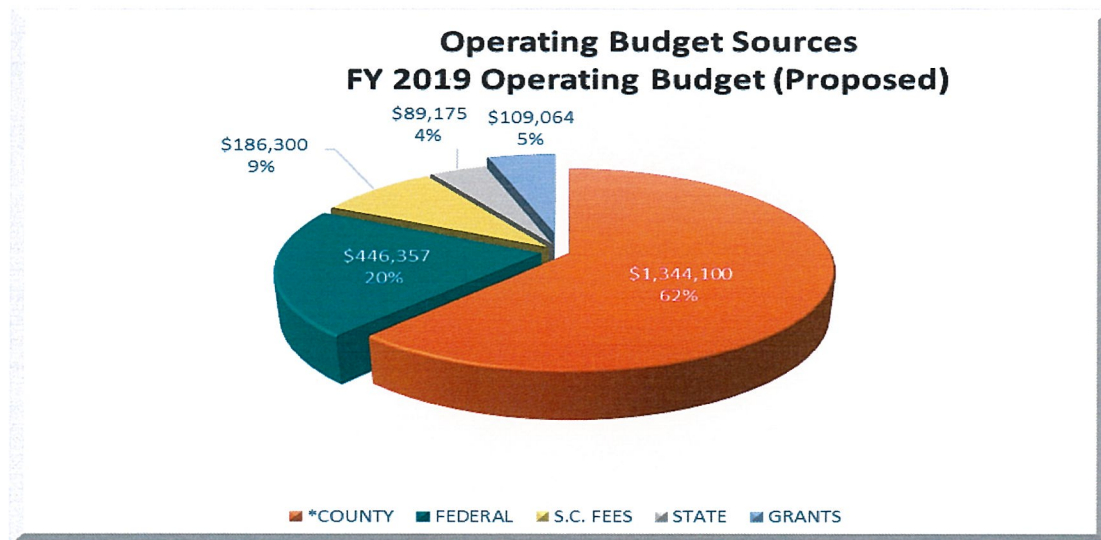
- In FY 2019 Proposed Recoveries total \$1,580,000, an increase of \$164,200, or 11.6%, over the previous year's Approved Budget to reflect increases in salary, fringe, and operating expenditures. General Fund costs in FY 2019 of \$1,567,900 will be recovered from the Stormwater Management Enterprise Fund to cover salaries, fringe and operating expenditures.
- In FY 2019, the County will also recover \$12,500 from the Agricultural Land Transfer Tax for expenditures to offset salaries and fringe for two (2) positions associated with the Agricultural Land Preservation Program, a Planner III and Administrative Aide IV position. See chart below.

Recoveries, FY 2019 and Estimated FY 2018					
	Description	FY 2018 Estimate	FY 2019 Proposed Budget	Change (FY19 vs FY18 Est)	Fund/Source (GF, IS, EF, Grants)
1	Salaries - MD Ag Tax	\$ 9,500	\$ 9,500	\$ -	ET84
2	Fringe - MD Ag Tax	\$ 3,000	\$ 3,000	\$ -	ET84
	Sub-total MD Ag Tax	\$ 12,500	\$ 12,500	\$ -	
3	Salaries - Storm Water Mgmt.	\$ 1,040,400	\$ 1,158,500	\$ 118,100	EF5100
4	Fringe - Storm Water Mgmt.	\$ 319,200	\$ 358,000	\$ 38,800	EF5100
5	Operating - Storm Water Mgmt.	\$ 14,400	\$ 51,400	\$ 37,000	EF5100
	Sub-Total Storm Water Mgmt.	\$ 1,374,000	\$ 1,567,900	\$ 193,900	
	TOTAL RECOVERIES	\$ 1,386,500	\$ 1,580,400	\$ 193,900	13.98%

