





April 21, 2025

MEMORANDUM

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

THRU: Joseph R. Hamlin 
Director of Budget and Policy Analysis

FROM: Alex Hirtle 
Budget and Policy Analyst

RE: Department of Permitting, Inspections and Enforcement (DPIE)
Fiscal Year 2026 Budget Review

Budget Overview

The FY 2026 Proposed Budget for the Department of Permitting, Inspections and Enforcement (“DPIE” or the “Department”) is approximately \$32.3 million, representing a decrease of \$45,300, or -0.1%, over the FY 2025 Approved Budget. The decrease is primarily due to Recovery increases based on expenses from the Department of the Environment (DoE) Stormwater Management fund through compensation adjustments, and decrease operating costs, including contract services, vehicle equipment repair, and general office supplies.

Supplemental FY 2025 Budget Request

In FY 2025 the Department expects to request a supplemental budget appropriation of approximately \$2.2 million to cover overages in compensation and fringe benefits. This was in part due to merit and COLA adjustments that were not included in the FY 2025 approved budget because of pending salary agreements.

General Fund Expenditures by Category- Actual FY 2024 to Proposed FY 2026

Category	FY 2024 Actual	FY 2025 Approved	FY 2025 Estimated	% Change - Est vs App	FY 2026 Proposed	Change Amount	Percentage Change
Compensation	\$ 27,143,063	\$ 27,828,700	\$ 30,037,300	7.9%	\$ 29,553,000	\$ 1,724,300	6.2%
Fringe Benefits	8,936,335	10,057,500	10,332,700	2.7%	10,346,600	289,100	2.9%
Operating Expenses	11,410,433	12,232,500	12,531,500	2.4%	10,497,400	(1,735,100)	-14.2%
Sub-Total	\$ 47,489,831	\$ 50,118,700	\$ 52,901,500	5.6%	\$ 50,397,000	\$ 278,300	0.6%
Recoveries	(18,631,311)	(17,787,700)	(18,375,200)	3.3%	(18,111,300)	(323,600)	1.8%
Total	\$ 28,858,520	\$ 32,331,000	\$ 34,526,300	6.8%	\$ 32,285,700	\$ (45,300)	-0.1%

Compensation, Staffing and Recruitment

- For FY 2026, compensation expenditures are budgeted at approximately \$29.6 million, and represent an increase of \$1,724,300, or 6.2%, over the FY 2025 Approved Budget, primarily due to the annualization of FY 2025 and FY 2026 planned salary adjustments.
- FY 2026 proposed compensation includes funding for 317 full-time employees, four (4) personal service contracts for hearing officers, and eight (8) temporary/seasonal employees. Funding in the amount of \$372,200 is included to support classification upgrades for engineers and engineering technicians based on recommendations from an Engineer Classification Study implemented by the Office of Human Resources. The proposed Compensation also funds two new investigators to support the County's Rent Stabilization Program.

Authorized Staffing Count

	FY 2025 Approved	FY 2026 Proposed	Change Amount	Percentage Change
Full-Time	319	321	2	0.6%
Part-Time	0	0	0	0.0%
Total	319	321	2	0.6%

- Actual YTD overtime in FY 2025 is \$225,194, and projected to be \$500,100. Proposed FY 2026 overtime is \$403,000.
- The Agency is reporting overtime expenses in large part is utilized in emergency matters within the Inspections and Enforcement Divisions. The Department regularly monitors backlogs in plan review and permit issuance to determine if overtime is needed.

