

**D10A01**  
**Executive Department – Governor**

***Operating Budget Data***

(\$ in Thousands)

	<b><u>FY 14</u></b> <b><u>Actual</u></b>	<b><u>FY 15</u></b> <b><u>Working</u></b>	<b><u>FY 16</u></b> <b><u>Allowance</u></b>	<b><u>FY 15-16</u></b> <b><u>Change</u></b>	<b><u>% Change</u></b> <b><u>Prior Year</u></b>
General Fund	\$10,692	\$12,244	\$12,092	-\$151	-1.2%
Deficiencies and Reductions	0	-245	-511	-266	
<b>Adjusted General Fund</b>	<b>\$10,692</b>	<b>\$11,999</b>	<b>\$11,581</b>	<b>-\$417</b>	<b>-3.5%</b>
 <b>Adjusted Grand Total</b>	 <b>\$10,692</b>	 <b>\$11,999</b>	 <b>\$11,581</b>	 <b>-\$417</b>	 <b>-3.5%</b>

Note: The fiscal 2015 working appropriation reflects deficiencies and the Board of Public Works reductions to the extent that they can be identified by program. The fiscal 2016 allowance reflects back of the bill and contingent reductions to the extent that they can be identified by program.

- The fiscal 2016 allowance decreases by \$417,000, or 3.5%, below the fiscal 2015 working appropriation when adjusted for contingent and back of bill reductions. The decrease is primarily the result of personnel decreases and back of the bill reductions.

***Personnel Data***

	<b><u>FY 14</u></b> <b><u>Actual</u></b>	<b><u>FY 15</u></b> <b><u>Working</u></b>	<b><u>FY 16</u></b> <b><u>Allowance</u></b>	<b><u>FY 15-16</u></b> <b><u>Change</u></b>
Regular Positions	89.10	88.10	88.10	0.00
Contractual FTEs	<u>0.10</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
<b>Total Personnel</b>	<b>89.20</b>	<b>88.10</b>	<b>88.10</b>	<b>0.00</b>

***Vacancy Data: Regular Positions***

Turnover and Necessary Vacancies, Excluding New Positions	1.74	1.97%
Positions and Percentage Vacant as of 12/31/14	12.00	13.62%

- There were no changes in the personnel complement in fiscal 2016.

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

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## ***Analysis in Brief***

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### **Recommended Actions**

1. Concur with Governor's allowance.

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***Operating Budget Analysis***

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**Program Description**

As the chief executive, the Governor exercises supervision over the agencies of the Executive Branch. 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.

**Exhibit 1** shows the overall impact of the cost containment actions on the fiscal 2015 appropriation.

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**Exhibit 1**  
**Fiscal 2015 Reconciliation**  
**(\$ in Thousands)**

<u><b>Action</b></u>	<u><b>Description</b></u>	<u><b>General Fund</b></u>	<u><b>Total</b></u>
<b>Legislative Appropriation with Budget Amendments</b>		<b>\$12,299</b>	<b>\$12,299</b>
July BPW	Holding positions vacant.	-56	-56
	Employee timesheet reduction.		
<b>Working Appropriation</b>		<b>\$12,244</b>	<b>\$12,244</b>
January BPW Across the Board	2% across-the-board reduction.	-245	-245
Deficiency Appropriations		0	0
<b>Total Actions Since January 2015</b>		<b>-\$245</b>	<b>-\$245</b>
<b>Adjusted Working Appropriation</b>		<b>\$11,999</b>	<b>\$11,999</b>

BPW: Board of Public Works

Source: Department of Legislative Services

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## **Fiscal 2015 Actions**

### **Cost Containment**

On July 2, 2014, the Board of Public Works (BPW) withdrew \$77.1 million in appropriations and abolished 61 positions statewide as fiscal 2015 cost containment. This agency's share of the reduction was \$55,769 for the following purpose: holding positions vacant and for the agency's share of an employee timesheet program that was replaced by a new statewide personnel information technology system.

On January 7, 2014, BPW withdrew an additional \$198 million in general fund appropriations. The Governor's share of the reduction was \$244,874 in general funds due to a 2% across-the-board cut.

## **Proposed Budget**

As shown in **Exhibit 2**, the fiscal 2015 allowance decreases by \$417,000, or 3.5%, below the working appropriation. The budget for the Governor's office is entirely general funds.

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**Exhibit 2**  
**Proposed Budget**  
**Executive Department – Governor**  
**(\$ in Thousands)**

<b>How Much It Grows:</b>	<b><u>General</u> <u>Fund</u></b>	<b><u>Total</u></b>
Fiscal 2014 Actual	\$10,692	\$10,692
Fiscal 2015 Working Appropriation	11,999	11,999
Fiscal 2016 Allowance	<u>11,581</u>	<u>11,581</u>
Fiscal 2015-2016 Amt. Change	-\$417	-\$417
Fiscal 2015-2016 Percent Change	-3.5%	-3.5%

### **Where It Goes:**

#### **Personnel Expenses**

Employee and retiree health insurance .....	\$144
Employee retirement .....	120
Increments and salary increase annualization (prior to cost containment) .....	80
Turnover adjustments.....	42
Reclassifications.....	-44
Section 21: abolition of employee increments .....	-78

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**Where It Goes:**

Section 20: abolition of prior year 2% salary increase.....	-178
Accrued leave payout.....	-625
Other fringe benefit adjustments.....	30
<b>Other Changes</b>	
Food services.....	33
Gas and oil .....	29
Special advisors to Governor’s office .....	20
Data processing costs .....	15
Section 19: difference in 2% across-the-board reduction .....	-10
Other miscellaneous changes .....	5
<b>Total</b>	<b>-\$417</b>

Note: Numbers may not sum to total due to rounding. The fiscal 2015 working appropriation reflects deficiencies and the Board of Public Works reductions to the extent that they can be identified by program. The fiscal 2016 allowance reflects back of the bill and contingent reductions to the extent that they can be identified by program.

