

**D15A05**  
**Boards, Commissions, and Offices**  
**Executive Department**

***Executive Summary***

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The Boards, Commissions, and Offices is an administrative unit composed of 9 units of State government and a shared services program that are treated as a single unit for budget purposes. The Department of Legislative Services prepares a separate analysis for the Governor's Office of Crime Control and Prevention.

***Operating Budget Data***

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(\$ in Thousands)

	<b><u>FY 18</u></b> <b><u>Actual</u></b>	<b><u>FY 19</u></b> <b><u>Working</u></b>	<b><u>FY 20</u></b> <b><u>Allowance</u></b>	<b><u>FY 19-20</u></b> <b><u>Change</u></b>	<b><u>% Change</u></b> <b><u>Prior Year</u></b>
General Fund	\$6,995	\$7,850	\$9,017	\$1,167	14.9%
Adjustments	0	38	174	137	
<b>Adjusted General Fund</b>	<b>\$6,995</b>	<b>\$7,888</b>	<b>\$9,192</b>	<b>\$1,304</b>	<b>16.5%</b>
Special Fund	626	755	776	21	2.8%
Adjustments	0	3	11	9	
<b>Adjusted Special Fund</b>	<b>\$626</b>	<b>\$758</b>	<b>\$787</b>	<b>\$29</b>	<b>3.9%</b>
Federal Fund	4,599	4,849	5,391	542	11.2%
Adjustments	0	3	12	9	
<b>Adjusted Federal Fund</b>	<b>\$4,599</b>	<b>\$4,852</b>	<b>\$5,403</b>	<b>\$551</b>	<b>11.4%</b>
Reimbursable Fund	447	586	547	-39	-6.6%
Adjustments	0	0	0	0	
<b>Adjusted Reimbursable Fund</b>	<b>\$447</b>	<b>\$586</b>	<b>\$547</b>	<b>-\$39</b>	<b>-6.6%</b>
<b>Adjusted Grand Total</b>	<b>\$12,666</b>	<b>\$14,084</b>	<b>\$15,929</b>	<b>\$1,845</b>	<b>13.1%</b>

Note: The fiscal 2019 appropriation includes deficiencies, a one-time \$500 bonus, and general salary increases. The fiscal 2020 allowance includes general salary increases.

Note: Numbers may not sum to total due to rounding.

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***Analysis of the FY 2020 Maryland Executive Budget, 2019***

*D15A05 – Executive Department – Boards, Commissions, and Offices*

- The fiscal 2020 budget allowance increases by \$1.8 million, or 13.1%. This increase is largely due to statewide compensation changes for regular employees in fiscal 2019 and 2020 as well as an anticipated increase in federal AmeriCorps grants managed by the Governor’s Office of Community Initiatives.
- The adjustments, which total \$240,844, are all associated with fiscal 2019 and 2020 statewide compensation increases.

***Personnel Data***

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	<b><u>FY 18</u></b> <b><u>Actual</u></b>	<b><u>FY 19</u></b> <b><u>Working</u></b>	<b><u>FY 20</u></b> <b><u>Allowance</u></b>	<b><u>FY 19-20</u></b> <b><u>Change</u></b>
Regular Positions	65.10	67.10	70.60	3.50
Contractual FTEs	<u>21.00</u>	<u>7.00</u>	<u>7.00</u>	<u>0.00</u>
<b>Total Personnel</b>	<b>86.10</b>	<b>74.10</b>	<b>77.60</b>	<b>3.50</b>

***Vacancy Data: Regular Positions***

Turnover and Necessary Vacancies, Excluding New Positions	0.40	0.59%
Positions and Percentage Vacant as of 12/31/18	5.30	7.90%

- The fiscal 2020 allowance includes 3.5 additional regular positions compared to the fiscal 2019 working appropriation. Three of these are existing positions being transferred from the Governor’s Office for Children to the Shared Services Office. The other 0.5 position is to increase a part-time position for the State Ethics Commission to a full-time position.

