

Office of Management and Budget Performance Plan

Contribution to Montgomery County Results:

Result: OMB contributes to the attainment of all eight result areas, but primarily contributes to A Responsive and Accountable County Government

Contribution of OMB:

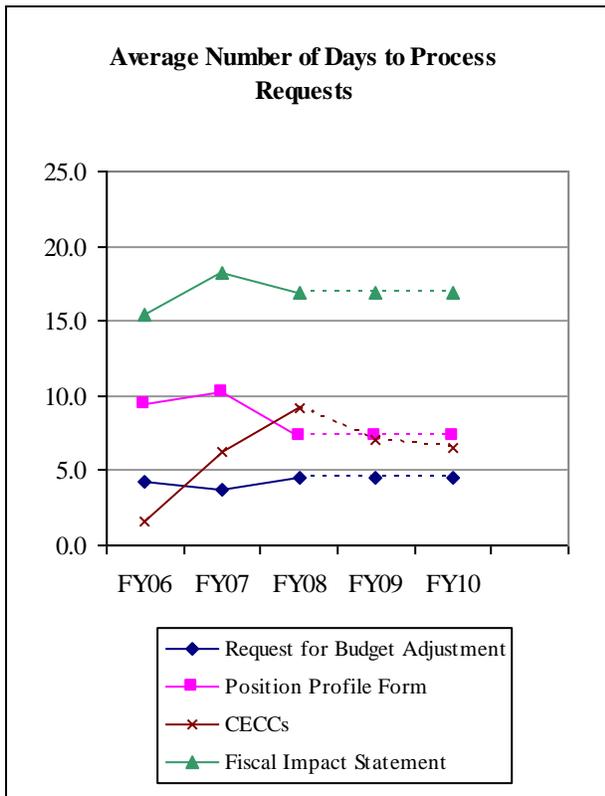
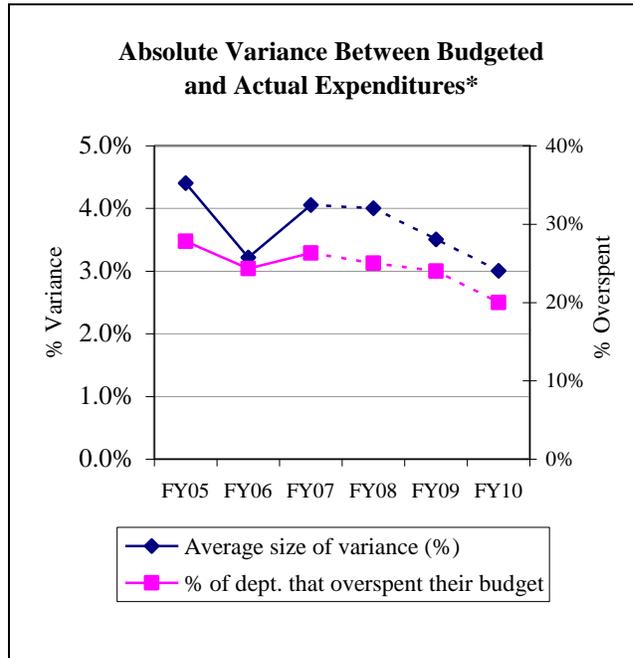
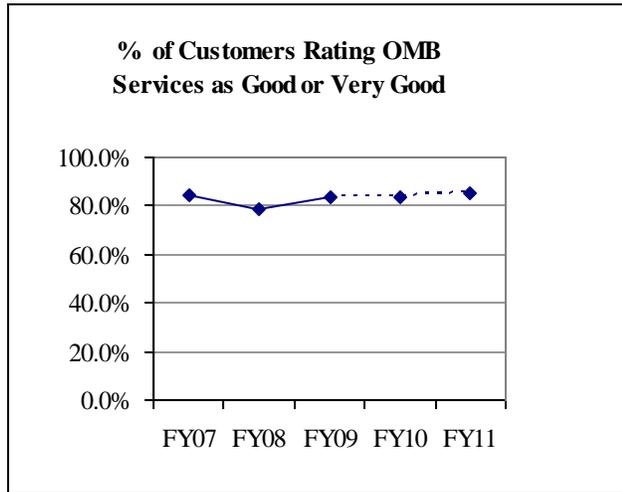
What OMB Does and for Whom	How Much
<p><u>Budget Preparation and Administration</u> Preparing & administering the operating & capital budgets & the six year Capital Improvements Program (CIP) & the six year fiscal plan (operating budget)</p>	<ul style="list-style-type: none"> ● \$2,033,820 ● 50.0% of total budget ● 15.0 WYs ● \$5.22 billion in operating requests reviewed (740 competition list items) ● 578 capital projects worth \$5.04 billion reviewed ● Reviewed and acted on over 385 position actions (create/abolish) ● Reviewed and executed nearly 741 appropriation transfer requests
<p><u>Performance Analysis and Improvement</u> Providing management support through coordination of productivity improvements, performance measurement, and program evaluation</p>	<ul style="list-style-type: none"> ● \$813,528 ● 20.0% of total budget ● 6.0 WYs ● Reviewed and published 429 performance measures
<p><u>Provision and Support of Budget Information Systems</u> Developing, administering, and providing information technology systems (including ongoing customer support for these systems) that allow County Departments to prepare, manage and analyze their operating and capital budgets</p>	<ul style="list-style-type: none"> ● \$610,146 ● 15.0% of total budget ● 4.5 WYs ● Operated and maintained 4 IT systems that serve OMB and the enterprise
<p><u>Provision of Fiscal Information and Advice</u> Providing accurate, timely, and objective information, analysis, and recommendations to the County Executive, County departments, the County Council, and the general public on fiscal issues</p>	<ul style="list-style-type: none"> ● \$406,764 ● 10.0% of total budget ● 3.0 WYs ● Conducted 6 formal budget forums ● Prepared over 67 fiscal impact statements ● Drafted 247 CECCs ● Provided 20 budget presentations to various committees, resident groups, foreign delegations, and others on the budget and fiscal issues
<p><u>Policy Development and Implementation</u> Developing, promulgating, and applying appropriate budgetary policies and procedures</p>	<ul style="list-style-type: none"> ● \$203,382 ● 5.0% of total budget ● 1.5 WYs

