

Resolution No.:	19-173
Introduced:	July 16, 2019
Adopted:	July 23, 2019

**COUNTY COUNCIL  
FOR MONTGOMERY COUNTY, MARYLAND**

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Lead Sponsor: County Council

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**SUBJECT:** Fiscal Year 2020 Work Program of the Office of Legislative Oversight

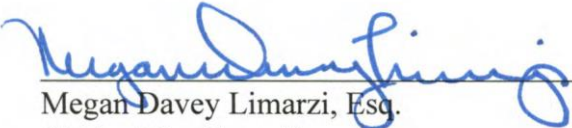
**Background**

1. Chapter 29A, Montgomery County Code, establishes the Office of Legislative Oversight to serve as the principal means through which the Council exercises its legislative oversight functions. This includes providing the Council with information and recommendations concerning the operations of public and private agencies, programs, and functions for which funds are appropriated or approved by the Council.
2. The law establishing the Office of Legislative Oversight specifically authorizes the Office to conduct special program or budget analyses at the request of the Council.
3. Section 29A-6 provides that the Director, Office of Legislative Oversight, shall prepare an annual Work Program, which shall be submitted to the Council for approval. On July 16, 2019, the Council introduced this resolution that outlines projects to be included on the Office of Legislative Oversight's FY20 Work Program.

**Action**

The County Council for Montgomery County, Maryland, approves the attached Fiscal Year 2020 Work Program for the Office of Legislative Oversight.

This is a correct copy of Council action.

  
Megan Davey Limarzi, Esq.  
Clerk of the Council

**OLO FY20 Work Program**

<b>1) Access to Sports</b>
<b>2) Community Use of Public Facilities</b>
<b>3) Ride-On Bus Services</b>
<b>4) MCFRS Overtime</b>
<b>5) PTA Organizations and Funding</b>
<b>6) Before and After School Childcare</b>
<b>7) Police Data A</b>
<b>8) Police Data B</b>
<b>9) Non-Competitive Contracts</b>
<b>10) Recreation Center Use</b>
<b>11) Sensory Friendly Designation</b>
<b>12) Workforce Development</b>
<b>13) Youth Workforce</b>
<b>14) Staffing Committees</b>
<b>15) Two Year Budgeting</b>
<b>16) Property Tax Projections</b>
<b>17) Economic Impact Analysis</b>
<b>18) Libraries</b>
<b>19) Regulatory Benchmarking</b>
<b>20) HOC Senior Housing</b>
<b>21) Monitor State Adequacy Study</b>
<b>22) Minimum Wage Impact</b>
<b>23) Assist with Review of the FY21 Operating Budget</b>
<b>24) Staff Support for the Council's Audit Function</b>
<b>25) Management of the Council's Independent Audit Contracts</b>
<b>26) Maintain and Update Interactive Fiscal Plan</b>
<b>27) Assignments as Needed</b>

# **Project Descriptions**

## **Project #1**

### **Access to Sports**

#### **Principal Agency: County Government, MCPS**

Children who are physically inactive experience worse health and academic outcomes than other children, and these impacts persist through adulthood.<sup>1</sup> However, national data show that children's sports participation is decreasing – in 2017, 37% of children ages 6 to 12 participated in a team sport on a regular basis, compared with 42% in 2011. The data also show significant disparities in participation by family income, gender, race and ethnicity, and disability.<sup>2</sup>

Councilmembers are interested in understanding access to sports opportunities for elementary, middle and high school-aged children and youth across the County. This OLO project will examine the research literature on children's participation in sports, data on participation in sports activities offered through the Department of Recreation, and the availability and location of recreational sports leagues. OLO will also examine barriers to access as well as the role of emerging sports such as pickleball and cricket. In particular, this project will seek to answer the following questions:

- How do children benefit from participating in sports, and what do national data show about sports participation?
- What is the current landscape of youth sports in the County, and how is it changing?
- Where in the County do children who participate in sports activities offered through the Department of Recreation reside?
- What geographical areas do soccer, basketball, baseball, softball, football and lacrosse leagues in the County serve?
- What barriers to access exist for children on the basis of family income, gender, race and ethnicity and disability, and what efforts are currently in place to address these barriers?

