

MEMORANDUM

May 6, 2010

TO: County Council
FROM: Essie McGuire, Legislative Analyst *EMG*
SUBJECT: **FY11 Operating Budget, Office of Intergovernmental Relations**

MANAGEMENT AND FISCAL POLICY (MFP) COMMITTEE RECOMMENDATION
The MFP Committee recommended approval (2-0, Councilmember Navarro absent) of the County Executive's recommended FY11 Operating Budget for the Office of Intergovernmental Relations.

Today the County Council will review the County Executive's recommended FY11 operating budget for the Office of Intergovernmental Relations (OIR). The County Executive's recommendation for the Office of Intergovernmental Relations is attached on circles 1-4.

OVERVIEW

The County Executive recommends a total of \$840,680 for the Office of Intergovernmental Relations for FY11, a decrease of \$63,720 or 7 percent from the FY10 approved level of \$904,400. The Executive's recommendation does not change the number of positions in OIR, recommended to be four full-time and one part-time position. The number of workyears is reduced by -0.2 related to furloughs.

	FY10 Approved	FY11 CE Rec.	%Change FY10-FY11
Expenditures:			
General Fund	877,400	806,680	-8.1%
Grant Fund	27,000	34,000	25.9%
TOTAL Expenditures	904,400	840,680	-7.0%
Positions:			
Full-time	4	4	0
Part-time	1	1	0
TOTAL Positions	5	5	0

The FY11 recommendation is an overall decrease. The only increases are related to personnel and benefit adjustments, and a technical correction related to a County grant match. Reductions are largely to achieve operational efficiencies, including furloughs, and the shift of costs for one position to another department. The table below summarizes the changes recommended for FY11.

Add match funding for BRAC grant	\$7,000
Personnel and benefit cost adjustments	\$8,290
Reduce operating expenses	-\$2,750
Furlough Days	-\$23,260
Shift costs for HHS analyst to DHHS	-\$60,000

FY11 EXPENDITURE ISSUES

BRAC grant adjustment

The Executive recommends adding \$7,000 to match a State grant related to BRAC activities. This is a long-standing grant that funds contractual services to work with all related State, Federal, and local entities to monitor and ensure coordination on issues and advise and update County delegations.

The grant amount is determined by the State’s portion and all parties (the State, Montgomery County, and Prince George’s County) contribute equally. The County’s match portion totals \$17,000 and is unchanged from FY10. Council staff understands that the \$7,000 increase shown in the FY11 budget is a technical correction to include the full match amount in the OIR budget.

Position shift

The Executive recommends shifting the costs associated with an analyst for health and human services issues from OIR to the Department of Health and Human Services (DHHS). Council staff understands that DHHS abolished a vacant position to offset some of the costs of funding this position. As a result, both DHHS and OIR achieved savings through this cost shift and were able to continue the functions of this position.

The Management and Fiscal Policy Committee recommended (2-0, Councilmember Navarro absent) to approve the FY11 operating budget for the Office of Intergovernmental Relations as recommended by the Executive.

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 FY11 Operating Budget for the Office of Intergovernmental Relations is \$840,680, a decrease of \$63,720 or 7.0 percent from the FY10 Approved Budget of \$904,400. Personnel Costs comprise 85.7 percent of the budget for four full-time positions and one part-time position for 4.9 workyears. Operating Expenses account for the remaining 14.3 percent of the FY11 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 FY10 estimates incorporate the effect of the FY10 savings plan. The FY11 and FY12 targets assume the recommended FY11 budget and FY12 funding for comparable service levels.

Measure	Actual FY08	Actual FY09	Estimated FY10	Target FY11	Target FY12
Program Measures					
Direct State Aid appropriated by Maryland, comprised primarily of public K-12 education aid (in millions)	527	541	559	609	609
State Retirement Payments appropriated, including public K-12 teachers and some community college faculty (in millions)	123	134	181	181	181
State grants appropriated for capital projects, excluding transportation (in millions)	66	138	78	78	78
State grants appropriated for capital transportation projects (in millions) ¹	17	32	39	39	39
Congressionally Designated Projects appropriated (in millions)	145	168	301	168	168
Percent of State legislative package where Intergovernmental Relations position prevailed	79	80	80	80	80
Percent of State priorities partially realized	44	60	60	60	60
Percent of State priorities fully realized	44	27	27	27	27
Percent of Federal priorities fully or partially realized	70	62	67	67	67

¹ Changes in the Performance Measures from the FY10 Recommended Operating Budget are a result of outcomes of the 2009 General Assembly Session and the American Recovery and Reinvestment Act, as well as other actions at the State and federal levels.

