

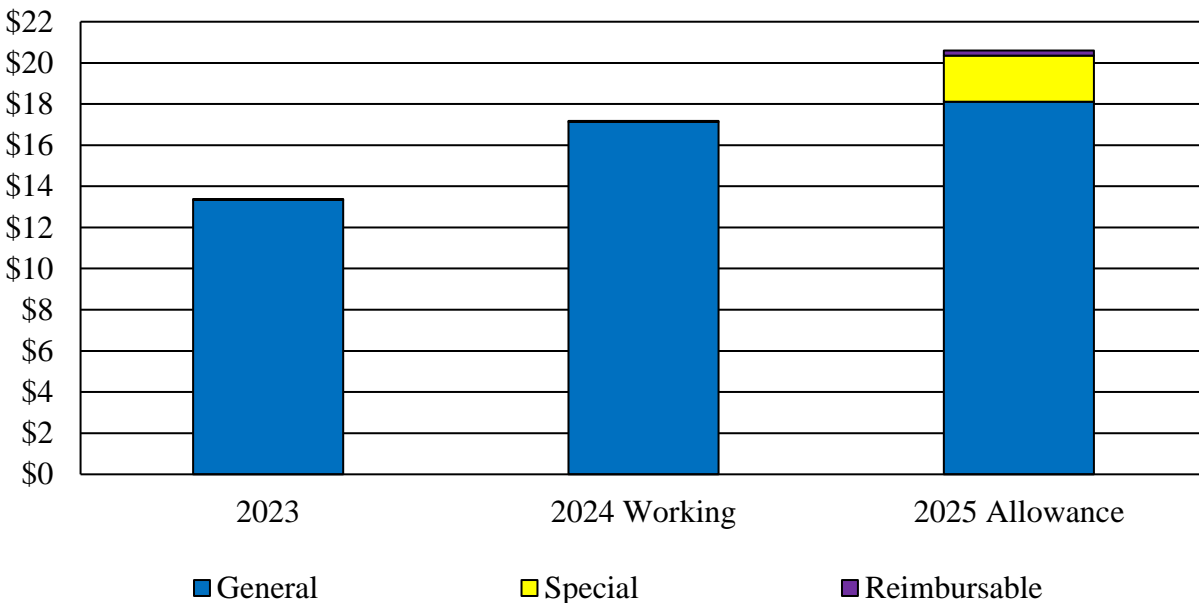
D10A01
Executive Department – Governor

Program Description

The executive power of the State is vested in the Governor, who serves as the chief executive officer. The Governor exercises supervision over the agencies of the Executive Branch and provides oversight, guidance, and coordination to various State agencies. In discharging the duties of the office, the Governor appoints State officials, grants pardons and reprieves, and represents the State in its relations with other jurisdictions and the public. Each year, the Governor presents to the General Assembly his work program and financial requirements for the ensuing year in the budget and reports on the condition of the State. Amendments to the enacted budget are approved by the Governor.

Operating Budget Summary

Fiscal 2025 Budget Increases \$3.4 Million, or 19.9%, to \$20.6 Million
(\$ in Millions)



Note: The fiscal 2024 working appropriation includes deficiencies. The fiscal 2024 impacts of statewide salary adjustments appear in the Statewide Account in the Department of Budget and Management (DBM), and adjustments are not reflected in this agency’s budget. The fiscal 2025 impacts of the fiscal 2024 statewide salary adjustments appear in this agency’s budget. The fiscal 2025 statewide salary adjustments are centrally budgeted in DBM and are not included in this agency’s budget.

For further information contact: Victoria Martinez

Victoria.Martinez@mlis.state.md.us

- Most of the increase in the fiscal 2025 allowance compared to the fiscal 2024 working appropriation is attributed to new grants from Bloomberg Philanthropies and the Climate Alliance, providing a total of \$2.2 million in special funds.

