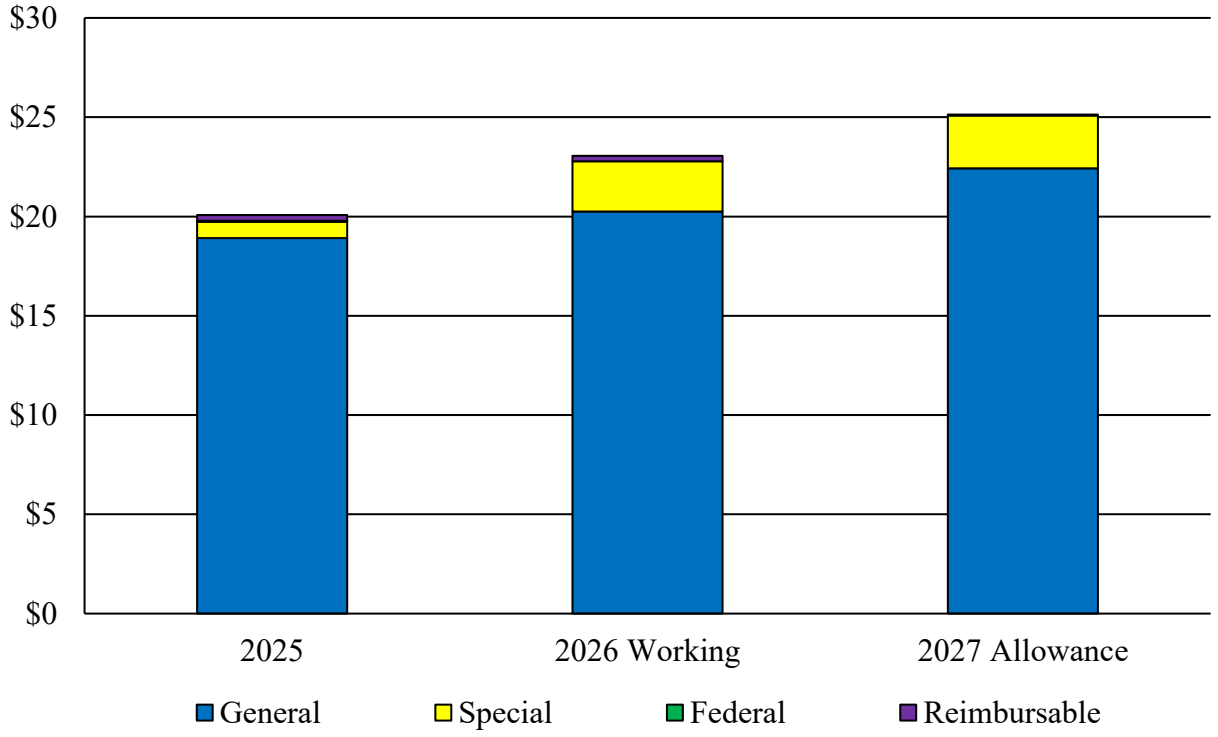
D10A01
Executive Department – Governor

Program Description

The executive power of the State is vested in the Governor, who serves as the chief executive officer. The Governor exercises supervision over the agencies of the Executive Branch and provides oversight, guidance, and coordination to various State agencies. In discharging the duties of the office, the Governor appoints State officials, grants pardons and reprieves, and represents the State in its relations with other jurisdictions and the public. Each year, the Governor presents to the General Assembly his work program and financial requirements for the ensuing year in the budget and reports on the condition of the State.

Operating Budget Summary

Fiscal 2027 Budget Increases $2.1 Million, or 9.0%, to $25.1 Million
($ in Millions)



Note: The fiscal 2026 working appropriation accounts for deficiencies. The fiscal 2027 statewide salary adjustments are centrally budgeted in the Department of Budget and Management and are not included in this agency's budget.

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Fiscal 2025

The fiscal 2026 Budget Bill included a $480,000 deficiency appropriation that was approved for fiscal 2025 to secure a federal government relations contract. This contract was never issued by the Office of the Governor as the Department of Budget and Management (DBM) utilized State and Local Fiscal Recovery Funds (SLFRF) to procure the contract. The funds approved for the fiscal 2025 deficiency appropriation were reverted to the General Fund.

