



OFFICE OF MANAGEMENT AND BUDGET



Marc Elrich
County Executive

Jennifer Bryant
Director

MEMORANDUM

May 10, 2023

TO: Evan Glass, President, County Council

FROM: Jennifer Bryant, Director, Office of Management and Budget 
Michael J. Coveyou, Director, Department of Finance 

SUBJECT: FY23 Third Quarterly Analysis

Attached please find the Third Quarterly Analysis for Montgomery County Government. Approved or pending supplemental appropriations are assumed in this analysis. Significant expenditure variances are described below.

Third Quarter Expenditure Results

The Department of Corrections and Rehabilitation projected overspending is due to food services costs exceeding the budget.

The County Attorney's Office projected overspending is due to staff costs that are higher than the budgeted lapse rate.

The Department of General Services projected overspending is attributable to overtime exceeding the budget, contractual costs exceeding the budget due to consumer price index adjustments, new contracts, and contracted services to backfill difficult to fill trades positions.

The Office of Human Resources projected overspending is due to increased expenses for an occupational health provider contract.

Transit Services' projected overspending is due to motor pool costs being greater than budgeted. A supplemental appropriation has been approved but, with the volatility of motor pool costs, year-end expenditures are projected to slightly exceed the latest budget.

Office of the Director

The Climate Change NDA projected overspending is due to positions being filled at a slightly higher rate than budgeted.

The Metro Washington Council of Governments NDA projected overspending is due to an increase in membership dues and an additional program.

The Utilities NDA projected overspending is due to electricity expenses, natural gas increases due to reopening of facilities, and renewable energy credits cost due to economic disruptions. A supplemental appropriation has been approved but, with the volatility of utility costs, year-end expenditures are projected to slightly exceed the latest budget.

Fleet Management Services projected overspending is due to increased fuel costs and increased reliance on contractors for maintenance due to unanticipated repairs and understaffing.

Print and Mail's projected overspending is due to additional printings, printing supplies, and monthly postage costs to support several large mailings prior to the end of FY23.

The Employee Health Insurance Fund projected overspending is due to actual and projected claims being slightly higher than budgeted.

Revenue Update

A revenue update will be included in the Revenue Estimating Group report that will be submitted to the County Executive and County Council on May 15.

Reserves

The County's FY23 total ending reserves are estimated to be at \$848.7 million or 14.1% of adjusted governmental revenues (AGR). This is approximately \$6.7 million more than reported at second quarter analysis. This is due to General Fund estimated year-end expenditures being approximately \$6.7 million less than estimated at second quarter analysis.

JB/MC:cm

Attachments: Third Quarterly Analysis of Expenditures

CC: Marc Elrich, County Executive
Richard Madaleno, Chief Administrative Officer
Fariba Kassiri, Deputy Chief Administrative Officer
All County Government Department Heads and Merit Directors

