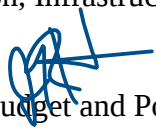




April 13, 2023

**MEMORANDUM**

TO: Eric C. Olson, Chair  
Transportation, Infrastructure, Energy and Environment Committee (TIEE)

THRU: Josh Hamlin   
Director of Budget and Policy Analysis

FROM: Alex Hirtle   
Legislative Budget & Policy Analyst

RE: Soil Conservation District  
Fiscal Year 2024 Budget Review

**Budget Overview**

The FY 2024 Proposed Budget for the Soil Conservation District (the “District”) before recoveries is \$2,124,700. This is an increase of \$127,000, or 6.4%, over the FY 2023 Approved Budget. The budget change is attributed to increases in operating costs related to technology charges, and compensation and fringe benefit increases.

The General Fund cost of the District is recovered from the Stormwater Management Enterprise Fund, which includes District and State reimbursement for sediment control fees. In addition, the District will recover \$12,500 from the Agricultural Land Transfer Tax, for the expenditures associated with the Agricultural Land Preservation Program.

**Budget Comparison – General Fund**

Approved Fiscal Year 2022 to Proposed Fiscal Year 2024

| Category           | FY 2022<br>Actual | FY 2023<br>Approved | FY 2023<br>Estimated | % Change -<br>Est vs App | FY 2024<br>Proposed | \$<br>Change | % Change |
|--------------------|-------------------|---------------------|----------------------|--------------------------|---------------------|--------------|----------|
| Compensation       | \$ 1,284,970      | \$ 1,401,800        | \$ 1,341,600         | -4.3%                    | \$ 1,482,200        | \$ 80,400    | 5.7%     |
| Fringe Benefits    | 382,645           | 490,800             | 437,700              | -10.8%                   | 522,700             | 31,900       | 6.5%     |
| Operating Expenses | 97,700            | 105,100             | 105,100              | 0.0%                     | 119,800             | 14,700       | 14.0%    |
| Sub-Total          | \$ 1,765,315      | \$ 1,997,700        | \$ 1,884,400         | -5.7%                    | \$ 2,124,700        | \$ 127,000   | 6.4%     |
| Recoveries         | (1,765,315)       | (1,997,700)         | (1,884,400)          | -5.7%                    | (2,124,700)         | (127,000)    | 6.4%     |
| Total              | \$ -              | \$ -                | \$ -                 | -                        | \$ -                | \$ -         | -        |

### **Authorized Staffing Count - General Fund**

|              | <b>FY 2023 Approved</b> | <b>FY 2024 Proposed</b> | <b>Change Amount</b> | <b>Percentage Change</b> |
|--------------|-------------------------|-------------------------|----------------------|--------------------------|
| Full-Time    | 16                      | 16                      | 0                    | 0.0%                     |
| Part-Time    | 0                       | 0                       | 0                    | 0.0%                     |
| Limited Term | 0                       | 0                       | 0                    | 0.0%                     |
| <b>Total</b> | <b>16</b>               | <b>16</b>               | <b>0</b>             | <b>0.0%</b>              |

### **Staffing Changes and Compensation**

- The FY 2024 Proposed Budget includes funding for 16 full-time positions and remains unchanged from the FY 2023 approved staff level.
- There have been two resignations in FY 2023 - both Administrative Aide I/II. One position has already been filled. This is an attrition rate of 12.5%.
- FY 2024 proposed compensation is \$1,482,200, an increase of \$80,400, or 5.7%, over the FY 2023 approved level. The increase is due to annualization of FY 2023 and FY 2024 planned salary adjustments.

