

# Economic Development

## MISSION STATEMENT

The mission of the Department of Economic Development is to develop and implement strategies that will produce business and employment opportunities for residents of the County, expand the County's economic base, enhance the competitiveness of businesses located in the County, and promote the locational advantages of the County.

## BUDGET OVERVIEW

The total approved FY08 Operating Budget for the Department of Economic Development is \$10,973,360, an increase of \$1,139,830 or 11.6 percent from the FY07 Approved Budget of \$9,833,530. Personnel Costs comprise 49.4 percent of the budget for 53 full-time positions and six part-time positions for 50.8 workyears. Operating Expenses account for the remaining 50.6 percent of the FY08 budget.

Not included in the above is a total of \$378,860 and 3.6 workyears that are charged to: Capital Improvements Program - CIP (\$268,890, 2.6 WYs); and Economic Development Fund (\$109,970, 1.0 WY). The funding and workyears for these items are included in the receiving departments' budgets.

In addition, this department's Capital Improvements Program (CIP) requires Current Revenue funding.

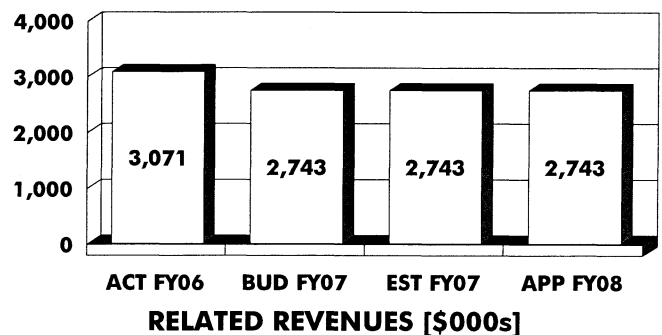
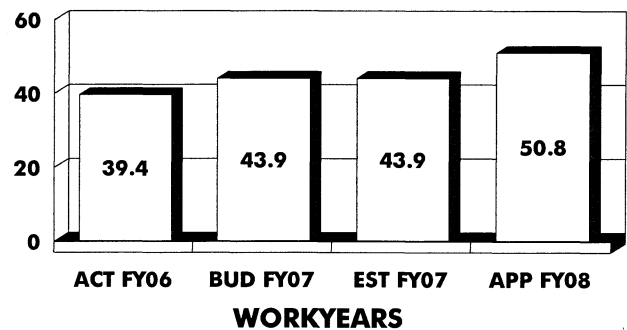
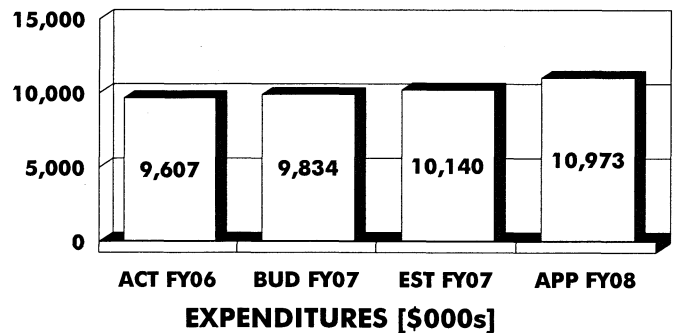
## HIGHLIGHTS

- ❖ **Add dedicated incubator specialists to both the Silver Spring Innovation Center and the Rockville Innovation Center to address immediate concerns and problems at the facility on any given day.**
- ❖ **Continued outreach and marketing of the Local Small Business Reserve Program.**
- ❖ **Open the Rockville Innovation Center and the Germantown Innovation Center.**
- ❖ **Gang and Youth Violence Initiative - Provide summer jobs for 40 youth in Germantown, Wheaton and Silver Spring.**
- ❖ **Increase funding by \$80,000 to support operations at the Wheaton Business Innovation Center.**
- ❖ **Increase funding by \$600,000 to support operations at the Germantown Innovation Center.**
- ❖ **Productivity Enhancements**
  - **Full integration of the new database software for business prospects, which provides staff the ability to monitor prospect development in real time and from any location.**

