

C82D00
Office of the State Prosecutor

Operating Budget Data

(\$ in Thousands)

	<u>FY 05</u> <u>Actual</u>	<u>FY 06</u> <u>Working</u>	<u>FY 07</u> <u>Allowance</u>	<u>FY 06-07</u> <u>Change</u>	<u>% Change</u> <u>Prior Year</u>
General Fund	\$891	\$980	\$1,071	\$91	9.3%
Reimbursable Fund	<u>58</u>	<u>0</u>	<u>27</u>	<u>27</u>	
Total Funds	\$950	\$980	\$1,098	\$118	12.1%

- The Office of the State Prosecutor (OSP) submitted a fiscal 2006 budget deficiency request for \$102,670 in general funds. These funds are requested to (1) provide funding for an investigator position added during the fiscal year by action of the Board of Public Works; (2) provide funding for additional contractual labor needed to conduct financial investigations; and (3) to replace a State vehicle. This deficiency amount represents a 10.48% increase over the \$979,624 working appropriation.
- OSP's fiscal 2007 allowance increases by \$118,071, or 12.1% above the fiscal 2006 working appropriation. This increase is primarily attributed to a \$25,677 increase in employee and retiree health insurance, a \$54,695 increase in contractual salaries due to the addition of a contractual investigator and salary increases among investigators, and a \$24,145 reduction in turnover expectancy.

Personnel Data

	<u>FY 05</u> <u>Actual</u>	<u>FY 06</u> <u>Working</u>	<u>FY 07</u> <u>Allowance</u>	<u>FY 06-07</u> <u>Change</u>
Regular Positions	9.00	10.00	10.00	0.00
Contractual FTEs	<u>2.00</u>	<u>5.00</u>	<u>4.00</u>	<u>-1.00</u>
Total Personnel	11.00	15.00	14.00	-1.00

Vacancy Data: Regular Positions

Turnover, Excluding New Positions	0.30	3.00%
Positions Vacant as of 12/31/05	1.00	10.00%

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

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C82D00 – Office of the State Prosecutor

- The fiscal 2007 allowance contains no changes to the number of regular positions and a reduction of one contractual full-time equivalent.
- As of December 31, 2005, the vacancy rate for regular employees was 10%. This vacancy has subsequently been filled, thereby reducing the vacancy rate to zero. OSP will be unable to meet its turnover rate of 3% in fiscal 2007.
- Turnover expectancy for regular employees is reduced from 6 to 3%.

Analysis in Brief

Major Trends

Continuing Success in the Disposition of Investigations: One hundred percent of complaints closed by OSP result in an appropriate legal disposition in fiscal 2005.

OSP Improves the Percentage of Election Law Complaints Closed in a Timely Manner: Despite the decline in this measure in 2004, OSP exceeds its estimated percentage of election law complaints closed by two percentage points in 2005.

Recommended Actions

	<u>Funds</u>
1. Reduce fiscal 2006 deficiency funding request by the amount received from the sale of the vehicle.	\$4,000
Total Reductions to Fiscal 2006 Deficiency Appropriation	\$4,000
Total Reductions to Allowance	

C82D00
Office of the State Prosecutor

Operating Budget Analysis

Program Description

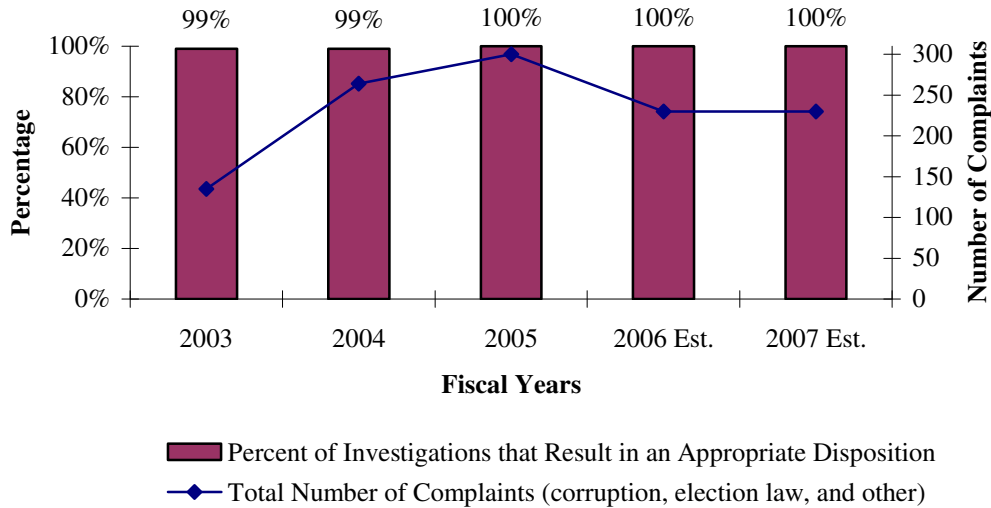
The Office of the State Prosecutor (OSP) is an independent agency within the Executive Branch of government. The State Prosecutor investigates and prosecutes certain criminal offenses committed by public officials. The office conducts these investigations on its own initiative or at the request of the Governor, the Attorney General, the General Assembly, the State Ethics Commission, or a State's Attorney. OSP investigates the following types of cases: criminal offenses under the State election and conflict of interest laws; violations of the State bribery laws in which a public official or employee was offered or solicited a bribe; criminal malfeasance, misfeasance, or nonfeasance in office committed by a public officer or employee; all multi-jurisdictional offenses; and violations of State obstruction of justice, perjury, and extortion laws.

