


Subject: Community Engagement Cluster (CEC) - Regional Business Hub	
Analyst: Linda Price, Legislative Analyst 	Committee: Directly to Full Council
Keywords: #CommunityEngagementCluster, #RegionalServicesCenter, RegionalBusinessHub, #BusinessConnect	

EXPECTED ATTENDEES

Jerome Fletcher, Assistant Chief Administrative Officer
Corey Orlosky, Fiscal and Policy Analyst, Office of Management and Budget

COUNCIL DECISION POINTS

- 1) Take action on the Executive's proposal to create a Regional Business Hub. The cost of the program is \$429,583 and would be funded by a shift from the Incubator Programs - Economic Development Partnership NDA.

The PHED Committee met and reduced the transfer from the NDA by \$200,000. **Therefore, the total transfer available to fund the Regional Business Hub program is now \$229,583.** The Council will review the PHED Committee's recommendation on May 9.

- If the Council wishes to fund the Executive's full proposal, \$200,000 will need to be added to the Reconciliation List or the Council will need to reconsider the PHED Committee's recommendation to transfer a portion of the Executive's request.
 - If the Council does not wish to fund the Executive's full proposal, an alternative proposal will need to be developed by the Executive branch to implement the program.
- 2) Take action on the Executive's proposal to shift \$356,741 and 2.0 FTEs for the Small Business Solutions Group from the Office of the County Executive to the Regional Services Centers (RSC).

DESCRIPTION/ISSUE

- The Executive's recommended FY20 budget for CEC includes the creation of a Regional Business Hub program within the RSC budget. The program is funded by a shift of \$429,583 from the Incubator Programs - Economic Development Partnership NDA. This would fund three new positions, which include two Business Development Specialist III positions and a Business Liaison Officer position.

The cost for the Business Liaison Officer is \$271,783 (\$185,155 base salary, \$80,908 benefits and \$5,720 operating expenses). This position would be filled by personnel who will have their position abolished in the Office of Procurement in relation to Expedited Bill 3-19.

- The Executive's budget also shifts \$356,741 and 2.0 FTEs for the Small Business Solutions Group from the Office of the County Executive to allow them to have front line access to the public.

SUMMARY OF KEY DISCUSSION POINTS

The GO Committee reviewed the Executive's recommended budget for CEC on April 11 but did not take action on the creation of the Regional Business Hub. They requested additional information on the structure and operations of the program and clarification on the cost savings associated with abolishing three MI positions that were associated with the fiscal impact of Expedited Bill 3-19.

Follow-up on this item was scheduled for May 2 but was deferred to the Full Council to allow time for the PHED Committee to take action on the transfer from the Incubator Programs NDA.

This report contains:

Staff Report to the Committee	Page 1-4
FY20 CE Recommended CEC Operating Budget	© 1
Description of Regional Business Hub Program	© 8
Savings from MI Position Abolishments	© 9
Memorandum from Council President Navarro	© 11

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AGENDA ITEM #45
May 9, 2019

Worksession

MEMORANDUM

May 8, 2019

TO: County Council

FROM: Linda Price,  Legislative Analyst

SUBJECT: **Worksession – FY20 Operating Budget: Community Engagement Cluster, Regional Business Hub Program**

PURPOSE: Make preliminary decisions

Those who may attend this worksession include:

- Jerome Fletcher, Assistant Chief Administrative Officer
- Corey Orlosky, Fiscal and Policy Analyst, Office of Management and Budget

Today, the Council will review the FY20 Operating Budget for the Community Engagement Cluster (CEC) - Regional Business Hub Program/Business Solutions Group. The Executive's Recommended Operating Budget is attached at © 1-7.

Background

The Executive's recommended FY20 budget for CEC includes the creation of a Regional Business Hub program within the Regional Services Centers (RSC) budget. The program is funded by a shift of \$429,583 from the Incubator Programs - Economic Development Partnership NDA. The Executive's budget also shifts \$356,741 and 2.0 FTEs for the Small Business Solutions Group from the Office of the County Executive.

The Government Operations and Fiscal Policy (GO) Committee reviewed the Executive's recommended budget for CEC on April 11 but did not take action on the creation of the Regional Business Hub. They requested additional information on the structure and operations of the program and clarification on the cost savings associated with abolishing three MI positions that were associated with

the fiscal impact of Expedited Bill 3-19. Follow-up on this item was scheduled for May 2 but was deferred to the Full Council to allow time for the Planning, Housing, and Economic Development (PHED) Committee to take action on the transfer from the Incubator Programs NDA.

