

## Maryland Department of Labor, Licensing and Regulation

### Business Regulation Group FY 2020 budget hearing responses

The Department greatly appreciates the thoughtful and thorough analysis from Ms. Sierra Boney. Her analysis highlights some of the excellent work being done in our agency. A good example is the Voluntary Protection Program or VPP noted in her analysis. Our MOSH program has been able to expand this effort to include 21 employer sites in Maryland.

#### DLS Recommendations

1. Delete 2.5 vacant positions (033048, 084423, 088004)

The Department of Labor, Licensing and Regulation respectfully disagrees with eliminating these two and a half positions.

- **033048:** This position is an executive assistant to the Commissioner in the Division of Labor and Industry. The previous Executive Assistant retired in the Fall of 2017. The Division was able to shuffle other positions to fill this need temporarily, then the retired executive assistant agreed to return to the Division on a part-time contractual basis for one-year. The Division began active recruitment for the position in the Fall of 2018.
    - The Commissioner has seven interviews for this position scheduled for this Tuesday, February 12, with plans to hire one for the position.
    - If this position filled and the PIN eliminated when the FY2020 budget passes, the Department would be in a difficult position of a newly hired person in a PIN that no longer exists.
  - **084423:** This is a bank examiner position categorized as a Financial Depository Examiner II position - Grade 18. The prior examiner retired in the Fall of 2017. Financial Regulation began active recruitment shortly thereafter, received and interviewed several applicants, but was unable to find a suitable candidate. The PIN has been reclassified to a trainee position (Grade 14) in an attempt to broaden the pool of candidates so that a suitable entry-level candidate can be hired.
    - The Commissioner is actively considering pursuing the possibility of making this position a Registered Apprenticeship. Rather than hiring someone with the experience required for the position, the Commissioner intends to train the right person to acquire the skills through on the job training.
    - The Commissioner is awaiting a Hiring Freeze Exemption from the Department of Budget and Management to begin advertisement for the position.
  - **088004:** The is a .5 Assistant Attorney General PIN in the Occupational and Professional Licensing Division, specifically for the appraisers board. DLLR's AG counsel is examining several options to use this position.
2. Delete Funding for the Electronic Licensing Modernization Information Technology project for fiscal 2020 based on project schedule.

The Department of Labor, Licensing and Regulation respectfully disagrees with eliminating \$2,000,000 funding for this critical IT project for the Division of Occupational and Professional Licensing (O&P).

The unit has requested \$2,000,000 in special funds for systems software acquisition in FY 2020, flat funded from FY 2019. This has been designated as costs for eLicensing Modernization (ELMO), an IT project which will digitalize licensing procedures.

The Division is working with the Department of Information Technology (DOiT) to prepare an RFP to ensure the acquisition of a cost effective licensing database system that integrates with the Maryland One Stop portal. Project requirements have been finalized and the RFP is near completion. The project will replace the antiquated legacy information system and mainframe currently being used, and integration will allow the division to be linked within the portal to allow consumers and staff easy access. The scope affects the public facing interface, the back end platform, the staff interface, and will reside in the cloud. Although DoIT has not provided the division's costs for participation in the One Stop portal, it is anticipated the funding will be needed in the third quarter of FY 2020.

The current AS/400 information system employed by the division was originally deployed by IBM in 1988 and was enhanced throughout the late 1990's. Due to many limitations with interfacing with modern 21st century systems, our units have purchased third party software systems to supplement the lack of functionality. We use programs like ACCESS, WinTouch and others to capture information that is later held separately and merged with data from the legacy system. This is quite inefficient and is prone to accuracy issues. Some boards within O&P use ACCESS as their primary complaint or inspection tracking system while others use WinTouch, an AS/400 overlay product, that allows for a more modern look but has integration limitations.

Once a vendor and project manager are selected, system development should begin in the next several months. Implementation will be in stages. Full implementation cannot be predicted at this time, but may overlap multiple fiscal years due to the complexity and the number of units involved (25 units of O&P). Since total cost of the project is uncertain at this time we feel removing the appropriation for the project is premature.

