

**H00**  
**Department of General Services**

***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	\$61,733	\$62,464	\$59,531	-\$2,202	\$62,293	\$2,763
Contractual Services	13,789	11,948	14,437	\$648	15,298	860
Grants	367	417	417	\$50	417	0
Contingent & Back of Bill Reductions	0	0	0	\$0	-154	-154
<b>Adjusted Grand Total</b>	<b>\$75,889</b>	<b>\$74,829</b>	<b>\$74,385</b>	<b>-\$1,504</b>	<b>\$77,854</b>	<b>\$3,469</b>
General Funds	52,036	50,688	48,173	-\$3,863	51,516	3,343
Contingent & Back of Bill Reductions	0	0	0	\$0	-149	-149
<b>Adjusted General Funds</b>	<b>\$52,036</b>	<b>\$50,688</b>	<b>\$48,173</b>	<b>-\$3,863</b>	<b>\$51,367</b>	<b>\$3,194</b>
Special Funds	1,689	1,527	1,180	-\$509	1,210	30
Contingent & Back of Bill Reductions	0	0	0	\$0	-3	-3
<b>Adjusted Special Funds</b>	<b>\$1,689</b>	<b>\$1,527</b>	<b>\$1,180</b>	<b>-\$509</b>	<b>\$1,207</b>	<b>\$27</b>
Federal Funds	618	714	755	\$137	803	48
Contingent & Back of Bill Reductions	0	0	0	\$0	-2	-2
<b>Adjusted Federal Funds</b>	<b>\$618</b>	<b>\$714</b>	<b>\$755</b>	<b>\$137</b>	<b>\$801</b>	<b>\$46</b>
<b>Reimbursable Funds</b>	<b>21,546</b>	<b>21,900</b>	<b>24,277</b>	<b>\$2,731</b>	<b>24,478</b>	<b>202</b>
<b>Adjusted Grand Total</b>	<b>\$75,889</b>	<b>\$74,829</b>	<b>\$74,385</b>	<b>-\$1,504</b>	<b>\$77,854</b>	<b>\$3,469</b>
<b>Annual % Change</b>		<b>-1.4%</b>	<b>-0.6%</b>		<b>4.7%</b>	

- The fiscal 2005 allowance increases \$3,421,372 over the adjusted working appropriation for fiscal 2004. General funds account for \$3,342,990, or 97.7% of the increase due predominately to an increase in the statewide maintenance fund and a new carpet and painting initiative. The fiscal 2005 allowance also includes increases of \$381,362 in the Office of the Secretary and \$546,021 in facilities planning and construction.
- The comparison between the fiscal 2004 working appropriation and fiscal 2005 allowance accounts for 2004 cost containment (decrease of almost \$3.5 million) and contingent and back of bill reductions. Cost containment measures reduced the Department of General Services appropriation by \$2.8 million in fiscal 2003 and \$3.7 million in fiscal 2004. The major reductions have come in positions, as well as contractual services.

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

For further information contact: Martin L. Levine

Phone: (410) 946-5530

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- Reimbursable fund income increased slightly over \$201,636 to approximately \$24.5 million. This is generated predominately by lease management cost increases being passed through to tenants.

## ***Personnel Data***

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	<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	793.0	806.5	714.0	-79.0	706.0	-8.0
Contractual FTEs	34.7	26.0	27.8	-6.9	27.8	0.0
<b>Total Personnel</b>	<b>827.7</b>	<b>832.5</b>	<b>741.8</b>	<b>-85.9</b>	<b>733.8</b>	<b>-8.0</b>

### ***Vacancy Data: Regular Positions***

Turnover Expectancy	29.58	4.19%
Positions Vacant as of 12/31/03	66.50	9.31%

- The number of total positions fell from 806.5 to 706 from fiscal 2003 to 2005. This is made up of a drop of 32 positions in the fiscal 2004 allowance (including 10 vacant police officer positions) and 56.5 positions (including 18 vacant facilities security positions and 18 filled positions in Facilities Operations and Maintenance) in the fiscal 2004 cost containment action.
- The abolition of eight positions in fiscal 2005 accounts for a decrease of almost \$380,000. Of the eight positions eliminated, four are information technology-related positions from the Office of the Secretary.