FY23 3rd QUARTERLY ANALYSIS

Department	Orig Budget (A)	Latest Budget (B)	Est.(3rd QA) (C)	Variance to Bud. (B-C)	% Change to Bud (B-C)/B
Tax Supported					
General Fund					
Agriculture	1,066,776	1,076,674	1,076,674	0	0.0%
Animal Services	8,714,197	8,724,203	8,756,632	-32,429	-0.4%
Board of Appeals	604,809	610,755	594,754	16,001	2.6%
Board of Elections	10,630,327	14,880,439	14,576,431	304,008	2.0%
Circuit Court	13,683,237	13,683,237	13,027,516	655,721	4.8%
Community Engagement Cluster	7,483,049	7,489,861	6,838,811	651,050	8.7%
Consumer Protection	2,477,443	2,483,469	2,294,913	188,556	7.6%
Correction and Rehabilitation	72,828,735	72,879,011	72,971,474	-92,463	-0.1%
County Attorney	6,761,851	6,805,664	7,243,512	-437,848	-6.4%
County Council	15,672,251	15,721,872	15,721,872	0	0.0%
County Executive	7,683,678	7,703,272	7,619,351	83,921	1.1%
Emergency Management and Homeland Security	2,729,834	3,211,421	2,951,461	259,960	8.1%
Environmental Protection	7,569,048	8,337,395	7,487,395	850,000	10.2%
Ethics Commission	375,756	382,599	380,275	2,324	0.6%
Finance	16,103,577	16,200,205	15,572,737	627,468	3.9%
General Services	33,549,269	33,717,176	37,075,624	-3,358,448	-10.0%
Grants Management	341,309	340,809	259,474	81,335	23.9%
Health and Human Services	332,107,450	358,187,810	357,873,591	314,219	0.1%
Housing and Community Affairs	9,504,566	9,513,719	9,282,045	231,674	2.4%
Human Resources	9,423,468	9,448,300	9,699,360	-251,060	-2.7%
Human Rights	1,635,906	1,646,114	1,484,179	161,935	9.8%
Inspector General	2,512,400	2,526,972	2,474,044	52,928	2.1%
Intergovernmental Relations	1,075,687	1,082,397	753,555	328,842	30.4%
Labor Relations	1,625,831	1,631,544	1,374,254	257,290	15.8%
Legislative Oversight	2,215,034	2,244,894	2,240,824	4,070	0.2%
Management and Budget	6,880,700	6,919,312	6,166,839	752,473	10.9%
Merit System Protection Board	672,552	677,699	269,976	407,723	60.2%
Non-Departmental Accounts	329,973,463	363,499,350	349,162,070	14,337,280	3.9%
Police	296,501,578	297,678,577	295,539,461	2,139,116	0.7%
Procurement	5,004,508	5,011,215	4,415,319	595,896	11.9%
Public Information	6,735,699	6,756,094	6,222,928	533,166	7.9%
Public Libraries	45,621,441	45,686,345	42,887,510	2,798,835	6.1%
Racial Equity and Social Justice	1,276,440	1,276,440	1,063,916	212,524	16.6%
Sheriff	26,006,675	26,011,293	25,058,830	952,463	3.7%
State's Attorney	20,801,276	20,801,276	20,775,656	25,620	0.1%
Technology and Enterprise Business Solutions	50,992,147	51,107,309	49,569,126	1,538,183	3.0%
Transportation	49,231,141	52,258,792	52,134,449	124,343	0.2%
Zoning and Administrative Hearings	705,001	705,001	703,826	1,175	0.2%
General Fund Total:	1,408,778,109	1,478,918,515	1,453,600,664	25,317,851	1.71%

Special Funds

Fire					
Fire and Rescue Service	252,665,621	267,835,709	267,835,709	0	0.0%

FY23 3rd QUARTERLY ANALYSIS

Department	Orig Budget (A)	Latest Budget (B)	Est.(3rd QA) (C)	Variance to Bud. (B-C)	% Change to Bud (B-C)/B
<u>Recreation</u>					
Recreation	51,443,711	51,495,125	48,628,361	2,866,764	5.6%
<u>Bethesda Urban District</u>					
Urban Districts	3,416,615	3,416,615	3,374,198	42,417	1.2%
<u>Silver Spring Urban District</u>					
Urban Districts	3,915,565	3,915,565	3,900,684	14,881	0.4%
<u>Wheaton Urban District</u>					
Urban Districts	3,062,432	3,062,432	3,030,312	32,120	1.0%
<u>Mass Transit</u>					
Transit Services	167,835,477	182,280,308	183,402,201	-1,121,893	-0.6%
<u>Economic Development Fund</u>					
Economic Development Fund	3,996,325	4,839,932	3,889,932	950,000	19.6%
Special Funds Total:	486,335,746	516,845,686	514,061,397	2,784,289	0.54%
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Tax Supported Total:	1,895,113,855	1,995,764,201	1,967,662,061	28,102,140	1.4%

