

**D10A01**  
**Executive Department - Governor**

***Operating Budget Data***

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(\$ in Thousands)

	<b>FY 02</b>	<b>FY 03</b>	<b>FY 04</b>	<b>FY 03 - 04</b>	<b>FY 03 - 04</b>
	<u>Actual</u>	<u>Working</u>	<u>Allowance</u>	<u>Change</u>	<u>% Change</u>
General Funds	\$8,289	\$8,712	\$8,588	-\$124	-1.4%
FY 2003 Cost Containment	0	-608	0	608	-100.0%
Contingent & Back of Bill Reductions	0	-4	-33	-30	749.4%
<b>Adjusted General Funds</b>	<b>\$8,289</b>	<b>\$8,100</b>	<b>\$8,555</b>	<b>\$455</b>	<b>5.6%</b>
<b>Special Funds</b>	<b>\$0</b>	<b>\$29</b>	<b>\$0</b>	<b>-\$29</b>	<b>-100.0%</b>
<b>Adjusted Grand Total</b>	<b>\$8,289</b>	<b>\$8,129</b>	<b>\$8,555</b>	<b>\$425</b>	<b>5.2%</b>

- Cost containment reductions of \$608,000 were taken by the prior administration and \$3,939 by the current administration in the fiscal 2003 budget.

***Personnel Data***

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	<b>FY 02</b>	<b>FY 03</b>	<b>FY 04</b>	<b>Change</b>
	<u>Actual</u>	<u>Working</u>	<u>Allowance</u>	<u>Change</u>
Regular Positions	86.50	84.50	84.50	0.00
Contractual FTEs	4.00	3.50	3.50	0.00
<b>Total Personnel</b>	<b>90.50</b>	<b>88.00</b>	<b>88.00</b>	<b>0.00</b>

***Vacancy Data: Regular Positions***

Budgeted Turnover: FY 04	0.00	0.00%
Positions Vacant as of 12/31/02	12.00	14.20%

- The prior administration closed with 115.5 positions on the Governor and Lieutenant Governor's staff.
- The new administration begins with 105.5 positions on the Governor and Lieutenant Governor's staff.
- There are currently 12 unallocated positions.

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

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## ***Analysis in Brief***

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### **Issues**

***Positions Detailed to the Governor's Office:*** There are currently 15 positions detailed to the Governor's Office from other agencies in this administration compared to 26 in the last year of the prior administration.

### **Recommended Actions**

1. Concur with Governor's allowance.

### **Updates**

***Governor Robert L. Ehrlich's Staff:*** How does the size of Governor Ehrlich's staff compare with previous administrations?

***Salary of Governor:*** The Governor and Lieutenant Governor are entitled to annual salary increases under the plan recommended by the Governor's Salary Commission.

**D10A01**  
**Executive Department - Governor**

***Operating Budget Analysis***

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**Program Description**

As chief executive, the Governor exercises supervision over the agencies of the Executive Branch. Annually, the Governor presents a work program and the financial requirements for the ensuing year to the legislature in the annual budget and reports to the legislature on the condition of the State. Amendments to the enacted budget are approved by the Governor. In discharging the duties of the office, the Governor appoints officials and grants pardons and reprieves. The Governor represents the State in its relations with other jurisdictions and the public.

**Performance Analysis: Managing for Results**

The strategy of the Governor is contained in his legislative agenda, the budget message, and the operating and capital budgets. Traditional performance measurement data are not appropriate for this office because the performance of individual agencies measures the performance of the Administration.

**Fiscal 2003 Actions**

The Board of Public Works (BPW) approved cost containment reductions of \$608,000 proposed by the prior administration on January 8, 2003, at the last BPW meeting before former Governor Parris Glendening left office. In addition, \$29,217 was transferred from the dedicated purpose special fund to the Governor's Office to implement the salary increases approved for the new Governor and Lieutenant Governor as recommended by the Governor's Salary Commission and approved by the Joint Resolution of the General Assembly during the 2002 session to become effective in January 2003. A provision in the Budget Reconciliation and Financing Act (BRFA) of 2002 (Chapter 440, Acts of 2002) authorized the transfer by budget amendment. The Department of General Services administration included \$50,000 for transition expenses of the new administration.