## Analysis in Brief

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### Issues

**Critical Maintenance Projects Backlog:** The critical maintenance operating backlog rests at \$38 million this year. The funding levels provided in the appropriation do not indicate a trend toward eliminating this ever-growing expense. **The Department of Legislative Services (DLS) recommends that the Department of General Services (DGS) report back to the committees with an assessment of the maintenance backlog and its associated costs and consequences.**

**Response to Joint Chairmen's Report:** The 2003 *Joint Chairmen's Report* required the department to submit two reports. The first, a response to the University of Baltimore Schaefer Center Peer Review Report, detailed the DGS response to recommendations on areas for efficiency and operational improvement. The second, assessment of privatization functions, reported the Information Technology and Facilities Operations and Maintenance presented opportunities for cost savings through privatization. **DLS recommends that DGS submit a report to the committees detailing the implementation of privatization programs in information technology and facilities maintenance.**

### Recommended Actions

	<u>Funds</u>
1. Adopt committee narrative regarding new MFR goals relating to customer service.	
2. Reduce carpet and painting initiative.	\$ 500,000
3. Adopt committee narrative requiring a report updating MBE participation levels.	
4. Adopt committee narrative requiring a report regarding the deferred maintenance backlog.	
5. Adopt committee narrative requiring an update on the privatization efforts.	
<b>Total Reductions</b>	<b>\$ 500,000</b>

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**Updates**

***DGS Structural Reorganization:*** The department conducted a structural reorganization in calendar 2003. This involved shifting programs across the agency in order to more efficiently manage programs with related functions.

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***Operating Budget Analysis***

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**Program Description**

The Department of General Services (DGS) serves Maryland and its citizens by supporting other State agencies in achieving their missions. The department performs a variety of functions, including planning, design, and construction management; facilities maintenance; procurement of goods and services; receipt and distribution of excess property; and provision of real estate services. Through these activities, DGS addresses the need for:

- facilities that are safe, secure, and function as needed;
- buildings, materials, and services that help other State agencies achieve their objectives; and
- departmental actions that support social and economic goals important to the State.

**Performance Analysis: Managing for Results**

DGS has rewritten many of the Managing for Results (MFR) goals this year, which makes it difficult to track performance through the years. However, new performance measures are provided by DGS and have been included in this analysis.

With a change in departmental leadership, DGS decided to change the MFR measures. DGS aimed to align the MFR measures with six goals:

- operate efficiently and effectively;
- manage departmental projects efficiently;
- provide timely and accurate management information;
- achieve responsible asset management;
- provide best value for customer agencies and taxpayers; and
- carry out social, economic, and other responsibilities as a State agency.

DGS also reported that measures tracked in the past may have been unsubstantiated and to continue to track these measures may not yield reliable information.

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As many of the old MFR measures tracked customer satisfaction, DGS has continued this focus, creating a new position – Assistant Director for External Affairs, DGS Services – to act as the point-person for complaints from other State agencies. Formerly, customer service complaints were handled by the department involved, but when issues stretched across different DGS functions, there was no individual to coordinate the solutions and to insure that the customer was getting consistent results. DGS has indicated that they will be rewriting the MFR goals for customer service issues during the fiscal year to reflect the change in operations. **DLS recommends that DGS report back to the committees with customer service MFR measures by July 1, 2004.**

The main function of the agency is to assist other agencies in completing their substantive tasks. As such, the performance measures tracked follow DGS' ability to complete construction projects; obtain necessary procurements; provide a clean, safe work environment; and complete tasks on time.

