



Committee: PHP
Committee Review: Completed
Staff: Pamela Dunn, Senior Legislative Analyst
 Livhu Ndou, Legislative Attorney
 Marlene Michaelson, Executive Director
Purpose: To make preliminary decisions – straw vote expected
Keywords: #OfficeofAgriculture #FY24 #OperatingBudget

AGENDA ITEM #16
 May 8, 2023
Worksession

SUBJECT

Office of Agriculture (OAG) FY24 Operating Budget

EXPECTED ATTENDEES

Jeremy Criss, Director, Office of Agriculture
 Mike Scheffel, Agricultural Land Preservation Program Administrator, OAG
 Jackie Arnold, Office of Agriculture
 Katy Bryant-Higgins, Fiscal and Policy Analyst, Office of Management and Budget

FY24 COUNTY EXECUTIVE RECOMMENDATION

	FY23 Approved	FY24 CE Recommended	Change from FY23 Approved
General Fund	\$1,066,776	\$1,360,493	27.5%
Personnel Costs	\$715,848 5.15 FTEs	\$865,874 5.9 FTEs	21.0% 0.75 FTEs
Operating Costs	\$350,928	\$494,619	41.0%
Total Expenditures (All Funds)	\$1,066,776 4.15 FTEs	\$1,360,493 5.15 FTEs	27.5% 14.6%

COMMITTEE RECOMMENDATIONS

The PHP Committee recommends \$3,394 for a 3% inflationary adjustment to non-profit service provider contracts be placed on the reconciliation list as a priority.

SUMMARY OF KEY ISSUES

- The Executive’s FY24 recommendation increases OAG’s operating budget by \$293,717 or 27.5%. Most of the recommended increase in FY24 is from shifting expenditures unrelated to agricultural easement purchases from the CIP to the Operating Budget.
- The County’s General Fund supports 100% of OAG’s FY24 operating budget. Other intergovernmental aid is received for reimbursement payments through a cost share program. These additional resources are estimated to be \$63,064 in FY24.
- With the proposed elimination of the part-time Principle Administrative Aide position, there are no vacancies in the Office of Agriculture.

This report contains:

Staff Report	Pages 1-4
Executive Recommended FY24 OAG Budget	© 1-5
Council President Memorandum	© 6-8
FY24 Operating Budget Equity Tool	© 9-11
OAG FY24 Operating Expense Breakdown	© 12

Alternative format requests for people with disabilities. If you need assistance accessing this report you may [submit alternative format requests](#) to the ADA Compliance Manager. The ADA Compliance Manager can also be reached at 240-777-6197 (TTY 240-777-6196) or at adacompliance@montgomerycountymd.gov

MEMORANDUM

April 18, 2023

TO: Planning, Housing, and Parks (PHP) Committee
FROM: Pamela Dunn, Senior Legislative Analyst
SUBJECT: **FY24 Operating Budget – Office of Agriculture (OAG)**
PURPOSE: Make recommendations for Council consideration

Expected Participants:

Jeremy Criss, Director, Office of Agriculture
Mike Scheffel, Agricultural Land Preservation Program Administrator, OAG
Jackie Arnold, Office of Agriculture
Katy Bryant-Higgins, Fiscal and Policy Analyst, Office of Management and Budget

Summary of FY24 Recommended Budget - OAG

	FY23 Approved	FY24 CE Recommended	Change from FY23 Approved
General Fund	\$1,066,776	\$1,360,493	27.5%
Personnel Costs	\$715,848 5.15 FTEs	\$865,874 5.9 FTEs	21.0% 0.75 FTEs
Operating Costs	\$350,928	\$494,619	41.0%
Total Expenditures (All Funds)	\$1,066,776 4.15 FTEs	\$1,360,493 5.15 FTEs	27.5% 14.6%

I. Budget Overview

See the Executive’s recommendation on ©1-5. The Office of Agriculture (OAG) was created in July 2016 and exists to promote agriculture as a viable component of the County's economic sector, as well as to preserve farmland as a resource for future agricultural production. The goal of the OAG is to promote Montgomery County as a leader in the agricultural industry by providing support to the farm community and working to educate residents. OAG partners with local businesses, the University of Maryland (UMD), and State and Federal agencies to provide support to agriculture businesses and the agriculture industry generally.

