M00F
Public Health Administration
Department of Health and Mental Hygiene

Operating Budget Data

($ in Thousands)

	FY 13 Actual	FY 14 Working	FY 15 Allowance	FY 14-15 Change	% Change Prior Year
General Fund	$35,133	$46,281	$59,243	$12,962	28.0%
Contingent & Back of Bill Reductions	0	-589	-338	252	
Adjusted General Fund	**$35,133**	**$45,692**	**$58,906**	**$13,214**	**28.9%**
Special Fund	1,251	944	931	-13	-1.4%
Adjusted Special Fund	**$1,251**	**$944**	**$931**	**-$13**	**-1.4%**
Federal Fund	22,890	20,529	19,050	-1,479	-7.2%
Contingent & Back of Bill Reductions	0	0	-25	-25	
Adjusted Federal Fund	**$22,890**	**$20,529**	**$19,025**	**-$1,505**	**-7.3%**
Reimbursable Fund	759	801	845	44	5.5%
Adjusted Reimbursable Fund	**$759**	**$801**	**$845**	**$44**	**5.5%**
Adjusted Grand Total	**$60,033**	**$67,965**	**$79,706**	**$11,740**	**17.3%**

- There is one proposed deficiency for fiscal 2014 for $381,629 to provide funds for rent, parking fees, and an additional position in order for the new public health laboratory facility to become operational beginning in June 2014.

- The fiscal 2015 allowance increases by $11.7 million (17.3%), mainly due to costs attributable to the new public health laboratory facility.

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

For further information contact: Jennifer A. Ellick Phone: (410) 946-5530

Personnel Data

	FY 13 Actual	FY 14 Working	FY 15 Allowance	FY 14-15 Change
Regular Positions	397.90	400.90	402.90	2.00
Contractual FTEs	10.82	13.23	12.85	-0.38
Total Personnel	**408.72**	**414.13**	**415.75**	**1.62**

Vacancy Data: Regular Positions

Turnover and Necessary Vacancies, Excluding New Positions	25.10	6.26%
Positions and Percentage Vacant as of 12/31/13	36.00	8.98%

- The fiscal 2015 allowance includes 0.38 fewer contractual full-time equivalent (FTE) positions but 2.0 more regular FTE positions than the fiscal 2014 working appropriation.

- As of December 31, 2013, there were 36.0 vacant positions, well in excess of the number needed to meet turnover.

Analysis in Brief

Major Trends

Deputy Secretary for Public Health Services: The Deputy Secretary for Public Health Services has a goal to file 85% of birth certificates and 65% of death certificates with the Division of Vital Records within 72 hours of the time of birth or death. In fiscal 2013, the agency failed to reach either goal.

Office of the Chief Medical Examiner – Ratio of Cases Per Examiner: The ratio of cases per examiner increased to 280 in fiscal 2013 (well above the National Association of Medical Examiners (NAME) recommended limit). In addition, the agency failed to meet its goal to complete and forward autopsy reports to the State's Attorney's Office within 60 working days following an autopsy investigation. While NAME accreditation standards require 90% of autopsy reports to be completed within 60 working days, only 65% of autopsy reports were completed within this timeframe in fiscal 2013.

Office of Preparedness and Response Demonstrates Expertise in Public Health Preparedness: In fiscal 2013, 98% of staff at local health departments received the required public health emergency response training, and 100% of local health departments completed preparedness-related operational plans. Furthermore, Maryland scored a 100% on the Centers for Disease Control and Prevention's State Technical Assistance Review.

Laboratories Administration – Newborn Screenings Comprise a Vast Majority of Tests: Newborn screenings account for 91% of the tests conducted by the Laboratories Administration but require only 14% of the staff. The remaining 9% of tests are split between environmental, molecular, virology, immunology, and microbiology tests. Furthermore, the accuracy evaluation of the laboratory tests was met in all of the testing areas.

Laboratories Administration – Changes at the Division of Drug Control: The Division of Drug Control has been able to more than double the number of controlled dangerous substance inspections that it performs on dispensing practitioners. However, the number of total inspections has declined.

Recommended Actions

1. Concur with Governor's allowance.

M00F
Public Health Administration
Department of Health and Mental Hygiene

Operating Budget Analysis

Program Description

The Department of Health and Mental Hygiene's (DHMH) Public Health Administration budget analysis includes the following offices within the department:

- Deputy Secretary for Public Health Services;
- Office of the Chief Medical Examiner;
- Office of Preparedness and Response; and
- Laboratories Administration.

The **Deputy Secretary for Public Health Services** is responsible for policy formulation and program implementation affecting the health of Maryland's citizens through the actions and interventions of various public health administrations and offices within the department. The Deputy Secretary for Public Health Services' mission is to improve the health status of individuals, families, and communities through prevention, early intervention, surveillance, and treatment.

The mission of the **Office of the Chief Medical Examiner** (OCME) is to:

- provide competent, professional, thorough, and objective death investigations in cases mandated in Maryland statute that assist State's Attorneys, courts, law enforcement agencies, and families;
- strengthen partnerships between federal, State, and local governments through training and education of health, legal, and law enforcement professionals;
- support research programs directed at increasing knowledge of pathology of disease; and
- protect and promote the health of the public by assisting in the development of programs to prevent injury and death.

The **Office of Preparedness and Response** (OPR) oversees programs focused on enhancing the public health preparedness activities for the State and local jurisdictions. The key aspects of the work conducted under the leadership of OPR are interagency collaboration and preparedness for public health emergencies. The projects in OPR are federally funded through (1) the Centers for Disease Control and Prevention's (CDC) Public Health Preparedness and Response for Bioterrorism Grant; (2) the CDC Cities Readiness Initiative; and (3) the Department of Health and Human Services' National Bioterrorism Hospital Preparedness Program.

The mission of the **Laboratories Administration** is to promote, protect, and preserve the health of the people of Maryland from the consequences of communicable diseases, environmental factors, and unsafe consumer products through the following measures:

- adopting scientific technology to improve the quality and reliability of laboratory practice in the areas of public health and environmental protection;
- expanding newborn hereditary disorder screening;
- maintaining laboratory emergency preparedness efforts; and
- promoting quality and reliability of laboratory data in support of public health and environmental programs.

