

Supplement B
Department Of Budget And Management
ACTION AGENDA
November 2, 2016

SUPPLEMENTAL

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11-GM: DEPARTMENT OF BUDGET AND MANAGEMENT
Office of Budget Analysis (OBA)
General Miscellaneous

Request Amount: (\$83,320,790) (See Backup for a summary by Agency)

Description: Under the provisions of §7-213(a), State Finance and Procurement Article, the Governor, with the approval of the Board of Public Works (BPW), may reduce, by not more than 25%, any appropriation the Governor considers unnecessary.

Fund Sources: (\$82,338,790) General Funds
(\$ 982,000) Special Funds

Appropriation Codes: See Backup

Requesting Agency Remarks: The Backup to this Item, for BPW approval, is the Governor's list of reductions for fiscal year 2017, by Department and Independent Agency. Consistent with the provisions of §7-213(b) of the State Finance and Procurement Article, no appropriations have been reduced for the payment of the principal and interest on State Debt, public schools mandated funding (including the School for the Deaf and the School for the Blind), or the salary of a public officer during the term of office. No reduction exceeds 25% of the appropriation.

Reversion amounts and revenue adjustments are shown for informational purposes. These actions are not part of the reductions to be approved by the BPW.

The Backup sets out the total amount of the reductions for each Agency as well as a detailed summary of each reduction, including the name of the program as well as the amount, fund source, and brief description of the impact of the reduction. The reductions will result in the elimination of 113 positions at public higher education institutions.

Pursuant to §7-213(a) of the State Finance and Procurement Article, notice of the proposed reductions was published on the Department of Budget and Management's website on October 28, 2016.

BOARD OF PUBLIC WORKS ACTION – THIS ITEM WAS:

APPROVED

DISAPPROVED

DEFERRED

WITHDRAWN

WITH DISCUSSION

WITHOUT DISCUSSION

ITEM: 11-GM (Cont.)

BACK-UP

SUPPLEMENTAL

Agency Reductions
For FY 2017 Amended Appropriation
General Funds

Agency Code	Agency	Working Appropriation (in Millions of \$)	Reductions (\$)	Reduction as a % of Amend. Approp.	Positions
A00	Payments to Civil Divisions of the State	164.38	3,922,760	2.39%	
D10	Executive Dept. - Governor	11.49	80,636	0.70%	
D15	Executive Dept. - Boards, Commissions and Offices	111.05	298,518	0.27%	
D16	Secretary of State	1.98	60,000	3.02%	
D26	Dept. of Aging	22.40	95,000	0.42%	
D28	Maryland Stadium Authority	12.53	1,311,000	10.46%	
D50	Military Dept.	12.64	168,797	1.34%	
D60	Maryland State Archives	2.49	91,000	3.65%	
E50	Dept. of Assessments and Taxation	112.73	3,400,000	3.02%	
F10	Dept. of Budget and Management	18.79	172,191	0.92%	
F50	Dept. of Information Technology	56.14	803,000	1.43%	
K00	Dept. of Natural Resources	62.18	721,286	1.16%	
M00	Dept. of Health and Mental Hygiene	4,355.78	20,820,000	0.48%	
N00	Dept. of Human Resources	628.23	3,700,000	0.59%	
P00	Dept. of Labor, Licensing and Regulation	45.39	49,508	0.11%	
R00	MD State Dept. of Education - Children's Cabinet Interagency Fund	20.75	650,000	3.13%	
R13	Morgan State University	90.41	1,004,000	1.11%	12.00
R30	University System of Maryland	1,274.04	18,254,000	1.43%	101.00
R62	MD Higher Education Commission	479.84	7,095,094	1.48%	
R95	Baltimore City Community College	40.81	750,000	1.84%	
S00	Dept. of Housing and Community Development - PAYGO	57.91	7,000,000	12.09%	
T00	Dept. of Commerce	92.81	2,750,000	2.96%	
V00	Dept. of Juvenile Services	285.55	9,142,000	3.20%	
Total - General Funds:		7,960.30	82,338,790	1.03%	113.00

SUPPLEMENTAL

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BACK-UP

FY 2017 Reversions

U00	Maryland Department of the Environment - PAYGO		9,795,000	
	Total FY 2017 Reversions		9,795,000	