Table 1 below compares FY23 approved and FY24 recommended expenditures and FTEs by program area. **In addition to this budget, 4.10 FTEs of OAG’s personnel complement are recommended to be funded in other areas of the County’s budget for FY24.** The total recommended FTEs in other funds are 3.10 FTEs through the Water Quality Protection Fund (WQPF) and 1.0 FTE through the Capital Improvements Program (CIP). **This is a decrease of 1.25 FTEs funded through the CIP compared to FY23.**

Table 1: Comparison of FY23-FY24 by Program Area for OAG

Program Area	FY23 Expenditures	FY24 Expenditures	FY23-24 Change	FY23 FTEs	FY24 FTEs	FY23-24 Change
Agricultural Services	\$651,346	\$931,801	\$280,455	3.25	5.00	1.75
Soil Conservation	\$258,709	\$172,803	(\$85,906)	1.90	0.90	(1.00)
UMD-Extension	\$156,721	\$255,889	\$99,168	0.00	0.00	0.00
Total	\$1,066,776	\$1,360,493	\$293,717	5.15	5.90	0.75

The Executive’s FY24 recommendation increases OAG’s operating budget by \$293,717 or 27.5%. **Most of the recommended increase in FY24 is from shifting expenditures unrelated to agricultural easement purchases from the CIP¹ to the Operating Budget.** The Council, during its review of the FY23-28 CIP, supported the Planning, Housing, and Economic Development Committee’s recommendation to shift the FTEs (and other applicable expenses) from the CIP to the Operating Budget beginning in FY24.

The County’s General Fund supports 100% of OAG’s FY24 operating budget. Other intergovernmental aid is received for reimbursement payments through a cost share program. These additional resources are estimated to be \$63,064 in FY24.

A. Expenditures by Program Area

1. *Agricultural Services*

This program area is responsible for the coordination of the OAG and of the State and Federal partners located at the Agricultural History Farm Park in Derwood. **This program area accounts for 68.5% of the recommended FY24 expenditures for the OAG’s budget.** It provides the support and services needed to implement the County’s agricultural policies and programs including land preservation programs, co-sponsorship of farmers' markets, the annual farm tour, activities that promote agricultural businesses and products, as well as mentoring and specialized business training programs.

The FY24 recommended budget increases expenditures by \$280,455 when compared to the FY23 approved budget. The majority of this increase is due to increases in “multi-program adjustments.” This includes staff reorganization and accounts for the additional 1.25 FTEs transferred from the CIP.

¹ FY23-28 CIP: Agricultural Land Preservation Easements (P788911) - The Council approved eliminating expenditures not related to agricultural easement purchases for FY24-28, which includes 1.0 FTE assigned to the University of Maryland Extension; 0.25 FTE Public Administration Associate; \$25,000 for the Deer Donation Program; \$15,000 for the Montgomery Weed Control Program; and \$75,000 for the Cooperative Extension Partnership.

2. *Soil Conservation*

This program area is staffed by County, State, and Federal employees. Staff assist farmers and landowners with issues related to soil conservation and protection of local water ways to achieve the State mandated nutrient reduction goals for farmland. The WQPF is recommended to support 3.10 FTEs in this program area for FY24. **The FY24 recommended budget reduces expenditures by \$85,906 and reduces FTEs for this program area by 1.0 FTE compared to the approved FY23 budget.**

3. *UMD-Extension*

This program area is funded through local, State, and Federal governments and serves as the agriculture outreach and education component of the UMD-Extension. This program area provides a variety of educational programs for farmers, families, and youth. **The FY24 recommended budget increases expenditures by \$99,168. There is no change in the FTEs for this program area compared to the FY23 approved budget.**

B. Expenditures Discussion

The recommended FY24 appropriation for the OAG represents a significant increase in expenditures, as a result of shifting personnel and operating expenses from the CIP to the Operating Budget. There is no increase in the service level of the office. Below are additional elements for the committee's consideration and discussion of the OAG's recommended FY24 budget.

Migration of Expenses from the Capital Budget to the Operating Budget. **The cost to shift expenditures from the CIP to the Operating Budget totals \$239,294.** The additional expenditure includes 1.25 FTEs and operating expenses. The Council, during its review of the FY23-28 CIP, supported the Planning, Housing, and Economic Development Committee's recommendation to shift the FTEs (and related expenses) from the CIP to the Operating Budget beginning in FY24. This will be added to the base budget.

Additions above the base. **In addition to expenditures associated with migration from the CIP to the Operating Budget, the Executive recommends an increase of \$54,423, which includes:**

- an increase for FY24 compensation adjustment 30,756,
- annualization of FY23 lapsed positions \$24,475,
- annualization of FY23 compensation increases \$21,415,
- 3% inflationary adjustment to non-profit service provider contracts \$3,394,
- retirement adjustment \$3,331,
- increased costs for printing and mailing \$1,516,
- decrease in motor pool costs -\$387,
- decrease due to annualization of FY23 Personnel Costs -\$7,333, and
- elimination of a part-time Principle Administrative Aide position -\$24,744.

