

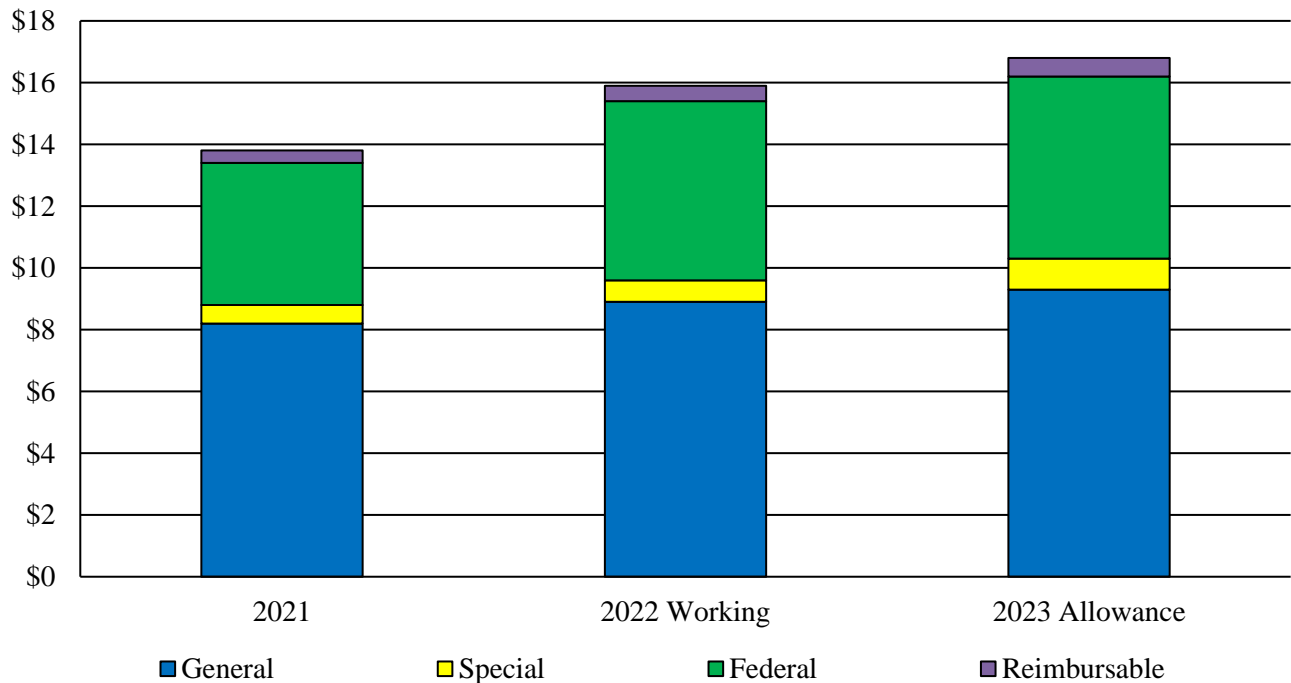
**D15A05**  
**Boards, Commissions, and Offices**  
**Executive Department**

**Program Description**

The Boards, Commissions, and Offices unit of the Executive Department contains various entities created by an executive order or statute to provide planning and coordination for Executive Branch functions or to investigate and make recommendations on problems affecting the administration of government or the welfare of the State. The unit includes Survey Commissions; the Governor’s Office of Small, Minority, and Women Business Affairs (GOSBA); the Governor’s Office of Community Initiatives (GOCI); the State Ethics Commission; the Health Care Alternative Dispute Resolution Office; the State Commission on Criminal Sentencing Policy; the Governor’s Grants Office (GGO); the State Labor Relations Board; the Board of Contract Appeals; and the Governor’s Coordinating Offices Shared Services Unit.

***Operating Budget Summary***

**Fiscal 2023 Budget Increases \$880,092, or 5.5%, to \$16.8 Million**  
(\$ in Millions)



Note: The fiscal 2022 working appropriation does include deficiencies. The fiscal 2022 working appropriation and fiscal 2023 allowance do not reflect funding for statewide personnel actions budgeted in the Department of Budget and Management, which may include cost-of-living adjustments, increments, annual salary review increases, and bonuses.

