



# FY22 Operating Budget: Committee Consent Calendar

GO Committee #5N

April 26, 2021

**Department/Office:** Non-Departmental Accounts (NDAs) – Boards, Committees, and Commissions (BCCs); County Associations; Metro Washington Council of Governments (COG); and Public Technology, Inc. (PTI).

**Staff:** Carlos Camacho, Legislative Analyst

## 1. Staff Recommendation

Council staff recommends approval of the FY22 Budgets of the following Non-Departmental Accounts: Boards, Committees, and Commissions (BCCs); County Associations; Metro Washington Council of Governments (COG); and Public Technology, Inc.

## 2. Summary of FY22 Recommended Budget

The County Executive's complete FY22 Recommended Operating Budgets for BCCs, County Associations, COG, and PTI are attached at ©1-5.

NDAs	FY21 Approved	FY22 CE Recommended	Change from FY21 Approved
BCCs	\$22,950	\$47,750	108%
County Associations	\$74,728	\$74,728	--
COG	\$1,684,519	\$1,684,519	--
PTI	\$20,000	\$5,000	(75%)
<b>Total Expenditures (General Fund)</b>	<b>\$1,802,197 0.0 FTEs</b>	<b>\$1,811,997 0.0 FTEs</b>	<b>0.05% --</b>

## 3. Summary of FY22 Recommended Changes/Adjustments

### General Fund - No Service Impact

- Boards, Committees, Commissions (BCCs)
  - Shifting \$16,000 from the Office of Racial Equity and Social Justice to the BCC NDA for stipends for the eight public members of the Racial Equity and Social Justice Advisory Committee.
  - Increase of \$8,800 for stipends and costs associated with the reimbursement of transportation and dependent care for the additional two public members of the

Racial Equity and Social Justice Advisory Committee that were added via Bill 44-20.<sup>1</sup>

- Public Technology, Inc. (PTI)
  - Decrease of \$15,000 for a one-time reduced annual membership cost.

#### **4. Racial Equity and Social Justice**

The NDAs discussed in this report are either membership organizations (County Associations, COG, PTI) or a collection of entities created by the County to serve a specific purpose (BCCs). Due to the nature of these NDAs, it was difficult to discern how racial equity and social justice (RESJ) were integrated into each budget proposal, however there are examples of how these NDAs promote RESJ. For example:

- The County established the Racial Equity and Social Justice Advisory Committee, whose duties include:
  - to develop and distribute information about racial equity and social justice in the County;
  - promote educational activities that increase the understanding of racial equity and social justice in the County;
  - recommend coordinated strategies for reducing racial and social justice inequity in the County;
  - advise the Council, the Executive, and County agencies about racial equity and social justice in the County, and recommend policies, programs, legislation, or regulations necessary to reduce racial and social justice inequity; and
  - meet periodically with the racial equity and social justice lead for each department and office.
- As part of their legislative priorities for 2021, the Maryland Association of Counties (MACo) and the National Association of Counties (NACo) have pushed for expanding broadband access, increasing funding for public health, supporting criminal justice reform, and ensuring counties maintain the fiscal and budgetary capacity to meet the needs of their communities.
- In 2018, COG created the Racial Equity Working Group to create a platform for the discussion of racial equity initiatives in the region. COG also formed the Chief Equity Officers Committee for further collaboration and coordination on racial equity work in the region. COG also partnered with the Government Alliance on Race and Equity (GARE) to launch the Advancing Racial Equity in Local Government cohort, which brings together

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<sup>1</sup>Racial Equity and Social Justice – Impact Statements – Advisory Committee – Amendments, Bill 44-20, Montgomery County Council (2020). Retrieved from [https://apps.montgomerycountymd.gov/ccllms/DownloadFilePage?FileName=2682\\_1\\_12149\\_Bill\\_44-20\\_Signed\\_20201211.pdf](https://apps.montgomerycountymd.gov/ccllms/DownloadFilePage?FileName=2682_1_12149_Bill_44-20_Signed_20201211.pdf)

staff from local governments to learn about racial equity and develop racial equity action plans to advance equitable policies and practices.<sup>2</sup>

As part of its continued membership of these organizations, the County should ensure that organizations like COG, NACo, MACo, and PTI continue to champion issues and positions that will advance RESJ and proactively create space for the discussion of RESJ.

Furthermore, the Council may consider requesting that each BCC specifically look into if and how their work can promote RESJ.

