



April 20, 2026

MEMORANDUM

TO: Thomas E. Dernoga, Esq., Chair
 Transportation, Infrastructure, Energy and Environment (TIEE) Committee

THRU: Sylvia King *CK*
 Senior Legislative Budget Officer

FROM: Alex Hirtle *MA*
 Budget and Policy Analyst

RE: Department of Permitting, Inspections and Enforcement (DPIE)
 Fiscal Year 2027 Budget Review

Budget Overview

The FY 2027 Proposed Budget for the Department of Permitting, Inspections and Enforcement (“DPIE” or the “Department”) is approximately \$24.3 million after recoveries, representing a decrease of ~\$8.7 million, or -26.2%, under the FY 2026 Approved Budget. The decrease is primarily due to reductions in operating, compensation, and fringe costs resulting from the proposed transfer of the DPIE Enforcement Division to the County's Office of Homeland Security’s (OHS) Code of Compliance Division. This action will transfer 86 full-time positions from DPIE to OHS.

Supplemental FY 2026 Budget Request

In FY 2026, the Department expects to request a supplemental budget appropriation of approximately \$1.1 million to cover attrition, overtime, temporary services, and operational contracts.

General Fund Expenditures by Category- Actual FY 2025 to Proposed FY 2027

Category	FY 2025 Actual	FY 2026 Budget	FY 2026 Estimate	FY 2027 Proposed	Change FY26-FY27	
					Amount (\$)	Percent (%)
Compensation	\$29,213,594	\$30,059,600	\$31,551,800	\$24,898,700	\$(5,160,900)	-17.2%
Fringe Benefits	9,986,510	10,520,200	10,913,300	8,710,700	(1,809,500)	-17.2%
Operating	11,707,516	10,497,400	11,007,000	9,430,000	(1,067,400)	-10.2%
Capital Outlay	—	—	—	—	—	
SubTotal	\$50,907,620	\$51,077,200	\$53,472,100	\$43,039,400	\$(8,037,800)	-15.7%
Recoveries	(15,950,420)	(18,111,300)	(19,157,100)	(18,726,000)	(614,700)	3.4%
Total	\$34,957,200	\$32,965,900	\$34,315,000	\$24,313,400	\$(8,652,500)	-26.2%

Compensation, Staffing and Recruitment

- For FY 2027, compensation expenditures are budgeted at approximately \$24.9 million, and represent a decrease of about \$5.2 million, or 17.2%, under the FY 2026 Approved Budget, primarily due to the transfer of the Enforcement Division to the Office of Homeland Security.
- FY 2027 proposed compensation includes funding for 234 full-time employees, four (4) personal service contracts for hearing officers, and eight (8) temporary/seasonal employees. Four (4) positions, two (2) Administrative Assistants and two (2) Administrative Specialists, will be transferred from the Office of the County Executive to support County initiatives and priorities.

Authorized Staffing Count

	FY 2026 Approved	FY 2027 Proposed	Change Amount	Percentage Change
Full-Time	321	239	-82	-25.5%
Part-Time	0	0	0	0.0%
Total	321	239	-82	-25.5%

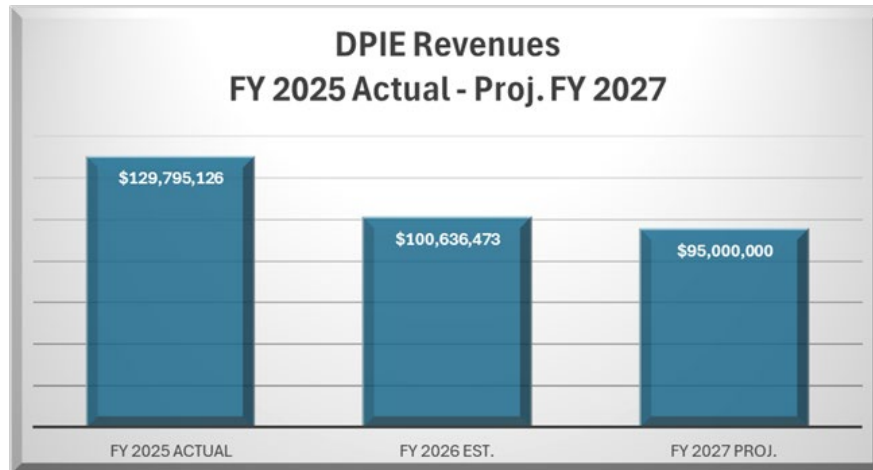
- Actual YTD overtime in FY 2026 is \$409,151, and projected to be \$703,000. Proposed FY 2027 overtime is proposed at \$228,000.
- The Agency is reporting overtime expenses for the County Executive’s Strike Force 311 initiative for Inspections and Enforcement to be an estimated cost of \$300,000 for FY 2026.
- DPIE's attrition rate to date for FY 2026 is reported at a monthly rate of 1.58%, which equates to an annual rate of 18.96%. This includes 14 resignations, 5 normal retirements, and no terminations.
- DPIE continues to work with the Office of Human Resources Management (OHRM) to train, develop, and promote employees for professional growth. This initiative directly impacts DPIE’s retention and hiring. DPIE also provided external supervisory and management training to better equip the supervisors and managers with the skills and resources they need to be successful.

