

D10A01
Executive Department – Governor

Operating Budget Data

(\$ in Thousands)

	<u>FY 11</u> <u>Actual</u>	<u>FY 12</u> <u>Working</u>	<u>FY 13</u> <u>Allowance</u>	<u>FY 12-13</u> <u>Change</u>	<u>% Change</u> <u>Prior Year</u>
General Fund	\$9,532	\$10,409	\$10,963	\$554	5.3%
Adjusted General Fund	\$9,532	\$10,409	\$10,963	\$554	5.3%
Reimbursable Fund	0	139	0	-139	-100.0%
Adjusted Reimbursable Fund	\$0	\$139	\$0	-\$139	-100.0%
Adjusted Grand Total	\$9,532	\$10,548	\$10,963	\$415	3.9%

- The allowance increases by \$415,250, or 3.9%, above the fiscal 2012 working appropriation. General funds increase by \$554,168, or 5.3%, mainly due to increased personnel costs.
- Reimbursable funds are eliminated in fiscal 2013; this \$138,918 decrease reflects the fiscal 2012 transfer of the Governor’s Energy Advisor from the Executive Department to the Maryland Energy Administration.

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

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Personnel Data

	<u>FY 11 Actual</u>	<u>FY 12 Working</u>	<u>FY 13 Allowance</u>	<u>FY 12-13 Change</u>
Regular Positions	87.50	86.50	89.50	3.00
Contractual FTEs	<u>0.50</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
Total Personnel	88.00	86.50	89.50	3.00

Vacancy Data: Regular Positions

Turnover and Necessary Vacancies, Excluding New Positions	0.45	0.50%
Positions and Percentage Vacant as of 12/31/11	0.00	0.00%

- The fiscal 2012 allowance reflects an increase of 3 full-time regular positions. These positions are transferred from the Department of Planning and will be assigned to tasks related to performance management within the Governor’s Delivery Unit.
- Turnover is set at 0.5%. As of December 31, 2011, there were no vacant positions within the Governor’s Office.

Analysis in Brief

Recommended Actions

1. Concur with Governor's allowance.

Issues

Homeland Security Funding Drops Significantly from 2009: Over the last three fiscal years, the State has received funding through 16 federal homeland security grant programs. The total amount of homeland security grant funds awarded in fiscal 2011 was approximately \$50.8 million, which is a 44.4% decrease compared with fiscal 2009. In December 2011, the U.S. Congress authorized \$1.35 billion for homeland security aid to states and localities in federal fiscal 2012, which is a decrease of \$850 million, or 38.6%, compared with the prior year funding level. **The department should comment on the expected impact of reduced federal homeland security funding in fiscal 2012 and how homeland security funding is applied to achieve the Governor's 12 Core Goals for Homeland Security. Finally, the department should comment on the inaccuracies included in its 2010 and 2011 reports and what steps are being taken to ensure the reporting of more reliable data in a timely fashion.**

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Operating Budget Analysis

Program Description

As chief executive, the Governor exercises supervision over the agencies of the Executive Branch. Annually, the Governor presents to the legislature in the annual budget a work program and the financial requirements for the ensuing year 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 is not appropriate for this office because the performance of individual agencies measures the performance of the Administration.

Proposed Budget

As shown in **Exhibit 1**, the allowance increases by \$415,250, or 3.9%, above the working appropriation. General funds increase by \$554,168, or 5.3%; reimbursable funds drop to \$0 from \$139,318.

Personnel Costs

Overall personnel costs increase by \$385,907 in fiscal 2013 due to staffing changes and increased fringe benefit costs. The Executive Department assumes 3 positions transferred from the Department of Planning in the allowance. These positions are associated with the Governor's Delivery Unit (GDU), which has merged with StateStat to provide a more streamlined approach to performance management. GDU is reduced from 5 staff in prior years to 3. The 3 incoming staff include 1 senior program manager and 2 administrative officers; the salaries and fringe benefits associated with these positions total \$271,858. In prior years the department's budget included reimbursable funds from the Maryland Energy Administration (MEA) for costs associated with the Governor's Energy Advisor. This position was transferred to MEA through a supplemental budget appropriation in fiscal 2012. Personnel costs decrease by \$139,918 due to the transfer of this position.