Vacancies and Salary Lapse. With the proposed elimination of the part-time Principle Administrative Aide position, there are no vacancies in the Office of Agriculture.

Council President’s Approach to the FY24 Operating Budget

Council President Glass sent a memorandum to his colleagues outlining his intended approach for the Committees and Council regarding review of additions to the FY24 Operating Budget above the FY23 approved funding level.

CP Glass’ memorandum is attached on © 6-8. Two primary elements that apply to the OAG budget are that all tax supported additions (with the exception of compensation adjustments and internal service funds), whether originated by the Executive or Councilmembers, are to be placed on the reconciliation list, and all items placed on the reconciliation list must be identified as “high priority” or “priority”.

For the OAG, this approach would indicate that of the \$54,423 requested above the base, only the 3 percent inflationary increase for non-profit service provider contracts would be placed on the reconciliation list. **Council staff recommends the Committee support FY24 total expenditures of \$1,357,099, and place \$3,394 on the reconciliation list as a “priority” item.**

C. Racial Equity and Social Justice

The responses from each fund to the questions posed by the Office of Racial Equity and Social Justice (ORESJ) are attached on © 9-11. The ORESJ gave the OAG responses a high score of 3, demonstrating “a strong commitment to advancing racial equity and social justice in Montgomery County.”

This packet contains:

	<u>© Pages</u>
Executive Recommended FY24 OAG Budget	1-5
Council President Memorandum	6-8
FY24 Operating Budget Equity Tool	9-11
OAG FY24 Operating Expense Breakdown	12



Agriculture

RECOMMENDED FY24 BUDGET

\$1,360,493

FULL TIME EQUIVALENTS

5.90

✻ JEREMY V. CRISS, DIRECTOR

MISSION STATEMENT

The Office of Agriculture (OAG) was created in July 2016 and exists to promote agriculture as a viable component of the County's economic sector, as well as to preserve farmland as a resource for future agricultural production. The goal of the OAG is to promote Montgomery County as a leader in the agricultural industry by providing support to our farm community and working to educate our residents.

BUDGET OVERVIEW

The total recommended FY24 Operating Budget for the Office of Agriculture is \$1,360,493, an increase of \$293,717 or 27.53 percent from the FY23 Approved Budget of \$1,066,776. Personnel Costs comprise 63.64 percent of the budget for ten full-time position(s) and no part-time position(s), and a total of 5.90 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 36.36 percent of the FY24 budget.

COUNTY PRIORITY OUTCOMES

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

- ❖ **Thriving Youth and Families**
- ❖ **A Growing Economy**
- ❖ **A Greener County**

INITIATIVES

- ✪ Partnered with the Department of Environmental Protection, the Maryland Environmental Service, and the Sugarloaf Citizen Association to allow 20 cubic yard deliveries of Leafgro® to small food producing farms.
- ✪ Partnered with the Montgomery Countryside Alliance to develop a resource guide for Black, Indigenous, and People of Color (BIPOC) farmers and currently working with the County's Technology and Business Enterprise Solutions group to incorporate the guide into web pages on the Office of Agriculture website which will provide farmers an opportunity to use the translation services that are built into the website.
- ✪ Partnering with the new Office of Food System Resiliency to develop the new Business Development Specialist staff position within the Office of Agriculture.
- ✪ OAG has engaged with the Maryland-National Capital Park & Planning Commission (M-NCPPC) to request approval to establish a shared-use kitchen space and cold storage facility at the Montgomery County Agricultural History Farm Park as an essential strategy to enable capacity-building within the agricultural community in alignment with County values, to enhance our nutrition and food access efforts serving Montgomery County children and families, and to keep local dollars in our local economy by supporting the expansion of farm-to-school and farm-to-table initiatives. Note: this initiative is dependent upon M-NCPPC approval of this

request.

INNOVATIONS AND PRODUCTIVITY IMPROVEMENTS

- Created a monthly inter-agency coordination meeting between OAG, Department of Permitting Services (DPS), and M-NCPPC representatives to review all pending requests surrounding agricultural buildings, agritourism venues, and farm alcohol production businesses, agricultural zoning compliance, and all things agriculture to make sure all agencies are sharing information and come to a consensus on the direction forward.

