

M E M O R A N D U M

April 27, 2022

TO: Government Operations and Fiscal Policy Committee

FROM: Craig Howard, Deputy Director

SUBJECT: **Office of Intergovernmental Relations FY23 Operating Budget**

PURPOSE: Make Committee recommendations for Council Consideration

Expected Participants:

- Melanie Wenger, Director, Office of Intergovernmental Relations
- Wanda Wells, Office of Intergovernmental Relations
- Jane Mukira, Office of Management and Budget

Summary of FY23 Recommended Budget and Key Discussion Issues

Office of Intergovernmental Relations	FY22 Approved	FY23 CE Recommended	Change from FY22 Approved
General Fund	\$1,075,985	\$1,075,687	--
Personnel Costs	\$959,139 5.3 FTEs	\$958,786 5.3 FTEs	-- --
Operating Costs	\$116,813	\$116,901	--
Grant Fund	\$15,335	\$0	--
Personnel Costs	-- --	-- --	-- --
Operating Costs	\$15,335	\$0	--
Total Expenditures (All Funds)	\$1,091,287 5.3 FTEs	\$1,075,687 5.3 FTEs	(1.4%) --

Council staff recommendation:

- **Approve the FY23 budget for the Office of Intergovernmental Relations (OIR) as proposed by the County Executive.**

FY23 Budget Overview

The mission of the Office of Intergovernmental Relations is to represent the County's interests at the regional, State, and Federal levels and acts as the lead Executive Branch agency representing the County in the Maryland Association of Counties and the National Association of Counties.

In FY23, the County Executive is recommending a budget of \$1,075,687, a decrease of \$15,600 or 1.4% compared to FY22. Personnel costs comprise 89% of OIR's budget.

The most significant change in OIR's FY23 budget is the recommended elimination of \$15,335 in matching grant funds for from the State for Base Realignment and Closure (BRAC) activities for White Oak Reuse. OIR staff provided the following explanation for the eliminatin of this grant.

Contracting for federal consulting services to support Labquest, a community group which was created because of a BRAC action that took place in White Oak decades ago, has been the subject of discussion for a number of years now. When this contract was initiated, it was supported by three entities – the State of Maryland and Prince George's and Montgomery counties. Several years ago, Prince George's County ended its support of the contract expenses, questioning the value of its investment. Last year, the State placed the County on notice that it would only fund its share of the costs for another year. This turn of events, coupled with the fact that this was a unique investment of County resources and all of the County's federal contracts had to be renewed (White Oak) or rebid (federal real estate and transportation), the decision was to allow this contract to expire. This decision was also based on the assumption that the County would continue to retain a federal real estate consulting firm, and while that firm would not provide staffing support to Labquest, federal real estate in the White Oak area would fall within the firm's scope of work. Ultimately, the Executive Branch took an alternative approach by deciding against issuing a new federal real estate consulting contract and instead bringing the federal real estate responsibility in-house.

Attachments

- OIR FY23 Recommended Budget

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Intergovernmental Relations

RECOMMENDED FY23 BUDGET

\$1,075,687

FULL TIME EQUIVALENTS

5.30

 MELANIE WENGER, DIRECTOR

MISSION STATEMENT

The mission of the Office of Intergovernmental Relations is to represent County interests at the regional, State, and Federal levels to: prepare the annual State Legislative Program; prepare the annual Federal priorities request; and to be the liaison with State Government, and State and Congressional delegations. The Office of Intergovernmental Relations is the lead Executive Branch agency representing the County in the Maryland Association of Counties and the National Association of Counties.

BUDGET OVERVIEW

The total recommended FY23 Operating Budget for the Office of Intergovernmental Relations is \$1,075,687, a decrease of \$15,600 or 1.43 percent from the FY22 Approved Budget of \$1,091,287. Personnel Costs comprise 89.13 percent of the budget for five full-time position(s) and one part-time position(s), and a total of 5.30 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 10.87 percent of the FY23 budget.

