

# EXECUTIVE BRANCH STAFFING ADEQUACY STUDY



DEPARTMENT OF LEGISLATIVE SERVICES 2018

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# **Executive Branch Staffing Adequacy Study**

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**Department of Legislative Services  
Office of Policy Analysis  
Annapolis, Maryland**

**January 2018**

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DEPARTMENT OF LEGISLATIVE SERVICES  
OFFICE OF POLICY ANALYSIS  
MARYLAND GENERAL ASSEMBLY

Victoria L. Gruber  
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Ryan Bishop  
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January 2018

The Honorable Thomas V. Mike Miller, Jr., President of the Senate  
The Honorable Michael E. Busch, Speaker of the House of Delegates  
Honorable Members of the Maryland General Assembly

Ladies and Gentlemen:

Over the course of the 2016 and 2017 interims, the Department of Legislative Services (DLS) conducted an analysis of the adequacy of staffing levels in the Executive Branch of Maryland. The number of employees in the Executive Branch in Maryland, exclusive of higher education employees, has decreased by over 6,500 positions between 2002 and 2018. Reductions in positions and the lack of increases in pay have been the result of years of post-recession cutbacks following economic downturns in 2001 and 2008; a trend not specific to Maryland. DLS reviewed laws, rules, regulations, caseload standards, and best practices related to agency staffing and quantified the need for 2,631 positions (1,126 new authorized positions and the need to fill 1,505 existing positions) in 11 agencies. The report also notes:

- high vacancy levels throughout State government and specific position classifications, due in part to high levels of budgeted turnover and uncompetitive compensation;
- low compensation levels, which impede the ability of the State to recruit and retain employees. State employees earn significantly less for comparable positions and while salary increases have kept pace with inflation since 2008, they have not kept pace with other levels of government; and
- adoption of extraordinary measures to make up for the loss of authorized positions while working to meet workloads, including interagency agreements with higher education institutions, hiring more contractual full-time equivalents, outsourcing to the private sector, and requiring direct service workers to assume more administrative duties.

This report includes recommendations to begin addressing the issues raised, including annual increases in employee compensation, selected salary increases for high vacancy positions, reviews of hiring standards, the provision of new positions, a review of the cost effectiveness of outsourcing to the private sector versus State employees, a review of interagency agreements with higher education institutions, and potential statutory changes.

January 2018  
Page 2

David B. Juppe, Senior Operating Budget Manager of the Office of Policy Analysis wrote the report, and Maureen R. Merzlak was responsible for production of the manuscript. Your questions and comments are welcomed.

Sincerely,

A handwritten signature in black ink that reads "Victoria L. Gruber". The signature is fluid and cursive, with the first name being the most prominent.

Victoria L. Gruber  
Executive Director

A handwritten signature in blue ink that reads "Ryan Bishop". The signature is bold and cursive, with the first name being the most prominent.

Ryan Bishop  
Director

VLG:RB/DBJ/mm

# Contents

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Letter of Transmittal .....	iii
Executive Summary .....	vii
<b>Chapter 1 Study Objectives and Methodology .....</b>	<b>1</b>
Background .....	1
Research Objectives .....	2
Methodology .....	3
Data Comparability .....	3
Data Comparison .....	5
<b>Chapter 2 State and Local Data Trends.....</b>	<b>7</b>
National Trends in Public-sector Employment .....	7
U.S. Census Data .....	7
<b>Chapter 3 Staffing Shortfalls in Maryland State Government.....</b>	<b>11</b>
Quantifiable Personnel Shortfalls .....	11
Department of Public Safety and Correctional Services .....	12
Department of State Police .....	13
Maryland Department of the Environment.....	14
State Department of Assessments and Taxation.....	14
Office of the Public Defender.....	15
Maryland Health Department .....	16
Department of Juvenile Services .....	19
Maryland Commission for Civil Rights .....	19
Department of General Services.....	21
Historic St. Mary's City Commission .....	22
Secretary of State.....	23
Fiscal Impact .....	24
<b>Chapter 4 Vacancy Trends.....</b>	<b>27</b>
High Vacancy Rates .....	27
<b>Chapter 5 Employee Compensation Issues .....</b>	<b>33</b>
History of General Salary Increases and Increments in Maryland .....	33
History of Changes to Employee Benefits .....	34
State Compensation Growth Compared to Competing Levels of Governments ...	35
Compensation Comparability Studies .....	37

<b>Chapter 6</b>	<b>Unintended Consequences.....</b>	<b>43</b>
	Interagency Agreements with Higher Educational Institutions .....	43
	Increased Use of Contractual FTEs .....	43
	Direct Service Workers Performing Administrative Duties .....	47
	Outsourcing the Private Sector.....	47
	Department of Information Technology .....	47
	Department of General Services .....	
<b>Chapter 7</b>	<b>Summary and Recommendations.....</b>	<b>51</b>
	Summary .....	51
	Recommendations .....	52
	Short-term Strategies .....	52
	Long-term Strategies .....	53
Appendix 1	Analysts' Writeups.....	55
Appendix 2	Methodology .....	193
Appendix 3	Data .....	197

# Executive Summary

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The number of employees in the Executive Branch in Maryland, exclusive of higher education employees, has decreased by over 6,500 positions between 2002 and 2018. This is a trend that is not specific to Maryland, as U.S. Census data shows that state and local government workforces contracted following the 2001 and 2008 recessions and have not rebounded to pre-recession levels. Of note, Maryland is ranked nineteenth in population, on a per capita basis, but ranks thirty-second in the number of State and local employees per 10,000 population. The Department of Legislative Services (DLS) reviewed laws, rules, regulations, caseload standards, and best practices related to agency staffing and can quantify the need for 2,631 positions (1,126 new authorized positions and the need to fill 1,505 existing positions) in 11 agencies. Although anecdotal evidence suggests additional staffing shortfalls, DLS did not account for any position needs that could not be specifically quantified.

In the course of this study, additional issues came to light. These included:

- high vacancy levels throughout State government as well as in specific position classifications, due in part to high levels of turnover expectancy assumed in agency budgets but also due to uncompetitive compensation;
- adoption of extraordinary measures to make up for the loss of authorized positions in order to meet workloads, including interagency agreements with higher education institutions, hiring more contractual full-time equivalents, outsourcing to the private sector, and

requiring direct service workers to assume more administrative duties; and

- low compensation levels have impeded the ability of the State to recruit and retain employees. State employees earn significantly less than comparable positions and while salary increases have kept pace with inflation since 2008, they have not kept pace with other levels of government. Maryland is a wealthy state and ranks fifth in personal income. A national study found that the average State salary ranks twenty-ninth in the United States when factoring in the cost of labor.

## Recommendations

The loss of positions, increased vacancies, and erosion of competitive employee compensation has occurred over the course of 16 years and three Governors. Reductions in positions and the failure to increase pay have been the result of years of post-recession cutbacks following economic downturns in 2001 and 2008. Given the magnitude of the problem, there are no quick fixes to adopt, and it will likely take many years to address the issues raised in this study. DLS recommends a number of short- and long-term strategies to begin addressing the issues, including annual increases in employee compensation, selected salary increases for high vacancy positions, reviews of hiring standards, the provision of new positions, a review of the cost effectiveness of outsourcing to the private sector versus State employees, a review of interagency agreements with higher education institutions, and potential statutory changes.





# Chapter 1. Study Objectives and Methodology

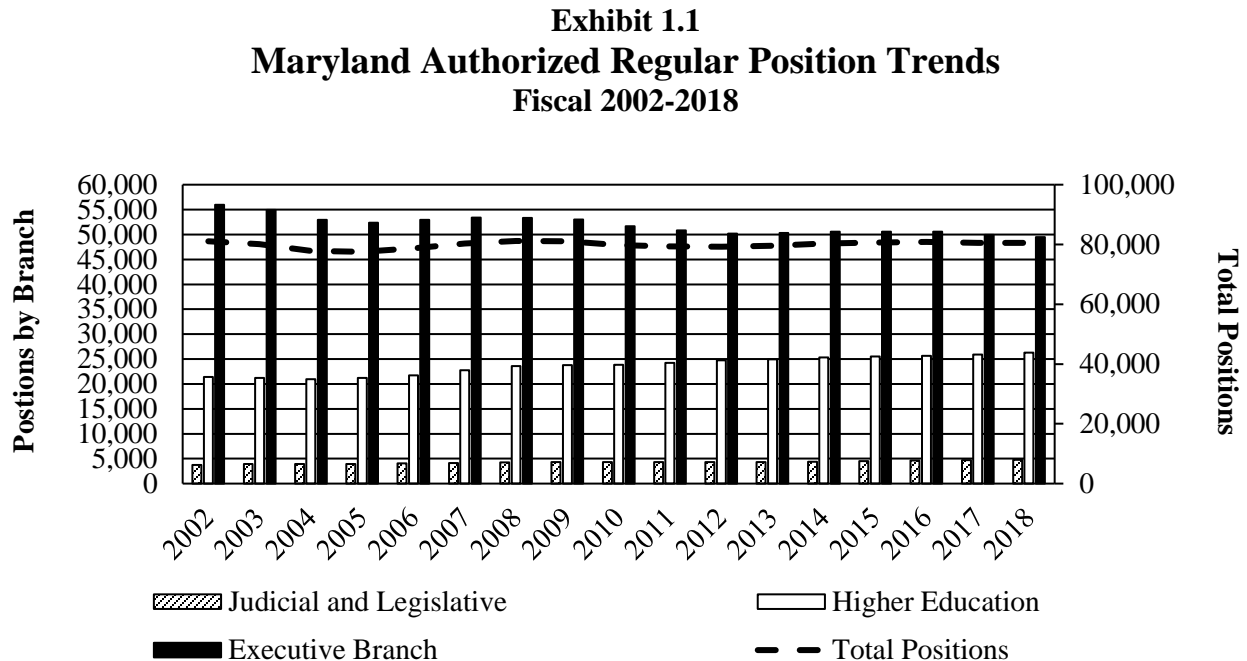
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## Background

Since hitting a peak of 55,980 positions in fiscal 2002, Executive Branch positions in Maryland (exclusive of higher education and the Judicial and Legislative branches, which have position creation autonomy) have decreased by over 6,500, to 49,469 regular positions in fiscal 2018. This is the result of multiple rounds of cost containment after recessions in fiscal 2001 and 2008. Position abolitions have been implemented by three Governors on a prorated basis relative to agency size. Anecdotal evidence in budget analyses prepared by the Department of Legislative Services (DLS) suggested that a number of agencies were understaffed, leading DLS to undertake a more comprehensive review of Executive Branch staffing during the 2016 and 2017 interims.

**Exhibit 1.1** illustrates trends in the number of authorized regular positions in the State between fiscal 2002 and 2018. Overall, the number of positions peaked at just over 81,000 in fiscal 2002 and 2008, prior to actions to address shortfalls following the 2001 and 2008 recessions. As shown, agencies have declined in the number of authorized positions since fiscal 2002, while higher education institutions have grown by nearly 5,000 positions in the same timeframe.

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Source: Department of Budget and Management; Department of Legislative Services

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## Research Objectives

Research for the study consisted of data gathered from various documents; workload trend data; agency site visits; and meetings with the representatives of the American Federation of State, County, and Municipal Employees (AFSCME) and AFSCME employees. DLS budget staff attended more than three-dozen site visits to agencies and reviewed five years of budget analyses, workload indicators, fiscal/compliance audits, staffing studies, laws, regulations, caseload standards, national benchmarks and practices, and other studies. A summary of staffing issues was prepared for 32 agencies and programs, included as **Appendix 1** of this report. Each summary consists of a comparison of each agency's adjusted position complement (both regular positions and contractual full-time equivalents (FTE)) between fiscal 2002 and 2018, vacancy levels, issues of compensation, and an analysis of staffing levels. Although many agencies and State employees provided anecdotes of understaffing, DLS only included findings where shortfalls could be quantified and documented.

As seen in **Exhibit 1.2**, DLS also relied on staffing studies completed by the Executive Branch in response to budget committee narrative, budget language, statutory provisions, or internally conducted reviews of staffing levels.

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### Exhibit 1.2 Executive Branch Staffing Analyses By Calendar Year

<u>Agency</u>	<u>Calendar Year of Staffing Study</u>
Public Defender	2017
Health: Office of Health Care Quality	2017
Public Safety and Correctional Services	2017
Environment	2007
Juvenile Services	2017
State Police	2017
Health: Behavioral Health Administration	2016
Human Services: Child Welfare	2016

Source: Office of the Public Defender; Maryland Department of Health; Department of Human Services; Department of Public Safety and Correctional Services; Maryland Department of the Environment; Department of Juvenile Services; Department of State Police

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## **Methodology**

This study reviews personnel data for all Executive Branch agencies with the exception of higher education institutions, since higher education has position creation authority. The personnel complements for the Judicial and Legislative branches of government were also excluded, since the Maryland Constitution requires the Governor to accept the budget and personnel requests of these separate branches of government without revision.

### **Data Comparability**

Between fiscal 2002 and 2018, Executive Branch agencies underwent numerous changes. In order to make a like comparison of the personnel complements for those 2 fiscal years, adjustments needed to be made to account for the changes made over 16 years. As noted below, this included merging or transferring of programs or functions, facility closures, and budgetary transfer of vacant positions. A more complete discussion of these adjustments and data by agency can be found in **Appendix 2** of this document.

#### **Merging or Transferring of Programs or Functions**

As seen in **Exhibit 1.3**, seven programs or functions were transferred to other agencies. This was either the result of legislation or administrative reorganizations within the Executive Branch. A total of 467.5 regular positions and 6.0 contractual FTEs were transferred between agencies as a result of these actions. For comparability purposes, positions were adjusted in the 2002 base in order to match the location of the program or function in fiscal 2018.

#### **Facility Closures**

Between fiscal 2005 and 2017, approximately three dozen facilities or wards were closed at State facilities. Approximately 1,200 positions were abolished. The total would have been higher, but the Department of Public Safety and Correctional Services (DPSCS) maintained a number of correctional officer positions after the closure of the House of Correction and the Men's and Women's Detention Centers in order to address understaffing at other facilities.

**Exhibit 1.3**  
**Programs or Functions Transferred between Agencies**  
**Fiscal 2002 and 2018**

<b><u>Function/Purpose Transferred</u></b>	<b><u>Funded in 2002</u></b>	<b><u>Funded in 2018</u></b>	<b><u>Regular Positions</u></b>	<b><u>Contractual FTEs</u></b>
Child Care Administration	Department of Human Services	Maryland State Department of Education (MSDE)	191.0	
Correctional Education	MSDE	Department of Labor, Licensing, and Regulation (DLLR)	183.5	
Museum Services	Department of Housing and Community Development	Maryland Department of Planning	75.0	
Agency Merged	Governor's Workforce Investment Board	DLLR	10.0	
Agency Merged	State Higher Education Labor Relations Board	Executive Boards, Commissions, and Offices	3.0	2.5
Agency Merged	Office for Smart Growth	Maryland Department of Planning	3.0	2.5
Agency Merged	Forum for Rural Maryland	Maryland Department of Agriculture	2.0	1.0
<b>Total</b>			<b>467.5</b>	<b>6.0</b>

FTE: full-time equivalents

Source: Department of Legislative Services

**Budgetary Transfers of Vacant Positions**

Each year when the budget allowance is submitted by the Governor, a number of vacant positions are transferred between agencies to address staffing needs in the receiving agencies. DLS reviewed allowance data submitted each year between fiscal 2002 and 2018 to capture this movement of vacant positions.

## Data Comparison

**Exhibit 1.4** provides the comparison of personnel complements by agency after adjusting for program and function transfers, facility closures, and the transfer of vacant positions. As shown, there is a net effect of about 5,400 fewer positions in agencies since fiscal 2002. The Maryland Department of Health and DPSCS lost the greatest number of positions, accounting for 2,300 positions, or 43% of the total positions lost. As a percent of the workforce, the Department of General Services; the State Department of Assessments and Taxation; the Maryland Department of Agriculture; and the Department of Labor, Licensing, and Regulation each lost over 20% of their respective positions.

**Exhibit 1.4**  
**Adjusted Executive Branch Positions by Agency**  
**Fiscal 2002-2018**

<b><u>Agency</u></b>	<b><u>Adjusted for Mergers 2002 Act.</u></b>	<b><u>Budgetary Transfers 2002-2018</u></b>	<b><u>Facility Closures 2002-2018</u></b>	<b><u>Adj. 2002</u></b>	<b><u>Work. 2018</u></b>	<b><u>Change 2002- 2018</u></b>	<b><u>% Change 2002- 2018</u></b>
Public Safety and							
Correctional Services	11,663	-9	-255	11,399	10,554	-844	-7.2%
Transportation	9,538	-4	0	9,534	9,058	-477	-5.0%
Human Services	7,173	-19	0	7,154	6,224	-930	-13.0%
Health	8,555	15	-898	7,672	6,187	-1,485	-17.4%
State Police	2,590	-1	0	2,589	2,436	-153	-5.9%
Juvenile Services	2,123	-35	-2	2,086	1,978	-108	-5.1%
Labor, Licensing, and							
Regulation	1,900	0	0	1,900	1,491	-409	-21.5%
Education	1,371	32	0	1,403	1,410	7	0.5%
Natural Resources	1,618	-2	0	1,616	1,333	-284	-17.5%
Comptroller	1,152	0	0	1,152	1,115	-37	-3.2%
Environment	1,028	0	0	1,028	893	-135	-13.1%
Public Defender	763	0	0	763	889	125	16.4%
Assessments and							
Taxation	763	0	0	763	592	-171	-22.4%
General Services	793	5	0	798	581	-217	-27.4%
Agriculture	482	0	-3	479	355	-124	-25.7%
Other	4,470	28	-7	4,491	4,375	-116	-2.6%
<b>Total Executive Branch</b>	<b>55,980</b>	<b>10</b>	<b>-1,165</b>	<b>54,825</b>	<b>49,469</b>	<b>-5,356</b>	<b>-9.6%</b>
<b>Higher Education</b>	<b>21,386</b>	<b>-10</b>	<b>0</b>	<b>21,377</b>	<b>26,298</b>	<b>4,921</b>	<b>23.0%</b>

Source: Department of Budget and Management; Department of Legislative Services

Overall, the Executive Branch has shed just under 10% of its workforce, exclusive of higher education institutions, since fiscal 2002.

## Chapter 2. State and Local Data Trends

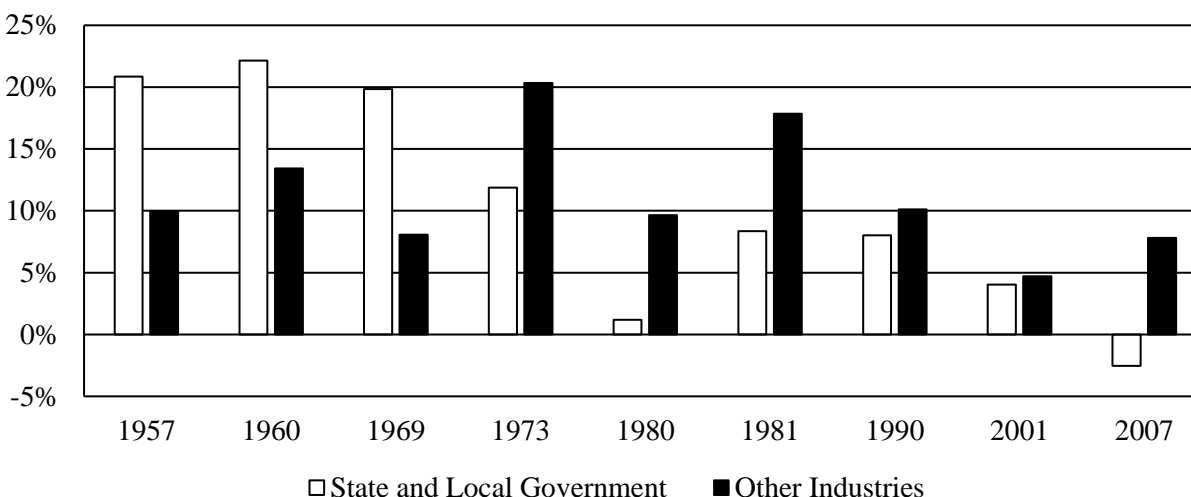
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### National Trends in Public-sector Employment

The reduction in public sector employment is not specific to Maryland, as seen in **Exhibit 2.1**, which shows cumulative job growth in state and local government employment versus all other industries since the recession of 1957. Unlike all prior recessions, when job growth rebounded in all sectors five years after the end of each recession, state and local government employment remains 2.5% lower than the levels seen prior to 2008.

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**Exhibit 2.1**  
**Cumulative Job Growth Nationally after Five Years of Recovery**  
**Percent Growth by Recession**



Source: Moody's Analytics

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### U.S. Census Data

The U.S. Census Bureau collects and publishes data annually from state and local governments on the total number of employees as well as employment by functional categories. Due to variances in the functions and services provided by state and local governments across the United States, both levels are reported here to ensure data comparability. **Exhibit 2.2** shows total state and local government employment in the United States between 2002 and 2015 (the most recent year for which data is available). Across all 50 states, the number of employees grew 4%



over this period to 16.2 million employees. In Maryland, State and local employment grew by almost 18,000 positions, or 6%. The full list of state and local employment for every state for each of the following charts can be found in **Appendix 3**.

---

**Exhibit 2.2**  
**State and Local Government Employment**  
**July 1, 2002 vs. July 1, 2015**

<b><u>2015 Ranking</u></b>		<b><u>July 1, 2002 Employment</u></b>	<b><u>July 1, 2015 Employment</u></b>	<b><u>Change</u></b>	<b><u>% Change</u></b>
	United States	15,663,469	16,231,915	568,446	4%
<b>18</b>	<b>Maryland</b>	<b>285,605</b>	<b>303,422</b>	<b>17,817</b>	<b>6%</b>

Source: U.S. Census Bureau; Department of Legislative Services

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As shown in **Exhibit 2.3**, state and local government employment per 10,000 of population shows a 7% decrease nationwide to 507 employees per 10,000 citizens. This indicates that the population grew faster than state and local government employment. Maryland was ranked thirty-second in the United States for its number of state and local employees per 10,000 population in 2015.

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**Exhibit 2.3**  
**State and Local Government Employment by 10,000 Population**  
**Employees Per Capita**  
**2002 vs. 2015**

<b><u>2015 Ranking</u></b>		<b><u>2002 Employees Per 10,000 Population</u></b>	<b><u>2015 Employees Per 10,000 Population</u></b>	<b><u>Change</u></b>	<b><u>% Change</u></b>
	United States	544	507	-37	-7%
<b>32</b>	<b>Maryland</b>	<b>523</b>	<b>506</b>	<b>-17</b>	<b>-3%</b>

Source: U.S. Census Bureau; Department of Legislative Services

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**Exhibit 2.4** and **Exhibit 2.5** illustrate state and local government employment growth by function, as reported to the U.S. Census Bureau in 2002 and 2015. At the national level, K-12 education employment (a local function) represented 41% of full-time equivalent employment. Employment grew in 8 of the 13 categories shown, with the largest growth in the K-12 and higher education areas. The police and fire function also showed significant growth. Larger decreases are seen in transportation and public welfare, as spending and caseloads have declined.

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**Exhibit 2.4**  
**State and Local Government Full-time Equivalent Employment**  
**By Function**  
**2002 vs. 2015**

	<u>2002</u>	<u>2015</u>	<u>Change</u>	<u>% Change</u>
K-12 Education	6,374,761	6,654,507	279,746	4%
Higher Education	1,827,038	2,092,022	264,984	15%
Hospitals and Health	1,341,496	1,408,774	67,278	5%
Police/Fire	1,187,878	1,258,892	71,014	6%
Other	1,162,155	1,099,258	-62,897	-5%
Transportation	822,956	776,606	-46,350	-6%
Corrections	703,231	700,951	-2,280	0%
Public Welfare	524,125	508,508	-15,617	-3%
Utilities/Solid Waste/Sewer	483,422	488,848	5,426	1%
Judicial and Legal	404,368	409,542	5,174	1%
Finance Administration	380,836	397,208	16,372	4%
Parks and Recreation	261,712	264,934	3,222	1%
Natural Resources	189,491	171,865	-17,626	-9%
	<b>15,663,469</b>	<b>16,231,915</b>	<b>568,446</b>	<b>4%</b>

Source: U.S. Census Bureau; Department of Legislative Services

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In Maryland, as seen in Exhibit 2.5, State and local government employment trends generally mirror the national data with limited exceptions. K-12 education employment is the largest category of employment, at 42% of State and local personnel complements. Both K-12 and higher education employment were the largest areas of growth, similar to national trends. Exhibit 2.5 shows that Maryland experienced much stronger growth in the Corrections and Judicial/Legal functions. Maryland also saw declines in transportation employment because the

Maryland Department of Transportation has reduced the size of the State Highway Administration and in public welfare as the caseload has decreased since the 2008 recession.

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**Exhibit 2.5**  
**State and Local Government Full-Time Equivalent Employment**  
**By Function: Maryland**  
**2002 vs. 2015**

<b><u>Function</u></b>	<b><u>2002</u></b>	<b><u>2015</u></b>	<b><u>Change</u></b>	<b><u>% Change</u></b>
K-12 Education	111,873	126,767	14,894	13%
Higher Education	36,767	40,743	3,976	11%
Police/Fire	23,256	25,887	2,631	11%
Other	26,273	25,183	-1,090	-4%
Corrections	14,814	16,256	1,442	10%
Hospitals and Health	16,582	15,148	-1,434	-9%
Transportation	13,757	11,837	-1,920	-14%
Public Welfare	10,981	9,762	-1,219	-11%
Judicial and Legal	7,359	8,580	1,221	17%
Utilities/Solid Waste/Sewer	8,156	7,688	-468	-6%
Finance Administration	5,921	5,886	-35	-1%
Parks and Recreation	7,284	7,029	-255	-4%
Natural Resources	2,582	2,656	74	3%
	<b>285,605</b>	<b>303,422</b>	<b>17,817</b>	<b>6%</b>

Source: U.S. Census Bureau; Department of Legislative Services

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## Chapter 3. Staffing Shortfalls in Maryland State Government

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### Quantifiable Personnel Shortfalls

The Department of Legislative Services (DLS) estimates that there are staff shortages of 2,631 positions in 11 agencies of State government. This consists of the need for 1,126 additional authorized positions and the need to fill 1,505 existing positions to allow 6 agencies to meet staff-to-caseload ratios outlined in staffing studies or to comply with statute. **Exhibit 3.1** summarizes the position need by agency and functional purpose. Additional detail is provided below for the position needs in the Department of Public Safety and Correctional Services (DPSCS), the Maryland Department of the Environment (MDE), the State Department of Assessments and Taxation (SDAT), the Department of State Police (DSP), the Department of Juvenile Services (DJS), the Office of the Public Defender (OPD), the Maryland Department of Health (MDH), the Maryland Commission for Civil Rights (MCCR), the Department of General Services (DGS), Historic St. Mary's City Commission (HSMCC), and the Secretary of State.

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**Exhibit 3.1**  
**Quantifiable Staffing Shortages by Agency and Function**

<u>Agency/Function</u>	<u>Additional Positions Needed</u>	<u>Vacant Positions</u>	<u>Total</u>
Department of Public Safety and Correctional Services	154	937	1,091
Department of State Police	193	182	375
Maryland Department of the Environment	295		295
Department of Juvenile Services	79	189	268
Maryland Department of Health	93	143	236
State Department of Assessments and Taxation	200	34	234
Office of the Public Defender	89	20	109
Maryland Commission for Civil Rights	8		8
Department of General Services	8		8
Historic St. Mary's City Commission	4		4
Secretary of State	3		3
<b>Total</b>	<b>1,126</b>	<b>1,505</b>	<b>2,631</b>

Source: Department of Legislative Services

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## **Department of Public Safety and Correctional Services**

### **Correctional Officers**

Chapter 829 of 2017 required DPSCS to submit a security and staffing report for all DPSCS facilities every two years, beginning on October 31, 2017. Each submission is to provide:

- a post-by-post analysis that identifies the actual number of positions needed to safely and securely staff each institution;
- the amount of overtime currently being used to meet minimum standards;
- an accounting of all institution activities that have been impacted by staffing levels;
- an assessment of expected future turnover in personnel; and
- an analysis of the need for additional staff.

In its first submission, DPSCS noted that a lack of properly trained staff has left the department unable to conduct an updated staffing analysis, as required by the legislation. The report did provide the most recently approved staffing plan for each facility. In total, these plans indicate the need for approximately 6,407 correctional officer (CO) positions. By comparison, after accounting for the loss of 376 CO positions in the fiscal 2018 allowance, the CO complement for all DPSCS facilities only provides 6,253 positions. This would indicate a shortfall of 154 positions.

With the department's shifting facility complement and declining population, these staffing plans have the potential to be out of date. In addition, the consistently increasing vacancy rate over the past two years suggests that DPSCS will face challenges in their ability to fill new positions. At this time, priority should be placed on developing a plan to successfully recruit for the department's more than 900 vacant CO positions.

It should be noted that the coming years could potentially alleviate some of the gap between filled and unfilled CO positions. The size of Maryland's incarcerated population has been slowly declining, consistent with national crime and incarceration trends. The population under the jurisdiction of the Division of Correction decreased by nearly 9.0% between fiscal 2012 and 2016. Additionally, provisions of the 2016 Justice Reinvestment Act, which is intended to reduce the State's incarcerated population, went into effect in October 2017. Significant decreases in the population eventually would allow the department to continue closing facilities and, therefore, decrease the number of necessary State COs. The declining detention population in Baltimore City has also allowed the department to close multiple facilities and relocate inmates and associated personnel to other areas. Therefore, it is recommended that the General Assembly should continue

to monitor the department's CO staffing needs and the development and implementation of plans to successfully recruit for the department's more than 900 vacant CO positions.

## **Department of State Police**

### **Uniformed Troopers and Civilian Administrative**

National standards or methodologies do not exist for identifying the appropriate number of sworn personnel allocated to DSP. In addition, DSP responsibilities vary significantly by jurisdiction. For these reasons, evaluating what is an adequate number of positions to fulfill the department's mission is difficult. Over the years, DSP has effectively leveraged new technologies, such as the use of electronic citations, a new Computer-aided Dispatch/Records Management System, automated crash reporting, electronic safety equipment repair orders, and other patrol vehicle improvements to achieve positive performance measures despite a decrease in personnel.

The lack of civilian staff support and issues with the recruitment and retention of sworn personnel continue to pose problems for the department. The resulting impact is high vacancies, resources lost on constant entry-level training, increased overtime spending, and uniformed personnel dedicated to completing administrative tasks instead of being available for enforcement.

In June and September 2017, DSP released detailed reports evaluating the department's ability to improve its hiring processes and the overall adequacy of its existing workforce complement. The hiring process evaluation found several areas for potential improvement, particularly among civilian staff. According to the report, DSP is in the process of developing an internal recruitment plan of action, similar to what is used for recruiting sworn personnel, dedicating staff specifically to the task of recruiting for civilian positions, and creating an automated tracking program to monitor the progress of filling vacant positions. In addition, DSP is creating trackable performance measures specifically to address the timeliness of the hiring process. The report also evaluated compensation as an issue with filling sworn and civilian vacancies. It was found that Maryland is below the regional average for both pre- and post-academy salaries of sworn officers. In addition, the report highlights compensation concerns among police dispatcher and automotive maintenance positions.

The DSP staffing study utilized several methodologies for evaluating sworn and civilian staffing needs within each individual unit of the department's three bureaus and the Superintendent's staff. Taking into account recommendations made by the Office of Legislative Audits (OLA) regarding the potential for civilianizing certain functions currently being performed by sworn officers, the report identified the need for 193 additional positions (98 sworn and 95 civilian). Approximately 80% of the additional sworn positions are needed to cover patrol duties at the various barracks throughout the State. This analysis is based on a workload study evaluating average calls for service and the time required to address each call. This analysis also accounted for the department's relief factor, a measure used to show the relationship between the maximum number of days that an officer can work and those actually worked due to training, special assignments, and paid leave. Evaluation of staffing needs in the other units was based, in

part, on anecdotal information, but referenced measurable data where possible (*e.g.*, number of calls to the Gun Center, pounds of drugs seized, and workload demand for the digital forensics laboratory).

## **Maryland Department of the Environment**

### **Inspectors and Administrative Positions**

The 2016 *Joint Chairmen's Report* (JCR) included a request for a report on compliance and enforcement inspections and positions in MDE and the Maryland Department of Agriculture. The report was requested to include information on the necessary inspectors per inspection activity associated with Chesapeake Bay restoration, the actual inspectors per inspection activity, and both the funding and programmatic changes needed to reach the necessary inspectors per inspection activity. The report also was requested to include all inspection activities conducted by MDE's Water Management Administration, the Land Management Administration, and the Air and Radiation Management Administration and the number of regular positions and contractual full-time equivalents (FTE) associated with the inspections, including the number of vacancies for fiscal 2011 through 2018 estimated.

The primary evidence for understaffing is a 2007 staffing study conducted by MDE that demonstrated a need for 342 additional positions to comply with minimum mandated regulations. MDE cited this staffing shortfall in its response to a 2011 fiscal/compliance audit that showed that MDE had failed to conduct certain inspections as required by regulation. In 2017, the Administration repealed the regulations related to at least one component of this deficiency, the requirement that MDE inspect every active construction site for compliance with erosion and sediment control plans an average of once every two weeks. After adjusting for the estimated 47 positions needed to comply with the former regulations, it is estimated that MDE requires at least another 295 positions to comply with workload mandates. MDE confirmed that the staff need identified in the 2007 study was still valid but could not provide detail on the specific positions needed.

## **State Department of Assessments and Taxation**

### **Property Assessors**

While SDAT has several distinct functions, the majority of the agency's staff (452.6 regular positions) are assigned to real property and business property evaluation. These programs include the assessors along with their support staff and supervisors. Under Tax – Property Article §8-104(b)(1), SDAT is required to conduct an “exterior physical examination of each property in the State once every three years.” There are over 2.2 million taxable parcels statewide and 144 nonsupervisory assessors in the residential property division.

In order to fulfill SDAT's mandate, each assessor would have to visit and reevaluate approximately 5,100 properties each year. In a 2015 report, SDAT noted that an experienced

assessor working efficiently can evaluate 2,500 properties per year. Additionally, during the 2016 legislative session, SDAT offered a departmental bill (SB 115) that would have authorized the use of aerial imagery in place of physical property inspections. This change would have allowed assessors to do most of their work from their desk, and SDAT estimated that each assessor could be reasonably expected to conduct 3,750 assessments per year, a 50% increase in efficiency. Even at that rate, the agency would still need more than 100 additional assessors to meet the statutory requirement. This legislation did not pass and the law continues to require SDAT to conduct exterior physical examinations.

There has also been a small but steady growth in the number of taxable parcels in the State. Between 2011 and 2016, the number of properties increased by approximately 53,000. While this equates to only 2.4% total growth over five years, it establishes a need to add between 1 and 2 assessors per year, to keep pace with growth.

Despite these limitations, SDAT has generally performed well on the assessment industry's three principal metrics for evaluation: the assessment-to-sales ratio; coefficient of dispersion; and price-related differential. These measures evaluate, respectively, that the assessments are generally accurate to the market value, precise among similar properties, and consistent across the spectrum of property values. SDAT performed well within industry standards for all three measures in 2016.

At no point in the last four decades has SDAT had enough assessors to fulfill its mandate to physically inspect each property in the State every three years, and this demonstrates a longstanding and unresolved staffing need. OLA noted this issue in 2013 and was informed by SDAT directly that this was a longstanding problem. At that time, the agency reported that it had 78 fewer positions for inspectors than it had in 2002, and its policy was to conduct physical inspections only every nine years unless a triggering event, such as a sale or the filing of a building permit, occurred. While the agency was able to hire 22 additional inspectors in 2013 and 2014, that has not been sufficient to resolve the underlying issue. DLS estimates that 200 additional assessor positions are necessary to meet the agency's statutory mandate of exterior physical inspections every three years.

## **Office of the Public Defender**

### **Assistant Public Defenders**

Each year, OPD prepares a summary of the number of attorneys that would be required across the agency to meet all caseload standards in each district. OPD has a documented need for at least 26 attorney positions to meet caseload standards. If attorney positions are unable to be reallocated among the districts, as many as 56 positions would be needed. This is a significant improvement over two years ago, when OPD reported a need for 151 additional attorneys. The improving situation is the result of declining cases due to statutory changes and changes in police activity. This recent decline is outside of the control of the agency, and if it is not sustained, OPD will again be faced with excessive caseloads statewide.



The OPD workforce peaked in fiscal 2007, when the agency had a total of 1,097 positions and contractual FTEs. In the decade since that peak, OPD has lost 18.0% of its positions and seen its caseload increase 11.8%. The agency has managed some of this gap by more efficiently allocating its attorneys to dockets with greater need; however, in order to preserve as many attorney positions as possible during cost containment, OPD has decreased support staff including paralegals, investigators, and intake workers. The work of individuals in these positions is essential to effectively trying cases and managing the agency's caseload. Because these functions must be conducted with fewer staff, especially initial interviews with individuals applying for representation, more administrative responsibility now falls on attorneys. This has increased the time they must spend on each case.

During the 2017 session, legislation was enacted that should ease the burden on OPD's support staff. Chapter 606 of 2017 transfers responsibility for indigency determinations for individuals requesting OPD representation from OPD to the Judiciary. The fiscal note for the legislation estimates OPD will need 11 fewer intake workers due to the transfer of this responsibility. If those positions are not eliminated, this would provide significant relief for the department's support staff. Under the Maryland and U.S. constitutions, indigent individuals are entitled to an adequate defense funded by the State. At its current staffing level, it is a constant struggle for OPD to provide such a defense to all those who are eligible. If public defenders become so overburdened that they can no longer devote the necessary attention to all their clients, it has the potential to not only put defendants across the State in jeopardy of not receiving an adequate defense but could also expose the State to liability for violating the civil rights of those individuals.

### **Administrative Support**

On November 1, 2017, the agency reported that it needed an additional 63.0 support positions, including 44.0 social workers, 12.5 secretaries, and 6.5 paralegals to mitigate the 30% of attorneys' time spent on administrative duties.

## **Maryland Department of Health**

### **Office of Health Care Quality Surveyors**

The Office of Health Care Quality (OHCQ) is the agency within MDH charged with monitoring the quality of care in Maryland's 18,032 health care facilities and community-based programs. Since its inception, OHCQ has not been adequately staffed to complete its mandates. As part of the OHCQ annual report, the agency conducts a thorough staffing analysis on nurse surveyors utilizing actual data from the time it takes for nurse surveyors to conduct their licensure and complaint investigation processes throughout the year. Over the last 10 years, the nurse surveyor deficit increased from fiscal 2008 through 2013, until it began to decline in fiscal 2014. This decline is due to a focus on implementing various regulatory efficiencies, as well as the addition of 5 new surveyor positions since fiscal 2013.

Based on the most recent annual report of OHCQ, there continues to be a documented staffing shortage of at least 44 nurse surveyor positions within the agency. While this number has been declining recently due to numerous efficiencies undertaken by OHCQ, based on a site visit with the agency, it expects that the next annual report will either maintain that deficit or show an increase. This is due to changes in regulations and processes at the federal level for which OHCQ is responsible for implementing in the State. For these reasons, DLS believes that the 44 regular positions will still be needed for the upcoming year and that 8 vacancies should be filled.

Further, it should be noted that the most recent annual report also noted a deficit of 7 coordinator positions within OHCQ. However, based on discussions with the agency, it has been able to fill this need internally by reclassifying other positions. Thus, DLS does not see a need for these positions.

### **Behavioral Health Administration**

Since 2002, there have been significant bed reductions within Behavioral Health Administration (BHA) facilities. In response to bed reductions and closures, MDH received a staffing study in 2007 that compared available direct care positions to recommended levels by service type. At that time, total staff shortfalls reached almost 400 positions, with vacant positions counting as needed positions. Following the study, BHA continued reducing its bed capacity. However, the number of positions within the department continued to decline as well. In response to these reductions, the General Assembly, through the JCR, requested an updated staffing analysis in 2009. In the subsequent study, MDH noted that staff availability and bed capacity had declined almost equally since the last study, allowing the maintenance of staff-to-patient ratios but preventing any real progress in meeting staffing standards. The subsequent study noted a shortfall of 459 positions in the number of direct care positions that were necessary for that bed capacity, which represented a 25% overall shortfall inclusive of vacancies.

There have been no further staffing studies done since 2009. However, utilizing the methodology of these reports, DLS conducted an analysis of the number of positions that would be required to staff the current number of beds. At the current level of operating bed capacity, DLS has determined that BHA is currently understaffed by approximately 49 authorized positions. In order to estimate the cost of these new positions, DLS assumed that classifications where there are more authorized positions than necessary would be reclassified in order to adequately distribute positions across the proper classifications. Thus, all 49 positions are assumed to be licensed practical nurses, which are hired at a grade 11. Another 136 vacancies would need to be filled to achieve adequate staffing.

The amount of staff needed includes two important caveats. First, MDH and BHA have indicated that due to litigation, both are planning on expanding the operating bed capacity of the State by 95 beds without adding any additional authorized positions. While it is known where these beds will be located and at what level of clinical necessity, what is not known at this time is where the new positions will come from within MDH. Thus, they have not been included in this

analysis. However, to the extent that existing clinical positions are reclassified to staff these additional beds, this will exacerbate the current staffing shortfall.

Beyond the bed capacity, the makeup of the patient population at the facilities has drastically changed over the past 15 years. Over that timeframe, the ratio of beds occupied by forensic versus civil patients has changed from 38% forensic to over 90% forensic, despite the fact that the State still only maintains one forensically designated facility at Clifton T. Perkins Hospital Center. The concern here is twofold: (1) the current direct care staff are not adequately trained or compensated for the level of care that they are providing; and (2) the security staff is not robust enough to handle this population. Both of these recommendations have been addressed in recent reports published by MDH.

Over the 2016 interim, MDH convened a Forensic Services Workgroup to study the issue of how to improve the forensic services delivery system. The report noted that as the patient population has become increasingly forensic, staff training and compensation levels have not increased concurrently. One of the recommendations of the workgroup report is for the rapid reassessment and reclassification of staff at all State hospitals to a forensic classification. This includes increasing staffing levels to manage a forensic population and for all hospital staff to receive compensation consistent with the staff at the State forensic hospital, Clifton T. Perkins. During the 2017 legislative session, the budget committees requested a report from MDH on the implementation of this recommendation. The report was received in December 2017. It should be noted that MDH does not concur with the recommendation, indicating that the standard of care rendered by staff and the potential hazards to which staff are exposed are dramatically different in the Perkins environment as compared to the other hospitals. MDH also noted that equalizing pay across all facilities may result in the unintended consequence of creating further recruitment and retention problems at Perkins.

One of the limitations of the study is that it only takes into account the clinical positions that are needed. However, adequate security staff at the facilities is also important given the increasing forensic nature of the patient populations. In a 2016 survey of the facilities, six out of seven facilities indicated that they needed additional security personnel. Further, these same facilities noted that the forensically involved patients that now make up a majority of the hospital populations require security personnel hired at a higher grade than currently available. The survey also noted that it has been difficult for the hospitals to attract candidates for security positions at the current step and grade levels offered and that the salaries are creating high turnover rates. While MDH notes that it is currently evaluating its classification system for security personnel in response to the survey, there is no formal recommendation in the report that more staff is needed at this time.

Based on these studies as well as the staffing and bed capacity trends of the past 15 years, there is both documented evidence as well as anecdotal evidence to suggest that BHA is understaffed. In particular, this understaffing can be documented in three specific areas:

- **Direct Care Workers:** Based on the studies conducted in 2007 and 2009, and updating for current bed capacity, BHA is short by 49 authorized positions, which are mainly assumed to be licensed practical nurses. BHA also needs to fill 136 vacant positions to reach the staffing level identified under the methodology used in both studies.
- **Security Personnel:** Based on the increasingly forensic nature of the patients in State hospitals and the surveyed needs of each of the hospitals, more security personnel will need to be hired.
- **Training and Compensation:** Again, due to the increasingly forensic nature of the patient population, training and compensation for both direct care workers and security personnel will need to increase to reduce turnover.

### **Department of Juvenile Services**

Despite success in recent years to lower the population and improve recidivism, the staffing issues plaguing the department are evident in the high overtime costs and the ongoing struggle to retain and promote employees. According to the department, these issues are driven by the need for additional positions to adequately meet staffing plans and account for the time when employees are unavailable for work. The most recent DJS staffing analysis indicates that 79 additional positions, along with additional funds to fully cover the cost of the department's use of FTEs, are needed to adequately staff all DJS committed and detention facilities at the current population level. A recent cost analysis completed by the department estimated the annual fiscal need to be in excess of \$4.5 million.

In addition to the need for additional positions, resolving the issue with employee retention warrants further consideration, as this issue has been examined on multiple occasions in recent years with little improvement. Possible solutions could include establishing a retention bonus program and evaluating compensation and the paths to promotion for positions above entry level.

### **Maryland Commission for Civil Rights**

In the intake unit, there are currently 5 positions responsible for accepting all of the public correspondence to MCCR. These staff process an average of 100 complaints a month, with an additional 200 inquiries a month. This number has increased recently with the reconstitution of the Education and Outreach (E&O) unit, and as the number of events increase, the number of intake calls are expected to continue rising.

There is an increase in the number of complaints received while there is also a decrease in the number of complaints closed. The trend is expected to continue in fiscal 2017 and 2018, which suggests that current staffing is not adequate to close cases at the same rate that they are being received.

Currently, there are 12 investigators in the case processing unit. These staff are responsible for investigating and resolving complaints that meet the criteria for investigation. In the last year, there has been a significant increase in the number of cases, with almost 900 open cases as of July 2017. As a result, there have been long intervals between case initiation and closure. Ideally, employment and public accommodations cases would be closed in 180 days. The current number of days to close a public accommodations case is 240 days with an average of 250 days for employment cases. As of July 2017, it takes an average of 120 days to close a housing case. The time it takes to close a housing case is particularly problematic because the U.S. Department of Housing and Urban Development (HUD) will only provide funding for cases closed within 100 days. While MCCR has been able to meet this requirement in past years, the loss of federal funding as a result of an inability to close cases could result in the loss of a significant portion of its operational funding. The rate of reimbursement for HUD cases is \$2,600 per case. With additional staff, the agency could take on and close more cases which would result in a higher federal reimbursement. This is also the case with employment cases. The U.S. Equal Employment Opportunities Commission (EEOC) reimburses MCCR \$700 per case. EEOC currently has a large number of cases that could be transferred to MCCR but with current staffing levels, the agency cannot take on more cases. Each investigator should be responsible for closing 60 cases annually according to historical caseload data. As of July 2017, each investigator is responsible for 75 cases.

In the E&O unit, there are only 2 positions responsible for any events hosted or attended by MCCR. While it is currently training 1 additional staff who was transferred from a different unit, that would increase the E&O unit to 3 staff responsible for 15 to 20 events every month. The number of events often increases during months of acknowledgement, such as Black History Month; Lesbian, Gay, Bisexual, Transgender, Queer, Intersex, and Asexual Pride Month; and Fair Housing Month.

The legal department is responsible for handling cases that demonstrate probable cause and when mediation has been unsuccessful. There are currently 2 attorneys in the department with a total number of 13 cases as of July 2017. While many of the cases handled by MCCR do not meet the criteria of probable cause, the quantity of cases is likely to increase as the number of outreach events, complaints, and investigations increase.

In order for MCCR to function at its highest capacity within current responsibilities, the agency would need 8 additional positions which is comprised of 5 additional civil rights officers, 2 assistant general counsel positions, and 1 legal clerk. The 5 civil rights officers would handle additional complaint intake and investigate cases. The counsel positions would allow the current staff to examine more cases that may have probable cause that it currently does not have the capacity to explore, and the legal clerk would serve to support the administrative elements of the legal department that a traditional administrative officer would not be qualified to do.

Anecdotal evidence also suggests that current staff are working significant amounts of overtime with some of it being uncompensated. While the agency tries to put restrictions on overtime to maintain costs and keep staff from burning out because of the nature of the work, the

anecdotal evidence indicated that many employees continue to work late and take work home with them to ensure that case numbers do not balloon.

## **Department of General Services**

### **Facilities Maintenance Assessment Staffing**

Under the direction of DGS and pursuant to § 4-407 of the State Finance and Procurement Article, each unit of State government is to carry out a regular maintenance and repair program for the facilities under its responsibility. Additionally, for DGS-owned and -supported facilities, each unit is to provide an annual assessment of the condition of its facilities to the DGS Maintenance Engineering Division (MED). Though each unit attempts to follow the policies and standards established by DGS, there are deficiencies in the condition assessments that, in large part, have resulted in unplanned emergency project requests.

According to DGS, there were 162 unplanned projects in fiscal 2015 that required the department to source contractors through the emergency procurement method. This substantially increased the State's expenditures on repairs. Unlike the preferred competitive procurement processes for planned repairs, the emergency procurement method reduces price competition as emergencies require immediate resolution to avoid serious damage to public health, safety, or welfare.

Many emergency requests are a result of assessments that fail to identify preventative maintenance needs and properly prioritize repairs, which would have otherwise been noticed with a comprehensive and accurate assessment of facilities. Such assessments require technical expertise, including electrical, plumbing, mechanical, and roofing competencies that are not fully represented by the department's technical staff within MED or by the agencies conducting the self-assessments.

Prior to 1993, maintenance projects were identified by a DGS assessment team that inspected all State facilities under DGS control and evaluated the facility maintenance program of each agency. One advantage of this approach was that DGS could prioritize funding across all State agencies, based on the most important and urgent needs. Due to the constrained fiscal environment in the early 1990s, DGS eliminated the assessment team and, as is current practice, relies on agencies to submit a report regarding their facility conditions and maintenance program.

When DGS received funding for an assessment team, the team consisted of 6 maintenance staff, including the maintenance engineering manager (now grade 21). To replicate the team, DGS would need to hire 5 maintenance chief IV licensed positions (grade 13) in addition to the manager. Since much of the work would be done on site, this estimate assumes a pool of five vehicles for the team. Funding a team would require approximately \$282,000 in the first year (a 25% turnover rate is assumed) and \$274,000 in the second year (no additional vehicles would be needed). The reduction in unplanned emergency project requests and associated costs could be significant.

### **Fair Market Pricing**

State law gives procurement preferences to benefit disadvantaged individuals or representative organizations when goods and services provided by them can be supplied at prices that do not exceed prevailing market prices. Organizations receiving procurement preferences include the Blind Industries and Services of Maryland (BISM), Maryland Correctional Enterprises (MCE), the Employment Works Program, and individuals with disability-owned businesses (collectively referred to as preferred providers). Laws and regulations require that the Department of Budget and Management's Office of Procurement and Logistics (OPL) determine and publish fair market prices for goods and services offered by providers with procurement preferences. OLA advised that the State spent more than \$27 million on goods and services from BISM and MCE in fiscal 2015.

In a December 2016 audit, OLA found that OPL has not determined the fair market prices of goods and services available from MCE. The audit also notes that fair market prices of items available for purchase from MCE or BISM were not published, as is required. Findings relating to MCE have now been reported in four consecutive audits and findings related to BISM have been reported in the two most recent audits. These issues seem to be chronic, which suggests that staffing levels at OPL may be insufficient to perform duties as required by law. Procurement and logistics has lost 17 regular positions since fiscal 2002, a reduction of 20% of the workforce. One additional position is required to meet this workload.

### **Delegated Commodity and Maintenance Procurements**

State regulations authorize OPL to delegate certain small procurements to State agencies. Commodity purchases costing up to \$25,000 and maintenance service contracts costing up to \$50,000 can be delegated to State agencies. Over the three years covered in the December 2016 audit, agencies made 59,802 procurements. The value of commodity procurements totaled \$210 million and the value of maintenance service contracts total \$38 million.

Regulations permit OPL to audit State agency delegated commodity procurements to ensure that a proper competitive procurement was conducted. OPL has established written procedures to conduct audits of delegated commodity procurements on a two-year rotating basis. OLA found that, as of January 2016, no audits had been conducted since fiscal 2011. The audit also notes that "OPL management advised us that its ability to properly oversee agency procurements has been negatively impacted by significant and prolonged staffing shortages." To resolve this chronic issue, 1 additional position appears to be necessary.

### **Historic St. Mary's City Commission**

HSMCC has a small staff to perform its mission and, in particular, maintenance and custodial staff are stretched thin across a very large site. There is a perception that facilities, grounds, and educational resources will continue to decline in quality without more State support. The deteriorating appearance of many exhibits, as well as signage and parking lots, creates a poor

first impression for visitors. For example, the Freeman House exhibit is visible but has been closed since fiscal 2008 and was last repaired in fiscal 2012. It may reopen again in fiscal 2019. HSMCC has identified 25 regular positions that it believes are needed to operate at maximum capacity. However, a smaller number of positions may be more appropriate at this time, given the decline in the number of visitors to the site.

