



MARYLAND
DEPARTMENT OF
BUDGET & MANAGEMENT

LARRY HOGAN
Governor

BOYD K. RUTHERFORD
Lieutenant Governor

DAVID R. BRINKLEY
Secretary

MARC L. NICOLE
Deputy Secretary

December 1, 2017

The Honorable Edward J. Kasemeyer
Chair, Senate Budget and Taxation Committee
3 West, Miller State Building
Annapolis MD 21401-1911

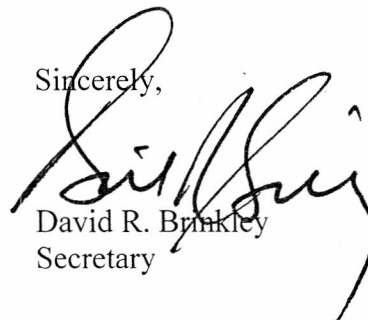
The Honorable Maggie McIntosh
Chair, House Appropriations Committee
121 House Office Building
Annapolis MD 21401-1911

Dear Chair Kasemeyer and Chair McIntosh:

The 2017 Budget Reconciliation and Financing Act and the State Finance and Procurement Article § 3-207(d) requires the Department of Budget and Management to submit a report on the Review of Select Interagency Agreements. Attached is the Department's initial annual submission in satisfaction of the reporting requirement.

If you have any questions about the attached report, please contact Mary Naramore, Director of the Division of Procurement Policy and Administration at 410.260.7471 or mary.naramore@maryland.gov.

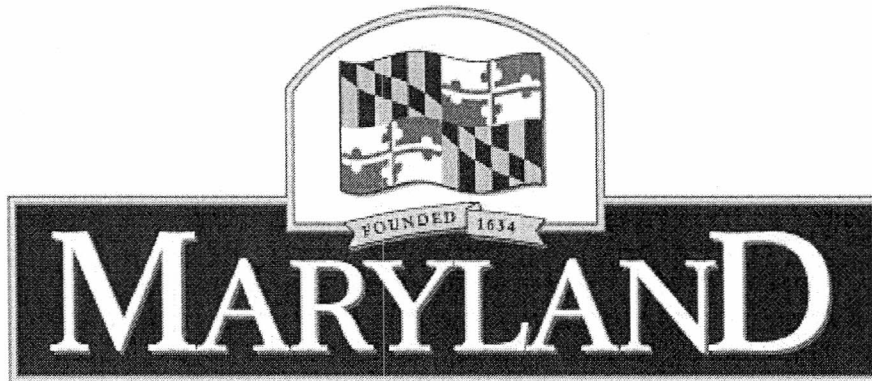
Sincerely,



David R. Brinkley
Secretary

Attachment

MSAR 11353



DEPARTMENT OF BUDGET AND MANAGEMENT

Budget Reconciliation and Financing Act Interagency Agreement Review Report

December 2017

Governor Larry Hogan
Lt. Governor Boyd K. Rutherford
Secretary David R. Brinkley

I. INTRODUCTION

The Budget Reconciliation and Financing Act of 2017, codified in State Finance and Procurement Article §3-207, imposed a new responsibility on the Department of Budget and Management (DBM). Specifically, DBM is tasked to review one-third of specified Interagency Agreements (Agreements) between Maryland State Agencies and Maryland Institutions of Higher Education each year and report, by December 1 of each year, a summary of the findings of this review to the Senate Budget and Taxation Committee, the House Appropriations Committee and the Department of Legislative Services.

The Agreements subject to review are those that have been in place for three or more years and have expenditures of more than \$750,000 in the last three fiscal years. The first cycle focused on Agreements with expenditures exceeding \$750,000 over the period of FY 15-17. The focus of the review is to determine whether the Agreement is necessary and should continue; whether services can be provided more cost effectively by the agency or unit through a competitive procurement; and whether the agreement is being utilized due to the agency's or unit's inability to recruit or retain positions and, if so, whether an annual salary review should be conducted to address recruitment or retention issues.

