

**SUBJECT**

FY21 Operating Budget for the Office for Community Use of Public Facilities

**EXPECTED ATTENDEES**

- Ramona Bell-Pearson, Director, CUPF
- Brett Magellan, OMB

**EXECUTIVE RECOMMENDATION**

|                               |                   |               |
|-------------------------------|-------------------|---------------|
| FY21 Executive Recommendation | \$11,933,974      | 31.27 FTE     |
| Increase (Decrease) from FY20 | -\$8,549<br>-0,1% | 0 FTE<br>0.0% |

**COUNCIL STAFF RECOMMENDATION – CONTINUITY OF SERVICES BUDGET**

|                                      |                     |                  |
|--------------------------------------|---------------------|------------------|
| FY21 Council Staff Recommendation    | <b>\$11,777,323</b> | <b>31.27 FTE</b> |
| Increase (Decrease) from FY20        | -\$83,538<br>-0.7%  | 0 FTE<br>0%      |
| Increase (Decrease) from CE FY21 Rec | -\$74,989<br>-0.6%) | 0 FTE<br>0%      |

**EXECUTIVE RECOMMENDED ITEMS NOT INCLUDED IN CONTINUITY OF SERVICES**

- **FY21 compensation adjustment:** Recommended budget includes a \$909,817 compensation adjustment. Compensation adjustments will be considered for all of County Government separately. The FY21 adjustment is not included in the Council staff recommendation above.

**CONTINUITY OF SERVICES FROM FY20**

- **Relocation to Wheaton,** \$94,423
- **Active Montgomery Transaction Fees,** \$18,257
- **Security Services at the Silver Spring Civic Building (SSCB),** \$10,560
- **MCPS Reimbursable Custodial Costs,** \$4,237
- **Personnel related adjustments:** FY20 compensation increases, \$43,675; MLS pay for performance, \$6,673; retiree health insurance prefunding, \$(510); Retirement adjustments,

\$(17,548); Annualization of FY20 personnel costs, \$(37,771); annualization OPEB adjustment \$(80,040).

- **Print, Mail, and Motorpool**, net increase of \$4,446
- **Elimination of One Time Items Approved in FY20**, \$(130,000)

## POTENTIAL REDUCTIONS

Council staff recommends holding off budgeting CUPF Enterprise funding of \$600,000 for FY21 through the CUPF Enterprise Fund until the full impact of the COVID-19-related social distancing restrictions on fund balance is known. Council staff also recommends that \$120,000 budgeted for SSCB maintenance be held off unless the Department can explain what the funds will be used for, how they are critical to the ongoing operations of the SSCB, and that they would be otherwise supported by a fee increase if the Enterprise Fund balance is not able to absorb the cost and maintain a 10% reserve level. See memo at ©9.

The Department has identified fixed costs, budgeted costs that vary based on usage, and budgeted revenue at ©\_\_. It is possible that community use would be lower in FY21 than originally projected and result in lower revenue and lower budgeted costs that vary based on usage. However, it is difficult to estimate the amounts of cost savings and revenue reductions at this time.

## POTENTIAL ITEMS RELATED TO COVID-19

Council staff notes that ensuring the availability of quality childcare may be significant to County's overall economic recovery. Support to childcare providers in public space could be a strategy to support economic recovery in the County; however, it is unclear whether the CUPF Enterprise Fund balance could support this effort, which is more appropriately supported by General Fund dollars. (Users of space should not pay more to subsidize others' use.)

### **This report contains:**

CE Recommended CUPF FY21 Operating Budget  
May 4 memo to Council on CUPF Enterprise Fund Balance  
Responses to Council staff questions

Pages 59-1 – 59-6  
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# Community Use of Public Facilities

## RECOMMENDED FY21 BUDGET

\$11,933,974

## FULL TIME EQUIVALENTS

31.27

 RAMONA BELL-PEARSON, DIRECTOR

## MISSION STATEMENT

The mission of the Office of Community Use of Public Facilities (CUPF) is to maximize the community's use of schools and other public facilities and to identify and facilitate activities and programs that respond to the community's needs without disrupting the instructional program of the Montgomery County Public Schools or County operations.




## BUDGET OVERVIEW

The total FY21 Recommended Operating Budget for the Office of Community Use of Public Facilities is \$11,933,974, a decrease of \$8,549 or 0.07 percent from the FY20 Approved Budget of \$11,942,523. Personnel Costs comprise 30.01 percent of the budget for 30 full-time position(s) and one part-time position(s), and a total of 31.27 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 69.99 percent of the FY21 budget.


In addition, a portion of prior year Community Use of Public Facilities fund balance has been allocated to the Maryland-National Capital Park and Planning Commission's (M-NCPPC) FY21 and FY22 Capital Improvements Program (CIP) Ballfields Initiative.

## 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 Greener County**
-  **Effective, Sustainable Government**

## INITIATIVES

-  Relocate Community Use of Public Facilities offices to Wheaton as part of a Countywide initiative to centralize government services to support business growth and development. This move was planned as part of the Wheaton Redevelopment Program, which will encourage private reinvestment in Wheaton through targeted, complementary public investment.

## INNOVATIONS AND PRODUCTIVITY IMPROVEMENTS

- ★ CUPF provides two subsidy programs to users - the Facility Fee Assistance Program (FFAP) and the Community Access Program (CAP). These programs continue to assist an increasing number of nonprofit groups serving at-risk, low-income persons, and community groups in general by making use of public space more affordable. For the first time since the subsidies were created, the entire FFAP fund of \$75,000 was expended, as was the entire CAP fund of \$150,000.
- ★ CUPF is working in partnership with Montgomery County Public Schools (MCPS), the Parks Department, and the Department of Recreation on a Ballfield Initiative to renovate playing fields. CUPF issues permits for 212 MCPS ballfields at elementary, middle, and high schools while the Parks Department maintains 201 athletic fields on 120 MCPS sites. The FY21 Recommended Budget includes a \$600,000 transfer from CUPF to the Parks Department for ballfield maintenance.
- ★ Enhanced audio-visual capability at the Silver Spring Civic Building with a \$130,000 expenditure on new technology.
- ★ Assisted a total of 86 groups including community groups and non-profits in FY19 with an award through the Community Access Program (CAP) for use of the Silver Spring Civic Building and Veterans Plaza, an increase of over 10% from FY18.

## PROGRAM CONTACTS

Contact Ramona Bell-Pearson of the Office of Community Use of Public Facilities at 240.777.2722 or Brett Magellan of the Office of Management and Budget at 240.777.2767 for more information regarding this department's operating budget.

## PROGRAM PERFORMANCE MEASURES

Performance measures for this department are included below (where applicable). The FY20 estimates reflect funding based on the FY20 Approved Budget. The FY21 and FY22 figures are performance targets based on the FY21 Recommended Budget and funding for comparable service levels in FY22.

| Measure  | Actual<br>FY18 | Actual<br>FY19 | Estimated<br>FY20 | Target<br>FY21 | Target<br>FY22 |
|--|----------------|----------------|-------------------|----------------|----------------|
| <b>Program Measures</b>  |                |                |                   |                |                |
| Hours of paid school use   | 557,539        | 563,759        | 575,034           | 575,034        | 586,535        |
| Percent of school, field, and government building users satisfied with the reservation process   | 92%            | 94%            | 95%               | 95%            | 95%            |
| Number of groups awarded a subsidy for facility fees through either the Facility Fee Assistance Program (FFAP) or the Community Access Program (CAP) <sup>1</sup>  | 102            | 113            | 115               | 115            | 115            |
| Percent of groups awarded a subsidy for facility fees through either the Facility Fee Assistance Program (FFAP) or the Community Access Program (CAP) <sup>2</sup> | 70.5%          | 73.8%          | 77.0%             | 77.0%          | 77.0%          |

<sup>1</sup> Data not available for this measure prior to FY19. In FY19, 27 groups received a subsidy through the Facility Fee Assistance Program and 86 groups received a subsidy through the Community Access Program.