FY23 3rd QUARTERLY ANALYSIS

Department	Orig Budget (A)	Latest Budget (B)	Est.(3rd QA) (C)	Variance to Bud. (B-C)	% Change to Bud (B-C)/B
NDA: Tax Supported - County General Fund					
General Fund					
NDA - Arts and Humanities Council	6,339,106	6,339,106	6,339,106	0	0.0%
NDA - Boards, Committees and Commissions	47,750	47,750	47,750	0	0.0%
NDA - Charter Review Commission	150	150	150	0	0.0%
NDA - Children's Opportunity Alliance (COA)	0	200,000	200,000	0	0.0%
NDA - Children's Opportunity Fund	425,000	425,000	425,000	0	0.0%
NDA - Climate Change Planning	691,677	691,677	760,168	-68,491	-9.9%
NDA - Climate Response	2,884,990	0	0	0	0.0%
NDA - Community Grants	10,998,473	10,998,473	10,998,473	0	0.0%
NDA - Compensation and Employee Benefit Adjustments	8,863,865	7,919,003	7,919,003	0	0.0%
NDA - Conference and Visitors Bureau	2,132,834	2,132,834	2,132,834	0	0.0%
NDA - Conference Center	525,895	525,895	525,215	680	0.1%
NDA - Consolidated Retiree Health Benefit Trust - College	1,704,000	1,704,000	1,704,000	0	0.0%
NDA - Consolidated Retiree Health Benefit Trust - MCPS	57,424,677	57,424,677	57,424,677	0	0.0%
NDA - County Associations	74,728	74,728	74,728	0	0.0%
NDA - COVID 19: Hospital Response	0	0	0	0	0.0%
NDA - COVID-19 Response: Community Assistance	0	0	-3,221,049	3,221,049	0.0%
NDA - Device Client Management	12,999,985	12,999,985	12,999,985	0	0.0%
NDA - Early Care and Education	10,992,589	21,944,212	10,992,589	10,951,623	49.9%
NDA - Grants To Municipalities in Lieu Of Shares Tax	28,020	28,020	28,012	8	0.0%
NDA - Group Insurance Retirees	48,928,437	48,928,437	48,928,437	0	0.0%
NDA - Guaranteed Income	2,563,502	4,046,305	4,046,305	0	0.0%
NDA - Historical Activities	162,000	162,000	162,000	0	0.0%
NDA - Homeowners' Association Road Maintenance Reimb.	62,089	62,089	62,089	0	0.0%
NDA - Housing Opportunities Commission	7,633,168	7,633,168	7,633,168	0	0.0%
NDA - Inauguration and Transition	50,000	50,000	49,484	516	1.0%
NDA - Incubator Programs	4,288,971	4,288,971	4,038,026	250,945	5.9%
NDA - Independent Audit	427,882	429,897	429,897	0	0.0%
NDA - Interagency Technology, Policy, and Coordination Commission	3,000	3,000	3,000	0	0.0%
NDA - KID Museum	1,596,000	1,596,000	1,596,000	0	0.0%
NDA - Labor Management Relations Committee	100,000	198,115	100,000	98,115	49.5%
NDA - Leases	15,671,334	16,918,220	16,918,220	0	0.0%
NDA - Legislative Branch Communications Outreach	2,142,152	2,142,152	2,142,152	0	0.0%
NDA - Metro Washington Council of Governments	1,684,519	1,684,519	1,873,054	-188,535	-11.2%
NDA - Montgomery Coalition for Adult English Literacy	2,113,623	2,113,623	2,113,623	0	0.0%
NDA - Montgomery County Economic Development Corporation	6,200,000	6,200,000	6,200,000	0	0.0%
NDA - Montgomery County Green Bank	18,647,957	18,647,957	18,647,957	0	0.0%
NDA - Motor Pool Fund Contribution	66,490	66,490	66,490	0	0.0%
NDA - Payments to Municipalities	17,269,690	17,269,690	17,387,946	-118,256	-0.7%
NDA - Police Accountability Board	436,541	436,541	282,254	154,287	35.3%
NDA - Prisoner Medical Services	20,000	20,000	0	20,000	100.0%
NDA - Public Elections Fund	2,500,000	2,500,000	2,500,000	0	0.0%
NDA - Public Technology, Inc.	5,000	5,000	5,000	0	0.0%
NDA - Risk Management (General Fund)	25,737,987	25,737,987	25,737,987	0	0.0%

