

Management and Budget

MISSION STATEMENT

The mission of the Office of Management and Budget (OMB) is to support and enhance the effective, efficient operation of County government, maintain the County's fiscal integrity and financial condition, and preserve the County's AAA bond rating by developing, promulgating, and applying appropriate budgetary policies and procedures; providing accurate, timely, and objective information and recommendations to the County Executive, County departments, the County Council, and the general public; preparing and administering the operating and capital budgets in compliance with the County Charter, generally accepted accounting principles, and the policy agendas of elected officials; and ensuring that available resources are efficiently allocated and productively used.

BUDGET OVERVIEW

The total recommended FY16 Operating Budget for the Office of Management and Budget is \$4,093,855, an increase of \$176,842 or 4.5 percent from the FY15 Approved Budget of \$3,917,013. Personnel Costs comprise 97.4 percent of the budget for 32 full-time positions, and a total of 29.50 FTEs. Total FTEs may include seasonal or temporary positions and may also reflect workforce charged to or from other departments or funds. Operating Expenses account for the remaining 2.6 percent of the FY16 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**

DEPARTMENT PERFORMANCE MEASURES

Performance measures for this department are included below. The FY15 estimates reflect funding based on the FY15 approved budget. The FY16 and FY17 figures are performance targets based on the FY16 recommended budget and funding for comparable service levels in FY17.

| Measure | Actual FY13 | Actual FY14 | Estimated FY15 | Target FY16 | Target FY17 |
|---|----------------|----------------|-------------------|----------------|----------------|
| Program Measures | | | | | |
| Number of budget preparation and system trainings conducted by OMB ¹ | | 10 | 21 | 18 | 18 |
| Percentage of respondents rating the ability of OMB staff to provide effective support in solving problems as good or very good on the OMB Customer Survey for the budget process | 83.3% | 90.2% | 90.0% | 91.0% | 91.0% |
| Percentage of respondents rating the quality of OMB training and instructional materials as good or very good on the OMB Customer Survey for the budget process | 82.0% | 92.0% | 92.0% | 92.0% | 92.0% |
| Overall Government Finance Officers Association (GFOA) Distinguished Budget Presentation Award ratings - percent rated outstanding or proficient ² | 98.5% | 93.6% | 98.5% | 98.5% | 98.5% |
| Percentage of respondents rating OMB services as good or very good on the OMB Customer Survey for the budget process ³ | 75.0% | 87.8% | 88.0% | 88.0% | 88.0% |

¹ The increase in training conducted in FY15 was due to the roll out of Open Budget and the continued roll out of Hyperion.

² The fiscal year shown for GFOA rating corresponds to the fiscal year during which the budget was prepared (e.g. FY13 GFOA results apply to the FY14 budget document, which was prepared during FY13).

³ The fiscal year shown in connection with all OMB Customer Survey results corresponds to the fiscal year during which the budget was prepared (e.g. FY13 results apply to the process of preparing the FY14 budget, which occurred during FY13).

ACCOMPLISHMENTS AND INITIATIVES

- ❖ **Provided solutions for closing budget gaps of \$3.1 billion between FY08 and FY16 to produce balanced budgets while preserving critical services and advancing key County priorities.**
- ❖ **OMB reinforced Montgomery County's Open Data initiative by launching a groundbreaking first of its kind interactive online budget publication fueled by its own open data. This Open Data Operating Budget Publication allows accessibility for readers with disabilities, rich content (video, audio, interactive maps and charts, data tables and more), reduces printing costs and decreases time and effort staff spends producing the publication. Additionally, OMB created a high-level, story-board view of the fiscal status of Montgomery County. This new online application, called budgetMontgomery, allows residents to easily comprehend the economic situation across**

the County through an intuitive visual interface using charts, graphs and maps. (montgomerycountymd.gov/openbudget). At the 2014 National Government and Finance Officers Association (GFOA) conference, OMB presented these innovative applications. Additionally, OMB has been asked to present at the Alliance for Innovation Transforming Local Government conference and the Maryland GFOA conference in spring of 2015.

