



Management and Budget

Recommended FY18 Budget

\$4,730,931

Full Time Equivalents

32.25

Mission Statement

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

Budget Overview

The total recommended FY18 Operating Budget for the Office of Management and Budget is \$4,730,931, an increase of \$430,642 or 10.01 percent from the FY17 Approved Budget of \$4,300,289. Personnel Costs comprise 97.89 percent of the budget for 32 full-time position(s) and one part-time position(s), and a total of 32.25 FTEs. Total FTEs may include seasonal or temporary positions and may also reflect workforce charged to or from other departments or funds. Operating Expenses account for the remaining 2.11 percent of the FY18 budget.

Linkage to County Result Areas

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

A Responsive, Accountable County Government

Department Performance Measures

Performance measures for this department are included below (where applicable). The FY17 estimates reflect funding based on the FY17 approved budget. The FY18 and FY19 figures are performance targets based on the FY18 recommended budget and funding for comparable service levels in FY19.

Measure	Actual FY15	Actual FY16	Estimated FY17	Target FY18	Target FY19
Program Measures					
Overall Government Finance Officers Association (GFOA) Distinguished Budget Presentation Award ratings - percent rated outstanding or proficient ¹	98.7	92.6	95.0	95.0	95.0
Percentage of respondents rating OMB services as good or very good on the OMB Customer Survey for the budget process ²	79.1	84.4	86.0	90.0	90.0
Percentage of respondents rating the ability of OMB staff to provide effective support in solving problems as good or very good on the OMB Customer Survey for the budget process	77.6	91.0	91.0	91.0	91.0

Measure	Actual	Actual	Estimated	Target	Target
	FY15	FY16	FY17	FY18	FY19
Percentage of respondents rating the quality of OMB training and instructional materials as good or very good on the OMB Customer Survey for the budget process	86.4	95.5	95.5	95.5	95.5
Number of budget preparation and system trainings conducted by OMB ³	16	7	22	10	15

¹ The fiscal year shown for GFOA rating corresponds to the fiscal year during which the budget was prepared (e.g. FY16 GFOA results apply to FY17 budget document, which was prepared during FY16).

² The Fiscal year shown in connection with all OMB Customer Survey results corresponds to the fiscal year during which the budget was prepared (e.g. FY16 results apply to the process of preparing the FY17 budget, which occurred during FY16).

³ Increase in odd numbered fiscal years due to increased CIP trainings during a full CIP year. Increase in FY15 and FY17 reflect additional trainings due to rollout of new operating and CIP budget development systems.

Initiatives

- ★ Implementing a new in-house developed Capital Improvements Program (CIP) Budget web-based application leveraging the existing platform developed for the Operating Budget (BASIS). This intuitive, scalable and mobile-friendly application will provide OMB and County departments with streamlined workflows, enhanced real-time reports and dashboards, prior year / version data archiving, and user management. CIP BASIS will deliver comprehensive capital project management including funding, expenditures, appropriations, narratives, accounting, review packets, issue reporting, supplementals, transfers, funding switches, transaction logs, and user management. The anticipated launch date is July 2017, and will be used in developing the FY19-FY24 Capital Improvements Program budget.

Accomplishments

- ☑ Provided solutions for closing a budget gap of \$3.5 billion between FY08 and FY18 to produce balanced budgets while preserving critical services and advancing key County policies.
- ☑ Participated and provided fiscal guidance in collective bargaining negotiations for the County Government's three major unions.
- ☑ Received an award from the National Association of Counties (NACo) for the in-house development of the Budget Analytical and Statistical Information System (BASIS). The system replaces numerous failing legacy systems, delivers comprehensive budget management, provides a mechanism for CountyStat to collect and report performance measures, and was developed with no hardware / software costs by utilizing existing technologies.
- ☑ Provided IT guidance and support to various departments:
 - Worked with the Office of Consumer Protection, the Department of Housing and Community Affairs, and the Department of Technology Services to collaboratively develop and share an in-house case management system.
 - Developed CAO Sponsor Approval application that provided the County Executive's Office with a mechanism to approve, track and report on all sponsorships provided by Montgomery County.
 - Provided video tutorials covering Projects and Grants, Accounts Payable and spendingMontgomery for the Department of Finance.
 - Developed Contract Review Application for Risk Management allowing the department to collect, track and report contracts awarded to departments in Montgomery County.
 - Consulted with the Department of Recreation, Community Use of Public Facilities, and the Department of Parks on requirements, enhancements and issues with the ActiveNet system.
 - Worked with Technology Services to create two new teams, Employee Productivity Solutions (EPS) and Account Managers focused on delivering content / knowledge management, automated forms and department IT support.

