



Economic Development

Mission Statement

Restructure County Economic Development Efforts

During FY2015, the County Executive made a decision to privatize the core functions of Department of Economic Development (DED) based on community input, the neighboring jurisdictions' models, and the profound changes in the region's economy and the competitive landscape. This is part of a larger effort to increase Montgomery County's economic competitiveness. Other efforts also include completion of a comprehensive economic strategy as a blueprint for future economic success and restructuring workforce development to create a central coordinating organization for all workforce strategies and programs for both employers and employees. By restructuring economic development functions, Montgomery County seeks to strengthen private-sector involvement in economic development, to be more nimble and adaptive to market changes and community needs, and to improve operational efficiency and effectiveness.

Based on County Council Bills 25-15 and 40-15, Montgomery County reorganized DED to a non-profit organization, the Montgomery County Economic Development Corporation (MCEDC), and to designate a non-profit corporation, WorkSource Montgomery, Inc. (WSM), to assume the role as the County's workforce development organization. With the closure of DED effective June 30, 2016, a majority of the DED responsibilities, especially those related to marketing, business attraction, business retention and growth, entrepreneurship development and technology innovation programs, will be transitioned to MCEDC. The County's workforce development programs and services will be transitioned to WSM. Some economic development programs and initiatives will remain under the auspices of other County departments, which include:

- Finance - the fiscal management of the County's Business Innovation Network, small business financial and technical assistance services, and the Economic Development Fund
- The County Executive - small business navigation and special economic development projects.
- Agriculture - all agricultural related services and programs.
- Procurement - minority business assistance and outreach.
- General Services - lease payments to the American Film Institute.

Budget Overview

The total approved FY17 Operating Budget for the Department of Economic Development is \$0, a decrease of \$14,860,322 or 100.00 percent from the FY16 Approved Budget of \$14,860,322. Personnel Costs comprise 0.00 percent of the budget for no full-time position(s) and no part-time position(s), and a total of 0.00 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 0.00 percent of the FY17 budget.

Linkage to County Result Areas

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

- ◆ **Healthy and Sustainable Neighborhoods**
- ◆ **A Responsive, Accountable County Government**
- ◆ **Strong and Vibrant Economy**
- ◆ **Vital Living for All of Our Residents**

Department Performance Measures

Performance measures for this department are included below (where applicable), with multi-program measures displayed at the front of this section and program-specific measures shown with the relevant program. The FY16 estimates reflect funding based on the FY16 approved budget. The FY17 and FY18 figures are performance targets based on the FY17 approved budget and funding for comparable service levels in FY18.

Measure	Actual FY14	Actual FY15	Estimated FY16	Target FY17	Target FY18
Multi-Program Measures					
Jobs created by business expansions, attractions, and start-ups through DED Involvement	1,643	572	N/A	N/A	N/A
Jobs retained (location decision, lease renewals) through DED involvement	1,098	687	N/A	N/A	N/A
Total new capital investment by business expansions, attractions, and start-ups through DED involvement (in \$ millions)	\$160	4.6	N/A	N/A	N/A

Program Contacts

Contact Peter Bang of the Department of Economic Development at 240.777.2008 or Pofen Salem of the Office of Management and Budget at 240.777.2773 for more information regarding this department's operating budget.