## Program Summary

|   | Expenditures      | WYs         |
|---|-------------------|-------------|
| Marketing and Business Development            | 1,907,070         | 12.0        |
| Workforce Investment Services                 | 4,002,310         | 7.8         |
| Agricultural Services                         | 970,960           | 7.2         |
| Finance, Administration, and Special Projects | 2,468,730         | 10.0        |
| Office of the Director                        | 1,624,290         | 13.8        |
| <b>Totals</b>                                 | <b>10,973,360</b> | <b>50.8</b> |

## Trends



- Purchase of In-Design software to allow current marketing staff to design, produce and edit collateral materials.

- Purchase and implementation of teleconferencing tools within the Department and incubators to encourage participation in programs and meetings without having to leave the work location.

- Renegotiated lease at One-Stop site in Wheaton so that the County is paying the lease directly instead of having the lease administered through the One-Stop vendor.

- Renewed rent space in Wheaton for the Sales and Service Learning Center (SSLC) for three more years rent free.

- Implementation of the Maryland Workforce Exchange system, which is a virtual One-Stop Career Center that connects businesses and job seekers.

- Allow other County departments use of the Department of Economic Development's existing marketing contracts, which has resulted in both time savings and fiscal savings for the County.

development of high technology and professional services companies, as well as the attraction and retention of national headquarters of non-profit organizations and Federal agencies.

Activities and materials are directed toward achieving balanced economic growth with a positive business climate and are often closely coordinated with local, regional and State partners, such as the Maryland State Department of Business and Economic Development (DBED) and the Greater Washington Initiative (GWI).

### FY08 Changes

|               | Expenditures | WYs  |
|---------------|--------------|------|
| FY07 Approved | 1,897,280    | 12.8 |
| FY08 Approved | 1,907,070    | 12.0 |

### Workforce Investment Services

The mission of the Montgomery County Division of Workforce Investment Services (DWIS) is to ensure that Montgomery County has a well-prepared, educated, trained, and adaptable workforce to meet the current and future needs of business, and that the County workforce has the tools and resources to successfully compete in an evolving economy.

DWIS is advised by a 30-member Workforce Investment Board (WIB), composed of business representatives (51%), community leaders and public officials. The board is appointed by the County Executive in accordance with the Workforce Investment Act (WIA) of 1998 and Montgomery County Executive Order No. 159-02. The DWIS staff provide support to the Board by implementing directives and policy initiatives.

DWIS is funded by approximately \$3 million in Federal Government, State of Maryland and Montgomery County funds. The majority of funds are received under WIA to implement the One-Stop career system. This system, operated locally as MontgomeryWorks, provides an array of vocational assessment, job readiness, job training and job placement services to dislocated workers, low-income adults, older workers, disadvantaged workers and youth. Program staff provide overall administrative support of the WIA grants, and are responsible for fiscal monitoring and accounting, program monitoring and review, new program development and grants, legislative development, and contract management of several service providers for the WIA and County programs. The WIB provides policy oversight and guidance for the expenditure of these funds enabling local business, public and private sectors to work collaboratively in meeting the workforce development needs of Montgomery County.

Services are provided at the MontgomeryWorks One-Stop Workforce Centers in Wheaton and Gaithersburg, which are operated as a consortium with the Maryland Job Service and the Career Transition Center, Inc. (CTC), and numerous other non-profit and local agency partners. MontgomeryWorks served over 9,800 adult and youth residents in FY06 with core services, intensive counseling services and the purchase of occupational skills training.

## PROGRAM CONTACTS

Contact Peter Bang of the Department of Economic Development at 240.777.2008 or Alison Dollar of the Office of Management and Budget at 240.777.2781 for more information regarding this department's operating budget.