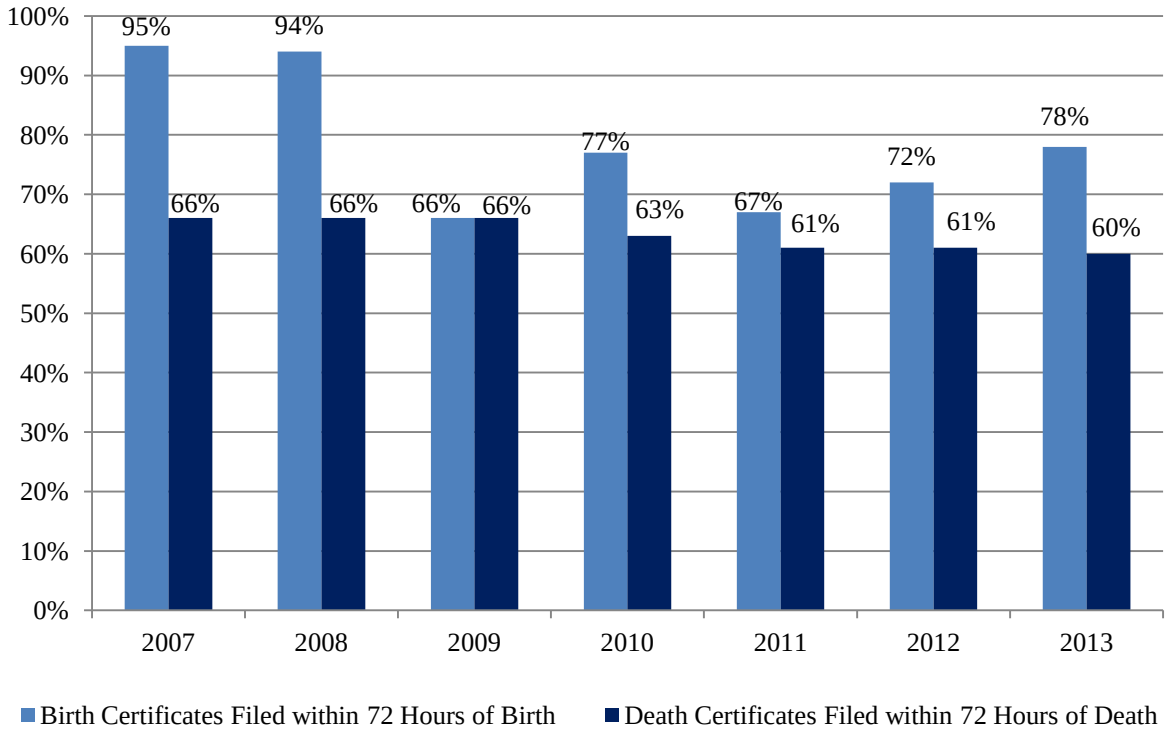
DHMH has regional laboratories in Salisbury and Cumberland, in addition to the central laboratory in Baltimore.

Performance Analysis: Managing for Results

1. Deputy Secretary for Public Health Services

The Deputy Secretary for Public Health Services has a goal to file 85% of birth certificates and 65% of death certificates with the Division of Vital Records within 72 hours of the time of birth or death. As shown in **Exhibit 1**, the percentage of birth certificates filed within 72 hours of birth was 78% in fiscal 2013, which reflects an 8% increase over the fiscal 2012 level. This represents the second fiscal year in a row that the percentage has increased over the previous year's level; however, the current level still compares poorly to the reported fiscal 2007 and 2008 data when filings took place within 72 hours at a much higher rate. It is important to note that data prior to 2010 reflects adjustments to account for mailing time and the fact that the Division of Vital Records is closed on weekends and holidays. Data from calendar 2010 to 2012 reflects the move to an Electronic Vital Records System (EVRS), which does not include such adjustments. Death records, which remain a paper process given the decision not to immediately move ahead with the next phase of the EVRS, continue to reflect a 72-hour period that includes an allowance for time when the division is closed.

Exhibit 1
Percentage of Birth and Death Certificates Filed with the Division of Vital Records within 72 Hours
Fiscal 2007-2013



Source: Department of Health and Mental Hygiene

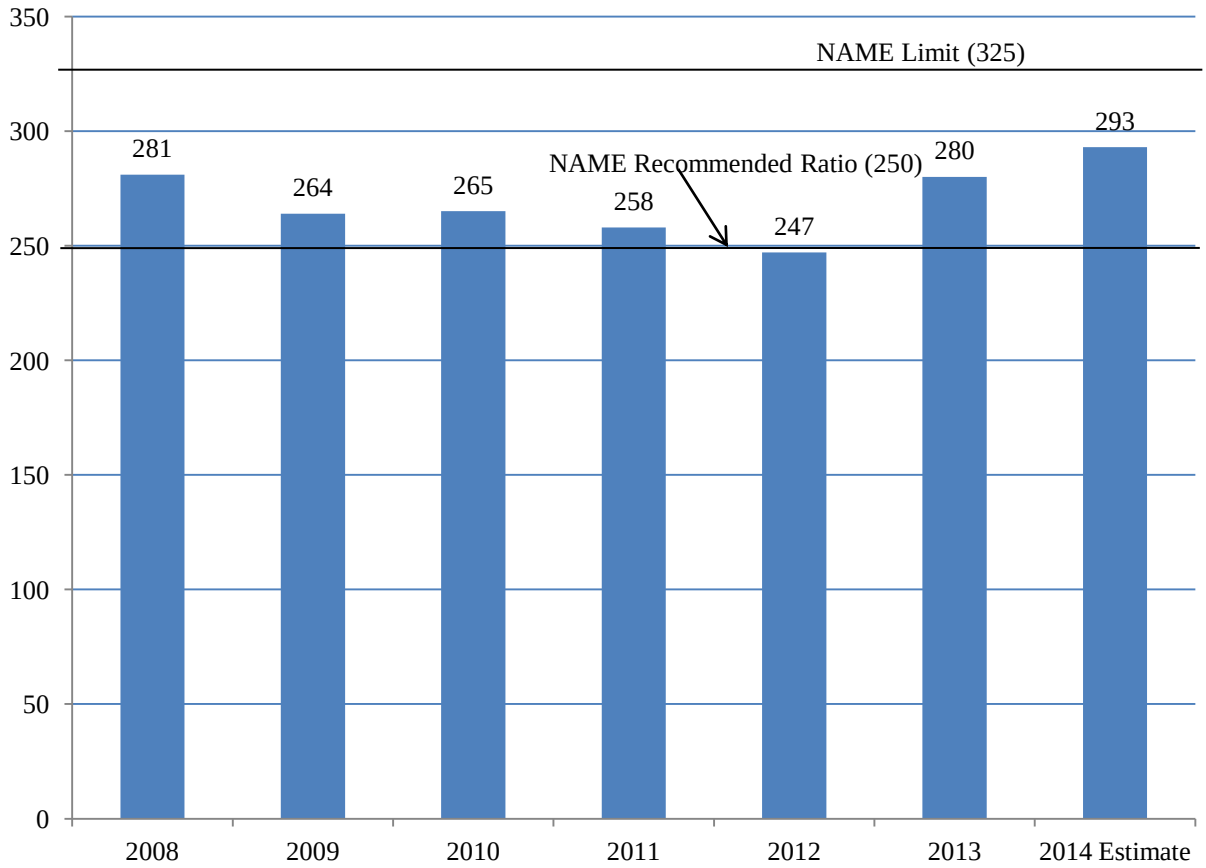
2. Office of the Chief Medical Examiner – Ratio of Cases Per Examiner

OCME is required to investigate all violent or suspicious deaths, including all deaths unattended by a physician. If the cause of death cannot be established during the initial investigation, a pathologist must perform an autopsy on the deceased.

In fiscal 2007, OCME changed reporting techniques to better reflect the caseload facing pathologists. The agency reports not only the number of autopsies performed but also the total number of cases presented for investigation. Not every death that is presented for investigation will be autopsied, but the agency reports the total number presented for investigation as it adds to the office's caseload. This change was precipitated by a change in the allowable caseload as identified by the National Association of Medical Examiners (NAME), which now includes external examinations in the total number of allowable autopsies per examiner.

