

D15A05
Boards, Commissions, and Offices
Executive Department

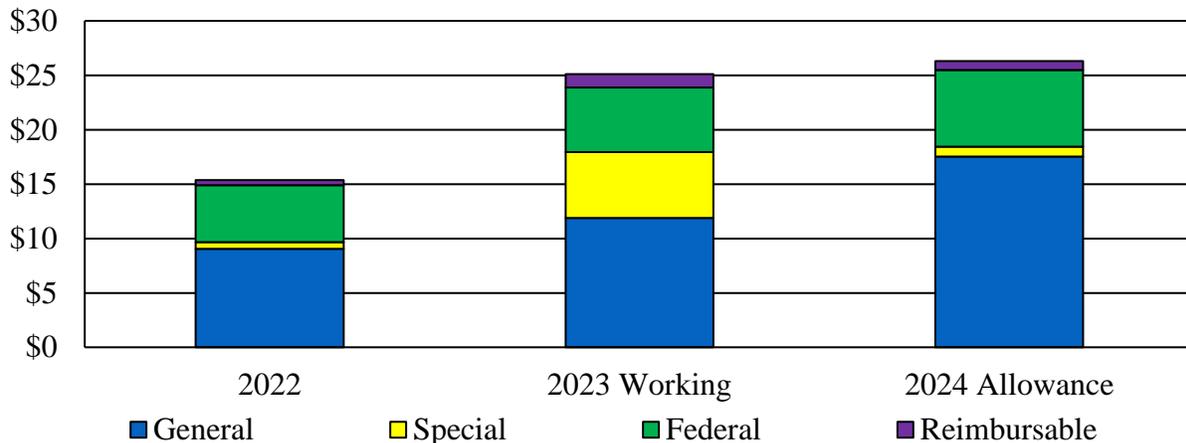
Program Description

The Boards, Commissions, and Offices unit of the Executive Department contains various entities created by an executive order or statute to provide planning and coordination for Executive Branch functions or to investigate and make recommendations on problems affecting the administration of government or the welfare of the State. The unit includes Survey Commissions; the Governor’s Office of Small, Minority, and Women Business Affairs (GOSBA); the Governor’s Office of Community Initiatives (GOCI); the State Ethics Commission; the Health Care Alternative Dispute Resolution Office; the State Commission on Criminal Sentencing Policy; the Governor’s Grants Office; the State Labor Relations Board; the Governor’s Coordinating Offices Shared Services Unit; the Board of Contract Appeals; and the Maryland Corps Program.

This analysis continues to reflect the budget for the Maryland Commission on African American History and Culture (MCAAHC), which had formerly functioned within GOCI. MCAAHC operates the Banneker-Douglass Museum and makes funding recommendations for the Maryland Historic Trust’s African American Heritage grants. Chapters 451 and 452 of 2022 established MCAAHC as an independent agency. MCAAHC remains included as a part of the fiscal 2024 analysis of the Executive Department’s Boards, Commissions, and Offices analysis; however, funding and positions for MCAAHC are budgeted under program D22A01.01.

Operating Budget Summary

Fiscal 2024 Budget Increases \$1.2 Million, or 4.7%, to \$26.3 Million
(\$ in Millions)



Note: The fiscal 2023 working appropriation includes deficiency appropriations including this agency’s share of a deficiency appropriation budgeted in the Statewide Account within the Department of Budget and Management (DBM). Fiscal 2024 salary enhancements are budgeted in the Statewide Account within DBM.

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Proposed Deficiency

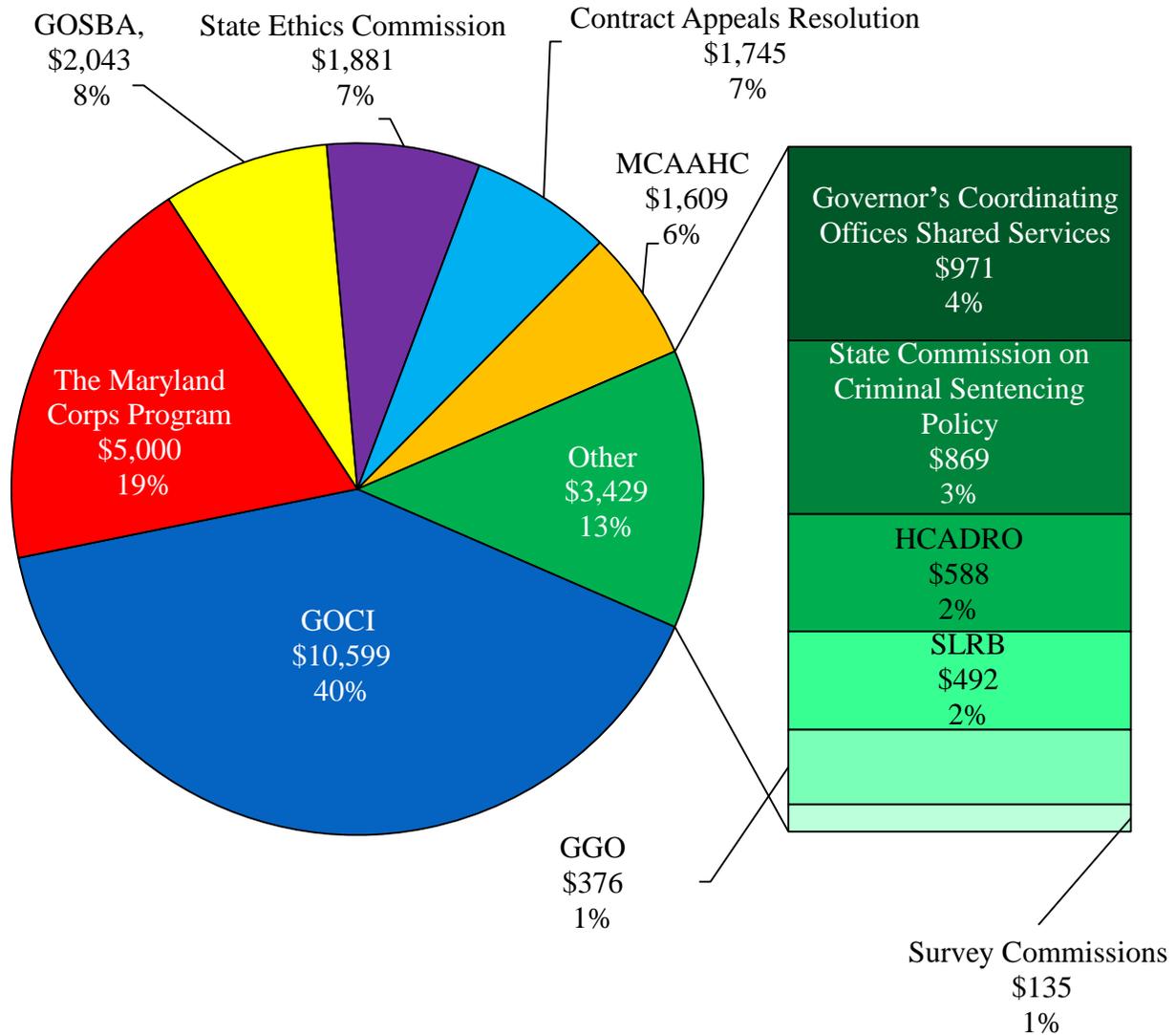
Proposed deficiency appropriations supplement the fiscal 2023 budget for the Boards, Commissions, and Offices units by \$1.3 million in general funds and \$9,287 in special funds. Deficiencies are provided for the following purposes:

- \$639,916 in general funds to fund a settlement for claims raised by the U.S. Department of Justice concerning the administration of AmeriCorps grants within the Governor’s Office on Service and Volunteerism (GOSV);
 - these claims brought by the U.S. Attorney for the District of Maryland included violations of the AmeriCorps grant requirements, improper charging of salaries to the AmeriCorps grant, and overcharging AmeriCorps on certain federal financial reports. This settlement also included a three-year compliance agreement wherein AmeriCorps will govern and monitor GOSV’s AmeriCorps awards to ensure compliance with grant procedures. **GOSV should comment on what internal changes can be made to prevent a reoccurrence of issues, which led to this settlement, as well as any changes made to alleviate issues created by the settlement;**
- \$142,057 in general funds to fund the Minority Business Enterprise’s (MBE) Ombudsman position, along with 2 compliance positions;
- \$45,042 in general funds to fund a dedicated fiscal position in GOCI;
- \$19,740 in general funds and \$9,287 in special funds to supplement the appropriation for the reclassification of 4 positions for the State Ethics Commission;
- \$30,850 in general funds to fund contractual salary adjustments for the State Commission on Criminal Sentencing Policy; and
- \$382,028 in general funds to fund 3 Maryland State Board of Contract Appeals board members and 3 law clerks.

Fiscal 2024 Overview of Agency Spending

As shown in **Exhibit 1**, the largest program in this budget unit is GOCI, which occupies 40% of the total budget. The next largest program is the Maryland Corps Program, which is responsible for 19% of the budget. Other programs in this office each account for less than 10% of the unit’s total budget.

Exhibit 1
Overview of Agency Spending
Fiscal 2024 Allowance
(\$ in Thousands)



GGO: Governor's Grants Office
 GOCI: Governor's Office of Community Initiatives
 GOSBA: Governor's Office of Small, Minority, and Women Business Affairs
 HCADRO: Health Care Alternative Dispute Resolution Office
 MCAAHC: Maryland Commission on African American History and Culture
 SLRB: State Labor Relations Board

Source: Department of Budget and Management; Department of Legislative Services

Proposed Budget Change

As shown in **Exhibit 2**, the fiscal 2024 allowance increased by \$1.2 million, or 4.7%, over the fiscal 2023 working appropriation. \$900,000 of the increase is to the MCAAHC, as mandated by Chapter 451 of 2022, which increased the appropriation for MCAAHC to \$1.6 million. The largest increase is for new positions, which adds \$547,733 to the fiscal 2024 allowance. Other significant increases include AmeriCorps grants to State agencies, along with a significant change in the amount budgeted for turnover in positions.

Exhibit 2
Proposed Budget
Executive Dept – Boards, Commissions and Offices
(\$ in Thousands)

How Much It Grows:	<u>General</u>	<u>Special</u>	<u>Federal</u>	<u>Reimb.</u>	<u>Total</u>
	<u>Fund</u>	<u>Fund</u>	<u>Fund</u>	<u>Fund</u>	
Fiscal 2022 Actual	\$9,058	\$599	\$5,244	\$473	\$15,374
Fiscal 2023 Working Appropriation	11,880	6,073	5,921	1,240	25,115
Fiscal 2024 Allowance	<u>17,522</u>	<u>909</u>	<u>7,066</u>	<u>809</u>	<u>26,306</u>
Fiscal 2023-2024 Amount Change	\$5,642	-\$5,164	\$1,145	-\$431	\$1,191
Fiscal 2023-2024 Percent Change	47.5%	-85.0%	19.3%	-34.8%	4.7%

