

**DEPARTMENT OF BUDGET AND MANAGEMENT
ACTION AGENDA**

GENERAL MISCELLANEOUS

ITEM: 10-GM Agency Contact: T. Eloise Foster
410-260-7041

DEPARTMENT: Budget and Management (DBM)

FUND SOURCES: (\$75,945,041) General Funds
(\$1,200,000) Special Funds

APPROP. CODES: See Backup

AMOUNT OF REQUEST: **(\$77,145,041)**
(See Backup for a summary by
Department/Agency)

DESCRIPTION: Under the provisions of §7-213(a), State Finance and Procurement Article, the Governor, with the approval of the Board of Public Works, may reduce, by not more than 25%, any appropriation the Governor considers unnecessary.

REQUESTING AGENCY REMARKS: The Backup to this Item, for the Board's approval, is the Governor's list of reductions for fiscal year 2015, by Department and Independent Agency. Consistent with the provisions of §7-213(b) of the State Finance and Procurement Article, no appropriations have been reduced for the payment of the principal and interest on State Debt, public schools mandated funding (including the School for the Deaf and the School for the Blind), or the salary of a public officer during the term of office. No reduction exceeds 25% of the appropriation.

Reversion amounts, revenues and fund balance transfers are shown for informational purposes. These actions will not be part of the reductions to be approved by the Board, but have been agreed to by staff of each of the departments.

The Backup sets out the total amount of the reductions for each Agency. These reductions will result in the elimination of 61.0 State vacant positions. The Backup also lists the positions to be eliminated.

DBM REMARKS: Approval recommended.

Board of Public Works Action - The above referenced Item was:

APPROVED

DISAPPROVED

DEFERRED

WITHDRAWN

WITH DISCUSSION

WITHOUT DISCUSSION

ITEM: 10-GM

BACK-UP

Agency Reductions
For FY 2015 Amended Appropriation
General Funds

Agency Code	Agency	Legislative Appropriation (in Millions of \$)	Reductions (\$)	Across the Board Reductions (\$)	Total Recommended Reductions (\$)	Reduction as a % of Amend. Approp.	Positions
C80	Office of the Public Defender	97.11	1,450,000		1,450,000	1.49%	
C81	Office of the Attorney General	17.33	50,000		50,000	0.29%	
D10	Executive Dept. - Governor	12.21	50,000	5,769	55,769	0.46%	
D12	Dept. of Disabilities	3.14	63,000		63,000	2.01%	
D15	Executive Dept. - Boards, Commissions and Offices	103.65	187,000		187,000	0.18%	
D26	Dept. of Aging	21.13	100,000		100,000	0.47%	
D38	State Board of Elections	6.51	100,000		100,000	1.54%	
D40	Dept. of Planning	22.88	96,008		96,008	0.42%	1.00
D50	Military Dept.	12.21	107,600		107,600	0.88%	2.00
D55	Veterans Affairs	8.46	133,000		133,000	1.57%	
E00	Office of the Comptroller	83.74	425,422		425,422	0.51%	
E20	Treasurer	5.13	154,000		154,000	3.00%	
E50	Dept. of Assessments and Taxation	108.20	100,000		100,000	0.09%	
F10	Dept. of Budget and Management	77.79	19,448,000		19,448,000	25.00%	
F50	Dept. of Information Technology	40.62	384,000	5,769	389,769	0.96%	
H00	Dept. of General Services	62.32	174,650	5,769	180,419	0.29%	2.00
K00	Dept. of Natural Resources	52.32	1,662,500		1,662,500	3.18%	
L00	Dept. of Agriculture	27.79	387,210		387,210	1.39%	2.00
M00	Dept. of Health and Mental Hygiene	4,104.09	18,640,073	48,786	18,688,859	0.46%	
N00	Dept. of Human Resources	637.22	11,300,000	22,600	11,322,600	1.78%	
P00	Dept. of Labor, Licensing and Regulation	45.15	221,275		221,275	0.49%	
Q00	Dept. of Public Safety and Correctional Services	1,170.64	581,579	80,223	661,802	0.06%	
R00	MD State Dept. of Education - Headquarters	90.48	424,000		424,000	0.47%	
R00	MD State Dept. of Education - Children's Cabinet Interagency Fund	21.84	400,000		400,000	1.83%	
R13	Morgan State University	81.80	435,000		435,000	0.53%	6.00
R14	St. Mary's College of Maryland	18.80	105,000		105,000	0.56%	
R30	Univ. System of MD	1,181.56	6,300,000		6,300,000	0.53%	36.00
R62	MD Higher Education Commission	457.92	3,298,000		3,298,000	0.72%	
R95	Baltimore City Community College	41.75	417,500		417,500	1.00%	
T00	Dept. of Business and Economic Development	79.34	81,500		81,500	0.10%	
U00	Dept. of the Environment	36.48	2,019,042		2,019,042	5.53%	
V00	Dept. of Juvenile Services	285.70	3,915,300	34,701	3,950,001	1.38%	12.00
W00	Dept. of State Police	248.30	2,500,000	30,765	2,530,765	1.02%	
Total - General Funds:		11,097.47	75,710,659	234,382	75,945,041	0.68%	61.00

