

## I. INTRODUCTION AND HIGHLIGHTS

### I.1 New and Reminders for FY 2024

#### I.1.1 *New for FY 2024*

##### **No Reduction Targets**

The Hogan Administration has decided not to require reduction targets for the FY 2024 budget season. Agencies do not have to provide options to DBM for reducing their budgets this year.

##### **Section B.2 Checklist of Submission Requirements**

Section B.2 of Budget Instructions has been expanded to include the new Reimbursable Fund requirement below as well as a number of common data error checks that BARS does not validate. **Please review this expanded list of requirements for submission** and ask your OBA analyst if you have any questions.

##### **New Reimbursable Fund Requirement**

To ensure that agencies submitting budgets with reimbursable funds have confirmation that those funds will be received, for the FY 2024 budget submission agencies must attach to their official submission email Memorandums of Understanding (MOUs) or an email chain where the sending agency confirms their intent to send the funds.

##### **BARS Updates**

The BARS developers spent the interim this year resolving budget system defects and making improvements to enhance user experience. Further details regarding changes to the system will be provided during Budget Instructions and BARS training later this summer, but the following is a brief summary:

1. *Older Budget Data:* Actuals from before FY 2017 have now been loaded into the system, back to FY 2014. They can be viewed in ad hoc and reports.
2. *Position Reconciliation Increment Change:* DBM's recommendation during Position Reconciliation is to use the "Copy Workday" functionality as much as possible, which saves users considerable time and effort. However, at the time of Position Reconciliation, employees set to receive the FY 2023 increment in January would be without an increment even though BARS FY 2024 data has been updated to reflect all increments. To avoid "Copy Workday" from removing the increment for those positions (thus under-budgeting salaries), BARS developers have implemented the following:
  - a. If a position is updated in BARS with an increment/step, it is flagged in the back of the system as having received that step.
  - b. When Workday data is imported into BARS, in the Position grid data for these positions will automatically update to the new step even if Workday itself still has the old step.
  - c. Users can therefore still use "Copy Workday" to expedite the Position Reconciliation process without incorrectly reducing the salaries of positions.

### **COLA Funding in 0299**

When processing FY 2023 amendments providing funding to agencies for contractual COLAs and increments, DBM placed funding in 0299. For the FY 2024 budget submission, agencies must **realign this funding in FY 2024** from 0299 into 0220 prior to submission. Agencies can leave funding in 0299 for FY 2023 during the FY 2024 budget submission.

### **Fuel and Utilities (Natural Gas 0606 and Electricity 0620)**

Agencies that use natural gas and electricity procured by the Department of General Services (DGS) should level fund the FY 2024 request with the FY 2022 actual expenditures, except for University System of Maryland (USM) institutions. Energy market projections are volatile due to geopolitical factors, and as such DGS is estimating that expenses may increase more than 55% for natural gas and 40% for electricity in FY 2024. DBM will monitor these projections and address additional costs for state agencies closer to the beginning of the fiscal year. However, non-General Funded agencies should keep rising energy costs in mind and plan to absorb some increases with non-General Fund revenues and fund balances.

### **Zero-Emission Vehicles (ZEVs)**

In FY 2024, 25% of vehicles purchased for the State Fleet must be electric vehicles that have a zero-emission vehicle (ZEV) equivalent. As a result, the DA-8 form has been revised to include two new columns where agencies must indicate whether the vehicle being replaced can be a ZEV, and a justification for any non-ZEV requests. Due to the current fluctuations in the estimated purchase price for ZEVs, agencies are instructed to budget for and request **gasoline vehicles**. DBM, in consultation with the Department of General Services (DGS), will determine which vehicles will be replaced with ZEVs based on where DGS can install charging infrastructure. The price difference between the ZEV and the gasoline-powered vehicle will be paid by DBM utilizing funding from the Strategic Energy Investment Fund (SEIF). Please refer to [Section A.5.3](#) for more information.

### **Department of General Services (DGS) Rent - Comptroller Subsubject 1303**

There are substantial changes to the DGS rent schedule this year due to agency relocations out of State Center into leased facilities in Downtown Baltimore. Please refer to [Section A.5.7](#) for more information regarding these changes.

### **Budget Process Primer**

Given the number of new agency budget staff in recent years, DBM has added [Section I.3](#) to instructions. It provides an overview of the budget process in Maryland, including key terminology and concepts. Please encourage new staff to review.