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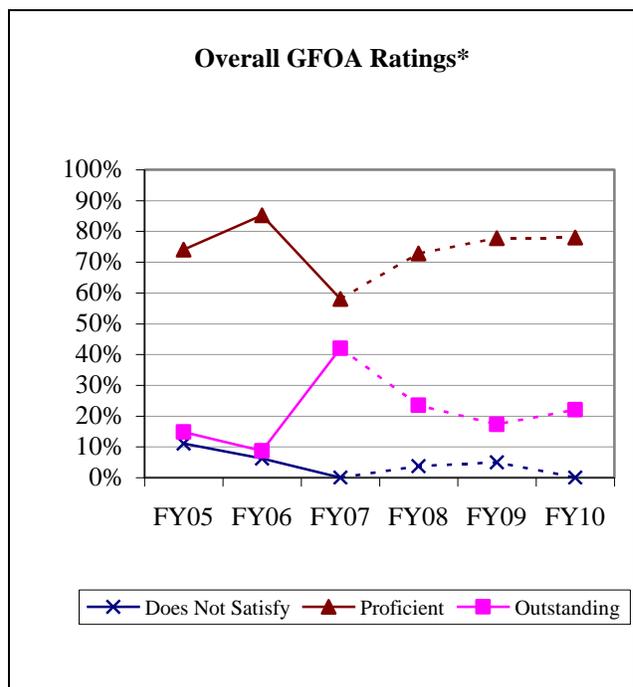
Overall

The Mission of the Office of Management and Budget is to support and enhance the effective, efficient operation of County government, maintain the County's fiscal integrity and financial condition, and preserve the County's AAA bond rating.

- Total Budget: \$4,067,640
- Number of Employees: 34
- Workyears: 30 (excluding 2.0 WY detailed to ERP)



*Includes tax supported departments. Will be updated to include all departments



* This measure is a composite of the GFOA rating on 4 separate aspects of a budget: Fin. Plan; Policy Doc.; Communications Device; & Operations Guide.

Headline Measures Under Construction:

1. Performance on Rating Agency Criteria for AAA Jurisdictions
2. Results Based Budgeting: Composite measure across all departments of improvement in key performance measures.

Story behind performance:

Contributing factors

- **Bond Rating:** Despite increasing operating, capital, and debt service costs and declining revenue estimates, the County has maintained its AAA bond rating through sound and active financial management, application of prudent fiscal policies, as well as a strong local economy. Responding in a timely manner to community expectations for facilities and services while maintaining sound fiscal policies and a balance between revenue and expenditure growth will remain a major challenge for OMB and the County.
- **Processing Requests:** Due to an enhanced management focus there has been a sharp decline in the average number of days needed to process requests as well as an increase in customer satisfaction due to increased focus on customer service and in meeting the public hearing deadline for fiscal impacts statements for legislation.
- **CIP Project Requests:** OMB has developed a new IT system to enter and track capital budget requests that will expedite request submissions and allow analysts to process requests more efficiently. The effects of this change will be felt more in FY09 and FY10 as both departments and analysts gain familiarity with the system.
- **CIP Project Requests:** The number of CIP requests varies sharply from year to year because the County has a biennial Capital Improvements Program (CIP). Only certain projects that meet pre-defined criteria are included as amendments to the CIP.

