

D15A05
Boards, Commissions, and Offices
Executive Department

Operating Budget Data

(\$ in Thousands)

	<u>FY 06</u> <u>Actual</u>	<u>FY 07</u> <u>Working</u>	<u>FY 08</u> <u>Allowance</u>	<u>FY 07-08</u> <u>Change</u>	<u>% Change</u> <u>Prior Year</u>
General Fund	\$25,622	\$28,800	\$28,265	-\$535	-1.9%
Special Fund	1,793	1,988	2,042	55	2.7%
Federal Fund	22,537	19,626	15,863	-3,763	-19.2%
Reimbursable Fund	<u>886</u>	<u>1,002</u>	<u>952</u>	<u>-49</u>	<u>-4.9%</u>
Total Funds	\$50,838	\$51,415	\$47,123	-\$4,292	-8.3%

- The fiscal 2008 allowance declines by \$4,292,000, or 8.3% from the fiscal 2007 working appropriation. This reduction is exaggerated somewhat by the one-time use of the health insurance surplus for retiree benefits. Absent this, the allowance is \$3,993,000, or 7.8% less than the 2007 working appropriation.
- The reduction in the allowance is largely attributable to the decline in federal funds available for grants within the Governor's Office of Crime Control and Prevention.

Personnel Data

	<u>FY 06</u> <u>Actual</u>	<u>FY 07</u> <u>Working</u>	<u>FY 08</u> <u>Allowance</u>	<u>FY 07-08</u> <u>Change</u>
Regular Positions	80.50	84.00	87.00	3.00
Contractual FTEs	<u>19.20</u>	<u>18.60</u>	<u>14.40</u>	<u>-4.20</u>
Total Personnel	99.70	102.60	101.40	-1.20

Vacancy Data: Regular Positions

Turnover, Excluding New Positions	1.50	1.72%
Positions Vacant as of 12/31/06	8.00	9.52%

- The department converted four long-term contractual positions within Volunteer Maryland to full-time regular positions in the fiscal 2008 allowance. Additionally, one administrator position within the Governor's Office of Crime Control and Prevention (GOCCP) was transferred to the Office for Children.

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

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Analysis in Brief

Issues

New Performance Measures for the Office of Crime Control and Prevention: In response to committee narrative within the 2006 *Joint Chairmen’s Report*, the office updated its performance measures to better reflect its role as grant administrator. However, the measures still do not show the impact of grants on crime control efforts of the grantees. **The Department of Legislative Services recommends that the office expand its performance measures to include a measurement of the number of grantees that meet the crime control or community safety goals that were outlined in grant applications. The office should discuss any other measures that would be useful in gauging the effectiveness of grant programs.**

Trend of Diminishing Federal Funds for Crime Control Continues: Federal funds for crime control programs have declined an average of 25.5% each year since fiscal 2003. **GOCCP should discuss the impact of diminished federal funds on local law enforcement efforts. Additionally, the Governor’s Grant Office, which is responsible for identifying federal fund opportunities, should comment on strategies for slowing or reversing the current trend.**

Uncertain Future of the Governor’s Office of Community Initiatives: As an office established by the previous administration with roots in faith-based initiatives, the office’s role within the new administration is unclear. **The Department of Legislative Services recommends that narrative be adopted requesting a report from the Office of Community Initiatives detailing its activities since 2004 and the new Administration’s plans for operating the office.**

Recommended Actions

1. Adopt committee narrative on an additional performance measure within the Governor’s Office of Crime Control and Prevention.
2. Adopt committee narrative requesting an activity report from the Governor’s Office of Community Initiatives.

Updates

Department Improves Federal Fund Management: In response to a finding by the Office of Legislative Audits, the department has worked to improve the timeliness of its drawdown requests for the department’s federally funded programs.

New Program within Boards, Commissions, and Offices: Included in the department’s fiscal 2008 allowance is a new program, which combines the State Labor Relations Board, previously housed within the Department of Budget and Management, and the independent State Higher Education Labor Relations Board.

D15A05
Boards, Commissions, and Offices
Executive Department

Operating Budget Analysis

Program Description

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

The unit includes Survey Commissions, the Office of Minority Affairs, Governor's Office on Service and Volunteerism (GOSV), Governor's Office of Community Initiatives, State Ethics Commission, Health Care Alternative Dispute Resolution Office, Governor's Office of Crime Control and Prevention (GOCCP), Volunteer Maryland (VM), the State Commission on Criminal Sentencing Policy, Criminal Justice Coordinating Council, the Governor's Grants Office, and the State Labor Relations Board.

Performance Analysis: Managing for Results

Selections from the Governor's Boards, Commissions, and Offices program measurement data are presented in **Exhibit 1**.

