

<b>Subject:</b> FY20 Operating Budget: Office of Management and Budget	
<b>Analyst:</b> Blaise DeFazio, Sr. Legislative Analyst	<b>Committee:</b> GO
<b>Keywords:</b> #FY20Budget	

**EXPECTED ATTENDEES**

Richard Madaleno, Director, Office of Management and Budget

<b>Office of Management and Budget</b>		
FY20 CE REC:	\$5,235,537	33.25 FTE
Increase/Decrease from FY19	+\$315,232 (6.4%)	0 FTE (N/A)

**COMMITTEE RECOMMENDED CHANGES**

- None for the overall budget.
- The Committee voted 2-1 (Councilmember Friedson opposed) for an increase of \$100,000 for contractual information technology support to help transition to a two-year operating budget cycle and a ten-year fiscal plan. Councilmember Friedson was uncertain that the contractual support could be completed in time for FY21/22 budget process, which begins in the fall.
- The Committee had concerns about the aggressive implementation timeframe and, given that the Council is ultimately responsible for the budget – that the Council has not approved the change to a two-year operating budget cycle.
- It was also discussed at the meeting that a Charter Amendment may be needed for the two-year operating budget cycle (OMB to follow up with the County Attorney's Office).
- The Committee requested that the County Executive/OMB have further discussions with the GO Committee/Council about transitioning to a two-year budget cycle after the Council approves the FY20 operating budget.

**KEY CHANGES FROM FY19**

- Add \$100,000 in for contractual IT support (to implement two-year operating budget); and
- Add \$10,000 for the online budget management tool, *A Balancing Act*.

**This report contains**

Staff Report to the Committee

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**MEMORANDUM**

April 25, 2019

TO: Government Operations and Fiscal Policy Committee  
FROM: Blaise DeFazio, Senior Legislative Analyst **BD**  
SUBJECT: FY20 Operating Budget: Office of Management and Budget  
PURPOSE: Review and make recommendations for the Office of Management and Budget's FY20 operating budget

Expected attendees:

- Richard Madaleno, Director, Office of Management and Budget
- Amy Wilson, Manager, Office of Management and Budget

**Budget Summary**

- The Executive's Recommended FY20 operating budget for the **Office of Management and Budget** (General Fund) is \$5,235,537, which is an increase of \$315,232 or 6.4% over the FY19 approved budget of \$4,920,305.

**Council Staff Recommendation**

- **Approve the Office of Management (OMB) budget as submitted.**

**FY20 Recommended Operating Budget Overview**

For FY20, the County Executive recommends \$5,235,537, an increase of \$315,232 or 6.4% over the FY19 approved budget of \$4,920,305. Personnel services comprises almost the entire budget (96%). There are 33 full-time positions, 1 part-time position, and 33.25 FTEs; no change from FY19. OMB's Recommended budget is on ©1-6, with the performance measures on ©1-2.

		FY18 Actual	FY19 Approved	FY20 Rec.	Change from FY19 to FY20	% Change from FY19 to FY20
<b>Expenditures</b>						
<b>General Fund</b>	Personnel Costs	\$4,707,295	\$4,820,305	\$5,025,537	\$205,232	4.3%
	Operating Expenses	\$104,524	\$100,000	\$210,000	\$110,000	110.0%
	<b>Total, OMB</b>	<b>\$4,811,819</b>	<b>\$4,920,305</b>	<b>\$5,235,537</b>	<b>\$315,232</b>	<b>6.4%</b>
<b>Positions &amp; FTEs</b>						
<b>General Fund</b>	Full-Time	32	33	33	0	0.0%
	Part-Time	1	1	1	0	0.0%
	FTEs	32.25	33.25	33.25	0	0.0%

## FY20 Budget Discussion Items

### A. IT Initiatives and Support

OMB continues to make information technology changes a priority to aide in meeting the Department's goals. The Operating Budget Workforce Module is planned to completely replace the Oracle-supported Hyperion budgeting system (in recent years OMB has been transitioning from Hyperion). Currently, the County is paying Oracle \$50,000 each year for maintenance of the Hyperion budgeting system through the Department of Technology Services (DTS). If this replacement occurs as planned in FY20, the County can reduce DTS's operating budget by \$50,000 in FY21.

Besides completing the transition from Oracle/Hyperion, OMB will continue to enhance the in-house developed and maintained capital and operating budget modules. OMB will begin system modifications and development for a two-year budget cycle module and a ten-year fiscal plan. It will also roll out a budget monitoring tool in the operating budget module that highlights the department spending and provides a linear projection for quarterly spending. To complement that budget monitoring tool, OMB will continue to develop reports in the Business Intelligence tool to enhance monitoring of department expenditures.

To assist with the information technology initiatives (especially with modifying the operating module to a two-year development cycle), **the recommended budget includes an addition of \$100,000 for one-time contractual IT support.**

**Finally, OMB's budget includes \$10,000 for the implementation of the online budgeting tool, *A Balancing Act*** (this is phase II; the first phase was in FY19). This software will allow a constituent to enter their specific information (i.e., age, income, property value) and produce a "tax receipt" that proportionally shows how their taxes are spent on County services. An example of the software used in Denver, Colorado is on ©7-10.