- ❖ **OMB is converting the static Capital Budget Publication to the County's new on-line open data format. This application will have all the benefits of the operating budget publication along with interactive maps that link project information with the project locations throughout the County.**
- ❖ **OMB partnered with CountyStat to create an internal web-based system to track department performance measures, priority objectives, overviews, and responsive and sustainable leadership measures. This new online system eliminated redundant systems, permitted quick and easy input of data, provided greater sharing and accessibility of data, and was accomplished with no additional costs.**
- ❖ **OMB enhanced and simplified its website to reflect new initiatives and offerings. This new and intuitive interface focuses on open budget, publications, capital projects and the mission and objectives of the operating and capital budgets (<http://www.montgomerycountymd.gov/omb/>).**
- ❖ **OMB is replacing its outdated Budget Analysis Submission Input System (BASIS) and legacy access databases with a new, mobile-friendly application that will directly integrate with Hyperion and the CountyStat Performance Measure System.**
- ❖ **OMB continued its outreach efforts to promote open data and government transparency. Information and training sessions were held to inform community member, not-for-profit organizations, the Executive and Council staff, and representatives from neighboring jurisdictions of the new budgetMontgomery initiative, the on-line operating budget publication, and the new community grant application system. Operating budget forums were held at the five Regional Services Centers and budget presentations were conducted for the Latin American Advisory Group, Montgomery County Civic Federation, the Greater Bethesda-Chevy Chase Chamber of Commerce, and visiting dignitaries from the People's Republic of China.**
- ❖ **OMB developed regression analysis and statistical models for the departments of Permitting Services, Liquor Control, Recreation, Health and Human Services, and Fire and Rescue Services to quantitatively refine revenue forecasts, fee setting, and staffing level analysis.**
- ❖ **OMB managed a procurement and position freeze process in response to revenue shortfalls for FY15.**
- ❖ **OMB participated in collective bargaining negotiations for the County Government's three major unions.**
- ❖ **Productivity Improvements**
 - **OMB continued expansion of its Knowledge Management System (eBudget). This streamlined website, which replaced OMB's intranet site, has comprehensive how-to information, documentation, forms, data, certification, etc. New features include: budget submission forms and dashboards, online vehicle requests, administrative procedures, analyst portfolios, and quarterly analysis. OMB won a 2014 National Association of Counties (NACo) award for its eBudget Knowledge Management System.**
 - **OMB streamlined the budget submission process for both the Operating and Capital Budgets. By leveraging eBudget, departments submitted their budgets online for the first time. Not only did this save time and reduce paper usage, but it also allowed for automated email notifications of status updates, dashboards for tracking submissions, and edit/update capability.**
 - **OMB, in partnership with County Council, implemented an on-line community grant application and reporting system. The new system standardized the application requirements used by both OMB and Council; streamlined OMB's review process and eliminated the need for contractual staff support; and enhanced OMB's tracking and reporting capabilities improving accountability. OMB received and made recommendations on 335 community grant applications for FY16 awards, an increase of 23% from the previous year.**

PROGRAM CONTACTS

Contact Amy Wilson of the Office of Management and Budget at 240.777.2775 for more information regarding this department's operating budget.

PROGRAM DESCRIPTIONS

Budget Preparation and Administration

The Budget Preparation and Administration program covers the annual preparation of the Capital Budget, the six-year Public Services Program and Operating Budget, and the various activities designed to ensure compliance with the County Charter and decisions of elected officials. The six-year Capital Improvements Program is prepared during even-numbered calendar years. Fiscal policy and procedures are developed to ensure conformity with generally accepted accounting principles and County policies.

Six-year fiscal projections are prepared, including the identification of various Executive fiscal policy proposals and planning allocations. Fiscal planning assumptions and debt capacity analyses are updated, guidance is provided to departments and agencies, and budget recommendations are given to the Executive and Council. In addition, special analyses to monitor expenditures and revenues are conducted periodically during the year. County Executive transfers, Council transfers, and supplemental appropriations are reviewed and processed as are transactions involving the creation, deletion, and movement of positions in the official position complement.

Related work includes participation in collective bargaining and compensation policy development; fiscal management and policy development; management analyses; measurement initiatives; program evaluations; fiscal impact analyses of legislation and regulations; development and amendment of administrative procedures; development and monitoring of user fees and other revenues; grants coordination; and contract review. The office's leadership, administration, automation, and process management are also included in this program. Staff provide OMB representation on a number of committees including the Contract Review Committee, the Interagency Group on Energy and Utilities Management, the Board of Investment Trustees, the Diversity Council, the Telecommunications Transmission Facility Coordinating Group, the Labor Relations Policy Committee, the ERP Steering Committee, the Information Technology Policy Advisory Committee, the Public Safety System Modernization project, the Housing Loan Review Committee, the Collaboration Council of Montgomery County, and the Rapid Transit Steering Committee.