<sup>2</sup> Data not available for this measure prior to FY19. In FY19, 64.3% of groups submitting FFAP applications were funded, and 77.5% of groups submitting CAP applications were funded.

## PROGRAM DESCRIPTIONS

### ★ Community Access to Public Space

This program provides community organizations and public agencies with access to public schools and government facilities for community services, programs, and events. Services performed by staff in support of this function include: user education

training; centralized scheduling of schools, M-NCPPC fields, libraries, regional service centers, County government meeting rooms, and the Silver Spring Civic Building; managing on-line customer facility requests; administering connectivity to the facility database for school and County staff; providing information and referrals; and problem and conflict resolution. Working with MCPS staff, PTAs, and community-based committees in the implementation and review of facility use policies and procedures is an integral component of this program. This program also provides: general management and staff support to the Interagency Coordinating Board (ICB), which is CUPF's policy-making authority, and its Citizens' Advisory Committee; and administration for community use operations, including financial processes and budgeting for the Community Use Enterprise Fund. The County's General Fund supports limited free use of facilities to qualifying organizations in accordance with ICB policy.

## BUDGET SUMMARY

|   | Actual<br>FY19    | Budget<br>FY20    | Estimate<br>FY20  | Recommended<br>FY21 | %Chg<br>Bud/Rec |
|---|-------------------|-------------------|-------------------|---------------------|-----------------|
| <b>COMMUNITY USE OF PUBLIC FACILITIES</b>                 |                   |                   |                   |                     |                 |
| <b>EXPENDITURES</b>                                       |                   |                   |                   |                     |                 |
| Salaries and Wages  | 2,364,098         | 2,638,520         | 2,501,119         | 2,742,433           | 3.9 %           |
| Employee Benefits   | 746,719           | 872,558           | 790,986           | 838,663             | -3.9 %          |
| <b>Community Use of Public Facilities Personnel Costs</b> | <b>3,110,817</b>  | <b>3,511,078</b>  | <b>3,292,105</b>  | <b>3,581,096</b>    | <b>2.0 %</b>    |
| Operating Expenses  | 8,027,922         | 8,431,445         | 7,938,919         | 8,352,878           | -0.9 %          |
| <b>Community Use of Public Facilities Expenditures</b>    | <b>11,138,739</b> | <b>11,942,523</b> | <b>11,231,024</b> | <b>11,933,974</b>   | <b>-0.1 %</b>   |
| <b>PERSONNEL</b>  |                   |                   |                   |                     |                 |
| Full-Time   | 30                | 30                | 30                | 30                  | —               |
| Part-Time   | 1                 | 1                 | 1                 | 1                   | —               |
| FTEs  | 31.07             | 31.27             | 31.27             | 31.27               | —               |
| <b>REVENUES</b>   |                   |                   |                   |                     |                 |
| Facility Rental Fees                                      | 11,829,989        | 11,926,753        | 11,926,753        | 11,975,233          | 0.4 %           |
| Investment Income   | 290,799           | 104,195           | 104,195           | 65,700              | -36.9 %         |
| <b>Community Use of Public Facilities Revenues</b>        | <b>12,120,788</b> | <b>12,030,948</b> | <b>12,030,948</b> | <b>12,040,933</b>   | <b>0.1 %</b>    |

## FY21 RECOMMENDED CHANGES

|   | Expenditures                       | FTEs                    |
|---|------------------------------------|-------------------------|
| <b>COMMUNITY USE OF PUBLIC FACILITIES</b>   |                                    |                         |
|   | <b>FY20 ORIGINAL APPROPRIATION</b> | <b>11,942,523 31.27</b> |
| <b><u>Other Adjustments (with no service impacts)</u></b>   |                                    |                         |
| Increase Cost: Wheaton Building Operating Budget Impact Related to Moving to the New Wheaton Office Building [Community Access to Public Space] | 94,423                             | 0.00                    |
| Increase Cost: FY21 Compensation Adjustment   | 74,989                             | 0.00                    |
| Increase Cost: Annualization of FY20 Compensation Increases   | 43,675                             | 0.00                    |
| Increase Cost: ActiveMontgomery Transaction Fees [Community Access to Public Space]   | 18,257                             | 0.00                    |
| Increase Cost: Security Services at Silver Spring Civic Building (SSCB) [Community Access to Public Space]                                      | 10,560                             | 0.00                    |
| Increase Cost: MLS Pay for Performance (Increase to Base Pay)   | 6,673                              | 0.00                    |

## FY21 RECOMMENDED CHANGES

|  | Expenditures      | FTEs         |
|--|-------------------|--------------|
| Increase Cost: MCPS Reimbursable Custodial Costs [Community Access to Public Space]    | 4,297             | 0.00         |
| Increase Cost: Motor Pool Adjustment   | 3,549             | 0.00         |
| Increase Cost: Print and Mail Adjustment   | 897               | 0.00         |
| Decrease Cost: Retiree Health Insurance Pre-Funding [Community Access to Public Space] | (510)             | 0.00         |
| Decrease Cost: Retirement Adjustment   | (17,548)          | 0.00         |
| Decrease Cost: Annualization of FY20 Personnel Costs                                   | (37,771)          | 0.00         |
| Decrease Cost: OPEB Adjustment   | (80,040)          | 0.00         |
| Decrease Cost: Elimination of One-Time Items Approved in FY20                          | (130,000)         | 0.00         |
| <b>FY21 RECOMMENDED</b>  | <b>11,933,974</b> | <b>31.27</b> |

