

MEMORANDUM

April 28, 2021

TO: Government Operations and Fiscal Policy Committee

FROM: Carlos Camacho, Legislative Analyst

SUBJECT: **Office of Intergovernmental Relations FY22 Operating Budget**

PURPOSE: Make Committee recommendations for Council Consideration

Expected Participants:

- Melanie Wenger, Director, Office of Intergovernmental Relations (OIR)
- Wanda Wells, Administrative Specialist, OIR
- Jane Mukira, Fiscal and Policy Analyst, Office of Management and Budget (OMB)
- Dale Tibbits, Special Assistant, Office of the County Executive (CEX)
- Jerome Fletcher, Assistant Chief Administrative Officer, CEX

Summary of FY22 Recommended Budget and Key Discussion Issues

Office of Intergovernmental Relations	FY21 Approved	FY22 CE Recommended	Change from FY21 Approved
General Fund	\$1,136,428	\$1,150,352	1.2%
Personnel Costs	\$935,035 5.3 FTEs	\$959,139 5.3 FTEs	2.6% --
Operating Costs	\$201,393	\$191,213	(5.1%)
Grant Fund	\$15,335	\$15,335	--
Personnel Costs	-- --	-- --	-- --
Operating Costs	\$15,335	\$15,335	--
Total Expenditures (All Funds)	\$1,151,763 5.3 FTEs	\$1,165,687 5.3 FTEs	1.2% --

Council staff has identified the following key issues/recommendations for Council discussion:

- Proposal from the County Executive to move funds for a professional services contract regarding federal real estate from OIR to CEX.

A. FY22 Budget Overview

The mission of the Office of Intergovernmental Relations is to represent the County's interests at the regional, State, and Federal levels and acts as the lead Executive Branch agency representing the County in the Maryland Association of Counties and the National Association of Counties.

In FY22, the County Executive is recommending a budget of \$1,150,352, an increase of 13,924 or 1.2% compared to FY21. Personnel costs comprise the majority of OIR's budget at 82%.

OIR's budget also includes \$15,335 in matching grant funds from the State for Base Realignment and Closure (BRAC) activities. This grant funds contractual work with all related State, Federal and local jurisdictions to monitor issues and keep officials informed. The grant amount remains unchanged in FY22.

B. Expenditures Changes in FY22 Budget

The table below shows the County Executive's recommended changes to OIR's FY22 budget. Increases to OIR's budget are primarily due to compensation and benefits adjustments and annualizations, and none of the recommended changes are expected to have a service impact.

Adjustments with no service impacts	
Increase Cost: FY21 Compensation Adjustment	\$15,423
Increase Cost: FY22 Compensation Adjustment	\$5,741
Increase Cost: Annualization of FY21 Personnel Costs	\$2,797
Increase Cost: Retirement Adjustment	\$143
Decrease Cost: Print and Mail Adjustment	(\$3)
Decrease Cost: Professional Services [Intergovernmental Relations]	(\$10,177)
Total	13,924

C. County Executive Proposal for Federal Real Estate Contract

In the FY21 Savings Plan, the County Executive proposed eliminating the professional services federal real estate contract. When the GO Committee reviewed the County Executive's Savings Plan on February 22, 2021, the Committee expressed concern regarding the potential service impact this may have and asked for more information regarding the County Executive's plan for this contract moving forward. The Committee also discussed whether or not this contract should be moved to a different department that would better align with the objectives of the contract.

In addition, the contract was set to expire on March 3, 2021, which would have created a gap in services even if the Council rejected the County Executive's recommended reduction.

After follow-up, the Committee concurred with an updated plan from the Executive to: 1) maintain the FY21 funding for the contract; 2) have OIR extend the current contract for 8 months using the FY21 funds to ensure there is no gap in services; and 3) allow the Executive more time to formulate

a plan for how these services should be provisioned in the long-term, including which department would be best positioned to manage these services going forward.

The County Executive is now recommending that funding for this contract be shifted to the Business Advancement Team (BAT) within the Office of the County Executive (CEX) and provided the following rationale:

This contract was previously administered by Department of Economic Development (DED) staff. Once DED was dissolved, the contract was transferred to OIR, and OIR staff, in close coordination with CEX staff, have administered it. With the creation of the Business Advancement Team (BAT) in CEX, moving this contract administration and funding to CEX makes sense operationally as the scope of the contract aligns with the BAT's mission and BAT staff have the necessary expertise to work in partnership with the vendor to deliver the best outcomes for the County.