One of the main functions of the department is to manage the capital construction process for the other State agencies. As shown in **Exhibit 1**, the department aims to complete 80% of capital construction within 20 days of schedule by 2006. The 2001 completion rate under the 20-day window was 75.6%. This measure has since fallen to 62.5%. The department has anticipated a completion rate of 80% for fiscal 2004 and 2005. **No demonstrated support can be shown for reversing this downward trend.**

DGS is also responsible for managing the procurement process for other State agencies. As a result, DGS tracks a measure of overall efficacy, whether 80% of procurements are on time and on target to meet customer needs. This measure has increased from 62% in 2002 to 69% in 2003. **The anticipated increase to 80% in 2004 and 2005 is another example of anticipated improvement without documented support.**

The department continues to track Minority Business Enterprise (MBE) participation in State procurement activities. The department aims to achieve 25% MBE participation in total procurement dollars. As MBE participation levels remain stagnant around 14% since 2001, DGS is searching for more opportunities for MBEs to serve as prime contractors for procurement contracts. DGS believes that as prime contractors, more minority and small businesses may be inclined to bid on contracts, and in turn provide efficiencies that larger companies may not be able to match. **DLS recommends that committee narrative be adopted requiring DGS to report back to the committees with a status report on MBE participation levels in procurements contracts since these operational changes have been made.**

Finally, DGS aims to improve the turn-around time on small procurement orders. The department tracks the total procurement time for small procurements. Annually, DGS aims to complete 80% of small procurements within 10 days. One way to improve small procurement turn-around is to process the order on-line. DGS has improved dramatically in this area, raising e-commerce participation from 55% in 2002 to 72% in 2003. **It is a reasonable conjecture to suggest that e-commerce participation will increase as more agencies adopt on-line business practices.**

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**Exhibit 1**  
**Program Measurement Data**  
**Department of General Services**  
**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>
Decrease nonpersonnel expenses by 3% annually from 2003 levels	N/A	N/A	N/A	3.0%	3.0%
Complete 80% of capital construction within 20 days of schedule by 2006	75.6%	72.0%	62.5%	80.0%	80.0%
All surplus property will be tagged and processed within 2 days of receipt	N/A	45.0%	27.0%	75.0%	75.0%
80% of procurements will be on time, within budget, and will meet the needs of the requesting customer	N/A	62.0%	69.0%	80.0%	80.0%
Exceed 25% MBE participation in total procurement dollars	14.7%	14.4%	14.0%	25.0%	25.0%
Percent of small procurement obtained through e-commerce	N/A	55.0%	72.0%	80.0%	80.0%
Complete 80% of small procurement within 10 days	N/A	62.9%	67.0%	80.0%	80.0%

Source: Governor's Budget Books

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## **Fiscal 2004 Actions**

### **Impact of Cost Containment**

The cost containment measures in fiscal 2004 resulted in the elimination of 23.5 filled positions and 33 vacant positions, for a savings of \$2,736,661. The position cuts included 18 filled positions from Facilities Operations and Maintenance, 15 vacancies from Facilities Security, as well as 19.5 other vacancies. Additional savings totaling \$757,497 resulted from the following actions:

- elimination of DGS-provided funding to Maryland Department of Transportation's Minority Business Enterprise program;
- addition of a study to maximize State-owned and -leased property value;
- reduction in the Critical Maintenance project appropriation; and
- elimination of funding for outside contractor to review public school construction designs.

### **Governor's Proposed Budget**

The fiscal 2005 allowance for DGS is \$77.9 million, an increase of \$3.5 million (4.7%) over the fiscal 2004 adjusted working appropriation. General funds increase \$3.2 million (6.6%) when accounting for the fiscal 2004 cost containment and contingent and back of bill reductions. Special funds increase \$26,904. Federal and reimbursable funds increase \$46,468 and \$201,636, respectively.