FY 2017 Revenue Adjustments

E75	Volkswagen Settlement Revenue		12,000,000	
	Maryland Lottery and Gaming Control Agency		982,000	
	Total FY 2017 Revenue Adjustments		12,982,000	

TOTAL GENERAL FUND REDUCTIONS AND BALANCING ACTIONS **105,115,790**

**Agency Reductions
For FY 2017 Amended Appropriation
Special Funds**

Agency Code	Agency	Working Appropriation (in Millions of \$)	Reductions (\$)	Reduction as a % of Amend. Approp.
E75	Maryland Lottery and Gaming Control Agency	77.56	982,000	1.27%
	Total - Special Funds:	77.56	982,000	1.27%

Summary of Proposed November 2nd BPW Reductions - REVISED

Agency Code	Program	Reduction Item	Reduction Description/Impact	General Fund Reduction	Total Fund Reduction	Positions Reduced
A00		Payments to Civil Divisions of the State				
	A15000.01	Disparity Grants	Reduces the FY 17 appropriation by \$3.9 million. Local jurisdictions that experienced an increase in FY 17 would have that increase reduced by 50%.	(3,922,760)	(3,922,760)	
D10		Executive Department - Governor				
	D10A01.01	General Executive Direction and Control	Reduce spending for postage, telephone, cell phone, gas and oil, food, and subscriptions to reflect actual spending in FY 16.	(80,636)	(80,636)	
D15		Executive Department - Boards, Commissions, and Offices				
	D15A05.16	Governor's Office of Crime Control and Prevention	Eliminate a vacant contractual budget and finance associate, information technology specialist, program monitor, and statistical analyst.	(159,377)	(159,377)	
	D15A05.16	Governor's Office of Crime Control and Prevention	Reduce rent costs due to the move to the Crownsville facility.	(103,740)	(103,740)	
	D15A05.23	State Labor Relations Board	Eliminate a vacant contractual executive assistant.	(35,401)	(35,401)	
		Executive Department - Boards, Commissions and Offices - Subtotal		(298,518)	(298,518)	
D16		Secretary of State				
	D16A06.01	Office of the Secretary of State	Increase contractual turnover and eliminate vacant contractual position.	(60,000)	(60,000)	
D26		Department of Aging				
	D26A07.01	General Administration	Cost savings and efficiencies from reducing travel, postponing vehicle replacement, reducing printing and office supply expenses and reducing computer equipment replacement expenses.	(95,000)	(95,000)	

Summary of Proposed November 2nd BPW Reductions - REVISED

Agency Code	Program	Reduction Item	Reduction Description/Impact	General Fund Reduction	Total Fund Reduction	Positions Reduced
D28		Maryland Stadium Authority				
	D28A03.55	Baltimore Convention Center	Reduce funds for the Baltimore City Convention Center deficit based upon FY 16 spending.	(1,311,000)	(1,311,000)	
D50		Department of Military				
	D50H01.03	Army Operations and Maintenance	Reduce the number of armory sustainment, restoration, and modernization projects. This would still provide \$602,912 which is an increase from FY 16.	(100,000)	(100,000)	
	D50H01.06	Maryland Emergency Management Agency	Reduce rented storage, State fair booth, and use of contractual services.	(68,797)	(68,797)	
		Department of Military - Subtotal		(168,797)	(168,797)	
D60		State Archives				
	D60A10.01	Archives	Reduce electricity usage and contractual services at the Rolling Run Drive Facility.	(91,000)	(91,000)	
E50		State Department of Assessments and Taxation				
	E50C00.06	Tax Credit Payments	Reduce the Homeowner's Tax Credits to reflect lower estimated usage. This would leave approximately \$60 million.	(3,400,000)	(3,400,000)	
E75		Maryland Lottery and Gaming Control Agency				
	E75D00.01	Administration and Operations	Currently, the Agency believes that it has sufficient funding to cover its vendor fees based on current sales projections of \$1.92 billion.	0	(982,000)	