## **5. Attachments**

- FY22 NDA Recommended Budget for BCCs, County Associations, COG and PTI ©1-5

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<sup>2</sup> Regional initiatives reflect commitment to advancing racial equity. (2021, April 8). Retrieved from <https://www.mwcog.org/newsroom/2021/04/08/regional-initiatives-reflect-commitment-to-advancing-racial-equity/>



# Non-Departmental Accounts

## RECOMMENDED FY22 BUDGET

\$349,299,603

## FULL TIME EQUIVALENTS

24.46

## MISSION STATEMENT

Non-Departmental Accounts (NDAs) contain expenditure items essential to the operation of the County government which do not fall within the functional assignment of any department or agency, or which provide for expenditures related to more than one department or agency. In FY22, 49 NDAs are funded. One new NDA is established: KID Museum. In FY21 the Community Grants: County Executive and Community Grants: County Council NDAs merged into a single Community Grants NDA.

## BUDGET OVERVIEW

The total recommended FY22 Operating Budget for the Non-Departmental Accounts is \$349,299,603, an increase of \$50,473,391 or 16.89 percent from the FY21 Approved Budget of \$298,826,212. Personnel Costs comprise 2.08 percent of the budget for 21 full-time position(s) and one part-time position(s), and a total of 24.46 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 97.92 percent of the FY22 budget.

## PROGRAM CONTACTS

Contact Lindsay Lucas of the Office of Management and Budget at 240.777.2788 for more information regarding the operating budget for the Non-Departmental Accounts.

## PROGRAM DESCRIPTIONS

### ☀ Arts and Humanities Council

This NDA provides funding for the Arts and Humanities Council of Montgomery County (AHC MC), the County's designated local arts agency. Taxpayer support of the AHC MC includes general operating grants to arts and humanities organizations; program grants to arts and humanities organizations not receiving general operating support; project grants to individuals, scholars, groups, or small organizations; technical assistance and other support services for individuals and other organizations in the County; matching funds for awardees designated to match private donations, such as through power2give; and operating expenses for AHC MC. The County's contribution is implemented by a contract between the Department of Recreation and AHC MC.

Since 1976, AHC MC has been the County's designated local arts agency. The AHC MC, in partnership with the community, cultivates and supports excellence in the arts and humanities, expands access to cultural expression, and contributes to economic vitality in the region. AHC MC provides leadership that sustains arts and humanities organizations, artists and scholars, and inspires participation in our County's cultural assets. Through its programs and services, AHC MC provides the infrastructure and support necessary to maintain a robust creative community that includes over 500 cultural organizations and 2,000 artists and scholars. AHC MC annually distributes grants to organizations and individuals to help fund enriching cultural activities in our County ([www.creativemoco.com/grants/grants-awarded](http://www.creativemoco.com/grants/grants-awarded)).

AHC MC is headquartered in Silver Spring and receives support from the Maryland State Arts Council, corporations, organizations and individuals.

Funding for maintenance of public art is allocated in the Public Arts Trust Capital Improvements Program (CIP) project.

<b>FY22 Recommended Changes</b>	<b>Expenditures</b>	<b>FTEs</b>
<b>FY21 Approved</b>	<b>5,623,159</b>	<b>0.00</b>
Increase Cost: An Increase of 1.5% Over FY21 Approved Level to Support Arts and Humanities Organizations	84,347	0.00
<b>FY22 Recommended</b>	<b>5,707,506</b>	<b>0.00</b>

☼ Boards, Committees and Commissions

There are approximately 75 boards, committees, and commissions, created by law or resolution, which serve the County for a variety of purposes. These funds provide for the reimbursement of certain expenses incurred by eligible members of boards, committees, or commissions while on official business and/or for expenses related to the establishment of any new boards, committees, or commissions.

<b>FY22 Recommended Changes</b>	<b>Expenditures</b>	<b>FTEs</b>
<b>FY21 Approved</b>	<b>22,950</b>	<b>0.00</b>
Increase Cost: Shift Funding for Stipends for Eight Public Members from Office of Racial Equity and Social Justice	16,000	0.00
Increase Cost: Reimbursement of Transportation and Dependent Care for Racial Equity and Social Justice Committee	4,800	0.00
Increase Cost: Stipends for Two Racial Equity and Social Justice Board Members	4,000	0.00
<b>FY22 Recommended</b>	<b>47,750</b>	<b>0.00</b>

☼ Charter Review Commission

Section 509 of the County Charter requires that a Charter Review Commission be appointed by the County Council every four years, within six months of the Council assuming office, for the purpose of reviewing the Charter for notetial amendments. The Commission shall report at least once to the Council on the Commission's activities within one year after appointment. Commission reports shall be submitted no later than May 1 of every even-numbered year. The reports shall contain recommendations concerning proposed Charter amendments, if any. This NDA provides for the expenses of the Commission.

