

MEMORANDUM

April 19, 2023

TO: Government Operations and Fiscal Policy (GO) Committee

FROM: Craig Howard, Deputy Director

SUBJECT: **FY24 Operating Budget – Department of Finance (Finance) and Risk Management Non-Departmental Account (NDA)**

PURPOSE: Make recommendations for Council consideration

Expected Participants:

- Mike Coveyou, Director, Finance
- Karen Hawkins, Finance
- Kimberly Gay-Armour, Finance
- Jed Millard, Finance
- Jayanthi Hariprasadh, Finance
- Abdul Rauf, Office of Management and Budget

Summary of FY24 Recommended Budget – Department of Finance

| | FY23 Approved | FY24 CE Recommended | Change from FY23 Approved |
|---------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|
| General Fund | \$16,103,577 | \$16,839,725 | 4.6% |
| Personnel Costs | \$13,414,028 99.92 FTEs | \$14,146,644 99.92 FTEs | 5.5% -- |
| Operating Costs | \$2,689,549 | \$2,693,081 | 0.1% |
| Self Insurance Fund (Internal) | \$87,433,939 | \$95,317,115 | 9.0% |
| Personnel Costs | \$4,807,896 32.37 FTEs | \$5,221,298 32.37 FTEs | 8.6% -- |
| Operating Costs | \$82,626,043 | \$90,095,817 | 9.0% |
| Total Expenditures (All Funds) | \$103,537,516 132.29 FTEs | \$112,156,840 132.29 FTEs | 8.3% -- |

Summary of Staff Recommendations

- Approve the FY24 budget for the Department of Finance as recommended by the Executive, subject to consideration of potential FY24 savings from eliminating vacant positions. Finance does not have any FY24 budget increases that would go on the reconciliation list per the Council President’s budget review guidelines.
- Approve the FY24 funding for the Risk Management NDA as recommended by the Executive

I. Budget Overview

The mission of the Department of Finance is to “prudently manage financial operations, recommend and implement sound fiscal policies, safeguard public assets, and encourage a safe environment on public property.” Table 1 below compares FY23 approved and FY24 recommended expenditures and FTEs by program area for Finance. The Executive’s complete recommendation is attached at ©1-11.

Expenditures overview. Finance’s recommended budget includes expenditures in the general fund and the self-insurance internal service fund (“self-insurance fund”). The Executive’s FY24 recommendation increases Finance’s total expenditures by \$736,148 or 4.6% in the general fund and by \$7,883,176 or 9.0% in the self-insurance fund compared to the approved FY23 budget. **Nearly all of the general fund increase in FY24 is due to annualization of FY23 compensation adjustments and the Executive’s recommended FY24 compensation enhancements.**

Revenue overview. Finance’s revenues, like expenditures, are also divided between the general fund and self-insurance fund. **It is estimated the general fund revenues in FY24 will decrease by 3.3% when compared to FY23.** General fund revenues include various charges (e.g., district administration fee for certain development districts) and intergovernmental revenue (e.g., Bay Restoration fee) that are collected or received as part of Finance’s core mission. The decrease in estimated revenues is based on updated assumptions for FY24.

The self-insurance fund is mostly supported by contributions from the County Government, through the Risk Management NDA, and other participating agencies to support the self-insurance program. The self-insurance fund also includes revenue from other modest sources, like investment income and other revenues. **It is estimated that self-insurance fund revenues in FY24 will increase by 1.8% when compared to FY23.** The fund’s contributions are increasing to support the increase in estimated expenditures for the self-insurance program.

II. Public Hearings

The Council did not receive any comments during its public hearings related to Finance’s budget.

III. FY24 Recommended Expenditures

Table 1. Comparison of FY23-FY24 by Program Area for Finance

| Program Area | FY23 Expenditures | FY24 Expenditures | FY23-24 Change | FY23 FTEs | FY24 FTEs | FY23-24 Change |
|-------------------|----------------------|----------------------|--------------------|---------------|---------------|----------------|
| Controller | \$6,405,468 | \$6,721,317 | \$315,849 | 51.87 | 50.87 | (1.00) |
| Fiscal Management | \$2,109,194 | \$2,200,558 | \$91,364 | 11.00 | 11.00 | 0.00 |
| Information Tech. | \$1,694,028 | \$1,759,795 | \$65,767 | 4.00 | 3.98 | (0.02) |
| Ops. and Admin. | \$4,135,854 | \$4,183,696 | \$47,842 | 14.37 | 15.37 | 1.00 |
| Risk Management | \$86,564,962 | \$94,416,753 | \$7,851,791 | 28.00 | 28.00 | 0.00 |
| Treasury | \$2,628,010 | \$2,874,721 | \$246,711 | 23.05 | 23.07 | 0.02 |
| Total | \$103,537,516 | \$112,156,840 | \$8,619,324 | 132.29 | 132.29 | 0.00 |

Controller. This program area is responsible for overseeing expenditures and cash flow management; preparing timely and accurate annual financial statements and other standardized reports; complying with Federal, State, and County mandates; and developing standardized County policies and procedures. This program area is supported by 50.87 FTEs, a reduction of one FTE from FY24. The FY24 recommended budget increases expenditures in this program area by \$315,849 over the FY23 approved level.

Fiscal Management. This program area is responsible for issuing and managing the County’s financial obligations to fund the Capital Improvements Program (CIP) and manage cash flow; provide accurate revenue and economic forecasting; and publish reports on economic and revenue analysis on a quarterly basis. This program area is supported by 11.00 FTEs. The FY24 recommended budget increases expenditures in this program area by \$91,364 over the FY23 approved level.

Information Technology. This program area provides planning, direction, and support for Finance and core business systems, technology, and business process to support Finance’s core mission. This program area is supported by 3.98 FTEs. The FY24 recommended budget increases expenditures in this program area by \$65,767 over the FY23 approved level.

Operations and Administration. This program area provides operational and administrative support for the entire department. This program area is supported by 15.37 FTEs, an increase of one FTE from FY23. The FY24 recommended budget decreases expenditures in this program area by \$47,842 over the FY23 approved level.

Treasury. This program area is responsible for providing coordination and oversight of treasury operations and customer services through the cashiering function. This program area is supported by 23.07 FTEs in FY24. The FY24 recommended budget increases expenditures in this program area by \$246,711 over the FY23 approved level.

