

Resolution No.: 15-1554  
Introduced: July 18, 2006  
Adopted: July 25, 2006

**COUNTY COUNCIL  
FOR MONTGOMERY COUNTY, MARYLAND**

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By: County Council

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**SUBJECT:** FY 2007 Work Program of the Office of Legislative Oversight

**Background**

1. Chapter 29A, Montgomery County Code, establishes the Office of Legislative Oversight (OLO) with the responsibility to serve as the principal means through which the County Council exercises its legislative oversight functions. This includes the responsibility to provide the Council with information and recommendations concerning the performance and operations of public and private agencies, programs, and functions for which funds are appropriated or approved by the Council.
2. Section 29A-6 provides that the Director, Office of Legislative Oversight, shall prepare an annual Work Program, which shall be submitted to the Council for approval.
3. The Director, Office of Legislative Oversight, submitted a proposed Work Program for FY 2007. The Council's Management and Fiscal Policy (MFP) Committee reviewed the proposed Work Program on July 10, 2006. The Council introduced this resolution on July 18, 2006.

**Action**

The County Council for Montgomery County, Maryland, approves the following FY 2007 Work Program for the Office of Legislative Oversight:

<b>Project Number</b>	<b>Summary Description of FY07 Office of Legislative Oversight Projects</b>	<b>Resolution Page Number</b>
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**PROJECT #1  
MANAGING THE COUNCIL'S AUDIT CONTRACTS**

**Principal agency:** County Government

**Origin of project:** County Charter and Council Resolution 12-154

Section 315 of the County Charter requires the Council to contract with a certified public accountant to perform an annual independent audit of the County Government's financial statements. The Council also contracts for the annual audit of the financial statements of the employee retirement plans and the local fire and rescue departments.

Council Resolution 12-154, adopted in April 1991, assigns OLO with the responsibility to provide support to the Council during the period of audit engagement and to act as the Council's contract administrator. OLO carries out these responsibilities with oversight and guidance from the Council's Management and Fiscal Policy Committee.

During FY07, OLO will continue to serve as contract administrator for the Council's two audit contracts. Both contracts will be in the third year of four-year engagements with the Council. Rager, Lehman & Houck P.C. will conduct the audits of the local fire and rescue departments' FY06 financial statements. KPMG LLP will conduct the audit of the FY06 financial statements of the County Government and employee retirement plans. KPMG LLP will also complete:

- A review of the Maryland State Uniform Financial Report,
- An audit of the Emergency 9-1-1 System,
- Reviews and examinations related to the Single Audit of Federal Grants,
- Agreed upon procedures reports for the National Transit Database Report, and
- The Annual Certification of Financial Assurance Mechanisms for Landfill Facilities.

**PROJECT #2  
REVIEW OF LAWS, REGULATIONS, AND PRACTICES RELATED TO  
RESIDENTIAL DEMOLITION AND RENOVATION**

**Principal agencies:** County Government  
Historic Preservation Commission (staffed by M-NCPPC)  
State Highway Administration

**Origin of project:** Councilmember's recommendation/FY06 Work Program

As residential property values in the County continue to increase substantially, the County is experiencing a significant number of demolitions and renovations, particularly in older, more established residential neighborhoods. This project will review the County's law, regulations, and practices related to this process.

In particular, this study will examine:

- The State and County laws and regulations that currently govern approvals of demolitions and renovations;
- The distinctions between renovations and new construction;
- The written policies the Department of Permitting Services (DPS) has in place to interpret and administer these rules; and
- The practices DPS follows to carry out these laws.

In addition, OLO will compile and summarize any readily available data about the number of these projects since FY02.

**PROJECT #3**  
**STUDY OF INTERNAL SERVICE FUNCTIONS PERFORMED BY LARGE**  
**COUNTY GOVERNMENT DEPARTMENTS**

**Principal agency:** County Government

**Origin of project:** Councilmember's recommendation/FY06 Work Program

Some County Government departments perform internal service functions that serve the entirety of County Government. The Department of Finance, the Office of Procurement, the Office of Human Resources, the Office of Management and Budget, the Department of Technology Services, and the Department of Public Works and Transportation (Facility Maintenance and Operations Section) each provide centralized internal service functions to support all County Government offices and departments. In general, this centralization of internal service functions creates efficiencies in operation and consistency in policy.