Four new positions are outlined below. The workload justification for the first 3 positions is simply that they provide for critical needs of the agency, and they do not currently exist at all. While the agency has indicated it would like many more positions, these seem like the most significant needed positions. Salaries shown are those recommended by the agency and consist of general funds. The positions are:

- ***1 External Relations Manager (\$45,000):*** A tourist attraction needs someone to lead marketing, and HSMCC's declining visitation may be due to the lack of an employee dedicated to marketing research and activities. An increased presence in social media and in working with the county tourism board would improve the ability of the agency to attract more paying visitors and school groups.
- ***1 Gifts and Grants Officer (\$50,000):*** Rather than provide several additional regular positions directly to the agency for various responsibilities, a dedicated grants manager may improve the agency's ability to directly secure short- and long-term funding for contractual FTEs, facilities maintenance for public outreach, and other agency priorities.
- ***1 Conservator (\$65,000):*** In fiscal 2017, the new Anne Arundel Hall opened that is a joint facility of HSMCC and St. Mary's College of Maryland. About 40% of the building is used to house HSMCC's artifact collections and also contains laboratory space for receiving, cleaning, and cataloging artifacts from the field. HSMCC had planned for the building to have a full-time conservator to work on conserving the backlog of artifacts. HSMCC has repeatedly identified a conservator as one of its top priorities and noted in fiscal 2018 budget testimony that "the lack of a conservator might jeopardize its accreditation through the American Alliance of Museums." Loss of accreditation would likely harm marketing efforts and grant applications.
- ***1 Grounds Assistant Supervisor (\$40,000):*** This facilities maintenance-related position would contribute toward the backlog of year-round maintenance and upkeep at HSMCC that continues to grow. Additional seasonal workers will likely still be needed to meet agency needs, but it is clear from the physical condition that more permanent support is needed to maintain the grounds and facilities, especially as many outdoor exhibits are reaching the end of their useful lives.

## Secretary of State

Understaffing has gradually become a problem for the Secretary of State. As the number of staff has declined, the agency's ability to perform essential tasks has been reduced. This is most



evident in the Notary Public and the Charitable Enforcement programs as both have experienced significant backlogs.

In 2006, the Charitable Enforcement Division had 4 positions to regulate 7,000 charities. At that time, there were 4 positions to manage the charitable enforcement processes, and the issue of backlogged registrations and enforcements was not prominent. In subsequent years, there have been issues with the agency enforcing regulations and following up with delinquent charities. This is evidenced by a finding in the agency's 2011 legislative audit and was a repeat finding in 2014. In response to both of those audit findings, the Secretary of State agreed with the finding and cited staffing levels as a part of the hindrance for adequate maintenance of records and follow up with delinquent charities.

As the charities backlog grew, the Board of Public Works approved funding for an assistant Attorney General position to assist in charitable enforcement. As of July 2017, there are still 4 positions to regulate and manage charitable enforcement processes, but there are currently 15,500 registered charities, more than twice the number as in 2006. This indicates the need for an additional 2 positions in the Charitable Enforcement Division. There is a need for an additional investigator and a forensic auditor to assist with delinquencies of large charitable organizations.

While the Notary Public Division has had 2 positions for several years, there has also been a significant increase in the number of notary applications processed in recent years combined with an expansion in the role of the Secretary of State in notary application processing. In fiscal 2017, there were 24,532 notary public applications, a 15% increase when compared to the average number of applications processed over the preceding 4 years. In addition, Chapter 450 of 2013 allows State senators to delegate their authority of approving notary public applicants to the agency. The Secretary of State is currently responsible for conducting background and reference checks on each notary applicant for 22 State senators in addition to the regular administrative duties. The combined effect of these changes has increased the workload of the department. An additional notary investigator would assist in maintaining the timely processing of notary applications.

## **Fiscal Impact**

As noted, to address the identified understaffing across Executive Branch agencies, the State would need to add 1,126 new authorized positions and fill an existing 1,505 positions. Doing so would require at least \$96.1 million, as shown in **Exhibit 3.2**. This includes \$80.9 million in general funds, \$12.3 million in special funds, and \$2.9 million in federal funds based on the prorated cost distribution within each of the agencies in the fiscal 2018 budget. Of this amount, approximately \$46.2 million represents the cost for new positions and roughly \$49.9 million would be needed to eliminate turnover expectancy for SDAT assessors, DSP troopers, DPSCS COs, DJS facility staff, OHCQ nurse surveyors, BHA facility staff, and OPD public defenders, so that all existing authorized positions could be filled.

Since DLS could not ascertain the exact mix of positions needed in MDE, the costs shown below are understated by the resources needed to fill 295 positions in that agency. Based on the average cost of salary and fringe benefits in the State in fiscal 2016, this could add another \$23.4 million to the total.

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**Exhibit 3.2**  
**Estimated Cost of Additional Authorized Positions and**  
**Cost to Fill Existing Authorized Positions**  
**(\$ in Millions)**

<u><b>Agency</b></u>	<u><b>General</b></u>	<u><b>Special</b></u>	<u><b>Federal</b></u>	<u><b>Total</b></u>
Department of Public Safety and Correctional Services	\$29.9	\$3.4	\$0.7	\$34.0
Department of State Police	17.6	6.3	0.4	24.3
Department of Juvenile Services	12.2	0.1	0.2	12.5
State Department of Assessments and Taxation	8.2	2.0	0.0	10.2
Office of the Public Defender	8.2	0.0	0.0	8.3
Department of Juvenile Services	3.8	0.0	0.1	3.9
Maryland Department of Health	3.7	0.3	1.4	5.4
Maryland Commission for Civil Rights	0.4	0.0	0.1	0.5
Department of General Services	0.5	0.0	0.0	0.5
Historic St. Mary's City Commission	0.2	0.1	0.0	0.2
Secretary of State	0.1	0.1	0.0	0.2
Maryland Department of the Environment	n/a	n/a	n/a	n/a
<b>Totals</b>	<b>\$80.9</b>	<b>\$12.3</b>	<b>\$2.9</b>	<b>\$96.1</b>

Source: Department of Legislative Services

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## Chapter 4. Vacancy Trends

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### High Vacancy Rates

Executive Branch agencies continue to be plagued by high levels of vacant positions due, in part, to uncompetitive compensation levels as well as a hiring freeze that has been in effect to varying degrees since the 2001 recession. In October 2017, the Department of Legislative Services reported to the Spending Affordability Committee that 5,300 positions out of 49,469 were vacant, for a rate of 11%. **Exhibit 4.1** illustrates vacancy data for selected agencies based on October 2017 vacancy data.

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**Exhibit 4.1**  
**Selected Executive Branch Vacancy Rates**  
**October 1, 2017**

	<b>Fiscal 2018 Legislative <u>Appropriation</u></b>	<b>October 1, 2017 <u>Vacancies</u></b>	<b><u>Vacancy Rate</u></b>
Public Safety and Correctional Services	10,554	1,750	17%
Transportation	9,058	614	7%
Human Services	6,224	528	8%
Health	6,187	615	10%
State Police	2,436	309	13%
Juvenile Services	1,978	207	10%
Labor, Licensing, and Regulation	1,491	216	15%
Education	1,410	156	11%
Natural Resources	1,333	136	10%
Comptroller	1,115	99	9%
Environment	893	88	10%
Public Defender	889	69	8%
Assessments and Taxation	592	60	10%
General Services	581	69	12%
Agriculture	355	31	9%
Other	4,375	353	8%
<b>Total</b>	<b>49,469</b>	<b>5,300</b>	<b>11%</b>

Source: Department of Budget and Management

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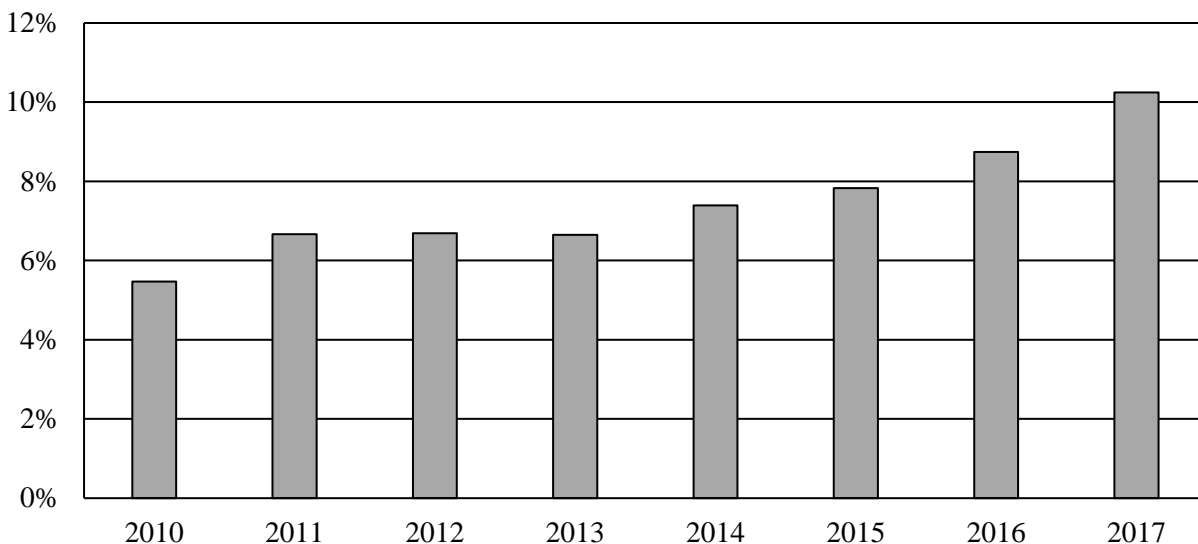
High vacancy rates can impede an agency from the performance of its mission. Moreover, several agencies, including the Department of State Police, the Department of Juvenile Services,

the Department of Public Safety and Correctional Services (DPSCS), and the Maryland Department of Health are incurring additional overtime expense because of staffing vacancies.

**Exhibit 4.2** shows that the high level of vacant positions reported in October 2017 has been a growing problem since the Great Recession of 2008. Historically, a normal level of vacancies for an agency was considered to be in the range of 3.0% to 5.0%, exclusive of new positions, which are budgeted at 25.0% turnover to allow time for recruitment. Overall, vacancy levels have grown from an average of 5.5% in October 2010 to 10.2% in October 2016.

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**Exhibit 4.2**  
**Overall Agency Vacancy Rates as of October 1**  
**Fiscal 2010-2017**



Source: Department of Budget and Management; Department of Legislative Services

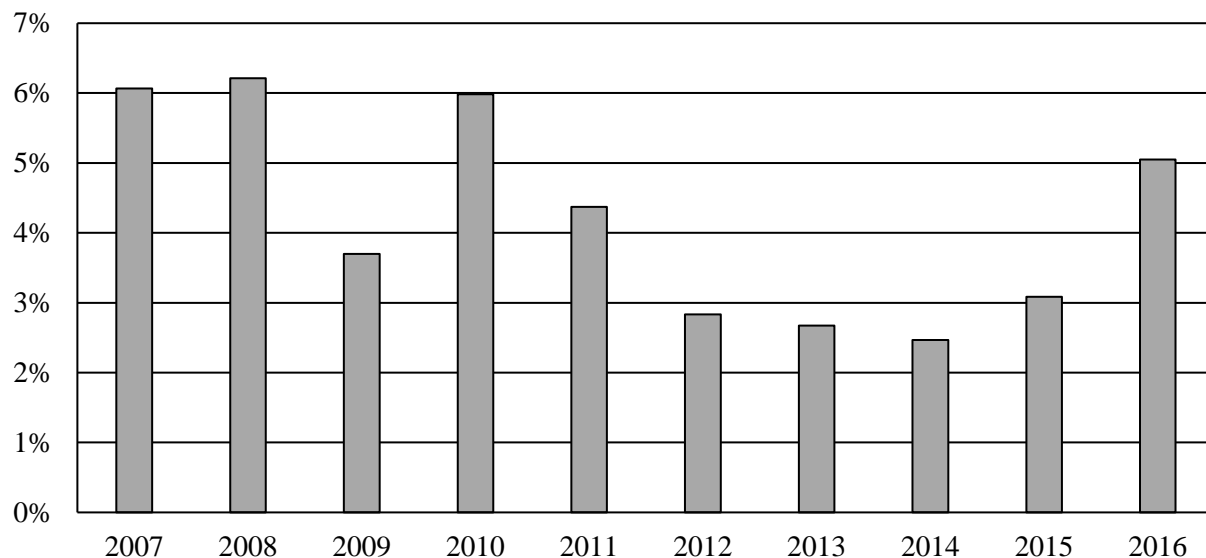
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One possible explanation for this increase in the rate of vacancies is that younger generations of applicants might be disinclined to stay at one job for many years and are more inclined to leave State employment after a few years. There was also concern that raising the number of years to vest in the State Retirement and Pension System to 10 years beginning in fiscal 2012 would cause employees to leave sooner. **Exhibit 4.3** shows that employees leaving State service within 5 years of employment was in the range of 6% until after fiscal 2010. From fiscal 2011 to 2015, the separations for those employed under 5 years fell to around 3% each year. This may have been influenced by the post-recession economy and the availability of other employment options. Employee churn increased to 5% in fiscal 2016. At this time, it does not

appear that either the generational shift in employment occurring at the State level or that the increased vesting period has affected the number of employees working 5 years or less.

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**Exhibit 4.3**  
**Employee Separations Under Five Years of Service**  
**Fiscal 2007-2016**



Source: Department of Budget and Management; Department of Legislative Services

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**Exhibit 4.4** narrows the view of agency vacancy levels to those agencies identified as having staffing shortfalls in Chapter 3 of this report. There are two notable observations relative to this exhibit.

- **High Budgeted Turnover:** The agencies with staffing shortages generally have budgeted levels of turnover ranging from 5% to nearly 8%. This means that this level of funding was removed from each agency budget when the allowance was submitted by the Administration. Agencies thus lack the resources to fill positions regardless of the presence or absence of a hiring freeze; and
- **Most Agencies Can Fill Positions:** With the exception of DPSCS, most agencies appear able to fill positions, as they do not have significant numbers of vacant positions above the level required to meet turnover. This suggests that if budgeted turnover levels were reduced and agencies were given the resources, positions could be filled.

**Exhibit 4.4**  
**Fiscal 2018 Vacancies and Turnover Rates**  
**October 1, 2017**

<u>Agency</u>	<u>Positions</u>	<u>Budgeted Turnover Rate</u>	<u>Vacancies to Meet Turnover</u>	<u>Vacancies</u>	<u>Vacancies Above (or Below) Turnover</u>
Public Safety and Correctional Services	10,554	7.9%	831	1,750	919
State Police	2,436	7.2%	175	309	134
Behavioral Health Administration	2,786	7.7%	215	283	69
Juvenile Services	1,978	7.3%	144	207	63
General Services	581	6.1%	35	69	34
Environment	893	6.5%	58	88	29
Office of Health Care Quality	197	6.1%	12	39	27
Assessments and Taxation	592	6.1%	36	60	24
Public Defender	889	5.8%	51	69	18
Commission for Civil Rights	31	5.0%	2	5	3
Insurance Administration	257	6.0%	16	16	1
Historic St. Mary's Commission	29	0.0%	0	0	0
Secretary of State	25	3.0%	1	0	-1
<b>Total</b>	<b>21,247</b>	<b>7.4%</b>	<b>1,565</b>	<b>2,895</b>	<b>1,330</b>

Source: Department of Budget and Management; Department of Legislative Services

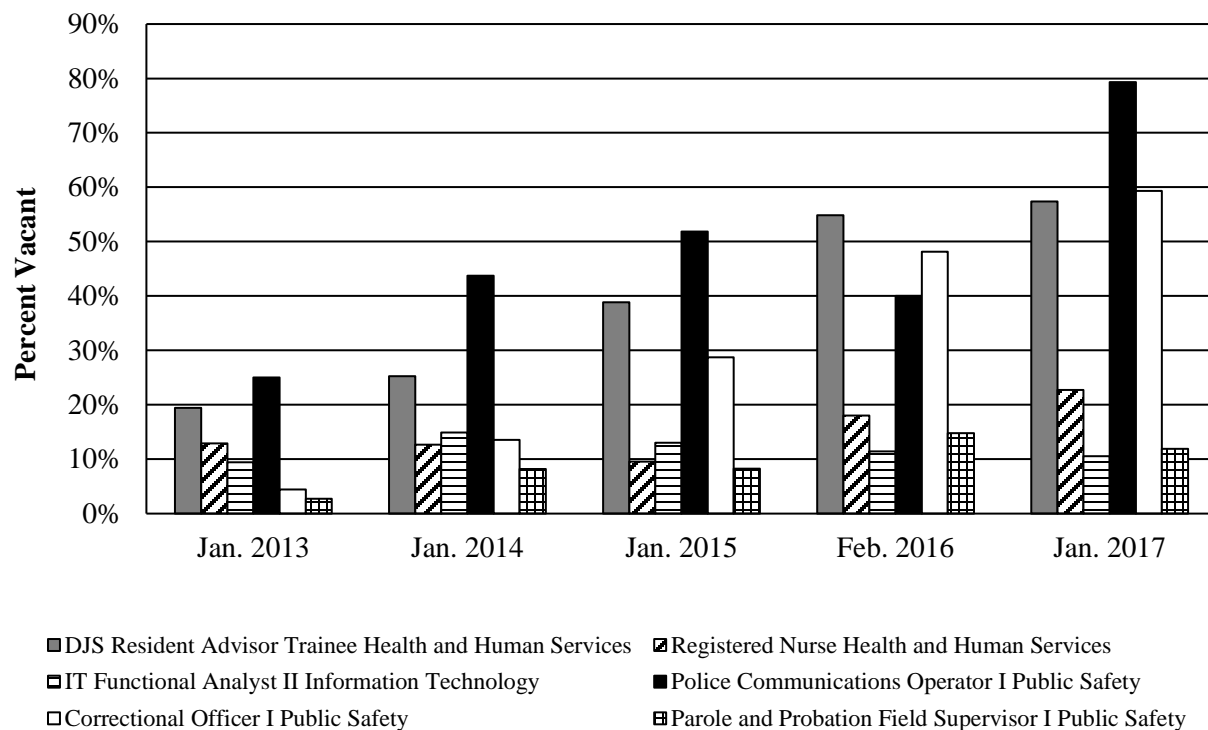
At the same time, there does continue to be a problem filling certain classes of positions. **Exhibit 4.5** provides vacancy rates for selected State positions. This includes:

- registered nurses;
- juvenile services resident advisor trainees;
- police communications operators;

- correctional officers;
- information technology analysts; and
- parole and probation field supervisors.

As shown, all of these classifications have experienced vacancy rates averaging from 9.4% for Parole and Probation field supervisor positions to 79.3% for police communications operators between fiscal 2013 and 2017.

**Exhibit 4.5**  
**Vacancy Rates for Selected Position Classifications**  
**January 2013 to January 2017**



DJS: Department of Juvenile Services  
 IT: information technology

Source: Department of Budget and Management; Department of Legislative Services



Addressing high vacancy rates for specific position classifications may require an examination of a number of compensation issues including annual salary reviews, hiring standards, and other actions.

## Chapter 5. Employee Compensation Issues

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A frequent topic that arose during the course of this study was employee compensation. Many agencies reported being unable to fill positions because salary levels were too low or that new employees leave after being trained to work for a higher paying position elsewhere. Evidence showing inadequate compensation levels for State employees comes from:

- a review of the State's compensation history since fiscal 2003 compared to other levels of government and quasi-governmental entities with whom the State competes for human resources;
- pay comparability studies; and
- *ad hoc* comparisons of starting and average salaries prepared by the Department of Legislative Services (DLS).

### History of General Salary Increases and Increments in Maryland

**Exhibit 5.1** shows the history of State employee compensation increases between fiscal 2003 and 2018. This include general salary increases and merit pay increases (commonly referred to as step increases or increments).

- In 7 of the 16 years shown, employees did not receive a general salary increase.
- In 8 of the 16 years, employees received no increments.
- Salary reductions due to furloughs were implemented during 3 years.

In two of the years, employees were concurrently furloughed, received no general salary increase, and received no increments. General salary increases and increments were not provided concurrently in six years.

**Exhibit 5.1**  
**Permanent Employee Statewide Salary Actions**  
**Fiscal 2003-2018**

<u>Fiscal Year</u>	<u>Date of General Salary Increase</u>	<u>General Salary Increase</u>	<u>Increments</u>
2003	July 1, 2002	None	None
2004	July 1, 2003	None	None
2005	July 1, 2004	\$752	On time
2006	July 1, 2005	1.5%	On time
2007	July 1, 2006	2% with \$900 floor and \$1,400 ceiling	On time
2008	July 1, 2007	2%	On time
2009 <sup>1</sup>	July 1, 2008	2%	On time
2010 <sup>2</sup>	July 1, 2009	None	None
2011 <sup>2</sup>	July 1, 2010	None	None
2012	July 1, 2011	\$750 one-time bonus	None
2013	January 1, 2013	2%	None
2014	January 1, 2014	3%	April 1, 2014
2015	January 1, 2015	2%	On time
2016	July 1, 2015	None	None
2017	July 1, 2016	None	On time
2018	July 1, 2017	None	None

<sup>1</sup> 2- to 5-day furlough.

<sup>2</sup> 3- to 10-day furlough.

Source: Department of Budget and Management

## History of Changes to Employee Benefits

In addition to limited salary growth, since the recession, the State has attempted to constrain the rising costs of employee benefits by shifting more costs onto employees, reducing benefits, and increasing service requirements to obtain benefits. Some of the major changes to State employee benefits since fiscal 2010 include:

- pension and supplemental retirement match changes:
  - increased employee pension contributions from 2.0% in fiscal 2009 to 7.0% of salary in fiscal 2012;

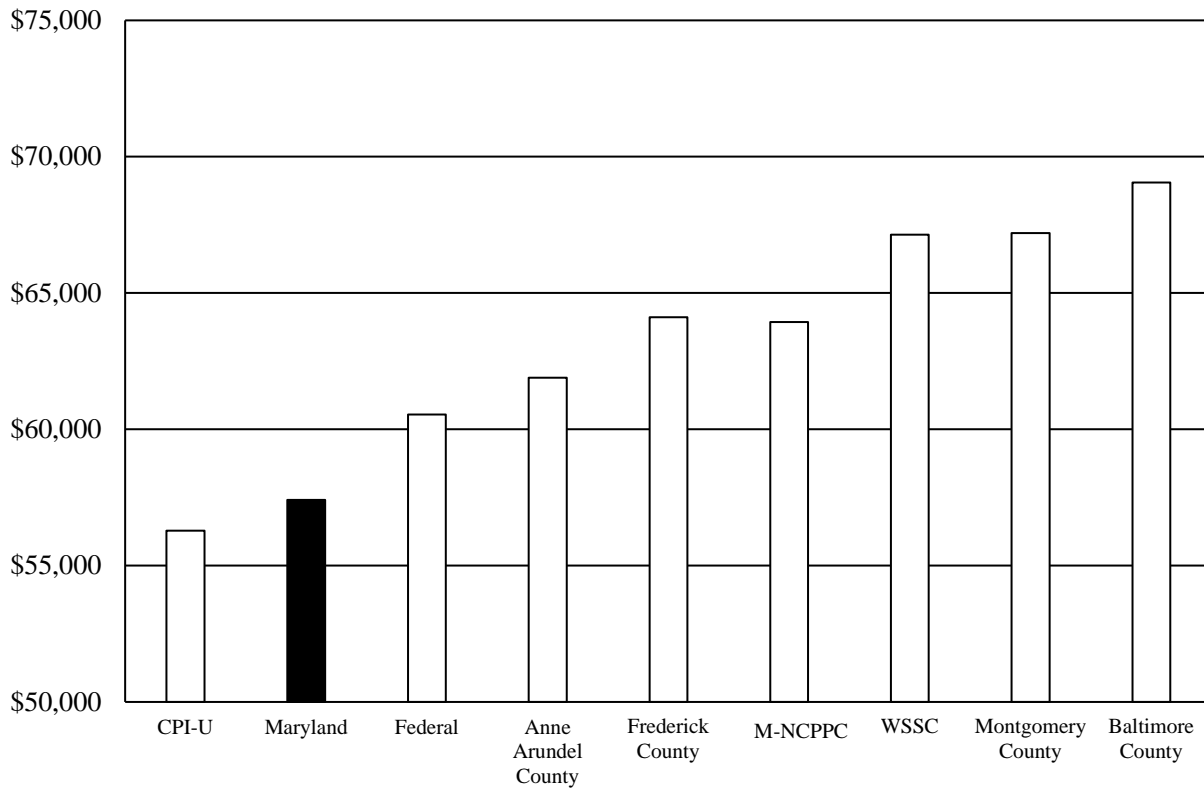
- increased vesting eligibility for the State's pension plan from 5 to 10 years of service for employees hired after July 1, 2011;
  - reduced the multiplier for pension benefits from 1.8% to 1.5%, which reduces pension salary replacement for employees hired after July 1, 2011;
  - increased eligibility to receive retiree health care benefits from 16 to 20 years of service; and
  - eliminated the State match of up to \$600 into supplemental retirement plans starting in fiscal 2011.
- health insurance and prescription drug changes:
    - increased copays on prescription drugs;
    - added coinsurance and increased deductibles on certain State health plans; and
    - increased copays on emergency room and specialist visits.

## **State Compensation Growth Compared to Competing Levels of Governments**

Although the Department of Budget and Management (DBM) has noted that pay increases to State employees have remained ahead of the growth in inflation, pay growth in Maryland has been generally lower than for other area governments and quasi-governmental agencies. Using data collected annually by the Montgomery County Council as well as from DLS phone surveys of counties, **Exhibit 5.2** illustrates the compensation growth for a hypothetical employee making \$50,000 in 2008, increased through fiscal 2016 by the increments and general salary increases provided to employees in Maryland versus seven other governments/quasi-governmental entities. This includes:

- Anne Arundel, Frederick, Montgomery, and Washington counties;
- the federal government;
- the Maryland-National Capital Park and Planning Commission; and
- the Washington Suburban Sanitary Commission.

**Exhibit 5.2**  
**Growth in Salary for an Employee Earning \$50,000 in Fiscal 2008**  
**Based on Salary Actions in Selected Jurisdictions**  
**Fiscal 2009-2017 Compensation Growth**



CPI-U: Consumer Price Index for all Urban Consumers

M-NCPPC: Maryland-National Capital Park and Planning Commission

WSSC: Washington Suburban Sanitary Commission

Source: Montgomery County Council; Anne Arundel County; Department of Legislative Services

As shown in Exhibit 5.2, compensation for a Maryland State government employee making \$50,000 in fiscal 2008 would have grown to \$57,411 by fiscal 2016. This level of growth was slightly ahead of inflation as measured by the Consumer Price Index. Compared to the other jurisdictions, the hypothetical employee would have received about \$3,100 more at the federal level, to a high of about \$11,600 more in annual salary in Baltimore County. On average, employees working for other levels of government and quasi-governmental entities earned \$7,400 more than an average State employee after eight years of compensation growth.

Additional evidence comes from a salary compensation study conducted in 2016 for the state of Missouri. The consultant, CBIZ Human Capital Services, compiled the average state government salary in all 50 states. The consultant further adjusted each state's average salary by the cost of labor, effectively adjusting for wealth. In 2016, Maryland ranked fifth nationally in per capita personal income. Because Maryland is a high wealth state, adjusting for the cost of labor causes the average State salary in Maryland to fall to twenty-ninth in the national rankings, as shown in **Exhibit 5.3**.

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**Exhibit 5.3**  
**Maryland's Average State Employee Salary**  
**Adjusted for the Cost of Labor Ranks Twenty-ninth Nationally**  
**July 1, 2016**

<u>State</u>	<u>Personal Income Rank</u>	<u>AAAP</u>	<u>AAAP Rank</u>
Maryland	5	\$50,835	29

Note: Data as of July 1, 2016.

AAAP: Adjusted Average Annual Pay

Source: CBIZ Human Capital Services for the State of Missouri

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### **Compensation Comparability Studies**

The most recent comprehensive study of State positions was released by DBM in 2008 that reviewed 208 benchmark classifications covering 45,000 employees. The study noted that "with few exceptions, the state of Maryland lags behind the surveyed public ... base salary schedule." The survey also estimated that State salaries were an average of 5% behind the market at the minimum level and 3% behind the market at the maximum level. However, this survey is now 10 years old and DBM was reluctant to conduct a newer study when the topic was broached during budget hearings. Notwithstanding the lack of a comprehensive salary survey, there is evidence that the State continues to lose ground to other levels of government with respect to employee compensation.

In response to a request from the budget committees, the Department of Information Technology examined salaries for information technology (IT) positions and submitted a report in 2013. The report concluded that “State salaries are often below market.” **Exhibit 5.4** compares State IT positions with industry averages.

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**Exhibit 5.4**  
**Salary Comparison for IT Positions**

<u>State Position</u>	<u>State Mid-point Salary</u>	<u>Industry Equivalent</u>	<u>Median Salary</u>
IT Programmer	\$44,796	IT Developer	\$89,280
IT Director	75,148	IT Manager	118,010

IT: information technology

Source: Department of Information Technology, *Strategy for the Use of Contractors and State Personnel*, 2013

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At the request of the budget committees in 2016, DLS compared starting State salaries for the following positions with the average salary paid in Anne Arundel, Baltimore, Harford, and Washington counties:

- accountant I;
- correctional officer I; and
- maintenance mechanic.

**Exhibit 5.5** shows that the average local salary for these positions is 9% to 15% higher than the average State salary. All local positions, except Washington County correctional officers, have a higher salary than their comparable State positions.

**Exhibit 5.5**  
**Comparison of State and Local Starting Salaries**  
**Calendar 2016**

	<u>Accountant</u>	<u>Correctional Officer</u>	<u>Maintenance</u>
State	\$38,880	\$34,390	\$25,502
Anne Arundel County	47,543	40,579	27,414
Baltimore County	40,587	40,857	31,383
Harford County	39,900	42,992	26,200
Washington County	44,128	33,279	25,748
County Average	43,040	39,427	27,686
<b>Difference between County Average and State</b>	<b>\$4,160</b>	<b>\$5,037</b>	<b>\$2,184</b>
<b>Local Percent Increase</b>	<b>10.7%</b>	<b>14.6%</b>	<b>8.6%</b>

Note: Boxes are placed around the lowest salary for each position.

Source: Department of Budget and Management; Anne Arundel, Baltimore, Harford, and Washington counties

In addition, DLS also compared the salaries of a registered nurse and a registered nurse at Clifton T. Perkins Hospital Center with federal nursing salaries. Nurses at local health departments are State employees, so the county and State salaries are the same. Therefore, State nurses' salaries are compared to salaries at the federal Veterans Administration. These nursing positions do not have any supervisory responsibilities. For the federal positions, the 2016 General Schedule (GS) Pay Scale for the Washington-Baltimore-Arlington locality pay area is used.

Most entry-level State nurses are paid at grade 16. The positions that are in a forensic hospital (such as Perkins) are classified one grade higher at grade 17. The difference in scale relates to the kind of institution in which a nurse works. According to the federal Office of Personnel Management, nurses with college degrees begin at pay rate GS 7. With experience, federal nurses can progress to GS 9, GS 11, and GS 12. This progression to higher grades provides for substantially higher pay for experienced federal nurses.

**Exhibit 5.6** shows that the minimum salaries for State and federal nurses are quite close, with State salaries just under 1% higher. However, the maximum salary for federal nurses is 34% (\$25,724) more than for State nurses. Agencies often suggest that the State trains employees who then leave for higher paying positions in other levels of government.



### Exhibit 5.6 Comparing Federal and State Nursing Salaries

	<u>State Nurses Grades 16 and 17</u>	<u>Federal Nurses Grades 7 to 12</u>	<u>Amount Difference</u>	<u>Percent Difference</u>
Minimum Salary	\$44,017	\$43,684	-\$333	-0.8%
Maximum Salary	75,012	100,736	25,724	34.3%

Source: Department of Budget and Management; U.S. Office of Personnel Management; usajobs.gov

In 2017, DLS further compared State starting and average salaries in the following Department of General Services job groups to comparable positions in selected counties:

- building security;
- police;
- building maintenance;
- building services (generally janitorial);
- housekeeping (Government House and managing building services);
- construction planning and design;
- procurement; and
- real estate.

Consistent with past studies, **Exhibit 5.7** shows that:

- the State has the lowest base salary and is lower than the average salary in 6 of 7 positions;
- State positions range from being \$4,174 to \$11,415 less than the average salary; and
- compared to the 2008 study, State salaries have lost ground over the last decade. While the 2008 study estimated that the average State starting salary was 3% to 5% less than other

jurisdictions, the surveyed State positions' starting pay is 16% less than the average starting pay.

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**Exhibit 5.7**  
**Department of General Services**  
**Annual Starting Salaries for Most Common Positions in Each Job Group**

<u>Job Group</u>	<u>Position</u>	<u>State Base Salary</u>	<u>Lowest Salary of the Sample</u>	<u>Average Salary of the Sample</u>	<u>State Compared to Average</u>
Building Security <sup>1</sup>	Building Security Officer II	\$25,502	\$25,502	\$36,441	-\$10,939
Police	Police Officer II	40,164	40,164	44,931	-4,767
Maintenance <sup>2</sup>	Maintenance Mechanic Senior	27,048	27,048	34,483	-7,435
Building Services	Building Services Worker	22,707	22,707	27,089	-4,382
Procurement	Procurement Officer II	49,899	45,050	54,073	-4,174
Housekeeping <sup>3</sup>	Housekeeping Supervisor IV	28,702	28,702	36,755	-8,053
Real Estate <sup>4</sup>	Acquisition Specialist	44,107	44,107	55,522	-11,415

<sup>1</sup> Baltimore City and Cecil County advise that neither have similar positions.

<sup>2</sup> Baltimore City advises that it does not have a similar position.

<sup>3</sup> Baltimore City and Washington County advise that neither have similar positions.

<sup>4</sup> Cecil County advises that it does not have a similar position.

Source: Department of Budget and Management; Baltimore City; Cecil, Montgomery, and Washington counties

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## Chapter 6. Unintended Consequences

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The loss of positions, uncompetitive compensation levels, and high numbers of vacancies has led agencies to undertake alternative means of providing personnel in the course of their daily operations. This has included:

- use of interagency agreements with higher education institutions;
- greater use of contractual full-time equivalents (FTE);
- administrative duties assumed by direct service workers; and
- outsourcing to the private sector.

### Interagency Agreements with Higher Education Institutions

In response to requirements in annual budget bill language, the Department of Budget and Management (DBM) reports the number of interagency agreements in place with higher education institutions. Interagency agreements are convenient for agencies because they do not have to comply with personnel or procurement laws or regulations. Salaries paid to personnel hired under interagency agreements are not limited to the State pay plan. Agencies that enter into such agreements pay an indirect cost recovery rate to the higher education institution on top of the cost for direct services. The Office of Legislative Audits (OLA) has included findings in audits detailing abuses in some agreements.

DBM's fiscal 2015 report showed that there were 328 agreements in place for services, with a direct cost of \$484.4 million and an indirect cost of \$43.3 million. Higher education institutions employed 2,500 full- and part-time positions under these agreements. Because the State cannot adequately compensate for information technology (IT) positions, services are provided both from the private sector and through interagency agreements. As seen in **Exhibit 6.1**, the Department of Legislative Services has identified 29 agreements for IT operations in place in fiscal 2015 through eight agencies. These agreements employed 232 full- and part-time employees for agency IT operations and had costs of \$103.1 million, including \$7.0 million in indirect costs.

### Increased Use of Contractual FTEs

Agencies have also made greater use of contractual FTEs since fiscal 2002. **Exhibit 6.2** shows that Executive Branch agencies added about 221 contractual FTEs, most notably in the Department of Natural Resources (DNR), the Department of Housing and Community Development (DHCD), and the Maryland Department of Health. While the use of contractual

employment is appropriate for short-term or seasonal duties, agencies have also made greater use of FTEs because of the difficulty in obtaining regular positions. This can be a problem for ongoing responsibilities because agencies have had difficulty retaining employees in contractual status due to the lack of benefits. With the advent of the federal Affordable Care Act, this is less of a problem for certain employees, but contractual employees are not eligible to earn pension benefits.

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**Exhibit 6.1**  
**Interagency Agreements for IT Services**  
**Fiscal 2015**  
**(\$ in Millions)**

<b><u>Agency</u></b>	<b><u>Agreements</u></b>	<b><u>Direct Costs</u></b>	<b><u>Indirect Costs</u></b>	<b><u>Full-time Positions</u></b>	<b><u>Part-time Positions</u></b>
State Highway Administration	6	\$69.9	\$4.1	8	123
Health	11	16.3	1.5	12	30
Human Services	1	6.0	1.2	2	9
Information Technology	1	1.0	0.1	2	5
Governor's Office of Crime Control and Prevention	2	0.8	0.1	1	6
Natural Resources	6	0.9	0.0	8	11
State Archives	1	0.6	0.2	1	4
Labor, Licensing, and Regulation	1	0.3	0.0	0	10
<b>Total</b>	<b>29</b>	<b>\$95.8</b>	<b>\$7.3</b>	<b>34</b>	<b>198</b>

IT: information technology

Source: Department of Budget and Management; Department of Legislative Services

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**Exhibit 6.2**  
**Number of Executive Branch Contractual Full-time Equivalents**  
**Fiscal 2002 and 2018**

	<b>Leg. Approp.</b> <b><u>2002</u></b>	<b>Leg. Approp.</b> <b><u>2018</u></b>	<b>Change</b> <b><u>2002-2018</u></b>	<b>% Change</b> <b><u>2002-2018</u></b>
Natural Resources	332.0	491.9	160.0	48.2%
Health	408.9	476.2	67.3	16.5%
Other	536.5	453.4	-83.1	-15.5%
Public Safety and Correctional Services	298.2	308.3	10.1	3.4%
Education	138.9	172.9	34.0	24.5%
Juvenile Services	119.0	150.4	31.4	26.4%
Labor, Licensing, and Regulation	176.2	129.7	-46.5	-26.4%
Transportation	142.5	122.2	-20.3	-14.2%
Housing and Community Development	48.9	104.5	55.7	113.9%
School for the Deaf	62.7	77.6	14.9	23.8%
Human Services	110.7	74.4	-36.3	-32.8%
State Police	45.8	68.5	22.8	49.7%
Agriculture	36.7	47.7	11.0	30.0%
<b>Total</b>	<b>2,456.9</b>	<b>2,677.7</b>	<b>220.8</b>	<b>9.0%</b>

Source: Department of Budget and Management; Department of Legislative Services

**Exhibit 6.3** illustrates the combination of regular positions and contractual FTEs to show the total workforce in each agency. It also calculates what percent of each agency's workforce is comprised of contractual FTEs. Several agencies have shown large growth in contractual employment as a percent of their total workforce. However, this is not always a problem. DNR and the Historic St. Mary's City Commission both require contingents of seasonal employees during warmer months when there are more visitors. A greater use of contractual employment can be a problem in an agency like DHCD, which is having trouble recruiting and retaining employees due to inadequate compensation in the Washington, DC market.

**Exhibit 6.3**  
**Contractual Employment as a Percent**  
**Of Agency Total Workforce**  
**Fiscal 2002-2018**

	<b>Total Workforce <u>2002</u></b>	<b>Total Workforce <u>2018</u></b>	<b>Change <u>2002-2018</u></b>	<b>Annual Change <u>2002-2018</u></b>	<b>% Contract <u>2002</u></b>	<b>% Contract <u>2018</u></b>
Public Safety and						
Correctional Services	11,697	10,863	-834	-0.5%	2.5%	2.8%
Transportation	9,676	9,180	-497	-0.3%	1.5%	1.3%
Health	8,081	6,663	-1,418	-1.2%	5.1%	7.1%
Human Services	7,264	6,299	-966	-0.9%	1.5%	1.2%
State Police	2,634	2,504	-130	-0.3%	1.7%	2.7%
Juvenile Services	2,205	2,129	-76	-0.2%	5.4%	7.1%
<b>Natural Resources</b>	<b>1,948</b>	<b>1,824</b>	<b>-124</b>	<b>-0.4%</b>	<b>17.0%</b>	<b>27.0%</b>
Labor, Licensing, and						
Regulation	2,076	1,620	-455	-1.5%	8.5%	8.0%
Education	1,542	1,583	41	0.2%	9.0%	10.9%
Comptroller	1,177	1,142	-35	-0.2%	2.1%	2.3%
Environment	1,060	943	-118	-0.7%	3.0%	5.3%
Public Defender	847	899	52	0.4%	9.9%	1.1%
Assessments and Taxation	766	608	-158	-1.4%	0.4%	2.5%
General Services	833	604	-229	-2.0%	4.2%	3.8%
Agriculture	516	403	-113	-1.5%	7.1%	11.8%
School for the Deaf	380	408	28	0.4%	16.5%	19.0%
<b>Housing and Community</b>						
Development	389	429	40	0.6%	12.6%	24.4%
Public Broadcasting	199	162	-36	-1.3%	5.3%	10.6%
Emergency Medical						
Services Systems	104	114	10	0.6%	8.7%	17.5%
Aging	57	59	2	0.2%	14.0%	34.1%
Historic St. Mary's City	54	45	-9	-1.2%	24.1%	35.0%
Energy	21	39	18	3.9%	4.8%	27.3%
Other	3,757	3,631	-126	-0.2%	9.2%	7.3%
<b>Executive Branch Total</b>	<b>57,282</b>	<b>52,147</b>	<b>-5,135</b>	<b>-0.6%</b>	<b>4.3%</b>	<b>5.1%</b>

Source: Department of Budget and Management; Department of Legislative Services

## **Direct Service Workers Performing Administrative Duties**

During cost containment when positions were abolished, agencies generally strove to protect positions providing direct services to clients. Abolished positions are often lower salaried positions, including administrative support. As a result, employees providing direct services either assume administrative roles or take on administrative duties. Examples of both instances include:

- In the Department of State Police, a January 2017 OLA audit found that 127 uniformed troopers are performing administrative duties and functions previously performed by lower cost civilian positions. Cost containment actions abolished civilian positions over the years, leading to the unintended consequence of taking troopers out of the field to provide administrative support.
- A 2017 staffing study by the Office of the Public Defender reported that it needed an additional 63 paralegal, social worker, and office secretary positions to mitigate the increased administrative duties assumed by assistant public defenders.

## **Outsourcing to the Private Sector**

Agencies are also making greater use of private-sector companies to provide services. In some cases such decisions are made comprehensively, and in others, outsourcing has increased incrementally without a larger plan in place. It is unclear if it is cost effective for the State to outsource functions and responsibilities to the private sector. In some cases, such as for IT personnel, it appears to make sense to outsource services to the private sector. In others, such as maintenance of State facilities, it is not known if outsourcing is more cost effective than using State employees.

### **Department of Information Technology**

In 2013, the Department of Information Technology (DoIT) developed a new staffing plan that increased the reliance on contractors. As seen in the discussion on agency vacancies, DoIT routinely had over 20% of its positions vacant largely due to uncompetitive salaries.

Outsourcing to private-sector contractors makes sense for DoIT because the State cannot compete for IT talent with its current compensation structure. It also makes sense to change contractors as programming technologies change over time, so that the State is not tied to a workforce that is not familiar with the latest trends.

DoIT examined factors that influence the decision to hire employees or procure a contract. One key concern was that there was both a high demand for qualified IT personnel and a limited supply of them. The State competes with local and federal government agencies and private companies for employees. In this environment, a number of State factors makes hiring employees difficult, such as that State salaries are often below market, State classifications have



been outpaced by the market, State benefits often do not match private sector compensation packages, job security does not enhance the State's ability to recruit, the State offers limited opportunities for training and professional growth, and the State does not offer a portfolio of the most current technologies.

Today there are many more private-sector IT services available than in the past. For instance, the Executive Branch moved email services to the Google cloud service. Previously, agencies procured their own email and would need to use their own personnel to maintain email service. Now Google provides the service, reducing the need for personnel. The State also contracts with NIC to provide web-based services. This migration to services reduces the need for the State to hire IT employees.

DoIT recommended that critical IT positions must be filled on a timely basis; more IT applications, platforms, and infrastructure should be acquired as services; flexible and incremental adjustments to personnel requirements should be made to respond to rapid changes in the IT landscape; certain State IT positions should be market competitive; and State government should help stimulate flow in the IT workforce pipeline.

### **Department of General Services**

The Department of General Services (DGS) has lost 27% of its workforce since fiscal 2002, while still tasked with maintaining 53 office buildings located in three regional complexes. Two-thirds of agency personnel support facility operations, including housekeeping, maintenance, security, and grounds keeping. Outsourcing for repairs and maintenance, janitorial services, grounds maintenance, and security has increased by 66%, from \$7.4 million in fiscal 2002 to \$12.3 million in fiscal 2017. This shift coincides with a reduction to the State workforce. **Exhibit 6.4** shows, for example, that over the period, personnel for the Annapolis Public Buildings and Grounds (APB&G) declined 69.5 positions (this includes part-time positions), which is almost 46% of the staff. Areas that lost a significant share of their workforce include housekeepers, carpenters, and electricians. The only plumbing position was eliminated.

**Exhibit 6.4**  
**Annapolis Public Buildings and Grounds Changes in Positions**  
**Fiscal 2002 and 2017**

<b><u>Job Group</u></b>	<b><u>2002 Positions</u></b>	<b><u>2017 Positions</u></b>	<b><u>Change</u></b>	<b><u>Percent Decline</u></b>
<b>Administrative and Support Positions</b>				
Executive	0.0	1.0	1.0	n/a
Management	11.0	7.0	-4.0	-36.4%
Office	12.0	5.0	-7.0	-58.3%
Service Planning	0.0	1.0	1.0	n/a
Purchasing	3.0	1.0	-2.0	-66.7%
Supply	3.0	0.0	-3.0	-100.0%
<b>Subtotal</b>	<b>29.0</b>	<b>15.0</b>	<b>-14.0</b>	<b>-48.3%</b>
<b>Maintenance and Operations Positions</b>				
Carpenter	6.0	2.0	-4.0	-66.7%
Electrician	8.0	4.0	-4.0	-50.0%
Engineering	7.0	5.0	-2.0	-28.6%
Grounds keeping	19.0	23.0	4.0	21.1%
Health Inspector	1.0	1.0	0.0	0.0%
Housekeeping	41.5	3.0	-38.5	-92.8%
Locksmith	1.0	1.0	0.0	0.0%
Maintenance	31.0	23.0	-8.0	-25.8%
Mechanic	4.0	3.0	-1.0	-25.0%
Painter	4.0	3.0	-1.0	-25.0%
Plumber	1.0	0.0	-1.0	-100.0%
<b>Subtotal</b>	<b>123.5</b>	<b>68.0</b>	<b>-55.5</b>	<b>-44.9%</b>
<b>Total</b>	<b>152.5</b>	<b>83.0</b>	<b>-69.5</b>	<b>-45.6%</b>

Source: Governor's Budget Books, Fiscal 2004 and 2018.

Questions that the increased spending on contractors raise include the appropriate use of contractors, when are contractors most cost effective, and when are State positions most cost effective. When hiring a private contractor, the State pays overhead to the contractor. It is also common for there to be a minimum fee that is charged no matter the size of the job. While some tasks may be too uncommon, large, or complicated for State employees to handle, the concern is that the State may be relying too much on contractors, resulting in additional costs to perform routine tasks that do not take long to complete.

Another issue is that there is not any standardization among the three DGS complexes (APB&G, Baltimore Public Buildings and Grounds (BPB&G), and Inner Harbor State Complex)

and the multi-service centers. For example, APB&G does not have a plumber, but there is a plumber in BPB&G and the Saratoga Street Complex (which is part of the Inner Harbor State Complex). Current staffing is not based on the most efficient complement of positions, but each complex's staff has instead evolved based on the complex's unique policies and budget constraints, as well as the various cost containment actions taken since fiscal 2002. DGS has not had a review of building needs to determine what would be the most cost effective complement of employees. If it is not cost effective for a complex to have plumbers, why do BPB&G and the Saratoga Street Complex have plumbers? It appears that DGS could benefit from examining when State employees are more cost effective and when contracting is more cost effective.

## Chapter 7. Summary and Recommendations

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### Summary

The number of employees in the Executive Branch in Maryland, exclusive of higher education employees, has decreased by over 6,500 positions between 2002 and 2018. This is a trend that is not specific to Maryland, as U.S. Census data shows that state and local government workforces contracted following the 2001 and 2008 recessions and have not rebounded to pre-recession levels. Of note, Maryland is ranked nineteenth in population on a per capita basis but ranks thirty-second in the number of State and local employees per 10,000 population.

The Department of Legislative Services (DLS) reviewed laws, rules, regulations, caseload standards, and best practices related to agency staffing and can quantify the need for 2,631 positions (1,126 new authorized positions and the need to fill 1,505 existing positions) in 11 agencies. Although anecdotal evidence suggests additional staffing shortfalls, DLS did not account for any position needs that cannot be specifically quantified.

In the course of this study, additional issues came to light. This included:

- High vacancy levels throughout State government, in part due to high levels of turnover expectancy assumed in agency budgets but also due in part to uncompetitive compensation.
  - In particular, the State has high vacancy levels for certain classes of positions such as correctional officers (CO), information technology (IT) positions, nurses and physicians, and police communications operators.
- Agencies have undertaken extraordinary measures to make up for the loss of authorized positions while working to meet workloads. This includes:
  - Adoption of interagency agreements with higher education institutions, particularly for IT positions. These agreements cost the State more for direct costs than under current State salaries, in addition to indirect costs paid to higher education institutions.
  - An increase in contractual full-time equivalents.
  - Increased outsourcing to the private sector, even though it is not clear if it is more cost effective to have State employees performing functions in-house.
  - Employees who have assumed additional administrative duties due to the loss of support positions, thus eroding their ability to provide direct services.

- Low compensation levels that impede the ability of the State to recruit and retain employees.
  - A national study found that the average State salary ranks twenty-ninth in the United States when factoring in the cost of labor. Maryland is a wealthy state and ranks fifth in personal income.
  - The last statewide pay comparability study was completed in 2008 and demonstrated that salaries were 3% to 5% below the market. Anecdotal research by DLS shows that certain classes of positions are currently paid 9% to 16% below the market.
  - Based on general salary increases and increments provided by the State since 2008 compared to certain county, quasi-governmental, and federal compensation, an employee starting at \$50,000 in 2008 would be making 5% to 20% less than a comparably salaried position that received compensation increases from these other entities.
  - Many agencies reported that they often provide training for employees who subsequently leave for higher salaries elsewhere.

## Recommendations

The loss of positions, increased vacancies, and erosion of competitive employee compensation has occurred over the course of 16 years and three Governors. Reductions in positions and a lack of increased pay have been the result of years of post-recession cutbacks following downturns in 2001 and 2008. Given the magnitude of the problem, there are no quick fixes to adopt and it will likely take many years to address the issues raised in this study. DLS recommends the following short- and long-term strategies to begin addressing these issues.

### Short-term Strategies

- ***Annual Salary Review Adjustments:*** The State should begin reviewing position classifications with high levels of turnover to selectively increase salaries.
- ***Review of Hiring Standards:*** Agencies such as the Department of Public Safety and Correctional Services have difficulty hiring COs in part due to more stringent hiring standards adopted after the discovery of corruption within certain institutions. While CO hiring patterns track closely to the unemployment rate, a review of hiring standards may mitigate the need for these positions.

- ***Authorize Limited Numbers of New Positions:*** Agencies that require new positions to meet workloads and have demonstrated the ability to fill positions should be granted new positions.

### **Long-term Strategies**

- ***Provide Annual General Salary Increases and Employee Merit Increases:*** The State is in competition for human resources with other levels of government, the private sector, and quasi-governmental entities, and State salaries have not kept pace. Over the long term, this can be addressed in part through regular compensation increases provided through general salary increases and the restoration of annual merit increases.
- ***Provide a Comprehensive Review of Outsourcing:*** Over the long term, the State should review outsourcing to the private sector to determine when it is cost effective and when services should be provided by State employees. While it appears to make sense to outsource IT positions, outsourcing trades and security positions in support of maintaining State facilities may not. Absent a comprehensive review, it cannot be determined how best to provide services.
- ***Review Interagency Agreements:*** In some cases, it makes sense to use higher education institutions where agencies lack expertise. Statutory provisions adopted in 2016 require the Department of Budget and Management to review one-third of interagency agreements each year to determine which ones are appropriate and which ones can be best performed by agencies.
- ***Consider Statutory Changes:*** For the last 40 years, the State Department of Assessments and Taxation (SDAT) has not complied with the statutory requirement to physically inspect all properties once every three years. The advent of new technologies or alternative methods of meeting workload could relieve agencies of such requirements. Alternatively, if the policy decision is to maintain current law, then SDAT should be given additional positions to comply with the requirements.