**Staff recommendation: Concur with the Executive. Consider removing \$50,000 from DTS's budget in FY21 if the transition from Oracle/Hyperion is complete.**

## **B. Significant Department Changes**

For FY20, OMB will make the following changes to how they currently operate:

1. **Replace the Public Services Program (Operating) Coordinator with the Deputy Director of Results<sup>1</sup>** – the new position will coordinate the operating budget and transition to a new outcome-based budgeting system. The full job description was submitted for review in the County Executive's proposed Executive Regulation 12-9 (©11-15).
2. **Transition to Outcome-Based Budgeting; Transition from a One-Year Public Services Program (Operating) Budget to a Two-Year Budget** – will develop budgets based on the relationship between funding and results, to help improve accountability and transparency in the budget process. OMB will also move from a one-year operating budget cycle to a two-year budget cycle that will be similar to the Capital Improvements Program, allowing time/analysis for more information about performance and results.
3. **Transition from a Six-Year Fiscal Plan to a Ten-Year Fiscal Plan** – partnering with Finance, the ten-year plan will explore a variety of scenarios regarding revenues and expenditures. The goal will be to forecast expenditures in consultation with County departments. Finance's recommended budget includes adding a ten-year fiscal plan consultant (\$100,000), who will be supplementing OMB and Finance's work by validating models, assumptions, and narratives, mirroring the fiscal plan completed in Baltimore.

**Staff recommendation: Concur with the Executive.**

## **C. Lapse**

Lapse from FY19 was restored at \$194,713, which follows the future fiscal impact from the FY19 budget. One-time lapse/turnover savings was then added back in at \$136,096 for FY20, for a net restoration of \$58,617. OMB will achieve the lapse through savings generated from the retirement of three employees that were at the top of their grade and in the old retirement plan. OMB will also hold positions vacant for part of the year and through normal attrition.

**Staff recommendation: Concur with the Executive.**

## **D. Other Budget Changes**

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<sup>1</sup> Part of Expedited Bill 3-19, Administration – Executive Branch – Non-Merit Positions.

<b>Item</b>	<b>Amount</b>
FY20 Compensation Adjustment	\$150,585
Retirement Adjustment	\$11,018
Annualization of FY19 Personnel Costs	(\$14,988)

**Staff recommendation: Concur with the Executive.**

### **Current Budget Overview**

#### **A. FY19 Expenditures**

OMB is on track to meet its FY19 savings plan, which was \$73,805 for the lapse savings for vacant positions. Also, based on expenditures through the third quarter of FY19 - assuming pay period spending remains consistent - OMB is estimated to be under budget.

For open prior year General Fund purchase orders (those from FY18 and earlier), OMB has \$43,300 in remaining balances. OMB plans on spending most of the remaining balances in FY19 and carrying over those balances to FY20.

#### **B. Personnel/Staffing**

As of April 3rd, OMB had five vacant positions (see ©18). OMB is currently recruiting for the vacant Senior IT Specialist and is in the process of converting the vacant Senior Management and Budget Specialist to a Fiscal and Policy Analyst (will be moving a re-hired former employee into that position). For the three remaining manager positions, OMB is reviewing its management structure and will work with the Office of Human Resources on determining appropriate job classes prior to recruitments.

The following documents are attached:

Office of Management and Budget's Recommended FY20 Operating Budget	©1
Example Screenshots of <i>A Balancing Act</i> from Denver, CO	©7
Proposed Executive Regulation 12-19, Deputy Director for Results, OMB	©11
Council Budget Questions and Responses	©16



# Management and Budget

**RECOMMENDED FY20 BUDGET**  
**\$5,235,537**

**FULL TIME EQUIVALENTS**  
**33.25**

✻ **RICHARD S. MADALENO, DIRECTOR**

## MISSION STATEMENT

The mission of the Office of Management and Budget (OMB) is to offer a broad-based, objective perspective on a range of public and fiscal policies to the County Executive, County Council, and other County partners. The analytical work performed in OMB provides policymakers with data and options for informed decisions. The Office supports and enhances the effective operation of County government, ensuring funds are spent in the most fiscally prudent and socially responsible way. OMB also ensures that departmental expenditures are made in accordance with Executive polices and Council appropriations, consistent with the County Charter.

## BUDGET OVERVIEW

The total recommended FY20 Operating Budget for the Office of Management and Budget is \$5,235,537, an increase of \$315,232 or 6.41 percent from the FY19 Approved Budget of \$4,920,305. Personnel Costs comprise 95.99 percent of the budget for 33 full-time position(s) and one part-time position(s), and a total of 33.25 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 4.01 percent of the FY20 budget.

## COUNTY PRIORITY OUTCOMES

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

◆ **Effective, Sustainable Government**

## DEPARTMENT PERFORMANCE MEASURES

Performance measures for this department are included below (where applicable). 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.

Measure	Actual FY17	Actual FY18	Estimated FY19	Target FY20	Target FY21
<b>Program Measures</b>					
Overall Government Finance Officers Association (GFOA) Distinguished Budget Presentation Award ratings - percent rated outstanding or proficient <sup>1</sup>	98.9	N/A	95.0	95.0	95.0
Percentage of respondents rating OMB services as good or very good on the OMB Customer Survey for the budget process <sup>2</sup>	88.9	73.1	85.0	90.0	90.0

Measure	Actual	Actual	Estimated	Target	Target
	FY17	FY18	FY19	FY20	FY21
Percentage of respondents rating the ability of OMB staff to provide effective support in solving problems as good or very good on the OMB Customer Survey for the budget process	85.1	79.1	85.0	90.0	90.0
Percentage of respondents rating the quality of OMB training and instructional materials as good or very good on the OMB Customer Survey for the budget process	96.0	94.1	96.0	96.0	96.0
Number of budget preparation and system trainings conducted by OMB <sup>3</sup>	8	12	11	14	8

<sup>1</sup> The fiscal year shown for GFOA rating corresponds to the fiscal year during which the budget was prepared (e.g. FY17 GFOA results apply to FY18 budget document, which was prepared during FY17). FY18 data is unavailable at the time of publication. Data will be updated in the Approved budget publication.

<sup>2</sup> The Fiscal year shown in connection with all OMB Customer Survey results corresponds to the fiscal year during which the budget was prepared (e.g. FY17 results apply to the process of preparing the FY18 budget, which occurred during FY17).