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BACK-UP

Agency Reductions
For FY 2015 Amended Appropriation
General Funds

Agency Code	Agency	Legislative Appropriation (in Millions of \$)	Reductions (\$)	Across the Board Reductions (\$)	Total Recommended Reductions (\$)	Reduction as a % of Amend. Approp.	PINS
FY 2015 Reversions							
D99	Office of Administrative Hearing				5,769		
G20	State Retirement Agency				5,769		
R00	MD State Dept. of Education				3,400,000		
Total FY 2015 Reversions					3,411,538		
FY 2015 Revenues							
E75	State Lottery Agency				100,000		
F10	Dept. of Budget and Management				400,000		
M00	Dept. of Health and Mental Hygiene				60,000		
P00	Dept. of Labor, Licensing and Regulation				1,630,000		
Total FY 2015 Revenue Transfers					2,190,000		
Fund Balance Transfers							
D40	Dept. of Planning				267,000		
M00	Dept. of Health and Mental Hygiene				1,000,000		
FY 2015 Fund Balance Transfers					1,267,000		
Total Fund Balance/Revenues and Reversions					6,868,538		
TOTAL GENERAL FUND REDUCTIONS AND BALANCING ACTIONS					82,813,579		

Agency Reductions
For FY 2015 Amended Appropriation
Special Funds

Agency Code	Agency	Amended Appropriation (in Millions of \$)	Reductions (\$)	Across the Board Reductions (\$)	Total Recommended Reductions (\$)	Reduction as a % of Amend. Approp.
D38	State Board of Elections	7.74	100,000		100,000	1.29%
E50	Dept. of Assessments and Taxation	28.02	100,000		100,000	0.36%
E75	State Lottery Agency	70.64	100,000		100,000	0.14%
F10	Dept. of Budget and Management	28.43	400,000		400,000	1.41%
L00	MD Department of Agriculture	42.31	500,000		500,000	1.18%
Total - Special Funds:		177.14	1,200,000	0	1,200,000	0.68%

