

MEMORANDUM

July 8, 2020

TO: Government Operations and Fiscal Policy (GO) Committee

FROM: Gene Smith, Legislative Analyst, and relevant analyst per section

SUBJECT: FY21 Savings Plan

PURPOSE: Review and make recommendations to the Council

See the Executive's recommended FY21 Savings Plan on ©1-14. The GO Committee will consider the items listed below. All values in the tables of this memorandum are represented as dollars (\$) unless otherwise noted.

Table 1: Summary Table of GO Committee Items

Budget	FY21 Appropriation	CE Recommended Reduction	Percent Reduction	Council Staff Recommendation
<i>Deputy Director Howard</i>				
Intergovernmental Relations	1,136,428	- 68,186	6.0%	See analysis
County Council	12,612,090	- 365,976	2.9%	- 365,976
County Executive	5,683,707	- 341,162	6.0%	- 341,162
Ethics Commission	365,266	- 21,916	6.0%	- 21,916
Human Resources	7,842,794	- 85,568	1.1%	- 85,568
<i>Analyst Smith</i>				
Inspector General	1,835,612	- 87,655	4.8%	- 87,655
<i>Attorney Drummer</i>				
County Attorney	6,361,363	- 193,395	3.0%	- 193,395
<i>Analyst Chen</i>				
Community Engagement Cluster	4,237,109	- 127,113	3.0%	- 127,113
<i>Analyst DeFazio</i>				
Finance	15,305,580	- 918,335	6.0%	- 918,335
Legislative Oversight	2,032,256	- 139,505	6.9%	- 139,505
Management and Budget	6,380,762	- 382,846	6.0%	- 382,846
<i>Analyst Rodriguez-Hernandez</i>				
General Services	31,862,836	- 1,911,617	6.0%	- 1,911,617
<i>Analyst Toregas</i>				
Procurement	4,801,074	- 288,100	6.0%	- 288,100
Public Information	5,464,768	- 234,822	4.3%	- 234,822
Technology Services	43,328,778	- 2,086,048	4.8%	- 2,086,048
Total	149,250,423	- 7,252,244	4.9%	- 7,184,058

Summary of Recommended Reductions

The Executive recommends a reduction of \$7,252,244 for all the items reviewed by the GO Committee, or approximately 4.9% of the FY21 approved appropriation. Approximately 41.5% of the recommended savings is from operating expenses. **Most of the recommended reductions for operating expenses are accrued through the County's remote work policy.** The remaining 58.5% in recommended reductions is to personnel costs. **Most of the recommended reductions for personnel costs are accrued through lapse by holding positions vacant longer in FY21 than originally anticipated.**

A. Intergovernmental Relations (Deputy Director Howard)

Expected Attendee:

Melanie Wenger, Director, Office of Intergovernmental Relations (OIR)

The Executive recommends a reduction of \$68,186 for OIR, a 6.0% reduction compared to the Council's FY21 appropriation. Below is a summary of the reductions recommended by the Executive.

Table 2: Recommended Reductions for the OIR (see ©8)

Item	Expenditure Type	FY21 Approved Budget	CE Recommended Reduction
Professional Services	Operating	68,186	- 68,186
Total		68,186	- 68,186

This reduction would require OIR to eliminate a professional services contract with a firm to ensure the County retains existing Federal leases and to identify opportunities to attract additional federal leases/additional federal jobs within the County. For the last several years, OIR has contracted for these services with firms that have expertise in the specific real estate procurement and leasing procedures used by the Federal government.

As OIR's budget primarily consists of staffing costs, and they do not have any vacancies that could provide lapse savings, Council staff understands the rationale for including contractual funding for the department's contribution to the savings plan. However, given the current economic uncertainties and the potential for Federal agencies to consider different real estate/leasing options, staff has concerns with eliminating this contract in FY21. Specifically, the impact of losing a Federal tenant in the County during an economic downturn could be significant.

Based on these concerns, Council staff recommends that the Committee consider two options in addition to the Executive's recommendation:

- 1) **Reject the Executive's recommendation** to reduce contractual services in the OIR budget based on the County's need to maintain services related to retaining and attracting Federal leasing opportunities. The Council could revisit this potential reduction if an additional FY21 savings plan is required later during the year; OR
- 2) **Reduce OIR's contractual services budget by \$28,186** but leave \$40,000 for OIR to potentially procure these services as needed on an hourly basis. Currently, the contract is structured as a

retainer payment, but OIR is scheduled to re-bid the contract in FY21. The OIR Director believes that re-bidding the contract in a different structure may allow the County to maintain this service at a lower funding level.

B. County Council (Deputy Director Howard)

The Executive recommends a reduction of \$365,976 for the County Council, a 2.9% reduction compared to the Council's FY21 appropriation. Below is a summary of the reductions recommended by the Executive.

Table 3: Recommended Reductions for the County Council (see ©6)

Item	Expenditure Type	FY21 Approved Budget	CE Recommended Reduction
Lapse Vacant Positions	Personnel	555,326	- 365,976
Total		555,326	- 365,976

The Council will achieve savings through lapsing four vacant Central Staff positions. A Manager II position and an Administrative Specialist position will be lapsed for two months, while a second Manager II position and a Senior Information Technology Specialist position will be frozen for the entire year. Although these reductions will not be without impact, Staff believes the Council will be able to absorb them.

Council staff concurs with the Executive's recommended reductions.

C. County Executive (Deputy Director Howard)

Expected Attendee:

Nicole Gyapong, Office of the County Executive (CEX)

The Executive recommends a reduction of \$341,162 for the CEX, a 6.0% reduction compared to the Council's FY21 appropriation. Below is a summary of the reductions recommended by the Executive.