### **Fringe Benefits**

- In FY 2024, Fringe Benefit expenditures are proposed at \$522,700, an increase of \$31,900, or 6.5%, over the FY 2023 Approved Budget, to reflect a change in the fringe benefit rate and compensation adjustments.
- A five-year trend analysis of fringe benefits is included in the table below.

| <b>Fringe Benefits Historical Trend</b> |                       |                       |                       |                          |                         |
|-----------------------------------------|-----------------------|-----------------------|-----------------------|--------------------------|-------------------------|
|                                         | <b>FY 2020 Actual</b> | <b>FY 2021 Actual</b> | <b>FY 2022 Actual</b> | <b>FY 2023 Estimated</b> | <b>FY 2024 Proposed</b> |
| Fringe Benefits Expenditures            | \$ 369,850            | \$ 384,048            | \$ 382,645            | \$ 437,700               | \$ 522,700              |
| As a % of Compensation                  | 30.9%                 | 31.7%                 | 29.8%                 | 32.6%                    | 35.3%                   |
| Annual % Change                         |                       | 17.1%                 | -0.4%                 | 14.4%                    | 19.4%                   |

### **Operating Expenses**

- In FY 2024, operating expenses are proposed at \$119,800, which represents an increase of \$14,700 or 14.0%, over the FY 2023 Approved Budget, due to an increase in the technology cost of allocation charge.

- The accompanying table compares the FY 2024 Proposed Budget operating expenditures with the FY 2023 Approved Budget operating expenditures. The FY 2024 Proposed Budget level increases for Office Automation by \$14,700 and remains unchanged for General Office Supplies and Printing.

| Operating Objects         | FY 2022<br>Actual | FY 2023<br>Budget | FY 2024<br>Proposed | FY 2023 - FY 2024 |              |
|---------------------------|-------------------|-------------------|---------------------|-------------------|--------------|
|                           |                   |                   |                     | \$ Change         | %<br>Change  |
| Office Automation         | \$ 94,400         | \$ 100,300        | \$ 115,000          | \$ 14,700         | 14.7%        |
| General Office Supplies   | 12                | 4,400             | 4,400               | -                 | 0.0%         |
| Printing                  | 400               | 400               | 400                 | -                 | 0.0%         |
| Other Operating Equipment | 2,888             | -                 | -                   | -                 | 0.0%         |
| <b>TOTAL</b>              | <b>\$ 97,700</b>  | <b>\$ 105,100</b> | <b>\$ 119,800</b>   | <b>\$ 14,700</b>  | <b>14.0%</b> |

### Recoveries

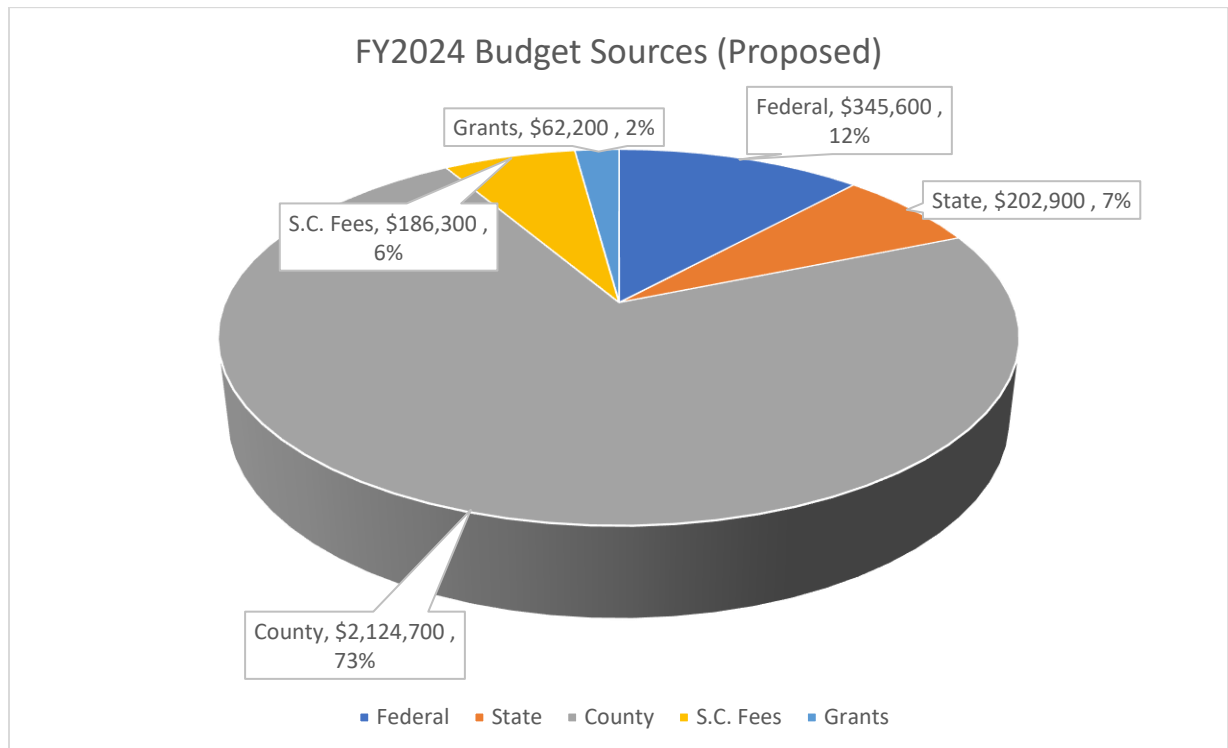
- In FY 2024 Proposed Recoveries total \$2,124,700, an increase of \$127,700, or 6.4%, over the FY 2023 Approved Budget to reflect increases in compensation, fringe benefits, and operating expenditures. General Fund costs in FY 2024 of \$2,124,700 will be recovered from the Stormwater Management Enterprise Fund.
- In FY 2024, the County will also recover \$12,500 from the Agricultural Land Transfer Tax for the expenditures associated with the Agricultural Land Preserve.