Performance Analysis: Managing for Results

Overall, OSP's Managing for Results performance measures show continued success. **Exhibit 1** displays the total number of corruption, election law and other types of complaints received by OSP in addition to the percent of investigations resulting in an appropriate disposition. In fiscal 2005, the number of complaints received by OSP increased across the board in each of the three aforementioned categories. However, the total number of complaints received is expected to decline in fiscal 2006 and 2007. **The Department of Legislative Services (DLS) recommends that OSP explain why the total number of complaints received is expected to decline in fiscal 2006 and 2007.**

In fiscal 2005, 100% of investigations closed by OSP resulted in an appropriate disposition. An investigation is appropriately disposed when a complaint (1) fails to meet ethical and/or legal requirements to warrant an investigation; (2) is referred to a more appropriate agency; (3) results in a formal charge; (4) is not prosecuted due to prosecutorial suggestion; or (5) warrants an investigation by OSP but is later deemed to be non-prosecutorial because the activity does not violate the law. OSP attributes its continued success in the percent of investigations closed to the continuity in its leadership and staff following the untimely death of former State Prosecutor Stephen Montanarelli. **DLS recommends that OSP modify its Managing for Results data to include a breakdown of the number of complaints disposed relative to the five aforementioned categories. This will allow for a more comprehensive budgetary analysis of resource allocation going forward.**

Exhibit 1
Corruption, Election Law, and Other Complaints
Fiscal 2003 – 2007



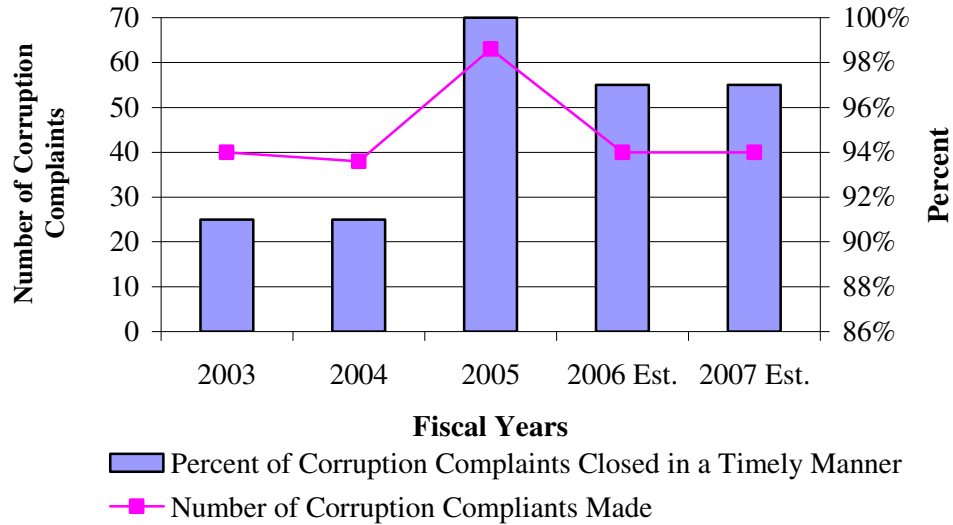
Note: Fiscal 2005 data includes 33 cases carried over from fiscal 2004

Source: Office of the State Prosecutor

Exhibit 2 shows the number of corruption complaints made and the percent of corruption investigations closed in a timely manner by OSP. In fiscal 2005, there was an increase in both the number of corruption complaints made and the percent of investigations closed by OSP. The number of complaints made increased by 66% or 23 complaints above fiscal 2004 while the percentage of corruption complaints closed in a timely¹ manner increased by 9%. OSP attributes its success in closing complaints to additional investigative and support personnel, both of which have increased the agency’s efficiency and productivity. Additionally, OSP extended the length of time in which it has to close corruption complaints by one year. The length of time to close these types of cases was modified because many of the factors that influence the timeliness of corruption cases are out of the agency’s control (i.e., court scheduling and compliance with subpoenas).

