

MEMORANDUM

May 10, 2019

TO: County Council

FROM: Marlene Michaelson, Executive Director

SUBJECT: Executive Recommended Budget Adjustments to the FY20 Operating Budget

On May 9, the Executive transmitted recommended adjustments to the FY20 Operating Budget (attached at © 1 to 4).

Additions to the Budget

The increases include 2 items on the Council's reconciliation list:

- **Enhanced Legal Representation for Residents Detained for Deportation Proceedings** - \$170,000. The Executive notes that this additional funding enhances services to help defend our most vulnerable residents from deportation proceedings.
- **African American Health Program Enhancements** - \$158,500. The Executive notes that this amount annualizes funding provided in FY19 via the Council approved Special Appropriation that was inadvertently omitted from the recommended budget transmitted on March 15, 2019.

Staff recommends approval of both additions to the budget.

The Council was alerted to the \$142,000 addition for the Incubator Programs Non-Departmental Account (NDA) on May 9 and approved it at that time. The final addition is **for the Metro Washington Council of Governments NDA** in an amount of \$102,128. The Metropolitan Washington Council of Government's Department of Homeland Security and Public Safety assists area jurisdictions homeland security and public safety capabilities efforts by coordinating regional memoranda of understanding and regional training, among other programs. Until recently, COG depended on a grant from the federal Urban Area Security Initiative (UASI) program for the administrative costs associated with coordinating the National Capital Region's homeland security and public safety efforts.

Funding from UASI has been reduced; consequently, the Chief Administrative Officers Committee agreed that all participating jurisdictions will contribute funds to close the gap between the UASI grant and the cost of providing support to regional homeland security and public safety. **Staff recommends approval.**

Changes in Resources

The Executive recommends the following changes in resources to fund these additional costs:

- **FY 20 Additional State Aid:** \$29,568,461. This includes \$5,000,000 resulting from an Emergency 911 bill, \$143,997 of additional state aid for police protection and \$24,424,464 for Education.
- **Leases NDA** – \$32,754. Executive staff negotiated the termination of a lease for a certain antenna site following the Council’s review of the Leases NDA. The Department of Technology Services no longer requires this antenna, so the Executive recommends a reduction to the Leases NDA by \$32,754. A specific item was not identified by the Executive for these resources, so the funds will be used to support other recommended additions by the Executive to the FY20 budget. Action by the Council on this budget will reduce the Leases NDA by \$32,745 from the amount approved by the Council on May 7.
- \$511,084 from the **FY20 Unallocated Set Aside**.

Staff recommends approval of these 3 changes in resources.

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OFFICE OF THE COUNTY EXECUTIVE
ROCKVILLE, MARYLAND 20850

Marc Elrich
County Executive

MEMORANDUM

May 9, 2019

TO: Nancy Navarro, President, County Council

FROM: Marc Elrich, County Executive 

SUBJECT: Recommended Adjustments to the FY20 Operating Budget

Attached for your consideration are recommended adjustments to the FY20 Recommended Operating Budget. These adjustments recognize recent developments, such as increased funding for Montgomery County Public Schools as transmitted to the Council on April 29, 2019. The correct amount of the MCPS amendment is \$29,539,671, which as indicated below is funded by increased State aid. These amendments also include additional resources for vulnerable residents.

FY20 Recommended Operating Budget Amendments

Since the FY20 Recommended Operating Budget was transmitted on March 15, 2019, I received new information about \$572,628 in unanticipated costs. These include:

- Enhanced Legal Representation for Residents Detained for Deportation Proceedings: \$170,000
In addition to the \$725,000 included in the FY20 Recommended Operating Budget (\$370,000 in the HHS base budget and \$355,000 in the Community Grants NDA), this funding enhances services to help defend our most vulnerable residents from deportation proceedings.
- African American Health Program Enhancements: \$158,500
This amount annualizes funding provided in FY19 via a Council approved Special Appropriation that was inadvertently omitted from the recommended budget transmitted on March 15, 2019.
- NDA – Incubator Programs – Economic Development Partnership: \$142,000
Evaluation of the County’s incubator programs is essential to overall economic growth. This funding will be used to conduct an analysis of the County’s Business Innovation Network.

Nancy Navarro, President, County Council
May 9, 2019
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- NDA – Metro Washington Council of Governments: \$102,128

Last year, the Chief Administrative Officers of COG agreed to contribute funding for regional homeland security administrative services provided by COG. These services were previously supported by a funding source that is no longer available, this amount represents the County's share of that agreement.

I am proposing the following amendments to the FY20 Recommended Operating Budget to cover these additional costs:

- FY20 Additional State Aid: \$29,568,461

This amount is the increase in State aid resulting from the recently approved Emergency 911 bill (\$5,000,000), State aid for police protection being higher than expected by (\$143,997), and increased State aid for Education (\$24,424,464).

- NDA – Leases: \$32,754

This amount represents saving incurred from termination of the land lease no longer needed for a PSSM radio antenna site.

- FY20 Unallocated Set Aside: \$511,084

Use of this amount is assumed from the \$3.0 million undesignated set aside, leaving a balance of \$2.48 million available to accommodate the additional funding needed for FRIT.

Total: \$30,112,299

I am also proposing the following technical adjustments to the FY20 Recommended Operating Budget. These adjustments have no impact on the total tax-supported budget.

- Kresge Foundation Opportunity Ecosystem Grant: \$231,664

This grant supports social and economic mobility for children, youth, and families. The funding will be used to provide technical assistance for data collection and performance metrics and will support an equity framework, increased community collaboration, and customer service for East County residents.

Thank you for your consideration of these amendments. The Office of Management and Budget staff will be available to answer any questions you may have about these proposed changes.

ME:jrb

Detail on Recommended FY20 CE Amendments

Non-Tax Supported

EXPENDITURE AMENDMENTS

Health and Human Services

Enhance: Kresge FY20 Grant	231,664
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Total Non-Tax Supported Expenditures	231,664
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RESOURCE AMENDMENTS

Health and Human Services

Kresge FY20 Grant	231,664
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Total Non-Tax Supported Resources	231,664
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Detail on Recommended FY20 CE Amendments

Tax Supported

EXPENDITURE AMENDMENTS

Health and Human Services

Enhance: Enhance Legal Representation for Residents Detained for Deportation Proceedings	170,000
Increase Cost: African American Health Program Enhancements (Annualization of FY19 Special Appropriation, Resolution 18-1302)	158,500

NDA - Metro Washington Council of Governments

Increase Cost: Regional Homeland Security Support	102,128
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NDA - Leases

Decrease Cost: End lease - DTS Antenna (Expenditure savings used as a resource to fund other CE Amendments)	-32,754
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NDA - Incubator Programs - Economic Development Partnership

Increase Cost: Evaluation of the Business Innovation Network	142,000
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Montgomery County Public Schools

Increase Cost: Fund the BOE request	29,539,671
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Total Tax Supported Expenditures	30,079,545
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RESOURCE AMENDMENTS

Countywide Generic

Use of FY20 unallocated \$3 million set aside	511,084
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Police

Additional Police Protection State Aid	143,997
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Additional State Aid for Emergency 911	5,000,000
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Montgomery County Public Schools

Fund the BOE request	24,424,464
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Total Tax Supported Resources	30,079,545
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