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## **Fiscal 2022**

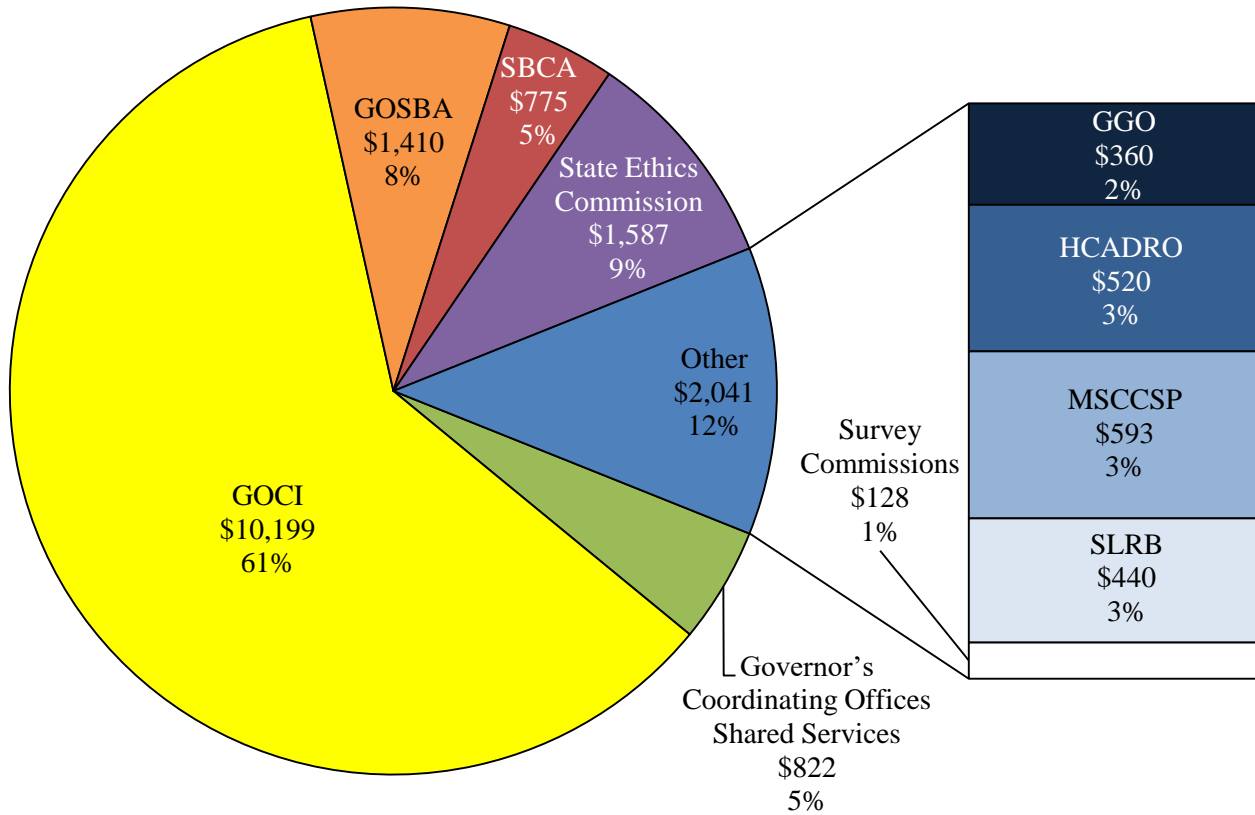
### **Proposed Deficiency**

Proposed deficiency appropriations supplement the fiscal 2022 budget for the Boards, Commissions, and Offices unit of the Executive Department by \$247,663. These appropriations will support the expenses for Autism Strategies; the Commission on Lesbian, Gay, Bisexual, Transgender, and Queer Affairs; and the Office of Immigrant Affairs at GOCI as well as restoration of turnover at the Governor’s Coordinating Offices Shared Services Unit.

### **Fiscal 2023 Overview of Agency Spending**

As shown in **Exhibit 1**, more than half of this budget unit’s allowance is for GOCI. GOCI is responsible for administrating the State’s AmeriCorps program, managing the Banneker-Douglass Museum, and a variety of the other community outreach and cultural appreciation activities. The State Ethics Commission comprises the next largest portion of the budget (9%).

**Exhibit 1**  
**Overview of Agency Spending**  
**Fiscal 2023 Allowance**  
**(\$ in Thousands)**



GGO: Governor's Grants Office  
 GOCI: Governor's Office of Community Initiatives  
 GOSBA: Governor's Office of Small, Minority, and Women Business Affairs  
 HCADRO: Health Care Alternative Dispute Resolution Office  
 MSCCSP: Maryland State Commission on Criminal Sentencing Policy  
 SBCA: State Board of Contract Appeals  
 SLRB: State Labor Relations Board

Source: Governor's Fiscal 2023 Budget Books

## Proposed Budget Change

As shown in **Exhibit 2**, the fiscal 2023 allowance increased by \$0.9 million, or 5.5%, over the fiscal 2022 working appropriation. The most significant increase is \$300,000 for the Maryland Corps Program. Chapter 9 of 2021 mandates a \$150,000 grant to the Maryland Corps Program Fund. The allowance includes both the mandated general fund amount to the special fund and a \$150,000 special fund expenditure from the fund for stipends and scholarships for program participants and other program expenses. The purpose of the Maryland Corps Program is to provide at least 100 young people with meaningful service opportunities, equip corps participants with skills that will enable them to successfully transition from high school to an institution of higher education, and provide scholarships to corps participants who have completed the program.