TOTAL REDUCTIONS - ALL FUNDS

77,145,041

TOTAL REDUCTIONS AND BALANCING ACTIONS - ALL FUNDS

84,013,579

Summary of Proposed July 2014 BPW Reductions

Agency Code	Reduction Item	Reduction Recommendation	General Fund Reduction	Positions Reduced	Other Actions
C80	Public Defender Electronic Records Management	Achieve savings from implementing a pilot program in Anne Arundel County to move towards electronic transcript document management.	(150,000)		
	Personnel Savings	Achieve salary savings due to decreased caseloads and reduce funding to reflect decreased need for contractual social workers and temporary staff.	(1,300,000)		
C81	Attorney General Salary savings	Achieve salary savings from holding positions vacant.	(50,000)		
D10	Governor's Office Salary Savings	Achieve salary savings from holding positions vacant.	(50,000)		
D12	Disabilities Salary Savings	Achieve salary savings from holding positions vacant.	(63,000)		
D15	Governor's Office - Boards and Commissions Grants Office - Salary Savings	Achieve salary savings from holding positions vacant.	(60,000)		
	GOCCP - Salary and Contractual savings	Achieve salary savings from holding positions vacant and managing contractual hours.	(127,000)		
D26	Aging Salary Savings	Achieve salary savings from holding positions vacant.	(100,000)		
D38	Board of Elections Operating expenses	Reduce funding for postage and printing of absentee ballots to align with prior year actuals. Matching special funds also reduced.	(100,000)		
D40	Planning Maryland Humanities Council	Reduce increase in FY 2015 grant by 50%.	(26,750)		
	Position Elimination	Eliminate vacant position.	(69,258)	(1.0)	
	Reversion / Transfer	Revert prior year unspent Maryland Heritage Area Authorities funds.			209,000
	Reversion / Transfer	Revert excess operating revenue from Sustainable Communities Tax Credit administrative fees collected in FY 2014.			58,000

Agency Code	Reduction Item	Reduction Recommendation	General Fund Reduction	Positions Reduced	Other Actions
D50	Military MEMA - Equipment	Reduce funding for equipment replacement due to recent upgrades.	(10,000)		
	Personnel Savings	Eliminate two vacant positions.	(97,600)	(2.0)	
D55	Veterans Affairs Operating expenses	Reduce funding for various expenses, including office supplies, computer maintenance, subscriptions, training and staff development, utilities, and contractual IT services. Most are reduced to align with prior year actuals.	(53,000)		
	Fund Swap	Fund portion of Charlotte Hall Veterans Home contract management fee with prior year federal fund balance.	(80,000)		
E00	Comptroller Operating Costs	Reduce funding for replacement computers and peripherals and eliminate funding no longer needed for GASB announcements.	(425,422)		
E20	Treasurer Operating Expenses	Reduce printing costs and software upgrades, and align bond sale expenses with prior year actuals.	(39,500)		
	Salary Savings	Achieve salary savings from holding positions vacant.	(114,500)		
E50	Assessments & Taxation Contract Savings	Reduce funding for contracts by delaying scanning of certain documents and achieving efficiencies due to Google conversion. Matching special funds also reduced.	(100,000)		
E75	State Lottery Salary Savings	Achieve salary savings from holding positions vacant. Special fund reduction results in additional general fund revenue.			100,000
F10	Budget & Management Operating Expenses	Delay IT equipment purchases and system upgrades and reduce postage costs. Special fund reduction results in additional general fund revenue.	(50,000)		400,000
	Statewide Reduction Health Insurance Balance	Reduce statewide health insurance funding pool to reflect health insurance payment from IWIF and excess fund balance.	(19,398,000)		
F50	Information Technology Operating expenses	Reduce software maintenance costs.	(184,000)		

