

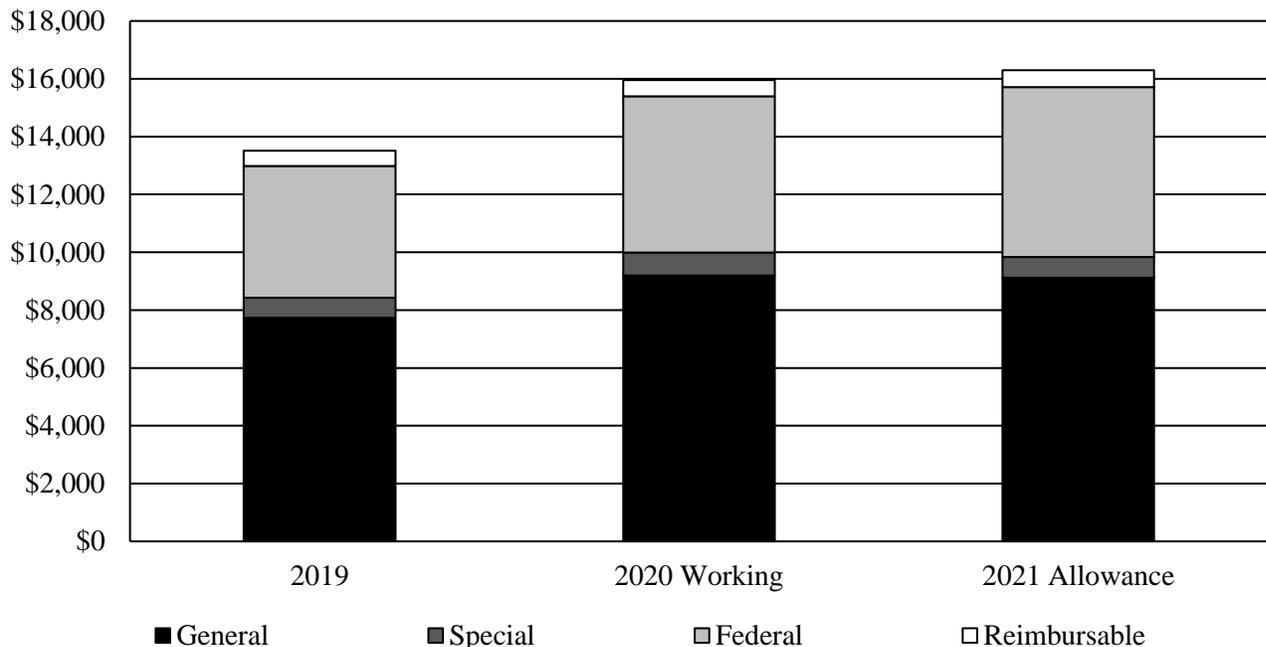
D15A05
Boards, Commissions, and Offices
Executive Department

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 (GOSBA); the Governor’s Office of Community Initiatives (GOCI); the State Ethics Commission; the Health Care Alternative Dispute Resolution Office; the State Commission on Criminal Sentencing Policy; the Governor’s Grants Office; the State Labor Relations Boards; the Board of Contract Appeals; and the Governor’s Coordinating Offices Shared Services Unit.

Operating Budget Summary

Fiscal 2021 Budget Increases \$343,588 or 2.2% to \$16.3 Million
(\$ in Thousands)



Note: Numbers may not sum due to rounding. The fiscal 2020 appropriation includes deficiencies, planned reversions, and general salary increases. The fiscal 2021 allowance includes contingent reductions and general salary increases.

- The 2.2% increase is driven by an 8.8% increase in federal funds for GOCI.