**Exhibit 2**  
**Proposed Budget**  
**Executive Department – Boards, Commissions, and Offices**  
**(\$ in Thousands)**

<b>How Much It Grows:</b>	<b>General Fund</b>	<b>Special Fund</b>	<b>Federal Fund</b>	<b>Reimb. Fund</b>	<b>Total</b>
Fiscal 2021 Actual	\$8,159	\$571	\$4,611	\$410	\$13,750
Fiscal 2022 Working Appropriation	8,895	713	5,799	546	15,954
Fiscal 2023 Allowance	<u>9,313</u>	<u>1,022</u>	<u>5,879</u>	<u>620</u>	<u>16,834</u>
Fiscal 2022-2023 Amount Change	\$418	\$309	\$79	\$74	\$880
Fiscal 2022-2023 Percent Change	4.7%	43.3%	1.4%	13.5%	5.5%
<b>Where It Goes:</b>					<b><u>Change</u></b>
<b>Personnel Expenses</b>					
Turnover adjustments .....					\$171
Reclassification and salary increases .....					145
Health insurance .....					73
Retiree health insurance premiums .....					60
Employees’ retirement system .....					39
Social Security contributions.....					15
Other fringe benefits.....					-162
<b>Other Changes</b>					
Maryland Corps Program Fund – legislation enacted at the 2021 session .....					300
Update to online training and filing system for financial disclosure for State employees ...					250
Additional funding for volunteer stipends.....					181
AmeriCorps Grant .....					75
Software licenses .....					42
Out-of-state travel .....					26

*D15A05 – Executive Department – Boards, Commissions, and Offices*

<b>Where It Goes:</b>	<b><u>Change</u></b>
Other adjustments.....	-10
Department of Information Technology services allocation.....	-325
<b>Total</b>	<b>\$880</b>

Note: Numbers may not sum to total due to rounding. The fiscal 2022 working appropriation does include deficiencies. The fiscal 2022 working appropriation and fiscal 2023 allowance do not reflect funding for statewide personnel actions budgeted in the Department of Budget and Management, which may include cost-of-living adjustments, increments, annual salary review increases, and bonuses.

***Personnel Data***

	<b><u>FY 21</u></b>	<b><u>FY 22</u></b>	<b><u>FY 23</u></b>	<b><u>FY 22-23</u></b>
	<b><u>Actual</u></b>	<b><u>Working</u></b>	<b><u>Allowance</u></b>	<b><u>Change</u></b>
Regular Positions	68.60	69.60	69.60	0.00
Contractual FTEs	<u>2.43</u>	<u>3.50</u>	<u>3.50</u>	<u>0.00</u>
<b>Total Personnel</b>	<b>71.03</b>	<b>73.10</b>	<b>73.10</b>	<b>0.00</b>

***Vacancy Data: Regular Positions***

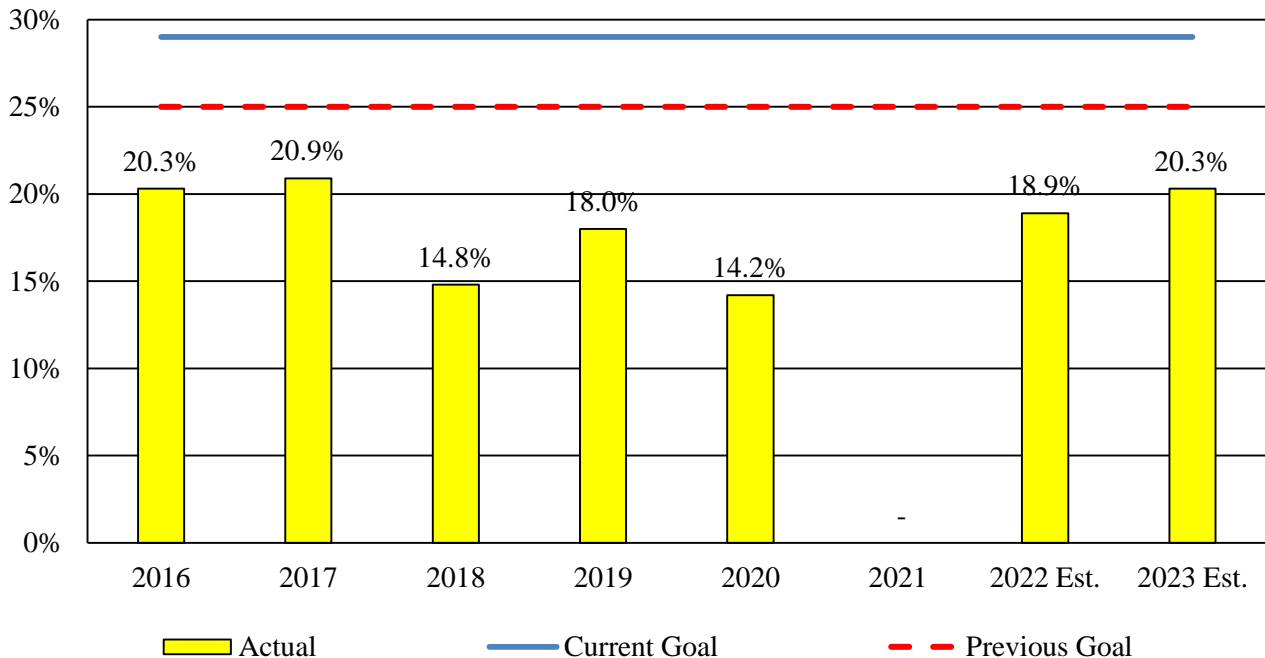
Turnover and Necessary Vacancies, Excluding New Positions	0.77	1.10%
Positions and Percentage Vacant as of 12/31/21	3.00	4.25%
Vacancies Above Turnover	2.23	