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<sup>1</sup> Farrey, T. and Isard, R., *Physical Literacy in the United States*, Aspen Institute: Project Play, June 2015, < [https://www.aspenprojectplay.org/s/PhysicalLiteracy\\_AspenInstitute-Full-report.pdf](https://www.aspenprojectplay.org/s/PhysicalLiteracy_AspenInstitute-Full-report.pdf) > accessed 3/19/2019.

<sup>2</sup> Ibid., and *State of Play 2018: Trends and Developments*, Aspen Institute: Project Play, 2018 < [https://assets.aspeninstitute.org/content/uploads/2018/10/StateofPlay2018\\_v4WEB\\_2-FINAL.pdf](https://assets.aspeninstitute.org/content/uploads/2018/10/StateofPlay2018_v4WEB_2-FINAL.pdf) > accessed 3/19/2019

## **Project #2**

### **Community Use of Public Facilities**

#### **Principal Agencies: County Government (County Executive, Community Use of Public Facilities), MCPS**

The Community Use of Public Facilities (CUPF) is the County's operational department that administers how the community may use public schools and other public facilities for non-school-related activities. Originally established in 1978 as the "Community Use of Schools," over time CUPF has added more government facilities to its administrative portfolio, including libraries, regional services centers, athletic fields, the Council Office and Executive Office Buildings, and other buildings.

The mission of CUPF is to maximize the community's use of public facilities without disrupting school instructional programs or the operations of County Government. Under its current structure, CUPF has four core functions:

1. Facilitate the use of public schools;
2. Facilitate the use of government facilities;
3. Facilitate the placement of before- and after-school childcare; and
4. Support the Inter-Agency Coordinating Board.<sup>3</sup>

The Council is interested in understanding the functions/purpose of CUPF and how these functions align with Council/County objectives. In particular, this report will focus on the general access to all public facilities, how the disadvantaged/vulnerable constituents are served, and CUPF's prioritization of Council/County goals for facilitating the use of space.

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<sup>3</sup> The Interagency Coordinating Board (ICB) for Community Use of Public Facilities is a 12-member policy board charged with the responsibility of encouraging the community's use of public facilities. The Board is responsible for making policy decisions which balance the community's need for space without interfering with the K-12 instructional program.

## **Project #3**

### **Ride On Bus Services and Routes**

#### **Principal Agency: Montgomery County Department of Transportation – Transit Services**

The County's Department of Transportation (DOT) operates more than 80 Ride On bus routes across Montgomery County with an annual ridership of nearly 25 million. The County Council is interested in better understanding who is using Ride On, how DOT makes decisions regarding routes and service, and what areas in the County, based on demographic data, may be over or underserved.

This report will reach out to other, similar jurisdictions that operate large bus operations to explore how those jurisdictions make their decisions on bus routes. This report will also describe how industry experts see bus service changing over the coming decades as technology evolves. Finally, this report will offer a discussion of how the changing demographics of Montgomery County may impact the need for bus service in the County and where these changes, as they relate to bus service, will be most acute.

## **Project #4**

### **Review of Overtime in Montgomery County Fire and Rescue Service**

#### **Principal Agency: Montgomery County Government (MCFRS)**

In FY13 and FY14, the Council asked OLO to undertake projects related to work hours and overtime use in County Government departments and specifically in Montgomery County Fire and Rescue Service, resulting in OLO Report 2013-3, *Employee Work Hours and Leave in Montgomery County Government* and OLO Report 2014-2, *Injuries, Injury-Related Leave, and Overtime in Montgomery County Fire and Rescue Service*.

During review of the FY20 operating budget, the Council heard that MCFRS has had systematic staff imbalances leading to significant use of overtime and overtime cost overruns for at least the past six fiscal years – with overtime costs exceeding budgeted overtime by over \$8 million in FY17 and FY18. One cause of the excessive use of overtime is understaffing. CountyStat recently estimated that MCFRS needs 180 additional career firefighter positions to meet current staffing requirements.

This OLO report will analyze the use of overtime in MCFRS. This may include an examination of MCFRS' staffing model, adequacy of staffing, factors that lead to or result in overtime use, whether overtime use leads to negative outcomes such as increased injury or higher employee turnover, and/or whether the cost of overtime is more or less expensive than hiring additional staff.