II. AGREEMENTS MEETING REVIEW PARAMETERS

DBM reviewed the FY 15 and 16 Interagency Agreement Report (IAAR) to identify those Agreements that appeared to fall within the requirements of this review, based on the three year length of Agreement and the annualized value of the total Agreement. DBM does not have actual expenditure information for FYs 15 – 17, and so had to base its selection on the estimated annual expenditures derived from the total award amounts. The FY 17 IAAR for the first time began to collect actual expenditures that occurred during the reporting period (FY17). DBM will not have three years of actual expenditure data until the completion of the FY19 IAAR which will be December of 2019.

After identifying Agreements from the FY 15 and FY 16 IAARs, DBM also identified new Agreements reported for the first time on the FY17 IAAR that met the requirements. As the FY 17 IAAR does not get finalized until late November, this significantly delayed completion of the list of Agreements subject to review.

Based on the above parameters, DBM identified a list of Agreements that met the requirements. The list was reviewed to eliminate those Agreements that had terminated and also had the successor Agreement on the list. This was necessary so as not to double count the Agreements for similar services. After editing the list, a total of 47 Agreements remained for review. The Agreements subject to review are listed in Attachment 1 and summarized in Table 1.

Table 1
Summary of
Agreements Subject to Review and Under Review

Agency	Agreements Subject to Review	Initial Review Efforts
Department of Health	23	23
Department of Human Services	8	8
Department of Information Technology	1	1
Department of Juvenile Services	1	
Department of Labor, Licensing & Regulation	1	1
Department of Natural Resources	1	
Department of Public Safety & Correctional Services	1	1
Department of State Police	2	
Department of Transportation	8	
Maryland Longitudinal Data System Center	1	
Total Agreements	47	34

DBM is focusing its initial review efforts on those 34 Agreements identified in column three of Table 1. Of these 34 Agreements, one has been competitively outsourced, 10 are Agreements that are for staffing, and the remaining 23 Agreements are for various services.

III. STATUS OF REVIEW

A. Agreements Competitively Outsourced

After being cited by the Office of Legislative Audit in the Department of Public Safety and Correctional Services (DPSCS) Office of Secretary and Other Unit's audit report issued November 2015, the Agreement between DPSCS and the University of Maryland, College Park was competitively procured and awarded to a private contractor.

According to DPSCS, the requirements which were competed under a Department of Information Technology Master Contract, resulted in a 42% cost increase in the average salary for the same positions (inclusive of overhead/F&A) being paid by the Department. Because a Master Contract vehicle was used, the competition was limited to only those vendors already under contract. The University was not able to compete for the award through the procurement process.

During the upcoming year, DBM will work with agencies that choose to competitively solicit for services now being obtained through Interagency Agreements on how best to competitively solicit in a manner that allows the Universities to also compete for these awards to ensure services are obtained at the most advantageous prices to the State.

B. MDH Staffing Agreements Under Review

The review group included 10 staff support Agreements between the Maryland Department of Health (MDH) and the University of Maryland, Baltimore or the University of Maryland, Baltimore County.

Following the Office of Legislative Audit of MDH-Office of Secretary and Other Unit issued August 2017 that included findings related to Agreements, MDH took steps to execute several corrective actions and began implementing a new review and evaluation process to assure that any new Agreements for staff augmentation are evaluated and justified as being both appropriate and best value. Further, MDH is implementing new policies prohibiting the hiring of new staff through Agreements without the approval of the MDH Secretary. Agreements for staff augmentation are required to show compelling value for the State. In addition, the Agreements are to be analyzed to determine whether an Agreement is preferable to other methods for securing talent and services. Alternatives include hiring staff on special payroll, obtaining and assigning PINs, conducting a competitive procurement, and even abandoning the position altogether. This process will elevate new agreements that are construed to meet these criteria to the Secretary's Office for final review and approval.

During the upcoming year, DBM will be working with MDH to monitor the impact of this new review and evaluation process.