**Exhibit 2**  
**Governor's Proposed Budget**  
**Department of General Services**  
(\$ in Thousands)

	<u>FY 03</u> <u>Actual</u>	<u>FY 04</u> <u>Approp.</u>	<u>FY 05</u> <u>Allowance</u>	<u>FY 04-05</u> <u>Change</u>	<u>FY 04-05</u> <u>% Change</u>
General Funds	\$50,687	\$48,173	\$51,516	\$3,343	6.9%
Contingent & Back of Bill Reductions	0	0	-149	-149	
<b>Adjusted General Funds</b>	<b>\$50,687</b>	<b>\$48,173</b>	<b>\$51,367</b>	<b>\$3,194</b>	<b>6.6%</b>
Special Funds	\$1,527	\$1,180	\$1,210	\$30	2.5%
Contingent & Back of Bill Reductions	0	0	-3	-3	
<b>Adjusted Special Funds</b>	<b>\$1,527</b>	<b>\$1,180</b>	<b>\$1,207</b>	<b>\$27</b>	<b>2.3%</b>
Federal Funds	\$714	\$755	\$803	\$48	6.4%
Contingent & Back of Bill Reductions	0	0	-2	-2	
<b>Adjusted Federal Funds</b>	<b>\$714</b>	<b>\$755</b>	<b>\$801</b>	<b>\$46</b>	<b>6.1%</b>
Reimbursable Funds	\$21,900	\$24,277	\$24,478	\$201	0.8%
<b>Adjusted Grand Total</b>	<b>\$74,828</b>	<b>\$74,385</b>	<b>\$77,853</b>	<b>\$3,468</b>	<b>4.7%</b>

**Where It Goes:**

**Personnel Expenses**

Increments and other compensation .....	\$523
Employee and retiree health insurance .....	158
Retirement.....	96
Change in cost-containment and turnover .....	53
Abolished/transferred positions .....	-379

**Other Changes**

Carpet and painting initiative .....	1,000
Statewide Maintenance Fund increases .....	500
Increased insurance premiums .....	438
Janitorial contract cost increase .....	365
New voice and data systems .....	256
Silver Spring facility annualization.....	206
State House renovations – moving costs .....	170

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**Where It Goes:**

DGS police grant to promote seatbelt and child safety use .....	50
Other miscellaneous changes .....	32

**Total** **\$3,468**

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

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**Impact of Cost Containment**

The fiscal 2005 allowance reflects the elimination of \$202,404, the appropriation for matching employee deferred compensation contributions up to \$600, contingent upon enactment of a provision in budget reconciliation legislation.

**Personnel**

Personnel expenses increase by almost \$400,000 over the adjusted working appropriation for fiscal 2004. This is primarily attributable to salary increases of \$374,978. Increases in unemployment and workers' compensation insurance premiums were offset by \$379,261 in savings accrued by abolishing eight positions.

**Non-personnel Operating Changes**

The department proposes a new carpet and painting initiative this year, resulting in an increase of \$1,000,000. This program is designed to eliminate workplace hazards caused by frayed and worn carpet in DGS-managed facilities. The program also looks to replace decaying ceiling tiles and surface paint. **DLS recommends, due to the fiscal condition of the State, that this amount be reduced to \$500,000. This \$500,000 should be used to replace only the most critically worn carpet, paint, and ceiling tiles resulting in a safety hazard to employees and visitors.**

Current and future janitorial contracts have been adjusted upward by 10%, resulting in an increase of over \$365,000. A DGS-run facility in Silver Spring was opened in the middle of fiscal 2004, and will now be open for a full year, which will require an additional \$206,237 in State funds. Insurance premiums issued by the State Treasurer's Office have increased \$438,000, due to higher insurance rates since the disasters on September 11, 2001.

An additional \$170,000 in funds is budgeted in fiscal 2005 to move employees out of areas in the State House being renovated. \$980,000 is budgeted in the Department of Budget and Management Major Information Technology Development Project Fund for a new proximity card security system for State buildings.

## Issues

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### 1. Critical Maintenance Projects Backlog

DGS is responsible for maintaining the majority of State facilities. When maintenance issues inevitably arise, they are categorized by dollar amount required to fix the project. When a project reaches the \$100,000 (and 15-year useful life) threshold, the project is classified as a capital project. At this point the project can be funded with PAYGO operating funds or general obligation (GO) bond funds. Projects ranging from \$2,500 to \$100,000 in cost are classified as operating maintenance items.

