



WES MOORE
GOVERNOR

STATE HOUSE
100 STATE CIRCLE
ANNAPOLIS, MARYLAND 21401-1925
(410) 974-3901
(TOLL FREE) 1-800-811-8336

**FY 2024 OPERATING BUDGET TESTIMONY
EXECUTIVE DEPARTMENT
BOARDS, COMMISSIONS AND OFFICES**

House Public Safety and Administration Subcommittee

Delegate Tony Bridges, Chair

Delegate Julian Ivey, Vice Chair

February 9, 2023

Senate Health and Human Services Subcommittee

Senator Cory McCray, Chair

February 16, 2023

Good afternoon members of the Subcommittees. The following written testimony is provided on behalf of the Boards, Commissions and Offices. We thank you for the opportunity to appear before the Subcommittees each year as you review the proposed budget. The Boards, Commissions and Offices are comprised of various budgetary units, and they are:

Governor's Office of Community Initiatives, Nicolette Young, Director of Finance and Finance

Governor's Office of Small, Minority & Women Business Affairs, Pamela Gregory, Chief of Staff

Maryland State Ethics Commission, Jennifer Allgair, Executive Director

Health Care Alternative Dispute Resolution Office, Harry L. Chase, Executive Director

Maryland State Commission on Criminal Sentencing Policy, David Soulé, Executive Director

Governor's Grants Office, Jennifer Colton, Director

MD State Labor Relations Boards, Erica Snipes, Executive Director

Maryland State Board of Contract Appeals, Bethamy Brinkley, Chairwoman

Governor's Coordinating Offices – Shared Services, Shameka Littles, Chief of Finance & Operations



We would like to thank our assigned analyst, Mr. Jacob Pollicove for his hard work, and acknowledgements of our efforts throughout the analysis. He is a pleasure for our offices to work with.

Boards, Commissions and Offices have put forth another responsible spending plan for fiscal year 2024 by instituting various cost savings measures.

Please accept our official comments below to the analyst observations and recommendations as noted in the analysis document.

Proposed Deficiency

Page 2. GOSV should comment on what internal changes can be made to prevent a recurrence of issues, which led to this settlement, as well as any changes made to alleviate issues created by the settlement.

For background, the GOSV underwent an Office of the Inspector General Audit that began in early calendar year 2018 and culminated in 2022. The scope covered the period of 2016-2019 for the offices' administrative grants and not its pass-through AmeriCorps grants. The following actions outlined below have been included in the compliance agreement.

The US Attorney finding of improper charging of salaries resulted from the fact that the grant allocation timesheets were not signed and/ or provided for some individuals on the grant and/ or were incomplete (lacking signature of staff and or supervisor). There have been many internal changes that have been made which include multiple layers of approval for staff and supervisor timesheets in addition to a multi-step reconciliation process of the timesheet and salary expenditures.

The other finding of overcharging on certain federal reports are directly related to the documentation available to support in kind contributions to meet the required match on the grant award. Policies and procedures regarding in kind contributions have been updated whereas, GOSV will digitally store all in- kind contribution documents to ensure accessibility, in addition to ensuring that all parties (donor and recipients) have affixed the appropriate signatures and dates on the supporting documents.

To alleviate the issues created by the settlement, GOSV hired and onboarded a director who was not in that role during the period 2016-2019 with the responsibility of ensuring compliance within the terms of the compliance agreement and the federal uniform grant guidance. GOSV has revised existing policies around timekeeping, in kind documentation and training. The GOSV has implemented a training plan; as required, for all GOSV staff that includes Fraud Prevention and Detection training.

Furthermore, other actions taken by GOCI and the GOSV to alleviate the issues created by the settlement and comply with the audit findings would ensure that there were reconciliations and an additional layer of financial accountability. The GOCI hired a dedicated fiscal position that is now the Director of Budget and Finance. The GOSV Finance staff that meets with the GOCI Director of Budget and Finance bi-monthly to reconcile all active grant awards. The GOSV has updated its policies and procedures around reporting, accounts payable and accounts receivables.

Key Observations

Page 11. Minority Business Enterprise Participation Remains Stagnant

GOSBA should be prepared to detail what steps the agency can take to increase MBE participation by State agencies.

The Department of Legislative Services (DLS) recommends the adoption of committee narrative requesting that GOSBA continue to collect and report the findings of the MBE Participation and Liaison Attainment surveys in order to monitor the State's progress toward achieving its MBE goals. In addition, the agency should comment on how it utilizes the data gathered from the survey to improve MBE participation and discuss other methods that could be utilized for further increasing MBE participation and the impact of MBE liaisons.