Exhibit 1
Proposed Budget
Executive Department – Governor
(\$ in Thousands)

How Much It Grows:	<u>General</u> <u>Fund</u>	<u>Reimb.</u> <u>Fund</u>	<u>Total</u>
2012 Working Appropriation	\$10,409	\$139	\$10,548
2013 Allowance	<u>10,963</u>	<u>0</u>	<u>10,963</u>
Amount Change	\$554	-\$139	\$415
Percent Change	5.3%	-100.0%	3.9%
Contingent Reductions	\$0	\$0	\$0
Adjusted Change	\$554	-\$139	\$415
Adjusted Percent Change	5.3%	-100.0%	3.9%

Where It Goes:

Personnel Expenses

New positions.....	\$272
Position transferred to the Maryland Energy Administration	-139
Increments and other compensation.....	44
Employee and retiree health insurance.....	123
Employee retirement	151
Elimination of the one-time \$750 bonus	-63
Other fringe benefit adjustments	-2

Other Changes

Postage	20
Replacement of the Governor’s vehicle	18
Computer maintenance and licenses	51
Food services.....	17
Governor’s Health Care Reform Policy Team and other contractual services costs.....	-23
Reduced replacement computers and other equipment.....	-40
Subscriptions and office supplies	-20
Cost allocations	25
Other.....	-19

Total	\$415
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Note: Numbers may not sum to total due to rounding.

Issues

1. Homeland Security Funding Drops Significantly from 2009

Over the last three fiscal years, the State has received funding through 16 federal homeland security grant programs. Funding totals for federal fiscal 2009 and 2011 are included in **Exhibit 2**. An overview of the various homeland security grant programs is included below.

Exhibit 2
Federal Homeland Security Grant Funds
Federal Fiscal 2009 and 2011

Grant Program	State Grant Administrator	2009 Actual	2011 Actual	\$ Change 2009-2011	% Change 2009-2011
Hospital Preparedness Program	DHMH	\$6,640,448	\$6,466,757	-\$173,691	-2.6%
Hospital Preparedness Program – H1N1 Supplement	DHMH	1,639,740	0	-\$1,639,740	-100.0%
Buffer Zone Protection Program	MEMA	1,000,000	0	-\$1,000,000	-100.0%
Centers for Disease Control Public Health Emergency Preparedness	DHMH	11,063,049	9,300,523	-\$1,762,526	-15.9%
Citizen Corps	MEMA	269,829	184,523	-\$85,306	-31.6%
Cities Readiness Initiative	DHMH	1,589,340	1,450,411	-\$138,929	-8.7%
Emergency Management Performance Grant	MEMA	5,664,580	6,083,731	\$419,151	7.4%
Interoperable Emergency Communications Grant Program	MEMA	970,428	0	-\$970,428	-100.0%
Metropolitan Medical Response System	MEMA	321,221	281,693	-\$39,528	-12.3%
Public Health Emergency Response Grant Program	DHMH	27,716,310	0	-\$27,716,310	-100.0%
Port Security Grant Program	MEMA	6,423,657	1,611,356	-\$4,812,301	-74.9%
Risk Based Program	DHMH	0	179,986	\$179,986	100.0%
State Homeland Security Grant Program	MEMA	16,977,500	7,909,769	-\$9,067,731	-53.4%
Transit Security Grant Program	MTA	0	9,096,938	\$9,096,938	100.0%
Urban Area Security Initiative	MEMA	10,975,050	7,813,444	-\$3,161,606	-28.8%
Urban Area Security Initiative – Nonprofit Security Grant	MEMA	149,270	453,867	\$304,597	204.1%
Total Grants		\$91,400,422	\$50,832,998	-\$40,567,424	-44.4%

