



Maryland
DEPARTMENT OF PLANNING

Maryland Department of Planning
Fiscal Year 2023 Operating Budget
Response to Department of Legislative Services Analysis

Senate Budget & Taxation Committee
Public Safety, Transportation, and Environment Subcommittee
Senator Cory McCray, Chair
February 10, 2021

House Appropriations Committee
Transportation & the Environment Subcommittee
Delegate Marc Korman, Chair
February 14, 2021

Key Observations

1. *Census 2020 Outcome Update*

DLS recommends that MDP comment on whether it plans to participate in the 2020 Census Count Question Resolution Operation or Post-Census Group Quarters Review and whether there is any information available about possible errors in Maryland's population counts and how this would affect the Census Bureau's Population Estimates program.

Planning Response: Census Count Question Resolution (CCQR) challenges are supposed to be submitted by the highest elected official, in most cases it is initiated by a municipality/county and the Maryland Department of Planning (Department or MDP or Planning) is going to provide technical assistance to any jurisdiction (counties and municipalities) considering a CCQR. MDP is going to host a training session on the CCQR process around mid-March and is inviting all Maryland jurisdictions to attend. During the training session MDP will detail the process on how to submit a challenge, the supporting data required for submission and the timeline of CCQR. Several jurisdictions are considering submitting a CCQR challenge and have reached out to MDP regarding the process. The MDP training session/workshop will serve as a valuable resource for these counties and municipalities.

MDP is considering and most likely will participate in the Post-Census Group Quarters Review to correct the location of group quarters related to the Correctional Institution in the Jessup area. MDP will reach out to the universities and colleges to verify the accuracy of the counts of the students in dormitories, and if there are issues with those counts MDP will provide technical support to the jurisdictions where the universities are located to submit a challenge.

2. *U.S. Population Growth Slows While Maryland's Population Shrinks*

DLS recommends that MDP comment on the long-term impacts of the decline in Maryland's population on school enrollment, jobs, and State revenues, and any impacts of the COVID-19 pandemic on birth rates in Maryland.

Planning Response: It is premature to make long-term conclusions of what impacts COVID-19 will have on school enrollment, jobs and population. We have seen a decline in school enrollments, birth rates and labor force participation since the beginning of the pandemic, and there is a good chance that there will be a bounce back in some of these indicators. Our school enrollment projections take into account the 2021-2022 school year enrollments and using these enrollments in our projections will lead to a lower projected enrollment.

Whereas, for our population projections we will be using the 2020 Census numbers as the base for our projections, and this will show a slight increase in our long term projections for 2045 and 2050, this projected increase is due to the 2020 Census number (6,177,224) being higher than the population estimate numbers for 2020 and 2019, these numbers were 6,054,954 for 2019 and 6,054,954 for 2020. The 2021 population estimates show a slight decline (0.1%) from the previous year, but the 2021 population estimate (6,165,129) is higher than the population estimates for 2019 and the 2020 vintage, which were used in the previous projections. Also, the decline in population for the last year in Maryland can be attributed to the pandemic as the majority of population growth in Maryland is due to international migration and increase in births, the pandemic limited travel from abroad and typically there are lower births during times of economic uncertainty.

To the extent that a good economy may have a positive impact on population growth, there are other indicators published by the USCB that show Maryland's economy is in good shape. These include Maryland being fourth in the nation in Business Applications (up 2.6% Nov. 21 - Dec. 21), better than our neighboring states with Delaware, Pennsylvania, and West Virginia showing negative numbers. Even more telling may be Business Applications with Wages where Maryland is second in the nation. Finally, Maryland is first in the nation (Oct. 20 - Oct. 21) in General Sales Tax Collections, up 46.40%.

Operating Budget Recommended Actions

1. Adopt the following narrative:

Maryland Semiquincentennial Commission Funding Report: The fiscal 2023 allowance includes \$250,000 for the Maryland Semiquincentennial Commission created by Executive Order 01.01.2021.03 on January 14, 2021. The budget committees are concerned that there does not appear to be a long-term funding plan and scope for the commission's activities despite the commission's authority extending to December 31, 2027. Therefore, the committees request that the Maryland Department of Planning (MDP) submit a report by December 31, 2022, explaining the use of fiscal 2023 funding through December 31, 2022, the plan for the use

of funding throughout the rest of fiscal 2023, and the long-term funding needs and scope of the commission's activities.

Planning Response: Accept, Planning will submit the requested report on or before the time requested.