## **Project #5**

### **Parent Organizations and Funding in MCPS**

#### **Principal Agency: MCPS**

Parent, Teacher, and Student Associations (PTSAs) and other non-profit, parent-based organizations often provide key resources and supports to the individual schools that they support. These resources and investments can include athletic fields and support for other extracurricular activities, scholarships for out of school opportunities, playgrounds and other capital improvements to specific schools, and staff support for school-based initiatives. Among MCPS' 206 campuses, 194 have a PT(S)A unit according to the Montgomery County Council of Parent-Teacher Associations. Many MCPS campuses have booster clubs and school foundations in addition to PT(S)As, particularly at the high school level.

This report will describe information and data on parent organizations and their funding of MCPS campuses. Relying on data and information submitted to the Internal Revenue Service, other information and data available to the public, and interviews with key stakeholders, this report will provide a listing of the parent organizations operating on each MCPS campus and describe their annual revenues, operating budgets, and the investments at their schools. This project aims to improve the Council Council's awareness and understanding of the breadth of resources provided by individual PT(S)As and other parent organizations to specific schools.

## **Project #6**

### **Before and Afterschool Childcare Selection Process in Other Jurisdictions**

#### **Principal Agencies: County Government (Community Use of Public Facilities), MCPS**

Montgomery County Public Schools (MCPS) has delegated the authority to the Community Use of Public Facilities (CUPF) to administer the before and afterschool childcare selection process since the early 1980s. Currently CUPF must establish a schedule that assigns when each facility that MCPS designates for use by a childcare service provider will be subject to a competitive selection process under Executive Regulation 6-17AM. The schedule requires that each designated facility be subject to the selection process at least once every seven years. Any childcare provider can apply for a designated school, with non-profit providers receiving priority over for-profit providers.

This process sometimes leaves schools underserved by afterschool providers and Councilmembers are interested in better understanding how the process might be changed to allow for broader access to afterschool providers across the County. This project will examine how other jurisdictions perform their before and afterschool childcare provider selection process and determine how relevant these strategies might be to Montgomery County.

As other jurisdictions have shown, public private approaches can significantly advance the goal of making care available to every child in a manner that is affordable to the family. Montgomery County Councilmembers are seeking solutions that will provide universal childcare to all County residents and this report will focus on approaches that move the County closer to this goal.



## **Projects #7 & #8**

### **Review of Police Budgeting and Impacts of Additional Funding on Policing**

#### **Principal Agency: Montgomery County Police Department**

OLO's FY19 Work Program included Project #6 entitled, "Police Data." Work on the project began in the late spring of FY19. However, as OLO began to build their FY20 work plan, subsequent discussions with Council members revealed an expanded interest in the topic of police data and in the scope of OLO's review. Consequently, the following two projects were created and expand significantly upon the initial FY19 project. These two projects will complement one another but be researched and released separately.

#### **Project #7**

##### **Police Data A**

The Montgomery County Police Department (MCPD) has more than 1,950 employees and an FY20 operating budget of \$295 million. The Council is interested in better understanding: (1) how MCPD allocates funding to support the components and initiatives of the Department, and (2) how MCPD's annual budget and organizational structure compare to police departments in other comparable jurisdictions.

The Council is also interested in understanding how MCPD tracks and analyzes outcomes from a budgetary perspective. OLO will work with MCPD representatives to determine how the Department develops its priorities and programs, how it develops budget requests to achieve its priorities, and how the Department analyzes the impact of funding on department goals and outcomes.

#### **Project #8**

##### **Police Data B**

On a regular basis, the Montgomery County Police Department collects a variety of criminal justice data. Some of the data tracked by MCPD describes criminal activity by type, severity and location. Other data collected by MCPD describe the department's interactions with the public, including data on arrests and citations. And still, other data tracked by MCPD describe its workforce, training, and operations. With the advent of body cameras, MCPS also compiles video describing personnel encounters with the public.

Historically, MCPD has responded to data requests made by the County Council and Council staff for specific information. The usefulness of requested data, however, depends on the specificity of the data request and knowledge of what data MCPD tracks that may be of interest to the Council and the public at large. To have a better sense of the types of data that MCPD compiles that could help inform County Council initiatives, this project will describe the specific data collected by MCPD and available in their database.

This report will then use this information to detail for Council members how an analysis of available data could inform their oversight and ongoing policy making and, if appropriate and feasible, may provide Councilmembers with examples of recommended outcome reports to request that describe criminal justice data trends. Toward this end, this project will especially focus on describing MCPD interactions with the public by race, ethnicity, and other demographic factors to track what broad trends, if any, may be observed.

