

Management and Budget

MISSION STATEMENT

The mission of the Office of Management and Budget (OMB) 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 by developing, promulgating, and applying appropriate budgetary policies and procedures; providing accurate, timely, and objective information and recommendations to the County Executive, County departments, the County Council, and the general public; preparing and administering the operating and capital budgets in compliance with the County Charter, generally accepted accounting principles, and the policy agendas of elected officials; and ensuring that available resources are efficiently allocated and productively used.

BUDGET OVERVIEW

The total recommended FY15 Operating Budget for the Office of Management and Budget is \$3,917,013, an increase of \$46,546 or 1.2 percent from the FY14 Approved Budget of \$3,870,467. Personnel Costs comprise 96.8 percent of the budget for 34 full-time positions, and a total of 29.00 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 3.2 percent of the FY15 budget.

LINKAGE TO COUNTY RESULT AREAS

While this program area supports all eight of the County Result Areas, the following are emphasized:

❖ *A Responsive, Accountable County Government*

DEPARTMENT PERFORMANCE MEASURES

Performance measures for this department are included below. The FY14 estimates reflect funding based on the FY14 approved budget. The FY15 and FY16 figures are performance targets based on the FY15 recommended budget and funding for comparable service levels in FY16.

Measure	Actual FY12	Actual FY13	Estimated FY14	Target FY15	Target FY16
Program Measures					
Overall Government Finance Officers Association (GFOA) Distinguished Budget Presentation Award ratings - percent rated outstanding or proficient ¹	97.5	98.5	98.5	98.5	98.5
Percentage of customers rating OMB services as good or very good on the OMB Customer Survey for the budget process ²	79.4	75.0	77.5	80.0	82.5
Percentage of customers rating the ability of OMB staff to provide effective support in solving problems as good or very good on the OMB Customer Survey for the budget process	93.6	83.3	85.0	87.5	90.0
Percentage of customers rating the quality of OMB training and instructional materials as good or very good on the OMB Customer Survey for the budget process	77.6	82.0	85.0	85.0	85.0
Average number of days to process requests: Budget Adjustment	10.5	5.0	5.0	3.0	3.0
Average number of days to process requests: County Executive Correspondence	6.5	9.0	10.0	10.0	10.0
Average number of days to process requests: Future fiscal impacts of legislation	7.4	10.0	10.0	9.0	9.0

¹ The fiscal year shown for GFOA ratings corresponds to the fiscal year during which the budget was prepared (e.g, FY10 GFOA results apply to the FY11 budget document, which was prepared during FY10).

² The fiscal year shown in connection with all OMB Customer Survey results corresponds to the fiscal year during which the budget was prepared (e.g. FY10 results apply to the process of preparing the FY11 budget, which occurred during FY10).

ACCOMPLISHMENTS AND INITIATIVES

- ❖ *Provided solutions for closing approximately \$2.9 billion in budgetary operating budget shortfalls between FY08 and FY15 to produce balanced budgets while preserving critical services and advancing key County priorities.*
- ❖ *Assisted in development of new Business Intelligence (BI) Dashboards for departments to monitor Financial and Human Resource data (e.g., Budget to Actuals; Authorized Positions) and also Dashboards related to Key Performance Indicators such as average length of time it takes to pay an invoice and department/county overtime and leave.*
- ❖ *OMB is in the process of expanding Montgomery County's Open Data initiative by launching two new offerings. First, OMB will be one of the first state or local governments to produce an interactive online publication of a Budget Book. By publishing the Budget Book online, OMB will greatly reduce printing costs, allow accessibility for readers with disabilities, significantly decrease the amount of time and effort staff spend producing the publication, and allow for rich content (video, audio, interactive maps and charts, data tables and more). Secondly, OMB is working with the Finance Department to create a high-level, story board view of the fiscal status in Montgomery County. This new online application, called the Financial Transparency Module, will allow residents to easily view charts, graphs, maps, and data tables to quickly understand the economic situation across the County.*
- ❖ *Worked with departments and agencies beginning two years ago to reduce general obligation bond issuance by \$140 million, or 7.3 percent, to rein in debt service costs. These actions made it possible to raise debt levels beginning in FY15 to support additional MCPS school capacity projects.*
- ❖ *Convened working groups to review cross-departmental issues with a goal of increasing coordination and collaboration, prioritizing budget requests, and streamlining operations.*
- ❖ *During FY14, OMB conducted 10 training sessions on operating and capital budget development and BI Tool overviews. Sessions were attended by approximately 305 County and Agency staff.*
- ❖ *OMB reviewed and made recommendations on 273 community grant applications for FY15 awards, an increase of 41% from the previous year.*
- ❖ **Productivity Improvements**
 - *OMB developed an internal, web-based Content Management System (CMS) to organize documentation, improve accessibility, create dashboards and status reports. The CMS (named eBudget), also serves a variety of administrative functions such as tracking documents, scheduling meetings, providing employee reference guides, and managing leave requests. eBudget serves as a central portal for users to access all OMB related applications. OMB was able to implement the solution with no software costs, eliminate maintenance of outdated software/databases, and by leveraging DTS's Enterprise Server Virtualization, keep hardware costs at a minimum. The result has been improved productivity, accuracy, and accountability.*
 - *Streamlined Encumbrance Liquidation process by preparing Purchasing Dashboard reports to make it easy for departments to review their outstanding Purchase Order (PO) Balances and submit items to OMB for liquidation. Worked with Finance and Procurement to develop a new policy for automatically deleting POs with a balance of \$100 or less.*

PROGRAM CONTACTS

Contact Darlene Fairfax of the Office of Management and Budget at 240.777.2766 or Amy Wilson of the Office of Management and Budget at 240.777.2775 for more information regarding this department's operating budget.

