

GO COMMITTEE #4
May 2, 2019

Worksession

MEMORANDUM

April 30, 2019

TO: Government Operations and Fiscal Policy Committee

FROM: Amanda Mihill, Legislative Attorney *A. Mihill*

SUBJECT: **FY20 Operating Budget: Office of Intergovernmental Relations**

PURPOSE: Review and make recommendations on the FY20 operating budget for the Office of Intergovernmental Relations

Those expected to attend this worksession include:

- Melanie Wenger, Director, Office of Intergovernmental Relations
- Naeem Mia, Fiscal and Policy Analyst, Office of Management and Budget

Budget Summary:

- For FY20, the County Executive is recommending a total budget of \$1,150,199, a decrease of \$101,960 or 8.14 percent from the FY19 Approved Budget of \$1,252,159.

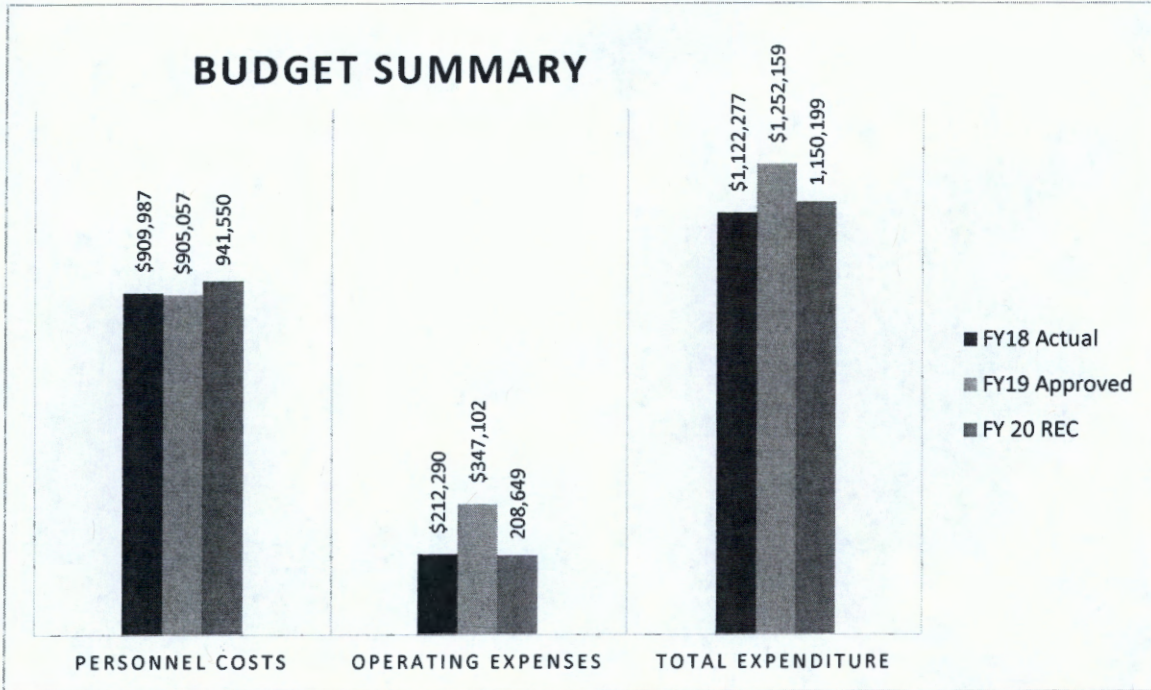
Council Staff Recommendation:

- Approve the FY20 Office of Intergovernmental Relations operating budget as recommended by the Executive.

Relevant pages from the FY20 Recommended Operating Budget are attached on ©1-5.

OVERVIEW

For FY20, the County Executive is recommending a total budget of \$1,150,199, a decrease of \$101,960 or 8.14 percent from the FY19 Approved Budget of \$1,252,159. Personnel Costs comprise 81.86 percent of the budget for 5 full-time position, and a total of 5.30 FTEs.