Risk Management. This program area provides comprehensive property and casualty insurance for the County and participating agencies. **This program area accounts for 84% of the recommended FY24 expenditures for Finance’s budget.** Most of this program area’s

expenditures support the operating expenses for the County and participating agencies' self-insurance program. This program area is supported by 28.00 FTEs. The FY24 recommended budget increases expenditures in this program area by \$7,851,791 over the FY23 approved level. Specific components of this increase are detailed below:

- **Increase in claims expenses, \$5,279,996.** Finance provides the following explanation for this increase: “Claims expenses for FY 2024 are expected to increase by about \$5.3M, as determined by the actuary. This data is based on the historical loss experience and the estimated payouts in the upcoming year based on the current (new) claims and existing claims. The projected payroll for FY 2024 is higher which directly impacts worker’s compensation exposures. This accounts for increased risk through potential increased claim costs which is directly proportional to the premium on them. When the Total Insured Value (TIV) increases, the potential for property claims increases as well. For General Liability claims, we continue to see lawsuits moving into the Federal Court system where the protection of the Local Government Tort Claims Act limit does not apply.”
- **Commercial insurance premiums, \$1,746,332.** Finance provides the following explanation for this increase: “Commercial insurance premiums will increase in FY 2024 and in the outyears. The Total Insured Value (TIV) is anticipated to go up by 17%. This affects the property premium. The reinsurance increases will also affect our renewal premiums.”
- **Claims service contract administration, \$501,695.** Finance provides the following explanation for this increase: “We will be out to bid on a new claims service contract shortly for service beginning in FY 2024. After discussions with our consultant, given the unique requirement for our business we anticipate this increase.”

See ©12 for the recommended FY24-29 Fiscal Plan for the Self Insurance Fund (i.e., the Risk Management Fund). **The recommended expenditures for FY24 are at the 85% confidence level – meaning the recommended expenditures are sufficient to cover all incurred liabilities in 8.5 out of 10 years.** The annual target confidence level is 80% to 85%. Based on the six-year estimates, the Fund’s expenditures are estimated to increase by \$16.0 million in FY29 compared to the FY24 expenditures, or an annual average growth rate of 3.2%. Contributions from the County Government and participating agencies are estimated to increase commensurately to address this growth in expenditures.

IV. FY24 Vacancies and Recommended Lapse

As part of the FY24 budget review, the Council has asked staff to review vacancy data for each department. In total, as of March 3, Finance had 10 vacant positions with an FY24 budget cost of \$1,359,093. This represents a net decrease of six vacancies compared to last year at this time.

Of the current vacant positions, four have been vacant for one year or more year as shown in Table 2 on the next page. These four positions account for \$517,867 in FY24. The Executive did include a \$230,119 reduction to Finance’s budget in FY24 due to assumed one-time lapse savings related to long-term vacancies.

Table 2. Budgeted Positions Vacant for 1+ Years

| Functional Area | Position | Days Vacant* | FY24 Budget |
|---|-----------------------------|--------------|------------------|
| Financial Analysis Audit and Compliance | Program Manager II | 670 | \$118,724 |
| Financial Analysis Audit and Compliance | Manager III | 658 | \$137,461 |
| Division of the Controller | Manager I | 433 | \$175,164 |
| Payroll | Office Services Coordinator | 405 | \$86,518 |
| Total | | | \$517,867 |

*As of March 3, 2023

Council staff recommends that the Committee discuss with Finance the reasons why those positions have remained vacant for such a long period of time, and what the potential impacts would be of eliminating those positions. Council staff notes that the potential savings from reducing vacant positions in FY24 may offset savings already assumed from lapse.

Finance provided the following information related to these long-term vacancies:

- The Manager I position (Controller) is in the final phase of the recruitment and selection process and is anticipated to be filled prior to the end of the fiscal year.
- The two vacancies in the Financial Analysis, Audit, and Compliance (FAAC) Team are primarily the result of turnover in the Controller division. The FAAC Manager is a direct report to the Controller, therefore our preference is to have a permanent Controller in place to hire their own direct report. The FAAC positions were initially created as a result of audit findings and provide critical protections in our payment systems and processes.
- The OSC in Payroll is to be reclassified to a Program Specialist to match the classes of other incumbents in the section. The Payroll and Mctime teams have been integrated into a single unit and due to promotion and a retirement, higher priority vacancies were filled first to facilitate the current upgrade of the Mctime system. Adding to delays in hiring, there was a six-month embargo on upward reclassifications in an election year.

V. Racial Equity and Social Justice Review

After reviewing Finance’s submission for the FY24 Operating Budget Equity Tool, the Office of Racial Equity and Social Justice (ORESJ) issued a rating of ★ (one star) on a scale of zero to three stars, indicating that the-Department-level budget demonstrates an emerging commitment to advancing racial equity and social justice in Montgomery County (©13-15).

ORESJ provided the following justification for its rating: “Responses demonstrate an emerging commitment to advancing RESJ in that the department was able to highlight actionable items in alignment with the GARE framework. However, there were no details explaining how the budget would enable activities listed. Further, what is provided contains no demographic data attempting to highlight potential disparities experienced by BIPOC County residents or meaningful ways to address them through their department. The response describes the work of the Treasury Division, but further detail is necessary to understand how this work relates to or enables the commitments articulated by the department.”

VI. Risk Management NDA

This NDA supports the County's general fund contribution to the self-insurance fund. The Executive's recommended funding in FY24 is \$36,469,813, an increase of \$731,826 or 2.8% over FY23 (©16). The recommended increase is due to the adjustments in the annual actuarial estimates as noted in Section 3 in the discussion about Finance's recommended budget.

VII. Council Staff Recommendations

- Approve the FY24 budget for the Department of Finance as recommended by the Executive, subject to consideration of potential FY24 savings from eliminating vacant positions. Finance does not have any FY24 budget increases that would go on the reconciliation list per the Council President's budget review guidelines.
- Approve the FY24 funding for the Risk Management NDA as recommended by the Executive



Finance

RECOMMENDED FY24 BUDGET

\$112,156,840

FULL TIME EQUIVALENTS

132.29

MICHAEL COVEYOU, DIRECTOR

MISSION STATEMENT

The mission of the Department of Finance is to prudently manage financial operations, recommend and implement sound fiscal policies, safeguard public assets, and encourage a safe environment on public property.

BUDGET OVERVIEW

The total recommended FY24 Operating Budget for the Department of Finance is \$112,156,840, an increase of \$8,619,324 or 8.32 percent from the FY23 Approved Budget of \$103,537,516. Personnel Costs comprise 17.27 percent of the budget for 126 full-time position(s) and no part-time position(s), and a total of 132.29 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 82.73 percent of the FY24 budget.

The Finance Operating Budget is comprised of a General Fund component (the Director's Office and the Divisions of Fiscal Management, Treasury, Information Technology, and Controller) and the Division of Risk Management, which is funded by the Liability and Property Coverage Self-Insurance Fund. The total FY24 Operating Budget for the General Fund component is \$16,839,725 an increase of \$736,148 or 4.6 percent over the FY23 approved budget of \$16,103,577. Personnel Costs comprise approximately 84 percent of the General Fund budget for 115 full-time positions. A total of 99.92 FTEs includes these positions as well as any seasonal or temporary positions and positions charged to or from other departments or funds. Operating Expenses account for the remaining 16 percent of the budget.