**Impact of Cost Containment**

The action included reductions of \$510,000 from the hiring freeze with additional reductions of \$17,000 in communications, \$65,000 in travel expenses, and \$16,000 in other contractual services.

The fiscal 2003 cost containment reflects the reversion of appropriations to support free transit ridership for State employees, contingent upon enactment of a provision in the BRFA of 2003. The budget includes \$3,939 for this item.

**Governor's Proposed Budget**

The fiscal 2004 adjusted allowance increases \$425,427, or 5.23% as indicated in **Exhibit 1**. The allowance restores \$510,000 for salaries, communications, and travel but not for other operating expenses. The allowance covers the last six months of the prior administration and the first six months of the current administration.

**Exhibit 1**

**Governor's Proposed Budget  
Executive Department - Governor  
(\$ in Thousands)**

	<u>FY 02</u> <u>Actual</u>	<u>FY 03</u> <u>Working</u>	<u>FY 04</u> <u>Allowance</u>	<u>FY 03 - 04</u> <u>Change</u>	<u>FY 03 - 04</u> <u>% Change</u>
General Funds	\$8,289	\$8,712	\$8,588	-\$124	-1.4%
FY 2003 Cost Containment	0	-608	0	608	-100.0%
Contingent & Back of Bill Reductions	0	-4	-33	-30	749.4%
<b>Adjusted General Funds</b>	<b>\$8,289</b>	<b>\$8,100</b>	<b>\$8,555</b>	<b>\$455</b>	<b>5.6%</b>
<b>Special Funds</b>	<b>\$0</b>	<b>\$29</b>	<b>\$0</b>	<b>-\$29</b>	<b>-100.0%</b>
<b>Adjusted Grand Total</b>	<b>\$8,289</b>	<b>\$8,129</b>	<b>\$8,555</b>	<b>\$425</b>	<b>5.2%</b>

**Where It Goes:**

**Personnel Expenses**

Salary savings (01/08/03) cost containment.....	\$510
Miscellaneous adjustments.....	-119
Health insurance .....	107
401(k) match .....	-33
Transit subsidy .....	4
Prior cost containment 2003 restored .....	33
Reduction in turnover expectancy .....	70
Other adjustments.....	-244

**Contractual**

Payroll.....	15
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*D10A01 - Executive Department - Governor*

**Where It Goes:**

**Operating Expenses**

Communications.....	63
Travel.....	45
Contractual services .....	-83
Supplies and materials.....	-47
Office equipment and personal computers.....	96
Other changes .....	8
<b>Total</b>	<b>\$425</b>

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

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**Impact of Cost Containment**

The fiscal 2004 allowance reflects the elimination of the appropriation for matching employee deferred compensation contributions up to \$600, contingent upon enactment of a provision in the BRFA of 2003. The allowance included \$33,459 for this item.

**Government House – The Governor’s Official Residence**

The Department of General Services’ budget includes 12 positions and \$1,028,082 in operating expenses for the Governor’s official residence.

**The State Yacht – *Maryland Independence***

The Department of Natural Resources’ (DNR) budget includes \$228,437 in operating funds for the official State yacht *Maryland Independence* consisting of \$50,000 in general funds and \$178,437 from the State Boat Act special funds. The operating fund includes three classified employees (\$138,834 and \$9,353 for seasonal crew).

## Issues

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### 1. Positions Detailed to the Governor's Office

The 15 positions listed in **Exhibit 2** are currently detailed to the Governor's Office in fiscal 2003. The prior administration had 26 positions detailed to the Governor's Office at this time of year. Five positions are detailed to the Appointments Office giving that unit 10 positions in all. This complement is appropriate to the first year of an administration which must process many new gubernatorial appointments. However, the need for additional staff should taper off after the first year.

**It is recommended that the Chief of Staff brief the committee on the intentions of the new administration with respect to the detailed positions. Specifically will the positions be permanently detailed to the Governor's Office or will the detail be temporary for special assignments and once the task is completed, will the personnel and positions revert back to the contributing agency?**

### Exhibit 2

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#### Positions Detailed to the Governor's Office February 9, 2003

<u>Agency</u>	<u>Office</u>
Department of Health and Mental Hygiene (DHMH)	Appointments
Department of Human Resources (DHR)	Appointments
Maryland Department of the Environment (MDE)	Appointments
Maryland Department of Transportation (MDOT)	Appointments
MDOT	Appointments
DHR	Baltimore
MDOT	Chief of Staff
DHMH	Communications/Photo
Department of Natural Resources (DNR)	Deputy Chief of Staff
DNR	Legislative
Maryland Department of Agriculture	Legislative
Department of Business and Economic Development	Lt. Governor's Office
Department of Budget and Management (DBM)	Support Services
DBM	Support Services
DNR	Support Services

Source: Governor's Chief of Staff and Finance Office

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**Exhibit 3** details the additional positions to the Governor's staff by agency. The Maryland Department of Transportation and DNR have the greatest number with three positions.