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DHMH: Department of Health and Mental Hygiene
MEMA: Maryland Emergency Management Agency
MTA: Maryland Transit Authority

Note: The Department of Legislative Services (DLS) advises that the report initially submitted by the Governor’s Office of Homeland Security (GOHS) for fiscal 2011 contained inaccurate data related to the level of federal funding received through two public health related grants. Specifically, GOHS advises that the State received one-time grants totaling approximately \$30 million in fiscal 2009 for two programs administered through the Department of Health and Mental Hygiene; GOHS advises that a similar amount of funding appeared in the first version of the 2011 GOHS report as well as the 2010 report. GOHS has corrected its fiscal 2011 report. However, revisions to the grant funding data in the fiscal 2010 report have not been completed. As a result of the ongoing corrections to the data included in the fiscal 2010 report, DLS does not report any grant funding information for fiscal 2010 in this analysis.

Source: Governor’s Office of Homeland Security

Chapter 484 of 2009 specifies that the Governor’s Office of Homeland Security (GOHS), in conjunction with several other State agencies, must annually, by December 31 of each year, submit a report that details spending related to homeland security (by agency and by funding source) for the most recent federal fiscal year. The report must include a listing of homeland security projects for which funding was expended and a description as to how these projects correspond to the 12 core goals for emergency preparedness (see **Appendix 2**). The report must also include the amount of funding pass-through to local jurisdictions.

The total amount of homeland security grant funds awarded to the State in fiscal 2011 was approximately \$50.8 million, which is a 44.4% decrease compared with fiscal 2009. Four programs did not receive funding in fiscal 2011: (1) Hospital Preparedness Program – H1N1 Supplement; (2) the Buffer Zone Protection Program; (3) the Interoperable Emergency Communications Grant Program; and (4) the Public Health Emergency Response Grant Program. The loss of the one-time \$27.7 million in funding accounts for the majority of the decrease between fiscal 2009 and 2011. Funding awards for a number of the other grant programs decreased significantly in fiscal 2011.

By law, at least 80% of State Homeland Security (SHS) grant program and Urban Area Security Initiative (UASI) funds must be passed on to local jurisdictions. The fiscal 2011 reductions – a combined \$12.3 million decrease compared with fiscal 2009 – have had a disproportionate impact on local governments in the State. The State provides each county with a baseline amount of SHS funds each year to support an emergency planner position and other baseline operational capabilities. The remaining grant funds are allocated across local jurisdictions based on a formula that accounts for population, population density, and risk (among other factors). The practice mirrors how SHS funds are allocated to the states. **Exhibit 3** displays the amount of federal grant funding passed through to local jurisdictions in fiscal 2009 and 2011.

**Exhibit 3
Federal Homeland Security Grant Funding Pass-through
Federal Fiscal 2009 and 2011**

<u>County</u>	<u>2009 Actual</u>	<u>2011 Actual</u>	<u>\$ Change 2009-2011</u>
Allegany	\$817,958	\$403,744	-\$414,214
City of Annapolis	1,107,097	773,336	-333,761
Anne Arundel	3,580,461	1,975,297	-1,605,164
Baltimore City	9,117,629	4,078,714	-5,038,915
Baltimore	4,793,463	1,932,603	-2,860,860
Baltimore Metropolitan Council	216,925	271,788	54,863
Calvert	1,561,145	474,414	-1,086,731
Caroline	751,583	336,766	-414,817
Carroll	1,692,983	919,188	-773,795
Cecil	1,276,735	472,672	-804,063
Charles	1,331,785	535,320	-796,465
Dorchester	754,586	363,505	-391,081
Frederick	1,621,523	666,005	-955,518
Garrett	737,619	352,751	-384,868
Harford	5,467,725	2,556,274	-2,911,451
Howard	3,560,995	1,687,550	-1,873,445
Kent	958,016	357,098	-600,918
Montgomery	4,024,865	2,250,262	-1,774,603
Town of Ocean City	413,936	205,024	-208,912
Prince George's	4,838,505	1,724,008	-3,114,497
Queen Anne's	968,548	412,929	-555,619
St. Mary's	933,095	390,965	-542,130
Somerset	731,963	374,770	-357,193
Talbot	1,212,733	359,293	-853,440
Washington	1,422,744	505,271	-917,473
Wicomico	1,192,132	421,148	-770,984
Worcester	1,507,376	387,640	-1,119,736
Regional Allocations	9,900,342	5,467,783	-4,432,559
Total	\$66,494,467	\$30,656,118	-\$35,838,349