***Key Observations***

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- While the fiscal 2020 allowance is dominated by statewide changes, the Boards, Commissions, and Offices have been proactive over the last year in investing time and funds into modernizing and improving their operations.

**Operating Budget Recommended Actions**

1. Concur with Governor’s allowance.

## **Updates**

- This analysis includes an update on the State Ethics Commission’s new filing system, which launched on January 3, 2019.

**D15A05**  
**Boards, Commissions, and Offices**  
**Executive Department**

## ***Operating Budget Analysis***

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### **Program Description**

The Boards, Commissions, and Offices unit of the Executive Department contains various entities created by an executive order or statute to provide planning and coordination for Executive Branch functions or to investigate and make recommendations on problems affecting the administration of government or the welfare of the State.

The unit includes Survey Commissions; the Governor's Office of Small, Minority, and Women Business Affairs, formerly the Governor's Office of Minority Affairs; the Governor's Office of Community Initiatives (GOCI); the State Ethics Commission; the Health Care Alternative Dispute Resolution Office; the Governor's Office of Crime Control and Prevention (GOCCP); the State Commission on Criminal Sentencing Policy; the Governor's Grants Office; the State Labor Relations Board; and the Board of Contract Appeals.

In addition, beginning with the fiscal 2019 Budget Bill, this unit also includes the Governor's Coordinating Offices Shared Services. The office provides communications, public policy, and administrative services for the Governor's Coordinating Offices.

The Department of Legislative Services (DLS) prepares a separate analysis for GOCCP.

### **Performance Analysis: Managing for Results**

#### **1. Procurement Reform Encourages Board of Contract Appeals to Review Regulations and Increase Alternative Dispute Resolution**

During the 2017 legislative session, the General Assembly substantially reorganized the State's procurement process (Chapter 590 of 2017). Since that time, State procurement officials have been working to prepare for the transition, with the new system expected to be fully implemented by October 1, 2019. While the Board of Contract Appeals (BCA), which hears bid protests and contract disputes between the State and vendors, was not part of these changes, the commissioners elected to conduct a comprehensive evaluation of BCA's regulations and, in May 2018, implemented changes intended to expedite the review process. In addition, BCA has increased its emphasis on pre-hearing dispute resolution. While BCA cannot order parties to participate in mediation, it has had success in engaging directly with parties to resolve disputes.

As shown in **Exhibit 1**, this review of BCA's policies and practices has allowed the commissioners to resolve more disputes (50 in fiscal 2017 and 52 in fiscal 2018), without an appreciable difference in the number of written decisions and opinions.

**Exhibit 1**  
**Board of Contract Appeals**  
**Resolution of Disputes**  
**Fiscal 2014-2018**

<b><u>Disputes</u></b>	<b><u>2014</u></b>	<b><u>2015</u></b>	<b><u>2016</u></b>	<b><u>2017</u></b>	<b><u>2018</u></b>
Bid Protests					
Appeals Resolved without a Written Decision	11	9	18	21	10
Written Decisions Issued	16	11	6	8	6
Contract Claims					
Cases Resolved Prior to Hearing	10	11	10	21	33
Written Opinions Issued	4	2	1	0	3
<b>Total Disputes Resolved</b>	<b>41</b>	<b>33</b>	<b>35</b>	<b>50</b>	<b>52</b>

Source: Department of Budget and Management

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## **2. After Second Year of Lower Attendance, Banneker-Douglass Museum Ready to Move Forward**

Last year, DLS brought a sharp decline in attendance at the Banneker-Douglass Museum to the attention of the General Assembly. Between fiscal 2016 and 2017, museum attendance had declined by 63.2% to just over 8,000 visitors. The museum reported two issues that contributed to the decline in visitors. First, curator vacancies limited Banneker-Douglass' ability to hold events and provide interpretation for visitors. Second, in January 2017, the church gallery of the museum had to be closed for emergency repairs due to water infiltration. In fiscal 2018, museum attendance did not begin to recover and was essentially the same as attendance in fiscal 2017. However, since the start of fiscal 2019, vacancies have been filled and repairs to the church gallery are underway. Therefore, attendance should increase in fiscal 2019.

