

D15A05
Boards, Commissions, and Offices

Operating Budget Data

(\$ in Thousands)

	<u>FY 02</u>	<u>FY 03</u>	<u>FY 04</u>	<u>FY 02-04</u> <u>Change</u>	<u>FY 05</u>	<u>FY 04-05</u> <u>Change</u>
Operations	\$3,652	\$3,589	\$4,023	\$371	\$4,158	\$135
Contractual Services	157	288	647	490	895	247
Grants	7,055	5,244	6,227	-828	2,225	-4,001
Contingent & Back of Bill Reductions	0	0	0	0	-7	-7
Adjusted Grand Total	\$10,865	\$9,121	\$10,897	\$33	\$7,271	-\$3,627
General Funds	3,141	2,874	3,085	-56	3,528	444
Contingent & Back of Bill Reductions	0	0	0	0	-5	-5
Adjusted General Funds	\$3,141	\$2,874	\$3,085	-\$56	\$3,523	\$439
Special Funds	169	193	452	282	527	75
Federal Funds	7,074	5,513	6,846	-228	2,706	-4,140
Contingent & Back of Bill Reductions	0	0	0	0	-2	-2
Adjusted Federal Funds	\$7,074	\$5,513	\$6,846	-\$228	\$2,704	-\$4,142
Reimbursable Funds	481	541	516	35	517	2
Adjusted Grand Total	\$10,865	\$9,121	\$10,897	\$33	\$7,271	-\$3,627
Annual % Change		-16.0%	19.5%		-33.3%	

- Cost containment reduced operating expenses of the Boards, Commissions, and Offices by \$149,967 in fiscal 2003 and \$698,598 in fiscal 2004.
- There is a \$4,139,991 reduction to AmeriCorps and other federal grants that support the Governor's Office of Service and Volunteerism (GOSV) and Volunteer Maryland programs in fiscal 2005.
- Federal funds are down for fiscal 2004 as well; the current projection for GOSV is \$1,919,177 compared to \$6,845,668 budgeted.

Note: Numbers may not sum to total due to rounding.

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Personnel Data

	<u>FY 02</u>	<u>FY 03</u>	<u>FY 04</u>	<u>FY 02-04</u> <u>Change</u>	<u>FY 05</u>	<u>FY 04-05</u> <u>Change</u>
Regular Positions	41.6	42.0	40.0	-1.6	40.0	0.0
Contractual FTEs	9.3	11.0	11.5	2.2	9.7	-1.8
Total Personnel	50.9	53.0	51.5	0.6	49.7	-1.8

Vacancy Data: Regular Positions

Turnover Expectancy	1.13	2.83%
Positions Vacant as of 12/31/03	12.00	30.00%

- Cost containment abolished three regular positions on July 30, 2003, and two additional regular positions were abolished on November 12, 2003.
- Two contractual positions were abolished, and 0.5 contractual position for the State Ethics Commission was increased to a 0.7 full-time equivalent position.

Analysis in Brief

Issues

Close-out Audit for Fiscal 2003: Accrued federal fund revenues of \$3.8 million in fiscal 2003 could not be substantiated. **It is recommended that the agency discuss measures to report federal fund activity accurately and to ensure timely draw down of federal grants.**

Governor's Grants Office: The Governor's Grants Office duplicates the Maryland Department of Planning and the Department of Budget and Management in locating grant opportunities and assisting agencies with the preparation of federal grant applications. **It is recommended that the office be abolished.**

Governor's Commission on the Structure and Efficiency of State Government: The Mandel Commission's 54 recommendations include a recommendation to abolish the Health Claims Arbitration Office because it is ineffective. **It is recommended that the commission be abolished, all medical malpractice claims over \$25,000 be filed directly with the circuit court, and all records of the commission be transferred to the Administrative Office of the Courts.**

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Recommended Actions

	<u>Funds</u>	<u>Positions</u>
1. Add budget bill language to require review by the budget committees of increases in full-time equivalent contractual positions.		
2. Abolish five federal funded positions in the Governor's Office of Service and Volunteerism to reflect reduced federal funds.	\$ 277,460	5.0
3. Add budget bill language to abolish the Health Claims Arbitration Office contingent upon enactment of a provision in the Budget Reconciliation and Financing Act to transfer responsibility to the Judiciary's Administrative Office of the Courts and/or the Clerks of the Circuit Court.		
4. Abolish the vacant position in the Health Claims Arbitration Office.	44,980	1.0
5. Reduce out-of-state travel of the Commission on Uniform State Laws.	4,484	
6. Abolish Governor's Grants Office and vacant positions associated with office.	389,420	5.0
7. Adopt committee narrative requiring the continuation of the Federal Funds Quarterly Expenditure Report.		
Total Reductions	\$ 716,344	11.0

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Boards, Commissions, and Offices

Operating Budget Analysis

Program Description

The Boards, Commissions, and Offices unit of the executive department contains various boards, commissions, and offices created by statute or executive order to provide planning and coordination for executive branch functions or to investigate and make recommendations on problems affecting the administration and welfare of the State.