Over the years, some of the larger County Government departments have developed in-house resources to perform selected internal service functions such as: financial management; contract management; purchasing; human resources management; budget preparation; technology system management and support; and/or facilities management. Historically, departments have justified the creation or expansion of internal service units by citing unique or specialized needs of their respective operations.

The purpose of this OLO is to study the practices of County Government departments performing functions similar to those performed by other centralized internal service departments. It will focus on the larger departments, e.g., Department of Public Works and Transportation, Department of Health and Human Services, Department of Public Libraries, Montgomery County Fire and Rescue Services, and Police Department.

This study will proceed in two phases. The first phase will involve compiling an inventory of department resources allocated for internal service functions. This phase will describe whether particular decentralized internal service activities support unique needs of the department or whether the activities appear similar to those performed by the centralized internal service department.

The second phase will involve one or more detailed case studies of selected internal service functions that appear to be replicated in a large County Government department, e.g. procurement and contract management activities within the Department of Health and Human Services. Each case study will identify similarities and differences between the activities performed by the decentralized and centralized units; describe how well the activities of the decentralized and centralized units complement one another; and assess the efficiency of the current division of responsibilities. In addition, this phase will evaluate whether policies are consistently applied between the centralized and decentralized units.

**PROJECT #4  
COMPARATIVE RESEARCH ON PRESENTATION OF PERSONNEL CHANGES  
IN ANNUAL BUDGET DOCUMENTS**

**Principal agencies:** Other jurisdictions

**Origin of project:** Councilmember's recommendation

During the annual operating budget review, Councilmembers must wade through large amounts of information in a very short amount of time. From a practical standpoint, it is often difficult to extract from agency and department budget submissions the big picture information necessary to make informed decisions.

Councilmembers are interested in improving how budget submissions present information on personnel changes, which routinely account for the most significant operating budget increases from year to year. In particular, there is interest in exploring the potential for more readable formats that highlight the key changes decision-makers need to focus on.

This project tasks OLO with conducting a comparative analysis of how other state and local governments present personnel information during their respective budget review processes. OLO's report back to the Council will include:

- Recommended best practices for the presentation of major themes and trends in government staffing tailored to meet the needs of elected officials and the public; and
- Specific examples from other jurisdictions where budget submissions consolidate personnel information to describe broad changes in government staffing.

OLO will pay particular attention to identifying best practices and examples from other jurisdictions that present focused information on variables such as:

- Multi-year trends in the size of the work force;
- The allocation of positions by job category (professional, administrative, technical, etc.);
- Vacancy levels and turnover rates; and
- The assignment of personnel by program category.

**PROJECT #5  
EVALUATION OF MODERATELY PRICED DWELLING UNIT (MPDU) LAW  
IMPLEMENTATION**

**Principal agencies:** County Government  
Maryland-National Capital Park and Planning Commission

**Origin of project:** Councilmember's recommendation

The Council initially passed the Moderately Priced Dwelling Unit (MPDU) law in 1974; comprehensive revisions to the law were adopted in November 2004. OLO's 2005 fact finding review of the Clarksburg Town Center (CTC) Project found the project agreement to implement the MPDU law had not kept pace with amendments to the CTC Project Site Plan. OLO's review also found the agreement assumed a disproportional staging of MPDUs planned for the final stage of construction. In April 2006, DHCA presented the first Annual MPDU Compliance Report to provide an accounting of MPDU activity for calendar year 2005.

The purpose of this FY07 OLO study is to assess compliance with the MPDU law, with a focus on DHCA's practices for monitoring and enforcing developer adherence to the MPDU law and regulations and guidelines. Specifically, the study will examine the procedures and practices the County Government and M-NCPPC follow to administer the program, with particular emphasis on the number, location, unit type, and staging of MPDUs in a development. The review will include examination of the program's data management and reporting practices.

**PROJECT #6**  
**LINKING MONTGOMERY COUNTY PUBLIC SCHOOLS' WORKFORCE DATA**  
**TO COUNCIL BUDGET DECISIONS**

**Principal agency:** Montgomery County Public Schools

**Origin of project:** Councilmember's recommendation

On an annual basis, Montgomery County Public Schools (MCPS) provides a substantial amount of workforce data to the Council in the agency's annual *Staff Statistical Profile*. The 75-page April 2006 submission presented data for the following staff categories: Administrators; Principals; Assistant Principals; Student Support Specialists; Other Professionals; Newly Hired Teachers; Teachers; Support Staff; and Paraeducators.

