

Supplement B
Department Of Budget And Management
ACTION AGENDA
September 6, 2017



SUPPLEMENTAL - REVISED

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

Request Amount: ~~(\$69,307,440)~~ ~~(\$62,928,555)~~ (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: ~~(\$67,207,440)~~ ~~(\$60,978,555)~~ General Funds
~~(\$ 2,100,000)~~ ~~(\$ 1,950,000)~~ Special Funds

General 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 2018, 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.

Fund balance transfers 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 30 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 August 31, 2017.

BOARD OF PUBLIC WORKS ACTION – THIS ITEM WAS:

APPROVED

DISAPPROVED

DEFERRED

WITHDRAWN

WITH DISCUSSION

WITHOUT DISCUSSION

Agency Reductions
 For FY 2018 Legislative Appropriation
 General Funds

Agency Code	Agency	Working Appropriation (in Millions of \$)	Reductions (\$)	Reduction as a % of Working Approp.	Positions
A00	Payments to Civil Divisions of the State	166.48	6,028,885	3.62%	
C80	Office of the Public Defender	104.09	611,000	0.59%	
D10	Executive Dept. - Governor	11.31	150,000	1.33%	
D15	Executive Dept. - Boards, Commissions and Offices	115.45	67,603	0.06%	
D26	Dept. of Aging	23.18	300,000	1.29%	
D27	Commission on Civil Rights	2.57	51,000	1.99%	
D40	Department of Planning	21.79	203,121	1.85%	
D60	Maryland State Archives	5.45	34,559	0.63%	
E50	Dept. of Assessments and Taxation	114.15	363,324	0.32%	
E75	Lottery and Gaming Control Agency	20.05	379,000	1.89%	
F10	Dept. of Budget and Management	21.28	305,000	1.43%	
F50	Dept. of Information Technology	59.17	909,065	1.54%	
H00	Dept. of General Services	67.37	60,000	0.09%	
K00	Dept. of Natural Resources	61.00	1,020,000	1.67%	
L00	Dept. of Agriculture	32.28	390,622	1.21%	
M00	MD Dept. of Health	4,647.99	22,169,914	0.48%	
N00	Dept. of Human Services	631.12	7,119,129	1.13%	
P00	Dept. of Labor, Licensing and Regulation	47.94	457,725	0.95%	
Q00	Dept. of Public Safety and Correctional Services	1,227.65	8,434,500	0.69%	
R00	MD State Dept. of Education - Children's Cabinet Interagency Fund	18.56	50,000	0.27%	
R13	Morgan State University	91.37	565,000	0.62%	
R14	St. Mary's College of MD	22.42	138,000	0.62%	
R30	Univ. System of MD	1,294.10	8,000,000	0.62%	30.00
R62	MD Higher Education Commission	495.17	2,091,333	0.42%	
R95	Baltimore City Community College	40.60	251,000	0.62%	
T00	Dept. of Commerce	84.64	100,000	0.12%	
U00	Dept. of the Environment	29.95	757,000	2.53%	
V00	Dept. of Juvenile Services	272.91	4,500,660	1.65%	
W00	Dept. of State Police	278.73	1,500,000	0.54%	
Total - General Funds:		9,842.28	60,978,555	0.62%	30.00

ITEM: 13-GM (Cont.)

BACK-UP

SUPPLEMENTAL - REVISED

BPW 9/6/2017

FY 2018 Fund Balance Transfers		
R30	University System of Maryland	9,000,000
Total FY 2018 Fund Balance Transfers		9,000,000
FY 2018 Revenues		
F10	Dept. of Budget and Management	600,000
P00	Dept. of Labor, Licensing and Regulation	350,000
Total FY 2018 Revenues		950,000
FY 2018 Reversions		
X00	Debt Service Refunding Savings	9,000,000
TOTAL GENERAL FUND REDUCTIONS AND BALANCING ACTIONS		79,928,555