<b>FY22 Recommended Changes</b>	<b>Expenditures</b>	<b>FTEs</b>
<b>FY21 Approved</b>	<b>1,150</b>	<b>0.00</b>
<b>FY22 Recommended</b>	<b>1,150</b>	<b>0.00</b>

☼ Children's Opportunity Fund

The Children's Opportunity Fund (COF) NDA was established in partnership with the Greater Washington Community Foundation in May 2016. COF provides funding to support policy priorities that address the social determinants that impact the achievement gap for vulnerable children and the barriers faced by their families.

The Fund is supported by a Policy Leadership Group made up of the County Executive, the Montgomery County Public School (MCPS) Superintendent, a member of the Board of Education, and a member of the County Council. This Policy Leadership Group is staffed by the Executive Director of COF and will advise the Fund's Steering Committee on policy priorities relating to children at risk of not succeeding in school, for the purpose of advising and guiding the Steering Committee in making recommendations for the Fund.

The Fund will direct resources to County inter-agency and cross system collaborations, promote public-private partnerships, and identify new funding sources in collaboration with the Community Foundation to aggressively close the achievement gap in Montgomery County and impact the social-economic determinants that affect outcomes for children and their families.

<b>FY22 Recommended Changes</b>	<b>Expenditures</b>	<b>FTEs</b>
<b>FY21 Approved</b>	<b>375,000</b>	<b>0.00</b>
<b>FY22 Recommended</b>	<b>375,000</b>	<b>0.00</b>

☼ Climate Change Planning

This NDA provides funding for the prioritization of greenhouse gas reduction strategies and the development of an implementation plan to meet the County's goal of an 80 percent reduction in greenhouse gas emissions by 2027 and a 100 percent reduction by 2035. Funding in this NDA can also be used to develop climate change adaptation strategies. Any excess appropriation available after the above work is completed

<b>FY22 Recommended Changes</b>	<b>Expenditures</b>	<b>FTEs</b>
<b>FY21 Approved</b>	<b>5,523,000</b>	<b>0.00</b>
Increase Cost: County Contribution Based on Actuarial Valuation	85,000	0.00
<b>FY22 Recommended</b>	<b>5,608,000</b>	<b>0.00</b>

☼ Consolidated Retiree Health Benefit Trust - MCPS

This NDA provides consolidated funding for Montgomery County Public Schools' contribution to the Retiree Health Benefits Trust.

<b>FY22 Recommended Changes</b>	<b>Expenditures</b>	<b>FTEs</b>
<b>FY21 Approved</b>	<b>69,358,879</b>	<b>0.00</b>
Increase Cost: County Contribution Based on Actuarial Valuation	3,689,390	0.00
<b>FY22 Recommended</b>	<b>73,048,269</b>	<b>0.00</b>

☼ County Associations

This NDA funds Montgomery County membership dues to the National Association of Counties (NACo) and the Maryland Association of Counties (MACo).

<b>FY22 Recommended Changes</b>	<b>Expenditures</b>	<b>FTEs</b>
<b>FY21 Approved</b>	<b>74,728</b>	<b>0.00</b>
<b>FY22 Recommended</b>	<b>74,728</b>	<b>0.00</b>

☼ Device Client Management

The Device Client Management (DCM) program oversees the annual replacement of personal computers (PCs); manages software patching, distribution and enterprise anti-malware systems which collectively help to secure the County's technology infrastructure; and, includes funding for Enterprise office productivity software. The program provides general IT support directly to departments and employees through the County's IT Help Desk, which receives over 70,000 requests for service annually. DCM is based on a best-practices approach to maintaining a modern and cost-effective computing environment.