The document reported data on the following variables; plus data which showed trends ranging from one to ten years:

- Demographics (race, gender, age);
- Type of degree and certifications held (by position and by level of school);
- Years of experience;
- New employee profiles;
- Turnover;
- Retirement eligibility;
- Salary schedule placement by step;
- Average annual salary; and
- Retention of teachers.

While recognizing the value of these data, the Council typically is not able to spend the time to fully absorb, discuss, and constructively use these workforce data during operating budget worksessions due to competing demands for the Council's attention.

This FY07 project tasks OLO staff with becoming conversant with the workforce data that MCPS routinely compiles and providing Councilmembers with recommendations about how they could use this information to make more informed budget decisions. For example, how do the MCPS data on staff turnover compare to that reported by peer school districts (e.g., Fairfax County), what do the data suggest about MCPS' ability to compete successfully in the market for highly qualified staff, and what are the logical follow-up questions for Councilmembers to pose during budget worksessions. OLO will also recommend whether additional or different data and/or data presentations would be helpful to the Council during its annual budget review.

While the focus of this FY07 project is on MCPS workforce data, it is anticipated that the results may also be applicable to the Council's use of the workforce data submissions from other County and bi-County agencies.



**PROJECT #7**  
**IDENTIFICATION OF KEY FISCAL INDICATORS IN THE MCPS BUDGET**

**Principal agencies:** Montgomery County Public Schools

**Origin of project:** Councilmember's recommendation

In its recent report on uses of performance measures in budget decision-making, OLO found that the large number of agency-generated indicators often does not provide the type of information that is most relevant to legislative branch decision-making. OLO recommended that the Council identify a short list of priority indicators for in-depth review during budget season.

As a component of the Council's effort to enhance oversight of the MCPS budget, the purpose of this FY07 OLO project is to identify a package of key fiscal indicators that can provide a framework for the Council's ongoing monitoring of funds appropriated to MCPS. The goal will be Council concurrence on approximately one dozen indicators, with the idea of using them as a basis for tracking major cost drivers (e.g., annual compensation adjustments, enrollment trends) and progress on achieving selected goals outlined in *MCPS Strategic Plan, Our Call to Action: Pursuit of Excellence*.

**PROJECT #8  
ASSESSING COMPLIANCE OF MCPS FACILITIES WITH ENVIRONMENTAL  
LAWS AND REGULATIONS**

**Principal agencies:** Montgomery County Public Schools and County Government

**Origin of project:** Councilmember's recommendation

MCPS manages an inventory of more than 200 facilities, including 194 schools, six bus depots, and various administrative buildings. These facilities must be built and maintained to comply with environmental laws and regulations, which address forest conservation, stormwater management, noise, and lighting. Periodically, concerns about issues in some of these areas are brought to the attention of the Council. For example, during this year's budget worksessions, the Council heard about the lack of maintenance of stormwater facilities at MCPS schools.

The purpose of this project is to assess the process and procedures in place to assure compliance of MCPS' facilities with environmental laws and regulations. Specifically, OLO will identify the environmental requirements and regulations that must be met, describe the management practices MCPS uses to achieve and monitor compliance, and summarize the data currently used to assess the level of compliance.

The Education and T&E Committees intend to discuss stormwater management issues with MCPS and the Department of Environmental Protection (DEP) later this year. Given the broad scope of this assignment, OLO staff will return to the Council with a more refined project scope following these Committee discussions.

**PROJECT #9**  
**BASE BUDGET REVIEW OF THE MONTGOMERY COUNTY FIRE AND RESCUE SERVICE**

**Principal agency:** County Government

**Origin of project:** Councilmember's recommendation

This project is a base budget review of the Montgomery County Fire and Rescue Services. The FY07 approved budget for MCFRS is \$178 million, an increase of 16.5% (\$25.3 million) compared to the FY06 approved budget. The FY07 appropriation for MCFRS will support 1,236 workyears, an increase of 81 workyears (7%) more than the FY06 approved total of 1,155 workyears.

FY07 will be the second year of the Council's base budget review initiative. The assignment of base budget reviews reflects the Council's desire to develop a budget review process based on more in-depth analysis of agency and program budgets, to include enhanced discussions of program efficiency, effectiveness, results, and funding priorities.