The total FY24 Operating Budget for the Self-Insurance Fund component of Finance (Risk Management) is \$95,317,115, an increase of \$7,883,176 or 9.02 percent over the FY23 Approved budget of \$87,433,939. Personnel Costs comprise approximately 5.48 percent of the Self-Insurance Fund budget for 11 full-time positions. A total of 32.37 FTEs includes these positions as well as any seasonal or temporary positions and positions charged to or from other departments or funds. Operating Expenses account for the remaining 94.52 percent of the budget. Included in the total FTEs are 21 FTEs charged to the Self-Insurance Fund by the Office of the County Attorney and 0.37 FTEs charged by the General Fund component of Finance (Controller Division) for services provided in support of Risk Management.




COUNTY PRIORITY OUTCOMES

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




 **A Growing Economy**

 **Effective, Sustainable Government**

INITIATIVES

-  Solicit a Request for Proposals and select a vendor for Banking and Merchant Card services.
-  Upgrade of the County's enterprise timekeeping system and migration of this platform to the vendor's Software as a Service cloud environment.
-  Upgrade of the Payment in Lieu of Taxes (PILOT) system that is utilized for property tax billing for certain accounts.

INNOVATIONS AND PRODUCTIVITY IMPROVEMENTS

-  Updated the Robotic Process Automation platform for greater integration capability with the County's existing information technology investments.
-  Revised eligibility requirements for the Small Business Innovation Research (SBIR) and Small Business Technology Transfer (STTR) Matching Grant Programs. The programs now includes financial incentives to assist Research and Development (R&D)-oriented small businesses that are preparing to apply for their first SBIR or STTR Phase I award.
-  Authorized and distributed 131 matching fund contributions in the amount of \$3,693,456 to 20 certified candidates during the 2022 Election Cycle by the Public Election Fund.

PROGRAM CONTACTS

Contact Jedediah Millard of the Department of Finance at 240.777.8855 or Abdul Rauf of the Office of Management and Budget at 240.777.2766 for more information regarding this department's operating budget.

PROGRAM PERFORMANCE MEASURES

Performance measures for this department are included below (where applicable), with multi-program measures displayed at the front of this section and program-specific measures shown with the relevant program. The FY23 estimates reflect funding based on the FY23 Approved Budget. The FY24 and FY25 figures are performance targets based on the FY24 Recommended Budget and funding for comparable service levels in FY25.

PROGRAM DESCRIPTIONS

Controller

This program provides effective management and support to the operations of Accounts Payable and Receivable; General and Grant Accounting; Financial Analysis, Audit and Compliance; and Timekeeping and Payroll. This program, through its operations, is responsible for overseeing expenditures and cash flow management; preparing timely and accurate annual financial statements and other standardized reports; complying with Federal, State, and County mandates; and developing standardized County policies and procedures.

The Accounts Payable (AP) section is responsible for timely and accurate payments to vendors for goods and services provided to the County; complying with County policies and procedures; and carrying out State and Federal reporting requirements.

The Accounts Receivable (AR) section is responsible for the timely receipt and accounting for monies due to the County from residents, businesses, and government agencies. In conjunction with the implementation of the Enterprise Resource Planning (ERP) system and associated best practices, it also provides services including invoicing/billing, collection, accounting, reconciliation, and reporting reconciliation of monies due.

The General and Grant Accounting sections are responsible for the analysis, interpretation, and presentation of the County's financial position and results of operations through timely, accurate, and professional financial reports. These reports provide public assurance as to the accountability and integrity of the use of Federal, State, County, and other outside resources; adherence to budgetary policies established by management; and compliance with Federal, State, and County mandates. The program prepares the Annual Comprehensive Financial Report, Debt Service Booklet, the Single Audit Report on Expenditures of Federal Awards, and the State Uniform Financial Report, as well as numerous other standardized and specialized reports. This program also provides high-quality, timely service to County departments through analysis and technical assistance and through preparation, review, and approval of financial transactions, including grants.

The Financial Analysis, Audit, and Compliance (FAAC) section is responsible for performing extensive financial analysis to improve financial reporting, coordinate controls and requirements over enhancements to functions in Oracle EBS financial modules, perform audits of financial transactions, and ensure compliance with Department and Countywide policies.

The Timekeeping and Payroll section is responsible for managing and maintaining the County's payroll system and functions as prescribed by Federal, State, County laws, and local regulations. It provides timely and accurate payroll disbursements to County employees, accounts for payroll deductions, issues W-2 statements to account for pre-tax and post-tax benefits, maintains official payroll and leave records, and responds to internal and external inquiries. Timekeeping and Payroll proactively operates in conjunction with other County Departments to maintain and develop efficient and effective improvements to personnel/payroll by providing timekeeping and creating reporting tools available within the Oracle Business Intelligence Tool (BI).

| Program Performance Measures | Actual FY21 | Actual FY22 | Estimated FY23 | Target FY24 | Target FY25 |
|--|----------------|----------------|-------------------|----------------|----------------|
| Procurement Card transactions processed | 22,542 | 30,701 | 28,000 | 28,000 | 28,000 |
| Vendor payments issued ¹ | 202,889 | 128,656 | 130,000 | 220,000 | 220,000 |
| Journal entries prepared | 2,000 | 1,700 | 1,800 | 1,800 | 1,800 |
| Journal entries reviewed and posted | 4,000 | 3,500 | 3,700 | 3,700 | 3,600 |
| Grant reports produced | 738 | 933 | 933 | 933 | 933 |
| Paychecks and payroll advices issued for employees ² | 275,991 | 282,720 | 285,000 | 285,000 | 285,000 |
| Pension and long-term disability (LTD2) payroll payments processed | 76,625 | 78,452 | 79,000 | 79,000 | 79,000 |
| Procurement Card rebate revenue generated | \$553,034 | \$741,803 | \$500,000 | \$500,000 | \$500,000 |
| Receive the Government Finance Officers Association (GFOA) Certificate of Achievement for Excellence in Financial Reporting ³ | Received | Expected | Expected | Expected | Expected |
| Percent of non-compliant payments - Direct purchase orders created the same day as invoice date and duplicate dollars per total invoices | 0.05% | 0.05% | 0.05% | 0.06% | 0.06% |
| Percent of payroll errors per sum of dollars under and overpaid | 0.26% | 0.16% | 0.20% | 0.20% | 0.20% |

¹ Vendor payments (checks, ACH's, wires, SUA) represent checks disbursed; each check may represent multiple invoice vouchers.