|   | Specific Project                   | FY 2023<br>Approved | FY 2023<br>Estimate | FY 2024<br>Proposed | Change<br>(FY23 VS FY24) |
|---|------------------------------------|---------------------|---------------------|---------------------|--------------------------|
| 1 | Salaries - MD Ag Tax               | \$ 9,500            | \$ 9,500            | \$ 9,500            | \$ -                     |
| 2 | Fringe - MD Ag Tax                 | \$ 3,000            | \$ 3,000            | \$ 3,000            | \$ -                     |
|   | <b>Sub-Total MD Ag Tax</b>         | <b>\$ 12,500</b>    | <b>\$ 12,500</b>    | <b>\$ 12,500</b>    | <b>\$ -</b>              |
| 3 | Salaries - Storm Water Mgmt.       | \$ 1,340,400        | \$ 1,332,100        | \$ 1,472,700        | \$ 132,300               |
| 4 | Fringe - Storm Water Mgmt.         | \$ 473,700          | \$ 434,700          | \$ 519,700          | \$ 46,000                |
| 5 | Operating - Storm Water Mgmt.      | \$ 105,100          | \$ 105,100          | \$ 119,800          | \$ 14,700                |
|   | <b>Sub-Total Storm Water Mgmt.</b> | <b>\$ 1,919,200</b> | <b>\$ 1,871,900</b> | <b>\$ 2,112,200</b> | <b>\$ 193,000</b>        |
|   |                                    |                     |                     |                     |                          |
|   | <b>TOTAL RECOVERIES</b>            | <b>\$ 1,931,700</b> | <b>\$ 1,884,400</b> | <b>\$ 2,124,700</b> | <b>\$ 172,200</b>        |

Source: FY 2024 First Round Response Page 6, q. 13, FY 2023 Committee Report, p. 3

