

**D15A05**  
**Boards, Commissions, and Offices**  
**Executive Department**

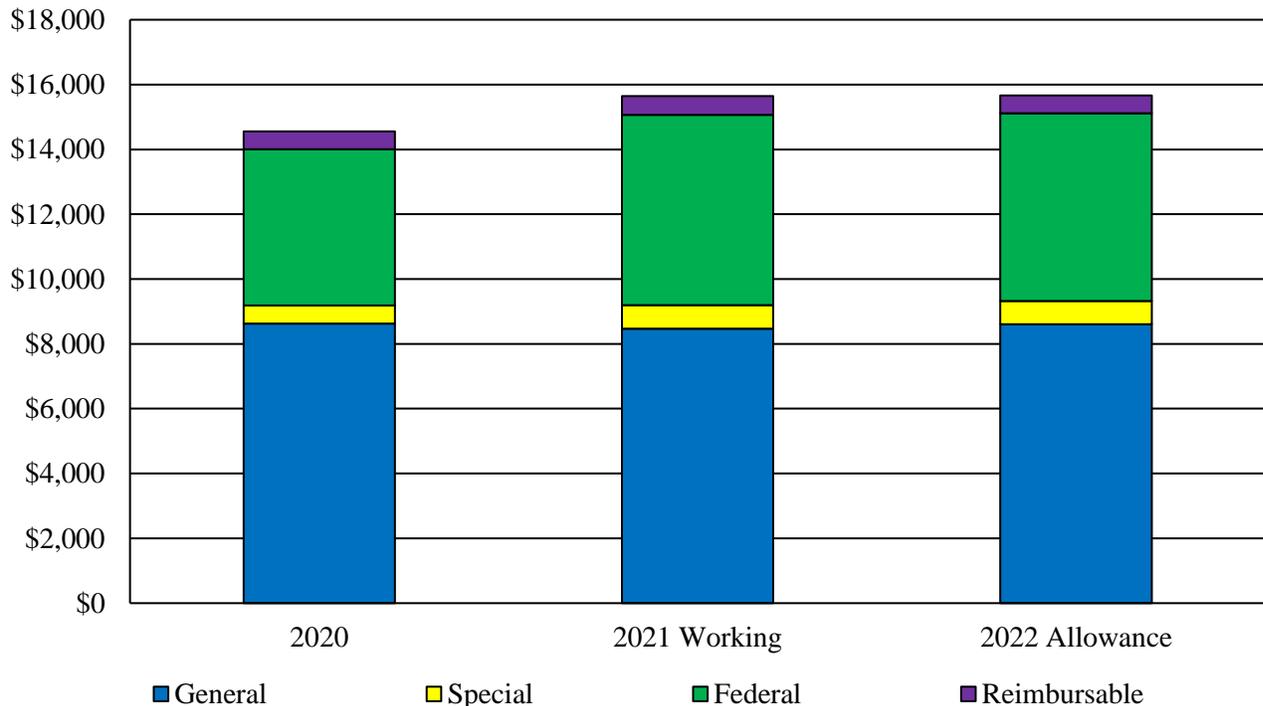
**Program Description**

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 Board of Contract Appeals; and the Governor’s Coordinating Offices Shared Services Unit.

***Operating Budget Summary***

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**Fiscal 2022 Budget Increases by \$15,194, or 0.1%, to \$15.7 Million**  
**(\$ in Thousands)**



Note: The fiscal 2021 appropriation includes general salary increases. The fiscal 2022 allowance includes annualization of general salary increases.