## **Project #9**

### **Non-Competitive Contracts in Montgomery County**

#### **Principal Agency: Montgomery County Government**

Chapter 11B of the Montgomery County Code outlines the County's procurement law, establishing a system for purchasing goods and services and authorizing the County Executive to adopt regulations to implement the law. The County's procurement law allows for the awarding of both competitively bid and non-competitively bid contract awards.

A non-competitive procurement is the acquisition of goods, services or construction without prior public notice or competition. The law allows the award of a non-competitive contract award if the Chief Administrative Officer determines that the contract award would serve a public purpose and one of the following circumstances exists:

- There is only one source for the required goods, services, or construction which can meet the minimum valid needs of the County, including timeliness of performance;
- The contract is in connection with potential or pending litigation, condemnation, or collective bargaining;
- A proposed contractor or subcontractor has been specifically identified in a grant accepted by the County; or
- A proposed contractor has been identified in a grant or appropriation resolution approved by the Council.

This OLO report will provide an overview of non-competitive contract awards in the County, including the award process, roles and responsibilities of the Office of Procurement and using departments, and data on awards, including number of awards and dollar amounts by type of contract and department. Additionally, this report will examine the processes in place in other, similar, jurisdictions to determine if the practices currently in place in Montgomery County diverge from those of our peers. This report will exclude contracts which are a result of the Executive and Council Community Grants Programs.

## **Project #10**

### **Recreation Center Use**

#### **Principal Agencies: Montgomery County Government (Recreation)**

The County has 21 recreation centers that offer a wide range of activities and programs for residents of all ages and abilities. Activities at these centers can include classes, workshops, clinics, drop-in programs, supervised play, sports, open gym, crafts, and special events.

In addition to the activities offered, the recreation centers have rooms available for public use, including art rooms, community rooms, gymnasiums, social halls, classrooms, lounges, activity rooms, conference rooms, studios, multipurpose rooms, meeting rooms, etc. To better understand the public use of these rooms, this report will examine the organizations and constituents using the rooms for each center and each type of room.

Similar to OLO report 2019-03, entitled, “Afterschool Bookings at MCPS Elementary Schools,” this report will seek to identify differences in bookings between recreation centers. Additionally, this report will focus specifically on the individuals, groups and organizations that book these centers to determine what trends might be observed in these bookings. While the CUPF records management systems have changed recently, to the extent possible OLO will also examine longitudinal trends in recreation center bookings.

**Project #11**  
**Sensory Friendly Designation**

**Principal Agency: Montgomery County Government**

According to a recent Johns Hopkins study, approximately one in 59 children are affected by autism spectrum disorder (or ASD). According to the study, “ASD is a developmental disorder characterized by social and communication impairments, combined with limited interests and repetitive behaviors. Early diagnosis and intervention are key to improving learning and skills.”

Individuals with autism are often sensitive to the type or level of light, noise, crowds, space, the movements or patterns of others, and other factors related to sensory input. In 2016 the Autism Society of America began promoting a nationwide program to encourage businesses to serve their clientele/customers in a positive, autism-friendly manner. This growing movement encourages businesses to make changes to settings in a way that is responsive to “the needs of individuals with autism but not at the expense of others not impacted by autism.”

This OLO report will examine current research on how businesses can work to become more sensitive to the needs of those with autism and explore options for developing a mechanism for identifying business with an autism/sensory-friendly designation. OLO will also explore what an autism/sensory-friendly designation program might look like in Montgomery County and how stakeholders in the autism community, Montgomery County businesses, and the Montgomery County government might partner to make this possible.

## **Project #12**

### **Workforce Development**

#### **Principal Agency: Montgomery County Government, WorkSource Montgomery, Inc. and the Montgomery County Economic Development Corporation (MCEDC)**

In 2015, the County privatized its economic development and workforce development functions. Bill 25-16 created a non-profit economic development corporation, the Montgomery County Economic Development Corporation (MCEDC); and, Bill 40-15 restructured local workforce development duties. Resolution 18-295 designated WorkSource Montgomery, Inc. as a backbone entity for all workforce strategies and programs for both employers and employees.<sup>4</sup>

As a backbone organization, WSM manages a \$6.6M budget and is funded with a mix of public, private and nonprofit dollars.<sup>5</sup> WSM uses unrestricted County funds to “top off” a set of programs funded with more restricted dollars. WSM’s County contract contains a mix of program performance expectations and reporting requirements. Since WSM is a third-party organization, the Council does not exercise line item authority over its budget; but it can use the Council’s budget resolution to establish specific program expenditures and reporting requirements.