## FUNDING PARAMETER ITEMS CE RECOMMENDED (\$000S)

| Title  | FY21          | FY22          | FY23          | FY24          | FY25          | FY26          |
|--|---------------|---------------|---------------|---------------|---------------|---------------|
| <b>COMMUNITY USE OF PUBLIC FACILITIES</b>  |               |               |               |               |               |               |
| <b>EXPENDITURES</b>  |               |               |               |               |               |               |
| <b>FY21 Recommended</b>  | <b>11,934</b> | <b>11,934</b> | <b>11,934</b> | <b>11,934</b> | <b>11,934</b> | <b>11,934</b> |
| No inflation or compensation change is included in outyear projections.  |               |               |               |               |               |               |
| <b>ActiveMONTGOMERY Transaction Fees</b>   | <b>0</b>      | <b>19</b>     | <b>32</b>     | <b>64</b>     | <b>83</b>     | <b>83</b>     |
| Assumes continuation of existing contract terms for hosted software solution shared with Montgomery County Department of Recreation and Montgomery Parks, MNCPPC;                                    |               |               |               |               |               |               |
| <b>MCPS Reimbursable Custodial Costs</b>   | <b>0</b>      | <b>4</b>      | <b>9</b>      | <b>13</b>     | <b>18</b>     | <b>23</b>     |
| CUPF is required to reimburse MCPS for the custodial supply costs of community use.  |               |               |               |               |               |               |
| <b>MCPS Reimbursable Staff Costs</b>   | <b>0</b>      | <b>36</b>     | <b>72</b>     | <b>109</b>    | <b>146</b>    | <b>183</b>    |
| CUPF is required to reimburse MCPS for the cost impacts of community use. Reimbursements to MCPS for staff, maintenance, and supplies are periodically adjusted to reflect increases in those costs. |               |               |               |               |               |               |
| <b>MCPS Reimbursable Utility Costs</b>   | <b>0</b>      | <b>64</b>     | <b>130</b>    | <b>197</b>    | <b>267</b>    | <b>339</b>    |
| These amounts reflect the projected future cost of reimbursing MCPS for utilities.   |               |               |               |               |               |               |
| <b>Retiree Health Insurance Pre-funding</b>  | <b>0</b>      | <b>(5)</b>    | <b>(12)</b>   | <b>(11)</b>   | <b>(12)</b>   | <b>(3)</b>    |
| <b>Savings from Replacement of ActiveMONTGOMERY with Replacement System</b>  | <b>0</b>      | <b>0</b>      | <b>(145)</b>  | <b>(145)</b>  | <b>(145)</b>  | <b>(145)</b>  |
| Reduction in transaction fees resulting from the replacement of ActiveMONTGOMERY with a new system.  |               |               |               |               |               |               |
| <b>Security Services at Silver Spring Civic Building (SSCB)</b>  | <b>0</b>      | <b>4</b>      | <b>8</b>      | <b>12</b>     | <b>16</b>     | <b>21</b>     |
| Security services at the Silver Spring Civic Building  |               |               |               |               |               |               |
| <b>Two Year Term Extension for Fiscal Assistant Position</b>   | <b>0</b>      | <b>0</b>      | <b>(83)</b>   | <b>(83)</b>   | <b>(83)</b>   | <b>(83)</b>   |
| The Fiscal Assistant is shared with County Recreation to support online activity registration and facility reservation database.   |               |               |               |               |               |               |
| <b>Wheaton Redevelopment</b>   | <b>0</b>      | <b>(350)</b>  | <b>(350)</b>  | <b>(350)</b>  | <b>(348)</b>  | <b>(348)</b>  |
| Expenses at the Wheaton facility include utilities, maintenance, parking, and debt service.  |               |               |               |               |               |               |
| <b>Labor Contracts</b>   | <b>0</b>      | <b>28</b>     | <b>28</b>     | <b>28</b>     | <b>28</b>     | <b>28</b>     |

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## FUNDING PARAMETER ITEMS

CE RECOMMENDED (\$000S)

| Title | FY21 | FY22 | FY23 | FY24 | FY25 | FY26 |
|-------|------|------|------|------|------|------|
|-------|------|------|------|------|------|------|

These figures represent the estimated annualized cost of general wage adjustments, service increments, and other negotiated items.

|                              |               |               |               |               |               |               |
|------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|
| <b>Subtotal Expenditures</b> | <b>11,934</b> | <b>11,733</b> | <b>11,622</b> | <b>11,767</b> | <b>11,903</b> | <b>12,031</b> |
|------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|

**FY21-26 PUBLIC SERVICES PROGRAM: FISCAL PLAN**

**Community Use of Public Facilities**

| FISCAL PROJECTIONS   | FY20 ESTIMATE       | FY21 REC            | FY22 PROJECTION     | FY23 PROJECTION     | FY24 PROJECTION     | FY25 PROJECTION     | FY26 PROJECTION     |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| <b>ASSUMPTIONS</b>   |                     |                     |                     |                     |                     |                     |                     |
| Indirect Cost Rate   | 20.45%              | 18.64%              | 18.64%              | 18.64%              | 18.64%              | 18.64%              | 18.64%              |
| CPI (Fiscal Year)  | 1.4%                | 1.6%                | 1.6%                | 1.6%                | 1.6%                | 1.6%                | 1.5%                |
| Investment Income Yield  | 1.9%                | 1.4%                | 1.4%                | 1.4%                | 1.4%                | 1.4%                | 1.4%                |
| <b>BEGINNING FUND BALANCE</b>                                      | <b>6,508,019</b>    | <b>5,644,357</b>    | <b>3,741,391</b>    | <b>2,357,672</b>    | <b>1,714,325</b>    | <b>987,735</b>      | <b>467,003</b>      |
| <b>REVENUES</b>  |                     |                     |                     |                     |                     |                     |                     |
| Charges For Services   | 11,926,753          | 11,975,233          | 12,168,034          | 12,362,723          | 12,558,054          | 13,067,911          | 13,595,855          |
| Miscellaneous  | 104,195             | 65,700              | 41,147              | 27,464              | 18,227              | 9,402               | 2,640               |
| <b>Subtotal Revenues</b>   | <b>12,030,948</b>   | <b>12,040,933</b>   | <b>12,209,181</b>   | <b>12,390,187</b>   | <b>12,576,281</b>   | <b>13,077,313</b>   | <b>13,598,495</b>   |
| <b>INTERFUND TRANSFERS (Net Non-CIP)</b>                           |                     |                     |                     |                     |                     |                     |                     |
| Transfers To The General Fund                                      | (928,770)           | (874,846)           | (880,053)           | (880,053)           | (880,053)           | (880,053)           | (880,053)           |
| Indirect Costs   | (721,440)           | (667,516)           | (672,723)           | (672,723)           | (672,723)           | (672,723)           | (672,723)           |
| CAAP   | (200,000)           | (200,000)           | (200,000)           | (200,000)           | (200,000)           | (200,000)           | (200,000)           |
| DCM  | (7,330)             | (7,330)             | (7,330)             | (7,330)             | (7,330)             | (7,330)             | (7,330)             |
| Transfers From The General Fund                                    | 160,000             | 160,000             | 160,000             | 160,000             | 160,000             | 160,000             | 160,000             |
| After School   | 25,000              | 25,000              | 25,000              | 25,000              | 25,000              | 25,000              | 25,000              |
| Elections  | 135,000             | 135,000             | 135,000             | 135,000             | 135,000             | 135,000             | 135,000             |
| Transfers To Debt Service Fund                                     | 0                   | (359,263)           | (359,367)           | (359,126)           | (359,229)           | (358,954)           | (358,988)           |
| <b>TOTAL RESOURCES</b>   | <b>17,770,197</b>   | <b>16,611,181</b>   | <b>14,871,152</b>   | <b>13,668,680</b>   | <b>13,211,324</b>   | <b>12,986,040</b>   | <b>12,986,457</b>   |
| <b>CIP CURRENT REVENUE APPROP. PSP OPER. BUDGET APPROP/ EXP'S.</b> |                     |                     |                     |                     |                     |                     |                     |
| Operating Budget   | (11,231,024)        | (11,933,974)        | (12,081,542)        | (12,233,335)        | (12,388,978)        | (12,549,292)        | (12,712,907)        |
| Labor Agreement  | n/a                 | 0                   | (27,934)            | (27,934)            | (27,934)            | (27,934)            | (27,934)            |
| Increase in MCPS Reimbursements                                    | n/a                 | 0                   | (35,972)            | (72,304)            | (108,999)           | (146,061)           | (183,493)           |
| Utility Reimbursements to MCPS                                     | n/a                 | 0                   | (63,846)            | (129,608)           | (197,343)           | (267,110)           | (338,974)           |
| Maintenance Reimbursement to MCPS                                  | n/a                 | 0                   | (4,383)             | (8,854)             | (13,414)            | (18,065)            | (22,769)            |
| Custodial Supply Reimbursements to MCPS                            | n/a                 | 0                   | (19,170)            | (32,299)            | (64,340)            | (82,626)            | (82,626)            |
| Security Services at Silver Spring Civic Building                  | n/a                 | 0                   | (3,900)             | (7,917)             | (12,054)            | (16,315)            | (20,704)            |
| Wheaton Redevelopment  | n/a                 | 0                   | 350,083             | 350,083             | 350,083             | 348,137             | 348,137             |
| Retiree Health Insurance Pre-Funding                               | n/a                 | 0                   | 5,000               | 11,690              | 11,450              | 12,290              | 2,530               |
| Savings from Replacement of ActiveMONTGOMERY                       | n/a                 | 0                   | 0                   | 144,791             | 144,791             | 144,791             | 144,791             |
| ActiveMONTGOMERY Fiscal Assistant                                  | n/a                 | 0                   | 0                   | 83,148              | 83,148              | 83,148              | 83,148              |
| <b>Subtotal PSP Oper Budget Approp / Exp's</b>                     | <b>(11,231,024)</b> | <b>(11,933,974)</b> | <b>(11,881,664)</b> | <b>(11,922,539)</b> | <b>(12,223,590)</b> | <b>(12,519,037)</b> | <b>(12,810,801)</b> |
| <b>OTHER CLAIMS ON FUND BALANCE</b>                                | <b>(31,816)</b>     | <b>(31,816)</b>     | <b>(31,816)</b>     | <b>(31,816)</b>     | <b>0</b>            | <b>0</b>            | <b>0</b>            |
| <b>TOTAL USE OF RESOURCES</b>                                      | <b>(12,125,840)</b> | <b>(12,869,790)</b> | <b>(12,513,480)</b> | <b>(11,954,355)</b> | <b>(12,223,590)</b> | <b>(12,519,037)</b> | <b>(12,810,801)</b> |
| <b>YEAR END FUND BALANCE</b>                                       | <b>5,644,357</b>    | <b>3,741,391</b>    | <b>2,357,672</b>    | <b>1,714,325</b>    | <b>987,735</b>      | <b>467,003</b>      | <b>175,655</b>      |
| <b>END-OF-YEAR RESERVES AS A PERCENT OF RESOURCES</b>              |                     |                     |                     |                     |                     |                     |                     |
|  | 31.8%               | 22.5%               | 15.9%               | 12.5%               | 7.5%                | 3.6%                | 1.4%                |