**Exhibit 3**

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**Positions Detailed to Governor's Office  
Ranked by Agency**

<u>Agency/Department</u>	<u>Number Assigned</u>
Maryland Department of Transportation	3
Department of Natural Resources	3
Department of Health and Mental Hygiene	2
Department of Budget and Management	2
Department of Human Resources	2
Maryland Department of the Environment	1
Maryland Department of Agriculture	1
Department of Business and Economic Development	1
<b>Total</b>	<b>15</b>

Source: Department of Legislative Services

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## ***Recommended Actions***

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1. Concur with Governor's allowance.

## Updates

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### 1. Governor Robert L. Ehrlich's Staff

**Exhibit 4** compares the size of Governor Ehrlich's staff with previous administrations over the past 33 years. The staff includes the 15 people detailed to the Governor's Office but on other agency payrolls.

#### Exhibit 4

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#### Executive Department – Governor's Staff

<i>Governor</i>	<b>Mandel</b>	<b>Lee</b>	<b>Hughes</b>	<b>Schaefer</b>		<b>Glendening</b>		<b>Ehrlich</b>
<i>Term of office</i>	<b>1971-1976</b>	<b>1976-1978</b>	<b>1979-1986</b>	<b>1987-1994</b>		<b>1996-2003</b>		<b>2003</b>
<i>FY/CY data</i>	<b><u>CY 76</u></b>	<b><u>CY 77</u></b>	<b><u>CY 86</u></b>	<b><u>FY 92</u></b>	<b><u>FY 94</u></b>	<b><u>FY 95</u></b>	<b><u>FY 03</u></b>	<b><u>FY 03</u></b>
Constitutional Officers	2	2	2	2	2	2	2	2
Governor's Off. Annapolis	4	4	5	8	8	4	4	6.1
Governor's Off. Baltimore	5	4	6	2	1	2	6	2
Lt. Governor's Office	5	0	4	4	3	5	15	7
Red Tape Hot Line	0	0	0	1	1	1	0	0
Wash. DC Office	6	6	6	7	5	6	6	2
Wash. Regional Office	4	4	2	0	0	0	0	0
Finance & Personnel	3	3	4	7	7	7	7	6
Appointments Office	6	6	6	5	5	5	5.5	10.5
Press Office	5	5	6	10	7	8	12	8
Scheduling & PR	0	0	0	6	6	7	5	3
Support Services	9	9	10	15	15	14	14	13.9
Policy Office							0	3
Chief of Staff/Programs	6	12	19	14	15	15	21	15
Legislative Office	8	7	7	8	7	7	8	7.5
Operations/Public Safety	0	0	6	8	6	4	0	0
Cabinet Special Projects	0	0	0	3	3	3	1	0
Independent Agencies	0	0	0	2	2	1	0	0
Legal Labor Special Issues	0	0	0	6	6	5	4	3
Function Not Defined				1			0	12
Intergovernmental							2	2.5
<b>Total Office of Gov.</b>	<b>63</b>	<b>62</b>	<b>83</b>	<b>109</b>	<b>99</b>	<b>96</b>	<b>112.5</b>	<b>103.5</b>
<b>Other Personnel</b>								
MD You Are Beautiful	0	0	0	3	2	0	0	0
Secretary of State								
Intergovernmental	0	0	0	6	6	6	3	2
<b>Total Regular Positions</b>	<b>63</b>	<b>62</b>	<b>83</b>	<b>118</b>	<b>107</b>	<b>102</b>	<b>115.5</b>	<b>105.5</b>

Note: Position counts include positions assigned to Governor's Office full-time but on other agency payrolls beginning with fiscal 1994. Prior to this time this practice was not a significant factor.