Table 4: Recommended Reductions for the CEX (see ©6)

Item	Expenditure Type	FY21 Approved Budget	CE Recommended Reduction
Internal Audit Program: Accounting/Auditing	Operating	819,689 (all CEX Operating)	- 33,646
CAO: Professional Services and Management Leadership Training	Operating		- 48,500
Business Advancement Team	Operating		- 10,890
Turnover Savings	Personnel	4,864,018 (all CEX Personnel)	- 78,449
Lapse Vacant Positions	Personnel		- 169,677
Total		5,683,707	- 341,162

The Office of the County Executive anticipates that the recommended operating or personnel reductions would not substantially impact operations in FY21. The total operating reductions of \$93,036 represents 11% of the total CEX operating expenditures and the personal reductions of \$248,126 represent 5% of total personnel expenditures.

CEX staff note that the reduction of \$33,646 within the Internal Audit Programs would not substantially impact audit services. Internal Audit staff believe that work within the accounting and auditing review area could be postponed until FY22 without any substantial impacts to the FY21 audit plan and services. The personnel reductions include lapsing three vacant positions: 1) Performance Management and Data Analyst position for 6 months; 2) Public Administration Associate position for a full-year; and 3) Program Manager II position for 6 months.

Council staff concurs with the Executive's recommended reductions.

D. Ethics Commission (Deputy Director Howard)

Expected Attendee:

Robert Cobb, Ethics Commission

The Executive recommends a reduction of \$21,916 for the Ethics Commission, a 6.0% reduction compared to the Council's FY21 appropriation. Below is a summary of the reductions recommended by the Executive.

Table 5: Recommended Reductions for the Ethics Commission (see ©6)

Item	Expenditure Type	FY21 Approved Budget	CE Recommended Reduction
IT Systems	Operating	38,907 <i>(Total for Ethics Commission Operating Expenses)</i>	- 21,916
Total		38,907	- 21,916

Recommended reductions for IT systems operating expenses total 56.3% of the Ethics Commission's total FY21 budget for operating expenditures. The Staff Director for the Ethics Commission notes that previous IT investments have allowed the Commission to function remotely during the COVID-19 crisis, and that the Commission is well-positioned to absorb this reduction without significantly impacting operations.

Council staff concurs with the Executive's recommended reductions.

E. Office of Human Resources (Deputy Director Howard)

Attendee Expected:

Berke Attila, Office of Human Resources (OHR)

Kimberly Williams, OHR

Jennifer Shovlin, OHR

The Executive recommends a reduction of \$85,568 for the OHR, a 1.1% reduction compared to the Council's FY21 appropriation. Below is a summary of the reductions recommended by the Executive.

Table 6: Recommended Reductions for the OHR (see ©8)

Item	Expenditure Type	FY21 Approved Budget	CE Recommended Reduction
Occupational Classification Studies	Operating		- 85,568
Total			- 85,568

OHR staff indicate that this reduction would have minimal impact on operations. The reduction will limit the number of occupational studies conducted in FY21. OHR will continue to work with MCGEO to determine which occupations studies will be conducted during FY21.

Council staff concurs with the Executive's recommended reductions.

F. Inspector General (Analyst Smith)

Expected Attendees:

Megan Limarzi, Inspector General

Philip Weeda, Office of Management and Budget (OMB)

The Executive recommends a reduction of \$87,655 for the Office of the Inspector General (OIG), a 4.8% reduction compared to the Council's FY21 appropriation. Below is a summary of the reductions recommended by the Executive.

Table 7: Recommended Reductions for the OIG (see ©8)

Item	Expenditure Type	FY21 Approved Budget	CE Recommended Reduction
Consulting services	Operating	36,076	- 10,000
Other consulting services	Operating	23,924	- 10,000
General office supplies	Operating	17,110	- 10,000
Books	Operating	200	- 200
Lapse to personnel	Personnel	261,260	- 57,455
Total		338,570	- 87,655

Recommended reductions for operating expenses total \$30,200, or 34.4%, of the total recommended reductions. The OIG notes that the operating expenses are one-time reductions that will not impact FY21 operations and are accrued due to the County's remote working procedures.

Recommended reductions for personnel costs total \$57,455, or 65.6%, of the total recommended reductions. The OIG notes that this lapse is accrued through two positions. One position is a pooled position with one employee working part-time. One position is from a management position that will be unfilled until October. The OIG notes that the lapse savings will not impact operations in FY21.

Council staff concurs with the Executive's recommended reductions.

G. County Attorney (Attorney Drummer)

Expected Attendee:

Marc Hansen, County Attorney

The Executive recommends a reduction of \$193,395 for the Office of the County Attorney (OCA), a 3.0% reduction compared to the Council's FY21 appropriation. Below is a summary of the reductions recommended by the Executive.

Table 8: Recommended Reductions for the OCA (see ©6)

Item	Expenditure Type	FY21 Approved Budget	CE Recommended Reduction
General Office Supplies	Operating	63,692	- 5,100
Lapse to Personnel	Personnel	188,295	- 188,295
Total		251,987	- 193,395

Recommended reductions for office supplies total \$5,100, or 8%, of the total FY21 approved budget of \$63,692 for office supplies. OCA notes that the operating expenses are one-time reductions that will not impact FY21 operations and are accrued due to the County's remote working procedures.

The reduction in personnel expenses is due to keeping a vacant Paralegal Specialist position and a vacant Administrative Specialist II position unfilled for the entire year.

Council staff concurs with the Executive's recommended reductions.

H. Community Engagement Cluster (Analyst Chen)

Expected Attendee:

Fariba Kassiri, Office of the County Executive

The Executive recommends a reduction of \$127,113 for the Community Engagement Cluster (CEC), a 3.0% reduction compared to the Council's FY21 appropriation. Below is a summary of the reductions recommended by the Executive.

Table 9: Recommended Reductions for the CEC (see ©5)

Item	Expenditure Type	FY21 Approved Budget	CE Recommended Reduction
Lapse to personnel	Personnel	254,226	- 127,113
Total		254,226	- 127,113

Recommended reductions for personnel costs, totaling \$127,113, is accrued through three positions that have been identified as vacant and will not impact Community Engagement Cluster operations. The three positions are: 1) Administrative Specialist II; 2) Program Specialist II; and 3) Program Manager I.