Exhibit 1
Selected Program Management Data
Boards, Commissions, and Offices
Fiscal 2004-2008

	<u>Actual</u> <u>2004</u>	<u>Actual</u> <u>2005</u>	<u>Actual</u> <u>2006</u>	<u>Est.</u> <u>2007</u>	<u>Est.</u> <u>2008</u>	<u>Annual</u> <u>Change</u> <u>04-06</u>	<u>Annual</u> <u>Change</u> <u>06-08</u>
Office of Minority Affairs							
MBE participants at events	600	1,050	1,511	1,700	1,700	58.7%	6.1%
State agencies reporting accurate payment data	0	30	80	80	80	n/a	0.0%
State agencies using OMA developed data collection tools	65	68	80	80	80	10.9%	0.0%
Governor's Grant Office							
Federal grant dollars received by State agencies (billions)	\$5.9	\$6.5	\$6.9	\$7.3	\$7.6	8.1%	4.9%
Grants management training classes	4	10	19	18	18	117.9%	-2.7%
Number of new federal audit findings	*	44	25	22	19	n/a	-12.8%
State Ethics Commission							
Individuals required to file financial disclosure forms	11,028	11,867	12,187	12,300	12,300	5.1%	0.5%
Percent filed electronically	n/a	58%	67%	70%	75%		5.8%
Lobbyist activity reports filed	4,610	4,773	4,835	5,110	5,210	2.4%	3.8%
Lobbyists receiving mandated training	301	181	237	240	250	-11.3%	2.7%
Officials receiving mandated training	872	1,984	739	900	900	-7.9%	10.4%

*Data not available

MBE: Minority Business Enterprise

OMA: Office of Minority Affairs

Source: Executive Department Managing for Results

Office of Minority Affairs

The Office of Minority Affairs continues to post improved performance results. For example, in its effort to provide minority business enterprises (MBE) with the information necessary to get access to capital, procurements, and technical assistance, the office holds a variety of meetings and conferences. The office has nearly doubled the number of MBE participants at such events. Additionally, in response to legislative audit concerns about reported data within the State's MBE program, the office worked with agencies on their reporting policies. In fiscal 2006, 80 agencies reported accurate MBE payment data, compared to only 30 agencies in fiscal 2005.

Governor's Grants Office

The mission of the Governor's Grants Office is, in part, to help the State meet its policy priorities by measuring and increasing the flow of federal funds coming into Maryland. As shown in Exhibit 1, federal funds received by the State are increasing over 8% annually. The office also provides training in grants management for State agencies, local governments, and nonprofits. The number of classes offered by the office is steadily increasing.

State Ethics Commission

The State Ethics Commission is charged with administering the Public Ethics Law. Legislation enacted in 2001 mandates two hours of ethics training for new public officials and requires initial and continued training for regulated lobbyists. The data shows that the commission continues to train numerous individuals. Legislation enacted in 1999 requires on-line electronic filing of financial disclosure forms and lobbyist reports. Over two-thirds of those required to report to the commission did so via the on-line services in fiscal 2006. By 2008, the commission expects three-fourths of such reports to be filed electronically.

Governor's Proposed Budget

As shown in **Exhibit 2**, the fiscal 2008 allowance is \$47,122,701, a decrease of \$4,292,248 from the fiscal 2007 working appropriation. However, if adjusted for the one-time use of the health insurance surplus, the budget actually declines by \$3,992,893, or 7.8%. The decline is largely attributable to the continuing trend of reduced federal funds available for grants under GOCCP.

Exhibit 2
Governor’s Proposed Budget
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>
2007 Working Appropriation	\$28,800	\$1,988	\$19,626	\$1,002	\$51,415
2008 Governor’s Allowance	<u>28,265</u>	<u>2,042</u>	<u>15,863</u>	<u>952</u>	<u>47,123</u>
Amount Change	-\$535	\$55	-\$3,763	-\$49	-\$4,292
Percent Change	-1.9%	2.7%	-19.2%	-4.9%	-8.3%

Where It Goes:

Personnel Expenses

Net new positions for Volunteer Maryland	\$84
Abolished/transferred positions	-101
Increments and other compensation.....	101
One-time health insurance savings	-308
Employee retirement system.....	110
Turnover adjustments.....	107
Other fringe benefit adjustments.....	10

Other Changes

Office of Service and Volunteerism

Increase in federal funds under the AmeriCorps grant program.....	793
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State Ethics Commission

Increase in telephone and computer services.....	18
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Governor’s Office of Crime Control and Prevention

Decline in federal crime control grant funds	-4,505
Decline in general and special fund crime control grants.....	-872
Increase in contractual payroll.....	49
Increase in travel reflecting fiscal 2006 level	41

State Labor Relations Board

Efficiencies due to combination of two offices	-29
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Other Changes

Miscellaneous	210
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Total	-\$4,292
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Note: Numbers may not sum to total due to rounding.