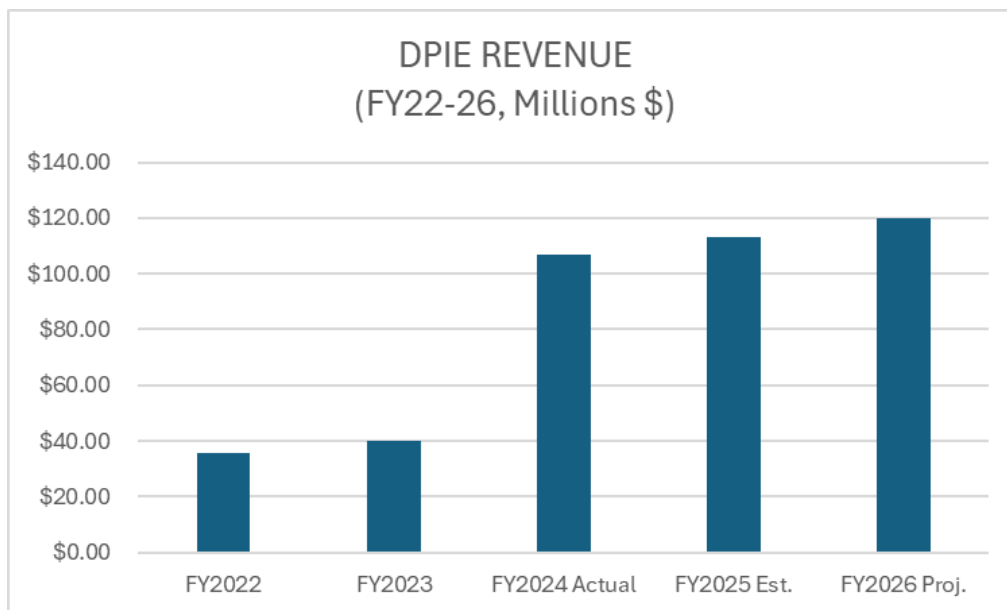
- DPIE's attrition rate to date for FY 2025 is reported at a monthly rate of 3.62%, which equates to an annual rate of 43.44%. This included 6 resignations, 2 normal retirements, and 3 terminations.
- DPIE continues to work with OHRM to train, develop, and promote employees for professional growth. This initiative directly impacts DPIE's retention and hiring. DPIE in conjunction with OHRM completed the Engineer Salary study to address salary equity issues. In FY 2025, DPIE revamped its training opportunities to allow for more staff to attend training.

Fringe Benefits

- In FY 2026, Fringe Benefit expenditures are proposed at approximately \$10.3 million, representing an increase of \$289,100, or 2.9% over the FY 2025 approved budget level. This increase was a result of compensation adjustments and a lower fringe rate based on the projected cost of pension and other healthcare expenses.

Revenues

- FY 2024 actual revenues were \$106.7 million, FY 2025 revenues are estimated at \$113 million, and FY 2026 revenues are projected at \$120 million. *See chart below.*
- Revenue increases are in part due to increased permit and license fees.



Source: First Round Responses, Page 14, Question # 36

Operating Expenses – General Fund

- FY 2026 General Fund operating expenditures are proposed at approximately \$10.5 million, and are comprised of the following major items:

❖ Operating Contracts Services	\$5,774,100
❖ Office Automation	3,244,700
❖ Vehicle Equipment Repair/Maintenance	380,000

- The below table compares the FY 2026 Proposed Budget operating expenses for the General Fund with the FY 2025 Approved Budget operating expenses. In ten (10) of the categories, the FY 2026 Proposed Budget decreases planned spending from the FY 2025 approved budget level, and in three (3) categories spending is proposed to increase. Proposed spending levels remain unchanged for five (5) categories in FY 2025 from the FY 2024 approved budget level. One (1) category did not include any funding for the FY 2024 and FY 2025; those years are included for the purpose of historical reference.

General Fund Operating Objects	FY 2024 Actual	FY 2025 Approved Budget	FY 2026 Proposed	FY 2025 - FY 2026	
				\$ Change	% Change
Office Automation	\$ 2,673,900	\$ 2,921,500	\$ 3,244,700	323,200.00	11.1%
Telephone	341,753	257,800	239,500	(18,300)	-7.1%
Periodicals	9,739	15,200	15,200	-	0.0%
Miscellaneous (Other Allow.)	9,300	15,600	15,600	-	0.0%
Membership Fees	4,768	7,700	5,100	(2,600)	-33.8%
Office Equipment Rental/Lease	203,632	210,000	175,000	(35,000)	-16.7%
Gas & Oil	114,659	124,400	108,100	(16,300)	-13.1%
General & Administrative	9,167	68,500	13,300	(55,200)	-80.6%
Vehicle Equipment Repair/Maintenance	378,102	542,700	380,000	(162,700)	-30.0%
Office and Operating Equipment Non-Capital	137,569	24,600	5,600	(19,000)	-77.2%
Printing	21,815	7,300	7,300	-	0.0%
Advertising	373	200	200	-	0.0%
Interagency Charges	-	-	205,300	205,300	N/A
Data/Voice	1,512	2,000	-	(2,000)	-100.0%
Operating Contract Services	7,255,593	7,696,400	5,774,100	(1,922,300)	-25.0%
General Office Supplies	145,254	176,000	145,300	(30,700)	-17.4%
Training	99,685	162,800	163,100	300	0.2%
TOTAL	\$ 11,406,821	\$ 12,232,700	\$ 10,497,400	(1,735,100)	-14.2%