<sup>3</sup> Increase in even numbered fiscal years due to increased CIP trainings during the development of a full CIP.

## INITIATIVES

- ★ Similar to the two-year Capital Improvement Plan cycle, OMB will implement a two-year Public Services Program cycle beginning in FY21. This approach will allow departments and decision makers to better plan, evaluate, and realign County funding to ensure that funds are being spent in the most efficient and effective way possible.
- ★ In an effort to layout a comprehensive blueprint to tackle the County's fiscal challenges over the next decade, OMB will work with other departments to prepare a ten-year financial plan.
- ★ In FY19, OMB implemented Phase I of the online budgeting tool, *A Balancing Act*. OMB will initiate Phase II with the implementation of the Taxpayer Receipt module. *A Balancing Act* is an interactive tool which allows the County to communicate financial information to residents and solicit their feedback. It increases transparency, accountability, and community member participation. With the implementation of the Taxpayer Receipt module, residents can prepare a simulated "receipt" showing how their taxes are used.
- ★ Designing and developing Operating Budget Workforce Module. This module will replace the remaining Hyperion functionality for better data integrity, ease of use, and reduced server footprint and cost. The system is being developed in-house at limited additional cost to the County. The new module will be available for use in the FY21-22 Operating Budget.
- ★ Designing and developing new BASIS and Open Budget dashboards that display and track department operating budgets to the County Executive's priority outcomes and respective performance measures.

## ACCOMPLISHMENTS

- ✓ Developed options for County Executive decisions to close the FY20 Budget gap of \$186.9 million and produce a balanced budget while preserving critical services and advancing key County policies.
- ✓ Developed and implemented a \$45.9 million Savings Plan to close the gap caused by FY18 year end deficit and FY19 revenue shortfalls.
- ✓ Provided analysis to the County Executive and County Council to address significant expected shortfalls in impact taxes without impacting planned support for Montgomery County Public Schools (MCPS) capital projects. Prudent reductions in planned General Obligation bond debt for FY19-24 moved the County toward a more sustainable debt level and contributed to AAA ratings from all three credit rating agencies
- ✓ Conducted comparative Program of Requirements analysis resulting in project and debt service efficiencies, programmatic improvements, and enhanced collaboration between co-locating agencies for projects included in the CIP.

- ☑ Developed and implemented new Operating Budget BASIS Planning Module that is used to formulate all expenses and revenues for the operating budget. The module replaced Hyperion Planning functionality for better ease of use coupled with enhanced reports.
- ☑ Continued outreach efforts to promote open data, government transparency, budgeting processes, and to solicit community input into the development of the Operating and CIP budgets. Information and training sessions were held to inform community members and non-profit organizations of the community grant application system. A budget overview and process presentation was conducted for members of the Mid-County Citizen Advisory Board. Operating budget forums were held in conjunction with the County Executive's Office and the five Regional Services Centers. Interactive Budget Forum workshop featuring *A Balancing Act* was held to directly involve residents and receive their input on budgeting priorities. BASIS and Open Budget presentations were conducted for visiting dignitaries from Cambodia, Croatia and World Bank.
- ☑ Received three NACo awards in FY19 for the following initiatives: development and implementation of the on-line Capital Open Budget information tool; development and implementation of the on-line Operating Open Budget information tool; and development and implementation of the CIP Budget Analytical Statistical Information System (CIP-BASIS).

## **INNOVATIONS AND PRODUCTIVITY IMPROVEMENTS**

- \* Implemented new BASIS Operating Budget planning modules used by departments to develop and submit budgets. The new modules streamlined processes and added functionalities.

## **COLLABORATION AND PARTNERSHIPS**

### **\* Operating Budget Forums**

Operating budget forums were held in conjunction with the County Executive's Office and the five Regional Services Centers.

#### **Partners**

Community Engagement Cluster, Office of the County Executive

### **\* Cross Departmental Issue Coordination**

OMB facilitated operating budget cluster meetings to promote collaboration, information sharing, cost-savings, and efficiency among departments. Specific areas of focus included: Safe Neighborhoods; Thriving Youth and Families; Digital Evidence Management and e-Discovery; Pedestrian Safety/Vision Zero; and Technology.

### **\* Project Search**

Partnered with the Office of Human Resources to provide opportunities for Project Search participants to intern at OMB. Since 2013, OMB has hosted eight Project Search participants and hired two of those participants to permanent positions.

#### **Partners**

Office of Human Resources

### **\* Collective Bargaining**

OMB, in partnership with the Office of Human Resources, County Attorney, Finance, Police, and Fire & Rescue Service served on the County's collective bargaining negotiating team.

#### **Partners**



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Office of the County Attorney, Department of Finance, Montgomery County Fire and Rescue Service, Office of Human Resources, Department of Police

**\* Community Grant Outreach Forums**

OMB partnered with staff from the County Council to conduct three information and training sessions on the County's Community Grant application and award process. The sessions were held across the County and were attended by 310 representatives from community non-profit organizations.

**Partners**

County Council

**\* Transition Workshops**

OMB provided support and assistance at the County Executive's Transition Outcome Team meetings.

**Partners**

Office of the County Executive

## **PROGRAM CONTACTS**

Contact Amy Wilson of the Office of Management and Budget at 240.777.2775 for more information regarding this department's operating budget.

## **PROGRAM DESCRIPTIONS**

**\* Budget Preparation and Administration**

Staff in the Budget Preparation and Administration program serve the County by preparing the County's Operating Budget, Public Services Program, Capital Budget, and Capital Improvement Program ensuring compliance with the County Charter and the decisions of elected officials. Fiscal projections prepared by OMB are used by County elected officials in setting policy for the County, and help maintain the County's AAA bond rating.