	<i>FY18 Actual</i>	<i>FY19 Approved</i>	<i>FY20 Recommended</i>	<i>% Change FY19 – FY20</i>
Expenditures by fund				
General Fund	\$1,091,611	\$1,207,612	\$1,134,864	-7.1%
State Grants - BRAC	\$30,666	\$30,670	\$15,335	-50%
Expenditures by type				
Personnel Cost	\$909,987	\$905,057	\$941,550	4.0%
Operating Expenses ¹	\$184,690	\$347,102	\$208,649	-39.9%
Total Expenditures	\$1,122,277	\$1,252,159	\$1,150,199	-8.1%
Positions				
Full-Time	4	5	5	0.0%
Part-Time	1	0	0	0.0%
FTEs	5.1	5.3	5.3	0.0%

¹ This figure includes revenue from matching grant funds from the State for BRAC-related activities. The grant funds contractual work with all related State, federal and local entities to monitor issues and keep officials informed.

FY20 EXPENDITURE ISSUES

The FY20 Recommended Operating Budget includes the following adjustments:

Item	Amount
Increase Cost: FY20 Compensation Adjustment	\$20,959
Increase Cost: Annualization of FY19 Personnel Costs	\$10,113
Increase Cost: Retirement Adjustment	\$5,421
Increase Cost: Legislation Tracking System	\$3,700
Decrease Cost: Professional services	-\$1,818
Decrease Cost: Elimination of FY19 One-Time Items	-\$125,000
Total General Fund Operating Adjustments	-\$86,625

COUNCIL STAFF RECOMMENDATION

Approve the FY20 Office of Intergovernmental Relations operating budget as recommended by the Executive.

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Intergovernmental Relations

RECOMMENDED FY20 BUDGET
\$1,150,199

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; to prepare the annual Federal priorities request; and to be the liaison with State Government, and the County's State and Congressional delegations. The Office is the lead Executive Branch agency representing the County before the Maryland Association of Counties and the National Association of Counties.

BUDGET OVERVIEW

The total recommended FY20 Operating Budget for the Office of Intergovernmental Relations is \$1,150,199, a decrease of \$101,960 or 8.14 percent from the FY19 Approved Budget of \$1,252,159. Personnel Costs comprise 81.86 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 18.14 percent of the FY20 budget.

COUNTY PRIORITY OUTCOMES

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

- ◆ **A More Affordable and Welcoming Community**
- ◆ **Thriving Youth and Families**
- ◆ **Easier Commutes**
- ◆ **A Greener County**
- ◆ **Effective, Sustainable Government**
- ◆ **Safe Neighborhoods**
- ◆ **A Growing Economy**

DEPARTMENT PERFORMANCE MEASURES

Performance measures for this department are included below (where applicable). The FY19 estimates reflect funding based on the FY19 Approved Budget. The FY20 and FY21 figures are performance targets based on the FY20 Recommended Budget and funding for comparable service levels in FY21.

Measure	Actual FY17	Actual FY18	Estimated FY19	Target FY20	Target FY21
Program Measures					

Measure	Actual FY17	Actual FY18	Estimated FY19	Target FY20	Target FY21
Number of bills for which a County fiscal estimate was requested by the State Department of Legislative Services ¹	431	524	436	436	436
Number of formal position statements prepared ²	253	285	252	252	252
Percent of State legislative package where Intergovernmental Relations position prevailed ³	92%	89%	89%	89%	89%
Percent of State priorities fully realized ⁴	80%	61%	61%	61%	61%
Total direct State aid (\$ millions)	752	782	816	816	816
Total State retirement payments (\$ millions)	179	168	170	170	170
General Assembly bills identified as of potential interest to the County and analyzed by the Office of Intergovernmental Relations ⁵	856	1243	992	992	992

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.

³ Fixed Projections at 80%

⁴ Fixed Projections at 60%

⁵ Projections are based on the mathematical average of the last three years' actual numbers.