**Assumptions:**

- Changes in interfund transfers reflect the election cycle, receipts from the General Fund to offset the cost of free use and unpermitted field use, and technology modernization costs.
- The Interagency Coordinating Board must review and approve any changes in fees. A 2.5% increase is assumed in FY25 and another 2.5% increase is assumed in FY26.
- The fiscal plan assumes a one-time use of surplus funds to replace the online booking system shared by CUPF, the Recreation Department, and the Maryland-National Capital Park and Planning Commission. This use is shown as a current revenue transfer in FY20 and FY21.
- The fiscal plan assumes the use of surplus funds for ballfield maintenance. This use is shown as a current revenue transfer in FY21 and FY22 CIP project, Ballfield Initiatives (P008720).

**Notes:**

- The fund balance is calculated on a net assets basis.
- These projections are based on the Executive's Recommended budget and include the revenue and resource assumptions of that budget. The projected future expenditures, revenues, and fund balances may vary based on changes not assumed here to fee or tax rates, usage, inflation, future labor agreements, and other factors not assumed here.
- Community Use of Public Facilities has a fund balance policy target of 10% of resources.



**M E M O R A N D U M**

May 4, 2020

TO: County Council

FROM: Vivian Yao, Legislative Analyst

SUBJECT: FY21 Operating Budget:  
**Office of Community Use of Public Facilities (CUPF) Enterprise Fund Balance**

PURPOSE: Review and make recommendations on the use of the CUPF Enterprise Fund to support County initiatives

*Those expected to attend this worksession include:*

- Ramona Bell Pearson, Executive Director, CUPF
- Brett Magellan, Office of Management and Budget

**Background**

CUPF provides community users and public agencies with access to public facilities for services, programs, and events. **The program is supported by an enterprise fund and does not receive tax dollars to support its operations.** The Council has been monitoring the level of the CUPF Enterprise Fund balance since its review of the Department's FY16 Operating Budget, which was at 35% of total resources -- well over the policy target of 10% of total resources. Subsequently, the ICB has considered how to draw down and invest Enterprise Funds to enhance the community use of public facilities.

The ICB has been sensitive to ensuring that public space users are not charged more than their fair share of costs and opted for a phased in approach in lieu of a larger short-term expenditure. The strategy was intended to address the uncertain long-term impact of fee changes resulting from ActiveMontgomery implementation and delay the need for future fee increases by facilitating ongoing priority needs related to maintenance and improvement of the SSCB and other high use government facilities, the CAP and Facility Fee Assistance Program (FFAP), and school ballfield renovation.

The following table lists the specific uses of the funding balance from FY17 through FY21 Recommended

| <b>Projects/<br/>Initiatives</b>                      | <b>FY17</b>  | <b>FY18</b>   | <b>FY19</b>  | <b>FY20</b>  | <b>3/16 FY21<br/>CE Rec</b>   | <b>Current<br/>FY21 CE<br/>Rec.</b>   |
|---|--|---|--|--|---|---|
| School field renovation                               | \$500,000<br><br>No funds spent -work delayed to FY18.   | \$250,000   | \$750,000  | \$250,000  | \$600,000   | Defer allocation from CUPF Enterprise Fund until there is a clearer picture of Post-COVID revenue.                  |
| SSCB Maintenance                                      | \$120,000<br><br>Replacement of chairs   | \$120,000 budgeted<br><br>Used to replace video surveillance system   | \$120,000<br><br>Used to replace audio-visual system   | \$120,000<br><br>Routine building maintenance and furniture replacement planned  | \$120,000<br><br>Bathroom renovation, routine building maintenance  | \$120,000<br><br>Bathroom renovation, routine building maintenance  |
| Special projects                                      | \$150,000<br><br>Used on COB and EOB auditoriums and BCC RSC   | \$400,000<br><br>Used for Clarksburg Cottage improvements and maintenance, security, furniture and equipment at 15 Recreation Centers, and COB auditorium renovation. | \$500,000<br><br>Used for SSCB Great Hall floor replacement and recreation center improvements | \$743,000<br><br>Used for AV equipment in SSCB Great Hall and replacement of activity registration and facility reservation software | \$504,000<br><br>Used for replacement of activity registration and facility reservation software and CUPF Fee study | \$504,000<br><br>Used for replacement of activity registration and facility reservation software and CUPF Fee study |
| Subsidy Programs via Revenue Transfer to General Fund | Community Access Program (CAP) © SSCB \$150,000<br><br>Facility Fee Assistance Program (FFAP) \$50,000 | CAP \$150,000<br><br>FFAP \$50,000  | CAP \$150,000<br><br>FFAP \$50,000   | CAP \$150,000<br><br>FFAP \$50,000   | CAP \$150,000<br><br>FFAP \$50,000  | CAP \$150,000<br><br>FFAP \$50,000  |

## **Council Review of the Parks Ballfield Renovation CIP Project**

The Council reviewed the CIP Ballfield Initiatives CIP Project on April 23, 2020. The Council acknowledged the Executive's changed recommendation regarding the use of CUPF Enterprise Fund dollars to support the project. The Executive's March 16 recommendation for the amended Ballfield Initiatives CIP project included 600,000 from the CUPF Enterprise Fund to support the ballfield renovation in FY21 and another \$600,000 in FY22. The FY21 amount is reflected in the CE's recommended FY21 Operating Budget for CUPF as a CIP current revenue appropriation.