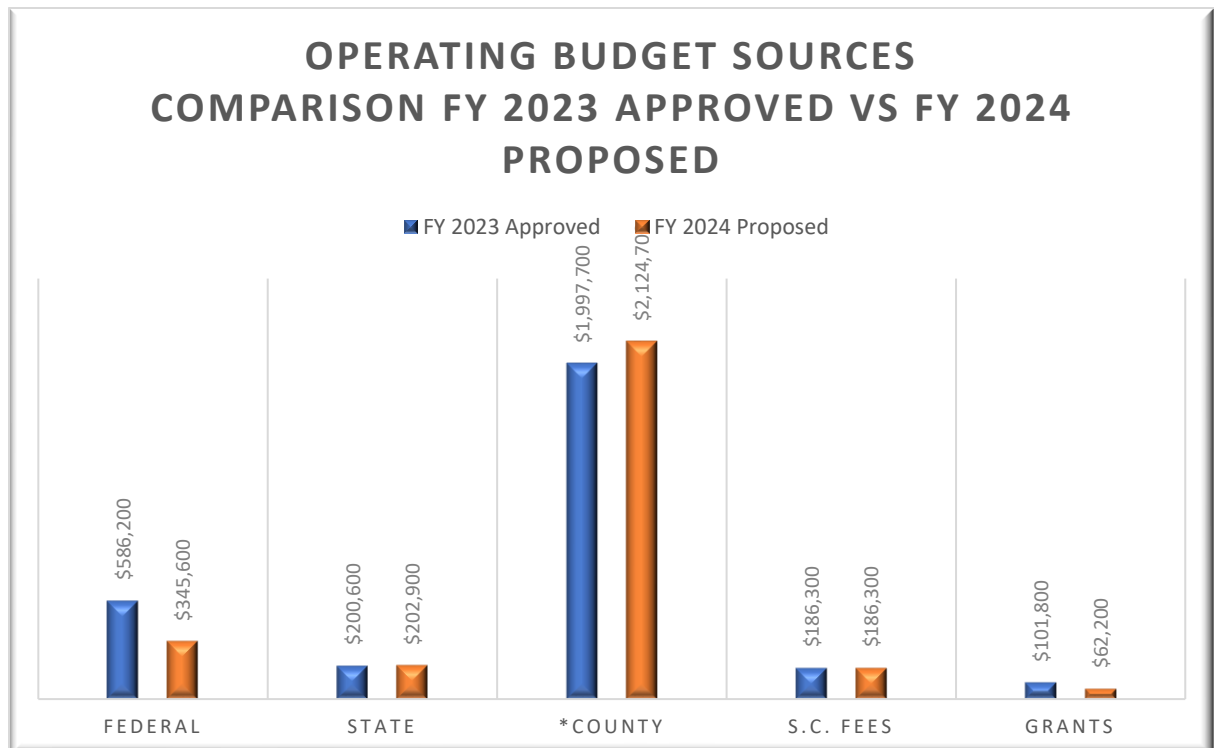
## **Revenues**

- Please see the chart below for a detailed listing of the District's proposed FY 2024 combined funding sources. The County provides the majority of the District's operating funds (approximately \$2.1 million, or 73%), followed by Federal (\$345,600 or 12%), and District Sediment Control (S.C.) fees (\$186,300, or 6%).



***Source: First Round Responses, Page 2, Q. 2.***

- Please see the chart on the following page for a detailed listing of the District's approved FY 2023 and proposed FY 2024 combined funding sources which will result in a net decrease of \$150,900 in FY 2024, over the approved FY 2023 amount. Increases are seen in County funding (\$127,000), and State funding (\$2,300); decreases are seen in Federal funding (\$240,600), and Grant funding (\$39,600). There are no changes in S.C. Fees (\$186,300).



*Source: First Round Response, Page 2, Q.2*

### Grants

- The total Grant Funding is proposed to be \$62,200 in FY 2024, which is a \$39,600 decrease compared to the FY 2023 budget.
- The Soil Conservation District recently applied for a Healthy Soils Grant with Maryland Department of Agriculture (MDA) to assist producers with the implementation of healthy soil best management practices.
- The District continues to partner with DoE on a USDA Climate Smart Commodities Grant, providing technical assistance and personal one-on-one contact with producers.