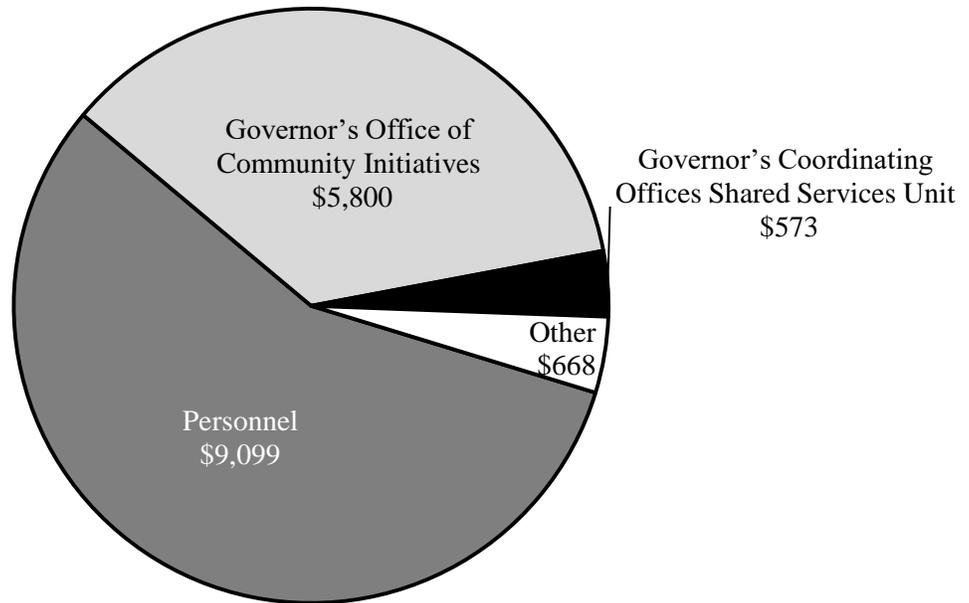
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Fiscal 2021 Overview of Agency Spending

Aside from personnel, GOCI is the largest portion of this budget unit’s spending. Included in its many community affairs and engagement activities, GOCI manages the State’s AmeriCorps program. The next largest budget component is the Governor’s Coordinating Offices Shared Services Unit, which serves entities with few staff throughout State government. As shown in **Exhibit 1**, all other offices’ program activities make up less than 4% of the budget combined.

Exhibit 1
Overview of Agency Spending
Fiscal 2021 Allowance
(\$ in Thousands)



Source: Governor’s Fiscal 2021 Budget Books

Note: Other includes Survey Commissions; the Governor’s Office of Small, Minority, and Women Business Affairs; the State Ethics Commission; the Health Care Alternative Dispute Resolution Office; the State Commission on Criminal Sentencing Policy; the Governor’s Grants Office; the State Labor Relations Boards; and the State Board of Contract Appeals.

Proposed Budget Change

The fiscal 2021 budget grows by 2.2%, as shown in **Exhibit 2**. This increase is mostly attributed to an anticipated increase in federal funding for the AmeriCorps program.

Exhibit 2
Proposed Budget
Executive Department – Boards, Commissions, and Offices
(\$ in Thousands)

How Much It Grows:	<u>General</u> <u>Fund</u>	<u>Special</u> <u>Fund</u>	<u>Federal</u> <u>Fund</u>	<u>Reimb.</u> <u>Fund</u>	<u>Total</u>
Fiscal 2019 Actual	\$7,739	\$684	\$4,560	\$532	\$13,515
Fiscal 2020 Working Appropriation	9,200	790	5,405	557	15,952
Fiscal 2021 Allowance	<u>9,116</u>	<u>722</u>	<u>5,878</u>	<u>580</u>	<u>16,296</u>
Fiscal 2020-2021 Amount Change	-\$84	-\$68	\$474	\$23	\$344
Fiscal 2020-2021 Percent Change	-0.9%	-8.6%	8.8%	4.1%	2.2%

Where It Goes:

Personnel Expenses

Change

Fiscal 2021 2% salary increase effective January 1, 2021	\$78
Employee retirement	64
Annualization of fiscal 2020 1% salary increase	39
Salary increases	35
Stipend for graduate assistant	14
Other fringe benefit adjustments	-9
Employee and retiree health insurance	-44

Grants

AmeriCorps State awards	509
New grant award for criminal history background checks	39
Indirect costs	13
Office assistance for GOCI administration of federal grants	12

Contracts

State Board of Contract Appeals court reporter services	8
AmeriCorps evaluation	6
Replacement of Health Care Alternative Dispute Resolution Office electronic filing system	-75

Administrative Expenses

Replacement of office equipment	11
GOSBA outreach expenditures including travel and promotional materials	7
Costs associated with increased GOSBA staff	6
GOCI outreach	5
Aligning expenditures for the Banneker-Douglass Museum with recent experience	-21

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Where It Goes:

Information Technology	<u>Change</u>
IT services related to new filing and training systems for the State Ethics Commission.....	80
IT expenditures for GOCI volunteer programs	22
Enhancements to Grants Management System	6
Other Changes	
Aligning expenditures with recent experience	19
Other changes.....	10
Savings from reduced contractual full-time equivalents.....	-169
Cost allocations	-321
Total	\$344

GOCI: Governor’s Office of Community Initiatives

GOSBA: Governor’s Office of Small, Minority, and Women Business Affairs

IT: information technology

Note: Numbers may not sum due to rounding. The fiscal 2020 appropriation includes deficiencies, planned reversions, and general salary increases. The fiscal 2021 allowance includes contingent reductions and general salary increases.