Volunteer Maryland

The department converted VM's contractual staff to full-time regular positions in the fiscal 2008 allowance. The positions are funded through general funds and special funds from volunteer matches (50%) and reimbursable funds from the Office of Service and Volunteerism's federal funds (50%). The office has utilized contractual staff for the last 15 years. Approximately \$278,000 is included in the allowance for the new positions, with a corresponding decline of about \$189,000 in contractual payroll. The net increase in compensation is \$84,000.

Governor's Office of Crime Control and Prevention

The fiscal 2008 allowance for GOCCP declines by approximately \$5 million, or 12.1%. This continues a multi-year trend of diminishing federal funds for crime control grants. However, the decline includes reduced general and special funds available for grants. This reverses a recent trend of increasing State funds to supplant diminishing federal funds. The specifics of the grant funding are shown in **Exhibits 3 and 4**.

Exhibit 3
Governor's Office of Crime Control and Prevention
General and Special Fund Grants

<u>Grant Program State Funds</u>	<u>Fiscal 2005</u>	<u>Fiscal 2006</u>	<u>Fiscal 2007</u>	<u>Fiscal 2008</u>	<u>Increase FY 07-08</u>
Baltimore City Foot Patrol	\$2,800,000	\$2,700,000	\$2,800,000	\$2,800,000	0
Prince George's County Drug Grant	1,662,500	1,662,500	1,662,500	1,662,500	0
Baltimore City Community Policing	2,000,000	1,900,000	2,000,000	2,000,000	0
Body Armor for Local Law Enforcement	50,000	50,000	50,000	50,000	0
Baltimore City Violent Crime Control	2,084,500	2,019,587	2,500,000	2,500,000	0
Prince George's Violent Crime Control	2,429,500	2,341,858	2,341,858	2,341,858	0
STOP Gun Violence	955,500	955,500	955,500	955,500	0
Baltimore City Criminal Justice Coordinating Council	85,500	85,500	85,500	85,500	0
Gun Trafficking Unit – Attorney General	210,000	199,258	210,000	-	-210,000
Community Service Grant	*	654,813	676,304	673,942	-2,362
Sex Offender Compliance and Enforcement			850,000	850,000	0
ROPER Academy			159,000	159,000	0
War Room Baltimore City	\$729,982	\$717,446	\$729,982	\$729,982	0
Victim Instant Notification Everyday (VINE) Contract Statewide Maryland	400,000	415,723	431,000	431,000	0
Youth Strategies Program Initiative	1,100,000	1,100,000	1,100,000	340,000	-760,000
Collaborative Supervision & Focused Enforcement	3,000,000	3,000,000	3,300,000	3,300,000	0
Domestic Violence Unit Pilot Program	200,000	200,000	200,000	200,000	0
Baltimore City State's Attorney – Prosecution of gun crimes and violent offenders	**	1,835,000	1,985,000	1,985,000	0
State's Attorney's Coordinating Council		***	75,000	225,000	150,000
GOCCP General Fund Grants	\$17,707,482	\$19,837,185	\$22,111,644	\$21,289,282	-822,362
Victims of Crime Fund	1,000,000	950,000	950,000	950,000	0
Victim/Witness Protection Program	250,000	250,000	300,000	249,431	-50,569
Subtotal Special Fund Grants	1,250,000	1,200,000	1,250,000	1,199,431	-50,569
Total State Fund Grants	\$18,957,482	\$21,037,185	\$23,361,644	\$22,488,713	-872,931

*Funding formerly included in the Department of Public Safety and Correctional Services.