-
- Provided analysis and recommendations to the County Circuit Court on the implementation of the state-wide case management system (MDEC).
 - Provided guidance and recommendations to Health and Human Services on the implementation of their case management system (eicm + Next Gen).

☑ Continued outreach efforts to promote open data, government transparency, budgeting processes, and to solicit community input into the development of the Operating and CIP budgets. Information and training sessions were held to inform community members and not-for-profit organizations of the community grant application system; CIP and Operating budget forums were held in conjunction with the County Executive's Office and the five Regional Services Centers; budget overview sessions were presented to the participants of Leadership Montgomery's Youth Leadership and Emerging Leaders programs, Montgomery County Taxpayers League, and the Latino American Advisory Group; and budget presentations were conducted for visiting dignitaries from the People's Republic of China and the Philippines.

Innovations and Productivity Improvements

- ✦ Implemented a new publication module in BASIS. The publication module produces all chapters of the Recommended and Approved budget books, automates pagination and table of contents, standardizes the overall appearance, and streamlines the process of developing reference materials and knowledge based articles. Implementation of the module reduced staff time required to compile and format information, prepare and transmit documents for printing, upload to the web, interface with openBudget, and improved readability of the publication.
- ✦ Developed multiple enhancements to BASIS and eBudget that replaced inefficient legacy systems, streamlined processes, improved transmission of data, increased access to data, and enhanced reporting functions. Enhancements included
 - Encumbrance liquidation system - replaced the Excel-based process, standardized the submission format, improved reporting capabilities.
 - Quarterly analysis - replaced the Excel-based process, standardized the submission format, improved reporting capabilities, and provide intuitive interface with built-in error checking and validation.
 - Grant tracking and reporting - replaced manual system and allows OMB to track grants and automatically notify Council staff when a grant meets certain eligibility requirements.
 - Non-Competitive Contract Award Database - new module built in BASIS allows departments and OMB to track, report, and search all non-competitive contracts, and provide both real-time and historical reporting.
 - Supplemental log - replaced manual system, provides both real-time and historical reporting.
 - MyTasks - allows departments, OMB, and CountyStat users to quickly view the status of budget development tasks and provides links to training materials.
- ✦ Provided OMB staff with training opportunities to improve communication, critical thinking and collaboration skills.

Collaboration and Partnerships

- ✦ CIP and Operating budget forums
 - CIP and Operating budget forums were held in conjunction with the County Executive's Office and the five Regional Services Centers.

* Facilitated cluster meetings

OMB facilitated operating budget cluster meetings to promote collaboration, information sharing, cost-savings, and efficiency among departments. Specific areas of focus included positive youth development, seniors, criminal justice, technology, risk management, facility maintenance, and space allocation. At the departments' request, OMB will continue facilitating quarterly meetings of several of the clusters.

* IT support

In collaboration with DTS, OMB reviewed budget requests for new and existing IT solutions to determine if there were overlapping departmental needs, joint solutions, or more cost effective alternatives.

* Collective Bargaining

OMB, in partnership with the Office of Human Resources, County Attorney, Finance, and representatives from key departments, serve on the County's collective bargaining negotiating team.

* Project Search

Partner with OHR by providing opportunities for Project Search participants to intern at OMB. OMB has hosted a number of Project Search participants every year since 2013 and hired two of those participants to permanent positions.