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## **Fiscal 2021**

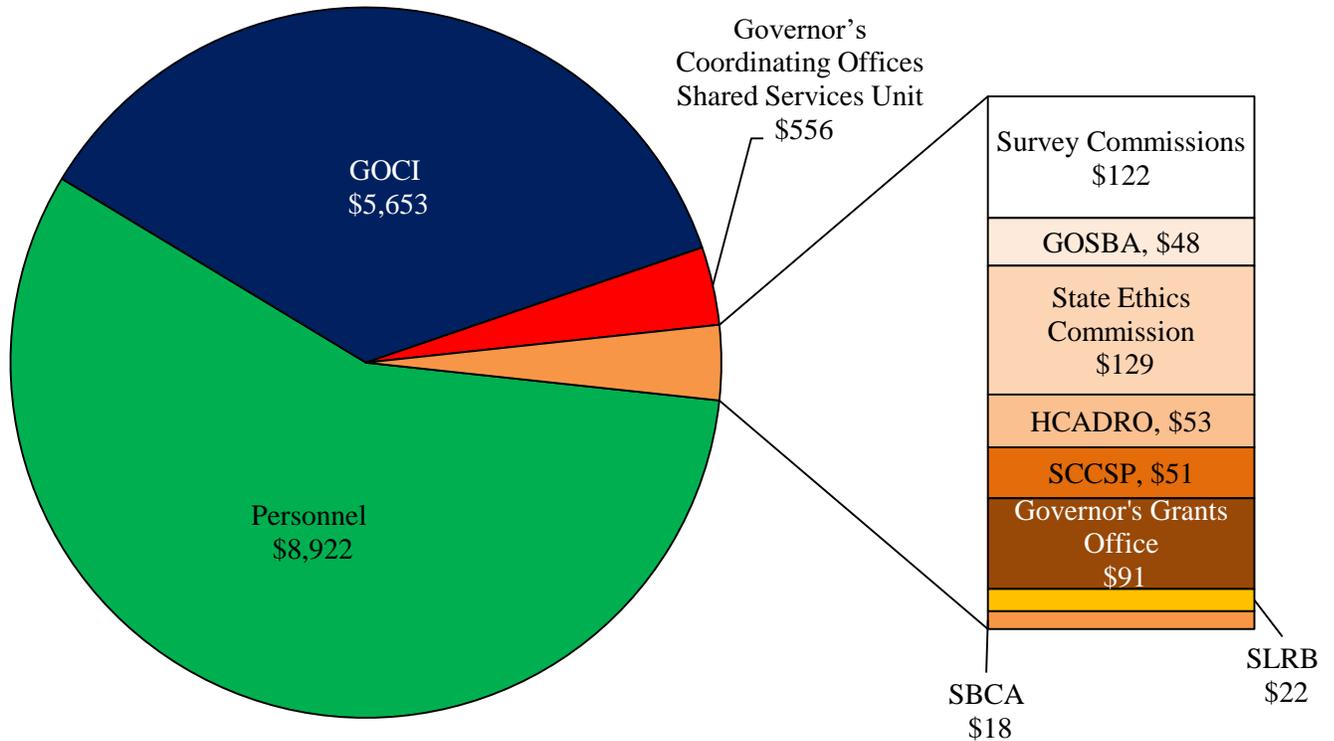
### **Cost Containment**

In response to the COVID-19 pandemic, the Administration’s budget balancing plan, approved by the Board of Public Works (BPW) on July 1, 2020, decreased the Executive Department – Boards, Commissions, and Offices’ appropriation by \$468,202, including \$466,370 in general funds, \$821 in special funds, and \$1,011 in federal funds. Statewide actions to reduce State agency unemployment insurance contributions, enhanced salaries for information technology (IT) positions, and Department of Information Technology (DoIT) Enterprise Services account for \$69,840 of the decrease. In addition, operational efficiencies including not filling contractual full-time equivalents and reducing travel, contractual services, equipment, and supplies expenditures account for the remaining \$398,362 of the decrease.

### **Fiscal 2022 Overview of Agency Spending**

As shown in **Exhibit 1**, more than half of this budget unit’s allowance is for personnel. GOCl, responsible for administrating the State’s AmeriCorps program, managing the Banneker-Douglass Museum, and a variety of other community outreach and cultural appreciation activities, comprises the next largest portion of the budget (36%).