Fringe Benefits

- In FY 2027, Fringe Benefit expenditures are proposed at approximately \$8.7 million, representing a decrease of about \$1.8 million, or -17.2%, under the FY 2026 approved budget level. This decrease is a result of the proposed Enforcement Division’s transfer to the Office of Homeland Security.

Revenues

- FY 2025 actual revenues were approximately \$129.8 million, FY 2026 revenues are estimated at \$100.6 million, and FY 2027 revenues are projected at \$95 million.
- Revenue decreases are in part due to a decrease in construction activity.



Source: First Round Responses, Page 18, Question #36

Operating Expenses – General Fund

- FY 2027 General Fund operating expenditures are proposed at approximately \$9.4 million, and are comprised of the following major items:
 - ❖ Operating Contracts Services \$5,467,300
 - ❖ Office Automation 2,642,600
 - ❖ Vehicle Equipment Repair/Maintenance 263,900
- Operating expenditures decrease by approximately \$1.1 million, or -10.2%, under the FY 2026 budget due to funding reductions in office equipment, vehicle repair and maintenance, OIT technology cost, training cost, and engineering consulting services. Funding in the amount of \$3.9 million will support the County’s permitting and licensing system.

- The following table compares the FY 2027 Proposed Budget operating expenses for the General Fund with the FY 2026 Approved Budget operating expenses. In ten (10) of the categories, the FY 2027 Proposed Budget decreases planned spending from the FY 2026 approved budget level, and in six (6) categories spending is proposed to increase. Proposed spending levels remain unchanged for two (2) categories in FY 2027 from the FY 2026 approved budget level.