Based on a review of "what worked" with the first year of OLO's base budget projects, the base budget review of MCFRS will provide a core set of information, plus additional analysis which is customized to address selected issues. The information and analysis included in each of the FY06 base budget reviews suggests this MCFRS project will likely include:

- Detailed budget information broken down by program, function, or operational unit;
- Identification of primary factors that drive changes in funding;
- A description of legislative mandates and governance structures that influence how the agency allocates resources; and
- A description of the agency's use of program performance measurement.

A review of the FY06 base budget reviews also affirmed the value of identifying a specific question for the base budget report to answer. To develop a more specific study scope and determine the additional types of analysis and information needed, OLO will conduct an initial review of the current and recent appropriations, consult with agency, OMB and Council staff analysts. Following this preliminary review, OLO will return to the Council with a recommendation for a more refined project scope.

**PROJECT #10  
BASE BUDGET REVIEW OF THE DIVISION OF SCHOOL PLANT OPERATIONS,  
MONTGOMERY COUNTY PUBLIC SCHOOLS**

**Principal agency:** Montgomery County Public Schools

**Origin of project:** Councilmember's recommendation

This project is a base budget review of MCPS' Division of School Plant Operations, which has the primary responsibility for maintaining the County's school facilities. Division staffing consists of school-based, central, and field operations. The FY07 operating budget for the Division of School Plant Operations is \$51.4 million, an increase of \$3.5 million or 7% over the FY06 approved budget of \$48 million. The FY07 budget for the Division funds 1,305.7 FTEs, an increase of 58 FTEs compared to FY06.

FY07 will be the second year of the Council's base budget review initiative. The assignment of base budget reviews reflects the Council's desire to develop a budget review process based on more in-depth analysis of agency and program budgets, to include enhanced discussions of program efficiency, effectiveness, results, and funding priorities.

Based on a review of "what worked" with the first year of OLO's base budget projects, the base budget review of the Division of School Plant Operations will provide a core set of information, plus additional analysis which is customized to address selected issues. The information and analysis included in each of the FY06 base budget reviews suggests this project will likely include:

- Detailed budget information broken down by program, function, or operational unit;
- Identification of primary factors that drive changes in funding;
- A description of legislative mandates and governance structures that influence how the Division allocates resources; and
- A description of the Division's use of program performance measurement.

A review of the FY06 base budget reviews also affirmed the value of identifying a specific question for the base budget report to answer. To develop a more specific study scope and determine the additional types of analysis and information needed, OLO will conduct an initial review of the current and recent appropriations, consult with agency, OMB and Council staff analysts. Following this preliminary review, OLO will return to the Council with a recommendation for a more refined project scope.

**PROJECT #11**  
**FOLLOW-UP TO FY06 BASE BUDGET REVIEW OF THE OFFICE OF HUMAN RIGHTS**

**Principal agency:** County Government

**Origin of project:** County Council/Follow-up assignment from FY06 Base Budget Review of the Office of Human Rights

Local law (Chapter 27) establishes three groups tasked with various human rights responsibilities and assigns the Office of Human Rights with responsibility to assist these groups to perform their duties. The groups are the Commission on Human Rights, the Interagency Fair Housing Group, and the Committee on Hate Violence.

The Council's review of OLO's FY06 base budget review of the Office of Human Rights identified an overlap in responsibilities assigned to the human rights groups established in law, concerns about the adequacy of the staff support currently provided to the Commission on Human Rights, and statutory language that needs to be clarified.

The purpose of this project is to explore the feasibility of consolidating various committees with overlapping human rights responsibilities and to clarify the law's assignment of roles and responsibilities accordingly. This project consists of the following tasks:

1. Consult with members of the Commission on Human Rights, the Interagency Fair Housing Group, and the Committee on Hate Violence to discuss the pros, cons and feasibility of combining or eliminating one or more of the existing groups;
2. Propose a staffing plan for the resulting committee structure that considers the option of staffing provided by the County Executive's Office of Community Outreach;
3. Address whether staff resources are needed at every monthly meeting or could be used more effectively outside of the monthly meeting; and
4. Propose language to amend Chapter 27 that reflects the new committee structure and staffing plan and, if needed, more clearly delineates the roles and responsibilities of the Office of Human Rights and the Commission on Human Rights.