Each of these positions will be held vacant for six months, not eliminated, maintaining departmental flexibility in the event of further adjustments to departmental priorities are needed.

Council staff concurs with the Executive's recommended reductions.

I. Finance (Analyst DeFazio)

Expected Attendees:

Michael Coveyou, Department of Finance (Finance)
Jedediah Millard, Finance
Estella Gomes, OMB

The Executive recommends a reduction of \$918,335 for Finance, a 6.0% reduction compared to the Council's FY21 appropriation. Below is a summary of the reductions recommended by the Executive.

Table 10: Recommended Reductions for Finance (see ©6-7)

Item	Expenditure Type	FY21 Approved Budget	CE Recommended Reduction
Fiscal Mgmt. Program Lapse	Personnel	117,899	- 117,899
IT Program Lapse	Personnel	140,684	- 140,684
Treasury Program Lapse	Personnel	422,211	- 148,270
Controller Program Lapse	Personnel	920,084	- 511,482
Total		1,600,873	- 918,335

Finance indicated that the recommended reductions for personnel costs will be realized by delaying recruitments across its four program areas. Finance stated that this may put a strain on other employees taking on extra work, but it does not foresee any service impacts other than minimal delays. The specific positions impacted are in the table below.

Table 11: Finance Positions Impacted by the FY21 Savings Plan

Program	Lapsed Positions
Treasury	Manger II, Program Manager II, Office Services Coordinator
Controller	Manager II, Manager III, Account/Auditor Supervisor (2), Accountant Auditor Lead/Senior, Fiscal Assistant, IT Specialist III
Information Technology	Technology Expert
Fiscal Management	Fiscal and Policy Analyst III

Council staff concurs with the Executive's recommended reductions.

J. Legislative Oversight (Analyst DeFazio)

Expected Attendees:

Chris Cihlar, Office of Legislative Oversight (OLO)
Naeem Mia, OMB

The Executive recommends a reduction of \$139,505 for the OLO, a 6.9% reduction compared to the Council's FY21 appropriation. Below is a summary of the reductions recommended by the Executive.

Table 12: Recommended Reductions for the OLO (see ©8)

Item	Expenditure Type	FY21 Approved Budget	CE Recommended Reduction
Lapse to personnel	Personnel	239,010	- 139,505
Total		239,010	- 139,505

The recommended reduction for personnel costs includes lapsing the administrative specialist position until OLO staff is back working full-time from the office and the projected savings for filling the new performance management and data analyst position. The position is currently in the recruitment process and it is estimated that the new employee will start in September. This new position was created to primarily perform racial equity and social justice impact statements for each Bill, addressing Bill 27-19, "Administration – Human Rights – Office of Racial Equity and Social Justice – Racial Equity and Social Justice Advisory Committee - Established."

Council staff concurs with the Executive's recommended reductions.

K. Management and Budget (Analyst DeFazio)

Expected Attendees:

Richard Madaleno, OMB

Chris Mullin, OMB

The Executive recommends a reduction of \$382,846 for the Office of Management and Budget, a 6.0% reduction compared to the Council's FY21 appropriation. Below is a summary of the reductions recommended by the Executive.

Table 13: Recommended Reductions for the OMB (see ©8)

Item	Expenditure Type	FY21 Approved Budget	CE Recommended Reduction
Reduce Office Supplies, Training, and Contract Services	Operating	238,370	-65,000
Lapse to personnel	Personnel	786,624	-317,846
Total		1,024,994	-382,846

Recommended reductions for operating expenses total \$65,000 or 17% of the total recommended reductions. OMB states that the \$15,000 reduction in office supplies and training is due to teleworking and fewer outside training opportunities. The \$50,000 reduction in contract services is due to an employee's health aide not needed while the employee is on administrative leave and putting a hold on renovating OMB's office space to accommodate County Stat and the shared services initiative.

Recommended reductions for personnel costs total \$317,846, or 83% of the total recommended reductions. To achieve the lapse savings, OMB will implement the following:

- Delay hiring vacant shared services and CountyStat positions by six months (Program Specialist, Management and Budget Specialist III, and a Performance Management and Data Analyst); and
- Hold positions vacant for the entire fiscal year (Manager II and a Fiscal Policy Analyst).

OMB may fill positions earlier than anticipated and still achieve 6.0% in savings if staff continues to telework, creating additional operating savings.

Council staff concurs with the Executive's recommended reductions.

L. General Services (Analyst Rodriguez-Hernandez)

Expected Attendees:

David Dise, Department of General Services (DGS)
Naeem Mia, OMB

The Executive recommends a reduction of \$1,911,617 for the DGS, a 6.0% reduction compared to the Council's FY21 appropriation. Below is a summary of the reductions recommended by the Executive.

Table 14: Recommended Reductions for the DGS (see ©8)

Item	Expenditure Type	FY21 Approved Budget	CE Recommended Reduction
Utilities savings	Operating	25,245,719	-1,911,617
Total		25,245,719	-1,911,617

Executive staff notes that the projected operating savings are based on 1) actual utilities usage data from March through June (when most of County government was under telework status) and 2) an assumption of continued teleworking through the fall.

Council staff concurs with the Executive's recommended reductions.

M. Procurement (Analyst Toregas)

Expected Attendees:

Ash Shetty, Office of Procurement (PRO)
Jane Mukira, OMB

The Executive recommends a reduction of \$288,100 for the PRO, a 6.0% reduction compared to the Council's FY21 appropriation. Below is a summary of the reductions recommended by the Executive.

Table 15: Recommended Reductions for the PRO (see ©9)

Item	Expenditure Type	FY21 Approved Budget	CE Recommended Reduction
Lapse vacant part-time 2 Program Specialist II positions	Personnel	4,458,994 (total of PRO personnel costs)	-56,377
Lapse/underfill 4 Specialist IV positions	Personnel		-104,924
Lapse, 5 vacant positions (Office Service Coordinator, Principal Administration Aide, 3 Program Managers)	Personnel		-126,799
Total		4,458,994	- 288,100

All reductions are due to lapses of 11 positions (both full and part time).