PROGRAM CONTACTS

Contact Jacqueline Arnold of the Office of Agriculture at 301.590.2859 or Katherine Bryant-Higgins of the Office of Management and Budget at 240.777.2764 for more information regarding this department's operating budget.

PROGRAM DESCRIPTIONS

Agricultural Services

The Office of Agriculture (OAG) serves in a variety of capacities to provide the following services: implement agricultural policies and programs; provide financial and technical assistance to farmers; manage agricultural education programs; provide financial and staff support to its partner agencies; serve as a liaison between the Executive Branch and the agricultural community via the Agricultural Advisory, Agricultural Preservation, and Montgomery County Farm Bureau Boards; oversee the various land preservation programs; co-sponsor farmers' markets, an annual farm tour, and other activities that promote agricultural businesses and products; and provide mentoring and specialized business training programs. Additionally, the OAG is responsible for the coordination of programs offered by its partner agencies, which are all co-located at the Agricultural History Farm Park in Derwood. These Federal, State, and local partners include the University of Maryland-Extension, the Montgomery Soil Conservation District, the Natural Resource Conservation Service, and the Farm Service Agency.

Program Performance Measures	Actual FY21	Actual FY22	Estimated FY23	Target FY24	Target FY25
Technical assistance contacts with farmers ¹	1,241	2,117	1,900	1,900	2,100
Acres of land under easements inspected by Agricultural Services	1,032	5,292	5,292	5,292	5,292
Percent of easement acres under most restrictive easement disallowing development	32%	32%	32%	32%	32%
Percent of participants who learned or benefitted from Agricultural Services event, training, or farm tour ²	N/A	100%	100%	100%	100%

¹ FY22 is higher than the FY23-FY24 projections because the fuel energy tax relief program applications are administered every two years. There are typically 200 + businesses.

² Suspended in FY21 due to COVID-19.

FY24 Recommended Changes	Expenditures	FTEs
FY23 Approved	651,346	3.25
Shift: Migration of Expenses from the Capital Budget to the Operating Budget	40,000	0.00
Increase Cost: Three Percent Inflationary Adjustment to Non-Profit Service Provider Contracts	3,394	0.00
Decrease Cost: Eliminate Part-Time Principle Administrative Aide Position	(22,744)	(0.25)
Multi-program adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting multiple programs.	259,805	2.00
FY24 Recommended	931,801	5.00

Soil Conservation

This program is comprised of staff and other resources from Federal, State, and local agricultural agencies. It provides technical and outreach educational assistance to farmers/rural landowners for implementing best management and conservation practices. The Montgomery Soil Conservation District (MSCD) assists the County which is required to achieve the nationally mandated, state assigned, Rural MS4 Permit - Chesapeake Bay Nutrient Diet - Watershed Implementation Program (WIP-III) goals. Failure to achieve the WIP-III goals will likely result

in the Federal Environmental Protection Agency (EPA) instituting the backstop measure which will negatively impact the County and the agricultural community by denying all permits moving forward, and harming the County's rural economy/infrastructure with increased regulatory requirements.

Program Performance Measures	Actual FY21	Actual FY22	Estimated FY23	Target FY24	Target FY25
Soil conservation contacts with farmers and landowners to provide technical assistance	800	1,283	1,283	1,283	1,283
Water quality plans completed	72	43	45	50	55
Percent of interagency site visits coordinated within one business day of agricultural complaint	100%	100%	100%	100%	100%
Pounds of nitrogen reduced through conservation and best management practices ¹	20,000	N/A	23,213	23,213	23,213

¹ The OAG is still awaiting the final approved actual for FY22.

FY24 Recommended Changes	Expenditures	FTEs
FY23 Approved	258,709	1.90
Multi-program adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting multiple programs.	(85,906)	(1.00)
FY24 Recommended	172,803	0.90

☼ University of Maryland-Extension (UMD-Extention)

The Montgomery County Extension Office serves as the agricultural outreach and education component of the University of Maryland. This agency is funded cooperatively through local, State, and Federal governments. Farmers, families, and youth are the primary audiences of the Extension Office. Educational programs for farmers include raising crops and livestock, protecting the environment, farm and business management, marketing commodities, and pest management. Programs for families and youth include home horticulture, family budgeting, and consumer education, with a focus on promoting positive parenting, nutrition education and healthy lifestyles, leadership development, and traditional 4-H youth development programs. The Extension Office's professional staff has an extensive network of volunteers to assist them in program delivery. Extension Office staff manage a diverse group of over 3,000 volunteers to respond to over 100,000 information requests each year. Outreach education programs are delivered informally through one-on-one contacts, telephone assistance, the internet, classes and workshops, field days, radio, television, and print media.

