



Committee: GO
Committee Review: Completed
Staff: Chris Cihlar, Director, Office of Legislative Oversight
Purpose: To make preliminary decisions – straw vote expected
Keywords: #legislative oversight, FY23 operating budget

AGENDA ITEM #33
 May 11, 2022
Action

SUBJECT

Office of Legislative Oversight FY23 Operating Budget

EXPECTED ATTENDEES

None

FY23 COUNTY EXECUTIVE RECOMMENDATION

Office of Legislative Oversight	FY22 Approved	FY23 CE Recommended	Change from FY22 Approved
General Fund	\$2,198,652	\$2,215,034	0.7%
Personnel Costs	\$2,152,626 13.67 FTEs	\$2,123,594 13.85 FTEs	-1.3% 0.18 FTEs
Operating Costs	\$46,026	\$91,440	98.7%

COMMITTEE RECOMMENDATIONS

Approve as recommended by the County Executive.

SUMMARY OF KEY ISSUES

None

This report contains:

Packet from 5/5/22 GO Committee

Pages 1-6

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MEMORANDUM

May 2, 2022

TO: Government Operations and Fiscal Policy Committee

FROM: Chris Cihlar, Director
 Office of Legislative Oversight

SUBJECT: **Office of Legislative Oversight & Independent Audit Non-Departmental Account FY23 Operating Budgets**

PURPOSE: Make committee recommendations for Council consideration

Expected Participant:

- Julie Knight, Office of Management and Budget

Summary of FY23 Recommended Budgets and Key Recommendations

Office of Legislative Oversight	FY22 Approved	FY23 CE Recommended	Change from FY22 Approved
General Fund	\$2,198,652	\$2,215,034	0.7%
Personnel Costs	\$2,152,626 13.67 FTEs	\$2,123,594 13.85 FTEs	-1.3% 0.18 FTEs
Operating Costs	\$46,026	\$91,440	98.7%

Independent Audit NDA	FY22 Approved	FY23 CE Recommended	Change from FY22 Approved
General Fund	\$426,782	\$427,882	0.3%
Personnel Costs	\$59,503 0.33 FTEs	\$28,009 0.15 FTEs	-53.0% -0.18 FTEs
Operating Costs	\$367,279	\$399,873	8.9%

Council staff recommends:

- Approval of the FY23 Office of Legislative Oversight (OLO) budget as recommended by the County Executive.
- Approval of the FY23 Independent Audit Non-Departmental Account (NDA) budget as recommended by the County Executive.

FY23 Recommended Budget Changes

Office of Legislative Oversight

The Executive's FY23 recommended operating budget for OLO totals \$2,215,034, an increase of \$16,382 or 0.7% over the FY22 approved budget of \$2,198,652 (see pages 3-5). The Executive also recommends 13.85 FTEs for OLO in FY23, an increase of 0.18 FTEs over the FY22 approved budget of 13.67 FTEs. The changes included in the Executive's recommendation are summarized below:

- Shift \$33,120 and 0.18 FTEs from the Independent Audit NDA to OLO. This reflects the decrease in the Audit Contract Manager's expected workload managing the audit contract.
- A net decrease of \$16,738 primarily from the retirement adjustment and annulation of FY22 personnel costs, partially offset by an increase in consulting services.

Independent Audit NDA

The Executive's FY23 recommended operating budget for the Independent Audit NDA totals \$427,882, an increase of \$1,100 or 0.3% over the FY22 approved budget of \$426,782 (see page 6). The Executive also recommends 0.15 FTEs for OLO in FY23, a decrease of 0.18 FTEs from the FY22 approved budget of 0.33 FTEs. The changes included in the Executive's recommendation are summarized below:

- Shift \$33,120 and 0.18 FTEs from the Independent Audit NDA to OLO. This reflects the decrease in the Audit Contract Manager's expected workload managing the audit contract.
- A net increase of \$33,947 primarily from an increase in consulting services.



Legislative Oversight

RECOMMENDED FY23 BUDGET

\$2,215,034

FULL TIME EQUIVALENTS

13.85

CHRIS CIHLAR, DIRECTOR

MISSION STATEMENT

The mission of the Office of Legislative Oversight (OLO) is to determine the effectiveness of legislation enacted by the County Council and to make findings and recommendations concerning the performance, management, and operation of programs and functions for which funds are appropriated or approved by the Council.

BUDGET OVERVIEW

The total recommended FY23 Operating Budget for the Office of Legislative Oversight is \$2,215,034, an increase of \$16,382 or 0.75 percent from the FY22 Approved Budget of \$2,198,652. Personnel Costs comprise 95.87 percent of the budget for 14 full-time position(s) and no part-time position(s), and a total of 13.85 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 4.13 percent of the FY23 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

PROGRAM CONTACTS

Contact Blaise DeFazio of the Office of Legislative Oversight at 240.777.7983 or Julie Knight of the Office of Management and Budget at 240.777.2760 for more information regarding this department's operating budget.

PROGRAM DESCRIPTIONS

Legislative Oversight

The Office of Legislative Oversight (OLO) conducts program evaluations, base budget reviews, and other special studies in accordance with a Council-approved work program. OLO studies the effectiveness of legislation enacted by the Council and makes findings and recommendations concerning the performance, management, and operation of programs and functions for which funds are approved or appropriated by the Council. In addition, OLO is the designated administrator for the Council's audit

contracts, as required under Section 315 of the County Charter, and OLO is responsible for preparing economic impact and racial equity/social justice impact statements for all proposed County legislation and zoning text amendments.

