

MEMORANDUM

April 18, 2022

TO: Transportation and Environment Committee

FROM: Glenn Orlin, Senior Analyst

SUBJECT: FY23 Operating Budget—transportation-related nondepartmental accounts (NDAs)¹

PURPOSE: Worksession to develop Committee recommendations

Expected Participants:

- Anita Aryeetey, Office of Management and Budget (OMB)
- Wade Holland, Vision Zero Coordinator
- Felicia Hyatt, OMB
- Deborah Lambert, OMB

This worksession addresses the County Executive’s FY23 Operating Budget recommendations for four NDAs related to transportation. **Council staff concurs with all Executive recommendations.**

1. Climate Response NDA

The Executive recommends no change to the budget for this NDA, which supplements the budgets for DOT and DGS for snow removal and storm cleanup operations (see ©1-2).

Climate Response NDA	FY22 Approved	FY23 CE Recommended	Change from FY22 Approved
General Fund	\$2,884,990	\$2,884,990	0.0%
Personnel Costs	\$0 0.0 FTEs	\$0 0.0 FTEs	0.0% 0.0 FTEs
Operating Costs	\$2,884,990	\$2,884,990	0.0%

¹ Key word: #transportation

2. Homeowners Association (HOA) Road Maintenance Reimbursement NDA

The Executive recommends no change to the budget for this NDA, which reimburses homeowners associations for the maintenance of certain eligible HOA roads (see ©3-4).

HOA Road Maintenance Reimbursement NDA	FY22 Approved	FY23 CE Recommended	Change from FY22 Approved
General Fund	\$62,089	\$62,089	0.0%
Personnel Costs	\$0 0.0 FTEs	\$0 0.0 FTEs	0.0% 0.0 FTEs
Operating Costs	\$62,089	\$62,089	0.0%

This NDA consists of two reimbursement programs. The “State” program reimburses HOAs for roads eligible to be counted for State Highway User Revenue; the funds associated with these roads are sent to the County and then passed through to the HOAs. The recommended funding in this (and prior year) NDAs are entirely for the State program.

The “County” program was intended to reimburse HOAs for eligible roads at roughly the cost that the County spends to maintain its own roads, subject to the availability of appropriations. However, from FY90 to FY09 the Council limited the reimbursement to around \$1,000 per eligible mile, a fraction of the cost of maintaining a County road. For the FY10 budget, the Council reduced the appropriation to only about \$250 per eligible mile, and for FY11 through FY22 the Council suspended funding for this program altogether. The Executive recommends extending this suspension through FY23, the 13th successive year this program will not have been funded. The Council should once again consider a bill that would eliminate this program, since neither the Executive nor the Council has elected to fund it either in flush or challenging budget years.

3. Rockville Parking District NDA

The Executive recommends \$1,900 more than in the FY22 Operating Budget, which pays for the County’s share of costs associated with the parking garages in the Rockville Town Center. The share is associated with the free use of several garage spaces for County employees working in the Rockville Memorial Library.

The County Executive’s FY23 Recommended Operating Budget for this NDA is attached at ©5.

Rockville Parking District NDA	FY22 Approved	FY23 CE Recommended	Change from FY22 Approved
General Fund	\$418,000	\$419,900	0.5%
Personnel Costs	\$0 0.0 FTEs	\$0 0.0 FTEs	0.0% 0.0 FTEs
Operating Costs	\$418,000	\$419,900	0.5%

This reimbursement to the City of Rockville has three components:

- The annual debt service payment of \$180,000 is unchanged from the FY22 Budget.
- The charge for Rockville Library employee parking is \$99,600, also unchanged from the FY22 Budget.
- The Payment in Lieu of Taxes (PILOT) is \$140,300; \$1,900 more than the FY22 Budget.

4. Vision Zero NDA

The Executive recommends \$9,392 more than in the FY22 Operating Budget, which pays for the Vision Zero Coordinator’s salary and benefits and miscellaneous operating expenses (see ©6). The proposed increase is for salary and benefits adjustments for the Vision Zero Coordinator.

Vision Zero NDA	FY22 Approved	FY23 CE Recommended	Change from FY22 Approved
General Fund	\$180,171	\$189,563	5.2%
Personnel Costs	\$130,702 1.0 FTE	\$140,094 1.0 FTE	7.2% 0.0 FTEs
Operating Costs	\$49,469	\$49,469	0.0%

The Council will likely wish to schedule a briefing by the Vision Zero Coordinator, the State Highway Administration, interagency staffs, and the Pedestrian, Bicycle, and Traffic Safety Advisory Committee to provide an update on Vision Zero activities and progress since the last update, which was held on June 29, 2021.

