

GO COMMITTEE #4  
April 25, 2013

Worksession

**MEMORANDUM**

April 23, 2013

TO: Government Operations and Fiscal Policy Committee  
FROM: Jean C. Arthur, <sup>JCA</sup> Legislative Analyst  
SUBJECT: **Worksession: FY14 Operating Budget**  
**Office of Intergovernmental Relations**

The relevant pages from the FY14 Recommended Operating Budget are at ©1-4.

*The following persons are expected at this worksession:*

Melanie Wenger, Director, Office of Intergovernmental Relations

Wanda Wells, Office of Intergovernmental Relations

Phil Weeda, Management and Budget Specialist, OMB

The Office of Intergovernmental Relations represents the County's interests at the Federal, State, regional and municipal levels. The Office is the County's liaison to the Maryland Association of Counties.

**OVERVIEW**

For FY14 the County Executive's recommended budget for the OIR is \$895,582, an increase of \$16,884 or 1.9 percent over the FY13 approved budget of \$878,698. The recommended budget funds the same number of positions as in FY13. Personnel costs comprise 86.9 percent of the budget.

|                             | <b>FY13 Approved</b> | <b>FY14 CE Recommended</b> | <b>% Change</b> |
|-----------------------------|----------------------|----------------------------|-----------------|
| <b>EXPENDITURES</b>         |                      |                            |                 |
| <i>Salaries &amp; wages</i> | \$587,612            | \$628,900                  | 7%              |
| <i>Employee Benefits</i>    | \$174,066            | \$149,569                  | -14.1%          |
| <i>Operating Costs</i>      | \$86,350             | \$86,443                   | 0.1%            |
| <b>General Fund Total</b>   | <b>\$848,028</b>     | <b>\$864,912</b>           | 2.2%            |
|                             |                      |                            |                 |
| <b>Revenues</b>             |                      |                            |                 |
| Grant Funds (BRAC)          | \$30,670             | \$30,670                   | 0               |
| <b>Total Expenditures</b>   | <b>\$878,698</b>     | <b>\$895,582</b>           | 1.9%            |
|                             |                      |                            |                 |
| <b>PERSONNEL</b>            |                      |                            |                 |
| Full-time                   | 4                    | 4                          | 0               |
| Part-time                   | 1                    | 1                          | 0               |
| FTEs                        | 5.1                  | 5.1                        | 0               |
|                             |                      |                            |                 |

### **FY14 Discussion**

**Highlights of OIR's successes in the 2013 Legislative Session.** (See also ©2 for a list of OIR's accomplishments and initiatives.)

#### **Transportation**

- > helped secure the passage of a first-in-a-generation transportation package, ensuring funding for major transit and road projects

#### **Education**

- > Montgomery County Public Schools received more than \$28 million for school construction.
- > Montgomery College received nearly \$6 million to complete the Germantown Campus Bioscience Education Center and to begin the Rockville Campus Science West renovation.
- > The Universities at Shady Grove received an additional \$5 million for planning and design of a fourth building on campus.

#### **Speed radar program**

- > helped ensure the continuation of the program

### **BRAC Grant**

OIR continues to receive \$30,670 in matching grant funds from the State for BRAC-related activities. This grant funds contractual work with all related State, Federal and local jurisdictions to monitor issues and keep officials informed.

The State determines the amount of grant, which also is shared with Prince George's County. The match is lower this year because the State will match less.

**Staff recommendation: Approve as submitted by the County Executive.**

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# Intergovernmental Relations

## MISSION STATEMENT

The mission of the Office of Intergovernmental Relations is to represent County interests at the municipal, regional, State, and federal levels; to prepare the annual State Legislative Program; to prepare the annual Federal priorities request; and to be the liaison with State Government, the County's State delegation and Congressional staff. The Office is the lead Executive Branch agency representing the County before the Maryland Association of Counties.