Summary of Proposed November 2nd BPW Reductions - REVISED

Agency Code	Program	Reduction Item	Reduction Description/Impact	General Fund Reduction	Total Fund Reduction	Positions Reduced
F10	Department of Budget and Management					
F10A01.02	Office of the Secretary - Finance & Admin.	Eliminate funds for reclassifications.	Eliminate funds for reclassifications.	(17,856)	(17,856)	
F10A01.04	Division of Procurement Policy & Admin.	Eliminate funds for reclassifications.	Eliminate funds for reclassifications.	(44,000)	(44,000)	
F10A02.01	Office of Personnel Services and Benefits - Executive Direction	Eliminate funds for reclassifications.	Eliminate funds for reclassifications.	(16,113)	(16,113)	
F10A02.06	Division of Classification and Salary	Eliminate funds for reclassifications.	Eliminate funds for reclassifications.	(72,142)	(72,142)	
F10A02.07	Division of Recruitment and Examination	Eliminate funds for reclassifications.	Eliminate funds for reclassifications.	(14,936)	(14,936)	
F10A05.01	Office of Budget Analysis	Eliminate funds for reclassifications and CDs for the budget books.	Eliminate funds for reclassifications and CDs for the budget books.	(25,000)	(25,000)	
	Department of Budget and Management - Subtotal			(172,191)	(172,191)	
F50	Department of Information Technology					
F50A01.01	Major Information Technology Development Project Fund	Reduce funds for DoIT oversight of information technology projects.	Reduce funds for DoIT oversight of information technology projects.	(803,000)	(803,000)	
K00	Department of Natural Resources					
K00A01.03	Office of the Secretary - Finance and Administrative Services	Close the Hollofield auto shop operations; reallocate PINs, convert auto mechanic PIN to Park Service and use special funds.	Close the Hollofield auto shop operations; reallocate PINs, convert auto mechanic PIN to Park Service and use special funds.	(70,000)		0
K00A01.04	Office of the Secretary - Human Resource Services	Reassign duties of contractual ADA coordinator position in EEO office at end of CY 2016 to Engineering and Construction staff.	Reassign duties of contractual ADA coordinator position in EEO office at end of CY 2016 to Engineering and Construction staff.	(16,256)	(16,256)	
K00A04.01	Maryland Park Service - Statewide Operations	Eliminate General Funds from Park Service - sufficient SF revenue available to cover without impact to programs	Eliminate General Funds from Park Service - sufficient SF revenue available to cover without impact to programs	(47,999)		0
K00A07.01	Natural Resources Police - General Direction	Defer replacement of 3 of 6 small vessels budgeted for FY 17.	Defer replacement of 3 of 6 small vessels budgeted for FY 17.	(258,535)	(258,535)	

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BACK-UP SUMMARY

Summary of Proposed November 2nd BPW Reductions - REVISED

Agency Code	Program	Reduction Item	Reduction Description/Impact	General Fund Reduction	Total Fund Reduction	Positions Reduced
	K00A07.04	Natural Resources Police - Field Operations	Reduce appropriation for motor vehicle fuel costs to bring it in line with prior spending levels.	(190,496)	(190,496)	
	K00A12.05	Resources Assessment Service - Power Plant Assessment Program	Reduce contracted expenditures and use existing resources.	(50,000)	(50,000)	
	K00A12.06	Resources Assessment Service - Monitoring and Ecosystem Assessment	Eliminate contractual services from UMCES and use existing staff.	(43,000)	(43,000)	
	K00A12.07	Resources Assessment Service - MD Geological Survey	Use Waterway Improvement Funds for relevant survey and mapping projects.	(45,000)		0
		Department of Natural Resources - Subtotal		(721,286)	(558,287)	
M00		Department of Health and Mental Hygiene				
	M00Q01.03	Medical Care Provider Reimbursements	Reduce General Fund spending to reflect additional Cigarette Restitution Fund balance.	(20,000,000)		0
	M00Q01.06	Kidney Disease Treatment Program	Reduce spending in the program to reflect the three year historical average of spending.	(820,000)	(820,000)	
		Department of Health and Mental Hygiene - Subtotal		(20,820,000)	(820,000)	
N00		Department of Human Resources				
	N00G00.08	Assistance Payments	Reduce Temporary Cash Assistance payments to reflect a declining caseload trend in recent years. The caseload has been decreasing on average by 6% annually for the past three years.	(3,700,000)	(3,700,000)	
P00		Department of Labor, Licensing and Regulation				
	P00A01.01	Office of the Secretary - Executive Direction	Reduce operating costs.	(5,000)	(5,000)	
	P00A01.02	Office of the Secretary - Program Analysis & Audit	Reduce travel costs.	(2,000)	(2,000)	