**DLS recommends that DLLR comment on the current status of the Purse Dedication Account distributions and how they plan to correct the accounting for the account.**

DLS is correct in that video lottery terminal revenue is going directly from the state Lottery and Gaming Control Agency to the Purse Dedication Account. This process began in early 2015 and has not been raised as an issue in any previous DLS budget analysis or DLS audit. Despite this, the Department of Labor, Licensing and Regulation will work with our control agencies, namely the General Accounting Division and the Department of Management and Budget, to determine how and when to make these transfers moving forward to comply with accounting processes.



# Business Regulation Group

House Committee on Appropriations  
Subcommittee on Education and Economic Development  
Delegate Adrienne A. Jones, Chair  
Delegate Ben Barnes, Vice-Chair  
February 7, 2019

Senate Committee on Budget and Taxation  
Subcommittee on Education Business & Administration  
Senator Bill Ferguson, Chair  
February 11, 2019

James E. Rzepkowski, Acting Secretary

# Agenda

- Introductions
- Budget Overview
- DLS Responses

# Business Regulation Group

- Victoria L. Wilkins, Commissioner, Occupational and Professional Licensing
- Matt Helminiak, Commissioner, Labor and Industry
- Tony Salazar, Commissioner, Financial Regulation
- Mike Hopkins, Executive Director, Maryland Racing Commission

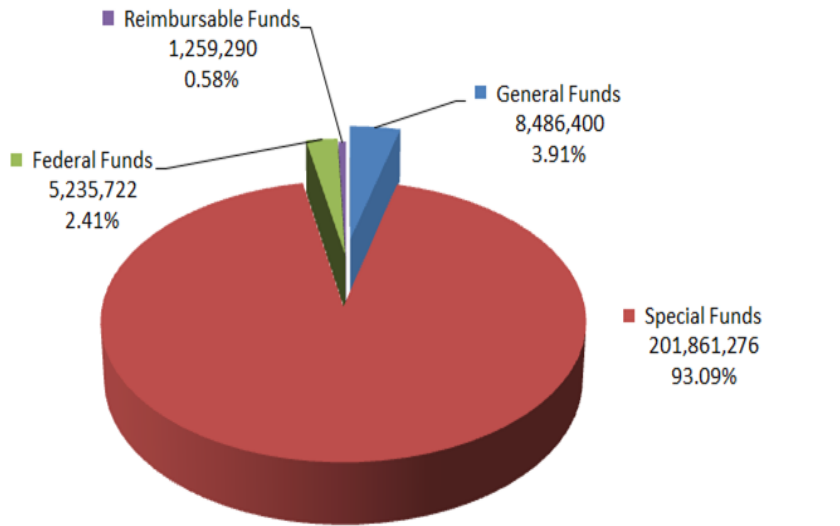


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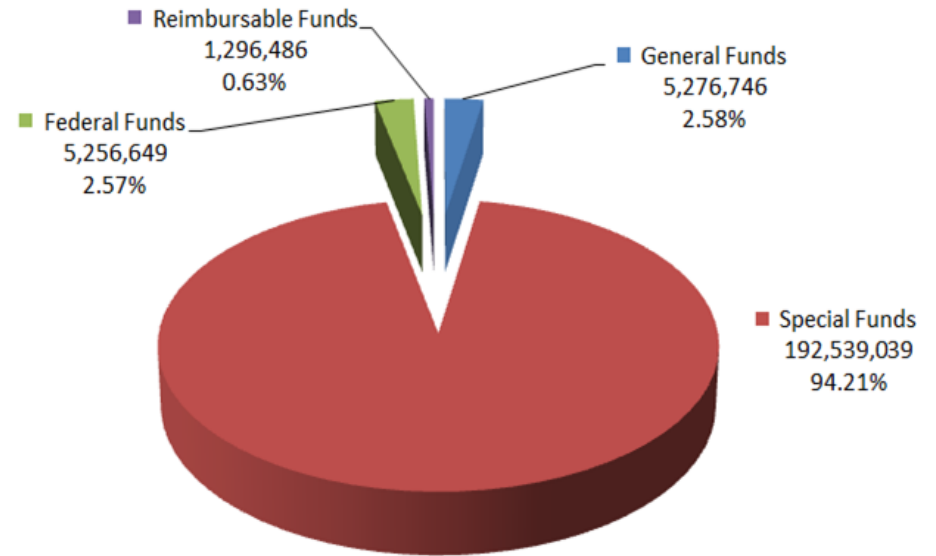
# FY 2018 Actual and FY 2019 Appropriation