Agency Code	Reduction Item	Reduction Recommendation	General Fund Reduction	Positions Reduced	Other Actions
	Contract Savings	Savings from moving GIS hosting in-house, incorporating security services into Cyber Security program initiatives, and achieving lower-than-budget cyber security contractor rate.	(200,000)		
	Statewide Costs	Reduce agency spending on maintenance of MdTime system due to implementation of new Statewide Personnel System and for reduced costs for NetworkMD services due to increased usage by local governments.	(234,382)		11,538
H00	General Services Personnel Savings	Eliminate two vacant IT positions and hold an Inspector position vacant.	(174,650)	(2.0)	
K00	Natural Resources Fund swap	Replace General Funds with Special Funds to support positions in Resource Assessment Services and the Fisheries Service.	(92,051)		
	2010 Trust Fund - Fund Swap	Support Trust Fund Monitoring oversight with 2010 Trust Fund.	(128,997)		
	Operating Expenses	Reduce funding for vehicle maintenance, vehicle replacement, IT costs, equipment, contractual services, maintenance, printing costs, routine travel, office supplies, harvest tags, and training.	(434,129)		
	Salary Savings	Achieve salary savings from holding positions vacant.	(1,007,323)		
L00	Agriculture Conservation grants	Eliminate State cost-share assistance for development of nutrient management plans due to low demand.	(75,000)		
	Operating expenses	Reduce funding for new vehicles, abolish two long-term vacant positions, and eliminate un-needed office space..	(212,210)	(2.0)	
	Fund Swap	Reduce General Funds for Weights and Measures operations and replace with Special Funds.	(100,000)		
	Tobacco Transition Program	Maintain funding for Tobacco Transition Program at the FY 2014 level. A reduction to CRF special funds in MDA will be redirected to Medicaid to replace General Funds.	(500,000)		
M00	Health and Mental Hygiene Vital Statistics - Contract Savings	Contract for software maintenance has expired.	(115,360)		
	Medical Day Care	Level fund PACT program at the FY 2014 level of \$400,000.	(125,000)		

Agency Code	Reduction Item	Reduction Recommendation	General Fund Reduction	Positions Reduced	Other Actions
	DDA - Utilization Review	Achieve savings from utilization review, consistent with amount achieved in FY 2014.	(250,000)		
	Behavioral Health - Purchase of Care	Funding for inpatient hospital services not needed due to Affordable Care Act.	(680,017)		
	DDA - Waiver	Savings from additional individuals reapplying for and being deemed eligible for the waiver.	(1,000,000)		
	Laboratories Administration	Savings in operating expenses due to delayed opening of new facility. Original date - June, 2014. Revised date - September 22, 2014.	(1,069,696)		
	DDA - Increased Federal Fund Attainment	Changes in resource coordination resulted in more services being eligible for a federal match and improved federal claiming for Behavioral Support Services results in General Fund savings.	(1,600,000)		
	Fund Swap	Utilize surplus federal funds available from prior year award under the Emergency Psychiatric Demonstration Waiver.	(2,200,000)		
	DDA - Support Coordination Services	Revise funding for Support Coordination Services to reflect current utilization and ramping up of fee-for-service model.	(2,500,000)		
	Nursing Home Rates	Maintain rate increase of 1.7% as included in the Governor's FY 2015 budget. Reduce funds restricted by the General Assembly.	(2,500,000)		
	DDA - Day Services	Correct under budgeted special fund revenue from local governments. Reduce over budgeted General Funds.	(2,700,000)		
	MCO Rates	Reduce rates to the bottom of range excluding childless adults	(3,400,000)		
	Revenue	Recognize revenue from testing fee collected beginning on January 1, 2014.			60,000
	Spinal Cord Injury Trust Fund - Transfer	Transfer balance in Spinal Cord Injury Trust Fund to General Fund. Program has been inactive since FY 2008.			1,000,000
N00	Human Resources				
	Salary Savings	Achieve salary savings from holding positions vacant.	(1,800,000)		
	Foster Care Maintenance	Reduce payments to reflect caseload declines.	(9,500,000)		