Exhibit 2 shows the caseload per examiner, as well as the NAME limit of 325 and the NAME recommended maximum of 250 cases per examiner. The number of medical examiners allocated to the office increased from 13.5 to 15.6 between fiscal 2006 and 2009, causing the ratio of cases per examiner to drop significantly. Further, the total number of investigations dropped in fiscal 2009, leading to another reduction in the ratio of cases per examiner. The ratio of cases per examiner was relatively stable from fiscal 2009 to 2011 and, due to a decline in the total deaths investigated in fiscal 2012, declined to 247 cases per medical examiner in fiscal 2012. However, the ratio of cases per examiner increased to 280 in fiscal 2013 (well above the NAME recommended limit). The fiscal 2015 allowance includes 1 additional full-time equivalent (FTE) medical examiner position. However, examinations performed are expected to continue to rise; OCME expects caseload levels to stay above the recommended limit.

Exhibit 2
Cases Per Medical Examiner
Fiscal 2008-2014

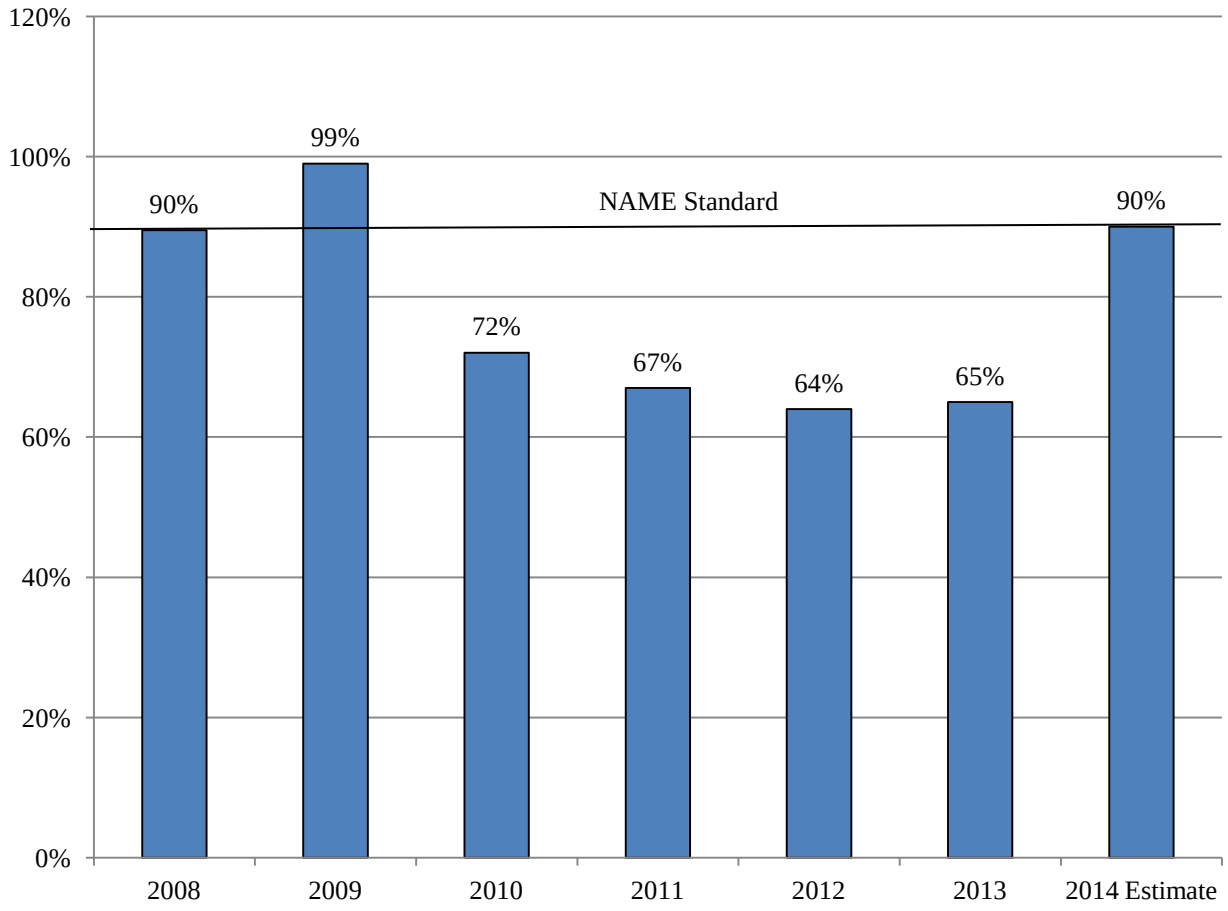


NAME: National Association of Medical Examiners

Source: Department of Health and Mental Hygiene

Another goal of OCME is to complete and forward autopsy reports to the State's Attorney's Office within 60 working days following an investigation. NAME accreditation standards specify that 90% of all cases should be completed within 60 working days, and 100% of cases should be completed in 90 working days. **Exhibit 3** shows the percent of autopsy reports completed within 60 days and forwarded to the State's Attorney's Office.

Exhibit 3
Autopsies Reported within 60 Days
Fiscal 2008-2014



NAME: National Association of Medical Examiners

Source: Department of Health and Mental Hygiene

The addition of a new office secretary in fiscal 2008 helped the agency approach the goal of 90% of cases completed within 60 days, and in fiscal 2009, the agency exceeded this goal by completing 99% of cases within 60 days. However, OCME fell short of this goal in fiscal 2011, as only 67% of autopsy reports were completed within 60 days. The office attributed this failure to insufficient transcription support, as OCME lost 2 office secretaries – 1 through the Voluntary Separation Program, and 1 to retirement. The agency replaced 1 secretary position in fiscal 2012 but still did not meet its 90% goal. Subsequently, in fiscal 2012, only 64% of autopsy reports were completed within 60 days. In fiscal 2013, 5 new positions (including 2 secretaries) were added, and it was estimated that the agency would meet its goal. However, the agency advises that, as a result of delays in the recruitment and hiring process, the 2 positions were not filled prior to January 2014.