¹ “Timely” is defined as corruption complaints closed within two years.

**Exhibit 2
Corruption Complaints
Fiscal 2003 – 2007**



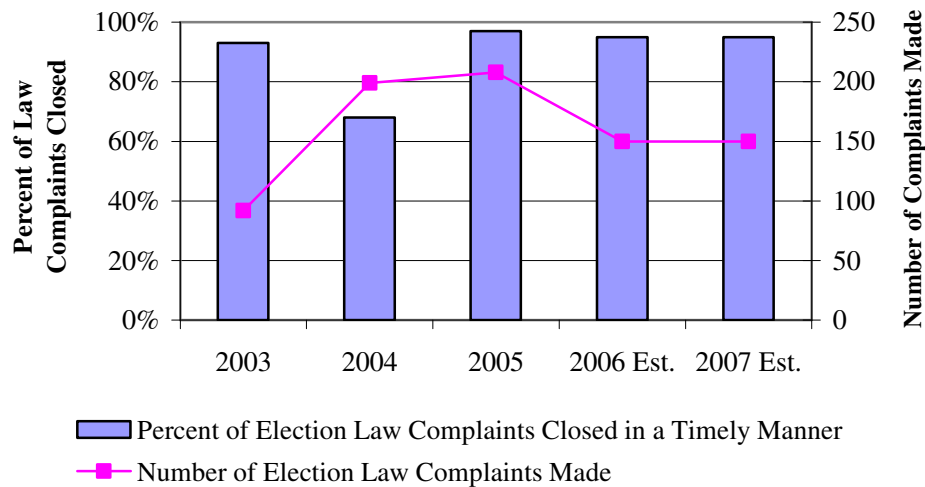
Note: Timely is defined as within two years.

Source: Office of the State Prosecutor

Exhibit 3 shows the number of election law complaints made and the percent of election law complaints closed in a timely² manner by OSP. In fiscal 2006, the number of election law complaints made increased slightly by 5% as did the percentage of election law investigations which increased by 29%. OSP reports that employee retention coupled with assigning all of the election law complaints to a single attorney and administrator increased its performance and productivity in this area.

² “Timely” is defined as election law complaints closed within six months.

**Exhibit 3
Election Law Complaints
Fiscal 2003 – 2007**



Note: Timely is defined as within six months.

Source: Office of the State Prosecutor

Fiscal 2006 Actions

Proposed Deficiency

OSP has requested a fiscal 2006 general fund deficiency appropriation of \$102,670. \$45,088 is requested to provide funding for a new investigator position added during the fiscal year by action of the Board of Public Works. \$38,982 is requested to provide funding for additional contractual labor needed to conduct financial investigations. \$18,600 is requested to replace a vehicle. **DLS recommends reducing the deficiency appropriation by \$4,000 to reflect monies already received from the sale of the vehicle.**

Governor's Proposed Budget

As illustrated in **Exhibit 4**, OSP's fiscal 2007 allowance increases by 12.1%, or \$118,071 above the fiscal 2006 working appropriation. Employee and retiree health insurance increases by \$25,677, and turnover is reduced by \$24,145.

Exhibit 4
Governor's Proposed Budget
Office of the State Prosecutor
(\$ in Thousands)

How Much It Grows:	General <u>Fund</u>	Reimb. <u>Fund</u>	<u>Total</u>
2006 Working Appropriation	\$980	\$0	\$980
2007 Governor's Allowance	<u>1,071</u>	<u>27</u>	<u>1,098</u>
Amount Change	\$91	\$27	\$118
Percent Change	9.3%		12.1%

Where It Goes:

Personnel Expenses

Employee and retiree health insurance	\$26
Turnover adjustments	24
Employees' retirement system	8
Increments and other compensation	4
Other fringe benefit adjustments	1

Other Changes

One new contractual investigator paralegal authorized by the Board of Public Works	36
Increased compensation for contractual investigators	19
Contractual fringe benefits	4
Motor vehicle expenses	4
Insurance	4
National White Collar Crime Conference	2
Postage	1
Computer maintenance	1
Contractual turnover adjustments	-16

Total **\$118**

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

Contractual Personnel Changes

OSP's fiscal 2007 allowance reflects a \$54,695 increase in contractual salaries. This increase is the net result of several changes within OSP's contractual personnel. \$38,982 of the increase is the residual effect of adding one contractual FTE authorized by the Board of Public Works in fiscal 2006. The remaining \$15,713 is the net effect of salary increases for contractual investigators and the reduction of one contractual FTE in fiscal 2007. Although there is a reduction of one contractual FTE in fiscal 2007, the overall compensation for contractual employees increases as a result of increasing the salaries for the remaining contractual employees. Contractual salary increases are needed to attract and retain qualified investigators.