Program Performance Measures	Actual FY21	Actual FY22	Estimated FY23	Target FY24	Target FY25
Nutrient management plans completed	89	84	84	84	84
4-H youth development program participants	319	311	311	311	311
Average pre- to post-test score increase of Close Encounters with Agriculture participants on agriculture, nutrition, and the environment ¹	N/A	50%	50%	50%	50%
Percent of Food Supplement Nutrition Education youth participants who try new healthy food	42%	93%	93%	93%	93%
Percent of participants who purchase produce they learn about from Food Supplement Nutrition Education farmers market programming	92%	92%	92%	92%	92%

¹ Suspended in FY21 due to COVID-19.

FY24 Recommended Changes	Expenditures	FTEs
FY23 Approved	156,721	0.00
Shift: Migration of Expenses from the Capital Budget to the Operating Budget	199,294	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.	(100,126)	(1.00)
FY24 Recommended	255,889	0.00

BUDGET SUMMARY

	Actual FY22	Budget FY23	Estimate FY23	Recommended FY24	%Chg Bud/Rec
COUNTY GENERAL FUND					
EXPENDITURES					
Salaries and Wages	477,025	574,703	564,067	688,198	19.8 %
Employee Benefits	134,968	141,145	131,504	177,676	25.9 %

Agriculture

Community Development and Housing

(3)

65-3

BUDGET SUMMARY

	Actual FY22	Budget FY23	Estimate FY23	Recommended FY24	%Chg Bud/Rec
County General Fund Personnel Costs	611,993	715,848	695,571	865,874	21.0 %
Operating Expenses	408,546	350,928	350,928	494,619	41.0 %
County General Fund Expenditures	1,020,539	1,066,776	1,046,499	1,360,493	27.5 %
PERSONNEL					
Full-Time	8	10	10	10	---
Part-Time	1	1	1	0	-100.0 %
FTEs	4.15	5.15	5.15	5.90	14.6 %
REVENUES					
Other Intergovernmental	67,219	63,064	63,064	63,064	---
Miscellaneous Revenues	20,038	0	0	0	---
County General Fund Revenues	87,257	63,064	63,064	63,064	---

FY24 RECOMMENDED CHANGES

	Expenditures	FTEs
COUNTY GENERAL FUND		
FY23 ORIGINAL APPROPRIATION	1,066,776	5.15
<u>Other Adjustments (with no service impacts)</u>		
Shift: Migration of Expenses from the Capital Budget to the Operating Budget [University of Maryland-Extension (UMD-Extension)]	199,294	1.00
Shift: Migration of Expenses from the Capital Budget to the Operating Budget [Agricultural Services]	40,000	0.00
Increase Cost: FY24 Compensation Adjustment	30,756	0.00
Increase Cost: Annualization of FY23 Lapsed Positions	24,475	0.00
Increase Cost: Annualization of FY23 Compensation Increases	21,415	0.00
Increase Cost: Three Percent Inflationary Adjustment to Non-Profit Service Provider Contracts [Agricultural Services]	3,394	0.00
Increase Cost: Retirement Adjustment	3,331	0.00
Increase Cost: Printing and Mail	1,516	0.00
Decrease Cost: Motor Pool Adjustment	(387)	0.00
Decrease Cost: Annualization of FY23 Personnel Costs	(7,333)	0.00
Decrease Cost: Eliminate Part-Time Principle Administrative Aide Position [Agricultural Services]	(22,744)	(0.25)
FY24 RECOMMENDED	1,360,493	5.90

PROGRAM SUMMARY

Program Name	FY23 APPR Expenditures	FY23 APPR FTEs	FY24 REC Expenditures	FY24 REC FTEs
Agricultural Services	651,346	3.25	931,801	5.00
Soil Conservation	258,709	1.90	172,803	0.90
University of Maryland-Extension (UMD-Extension)	156,721	0.00	255,889	0.00
Total	1,066,776	5.15	1,360,493	5.90

CHARGES TO OTHER DEPARTMENTS

Charged Department	Charged Fund	FY23 Total\$	FY23 FTEs	FY24 Total\$	FY24 FTEs
COUNTY GENERAL FUND					
Environmental Protection	Water Quality Protection	449,240	3.10	507,482	3.10
CIP	Capital Fund	240,403	2.25	128,397	1.00
Total		689,643	5.35	635,879	4.10