#### *1.1.2 Key Reminders for FY 2024*

### **BARS Guides and Videos**

[Section B.6](#) includes a list of guides and videos on the use of BARS for agencies, all which are available on the Budget Instructions website. **Please refer to these helpful resources for training and reminders regarding BARS functionality.**

### **DA-8 Forms**

When submitting these forms to request new or replacement vehicles, DBM asks that agencies submit only one tab of data per agency rather than breaking the request up into different tabs.

### **COVID-19 Data – Federal Funds**

For the FY 2024 Budget Submission, all agencies that have received federal COVID-19 relief funds are required to submit the three-year budget data with fund type (25, 35, 45)/source coding specific to each stimulus bill. See [Section B.5](#) for more information.

### **COVID-19 Salary Costs - Comptroller Subobject 0125**

To the extent that positions are supported by COVID-19 funding, instead of changing position fund type data on the Position Tab in BARS, use comptroller subobject 0125 on the Expenditure Tab to budget for associated total salary and fringe expenditures (comptroller subobjects 0101, 0151, 0152, 0154, 0161-0170, 0174, 0189). See [Section A.4.1.](#) for more information.

### **Fringe Calculations in BARS (FICA, Retirement Rates, and Unemployment Insurance)**

The rates for fringes calculated using a position or contractual position's salary will be automatically calculated within BARS during the Position Reconciliation process based on each position's class code, step, and fund split. See [Section A.1](#) for more detail on the specific rates.

### **Turnover in Actuals (0189 and 0289) in Actuals**

All agencies must ensure that \$0 remains in comptroller subobjects 0189 and 0289 in the FY 2022 Actual Expenditures in the final budget submission.

### **DBM Salary Adjustments - Comptroller Subobject 0192**

At the start of setting up a new fiscal year in BARS, DBM runs a Salary Forecast in the system which resolves any differences between the Expenditure data and Position data. These differences mainly result from data defects in the system or from processes being taken out of order (usually small rounding or fund split changes). To prevent this from impacting agency budget targets, significant changes from running the Salary Forecast will be netted out in one location per agency in a "0192" line that related agencies will need to redistribute. Agencies will be required to realign any funding out of comptroller subobject 0192 prior to submission in BARS. BARS will not allow a successful submission unless there is \$0 across the entire agency in comptroller subobject 0192.

### **Pay Plan Adjustments**

Requests must be submitted electronically in priority order no later than October 15, 2022 to Kurt Stolzenbach at DBM: [kurt.stolzenbach@maryland.gov](mailto:kurt.stolzenbach@maryland.gov), copying your OBA budget analyst. It is not necessary for agencies to submit duplicate requests to the Office of Personnel Services and Benefits (OPSB). OBA works closely with OPSB to review requests for pay plan adjustments or new classifications and provides OPSB with the supporting documentation to review such requests. See [Section A.4.4](#) for additional detail.

### **Reorganizations**

DBM will only permit agencies to reflect a reorganization in BARS for reorganizations approved by DBM and the Office of Personnel Services and Benefits (OPSB) that are effective July 1 of the current year (July 1, 2022 for the FY 2024 budget request). Additional guidance can be found in [Section A.4.5.](#)

### **Fund Balance Information Requirements (Special Funds and Federal Funds)**

For the FY 2024 budget submission, all agencies are required to complete the "Fund Balance" tab in the Budget Request Submission (BRS) module to submit income and balance data for all special and federal fund sources. See [Section B.4.2](#) for more detail.

**Chart of Accounts Data Changes**

Agencies are encouraged to review their agency's units, programs, subprograms, or agency subobjects in BARS through the Agency Administration - COA Maintenance tab. If a necessary code is disabled or not yet created, agency users will not be able to use that code while making adjustments. **Please plan ahead for needed COA changes and work on them early in budget season** so that the processing of COA additions does not hold up agency budget work. See Section A.3.1 for additional detail.