Where It Goes:

Change

Personnel Expenses

New positions.....	\$548
Turnover adjustments.....	370
Employee and retiree health insurance.....	366
Other fringe benefit adjustments.....	157
Annualization of November 2022 4.5% COLA.....	108
Reclassification.....	28
Unemployment compensation.....	1
Tuition waivers.....	1
Social Security contributions.....	-9
Employees’ retirement system.....	-10
Regular salaries.....	-166

Other Changes

Contractual Personnel.....	259
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Where It Goes:	<u>Change</u>
AmeriCorps grants to State agencies including the Department of Natural Resources, the University of Maryland, Volunteer Maryland, and others.....	255
Agency allocation for statewide cost allocations	91
Other adjustments.....	60
Motor vehicle purchases and leasing	24
Training and development for contractual staff	15
New and upgraded computers	14
Out-of-state conferences and travel.....	12
Electricity expenses.....	10
In-state conferences and travel.....	9
Telecommunications expenses	9
Cell phone expenses	8
Uniform Law Commission annual dues.....	8
Audio visual equipment for MCAAHC	5
Garage rental expenses.....	3
Decrease in external staffing for Maryland Corps: replaced with 5 regular PINs ...	-345
One-time fiscal 2023 settlement costs for AmeriCorps litigation.....	-640
Total	\$1,191

COLA: cost-of-living adjustment

MCAAHC: Maryland Commission on African American History and Culture

PIN: position identification number

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

Personnel Data

	<u>FY 22</u> <u>Actual</u>	<u>FY 23</u> <u>Working</u>	<u>FY 24</u> <u>Allowance</u>	<u>FY 23-24</u> <u>Change</u>
Regular Positions	69.60	82.60	88.60	6.00
Contractual FTEs	<u>0.90</u>	<u>3.50</u>	<u>5.50</u>	<u>2.00</u>
Total Personnel	70.50	86.10	94.10	8.00

Vacancy Data: Regular Positions

Turnover and Necessary Vacancies, Excluding New Positions	2.26	2.93%
Positions and Percentage Vacant as of 12/31/22	6.00	7.26%
Vacancies Above Turnover	3.74	

- The fiscal 2024 allowance reflects a net increase of 6 positions across the units with the Boards, Commissions, and Offices. The new positions this year include 5 new positions for the Maryland Corps program. These positions are part of the Maryland Corps program in its status as a unit under the Executive Department’s Boards, Commissions, and Offices unit. Previously, the responsibilities of these positions were externally staffed.

Key Observations

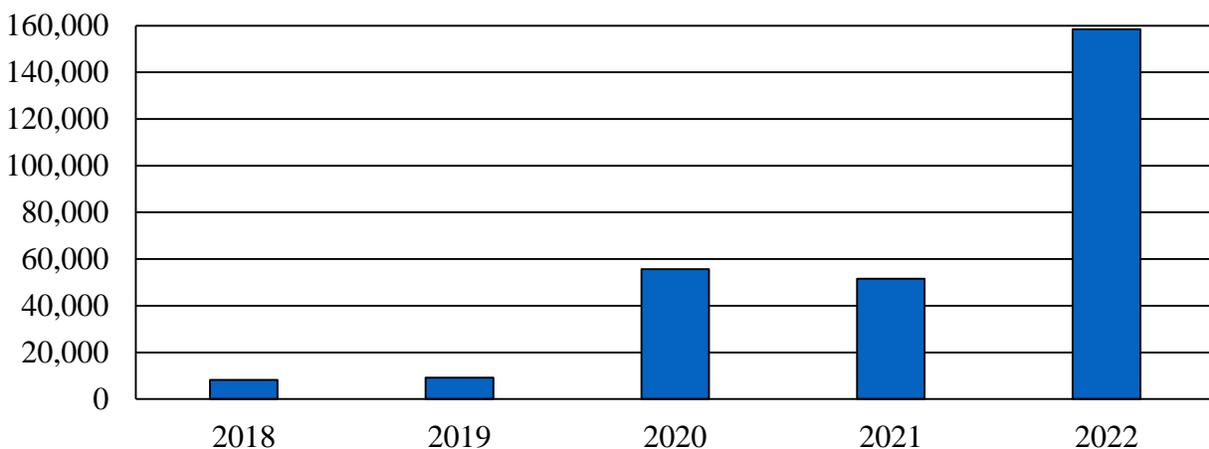
1. MCAAHC Formally Established as Independent Agency; Banneker-Douglass Museum Enhances Engagement

Chapter 452 established MCAAHC as an independent unit within the Executive Branch. The legislation also required that the Governor include \$1,600,000 for the commission in the annual budget bill. This increased the general fund appropriation for MCAAHC from \$789,325 in fiscal 2023 to \$1.6 million in fiscal 2024. MCAAHC oversees the operation of the Banneker-Douglass Museum. The commission also administers the African American Heritage Preservation Program with the Maryland Historical Trust. This competitive grant program supporting African American heritage properties is offered yearly to nonprofit organizations and local jurisdictions.

Banneker-Douglas Museum Activity

The COVID-19 pandemic altered the way accessibility and visibility to interested audiences is measured by MCAAHC. As **Exhibit 3** shows, engagement appears to grow substantially between fiscal 2019 and 2020, and again between fiscal 2021 and 2022. During the pandemic-induced limitations to in-person visitation, the museum shifted to a larger online presence and began including online interactions in its reported measure beginning in fiscal 2020. Starting in fiscal 2022, engagement data is reported as in-person visitations along with engagement via various online platforms. In-person visitors totaled 4,868 individuals in fiscal 2022, approximately half of the in-person population that visited the museum in fiscal 2019.

