Government Efficiency Commission

December 2024 Report

Respectfully submitted to the Governor and the General Assembly of Maryland December 2024

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Table of Contents

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Executive Summary

The Government Efficiency Commission ("Commission") was established by [the Transparent Government Act of 2024](#). In addition to creating the Commission, the legislation requires a holistic review of license, permit, and certificate application and review processes by each department and independent unit of state government. The legislation initiated an Administration-wide effort, referred to as the Transparent Government Act Initiative, intended to ensure that Maryland's government is empowered to uphold the value of leaving no one behind by providing expedient, reliable, and transparent government services related to credentialing. In particular, this effort seeks to:

1. Empower state employees to provide quality and reliable credential processing services;
2. Ease regulatory burdens related to state credentialing where prudent;
3. Increase credential process efficiency staff experience;
4. Improve resident and business experiences with state government related to credentialing; and
5. Ensure that the Department of Information Technology ("DoIT") has the appropriate information to update the State's information infrastructure.

The Commission provides oversight and direction to the Transparent Government Act Initiative and will meet at least quarterly to review progress and provide direction and feedback.

This report, required by State Government - 9–3802, provides the following:
1. Methodologies and findings of the initial state catalog of all permits, licenses, and certifications issued by each unit of state government;
2. Recommendations of the Commission to the Governor and General Assembly regarding state credentialing.

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The Transparent Government Act

The Transparent Government Act of 2024 set forth a comprehensive review of all permits, licenses, and certifications issued by the Executive Branch with the intention of identifying opportunities for efficiencies and modernization. The bill accomplishes this by:

1) Requiring each principal department and independent unit of State government, by October 1, 2024, to 1) create a catalog containing specified information of each type of permit, license, or certificate that it issues; and 2) submit the catalog to the Governor. Information required to be reported includes:
    a) A description of each permit, license, or certificate;
    b) The term for which each issued permit, license, or certificate is valid;
    c) The statutory and regulatory authority that 1) authorizes or requires the department or independent unit to issue the permit, license, or certificate and 2) establishes a timeline within which a department or independent unit must process and issue the permit, license, or certificate, if any;
    d) The method and process used to accept applications for each permit, license, or certificate, including a list of (1) prior significant updates to the method and process and (2) the current information technology system used, and any remaining associated tasks still performed manually with the system;
    e) An estimate of the length of time to (1) determine if an application is complete and (2) make a final determination to issue, waive, or deny the permit, license, or certificate;
    f) The application fee charged for each permit, license, or certificate and how the revenue collected from application fees is allocated;
    g) Any statutory or regulatory authority that may impact an applicant's ability to receive a permit, license, or certificate based on the criminal history of the applicant;
    h) An analysis and any recommendations on the appropriate length of time to promptly process completed applications for

       each permit, license, or certificate and factors impeding the
       timely processing of each permit, license, or certificate; and

      i) Statutory or regulatory changes and resources that could
          expedite the processing timeline.

2) Requiring, by December 1, 2024, each principal department and independent unit must post on its website an interim description, to the extent practicable, of the application process for each permit, license, or certificate it issues;

3) Establishes the Government Efficiency Commission, staffed by the Office of the Governor, to enhance government efficiency and economic competitiveness by monitoring efficiency in the processing of permits, licenses, and certificates. By December 1, 2024, and annually thereafter, the Commission must submit a report on its findings and recommendations to the Governor and the General Assembly. The Commission will:

    a) Compile and index the reports submitted under the bill;

    b) Review statutory and regulatory provisions that may impact the efficiency of processing permits, licenses, and certificates; and

    c) Make recommendations on 1) any factors impeding prompt and fair processing of permits, licenses, and certificates; 2) strategies for improving permitting and licensing efficiency; and 3) removing barriers that hinder individuals and businesses from receiving permits, licenses, and certificates.