Fiscal 2026

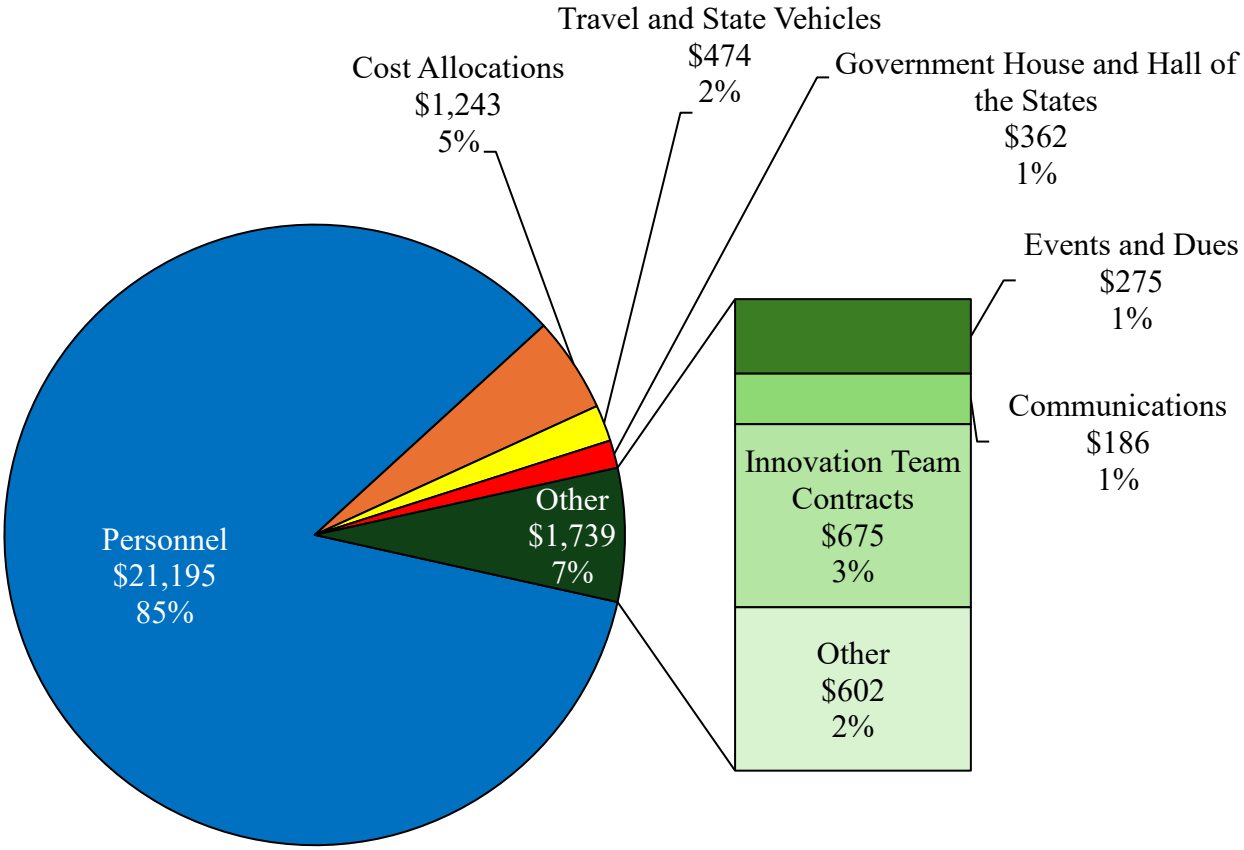
Proposed Deficiency

The fiscal 2027 allowance includes a proposed deficiency appropriation that adds $77,220 in general funds to transfer a position from the Department of General Services to serve as a senior communications strategist. This position will lead communications planning and media management related to the resolution of agency audit findings.

Fiscal 2027 Overview of Agency Spending

As shown in **Exhibit 1**, the fiscal 2027 allowance for the Office of the Governor totals $25.1 million. The largest category of spending supports salaries and fringe benefits, comprising 85%, or $21.2 million, of the total allowance. These expenses include the Governor and Lieutenant Governor's executive staff and advisors who assist in the daily functions of the office. The second largest category is for cost allocations, which comprise 5% of the allowance, or $1.2 million. The remaining agency spending is split between other operating expenses such as innovation team contracts (3%), travel and State vehicles (2%), and Government House operations and rent for the Hall of the States (1%).

Exhibit 1
Overview of Agency Spending
Fiscal 2027 Allowance
($ in Thousands)



Note: The fiscal 2027 statewide salary adjustments are centrally budgeted in the Department of Budget and Management and are not included in this agency's budget.