## Key Observations

### 1. Minority Business Enterprise Participation Concerns

The Minority Business Enterprise (MBE) program began in 1978. Despite its long history, MBE participation has only reached its goal once. In fiscal 2012, the prior goal of 25% was achieved, with MBE participation at 25.2%. Subsequently, the participation goal was raised to 29% in fiscal 2014. Since the change, State procurement awards have not attained 29% MBE participation. **Exhibit 3** shows that MBE participation consistently has not met the 29% goal nor the previous goal of 25%.

**Exhibit 3**  
**MBE Participation Attainment of State Procurement Awards**  
**Fiscal 2016-2023 Est.**



MBE: Minority Business Enterprise

Note: Fiscal 2021 data was not available at time of analysis.

Source: Governor’s Office of Small, Minority, and Women Business Affairs

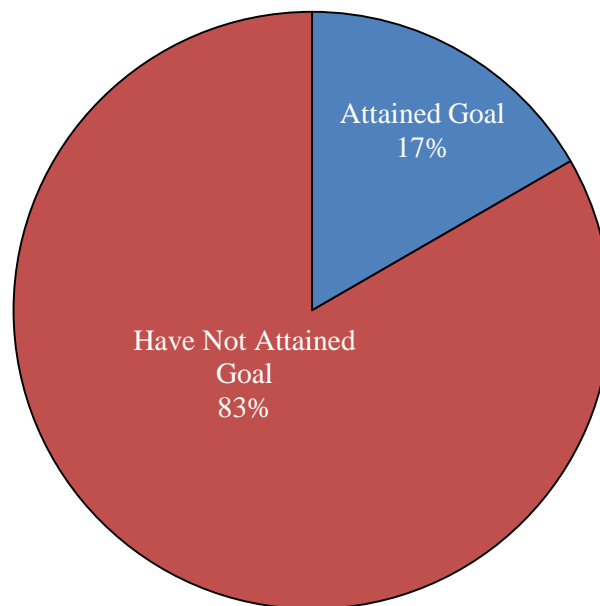
Last year, the Office of Program Evaluation and Government Accountability produced an evaluation report about the State’s emergency procurement and MBE participation. This report showed that State procurements were reaching the 29% MBE participation goal in neither emergency procurements nor all procurements. This information led to GOSBA being tasked with studying liaison vacancy data for MBE and Small Business Reserve (SBR) programs at State agencies along with agencies’ attainment of the MBE participation goal. GOSBA surveyed the 72 agencies participating in the MBE and SBR programs.

### **Agency MBE Participation Attainment Survey**

GOSBA launched its *Agency MBE Participation Attainment Survey* on June 30, 2021, and it closed on November 1, 2021. Of the 72 agencies participating in the MBE program, 60 agencies provided valid responses. The agencies reported \$6.1 billion in total procurement awards in fiscal 2021 with only \$700 million in MBE awards, 11% of total awards. As shown in **Exhibit 4**, of the responding agencies, only 17%, or 10, had reached the MBE goal of 29% of procurements being awarded to MBE. The other 83%, or 50, were below this goal.

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**Exhibit 4**  
**Percentage of Agencies That Have Met MBE Procurement Awards Goal**  
**Fiscal 2021**