In fiscal 2004 and 2005, the unit includes Survey Commissions, the Office of Minority Affairs, Governor's Office on Service and Volunteerism (GOSV), State Ethics Commission, Health Claims Arbitration Office (HCAO), State Commission on Uniform State Laws, Volunteer Maryland (VM), the State Commission on Criminal Sentencing Policy, and the Governor's Grants Office. Although the Office of Crime Control and Prevention and the Criminal Justice Coordinating Council are a part of this unit, these activities are examined in separate analyses.

Performance Analysis: Managing for Results

The Governor's Boards, Commissions, and Offices program measurement data is presented in **Exhibit 1**. No program data was provided for the Office of Minority Affairs (OMA). A legislative performance audit (November 2002) indicated that previous data provided by the office had no validity. The previous director of the office was discharged. A new director was appointed, and funds in fiscal 2005 provide a database for the collection of Minority Business Enterprise (MBE) data.

GOSV and Volunteer Maryland

GOSV and VM goals are to continue to strengthen Maryland communities, to promote citizen participation in volunteer service, and to support children and family initiatives. However, the number of volunteers drops off dramatically from 30,000 in fiscal 2001 to 7,000 projected for fiscal 2004 and 2005. The reduced activity reflects the dramatic reduction in federal AmeriCorps grants. The exit strategy of both the Volunteer Center initiative and VM is to have a trained cadre of volunteers that is sustainable after government financial assistance has ended and the paid coordinators have completed their service. GOSV has provided key indicators on the number of AmeriCorps members, volunteers generated, and number of volunteer centers.

Exhibit 1
Program Measurement Data
Boards, Commissions, and Offices
Fiscal 2001 – 2005

	<u>Actual</u> <u>2001</u>	<u>Actual</u> <u>2002</u>	<u>Actual</u> <u>2003</u>	<u>Est.</u> <u>2004</u>	<u>Est.</u> <u>2005</u>	<u>Ann.</u> <u>Chg.</u> <u>01-03</u>	<u>Ann.</u> <u>Chg.</u> <u>03-05</u>
GOSV and VM							
AmeriCorps members	396	487	461	424	424	7.9%	-4.1%
AmeriCorps volunteers	30,000	20,000	13,725	7,000	7,000	-32.4%	-28.6%
Centers performing all four tasks outlined by Points of Light Foundation	6	8	12	14	14	41.4%	8.0%
Grants to child-serving agencies (\$ in Thousands)	\$3,860	\$3,860	\$3,860	\$1,200	\$1,200	0.0%	-44.2%
State Ethics Commission							
Financial disclosure forms filed	8,800	10,888	11,634	11,750	12,000	15.0%	1.6%
Lobbyist activity reports filed	3,750	3,924	4,333	4,700	4,850	7.5%	5.8%
Lobbyists receiving mandated training	0	350	370	350	375	n/a	0.7%
Officials receiving mandated training	450	559	575	500	525	13.0%	-4.4%
Health Claims Arbitration Office							
Open cases pending	731	678	625	603	653	-7.5%	2.2%
Cases closed with panel arbitration	4	15	6	15	15	22.5%	58.1%
Cases waiving arbitration to circuit court	670	537	554	560	560	-9.1%	0.5%
Cases closed neutral arbitration	0	0	0	11	12	0.0%	n/a

Source: Boards, Commissions, and Offices

State Ethics Commission

Legislation enacted in 2001 mandates two hours of ethics training for new public officials and requires initial and continued training for regulated lobbyists. This requirement is reflected in the key indicators noted in Exhibit 1. Legislation enacted in 1999 requires on-line electronic filing of financial disclosure forms and electronic filing of lobbyist reports, but electronic filing has not been implemented. However, the commission has a website (<http://www.ethics.gov.state.md.us/>) where all the forms can be downloaded to be filed manually as paper documents. The commission plans to complete the web-based financial disclosure filing system and develop an on-line filing system for lobbyists in fiscal 2005.

Health Claims Arbitration Office

Nearly all health claims cases continue to reject arbitration to settle claims and elect to go directly to the circuit court. Two years ago the office instituted a new program to allow the parties to select a neutral case evaluator for medical malpractice cases pending in circuit court. So far that effort has not been successful. The Commission on the Structure and Efficiency of State Government (the Mandel Commission) has recommended that this office be abolished. The Mandel Commission stated “The unilateral right of either party to waive arbitration and proceed directly to circuit court undermines the effectiveness of the agency.”