Source: Department of Budget and Management

Proposed Budget Change

As shown in **Exhibit 2**, the fiscal 2027 allowance for the Office of the Governor increases by $2.1 million, or 9.0%, compared to the fiscal 2026 working appropriation after accounting for proposed deficiencies. The largest increases support regular personnel costs and associated fringe benefits, which are largely driven by $1.7 million for 9.0 new positions. Outside of personnel costs, the increase in the fiscal 2027 allowance is due to cost allocations, which increase by $130,929, and includes the Department of Information Technology services allocation. The largest decreases are $94,787 for contractual personnel as a grant from the Climate Alliance for a contractual position ends and $86,909 for a one-time vehicle purchase in fiscal 2026.

Exhibit 2
Proposed Budget
Executive Department - Governor
($ in Thousands)

How Much It Grows:	General Fund	Special Fund	Federal Fund	Reimb. Fund	Total
Fiscal 2025 Actual	$18,905	$827	$51	$291	$20,075
Fiscal 2026 Working	20,255	2,523	0	277	23,056
Fiscal 2027 Allowance	22,427	2,661	0	52	25,140
Fiscal 2026-2027 $ Change	$2,172	$138	$0	-$226	$2,084
Fiscal 2026-2027 % Change	10.7%	5.5%	0%	-81.3%	9.0%

Where It Goes:	Change
Personnel Expenses	
Salaries and fringe benefits for 9.0 new positions	$1,673
Salary increases and associated fringe benefits	671
Employee and retiree health insurance	484
Deferred compensation match due to change in budgeting	17
Workers' compensation premium assessment	-2
Turnover rate increases from 0.44% to 3.08%	-496
Other Changes	
Cost allocation	131
Funding for subscriptions to match actual expenditures	-10
Funding for events to match actual expenditures	-20
Adjustment for fuel expenditures to match actual expenditures	-25
Equipment purchases, such as laptops for the office's operations	-27
Sign language interpreters to match actual expenditures	-30

Where It Goes:	**Change**
Communication expenditures to align with prior year actual	-35
Contracts for the maintenance of system software to match actual expenditures	-41
One-time vehicle purchase in fiscal 2026	-87
Contractual personnel due to the end of a grant from the Climate Alliance for a position	-95
Other adjustments	-24
Total	**$2,084**

Note: Numbers may not sum to total due to rounding. The fiscal 2026 working appropriation accounts for deficiencies. The fiscal 2027 statewide salary adjustments are centrally budgeted in the Department of Budget and Management and are not included in this agency's budget.

Personnel Data

	FY 25 Actual	FY 26 Working	FY 27 Allowance	FY 26-27 Change
Regular Positions	121.00	118.00	127.00	9.00
Contractual FTEs	2.75	2.75	1.75	-1.00
Total Personnel	**123.75**	**120.75**	**128.75**	**8.00**
Vacancy Data: Regular Positions				
Turnover and Necessary Vacancies, Excluding New Positions		3.92	3.08%	
Positions and Percentage Vacant as of 12/31/2025		8.00	6.78%	
Vacancies Above Turnover		4.08		

- In October 2025, the Board of Public Works approved the abolition of 502.7 positions statewide, including 170.7 vacant positions and 332.0 positions associated with the Voluntary Separation Program. In the Office of the Governor, a total of 4.0 vacant positions were abolished – 3 executive aides and an administrative officer.

- As of December 31, 2025, there were 8 vacant positions including 5 administrator positions and 3 executive aides. The Office of the Governor has filled one of these positions and intends to fill the remaining vacant positions by the end of fiscal 2026.

- A contractual climate policy advisor position is being abolished due to the end of grant funding from the Climate Alliance.

Government Modernization Initiative

The Government Modernization Initiative was established in January 2025 by executive order to identify areas to improve efficiency and help resolve any fiscal problems the State is facing. Initially, the Boston Consulting Group (BCG) was employed to support the analysis and implementation of actions taken by the initiative with funding coming from the SLFRF within DBM. With the BCG contract coming to an end, the fiscal 2027 allowance includes 7.0 new regular positions in the Office of the Governor to handle the responsibilities that BCG had previously handled. These 7.0 new regular positions include 2 data analysts, 2 data scientists, a policy advisor, a project manager, and a director for the initiative that is being transferred from DBM. **The Office of the Governor should discuss the costs of the BCG contract and explain the reasons for using regular positions to serve this function.**

Governor's Grants Office Merges with the Governor's Federal Relations Office

In fiscal 2026, the Governor's Grants Office is merging with the Governor's Federal Relations Office. The Federal Relations Office has provided oversight of the Grants Office, as the two offices have been closely collaborating given the changing access to federal funds. By merging the two offices, the Executive Department aims to improve operations and ensure that federal funds can be secured. Due to this consolidation, 2.0 currently filled regular positions are transferred to the Federal Relations Office in fiscal 2027 – a special assistant and a deputy director of federal funds.

