



MONTGOMERY COUNTY GOVERNMENT

Marc Elrich  
County Executive

MEMORANDUM

May 10, 2024

TO: Andrew Friedson, President  
Montgomery County Council

FROM: Jennifer R. Bryant, Director *J. Watters for JRB*  
Office of Management and Budget

Michael J. Coveyou, Director *Michael J. Coveyou*  
Department of Finance

SUBJECT: FY24 Third Quarterly Analysis

Attached please find the Third Quarterly Analysis for Montgomery County Government. Approved or pending supplemental appropriations are assumed in this analysis. Significant expenditure variances are described below.

Third Quarter Expenditure Results

The Office of Animal Services projected overspending is due to staff costs that are higher than the budgeted lapse rate and overtime costs that are greater than budgeted.

The Circuit Court projected overspending is due to increased juror stipends and higher than budgeted staff costs. Juror stipends are reimbursed by the State and that revenue reimbursement and was assumed in the County Executive's Recommended Budget.

The Department of Correction and Rehabilitation projected overspending is due to contract increases for food and medical services, the re-opening of the Pre-Release Center, and increased overtime usage due to staffing shortages.

The Office of the County Attorney projected overspending is due to incomplete chargebacks.

The Department of General Services projected overspending is due to unbudgeted overtime, contractual increases, and after-hours and weekend emergencies at County facilities.

The Office of Grants Management projected overspending is due to higher than budgeted staff costs.

The Department of Health and Human Services projected overspending is due to additional funding needed for various programs and overtime usage.

The Department of Technology and Enterprise Business Solutions projected overspending is due to contractual cost increases.

The Silver Spring Urban District projected overspending is due to staff costs that are higher than the budgeted lapse rate.

The Wheaton Urban District projected overspending is due to staff costs that are higher than the budgeted lapse rate.

The Police Accountability Board NDA projected overspending is due to higher than anticipated operating expenses for legal counsel costs.

The Takoma Park Library Annual Payment NDA projected overspending is due to increased formula payments.

The Recreation Non-Tax Supported overspending is due to increased contract costs.

### Revenue Update

A revenue update will be included in the Revenue Estimating Group report that will be submitted to the County Executive and County Council on May 15.

### Reserves

The County's FY24 total ending reserves are estimated to be at \$955.6 million or 14.9% of adjusted governmental revenues (AGR). This is approximately \$3.7 million less than reported at second quarter analysis and is due to several factors. The County received a \$33.5 million FEMA disbursement on March 14, which was deposited in the County's General Fund; estimated General Fund year-expenditures are approximately \$27.0 million greater than second quarter analysis, including the supplemental appropriation for the New Jobs Initiative, which was not assumed at second quarter analysis; the Montgomery County Public Schools (MCPS) relocatable supplemental for \$5 million and the pending special appropriation for the MCPS Employee Benefits Plan Fund for \$10 million that use General Fund Undesignated Reserves and were not assumed at second quarter analysis; and a decrease to the pending supplemental appropriation for

FY24 Third Quarterly Analysis

May 10, 2024

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the County Employee Health Self Insurance Fund by \$4.8 million compared to second quarter analysis.

JRB/MC:cm

Enclosure: Third Quarterly Analysis of Expenditures

cc: Marc Elrich, County Executive, Office of the County Executive  
Cindy Gibson, Chief of Staff to the Council President, Montgomery County Council  
Caven West, Executive Director, Montgomery County Council  
Richard Madaleno, Chief Administrative Officer, Office of the County Executive  
Fariba Kassiri, Deputy Chief Administrative Officer, Office of the County Executive  
Ken Hartman Espada, Assistant Chief Administrator Officer, Office of the County Executive  
All Department and Office Directors