This second group of projects has swelled to create a maintenance backlog of over \$38 million. Under the fiscal 2005 allowance, the \$2,257,500 appropriation represents an increase of \$500,000 over fiscal 2004. Cost containment actions in fiscal 2004 reduced the original appropriation by \$142,500.

In recognition of the importance of critical maintenance, the Spending Affordability Committee (SAC) exempted up to \$40 million in deferred maintenance from SAC limits in fiscal 2002 and 2003. However, the deferred maintenance program received only \$5.5M and \$1.7M in fiscal 2002 and 2003, respectively.

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**Exhibit 3**  
**Critical Maintenance Operating Backlog**  
**Fiscal 2002 - 2005**

	<u>Fiscal 2002</u>	<u>Fiscal 2003</u>	<u>Est.</u> <u>Fiscal 2004</u>	<u>Est.</u> <u>Fiscal 2005</u>
SAC Exemption	\$40,000,000	\$40,000,000		
Allowance	\$5,500,000	\$2,500,000	\$1,900,000	\$2,257,500
Legislative Appropriation	\$5,500,000	\$2,500,000	\$1,900,000	
Cost Containment	(\$38,000)	(\$800,000)	(\$142,500)	
Actual/Working Appropriation	<b>\$5,462,000</b>	<b>\$1,700,000</b>	<b>\$1,757,500</b>	

Source: Department of Legislative Services; Department of Budget and Management

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Given these funding inadequacies, DLS recommends that DGS discuss the following issues:

- **The financial impact of having a maintenance backlog:**
  - **the impact on future cost of projects at current maintenance levels; and**
  - **the impact on additional mitigation costs associated with not attending to these projects at the current time.**
- **Given current staffing, how much of the backlog could DGS complete in one year?**
- **If there were no maintenance backlog, what level of funding would be required to appropriately maintain the State's infrastructure?**

In addition, DGS and the Department of Budget and Management (DBM) should jointly prepare a report by September 1, 2004, which includes:

- **a funding plan to address the backlog; and**
- **the level of exemption from the Spending Affordability Committee limit that would induce greater spending for maintenance.**

## **2. Responses to 2003 Joint Chairmen's Report**

### **Privatization Assessment**

Committee narrative in the 2003 *Joint Chairmen's Report* (JCR) requested DGS to prepare two reports. The first was an assessment of opportunities for the privatization of traditionally in-house functions. This report identified many areas of DGS with limited prospects for privatization, but concluded that the Information Technology (IT) and Facilities Operations and Maintenance functions provided the best potential for efficiencies.

The report noted that privatization of IT functions allows not only for reduced personnel expenses at DGS but also for the quality of IT functions to improve at DGS. Outsourcing IT efforts results in these functions being tasked by professionals with access to the latest knowledge and IT resources. This will also reduce the time for IT-related processes to be implemented in each department at DGS. While DGS would need to maintain staff to serve as contract managers for the outsourcing contractor, this project could yield cost savings estimated at \$80,000-\$100,000 annually.

In addition to IT functions, the Facilities Operations and Maintenance department may be able to outsource some of the routine, as well as preventative maintenance projects at DGS-managed facilities. DGS met with a representative from Green Valley Technology (GVT) to discuss outsourcing certain projects. DGS has requested a pilot program at one or two State buildings where GVT would inspect the buildings and provide a status assessment. This assessment would be used to

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determine what services DGS would require. Once these selected functions were put into place, DGS would track expenditures against those of GVT – in an effort to discern whether this privatization venture has resulted in cost savings to the State.

### **Response to Peer Review Report**

Committee narrative in the 2003 JCR also asked DGS to respond to the University of Baltimore's Schaefer Center Peer Review Report. This report examined areas where efficiencies could be achieved and overall operational structure could be improved. DGS's response indicated that the department was willing to comply with the findings of the Schaefer Center, and in some cases, had already instituted programs to that effect. For example, the Peer Review Report suggested the department to move the collection and archival of information on State gas and utility bills to electronic form. The department has in response assigned a staff member to review and monitor electric and gas bills while continuing to maintain an electronic interface with the Office of the Comptroller's accounts payable department.