## I.2 Operating Budget Calendar

Mid-April – June	<p>Budget submission requirements and budget targets developed by Office of Budget Analysis (OBA)</p> <ul style="list-style-type: none"> <li>● OBA determines projected expenditures and revenues for the current level of service</li> <li>● OBA considers items in addition to the current level of service, which might be necessary in the next fiscal year</li> <li>● OBA reviews data and determines budget target</li> </ul>
End of May	Legislative appropriations finalized
July	Fiscal Digest available on DBM website
Mid-July	Budget targets, including calculated salaries and fringe benefits, released to agencies
End of July	Budget submission requirements training sessions
July – August 26	Agencies update personnel data through the Position Reconciliation exercise in BARS
July – October	Agencies prepare remainder of budget submission after completing Position Reconciliation. Agencies review Prior Year 2022 Central Payroll Bureau Actuals and Position Control (POSCON) PIN counts
August – October	Agency budget requests due to OBA
October – November	Agency budget hearings as needed
December – Mid-January	<p>Governor’s Allowance created</p> <ul style="list-style-type: none"> <li>● Decisions regarding agency budgets and statewide issues are finalized by the Governor and senior staff</li> <li>● OBA prepares the Governor’s Allowance budget and various complementary publications</li> </ul>
3rd Wednesday in January, or 10 days after the 2 <sup>nd</sup> Wednesday if a newly elected Governor	<p>Introduction of the Governor’s Budget</p> <p>Press conference by the Governor</p> <p>Budget on DBM website</p>
January – Early April	<p>Legislative Session &amp; Supplemental Budget</p> <ul style="list-style-type: none"> <li>● General Assembly holds public hearings on the Governor’s budget and recommends changes, restrictions on funds, and budget-specific language affecting agency operations</li> <li>● Agencies submit supplemental budget requests to DBM</li> <li>● Governor may introduce supplemental budget</li> <li>● General Assembly passes amended version of the Governor’s Budget</li> </ul>

### **I.3 Primer on the Operating Budget Process**

#### **Starting Point: Targets/Current Services Budget (CSB)**

The CSB is a “fixed ceiling” technique of budget formulation that allows the Governor to designate the maximum amount an agency can request in its base budget for the next fiscal year (i.e. budget target). The legislative appropriation for the current fiscal year is used as a starting point for computing the CSB budget for the next fiscal year.

The following are typical adjustments made to compute the CSB budget.

- Funds are removed for one-time expenditures.
- Annualizations are made to programs or activities that were not operational for the complete fiscal year.
- Adjustments are made to expenditures that are driven by a formula, caseload, or population change (mandates and entitlements).
- Funds may be added to implement newly enacted legislation, including funding mandates, and to cover the costs of any new facilities that are due to open.
- Funds may also be removed to reflect a change in policy or sunset of statute.
- Multi-year funding commitments are honored.

The CSB, or budget target, for an agency usually only applies to general funds, but certain special funds sometimes also receive targets. OBA formulates the CSB for each department and independent agency or component unit as necessary. Some agencies also receive targets at a lower level--usually to reflect mandates, entitlements, or Governor’s initiatives.

OBA implements all target detail via adjustments in the DBM budget system BARS (Budget Analysis and Reporting System), and agencies can both review the data in BARS and receive a target memo provided by OBA summarizing the target and changes made. The target memo also includes the agency’s budget submission due date, with dates rolling through the fall to allow DBM to process and review the large magnitude of data entailed with agency budget submissions.

#### **Budget Request and Submission**

For situations where there is one CSB figure for the entire agency, the agency head will determine the allocation of the CSB to agency units, whose administrators will in turn reapportion that amount to the various elements and programs within the individual units. Agencies are encouraged to allocate resources through strategic planning to achieve outcome-based results.

Agencies prepare their budgets in accordance with the format and instructions prescribed by the Secretary of Budget and Management in this document.

The budget requests, including detailed explanations, are submitted to OBA in BARS from August through October. This data is submitted with actuals for the prior fiscal year along with any realignments to the current year’s budget that have a net zero impact on program-level appropriations. There are also certain budget detail forms that are completed and submitted outside of the BARS system that agency budget staff should be mindful of.

## **OBA Review, Hearings**

Once agencies submit their budget requests to DBM, OBA analysts check submission data for technical flaws (such as negative expenditure amounts or incorrectly budgeted scheduled subobjects) and work with agencies to correct those issues. Then, analysts review the requests, analyze year-to-year changes in each agency's budget and assess any deficiency, over-the-target, and reduction proposals submitted by agencies. Analysts determine if changes should be recommended to DBM leadership. During this time, analysts may ask agencies about spending trends, performance, and other budget-related topics. Analysts are often working on tight schedules during this period, so timely responses are much appreciated.

