



# Management and Budget

## RECOMMENDED FY20 BUDGET

\$5,235,537

## FULL TIME EQUIVALENTS

33.25

RICHARD S. MADALENO, DIRECTOR

## MISSION STATEMENT

The mission of the Office of Management and Budget (OMB) is to offer a broad-based, objective perspective on a range of public and fiscal policies to the County Executive, County Council, and other County partners. The analytical work performed in OMB provides policymakers with data and options for informed decisions. The Office supports and enhances the effective operation of County government, ensuring funds are spent in the most fiscally prudent and socially responsible way. OMB also ensures that departmental expenditures are made in accordance with Executive polices and Council appropriations, consistent with the County Charter.

## BUDGET OVERVIEW

The total recommended FY20 Operating Budget for the Office of Management and Budget is \$5,235,537, an increase of \$315,232 or 6.41 percent from the FY19 Approved Budget of \$4,920,305. Personnel Costs comprise 95.99 percent of the budget for 33 full-time position(s) and one part-time position(s), and a total of 33.25 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 4.01 percent of the FY20 budget.

## COUNTY PRIORITY OUTCOMES

While this program area supports all seven of the County Executive's Priority Outcomes, the following is emphasized:

**Effective, Sustainable Government**

## DEPARTMENT PERFORMANCE MEASURES

Performance measures for this department are included below (where applicable). The FY19 estimates reflect funding based on the FY19 Approved Budget. The FY20 and FY21 figures are performance targets based on the FY20 Recommended Budget and funding for comparable service levels in FY21.

Measure	Actual FY17	Actual FY18	Estimated FY19	Target FY20	Target FY21
<b>Program Measures</b>					
Overall Government Finance Officers Association (GFOA) Distinguished Budget Presentation Award ratings - percent rated outstanding or proficient <sup>1</sup>	98.9	N/A	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 <sup>2</sup>	88.9	73.1	85.0	90.0	90.0

Measure	Actual	Actual	Estimated	Target	Target
	FY17	FY18	FY19	FY20	FY21
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	85.1	79.1	85.0	90.0	90.0
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	96.0	94.1	96.0	96.0	96.0
Number of budget preparation and system trainings conducted by OMB <sup>3</sup>	8	12	11	14	8

<sup>1</sup> The fiscal year shown for GFOA rating corresponds to the fiscal year during which the budget was prepared (e.g. FY17 GFOA results apply to FY18 budget document, which was prepared during FY17). FY18 data is unavailable at the time of publication. Data will be updated in the Approved budget publication.

<sup>2</sup> 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. FY17 results apply to the process of preparing the FY18 budget, which occurred during FY17).

<sup>3</sup> Increase in even numbered fiscal years due to increased CIP trainings during the development of a full CIP.

## INITIATIVES

- ★ Similar to the two-year Capital Improvement Plan cycle, OMB will implement a two-year Public Services Program cycle beginning in FY21. This approach will allow departments and decision makers to better plan, evaluate, and realign County funding to ensure that funds are being spent in the most efficient and effective way possible.
- ★ In an effort to layout a comprehensive blueprint to tackle the County's fiscal challenges over the next decade, OMB will work with other departments to prepare a ten-year financial plan.
- ★ In FY19, OMB implemented Phase I of the online budgeting tool, *A Balancing Act*. OMB will initiate Phase II with the implementation of the Taxpayer Receipt module. *A Balancing Act* is an interactive tool which allows the County to communicate financial information to residents and solicit their feedback. It increases transparency, accountability, and community member participation. With the implementation of the Taxpayer Receipt module, residents can prepare a simulated "receipt" showing how their taxes are used.
- ★ Designing and developing Operating Budget Workforce Module. This module will replace the remaining Hyperion functionality for better data integrity, ease of use, and reduced server footprint and cost. The system is being developed in-house at limited additional cost to the County. The new module will be available for use in the FY21-22 Operating Budget.
- ★ Designing and developing new BASIS and Open Budget dashboards that display and track department operating budgets to the County Executive's priority outcomes and respective performance measures.