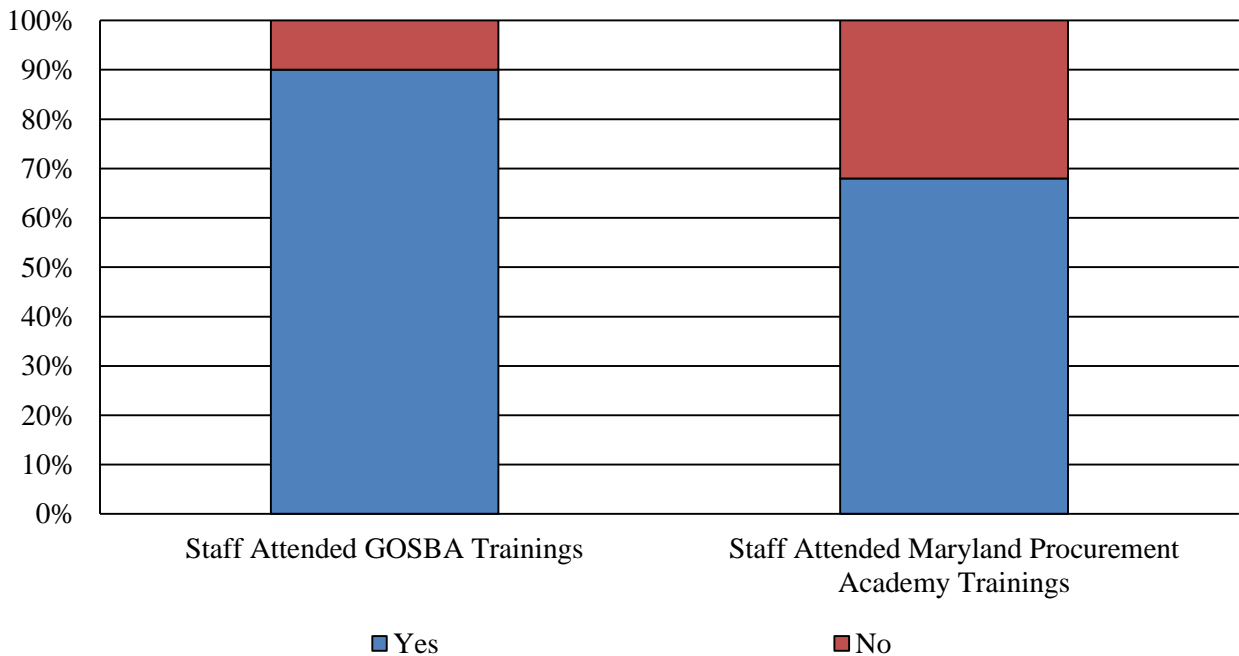


Source: Governor’s Office of Small, Minority, and Women Business Affairs

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**Exhibit 5** shows that, despite the low MBE attainment, 90% of agencies had staff attend GOSBA training, and 68% attended Maryland Procurement Academy training.

**Exhibit 5**  
**Percentage of Agencies That Had Staff Attend Training**  
**Fiscal 2021**



GOSBA: Governor’s Office of Small, Minority, and Women Business Affairs

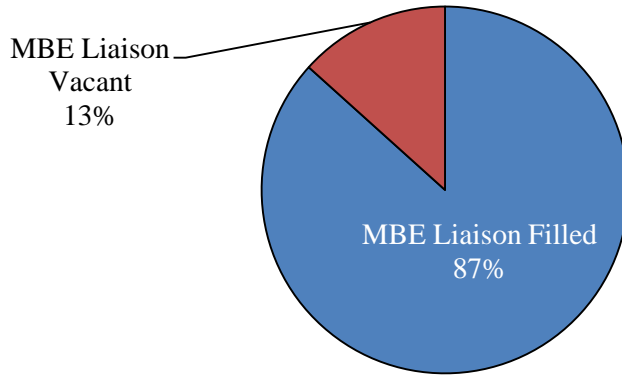
Source: Governor’s Office of Small, Minority, and Women Business Affairs

### Agency Liaison Survey

GOSBA launched its *Agency Liaison Survey 1* on November 1, 2021, and closed it on November 16, 2021. Currently, 72 State agencies and departments participate in the SBR and MBE programs. Only 60 of those 72 agencies responded to the survey. **Exhibit 6** shows that 87%, or 52, of the responding agencies have filled their MBE liaison position, while 13%, or 8, have vacancies.



**Exhibit 6**  
**Percentage of Responding Agencies with MBE Liaisons**  
**Fiscal 2021**



MBE: Minority Business Enterprise

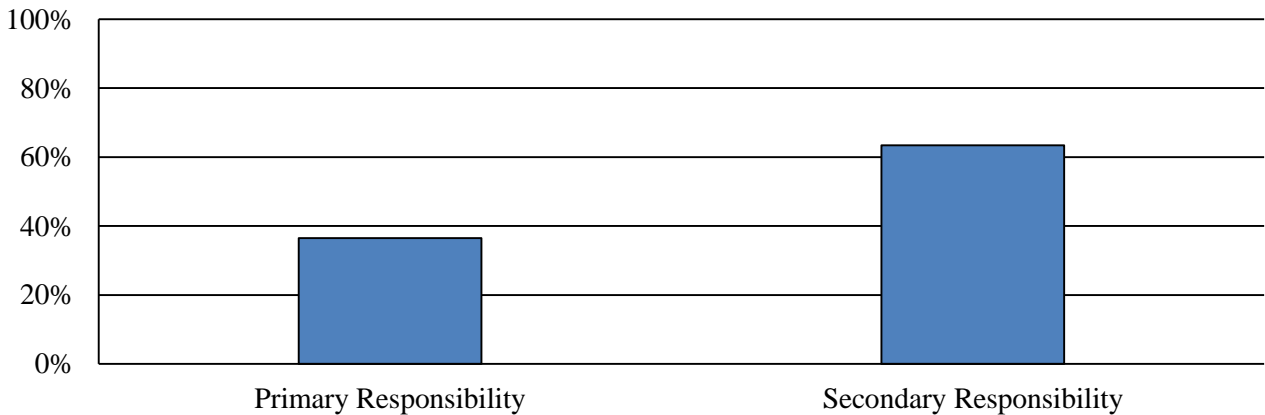
Source: Governor’s Office of Small, Minority, and Women Business Affairs

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More than half of the MBE liaisons, 65%, indicated that MBE liaison’s duties as a secondary component of their liaison duties, compared to 37% identifying it as the primary component of their liaison duties. This breakdown is shown in **Exhibit 7**.