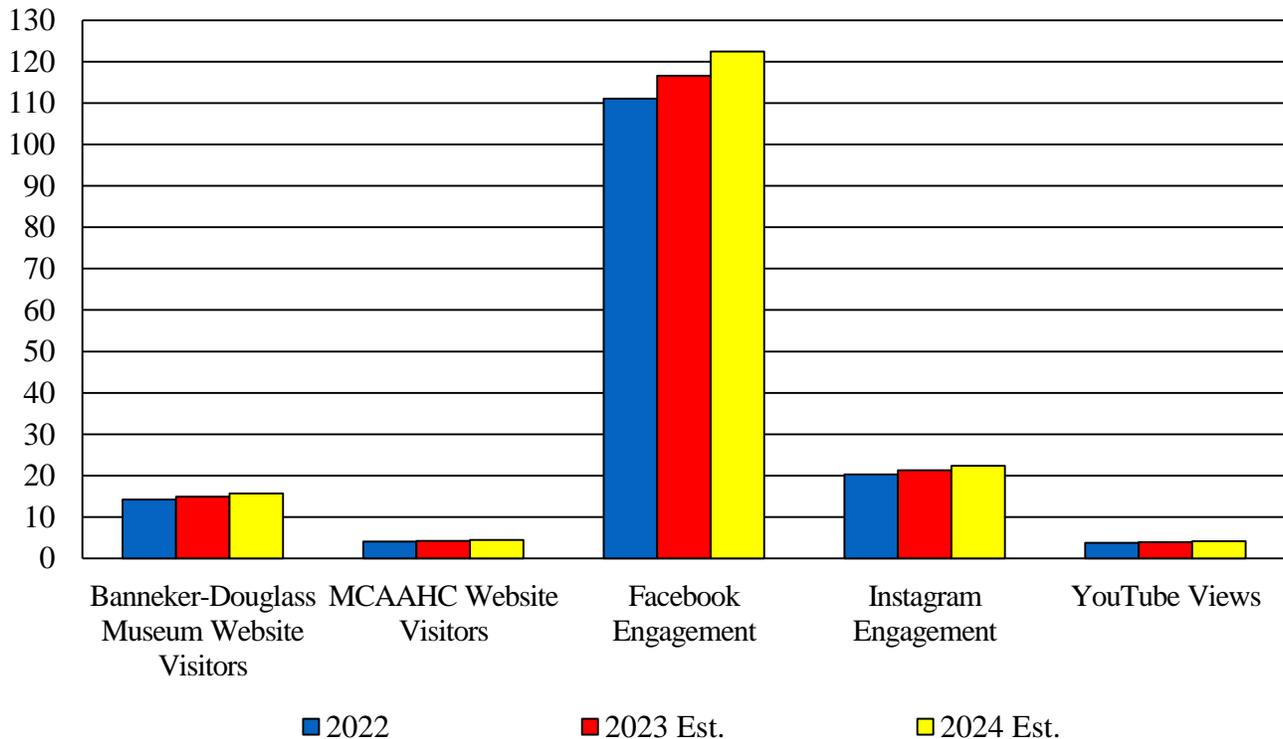
Exhibit 3
MCAAHC and Banneker-Douglass Museum Engagement
Fiscal 2018-2022



Source: Maryland Commission on African American History and Culture

The new metrics that MCAAHC has begun to report with the fiscal 2022 actual data include tracking visits to the MCAAHC website as well as social media engagement with profiles for the museum on Facebook, Instagram, and LinkedIn, and YouTube. By providing information and access in a virtual environment, MCAAHC is able to increase awareness of themselves and the Banneker-Douglass Museum. In fiscal 2022, the first year for which this data is available, 153,508 interactions were recorded with the MCAAHC website, YouTube channel, and other social media profiles. In fiscal 2023, this total is projected to increase to 161,183 interactions. A full breakdown of the first year of data as well as projections for fiscal 2023 and 2024 can be found in **Exhibit 4**.

Exhibit 4
Online Engagement with the MCAAHC and the Banneker-Douglass Museum
Fiscal 2022-2024 Est.
(in Thousands)



MCAAHC: Maryland Commission on African American History and Culture

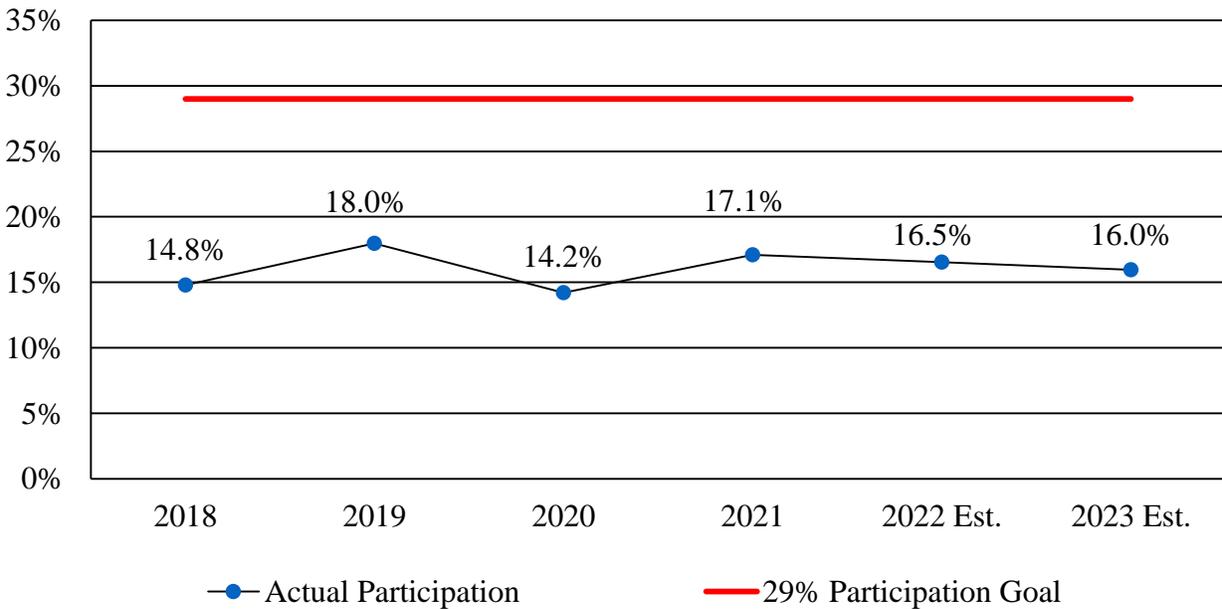
Source: Department of Budget and Management; Department of Legislative Services