The Schaefer Center recommendations often centered around the replacement of information technology databases. DGS noted in their responses that the development of new information systems is currently limited by the fiscal condition of the State.

Other Schaefer Center recommendations dealt with:

- the importance of communication between supervisory staff and other employees;
- prioritizing maintenance projects to reconcile with the mission goals of the agency housed in the facility; and
- training of different agencies' staff to encourage greater participation in the eMaryland Marketplace procurement project.

The budget committees requested the two *Joint Chairmen's Report* responses from the Department of General Services on October 1 and December 1. The first report, a response to the University of Baltimore's Schaefer Center Peer Review Report, was not submitted until December 24, 2003. The second report requested in the JCR, an assessment of privatization opportunities within traditionally-DGS functions, was not received until December 24, 2003.

**The Department of Legislative Services recommends that committee narrative be adopted which requires DGS to report back to the committees on the status of privatization efforts. DGS should provide the status of the information technology privatization campaign, as well as indicate when the pilot program with Green Valley Technologies can be implemented, and report back to the committees with results of the program. Additionally, the department should indicate why the deadlines provided in the 2003 *Joint Chairmen's Report* were not complied with without explanation to the committees.**

## ***Recommended Actions***

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1. Adopt the following narrative:

**New Managing for Results Goals for Customer Service:** The committees are concerned about the lack of Managing for Results (MFR) goals relating to customer service. The ability to serve other State agencies reflects not only the Department of General Services' (DGS) success but the success of State government as a whole. In that DGS has created a new Assistant Director of External Affairs, DGS Services, the department should submit a report to the committees detailing new MFR measures which track overall customer service levels. This report should include all the new MFR measures to be tracked, as well as goals to be achieved in the coming fiscal years. The report should be submitted to the committees by July 1, 2004.

<b>Information Request</b>	<b>Author</b>	<b>Due Date</b>
New MFR goals relating to customer service	DGS	July 1, 2004

- |  | <b><u>Amount Reduction</u></b> |
|--|--------------------------------|
| 2. Reduce carpet and painting initiative. The Department of Legislative Services recommends, due to the fiscal condition of the State, that this amount be reduced to \$500,000. This \$500,000 should be used to replace only the most critically worn carpet, paint, and ceiling tiles resulting in a safety hazard to employees and visitors. | \$ 500,000 GF                  |

3. Adopt the following narrative:

**Minority Business Enterprise participation in procurement contracts:** The committees are concerned that statutorily required Minority Business Enterprise (MBE) participation levels have not been met by DGS. The department has acknowledged that these goals have not been met and has subsequently made operational changes in an effort to meet these goals. The committees request that DGS prepare a report documenting changes in operations to increase MBE participation in State procurement opportunities, as well as any resulting change in MBE participation levels. This report should be submitted to the committees by August 1, 2004.

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<b>Information Request</b>	<b>Author</b>	<b>Due Date</b>
MBE participation level report	DGS	August 1, 2004

4. Adopt the following narrative:

**Deferred Maintenance Backlog:** The budget committees are concerned that deferred maintenance backlogs will lead to higher future costs if not addressed more expeditiously. It is the intent of the committees that the Department of General Services and the Department of Budget and Management shall jointly prepare an assessment of the deferred maintenance backlog. The assessment should focus on the spending history, given the Spending Affordability Committee's exemptions provided in recent years, and develop a funding plan to address the maintenance backlog. Finally, the report should assess what level of exemption from the General Assembly's Spending Affordability Committee would induce greater annual spending for maintenance. The report should be submitted by September 1, 2004.