Source: FY 2019 First Round Response Q.13, p.6

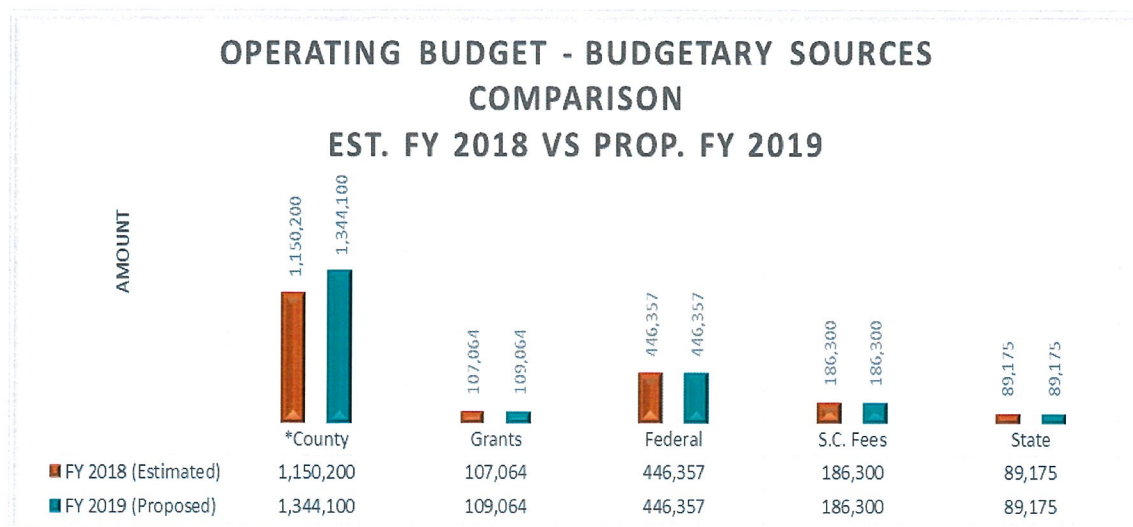
Revenues

- Please see the chart below for a detailed listing of the District's proposed FY 2019 combined funding sources. The County provides the majority of the District's operating funds (approximately \$1.3 million, or 62%), followed by Federal (\$446,357, or 20%), and District fees (\$186,300, or 9%).



Source: First Round Response Q.2 – Attachment 1 – Revised 4/3/2018 *Includes Fringe

- Please see the chart below for a detailed listing of the District's estimated FY 2018 and proposed FY 2019 combined funding sources which will result in a net increase of \$195,900 in FY 2019, over the estimated FY 2018 amount. Increases are seen in County funding (Stormwater Management Enterprise Fund) for salaries, fringe and operating expenses (\$193,900), and grant funding (\$2,000) for operating expenses, with no changes in Federal and State funding for salaries and operating expenses, or sediment control (S.C.) Fees for staffing.



Source: First Round Q.2, Attachment 1 – Revised 4/3/2018 & First Round Q.13

- In FY 2019, a total of \$236,300 will be credited to the Stormwater Management Enterprise Fund and remains unchanged from the FY 2018 approved amounts. This funding is comprised of sediment control (S.C.) fees generated by the District (\$186,300), and the State Reimbursement for salaries (\$50,000).

Grants

- The District is reporting the following grants that assist with Best Management Practices (BMP) installation on farms:
 - i. The Maryland Department of Agriculture (“MDA”) 2010 Trust Fund Grant will increase from \$107,064 in FY 2018 to \$109,064 in FY 2019. MDA added \$2,000 back into the grant in FY 2019 to cover operating costs.
 - ii. The Maryland Association of Soil Conservation Districts (“MASCD”)/ Natural Resources Conservation Service (“NRCS”) grant of \$27,360, was received for three (3) years beginning mid-year FY 2018 (January 1) and ending mid-year in FY 2020. This results in \$9,120 each of potential funding monies for FY 2018, FY 2019, and FY 2020 if conservation plans and BMPS are implemented.
 - iii. Last year, the District reported that the Maryland Association of Soil Conservation Districts (“MASCD”)/ Natural Resources Conservation Service (“NRCS”) grant which had \$7,500 in funding left as of April 10, 2018, were not spent by the County’s Soil Conservation District, and was disbursed by MASCD/NRCS to other soil conservation districts in Maryland.
- The District secured a grant from the National Association of Conservation Districts (NACD) for Urban Agriculture Conservation (UAC). The grant is for one (1) year for \$50,000, which started mid-cycle FY 2018 (January 1) and ends mid-cycle FY 2019 (December 30). Funding from this grant was used to hire a part-time urban agriculture conservation planner to help build the UAC program.

Highlights

- The District’s integral initiatives include the preservation of additional acres of Agriculture land through the Rural Legacy, Maryland Agricultural Land Preservation Foundation (MALPF), and Historic Agricultural Resource Preservation Program (HARPP) programs totaling over 5,840 acres County wide:
 - ***Rural Legacy Program*** – conservation of strategic natural resources and prevention of sprawl development:
 - ❖ One (1) property for 298 acres preserved.
 - ❖ Three (3) pending applications for 229 acres.
 - ***The Maryland Agricultural Land Preservation Foundation (“MALPF”) Program*** - productive farmland and woodland preservation:
 - ❖ Maintained MALPF certification resulting in continued higher percentage of Agricultural Transfer Tax retention for preservation programs.