MCAAHC should comment on how their operations have changed since becoming an independent agency and plans for continued expansion and engagement with the community.

2. Minority Business Enterprise Participation Remains Stagnant

MBE was established in 1978 with the goal of promoting the inclusion of small businesses whose owners are socially and economically disadvantaged in the State’s procurement and contracting opportunities. Since fiscal 2014, the goal for participation in MBE has been 29%, but this goal has been missed in each fiscal year since that point. Additionally, the previous goal was 25%, and that number also has not been achieved in any fiscal year since fiscal 2014. **Exhibit 5** shows that the level of MBE participation has remained mostly stagnant in recent years. Fiscal 2021 MBE participation was 17.1%, an increase from the recent low of 14.2% in fiscal 2020, but still 11.9 percentage points below the goal of 29%.

Exhibit 5
State Procurement and Contracting Opportunities for MBE Attainment
Fiscal 2018-2023 Est.



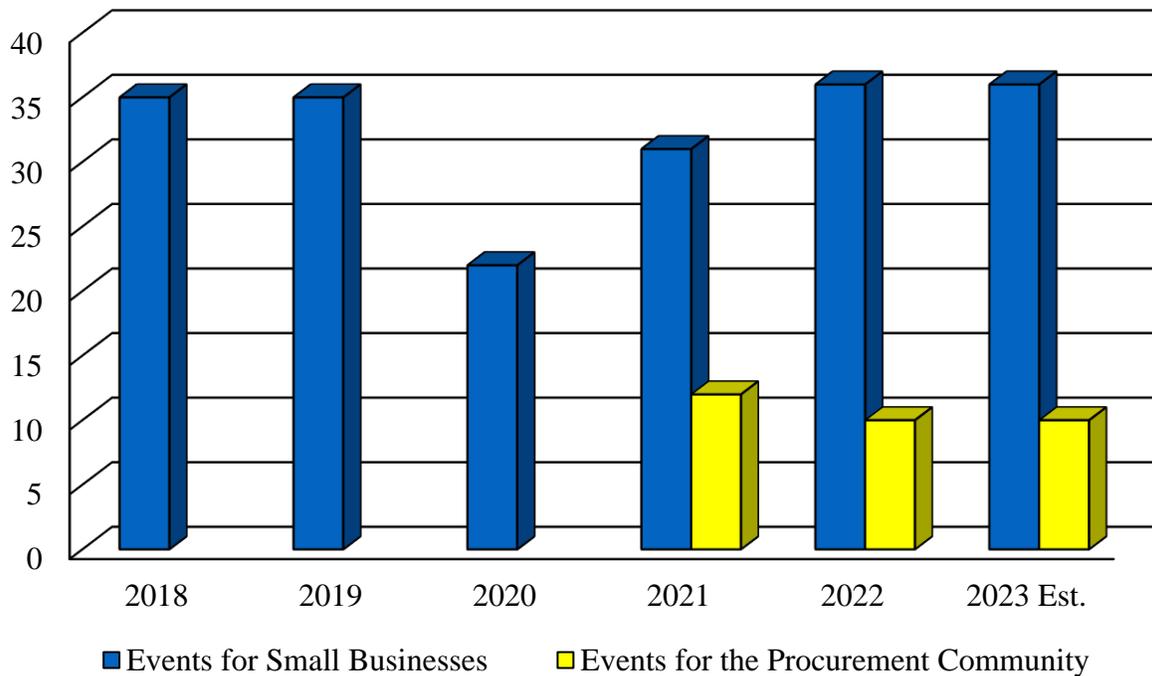
MBE: Minority Business Enterprise

Source: Department of Budget and Management; Department of Legislative Services

GOSBA has increased outreach to the small business community in an effort to increase MBE participation, but this has not resulted in any substantial progression toward the 29% goal for MBE participation nor toward the 15% goal for the Small Business Reserve (SBR) participation goal. Additionally, GOSBA hosts events each year focused on educating and training members of the procurement community in an effort to increase MBE and SBR participation. In

fiscal 2021, 31 events were held to train small business on the MBE program, and 12 events were held to train the procurement community. In contrast, GOSBA held 36 events for small businesses in fiscal 2022, 5 more than the year prior, while only holding 10 events for the procurement community, 2 fewer than the year prior. **Exhibit 6** illustrates the number of these events held each year.

Exhibit 6
Minority Business Enterprise Outreach Events
Fiscal 2018-2023 Est.

