

**D18A18**  
**Governor's Office for Children**

***Operating Budget Data***

(\$ in Thousands)

	<u>FY 09 Actual</u>	<u>FY 10 Working</u>	<u>FY 11 Allowance</u>	<u>FY 10-11 Change</u>	<u>% Change Prior Year</u>
General Fund	\$1,719	\$1,566	\$2,068	\$503	32.1%
Contingent & Back of Bill Reductions	0	0	-48	-48	
<b>Adjusted General Fund</b>	<b>\$1,719</b>	<b>\$1,566</b>	<b>\$2,020</b>	<b>\$454</b>	<b>29.0%</b>
Federal Fund	1,042	1,042	882	-160	-15.4%
<b>Adjusted Federal Fund</b>	<b>\$1,042</b>	<b>\$1,042</b>	<b>\$882</b>	<b>-\$160</b>	<b>-15.4%</b>
<b>Adjusted Grand Total</b>	<b>\$2,761</b>	<b>\$2,608</b>	<b>\$2,902</b>	<b>\$294</b>	<b>11.3%</b>

Note: For purposes of illustration, the Department of Legislative Services has estimated the distribution of selected across-the-board budget reductions. The actual allocations are to be developed by the Administration.

- The fiscal 2011 allowance for the Governor's Office for Children (GOC) increases by \$294,000 over the fiscal 2010 working appropriation representing an increase of 11.3%. Increases for new positions are partially offset by a decrease in the federal Safe and Drug Free Schools grant.

***Personnel Data***

	<u>FY 09 Actual</u>	<u>FY 10 Working</u>	<u>FY 11 Allowance</u>	<u>FY 10-11 Change</u>
Regular Positions	20.50	17.50	22.50	5.00
Contractual FTEs	0.00	0.00	0.00	0.00
<b>Total Personnel</b>	<b>20.50</b>	<b>17.50</b>	<b>22.50</b>	<b>5.00</b>

***Vacancy Data: Regular Positions***

Turnover and Necessary Vacancies, Excluding New Positions	0.69	3.06%
Positions and Percentage Vacant as of 12/31/09	3.00	17.14%

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

For further information contact: Steven D. McCulloch

Phone: (410) 946-5530

*D18A18 – Governor’s Office for Children*

- Five new positions are added to administer and monitor Early Intervention and Prevention contracts at the statewide level which previously were administered through the Local Management Boards (LMBs). This change is part of a cost containment plan as State support of LMBs in the Children’s Cabinet Interagency Fund is reduced by \$4 million.
- Three positions, representing 17.14% of the authorized positions for GOC, were vacant as of December 31, 2009.

## ***Analysis in Brief***

---

### **Major Trends**

GOC shares in the goals, objectives, and performance measures of R00A0401, Children’s Cabinet Interagency Fund.

### **Recommended Actions**

	<b><u>Funds</u></b>	<b><u>Positions</u></b>
1. Delete 3 vacant positions as a cost containment measure.	\$ 213,660	3.0
<b>Total Reductions</b>	<b>\$ 213,660</b>	<b>3.0</b>

**D18A18**  
**Governor's Office for Children**

***Operating Budget Analysis***

---

**Program Description**

The Governor's Office for Children (GOC) provides a coordinated, comprehensive, interagency approach to the development of integrated systems of care that are child and family focused and driven; emphasizes prevention, early intervention, and community based services for all children and families; and pays special attention to at-risk populations. Building upon a background of the systems reform initiative, the work of the Local Management Boards (LMBs), and the utilization of results accountability, GOC informs and supports the collective and specific work of the Children's Cabinet; partners with LMBs to plan, coordinate and monitor the delivery of integrated services along the full continuum of care, and oversees the use of monies from the Children's Cabinet Interagency Fund in accordance with policies and procedures established by the Children's Cabinet; and assists the Children's Cabinet in the allocation of any funds assigned for distribution as grants. Additional goals, objectives, and performance measures pertinent to the work of GOC may be found in Program R00A0401, Children's Cabinet Interagency Fund, under the Maryland State Department of Education.

GOC promotes the State's vision for a stable, safe, and healthy environment for children and families. GOC conducts work needed to accomplish the Three-year Children's Plan including interagency policies to carry out the plan and efficient interagency use of federal and State funds. GOC also facilitates the work of the Maryland Children's Cabinet and promotes child well-being by:

- using results and indicators in planning, decisionmaking, and evaluation;
- partnering with LMBs;
- advancing integrated systems of care;
- using data and technology to continuously measure and evaluate outcomes; and
- ensuring fiscal accountability.