Fiscal 2004 Actions

Impact of Cost Containment

Cost containment action approved by the Board of Public Works (BPW) on July 30, 2003, approved general fund reductions of \$184,403 in the following agencies and programs:

- \$11,720 – reduced the appropriation to support survey commissions;
- \$30,881 – eliminated one position in GOSV;
- \$45,654 – from the State Ethics Commission (reduced contractual payroll \$35,000 and increased turnover \$10,654);
- \$29,786 – eliminated two positions in HCAO;
- \$2,868 – reduced expenses for the Commission on Uniform State Laws;
- \$15,692 – reduced contractual employees for the VM program by one contractual position;
- \$27,107 – reduced the number of summer interns the Commission on Criminal Sentencing Policy uses to perform data entry of guidelines worksheets with additional reductions in communications, travel, and supplies; and
- \$20,665 – reduced budgeted funds for personnel and supplies in the new Governor’s Grants Office.

On November 12, 2003, BPW approved the abolition of two additional positions in GOSV, but no additional funds were taken.

Governor's Proposed Budget

Exhibit 2 indicates that the fiscal 2005 allowance decreases by \$3,626,676 overall compared to the fiscal 2004 working appropriation. Federal funds that support the GOSV and VM programs decrease by \$4,142,079 of which \$4,001,494 is in grants to the State VM program and GOSV grants to other government and nonprofit agencies. The general fund allowance increases \$438,525 of which \$397,633 can be attributed to OMA.

**Exhibit 2
Governor's Proposed Budget
Boards, Commissions, and Offices
(\$ in Thousands)**

	<u>FY 03 Actual</u>	<u>FY 04 Approp.</u>	<u>FY 05 Allowance</u>	<u>FY 04-05 Change</u>	<u>FY 04-05 % Change</u>
General Funds	\$2,874	\$3,085	\$3,528	\$444	14.4%
Contingent & Back of Bill Reductions	0	0	-5	-5	
Adjusted General Funds	\$2,874	\$3,085	\$3,523	\$439	14.2%
Special Funds	\$193	\$452	\$527	\$75	16.6%
Federal Funds	\$5,513	\$6,846	\$2,706	-\$4,140	-60.5%
Contingent & Back of Bill Reductions	0	0	-2	-2	
Adjusted Federal Funds	\$5,513	\$6,846	\$2,704	-\$4,142	-60.5%
Reimbursable Funds	\$541	\$516	\$517	\$2	0.4%
Adjusted Grand Total	\$9,121	\$10,897	\$7,271	-\$3,627	-33.3%

Where It Goes:

Personnel Expenses

Increments and other compensation	\$36
Employee and retiree health insurance	-77
Cost containment and turnover adjustments	57
Increased salaries of three OMA positions	100
Other	5

Other Changes

OMA minority contracting database.....	300
GOSV reduction in contractual services	-67
GOSV AmeriCorps and other federal grants	-4,001

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Where It Goes:

GOSV and VM contractual payroll health benefits.....	40
Other changes	-20
Total	-\$3,627

Note: Numbers may not sum to total due to rounding.

Impact of Cost Containment

The fiscal 2005 allowance reflects the elimination of the \$7,308 appropriation for matching employee deferred compensation contributions up to \$600 contingent upon enactment of a provision in the budget reconciliation legislation.

Office of Minority Affairs

The State has a minority business enterprise (MBE) legislated goal that 25% of all contracts will be awarded to MBE firms. A legislative performance audit (November 2002) indicated that in fiscal 2001 the MBE statewide participation rate of 19.2% could be overstated because 40% of reported MBE activity awarded could not be supported. The audit attributed the failure of OMA to obtain actual payment information on MBE contracts from State agencies as a serious issue undermining the credibility of the MBE program. The audit disclosed significant differences between anticipated MBE work (open contract awards) and the value of work actually performed by MBEs.

The new administration appointed a new OMA director (the previous director was discharged). This budget indicates that the combined salaries and benefits of the new director and assistant director account for an increase of \$99,752 over the amount paid previously to these officials. This budget also includes \$300,000 to develop and implement a database of State contracts awarded to minority firms. The specific application of the funds awaits a decision by the Governor following his review of the MBE Reform Commission Report. These two items taken together account for most of the \$438,745 increase in general fund for the Boards, Commissions, and Offices.

Governor's Office of Service and Volunteerism

The AmeriCorps federal grant allowance funds State government and nonprofit service agency community service programs. **Exhibit 3** is a listing of AmeriCorps Community Service grants in fiscal 2003 and projections for fiscal 2004 and 2005. It should be noted that AmeriCorps federal grants in fiscal 2005 will be \$4,139,991 less than the amount currently budgeted in fiscal 2004. This results in a reduction of \$4,001,494 in grants to the State government and nonprofit service agencies. It should also be noted that federal funds for fiscal 2004 are well below the \$6,845,668 currently

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budgeted. GOSV now expects grants to State agencies and nonprofit service agencies to be \$1,919,177 compared to the \$6,001,594 projection this time last year.

