

Economic Development

MISSION STATEMENT

The mission of the Department of Economic Development is to develop and implement strategies that will produce business and employment opportunities for residents of the County, expand the County's economic base, enhance the competitiveness of businesses located in the County, and promote the locational advantages of the County.

BUDGET OVERVIEW

The total approved FY06 Operating Budget for the Department of Economic Development is \$10,313,950, an increase of \$1,232,920 or 13.6 percent from the FY05 Approved Budget of \$9,081,030. Personnel Costs comprise 36.3 percent of the budget for 42 full-time positions and three part-time positions for 39.4 workyears. Operating Expenses account for the remaining 63.7 percent of the FY06 budget.

Not included in the above is a total of \$305,660 and 3.1 workyears that are charged to: Capital Improvements Program - CIP (\$212,030, 2.1 WYs); and Economic Development Fund (\$93,630, 1.0 WY). The funding and workyears for these items are included in the receiving departments' budgets.

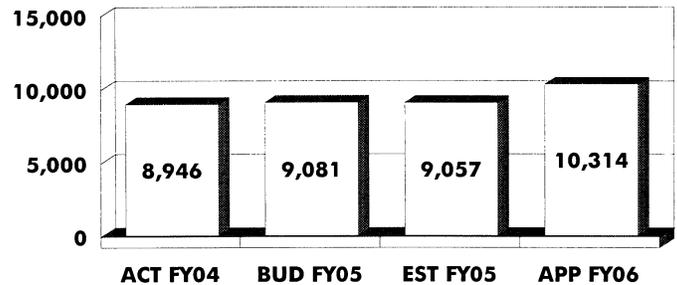
HIGHLIGHTS

- ❖ *Add a Small Business Reserve Program to ensure increased County contracting opportunities for local small businesses.*
- ❖ *Increase minority and small business opportunities by appointing a Minority Business Advisor and opening a new small business incubator.*
- ❖ *Add a Retail and Service Learning Center in Wheaton to train employees for the fast growing retail and service industry sector. Particular emphasis will be placed on recruiting at-risk youth, immigrants and seniors to the center.*
- ❖ *Improve public safety and protect agriculture through new, more aggressive deer management activities.*
- ❖ *Preserve agriculture as a County industry through a coordinated marketing effort.*
- ❖ *Add costs and offsetting revenues from Conference Center operations. This newly opened facility provides 21 meeting rooms, ballroom capacity for 2,535 guests, a 130-seat amphitheatre, and related dining facilities across from the White Flint Metro Station meeting the needs of local and out of town customers (see Conference Center NDA).*

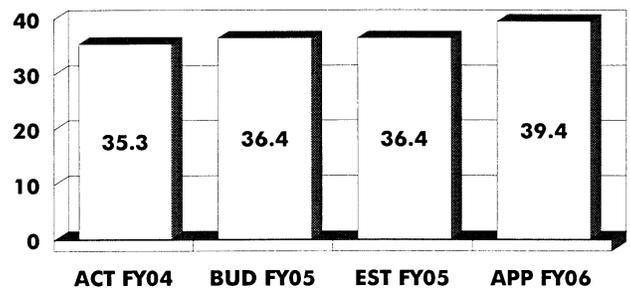
Program Summary

	Expenditures	WYs
Marketing and Business Development	1,906,850	13.0
Workforce Investment Services	4,674,700	4.0
Agricultural Services	970,070	7.2
Finance, Administration, and Special Projects	1,786,330	7.9
Office of the Director	976,000	7.3
Totals	10,313,950	39.4

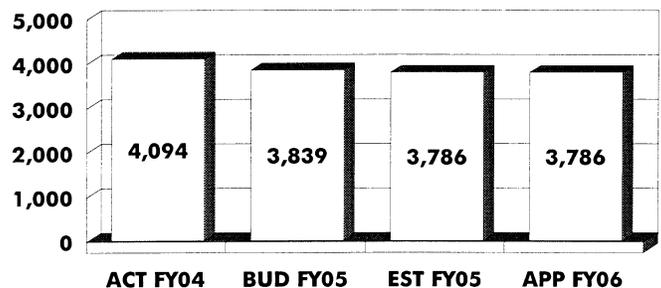
Trends



EXPENDITURES [\$000s]



WORKYEARS



RELATED REVENUES [\$000s]

- ❖ **Continue to provide information and referral staffing for the Conference Center as operations expand (see Conference and Visitor's Bureau NDA).**

PROGRAM CONTACTS

Contact Peter Bang of the Department of Economic Development at 240.777.2008 or Mary Cichello Beck of the Office of Management and Budget at 240.777.2753 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 and provides services and activities that result in the attraction and retention of those businesses to the County. This includes small businesses as well as specialized industry sectors including telecommunications, biotechnology, information technology, advanced engineering and professional services. A major focus of the program is on leads generated by the Department's business development specialists.

