

MEMORANDUM

TO: Government Operations and Fiscal Policy Committee

FROM: Justina Ferber,  Legislative Analyst

SUBJECT: **Worksession:** Executive's Recommended FY17 Operating Budget:
Office of Intergovernmental Relations

Those who may attend this worksession:

Melanie Wenger, Director, Office of Intergovernmental Relations (OIR)
Wanda Wells, Office of Intergovernmental Relations
Phil Weeda, Management and Budget Specialist, OMB

Relevant pages from the FY17 Recommended Operating Budget are attached at ©1.

Budget Summary:

- The Office of Intergovernmental Relations FY17 Operating Budget is recommended as a same services budget.
- Several contracts were shifted from DED to OIR.

Council Staff Recommendation:

- Approve the OIR budget as recommended for \$1,145,981.

Overview

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.

For FY17, the County Executive recommends a total operating budget of \$1,145,981 for the Office of Intergovernmental Relations (OIR), an increase of \$222,664 or 24.12 percent from the FY15 approved budget of \$923,317. The recommended budget funds the same number of positions as in FY15 and same grant amount of \$30,670.

Increases in the budget are related to: 1) a vacancy was filled at a higher level and compensation than the previous position; 2) travel costs were increased to reflect actual usage and to avoid underfunding that has taken place in past years; 3) some membership, phone and materials fees increased over FY16; and 4) contracts were shifted from the Department of Economic Development.

	<i>FY15 Actual</i>	<i>FY16 Approved</i>	<i>FY17 Recommended</i>	<i>% Change FY16 - FY17</i>
<i>Expenditures by fund</i>				
General Fund	\$877,984	\$892,647	\$1,115,311	24.9%
State Grants (BRAC)	30,664	30,670	30,670	0%
<i>Expenditures by type</i>				
Personnel Cost	\$791,607	\$806,435	\$856,355	6.2%
Operating Expenses	\$86,377	\$86,212	\$258,956	200.4%
Total Expenditures (No Grants)	\$877,984	\$892,647	\$1,115,311	24.9%
<i>Positions</i>				
Full-Time	4	4	4	
Part-Time	1	1	1	
FTEs	5.1*	5.1*	5.1*	

*0.3 of a workyear is a chargeback from another department for an employee who assists OIR during the legislative session in Annapolis.

Office of Intergovernmental Relations Budget Adjustments	
Adjustments with no service impacts	
Increase Cost: Lobbyist Contracts from DED	\$175,000
Increase Cost: Annualization of FY16 Personnel Costs	\$48,015
Increase Cost: Operating expenses - materials, travel, memberships, etc.	\$17,400
Increase Cost: FY17 Compensation Adjustment	\$10,618
Increase Cost: Group Insurance	\$3,312
Increase Cost: Printing and Mail	\$64
Decrease Cost: Retirement Adjustment	(\$12,025)
Shift Cost: Telecommunications to Telecommunications NDA	(\$19,720)
Total Cost Change FY16 to FY17	\$222,664

BRAC Grant

The Office of Intergovernmental Relations 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 grant is shared with Prince George's County. The State determines the amount.

DED Contracts

Two Department of Economic Development contracts were shifted to OIR. One for 75,000 and the other for \$100,000. These contracts assist the County with in-depth knowledge of the federal government, navigating the GSA leasing processes, and developing strategies on issues impacted by federal action.

See ©1 for OIR's performance measures and ©2 for its list of accomplishments and initiatives.

Attachments: Office of Intergovernmental Relations Budget ©1

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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 and National Associations of Counties.