**Exhibit 1**  
**Overview of Agency Spending**  
**Fiscal 2022 Allowance**  
**(\$ in Thousands)**



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  
 SBCA: State Board of Contract Appeals  
 SCCSP: State Commission on Criminal Sentencing Policy  
 SLRB: State Labor Relations Boards

Note: The fiscal 2022 allowance includes annualization of the fiscal 2022 general salary increase.

Source: Governor's Fiscal 2022 Budget Books

## Proposed Budget Change

As shown in **Exhibit 2**, the Boards, Commissions, and Offices budget remains nearly level compared to the fiscal 2021 working appropriation, increasing by \$15,664, or 0.1%. Notable increases occur for personnel expenditures driven by the addition of a new coordinator of autism strategy position and the annualization of general salary increases. However, expenditures for the new position are partially offset by the abolition of a long-term vacant position in GOCL. Several initiatives conclude in fiscal 2021, a reduction of \$63,176 in the fiscal 2022 allowance, which partially offsets the personnel increases.

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

<b>How Much It Grows:</b>	<b>General Fund</b>	<b>Special Fund</b>	<b>Federal Fund</b>	<b>Reimbursable Fund</b>	<b>Total</b>
Fiscal 2020 Actual	\$8,623	\$565	\$4,817	\$545	\$14,551
Fiscal 2021 Working Appropriation	8,470	721	5,877	582	15,649
Fiscal 2022 Allowance	<u>8,606</u>	<u>713</u>	<u>5,799</u>	<u>546</u>	<u>15,664</u>
Fiscal 2021-2022 Amount Change	\$136	-\$8	-\$77	-\$36	\$15
Fiscal 2021-2022 Percent Change	1.6%	-1.1%	-1.3%	-6.2%	0.1%
<b>Where It Goes:</b>					<b><u>Change</u></b>
<b>Personnel Expenses</b>					
New Coordinator of Autism Strategy position.....					\$71
Annualization of fiscal 2021 2% general salary increase .....					51
Turnover adjustments.....					21
Restore one-time reduction in unemployment contributions approved by the Board of Public Works .....					15
Other fringe benefits .....					-5
Employee retirement .....					-13
Employee and retiree health insurance .....					-34
Abolition of one position .....					-54
<b>Survey Commissions</b>					
Uniform Law Commission dues and travel to national conference .....					10
<b>Governor’s Office of Community Initiatives</b>					
Anticipated utility costs for Banneker-Douglass Museum .....					18
Align travel expenditures with anticipated revenue .....					-3

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<b>Where It Goes:</b>	<u><b>Change</b></u>
Indirect costs of grant administration.....	-3
Align expenditures for America’s Service Commission annual dues and other federal award activities, now accommodated by existing resources .....	-9
Align contractual services reflecting decision to use internal resources for audit support ....	-12
Conclusion of Galaxy Volunteer Management Software project .....	-24
Conclusion of one-time AmeriCorps Program Criminal History Background Checks grant...	-39
<b>Other Changes</b>	
Cost allocations .....	22
Lowering contractual turnover expectancy from fiscal 2021 cost containment levels, offset by abolition of two FTEs.....	7
Other .....	-3
<b>Total</b>	<b>\$15</b>

FTE: full-time equivalent

Note: Numbers may not sum to total due to rounding. The fiscal 2021 appropriation includes a general salary increase. The fiscal 2022 allowance includes annualization of the fiscal 2021 general salary increase.