GENERAL FUND Operating Objects	FY 2025 Actuals*	FY 2026 Approved	FY 2026 Estimated	FY 2027 Proposed	\$ Change	% Change	Explain reason for budgetary change for each object
Office & Operating Equipment Non	\$ 193,448	\$ 5,600	\$ 295,700	\$ 142,600	\$ 137,000	2446.4%	Funding to support software and IT related annual maintenance and upgrades. Based on historical data. Increase to replace inspector laptops. Current hardware is at the end of its useful life.
Interagency Charges	\$ -	\$ 205,300	\$ 205,300	\$ 223,000	\$ 17,700	8.6%	Based on eligible project charges to the OOL for legal services from 1 Attorney. Increase based on salary adjustments for FY 27
GA Contracts	\$ 9,752	\$ 13,300	\$ 71,200	\$ 29,300	\$ 16,000	120.3%	Increase primarily due to increase in armor car services. Funding does not include \$10K for Business Development Unit (BDU) videos
Data/Voice	\$ 1,555	\$ -	\$ 1,600	\$ 6,700	\$ 6,700	0.0%	Based on known and anticipated division requirements to support program priorities
Printing	\$ 33,594	\$ 7,300	\$ 20,000	\$ 10,500	\$ 3,200	43.8%	Increase to align with current trends and historical data
Mileage Reimbursement	\$ 662	\$ -	\$ 500	\$ 500	\$ 500	0.0%	
Advertising	\$ 455	\$ 200	\$ 200	\$ 200	\$ -	0.0%	
Misc.	\$ 10,700	\$ 15,600	\$ 15,600	\$ 15,600	\$ -	0.0%	Administrative Hearing stipends
Membership Fees	\$ 2,626	\$ 5,100	\$ 5,300	\$ 2,700	\$ (2,400)	-47.1%	Based on historical trends
Periodicals	\$ 8,839	\$ 15,200	\$ 15,200	\$ 8,200	\$ (7,000)	-46.1%	Decrease to align with anticipated cost for periodicals
Equipment Lease	\$ 165,640	\$ 175,000	\$ 175,000	\$ 148,200	\$ (26,800)	-15.3%	Based on known commitments for copier rental based on division requirements
Gas & Oil	\$ 101,419	\$ 108,100	\$ 121,000	\$ 80,500	\$ (27,600)	-25.5%	Increase based on inflation and additional fuel use to meet CEX new initiatives
Training	\$ 81,726	\$ 163,100	\$ 82,000	\$ 131,000	\$ (32,100)	-19.7%	Includes in state travel and training only
General Office	\$ 79,050	\$ 145,300	\$ 94,500	\$ 85,800	\$ (59,500)	-40.9%	Based on 3 Year Average plus inflation
Telephone	\$ 266,064	\$ 239,500	\$ 253,800	\$ 171,400	\$ (68,100)	-28.4%	Based on historical trends and funding reduction due to transferring telephone services to Microsoft Teams
Vehicle Equipment Repair/Maintenance	\$ 487,505	\$ 380,000	\$ 380,000	\$ 263,900	\$ (116,100)	-30.6%	Based on OCS Fleet allocation for agency
Operating Contract Service	\$ 7,342,951	\$ 5,774,100	\$ 6,025,400	\$ 5,467,300	\$ (306,800)	-5.3%	Decrease primarily due to transferring the Enforcement Division to OHS.
Office Automation	\$ 2,921,500	\$ 3,244,700	\$ 3,244,700	\$ 2,642,600	\$ (602,100)	-18.6%	Decrease primarily due to transferring the Enforcement Division to OHS.
Grand Total	\$ 11,707,516	\$ 10,497,400	\$ 11,007,000	\$ 9,430,000	\$ (1,067,400)	-10.2%	

*NOTE: Operating Expense object totals reflected in this table may not add due to rounding.

Source: Email – Revised Table Received on 4/16/26

Recoveries – General Fund

- FY 2027 proposed recoveries are approximately \$18.7 million, an increase of \$614,700, or 3.4%, above the FY 2026 Approved Budget level. Recoveries increase over the FY 2026 budget to reflect current recovery rates and eligible agency expenditures.

Recoveries, FY 2026 and FY2027						
	Specific Project	Description of DPIEs role	Service Provided	FY 2026 Estimate	FY2027 Proposed	Fund (GF, IS, EF, Grants)
1	Stormwater Mgmt. - Salaries	Recoveries	Permit Review, Site Road Review & Inspection	\$ (11,494,300)	\$ (11,193,400)	Enterprise Fund 5100
2	Stormwater Mgmt. - Operating	Recoveries	Permit Review, Site Road Review & Inspection	\$ (3,639,900)	\$ (3,560,400)	Enterprise Fund 5100
3	Stormwater Mgmt. - Fringe	Recoveries	Permit Review, Site Road Review & Inspection	\$ (4,023,000)	\$ (3,972,200)	Enterprise Fund 5100
	Total (rounded)			\$ (19,157,200)	\$ (18,726,000)	

- Recoveries are from the Department of the Environment's (DOE) Stormwater Management Fund. The following chart provides additional data related to the Department's recoveries estimated for FY 2026 and proposed for FY 2027.