Budget Overview

The total recommended FY17 Operating Budget for the Office of Intergovernmental Relations is \$1,145,981, an increase of \$222,664 or 24.12 percent from the FY16 Approved Budget of \$923,317. Personnel Costs comprise 74.73 percent of the budget for four full-time position(s) and one part-time position(s), and a total of 5.10 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 25.27 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:

- ❖ Affordable Housing in an Inclusive Community
- ❖ Children Prepared to Live and Learn
- ❖ An Effective and Efficient Transportation Network
- ❖ Healthy and Sustainable Neighborhoods
- ❖ A Responsive, Accountable County Government
- ❖ 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 (where applicable). The FY16 estimates reflect funding based on the FY16 approved budget. The FY17 and FY18 figures are performance targets based on the FY17 recommended budget and funding for comparable service levels in FY18.

Measure	Actual FY14	Actual FY15	Estimated FY16	Target FY17	Target FY18
Program Measures					
Number of bills for which a County fiscal estimate was requested by the State Department of Legislative Services ¹	439	288	365	365	365
Number of formal position statements prepared ²	208	189	200	200	200
Percent of State legislative package where Intergovernmental Relations position prevailed	71	80	80	80	80
Percent of State priorities fully realized	56	57	60	60	60
Total direct State aid (\$ millions)	707	715	729	729	729
Total State retirement payments (\$ millions)	166	165	166	166	166

Measure	Actual	Actual	Estimated	Target	Target
	FY14	FY15	FY16	FY17	FY18
General Assembly bills identified as of potential interest to the County and analyzed by the Office of Intergovernmental Relations ³	781	647	745	745	745

¹ Projections are based on the mathematical mean of the prior three years' actual figures rounded to the nearest 5

² Projections are based on the mathematical average of the last three years' numbers rounded to the nearest 5.

³ Projections are based on the mathematical average of the last three years' actual numbers rounded to the nearest 5.

Initiatives

- Developed and hosted an orientation program for newly-elected State Legislators and Councilmembers, with presentations by County officials and officials from Montgomery College, Montgomery County Public Schools, the Washington Suburban Sanitary Commission, and the Maryland National Capital Park and Planning Commission.

Accomplishments

- Successfully advocated for FY15 federal appropriations directed toward assisting local governments such as ours in addressing health and education needs of unaccompanied migrant children entering the United States.
- Secured funding for every capital project included on the County's 2015 Session Priorities list, which included the Pre-Release Dietary Center renovation, two libraries, several hospitals, the National Cybersecurity Center of Excellence, the Music Center at Strathmore, Montgomery College, the Avery Road Treatment Center, and Universities at Shady Grove.
- Worked with the Maryland Congressional Delegation to secure \$100 million in federal transportation funding towards construction of the Purple Line.
- Advocated the passage of a targeted supplemental public school construction grant program that directs additional State capital funds to high enrollment growth subdivisions and those utilizing significant numbers of portable classrooms. Based on the delegation's successful advocacy to fund the program, Montgomery County Public Schools will be able to access about six million in additional State capital funds this year and into the future.
- State aid directed to Montgomery County increased by approximately \$13 million, from \$714 million to \$727 million.
- Assisted to get language included in the Budget Reconciliation and Financing Act to protect local governments and the State when the U.S. Supreme Court ruled against the State in *Wynne v. Comptroller*. While taxpayers will get their refunds as soon as their returns are processed, the reimbursement to the State for the local share of taxes will be spread over three fiscal years. In addition, the language clarifies that moving forward, State tax liability must be exhausted before credits are taken against County and municipal income taxes.
- Advocated to assist the Montgomery and Prince George's County Delegations sponsor a bill that required the Washington Suburban Sanitary Commission (WSSC) to establish a Customer Assistance Program. The program funded by WSSC revenues, provides financial assistance with water and sewer bills to eligible ratepayers beginning July 1, 2015.

Productivity Improvements

- Attended and participated in regular National Association of Counties (NACo) Washington Representatives legislative strategy sessions, as well as increased involvement with the National Association of Counties Intergovernmental Relations Organization (NACIRO) and Association of Government Relations Professionals (AGRP).
- Continued to meet with County directors and key staff to explain the State and federal priorities processes so as to maximize opportunities.
- Updated and improved website information, making the information more accessible to the public and reducing the cost of printing.
- Continued to participate in training, education, and networking opportunities at the local, State, and federal levels.
- Enhanced the system to keep track of Council action on bills and resolutions to help ensure the Council's decisions are reflected accurately and appropriately in State advocacy.