Source: FY 2026 First Round Budget Response, Q. 23 Attachment 3

Recoveries – General Fund

- FY 2026 proposed recoveries are approximately \$18.1 million, an increase of \$323,600, or 1.8%, above the FY 2025 Approved Budget level. The chart below provides additional data related to the Department’s recoveries for FY 2025 and proposed FY 2026.

Recoveries, FY 2025 and FY 2026						
	Specific Project	Description of DPIEs role	Service Provided	FY2025 Estimate	FY 2026 Proposed Budget	Fund (GF, IS, EF, Grants)
1	Stormwater Mgmt. (EF49) - Salaries	Recoveries	Permit Review & Inspection	\$ (11,152,400)	\$ (11,263,800)	5100 (EF49)
2	Stormwater Mgmt. (EF49) - Operating	Recoveries	Permit Review & Inspection	\$ (3,386,200)	\$ (2,986,200)	5100 (EF49)
3	Stormwater Mgmt. (EF49) - Fringe	Recoveries	Permit Review & Inspection	\$ (3,836,600)	\$ (3,861,300)	5100 (EF49)
	Total (rounded)			\$ (18,375,200)	\$ (18,111,300)	

Workload, Performance, and Program Management

The Department is reporting that it continues to monitor productivity and will adjust departmental resources to meet program goals and objectives. Vacancies and unfunded mandates will impact the Department’s planned initiatives and operational challenges.

The following issues will be most critical DPIE faces over the next three (3) years:

- ❖ Technology enhancements for permitting systems- the Department is continually updating Momentum and its associated applications. These updates require significant financial and personnel resources.
- ❖ Permanent Rent Stabilization Protection Act (PRSP, CB-055-2024)- this Bill will become effective January 2026, and funding included support for two new positions, reallocation of three existing positions, and funding to support a consultant for proper implementation. The Department will monitor these resources and continually evaluate the program as it moves forward.
- ❖ Hiring- the Department had a monthly attrition rate of 3.62% and currently has 14 vacancies (as of 3/14/26). DPIE struggles to meet its goals and objectives without a full complement of staff, and with attrition that requires continual hiring.
- ❖ Enforcement of the Tobacco Legislation- DPIE does not have sufficient staff to enforce the various Tobacco-related Bills that the Council has passed (CB-103-2022; CB-009-2023; CB-031-2023). The Department has seen an increase in complaints related to convenience and tobacco stores; a significant amount of staff time is spent educating businesses, the community, and councilmembers regarding enforcement strategies.