Because CUPF projects are losing \$1 million in revenue each month that social distancing restrictions continue, the County Executive recommends deferring the decision to fund school ballfield renovations from the CUPF fund balance until the full impact of the COVID-19-related social distancing restrictions on CUPF's budget is known. Executive staff has noted that even when use of public facilities resumes, it is unclear whether there will be lingering effects of the shutdown on the demand for CUPF's facilities.

The Council agreed to defer a decision on how to fund the Ballfield Renovation until it has a chance to review the CUPF Operating Budget. After recognizing the popularity and success of recent efforts by Parks to renovate school ballfields, the Council requested specific information on the extent to which the CUPF Enterprise Fund balance has diminished and requested actual and projected figures for how the Enterprise Fund will close out FY20 and FY21. Councilmember Alborno noted that additional needs for subsidized facility use may arise from the COVID emergency from organizations providing youth sports, camps and other activities. Councilmembers inquired about the cost of deferring renovation and considered using GO Bonds in place of CUPF Enterprise Fund dollars.

### **Enterprise Fund Balance**

CUPF Enterprise Fund information responsive to the Council's request is attached on ©5-7. The information shows how changes in revenue and resource use impact the fund balance. The scenarios<sup>1</sup> presented show anticipated fund balances based on when CUPF resumes operations and whether enterprise funding is used to support the Executive's original recommendation for the Ballfield Initiatives CIP project. The data show:

- A decrease to the fund balance in FY20 between \$2.15 million to \$2.56 million, depending on when/if CUPF resumes operations in FY20.
- If CUPF operations resume on May 25 and no reduction in revenues is assumed for FY21, then the CUPF Fund balance will remain above the 10% reserve level, if \$600,000 is taken for Ballfield Initiatives in FY21 and FY22.
- If operations do not resume until June 30, then no scenario shows the CUPF fund balance remaining at or above the 10% reserves level into FY22. If ballfields are funded at the level originally proposed by the Executive, the fund balance would be a negative 1.6% by FY22.

<sup>1</sup> Council staff understands that CUPF revenues have dropped further since the scenario analysis was performed.

- If a 10% revenue loss is assumed for FY21, the only case where the fund balance remains over the 10% threshold is if funding for ballfields is excluded.

**Council staff recommendation:** Concur with the Executive’s recommendation to defer the funding of the Ballfield Initiatives project through the CUPF Enterprise Fund until the full impact of the COVID-19-related social distancing restrictions on fund balance is known. It appears unlikely that operations will resume normally by May 25 given that the County has not reached the peak in COVID-19 infections. Moreover, it seems likely that CUPF revenue will be lower than originally projected as some COVID restrictions will likely continue, thus impacting use, even as services and facilities reopen.

Council staff recommends approval of the items related to the SSCB and special projects, they are integral to CUPF’s ongoing operations.

Council staff also recommends continued support of the Community Access and Facility Use subsidy programs as these funds will support services to vulnerable populations, that have been disproportionately impacted by COVID-19. However, if the CUPF Enterprise Fund balance is anticipated to fall below the 10% reserves target, it would be appropriate to substitute general fund dollars to support these initiatives instead of having CUPF facility users.

| <b>Scenario 1</b>  |              |              |              |              |                                       |              |              |              |              |              |              |
|--|--------------|--------------|--------------|--------------|---------------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Community Use of Public Facilities 6-Year Fund                           |              |              |              |              |                                       |              |              |              |              |              |              |
| May 25 Opening   |              |              |              |              |                                       |              |              |              |              |              |              |
| <b>Including \$600,000 in FY21 and FY22 for CIP Ballfield Initiative</b> |              |              |              |              |                                       |              |              |              |              |              |              |
|  | FY19         | FY20         | FY20         | FY20         | FY21                                  | FY21         | FY22         | FY23         | FY24         | FY25         | FY26         |
|  | Actual       | Approved     | 2nd QA       | 3rd QA       | Including additional 10% Revenue Loss | Recommended  | Projection   | Projection   | Projection   | Projection   | Projection   |
| <b>Beginning Fund Balance</b>  | 6,372,109    | 4,796,527    | 6,508,019    | 6,508,019    | 3,493,474                             | 3,493,474    | 1,590,508    | 206,789      | (436,558)    | (1,163,148)  | (1,683,880)  |
| <b>Revenues</b>  | 12,120,788   | 12,030,948   | 12,030,948   | 9,674,783    | 10,836,840                            | 12,040,933   | 12,209,181   | 12,390,187   | 12,576,281   | 13,077,313   | 13,598,495   |
| <b>Interfund Transfers</b>   | (689,493)    | (768,770)    | (768,770)    | (768,770)    | (1,074,109)                           | (1,074,109)  | (1,079,420)  | (1,079,179)  | (1,079,282)  | (1,079,007)  | (1,079,041)  |
| <b>Total Use of Resources</b>  | (11,295,385) | (12,837,339) | (12,125,840) | (11,920,558) | (12,447,649)                          | (12,869,790) | (12,513,480) | (11,954,355) | (12,223,590) | (12,519,037) | (12,810,801) |
| <b>Ending Fund Balance</b>   | 6,508,019    | 3,221,366    | 5,644,357    | 3,493,474    | 808,555                               | 1,590,508    | 206,789      | (436,558)    | (1,163,148)  | (1,683,880)  | (1,975,228)  |
| <b>Percent of Resources</b>  | 36.6%        | 20.1%        | 31.8%        | 22.7%        | 6.1%                                  | 11.0%        | 1.6%         | -3.8%        | -10.5%       | -15.5%       | -18.2%       |

| <b>Scenario 2</b>  |              |              |              |              |                                       |              |              |              |              |              |              |
|--|--------------|--------------|--------------|--------------|---------------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Community Use of Public Facilities 6-Year Fund                           |              |              |              |              |                                       |              |              |              |              |              |              |
| May 25 Opening   |              |              |              |              |                                       |              |              |              |              |              |              |
| <b>Excluding \$600,000 in FY21 and FY22 for CIP Ballfield Initiative</b> |              |              |              |              |                                       |              |              |              |              |              |              |
|  | FY19         | FY20         | FY20         | FY20         | FY21                                  | FY21         | FY22         | FY23         | FY24         | FY25         | FY26         |
|  | Actual       | Approved     | 2nd QA       | 3rd QA       | Including additional 10% Revenue Loss | Recommended  | Projection   | Projection   | Projection   | Projection   | Projection   |
| <b>Beginning Fund Balance</b>  | 6,372,109    | 4,796,527    | 6,508,019    | 6,508,019    | 3,493,474                             | 3,493,474    | 2,190,508    | 1,406,789    | 763,442      | 36,852       | (483,880)    |
| <b>Revenues</b>  | 12,120,788   | 12,030,948   | 12,030,948   | 9,674,783    | 10,836,840                            | 12,040,933   | 12,209,181   | 12,390,187   | 12,576,281   | 13,077,313   | 13,598,495   |
| <b>Interfund Transfers</b>   | (689,493)    | (768,770)    | (768,770)    | (768,770)    | (1,074,109)                           | (1,074,109)  | (1,079,420)  | (1,079,179)  | (1,079,282)  | (1,079,007)  | (1,079,041)  |
| <b>Total Use of Resources</b>  | (11,295,385) | (12,837,339) | (12,125,840) | (11,920,558) | (11,847,649)                          | (12,269,790) | (11,913,480) | (11,954,355) | (12,223,590) | (12,519,037) | (12,810,801) |
| <b>Ending Fund Balance</b>   | 6,508,019    | 3,221,366    | 5,644,357    | 3,493,474    | 1,408,555                             | 2,190,508    | 1,406,789    | 763,442      | 36,852       | (483,880)    | (775,228)    |
| <b>Percent of Resources</b>  | 36.6%        | 20.1%        | 31.8%        | 22.7%        | 10.6%                                 | 15.1%        | 10.6%        | 6.0%         | 0.3%         | -4.0%        | -6.4%        |