The County’s vision for a comprehensive and demand driven system of workforce development has three pillars: It must 1) meet the talent attraction, development, and retention needs of strategic industries; 2) meet the needs of the underemployed and unemployed; and 3) develop career pathways that lead to sustainable wage jobs to support a thriving economy.<sup>6</sup>

Councilmembers wish to better understand WSM’s system of performance measures and reporting requirements and how these measures align with the County’s three pillars of supporting strategic industries, addressing employment needs and developing career pathways. The Council also wants to understand how MCEDC and WSM are working together and

This OLO report will pay special attention to job placement programs and best practices in other jurisdictions, especially as they relate to EDCs, will describe WSM’s current performance measurement system and explain how WSM and MCEDC coordinate to address workforce issues. OLO will map WSM’s current metrics to the County’s three pillars and develop outcome metrics to address existing gaps. Based on a review of workforce development structures and best practices elsewhere, OLO will suggest ways for WSM and EDC to further strengthen County workforce development initiatives.

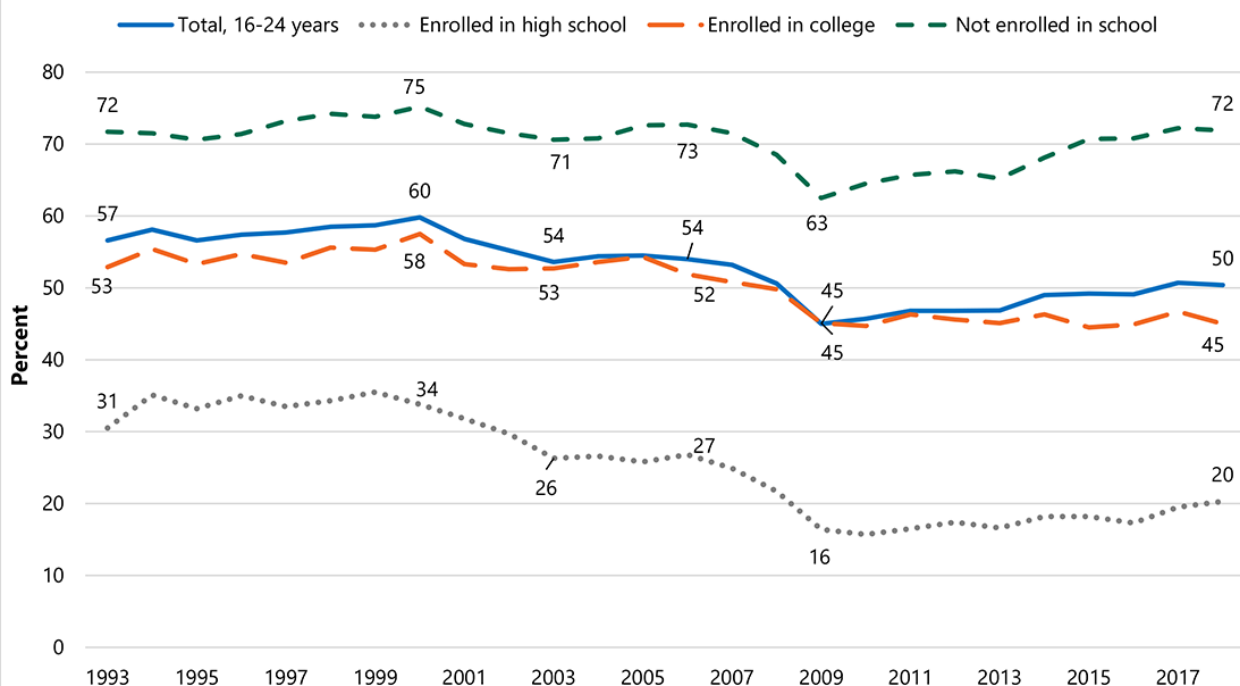
## Project #13

### Youth Workforce

#### Principal Agencies: Montgomery County Government

In the United States in 2018, roughly half of all youth ages 16 to 24 were employed either in a full or part time position. The chart below provided by childtrends.org shows the trends in employment among various subgroups since 2003. While employment levels among those not enrolled in school have remained fairly consistent, employment levels among those enrolled in either college or high school have declined significantly. These trends also vary based on demographic characteristics, most notably race and parental income. Youth employment is a strong predictor of future employment and earning potential and an important component of a comprehensive workforce employment strategy. This report will examine youth employment in Montgomery County, and determine what strategies might be employed to assist those youth seeking employment find suitable opportunities.