<b>Information Request</b>	<b>Author</b>	<b>Due Date</b>
Report on operating backlog and its costs and consequences	DGS	September 1, 2004

5. Adopt the following narrative:

**Update on Privatization Efforts:** The committees are concerned about potential efficiencies going unrealized. The opportunities for privatization that DGS documented in its response to the 2003 *Joint Chairmen's Report* (JCR) could provide cost savings for the State and should be explored further. DGS should develop and submit a status report by October 1, 2004, which details the progress made in implementing privatization opportunities.

<b>Information Request</b>	<b>Author</b>	<b>Due Date</b>
Update on privatization efforts	DGS	October 1, 2004

**Total General Fund Reductions** **\$ 500,000**

## ***Updates***

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### **1. DGS Structural Reorganization**

DGS underwent a change in leadership in January 2003. Under the stewardship of Secretary Boyd Rutherford, an evaluation of the department's mission and goals was prepared. The Secretary instituted a reorganization which did the following:

- The Office of the Secretary was split into two programs – Executive Direction and Administration.
- Facilities Security was separated from Facilities Operation and Maintenance to increase the status and importance of security operations in DGS-managed facilities.
- The Procurement and Contracting Office and the Maryland State Agency for Surplus Property were made part of a new Office of Procurement and Logistics. This combined formerly isolated subprograms into a larger related office.

## *Current and Prior Year Budgets*

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### Current and Prior Year Budgets Department of General Services (\$ in Thousands)

	<u>General Fund</u>	<u>Special Fund</u>	<u>Federal Fund</u>	<u>Reimb. Fund</u>	<u>Total</u>
<b>Fiscal 2003</b>					
Legislative Appropriation	\$54,579	\$1,383	\$1,141	\$23,713	\$80,816
Deficiency Appropriation	0	0	0	0	0
Budget Amendments	0	850	-421	280	709
Cost Containment	-2,377	-426	0	0	-2,803
Reversions and Cancellations	-1,514	-280	-6	-2,094	-3,894
<b>Actual Expenditures</b>	<b>\$50,688</b>	<b>\$1,527</b>	<b>\$714</b>	<b>\$21,899</b>	<b>\$74,828</b>
<b>Fiscal 2004</b>					
Legislative Appropriation	\$51,667	\$1,180	\$755	\$24,500	\$78,102
Cost Containment	-3,494	0	0	-164	-3,658
Budget Amendments	0	0	0	-59	-59
<b>Working Appropriation</b>	<b>\$48,173</b>	<b>\$1,180</b>	<b>\$755</b>	<b>\$24,277</b>	<b>\$74,385</b>

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

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### **Fiscal 2003**

- General fund reversions totaled approximately \$1.5 million, attributable primarily to a hiring freeze.
- Special fund appropriations cancelled around \$280,000 as the Maryland State Agency for Surplus Property did not hire as many contractual workers as anticipated.

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- Approximately \$1.15 million of reimbursable fund appropriations were cancelled when security for Camp Fettered was cancelled. DGS was supposed to provide this service to the Maryland Military Department (MMD), but the federal funds that MMD relied on did not become available, so the security services were cancelled.
- Cost containment reduced the overall appropriation by slightly over \$2.8 million.

### **Fiscal 2004**

Cost containment measures:

- eliminated 56.5 regular positions and 6.5 contractual positions;
- eliminated DGS-provided funding to Maryland Department of Transportation's Minority Business Enterprise program;
- added a study to examine maximizing State-owned and –leased property value;
- reduced the Critical Maintenance project appropriation; and
- eliminated funding for outside contractor to review public school construction designs.