## ***Personnel Data***

	<u><b>FY 20 Actual</b></u>	<u><b>FY 21 Working</b></u>	<u><b>FY 22 Allowance</b></u>	<u><b>FY 21-22 Change</b></u>
Regular Positions	70.60	68.60	68.60	0.00
Contractual FTEs	<u>2.50</u>	<u>5.50</u>	<u>3.50</u>	<u>-2.00</u>
<b>Total Personnel</b>	<b>73.10</b>	<b>74.10</b>	<b>72.10</b>	<b>-2.00</b>

### ***Vacancy Data: Regular Positions***

Turnover and Necessary Vacancies, Excluding New Positions	1.39	2.05%
Positions and Percentage Vacant as of 12/31/20	4.00	5.83%
Vacancies Above Turnover	2.61	

- One long-term vacant position in GOCI is abolished in the allowance for cost containment. The position has been vacant since calendar 2016. In the 2020 session, GOCI testified that it was in the process of reclassifying the position for internal fiscal support and oversight given the office’s size and increased funding. **The agency should comment on how it will perform internal fiscal support and oversight without this position.**

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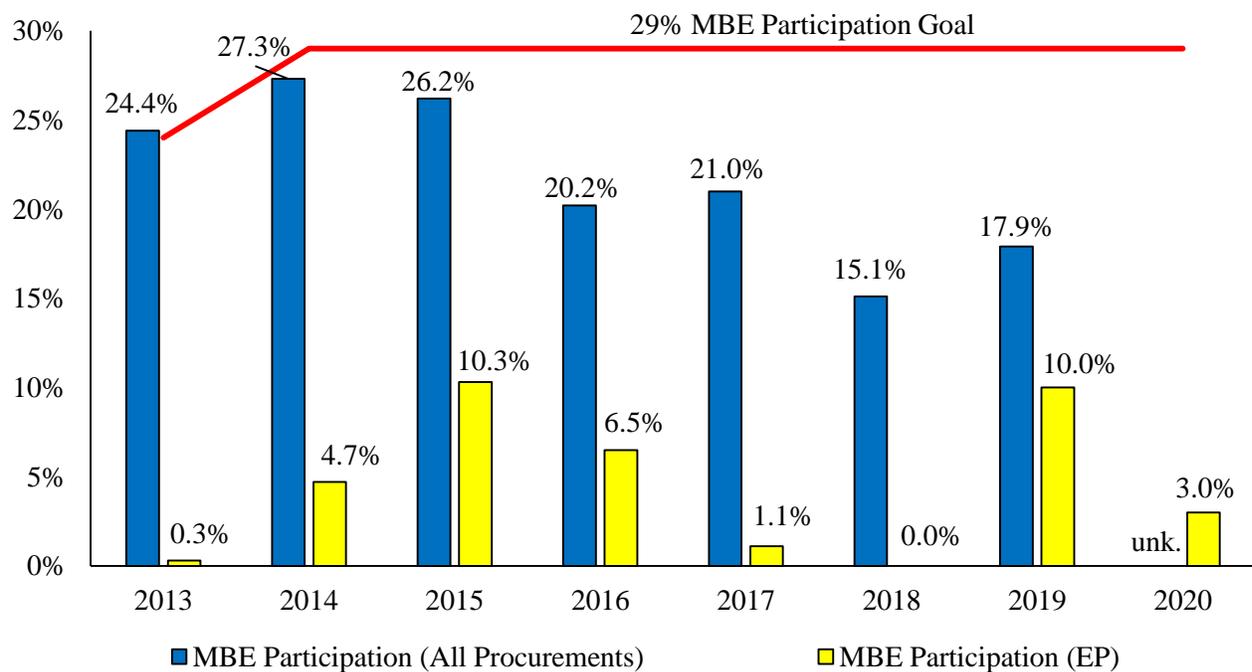
- The fiscal 2022 allowance includes funding for 1 new position, a coordinator of autism strategy, in GOCI's allowance. Chapter 341 of 2020 established a coordinator of autism strategy, and an Advisory Stakeholder Group on Autism-Related Needs, in the Maryland Department of Disabilities (MDOD). The Governor did not include funding in MDOD's fiscal 2022 allowance for the position and advisory group. Instead, the Governor's budget includes funding contingent on legislation establishing a coordinator of autism strategy in GOCI. However, neither MDOD, GOCI, nor the Administration have introduced legislation that would satisfy the contingency. The Department of Budget and Management indicates that the language is prospective, should any such legislation be enacted. HB 718 of 2021 includes legislation to mandate funding for this position in MDOD in fiscal 2023. As drafted, HB 718 does not satisfy the contingency but could be amended to do so.

