

# Maryland

## Department of General Services



### **FY 2020 Operating Budget Analysis DGS Response**

**House Appropriations Committee  
Public Safety and Administration Subcommittee – January 31, 2019**

**Senate Budget and Taxation Committee  
Education, Business & Administration Subcommittee – February 08, 2019**

**Larry Hogan, *Governor***  
**Boyd K. Rutherford, *Lt. Governor***  
**Ellington E. Churchill, Jr., *Secretary***

## Introduction

Good afternoon, Chair and Members of the Subcommittee. For the record, I am Ellington Churchill, Secretary of the Department of General Services. On behalf of the dedicated, hard-working employees at General Services, thank you for the opportunity to appear before you today regarding the Department's operating budget. I would like to thank Patrick Frank for his analysis of our FY2020 Operating Budget Request.

General Services' FY 2020 total operating general budget is currently proposed at nearly \$77 million. The economic impact being leveraged is great, administering approximately \$2.5 billion in goods, services, and transactions across the state.

DGS provides technical expertise, essential services and facilities operations and management of the State owned complexes. The department is often the first call for those agencies and citizens in need.

In 2018 the department has delivered the following Statewide results.

- Our Facilities Operations and Maintenance Office continues to effectively operate our 6.3 million square feet of office space, including office buildings, multi-service centers, garages, parking lots, and two central utility plants. The Office is operating a Computerized Maintenance Management System (CMMS) that will assist staff to more effectively manage maintenance.
- The Energy Office oversees 28 energy performance contracts with an annual savings of \$26.2M.
- The Facilities Planning, Design, Construction & Energy department manages a \$796M workload, with 544 projects in planning & development, 51 projects in design, and 468 projects in construction. The department is also responsible for the review of public school construction projects totaling \$515.8M and the construction and completion this year of the \$54M Catonsville Courthouse.
- The Maryland Capitol Police fortify, strengthen, and maximize the effectiveness of security at state buildings.
- The Real Estate Office manages the commercial lease portfolio for state agencies totaling 4.6 million square feet and administered easement options valued at \$52M, preserving 12,870 acres of land under the Maryland Agricultural Land Preservation Foundation program.

- The Department secured and delivered over \$11M in federal surplus property to Marylanders in need and helped coordinate a massive effort to deliver 65 truckloads of meals kits, equalling 1.65 million meals from the Federal Emergency Management Administration. Meal Kit donations were distributed in various locations across the state including Hagerstown, Baltimore City, Crownsville, and Salisbury.
- The Department implemented an \$11M emergency response project to replace utility infrastructure in Lawyers' Mall in Annapolis. Phase one will replace the oldest remaining sections of the steam distribution system. Not replacing the steam distribution system would result in an operational failure to produce heat or hot water for the Annapolis complex.
- The Department managed emergency funding reimbursement of \$2.5M from the State's Catastrophic Event Fund to help Baltimore City Public Schools with HVAC emergency repairs. This includes a full boiler replacement at the New Era Academy in Cherry Hill.
- The Department is working with other agencies to reorganize state procurement pursuant to HB 1021 (2017) and implement significant statewide procurement reforms through the new Office of State Procurement by October 2019.

This Department of 582 employees is working diligently to maximize its stewardship of Maryland resources. We proudly provide these and other services, making it possible for state government to function efficiently and effectively in a safe and secure environment on behalf of the citizens of Maryland.

# **Fiscal Year 2020 Operating Budget Analysis DGS Response**

## **Issues**

**DGS should be prepared to brief the budget committees on what steps have been taken to reduce turnover.**

The strategies DGS has identified to address high turnover and vacancy rates include salary increases, career development, apprenticeship programs, and mentoring programs. For example, DGS recognizes the Administration's timely response to the critical shortage of stationary engineers by providing a necessary pay increase. In addition, state employees will receive a 3% COLA effective July 1, 2019, a .50% COLA effective April 2019 and a \$500 bonus, as well as a 2% COLA on January 1, 2019. DGS will continue to work on strategies to reduce turnover, in conjunction with the Department of Budget & Management. DGS has made a concerted effort to show that the Department values its employees through monthly all-staff meetings, public recognition of outstanding work through its "Caught DGS" (Doing Great Service) and employee of the month initiatives, and expanded use of social media to publicize the work of its employees.

**DGS should comment on measures that it has that compare the quality of vendor and State employee security services. The Department should also examine if the State can achieve savings by bundling contracts.**

DGS uses contractors for building security in 19 of its 20 Multi-Service Centers. However, these buildings are located throughout the State, making it difficult to bundle contracts to serve varied geographical areas. In the Baltimore and Annapolis complexes DGS utilizes Maryland Capitol Police officers. DGS is constrained in the use of contractual security officers due to the State's agreement with AFSCME, which specifically states the State cannot replace regular permanent positions with security vendor contracts. Contractors are not as operationally knowledgeable with MCP procedures or have the continuity of service and familiarity with state buildings.

# **Fiscal Year 2020 Operating Budget Analysis DGS Response**

**The Department should be prepared to brief the committees on how it will implement the new Statewide Facility Conditions Assessment Unit. This should include a discussion of how long it will take to hire and train new employees.**

DGS appreciates the opportunity to reestablish the Statewide Facilities Conditions Assessment Unit. In preparation for this, DGS implemented a pilot program using vendors to conduct conditions assessments in two different ways. First was a detailed, full engineering assessment of a single building over a period of weeks. Second was a faster, single day visit at each site, with tours to multiple sites using a smaller group of building assessors to generate a report on the top priorities for the building. Both methods have value and are being used to create a standard template for future assessments. This will facilitate an immediate and well organized start-up. Some existing DGS Project Management staff are interested in transferring to the Conditions Assessment Unit. This will further expedite and enhance the implementation of this unit. In conjunction with DBM, DGS is working to accelerate the necessary hiring in order to maintain the Statewide backlog reduction efforts.

**END OF AGENCY RESPONSE**



***Delivers***

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