Workload, Performance, and Program Management

- Strike Force 311 is a reimbursable County Executive Initiative that has required significant participation from personnel within DPIE. Year-to-date overtime for this initiative (as of February 13, 2026) has been \$222,300, and based on current activity levels, will reach \$300,000 by the end of FY 2026. DPIE has been tasked with code violations, largely from vacant lots related to the Clean Lot Program, which was suspended in FY 2026.
- The following issues will be the most critical DPIE faces over the next three (3) years:
 - **Unfunded New Initiatives** - the Department is continually challenged by unfunded initiatives at the State and local levels. During the FY 2026 legislative session, the Council adopted ten (10) Bills without identifying additional resources to support these new initiatives.
 - **Community Concerns and Critical Issues** - the Agency is challenged with responding to immediate community concerns and critical issues that center around multifamily concerns and building concerns.
- Other challenges DPIE has faced in FY 2026:
 - The implementation of Momentum Lite has been delayed. DPIE is currently working with OIT on next steps for the project.
 - Filling Engineering Plan Review positions has been difficult. Currently, the agency is using two 1000-hour part time employees.
 - DPIE's attrition rate is still high (~19% annually). Although the Agency utilizes third-party contractors to supplement the staff workload, long-term sustainability requires appropriate levels of permanent staff.
- The Department reported several positive items despite challenges that have occurred within Fiscal Year 2026:
 - DPIE continues to work with the Office of Technology (OIT) in developing Momentum. This system is an extensive informational source for the Council, and with the increased

need for performance data, its new enhancements will include resources for Bills as well as general requests.

- The Agency continues to work collaboratively with the Office of Human Resources Management (OHRM) to train, develop, and improve employee performance and professional growth. The Department provided external supervisory and management training to better equip supervisors and managers with the skills and resources they need to be successful.
- The Department has provided for timely issuance of business and health licenses and permits within one (1) day of application, at a rate of 80% in FY 2024 and FY 2025; DPIE estimates and projects to maintain this percentage in FY 2026 and FY 2027 respectively.

Transfer of DPIE’s Enforcement Division to Office of Homeland Security

- In FY 2027, the following major change to the organizational structure is being proposed that affects DPIE:
 - The Agency’s Enforcement Division is being transferred to the County’s Office of Homeland Security (OHS) in FY 2026.
 - This transfer represents one of the most substantial organizational changes and will materially impact staffing, budget allocations, and program operations.
 - Extensive coordination with OHS on code enforcement and countywide compliance activities will need to take place.
 - This change will give DPIE the capacity to focus on permitting, inspections, and development-related services.
 - Long-term budget planning and staffing structure will be a part of this change.

Grants

- The Department was awarded a grant by the Maryland Energy Administration (MEA) to support the integration of the Solar APP+ permitting software into the Momentum platform to streamline solar permitting within the County. The amount awarded was \$270,500.

Permitting and Plan Reviews

- The chart shows the FY 2025 Actual, FY 2026 (Estimated), and FY 2027 (Projected) for permit and plan data, and amounts of permit fees collected.

Category	FY 2025 Actual	FY 2026 (Est.)	FY 2027 (Proj.)
# of Staff	67	70	70
# of Complaints Rec'd	1,106	1,135	1200
# Inspections Conducted	131,409	138,000	142,000
# Violations Issued	2,295	2,484	2,250
\$ of Fines Issued	\$868,120	\$284,265 YTD	N/A
\$ of Fines Collected	\$412,530	\$138,175 YTD	N/A
Fines Outstanding	\$455,590	\$146,090 YTD	N/A

- Below is data regarding DPIE’s Property Standards Inspection. The Department has not made any projections on violation fines for FY 2027.

Category	FY 2025 (Actual)	FY 2026 (Est.)	FY 2027 (Proj.)
# of Staff	75	72	72
# of Complaints Rec’d	11,257	10,066	12,000
# Inspections Conducted	41,470	33,715	37,000
# Violations Issued	5,931	4,360	5,706
\$ of Fines Issued	\$1,047,637	\$967,115 YTD	N/A
\$ of Fines Collected	\$422,203	\$249,645 YTD	N/A
Fines Outstanding	\$625,434	\$717,470 YTD	N/A

- Below is data regarding FY 2025 Actual permit processing, permit servicing, and site/road plan reviews, and FY 2026 Estimated for the entire year.