- ☼ Coordinated and worked with Department of Technology Services to implement IT improvements and support.
- ☼ Continued to look for, and initiate changes in, the office day-to-day processes to improve efficiency at reduced costs in both the Rockville and Annapolis offices, including scanning of the legislative bill files so that the information is accessible at all time.
- ☼ Provided updated data for the dataMontgomery Dataset Publishing Plan.

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 FY15	Budget FY16	Estimate FY16	REC FY17	%Chg Bud/Rec
COUNTY GENERAL FUND					
EXPENDITURES					
Salaries and Wages	629,870	640,294	701,753	693,256	8.3 %
Employee Benefits	161,737	166,141	159,957	163,099	-1.8 %
County General Fund Personnel Costs	791,607	806,435	861,710	856,355	6.2 %
Operating Expenses	86,377	86,212	72,760	258,956	200.4 %
County General Fund Expenditures	877,984	892,647	934,470	1,115,311	24.9 %
PERSONNEL					
Full-Time	4	4	4	4	—
Part-Time	1	1	1	1	—
FTEs	5.10	5.10	5.10	5.10	—
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	30,664	30,670	30,670	30,670	—
Grant Fund - MCG Expenditures	30,664	30,670	30,670	30,670	—
PERSONNEL					
Full-Time	0	0	0	0	—
Part-Time	0	0	0	0	—
FTEs	0.00	0.00	0.00	0.00	—
REVENUES					
State Grants	30,664	30,670	30,670	30,670	—
Grant Fund - MCG Revenues	30,664	30,670	30,670	30,670	—

	Actual FY15	Budget FY16	Estimate FY15	REC FY17	%Chg Bud/Rec
DEPARTMENT TOTALS					
Total Expenditures	908,648	923,317	965,140	1,145,981	24.1 %
Total Full-Time Positions	4	4	4	4	—
Total Part-Time Positions	1	1	1	1	—
Total FTEs	5.10	5.10	5.10	5.10	—
Total Revenues	30,664	30,670	30,670	30,670	—

FY17 Recommended Changes

	Expenditures	FTEs
COUNTY GENERAL FUND		
FY16 ORIGINAL APPROPRIATION	892,647	5.10
Other Adjustments (with no service impacts)		
Increase Cost: Lobbyist Contracts Previously Funded by the Department of Economic Development	175,000	0.00
Increase Cost: Annualization of FY16 Personnel Costs	48,015	0.00
Increase Cost: Operating expenses for books, reference materials, non-local travel, professional membership, and other expenses	17,400	0.00
Increase Cost: FY17 Compensation Adjustment	10,618	0.00
Increase Cost: Group Insurance Adjustment	3,312	0.00
Increase Cost: Printing and Mail	64	0.00
Decrease Cost: Retirement Adjustment	(12,025)	0.00
Shift: Telecommunications to the Telecommunications Non-Departmental Account	(19,720)	0.00
FY17 RECOMMENDED	1,115,311	5.10

GRANT FUND - MCG

FY16 ORIGINAL APPROPRIATION	30,670	0.00
FY17 RECOMMENDED	30,670	0.00

Future Fiscal Impacts

Title	CE RECOMMENDED (\$000s)					
	FY17	FY18	FY19	FY20	FY21	FY22
COUNTY GENERAL FUND						
EXPENDITURES						
FY17 Recommended	1,115	1,115	1,115	1,115	1,115	1,115
No inflation or compensation change is included in outyear projections.						
Labor Contracts	0	3	3	3	3	3
These figures represent the estimated annualized cost of general wage adjustments, service increments, and other negotiated items.						
Subtotal Expenditures	1,115	1,118	1,118	1,118	1,118	1,118