OMB staff support County partners in fiscal management and policy development, resource management, collective bargaining negotiations, management and performance analyses, fiscal impact analyses of legislation and regulations, development and monitoring of user fees and other revenue sources, and the review of grant applications and contract compliance. To ensure prudent fiscal stewardship, OMB offers several training sessions for County partners throughout the year and provides support for the County Executive's budget forums with County residents. OMB is frequently recognized by the Government Finance Officers Association for its high-quality budget publications.

OMB provides representation on a number of committees including the Contract Review Committee, Interagency Group on Energy and Utilities Management, the Board of Investment Trustees, the Diversity Council, the Telecommunications Transmission Facility Coordinating Group, the Labor Relations Policy Committee, the ERP Steering Committee, the Information Technology Policy Advisory Committee, the Public Safety System Modernization Project, the Housing Loan Review

## BUDGET SUMMARY

	Actual FY18	Budget FY19	Estimate FY19	Recommended FY20	%Chg Bud/Rec
<b>COUNTY GENERAL FUND</b>					
<b>EXPENDITURES</b>					
Salaries and Wages	3,622,689	3,904,607	3,724,923	3,976,394	1.8 %
Employee Benefits	1,084,606	915,698	993,394	1,049,143	14.6 %
<b>County General Fund Personnel Costs</b>	<b>4,707,295</b>	<b>4,820,305</b>	<b>4,718,317</b>	<b>5,025,537</b>	<b>4.3 %</b>
Operating Expenses	104,524	100,000	135,585	210,000	110.0 %
<b>County General Fund Expenditures</b>	<b>4,811,819</b>	<b>4,920,305</b>	<b>4,853,902</b>	<b>5,235,537</b>	<b>6.4 %</b>
<b>PERSONNEL</b>					
Full-Time	32	33	33	33	—
Part-Time	1	1	1	1	—
FTEs	32.25	33.25	33.25	33.25	—

## FY20 RECOMMENDED CHANGES

COUNTY GENERAL FUND	Expenditures	FTEs
<b>FY19 ORIGINAL APPROPRIATION</b>	<b>4,920,305</b>	<b>33.25</b>
<b><u>Changes (with service impacts)</u></b>		
Add: Contractual IT Support [Budget Preparation and Administration]	100,000	0.00
Add: Budget Management Tool (A Balancing Act) [Budget Preparation and Administration]	10,000	0.00
<b><u>Other Adjustments (with no service impacts)</u></b>		
Increase Cost: Restore One-Time Lapse Increase [Budget Preparation and Administration]	194,713	0.00
Increase Cost: FY20 Compensation Adjustment	150,585	0.00
Increase Cost: Retirement Adjustment	11,018	0.00
Decrease Cost: Annualization of FY19 Personnel Costs	(14,988)	0.00
Decrease Cost: Increase lapse and turnover savings [Budget Preparation and Administration]	(136,096)	0.00
<b>FY20 RECOMMENDED</b>	<b>5,235,537</b>	<b>33.25</b>

## CHARGES TO OTHER DEPARTMENTS

Charged Department	Charged Fund	FY19 Total\$	FY19 FTEs	FY20 Total\$	FY20 FTEs
<b>COUNTY GENERAL FUND</b>					
Human Resources	Employee Health Self Insurance	79,213	0.50	85,371	0.50

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**FUTURE FISCAL IMPACTS****CE RECOMMENDED (\$000s)**

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Title	FY20	FY21	FY22	FY23	FY24	FY25
<b>COUNTY GENERAL FUND</b>						
<b>EXPENDITURES</b>						
<b>FY20 Recommended</b>	5,236	5,236	5,236	5,236	5,236	5,236
No inflation or compensation change is included in outyear projections.						
<b>Elimination of One-Time Items Recommended in FY20</b>	0	(100)	(100)	(100)	(100)	(100)
Items recommended for one-time funding in FY20, including contractual IT support, will be eliminated from the base in the outyears.						
<b>Restore One-Time Lapse Increase</b>	0	136	136	136	136	136
Restoration of one-time lapse adjustment in the budget development year						
<b>Labor Contracts</b>	0	28	28	28	28	28
These figures represent the estimated annualized cost of general wage adjustments, service increments, and other negotiated items.						
<b>Subtotal Expenditures</b>	5,236	5,300	5,300	5,300	5,300	5,300



**DENVER**  
THE MILE HIGH CITY

(<https://www.denvergov.org/content/denvergov/en/denver-department-of-finance/financial-reports/city-budget.html>)

About

# Want a receipt for your City and County of Denver taxes?

## Answer a few questions to find out how much you paid.

**What's your annual income? :**

*This field is required.*

**What's your age?**

**What percentage of your shopping for goods and products do you do in Denver? :**

<input type="text"/>	%
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**Do you own a home? :**  Yes  No

**View Your Tax Receipt**



(https://www.denvergov.org/content/denvergov/en/denver-department-of-finance/financial-reports/city-budget.html)

About

Here's your unofficial taxpayer receipt based on the information you entered.

Invite your friends and family to get their receipt:

f (https://www.facebook.com/share.php?u=https://www.denvergov.org/content/denvergov/en/denver-department-of-finance/financial-reports/city-budget.html) (https://twitter.com/share?url=https://www.denvergov.org/content/denvergov/en/denver-department-of-finance/financial-reports/city-budget.html)