Council staff concurs with the Executives recommended reductions.

N. Public Information (Analyst Toregas)

Expected Attendees:

Barry Hudson, Public Information Office (PIO)
Jane Mukira, OMB

The Executive recommends a reduction of \$234,822 for the PIO, a 4.3% reduction compared to the Council's FY21 appropriation. Below is a summary of the reductions recommended by the Executive.

Table 16: Recommended Reductions for the PIO (see ©9)

Item	Expenditure Type	FY21 Approved Budget	CE Recommended Reduction
Professional services contract	Operating	193,551 (total of PIO operating)	-10,000
Lapse, Manager II (3 months)	Personnel	5,271,217 (total of PIO personnel costs)	-53,350
Lapse, Anticipated Program Manager II (9 months)	Personnel		-78,200
Lapse, Administrative specialist	Personnel		-93,272
Total		5,464,768	- 234,822

The recommended reductions correspond to lapsing a specialist position, partial lapsing of two Manager II positions, and a reduction of \$10,000 in a professional services contract. All lapsed positions are from the MC311 staff complement of the PIO office.

Council staff concurs with the Executives recommended reductions.

O. Technology Services (Analyst Toregas)

Expected Attendees:

Gail Roper, Department of Technology Services (DTS)

Alison Dollar, OMB

The Executive recommends a reduction of \$2,086,048 for the DTS, a 4.8% reduction compared to the Council's FY21 appropriation. Below is a summary of the reductions recommended by the Executive.

Table 17: Recommended Reductions for the DTS (see ©10)

Item	Expenditure Type	FY21 Approved Budget	CE Recommended Reduction
Misc. Expenses	Operating	10,001	- 5,000
Public Technology membership	Operating	20,000	- 15,000
Temp. support	Operating	20,955	- 20,955
Travel & Conferences	Operating	55,000	- 47,000
Contractor Support	Operating	3,387,326	- 110,515
Motorola Smart Zone credit	Operating	1,346,619	- 241,755
Motorola CAD Dispatch	Operating	1,638,995	- 281,387
Lapse, Manager III	Personnel	93,404	- 93,404
Lapse 11 Senior IT Specialist positions	Personnel	1,271,032	- 1,271,032
Total		7,843,332	- 2,086,048

The recommended reductions are in the following areas:

- Lapses in 12 positions
- Reduction in conference attendance and other travel expenses
- Specific reductions of \$633, 657 in contractor expenses
- Membership in Public Technology Inc (\$15,000)

Council staff concurs with the Executives recommended reductions.

This packet contains:

Executive memorandum

FY21 Savings Plan – recommended reductions

FY21 Savings Plan – OMB analysis

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OFFICE OF THE COUNTY EXECUTIVE
ROCKVILLE, MARYLAND 20850

Marc Elrich
County Executive

MEMORANDUM

July 6, 2020

TO: Sidney Katz, President, County Council

FROM: Marc Elrich, County Executive 

SUBJECT: FY21 Recommended Revised Spending Plan

The purpose of this memorandum is to transmit my initial Recommended Fiscal Year 2021 Revised Spending Plan for Montgomery County Government departments and other tax-supported agencies. The attached plan identifies savings of approximately \$33.5 million from the County Government's Operating Budget. When the outside agencies are included, the savings total increases to \$38.3 million. In addition, \$27.7 million in savings from the County's Capital Budget have also been identified. Given the ongoing and unpredictable impacts of COVID-19 on the public health and economic vitality of our community, it is likely that we will need to enact additional spending revisions throughout the fiscal year in response to these challenges.

As you will notice, there are proposed savings for both Montgomery College and the Housing Opportunities Commission. However, there are no reductions included for the Montgomery County Public Schools or the Maryland-National Park and Planning Commission (MNCPPC) at this time. Working with the school system's leadership, I have determined that it would be premature to identify savings from our public schools. Once MCPS has determined the plan for the next school year, we will work with them to determine what savings might be possible given the operational changes they are making. The MNCPPC will be forwarding possible reductions later this week upon the Commission's review of their staff's recommendations.

In addition to these reductions, I will be transmitting to the Council under a separate memorandum a supplemental appropriation to support our joint efforts to reimagine public safety and advance racial justice in Montgomery County. These new expenditures will allow us to facilitate community engagement in this critical work.

As we move forward, we must recognize there are still several unknown variables that will impact County government finances, including the lasting impact of COVID-19 on the County's economy and our tax revenues, the need to maintain funds in reserve to address another potential wave of COVID-19, and whether there will be additional relief from the Federal government. This fiscal uncertainty has been exacerbated by the failure of President Trump and his Republican allies in the U.S. Senate to pass additional relief for state and local governments or extending unemployment benefits for those most impacted by this crisis.

Across the country, states and local governments are struggling to deliver vital services to residents and help communities recover, while adjusting to a significant decline in revenues. Unlike other recessions, however, it is unlikely we will be able to climb our way out of this fiscal crisis without additional Federal aid, unless we decimate the services that are so desperately needed by County residents. Do not get me wrong, we are grateful for the aid that the Federal government has already provided to Maryland and Montgomery County to help us navigate these uncertain times, and I am greatly appreciative of our State's Congressional delegation for their continued assistance and leadership. Simply put, however, without additional aid from the Federal government, deep and draconian spending reductions may well be needed in order for us to balance our budget. These reductions will have lasting and significant impacts on County residents, businesses, and employees.

