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Lieutenant Governor

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DEPARTMENT OF BUDGET AND MANAGEMENT – SECRETARY’S OFFICE

FY 2021 Budget Hearing

Testimony of

**David R. Brinkley, Secretary
Department of Budget and Management**

**Senate Budget and Taxation Committee
February 18, 2020**

**House Appropriations Committee
February 21, 2020**

The Department of Budget and Management (DBM) appreciates the opportunity to respond to the Department of Legislative Services’ (DLS) analysis of the Office of the Secretary budget. The following testimony addresses the issues raised in the analysis as well as the recommended actions.

DLS Issues

Annual Budget Books – Budget Reconciliation and Financing Act (BRFA) Provision

DBM appreciates DLS’s recommendation to concur with the provision in the BRFA to remove personnel detail and Managing for Results submissions from the material required to be included in the annual budget books. The provisions proposed in the BRFA as introduced are merely seeking the flexibility to use available online tools and adapting our processes to the digital world. Please be assured that DBM intends to publish hard copies of the budget books next year. Archived budget data is currently posted on the DBM website, and has been for years, and it is not DBM’s intention to remove it. Further, DLS possesses this historical budget information as DBM provides it to them annually with the Governor's budget.

Maryland Transparency Portal

The Department is proud of the new Maryland Transparency Portal (MTP) launched this past summer, in collaboration with the Department of Information Technology (DoIT), and we appreciate the analyst’s comments. Using the online platform, citizens can employ a user-friendly interface to

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<http://dbm.maryland.gov>

navigate detailed budget information, including vendor payment and grant and loan detail by fiscal year. FY 2017 through FY 2021 budget data is available on the site, including actual data for FY 2019. More than a decade's worth of vendor payment and grant and loan data are available as well. Screen shots are provided at the end of our written testimony and the Department encourages budget committee members to explore the site. Since the site is less than one year old, we are continually seeking to improve its functionality and usability, and welcome any feedback.

MFR Performance Analysis

With regard to DLS's report on Managing for Results (MFR), DBM appreciates DLS's interest in MFR as a performance analysis tool and the report raises issues we are discussing internally. Currently, DBM is responsible for publishing (both in print and online) agency Managing for Results strategic plans, which include goals, objectives, and thousands of performance metrics. DBM is evaluating which performance data (including both data already published online in the state agency MFRs as well as other data) would be of highest value to publish on the Maryland Transparency Portal in a more user-friendly format.

Annually, DBM works with State agencies to update MFR strategic plans from March to June. DBM analysts will share the DLS recommendations with State agencies and ask which are feasible to incorporate for the FY 2022 MFR publication. DBM will continue to work with agencies on performance measures and to discuss how often data can be reported. In addition, DBM works with the Governor's Office for Performance Improvement (GOPI) on performance management activities with State agencies.

The Governor's Customer Service survey data is published on the Governor's Office of Performance Improvement website. DBM will collaborate with GOPI and DoIT to better link this data with other performance data published on MTP in future years.

DLS Budget Recommendations

As discussed below, DBM concurs with nine (9) of the eleven (11) operating budget recommendations made by the analyst. As discussed below, the Department continues to oppose annual Recommendations #2 and #3, which limit the Secretary's authority to manage the budget.

Recommendation #2: *Impose limitations on placing appropriations into contingency reserve.*

DBM Response: The Department does not concur with this limitation on the Secretary's authority to manage the budget. The language recommended for deletion by DLS was standard language in the budget bill that was included every year under the prior administration. The Department believes the current administration should be afforded the same authority to manage the budget.

Recommendation #3: *Disallow transfers from restricted objects of expenditure to other purposes.*

DBM Response: The Department does not concur with the recommendation to disallow transfers from restricted objects of expenditure to other purposes. The language permitting the Secretary of Budget and Management to approve the transfer of funds from various statewide allocations for other purposes had been included in annual budget bills for several years prior to FY 2016. DBM believes the current Administration should be afforded the same flexibility to manage funds as the prior administration and therefore respectfully requests the Committee reject the analyst's recommendation and allow the Secretary to retain this management tool.

DBM concurs with Recommendations #1 as well as #4 through #11, which are annual language.

DLS Budget Reconciliation and Financing Act Recommendations

DBM supports the Governor's Budget Reconciliation and Financing Act as introduced.

Maryland Transparency Portal – Sample Screenshots



Operating Budget Summary

Operating Budget
\$43.16 Billion

The State's Operating Budget is the plan for the year's disbursement of state resources for the ongoing operations of state programs. Operating budget appropriations are made for one fiscal year and are unencumbered or unobligated funds that, in general, are spent from which they were appropriated at the start of the fiscal year. The Office of Budget Analysis (OBA) aids the Secretary of Budget and Management in review, analysis and formulation of a proposed annual state operating budget for the Governor's consideration. For this purpose, the OBA evaluates requests for appropriations from all operating units of State government.

[Show Operating Budget](#)