Promotional activities include media relations; event coordination; local, regional, national and international advertising; and development of informational and sales materials. These efforts help to position the County in a highly competitive environment, and they set the stage for direct contact. Business specialists meet with company representatives during business visits, conferences and other events to offer assistance. They also serve as liaisons to business organizations to help identify and assist new and expanding companies. Assistance includes needs assessment, financial and training assistance, site identification and expediting and coordinating development. The program provides clients with land-use planning expertise, economic analysis, financing and international trade assistance. Programs also include the development of high technology and professional services companies as well as the attraction and retention of national headquarters of nonprofit organizations and Federal agencies.

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 (DBED) and the Greater Washington Initiative (GWI).

FY06 Changes

	Expenditures	WYs
FY05 Approved	1,680,010	11.7
FY06 Approved	1,906,850	13.0

Workforce Investment Services

The mission of the Montgomery County Division of Workforce Investment Services (DWIS) is to ensure 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 workforce has the tools and resources to

successfully compete in an evolving economy.

DWIS is advised by a 30-member Workforce Investment Board (WIB), 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 DWIS staff provide support to the Board by implementing directives and policy initiatives.

DWIS is funded by over \$4 million in Federal Government, State of Maryland and Montgomery County funds. The majority of funds are received under WIA to implement the One-Stop career system. This system, operated locally as MontgomeryWorks, provides an array of vocational assessment, job readiness and job training and job placement services to dislocated workers, low-income adults, older workers, disadvantaged workers and youth. Four program staff provide overall administrative support of the WIA grants, and are responsible for fiscal monitoring and accounting, program monitoring and review, new program development and grants, legislative development, and contract management of several service providers for the WIA and County programs. The WIB provides policy oversight and guidance for the expenditure of these funds enabling local business, public and private sectors to work collaboratively in meeting the workforce development needs of Montgomery County.

Services are provided at the MontgomeryWorks One-Stop Workforce Centers in Wheaton and Gaithersburg, which are operated as a consortium with the Maryland Job Service and the Career Transition Center, Inc. (CTC), and numerous other non-profit and local agency partners. MontgomeryWorks served over 10,000 adult and youth residents in FY04 with core services, intensive counseling services and the purchase of occupational skills training.

FY06 Changes

- ❑ *Add a Retail and Service Learning Center in Wheaton to train employees for the fast growing retail and service industry sector. Particular emphasis will be placed on recruiting at-risk youth, immigrants and seniors to the center.*

	Expenditures	WYs
FY05 Approved	4,478,000	4.0
FY06 Approved	4,674,700	4.0

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 which promote agricultural products. The goal of the Agricultural Preservation Program is to acquire easements to protect 70,000 acres of farmland in the Agricultural Reserve by the year 2010. Agricultural Services also provides farmers with zoning and master plan technical assistance and coordinates the County's Weed Control program.

The Montgomery Soil Conservation District's (MSCD) programs include the design of soil conservation practices and small pond review plans. In addition, the MSCD's programs provide public information and agricultural soil and water quality conservation planning to minimize non-point source pollution through the voluntary participation and implementation of these plans. The programs educate schools, youth-adult groups and organizations, and provide residential technical assistance to County residents on soil erosion and surface-subsurface drainage concerns. Also, program administration and training and development initiatives help to support the MSCD and the MSCD Board of Supervisors.

Development Center (MTDC), the Silver Spring Innovation Center (SSIC), the Johns Hopkins Belward Research Campus, and planning and implementing various development projects with long-term positive impact to the County.

FY06 Changes

- ❑ *Add a Small Business Reserve Program to ensure increased County contracting opportunities for local small businesses.*

	Expenditures	WYs
FY05 Approved	1,334,140	8.0
FY06 Approved	1,786,330	7.9

Office of the Director

The Department of Economic Development is organized to promote team-based approaches to implementing economic development initiatives. This program provides overall direction and supervision for all programs, policies and representation of the Department. The Office of the Director functions as a liaison to local, State, Federal, and international governments; the community; small and minority owned businesses; and private industry partners, and serves as the leader in developing and implementing economic development opportunities for Montgomery County.

The major focus of the program is to establish and maintain 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 missions, and other major events that provide exposure and opportunities to market and promote the County's economic vision.

FY06 Changes

- ❑ *Increase minority business opportunities by appointing a Minority Business Advisor*

	Expenditures	WYs
FY05 Approved	773,810	5.5
FY06 Approved	976,000	7.3

The Cooperative Extension Office serves as the agricultural outreach education component of the University of Maryland. 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 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.

FY06 Changes

- ❑ *Improve public safety and protect agriculture through new, more aggressive deer management activities.*
- ❑ *Preserve agriculture as a County industry through a coordinated marketing effort.*

	Expenditures	WYs
FY05 Approved	815,070	7.2
FY06 Approved	970,070	7.2

Finance, Administration, and Special Projects

This program is responsible for all departmental administrative efforts, which enable direct services for fiscal and contract management, strategic planning, and special projects. This program administers three financing programs under the Economic Development Fund: the Economic Development Grant and Loan program, the Technology Growth program, and the Small Business Revolving Loan program.