At the July 1st Board of Public Works (BPW) meeting, the Governor proposed \$672 million in FY21 reductions to the State budget – of these, the BPW approved \$413 million in reductions. The Governor also presented an additional \$844.9 million in reductions for future spending, including \$724.6 million that will require the approval of the General Assembly. Many of these reductions carry significant service impacts and impact aid to local governments, community colleges, and school systems. In response to the proposed reductions, Senators Ben Cardin and Chris Van Hollen wrote to the Governor, Comptroller, and Treasurer to urge caution in adopting the cuts as the Senators are hopeful additional aid will pass the U.S. Senate. Additionally, the further cuts proposed by Gov. Hogan should not be considered absent a broader financial plan that includes consideration of how the State's reserves/rainy day funds can be used to offset cuts that would seriously impact services. Reserves have been set aside for exactly this kind of fiscal crisis, and they need to be part of a solution – preservation of reserve levels while cutting important services would be counter-productive.

As I informed the Council in mid-June, I directed all County departments to identify savings of six percent against their approved FY21 tax-supported operating budget, and we have examined capital projects to determine if any savings can be realized. I also requested that outside agencies identify tax-supported savings that could be used to help us navigate these fiscally uncertain times.

While many of the items put forward by the departments would result in significant service impacts, I am heeding the caution voiced by our U.S. Senators. This initial revised spending plan that I am recommending recognizes savings in the operating and capital

budgets that will not drastically impact services at this time and focus on cuts that are justified by changes in the scope of our operations due to COVID, as well as opportunities to achieve more efficient use of resources. The County will also use Federal coronavirus aid as much as permissible to offset the fiscal impact of this recession to continue to deliver vital services to our County's residents and help our economy recover.

At this time, I am recommending only minor reductions to the Department of Health and Human Services. This Department is on the front lines in responding to the health crisis, and it will need as much flexibility as possible to respond to this public health emergency. Again, our residents should be advised that unless more aid comes from the Federal government in the near future, deep and draconian reductions may become necessary for many County government functions, including health and human services.

Capital budget amendments were developed to reduce the need for PAYGO and Current Revenue funding in the CIP. The attached amendments acknowledge County project savings of \$3,061,000, delays in Purple Line related projects yielding a \$19,723,000 net reduction of FY20 and FY21 funding requirements, and a deferral of replacement bus purchases totaling \$4,770,000. The Housing Opportunities Commission has approved a \$125,000 reduction in their Supplemental Funds for Deeply Subsidized HOC Owned Units project. The Maryland National Capital Park and Planning Commission appears to be ready to contribute \$628,000 to these efforts. Commission staff recommended recognizing a \$100,000 implementation delay in the Ovid Hazen Wells project and recommended \$528,000 in reductions in a number of level of effort projects that were increased in the May approved CIP with Board action scheduled for July 9th. If the level of effort reductions are taken, the FY21 budgets will still be significantly above prior approved levels. Montgomery County Public Schools and Montgomery College will evaluate potential contributions for later consideration.

The hiring freeze and procurement freeze exemption process that I instituted on March 18th will continue for the duration of this crisis and will provide us with additional fiscal oversight. I will provide the Council with additional revised spending plans in the future, as our fiscal situation necessitates.

In addition, the Chief Administrative Officer has begun work on a cost efficiency study to broadly evaluate the service delivery model of each department. Among the several goals of the study is to identify a minimum of 100 vacant positions across the Executive Branch that can be eliminated during the first quarter of the fiscal year. We are finalizing the selection of a consultant to work with a study group of six county government leaders. More details about the study will be shared with the Council later this month.

In the meantime, I urge the Council to work with the Executive Branch to ensure that our spending remains equitable, prudent, and socially responsible. I look forward to working with you and your colleagues as we navigate this unparalleled and turbulent period in our County's history.

ME:rsm

Attachments

- c: County Council Members
Marlene Michaelson, Executive Director, Montgomery County Council
Andrew Kleine, Chief Administrative Officer
Richard S. Madaleno, Director, Office of Management and Budget
Michael Coveyou, Director, Department of Finance

FY21 Revised Spending Plan

Ref. No	Title	Total \$	Revenue
<u>Tax-Supported</u>			
General Fund			
Agriculture			
1	Maryland Ag Education Foundation Contract	-34,200	0
Agriculture Total:		-34,200	0
Animal Services			
2	Lapse Adoptions Supervisor Position	-90,354	0
3	Reduce Overtime	-30,000	0
4	Reduce Operating Expenses Across All Programs	-85,000	0
Animal Services Total:		-205,354	0
Circuit Court			
5	Reduce Operating Expenses- Child Care Services	-13,616	0
6	Reduce Operating Expenses- Books/Reference Materials	-29,803	0
7	Reduce Operating Expenses- Imaging	-13,630	0
8	Reduce Operating Expenses Central Duplicating Services - Printing	-12,000	0
9	Reduce Operating Expenses- Other Outside Printing/Copying	-4,655	0
10	Reduce Operating Expenses- Metropolitan Area Travel	-3,000	0
11	Reduce Operating Expenses Non-Metropolitan Area Travel	-14,400	0
12	Reduce Operating Expenses- Meetings: Meals/Snacks/Refreshments	-2,200	0
13	Reduce Operating Expenses- Juror Stipends	-91,135	-91,135
14	Lapse Sr Information Technology Specialist	-176,812	0
15	Lapse Business Analyst/IT Project Manager	-140,684	0
Circuit Court Total:		-501,935	-91,135
Community Engagement Cluster			
16	Additional Lapse - 3 positions	-127,113	0
Community Engagement Cluster Total:		-127,113	0
Consumer Protection			
17	6 Month Lapse Vacant Investigator III (Automotive Expert) Position	-67,729	0
Consumer Protection Total:		-67,729	0
Correction and Rehabilitation			
18	Increase Lapse	-393,821	0
19	Temporary Office Clerical	-18,000	0
20	Re-assign Security Officer Post at Pre-Trial Services	-114,360	0
21	Reduce Office Supplies, Film, Books, Taxi and Travel	-120,000	0
22	Lapse Alternative Community Services Work Crew for Half Year	-53,000	0
23	Reduce Electronic Monitoring Services Due to Reduced Pre-Release Center Population	-75,000	0
24	Reduce Drug Screen and Lab Due to Reduced Pre-Release Center Population	-85,000	0