## **Fiscal 2019 Actions**

### **Proposed Deficiency**

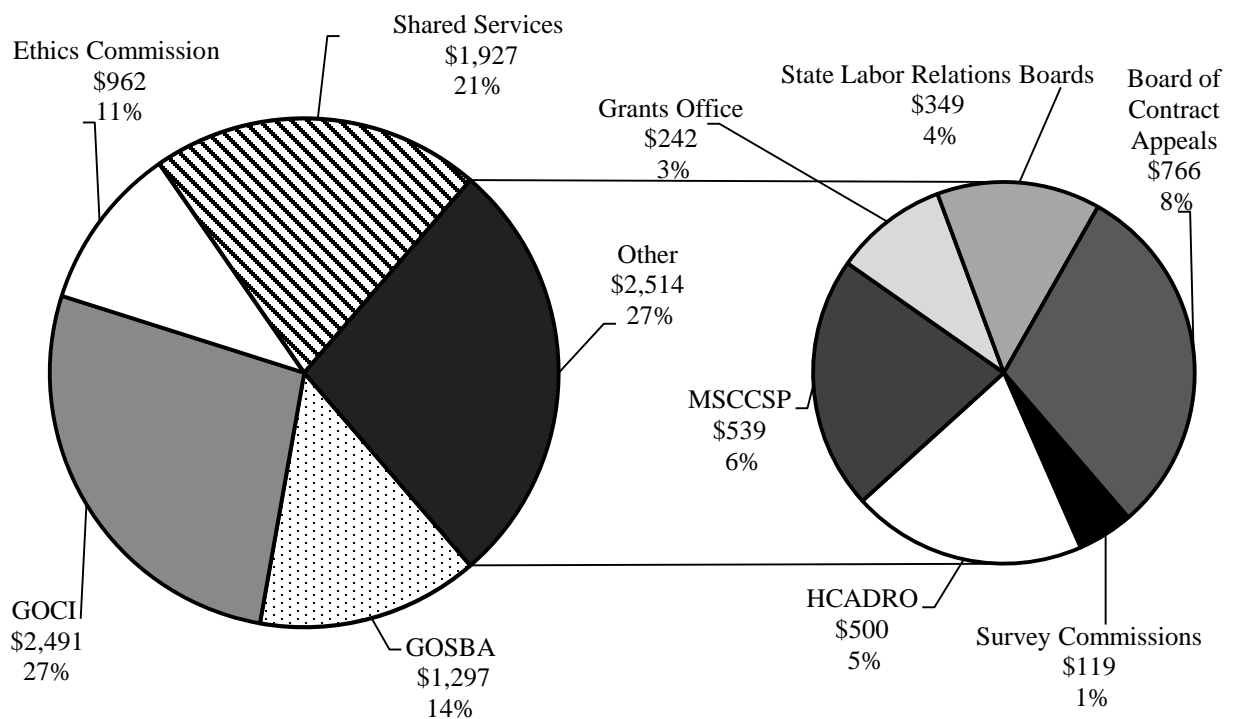
The fiscal 2020 allowance includes a deficiency appropriation to provide a \$500 bonus and 0.5% general salary increase to qualifying employees on April 1, 2019. For this agency, that action will add \$37,674 in general funds, \$2,923 in special funds, and \$2,585 in federal funds for this purpose.

## Fiscal 2020 Allowance

### Overview of Agency Spending

This budget unit is a collection of small agencies and offices with their own leadership, staff, and missions. That organization is reflected in the budget allowance, which includes individual allocations for each unit. **Exhibit 2** provides a breakdown of the units' \$9.2 million general fund allocation for each agency. As illustrated in this chart, GOCI is the largest of the constituent units. While the Shared Services Office has the second largest allowance (\$1.9 million), \$911,196 of that amount is for Department of Information Technology (DoIT) service charges for all of the units.