FY23 3rd QUARTERLY ANALYSIS

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NDA - Rockville Parking District	419,900	419,900	418,367	1,533	0.4%
NDA - Skills for the Future	276,480	364,105	364,105	0	0.0%
NDA - State Positions Supplement	60,756	60,756	0	60,756	100.0%
NDA - State Property Tax Services	3,565,615	3,565,615	3,356,507	209,108	5.9%
NDA - State Retirement Contribution	3,754	3,754	3,754	0	0.0%
NDA - Takoma Park Library Annual Payments	167,911	167,911	167,911	0	0.0%
NDA - Telecommunications	5,356,382	5,356,382	5,356,382	0	0.0%
NDA - UM 3 - Institute for Health Computing	0	15,000,000	15,000,000	0	0.0%
NDA - Universities at Shady Grove	475,000	475,000	300,000	175,000	36.8%
NDA - Vision Zero	189,563	189,563	188,883	680	0.4%
NDA - Working Families Income Supplement	20,105,090	20,105,090	20,105,090	0	0.0%
NDA - WorkSource Montgomery, Inc.	2,172,594	2,172,594	2,172,594	0	0.0%
Utilities	22,736,337	31,023,009	31,454,747	-431,738	-1.4%
NDA: Tax Supported - County General Fund Total:	329,973,463	363,499,350	349,162,070	14,337,280	3.9%

FY23 3rd QUARTERLY ANALYSIS

Department	Orig Budget (A)	Latest Budget (B)	Est.(3rd QA) (C)	Variance to Bud. (B-C)	% Change to Bud (B-C)/B
Non-Tax Supported					
<u>Special Funds</u>					
<u>Montgomery Housing Initiative</u>					
Housing and Community Affairs	49,090,423	122,780,440	47,057,171	75,723,269	61.7%
<u>Cable TV</u>					
Cable Television Communications Plan	15,227,435	15,252,213	13,732,012	1,520,201	10.0%
<u>Water Quality Protection</u>					
Environmental Protection	30,990,500	31,016,901	30,086,901	930,000	3.0%
<u>Recreation Non-Tax Supported</u>					
Recreation	3,600,000	3,600,000	3,521,422	78,578	2.2%
<u>Detention Center Non-Tax</u>					
Correction and Rehabilitation	543,000	543,000	359,343	183,657	33.8%
Special Funds Total:	99,451,358	173,192,554	94,756,849	78,435,705	45.29%
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<u>Enterprise Funds</u>					
<u>Liquor</u>					
Alcohol Beverage Services	68,265,868	68,265,868	68,039,038	226,830	0.3%
<u>Solid Waste Disposal</u>					
Recycling and Resource Management	131,373,112	131,403,472	127,623,472	3,780,000	2.9%
<u>Solid Waste Collection</u>					
Recycling and Resource Management	11,264,783	11,267,535	11,027,535	240,000	2.1%
<u>Leaf Vacuuming</u>					
Transportation	6,915,587	6,915,587	6,351,341	564,246	8.2%
<u>Community Use of Public Facilities</u>					
Community Use of Public Facilities	10,923,236	10,939,722	8,123,789	2,815,933	25.7%
<u>Bethesda Parking</u>					
Parking District Services	13,905,698	13,917,071	13,504,856	412,215	3.0%
<u>Silver Spring Parking</u>					
Parking District Services	10,491,887	10,502,708	10,481,864	20,844	0.2%
<u>Wheaton Parking</u>					
Parking District Services	1,593,969	1,596,324	1,592,668	3,656	0.2%
<u>Permitting Services</u>					
Permitting Services	41,067,049	41,177,246	39,588,271	1,588,975	3.9%
Enterprise Funds Total:	295,801,189	295,985,533	286,332,834	9,652,699	3.26%
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<u>Internal Service Funds</u>					
<u>Motor Pool</u>					
Fleet Management Services	89,073,182	89,073,182	97,243,891	-8,170,709	-9.2%
<u>Central Duplicating (Printing & Mail)</u>					
General Services	8,369,856	8,369,856	9,677,494	-1,307,638	-15.6%
<u>Risk Management (Self Insurance - ISF)</u>					
Finance	87,433,939	87,433,939	87,109,322	324,617	0.4%
<u>Employee Health Self Insurance</u>					
Human Resources	314,927,053	314,927,053	317,207,225	-2,280,172	-0.7%

FY23 3rd QUARTERLY ANALYSIS

Department	Orig Budget (A)	Latest Budget (B)	Est.(3rd QA) (C)	Variance to Bud. (B-C)	% Change to Bud (B-C)/B
Internal Service Funds Total:	499,804,030	499,804,030	511,237,932	-11,433,902	-2.29%
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Non-Tax Supported Total:	895,056,577	968,982,117	892,327,615	76,654,502	7.9%