FY21 Revised Spending Plan

Ref. No	Title	Total \$	Revenue
25	Temporarily Suspend Pre-Release Center Internship Program	-67,000	0
Correction and Rehabilitation Total:		-926,181	0
County Attorney			
26	Lapse Vacant Paralegal Specialist Position	-97,906	0
27	Lapse Vacant Administrative Specialist II Position	-90,389	0
28	Reduce Operating Expenses – Office Supplies	-5,100	0
County Attorney Total:		-193,395	0
County Council			
29	Lapse Positions due to Delayed Hiring	-43,870	0
30	Lapse Positions for Full-Year	-322,106	0
County Council Total:		-365,976	0
County Executive			
31	Reduce Operating Expenses - Internal Audit Program: Accounting/Auditing	-33,646	0
32	Reduce Operating Expenses - CAO: Other Professional Services	-46,500	0
33	Reduce Operating Expenses - Business Advancement Team	-10,890	0
34	Reduce Operating Expenses - CAO: Management Leadership Training	-2,000	0
35	Turnover Savings	-58,306	0
36	Turnover Savings	-20,143	0
37	Lapse Vacant Performance Management and Data Analyst Position	-57,253	0
38	Lapse Vacant Public Administration Associate Position	-74,069	0
39	Lapse Vacant Program Manager II Position	-38,355	0
County Executive Total:		-341,162	0
Environmental Protection			
40	Lapse Vacant Information Technology Specialist I Position for 6 Months	-10,861	0
41	Lapse Vacant Program Manager II Position for 3 Months	-10,619	0
42	Lapse Vacant Planning Specialist III Position for 6 Months	-19,582	0
43	Lapse Vacant Information Technology Specialist III Position Lapse for 8 Months	-18,443	0
44	Lapse Vacant Program Manager I Position for 6 Months	-12,239	0
45	Lapse Vacant Program Manager II Position for 9 Months	-79,640	0
46	Lapse Vacant Senior Financial Specialist Position for 6 Months	-22,169	0
Environmental Protection Total:		-173,553	0
Ethics Commission			
47	Reduce Operating Expenses - IT Systems	-21,916	0
Ethics Commission Total:		-21,916	0
Finance			
48	Lapse Savings from Vacant Positions - Treasury Program	-148,270	0
49	Lapse Savings from Vacant Positions - Controller Program	-511,482	0

FY21 Revised Spending Plan

Ref. No	Title	Total \$	Revenue
50	Lapse Saving from Vacant Position - Information Technology Program	-140,684	0
51	Lapse Savings from Vacant Positions - Fiscal Management Program	-117,899	0
Finance Total:		-918,335	0
General Services			
52	Utilities Savings due to Continued Telework	-1,911,617	0
General Services Total:		-1,911,617	0
Health and Human Services			
53	House Bill 699 Savings due to County Compensation Changes	-589,058	0
54	Decrease Cost without service impact to Respite	-123,937	0
55	Decrease cost to Adult Evaluation and Review Service	-20,000	0
56	Decrease Cost to Escorted Transportation	-43,286	0
57	OCA--Latino Health Initiative, Miscellaneous Operating	-44,659	0
58	OCA--AAHP, Data Services	-93,000	0
59	OCA--AAHP, Services to Improve Health	-9,000	0
60	OCA--AAHP Miscellaneous Operating	-19,949	0
61	OCA--Latino Health Initiative "Ama tu Vida" campaign	-10,000	0
62	OCA--Latino Health Initiative, Environmental Intervention	-15,000	0
63	OCA--Asian American Health Initiative, Health Events	-1,615	0
64	Reduction of Operating Funds	-2,955	0
65	OCA--In Person Translation Services	-40,000	0
66	Reduce Professional Education and Training	-27,715	0
67	OCA--Miscellaneous Operating	-7,600	0
68	OCOO--Operating Costs	-386,225	0
69	OCOO--IT	-450,000	0
70	Reduce Local Behavioral Health Authority - Halfway House Contracts	-302,000	0
71	Reduction of Operating Funds	-18,000	0
72	DO - Miscellaneous Operating	-33,660	0
73	Decrease Cost of Shared Psychiatrists	-220,000	0
74	Reduce Accreditation Costs	-20,000	0
75	Reduce ACCESS Broker Contract	-32,000	0
76	CYF--ECS - Child Care in Public Space	-27,033	0
77	CYF--Early Childhood Services Community Events	-10,343	0
78	CYF--Early Childhood Services- MCCRRC conferences	-20,000	0
79	CYF--Child/Adolescent School and Community Based Services, Don Bosco Cristo Rey	-55,000	0
80	Decrease Cost for Home Care Services	-120,000	0
81	Decrease Cost to Assisted Living Services	-159,000	0
Health and Human Services Total:		-2,901,035	0
Housing and Community Affairs			
82	Lapse Vacant Senior Planning Specialist Position	-98,531	0

FY21 Revised Spending Plan

Ref. No	Title	Total \$	Revenue
Housing and Community Affairs Total:		-98,531	0
Human Resources			
83	Reduce Operating Expenses - Occupational Classification Studies	-85,568	0
Human Resources Total:		-85,568	0
Human Rights			
84	Lapse Vacant Investigator II Position	-25,000	0
85	Reduce Operating Expenses	-10,000	0
Human Rights Total:		-35,000	0
Inspector General			
86	Reduce Operating Expenses - Consulting Services	-10,000	0
87	Reduce Operating Expenses - Other Consulting Services	-10,000	0
88	Reduce Operating Expenses - General Office Supplies	-10,000	0
89	Reduce Operating Expenses - Books	-200	0
90	Lapse Savings due to Reclassifications and Hiring	-57,455	0
Inspector General Total:		-87,655	0
Intergovernmental Relations			
91	Reduce Operating Expenses - Professional Services	-68,186	0
Intergovernmental Relations Total:		-68,186	0
Legislative Oversight			
92	Lapse Vacant Positions	-139,505	0
Legislative Oversight Total:		-139,505	0
Management and Budget			
93	Reduce Operating Expenses	-65,000	0
94	Increase lapse	-317,846	0
Management and Budget Total:		-382,846	0
NDA - Housing Opportunities Commission			
95	Personnel Lapse Savings	-409,482	0
NDA - Housing Opportunities Commission Total:		-409,482	0
Police			
96	Abolish 5 school resource officers (SROs) at MCPS middle schools	-626,408	0
97	Abolish 1 police officer (traffic complaint officer) from all 6 Districts	-751,689	0
98	Abolish 1 police officer from the patrol investigations unit (PIU) in 5 Districts	-626,408	0
99	Abolish 1 police officer from the Collision Reconstruction Unit (CRU) in the Traffic Division (TD)	-125,282	0
100	Abolish 1 abandoned vehicle code enforcement specialist from the Vehicle Recovery Section	-65,881	0
101	Reduce funding for Next Gen 911 in anticipation of State Aid	-2,906,367	0