The key goals of GOC are to:

- partner with LMBs and other State and local stakeholders to increase the capacity of communities to meet the specific needs of their jurisdictions' children and families;
- use data and technology to continuously monitor and evaluate outcomes;

## *D18A18 – Governor’s Office for Children*

- improve fiscal efficiency and accountability of programs that serve children and families, particularly those funded through the Children’s Cabinet Interagency Fund; and
- provide support and assistance to the Children’s Cabinet, the Children’s Cabinet Results Team, the Interagency Licensing Committee, the State Coordinating Council, and other interagency committees.

### **Performance Analysis: Managing for Results**

GOC shares in the goals, objectives, and performance measures of R00A0401, Children’s Cabinet Interagency Fund.

### **Fiscal 2010 Actions**

#### **Impact of Cost Containment**

Fiscal 2010 cost containment through November 2009 for GOC primarily dealt with salary and wage savings through the employee furloughs (\$41,006), abolishing 2 vacant positions (\$120,000), and holding positions vacant (\$50,000). Out-of-state travel was also eliminated for a savings of \$5,000.

### **Proposed Budget**

As shown in **Exhibit 1**, the fiscal 2011 allowance is \$294,000 greater than the current year working appropriation. Five new positions (\$381,000) are added to manage and administer the \$15.7 million Early Intervention and Prevention funding in the Children’s Cabinet Interagency Fund. Previously, this funding was distributed through LMBs which administered and monitored contracts for this program. Administering this funding at the State level is part of a cost containment plan which includes reducing State support, in the Children’s Cabinet Interagency Fund budget, to LMBs by \$4.0 million. The increase related to the new positions is partially offset by a decrease in the federal Safe and Drug Free Schools grant.

#### **Impact of Cost Containment**

The fiscal 2011 budget reflects several across-the-board actions to be allocated by the administration. This includes a combination of employee furloughs and government shut-down days similar to the plan adopted in fiscal 2010; a reduction in overtime based on accident leave management; streamlining of State operations; hiring freeze and attrition savings; a change in the injured workers’ settlement policy and administrative costs; and a savings in health insurance to reflect a balance in that account. For purposes of illustration, the Department of Legislative Services

**Exhibit 1**  
**Proposed Budget**  
**Governor’s Office for Children**  
**(\$ in Thousands)**

<b>How Much It Grows:</b>	<b>General Fund</b>	<b>Federal Fund</b>	<b>Total</b>
2010 Working Appropriation	\$1,566	\$1,042	\$2,608
2011 Allowance	<u>2,068</u>	<u>882</u>	<u>2,950</u>
Amount Change	\$503	-\$160	\$343
Percent Change	32.1%	-15.4%	13.1%
Contingent Reductions	-\$48	\$0	-\$48
Adjusted Change	\$454	-\$160	\$294
Adjusted Percent Change	29.0%	-15.4%	11.3%

**Where It Goes:**

**Personnel Expenses**

New positions .....	\$381
Decreased turnover .....	55
Restore November cost containment .....	42
Health insurance (net of Back of Bill reductions) .....	19
Retirement contributions .....	8
Furloughs – Section 18 .....	-41

**Other Changes**

Computer maintenance contracts and software licenses.....	6
Increased motor vehicle expenses due to new staff .....	3
Other .....	3
Computer replacement lease ends .....	-6
Eliminate in-state conference and out-of-state travel .....	-16
Reduced federal Safe and Drug Free School grant.....	-160

**Total** **\$294**

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

*D18A18 – Governor’s Office for Children*

has estimated the distribution of selected actions relating to employee furloughs, health insurance, and the Injured Workers’ Insurance Fund cost savings.

For GOC, the reductions for the items for which estimated savings could be calculated are as follows: employee furloughs (\$41,139), health insurance (\$6,929), and workers’ compensation (\$87).