FUNDING PARAMETER ITEMS

CE RECOMMENDED (\$000S)

Title	FY24	FY25	FY26	FY27	FY28	FY29
COUNTY GENERAL FUND						

FUNDING PARAMETER ITEMS

CE RECOMMENDED (\$000S)

Title	FY24	FY25	FY26	FY27	FY28	FY29
EXPENDITURES						
FY24 Recommended	1,360	1,360	1,360	1,360	1,360	1,360
No inflation or compensation change is included in outyear projections.						
Labor Contracts	0	16	16	16	16	16
These figures represent the estimated annualized cost of general wage adjustments, service increments, and other negotiated items.						
Subtotal Expenditures	1,360	1,376	1,376	1,376	1,376	1,376



MONTGOMERY COUNTY COUNCIL
ROCKVILLE, MARYLAND

EVAN GLASS
PRESIDENT

TRANSPORTATION & ENVIRONMENT COMMITTEE, CHAIR
ECONOMIC DEVELOPMENT COMMITTEE

M E M O R A N D U M

DATE: April 4, 2023
TO: Councilmembers
FROM: Council President Evan Glass
SUBJECT: Approach to FY 24 Operating Budget

Each year the Council President proposes an approach for reviewing the operating budget. This memorandum presents the process I believe will serve the Council and our residents well.

Determining the county's \$6.8 billion operating budget is an exercise in fiscal discipline and a reflection of the county's priorities. We must balance the needs of today with those of tomorrow, which include supporting our students, our teachers, our first responders, our healthcare professionals and other frontline workers. After all, budgets are moral documents.

The FY24 Operating Budget presents several challenges. From funding critical services and fairly compensating our employees to determining the impact of a potential tax increase, it is our responsibility to ensure that the budget meets the needs of our community and is fiscally sound.

My priority for this budget process is to ensure that schools are fully funded and that families can continue calling Montgomery County home. As such, these are the issues I believe we should consider:

- **The need to support MCPS.** The pandemic has significantly impacted our students, who lost valuable classroom time and suffered as a result. Our teachers have worked harder than ever and we must demonstrate our support for them. As part of this review, we also need to examine MCPS' current and proposed use of federal COVID relief funding.
- **The decrease in recordation tax revenue.** This has created significant gaps in the Capital Improvements Program (CIP). The Executive did not increase pay as you go (PAYGO) funding for the CIP by \$80 million, as requested by the Council, which would have decreased this gap. The Council will need to determine whether it supports the lower level of CIP funding proposed by the Executive.
- **The Executive has recommended a 10% property tax increase.** The Council will need to carefully evaluate whether we believe a tax increase is necessary and, if so, the appropriate size of the increase. Each 1-cent of the proposed tax increase is equivalent to \$22.3 million.
- **Use of reserves for ongoing expenditures.** The budget includes significant increases in the operating budget, in part by using unanticipated FY22 and FY23 income tax revenue.



MONTGOMERY COUNTY COUNCIL
ROCKVILLE, MARYLAND

EVAN GLASS
PRESIDENT

TRANSPORTATION & ENVIRONMENT COMMITTEE, CHAIR
ECONOMIC DEVELOPMENT COMMITTEE

Our adopted fiscal policies require that these funds be used for one-time expenditures, not ongoing operating costs that cannot be sustained by future revenues; yet only \$16 million of net new tax supported expenditures are categorized as “one-time”. Council staff will provide additional information regarding sustainability at the April 11 overview of the budget.

- **Additional county positions and county vacancies.** The proposed budget includes 137 new tax supported full-time equivalent (FTE) positions in County Government and hundreds of new positions in other agencies. At the same time the Executive is adding new positions, the County Government has approximately 1,500 job vacancies. The Council will need to determine if funding new positions is sustainable, as relying on lapses from vacant positions is not a sound fiscal practice.
- **Funding OPEB.** The Government Operations & Fiscal Policy Committee has taken the first steps toward creating a policy that ensures the long-term viability of our retiree health insurance (known as Other Post Employee Benefits or OPEB), which includes having the trust fund pay annual costs. Such a policy would allow the County’s general revenues to be used for other purposes. The Executive’s budget does not provide funding identified in this preliminary policy.

To fully fund MCPS, fund the CIP, reach our OPEB goals, and reduce the size of or eliminate the need for a property tax increase, we will need to find reductions in the operating budget. This goal is always challenging.

To meet the diverse needs of our community, I believe that all of the Executive’s recommended tax-supported additions to the operating budget should be placed on a reconciliation list. Any additional Council recommended priorities should be added to the same list. Each spending priority should be considered as a potential addition to the Council adopted FY23 budget, rather than a potential reduction from the Executive’s proposed FY24 budget.