Once analysts complete their review of agency budgets, they report to DBM management with any recommended changes or requests for agency comment. At this point, DBM management and other staff will meet internally to finalize decisions regarding an agency's budget. This may involve inviting agencies to meet with DBM management to discuss their request and proposed recommendations. In these situations, DBM will provide agencies with a copy of the DBM analysis several days in advance of their meeting. After these meetings, final recommendations are sent to the Governor.

## **Spending Affordability Committee (SAC)**

This committee was established during the 1982 session and is composed of the President of the Senate, the Speaker of the House, Majority and Minority leaders of the Senate and the House, the chairmen of the four standing fiscal committees and other members selected by the presiding officers.

The committee must report to the Legislative Policy Committee and Governor by December 20 of each year with recommendations for fiscal goals for the budget to be considered in the next legislative session.

Specifically, this report includes the following recommendations:

- A level of state spending
- A level of new debt authorization
- A level of state personnel
- The use of any anticipated surplus
- End-of-year general fund balance
- End-of-year balance in the Revenue Stabilization Account (aka Rainy Day Fund)
- Structural (aka long-term) balance goal.

SAC examines the following in making recommendations:

- Continuation of current laws
- Recognition of inflation
- Removal of one-time expenses & non-recurring PAYGO
- Identification of deficiencies
- Observation of federal mandates and multi-year commitments
- Funding of prior session legislation
- Recognition of workload changes
- Annualization of program costs
- New facility costs
- Adjustment of employee turnover

## **Governor's Budget Submission**

The State constitution requires the Governor to annually present a balanced budget to the General Assembly shortly after it convenes in regular session. In essence, the figure for the total proposed appropriations shall not exceed the figure for total estimated revenues as determined by the Bureau of Revenue Estimates (balanced budget).

### Budget Books

The Governor's funding decisions are incorporated into the budget using the BARS system, characterized as allowances. This allowance, in effect, is the Governor's "request" to the General Assembly to spend that amount of money for the purpose specified.

The allowances are grouped by department and agency, and then included in a two-volume set of budget books. These books are accessible through the DBM website. Each agency's allowance carries a budget code number. The sequence of numbers determines where the budget of a department is placed in the two volumes.

With each allowance is a description of the program for which funds will be appropriated. Information is provided showing what each program spent in dollars the previous fiscal year, has as its current fiscal year appropriation, and the proposed allowance for the upcoming fiscal year.

Beyond this budget detail in the books, DBM publishes additional information online including (a) goals and objectives of the agency's strategic plan and measures of performance for that program (Managing for Results) and (b) personnel detail that lists each position classification and the number of positions in each class together with the total salary for the previous, current, and next fiscal year.

A separate Budget Highlights book is provided that describes key aspects of the budget and the Governor's main priorities.

### Budget Bill

The Governor submits the budget bill in accordance with the provisions of Article III, Section 52 of the Constitution of Maryland.

The budget bill is introduced in each house of the General Assembly by the presiding officers on the third Wednesday of January. This date is extended to the tenth day of the legislative session every four years for the newly elected governor. The legislative session formally begins the second Wednesday of January.

Although the budget bill is introduced independently in both the Senate and House of Delegates, the printed version of the first reader includes both bill numbers. One house passes the budget bill first in one year and by prearranged schedule the other house passes the bill first in the next year.

The Budget bill has three major parts. The first part contains specific appropriation proposed for each unit of state government. This is the largest part of the bill.

The second part of the budget bill contains a number of sections that provide certain standard details pertaining to the expenditure of the appropriations contained in the first part. The Legislature can and



does add restrictions on appropriations, across-the-board cuts, and other additional language in this section.

The third part of the budget bill is a one-page “Budget Summary Table” showing a summary of the general fund balance, estimated revenues, and expenditures during the current and coming fiscal years.

#### Budget Reconciliation and Financing Act (BRFA)

Sometimes, the Governor may propose amending existing statute to balance the proposed budget through a BRFA. The BRFA bill is separate from the budget bill but both bills are considered in tandem with one another. The BRFA may seek to balance the budget through the suspension, reduction, or elimination of statutorily mandated funding, or through a change in the State’s tax code.

### **Legislative Session**

#### Supplemental Budget

If the situation arises where the Governor may want to change or increase the budget bill, he can do this through a Supplemental Budget in accordance with State Finance and Procurement Article, Section 7-102 of the annotated Code of Maryland.

The supplemental budget amendments may be used to correct an oversight, fund pending legislation, use unappropriated revenue, or in case of an emergency. Supplemental budgets can be submitted any time before the budget bill passes. The Governor can choose to submit one supplemental budget, none, or multiple.