The project will provide specific recommendations to the Council on whether any of the existing groups can be combined with one another or eliminated altogether and report feedback from the groups' members.

**PROJECT #12  
FOLLOW-UP TO FY06 BASE BUDGET REVIEWS OF THE PARK POLICE AND  
MCPS STAFF DEVELOPMENT**

**Principal agencies:** Maryland-National Capital Park and Planning Commission  
Montgomery County Public Schools

**Origin of project:** County Council/Follow-up assignments from FY06 Base Budget Reviews of the Montgomery County Park Police and MCPS' Staff Development

**12A: MONTGOMERY COUNTY PARK POLICE**

**12A: Montgomery County Park Police.** In April 2006, OLO released a base budget review of the Montgomery County Park Police. As a result of this study, the Council requested that M-NCPPC modify certain Park Police operational, staffing, and budgeting policies and procedures. The Public Safety and PHED Committees will hold a worksession in the fall to review steps taken by M-NCPPC to respond to the Council's action.

The Council asked OLO to assist M-NCPPC to develop the requested new policies and procedures. During FY07, OLO will provide technical assistance to M-NCPPC (as needed), staff the Council's review of a proposed new staffing plan for the Park Police, and monitor implementation of other recommendations endorsed by the Council.

**12B: MONTGOMERY COUNTY PUBLIC SCHOOLS' STAFF DEVELOPMENT**

As a result of OLO's FY06 base budget review of MCPS staff development, the Council requested that MCPS use a different format for the annual staff development budget information presented to the Council. The Council also requested that MCPS submit staff development outcome measures to the Council in the fall of 2006.

The Education Committee plans to schedule two worksessions during the coming year to discuss MCPS' staff development efforts. These worksessions will review progress on specific staff development initiatives as well as provide a forum for the Council to further review MCPS' staff development operations and their effectiveness. During FY07, OLO will review the follow-up information requested by the Council and staff the Education Committee worksessions.

**PROJECT #13  
TRACKING IMPLEMENTATION OF COUNCIL ACTIONS ON COMPLETED OLO  
REPORTS**

During FY07, OLO will continue its practice of reviewing the implementation status of Council recommendations associated with a previously released OLO report. The project selected for more detailed follow-up during the upcoming year is OLO's 2001 evaluation of the Department of Housing and Community Affairs' process of handling complaints from landlords and tenants.

**13A: AN EVALUATION OF THE PROCESS OF HANDLING COMPLAINTS FROM  
LANDLORDS AND TENANTS IN MONTGOMERY COUNTY (OLO 2001-6)**

This report, completed in September 2001, identified a number of specific actions to be taken by the County Government to improve the process of handling complaints from landlords and tenants, and for ongoing oversight of this process by the Council's Planning Housing and Economic Development (PHED) Committee.

This follow-up project will track the implementation of the actions recommended by the PHED Committee and endorsed by the full Council in October 2001.

**13B: INVENTORY OF OLO REPORTS – A RESOURCE DOCUMENT**

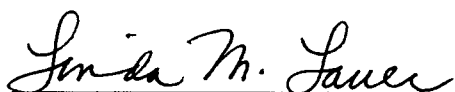
During FY07, OLO will prepare a user-friendly inventory of previously completed OLO reports. The inventory will provide information on when each report was completed and reviewed by the Council, with brief summaries of the issues studied/examined. The goal will be to produce a document that can serve as a resource document for newly elected officials of the work OLO has done in recent years.

**PROJECT #14  
STAFF ACTIVITIES RELATED TO FY06 PROJECTS COMPLETED IN JULY  
AND AUGUST 2006**

This project represents the time OLO staff expect to spend on staffing Committee and full Council review and action on the following FY06 Work Program assignments scheduled to be completed in July and August 2006:

- Study of the Department of Public Works and Transportation's Handling of Inquiries and Service Requests,
- Evaluation of the Police Department's Victim Assistance Unit;
- Local Small Business Reserve Program – Evaluation Planning;
- Follow-up on FY02 Evaluation of the Sign Approval and Enforcement Process;
- Review of Montgomery County Public Schools' "Serious Incident" Reporting System; and
- Study of the County Government's Employee Recruitment Practices.

This is a correct copy of Council action.



Linda M. Lauer, Clerk of the Council