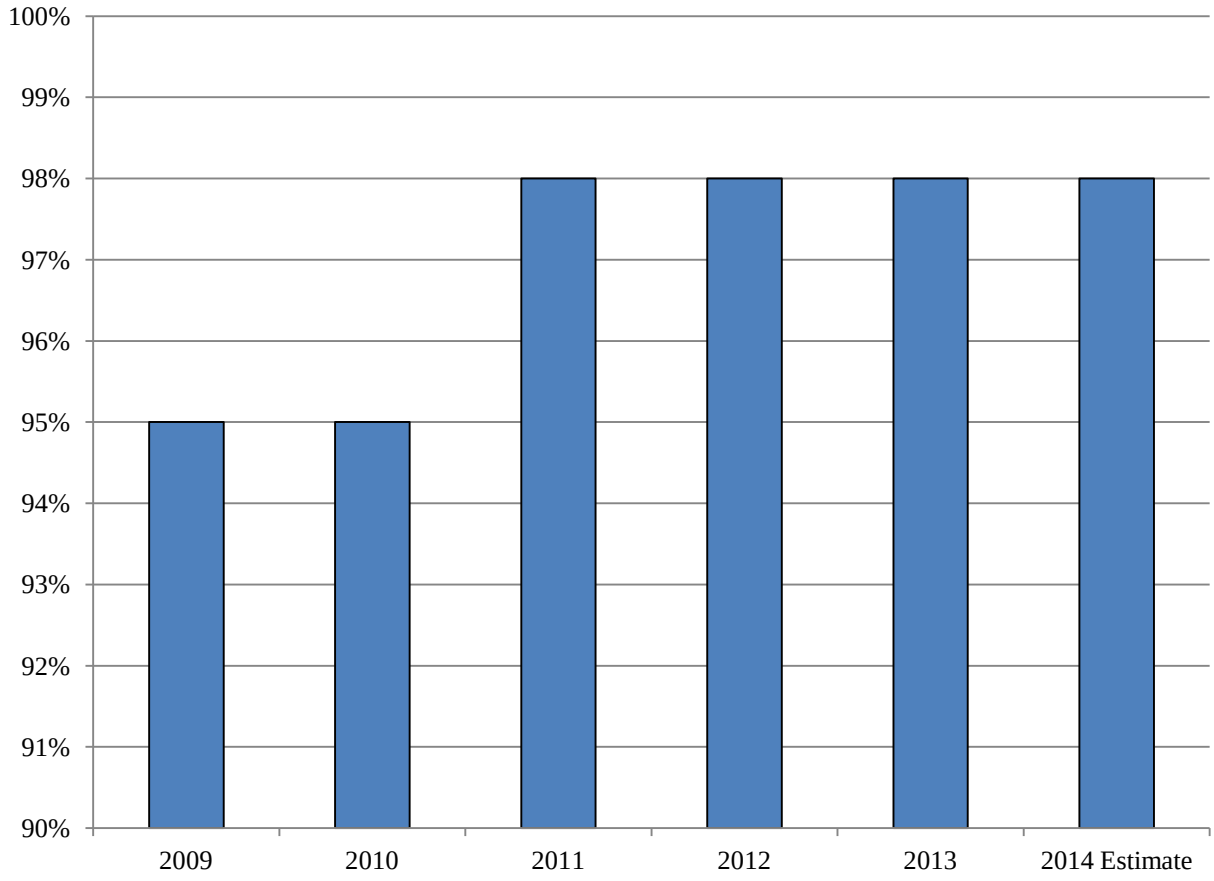
During a NAME inspection, facilities are judged against two standards – Phase I and Phase II. Phase I standards are not considered by NAME to be absolutely essential requirements; violations in these areas will not directly or seriously affect the quality of work or significantly endanger the welfare of the public or staff. Phase II standards are considered by NAME to be essential requirements; violations in these areas may seriously impact the quality of work and adversely affect the health and safety of the public or staff. Moreover, to maintain full accreditation, an office may have no more than 15 Phase I violations and no Phase II violations. Provisional accreditation may also be awarded for a 12-month period if an office is found to have fewer than 25 Phase I violations and fewer than 5 Phase II violations. If awarded provisional accreditation, an office must address deficiencies that prevented it from achieving full accreditation.

Currently, it is a Phase I violation if 90% of all cases are not completed within 60 days of examination, and it is a Phase II violation if 90% of all cases are not completed within 90 days. Based on the agency's performance in fiscal 2013, OCME could be at risk to lose its NAME accreditation. However, the hiring of 2 additional office secretaries to assist with transcription should address this concern. Moreover, OCME advises that over 90% of cases are being completed within 90 days. **The agency should advise the committees on the status of its continued efforts to fill the 5 positions that were included in the fiscal 2013 budget. Furthermore, the agency should comment on actions being taken to maintain full accreditation.**

3. Office of Preparedness and Response Demonstrates Expertise in Public Health Preparedness

OPR strives to maintain and improve technical expertise in public health preparedness and emergency response by providing local health departments (LHD) staff with relevant state-of-the-art training and continuous education opportunities. OPR works closely with CDC and other federal agencies, as well as local colleges and universities, to develop training to enhance the skills of the public health workforce responsible for responding to public health emergencies. **Exhibit 4** shows that 98% of staff received the required public health and emergency response trainings in fiscal 2013. Moreover, through OPR's assistance, LHDs develop and implement preparedness plans and programs to address current and emerging public health threats. In fiscal 2013, 100% of LHDs completed and exercised preparedness-related operation plans.

Exhibit 4
Percentage of LHD Staff with Public Health and Emergency Response Training
Fiscal 2009-2014