INITIATIVES

- ★ Continue to enhance collaboration with the County Executive, County Council, County departments, independent agencies (Montgomery County Public Schools, Washington Suburban Sanitary Commission, Maryland-National Capital Park and Planning Commission, Montgomery College, Revenue Authority, and Housing Opportunities Commission), and the County's various Boards, Committees, and Commissions to enhance: (1) the process for developing Federal and State priorities to maximize opportunities; and (2) Federal and State advocacy efforts regarding legal, legislative, fiscal and regulatory matters.
- ★ Continue to enhance the Office of Intergovernmental Relations' Legislative Tracking System to maximize its workflow management and public information capabilities.

ACCOMPLISHMENTS

- Secured \$59.7 million in State grants for capital funding for school facilities.
- Secured \$38.7 million in State grants for capital improvements at higher education facilities.
- Secured an increase of \$34 million in direct State aid, primarily for K-12 Education.
- Secured a new \$167 million annual stream of funding for Maryland's share of the Washington Metropolitan Area Transit Authority (WMATA) subsidy to support maintenance and system improvement.
- Obtained passage of the Promoting extraordinary Innovation in Maryland's Economy (PRIME) Act to attract Amazon HQ2 to Montgomery County with \$3 billion of incentives through State income tax credits, property tax credits, and sales tax exemptions. State budget also includes \$10 million as the first portion of a \$150 million grant package.
- Secured \$10 million for the first and second installment of a four-year \$20 million retention incentive package for Marriott International to construct its new headquarters in Montgomery County.
- Secured a second \$1 million down payment in State funding for the Poolesville Economic Development Project.
- Obtained a grandfather clause in Statewide paid sick leave legislation that preserves the County's authority to implement its own local sick and safe leave law.
- Obtained legislation that delays for two years the County's obligation to repay the State for local income tax refunds required by the *Wynne* case, which allows the County to postpone approximately \$143 million in repayments.
- Obtained legislation strengthening WMATA's governing board (Metro Board of Directors) by requiring that one of the State's two principal board members be the Maryland Secretary of Transportation or the Secretary's designee.

- ✔ Worked collaboratively with Montgomery County Police Department (MCPD) and Maryland Association of Counties (MACo) to obtain legislation creating the Commission to Advance the Next Generation of 911 Across Maryland.
- ✔ Worked collaboratively with the Office of the County Attorney (OCA), MACo, Maryland Municipal League (MML), and Local Government Insurance Trust (LGIT) to successfully oppose a bill that would have increased the County's liability for attorney's fees.
- ✔ Worked collaboratively with the Department of Technology Services (DTS), OCA, MACo and MML to successfully oppose a bill that would have preempted local authority regarding "small cell" wireless facilities.
- ✔ Worked collaboratively with DTS and MACo to expand the scope of the Rural Broadband Task Force to include the County's Agricultural Reserve.
- ✔ Worked collaboratively with Office of Emergency Management and Homeland Security (OEMHS), Revenue Authority, Public Information, DTS, OCA, MACo, and MML to amend the Maryland Public Information Act to allow the County to protect the privacy of residents and business by keeping email addresses and telephone numbers confidential.
- ✔ Collaborated with Department of General Services, OCA, Congressional Delegation, National Park Service, and Department of the Interior to negotiate a new 10-year cooperative management agreement for Glen Echo Park that preserves a local-Federal partnership benefiting County residents and the Washington, D.C. metropolitan area and protecting nationally significant Federal property.
- ✔ Worked collaboratively with Congressional Delegation to obtain legislation extending Small Business Innovation Research (SBIR) and Small Business Technology Transfer (STTR) programs that support technology development, commercialization, job creation, and economic growth in the biotech sector.

INNOVATIONS AND PRODUCTIVITY IMPROVEMENTS

- ✱ Collaborated with the Universities at Shady Grove to host a student intern who contributed significantly to the County's legislative advocacy efforts.
- ✱ Improved efficiency in Federal advocacy efforts by terminating a \$100,000 contract for outside consultant services and absorbing those responsibilities by increasing a 0.8 staff position to full-time.
- ✱ Improved the public interface of the Office of Intergovernmental Relations' (OIR) website, including a direct link to OIR's Legislative Tracking System that provides easy access to legislative history and County position statements for bills tracked by OIR.
- ✱ Continued to participate in training, education, and networking opportunities at the local, State and federal levels, including programs and opportunities sponsored by MACo, NACo, Maryland State Bar Association, Maryland Governmental Relations Association, Montgomery County Chamber of Commerce, and Telecommunity.