Governor’s Grants Office Major Information Technology Project

Not reflected in Exhibit 2 is a new major information technology development project for the Governor’s Grants Office, specifically a Grants Management System. This project will provide Executive Branch agencies with a uniform process for seeking, applying for, and managing grants. Budgeted at \$2.5 million in general funds, funding for this project is included in the Major Information Technology Development Project Fund in the Department of Information Technology’s fiscal 2021 allowance.

Personnel Data

	<u>FY 19 Actual</u>	<u>FY 20 Working</u>	<u>FY 21 Allowance</u>	<u>FY 20-21 Change</u>
Regular Positions	67.10	70.60	70.60	0.00
Contractual FTEs	<u>3.30</u>	<u>7.00</u>	<u>5.50</u>	<u>-1.50</u>
Total Personnel	70.40	77.60	76.10	-1.50

Vacancy Data: Regular Positions

Turnover and Necessary Vacancies, Excluding New Positions	0.56	0.80%
Positions and Percentage Vacant as of 12/31/19	3.75	5.31%

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Vacancies Above Turnover

3.19

- The budgeted turnover rate is relatively unchanged from the fiscal 2020 levels. However, the budgeted turnover rate is far below the actual vacancy rate. Among the 3.75 vacant positions are 2 positions that have been vacant for over a year. GOSBA has an administrative manager IV position that has been vacant since May 2018, and the GOCI has a maintenance chief IV non-licensed position that has been vacant since September 2016. **The Department of Legislative Services (DLS) recommends abolishing these 2 long-term vacant positions.**
- 1.5 contractual full-time equivalents were eliminated as a cost savings measure.

Key Observations

1. Duplicative Education Accountability Oversight

Established by executive order in 2018, the Office of Education Accountability was created under what was then the Governor’s Office for Children (now included in the Governor’s Office for Crime Prevention, Youth, and Victim Services). However it is budgeted under the Governor’s Coordinating Offices Shared Services Unit. The executive order stipulated that an annual report shall be submitted no later than December 31 of the year in which it is being reported. The 2019 report has not been released as of this writing.

In the absence of the report, the 2019 accomplishments of the Office of Education Accountability budgeted in the Governor’s Coordinating Offices are unknown as of this writing. **The Governor’s Coordinating Offices Shared Services Unit should comment on the status of the 2019 report.**

This office’s position is unique in that it reviews education accountability but is external to the Maryland State Department of Education (MSDE). MSDE also has its own office by the same name, although they are separate entities. In addition, MSDE received funding in fiscal 2020 to add an Office of the Inspector General to its oversight matrix.

Upon inclusion of the Office of the Inspector General under MSDE, in addition to MSDE’s existing Office of Education Accountability, the purpose of another Office of Education Accountability, unsupported by MSDE, is unclear. In addition, the office has been operating under an acting executive director for over seven months. **DLS recommends deleting the positions and funding associated with the Office of Education Accountability budgeted in the Governor’s Coordinating Offices Shared Services Unit.**

Operating Budget Recommended Actions

	<u>Amount Reduction</u>		<u>Position Reduction</u>
1. Delete 1 position (PIN 064987) in the Governor’s Office of Small, Minority, and Women Business Affairs that has been vacant since May 1, 2018.	\$ 114,402	GF	1.0
2. Delete 1 position (PIN 076169) in the Governor’s Office of Community Initiatives that has been vacant since September 20, 2016.	52,819	GF	1.0
3. Delete funding and associated positions for the Office of Education Accountability (PINs 024198 and 024348). With the Maryland State Department of Education’s Office of Education Accountability and the creation of the Office of the Inspector General, another Office of Education Accountability, budgeted in the Governor’s Coordinating Offices, is duplicative.	153,328	GF	2.0
Total General Fund Reductions	\$ 320,549		4.0

Updates

- ***State Ethics Commission Implements New Filing System:*** On January 1, 2019, the State Ethics Commission implemented a new filing system. On April 2, 2019, a new training system for ethics and lobbyist training was also rolled out. These efforts consumed a significant amount of staff time. Although some measures, such as the number of financial disclosure forms reviewed, saw a significant dip in performance, the State Ethics Commission indicates that, after implementation, activities have resumed to the usual level. In addition, the State Ethics Commission reports that, in 2020, the commission will be using bots to conduct a preliminary review of ethics filings. DLS will continue to monitor the State Ethics Commission’s experience with these information technology upgrades.
- ***Banneker-Douglass Museum Sees Increased Attendance:*** Due to staff turnover and fewer public engagement offerings, there was a significant decrease in attendance between fiscal 2016 and 2017. However, attendance has started to increase again. In fiscal 2019, the museum had nearly 1,000 more visitors than in fiscal 2018, a 12% increase over the prior year.
- ***Performance Weakens as GOSBA Struggles with Staffing Shortages:*** Staffing shortages prevented the office from hosting trainings for small or minority business enterprise liaisons throughout the year. These trainings are designed to assist with the successful implementation and monitoring of procurement programs. Just 51% of procurements met the 29% minority business enterprise participation goal in fiscal 2018. Final numbers are not available as of this writing, however, GOSBA estimates that only 60% of procurements met this goal in fiscal 2019.