#### Legislative Review and Enactment – Changes in the FY 2024 Budget Process

Maryland is undergoing a major budget process change starting with the FY 2024 budget season. Previously, the Governor introduced a balanced budget and the General Assembly could only reduce that budget. Starting with the FY 2024 budget, due to the passage of Maryland Question 1 on the 2020 ballot which amended Article II Section 17 and Article III Sections 14 and 52 of the Maryland Constitution, the process is as follows:

- The General Assembly may now increase, reduce, or add to the budget, or restrict funding for different purposes.
- The legislature must pass a budget that is equal to or less than the budget proposed by the Governor. Any restricted, or fenced-off, funding is left to the Governor’s discretion to release.
- Under the new constitutional amendment, the Governor may issue line-item vetoes on items where the General Assembly added to the budget.
- The General Assembly must still enact a balanced budget.

Shortly after the Governor introduces the budget, the Department of Legislative Services presents a fiscal briefing to the budget committees on the provisions and implications of the Governor’s proposed budget. This briefing would include an overview of the BRFA bill, should it exist.

The budget overview presents extensive data concerning expenditures by highlighting new programs and significant program changes introduced in the budget. Additionally, the overview summarizes the positions being created or abolished in the budget.

### Budget Analysis - Department of Legislative Services (DLS)

Legislative analysts communicate with the agencies, reviewing the budget request and obtaining information on any expenditure not adequately explained or justified. The budget bill is reviewed by the legislative analysts piece-by-piece, similar to the manner in which the analysts in DBM review agency requests.

### Legislative Budget Hearings

The budget committees (Senate Budget and Taxation and House Appropriations) hold public hearings on the budget bill following a schedule for various agencies prepared by DLS and approved by the chairmen of both committees. The structure of budget committee hearings has varied from session to session. Hearings may be held separately (sub-committees) or jointly.

### Committee/Subcommittee Decisions

After the budget hearings are completed, the decisions concerning the appropriation and expressions of legislative intent and fiscal policy for each agency are determined. The following are the types of decisions that can occur:

- The most prominent form of reduction is the “line-item” reduction. The item being eliminated is specifically identified and the resulting action is applied to the object classification in the program.
- In some instances, an overall reduction is made to one or more agency’s allowance and the specific items or functions to be affected are left to the discretion of the agency or department. This action permits the General Assembly to exercise overall financial control and to set fiscal policy without interfering with the management of the agency.
- In addition to appropriation changes, the committees also propose language for inclusion in the budget bill placing limitations on the expenditure of funds or expressing legislative intent as to the use of funds. This can take two forms:
  - Fencing, a practice by the General Assembly of restricting the expenditure of appropriated funds to a specific purpose (either in the same program or in another program).
  - Restricted funding, the General Assembly may choose to make certain funding contingent upon agencies completing an action, such as submitting a report (i.e. a JCR report). This funding will not be released until the legislature has reviewed that report, sent to DBM confirmation that the funding is released, and DBM notifies the General Accounting Division (GAD) in the Comptroller’s Office to that effect.

When the budget committees arrive at their final position on the budget bill, the DLS Office of Policy Analysis prepares the respective committee reports. The two reports differ according to which house moves the budget bill.

### *First House Action*

When the first house's budget committee has completed its deliberation and its report is prepared, the chairman is ready to bring the bill to the floor. This occurs around the end of the ninth week of the legislative session.

Recent practice has been to report the bill out of the committee and then delay the debate (lay the bill over) for two to three days. This additional time permits members to review the recommended amendments and other supporting documentation.

### *Second House Action*

When the bill is received in the second house, the bill is referred to the budget committee for review and comment by any member of that committee. The changes made as a result of the action in the first house are explained to the committee by DLS.

Committee amendments, which differ from the first house amendments, are applied to the bill, and the committee report and reprint of the bill are completed. The bill is brought to the floor for second reading about the end of the eleventh week of the session.

The bill is then laid over to permit time for review and study. If the second house does not further amend the budget bill, it is enacted upon passage at this point. However, if the second house has amended the bill, the amended bill must be returned to the first house. At this point the first house must accept the bill as amended, or a conference committee must be called to resolve the points of difference.

### Conference Committee

The conference committee is composed of three members of each house, and is, by rule, restricted to dealing only with those amendments that have not received concurrence in both houses. The conference committee recommendations must be accepted in their entirety by each house. If they are not, the conference committee must be reinstated, or another appointed.