**Exhibit 3
Governor's Office on Service and Volunteerism
Schedule of AmeriCorps Subgrants**

	<u>FY 03 Actual</u>	<u>FY 04 Budgeted</u>	<u>FY 05 Estimated</u>
<u>AmeriCorps (Competitive) CFDA # – 94.006 (E5105)</u>			
A Star! in Western Maryland	\$337,221	\$0	\$0
Calvert Joint AC Service Project	198,039	0	0
Civic Works – Digital Divide	246,237	0	0
Civic Works – Service Corps.	572,480	0	153,600
Maryland Conservation Corps.	448,014	0	0
REACH OUT	359,195	0	124,211
Living Classroom Foundation/Project Serve	391,061	0	0
Southeast Youth Academy	47,139	0	0
Volunteer Maryland	341,881	0	0
Notre Dame Mission Volunteer Program	351,469	0	0
ShoreCorps PALS – Salisbury State University	338,950	408,944	408,944
Teach for America	0	311,383	311,383
ENABLE/UMAB	130,857	0	0
T.E.A.M. AmeriCorps	22,859	0	0
Total (Competitive)	\$3,785,402	\$702,327	\$998,138
<u>AmeriCorps (Formula) CFDA # – 94.006 (E5106)</u>			
Community Support Partnerships	\$218,745	\$46,045	\$46,045
Change AmeriCorps	194,801	63,984	64,000
Civic Works Digital Discovery	121,557	0	0
Civic Works Service Corps.	353,401	0	0
Frederick Reads	150,141	0	76,800
Jumpstart	54,709	0	0
AIM for Excellence	0	166,397	166,400
Maryland Conservation Corps.	0	127,949	128,000
A STAR in Western Maryland	0	127,963	128,000
Project Serve	0	128,002	128,000
Volunteer Maryland	0	174,510	102,400
Calvert Joint AmeriCorps Service Project	0	64,000	64,000
Central Maryland Ecumenical Council	0	50,000	50,000
DLLR – Office of Employment Services	0	50,000	50,000
Maryland Institute College of Art	0	50,000	50,000
Spark: Partnership for Service	0	50,000	50,000
UMB – School of Nursing	0	50,000	50,000
UMB – Center for Health Workforce	0	50,000	50,000
Total (Formula)	\$1,093,354	\$1,198,850	\$1,203,645

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	<u>FY 03 Actual</u>	<u>FY 04 Budgeted</u>	<u>FY 05 Estimated</u>
<u>Disabilities Inclusive Recruitment Grants & Demonstration Projects</u>			
CFDA # – 94.007 (E5145)			
ENABLE/University of Maryland at Baltimore	\$2,363	\$0	\$0
ShoreCorps PALS	2,500	0	2,500
ASTAR	2,500	0	2,500
Calvert Joint AmeriCorps Service Project	2,363	0	2,500
Governor’s Office for Individuals with Disabilities	5,000	0	3,700
Volunteer Maryland	2,500	0	2,500
Civic Works	2,500	0	2,500
Notre Dame Mission Volunteer Program	2,485	0	2,500
<u>Program Development Assistance & Training Grant</u>			
FDA # – 94.009 (E5125)			
University of Maryland at Baltimore	\$3,000	0	0
Volunteer Center Serving Howard County	2,000	0	0
Volunteer Frederick	2,000	0	0
Volunteer Center for Anne Arundel County	2,000	0	0
Points of Light Foundation	25,000	0	0
<u>Learn & Serve America</u> CFDA # – 94.004 (E5115)			
Office of Children, Youth, and Families			
Cecil County	6,094	0	0
Frederick County	25,000	0	0
Garrett County.	25,000	0	0
Governor’s Office	17,376	0	0
Somerset County – Local Management Board	22,076	0	0
Total	\$5,030,515	\$1,919,177	\$2,220,483

DLLR = Department of Labor, Licensing, and Regulation
 UMB = University of Maryland Baltimore

Source: Governor’s Finance Office

Volunteer Maryland

VM, a GOSV grantee, is a State program under the Boards, Commissions, and Offices. VM reflects the federal grant from GOSV as reimbursable funds. VM will receive \$482,322 in reimbursable funds in fiscal 2005 or about the same amount received in fiscal 2004. The State will provide \$193,536 in general funds, and the local share site match assumed in the allowance is \$289,810.