## Appendix 1 Analysts' Writeups

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### Office of the Public Defender

#### Program Description

The Office of the Public Defender (OPD) provides counsel and related services to indigent persons through 12 district operations, 4 divisions, and 2 specialized units. As defined in COMAR 14.06.03.01, indigent means “any person taken into custody or charged with a serious crime...who under oath or affirmation subscribes and states in writing that he is financially unable, without undue hardship, to provide for the full payment of an attorney and all other necessary expenses of legal representation.” Legal representation is provided in criminal trials, bail reviews, appeals, juvenile cases, post-conviction proceedings, parole and probation revocations, and involuntary commitments to mental institutions.

#### Staffing Trends

	<u>FY 2002</u>	<u>FY 2018</u>	<u>Change</u>	<u>Percent Change</u>
Positions	761.3	888.5	127.2	16.7%
Contractual full-time equivalents (FTE)	83.4	10.0	-73.4	-88.0%
<b>Total</b>	<b>844.7</b>	<b>898.5</b>	<b>53.8</b>	<b>6.4%</b>
Percent Contractual	9.9%	1.1%		

- Between fiscal 2002 and 2018, OPD staff grew by 53.8 positions, or 6.4%.
- Contractual FTE positions as a percent of the total OPD workforce fell from 9.9% in fiscal 2002 to 1.1% in fiscal 2017.

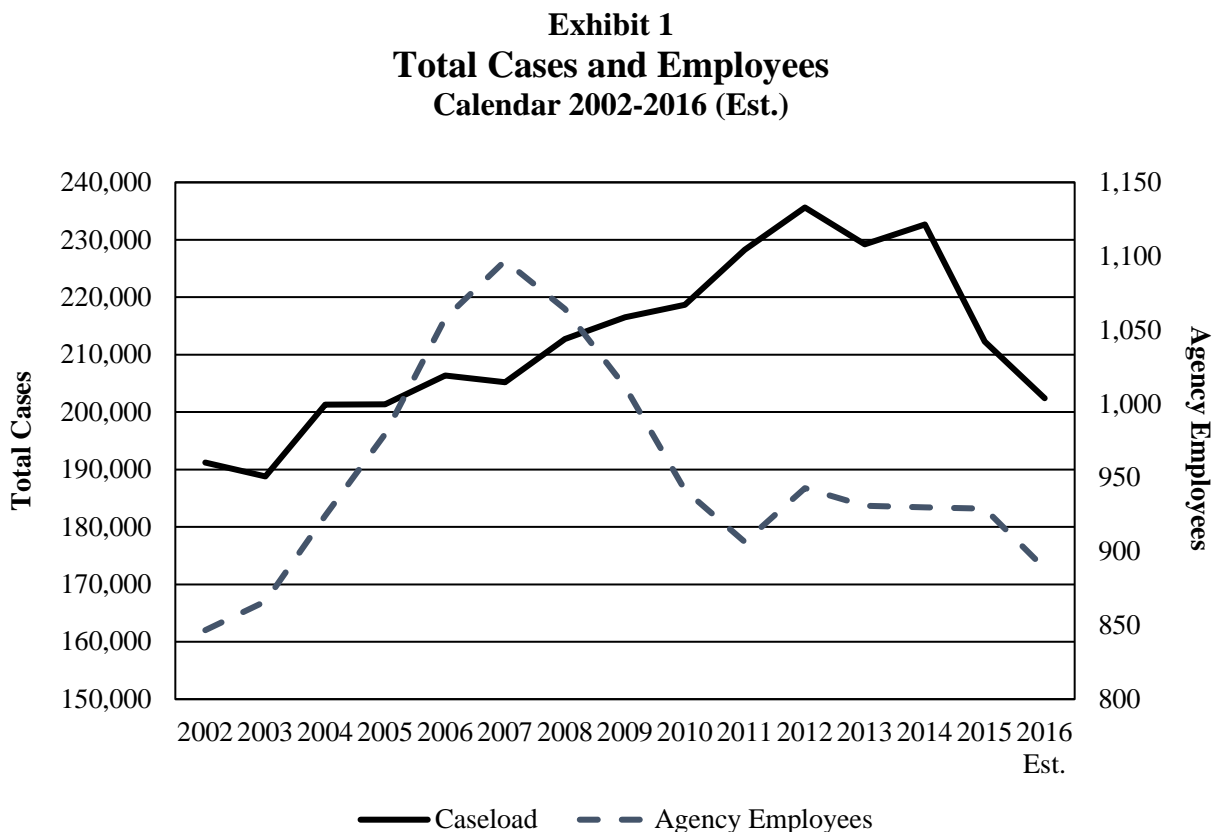
#### Vacancy History

- The agency had 69.0 vacancies as of October 1, 2017, and a vacancy rate of 8.0%.
- This vacancy rate is slightly lower than typical for OPD over the last five years. This lower vacancy rate is attributable to the elimination of a total of 24.5 positions, including 15.0 high-turnover client intake positions, in fiscal 2017.



## Workload Trends

From calendar 2002 to 2016, OPD caseload grew 11.8%, adding over 25,000 cases to the dockets of public defenders. Over the same period, the agency's staff grew by 4.7%. As illustrated in **Exhibit 1**, while there has generally been growth in cases, agency staff has actually fallen 18.0% since its peak in fiscal 2007. Additionally, while there was a significant decline in caseload in 2015 (8.5%), it is too soon to tell if this is a short-term anomaly or will continue going forward.



Source: Office of the Public Defender; Department of Legislative Services

OPD has developed caseload standards to evaluate its performance and identify areas of need across its operations. While these standards are not associated with a statutory mandate, they have been accepted by the General Assembly of Maryland (GAM) and the Executive Branch as sufficient to ensure that each OPD client receives a constitutionally adequate defense. Since the standards were adopted in 2006, OPD had never been able to meet the targets in a majority of jurisdictions until calendar 2016. In calendar 2016, the most recent year for which full data is available, 6 of 12 districts met the standard for circuit court defenders. For District Court defenders, 7 of the 12 districts achieved the standard. Both are significant improvements. Juvenile

dockets fared even better, with 10 of 12 districts meeting the standard. In each district that fails to meet the standard, defenders have to take on more cases than OPD has determined that they can effectively handle in a year.

This progress on caseloads occurred because in 2016 the agency handled approximately 30,000 fewer cases than in 2014, a 15% decline. The 202,000 OPD cases in 2016 is the lowest number since 2005. While this change certainly reduces the workload of OPD's employees, it is important to note that in 2005 the agency had 90 more employees.

The issue of understaffing was also highlighted in a performance audit conducted by the Office of Legislative Audits (OLA) in 2009. This audit, which was conducted at a time when OPD had over 100 more positions than it does today, concluded that “[d]espite the new positions received by OPD, the caseload per attorney still frequently significantly exceeded the related caseload standard.”

## **Staffing Analysis**

The staffing shortage at OPD is well documented. This analysis encompasses a period in which there was a commitment to increasing agency staffing (fiscal 2003 to 2007) followed by a period of statewide cost containment, which has seen that progress undone (fiscal 2008 to present).

Each year, OPD prepares a summary of the number of attorneys that would be required across the agency to meet all caseload standards in each district. As shown in **Exhibit 2**, OPD has a documented need for at least 26 attorney positions to meet caseload standards. If attorney positions are unable to be reallocated among the districts, as many as 56 positions would be needed. This is a significant improvement over two years ago when OPD reported a need for 151 additional attorneys. The improving situation is the result of declining cases due to changes in statutory policy and changes in police activity. This recent decline is outside of the control of the agency, and if it is not sustained, OPD will again be faced with excessive caseloads statewide.

**Exhibit 2**  
**Attorneys Needed to Meet Standards**  
**Based on Calendar 2015 Caseloads**

<b>District</b>	<b>District Court</b>					<b>Circuit Court</b>				
	<b><u>Attorneys*</u></b>	<b><u>Eligible Cases</u></b>	<b><u>Standard Caseload</u></b>	<b><u>Number of Cases Handled Beyond Standard</u></b>	<b><u>Attorneys Needed to Meet Standard</u></b>	<b><u>Attorneys*</u></b>	<b><u>Eligible Cases</u></b>	<b><u>Standard Caseload</u></b>	<b><u>Number of Cases Handled Beyond Standard</u></b>	<b><u>Attorneys Needed to Meet Standard</u></b>
Baltimore City	46	21,787	728	-11,337	-16	71	9,312	156	-1,764	-11
Lower Shore	9	7,936	630	2,266	4	11	2,033	191	-68	0
Upper Shore	10	5,952	630	-33	0	11	2,814	191	646	3
Southern Maryland	14	10,269	630	1,449	2	11	2,814	191	713	4
Prince George's	10	17,576	705	10,526	15	33	4,674	140	54	0
Montgomery	14	14,497	705	4,627	7	15	1,562	140	-538	-4
Anne Arundel	13	14,538	705	5,373	8	14	2,544	140	584	4
Baltimore County	19	12,864	705	-179	0	25	4,778	140	1,278	9
Harford	7	4,255	630	-155	0	9	1,656	191	-63	0
Howard and Carroll	10	5,974	630	-11	0	11	2,106	191	5	0
Frederick and Washington	12	7,415	630	-145	0	12	2,712	191	420	2
Allegany and Garrett	5	3,136	630	-14	0	5	785	191	-75	0
<b>Total</b>	<b>167</b>	<b>126,199</b>		<b>12,368</b>	<b>19</b>	<b>228</b>	<b>37,790</b>		<b>1,193</b>	<b>7</b>

\*Authorized regular positions for fiscal 2017.

Source: Office of the Public Defender; Department of Budget and Management

As shown in Exhibit 1, the OPD workforce peaked in fiscal 2007 when the agency had a total of 1,097 positions and contractual FTEs. In the decade since that peak, OPD has lost 18.0% of its positions and seen its caseload increase 11.8%. The agency has managed some of this gap by more efficiently allocating its attorneys to dockets with greater need; however, in order to preserve as many attorney positions as possible during cost containment, OPD has decreased support staff, including paralegals, investigators, and intake workers. The work of individuals in these positions is essential to effectively trying cases and managing the agency's caseload. Because these functions, especially initial interviews with individuals applying for representation, must be conducted and there is fewer staff to do so, more administrative responsibility now falls on attorneys, increasing the time they must spend on each case.

During the 2017 session, legislation was approved that should ease the burden on OPD's support staff. Chapter 606 of 2017 transfers responsibility for indigency determinations for individuals requesting OPD representation from OPD to the Judiciary. The fiscal note for the legislation estimates OPD will need 11 fewer intake workers due to the transfer of this responsibility. If those positions are not eliminated, this would provide significant relief for the department's support staff. Under the Maryland and U.S. constitutions, indigent individuals are entitled to an adequate defense funded by the State. At its current staffing level it is a constant struggle for OPD to provide such a defense to all those who are eligible. If public defenders become so overburdened that they can no longer devote the necessary attention to all their clients, it will not only put defendants across the State in jeopardy but also expose the State to liability for violating the civil rights of those individuals.

On November 1, 2017, the agency reported that it needed an additional 63.0 support positions including 44.0 social workers, 12.5 secretaries, and 6.5 paralegals to mitigate the 30% of attorneys' time spent on administrative duties.

# Uninsured Employers' Fund

## Program Description

The Uninsured Employers' Fund (UEF) protects workers whose employers are not insured under the Maryland Workers' Compensation Law. UEF reviews and investigates claims filed by employees or, in the case of death, by their dependents. If the employer does not properly compensate a claimant, the fund will directly pay the claimant's compensation benefits and medical expenses. UEF then holds the uninsured employer liable for total benefits that the fund paid to the claimant and for certain penalties and assessments. The mission of UEF includes investigating and defending all designated noninsured cases, monitoring awards and following procedures to ensure prompt payment to claimants and health care providers, and tracking and collecting fines, assessments, and awards benefits by the fund while maintaining the adequacy and integrity of the fund balance.

## Staffing Trends

	<u>FY 2002</u>	<u>FY 2018</u>	<u>Change</u>	<u>Percent Change</u>
Positions	13.0	13.0	0.0	0.0%
Contractual FTEs	0.0	0.0	0.0	0.0%
<b>Total</b>	<b>13.0</b>	<b>13.0</b>	<b>0.0</b>	<b>0.0%</b>
Percent Contractual	0.0%	0.0%		

Though total positions in fiscal 2002 and 2018 are the same, UEF's staffing configuration has fluctuated over this time period. Total authorized positions dropped to 11 in fiscal 2007 due to the deletion of a long-term vacant legal secretary position and a fiscal accounts position being transferred to the Subsequent Injury Fund (SIF), the transferred position was already physically located at SIF but provided fiscal and information technology (IT) support to UEF. The agency regained a fiscal accounts position in fiscal 2012, bringing the total to 12 positions. In fiscal 2014, UEF added an IT director and an administrative officer, bringing the agency to 14 positions.

During fiscal 2017, 1 vacant claims investigator position was abolished and 1 filled position from the Department of Human Services (DHS) was transferred to UEF, keeping the total position count at 14. The position transferred from DHS was intended to start a new debt collection program; however, the budget committees abolished this position during the 2017 session when it was determined that the duties of the position were redundant to the role of the Central Collection Unit under the Department of Budget and Management (DBM). As a result of the abolishment, the fiscal 2018 legislative appropriation shows 13 authorized positions.

## **Vacancy History**

Due to the small size of the agency, UEF's turnover rate is budgeted at 0.0%; however, as of October 1, 2017, the agency had 5 vacant positions, resulting in a vacancy rate of 38.5%. As shown on **Exhibit 3**, UEF has had persistent vacancies over the past five fiscal years due to attrition and the inability to fill positions.

UEF's vacancy rate increased from 1.8% (0.2 positions) in fiscal 2009 to 50.0% (7.0 positions) in fiscal 2016, which corresponds to a buildup in case backlog. In prior years, UEF has attributed drops in resolved cases to attorney vacancies. From fiscal 2009 to 2016, the longest attorney vacancies occurred from fiscal 2014 to 2015, corresponding to a decrease in case closures by 44 cases, or 9.2%. Additionally, the Executive Director position was vacant for 18 months, from fiscal 2015 to 2016, due to the passing of the predecessor. UEF has attributed high vacancies to being subject to a hiring freeze and, therefore, unable to fill these positions. However, based on vacancy data received by DBM, not all of UEF's long-term vacancies were frozen. As a result of committee narrative adopted by the budget committees during the 2017 session, DBM has exempted UEF from the hiring freeze. As of October 2017, 5.0 positions are still vacant but are in the recruitment process.

## **Compensation**

There are no specific compensation issues identified; however, the agency does appear to experience difficulty with recruitment and retention of employees. It is unclear if this difficulty is the result of compensation issues, lack of leadership, or budget constraints resulting in hiring freezes or holding positions vacant.

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**Exhibit 3**  
**Historical Vacancies**  
**Fiscal 2003-2016**

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Vacancies	0.0	2.0	1.0	0.0	0.0	1.0	0.2	1.0	2.2	2.2	2.2	6.5	4.0	7.0
Positions	12.0	13.0	13.0	11.0	11.0	11.0	11.0	11.0	12.0	12.0	14.0	14.0	14.0	14.0
<b>Percent Vacant</b>	<b>0.0%</b>	<b>15.4%</b>	<b>7.7%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>9.1%</b>	<b>1.8%</b>	<b>9.1%</b>	<b>18.3%</b>	<b>18.3%</b>	<b>15.7%</b>	<b>46.4%</b>	<b>28.6%</b>	<b>50.0%</b>

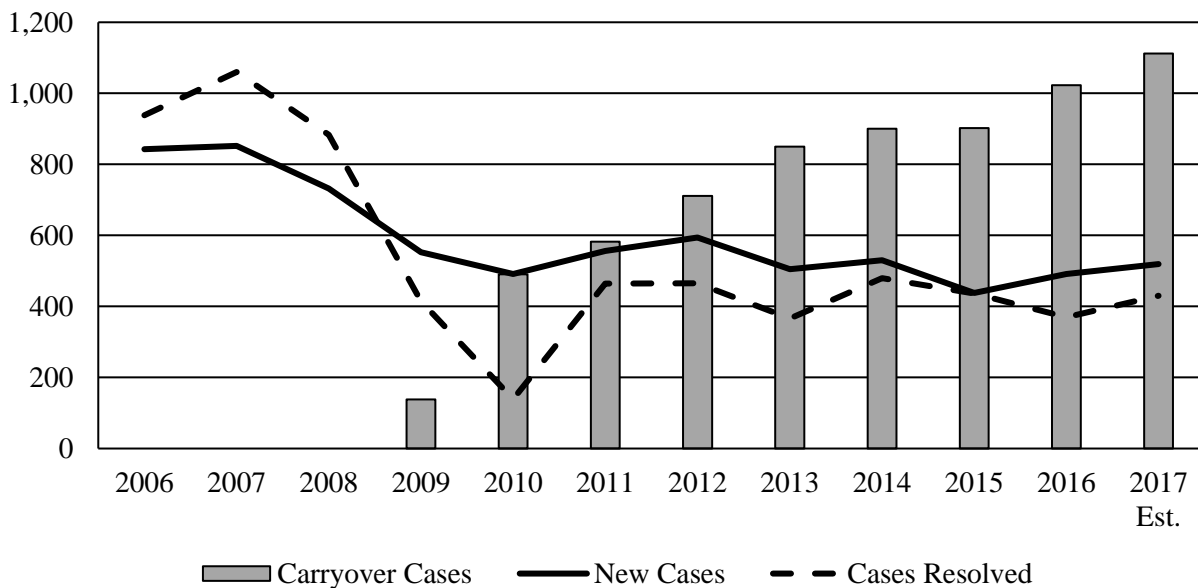
Source: Department of Budget and Management; Department of Legislative Services

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## Workload Trends

Since fiscal 2009, the number of cases received by UEF has been greater than the number of resolved cases, creating a backlog, as demonstrated in **Exhibit 4**.

**Exhibit 4**  
**New Cases, Resolved Cases, and Carryover Cases**  
**Fiscal 2006-2017 (Est.)**



Note: Cases resolved in fiscal 2010 does not include Bethlehem Steel cases.

Source: Department of Budget and Management, Fiscal 2018 Managing for Results

From fiscal 2011 to 2016, UEF received 3,114 new cases and resolved 2,581 cases, resulting in a carryover of 533 cases during that timeframe. UEF's caseload has dropped from an average of 965 new cases annually from fiscal 2001 to 2008 to an average of 520 new cases annually from fiscal 2009 to 2016, a 40% decrease. Despite fewer incoming cases, case closures still trail new cases.

In the years when UEF was fully staffed, cases resolved exceeded the number of new incoming cases, allowing UEF to closeout prior unresolved cases and eliminate a backlog. In the years when UEF has not been fully staffed, new cases have exceeded resolved cases, leading to a buildup of cases from prior years. However, UEF notes that the number of resolved cases is not



entirely the result of staffing shortages but also due to circumstance of each case; the process of disputing, closing, and/or resolving a claim varies.

## **Staffing Analysis**

The budget committees adopted committee narrative that UEF be exempt from hiring freeze restrictions, given the agency is entirely funded through a dedicated special fund source. UEF confirms that the hiring freeze has been lifted on positions, despite 5 positions still vacant as of October 1, 2017. According to the Executive Director, 2 contractual claim investigators have been advertised and are in the process for interviews and hiring: 1 position is in the process of being reclassified for a claims administrator position, 1 position is in the process of being reclassified for an office administrator position, and the agency is attempting to get 2 additional Attorneys General to assist with casework. A letter dated March 23, 2017, from Governor Lawrence J. Hogan, Jr. expressed intent that the agency more aggressively pursue the investigations and prosecutions of violations of criminal statutes enforcing the provisions of UEF.

### **Board of Public Works – August 16, 2017**

UEF submitted a supplemental item for consideration by the Board of Public Works (BPW) for the scheduled August 16, 2017 meeting. The item requested the modification of a current lease to allow for more office space for staff. The request for this additional space was in response to an emergency procurement of a third-party claims administrator, which will result in 8 additional staff to carry out claims processing activities. According to UEF, the agency has been utilizing a third-party claims administrator for the past three years but no official contract had been procured. The emergency procurement of this contract essentially continues the same service with a different vendor, Corvel, and brings the use of this service in line with State contract and procurement rules. UEF presented the emergency procurement to BPW, and it was approved on December 20, 2017, but also intends to submit a Request for Proposal for competitive bidding of the contract in the future.

The new claims administrator, Corvel, has agreed to the following tasks:

- processing medical billing;
- investigating claims;
- processing weekly income checks to claimants; and
- maintaining a database in compliance with Maryland rules on reporting.

Based on the agency's mission, these activities are core functions of UEF and should be considered to be provided by full-time staff rather than contracted staff. In years when the agency

was fully staffed, case backlogs were eliminated. For instance, from fiscal 2006 to 2008, UEF's resolved cases exceeded the number of new cases and the agency's vacancies never exceeded 1.0 position during this time period. From fiscal 2011 to 2016, the agency's vacancies were consistently over 2.0 positions, with a high of 7.0 vacancies in fiscal 2016; during this time period, the case backlog grew to 1,023 unresolved carryover cases. Given that the prior vendor, Claim Assist, has only been providing services to the agency for the past three years, when vacancies of the agency were at the highest (*e.g.*, fiscal 2014 with 6.5 vacancies, fiscal 2015 with 4.0 vacancies, and fiscal 2016 with 7.0 vacancies), it is possible that the agency could manage claims with internal resources if the agency is fully staffed.

UEF should consider a long-term solution to the staffing of the agency. Though a third-party contract may be the most efficient solution to maintaining operations of the agency in the short term, the activities undertaken by the third-party vendor are core functions of the agency. UEF should consider the following questions:

- Is the current staffing configuration ideal for carrying out the responsibilities of the agency? Does the agency need more staff to meet the needs of claimants?
- Does the agency have difficulty recruiting and retaining employees? If so, what needs to be done to change this?
- Are the responsibilities of the third-party claims administrator a core function of the agency? If so, would this function be better served by full-time employees of the agency?

# Workers' Compensation Commission

## Program Description

The Workers' Compensation Commission (WCC) administers the State Workers' Compensation Law, which requires most Maryland employers to obtain and maintain insurance in order to provide benefits to employees who sustain an accidental personal injury, occupational disease, or death in the course of their employment. WCC receives, processes, and adjudicates claims for injured employees and refers appropriate claimants for medical and rehabilitation vocational services.

## Staffing Trends

	<u>FY 2002</u>	<u>FY 2018</u>	<u>Change</u>	<u>Percent Change</u>
Positions	132.5	115.0	-17.5	-13.2%
Contractual FTEs	8.1	11.3	3.2	39.4%
<b>Total</b>	<b>140.6</b>	<b>126.3</b>	<b>-14.3</b>	<b>-10.2%</b>
Percent Contractual	5.7%	11.2%		

- Between fiscal 2002 and 2016, WCC's staff decreased by 10.2% to 126.3 full-time positions and contractual FTEs. This decrease includes a reduction of 17.5 full-time positions.
- The percentage of WCC staff composed of contractual FTEs doubled to 11.2%.

## Vacancy History

- As of October 1, 2017, WCC had a total of 6 vacant positions and a vacancy rate of 5% for full-time positions.
- While WCC has had a vacancy rate above 10% frequently over the last five years, recent position reductions and additional hiring have closed this gap over the last two years.

## Workload Trends

The workload for WCC is driven by the number of workers' compensation claims made by workers across the State. The main metric by which WCC tracks its workload is the number of nonpermanency hearings set per year. Between fiscal 2003 (the earliest year for which data is available) and 2015, the number of hearings set increased by 43.5%, an average of 2.8% annual growth. While this is an appreciable rate of growth, the agency has benefitted significantly from

moving to a paperless filing system for claimants in the early 2000s. Despite this increasing caseload, WCC has maintained a high level of efficiency, with 99.5% of commissioner orders issued within 30 days of the hearings in fiscal 2015.

### **Staffing Analysis**

WCC has not established workload standards for staff or commissioners and relies, instead, upon efficiency measures to evaluate performance. Despite reducing its staff by over 10% since fiscal 2002, WCC has been able to sustain operations and achieve a high degree of customer satisfaction. This has been accomplished through a combination of thoughtful management, a willingness to reallocate positions to critical needs, and a robust electronic case management system. Anecdotally, the agency has commented that it is at or near the minimum staff complement to function effectively following the most recent State voluntary separation program and the reorganization of IT positions through the Department of Information Technology (DoIT). Additionally, a new case management system and anticipated commissioner turnover will place additional pressure on agency staff at all levels over the next few years.

Despite a smaller staff and future challenges, there is no reason to believe that WCC will not continue its strong performance.

# Secretary of State

## Program Description

The Secretary of State has a wide variety of responsibilities including attesting to the Governor's signature, administering notary public laws, executing the Sister States Program, updating the delinquent charitable organizations registry, and administering the Address Confidentiality Program (ACP) for domestic violence victims.

## Staffing Trends

	<u>FY 2002</u>	<u>FY 2018</u>	<u>Change</u>	<u>Percent Change</u>
Positions	37.6	25.0	-12.6	-33.5%
Contractual FTEs	2.2	5.5	3.3	150.0%
<b>Total</b>	<b>39.8</b>	<b>30.5</b>	<b>-9.3</b>	<b>-23.4%</b>
Percent Contractual	5.5%	18.0%		

The overall decline in staff is a result of gradual cut backs and cost containment. When staff retired or left the agency, the position was often not filled and instead was abolished to mitigate costs.

## Vacancy History

- The vacancy rate as of July 1, 2017, was 3%.
- There are no specific indicators from the historical vacancy data.

## Compensation

There are no obvious signs of low compensation being a problem in retaining staff. Many of the staff members have been at the agency for several years, and the Secretary of State has just hired new staff members. This includes 1 assistant Attorney General for charitable enforcement and 1 program coordinator to assist with the Safe at Home ACP.

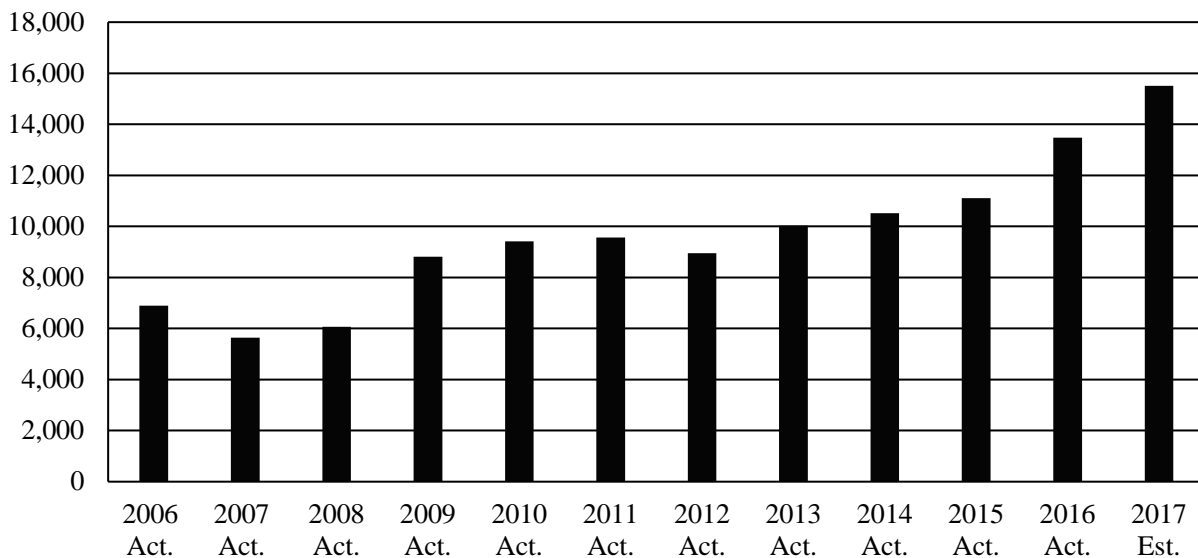
## Workload Trends

Understaffing has gradually become a problem for the Secretary of State. As the number of staff decline, the agency's ability to perform essential tasks has been compromised. This is most evident in the Notary Division and the Charitable Enforcement Division, as both have experienced significant backlogs.

As seen in **Exhibit 5**, since 2006, the number of charitable organizations registered has more than doubled. The staffing complement has not kept pace resulting in issues enforcing regulations and following up with delinquent charities. This is evidenced by a finding in the agency's 2011 legislative audit that was repeated in 2014. In response to both of those audit findings, the Secretary of State agreed with the finding and cited staffing levels as a part of the hindrance for adequate maintenance of records and follow-up with delinquent charities. The Charitable Enforcement Division would benefit from an additional 2 positions to assist with delinquencies of large charitable organizations.

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**Exhibit 5**  
**Charitable Organizations Registered**  
**Fiscal 2006-2017 (Est.)**



Source: Secretary of State

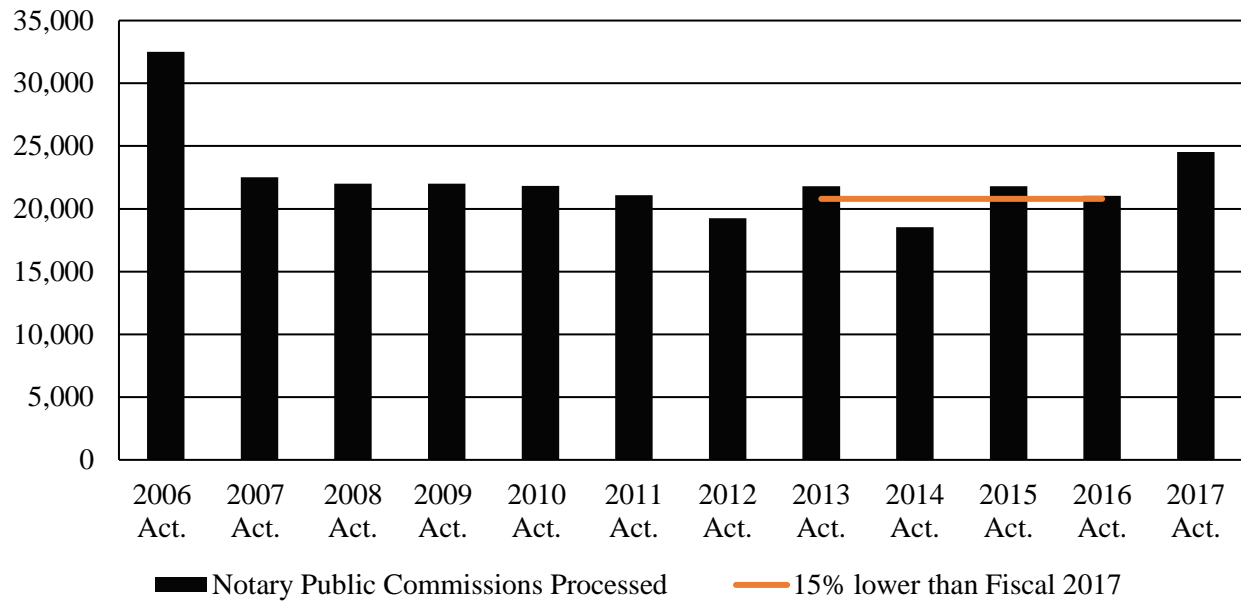
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While the Notary Division has had 2 positions for several years, there has been a significant increase in the number of notary applications processed in recent years combined with an expansion in the role of the Secretary of State in notary application processing. As shown in **Exhibit 6**, notary public applications increased when compared to the average number of notary applications processed over the preceding four years. In addition, Chapter 450 of 2013 allows State senators to delegate their authority of approving notary public applicants to the Secretary of State. The Secretary of State is currently responsible for conducting background and reference checks on each notary applicant for 22 State senators in addition to the regular administrative duties. The combined effect of these changes has increased the workload of the department. An

additional Notary Investigator would assist in maintaining the timely processing of notary applications.

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**Exhibit 6**  
**Notary Public Commissions Processed**  
**Fiscal 2006-2017**



Source: Secretary of State

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# Historic St. Mary's City Commission

## Program Description

Historic St. Mary's City is an outdoor history and archaeology museum that preserves, researches, and interprets the site of Maryland's first capital. In 1997, the Historic St. Mary's City Commission (HSMCC) became an independent unit of State government, removing it from the Department of Housing and Community Development (DHCD). HSMCC is also part of the multi-year capital improvement project with St. Mary's College of Maryland (SMCM), known as the Maryland Heritage Project.

The mission of HSMCC is to appropriately develop and use this historic and scenic site for the education, enjoyment, and general benefit of the public. It is the goal of the commission that the archaeological sites and collections, scenic views, and rural character of the historic city be safeguarded by preservation and research practices consistent with its status as a National Historic Landmark District.

## Staffing Trends

	<u>FY 2002</u>	<u>FY 2018</u>	<u>Change</u>	<u>Percent Change</u>
Positions	41.0	29.0	-12.0	-29.3%
Contractual FTEs	13.0	15.6	2.6	20.0%
<b>Total</b>	<b>54.0</b>	<b>44.6</b>	<b>-9.4</b>	<b>-17.4%</b>
Percent Contractual	24.1%	35.0%		

Overall, HSMCC had a decline of 12.0 regular positions, or 29.3%, from fiscal 2002 to 2018. Contractual FTEs increased by 2.6, or 20.0%, but the overall agency experienced a decline of 9.4 positions, or 17.4%, of its staff. Most of these reductions were evenly spread across the four organizational units of HSMCC: administration, education, archeology, and facilities maintenance. The high number of contractual staff is partially explained by the seasonal nature of operations of HSMCC – all visitor attractions are closed from December through mid-March with the exception of the visitor center and gift shop.

## Vacancy History

- From fiscal 2010 through 2015, HSMCC had vacancy rates consistently over 10% and crossed over 30% in one quarter of fiscal 2011. However, more recently, it has been lower and HSMCC was fully staffed as recently as October 2017.



## **Compensation**

Compensation is an ongoing concern for both regular and contractual employees. The cost of living is higher than it might otherwise be in this rural area of Southern Maryland due to the continuing growth of Naval Air Station Patuxent River, about 10 miles north of HSMCC. In addition, HSMCC competes for employees with other museums in the region, especially those in the Washington, DC area. When possible, HSMCC follows wage guidelines established by the American Alliance of Museum (AAM), but in general, HSMCC can pay only \$9 to \$10 for some positions, such as costumed interpreters, which is approximately minimum wage. Low compensation remains a challenge for HSMCC and was cited in budget testimony as a reason why a maintenance technician position was difficult to fill. The agency also wrote, “it is difficult to retain skilled and dependable grounds and maintenance staff who move into better positions elsewhere and the lower-skilled staff can be unreliable and incapable of performing tasks necessary for building, vehicle, and grounds maintenance.” As a cost savings measure, interpreters’ weekly hours have been reduced from 40 hours per week to no more than 30 hours per week, which additionally limits interest in these seasonal positions.

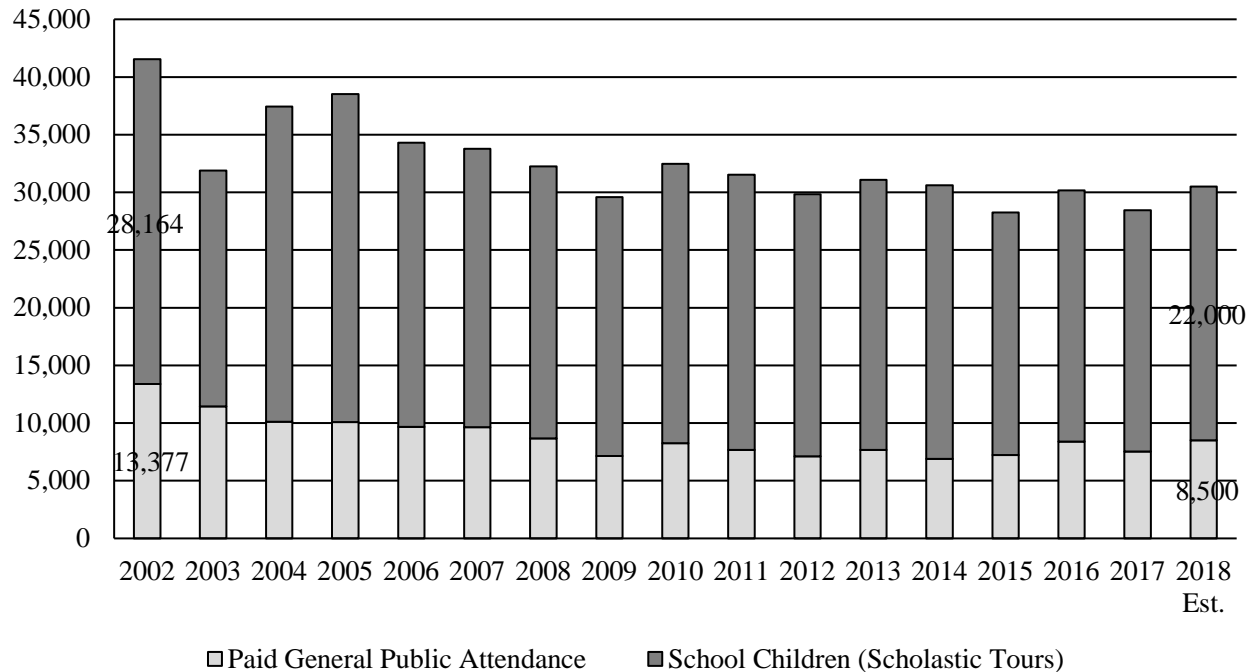
## **Workload Trends**

While AAM provides guidance for compensation, it does not provide guidelines or ratios to suggest an appropriate amount of personnel given a certain number of a visitors or an institution’s particular mission, and the agency was unaware of any other source of personnel workload ratios used in the industry. Most of the day-to-day workload at HSMCC can be broadly divided into two areas: conducting public outreach through site visits by general admissions and school field trips; and conducting archeological fieldwork and publishing academic research on seventeenth-century Maryland. While there are metrics for the latter, the accomplishments and value of archeological research are mostly qualitative and intangible. Archeology and conservation remain a central part of the mission of HSMCC but assigning a personnel need for the five million archeology artifacts currently curated and accessible for research or the field work that could still be done is completely subjective.

On the tourism side of operations, visitation figures are shown in **Exhibit 7**. Exhibit 7 excludes visitation by museum members (about 1,000 visitors a year) and visitation on free admission days (about 3,000 visitors a year). Overall, general public attendance has decreased 36.5% from fiscal 2002 through the 2018 estimate. General attendance has not climbed back above 10,000 visitors per year since the beginning of the most recent recession. The bulk of HSMCC visitors are actually elementary school children, who have declined by 21.9% since fiscal 2002. School districts mainly cite rising transportation costs as the reason for fewer field trips to HSMCC. When combined, these two categories declined 26.6%, which is greater than the percent decline in HSMCC staff over the same time period. Attendance for special events, for which data is not available over the same time period, has generally grown due to interest in events like the annual beer festival and for renting HSMCC property for weddings. However, the core function

of the agency remains educating the general public, so while special events attendance is beneficial for the agency, it does not have a great impact on meeting the agency's general goals.

### Exhibit 7 Visitor Attendance Fiscal 2002-2018 Est.



Note: The large, one-year decrease in scholastic tours in fiscal 2003 is attributed to the sniper attacks in and around the District of Columbia that led to the cancellation of many field trips during that school year.

Source: Historic St. Mary's City Commission

HSMCC currently struggles to maintain and prepare its extensive grounds for both regular public visitation and site rental for special events because the current operating budget supports only 1 full-time groundskeeper for all 835 acres, five miles of trails, two miles of shoreline, and multiple gardens. In addition, the Chancellor's Point Natural History Area reopened in fall 2017, with grant-funded improvements that will increase the responsibilities of the groundskeeper. When possible, HSMCC hires up to 2 seasonal staff to assist the groundskeeper with mowing and other responsibilities. If funds are not available, the maintenance staff can perform groundskeeping duties but this contributes further to an existing maintenance backlog of HSMCC's 100 structures, including residential rental properties. Some maintenance has been covered through agreements with the Department of General Services (DGS).

Approximately 15 miles north of HSMCC is the Jefferson Patterson Park and Museum, which has a function similar to HSMCC in that it receives school groups and provides for recreational opportunities. However, HSMCC is a larger site overall and has features like a fully functioning inn and the *Dove* (a recreated seventeenth century ship that is in constant need of maintenance) that make it difficult to make an apples to apples workload comparison with another unit of Maryland government.

To augment its small staff, HSMCC has successfully recruited volunteers to help maintain gardens, educate the public, coordinate events, and handle some administrative tasks. Volunteers annually contribute about 25,000 service hours and also provide some materials to the agency used in museum exhibits. Short-term interns from SMCM also support HSMCC as well as SMCM students in the St. Mary's City Field School in Historical Archeology, held onsite every summer. While volunteers are well trained, it takes time for them to be acquainted with the particular job specifications required by the agency. Currently, two catering kitchens are onsite, but the agency has no staff to provide food service for volunteers, so many do not stay for an entire work day.

### **Staffing Analysis**

HSMCC has a small staff to perform its mission and, in particular, maintenance and custodial staff are stretched thin across a very large site. There is a perception that facilities, grounds, and educational resources will continue to decline in quality without more State support. The deteriorating appearance of many exhibits as well as signage and parking lots creates a poor first impression for visitors. For example, the Freeman House exhibit is visible but has been closed since fiscal 2008 and was last repaired in fiscal 2012. It may reopen again in fiscal 2019. HSMCC has identified 25 regular positions that are needed to operate at maximum capacity. However, a smaller number of positions may be more appropriate at this time given the tourism data in Exhibit 7.

Four new positions are outlined below. The workload justification for the first 3 positions is simply that they provide for critical needs of the agency and do not currently exist. While the agency has indicated it would like many more positions, these seem like the most significant missing pieces. Salaries shown are those recommended by the agency and consist of general funds. The positions are:

- ***1 External Relations Manager (\$45,000):*** a tourist attraction needs someone to lead marketing, and HSMCC's declining visitation may be due to the lack of a dedicated employee to marketing research and activities. An increased presence in social media and in working with the county tourism board would improve the ability of the agency to attract more paying visitors and school groups.
- ***1 Gifts and Grants Officer (\$50,000):*** rather than provide several additional regular positions directly to the agency for various responsibilities, a dedicated grants manager

may improve the agency's ability to directly secure short- and long-term funding for contractual FTEs, facilities maintenance for public outreach, and other agency priorities.

- ***1 Conservator (\$65,000):*** in fiscal 2017, the new Anne Arundel Hall opened, which is a joint facility of HSMCC and SMCM. About 40% of the building is used to house HSMCC's artifact collections and also contains laboratory space for receiving, cleaning, and cataloging artifacts from the field. HSMCC had planned for the building to have a full-time conservator to work on conserving the backlog of artifacts. HSMCC has repeatedly identified a conservator as one of its top priorities and noted in fiscal 2018 budget testimony that "the lack of a conservator might jeopardize its accreditation through the American Alliance of Museums." Loss of AAM accreditation would likely harm marketing efforts and grant applications.
- ***1 Grounds Assistant Supervisor (\$40,000):*** this facilities maintenance-related position would contribute toward the backlog of year-round maintenance and upkeep at HSMCC that continues to grow. Additional seasonal workers will likely still be needed to meet agency needs, but it is clear from the physical condition of the agency that more permanent support is needed to maintain the grounds and facilities, especially as many outdoor exhibits are reaching the end of their useful lives.

## Conclusion

Based on discussions with the agency and a review of visitation data, a more adequately staffed HSMCC would include 1 conservator, 1 maintenance worker, 1 marketer, and 1 grant manager. To expand services for more visitors, HSMCC would likely also need more educational staff or more volunteers but, at this time, visitation data does not justify the need for additional personnel. While volunteers and college student workers are no substitute for full-time employees, HSMCC, in statute, is encouraged to benefit from "a creative affiliation and more formal collaboration with its geographic neighbor, St. Mary's College of Maryland..." and there is potentially more than can be drawn from this relationship that should be further explored by the agency.

# Governor's Office for Children

## Program Description

The Governor's Office for Children (GOC) oversees 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. GOC informs and supports the collective and specific work of the Children's Cabinet; works with local management boards to plan, coordinate, and monitor the delivery of integrated services along with a full continuum of care; oversees the use of monies from the Children's Cabinet Interagency Fund (CCIF) 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.

## Staffing Trends

	<u>FY 2002</u>	<u>FY 2018</u>	<u>Change</u>	<u>Percent Change</u>
Positions	50.0	16.0	-34.0	-68.0%
Contractual FTEs	18.0	0.0	-18.0	-100.0%
<b>Total</b>	<b>68.0</b>	<b>16.0</b>	<b>-52.0</b>	<b>-76.5%</b>
Percent Contractual	26.5	0.0		

- Regular positions in GOC have decreased by 68.0%, or 34 positions, between fiscal 2002 and 2017.
- Contractual FTEs in fiscal 2002 comprised 27.0% of the employee count. GOC currently has no contractual FTEs.
- The 76.5% decrease in total employment is largely due to an effort by GOC to stop administering programs, instead, focusing on guiding policy and administration of the CCIF.

## Vacancy History

- GOC has a vacancy rate of 25%, or 4 positions, as of October 1, 2017.
- The vacancy rate has fluctuated significantly over the past five years, largely due to the small size of GOC. A few vacancies can cause a large change in the vacancy rate.

## **Workload Trends**

The focus of GOC has changed considerably from fiscal 2002 to the present. Between fiscal 2002 and 2006, GOC stopped administering 18 of the programs and initiatives that it oversaw at the time. These programs and initiatives were transferred to other agencies or terminated. In fiscal 2018, GOC oversees only one program, the Governor's Young Reader program, and administers the CCIF.

This was a deliberate change to shift the focus of GOC from program administration to guiding policy and administration of the CCIF. As indicated by GOC, it was never the purpose of the office to administer programs.

## **Staffing Analysis**

The decrease in staff between fiscal 2002 and 2018 is the direct result of GOC's shift in focus over that time period. For example, the largest decrease in programs administered corresponds directly with the largest decrease in authorized positions. GOC stopped administering 14 programs and initiatives between fiscal 2005 and 2006. In that same period, employee counts at GOC decreased from 43 employees to 13 employees.

Based on workload trends, GOC is adequately staffed for the functions that it currently performs.

# Department of Aging

## Program Description

The Maryland Department of Aging (MDOA) has the responsibility for administering community-based programs and services for older Marylanders, evaluating the services they need, and determining the extent to which public and private programs meet those needs. The department also administers the State Aging and Disability Resource Center program (ADRC), known as Maryland Access Point (MAP). The ADRC is a national initiative to realign long-term care information and access to resources into a single point of entry system. The department administers the MAP program through collaborative partnerships with State and local aging and disability agencies and stakeholders. With input from the local Area Agencies on Aging (AAA), seniors, caregivers, the Maryland Department of Disabilities, and other sister agencies, the department establishes priorities for meeting the needs of older Marylanders and advocates for frail and vulnerable seniors and expansion of the MAP program.

## Staffing Trends

	<u>FY 2002</u>	<u>FY 2018</u>	<u>Change</u>	<u>Percent Change</u>
Positions	49.0	38.7	10.3	-21.0%
Contractual	8.0	20	12.0	150.0%
<b>Total</b>	<b>57.0</b>	<b>58.7</b>	<b>1.7</b>	<b>3.0%</b>
Percent Contractual	14.0%	34.1%		

- Regular positions in MDOA have decreased by 21%, or slightly more than 10.0 positions, between fiscal 2002 and 2018. A majority of the decrease in positions is due to the transfer of programs to other departments, therefore they do not represent a net decrease in positions statewide. Of the 10.3 position decrease since fiscal 2002, 4.0 were due to a transfer of claims processing for the Medicaid Waiver for Older Adults to the Maryland Department of Health (MDH) in fiscal 2014, and 3.0 were due to a transfer of the Senior Community Service Employment Program to the Department of Labor, Licensing, and Regulation (DLLR) in fiscal 2017. A portion of the decrease is also due to an initiative to centralize IT operations at DoIT.
- The percent of the employee count comprised of contractual FTEs has nearly tripled from 14% in fiscal 2002 to 34% in fiscal 2017. This is due to the need for temporary staff for time-limited programs.

## Vacancy History

- As of October 1, 2017, MDOA had a total of 12.0 vacant positions and a vacancy rate of 30.0% for full-time positions.
- Vacancies have fluctuated substantially at MDOA and are frequently above 10.0%. On February 1, 2016, the vacancy rate peaked at 67.4%, or 33.5 of 49.7 positions. MDOA indicated that the agency has changed its policy on filling vacant positions. When a position becomes vacant, MDOA reassess its utility before trying to refill that position.

## Workload Trends

Despite a smaller employee count than in past years, MDOA has been able to improve the timeliness of grant awards to AAAs in recent years. In previous years, the department was not able to award grants in a timely manner. In order to receive grants through the federal Older Americans Act, AAAs must submit an individual Area Plan, and MDOA must review and approve the plan for a grant to be awarded. As shown in **Exhibit 8**, between fiscal 2013 and 2015, the instructions for submission of plans required to receive grants were not sent to AAAs until after the start of the fiscal year. MDOA was able to send fiscal 2016 instructions to AAAs 103 days prior to the start of the fiscal year. After changes in the review process to increase efficiency, the fiscal 2016 grant awards were announced prior to the start of the fiscal year. MDOA indicates that it followed the same process in fiscal 2017 as in fiscal 2016, and grants were awarded before the start of the fiscal year.

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### Exhibit 8 Date of Distribution of Area Plan Instructions Fiscal 2009-2016

<u>Year</u>	<u>Date Area Plan Instructions Sent to AAAs by MDOA</u>	<u>Days Prior to Start/After Fiscal Year</u>
2009	May 15, 2008	47
2010	June 17, 2009	14
2011	June 2, 2010	29
2012	June 21, 2011	10
2013	July 20, 2012	-19
2014	August 12, 2013	-42
2015	July 30, 2014	-29
2016	March 20, 2015	103

AAA: Area Agencies on Aging

MDOA: Maryland Department of Aging

Source: Department of Aging, Department of Legislative Services

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## **Staffing Analysis**

MDOA seems to be sufficiently staffed, despite the large decrease in employee count. The department has been able to improve its grant award process in recent years and has indicated that it is more efficient overall.

Large vacancy rates in recent years are concerning; however, there is reason to believe that the vacancy rate will stabilize once MDOA determines what positions are necessary for the department to function.

# Maryland Commission for Civil Rights

## Program Description

The Maryland Commission for Civil Rights (MCCR) resolves allegations of discrimination through reconciliation, mediation, investigation, and litigation, in the areas of employment, housing, and public accommodations.

## Staffing Trends

	<u>FY 2002</u>	<u>FY 2018</u>	<u>Change</u>	<u>Percent Change</u>
Positions	53.5	31.0	-22.5	-42.1%
Contractual FTEs	3.0	0.0	-3.0	-100.0%
<b>Total</b>	<b>56.5</b>	<b>31.5</b>	<b>-25.5</b>	<b>-45.1%</b>
Percent Contractual	5.3%	0.0%		

MCCR is a small agency that has experienced a significant decrease in the number of positions. In fiscal 2002, the agency had 53.5 regular positions; and by fiscal 2018, the total number of positions had dropped to 31.0, which is a decrease of 42.1% of the workforce. This has happened gradually through various cost containment efforts.

## Vacancy History

- The vacancy rate for MCCR as of October 1, 2017, was 16%.
- Because the agency has a small staff, the necessary number of vacancies is 1.6, and as of October 2017, there were 5.0 vacancies.