FY21 Revised Spending Plan

Ref. No	Title	Total \$	Revenue
102	Reduce operating expenses department-wide	-1,750,000	0
103	Civilianize 1 sergeant from the Evidence Unit	-47,092	0
104	Civilianize 1 sergeant (background section supervisor) from the Personnel Division	-47,092	0
105	Reduce the number of PT background specialists in the Personnel Division	-189,178	0
106	Abolish 1 crime analyst from the Information Management and Technology Division (IMTD)	-86,886	0
107	Lapse 1 IT Supervisor from the Information Management and Technology Division (IMTD) for Half of FY21	-70,000	0
108	Abolish/reallocate the Central Auto Theft Section (CATS) in the Criminal Investigations Division (CID)	-514,885	0
109	Abolish 1 Office Services Coordinator from the Major Crimes Division (MCD)	-74,641	0
110	Lapse 1 Information Technology Technician III from the Information Management and Technology Division (IMTD) for Half of FY21	-39,000	0
111	Abolish 1 police officer from the K9 unit in the Special Operations Division (SOD)	-125,282	0
112	Abolish 1 police officer from the Emergency Services Unit (ESU) in the Special Operations Division (SOD)	-125,282	0
113	Abolish 1 police officer from the SWAT Unit in the Special Operations Division (SOD)	-125,282	0
114	Abolish 2 police officers from the Centralized Traffic Section in the Traffic Division (TD)	-250,563	0
Police Total:		-8,547,218	0
Procurement			
115	Lapse Vacant Office Services Coordinator Position	-25,378	0
116	Lapse Vacant Principal Administration Aide Position	-22,944	0
117	Lapse/Underfill Four Procurement Specialist IV Positions	-104,924	0
118	Lapse Three Vacant Program Manager positions	-78,477	0
119	Lapse Vacant Part-Time Procurement Specialist II Position	-27,728	0
120	Lapse Vacant Part-Time Program Speciliasit II Position	-28,649	0
Procurement Total:		-288,100	0
Public Information			
121	Lapse Administrative Specialist Position	-93,272	0
122	Lapse Manager II Positon for Three Months	-53,350	0
123	Lapse Anticipated Program Manager II Position for Nine Months	-78,200	0
124	Reduce Operating Expenses - Professional Services Contract	-10,000	0
Public Information Total:		-234,822	0
Public Libraries			
125	Increase PC Lapse to the Level of Experience	-105,098	0
126	Reduce Sunday Substitutes budget	-417,380	0
127	Reduce Weekday & Saturday Substitutes budget	-466,401	0
128	Transfer Personnel Costs for Acting Deaf Culture Digital Library Program Manager to State Grant	-156,919	0
129	Decrease operating costs	-173,057	0
130	Decrease staff training costs	-15,000	0
131	Decrease Book Sorting contract	-100,800	0
132	Transfer Division of Facilities Maintenance chargebacks for facility modifications due to COVID-19 to CARES grant	-25,000	0
133	Reduce Library Pages budget	-500,000	0

FY21 Revised Spending Plan

Ref. No	Title	Total \$	Revenue
Public Libraries Total:		-1,959,655	0
Sheriff			
134	Lapse Client Assistance Specialist Position for FY21	-94,716	0
135	Reduce Recruit Class Budget - January 2021	-88,608	0
136	Reduce Operating Expenses- Contract Security Officers	-91,970	0
Sheriff Total:		-275,294	0
State's Attorney			
137	Lapse Asst State's Attorney III and Program Manager II Positions in FY21	-218,339	0
138	Lapse Office Services Coordinator Position in FY21	-24,539	0
139	Turnover Savings in FY21	-301,066	0
140	Printer Project Savings	-25,000	0
State's Attorney Total:		-568,944	0
Technology Services			
141	Non-Local Travel and Miscellaneous Expenses (CIO)	-20,000	0
142	Motorola SmartZone System Maintenance Credit (ETSD)	-241,755	0
143	Motorola CAD Dispatch 9-1-1 (ESOD)	-281,387	0
144	Contractor Support (ESOD)	-110,515	0
145	Non-Local Travel (OBP-ultraMontgomery)	-2,000	0
146	Non-Local Conference (ERP)	-25,000	0
147	Lapse Sr IT Specialist Position - ESOD	-89,921	0
148	Reduce Operating Expenses - Temporary Clerical Support	-20,955	0
149	Reduce Operating Expenses - Miscellaneous Expenditures	-5,000	0
150	Lapse Sr IT Specialist Position	-162,011	0
151	Lapse Sr IT Specialist Position - COO	-119,894	0
152	Lapse Sr IT Specialist Position - COO	-119,894	0
153	Lapse Sr IT Specialist Position	-119,894	0
154	Lapse Sr IT Specialist Position	-89,921	0
155	New Position 03 - Lapse Sr IT Specialist, Grade 28 (ESOD)	-89,921	0
156	PTI Membership (NDA-PTI)	-15,000	0
157	Lapse Sr IT Specialist Position - ESOD	-119,894	0
158	Lapse Sr IT Specialist Position - ESOD	-119,894	0
159	Lapse Sr IT Specialist Position - ESOD	-119,894	0
160	Lapse Sr IT Specialist Position - ESOD	-119,894	0
161	New Position 01 - Lapse Manager III (ESOD)	-93,404	0
Technology Services Total:		-2,086,048	0
Transportation			
162	Personnel Lapse Savings - No Service Impact	-707,347	0
163	Suspend Bridge Load Bearing Testing for One Year - Safety Inspections Will Continue	-150,000	0
164	Tree Maintenance Reduction - Represents Just 8% of DOT Program	-643,087	0