**Object/Fund Difference Report  
Department of General Services**

<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>
<b>Positions</b>					
01 Regular	806.50	714.00	706.00	-8.00	-1.1%
02 Contractual	25.95	27.77	27.77	0	0%
<b>Total Positions</b>	<b>832.45</b>	<b>741.77</b>	<b>733.77</b>	<b>-8.00</b>	<b>-1.1%</b>
<b>Objects</b>					
01 Salaries and Wages	\$ 39,173,003	\$ 37,360,281	\$ 37,960,420	\$ 600,139	1.6%
02 Technical & Spec Fees	1,094,553	1,035,336	1,044,210	8,874	0.9%
03 Communication	883,622	793,871	1,072,791	278,920	35.1%
04 Travel	33,978	28,486	18,860	-9,626	-33.8%
06 Fuel & Utilities	11,541,893	11,143,545	11,219,860	76,315	0.7%
07 Motor Vehicles	696,687	808,773	791,408	-17,365	-2.1%
08 Contractual Services	11,947,517	14,437,400	15,297,628	860,228	6.0%
09 Supplies & Materials	1,310,099	1,525,795	1,464,144	-61,651	-4.0%
10 Equip - Replacement	167,444	201,427	177,490	-23,937	-11.9%
11 Equip - Additional	59,360	53,422	4,872	-48,550	-90.9%
12 Grants, Subsidies, Contr.	417,000	417,000	417,000	0	0%
13 Fixed Charges	3,050,057	430,695	3,502,392	3,071,697	713.2%
14 Land & Structures	4,453,606	6,148,933	5,036,897	-1,112,036	-18.1%
<b>Total Objects</b>	<b>\$ 74,828,819</b>	<b>\$ 74,384,964</b>	<b>\$ 78,007,972</b>	<b>\$ 3,623,008</b>	<b>4.9%</b>
<b>Funds</b>					
01 General Fund	\$ 50,687,960	\$ 48,173,029	\$ 51,516,019	\$ 3,342,990	6.9%
03 Special Fund	1,527,170	1,180,140	1,210,248	30,108	2.6%
05 Federal Fund	714,054	755,031	803,305	48,274	6.4%
09 Reimbursable Fund	21,899,635	24,276,764	24,478,400	201,636	0.8%
<b>Total Funds</b>	<b>\$ 74,828,819</b>	<b>\$ 74,384,964</b>	<b>\$ 78,007,972</b>	<b>\$ 3,623,008</b>	<b>4.9%</b>

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

**Fiscal Summary  
Department of General Services**

<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>
0A Department Of General Services	\$ 4,674,425	\$ 4,378,821	\$ 4,221,350	-9.7%	\$ 4,651,774	10.2%
0B Office Of Finance And Administration	11,117,613	2,805,723	10,904,593	-1.9%	11,450,614	5.0%
0C Office Of Facilities Operation And Management	41,225,891	55,852,490	41,853,026	1.5%	43,592,306	4.2%
0D Office Of Services And Logistics	5,972,008	3,266,230	6,557,581	9.8%	6,541,762	-0.2%
0E Office Of Real Estate	2,209,864	2,288,646	2,111,174	-4.5%	2,116,064	0.2%
0G Office of Facilities Planning, Engineering And Con	9,629,018	9,510,367	8,737,240	-9.3%	9,655,452	10.5%
<b>Total Expenditures</b>	<b>\$ 74,828,819</b>	<b>\$ 78,102,277</b>	<b>\$ 74,384,964</b>	<b>-0.6%</b>	<b>\$ 78,007,972</b>	<b>4.9%</b>
General Fund	\$ 50,687,960	\$ 51,667,186	\$ 48,173,029	-5.0%	\$ 51,516,019	6.9%
Special Fund	1,527,170	1,180,139	1,180,140	-22.7%	1,210,248	2.6%
Federal Fund	714,054	755,030	755,031	5.7%	803,305	6.4%
<b>Total Appropriations</b>	<b>\$ 52,929,184</b>	<b>\$ 53,602,358</b>	<b>\$ 50,108,200</b>	<b>-5.3%</b>	<b>\$ 53,529,572</b>	<b>6.8%</b>
Reimbursable Fund	\$ 21,899,635	\$ 24,499,919	\$ 24,276,764	10.9%	\$ 24,478,400	0.8%
<b>Total Funds</b>	<b>\$ 74,828,819</b>	<b>\$ 78,102,277</b>	<b>\$ 74,384,964</b>	<b>-0.6%</b>	<b>\$ 78,007,972</b>	<b>4.9%</b>

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