Program Descriptions

Marketing and Business Development

This program promotes the assets, advantages, and opportunities available within Montgomery County for domestic and international businesses. The division provides services that result in the creation of new businesses, the retention and growth of existing businesses, and the attraction of strategic businesses to the County. This includes a specific focus on strategic industry sectors: life sciences, IT, healthcare, green technology, and government contracting. The Department supports the county's entrepreneurial ecosystem by running a highly-regarded innovation center network for 150+ technology companies and by leveraging entrepreneurial activities and events by partners. The retention and growth of County businesses includes a robust visitation program focusing on the largest private employers in the County, on those businesses with significant changes (contract wins, mergers, C-level changes, etc.) and those with upcoming lease expirations. DED staff work with these companies to remove roadblocks to growth, to provide introductions to contacts and identification of resources. Attraction targets are identified through trade show and conference attendance, through referrals from partners, through visits to select companies, and through advertising, web site, social media, and public relations events. In general, DED staff assists with needs assessment, financial and training assistance, site identification, and expediting and coordinating business development. DED staff also provide clients with land-use planning expertise, economic analysis, b2b match-making, financing and international trade assistance. Promotional activities include media relations; event coordination; local, regional, national, and international advertising; and development of informational and sales materials including the Department's website. These efforts help to position the County in a highly competitive environment, and they set the stage for direct contact. Activities and materials are directed toward achieving balanced economic growth with a positive business climate and are often closely coordinated with local, regional, and State partners, such as the Maryland State Department of Business and Economic Development, and the World Trade Center Institute. The program also establishes and maintains high-level relationships with local government and private industry organizations, State and Federal agencies, and national and international governments and organizations. These important contacts are sought through meetings, trade shows and conferences, national and international trade missions, and other major events that provide exposure and opportunities to market and promote the County. In addition, this program, jointly with the Finance and Administration Division, manages the Business Innovation Network, which currently includes five facilities in Wheaton, Silver Spring, Shady Grove, Rockville, and Germantown and encompasses over 140,000 square feet of office/lab space. These facilities provide high-level business support services and innovative programming to over 160 entrepreneurs. The program also operates a virtual network that provides identical programs and services to over 20 participating businesses without incurring the cost of leasing office space.

Program Performance Measures	Actual FY14	Actual FY15	Estimated FY16	Target FY17	Target FY18
Number of new business starts	43	38	N/A	N/A	N/A
Net new commercial space occupied by business expansions, attractions, and start-ups through DED involvement (s.f.)	934,856	271,782	N/A	N/A	N/A
Number of businesses attracted	13	14	N/A	N/A	N/A
Number of businesses expanded	16	7	N/A	N/A	N/A
Number of businesses retained	2	27	N/A	N/A	N/A

Program Performance Measures	Actual FY14	Actual FY15	Estimated FY16	Target FY17	Target FY18
Number of companies that received business assistance (permits, zoning, exports, B2B, introductions, land-use, etc.)	1,315				

FY17 Approved Changes	Expenditures	FTEs
FY16 Approved	2,196,660	12.00
Multi-program adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting multiple programs.	(2,196,660)	(12.00)
FY17 Approved	0	0.00

Business Empowerment

The Division of Business Empowerment provides a variety of programs and services to the County's small and minority business community through creative initiatives and partnerships with community organizations, business groups, private enterprises, and other public agencies. Services include providing technical publications and services, workshops and conferences, the business mentorship program, and convening targeted business development events in areas such as procurement and contracting. Serving as the primary resource and advocate for small businesses in Montgomery County, this program addresses the unique needs of the small business community and helps with short- and long-range economic development strategies for the County. The Division of Business Empowerment provides a Small Business Navigator to assist small businesses with their compliance with County policies and regulations. This person promotes communications between a small business and County departments or agencies that the small business must interact with. Efforts are also made to identify changes that could improve turn around, eliminate duplication, resolve conflicts and eliminate unnecessary regulations and requirements.

Program Performance Measures	Actual FY14	Actual FY15	Estimated FY16	Target FY17	Target FY18
Percent of participants satisfied with DED sponsored technical assistance and training programs	93	88	N/A	N/A	N/A

FY17 Approved Changes	Expenditures	FTEs
FY16 Approved	785,402	4.00
Multi-program adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting multiple programs.	(785,402)	(4.00)
FY17 Approved	0	0.00

