

Department of Legislative Services

Maryland General Assembly

2002 Session

FISCAL NOTE

Senate Bill 104

(Chairman, Budget and Taxation)

(Departmental – Budget and Management)

Budget and Taxation

Commerce and Government Matters

**Council on Management and Productivity - Membership, Duties, Terms, and
Sunset Extension**

This bill extends the termination date of the Council on Management and Productivity from June 30, 2002 to July 1, 2007. The bill also alters the number of members on the council, the terms and conditions for council membership, and the duties of the council.

The bill is effective June 1, 2002.

Fiscal Summary

State Effect: General fund expenditures for the Council on Management and Productivity would continue beyond FY 2002. The FY 2002 budget included \$296,700 in administrative and other costs for the council. Out-year expenditures are expected to remain relatively constant. Revenues would not be affected.

Local Effect: None.

Small Business Effect: The Department of Budget and Management has determined that this bill has minimal or no impact on small business (attached). Legislative Services concurs with this assessment.

Analysis

Bill Summary: The bill reduces the number of council members from 25 to 19. The six members eliminated are: three representatives of labor, local government, and nonprofit

organizations; one member of the Senate; one member of the House of Delegates; and one member of the Judicial branch.

The bill also staggers the terms of the members and permits a member to be removed for incompetence, misconduct, or failure to attend meetings. The responsibilities of the council are extended to include facilitating the use of best practices by State agencies.

Current Law: The Council on Management and Productivity has 25 members:

- 13 representatives of labor, local government, and nonprofit organizations appointed by, and serving at the pleasure of the Governor;
- two members of the Senate of Maryland appointed by the President of the Senate;
- two members of the House of Delegates appointed by the Speaker of the House;
- two representatives of the Judicial Branch appointed by the Chief Judge of the Maryland Court of Appeals;
- two representatives of the business community – one appointed by the President of the Senate and one appointed by the Speaker of the House; and
- four representatives of the general public – two appointed by the President and two appointed by the Speaker.

The Governor appoints a chairman from the members. Unless extended by law, all council members terms expire on June 30, 2002. Council members are not compensated but are entitled to reimbursement for travel expenses. Two employees of the Department of Budget and Management serve as the Executive Director and Administrative Assistant for the council.

The council is an advisory body and is charged with:

- soliciting ideas, proposals, and suggestions from the business community, other governmental entities, and the public on ways for the State to more efficiently manage resources;
- reviewing and evaluating State government organizational structure and management practices;
- evaluating and recommending public-private alternatives for the operation and management of State programs and assets, and ownership of real property assets;
- examining government contracting policies and procedures; and
- providing information on entrepreneurial government activities and offering procedural and implementation assistance.

The council must submit a report by October 30 of each year to the Governor, Legislative Policy Committee, and the General Assembly concerning its activities and recommendations.

Background: In response to the fiscal difficulties of the early 1990s, Chapter 94 of 1994 created a 25-member Efficiency 2000 Commission, as an independent unit of government. The commission chairman was elected from among the members. The commission was to be staffed by an Executive Director, have an assigned Assistant Attorney General, and in addition to being able to hire permanent and temporary staff, able to utilize Executive Branch personnel. The commission was charged with assessing government policies and practices and advising on how to make government more responsive to the fiscal realities of the 1990s. The legislation was effective July 1, 1995. The Efficiency 2000 Commission members were not appointed.

Governor Parris Glendening, by Executive Order, created The Council on Management and Productivity in 1995. Chapter 171 of the Acts of 1996 codified the council in statute, and eliminated the Efficiency 2000 Commission.

During fiscal 2002 the council sought and obtained a \$200,000 grant from the Open Society Institute for implementing the Offender Employment Initiative, which includes the Advisory Council on Offender Employment Coordination as provided in Chapter 687 of 2001. As of January 7, 2002, \$100,000 in grant monies have been received and transferred to the Department of Public Safety and Correctional Services (DPSCS) to implement the initiative. In addition, the council sought and received a \$330,000 grant from the Governor's Council on Crime Control and Prevention, also for implementation of the initiative. As of January 7, 2002 no grant monies have been received.

State Fiscal Effect: General fund expenditures for the council will be maintained beyond fiscal 2002 because the bill proposes to continue the council. The fiscal 2002 budget contains \$170,000 in administrative costs for the council, consisting primarily of contractual services associated with council projects. In addition, the fiscal 2002 budget for the Department of Budget and Management includes approximately \$126,700 for the salaries and benefits of the two employees assigned to the council. It is assumed that the 2003 budget will include a comparable amount. It is also assumed that the decrease in membership will not materially affect the council's expenditures.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Department of Budget and Management, Department of Legislative Services

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Analysis by: Christine A. Scott

Direct Inquiries to:
John Rixey, Coordinating Analyst
(410) 946-5510
(301) 970-5510