# MEMORANDUM

July 25, 2014

TO: County Council

FROM: Chris Cihlar, Director
Office of Legislative Oversight

SUBJECT: **Action - Resolution to Approve the Office of Legislative Oversight's FY15 Work Program**

On July 15, the Council introduced the attached resolution to approve the Office of Legislative Oversight's FY15 Work Program. Below is an overview of the assignments contained in the FY15 work plan. The detailed work plan is attached. Final action is scheduled for July 29. (©1)

Overview of Recommended FY15 Work Program

Project Number	Title	Summary
1	Partnering with Local Business Areas	This OLO project will research partnerships between government and local communities, chambers of commerce and local business groups that have succeeded in improving promotion and management of local business and community districts. Recognizing that a one-size-fits-all approach is not appropriate for the diversity of communities within Montgomery County's borders, this study will present several approaches to encompass Montgomery County's range of local business areas and community centers.
2	Fiscal Impact Statements	During FY15, the Office of Legislative Oversight will examine all fiscal impact statements that the Council receives from the Executive Branch and, when a Councilmember, OLO or Council staff member believes it appropriate, will provide further analysis for Council consideration. Each month, OLO will prepare a summary report of all fiscal impact statements received. These reports will include an explanation of why OLO did or did not provide further analysis of pending legislation or Executive regulations. OLO will also consult with Councilmembers if they request analysis earlier in the legislative process.
3	Two-Generational Approach to Poverty	The County Council wants to better understand how a two-generational approach to poverty might be implemented most successfully in Montgomery County. To this end OLO will provide the Council with a report that answers three specific questions: • What programs based on a two-generational approach to poverty have been implemented elsewhere? • What factors have led to the success (and failures) of these programs? • What types of programs might have the best chance of succeeding in Montgomery County? This section will include recommendations about how Montgomery County can, if it so desires, move towards a two-generational approach to poverty.

4	Affordable Housing in Montgomery County	This OLO project will examine the stock of affordable housing in the County and document how it has changed since 1980. OLO will focus on both affordable rental and owner-occupied units and the geographic distribution of these units.
5	Local Student Discipline and Criminal Justice Trends	The purpose of this project is to improve the Council's understanding of student discipline and criminal justice trends. Specific topics that may be considered include: • Policies, programs, and practices that contribute to student discipline and criminal justice trends, • Individual and community risk factors for at-risk behaviors, • How many local youth are at-risk or are currently served by the criminal justice system, • The alignment between best practices and local practices for reducing youth incarceration rates, and • Perspectives of stakeholders on what works well and opportunities for improvement.
6	A Review of Childcare in Montgomery County	OLO will provide an inventory of the available childcare options in Montgomery County and organize these resources by geographic location. Councilmembers also want to understand better the geographic areas of the County that currently have the greatest need for childcare and where future need is most likely to occur. Additionally, OLO will examine initiatives undertaken in other jurisdictions that have successfully increased the availability and/or affordability of childcare. Finally, OLO will examine County and state programs that provide subsidies for childcare to determine how available funds can best be streamlined for maximum benefit to County residents.
7	A Review of the Operations and Services of the Department of Liquor Control	This OLO project will examine the operations of the Department of Liquor Control. Specific areas of focus may include: • DLC's process for selecting beverages for resale, • Customer feedback on DLC's services, • DLC's licensing requirements and options, and/or • How alcoholic beverage licensing, sales, and operations impact the County's nighttime economy, • The revenue and income generated by DLC. The project will seek to identify potential options to increase efficiency and/or improve service to Montgomery County residents and businesses.

