



THE PRINCE GEORGE'S COUNTY GOVERNMENT

Office of Audits and Investigations

April 18, 2019

MEMORANDUM

TO: Deni L. Taveras, Chair
Transportation/Infrastructure/Energy & Environment (TIEE)

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

FROM: Zachary Bartlett, Staff Auditor *ZB*

RE: Soil Conservation District
Fiscal Year 2020 Budget Review

Operating Budget Overview

The FY 2020 Proposed Budget for the Soil Conservation District (the "District") before recoveries is \$1,679,600, an increase of \$99,200, or 6.3%, over the FY 2019 Approved Budget. The budget change is attributed to increases in compensation costs related to mandated salary requirements, in addition to increases in fringe benefits due to compensation adjustments and increases in operating costs related to office automation.

The General Fund cost of the Soil Conservation 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 Maryland Agricultural Land Transfer Tax, for the expenditures associated with the Agricultural Land Preservation Program.

Budget Comparison – General Fund

Approved Fiscal Year 2019 to Proposed Fiscal Year 2020

Category	FY 2018 Actual	FY 2019 Approved	FY 2019 Estimated	% Change - Est vs App	FY 2020 Proposed	\$ Change	% Change
Compensation	\$ 1,041,218	\$ 1,168,000	\$ 1,129,000	-3.3%	\$ 1,230,900	\$ 62,900	5.4%
Fringe Benefits	310,352	361,000	334,000	-7.5%	384,000	\$ 23,000	6.4%
Operating Expenses	13,916	51,400	51,400	0.0%	64,700	\$ 13,300	25.9%
Sub-Total	\$ 1,365,486	\$ 1,580,400	\$ 1,514,400	-4.2%	\$ 1,679,600	\$ 99,200	6.3%
Recoveries	(1,365,486)	(1,580,400)	(1,514,400)	-4.2%	(1,679,600)	(99,200)	6.3%
Total	\$ -	\$ -	\$ -	-	\$ -	\$ -	-

Authorized Staffing Count - General Fund

	FY 2019 Approved	FY 2020 Proposed	Change Amount	Percentage Change
Full-Time	16	16	0	0.0%
Part-Time	0	0	0	0.0%
Limited Term	0	0	0	0.0%
Total	16	16	0	0.0%

Staffing Changes and Compensation

- The FY 2020 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"), and remains unchanged from the prior year's Approved Budgeted level.
- As of March 28, 2019, the attrition rate was 18.8%, due to two retirements and one resignation, with the Administrative Aides position being most affected by attrition.
- As of April 8, 2019, the District has one (1) vacancy, an Engineer IV position, which is expected to be filled by the end of May 2019.
- FY 2020 proposed compensation is \$1,230,900, an increase of \$62,900, or 5.4%, over the FY 2019 approved level. The increase is reflective of the funding adjustments necessary to support anticipated cost-of-living and merit adjustments for the current staffing complement.

Fringe Benefits

In FY 2020 Fringe Benefit expenditures are proposed at \$384,000, an increase of \$23,000, or 6.4%, over the FY 2019 approved level, to reflect a change in the fringe rate and compensation adjustments.

- A five-year trend analysis of fringe benefits is included in the table below.

Fringe Benefits Historical Trend					
	FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Estimated	FY 2020 Proposed
Fringe Benefits Expenditures	\$ 297,102	\$ 290,537	\$ 310,352	\$ 334,000	\$ 384,000
As a % of Compensation	29.2%	28.9%	29.8%	29.6%	31.2%
Annual % Change	7.6%	-2.2%	6.8%	7.6%	15.0%

Operating Expenses

- In FY 2020, operating expenses are proposed at \$64,700, which represents an increase of \$13,300, or 25.9%, over the Approved FY 2019 levels, due to a change in the office automation charges to support anticipated countywide costs for SAP maintenance and computer refresh.

- The accompanying table compares the FY 2020 Proposed Budget operating expenditures with the FY 2019 Approved Budget operating expenditures. The FY 2020 Proposed Budget level increases for office automation by \$13,300, and remains unchanged for general office supplies and printing.

Operating Objects	FY 2018 Budget	FY 2019 Budget	FY 2020 Proposed	FY 2019 - FY 2020	
				\$ Change	% Change
Office Automation	\$ 9,600	46,600	59,900	13,300	28.5%
General Office Supplies	\$ 4,400	4,400	4,400	-	0.0%
Printing	\$ 400	400	400	-	0.0%
Telephone	\$ 15	-	-	-	0.0%
TOTAL	\$ 14,415	\$ 51,400	\$ 64,700	\$ 13,300	25.9%

Recoveries

- In FY 2020 Proposed Recoveries total \$1,679,600, an increase of \$99,200, or 6.3%, over the FY 2019 Approved budget to reflect increases in compensation, fringe benefits, and operating expenditures. General Fund costs in FY 2020 of \$1,667,100 will be recovered from the Stormwater Management Enterprise Fund.
- In FY 2020, the County will also recover \$12,500 from the Agricultural Land Transfer Tax for expenditures to offset salaries for positions within the County.