² Number of employees varies by month due to seasonal and temporary staff. Count reflects number of employees, not number of transactions (a person can have multiple transactions with one check).

³ The County has been awarded this certificate more times than any other county in the nation (FY21 = 52 times).

| FY24 Recommended Changes | Expenditures | FTEs |
|---|------------------|--------------|
| FY23 Approved | 6,405,468 | 51.87 |
| Increase Cost: Kronos Annual Maintenance and License Contractual Obligation | 8,290 | 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. | 307,559 | (1.00) |
| FY24 Recommended | 6,721,317 | 50.87 |

Fiscal Management

This program provides effective management of County capital and operating fund; and the fiscal analysis and issue management associated with master plan development, economic development, and legislative issues. It is also responsible for issuing and managing the County's financial obligations to fund the capital improvement program and manage cash flow; provide accurate revenue and economic forecasting and publishing reports on economic and revenue analysis on a quarterly basis for dissemination to the County Council, County Executive, and the public. One of the program's primary goals is to maintain the County's AAA General Obligation Bond debt rating and to actively invest the County's working capital to safely preserve principal, provide sufficient liquidity to meet cash flow requirements, and maximize investment returns while conforming to all State of Maryland laws and County statutes governing the investment of public funds.

Program objectives related to debt and cash management include: managing the timely and economic issuance of short and long-term financial obligations; developing and maintaining strong rating agency and investors relations; preparing accurate and timely financing documents, including the County's Annual Information Statement; ensuring strict compliance with disclosure requirements; coordinating bond counsel review; providing high-quality consulting services for County agencies, managers, staff, elected officials, and residents on issues related to debt and cash management; investing the County's working capital and managing the County's relationship with the banking and investment community.

Program objectives related to policy and fiscal projects include the proactive development of intergovernmental policy alternatives and recommendations including: necessary local and State legislation and regulations; fiscal impact analysis for local and State legislation; fiscal impact analysis and effective management associated with the financing and implementation aspects of Master and Sector Plans; implementing and managing County initiatives such as the Public Election Fund and Commercial Property Assessed Clean Energy (C-PACE) programs; managing the administration of economic development initiatives that support growth and/or expansion of economic opportunities in the County; and high-quality financial consulting services for County agencies, managers, staff, elected officials, and residents.

| Program Performance Measures | Actual FY21 | Actual FY22 | Estimated FY23 | Target FY24 | Target FY25 |
|--|-------------|-------------|----------------|-------------|-------------|
| Make Office Vacancies Extinct (MOVE) Program: Square feet of office space leased ¹ | 55,446 | 108,188 | 81,799 | 81,811 | 90,599 |
| Interest Rate Benchmarking - County General Obligation (GO) vs. Municipal Market Data Index (basis point spread) | 3.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Investment Return Benchmarking - County Return vs. S&P Local Government Investment Pool Index (basis point spread) | 11 | 21 | 10 | 10 | 10 |
| Revenue Forecasting - Percent variance between actual revenue and projected revenue | 2.41% | 7.57% | 0% | 0% | 0% |
| Interest Rate - True Interest Cost for Montgomery County General Obligation Bonds (the most common debt instrument used by the County) | 1.42% | 1.48% | 3.14% | 4.00% | 4.50% |
| Investment Return - Rate of return on Montgomery County's investments | 0.18% | 0.33% | 2.50% | 3.50% | 3.50% |

| Program Performance Measures | Actual FY21 | Actual FY22 | Estimated FY23 | Target FY24 | Target FY25 |
|---|----------------|----------------|-------------------|----------------|----------------|
| Bond Rating - Rating given to Montgomery County by Fitch, Moody's, and Standard and Poor's (Bond ratings are a measure of the quality and safety of a bond and are based on the issuer's financial condition) | AAA | AAA | AAA | AAA | AAA |

¹ FY22 performance is attributable to a moderation in pandemic related effects in the commercial real estate market.

| FY24 Recommended Changes | Expenditures | FTEs |
|---|------------------|--------------|
| FY23 Approved | 2,109,194 | 11.00 |
| Multi-program adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting multiple programs. | 91,364 | 0.00 |
| FY24 Recommended | 2,200,558 | 11.00 |

Information Technology

This program provides planning, direction, and support for finance and core business systems, technology, and business processes to support effective and efficient achievement of the Department's mission. Activities are proactively coordinated with the Department of Technology and Enterprise Business Solutions, other County Departments, vendors, and Department staff to ensure consistency of Department systems and financial controls with countywide policies and standards and with appropriate financial control standards. Major programs that are supported include: Property Tax Billing and Collection; Time and Attendance; Electronic Payment Implementation and Compliance; joint ownership of the County's Enterprise Resource Planning system; software development of customized applications; robotic process automation; business process re-engineering; Disaster Recovery; Continuity of Operations planning; and special projects.

| Program Performance Measures | Actual FY21 | Actual FY22 | Estimated FY23 | Target FY24 | Target FY25 |
|---|----------------|----------------|-------------------|----------------|----------------|
| Electronic payments (credit card and ACH) transactions processed by the County's credit card processor and bank (000's) | 4,282 | 5,143 | 5,246 | 5,351 | 5,458 |
| Workflows, tasks, and processes streamlined utilizing existing or new technologies | 24 | 49 | 40 | 40 | 40 |

| FY24 Recommended Changes | Expenditures | FTEs |
|---|------------------|-------------|
| FY23 Approved | 1,694,028 | 4.00 |
| Increase Cost: Annual PCI and ACH Industry Compliance | 6,630 | 0.00 |
| Decrease Cost: IT Financial Systems Applications - Ongoing Software Maintenance | (151,680) | 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. | 210,817 | (0.02) |
| FY24 Recommended | 1,759,795 | 3.98 |

Operations and Administration

This program includes operational support for the Department as well as the administrative portions of the Director's Office, the Division of the Controller, the Treasury Division, and the Division of Risk Management. The program provides support for efficient, effective, and timely accomplishment of the Department's mission, including budget development and oversight, personnel administration, strategic planning, and contract administration. The program provides high quality consulting services for County agencies, managers, staff, elected officials, and residents.

| FY24 Recommended Changes | Expenditures | FTEs |
|--------------------------|--------------|------|
|--------------------------|--------------|------|

| FY24 Recommended Changes | Expenditures | FTEs |
|---|---------------------|--------------|
| FY23 Approved | 4,135,854 | 14.37 |
| Multi-program adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting multiple programs. | 47,842 | 1.00 |
| FY24 Recommended | 4,183,696 | 15.37 |