<b>FY22 Recommended Changes</b>	<b>Expenditures</b>	<b>FTEs</b>
<b>FY21 Approved</b>	<b>9,284,350</b>	<b>0.00</b>
Increase Cost: Microsoft Annual License Renewal	1,477,416	0.00
Enhance: Move to Five-Year Replacement Cycle for Desktops to laptops	734,871	0.00
Increase Cost: Replace PCs over 6 years old	698,127	0.00
Increase Cost: Bomgar Software Maintenance	20,075	0.00
Increase Cost: Zoom Annual Maintenance	10,912	0.00
<b>FY22 Recommended</b>	<b>12,225,751</b>	<b>0.00</b>

☼ Early Care and Education

In March 2019, the County Executive, County Council President and County Council members, the Montgomery County Department of Health and Human Services (HHS), Montgomery County Public Schools (MCPS), and Montgomery College (MC) joined together in an initiative to increase the number of quality Early Care and Education (ECE) seats in a mixed-delivery system by registering additional Family Child Care (FCC) providers, increasing resources to providers and families, and identifying existing unused or underutilized classroom space in high need areas, making quality early care and education accessible to more families. The Initiative is a concerted effort for strengthening the early care and education system in Montgomery County. Year One goals focused on increasing seats in Family Child Care and center-based settings, increasing access to quality ECE to more children through increased utilization of Working Parents Assistance Program (WPA), ensuring sustainability of existing family and center-based programs to reduce provider attrition and loss of available seats, and monitoring the Kirwan Commission recommendations to ensure alignment and possible coordination with partners at the State level. Year Two focused on making significant changes to the Child Care Subsidy program but the ECE Initiative Steering Committee quickly pivoted to recovery work during the COVID-19 pandemic, developing supports for sustainability of early childhood programs and support for families.

<b>FY22 Recommended Changes</b>	<b>Expenditures</b>	<b>FTEs</b>
<b>FY21 Approved</b>	<b>1,060,250</b>	<b>7.00</b>
Increase Cost: Operating Expenses (IT Software)	39,900	0.00
Increase Cost: FY21 Mid-Year Salary Adjustments	20,955	0.00
Increase Cost: FY22 Compensation Adjustment	5,281	0.00
Multi-program adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting multiple programs.	53,956	0.00
<b>FY22 Recommended</b>	<b>1,180,342</b>	<b>7.00</b>

☼ Metro Washington Council of Governments

The Metropolitan Washington Council of Governments (COG) is a voluntary association of major local governments in the Washington Metropolitan Area. COG seeks to provide regional answers to, and coordination of, area-wide issues such as air and water pollution, day care, housing, crime, water supply, land use, and transportation.

This NDA reflects Montgomery County's share of the organization's operation plus special COG initiatives. Additionally, the contribution supports the Cooperative Purchasing Program; the Anacostia Restoration Fund; and the Regional Environmental Fund.

As in previous years, the Washington Suburban Sanitary Commission will provide Montgomery County's contribution to support the Water Resources Management Planning Program and the Blue Plains Users Program.

<b>FY22 Recommended Changes</b>	<b>Expenditures</b>	<b>FTEs</b>
<b>FY21 Approved</b>	<b>1,684,519</b>	<b>0.00</b>
<b>FY22 Recommended</b>	<b>1,684,519</b>	<b>0.00</b>

☼ Montgomery Coalition for Adult English Literacy

This NDA provides funding for the Montgomery Coalition for Adult English Literacy (MCAEL). MCAEL's mission is to strengthen the Countywide adult English literacy providers' network with resources, training, collaborations, and advocacy to support a thriving community and an effective workforce. Funding for MCAEL supports grants to approximately 20 community organizations for 27 programs that provide adult English literacy classes. Additionally, MCAEL receives operating funding to provide technical assistance, coordination of new program initiatives, training, and networking opportunities to over 65 community organizations that improve program quality and coordination and provide critical information for the community to educate and engage them about the need for and benefits from adult English literacy classes. The County's contribution is implemented by a contract between the Department of Public Libraries and MCAEL.

<b>FY22 Recommended Changes</b>	<b>Expenditures</b>	<b>FTEs</b>
<b>FY21 Approved</b>	<b>1,857,058</b>	<b>0.00</b>
Enhance: MCAEL operating and grant expenses	100,000	0.00
<b>FY22 Recommended</b>	<b>1,957,058</b>	<b>0.00</b>

☼ Montgomery County Economic Development Corporation

This is the private non-profit corporation established by Council Bill 25-15 that serves as Montgomery County's lead economic development organization. The Economic Development Corporation is responsible for implementing the County's economic development strategic plan and related programs that include marketing, business retention and attraction, entrepreneurship, and promoting the development of the County's economic base.