**Funding formerly included in the Board of Public Works.

***Funding formerly included in the Office of the Attorney General.

Source: Governor's Office of Crime Control and Prevention

Exhibit 4
Governor's Office of Crime Control and Prevention
Federal Funds Grants

<u>Federal Grant Program</u>	<u>Fiscal 2005</u>	<u>Fiscal 2006</u>	<u>Fiscal 2007</u>	<u>Allowance Fiscal 2008</u>	<u>Increase FY 07-08</u>
Juvenile Justice Delinquency Prevention Formula Grants	\$1,380,659	\$906,576	\$1,134,000	\$1,104,250	-29,750
Title V	256,235	207,312	262,000	-0	-262,000
State Challenge	219,083	75,814	0	0	0
Juvenile Accountability Block Grant	2,940,891	677,526	824,900	766,700	-58,200
Childrens Justice Act	0	65,620	335,000	335,000	0
Violence Against Women Act	2,086,650	2,056,244	2,191,000	2,292,766	101,766
State Victim Assistant Academy	100,000	60,000	0	0	0
Paul Coverdale National Forensic Lab	135,633	221,570	173,382	170,382	-3,000
Grants to Encourage Arrest Policy	1,294,039	110,888	699,172	420,200	-278,972
Rural Domestic Violence & Child Victimization Enforcement Grant	278,247	0	0	0	0
Drug Law Enforcement & System Improvement Grant (Byrne)	6,986,431	4,505,271	0	0	0
Local Law Enforcement Block Grant	315,341	284,233	0	0	0
Residential Substance Abuse Treatment Grant	0	1,183,721	594,625	171,164	-423,461
Violent Offenders Truth in Sentencing	102,461	4,050,598	0	0	0
Bullet Proof Vest	33,427	20,993	8,621	8,500	-121
Police Corps	91,611	0	0	0	0
Underage Drinking Block Grant	441,782	199,500	350,000	350,000	0
Underage Drinking Discretionary Grant	115,469	0	0	0	0
Byrne – Justice Assistance Grants	0	2,599,104	7,243,485	4,315,516	-2,927,969
Safe and Drug Free Schools	1,441,121	1,351,946	1,323,129	0	-1,323,129
Substance Abuse Prevention Initiative	1,257,738	0	0	0	0
Consolidated Knowledge Development Program		31,722			
Project Safe Neighborhood	0	0	0	157,697	157,697
Anti-Gang Initiative				541,747	541,747
Total Federal Grants	\$19,476,818	\$18,608,638	\$15,139,314	\$10,633,922	-4,505,392

Source: Governor's Office of Crime Control and Prevention

D15A05 – Executive Department – Boards, Commissions, and Offices

Despite the general decline in federal funds, GOCCP will be administering two new federal grants in fiscal 2008. Included in the allowance is \$157,697 for the Community Prosecution and Project Safe Neighborhoods. The funds, provided by the U.S. Department of Justice (U.S. DOJ) will be used for outreach efforts on the consequences of carrying or using illegal firearms. Funds will also be used to track gun crimes in Prince George’s County. The office will also be administering \$541,747 in U.S DOJ funds for an Anti-gang Initiative. The funds will support new and expanded local anti-gang enforcement and prevention efforts.

The notable decline in general funds relates to the Youth Strategies Program Initiative. Approximately \$760,000 of the prior \$1.1 million appropriation was transferred to the Children’s Cabinet and the Governor’s Office for Children in the fiscal 2008 allowance. Additionally, \$210,000 for the Gun Trafficking Unit was eliminated from GOCCP’s allowance. The grant was transferred to the Office of the Attorney General.

The budget also includes \$225,000 in grant funds for operating expenses for the State’s Attorneys’ Coordinating Council. This funding was formerly within the budget for the Office of the Attorney General.

Issues

1. New Performance Measures for the Office of Crime Control and Prevention

The 2006 *Joint Chairmen's Report* directed GOCCP to reconsider its performance measures to better reflect its mission and workload. GOCCP's mission is to maximize the prevention of future crime victims by ensuring the coordination of State policy and grant funds. Its performance measures included:

- percent of funded law enforcement and criminal justice grants based on proven best practices;
- percent of funded law enforcement and criminal justice grants based on a comprehensive jurisdictionwide plan; and
- number of inter-jurisdictional Memoranda of Understanding with criminal justice agencies.

It was noted that the above measures give no indication as to whether or not grant funds and coordination efforts provided by GOCCP result in the prevention or control of crime. Additionally, the measures do not address the office's role as a clearinghouse for information, research, analysis, and other materials necessary for formulating crime control and prevention policy. There is no statistical data provided on crime, violence, substance abuse, or any other public safety issue.

In response to the concerns of the budget committees, the office submitted a report detailing revised and expanded performance indicators; strategies in support of its new submission; and data definitions and controls. While the office deemed the use of crime statistics as problematic as a measure of its performance, it has otherwise improved its performance indicators to be more reflective of some of its day-to-day activities. For example, there are new indicators to measure the performance of the office in its role as grant administrator. The office includes measures that track grantee application requirements and that show the level of grant monitoring.

