



Committee: All
Committee Review: N/A
Staff: Marlene Michaelson, Executive Director
Purpose: To make preliminary decisions – straw vote expected
Keywords: #FY21 Savings Plan

AGENDA ITEM #15
July 21, 2020
Worksession

SUBJECT

FY21 Savings Plan

DESCRIPTION/ISSUE

This worksession will enable the Council to consider the recommendations of the six Committees on the Executive- recommended FY21 Savings Plan.

SUMMARY OF KEY DISCUSSION POINTS

- The Committee recommendations total \$72.1 million (\$43.8 Operating Budget and \$28.3 Capital Improvements Program (CIP)). This exceeds the Executive-recommended reductions because it includes reductions for the Maryland-National Capital Park and Planning Commission (M-NCPPC).
- The Committee supported most of the reductions identified by the Executive but did not support \$2.4 million of the \$34.3 million in reductions for County Government. Specific differences are identified in the attached staff memorandum.
- Final action on the \$628,000 reductions to the M-NCPPC CIP must be delayed until the fall to meet public hearing advertising requirements.

KEY DECISION POINT

- Whether the Council supports the Committee recommendations for the FY21 Savings Plan.

This report contains:

Staff Report	Page 1-5
Executive Recommended Savings Plan	© 1-4
Tracking Report of Committee Recommendations	© 5-14
Staff Reports to each Committee	© 15-57

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Worksession

MEMORANDUM

July 17, 2020

TO: County Council

FROM: Marlene Michaelson, Executive Director

SUBJECT: FY21 Savings Plan

On July 6, 2020, the County Executive transmitted a FY21 Savings Plan (see ©1-4). Each of the Council Committees met to discuss the recommended reductions and the staff reports for the Committee meetings are attached at ©15-57. The Committee's recommendations are listed in the attached tracking report (©5-14) and summarized below. The Committee recommend \$43.8 million in Operating Budget reductions and \$28.3 million in Capital Improvements Program (CIP) saving for a total reduction of \$72.1 million. Final action on the Savings Plan is scheduled for July 28. Each of the reductions **not** supported by a Committee are described below.

The Council was recently briefed on revised revenue estimates that show an FY21 reduction in revenues of \$192 million (in addition to \$47.4 million in FY20). While this is significantly greater than the proposed savings plan, the revenue briefing did not include federal funding or changes in expenditures. In addition, there continues to be uncertainty regarding the potential for future federal funding or changes in state funding. It will be important for the Council to be updated in the fall on new information regarding changes in revenues and expenditures to determine whether an additional savings plan will be required.

Operating Budget Savings

The total Committee recommended reductions to the FY21 operating budget is \$43.8 million. It is more than the amount identified by the Executive because his transmission to the Council did not include the Maryland-National Park and Planning Commission (M-NCPPC) reductions since they had not yet been approved by the Planning Board. The Executive also determined that it would be premature to identify savings for Montgomery County Public Schools until they have decided upon plans for the upcoming school year. The Committees agreed with each of the Executive's recommendations except those described below.

OPERATING BUDGET REDUCTIONS IN PROPOSED FY21 SAVINGS PLAN		
	County Executive	Council Committees
County Government	\$34,320,690	\$31,916,843
Montgomery College	\$4,354,491	\$4,354,491
M-NCPPC	¹	\$7,481,214
Total	\$38,675,181	\$43,752,548

Public Safety (PS)

The Public Safety Committee recommends reductions totaling \$12,183,993. The PS Committee accepted all reductions with 2 exceptions:

- The Committee agreed with the recommendation to delay the FY21 recruit class (\$751,338 savings) but did not agree with the recommendation to reduce the size of the recruit class from 57 to 37 (\$1.2 million potential savings).
- The Committee recommends that the positions recommended to be abolished in the Police Department instead be lapsed. The Council should consider whether these positions should be abolished as part of the FY22 budget.