<b>FY22 Recommended Changes</b>	<b>Expenditures</b>	<b>FTEs</b>
<b>FY21 Approved</b>	<b>5,007,750</b>	<b>0.00</b>
Enhance: Support Entrepreneurship Development	300,000	0.00
Enhance: Establish an Entrepreneurs in Residence Fellowship Fund	250,000	0.00
Enhance: Support County's White Flint Project	250,000	0.00
Enhance: Expand Talent Pipeline/Workforce Development Partnership	100,000	0.00
Enhance: Support an Inclusive Economy Initiative (Minority Businesses and Ethnic Chambers)	100,000	0.00

have access to large contributions from interest groups or individuals to run for County elective offices. This NDA provides for the distribution of public contributions to qualified candidates in a contested election. This funding level was recommended by the Committee to Recommend Funding for Public Election Fund.

<b>FY22 Recommended Changes</b>	<b>Expenditures</b>	<b>FTEs</b>
<b>FY21 Approved</b>	<b>0</b>	<b>0.00</b>
Increase Cost: Public Election- Funding FY22	2,750,000	0.00
Add: Administrative Expenses - One Time	250,000	0.00
Increase Cost: Group Insurance Adjustment	434	0.00
Decrease Cost: Negating Group insurance adjustment	(434)	0.00
<b>FY22 Recommended</b>	<b>3,000,000</b>	<b>0.00</b>

### ☼ Public Technology, Inc.

The Public Technology Institute (PTI) actively supports local government executives and elected officials through research, education, executive-level consulting services, and national recognition programs. As the only technology organization created by and for cities and counties, PTI works with a core network of leading local officials - the PTI membership - to identify research opportunities, provide thought leadership and professional development opportunities, share solutions, provide technology support services, recognize member achievements and address the many technology issues that impact local government.

Funds are budgeted each year to continue membership in PTI.

<b>FY22 Recommended Changes</b>	<b>Expenditures</b>	<b>FTEs</b>
<b>FY21 Approved</b>	<b>20,000</b>	<b>0.00</b>
Decrease Cost: Public Technology Annual Membership Cost Reduction	(15,000)	0.00
<b>FY22 Recommended</b>	<b>5,000</b>	<b>0.00</b>

### ☼ Retiree Health Benefits Trust

Consolidated Retiree Health Benefits Trust: Beginning in FY08, the County implemented a plan to set aside funds for retiree health benefits, similar to the County's 50 year-old practice of prefunding for retiree pension benefits. Due to exponential growth in expected retiree health costs, the County had determined the cost of funding these benefits, which were being paid out as the bills came due, would become unaffordable. Setting aside money now and investing it in a Trust Fund, which is invested in a similar manner as the pension fund, not only is a prudent and responsible approach but will result in significant savings over the long term.

The County's approach to address retiree health benefits funding is to determine an amount which, if set aside on an annual basis and actively invested through a trust vehicle, will build up over time and provide sufficient funds to pay future retiree health benefits and any accrued interest on unfunded liability. This amount, known as an Actuarially Determined Contribution or "ADC", normally consists of two pieces - the annual amount the County would usually pay out for health benefits for current retirees (the pay-as-you-go amount), plus the additional amount estimated to fund retirees' future health benefits (the pre-funding portion). The pay-as-you-go amount can be reasonably projected based on known facts about current retirees, and the pre-funding portion is estimated on an actuarial basis.

The County's policy is to pay the full amount of ADC each year. In FY11, the County Council enacted Bill 17-11 which established the Consolidated Retiree Health Benefits Trust. The Bill amended existing law and provided a funding mechanism to pay for other post employment benefits (OPEB) for employees of Montgomery County Public Schools and Montgomery County College. In FY15, the County and all other agencies implemented the Medicare Part D Employer Group Waiver Program for Medicare eligible retirees/survivors effective January 1, 2015. This has reduced retiree drug insurance costs and the County's OPEB liability. The County achieved full pre-funding in FY15, consistent with Council resolution No. 16-555. In FY21, these contributions were budgeted at \$12.3 million (County General Fund), \$69.4 million (MCPS Consolidated Trust), and \$5.5 million (Montgomery College Consolidated Trust).

<b>FY22 Recommended Changes</b>	<b>Expenditures</b>	<b>FTEs</b>
<b>FY21 Approved</b>	<b>12,255,660</b>	<b>0.00</b>
Decrease Cost: County Contribution Based on Actuarial Valuation	(1,425,680)	0.00
<b>FY22 Recommended</b>	<b>10,829,980</b>	<b>0.00</b>