8	MCPS Modernizations	To improve the Council's oversight of MCPS' CIP, this OLO project on school modernizations will: • Review and synthesize the literature on best practices for modernizing and maintaining school facilities. • Review state, Board of Education, and MCPS' policies and practices relevant to school revitalizations and expansions within MCPS. This will include a review of how MCPS school modernizations are funded and the results of any studies MCPS has conducted related to the performance of the school modernization program. • Research and write-up case studies of alternative approaches to school modernizations that are being implemented in other school systems.
9	Parking Lot District Financial Management and Budgeting	The purpose of this OLO report is to review the financial management and budgeting practices that affect the long-term fiscal health of each of the County's parking lot districts.
10	Procurement and Internal Processes	The purpose of this OLO report will be to examine how the Office of Procurement's policies and processes serve government departments and offices and whether or not there are areas where these policies and processes might be changed to improve effectiveness and efficiency.
11	The Behavioral Health System in Montgomery County	This OLO report will build upon the March of 2014 Behavioral Health Action Plan Report released by the Healthy Montgomery Behavioral Health Work Group. It will: • Provide an inventory of behavioral health services in the County, including those for special populations (e.g., correctional populations) and targeted issues (e.g., bullying), • Examine if gaps in services exist in certain geographic areas and for certain demographic groups. and • Examine if gaps exist in the continuum from wellness promotion to recovery. • Identify approaches for addressing gaps in services.
12	Management of the Council's Independent Audit Contracts	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 Montgomery County Union Employees Deferred Compensation Plan. Since 1991, the Council has assigned the Office of Legislative Oversight the responsibility to act as the Council's contract administrator and provide support to the Council during the period of audit engagement. OLO carries out these responsibilities with oversight and guidance from the Council's Audit Committee.

13	Assist with the Review of the FY 16 Operating budget	During the spring of 2015, OLO staff will assist Central Council staff to prepare analyses for Committee and Council work sessions on the FY16 operating budget. This project is similar to OLO's operating budget-related assignment in recent years. For this portion of the FY15 Work Program, the OLO Director will work collaboratively with the Council Administrator to identify specific budget areas for OLO staff assistance. Priority consideration will be given to topics that OLO has studied before. Additionally, OLO will assist the County Council on additional budget related analysis throughout the year.
14	Staff Support for the Council's Audit Committee	As directed by Council resolution, OLO will ensure that the Audit Committee receives "assistance from the Council staff, the Office of the Inspector General, Executive Branch and other County agency staff, and contractors with appropriate expertise" in carrying out its "oversight of financial reporting and risk assessment."
15	November Supplement to Work Program	In order to better serve the needs of County Councilmembers, OLO is leaving space in its annual work program in order to add several to-be-determined work projects. These projects will be proposed to the Council in November of 2014 and, pending Council approval, be formally added to the work program two weeks after their introduction.

Attachment: Council Resolution to approve OLO's FY15 Work Program

COUNTY COUNCIL
FOR MONTGOMERY COUNTY, MARYLAND

By: County Council

SUBJECT: <u>Fiscal Year 2015 Work Program of the Office of Legislative Oversight</u>

Background

1. Chapter 29A, Montgomery County Code, establishes the Office of Legislative Oversight to serve as the principal means through which the Council exercises its legislative oversight functions. This includes providing the Council with information and recommendations concerning the operations of public and private agencies, programs, and functions for which funds are appropriated or approved by the Council.

2. The law establishing the Office of Legislative Oversight (Chapter 29A, Montgomery County Code) specifically authorizes the Office to conduct special program or budget analyses at the request of the Council.

3. 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. On July 15, 2014, the Council introduced this resolution that outlines projects to be included on the Office of Legislative Oversight's FY15 Work Program.

Action

The County Council for Montgomery County, Maryland, approves the attached Fiscal Year 2015 Work Program for the Office of Legislative Oversight.

This is a correct copy of Council action.

Linda M. Lauer, Clerk of the Council

Project Number	Title	Resolution Page Number
1	Partnering with Local Business Areas	© 3
2	Fiscal Impact Statements	© 4
3	Two-Generational Approach to Poverty	© 5
4	Affordable Housing in Montgomery County	© 6
5	Local Student Discipline and Criminal Justice Trends	© 7
6	A Review of Childcare in Montgomery County	© 8
7	A Review of the Operations and Services of the Department of Liquor Control	© 9
8	MCPS Modernizations	© 10
9	Parking Lot District Financial Management and Budgeting	© 11
10	Procurement and Internal Processes	© 12
11	The Behavioral Health System in Montgomery County	© 13
12	Management of the Council's Independent Audit Contracts	© 14
13	Assist with the Review of the FY 16 Operating budget	© 15
14	Staff Support for the Council's Audit Committee	© 16
15	November Supplement to Work Program	© 17

Project #1
Partnering with Local Business Areas

Principal Agency: County Executive, DED

The Bethesda Urban Partnership is an urban district corporation established by the Montgomery County Council to manage and promote downtown Bethesda. It is widely recognized as a model public-private partnership that successfully delivers government, community and business services. Since its establishment, numerous other communities have sought to replicate its success.