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**Cost Containment**

In fiscal 2016, the Administration has implemented several across-the-board reductions. This includes a general 2% reduction, elimination of employee increments, and a revision to the salary plan, which reflects the abolition of the 2% general salary increase provided on January 1, 2015. This agency’s share of these reductions is \$511,005.

**Personnel Costs**

Setting aside the cost containment measures implemented by the Governor, the largest drivers for the decreases in the Governor’s office budget are personnel costs. The change to the new Administration brought about a significant reduction of \$625,000 in accrued leave payout in the allowance. The largest increases in personnel are employee and retiree health insurance increasing \$143,527 and employee retirement increasing \$120,072.

## ***Recommended Actions***

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1. Concur with Governor's allowance.

## ***Current and Prior Year Budgets***

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

	<b><u>General Fund</u></b>	<b><u>Special Fund</u></b>	<b><u>Federal Fund</u></b>	<b><u>Reimb. Fund</u></b>	<b><u>Total</u></b>
<b>Fiscal 2014</b>					
Legislative Appropriation	\$11,382	\$0	\$0	\$0	\$11,382
Deficiency Appropriation	-309	0	0	0	-309
Budget Amendments	162	0	0	0	162
Reversions and Cancellations	-544	0	0	0	-544
<b>Actual Expenditures</b>	<b>\$10,692</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$10,692</b>
<b>Fiscal 2015</b>					
Legislative Appropriation	\$12,210	\$0	\$0	\$0	\$12,210
Cost Containment	-56	0	0	0	-56
Budget Amendments	89	0	0	0	89
<b>Working Appropriation</b>	<b>\$12,244</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$12,244</b>

Note: Numbers may not sum to total due to rounding. The fiscal 2015 working appropriation does not include January 2015 Board of Public Works reductions and deficiencies.

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## **Fiscal 2014**

The fiscal 2014 appropriation for the Governor's office has decreased by \$690,887. Budget amendments added \$162,100 over the legislative appropriation reflecting increases in general funds for employee increments and the 2% general salary increase. The Governor's office received no special, federal, or reimbursable funds in fiscal 2014. The appropriation was reduced by \$309,267 in general funds in negative deficiencies due to reductions in health insurance, retirement, and the State personnel system allocation. The agency also reverted \$543,719 in general funds due to deliberate cost savings measures implemented during the year. The largest amount of the savings, approximately \$460,000, resulted from the fact that the office chose not to fill most vacancies. There were additional savings of approximately \$80,000 in operating expenses, again due to deliberate cost savings measures implemented to minimize all discretionary expenses that occurred during the second half of the year given the pending change in administrations.

## **Fiscal 2015**

The fiscal 2015 working appropriation for the Governor's office is increasing by \$33,639 over the legislative appropriation. Employee increments and the 2% general salary increase reflect an increase of \$89,408 in general funds.

On July 2, 2014, BPW withdrew \$77.1 million in appropriations and abolished 61 positions statewide as fiscal 2015 cost containment. This agency's share of the reduction was \$50,000 and for the following purpose: holding positions vacant. There was also a reduction due to the agency's share of a statewide timekeeping system of \$5,769 in general funds.



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

<u>Object/Fund</u>	<u>FY 14 Actual</u>	<u>FY 15 Working Appropriation</u>	<u>FY 16 Allowance</u>	<u>FY 15 - FY 16 Amount Change</u>	<u>Percent Change</u>
<b>Positions</b>					
01 Regular	89.10	88.10	88.10	0.00	0%
02 Contractual	0.10	0.00	0.00	0.00	0.0%
<b>Total Positions</b>	<b>89.20</b>	<b>88.10</b>	<b>88.10</b>	<b>0.00</b>	<b>0%</b>
<b>Objects</b>					
01 Salaries and Wages	\$ 9,369,635	\$ 10,784,620	\$ 10,531,946	-\$ 252,674	-2.3%
02 Technical and Spec. Fees	3,598	10,000	10,000	0	0%
03 Communication	270,259	315,178	309,250	-5,928	-1.9%
04 Travel	76,053	86,000	86,000	0	0%
07 Motor Vehicles	65,166	40,190	69,190	29,000	72.2%
08 Contractual Services	382,787	374,398	439,079	64,681	17.3%
09 Supplies and Materials	150,998	193,034	198,206	5,172	2.7%
10 Equipment – Replacement	23,871	110,000	110,000	0	0%
11 Equipment – Additional	29,501	5,000	5,000	0	0%
13 Fixed Charges	319,737	325,317	333,757	8,440	2.6%
<b>Total Objects</b>	<b>\$ 10,691,605</b>	<b>\$ 12,243,737</b>	<b>\$ 12,092,428</b>	<b>-\$ 151,309</b>	<b>-1.2%</b>
<b>Funds</b>					
01 General Fund	\$ 10,691,605	\$ 12,243,737	\$ 12,092,428	-\$ 151,309	-1.2%
<b>Total Funds</b>	<b>\$ 10,691,605</b>	<b>\$ 12,243,737</b>	<b>\$ 12,092,428</b>	<b>-\$ 151,309</b>	<b>-1.2%</b>

Note: The fiscal 2015 working appropriation does not include January 2015 Board of Public Works reductions and deficiencies. The fiscal 2016 allowance does not reflect contingent or across-the-board reductions.