## PROGRAM DESCRIPTIONS

### Marketing and Business Development

This program promotes the assets, advantages and opportunities available within Montgomery County for domestic and international businesses and provides services and activities that result in the attraction and retention of those businesses to the County. This includes small businesses, as well as specialized industry sectors including telecommunications, biotechnology, information technology, advanced engineering and professional services. A major focus of the program is on leads generated by the Department's business development specialists.

Promotional activities include media relations; event coordination; local, regional, national and international advertising; and development of informational and sales materials. These efforts help to position the County in a highly competitive environment, and they set the stage for direct contact. Business specialists meet with company representatives during business visits, conferences and other events to offer assistance. They also serve as liaisons to business organizations to help identify and assist new and expanding companies. Assistance includes needs assessment, financial and training assistance, site identification and expediting and coordinating development. The program provides clients with land-use planning expertise, economic analysis, financing and international trade assistance. Programs also include the

**FY08 Changes**

- Gang and Youth Violence Initiative - Provide summer jobs for 40 youth in Germantown, Wheaton and Silver Spring.*

|                      | Expenditures     | WYs        |
|----------------------|------------------|------------|
| <b>FY07 Approved</b> | <b>3,758,530</b> | <b>4.0</b> |
| <b>FY08 Approved</b> | <b>4,002,310</b> | <b>7.8</b> |

**Agricultural Services**

This program encompasses the promotion of agriculture as a viable component of the County's business and economic sector, as well as the preservation of farmland as a resource for future agricultural production capabilities. The Department of Economic Development co-sponsors farmers' markets, an annual farm tour, and other activities which promote agricultural products. The goal of the Agricultural Preservation Program is to acquire easements to protect 70,000 acres of farmland in the Agricultural Reserve by the year 2010. Agricultural Services also provides farmers with zoning and master plan technical assistance and coordinates the County's Weed Control program.

The Montgomery Soil Conservation District (MSCD) is considered a political subdivision of the State and is staffed by County, State, and Federal employees. Programs offered by MSCD include an array of technical advice for conservation and natural resource planning, as well as a variety of educational opportunities. MSCD staff assist farmers and landowners in the county with Soil Conservation and Water Quality Plans, provide technical assistance for conservation practices, and administer a variety of Federal and State cost-share programs which help fund projects to prevent soil erosion and improve water quality. Many of these programs are designed to help protect local waterways and the Chesapeake Bay. The MSCD provides a number of programs that focus on educating Montgomery County residents about the benefits of agriculture, conservation, and natural resources management. Other services include small pond review, drainage advice for residential landowners, and administering the Cover Crop program in the county.

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

**FY08 Changes**

|                      | Expenditures   | WYs        |
|----------------------|----------------|------------|
| <b>FY07 Approved</b> | <b>933,900</b> | <b>7.2</b> |
| <b>FY08 Approved</b> | <b>970,960</b> | <b>7.2</b> |

**Finance, Administration, and Special Projects**

This program is responsible for all departmental administrative efforts, which enable direct services for fiscal and contract management, strategic planning, and special projects. This program administers three financing programs under the Economic Development Fund: the Economic Development Grant and Loan program, the Technology Growth program, and the Small Business Revolving Loan program.

This program also works in concert with Marketing and Business Development to promote the development of high technology and professional services companies within Montgomery County. In addition, the program oversees the development and management of the Shady Grove Life Sciences Center and planning for several new science and technology centers in Germantown at the Montgomery College campus and East County in the White Oak area. The program also oversees the management of the Maryland Technology Development Center (MTDC), the Silver Spring Innovation Center (SSIC), the Johns Hopkins Belward Research Campus, and planning and implementing various development projects with long-term positive impact to the county.

This program is also responsible for the administration of the Local Small Business Reserve Program. The Local Small Business Reserve Program was created to enhance the competitiveness of County-based small businesses by creating separately defined County procurement opportunities for local small businesses.