Risk Management

The Montgomery County Self-Insurance Program, established under County Code 20-37, provides comprehensive property and casualty insurance for the County and participating agencies. The program pays all claims for Self Insured Workers' Compensation, General and Auto Liability, Auto Physical Damage, and Property matters. The program is funded through contributions from the agencies, which are based upon an annual actuarial analysis of their exposures and outstanding and projected future claims. The program provides accurate and timely insurance and risk management advice to County Departments and participating agencies and reduces County and participating agency exposure to risk by: comparing the cost of commercially available coverage to evaluate the best method of funding exposure to loss; transferring contractual risk under indemnification/hold harmless agreements; and recommending and reviewing contractual insurance requirements for County agreements. The Program also purchases commercial insurance policies. The Program maintains a contract agreement with a Third Party Claims administrator to handle all claims submitted to the County and agencies - including Workers' Compensation, General Liability, Automobile Liability, Auto Physical Damage, and Property damage.

| Program Performance Measures | Actual FY21 | Actual FY22 | Estimated FY23 | Target FY24 | Target FY25 |
|---|------------------------|------------------------|---------------------------|------------------------|------------------------|
| Computer based/onsite training classes provided by the Safety Section | 3,085 | 1,978 | 2,500 | 2,500 | 2,500 |
| Workers Compensation - Cost per \$100 of payroll | \$3.37 | \$2.96 | \$2.99 | \$2.99 | \$2.99 |
| Workers Compensation - Number of Montgomery County Government cases resulting in lost work time | 340 | 318 | 320 | 320 | 320 |

| FY24 Recommended Changes | Expenditures | FTEs |
|---|---------------------|--------------|
| FY23 Approved | 86,564,962 | 28.00 |
| Increase Cost: Claims Expense Change | 5,279,996 | 0.00 |
| Increase Cost: Commercial Insurance Premiums | 1,746,332 | 0.00 |
| Increase Cost: Claims Service Contract Administrative costs | 501,695 | 0.00 |
| Increase Cost: Rent increase | 3,956 | 0.00 |
| Decrease Cost: Other Insurance Costs | (65,111) | 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. | 384,923 | 0.00 |
| FY24 Recommended | 94,416,753 | 28.00 |

Treasury

This program is responsible for providing coordination and oversight of treasury operations and customer services through the cashiering function. All money received by the County--directly through the Treasury cashiering operation, from other County agencies, or through the internet and bank lockbox operation--is processed, administered, and recorded in a timely fashion in the County's accounting system. This program handles property, transfer and recordation, excise taxes, fines, and fees. It also offers specific employee services, such as the fare media pass. Functioning as a banking operation, the tellers are the primary provider of

person-to-person contact with County residents.

| Program Performance Measures | Actual FY21 | Actual FY22 | Estimated FY23 | Target FY24 | Target FY25 |
|--|----------------|----------------|-------------------|----------------|----------------|
| Tax related number of service request tickets transferred from MC311 Call Center to Treasury | 5,245 | 4,820 | 5,000 | 5,250 | 5,250 |
| Property tax accounts billed | 376,557 | 375,990 | 375,000 | 377,000 | 377,000 |
| Transfer tax transactions processed ¹ | 21,620 | 20,333 | 21,000 | 23,000 | 23,500 |
| Cashier transactions processed | 64,734 | 64,276 | 67,000 | 68,000 | 68,500 |

¹ Transfer Tax transactions includes taxable and non-taxable transactions.

| FY24 Recommended Changes | Expenditures | FTEs |
|---|------------------|--------------|
| FY23 Approved | 2,628,010 | 23.05 |
| Multi-program adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting multiple programs. | 246,711 | 0.02 |
| FY24 Recommended | 2,874,721 | 23.07 |

BUDGET SUMMARY

| | Actual FY22 | Budget FY23 | Estimate FY23 | Recommended FY24 | %Chg Bud/Rec |
|---|-------------------|-------------------|-------------------|---------------------|-----------------|
| COUNTY GENERAL FUND | | | | | |
| EXPENDITURES | | | | | |
| Salaries and Wages | 9,088,636 | 10,615,199 | 9,549,860 | 11,179,280 | 5.3 % |
| Employee Benefits | 2,941,185 | 2,798,829 | 2,966,489 | 2,967,364 | 6.0 % |
| County General Fund Personnel Costs | 12,029,821 | 13,414,028 | 12,516,349 | 14,146,644 | 5.5 % |
| Operating Expenses | 2,557,365 | 2,689,549 | 3,270,286 | 2,693,081 | 0.1 % |
| County General Fund Expenditures | 14,587,186 | 16,103,577 | 15,786,635 | 16,839,725 | 4.6 % |
| PERSONNEL | | | | | |
| Full-Time | 115 | 115 | 115 | 115 | — |
| Part-Time | 0 | 0 | 0 | 0 | — |
| FTEs | 99.67 | 99.92 | 99.92 | 99.92 | — |
| REVENUES | | | | | |
| Other Charges/Fees | 517,471 | 535,500 | 517,200 | 523,900 | -2.2 % |
| Other Fines/Forfeitures | 6,217 | 0 | 0 | 0 | — |
| Other Intergovernmental | 510,751 | 515,820 | 513,820 | 476,460 | -7.6 % |
| Miscellaneous Revenues | 741,803 | 500,000 | 500,000 | 500,000 | — |
| County General Fund Revenues | 1,776,242 | 1,551,320 | 1,531,020 | 1,500,360 | -3.3 % |
| SELF INSURANCE INTERNAL SERVICE FUND | | | | | |
| EXPENDITURES | | | | | |
| Salaries and Wages | 3,672,127 | 3,842,799 | 3,663,850 | 4,182,423 | 8.8 % |
| Employee Benefits | 945,807 | 965,097 | 881,152 | 1,038,875 | 7.6 % |
| Self Insurance Internal Service Fund Personnel Costs | 4,617,934 | 4,807,896 | 4,545,002 | 5,221,298 | 8.6 % |
| Operating Expenses | 74,720,975 | 82,626,043 | 82,626,043 | 90,095,817 | 9.0 % |

BUDGET SUMMARY

| | Actual FY22 | Budget FY23 | Estimate FY23 | Recommended FY24 | %Chg Bud/Rec |
|--|-------------------|-------------------|-------------------|---------------------|-----------------|
| Self Insurance Internal Service Fund Expenditures | 79,338,909 | 87,433,939 | 87,171,045 | 95,317,115 | 9.0 % |
| PERSONNEL | | | | | |
| Full-Time | 11 | 11 | 11 | 11 | — |
| Part-Time | 0 | 0 | 0 | 0 | — |
| FTEs | 32.37 | 32.37 | 32.37 | 32.37 | — |
| REVENUES | | | | | |
| Self Insurance Revenues | 78,162,278 | 89,979,623 | 89,979,623 | 92,796,252 | 3.1 % |
| Miscellaneous Revenues | 771,491 | 1,000,000 | 1,000,000 | 1,000,000 | — |
| Investment Income | 379,294 | 1,767,200 | 8,915,910 | 604,420 | -65.8 % |
| Self Insurance Internal Service Fund Revenues | 79,313,063 | 92,746,823 | 99,895,533 | 94,400,672 | 1.8 % |