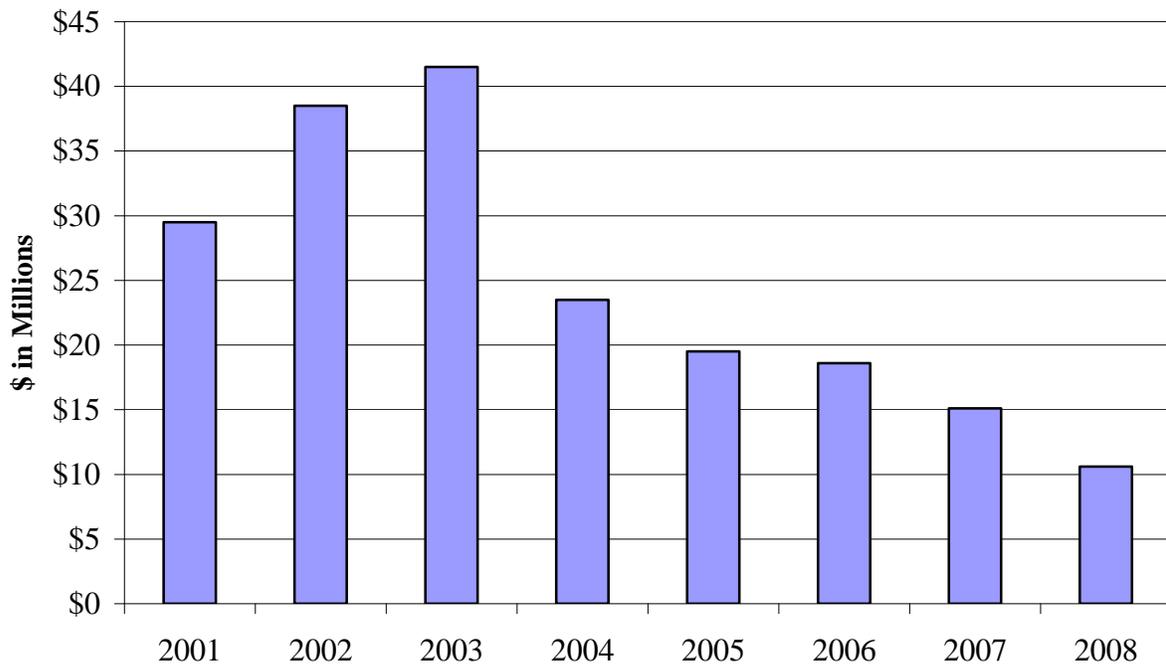
The new measures are an improvement and show that the office is performing well on the front-end of grant administration. However, the measures do not show how well grantees meet goals after being awarded the funds. From the measures shown, it is not clear whether or not the office tracks the impact of the grants on local law enforcement efforts.

The Department of Legislative Services recommends that the office expand its performance measures to include a measurement of the number of grantees that meet the crime control or community safety goals that were outlined in grant applications. The office should discuss any other measures that would be useful in gauging the effectiveness of grant programs.

2. Trend of Diminishing Federal Funds for Crime Control Continues

As mentioned in this analysis, GOCCP is responsible for administering fewer and diminished federal grants for crime control. The decline began in fiscal 2004 as shown in **Exhibit 5**. The change in federal funds available for grant programs between fiscal 2003 and 2008 represents a 23.9% average annual decline.

Exhibit 5
Governor’s Office of Crime Control and Prevention
Federal Funds
Fiscal 2001-2008



Source: Governor’s Budget Books, Fiscal 2008

The significant reduction to the Edward Byrne Memorial State and Local Law Enforcement Assistance program is driving much of the decline. Also, the Safe and Drug Free Schools grant program and the Violent Offender Truth in Sentencing program have been eliminated in recent years as have other smaller programs.

Increases in general and special fund grants have mitigated some of this decline. However, in the fiscal 2008 allowance, such funds are also experiencing a stable, if not reduced allowance.

The office should discuss the impact of diminished federal funds on local law enforcement efforts. Additionally, the Governor’s Grant Office, which is responsible for identifying federal fund opportunities, should comment on strategies for slowing or reversing the current trend.

3. Uncertain Future of the Governor’s Office of Community Initiatives

In 2001, there was a federal executive order establishing a White House Office of Faith-Based and Community Initiatives. Its stated purpose is to “enlist, equip, enable, empower, and expand the work of faith-based and other community organizations to the extent permitted by law.”

In response to this action by the White House and to prepare for a similar initiative at the State level, the General Assembly included language in the budget bill that prohibited the establishment of a faith-based or similar type office, unless the office was authorized by the General Assembly.

Regardless of the budget language, in October 2004 Governor Robert L. Ehrlich, Jr. established the Office of Community Initiatives through an executive order, in part to serve as a liaison to the White House Office of Faith-Based and Community Initiatives. As specified in the executive order, some of the office’s 14 responsibilities include:

- “coordinating community and volunteer service activities within the State;
- advising the Governor on policies and measures to enhance and improve the delivery of community programs and initiatives;
- serving as the principal liaison to the White House Office of Faith-Based and Community Initiatives;
- reviewing State and federal legislation to ensure that community organizations are afforded the fullest opportunity permitted by law to “equally” participate in the competitive process for federal, State, and private funding; and
- coordinating State programs providing health, social, educational, or other community services within the restrictions created by the Maryland General Assembly through language in the fiscal 2005 budget, which maintains the eligibility of faith-based organizations to receive monies under any program funded in the 2005 budget.”

The new office is housed within the Governor’s Office of Service and Volunteerism (GOSV). It added a general fund component to the predominantly federally funded GOSV.