Recommended Actions

	<u>Amount Reduction</u>	
1. Reduce fiscal 2006 deficiency funding request by the amount received from the sale of the vehicle.	\$ 4,000	GF
Total Reductions to Fiscal 2006 Deficiency	\$ 4,000	GF

Current and Prior Year Budgets

Current and Prior Year Budgets Office of the State Prosecutor (\$ in Thousands)

	<u>General Fund</u>	<u>Special Fund</u>	<u>Federal Fund</u>	<u>Reimb. Fund</u>	<u>Total</u>
Fiscal 2005					
Legislative Appropriation	\$877	\$0	\$0	\$0	\$877
Deficiency Appropriation	0	0	0	0	0
Budget Amendments	32	0	0	62	94
Reversions and Cancellations	-18	0	0	-3	-21
Actual Expenditures	\$891	\$0	\$0	\$59	\$950
Fiscal 2006					
Legislative Appropriation	\$966	\$0	\$0	\$0	\$966
Budget Amendments	13	0	0	0	13
Working Appropriation	\$979	\$0	\$0	\$0	\$979

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

Fiscal 2005

In fiscal 2005, the total budget for the OSP increased by \$72,393. The general fund appropriation increased by \$32,114. This increase was the result of a \$24,500 two-grade salary adjustment for assistant State prosecutors and a \$7,614 cost-of-living adjustment (COLA). Additionally, there was an \$18,182 general fund reversion due to a two-month vacancy in OSP and other cost containment measures utilized during the fiscal year.

OSP's reimbursable fund appropriation also increased by \$61,906. This increase was the result of a grant received from the Governor's Office of Crime Control and Prevention to investigate and prosecute crimes within the Baltimore City Public School System. Additionally, there was a \$3,445 reimbursable fund cancellation due to an overstatement of the estimated number of hours worked by contractual employees during the fiscal year.

Fiscal 2006

The general fund working appropriation increased by \$13,192. This increase was the result of a \$9,997 COLA and a \$3,195 budget amendment to increase the salary of the State Prosecutor. The State Prosecutor's salary was increased pursuant to 2005 House Joint Resolution 1. Salary increases provided through the Judicial Compensation Commission affect the salary of the State Prosecutor, which is tied to that of a circuit court judge.

**Object/Fund Difference Report
Office of the State Prosecutor**

<u>Object/Fund</u>	<u>FY05 Actual</u>	<u>FY06 Working Appropriation</u>	<u>FY07 Allowance</u>	<u>FY06 - FY07 Amount Change</u>	<u>Percent Change</u>
Positions					
01 Regular	9.00	10.00	10.00	0	0%
02 Contractual	2.00	5.00	4.00	-1.00	-20.0%
Total Positions	11.00	15.00	14.00	-1.00	-6.7%
Objects					
01 Salaries and Wages	\$ 647,564	\$ 716,016	\$ 779,402	\$ 63,386	8.9%
02 Technical & Spec Fees	111,113	106,000	148,375	42,375	40.0%
03 Communication	12,897	8,600	9,500	900	10.5%
04 Travel	2,484	2,200	4,000	1,800	81.8%
07 Motor Vehicles	10,202	11,705	16,043	4,338	37.1%
08 Contractual Services	70,785	37,725	39,200	1,475	3.9%
09 Supplies & Materials	19,268	21,519	21,600	81	0.4%
13 Fixed Charges	75,379	75,859	79,575	3,716	4.9%
Total Objects	\$ 949,692	\$ 979,624	\$ 1,097,695	\$ 118,071	12.1%
Funds					
01 General Fund	\$ 891,231	\$ 979,624	\$ 1,071,027	\$ 91,403	9.3%
09 Reimbursable Fund	58,461	0	26,668	26,668	N/A
Total Funds	\$ 949,692	\$ 979,624	\$ 1,097,695	\$ 118,071	12.1%

Note: The fiscal 2006 appropriation does not include deficiencies, and the fiscal 2007 allowance does not reflect contingent reductions.