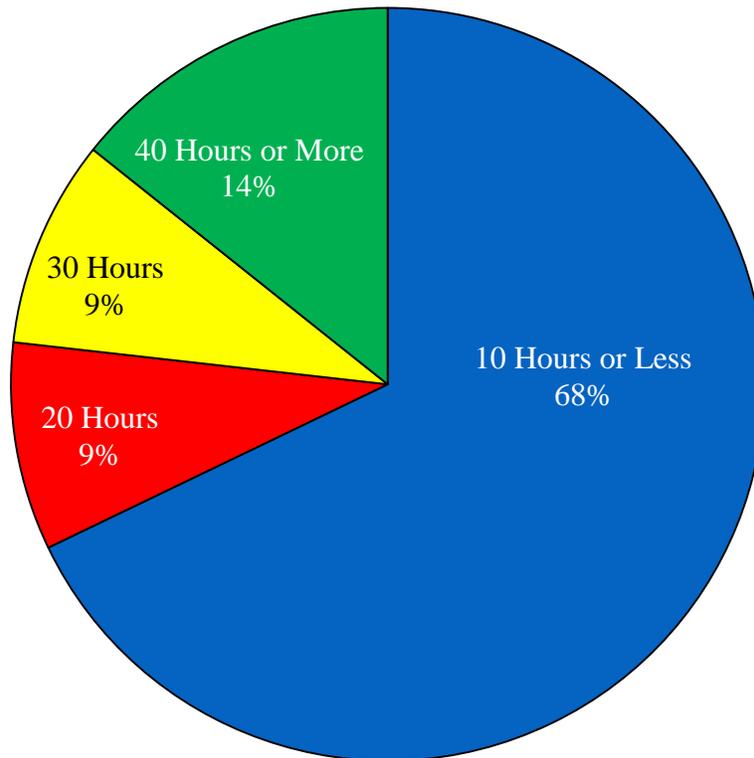


Note: Procurement Community events were not held before 2021.

Source: Department of Budget and Management; Department of Legislative Services

With MBE and SBR participation remaining stagnant for an extended period of time, GOSBA has collected data from participating agencies on their agency’s MBE liaisons. In calendar 2022, 73 agencies were surveyed as part of the Agency Liaison Survey. Of the agencies surveyed, 64 submitted a response, and a total of 56 agencies reported having the role of MBE liaison filled in calendar 2022. One question on the survey was, “What is the average amount of time the MBE liaison spends administering the MBE program weekly?” The answers from the agency liaisons are depicted in **Exhibit 7**.

Exhibit 7
Time Spent Administering the MBE Program Weekly by MBE Liaisons
Fiscal 2022



MBE: Minority Business Enterprise

Source: Governor’s Office of Small Minority, and Women Business Affairs; Department of Legislative Services

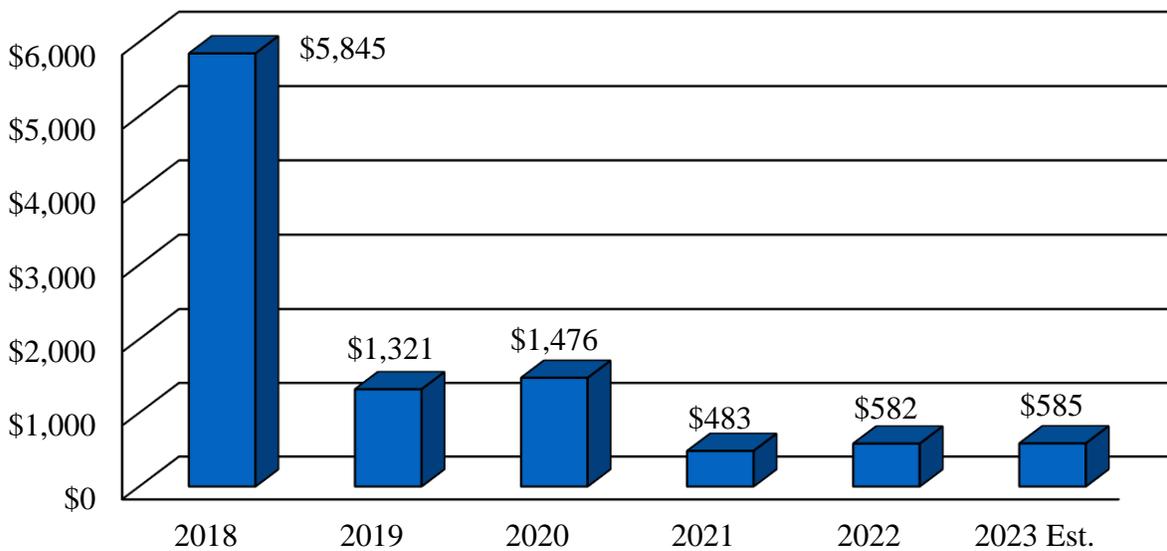
With MBE participation not reaching the goal for participation set as part of the program, GOSBA’s continued outreach and training efforts appear to be the best avenue available for increasing participation in the program.

The Department of Legislative Services (DLS) recommends the adoption of committee narrative requesting that GOSBA continue to collect and report the findings of the MBE Participation and Liaison Attainment surveys in order to monitor the State’s progress toward achieving its MBE goals. In addition, the agency should comment on how it utilizes the data gathered from the survey to improve MBE participation and discuss other methods that could be utilized for further increasing MBE participation and the impact of MBE liaisons.