### Joint Chairmen's Report

The Office of Policy Analysis at DLS prepares the Joint Chairmen's Report detailing every action taken by the General Assembly upon the budget bill and submits the report to the chairmen of both budget committees. Compiling it usually takes 3 weeks to a month after the budget bill passes.

The report contains an explanation of each budget amendment and statements of legislative policy and intent that were accepted by the General Assembly, and includes the fiscal status of the budget as enacted by the General Assembly.

The report is used by each agency to comply with legislative direction in executing its budget and preparing studies or special reports required by the General Assembly.

## **Fiscal Digest**

Once the specific budget reductions are identified, OBA, in consultation with the agencies, makes specific reductions within BARS. In some instances, the General Assembly will make a statewide percentage reduction in an object category and allow the Governor to designate the allocation of the reduction among the state agencies.

Once the reductions have been allocated, the Department of Budget and Management prepares and publishes the Fiscal Digest by the beginning of the fiscal year (July). The digest includes the following:

- Summary of the status of the general funds
- Estimate of revenues for the coming fiscal year
- Details of the appropriations for operating purposes
- A schedule of withheld allotments
- A summary of authorized positions
- A listing of deficiency appropriations for the current fiscal year
- Summary of the enacted capital budget

The digest consolidates all modifications to each appropriation--changes made by the Governor through supplemental budgets and the changes made by the General Assembly--and reflects the final legislative appropriation.

## **Other Key Operating Budget Components/Concepts**

### Board of Public Works

A three-member panel (Governor, Comptroller, and Treasurer) charged with ensuring that significant State expenditures are necessary and appropriate. Specifically, the Board:

- approves the expenditure of all general obligation (GO) bond funds
- approves the expenditure of funds for capital improvements except for State roads, bridges, and highways
- approves the sale, lease, or transfer of State real and personal property
- controls procurement policy, adopts procurement regulations, and approves most contracts exceeding \$200,000
- approves allocation of funds paid to each county for school construction and adopts rules for the administration of the Public School Construction Program
- preserves and protects the State's submerged lands, shoreline, and tidal wetlands and issues licenses to dredge or fill wetlands

The Governor can present a Board item that reduces an appropriation by up to 25% (commonly referred to as "cost containment").

### Contingent Fund

A general fund reserve in the BPW budget available to increase an agency's appropriation in the event of an emergency or other reason. It not a large pot of funding, and can only cover smaller issues.

- DBM monitors/recommends/controls disbursements from the Contingent Fund. Any use of the fund must be proposed to DBM and DBM prepares the BPW item.
- Upon approval from the BPW, transfers from the contingent fund are made by budget amendment (processed by DBM).
- One of only two ways to get new general funds for the current year.

### State Reserve Fund

Comprised of the:

- Dedicated Purpose Account, which was created for the purpose of retaining appropriations for multi-year expenditures or to address certain fiscal contingencies.
- Revenue Stabilization Account (Rainy Day Fund), retaining revenues for future fiscal shortfalls.
- Economic Development Opportunity Fund (Sunny Day Fund), established for the purpose of acting on economic development opportunities beyond the capabilities of existing programs.
- Catastrophic Event Fund (Stormy Day Fund), established for the purpose of enabling the state to respond without undue delay to a natural disaster or catastrophic event.

### Mandates

A statutory or constitutional requirement that a specific amount be appropriated or a specific formula be used to calculate the appropriation. In order to truly be a mandate, the legislation must state “shall” (i.e. “the Governor shall include XXX in the budget”) and it must be a specific dollar amount or be a formula that is calculable at the time of budget submission in January each year.

### Statewide Controlled Subobjects

"Statewides" are charges that apply to most agencies and go towards covering certain statewide costs. Usually, they fund the costs of a central control agency that provides services throughout the State (ex: DBM or the Department of Information Technology (DoIT)). Because DBM needs to ensure that those central control agencies are adequately funded, DBM “controls” their allocation in the budget, making sure that every agency budgets correctly by fund type.

Each of these statewide subobjects has a fee schedule that is determined on various factors, including some that are set in statute. For example, the State Retirement Agency (SRA) is funded by all entities with active employees in the pension system, so the schedule is based on those active employee counts.

