MFP COMMITTEE # 7
April 29, 2009

MEMORANDUM

April 23, 2009

TO: Management and Fiscal Policy Committee

FROM: Shondell H. Foster, Research Associate SHF

SUBJECT: **Worksession:** FY10 Operating Budget
Office of Intergovernmental Relations

The following staff is expected to attend this worksession:

Melanie Wenger, Director of Intergovernmental Relations
Charles Goldsmith, Office of Management and Budget

The Executive's recommendation for the Office of Intergovernmental Relations (OIR) is attached at ©1-4.

Overview

For FY10, the Executive recommends total expenditures of $897,400 for OIR, a 3.6% decrease from the FY09 approved budget.

(in $000s)	FY08 Actual	FY09 Approved	FY10 CE Recommended	% Change FY09-10
Expenditures:				
General Fund	$784,246	$882,770	$877,400	-0.6%
Grant Fund	$48,000	$48,000	$20,000	-58.3%
TOTAL Expenditures	$832,246	$930,770	$897,400	-3.6%
Positions:				
Full-time	4	4	4	0.0%
Part-time	1	1	1	0.0%
TOTAL Positions	5	5	5	0.0%
WORKYEARS	4.8	5.1	5.1	0.0%

The Executive recommends no changes in full or part-time positions.

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The FY10 Executive recommendation is a decrease of $33,370. This decrease comes from the following identified adjustments:

Identified Adjustments With No Service Impacts- County General Fund	FY10 CE Recommended
Annualization of FY09 Personnel Costs	$3,910
Service Increment	$2,480
Retirement Adjustment	$1,910
Printing and Mail Adjustments	$210
Group Insurance Adjustments	$170
Central Duplicating Deficit Charge	-$50
Professional Services Contract for BRAC Activities	-$14,000
TOTAL Same Service Adjustments	**-$5,370**
Identified Adjustments With Service Impacts- Grant Fund MCG	
Base Realignment and Closure (BRAC) Grant	-$28,000
TOTAL ADJUSTMENTS	**-$33,370**

Program Measures and Priorities

OIR represents County interests at the municipal, regional, State, and Federal levels. CountyStat examined the Office's performance by identifying four measures that relate to the primary function of the office:

Performance Measure 1- Percent of Operating Budget State and Federal Funds- the proportion of Montgomery County's operating budget supported by revenues provided from specific State and Federal sources.

In FY09 17 percent of the County's operating budget was supported by State and Federal funds in comparison to FY08 where 19 percent of the County's operating budget was supported by State and Federal funds.

Performance Measure 2- Percent of State Legislative Package where OIR Position Prevailed- includes bills affecting only Montgomery County, introduced on behalf of the County and by members of the State Delegation where the County's position prevailed.

In 2008, 34 local and bi-county bills were introduced and the OIR position prevailed for 79 percent of those bills. In 2007, 30 local and bi-county bills were introduced and the OIR position prevailed for 51 percent of those bills.

Performance Measure 3- Percent of Montgomery County Priorities Partially and Fully Realized relative to the number of priorities advanced in a given year.

In 2008, the County fully realized 44 percent of its State priorities and partially realized 44 percent of its State priorities. In 2007, the County fully realized 50 percent, and partially realized 40 percent, of its State priorities.

Performance Measure 4- Percent of Federal Priorities Fully or Partially Realized- County Federal priorities, fiscal and policy, that were either fully or partially realized relative to the number or priorities advanced in a given year.

The County realized 70 percent of its Federal priorities in 2008 and 44 percent in 2009, due in large part to Congress adopting Continuing Resolutions for fiscal years 2007 and 2009 which effectively funded federal programs at the previous year's level.

These measures are more quantitative than qualitative. More information about OIR's performance measures can be found on © 1 and by visiting http://www2.montgomerycountymd.gov/countystat/search.aspx.

FY10 Expenditure Issues

Base Realignment and Closure (BRAC)

The County Executive recommends a reduction of $14,000 to the Professional Services Contract for BRAC Activities. This reduction is a result of the matching grant agreement between the County, the State, and Prince George's County where the State's portion determines the total amount allocated to the BRAC-related services and each party contributes equally. In previous fiscal years, the total grant was $72,000 ($24,000 each from the State, Montgomery County, and Prince George's County). It is now $30,000 ($10,000 each from the State, Montgomery County, and Prince George's County). The grant is tied to the availability of funding.

In April 2009, OIR was notified by the State that the State has committed $17,000 to fund the BRAC grant, $7,000 more than anticipated in the Executive's recommended budget. OIR indicates that the County will have to match the State's level of funding. **Council Staff recommends increasing the County match for this grant to $17,000.**

Although the Executive indicates this reduction will have no service impacts, OIR indicates that there will be service impacts, most likely affecting coordination with the community and possibly with Congressional staff. OIR indicates the contractor who performs this grant is visible in the community, has worked closely with the County and State, and has been heavily involved with federal appropriation bills.