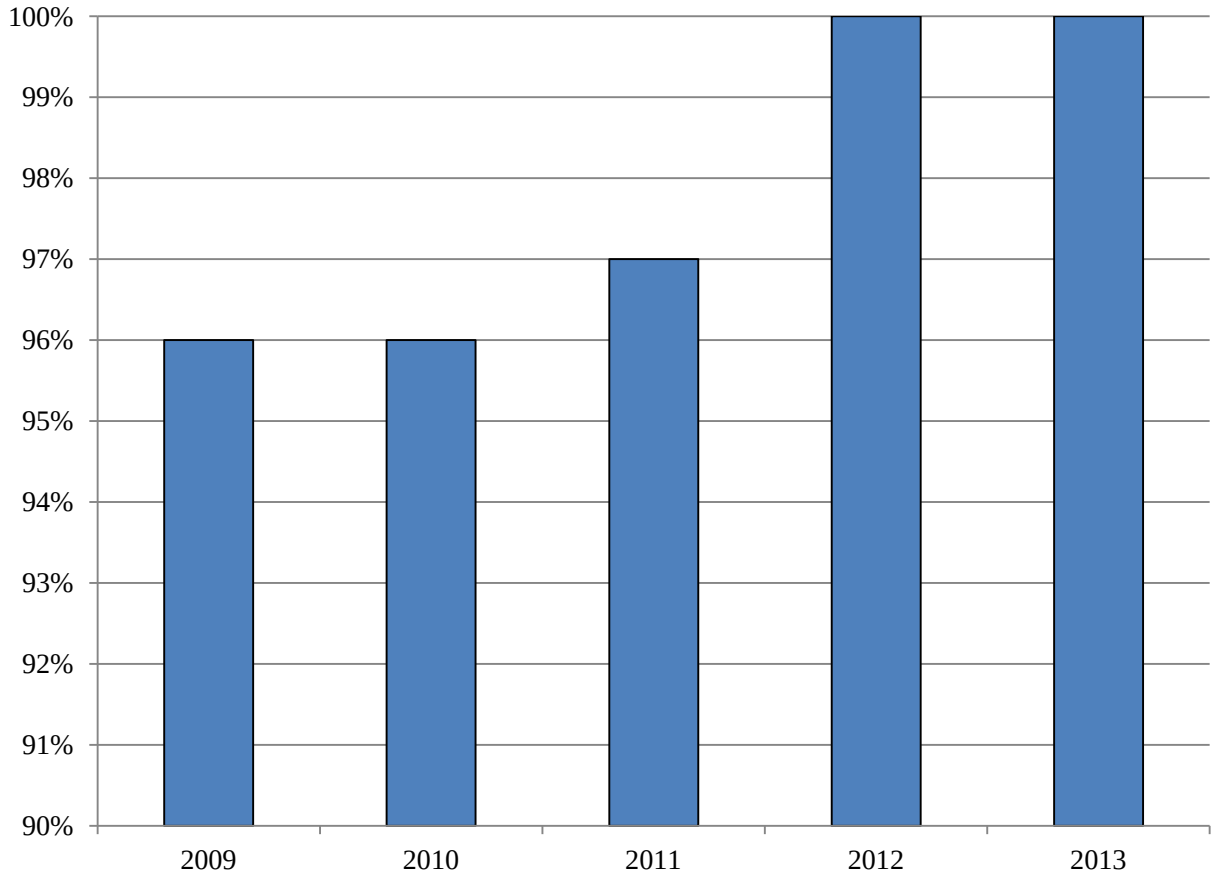


LHD: Local Health Department

Source: Department of Health and Mental Hygiene

All states and localities funded by the CDC's Public Health Emergency Preparedness cooperative agreement have plans for receiving, distributing, and dispensing assets from CDC's Strategic National Stockpile. Assets include large quantities of medicine, vaccines, and medical supplies to supplement state and local public health agencies in a large scale public health emergency. To ensure continued readiness, CDC conducts annual Technical Assistance Reviews (TAR) of state plans. Areas of assessment for the TAR focus on key elements that are regarded as either critical or important planning steps within a variety of functions. **Exhibit 5** shows Maryland's TAR scores from calendar 2009 to 2013. In calendar 2013, Maryland received an overall score of 100% for the second consecutive year.

Exhibit 5
Technical Assistance Review Scores
Calendar 2009-2013



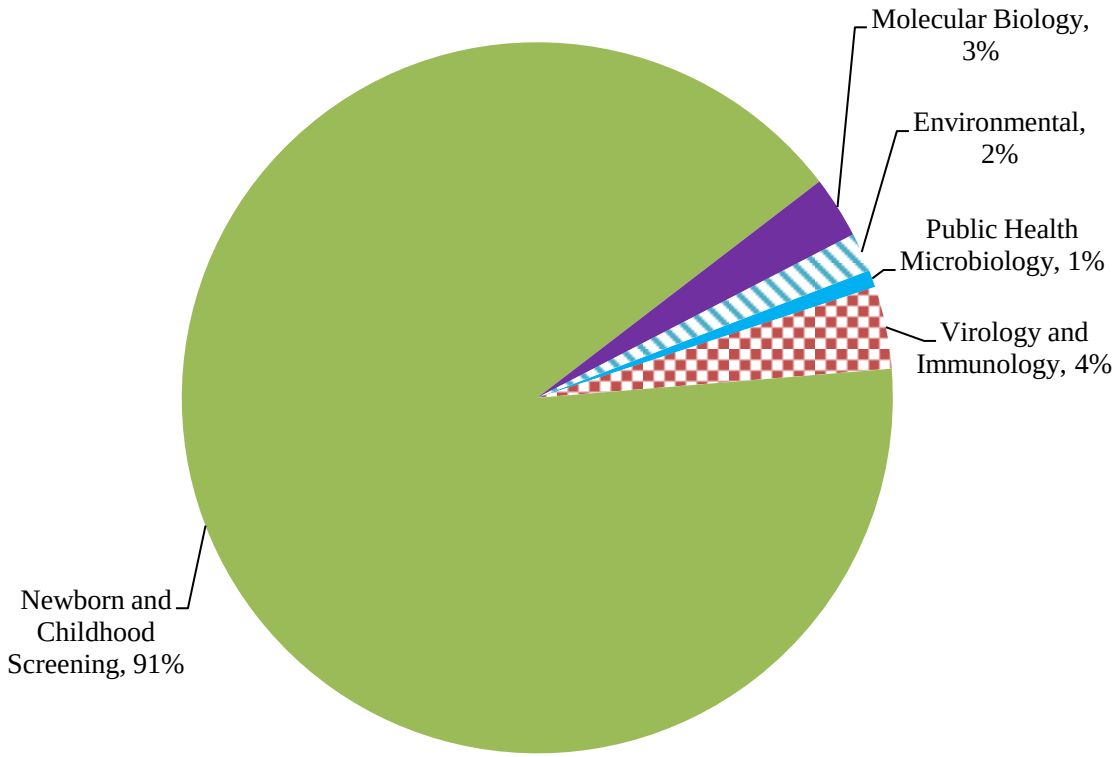
Source: Department of Health and Mental Hygiene, Centers for Disease Control

The Trust for America's Health, a nonprofit organization dedicated to disease prevention, last issued its annual report *Ready or Not? Protecting the Public's Health from Disease, Disaster and Bioterrorism* in December 2012. The report assessed the readiness in each of the 50 states and the District of Columbia according to 10 key health indicators of public health emergency preparedness. Maryland, along with 4 other states, received the highest scores, each receiving 8 out of 10 possible points for its public health preparedness, whereas the majority of states (35) received 6 or fewer possible points. As of January 2014, the organization has not yet published its 2013 report.

4. Laboratories Administration – Newborn Screenings Comprise a Vast Majority of Tests

Exhibit 6 shows that newborn and childhood screenings account for 91% of the 9.0 million tests conducted by the Laboratories Administration in fiscal 2013, while the remaining 9% of tests are split among environmental, molecular, virology, immunology, and microbiology tests. However, the Newborn and Childhood Screening Division employs only about 14% of the employees within the Laboratories Administration because the tests are heavily automated. Since the other tests are more time consuming and labor intensive, the other divisions of the Laboratories Administration require more staff.

Exhibit 6
Proportion of Laboratory Tests by Type
Fiscal 2013



Source: Department of Health and Mental Hygiene

Proficiency testing of the Laboratories Administration's work demonstrates the administration's commitment to accuracy. Tests are conducted three or four times a year. Samples are sent to each division from the appropriate federal or oversight agency, including CDC, the Food and Drug Administration, and the National Voluntary Laboratory Accreditation Program. These samples are tested, and the results are then verified for accuracy. **Exhibit 7** shows that, in fiscal 2013, the Laboratories Administration surpassed the stated goal in all four categories of testing.

Exhibit 7
Accuracy in Proficiency Testing
Fiscal 2008-2013

	2008	2009	2010	2011	2012	2013	Goal
Infectious Bacterial Testing	99%	98%	99%	97%	100%	100%	98%
Viral Disease Testing	100%	100%	98%	100%	99%	100%	98%
Newborn Screening	100%	100%	100%	99%	100%	100%	98%
Environmental Testing	97%	91%	92%	97%	96%	98%	95%

