


MEMORANDUM

TO: Government Operations and Fiscal Policy Committee

FROM: Justina J. Ferber,  Legislative Analyst

SUBJECT: Worksession - Executive's Recommended FY14 Operating Budget
Merit System Protection Board (MSPB)

The following persons may be present for the worksession:

Julie Martin-Korb, Chair, MSPB
Kathleen Taylor, Acting Executive Secretary, MSPB
Marquetta Bibbs, Office Services Coordinator, MSPB
Erika Lopez-Finn, Management and Budget Specialist, Office of Management and Budget

The Merit System Protection Board Budget is on ©1.

OVERVIEW

The County Executive's recommended budget for the Merit System Protection Board for FY14 is \$174,737, an increase of \$15,640 or 9.8% from the FY13 approved budget of \$159,097. Personnel costs comprise 91.1% of the budget.

(in \$000's)	FY12 Actual	FY13 Approved	FY14 CE Recommended	% Change FY13-FY14
Expenditures:				
General Fund pers & op	101,160	159,097	174,737	9.8%
Positions:				
Full-time	-	-	-	
Part-time	2	2	2	
TOTAL Positions	2	2	2	0.0%
FTEs	1.0	1.0	1.0	0.0%

The Merit System Protection Board is composed of three members who are appointed by the County Council. Members of the Board conduct worksessions and hearings in the evenings as required and are compensated with an annual salary as prescribed by law. The Board is supported with a part-time Executive Secretary and Office Services Coordinator.

MSPB	
Adjustments with no service impacts	
Increase Cost : Annualization of FY13 Personnel Costs	\$15,516
Increase Cost : FY14 Compensation Adjustment	\$2,104
Increase Cost: Printing and Mail Adjustment	\$88
Increase Cost: Group Insurance Adjustment	\$85
Decrease Cost: Eliminate \$2,000 FY13 Lump Sum	(\$2,153)
NET SAME SERVICE ADJUSTMENT TOTAL	\$15,640

Personnel Costs: Personnel costs increased in FY13 due to the upgrade of the Executive Secretary position from a Grade 25 position to a Manager II position.

Classification and Compensation Audit: The Code of Montgomery County Regulations provides at least once every five years, the Merit System Protection Board must have a consultant who is a specialist in the field and independent of County government conduct an objective audit of the entire classification and compensation plan and procedures. The regulation allows the MSPB to postpone the audit with the approval of the County Council.

The Classification and Compensation Audit has been postponed several times and last year postponed until FY14. The Council approved the request of the MSPB to postpone the Classification and Compensation Audit until the County's budget situation improves. No funding has been provided in the MSPB FY14 budget for the Audit, and the MSPB has not contacted the Council requesting a postponement. A comprehensive audit has been estimated to cost more than \$1,000,000. *The MSPB should clarify its intent with regard to funding or postponing the Classification and Compensation Audit.*

The GO Committee discussed the Audit last year with the MSPB and representatives of OHR. OHR advised that it would be increasing the number of classification studies to be conducted in FY14. OHR will perform 50 individual position and 7 occupational class studies for employees affiliated with MCGEO in FY14. The studies will be conducted by OHR staff or contractors. Operating funds of \$100,000 are included in the OHR budget for contractor studies. Twenty individual position studies for non-represented employees will be scheduled. If a Classification and Compensation Audit is postponed, OHR's proposed schedule of studies and effort to continue to increase the number of studies does provide a positive step forward in assuring pay equity for employees.

Staff Recommendation

- **Staff recommends approval of the Merit System Protection Board budget as submitted for \$174,737.**

Attachments: MSPB Budget ©1

Resolution 17-520, Postponement of FY13 Audit of Montgomery County
Classification and Compensation Plan and Procedures ©3

Merit System Protection Board

MISSION STATEMENT

The mission of the Merit System Protection Board is to oversee the merit system and protect employee and job applicant rights guaranteed under the merit system law.

BUDGET OVERVIEW

The total recommended FY14 Operating Budget for the Merit System Protection Board is \$174,737, an increase of \$15,640 or 9.8 percent from the FY13 Approved Budget of \$159,097. Personnel Costs comprise 91.1 percent of the budget for no full-time positions and two part-time positions. A total of one FTE includes these positions as well as any seasonal, temporary, and positions charged to or from other departments or funds. Operating Expenses account for the remaining 8.9 percent of the FY14 budget.

LINKAGE TO COUNTY RESULT AREAS

While this program area supports all eight of the County Result Areas, the following are emphasized:

❖ ***A Responsive, Accountable County Government***

PROGRAM CONTACTS

Contact Kathleen Taylor of the Merit System Protection Board at 240.777.6620 or Erika Lopez-Finn of the Office of Management and Budget at 240.777.2771 for more information regarding this department's operating budget.