***Recommended Actions***

---

	<b><u>Amount Reduction</u></b>		<b><u>Position Reduction</u></b>
1. Delete 3 vacant positions as a cost containment measure.	\$ 213,660	GF	3.0
<b>Total General Fund Reductions</b>	<b>\$ 213,660</b>		<b>3.0</b>

## ***Current and Prior Year Budgets***

---

### **Current and Prior Year Budgets Governor’s Office for Children (\$ in Thousands)**

	<b><u>General Fund</u></b>	<b><u>Special Fund</u></b>	<b><u>Federal Fund</u></b>	<b><u>Reimb. Fund</u></b>	<b><u>Total</u></b>
<b>Fiscal 2009</b>					
Legislative Appropriation	\$1,980	\$0	\$1,042	\$0	\$3,022
Deficiency Appropriation	0	0	0	0	0
Budget Amendments	18	0	0	0	18
Cost Containment	-177	0	0	0	-177
Reversions and Cancellations	-102	0	0	0	-102
<b>Actual Expenditures</b>	<b>\$1,719</b>	<b>\$0</b>	<b>\$1,042</b>	<b>\$0</b>	<b>\$2,761</b>
<b>Fiscal 2010</b>					
Legislative Appropriation	\$1,782	\$0	\$1,042	\$0	\$2,824
Cost Containment	-216	0	0	0	-216
Budget Amendments	0	0	0	0	0
<b>Working Appropriation</b>	<b>\$1,566</b>	<b>\$0</b>	<b>\$1,042</b>	<b>\$0</b>	<b>\$2,608</b>

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

---

## **Fiscal 2009**

The fiscal 2009 budget for GOC closed out \$260,759 lower than the legislative appropriation. Funding added by budget amendment for the general salary increase (\$29,942) was more than offset by a funding reductions due to a realignment within the Offices of the Governor to pay health insurance subsidies (-\$12,000), cost containment actions (-176,745,), and a general fund reversion of \$101,826 representing excess turnover achieved due to the hiring freeze. The cost containment reductions comprised:

- salary savings resulting from downgrading vacant positions and holding positions vacant (\$102,757);
- supplanting of funding for health insurance subsidies with nonbudgeted funds (\$8,407);
- removal of Other Post Employment Benefits funding (\$30,980);
- elimination of out-of-state travel and a reduction to printing and supply costs (\$14,470); and
- furlough savings (\$20,131).

## **Fiscal 2010**

The fiscal 2010 working appropriation is \$216,006 lower than the legislative appropriation due to cost containment actions which comprise furloughs, elimination of two vacant positions, salary savings from keeping positions vacant, and administrative savings including \$5,000 from eliminating out-of-state travel.

**Object/Fund Difference Report  
Governor's Office for Children**

<u>Object/Fund</u>	<u>FY09 Actual</u>	<u>FY10 Working Appropriation</u>	<u>FY11 Allowance</u>	<u>FY10 - FY11 Amount Change</u>	<u>Percent Change</u>
<b>Positions</b>					
01 Regular	20.50	17.50	22.50	5.00	28.6%
<b>Total Positions</b>	<b>20.50</b>	<b>17.50</b>	<b>22.50</b>	<b>5.00</b>	<b>28.6%</b>
<b>Objects</b>					
01 Salaries and Wages	\$ 1,477,338	\$ 1,399,839	\$ 1,911,952	\$ 512,113	36.6%
02 Technical and Spec. Fees	922	0	0	0	0.0%
03 Communication	54,049	49,352	51,814	2,462	5.0%
04 Travel	21,328	28,500	13,000	-15,500	-54.4%
07 Motor Vehicles	2,057	2,905	6,040	3,135	107.9%
08 Contractual Services	77,807	63,701	70,596	6,895	10.8%
09 Supplies and Materials	10,128	12,853	11,800	-1,053	-8.2%
10 Equipment – Replacement	30,438	6,000	0	-6,000	-100.0%
11 Equipment – Additional	781	0	200	200	n/a
12 Grants, Subsidies, and Contributions	1,041,588	1,042,088	882,083	-160,005	-15.4%
13 Fixed Charges	44,576	2,410	2,808	398	16.5%
<b>Total Objects</b>	<b>\$ 2,761,012</b>	<b>\$ 2,607,648</b>	<b>\$ 2,950,293</b>	<b>\$ 342,645</b>	<b>13.1%</b>
<b>Funds</b>					
01 General Fund	\$ 1,719,054	\$ 1,565,560	\$ 2,068,210	\$ 502,650	32.1%
05 Federal Fund	1,041,958	1,042,088	882,083	-160,005	-15.4%
<b>Total Funds</b>	<b>\$ 2,761,012</b>	<b>\$ 2,607,648</b>	<b>\$ 2,950,293</b>	<b>\$ 342,645</b>	<b>13.1%</b>

Note: The fiscal 2010 appropriation does not include deficiencies.