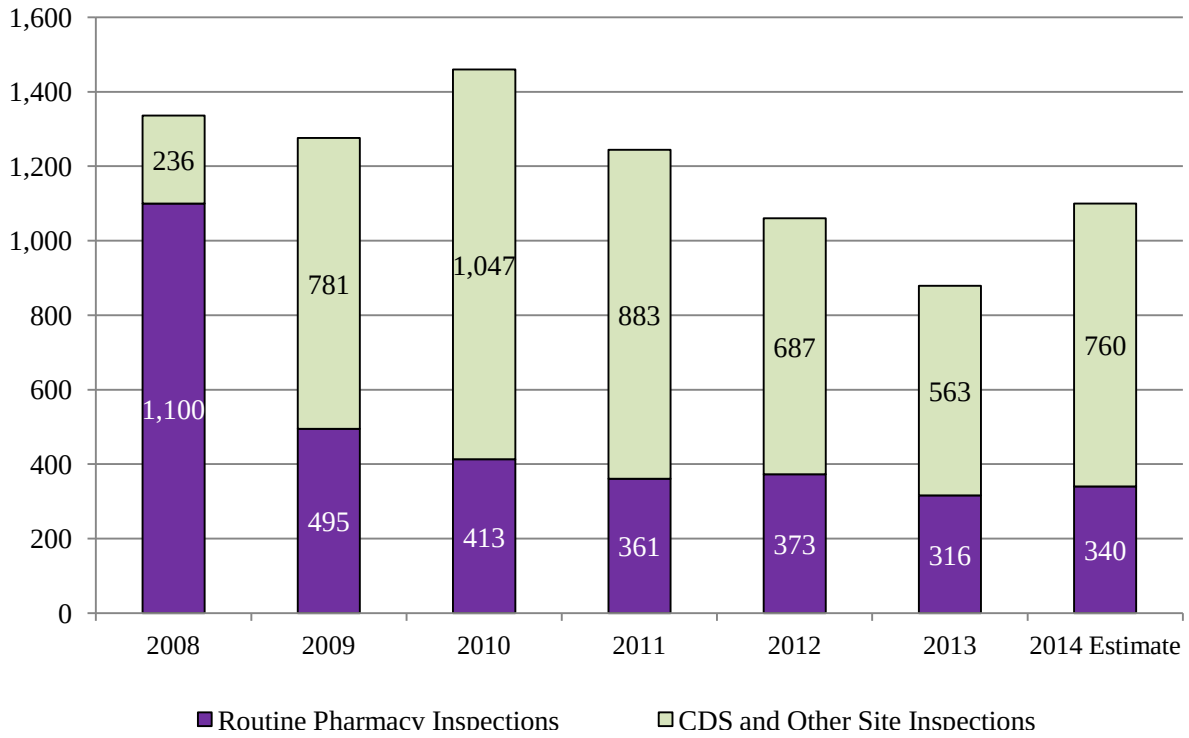
Source: Department of Health and Mental Hygiene

5. Laboratories Administration – Changes at the Division of Drug Control

The Division of Drug Control registers practitioners and establishments to legally manufacture, distribute, dispense, or otherwise handle controlled dangerous substances (CDS) in Maryland. The federal Controlled Substances Act of 1970 (CSA) authorizes federal regulation of the manufacture, importation, possession, and distribution of certain drugs. Under the CSA, various drugs are listed on Schedules I through V and generally involve drugs that have a high potential for abuse. Schedule I drugs have no acceptable medical use in the United States, and prescriptions may not be written for these substances. Morphine and amphetamines (such as Adderall) are examples of Schedule II drugs; anabolic steroids and hydrocodone are examples of Schedule III drugs; and benzodiazepines (such as Valium or Xanax) are Schedule IV drugs. Schedule V drugs include cough suppressants containing small amounts of codeine and the prescription drug Lyrica, an anticonvulsant and pain modulator. The number of CDS permits processed by the Division of Drug Control has slightly increased from 17,346 in fiscal 2007 to 18,749 in fiscal 2013.

Exhibit 8 shows the number of CDS inspections at pharmacies and nonpharmacy sites. In fiscal 2009, the Board of Pharmacy assumed the responsibility for conducting routine annual inspections of pharmacies, which freed the Division of Drug Control to focus on other responsibilities, such as inspecting dispensing practitioners and auditing methadone programs and long-term care and assisted living facilities that possess CDS; however, the division still conducts closing inspections of pharmacies as well as CDS inspections of pharmacies. Pharmacies are required to perform an internal audit of their CDS inventory annually. When performing an inspection, the Board of Pharmacy documents the date of the most recent internal CDS audit and forwards the audit date to the Division of Drug Control. This allows the Division of Drug Control to set priorities for follow-up on CDS inspections of pharmacies. The work of the Board of Pharmacy enabled the Division of Drug Control to dramatically increase the number of CDS inspections that it performs annually for nonpharmacy entities, from 180 in fiscal 2007 to 1,047 in fiscal 2010.

Exhibit 8
Division of Drug Control Inspections
Fiscal 2008-2014



CDS: Controlled Dangerous Substance

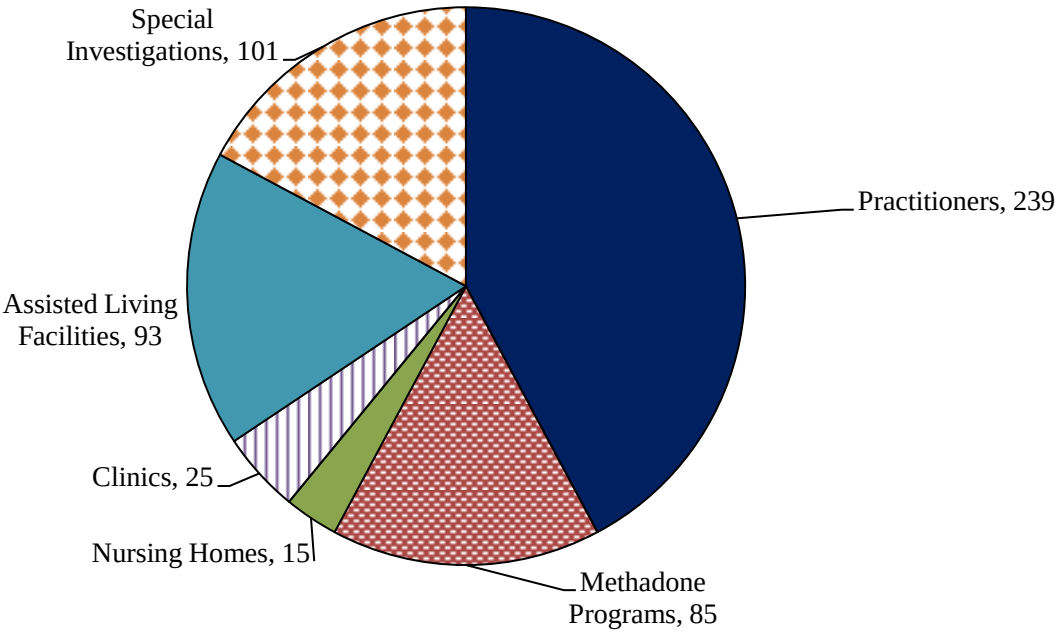
Note: CDS and other site inspections include special investigations.

Source: Department of Health and Mental Hygiene

However, the overall number of CDS inspections for both pharmacies and nonpharmacy entities has been decreasing in more recent years. The agency advises that this decrease is attributable to increased time spent on investigations versus inspections. **The agency should comment on the advantages and disadvantages of devoting more staff time to investigations rather than inspections. Specifically, the agency should address whether, and to what extent, this approach has resulted in an increase in the number of violations identified.**

Exhibit 9 shows that practitioners (physicians, podiatrists, and dentists) accounted for nearly half of all nonpharmacy inspections in 2013 – more than double the fiscal 2012 level. According to the respective health occupations boards, approximately 1,500 dispensing permits are held by nonpharmacist practitioners in Maryland. The fiscal 2014 budget included funds to implement Chapter 267 of 2012, which required the Division of Drug Control to inspect the office of a dispensing practitioner at least two times within the duration of their five-year CDS permit. Accordingly, the agency's goals include increasing the amount of practitioner inspections further over the next two fiscal years.