PROGRAM DESCRIPTIONS

Merit System Oversight

The Merit System Protection Board oversees the merit system and protects employee and job applicant rights guaranteed under the merit system; conducts or authorizes periodic audits of the classification system; comments on any proposed changes in the merit system law or regulations; reviews the need to amend laws or regulations; and adjudicates appeals from grievances, removals, demotions, and suspensions upon request of the employee. Personnel Management Oversight includes investigations, audits, or special studies of all aspects of the merit system. The Board publishes an annual report and convenes an annual public forum on personnel management issues.

BUDGET SUMMARY

	Actual FY12	Budget FY13	Estimated FY13	Recommended FY14	% Chg Bud/Rec
COUNTY GENERAL FUND					
EXPENDITURES					
Salaries and Wages	84,887	110,137	39,228	127,960	16.2%
Employee Benefits	12,765	33,540	3,495	31,269	-6.8%
County General Fund Personnel Costs	97,652	143,677	42,723	159,229	10.8%
Operating Expenses	3,508	15,420	7,470	15,508	0.6%
Capital Outlay	0	0	0	0	—
County General Fund Expenditures	101,160	159,097	50,193	174,737	9.8%
PERSONNEL					
Full-Time	0	0	0	0	—
Part-Time	2	2	2	2	—
FTEs	1.00	1.00	1.00	1.00	—

FY14 RECOMMENDED CHANGES

	Expenditures	FTEs
COUNTY GENERAL FUND		
FY13 ORIGINAL APPROPRIATION	159,097	1.00
Other Adjustments (with no service impacts)		
Increase Cost: Annualization of Personnel Costs	15,516	0.00
Increase Cost: FY14 Compensation Adjustment	2,104	0.00
Increase Cost: Printing and Mail Adjustment	88	0.00
Increase Cost: Group Insurance Adjustment	85	0.00
Decrease Cost: Elimination of FY13 \$2,000 Lump Sum	-2,153	0.00
FY14 RECOMMENDED:	174,737	1.00

FUTURE FISCAL IMPACTS

Title	CE REC. FY14	FY15	FY16	(S000's) FY17	FY18	FY19
This table is intended to present significant future fiscal impacts of the department's programs.						
COUNTY GENERAL FUND						
Expenditures						
FY14 Recommended	175	175	175	175	175	175
No inflation or compensation change is included in outyear projections.						
Labor Contracts	0	3	3	3	3	3
These figures represent the estimated cost of general wage adjustments, new service increments, and associated benefits.						
Subtotal Expenditures	175	177	178	178	178	178

Resolution No.: 17-520
Introduced: July 24, 2012
Adopted: July 31, 2012

**COUNTY COUNCIL
FOR MONTGOMERY COUNTY, MARYLAND**

By: Government Operations and Fiscal Policy Committee

SUBJECT: Postponement of FY13 Audit of the Montgomery County Classification and Compensation Plan and Procedures

Background

1. The Code of Montgomery County Regulations (COMCOR), §33.07.01.09(h)(2)(A) provides: "At least once every 5 years, the Merit System Protection Board (MSPB) must have a consultant who is a specialist in the field and independent of the County government conduct an objective audit of the entire classification and compensation plan and procedures."
2. COMCOR §33.07.01.09(h)(2)(A) allows the MSPB to postpone the audit with the approval of the County Council.
3. By memorandum dated November 5, 2003, Harold Kessler, MSPB Chairman, requested a deferral of the FY05 audit of the Montgomery County Classification and Compensation Plans and Procedures explaining that the Board did not have any information indicating there is an immediate necessity, and did not see an absolute need to conduct an audit of the systems in FY05. He noted that the last audit dated April 25, 2001 found that the Office of Human Resources was administering the classification regulations, policies, and procedures in a manner prescribed.
4. On May 4, 2004, the Council adopted Resolution No. 15-592, which approved deferral of the audit until FY08.
5. On June 19, 2007, at the request of the MSPB, the Council adopted Resolution 16-193, which approved deferral of the audit until FY10.
6. On June 16, 2009, at the request of the MSPB, the Council adopted Resolution 16-997, which approved deferral of the audit until FY11.
7. On June 22, 2010, at the request of the MSPB, the Council adopted Resolution 16-1400, which approved deferral of the audit until FY13.

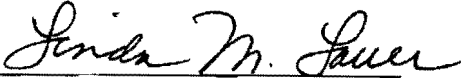
8. On July 16, 2012, the Government Operations and Fiscal Policy Committee discussed the audit with the Merit System Protection Board. It was noted there is no information indicating there is an immediate need to conduct the audit, and the FY13 Operating Budget did not include funds for an audit. The Committee and Board agreed that the audit should be deferred one year.
9. The Government Operations and Fiscal Policy Committee recommends the Audit of Classification and Compensation Plans and Procedures be postponed until FY14.

Action

The County Council for Montgomery County, Maryland approves the following resolution:

The Audit of the Montgomery County Classification and Compensation Plans and Procedures is postponed until FY14, with the assumption that the following audit would be scheduled five years later unless the Council approves another deferral.

This is a correct copy of Council action.


Linda M. Lauer, Clerk of the Council