Summary of Proposed November 2nd BPW Reductions - REVISED

Agency Code	Program	Reduction Item	Reduction Description/Impact	General Fund Reduction	Total Fund Reduction	Positions Reduced
P00B01.06	Division of Administration - Office of Human Resources		Eliminate one vacant contractual position. Duties will be absorbed by permanent staff.	(6,129)	(6,129)	
P00D01.02	Division of Labor and Industry - Employment Standards		Eliminate one vacant contractual position.	(36,379)	(36,379)	
	Department of Labor, Licensing and Regulation - Subtotal			(49,508)	(49,508)	
R00	Maryland State Department of Education					
R00A04.01	Children's Cabinet Interagency Fund		Reduce funds for training and technical assistance for the Local Management Boards. Remaining funding exceeds FY 16 actual spending.	(650,000)	(650,000)	
R13	Morgan State University					
R13M00	Campuswide		Reduce 7 vacant staff across the campus through efficiencies.	(525,000)	(525,000)	-7
R13M00.01	Instruction		Reduce 5 vacant full-time regular faculty.	(450,000)	(450,000)	-5
R13M00.07	Operation and Maintenance of Plant		Reduce energy costs.	(29,000)	(29,000)	
	Morgan State University - Subtotal			(1,004,000)	(1,004,000)	
R30	University System of Maryland					
			Reduce workforce by 41 filled positions and 60 vacant positions.	(11,500,000)	(11,500,000)	-101
			Reduce various operating expenditures.	(2,700,000)	(2,700,000)	
			Recognize additional Higher Education Investment Fund balance	(4,054,000)	0	
	University System of Maryland - Subtotal			(18,254,000)	(14,200,000)	

Summary of Proposed November 2nd BPW Reductions - REVISED

Agency Code	Program	Reduction Item	Reduction Description/Impact	General Fund Reduction	Total Fund Reduction	Positions Reduced
R62		Maryland Higher Education Commission				
	R62I00.03	Sellinger Formula for Aid to Nonpublic Institutions of Higher Education	Reduce the appropriation for the Sellinger formula for non-public higher education institutions by \$4.0 million. Reduces the increase received in FY 17 by each institution by 50%. Leaves a total of \$46.8 million allocated under the formula.	(3,995,094)	(3,995,094)	
	R62I00.10	Educational Excellence Awards Program	Use excess special funds available in the Need-Based Student Financial Assistance Fund. Maintains FY 17 working appropriation at \$81.6 million	(3,100,000)		0
		Maryland Higher Education Commission - Subtotal		(7,095,094)	(3,995,094)	
R95		Baltimore City Community College				
	R95C05.04	Student Services	Reduce conference travel for professional development	(100,000)	(100,000)	
	R95C05.08	Student Services	Reduce copier rentals, general equipment repairs, etc	(300,000)	(300,000)	
	R95C06.04	Institutional Support	Reduce conference travel for professional development	(100,000)	(100,000)	
	R95C07.08	Plant & Operations	Reduce outside services for the plant and maintenance	(250,000)	(250,000)	
		Baltimore City Community College - Subtotal		(750,000)	(750,000)	
S00		Department of Housing and Community Development - PAYGO				
	S00A24.02	Neighborhood Revitalization - Capital Appropriation	Reduction of \$0.5 million leaves \$2.9 million for Neighborhood Business Development. The program will be recalibrated and restructured to fit within the reduced funding levels seeking other leveraged capital subject to market conditions and acceptance. Reduction of \$1 million in FY 17 funds for Community Legacy will reduce grant investments in areas outside of Baltimore City.	(1,500,000)	(1,500,000)	
	S00A25.07	Rental Housing Programs - Capital Appropriation	Reduce funding for rental housing which leaves \$9.0 million in the program. Draws on the awarded funds are performed over time. The program will be recalibrated by managing existing obligations and future program rounds within the reduced funding levels.	(1,000,000)	(1,000,000)	