Although the Bethesda Urban Partnership works well in Bethesda, because of varying conditions across Montgomery County, it is not possible to exactly replicate this program in other areas. However, all County business areas have their own particular strengths, and the Council is interested in understanding what strategies exist similar to the Bethesda Urban Partnership that might help emerging County urban centers facilitate local community and business growth.

This OLO project will research partnerships between government and local communities, chambers of commerce and local business groups that have succeeded in improving promotion and management of local business and community districts. Recognizing that a one-size-fits-all approach is not appropriate for the diversity of communities within Montgomery County's borders, this study will present several approaches to encompass Montgomery County's range of local business areas and community centers.

Project #2
Fiscal Impact Statements

Principal Agency: County Executive, OMB

Fiscal impact statements refer to the Executive Branch's estimates of the fiscal costs associated with pending legislation and Executive regulations. While these documents serve an important role in the Council's review of proposed legislation, Councilmembers often want more detailed analysis, have additional questions or would like the information in fiscal impact statements to be available earlier in the legislative process.

During FY15, the Office of Legislative Oversight will examine all fiscal impact statements that the Council receives from the Executive Branch and, when a Councilmember, OLO or Council staff member believes it appropriate, will provide further analysis for Council consideration. Each month, OLO will prepare a summary report of all fiscal impact statements received. These reports will include an explanation of why OLO did or did not provide further analysis of pending legislation or Executive regulations. OLO will also consult with Councilmembers if they request analysis earlier in the legislative process.

This full-year initiative will potentially serve as a model for future, ongoing OLO responsibility in this area. Depending upon the needs of the Council and the usefulness of the reports, future OLO work plans may contain similar, expanded, or modified work assignments built upon lessons learned from this one year project.

Project #3
Two-Generational Approach to Poverty

Principal Agency: County Government, DHHS

A two-generational approach to poverty is, in broad terms, a strategy or approach to promoting young children's healthy development that includes developing the capabilities and resources of parents or caregivers. It is focused on giving children a strong pre-kindergarten start followed by strong academic supports in grades K – 12 to foster their academic success. Simultaneously, this approach supports parents' education and vocational achievement along with housing support, case management, and life skills development (e.g., money management, healthcare, etc.).

The County Council wants to better understand how a two-generational approach to poverty might be implemented most successfully in Montgomery County. To this end OLO will provide the Council with a report that answers three specific questions:

- What programs based on a two-generational approach to poverty have been implemented elsewhere?

- What factors have led to the success (and failures) of these programs?

- What types of programs might have the best chance of succeeding in Montgomery County? This section will include recommendations about how Montgomery County can, if it so desires, move towards a two-generational approach to poverty.

Additionally, some programs currently managed or run by Montgomery County Government incorporate principles of this two-generational strategy. This report will identify these instances and offer recommendations for potential partners to further a two-generational strategy.

Project #4
Affordable Housing in Montgomery County

Principal Agencies: County Government, DHCA, M-NCPPC, HOC

Ensuring that affordable housing options are available for Montgomery County residents is, and has been, one the County Council's top priorities. Montgomery County's affordable housing program has a long history and is viewed widely by other jurisdictions as a national best practice.

Over the past three decades, Montgomery County has experienced significant, unprecedented growth. The County Council would like to better understand how this growth has impacted the availability of affordable housing. This OLO project will examine the stock of affordable housing in the County and document how it has changed since 1980. OLO will focus on both affordable rental and owner-occupied units and the geographic distribution of these units.

Particularly important to this project will be an examination of what the term "affordable" means given Montgomery County's status as one of the wealthiest counties in the nation. Multiple perspectives will be used to document the changing picture of housing affordability in Montgomery County.

Building on past OLO reports that examined affordable housing (OLO Report 2007-9 on moderately priced dwelling units and OLO Report 2010-9 on County housing programs), this report will provide Councilmembers with detailed, geographic-specific information on the County's affordable housing stock and will offer recommendations about how best to preserve this stock moving forward.

Project #5
Local Student Discipline and Criminal Justice Trends

Principal Agencies: Montgomery County Government, MCPS, Maryland Department of Juvenile Services and Montgomery County Collaboration Council for Children, Youth, and Families

The relationship between school disciplinary practices and the juvenile and adult criminal justice systems has been referred to as the School-to-Prison Pipeline. The School-to-Prison Pipeline is defined as a "the set of policies and practices that make the criminalization and incarceration of children and youth more likely and the attainment of a high-quality education less likely."[1] Youth advocates find that the Pipeline prioritizes punitive consequences over access to a quality education and disproportionately harms students of color and students with disabilities.