The purpose of the Regional Business Hub Program is to interact and reach out to local businesses and entrepreneurs for assistance needed to grow and expand jobs. An attachment from the PHED Committee packet provides a description of the program and is available at © 8. The overall strategy, goals and outcome measures are still being developed by the Executive branch.

Incubator NDA Funding Shift

The Executive’s budget shifts \$429,583 from the Incubator Programs - Economic Development Partnership NDA to create a Regional Business Hub Program. The Executive’s proposal would fund the creation of 3.0 new FTEs, which include two Business Development Specialist III (Grade 23) positions and a Business Liaison Officer Position (Community Outreach Manager/Grade 28) position. The cost breakout is as follows:

	Grade	Personnel Costs	Operating Expenses	Total
Business Development Specialist III	23	\$73,180	\$5,720	\$78,900
Business Development Specialist III	23	\$73,180	\$5,720	\$78,900
Business Liaison Officer	28	\$266,063	\$5,720	\$271,783
Total		\$412,423	\$17,160	\$429,583

As indicated above, one of the positions is for a Grade 28 Business Liaison Officer. The total cost recommended for the Business Liaison Officer is \$271,783 (\$185,155 base salary, \$80,908 benefits and \$5,720 operating expenses). The personnel costs for this position are significantly higher since the position is anticipated to be filled by personnel who will have their position abolished in the Office of Procurement in relation to Expedited Bill 3-19.¹

Additional details to clearly identify the cost savings associated with the MI positions being abolished had been requested at the Committee worksession. The Executive branch provided the chart that was included during the Council’s review of Expedited Bill 3-19 (see © 9-10). A total of \$775,997 is the proposed total savings to salary and benefits from abolishing three Manager I positions. However, the savings do not include ongoing personnel actions. For instance, the reduction in force (RIF) requirements allow the Grade 28 position in CEC to be temporarily filled at higher cost than the approved salary schedule, which would be around \$117,00 for salary and benefits in FY20. Also, a position in the Office of Procurement is proposed for reclassification as a result of the MI position being abolished. The cost is \$13,816. The Executive branch intends to wait until personnel actions related to the three MI positions are resolved before providing the Council with the final crosswalk of savings. This is likely to occur in July.

¹ On March 19, the Council enacted Expedited Bill 3-19 Administration - Executive Branch - Non-Merit Positions, at the request of the County Executive. The fiscal impact statement of this bill identified three occupied MI positions which were to be abolished in FY20 and would produce more than \$750,000 in savings.

On May 3, the PHED Committee met to review the Executive's recommended budget for the Incubator Programs NDA. The NDA contained \$750,000 for Biohealth Innovation, Inc. However, the contract with BHI has been discontinued. The Executive proposed making part of this funding available for the Regional Business Hub program.

The PHED Committee voted (2-1) to reduce the shift from the NDA by \$200,000. Councilmember Friedson opposed the transfer. **Therefore, the total transfer available to fund the creation of the Regional Business Hub program is now \$229,583. The Council will review the PHED Committee's recommendation on May 9.**

Council staff received no additional information on the structure and operations of the planned Regional Business Hub.

Business Solutions Group Shift

The recommended budget would also shift \$356,741 and 2.0 FTEs for the Small Business Solutions Group from the Office of the County Executive to the RSC. As communicated in the Executive's budget, this move would allow for additional boots on the ground and more direct in-person access to residents and businesses Countywide. Executive staff provided the following explanation for placing the Business Solutions Group in the RSCs.

The positions being shifted from the County Executive's Office to the Regional Offices will not change their major duties. This location change will allow them to have front line access to the public thus increasing the small business outreach and responsiveness in each of the regions, and closely collaborating and coordinating with Regional Directors on small business-related needs/issues. While these staff members will report to their home base Regional Director, they will provide support to all regions in serving the whole County. The overall countywide Small Business Strategy will be developed and guided by an ACAO (Jerome Fletcher), who will provide policy guidance and strategy oversight to all involved.

*For example, as soon as the Business Solutions Group staff are situated in the Regional Offices, they will work with the Regional Directors to create and perform outreach campaigns for Business Connect, **"Bringing Business Support to Your Community."***

Business Connect offers:

- *Classes – on general business interests such as marketing and financing as well as County government-related topics such as permitting and procurement.*
- *Counseling – available to assist businesses individually as they start and grow in Montgomery County.*
- *Connections – to resources and information available from Montgomery County government.*
- *Business Connect is piloting at the Upcounty Regional Office with plans to expand County-wide during fiscal year 2020.*

Most business issues are consistent across the county. However, each region has unique issues and having the Business Solutions Group connect with the regional area will help them develop tailored programming to meet their specific needs.