Councilmember Jawando requested the Committee also abolish the SRO program, which would have impacted 23 additional SRO positions. The Committee did not support his recommendation and believes that action should be delayed until MCPS returned with its recommendations on the SRO program.

Transportation and Environment (T&E)

The T&E Committee recommends reductions totaling \$5,769,838. The Committee agreed with all proposed budget reductions for the Department of Environmental Protection (DEP) and Transportation with one exception:

- The Committee did not support the tree maintenance reduction of \$643,087. If taken, this reduction reflects an 8 percent reduction in overall tree maintenance activities (across the Operating Budget and CIP) and a 14 percent reduction in the Operating Budget portion of the Tree Maintenance budget.

Planning, Housing, and Economic Development (PHED)

The PHED Committee recommends reductions totaling \$9,665,742. The PHED Committee reviewed operating budget reductions for the Office of Agriculture, Department of Housing and Community Affairs, the Housing Opportunities Commission (HOC), the Office of Zoning and Administrative Hearings, the Department of Recreation and the Maryland-National Capital Park and Planning Commission (M-NCPPC) and supports all recommended reductions with the following exceptions:

¹ The Executive asked M-NCPPC to identify savings equivalent to 6 percent of their operating budget but did not specify a dollar savings in his cover memo to the Council. The amount supported by the PHED Committee is 5.72 percent of the operating budget

- For HOC, the Committee recommends the Council accept a savings of \$205,000, instead of the proposed reduction of \$409,482, recognizing the potential for CARES Act funding to support positions associated with the Housing Choice Voucher Program. As this funding is only available through December 31, 2020, only half the CE recommended savings can be achieved this way.
- For M-NCPPC, the Committee does not support the proposed reduction for contractual services for hazardous tree removal, bio-retention management, and Non-Native Invasive plant and nuisance wildlife management because it could have detrimental impacts to the safety and integrity of the parks. The Committee recommends the Council accept a savings of \$183,693 for contractual services, retaining funding for hazardous tree removal, bio-retention management, and NNI plant and nuisance wildlife management.
- Although the Committee supported the reductions for the Recreation Department, it noted that the Council should monitor the need for youth development programming, particularly for vulnerable youth, and ways that the Department can target their resources to meet this need. If the department finds that existing resources are not sufficient to address the need for youth programming as recovery efforts evolve, then the Council should revisit the youth development budget for funding adequacy.

Government Operations (GO)

The GO Committee recommends reductions totaling \$7,184,058. The Committee concurred with all the Executive's recommended reductions with one exception:

- The Executive recommended reductions to the Office of Intergovernmental Relations (OIR) impact a contract to assist in retaining large federal leases in the County. The GO Committee believes it is prudent to reserve a portion of this contract in FY21 because of the economic situation due to COVID-19. The contract expires in early FY21, and OIR plans to renegotiate the contract based on an hourly rate. The Committee recommends reducing the contract by \$28,186, instead of \$68,186, retaining \$40,000 for this purpose.

Education and Culture (E&C)

The E&C Committee recommends reductions totaling \$6,314,146. The Committee supported the Executive recommended reductions for both Montgomery College and Libraries without exception.

Health and Human Services (HHS)

The HHS Committee recommends reductions totaling \$2,699,857. There were several Executive-recommended reductions the Committee did not support listed below:

- Latino Health Initiative (LHI) – Miscellaneous Operating (\$44,659)
- African American Health Program (AAHP) – Services to improve health (\$9,000)
- AAHP – Data Services (\$93,000)
- AAHP - Miscellaneous Operating (\$19,949)

- LHI – “Ama tu Vida” campaign (\$10,000)
- LHI – Environmental Intervention (\$15,000)
- Asian American Health Initiative (AAHI) – Health Events (\$1,615)
- Reduction of Operating Funds (\$2,955)
- In Persons Translation Services – Office of Community Affairs (\$40,000)
- For the Office of Human Rights, the Committee supported the \$35,000 reduction but recommends that Investigator II position not be lapsed and instead the associated savings of \$25,000 be created by reducing operating costs, since the Office expects to have operating savings from not having events during FY21.