Factors cited as contributors to the Pipeline include zero-tolerance school discipline policies, suspensions, expulsions, ineffective alternative schools, and the failure to re-integrate students returning from expulsions and juvenile justice placements. As a result of spending less time in school, students who have been suspended often become disengaged, dropout, unemployed, and adjudicated as youth who often "graduate" to the adult criminal justice system.

Montgomery County Public Schools has been focused on reducing suspensions over a number of years and has lowered its overall suspension rate. Yet, risk factors for the Pipeline persist among some subgroups, with suspension five times more likely for black middle school students as compared to their white peers in 2012 and three times more likely for middle *and* high school students with disabilities compared to their general education peers.

The U.S. Department of Justice and the Maryland State Department of Education have issued recommendations and regulations aimed at reducing suspensions. Several Montgomery County Government departments have been focused via the Positive Youth Development Initiative on increasing the positive attachment of youth to their community. Similarly, the Collaboration Council for Children, Youth, and Families, in partnership with the County and the Maryland Department of Juvenile Services also operate several initiatives aimed at disrupting the School-to-Prison Pipeline.

The purpose of this project is to improve the Council's understanding of the School-to-Prison Pipeline and its implications for the County. Specific topics that may be considered include:

- Policy, program, and practice components of the Pipeline,
- Individual and community risk factors for entering and exiting the Pipeline,
- A description of how many local youth are at-risk or are inside the Pipeline and programs and funding that "support" or "disrupt" the Pipeline,
- The alignment between best practices and local practices for disrupting the Pipeline, and
- Perspectives of stakeholders on what works well and opportunities for improvement.

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[1] See position paper of the Advancement Project, Education Law Center, Juvenile Law Center, NAACP LDF, FairTest, and the Forum for Education and Democracy at
http://www.fairtest.org/sites/default/files/Federal_Policy,_ESEA_Reauthorization,_and_the_School-to-Prison_Pipeline_-_03_09_11.pdf

Project #6
A Review of Childcare in Montgomery County

Principal Agency: County Government, DHHS

The need for adequate and affordable childcare is perhaps the most pressing issue facing working parents and guardians of young children. This issue is also of great concern to Councilmembers who have, over the years, passed numerous pieces of legislation that address this issue.

Councilmembers have asked OLO to provide an inventory of the available childcare options in Montgomery County and to organize these resources by geographic location. Depending on the availability of data, OLO will differentiate between market segments (e.g. infant care, special needs care, pre-K and after-school care). Councilmembers also want to understand better the geographic areas of the County that currently have the greatest need for childcare and where future need is most likely to occur.

Additionally, OLO will examine initiatives undertaken in other jurisdictions that have successfully increased the availability and/or affordability of childcare. Finally, OLO will examine County and state programs that provide subsidies for childcare to determine how available funds can best be streamlined for maximum benefit to County residents.

Project #7
A Review of the Operations and Services of the Department of Liquor Control

Principal Agency: County Government, DLC

The Montgomery County Department of Liquor Control (DLC) provides licensing, wholesale, and retail sale of beverage alcohol products in the County. DLC's annual revenue fully funds the Department's expenses while also transferring, on average, more than $20 million annually to the General Fund.

Councilmembers have expressed an interest in how the Department's policies and practices impact businesses' and consumers' options. This OLO project will examine the operations of the Department of Liquor Control. Specific areas of focus may include:

- DLC's process for selecting beverages for resale,
- Customer feedback on DLC's services,
- DLC's licensing requirements and options, and/or
- How alcoholic beverage licensing, sales, and operations impact the County's nighttime economy,
- The revenue and income generated by DLC.

The project will seek to identify potential options to increase efficiency and/or improve service to Montgomery County residents and businesses.

Project #8
MCPS School Modernizations

Principal Agency: Montgomery County Public Schools

MCPS previously referred to the process of replacing old school facilities with new ones as "school modernizations." In 2010, the MCPS Board of Education replaced the term school "modernization" with the term school "revitalization/expansion."

