
ORIGIN & FUNCTIONS

The Department of Budget and Management was established in 1996. Its origins, however, date to 1916, when, by constitutional amendment, Maryland became the first state to adopt the executive budget system (Chapter 159, Acts of 1916, ratified Nov. 7, 1916). Under this system, primary responsibility for the budget of State government is assigned to the Governor. During the nineteenth century, government agencies, private institutions, and citizens all submitted requests for appropriations directly to the General Assembly, a piecemeal approach which made fiscal planning difficult. No government agency coordinated the review of government revenues and expenditures to assure a balanced State budget. In 1900, the Board of State Aid and Charities was formed to examine certain requests for appropriations and make recommendations to the General Assembly. By 1902, the office of State Auditor was authorized to review expenditures of several State agencies. Yet, not until the executive budget system of 1916 was accountability for the whole State budget assigned to one office.

Department of Budget and Procurement. Under the executive budget system, the Governor is required to analyze the needs of State agencies and balance expenditures against anticipated revenues. To assist the Governor in preparing the budget and to consolidate State purchasing and budgetary functions, the Department of Budget and Procurement was formed in 1939, absorbing the Central Purchasing Bureau created in 1920 (Chapter 184, Acts of 1920; Chapter 64, Acts of 1939).

Department of Budget and Fiscal Planning. The Department of Budget and Procurement was reorganized as the Department of Budget and Fiscal Planning in 1969 (Chapter 78, Acts of 1969). The Purchasing Bureau, formerly under the Department of Budget and Fiscal Planning, moved to the Department of General Services in 1970 (Chapter 97, Acts of 1970). Over the years, additional responsibilities were delegated to the Department of Budget and Fiscal Planning. The General Administration Program of the Board of Public Works was transferred to the Department by Executive Order in September 1981 and then reassigned to the Board in 1994 (Chapter 750, Acts of 1994). The Office of Capital Budgeting of the Department of Planning was assigned to the Department in 1989 and renamed in 1990 as the Division of Capital Budgeting. In 1994, the State Employee and Retiree Health and Welfare Benefits Program of the Department of Personnel transferred to the Department (Chapter 107, Acts of 1994). Oversight of State information technology also was assigned to the Department in 1994 (Chapter 493, Acts of 1994).

Department of Personnel. Origins of the Department of Personnel date to 1920 when the Merit System was established for employees of State government. The Merit System was formed to attract well qualified people to government service and end the political patronage by which government positions had been filled in the nineteenth century. In 1920, the office of State Employment Commissioner was created to administer the Merit System (Chapter 41, Acts of 1920). The Commissioner in 1922 was renamed Commissioner of State Employment and Registration. In 1922, the Commissioner of State Employment and Registration became head of the Department of State Employment and Registration (Chapter 29, Acts of 1922). The Commissioner of State Employment and Registration also chaired the State Employees' Standard Salary Board, formed in 1941 (Chapter 395, Acts of 1941). In 1953, the Commissioner was renamed the State Commissioner of Personnel (Chapter 310, Acts of 1953). The Department of Personnel superseded the Commissioner of Personnel in 1970 (Chapter 99, Acts of 1970).

Department of Budget and Management. In 1996, the Department of Budget and Fiscal Planning was reformed as the Department of Budget and Management to administer functions formerly assigned to the Department of Personnel, and the Telecommunications Division of the Department of General Services (Chapter 349, Acts of 1996). The major responsibilities of the Department of Budget and Management concern the budget of State government. They include budget development, supervision of budget execution, revenue estimating, and coordination of State information processing. The Department ensures that current fiscal needs are met, strives for efficiency in State government, and, through evaluation and study of economic conditions, makes plans to meet future needs. Since 1996, the Department also has been responsible for telecommunications and serves as the central personnel agency of the State.