Restricting forces

- **Variances:** There are significant pressures on certain departments, especially public safety departments, to exceed budget because of unanticipated service demands, use of overtime because of attrition or unscheduled leave, public pressure for responsive services, and unanticipated events (inclement weather). The challenge for OMB is to understand the underlying sources of this budget pressure and accurately recommend appropriation levels that do not discourage efficiencies.
- **Customer Service:** A recurring concern noted in the OMB survey, and doubtless a drag on the level of customer satisfaction, was the need for better training of OMB analysts and more clear and consistent guidance in budget instruction materials.
- **Processing Requests:** Efficiency in responding to requests can be hampered by time demands of normal budget review responsibilities, complexity and volume of requests, quality of materials and information received, and timeliness in responding to OMB questions and requests for information. Additionally, improvements are needed in OMB's existing system for monitoring and tracking customer service requests so that team leaders have accurate, timely information on pending work and can focus on items that can be expedited and those that may need greater attention.

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What we propose to improve performance:

To improve customer service, respond to requests in a timely manner, contribute to maintaining the County's AAA Bond Rating, and improve the accuracy of appropriation recommendations OMB proposes the following:

- →Results Based Budgeting: Improve process and analytical criteria used to evaluate operating and capital budget requests to more closely link that evaluation with measures that indicate contribution to achievement of County Executive priority results. This will require frequent and ongoing training from Department Director's to lower level budget preparers to understand a different approach to developing, justifying, and implementing budgets.
- Performance Measures: Improve the quality and use of performance measures (headline measures and program performance measures) and by departments and OMB in resource allocation decisions and program management. Again, this will require frequent and ongoing training for OMB, Directors, and department staff to successfully implement. In preparation of the FY10 budget there will be an enhanced focus on development and use of program performance measures. This change is intended to provide a more meaningful relationship between the headline measures and departmental budgets and budget requests.
- Staff Recruitment and Assignment: Recruit and retain a diverse and highly skilled staff that is capable of performing complex analytical tasks. Assign OMB staff to work on more substantive budget issue areas that cover a larger proportion of the County budgets including larger departments and outside agencies.
- Staff Training: OMB is using existing staff and consultants for enhanced training on performance measures and budget analysis. An OMB manager has been assigned responsibility for developing a staff development program to sharpen analytical skills and improve substantive knowledge of relevant public policy subjects.
- → IT Systems: OMB is engaged in a number of efforts to improve its existing IT systems including: 1) assigning two experienced staff (manager and analyst) to the ERP project; 2) developing a new CIP Analyst system to improve the efficiency and effectiveness of its review of CIP projects; 3) identifying and configuring a new budget publication system to provide greater flexibility and improved quality of budget publications; and 4) revise customer service database so that requests can be tracked, triaged, and managed more efficiently and effectively (e.g. process time is reduced and substantive, long term issues are identified and addressed in a timely manner).

Appendix A: Data Development Agenda. List priorities for new or better data on performance

- Amend the annual OMB survey so that it includes data on customer satisfaction with OMB staff's ability to provide effective technical and management assistance (i.e. problem solving)
- Clarify and fully document the value of productivity improvements identified and implemented in the operating and capital budgets.

Appendix B: Link to budget. Detail on priorities identified above in the proposed budget

- Process and Staffing Changes: Implementation of Results Based Budgeting, performance measurement improvements, recruitment and staff assignment will occur within existing OMB resources.
- Training: OMB's existing training budget is \$13,000. For 35 employees this is an allocation of just \$370/employees. The County offers several training opportunities for employees without additional cost, but there are certain specialized conferences and training opportunities for budget analysts that are not offered through the County sponsored programs. A more realistic target for per employee training opportunities is approximately \$500-\$1,000

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- per employee. As always, efforts will be made to identify these resources through the existing base budget (reallocation, turnover savings, lapse, etc...)
- IT Improvements: OMB will work within existing resources by assigning IT staff and exploiting existing IT assets to achieve the improvements cited above. However, it may be necessary to increase funding for acquisition and configuration of the new budget publication system referenced above.
 - Administrative Staffing: It may be desirable to add administrative staff to expedite the response to budget requests. Much of OMB's work is oriented to processing and organizing large amounts of information to develop both operating and capital budget recommendations. Additional internal review on this issue is needed to determine if this additional resource would improve customer service and the efficient operation of the office. The hiring of an additional administrative position may be implemented in a budget neutral manner (e.g. eliminating an existing analytical position and creating an administrative position) or adding to OMB's position complement.

Appendix C: Implementation schedule: Timeline and deliverables for the proposed actions and corresponding performance measures.