Insert Exhibit 9
Nonpharmacy CDS Inspections
Fiscal 2013



CDS: Controlled Dangerous Substance

Source: Department of Health and Mental Hygiene

Fiscal 2014 Actions

Proposed Deficiency

There is one proposed deficiency for fiscal 2014 for $381,629 to provide funds for rent, parking fees, and 1 additional position in order for the new public health laboratory facility to become operational beginning in June 2013.

Cost Containment

There are three across-the-board withdrawn appropriations that offset the increase in deficiency appropriations. This includes reductions to employee/retiree health insurance, funding for a new Statewide Personnel information technology system, and retirement reinvestment. These actions are fully explained in the analyses of the Department of Budget and Management (DBM) – Personnel, the Department of Information Technology (DoIT), and the State Retirement Agency (SRA), respectively. For the Public Health Administration, these reductions total $589,106 in general funds.

Proposed Budget

As shown in **Exhibit 10**, the Public Health Administration fiscal 2015 allowance is $11.7 million, or 17.3%, over the fiscal 2014 working appropriation. General fund support increases by $13.0 million, or 28.9%, primarily due to the opening of the new public health laboratory. Federal fund support decreases by $1.5 million, or 7.3%; special fund support decreases by $13,000, or 1.4%; and reimbursable fund support increases by $44,000, or 5.5%.

Exhibit 10
Proposed Budget
DHMH – Public Health Administration
($ in Thousands)

How Much It Grows:	General Fund	Special Fund	Federal Fund	Reimbursable Fund	Total
2014 Working Appropriation	$45,692	$944	$20,529	$801	$67,965
2015 Allowance	58,906	931	19,025	845	79,706
Amount Change	$13,214	-$13	-$1,505	$44	$11,740
Percent Change	28.9%	-1.4%	-7.3%	5.5%	17.3%

Where It Goes:

Personnel Expenses	
Annualized salary increase for fiscal 2014 cost-of-living adjustment and increments	$904
Retirement contributions	320
Increments and other compensation	156
New positions	170
Other fringe benefit adjustments	93
Position reclassification	39
Workers' compensation premium assessment	-115
Employee and retiree health insurance	-316
Turnover adjustments	-345
Other Changes	
Office of the Chief Medical Examiner	
Contractual services	102
Fuel and utilities	94
Office of Preparedness and Response	
Grant funds to support the Maryland Bioterrorism Preparedness Program	81
Grant funds to support statewide emergency preparedness exercise	-275
Public Health Preparedness and Response Bioterrorism Grant – local allocation	-684
New Facility Costs for the Laboratories Administration	
Rent and operating lease payment to MEDCO	11,840
Fuel and utilities	1,500
Communications	110
Removal of one-time expenses for contractual services, including moving expenses	-646
Removal of one-time expenses for equipment, supplies, drugs, and chemicals	-1,386

Where It Goes:	
Other	98
Total	**$11,740**

MEDCO: Maryland Economic Development Corporation

Note: The fiscal 2014 working appropriation reflects negative deficiencies and contingent reductions. The fiscal 2015 allowance reflects back of the bill and contingent reductions. Numbers may not sum to total due to rounding.

Cost Containment

There is one across-the-board reduction and one contingent reduction reflected in the Governor's spending plan for the fiscal 2015 allowance. This affects funding for employee/retiree health insurance and retirement reinvestment. These actions are fully explained in the analyses of DBM – Personnel and SRA. These total $362,892 in all funds in the Public Health Administration

Personnel Expenses

Personnel expenses for the Public Health Administration increase by $906,000 over the fiscal 2014 working appropriation. The budget increases by $904,000 for annualized salary increases and by $320,000 for increased retirement contributions. Increments and other compensation increase the budget by $156,000. The fiscal 2015 allowance also includes $170,000 for 2 additional positions: 1 medical examiner in OCME and 1 employee to work at the loading dock of the new public health laboratory facility.

Other increases to personnel expenses include position reclassification within OCME ($39,000), and other fringe benefit adjustments ($93,000). These increases are offset by decreases in turnover adjustments ($345,000), employee and retiree health insurance ($316,000), and the workers' compensation premium assessment ($115,000).

Operating Expenses

Office of the Chief Medical Examiner

The fiscal 2015 allowance includes an additional $102,000 in reimbursable funds from the Governor's Office of Crime Control and Prevention to purchase a system to render and enhance CT and X-ray images for diagnostic purposes. The system will also allow medical examiners to make annotations and document injuries and will include a picture archiving and communication system server that stores and transfers images in Digital Imaging and Communications in Medicine format. Fuel and utilities increase by $94,000, based on fiscal 2013 actual costs and accounting for inflation.

Office of Preparedness and Response

The budget includes an additional $81,000 for increased grants in the Maryland Bioterrorism Hospital Preparedness Program, which provides federal funds to Maryland's healthcare system for emergency preparedness planning and response to incidents with a public health impact. This increase is offset by decreases in federal funding for the local health department allocation of the Public Health Preparedness and Response for Bioterrorism grant ($684,000), the aim of which is to establish processes for strategic leadership, direction, coordination, and assessment of activities to ensure state and local readiness; and the removal of one-time federal funds to support a statewide exercise for emergency preparedness.

Laboratories Administration

The fiscal 2015 allowance for the Laboratories Administration increases by $11.8 million to reflect rent and operating lease payments to the Maryland Economic Development Corporation (MEDCO) for the new public health laboratory. State-appropriated rent is the source of debt services on the MEDCO-issued bonds. Ultimately, total debt service on the new facility is $263.3 million, which includes $170.9 million toward principal and $92.4 million in interest payments. Operating costs also include property management costs paid to MEDCO for housekeeping, maintenance, landscaping, security, and other administrative items. Included in these costs are payment in lieu of taxes (PILOT) since the site of the new facility is within a tax increment financing district. A PILOT is an agreement between a jurisdiction and a developer, business, or landowner that substitutes a negotiated payment for annual real estate taxes that are traditionally due on a property. Because operating costs were not included in the fiscal 2014 budget, the agency is seeking a deficiency for fiscal 2014 for $381,629.

The agency advises that the new laboratory is expected to become operational in June 2014, at which point the agency will take a phased-in approach to relocating its operations to the new facility. The agency advises that the move is expected to take two to three months to complete.

Other increases associated with the new facility include fuel and utilities ($1.5 million) and communications ($110,000). These increases are offset by the removal of one-time expenses for equipment, supplies, drugs, and chemicals ($1.4 million); and for contractual services, including moving expenses ($646,000).

Recommended Actions

1. Concur with Governor's allowance.

Appendix 1

Current and Prior Year Budgets

Current and Prior Year Budgets
DHMH – Public Health Administration
($ in Thousands)

	General Fund	Special Fund	Federal Fund	Reimb. Fund	Total
Fiscal 2013					
Legislative Appropriation	$33,622	$918	$19,916	$624	$55,079
Deficiency Appropriation	0	0	5,923	0	5,923
Budget Amendments	1,511	347	1,155	140	3,153
Reversions and Cancellations	0	-14	-4,104	-5	-4,122
Actual Expenditures	**$35,133**	**$1,251**	**$22,890**	**$759**	**$60,033**
Fiscal 2014					
Legislative Appropriation	$45,849	$944	$20,434	$801	$68,028
Budget Amendments	432	0	95	0	527
Working Appropriation	**$46,281**	**$944**	**$20,529**	**$801**	**$68,554**

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

Fiscal 2013

In fiscal 2013, the budget for the Public Health Administration closed at $60.0 million, an increase of $5.0 million over the original fiscal 2013 legislative appropriation, primarily due to an increase in federal funds.