YOUR CITY AND COUNTY OF DENVER TAX RECEIPT

<b>Affordable Housing</b>	<b>\$28.74</b>
Office of Housing and Opportunities for People Everywhere (HOPE) :	\$0.22
Dedicated Resources for Affordable Housing :	\$28.53
<b>Capital Projects</b>	<b>\$537.46</b>
Bond Principal and Interest Property Tax Mill :	\$340.39
Capital Improvement Projects :	\$12.13
Improvement and Maintenance Property Tax Mills :	\$184.95
<b>Community Planning and Development</b>	<b>\$10.58</b>
Board of Adjustment for Zoning Appeals :	\$0.11
Planning, Permitting, Inspections and Administration of Community Planning & Development Dept :	\$10.46
<b>Courts/Legal</b>	<b>\$19.37</b>
City Attorney :	\$10.68
County Court & Municipal Public Defender :	\$8.69
<b>Economic Development</b>	<b>\$4.43</b>
Economic Development :	\$2.94
Excise and Licenses :	\$1.49
<b>Finance</b>	<b>\$41.95</b>
Contingency :	\$11.24
Finance :	\$18.64

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## Balancing Act Tax Receipt - City and County of Denver

Payments for Public Buildings :	\$12.07
<b>Governing</b>	<b>\$2.55</b>
City Council :	\$1.96
Mayor's Office :	\$0.59
<b>Health</b>	<b>\$15.71</b>
Community Health :	\$1.01
Coroner Office :	\$1.06
Denver Animal Protection :	\$1.39
Office of Sustainability :	\$0.11
Public Health Inspection :	\$1.20
Public Health Payments to Denver :	\$10.94
<b>Independently Elected Agencies</b>	<b>\$14.23</b>
Auditor :	\$2.98
Clerk & Recorder :	\$2.96
District Attorney's Office :	\$8.29
<b>Internal City Services</b>	<b>\$39.42</b>
Facilities Management :	\$7.68
Fleet Management :	\$14.57
Human Resources :	\$5.45
Other Internal City Management :	\$11.72
<b>Parks, Recreation &amp; Culture</b>	<b>\$41.93</b>
Cultural Facilities :	\$2.04
Denver Public Library :	\$16.01
Other Cultural Programs :	\$0.32
Parks Planning, Management, and Administration of Parks & Rec :	\$15.04
Recreation Centers and Programs :	\$8.52
<b>Public Safety</b>	<b>\$284.76</b>
911 Emergency Services :	\$2.76
Fire Department :	\$93.54

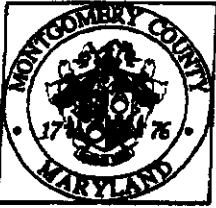
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## Balancing Act Tax Receipt - City and County of Denver

Police Department :	\$133.08
Safety Programs (Including Office of the Independent Monitor) :	\$8.87
Sheriff Department :	\$46.50
<b>Public Works</b>	<b>\$40.70</b>
Capital Projects Management :	\$3.87
Public Works Dept Planning, Permitting, Enforcement, Inspections & Admin :	\$13.19
Solid Waste :	\$7.85
Street Lighting :	\$1.01
Street Maintenance :	\$6.37
Transportation :	\$8.41
<b>Social Services &amp; Community Advocacy</b>	<b>\$181.43</b>
Community Advocacy & Assistance :	\$1.11
Department of Human Services Property Tax Mill :	\$136.43
Developmentally Disabled Property Tax Mill :	\$40.77
Homeless Services :	\$0.98
Office of Children's Affairs :	\$1.13
Tax Refunds & Subsidies for Elderly, Disabled, and Low-Income :	\$1.01
<b>Technology Services</b>	<b>\$30.62</b>
Denver 311 :	\$0.79
Denver Media Services :	\$1.09
Tech Services :	\$28.74
<b>TOTAL: :</b>	<b>\$1,285.88</b>

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 TRY AN INTERACTIVE SIMULATION TO MAKE YOUR OWN  
 BUDGET AND SHARE IT WITH PUBLIC OFFICIALS.  
 (HTTPS://DENVER.ABALANCINGACT.COM)

**BalancingAct.** (HTTP://ABALANCINGACT.COM)



# MONTGOMERY COUNTY EXECUTIVE REGULATION

Offices of the County Executive • 101 Monroe Street • Rockville, Maryland 20850

<b>Subject</b>	Position Description for Deputy Director for Results, Office of Management and Budget	<b>Number</b>	12-19
<b>Originating Department</b>	Office of Human Resources	<b>Effective Date</b>	

### Montgomery County Regulation on

### POSITION DESCRIPTION - DEPUTY DIRECTOR FOR RESULTS, OFFICE OF MANAGEMENT AND BUDGET

Issued by: County Executive  
Regulation No. 12-19

Authority: Montgomery County Code (2014) Section 1A-104(b)(2)

Supersedes: None

Council Review: Method (1) under Code Section 2A-15

Register Vol. 36 No. 2

Effective Date:

Comment Deadline: March 3, 2019

**Summary:** This regulation establishes the position description for Deputy Director for Results, Office of Management and Budget, a non-merit position.

**Staff contact:** Kimberly Williams, Office of Human Resources  
(240) 777-5198

**Address:** Office of Human Resources  
Executive Office Building  
101 Monroe Street, Fifth Floor  
Rockville, Maryland 20850

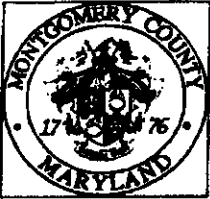
**Background:** Montgomery County Code § 1A-104(b)(2) requires that certain positions in the Executive Branch designated by law as non-merit must be supported by a position description established by executive regulation under method (1).