3. Volunteer Activity Remains Low Post Pandemic

The GOCI Volunteer Maryland program is tasked with developing volunteer programs that help to meet needs in multiple areas, including economic opportunity, education, disaster services, veterans and military families, and others. Since the onset of the pandemic, multiple metrics used to track volunteer contributions in the Volunteer Maryland program have suffered significant decreases. One of the most changed figures is the value of volunteer hours and in-kind contributions. In 2018, the value of volunteer hours and in-kind contributions were \$5.85 million, and it decreased to \$1.32 million in 2019. In fiscal 2022, the value had fallen all the way to \$582,000. **Exhibit 8** shows the change in the value of volunteer hours since fiscal 2018.

Exhibit 8
Value of Volunteer Hours and In-kind Contributions
Fiscal 2018-2023 Est.
(\$ in Thousands)

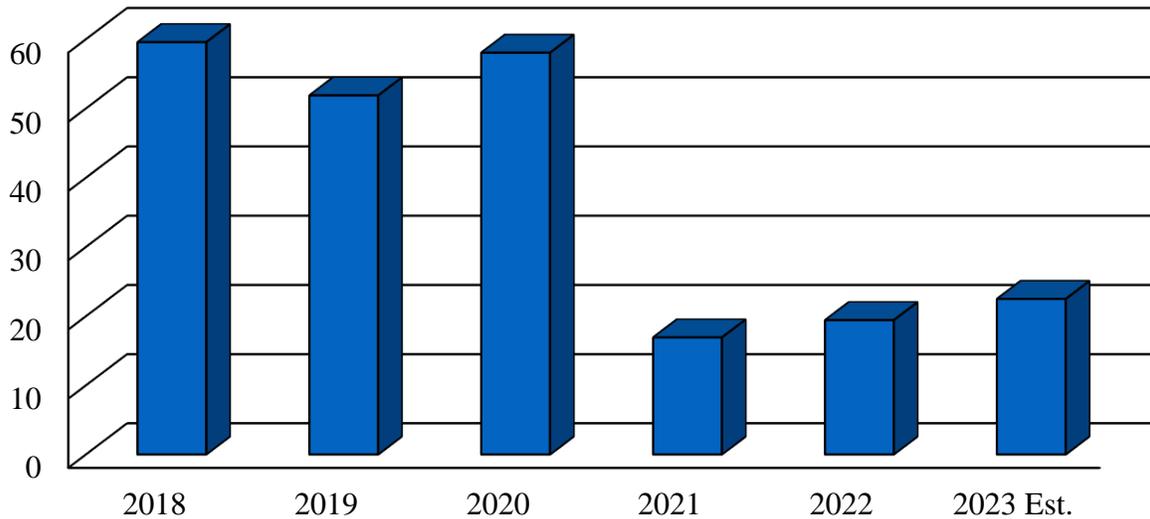


Note: Volunteer time is valued at \$29.95 per hour.

Source: Governor’s Office of Community Initiatives; Department of Legislative Services

Volunteer hours contributed to the State fell by more than 70% between fiscal 2020 and 2021, falling from over 58,000 hours to 16,940 hours. Although there was modest growth in fiscal 2022, the fiscal 2023 estimate is still 35,000 hours below the prepandemic level. **Exhibit 9** illustrates this trend over the past several years.

Exhibit 9
Volunteer Hours Contributed to the State
Fiscal 2018-2023 Est.
(in Thousands)



Source: Governor’s Office of Community Initiatives; Department of Legislative Services

The GOCI Volunteer Maryland program should comment on the change in the value of volunteer hours and in-kind contributions, which has been present since fiscal 2019, before the COVID-19 pandemic. Additionally, the GOCI Volunteer Maryland program should comment on any efforts being undertaken to increase the value of volunteer hours and in-kind contributions.

4. Maryland Corps Program

The Maryland Corps Program and the associated Maryland Corps Program Fund were created by Chapter 654 of 2016. Chapter 37 of 2022 established a mandate of \$5.0 million in fiscal 2024, with increased amounts mandated in the fiscal years following. This program provides service opportunities to at least 100 participants. These service opportunities address various social needs of communities across the State. Additionally, the program provides scholarships to those volunteers who complete the program. These scholarships can be applied to vocational certificates as well as associate and bachelor’s degrees.

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The Maryland Corps program is a significant State initiative to promote service and volunteerism in the State. Executive Order 01.01.2023.02 was issued by Governor Wes Moore on January 19, 2023, and this order created a new Department of Service and Civic Innovation (DSCI). The order specifies that GOSV, the Governor’s Commission on Service and Volunteerism, and the Maryland Corps are assigned to this new department.

The Administration should comment on the operational plans for the Maryland Corps Program and how it fits in with the plans for DSCI.

Operating Budget Recommended Actions

1. Adopt the following narrative:

Agency Minority Business Enterprise (MBE) Participation Attainment and Liaison Surveys: The committees are concerned by the continued low MBE attainment in State procurement and that Small Business Reserve and MBE program liaison positions remain vacant in some State agencies. The committees request that the Governor’s Office of Small, Minority, and Women Business Affairs (GOSBA), in consultation with the Department of General Services (DGS), continue to administer the Agency MBE Participation and Liaison surveys and report the results, by agency, to the committees on December 1, 2023.

Information Request	Author	Due Date
Agency MBE participation attainment and liaison surveys	GOSBA DGS	December 1, 2023

Appendix 1
2022 Joint Chairmen’s Report Responses from Agency

The 2022 *Joint Chairmen’s Report* (JCR) requested that the Boards, Commissions, and Offices unit of the Executive Department prepare three reports. Electronic copies of the full JCR responses can be found on the DLS Library website.