For these statewides, BARS ensures that agencies submit their budget request with exactly what was in the Legislative Appropriation (by agency by fund type). The reason is because if an agency was able to realign funding elsewhere within their budget target, the Administration would have to provide additional funding to make up the difference for the central cost. In other words, these statewide costs are part of what makes up the CSB, and an agency’s target assumes that they budgeted the same as the appropriation. However, agencies are able to realign the charges between units/programs/subprograms in their request should they choose so, provided the net amount by fund type does not change for the agency.

In late November/early December, DBM updates these statewide schedules to support centralized costs in the Allowance. For example, if SRA requires additional funds to support their IT systems, subobject 0875

(the statewide) must increase in other agencies to cover these charges. DBM undergoes the following process:

1. Reaches out to agencies to determine whether the fund types supporting the statewides should change based on the specific fee schedule allocation. In the case of SRA, if more positions in the agency are now supported by federal funds, it would make sense to increase the federal fund percentage for 0875.
2. Uses these revised funding splits combined with the updated statewide allocation schedule (i.e. split between agencies) and the Governor's Allowance for the central charge to update every agency's charge in BARS. NOTE that BARS automatically increases/decreases these charges based on where funding was in the request, so if an agency wants to realign the charges they should do so in the request or via budget amendment during the fiscal year.

More detail on the allocation process for each statewide controlled subobject is in Section A.1 of budget instructions.

## I.4 Important Contacts

Please do not hesitate to contact your OBA budget analyst with any questions you have about the budget submission requirements or other issues that arise, as they are your main contact for all questions. If you need specific help regarding an issue listed below, please make sure to **copy your OBA analyst** on any communications with related contacts.

TOPIC	CONTACT	E-MAIL
General Questions	Your OBA Budget Analyst	
Budget Amendments	Angela Miller	<a href="mailto:dlbudgethelp_dbm@maryland.gov">dlbudgethelp_dbm@maryland.gov</a>
BARS Questions	Your OBA Budget Analyst	
Position Reconciliation and Salary Forecast	Kurt Stolzenbach	<a href="mailto:dlbudgethelp_dbm@maryland.gov">dlbudgethelp_dbm@maryland.gov</a>
Pay Plan Adjustments and New Classifications	Kurt Stolzenbach	<a href="mailto:Kurt.stolzenbach@maryland.gov">Kurt.stolzenbach@maryland.gov</a>
Salary Tables	Kurt Stolzenbach	<a href="mailto:kurt.stolzenbach@maryland.gov">kurt.stolzenbach@maryland.gov</a>
DoIT Telecommunications	Russell Mueller	<a href="mailto:Russell.mueller@maryland.gov">Russell.mueller@maryland.gov</a>
SEIF/State Agency Loan Program/Jane E. Lawton Loan Program	Tom Jones	<a href="mailto:tom.jones2@maryland.gov">tom.jones2@maryland.gov</a>
Vehicle Requests and DA-8 Forms	Michelle Pack	<a href="mailto:dlbudgethelp_dbm@maryland.gov">dlbudgethelp_dbm@maryland.gov</a>
DBM Fleet Administration	Joe Consoli	<a href="mailto:Joseph.consoli@maryland.gov">Joseph.consoli@maryland.gov</a>
State Treasurer's Office Equipment Financing	Kristen Robinson	<a href="mailto:krobinson@treasurer.state.md.us">krobinson@treasurer.state.md.us</a>
DGS Lease Management	Kimberly White	<a href="mailto:Kimberly.white1@maryland.gov">Kimberly.white1@maryland.gov</a>
DGS Operational Maintenance	Courtney League	<a href="mailto:Courtney.league@maryland.gov">Courtney.league@maryland.gov</a>
DGS Energy Performance Contracts	David St. Jean	<a href="mailto:david.stjean1@maryland.gov">david.stjean1@maryland.gov</a>
Local Aid Submissions	Nathan Bowen	<a href="mailto:Nathan.bowen@maryland.gov">Nathan.bowen@maryland.gov</a>
Indirect Cost Recovery and Reversion Reporting	Michelle Pack	<a href="mailto:dlbudgethelp_dbm@maryland.gov">dlbudgethelp_dbm@maryland.gov</a>
Org Charts	Michelle Pack	<a href="mailto:dlbudgethelp_dbm@maryland.gov">dlbudgethelp_dbm@maryland.gov</a>
Managing for Results	Jennifer Spangler	<a href="mailto:jennifer.spangler@maryland.gov">jennifer.spangler@maryland.gov</a>