| <b>Scenario 3</b>  |              |              |              |              |                                       |              |              |              |              |              |              |
|--|--------------|--------------|--------------|--------------|---------------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Community Use of Public Facilities 6-Year Fund                           |              |              |              |              |                                       |              |              |              |              |              |              |
| June 30 Opening  |              |              |              |              |                                       |              |              |              |              |              |              |
| <b>Including \$600,000 in FY21 and FY22 for CIP Ballfield Initiative</b> |              |              |              |              |                                       |              |              |              |              |              |              |
|  | FY19         | FY20         | FY20         | FY20         | FY21                                  | FY21         | FY22         | FY23         | FY24         | FY25         | FY26         |
|  | Actual       | Approved     | 2nd QA       | 3rd QA       | Including additional 10% Revenue Loss | Recommended  | Projection   | Projection   | Projection   | Projection   | Projection   |
| <b>Beginning Fund Balance</b>  | 6,372,109    | 4,796,527    | 6,508,019    | 6,508,019    | 3,087,954                             | 3,087,954    | 1,184,988    | (198,731)    | (842,078)    | (1,568,668)  | (2,089,400)  |
| <b>Revenues</b>  | 12,120,788   | 12,030,948   | 12,030,948   | 8,674,783    | 10,836,840                            | 12,040,933   | 12,209,181   | 12,390,187   | 12,576,281   | 13,077,313   | 13,598,495   |
| <b>Interfund Transfers</b>   | (689,493)    | (768,770)    | (768,770)    | (768,770)    | (1,074,109)                           | (1,074,109)  | (1,079,420)  | (1,079,179)  | (1,079,282)  | (1,079,007)  | (1,079,041)  |
| <b>Total Use of Resources</b>  | (11,295,385) | (12,837,339) | (12,125,840) | (11,326,078) | (12,447,649)                          | (12,869,790) | (12,513,480) | (11,954,355) | (12,223,590) | (12,519,037) | (12,810,801) |
| <b>Ending Fund Balance</b>   | 6,508,019    | 3,221,366    | 5,644,357    | 3,087,954    | 403,035                               | 1,184,988    | (198,731)    | (842,078)    | (1,568,668)  | (2,089,400)  | (2,380,748)  |
| <b>Percent of Resources</b>  | 36.6%        | 20.1%        | 31.8%        | 21.4%        | 3.1%                                  | 8.4%         | -1.6%        | -7.6%        | -14.7%       | -20.0%       | -22.8%       |

| <b>Scenario 4</b>  |              |              |              |              |                                       |              |              |              |              |              |              |
|--|--------------|--------------|--------------|--------------|---------------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Community Use of Public Facilities 6-Year Fund                           |              |              |              |              |                                       |              |              |              |              |              |              |
| June 30 Opening  |              |              |              |              |                                       |              |              |              |              |              |              |
| <b>Excluding \$600,000 in FY21 and FY22 for CIP Ballfield Initiative</b> |              |              |              |              |                                       |              |              |              |              |              |              |
|  | FY19         | FY20         | FY20         | FY20         | FY21                                  | FY21         | FY22         | FY23         | FY24         | FY25         | FY26         |
|  | Actual       | Approved     | 2nd QA       | 3rd QA       | Including additional 10% Revenue Loss | Recommended  | Projection   | Projection   | Projection   | Projection   | Projection   |
| <b>Beginning Fund Balance</b>  | 6,372,109    | 4,796,527    | 6,508,019    | 6,508,019    | 3,087,954                             | 3,087,954    | 1,784,988    | 1,001,269    | 357,922      | (368,668)    | (889,400)    |
| <b>Revenues</b>  | 12,120,788   | 12,030,948   | 12,030,948   | 8,674,783    | 10,836,840                            | 12,040,933   | 12,209,181   | 12,390,187   | 12,576,281   | 13,077,313   | 13,598,495   |
| <b>Interfund Transfers</b>   | (689,493)    | (768,770)    | (768,770)    | (768,770)    | (1,074,109)                           | (1,074,109)  | (1,079,420)  | (1,079,179)  | (1,079,282)  | (1,079,007)  | (1,079,041)  |
| <b>Total Use of Resources</b>  | (11,295,385) | (12,837,339) | (12,125,840) | (11,326,078) | (11,847,649)                          | (12,269,790) | (11,913,480) | (11,954,355) | (12,223,590) | (12,519,037) | (12,810,801) |
| <b>Ending Fund Balance</b>   | 6,508,019    | 3,221,366    | 5,644,357    | 3,087,954    | 1,003,035                             | 1,784,988    | 1,001,269    | 357,922      | (368,668)    | (889,400)    | (1,180,748)  |
| <b>Percent of Resources</b>  | 36.6%        | 20.1%        | 31.8%        | 21.4%        | 7.8%                                  | 12.7%        | 7.8%         | 2.9%         | -3.1%        | -7.6%        | -10.2%       |

*\*Percentages in red fall below CUPF's 10% fund reserve requirement*

**Fund Balance Analysis  
And Factors to Consider While Reviewing the CUPF Budget**

During the COVID-19 crisis, CUPF is losing revenues at the rate of \$1,000,000 per month. Our total proposed FY21 operating budget is \$11,895,475. Revenue losses with the current closures through May 20 are estimated at \$2,140,000. Because of fixed costs as outlined below, costs are only reduced by 35% of the revenue lost.

CUPF is required to maintain a fund balance equal to 10% of resources. The minimum required fund balance for FY21 based on the March recommended budget is \$1.45M.

CUPF is hoping that community use will resume by the end of May 2020. If, however, closures continue through June 2020, and \$600,000 is allocated to the Ballfield Initiative, the fund balance will drop below the minimum requirement.