Source: Governor's Office of Homeland Security

Further Reductions Expected in Fiscal 2012

In December 2011, the U.S. Congress authorized \$1.35 billion for homeland security aid to states and localities in federal fiscal 2012, which is a decrease of \$850 million, or 38.6%, compared with the prior year funding level. Further, in fiscal 2012, the grant programs have been consolidated into a single homeland security funding pool that is allocated by the Secretary of the U.S. Department of Homeland Security. As a result, programs such as the Citizen Corps Program, Metropolitan Medical Response System, Port Security, SHS, Transit Security Grant Program, and UASI, among others, no longer receive separate, dedicated funding and may cease to exist entirely in fiscal 2012.

Funding for the Department of Health and Mental Hygiene (DHMH) administered public health grant programs will come from the U.S. Department of Health and Human Services (HHS) in fiscal 2012. Based on early information received by DHMH's Office of Preparedness and Response, Maryland's allocation from the three main federal health programs – the Public Health Emergency Preparedness grant, the Cities Readiness Initiative, and the HHS Hospital Preparedness Program – are expected to remain at fiscal 2011 levels. DHMH's only expected loss of funding will come from a discontinued Risk Based pilot program that the Centers for Disease Control and Prevention funded in fiscal 2011 only.

The department should comment on the expected impact of reduced federal homeland security funding in fiscal 2012. The department should also address how homeland security funding is applied to achieve the Governor's 12 Core Goals for Homeland Security. Finally, the department should comment on the inaccuracies included in its 2010 and 2011 reports, what steps are being taken to ensure the reporting of more reliable data, and the status of the revised 2010 GOHS report.

Recommended Actions

1. Concur with Governor's allowance.

Current and Prior Year Budgets

Current and Prior Year Budgets Executive Department – Governor (\$ in Thousands)

	<u>General Fund</u>	<u>Special Fund</u>	<u>Federal Fund</u>	<u>Reimb. Fund</u>	<u>Total</u>
Fiscal 2011					
Legislative Appropriation	\$9,360	\$0	\$0	\$0	\$9,360
Deficiency Appropriation	256	0	0	0	256
Budget Amendments	-16	0	0	0	-16
Reversions and Cancellations	-68	0	0	0	-68
Actual Expenditures	\$9,532	\$0	\$0	\$0	\$9,532
Fiscal 2012					
Legislative Appropriation	\$10,346	\$0	\$0	\$139	\$10,485
Budget Amendments	63	0	0	0	63
Working Appropriation	\$10,409	\$0	\$0	\$139	\$10,548

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

Fiscal 2011

In fiscal 2011, the total budget for the department increased by \$172,064. The department received two deficiency appropriations totaling \$255,742 to supplement its fiscal 2011 appropriation. These deficiency appropriations were allocated in amounts of \$175,742 and \$80,000 for the direction and coordination of ongoing health reform and policy implementation activities focused on health care reform, and to provide funds to cover the cost of leave payouts for departing staff members, respectively. One budget amendment shifted \$16,000 from the department to the Governor’s Office of Minority Affairs to enable the office to make all required fiscal 2011 health benefits payments. Additionally, there was a general fund reversion of \$67,678, which is largely attributable to internal cost containment measures that reduced the agency’s expenditures on supplies and materials.

Fiscal 2012

The total budget of the department increased by \$63,350 over the legislative appropriation. The increase is due to a budget amendment that allocates funding for the one-time \$750 bonus paid to State employees.