### DEPUTY DIRECTOR FOR RESULTS, OFFICE OF MANAGEMENT AND BUDGET

#### DEFINITION OF CLASS:

This is an appointed, non-merit position in the County Government. This is a senior level management position serving as the Deputy Director for the Office of Management and Budget (OMB). The position reports to the Director, Office of Management and Budget and has full authority and accountability in the absence of the Director. The position works in conjunction with the Director to oversee the planning and deployment of





# MONTGOMERY COUNTY EXECUTIVE REGULATION

Offices of the County Executive • 101 Monroe Street • Rockville, Maryland 20850

<b>Subject</b>	Position Description for Deputy Director for Results, Office of Management and Budget	<b>Number</b> 12-19
<b>Originating Department</b> Office of Human Resources		<b>Effective Date</b>

Countywide resources to carry out the mission of OMB in supporting the implementation of the County Executive's priorities and policy agenda. The position directs the preparation and transmittal of the County Executive's annual proposed operating budget and six-year fiscal plan; oversees OMB's involvement in the collective bargaining process; assists the Director in developing strategies and policies to implement the County's budget priorities; and assist the Director in the management of OMB. This is a supervisory position and has full line management responsibility for planning, developing, and implementing employee work programs, communicating expectations, and assessing the achievement of established goals.

#### MAJOR DUTIES:

Work is performed independently under general administrative supervision and final results are evaluated for effectiveness in establishing policies and achieving goals and objectives integral to County's mission and purpose. Judgments and decisions are guided by broad guidelines within the context of regulations, legislation, and/or County policies and practices and requires full utilization of management principles and tactical as well as strategic planning within broadly outlined and complex regulations.

#### EXAMPLES OF DUTIES: (Illustrative Only)

Plan, develop, and lead year-long process to prepare the County's annual Operating Budget, six-year Public Services Program (PSP), and six-year Fiscal Plan. Consisting of the following functions:

- Establish the County's overall fiscal planning guidelines and specific budget guidelines to Executive Branch departments based on the County's fiscal plan and economic forecast.
- Collect information from various sources and analyze complex problems to identify options and recommend funding levels, including solutions to close budget gaps, in the County's annual operating budget consistent with the County Executive's policy priorities.
- Direct development of all budget adjustments including supplemental appropriations, budget amendments, and savings plan appropriation reductions.
- Manage the internal review of department budget requests, scheduling of budget review meetings with department directors and senior leadership including the County Executive and Chief Administrative Officer, and planning for the Council budget review and approval process.
- Negotiate changes to the Council's requirements specified in the annual appropriation resolutions with the Council Administrator and other Council Staff.
- Provide direction to staff on analyzing department and agency budget requests, in identifying and preparing options for the County Executive's decisions and making recommendations.
- Oversee preparation and transmittal of all fiscal reports to the County Council including the quarterly analysis of expenditures and revenues and the annual six-year fiscal plan.
- Coordinate fiscal planning and strategy with the manager overseeing development of the Capital Improvements Program.



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<b>Subject</b>	Position Description for Deputy Director for Results, Office of Management and Budget	<b>Number</b>	12-19
<b>Originating Department</b>	Office of Human Resources	<b>Effective Date</b>	

- Manage the complex budgetary relationship between the County, agencies, and other levels of government.
- Identify efficient and effective use of County resources, including development of performance measures and performance-based budgeting in coordination with CountyStat and other departments.
- Lead cross-department groups, including department directors and designated staff, to identify efficiencies, cost reductions, and improvements in the delivery of County programs and services through more effective allocation of County resources.
- Represent the County Executive and defend budget recommendations during Council review and approval of the annual operating budget.
- Oversee responses to questions and requests for information from the County Council, other County officials, and the public.
- Oversee OMB's involvement in the collective bargaining process. This involves assessing the County's fiscal condition and developing parameters regarding the economic provisions of labor agreements. Represent the County Executive as necessary in negotiations with the County's designated employee organizations.
- Assist Department Director in developing strategies and policies to implement the County Executive's priorities.
- Build and strengthen relationships and partnerships between OMB and departments and agencies.
- Supervises a team of Management and Budget Specialists - planning, developing, and implementing work programs, communicating expectations, assessing the achievement of established goals, and mentoring and coaching.
- Serve as Department Director in the Director's absence, with authority to approve decision memos, fiscal impact statements, position exemptions, procurement exemptions, and all other actions.

### MINIMUM QUALIFICATIONS:

**Education:** Graduation from an accredited college or university with a bachelor's degree in accounting, business administration, economics, finance, public administration, or a closely related field.

**Experience:** Ten (10) years' professional experience in accounting, budget formulation, and/or financial management, four years of which were in a supervisory capacity.

**Licenses, Registrations, Certifications, or Special Requirements:** None

**Knowledge, Skills, and Abilities:**

*Advanced knowledge of:*



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<b>Originating Department</b>	Office of Human Resources	<b>Effective Date</b>	

- The principles and practices of public administration with particular reference to management concepts and techniques, strategic planning principles, policy analysis, labor relations, accounting and actuarial principles, resource allocation and budgeting.
- County government's services and programs, budget process, legal requirements, human resources policies and procedures, and accounting policies and requirements.
- Program development, implementation, management and evaluation techniques, high level interagency coordination, negotiations, and conflict resolution.
- The laws, rules and regulations governing the preparation and implementation of the County's budget and fiscal planning.
- Applicable federal, State and County laws, regulations, and policies affecting the County's services and programs.

**Skill in:**

- Identifying, analyzing, and evaluating information concerning highly complex, varied, and often sensitive services and programs across the entire County government.
- Effectively representing the organization on policy matters and controversial questions; negotiating agreements which accommodate the conflicting interests and viewpoints of numerous groups and organizations.
- Managing processes, setting priorities, communicating expectations, anticipating problems, developing contingency plans, and monitoring achievement of broad programmatic goals, objectives, and quality standards.
- Interpersonal relations and ability to work tactfully and effectively with elected/appointed officials, Union representative, employees, supervisors and managers, outside agencies senior leadership, and community and business organization leaders.
- Expressing ideas, conclusions and recommendations clearly and concisely, both orally and in writing.

**Ability to:**

- Exercise judgment and independent decision making consistent with overall organizational policies and goals.
- Plan, set priorities, and organize numerous work assignments of team members to meet tight and often conflicting deadlines.