Given the office’s recent creation and its roots with faith-based initiatives, it is unclear how the office will proceed under a new administration.

The Department of Legislative Services recommends that narrative be adopted requesting a report from the Office of Community Initiatives detailing its activities since 2004 and the new Administration’s plans for operating the office.

Recommended Actions

1. Adopt the following narrative:

Performance Measures: With the fiscal 2008 budget submission, the Governor’s Office of Crime Control and Prevention included new performance measures that reflected the office’s role as a grant administrator. The measures included ones that track grantee application requirements and other factors involved in the front-end of grant disbursement. However, not included are any measures to gauge the effectiveness of the grants after they are awarded. The committees understand that the office receives voluminous data from grantees reporting on progress. The committees request that the office use this data to create a performance measure on the number of grantees that meet the crime control or community safety goals that were outlined in grant applications. The office should also include any other measure that would be useful in gauging the effectiveness of grant programs.

Information Request	Author	Due Date
Performance measures	Governor’s Office of Crime Control and Prevention	With the submission of the fiscal 2009 allowance

2. Adopt the following narrative:

Report on Activities of the Governor’s Office of Community Initiatives: The committees request that the Governor’s Office of Community Initiatives submit a report detailing its activities since 2004 and the new Administration’s plans for operating the office.

Information Request	Author	Due Date
Activity Report	Governor’s Office of Community Initiatives	October 1, 2007

Updates

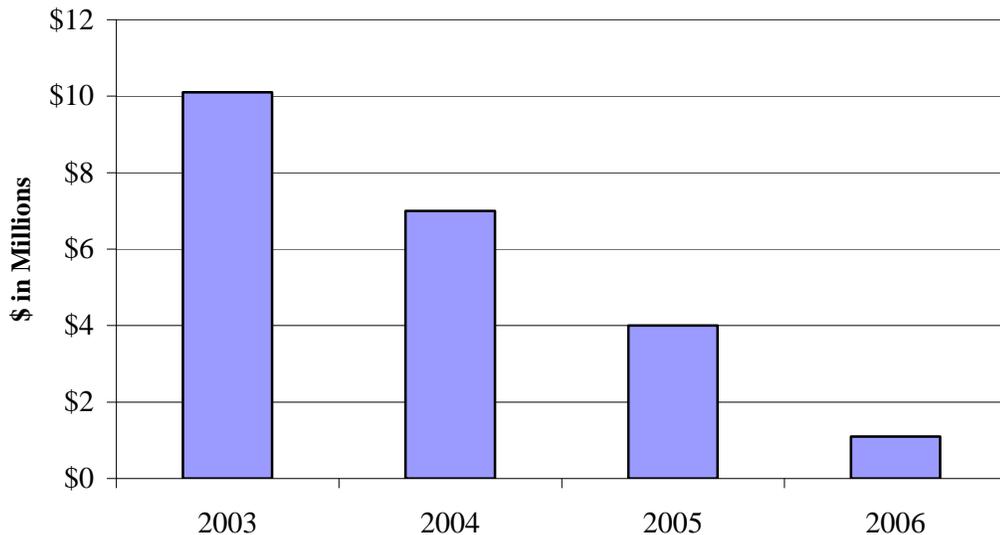
1. Department Improves Federal Fund Management

Managing a wide variety of federal grants is one of the main responsibilities of the Governor’s Office of Service and Volunteerism and the Governor’s Office of Crime Control and Prevention. As detailed in repeated findings of the Office of Legislative Audits, the two offices did not obtain federal grant reimbursements in a timely manner.

For example, the audit noted that GOSV incurred expenditures of \$1.8 million in May 2002 but did not request reimbursement until January 2003. Moreover, the funds were not received until July 2004. The audit uncovered several such occurrences. As a result of not receiving federal funds timely, funds on deposit with the State Treasurer, which would otherwise have been available for investment purposes, were used to grant expenditures resulting in a loss of interest income to the State’s general fund.

To encourage a resolution to the issue, in 2003 and in each subsequent year, the General Assembly required the department to issue quarterly reports of federal fund activity. As a result, the department has worked to improve the timeliness of drawdown requests for the department’s federally funded programs. **Exhibit 6** marks the improvement over time.

Exhibit 6
Outstanding Federal Receivables
GOSV and GOCCP
Fiscal 2003-2006



GOSV: Governor’s Office of Service and Volunteerism

GOCCP: Governor’s Office of Crime Control and Prevention

Source: Governor’s Office of Finance

2. New Program within Boards, Commissions, and Offices

Chapter 62 of 2006 established the State Labor Relations Board (SLRB) as an independent unit of State government, housed within the Executive Department – Boards, Commissions, and Offices. Previously, the board operated as a unit within the Department of Budget and Management. Also, transferred to the department in fiscal 2007 was the Higher Education Labor Relations Board (HELRB). Under the legislation, boards retain separate jurisdiction and authorities, but the administrative functions of the boards have been merged.