COLLABORATION AND PARTNERSHIPS

✱ Collaboration

As reflected under "Accomplishments," the Office of Intergovernmental Relations continued to collaborate extensively throughout the year with the County Executive, County Council, Department Directors, departmental liaisons and other key staff, independent agencies, the County's many Boards, Committees and Commissions, and other stakeholders involved in federal and State matters.

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 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 County's liaison to our Congressional delegation and advocates on Federal legislation and grant funding opportunities of interest to the County.

BUDGET SUMMARY

	Actual FY18	Budget FY19	Estimate FY19	Recommended FY20	%Chg Bud/Rec
COUNTY GENERAL FUND					
EXPENDITURES					
Salaries and Wages	739,035	736,659	753,294	758,540	3.0 %
Employee Benefits	170,952	168,398	160,877	183,010	8.7 %
County General Fund Personnel Costs	909,987	905,057	914,171	941,550	4.0 %
Operating Expenses	181,624	316,432	293,441	193,314	-38.9 %
County General Fund Expenditures	1,091,611	1,221,489	1,207,612	1,134,864	-7.1 %
PERSONNEL					
Full-Time	4	5	5	5	—
Part-Time	1	0	0	0	—
FTEs	5.10	5.30	5.30	5.30	—
REVENUES					
Miscellaneous Revenues	239	0	0	0	—
County General Fund Revenues	239	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	30,666	30,670	30,670	15,335	-50.0 %
Grant Fund - MCG Expenditures	30,666	30,670	30,670	15,335	-50.0 %
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	30,666	30,670	30,670	15,335	-50.0 %
Grant Fund - MCG Revenues	30,666	30,670	30,670	15,335	-50.0 %
DEPARTMENT TOTALS					
Total Expenditures	1,122,277	1,252,159	1,238,282	1,150,199	-8.1 %
Total Full-Time Positions	4	5	5	5	—
Total Part-Time Positions	1	0	0	0	—
Total FTEs	5.10	5.30	5.30	5.30	—
Total Revenues	30,905	30,670	30,670	15,335	-50.0 %

FY20 RECOMMENDED CHANGES

	Expenditures	FTEs
COUNTY GENERAL FUND		
FY19 ORIGINAL APPROPRIATION	1,221,489	5.30
Other Adjustments (with no service impacts)		
Increase Cost: FY20 Compensation Adjustment	20,959	0.00

FY20 RECOMMENDED CHANGES

	Expenditures	FTEs
Increase Cost: Annualization of FY19 Personnel Costs	10,113	0.00
Increase Cost: Retirement Adjustment	5,421	0.00
Increase Cost: Legislation Tracking System	3,700	0.00
Decrease Cost: Professional Services [Intergovernmental Relations]	(1,818)	0.00
Decrease Cost: Elimination of One-Time Items Approved in FY19	(125,000)	0.00
FY20 RECOMMENDED	1,134,864	5.30

GRANT FUND - MCG

FY19 ORIGINAL APPROPRIATION	30,670	0.00
Federal/State Programs		
Reduce: Reduction in State Aid/Expenses	(15,335)	0.00
FY20 RECOMMENDED	15,335	0.00

FUTURE FISCAL IMPACTS

CE RECOMMENDED (\$000S)

Title	FY20	FY21	FY22	FY23	FY24	FY25
COUNTY GENERAL FUND						
EXPENDITURES						
FY20 Recommended	1,135	1,135	1,135	1,135	1,135	1,135
No inflation or compensation change is included in outyear projections.						
Labor Contracts	0	3	3	3	3	3
These figures represent the estimated annualized cost of general wage adjustments, service increments, and other negotiated items.						
Subtotal Expenditures	1,135	1,138	1,138	1,138	1,138	1,138