**FY08 Changes**

- Open the Rockville Innovation Center and the Germantown Innovation Center.*
- Increase funding by \$600,000 to support operations at the Germantown Innovation Center.*
- Increase funding by \$80,000 to support operations at the Wheaton Business Innovation Center.*
- Continued outreach and marketing of the Local Small Business Reserve Program.*

|                      | Expenditures     | WYs         |
|----------------------|------------------|-------------|
| <b>FY07 Approved</b> | <b>2,007,780</b> | <b>10.4</b> |
| <b>FY08 Approved</b> | <b>2,468,730</b> | <b>10.0</b> |

**Office of the Director**

The Department of Economic Development is organized to promote team-based approaches to implementing economic development initiatives. This program provides overall direction and supervision for all programs, policies and representation of the Department. The Office of the Director functions as a liaison to local, State, Federal, and international governments; the community; small and minority owned businesses; and private industry partners, and serves as the leader in developing and implementing economic development opportunities for

The major focus of the program is to establish and maintain high-level relationships with local government and private industry organizations, State and Federal agencies, and national and international governments and organizations. These important contacts are sought through meetings, trade shows and conferences, national and international missions, and other major events that provide exposure and opportunities to market and promote the County's economic vision.

Also housed in the Office of the Director is the Department's business incubator program and small and minority business services program. The County's Business Incubator Network currently has three facilities in operation. These incubators, housed in 90,000 square feet of space, provide office space and lab facilities, high-level technical assistance and innovative programming to 75 budding entrepreneurial businesses. The program, which will add two more incubators to its inventory, also contains a virtual incubator endeavor, which provides services to businesses, but not office space.

Within the Office of the Director, a variety of programs and services are provided to the County's small and minority business community, including technical publications and services, workshops and conferences, the business mentorship program and events targeted to such areas as procurement and contracting. The Action Business Committee and the Manager of Business Empowerment also provide advice on strategies that address the unique needs of small and minority businesses.

**FY08 Changes**

- Add dedicated incubator specialists to both the Silver Spring Innovation Center and the Rockville Innovation Center to address immediate concerns and problems at the facility on any given day.*

|                      | <b>Expenditures</b> | <b>WYs</b>  |
|----------------------|---------------------|-------------|
| <b>FY07 Approved</b> | <b>1,236,040</b>    | <b>9.5</b>  |
| <b>FY08 Approved</b> | <b>1,624,290</b>    | <b>13.8</b> |