This program also works in concert with Marketing and Business Development to promote the development of high technology and professional services companies within Montgomery County. In addition, the program oversees the development and management of the Shady Grove Life Sciences Center and planning for several new science and technology centers in Germantown at the Montgomery College campus and East County in the White Oak area. The program also oversees the management of the Maryland Technology

BUDGET SUMMARY

	Actual FY04	Budget FY05	Estimated FY05	Approved FY06	% Chg Bud/App
COUNTY GENERAL FUND					
EXPENDITURES					
Salaries and Wages	2,276,107	2,421,000	2,449,500	2,843,920	17.5%
Employee Benefits	644,724	748,470	768,330	903,800	20.8%
County General Fund Personnel Costs	2,920,831	3,169,470	3,217,830	3,747,720	18.2%
Operating Expenses	1,957,551	2,118,560	2,090,730	2,818,230	33.0%
Capital Outlay	0	0	0	0	—
County General Fund Expenditures	4,878,382	5,288,030	5,308,560	6,565,950	24.2%
PERSONNEL					
Full-Time	39	39	39	42	7.7%
Part-Time	2	2	2	3	50.0%
Workyears	35.3	36.4	36.4	39.4	8.2%
REVENUES					
State Salary Reimb: Soil Cons District Mgr	25,608	37,610	37,610	37,610	—
Silver Spring Innovation Center Proceeds	0	8,100	0	0	—
County General Fund Revenues	25,608	45,710	37,610	37,610	-17.7%
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	4,068,117	3,793,000	3,748,000	3,748,000	-1.2%
Capital Outlay	0	0	0	0	—
Grant Fund MCG Expenditures	4,068,117	3,793,000	3,748,000	3,748,000	-1.2%
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	46,000	48,000	48,000	48,000	—
Regional Response	30,942	45,000	0	0	—
Workforce Investment Act Grants	2,970,464	3,700,000	3,700,000	3,700,000	—
Disability Grant:Workforce Invest Serv	585,781	0	0	0	—
WIS - State Funds	230,000	0	0	0	—
Disability Program Navigator	50,039	0	0	0	—
MD Incumbent Worker	140,365	0	0	0	—
Trade Assistance Act	5,404	0	0	0	—
Wagner-Peyser Grant	9,122	0	0	0	—
Grant Fund MCG Revenues	4,068,117	3,793,000	3,748,000	3,748,000	-1.2%
DEPARTMENT TOTALS					
Total Expenditures	8,946,499	9,081,030	9,056,560	10,313,950	13.6%
Total Full-Time Positions	39	39	39	42	7.7%
Total Part-Time Positions	2	2	2	3	50.0%
Total Workyears	35.3	36.4	36.4	39.4	8.2%
Total Revenues	4,093,725	3,838,710	3,785,610	3,785,610	-1.4%

FY06 APPROVED CHANGES CROSSWALK

	Expenditures	WYs
COUNTY GENERAL FUND		
FY05 ORIGINAL APPROPRIATION	5,288,030	36.4
<u>Changes (with service impacts)</u>		
Add: Minority Business Incubator	300,000	1.0
Add: Local Small Business Reserve Program to ensure increased County contracting opportunities for local small businesses [Finance, Administration, and Special Projects]	230,000	0.9
Add: Sales and Service Learning Center [Workforce Investment Services]	160,000	0.0
Add: Minority Business Advisor [Office of the Director]	113,300	0.8
Add: Coordinated marketing effort to preserve agriculture as a County industry [Agricultural Services]	50,000	0.0
Add: Deer Management Program [Agricultural Services]	50,000	0.0
<u>Other Adjustments (with no service impacts)</u>		
Increase Cost: FY06 Compensation	120,680	0.0
Increase Cost: FY06 Group Insurance Rate Adjustments	58,150	0.0
Increase Cost: Annualization of FY05 Personnel Costs	43,290	0.0
Increase Cost: Annualization of FY05 Lapsed Positions [Marketing and Business Development]	37,500	0.3
Increase Cost: MLS Adjustment	28,630	0.0
Increase Cost: FY06 Retirement Rate Adjustments	27,020	0.0
Increase Cost: Annualization of FY05 Operating Expenses	24,030	0.0
Increase Cost: Replacement/Upgrade for two GIS Servers	13,600	0.0
Increase Cost: Goldmine Server Replacement/Upgrade [Finance, Administration, and Special Projects]	12,500	0.0
Increase Cost: Continue Montgomery Soil Conservation District funding for salary supplement for two state-funded Agriculture Services positions [Agricultural Services]	12,000	0.0
Replace: Benefits funding for State MDA Conservation Planner position until state funding can resume [Agricultural Services]	10,000	0.0
Increase Cost: Records Management Charges [Finance, Administration, and Special Projects]	4,220	0.0
Decrease Cost: Miscellaneous operating costs [Finance, Administration, and Special Projects]	-5,000	0.0
Decrease Cost: Elimination of One-Time Items Approved in FY05 [Agricultural Services]	-12,000	0.0
FY06 APPROVED:	6,565,950	39.4
GRANT FUND MCG		
FY05 ORIGINAL APPROPRIATION	3,793,000	0.0
<u>Changes (with service impacts)</u>		
Eliminate: Maryland Department of Business and Economic Development Regional Response grant [Office of the Director]	-45,000	0.0
FY06 APPROVED:	3,748,000	0.0