Agency Code	Reduction Item	Reduction Recommendation	General Fund Reduction	Positions Reduced	Other Actions
P00	Labor, Licensing & Regulation				
	Operating Costs	Reduce General Fund support for the Office of Budget and Fiscal Services.	(21,275)		
	Fund swap	Support salary costs in Financial Regulation with Special Funds.	(200,000)		
	Reversion / Revenue	Revert Special Administrative Expense Fund (SAEF) dollars to General Fund.			1,630,000
Q00	Public Safety & Correctional Services				
	Contract Savings	Reduce contract costs for IT hosted services and programming.	(100,000)		
	Keyword Recognition Software	Funding for annual maintenance not needed as software will not be purchased until FY 2015.	(125,000)		
	Delay Equipment Purchase	Delay lease purchase of dietary equipment until October 2014. Interest only payment due in FY 2015.	(356,579)		
R00	Education				
	Fund Swap	Use surplus federal funds from prior years to support a portion of the contract with the Child Care Resource Centers .	(424,000)		
	Out-of County Living Arrangements	Align funding with actual prior year spending.			600,000
	Autism Waiver	Align funding with actual prior year spending. No reduction in services.			2,800,000
R00	Children's Cabinet Fund				
	Care Management Entity (CME)	Reduce General Funded CME capacity from 370 to 342 slots to align with anticipated demand.	(400,000)		
R13	Morgan State University				
	Targeted Reductions	Reduce surplus funding for telecommunications maintenance and eliminate six long-term administrative vacancies.	(435,000)	(6.0)	
R14	St. Mary's College of Maryland				
	Targeted Reduction	Reduce travel spending.	(105,000)		
R30	University System of Maryland				
	Targeted Reductions	Eliminate 36 vacant positions (\$1.8 M). Reduce funding for facilities renewal (\$3.4 M) , academic initiatives and student support (\$200,000), MPower (\$900,000).	(6,300,000)	(36.0)	

Agency Code	Reduction Item	Reduction Recommendation	General Fund Reduction	Positions Reduced	Other Actions
R62	Maryland Higher Education Commission Operating expenses	Reduce accrued leave payout, reduce reclassification costs, and achieve salary savings from holding positions vacant.	(52,000)		
	Fund Swap	Fully fund six positions in the Office of Academic Affairs with special fund revenue from academic review fees.	(246,000)		
	Sellinger Program for Non-Public Institutions	Reduce funding to slightly above FY 2014 level.	(3,000,000)		
R95	Baltimore City Community College Targeted reductions	Reduce non-faculty contractual staffing.	(417,500)		
T00	Business & Economic Development Operating expenses	Reduce spending on supplies by 14% and achieve salary savings from holding positions vacant.	(81,500)		
U00	Environment Equipment	Reduce spending on equipment to support new position in Shellfish Water Quality Monitoring.	(19,042)		
	Oil Control Fund	Reduce General Funds due to availability of Special Fund revenue.	(2,000,000)		
V00	Juvenile Services Non-Residential Purchase of Care	Reduce funding for expired contract.	(235,300)		
	Operating Costs in State Run Facilities	Reduce funding for medical care services, drugs and medicine, and food in State run facilities to align with declining population.	(480,000)		
	Non-Residential Per Diems	Cancel contract with low-performing alternative school serving DJS youth. Youth will be served in other programs.	(500,000)		
	Case Management Positions	Eliminate 12 vacant case management positions. Maintains monthly contacts with youth at current levels.	(900,000)	(12.0)	
	Residential Per Diems	Reduce General Funds for residential per diems due to decline in out-of-home committed placements.	(1,800,000)		

Agency Code	Reduction Item	Reduction Recommendation	General Fund Reduction	Positions Reduced	Other Actions
W00	State Police				
	Maryland Coordination and Analysis Center .	Delay filling 2 of 8 new contractual positions.	(100,000)		
	Contractual Positions	Eliminate 12 contractual positions in the Licensing Division that are no longer needed to address the gun registration backlog.	(300,000)		
	Operating Expenses	Reduce vehicle maintenance due to purchase of new vehicles and reduce IT expenditures.	(450,000)		
	Salary Savings	Achieve salary savings from holding positions vacant.	(1,650,000)		
	TOTAL		<u>(75,945,041)</u>	<u>(61.0)</u>	<u>6,868,538</u>