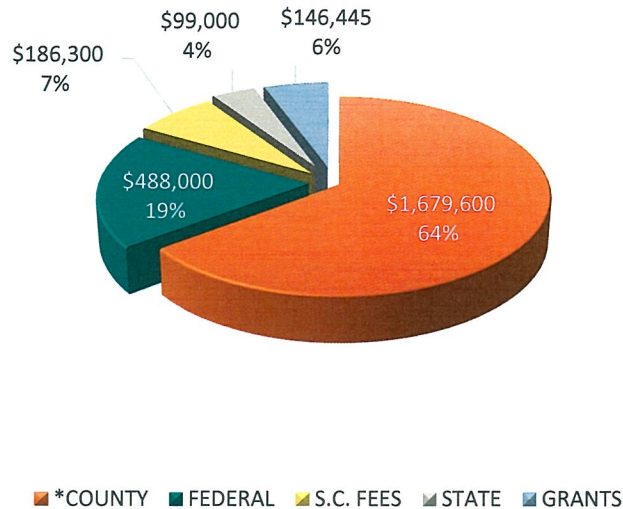
	Specific Project	FY 2019 Approved	FY 2019 Estimate	FY 2020 Proposed	Change (FY20 VS FY19)
1	Salaries - MD Ag Tax	\$ 9,500	\$ 9,500	\$ 9,500	\$ -
2	Fringe - MD Ag Tax	\$ 3,000	\$ 3,000	\$ 3,000	\$ -
	Sub-total MD Ag Tax	\$ 12,500	\$ 12,500	\$ 12,500	\$ -
3	Salaries - Storm Water Mgmt.	\$ 1,158,500	\$ 1,119,500	\$ 1,221,400	\$ 62,900
4	Fringe - Storm Water Mgmt.	\$ 358,000	\$ 331,000	\$ 381,000	\$ 23,000
5	Operating - Storm Water Mgmt.	\$ 51,400	\$ 51,400	\$ 64,700	\$ 13,300
	Sub-Total Storm Water Mgmt	\$ 1,567,900	\$ 1,501,900	\$ 1,667,100	\$ 99,200
	TOTAL RECOVERIES	\$ 1,580,400	\$ 1,514,400	\$ 1,679,600	\$ (99,200)

Source: FY 2020 First Round Response Page 6, Q.14

Revenues

- Please see the chart on the following page for a detailed listing of the District's proposed FY 2020 combined funding sources. The County provides the majority of the District's operating funds (approximately \$1.7 million, or 64%), followed by Federal (\$488,000, or 19%), and District fees (\$186,300, or 7%).

Operating Budget Sources FY 2020 Operating Budget (Proposed)

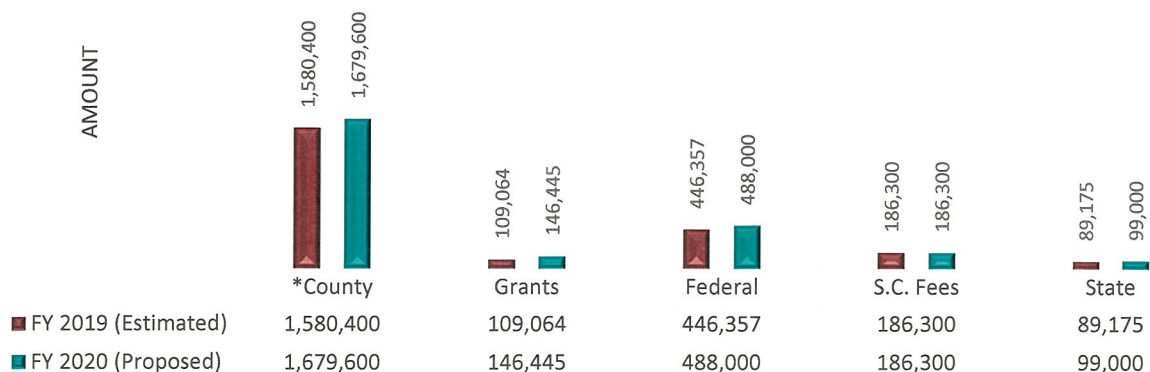


Source: First Round Response Q.2 – Attachment 1 – Revised 4/8/2019 *Includes Fringe

- Please see the chart below for a detailed listing of the District's estimated FY 2019 and proposed FY 2020 combined funding sources which will result in a net increase of \$188,049 in FY 2020, over the estimated FY 2019 amount. Increases are seen in County funding (Stormwater Management Enterprise Fund) for salaries, fringe and operating expenses (\$99,200); Federal (\$41,643) for salaries, fringe and operating expenses, Grant funding (\$37,381) for salaries and fringe, State funding (\$9,825) for salaries and fringe with no change in sediment control (S.C.) fees for staffing.