- ❖ Clean Lot Program- the Department has proposed suspending funding for this program for FY 2026. This program requires considerable financial resources, costing the Department nearly \$2.7M in FY24 and FY25 for contractor costs. A high percentage of property owners do not pay the clean-up charges. Liens run over \$2.8M- the Office of Finance is responsible for collection of charges from the property owner for this program. DPIE anticipates utilizing a collections contractor in FY 2026 to recover unpaid liens.
- The Department is reporting several noteworthy items of success that has been achieved to date for FY 2025:
 - ❖ Due to the reporting function and the inclusion of commercial and residential inspection data into Momentum, the Agency's FY 2024 data was more accurate than in prior fiscal years. As a result of its enhancements, DPIE is now able to use the data to measure overall performance to make essential operational decisions that yield desired outcomes.
 - ❖ Staff and other resources are being put in place to implement the Rent Stabilization Act of 2024 (CB-055-2024). DPIE has placed in the FY 2026 proposed budget two new positions as well as reallocation of three other positions and funding for a consultant to begin the program in early calendar year 2026.
 - ❖ Department revenues continue to climb. Total revenues for DPIE were under \$40 million in FY 2022, whereas total revenue for FY 2026 is projected to be \$120 million.
 - ❖ Overtime amounts have stabilized. DPIE regularly monitors overall productivity and backlogs to determine if overtime hours are needed to meet program goals and objectives. This limits the amount of overtime provided. Total expenditures for overtime in FY 2024 was \$491,800, current overtime (YTD as of 3/26/25) is \$225,194, with projected totals by the fiscal year end to be \$500,100. Proposed FY 2026 total overtime is \$403,000.
 - ❖ The Department has provided for timely issuance of business and health licenses and permits within one day of application at a rate of 80% in FY 2023 and FY 2024; they estimate and project to maintain this percentage in FY 2025 and FY 2026 respectively.
- DPIE has provided details on specifics related to the implementation of certain legislation affecting the Agency as follows:
 - ❖ **Short-term Rentals** – CB-011-2018 An Act Concerning Short-Term Rentals.
 - The Department reported that the contracted company (Granicus, LLC/Host Compliance), who services the Department for remote monitoring and short-term rental identification and compliance, has had difficulty identifying potential

violators located in multi-family buildings due to entry restrictions and units that do not have individual parcel numbers. Also, there are at times difficulties finding the unit location when the unit's address coordinates are not advertised, or stock photos are used. The Department is working with this vendor to overcome these challenges.

- ❖ **Tobacco-related legislation-** The Council has passed CB-103-2022, CB-009-2023, and CB-031-2023 to regulate tobacco store use and operations. The Department has spent notable resources educating businesses, the community, and the Council on its enforcement strategies used. However, because of the requirements these Bills necessitate for full compliance, DPIE is unable at the moment to fully facilitate all of the legislation's requirements.
- ❖ **Landlord Tenant- Security Measures and Security Equipment (CB-071-2024)**
 - DPIE reported that this program is significant, with a notable direct fiscal impact. The Department anticipates an increase in service requests as it relates to compliance with the Bill.

Grants

- DPIE submitted a grant request to the Maryland Energy Administration (MEA) to provide funding in implementing the use of a Solar Application (App). The Solar APP+ Implementation Grant Program is a federally-funded MEA incentive program. The request was for \$270,520. If the grant is approved, there will be no fiscal impact on the County to comply with the State's initiative to streamline the solar project(s) permitting process. MEA is under contract with the U.S. Department of Energy, and therefore subject to the availability of federal funding.

Permitting and Plan Reviews

- Below are FY 2024 Actual, FY 2025 YTD, and FY 2026 Estimated for permit and plan data, and amounts of permit fees collected.
- Additionally, the Agency has created the Customer Service Unit (CSU) to address customer complaints that need to be escalated for permits and plans.

Category	FY 2024 (Actual)	FY 2025 (YTD) – thru 3/6/2025	FY 2026 (Estimated)
# of Staff – agency employees	113	111	111
# Permits Processed	48,550	36,885	52,000
# Permits Issued	65,974	32,739	46,000
# Fire System Cases Plans Reviewed	8,381	8,112	12,000
#Site/Road Cases Plans Reviewed	12,458	7,264	10,600
# Commercial, Residential, Cell, Health Cases Plans Reviewed	49,130	38,295	63,000
Permit Fees Collected	\$39.91 Million	\$27.43 Million	\$47.4 Million

Building Inspections

Below is the status of Building Inspections for FY 2024 Actual through FY 2026 Estimated. Please note that collection of fines continues to be a County challenge.

Category	FY 2024 Actual	FY 2025 (YTD)	FY 2026 (Estimated)
# of Staff	71	73	73
# of Complaints Rec'd	27	682	800
# Inspections Conducted	32,500	58,700	45,000
# Violations Issued	310	1,332	1,800
\$ of Fines Issued	\$199,975	\$605,645	\$600,000
\$ of Fines Collected	\$104,240	\$107,110	\$150,000
Fines Outstanding	\$95,735	\$498.353	TBD

Property Standards

- The *table below* provides data for the Department's Property Standards inspections. Please note that collection of fines continues to be a County challenge.