Naval Surface Warfare Center ($20,000)

OIR indicates that this grant supports carrying out activities intended to maximize the economic development potential of the reuse of the Naval Surface Warfare Center at White Oak (which is

being transitioned into the new Food and Drug Administration headquarters), as well as begin strategic planning for the anticipated Base Realignment and Closure (BRAC) action at the National Naval Medical Center. The funds are used to engage a consultant to work under the direction of OIR to assist in carrying out certain tasks related to BRAC recommendations. The end date for the grant is uncertain, as the activities are dependent on annual federal appropriations secured by the Maryland Congressional delegation.

The Naval Surface Warfare Center is listed in the FY10 Executive's budget as a $20,000 source of revenue for Grant Fund MCG. OIR indicates that this grant and the Base Realignment and Closure (BRAC) Grant are the same; therefore, the adjustments discussed above will be directly reflected in this budget item. The increased funding by the State and the matching level of funding by Prince George's County for the BRAC Grant will result in an increase in Grant Fund MCG revenue of $34,000 ($17,000 each from the State and from Prince George's County) for FY10.

Council Staff Recommendation

Council staff recommends a total appropriation for OIR of $884,400 for the FY10 Operating Budget, $7,000 more than the Executive's recommended budget. The additional funding reflects the County's match to the State's level of funding for the Professional Services Contract for BRAC Activities.

This packet contains:	©
Recommended FY10 Operating Budget	1-4
Letter from State re: FY10 BRAC Grant Funding	5

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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 Association of Counties.

BUDGET OVERVIEW

The total recommended FY10 Operating Budget for the Office of Intergovernmental Relations is $897,400, a decrease of $33,370 or 3.6 percent from the FY09 Approved Budget of $930,770. Personnel Costs comprise 81.9 percent of the budget for four full-time positions and one part-time position for 5.1 workyears. Operating Expenses account for the remaining 18.1 percent of the FY10 budget.

LINKAGE TO COUNTY RESULT AREAS

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

- ***A Responsive, Accountable County Government***
- ***Affordable Housing in an Inclusive Community***
- ***An Effective and Efficient Transportation Network***
- ***Children Prepared to Live and Learn***
- ***Healthy and Sustainable Neighborhoods***
- ***Safe Streets and Secure Neighborhoods***
- ***Strong and Vibrant Economy***
- ***Vital Living for All of Our Residents***

DEPARTMENT PERFORMANCE MEASURES

This table presents the department's headline measures or submeasures including projections from FY09 through FY11. These estimates reflect funding based on the FY09 savings plan, the FY10 budget, and funding for comparable service levels in FY11.

Measure	Actual FY07	Actual FY08	Estimated FY09	Projected FY10	Projected FY11
Headline Measures					
Revenue generated through State and Federal funds as a percent of the County Operating Budget - Revenue includes Direct State Aid, State Retirement Payments, total State Capital Grants, and realized Federal Congressionally Designated Projects	NA	20	20	20	20
Total revenue generated through Direct State Aid, State Retirement Payments, total State Capital Grants, and realized Federal Congressionally Designated Projects (in millions)	NA	878	887	926	926
Percent of State priorities fully realized	50	44	50	50	50
Percent of Federal priorities fully or partially realized	70	44	44	44	44
State grants appropriated for capital projects, excluding transportation (in millions)	NA	66	138	70	70
Percent of State legislative package where Intergovernmental Relations position prevailed	51	79	80	80	80
Percent of State priorities partially realized	40	44	50	50	50
Program Measures					
Direct State Aid appropriated by Maryland, comprised primarily of public K-12 education aid (in millions)	NA	527	526	571	571
Congressionally Designated Projects appropriated (in millions)	NA	145	58	163	163

	Actual FY07	Actual FY08	Estimated FY09	Projected FY10	Projected FY11
State Retirement Payments appropriated, including public K-12 teachers and some community college faculty (in millions)	NA	123	134	160	160
State grants appropriated for capital transportation projects (in millions)	NA	17	32	32	32

ACCOMPLISHMENTS AND INITIATIVES

- ***Conducted Congressional staff briefings on the County's federal priorities.***
- ***Promoted the Montgomery County agenda at the Federal, State and Local levels.***
- ***Productivity Improvements***
  - ***The office will continue to place updated legislative information on the website, such as Montgomery County Priorities, making information more accessible to the public.***