The Government Efficiency Commission will include the following members:

1. One member of the Senate, appointed by the president of the senate;
2. One member of the House of Delegates, appointed by the Speaker of the House;
3. The Secretary of Planning, or the Secretary's Designee;
4. The Secretary of Housing and Community Development, or the secretary's designee;
5. The Secretary of the Environment, or the Secretary's designee;
6. The Special Secretary of Small, Minority, and Women Business Affairs, or the Special Secretary's designee;
7. The Secretary of Commerce, or the Secretary's designee;

8. The Secretary of Transportation, or the Secretary's designee;
9. The Secretary of Labor, or the Secretary's designee;
10. The Secretary of Health, or the Secretary's designee;
11. The Secretary of Information Technology, or the Secretary's designee;
12. The Chief Performance Officer; and
13. Three representatives of the state's business community, appointed by the Governor.

Members of Commission

Co-Chair (chosen by Governor): Asma Mirza
Co-Chair (chosen by Governor): Manny Welsh
Business Community Representatives, appointed by Governor:
> Balfour "Rico" E. Albacarys-Roop;
> Raymond G. Jackson;
> Linda L. Singh, Ph.D.

Appointed by Senate President: one vacancy
Appointed by House Speaker: Delegate Tiffany T. Alston
Department Representatives:
> Kevin A. Anderson, Secretary of Commerce;
> Serena C. McIlwain, Secretary of the Environment;
> Clint Hackett, Deputy Secretary of Health for Operations;
> Jacob R. Day, Secretary of Housing & Community Development;
> Marcy Jacobs, Chief Digital Experience Officer;
> Portia Y. Wu, Esq., Secretary of Labor;
> Rebecca L. Flora, Secretary of Planning;
> Tony Bridges, Assistant Secretary of Transportation; and
> Yolanda Maria Martinez, Special Secretary of Small, Minority, & Women
> Business Affairs.

Commission Staff: Brad Fallon, Giselle Campos Ramirez

STATE OF MARYLAND
OFFICE OF THE GOVERNOR
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Catalog and Review Process

In July of 2024, the Office of the Governor issued a directive to all executive agencies to initiate reviews and reporting of information pertaining to permits, licenses, and certifications that each issue. During the subsequent months, each unit submitted information about the total number of credentials issued, detailed information about each credential, information about the application and determination processes, and recommendations about improvements that could be made to each. As data was submitted, Commission staff formatted and processed the data, working with each agency to address any discrepancies and to enhance clarity in responses. Once processed, this data was presented to the Government Efficiency Commission to serve as the basis for review and recommendations presented in this report.
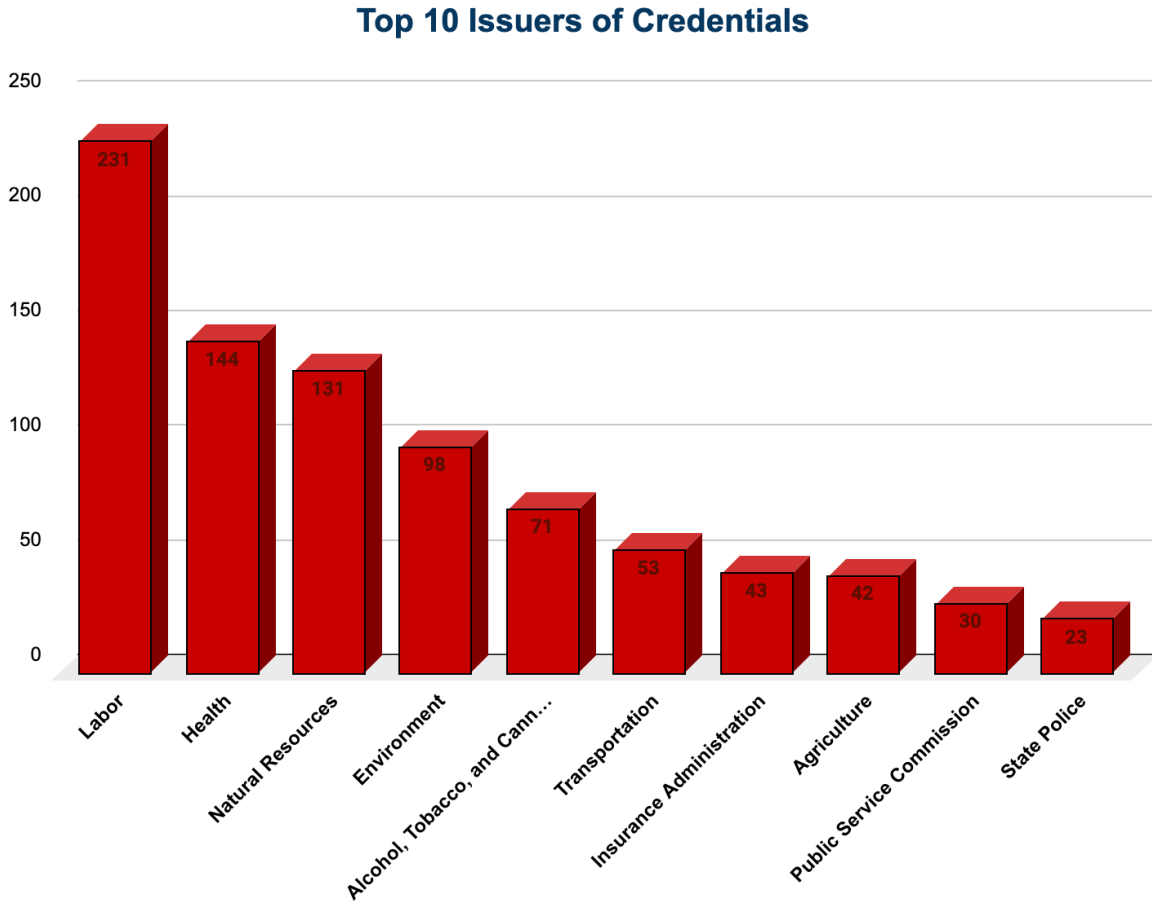
Key Findings