## ACCOMPLISHMENTS

- ✔ Developed options for County Executive decisions to close the FY20 Budget gap of \$186.9 million and produce a balanced budget while preserving critical services and advancing key County policies.
- ✔ Developed and implemented a \$45.9 million Savings Plan to close the gap caused by FY18 year end deficit and FY19 revenue shortfalls.
- ✔ Provided analysis to the County Executive and County Council to address significant expected shortfalls in impact taxes without impacting planned support for Montgomery County Public Schools (MCPS) capital projects. Prudent reductions in planned General Obligation bond debt for FY19-24 moved the County toward a more sustainable debt level and contributed to AAA ratings from all three credit rating agencies
- ✔ Conducted comparative Program of Requirements analysis resulting in project and debt service efficiencies, programmatic improvements, and enhanced collaboration between co-locating agencies for projects included in the CIP.

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- ✔ Developed and implemented new Operating Budget BASIS Planning Module that is used to formulate all expenses and revenues for the operating budget. The module replaced Hyperion Planning functionality for better ease of use coupled with enhanced reports.
  - ✔ 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 non-profit organizations of the community grant application system. A budget overview and process presentation was conducted for members of the Mid-County Citizen Advisory Board. Operating budget forums were held in conjunction with the County Executive's Office and the five Regional Services Centers. Interactive Budget Forum workshop featuring *A Balancing Act* was held to directly involve residents and receive their input on budgeting priorities. BASIS and Open Budget presentations were conducted for visiting dignitaries from Cambodia, Croatia and World Bank.
  - ✔ Received three NACo awards in FY19 for the following initiatives: development and implementation of the on-line Capital Open Budget information tool; development and implementation of the on-line Operating Open Budget information tool; and development and implementation of the CIP Budget Analytical Statistical Information System (CIP-BASIS).

## INNOVATIONS AND PRODUCTIVITY IMPROVEMENTS

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- \* Implemented new BASIS Operating Budget planning modules used by departments to develop and submit budgets. The new modules streamlined processes and added functionalities.

## COLLABORATION AND PARTNERSHIPS

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- \* Operating Budget Forums  
Operating budget forums were held in conjunction with the County Executive's Office and the five Regional Services Centers.  
Partners  
Community Engagement Cluster, Office of the County Executive

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- \* Cross Departmental Issue Coordination  
OMB facilitated operating budget cluster meetings to promote collaboration, information sharing, cost-savings, and efficiency among departments. Specific areas of focus included: Safe Neighborhoods; Thriving Youth and Families; Digital Evidence Management and e-Discovery; Pedestrian Safety/Vision Zero; and Technology.

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- \* Project Search  
Partnered with the Office of Human Resources to provide opportunities for Project Search participants to intern at OMB. Since 2013, OMB has hosted eight Project Search participants and hired two of those participants to permanent positions.  
Partners  
Office of Human Resources

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- \* Collective Bargaining  
OMB, in partnership with the Office of Human Resources, County Attorney, Finance, Police, and Fire & Rescue Service served on the County's collective bargaining negotiating team.  
Partners

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Office of the County Attorney, Department of Finance, Montgomery County Fire and Rescue Service, Office of Human Resources, Department of Police

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\* Community Grant Outreach Forums

OMB partnered with staff from the County Council to conduct three information and training sessions on the County's Community Grant application and award process. The sessions were held across the County and were attended by 310 representatives from community non-profit organizations.

Partners  
County Council

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\* Transition Workshops

OMB provided support and assistance at the County Executive's Transition Outcome Team meetings.

Partners  
Office of the County Executive

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## 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

Staff in the Budget Preparation and Administration program serve the County by preparing the County's Operating Budget, Public Services Program, Capital Budget, and Capital Improvement Program ensuring compliance with the County Charter and the decisions of elected officials. fiscal projections prepared by OMB are used by County elected officials in setting policy for the County, and help maintain the County's AAA bond rating.

OMB staff support County partners in fiscal management and policy development, resource management, collective bargaining negotiations, management and performance analyses, fiscal impact analyses of legislation and regulations, development and monitoring of user fees and other revenue sources, and the review of grant applications and contract compliance. To ensure prudent fiscal stewardship, OMB offers several training sessions for County partners throughout the year and provides support for the County Executive's budget forums with County residents. OMB is frequently recognized by the Government Finance Officers Association for its high-quality budget publications.