GRANT FUND - MCG

EXPENDITURES

| | | | | | |
|---|------------------|----------|----------|----------|----------|
| Salaries and Wages | 0 | 0 | 0 | 0 | — |
| Employee Benefits | 0 | 0 | 0 | 0 | — |
| Grant Fund - MCG Personnel Costs | 0 | 0 | 0 | 0 | — |
| Operating Expenses | 1,245,594 | 0 | 0 | 0 | — |
| Grant Fund - MCG Expenditures | 1,245,594 | 0 | 0 | 0 | — |

PERSONNEL

| | | | | | |
|-----------|------|------|------|------|---|
| Full-Time | 0 | 0 | 0 | 0 | — |
| Part-Time | 0 | 0 | 0 | 0 | — |
| FTEs | 0.00 | 0.00 | 0.00 | 0.00 | — |

REVENUES

| | | | | | |
|----------------------------------|------------------|----------|----------|----------|----------|
| Federal Grants | 1,192,761 | 0 | 0 | 0 | — |
| Grant Fund - MCG Revenues | 1,192,761 | 0 | 0 | 0 | — |

DEPARTMENT TOTALS

| | | | | | |
|----------------------------------|-------------------|--------------------|--------------------|--------------------|--------------|
| Total Expenditures | 95,171,689 | 103,537,516 | 102,957,680 | 112,156,840 | 8.3 % |
| Total Full-Time Positions | 126 | 126 | 126 | 126 | — |
| Total Part-Time Positions | 0 | 0 | 0 | 0 | — |
| Total FTEs | 132.04 | 132.29 | 132.29 | 132.29 | — |
| Total Revenues | 82,282,066 | 94,298,143 | 101,426,553 | 95,901,032 | 1.7 % |

FY24 RECOMMENDED CHANGES

| | Expenditures | FTEs |
|--|------------------------------------|-------------------------|
| COUNTY GENERAL FUND | | |
| | FY23 ORIGINAL APPROPRIATION | 16,103,577 99.92 |
| Other Adjustments (with no service impacts) | | |

FY24 RECOMMENDED CHANGES

| | Expenditures | FTEs |
|--|-------------------|--------------|
| Increase Cost: Annualization of FY23 Compensation Increases | 597,567 | 0.00 |
| Increase Cost: FY24 Compensation Adjustment | 514,957 | 0.00 |
| Increase Cost: Kronos Annual Maintenance and License Contractual Obligation [Controller] | 8,290 | 0.00 |
| Increase Cost: Annualization of FY23 Personnel Costs | 8,173 | 0.00 |
| Increase Cost: Annual PCI and ACH Industry Compliance [Information Technology] | 6,630 | 0.00 |
| Increase Cost: Printing and Mail | 3,532 | 0.00 |
| Decrease Cost: Retirement Adjustment | (21,202) | 0.00 |
| Decrease Cost: IT Financial Systems Applications - Ongoing Software Maintenance [Information Technology] | (151,680) | 0.00 |
| Re-align: One-time Budget Adjustment to Reflect Higher Than Expected Vacant Positions | (230,119) | 0.00 |
| FY24 RECOMMENDED | 16,839,725 | 99.92 |

SELF INSURANCE INTERNAL SERVICE FUND

| | FY23 ORIGINAL APPROPRIATION | 87,433,939 | 32.37 |
|--|-----------------------------|--------------|-------|
| <u>Other Adjustments (with no service impacts)</u> | | | |
| Increase Cost: Claims Expense Change [Risk Management] | 5,279,996 | 0.00 | |
| Increase Cost: Commercial Insurance Premiums [Risk Management] | 1,746,332 | 0.00 | |
| Increase Cost: Claims Service Contract Administrative costs [Risk Management] | 501,695 | 0.00 | |
| Increase Cost: Annualization of FY23 Compensation Increases | 188,728 | 0.00 | |
| Increase Cost: FY24 Compensation Adjustment | 173,859 | 0.00 | |
| Increase Cost: Annualization of FY23 Personnel Costs | 58,933 | 0.00 | |
| Increase Cost: Rent increase [Risk Management] | 3,956 | 0.00 | |
| Increase Cost: Motor Pool Adjustment | 2,699 | 0.00 | |
| Increase Cost: Printing and Mail | 207 | 0.00 | |
| Decrease Cost: Retirement Adjustment | (8,118) | 0.00 | |
| Decrease Cost: Other Insurance Costs [Risk Management] | (65,111) | 0.00 | |
| FY24 RECOMMENDED | 95,317,115 | 32.37 | |

PROGRAM SUMMARY

| Program Name | FY23 APPR Expenditures | FY23 APPR FTEs | FY24 REC Expenditures | FY24 REC FTEs |
|-------------------------------|---------------------------|-------------------|--------------------------|------------------|
| Controller | 6,405,468 | 51.87 | 6,721,317 | 50.87 |
| Fiscal Management | 2,109,194 | 11.00 | 2,200,558 | 11.00 |
| Information Technology | 1,694,028 | 4.00 | 1,759,795 | 3.98 |
| Operations and Administration | 4,135,854 | 14.37 | 4,183,696 | 15.37 |
| Risk Management | 86,564,962 | 28.00 | 94,416,753 | 28.00 |
| Treasury | 2,628,010 | 23.05 | 2,874,721 | 23.07 |
| Total | 103,537,516 | 132.29 | 112,156,840 | 132.29 |