Fiscal 2024

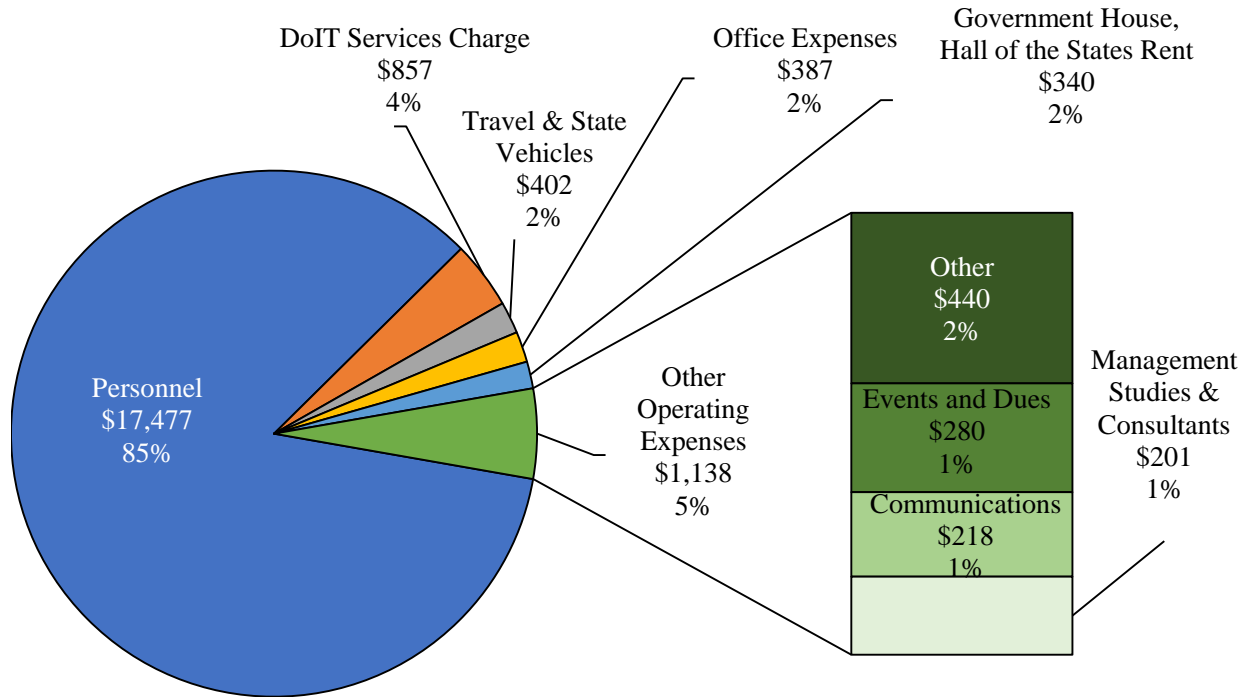
Proposed Deficiency

The fiscal 2025 budget includes one proposed deficiency totaling \$140,000 for the Governor’s Office. The proposed deficiency includes \$108,000 for contractual software and food services and \$32,000 for supplies.

Fiscal 2025 Overview of Agency Spending

As shown in **Exhibit 1**, the majority of the Governor’s Office’s budget (85%) consists of expenses related to personnel. Personnel expenses include the Governor and Lieutenant Governor’s executive staff and advisors and other personnel who assist with the daily functions of the office. The remaining agency spending is split across various operating expenses, such as the Department of Information Technology services allocation (4%), travel and State vehicles (2%), office expenses (2%), and Government House operations and rent for the Hall of the States (2%).

Exhibit 1
Overview of Agency Spending
Fiscal 2025 Allowance
(\$ in Thousands)



DoIT: Department of Information Technology

Note: The fiscal 2025 statewide salary adjustments are centrally budgeted in the Department of Budget and Management and are not included in this agency's budget.

Source: Department of Budget and Management

Proposed Budget Change

As shown in **Exhibit 2**, the fiscal 2025 allowance increases by \$3.4 million, or 19.9%, compared to the fiscal 2024 working appropriation. The largest increase in spending is due to the Executive Department receiving 12 new positions. Other personnel-related spending increases include salary increases and associated fringe benefits including the fiscal 2024 cost-of-living adjustment and increments. The fiscal 2024 working appropriation does not include \$180,000 in reimbursable funds from the Maryland Energy Administration that was added by a budget amendment on September 8, 2023, to support the Chief Sustainability Officer position. As a result, the increase in reimbursable fund spending on personnel costs in the fiscal 2025 allowance is slightly overstated. Significant operating cost increases include management studies and consultants, salaries for a net increase in contractual staff, and out-of-state travel costs.

Exhibit 2
Proposed Budget
Executive Department – Governor
(\$ in Thousands)

How Much It Grows:	General Fund	Special Fund	Reimb. Fund	Total
Fiscal 2023 Actual	\$13,336	\$0	\$51	\$13,388
Fiscal 2024 Working Appropriation	17,134	0	45	17,179
Fiscal 2025 Allowance	<u>18,106</u>	<u>2,249</u>	<u>248</u>	<u>20,602</u>
Fiscal 2024-2025 Amount Change	\$972	\$2,249	\$203	\$3,423
Fiscal 2024-2025 Percent Change	5.7%		451.6%	19.9%

Where It Goes: **Change**

Personnel Expenses

Personnel costs associated with 12 new positions, including 1 transfer from the Maryland Energy Administration for the chief sustainability officer position	\$1,724
Salary increases and associated fringe benefits including fiscal 2024 COLA and increments.....	927
Turnover adjustments (increase from 0.05% to 0.56%).....	-69
Reclassification.....	-23

Operating Expenses

Management studies and consultants for overall operations and management related to the Governor's agenda.....	201
Contractual personnel, training, and staff development, driven by a net increase of 1.75 full-time equivalent positions.....	150
Travel, including out-of-state routine operations and conferences partially offset by a reduction in in-state travel.....	140
Advertising and legal publication for Bloomberg Innovation Team activities.....	96
Contracts with Vimeo for livestreaming and Leidos for a database system.....	91