FY21 Revised Spending Plan

Ref. No	Title	Total \$	Revenue
165	Patching Reduction - Represents Just 2% of Budget	-232,093	0
166	Sign Materials Budget Reduction - Public Safety Signs Not Affected	-80,000	0
167	Review Fewer Traffic Signals for Timing Optimization (70) - Increase Cycle from Every 8-10 Years to Every 12-14 Years	-70,000	0
168	Suspend Aesthetic Streetlight Maintenance (Painting Poles, Replacing Handhole Covers)	-115,000	0
169	Parking Outside the PLDs - Administrative Cost Reduction Due to Fewer Tickets Issued	-49,952	0
Transportation Total:		-2,047,479	0
General Fund Total:		-26,003,834	-91,135

Fire

Fire and Rescue Service

170	Defer FY21 Recruit Class Start and Reduce Class to 37 Recruits	-1,951,338	0
171	Officer Training Courses	-140,000	0
172	Company Officer Leadership Academy	-80,000	0
173	Restructure IT section	-120,000	0
Fire and Rescue Service Total:		-2,291,338	0
Fire Total:		-2,291,338	0

Recreation

Recreation

174	PLAR Savings Reduction Due to COVID Delayed Openings and Reduced Upkeep	-253,741	0
175	Utilities Savings Due to Delayed Re-opening of Facilities	-355,000	0
176	Administration Savings Reductions	-17,973	0
177	Community Centers Savings Reductions Due to Delayed Opening of Facilities	-411,713	0
178	Countywide Programs Reduction Savings - Eliminates the Annual Independence Day Celebration Event	-135,198	0
179	Youth Development Reductions Savings	-660,000	0
Recreation Total:		-1,833,625	0
Recreation Total:		-1,833,625	0

Mass Transit

Transit Services

180	FLASH Service Deferred to September 2020	-119,245	0
181	Kids Ride Free Program - Lower Payment to WMATA Due to No Fare Collection	-780,673	0
182	Motorpool Reduction Due to Less Service in Operation	-1,938,400	0
183	Call n Ride Program Reduction Due to Decreased Demand	-750,000	0
184	Fare Share Program Reduction Due to Decreased Demand	-250,000	0
185	Personnel Savings Due to Less Service in Operation	-353,575	0
Transit Services Total:		-4,191,893	0
Mass Transit Total:		-4,191,893	0

FY21 Revised Spending Plan

Ref. No	Title	Total \$	Revenue
Tax-Supported Total:		-34,320,690	-91,135
MCG Total:		-34,320,690	-91,135

FY21 Revised Spending Plan

Ref. No	Title	Total \$	Revenue
<u>Tax-Supported</u>			
Montgomery College			
186	Identified Reversion to Fund Balance	4,354,491	0
Montgomery College Total:		4,354,491	0
Current Fund MC Total:		4,354,491	0

FY21 Revised Spending Plan Analysis

Department/Fund	FY21 Original Budget	CE Recommended	Revenue	Savings as % of Orig. Bud
Tax-Supported				
<u>General Fund</u>				
Agriculture	991,853	-34,200	0	-3.45
Animal Services	7,753,529	-205,354	0	-2.65
Circuit Court	12,548,380	-501,935	-91,135	-4.00
Community Engagement Cluster	4,237,109	-127,113	0	-3.00
Consumer Protection	2,196,727	-67,729	0	-3.08
Correction and Rehabilitation	70,996,074	-926,181	0	-1.30
County Attorney	6,361,363	-193,395	0	-3.04
County Council	12,612,090	-365,976	0	-2.90
County Executive	5,683,707	-341,162	0	-6.00
Environmental Protection	3,358,531	-173,553	0	-5.17
Ethics Commission	365,266	-21,916	0	-6.00
Finance	15,305,580	-918,335	0	-6.00
General Services	31,862,836	-1,911,617	0	-6.00
Health and Human Services	251,454,732	-2,901,035	0	-1.15
Housing and Community Affairs	8,640,221	-98,531	0	-1.14
Human Resources	7,842,794	-85,568	0	-1.09
Human Rights	1,384,692	-35,000	0	-2.53
Inspector General	1,835,612	-87,655	0	-4.78
Intergovernmental Relations	1,136,428	-68,186	0	-6.00
Legislative Oversight	2,032,256	-139,505	0	-6.86
Management and Budget	6,380,762	-382,846	0	-6.00
Police	281,281,640	-8,547,218	0	-3.04
Procurement	4,801,074	-288,100	0	-6.00
Public Information	5,464,768	-234,822	0	-4.30
Public Libraries	42,104,692	-1,959,655	0	-4.65
Sheriff	24,657,675	-275,294	0	-1.12
State's Attorney	18,521,033	-568,944	0	-3.07
Technology Services	43,328,778	-2,086,048	0	-4.81
Transportation	46,518,227	-2,047,479	0	-4.40
General Fund Total:	921,658,429	-25,594,352	-91,135	-2.78
<u>Special Funds</u>				
Fire	224,869,427	-2,291,338	0	-1.02
Recreation	43,116,097	-1,833,625	0	-4.25
Mass Transit	149,364,876	-4,191,893	0	-2.81
Special Funds Total:	417,350,400	-8,316,856	0	-1.99
Tax-Supported Total:	1,339,008,829	-33,911,208	-91,135	-2.53
MCG Total:	1,339,008,829	-33,911,208	-91,135	-2.53