COUNTY PRIORITY OUTCOMES

While this program area supports all seven of the County Executive's Priority Outcomes, the following are emphasized:

-  **An Affordable, Welcoming County for a Lifetime**
-  **Thriving Youth and Families**
-  **Easier Commutes**
-  **A Greener County**
-  **Effective, Sustainable Government**
-  **Safe Neighborhoods**
-  **A Growing Economy**

INITIATIVES

-  Continue to enhance collaboration with the County Executive, County Council, County departments, independent agencies (Montgomery County Public Schools, Washington Suburban Sanitary Commission, Maryland-National Capital Park and

Planning Commission, Montgomery College, Revenue Authority, and Housing Opportunities Commission), and the County's various Boards, Committees, and Commission to enhance: (1) the process for developing Federal and State priorities to maximize opportunities; and (2) Federal and State advocacy efforts regarding legal, legislative, fiscal and regulatory matters.

- ★ Continue to enhance the Office of Intergovernmental Relations' Legislative Tracking System to maximize its workflow management and public information capabilities.

INNOVATIONS AND PRODUCTIVITY IMPROVEMENTS

- ★ Continued to improve the public interface of the Office of Intergovernmental Relations' (OIR) website, including a direct link to OIR's legislative tracking system that provides easy access to the legislative history and County position statements for bills tracked by OIR.
- ★ Continued participation in training, education, and networking opportunities at the local, State, and Federal levels, including programs and opportunities sponsored by MACo, NACo, Montgomery County Chamber of Commerce, and TeleCommUnity (a collection of local governments who coordinate advocacy at the Federal level to ensure respect for local rights in Federal legislative and regulatory activity).

PROGRAM CONTACTS

Contact Wanda Wells of the Office of Intergovernmental Relations at 240.777.6550 or Jane Mukira of the Office of Management and Budget at 240.777.2754 for more information regarding this department's operating budget.

PROGRAM PERFORMANCE MEASURES

Performance measures for this department are included below (where applicable). The FY22 estimates reflect funding based on the FY22 Approved Budget. The FY23 and FY24 figures are performance targets based on the FY23 Recommended Budget and funding for comparable service levels in FY24.

Measure	Actual FY20	Actual FY21	Estimated FY22	Target FY23	Target FY24
Program Measures					
Number of bills for which a County fiscal estimate was requested by the State Department of Legislative Services ¹	548	555	540	540	540
Number of formal position statements prepared ²	174	146	208	208	208
Percent of State legislative package where Intergovernmental Relations position prevailed	100%	100%	100%	100%	100%
Percent of State priorities fully realized	100%	100%	100%	100%	100%
Total direct State aid (\$ millions) ³	\$856	\$901	\$931	\$931	\$931
Total State retirement payments (\$ millions)	\$177	\$171	\$175	\$175	\$175

¹ Projections are based on the mathematical average of the last three years' actual figures.

² Projections are based on the mathematical average of the last three years' numbers rounded to the nearest 5. The number of formal position statements decreased in FY20 due to the coronavirus pandemic. As a result, the 2020 General Assembly Session adjourned March 18, 2020. It was scheduled to end April 6, 2020.

³ Flat Projections

PROGRAM DESCRIPTIONS

Intergovernmental Relations

The Office of Intergovernmental Relations (OIR) advocates on behalf of the County before the Maryland General Assembly, Governor, and State administrative agencies, task forces, and committees. It responds to legislation, regulations, or other policy issues involving nearby counties and states, municipalities within the County, regional agencies, the District of Columbia, and the Federal government. Staff analyzes and evaluates legislation before the Maryland General Assembly and prepares written comments and testimony. Staff also analyzes County department requests for legislation and participates in the drafting of legislation or amendments. OIR serves as the liaison to the County's Congressional delegation which is represented by three House members and two Senators serving on key authorization and appropriations committees. Staff works collaboratively with County departments and Council on developing policy priorities and project requests for federal discretionary funding that could be advanced as earmarks by the Congressional delegation in annual appropriations bills. OIR also advocates on federal policies and legislation of interest to the County and pursues opportunities for Congressional delegation support for federal grant funding sought by County departments.