The underlying purposes and processes for replacing MCPS schools under both terminologies remain the same. Under established policy, the Board of Education is charged with determining when funds will be spent on school facilities to "modernize facilities in accordance with an established queue when overall physical limitations of the facility can no longer support the educational program or comply with applicable building codes and regulations."[2]

According to MCPS, the cost to modernize an older school is similar to the cost to construct a new school.[3] In most cases, a life cycle cost analysis shows it is more cost effective to replace an older school facility rather than attempt to salvage portions of the old facility.

Although 84 schools have been modernized since 1985, according to MCPS, the availability of funds and limited number of holding centers constrains the pace of modernizations.[4] At the current rate, modernizations of elementary schools occur on a 65-year cycle, middle schools on a 76-year cycle, and high schools on a 50-year cycle.

As part of the FY15-20 MCPS Capital Improvements Program (CIP), the County Council has appropriated $466 million for 23 MCPS modernizations/revitalizations, with another $470 million anticipated in total costs to complete these facilities.[5] To improve the Council's oversight of MCPS' CIP, this OLO project on school modernizations will:

- Review and synthesize the literature on best practices for modernizing and maintaining school facilities.

- Review state, Board of Education, and MCPS' policies and practices relevant to school revitalizations and expansions within MCPS. This will include a review of how MCPS school modernizations are funded and the results of any studies MCPS has conducted related to the performance of the school modernization program.

- Research and write-up case studies of alternative approaches to school modernizations that are being implemented in other school systems.

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[2] Board of Education Policy FKB: Sustaining and Modernizing Montgomery County Public Schools Facilities, p. 2.
[3] See http://www.montgomeryschoolsmd.org/uploadedFiles/departments/planning/Archive_MP14_Complete.pdf
[4] Ibid.
[5] See ©4 of the April 30, 2014 packet prepared by Keith Levchenko for the County Council Education Committee. The 23 schools listed include Bel Pre Elementary, Candlewood Elementary, Rock Creek Forest Elementary, William Farquhar Middle, Wheaton/Edison High Schools, Wayside Elementary, Brown Station Elementary, Wheaton Woods Elementary, Seneca Valley High, Potomac Elementary, Maryvale Elementary/Sandburg Learning Center, Luxmanor Elementary, Tilden Middle, Wootton High, Cold Spring Elementary, DuFief Elementary, Belmont Elementary, Stonegate Elementary, Damascus Elementary, Twinbrook Elementary, Summit Hall Elementary, Rosemary Hills Elementary, and Poolesville High Schools.

Project #9
Parking Lot District Financial Management and Budgeting

Principal Agency: County Government, DOT

Chapter 60 of the Montgomery County Code establishes and specifies the boundaries of four parking lot districts (PLDs): the Bethesda Parking Lot District; the Silver Spring Parking Lot District; the Wheaton Parking Lot District; and the Montgomery Hills Parking Lot District. The County created PLDs to give property owners an off-site alternative to the on-site parking requirements of the Zoning Ordinance. In lieu of providing parking on-site, non-residential property owners in a parking lot district (PLD) may opt to pay an annual ad valorem tax to fund the construction and maintenance of public parking facilities. Parking lot districts operate as enterprise funds in which user parking fees and fines and special taxes generated in the district are intended to wholly fund the cost of providing parking services in that same district.

The purpose of this OLO report is to review the financial management and budgeting practices that affect the long-term fiscal health of each of the PLDs. More specifically, OLO will assess current policies and practices related to:

- Multi-year revenue and expenditure projections,
- Fund balance management,
- Restricted reserves,
- The availability of resources for operating and capital expenses, and
- The transfer of resources among PLD enterprise funds and the County's General Fund.

The report will discuss how current practices affect annual operating budget considerations and the assumptions incorporated in the County's six-year fiscal plan. As warranted, the OLO report will make recommendations regarding alternative policies and practices to improve the long-term management of PLD enterprise funds.

Project #10
Procurement and Internal Processes

Principal Agency: Montgomery County Government, DGS

The role of the Office of Procurement is to assist departments and agencies in acquiring goods, services, or construction "in accordance with the best practices; resulting in the highest value for County government and its residents." The Office lists its five objectives are to obtain:

- The right products or services (meeting quality requirements),
- In the right quantity,
- For delivery at the right time to the right place,
- From the right source (a responsive and reliable supplier), and
- At the right price.