The FTEs in the Business Solutions group and the Business Liaison Officer would have a “home base” at the UpCounty, Silver Spring, and East County Regional Services Centers. However, they will rotate to cover all RSCs. As resources become available, the Executive branch plans to expand the Business Solutions Group/Regional Business Hub to have staff assigned at each of the remaining RSCs (B-CC and MidCounty).

On May 2, the GO Committee added two positions to the Reconciliation List to enhance services in the Regional Services Centers for economic development activities. A memo from Council President Navarro is available at © 11 describing this initiative. These positions are related to economic development projects, whereas the Regional Business Hub is more focused on providing assistance and support for new and existing businesses.

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Community Engagement Cluster

RECOMMENDED FY20 BUDGET

\$4,795,376

FULL TIME EQUIVALENTS

29.50

✻ **FARIBA KASSIRI, DEPUTY CHIEF ADMINISTRATIVE OFFICER**

MISSION STATEMENT

The Community Engagement Cluster (CEC) works to build stronger, more informed, and inclusive communities. The Cluster is responsible for strengthening Montgomery County's commitment to civic engagement and community service by engaging residents, organizations, businesses and other community groups. The Cluster maximizes communities' assets - time, talents, and other resources - working collaboratively to address and resolve community issues.

The cluster is a combination of the five Regional Services Centers, the Commission for Women, and the Office of Community Partnerships, including the Gilchrist Center and the Volunteer Center, that has been operating as one unit since July 1, 2011. As a cluster, these offices/functions have combined facilities, resources, and support staff while retaining staff expertise and experience, as well as most of the objectives of the separate entities involved.

BUDGET OVERVIEW

The total recommended FY20 Operating Budget for the Community Engagement Cluster is \$4,795,376, an increase of \$946,294 or 24.58 percent from the FY19 Approved Budget of \$3,849,082. Personnel Costs comprise 84.40 percent of the budget for 25 full-time position(s) and nine part-time position(s), and a total of 29.50 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 15.60 percent of the FY20 budget.

COUNTY PRIORITY OUTCOMES

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

- ◆ **A Greener County**
- ◆ **Effective, Sustainable Government**
- ◆ **Thriving Youth and Families**

DEPARTMENT 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 FY19 estimates reflect funding based on the FY19 Approved Budget. The FY20 and FY21 figures are performance targets based on the FY20 Recommended Budget and funding for comparable service levels in FY21.

ACCOMPLISHMENTS

-
- ✓ Produced and distributed, through the Montgomery County Commission for Women (CFW), "A Tale of Two Counties: The Status of Women in Montgomery County 2018." The report is an update to the 2007 Status of Women Report and covers the following: Women and the Economy, Women and Health, Women and Poverty, Women and Politics, Women and Education, and Women and Public Safety. The report's findings were covered by WAMU, the Bethesda Beat, and WDVM.
 - ✓ Organized the 39th Annual Women's Legislative Briefing in January 2019, hosted by CFW.
 - ✓ Offered 30 seminars, serving over several hundred residents through CFW programming. Consistent with the CFW's commitment to impact and aligning its work to a set of clear priorities that reflect the needs of the community, the programming committee crafted a mission for its engagement through seminars and workshops: To enrich the lives of women and families by Informing, Educating, Empowering, and Supporting residents of the County.
 - ✓ Supported and provided leadership, through CFW, the Montgomery County Human Trafficking Prevention Committee (Committee). The 2018 accomplishments of the Committee include: (1) creation of victim referral cards that are distributed by the Vice Unit of the Montgomery County Police Department, (2) completion of a written report that provides an overview of findings from a survey of Montgomery County hotels concerning their human trafficking training practices, and (3) reviewed and inspected "bodyworks" establishment to ensure they were not fronts for sex trafficking.
 - ✓ Served 8,057 residents through volunteer-taught classes such as English for Speakers of Other Languages (ESOL), Spanish, computer skills, or job search skills; 5,253 residents through information and referral services; and 3,570 residents through partner organization programs such as ESOL and citizenship preparation classes via the Gilchrist Center in FY18.
 - ✓ Designed and implemented a new data tracking system for the Gilchrist Center, in partnership with Department of Technology Services. The new system uses tablets making customer information collection much more accurate, effective, and efficient. The new automated system received a National Association of Counties Achievement Award, which is awarded to outstanding programs of the year.
 - ✓ Recognized as one of four U.S. communities for the Welcoming Communities Transatlantic Exchange Program, the U.S.-Germany exchange program for immigrant integration practitioners. The Gilchrist Center led the initiative on behalf of the County. The German delegation stayed for four days in Montgomery County to learn best immigrant integration practices, visiting MCPS, Linkages to Learning, Impact Silver Spring, Montgomery College, etc. The Montgomery County team of four visited German cities in November 2018 as part of the program.
 - ✓ Hosted a delegation of six British cities to Montgomery County in May 2018 through the University of Oxford's Inclusive Cities Program to learn about best welcoming practices and exchange ideas with Montgomery County's immigrant integration practitioners.
 - ✓ Continued to strengthen the culture of giving and serving in Montgomery County by connecting volunteers with critical community needs through the Montgomery County Volunteer Center (MCVC). For the Community Service Week 2018 and Martin Luther King Day 2019, 5,819 volunteers engaged 171 different projects. Three new partners hosted MLK Day project sites in 2019. More than 1,100 local nonprofit and government agencies have active accounts on MCVC website listing volunteer opportunities, including 207 agency accounts created in 2018. More than 15,000 volunteers have created accounts on the website to respond to volunteer opportunities, 9,454 volunteer accounts were created in 2018. A total of 20,417 referrals were made through the website in 2018. Continued and built on partnership with MCPS to manage Student Service Learning volunteer opportunities for all students in middle and high school. Provided monthly capacity building trainings for agencies attended by 268 nonprofit professionals in 2018. The new 50+ Volunteer Network program interviewed 209 volunteers and matched skilled volunteers with 147 opportunities at nonprofit and government agencies. In FY18, volunteers with the Tax Aide Program of RSVP completed 4,972 tax returns for 6,448 low to moderate income residents, resulting in total tax refunds of \$4,601,275.
 - ✓ Distributed \$25,000 in neighborhood matching funds through the Regional Services Centers (RSCs) to over 30 grassroots-based neighborhood groups to undertake hyper-local small events to build communities and strengthen networks across racial and social divides, including block parties, special neighborhood gatherings, and community conversations.
 - ✓ Improved the Mid-County Regional Service Office website and upgraded the weekly e-newsletter which has a subscription of over 2,000 with an open rate of 25 - 29 percent. The Silver Spring Regional Services Center (SSRSC) also increased its eNewsletter subscription to over 6,000; and now lists it on NextDoor.com with an additional 9,000 subscribers.