BUDGET SUMMARY

| | Actual FY14 | Budget FY15 | Estimated FY15 | Recommended FY16 | % Chg Bud/Rec |
|--|------------------|------------------|-------------------|---------------------|------------------|
| COUNTY GENERAL FUND | | | | | |
| EXPENDITURES | | | | | |
| Salaries and Wages | 2,590,029 | 2,979,376 | 2,885,358 | 3,108,515 | 4.3% |
| Employee Benefits | 877,719 | 810,958 | 912,125 | 879,535 | 8.5% |
| County General Fund Personnel Costs | 3,467,748 | 3,790,334 | 3,797,483 | 3,988,050 | 5.2% |
| Operating Expenses | 259,827 | 126,679 | 119,777 | 105,805 | -16.5% |
| Capital Outlay | 0 | 0 | 0 | 0 | — |
| County General Fund Expenditures | 3,727,575 | 3,917,013 | 3,917,260 | 4,093,855 | 4.5% |
| PERSONNEL | | | | | |
| Full-Time | 33 | 34 | 34 | 32 | -5.9% |
| Part-Time | 0 | 0 | 0 | 0 | — |
| FTEs | 28.00 | 29.00 | 29.00 | 29.50 | 1.7% |

FY16 RECOMMENDED CHANGES

| | Expenditures | FTEs |
|---|------------------|--------------|
| COUNTY GENERAL FUND | | |
| FY15 ORIGINAL APPROPRIATION | 3,917,013 | 29.00 |
| <u>Other Adjustments (with no service impacts)</u> | | |
| Increase Cost: FY16 Compensation Adjustment | 136,407 | 0.00 |
| Shift: Enterprise Resource Planning (ERP) staff support from Capital Improvement Program (CIP) to operating budget (two positions are transferred to the Department of Technology Services) | 81,569 | 0.50 |
| Increase Cost: Annualization of FY15 Personnel Costs | 56,840 | 0.00 |
| Increase Cost: Retirement Adjustment | 15,430 | 0.00 |
| Increase Cost: Group Insurance Adjustment | 8,584 | 0.00 |
| Decrease Cost: Printing and Mail | -3,374 | 0.00 |
| Decrease Cost: Contractual Services | -17,500 | 0.00 |
| Decrease Cost: Increase Lapse | -101,114 | 0.00 |
| FY16 RECOMMENDED: | 4,093,855 | 29.50 |

CHARGES TO OTHER DEPARTMENTS

| Charged Department | Charged Fund | FY15 | | FY16 | |
|---------------------|--|---------|------|---------|------|
| | | Total\$ | FTEs | Total\$ | FTEs |
| COUNTY GENERAL FUND | | | | | |
| CIP | CIP | 688,365 | 4.50 | 175,936 | 1.00 |
| Human Resources | Employee Health Benefit Self Insurance | 83,436 | 0.50 | 79,522 | 0.50 |
| Technology Services | County General Fund | 0 | 0.00 | 124,230 | 1.00 |
| Total | | 771,801 | 5.00 | 379,688 | 2.50 |

FUTURE FISCAL IMPACTS

| Title | CE REC. FY16 | FY17 | FY18 | (\$000's) | | |
|---|-----------------|--------------|--------------|--------------|--------------|--------------|
| | | | | FY19 | FY20 | FY21 |
| This table is intended to present significant future fiscal impacts of the department's programs. | | | | | | |
| COUNTY GENERAL FUND | | | | | | |
| Expenditures | | | | | | |
| FY16 Recommended | 4,094 | 4,094 | 4,094 | 4,094 | 4,094 | 4,094 |
| No inflation or compensation change is included in outyear projections. | | | | | | |
| Labor Contracts | 0 | 25 | 25 | 25 | 25 | 25 |
| These figures represent the estimated annualized cost of general wage adjustments, service increments, and associated benefits. | | | | | | |
| Subtotal Expenditures | 4,094 | 4,119 | 4,119 | 4,119 | 4,119 | 4,119 |