Maryland’s 12 Core Goals for Homeland Security Preparedness

1. Interoperable Communications Capabilities

Interoperable communications is the ability of public safety and service agencies to talk within and across entities and jurisdictions in real-time to prevent, protect against, respond to, and recover from major events. This initiative attempts to develop a continuous flow of critical information and enhance the multi-jurisdictional and multi-disciplinary public safety community during emergencies. First responders in every region will have access to a fully digital, trunked radio system which all response partners can access in order to transmit and receive voice data. First responders will also have a robust computer aided dispatch/records management system capable of coordinating dispatch data for response partners and transmitting data via regional computer aided dispatch systems as well as the State Emergency Operations Center.

2. Intelligence/Information Sharing and Collaboration Capabilities

This initiative intends to enhance the ability of law enforcement and other supporting disciplines to investigate, develop, and communicate intelligence over secure communications within the local, regional, State, and federal governments and expand communications to the private sector when needed. Law enforcement officers across the State will have the ability to transmit and receive law enforcement database information from the field and from regional and federal counterparts within every jurisdiction on a real-time basis.

3. Hazmat/Explosive Device Response

This initiative is designed to enhance Maryland’s response to explosive devices. Under this initiative, every metropolitan region will have a Type I¹ bomb response team. Additionally, there will be a sufficient number of statewide units to provide mutual aid response in any jurisdiction within a minimal amount of time. All of these teams will be trained for both fire and law enforcement response.

4. Personal Protective Equipment for First Responders

Under this initiative, all police officers, firefighters, and emergency medical providers in every metropolitan region will have ready and immediate access to personal protective equipment, including at a minimum, some form of emergency airway protection, access to more advanced breathing apparatus and protective suits, medications and antidotes against common weapons of mass destruction agents, and

¹ A Type I bomb response team is a National Bomb Squad Commanders Advisory Board accredited bomb squad capable of handling multiple/simultaneous incidents. All Type I bomb response personnel must be certified bomb technicians that have successfully completed the Federal Bureau of Investigation Hazardous Devices School. Type 1 bomb teams must be trained and equipped to work in a chemical, biological, radiological, and nuclear environment.

the training to use the equipment properly. All police officers, firefighters, and emergency medical providers in rural regions will have ready and immediate access to personal protective equipment appropriate to all local hazards.

5. Biosurveillance

This initiative is designed to enhance Maryland's preparedness for bioterrorism and other health threats. Every jurisdiction in the State will have access to a real-time, 24/7 statewide biosurveillance system that incorporates a wide span of data, including symptoms that are manifesting in emergency rooms and to paramedics, over-the-counter sales of pharmaceuticals, and in metropolitan areas, sensor-based data, such as air monitoring for chemical and radiological releases.

6. Critical Infrastructure Protection

The goal of this initiative is to identify, prioritize, assess, and mitigate vulnerabilities in Maryland's infrastructure. Every region in Maryland will have a comprehensive all-hazards threat and vulnerability assessment in place and fully updated every three years, including an assessment and inventory of critical infrastructure in the region. Maryland will have a complete inventory of critical infrastructure; including assets controlled by the private sector and other potential targets, such as communities and populations of interest. This inventory will include a regularly updated assessment of specific vulnerabilities so as to identify any gaps where funds should be invested to address the most vulnerable and at-risk targets.

7. Exercise Evaluation and Training

This initiative aims to continue the development and implementation of statewide exercise evaluation, training, and improvement planning capabilities, in order to strengthen Maryland's all-hazards preparedness. Every region in Maryland will have a fully funded program of annual training and preparedness exercises that address the most likely hazards and threats for that area, including drills with partner jurisdictions that often provide mutual aid. The program will include refresher training on specialized and personal protective equipment and exercise in core competency areas such as the use of interoperable communications equipment.