C. Service Agreements Under Review

The remaining 23 Agreements noted in Table 1, column 3, are now under review by DBM. The review is in its initial stages and DBM has begun work with each appropriate Department, as noted in Table 1. Each of the Agreements will be evaluated to determine whether the arrangement is appropriate and the most cost beneficial option, including if it is in the best interest of the State to attempt efforts to competitively procure the services currently being provided by the State institutions of higher education.

During the upcoming year, DBM's review efforts will focus on opportunities for competitively procuring those services which need to continue, and do not have a clear and compelling reason to remain under Agreement. Efforts will be made to assure that Universities are encouraged and allowed to participate in the competitive procurement process to ensure the best value for the State is obtained. Results of this review will be published in the FY 18 Report.

Attachment 1
Detail List of Agreements Subject to Review

Report Tracking No.	Effective Dates		Total Projected	Description of Goods/Services Provided
	Start	End		
1 2015/DHMH/TU/01	04/01/15	08/31/19	\$3,975,339	To-porting code from a current Medicaid application (eMIPP) and providing hosting, maintenance and enhancement support for the eMIPP system.
2 2014/DHMH/UMB/03	07/01/13	06/30/16	\$1,680,000	Provides substance abuse & co-occurring treatment services that are recovery focused for adults who are deaf & hard of hearing throughout the State of Maryland.
3 2017/DHMH/UMB/01	07/01/16	06/30/19	\$5,706,957	Pharmacist Services Spring Grove Hospital
4 2014/DHMH/UMB/16	07/01/13	06/30/16	\$1,239,162	Assist the DHMH Office of Minority Health and Health Disparities with collection, analysis and reporting of ethnic and racial health disparities data, maintain a health disparities information system, manage social marketing and messaging technical information, provide health planning education, provide research and data assistance.
5 2014/DHMH/UMB/33	01/26/14	06/30/18	\$2,069,569	Provide staff support to DHMH Center for Cancer Prevention and Control's Surveillance and Evaluation Unit and the Maryland Cancer Registry.
6 2015/DHMH/UMB/01	07/01/14	06/30/17	\$1,100,004	Pharmacist Services Finan Center
7 2015/DHMH/UMB/03	07/01/14	06/30/19	\$1,258,000	Administrative, space and facilities support State Anatomy Board
8 2015/DHMH/UMB/08	07/01/14	06/30/17	\$1,307,113	Provide qualified teaching faculty to render the critical supervision and academic preparation for the Adult and Child/Adolescent Residency training.
9 2015/DHMH/UMB/09	07/01/14	06/30/17	\$6,116,258	Provision of both Adult & Child Psychiatry Residents to MHA inpatients and community program.

	Report Tracking No.	Effective Dates		Total Projected	Description of Goods/Services Provided
		Start	End		
10	2016/DHMH/UMB/01	07/01/15	06/30/18	\$4,938,540	To expand and enhance the functions of the Maryland Center of Excellence on Problem Gambling to provide a comprehensive behavioral and public health approach for problem gambling services within prevention, treatment and recovery environments that is focused in community based settings. OPASS-16-14568-G
11	2016/DHMH/UMB/19	07/01/15	06/30/18	\$1,198,208	Pharmacist Services for Eastern Shore Hospital Center.
12	2017/DHMH/UMB/11	07/01/16	06/30/19	\$6,814,500	Provide a robust research agenda that is organized around seven primary domains of activity. The research process will continue to focus on problem gambling and on the impact of legal gambling on local communities and the population at large. This component of the Maryland Center of Excellence for Problem Gambling will provide a comprehensive picture of the positive and negative effects of gaming in the State.
13	2014/DHMH/UMBC/01	07/01/13	06/30/18	\$2,944,735	Staffing support for Environmental Health Bureau
14	2015/DHMH/UMBC/02	07/01/14	06/30/19	\$10,996,853	Staff support for Infectious Disease Bureau.
15	2015/DHMH/UMBC/03	07/01/14	06/30/19	\$5,218,530	Staff support for the Office of Oral Health
16	2015/DHMH/UMBC/04	07/01/14	06/30/19	\$3,450,509	Staffing and support for the Maryland WIC Program.
17	2015/DHMH/UMBC/05	07/01/14	06/30/19	\$1,991,323	Staff support for the Office for Genetics and People with Special Health Care Needs
18	2015/DHMH/UMBC/06	07/01/14	06/30/19	\$5,276,358	Provide staffing for the Center for Chronic Disease Control and Prevention
19	2015/DHMH/UMBC/07	07/01/14	06/30/19	\$2,377,924	Provide staffing for the Center for Tobacco Prevention and Education
20	2015/DHMH/UMBC/09	07/01/14	06/30/19	\$4,082,956	Staff support for the Office of Family Planning and Home Visiting
21	2015/DHMH/UMBC/10	07/01/14	06/30/19	\$1,897,594	Staff support for the Health Systems and Infrastructure Administration