# BUDGET SUMMARY

|  | Actual<br>FY06   | Budget<br>FY07   | Estimated<br>FY07 | Approved<br>FY08  | % Chg<br>Bud/App |
|--|------------------|------------------|-------------------|-------------------|------------------|
| <b>COUNTY GENERAL FUND</b>                 |                  |                  |                   |                   |                  |
| <b>EXPENDITURES</b>                        |                  |                  |                   |                   |                  |
| Salaries and Wages                         | 2,670,617        | 3,249,760        | 3,292,070         | 4,099,010         | 26.1%            |
| Employee Benefits                          | 821,493          | 1,030,920        | 1,055,200         | 1,198,510         | 16.3%            |
| <b>County General Fund Personnel Costs</b> | <b>3,492,110</b> | <b>4,280,680</b> | <b>4,347,270</b>  | <b>5,297,520</b>  | <b>23.8%</b>     |
| Operating Expenses                         | 3,089,983        | 2,852,850        | 3,093,170         | 2,975,840         | 4.3%             |
| Capital Outlay                             | 0                | 0                | 0                 | 0                 | —                |
| <b>County General Fund Expenditures</b>    | <b>6,582,093</b> | <b>7,133,530</b> | <b>7,440,440</b>  | <b>8,273,360</b>  | <b>16.0%</b>     |
| <b>PERSONNEL</b>                           |                  |                  |                   |                   |                  |
| Full-Time                                  | 42               | 48               | 48                | 52                | 8.3%             |
| Part-Time                                  | 3                | 2                | 2                 | 5                 | 150.0%           |
| Workyears                                  | 39.4             | 43.9             | 43.9              | 49.0              | 11.6%            |
| <b>REVENUES</b>                            |                  |                  |                   |                   |                  |
| State Salary Reimb: Soil Cons District Mgr | 46,615           | 42,910           | 42,910            | 42,910            | —                |
| <b>County General Fund Revenues</b>        | <b>46,615</b>    | <b>42,910</b>    | <b>42,910</b>     | <b>42,910</b>     | <b>—</b>         |
| <b>GRANT FUND MCG</b>                      |                  |                  |                   |                   |                  |
| <b>EXPENDITURES</b>                        |                  |                  |                   |                   |                  |
| Salaries and Wages                         | 0                | 0                | 0                 | 96,880            | —                |
| Employee Benefits                          | 0                | 0                | 0                 | 30,700            | —                |
| <b>Grant Fund MCG Personnel Costs</b>      | <b>0</b>         | <b>0</b>         | <b>0</b>          | <b>127,580</b>    | <b>—</b>         |
| Operating Expenses                         | 3,024,786        | 2,700,000        | 2,700,000         | 2,572,420         | -4.7%            |
| Capital Outlay                             | 0                | 0                | 0                 | 0                 | —                |
| <b>Grant Fund MCG Expenditures</b>         | <b>3,024,786</b> | <b>2,700,000</b> | <b>2,700,000</b>  | <b>2,700,000</b>  | <b>—</b>         |
| <b>PERSONNEL</b>                           |                  |                  |                   |                   |                  |
| Full-Time                                  | 0                | 0                | 0                 | 1                 | —                |
| Part-Time                                  | 0                | 0                | 0                 | 1                 | —                |
| Workyears                                  | 0.0              | 0.0              | 0.0               | 1.8               | —                |
| <b>REVENUES</b>                            |                  |                  |                   |                   |                  |
| Naval Surface Warfare Center               | 58,000           | 0                | 0                 | 0                 | —                |
| Workforce Investment Act Grants            | 1,833,369        | 2,700,000        | 2,700,000         | 2,700,000         | —                |
| Disability Grant:Workforce Invest Serv     | 741,076          | 0                | 0                 | 0                 | —                |
| WIS - State Funds                          | -1,524           | 0                | 0                 | 0                 | —                |
| Disability Program Navigator               | 160,720          | 0                | 0                 | 0                 | —                |
| MD Incumbent Worker                        | 98,792           | 0                | 0                 | 0                 | —                |
| TEDCO Grant                                | 2,377            | 0                | 0                 | 0                 | —                |
| Statewide 50% Training                     | 49,108           | 0                | 0                 | 0                 | —                |
| MD Healthcare Incumbent Worker             | 8,521            | 0                | 0                 | 0                 | —                |
| MD Youth Demo                              | 50,347           | 0                | 0                 | 0                 | —                |
| MD Neg Brac                                | 24,000           | 0                | 0                 | 0                 | —                |
| <b>Grant Fund MCG Revenues</b>             | <b>3,024,786</b> | <b>2,700,000</b> | <b>2,700,000</b>  | <b>2,700,000</b>  | <b>—</b>         |
| <b>DEPARTMENT TOTALS</b>                   |                  |                  |                   |                   |                  |
| <b>Total Expenditures</b>                  | <b>9,606,879</b> | <b>9,833,530</b> | <b>10,140,440</b> | <b>10,973,360</b> | <b>11.6%</b>     |
| <b>Total Full-Time Positions</b>           | <b>42</b>        | <b>48</b>        | <b>48</b>         | <b>53</b>         | <b>10.4%</b>     |
| <b>Total Part-Time Positions</b>           | <b>3</b>         | <b>2</b>         | <b>2</b>          | <b>6</b>          | <b>200.0%</b>    |
| <b>Total Workyears</b>                     | <b>39.4</b>      | <b>43.9</b>      | <b>43.9</b>       | <b>50.8</b>       | <b>15.7%</b>     |
| <b>Total Revenues</b>                      | <b>3,071,401</b> | <b>2,742,910</b> | <b>2,742,910</b>  | <b>2,742,910</b>  | <b>—</b>         |