OPERATING BUDGET - BUDGETARY SOURCES COMPARISON

EST. FY 2019 VS PROP. FY 2020



Source: First Round Response Q.2 – Attachment 1 – Revised 4/8/2019

- The General Fund cost of the Soil Conservation District is recovered from the Stormwater Management Enterprise Fund, which includes District and State reimbursement for sediment control fees.

Grants

- The District used and plans to continue to use these funds solely for technical positions that work with landowners to develop soil conservation and water quality plans and to implement Best Management Practices (BMPs) that reduce soil erosion, manage nutrients and improve water quality. These efforts go toward meeting Maryland's Watershed Implementation Plan (WIP) goals
- i. The total Grant Funding is proposed to be increased from \$109,064 in FY2019, to \$146,445 in FY 2020, and represents an increase of \$37,381.
- ii. The Chesapeake Bay Trust Fund Grant is issued by the Maryland Department of Agriculture (MDA), and these funds provide technical positions in Soil Conservation Districts for Chesapeake Bay clean-up programs.
- iii. The FY 2020 sum of all Grants is \$146,445 which represents \$50,000 toward salaries for the Executive Director and the Administrative Aide IV positions, one (1) full time soil and water conservation grant planner, one (1) full time soil and water conservation technician and \$2,000 for operating expenditures, with the remaining amounts being used to fund various other staff positions.
- iv. 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.

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 6,139 acres County wide:
 - ***Rural Legacy Program*** – conservation of strategic natural resources and prevention of sprawl development:
 - ❖ One (1) pending application for 52 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. Two (2) pending contracts for 340 acres.

- **Historic Agricultural Resource Preservation Program (“HARPP”)** funded by the Maryland-National Capital Park & Planning Commission (“M-NCPPC”) – Rural Tier preservation:
 - ❖ To date, the HARPP account balance is at \$2.8 million.
 - ❖ There are five (5) pending applications for an additional 412 acres.
 - All five (5) of the pending applications have been approved by the M-NCPPC Planning Board and are expected to settle by the end of FY 2019.
 - The pending applications are valued at \$1.8 million.
 - No offers for any applications for the remainder of FY 2019 are anticipated.
 - If all five (5) of the pending applications go to settlement, it is estimated that the projected surplus will be \$1 million at the end of FY 2019.
 - The District anticipates receiving four (4) offers in FY 2020 for a total of 514 acres in the amount of \$2.41 million.
 - If the four (4) applications in FY 2020 go through, then there would be an estimated \$400,000 shortfall by the end of FY 2020.
 - ❖ Any budget reductions for the HARPP program (FY 2016 - FY 2022) could 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, interacting with the Future Farmers of America (FFA), 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.
 - Provided higher education scholarships to high school students on the winning County Envirothon team - paid out to date total \$23,000.
 - ❖ In an effort to support the Prince George’s County Public Schools’ **Green School Program**, the District distributed recycle containers to four (4) elementary schools to facilitate those schools’ science programs and aide in gaining “Green School” certification. The board has approved the purchase of more containers for four (4) more schools.
- **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:
 - ❖ Conducted 100+ site visits in FY 2019.
 - ❖ 12 new District Cooperators and 12 new Soil Conservation and Water Quality Plans were written.
 - ❖ Two (2) producers applied for the County’s property tax credit.
- 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 should provide much needed improvements to a neglected soil and water 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. Plans to continue working with DOE and third-party engineers to review/approve MS4 stormwater retrofit projects.
- Continued 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 related to the Maryland Watershed Implementation Plan (“WIP”):
 - ❖ WIP II is complete. A proposed local plan for Agricultural milestone goals in the WIP III has been drafted between the Soil Conservation District and the Maryland Department of Agriculture. The plan maps a course with 2-year milestone goals to meet 2025 reductions for sediment/nitrogen/phosphorus Total Maximum Daily Loads (TMDLs).
 - ❖ In FY 2020 the District plans to implement WIP III once approved by the Environmental Protection Agency (EPA) and the Maryland Department of Agriculture.
 - ❖ Plans to exceed the WIP III 2-year milestone 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.
- The District has completed additional projects under the Soil Conservation District’s Revolving BMP Loan Program for historically underserved farmers.