In total, 1,283 permits, licenses, certifications were identified through the cataloging process. To the Commission's knowledge, this is the first comprehensive catalog of such credentials maintained by the State. Of the 1,283 credentials identified, 311 are permits, 755 are licenses, and 236 are certifications, including tax credit certificates. Key findings include:

- 55.73% (715 Actual) of credentials received fewer than 50 application in 2023;
- 52.61% (675 Actual) of credentials have processing timelines that are tracked by the credentialing unit;
- 76.23% (978 Actual) of credentials have ineligibility criteria that include the criminal history of applicants;
- 40.14% (515 Actual) of credentials could reportedly have quicker and more consistent determination timelines with upgraded IT systems. This is the single most common requested resource that units pointed to that would improve timelines and efficiency;
- 28.99% (372 Actual) of credentials could reportedly have quicker and more consistent determination timelines with alterations to staff size and type. This includes converting part-time employees to full-time.

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The bar graph below shows which executive departments issue the greatest share of credentials:

Top 10 Issuers of Credentials

| Department	Credentials
Labor	231
Health	144
Natural Resources	131
Environment	98
Alcohol, Tobacco, and Cann...	71
Transportation	53
Insurance Administration	43
Agriculture	42
Public Service Commission	30
State Police	23

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Recommendations

Recommendation 1: Establish a Maryland Coordinated Permitting Review Council modeled after the federal Permitting Council to foster efficient interagency coordination of reviews for priority projects.

The State can begin to build a more effective and efficient process for large-scale and priority projects through the establishment of Maryland Coordinated Permitting Review Council. Inspired by the effective model of the federal "FAST-41" Permitting Council, the Maryland Coordinated Permitting Review Council ("Council") should identify priority development projects which are complex and require credentials or approvals from multiple units of state government. Once identified, the Council should foster interagency coordination so that credential applications can be provided with timetables and predictable determinations. The goal of this Council should be to provide the following for priority projects:

1. Predictability;
2. Issue resolution;
3. Transparency and accountability; and
4. Collaboration and coordination.

As presented in the exhibits below, the federal Permitting Council assigns roles for each of the agencies that have a role in required approvals (facilitating, lead, cooperating, and participating) which provides clear lanes of responsibilities to move key permits and the project forward to provide a level of predictability and certainty for projects that require multiple permits at the state and federal levels.