## BUDGET OVERVIEW

The total recommended FY14 Operating Budget for the Office of Intergovernmental Relations is \$895,582, an increase of \$16,884 or 1.9 percent from the FY13 Approved Budget of \$878,698. Personnel Costs comprise 86.9 percent of the budget for four full-time positions and one part-time position. A total of 5.10 FTEs 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 13.1 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**
- ❖ **Affordable Housing in an Inclusive Community**
- ❖ **An Effective and Efficient Transportation Network**
- ❖ **Children Prepared to Live and Learn**
- ❖ **Healthy and Sustainable Neighborhoods**
- ❖ **Safe Streets and Secure Neighborhoods**
- ❖ **Strong and Vibrant Economy**
- ❖ **Vital Living for All of Our Residents**

## DEPARTMENT PERFORMANCE MEASURES

Performance measures for this department are included below. The FY13 estimates reflect funding based on the FY13 approved budget. The FY14 and FY15 figures are performance targets based on the FY14 recommended budget and funding for comparable service levels in FY15.

| Measure   | Actual<br>FY11 | Actual<br>FY12 | Estimated<br>FY13 | Target<br>FY14 | Target<br>FY15 |
|---|----------------|----------------|-------------------|----------------|----------------|
| <b>Program Measures</b>   |                |                |                   |                |                |
| General Assembly bills identified as of potential interest to the County and analyzed by the Office of Intergovernmental Relations <sup>1</sup> | 629            | 600            | 651               | 651            | 651            |
| Number of bills for which a County fiscal estimate was requested by the State Department of Legislative Services                                | 400            | 468            | 435               | 435            | 435            |
| Number of formal position statements prepared <sup>2</sup>  | 135            | 76             | 100               | 100            | 100            |
| Percentage of State Legislative Package Initiatives partially or fully realized   | 58             | 100            | 60                | 60             | 60             |
| Total direct State Aid (\$ millions)  | 586            | 629            | 663               | 692            | 702            |
| Total State retirement payments (\$ millions)   | 181            | 183            | 141               | 185            | 185            |
| Direct State Aid appropriated by Maryland, comprised primarily of public K-12 education aid (in millions)                                       | 586            | 629            | 663               | 692            | 702            |
| State Retirement Payments appropriated, including public K-12 teachers and some community college faculty (in millions)                         | 181            | 183            | 141               | 185            | 185            |
| State grants appropriated for capital projects, excluding transportation (in millions) <sup>3</sup>   | 80             | 227            | 129               | 62             | 57             |
| State grants appropriated for capital transportation projects (in millions) <sup>4</sup>  | 39             | 47             | 23                | 43             | 25             |
| Congressionally Designated Projects appropriated (in millions) <sup>5</sup>   | NA             | NA             | NA                | NA             | NA             |

|   | Actual<br>FY11 | Actual<br>FY12 | Estimated<br>FY13 | Target<br>FY14 | Target<br>FY15 |
|---|----------------|----------------|-------------------|----------------|----------------|
| Percent of State legislative package where Intergovernmental Relations position prevailed | 58             | 86             | 70                | 70             | 70             |
| Percent of State priorities partially realized  | 38             | 50             | 63                | 30             | 30             |
| Percent of State priorities fully realized  | 42             | 08             | 37                | 30             | 30             |
| Percent of Federal priorities fully or partially realized <sup>6</sup>                    | 53             | 67             | 67                | 67             | 67             |

<sup>1</sup> The FY11 number is low due to a cyclical lower bill count in the first year of a legislative term. The FY12 number is low due to less staff able to analyze bills.

<sup>2</sup> The 76 formal position statements prepared in FY12 was low due to a smaller staff during the 2012 General Assembly session and a strong focus on education funding. The projected number of position statements prepared anticipate a more normal amount of position statements prepared by a restored staffing level.

<sup>3</sup> State grants appropriated for capital projects, excluding transportation increased from \$80 million in FY11 to \$227 million in FY12 due to the \$181 million Bay Restoration Fund Grant for the Blue Plains Wastewater Treatment Plant. The \$129 million in FY13 includes \$30 million for Montgomery College, Blue Plains, and additional public school projects.

<sup>4</sup> The \$39 and \$47 million in FY11 and FY12 reflect the end of American Recovery and Reinvestment Act funding. The \$43 million in FY14 anticipates additional work on planning, design, engineering, and land acquisition by the State Highway Administration given the improvement in the state's revenue forecast. The \$25 million in FY15 assumes the revenue will not

<sup>5</sup> The Congressional appropriations process has eliminated earmarks for CDPs (Congressionally Designated Projects) from annual appropriations bills, and federal funding will be allocated through a competitive grants process.

<sup>6</sup> The Congressional appropriations process has eliminated earmarks for CDPs (Congressionally Developed Projects) from annual appropriations bills, and federal funding will be allocated through a competitive grants process. Federal priorities are made up of both policy advisory items as well as project-specific Congressional-directed funding requests.