BUSINESS						
	FY 2018		FY 2019		FY 2020	
	ACTUAL	%	APPROPRIATION	%	ALLOWANCE	%
General Funds	8,486,400	0.039	5,276,746	0.026	5,914,267	0.028
Special Funds	201,861,276	0.931	192,539,039	0.942	199,665,571	0.940
Federal Funds	5,235,722	0.024	5,256,649	0.026	5,403,737	0.025
Reimbursable Funds	1,259,290	0.006	1,296,486	0.006	1,416,602	0.007
<b>Total</b>	<b>216,842,688</b>	<b>1.000</b>	<b>204,368,920</b>	<b>1.000</b>	<b>212,400,177</b>	<b>1.000</b>

**FY 2018 ACTUAL**



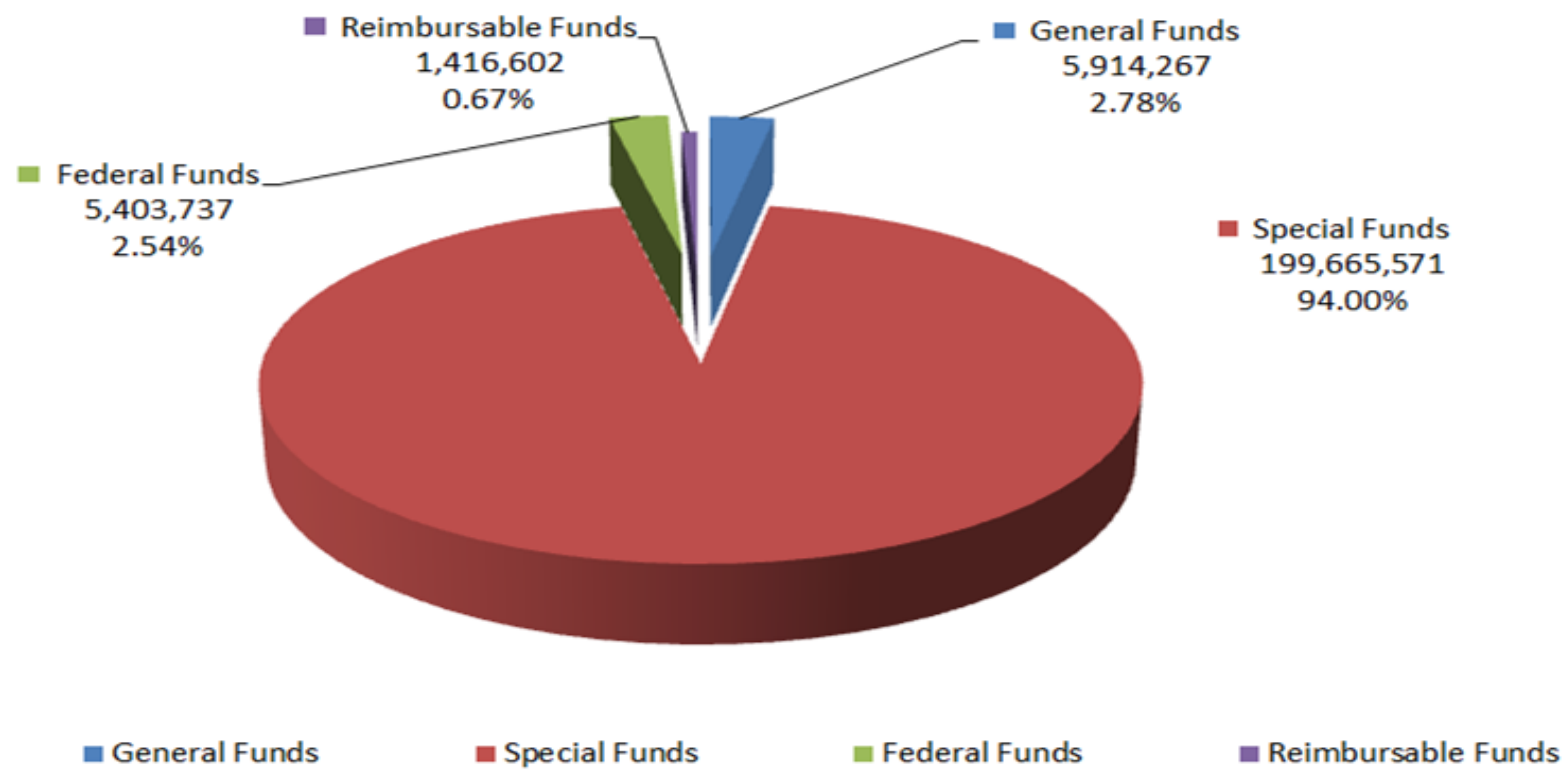
**FY 2019 APPROPRIATION**



■ General Funds   
 ■ Special Funds   
 ■ Federal Funds   
 ■ Reimbursable Funds

■ General Funds   
 ■ Special Funds   
 ■ Federal Funds   
 ■ Reimbursable Funds

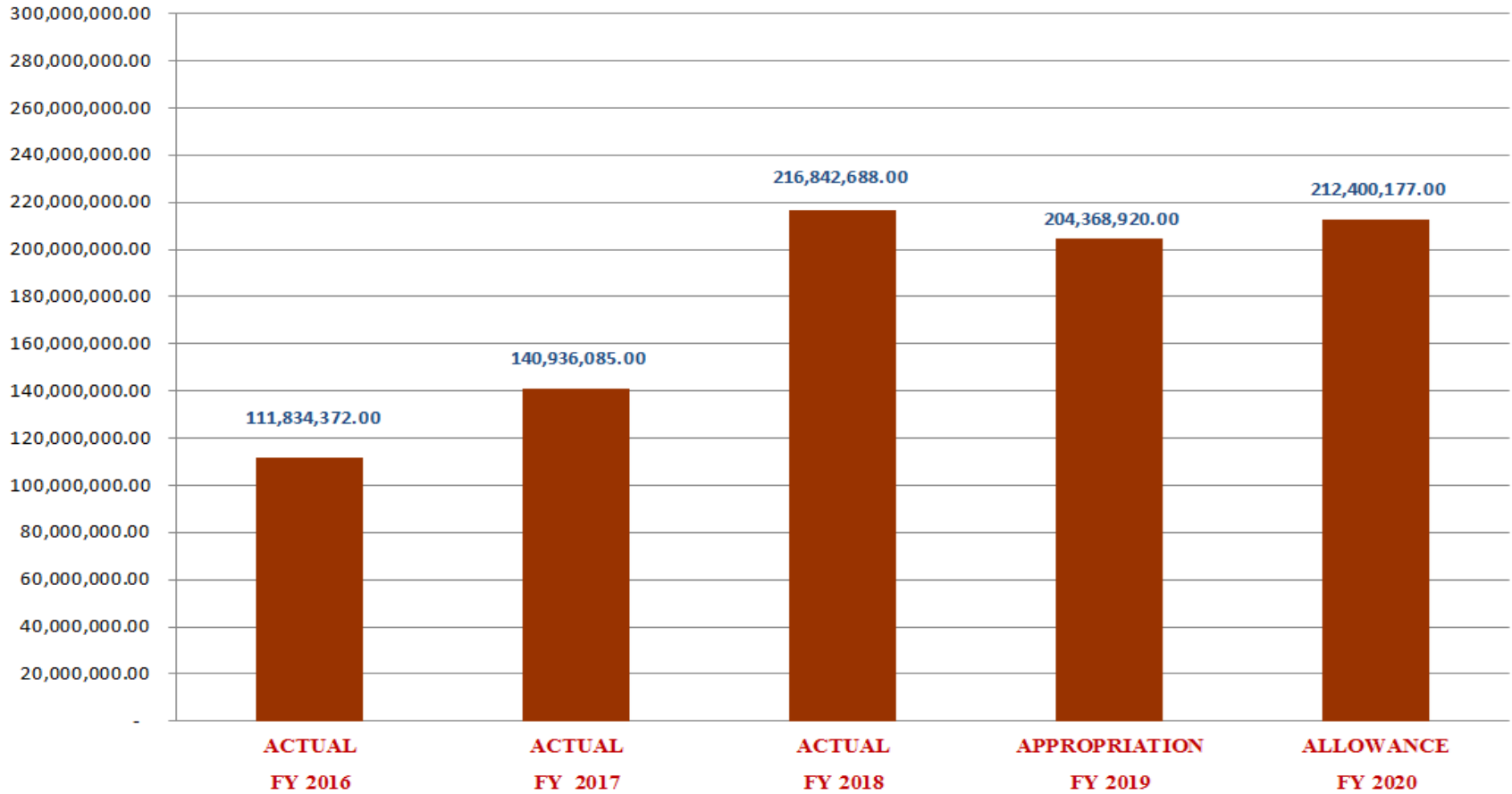
# FY20 Budget Allowance





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# Business Regulation Group Budget FY 2016 Actual – FY 2020 Allowance





# DLS Recommendations

1. Delete 2.5 vacant positions
  - 033048
  - 084423
  - 088004
2. Delete funding for the electronic licensing modernization technology project for fiscal 2020