BUDGET SUMMARY

	Actual FY21	Budget FY22	Estimate FY22	Recommended FY23	%Chg Bud/Rec
COUNTY GENERAL FUND					
EXPENDITURES					
Salaries and Wages	770,559	780,279	741,571	783,390	0.4 %
Employee Benefits	175,454	178,860	143,671	175,396	-1.9 %
County General Fund Personnel Costs	946,013	959,139	885,242	958,786	—
Operating Expenses	114,098	116,813	34,914	116,901	0.1 %
County General Fund Expenditures	1,060,111	1,075,952	920,156	1,075,687	—
PERSONNEL					
Full-Time	5	5	5	5	—
Part-Time	0	0	0	1	—
FTEs	5.30	5.30	5.30	5.30	—
County General Fund Revenues	0	0	0	0	—
GRANT FUND - MCG					
EXPENDITURES					
Salaries and Wages	250	0	0	0	—
Employee Benefits	0	0	0	0	—
Grant Fund - MCG Personnel Costs	250	0	0	0	—
Operating Expenses	15,333	15,335	15,335	0	-100.0 %
Grant Fund - MCG Expenditures	15,583	15,335	15,335	0	-100.0 %
PERSONNEL					
Full-Time	0	0	0	0	—
Part-Time	0	0	0	0	—
FTEs	0.00	0.00	0.00	0.00	—

BUDGET SUMMARY

	Actual FY21	Budget FY22	Estimate FY22	Recommended FY23	%Chg Bud/Rec
REVENUES					
Federal Grants	250	0	0	0	—
State Grants	15,333	15,335	15,335	0	-100.0 %
Grant Fund - MCG Revenues	15,583	15,335	15,335	0	-100.0 %
DEPARTMENT TOTALS					
Total Expenditures	1,075,694	1,091,287	935,491	1,075,687	-1.4 %
Total Full-Time Positions	5	5	5	5	—
Total Part-Time Positions	0	0	0	1	—
Total FTEs	5.30	5.30	5.30	5.30	—
Total Revenues	15,583	15,335	15,335	0	-100.0 %

FY23 RECOMMENDED CHANGES

	Expenditures	FTEs
COUNTY GENERAL FUND		
FY22 ORIGINAL APPROPRIATION	1,075,952	5.30
<u>Other Adjustments (with no service impacts)</u>		
Increase Cost: Annualization of FY22 Compensation Increases	11,954	0.00
Increase Cost: FY23 Compensation Adjustment	5,559	0.00
Increase Cost: Printing and Mail Adjustment	88	0.00
Decrease Cost: Annualization of FY22 Personnel Costs	(6,825)	0.00
Decrease Cost: Retirement Adjustment	(11,041)	0.00
FY23 RECOMMENDED	1,075,687	5.30
GRANT FUND - MCG		
FY22 ORIGINAL APPROPRIATION	15,335	0.00
<u>Federal/State Programs</u>		
Eliminate: Elimination of White Oak Reuse Grant	(15,335)	0.00
FY23 RECOMMENDED	0	0.00

FUNDING PARAMETER ITEMS

CE RECOMMENDED (\$000S)

Title	FY23	FY24	FY25	FY26	FY27	FY28
COUNTY GENERAL FUND						
EXPENDITURES						

FUNDING PARAMETER ITEMS

CE RECOMMENDED (\$000S)

Title	FY23	FY24	FY25	FY26	FY27	FY28
FY23 Recommended	1,076	1,076	1,076	1,076	1,076	1,076
No inflation or compensation change is included in outyear projections.						
Labor Contracts	0	20	20	20	20	20
These figures represent the estimated annualized cost of general wage adjustments, service increments, and other negotiated items.						
Subtotal Expenditures	1,076	1,096	1,096	1,096	1,096	1,096