Workforce Services

The Workforce Services (WS) program ensures that Montgomery County has a well-prepared, educated, trained, and adaptable workforce to meet the current and future needs of business, and that the County's workforce has the tools and resources to successfully compete in a global economy. The Workforce Investment Board (WIB) provides advice and oversight on workforce development activities and policy. The 30-member WIB is composed of business representatives (51%), community leaders, and public officials. The Board is appointed by the County Executive in accordance with the Workforce Investment Act (WIA) of 1998 and Montgomery County Executive Order No. 159-02. The WIB does much of its work through its committees, which include the Communications, Outreach, and Board Development; Executive; Finance; Program Planning; Quality Assurance; and Youth Council committees. The work of the Board is defined by its Strategic Plan. The Staff provides support to the Board and its committees. WS is funded by \$3 million in Federal Government, State of Maryland, and Montgomery County funds. The majority of annual formula funding received is through WIA grants to implement the One-Stop career system. This system is operated locally as MontgomeryWorks, and provides an array of vocational assessment, job readiness, job training, and job placement services to dislocated workers, low-income adults, older workers, disadvantaged workers, and youth. The WIB provides policy oversight and guidance for the expenditure of funds, which enables local businesses and the public and private sectors to work collaboratively in meeting the workforce development needs of Montgomery County. Program staff provides overall administrative support of the WIA grants and are responsible for fiscal monitoring and accounting, program monitoring and review, new program and grant development, legislation development, and contract management for the WIA and County programs. Services are provided at the MontgomeryWorks One-Stop Workforce Centers in Wheaton and Germantown and are operated as a consortium with the Department of Licensing, Labor, and Regulation, the Workforce Solutions Group (formerly Career Transition Center, Inc.), Maryland Job Service, and other non-profit and local agency partners. MontgomeryWorks serves the businesses of the County on an ongoing basis and also provides direct services to adult and youth residents. Youth services are provided through the Maryland Multicultural Youth Center, which is operated by the Latin American Youth Council (LAYC) while TransCen offers a full range of services to youth with disabilities.

Program Performance Measures	Actual FY14	Actual FY15	Estimated FY16	Target FY17	Target FY18
Number of job seekers placed in jobs by Workforce Services	6,898	4,854	N/A	N/A	N/A
Number of unique businesses assisted by Workforce Services (recruitments, trainings, lay-offs)	470	521	N/A	N/A	N/A

FY17 Approved Changes	Expenditures	FTEs
FY16 Approved	4,407,518	3.00
Shift: Funding to WorkSource Montgomery Non-Departmental Account	(728,206)	(3.00)
Shift: Funding from DED to WorkSource Montgomery Non-Departmental Account	(3,572,311)	0.00
Multi-program adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting multiple programs.	(107,001)	0.00
FY17 Approved	0	0.00

Agricultural Services

This program encompasses the promotion of agriculture as a viable component of the County's business and economic sector, as well as the preservation of farmland as a resource for future agricultural production capabilities. The Department of Economic Development co-sponsors farmers' markets, an annual farm tour, and other activities that promote agricultural businesses and products. The Division is also engaged in supporting a local food production network. Whether through programs like the New Farmer Pilot Program, or through association with the Montgomery Food Council, the Division is actively providing assistance in local food production, food recovery and food recycling initiatives. The goal of the Agricultural Preservation Program was to acquire easements to protect 70,000 acres of farmland in the Agricultural Reserve. This goal was achieved in January 2009, one year prior to the 2010 target date. Agricultural Services also provides farmers with zoning and master plan technical assistance and coordinates the County's Weed Control and Deer Donation programs. The Montgomery Soil Conservation District (MSCD) is considered a political subdivision of the State and is staffed by County, State, and Federal employees. Programs offered by MSCD include an array of technical advice for conservation and natural resource planning, as well as a variety of educational opportunities. MSCD staff assist farmers and landowners in the County with Soil Conservation and Water Quality Plans, provide technical assistance for conservation practices, and administer a variety of Federal and State cost-share programs which help fund projects to prevent soil erosion and improve water quality. Many of these programs are designed to help protect local waterways and the Chesapeake Bay as well as help achieving State mandated nutrient reduction goals for farmland. The MSCD provides a number of programs that focus on educating Montgomery County residents about the benefits of agriculture, conservation, and natural resources management. Other services include small pond review, drainage advice for residential landowners, and administering the Cover Crop program in the County. The Montgomery County Cooperative Extension Office serves as the agricultural outreach education component of the University of Maryland- Extension. This agency is funded cooperatively through local, State, and Federal governments. Farmers, families, and youth are the primary audiences of the Extension Office. Educational programs for farmers include raising crops and livestock, protecting the environment, farm and business management, marketing commodities, and pest management. Programs for families and youth include: home horticulture, family budgeting, consumer education with a focus on promoting positive parenting skills and healthful diets and lifestyles, leadership development, and traditional 4-H youth development programs. The Extension Office's professional staff utilizes an extensive network of volunteers to assist them in program delivery. Extension Office personnel manage a diverse group of over 3,000 volunteers to respond to over 100,000 information requests a year. Outreach education programs are delivered informally through one-on-one contacts, telephone assistance, the internet, classes and workshops, field days, radio, TV, and print media.