**Agency Reductions
For FY 2018 Amended Appropriation
Special Funds**

Agency Code	Agency	Working Appropriation (in Millions of \$)	Reductions (\$)	Reduction as a % of Amend. Approp.
F10	Dept. of Budget and Management	16.50	600,000	3.64%
K00	Dept. of Natural Resources	286.98	1,000,000	0.35%
P00	Dept. of Labor, Licensing and Regulation	225.97	350,000	0.15%
Total - Special Funds:		529.45	1,950,000	0.37%

Summary of Proposed September 6, 2017 BPW Reductions

Agency Code	Program Code	Program Name	Reduction Description/Impact	General Fund Reduction	Positions Reduced
A15		Payments to Civil Divisions of the State			
	A15000.01	Disparity Grants	Level fund the Disparity Grant at the FY 2017 level.	(6,028,885)	
C80		Office of the Public Defender			
	C80B00.02	District Operations	Achieve salary savings from holding positions vacant.	(111,000)	
	C80B00.02	District Operations	Reduce funding for panel attorneys due to anticipated savings resulting from changes in operations.	(500,000)	
		Office of the Public Defender - Subtotal		(611,000)	
D10		Executive Department - Governor			
	D10A01.01	General Executive Direction and Control	Achieve salary savings from holding positions vacant.	(150,000)	
D15		Executive Department - Boards, Commissions, and Offices			
	D15A05.05	Governor's Office of Community Initiatives	Achieve salary savings from holding positions vacant.	(11,553)	
	D15A05.16	Governor's Office of Crime Control and Prevention	Reduce contractual services for office assistance and achieve salary savings from holding positions vacant.	(41,640)	
	D15A05.22	Governor's Grants Office	Downgrade a position to achieve salary savings.	(14,410)	
		Executive Department - Boards, Commissions and Offices - Subtotal		(67,603)	
D26		Department of Aging			
	D26A07.01	General Administration	Reduce various operating costs including communications fees, motor vehicle operations, contractual services, supplies, and equipment, and achieve salary savings from holding positions vacant.	(300,000)	

Summary of Proposed September 6, 2017 BPW Reductions

Agency Code	Program Code	Program Name	Reduction Description/Impact	General Fund Reduction	Positions Reduced
D27		Commission on Civil Rights			
	D27L00.01	General Administration	Achieve operational savings by downgrading a vacant position, holding two positions vacant, and forgoing the replacement of aging furniture.	(51,000)	
D40		Department of Planning			
	D40W01.01	Operations Division	Reduce spending on office supplies.	(5,000)	
	D40W01.03	Planning Data and Research	Achieve salary savings from holding a position vacant.	(77,000)	
	D40W01.04	Planning Coordination	Reduce funding for motor vehicle fuel and oil due to the addition of fuel efficient vehicles.	(5,000)	
	D40W01.07	Management Planning and Educational Outreach	Eliminate funding for the Non-Capital Grant Program. Program has not been funded since FY 2012.	(200,000)	
	D40W01.08	Museum Services	Reduce various operating costs, including equipment repair, maintenance, and contractual services.	(30,000)	
	D40W01.09	Research Survey and Registration	Achieve salary savings from holding positions vacant.	(86,121)	
		Department of Planning - Subtotal		(203,121)	
D60		State Archives			
	D60A10.02	Commission on Artistic Properties	Reduce funding for conservation and preservation of the State-owned art collection.	(34,559)	
E50		State Department of Assessments and Taxation			
	E50C00.01	Office of the Director	Achieve salary savings from holding positions vacant.	(134,889)	
	E50C00.02	Real Property Valuation	Achieve salary savings from holding positions vacant.	(50,473)	