GOSV and Volunteer Maryland

GOSV and VM goals are to strengthen Maryland communities, promote citizen participation in volunteer service, and support children and family initiatives. **Appendix 2** displays the various children and family programs and the number of full-time equivalents serving in each program from all fund sources. However, the projections for the grant year (September 2004 through August 2005) may be ambitious in light of the federal fund discussion of Exhibit 3.

Issues

1. Close-out Audit for Fiscal 2003

Accrued federal fund revenues of \$3.8 million in fiscal 2003 could not be substantiated. GOSV and the Governor's Office of Crime Control and Prevention (GOCCP) could not provide adequate documentation supporting \$1.7 million and \$2.1 million respectively in accrued federal expenditures. The Governor's Finance Office has responded that these are simply minor accounting errors that can easily be corrected. The Governor's Finance Office cites the example of a GOSV draw down mistake discovered during close-out. In the case of GOSV, the Governor's Finance Office had determined that instructions to the State Treasurer to draw down a \$1.7 million federal grant for GOSV were instead credited incorrectly to GOCCP. If the Finance Office is unable to identify and draw down funds from a valid federal grant, these accrued expenditures will require a general fund deficiency appropriation to cover the accrued expenditures.

A recent November 2003 compliance audit of the Boards, Commissions, and Offices suggests a pattern of "sloppy" bookkeeping by the Governor's Finance Office by units within the Executive Department in drawing down federal funds and accurately reporting federal fund activity to the General Assembly.

Finding No. 9 in the audit report cites GOCCP for failure to request reimbursement for approximately \$1 million in expenditures that occurred between January 2002 and July 2002.

In response to historic problems with the management of federal funds by the Boards, Commissions, and Offices, the *Joint Chairmen's Report* has required quarterly reports of federal fund activity for several years. In Finding No. 2, the auditors' review of two quarterly reports submitted disclosed that the reports were not completely accurate.

In Finding No. 10, the department is cited for the failure to insure that State grant funds were spent in accordance with grant provisions.

It is recommended that the Boards, Commissions, and Offices discuss what measures it has taken to accurately report federal fund activity and to insure the timely draw down of federal funds against the correct federal fund accounts.

2. Governor's Grants Office

The Department of Budget and Management (DBM) just renewed a not-to-exceed \$13,400,000 two-year contract with MAXIMUS of McLean, Virginia to identify and implement federal revenue maximization opportunities. Under the contract, MAXIMUS receives a fee of 8.5% of new found revenues.

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The Maryland Department of Planning (MDP) Clearinghouse is responsible for maintaining accurate and easily accessible information on federal, State, and private sector funding sources. In addition, GOCCP is responsible for the development of State crime control and prevention and juvenile justice policy. GOCCP is also responsible for criminal justice grant administration. Both GOSV and GOCCP continue to be responsible for grant administration within the Boards, Commissions, and Offices. Therefore, the new grants program will not consolidate that function nor will it improve the administration and accountability of federal revenue.

The Governor's new Grants Office was established in the fiscal 2004 budget, and three of the five positions were filled in January and February 2004. The Grants Office would be responsible for assisting State agencies in locating grant opportunities – a function that is currently performed by DBM and the MDP Clearinghouse. Finally, the director of the Governor's Grants Office would be paid salaries and benefits of \$125,361, and the deputy \$88,336 for functions that duplicate DBM and MDP.

In conclusion, the Governor's Grants Office duplicates MDP and DBM in locating grant opportunities and assisting agencies with the preparation of federal grant applications.

It is therefore recommended that the Governor's Grants Office be abolished as an unnecessary and expensive duplication of functions provided by DBM and the MDP Clearinghouse as well as other offices within the Boards, Commissions, and Offices.

3. Governor's Commission on the Structure and Efficiency of State Government

The commission, chaired by former Governor Marvin Mandel, made 54 recommendations including a recommendation to abolish HCAO due to its ineffectiveness.

In 1976, HCAO was established, under Title 3 Subtitle 2 of the Courts and Judicial Proceedings Article, to process all medical malpractice claims in excess of \$25,000. The original statute provided for mandatory arbitration of claims and more recently to provide for neutral case evaluation of claims. An arbitration panel determines who is liable and assesses damages. Appeals from decisions of the arbitration panel are sent to the circuit court. Since 1995 either party to the dispute may unilaterally waive the case directly to the circuit court. This provision has undermined the effectiveness of HCAO.

Very few cases now go to arbitration. In 2003 only six cases went to arbitration, and no cases have gone to neutral evaluation. The Mandel Commission notes that this has left the agency as a repository and reporting agency with respect to malpractice claims. HCAO also sends medical malpractice complaints to the Board of Physician Quality Assurance.