### Highlights

- The District's integral initiatives include the preservation of additional acres of agriculture land through the Rural Legacy Program, Maryland Agricultural Land Preservation Foundation (MALPF), and Historic Agricultural Resource Preservation Program (HARPP) programs totaling 7,215 acres countywide:
  - **Rural Legacy Program** – conservation of strategic natural resources and prevention of sprawl development:

- ❖ Currently there are no pending applications.
- ***The Maryland Agricultural Land Preservation Foundation (MALPF)*** – 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 and Planning Commission (M-NCPPC) – Rural Tier preservation:
  - ❖ To date, the HARPP account balance is at \$4.1 million.
  - ❖ There are seven (7) pending applications for 358 acres.
    - Two (2) applications have been approved by the M-NCPPC Planning Board and are expected to settle for 68 acres for \$0.25 million.
    - The District anticipates receiving five (5) applications totaling 290 acres estimated to cost \$1.16 million. in FY 2024.
    - If all the pending applications in FY 2024 go through, there would be an estimated \$2.69 million surplus by the end of FY 2024.
  - ❖ Significant budget reductions for the HARPP program (FY 2022 - FY 2027) could have a negative impact on the number of easements and the goal of 10,000 acres preserved by the end of FY 2027.
- Continued involvement with Prince George’s County Public Schools (PGCPS) on the curriculum in Agricultural Science Education and Environmental Science Academy, the Envirothon, and interacting with the Future Farmers of America (FFA), has yielded positive results for the District’s education and outreach programs.
  - ❖ ***Envirothon*** competition - annual high school environmental competition.
    - The FY 2023 Envirothon will be held in person in April, with 17 teams registered to participate.
    - The District continues to provide higher education scholarships to high school students; total paid out to date is \$33,500.
  - ❖ **SYEP Program and Internships**
    - The District has participated in the County’s Summer Youth Enrichment Program (SYEP) for the past five years, excluding 2020-2022 due to COVID. The District expects to accept 4 students this summer for FY 2024.

- The District plans on hosting a couple of interns in FY 2024. The District has historically focused on internships for disabled veterans. Interns assist staff with aspects of agricultural conservation planning, including developing resource inventory maps and assessments.
- ***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 soil and water resource concerns:
  - ❖ The Urban Farm Incubator at Watkins Regional Park was successfully at hosting 15 farmers last season, with the District providing Best Management Practices (BMP's) for soil and water conservation with that project.
  - ❖ The District also provided technical assistance with a pilot project at Clagett Landing Road to specialty farmers providing flowers, vegetables, and grains on those parcels.
- Public-Private partnerships for streambank restoration, wetland creation and shoreline erosion projects on farms are increasing. These projects provide needed improvements to a neglected soil and water resource.
- The impact of climate change has created challenges in both the agricultural conservation and the urban conservation/development section of the District. Unprecedented amounts of rainfall coupled with the increased intensity of rainfall events has caused major erosion issues on both farms and in urban areas. The District continues to investigate these challenges and develop solutions.
- Continued current technical training program to include participation with the Cities of Bowie, Laurel, Greenbelt, the 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 related to Maryland's Watershed Implementation Plan (WIP):
  - ❖ The District reports there are about 750 SCWQP's (Soil Conservation & Water Quality Plans) on file covering roughly 55,000 acres of agricultural land. These plans are part of Best Management Practices (BMP's) to help reduce nitrogen/phosphorus and sediment in meeting Total Maximum Daily Loads (TMDL's) requirements by the State.

- ❖ The District reports the following BMP statistics helping to meet the WIP goals: forest buffer, 100%; barn yard runoff control, 77%; horse pasture management, 66%; land converted to open space, 100%.
  - ❖ The total WIP III planning goal is 18,450 acres by 2025, which includes expiring plans and new plans needed to fill the gap and reach the goal. The current planning goal is 4,300 acres per year.
- 
- The District has maintained an average urban plan review time for all technical submissions of five (5) business days with a stated maximum of ten (10) business days per cycle.
  - The District is working with producers to complete additional projects under the Soil Conservation District's revolving BMP Loan Program for historically underserved farmers.
  - ***County Food Distribution and Processing Center***- Planning for the new County Food Distribution and Processing Center is slowly moving forward.
    - ❖ The feasibility study on this project has not been completed. The District met with DCOA McCarthy, DCOA Rodgers, and OMB Director Early and agreed the study would be assigned to an appropriate agency. The funding will stay within the District's CIP budget, and the District will provide technical assistance when needed.