

**C82D00**  
**Office of the State Prosecutor**

***Operating Budget Data***

(\$ in Thousands)

	<b><u>FY 16</u></b> <b><u>Actual</u></b>	<b><u>FY 17</u></b> <b><u>Working</u></b>	<b><u>FY 18</u></b> <b><u>Allowance</u></b>	<b><u>FY 17-18</u></b> <b><u>Change</u></b>	<b><u>% Change</u></b> <b><u>Prior Year</u></b>
General Fund	\$1,362	\$1,481	\$1,483	\$2	0.2%
Adjustments	0	0	-4	-4	
<b>Adjusted General Fund</b>	<b>\$1,362</b>	<b>\$1,481</b>	<b>\$1,479</b>	<b>-\$2</b>	<b>-0.1%</b>
 <b>Adjusted Grand Total</b>	 <b>\$1,362</b>	 <b>\$1,481</b>	 <b>\$1,479</b>	 <b>-\$2</b>	 <b>-0.1%</b>

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

- The fiscal 2018 allowance for the Office of the State Prosecutor decreases by \$2,019, or 0.1%, below the fiscal 2017 working appropriation net of back of the bill reductions. This decrease is attributable to reduced personnel expenditures.

***Personnel Data***

	<b><u>FY 16</u></b> <b><u>Actual</u></b>	<b><u>FY 17</u></b> <b><u>Working</u></b>	<b><u>FY 18</u></b> <b><u>Allowance</u></b>	<b><u>FY 17-18</u></b> <b><u>Change</u></b>
Regular Positions	13.00	13.00	13.00	0.00
Contractual FTEs	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
<b>Total Personnel</b>	<b>13.00</b>	<b>13.00</b>	<b>13.00</b>	<b>0.00</b>

***Vacancy Data: Regular Positions***

Turnover and Necessary Vacancies, Excluding New Positions	0.26	2.00%
Positions and Percentage Vacant as of 12/31/16	1.00	7.69%

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

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- The fiscal 2018 allowance includes 13.0 regular positions, the same as the fiscal 2017 working appropriation.
- Turnover expectancy for the agency is 2.0%, which requires 0.3 vacancies. As of January 1, 2017, the agency had 1.0 vacant position.

## ***Analysis in Brief***

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### **Major Trends**

***Timely Clearance Rates Remain Strong under Adjusted Standards:*** The Office of the State Prosecutor (OSP) has two main case types: election law and corruption. In fiscal 2016, the office opened 364 election law and 53 corruption investigations and brought charges against 37 individuals. At the start of fiscal 2015, OSP adjusted its time standards to reflect agency experience. The agency was able to clear over 90% of cases within its new time standards during fiscal 2016.

### **Recommended Actions**

1. Concur with Governor's allowance.

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## ***Operating Budget Analysis***

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### **Program Description**

The Office of the State Prosecutor (OSP) is an independent agency within the Executive Branch. The State Prosecutor investigates and, where warranted, prosecutes criminal offenses affecting the honesty and integrity of our governmental officials and institutions and the electoral process. Specifically, the State Prosecutor is authorized to investigate and prosecute criminal offenses under the State election laws and public ethics law, as well as the bribery laws and offenses constituting criminal malfeasance, misfeasance, or nonfeasance in office. These investigations are conducted either upon the initiative of OSP or upon the request of the Governor, the Attorney General, the General Assembly, the State Ethics Commission, or a State's Attorney. In addition, upon the request of the Governor, the Attorney General, the General Assembly, the State Ethics Commission, or a State's Attorney, the State Prosecutor may investigate and prosecute any offense which takes place in more than one county within the State or in more than one state including Maryland.

### **Performance Analysis: Managing for Results**

#### **1. Timely Clearance Rates Remain Strong under Adjusted Standards**

The workload for OSP varies on a multi-year cycle. The agency splits the types of cases it handles into two general types. Election law complaints generally make up the large majority of matters handled by OSP; however, the number of election law complaints moves with the election cycle and generally spikes in the years during which statewide officials are elected. Corruption complaints are less common but do not display the same cyclical pattern.

As shown in **Exhibit 1**, there was an unusually low number of corruption investigations at 53 in fiscal 2016, but the election did lead to a 19.3% increase in election law investigations from 305 to 364. Even with the decline in corruption complaints, OSP brought charges against 37 individuals, 2 more than fiscal 2015. The agency was also able to improve its timeliness measures. OSP continues to close nearly all corruption cases within its time standard, which was reduced from 24 to 18 months at the start of 2015. For election law cases, the fiscal 2016 timely closure rate improved significantly after the office adjusted the time metric from six to nine months.

**Exhibit 1**  
**Corruption and Election Law Cases**  
**Fiscal 2014-2018 Est.**

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>Est.</u> <u>2017</u>	<u>Est.</u> <u>2018</u>
<b>Corruption Investigations</b>					
Investigations Opened	79	78	53	65	65
Closed in Timely Manner	100%	94%	100%	98%	98%
<b>Election Law Investigations</b>					
Investigations Opened	684	305	364	350	350
Closed in Timely Manner	60%	83%	92%	90%	90%
<b>Individuals Charged</b>					
Individuals Charged	84	35	37	35	35
Charges Resolved in Timely Manner*	n/a	94%	98%	95%	95%

\*Not tracked prior to fiscal 2015.