Report Tracking No.	Effective Dates		Total Projected	Description of Goods/Services Provided
	Start	End		
22 2015/DHMH/UMBC/11	07/01/14	06/30/19	\$21,909,878	Policy consultation, technical support, and program assistance on several projects designed to improve the MD Medicaid Program, including managing the HealthChoice program including rate setting and data/policy analysis; provides data analysis, rate setting support and policy development of innovative proposals for Long Term Care delivery; provide administrative support activities; facilitate database development and produce and disseminate studies, reports and analyses.
23 2009/DHMH/UMCP/01	07/01/08	06/30/15	\$10,958,014	Statewide Maryland Automated Record Tracking (SMART) Initiative
24 2015/DHR/UMB/02	07/01/14	06/30/18	\$6,207,182	Provide training through the MD Child Welfare Academy to develop, educate, train & support Maryland's child welfare staff/ supervisors/ administrators/ foster parents & kinship caregivers to protect children & promote well being.
25 2015/DHR/UMB/04	07/01/14	06/30/19	\$3,206,168	Research in Support of Child Welfare Policy and Programs (Child Welfare Accountability) is an ongoing collaboration between DHR & UMB, School of Social Work to provide an outcome based system of accountability measuring the efficiency and effectiveness of child welfare services in MD.
26 2017/DHR/UMB/02	10/01/16	06/30/20	\$4,977,422	Research & data analysis to support Maryland's Child Support Program. 1) Legislatively-Mandated Case-Level Guidelines Review; 2) Ad-Hoc & regular Statistical Reporting; 3) Research & Evaluation; 4) Paternity Establishment Performance Enhancement Services; 5) Quality Control Review Technical Assistance and Reporting; & 6) CSEA Consulting.
27 2017/DHR/UMB/01	10/01/16	06/30/20	\$4,361,046	Design and develop the Title IV-E Waiver Demonstration implementation plan and the design of the Demonstration evaluation.

	Report Tracking No.	Effective Dates		Total Projected	Description of Goods/Services Provided
		Start	End		
28	2016/DHR/UMB/02	07/01/15	06/30/19	\$5,968,569	Title IV - E Public Child Welfare Education Program (SSA/T-16-001) - Program provides specialized child welfare training to BSW and MSW candidates, training students in addition to oversee with subcontracts with Morgan, Salisbury, and UMBC. The specialized child welfare training is provided to BSW and MSW students who are interested in pursuing employment in the child welfare programs in local departments of social services.
29	2016/DHR/UMB/04	04/01/16	03/31/20	\$4,638,965	Provide research in support of welfare reform. Conduct prepare research reports analyzing the outcomes and impacts of DHS welfare reform programs. Prepare statistical reports for DHS management in support of welfare reform. Develop and administer training to support welfare reform objectives.
30	2013/DHR/UMCP/02	10/01/12	09/30/15	\$13,343,165	Food Supplement Nutrition Education Program to provide community nutrition education throughout Maryland. FIA/FSNE 13-035 (Annual Plan 2013)
31	2014/DHR/UMCP/01	07/01/13	06/30/18	\$6,016,561	Provide support for the Child Support Enforcement Administration's Local Area Networks, Onsite eTraining and Applications Development.
32	2010/DOIT/TU/01	06/30/10	06/29/15	\$25,000,000	Open-end master agreement for technical services.
33	2015/DJS/UMB/01	07/01/14	06/30/17	\$3,259,814	Provide research and technical assistance to enhance Juvenile Services Case Management Practices.
34	2015/DLLR/TU/01	07/01/14	06/30/17	\$750,000	On a Task Order basis to provide integrated marketing solutions, non-credit training programs, Information technology solutions, geographic information systems, economic analyses and forecasting, technical writing and/or foreign language translation services.
35	2014/DNR/UMCES/01	06/15/14	05/31/17	\$2,198,347	Acoustic data study of noise environment around MD Wind Energy Area