Program Contacts

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

Program Descriptions

* Budget Preparation and Administration

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

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

Related work includes participation in collective bargaining and compensation policy development; fiscal management and policy development; management analyses; measurement initiatives; program evaluations; fiscal impact analyses of legislation and regulations; development and amendment of administrative procedures; development and monitoring of user fees and other revenues; grants coordination; and contract review. The office's leadership, administration, automation, and process management

are also included in this program. Staff provide OMB representation on a number of committees including the Contract Review Committee, the Interagency Group on Energy and Utilities Management, the Board of Investment Trustees, the Diversity Council, the Telecommunications Transmission Facility Coordinating Group, the Labor Relations Policy Committee, the ERP Steering Committee, the Information Technology Policy Advisory Committee, the Public Safety System Modernization project, the Housing Loan Review Committee, the Collaboration Council of Montgomery County, and the Rapid Transit Steering Committee.

BUDGET SUMMARY

	Actual FY16	Budget FY17	Estimate FY17	Recommended FY18	%Chg Bud/Rec
COUNTY GENERAL FUND					
EXPENDITURES					
Salaries and Wages	2,985,696	3,317,750	3,079,022	3,651,805	10.1 %
Employee Benefits	936,619	886,219	871,242	979,352	10.5 %
County General Fund Personnel Costs	3,922,315	4,203,969	3,950,264	4,631,157	10.2 %
Operating Expenses	97,327	96,320	279,035	99,774	3.6 %
County General Fund Expenditures	4,019,642	4,300,289	4,229,299	4,730,931	10.0 %
PERSONNEL					
Full-Time	32	32	32	32	—
Part-Time	0	0	0	1	—
FTEs	29.50	29.50	29.50	32.25	9.3 %

FY18 RECOMMENDED CHANGES

	Expenditures	FTEs
COUNTY GENERAL FUND		
FY17 ORIGINAL APPROPRIATION	4,300,289	29.50
<u>Changes (with service impacts)</u>		
Add: Project Search Position to Provide Office Support [Budget Preparation and Administration]	37,800	0.75
Enhance: Staff Development [Budget Preparation and Administration]	5,000	0.00
<u>Other Adjustments (with no service impacts)</u>		
Shift: Eliminate chargeback to CIP [Budget Preparation and Administration]	180,473	1.00
Shift: Enterprise Resource Planning (ERP) staff support from DTS [Budget Preparation and Administration]	134,672	1.00
Increase Cost: Annualization of Analyst Position Reclassification [Budget Preparation and Administration]	101,500	0.00
Increase Cost: FY18 Compensation Adjustment	94,970	0.00
Increase Cost: Annualization of FY17 Compensation Increases	28,206	0.00
Increase Cost: Retirement Adjustment	6,654	0.00
Decrease Cost: Printing and Mail	(1,546)	0.00
Decrease Cost: Annualization of FY17 Personnel Costs	(71,081)	0.00
Decrease Cost: Increase Lapse [Budget Preparation and Administration]	(86,006)	0.00
FY18 RECOMMENDED	4,730,931	32.25

CHARGES TO OTHER DEPARTMENTS

Charged Department	Charged Fund	FY17 Total\$	FY17 FTES	FY18 Total\$	FY18 FTES
COUNTY GENERAL FUND					
Human Resources	Employee Health Self Insurance	88,240	0.50	76,784	0.50
Technology Services	General Fund	128,994	1.00	0	0.00
CIP	Capital Fund	174,205	1.00	0	0.00
Total		391,439	2.50	76,784	0.50

FUTURE FISCAL IMPACTS

CE RECOMMENDED (\$000S)

Title	FY18	FY19	FY20	FY21	FY22	FY23
COUNTY GENERAL FUND						
EXPENDITURES						
FY18 Recommended	4,731	4,731	4,731	4,731	4,731	4,731
No inflation or compensation change is included in outyear projections.						
Labor Contracts	0	37	37	37	37	37
These figures represent the estimated annualized cost of general wage adjustments, service increments, and other negotiated items.						
Subtotal Expenditures	4,731	4,768	4,768	4,768	4,768	4,768