The County Council is interested in understanding multiple aspects of the procurement process. In FY14, OLO completed a study that examined how Montgomery County seeks to encourage the participation of small, minority, female, disabled and locally-owned businesses in the procurement process. This project will examine the procurement function within County departments.

The purpose of this OLO report will be to examine how the Office of Procurement's policies and processes serve government departments and offices and whether or not there are areas where these policies and processes might be changed to improve effectiveness and efficiency. Specifically, this report will:

- Evaluate the current processes in place that manage how departments purchase goods and services,

- Examine the outcome measures currently in place that measure the efficiency and/or effectiveness of procurement,

- Determine what challenges most impact departments during the procurement process, and

- Explore how specific departments or offices seem more able to effectively navigate the procurement process than others.

Project #11
The Behavioral Health System in Montgomery County

Principal Agencies: County Government, DHHS and DOCR, MCPS

Behavioral health services aim to address all issues related to mental wellness, including behavioral, mental health and substance abuse disorders. In Montgomery County, the Behavioral Health and Crisis Services division within HHS manages the public behavioral health system, and HHS provides additional behavioral health services within the Children, Youth and Families and Public Health divisions. Furthermore, the DOCR Mental Health Services section provides mental health treatment for inmates at the Montgomery County Correctional Facility. The Montgomery County Public Schools (MCPS) provides behavioral health services for students via school psychologists, school counselors, pupil personnel workers and other staff trained to provide mental health crisis support. Outside of the County Government and MCPS, significant, private resources are directed towards behavioral health services.

Councilmembers are interested in better understanding the interplay of public and private resources as they are directed towards behavioral health services and, in particular, understanding where or in what areas service gaps exist in Montgomery County and how these gaps can most effectively be addressed. This OLO report will examine these issues.

Specifically, OLO will build upon the March of 2014 Behavioral Health Action Plan Report released by the Healthy Montgomery Behavioral Health Work Group. It will:

- Provide an inventory of behavioral health services in the County, including those for special populations (e.g., correctional populations) and targeted issues (e.g., bullying),

- Examine if gaps in services exist in certain geographic areas and for certain demographic groups. and

- Examine if gaps exist in the continuum from wellness promotion to recovery.

- Identify approaches for addressing gaps in services.

In particular, as it seeks to identify approaches for addressing possible gaps in service, OLO will research and describe best practices for behavioral health systems as they exist in other jurisdictions, and as recommended by national mental health organizations. If applicable, OLO will offer recommendations about how other practices might be adapted in Montgomery County to address identified gaps.

Project #12
Management of the Council's Independent Audit Contracts

Principal Agency: County Government

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 Montgomery County Union Employees Deferred Compensation Plan.

Since 1991, the Council has assigned the Office of Legislative Oversight the responsibility to act as the Council's contract administrator and provide support to the Council during the period of audit engagement. OLO carries out these responsibilities with oversight and guidance from the Council's Audit Committee. The Audit Committee consists of the members of the Government Operations and Fiscal Policy Committee, with the Council President and Vice President serving as *ex officio* voting members.

The FY15 Independent Financial Audit NDA funds the independent audits of the FY14 financial statements issued by the County Government, the employee retirement plans, and the Montgomery County Union Employees Deferred Compensation Plan. FY15 is the second year of the Council's contract with CliftonLarsonAllen LLP to provide audit services. The contract can be extended for one additional year.

Project #13
Assist with Review of the FY16 Operating Budget

Principal Agencies: All County-funded agencies

During the spring of 2015, OLO staff will assist Central Council staff to prepare analyses for Committee and Council worksessions on the FY16 operating budget. This project is similar to OLO's operating budget-related assignment in recent years. For this portion of the FY15 Work Program, the OLO Director will work collaboratively with the Council Administrator to identify specific budget areas for OLO staff assistance. Priority consideration will be given to topics that OLO has studied before.

Additionally, OLO will assist the County Council on additional budget related analysis throughout the year. OLO will be on call to provide support and analysis for a limited number of tasks that may include fiscal impact statements, collective bargaining provisions that result from labor negotiations, non-competitive awards, or unanticipated items that arrive in agencies' budget proposals.