## Key Observations

### 1. Facilitating Small and Minority Business Enterprise (MBE) Participation in State Procurement

Published in January 2021, the Department of Legislative Services (DLS) performed an evaluation of the State’s emergency procurement and MBE participation. Since fiscal 2013, the State’s MBE participation goal has been set at 29%, but this goal has never been met. While all procurements achieved an average of 21.3% participation from fiscal 2014 through 2019, MBE participation in emergency procurements has never exceeded 11%. As shown in **Exhibit 3**, just 3% of emergency procurements had MBE participation in fiscal 2020.

**Exhibit 3**  
**MBE Participation: All Procurements Compared to Emergency Procurements**  
**Fiscal 2013-2020**



MBE: Minority Business Enterprise  
 EP: emergency procurement

Note: Fiscal 2020 MBE participation for all procurements was not available at the time of this writing. Although many COVID-19-related emergency contracts were awarded in fiscal 2020, most were not formally presented for Board of Public Works approval until fiscal 2021 and so are not included in the data presented in this exhibit.

Source: Board of Public Works; Governor’s Office of Small, Minority, and Women Business Affairs; Department of Legislative Services Office of Program Evaluation and Government Accountability

## **Effect of COVID-19 Emergency Procurements on MBE Participation Rates**

Given that MBE participation in emergency procurements has always been lower than in all procurements, the significant use of emergency contracts to facilitate the State’s response to the COVID-19 pandemic raises concern about MBE participation. With each of these procurements, opportunities were created for some vendors, but the impact on small, minority-, women-, or veteran-owned business affairs is unclear. MBE participation was rarely required in these procurements, removing the incentive to include a diversity of businesses in the State’s procurement of these contracts.

Since the beginning of the COVID-19 pandemic, approximately \$1.0 billion in emergency contracts directly related to the State’s public health response have been approved by BPW. DLS has internally tracked each COVID-19 emergency procurement approved by BPW up to the most recent meeting on January 27, 2021. Of those related directly to the State’s health response, approximately \$70 million, or 7%, has been awarded to MBEs, and \$14 million, or 2%, was awarded to Small Business Enterprises. While the MBE participation rate in these emergency contracts is greater than the fiscal 2020 rate for all emergency contracts, the 7% MBE participation is still well below the State’s 29% MBE participation goal. GOSBA’s evaluation of the State’s fiscal 2021 total MBE participation will likely be published in the spring of 2022.

### **Activities to Improve Participation**

In the 2020 session, the committees were concerned with the State’s low MBE participation rate and requested GOSBA, in consultation with BPW, examine procurement practices that affect small business enterprises and MBEs and identify policies that would improve participation rates.

In its response to committee narrative in the 2020 *Joint Chairmen’s Report*, GOSBA indicated that the State could revise its procurement procedures to improve small, minority-, women-, or veteran-owned business participation. GOSBA suggested that large, statewide contracts could be unbundled to increase opportunities for small, minority-, women-, or veteran-owned businesses. In addition, the State could make efforts to directly solicit small, minority-, women-, or veteran-owned businesses for emergency procurements, prime contractor opportunities, and small procurements.

Recognizing the importance of small, minority-, women-, and veteran-owned businesses to the State’s economy and the State’s opportunity to promote the growth and success of these businesses, the State facilitates participation from these enterprises by:

- requiring some procurements to have a specified level of participation,
- providing liaisons for the Small Business Reserve (SBR) and MBE programs; and
- training vendors on the State procurement process.