Two committees of the Mandel Commission have recommended that HCAO be abolished; however, the commission left unanswered the best way to maintain medical malpractice claims filed. The commission suggests sending the malpractice claims to the Clerks of the Circuit Court, which is

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where they ultimately go in any case when either party elects to waive or appeal the case to the circuit court. At present HCAO spends nearly \$700,000 a year to resolve 6 or at most 15 malpractice claims.

It is recommended that a provision be included in the Budget Reconciliation and Financing Act to abolish HCAO and provide that all medical malpractice claims in excess of \$25,000 be filed directly with the circuit court. It is also recommended that all HCAO records and all other responsibilities of HCAO under law be transferred to the Administrative Office of the Courts.

Recommended Actions

1. Add the following language:

The number of full-time equivalent (FTE) contractual positions authorized for the Governor's Office on Service & Volunteerism, the Governor's Office of Crime Control and Prevention, and Volunteer Maryland may not exceed the level authorized in this budget except as herein provided:

- (1) Additional FTE contractual positions may only be created if specifically authorized in an approved budget amendment which shall for each position state:
 - (i) the proposed budget salary and duties to be performed;
 - (ii) the source of the funds to be used to support the position, including an indication as to whether these are funds existing in the current appropriation or additional special or federal funds not included in the budget as enacted; and
 - (iii) the reason the position was not requested in the fiscal 2005 budget and the impact, if any, of delaying the establishment of the position until the next budget submission.
- (2) Any amendment required under this provision may not be signed by the Governor until the amendment has been submitted to the budget committees and the budget committees have had 45 days from receipt of the amendment for review and comment.

Explanation: This amendment will require a 45-day review and comment by the budget committees to increase the number of full-time equivalent contractual positions. This is the standard language added in prior years to control the growth in contractual positions.

Information Request	Author	Due Date
Amendment(s) creating additional contractual positions	Governor's Office	45 days after approval

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	<u>Amount Reduction</u>		<u>Position Reduction</u>
2. Abolish the following five federal funded positions in the Governor's Office of Service and Volunteerism (GOSV):	\$ 277,460	FF	5.0
Executive Assistant I	\$65,432		
Executive Assistant III	\$63,044		
Special Assistant III	\$52,212		
Special Assistant III	\$50,525		
Administrative Officer III	\$46,247		

GOSV federal funds have declined from \$6,845,668 in the fiscal 2004 appropriation to \$2,705,677 in the fiscal 2005 allowance.

3. Add the following language:

Provided that the general fund appropriation of \$589,711 and the special fund appropriation of \$85,797 for the Health Claims Arbitration Office (HCAO) shall be deleted contingent upon enactment of a provision in the Budget Reconciliation and Financing Act abolishing HCAO and requiring that all malpractice disputes over \$25,000 under Title 3 subtitle 2A section 3-2 of the Courts and Judicial Proceedings Article be filed directly with the circuit court and that all records of HCAO shall be transferred to the Judiciary Administrative Office of the Court on July 1, 2004.

Explanation: In conjunction with a recommended provision in the budget reconciliation legislation, this action will abolish HCAO as recommended by the Governor's Commission on the Structure and Efficiency of State Government and require all medical malpractice claims over \$25,000 to be filed directly with the circuit court. The BRFA would designate the Administrative Office of the Courts and/or the Clerk of the Circuit Court as the repository of all records related to malpractice claims filed with the circuit court. The Administrative Office of the Court would be required to report to the budget committees on transfer of responsibility and the disposition of all records transferred from HCAO to the custody of (AOC).

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	<u>Amount Reduction</u>		<u>Position Reduction</u>
4. Abolish the vacant position in Health Claims Arbitration Office (HCAO) to reflect reduced workload because virtually all medical malpractice claims are waived to the circuit court: Special Assistant I \$34,679	44,980	GF	1.0
5. Reduce out-of-state travel of Commission on Uniform State Laws to fiscal 2003 expenditures of \$4,611.	4,484	GF	
6. Abolish Governor's Grants Office. The office is responsible for assisting State agencies in locating grant opportunities and assisting agencies in applying for grants not centralizing accounting and administration of grants in the Governor's Office as earlier envisioned. The current functions duplicate the program objectives of the Department of State Planning and the Department of Budget and Management.	389,420	GF	5.0

Abolish the following positions and related expenses of the office:

Executive Aide VII	\$125,361
Administrator VII	\$ 88,336
Special Assistant I	\$ 39,187
Administrator IV	\$ 57,894
Special Assistant III	\$ 48,784

7. Adopt the following narrative:

Federal Fund Quarterly Expenditure Report: The Executive Department Financial Control Unit shall submit 31 days after the quarter ending September 30, 2004, and quarterly thereafter, a federal fund expenditure report that indicates the following for each federal revenue source:

- catalogue of Federal Domestic Assistance number;
- federal fiscal year;
- total authorized amount;

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- federal authorization code;
- amount currently reflected in the State budget appropriation;
- State obligations recorded against the revenue;
- amount of draw down against federal reserve; and
- federal fund accounts receivable.