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BACK-UP SUMMARY

Summary of Proposed November 2nd BPW Reductions - REVISED

Agency Code	Program	Reduction Item	Reduction Description/Impact	General Fund Reduction	Total Fund Reduction	Positions Reduced
S00A25.08	Homeownership Programs - Capital Appropriation		Reduce funding for homeownership programs, leaving \$7.6 million for the program. The program will resize or restructure by managing funding of existing obligations and loan product offerings subject to market conditions and acceptance.	(900,000)	(900,000)	
S00A25.09	Special Loans Program - Capital Appropriation		Reduce funding for the program in FY 17. The program will rely on prior year appropriated funds. The program will be recalibrated and resized, including future funding rounds, to fit within the reduced funding levels.	(2,100,000)	(2,100,000)	
S00A25.10	Partnership Rental Housing - Capital Appropriation		Leaves \$5.0 million for the program. The program will be recalibrated and resized, including existing funding commitments and future funding rounds, to fit within the reduced funding levels.	(1,000,000)	(1,000,000)	
S00A25.15	Housing and Building Energy Programs - Capital Appropriation		Reduce funding for energy programs. This leaves \$500,000 in the program. The program will be recalibrated and resized, including existing funding commitments and future funding rounds, to fit within the reduced funding levels.	(500,000)	(500,000)	
		Department of Housing and Community Development - PAYGO		(7,000,000)	(7,000,000)	
T00		Department of Commerce				
T00F00.18	Military Personnel and Service-Disabled Veteran No-Interest Loan Program		Reduce General Funds as there are currently sufficient Special Funds available to backfill the GF reduction.	(100,000)		0
T00F00.19	CyberMaryland Investment Incentive Tax Credit Program		Reduce appropriation as sufficient fund balance is available to support projected level of tax credits.	(2,000,000)	(2,000,000)	
T00F00.20	Maryland E-Nnovation Initiative		Reduce appropriation and backfill with available Special Funds.	(500,000)		0
T00G00.03	Maryland Tourism Development Board		Reduce funding as remaining funds from FY 16 were used to fund projects in FY 17.	(150,000)	(150,000)	
		Department of Commerce - Subtotal		(2,750,000)	(2,150,000)	

Summary of Proposed November 2nd BPW Reductions - REVISED

Agency Code	Program	Reduction Item	Reduction Description/Impact	General Fund Reduction	Total Fund Reduction	Positions Reduced
V00	Department of Juvenile Services					
V00G01.01	Baltimore City Region Operations		Reduce funding for private residential per diems for youth committed to out of home placements to align with population trends. DJS residential populations in State-owned facilities have decreased significantly over the past several years, and as a result bed capacity far exceeds average daily population.	(1,796,053)	(1,796,053)	
V00H01.01	Central Region Operations		Reduce funding for private residential per diems for youth committed to out of home placements to align with population trends. DJS residential populations have decreased significantly over the past several years, and as a result bed capacity far exceeds average daily population.	(945,604)	(945,604)	
V00I01.01	Western Region Operations		Reduce funding for residential per diems for youth committed to out of home placements to align with population trends. DJS residential populations have decreased significantly over the past several years, and as a result bed capacity far exceeds average daily population.	(612,742)	(612,742)	
V00J01.01	Eastern Shore Region Operations		Reduce funding for residential per diems for youth committed to out of home placements to align with population trends. DJS residential populations have decreased significantly over the past several years, and as a result bed capacity far exceeds average daily population.	(1,402,424)	(1,402,424)	
V00K01.01	Southern Region Operations		Reduce funding for residential per diems for youth committed to out of home placements to align with population trends. DJS residential populations have decreased significantly over the past several years, and as a result bed capacity far exceeds average daily population.	(1,486,464)	(1,486,464)	
V00L01.01	Metro Region Operations		Reduce funding for residential per diems for youth committed to out of home placements to align with population trends. DJS residential populations have decreased significantly over the past several years, and as a result bed capacity far exceeds average daily population.	(2,898,713)	(2,898,713)	
	Department of Juvenile Services - Subtotal			(9,142,000)	(9,142,000)	
TOTAL Agency Reductions				(82,338,790)	(55,403,791)	(113)

Summary of Proposed November 2nd BPW Reductions - REVISED

Agency Code	Program	Reduction Item	Reduction Description/Impact	General Fund Reduction	Total Fund Reduction	Positions Reduced
	PAYGO Reversion					
		Maryland Department of Environment	A reversion at the end of the fiscal year. GO bonds will replace the reverted GF in the FY 18 Capital Budget.	(9,795,000)	(9,795,000)	
	Revenue					
		Volkswagen Settlement Revenue		12,000,000		
		Lottery revenue tied to reduction		982,000		
TOTAL Balancing Actions				105,115,790	65,198,791	