The boards are charged with the administration of the statute which permits certain State and higher education employees to determine whether they wish to elect an exclusive representative and enter into collective bargaining with their employers. In this role, the boards conduct elections, certify results, adopt regulations, and hear complaints. The Executive Branch has approximately 33,000 employees who are part of nine bargaining units, and higher education institutions have over 10,000 employees who fall under the board's jurisdiction.

Current and Prior Year Budgets

Current and Prior Year Budgets Boards, Commissions, and Offices (\$ in Thousands)

	<u>General Fund</u>	<u>Special Fund</u>	<u>Federal Fund</u>	<u>Reimb. Fund</u>	<u>Total</u>
Fiscal 2006					
Legislative Appropriation	\$24,113	\$1,992	\$21,614	\$657	\$48,376
Deficiency Appropriation	80	0	5,137	0	5,217
Budget Amendments	1,633	81	0	97	1,811
Reversions and Cancellations	-239	-280	-4,213	-94	-4,826
Actual Expenditures	\$25,587	\$1,793	\$22,538	\$660	\$50,578
Fiscal 2007					
Legislative Appropriation	\$28,661	\$1,988	\$19,626	\$627	\$50,902
Budget Amendments	139	0	0	374	513
Working Appropriation	\$28,800	\$1,988	\$19,626	\$1,001	\$51,415

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

Fiscal 2006

General fund expenditures were approximately \$25.6 million in fiscal 2006. Budget amendments totaling \$1.6 million increased spending over the original appropriation. Amendments included \$139,593 for the cost-of-living adjustment (COLA) and for the statewide reallocation of telecommunications and health insurance costs. An additional amendment transferred \$1,835,000 in general funds from the Board of Public Works to GOCCP for the Baltimore City State’s Attorney’s grant. This increase was partially offset by an amendment that transferred \$341,424 in funds due to legislation that transferred to the Independent Juvenile Justice Monitor from GOCCP to the Office of the Attorney General. Additionally, there was an \$80,000 fiscal 2006 deficiency to provide funds to the State Ethics Commission to defray moving expenses.

Special fund spending was approximately \$1.8 million in fiscal 2006, reflecting an \$81,000 budget amendment derived from matching funds from GOSV and its volunteer partners. The actual expenditures also reflect reversions of \$280,000 due to lower than expected needs under the Victim/Witness Protection Program.

A fiscal 2006 deficiency significantly increased the original federal fund appropriation for the department. Approximately \$5.1 million in federal funds were appropriated for the Violent Offender/Truth in Sentencing program and for the Residential Substance Abuse Treatment Grant. However, over \$4.2 million in federal funds were canceled, to be carried forward in the fiscal 2007 budget.

A budget amendment transferred \$98,883 in reimbursable funds to GOCCP from the Governor’s Office of Children for the Maryland Youth Strategies Program.

Fiscal 2007

A budget amendment that disbursed a COLA increased the fiscal 2007 general fund allowance by about \$82,000. The remaining changes to the general fund allowance and to the reimbursable fund allowances was due to Chapter 62 of 2006 which transferred the functions and expenditures of the State’s labor relations boards to the department.

Audit Findings

Audit Period for Last Audit:	n/a
Issue Date:	December 2006
Number of Findings:	11
Number of Repeat Findings:	n/a
% of Repeat Findings:	n/a
Rating: (if applicable)	n/a

The following findings are from a performance audit report on the State Ethics Commission.

- Finding 1:** Processes should be established to ensure that all required filers are identified and submit financial disclosure statements.
- Finding 2:** Follow-up procedures should be enhanced for late filers and all related late fees assessed and collected as prescribed by law.
- Finding 3:** The commission should develop detailed guidance for State agencies for implementing State ethics laws, regulations, and policies.
- Finding 4:** The commission should coordinate its actions with State agencies and develop more comprehensive monitoring.
- Finding 5:** Required training should be given timely to all new employees subject to the annual filing requirements.
- Finding 6:** All financial disclosure statements should be reviewed as required by State law.
- Finding 7:** Certain corporate purchasing cardholders should be subject to the reporting requirements of the ethics law.
- Finding 8:** The commission should develop comprehensive guidelines for resolving complaints relating to potential ethics law violations.
- Finding 9:** Controls over the automated system used to maintain the electronic financial disclosure statement application should be enhanced.
- Finding 10:** Maryland’s State Ethics Commission operates in a manner similar to that of many other states but potential for enhanced efficiencies exists.
- Finding 11:** Maryland’s financial disclosure form is more comprehensive than those of most other states’ and the federal government.