BACK-UP SUMMARY

SUPPLEMENTAL - REVISED

Summary of Proposed September 6, 2017 BPW Reductions

Agency Code	Program Code	Program Name	Reduction Description/Impact	General Fund Reduction	Positions Reduced
	E50C00.04	Office of Information Technology	Reduce funds for software licenses and eliminate funds to replace end-of-life computer equipment.	(136,800)	
	E50C00.05	Business Property Valuation	Achieve salary savings from holding positions vacant.	(41,162)	
		State Department of Assessments and Taxation - Subtotal		(363,324)	
E75		Maryland Lottery and Gaming Control Agency			
	E75D00.02	Video Lottery Terminal and Gaming Operations	Reduce funding for video lottery terminal machine maintenance due to transfer of ownership to casino operators, beginning in FY 2018.	(379,000)	
F10		Department of Budget and Management			
	F10A01	Various	Achieve salary savings department-wide based on current vacancies and reduce funding for leave payouts to align with prior fiscal years.	(237,918)	
	F10A02.07	Division of Recruitment and Examination	Reduce association dues.	(20,000)	
	F10A06.01	Office of Capital Budgeting	Reduce funding for upgrades to the Capital Budget Information System.	(47,082)	
		Department of Budget and Management - Subtotal		(305,000)	
F50		Department of Information Technology			
	F50B04	Various	Achieve salary savings from holding positions vacant.	(81,951)	
	F50B04.01	State Chief of Information Technology	Reduce reliance on contractors and fulfill functions with permanent staff.	(200,000)	
	F50B04.03	Application Systems Management	Reflect savings due to negotiated contract pricing and elimination of software.	(145,000)	
	F50B04.04	Infrastructure	Reduce spending on contractual services and software licenses due to better pricing negotiated by the Department.	(482,114)	
		Department of Information Technology - Subtotal		(909,065)	

Summary of Proposed September 6, 2017 BPW Reductions

Agency Code	Program Code	Program Name	Reduction Description/Impact	General Fund Reduction	Positions Reduced
H00		Department of General Services			
	H00B01.01	Facilities Security	Reflect anticipated savings due to the implementation of a timekeeping scheduler interface with the Statewide Personnel System.	(40,000)	
	H00C01.01	Facilities Operations and Maintenance	Achieve savings by limiting overtime to emergency projects.	(20,000)	
		Department of General Services - Subtotal		(60,000)	
K00		Department of Natural Resources			
	K00A02.09	Forest Service	Eliminate general funds and transfer Program Open Space funding from the Maryland Park Service to backfill for the reduction.	(1,000,000)	
	K00A17.01	Fishing and Boating Services	Eliminate print edition of the Fishing Guide. Annual electronic version will continue to be produced.	(20,000)	
		Department of Natural Resources - Subtotal		(1,020,000)	
L00		Department of Agriculture			
	L00A11.02	Administrative Services - Office of the Secretary	Eliminate contractual position in Emergency Response and Preparedness midyear due to incumbent's retirement.	(25,830)	
	L00A12.02	Weights and Measures	Shift support of position from General Funds to Special Funds.	(75,141)	
	L00A14.03	Mosquito Control	Shift support of two positions from General Funds to Special Funds.	(166,920)	
	L00A14.06	Turf and Seed	Achieve salary savings from holding a position vacant.	(71,553)	
	L00A15.03	Resource Conservation Operations	Achieve salary savings from holding a position vacant.	(51,178)	
		Department of Agriculture Subtotal		(390,622)	