ACCOMPLISHMENTS AND INITIATIVES

- ❖ *The office promoted and ensured the Montgomery County agenda at the State and local levels by developing strategies in conjunction with the Montgomery County Delegation and County officials to prepare for and successfully participate in the General Assembly of 2009.*
- ❖ *The office continues to do the following:*
 - 1) *cultivate relationships and identify new potential partners inside and outside the public sector;*
 - 2) *conduct Congressional staff briefings on the County's federal priorities;*
 - 3) *refine the in-house, fiscal note process; and*
 - 4) *administer the BRAC grant .*

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 FY09	Budget FY10	Estimated FY10	Recommended FY11	% Chg Bud/Rec
COUNTY GENERAL FUND					
EXPENDITURES					
Salaries and Wages	614,505	586,980	557,500	567,410	-3.3%
Employee Benefits	151,016	148,250	132,170	152,850	3.1%
County General Fund Personnel Costs	765,521	735,230	689,670	720,260	-2.0%
Operating Expenses	94,475	142,170	37,230	86,420	-39.2%
Capital Outlay	0	0	0	0	---
County General Fund Expenditures	859,996	877,400	726,900	806,680	-8.1%
PERSONNEL					
Full-Time	4	4	4	4	---
Part-Time	1	1	1	1	---
Workyears	5.1	5.1	5.1	4.9	-3.9%
GRANT FUND MCG					
EXPENDITURES					
Salaries and Wages	0	0	0	0	---
Employee Benefits	0	0	0	0	---
Grant Fund MCG Personnel Costs	0	0	0	0	---
Operating Expenses	40,000	27,000	32,330	34,000	25.9%
Capital Outlay	0	0	0	0	---
Grant Fund MCG Expenditures	40,000	27,000	32,330	34,000	25.9%
PERSONNEL					
Full-Time	0	0	0	0	---
Part-Time	0	0	0	0	---
Workyears	0.0	0.0	0.0	0.0	---
REVENUES					
Naval Surface Warfare Center	40,000	27,000	32,330	34,000	25.9%
Grant Fund MCG Revenues	40,000	27,000	32,330	34,000	25.9%
DEPARTMENT TOTALS					
Total Expenditures	899,996	904,400	759,230	840,680	-7.0%
Total Full-Time Positions	4	4	4	4	---
Total Part-Time Positions	1	1	1	1	---
Total Workyears	5.1	5.1	5.1	4.9	-3.9%
Total Revenues	40,000	27,000	32,330	34,000	25.9%

FY11 RECOMMENDED CHANGES

	Expenditures	WYs
COUNTY GENERAL FUND		
FY10 ORIGINAL APPROPRIATION	877,400	5.1
Changes (with service impacts)		
Enhance: Add match funding to maximize BRAC grant funding [Intergovernmental Relations]	7,000	0.0
Other Adjustments (with no service impacts)		
Increase Cost: Annualization of FY10 Personnel Costs [Intergovernmental Relations]	4,340	0.0
Increase Cost: Group Insurance Adjustment [Intergovernmental Relations]	2,540	0.0
Increase Cost: Retirement Adjustment [Intergovernmental Relations]	1,410	0.0
Increase Cost: Operating Expenses [Intergovernmental Relations]	200	0.0
Decrease Cost: Professional Services [Intergovernmental Relations]	-270	0.0
Decrease Cost: Printing and Mail Adjustment [Intergovernmental Relations]	-320	0.0
Decrease Cost: Books, Videos and Subscriptions [Intergovernmental Relations]	-370	0.0
Decrease Cost: Office Supplies [Intergovernmental Relations]	-620	0.0
Decrease Cost: Printing/Central Duplicating Services [Intergovernmental Relations]	-1,370	0.0
Decrease Cost: Furlough Days [Intergovernmental Relations]	-23,260	-0.2
Shift: Costs for Health and Human Services Legislative Analyst to the Department of Health and Human Services [Intergovernmental Relations]	-60,000	0.0
FY11 RECOMMENDED:	806,680	4.9

	Expenditures	WYs
GRANT FUND MCG		
FY10 ORIGINAL APPROPRIATION	27,000	0.0
Changes (with service impacts)		
Enhance: BRAC grant to reflect expected grant funds available [Intergovernmental Relations]	7,000	0.0
FY11 RECOMMENDED:	34,000	0.0

FUTURE FISCAL IMPACTS

Title	CE REC. FY11	FY12	FY13	(\$000's) FY14	FY15	FY16
This table is intended to present significant future fiscal impacts of the department's programs.						
COUNTY GENERAL FUND						
Expenditures						
FY11 Recommended No inflation or compensation change is included in outyear projections.	807	807	807	807	807	807
Restore Personnel Costs This represents restoration of funding to remove FY11 furloughs.	0	23	23	23	23	23
Subtotal Expenditures	807	830	830	830	830	830