**Exhibit 2**  
**General Fund Allowance by Unit**  
**Fiscal 2020**  
**(\$ in Thousands)**



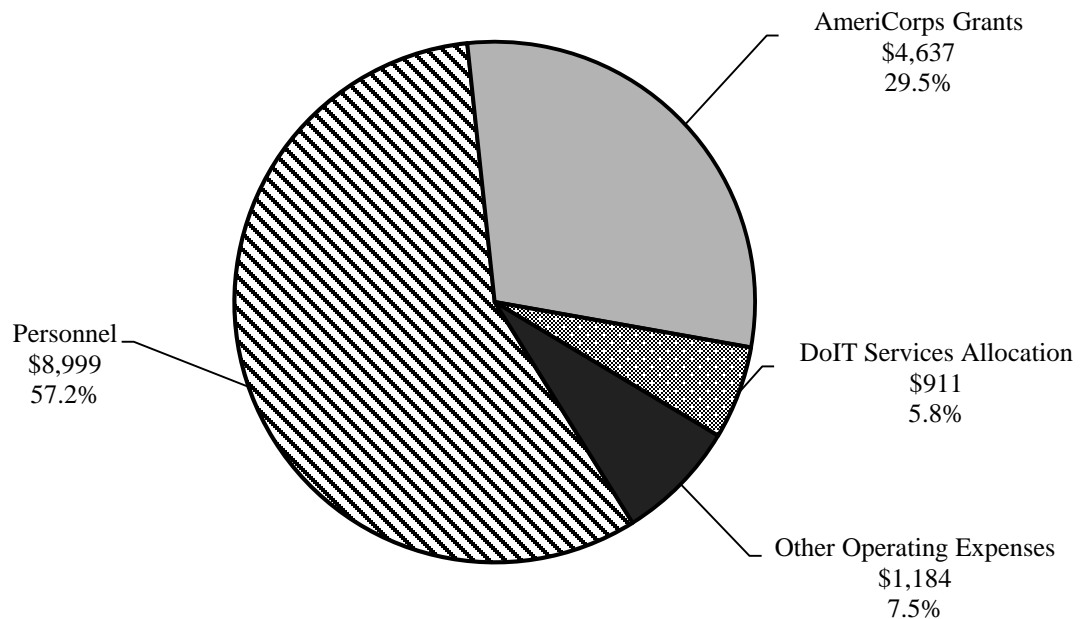
GOCI: Governor's Office of Community Initiatives  
 GOSBA: Governor's Office of Small, Minority, and Women Business Affairs  
 HCADRO: Health Care Alternative Dispute Resolution Office  
 MSCCSP: Maryland State Commission on Criminal Sentencing Policy

Source: Department of Legislative Services

**Exhibit 3** is provided to illustrate that a large majority of spending across the units (\$9.0 million) is for personnel, which is consistent with the size and mission of those units that are largely built on specialized, staff-intensive missions. Additionally, nearly 30% of the all funds allowance (\$4.6 million) is for federal AmeriCorps grants administered by GOCI. The remainder of the allowance (\$2.1 million) supports the routine operations of these units and is small enough that nearly half of that amount (\$911,196) is for DoIT service charges.

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**Exhibit 3**  
**Key Components of All Fund Allowance**  
**Fiscal 2020**  
**(\$ in Thousands)**



DoIT: Department of Information Technology

Source: Department of Legislative Services

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### **Proposed Budget Change**

As shown in **Exhibit 4**, the fiscal 2020 allowance increases by \$1.8 million, or 13.1%, above the fiscal 2019 working appropriation. This increase is driven by statewide general salary increases, the application of a new statewide system for budgeting information technology services provided by DoIT, and growth in federal AmeriCorps funding.