# FY24 3rd QUARTERLY ANALYSIS

Department	Orig Budget (A)	Latest Budget (B)	Est. (3rd QA) (C)	Variance to Bud. (B-C)	% Change to Bud (B-C)/B
<b>Tax Supported</b>					
<b>General Fund</b>					
Agriculture	1,360,342	1,370,705	1,356,870	13,835	1.0%
Animal Services	9,397,446	9,407,340	9,709,445	-302,105	-3.2%
Board of Appeals	644,915	651,033	655,603	-4,570	-0.7%
Board of Elections	12,661,461	12,671,827	12,605,758	66,069	0.5%
Circuit Court	13,866,467	13,866,467	14,482,146	-615,679	-4.4%
Community Engagement Cluster	8,667,913	8,673,234	8,669,744	3,490	0.0%
Consumer Protection	2,566,794	2,576,387	2,580,456	-4,069	-0.2%
Correction and Rehabilitation	76,314,241	76,376,428	81,615,887	-5,239,459	-6.9%
County Attorney	7,623,648	7,662,359	8,194,684	-532,325	-6.9%
County Council	16,778,016	16,838,983	16,838,983	0	0.0%
County Executive	7,070,523	7,103,287	6,371,050	732,237	10.3%
Emergency Management and Homeland Security	3,023,204	5,908,575	5,699,229	209,346	3.5%
Environmental Protection	9,083,847	9,384,086	8,779,086	605,000	6.4%
Ethics Commission	391,253	397,831	359,960	37,871	9.5%
Finance	16,825,918	20,383,892	20,365,655	18,237	0.1%
Food Systems Resilience	1,118,131	5,588,131	5,611,697	-23,566	-0.4%
General Services	38,741,140	41,407,735	47,537,101	-6,129,366	-14.8%
Grants Management	609,378	614,942	660,160	-45,218	-7.4%
Health and Human Services	357,083,108	367,127,274	367,957,975	-830,701	-0.2%
Housing and Community Affairs	10,625,718	11,558,072	10,844,999	713,073	6.2%
Human Resources	11,358,254	11,378,991	10,524,624	854,367	7.5%
Human Rights	1,963,795	1,974,441	1,691,112	283,329	14.3%
Inspector General	2,917,321	2,932,736	2,788,462	144,274	4.9%
Intergovernmental Relations	956,388	963,250	809,675	153,575	15.9%
Labor Relations	1,621,170	1,626,321	1,648,668	-22,347	-1.4%
Legislative Oversight	2,366,474	2,399,295	2,399,295	0	0.0%
Management and Budget	7,243,698	7,279,996	7,278,309	1,687	0.0%
Merit System Protection Board	688,031	692,648	692,648	0	0.0%
Non-Departmental Accounts	353,380,455	382,734,097	363,606,458	19,127,639	5.0%
Police	312,520,754	312,945,918	305,104,847	7,841,071	2.5%
Procurement	5,068,606	5,093,812	4,905,794	188,018	3.7%
Public Information	7,146,709	7,169,645	6,617,633	552,012	7.7%
Public Libraries	49,418,729	49,480,505	47,372,913	2,107,592	4.3%
Racial Equity and Social Justice	1,398,979	1,398,979	1,217,546	181,433	13.0%
Sheriff	28,056,426	28,061,403	27,935,759	125,644	0.4%
State's Attorney	21,866,576	21,866,576	21,768,086	98,490	0.5%
Technology and Enterprise Business Solutions	52,213,636	52,347,632	52,447,904	-100,272	-0.2%
Transportation	52,190,944	69,320,245	67,443,345	1,876,900	2.7%
Zoning and Administrative Hearings	755,988	755,988	767,223	-11,235	-1.5%
<b>General Fund Total:</b>	<b>1,507,586,396</b>	<b>1,579,991,066</b>	<b>1,557,916,789</b>	<b>22,074,277</b>	<b>1.40%</b>

## Special Funds

### Fire

# FY24 3rd QUARTERLY ANALYSIS

Department	Orig Budget (A)	Latest Budget (B)	Est. (3rd QA) (C)	Variance to Bud. (B-C)	% Change to Bud (B-C)/B
Fire and Rescue Service	266,795,154	286,259,370	286,259,370	0	0.0%
<b><u>Recreation</u></b>					
Recreation	55,955,565	56,002,438	53,766,322	2,236,116	4.0%
<b><u>Bethesda Urban District</u></b>					
Urban Districts	3,579,500	3,579,500	3,532,381	47,119	1.3%
<b><u>Silver Spring Urban District</u></b>					
Urban Districts	4,263,285	4,263,305	4,353,664	-90,359	-2.1%
<b><u>Wheaton Urban District</u></b>					
Urban Districts	3,086,882	3,086,882	3,172,831	-85,949	-2.8%
<b><u>Mass Transit</u></b>					
Transit Services	174,615,613	189,073,238	188,887,710	185,528	0.1%
<b><u>Economic Development Fund</u></b>					
Economic Development Fund	3,455,739	24,387,888	23,533,647	854,241	3.5%
<b><u>Friendship Heights Urban District</u></b>					
Urban Districts	617,518	617,518	617,518	0	0.0%
<b>Special Funds Total:</b>	<b>512,369,256</b>	<b>567,270,139</b>	<b>564,123,443</b>	<b>3,146,696</b>	<b>0.55%</b>
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<b>Tax Supported Total:</b>	<b>2,019,955,652</b>	<b>2,147,261,205</b>	<b>2,122,040,232</b>	<b>25,220,973</b>	<b>1.2%</b>