OMB provides representation on a number of committees including the Contract Review Committee, 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

## BUDGET SUMMARY

	Actual FY18	Budget FY19	Estimate FY19	Recommended FY20	%Chg Bud/Rec
<b>COUNTY GENERAL FUND</b>					
<b>EXPENDITURES</b>					
Salaries and Wages	3,622,689	3,904,607	3,724,923	3,976,394	1.8 %
Employee Benefits	1,084,606	915,698	993,394	1,049,143	14.6 %
<b>County General Fund Personnel Costs</b>	<b>4,707,295</b>	<b>4,820,305</b>	<b>4,718,317</b>	<b>5,025,537</b>	<b>4.3 %</b>
Operating Expenses	104,524	100,000	135,585	210,000	110.0 %
<b>County General Fund Expenditures</b>	<b>4,811,819</b>	<b>4,920,305</b>	<b>4,853,902</b>	<b>5,235,537</b>	<b>6.4 %</b>
<b>PERSONNEL</b>					
Full-Time	32	33	33	33	—
Part-Time	1	1	1	1	—
FTEs	32.25	33.25	33.25	33.25	—

## FY20 RECOMMENDED CHANGES

	Expenditures	FTEs
<b>COUNTY GENERAL FUND</b>		
	<b>FY19 ORIGINAL APPROPRIATION</b>	<b>4,920,305 33.25</b>
<b><u>Changes (with service impacts)</u></b>		
Add: Contractual IT Support [Budget Preparation and Administration]	100,000	0.00
Add: Budget Management Tool (A Balancing Act) [Budget Preparation and Administration]	10,000	0.00
<b><u>Other Adjustments (with no service impacts)</u></b>		
Increase Cost: Restore One-Time Lapse Increase [Budget Preparation and Administration]	194,713	0.00
Increase Cost: FY20 Compensation Adjustment	150,585	0.00
Increase Cost: Retirement Adjustment	11,018	0.00
Decrease Cost: Annualization of FY19 Personnel Costs	(14,988)	0.00
Decrease Cost: Increase lapse and turnover savings [Budget Preparation and Administration]	(136,096)	0.00
	<b>FY20 RECOMMENDED</b>	<b>5,235,537 33.25</b>

## CHARGES TO OTHER DEPARTMENTS

Charged Department	Charged Fund	FY19 Total\$	FY19 FTEs	FY20 Total\$	FY20 FTEs
<b>COUNTY GENERAL FUND</b>					
Human Resources	Employee Health Self Insurance	79,213	0.50	85,371	0.50

## FUTURE FISCAL IMPACTS

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Title	FY20	FY21	FY22	FY23	FY24	FY25
<b>COUNTY GENERAL FUND</b>						
<b>EXPENDITURES</b>						
<b>FY20 Recommended</b>	<b>5,236</b>	<b>5,236</b>	<b>5,236</b>	<b>5,236</b>	<b>5,236</b>	<b>5,236</b>
No inflation or compensation change is included in outyear projections.						
<b>Elimination of One-Time Items Recommended in FY20</b>	<b>0</b>	<b>(100)</b>	<b>(100)</b>	<b>(100)</b>	<b>(100)</b>	<b>(100)</b>
Items recommended for one-time funding in FY20, including contractual IT support, will be eliminated from the base in the outyears.						
<b>Restore One-Time Lapse Increase</b>	<b>0</b>	<b>136</b>	<b>136</b>	<b>136</b>	<b>136</b>	<b>136</b>
Restoration of one-time lapse adjustment in the budget development year						
<b>Labor Contracts</b>	<b>0</b>	<b>28</b>	<b>28</b>	<b>28</b>	<b>28</b>	<b>28</b>
These figures represent the estimated annualized cost of general wage adjustments, service increments, and other negotiated items.						
<b>Subtotal Expenditures</b>	<b>5,236</b>	<b>5,300</b>	<b>5,300</b>	<b>5,300</b>	<b>5,300</b>	<b>5,300</b>