Source: Department of Budget and Management

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## **Proposed Budget**

As shown in **Exhibit 2**, the fiscal 2018 allowance is \$1.5 million, a decrease of \$2,019, or 0.1%, below the fiscal 2017 working appropriation net of back of the bill reductions. This decrease is the product of a decline in health insurance costs offset by additional spending on legal research supplies.

**Exhibit 2**  
**Proposed Budget**  
**Office of the State Prosecutor**  
**(\$ in Thousands)**

<b>How Much It Grows:</b>	<b><u>General Fund</u></b>	<b><u>Total</u></b>
Fiscal 2016 Actual	\$1,362	\$1,362
Fiscal 2017 Working Appropriation	1,481	1,481
Fiscal 2018 Allowance	<u>1,479</u>	<u>1,479</u>
Fiscal 2017-2018 Amount Change	-\$2	-\$2
Fiscal 2017-2018 Percent Change	-0.1%	-0.1%

**Where It Goes:****Personnel Expenses**

Employee retirement.....	\$8
Compensation .....	-5
Other fringe benefit adjustments.....	0
Employee and retiree health insurance .....	-28

**Other Changes**

Legal research.....	20
Travel.....	3

<b>Total</b>	<b>-\$2</b>
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Note: Numbers may not sum to total due to rounding.

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**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 agency's share of these reductions is \$4,372 in general funds. This action is tied to a provision in the Budget Reconciliation and Financing Act of 2017.

**Personnel**

Personnel adjustments include decreases for employee and retiree health insurance (\$28,030) and employee compensation (\$4,790), partially offset by an increase in pension payments (\$7,801).

**Other Changes**

Other changes include increases for legal research expenses (\$20,383) and travel (\$2,500).

## ***Recommended Actions***

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1. Concur with Governor's allowance.

**Appendix 1**  
**Current and Prior Year Budgets**  
**Office of the State Prosecutor**  
**(\$ 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 2016</b>					
Legislative Appropriation	\$1,362	\$0	\$0	\$0	\$1,362
Deficiency Appropriation	54	0	0	0	54
Budget Amendments	22	0	0	0	22
Reversions and Cancellations	-76	0	0	0	-76
<b>Actual Expenditures</b>	<b>\$1,362</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,362</b>
<b>Fiscal 2017</b>					
Legislative Appropriation	\$1,461	\$0	\$0	\$0	\$1,461
Cost Containment	0	0	0	0	0
Budget Amendments	20	0	0	0	20
<b>Working Appropriation</b>	<b>\$1,481</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,481</b>

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



## **Fiscal 2016**

The Office of the State Prosecutor (OSP) finished fiscal 2016 \$11 below its legislative appropriation. A deficiency appropriation added \$53,601 to cover a fiscal 2015 cost overrun (\$4,857) and fiscal 2016 operating expenses (\$48,744), and \$22,000 was added by budget amendment to restore employee salaries that would otherwise have been reduced 2% effective July 1, 2015. These increases are offset by a decrease of \$75,612 in unspent operating funds.

## **Fiscal 2017**

The fiscal 2017 appropriation for OSP is \$19,623 above the legislative appropriation due to a budget amendment to allocate employee merit salary increases included in the fiscal 2017 budget.

**Appendix 2**  
**Audit Findings**

Audit Period for Last Audit:	September 13, 2012 – July 23, 2015
Issue Date:	September 2015
Number of Findings:	0
Number of Repeat Findings:	0
% of Repeat Findings:	n/a
Rating: (if applicable)	n/a

The audit did not disclose any findings.

**Appendix 3  
Object/Fund Difference Report  
Office of the State Prosecutor**

<u>Object/Fund</u>	<u>FY 16 Actual</u>	<u>FY 17 Working Appropriation</u>	<u>FY 18 Allowance</u>	<u>FY 17 - FY 18 Amount Change</u>	<u>Percent Change</u>
<b>Positions</b>					
01 Regular	13.00	13.00	13.00	0.00	0%
<b>Total Positions</b>	<b>13.00</b>	<b>13.00</b>	<b>13.00</b>	<b>0.00</b>	<b>0%</b>
<b>Objects</b>					
01 Salaries and Wages	\$ 1,199,593	\$ 1,326,727	\$ 1,306,101	-\$ 20,626	-1.6%
02 Technical and Spec. Fees	66	0	0	0	0.0%
03 Communication	19,953	11,993	14,628	2,635	22.0%
04 Travel	4,349	2,500	5,000	2,500	100.0%
07 Motor Vehicles	28,520	16,340	13,740	-2,600	-15.9%
08 Contractual Services	7,703	19,534	19,083	-451	-2.3%
09 Supplies and Materials	21,962	26,440	46,715	20,275	76.7%
12 Grants, Subsidies, and Contributions	4,857	0	0	0	0.0%
13 Fixed Charges	74,942	77,474	78,094	620	0.8%
<b>Total Objects</b>	<b>\$ 1,361,945</b>	<b>\$ 1,481,008</b>	<b>\$ 1,483,361</b>	<b>\$ 2,353</b>	<b>0.2%</b>
<b>Funds</b>					
01 General Fund	\$ 1,361,945	\$ 1,481,008	\$ 1,483,361	\$ 2,353	0.2%
<b>Total Funds</b>	<b>\$ 1,361,945</b>	<b>\$ 1,481,008</b>	<b>\$ 1,483,361</b>	<b>\$ 2,353</b>	<b>0.2%</b>

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

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