**Exhibit 4**  
**Proposed Budget**  
**Executive Department – Boards, Commissions, and Offices**  
**(\$ in Thousands)**

<b>How Much It Grows:</b>	<b><u>General Fund</u></b>	<b><u>Special Fund</u></b>	<b><u>Federal Fund</u></b>	<b><u>Reimb. Fund</u></b>	<b><u>Total</u></b>
Fiscal 2018 Actual	\$6,995	\$626	\$4,599	\$447	\$12,666
Fiscal 2019 Working Appropriation	7,888	758	4,852	586	14,084
Fiscal 2020 Allowance	<u>9,192</u>	<u>787</u>	<u>5,403</u>	<u>547</u>	<u>15,929</u>
Fiscal 2019-2020 Amount Change	\$1,304	\$29	\$551	-\$39	\$1,845
Fiscal 2019-2020 Percent Change	16.5%	3.9%	11.4%	-6.6%	13.1%

**Where It Goes:****Personnel Expenses**

Employee and retiree health insurance.....	\$331
3% general salary increase effective July 1, 2019, and annualization of 0.5% general salary increase effective April 1, 2019.....	190
Transfer of 3 positions from the Governor’s Office for Children to Shared Services Office...	149
Annualization of 2% cost-of-living adjustment effective January 1, 2019 .....	60
Employer pension contribution .....	69
Increase part-time position for State Ethics Commission to full-time .....	20
Other fringe benefit adjustments .....	27
Impact of one-time expense for fiscal 2019 \$500 bonus for qualifying State employees.....	-36

**Other Changes**

Department of Information Technology services allocation .....	884
AmeriCorps grants .....	358
Replacement of the Health Care Alternative Dispute Resolution Office’s electronic file system.....	100
Staff support for the Sentencing Commission.....	44
Stipends for AmeriCorps members .....	41
Other adjustments.....	31
Travel .....	23
End of expenditures for new State Ethics Commission filing system.....	-446

**Total** **\$1,845**

Note: Numbers may not sum to total due to rounding.

## **Personnel**

Personnel expenditures increase by a total of \$810,480 in the fiscal 2020 allowance. Statewide salary increases for regular employees for fiscal 2019 and 2020 account for \$249,695 of this amount, while adjustments to employer pension and health insurance contribution rates add \$400,439.

Additionally, the transfer of 3 regular positions to the Shared Services Office from the Governor's Office for Children as part of a reorganization of that office's functions adds \$149,058 to this budget unit compared to fiscal 2019 but does not represent an increase for the overall State budget. Finally, the expansion of an existing part-time position in the Ethics Commission adds \$20,349.

## ***Operating Budget Recommended Actions***

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1. Concur with Governor's allowance.

## ***Updates***

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### **1. State Ethics Commission Launches New Filing System**

On January 3, 2019, the State Ethics Commission launched a new filing system and online interface for public officials, State employees, and others who are required to file annual financial disclosures under the Maryland Public Ethics Law. The project, which was funded with a \$446,000 appropriation for fiscal 2019, is already in use for the submission of 2018 disclosures. The Ethics Commission and its software vendor are in the process of working out the final adjustments to ensure the system is fully functional for users.

*D15A05 – Executive Department – Boards, Commissions, and Offices*

**Appendix 1**  
**Current and Prior Year Budgets**  
**Executive Department – Boards, Commissions, and Offices**  
**(\$ in Thousands)**

	<b><u>General Fund</u></b>	<b><u>Special Fund</u></b>	<b><u>Federal Fund</u></b>	<b><u>Reimb. Fund</u></b>	<b><u>Total</u></b>
<b>Fiscal 2018</b>					
Legislative Appropriation	\$7,176	\$689	\$5,348	\$513	\$13,726
Deficiency/Withdrawn Appropriation	\$103	\$0	-\$5	\$0	97
Cost Containment	-\$26	\$0	\$0	\$0	-26
Budget Amendments	\$182	\$36	\$0	\$0	218
Reversions and Cancellations	-\$440	-\$99	-\$744	-\$66	-1,350
<b>Actual Expenditures</b>	<b>\$6,995</b>	<b>\$626</b>	<b>\$4,599</b>	<b>\$447</b>	<b>\$12,666</b>
<b>Fiscal 2019</b>					
Legislative Appropriation	\$7,798	\$751	\$4,846	\$586	\$13,981
Budget Amendments	52	4	3	0	60
<b>Working Appropriation</b>	<b>\$7,850</b>	<b>\$755</b>	<b>\$4,849</b>	<b>\$586</b>	<b>\$14,040</b>