D10A01 – Executive Department – Governor

Where It Goes:	<u>Change</u>
Software licenses and systems software maintenance needed for daily operations	85
Building, household, and office supplies and materials	49
Motor vehicles	21
Printing and reproduction	12
Other Changes	20
Total	\$3,423

COLA: cost-of-living adjustment

Note: Numbers may not sum to total due to rounding. The fiscal 2024 working appropriation includes deficiencies. The fiscal 2024 impacts of statewide salary adjustments appear in the Statewide Account in the Department of Budget and Management (DBM), and adjustments are not reflected in this agency’s budget. The fiscal 2025 impacts of the fiscal 2024 statewide salary adjustments appear in this agency’s budget. The fiscal 2025 statewide salary adjustments are centrally budgeted in DBM and are not included in this agency’s budget.

Special Fund Spending Increases due to New Grants for State Priorities

The Executive Department’s fiscal 2025 allowance includes two new grants that total \$2.2 million in special funds to be used to address State priorities. The largest grant is \$2.15 million from Bloomberg Philanthropies to create an innovation team. The Office of the Governor reported that the innovation team is comprised of 8 new positions and will function as an in-house consultancy that will work on State priorities by collaborating with partners and stakeholders to tackle challenging urban issues. The innovation team is comprised of a Chief Innovation Officer, Deputy Director, two Project Managers, Data Scientist, Civic Engineer, Data Analyst, and Community Engagement Liaison. The second grant provides \$95,587 from the Climate Alliance and supports staffing for the chief sustainability officer that the Governor appointed in November 2023.

Personnel Data

	<u>FY 23</u>	<u>FY 24</u>	<u>FY 25</u>	<u>FY 24-25</u>
	<u>Actual</u>	<u>Working</u>	<u>Allowance</u>	<u>Change</u>
Regular Positions	98.00	100.00	112.00	12.00
Contractual FTEs	<u>1.00</u>	<u>1.00</u>	<u>2.75</u>	<u>1.75</u>
Total Personnel	99.00	101.00	114.75	13.75

Vacancy Data: Regular Positions

Turnover and Necessary Vacancies, Excluding		
New Positions	0.56	0.56%
Positions and Percentage Vacant as of 12/31/23	5.00	5.00%
 Vacancies Above Turnover	 4.44	

D10A01 – Executive Department – Governor

- The fiscal 2025 allowance includes 12.0 new regular positions for the Governor’s Office. Of these new positions, 8 are funded with special funds from Bloomberg Philanthropies for the innovation team, an in-house consultancy to work on State priorities. Of the remaining 4 positions, 1 is an inter-agency transfer from the Maryland Energy Administration for the chief sustainability officer position and 3 include positions for a variety of operational purposes, including an Executive Aide, a Human Resource and Payroll Coordinator, and a Board of Public Works Liaison.

Operating Budget Recommended Actions

1. Concur with Governor's allowance.

**Appendix 1
Object/Fund Difference Report
Executive Department - Governor**

<u>Object/Fund</u>	<u>FY 23 Actual</u>	<u>FY 24 Working Appropriation</u>	<u>FY 25 Allowance</u>	<u>FY 24 - FY 25 Amount Change</u>	<u>Percent Change</u>
Positions					
01 Regular	98.00	100.00	112.00	12.00	12.0%
02 Contractual	1.00	1.00	2.75	1.75	175.0%
Total Positions	99.00	101.00	114.75	13.75	13.6%
Objects					
01 Salaries and Wages	\$10,873,104	\$14,722,495	\$17,282,208	\$2,559,713	17.4%
02 Technical and Special Fees	83,381	45,116	194,648	149,532	331.4%
03 Communication	124,293	213,441	218,000	4,559	2.1%
04 Travel	214,836	138,000	278,210	140,210	101.6%
07 Motor Vehicles	107,909	103,400	124,058	20,658	20.0%
08 Contractual Services	1,251,866	1,189,048	1,775,545	586,497	49.3%
09 Supplies and Materials	249,837	233,000	320,064	87,064	37.4%
10 Equipment – Replacement	1,997	27,000	27,000	0	0%
11 Equipment – Additional	156,460	40,000	40,000	0	0%
13 Fixed Charges	323,971	327,207	342,404	15,197	4.6%
Total Objects	\$13,387,654	\$17,038,707	\$20,602,137	\$3,563,430	20.9%
Funds					
01 General Fund	\$13,336,336	\$16,993,774	\$18,105,646	\$1,111,872	6.5%
03 Special Fund	0	0	2,248,652	2,248,652	N/A
09 Reimbursable Fund	51,318	44,933	247,839	202,906	451.6%
Total Funds	\$13,387,654	\$17,038,707	\$20,602,137	\$3,563,430	20.9%

Note: The fiscal 2024 appropriation does not include deficiencies or across-the-board reductions. The fiscal 2025 allowance does not include cost-of-living adjustments.