- ✓ Strengthened opportunities for civic engagement and communication with county government from the Upcounty Regional Office by assisting the Germantown Alliance in their mission to be a recognized and credible voice for the Germantown community of 100,000 residents; and by introducing strategies for a developing Clarksburg Clothing Closet that will serve Upcounty residents, especially those entering and returning to the workforce.
- ✓ Guided a successful strategy from the Upcounty Regional Office that included assistance from Landlord-Tenant Affairs and CASA de Maryland to improve the relationship between Middlebrook Gardens' 500+ residents and their property management company.
- ✓ Led a multi-agency and community partnership effort through the East County Regional Service Center (ECRSC) to hold the Second Annual East County Job Fair which brought together 65 public and private recruiters and 706 job seekers. Over 200 participants attended a series of workshops designed to promote small business development.
- ✓ Joined, organized, and provided leadership to three Neighborhood Action Teams with the SSRSC: Oakview Community; Progress Place Environs; and Downtown Safety.
- ✓ Organized eight listening sessions for over 1,300 residents across the county over a period of four weeks through the Office of Community Partnerships (OCP) to assist the transition process of the County Executive's Office. Helped to organize and staff the transition team meetings along with other administrative support. Partners for the listening sessions included CUPF, REC, Montgomery Community Media.

COLLABORATION AND PARTNERSHIPS

* **Citizens Corners**

OCP launched countywide Citizenship Corners in partnership with MCPL and the Gilchrist Immigrant Resource Center as part of a national bipartisan effort to encourage eligible immigrants to apply for U.S. citizenship, with information provided in a number of languages.

Partners

Department of Public Libraries

* **Thriving Germantown Initiative**

The Upcounty Regional Office continued to work with the Thriving Germantown Initiative to help secure \$1 million in State funds toward establishing a service delivery hub that will co-locate several nonprofit providers who will deliver direct services to Germantown residents in need. The initiative currently has 27 nonprofit, private and government partners who are collaboratively assessing families' needs, determining risks, tracking the success of referrals made for service, and identifying trend data.

Partners

Department of Health and Human Services, Montgomery County Public Schools, Non-Profits

* **Safety and Security in Germantown**

The Upcounty Regional Office partnered with the Boys and Girls Club of Greater Washington and Montgomery County Police to improve safety and security measures at the organization's Montgomery County facility in Germantown.