#### Percentage of Youth (Ages 16-24) Employed, Total, and by School Enrollment:<sup>1</sup> 1993-2018



<sup>1</sup> A small number of individuals reported in High School are in Lower Grades.

Note: Individuals reported as not enrolled in school includes individuals with high school diplomas or equivalent, bachelor's, master's, professional, and doctoral degrees.

Source: U.S. Department of Labor. Archived Bureau of Labor Statistics News Releases. (Various Years). Retrieved from <https://www.bls.gov/bls/newsrels.htm>

childtrends.org

**Project #14**  
**Support for Committees**

**Principal Agency: Montgomery County Government**

County Councilmembers have expressed a desire to have technical and research capabilities more readily available to support the work of the standing Council committees. Beginning after the summer recess, OLO will assign all staff members to a Committee where they will be tasked as appropriate by Council members. Each committee will be staffed by at least two OLO researchers. While it is not yet possible to determine the amount or type of work that will be assigned by Committees, this assignment may become a permanent component of the OLO work plan.



**Project #15**  
**Two-Year Budgeting**

**Principal Agency: Montgomery County Government**

County Executive Marc Elrich is considering moving to a two-year operating budget cycle. If implemented, this will significantly change how budgeting is done in the County. As the Executive investigates and potentially plans for this change, OLO will lead a group of Council staff that will monitor this change and provide the County Council with regular updates that address both the potential benefits and challenges of such a system. This group will be comprised of OLO staff, Council staff, and staff from Councilmember offices.

**Project #16**  
**Property Tax Revenue Projections**

**Principal Agency: Montgomery County Government**

In recent years property tax revenue projections have not been as accurate as Councilmembers would have liked. This report will examine the basis for these revenue projections and why the forecasts differed from the actual revenues collected. Additional analysis regarding the methodology for future revenue projections will also be provided.

**Project #17**  
**Economic Impact Analysis**

**Principal Agency: Montgomery County Government**

In July, OLO anticipates that the County Council will pass a bill that requires OLO to:

- (1) require the Director of the Office of Legislative Oversight to prepare an economic impact statement for each bill;
- (2) amend the required contents of an economic impact statement;
- (3) require an economic impact statement for each bill before it is enacted; and
- (4) generally, amend the law governing the enactment of legislation.

It is anticipated these requirements will take effect in the second half of FY20. If this bill passes, OLO will assume these duties moving forward.

**Project #18**  
**The Changing Nature of Libraries**

**Principal Agency: Montgomery County Government**

Libraries play a central role in communities. Even as technology has changed the services provided by libraries, libraries are an essential component of quality of life in Montgomery County. This OLO report will examine the utilization levels of the various services provided by libraries, which residents are most likely to use libraries and how the County might better reach out to segments of the population that may be underserved by libraries.

Additionally, this report will examine potential future trends in library services. It will investigate services provided by other jurisdiction, analyze their potential applicability in Montgomery County, and provide Councilmembers with a discussion of how experts in the field believe the roles of libraries will evolve over the next decade.

## **Project #19**

### **Montgomery County Business Regulatory Climate**

#### **Principal Agency: Montgomery County Government**

Montgomery County's 4Business Initiative seeks to engage local businesses directly to learn about their experiences when locating, expanding, or doing business in the County. The first phase of the 4Business Initiative is focused on impacts created by the County's regulatory climate (e.g., zoning, building, health, alcohol, and business operations regulations), as well as related approval processes, licensing, business inspections, and local operational requirements.

The County Council is interested in better understanding how the County's regulatory climate compares to surrounding jurisdictions, including whether regulatory burdens are substantively different in content, effect, or application when compared to similar business types. This OLO report will benchmark regulatory areas (e.g., permits and licensing, environmental and parking requirements, and other business operational requirements) to selected jurisdictions in Maryland, Virginia, and the District of Columbia. OLO will work with Council and Executive Branch staff to determine specific benchmarks.