Information Request	Author	Due Date	
Quarterly report on federal fund expenditures.	Quarterly report on federal fund expenditures.	31 days after the quarter ending September 30, 2004, and quarterly thereafter	
Total Reductions		\$ 716,344	11.0
Total General Fund Reductions		\$ 438,884	
Total Federal Fund Reductions		\$ 277,460	

Current and Prior Year Budgets

Current and Prior Year Budgets Boards, Commissions, and Offices (\$ in Thousands)

	<u>General Fund</u>	<u>Special Fund</u>	<u>Federal Fund</u>	<u>Reimb. Fund</u>	<u>Total</u>
Fiscal 2003					
Legislative Appropriation	\$3,198	\$444	\$6,862	\$735	\$11,238
Deficiency Appropriation	0	0	0	0	0
Budget Amendments	0	34	0	30	64
Cost Containment	-139	0	0	0	-139
Reversions and Cancellations	-185	-285	-1,348	-223	-2,041
Actual Expenditures	\$2,874	\$193	\$5,513	\$541	\$9,121
Fiscal 2004					
Legislative Appropriation	\$3,269	\$452	\$6,846	\$516	\$11,082
Cost Containment	-184	0	0	0	-184
Budget Amendments	0	0	0	0	0
Working Appropriation	\$3,085	\$452	\$6,846	\$516	\$10,897

Note: Numbers may not sum to total due to rounding.

Fiscal 2003

General Fund

Two rounds of cost containment reductions approved by BPW in January 2003 and February 2003 reduced general funds \$137,239, and budget bill action in 2003 deleted the \$2,227 employee transit subsidy. There were additional reversions of \$184,921.

Special Fund

Additional lobbyist registration fees of \$14,000 and health claims filing fees of \$20,000 were added to the budget. Special fund matching fees of \$65,140 in GOSV and \$218,795 in VM were either not realized or were unspent at the end of the year.

Federal Funds

Federal fund grants were \$1,348,471 less than the appropriation for fiscal 2003 of which \$1,145,202 was in the Learn and Serve America program.

Reimbursable funds

The significant item is a cancellation of \$137,236 in the VM grant from GOSV. The VM grant is a federal fund grant from GOSV reflected as reimbursable fund in the VM budget.

**GOSV – Maryland’s Results for Child Well-being
2004 - 2005 AmeriCorps Program Year (9/04-8/05)**

	Babies Born Healthy	Healthy Children	Children Enter School Ready to Learn	Children Successful in School	Children Completing School	Children Safe in their Families and Communities	Stable and Economically Independent Families	Communities which Support Family Life	Admin. Costs @ GOSV	Total
FTE serving	10	13	21	170	11	35	35	10	N/A	305
Federal Funding (\$12,800/FTE)	\$128,000	\$166,4000	\$268,800	\$2,176,000	\$140,800	\$448,000	\$448,000	\$128,000	\$42,898	\$3,946,898
AmeriCorps Program(s)	- A STAR! in Western MD - Partnership for Adolescents on the Lower Shore (PALS) - Calvert Joint AmeriCorps Service Project (CJASP) - Volunteer Maryland (VM) - Jumpstart Baltimore (JB)	- A STAR! - PALS - CJASP - VM - JB	-CJASP - JB	- A STAR! - PALS - CJASP - Baltimore Reads - Frederick Reads - Civic Works - Living Classrooms - Project REACH - Notre Dame (ND) - MD Cons. Corps -Teach for America -AIM for Excellence	- A STAR! - PALS - VM - MCC - Change	- A STAR! - PALS - CJASP - VM -Project Liberty	- A STAR! - PALS - CJASP -Habitat for Humanity	- A STAR! - PALS - SEYA - VM		
Sample Activities	- Assisting pregnant mothers to find adequate health care and pre-natal care - Testing water for the presence of lead - Provide one on one instruction to families on raising and supporting healthy children	- Provide one on one basic needs assistance to children in Head Start programs - Serve as mentors to children - Enroll families for the MD CHIP program		- Tutor K-12 youth in the classroom - Serve as one on one mentors to youth in after-school programs - Engage youth in service learning activities	- Tutor at-risk youth in the classroom to improve grades - Engage at-risk college bound students in after-school tutoring programs	- Engage local citizens in neighborhood watch programs - Remove hazardous materials (trash, needles, broken glass) from neighborhoods - Rehabilitate vacant houses and lots - Create community gardens and streetscapes	- Assist at-risk families with financial planning - Provide direct instruction in job mentoring programs - Build affordable housing for low income families	- Engage youth and families in activities at local community centers - Engage parents in tutoring programs and volunteering at school		