FY17 Approved Changes	Expenditures	FTEs
FY16 Approved	853,239	4.40
Multi-program adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting multiple programs.	(853,239)	(4.40)
FY17 Approved	0	0.00

Special Projects

The Division of Special Projects administers all aspects of DED's public-private partnerships programs, encompassing the Department's capital projects, legislative activities, strategic planning endeavors and new program development. The program builds programmatic relationships with local academic institutions and Federal installations to advance the County's economic base. In addition, the program oversees the development and management of the Shady Grove Life Sciences Center and planning for new science and technology centers in

the east County area at White Oak, and manages the Conference Center NDA. The Special Projects Division also initiates and implements such activities as the development of workshops on GSA leasing activities, and forums on development issues with site search consultants and commercial brokers.

FY17 Approved Changes	Expenditures	FTEs
FY16 Approved	376,053	2.00
Multi-program adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting multiple programs.	(376,053)	(2.00)
FY17 Approved	0	0.00

Finance and Administration

This program is responsible for managing and servicing all departmental administrative functions including fiscal, procurement, grant applications and monitoring, IT, human resources allocation and management, market research and data analysis, and formulating and administering the operating and capital improvement budgets. This program also administers six financing programs under the Economic Development Fund: the Economic Development Grant and Loan program, the Technology Growth program, the Impact Assistance Fund, the Small Business Revolving Loan program, the Biotech Tax Credit Supplemental Program, and the Green Investor Incentive Program. This program also works in concert with Marketing and Business Development and Business Empowerment staff to promote the development of high technology and professional services companies within Montgomery County, and applies and negotiates financial assistance from the State for the County's businesses.

FY17 Approved Changes	Expenditures	FTEs
FY16 Approved	6,241,450	7.00
Multi-program adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting multiple programs.	(6,241,450)	(7.00)
FY17 Approved	0	0.00