# FY24 3rd QUARTERLY ANALYSIS

Department	Orig Budget (A)	Latest Budget (B)	Est. (3rd QA) (C)	Variance to Bud. (B-C)	% Change to Bud (B-C)/B
<b>NDA: Tax Supported - County General Fund</b>					
<b>General Fund</b>					
NDA - Arts and Humanities Council	6,649,029	6,649,029	6,649,029	0	0.0%
NDA - Boards, Committees and Commissions	49,665	49,665	26,161	23,504	47.3%
NDA - Charter Review Commission	1,150	1,150	1,150	0	0.0%
NDA - Children's Opportunity Alliance (COA)	728,387	728,387	728,387	0	0.0%
NDA - Climate Change Planning	486,500	486,500	486,500	0	0.0%
NDA - Climate Response	2,884,990	0	0	0	0.0%
NDA - Community Grants	11,617,948	13,117,948	13,117,948	0	0.0%
NDA - Compensation and Employee Benefit Adjustments	8,781,173	8,148,717	7,284,858	863,859	10.6%
NDA - Conference and Visitors Bureau	2,196,819	2,196,819	2,196,819	0	0.0%
NDA - Conference Center	602,195	602,195	202,531	399,664	66.4%
NDA - Consolidated Retiree Health Benefit Trust - MCPS	62,251,472	62,251,472	62,251,472	0	0.0%
NDA - County Associations	74,728	74,728	74,728	0	0.0%
NDA - COVID-19 Response: Community Assistance	0	5,379,120	-44,000	5,423,120	100.8%
NDA - Device Client Management	13,801,195	13,801,195	13,801,195	0	0.0%
NDA - Early Care and Education	11,178,526	23,582,824	12,502,271	11,080,553	47.0%
NDA - Grants To Municipalities in Lieu Of Shares Tax	28,020	28,020	28,012	8	0.0%
NDA - Group Insurance Retirees	51,438,503	51,438,503	51,438,503	0	0.0%
NDA - Guaranteed Income	3,298,345	3,923,607	3,923,607	0	0.0%
NDA - Historical Activities	166,860	166,860	166,860	0	0.0%
NDA - Homeowners' Association Road Maintenance Reimb.	62,089	62,089	62,089	0	0.0%
NDA - Housing Opportunities Commission	7,972,501	7,972,501	7,972,501	0	0.0%
NDA - Incubator Programs	2,659,874	2,659,874	2,391,570	268,304	10.1%
NDA - Independent Audit	431,510	431,510	431,510	0	0.0%
NDA - Interagency Technology, Policy, and Coordination Commission	3,000	3,000	0	3,000	100.0%
NDA - KID Museum	1,860,798	1,860,798	1,860,798	0	0.0%
NDA - Labor Management Relations Committee	0	395,517	212,759	182,758	46.2%
NDA - Leases	18,056,606	18,056,606	18,056,606	0	0.0%
NDA - Legislative Branch Communications Outreach	2,382,054	2,382,054	2,382,054	0	0.0%
NDA - Metro Washington Council of Governments	1,957,533	1,957,533	1,718,724	238,809	12.2%
NDA - Montgomery Coalition for Adult English Literacy	2,277,032	2,277,032	2,277,032	0	0.0%
NDA - Montgomery County Economic Development Corporation	5,950,000	5,950,000	5,950,000	0	0.0%
NDA - Montgomery County Green Bank	18,647,957	18,647,957	18,647,957	0	0.0%
NDA - Payments to Municipalities	18,894,482	19,971,066	19,873,759	97,307	0.5%
NDA - Police Accountability Board	509,222	509,222	602,602	-93,380	-18.3%
NDA - Prisoner Medical Services	20,000	20,000	0	20,000	100.0%
NDA - Public Technology, Inc.	5,000	5,000	5,000	0	0.0%
NDA - Risk Management (General Fund)	26,469,813	26,469,813	26,469,813	0	0.0%
NDA - Rockville Parking District	422,300	422,300	420,632	1,668	0.4%
NDA - Skills for the Future	284,774	426,153	284,774	141,379	33.2%
NDA - Small Business Support Services	1,485,000	1,485,000	1,485,000	0	0.0%
NDA - State Positions Supplement	60,756	60,756	0	60,756	100.0%
NDA - State Property Tax Services	3,565,615	3,565,615	3,565,615	0	0.0%
NDA - Takoma Park Library Annual Payments	172,416	172,416	184,090	-11,674	-6.8%