Note: The fiscal 2019 appropriation does not include deficiencies, a one-time \$500 bonus, or general salary increases. Numbers may not sum to total due to rounding.

## **Fiscal 2018**

Actual expenditures for fiscal 2018 were \$12.7 million, an all funds decrease of \$1.1 million from the legislative appropriation.

A withdrawn appropriation in Section 19 of the fiscal 2019 Budget Bill reduced the appropriation by \$62,532 in general funds and \$5,263 in federal funds due to a surplus in the health insurance account. This reduction was offset by a deficiency appropriation of \$165,268 in general funds for the Governor's Office of Community Initiatives (GOCI) for emergency maintenance at the Banneker-Douglass Museum. Additionally, a Board of Public Works cost containment action reduced the appropriation by \$25,963 in general funds.

Budget amendments increased expenditures by \$218,428. Transferred positions from GOCI; the Governor's Office of Small, Minority, and Women Business Affairs (GOSBA); and the Governor's Office of Crime Control and Prevention to the Shared Services Office accounted for a net increase of \$143,828 in general funds. An amendment included a net increase of \$38,500 in general funds to realign health benefits disbursements across offices. Special funds increased by \$11,100 based on actual conference registration fee receipts for the Governor's Grants Office and \$25,000 from lobbyist filing fees for the State Ethics Commission.

These actions were offset by a reduction of \$440,281 in reversions and \$909,443 in cancellations. A majority of the reversions (\$383,055) were unspent due to staff vacancies. Cancellations are largely attributable to an overestimate in necessary federal AmeriCorps funding due to the nonrenewal of several awards.

## **Fiscal 2019**

To date, one action has adjusted the fiscal 2019 legislative appropriation. A budget amendment to allocate funds for the 2% general salary increase for State employees effective January 1, 2019, added \$52,279 in general funds, \$4,170 in special funds, and \$3,108 in federal funds.

**Appendix 2**  
**Object/Fund Difference Report**  
**Executive Department – Boards, Commissions, and Offices**

<u>Object/Fund</u>	<u>FY 18 Actual</u>	<u>FY 19 Working Appropriation</u>	<u>FY 20 Allowance</u>	<u>FY 19 - FY 20 Amount Change</u>	<u>Percent Change</u>
<b>Positions</b>					
01 Regular	65.10	67.10	70.60	3.50	5.2%
02 Contractual	21.00	7.00	7.00	0.00	0%
<b>Total Positions</b>	<b>86.10</b>	<b>74.10</b>	<b>77.60</b>	<b>3.50</b>	<b>4.7%</b>
<b>Objects</b>					
01 Salaries and Wages	\$ 6,179,690	\$ 6,958,256	\$ 7,614,256	\$ 656,000	9.4%
02 Technical and Spec. Fees	1,106,160	1,294,062	1,385,048	90,986	7.0%
03 Communication	102,001	111,867	91,675	-20,192	-18.1%
04 Travel	157,549	115,565	138,144	22,579	19.5%
06 Fuel and Utilities	90,100	74,173	94,126	19,953	26.9%
07 Motor Vehicles	10,357	9,703	11,032	1,329	13.7%
08 Contractual Services	690,802	944,926	1,511,021	566,095	59.9%
09 Supplies and Materials	52,831	52,642	51,027	-1,615	-3.1%
10 Equipment – Replacement	7,257	14,430	10,630	-3,800	-26.3%
11 Equipment – Additional	4,773	3,087	3,087	0	0%
12 Grants, Subsidies, and Contributions	4,075,444	4,278,459	4,636,884	358,425	8.4%
13 Fixed Charges	188,945	183,157	184,259	1,102	0.6%
<b>Total Objects</b>	<b>\$ 12,665,909</b>	<b>\$ 14,040,327</b>	<b>\$ 15,731,189</b>	<b>\$ 1,690,862</b>	<b>12.0%</b>
<b>Funds</b>					
01 General Fund	\$ 6,994,968	\$ 7,850,111	\$ 9,017,209	\$ 1,167,098	14.9%
03 Special Fund	625,701	755,173	775,953	20,780	2.8%
05 Federal Fund	4,598,542	4,849,365	5,391,100	541,735	11.2%
09 Reimbursable Fund	446,698	585,678	546,927	-38,751	-6.6%
<b>Total Funds</b>	<b>\$ 12,665,909</b>	<b>\$ 14,040,327</b>	<b>\$ 15,731,189</b>	<b>\$ 1,690,862</b>	<b>12.0%</b>