- ***Training and Outreach Data:*** GOSBA was asked to complete a report on its efforts to train vendors on the State’s procurement practices, with particular focus on MBE goals. This report requested data from fiscal 2021 to 2023 and is due to be submitted by July 15, 2023.
- ***Agency MBE Participation Attainment and Liaison Surveys:*** GOSBA was asked to conduct a survey of State agencies to evaluate their methods for attaining MBE participation in procurement. GOSBA was also asked to conduct a survey of agency liaisons regarding vacancies in that role and the amount of time spent administering the MBE program per week at their agency. Further discussion of this data may be found in Key Observation 1 of this analysis.
- ***State Commission on Criminal Sentencing Policy:*** The Maryland State Commission on Criminal Sentencing Policy was asked to complete a plan to study the extent to which racial bias is present in sentences assigned through Maryland’s Judicial system. A report was submitted that outlined a plan for evaluating this issue. The commission stated in this report that the full report will be completed by July 15, 2023.

Appendix 2
Enterprise Grants Management Solution
Major Information Technology Project
Governor’s Grants Office

New/Ongoing: Ongoing								
Start Date: 9/28/2020					Est. Completion Date: Fiscal 2027			
Implementation Strategy: Agile								
(\$ in Millions)	Prior Year	2023	2024	2025	2026	2027	Remainder	Total
GF	\$10.100	\$0.500	\$5.400	\$7.900	\$7.600	\$7.100	\$0.000	\$38.600
Total	\$10.100	\$0.500	\$5.400	\$7.900	\$7.600	\$7.100	\$0.000	\$38.600

- Project Summary:** The statewide enterprise Grants Management System (GMS) will standardize full lifecycle grants business processes on a shared information technology platform. Maryland will eliminate cumbersome, duplicate systems; expand its portfolio of grant revenue; improve compliance; increase program performance; and establish clear, uniform standards and training for grants management personnel. The Governor’s Grants Office requests a Software as a Service Enterprise GMS solution to ensure that the State will have a compliant, functional, full grants lifecycle management system, including subrecipient management.
- Need:** Maryland receives over \$14 billion in federal grants annually; however, there is no uniform GMS, resulting in cumbersome and inefficient business processes and repeat audit findings. Cost allocation methodologies will be streamlined to capture true costs and will ripple to cost recovery with the federal grants submissions, and updates to their policies and procedures, *e.g.*, the Grant Reporting Efficiency and Agreements Transparency Act. The GMS will be compatible with these new federal standards, ensuring compliance and future grant eligibility.
- Observations and Milestones:** The request for proposals responses have now been received, and procurement activities are ongoing. An award recommendation to the Board of Public Works is expected in the second quarter of calendar 2023.
- Changes:** The project has been rebaselined to reflect the current schedule and implementation costs. There was an estimated increase in software subscription license costs from \$11.4 million to \$18.8 million. The Department of Information Technology also added independent verification and validation services due to the size and complexity of the project, which are expected to cost \$4.3 million. Further, minor changes to contractual services, hardware, and oversight costs were made, bringing the net overall increase of \$11 million to the completed project cost.

Appendix 3
Object/Fund Difference Report
Executive Department – Boards, Commissions and Offices

<u>Object/Fund</u>	<u>FY 22</u> <u>Actual</u>	<u>FY 23</u> <u>Working</u> <u>Appropriation</u>	<u>FY 24</u> <u>Allowance</u>	<u>FY 23 - FY 24</u> <u>Amount Change</u>	<u>Percent</u> <u>Change</u>
Positions					
01 Regular	69.60	77.60	88.20	10.60	13.7%
02 Contractual	0.90	3.50	3.50	0.00	0%
Total Positions	70.50	81.10	91.70	10.60	13.1%
Objects					
01 Salaries and Wages	\$ 8,199,338	\$ 9,176,892	\$ 11,498,454	\$ 2,321,562	25.3%
02 Technical and Special Fees	954,811	1,548,214	1,835,720	287,506	18.6%
03 Communication	74,015	83,126	99,987	16,861	20.3%
04 Travel	46,215	90,867	112,183	21,316	23.5%
06 Fuel and Utilities	91,415	81,319	93,289	11,970	14.7%
07 Motor Vehicles	7,134	10,465	44,992	34,527	329.9%
08 Contractual Services	831,987	6,923,365	5,875,479	-1,047,886	-15.1%
09 Supplies and Materials	29,554	48,425	68,403	19,978	41.3%
10 Equipment – Replacement	977	3,550	13,508	9,958	280.5%
11 Equipment – Additional	14,570	27,698	21,445	-6,253	-22.6%
12 Grants, Subsidies, and Contributions	4,928,967	5,294,380	6,419,375	1,124,995	21.2%
13 Fixed Charges	195,411	208,614	223,190	14,576	7.0%
Total Objects	\$ 15,374,394	\$ 23,496,915	\$ 26,306,025	\$ 2,809,110	12.0%
Funds					
01 General Fund	\$ 9,058,441	\$ 10,294,455	\$ 17,522,465	\$ 7,228,010	70.2%
03 Special Fund	598,963	6,052,922	908,515	-5,144,407	-85.0%
05 Federal Fund	5,244,324	5,909,190	7,066,163	1,156,973	19.6%
09 Reimbursable Fund	472,666	1,240,348	808,882	-431,466	-34.8%
Total Funds	\$ 15,374,394	\$ 23,496,915	\$ 26,306,025	\$ 2,809,110	12.0%

Note: The fiscal 2023 appropriation does not include deficiencies. The fiscal 2024 allowance does not include contingent reductions or cost-of-living adjustments.