## Compensation

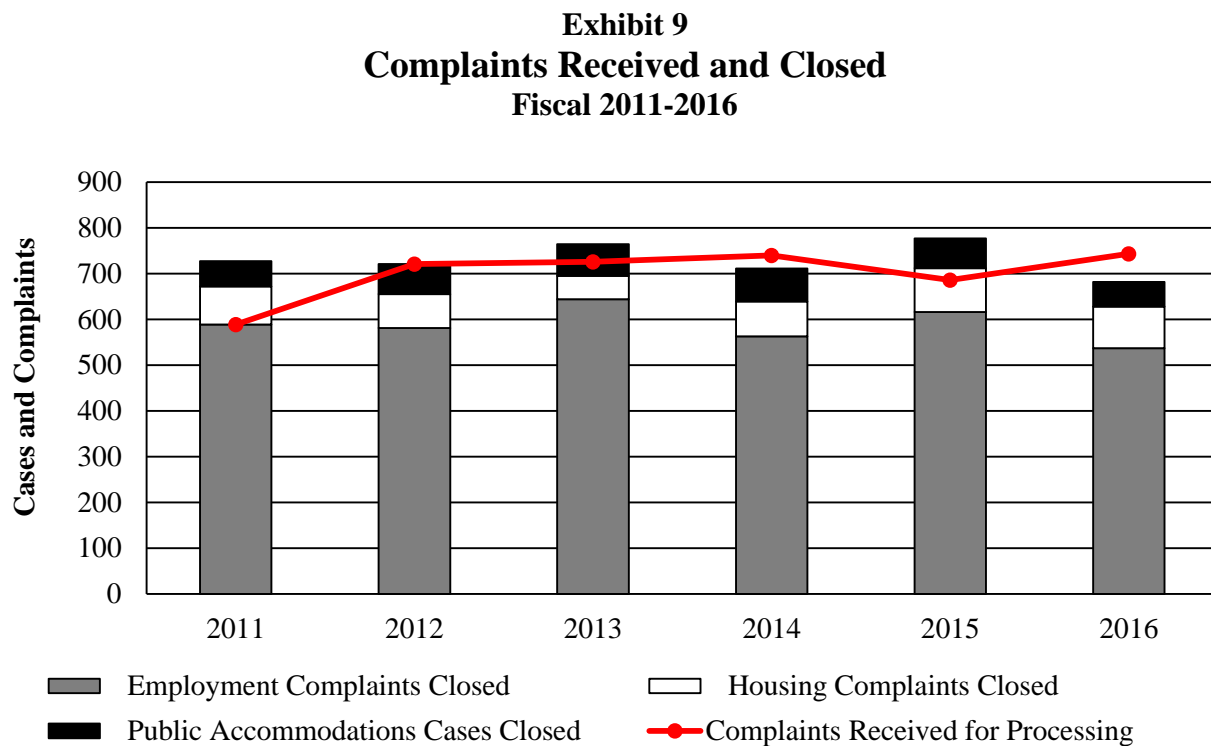
With regard to compensation, the inability to compete has affected MCCR's ability to retain staff. Because the skills necessary to investigate and litigate discrimination laws are unique, staff is in high demand. When compared to similar positions at the federal level, the compensation, specifically for an experienced attorney or investigator, is not competitive. This has resulted in high turnover.

## Workload Trends

In the Intake Unit, there are currently 5 positions responsible for accepting all of the public correspondence to MCCR. These staff process an average of 100 complaints a month, with an

additional 200 inquiries a month. This number has increased recently with the reconstitution of the Education and Outreach Unit (E&O), and as the number of events increase, the number of intake calls are expected to continue rising.

**Exhibit 9** demonstrates that there is an increase in the number of complaints received while there is also a decrease in the number of complaints closed. The trend is expected to continue in fiscal 2017 and 2018, which suggests that current staffing is not adequate to close cases at the same rate that they are being received.



Source: Maryland Commission on Civil Rights

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Currently, there are 12 investigators in the Case Processing Unit. These staff are responsible for investigating and resolving complaints that meet the criteria for investigation. In the last year, there has been a significant increase in the number of cases with almost 900 open cases as of July 2017. As a result, there have been long intervals between case initiation and closure. Ideally, employment and public accommodations cases would be closed in 180 days. The current number of days to close a public accommodations case is 240 days with an average of 250 days for employment cases. As of July 2017, it takes an average of 120 days to close a housing case. The time it takes to close a housing case is particularly problematic because the

U.S. Department of Housing and Urban Development (HUD) will only provide funding for cases closed within 100 days. While MCCR has been able to meet this requirement in past years, the loss of federal funding as a result of an inability to close cases could result in the loss of a significant portion of its operational funding. The rate of reimbursement for HUD cases is \$2,600 per case. With additional staff, the agency could take on and close more cases that would result in a higher federal reimbursement. This is also the case with employment cases. The U.S. Equal Employment Opportunities Commission (EEOC) reimburses MCCR \$700 per case. EEOC currently has a large number of cases that could be transferred to MCCR but with current staffing levels, the agency cannot take on more cases. Each investigator should be responsible for closing 60 cases annually, according to historical caseload data. As of July 2017, each investigator is responsible for 75 cases.

In the E&O unit, there are only 2 positions responsible for any events hosted or attended by MCCR. While it is currently training 1 additional staff who was transferred from a different unit, that would increase the E&O unit to 3 staff responsible for 15 to 20 events every month. The number of events often increases during months of acknowledgement, such as Black History Month; Lesbian, Gay, Bisexual, Transgender, Queer, Intersex, and Asexual Pride Month; and Fair Housing Month.

The legal department is responsible for handling cases that demonstrate probable cause after mediation has been unsuccessful. There are currently 2 attorneys in the department with a total number of 13 cases as of July 2017. While many of the cases handled by MCCR do not meet the criteria of probable cause, the quantity of legal cases is likely to increase as the number of outreach events, complaints, and investigations increase.

In order for MCCR to function at its highest capacity within current responsibilities, the agency would need 9 additional positions that is comprised of 5 additional civil rights officers, 2 assistant general counsel positions, and 1 legal clerk. There would be 5 civil rights officers to handle additional complaint intake and to investigate cases. The additional assistant legal counsel will allow the current staff to examine more cases that may have probable cause that it currently does not have the capacity to explore, and a legal clerk would serve to support the administrative elements of the legal department that a traditional administrative officer would not be qualified to do.

# Maryland State Archives

## Program Description

The Maryland State Archives (Archives) is the central depository for government and designated private records of permanent value.

## Staffing Trends

	<u><b>FY 2002</b></u>	<u><b>FY 2018</b></u>	<u><b>Change</b></u>	<u><b>Percent Change</b></u>
Positions	47.0	62.5	15.5	33.0%
Contractual FTEs	47.0	6.8	-40.2	-85.5%
<b>Total</b>	<b>94.0</b>	<b>69.3</b>	<b>-24.7</b>	<b>-26.3%</b>
Percent Contractual	50.0%	9.8%		

Archives has seen an overall decrease in positions. In fiscal 2002, 50% of the Archives workforce was contractual FTEs, which has decreased over time. Since fiscal 2002, Archives has added 15.5 regular positions, which is an increase of 33%. There has also been a significant decrease in the number of contractual FTEs with 40.2 FTEs, or 85.5% of the total contractual FTEs being abolished. Despite the extent of contractual conversions, the overall number of staff has still declined significantly.

## Vacancy History

- The vacancy rate as of October 1, 2017, was 3%.
- There are no significant indicators of staffing problems in the historical vacancy data.

## Compensation

Compensation is a challenge because there are federal offices in close proximity that provide annual raises, higher rates of pay, and competitive benefits packages. Archives has continually attempted to address this issue.

## Workload Trends

Anecdotal information provided indicates that the agency plans to increase its operating hours, which will increase the number of hours and staff necessary. The storage facility in Woodlawn is also getting maintenance but will need at least 1 staff member to monitor the space and make sure that the artifacts being stored are not damaged.

# Maryland Insurance Administration

## Program Description

The Maryland Insurance Administration (MIA) implements laws and develops policies, procedures, and regulations that affect Maryland's insurance industry. MIA performs rate and form reviews, financial audits, licensing examinations, market conduct examinations, and fraud investigations. It also resolves consumer complaints and issues licenses to companies and producers.

## Staffing Trends

	<u>FY 2002</u>	<u>FY 2018</u>	<u>Change</u>	<u>Percent Change</u>
Positions	273.0	257.0	-16.0	-5.9%
Contractual FTEs	6.8	21.10	14.3	210.3%
<b>Total</b>	<b>279.8</b>	<b>278.1</b>	<b>-1.7</b>	<b>-0.6%</b>
Percent Contractual	2.4%	7.6%		

The overall decline in staff is a result of gradual cut backs and cost containment. When staff retired or left the agency, the position was often not filled and instead was abolished to mitigate costs.

## Vacancy History

- The vacancy rate as of October 1, 2017, was 6%.
- There are no specific indicators from the historical vacancy data.

## Compensation

There have been several fluctuations in organizational vacancies as a result of issues with compensation. MIA has several actuary and analyst positions that receive higher pay both with the federal government and the private sector.

## Workload Trends

MIA is currently staffed at an adequate level for its workload. There has been a slight decrease in the number of regular positions, but MIA has been able to complete rate reviews and approval processes in a timely manner. There has been a significant increase in the number of contractual FTEs as a result of the establishment of the Affordable Care Act (ACA). Since the

ACA, there has been a need for FTEs to help align the processes and regulations of MIA with the regulations of the ACA. Because of the nature of the work, it is appropriate to have contractual FTEs instead of regular positions.

The agency has acquired new responsibilities with the establishment of Chapter 309 of 2016. This new statute requires the Insurance Commissioner to adopt regulations to establish criteria to evaluate the network sufficiency of health benefit plans. The Commissioner is also now responsible for regulating network directories and network access plans from providers. These are duties formally held by the Office of Health Care Quality (OHCQ). The fiscal note for Chapter 309 outlined the expenditures for the implementation of the law, which included 5 positions to implement the work. Two of these positions would be added in fiscal 2017 and the last 3 would be hired in fiscal 2019. MIA did not received the 2 positions in fiscal 2017. As it gets closer to adopting regulations for network adequacy, MIA has reassessed its staffing needs for implementation and concluded that 4 new positions would be sufficient to carry out the anticipated workload. The additional positions would be comprised of 2 market conduct examiners, and 2 life and health analysts.

# Office of Administrative Hearings

## Program Description

The Office of Administrative Hearings (OAH) holds hearings in contested cases involving State agencies. The office was created in 1989 to centralize the hearing functions in various units of State government. Most cases originate from the Motor Vehicle Administration (MVA); MDH; DHS; DHCD; and the Maryland State Department of Education (MSDE). Additionally, pursuant to Chapter 485 of 2010, homeowners who are subject to foreclosure may request mediation with an Administrative Law Judge (ALJ).

## Staffing Trends

	<u>FY 2002</u>	<u>FY 2018</u>	<u>Change</u>	<u>Percent Change</u>
Positions	141.0	118.0	-23.0	-16.3%
Contractual FTEs	0.0	0.5	0.5	n/a
<b>Total</b>	<b>141.0</b>	<b>118.5</b>	<b>-22.5</b>	<b>-16.0%</b>
Percent Contractual	0.0%	0.42%		

- Since fiscal 2002, regular positions in OAH have decreased by 23 positions, a 16.3% reduction in the agency's workforce.
- Most recently, in fiscal 2016, the agency had 6 employees take advantage of the voluntary separation program, reducing its staff by 4.8%.

## Vacancy History

- As of October 1, 2017, OAH has a vacancy rate of 5% with 6 vacant positions.
- Over the last 15 years, OAH has generally maintained a vacancy rate below 4%; however, because the agency has so few employees, a small number of vacancies can significantly increase the rate.

## Workload Trends

OAH's caseload has fallen since fiscal 2002. **Exhibit 10** details the number and type of cases disposed by OAH in fiscal 2003 and 2015. Total cases disposed fell 24% (13,872 cases) over this period, even with the addition of nearly 4,000 foreclosure mediations, which were not part of the OAH docket in fiscal 2003. It is important to note that while the number of cases has fallen by nearly a quarter, a large majority of the decrease came in MVA cases, which are simpler and less time-consuming than the average OAH case. Additionally, OAH's annual caseload is



volatile because it is impacted, sometimes dramatically, by decisions from all three branches of government.

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**Exhibit 10**  
**Cases Disposed by Agency**  
**Fiscal 2003 and 2015**

	<u>2003</u>	<u>2015</u>	<u>Change</u>	<u>Percent Change</u>
Maryland Department of Health	13,013	14,249	1,236	9.5%
Department of Human Services	10,651	5,227	-5,424	-50.9%
Department of Labor, Licensing, and Regulation	479	302	-177	-37.0%
Department of Public Safety and Correctional Services	662	514	-148	-22.4%
Department of Transportation – Motor Vehicle Administration	30,145	17,574	-12,571	-41.7%
Maryland Insurance Administration	848	196	-652	-76.9%
Maryland State Department of Education	899	814	-85	-9.5%
Department of Budget and Management – Personnel	638	349	-289	-45.3%
Miscellaneous	421	709	288	68.4%
Mortgage Foreclosure Mediations	n/a <sup>1</sup>	3,950		
<b>Total</b>	<b>57,756</b>	<b>43,884</b>	<b>-13,872</b>	<b>-24.0</b>

<sup>1</sup> Mortgage foreclosure mediations were established under Chapter 485 of 2010.

Source: Department of Budget and Management; Office of Administrative Hearings

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## **Staffing Analysis**

OAH was created in 1989 with the explicit purpose of increasing the quality and efficiency of administrative proceedings in the State by centralizing those hearings in a single agency. Collecting ALJs into a single agency and training them to hear all types of cases has allowed OAH to decrease the number of ALJs from 90 when the agency was created to 52 in 2017. This continuing efficiency goal has been aided in the last 15 years by statutory changes, which have decreased the agency caseload, as well as technological improvements to case management and processing.

Despite operating with a smaller staff, agency leadership reports that staffing at all levels of the agency is adequate. This conclusion is supported by customer satisfaction ratings above

90% for the agency, and a timely clearance rate approaching 100%. Presently, all evidence indicates that OAH is not understaffed.

# Comptroller of Maryland

## Program Description

The Comptroller of Maryland is charged with the general supervision of the State's fiscal matters, including collecting taxes, distributing revenues, and administering financial accounts.

## Staffing Trends

	<u><b>FY 2002</b></u>	<u><b>FY 2018</b></u>	<u><b>Change</b></u>	<u><b>Percent Change</b></u>
Positions	1,151.7	1,114.9	-36.8	-3.2%
Contractual FTEs	25.2	26.6	1.4	5.6%
<b>Total</b>	<b>1,176.9</b>	<b>1,141.5</b>	<b>-35.4</b>	<b>-3.0%</b>
Percent Contractual	2.1%	2.3%		

Since fiscal 2002, the Comptroller of Maryland has had a 3% decrease in regular positions and a slight increase of 1.4 contractual FTEs.

## Vacancy History

- The vacancy rate as of October 1, 2017, was 9%, or 99 positions.
- Vacancy rates have grown significantly in the last five years.

## Compensation

There is some difficulty in filling positions, particularly in the Compliance Division. As a result, 25 positions have recently been moved from Baltimore City and Annapolis to Salisbury, where the median income is closer to the salary offered for the positions.

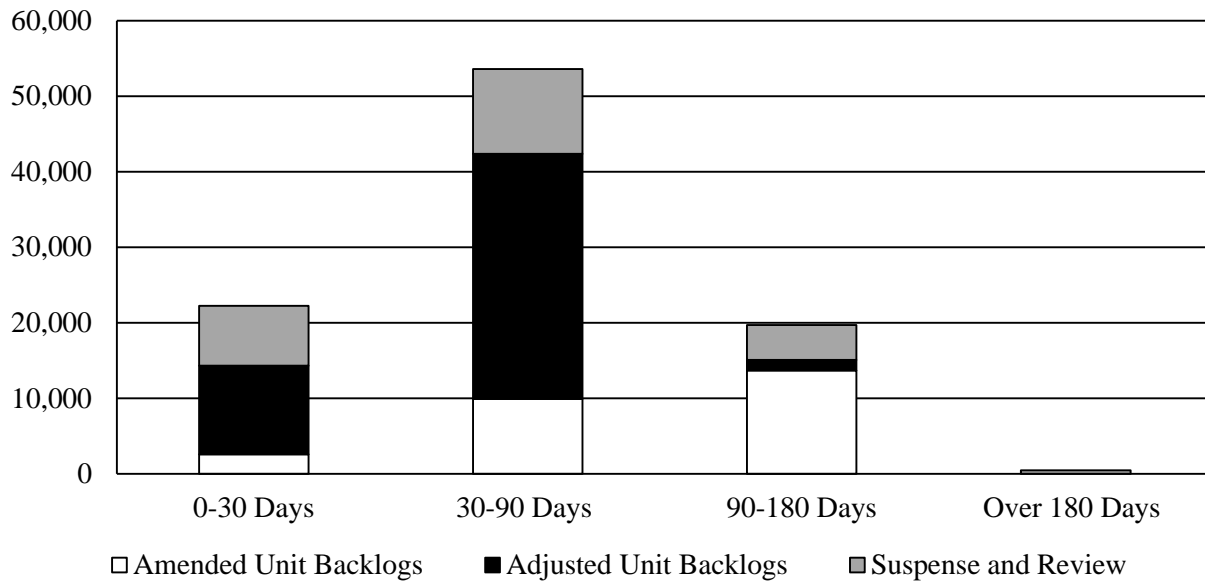
## Workload Trends

In fiscal 2015, there was a decline in the customer service of the agency, which has been related to all of the vacant positions. More specifically, the number of electronic returns processed within 4 days decreased from 100% to 91%, and the number of paper tax returns processed within 22 days decreased from 100% to 74%, but there has been improvement in fiscal 2016. There is also a backlog of amended returns that also indicates a staffing issue. The agency has stated that there are a number of internal process issues, including the recent turnover of the deputy director and the acquisition of the new workday system in the Office of Human Resources that have added to the delay in filling vacant positions. With positions still vacant, the Comptroller has used

temporary employees to assist with the backlogged returns. **Exhibit 11** shows the number of backlogged tax returns as of August 2016.

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**Exhibit 11**  
**Backlogged Tax Returns as of August 2016**



Source: Comptroller; Department of Legislative Services

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### Staffing Analysis

There is documented data that shows that the agency needs to fill vacant positions to improve customer service. There is evidence of understaffing that stems from unfilled positions in the agency and not a lack of regular positions.

# State Department of Assessments and Taxation

## Program Description

The State Department of Assessments and Taxation (SDAT) supervises the assessment of all property in the State. The department performs assessments on one-third of all real property and all personal property in the State every year and certifies to the local taxing authorities the assessment of every piece of property. The department also administers tax credit programs; registers companies, corporations, and partnerships in Maryland; and generates certificates and certified documents. The various forms that businesses must file with the department are available to the public for inspection.

## Staffing Trends

	<u>FY 2002</u>	<u>FY 2018</u>	<u>Change</u>	<u>Percent Change</u>
Positions	763.0	592.3	-170.7	-22.4%
Contractual FTEs	3.0	15.4	12.4	413.3%
<b>Total</b>	<b>766.0</b>	<b>607.7</b>	<b>-158.3</b>	<b>-20.7%</b>
Percent Contractual	0.4%	2.5%		

- SDAT has lost 171 regular positions since fiscal 2002, a reduction of 22.0%. The agency's total workforce shrank by 21.0%.
- The share of contractual FTEs in the agency workforce grew from 0.4% to 2.5% over the same period, with the contractual count increasing by 12 FTEs.

## Vacancy History

- As of October 1, 2017, the agency had 60 vacancies and a vacancy rate of 10%.
- This vacancy rate is within the typical range for the last five years.

## Workload Trends

While SDAT has several distinct functions, the majority of the agency's staff (452.6 regular positions) are assigned to real property and business property evaluation. These programs include the assessors along with their support staff and supervisors. Under Tax – Property Article § 8-104(b)(1), SDAT is required to conduct an “exterior physical examination of each property in the State once every three years.” There are over 2.2 million taxable parcels statewide and 144 nonsupervisory assessors in the residential property division.

In order to fulfill SDAT's mandate, each assessor would have to visit and reevaluate approximately 5,100 properties each year. In a 2015 report, SDAT noted that an experienced assessor working efficiently can evaluate 2,500 properties per year. Additionally, during the 2016 legislative session, SDAT offered a departmental bill (SB 115) that would have authorized the use of aerial imagery in place of physical property inspections. This change would have allowed assessors to do most of their work from their desk, and SDAT estimated that each assessor could be reasonably expected to conduct 3,750 assessments per year, a 50% increase in efficiency. Even at that rate, the agency would still need more than 100 additional assessors to meet its mandate.

There has also been a small but steady growth in the number of taxable parcels in the State. Between 2011 and 2016, the number of properties increased by approximately 53,000. While this equates to only 2.4% total growth over five years, it establishes a need to add between 1 and 2 assessors per year, just to keep pace.

Despite these limitations, SDAT has generally performed well on the assessment industry's three principal metrics for evaluation: the assessment-to-sales ratio; coefficient of dispersion; and price-related differential. These measures evaluate, respectively, that the assessments are generally accurate to the market value, precise among similar properties, and consistent across the spectrum of property values. SDAT performed well within industry standards for all three in 2016.

## **Staffing Analysis**

At no point in the last four decades has SDAT had enough assessors to fulfill its mandate to physically inspect each property in the State every three years and, thus, the agency is understaffed. OLA noted this issue in 2013 and was informed by SDAT that this was a longstanding problem driven by understaffing. At that time, the agency reported that it had 78 fewer positions for inspectors than it had in 2002, and its policy was to conduct physical inspections only every nine years unless a triggering event, such as a sale or the filing of a building permit, occurred. While the agency was able to hire 22 additional inspectors in 2013 and 2014, that is not enough positions to resolve the underlying issue.

Agency staff have also reported that SDAT was hit particularly hard by the 2008 recession, due to the impact on both the housing market and State government. During the recession, many properties lost value, leading owners to more frequently challenge SDAT's assessments through the State's appeal process. Such appeals are time consuming for the assessors who review assessments and, when necessary, testify before the Property Tax Assessment Appeal Boards and the Maryland Tax Court. At the same time, a statewide hiring freeze and stagnant compensation led the department to lose a number of assessors without the ability to hire replacements. Those assessors who remained faced pressure from both directions; they needed to handle more assessments even though the average time per assessment was increasing, due to the increased appeal rate. The number of appeals has fallen since the end of the recession, but there are still fewer assessors for more parcels.

Stakeholders across the State appear to have accepted that SDAT is unlikely to ever meet its mandate, and they have also accepted the agency's solution. To the extent that SDAT is unable to perform physical inspections, it instead relies on market-based analysis to reassess properties en masse, without inspections of any of the individual parcels. While this technique has proven effective enough to avoid significant problems, it is also not consistent with State law and reduces the reliability of the State's property tax rolls by increasing the likelihood that improvements to a property will go unnoticed by the State. To meet its statutory mandate, SDAT would have to more than double its number of assessors and increase the agency's staff by at least 200 positions.

# Department of Information Technology

## Program Description

DoIT is in the process of implementing an enterprise operating model that consolidates Executive Branch IT operations and adopting an agile major IT project development framework, instead of the previous waterfall approach. DoIT contains the following divisions:

- ***State Chief of Information Technology:*** responsible for executive direction.
- ***Enterprise Information Systems (EIS):*** responsibilities include developing statewide infrastructure and security standards. EIS also provides a range of services for the Office of the Governor, DBM, DGS, and the Maryland Emergency Management Agency.
- ***Application Systems Management:*** responsibilities include the operating mainframe computer agency-based accounting, purchasing, budgeting, personnel, and asset management systems, such as the Financial Management Information System.
- ***Networks:*** responsible for operating networkMaryland, the State's data network, and the State's telecommunications and wireless systems.
- ***Strategic Planning:*** responsible for the oversight of IT procurement, project management, and policies and planning.
- ***Major Information Technology Projects:*** development of major IT projects.
- ***Web Systems:*** operates the State web portal as well as developing and administering web standards and procedures.
- ***Telecommunications Access of Maryland:*** provides telecommunications relay service for Maryland's hearing and speech disabled citizens. The program also provides telephone equipment assistance for financially qualifying citizens with a variety of needs.



The department administers the Major Information Technology Development Project Fund. This is a nonlapsing fund that supports large IT initiatives as defined in Sections 3A-301 and 3A-302 of the State Finance and Procurement Article. Major Information Technology Development Projects are projects that meet one or more of the following criteria:

- the estimated total cost of development equals or exceeds \$1 million;
- the project is undertaken to support a critical business function associated with the public health, education, safety, or financial well-being of the citizens of Maryland; or
- the Secretary of Information Technology determines that the project requires the special attention and consideration given to a major IT development project.

### Staffing Trends

	<u>FY 2002</u>	<u>FY 2018</u>	<u>Change</u>	<u>Percent Change</u>
Positions	171.0	249.6	78.6	46.0%
Contractual FTEs	14.5	2.0	-12.5	-86.2%
<b>Total</b>	<b>185.5</b>	<b>251.6</b>	<b>66.1</b>	<b>35.6%</b>
Percent Contractual	7.8%	0.8%		

There have been a number of trends that affect staffing at DoIT and its predecessor, the Office of Information Technology (OIT). In 2002, OIT developed a master plan to increase staffing so that it could add staff to manage major IT development projects. The staff was not hired, and the additional positions were lost. Instead of increasing staffing to 185.5 regular positions, the number of positions declined to 123.5 by fiscal 2004. In fiscal 2008, legislation creating DoIT was enacted. The administration submitted the legislation to increase the authority of the agency. The plan also included adding 12.0 positions. Though the agency did initially receive some regular positions by fiscal 2011, DoIT was back down to the number of positions it had when the legislation was enacted. In fiscal 2013, DoIT began consolidating IT operations, such as email services, geographic information systems, and Internet support. This process is continuing with the new administration as day-to-day IT operations are consolidated. This has resulted in the transfer of positions from State agencies into DoIT. The bottom line is that the department's responsibilities have increased since fiscal 2002, primarily through consolidating statewide operations. At the same time, it has expanded its monitoring of major IT projects, primarily by contracting with private vendors, as opposed to hiring State employees. A detailed discussion of these actions is provided with the workload trends.

## Vacancy History

As of October 2017, 36 DoIT positions were vacant. This is a vacancy rate of 14%. Such a high vacancy rate is not uncommon. Since fiscal 2010, over 20 positions have been vacant in most months. In some months, over 30 positions were vacant. Concerns have been raised that State IT salaries are lower than salaries for similar positions working for local governments or the federal government. These high vacancies are, at least in part, attributable to low salaries.

## Compensation

In fiscal 2013, the department developed a new staffing plan that increased the reliance on contractors. At the time, DoIT had 28.5 vacant positions, which was 21.9% of its regular positions. The budget committees required that DoIT develop strategies concerning the use of contractors and required a report in the fiscal 2014 *Joint Chairmen's Report* (JCR). In the report, DoIT also compared State personnel compensation to the market.

With respect to State salaries, the report concluded that, "State salaries are often below market." The following table, **Exhibit 12**, compares State IT positions with industry averages.

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**Exhibit 12**  
**Salary Comparison for Information Technology Positions**

<u>State Position</u>	<u>State Mid-point Salary</u>	<u>Industry Equivalent</u>	<u>Median Salary</u>
IT Programmer	\$44,796	IT Developer	\$89,280
IT Director	75,148	IT Manager	118,010

IT: information technology

Source: Department of Information Technology, *Strategy for the Use of Contractors and State Personnel*, 2013

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In addition to comparing salaries, the report also compared other aspects of State employment to common marketplace practices. Observations include:

- ***State Classifications Have Been Outpaced by the Market:*** In many cases, there are no IT classifications equivalent to today's IT skills. Many are obsolete or nonexistent. This poses challenges when advertising for jobs since State classification titles do not often come up in keyword searches used by applicants.

- ***State Benefits Often Do Not Match Private-sector Compensation Packages:*** In many job classifications, State benefits are attractive and can make up for lower pay. However, many employers offer attractive packages with other perks, such as telecommuting, free cafeterias, and onsite physicians.
- ***Job Security Does Not Enhance the State's Ability to Recruit:*** Often, job security is not a key factor in attracting and retaining talent. Flexibility, work-life balance, salary, and professional growth are more important.
- ***The State Offers Limited Opportunities for Training and Professional Growth:*** Most IT firms offer continuous training, and the State offers little.
- ***The State Does Not Offer a Portfolio of the Most Current Technologies:*** Many of the technologies used in Maryland are outdated. There are applications that are over 20 years old and many of the skills needed are not the skills that graduating IT professionals have.

The State's personnel system appears to be poorly calibrated to attract IT positions. As DoIT moves to the enterprise model, the State may benefit from adoption of the report recommendation to develop a separate salary scale for IT staff.

In conclusion, DoIT has been under pressure to constrain regular positions at a time that its responsibilities have been increased. It has had difficulty filling positions and keeping employees. It has been able to demonstrate that its compensation is less than the market rate. DoIT's personnel problems appear to have more to do with fitting IT positions in the State scale than a lack of positions.

# Maryland Supplemental Retirement Plans

## Program Description

The Maryland Supplemental Retirement Plans (MSRP) staff provides education programs and support information to State employees and human resources personnel in State agencies. These efforts are designed to create awareness among State employees of the need and mechanisms available to save for their own retirement. Staff also supports the board's work in selecting investment options and overseeing the operation.

## Staffing Trends

	<u>FY 2002</u>	<u>FY 2018</u>	<u>Change</u>	<u>Percent Change</u>
Positions	16.5	13.0	-3.50	-21.2%
Contractual FTEs	0.0	0.0	0.00	0.0%
<b>Total</b>	<b>16.5</b>	<b>13.0</b>	<b>-3.50</b>	<b>-21.2%</b>
Percent Contractual	0.0%	0.0%		

Over the period, MSRP has lost a total of 3.5 regular positions. In fiscal 2006, an administrative officer position was downgraded from a full- to a half-time position, and the agency abolished 2.0 full-time administrator positions as a result of efficiencies; the agency was able to absorb the responsibilities of these positions. In fiscal 2012, MSRP abolished 1.0 accounting position as a result of the Voluntary Separation Program, and the staffing configuration has remained the same (13.0 regular positions) since then.

## Vacancy History

- The agency had no vacant positions as of October 2017. Since fiscal 2012, the highest number of vacant positions has been 1.0 position (7.7% vacancy rate), but most often the vacancy rate of the agency is 0.0%.

## Compensation

No compensation issues identified.

## Workload Trends

Total participation in MSRP supplemental savings plans has decreased in recent years, but the decrease is most likely the result of State matching contribution funding not being provided rather than a reflection of performance on MSRP staff. There was modest improvement in employees saving for retirement in fiscal 2015, despite no State matching contribution, which most

likely can be attributed to the education and outreach efforts of MSRP staff as well as timely salary enhancements. In regard to investments, MSRP investment options generally have outperformed benchmarks in almost every category in recent years.

### **Staffing Analysis**

MSRP is able to perform all of its duties effectively. Being a small office, there is a greater impact if an employee is on extended leave, or a position is vacant, but the agency appears able to fill vacant positions in a reasonable timeframe and performance has not suffered due to understaffing. Four or five employees will be eligible for retirement soon, and those positions will need to be filled; if all of these employees retired at the same time, it would more than likely have an impact on that agency's ability to perform, so retirement of employees should be discussed and a phased-in approach should be attempted, if possible.

# Department of General Services

## Program Description

DGS was created in 1970 (Chapter 97 of 1970) as part of a reorganization of State government. The former Department of Public Improvements, Public Buildings and Grounds, and the Central Purchasing Bureau of DBM were merged into DGS when it was created. Although DGS has reorganized throughout the years, the department has retained these functions. In fiscal 2018, DGS included the following programs:

- ***Executive Direction:*** the Secretary's Office is responsible for executive direction.
- ***Administration:*** responsibilities include fiscal support, personnel management, and IT support. Under the State's new IT enterprise support initiative, IT services have since been transferred to DoIT.
- ***Facilities Security:*** responsibilities include ensuring that State buildings are kept safe. Both building security and DGS police are in this program.
- ***Facilities Operation and Maintenance:*** with 205 employees, this is the largest program. It operates buildings and grounds owned by the State. DGS does not operate the buildings and grounds of 24/7 facilities, such as State prisons or higher education facilities.
- ***Procurement and Logistics:*** DGS is a procurement control agency responsible for commodity procurements (such as building supplies) and architectural, engineering, and construction contracts. Chapter 590 of 2017 reorganized procurement. Some procurement control agencies responsibilities, including DoIT, DBM, and the Department of Public Safety and Correctional Service (DPSCS), will be transferred to DGS.
- ***Real Estate Management:*** consists of three divisions: Lease Management and Procurement, Land Acquisition and Disposal, and Valuation and Appraisal.
- ***Facilities Planning, Design, and Construction:*** provides professional management and technical services for State agencies in the planning, budgeting, design, construction, and maintenance of State facilities.

## Staffing Trends

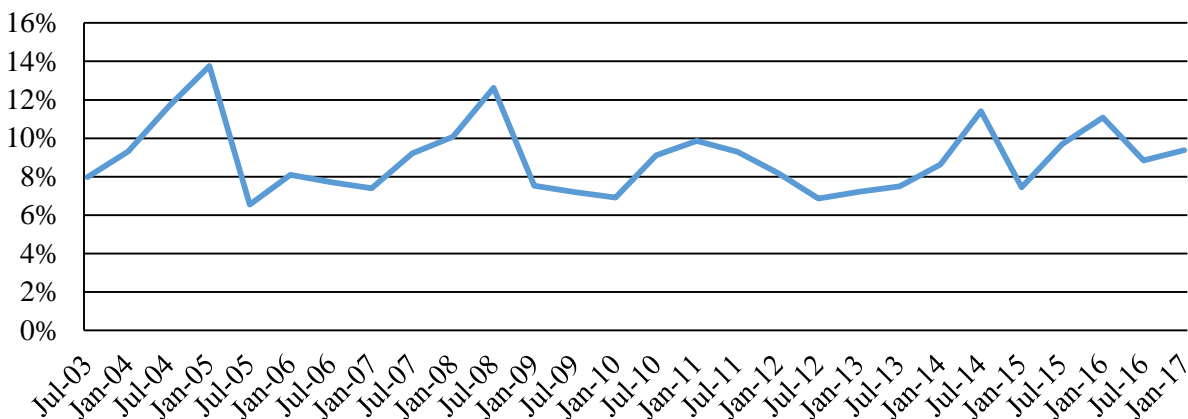
	<u>FY 2002</u>	<u>FY 2018</u>	<u>Change</u>	<u>Percent Change</u>
Positions	798.0	581.0	-217.0	-27.2%
Contractual FTEs	34.7	22.9	-11.7	-33.8%
<b>Total</b>	<b>832.7</b>	<b>603.9</b>	<b>228.7</b>	<b>-27.5%</b>
Percent Contractual	4.2%	3.8%		

- From fiscal 2002 to 2018, DGS positions declined by 217, leaving 581 positions. This is a reduction of more than 25% over the period.
- Contractual FTEs are approximately 4% of total staff. These FTEs declined by 34%, leaving 23 FTEs in fiscal 2017.

## Vacancy History

DGS tends to have high vacancy rates. **Exhibit 13** compares the vacancy rates on July 1 and January 1 for each year since July 2003. Over the period, the average vacancy rate has been 8.9%. The rate has been as high as 13.8% and as low as 6.5%. Based on this data, the Department of Legislative Services (DLS) estimates that about 70.0% of the time, the vacancy rate has been between 7.0% and 11.0%.

**Exhibit 13**  
**Department of General Services Vacant Positions**  
**July 2003 to January 2017**



Source: Department of Budget and Management

## Workload Trends

DGS' mission includes a number of support services for State agencies. The department's workload includes maintaining secure facilities, supporting planning and design of facilities and capital construction projects, procuring facility services, engineering services and commodities, and managing the State's real property and leases.

### Facility Services

The largest share of DGS personnel supports facilities operations and maintenance.<sup>1</sup> The 53 office buildings operated by DGS include office space occupied by most State agencies. The department has grouped these facilities into three regions: Annapolis, Baltimore City, and Baltimore's Inner Harbor. The department also operates 20 multi-service centers. DGS does not operate State prisons, the Department of Natural Resources (DNR), the Maryland Department of Transportation (MDOT), or higher education institution facilities.

Almost two-thirds of DGS personnel (372 of 581) support facilities operations. The services include security, housekeeping, maintenance, and groundskeeping. The number of buildings maintained by the department has remained fairly steady over the period. According to DGS' website, four facilities have been added (three multipurpose centers and one garage), since fiscal 2002. These centers have required additional resources. According to personnel data provided by DBM in July 2017, 9 positions are supporting the new facilities. **Exhibit 14** shows that 4 positions are in Baltimore City, 2 are in Silver Spring, and 3 are in Rockville.

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<sup>1</sup> Facility services includes the Office of Facility Security and the Office of Facility Maintenance.



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**Exhibit 14**  
**Positions Supporting Facilities Added to the Department's Portfolio**  
**Since Fiscal 2002**

<u>Center</u>	<u>City</u>	<u>Year Transferred</u>	<u>Title</u>	<u>Number of Positions</u>
John R. Hargrove, Sr. District Court and Multi-Service Center	Baltimore City	2003	Maintenance Supervisor I Non-licensed	1.0
John R. Hargrove, Sr. District Court and Multi-Service Center	Baltimore City	2003	Administrator II	1.0
John R. Hargrove, Sr. District Court and Multi-Service Center	Baltimore City	2003	Office Secretary I	1.0
John R. Hargrove, Sr. District Court and Multi-Service Center	Baltimore City	2003	Maintenance Mechanic	1.0
Silver Spring District Court	Silver Spring	2004	Maintenance Supervisor I Non-licensed	1.0
Silver Spring District Court	Silver Spring	2004	Maintenance Mechanic Senior	1.0
Rockville District Court and Multi-Service Center	Rockville	2011	Maintenance Mechanic Senior	1.0
Rockville District Court and Multi-Service Center	Rockville	2011	Administrator II	1.0
Rockville District Court and Multi-Service Center	Rockville	2011	Administrative Aide	1.0
<b>Total</b>				<b>9.0</b>

Source: Department of Budget and Management, July 2017

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DGS has prepared customer satisfaction surveys in recent years. Unfortunately, there is not any survey data from fiscal 2002, so recent quality of service cannot be compared to fiscal 2002. **Exhibit 15** shows that there is some dissatisfaction with State facilities. Satisfaction seemed to be highest in fiscal 2013 and has generally declined in recent years. One concern about this data is that there were substantially fewer surveys in fiscal 2016 and that the data leads to conflicting interpretations. In fiscal 2016, satisfaction with bathroom cleanliness declines from

70% to 55%, while overall service level satisfaction increases from 83% to 93%. This inconsistency may be attributable to the small number of surveys.

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**Exhibit 15**  
**Department of General Services Facilities Satisfaction Surveys**  
**Fiscal 2013-2016**

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Number of Surveys Issued	220	120	144	25
Response Rate	83	60	73	76
Percent of Customers Satisfied with Cleanliness of Restrooms	80%	75%	70%	55%
Percent of Customers Satisfied with Cleanliness of Buildings	87%	75%	72%	80%
Percent of Customers Satisfied with Overall Level of Service	98%	82%	83%	93%

Note: Fiscal 2017 is not available.

Source: Department of General Services

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One factor influencing service quality is that DGS is maintaining a number of aging buildings. DLS has prepared an inventory of buildings listed on the department's website. **Exhibit 16** shows that all but 8 of the 53 buildings are over 20 years old. In terms of square feet maintained, most of the workload (3.7 million out of 6.4 million) maintains buildings aged 31 to 60 years. The square footage of buildings over 60 years old totals 1.2 million.

The conclusion is that buildings and grounds workload has increased as newer facilities have come online. While there is not sufficient data to compare service levels in fiscal 2002 to 2018, DGS has room to improve service levels. State buildings are also getting older, which tends to add to the workload.

### **Planning, Design, and Construction**

Another function in the department's portfolio is to manage State construction projects. DGS provides professional management and technical services for State agencies in the planning, budgeting, design, construction, and maintenance of its own facilities, as well as facilities for most State agencies, including the Legislature and Judiciary. These agencies have their own staffs to construct their facilities.

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**Exhibit 16**  
**Age of Department of General Services Maintained Facilities**

<u>Age of Facility</u>	<u>Number of Buildings</u>	<u>Square Feet</u>
10 years or less	1	167,072
11 to 20	7	535,166
21 to 30	8	740,143
31 to 40	12	1,111,888
41 to 50	8	1,834,000
51 to 60	5	789,300
61 to 70	2	31,650
71 to 80	1	92,200
81 to 90	1	287,600
91 to 100	1	82,900
Over 100 Years	7	690,500
<b>Total</b>	<b>53</b>	<b>6,362,419</b>

Note: Excludes facilities that are solely parking garages.

Source: Department of General Services

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The department is also responsible for the maintenance of the facilities it constructs. The Capital Facilities Renewal Fund supports capital maintenance projects. If projects are less than \$100,000, they can be funded with general fund appropriations from the statewide critical maintenance budget.

From fiscal 2002 to 2018, the number and cost of capital projects planned by DGS declined. During the same period, the authorizations for capital facilities renewal projects have remained about the same while the appropriations for operating maintenance have increased, after adjusting for inflation. **Exhibit 17** shows that the number of capital projects decreased by 30% while the appropriations for operating budget critical maintenance projects increased by 15%.

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**Exhibit 17**  
**Planning, Design, and Construction Workload Data**  
**Fiscal 2002 and 2017**  
**(\$ in Thousands)**

	<u>2002</u>	<u>2017</u>	<u>Change</u>	<u>Percent Change</u>
Total Cost of DGS-managed Capital Projects	\$260,306	\$149,583	-\$110,723	-74.0%
Number of Projects	39	30	-9	-30.0%
Capital Facility Renewal Fund	\$15,075	\$15,000	-\$75	-0.5%
Operating Statewide Critical Maintenance	\$6,398	\$7,500	\$1,102	14.7%

DGS: Department of General Services

Note: Fiscal 2002 has been adjusted by the federal Bureau of Labor Statistics' Urban Consumer Price Inflator so that the data is in fiscal 2017 dollars.

Source: Department of Budget and Management; Department of Legislative Services

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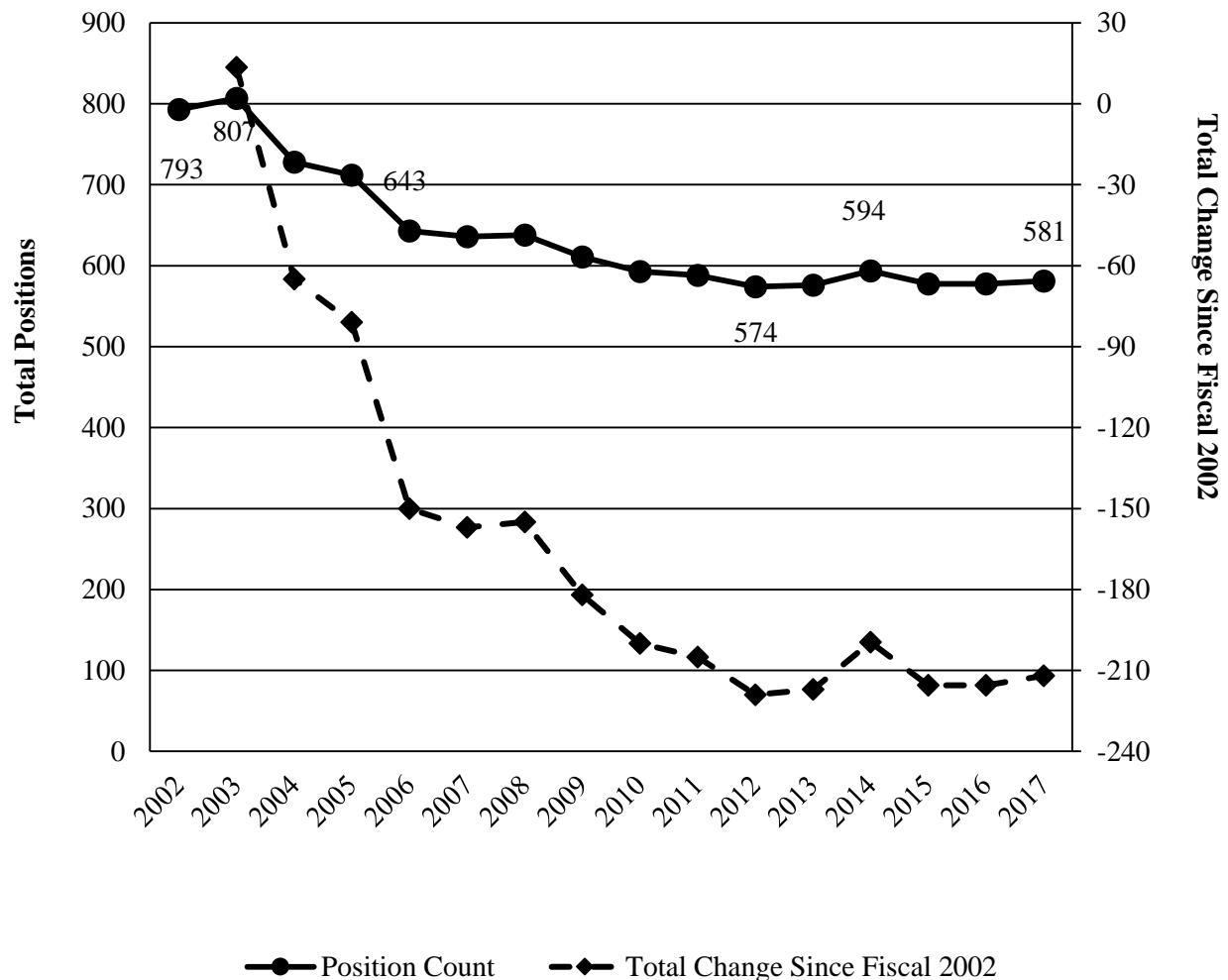
### **Staffing Analysis**

In the last 15 years, DGS has been losing positions. Over one-quarter of DGS' positions have been abolished since fiscal 2002. **Exhibit 18** shows that there are 212 less positions in fiscal 2017 than 2002.

The 15 years can be grouped into distinct phases:

- Large Reductions from Fiscal 2003 to 2006:*** From fiscal 2003 to 2006, net positions decline by 150.0 positions. This reduces the workforce by 19.0%, at an annual rate of 7.3%. The most substantial abolitions are attributable to cost containment (42.0 positions abolished in fiscal 2003 and 57.0 abolished in fiscal 2004) and to actions taken by the Governor through the regular budget process (32.0 positions were abolished in the fiscal 2004 Governor's budget submission, and 55.0 were abolished in the fiscal 2006 submission). By the end of fiscal 2006, DGS positions totaled 643.0. As is common with such large reductions, positions were lost in all areas. Some of the more significant losses include building security officers, police officers, electricians, and multi-service center managers.

**Exhibit 18**  
**Department of General Services Position Count**  
**Fiscal 2002-2017**



Source: Governor's Budget Books

- Reducing Position Counts in Response to the Great Recession:*** Like other State agencies, positions were reduced in response to declining revenues during and after the Great Recession. However, losses are more moderate, as net positions declined by 69.0 over six years from fiscal 2006 to 2012, a rate of 1.9% per year. Some positions were abolished in each year between fiscal 2007 and 2012. The larger reductions include abolishing 27.0 vacant police officer, maintenance, and administrative positions through cost containment in fiscal 2009 and abolishing 24.0 positions in fiscal 2010. Reductions

occurred even in years that the department's workload increased. In fiscal 2010, DGS assumed responsibility for operating and maintaining the Hyattsville and Towson multi-service centers. By the end of fiscal 2012, DGS positions totaled 574.

- ***A Slight Increase in Fiscal 2013 and 2014:*** As introduced, the fiscal 2013 and 2014 budgets added 2.0 and 17.5 positions, respectively. The positions support an enhanced procurement system (2.0 positions in fiscal 2013), the acquisition of the St. Mary's Center (4.0 positions in fiscal 2014), and contractual conversions (13.5 positions in fiscal 2014).
- ***Maintaining Positions Counts Near 580.0 After Fiscal 2014:*** DGS' positions declined by 16.0 in fiscal 2015 for a total of 578.0. Reductions were attributable to the Voluntary Separation Program (7.0 positions), a requirement in the budget bill to abolish 150.0 vacant positions statewide (2.0 positions), and transfers to other agencies.

Position reductions have affected the department's functions. To analyze the effect of reductions on specific activities, DLS grouped all DGS' positions by functions. **Exhibit 19** compares the distribution of the positions in fiscal 2002 and 2017. The chart shows that position reductions at DGS were deep and broad.

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**Exhibit 19**  
**Department of General Services' Positions by Function**  
**Fiscal 2002 and 2017**

	<u>2002</u>	<u>2017</u>	<u>Change</u>	<u>Percent Change</u>
<b>Executive Direction<sup>1</sup></b>	<b>22.0</b>	<b>8.0</b>	<b>-14.0</b>	<b>-63.6%</b>
<b>Finance, Personnel, and Information Technology</b>				
Administration <sup>1</sup>	0.00	6.0	6.0	n/a
Operations	53.5	23.0	-30.5	-57.0%
<b>Subtotal</b>	<b>53.0</b>	<b>29.0</b>	<b>-24.5</b>	<b>-45.8%</b>
<b>Facility Services<sup>2</sup></b>				
Administration <sup>1</sup>	51.0	53.0	2.0	3.9%
Building Security	88.0	86.0	-2.0	-2.3%
Police	137.0	79.0	-58.0	-42.3%
Maintenance	148.0	118.0	-30.0	-20.3%
Housekeeping <sup>3</sup>	11.5	12.0	0.5	4.3%
Building Services	46.5	24.0	-22.5	-48.4%
<b>Subtotal</b>	<b>482.0</b>	<b>372.0</b>	<b>-110.0</b>	<b>-22.8%</b>

	<u>2002</u>	<u>2017</u>	<u>Change</u>	<u>Percent Change</u>
<b>Planning, Design, and Construction</b>				
Administration <sup>1</sup>	39.0	30.0	-9.0	-23.1%
Operations	71.5	51.0	-20.5	-28.7%
<b>Subtotal</b>	<b>110.5</b>	<b>81.0</b>	<b>-29.5</b>	<b>-26.7%</b>
<b>Procurement and Logistics</b>				
Administration <sup>1</sup>	39.0	33.0	-6.0	-15.4%
Operations	44.0	33.0	-11.0	-25.0%
<b>Subtotal</b>	<b>83.0</b>	<b>66.0</b>	<b>-17.0</b>	<b>-20.5%</b>
<b>Real Estate</b>				
Administration <sup>1</sup>	19.0	17.0	-2.0	-10.5%
Operations	13.0	8.0	-5.0	-38.5%
<b>Subtotal</b>	<b>32.0</b>	<b>25.0</b>	<b>-7.0</b>	<b>-21.9%</b>
<b>Print Shop</b>	<b>10.0</b>	<b>0.0</b>	<b>-10.0</b>	<b>-100.0%</b>
<b>Total Positions</b>	<b>793.00</b>	<b>581.0</b>	<b>-212.0</b>	<b>-26.7%</b>

<sup>1</sup> Administration includes positions such as executives, executive assistants, managers, administrators, administrative aides, administrative officers, clerks, and secretaries that are assigned to a particular program. In fiscal 2002, finance, human resources, and information technology were included in Executive Direction (Secretary's Office), but it is unclear to what extent administration positions supported these specific functions. Consequently, this chart may overstate reductions to Executive Direction and understate reductions to Administration in other functions.

<sup>2</sup> Facility services includes the Office of Facility Security and the Office of Facility Maintenance.

<sup>3</sup> Includes Government House.

Source: Governor's Budget Books Fiscal 2004 and 2018.

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**Exhibit 20** shows how vacancies vary between functions as of January 2017. Some areas – building security, police, and maintenance – have double-digit vacancy rates, while others – Executive Direction, real estate operations, and housekeeping – have no vacancies. Facility services, which has almost two-thirds for the department's staff, has a vacancy rate of 9.8%, which drives up the department's vacancy rate.

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**Exhibit 20**  
**Vacancies by Functions**  
**January 1, 2017**

	<b><u>Total Positions</u></b>	<b><u>Vacant Positions</u></b>	<b><u>Percent Vacant</u></b>
<b>Executive Direction<sup>1</sup></b>	<b>8.0</b>	<b>0.0</b>	<b>0.0%</b>
Administration <sup>1</sup>	6.0	0.0	0.0%
Operations	23.0	2.0	8.7%
<b><i>Subtotal</i></b>	<b><i>29.0</i></b>	<b><i>2.0</i></b>	<b><i>6.9%</i></b>
Administration <sup>1</sup>	53.0	6.0	11.3%
Building Security	86.0	5.0	5.8%
Police	79.0	9.0	11.4%
Maintenance	118.0	14.5	12.3%
Housekeeping <sup>3</sup>	12.0	0.0	0.0%
Building Services	24.0	2.0	8.3%
<b><i>Subtotal</i></b>	<b><i>372.0</i></b>	<b><i>36.5</i></b>	<b><i>9.8%</i></b>
Administration <sup>1</sup>	30.0	2.0	6.7%
Operations	51.0	3.0	5.9%
<b><i>Subtotal</i></b>	<b><i>81.0</i></b>	<b><i>5.0</i></b>	<b><i>6.2%</i></b>
Administration <sup>1</sup>	33.0	4.0	12.1%
Operations	33.0	5.0	15.2%
<b><i>Subtotal</i></b>	<b><i>66.0</i></b>	<b><i>9.0</i></b>	<b><i>13.6%</i></b>
Administration <sup>1</sup>	17.0	2.0	11.8%
Operations	8.0	0.0	0.0%
<b><i>Subtotal</i></b>	<b><i>25.0</i></b>	<b><i>2.0</i></b>	<b><i>8.0%</i></b>
<b>Total Positions</b>	<b>581.0</b>	<b>54.5</b>	<b>9.4%</b>

<sup>1</sup> Administration includes positions such as executives, executive assistants, managers, administrators, administrative aides, administrative officers, clerks, and secretaries that are assigned to a particular program.