  - DLS recommends that DLLR comment on the current status of the Purse Dedication Account distributions and how they plan to correct the accounting for the account.

## Agency Responses

1. Disagree with eliminating the 2.5 positions
2. Disagree with eliminating licensing modernization funding

## Agency Responses

- 033048 is an executive assistant position to the Commissioner of Labor and Industry
- 084423 is a bank examiner in the Office of Financial Regulation
- 088004 is a .5 assistant attorney general position with the appraisers and home inspectors commission

# Agency Responses

- eLicensing Modernization (ELMO)
  - requested \$2,000,000 in special funds for systems software acquisition in FY 2020
  - flat funded from FY 2019
  - will integrate with Maryland One Stop portal
  - replaces 30+ year old AS/400 system

2/05/19

DEPARTMENT OF LABOR, LICENSING & REGULATION

14:09:15

OCCSELR

Select Board / Commission

SUB1

Enter Unit #:      OR enter X below to select

Sel Unit-Board/Commission

- 04-FINANCIAL REGULATIONS-CRD
- 05-HVACR CONTRACTORS-HVAC
- 08-HOME IMPROVEMENT COMM.-HIC
- 09-CEMETERY OVERSIGHT-CEM
- 10-RE APPRAISER & HOME INSPE-RAPMENU
- 11-REAL ESTATE COMMISSION-REAL
- 12-CERTIFIED PUBLIC ACCTNT.-CPAMENU
- 13-PROFESSIONAL LAND SURVEY-SUR
- 14-ATHLETIC COMMISSION-ATHMENU
- 16-BARBERS-BAR
- 17-STATIONARY ENGINEERS-STAT
- 18-CERTIFIED INTERIOR DESIGN-INTDSGN
- 19-ELECTRICIANS-ELE
- 20-PLUMBING-PLUM

Sel Unit-Board/Commission

- 21-ARCHITECTS-ARR
- 22-COSMETOLOGISTS-COSMO
- 23-PROFESSIONAL ENGINEERS-ENG
- 26-PILOTS-PIL
- 28-LANDSCAPE ARCHITECTS-ARC
- 29-FORESTERS-FOR
- 30-SECONDHAND PRECIOUS METAL-MTL
- 31-ELEVATOR SAFETY REVIEW-ELEV
- 32-INDIVIDUAL TAX PREPARERS-TAX
- 33-LOCKSMITH-LOCK
- 34-OIL & GAS LAND PROF-OIL

The above records are taken from the DLLR/UNITMENU file

F3=Exit

# Agency Responses

## Purse Dedication Account

The Department of Labor, Licensing and Regulation will work with our control agencies, namely the General Accounting Division and the Department of Management and Budget, to determine how and when to make these transfers moving forward to comply with accounting processes.



Thank You

Questions?