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 FY08	Budget FY09	Estimated FY09	Recommended FY10	% Chg Bud/Rec
COUNTY GENERAL FUND					
EXPENDITURES					
Salaries and Wages	545,128	577,870	596,880	586,980	1.6%
Employee Benefits	132,474	148,890	129,880	148,250	-0.4%
County General Fund Personnel Costs	***677,602***	***726,760***	***726,760***	***735,230***	***1.2%***
Operating Expenses	106,644	156,010	133,940	142,170	-8.9%
Capital Outlay	0	0	0	0	—
County General Fund Expenditures	***784,246***	***882,770***	***860,700***	***877,400***	***-0.6%***
PERSONNEL					
Full-Time	4	4	4	4	—
Part-Time	1	1	1	1	—
Workyears	5.1	5.1	5.1	5.1	—
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	48,000	48,000	48,000	20,000	-58.3%
Capital Outlay	0	0	0	0	—
Grant Fund MCG Expenditures	***48,000***	***48,000***	***48,000***	***20,000***	***-58.3%***
PERSONNEL					
Full-Time	0	0	0	0	—
Part-Time	0	0	0	0	—
Workyears	0.0	0.0	0.0	0.0	—
REVENUES					
Naval Surface Warfare Center	48,000	48,000	48,000	20,000	-58.3%
Grant Fund MCG Revenues	***48,000***	***48,000***	***48,000***	***20,000***	***-58.3%***
DEPARTMENT TOTALS					
Total Expenditures	**832,246**	**930,770**	**908,700**	**897,400**	**-3.6%**
Total Full-Time Positions	**4**	**4**	**4**	**4**	—
Total Part-Time Positions	***1***	***1***	***1***	***1***	—
Total Workyears	***5.1***	***5.1***	***5.1***	***5.1***	—
Total Revenues	***48,000***	***48,000***	***48,000***	***20,000***	***-58.3%***

FY10 RECOMMENDED CHANGES

	Expenditures	WYs
COUNTY GENERAL FUND		
FY09 ORIGINAL APPROPRIATION	**882,770**	**5.1**
Other Adjustments (with no service impacts)		
Increase Cost: Annualization of FY09 Personnel Costs	3,910	0.0
Increase Cost: Service Increment	2,480	0.0
Increase Cost: Retirement Adjustment	1,910	0.0
Increase Cost: Printing and Mail Adjustments	210	0.0
Increase Cost: Group Insurance Adjustment	170	0.0
Decrease Cost: Central Duplicating Deficit Charge	-50	0.0
Decrease Cost: Professional Serivces Contract for Base Realignment and Closure (BRAC) Activities	-14,000	0.0
FY10 RECOMMENDED:	**877,400**	**5.1**
GRANT FUND MCG		
FY09 ORIGINAL APPROPRIATION	**48,000**	**0.0**
Changes (with service impacts)		
Reduce: Base Realignment and Closure (BRAC) Grant	-28,000	0.0
FY10 RECOMMENDED:	**20,000**	**0.0**

FUTURE FISCAL IMPACTS

Title	CE REC. FY10	FY11	FY12	($000's) FY13	FY14	FY15
This table is intended to present significant future fiscal impacts of the department's programs.						
COUNTY GENERAL FUND						
Expenditures						
FY10 Recommended	**877**	**877**	**877**	**877**	**877**	**877**
No inflation or compensation change is included in outyear projections.						
Labor Contracts	**0**	**1**	**1**	**1**	**1**	**1**
These figures represent the estimated cost of service increments and associated benefits.						
Subtotal Expenditures	***877***	***879***	***879***	***879***	***879***	***879***

(4)

Foster, Shondell

From: Wells, Wanda
Sent: Tuesday, April 21, 2009 3:57 PM
To: Foster, Shondell
Cc: Wenger, Melanie
Subject: FW: 2010 - State of Maryland/Dept. of Bus & Econ. Dev Budget

Shondell,

FYI, please see the message below from Linda Bell to Melanie regarding the State's commitment for FY10 for the BRAC-related grant agreement. Please call if you have any questions (x76550).

Thanks, Wanda

-----Original Message-----
From: Wenger, Melanie
Sent: Tuesday, April 21, 2009 3:26 PM
To: Wells, Wanda
Subject: FW: 2010 - State of Maryland/Dept. of Bus & Econ. Dev Budget

FYI....

From: Linda Bell [mailto:LBell@choosemaryland.org]
Sent: Tuesday, April 21, 2009 3:24 PM
To: Wenger, Melanie
Cc: Lisa Swoboda
Subject: 2010 - State of Maryland/Dept. of Bus & Econ. Dev Budget

Good Afternoon Melanie:

For State Fiscal Year 2010, the Department of Business and Economic Development (DBED) has allocated $17,000 to support the grant agreement with Montgomery County – White Oak project. This funding is based upon the availability of state and/or federal funds to DBED. Should funding (state and /or federal) changes occur, the State has the right to modify the grant agreement accordingly.

Please let me know should you have any questions.

Linda S. Bell
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World Trade Center
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Baltimore, Maryland 21202
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