Key Observations

1. Innovation Team Expands Access to Capital

In fiscal 2025, the Office of the Governor received funding from Bloomberg Philanthropies to create an innovation team consisting of 8 positions. This team acts as an in-house consultancy, working on State priorities of childhood poverty and economic mobility by collaborating with partners and internal and external stakeholders to solve challenging urban issues. Beginning in fiscal 2025, the innovation team partnered with the Office of Financial Regulation within the Maryland Department of Labor (MD Labor) to develop the team's first project, the Maryland Community Investment Venture Fund (MCIV), which was launched in June 2025. The MCIV Fund is budgeted under MD Labor and receives $2.5 million to provide grants to assist small business owners gain access to capital in low- to moderate-income communities.

Bloomberg Philanthropies provided $2.3 million for the innovation team in fiscal 2026, which has enabled the team to begin work on various projects. In early fiscal 2026, the innovation team began a project analyzing various stakeholders' ability to access capital where the team engaged over 150 different stakeholders such as small businesses and community organizations. Additionally, the innovation team began an evaluation of financial technology (fintech) companies on their ability to partner with financial institutions and their potential impact on low- to moderate-income communities. Work related to the MCIV Fund has also continued in fiscal 2026, with the innovation team hosting an event in September 2025 to bring stakeholders together to learn about the project. Grant applications for the MCIV Fund opened on December 1, 2025, with awards to be given out in calendar 2026. For the remainder of fiscal 2026, the innovation team expects to announce inaugural grant awards for partnerships between financial institutions and fintech companies of up to $50,000. Additionally, the team plans to continue to evaluate grant applications and track the outcomes of these partnerships. The team also aims to expand the MCIV Fund to include consumer financial health solutions.

Funding from Bloomberg Philanthropies decreases slightly in the fiscal 2027 allowance compared to the fiscal 2026 working appropriation but remains at approximately $2.3 million. In fiscal 2027, the team plans to continue current projects and begin work on new projects, such as the expansion of the Maryland Community Business Compass, a website that assists child care providers and fresh food providers by connecting them with experts. The innovation team plans to launch a second version of the Maryland Community Business Compass, with support from a partnership with Anthropic, that improves data insights. Additionally, the team plans to begin investigating potential applications of artificial intelligence to improve operations.

Operating Budget Recommended Actions

1. Concur with Governor's allowance.

Appendix 1
Object/Fund Difference Report
Executive Department – Governor

Object/Fund	FY 25 Actual	FY 26 Wrk Approp	FY 27 Allowance	FY 26 - 27 $ Change	FY 26 - 27 % Change
Positions					
01 Regular	121.00	118.00	127.00	9.00	7.6%
02 Contractual	2.75	2.75	1.75	-1.00	-36.4%
Total Positions	**123.75**	**120.75**	**128.75**	**8.00**	**6.6%**
Objects					
01 Salaries, Wages, and Fringe Benefits	$17,048,975	$18,745,116	$21,091,671	$2,346,555	12.5%
02 Technical and Special Fees	139,966	197,930	103,143	-94,787	-47.9%
03 Communications	176,128	221,218	186,218	-35,000	-15.8%
04 Travel	302,797	316,581	316,581	0	0.0%
07 Motor Vehicle Operation and Maintenance	225,439	269,462	157,582	-111,880	-41.5%
08 Contractual Services	1,515,435	2,499,548	2,554,942	55,394	2.2%
09 Supplies and Materials	242,477	336,064	284,410	-51,654	-15.4%
10 Equipment – Replacement	199	27,000	20,000	-7,000	-25.9%
11 Equipment – Additional	66,169	53,000	33,000	-20,000	-37.7%
13 Fixed Charges	356,921	390,401	392,676	2,275	0.6%
Total Objects	**$20,074,506**	**$23,056,320**	**$25,140,223**	**$2,083,903**	**9.0%**
Funds					
01 General Funds	$18,905,216	$20,255,468	$22,427,346	$2,171,878	10.7%
03 Special Funds	827,338	2,523,492	2,661,106	137,614	5.5%
05 Federal Funds	51,200	0	0	0	N/A
09 Reimbursable Funds	290,752	277,360	51,771	-225,589	-81.3%
Total Funds	**$20,074,506**	**$23,056,320**	**$25,140,223**	**$2,083,903**	**9.0%**

Note: The fiscal 2026 appropriation includes proposed deficiency appropriations. The fiscal 2027 allowance does not include statewide salary adjustments budgeted within the Department of Budget and Management.