PROGRAM DESCRIPTIONS

Budget Preparation and Administration

The Budget Preparation and Administration program covers the annual preparation of the Capital Budget, the six-year Public Services Program and Operating Budget, and the various activities designed to ensure compliance with the County Charter and decisions of elected officials. The six-year Capital Improvements Program is prepared during even-numbered calendar years. Fiscal policy and procedures are developed to ensure conformity with generally accepted accounting principles and County policies.

Six-year fiscal projections are prepared, including the identification of various Executive fiscal policy proposals and planning allocations. Fiscal planning assumptions and debt capacity analyses are updated, guidance is provided to departments and agencies, and budget recommendations are given to the Executive and Council. In addition, special analyses to monitor expenditures and revenues are conducted periodically during the year. County Executive transfers, Council transfers, and supplemental appropriations

are reviewed and processed as are transactions involving the creation, deletion, and movement of positions in the official position complement.

Related work includes participation in collective bargaining and compensation policy development; fiscal management and policy development; management analyses; measurement initiatives; program evaluations; fiscal impact analyses of legislation and regulations; development and amendment of administrative procedures; development and monitoring of user fees and other revenues; grants coordination; and contract review. The office's leadership, administration, automation, and process management are also included in this program. Staff provide OMB representation on a number of committees including the Contract Review Committee, the Interagency Group on Energy and Utilities Management, the Board of Investment Trustees, the Diversity Council, the Telecommunications Transmission Facility Coordinating Group, the Labor Relations Policy Committee, the ERP Steering Committee, the Information Technology Policy Advisory Committee, the Public Safety System Modernization project, and the Rapid Transit Steering Committee.

BUDGET SUMMARY

	Actual FY13	Budget FY14	Estimated FY14	Recommended FY15	% Chg Bud/Rec
COUNTY GENERAL FUND					
EXPENDITURES					
Salaries and Wages	2,582,932	2,951,821	2,643,843	2,979,376	0.9%
Employee Benefits	778,236	810,836	908,468	810,958	0.0%
County General Fund Personnel Costs	3,361,168	3,762,657	3,552,311	3,790,334	0.7%
Operating Expenses	168,344	107,810	209,878	126,679	17.5%
Capital Outlay	0	0	0	0	—
County General Fund Expenditures	3,529,512	3,870,467	3,762,189	3,917,013	1.2%
PERSONNEL					
Full-Time	32	33	33	34	3.0%
Part-Time	0	0	0	0	—
FTEs	27.50	28.00	28.00	29.00	3.6%

FY15 RECOMMENDED CHANGES

	Expenditures	FTEs
COUNTY GENERAL FUND		
FY14 ORIGINAL APPROPRIATION	3,870,467	28.00
Other Adjustments (with no service impacts)		
Increase Cost: FY15 Compensation Adjustment	152,989	0.00
Increase Cost: Project SEARCH Position To Provide Office and IT Support	46,585	1.00
Increase Cost: Contractual Services to Support Community Grants Process, IT Support, and Professional Services	17,500	0.00
Increase Cost: Retirement Adjustment	7,533	0.00
Increase Cost: Group Insurance Adjustment	5,415	0.00
Increase Cost: Printing and Mail	1,369	0.00
Decrease Cost: Annualization of FY14 Personnel Costs	-184,845	0.00
FY15 RECOMMENDED:	3,917,013	29.00

CHARGES TO OTHER DEPARTMENTS

Charged Department	Charged Fund	FY14		FY15	
		Total\$	FTEs	Total\$	FTEs
COUNTY GENERAL FUND					
CIP	CIP	648,264	4.50	688,365	4.50
Human Resources	Employee Health Benefit Self Insurance	72,221	0.50	83,436	0.50
Total		720,485	5.00	771,801	5.00

FUTURE FISCAL IMPACTS

Title	CE REC. FY15	FY16	FY17	(\$000's) FY18	FY19	FY20
This table is intended to present significant future fiscal impacts of the department's programs.						
COUNTY GENERAL FUND						
Expenditures						
FY15 Recommended	3,917	3,917	3,917	3,917	3,917	3,917
No inflation or compensation change is included in outyear projections.						
Labor Contracts	0	43	43	43	43	43
These figures represent the estimated annualized cost of general wage adjustments, service increments, and associated benefits.						
Labor Contracts - Other	0	-4	-4	-4	-4	-4
These figures represent other negotiated items included in the labor agreements.						
Subtotal Expenditures	3,917	3,957	3,957	3,957	3,957	3,957