## FY24 3rd QUARTERLY ANALYSIS

Department	Orig Budget (A)	Latest Budget (B)	Est.(3rd QA) (C)	Variance to Bud. (B-C)	% Change to Bud (B-C)/B
NDA - Telecommunications	5,086,126	5,086,126	5,086,126	0	0.0%
NDA - UM 3 - Institute for Health Computing	3,700,000	3,700,000	3,700,000	0	0.0%
NDA - Universities at Shady Grove	225,000	225,000	0	225,000	100.0%
NDA - Vision Zero	201,944	201,944	201,619	325	0.2%
NDA - Working Families Income Supplement	27,490,751	27,490,751	27,288,072	202,679	0.7%
NDA - WorkSource Montgomery, Inc.	2,014,594	2,014,594	2,014,594	0	0.0%
Utilities	24,276,203	35,625,131	35,625,131	0	0.0%
<b>NDA's: Tax Supported - County General Fund Total:</b>	<b>353,380,455</b>	<b>382,734,097</b>	<b>363,606,458</b>	<b>19,127,639</b>	<b>5.0%</b>

# FY24 3rd QUARTERLY ANALYSIS

Department	Orig Budget (A)	Latest Budget (B)	Est. (3rd QA) (C)	Variance to Bud. (B-C)	% Change to Bud (B-C)/B
<b>Non-Tax Supported</b>					
<b><u>Special Funds</u></b>					
<b><u>Montgomery Housing Initiative</u></b>					
Housing and Community Affairs	57,287,692	68,253,520	64,665,321	3,588,199	5.3%
<b><u>Cable TV</u></b>					
Cable Television Communications Plan	14,062,013	14,073,511	13,303,062	770,449	5.5%
<b><u>Water Quality Protection</u></b>					
Environmental Protection	33,929,975	33,953,981	33,195,981	758,000	2.2%
<b><u>Recreation Non-Tax Supported</u></b>					
Recreation	3,600,000	3,600,000	4,725,351	-1,125,351	-31.3%
<b><u>Detention Center Non-Tax</u></b>					
Correction and Rehabilitation	543,000	543,000	306,840	236,160	43.5%
<b>Special Funds Total:</b>	<b>109,422,680</b>	<b>120,424,012</b>	<b>116,196,555</b>	<b>4,227,457</b>	<b>3.51%</b>
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<b><u>Enterprise Funds</u></b>					
<b><u>Liquor</u></b>					
Alcohol Beverage Services	70,739,577	70,739,577	70,651,799	87,778	0.1%
<b><u>Solid Waste Disposal</u></b>					
Recycling and Resource Management	131,284,200	131,326,105	130,626,105	700,000	0.5%
<b><u>Solid Waste Collection</u></b>					
Recycling and Resource Management	11,366,793	11,366,793	11,351,793	15,000	0.1%
<b><u>Leaf Vacuuming</u></b>					
Transportation	7,273,923	7,273,923	6,395,395	878,528	12.1%
<b><u>Community Use of Public Facilities</u></b>					
Community Use of Public Facilities	11,139,336	11,154,518	10,783,085	371,433	3.3%
<b><u>Bethesda Parking</u></b>					
Parking District Services	14,394,080	14,399,815	14,222,059	177,756	1.2%
<b><u>Silver Spring Parking</u></b>					
Parking District Services	11,227,847	11,233,457	11,173,982	59,475	0.5%
<b><u>Wheaton Parking</u></b>					
Parking District Services	1,643,050	1,653,730	1,653,730	0	0.0%
<b><u>Permitting Services</u></b>					
Permitting Services	41,662,896	41,771,428	41,456,558	314,870	0.8%
<b>Enterprise Funds Total:</b>	<b>300,731,702</b>	<b>300,919,346</b>	<b>298,314,506</b>	<b>2,604,840</b>	<b>0.87%</b>
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<b><u>Internal Service Funds</u></b>					
<b><u>Motor Pool</u></b>					
Fleet Management Services	88,296,952	88,296,952	95,620,242	-7,323,290	-8.3%
<b><u>Central Duplicating (Printing &amp; Mail)</u></b>					
General Services	8,700,344	8,700,344	9,900,344	-1,200,000	-13.8%
<b><u>Risk Management (Self Insurance - ISF)</u></b>					
Finance	95,316,835	95,316,835	94,867,171	449,664	0.5%
<b><u>Employee Health Self Insurance</u></b>					
Human Resources	331,488,321	336,688,321	336,081,776	606,545	0.2%



## FY24 3rd QUARTERLY ANALYSIS

Department	Orig Budget (A)	Latest Budget (B)	Est. (3rd QA) (C)	Variance to Bud. (B-C)	% Change to Bud (B-C)/B
<b>Internal Service Funds Total:</b>	523,802,452	529,002,452	536,469,533	-7,467,081	-1.41%
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<b>Non-Tax Supported Total:</b>	933,956,834	950,345,810	950,980,594	-634,784	-0.1%