## ACCOMPLISHMENTS AND INITIATIVES

- ❖ **Coordinate and lead the Executive and Council staff in advocacy efforts with our Congressional Delegation.**
- ❖ **Participate in State and federal activities to educate legislators and officials about Montgomery County.**
- ❖ **Conduct briefings for elected officials and staff as requested.**
- ❖ **Coordinate and administer the contract for federal facilities leasing.**
- ❖ **Refine the in-house fiscal note process.**
- ❖ **Coordinate meetings with the County Executive, County Council, and County staff with the Congressional Delegation and staff.**
- ❖ **Promote the County's priorities at the federal level by providing the Congressional Delegation and their staff with the County's federal priorities.**
- ❖ **Promote the County's agenda at the State and local levels by developing strategies in conjunction with the County Delegation and County officials for the 2012 General Assembly Session and two 2012 Special Sessions.**
- ❖ **Productivity Improvements**
  - **IGR staff member attended lobbyist training offered by the Maryland Association of Counties (MACo).**
  - **IGR staff member became a Certified Public Manager through a program offered by the Council of Governments.**

## PROGRAM CONTACTS

Contact Wanda Wells of the Office of Intergovernmental Relations at 240.777.6550 or Philip Weeda of the Office of Management and Budget at 240.777.2780 for more information regarding this department's operating budget.

## PROGRAM DESCRIPTIONS

### **Intergovernmental Relations**

The Office of Intergovernmental Relations advocates on behalf of the County before the Maryland General Assembly, Governor, State administrative agencies, task forces, and committees. It responds to legislation, regulations, or other policy issues involving nearby counties and states, municipalities within the County, regional agencies, the District of Columbia, and the federal government. Staff analyzes and evaluates legislation before the Maryland General Assembly and prepares written comments and testimony. Staff also analyzes County department requests for legislation and participates in the drafting of legislation or amendments.

In addition, the Intergovernmental Relations program is responsible for federal monitoring and advocacy in order to take advantage of federal opportunities.

## BUDGET SUMMARY

|  | Actual<br>FY12 | Budget<br>FY13 | Estimated<br>FY13 | Recommended<br>FY14 | % Chg<br>Bud/Rec |
|--|----------------|----------------|-------------------|---------------------|------------------|
| <b>COUNTY GENERAL FUND</b>                 |                |                |                   |                     |                  |
| <b>EXPENDITURES</b>                        |                |                |                   |                     |                  |
| Salaries and Wages                         | 542,141        | 587,612        | 616,141           | 628,900             | 7.0%             |
| Employee Benefits                          | 128,172        | 174,066        | 145,537           | 149,569             | -14.1%           |
| <b>County General Fund Personnel Costs</b> | <b>670,313</b> | <b>761,678</b> | <b>761,678</b>    | <b>778,469</b>      | <b>2.2%</b>      |
| Operating Expenses                         | 80,565         | 86,350         | 86,350            | 86,443              | 0.1%             |
| Capital Outlay                             | 0              | 0              | 0                 | 0                   | —                |
| <b>County General Fund Expenditures</b>    | <b>750,878</b> | <b>848,028</b> | <b>848,028</b>    | <b>864,912</b>      | <b>2.0%</b>      |
| <b>PERSONNEL</b>                           |                |                |                   |                     |                  |
| Full-Time                                  | 4              | 4              | 4                 | 4                   | —                |
| Part-Time                                  | 1              | 1              | 1                 | 1                   | —                |
| FTEs                                       | 5.10           | 5.10           | 5.10              | 5.10                | —                |
| <b>GRANT FUND MCG</b>                      |                |                |                   |                     |                  |
| <b>EXPENDITURES</b>                        |                |                |                   |                     |                  |
| Salaries and Wages                         | 0              | 0              | 0                 | 0                   | —                |
| Employee Benefits                          | 0              | 0              | 0                 | 0                   | —                |
| <b>Grant Fund MCG Personnel Costs</b>      | <b>0</b>       | <b>0</b>       | <b>0</b>          | <b>0</b>            | —                |
| Operating Expenses                         | 30,664         | 30,670         | 30,670            | 30,670              | —                |
| Capital Outlay                             | 0              | 0              | 0                 | 0                   | —                |
| <b>Grant Fund MCG Expenditures</b>         | <b>30,664</b>  | <b>30,670</b>  | <b>30,670</b>     | <b>30,670</b>       | —                |
| <b>PERSONNEL</b>                           |                |                |                   |                     |                  |
| Full-Time                                  | 0              | 0              | 0                 | 0                   | —                |
| Part-Time                                  | 0              | 0              | 0                 | 0                   | —                |
| FTEs                                       | 0.00           | 0.00           | 0.00              | 0.00                | —                |
| <b>REVENUES</b>                            |                |                |                   |                     |                  |
| Federal Grants                             | 0              | 30,670         | 30,670            | 30,670              | —                |
| State Grants                               | 30,664         | 0              | 0                 | 0                   | —                |
| <b>Grant Fund MCG Revenues</b>             | <b>30,664</b>  | <b>30,670</b>  | <b>30,670</b>     | <b>30,670</b>       | —                |
| <b>DEPARTMENT TOTALS</b>                   |                |                |                   |                     |                  |
| <b>Total Expenditures</b>                  | <b>781,542</b> | <b>878,698</b> | <b>878,698</b>    | <b>895,582</b>      | <b>1.9%</b>      |
| <b>Total Full-Time Positions</b>           | <b>4</b>       | <b>4</b>       | <b>4</b>          | <b>4</b>            | —                |
| <b>Total Part-Time Positions</b>           | <b>1</b>       | <b>1</b>       | <b>1</b>          | <b>1</b>            | —                |
| <b>Total FTEs</b>                          | <b>5.10</b>    | <b>5.10</b>    | <b>5.10</b>       | <b>5.10</b>         | —                |
| <b>Total Revenues</b>                      | <b>30,664</b>  | <b>30,670</b>  | <b>30,670</b>     | <b>30,670</b>       | —                |