<sup>2</sup> Facility services includes the Office of Facility Security and the Office of Facility Maintenance.

<sup>3</sup> Includes Government House.

Source: Governor's Budget Books Fiscal 2018; Department of Budget and Management

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One characteristic that high vacancy police, security, and maintenance positions share is low salaries when compared to salaries of local jurisdictions. In the DLS survey, the base salary of a police position was \$4,767 (11%) less than average local salaries, the base salary of a security



position was \$10,939 (30%) less than average local salaries, and the base salary of maintenance was \$7,435 (22%) less than average local salaries.

### **Facility Services' Increased Use of Vendors**

As previously discussed, facility services (facility services includes the Office of Facility Security and the Office of Facility Maintenance) has lost a substantial number of positions while the number of facilities maintained by DGS has increased. To keep up with this workload, the department has increasingly relied on vendors.

**Exhibit 21** shows that, even after adjusting for inflation, the fiscal 2017 spending for repairs and maintenance is \$1.2 million more than fiscal 2002, and spending for janitorial services is \$1.1 million higher. In fiscal 2002, spending on repairs, maintenance, janitorial services, grounds maintenance, and security was 65% of total contractual vendor spending. By fiscal 2017, these expenses accounted for 75% of spending, thus outgrowing spending in other areas.

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### **Exhibit 21** **Changes in Appropriations for Vendors** **Fiscal 2002 and 2017** **(\$ in Thousands)**

<b><u>Title</u></b>	<b><u>2002 Costs</u></b>	<b><u>2002 Cost in 2017 Dollars</u></b>	<b><u>2017 Actual Costs</u></b>	<b><u>Increase over Inflated Costs</u></b>
Repairs and Maintenance	\$2,413	\$3,270	\$4,494	\$1,224
Janitorial Services	2,883	3,907	4,964	1,056
Grounds Maintenance	77	105	439	334
Security	1,980	2,684	2,364	-320
<b><i>Subtotal</i></b>	<b><i>\$7,354</i></b>	<b><i>\$9,966</i></b>	<b><i>\$12,261</i></b>	<b><i>\$2,295</i></b>
<b>Total Contractual Costs</b>	<b>\$11,277</b>	<b>\$15,283</b>	<b>\$16,327</b>	<b>\$1,044</b>
Share of Total	65.2%	65.2%	75.1%	

Note: Fiscal 2002 has been adjusted by the federal Bureau of Labor Statistics' Urban Consumer Price Inflator so that the data is in fiscal 2017 dollars.

Source: Department of Budget and Management

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A review of the changes in Annapolis Public Buildings and Grounds (APB&G) shows how position reductions have affected specific groups of jobs. The staff are responsible for maintaining

21 buildings with 1.9 million square feet. APB&G has 15 buildings with 1.4 million square feet that are over 30 years old. The median age of the buildings is 44 years.<sup>2</sup>

**Exhibit 22** shows that over the period, APB&G's personnel declined 69.5 positions (this includes part-time positions), which is almost 46% of the staff. Areas that lost a significant share of their workforce include housekeepers, carpenters, and electricians. The only plumbing position was eliminated.

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**Exhibit 22**  
**Annapolis Buildings and Grounds Changes in Positions**  
**Fiscal 2001 and 2017**

<b><u>Job Group</u></b>	<b><u>2002 Positions</u></b>	<b><u>2017 Positions</u></b>	<b><u>Change</u></b>	<b><u>Percent Decline</u></b>
<b>Administrative and Support Positions</b>				
Executive	0.0	1.0	1.0	n/a
Management	11.0	7.0	-4.0	-36.4%
Office	12.0	5.0	-7.0	-58.3%
Service Planning	0.0	1.0	1.0	n/a
Purchasing	3.0	1.0	-2.0	-66.7%
Supply	3.0	0.0	-3.0	-100.0%
<b><i>Subtotal</i></b>	<b><i>29.0</i></b>	<b><i>15.0</i></b>	<b><i>-14.0</i></b>	<b><i>-48.3%</i></b>
<b>Maintenance and Operations Positions</b>				
Carpenter	6.0	2.0	-4.0	-66.7%
Electrician	8.0	4.0	-4.0	-50.0%
Engineering	7.0	5.0	-2.0	-28.6%
Groundskeeping	19.0	23.0	4.0	21.1%
Health Inspector	1.0	1.0	0.0	0.0%
Housekeeping	41.5	3.0	-38.5	-92.8%
Locksmith	1.0	1.0	0.0	0.0%
Maintenance	31.0	23.0	-8.0	-25.8%
Mechanic	4.0	3.0	-1.00	-25.0%
Painter	4.0	3.0	-1.0	-25.0%
Plumber	1.0	0.0	-1.0	-100.0%
<b><i>Subtotal</i></b>	<b><i>123.5</i></b>	<b><i>68.0</i></b>	<b><i>-55.5</i></b>	<b><i>-44.9%</i></b>
<b>Total</b>	<b>152.5</b>	<b>83.0</b>	<b>-69.5</b>	<b>-45.6%</b>

Source: Governor's Budget Books Fiscal 2004 and 2018.

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<sup>2</sup> Since the Annapolis complex has four buildings that were built between 1720 and 1870, the average is a skewed 77 years.

One question that the increased spending in contractors raises is the appropriate use of contractors; when are contractors most cost effective and when are State positions most cost effective. When hiring a private contractor, the State pays overhead to the contractor. It is also common for there to be a minimum fee that is charged no matter the size of the job. While some tasks may be too uncommon, large, or complicated for State employees to handle, the concern is that the State may be relying too much on contractors, resulting in additional costs to perform routine tasks that do not take long to complete.

Another issue is that there is not any standardization among the three DGS complexes (APB&G, Baltimore Public Buildings and Grounds (BPB&G), and the Inner Harbor State Complex) and the multi-service centers. For example, APB&G does not have a plumber, but there is a plumber in BPB&G and the Saratoga Street Complex (which is part of the Inner Harbor State Complex). Current staffing is not based on the most efficient complement of positions, but each complex's staff has instead evolved based on the complex's unique policies and budget constraints, as well as the various cost containment actions taken since fiscal 2002. DGS has not had a review of building needs to determine what would be the most cost effective complement of employees. If it is not cost effective for a complex to have plumbers, why do BPB&G and the Saratoga Street Complex have plumbers? It appears that DGS could benefit from examining when State employees are more cost effective and when contracting is more cost effective.

### **Facilities Maintenance Planning Staffing**

There is evidence suggesting that the planning, design, and construction function is at capacity. In fiscal 2017, DGS received 4 new positions to support increased funding for critical maintenance. The critical maintenance budget had been underfunded for years. Additional funding was provided, but the department struggled to support the increased workload. In response, the additional positions were authorized. In fiscal 2017, DGS advised that the operating budget backlog was \$37 million, and the capital budget backlog was \$150 million. As discussed previously, the department manages 37 facilities that are over 30 years old. Consequently, new projects regularly are added and move up on the list. If the State appropriates additional resources to reduce these backlogs, additional planning, design, and construction staffing will be required.

### **Facilities Maintenance Assessment Staffing**

Under the direction of DGS and pursuant to Section 4-407 of the State Procurement and Finance Article, each unit of State government is to carry out a regular maintenance and repair program for the facilities under its responsibility. Additionally, for DGS owned and supported facilities, each unit is to provide an annual assessment of the condition of its facilities to the DGS Maintenance Engineering Division (MED). Though each unit attempts to follow the policies and standards established by DGS, there are deficiencies in the condition assessments that, in large part, result in unplanned emergency project requests.

According to DGS, there were 162 unplanned projects in fiscal 2015 that required the department to source contractors through the emergency procurement method. This substantially increased the State's expenditure on repairs. Unlike the preferred competitive procurement processes for planned repairs, the emergency procurement method reduces price competition as emergencies require immediate resolution to avoid serious damage to public health, safety, or welfare.

Many emergency requests are a result of assessments that fail to identify preventive maintenance needs and properly prioritize repairs, which would have otherwise been noticed with a comprehensive and accurate assessment of facilities. Such assessments require technical expertise including electrical, plumbing, mechanical, and roofing competencies that are not fully represented by the department's technical staff within MED or by the agencies conducting the self-assessments.

Prior to 1993, maintenance projects were identified by a DGS assessment team that inspected all State facilities under DGS control and evaluated the facility maintenance program of each agency. One advantage of this approach was that DGS could prioritize funding across all State agencies, based on the most important and urgent needs. Due to the constrained fiscal environment in the early 1990s, DGS eliminated the assessment team and, as is current practice, relies on agencies to submit a report regarding their facility conditions and maintenance program.

When DGS received funding for an assessment team, the team consisted of 6 maintenance staff, including the Maintenance Engineering Manager (now grade 21). To replicate the team, DGS would need to hire 5 maintenance chief IV licensed positions (grade 13) in addition to the manager. Since much of the work would be done onsite, this estimate assumes a pool of five vehicles for the team. **Exhibit 23** shows that funding a team would require approximately \$281,000 in the first year (a 25% turnover rate is assumed) and \$274,000 in the second year (no additional vehicles would be needed).

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**Exhibit 23**  
**Estimated Costs of a Department of General Services Maintenance Team**  
**Fiscal 2019-2020**

<b><u>Fiscal Year</u></b>	<b><u>2019</u></b>	<b><u>2020</u></b>
Regular Positions	6	6
<b>Personnel Costs</b>		
Salary	\$243,300	\$252,300
Fringe Benefits	26,500	27,500
Turnover	-77,400	-12,800
<b><i>Subtotal</i></b>	<b><i>\$192,400</i></b>	<b><i>\$267,000</i></b>
<b>Other Costs</b>		
Vehicles	\$78,500	\$0
Gas	4,575	6,100
Office Supplies	600	600
Additional Equipment	4,500	0
<b><i>Subtotal</i></b>	<b><i>\$89,700</i></b>	<b><i>\$6,700</i></b>
<b>Total</b>	<b>\$280,575</b>	<b>\$273,700</b>

Source: Department of Budget and Management; Department of Legislative Services;

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**Determining and Publishing Fair Market Prices for Maryland Correctional Enterprises and Blind Industries and Services of Maryland**

State law gives procurement preferences to benefit disadvantaged individuals or representative organizations when goods and services provided by them can be supplied at prices that do not exceed prevailing market prices. Organizations receiving procurement preferences include Blind Industries and Services of Maryland (BISM), Maryland Correctional Enterprises (MCE), Employment Works Program, and individuals with disability-owned businesses (collectively referred to as preferred providers). Laws and regulations require that DGS' Office of Procurement and Logistics (OPL) determine and publish fair market prices for goods and services offered by providers with procurement preferences. OLA advises that the State spent more than \$27 million on goods and services from BISM and MCE in fiscal 2015.

In a December 2016 audit, OLA found that OPL has not determined the fair market prices of goods and services available from MCE. The audit also notes that fair market prices of items available for purchase from MCE or BISM were not published, as is required. Findings relating to MCE have now been reported in four consecutive audits, and findings related to BISM have been reported in the two most recent audits. These issues seem to be chronic, which suggests that staffing levels at OPL may be insufficient to perform duties required by law. As discussed earlier in this report, procurement and logistics has lost 17 regular positions since fiscal 2002. This is a reduction of 20% of the workforce. The salary and fringe benefits of an additional procurement officer I is approximately \$53,800 at base salary and \$69,700 at the midpoint.

### **Delegated Commodity and Maintenance Procurements Were Not Audited**

State regulations authorize OPL to delegate certain small procurements to State agencies. Commodity purchases costing up to \$25,000 and maintenance service contracts costing up to \$50,000 can be delegated to State agencies. Over the three years covered in the December 2016 audit, agencies made 59,802 procurements. The value of commodity procurements totaled \$210 million and the value of maintenance service contracts total \$38 million.

Regulations permit OPL to audit State agency delegated commodity procurements to ensure that a proper competitive procurement was conducted. OPL has established written procedures to conduct audits of delegated commodity procurements on a two-year rotating basis. OLA found that as of January 2016, no audits had been conducted since fiscal 2011. The audit also notes that “OPL management advised us that its ability to properly oversee agency procurements has been negatively impacted by significant and prolonged staffing shortages.” As discussed earlier in this report, procurement and logistics has lost 17 regular positions since fiscal 2002. This is a reduction of 20% of the workforce. To resolve the chronic issue, 1 additional staff appears to be necessary. The salary and fringe benefits of an additional procurement officer I is approximately \$53,800 at base salary and \$69,700 at the midpoint.

# Maryland Department of Transportation

## Program Description

MDOT is charged with managing the State's transportation systems. The department is organized into the State Highway Administration (SHA), MVA, the Maryland Aviation Administration, the Maryland Port Administration, and the Maryland Transit Administration (MTA). Other departmental components include the Office of the Secretary and certain advisory and zoning boards. The department is also responsible for making payments to the Washington Metropolitan Area Transit Authority apportioned to the State by formula or through agreements.

## Staffing Trends

	<u>FY 2002</u>	<u>FY 2018</u>	<u>Change</u>	<u>Percent Change</u>
Positions	9,534.0	9,057.5	-476.5	-5.0%
Contractual FTEs	142.5	122.2	-20.3	-14.2%
<b>Total</b>	<b>9,676.5</b>	<b>9,179.7</b>	<b>-496.8</b>	<b>-5.1%</b>
Percent Contractual	1.5%	1.3%		

Both authorized positions and contractual FTEs for MDOT decreased between fiscal 2002 and 2018, with authorized positions decreasing by a net 476.5 (-5.0%) and contractual FTEs decreasing by a net 20.3 over this time period. The decrease in authorized positions was not uniform across the department, however, as MTA experienced an increase of 233.5 positions and MVA has 8.5 more authorized positions in fiscal 2018 than it had in fiscal 2002. The following table shows the position and FTE changes by mode:

	<u>Fiscal 2002 Actual</u>	<u>Fiscal 2018 Revised</u>	<u>Change 2002-2018</u>	<u>% Change 2002-2018</u>
<b>Authorized Positions</b>				
Secretary's Office	342.00	319.50	-22.50	-6.6%
State Highway Administration	3,500.50	2,960.50	-540.00	-15.4%
Maryland Port Administration	313.00	209.00	-104.00	-33.2%
Motor Vehicle Administration	1,699.00	1,707.50	8.50	1.0%
Maryland Transit Administration	3,133.00	3,366.50	233.50	7.5%
Maryland Aviation Administration	550.50	494.50	-56.00	-10.2%
<b>Subtotal</b>	<b>9,538.00</b>	<b>9,057.50</b>	<b>-480.50</b>	<b>-5.0%</b>

	<b>Fiscal 2002 <u>Actual</u></b>	<b>Fiscal 2018 <u>Revised</u></b>	<b><u>Change</u> <u>2002-2018</u></b>	<b><u>% Change</u> <u>2002-2018</u></b>
<b>Contractual FTEs</b>				
Secretary's Office	6.45	10.00	3.55	55.0%
State Highway Administration	12.09	88.00	75.91	627.9%
Maryland Port Administration	1.30	1.20	-0.10	-7.7%
Motor Vehicle Administration	76.12	6.50	-69.62	91.5%
Maryland Transit Administration	38.00	16.00	-22.00	-57.9%
Maryland Aviation Administration	8.50	0.50	-8.00	-94.1%
<b>Subtotal</b>	<b>142.46</b>	<b>122.2</b>	<b>-20.26</b>	<b>-14.2%</b>

The decrease in MDOT positions is primarily a result of the elimination of positions as part of across-the-board position reductions made from time-to-time to reduce the overall number of authorized positions in the Executive Branch. MTA position increases occurred to eliminate the inappropriate use of temporary employment in the fiscal 2015 budget and as part of the BaltimoreLink transit initiative in the fiscal 2017 budget. MVA received additional positions in the fiscal 2015 budget as contractual conversions and as part of a wait time reduction initiative. MDOT reduced its reliance on contractual FTEs over this period with 83 contractual conversions occurring in the fiscal 2015 budget.

## **Vacancy History**

As of October 1, 2017, MDOT's departmentwide vacancy rate was 7.5%, which exceeded the five-year average of 6.28%. A major contributing factor in the uptick in the vacancy rate was the increase in vacant positions in SHA, in part because SHA received 27 new capital-related positions in the fiscal 2017 budget, combined with a decrease in the overall number of authorized positions as SHA contributed 75 of the 151 MDOT positions abolished pursuant to Section 20 of the fiscal 2017 budget bill. Nearly three-quarters of the MDOT positions vacant on October 1, 2017, had been vacant for six months or less.

## **Compensation**

MDOT has not experienced significant problems attracting and retaining employees due to compensation.

## **Workload Trends**

Overall, MDOT has not experienced workload problems related to understaffing. One exception is at MVA branch offices for which customer wait times have been an issue. In the fiscal 2015 budget, MVA received 76 new positions and a number of contractual conversions in an effort to reduce customer wait time.



## **Staffing Analysis**

Despite having fewer authorized positions and contractual FTEs than in fiscal 2002, MDOT does not appear to be understaffed. It has retained its ability to carry out its functions in part through procuring services, particularly related to the delivery of capital projects, rather than performing tasks in-house.

# Department of Natural Resources

## Program Description

DNR manages the protection, enhancement, and use of the State's natural resources.

## Staffing Trends

	<u>FY 2002</u>	<u>FY 2018</u>	<u>Change</u>	<u>Percent Change</u>
Positions	1,616.2	1,332.5	-283.7	-17.6
Contractual FTEs	332.0	491.9	160.0	48.2
<b>Total</b>	<b>1,948.2</b>	<b>1,824.4</b>	<b>-123.7</b>	<b>-6.4</b>
Percent Contractual	17.0%	27.0%		

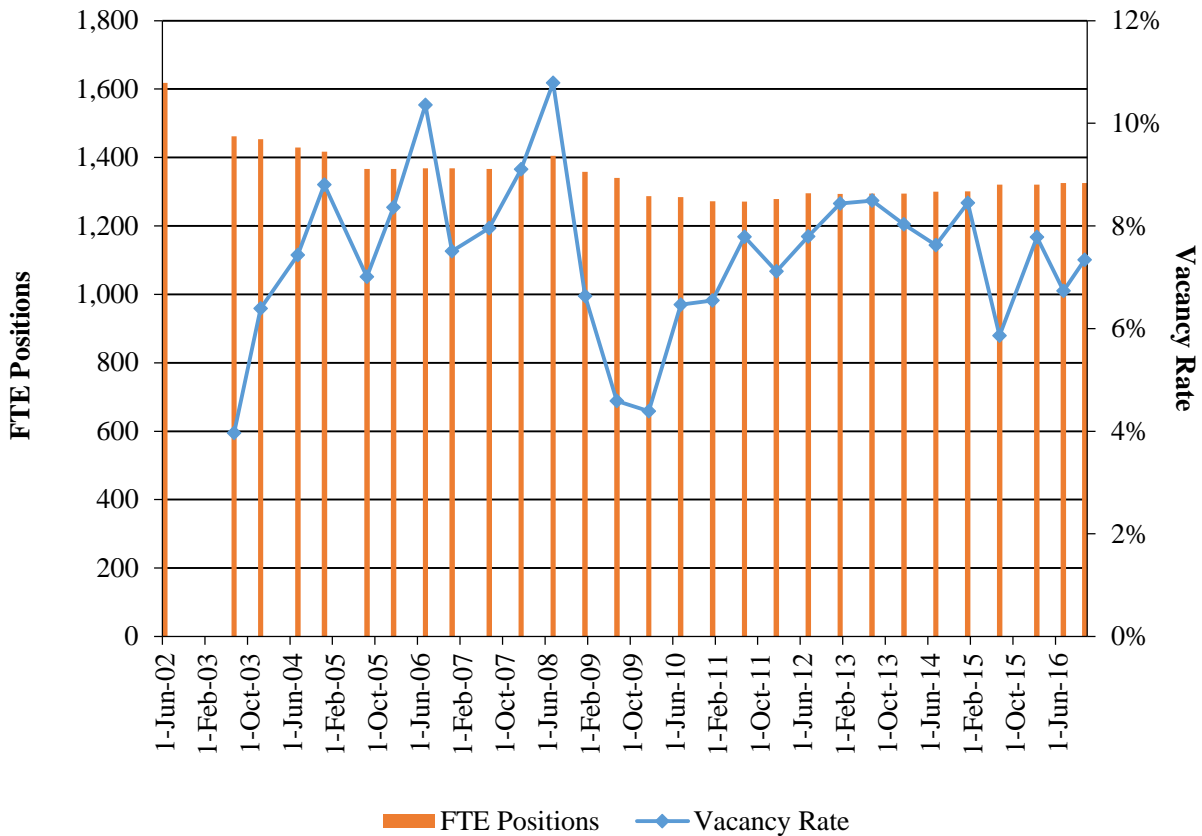
The overall trend in positions since 2002 has been downward. One of the major changes was the consolidation of Maryland Park Service (MPS) law enforcement officers into the Natural Resources Police (NRP), neither of which were fully staffed at the time of the merger. The number of contractual FTEs has increased over the time period shown, which appears to reflect a shift from permanent positions to contractual FTEs and increases in the seasonal employee force that staffs State parks.

## Vacancy History

The vacancy rate as of October 1, 2017, was 136.0 vacancies out of 1,335.0 positions, or 10%. As shown in **Exhibit 24**, DNR's staffing has declined from a high of 1,618.2 on June 30, 2002, to a low of 1,271.0 on July 1, 2011, and then has since increased. The first large decrease between June 30, 2002, and August 8, 2005, correlates with a decision to use contractual employees to fill seasonal positions primarily in the Forest Service and MPS and the consolidation of MPS rangers with NRP, which involved the shifting of people to vacant positions and thus a reduction in the vacancy rate. The increase between January 1, 2008, and July 1, 2008, reflects position increases in order to bring DNR back to its full complement of positions before the consolidation of the law enforcement functions and reflects a temporary increase in the vacancy rate before the positions were filled. Since July 1, 2008, there has been a general trend of increasing positions with some fluctuations in the vacancy rate.

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**Exhibit 24**  
**Department of Natural Resources Positions and Vacancy Rate**  
**June 30, 2002 to November 1, 2016**



FTE: full-time equivalent

Source: Department of Budget and Management

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## Compensation

DNR notes that compensation and experience are intertwined when it comes to filling budget and finance positions. A complicating factor is the unique knowledge set required to handle multiple special, federal, and reimbursable fund sources and the State's accounting system. DNR is having difficulty finding qualified candidates that can do the work with minimal training and is not able to attract certain candidates because compensation is too low. In addition, when people do obtain experience at DNR they leave and take the institutional knowledge with them.

## Workload Trends

Two areas of obvious workload concerns are MPS and NRP. MPS operates the State's park system. The 2016 *Strategic Park Investment Plan* (November 2016) notes that the State's park system has grown from 19 parks and recreation areas with a total of 6,228 acres in 1952 to 72 State parks and 138,270 acres in 2016. In addition, citing the 2013 *Maryland Park Service Five-Year Strategic Plan*, MPS notes that it has one of the highest ranger-to-park visitor ratios when compared to states with comparable state park systems, as shown in **Exhibit 25**. Finally, when compared to the recommendations of the 2013 *Maryland Park Service Five-Year Strategic Plan*, MPS notes that limited budget resources have kept it from phasing in the approval of 70 additional positions between fiscal 2015 and 2022, or 10 new positions per year.

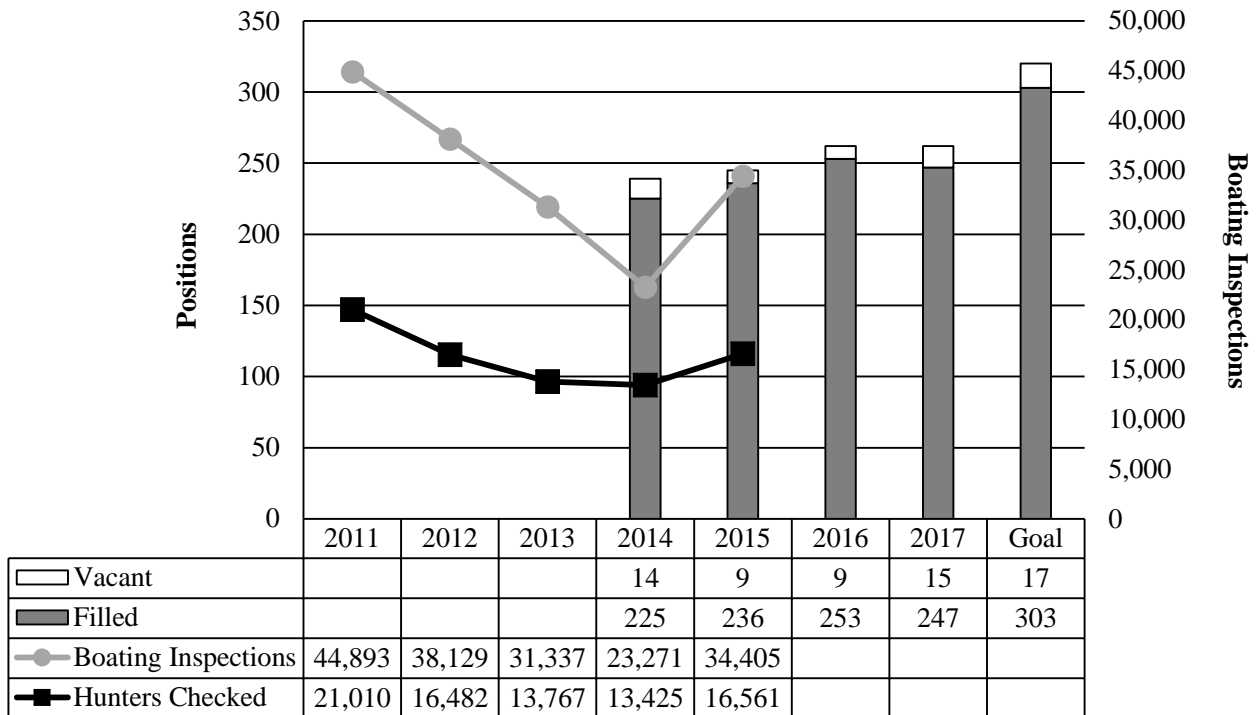
**Exhibit 25**  
**Maryland Compared to Other States with Comparable Park Systems**

<u>State</u>	<u>Full-time</u>	<u>Part-time</u>	<u>Seasonal</u>	<u>Total Employees</u>	<u>Total Park Acres</u>	<u>Acres Per Employee</u>	<u>Annual Visitation</u>	<u>1,000 Visitors Per Employee</u>
Delaware	243	210	822	1,275	25,835	20.26	4,652,806	3.65
Maryland	233	0	809	1,042	134,539	129.12	10,776,396	10.34
Michigan	903	2	1,386	2,291	286,130	124.89	19,582,601	8.55
North Carolina	361	96	3,266	3,723	214,327	57.57	14,574,394	3.91
Pennsylvania	1,107	0	1,535	2,642	295,036	111.67	37,629,620	14.24
Virginia	526	608	1,338	2,472	71,602	28.97	8,062,354	3.26

Source: Department of Natural Resources, 2013 *Maryland Park Service Five-Year Strategic Plan*

NRP has sole responsibility for conservation law enforcement across the State. However, it is not meeting the position goals laid out in the *Maryland Natural Resources Police Strategic Plan Fiscal Year 2015-2019*. The strategic plan calls for an additional 75 law enforcement officer positions over five years from a base of 245 positions in fiscal 2015. DNR will need to add another 58 positions to meet its goal. Perhaps by meeting this goal it will be able to reverse the downward trend in the number of boating inspections (see **Exhibit 26**) and also be able to step up enforcement of oyster sanctuaries and rockfish poaching. The goal of adding an additional 58 positions is challenged by the number of officers who retire, take medical leave, and are enrolled in the Deferred Retirement Option Program (fiscal 2017 – 15 enrolled, fiscal 2018 – 9 enrolled, fiscal 2019 – 4 enrolled, and fiscal 2020 – 11 enrolled). So in addition to fiscally straitened times in which it will be difficult to fund new position, DNR will also be faced with the need to fill its existing positions.

**Exhibit 26**  
**Natural Resources Police Positions, Boating Inspections, and**  
**Hunters Checked**  
**Fiscal 2011-2017\***



\*Totals reflect the first six months of fiscal 2017.

Note: A certain level of vacant positions are necessary to meet budgeted turnover.

Source: Department of Budget and Management; Department of Natural Resources

Meeting its NRP position goal will require DNR to have an academy class of 10 to 20 officers each year, which is possible given that DNR has had the following recent academy classes: fiscal 2014 – 21 graduates of 22 original officers; fiscal 2015 – 19 of 22; and fiscal 2016 – 27 of 30. To keep the momentum, it would be helpful to increase DNR’s hiring rate for NRP officers. This could take the form of using some kind of statewide open and continuous basic testing process and background check system so that existing NRP officers are not taken off patrols.

## **Staffing Analysis**

Anecdotal evidence suggests DNR is not sufficiently staffed in MPS, NRP, and, similar to other State agencies, in its budget and finance office. The anecdotal evidence includes interviews with staff and the recent studies conducted for both programs. MPS has not attained its goal of adding 10 new positions per year and may actually be moving further from its goal of reducing the visitors-to-employee ratio as a result of increasing MPS visitation.

NRP is front-and-center when it comes to enforcement of oyster sanctuaries and rockfish poaching but faces challenges in meeting its 75 additional law enforcement officers goal due to budget constraints and the position filling issues of retirements, medical leave, and enrollment in the Deferred Retirement Option Program. If nothing changes, NRP will be unable to provide 24-hour law enforcement coverage, and officers may be endangered to the extent that backup opportunities are not available due to officers being stretched too thin geographically.

# Maryland Department of Agriculture

## Program Description

The Maryland Department of Agriculture (MDA) administers and promotes agricultural services and activities throughout the State.

## Staffing Trends

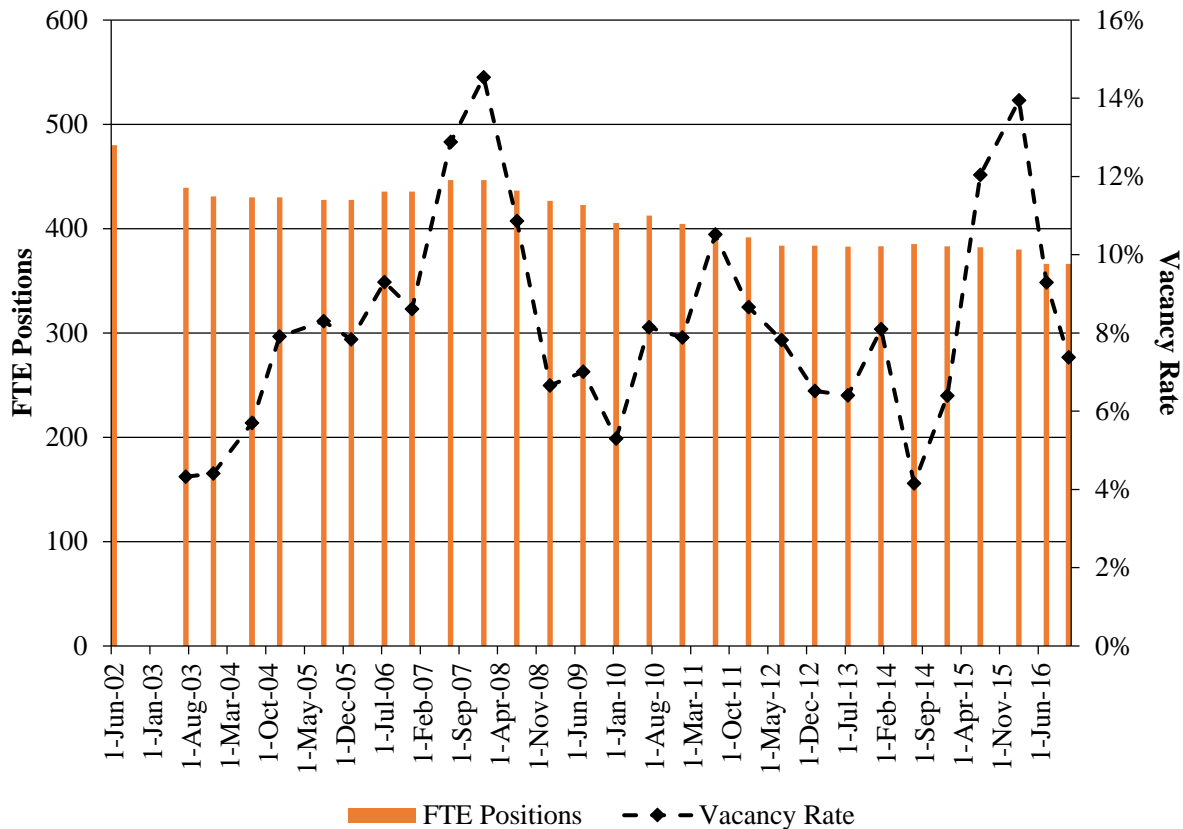
	<u>FY 2002</u>	<u>FY 2018</u>	<u>Change</u>	<u>Percent Change</u>
Positions	479.0	355.1	-123.9	-25.9%
Contractual FTEs	36.7	47.7	11.0	30.0%
<b>Total</b>	<b>515.7</b>	<b>402.8</b>	<b>-112.9</b>	<b>-21.9%</b>
Percent Contractual	7.1%	11.8%		

The overall trend in MDA positions has been downward since fiscal 2002 with a modest increase in contractual FTEs over the same time period. MDA lost 49 positions between fiscal 2002 and 2005 as part of cost containment. The majority of the positions were in the Office of Resource Conservation, Weights and Measures, Animal Health, and the State Chemist and were mostly lower level positions. Between fiscal 2007 and 2008, MDA added 21 positions; the positions primarily were intended to meet the legislatively mandated goal of 110 Soil Conservation District field positions in order to implement the Cover Crop, Manure Transport, and Maryland Agricultural Cost Share programs. Since fiscal 2009, there has been a steady reduction of positions, which is attributable to cost containment, transferring seafood aquaculture duties to DNR, the closure of three Animal Health laboratories, the elimination of the Weed Control program, and the transfer of information technology duties to DoIT.

## Vacancy History

The vacancy rate as of October 1, 2017, was 31 positions out of 355, or 9%. As shown in **Exhibit 27**, the MDA vacancy rate spiked in both fiscal 2008 and 2016. The vacancy rate spike in fiscal 2008 correlates with the addition of new positions, which take time to be filled; the reason for the vacancy rate spike in fiscal 2016 is due to MDA holding positions vacant in preparation for future position reductions.

**Exhibit 27**  
**Maryland Department of Agriculture Positions and Vacancy Rate**  
**June 30, 2002 to November 1, 2016**



FTE: full-time equivalent

Source: Department of Budget and Management

## Compensation

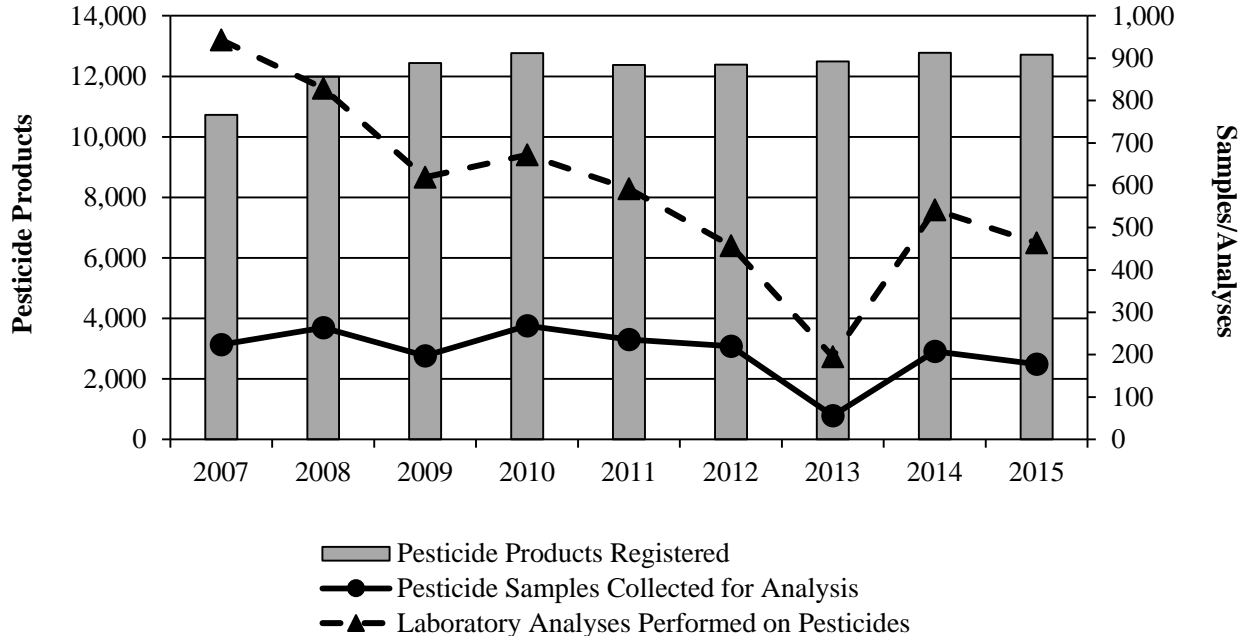
In terms of compensation, MDA only notes that there is a high rate of turnover in the Weights and Measures program due to salary. Specifically, MDA noted that the lead investigator position is vacant, and there is a need for 1 more lab manager. One of the complications in hiring lab managers is that they have to have a certain level of certification, which is rare in the job market. As a result, MDA only has 1 Weights and Measures lab manager, and a contractual worker is used to fulfill other duties.



## Workload Trends

MDA noted that its biggest function is regulation of weights and measures, food supply, pesticides, and other areas. In order to handle this work, it relies on statistical sampling to ensure the safety of the regulated products and services. **Exhibit 28** shows State Chemist pesticide products registered, pesticide samples collected for analysis, and laboratory analyses performed on samples. Over the time period shown, the number of pesticide products registered increases while the pesticide samples collected for analysis remains about the same, and the laboratory analyses performed on samples decreases. While MDA generally has been meeting its objective of ensuring that 99% of products are in conformance with Maryland law, it has not necessarily maintained a high number of laboratory analyses performed. MDA notes that the difference between fiscal 2013 and 2014 for both pesticide samples collected and laboratory analyses performed is due to 3 inspectors being on extended sick leave in fiscal 2013, which reduced the number of samples taken. The impact of limited position redundancy shown between fiscal 2013 and 2014 is symptomatic of a number of MDA's regulatory programs where retirements and extended sick leave can reduce regulatory outcomes.

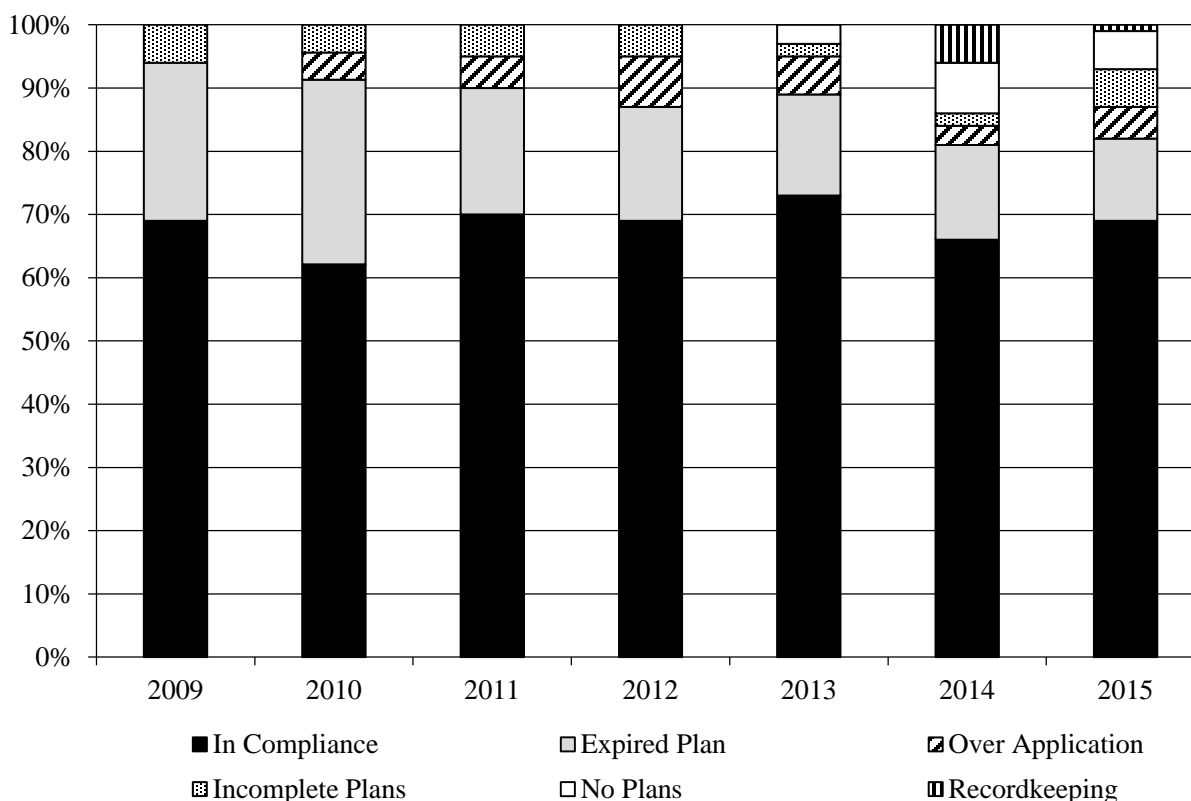
**Exhibit 28**  
**State Chemist Samples Collected and Laboratory Analyses Performed**  
**Fiscal 2007-2015**



Source: Governor's Budget Books, Fiscal 2009-2016; Department of Budget and Management

**Exhibit 29** reflects the outcomes of initial on-farm nutrient management plan audits. During the time period shown, there have been about 7 inspectors conducting the audits. However, there does not appear to have been any change in the number of farms in initial compliance, which could be symptomatic of insufficient enforcement.

**Exhibit 29**  
**Results of Initial On-farm Nutrient Management Plan Audits**  
**Fiscal 2009-2015**



Source: Maryland Department of Agriculture Nutrient Management Program Annual Reports 2009-2015

A key piece of information concerning MDA's compliance and enforcement inspections and positions was requested in the 2016 JCR for submission by September 1, 2016, but has not been received. The 2016 JCR included a request for a report on compliance and enforcement inspections and positions in MDA and the Maryland Department of the Environment. The report was requested to include information on the necessary inspectors per inspection activity associated with Chesapeake Bay restoration, the actual inspectors per inspection activity, and both the funding and programmatic changes necessary to reach the necessary inspectors per inspection activity. The

report also was requested to include all inspection activities conducted by the MDA Office of Resource Conservation and the number of regular positions and contractual FTEs associated with the inspections including the number of vacancies for fiscal 2011 through 2018 estimated.

### **Staffing Analysis**

MDA is understaffed according to anecdotal evidence. In general, MDA notes that it has difficulties in filling lower pay scale positions and also in attracting and keeping specialists. While MDA acknowledges that functionality is not where it was in the early 2000s, it also notes that the direction of the agency has changed and that it is making do with the resources available. One example of this is the use of statistical sampling in its regulatory programs. Staffing concerns in certain programs are noted as follows:

- ***Weights and Measures:*** the program is understaffed, partially as a result of compensation deficiencies and challenges in finding qualified candidates;
- ***State Chemist:*** contractual FTEs primarily are filling the roles of regular positions;
- ***Spay and Neuter Program:*** there is only one employee, assisted by a board, to run the whole grant program; and
- ***Mosquito Control:*** while there has been some additional contractual staff to cover Zika virus investigations, in general, the workforce has decreased since calendar 2000, and there are no staffing redundancies to help cover or fill vacant positions when they occur.

# Office of Health Care Quality

## Maryland Department of Health

### Program Description

OHCQ is the agency within MDH mandated by State and federal law to determine compliance with the quality of care and life standards for a variety of health care services and programs. Facilities and services are reviewed on a regular basis for compliance with the *Code of Maryland Regulations*, as well as for compliance with federal regulations in those facilities participating in Medicare and Medicaid. The types of facilities licensed and regulated by OHCQ include nursing homes, hospitals, ambulatory surgical centers, endoscopic centers, birthing centers, home health agencies, health maintenance organizations, hospice care, physical therapy centers, developmental disability homes and facilities, and forensic laboratories.

### Staffing Trends

	<u>FY 2002</u>	<u>FY 2018</u>	<u>Change</u>	<u>Percent Change</u>
Positions	228.8	196.7	-32.1	-14.0%
Contractual FTEs	3.5	5.5	2.0	57.1%
<b>Total</b>	<b>232.3</b>	<b>202.2</b>	<b>-30.1</b>	<b>-13.0%</b>
Percent Contractual	1.5%	2.7%		

- Between fiscal 2002 and 2018, OHCQ staff decreased by 30.1 positions, or 13.0%.
- Contractual FTEs as a percent of the total OHCQ workforce grew from 1.5% in fiscal 2002 to 2.7% in fiscal 2018.

### Vacancy History

- The agency had 10.9 vacancies as of July 1, 2017, and a vacancy rate of 5.5%.
- This vacancy rate is lower than typical for OHCQ over the last five years. The agency had a vacancy rate as high as 17.0% in 2016.

### Workload Trends

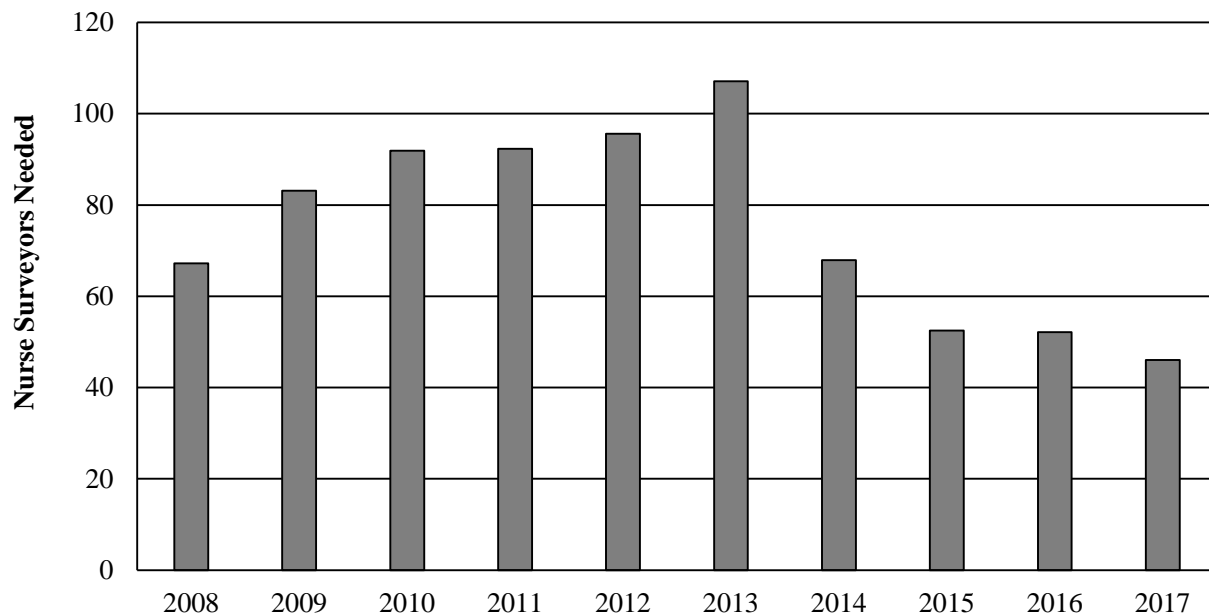
The OHCQ workload has been increasing over the last few years, with the number of providers overseen by OHCQ increasing from 14,452 in fiscal 2014 up to 18,032 in fiscal 2017, representing an increase of 24.8%. During the same time period, the total number of positions for OHCQ has increased from 199.5 to 201.7, representing an increase of only 1.1%. In order to keep

up with the ever increasing number of providers, OHCQ has undertaken numerous initiatives to streamline the regulatory and licensure process in order to gain as many efficiencies as possible. However, even with these changes, annual reports submitted by OHCQ continue to show that the agency has insufficient staff to meet the agency's required mandates.

As part of the OHCQ annual report, the agency conducts a thorough staffing analysis on nurse surveyors utilizing actual data from the time it takes for nurse surveyors to conduct their licensure and complaint investigation processes throughout the year. As shown in **Exhibit 30**, over the last 10 years, the nurse surveyor deficit increased from fiscal 2008 through 2013, until it began to decline in fiscal 2014. This decline is due to a focus on implementing various regulatory efficiencies, as well as the addition of 5.0 new surveyor positions since fiscal 2013. However, there remains a deficit of 43.9 nurse surveyor positions within OHCQ for fiscal 2017. While the most recent report had the deficit at 46.05 in fiscal 2017, 2.17 of those positions were attributable to the behavioral health licensing division, which as of July 1, 2017, moved to the Behavioral Health Administration (BHA).

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**Exhibit 30**  
**Surveyor Deficit**  
**Fiscal 2008-2017 Est.**



Source: Office of Health Care Quality

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## **Staffing Analysis**

Based on the most recent OHCQ annual report, there still remains a documented staffing shortage of at least 43.9 nurse surveyor positions within the agency. While this number has been declining recently due to numerous efficiencies undertaken by OHCQ, based on a site visit with the agency, OHCQ expects that the next annual report will either maintain that deficit, if not show an increase, due to changes in regulations and processes at the federal level for which OHCQ is responsible for implementing in the State. Thus, at this time, DLS believes that the 43.9 regular positions will still be needed for the upcoming year.

Further, it should be noted that the most recent annual report also noted a deficit of 7 coordinator positions within OHCQ. However the agency has filled this need internally by reclassifying other positions. Thus, DLS does not see a need for these positions.

# Office of the Chief Medical Examiner

## Maryland Department of Health

### Program Description

The Office of the Chief Medical Examiner (OCME) investigates violent and suspicious deaths and those deaths unattended by a physician. OCME also keeps reports of all investigated deaths and performs autopsies, when necessary, to determine the cause and manner of death and makes these records available to the courts, family members, and others. Furthermore, OCME furnishes the State's Attorneys with records relating to deaths for which, in the judgment of the medical examiner (ME), further investigation is deemed advisable.