**Object/Fund Difference Report
Boards, Commissions, and Offices**

<u>Object/Fund</u>	<u>FY03 Actual</u>	<u>FY04 Working Appropriation</u>	<u>FY05 Allowance</u>	<u>FY04 - FY05 Amount Change</u>	<u>Percent Change</u>
Positions					
01 Regular	42.00	40.00	40.00	0	0%
02 Contractual	11.00	11.50	9.70	-1.80	-15.7%
Total Positions	53.00	51.50	49.70	-1.80	-3.5%
Objects					
01 Salaries and Wages	\$ 2,272,351	\$ 2,450,899	\$ 2,579,719	\$ 128,820	5.3%
02 Technical & Spec Fees	842,444	1,095,578	1,098,239	2,661	0.2%
03 Communication	114,727	100,236	123,646	23,410	23.4%
04 Travel	56,190	84,497	84,385	-112	-0.1%
07 Motor Vehicles	10,074	3,762	2,816	-946	-25.1%
08 Contractual Services	288,006	647,359	894,542	247,183	38.2%
09 Supplies & Materials	52,501	76,761	69,974	-6,787	-8.8%
10 Equip – Replacement	57,725	3,000	3,000	0	0%
11 Equip – Additional	1,359	29,200	12,200	-17,000	-58.2%
12 Grants, Subsidies, Contr.	5,244,084	6,226,762	2,225,268	-4,001,494	-64.3%
13 Fixed Charges	181,800	179,358	184,255	4,897	2.7%
Total Objects	\$ 9,121,261	\$ 10,897,412	\$ 7,278,044	-\$ 3,619,368	-33.2%
Funds					
01 General Fund	\$ 2,873,919	\$ 3,084,711	\$ 3,528,456	\$ 443,745	14.4%
03 Special Fund	192,881	451,531	526,589	75,058	16.6%
05 Federal Fund	5,513,138	6,845,668	2,705,677	-4,139,991	-60.5%
09 Reimbursable Fund	541,323	515,502	517,322	1,820	0.4%
Total Funds	\$ 9,121,261	\$ 10,897,412	\$ 7,278,044	-\$ 3,619,368	-33.2%

Note: The fiscal 2004 appropriation does not include deficiencies, and the fiscal 2005 allowance does not reflect contingent reductions.

**Fiscal Summary
Boards, Commissions, and Offices**

<u>Unit/Program</u>	<u>FY03 Actual</u>	<u>FY04 Legislative Appropriation</u>	<u>FY04 Working Appropriation</u>	<u>FY03 - FY04 % Change</u>	<u>FY05 Allowance</u>	<u>FY04 - FY05 % Change</u>
01 Survey Commissions	\$ 81,910	\$ 156,270	\$ 144,550	76.5%	\$ 144,454	-0.1%
03 Office of Minority Affairs	295,531	315,933	315,933	6.9%	713,566	125.9%
05 Office of Service and Volunteerism	6,215,770	7,443,105	7,412,224	19.2%	3,212,001	-56.7%
06 State Ethics Commission	742,986	776,798	731,144	-1.6%	802,184	9.7%
07 Health Claims Arbitration Office	729,303	693,824	664,038	-8.9%	675,508	1.7%
09 State Commission On Uniform State Laws	40,100	38,235	35,367	-11.8%	41,845	18.3%
17 Volunteer Maryland	715,722	971,924	956,232	33.6%	965,668	1.0%
20 State Commission on Criminal Sentencing Policy	299,939	359,987	332,880	11.0%	333,398	0.2%
22 Governor's Grants Office	0	325,739	305,044		389,420	27.7%
Total Expenditures	\$ 9,121,261	\$ 11,081,815	\$ 10,897,412	19.5%	\$ 7,278,044	-33.2%
General Fund	\$ 2,873,919	\$ 3,269,113	\$ 3,084,711	7.3%	\$ 3,528,456	14.4%
Special Fund	192,881	451,530	451,531	134.1%	526,589	16.6%
Federal Fund	5,513,138	6,845,667	6,845,668	24.2%	2,705,677	-60.5%
Total Appropriations	\$ 8,579,938	\$ 10,566,313	\$ 10,381,910	21.0%	\$ 6,760,722	-34.9%
Reimbursable Fund	\$ 541,323	\$ 515,502	\$ 515,502	-4.8%	\$ 517,322	0.4%
Total Funds	\$ 9,121,261	\$ 11,081,815	\$ 10,897,412	19.5%	\$ 7,278,044	-33.2%

Note: The fiscal 2004 appropriation does not include deficiencies, and the fiscal 2005 allowance does not reflect contingent reductions.