BUDGET SUMMARY

	Actual FY21	Budget FY22	Estimate FY22	Recommended FY23	%Chg Bud/Rec
COUNTY GENERAL FUND					
EXPENDITURES					
Salaries and Wages	1,483,683	1,716,050	1,583,330	1,715,354	—
Employee Benefits	380,383	436,576	407,593	408,240	-6.5 %
County General Fund Personnel Costs	1,864,066	2,152,626	1,990,923	2,123,594	-1.3 %
Operating Expenses	27,502	46,026	46,026	91,440	98.7 %
County General Fund Expenditures	1,891,568	2,198,652	2,036,949	2,215,034	0.7 %
PERSONNEL					
Full-Time	13	14	14	14	—
Part-Time	0	0	0	0	—
FTEs	12.67	13.67	13.67	13.85	1.3 %

FY23 RECOMMENDED CHANGES

	Expenditures	FTEs
COUNTY GENERAL FUND		
	FY22 ORIGINAL APPROPRIATION	2,198,652 13.67
<u>Other Adjustments (with no service impacts)</u>		
Increase Cost: Consulting Services [Legislative Oversight]	40,000	0.00
Shift: Audit Contract Manager Position from the Independent Audit NDA [Legislative Oversight]	33,120	0.18
Increase Cost: Annualization of FY22 Compensation Increases	29,845	0.00
Increase Cost: FY23 Compensation Adjustment	21,916	0.00
Increase Cost: Personnel Costs Adjustment for Vacant Legislative Analyst Position [Legislative Oversight]	13,475	0.00
Increase Cost: Annualization of FY22 Operating Expenses	4,521	0.00
Increase Cost: Printing and Mail Adjustment	893	0.00
Decrease Cost: Retirement Adjustment	(36,272)	0.00
Decrease Cost: Annualization of FY22 Personnel Costs	(91,116)	0.00
	FY23 RECOMMENDED	2,215,034 13.85

CHARGES TO OTHER DEPARTMENTS

Charged Department	Charged Fund	FY22 Total\$	FY22 FTEs	FY23 Total\$	FY23 FTEs
COUNTY GENERAL FUND					
NDA - Independent Audit	General Fund	59,504	0.33	28,012	0.15

FUNDING PARAMETER ITEMS

CE RECOMMENDED (\$000S)

Title	FY23	FY24	FY25	FY26	FY27	FY28
COUNTY GENERAL FUND						
EXPENDITURES						
FY23 Recommended	2,215	2,215	2,215	2,215	2,215	2,215
No inflation or compensation change is included in outyear projections.						
Labor Contracts	0	70	70	70	70	70
These figures represent the estimated annualized cost of general wage adjustments, service increments, and other negotiated items.						
Subtotal Expenditures	2,215	2,285	2,285	2,285	2,285	2,285

FY23 Recommended Changes	Expenditures	FTEs
FY22 Approved	3,037,891	2.00
Increase Cost: Increase Staffing Capacity to Support the Development and Entrepreneurial Ecosystem and Manage all Programming and Portfolio Management Duties at SSIC, RIC and GIC.	74,915	3.00
Increase Cost: FY23 Compensation Adjustment	4,926	0.00
Increase Cost: Annualization of FY22 Personnel Costs	1,756	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.	7,134	0.00
FY23 Recommended	3,126,622	5.00

☀ Independent Audit

Section 315 of the County Charter requires the County Council to contract with a Certified Public Accountant for an independent post audit of all financial records and actions of the County government, its officials, and employees. By County Resolution, the Office of Legislative Oversight is the designated administrator for this contract, which also includes an independent audit of the basic financial statement of the Employee Retirement Plans; an independent audit of the Consolidated Retiree Health Benefits Trust; an independent audit of the basic financial statements of the Montgomery County Union Employees Deferred Compensation Plan; and additional services related to reviews, tests, and certifications.

FY23 Recommended Changes	Expenditures	FTEs
FY22 Approved	426,782	0.33
Increase Cost: Contractual Services	33,170	0.00
Increase Cost: Annualization of FY22 Personnel Costs	576	0.00
Increase Cost: FY23 Compensation Adjustment	201	0.00
Shift: Adjust Audit Contract Manager Position	(33,170)	(0.18)
Multi-program adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting multiple programs.	323	0.00
FY23 Recommended	427,882	0.15

☀ Interagency Technology, Policy, and Coordination Commission

This NDA supports the operation of the Interagency Technology Policy and Coordination Committee (ITPCC). The ITPCC was chartered by the Montgomery County Council to promote strategic planning and coordination in the use of information technology across County agencies. The ITPCC reports biannually to the County Council. By regularly convening the agencies' chief executive and chief information officers, the ITPCC provides an effective forum for the coordinated implementation of technology policies and guidelines. Additionally, the ITPCC facilitates interagency communication, the evaluation and sharing of new technologies, and advises policy makers on the strategic uses of technology.

FY23 Recommended Changes	Expenditures	FTEs
FY22 Approved	3,000	0.00
FY23 Recommended	3,000	0.00

☀ KID Museum

KID Museum is a Montgomery County-based non-profit organization that provides experiential Science, Technology,