### Staffing Trends

	<u>FY 2002</u>	<u>FY 2018</u>	<u>Change</u>	<u>Percent Change</u>
Positions	75.0	80.4	5.4	7.2%
Contractual FTEs	2.0	5.8	3.8	190.0%
<b>Total</b>	<b>77.0</b>	<b>86.2</b>	<b>9.2</b>	<b>11.9%</b>
Percent Contractual	2.6%	6.7%		

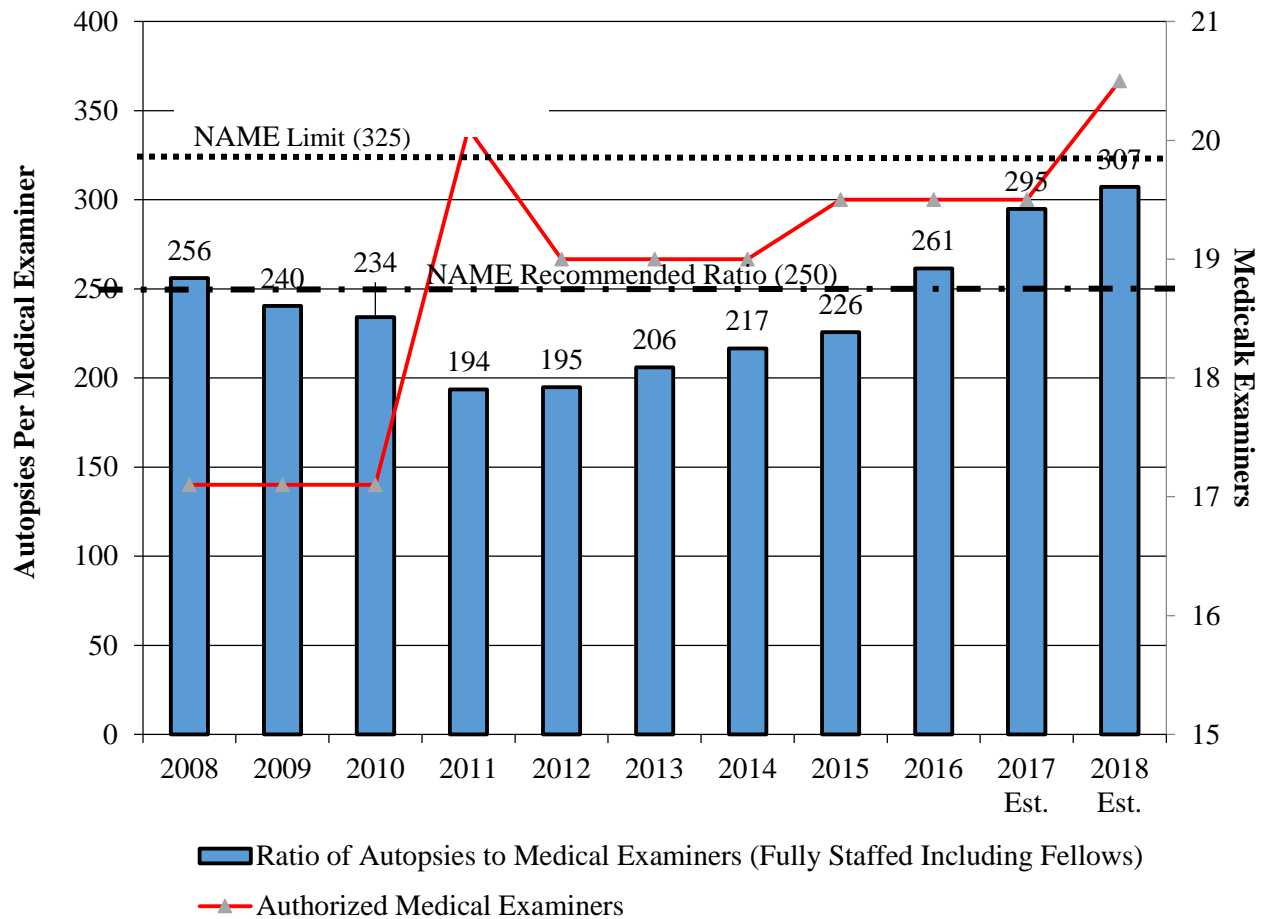
### Workforce Trends

#### Medical Examiners

Over the past two years, the caseload for OCME has increased dramatically. From fiscal 2014 to 2016, the number of deaths investigated increased by 2,550 deaths, or 23%, and the number of cases examined increased by 983 cases, an increase of 24%. In that time, only 1 ME position was added, leading to an increase in the average caseload to 340 cases per examiner in fiscal 2016.

The National Association of Medical Examiners (NAME) provides accreditation to coroners and ME offices that meet particular standards. Maryland has managed to maintain accreditation with only one period of provisional status under the old facility for building violations. NAME, as part of the accreditation standard, has set a recommended average caseload of 250 cases a year and a maximum caseload for MEs of 325 cases a year. **Exhibit 31** shows Maryland's compliance with the NAME recommendation and limit. Currently, OCME is in violation of the caseload standard. The office will be placed on provisional status and may lose accreditation. This would hurt its reputation and the value of its reports and testimony.

**Exhibit 31**  
**Ratio of Cases to Medical Examiner Positions**  
**Fiscal 2008-2018**



NAME: National Association of Medical Examiners

Source: Office of Chief Medical Examiner

The high caseload also has an effect on the examiners, increasing stress, reducing time to fill out necessary paperwork, and forcing them to perform examinations even on scheduled breaks. The Scientific Working Group for Medicolegal Death Investigations (SWG MDI) releases recommendations to coroners' and MEs' offices based on the NAME requirement. For the number of autopsies that the Maryland office completes, SWG MDI recommends around 26 MEs.



OCME has made effective use of its fellowship program to recruit students early and reduce its own workload burden. Each fellow costs the office far less than half of the cost of a full ME, counts for 0.5 a position in the NAME caseload calculations, and, by the end of the fellowship, is as productive as a full worker. Currently, the office is accredited for 4 fellows (the equivalent of 2.0 positions). Funding is available for 3.0 of the 4.0 fellowship positions. As shown in Exhibit 31, the filling of the current 3.0 vacant ME positions and the full utilization of the fellowship training would bring the office back into a compliant caseload level. These positions have remained vacant long term due to compensation, expanded upon in the compensation section below, and low supply.

Additionally, 6.0 out of the 17.5 MEs, just over a third, are eligible or will be eligible for retirement within five years, and it is likely that many will leave within that time. This will only exacerbate the current problem unless preemptive actions are taken now not only to fully staff the office but also to fill positions as they become vacant.

## **Compensation**

OCME has difficulty offering competitive compensation for the ME position. In addition to competition with other state ME's offices, the office is in competition with all hospitals for pathologists. Hospital pathologists earn significantly more, often over \$100,000 more, and have a lighter and easier caseload. With only 37 accredited forensic pathology training programs in 27 states and 30 to 40 graduates of these programs a year, there is a short supply of MEs. While the office has 3 vacant ME positions, it cannot fill them even after four months of advertising.

Maryland has managed to stay competitive with other ME programs in the country due, in large part, to its fellowship training program. Many alumni of the program return to work in Maryland when positions open. However, there are some programs across the country that are actively and aggressively recruiting. They offer higher salaries, benefits, and time for research and travel.

Maryland has the option to increase its successful fellowship program. Currently, the office has 1 unfunded fellowship position that it could fill if funding was made available. Furthermore, an additional 1 or 2 more fellowship positions would allow for added benefits in terms of reduction in caseload and relatively lower costs without causing damage to the effectiveness of the learning program.

# Behavioral Health Administration

## Maryland Department of Health

### Program Description

BHA within MDH is responsible for the treatment and rehabilitation of the mentally ill; individuals with drug, alcohol, and problem gambling addictions; and those with co-occurring addition and mental illness. BHA reflects the merger of the former Mental Hygiene Administration and the Alcohol and Drug Abuse Administration.

### Staffing Trends

	<u>FY 2002</u>	<u>FY 2018</u>	<u>Change</u>	<u>Percent Change</u>
Positions	3,993.2	2,800.7	-1,192.5	-29.9%
Contractual FTEs	206.2	214.6	8.4	4.1%
<b>Total</b>	<b>4,199.3</b>	<b>3,015.2</b>	<b>-1,184.1</b>	<b>-28.2%</b>
Percent Contractual	4.9%	7.1%		

Since fiscal 2002, BHA has lost 28% of its total positions, the majority of which were permanent positions. The majority of these positions have been in the facilities that BHA operates and has, at times, corresponded with bed and facility closures. However, as discussed further, a BHA staffing study indicated that the facilities were understaffed by approximately 25% for direct care workers.

### Vacancy History

Vacancy rates have remained high within BHA, with a vacancy rate of 9.6% as of July 1, 2016. This compares to an overall vacancy rate of 6.6% on July 1, 2011, with the rate gradually increasing over the five-year span despite the fact that the total number of positions decreased by 123.4 positions. As discussed more below, this increasing rate could be attributable to a lack of adequate compensation for the environment that these personnel work in on a daily basis.

### Compensation

Compensation at the facilities within BHA remains a major point of concern in regard to recruitment of individuals and vacancy rates. In particular, the shifting nature of the patient populations at these facilities to a more forensic population has created a call for higher salaries for individuals at these institutions.

## Workload Trends

Since 2002, there have been significant bed reductions within BHA facilities. In response to bed reductions and closures, MDH received a staffing study in 2007 that compared available direct care positions to recommended levels by service type. At that time, total staff shortfalls reached almost 400 positions, with vacant positions counting as needed positions. Following the study, BHA continued reducing its bed capacity. However, the number of positions within the department continued to decline as well. In response to these reductions, GAM, through the JCR, requested an updated staffing analysis in 2009. In the subsequent study, MDH noted that staff availability and bed capacity had declined almost equally since the last study, allowing the maintenance of staff-to-patient ratios but preventing any real progress in meeting staffing standards. The subsequent study noted a shortfall of 459 positions in the number of direct care positions that were necessary for that bed capacity, which represented a 25% overall shortfall inclusive of vacancies.

There have been no further staffing studies done since 2009. However, utilizing the methodology of these reports, DLS conducted a rough analysis of the number of positions that would be required to staff the current number of beds. At the current level of operating bed capacity, DLS has determined that BHA is currently understaffed by approximately 48.9 authorized positions. A breakdown of the positions needed is provided in **Exhibit 32**. In order to estimate the cost of these new positions, DLS assumed that classifications where there are more authorized positions than necessary would be reclassified in order to adequately distribute positions across the proper classifications. Thus, all 48.9 positions are assumed to be licensed practical nurses, which are hired at a grade 11.

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### Exhibit 32 Ratio of Cases to Medical Examiner Positions Fiscal 2008-2018

	<u>Authorized Positions</u>	<u>Estimated Need</u>	<u>Difference</u>
Registered Nurses	561.8	534.1	27.8
Licensed Practical Nurses	264.5	400.6	-136.1
Direct Care Aides	451.1	400.6	50.5
Psychiatrists	112.6	78.0	34.6
Psychologists	76	48.5	27.5
Rehabilitation	107.5	177.8	-70.3
Social Workers	96.5	79.3	17.2
<b>Total</b>	<b>1,670.0</b>	<b>1,718.8</b>	<b>-48.9</b>

Source: Behavioral Health Administration; Department of Legislative Services

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The amount of staff needed includes two important caveats. First, MDH and BHA have indicated that both are planning on expanding the operating bed capacity of the State by 95 beds without adding any additional authorized positions. While it is known where these beds will be located and at what level of clinical necessity, what is not known at this time is where the new positions will come from within MDH. Thus, they have not been included in this analysis. Further, it is important to note that this shortfall is only in authorized positions, not filled positions, as represented in previous studies. However, the vacancy rates of some of these positions continue to be quite high. In particular, in fiscal 2016, registered nurses averaged a 24.1% vacancy rate, psychiatrists and other physicians a 23.1% vacancy rate, and social workers a 22.2% vacancy rate.

Beyond the bed capacity, the makeup of the patient population at the facilities has drastically changed in the past 15 years. Over that timeframe, the ratio of beds occupied by forensic versus civil patients has changed from 38% forensic to over 90% forensic, despite the fact that the State still only maintains one forensically designated facility at Clifton T. Perkins Hospital Center. The concern here is twofold: (1) the current direct care staff are not adequately trained or compensated for the level of care that they are providing; and (2) the security staff is not robust enough to handle this population. Both of these recommendations have been addressed in recent reports published by MDH.

Over the 2016 interim, MDH convened a Forensic Services Workgroup to study the issue of how to improve the forensic services delivery system. The report noted that as the patient population has become increasingly forensic, staff training and compensation levels have not increased concurrently. Thus, one of the recommendations of this report is for the rapid reassessment and reclassification of staff at all State hospitals to a forensic classification. This included increasing staffing levels to manage a forensic population, and for all hospital staff to receive compensation consistent with the staff at the State forensic hospital, Clifton T. Perkins. During the 2017 legislative session, the budget committees requested a report from MDH on the implementation of this recommendation. The report, originally scheduled to be due on October 1, 2017, received an extension to December 1, 2017.

One of the limitations of the staffing study is that it only takes into account the clinical positions that are needed. However, almost just as important is the security staff of the facilities, especially given the increasing forensic nature of the patient populations. The security staff issue was recently addressed in a JCR report from the 2016 session. In a survey of the facilities, six out of seven indicated that they needed additional security personnel. Further, these same facilities noted that the forensically involved patients that now make up a majority of the hospital populations require security personnel hired at a higher grade than currently available. The survey also noted that it has been difficult for the hospitals to attract candidates for security positions at the current step and grade levels offered and that the salaries are creating high turnover rates. However, while MDH notes that it is currently evaluating its classification system for security personnel in response to the survey, there is no formal recommendation in the report that more staff is needed at this time.

## Staffing Analysis

Based on these studies, as well as the staffing and bed capacity trends of the past 15 years, it appears that there is both documented evidence as well as documented but unquantifiable evidence to suggest that BHA is understaffed. In particular, this understaffing can be documented in three specific areas:

- ***Direct Care Workers:*** Based on the studies conducted in 2007 and 2009, and updating for current bed capacity, BHA is short by 48.9 authorized positions, which are mainly assumed to be licensed practical nurses.
- ***Security Personnel:*** Based upon the increasingly forensic nature of the patients in State hospitals, and based upon the surveyed needs of each of the hospitals, more security personnel will need to be hired.
- ***Training and Compensation:*** Again due to the increasingly forensic nature of the patient population, training and compensation for both direct care workers and security personnel will need to increase to reduce turnover.

# **Developmental Disabilities Administration – State Residential Centers and Secure Evaluation and Therapeutic Treatment Unit Maryland Department of Health**

## **Program Description**

### **State Residential Centers**

The Developmental Disabilities Administration (DDA) oversees the operation of two State Residential Centers – the Holly Center in Salisbury and the Potomac Center in Hagerstown. Both State Residential Centers are responsible for the provision of needed services to people who have intellectual disabilities admitted to the facility while working to integrate these people into less restrictive settings in the community.

### **Sykesville Secure Evaluation and Therapeutic Treatment Unit**

Since fiscal 2009, DDA has served court-ordered individuals in specialized centers called Secure Evaluation and Therapeutic Treatment (SETT) units instead of in State Residential Centers. Prior to November 2016, DDA operated two SETT units: one for evaluation and short-term treatment and one for treatment on a longer term basis.

The evaluation and short-term treatment unit was a secure facility located on the grounds of the Clifton T. Perkins Hospital in Jessup. This unit housed a maximum of 12 individuals for 21 to 90 days.

The longer term therapeutic treatment facility was also a secure facility located on the grounds of Springfield Hospital in Sykesville. This unit had capacity for 20 individuals who had been appropriately identified through evaluation at the Jessup unit.

This unit provided treatment, care, and evaluation services for individuals with intellectual disabilities who are court ordered to MDH. These individuals with intellectual disabilities also have co-occurring disorders. These co-occurring disorders include mental illness, substance abuse, language disorders, and personality disorders.

In November 2016, MDH consolidated the two SETT units into one 32-bed unit. This unit is located at the Springfield Hospital in Sykesville at the previous location of the longer term unit.

## Staffing Trends

<b>Potomac Center</b>	<b><u>FY 2002</u></b>	<b><u>FY 2018</u></b>	<b><u>Change</u></b>	<b><u>Percent Change</u></b>
Positions	178.5	135.0	-43.5	-24.4%
Contractual FTEs	2.3	0.5	-1.8	-78.2%
<b>Total</b>	<b>180.8</b>	<b>135.5</b>	<b>-45.3</b>	<b>-25.0%</b>
Percent Contractual	1.2%	0.4%	-0.9	
ADP	75	39	-36	-48.0%

Since fiscal 2002, the Potomac Center has lost 43.5 positions and 1.8 contractual FTEs. The average daily population (ADP) at the State Resident Center has decreased from 75 in fiscal 2002 to 39 in fiscal 2018.

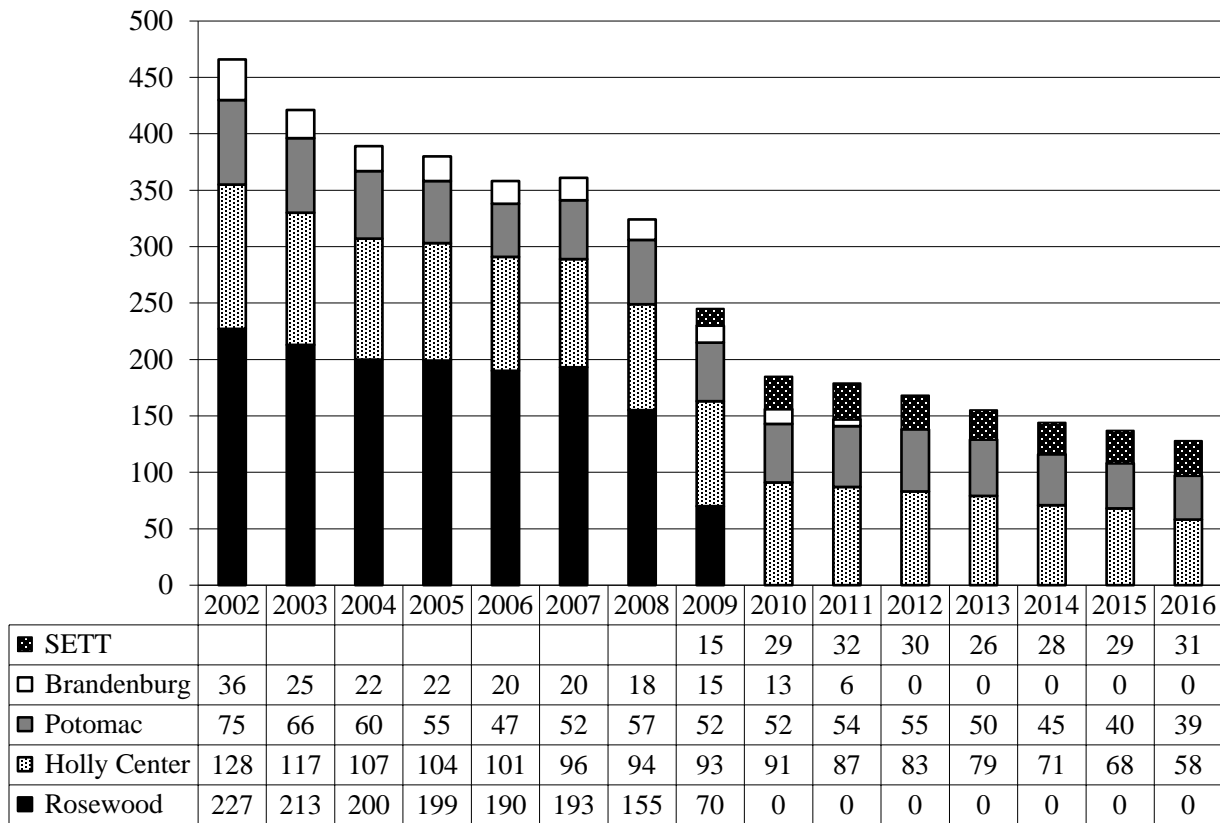
<b>Holly Center</b>	<b><u>FY 2002</u></b>	<b><u>FY 2018</u></b>	<b><u>Change</u></b>	<b><u>Percent Change</u></b>
Positions	346.0	213.5	-132.5	-38.3%
Contractual FTEs	1.0	4.2	3.2	322.0%
<b>Total</b>	<b>347.0</b>	<b>217.7</b>	<b>-129.3</b>	<b>-37.3%</b>
Percent Contractual	0.3%	1.9%	1.7	
ADP	128	55	-73	-57.0%

Since fiscal 2002, the Holly Center has lost 132.5 positions and gained 3.2 contractual FTEs. The ADP at the State Residential Center has decreased from 128 in fiscal 2002 to 55 in fiscal 2018.

<b>SETT</b>	<b><u>FY 2002</u></b>	<b><u>FY 2018</u></b>
Positions	n/a	96.0
Contractual FTEs	n/a	9.0
<b>Total</b>	<b>n/a</b>	<b>105.00</b>
Percent Contractual	n/a	8.6%
ADP	n/a	28

Individuals were not served in the SETT unit until fiscal 2009, therefore data for 2002 is unavailable for comparison. The ADP has varied throughout the years, reaching capacity in 2011, which raised concerns about the ability of the SETT unit to handle incoming individuals from the court system. **Exhibit 33** shows the ADP of all State facilities from fiscal 2002 to 2016.

**Exhibit 33**  
**Average Daily Population of State Facilities**  
**Fiscal 2002-2016**



SETT: secure evaluation and therapeutic treatment

Source: Maryland Department of Health

## Vacancy History

### Potomac Center

As of July 1, 2017, the Potomac Center had a vacancy rate of 10.4%. The center has had a history of high vacancy rates. The center advised DLS that the retention rate in the field has historically been low, and it takes 8 to 12 weeks to get a position filled. Additionally, the center noted high sick absences among staff, consistent with disability centers nationwide. Some of the absences are due to injuries among staff from an increase in violence at the center.



Additionally, the Potomac Center houses individuals from the transition program. This involves individuals who are dually diagnosed with a developmental disability and a behavioral disability. Once the individual completes their psychiatric program through BHA, they are sent to the Potomac Center to become acclimated to others so they can eventually become independent and move to a less-restrictive setting. According to DDA, the program has been a success and is beneficial to those in it. However, it involves many staff members, which puts a strain on staff members and the administration.

DDA is expanding the transitions program at the Potomac Center from 40 beds to 58 beds. This expansion will require 63 additional positions, which will likely be difficult to fill and retain.

### **Holly Center**

As of July 1, 2017, the vacancy rate at the Holly Center decreased to 8.4%. The Holly Center may have a lower vacancy rate than the Potomac Center due to the different acuity levels of patients, therefore, lower risk of injury to staff. The Holly Center, unlike the Potomac Center, has no forensic residents. However, residents are medically fragile, which increases the number of staff needed to care for each patient.

### **SETT**

The DDA Court Involved Service Delivery System began operations in fiscal 2009, which resulted in a high turnover rate for the fiscal year. As of July 1, 2017, the turnover rate was 6.3%.

### **Compensation**

The administration has advised DLS that the salaries remain unappealing to doctors and nurses who have other opportunities in safer settings with higher wages. For the Holly Center, this is particularly true among occupational and physical therapists as well as psychiatric staff, where the State salary is low relative to other opportunities. It is less difficult to hire direct care licensed practical nurses or registered nurses for the Holly Center. However, charge nurses and managing nurses are more difficult due to the availability of other options in the area.

### **Workload Trends**

The preferred model of service delivery for the agency continues to be community-based services rather than institutions. Since 2002, two of the State's other residential centers closed; Rosewood in 2008 and Brandenburg in 2010. As the administration works toward moving residents into the least restrictive setting, the hardest to place residents remain at the two remaining residential centers.

As the center becomes concentrated with a more difficult to serve population, the staff to population ratio has increased. Due to the changing mental health status of several individuals,

which may have an individual claiming to be suicidal or having made gestures of self-harm, the individual will be placed on either line-of-sight of a staff person or placed one-on-one, with a staff person being no further than arm's length away from the individual. This level of supervision continues until the individual is deemed safe by clinical assessment. There are also several individuals that have extensive forensic histories that involve arson, elopement, and other various crimes. These individuals are maintained on line-of-sight at all times. Prior to July 2009, the Potomac Center averaged two line-of-sight individuals a day for 4% of the population. As of October 2017, the population contains eight 1:1 line-of-sight individuals and one 2:1 line-of-sight individual, which is approximately 25% of the population.

The traditional ratio of staff to population is 1 to 4. However there are some patients who need a ratio of 1 to 1, limiting the amount of staff available for the general population. For the Potomac Center, the ratio increased from 1.9 staff per resident in fiscal 2002 to 2.8 staff per resident in fiscal 2017. The increased ratio is necessary for the safety of the staff as there has been an increase in violent incidents at the center. The Holly Center also saw an increase in the staffing ratio, likely reflecting higher acuity among the residents. The ratio increased from 1.9 staff per resident in fiscal 2002 to 2.7 in fiscal 2017. The ratio at the SETT units is 2.4 staff per resident.

There are a few factors contributing to the increase in violent incidents at the Potomac Center. The Potomac Center has been used as a step down from the SETT unit, which generally houses those who are either not fit for trial or are being evaluated to see if they are fit for trial. Because the Potomac Center does not have the same level of security as the SETT but houses the same population, violent incidents are more likely to occur. The Potomac Center has also housed the overflow population when the SETT has been at capacity. Additionally, Rosewood, which closed in 2009, held a diverse population of patients including those who may be prone to violence. Those individuals were transferred to the Potomac Center with the closure.

## **Staffing Analysis**

The Potomac Center has had high vacancy rates due to both budget constraints and problems retaining staff due to pay not being commensurate with the risk of injury among staff. Reducing the risk of injury among staff requires both better security protocols as well as more staff to oversee residents that require more staff supervision. The management and union at the Potomac Center met monthly in fiscal 2016 and looked at data and practices to reduce the risk of injuries. However, staff safety is still an issue at the center.

# Department of Human Services

## Program Description

DHS is the State's primary human services agency. Functions of DHS include child support enforcement, child welfare protection and services, adult protective services and other adult services, and administration of a variety of public assistance programs (Temporary Cash Assistance (TCA), the Food Supplement Program (FSP), the Temporary Disability Assistance Program (TDAP), the Electric Universal Service Program, the Maryland Energy Assistance Program, Emergency Assistance to Families with Children, Welfare Avoidance Grants, Public Assistance to Adults, and Burial Assistance). The department also administers grant programs which support emergency feeding and emergency shelter and transitional housing programs. The department also administers the refugee and asylee programs.

## Staffing Trends

	<u><b>FY 2002</b></u>	<u><b>FY 2018</b></u>	<u><b>Change</b></u>	<u><b>Percent Change</b></u>
Positions	7,153.6	6,224.1	-929.5	-13.0%
Contractual FTEs	110.7	74.4	-36.3	-32.8%
<b>Total</b>	<b>7,264.4</b>	<b>6,298.5</b>	<b>-965.9</b>	<b>-13.3%</b>
Percent Contractual	1.5%	1.2%		

Note: The fiscal 2002 position count attempts to account for positions transferred from the Child Care Administration in DHS to MSDE as a result of Chapter 585 of 2005 and the transfer of the Child Care Subsidy program in a February 2006 executive order.

- In general, regular positions in DHS have decreased by slightly more than 900 positions, after attempting to account for the transfer of the Child Care Subsidy program in fiscal 2006 to MSDE, or nearly 13% of positions. Some positions were abolished as part of the elimination of the Community Services Administration, while the functions were retained in DHS.
- The percent of the employee count comprised of contractual FTEs has also decreased since fiscal 2002. Of note, these figures represent the contractual counts in the legislative appropriation. DHS often adjusts the counts during the year, and the actuals may vary.

## Vacancy History

- As of October 1, 2017, in total, DHS had 528 vacant positions, a vacancy rate of 8.0%.

- Since fiscal 2011, the department's vacancy rate has varied substantially. For example, on July 1, 2015, the department's vacancy rate was as low as 6.4% while it reached 9.1% on July 1, 2013, and January 1, 2015. Fluctuations occur both from filling vacant positions and abolishing vacant positions.

## **Compensation**

The Child Support Enforcement Administration (CSEA) has indicated that compensation for child support specialists at DHS is not competitive with neighboring states. This is a contributing factor to the high vacancy rate within the program. As indicated, CSEA has become a training ground for employees to gain experience then move to the same position in neighboring states for a higher compensation. Noncompetitive compensation is likely to contribute to high vacancy rates in other parts of DHS, as well.

## **Workload Trends**

### **Caseloads**

A primary driver of the need for staffing throughout DHS is the caseload. The caseload for public assistance programs is driven largely by economic factors. The child welfare caseload may vary for other reasons including changes in policy or program emphasis.

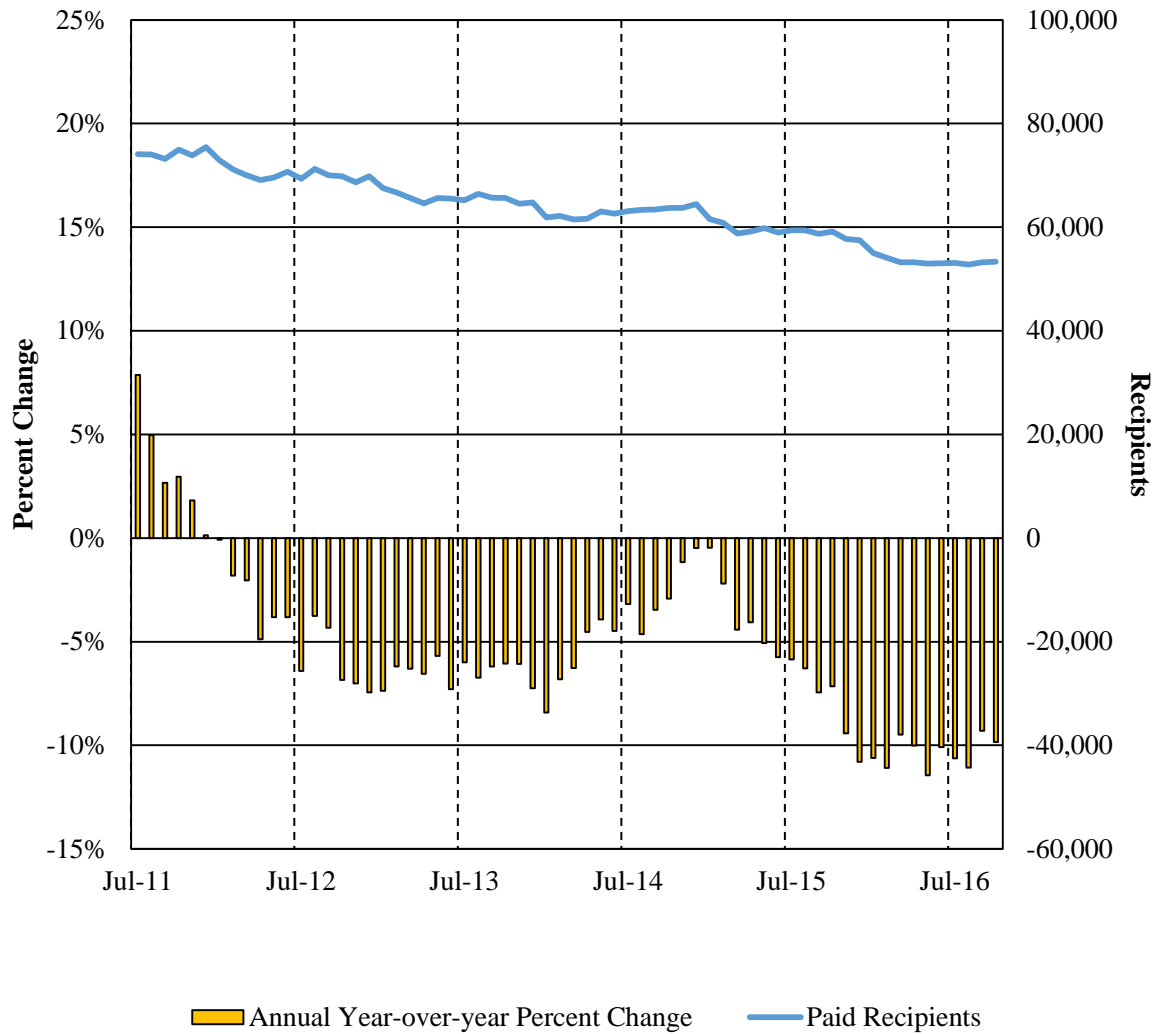
### **Family Investment Administration**

While the period of initial decline varied following the recession, the three largest assistance programs in the Family Investment Administration have all experienced significant decreases in caseloads. The number of TCA recipients in October 2016 (53,326) is 29.3% lower than the December 2011 peak caseload (75,442), as shown in **Exhibit 34**. The number of TDAP recipients in October 2016 (17,066) is 18.1% lower than the March 2011 peak (20,841), as shown in **Exhibit 35**.

The FSP caseload has also been impacted by the end of a waiver from a requirement that Able Bodied Adults without Dependents receive benefits no longer than 3 months in a 36 month period if the individual does not work or participate/comply with a work program for 20 hours or more per week unless the individual meets certain criteria. The number of FSP recipients in October 2016 (716,620) is 10.4% lower than the October 2013 peak (800,022), as shown in **Exhibit 36**.

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**Exhibit 34**  
**Temporary Cash Assistance Participants**  
**July 2011 to October 2016**

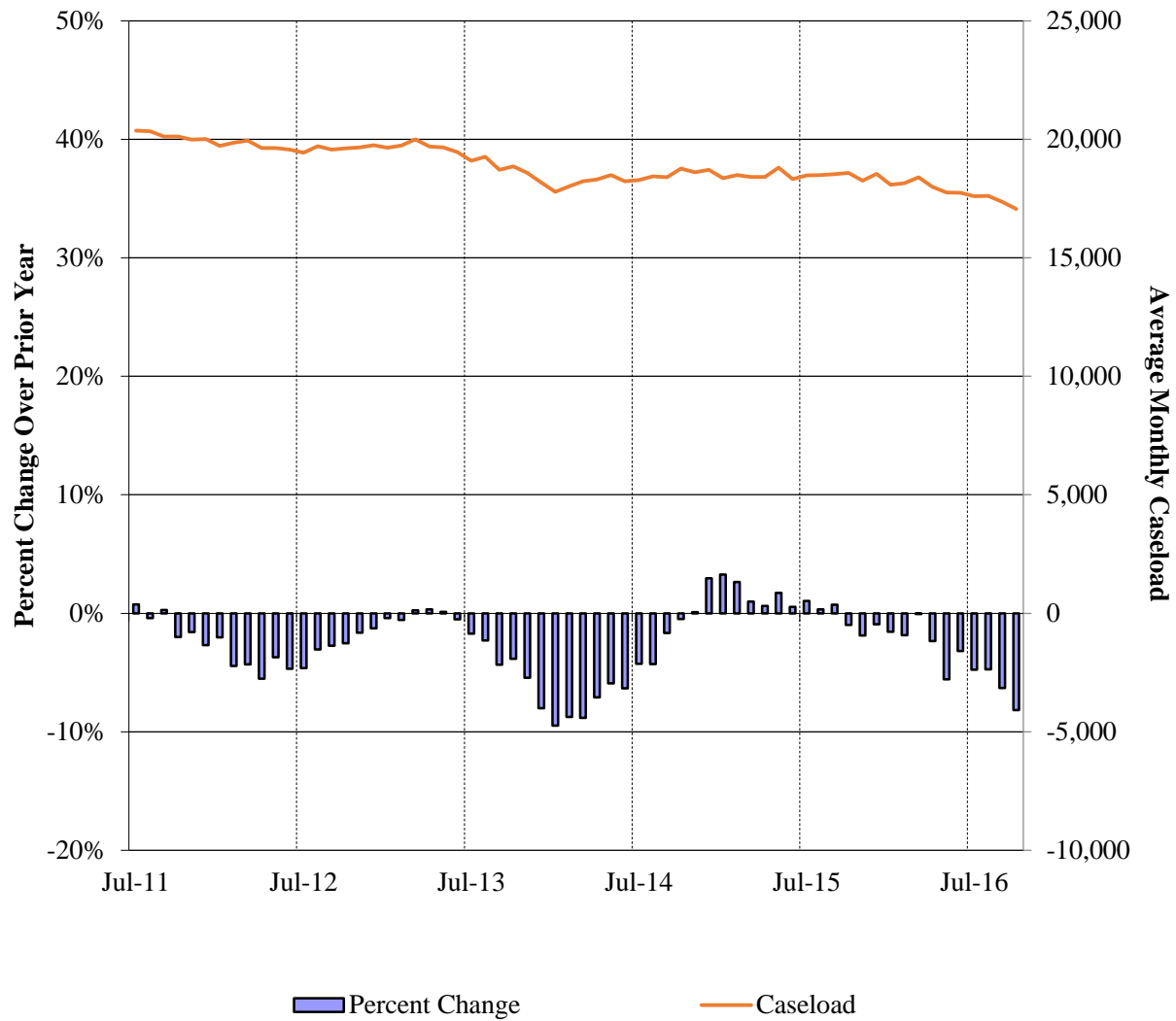


Source: Department of Human Services

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**Exhibit 35**  
**Temporary Disability Assistance Program Participants**  
**July 2011 to October 2016**

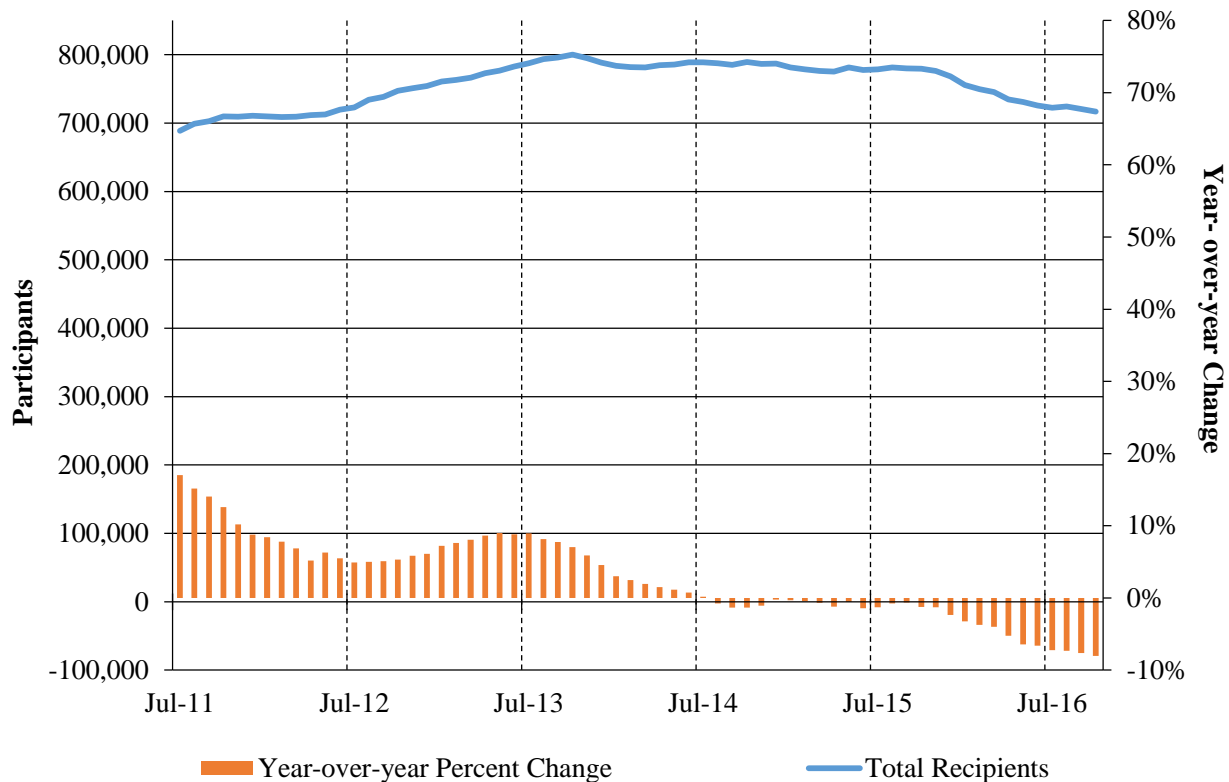


Source: Department of Human Services

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**Exhibit 36**  
**Food Supplement Program Participants**  
**July 2011 to October 2016**



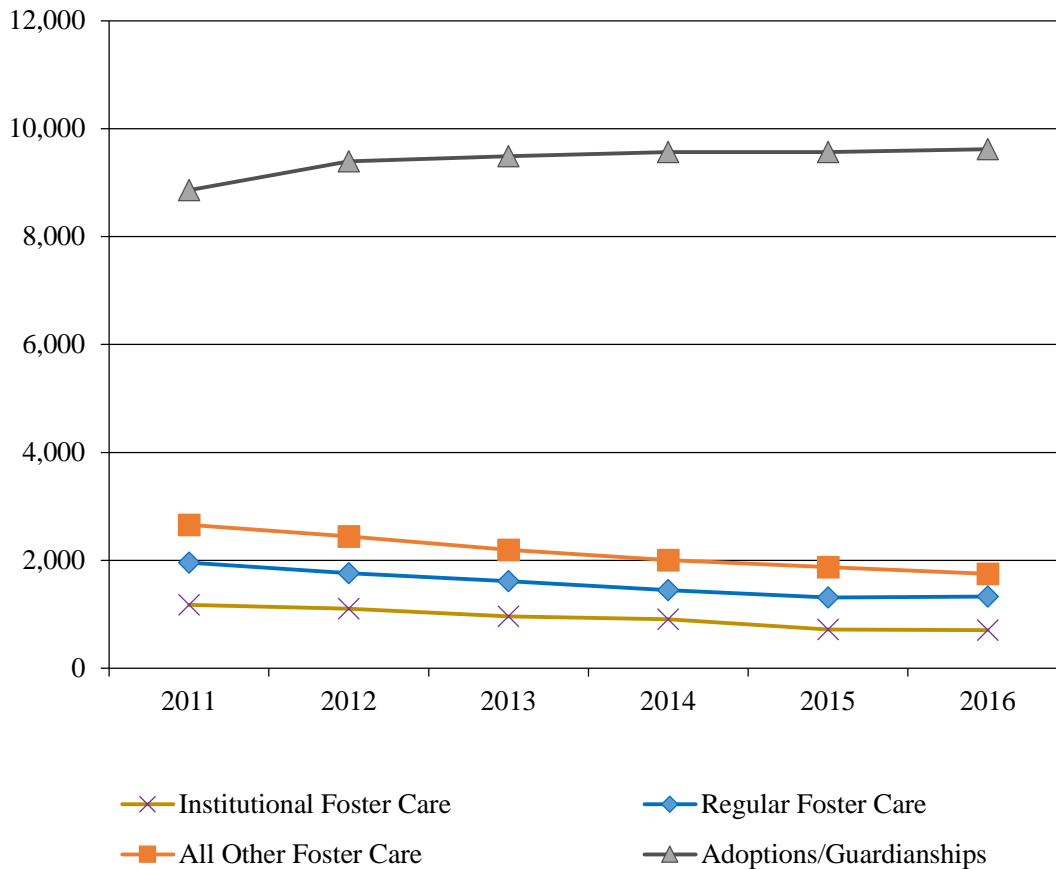
Source: Department of Human Services

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## Out-of-home Placements

In recent years, the average monthly number of children in foster care placements has generally decreased. These decreases have occurred among both regular and institutional foster care. In total, the average monthly number of children in foster care placements has decreased by 34.6% between fiscal 2011 and 2016 (5,797 to 3,790). While the number of children in foster care placements has steadily declined, the number of children in subsidized adoption and guardianship placements has increased during the same period, as shown in **Exhibit 37**. In fiscal 2011, on average, 8,863 children were in these placements during a month while in fiscal 2016 the number was 9,620, an increase of 8.5%. Due to the significant decreases in children in foster care placements, the total number of children in out-of-home care has decreased by 8.5% during this period. These decreases have an impact on the staffing needs of the agency.

**Exhibit 37**  
**Foster Care and Subsidized Adoptions/Guardianships**  
**Average Monthly Caseloads**  
**Fiscal 2011-2016**



Source: Department of Human Services

## Maryland Total Human Services Information Network Major IT Project

DHS is leading an effort to overhaul legacy IT systems throughout the State into one modular system. The new IT system, called the Maryland Total Human services Information Network (MD THINK), will support a more integrated, client-centric approach to health and human services delivery and management, which is designed to improve efficiency at DHS and partner agencies. MD THINK has the potential to alleviate the effect of staffing shortfalls by improving efficiency.



## Staffing Analysis

### Social Services Administration

Child welfare caseload ratios have been of concern to GAM for many years. In 1998, GAM passed the Child Welfare Workforce Initiative requiring that DHS and DBM ensure Child Welfare League of America (CWLA) recommended caseload to staffing levels are met. The Child Welfare Accountability Act of 2006 reiterated this requirement. For the past decade, the budget committees have either withheld funds until a certain number of caseworker positions were filled or asked DHS to report on caseload ratios for supervisor and caseworker positions. The request for information continued as part of the 2016 JCR. The existing CWLA recommended caseload ratios are a series of caseload ratios separated by the type of case or work being undertaken. For example, intake, preservation services, out-of-home placement foster care, and out-of-home placement kinship care each have individual ratios. The amount of workers needed are then combined and compared to the number of filled positions. A separate ratio determines the amount of supervisors needed. **Exhibit 38** presents the data provided by DHS using the 12-month average of caseloads (September 2015 to August 2016) and by DBM for the number of filled and vacant positions as of December 1, 2016.

Statewide, there is a surplus of both filled caseworker positions (109.7) and filled supervisor positions (10.5); however, individual jurisdictions have shortages. Three jurisdictions have shortfalls in the number of filled caseworker positions (Baltimore, Charles, and St. Mary's counties) with a cumulative shortfall of 14.1 positions. Two of the three jurisdictions could meet the number of caseworkers needed if the jurisdiction filled more of the vacant positions. Charles County could not meet the caseworker need with its vacant position, but DHS could move surplus vacant positions to Charles County to resolve the remaining shortfall. A more significant issue occurs among supervisor positions. While there is a net surplus in filled supervisor positions, nine jurisdictions have a cumulative shortfall of 17.1 supervisor positions. Only one of these jurisdictions has enough vacant positions to cover the shortfall. However, DHS has enough surplus vacant supervisor positions statewide to cover the shortfall if positions were moved between jurisdictions. In addition, one of the shortfalls is of a nominal amount (0.1 position).

DHS indicates that CWLA is beginning the process of reviewing and updating the CWLA standards.

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**Exhibit 38**  
**Child Welfare Position Status by Local Department**  
**Caseload 12-month Average (September 2015 – August 2016) and Positions as of December 1, 2016**

	<b><u>Filled Worker Positions Needed to Meet CWLA</u></b>	<b><u>Filled Worker Positions</u></b>	<b><u>Surplus/ Shortfall</u></b>	<b><u>Vacant Caseworker Positions</u></b>	<b><u>Filled Supervisor Positions Needed to Meet CWLA</u></b>	<b><u>Filled Supervisor Positions</u></b>	<b><u>Surplus/ Shortfall</u></b>	<b><u>Vacant Supervisors</u></b>
153	Allegany	24.8	39.5	14.7	0.0	5.0	5.0	0.0
	Anne Arundel	82.3	86.3	4.0	2.5	16.5	16.0	-0.5
	Baltimore	133.1	124.0	-9.1	11.0	26.6	21.0	-5.6
	Baltimore City	405.2	418.0	12.8	66.5	81.0	88.0	7.0
	Calvert	15.3	17.5	2.2	2.0	3.1	3.0	-0.1
	Caroline	11.0	17.0	6.0	1.0	2.2	4.0	1.8
	Carroll	25.1	26.0	0.9	1.0	5.0	4.0	-1.0
	Cecil	33.9	39.0	5.1	3.0	6.8	9.0	2.2
	Charles	32.0	29.0	-3.0	2.0	6.4	7.0	0.6
	Dorchester	14.7	17.0	2.3	0.0	2.9	3.0	0.1
	Frederick	28.3	40.0	11.7	3.0	5.7	8.0	2.3
	Garrett	12.4	16.0	3.6	1.0	2.5	2.0	-0.5
	Harford	51.9	54.0	2.1	2.0	10.4	9.0	-1.4
	Howard	25.8	32.0	6.2	0.5	5.2	4.0	-1.2
	Kent	4.0	7.0	3.0	0.0	0.8	1.0	0.2
	Prince George's	126.9	127.5	0.6	7.5	25.4	19.0	-6.4
	Queen Anne's	6.9	8.0	1.1	1.0	1.4	3.0	1.6
	Somerset	8.7	14.0	5.3	1.0	1.7	2.0	0.3
	St. Mary's	22.8	20.8	-2.0	5.8	4.6	4.0	-0.6
	Talbot	6.7	12.0	5.3	0.0	1.3	4.0	2.7

	<b><u>Filled Worker Positions Needed to Meet CWLA</u></b>	<b><u>Filled Worker Positions</u></b>	<b><u>Surplus/ Shortfall</u></b>	<b><u>Vacant Caseworker Positions</u></b>	<b><u>Filled Supervisor Positions Needed to Meet CWLA</u></b>	<b><u>Filled Supervisor Positions</u></b>	<b><u>Surplus/ Shortfall</u></b>	<b><u>Vacant Supervisors</u></b>
Washington	35.4	60.5	25.1	2.5	7.1	12.0	4.9	0.0
Wicomico	23.0	33.0	10.0	2.0	4.6	7.0	2.4	0.0
Worcester	17.3	19.0	1.7	0.0	3.5	5.0	1.5	0.0
<b>Statewide</b>	1,147.4	1,257.1	109.7	115.3	229.5	240.0	10.5	18.0
Total shortfall in jurisdictions not meeting standards:			-14.1				-17.1	

Source: Department of Human Services; Department of Budget and Management

## **Family Investment Administration**

Some indicators exist for whether staffing is adequate to meet program needs, for example, for a period the department was under court order to improve application processing timeliness for its federal benefit programs. In addition, one workload study was completed as a result of a 2014 JCR request and in language in the fiscal 2017 budget bill requested a weighted caseload analysis.

### **Court Order Regarding Application Processing Timeliness**

The lawsuit filed in April 2009 specifically related to the department's noncompliance with State and federal law for application processing timeliness for a variety of programs (FSP, Expedited Food Supplement benefits, Medical Assistance – Family and Children, Medical Assistance – Maryland Children's Health Insurance Program, and TCA). The court ordered DHS to achieve full compliance (processing at least 96% of cases within mandated timeframes) within a year. At the time, DHS undertook a number of efforts to improve processing times including reducing an existing backlog and identifying and implementing statewide best practices (such as conducting telephone interviews, creating greeting/triage staff, group intake and redetermination interviews, and establishing computer labs to encourage online applications). In addition, DHS expedited filling vacancies through a blanket exemption from the hiring freeze, added certain positions, increased the use of overtime, enhanced training, and used temporary administrative staff for certain functions. DHS also made certain IT changes. DHS was able to comply with the order by November 2010 and maintained compliance in subsequent months. The court order was lifted in June 2012.

### **2014 Regional Economic Studies Institute Workload Study**

Committee narrative in the 2014 JCR requested a report on staffing levels, a forecast for future workload needs, and staffing recommendations for local departments of social services in the local family investment program. DHS contracted with the Regional Economic Studies Institute (RESI) of Towson University to conduct the study. RESI developed a model to determine current staffing needs based on projected caseloads. RESI projected a total shortfall of 104 caseworkers for 2015 for jurisdictions with shortages and a total surplus of 29 caseworkers for jurisdictions with surpluses. At the time, there were 58 vacant caseworker positions. As a result, RESI indicated there were 17 caseworker shortages that could not be addressed through the combination of current surpluses and vacant positions. The method of calculating these surpluses/shortages (*i.e.*, caseload ratios used) is unknown and therefore cannot be duplicated.

RESI made a number of recommendations in the report:

- improve accounting for caseworker time;
- update standard operating procedures by case type;

- update technology to increase the interface among programs and divisions;
- increase integration of caseworker assistants into case processing; and
- alter staffing levels.

Since the time of this analysis, caseloads for most types of assistance have decreased, notably, TCA, TDAP, and FSP. In addition, the child care subsidy determination function has largely been moved to a contractor managed by MSDE. DHS now only retains the determination and case management function for TCA related child care subsidy cases. Finally, with the development of the health benefit exchange, the Medicaid eligibility work of DHS has substantially decreased. As a result of the decrease in workload, it is not clear the extent to which the review conducted by RESI would accurately represent the state of staffing in local departments today.

### **Child Support Enforcement Administration**

***Transfer of Local Child Support Enforcement Functions from State's Attorney's Offices to DHS:*** In recent years, State's Attorney's Offices (SAO) have decided not to renew cooperative reimbursement agreements (CRA) with DHS to provide legal support to local CSEA offices. When an SAO provides notice that it will not renew the CRA, DHS provides the legal support to local CSEA offices. Since fiscal 2013, CRAs have ended in Carroll and Talbot counties and Baltimore City. DHS indicates that the Charles County SAO has provided notice that it will not renew its CRA with DHS in fiscal 2018.

In the case of Carroll County, the fiscal 2017 Governor's allowance did not include additional positions for DHS to take over the functions of SAOs. Staffing shortfalls can increase if the trend of ending CRAs without additional positions allocated to DHS continues.

# Department of Labor, Licensing, and Regulation

## Program Description

DLLR includes many of the State's agencies and boards responsible for licensing and regulating various businesses, professions, and trades. The department also administers a variety of employment service and adult learning programs.

## Staffing Trends

	<u>FY 2002</u>	<u>FY 2018</u>	<u>Change</u>	<u>Percent Change</u>
Positions	1,899.5	1,490.7	-408.8	-21.5%
Contractual FTEs	176.2	129.7	-46.5	-26.4%
<b>Total</b>	<b>2,075.7</b>	<b>1,620.4</b>	<b>-455.3</b>	<b>-21.9%</b>
Percent Contractual	8.5%	8.0%		

As of fiscal 2018, DLLR has lost over 20% of the workforce since fiscal 2002. Significant numbers of vacant positions were eliminated because of the decline in unemployment insurance (UI) claims filed and more recently, because of the shared services initiative. For example, in fiscal 2016, 14.1 positions were cut due to shared services and UI.

There has also been considerable fluctuation in the number of contractual FTEs year-over-year because of the ending of federal programs like Wagner-Peyser and because of UI. As the need for UI benefits decrease, so does the demand for positions.