- Results Based Budgeting and Performance Measures:
 - Training: During FY08 multiple training sessions have been held for directors, OMB staff, and department staff and more are planned. In addition a one day Director's retreat on budget issues was held in September 2007 to discuss the budget and Results Based Budgeting. Additional training will be provided in FY09 that will focus on development of program performance measures.
 - Department Submissions: Instructional materials for department preparers and OMB analysts have been revised to implement RBB for both the FY09 and FY10 budgets.
 - Publication materials: Significant revisions were made to the budget publication to both explain results based management (creating a culture of accountability) and results based budgeting. Headline measures were incorporated into the budget publication and given a prominent place in each department's section. Other changes are under review especially integrating program measures with the display of each budgetary program.
- Staff Recruitment: Ongoing; currently there are four analyst vacancies.
- Staff Assignment: Complete except for vacancies noted above
- Training: A manager is working on a comprehensive staff development plan that is due October 15
- IT Improvements:
 - CIP Analyst Submission: work is ongoing with defining functional and technical requirements. Implementation is planned for fall 2009.
 - Customer Service Database: improvement are due by December 2008

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Partnerships/Collaboration

OMB is actively working on a number of interdepartmental and community efforts which is part of our mission and impacts our performance including:

- Smart Growth Initiative: Working with DGS, Police, Fire and Rescue, County Executive's Office, Economic Development, and other departments to plan for and implement transit oriented development and relocate, build, and upgrade several critical County facilities including the Public Safety Training Academy, Public Safety Complex, First District Police Station, and the Equipment Maintenance Operations Center.
- Conducting Budget Forums with PIO, County Executive's Office, Regional Services Centers, and other departments to provide opportunities for expanded resident input into the budget and budget process
- Montgomery County Detention Center (MCDC) Reuse Committee: OMB is leading an effort with DOCR, OCE, Sheriff's Office, Police, DPWT, the District Court Commissioners, and a private consultant to analyze alternatives for the Reuse of the MCDC facility.
- Procurement and Non-Profits: OMB is working with the Office of Community Partnerships, Procurement, Health and Human Services, Housing and Community Affairs to identify changes to the budget and procurement process to improve the relationship and services with the County's non-profit community.
- Municipal Revenue Sharing Task Force: OMB staff is working with the municipalities, Finance, County Council, and other departments on the task force to review the current method for reimbursing municipalities for services that they provide that the County would otherwise be obligated to provide their residents.
- Reorganization Committee: OMB participated actively in developing the County Executive's Reorganization plan including reviewing proposals and conducting research on potential opportunities for restructuring the County government to make it more effective and responsive to its residents.
- Presentations to Foreign delegation and community organizations: OMB frequently provides presentations on the budget and budget process to delegations visiting from other countries (most recently a delegation from Mali) and community organizations (Civic Federation, Council on Aging in Place, Commission on Aging, etc...)
- Enterprise Resource Planning: OMB has deployed two of its staff to work on the development and implementation of the ERP project with the departments of Finance, Procurement, Human Resources, Technology Services, and other user departments.
- Integrated Justice Information System (IJIS): OMB has two staff regularly attending and consulting with the IJIS steering committee to develop and implement this project with the other criminal justice departments.
- Computer Privacy: OMB provides staff for analysis and research on compliance with computer security standards including the Health Insurance Portability and Accountability Act (HIPAA) and the Payment Card Industry compliance issues.
- CountyStat: In FY08, OMB dedicated one staff member full time for the development and implementation of the CountyStat program.
- State Grants: At a recent state conference on grant application and management OMB had two representatives present, one of which made a detailed presentation on performance measurement which was attended by over 100 people at the conference.
- Other Post Employment Benefits (OPEB): OMB provides active staff level support for implementing compliance with Government Accounting Standards Board Statement 45 on OPEB working with staff of the Department of Finance, Human Resources, Public Schools,

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Montgomery College, Maryland National Capital Park and Planning Commission, and Washington Suburban Sanitary Commission.

- **Collective Bargaining:** OMB provides staff support for the collective bargaining team to represent the County Executive in labor negotiations with the County's bargaining units and local fire and rescue departments
- **Committees, Commissions, and Boards:** OMB provides representation in other forums to work with the public, other departments, agencies and other levels of governments. This includes the following: Local Management Board (Collaboration Council), Strathmore Board of Directors, staff for the Criminal Justice Coordinating Commission, and staff for the Positive Youth Development committee.
- **Senior Sub-Cabinet:** OMB is represented on and actively participates in the County's Senior Sub-Cabinet, including preparation for the Senior Summit in November 2008.
- **Sustainability Working Group (SWG):** The OMB Director has been appointed to the SWG and will participate in reviewing and researching the development of a carbon based tax, and evaluating and costing other subcommittee proposals.
- **Fiscal Plan:** OMB annually convenes a meeting of the budget directors of the other Montgomery County agencies including MCPS, the College, and MNCPPC to discuss and collaborate on various fiscal related matters including budget projections, collective bargaining, performance measures, and other budgetary issues.