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**Exhibit 7**  
**Majority of MBE Liaisons Identify MBE as Their Secondary Responsibility**  
**Fiscal 2021**



MBE: Minority Business Enterprise

Source: Governor’s Office of Small, Minority, and Women Business Affairs

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With the ongoing issue of MBE participation, even with a low vacancy rate in the MBE liaison position, there continues to be a disconnect between the goal and actions. **GOSBA should be prepared to detail what steps the agency can take to increase MBE participation by State agencies.**

### **Training for Small Businesses**

In the *MBE Participation Attainment Survey* report, GOSBA responded to a suggestion that there should be training for MBEs. Specifically, training on how to start a business, register a business, proposal and solicitation response writing, customer relationship and contract management, financial business management, and access to support. GOSBA noted that these types of training are usually a service provided by consultants. However, GOSBA does hold free Technical Training Classroom Webinars through its website aimed at small businesses. With the low MBE liaison vacancy rate among the survey respondents, focusing on outreach and training for MBEs and potential MBEs might help increase MBE participation. **The Department of Legislative Services (DLS) recommends the adoption of committee narrative requesting that GOSBA continue to conduct and report the findings of the MBE Participation and Liaison Attainment surveys in order to monitor the State’s progress toward achieving its MBE goals. In addition, the agency should track the participants of its free webinars and outreach events throughout fiscal 2022 and 2023 and report the data to the committees.**

## **2. Office of Legislative Audits Report on State Grants**

The Office of Legislative Audits (OLA) released an audit of State grants in November 2021. OLA initiated the audit after identifying various issues with the awarding of monitoring of State grants during routine fiscal compliance audits. The performance audit was conducted to assess if comprehensive guidance and/or policies were in place to oversee State grants and whether agencies were properly creating, awarding, and administering the grants.

GGO’s role in State grants was examined as one of several Executive Department agencies involved in overseeing State grants. GGO, created on February 1, 2004, has assumed a limited role in State grants. It primarily acts as a public repository of available State grants. State agencies self-report available grants to GGO, but they are not required to do so. GGO lacks the statutory authority to require compliance. Similarly, GGO has published a grants manual with best practices on the life cycle of a grant, from pre-award to closeout. However, as with self-reporting, State agencies are not required to follow the best practices.

The audit overall had six findings, three of which were directed at GGO:

- the State does not have statewide comprehensive laws, regulations, policies or procedures governing the creation, award, and administration of State grants;
- the State does not have standardized grant applications and grant agreements. As a result, critical provisions were not included in certain State agencies’ grant agreements; and
- the State did not have a statewide grants management system (GMS) to help administer and track grant awards and related expenditures.

For all three of these findings, OLA recommended that GGO and the Department of Budget and Management (DBM) address these findings under the direction of Maryland Efficient Grant Application Council (MEGAC). Chapter 484 of 2020 established MEGAC. MEGAC has been tasked with studying and making recommendations to GGO and DBM regarding grants management across the State. The director of GGO chairs the council. GGO has agreed to the audit’s findings and recommendations. GGO has indicated that it plans to incorporate the audit’s recommendations for findings 1 and 2 in MEGAC’s final report due in July 2024.

GGO is in the process of addressing finding 3, the need for a GMS. To date, \$10.5 million has been appropriated for the GGO Enterprise Grants Management Solution (EGMS) Major Information Technology Development Project, including \$450,000 in the fiscal 2023 allowance. The EGMS would help create a uniform, centralized system to track and administer State grants. GGO issued a request for proposals. An initial vendor was selected for the project but was subsequently replaced with Carahsoft Technology Corporation. The Board of Public Works (BPW) objected to the procurement process and did not approve the contract; it was withdrawn. Currently, the project is estimated to cost \$27.7 million. **GGO should be prepared to brief the budget committees on the status of the information technology (IT) EGMS project and how it will address the concerns raised by the audit.**

### **3. Maryland State Commission on Criminal Sentencing Policy Guidelines and Racial Biases**

The Maryland State Commission on Criminal Sentencing Policy (MSCCSP) is updating the sentencing guidelines for specific cell ranges of the existing sentencing matrix for drug offenses and the sentencing matrix for property offenses. MSCCSP has approved the amendments, and guidelines should take effect July 1, 2022. The guidelines are updated to keep up with sentencing trends. This practice allows the commission to revise the sentencing guidelines to align with current judicial practices. However, presently, there is no consideration if sentencing trends reinforce racial biases in sentencing. With Maryland’s sentenced population being 72% Black, despite Blacks only composing 29.5% of the State’s population, this issue is worth exploring. The commission’s annual reports look at judicial compliance rates by the offender’s race/ethnicity. That does not address the possibility of biases in sentencing.