Note: The fiscal 2019 appropriation does not include deficiencies, a one-time \$500 bonus, or general salary increases. The fiscal 2020 allowance does not include general salary increases.

**Appendix 3**  
**Fiscal Summary**  
**Executive Department – Boards, Commissions, and Offices**

<u>Program/Unit</u>	<u>FY 18 Actual</u>	<u>FY 19 Wrk Approp</u>	<u>FY 20 Allowance</u>	<u>Change</u>	<u>FY 19 - FY 20 % Change</u>
01 Survey Commissions	\$ 117,544	\$ 125,857	\$ 119,136	-\$ 6,721	-5.3%
03 Office of Small, Minority, and Women Business	1,003,017	1,220,854	1,270,835	49,981	4.1%
05 Governor's Office of Community Initiatives	7,699,800	7,990,333	8,562,359	572,026	7.2%
06 State Ethics Commission	1,276,757	1,660,406	1,298,550	-361,856	-21.8%
07 Health Care Alternative Dispute Resolution Office	431,051	414,864	531,744	116,880	28.2%
20 State Commission on Criminal Sentencing Policy	512,841	498,663	539,043	40,380	8.1%
22 Governor's Grants Office	295,748	324,874	319,380	-5,494	-1.7%
23 State Labor Relations Board	409,552	418,220	434,517	16,297	3.9%
24 Contract Appeals Resolution	732,525	723,509	749,308	25,799	3.6%
25 Governor's Coordinating Offices Shared Services	187,074	662,747	1,906,317	1,243,570	187.6%
<b>Total Expenditures</b>	<b>\$ 12,665,909</b>	<b>\$ 14,040,327</b>	<b>\$ 15,731,189</b>	<b>\$ 1,690,862</b>	<b>12.0%</b>
General Fund	\$ 6,994,968	\$ 7,850,111	\$ 9,017,209	\$ 1,167,098	14.9%
Special Fund	625,701	755,173	775,953	20,780	2.8%
Federal Fund	4,598,542	4,849,365	5,391,100	541,735	11.2%
<b>Total Appropriations</b>	<b>\$ 12,219,211</b>	<b>\$ 13,454,649</b>	<b>\$ 15,184,262</b>	<b>\$ 1,729,613</b>	<b>12.9%</b>
Reimbursable Fund	\$ 446,698	\$ 585,678	\$ 546,927	-\$ 38,751	-6.6%
<b>Total Funds</b>	<b>\$ 12,665,909</b>	<b>\$ 14,040,327</b>	<b>\$ 15,731,189</b>	<b>\$ 1,690,862</b>	<b>12.0%</b>

Note: The fiscal 2019 appropriation does not include deficiencies, a one-time \$500 bonus, or general salary increases. The fiscal 2020 allowance does not include general salary increases.