Source: State budget documents, telephone inquiries, Internet and Governor's Office

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## **2. Salary of Governor**

The Governor and Lieutenant Governor are entitled to annual salary increases under the plan recommended by the Governor's Salary Commission and adopted by the Joint Resolution of the General Assembly of 2002. The annual salary for each year is indicated in **Exhibit 5**.

### **Exhibit 5**

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#### **Salary for Term of Office**

<u><b>Year of Office</b></u>	<u><b>Governor</b></u>	<u><b>Lt. Governor</b></u>
First Year	\$135,000	\$112,500
Second Year	\$140,000	\$116,667
Third Year	\$145,000	\$120,833
Fourth Year	\$150,000	\$125,000

Source: Governor's Salary Commission January 2002

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***Current and Prior Year Budgets***

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**Current and Prior Year Budgets  
Executive Department - Governor  
(\$ 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 2002</b>					
Legislative Appropriation	\$8,439	\$0	\$0	0	\$8,439
Deficiency Appropriation	0	0	0	0	0
Budget Amendments	-150	0	0	0	-150
Reversions and Cancellations	0	0	0	0	0
<b>Actual Expenditures</b>	<b>\$8,289</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$8,289</b>
<b>Fiscal 2003</b>					
Legislative Appropriation	\$8,712	\$0	\$0	\$0	\$8,712
Budget Amendments	-612	29	0	0	-583
<b>Working Appropriation</b>	<b>\$8,100</b>	<b>\$29</b>	<b>\$0</b>	<b>\$0</b>	<b>\$8,129</b>

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

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*D10A01 - Executive Department - Governor*

**Fiscal 2002**

The adjustments included \$146,000 cost containment and additional reversions of \$3,698.

**Fiscal 2003**

The budget reflects \$608,000 for cost containment approved by BPW on January 8, 2003. A \$3,939 employee transit subsidy is also deducted. The special fund amendment transferred \$29,112 to implement the Governor's Salary Commission recommendations for the Governor and Lt. Governor in accordance with a provision in the BRFA of 2002 (Chapter 440, Acts of 2002).

D10A01 - Executive Department - Governor

Appendix 2

Object/Fund Difference Report  
Executive Department - Governor

<u>Object/Fund</u>	<u>FY 02 Actual</u>	<u>FY 03 Working Appropriation</u>	<u>FY 04 Allowance</u>	<u>FY 03 - FY 04 Amount Change</u>	<u>Percent Change</u>
<b>Positions</b>					
01 Regular	86.50	84.50	84.50	0	0%
02 Contractual	4.00	3.50	3.50	0	0%
<b>Total Positions</b>	<b>90.50</b>	<b>88.00</b>	<b>88.00</b>	<b>0</b>	<b>0%</b>
<b>Objects</b>					
01 Salaries and Wages	\$ 6,315,829	\$ 7,016,804	\$ 6,864,736	-\$ 152,068	-2.2%
02 Technical & Spec Fees	152,729	110,919	125,988	15,069	13.6%
03 Communication	486,840	423,841	469,437	45,596	10.8%
04 Travel	182,146	198,000	178,000	-20,000	-10.1%
07 Motor Vehicles	18,379	55,142	54,684	-458	-0.8%
08 Contractual Services	260,321	308,501	209,100	-99,401	-32.2%
09 Supplies & Materials	238,554	286,000	238,554	-47,446	-16.6%
10 Equip - Replacement	190,740	46,863	142,922	96,059	205.0%
11 Equip - Additional	26,047	25,000	25,000	0	0%
13 Fixed Charges	417,539	270,259	279,855	9,596	3.6%
<b>Total Objects</b>	<b>\$ 8,289,124</b>	<b>\$ 8,741,329</b>	<b>\$ 8,588,276</b>	<b>-\$ 153,053</b>	<b>-1.8%</b>
<b>Funds</b>					
01 General Fund	\$ 8,289,124	\$ 8,712,112	\$ 8,588,276	-\$ 123,836	-1.4%
03 Special Fund	0	29,217	0	-29,217	-100.0%
<b>Total Funds</b>	<b>\$ 8,289,124</b>	<b>\$ 8,741,329</b>	<b>\$ 8,588,276</b>	<b>-\$ 153,053</b>	<b>-1.8%</b>

Note: Fiscal 2003 appropriations and fiscal 2004 allowance do not include cost containment and contingent reductions.