

B75A01
General Assembly of Maryland

Operating Budget Data

(\$ in Thousands)

	<u>FY 16</u> <u>Actual</u>	<u>FY 17</u> <u>Working</u>	<u>FY 18</u> <u>Budget</u>	<u>FY 17-18</u> <u>Change</u>	<u>% Change</u> <u>Prior Year</u>
General Fund	\$84,525	\$89,156	\$90,553	\$1,397	1.6%
Adjustments	0	0	-268	-268	
Adjusted General Fund	\$84,525	\$89,156	\$90,285	\$1,129	1.3%
 Adjusted Grand Total	 \$84,525	 \$89,156	 \$90,285	 \$1,129	 1.3%

Note: Includes targeted reversions, deficiencies, and contingent reductions.

- The fiscal 2018 budget is \$1.1 million (1.3%) greater than the fiscal 2017 working appropriation. The entire budget is supported by the General Fund.
- The Administration's spending plan includes a contingent reduction to a supplemental pension payment. Because the Governor cannot modify the legislative budget, there is an assumed reversion of \$268,111 associated with the proposed pension sweeper reduction.

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

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Analysis of the FY 2018 Maryland Executive Budget, 2017

Personnel Data

	<u>FY 16</u> <u>Actual</u>	<u>FY 17</u> <u>Working</u>	<u>FY 18</u> <u>Budget</u>	<u>FY 17-18</u> <u>Change</u>
Regular Positions	749.00	749.00	749.00	0.00
Contractual FTEs	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
Total Personnel	749.00	749.00	749.00	0.00

Vacancy Data: Regular Positions

Turnover and Necessary Vacancies, Excluding New Positions	13.07	1.75%
Positions and Percentage Vacant as of 12/31/16	32.00	4.30%

- From fiscal 2016 to 2018, regular positions remain constant at 749.

Recommended Actions

1. Concur with the budget as approved by the Legislative Policy Committee.

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Operating Budget Analysis

Program Description

The General Assembly of Maryland is the Legislative Branch of State government. Separate budgets are provided for the Senate, comprised of 47 members; the House of Delegates, comprised of 141 members; leadership, committee, and member staff support; and general expenses shared by both chambers.

The Department of Legislative Services (DLS) provides nonpartisan staff support to the legislature. The department has four offices: the Office of the Executive Director; the Office of Legislative Audits; the Office of Legislative Information Systems; and the Office of Policy Analysis.

Budget

Exhibit 1 shows that the budget increases by \$1.1 million in fiscal 2018, or 1.3%; the budget is comprised entirely of general funds. Personnel expenses add \$427,760 with increases driven by turnover, Social Security payments, salary, and pension increases, after assuming a targeted reversion for a supplemental pension payment of \$268,111. Additional funds are provided to bring contractual full-time equivalents' salaries to a living wage, adding approximately \$356,000.

Exhibit 1
Budget
General Assembly of Maryland
(\$ in Thousands)

How Much It Grows:	<u>General Fund</u>	<u>Total</u>
Fiscal 2016 Actual	\$84,525	\$84,525
Fiscal 2017 Working Appropriation	89,156	89,156
Fiscal 2018 Budget	<u>90,285</u>	<u>90,285</u>
Fiscal 2017-2018 Amount Change	\$1,129	\$1,129
Fiscal 2017-2018 Percent Change	1.3%	1.3%

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Where It Goes:

Personnel Expenses

Turnover adjustments	\$173
Social Security and unemployment insurance adjustments	90
Salary adjustments	85
Employees' retirement system	84
Employee and retiree health insurance	-4

Contractual Employees and General Operations

Increase contractual employees' salaries	356
Office of Legislative Audits' routine in-state travel	91
Adjust purchases of Annotated Code of Maryland to fiscal 2016 levels	55
Contractual employee health insurance	55

Consulting and Training Contracts

Kirwin Commission studies	100
Training for Department of Legislative Services' staff	40
Triennial peer review required by Generally Accepted Auditing Principles	17

Software and Equipment

Software maintenance contracts	194
One-time printing equipment replacement	-62
One-time software licenses for Windows 10 migration	-170

Allocated Costs

Statewide telephone services allocation	78
Retirement administrative fee allocation	24
Enterprise Budget System allocation	-97
Other Changes	20

Total	\$1,129
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Note: Numbers may not sum to total due to rounding.

Across-the-board Reductions

The fiscal 2018 budget bill includes a \$54.5 million (all funds) across-the-board contingent reduction for a supplemental pension payment. Annual payments are mandated for fiscal 2017 through 2020 if the Unassigned General Fund balance exceeds a certain amount at the close of the fiscal year. This action is tied to a provision in the Budget Reconciliation and Financing Act of 2017.

Since the Governor cannot reduce the legislative budget, the Administration has assumed a targeted reversion of \$268,111 in general funds in its budget balancing plan. DLS recommends that this amount, as well as the amount assumed to be reverted by the Judicial Branch, be adopted as reductions in the Department of Budget and Management – Personnel analysis.