Partners

Department of Police, Non-Profits

* **Merchant and Small Business Assistance**

The SSRSC is at the forefront of efforts to mitigate the impact on merchants and small businesses of the Purple Line and other construction work in the Regional Area. This has included bringing together the owners of business adjacent to the Studio Plaza development and others in Fenton Village, particularly Bonifant Street; working with the Long Branch Business League and the City of Takoma and the Takoma Langley Crossroads Development Authority in Langley Park; assisting the neighborhoods surrounding the Montgomery Hills and Brookville Road commercial hubs. The mitigation efforts have included setting up direct financial assistance to businesses impacted by County projects; increased way-finding signage; improved presence in social media; and directing access to technical assistance and other resources.

Partners

Department of Environmental Protection, Department of Permitting Services, Department of Police, Department of Transportation, Urban Districts, Non-Profits

PROGRAM CONTACTS

Contact Fariba Kassiri of the Community Engagement Cluster at 240.777.2512 or Corey Orlosky of the Office of Management and Budget at 240.777.2762 for more information regarding this department's operating budget.

PROGRAM DESCRIPTIONS

☀ Community Partnership

The Office of Community Partnerships (OCP) is a bridge among our diverse community residents and organizations and the County government. The staff provides outreach and liaison services to ethnic, multilingual, and multicultural communities; works closely with the County's nonprofit and faith community organizations; and coordinates a number of community-building events throughout the year. The Volunteer Center connects residents and businesses to volunteer assignments with hundreds of nonprofits across Montgomery County.

FY20 Recommended Changes	Expenditures	FTEs
FY19 Approved	1,216,270	8.00
Add: County Match - Maryland State Census Grant Program	96,536	0.00
Re-align: Grant Budget Adjustment	(2,855)	0.00
Decrease Cost: OCP Events	(30,000)	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.	22,672	0.00
FY20 Recommended	1,302,623	8.00

☀ Gilchrist Center

The Charles W. Gilchrist Center for Cultural Diversity is the County's Welcome Center for newcomers and helps to build the network of immigrant service providers in the County. The Center offers various immigrant integration services at various locations throughout the County that prepare residents to contribute to our economy and our community.

Program Performance Measures	Actual FY17	Actual FY18	Estimated FY19	Target FY20	Target FY21
Overall participant satisfaction with their experience at the Gilchrist Center (scale 1-5)	4.8	4.7	4.8	4.8	4.8
Overall satisfaction of participants in Gilchrist Center classes (scale 1-5)	4.8	4.8	4.8	4.8	4.8

FY20 Recommended Changes	Expenditures	FTEs
FY19 Approved	463,612	5.50
Add: Mid-Year Position for Gilchrist Center	116,475	1.00
Multi-program adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting multiple programs.	(31,514)	0.00
FY20 Recommended	548,573	6.50

☀ Commission for Women

The Commission for Women's mission is to identify gender-based inequities in laws, policies, practices and procedures, and to advocate remedies by advising the public and local, state, and federal agencies on issues of concern to women, including organizing events relating to these issues.

Program Performance Measures	Actual FY17	Actual FY18	Estimated FY19	Target FY20	Target FY21
Overall satisfaction of the Commissioners with the effectiveness of the CFW's identification of needs, problems and issues for the women of Montgomery County and the advocacy of resolution of these issues (scale 1-5)	4.7	4.7	4.7	4.7	4.7

FY20 Recommended Changes	Expenditures	FTEs
FY19 Approved	177,382	1.00

FY20 Recommended Changes	Expenditures	FTEs
Multi-program adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting multiple programs.	13,507	0.00
FY20 Recommended	190,889	1.00

☀ Regional Services Centers

The County has five Regional Services Centers: Bethesda-Chevy Chase, Eastern Montgomery, Mid-County, Silver Spring, and Upcounty. The Regional Directors in each of the County's five regions work with their respective regional citizens advisory boards, residents, community groups, businesses, and other public agencies to proactively seek and gather information and assess community needs, problems, and issues in order to provide effective and timely input representing their regions in policy discussions and liaising between Montgomery County and its residents. The Regional Directors of the Silver Spring, Wheaton and Bethesda/Chevy Chase regions provide oversight of the operations of their respective Urban Districts.