(15)

Project #14
Staff Support for the Council's Audit Function

Principal Agencies: All County-funded agencies

Council Resolution 16-826, adopted January 27, 2009, calls upon the Council's Government Operations and Fiscal Policy (GO) Committee "to continue to strengthen the Council's independent review and oversight of the County's financial reporting, management control, and audit activities." When performing these functions, the GO Committee meets as the Council's Audit Committee, with the Council President and Vice President serving as ex-officio voting members. The resolution requires the GO Committee to meet as the Council's Audit Committee at least four times a year.

Council Resolution 16-826 assigns the Office of Legislative Oversight the responsibility to coordinate staff support for the GO Committee when it meets as the Audit Committee. During FY15, the Committee is scheduled to receive regular updates from the Office of the Inspector General and the Office of Internal Audit, to continue its ongoing monitoring of the implementation of Oracle business software portion of the County Government's Enterprise Resource Management system, to submit an end-of-year report to the Council and to address other issues as needed.

As directed by Council resolution, OLO will ensure that the Committee receives "assistance from the Council staff, the Office of the Inspector General, Executive Branch and other County agency staff, and contractors with appropriate expertise" in carrying out its "oversight of financial reporting and risk assessment."

Project #15
November Supplement to Work Program

Principal Agencies: TBD

In order to better serve the needs of County Councilmembers, OLO is leaving space in its annual work program in order to add several to-be-determined work projects. These projects will be proposed to the Council in November of 2014 and, pending Council approval, be formally added to the work program two weeks after their introduction.

COUNTY COUNCIL
FOR MONTGOMERY COUNTY, MARYLAND

By: County Council

SUBJECT: Amendment to the FY15 Work Program of the Office of Legislative Oversight

Background

1.   On July 29, 2014 the Council adopted Resolution 17-1183 to establish the FY15 Work Program of the Office of Legislative Oversight. Resolution 17-1183 assigned the Office of Legislative Oversight 15 projects to be undertaken during the current fiscal year.

In order to more effectively meet the needs of the Council, OLO is pursuing several strategies that will allow it to be more flexible in the way it addresses Council priorities. To that end, assignment number 15 in the OLO Work Program was entitled "November Supplement to the Work Program." This was a placeholder intended to provide space for the Council to add needed projects.

2.   Since the approval of the OLO FY15 Work Program several projects, as described below, have been identified by Councilmembers as appropriate OLO assignments.

Action

The County Council for Montgomery County, Maryland approves the addition of the following projects to the Office of Legislative Oversight's FY15 Work Program. These projects are an addition to the OLO Work Program and will not require or result in any delays to those projects currently assigned in the FY15 OLO Work Program.

This is a correct copy of Council action.

Linda M. Lauer, Clerk of the Council

PROJECT #16
COMMISSION ON COMMON OWNERSHIP COMMUNITIES

Principal Agencies: Office of Common Ownership Properties
                          Office of Consumer Protection

A Common Ownership Community (COC) is a self-governing residential community that can: adopt and enforce rules regarding the appearance and use of common and privately-owned property in the association; assess annual dues for the maintenance of common property; and hold its members accountable for rule violations. Since the 1990s, Montgomery County has experienced significant growth in Common Ownership Communities, with approximately 40% of County residents now residing in one of these communities.

Created by County Code, the Commission on Common Ownership Communities (CCOC) advises the County Executive and the County Council on common ownership communities, promotes public awareness of rights and obligations of living in a common ownership community, and impartially settles disputes among homeowners, tenants, residents, boards of directors, and management companies. The increase in the number of Common Ownership Communities has led to a growth in both the number and complexity of homeowner disputes heard by the CCOC.

This OLO report will help the Council better understand how the CCOC currently functions and what changes, if any, might be made to the CCOC that would allow it to function more effectively in today's environment. OLO will examine the CCOC's current practices and policies, with specific focus on the following areas:

- The original CCOC mission and duties;
- The change in scope of CCOC operations and its impact on current practices;
- The current dispute resolution process; and
- Challenges in the current system and opportunities for streamlining and modernizing CCOC processes.

OLO will make recommendations regarding improvements to the current dispute resolution process and daily operations of the CCOC.