A recommended process and structure for implementing this approach for FY24 follows:

1. Each tax supported increase, addition, enhancement, replacement, or restoration recommended by the County Executive would be placed on the reconciliation list. Similarly, any tax supported increases recommended by a committee would also be placed on the reconciliation list.
2. All items placed on the reconciliation list by a committee should be categorized as either a “priority” or “high priority” to assist our future decisions. When appropriate, an item should be divided into more than one category. Budgetary items should also be classified as one-time or ongoing expenses.



MONTGOMERY COUNTY COUNCIL
ROCKVILLE, MARYLAND

EVAN GLASS
PRESIDENT

TRANSPORTATION & ENVIRONMENT COMMITTEE, CHAIR
ECONOMIC DEVELOPMENT COMMITTEE

3. Committees should attempt to identify other reductions to departmental base budgets to free up ongoing resources for other priorities. While our current budget timeframe does not allow for a zero-based budgeting approach that would fully review each department's base expenditures, it is important to look for reductions as a first step.
4. Additional FY24 budget amendments received from the County Executive after March 15 would also be placed on the reconciliation list for Committee review.
5. Any cost shifts between departments (if budget neutral) and increases due to annualization of previously approved compensation/staffing costs do not need to be placed on the reconciliation list. We will ask staff to identify any increase due to a County or State law to determine if it must be funded or can be placed on the reconciliation list.
6. When creating the reconciliation list, staff should indicate whether the item was previously funded by federal funds, allowing us to carefully consider whether the County has the ability to maintain programs not previously supported by the County's general funds.
7. FY24 compensation and benefit enhancements will be reviewed separately by the Government Operations & Fiscal Policy Committee and the full Council.

This process is designed for the Council to fund the programs and policies that our residents need while also ensuring that taxpayer funds are used prudently.

Supporting our residents is our top priority. We must keep them in mind as we work collectively throughout this process.

FY24 - Operating Budget Equity Tool

Agriculture

Department Level OBET Questions

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

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

- ★ Form a Racial Equity CORE Team.
- ★ Allocate or support the use of staff time for CORE team activities.
- ★ We're doing something else and will use the text box to describe.

Our office is in the process of developing an agricultural resource guide specifically for farmers of color. The guide created in partnership with one of OAG's community partners (Montgomery Countryside Alliance (MCA)) will be available as a PDF on both the OAG and MCA's websites. Further, we are in discussions with TEBs to determine the best way to incorporate this guide into our actual web pages so that the County website google translation services can be utilized by the clients to translate the guide as needed. The OAG offers several programs that are free to county farmers to help remove any financial barriers in starting their farming business. These programs include deliveries of leafgro, a soil amendment to promote regenerative agriculture, deliveries of woodchips and beginning farmer trainings. The Agricultural Cost Share REimbursement (ACRE) program in partnership with Maryland Agricultural and Resourced Based Industrial Development Corporation (MARBIDCO) further helps to reduce out of pocket expenses for investments into agricultural businesses. The OAG also helps to promote access to land through LANDLINK and the MARBIDCO SANG programs. The OAG partners with Manna Food Center and the Montgomery County Food Council to provide capacity building grants for the Farm2FoodBank Program. These grants allow farmers to grow more food to support food insecure populations in the County. The OAG submitted a proposal in its FY23 CIP budget for county matching funds to assist beginning farmers and farmers of color with access to land. However, this request was not funded.

Organize - Build staff and organizational capacity, skills, and competencies through training while also



building infrastructure to support the work, like internal organizational change teams and external partnerships with other institutions and community.

- ★ Implement a plan or policy requiring all staff and leadership to complete "Advancing Racial Equity: the Role of Government" and "the Racial Equity Institute's Groundwater Approach: building practical understanding of structural racism" trainings.
- ★ Designate permanent and sustainable staff resources, with an FTE or similar investment, to organize and lead the department's commitment to racial equity and social justice.
- ★ Develop a strategy to engage communities in planning, design, or other decision-making processes.