CHARGES TO OTHER DEPARTMENTS

| Charged Department | Charged Fund | FY23 Total\$ | FY23 FTEs | FY24 Total\$ | FY24 FTEs |
|------------------------------------|---------------------------------------|------------------|--------------|------------------|--------------|
| COUNTY GENERAL FUND | | | | | |
| Human Resources | Employee Health Self Insurance | 103,860 | 0.75 | 110,110 | 0.75 |
| Human Resources | Retiree Health Benefits Trust Fund | 43,334 | 0.30 | 44,118 | 0.30 |
| General Services | Central Duplicating (Printing & Mail) | 6,960 | 0.05 | 7,380 | 0.05 |
| Transportation | Leaf Vacuuming | 257,810 | 0.43 | 246,560 | 0.43 |
| Parking District Services | Bethesda Parking | 33,450 | 0.24 | 35,440 | 0.24 |
| Parking District Services | Silver Spring Parking | 37,870 | 0.27 | 40,130 | 0.27 |
| Parking District Services | Wheaton Parking | 12,750 | 0.09 | 13,500 | 0.09 |
| Community Use of Public Facilities | Community Use of Public Facilities | 51,360 | 0.37 | 54,450 | 0.37 |
| Recreation | Recreation | 45,210 | 0.33 | 47,970 | 0.33 |
| Permitting Services | Permitting Services | 13,560 | 0.10 | 14,390 | 0.10 |
| Environmental Protection | Water Quality Protection | 961,505 | 6.00 | 901,108 | 6.00 |
| Recycling and Resource Management | Solid Waste Disposal | 618,950 | 4.38 | 597,440 | 4.38 |
| Recycling and Resource Management | Solid Waste Collection | 284,800 | 0.64 | 232,110 | 0.64 |
| Alcohol Beverage Services | Liquor | 76,820 | 0.50 | 80,980 | 0.50 |
| CIP | Capital Fund | 0 | 0.00 | 0 | 0.00 |
| Non-Departmental Accounts | Retirement Fund (ERS) | 42,716 | 0.30 | 44,822 | 0.30 |
| Non-Departmental Accounts | RSP-Disability Benefits (LTD2) | 1,530 | 0.01 | 1,560 | 0.01 |
| Economic Development Fund | Economic Development Fund | 167,596 | 1.00 | 183,262 | 1.00 |
| Total | | 2,760,081 | 15.76 | 2,655,330 | 15.76 |

FUNDING PARAMETER ITEMS

CE RECOMMENDED (\$000S)

| Title | FY24 | FY25 | FY26 | FY27 | FY28 | FY29 |
|--|---------------|---------------|---------------|---------------|---------------|---------------|
| COUNTY GENERAL FUND | | | | | | |
| EXPENDITURES | | | | | | |
| FY24 Recommended | 16,840 | 16,840 | 16,840 | 16,840 | 16,840 | 16,840 |
| No inflation or compensation change is included in outyear projections. | | | | | | |
| Restore One-Time Lapse Increase | 0 | 230 | 230 | 230 | 230 | 230 |
| Restoration of one-time lapse adjustment in FY21 Savings Plan | | | | | | |
| Labor Contracts | 0 | 305 | 305 | 305 | 305 | 305 |
| These figures represent the estimated annualized cost of general wage adjustments, service increments, and other negotiated items. | | | | | | |
| Subtotal Expenditures | 16,840 | 17,375 | 17,375 | 17,375 | 17,375 | 17,375 |

SELF INSURANCE INTERNAL SERVICE FUND

EXPENDITURES

FUNDING PARAMETER ITEMS

CE RECOMMENDED (\$000S)

| Title | FY24 | FY25 | FY26 | FY27 | FY28 | FY29 |
|--|---------------|---------------|---------------|---------------|---------------|---------------|
| FY24 Recommended | 95,317 | 95,317 | 95,317 | 95,317 | 95,317 | 95,317 |
| No inflation or compensation change is included in outyear projections. | | | | | | |
| Labor Contracts | 0 | 122 | 122 | 122 | 122 | 122 |
| These figures represent the estimated annualized cost of general wage adjustments, service increments, and other negotiated items. | | | | | | |
| Subtotal Expenditures | 95,317 | 95,439 | 95,439 | 95,439 | 95,439 | 95,439 |

FY24-29 PUBLIC SERVICES PROGRAM: FISCAL PLAN

Risk Management

| FISCAL PROJECTIONS | FY23 ESTIMATE | FY24 REC | FY25 PROJECTION | FY26 PROJECTION | FY27 PROJECTION | FY28 PROJECTION | FY29 PROJECTION |
|---|---------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| ASSUMPTIONS | | | | | | | |
| CPI (Fiscal Year) | 2.9% | 2.1% | 2.2% | 2.2% | 2.2% | 2.3% | 2.3% |
| Investment Income Yield | 3.3% | 5.0% | 4.0% | 3.5% | 3.0% | 2.5% | 2.5% |
| BEGINNING FUND BALANCE | 10,351,006 | 21,150,833 | 15,001,590 | 20,469,355 | 24,360,349 | 26,665,701 | 27,420,467 |
| REVENUES | | | | | | | |
| Charges For Services | 89,979,623 | 92,796,252 | 94,819,210 | 96,914,714 | 99,075,912 | 101,394,288 | 103,756,775 |
| Miscellaneous | 8,000,000 | 9,100,000 | 12,270,010 | 10,861,260 | 9,452,510 | 8,090,880 | 8,138,300 |
| Subtotal Revenues | 97,979,623 | 101,896,252 | 107,089,220 | 107,775,974 | 108,528,422 | 109,485,168 | 111,895,075 |
| TOTAL RESOURCES | 108,330,629 | 123,047,085 | 122,090,810 | 128,245,329 | 132,888,771 | 136,150,869 | 139,315,542 |
| PSP OPER. BUDGET APPROP/ EXP'S. | | | | | | | |
| Operating Budget | (87,171,045) | (95,317,115) | (101,499,455) | (103,762,980) | (106,101,070) | (108,608,402) | (111,169,076) |
| Labor Agreement | n/a | 0 | (122,000) | (122,000) | (122,000) | (122,000) | (122,000) |
| Subtotal PSP Oper Budget Approp / Exp's | (87,171,045) | (95,317,115) | (101,621,455) | (103,884,980) | (106,223,070) | (108,730,402) | (111,291,076) |
| OTHER CLAIMS ON FUND BALANCE | (8,751) | (12,728,380) | 0 | 0 | 0 | 0 | 0 |
| TOTAL USE OF RESOURCES | (87,179,796) | (108,045,495) | (101,621,455) | (103,884,980) | (106,223,070) | (108,730,402) | (111,291,076) |
| YEAR END FUND BALANCE | 21,150,833 | 15,001,590 | 20,469,355 | 24,360,349 | 26,665,701 | 27,420,467 | 28,024,466 |
| END-OF-YEAR RESERVES AS A PERCENT OF RESOURCES | 19.5% | 12.2% | 16.8% | 19.0% | 20.1% | 20.1% | 20.1% |

Assumptions:

1. Risk Management contributions are adjusted as necessary to reflect the County's fiscal policy of maintaining an unrestricted net asset balance, in excess of claims reserves, sufficient to achieve a confidence level in the range of 80 to 85 percent that funding will be sufficient to cover all incurred liabilities. For FY24, the funding is at the 85 percent confidence level, which is within the Risk Management policy guidelines.
2. Risk Management contributions to the Self-Insurance Fund are made annually based on an actuarial analysis and evaluation of exposures and prior claims expenses.
3. The other claims on fund balance include the OPEB liability five year allocation (GASB 75) and a claim on fund balance in FY24 for a future return of contribution dependent on the amount of actual investment income received.
4. These projections are based on the Executive's Recommended budget and include the revenue and resource assumptions of that budget. The projected future expenditures, revenues, and fund balances may vary based on changes not assumed here to fee or tax rates, usage, inflation, future labor agreements, and other factors not assumed here.

accountability like a Racial Equity Tool and developing a Racial Equity Action Plan.