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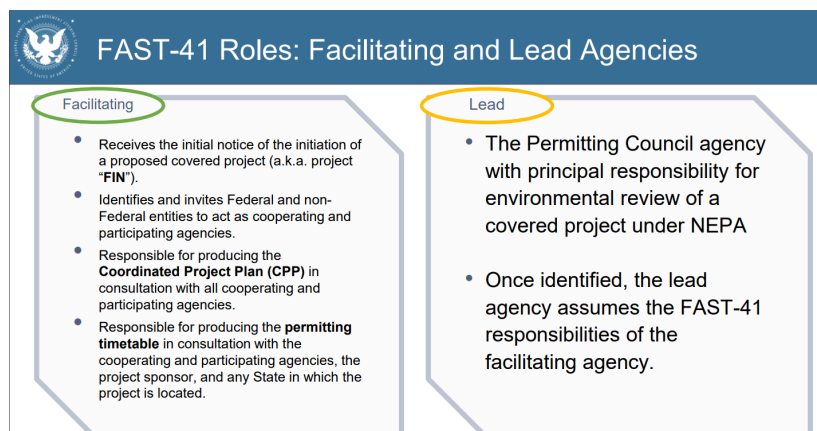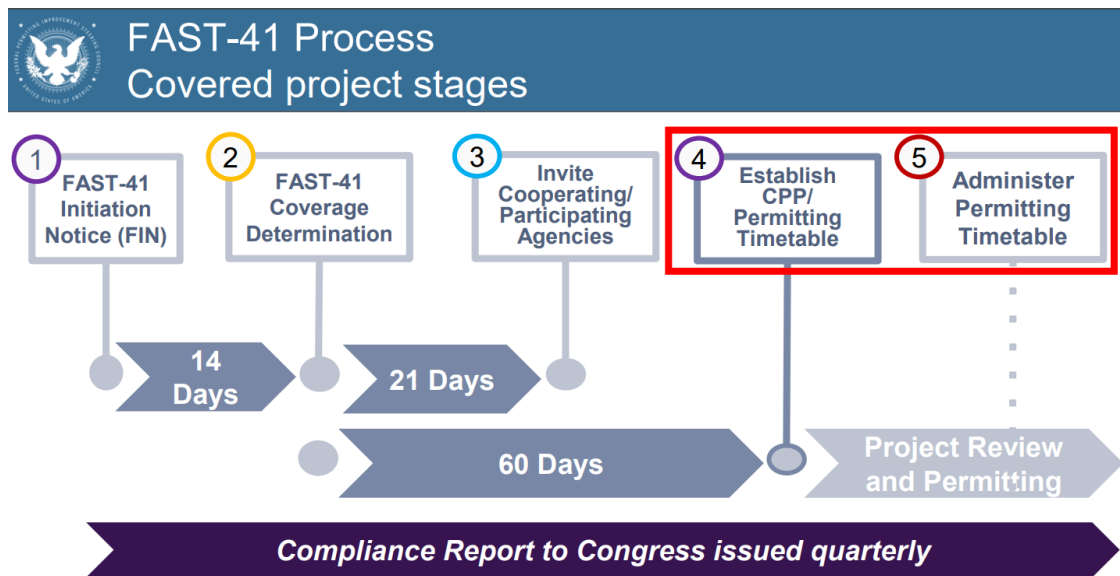
The Council should be led by a Chair and include deputy secretaries or the equivalent from each of the following state agencies:

- Department of Agriculture;
- Department of Commerce;
- Department of the Environment;
- Department of Labor;
- Department of Housing and Community Development;
- Department of Transportation;
- Department of Planning;
- Department of Information Technology;
- Maryland Economic Development Corporation; and
- Maryland Energy Administration.

Relevant local agencies involved in the permitting process for a priority project will be invited to join as local jurisdictions have a significant role in the processing of credentials necessary for development.

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Recommendation 2: Establish a unified permitting portal.

As a part of the development of credential catalog required by the Transparent Government Act, Commission staff surveyed credentialing units about which resources would be required to guarantee the processing of a permit, license, or certification application within a predetermined timeline. In response to this question, 40.14% of programs claimed that improved IT infrastructure would ensure that they are able to do so - a larger share than any other recommendation, including 28.99% who requested additional or full-time staff for the programs.