The OAG has a designated RESJ Equity lead that has attended the following trainings thus far: *Racial Equity Institute (REI) two day intensive workshop; * four week MCPS Racial Equity Study Circles Facilitator Training; *Government Alliance on Race & Equity's (GARE) Annual Membership 3 day Conference; *Isabel Wilkerson lecture on her book, Caste: The Origins of Our Discontents, that examines the unspoken system that has shaped America and shows how our lives today are still defined by a hierarchy of human divisions; * Several Equity Lead Core Team training and healing sessions hosted by Tiffany Ward, County Chief Equity Officer and her staff; * the OAG Equity Lead began developing monthly staff sessions to normalize discussions of race and equity within the office. However, these sessions were temporarily suspended due to increased workload resulting from the pandemic. These monthly sessions are anticipated to resume within the first half of FY23 with the addition of a new staff person and the filling of one of the vacant positions. Additionally, all of the OAG staff has participated in the Advancing Racial Equity: the Role of Government and the Racial Equity Institute's Groundwater Approach: building practical understanding of structural racism. The trainings noted above, the continuation of racial equity and social justice education as well as the re-institution of monthly internal staff sessions focused on equity in agriculture is laying the foundation for the Office Equity Plan. The University of Extension (one of our co-located ag partners faculty and staff have also taken two classes as part of the University's Diversity, Equity, Inclusion, Respect (DEIR) initiative.

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

- ★ Track program access and service outcomes by race, ethnicity, and other relevant demographic or socioeconomic characteristics.

The OAG will continue utilizing a survey to collect appropriate data that may be used to inform its programming and operational decisions. We do not yet have enough data to recommend an office equity action plan.

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

- ★ Translating documents and marketing material to relevant languages based on the project impact area. Completed in partnership or at the advisement of the Office of Community Partnerships.
- ★ Ensuring interpretation services (ASL and closed-captioning) are available to the public in all relevant places and programs (such as service desks, service phone lines, open houses, public meetings, etc.).



-
- ★ Ensuring accessibility for people with disabilities using Section 508 of the Rehabilitation Act; Web Content Accessibility Guidelines; and compliance with the Americans with Disabilities Act as a minimum standard.

The OAG works with TEBS to ensure its website content is accessible. We also ensure that participants of meetings and other events are aware that translation and/or interpretation services are available if needed. The OAG has begun conversations with the County about translating its printed collateral materials such as the Farm Tour brochure and Farmers Markets flyer.

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

As an organization/Department, we know that access to land, capital and employees are the largest barriers to new and existing farmers of color in the County. The OAG previously submitted a request in its CIP budget for additional funding to utilize existing easement purchase programs to help increase land access. Lack of funding for this purpose is a persistent limitation impeding the advancement of racial equity and social justice related to land access in the agricultural sector.

ORESJ Rating

3-Department-level budget demonstrates a strong commitment to advancing racial equity and social justice in Montgomery County

ORESJ Justification

The department explained in specific detail how its budget would enable them to implement commitments in each area of the GARE framework. In particular, the department noted that all of their staff have received ORESJ's two core trainings and that they're aware of how limitations in data may affect their ability to create a racial equity action plan. The department noted how staff vacancies limited the department's ability to continue with internal RESJ activities, however the addition of new hires suggests that these efforts will resume by the first half of FY24. In addition, the department highlighted specific CIP funding decisions related to its Easement program request that have limited the department's ability to address known disparities in land access. Overall, the department demonstrates a strong baseline understanding of racial disparities and inequities across the agriculture sector and it has identified a concrete set of actions to help the county address these disparities through its department's efforts.



FY24 Expense Breakout (Estimated)

Fund	Account	Orig Budget
FY24 CE Recommended		494,619.00
General Fund	Contract and Services Total: <i>FULL UME State Pymt \$259,265; Weed Control \$15,000 Deer Donation \$25,000 Social Media Contract \$15,000 MCPS/MAEF balance \$73,080 Ag Educator \$20,000</i>	407,345.00
	General Supplies <i>Supplies/Equipment/other/software supplies/equipment maint</i>	1,000.00
	County charge backs: <i>Inter office mail \$950; Central dup and imaging \$1,640; copier leases \$9,000;</i>	11,590.00
	Motor Pool	3,975.00
	Travel & Expense Reimbursement Total (3 staff)	600.00
	Memberships/subscriptions/ Dues/Sponsorship Total: <i>DELMARVA Farmer \$40, Lexis/Nexis Matthew Bender \$100, MD Farm Bureau \$65</i>	300.00
	Ag Educational Events: <i>Bus Tours of Ag Reserve, Legislative Breakfast, Fair, Farm Tour, Farmer Forums/trainings, Close Encounters with Ag</i>	22,224.00
	ACRE Cost Share Program:	25,000.00
	LeafGro Soil Amendment Program & Miscellaneous operating:	20,000.00
	Marketing	2,585.00
		494,619.00