



**FY 2025 OPERATING BUDGET TESTIMONY  
EXECUTIVE DEPARTMENT  
BOARDS, COMMISSIONS AND OFFICES**

Senate Health and Human Services Subcommittee  
Senator Cory McCray, Chair  
January 26, 2024

House Public Safety and Administration Subcommittee  
Delegate Jazz Lewis, Chair  
Delegate Julian Ivey, Vice Chair  
February 1, 2024

Thank you for the opportunity to appear before your Subcommittee as you review the proposed budget and written testimony on behalf of the Boards, Commissions and Offices. The Boards, Commissions and Offices are comprised of various budgetary units, and they are:

Y. Maria Martinez, Special Secretary, Governor's Office of Small, Minority and Women Business Affairs

Lawrence E. Walker, Sr., Executive Director, Governor's Office of Community Initiatives

Jennifer Allgair, Executive Director, Maryland State Ethics Commission

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

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

Michael Hayes, Chair, Public Employee Relations Board

Sonia Cho, Chairwoman, Maryland State Board of Contract Appeals

We would like to thank our assigned analyst, Ms. Yashodhara Rai for her hard work, and her thorough analysis.



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

## **Page 5. Governor's Coordinating Offices Shared Services Unit Disbanding**

**The Executive Department should comment on the reasons for disbanding the Governor's Coordinating Offices Shared Services Unit and timeline for implementing this change. The agency should clarify which shared services functions will be realigned under Survey Commissions and discuss the overall operational impact of this office restructuring on the other boards, commissions, and offices within the Executive Department.**

After thorough evaluation of the functions performed by the Governor's Coordinating Office Shared Services Unit (GCO), the Moore-Miller Administration identified that duplicative duties were being performed between the GCO and the Office of the Governor. Therefore, in an effort to streamline operations and enhance resource efficiency, the decision was made to reallocate the resources within the GCO across the Executive Department.

The following shared services are being realigned under Survey Commissions: Office of the Attorney General Allocation (0874); DoIT Services Allocation (0876); Enterprise Budgeting System Allocation (0897); Insurance Coverage Paid to STO (1302). The shared services previously under the GCO are annual invoices from other state agencies that were and still are processed through the Governor's Office of Financial Administration. Thus, the realignments are merely technical, causing no operational deficiencies.

The daily tasks previously performed by the GCO have been redistributed within various Governor's Office departments effective July 1, 2023. Due to the redistribution of GCO tasks, there has been no operational impact from collapsing the GCO. In fact, dissolution of the GCO has established a more clearly defined hierarchical structure within the Executive Department.

### **Key Observations**

## **Page 10. Minority Business Enterprise Participation Improves**

**GOSBA should discuss other methods that could be utilized to further increase MBE and SBR participation and describe how it supports agencies in hiring MBE and SBR program liaisons. The Department of Legislative Services (DLS) recommends adopting committee narrative requesting that GOSBA continue to collect and report the findings of the MBE Participation and Liaison Attainment surveys to monitor the State's progress toward achieving its MBE and SBR goals, including tracking the time required to fill vacant MBE and SBR program liaison positions.**

To further increase MBE and SBR participation, GOSBA will actively promote the Moore-Miller administration's goals with regard to higher socioeconomic program performance during interactions with the internal liaison community during quarterly trainings, monthly compliance bulletins, bi-monthly compliance calls, and one-on-one meetings.

Increasing the vendor pool is one way to potentially increase goalsetting during the individual contract-by-contract evaluation. GOSBA will work to increase the number of certified MBE and VSBE vendors through statewide outreach and training programs.

Additionally, GOSBA will actively empower liaisons to collaborate with senior procurement officers and agency heads to set robust MBE goals and apply the SBR goals designation to contracts as a member of the Procurement Review Group.

Hiring is an internal process within each agency. Although GOSBA has no official authority within the hiring process, GOSBA will offer staff to participate on interview panels to help the hiring agency select the best candidate(s). Additionally, GOSBA will provide training to onboard new liaisons.

GOSBA will continue to collect and report the findings of MBE participation attainment and liaison surveys and will report the periods of time that MBE and SBR Liaison positions remain vacant during the calendar year.

## **Page 10. PERB Replaces State Labor Relations Board**

**PERB should provide an update on the implementation of the new board, including consolidating previous labor relations boards, hiring new positions, and setting up the board membership requirements. In addition, PERB should comment on how the new structure will impact the agency's operations and budget needs in the future.**

### **I. Consolidation of Boards**

PERB has assumed the jurisdiction and authorities of the three previous labor relations boards. Notably, some of the original authorities of the previous boards have been increased by the passage of the Public Employee Relations Act (PERA).

### **II. Hiring of new positions**

The Public Employee Relations Act (PERA) allows for a PERB Chair position, an Executive Director, and an Executive Assistant. PERA also requires the Board to hire three Deputy Directors—one each to investigate Unfair Labor Practice charges in the areas of State Government, State Universities & Colleges, and Public Schools. To date, the Board has hired two Deputy Directors. The third will be hired shortly after fiscal year 2024 ends. The FY25 Governor's Allowance provides PERB with the funding and PIN required for the third Deputy Director.

### **III. Setting Up the Board Membership, etc.**

The full Board was appointed by Governor Moore on August 1, 2023. PERA requires that each Board member have "knowledge of and experience with labor law, labor mediation, or labor

negotiations”, and that members be appointed based on recommendations, two each, from Maryland public employers, and exclusive representatives representing Maryland public employees. Since August, the Chair and PERB members have been working together and with the recommendations from the Deputy Directors, to decide whether complaints should be issued based on charges that have been filed. Additionally, the Board created a task force within its membership, staff, and counsel, to draft regulations, which will be published in the Maryland Register on January 26th. Finally, the Board has held monthly public meetings, as prescribed by the PERA.

Operations are not being impacted by the new structure, given that the agency and staff have now grown to carry out the duties and authorities dictated by the PERA.

**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 vacancies among Small Business Reserve and MBE program liaison positions 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, including the time required to fill vacant program liaison positions, to the committees by December 1, 2024.

GOSBA concurs with the findings.