Council staff supports this proposed change, and recommends that the Committee:

- 1. Shift \$74,000 in funding from the OIR budget to the Office of the County Executive budget.**
- 2. As part of the RFP process, request that the Executive Branch continue with previous plans to examine different service delivery models to enhance the cost efficiency and effectiveness of these services moving forward.**

D. Racial Equity and Social Justice

For the FY22 operating budget development process, OMB worked with the Office of Racial Equity and Social Justice (ORESJ) to prompt departments to integrate racial equity into their program proposals (budget requests) at the proposal development phase.

Given that the County is still in the process of training staff on applying a racial equity and social justice lens to programming and budget decisions, OIR did not incorporate racial equity into its program proposal.

Beginning later this spring and summer, Council staff will work to develop its Racial Equity and Social Justice Action Plan and will begin to evaluate what information departments are utilizing, or could utilize, in order to apply a racial equity lens to budget decisions. Council staff will also coordinate with OMB and ORESJ to help inform a more robust analysis for FY23 and future budget cycles.

Attachments

- OIR FY22 Recommended Budget

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Intergovernmental Relations

RECOMMENDED FY22 BUDGET

\$1,165,687

FULL TIME EQUIVALENTS

5.30

✦ MELANIE WENGER, DIRECTOR

MISSION STATEMENT

The mission of the Office of Intergovernmental Relations is to represent County interests at the regional, State, and Federal levels to: prepare the annual State Legislative Program; prepare the annual Federal priorities request; and to be the liaison with State Government, and State and Congressional delegations. The Office of Intergovernmental Relations is the lead Executive Branch agency representing the County in the Maryland Association of Counties and the National Association of Counties.

BUDGET OVERVIEW

The total recommended FY22 Operating Budget for the Office of Intergovernmental Relations is \$1,165,687, an increase of \$13,924 or 1.21 percent from the FY21 Approved Budget of \$1,151,763. Personnel Costs comprise 82.28 percent of the budget for five full-time position(s) and no part-time position(s), and a total of 5.30 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 17.72 percent of the FY22 budget.

COUNTY PRIORITY OUTCOMES

While this program area supports all seven of the County Executive's Priority Outcomes, the following are emphasized:

- ❖ **Thriving Youth and Families**
- ❖ **A Growing Economy**
- ❖ **A Greener County**
- ❖ **Easier Commutes**
- ❖ **An Affordable, Welcoming County for a Lifetime**
- ❖ **Safe Neighborhoods**
- ❖ **Effective, Sustainable Government**

INNOVATIONS AND PRODUCTIVITY IMPROVEMENTS

- ✦ Enhanced the Office's Legislative Tracking System to maximize its workflow and public information capabilities, as well as reducing publication costs by placing more information on the web and producing fewer hard copies
- ✦ Subscribed to the Federal Funds Information for States (FFIS) service that was shared with our County Partners
- ✦ Utilized a University of Maryland (UMD)/Shady Grove intern during the legislative session

- ☀ Maximized telecommuting and compressed work schedules and utilized Microsoft (MS) Teams and other technology for meetings
- ☀ Expanded the use of the Politico and Politico Pro subscription service which provides the County with in-depth analysis of policies essential to understanding the federal landscape and advancing County priorities

PROGRAM CONTACTS

Contact Wanda Wells of the Office of Intergovernmental Relations at 240.777.6550 or Philip Weeda of the Office of Management and Budget at 240.777.2780 for more information regarding this department's operating budget.

PROGRAM PERFORMANCE MEASURES

Performance measures for this department are included below (where applicable). The FY21 estimates reflect funding based on the FY21 Approved Budget. The FY22 and FY23 figures are performance targets based on the FY22 Recommended Budget and funding for comparable service levels in FY23.

Measure	Actual FY19	Actual FY20	Estimated FY21	Target FY22	Target FY23
Program Measures					
Number of bills for which a County fiscal estimate was requested by the State Department of Legislative Services ¹	511	548	528	528	528
Number of formal position statements prepared ²	303	174	254	254	254
Percent of State legislative package where Intergovernmental Relations position prevailed	100%	100%	100%	100%	100%
Percent of State priorities fully realized	88%	100%	100%	100%	100%
Total direct State aid (\$ millions) ³	\$803	\$856	\$900	\$900	\$900
Total State retirement payments (\$ millions)	170	177	171	171	171

¹ Projections are based on the mathematical average of the last three years' actual figures.

² Projections are based on the mathematical average of the last three years' numbers rounded to the nearest 5. The number of formal position statements decreased in FY20 due to the coronavirus pandemic. As a result, the 2020 General Assembly Session adjourned March 18, 2020. It was scheduled to end April 6, 2020.