# FY08 APPROVED CHANGES

|   | Expenditures     | WYs         |
|---|------------------|-------------|
| <b>COUNTY GENERAL FUND</b>  |                  |             |
| <b>FY07 ORIGINAL APPROPRIATION</b>  | <b>7,133,530</b> | <b>43.9</b> |
| <b><u>Changes (with service impacts)</u></b>  |                  |             |
| Add: Germantown Innovation Center Subsidy [Finance, Administration, and Special Projects]   | 600,000          | 1.0         |
| Add: Rockville Innovation Center Incubator Specialist Position [Office of the Director]   | 88,000           | 1.0         |
| Add: Silver Spring Innovation Center Incubator Specialist Position [Office of the Director]   | 88,000           | 1.0         |
| Enhance: Funding to support Wheaton Business Incubator Operations [Finance, Administration, and Special Projects]                                     | 80,000           | 0.0         |
| Add: Gang and Youth Violence Prevention Initiative: Summer Jobs for 40 youth in Germantown, Wheaton and Silver Spring [Workforce Investment Services] | 50,000           | 0.0         |
| Eliminate: Maritime Technology Alliance [Marketing and Business Development]  | -15,000          | 0.0         |
| Reduce: Operating funds to cover increased personnel costs for interns [Finance, Administration, and Special Projects]                                | -16,800          | 0.0         |
| Reduce: National Work-Life Alliance (Alliance for Workplace Excellence) [Workforce Investment Services]   | -25,000          | 0.0         |
| <b><u>Other Adjustments (with no service impacts)</u></b>   |                  |             |
| Increase Cost: General Wage and Service Increment Adjustments   | 242,720          | 0.0         |
| Increase Cost: Annualization of FY07 Personnel Costs  | 152,980          | 0.0         |
| Increase Cost: Annualization of FY07 Lapsed Positions   | 44,920           | 0.5         |
| Increase Cost: Expansion of the Wheaton Business Incubator [Finance, Administration, and Special Projects]  | 20,000           | 0.0         |
| Increase Cost: MLS Adjustment   | 17,060           | 0.0         |
| Increase Cost: Summer Intern Positions [Office of the Director]   | 16,800           | 0.6         |
| Increase Cost: Retirement Rate Adjustment   | 10,610           | 0.0         |
| Increase Cost: Motor Pool Rate Adjustment   | 3,520            | 0.0         |
| Increase Cost: Printing and Mail Adjustments  | 3,020            | 0.0         |
| Increase Cost: Labor Contracts - Other  | 1,700            | 0.0         |
| Shift: LSBRP Operating funds to Personnel   | 0                | 0.3         |
| Shift: Workforce Investment Operating to Personnel [Workforce Investment Services]  | 0                | 1.0         |
| Decrease Cost: Group Insurance Rate Adjustment  | -22,250          | 0.0         |
| Decrease Cost: Miscellaneous Operating Expenses   | -22,630          | 0.0         |
| Decrease Cost: Budgeted Lapse   | -28,110          | -0.3        |
| Decrease Cost: Annualization of FY07 Operating Expenses   | -49,710          | 0.0         |
| Decrease Cost: Elimination of One-Time Items Approved in FY07   | -100,000         | 0.0         |
| <b>FY08 APPROVED:</b>   | <b>8,273,360</b> | <b>49.0</b> |
| <b>GRANT FUND MCG</b>   |                  |             |
| <b>FY07 ORIGINAL APPROPRIATION</b>  | <b>2,700,000</b> | <b>0.0</b>  |
| <b><u>Other Adjustments (with no service impacts)</u></b>   |                  |             |
| Shift: Workforce Grants [Workforce Investment Services]   | 0                | 1.8         |
| <b>FY08 APPROVED:</b>   | <b>2,700,000</b> | <b>1.8</b>  |