Summary of Proposed September 6, 2017 BPW Reductions

Agency Code	Program Code	Program Name	Reduction Description/Impact	General Fund Reduction	Positions Reduced
M00		Department of Health			
	M00	Various	Reduce in-state travel, out-of-state travel, and training across the Department by 25%.	(216,261)	
	M00	Various	Negotiate renewals of procured contracts in excess of \$10 million to generate general fund savings.	(5,000,000)	
	M00A01.02	Operations - Office of the Secretary	Reflect higher federal fund match for five information technology positions.	(119,031)	
	M00A01.02	Operations - Office of the Secretary	Reduce funding for training services in the Office of Human Resources.	(26,900)	
	M00A01.02	Operations - Office of the Secretary	Transition an OIT employee under contract to a newly vacant position and eliminate the contract.	(91,647)	
	M00F03.04	Family Health and Chronic Disease Services	Align State support for the Cord Blood Transplant Program with prior year activity.	(50,000)	
	M00I03.01	Western Maryland Center	Achieve salary savings from holding positions vacant.	(366,075)	
	M00J02.01	Laboratory Services	Achieve savings due to favorable energy and natural gas trends.	(300,000)	
	M00Q01.03	Medical Care Programs Administration	Reduce General Fund support as a result of a excess balance in the Cigarette Restitution Fund at the end of FY 2017.	(5,000,000)	
	M00Q01.03	Medical Care Programs Administration	Reduce funding for hospital presumptive eligibility based upon prior year experience.	(1,000,000)	
	M00Q01.03	Medical Care Programs Administration	Average length of stay in hospitals has decreased, saving an estimated \$10 million.	(10,000,000)	
		Department of Health - Subtotal		(22,169,914)	

Summary of Proposed September 6, 2017 BPW Reductions

Agency Code	Program Code	Program Name	Reduction Description/Impact	General Fund Reduction	Positions Reduced
N00		Department of Human Services			
	N00	Various	Achieve salary savings department-wide based on current vacancy rates.	(1,904,338)	
	N00F00.04	Office of Technology for Human Services	Achieve savings related to development and maintenance of legacy IT systems due to replacement by MD THINK.	(1,499,962)	
	N00G00.08	Assistance Payments	Reduce funding to align with projected Temporary Cash Assistance caseload trends.	(3,714,829)	
		Department of Human Services - Subtotal		(7,119,129)	
P00		Department of Labor, Licensing and Regulation			
	P00	Various	Reduce operating costs across the Department, including technical and special fees, communication fees, supplies, contractual services, and equipment replacement.	(163,327)	
	P00C01.02	Financial Regulation	Shift portion of salary and fringe benefit costs for several positions to special funds to more accurately reflect allocation of work.	(79,081)	
	P00D01.01	Labor and Industry - General Administration	Shift portion of salary and fringe benefit costs for several positions to non-General Funds.	(21,858)	
	P00D01.07	Labor and Industry - Prevailing Wage	Shift portion of salary and fringe benefit costs for two positions to non-General Funds to more accurately reflect allocation of work.	(82,702)	
	P00F01.01	Occupational and Professional Licensing	Reduce postage to align with recent actuals and reduce out-of-state travel.	(2,253)	
	P00G001.13	Division of Workforce Development and Adult Learning - Adult Corrections Program	Achieve salary savings from holding a position vacant and reduce fuel and utilities.	(108,504)	
		Department of Labor, Licensing and Regulation - Subtotal		(457,725)	

Summary of Proposed September 6, 2017 BPW Reductions

Agency Code	Program Code	Program Name	Reduction Description/Impact	General Fund Reduction	Positions Reduced
Q00		Department of Public Safety and Correctional Services			
	Q00	Various	Achieve salary savings department-wide based on current vacancy rates.	(8,434,500)	
R00		Children's Cabinet Interagency Fund			
	R00A04.01	Children's Cabinet Interagency Fund	Level fund training at the FY 2017 level.	(50,000)	
R13		Morgan State University			
	R13M00.06	Institutional Support	Reduce telephone costs due to implementation of new network, consolidate security services, and extend life of operating equipment.	(515,000)	
	R13M00.07	Operation and Maintenance of Plant	Achieve utilities savings due to ongoing efforts to reduce energy usage.	(50,000)	
		Morgan State University - Subtotal		(565,000)	
R14		St. Mary's College of Maryland			
	R14D00.06	Institutional Support	Transfer funds from fund balance to backfill reduction in General Funds.	(138,000)	
R30		University System of Maryland			
	R30	Various	Abolish thirty vacant positions, including full-time, part-time, contractual, and adjunct faculty positions across USM campuses.	(4,900,000)	-30.0
	R30	Various	Reduce funding for facility renewal across USM campuses.	(1,700,000)	
	R30	Various	Reduce operating expenses across USM campuses.	(1,400,000)	
		University System of Maryland - Subtotal		(8,000,000)	-30.0