## Vacancy History

- The vacancy rate as of October 1, 2017, was 15%, or 216 positions.
- While there has been fluctuation in vacancy rates, it has at times been much higher than the allocated rate.

## Workload Trends

It is currently unclear how decreases in positions have affected the agency. The department expresses comfort in the current level of staffing, and there are currently high numbers of vacant positions in the UI Division as the number of UI claims continues to decline.

## **Staffing Analysis**

It appears that DLLR is currently sufficiently staffed.

# Department of Public Safety and Correctional Services – All Positions Other Than Supervision Agents and Correctional Officers

## Program Description

DPSCS helps to keep Maryland communities safe and provides services to victims of crime. The department strives to ensure the safety, security, and well-being of defendants and offenders under its supervision and to provide criminal justice agencies with access to timely, accurate information about defendants and offenders. Supervision agent and correctional officer (CO) positions are discussed in separate staffing analyses; the remaining positions include a wide variety of functions across all agencies of DPSCS are discussed in this analysis.

## Staffing Trends

	<u><b>FY 2002</b></u>	<u><b>FY 2018</b></u>	<u><b>Change</b></u>	<u><b>Percent Change</b></u>
Positions	3,493.5	2,958.4	-535.1	-15.3%
Contractual FTEs	298.2	308.3	10.1	3.4%
<b>Total</b>	<b>3,791.7</b>	<b>3,266.7</b>	<b>-525.0</b>	<b>-13.8%</b>
Percent Contractual	7.9%	9.4%		

- From fiscal 2002 to 2018, DPSCS' non-CO/nonsupervision staff decreased by 535.1 positions, or 15.3%.
- Contractual FTEs accounted for 9.4% of total non-CO/nonsupervision positions in fiscal 2018, up from 7.9% in fiscal 2002.
- DPSCS' non-CO/nonsupervision vacancies totaled 673.3 at the start of fiscal 2018, which reflects a total vacancy rate of 22.8%, the highest of all the department's units.

Overall, positions other than supervision agents and COs account for about 28% of the entire fiscal 2018 DPSCS workforce, down from about 30% in fiscal 2002. The 535 positions, lost since 2002 represent almost 50% of the total DPSCS position reductions. Compared to COs and supervision agent positions, these positions have been disproportionately affected by reductions over the years. This is largely due to legislative and executive concerns that eliminating CO and supervision agent positions would negatively affect the safety and security of staff and offenders.

Administrative and executive direction positions make up the largest subcategory of these positions, at a little under 40% in fiscal 2018. The net decrease of administrative and executive



direction positions explains approximately 63% of the total position decrease for this category. The department's overall position reductions between fiscal 2002 and 2018 have affected the administrative functions to a greater extent than the correctional, detention, and supervision functions; although, support positions for facility operations (which, among other positions, include correctional dietary, maintenance, and supply positions) have decreased by just over 9%, down from about 860 in fiscal 2002. Additionally, the department's procurement positions have been understaffed, resulting in a number of failed or incomplete procurements. In fiscal 2002, the department had no positions specifically listed and coded as procurement. However, in fiscal 2018, while there are 16 filled positions, there are 7 unfilled positions.

Overall, the amount of contractual FTEs reflects a slight increase of 3.4% since fiscal 2002. However, this increase masks a particularly large decrease during the most recent fiscal year in the Division of Pretrial Detention (DPD), as DPSCS began providing in-house food service for Baltimore City facilities. This resulted in the elimination of 85 contractual FTEs.

### **Information Technology and Communications Division Positions**

In fiscal 2002, DPSCS had 192 IT-related positions, and this number was reduced by more than half by fiscal 2017, to 81. A November 2015 OLA report of DPSCS' Office of the Secretary and other units indicated that DPSCS augmented its staff beyond its budgeted positions through an interagency agreement with a State university. DPSCS management indicated that the agreement had been in place for at least 10 years. The agreement created an additional 30 contractual IT FTEs at a cost of \$3.4 million, of which \$162,000 was paid to the State university for indirect costs.

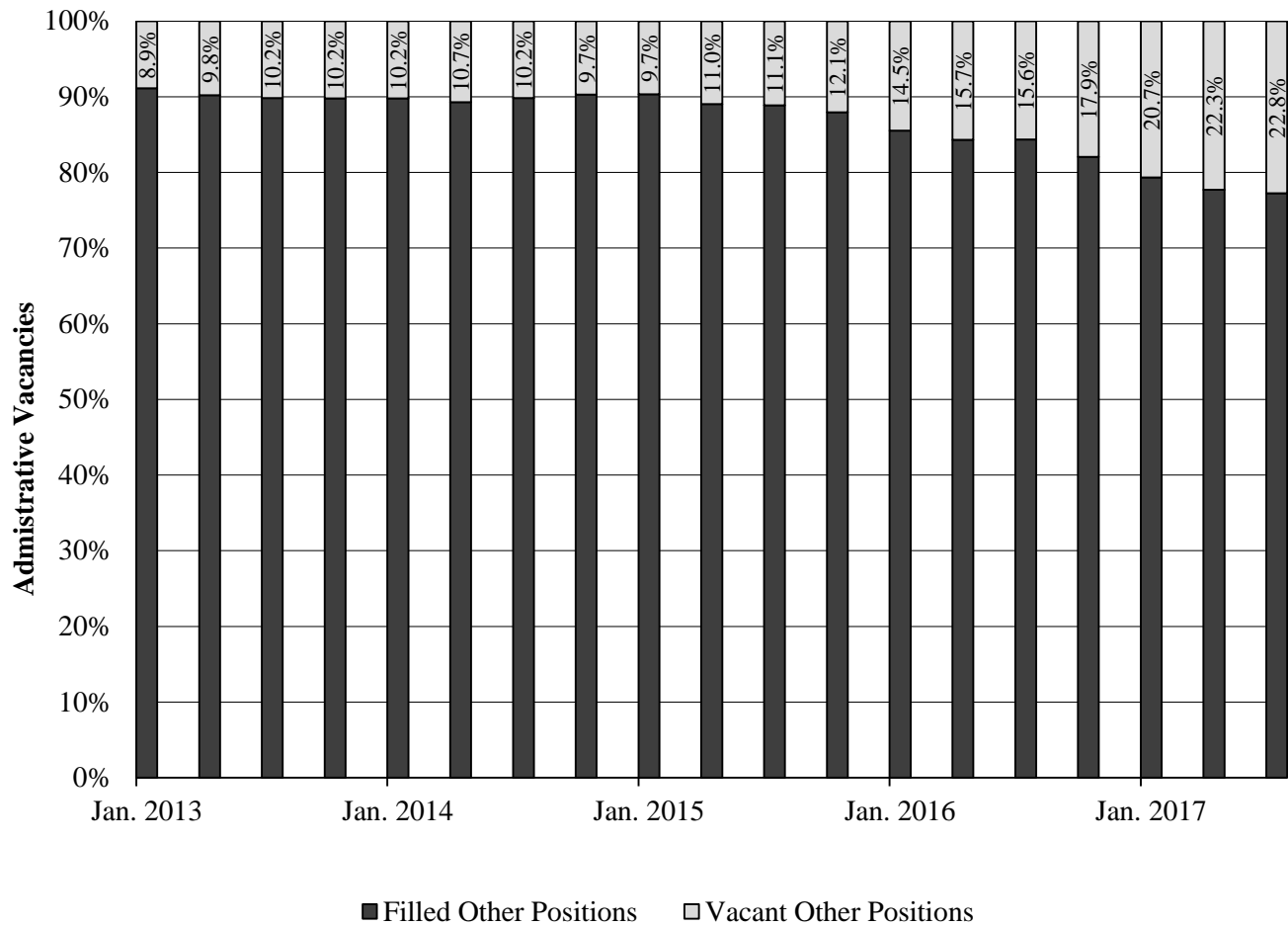
OLA found that although the university was responsible for recruitment, hiring, and payroll, DPSCS performed all oversight and monitoring of the contractual employees. While DPSCS indicated that the agreement allowed it to attract IT employees at a higher salary compared to State IT salaries, and adjust staff size as needed without potential union issues, OLA recommended that the IT Communications Division refrain from using these kinds of agreements to supplement its staff. In order to address this issue, DPSCS secured a four-year, private-sector contract for IT services that ends in July 2021. While the previous contract provided 30 IT employees, the new contract with Conduent and Gantech supplies 25.

### **Vacancy History**

**Exhibit 39** shows quarterly vacancy data for all positions other than supervision agents and COs from January 2012 through July 2017. Overall, the vacancy rate for these positions has historically been higher than that of supervision agents and COs and has steadily increased over the past several years. While the vacancy rate remained below 11.0% each quarter until January 2015, it has increased since then. By July 2017, DPSCS non-CO/supervision category had 673 positions vacant, for a vacancy rate of 22.8% – the highest since January 2013.

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**Exhibit 39**  
**Quarterly DPSCS Vacancy Data – Excluding Correctional Officers and**  
**Supervision Agents**  
**Fiscal 2013-2018**



DPSCS: Department of Public Safety and Correctional Services

Source: Department of Public Safety and Correctional Services

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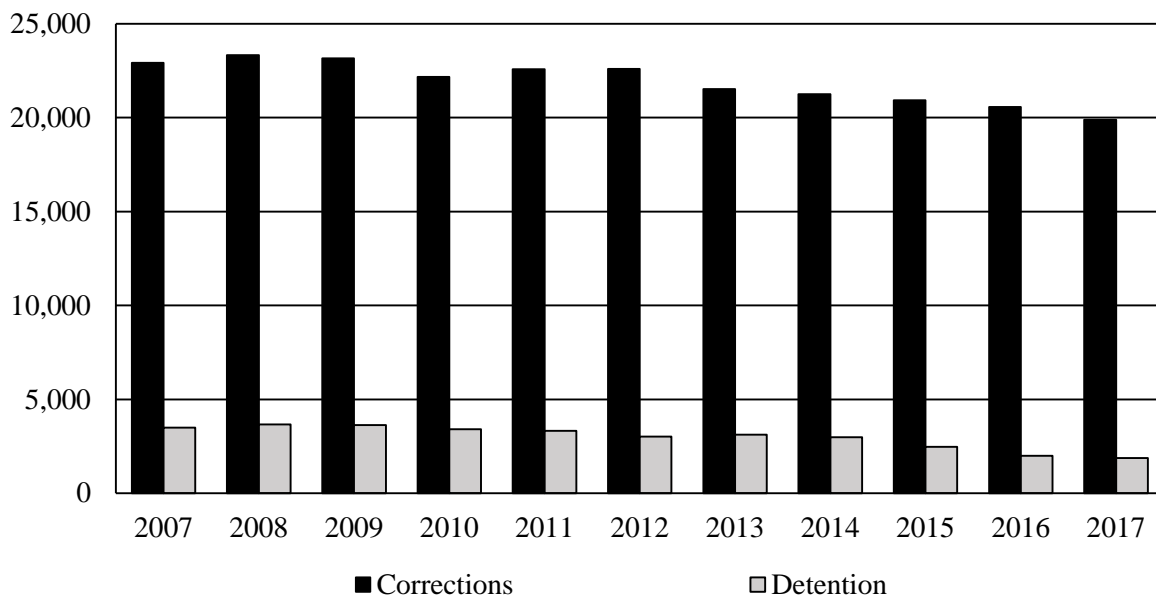
### Workload Trends

Many operational needs, such as correctional case management, are largely driven by the size of the population supervised, incarcerated, and detained. **Exhibit 40** shows that these

populations have all declined over the past decade. The ADP for sentenced inmates has declined, from nearly 23,000 offenders in fiscal 2007 to 19,883 by the end of fiscal 2017. This 13% decrease means the State's incarcerated population will be under 20,000 for the first time since the mid-1990s. DPSCS estimates that these numbers will continue to decrease, particularly as components of the Justice Reinvestment Act (JRA) take effect in October 2017.

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**Exhibit 40**  
**Average Daily Population during the Fiscal Year**  
**Fiscal 2007-2017**



Source: Department of Public Safety and Correctional Services

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## Staffing Analysis

Although there have been no formal analyses of personnel needs for the more administrative functions like there have been for COs and supervision agents, there has been some anecdotal evidence of understaffing. Case management in particular has been noted at several correctional facilities as an area with regularly high caseload sizes. However, the number of case management positions has increased since fiscal 2002, while the incarcerated population decreased substantially during the same period. It is still possible that there are too few case management positions or perhaps too few filled case management positions, but this cannot be determined without quantifiable evidence.

Another area of concern is the large number of vacancies (69) within DPSCS Administration's Security Operations. This unit provides canine interdiction, intelligence, and other special operations for high-risk transports, courtroom security, and disturbance responses. Overall, the single largest increase in personnel expenses in DPSCS Administration was \$284,000 for overtime. Security Operations, with its high vacancies, had over \$2.8 million budgeted for overtime in the fiscal 2018 allowance and accounted for over 86% of all overtime claims in DPSCS Administration. The department notes that Security Operations duties have been stretched due to increased contraband detection efforts and required overtime due to the need for inmate medical and court transport, as well as for detainee transfers between Baltimore City and other facilities as a result of the closure of the Men's and Women's Detention Centers.

Filling the 69 vacancies in Security Operations would cost \$2.4 million, saving \$400,000 in overtime expenses. Adding staff would reduce the need for mandatory overtime and could increase security officer safety and morale.

With a July 2017 vacancy rate of 22.8%, it is likely that at least some other departmental functions are experiencing understaffing issues. However, these issues may be resolved without the addition of new positions by filling already authorized positions that are currently vacant. The department attributes the vacancies to two major factors: (1) the hiring and transfer practices within the Human Resources Services Division; and (2) a large number of retirements and transfers in administrative positions. The issues within human resources stem from the fact that each division within DPSCS has its own hiring, promotion, and transfer standards and processes, which has led to uneven changes in personnel practices and a lack of proper oversight. The department has been reorganizing human resources to establish uniformity across all divisions. In addition, it is working to enhance recruitment efforts.

# Department of Public Safety and Correctional Services – Correctional Officers

## Program Description

DPSCS helps to keep Maryland communities safe and provides services to victims of crime. The department strives to ensure the safety, security, and well-being of defendants and offenders under its supervision and to provide criminal justice agencies with access to timely, accurate information about defendants and offenders.

COs are assigned to several agencies within DPSCS, most notably the Division of Correction (DOC) and DPD. DOC supervises the operation of State correctional institutions in accordance with applicable State and federal law. The division provides public safety and victim services through information sharing and the supervision of offenders located in places of safe, secure, and humane confinement. DPD is responsible for processing and managing the care, custody, and control of Baltimore City arrestees and detainees in a safe, humane, and secure environment. DPD also supervises the operation of Baltimore City facilities incarcerating a portion of the State sentenced inmate population. COs are also assigned to the Patuxent Institution, a maximum security, treatment-oriented facility that provides remediation services to male and female offenders and addresses the needs of mentally ill offenders throughout the correctional system, as well as administrative units of DPSCS, such as the Canine Operations and Central Transportation units.

## Staffing Trends

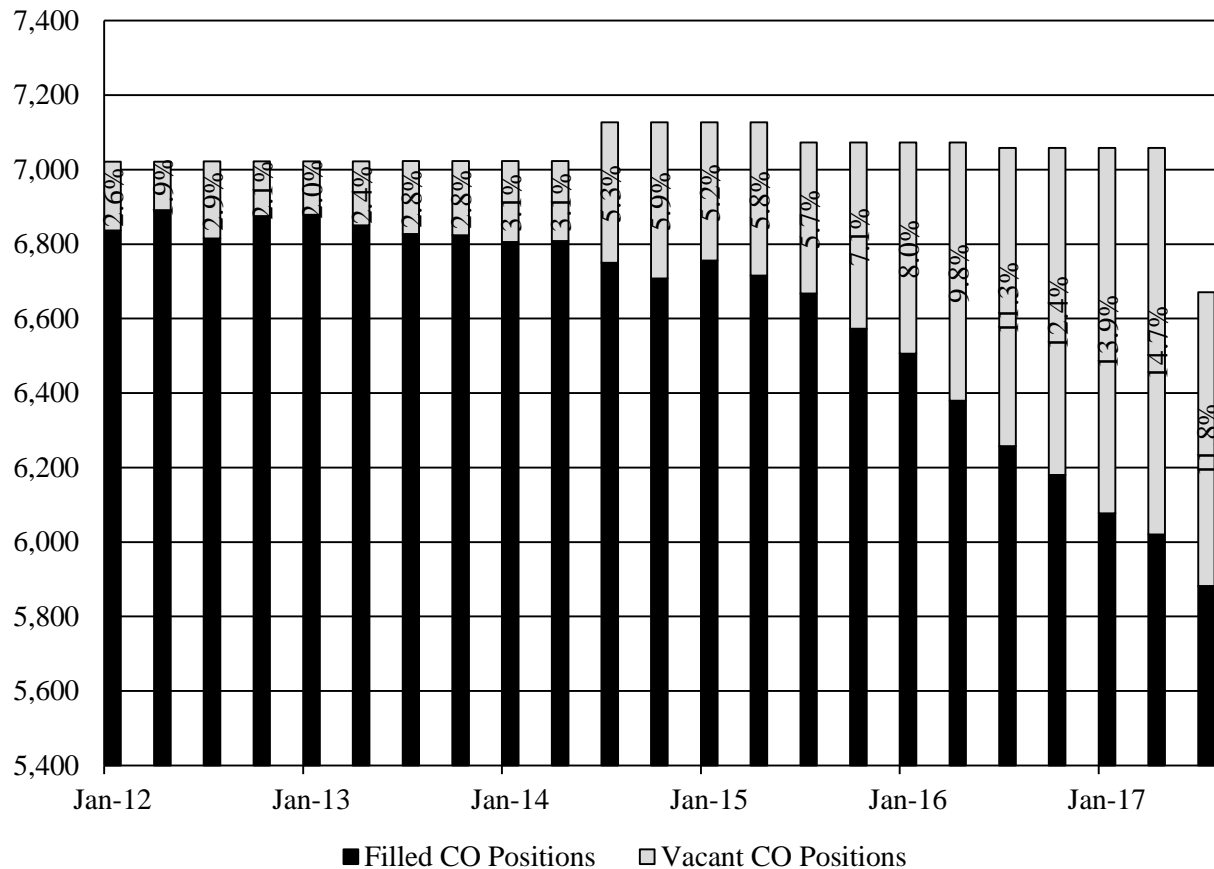
	<u><b>FY 2002</b></u>	<u><b>FY 2018</b></u>	<u><b>Change</b></u>	<u><b>Percent Change</b></u>
Positions	7,174.0	6,671.0	-503.0	-7.0%
Contractual FTEs	0.00	0.00	0.00	0.0%
<b>Total</b>	<b>7,174.0</b>	<b>6,671.0</b>	<b>-503.0</b>	<b>-7.0%</b>
Percent Contractual	0.0%	0.0%		

All CO positions are regular positions; there are no contractual FTEs. CO positions account for approximately 63.0% of the entire DPSCS workforce. Despite legislative efforts to increase the number of COs due to facility safety and security concerns, DPSCS has had a net decrease of 503 COs since fiscal 2002, a decline of 7.0%. A comparison of CO positions between fiscal 2002 and 2018 delineated by class code demonstrates that the overall reduction has occurred primarily in the entry level, CO I positions, partially offset by increases in the other CO class codes. The three supervisory class codes – lieutenant, captain, and major – have increased by a combined 64 positions.

## Vacancy History

**Exhibit 41** shows quarterly vacancy data for COs from January 2012 through July 2017. The vacancy rate remained around or below 3% through April 2014. In part due to the addition of 100 CO positions in fiscal 2016, the vacancy rate increased to between 5% and 6% through the end of fiscal 2016. Beginning in July 2015 and continuing through October 2016, the vacancy rate has exceeded 10%.

**Exhibit 41**  
**Correctional Officer Vacancies**  
**January 2012 through July 2017**

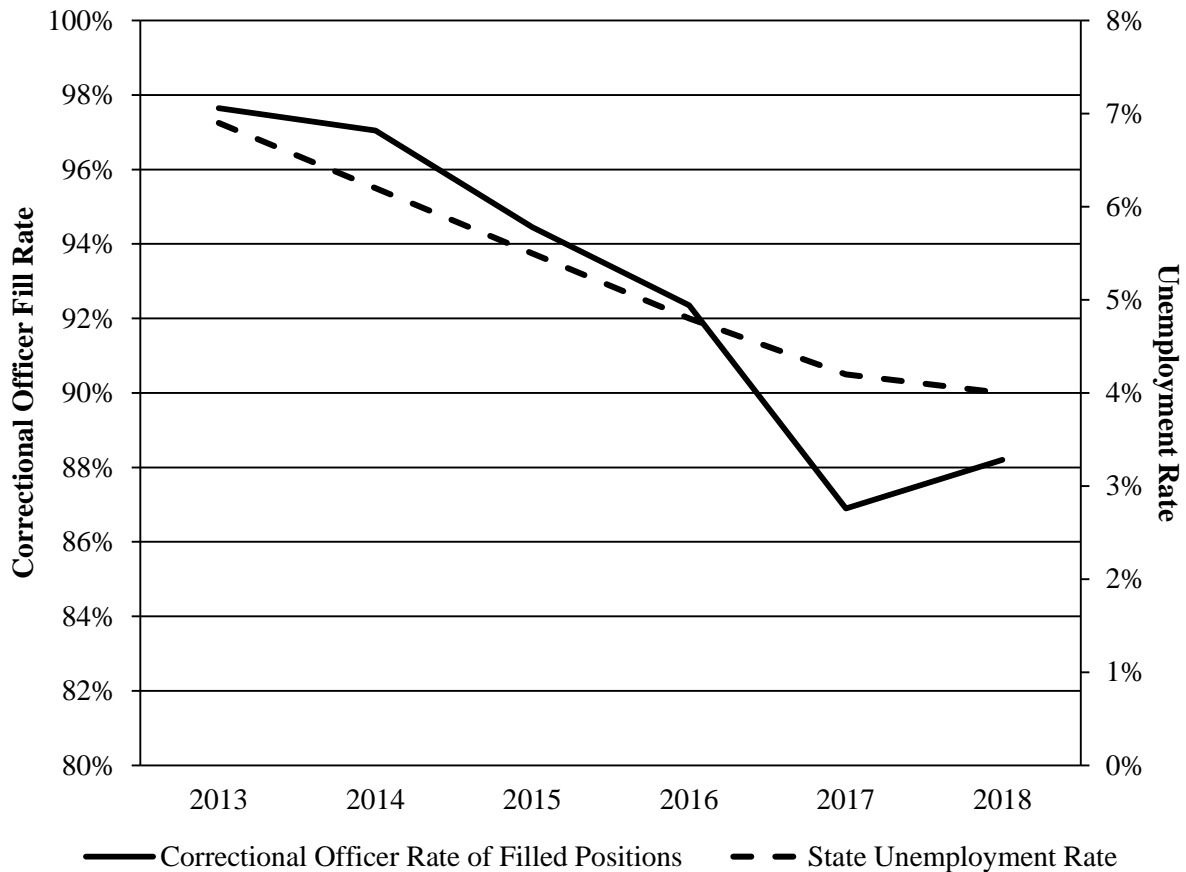


CO: correctional officer

Source: Department of Public Safety and Correctional Services

Historically, CO recruitment has lagged as the statewide unemployment rate has improved. The recent increase in the CO vacancy rate conforms to this pattern, as illustrated in **Exhibit 42**.

**Exhibit 42**  
**Correctional Officer Fill Rate and State Unemployment Rate**  
**Fiscal 2013-2018**



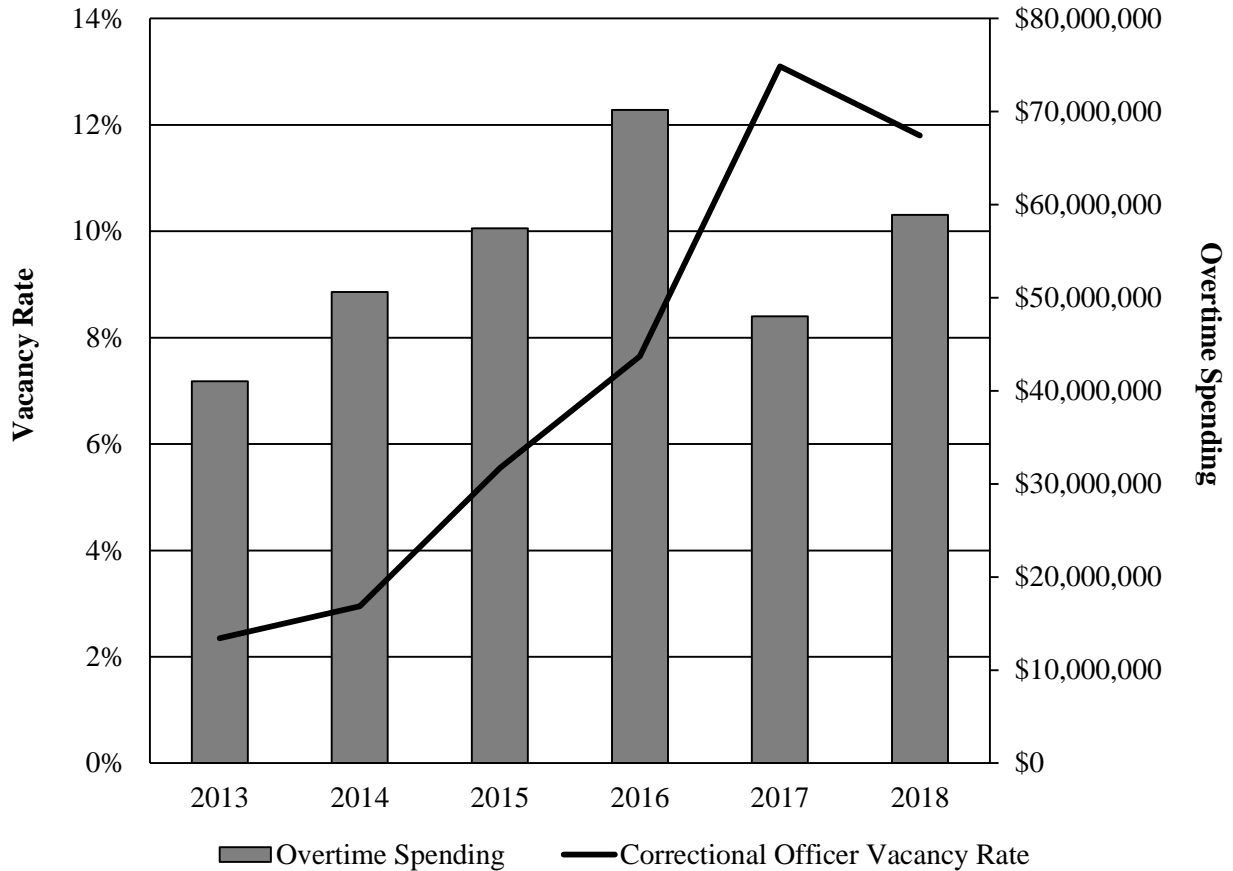
Source: Department of Public Safety and Correctional Services

The CO vacancy rate directly affects departmental overtime spending since facilities must be fully staffed all hours of the day, all days of the year. **Exhibit 43** shows that the CO vacancy rate and departmental overtime spending were both at their lowest over the past six years in fiscal 2013. Since then, both have increased significantly each year. Although the fiscal 2018 legislative appropriation for overtime is less than \$60 million, projections based on year-to-date

expenditures would suggest that actual overtime expenses are likely to near \$100 million for the fiscal year.

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**Exhibit 43**  
**Correctional Officer Vacancy Rate and Overtime Spending**  
**Fiscal 2013-2018**



Source: Department of Public Safety and Correctional Services

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### Workload Trends

In January 2016, DPSCS submitted its third biannual post-by-post staffing analysis identifying the minimal number of positions needed to safely and securely staff the State's correctional and detention facilities. The department identified 6,422 regular positions (5,719 nonsupervisory and 703 supervisory) in State correctional and Baltimore City detention



facilities. According to that analysis, the department needs an additional 455 regular positions to achieve the minimum standard of staffing. Chapter 829 of 2017 requires DPSCS to submit an updated staffing analysis by October 31, 2017, and on or by October 31 for every odd-numbered year thereafter.

The number of positions required to staff facilities can fluctuate based on the number of Special Assignment Posts and the departmental relief factor. The relief factor is the multiplier used by the department to determine the number of permanent staff positions required for appropriate coverage of a post for a given year. When the department is determining its necessary security position complement, it must inflate the number beyond the number of identified posts in order to account for all of the variables that may result in the need for more than one employee to staff a post. This can include weekends; sick, annual, and administrative leave; and training. A higher relief factor because an employee is unavailable for work means more positions are required to cover those posts.

In addition, the number of necessary CO positions can vary based on facility openings and closures. DPSCS has closed certain facilities in the past several years, including the Maryland House of Correction (fiscal 2008), the Toulson Boot Camp (fiscal 2010), the Baltimore Pre-Release Unit (fiscal 2013), the Jessup Pre-Release Unit (fiscal 2014), the Baltimore City Men's Detention Center (fiscal 2016), the Baltimore City Women's Detention Center (fiscal 2017), the Jail Industries Building (fiscal 2018) and a partial closure of the Maryland Correctional Institution – Hagerstown (fiscal 2018). All of these facility closures only generated a loss of 400 positions, as other CO positions previously assigned to these facilities were shifted to other operational facilities to address existing staff shortages. The department also opened the Dorsey Run Correctional Facility and a new Baltimore City Youth Detention Center in the past five years.

## **Staffing Analysis**

Chapter 829 of 2017 required DPSCS to submit a security and staffing report for all DPSCS facilities every two years, beginning on October 31, 2017. Each submission is to provide:

- a post-by-post analysis that identifies the actual number of positions needed to safely and securely staff each institution;
- the amount of overtime currently being used to meet minimum standards;
- an accounting of all institution activities that have been impacted by staffing levels;
- an assessment of expected future turnover in personnel; and
- an analysis of the need for additional staff.

In its first submission, DPSCS noted that a lack of properly trained staff has left the department unable to conduct an updated staffing analysis, as required by the legislation. The report did provide the most recently approved staffing plan for each facility. In total, these plans indicate the need for approximately 6,407 CO positions. In comparison, after accounting for the loss of 376 CO positions in the fiscal 2018 allowance, the CO complement for all DPSCS facilities only provides 6,253 positions. This would indicate a shortfall of 154 positions.

With the department's shifting facility complement and declining population, these staffing plans have the potential to be out of date. In addition, the consistently increasing vacancy rate over the past two years would suggest that DPSCS is not likely to be able to fill new positions. At this time, priority should be placed on developing a plan to successfully recruit for the department's nearly 800 vacant CO positions.

The coming years could potentially alleviate some of the gap between filled and unfilled CO positions. The size of Maryland's incarcerated population has been slowly declining, consistent with national crime and incarceration trends. The population under the jurisdiction of DOC decreased by nearly 9% in the five years between fiscal 2012 and 2016. Additionally, provisions of the 2016 JRA, which is intended to reduce the State's incarcerated population, went into effect in October 2017. Significant decreases in the population eventually would allow the department to continue closing facilities and therefore decrease the number of necessary State COs. The declining detention population in Baltimore City has also allowed the department to close multiple facilities and relocate inmates and associated personnel to other areas. Therefore, GAM should continue to monitor the department's CO staffing needs.

# Department of Public Safety and Correctional Services – Supervision Agents

## Program Description

DPSCS helps to keep Maryland communities safe and provides services to victims of crime. The department strives to ensure the safety, security, and well-being of defendants and offenders under its supervision and to provide criminal justice agencies with access to timely, accurate information about defendants and offenders.

Supervision agent positions, which includes parole and probation agents as well as drinking driver monitors, are largely allocated to one agency within DPSCS – Division of Parole and Probation (DPP). DPP provides offender supervision and investigation services under the Correctional Services Article, Title 6, *Annotated Code of Maryland*. The division's largest workload involves the supervision of probationers assigned to the division by the courts. Inmates released on parole by the Maryland Parole Commission or released from DOC because of mandatory release are also supervised by the division. The Drinking Driver Monitor Program (DDMP) supervises offenders sentenced by the courts to probation for driving while intoxicated or driving under the influence. DPP also includes the Pretrial Release Services Program (PRSP), which interviews, investigates, and presents recommendations to Baltimore City courts concerning the pretrial release of individuals accused of crimes in Baltimore. The PRSP also supervises defendants released on personal recognizance or conditional bail as ordered by the court.

## Staffing Trends

	<u><b>FY 2002</b></u>	<u><b>FY 2018</b></u>	<u><b>Change</b></u>	<u><b>Percent Change</b></u>
Positions	995.0	925.0	-70.0	-7.0%
Contractual FTEs	0.0	0.0	0.0	0.0%
<b>Total</b>	<b>995.0</b>	<b>925.0</b>	<b>-70.0</b>	<b>-7.0%</b>
Percent Contractual	0.0%	0.0%		

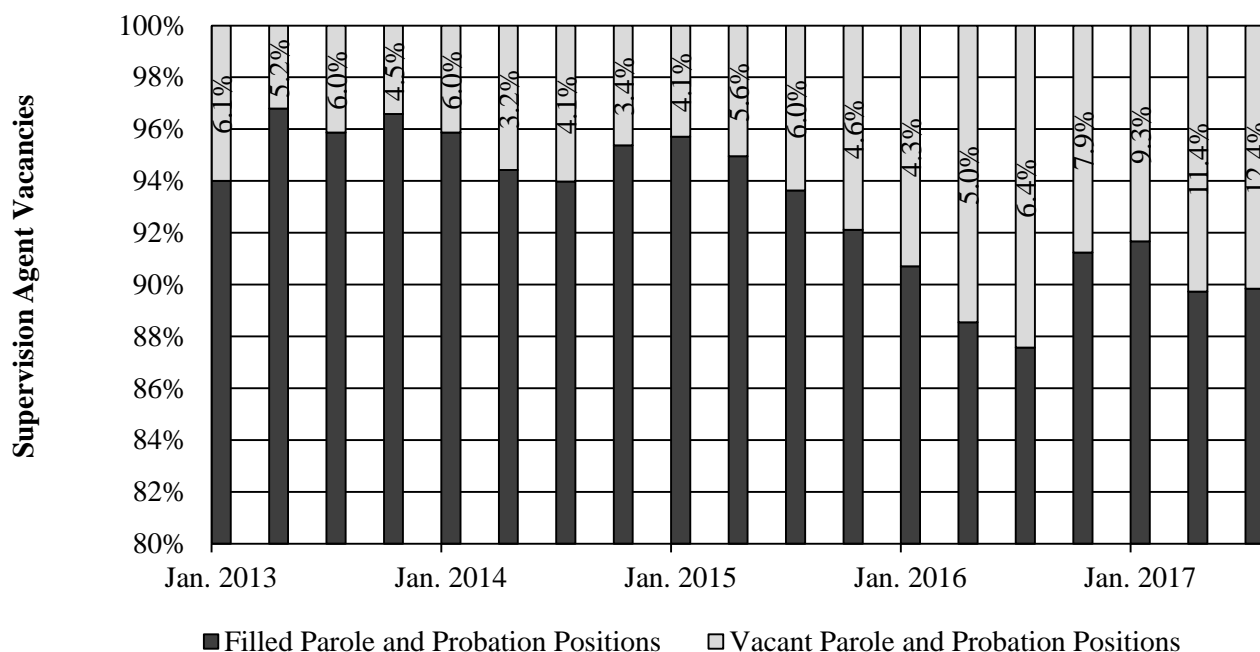
All supervision agent positions are regular positions; there are no contractual FTEs. These positions account for less than 10% of the entire DPSCS workforce. Over the long term, supervision agent positions, like DPSCS administrative and CO positions, have been on a downward trend. From fiscal 2002 to 2017, the number of supervision agents decreased by 70, from 995 to 925 positions. Most of the decline (54%) has come from within DDMP. In an effort to align program expenditures with annual special fund revenue supporting the program, there are 38 fewer DDMP agent positions, a 30% decrease from fiscal 2002. The remaining position reductions have been for parole and probation agents.

A comparison of supervision agent positions between fiscal 2002 and 2017 delineated by supervisory and nonsupervisory functions demonstrates that while the overall number of agent positions has decreased, the number of supervisory positions has actually increased. In fiscal 2002, 13.5% of the 995 agent positions were in supervisory roles. By fiscal 2018, DPSCS gained 14 supervisory positions and lost 84 nonsupervisory positions, which increased the percentage of supervisory positions to 16.1%.

## Vacancy History

**Exhibit 44** shows quarterly vacancy data for supervision agents from January 2013 through July 2017. The vacancy rate generally fluctuated between 4.0% and 6.0% until the beginning of fiscal 2016 and reached a high of 12.4%, or 115.0 unfilled positions, in July 2016. Significant improvements came in January 2017 as the vacancy rate dropped to 8.3%, a 33.0% decrease from the peak. This lower number was due to the addition of a larger parole and probation academy class in August 2016. The most recent staffing data indicates a slight rise in the vacancy rate, to 10.2% in July of this year, which is due to a net loss of 17 employees.

**Exhibit 44**  
**Supervision Agent Vacancies**  
**Fiscal 2013-2018**

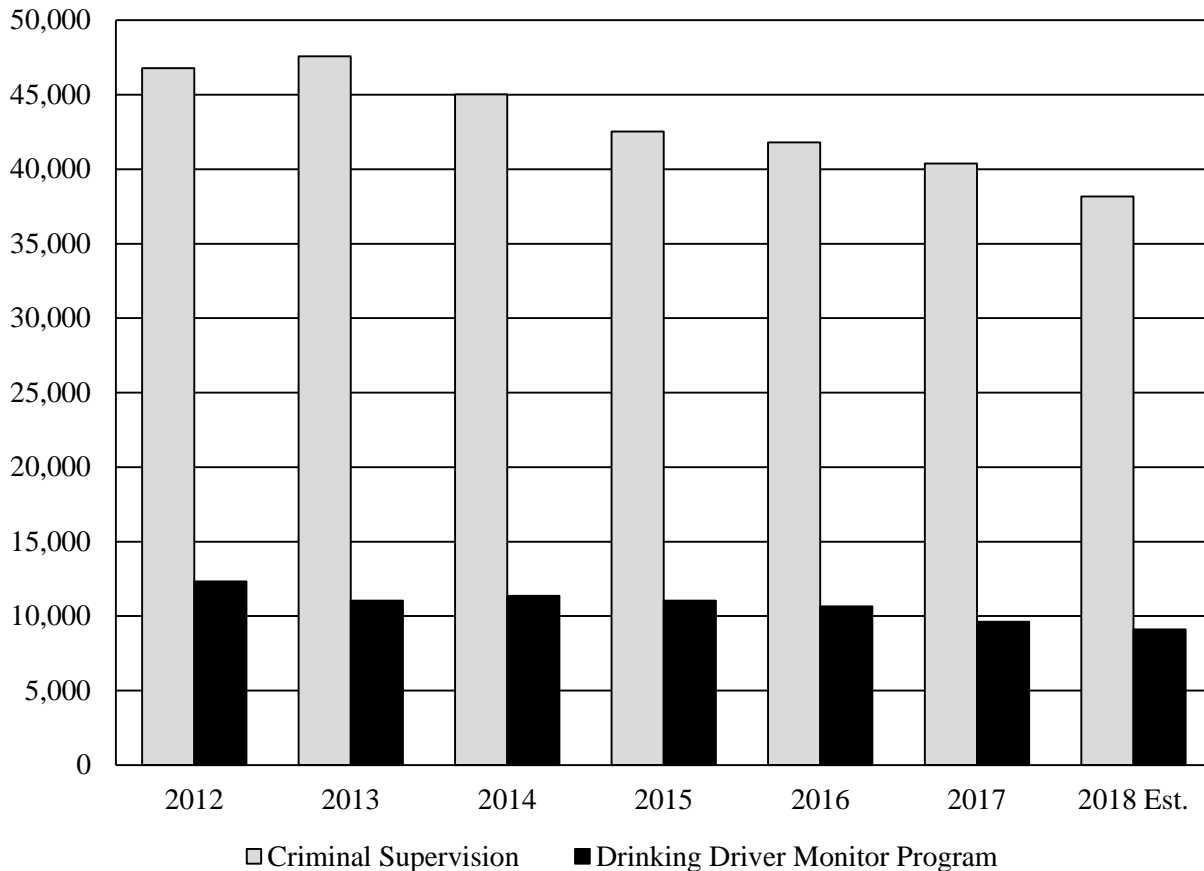


Source: Department of Public Safety and Correctional Services

## Workload Trends

**Exhibit 45** shows the number of active cases supervised during each fiscal year from fiscal 2012 through 2018 (estimated) in the following categories: criminal supervision (which includes probation, parole, and mandatory release) and DDMP. In fiscal 2013, DPP had a high of 47,588 active cases. That number has declined to 40,374 in fiscal 2017 – a 15% decrease. The number of active cases is expected to drop an additional 5% in fiscal 2018. Similarly, DDMP active cases are down 13% since the high in fiscal 2012 and are expected to continue to decline in the coming years.

**Exhibit 45**  
**Community Supervision: Active Cases Supervised During the Fiscal Year**  
**Fiscal 2012-2018 (Est.)**

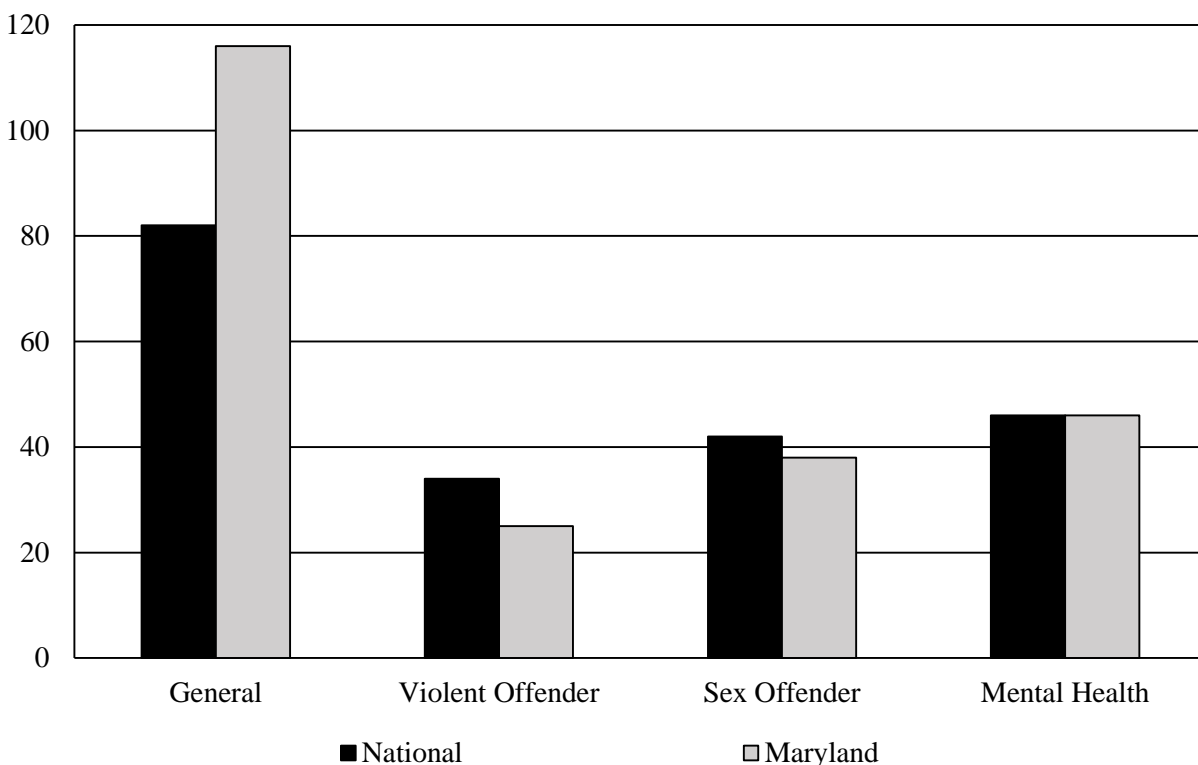


Source: Department of Public Safety and Correctional Services

Identifying the ideal number of cases per agent has been an area of ongoing concern for DPSCS. However, calculating caseload ratios is a complicated task for two reasons. First, there are different types of cases with various levels of intensity. Some of the difference is attributable to the fact that specialized cases – which deal with violent offenders, sexual offenders, and those with mental health issues – take more time to handle than general cases. Out of necessity, those agents with specialized caseloads are assigned fewer cases, while agents with general caseloads tend to handle about three times as many cases. This means that calculating an ideal caseload ratio is more complicated than simply measuring the number of cases per agent. **Exhibit 46** shows the number of cases assigned by supervision level.

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**Exhibit 46**  
**Cases Assigned to Supervision Agents by Supervision Level**  
**Fiscal 2016**



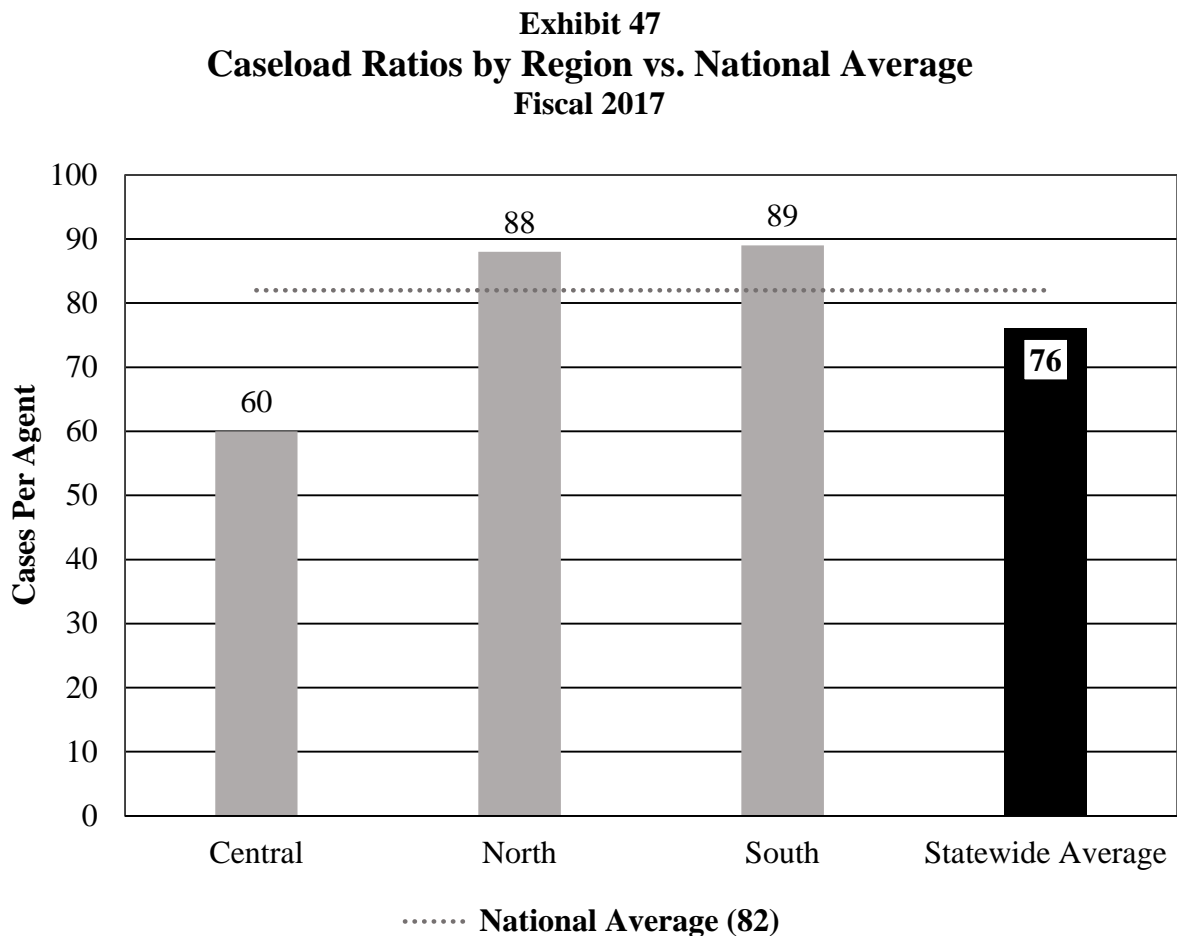
Source: Department of Public Safety and Correctional Services

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Second, caseload ratios are based only on the number of active cases. While an offender may be under supervision for multiple cases, only one case will be counted as active. DPP

maintains that this approach is effective because the criminogenic risks and needs remain unique to each offender, no matter how many supervision orders he or she is subject to.

In 2016, a comparison of Maryland caseload data to other states revealed that the national average caseload ratio for parole and probation agents was 82 cases per agent. By contrast, Maryland's average general caseload ratio was 116 cases. In fiscal 2017, the number of cases per agent dropped to 76, which is under the national average of 82 and represents a significant 34% decrease. This is a positive development. DPP reports that while there has been a decline in the number of individuals under supervision, the division has also filled most of its vacant agent positions. The combination of these two factors has produced the current statewide caseload average of 76 offenders for each supervising agent. **Exhibit 47** shows the current caseload ratios by Maryland region compared to the national average of 82.



Source: Department of Public Safety and Correctional Services

## Staffing Analysis

**Exhibit 48** shows the number of agents and caseloads by region. Again, while the Central Region is well under the average, at only 60 cases per agent, the North and South regions are still above the national average of 82. In order for the department to reach the national caseload average of 82 in all regions, the North Region would need an additional 9 agents, and the South Region would need 15 more – a total of 24 new agents. As the department continues to meet its parole and probation agent hiring goals, reaching the national caseload average in the North and South regions appears to be reasonable.

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**Exhibit 48**  
**Agents and Caseloads by Region – June 2017**

<u>Region</u>	<u>Agents</u>	<u>Active Cases</u>	<u>Ratio</u>	<u>Agents Needed</u>	<u>Agent Surplus</u>
Central	247	14,892	60	–	65
South	171	15,253	89	15	–
North	116	10,229	88	9	–
<b>Total</b>	<b>534</b>	<b>40,374</b>	<b>76</b>	<b>24</b>	

Source: Department of Public Safety and Correctional Services

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The Central Region caseload ratio of only 60 cases per agent is the lowest in the State. DPP could remove 65 agents from that region and still meet the national average caseload ratio of 82. To better serve the needs of its parole and probation staff, DPP could transfer 24 agents out of the Central Region and have them work in the North and South regions instead. This would equalize caseloads across all offices without compromising operations – and the Central Region offices would still have a surplus of 41 agents.

## Staffing Issues and the Future

Overall, the number of offenders under supervision continues to decrease, which is the single largest driver of the caseload ratio decline. Chapter 515 of 2016, the JRA, will be moving the State toward comprehensive criminal justice reform in coming years. Specific provisions, many of which began in October 2017, relate to the supervision of offenders and reducing sentences when possible. One expected result from the JRA is a reduction in the State's offender population, which could have an effect on the department by further reducing caseload totals as well as caseload ratios. While this reduction may occur, there is also the possibility that as offenders face reduced prison time and shorter sentences, the number of offenders subject to



supervision could increase. Should the supervision population increase, DPP may need additional agents in order to handle the additional offenders and still maintain reasonable caseload ratios.

Lastly, further study of local parole and probation offices, particularly in regions with elevated caseload ratios, could be useful. An examination of caseload ratios should be done on a regular basis that takes regional and local office workloads, as well as caseload types, into consideration. General caseloads have greater numbers of cases per agent, but these offenders often require less intense supervision. Likewise, agents with specialized caseloads may have fewer cases, but they deal with sexual offenders, high-violence offenders, and those with mental health issues which often require more intense work and time. Identifying optimal caseloads for those agents that takes these particular difficulties into account would be helpful.

# Department of Housing and Community Development

## Program Description

The mission of DHCD is to work with partners to finance housing opportunities and revitalize great places for Maryland citizens to live, work, and prosper.

## Staffing Trends

	<u><b>FY 2002</b></u>	<u><b>FY 2018</b></u>	<u><b>Change</b></u>	<u><b>Percent Change</b></u>
Positions	339.8	324.0	-15.8	-4.6%
Contractual FTEs	48.9	104.5	55.7	113.9%
<b>Total</b>	<b>388.6</b>	<b>428.5</b>	<b>39.9</b>	<b>10.3%</b>
Percent Contractual	12.6%	24.4 %		

Regular positions decreased by 15.8, or 46%, between fiscal 2002 and 2018. That decline was more than offset by an increase of 55.7 contractual FTEs, a 114% change. Contractual FTEs now make up nearly 25% of the workforce, compared to 13% in fiscal 2002.