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- Lead, inspire, motivate, evaluate, and counsel subordinate supervisory staff and to delegate responsibility to them, as appropriate.

**MEDICAL EXAM PROTOCOL:** Medical History Review.

Approved:

Marc Elrich, County Executive

4/9/19

Date

APPROVED AS TO FORM AND LEGALITY  
OFFICE OF THE COUNTY ATTORNEY

BY:

DATE: 1/15/19

FY20 Budget Changes & Initiatives

1. **Lapse from FY19 was restored at \$195K, which follows the future fiscal impact from the FY19 budget. One-time lapse/turnover savings was then added back in at \$136K for FY20, for a net restoration of \$59K. Please show/explain the changes in lapse/turnover for FY20.**

OMB will achieve its budgeted lapse through savings generated from the retirement of three employees that were at top of grade and in the old retirement plan. Other savings will be achieved from holding positions vacant for part of the year and through normal attrition.

2. **What will the additional one-time \$100K in contractual IT support provide? How will this mesh with the existing IT support and OMB IT systems? What are the existing operating costs and personnel costs for IT support?**

The \$100,000 will be used to fund a contractual IT specialist to work with OMB's IT team on the development of a two-year budget development cycle and the necessary modifications to BASIS and other OMB budget systems. The contractor will work under the direction of OMB's IT Supervisor and Process/IT Manager.

FY20 Projected IT costs: \$512,000 PC, \$170,000 OE

3. **The Operating Budget Workforce Module will replace the remaining Hyperion functionality for the FY21-22 operating budget (Hyperion is an Oracle product). Does the existing Oracle contract end in FY20? If not, how much longer will the County be paying licensing fees, from what department's budget, and what is the annual amount?**

Oracle software maintenance is renewed on an annual basis and is funded in the DTS budget. Maintenance for Oracle Hyperion Public Sector Planning and Budgeting module can be discontinued when it is no longer needed. The HR, Procurement, and Financial modules are continuing and are not impacted by discontinuing the budget module. The Oracle Hyperion Public Sector Planning and Budgeting module maintenance is approximately \$50,000 annually.

4. **OMB's recommended budget has \$10K for the implementation of Phase II of the online Budgeting Tool, A Balancing Act. The first phase was implemented in FY19.**

**How much did the first phase cost? Will there be additional phases in FY21 and beyond? If so, at what cost?**

**Will this be an in-house creation, or will it be software through a vendor? If through a vendor, will there be a one-time licensing fee or will it be ongoing? If so, how much?**

**Is this tax receipt web tool similar to the ones in Denver, CO and Ellis County, KS? Is the main purpose to show a resident how their taxes are being proportionally used to fund County services? Are there other purposes or goals?**

The annual fee, \$9,500, is for the software package which includes the budget simulator and the taxpayer receipt. The software is provided by a vendor – Balancing Act. The tax receipt tool used by Denver is the same tool that the County will be using. We have not researched Ellis County or KS, so cannot confirm if it is the same product. The main goal of the Balancing Act software suite is to increase public engagement and awareness in the County's budget process, so that County residents have an innovative way of providing input into developing the County's budget and can be aware of how public dollars are spent.

**5. Please provide a list of all OMB IT systems planned for FY20, each with a brief description of their roles and expected outcomes.**

OMB will continue enhancing the in-house developed and maintained BASIS CIP and Operating budget modules. These modules are used by OMB staff, departments, and agencies in developing, implementing, and monitoring the budgets. In FY20 OMB will continue working on the development and implementation of the BASIS Workforce module (migrating from Hyperion) which once fully implemented will streamline the budget development process, provide enhanced reporting capabilities, and reduce opportunities for errors.

OMB will begin BASIS system modifications and development of a two-year operating budget cycle module and a 10-year fiscal plan.

OMB will continue working on developing reports in the BI Tool to enhance monitoring capabilities of department expenditures by characteristic and monitoring the trend of department expenditures especially in the 4<sup>th</sup> quarter.

OMB is planning to roll out Budget Monitoring tool in BASIS that highlights the department spending and provides a linear projection with respect to quarterly spending.

**6. How will the ten-year financial plan differ from the existing six-year fiscal plan (outside of adding four years)? How will OMB be working with Finance, since Finance's FY20 recommended budget includes \$100K for a ten-year fiscal plan consultant?**

The ten-year plan will look at a variety of scenarios concerning revenues and expenditures. OMB will partner with Finance. Our role will be to forecast expenditures in consultation with county departments.

**7. What changes will there be in the operating budget process with the two-year Public Services Program cycle? How will it allow departments and decision makers to better plan, evaluate, and realign County funding?**

OMB is currently working with departmental budget staff to map out a plan for a two-year PSP. We are reviewing the process other governments use in formulating a two-year budget. In conjunction with the County Executive's Vision for outcome-based budgeting, we believe a two-year budget will provide county decision-makers and residents with more information about performance and results.

Personnel and Department Structure

**8. The recently approved non-merit position, Director of Results, was converted from a M1 position. Was the converted position the vacant Operating Budget Coordinator position? If so, will this Director of Results be performing the prior duties of the Operating Budget Coordinator?**

The new Deputy Director position will coordinate the operating budget, as well as the transition to a new outcome-based budgeting system.

**9. Will OMB's organizational structure change with the new Director of Results position? If so, how?**

Director Madaleno is in the process of reviewing OMB's organizational structure and management needs and will make changes as deemed necessary.