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.

FY23 Recommended Changes	Expenditures	FTEs
FY22 Approved	375,000	0.00
Enhance: Imagination Library Partnership in Montgomery County	50,000	0.00
FY23 Recommended	425,000	0.00

☀ 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 may be used to fund other climate change-related initiatives.

FY23 Recommended Changes	Expenditures	FTEs
FY22 Approved	650,200	3.00
Increase Cost: Annualization of New Positions Created in FY22	52,475	0.00
Add: Mid-year Creation of Climate Change Officer	10,225	0.05
Increase Cost: FY23 Compensation Adjustment	615	0.00
Decrease Cost: Annualization of FY22 Personnel Costs	(21,838)	0.00
FY23 Recommended	691,677	3.05

☀ Climate Response

This program supports the County's mission to provide an effective and efficient transportation system to ensure the safe and convenient movement of persons, bicycles and vehicles throughout the County in response to winter snow storms and severe wind/rain events.

Budgeted funds for this program support the costs for the Department of Transportation and Department of General Services when actual expenditures exceed their individual snow removal and storm cleanup budgeted amounts, which is a circumstance that occurs every year.

The snow removal and storm cleanup program is an integral part of coordinating the response to emergencies and severe weather events through the preparation, active response, and post storm/emergency cleanup. Tasks performed during these operations include snow pretreatment, roadway snow removal, sidewalk snow removal, salt application, post snow storm street sweeping,

wind and rain storm debris removal, and immediate emergency repairs to damaged and unsafe infrastructure. Emergency operations often require rapid deployment of resources to clear debris/snow to ensure all transportation systems are passable for emergency first responders and the travelling public. During emergency events, this program operates the Storm Operations Center which monitors and coordinates real-time activities County-wide with Fire and Rescue, Police, Emergency Management and Homeland Security, local utility companies, and other County agencies and local jurisdictions as needed. The primary goal for the emergency response component of this program is to keep the County residents and traveling public safe, while providing reliable access to the extensive transportation network. Emergency operations under this program are funded by approximately 50 percent of the programs proposed budget. Actual annual costs associated to the emergency response activities regularly exceed the approved budget by over 900 percent, therefore expenditures over the budgeted program amount are covered by the Climate Response Non-Departmental Account.

FY23 Recommended Changes	Expenditures	FTEs
FY22 Approved	2,884,990	0.00
FY23 Recommended	2,884,990	0.00

☀ **Community Grants**

This NDA provides one-time grants directly to organizations in the community. These community organizations are critical to an effective network of services and are often able to provide these services in a more cost-effective, culturally appropriate, and flexible way than County Government. They also are able to leverage community resources that may be unavailable to the County Government.

Prior to FY21, County Executive and County Council community grants were listed in separate non-departmental accounts (NDAs). Beginning with FY21, these separate programs have been merged into a single Community Grants NDA. The community grants listed below all received a 6% inflationary increase to their FY22 Approved funding level. The Community Grants NDA also includes three new pools of funding for nonprofit organizations and their communities. The application and awarding processes for this new funding will be administered by the new Office of Grants Management during FY23.

In addition, 46 community grants funded as part of the FY22 budget (totaling \$2.3 million) have moved into the base budgets of departments. Shifting programs also received a 6% inflationary increase over their FY22 Approved funding level. The list of the programs and funding amounts shifting into department base budgets can be found on page 79-1 of this publication.

The overall \$10,350,372 within the Community Grants NDA includes:

- Community Grants: Funding will be provided to organizations that leverage Federal, State, and/or private funding or improve the quality of life for County residents - the FY22 Community Grants total \$8,289,385.
- Underserved Communities Nonprofit Children, Youth, and Families Grants: \$750,000 will be available to nonprofit organizations from underserved communities who have unique insights into their local challenges and can develop the best programmatic solutions address them.
- Nonprofit Technical Assistance and Management Support Grants: \$750,000 will be available to strengthen County nonprofit organizations with a prioritization of organizations based in underserved communities.
- Business District Development Grants: \$500,000 will be available to support the operations necessary to establish a

years as an active employee is necessary to be eligible for the lifetime plan. The County will pay 50 percent of the premium for retirees with five years of participation as an active employee. The County contribution to the payment of the premium increases by two percent for each additional year of participation up to the 70 percent maximum.