## FY14 RECOMMENDED CHANGES

|   | Expenditures   | FTEs        |
|---|----------------|-------------|
| <b>COUNTY GENERAL FUND</b>                          |                |             |
| <b>FY13 ORIGINAL APPROPRIATION</b>                  | <b>848,028</b> | <b>5.10</b> |
| <b>Other Adjustments (with no service impacts)</b>  |                |             |
| Increase Cost: FY14 Compensation Adjustment         | 20,679         | 0.00        |
| Increase Cost: Group Insurance Adjustment           | 8,788          | 0.00        |
| Increase Cost: Other Labor Contract Costs           | 830            | 0.00        |
| Increase Cost: Printing and Mail Adjustment         | 93             | 0.00        |
| Decrease Cost: Retirement Adjustment                | -1,450         | 0.00        |
| Decrease Cost: Elimination of FY13 \$2,000 Lump Sum | -12,056        | 0.00        |
| <b>FY14 RECOMMENDED:</b>                            | <b>864,912</b> | <b>5.10</b> |
| <b>GRANT FUND MCG</b>                               |                |             |
| <b>FY13 ORIGINAL APPROPRIATION</b>                  | <b>30,670</b>  | <b>0.00</b> |
| <b>FY14 RECOMMENDED:</b>                            | <b>30,670</b>  | <b>0.00</b> |

## FUTURE FISCAL IMPACTS

| Title  | CE REC.<br>FY14 | FY15       | FY16       | (5000's)<br>FY17 | FY18       | FY19       |
|--|-----------------|------------|------------|------------------|------------|------------|
| This table is intended to present significant future fiscal impacts of the department's programs.                        |                 |            |            |                  |            |            |
| <b>COUNTY GENERAL FUND</b>   |                 |            |            |                  |            |            |
| <b>Expenditures</b>  |                 |            |            |                  |            |            |
| <b>FY14 Recommended</b>  | <b>865</b>      | <b>865</b> | <b>865</b> | <b>865</b>       | <b>865</b> | <b>865</b> |
| No inflation or compensation change is included in outyear projections.  |                 |            |            |                  |            |            |
| <b>Labor Contracts</b>   | <b>0</b>        | <b>27</b>  | <b>34</b>  | <b>34</b>        | <b>34</b>  | <b>34</b>  |
| These figures represent the estimated cost of general wage adjustments, new service increments, and associated benefits. |                 |            |            |                  |            |            |
| <b>Labor Contracts - Other</b>   | <b>0</b>        | <b>0</b>   | <b>-1</b>  | <b>-1</b>        | <b>-1</b>  | <b>-1</b>  |
| These figures represent other negotiated items included in the labor agreements.   |                 |            |            |                  |            |            |
| <b>Subtotal Expenditures</b>   | <b>865</b>      | <b>892</b> | <b>898</b> | <b>898</b>       | <b>898</b> | <b>898</b> |