Recommended Actions

1. Concur with the budget as approved by the Legislative Policy Committee.

Appendix 1
Current and Prior Year Budgets
Maryland General Assembly
(\$ in Thousands)

	<u>General Fund</u>	<u>Special Fund</u>	<u>Federal Fund</u>	<u>Reimb. Fund</u>	<u>Total</u>
Fiscal 2016					
Legislative Appropriation	\$84,525	\$0	\$0	\$0	\$84,525
Deficiency Appropriation	0	0	0	0	0
Budget Amendments	0	0	0	0	0
Reversions and Cancellations	0	0	0	0	0
Actual					
Expenditures	\$84,525	\$0	\$0	\$0	\$84,525
Fiscal 2017					
Legislative Appropriation	\$87,648	\$0	\$0	\$0	\$87,648
Cost Containment	0	0	0	0	0
Budget Amendments	1,507	0	0	0	1,507
Working					
Appropriation	\$89,156	\$0	\$0	\$0	\$89,156

Note: Does not include targeted reversions, deficiencies, and contingent reductions. Numbers may not sum to total due to rounding.

Fiscal 2016

There were no changes in fiscal 2016 so the legislative appropriation is identical to the actual appropriation.

Fiscal 2017

In fiscal 2017, a budget amendment totaling \$1,507,422 was approved, which increased the working appropriation to \$89.2 million. The appropriation transfers funds for statewide employee increments budgeted in the Department of Budget Management budget to the General Assembly of Maryland budget.

Appendix 2
Object/Fund Difference Report
General Assembly of Maryland

<u>Object/Fund</u>	<u>FY 16</u> <u>Actual</u>	<u>FY 17</u> <u>Working</u> <u>Appropriation</u>	<u>FY 18</u> <u>Budget</u>	<u>FY 17 - FY 18</u> <u>Amount Change</u>	<u>Percent</u> <u>Change</u>
Positions					
01 Regular	749.00	749.00	749.00	0.00	0%
Total Positions	749.00	749.00	749.00	0.00	0%
Objects					
01 Salaries and Wages	\$ 67,508,088	\$ 73,439,045	\$ 74,134,916	\$ 695,871	0.9%
02 Technical and Spec. Fees	1,280,559	1,222,490	1,632,605	410,115	33.5%
03 Communication	583,688	555,450	634,050	78,600	14.2%
04 Travel	2,715,263	3,466,670	3,554,170	87,500	2.5%
06 Fuel and Utilities	6,527	6,000	6,600	600	10.0%
07 Motor Vehicles	19,244	22,625	16,900	-5,725	-25.3%
08 Contractual Services	6,102,853	7,496,929	7,750,409	253,480	3.4%
09 Supplies and Materials	1,241,112	1,443,709	1,321,489	-122,220	-8.5%
10 Equipment – Replacement	4,492,731	892,606	864,965	-27,641	-3.1%
11 Equipment – Additional	6,145	8,000	6,000	-2,000	-25.0%
13 Fixed Charges	504,659	496,104	521,470	25,366	5.1%
14 Land and Structures	63,650	106,100	109,100	3,000	2.8%
Total Objects	\$ 84,524,519	\$ 89,155,728	\$ 90,552,674	\$ 1,396,946	1.6%
Funds					
01 General Fund	\$ 84,524,519	\$ 89,155,728	\$ 90,552,674	\$ 1,396,946	1.6%
Total Funds	\$ 84,524,519	\$ 89,155,728	\$ 90,552,674	\$ 1,396,946	1.6%

Note: Does not include targeted reversions, deficiencies, and contingent reductions.

**Appendix 3
Fiscal Summary
General Assembly of Maryland**

<u>Program/Unit</u>	<u>FY 16 Actual</u>	<u>FY 17 Wrk Approp</u>	<u>FY 18 Budget</u>	<u>Change</u>	<u>FY 17 - FY 18 % Change</u>
01 Senate	\$ 12,569,388	\$ 13,364,485	\$ 13,381,411	\$ 16,926	0.1%
02 House of Delegates	23,635,085	24,804,599	25,258,604	454,005	1.8%
03 General Legislative Expenses	1,006,419	1,030,959	1,028,412	-2,547	-0.2%
04 Office of the Executive Director	11,445,454	12,148,419	11,676,730	-471,689	-3.9%
05 Office of Legislative Audits	13,533,589	14,233,291	14,367,809	134,518	0.9%
06 Office of Legislative Information Systems	5,153,894	5,551,710	6,233,778	682,068	12.3%
07 Office of Policy Analysis	17,180,690	18,022,265	18,605,930	583,665	3.2%
Total Expenditures	\$ 84,524,519	\$ 89,155,728	\$ 90,552,674	\$ 1,396,946	1.6%
General Fund	\$ 84,524,519	\$ 89,155,728	\$ 90,552,674	\$ 1,396,946	1.6%
Total Appropriations	\$ 84,524,519	\$ 89,155,728	\$ 90,552,674	\$ 1,396,946	1.6%

Note: Does not include targeted reversions, deficiencies, and contingent reductions.