PROJECT #17
RESOURCES AND STAFFING AMONG MCPS SCHOOLS

Principal Agency: Montgomery County Public Schools

MCPS utilizes K-12 budget staffing guidelines to assign school-based staff to its 202 campuses.[1] MCPS also allocates funding for additional staffing and programming to deliver additional services to students with disabilities and struggling learners. For example, MCPS allocates additional staff to high-poverty elementary schools to help offset the impacts of poverty on student achievement.[2] MCPS also allocates additional staffing for its special education programs.[3]

Research on narrowing the achievement gap suggests that equalizing funding, reducing class sizes, enhancing teacher quality, and improving the curriculum and use of instructional interventions may help narrow the gap.[4] Research also shows that schools that tend to fall on the wrong side of the achievement gap (i.e., high-poverty schools) often have fewer resources to address the impact of poverty on student achievement, including more inexperienced teachers and higher staff turnover.

In recent conversations between the County Council and MCPS representatives, the question of whether differences in school staffing and experience contribute to gaps in performance between high- and low-poverty schools has been raised. A related question is whether MCPS invests more resources in high-poverty high schools than low-poverty ones to address student need.[5]

To help improve the Council's understanding and oversight of how MCPS funds schools to help narrow the achievement gap, this project will describe trends in resources and staffing among MCPS' high- and low-poverty schools. Further, OLO will compile data describing the costs of MCPS' general education programs to enable meaningful comparisons among schools that are not biased by the additional cost and staffing associated with specialized programs (e.g., special education, ESOL, and signature programs). Metrics to be reviewed and analyzed by OLO may include:

- Per pupil expenditures by grade span
- Per pupil salary costs
- Class sizes
- School size
- School capacity/overcrowding
- Professional positions per student
- Teacher experience and turnover
- Administrator experience and turnover
- Instructional interventions

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[1] http://www.montgomeryschoolsmd.org/uploadedFiles/departments/budget/fy2015/FY15_RecommendedOperatingBudget.pdf
[2] See http://www.montgomeryschoolsmd.org/leadingforequity/pdf/HarvardCase-DifferientiatedTreatment.pdf or pages 61-69 of OLO Report 2007-5 http://www.montgomerycountymd.gov/olo/resources/files/2007-5.pdf
[3] http://www.montgomeryschoolsmd.org/uploadedFiles/departments/budget/fy2015/FY15_RecommendedOperatingBudget.pdf
[4] See description of the Opportunity Gap and references to Barton and Coley (2009) and Darling-Hammond (2010) in OLO Report 2013-4 at http://www.montgomerycountymd.gov/olo/resources/files/oloreport2013-4.pdf
[5] See http://www.montgomeryschoolsmd.org/uploadedFiles/Letter-to-Councilmember-Branson-5.1.14.pdf

PROJECT #18
MEMO ASSIGNMENTS AS NEEDED

Principal Agencies: All

In order to better meet the needs of Councilmembers, OLO will leave space on its work program to conduct small scale research reports.   Upon the request of Councilmembers and the approval of the Council President, OLO will, on an as-needed basis, add assignments to its Work Program that are smaller in scale than typical OLO assignments. These reports will be published in a memo format and address topics that arise over the course of the year.

One of OLO's FY15 priorities is to provide more flexibility in its ability to take on and complete research assignments that arise over the course of the year. Projects that are added to the Work Program under Project #18 will be released in the same manner as past OLO projects but will not necessarily be referred to a committee for discussion. They will be research based and require only minimal interaction with staff of other government agencies.

Three of these projects that OLO will undertake during FY15 have already been assigned:

1. To organize resources to better address the education and employment challenges facing County youth, the Ready for Tomorrow: Education and Workforce Summit was convened on October 18, 2014. The summit brought together community members, non-profits, the business community, and policymakers to make recommendations for addressing the achievement gap and preparing the workforce for tomorrow. To capture key lessons learned from the Summit, OLO will draft a proceedings document with the intent that it serve as a potential blueprint for coordinating future efforts.

2. In many jurisdictions, an Inspector General or similar type of entity examines relevant issues that arise in the local school system. Councilmembers want to know which jurisdictions employ an Inspector General or similar type of entity to examine school system-related issues and the experiences of these jurisdictions.

3. An economic impact statement estimates the costs and benefits to private organizations and individuals in the County attributable to a legislative action (see County Code, Sec. 2-81B). In order to support the Council's review of economic impact statements, OLO will compile questions that should be answered by the Executive when submitting economic impact statements. OLO expects this will include different questions for different classes of legislation (e.g., public health and safety, environmental protection, contracting) in order to help clarify how enactment of a bill could affect employment, business retention, private investment, income levels, property values and other economic conditions in the County. OLO staff will confer will Council central staff to develop these questions.