GOSBA concurs with your recommendation to continue collecting and reporting the findings of the MBE Attainment and MBE Liaison surveys in order to monitor the state's progress toward achieving its MBE goals. Since beginning this task in 2021, our role was specifically to collect and report the data. No analysis was performed. In particular, the data submitted was not scrubbed for accuracy, a process we conduct prior to reporting MBE performance data in the legislatively mandated annual report.

In response to your request, we will include our comments on how to utilize the data to improve MBE participation and discuss other methods that could be utilized for further increasing MBE participant and the impact of MBE liaisons with our response by December 1, 2023.

Page 13. Volunteer Activity Remains Low Post Pandemic

GOCI should also comment on the change in the value of volunteer hours and in-kind contributions, which has been present since fiscal 2019, before the COVID-19 pandemic. Additionally, GOCI should comment on any efforts being undertaken to increase the value of volunteer hours and in-kind contributions.

Volunteer Maryland (VM) is an AmeriCorps program whose AmeriCorps members are trained to provide capacity building and volunteer coordination services to nonprofits, schools, and government agencies (service sites). AmeriCorps members recruit volunteers to serve at their assigned site and record and report their volunteer hours to VM and these numbers are reported by VM in the MFR. Members and sites vary from year to year which does account for some variability of program data. Volunteer Maryland does not host volunteer events.

The number of volunteer hours and the in-kind value of volunteer contributions are linked. VM reports site volunteer hours and calculates the value using the current value of a volunteer dollar as reported by the University of Maryland's Do Good Institute and the Independent Sector. This annual report provides national and state-by-state data on volunteer hours and the data serves as an industry standard used frequently by charitable organizations to quantify the value of volunteers.

VM would like to note that the dollar amount value of Volunteer Hours and In-Kind Contributions from FY2018 is an outlier and acknowledges that additional research would need to be conducted in order to

determine the source and or cause of this outlier. The value of a volunteer only rose from \$24.69/hour in 2018 to \$28.54/hour in 2020.

The pandemic continues to impact volunteer participation even as it becomes less acute. According to the 2022 [AmeriCorps report](#), there has been a seven percentage point drop in volunteering in America since 2019. This data supports feedback from VM partner sites and members that volunteers have not returned at the same level..

Like AmeriCorps programs in Maryland and across the country, VM has struggled to recruit and retain AmeriCorps members due to a strong job market and rising inflation which makes the AmeriCorps living allowance of \$16,500 for full-time hours inadequate or impossible for many people to commit to, or complete, a year of national service.

Although Volunteer Maryland alone cannot reverse the trend of declining volunteer participation, Volunteer Maryland continues to train members in the best practices of volunteer recruitment and management as a core part of its program and follow new and emerging trends in the field. VM continues to focus on recruiting strong partner sites and supporting them in recruiting members. At the national level, the AmeriCorps agency is also responding to the drop in member recruitment and retention, requiring support at the commission level for increased member recruitment. VM will benefit from these state level investments as we partner with the Governor's Office on Service and Volunteerism and our Maryland AmeriCorps colleagues on statewide AmeriCorps member recruitment efforts and challenges.

Page 14. Maryland Corps Program

The Administration should comment on the operational plans for the Maryland Corps Program and how it fits in with the plans for DSCI.

FY2024 budget before you has the Maryland Corps located in the Boards, Commissions and Offices budget. As you are aware the Governor introduced the Executive Order outlining the creation of the Department of Service and Civic Innovation, which includes the Maryland Corps. Please note, a hearing on the Department will be held on February 28 in the Senate and March 6 in the House.

Operating Budget Recommended Actions, Page 15

1. Adopt the following narrative: Agency Minority Business Enterprise (MBE) Participation Attainment and Liaison Surveys: The committees are concerned by the continued low MBE attainment in State procurement and that Small Business Reserve and MBE program liaison positions remain vacant in some State agencies. The committees request that the Governor's Office of Small, Minority, and Women Business Affairs (GOSBA), in consultation with the Department of General Services (DGS), continue to administer the Agency MBE Participation and Liaison surveys and report the results, by agency, to the committees on December 1, 2023.

GOSBA concurs with the committee narrative to report MBE Participation Attainment results by agency due December 1, 2023.