## **Project #20**

### **Housing Opportunities Commission Senior Housing**

#### **Principal Agency: Montgomery County Government**

The Housing Opportunities Commission (HOC) is tasked with “providing affordable housing and supportive services that enhance the lives of low- and moderate-income families and individuals throughout Montgomery County.” One area of significant importance to the HOC is housing for Montgomery County’s senior population. The County Council is interested in better understanding the strategies employed by HOC to manage senior housing and the effectiveness of these strategies.

This OLO report will provide the Council with a formal review of HOC management practices in senior housing. It will compare and contrast the services provided in the different senior housing sites managed by HOC and offer Councilmembers a discussion of strategies that may be working in some locations but not in others. The review of HOC’s management of senior housing will include collecting feedback directly from property residents and exploring issues that relate to services for seniors given Montgomery County’s changing demographic characteristics.

## **Project #21**

### **State Adequacy Study for Education Funding and Funding Formula Workgroup**

#### **Principal Agency: Montgomery County Government, MCPS**

The State Commission on Innovation and Excellence in Education (“Kirwan Commission”) began work in 2014 to review and recommend changes to the current State education formulas (known as the Thornton formulas) and make policy recommendations that would enable Maryland’s pre-K-12 system to perform at the level of the best-performing systems. The Kirwan Commission released an interim report in January 2019 and the General Assembly funded initial recommendations with a two-year investment of \$850 million.

The work of the Kirwan Commission continues: the initial Study of Adequacy of Funding for Education in Maryland has now transitioned to a 13-member Blueprint for Maryland’s Future Funding Formula Workgroup which is tasked with recommending revisions to the current Thornton formulas before the start of the General Assembly’s 2020 Session.

For this assignment, OLO will assist staff from Office of Management and Budget and Office of Intergovernmental Relations in how potential changes to the existing funding formula components would impact Montgomery County’s State education aid. This project will ensure that the Council is informed about the impact of possible Statewide changes in the funding formulas and inform advocacy at the State during this process.

## **Project #22**

### **Minimum Wage Impact: Tracking Financial Indicators**

#### **Principal Agency: OLO**

On November 7, 2017, the County Council passed Bill 28-17 (Sec. 27-20A) "Human Rights and Civil Liberties -- County Minimum Wage" which required that the minimum wage in Montgomery County for all employers reach \$15.00 by the year 2024. Additionally, the bill required that the minimum wage increase with inflation unless the County Director of Finance determines that certain economic conditions have not been met.

To ensure that businesses in Montgomery County and the County economy as a whole are not adversely impacted by the County's minimum wage increases, Bill 28-17 also required that the Office of Legislative Oversight "provide to the Council, by January 31 of each year, a report containing data related to the implementation of the County minimum wage and the local economy." The Council did not specify the variables to be included in this annual report.

The initial OLO Report 2019-1 (released January 15, 2019) identified and reported on 17 high-level economic indicators and compared it with the performance of nine surrounding jurisdictions to serve as a benchmark for future years. The report offered guidance about how to interpret what changes in these variables may say about the impacts of the County's minimum wage law, as well as the relationship between the variables and other factors affecting the County's economy.

The OLO Project due January 2020 will review and update these economic indicators. This report will also update the discussion of the County's minimum wage in light of Maryland House Bill 166/Senate Bill 280 (enacted March 28, 2019, and effective June 1, 2019) which increased the State minimum wage. The State Act phases in an increase in the State minimum wage to \$15.00 per hour by January 1, 2025, with a longer phase-in for employers with 14 or fewer employees.<sup>7</sup>

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<sup>7</sup> For a discussion of State minimum wage changes enacted in the 2019 Legislative Session, see: *The 90 Day Report: A Review of the 2019 Legislative Session* (Department of Legislative Services, April 12, 2019), pp. H-28-29; retrieved from <http://dls.maryland.gov/pubs/prod/RecurRpt/2019rs-90-day-report.pdf>.



## **Project #23**

### **Assist with Review of the FY21 Operating Budget**

#### **Principal Agencies: All County-funded agencies**

During the spring of 2020, OLO staff will team with Central Council staff to prepare analyses for Committee and Council work sessions on the FY21 operating budget. This project is similar to OLO's operating budget-related assignment in recent years. For this portion of the FY20 Work Program, the OLO Director will work collaboratively with the Council Staff Director to identify specific budget areas for OLO staff assistance. Priority consideration will be given to topics that OLO has studied before.