**Object/Fund Difference Report
Executive Dept - Boards, Commissions and Offices**

<u>Object/Fund</u>	<u>FY06 Actual</u>	<u>FY07 Working Appropriation</u>	<u>FY08 Allowance</u>	<u>FY07-FY08 Amount Change</u>	<u>Percent Change</u>
Positions					
01 Regular	80.50	84.00	87.00	3.00	3.6%
02 Contractual	19.20	18.60	14.40	-4.20	-22.6%
Total Positions	99.70	102.60	101.40	-1.20	-1.2%
Objects					
01 Salaries and Wages	\$ 6,157,498	\$ 7,006,021	\$ 7,198,506	\$ 192,485	2.7%
02 Technical and Spec. Fees	1,301,270	1,329,094	1,188,893	-140,201	-10.5%
03 Communication	152,311	166,350	169,235	2,885	1.7%
04 Travel	187,877	141,400	169,600	28,200	19.9%
06 Fuel and Utilities	0	1,000	1,000	0	0%
07 Motor Vehicles	9,014	19,975	23,753	3,778	18.9%
08 Contractual Services	1,160,990	977,786	1,360,990	383,204	39.2%
09 Supplies and Materials	91,074	99,968	91,796	-8,172	-8.2%
10 Equip – Replacement	13,724	9,000	18,600	9,600	106.7%
11 Equip – Additional	15,482	5,800	5,000	-800	-13.8%
12 Grants, Subsidies, and Contributions	41,169,202	41,210,253	36,541,719	-4,668,534	-11.3%
13 Fixed Charges	579,989	448,302	353,609	-94,693	-21.1%
Total Objects	\$ 50,838,431	\$ 51,414,949	\$ 47,122,701	-\$ 4,292,248	-8.3%
Funds					
01 General Fund	\$ 25,622,047	\$ 28,799,672	\$ 28,264,891	-\$ 534,781	-1.9%
03 Special Fund	1,793,182	1,987,863	2,042,446	54,583	2.7%
05 Federal Fund	22,537,274	19,625,845	15,862,944	-3,762,901	-19.2%
09 Reimbursable Fund	885,928	1,001,569	952,420	-49,149	-4.9%
Total Funds	\$ 50,838,431	\$ 51,414,949	\$ 47,122,701	-\$ 4,292,248	-8.3%

Note: The fiscal 2007 appropriation does not include deficiencies, and the fiscal 2008 allowance does not reflect contingent reductions.

Fiscal Summary
Executive Dept - Boards, Commissions and Offices

<u>Program/Unit</u>	<u>FY06 Actual</u>	<u>FY07 Wrk Approp</u>	<u>FY08 Allowance</u>	<u>Change</u>	<u>FY07-FY08 % Change</u>
01 Survey Commissions	\$ 111,403	\$ 172,853	\$ 172,000	-\$ 853	-0.5%
03 Office of Minority Affairs	1,019,721	1,257,333	1,191,133	-66,200	-5.3%
05 Office of Service and Volunteerism	4,577,842	5,036,833	5,807,656	770,823	15.3%
06 State Ethics Commission	856,236	750,078	768,724	18,646	2.5%
07 Health Care Alternative Dispute Resolution Office	362,061	388,063	401,715	13,652	3.5%
16 Governor's Office of Crime Control and Prevention	42,022,159	41,716,417	36,669,734	-5,046,683	-12.1%
17 Volunteer Maryland	712,759	742,849	807,054	64,205	8.6%
20 State Commission on Criminal Sentencing Policy	331,816	338,901	337,048	-1,853	-0.5%
21 Criminal Justice Coordinating Council	235,500	235,500	235,500	0	0%
22 Governor's Grants Office	348,387	344,545	357,589	13,044	3.8%
23 State Labor Relations Board	260,547	431,577	374,548	-57,029	-13.2%
Total Expenditures	\$ 50,838,431	\$ 51,414,949	\$ 47,122,701	-\$ 4,292,248	-8.3%
General Fund	\$ 25,622,047	\$ 28,799,672	\$ 28,264,891	-\$ 534,781	-1.9%
Special Fund	1,793,182	1,987,863	2,042,446	54,583	2.7%
Federal Fund	22,537,274	19,625,845	15,862,944	-3,762,901	-19.2%
Total Appropriations	\$ 49,952,503	\$ 50,413,380	\$ 46,170,281	-\$ 4,243,099	-8.4%
Reimbursable Fund	\$ 885,928	\$ 1,001,569	\$ 952,420	-\$ 49,149	-4.9%
Total Funds	\$ 50,838,431	\$ 51,414,949	\$ 47,122,701	-\$ 4,292,248	-8.3%

Note: The fiscal 2007 appropriation does not include deficiencies, and the fiscal 2008 allowance does not reflect contingent reductions.