Program Performance Measures	Actual FY17	Actual FY18	Estimated FY19	Target FY20	Target FY21
Overall satisfaction of Regional Citizen Advisory Boards with the effectiveness and timeliness of the Centers' service as liaisons between County residents and the government (scale 1-5)	4.3	4.6	4.6	4.6	4.7
Overall satisfaction of Regional Citizen Advisory Boards with the effectiveness of the Centers' assessment of community needs, problems and issues (scale 1-5)	4.3	4.3	4.3	4.4	4.5

FY20 Recommended Changes	Expenditures	FTEs
FY19 Approved	1,183,873	5.00
Add: Regional Business Hub Program	429,583	3.00
Shift: Funding from County Executive's Office for Business Solutions Group	356,741	2.00
Decrease Cost: Marketing/Promotion	(20,000)	0.00
Decrease Cost: White Flint project	(20,000)	0.00
Decrease Cost: Other Special Functions	(25,000)	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.	82,675	0.00
FY20 Recommended	1,987,872	10.00

☀ Administration

Administrative Management for the Community Engagement Cluster (CEC) handles all aspects of budget, procurement, financial, contracts/grants, personnel, and administrative matters of the CEC units (Regional Services Centers, Commission for Women, Office of Community Partnerships, including the Gilchrist Center and the Volunteer Center). In addition, the responsibilities of this unit include implementing the CEC's shared resource model related to various duties pertaining to the Advisory Boards, Committees and Commissions, community outreach, community events, database and webpage development and maintenance, newsletters, and many other vital community related functions.

FY20 Recommended Changes	Expenditures	FTEs
FY19 Approved	807,945	4.00
Decrease Cost: Miscellaneous Operating Expenses	(36,770)	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.	(5,756)	0.00
FY20 Recommended	765,419	4.00

BUDGET SUMMARY

	Actual FY18	Budget FY19	Estimate FY19	Recommended FY20	%Chg Bud/Rec
COUNTY GENERAL FUND					
EXPENDITURES					
Salaries and Wages	2,276,992	2,387,094	2,401,442	3,119,716	30.7 %

BUDGET SUMMARY

	Actual FY18	Budget FY19	Estimate FY19	Recommended FY20	%Chg Bud/Rec
Employee Benefits	581,065	698,630	698,630	863,231	23.6 %
County General Fund Personnel Costs	2,858,057	3,085,724	3,100,072	3,982,947	29.1 %
Operating Expenses	810,852	696,038	639,312	747,964	7.5 %
County General Fund Expenditures	3,668,909	3,781,762	3,739,384	4,730,911	25.1 %
PERSONNEL					
Full-Time	17	18	18	24	33.3 %
Part-Time	6	9	9	9	—
FTEs	22.85	22.85	22.85	28.85	26.3 %
REVENUES					
Facility Rental Fees	5,714	10,500	10,500	10,500	—
Miscellaneous Revenues	2,500	0	710	0	—
Other Charges/Fees	(30)	0	0	0	—
Parking Fees	(3,600)	0	0	0	—
Recreation Fees	5,400	0	0	0	—
County General Fund Revenues	9,984	10,500	11,210	10,500	—

GRANT FUND - MCG

EXPENDITURES

Salaries and Wages	42,200	52,084	52,084	47,620	-8.6 %
Employee Benefits	11,163	15,236	15,236	16,845	10.6 %
Grant Fund - MCG Personnel Costs	53,363	67,320	67,320	64,465	-4.2 %
Operating Expenses	14,579	0	0	0	—
Grant Fund - MCG Expenditures	67,942	67,320	67,320	64,465	-4.2 %

PERSONNEL

Full-Time	1	1	1	1	—
Part-Time	0	0	0	0	—
FTEs	0.65	0.65	0.65	0.65	—

REVENUES

Federal Grants	52,465	67,320	67,320	64,465	-4.2 %
State Grants	33,257	0	0	0	—
Grant Fund - MCG Revenues	85,722	67,320	67,320	64,465	-4.2 %

DEPARTMENT TOTALS

Total Expenditures	3,736,851	3,849,082	3,806,704	4,795,376	24.6 %
Total Full-Time Positions	18	19	19	25	31.6 %
Total Part-Time Positions	6	9	9	9	—
Total FTEs	23.50	23.50	23.50	29.50	25.5 %
Total Revenues	95,706	77,820	78,530	74,965	-3.7 %

FY20 RECOMMENDED CHANGES

	Expenditures	FTEs
COUNTY GENERAL FUND		
FY19 ORIGINAL APPROPRIATION	3,781,762	22.85
Changes (with service impacts)		
Add: Regional Business Hub Program [Regional Services Centers]	429,583	3.00
Add: Mid-Year Position for Gilchrist Center [Gilchrist Center]	116,475	1.00
Add: County Match - Maryland State Census Grant Program [Community Partnership]	96,536	0.00
Other Adjustments (with no service impacts)		
Shift: Funding from County Executive's Office for Business Solutions Group [Regional Services Centers]	356,741	2.00
Increase Cost: FY20 Compensation Adjustment	76,579	0.00
Increase Cost: Retirement Adjustment	6,399	0.00
Decrease Cost: Annualization of FY19 Personnel Costs	(1,394)	0.00
Decrease Cost: Marketing/Promotion [Regional Services Centers]	(20,000)	0.00
Decrease Cost: White Flint project [Regional Services Centers]	(20,000)	0.00
Decrease Cost: Other Special Functions [Regional Services Centers]	(25,000)	0.00