Report Tracking No.	Effective Dates		Total Projected	Description of Goods/Services Provided
	Start	End		
36 2011/DPSCS/UMCP	07/01/10	06/30/15	\$20,033,640	Core Competencies Project: staff to work on five IT projects & deal with issues pertaining to: distributed n-tier architecture migration; quality assurance, design, review & testing practices, models & procedures; remote access & authentication methodologies for the distributed client base; audit & review processes for security access & account control; web infrastructure allowing for intranet & internet eGovernment development & project support; training curriculum & methodologies for providing training to the workforce; voice, video & radio integration; project management strategies; & intelligence information management strategies, practices & procedures.
37 2013/MDSP/UMCP/01	07/01/12	06/30/16	\$1,578,258	Enterprise Network Support - UMCP CapWIN will provide personnel to assist with the design, integration and technical services related to the ongoing support and maintenance of the Department's network.
38 2013/MDSP/UMCP/02	03/01/13	04/30/16	\$2,171,364	Provide Intelligence Analysts for the MD Coordination & Analysis Center (MCAC) to provide analytical support and strategic analysis to better focus the investigative activities conducted by law enforcement in the State, helping to foster and facilitate the coordination and dissemination of information to public and private local, state and federal agencies.
39 2008/MDOT/MPA/UMCES/01	02/20/08	09/19/18	\$6,045,000	Maritime Environmental Resource Center (MERC) - Evaluation of the mechanical and biological efficacy of ballast water treatment systems and economics impacts of ballast water regulations and management approaches; create a permanent ballast water test center in the Chesapeake Bay area
40 2007/MDOT/MTA/TU/01	11/30/06	03/18/18	\$2,914,863	Comprehensive GIS to Improve Operations, Maintenance, and Response

	Report Tracking No.	Effective Dates		Total Projected	Description of Goods/Services Provided
		Start	End		
41	2014/MDOT/SHA/MSU/01	08/27/13	12/31/16	\$2,000,000	Open-end agreement for research and technical assistance.
42	2014/MDOT/SHA/TU/01	04/15/14	11/01/19	\$4,000,000	Technical services for various projects which include GIS assistance, economic analyses and forecasting and technical writing
43	2008/MDOT/SHA/UMCP/02	12/01/07	06/30/15	\$59,410,000	Technical Support for Development and Operation of the State's Intelligent Transportation Systems. UMD also provides support of the I-95 Corridor Coalition for initiatives from throughout the corridor. (CHART Umbrella Agreement)
44	2013/MDOT/SHA/UMCP/01	08/24/12	12/31/16	\$4,000,000	Master Agreement for research and technical assistance services.
45	2014/MDOT/SHA/UMCP/01	06/03/14	12/31/18	\$8,000,000	Open-end agreement (SHA/UM/4) for research and technical assistance. Individual tasks are assigned, as needed.
46	2015/MDOT/SHA/UMCP/01	10/09/14	06/30/20	\$60,000,000	CHARTUMDFY1520/FY15-20 SHA CHART Umbrella Agreement
47	2014/MLDSC/UMB/01	07/01/13	06/30/16	\$2,174,173	Research and staffing services, including a Director of Research and a full time Research Coordinator, as well as offices for Center staff. The agreement also provides IT support services via a contract. Additional services may be added via task order (see 01A).
	2014/MLDSC/UMB/01A	07/01/13	06/30/16	\$1,228,969	Task Order under MOU #2013-01 - Longitudinal data system planning, development & research activities.