MSCCSP was established by Chapter 648 of 1999. The bill states that “sentencing should be fair and proportional and that sentencing policies should reduce unwarranted disparity, *including any racial disparity*, in sentences for offenders who have committed similar offenses and have similar criminal histories.” Therefore, it is within the commission’s authority to examine this issue further. One of its core functions is completing topical reports on sentencing trends across the State. **MSCCSP should be prepared to discuss how the agency can address this concern with sentencing guidelines in the future. DLS recommends the adoption of committee narrative directing MSCCSP to develop a plan for studying the extent to which racial bias is present in sentences assigned through Maryland courts. The report, at a minimum, should identify a structure for the study, available data, a timeline, potential impediments, and estimated costs and resources needed to complete the evaluation.**

## Operating Budget Recommended Actions

1. Adopt the following narrative:

**Training and Outreach Data:** The committees are concerned with the continued low Minority Business Enterprise (MBE) participation rate in State procurement. The committees direct the Governor’s Office of Small, Minority, and Women Business Affairs (GOSBA) to report on its efforts to train vendors on the State procurement practices, particularly on MBE goals. This report should include monthly data related to GOSBA’s technical training programs for business and its GOSBA-hosted small business events, with attention paid to whether attendees are MBEs, or will become MBEs, for fiscal 2021 through 2023.

<b>Information Request</b>	<b>Author</b>	<b>Due Date</b>
Training and outreach data	GOSBA	July 15, 2023

2. Adopt the following narrative:

**Agency Minority Business Enterprise (MBE) Participation Attainment and Liaison Surveys:** The committees are concerned by the overall low MBE attainment in State procurement and that Small Business Reserve and MBE program liaison positions remain vacant in some State agencies. The committees request that the Governor’s Office of Small, Minority, and Women Business Affairs (GOSBA), in consultation with the Department of General Services (DGS), continue to administer the Agency MBE Participation and Liaison surveys and report the results, by agency, to the committees on December 1, 2022.

<b>Information Request</b>	<b>Author</b>	<b>Due Date</b>
Agency MBE participation attainment and liaison surveys	GOSBA DGS	December 1, 2022

3. Adopt the following narrative:

**Evaluation of Racial Bias in Sentencing:** The committees are concerned with the role that racial biases may contribute to sentencing in the State. The committees request that the Maryland State Commission on Criminal Sentencing Policy (MSCCSP) develop a plan for studying the extent to which racial bias is present in sentences assigned through Maryland’s Judicial system. The report, at a minimum, should identify a structure for the study, available data, a timeline, potential impediments, and estimated costs and resources needed to complete the evaluation.

<b>Information Request</b>	<b>Author</b>	<b>Due Date</b>
Evaluation of racial bias in sentencing	MSCCSP	July 15, 2022

## *Updates*

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- ***Banneker-Douglass Museum Participation Increases:*** Museum attendance dipped slightly in fiscal 2021. The museum had 51,605 visitors, down from 55,656 the previous fiscal year. It is anticipating 60,000 visitors in fiscal 2022.

**Appendix 1**  
**2021 Joint Chairmen’s Report Responses from Agency**

The 2021 *Joint Chairmen’s Report* (JCR) requested that the Executive Department – Boards, Commissions, and Offices prepare two reports. Electronic copies of the full JCR responses can be found on the DLS Library website.

- ***Agency MBE Participation Attainment Survey:*** GOSBA was asked to conduct a survey of State agencies to evaluate their approach to attaining MBE participation in procurement. Further discussion of this data can be found in Key Observation 1 of this analysis.
  
- ***Liaison Vacancy Data:*** GOSBA conducted the first of two surveys about MBE liaison vacancies at agencies participating in the MBE program. The first survey report was released January 1, 2022. The second survey report is due on June 30, 2022. Further discussion of this data can be found in Key Observation 1 of this analysis.

**Appendix 2**  
**Audit Findings**  
**Performance Audit on State Grants**

Audit Period for Last Audit:	July 1, 2015 – December 31, 2020
Issue Date:	November 2021
Number of Findings:	6
Number of Repeat Findings:	0
% of Repeat Findings:	0%
Rating: (if applicable)	n/a

**Finding 1:** The State does not have statewide comprehensive laws, regulations, policies or procedures governing the creation, award, and administration of State grants.

**Finding 2:** The State does not have standardized grant applications and grant agreements. As a result, it was noted that critical provisions were not included in certain State agencies’ grant agreements.

**Finding 3:** The State did not have a statewide GMS to help administer and track grant awards and related expenditures.

**Finding 4:** Individual agencies awarded certain grants without competition, and required documentation was not always available to support the propriety of the award, including one award that was not calculated correctly.

**Finding 5:** The Department of General Services (DGS) did not ensure that grantees submitted required documents to explain or support the basis used to select vendors to work on certain capital projects funded by State capital grants. In addition, DGS did not perform documented routine site visits.

**Finding 6:** Certain State agencies did not maintain documentation to support grant payments totaling approximately \$22.3 million and made payments totaling \$220,000 that were not in accordance with the related grant agreement.