Currently, the State maintains two OneStop portals, which provide information about and links to under two hundred of the 1200+ state credentials. Neither OneStop portals have timeline tracking functionality, trend identification capability, or simple compatibility with other state systems. A true unified permitting portal should be able to:

1) Allow users to easily identify necessary credentials and access their online forms;
2) Identify credentials that commonly need to granted together for individual projects;
3) Track processing timelines and present clear and meaningful statuses to applicants to the extent prudent;
4) Interface with other state credentialing systems; and
5) Serve as a single access point for credentials issued by the State.

Recommendation 3: Ensure that all credentialing units have access to digital infrastructure necessary for expedient and efficient collection and processing of application and timeline tracking.

Building upon the unified portal in Recommendation 2, the State should ensure that all credential programs have access to digital infrastructure necessary to:

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1) Efficiently collect applicant information necessary for a determination to be made;
2) Access applications and provide determinations online;
3) Clearly communicate to potential applicants any ineligibility criteria; and
4) Track processing timelines.

Efficiencies obtained through this modernization of state processes can be expected to improve experiences for both applicants and program staff.

Recommendation 4: Focus initial reform efforts on 10 priority credentials and approval processes

Credentialing reform at the scale sought by the Commission is sweeping and labor intensive. In recognition of this, the Commission worked to identify 10 credentialing processes that stand to have the greatest positive impact if meaningfully reformed. In developing this list, the members of the Commission drew upon their personal experiences as well as usage information provided by state agencies in the catalog. The table below provides information about the 10 priority credentials that the Commission recommends serve as the focus of the Transparent Government Initiative as the next phase. In doing so, the State will both improve key credentialing processes and develop a proof of concept for subsequent reform initiatives.

As a part of these reform reviews, each unit should determine, at minimum, the following:
1. Intention: The purpose of state approval
2. Key Performance Indicators: Data points that indicate successful operation of the credential program
3. Full Process Flow: Detailed process of each step in the application and determination process
4. Staff Roles: An explanation of each state employee that has a role in the process
5. Pain Point Analysis: A review to identify points of frustration from both applicants and programmatic staff to identify areas for improvement.

Department or Independent Unit	Permit, License, or Certificate Title	Description of Permit, License, or Certificate
Maryland State Highway Administration	Access Permit/ Commercial Entrance Permits	SHA requires access permits to allow break in Right of Way to Allow access to State maintained roadways and construct any improvements in State Right-of-Way for commercial or large scale development (larger than five single family dwellings) residential developments.
Maryland State Highway Administration	Residential Driveway Permits	Issued to Residential Property Owners for construction and maintenance of Driveway to access SHA RoadWays.
Department of the Environment, Land and Materials Administration	Voluntary Cleanup Program (VCP)	A participant in VCP will be provided with oversight and advice for cleaning up eligible properties contaminated with hazardous substances and may be eligible for limited liability to both responsible persons and future owners.
Department of the Environment, Water and Science Administration	Erosion/Sediment Control and Stormwater Management Plan Approval for State and federal applicants	Erosion/sediment control plan: Reduces siltation due to releases of sediment from active construction sites and is needed to control the exposed soil from washing into storm drains, streams, rivers, and the bay. Approval of plan is required before construction for any construction activity that disturbs 5,000 square feet or more of soil, or results in the excavation of 100 cubic yards or more of soil. Stormwater management plan: Reduces stream bank erosion, pollution, and local flooding by controlling the rate and volume of stormwater runoff from newly developed areas by using infiltration practices, shallow marshes, retention, and detention ponds. Plan approval is required for any new development or redevelopment project that disturbs 5,000 square feet or more of land.