Deficiency appropriations increased the fiscal 2013 budget by $5.9 million. Additional federal funds were needed in OPR for public health emergency preparedness ($4,150,143); national bioterrorism hospital preparedness activities ($1,631,706); and the CDC's data exchange system ($141,020).

Budget amendments over the course of fiscal 2013 increased the budget of the Public Health Administration by approximately $3.2 million. The fiscal 2013 budget included centrally budgeted funds for the 2013 cost-of-living adjustment (COLA) for State employees. This resulted in the transfer of funds to the Public Health Administration ($124,804 in special funds and $36,049 in federal funds). Another amendment increased the agency's special fund appropriation by $222,500 (available from Maryland AIDS Drug Assistance Program Drug Rebates) to realign special funds within DHMH.

One amendment increased the agency's appropriation to realign general and federal funds within DHMH due to increased federal fund indirect costs collections ($1,033,656 in general funds and $360,503 in federal funds). General funds also increased to realign general funds within DHMH ($322,942) and to realign health insurance and telecommunication appropriations within the department ($59,800).

Federal funds increased by $206,447 to provide food testing services within the Laboratories Administration. Federal funds also increased to realign federal funds within DHMH ($941,061) and to realign State Retirement Administrative Fee and DoIT Services Allocation appropriations within the department ($11,390).

Finally, one amendment implemented changes as a result of the public health reorganization at DHMH. These changes include:

- federal funds transferred from the Deputy Secretary for Public Health Services to the Health Systems and Infrastructure Administration to support the creation of this new agency ($400,039); and

- general funds transferred from the Family Health Administration to the Deputy Secretary of Public Health Services ($94,155).

At the end of the year, approximately $13,700 of the special fund appropriation was cancelled due to less than anticipated collections from local health departments for laboratory tests**.** Furthermore, $4.1 million of the federal fund appropriation was cancelled due to lower than anticipated expenditures for public health emergency preparedness within OPR ($3.9 million);

decreased federal fund attainment for Food Safety Cooperative Agreement funding from the U.S. Department of Agriculture within the Laboratories Administration ($94,427); and lower than expected attainment and expenditures across various grant programs in the Laboratories Administration.

Fiscal 2014

The fiscal 2014 working appropriation is $68.6 million, an increase of $0.5 million over the original legislative appropriation. The fiscal 2014 budget included centrally budgeted funds for the 2014 COLA and salary increment increase for State employees, which resulted in the transfer of funds to the Public Health Administration ($445,182 in general funds and $83,473 in federal funds). In addition, federal funds increased by $11,660 to realign the State Retirement Administrative Fee and DoIT Services Allocation appropriations within DHMH. General funds also increased by $111,427 due to the transfer of 2 positions (from the Alcohol and Drug Abuse Administration and the Prevention and Health Promotion Administration) to the Public Health Administration. Finally, general funds decreased by $125,000 due to the transfer of the general fund appropriation for medical marijuana implementation from the Laboratories Administration to the Office of the Secretary.

Object/Fund Difference Report
DHMH – Public Health Administration

Object/Fund	FY 13 Actual	FY 14 Working Appropriation	FY 15 Allowance	FY 14 - FY 15 Amount Change	Percent Change
Positions					
01 Regular	397.90	400.90	402.90	2.00	0.5%
02 Contractual	10.82	13.23	12.85	-0.38	-2.9%
Total Positions	**408.72**	**414.13**	**415.75**	**1.62**	**0.4%**
Objects					
01 Salaries and Wages	$ 30,297,489	$ 32,473,885	$ 33,154,543	$ 680,658	2.1%
02 Technical and Spec. Fees	739,982	773,790	793,108	19,318	2.5%
03 Communication	648,974	577,754	616,849	39,095	6.8%
04 Travel	100,826	120,698	106,625	-14,073	-11.7%
06 Fuel and Utilities	736,003	906,904	2,508,469	1,601,565	176.6%
07 Motor Vehicles	26,473	65,597	36,616	-28,981	-44.2%
08 Contractual Services	15,121,127	15,379,503	14,137,274	-1,242,229	-8.1%
09 Supplies and Materials	6,472,315	5,895,688	5,528,628	-367,060	-6.2%
10 Equipment – Replacement	219,173	65,259	29,214	-36,045	-55.2%
11 Equipment – Additional	831,444	1,687,499	89,968	-1,597,531	-94.7%
12 Grants, Subsidies, and Contributions	4,200,654	3,719,128	3,799,800	80,672	2.2%
13 Fixed Charges	638,821	6,888,693	19,267,473	12,378,780	179.7%
Total Objects	**$ 60,033,281**	**$ 68,554,398**	**$ 80,068,567**	**$ 11,514,169**	**16.8%**
Funds					
01 General Fund	$ 35,132,683	$ 46,280,728	$ 59,243,072	$ 12,962,344	28.0%
03 Special Fund	1,251,190	943,670	930,700	-12,970	-1.4%
05 Federal Fund	22,889,911	20,529,481	19,050,166	-1,479,315	-7.2%
09 Reimbursable Fund	759,497	800,519	844,629	44,110	5.5%
Total Funds	**$ 60,033,281**	**$ 68,554,398**	**$ 80,068,567**	**$ 11,514,169**	**16.8%**

Note: The fiscal 2014 appropriation does not include deficiencies. The fiscal 2015 allowance does not include contingent reductions.

Fiscal Summary
DHMH – Public Health Administration

Program/Unit	FY 13 Actual	FY 14 Wrk Approp	FY 15 Allowance	Change	FY 14 - FY 15 % Change
01 Executive Direction	$ 6,980,561	$ 6,977,084	$ 7,281,527	$ 304,443	4.4%
01 Post Mortem Examining Services	10,660,604	11,304,247	11,787,613	483,366	4.3%
01 Office of Preparedness and Response	18,228,048	16,370,159	15,446,840	-923,319	-5.6%
01 Laboratory Services	24,164,068	33,902,908	45,552,587	11,649,679	34.4%
Total Expenditures	**$ 60,033,281**	**$ 68,554,398**	**$ 80,068,567**	**$ 11,514,169**	**16.8%**
General Fund	$ 35,132,683	$ 46,280,728	$ 59,243,072	$ 12,962,344	28.0%
Special Fund	1,251,190	943,670	930,700	-12,970	-1.4%
Federal Fund	22,889,911	20,529,481	19,050,166	-1,479,315	-7.2%
Total Appropriations	**$ 59,273,784**	**$ 67,753,879**	**$ 79,223,938**	**$ 11,470,059**	**16.9%**
Reimbursable Fund	$ 759,497	$ 800,519	$ 844,629	$ 44,110	5.5%
Total Funds	**$ 60,033,281**	**$ 68,554,398**	**$ 80,068,567**	**$ 11,514,169**	**16.8%**

Note: The fiscal 2014 appropriation does not include deficiencies. The fiscal 2015 allowance does not include contingent reductions.