



STATE OF MARYLAND

OFFICE OF THE GOVERNOR
Wes Moore

**FY 2027 OPERATING BUDGET TESTIMONY
OFFICE OF THE GOVERNOR**

Lester Davis, Chief of Staff

Senate Education, Business and Administration Subcommittee
Senator Nancy King, Chair
February 26, 2026

House Public Safety and Administration Subcommittee
Delegate Gabriel Acevero, Chair
Delegate Julian Ivey, Vice Chair
March 4, 2026

Thank you for the opportunity to appear before your Subcommittee as you review the proposed budget for the Office of the Governor.

We extend our gratitude to our analyst, Scott Benson for his thorough analysis of our Fiscal Year 2027 budget.

At this pivotal moment, it has never been more important, or more impactful, to govern at the state level. Now more than ever, it is critical to lead Marylanders with clarity, purpose, and fiscal discipline.

The Office of the Governor remains committed to strengthening Maryland's economic foundation by reducing our overreliance on the federal sector and accelerating growth in industries of the future, such as life sciences, cybersecurity, quantum computing, and aerospace. Through strategic investments and strong partnerships, we are positioning Maryland to compete globally while creating sustainable, high-quality jobs here at home.

With this budget request, we are also advancing government modernization efforts by bringing key functions in-house, generating cost savings to the State. We remain focused on delivering results for Marylanders, driving innovation, and ensuring responsible stewardship of taxpayer dollars.



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Government Modernization Initiative – Page 6

The Office of the Governor should discuss the costs of the BCG contract and explain the reasons for using regular positions to serve this function.

The current contract with Boston Consulting Group (BCG) totals \$15 million using funds from the federal American Rescue Plan Act (ARPA), which concludes at the end of the calendar year. Through this engagement, BCG provided specialized analytical expertise, subject matter knowledge, and project management support to establish and operationalize the Government Modernization Initiative. To date, this work has contributed to approximately \$29 million in identified savings, and is outlined in the Joint Chairman's Report (JCR) submitted earlier this year. In other words, we have already saved more money than we spent.

To fully realize the current pipeline of savings, identified by BCG over the past year, and explore additional savings and operational efficiencies, the Governor's office seeks to bring the analytical skills, project management, and change management skills in-house, through the 7 requested regular positions. Using regular positions to serve these functions allows the State to build capacity that is currently outsourced and further embed cost-consciousness and efficiencies across agency operations. This team will also work with unions to explore savings and modernization opportunities.

In-sourcing this work allows the State to build permanent institutional capacity rather than relying on time-limited consulting support. Additionally, this is a more cost-effective model and ensures operational efficiencies are embedded across agencies on a continuous basis. Collectively, these positions will enable the Government Modernization Initiative to maintain momentum, safeguard achieved savings in future fiscal years, pursue new cost saving opportunities, and institutionalize a culture of efficiency and accountability across State government.

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Concur with the Governor's Allowance.

The Office of the Governor concurs with the DLS recommendation.