Category	FY 2024 (Actual)	FY 2025 (YTD)	FY 2026 (Estimated)
# of Staff	76	81	83
# of Complaints Rec'd	12,900	8,421	13,00
# Inspections Conducted	17,250	14,000	18,000
# Violations Issued	14,626	6,331	13,000
\$ of Fines Issued	\$1,015,000	409,940	500,000
\$ of Fines Collected	\$486,240	\$165,480	\$300,000
Fines Outstanding	\$659,920	\$244,460	TBD

Fines Collected row includes total amounts collected that fiscal year from past year accounts.

Vehicles, Equipment and Information Technology (IT)

- The Department reports its Information Technology (IT) in the below chart. Proposed implementation and upgrades of DPIE core systems for the proposed FY 2026 comes at a cost of \$3,440,400. These projects include Avolve (ePlan upgrade/plan review tool), Infor, and Limbic.

IT INITIATIVES (Based on current executed contracts)						
Project Name	Summary of Project Purpose and Benefits	Year Initiated	Estimated Completion Date	Total Project Cost	Amt of funding spent to date	Proposed FY 2026 Funding
Avolve (ePlan upgrade Plan review tool)	DPIE core system for plan review. Hosting, configuration and upgrade to the latest version, which includes easier navigation for the public.	FY 2024	Ongoing in FY 2025	\$ 1,522,350	\$ 648,870	\$ 344,400
Infor	DPIE core system	FY 2020	Ongoing in FY 2025	\$ 5,344,272	\$ 3,196,400	\$ 708,000
Limbic*	DPIE core system implementor, helpdesk support, PMs, BAs, upgrades, continuous regulatory changes, integrate with county systems, replaced antiquated core system with multi-year project, continuous improvement, and continued regulatory implementations.	FY 2025	FY 2029	\$12,420,000	\$ 2,868,000	\$ 2,388,000
* - Effective for FY 2025 - FY 2029, OIT became Limbic's contract administrator. Therefore, the above project costs and the amount of funding spent to date is only reflective for DPIE costs.						

- The Department reports its type and quantity of equipment and vehicles that were purchased and are proposed to be purchased in FY 2025 and FY 2026 in the following table. Due to budgetary constraints, no vehicles have been proposed for purchase in the coming fiscal year.

Vehicles & Equipment					
	Description (Type and quantity of equipment purchase)	FY 2025 Equipment Cost (Purchased to date)	FY 2025 Equipment Cost (Planned to be purchased)	FY 2026 Equipment Cost (Proposed to be purchased)	Purpose for Request
<i>Equipment</i>					
1	GPS Installation (108 Vehicles 156 Vehicles)	\$ 11,438	\$ 15,000	\$ -	Vehicle Tracking System
2	Docking Station	\$ 23,000	\$ -	\$ -	Mobile Printers for Inspectors
3	Maintenance Charges	\$ 484,550	\$ 15,000	TBD	
<i>Vehicles Calendar year 2025</i>					
4	4 Mid size SUV		\$ 221,200.00	\$ -	
5	1 Fully Size SUV		\$ 50,000.00	\$ -	
6	4 Mid Size Pick Up Truck Hybrid		\$ 221,200.00	\$ -	
	Total	\$ 518,987.50	\$ 522,400.00	\$ -	

- The below chart displays the number of vehicles and what percent of the total Department's fleet of vehicles are expected to reach/exceed the established replacement criteria (maximum of 100,000 miles and/or 10 years of service) for FY 2025, and projected for FY 2026.

Number of Vehicles Eligible for Replacement						
	FY 2025		FY 2026			
	FY 2025 Number	% of Total Fleet	Actual Number YTD*	% of Total Fleet	Projecte d Number	% of Total Fleet
TOTAL Vehicles eligible for replacement	39	23.08%	39	23.08%	39	21.91%
TOTAL Vehicle inventory	169	100.00%	169	100.00%	178	100.00%
<i>*Actual as of March 7, 2025</i>						

Federal Funding

- At the present time, DPIE does not anticipate any fiscal impacts due to federal changes in grants or funding.