³ Flat Projections

PROGRAM DESCRIPTIONS

☀ Intergovernmental Relations

The Office of Intergovernmental Relations advocates on behalf of the County before the Maryland General Assembly, Governor, and State administrative agencies, task forces, and committees. It responds to legislation, regulations, or other policy issues involving nearby counties and states, municipalities within the County, regional agencies, the District of Columbia, and the Federal government. Staff analyzes and evaluates legislation before the Maryland General Assembly and prepares written comments and testimony. Staff also analyzes County department requests for legislation and participates in the drafting of legislation or amendments. In addition, the Office of Intergovernmental Relations serves as the liaison to the County's Congressional delegation and advocates on Federal legislation and grant funding opportunities of interest to the County.

BUDGET SUMMARY

	Actual FY20	Budget FY21	Estimate FY21	Recommended FY22	%Chg Bud/Rec
COUNTY GENERAL FUND					
EXPENDITURES					
Salaries and Wages	771,256	759,146	772,202	780,279	2.8 %
Employee Benefits	186,149	175,889	164,207	178,860	1.7 %
County General Fund Personnel Costs	957,405	935,035	936,409	959,139	2.6 %

BUDGET SUMMARY

	Actual FY20	Budget FY21	Estimate FY21	Recommended FY22	%Chg Bud/Rec
Operating Expenses	272,867	201,393	59,746	191,213	-5.1 %
County General Fund Expenditures	1,230,272	1,136,428	996,155	1,150,352	1.2 %
PERSONNEL					
Full-Time	5	5	5	5	---
Part-Time	0	0	0	0	---
FTEs	5.30	5.30	5.30	5.30	---
County General Fund Revenues	0	0	0	0	---

GRANT FUND - MCG

EXPENDITURES

Salaries and Wages	0	0	0	0	---
Employee Benefits	0	0	0	0	---
Grant Fund - MCG Personnel Costs	0	0	0	0	---
Operating Expenses	16,611	15,335	15,335	15,335	---
Grant Fund - MCG Expenditures	16,611	15,335	15,335	15,335	---

PERSONNEL

Full-Time	0	0	0	0	---
Part-Time	0	0	0	0	---
FTEs	0.00	0.00	0.00	0.00	---

REVENUES

State Grants	16,611	15,335	15,335	15,335	---
Grant Fund - MCG Revenues	16,611	15,335	15,335	15,335	---

DEPARTMENT TOTALS

Total Expenditures	1,246,883	1,151,763	1,011,490	1,165,687	1.2 %
Total Full-Time Positions	5	5	5	5	---
Total Part-Time Positions	0	0	0	0	---
Total FTEs	5.30	5.30	5.30	5.30	---
Total Revenues	16,611	15,335	15,335	15,335	---

FY22 RECOMMENDED CHANGES

	Expenditures	FTEs
COUNTY GENERAL FUND		
FY21 ORIGINAL APPROPRIATION	1,136,428	5.30
<u>Other Adjustments (with no service impacts)</u>		
Increase Cost: FY21 Compensation Adjustment	15,423	0.00
Increase Cost: FY22 Compensation Adjustment	5,741	0.00
Increase Cost: Annualization of FY21 Personnel Costs	2,797	0.00
Increase Cost: Retirement Adjustment	143	0.00
Decrease Cost: Print and Mail Adjustment	(3)	0.00
Decrease Cost: Professional Services [Intergovernmental Relations]	(10,177)	0.00
FY22 RECOMMENDED	1,150,352	5.30
GRANT FUND - MCG		
FY21 ORIGINAL APPROPRIATION	15,335	0.00
FY22 RECOMMENDED	15,335	0.00

FUNDING PARAMETER ITEMS

CE RECOMMENDED (\$000S)

Title	FY22	FY23	FY24	FY25	FY26	FY27
COUNTY GENERAL FUND						

Intergovernmental Relations

(3)

General Government 34-3

FUNDING PARAMETER ITEMS

CE RECOMMENDED (\$000S)

Title	FY22	FY23	FY24	FY25	FY26	FY27
EXPENDITURES						
FY22 Recommended	1,150	1,150	1,150	1,150	1,150	1,150
No inflation or compensation change is included in outyear projections.						
Labor Contracts	0	12	12	12	12	12
These figures represent the estimated annualized cost of general wage adjustments, service increments, and other negotiated items.						
Subtotal Expenditures	1,150	1,162	1,162	1,162	1,162	1,162