- **Historic Agricultural Resource Preservation Program (“HARPP”)** funded by the Maryland-National Capital Park & Planning Commission (“M-NCPPC”) – Rural Tier preservation:
 - ❖ 37 properties with approximately 3,425 acres preserved to date.
 - ❖ To date, the HARPP account balance is at \$2.6 million.
 - ❖ \$0 in funding from M-NCPPC has been budgeted for FY 2019 for the HARPP program.
 - ❖ There are nine (9) pending applications for an additional 654 acres.
 - One (1) of the pending applications has been approved by the M-NCPPC Planning Board and is anticipated to settle in FY 2018, and is valued at \$145,937 for 23 acres, leaving a current balance of \$2.45 million.
 - The remaining eight (8) other applications are in the queue, and are estimated at \$3.54 million.
 - No offers for any applications for the remainder of FY 2018 is anticipated.
 - Anticipate receiving four (4) offers in FY 2019 for a total of 368 acres in the amount of \$2,069,350.
 - If all nine (9) of the pending applications go to settlement, it is estimated that the projected shortfall will be \$927,720 in FY 2019.
 - ❖ Ongoing budget reductions for the HARPP program (FY 2017-FY 2022) may have a negative impact on the number of easements and preserved acres.
- Continued involvement with Prince George’s County Public Schools on the curriculum in **Agricultural Science Education and Environmental Science Academy (“ASE/ESA”)** Program, **the Envirothon**, and the **Green Schools Program**, has yielded positive results for the District’s education and outreach programs.
 - ❖ **Envirothon** competition - annual high school environmental competition.
 - Maintained a high level of school participation.
 - Participation has grown from 12 teams (FY 2015), 13 teams (FY 2016) to 18 teams in FY 2017.
 - Provided higher education scholarships to high school students on the winning County Envirothon team - paid out to date total \$22,000.
 - ❖ In an effort to support the Prince George’s County Public Schools’ **Green School Program**, the District purchased recycle containers for four (4) elementary schools (3 of which are located in Transforming Neighborhoods Initiative (TNI) areas) to facilitate those schools’ science programs and aide in gaining “Green School” certification.
- **Urban Agriculture Conservation** – Increased participation in the growing Urban Agriculture movement has provided increased opportunities to work with a broader range of customers on Urban Agriculture Conservation resource concerns:
 - ❖ Continued working with Urban Agriculture producers who qualify for the property tax credit per CB-74-2015.
 - ❖ Expanded this program by securing a part-time technical position through a one (1) year NACD capacity building grant.

- ❖ This grant will demonstrate the need for a full-time urban agriculture conservation planner.
 - ❖ Since January 1, 2018, this part-time planner has worked with over 20 urban agriculture producers on soil and water conservation concerns.
 - ❖ The District plans to fully implement the Urban Agriculture Conservation Program in FY 2019.
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- Collaboration with the United States Department of Agriculture (“USDA”) - NRCS and National Association of Conservation Districts (“NACD”) on the topic of soil health and Urban Agriculture Conservation has provided greater exposure at the national level, and continued recognition as a leader in locally led soil and water conservation.
 - Public/Private partnerships for streambank restoration, wetland creation and shoreline erosion projects on farms are increasing. This may add additional workload to both the Agriculture and Urban technical staff, but provide much needed improvements to a neglected resource concern.
 - Continued partnership with the Department of the Environment (DOE) to expedite review of Clean Water Partnership Stormwater management retrofit projects, and provide consultation for project feasibility, assessments and value engineering. The District will continue to work with DOE and third party engineers to review/approve MS4 Stormwater retrofit projects in FY 2019.
 - Expanded current technical training program to include participation of the City of Bowie, City of Laurel, Department of Permitting, Inspections, and Enforcement (DPIE), Department of Public Works and Transportation (DPW&T), and other Maryland Soil Conservation Districts.
 - The District is reporting the following with regard to the Maryland Watershed Implementation Plan (“WIP”):
 - In FY 2018 it exceeded milestone goals for planning and BMP implementation on County farms.
 - WIP II is complete. MDA is completing data analysis for all Soil Conservation Districts to submit to the Bay Program, then work will begin with MDA on development of WIP III goals.
 - The District has maintained an average urban plan review time for all technical submissions of less than five (5) business days with a stated maximum of ten (10) business days per cycle in FY 2018, and expects to continue the same turn-around time in FY 2019 for erosion and sediment control plan review/approval cycles.
 - The District has completed three (3) additional projects under the Soil Conservation District’s Revolving BMP Loan Program for historically underserved farmers.
 - The District’s Information Technology (IT) initiatives are 80% complete, and include installation of upgraded software (Adobe & GIS), purchase of a large format color plotter/scanner and ongoing development of a new website. These initiatives are funded solely by the District with support from the Office of Information Technology (OIT) and should improve overall program efficiency.