★ We're doing something else and will use the text box to describe.

Our budget is used to address the various responsibilities under the ethics law.

2. How does your department's budget allocate funds towards ensuring that public documents (including websites and related apps), policies, plans, meetings, and hearings are readily accessible to the public? Please use the checkboxes below to indicate which activities your department budget will enable. Then, in the text box that follows, please describe how your budget targets resources towards these activities.

★ We're doing something else and will use the text box to describe.

We do not have a public-facing office and have very little foot traffic. Our public meetings are virtual, and if we are presented with a public member in attendance who requires ASL or closed-captioning, we are capable of obtaining such services. At this time, however, we have not encountered this need.

3. What persistent gaps or limitations could inhibit your department's ability to advance racial equity and social justice?

The Ethics Commission promotes racial equity by seeking to ensure that County programs are not subject to improper influence and that County employees execute their roles impartially and through the exercise of independent judgment. The efficient and impartial execution of government responsibilities benefits everyone.

ORESJ Rating

1-Department-level budget demonstrates an emerging commitment to advancing racial equity and social justice in Montgomery County

ORESJ Justification

The department did not indicate activities aligned with the GARE framework, and currently do not appear to apply an explicit racial equity lens to its mission or operations. While a small department, this unit has the potential to impact the experiences of BIPOC residents and county employees through the functions it described in this response. Further consideration of and capacity building for racial equity (by reviewing Bill 44-20) would strengthen this department's efforts and existing mission.

Finance

☀ Department Level OBET Questions

1. How will your overall budget support the department's commitment to advancing racial equity and social



justice? To aid you in the formulation of your response, we've offered a list of activities, using the GARE framework, that demonstrate department-level commitments to racial equity and social justice. More information about the GARE framework is below and here.

Normalize - Establish racial equity as a key value by developing a shared understanding of key concepts across the department and create a sense of urgency to make changes

- ★ Form a Racial Equity CORE Team.
- ★ Allocate or support the use of staff time for CORE team activities.

Finance is committed to operating in a manner that, where applicable, reduces and/or eliminates racial disparities and inequities. Finance's administration of its various programs complies with the laws and regulations enacted by the County Council, including requirements that support/enhance racial equity and social justice. While most of Finance's customers are internal County agencies/departments, the Treasury division is public facing. The Treasury division eliminates racial disparities by accepting multiple forms of payment available to all residents including cash, personal & cashier's checks, and debit & credit cards. Finance has also designated an equity lead and is engaging with the Office of Racial Equity and Social Justice on deployment of various trainings/programs for employees.

Organize - Build staff and organizational capacity, skills, and competencies through training while also building infrastructure to support the work, like internal organizational change teams and external partnerships with other institutions and community.

- ★ Implement a plan or policy requiring all staff and leadership to complete "Advancing Racial Equity: the Role of Government" and "the Racial Equity Institute's Groundwater Approach: building practical understanding of structural racism" trainings.

N/A

Operationalize - Put theory into action by implementing new tools for decision-making, measurement, and accountability like a Racial Equity Tool and developing a Racial Equity Action Plan.

- ★ We've not made commitments in this area and will use the text box to explain.

Finance is committed to operating in a manner that, where applicable, reduces and/or eliminates racial disparities and inequities. Finance's administration of its various programs complies with the laws and regulations enacted by the County Council, including requirements that support/enhance racial equity and social justice. While most of Finance's customers are internal County agencies/departments, the Treasury division is public facing. The Treasury division eliminates racial disparities by accepting multiple forms of payment available to all residents including cash, personal & cashier's checks, and debit & credit cards. Finance has also designated an equity lead and is engaging with the Office of Racial Equity and Social Justice on deployment of various trainings/programs for employees.

2. How does your department's budget allocate funds towards ensuring that public documents (including websites and related apps), policies, plans, meetings, and hearings are readily accessible to the public? Please use the checkboxes below to indicate which activities your department budget will enable. Then, in the text box that follows, please describe how your budget targets resources towards these activities.



- ★ Translating documents and marketing material to relevant languages based on the project impact area. Completed in partnership or at the advisement of the Office of Community Partnerships.
- ★ Ensuring interpretation services (ASL and closed-captioning) are available to the public in all relevant places and programs (such as service desks, service phone lines, open houses, public meetings, etc.).
- ★ Ensuring accessibility for people with disabilities using Section 508 of the Rehabilitation Act; Web Content Accessibility Guidelines; and compliance with the Americans with Disabilities Act as a minimum standard.

N/A

3. What persistent gaps or limitations could inhibit your department's ability to advance racial equity and social justice?

N/A

ORESJ Rating

1-Department-level budget demonstrates an emerging commitment to advancing racial equity and social justice in Montgomery County

ORESJ Justification

Responses demonstrate an emerging commitment to advancing RESJ in that the department was able to highlight actionable items in alignment with the GARE framework. However, there were no details explaining how the budget would enable activities listed. Further, what is provided contains no demographic data attempting to highlight potential disparities experienced by BIPOC County residents or meaningful ways to address them through their department. The response describes the work of the Treasury Division, but further detail is necessary to understand how this work relates to or enables the commitments articulated by the department.

Fire and Rescue Service

 Department Level OBET Questions

1. How will your overall budget support the department's commitment to advancing racial equity and social justice? To aid you in the formulation of your response, we've offered a list of activities, using the GARE framework, that demonstrate department-level commitments to racial equity and social justice. More information about the GARE framework is below and here.

Normalize - Establish racial equity as a key value by developing a shared understanding of key concepts across the department and create a sense of urgency to make changes



responsible and sustainable manner to pay a portion of the retiree health benefits while maintaining the assets necessary to support continued growth and long-term fulfillment of its purpose through sustained investment growth and contributions as required.

| FY24 Recommended Changes | Expenditures | FTEs |
|--------------------------|--------------|-------------|
| FY23 Approved | 0 | 0.00 |
| FY24 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.

| FY24 Recommended Changes | Expenditures | FTEs |
|---|-------------------|-------------|
| FY23 Approved | 25,737,987 | 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. | 731,826 | 0.00 |
| FY24 Recommended | 26,469,813 | 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.

| FY24 Recommended Changes | Expenditures | FTEs |
|--|----------------|-------------|
| FY23 Approved | 419,900 | 0.00 |
| Increase Cost: Contribution to City of Rockville | 2,400 | 0.00 |
| FY24 Recommended | 422,300 | 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.