Appendix 1
2019 Joint Chairmen’s Report Responses from Agency

The 2019 *Joint Chairmen’s Report* (JCR) requested that the Executive Department – Boards, Commissions, and Offices prepare one report. An electronic copy of the full JCR response can be found on the Department of Legislative Services Library website.

- ***Status Update on Maintenance at the Banneker-Douglass Museum:*** The fiscal 2019 budget included approximately \$186,000 for maintenance at the Banneker-Douglass museum, most of which funded emergency repairs. The museum also filled a long-term vacant maintenance position responsible for supervising routine facility maintenance for building systems, equipment, and janitorial services.

**Appendix 2
Audit Findings**

Audit Period for Last Audit:	January 21, 2015 – November 18, 2018
Issue Date:	November 2019
Number of Findings:	1
Number of Repeat Findings:	0
% of Repeat Findings:	0%
Rating: (if applicable)	n/a

Finding 1: The Executive Department did not have adequate procedures and controls to ensure that all collections were deposited.

Note: This finding was included in the audit of the Office of the Governor – Boards, Commissions, and Offices; Governor’s Office for Children; and the Office of the Deaf and Hard of Hearing. This appendix does not include findings for other budget units not covered in this analysis. Discussion of the other unit’s findings in this audit can be found in the audit appendices of the Executive Department – Governor (D10A01) and the Governor’s Office of Crime Prevention, Youth, and Victim Services (D21) analyses.

Appendix 3
Object/Fund Difference Report
Executive Department – Boards, Commissions, and Offices

<u>Object/Fund</u>	<u>FY 19</u> <u>Actual</u>	<u>FY 20</u> <u>Working</u> <u>Appropriation</u>	<u>FY 21</u> <u>Allowance</u>	<u>FY 20 - FY 21</u> <u>Amount Change</u>	<u>Percent</u> <u>Change</u>
Positions					
01 Regular	67.10	70.60	70.60	0.00	0%
02 Contractual	3.30	7.00	5.50	-1.50	-21.4%
Total Positions	70.40	77.60	76.10	-1.50	-1.9%
Objects					
01 Salaries and Wages	\$ 6,956,671	\$ 7,842,006	\$ 7,884,413	\$ 42,407	0.5%
02 Technical and Spec. Fees	1,110,175	1,382,985	1,213,922	-169,063	-12.2%
03 Communication	103,208	91,675	90,700	-975	-1.1%
04 Travel	110,872	119,766	122,454	2,688	2.2%
06 Fuel and Utilities	68,639	94,126	71,549	-22,577	-24.0%
07 Motor Vehicles	8,210	11,032	10,655	-377	-3.4%
08 Contractual Services	824,069	1,485,971	1,203,349	-282,622	-19.0%
09 Supplies and Materials	40,034	51,027	57,024	5,997	11.8%
10 Equipment – Replacement	9,439	10,630	27,398	16,768	157.7%
11 Equipment – Additional	13,580	3,087	6,624	3,537	114.6%
12 Grants, Subsidies, and Contributions	4,086,115	4,636,884	5,257,238	620,354	13.4%
13 Fixed Charges	183,774	184,259	194,595	10,336	5.6%
Total Objects	\$ 13,514,786	\$ 15,913,448	\$ 16,139,921	\$ 226,473	1.4%
Funds					
01 General Fund	\$ 7,738,701	\$ 9,165,244	\$ 8,974,375	-\$ 190,869	-2.1%
03 Special Fund	684,190	788,194	714,471	-73,723	-9.4%
05 Federal Fund	4,559,736	5,403,019	5,871,318	468,299	8.7%
09 Reimbursable Fund	532,159	556,991	579,757	22,766	4.1%
Total Funds	\$ 13,514,786	\$ 15,913,448	\$ 16,139,921	\$ 226,473	1.4%

Note: The fiscal 2020 appropriation does not include deficiencies, planned reversions, or general salary increases. The fiscal 2021 allowance does not include contingent reductions or general salary increases.