On March 5, 2002, the County Council approved a one-time opportunity for retirees still under the 20/80 arrangement with an expiration date to elect the lifetime cost sharing arrangement. The new percentage paid by the County for those electing this arrangement ranges from 50 percent to 68 percent, depending upon years of active eligibility under the plan and years since retirement. The cost sharing election process has been completed. The budget does not include employer contributions from participating outside agencies.

FY23 Recommended Changes	Expenditures	FTEs
FY22 Approved	50,618,652	0.00
Decrease Cost: Utilization of OPEB Trust Funds	(20,000,000)	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.	(1,690,215)	0.00
FY23 Recommended	28,928,437	0.00

☀ **Guaranteed Income**

The Guaranteed Income Non-Departmental Account will fund a three-year pilot of the Guaranteed Income program, whose purpose is to provide direct, recurring cash payments to targeted groups of people without strings attached. The goals of the program are to alleviate poverty, provide a form of financial stability, and give people the ability to make their own choices to improve their economic position. Guaranteed Income is seen as one strategy to address income and wealth inequality.

FY23 Recommended Changes	Expenditures	FTEs
FY22 Approved	0	0.00
Add: Year Two Guaranteed Income Pilot Expenses	2,563,502	1.00
FY23 Recommended	2,563,502	1.00

☀ **Historical Activities**

This NDA provides funding for the Historical Society to support the Society's Education Program staff, educational and outreach programs for County residents, and to maintain the Historical Society's research library and museums.

FY23 Recommended Changes	Expenditures	FTEs
FY22 Approved	150,000	0.00
Increase Cost: Six Percent Inflationary Increase to Non-Profit Service Provider Contracts	9,000	0.00
FY23 Recommended	159,000	0.00

☀ **Homeowners' Association Road Maintenance Reimburse**

This NDA provides a partial reimbursement to homeowners' associations (HOAs) for their maintenance of certain privately-owned roadways. The payment is currently restricted to through roadways, accessible to the public, which are one-quarter mile or longer and which provide vehicular access to more than four dwelling units. In FY97, an Executive Regulation was enacted allowing homeowners' associations to request that their roadways be deemed "private maintenance roads." This

designation qualifies the HOAs for State reimbursement of their roadway maintenance costs. The County annually submits to the State its estimate of reimbursable miles, including those accepted as private maintenance roads. The State then reimburses the County and, subsequently, the County forwards the funds to HOAs.

FY23 Recommended Changes	Expenditures	FTEs
FY22 Approved	62,089	0.00
FY23 Recommended	62,089	0.00

☀ **Housing Opportunities Commission**

The Housing Opportunities Commission of Montgomery County (HOC) is a public body corporate and politic duly organized under Division II of the Housing and Community Development Article of the Annotated Code of Maryland, commonly known as the Housing Authorities Law. The Commission acts as a builder, developer, financier, owner, and manager of housing for people of low- and moderate- (eligible) income. The Commission also provides eligible families and individuals with affordable housing and supportive services.

FY23 Recommended Changes	Expenditures	FTEs
FY22 Approved	6,895,693	0.00
Increase Cost: Incremental FY23 Compensation	699,264	0.00
Increase Cost: FY23 Rental License Fees	38,211	0.00
FY23 Recommended	7,633,168	0.00

☀ **Inauguration and Transition**

The Montgomery County Charter provides for the quadrennial election of a County Executive and County Council. This NDA provides for a ceremony and smooth transition of the County Executive and County Council every four years.

FY23 Recommended Changes	Expenditures	FTEs
FY22 Approved	0	0.00
Add: Funding for 2022 Election	50,000	0.00
FY23 Recommended	50,000	0.00

☀ **Incubator Programs - Economic Development Partnership**

This NDA provides for facility lease payments, program and portfolio management services for the County's Business Innovation Network (BIN) facilities, and program funding for the Business Incubator Without Walls Program (for the Down County area). The BIN consists of three physical locations: the Silver Spring Innovation Center (SSIC) on Georgia Avenue (owned by the County), the Rockville Innovation Center (RIC) in Rockville Town Square (owned by the County), and the Germantown Innovation Center (GIC) on the campus of Montgomery College under lease from the College Foundation until 2036. This NDA also supports the National Cybersecurity Center of Excellence (NCCOE) located at 9700 Great Seneca Highway (owned by the County), a partnership between the National Institute of Standards and Technology (NIST), the State of Maryland, and Montgomery County. The NDA also provides support for the NonProfit Village, a non-profit incubator, for operational, organizational, equipment and training support services.