BACK-UP SUMMARY

SUPPLEMENTAL - REVISED

Summary of Proposed September 6, 2017 BPW Reductions

Agency Code	Program Code	Program Name	Reduction Description/Impact	General Fund Reduction	Positions Reduced
R62		Maryland Higher Education Commission			
	R62I00.03	Sellinger Formula for Aid to Nonpublic Institutions of Higher Education	Reduce the increase in funding for the Sellinger program by 50%. Funding for the program still increases by \$2.1 million, or 4.5%.	(2,091,333)	
R95		Baltimore City Community College			
	R95C00.04	Academic Support	Reduce conference travel.	(100,000)	
	R95C00.06	Institutional Support	Reduce conference travel.	(100,000)	
	R95C00.07	Operation and Maintenance of Plant	Reduce outside services for the plant and maintenance.	(51,000)	
		Baltimore City Community College - Subtotal		(251,000)	
T00		Department of Commerce			
	T00F00.18	Military Personnel and Service-Disabled Veteran Loan Program	Reduce General Funds as there are currently sufficient special funds available to backfill the reduction.	(100,000)	
U00		Maryland Department of the Environment			
	U00A04.01	Water and Science Administration	Utilize available special fund balance to backfill general fund reduction.	(757,000)	

Summary of Proposed September 6, 2017 BPW Reductions

Agency Code	Program Code	Program Name	Reduction Description/Impact	General Fund Reduction	Positions Reduced
V00		Department of Juvenile Services			
	V00G01.01	Baltimore City Region Operations	Reduce funding for residential per-diem placements and evidence-based service contracts to align with recent population and utilization trends.	(1,153,287)	
	V00H01.01	Central Region Operations	Reduce funding for residential per-diem placements and evidence-based service contracts to align with recent population and utilization trends.	(688,883)	
	V00I01.01	Western Region Operations	Reduce funding for residential per-diem placements and evidence-based service contracts to align with recent population and utilization trends.	(306,837)	
	V00J01.01	Eastern Region Operations	Reduce funding for residential per-diem placements and evidence-based service contracts to align with recent population and utilization trends.	(429,669)	
	V00K01.01	Southern Region Operation	Reduce funding for residential per-diem placements and evidence-based service contracts to align with recent population and utilization trends.	(628,219)	
	V00L01.01	Metro Region Operations	Reduce funding for residential per-diem placements and evidence-based service contracts to align with recent population and utilization trends.	(1,293,765)	
		Department of Juvenile Services - Subtotal		(4,500,660)	
W00		Department of State Police			
	W00A01.04	Support Services Bureau	Reduce funding for building maintenance and fuel, consistent with prior year actuals.	(1,500,000)	
TOTAL General Fund Agency Reductions				(60,978,555)	30.0

Summary of Proposed September 6, 2017 BPW Reductions

Agency Code	Program Code	Program Name	Reduction Description/Impact	General Fund Reduction	Positions Reduced
Special Fund Budget Reductions					
F10		Department of Budget and Management			
	F10A01.03	Central Collections Unit	Reduce postal expenditures due to excess balance.	(600,000)	
K00		Department of Natural Resources			
	K00A04.01	Maryland Park Service - Statewide Operations	Reduce the increase in funding in the Maryland Parks Service so that Special Fund revenue can be used in the Forest Service. This will still allow for an increase of \$2.7 million from FY 17 to 18.	(1,000,000)	
P00		Department of Labor, Licensing, and Regulation			
	P00E01.02	Maryland Racing Commission	Reduce funding for new mandate in the Racing Commission for the Maryland Humanities Council (\$150,000) and the Maryland Stadium Authority (\$350,000).	(350,000)	
TOTAL Special Fund Agency Reductions				(1,950,000)	