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Department or Independent Unit	Permit, License, or Certificate Title	Description of Permit, License, or Certificate
Maryland Department of Transportation - Office of Minority Business Enterprise	Minority Business Enterprise Certification	Issued to minority businesses for certification as a Minority Business Enterprise (MBE) Program, the Disadvantaged Business Enterprise (DBE) Program, the Airport Concessions Disadvantaged Business Enterprise (ACDBE) Program, and Small Business Enterprise (SBE).
Department of Labor	Work Opportunity Tax Credit Certificate	Employer Certificate to access tax credit.
State Police, Office of the Fire Marshal	Certificate of Use and Occupancy	Issued for the identification for use of a space or building per the International Building Code and National Fire Protection Association Code and Standards and Code of Maryland Regulations.
Department of Labor, Barbers	Barber license	Allows licensees to practice barbering.
Department of Labor, Cosmetologists	Cosmetologist	Allows licensees to practice Hair, Esthetician and nail services.
Jurisdictions	Soil Conservation Districts	Soil Conservation Districts are political subdivisions of the state tasked with promoting soil and water quality programs that support Maryland's Watershed Implementation Plan to protect and restore the Chesapeake Bay. They also work with the Departments of Agriculture and Environment to address cases of water pollution caused by agriculture.

Recommendation 4: Criminal history background impact of credential eligibility.

Of the 1,283 credentials reported through the initial catalog, 76.23% have some ineligibility based upon the criminal history of the applicant. This is

highly problematic for returning citizens who struggle to obtain professional or business credentials after completing their sentence.

To address this, the Commission recommends that the State initiate the following:

1. Require all occupational licensing boards to publish the full list of convictions that automatically disqualify an applicant from being eligible to receive a license and the reasoning behind the determination that there is a direct relationship between the previous conviction and the specific occupational license or certificate sought;
2. Remove "character indicator" previous convictions such as "crimes of moral turpitude" from automatically disqualifying an applicant for an occupational license. This proposal would need to be accomplished via legislation given that the authority to include these character indicators are often established in statute;
3. Prohibit a unit of state government from requiring an applicant for an occupational license or certificate to disclose as a part of an application any of the following:
    a. A deferred adjudication;
    b. Participation in a diversion program;
    c. An arrest not followed by a conviction;
    d. A conviction that has been sealed, vacated, dismissed, expunged, or pardoned;
    e. An adjudication of a delinquent act as a juvenile;
    f. A conviction for which a period of 3 years has passed since the applicant completed serving the applicant's sentence if the sentence did not include a term of imprisonment; and
    g. Unless the conviction was for a crime of violence as defined in § 14–101 of the criminal law article, a conviction for which a period of 5 years has passed since the end of the individual's term of imprisonment.
4. Establish a predetermination review process whereby an individual may apply to a Board to determine whether they will be automatically denied an occupational license due to a previous conviction.

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These recommendations are based upon measures taken in other states, as well as previous auctions taken by policymakers in Maryland to break down barriers for returning citizens and those with criminal records. These reforms are intended to ensure that Marylanders with criminal records are able to obtain lawful employment to contribute to the state. These reforms are predicated on the belief that the State should not serve to place barriers to lawful and beneficial opportunities for both individuals and employers.

Recommendation 5: Establish a reporting system to ensure compliance with reporting requirements of the Transparent Government Act of 2024.

The Transparent Government Act of 2024 requires that on or before December 1, 2024, and each year thereafter, each department and independent unit shall post on its website a description, to the extent practicable, of the application process for each permit, license, or certificate it issues, including:

1. Any updates to the application process in the preceding 12–month period; and
2. The time to process each application type.

The Maryland Digital Service ("MDDS") has coordinated with credentialing units to provide guidance on how individual units can comply with this requirement. That guidance suggested that units include the following:

1. Changes to method of collection (Paper form, online form, etc);
2. Changes to application or issuance fee;
3. Changes to term of credential;
4. Changes to eligibility requirements;
5. Changes to timelines; and/or
6. Changes to required application materials.

To ensure compliance with these reporting requirements, the State should make available a tracking process that units can update annually as this information is made available online. This will both ensure compliance while serving to track performance of each credential. This performance

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monitoring will assist in the identification of inefficiencies and resource needs.

Recommendation 6: Each credentialing unit should review credentials that receive fewer than 50 applications annually to determine whether state approval is necessary.

55.73% of all credentials reported during the initial cataloging receive fewer than 50 applications annually. To ensure that the State is not engaged in obsolete or unnecessary approvals, all relevant units identify and catalog low-volume credentials and submit a report to the Commission. This report should include the establishing regulation and/or statute for the credential and a recommendation about whether the credential should be eliminated. This effort should be viewed as a necessary review of state credentials to ensure that State resources are deployed in the interest of the public.