FY20 RECOMMENDED CHANGES

	Expenditures	FTEs
Decrease Cost: OCP Events [Community Partnership]	(30,000)	0.00
Decrease Cost: Miscellaneous Operating Expenses [Administration]	(36,770)	0.00
FY20 RECOMMENDED	4,730,911	28.85

GRANT FUND - MCG

FY19 ORIGINAL APPROPRIATION	67,320	0.65
Other Adjustments (with no service impacts)		
Re-align: Grant Budget Adjustment [Community Partnership]	(2,855)	0.00
FY20 RECOMMENDED	64,465	0.65

PROGRAM SUMMARY

Program Name	FY19 APPR	FY19 APPR	FY20 REC	FY20 REC
	Expenditures	FTEs	Expenditures	FTEs
Community Partnership	1,216,270	8.00	1,302,623	8.00
Gilchrist Center	463,612	5.50	548,573	6.50
Commission for Women	177,382	1.00	190,889	1.00
Regional Services Centers	1,183,873	5.00	1,987,872	10.00
Administration	807,945	4.00	765,419	4.00
Total	3,849,082	23.50	4,795,376	29.50

FUTURE FISCAL IMPACTS

CE RECOMMENDED (\$000S)

Title	FY20	FY21	FY22	FY23	FY24	FY25
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COUNTY GENERAL FUND

EXPENDITURES

FY20 Recommended	4,731	4,731	4,731	4,731	4,731	4,731
No inflation or compensation change is included in outyear projections.						
Annualization of Positions Recommended in FY20	0	49	49	49	49	49
New positions in the FY20 budget are generally assumed to be filled at least two months after the fiscal year begins. Therefore, the above amounts reflect annualization of these positions in the outyears.						
Elimination of One-Time Items Recommended in FY20	0	(114)	(114)	(114)	(114)	(114)
Items recommended for one-time funding in FY20, including Census Grant match, and operating expenses associated with new positions, will be eliminated from the base in the outyears.						
Labor Contracts	0	14	14	14	14	14
These figures represent the estimated annualized cost of general wage adjustments, service increments, and other negotiated items.						
Subtotal Expenditures	4,731	4,680	4,680	4,680	4,680	4,680

ANNUALIZATION OF PERSONNEL COSTS AND FTEs

	FY20 Recommended		FY21 Annualized	
	Expenditures	FTEs	Expenditures	FTEs
Additional Positions for Regional Business Hub Program	146,360	2.00	195,140	2.00
Total	146,360	2.00	195,140	2.00

Can CEX provide a description of the Business Services Hub, including general program description and explanation for the shift to CEX?

The Business Resource Hub initiative (tentatively branded as ***Business Connect***) is a program of the Business Solutions Group.

This initiative supports the County Executive's priority, ***A Growing Economy***, by opening support centers to help new and existing businesses.

By leveraging the Regional Services Centers (RSCs), the County will deliver services to businesses closer to where they are located. The Business Solutions Group will partner with Regional Service Center Directors to provide on-site staff support to manage resources. In addition, County departments including Permitting, Procurement and Libraries have committed to supporting the program. The Business Solutions Group will also build partnerships with chambers of commerce in the regional areas to increase awareness and resources.

Business services will include general business training, one-on-one counseling and workshops on county processes such as procurement and permitting.

There has been a "soft launch" of a Business Resource Hub at the Upcounty Regional Services Center where the initiative is being piloted. The program will be rolled out to all regional services centers through FY2020.

Business Resource Hubs will:

- Deliver at least two business training sessions per month.
- Make 8 hours of individual counseling available per month.
- Offer one county-specific training program per month.

It is expected that this approach will facilitate more visits to businesses countywide and result in improved customer service. In addition, it will reduce the time it takes for information and services to reach business owners, improving the business-friendly image of the County and accelerating the path to success for the business community.