**10. As of 3/26, OMB has five vacant positions – three managers, a senior management and budget specialist, and a senior information technology specialist. When do you anticipate that these positions will be filled? Are there any more vacancies expected for the remaining of FY19?**

- Development of recruitment documents has been completed for the vacant Senior IT Specialist and will be transmitted to OHR as soon as possible.
- The vacant Senior Management and Budget Specialist will be reclassified to a Fiscal and Policy Analyst III (FPA III) as OMB no longer utilizes the Management and Budget Specialist job class. In January OMB received approval to rehire a former employee into a shared position. The rehired employee will be placed in the vacant FPA III position as soon as the reclassification is completed.
- OMB is taking the opportunity to review its management structure and will work with OHR to determine the appropriate job classes prior to recruiting to fill the vacant manager positions.
- We are not aware of additional vacancies expected in FY19.

Contracts

**11. How many knowledge transfer contracts do you have in FY19, what positions are they for, and for what amount? How many do you plan on having in FY20, what positions are they for, and at what amount?**

In FY19 we have one current Knowledge Transfer Contract (KTC) with Scott Coble and one KTC pending with Amy Wilson.

- Mr. Coble's KTC ends on May 28, 2019. The maximum compensation is \$54,957. The scope of services includes the transfer of knowledge of OMB's in-house developed IT systems including, but not limited to: Operating and CIP BASIS; development and maintenance of interfaces linking OMB systems to multiple ERP systems; OMB's web content such as OMB's web page, online budget publications, openBudget data; and OMB's eBudget including the transition to SharePoint; and the technical aspects of the publication and uploading FY19 approved operating and CIP budgets.
- Ms. Wilson's KTC is pending in the Office of Procurement and per guidelines, will not exceed 720 hours or one-year, with a maximum compensation of \$53,899. The scope of services includes the transfer of in-depth knowledge of the County's Human Resources and Procurement policies and procedures with specific focus on the impact and operations of OMB; development of OMB's operating budget; and OMB's administrative operations. Provide consulting services concerning budget, policy, and operational implications as related to the development and implementation of a two-year budget development cycle and 10-year fiscal plan, including system testing and data validation.

Per the terms of Ms. Wilson's contract it will continue into FY20. The need for additional KTC contracts in FY20 will be contingent on staff turnover and departmental needs.

12. As of 3/26, OMB has remaining funds of \$43.3K on purchase orders (POs) from FY18. When will these POs be liquidated?

OMB has the following purchase orders (PO) remaining from FY18.

Vendor	Scope of Services	Remaining Balance	Disposition
Scott Coble	KTC	\$6,106.40	Contract ends 5/28/19. Remaining balance will be liquidated
Binary Blue	Part-time personal health care services for disabled OMB employee	\$10,597.22	Due to employee's extended absence contract services were not needed for a significant period. Employee has returned to work and we expect to expend the majority of the remaining balance by June 30, 2019, any remaining balance will be carried forward and expended prior to a new PO being created
David Mack	Consulting and technical support for development of OMB IT budgeting systems	\$26,590.75	Expect to expend the majority of the remaining balance by June 30, 2019, any remaining balance will be carried forward and expended prior to a new PO being created.

13. Does OMB have FY19 purchase orders that it will plan to carry over to FY20? If so, what are they for, what remaining amount, and when will they be liquidated?

In FY19 a purchase order (PO) will be created in the amount of \$12,000 to cover costs associated with MS. Wilson's KTC. This is based on a projected number of hours to be worked in FY19. Any funds remaining in the PO will be carried over into FY20 and expended prior to creating a new PO using FY20 resource.

Performance

The following section will identify performance measures, followed by brief questions.

**Headline Performance Measure:**

**Average number of workdays to process administrative and analytical document reviews**

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Actual FY16	Actual FY17	Actual FY18	Projected FY19	Projected FY20	Projected FY21
N/A	8.6	11.90	10.0	10.0	10.0



**Supporting Measure:**

Number of administrative and analytical document reviews processed

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Actual FY16	Actual FY17	Actual FY18	Projected FY19	Projected FY20	Projected FY21
N/A	712	1,131	1,000	1,000	1,080

14. Based on the actual amounts for the two measures, the workdays and the documents processed have increased for the FY18 actuals. What changes to workload or process are being made that drives down projections for FY19 and beyond? Can you breakout what FY18 document reviews are analytical, which are administrative, and the average length of time they take to process?

Type	Count	Average Days
Executive Orders	35	11.97
FEIS	55	17.67
Other	44	10.11
Position Exemption	421	18.81
Position Request	65	11.15
PFER	451	12.59
Resolutions	17	3.71
Supplemental Appropriations	17	3.76
Transfer	3	6.33
Vehicle Request	23	22.91
Total	1131	11.90

**Supporting Measure:**

Percentage of respondents rating the extent to which OMB helped departments align resources to facilitate achievement of key results as some or a great extent on the OMB Customer Survey for the budget process.

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Actual FY16	Actual FY17	Actual FY18	Projected FY19	Projected FY20	Projected FY21
87.5	71.0	57.1	65.0	75.0	85.0

15. Department respondents dramatically changed their opinion on OMB's assistance aligning resources to facilitate the achievement of key results from FY16 to FY18. Have you determined what caused this large

**decrease? Why do you think the percentage will increase to 85% by FY21? What changes are being made to facilitate that projected increase?**

The survey itself saw a significant drop in respondents from 2017 to 2018. 2017 survey went to 172 people, with 37 responses (21.5% response rate). 2018 survey went to 181 people, with only 26 responses (14.4% response rate). This measure saw only 21 responses in 2018 (vs. 31 in 2017). There is no overarching theme that explains the difference, but rather a function of the low response rate overall. OMB will look at methods of surveying to see if a broader response rate is achievable.

OMB believes the increase in satisfaction rating is achievable and is an attainable goal. Moving towards a two-year operating budget cycle will enable analysts to focus on programmatic issues and to work closely with department staff to better align resources during the off year. We will maintain analyst portfolio assignments as consistent as possible so that analysts can continue to build relationships with department counterparts and will continue to encourage analysts to conduct site visit to increase their understanding of the mission and programs of the departments in their portfolio.