Attached are spreadsheets showing the effect on CUPF's fund balance of a transfer to the Ballfield Initiative under different closure scenarios. In particular, you will see that the FY20 year-end fund balance is estimated to be between \$3.1 - \$3.5 million versus the \$5.6 million reflected in the FY21 recommended budget depending on when activities can resume. Further, note that the columns showing FY21 and later years are based on the FY21 Recommended amounts, which do not take any FY21 closures into consideration. Therefore, a column has been included which assumes a 10% reduction in FY21 revenues and related expenditures. If FY21 revenues are 10 percent lower than previously recommended due to COVID impacts, CUPF would clearly be unable to fund the CIP ballfields amendment in FY21 and maintain a 10 percent fund balance

**FY21 Fixed Costs: \$9,722,389**

- CUPF Personnel \$3,581,096
- Salary cost of MCPS weekend supervisors \$200,599 plus overtime (\$33,472 in FY20)
- Salary cost of MCPS energy management position \$99,266
- Salary cost of IT specialist shared with Rec and Parks (20% of salary) \$27,996
- Rent at 255 Rockville Pike (expected to continue throughout FY21) \$350,083
- Rent at Wheaton Building (expected to begin June 1, 2020) \$359,263
- MCPS Utility Reimbursement: \$2,128,358
- Custodial Supplies Reimbursement: \$219,811 (FY20 actual usage is paid in FY21)
- MCPS Maintenance Reimbursement: \$744,336 (FY20 actual usage is paid in FY21)
- Net Transfers (transfers out: debt service for Wheaton Building, indirect staff costs, CAP; transfers In: Elections) \$1,074,109
- CIP Current Revenue \$904,000

**FY21 Budgeted Costs That Will Vary Based on Usage: \$4,221,510**

- MCPS Staff Reimbursement: \$3,597,189
- MCPS Equipment Reimbursement: \$106,423
- Other (security for SSCB; cost of Fee Study, supplies) \$517,898

**FY21 Budgeted Revenue from Facility Fees: \$11,975,233**

- Childcare in MCPS: \$1,916,197
- Non-childcare use in MCPS: \$8,589,189
- Fields: \$337,102
- Government Buildings: \$121,280
- SSCB: \$1,011,465

**CUPF has four major permit categories/facilities that comprise its operations:**

**1. Silver Spring Civic Building and Veteran's Plaza**

This facility accounts for a little over \$1 million per year in revenues for CUPF. So far, SSCBVP has lost significant revenue from the cancellation of:

- Silver Spring Jazz Festival
- Hotel conference events for professional organizations hosting in the Silver Spring area
- Federal Government conferences that will now be held through teleconferences or cancelled altogether for this year.

**Continued Risk Factors:** The full extent of lost revenue will not be known until closer to a reopening date. Several permit holders who were cancelled in March, April and May will adjust their planning to determine when or if they can fit cancelled or postponed programming into later parts of this year. Definite fiscal impacts will be felt in FY 20 as well as FY21.

**2. MCPS: Before and After Child Care**

Currently CUPF permits 18 different Child Care Providers in the 120 MCPS facilities that offer childcare services before and after school. Collectively, our 18 providers are licensed to care for 8516 children, and currently have 8183 children enrolled.

- All permits have been cancelled between March 16, 2020 and May 15, 2020.
- That represents a loss of \$47,000 per week in revenue to CUPF.
- The exception to that amount is Spring Break Week during which time childcare is offered full time for that week instead of the usual two hours in the morning and up to three hours in the afternoon; during Spring Break cancelled permits cost CUPF \$75,000 in lost revenues.

**Continued Risk Factors:**

- If some level of social distancing requirements remain in place once community use resumes, providers may require more space for the same or fewer students; this will increase their costs, perhaps beyond their means, and will reduce the amount of space available to others. One of our largest providers has already inquired about possible discounts for an increased amount of classroom space for their summer camp, in anticipation of continued social distancing restrictions.
- Some existing providers have laid off staff and are struggling to stay in business. There is a concern that childcare providers may not be able to return due to the extreme revenue losses they are experiencing during the COVID event.
- Because the childcare bid process has been suspended, MCPS does not have a process to place new providers in schools.
- CUPF does not control the use of MCPS facilities.

**3. MCPS: Other Community Use (fields, auditoriums, cafeterias, etc.)**

- **35 Cultural Schools:** Current permit cancellations have resulted in movement to distance learning practices similar to MCPS. There is a concern that revenue losses will continue if cultural schools don't return to permit space from CUPF after COVID. Permits for cultural schools typically cost \$60,000-\$100,000 per year.

- **114 Faith based organizations:** All Organizations that survive the COVID cancellation are expected to return, as public facilities are the most affordable accommodations for the services.
- **155 Sports Leagues:** There is a question as to whether these organizations will return for any remaining portion of their sports season after COVID restrictions are lifted. There is also a concern as to whether the Organizations will be able to operate summer camps.
- **Large Events (expected attendance of 500 or more people):** As long as any level of social distancing restrictions remain in place, it will be very difficult for large events to proceed in any form. Additional costs may need to be absorbed by CUPF that represents additional cleaning that would be needed for large events to prevent the passage of germs between events.
- **Ball Fields:** Current permit fees for use of school fields are currently set at \$5.00 per hour, which does not even cover administrative costs

**Continued Risk Factors:**

- Some customers have shifted to operating virtually while buildings are closed. Now that those plans are in place, customers may continue virtual operations, at least in part, to save rental fees.
- Organizations that currently rent space may not survive the current crisis.
- Once community use resumes, fear of continued spread of COVID-19 may keep customers from reserving space and may keep parents from enrolling their children in sports and other programs.
- CUPF does not control the use of MCPS facilities.

**4. Other Government Buildings (Libraries, Regional Service Centers, EOB, COB, etc.)**

The primary use of non-MCPS buildings is internal (unpaid) use by county government. In FY19, the total number of hours of use was 56,337. Internal government use accounted for 86% of those hours. Only 14%, or 7,828 hours, were paid use by external customers.

**Continued Risk Factors:**

- External customers who have shifted to virtual meetings may continue in that mode.
- Organizations that currently rent space may not survive the current crisis.
- Once community use resumes, fear of continued spread of COVID-19 may keep customers from reserving space.



## CUPF FY20 Operating Budget Questions

Previously asked:

- What is the FY21 plan for spending down the fund balance in the CUPF Enterprise Fund? Please identify the uses (field renovation, special maintenance of the Silver Spring Civic Building and other highly used government buildings, subsidy programs, replacement of online booking system, and/or other special projects) and corresponding amounts to be spent for each.
- Please identify the amounts spent out of the CUPF Enterprise fund in FY19 and FY20 for special projects and initiatives and describe what the funds were used for specifically.
- Please identify all of the fields selected for renovation, which field renovations have been completed and when they were completed, the most recent schedule for completing identified fields, amounts spent in FY19 and FY20 to date, and amounts projected to be spent in FY21.
- What fees are charged for MCPS ball fields and local park fields in FY20? What are the anticipated rates for FY21?

Questions after March 16:

1. How much are total reimbursements to MCPS projected to change in FY20? Please break out the total MCPS reimbursements by type and also include any changes to reimbursements from FY20. What percentage of the CUPF's recommended FY21 operating expense is attributable to MCPS reimbursements?

### **FY20 Budgeted MCPS reimbursements:**

- MCPS Staff Reimbursement: \$3,597,189 (depends on MCPS use by quarter, also includes 2 Weekend Supervisor positions) Actual costs for this line item is projected to be around \$2,597,576.
- Energy Management: \$99,266 (Salary for one Energy Management Position) Actual costs for this line item is \$107,500.
- MCPS Utilities Reimbursement: \$2,128,358 (always a year behind, number based on FY19 utilities' cost) Actual costs in FY20 for this line item is the same as the budgeted amount.
- Custodial Supplies Reimbursement: \$219,811 (always a year behind, number based on use from FY19) Actual costs in FY20 for this line item is \$214,851.
- MCPS Equipment Reimbursements: \$106,423 (based on MCPS use by quarter) Actual costs for this item is projected to be around \$50,000.
- MCPS Maintenance Reimbursements: \$744,336 (always a year behind, number based on FY19 expenses) Actual cost for this line item is \$725,229.

MCPS reimbursements make up 81% of CUPF's FY20 operating budget.