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However, while a specific procurement can require small, minority-, women-, or veteran-owned business participation, the State is unable to set a blanket minimum participation level for a set of procurements under current law. In addition, goals for participation are set annually, but there are no consequences should an agency fail to achieve participation goals.

Many prime contractors accommodate a contract's MBE participation requirement by subcontracting part of the contract to a MBE. However, prime contractors do not always meet the established MBE goal for the contract. One potential hindrance to the State's ability to improve its MBE participation is that procurement professionals do not have a dataset available to identify prime contractors that do not meet established MBE goals. **DLS recommends that the agency comment on the feasibility of creating a database, in consultation with the Department of General Services, which would track vendors' past performance in meeting MBE requirements.**

In addition, the SBR and MBE liaison programs are integral to small and MBE's ability to ask questions, understand the procurement process, and ultimately participate in State procurement. The responsibility of a liaison is assigned to an individual at each agency and can move from position to position in the event of personnel changes. Despite this flexibility, some State agencies experience extended vacancies in the liaison position, inhibiting small and MBE's ability to communicate and do business with these agencies.

While GOSBA does not track the number of liaison vacancies at each agency, GOSBA is in frequent communication with agency liaisons when it distributes informational materials. Neither the Maryland State Department of Education nor DoIT had an MBE or SBR liaison assigned as of February 8, 2021. In addition, the Maryland Transportation Authority did not have an SBR liaison. MBE liaison responsibilities have only recently been assigned in the Office of the State Prosecutor and the Interagency Commission on School Construction. It is unclear why all State agencies do not utilize the available program flexibilities to ensure that a liaison is continuously assigned. GOSBA indicates that there is no State entity assigned to oversee the liaison programs. **Given the importance of the liaison program to the ability of small and minority businesses to participate in State procurement, DLS recommends requesting GOSBA track liaison vacancies existing each month throughout fiscal 2022 and report the data to the committees.**

## ***Operating Budget Recommended Actions***

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1. Adopt the following narrative:

**Liaison Vacancy Data:** The committees are concerned that Small Business Reserve (SBR) and Minority Business Enterprise (MBE) program liaison positions remain vacant in some State agencies, despite flexibilities provided to agencies in assigning the responsibility to staff. As the Governor’s Office of Small, Minority, and Women Business Affairs (GOSBA) is in frequent communication with agencies’ liaisons, the committees request that GOSBA track and report on which agencies have not provided SBR and MBE liaison contact information to GOSBA. The committees request that monthly data from July 2021 through December 2021 be reported with the submission of the report due on January 1, 2022, and monthly data from January 2022 through June 2022 be reported with the submission of the report due on June 30, 2022.

<b>Information Request</b>	<b>Author</b>	<b>Due Date</b>
Liaison vacancy data	GOSBA	January 1, 2022 June 30, 2022

## Updates

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- ***Governor’s Grants Office IT Project Receives Funding for a Second Year:*** In fiscal 2021, \$2.5 million was provided for the Governor’s Grants Office Enterprise Grants Management major IT development project in the Major IT Project Development Fund. The allowance anticipates that the project will cost \$27.6 million, similar to the anticipated spending included in the fiscal 2021 and 2022 IT Project Reports. While the fiscal 2021 Budget Books did not project the full cost of this project, the fiscal 2022 Budget Books now account for the full cost of this five-year project.
- ***State Ethics Commission Financial Disclosure Review:*** In fiscal 2020, 29,691 forms were reviewed, whereas in fiscal 2019, 7,091 forms were reviewed. The increase is mostly due to the use of bots, which provide automated reviews of financial disclosure forms.
- ***Health Care Alternative Dispute Resolution Office Prevented from Dismissing Claims:*** Pursuant to Maryland Rule 2-507, the Health Care Alternative Dispute Resolution Office was prohibited from dismissing cases in March through May 2020 due to the pandemic, creating a backlog of cases to be cleared in July through September 2020.
- ***Banneker-Douglass Museum Participation Increases:*** Museum attendance grew from 9,106 in fiscal 2019 to 55,656 in fiscal 2020 due to the addition of virtual programming during the pandemic.