**Bill 3-19: Funding Sources
New/Converted Non-Merit Positions**

Item #	Dept	Non-Merit Position	Total Personnel Cost (Salary and Benefit)	(a)	(b)	(c)	(d)	(e)	Total Cost/ Savings
				Funding from Revenue Diversion	Funding from Expense Reductions	Currently Funded in FY19 Budget	Funding from Abolished Positions	Funding from PSSM CIP	
1	DHCA	Deputy Director*^	\$200,000	\$107,000	\$93,000				\$0
2	OMB	Deputy Director for Results^	\$210,000			\$210,000			\$0
3	CEX	Chief Digital Officer^	\$210,000				\$116,000	\$94,000	\$0
4	CEX	Chief Labor Relations Officer^	\$210,000		\$210,000				\$0
5	CEX	Chief Equity Officer^	\$210,000				\$217,000		\$7,000
6	DTS	Chief Broadband Officer	\$206,978			\$206,978			\$0
7	DTS	Chief Data Officer	\$212,969			\$212,969			\$0
8	DGS	Deputy Director	\$213,008			\$213,008			\$0
9	DOT	Deputy Director of Operations	\$260,897			\$260,897			\$0
10	DOT	Transportation Policy Officer	\$216,622			\$216,622			\$0
Total			\$2,150,474	\$107,000	\$303,000	\$1,320,474	\$333,000	\$94,000	\$7,000 Savings

Notes: Excludes any potential retirement incentives

1*. Position assumes a delayed hire in FY20 to allow DHCA Director appointment to occur first.

1a. Revenue from proposed FY20 license fee increase collected from all rental housing. 1b. Expense reduction from MHI funding.

2c. This position is currently funded, but vacant.

3d. Funding obtained from abolishing a vacant grade 28 Senior Information Specialist position. 3e. Funded through charging PSSM CIP.

4b. Reduction to the labor negotiations contract funding.

5d. Funding obtained from the abolishment of a MLS I position in Finance.

6c. This position is currently funded and filled. It will be converted to non-merit.

7c. This position is currently funded and filled. It will be converted to non-merit.

8c. This position is currently funded and filled. It will be converted to non-merit.

9c. This position is currently funded and filled. It will be converted to non-merit.

10c. This position is currently funded and filled. It is already a non-merit position (title change only).

^ These currently unfilled positions can range from \$160-180,000 in salary. For the purposes of this document, an average salary of \$170,000 with \$40,000 in benefits was used.

With the exception of the DHCA Deputy Director (45% General Fund, 55% MHI Fund), CEX Chief Digital Officer (60% General Fund, 40% CIP) DTS Chief Data Officer (100% CIP), and DTS Chief Broadband Officer (100% Cable Fund), all positions are 100% in the General Fund.

Total Savings from Additional Position Abolishments

The following positions are not included in Bill 3-19, but will be reflected in the FY20 budget

(a)

Item #	Department	Position	FY19 Total Personnel Cost (Salary and Benefit)	Total Salary and Benefits Savings	Notes
1	DLC	MLS I	\$260,897	\$260,897	100% Liquor Fund, savings added to Liquor GF Transfer
2	OHR	MLS I	\$260,897	\$260,897	40% General Fund, 60% Group Health Fund
3	PRO	MLS I	\$254,133	\$254,133	100% General Fund

Total			\$775,927	\$775,927	Savings
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Notes: Excludes any potential retirement incentives



**MONTGOMERY COUNTY COUNCIL
ROCKVILLE, MARYLAND**

**NANCY NAVARRO
COUNCIL PRESIDENT, DISTRICT 4
CHAIR, GOVERNMENT OPERATIONS
AND FISCAL POLICY COMMITTEE**

**EDUCATION AND CULTURE
COMMITTEE**

MEMORANDUM

TO: Government Operations and Fiscal Policy Committee
FROM: Nancy Navarro, President, County Council
Tom Hucker, Councilmember, District 5
SUBJECT: Expanding Capacity of the Regional Service Centers

Montgomery County has invested resources in the redevelopment of Wheaton's Commercial Business District and the White Oak Science Gateway. Both of these projects will leverage County resources to help revitalize areas of our County that have gone far too long without any kind of economic development investments. These development projects will usher in a renaissance of economic activity that will be a boon to these respective areas and Montgomery County as a whole.

Feedback from community members that live in these areas of the County, and have long supported these projects, suggests that the County currently does not have adequate capacity to monitor and properly facilitate some the activities related to these developments. The expected increased level of economic development activity occurring across the County will require a precise and intentional level of effort to ensure these projects and any future projects are successfully implemented. As we move toward a model of having more of our community-based economic development activity shifted to the Regional Service Centers, I believe our Regional Service Directors will need additional support. **In recognition of this, I am proposing adding \$230,000 for 2 additional FTEs to the Reconciliation list to expand the capacity of the Regional Service Centers.**

The primary responsibility of these positions would be to assist the Regional Service Directors with the duties associated with the emerging economic activity occurring in each of the 5 Regional Service Areas. These positions will supplement the work already being carried out by the current Planning Coordinator designated to White Oak Science Gateway. Having this additional capacity at our Regional Service Centers will help the County provide a holistic approach to our economic development strategy and help us prioritize our community development efforts.

Thank you for your consideration of this important matter.

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