8. Closed Circuit Television Network

This initiative is designed to ensure that Maryland has a robust closed circuit television (CCTV) network to secure critical infrastructure such as power and water treatment plants and to provide the ability to monitor events in real-time via means such as highway cameras to aid in evacuation control, and patrol car, helicopter, and marine unit downlinks to aid in incident response. Images will be able to be transmitted via Internet protocol in order to be portable to and from key local and State facilities, such as emergency operations centers and mobile command posts.

9. Mass Casualty/Hospital Surge

Under this initiative, every region in Maryland will have the equipment, supplies, and training to respond to a mass casualty event or via close-at-hand mutual aid, including events requiring mass decontamination. Maryland will have pre-identified surge plans from area hospitals, public health, and emergency medical services (EMS) that identify likely gaps in resources, a statewide information system between hospitals, public health, and EMS, supply stockpiles, and emergency plans for alternate treatment, such as temporary field hospitals.

10. Planning

This initiative is designed to ensure that every region in Maryland has the capacity to develop plans that involve conducting no-notice and advance notice evacuations of its population, including special needs individuals, persons without transportation, as well as vulnerable facilities such as hospitals, nursing homes, and assisted living centers and in conjunction with partners, access to the equipment and personnel and supplies to carry out these plans. Every region should have plans and the capacity to set up mass shelters, including accommodations for special needs populations and pets.

11. Backup Power and Communications

Every region in Maryland will have an inventory of pre-identified critical facilities, including privately owned facilities such as gas stations, and an up-to-date assessment of their backup power capabilities. The most critical facilities should receive permanent backup generators or be prewired for power from mobile units. A stockpile of publicly owned or an inventory of privately owned generators should be maintained. Every region will have a backup 9-1-1 system, whether it is an alternate facility or the means to roll calls over to a neighboring jurisdiction.

12. Transportation Security

Maryland's water ports, airports, train stations, subways, and rail lines should be fully hardened against attack with permanent physical countermeasures such as CCTV, lighting, and fencing. Each of these modes of transportation should receive regular and randomly assigned heightened attention from covert and overt patrols by local equipment needed to operate in unique environments, such as radios capable of operating underground and extended life breathing apparatus, and participate in annual on-scene exercises involving likely threat scenarios.

**Object/Fund Difference Report
Executive Department – Governor**

<u>Object/Fund</u>	<u>FY 11 Actual</u>	<u>FY 12 Working Appropriation</u>	<u>FY 13 Allowance</u>	<u>FY 12 - FY 13 Amount Change</u>	<u>Percent Change</u>
Positions					
01 Regular	87.50	86.50	89.50	3.00	3.5%
02 Contractual	0.50	0.00	0.00	0.00	0.0%
Total Positions	88.00	86.50	89.50	3.00	3.5%
Objects					
01 Salaries and Wages	\$ 8,100,093	\$ 9,059,434	\$ 9,445,341	\$ 385,907	4.3%
02 Technical and Spec. Fees	26,080	20,000	20,000	0	0%
03 Communication	260,491	308,402	279,083	-29,319	-9.5%
04 Travel	98,157	86,000	86,000	0	0%
07 Motor Vehicles	62,999	54,020	72,020	18,000	33.3%
08 Contractual Services	352,939	351,740	449,978	98,238	27.9%
09 Supplies and Materials	150,792	195,600	185,600	-10,000	-5.1%
10 Equipment – Replacement	131,231	130,000	90,000	-40,000	-30.8%
11 Equipment – Additional	19,361	5,000	5,000	0	0%
13 Fixed Charges	329,430	337,803	330,227	-7,576	-2.2%
Total Objects	\$ 9,531,573	\$ 10,547,999	\$ 10,963,249	\$ 415,250	3.9%
Funds					
01 General Fund	\$ 9,531,573	\$ 10,409,081	\$ 10,963,249	\$ 554,168	5.3%
09 Reimbursable Fund	0	138,918	0	-138,918	-100.0%
Total Funds	\$ 9,531,573	\$ 10,547,999	\$ 10,963,249	\$ 415,250	3.9%

Note: The fiscal 2012 appropriation does not include deficiencies.