**Appendix 1**  
**2020 Joint Chairmen’s Report Responses from Agency**

The 2020 *Joint Chairmen’s Report* (JCR) requested that the Executive Department – Boards, Commissions, and Offices prepare two reports. Electronic copies of the full JCR responses can be found on the Department of Legislative Services Library website.

- ***Report on the Director of Compliance and Legislative Affairs Position:*** The Director of Compliance and Legislative Affairs position in the Governor’s Office of Small, Minority, and Women Business Affairs has been vacant since May 1, 2018. The hiring freeze implemented as part of the Administration’s response to pandemic created financial challenges and prevented this position from being filled. At the time of this writing, the position remains vacant.
- ***Policies Affecting Small, Minority, and Women Business Enterprises:*** Further discussion of this data can be found in Key Observation 1 of this analysis.

**Appendix 2**  
**Object/Fund Difference Report**  
**Executive Department – Boards, Commissions, and Offices**

<u>Object/Fund</u>	<u>FY 20</u> <u>Actual</u>	<u>FY 21</u> <u>Working</u> <u>Appropriation</u>	<u>FY 22</u> <u>Allowance</u>	<u>FY 21 - FY 22</u> <u>Amount Change</u>	<u>Percent</u> <u>Change</u>
<b>Positions</b>					
01 Regular	70.60	68.60	68.60	0.00	0%
02 Contractual	2.50	5.50	3.50	-2.00	-36.4%
<b>Total Positions</b>	<b>73.10</b>	<b>74.10</b>	<b>72.10</b>	<b>-2.00</b>	<b>-2.7%</b>
<b>Objects</b>					
01 Salaries and Wages	\$ 7,384,294	\$ 7,652,182	\$ 7,653,440	\$ 1,258	0%
02 Technical and Spec. Fees	941,147	1,132,183	1,138,888	6,705	0.6%
03 Communication	86,494	89,400	88,486	-914	-1.0%
04 Travel	67,594	67,472	66,309	-1,163	-1.7%
06 Fuel and Utilities	81,319	71,549	89,412	17,863	25.0%
07 Motor Vehicles	8,475	10,655	10,655	0	0%
08 Contractual Services	1,369,448	1,058,753	1,044,682	-14,071	-1.3%
09 Supplies and Materials	28,929	43,010	40,610	-2,400	-5.6%
10 Equipment – Replacement	2,849	5,400	5,400	0	0%
11 Equipment – Additional	4,164	1,500	1,500	0	0%
12 Grants, Subsidies, and Contributions	4,398,957	5,247,238	5,205,035	-42,203	-0.8%
13 Fixed Charges	177,412	190,965	189,705	-1,260	-0.7%
<b>Total Objects</b>	<b>\$ 14,551,082</b>	<b>\$ 15,570,307</b>	<b>\$ 15,534,122</b>	<b>-\$ 36,185</b>	<b>-0.2%</b>
<b>Funds</b>					
01 General Fund	\$ 8,623,246	\$ 8,398,341	\$ 8,493,805	\$ 95,464	1.1%
03 Special Fund	565,037	717,151	706,704	-10,447	-1.5%
05 Federal Fund	4,817,405	5,873,000	5,792,267	-80,733	-1.4%
09 Reimbursable Fund	545,394	581,815	541,346	-40,469	-7.0%
<b>Total Funds</b>	<b>\$ 14,551,082</b>	<b>\$ 15,570,307</b>	<b>\$ 15,534,122</b>	<b>-\$ 36,185</b>	<b>-0.2%</b>

Note: The fiscal 2021 appropriation does not include deficiencies, targeted revenues, or general salary increases. The fiscal 2022 allowance does not include annualization of general salary increases.