FY21 CE Recommended MCPS Reimbursements:

- MCPS Staff Reimbursement: \$3,597,189
- Energy Management: \$99,266
- MCPS Utility Reimbursement: \$2,128,358
- Custodial Supplies Reimbursement: \$219,811
- MCPS Equipment Reimbursement: \$106,423
- MCPS Maintenance Reimbursement: \$744,336

In FY21 MCPS reimbursements make up 86% of CUPF's operating budget.

2. Please provide a vacancy list. Have any positions been reclassified since publishing the FY19 personnel complement?

Current vacancies:

- Position 16579 – Program Specialist II (paperwork filed with OHR to fill this position with the incumbent in position 13823)
- Position 3778 – Program Specialist II
- Position 16577 – Program Specialist I

Reclassified Positions:

- Program Specialist I – Position Number 3778 (was reclassified from a Program Specialist I)

3. Please provide an update on Silver Spring Civic Building and Plaza use. For FY19 and FY20 year-to-date, please provide, as available, the costs for and revenue from, operating the facility. What is the recommended operating budget for FY21?

Revenue:

FY19: \$1,070,889

FY20 YTD: \$733,509

Operating:

**FY19**

PC- \$448,478 OE - \$403,619

**Total; \$852,097**

**FY20**

PC - \$460,786 (budgeted) OE - \$382,914 YTD

**Total YTD: \$843,700**

**FY21 CE REC**

PC - \$476,867 OE - \$343,363

**Budgeted Total: \$820,230**

These numbers will obviously be impacted by the closure of the facility due to the COVID-19 crisis, and we are compiling data on the revenue lost.

4. How much is budgeted for the Silver Spring Civic Building Community Access Pilot Program (CAPP) in FY21? Please provide an update on the CAPP for FY19 and FY20 to date, including the budgeted amounts, the amounts expended; the awards made (including organization and program, award amount, percent of CUPF fee paid by CAPP, and the number of prior awards for the organization); and the number of applications received.

\$150,000 is budgeted for the CAP program in FY21. We spent 100% of our budgeted amount of \$150,000 of CAP subsidy awards in FY19 and awarded 86 groups. For FY20 year to date we have awarded \$92,233 to 63 group recipients with an intention of utilizing all funds this fiscal year. Spreadsheets are attached.

5. Please provide an update on the Facility Use Subsidy Program. For FY19 and FY20, please provide the budgeted amount for subsidies and funding source, the amount of funding expended to date, a list of awards made (including organization, program, award amount, percent of CUPF fee paid) and the number of applications received. Please provide the FY21 recommended budget for the program and source of funds.

The budgeted amount for FFAP in FY19 was \$75,000, which we fully utilized and awarded to 28 groups. \$50,000 of those funds are in the Community Engagement Cluster Account and \$25,000 is in CUPF's general ledger account. The budgeted amount for FFAP in FY21 is \$75,000, and to date we have awarded \$62,266 to 24 groups.

6. Please provide an update on the Before and After School Childcare rebid process.

The County and MCPS are continuing to work collaboratively to develop a modified rebid process that would be conducted under the authority of MCPS with administrative assistance from CUPF. In July 2019, the Regulation based on the Board of Education delegation to the Interagency Coordinating Board sunset. That Regulation gave CUPF the authority to conduct the administrative re-bid process. The selection of the Provider that CUPF licenses to be in the schools has always been made by MCPS. Because the Regulation sunset, CUPF is limited to a small role in providing support and consultation to MCPS for this proposed modified re-bid process.

Most recently, MCPS and CUPF had to postpone scheduled meetings on the topic that were to include MCPS, CUPF, HHS, and our respective legal Counsels. We were meeting to discuss putting a modified bid process in place that would allow us to respond to a request from a small number of schools that indicated they have a need for child care services but who currently do not have any child care services located in their buildings. This discussion would have determined if we could do a modified bid process that would be completed in a short period of time and would be limited to the two schools that do not have child care. That meeting has not yet been rescheduled.

When is it anticipated that a process will be in place to select child care providers for shared space?

At this time, CUPF cannot predict when a new full re-bid process will be in place. MCPS will make those decisions as we move forward.

Will a process be in place to ensure that child care providers will be in place for the 2020-2021 school year?

At this time it would not be possible for a full re-bid process to be put into place before the 2020-2021 school year. What may be possible, assuming we are able to resume work soon under a non-COVID-19 schedule, is that a modified re-bid process could take place to address the two schools that have no child care but have indicated a need for it. All schools that currently have school age child care would continue to provide those services through the current Provider that is in place.

How are MCPS and CUPF dealing with schools that need a care provider placement?

During the current school year (2019-20) Snowden Farms Elementary, a new school in Clarksburg, has been without a child care program. To accommodate the parents and children in that school, MCPS and CUPF coordinated a plan for students to be transported by MCPS bus to and from their previous schools for before- and after-school child care. This transportation was paid for by MCPS

and allowed students to remain in the child care programs they attended in the 2018-19 school year.

Clarksburg Elementary also does not currently have a school age child care program, but they do have an MCPS pre-school program in extra space at the school. The principal felt the school's needs were being met by that program because they were also accepting school age children. However, this year the program did not have enough space for the families that wanted to place school age children, so at the beginning of this school year the principal at Clarksburg Elementary asked for a school age placement. Because of that request, we plan to include this school in the pilot bid process.

7. What accounts for the increase in the fund balance from what it was projected to be in the FY20 budget? Please confirm that there are no plans to increase fees for school or building use in FY21?

There was a surplus in FY19 that rolled over into the enterprise fund.

We are issuing an RFP, currently being processed by Procurement, for a fee study. Until the fee study is complete and we receive the recommendations of the vendor, we cannot say how fees may change in the future. However, given that the RFP has not yet been issued, and that the vendor will have up to 180 days from the execution of the contract to submit a draft report, it is unlikely that any fee changes will be recommended to the Interagency Coordinating Board for FY21.

8. What are the increased costs related to the move to the new Wheaton office building?

We have recently been informed that the current lease for our offices at 255 Rockville Pike requires that the County Executive recommend to the County Council continued rent payments for a full year after we have vacated the property and moved to Wheaton. Because of COVID-19 we could be faced with a need to delay our move to a later date

9. Please provide total number hours of paid and free use in schools and government buildings in FY19.

**FY19**

MCPS free use – 115,656 Hours  
Government Building Free Use –48,509 Hours  
Government Building Paid Use- 7,828 Hours

10. Please provide revenue figures broken out by type (e.g., general user fees, ball fields, investment income, civic building, etc.) for FY19 actual, FY20 approved and FY21 recommended.

**FY19**

General User fees: \$10,461,299  
Fields: \$315,126  
Government Buildings: \$117,405  
SSCB: \$1,070,899  
Investment Income: \$290,799  
**Revenue Total: \$12,255,250**

**FY20 YTD**

General User fees: \$7,334,817  
Fields: \$172,471  
Government Buildings: \$80,993  
SSCB: \$733,510  
Investment Income: \$203,030  
**Revenue Total: \$8,524,822**

**FY20 Approved**

\$10,505,386  
\$291,000  
\$118,902  
\$1,011,465  
\$104,195  
**Approved Revenue Total: \$12,030,948**

**FY21 REC**

General User fees: \$10,505,386  
Fields: \$337,102  
Government Buildings: \$121,280  
SSCB: \$1,011,465  
Investment Income: \$65,691  
**Revenue Total: \$12,040,924**