## Vacancy History

- DHCD had 22 vacancies as of October 1, 2017, for a vacancy rate of 7%.
- After the department moved its headquarters to New Carrollton in 2015, it saw an increase in turnover, and the vacancy rate spiked to a high of 10% in February 2016.

## Compensation

DHCD's new headquarters location is in the Washington, DC metropolitan job market, which has increased the competing salary levels for several job categories, especially professional staff dealing with the department's large financial portfolio. DHCD has noted difficulty in filling these types of positions since the move.

## Workload Trends

An audit from November 2015 detailed some compliance issues at DHCD that the department noted were due to staff turnover. One issue raised in the audit was DHCD's inability to timely monitor State-funded multifamily housing projects to ensure that rental units were reserved for low-income households as required. DHCD established a self-certification program that required project owners to report on a calendar year basis tenant information to show that

projects served the required number of low-income households. The certification was not required by DHCD in 2012 and 2013, did not begin until November 2014, and was not completed as of May 2015. DHCD reported that delays in certifying these projects was a result of staff turnover.

### **Staffing Analysis**

DHCD's primary personnel concern is related to its new location in the Washington, DC job market, which has made State salaries less competitive for certain types of jobs.

# Department of Commerce

## Program Description

The mission of the Department of Commerce (Commerce), formerly the Department of Business and Economic Development, is to strengthen the Maryland economy. Commerce develops and implements programs that aim to generate new jobs or retain existing jobs, attract business investment in new or expanding companies, and promote the State's strategic assets. The department's primary goals are to increase business investment in Maryland, enhance business success and the competitiveness of businesses in their distinct markets, and develop a diverse economic base and ensure that all jurisdictions share in the State's economic vitality.

## Staffing Trends

	<u><b>FY 2002</b></u>	<u><b>FY 2018</b></u>	<u><b>Change</b></u>	<u><b>Percent Change</b></u>
Positions	318.0	193.0	-125.0	-39.3%
Contractual	48.7	25.0	-23.7	-48.7%
<b>Total</b>	<b>366.7</b>	<b>218.0</b>	<b>-148.7</b>	<b>-40.6%</b>
Percent Contractual	13.3%	11.5%		

The department experienced significant reductions in its workforce between fiscal 2002 and 2018. It is particularly difficult to track the impact of these reductions due to the numerous reorganizations undertaken by the department. The reorganizations reflect the varied emphasis placed on economic development by the Executive Branch and often track closely to the fiscal condition of the State. But some general observations can be made. The majority of the positions that were reduced were business development representatives and finance program specialists. Local offices were closed due to cost containment, and international business development offices were replaced with contracts.

The department's financing programs were often subjected to reductions due to cost containment. Less funds available for business incentives led to a reduced need for staff. For example, the department's training grant programs have all but disappeared. It is unnecessary for the department to have staff dedicated to such programs. Further, some programs have been transferred to other agencies causing further declines in positions.

## Vacancy History

- The vacancy rate as of October 1, 2017, was 3.0%; lower than the average rate over the past five years (8.4%).

## **Compensation**

While the current vacancy numbers are not particularly alarming, the department has expressed concern about its ability to be competitive with salaries. It often has to compete with the private financial sector for employees as well as several counties that offer higher pay. The agency specifically mentioned this issue as it relates to accounting and financial positions.

## **Workload Trends**

It is exceedingly difficult to link staffing levels to workload and outcomes for Commerce. The department has long struggled with devising and quantifying performance measurement. This is due, in part, to the rather esoteric relationship between the department's activities and the health of the State's economy, but it is also due to the multiple departmental reorganizations that make comparisons of a program's performance over time pointless.

However, the department's most consistent performance measure is the number of jobs created or retained as a result of departmental activity. This could include activities such as providing financing or resolving a regulatory issue. This metric does not correspond in any meaningful way to the number of employees at the department.

No recent legislative or other audit raises any concerns about staffing levels at the department. The previous administration took steps to close welcome centers across the State as a cost containment measure. The centers were staffed by the department's tourism division. The centers are slowly in the process of re-opening with mainly contractual staff and local partners.

## **Staffing Analysis**

It cannot be concluded that staffing issues have significantly hampered the department's activities since 2002. There is no meaningful evidence that the department is understaffed or underperforming.

Further, there is significant anecdotal evidence that the department would prefer a more relaxed salary setting and hiring policy that would allow it to respond to competition from the private marketplace for highly skilled financial employees. However, this phenomenon is not widespread and does not appear to affect agency performance.

## Department of Juvenile Services

### Program Description

The primary task of the Department of Juvenile Services (DJS) is to appropriately manage, supervise, and treat youth who are involved in the juvenile justice system in Maryland. DJS is involved in nearly every stage of the juvenile justice process from the moment a youth is brought into a juvenile intake center by the police or as a result of a citizen complaint to the time when a youth returns to the community after completing treatment. By law, DJS is a child-serving agency responsible for assessing the individual needs of referred youth and providing intake, detention, probation, commitment, and after-care services. DJS collaborates with youth, families, schools, community partners, law enforcement, and other public agencies to coordinate services and resources.

### Staffing Trends

DJS has had a net loss in staff of less than 4.0% since fiscal 2002. The loss of nearly 108 positions, approximately 5.2% of the regular workforce, has been offset by 26.4% growth in the use of contractual FTEs.

	<u><b>FY 2002</b></u>	<u><b>FY 2018</b></u>	<u><b>Change</b></u>	<u><b>Percent Change</b></u>
Positions	2,085.7	1,978.1	-107.6	-5.2%
Contractual FTEs	119.0	150.4	31.4	26.4%
<b>Total</b>	<b>2,204.7</b>	<b>2,128.5</b>	<b>-76.2</b>	<b>-3.5%</b>
Percent Contractual	5.4%	7.1%		

In the most recent years, a number of the positions lost have been the result of cost containment actions. Conveniently, the positions have been available for abolishment without too much detriment to departmental operations because of historic declines in all components of the department's population. In addition, DJS has improved its ability to evaluate staffing needs and allocate positions for both facility direct care and community case management staff by using data-driven analysis tools. This has allowed the department to adjust its position allocation based on workload and population demands. As is discussed in further detail, these staffing tools have identified an excess of staff positions allocated to community case management. Due to fiscal constraints, these positions have often been eliminated from the department's budget as opposed to addressing identified staffing needs in other areas.

The use of contractual FTEs has increased primarily as a means of streamlining and expediting the hiring process for facility direct care staff. To improve recruitment and retention, DJS hires direct care staff via contractual employment for the first six months while the staff completes training and is acclimated to working in DJS facilities. At the end of six successful months of service, the FTE is converted to fill an existing resident advisor vacancy. This, along

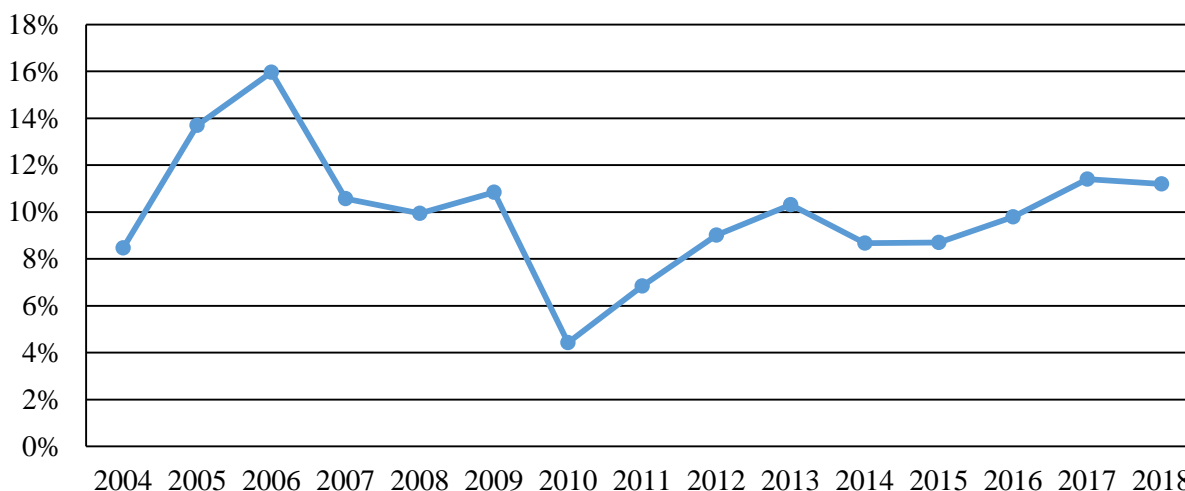
with other targeted efforts to improve recruitment, has resulted in a near doubling of the number of resident advisors hired each year between fiscal 2010 and 2016.

## Vacancy History

As of October 1, 2017, the overall vacancy rate for DJS was 10.0%. As seen in **Exhibit 49**, the vacancy rate for the department at the start of each fiscal year has exceeded 8.0% since fiscal 2011, despite a 10.9% decrease in regular positions during that time period. High vacancy rates, particularly among facility direct care employees, have a number of negative consequences for the department, including increased overtime expenses and employee morale issues. Overtime costs for the department have exceeded \$10 million annually since fiscal 2010.

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**Exhibit 49**  
**Departmental Vacancy Rate as of July 1**  
**Fiscal 2004-2018**



Source: Department of Juvenile Services

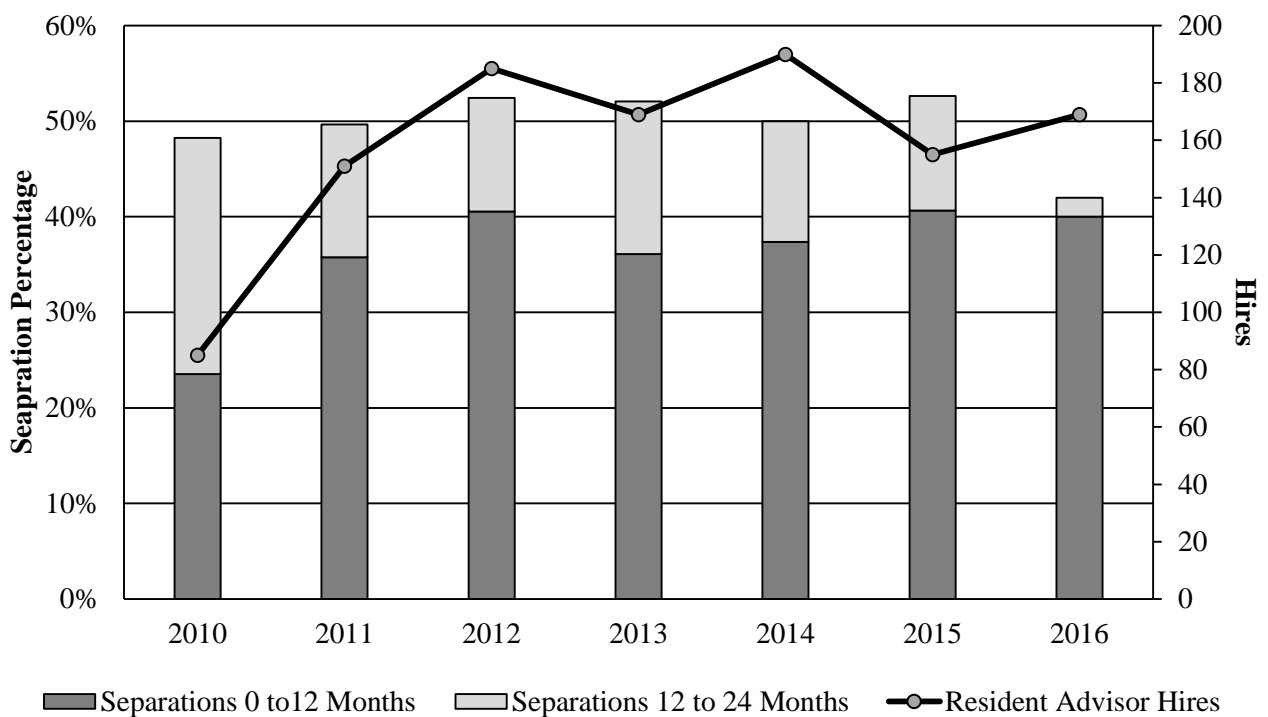
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According to staffing data provided by DJS for October 2017, the current vacancy rate of 10% is somewhat deceiving. DJS utilizes some of the funding for regular positions to cover the costs of hiring contractual resident advisors for the initial six-month probationary period. Accounting for contractual resident advisors, therefore, yields a vacancy rate of 5.3%, nearly 2 percentage points below budgeted turnover for the fiscal year.

The high budgeted turnover rate that the department operates under is indicative of ongoing issues with recruitment and retention. Through improvements in advertising and outreach, coupled

with streamlining the hiring process and increasing the base salary for direct care staff, DJS has greatly improved its recruitment. Unfortunately, as evidenced in **Exhibit 50**, the 12-month turnover rate for new hires continues to hover at or near 40%, suggesting that employee retention remains a problem.

**Exhibit 50**  
**Direct Care Facility Staff**  
**Employee Hires vs. Separations**  
**Fiscal 2010-2016**



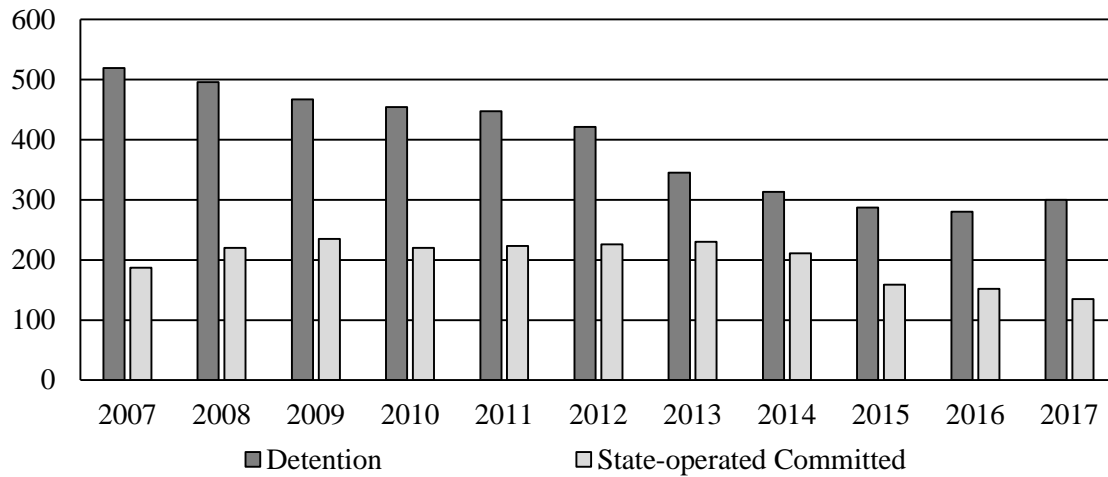
Source: Department of Juvenile Services

## Workload Trends

All aspects of the juvenile justice system have experienced significant population reductions over the past decade, which has had an impact on the staffing needs identified by DJS. **Exhibit 51** and **Exhibit 52** illustrate the historic declines experienced by the department's residential and nonresidential populations since fiscal 2007.

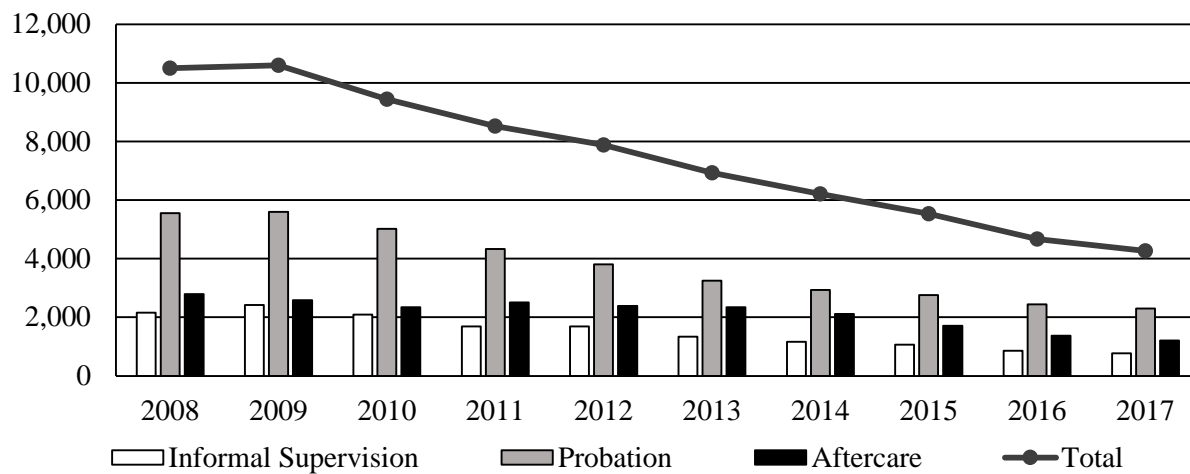


**Exhibit 51**  
**Residential Caseload Trends**  
**Fiscal 2007-2017**



Source: Department of Juvenile Services

**Exhibit 52**  
**Department of Juvenile Services**  
**Nonresidential Caseload Trends**  
**Fiscal 2008-2017**



Source: Department of Juvenile Services

In 2011, DJS conducted a comprehensive analysis of each State-operated facility to identify operational and administrative staffing deficiencies. The post analysis for direct care staff was determined based on the staff-to-youth ratio established at each facility, the physical plant design, custody level of the youth, and the security classification of the facility. Staffing needs were also determined by using a relief factor calculation, established for each region, based on calendar 2010 actual data. The analysis concluded at the time that DJS needed an additional 173 positions to address all identified deficiencies at an estimated cost of \$4.7 million.

As Exhibit 51 illustrates, the population of youth in State-run detention and committed facilities has decreased considerably since the 2011 staffing analysis was completed. In total, the ADP of youth in State-run facilities has fallen by 35.1%, or 235 youth, since fiscal 2011. As such, the staffing need has also decreased.

DJS updates its staffing analysis on an annual basis using the prior year's employee leave data to recalculate the relief factor. The most recent analysis conducted by the department used 2016 leave data. The analysis identified the staffing need for each facility based on the facility capacity and the current ADP. In sum, if DJS were to operate all of its facilities at capacity, the department would be understaffed by 251 regular positions. Accounting for the use of contractual direct care staff and the declines in population, the current need is for 79 additional direct care positions.

As seen in Exhibit 52, the population of youth under DJS supervision while in the community has been reduced by nearly 60% since fiscal 2009. In 2012, DJS conducted a workload study of staffing needs for its community case management positions. With the already significant population declines experienced between 2009 and 2012, the workload study revealed that DJS was operating with an excess of 40 positions in its community case management function. In response to these findings, DJS reallocated positions throughout the department to address other staffing needs, primarily understaffing in the State-operated facilities.

As the populations in Exhibit 52 have continued to drop, community case management staffing needs have also lessened. The department was able to use the 2012 workload analysis model to develop a data-driven tool to continuously reevaluate staffing levels versus case management needs. The most recent analysis provided by DJS has indicated that staffing in this area is currently at 113% of the identified need. Although this suggests the possibility for DJS to reallocate positions to continue to address staffing concerns at the facilities, the need to maintain a minimum level of staffing in each region does lessen potential for a significant staffing impact.

Despite the identified issues with understaffing, recruitment, and retention, DJS has seen improvement in its operations, most notably among the one-year recidivism rates. The percentage of youth incarcerated within one year of release from a DJS committed program declined to 12.8% for youth released in fiscal 2015, compared to 17.1% for youth released in fiscal 2013.

## **Staffing Analysis**

Despite success in recent years to lower the population and improve recidivism, the staffing issues plaguing the department are evident in the high overtime costs and the struggles to retain and promote employees. According to the department, these issues are driven by the need for additional positions to adequately meet staffing plans and account for the time when employees are unavailable for work. The most recent DJS staffing analysis indicates that 79 additional positions, along with additional funds to fully cover the cost of the department's use of FTEs, are needed to adequately staff all DJS committed and detention facilities at the current population level. A recent cost analysis completed by the department estimated the annual fiscal need to be in excess of \$4.5 million.

In addition to the need for additional positions, resolving the issue with employee retention warrants further consideration, as this issue has been examined on multiple occasions in recent years with little improvement. Possible solutions could include establishing a retention bonus program and evaluating compensation and the paths to promotion for positions above entry level.

# Maryland State Police

## Program Description

The Department of State Police (DSP) exists to safeguard persons within the State, protect property, and assist in providing all persons equal protection under the law. The department's operating structure is composed of the following programs:

- Office of the Superintendent;
- Field Operations Bureau;
- Criminal Investigation Bureau; and
- Support Services Bureau.

Within these functions, the department recruits and hires employees; addresses retention issues; provides services in procurement and distribution of supplies and equipment; works to improve the critical error rate of law enforcement agencies that enter civil protective orders into the Maryland Interagency Law Enforcement Agency/National Crime Information Center systems; serves as a catalyst for the interagency exchange of criminal justice, homeland security, and intelligence information at the federal, State, and local levels; and provides timely and efficient access to public information and records. The department also includes the Vehicle Theft Prevention Council, the Fire Prevention Commission, and Office of the State Fire Marshal, which are charged with safeguarding life and property from the hazards of fire and explosion.

## Staffing Trends

Since fiscal 2002, DSP has lost a total of 154 regular positions, or nearly 6.0% of its workforce.

	<u><b>FY 2002</b></u>	<u><b>FY 2018</b></u>	<u><b>Change</b></u>	<u><b>Percent Change</b></u>
Positions	2,589.5	2,435.5	-154.0	-5.9%
Uniformed	1,671.0	1,596.0	-75.0	-4.5%
Civilian	918.5	839.5	-79.0	-8.6%
Contractual FTEs	46.8	68.5	21.7	46.4%
<b>Total</b>	<b>2,635.3</b>	<b>2,504.0</b>	<b>-131.3</b>	<b>-5.0%</b>
Percent Contractual	1.7%	2.7%		

Although the number of positions lost is near evenly split between uniform and civilian personnel, as a percentage of the positions allocated, DSP has experienced a greater decrease in its

civilian complement (8.6% versus 4.5%), particularly since fiscal 2009. DSP has had a more difficult time filling vacant civilian positions once they occur due to hiring freezes and other obstacles to overcome in the hiring process. As a result, once a position is vacant, there can be an extensive amount of time before a replacement is hired. For example, DSP only recently filled its capital project manager position after it had been frozen for nearly three years. This was the only position within the department dedicated to the capital program.

With regard to the department's contractual workforce, FTEs have increased by 46.4% since fiscal 2002; however, the 68.5 FTEs budgeted for fiscal 2018 represent less than 3.0% of the entire DSP personnel complement. The growth in FTEs over the past 15 years is predominantly attributable to addressing administrative resource needs within the Licensing Division and other firearms-related responsibilities, resulting from the enactment of the Firearms Safety Act of 2013 (Chapter 427).

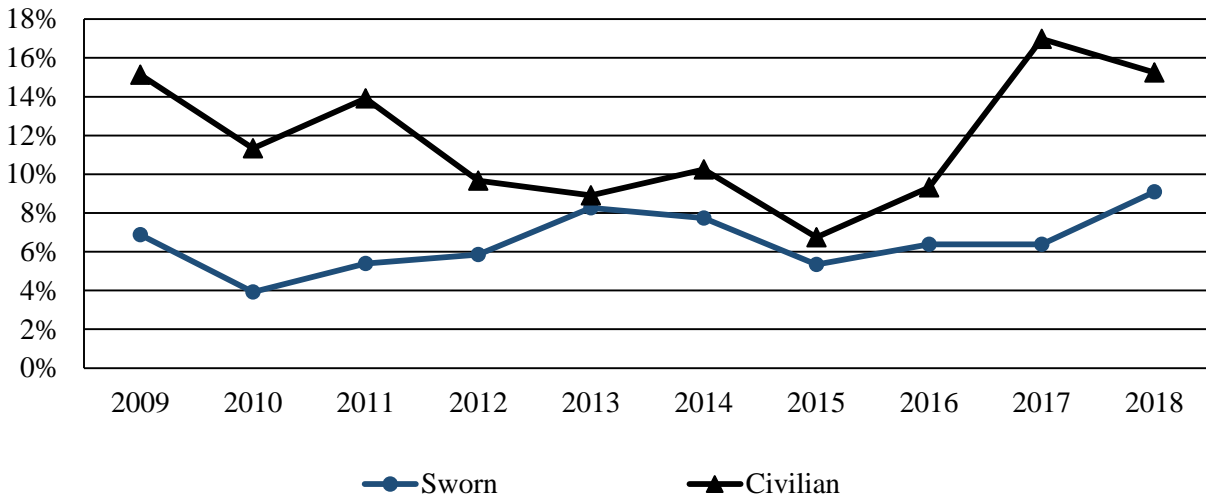
## **Vacancy History**

Exacerbating the loss of positions over the past 15 years is the department's perpetually high vacancy rate. As of July 2017, the combined vacancy rate for all DSP positions was 13.1%, compared to 7.0% in December 2001. Since fiscal 2009, the department has maintained an average vacancy rate of at least 7.7%. As **Exhibit 53** illustrates, the vacancy rate for civilian positions had been in decline in recent years; however, this is more reflective of vacant civilian positions being abolished through cost containment rather than improved hiring. The civilian vacancy rate spiked again in fiscal 2017, as the department's lengthy hiring process has resulted in an inability to fill vacant positions quickly.

The provision of funding for trooper classes in recent years is helping to drive down the sworn vacancy rate; however, separation data provided by DSP (**Exhibit 54**) shows that the department has to hire an average of 100 new troopers annually to maintain status quo. DSP has to hire more than 100 troopers each year to begin to improve its vacancy rates. In addition, the number of civilian staff leaving DSP service has increased by 46.4% since fiscal 2012. An analysis of general fund overtime for fiscal 2016 reveals that 35.0% of overtime use is attributable to manpower shortages.

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**Exhibit 53**  
**Sworn Officer and Civilian Vacancy Rates**  
**Fiscal 2009-2018**

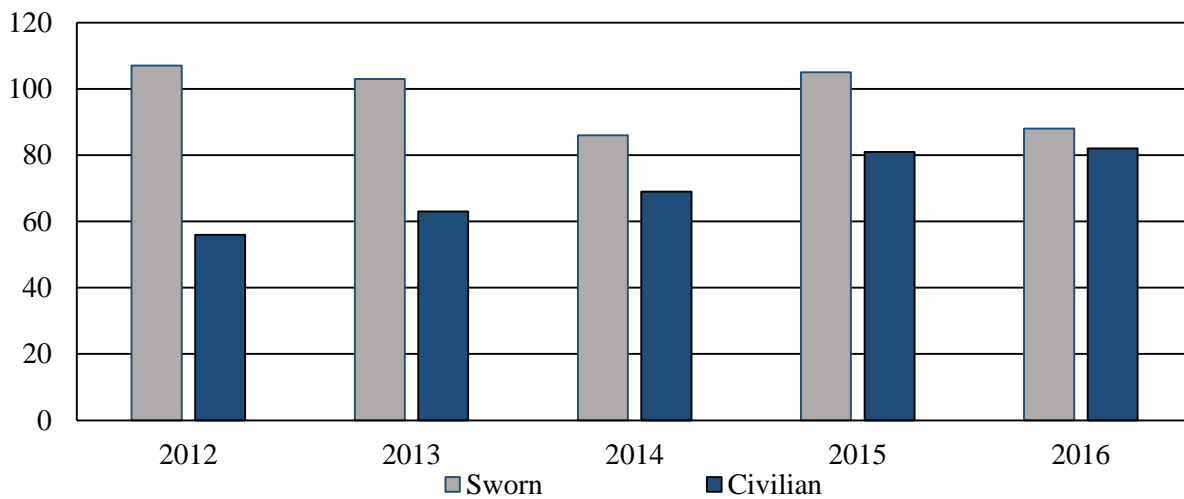


Source: Department of State Police

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**Exhibit 54**  
**Sworn and Civilian Separations**  
**Fiscal 2012-2016**



Source: Department of State Police

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## Workload Trends

**Exhibit 55** compares calendar 2002 and 2015 data for a variety of DSP workload and performance measures to use as proxies for determining the department's success in fulfilling its law enforcement mission. Calendar 2015 is the most recent year that published actual data is available. Evaluation of the data indicates that, despite a decline in the number of authorized troopers and increases in the number of people served and the level of required enforcement, as measured by population and vehicle miles traveled (VMT), the department's reported enforcement performance measures indicate positive trends. This is, in part, attributable to advancements in the technology utilized by troopers and an increase in the number of local law enforcement agencies assuming responsibilities previously provided by DSP.

Since 2002, the State's population has increased by approximately 570,000 individuals, an increase of over 10.0%. In addition, the number of VMTs travelled annually on Maryland roads also increased by 6.5%, or 35 million miles. During the same time period, DSP lost 63 trooper positions, exclusive of those positions dedicated to the Resident Trooper Program. As a result, the number of troopers available for road enforcement decreased by 9.7%, as there was approximately 0.3 fewer troopers available per every 1 million VMT in calendar 2015 than in 2002.

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### Exhibit 55 Workload and Enforcement Performance Measures Calendar 2002 vs. 2015

<u>Measure</u>	<u>2002</u>	<u>2015</u>	<u>% Change</u>
Population (millions)	5.44	6.01	10.5%
Vehicle Miles Traveled (VMT)	538	573	6.5%
Troopers	1,616	1,553	-3.9%
Troopers Per 1 Million VMTs	3.00	2.71	-9.7%
Accidents Per 100 VMTs	196.06	196.08	-0.0%
Fatalities Per 100 VMTs	1.22	0.91	-25.4%
Citations Issued	341,032	354,093	3.8%

Source: Department of State Police Managing for Results

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Despite the decrease in the sworn workforce available for enforcement, Maryland's roads appear to be safer. Comparing calendar 2002 and 2015 shows no increase in the number of accidents reported per 100 VMTs and a 25.4% reduction in fatalities. In addition, the number of citations issued by DSP increased by 3.8%. As the role of DSP troopers extends beyond enforcement of traffic laws, a look at Maryland's crime statistics, reported via the *Uniform Crime*

*Report*, also indicates a significant reduction in the occurrence of Part I offenses per 100,000 residents, which have fallen by 40.3% since calendar 2002.

## **Staffing Analysis**

National standards or methodologies do not exist for identifying the appropriate number of sworn personnel allocated to DSP. In addition, DSP responsibilities vary significantly by jurisdiction. As such, evaluating what is an adequate number of positions to fulfill the department's mission is difficult. Over the years, DSP has effectively leveraged new technologies, such as the use of electronic citations, a new Computer-aided Dispatch/Records Management System, automated crash reporting, electronic safety equipment repair orders, and other patrol vehicle improvements to achieve positive performance measures despite a decrease in personnel.

The lack of civilian staff support and issues with the recruitment and retention of sworn personnel do continue to pose problems for the department. The resulting impact is high vacancy, resources wasted on habitual entry-level training, increased overtime spending, and uniformed personnel dedicated to completing administrative tasks instead of being available for enforcement.

In June and September 2017, DSP released detailed reports evaluating the department's ability to improve its hiring processes and the overall adequacy of its existing workforce complement. The hiring process evaluation found several areas for potential improvement, particularly among civilian staff. According to the report, DSP is in the process of developing an internal recruitment plan of action, similar to what is used for recruiting sworn personnel, dedicating staff specifically to the task of recruiting for civilian positions, and creating an automated tracking program to monitor the progress of filling vacant positions. In addition, DSP is creating trackable performance measures specifically to address the timeliness of the hiring process. The report also evaluated compensation as an issue with filling sworn and civilian vacancies. It was found that Maryland is below average in the Mid-Atlantic region for both pre- and post-academy salary of sworn officers. In addition, the report highlights compensation concerns among police dispatcher and automotive maintenance positions.

The staffing study utilized several methodologies for evaluating sworn and civilian staffing needs within each individual unit of the department's three bureaus and the Superintendent's staff. Taking into account recommendations made by OLA regarding the potential for civilianizing certain functions currently being performed by sworn officers, the report identified the need for 193 additional positions (98 sworn and 95 civilian). Approximately 80% of the additional sworn positions are needed to cover patrol duties at the various barracks throughout the State. This analysis is based on a workload study evaluating average calls for service and the time required to address each call. This analysis also accounted for the department's relief factor, a measure used to show the relationship between the maximum number of days that an officer can work and those actually worked due to training, special assignments, and paid leave. Evaluation of staffing needs in the other units was based, in part, on anecdotal information, but referenced measurable data



where possible (*e.g.*, number of calls to the Gun Center, pounds of drugs seized, workload demand for the digital forensics laboratory).

The estimated cost of adding all the positions identified in the staffing study is approximately \$15.6 million; however, it can be assumed that adding manpower would eliminate at least 35% of the department's \$9.4 million general fund overtime expenses, leaving a final cost of approximately \$12.3 million.

Given the existing issues with high vacancy rates, significant turnover, and struggles with recruitment and retention, filling existing vacancies may be a more appropriate focus for DSP in the immediate future, as opposed to acquiring additional positions. To that end, GAM may want to continue to monitor the department's progress toward implementing the recommendations proposed for improving the hiring process. In addition, fiscal 2018 budget language encouraged DSP to develop a plan for implementing the recommendations of the OLA civilianization report to place more sworn personnel on patrol. In its initial report, DSP indicated that 10 positions were being pursued for civilianization in fiscal 2018. Continued monitoring of this issue is also recommended.

## Appendix 2 Methodology

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In order to fairly compare the number of positions within each agency in fiscal 2002 to 2018, adjustments were made to make the two years as comparable as possible. This includes recognition of:

- programs, functions, and positions that were transferred from one agency to another since fiscal 2002; and
- facilities that have closed since fiscal 2002.

### Programs, Functions, and Positions Transferred

As shown in **Exhibit 1**, since fiscal 2002, seven programs or functions were transferred, either statutorily or administratively, between agencies. These actions entailed the transfers of 467.5 regular positions and the 6.0 contractual full-time equivalents. Adjustments were made to the personnel counts in fiscal 2002 so that all of the programs or functions reflect the number of positions found for that purpose in fiscal 2018. So for example, the Child Care Administration was transferred from the Department of Human Services (DHS) to the Maryland State Department of Education (MSDE) via Chapter 585 of 2005. An estimated 191.0 positions moved from DHS to MSDE, where the function resides in fiscal 2018. To make a like comparison, 191.0 positions were subtracted from DHS in fiscal 2002 and added to the MSDE personnel count.

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**Exhibit 1**  
**Programs or Functions Transferred between Agencies**  
**Fiscal 2002 and 2018**

<b><u>Function/Purpose Transferred</u></b>	<b><u>Funded in 2002</u></b>	<b><u>Funded in 2018</u></b>	<b><u>Regular Positions</u></b>	<b><u>Contractual FTEs</u></b>
Child Care Administration	Department of Human Services	Maryland State Department of Education	191.0	0.0
Correctional Education	Maryland State Department of Education	Department of Labor, Licensing, and Regulation	183.5	0.0
Museum Services	Department of Housing and Community Development	Maryland Department of Planning	75.0	0.0
Agency Merged	Governor's Workforce Investment Board	Department of Labor, Licensing, and Regulation	10.0	0.0
Agency Merged	State Higher Education Labor Relations Board	Executive Boards, Commissions, and Offices (Fiscal 2002)	3.0	2.5
Agency Merged	Office for Smart Growth	Maryland Department of Planning	3.0	2.5
Agency Merged	Forum for Rural Maryland	Maryland Department of Agriculture	2.0	1.0
<b>Total</b>			<b>467.5</b>	<b>6.0</b>

FTE: full-time equivalent

Source: Department of Legislative Services

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As shown in **Exhibit 2**, additional adjustments involving 154 positions were made as follows. In fiscal 2002, the Office of Information Technology, the precursor to the Department of Information Technology (DoIT), was housed within the Department of Budget and Management (DBM). Since DoIT is a standalone agency in fiscal 2018, 149 positions are subtracted from the DBM personnel count in fiscal 2002 and DoIT is shown as an entity in fiscal 2002. This makes the comparisons for DBM and DoIT similar between fiscal 2002 and 2018. Similarly, the Maryland State Board of Contract Appeals (MSBCA) was a separate agency in fiscal 2002 but

was merged administratively into the Executive Boards, Commissions, and Offices budget. These 5 positions are shown separately under MSBCA to make both years comparable.

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**Exhibit 2**  
**Position Adjustments between Agencies**  
**Fiscal 2002 and 2018**

<b><u>From</u></b>	<b><u>To</u></b>	<b>Subtracted from <u>2002</u></b>	<b>Subtracted from <u>2018</u></b>
Department of Budget and Management (Fiscal 2002)	Department of Information Technology	149	
Executive Boards, Commissions, and Offices (Fiscal 2018)	Maryland State Board of Contract Appeals		5
<b>Total</b>		<b>149</b>	<b>5</b>

Source: Department of Legislative Services

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## **Facility Closures**

As shown in **Exhibit 3**, cost containment actions since fiscal 2002 resulted in the closure of a number of agencies, facilities, and hospital wards or agency mergers. These actions resulted in the reduction of nearly 1,200 regular positions. The facilities by agency, year of closure, and personnel savings are listed below. Because personnel for all of these facilities are not reflected in the 2017 budget, these position counts are also reduced from the 2002 counts to make a like comparison.

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**Exhibit 3**  
**Facility Closures**  
**Fiscal 2002**

<u><b>Agency</b></u>	<u><b>Positions Reduced from 2002</b></u>	<u><b>Comment</b></u>
Maryland Department of Health (formerly the Department of Health and Mental Hygiene)	897.6	Closed Crownsville (2005), Regional Institutions for Children and Adolescents (RICA) – Southern Maryland (2009), Rosewood (2010), Carter Center (2010), Upper Shore Community Mental Health (2010), and Brandenburg Center (2011). Closed wards at Springfield (2008 and 2010) and Spring Grove (2008 and 2010). Reduced beds at RICA – Gildner and RICA – Baltimore (2008 and 2010). Closed assisted living beds at Springfield and Spring Grove Hospital Centers (2013).
Department of Public Safety and Correctional Services	255.0	Closed Woodstock training center (2006), House of Correction (2008), Boot Camp (2010), Baltimore Pre-Release Unit (2013), and Men’s and Women’s Detention Centers (2016).
Department of Commerce (formerly the Department of Business and Economic Development)	5.0	Closed three foreign offices (2008 and 2010) and staff at five welcome centers (2010).
Maryland Department of Agriculture	3.0	Closed three animal health laboratories (2010).
Office for Smart Growth	2.0	Merged with the Department of Planning (2005).
Department of Juvenile Services	2.0	Closed O’Farrell (2009), Maryland Youth Residence Center (2009), Mount Clare (2010), and William Donald Schaefer House (2017).
<b>Grand Total</b>	<b>1,164.6</b>	

Source: Department of Legislative Services

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Fiscal 2002 position counts were also adjusted to reflect position transfers in each budget that were included in each year’s budget allowance data. Between fiscal 2002 and 2018, the Department of Legislative Services was able to account for 101.6 transfers between agencies and reconciled those positions in the fiscal 2002 data in order to allow for a comparable analysis of each agency’s position complement between fiscal 2002 and 2018.

### Appendix 3 Data

**Exhibit 1** compares July 1, 2002 versus July 1, 2015 changes in State and local government employment.

#### Exhibit 1 State and Local Government Employment July 1, 2002 vs. July 1, 2015

		<u>July 1, 2002 FTE Employment</u>	<u>July 1, 2015 FTE Employment</u>	<u>Change</u>	<u>% Change</u>
1	California	1,777,895	1,775,061	-2,834	0%
2	Texas	1,252,343	1,458,259	205,916	16%
3	New York	1,212,592	1,173,582	-39,010	-3%
4	Florida	789,194	876,388	87,194	11%
5	Illinois	651,718	627,906	-23,812	-4%
6	Ohio	617,565	584,108	-33,457	-5%
7	Pennsylvania	565,562	567,668	2,106	0%
8	North Carolina	473,790	540,654	66,864	14%
9	Georgia	475,303	506,306	31,003	7%
10	New Jersey	485,524	477,647	-7,877	-2%
11	Virginia	412,487	446,165	33,678	8%
12	Michigan	518,670	436,699	-81,971	-16%
13	Washington	320,399	343,164	22,765	7%
14	Massachusetts	330,326	337,809	7,483	2%
15	Tennessee	306,437	324,357	17,920	6%
16	Indiana	327,825	321,097	-6,728	-2%
17	Missouri	312,669	316,803	4,134	1%
<b>18</b>	<b>Maryland</b>	<b>285,605</b>	<b>303,422</b>	<b>17,817</b>	<b>6%</b>
19	Wisconsin	289,944	286,345	-3,599	-1%
20	Arizona	260,194	285,532	25,338	10%
21	Minnesota	281,536	285,000	3,464	1%
22	Colorado	241,091	282,690	41,599	17%
23	Alabama	266,524	282,274	15,750	6%
24	South Carolina	240,920	261,929	21,009	9%

		<b><u>July 1, 2002 FTE</u></b> <b><u>Employment</u></b>	<b><u>July 1, 2015 FTE</u></b> <b><u>Employment</u></b>	<b><u>Change</u></b>	<b><u>% Change</u></b>
25	Louisiana	279,470	259,287	-20,183	-7%
26	Kentucky	230,085	243,219	13,134	6%
27	Oklahoma	205,651	217,629	11,978	6%
28	Kansas	178,279	195,021	16,742	9%
29	Oregon	183,553	192,235	8,682	5%
30	Connecticut	181,609	191,937	10,328	6%
31	Mississippi	183,507	190,861	7,354	4%
32	Iowa	177,448	182,325	4,877	3%
33	Arkansas	150,810	170,067	19,257	13%
34	Utah	123,474	142,465	18,991	15%
35	New Mexico	118,277	125,206	6,929	6%
36	Nebraska	114,005	118,405	4,400	4%
37	Nevada	92,697	108,112	15,415	17%
38	West Virginia	95,739	102,541	6,802	7%
39	Idaho	77,552	80,319	2,767	4%
40	Hawaii	70,482	75,085	4,603	7%
41	New Hampshire	66,272	71,216	4,944	7%
42	Maine	73,743	70,346	-3,397	-5%
43	Montana	52,510	58,130	5,620	11%
44	Alaska	50,780	53,897	3,117	6%
45	Wyoming	41,526	50,688	9,162	22%
46	Delaware	46,603	49,433	2,830	6%
47	Rhode Island	52,710	48,054	-4,656	-9%
48	North Dakota	39,536	47,432	7,896	20%
49	South Dakota	42,967	46,638	3,671	9%
50	Vermont	38,071	40,502	2,431	6%
	United States	15,663,469	16,231,915	568,446	4%

FTE: full-time equivalent

Source: U.S. Census Bureau; Department of Legislative Services

**Exhibit 2** compares employees per capita in 2002 versus 2015 State and local government employment by 10,000 population.

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**Exhibit 2**  
**State and Local Government Employment by 10,000 Population**  
**Employees Per Capita**  
**2002 Versus 2015**

		<b><u>2002</u></b> <b><u>Employees</u></b> <b><u>Per 10,000</u></b> <b><u>Population</u></b>	<b><u>2015</u></b> <b><u>Employees</u></b> <b><u>Per 10,000</u></b> <b><u>Population</u></b>	<b><u>Change</u></b>	<b><u>% Change</u></b>
1	Wyoming	833	864	31	4%
2	Alaska	789	731	-58	-7%
3	Kansas	656	671	15	2%
4	Vermont	617	647	29	5%
5	Mississippi	639	638	-1	0%
6	North Dakota	623	627	3	1%
7	Nebraska	659	625	-34	-5%
8	New Mexico	638	602	-36	-6%
9	New York	633	594	-39	-6%
10	Iowa	604	584	-20	-3%
11	Alabama	594	582	-13	-2%
12	Arkansas	556	571	15	3%
13	Montana	577	563	-14	-2%
14	West Virginia	531	557	26	5%
15	Oklahoma	589	557	-32	-5%
16	Louisiana	623	555	-68	-11%
17	Kentucky	562	550	-12	-2%
18	South Dakota	565	544	-21	-4%
19	North Carolina	569	539	-31	-5%
20	Connecticut	525	535	11	2%
21	New Hampshire	520	535	16	3%
22	South Carolina	587	535	-51	-9%
23	New Jersey	565	535	-31	-5%
24	Virginia	566	533	-32	-6%
25	Texas	575	532	-43	-8%



		<b>2002 Employees Per 10,000 Population</b>	<b>2015 Employees Per 10,000 Population</b>	<b><u>Change</u></b>	<b><u>% Change</u></b>
26	Maine	570	529	-41	-7%
27	Hawaii	566	527	-39	-7%
28	Delaware	577	524	-54	-9%
29	Missouri	551	521	-30	-5%
30	Minnesota	561	520	-41	-7%
31	Colorado	535	519	-16	-3%
<b>32</b>	<b>Maryland</b>	<b>523</b>	<b>506</b>	<b>-17</b>	<b>-3%</b>
33	Ohio	541	503	-37	-7%
34	Massachusetts	514	498	-16	-3%
35	Wisconsin	533	496	-36	-7%
36	Georgia	555	496	-59	-11%
37	Tennessee	529	492	-37	-7%
38	Illinois	517	489	-28	-5%
39	Idaho	578	486	-92	-16%
40	Indiana	532	486	-47	-9%
41	Washington	528	479	-49	-9%
42	Oregon	521	478	-44	-8%
43	Utah	533	476	-57	-11%
44	Rhode Island	493	455	-38	-8%
45	California	506	455	-51	-10%
46	Pennsylvania	458	444	-15	-3%
47	Michigan	516	440	-76	-15%
48	Florida	472	433	-39	-8%
49	Arizona	477	419	-58	-12%
50	Nevada	426	375	-52	-12%
	United States	544	507	-37	-7%

Source: U.S. Census Bureau; Department of Legislative Services

**Exhibit 3** compares the change in employees per capita in 2002 versus 2015 State and local government employment by 10,000 population.

**Exhibit 3**  
**State and Local Government Employment by 10,000 Population**  
**Change in Employees Per Capita**  
**2002 Versus 2015**

		<b><u>2002</u></b> <b><u>Employees</u></b> <b><u>Per 10,000</u></b> <b><u>Population</u></b>	<b><u>2015</u></b> <b><u>Employees</u></b> <b><u>Per 10,000</u></b> <b><u>Population</u></b>	<b><u>Change</u></b>	<b><u>% Change</u></b>
1	Wyoming	833	864	31	4%
2	Vermont	617	647	29	5%
3	West Virginia	531	557	26	5%
4	New Hampshire	520	535	16	3%
5	Arkansas	556	571	15	3%
6	Kansas	656	671	15	2%
7	Connecticut	525	535	11	2%
8	North Dakota	623	627	3	1%
9	Mississippi	639	638	-1	0%
10	Kentucky	562	550	-12	-2%
11	Alabama	594	582	-13	-2%
12	Montana	577	563	-14	-2%
13	Pennsylvania	458	444	-15	-3%
14	Massachusetts	514	498	-16	-3%
15	Colorado	535	519	-16	-3%
<b>16</b>	<b>Maryland</b>	<b>523</b>	<b>506</b>	<b>-17</b>	<b>-3%</b>
17	Iowa	604	584	-20	-3%
18	South Dakota	565	544	-21	-4%
19	Illinois	517	489	-28	-5%
20	Missouri	551	521	-30	-5%
21	New Jersey	565	535	-31	-5%
22	North Carolina	569	539	-31	-5%
23	Oklahoma	589	557	-32	-5%
24	Virginia	566	533	-32	-6%
25	Nebraska	659	625	-34	-5%

		<b>2002 Employees Per 10,000 Population</b>	<b>2015 Employees Per 10,000 Population</b>	<b><u>Change</u></b>	<b><u>% Change</u></b>
26	New Mexico	638	602	-36	-6%
27	Wisconsin	533	496	-36	-7%
28	Tennessee	529	492	-37	-7%
29	Ohio	541	503	-37	-7%
30	Rhode Island	493	455	-38	-8%
31	New York	633	594	-39	-6%
32	Florida	472	433	-39	-8%
33	Hawaii	566	527	-39	-7%
34	Maine	570	529	-41	-7%
35	Minnesota	561	520	-41	-7%
36	Texas	575	532	-43	-8%
37	Oregon	521	478	-44	-8%
38	Indiana	532	486	-47	-9%
39	Washington	528	479	-49	-9%
40	California	506	455	-51	-10%
41	South Carolina	587	535	-51	-9%
42	Nevada	426	375	-52	-12%
43	Delaware	577	524	-54	-9%
44	Utah	533	476	-57	-11%
45	Arizona	477	419	-58	-12%
46	Alaska	789	731	-58	-7%
47	Georgia	555	496	-59	-11%
48	Louisiana	623	555	-68	-11%
49	Michigan	516	440	-76	-15%
50	Idaho	578	486	-92	-16%
	United States	544	507	-37	-7%

Source: U.S. Census Bureau; Department of Legislative Services

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**Exhibit 4** shows the state of Missouri compensation study results for state governments pay ranking.

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**Exhibit 4**  
**State of Missouri Compensation Study Results**  
**State Governments Pay Ranking**  
**July 1, 2016**

<u>State</u>	<u>Average Annual Pay (AAP)</u>	<u>AAP Rank</u>
California	\$75,229	1
New Jersey	68,362	2
Connecticut	68,185	3
New York	68,173	4
Illinois	67,845	5
Rhode Island	67,177	6
Iowa	64,209	7
Massachusetts	63,849	8
Alaska	63,074	9
Michigan	58,586	10
Ohio	57,914	11
Minnesota	57,107	12
Colorado	55,636	13
Oregon	55,621	14
Washington	55,277	15
Wisconsin	54,457	16
<b>Maryland</b>	<b>54,221</b>	<b>17</b>
Nevada	53,823	18
Vermont	51,903	19
Pennsylvania	51,880	20
Wyoming	50,750	21
Idaho	50,000	22
New Hampshire	49,497	23
Maine	49,151	24
Louisiana	48,695	25
Montana	48,529	26
Hawaii	48,377	27

<b><u>State</u></b>	<b><u>Average Annual Pay (AAP)</u></b>	<b><u>AAP Rank</u></b>
Virginia	48,101	28
Delaware	47,545	29
North Dakota	47,477	30
Kansas	47,227	31
Utah	47,110	32
Texas	46,860	33
North Carolina	46,819	34
Arizona	46,797	35
New Mexico	46,367	36
Alabama	45,830	37
Indiana	44,207	38
South Dakota	44,135	39
Nebraska	43,646	40
Tennessee	43,159	41
Arkansas	42,609	42
Oklahoma	42,504	43
Kentucky	42,349	44
Florida	40,875	45
Georgia	40,562	46
Mississippi	39,387	47
South Carolina	38,979	48
West Virginia	38,102	49
Missouri	37,476	50

Source: CBIZ Human Capital Services; Department of Legislative Services

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**Exhibit 5** shows the state of Missouri compensation study results for state governments pay ranking adjusted for the cost of labor.

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**Exhibit 5**  
**State of Missouri Compensation Study Results**  
**State Governments Pay Ranking Adjusted for the Cost of Labor**  
**July 1, 2016**

<u>State</u>	<u>Adjusted Average Annual Pay (AAAP)</u>	<u>AAAP Rank</u>
Iowa	\$70,458	1
California	67,325	2
Illinois	65,343	3
Rhode Island	63,729	4
New York	62,054	5
Connecticut	61,484	6
New Jersey	59,972	7
Ohio	59,940	8
Massachusetts	58,804	9
Michigan	58,110	10
Minnesota	56,552	11
Oregon	56,143	12
Alaska	55,887	13
Wisconsin	55,619	14
Idaho	55,599	15
Colorado	55,398	16
Wyoming	54,400	17
Vermont	54,145	18
Montana	53,748	19
Louisiana	53,329	20
Kansas	52,352	21
Maine	52,311	22
Nevada	52,129	23
Washington	51,986	24
Pennsylvania	51,958	25
South Dakota	51,614	26
Utah	51,023	27

<u>State</u>	<u>Adjusted Average Annual Pay (AAAP)</u>	<u>AAAP Rank</u>
New Mexico	51,004	28
<b>Maryland</b>	<b>50,835</b>	<b>29</b>
North Carolina	50,441	30
Alabama	50,192	31
North Dakota	50,176	32
Arizona	50,018	33
Texas	49,457	34
Oklahoma	49,268	35
Arkansas	49,202	36
Nebraska	49,117	37
New Hampshire	48,675	38
Tennessee	48,330	39
Virginia	47,414	40
Indiana	46,914	41
Kentucky	46,768	42
Hawaii	46,543	43
Delaware	46,286	44
Mississippi	45,445	45
Florida	43,186	46
West Virginia	43,082	47
Georgia	42,919	48
South Carolina	42,707	49
Missouri	39,682	50

Source: CBIZ Human Capital Services; Department of Legislative Services

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