Budget Summary

	Actual FY15	Budget FY16	Estimate FY16	Approved FY17	%Chg Bud/App
COUNTY GENERAL FUND					
EXPENDITURES					
Salaries and Wages	3,186,710	3,239,476	2,726,956	0	-100.0 %
Employee Benefits	966,284	975,499	921,389	0	-100.0 %
County General Fund Personnel Costs	4,152,994	4,214,975	3,648,345	0	-100.0 %
Operating Expenses	7,630,203	7,073,036	8,384,019	0	-100.0 %
County General Fund Expenditures	11,783,197	11,288,011	12,032,364	0	-100.0 %
PERSONNEL					
Full-Time	39	38	38	0	-100.0 %
Part-Time	2	2	2	0	-100.0 %
FTEs	33.40	32.40	32.40	0.00	-100.0 %
REVENUES					
Miscellaneous Revenues	83,560	163,300	163,300	0	-100.0 %
Other Intergovernmental	0	48,710	48,710	0	-100.0 %
County General Fund Revenues	83,560	212,010	212,010	0	-100.0 %
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	3,788,010	3,572,311	3,572,311	0	-100.0 %
Grant Fund - MCG Expenditures	3,788,010	3,572,311	3,572,311	0	-100.0 %
PERSONNEL					
Full-Time	0	0	0	0	---
Part-Time	0	0	0	0	---
FTEs	0.00	0.00	0.00	0.00	---
REVENUES					
Federal Grants	4,023,149	3,572,311	3,265,175	0	-100.0 %
State Grants	231,104	0	307,136	0	---
Grant Fund - MCG Revenues	4,254,253	3,572,311	3,572,311	0	-100.0 %
DEPARTMENT TOTALS					
Total Expenditures	15,571,207	14,860,322	15,604,675	0	-100.0 %
Total Full-Time Positions	39	38	38	0	-100.0 %
Total Part-Time Positions	2	2	2	0	-100.0 %
Total FTEs	33.40	32.40	32.40	0.00	-100.0 %
Total Revenues	4,337,813	3,784,321	3,784,321	0	-100.0 %

FY17 Approved Changes

	Expenditures	FTEs
COUNTY GENERAL FUND		
FY16 ORIGINAL APPROPRIATION	11,288,011	32.40
Other Adjustments (with no service impacts)		
Shift: CoStar Licenses to Conference Center Non-Departmental Account	(4,000)	0.00
Shift: Telecommunications to the Telecommunications Non-Departmental Account	(39,400)	0.00
Decrease Cost: FY16 Savings Plan	(115,042)	(1.25)
Shift: Minotiry Business Support and Outreach to Office of Procurement	(255,109)	(1.00)
Shift: Small Business Navigation and Special Projects to Offices of the County Executive	(370,484)	(2.00)
Decrease Cost: Elimination of One-Time Items Approved in FY16	(375,000)	0.00
Shift: Operating Support for the American Film Institute to Department of General Services	(597,004)	0.00

	Expenditures	FTEs
Shift: Administration of Economic Development Fund and Small Business Financing Support to Department of Finance	(600,142)	(2.00)
Shift: Funding to WorkSource Montgomery Non-Departmental Account [Workforce Services]	(728,206)	(3.00)
Shift: Agricultural Services to the Office of Agriculture	(948,579)	(4.15)
Shift: Fiscal Management and Operating Support of Incubators to MEDCO Grant Non-Departmental Account	(3,416,621)	0.00
Shift: Funding to Montgomery County Economic Development Corporation Non-Departmental Account	(3,838,424)	(19.00)
FY17 APPROVED	0	0.00

GRANT FUND - MCG

FY16 ORIGINAL APPROPRIATION	3,572,311	0.00
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Other Adjustments (with no service impacts)

Shift: Funding from DED to WorkSource Montgomery Non-Departmental Account [Workforce Services]	(3,572,311)	0.00
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FY17 APPROVED	0	0.00
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Program Summary

Program Name	FY16 APPR		FY17 APPR	
	Expenditures	FTEs	Expenditures	FTEs
Marketing and Business Development	2,196,660	12.00	0	0.00
Business Empowerment	785,402	4.00	0	0.00
Workforce Services	4,407,518	3.00	0	0.00
Agricultural Services	853,239	4.40	0	0.00
Special Projects	376,053	2.00	0	0.00
Finance and Administration	6,241,450	7.00	0	0.00
Total	14,860,322	32.40	0	0.00

Charges to Other Departments

Charged Department	Charged Fund	FY16		FY17	
		Total\$	FTEs	Total\$	FTEs
COUNTY GENERAL FUND					
Environmental Protection	Water Quality Protection	320,000	2.10	0	0.00
CIP	Capital Fund	263,104	2.50	0	0.00
NDA - Conference Center	General Fund	118,314	1.00	0	0.00
Economic Development Fund	Economic Development Fund	129,166	1.00	0	0.00
Total		830,584	6.60	0	0.00

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