Additionally, OLO will assist County Council on budget-related analysis throughout the year. OLO will be on call to provide support and analysis for a limited number of tasks that may include fiscal impact statements, collective bargaining provisions that result from labor negotiations, non-competitive awards, or unanticipated items that arrive in agencies' budget proposals.

## **Project #24**

### **Staff Support for the Council's Audit Function**

#### **Principal Agencies: All County-funded agencies**

Council Resolution 16-826, adopted January 27, 2009, calls upon the Council's Government Operations and Fiscal Policy (GO) Committee "to continue to strengthen the Council's independent review and oversight of the County's financial reporting, management control, and audit activities." When performing these functions, the Government Operations and Fiscal Policy Committee (GO) meets as the Council's Audit Committee, with the Council President and Vice President serving as ex-officio voting members. The resolution requires the GO Committee to meet as the Council's Audit Committee at least four times a year.

Council Resolution 16-826 assigns the Office of Legislative Oversight the responsibility to coordinate staff support for the GO Committee when it meets as the Audit Committee. During FY20, the Committee is scheduled to receive regular updates from the Office of the Inspector General and the Office of Internal Audit, receive a report from the County's external auditor on the results from the audit of the FY19 financial statements, submit an end-of-year report to the Council, and address other issues as needed.

As directed by the Council resolution, OLO will ensure that the Committee receives "assistance from the Council staff, the Office of the Inspector General, Executive Branch and other County agency staff, and contractors with appropriate expertise" in carrying out its "oversight of financial reporting and risk assessment."

## **Project #25**

### **Management of the Council's Independent Audit Contracts**

#### **Principal Agency: Montgomery County Government**

Section 315 of the County Charter requires the Council to contract with a certified public accountant to perform an annual independent audit of the County Government's financial statements. The Council also contracts for the annual audit of the financial statements of the employee retirement plans and the Montgomery County Union Employees Deferred Compensation Plan.

Since 1991, the Council has assigned the Office of Legislative Oversight the responsibility to act as the Council's contract administrator and provide support to the Council during the period of audit engagement. OLO carries out these responsibilities with oversight and guidance from the Council's Audit Committee. The Audit Committee consists of the members of the Government Operations and Fiscal Policy Committee, with the Council President and Vice President serving as *ex officio* voting members.

The FY20 Independent Financial Audit NDA funds the independent audits of the FY19 financial statements issued by the County Government, the employee retirement plans, and the Montgomery County Union Employees Deferred Compensation Plan. FY20 is the fourth and final year of the Council's contract with CliftonLarsonAllen LLP to provide audit services. During FY20, the Council will post a Request for Proposal and select an audit firm for a new contract.

## **Project #26**

### **Maintain and Update Interactive Fiscal Plan**

#### **Principal Agency: Montgomery County Government**

The Council asked OLO to create a web-based tool to allow policy makers and the public to better understand the long-term fiscal impacts of alternative budget decisions. In response to this directive, OLO developed a budget model known as the “Interactive Fiscal Plan.” The Interactive Fiscal Plan is a model that allows users to input alternative revenue and expenditure assumptions in the County’s six-year budget projections. The model calculates the cumulative six-year effect of adjusting the assumed average annual rate of change for major fiscal variables including revenue generation, agency spending, and debt service payments.

OLO launched the web-based model in December 2014. During FY20, OLO will maintain the model and periodically update the data to reflect current budget decisions and economic projections. In addition, OLO staff will demonstrate the model at public meetings as directed by the Council.

## **Project #27**

### **Assignments as Needed**

#### **Principal Agencies: All**

In order to better meet the needs of Councilmembers, OLO will leave space on its work program to conduct research reports. Upon request of Councilmembers and the approval of the Council President, OLO will, on an as needed basis, add assignments to its work plan. These reports will address topics that arise over the course of the year.

One of OLO's FY19 priorities is to provide continued flexibility in its ability to take on and complete research assignments that arise over the course of the year. Projects that are added to the work program under Project #20 will be released to the public in the same manner as other OLO projects but will not necessarily be assigned to a discussion at a committee hearing. They will be research-based and require only minimal interaction with staff of other government agencies.