Category	FY 2025 (Actual)	FY 2026 (Estimated for Entire Year)
# of Staff	113	110
# Permits Processed	57,446	48,495
# Permits Issued	47,794	44,895
# Fire System Permit Plans Reviewed	11,983	10,187
#Site/Road Permit Plans Review	10,792	11,840
# Commercial, Residential, Cell Tower and Health Permit Plans Reviewed	62,223	57,029
Permit & Licensing Fees Collected	\$53,144,969	\$55,486,800

Collections for Unpaid Violations Issued by DPIE

- Violations issued by DPIE for Building Inspections and Property Standards Inspections that have gone unpaid as of March 23, 2026, are estimated to be over \$850K. DPIE has indicated that the previous administration sought to hire a collections company to secure these funds, but with new leadership, no progress has been made in securing a company to assist with improving the collection rates. To achieve this goal, overall assistance is needed from the Office of Finance and the Office of Procurement.

Vehicles, Equipment and Information Technology (IT)

- The Department reports its Information Technology (IT) initiatives in the following chart, based on current executed contracts. Proposed implementation and upgrades of DPIE core systems for the Proposed FY 2027 budget comes at a cost of \$3,440,500. - These projects include ePlan (plan review tool), Infor, and Limbic.

IT INITIATIVES (Based upon current executed contracts)						
Project Name	Summary of Project Purpose and Benefits	Year Initiated	Estimated Completion Date	Total Project Cost	Amount of funding spent to date	Proposed FY 2027 Funding Amount
ePlan (Plan Review tool)	DPIE core system for plan review. Hosting, configuration, and upgrade to the latest version, which includes easier navigation for the public.	FY22	FY28	\$1,522,350	\$987,524	\$344,500
Infor	DPIE core system	FY20	FY28	\$5,344,272	\$4,075,717	\$708,000
Limbic	DPIE core system implementor, helpdesk support, PMs, BAs, upgrades, continuous regulatory changes, integrated with county systems, replaced antiquated core system with a multi-year project, continuous improvement, and continued regulatory implementations.	FY19	FY29	\$12,420,000	\$5,546,153	\$2,388,000

- The Department reports it has requested 18 vehicles, including four (4) pick-up trucks, and 14 Ford Broncos for operational efficiency. In FY 2026, the total number of vehicles eligible for replacement is six (6), which is 3.55% of the total fleet. In FY 2027, the projected number of vehicles that will be eligible for replacement is ten (10), which is 5.59% of the total fleet.

Vehicles & Equipment					
	Description (Type and quantity of equipment purchase)	FY 2026 Equipment Cost (Purchased to date)	FY 2026 Equipment Cost (Planned to be purchased)	FY 2027 Equipment Cost (Proposed to be purchased)	Purpose for Request
<i>Equipment</i>					
	None.				
<i>Vehicles - Calendar year 2026</i>					
1	Toyota Tacoma Pick Ups, 4	No cost to DPIE	\$ -	\$ -	Operational efficiency
2	Ford Broncos, 4	No cost to DPIE	\$ -	\$ -	Operational efficiency
3	Ford Broncos, 10		\$ -	TBD	Operational efficiency

Number of Vehicles Eligible for Replacement						
	FY 2026		FY 2027			
	FY 2026 Number	% of Total Fleet	Actual Number YTD*	% of Total Fleet	Projected Number	% of Total Fleet
TOTAL Vehicles eligible for replacement	6	3.55%	169	100.00%	10	5.59%
TOTAL Vehicle inventory	169	100.00%	169	100.00%	179	100.00%

*Actual as of: April 16, 2026

Source: Vehicle Replacement chart was revised by DPIE and sent via email on 4/16/26

Questions For Committee Consideration:

- Will the Agency be able to maintain the expected level of operational efficiency with reductions in temporary staffing and seven (7) positions unfunded for tasks that include permitting, licensing, and responses to construction complaints.
- Given DPIE has issued over \$1 Million in violations (YTD March 2026) that still have not been paid, to what extent will the Agency collaborate with the Office of Finance and the Office of Procurement to collect these funds?
- The Department still has high chronic attrition rates (about 19% as of March 2026). What changes within the Agency and by OHRM can be made to retain more staff, especially personnel with less than five (5) years of tenure?
- Will the anticipated enhancement of the Momentum System allow Council to receive specific data quickly and accurately from the Department?
- Can the Council expect the Agency to be more focused on permitting, inspections, and development-related services once the transfer of the Enforcement Division has been completed?
- When will the Council expect to see any Reorganizational Executive Order/Bill allowing for the transfer of the Enforcement Division to OHS?