\*Bold denotes item repeated in full or part from preceding audit report.

**Appendix 3**  
**Enterprise Grants Management Solution**  
**Major Information Technology Project**  
**Executive Department – Governor’s Grants Office**

Project is also discussed in Key Observation 2.

<b>New/Ongoing:</b> Ongoing								
<b>Start Date:</b> 9/28/2020					<b>Est. Completion Date:</b> 12/30/2026			
<b>Implementation Strategy:</b> Agile								
<b>(\$ in Millions)</b>	<b>Prior Year</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>2026</b>	<b>Remainder</b>	<b>Total</b>
<b>GF</b>	\$2.500	\$7.610	\$0.450	\$6.830	\$6.150	\$4.110	\$0.000	\$27.650
<b>Total</b>	<b>\$2.500</b>	<b>\$7.610</b>	<b>\$0.450</b>	<b>\$6.830</b>	<b>\$6.150</b>	<b>\$4.110</b>	<b>\$0.000</b>	<b>\$27.650</b>

- Project Summary:** The statewide enterprise GMS will standardize full lifecycle grants business processes on a shared IT platform. Maryland will eliminate cumbersome, duplicate systems; expand its portfolio of grant revenue; improve compliance; increase program performance; and establish clear, uniform standards and training for grants management personnel. GGO requests a Software as a Service enterprise GMS solution to ensure the State will have a compliant, functional, full grants lifecycle management system, including subrecipient management.
- Need:** Maryland received over \$14 billion in federal grants annually; however, there is no uniform GMS, resulting in cumbersome and inefficient business processes and repeat audit findings. Cost allocation methodologies will be streamlined to capture true costs and will ripple to cost recovery with the federal grants submissions and updates to their policies and procedures, *e.g.*, The GREAT Act. The EGMS will be compatible with these new federal standards, ensuring compliance and future grant eligibility.
- Changes:** The completion date for this project has been delayed a year. GGO had chosen a vendor, Carahsoft Technology Corporation, but the contract was not approved by BPW. The agency must restart the procurement process, delaying the estimated completion of this project from 2025 to 2026.



**Appendix 4**  
**Object/Fund Difference Report**  
**Executive Department – Boards, Commissions, and Offices**

<u>Object/Fund</u>	<u>FY 21</u> <u>Actual</u>	<u>FY 22</u> <u>Working</u> <u>Appropriation</u>	<u>FY 23</u> <u>Allowance</u>	<u>FY 22 - FY 23</u> <u>Amount Change</u>	<u>Percent</u> <u>Change</u>
<b>Positions</b>					
01 Regular	68.60	70.60	69.60	-1.00	-1.4%
02 Contractual	2.43	3.50	3.50	0.00	0%
<b>Total Positions</b>	<b>71.03</b>	<b>74.10</b>	<b>73.10</b>	<b>-1.00</b>	<b>-1.3%</b>
<b>Objects</b>					
01 Salaries and Wages	\$ 7,545,034	\$ 7,799,561	\$ 8,302,543	\$ 502,982	6.4%
02 Technical and Special Fees	872,411	1,164,577	1,396,333	231,756	19.9%
03 Communication	74,992	88,486	82,826	-5,660	-6.4%
04 Travel	8,236	66,309	90,867	24,558	37.0%
06 Fuel and Utilities	72,107	89,412	81,319	-8,093	-9.1%
07 Motor Vehicles	8,539	10,655	10,465	-190	-1.8%
08 Contractual Services	719,737	1,044,682	1,316,175	271,493	26.0%
09 Supplies and Materials	13,221	40,610	47,665	7,055	17.4%
10 Equipment – Replacement	239	5,400	2,500	-2,900	-53.7%
11 Equipment – Additional	7,411	1,500	0	-1,500	-100.0%
12 Grants, Subsidies, and Contributions	4,226,563	5,205,035	5,294,380	89,345	1.7%
13 Fixed Charges	201,675	189,705	208,614	18,909	10.0%
<b>Total Objects</b>	<b>\$ 13,750,165</b>	<b>\$ 15,705,932</b>	<b>\$ 16,833,687</b>	<b>\$ 1,127,755</b>	<b>7.2%</b>
<b>Funds</b>					
01 General Fund	\$ 8,158,525	\$ 8,647,157	\$ 9,312,879	\$ 665,722	7.7%
03 Special Fund	570,882	713,342	1,022,309	308,967	43.3%
05 Federal Fund	4,610,768	5,799,410	5,878,690	79,280	1.4%
09 Reimbursable Fund	409,990	546,023	619,809	73,786	13.5%
<b>Total Funds</b>	<b>\$ 13,750,165</b>	<b>\$ 15,705,932</b>	<b>\$ 16,833,687</b>	<b>\$ 1,127,755</b>	<b>7.2%</b>

Note: The fiscal 2022 working appropriation and fiscal 2023 allowance do not reflect funding for statewide personnel actions budgeted in the Department of Budget and Management, which may include cost-of-living adjustments, increments, annual salary review increases, and bonuses.