FY23 Recommended Changes	Expenditures	FTEs
FY23 Recommended	0	0.00

☼ Risk Management (General Fund)

This NDA funds the General Fund contribution to the Liability and Property Coverage Self-Insurance Fund. The Self-Insurance Fund, managed by the Division of Risk Management in the Department of Finance, provides comprehensive insurance coverage to contributing agencies. Contribution levels are based on the results of an annual actuarial study. Special and Enterprise Funds, as well as outside agencies and other jurisdictions, contribute to the Self-Insurance Fund directly.

FY23 Recommended Changes	Expenditures	FTEs
FY22 Approved	23,260,695	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.	2,477,292	0.00
FY23 Recommended	25,737,987	0.00

☼ Rockville Parking District

This NDA provides funding towards the redevelopment of the City of Rockville Town Center and the establishment of a parking district. The funding reflects a payment from the County to the City of Rockville for County buildings in the Town Center development and is based on the commercial square footage of County buildings.

Also included are funds for the cost of library employee parking and the County's capital cost contribution for the garage facility as agreed in the General Development Agreement.

FY23 Recommended Changes	Expenditures	FTEs
FY22 Approved	418,000	0.00
Increase Cost: Contribution Cost to City of Rockville	1,900	0.00
FY23 Recommended	419,900	0.00

☼ Skills for the Future

The Skills for the Future Non-Departmental Account was established in May 2019 to provide funding for high-quality Science, Technology, Engineering, Arts, and Mathematics (STEAM) programming in both academic and recreational settings to low-income youth. The intent of this funding is to build a pipeline of technical talent that will ensure equitable access to high-paying jobs and allow Montgomery County to continue to offer one of the best educated work forces in the world. The Department of Recreation administers these funds that will provide experiential learning engagement opportunities that give low-income youth access to STEAM programming.

FY23 Recommended Changes	Expenditures	FTEs
FY22 Approved	256,000	0.00
Increase Cost: Six Percent Inflationary Increase to Non-Profit Service Provider Contracts	15,360	0.00
FY23 Recommended	271,360	0.00

FY23 Recommended Changes	Expenditures	FTEs
FY22 Approved	176,742	0.00
Decrease Cost: FY23 Reimbursement Calculation Decrease	(8,831)	0.00
FY23 Recommended	167,911	0.00

☀ **Telecommunications**

This NDA provides the operating expenses appropriations for telecommunication charges incurred by departments, including land-line charges and Private Branch Exchange System (PBX) maintenance and support charges. Prior to FY17, the Department of Technology Services charged individual departments and funds for expenses incurred.

FY23 Recommended Changes	Expenditures	FTEs
FY22 Approved	5,356,382	0.00
FY23 Recommended	5,356,382	0.00

☀ **Vision Zero**

This NDA provides for the planning and implementation of educational, enforcement, and engineering efforts to reduce the number of traffic related fatalities to zero. This could include activities such as targeted enforcement of distracted and aggressive driving; educational campaigns to increase driver awareness of pedestrians and bicyclists; or designing roadways to reduce conflicts and enhance safety.

FY23 Recommended Changes	Expenditures	FTEs
FY22 Approved	180,171	1.00
Increase Cost: Annualization of FY22 Personnel Costs	5,186	0.00
Increase Cost: FY23 Compensation Adjustment	1,764	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.	2,442	0.00
FY23 Recommended	189,563	1.00

☀ **Working Families Income Supplement**

This NDA provides funds to supplement the State's Refundable Earned Income Tax Credit (EITC). The intent of the Working Families Income Supplement is to provide financial assistance to low-income working families in Montgomery County. The County, through the NDA, reimburses the State for the cost of the refund and related administrative expenses. The amount reflected for FY23 reflects utilization of \$25 million in funding the County received from the American Rescue Plan Act.

FY23 Recommended Changes	Expenditures	FTEs
FY22 Approved	45,105,090	0.00
FY23 Recommended	45,105,090	0.00

☀ **WorkSource Montgomery, Inc**

This is the private non-profit corporation authorized by Council Resolution 18-295 as the County's designated workforce development corporation. WorkSource Montgomery, Inc. has been designated to implement the County's workforce development