Capital Improvements Program (CIP)

The County Executive recommended ten CIP savings totaling \$27.7 in savings for the County Government and the Housing Opportunities Commission (HOC) as summarized below. Most of these reductions are from deferring costs to later years. The only change recommended by a Committee is to move the HOC savings from FY20 to FY21 with no net impact.

CE Recommended FY21 Savings Plan: CIP Amendments (Changes in Expenditures Shown in \$000s)

Project	FY20-26	FY20	FY21-26	FY21	FY22	FY23	FY24	FY25	Comment
White Oak Science Gateway Redevelopment Project	(1,000)	(1,000)	-	-	-	-	-	-	FY20 Savings
2 nd District Police Station	(900)	(900)	-	-	-	-	-	-	FY20 Savings
Elmhirst Parkway Bridge	(110)	(110)	-	-	-	-	-	-	FY20 Savings
Highway Noise Abatement	(51)	(51)	-	-	-	-	-	-	FY20 Savings
Wheaton Library and Community Rec Center	(1,000)	(1,000)	-	-	-	-	-	-	FY20 Savings
Bethesda Metro Station South Entrance	-	(29,374)	29,374	17,371	5,324	5,526	1,132	21	Delay of Payment to State
Capital Crescent Trail	-	(16,854)	16,854	9,284	3,646	3,249	660	15	
Silver Spring Green Trail	-	(193)	193	43	98	45	6	1	
Ride On Bus Fleet	-	-	-	(4,770)	-	4,770	-	-	Purchase of 10 small buses pushed out two years
Supplemental Funds for Deeply Subsidized HOC Owned Units Improvements	(125)	(125)	-	-	-	-	-	-	FY20 Savings*
Total Change	(3,186)	(49,607)	46,421	21,928	9,068	13,590	1,798	37	

*NOTE: HOC and the PHED Committee recommends reflecting savings in FY21 rather than in FY20.

FY20 + FY21 Net Savings (27,679)

M-NCPPC CIP

The Executive requested a \$628,000 reduction in the Capital Improvements Program for M-NCPPC. **Due to public hearing requirements, the Council will not be able to take final action on the changes to the M-NCPPC CIP until the fall.** Nonetheless, M-NCPPC responded to the Executive request and proposed an implementation delay in the Ovid Hazen Wells project (shifting \$100,000 from FY21 to FY24) and a reduction in FY21 expenditures for several level-of-effort projects², totaling \$528,000.

² P998711 Energy Conservation- NL Parks; P998763 Minor New Construction – NL Parks; P871903 PLAR: NL–Park Building Renovations; P998709 PLAR: NL-Play Equipment; P871554 PLAR: NL- Resurfacing Lots and Paths; P998715 PLAR: NL - Court Renovations; P888754 Trails: Hard Surface Renovation

These reductions achieve the requested target savings while still retaining an increase in appropriation over the prior (FY19-24) CIP for each level-of-effort project impacted. The PHED Committee concurred with the Board’s recommended delay and reductions to the FY21-26 CIP to achieve the target savings. Specific projects impacts are shown below.

CE Recommended FY21 Savings Plan: CIP Amendments (Changes in Expenditures Shown in \$000s)				
Montgomery Parks CIP Amendments				FY21
Energy Conservation NL Parks				(10)
Minor New Construction NL Parks				(80)
Ovid Hazen Wells Recreational Park				(100)
PLAR NL Park Building Renovations				(81)
PLAR Play Equipment				(55)
PLAR Resurfacing Lots and Paths				(166)
PLAR Court Renovations				(81)
Trails: Hard Surface Renovation				(55)
Total				(628)

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OFFICE OF THE COUNTY EXECUTIVE
ROCKVILLE, MARYLAND 20850

Marc Elrich
County Executive

MEMORANDUM

July 6, 2020

TO: Sidney Katz, President, County Council

FROM: Marc Elrich, County Executive 

SUBJECT: FY21 Recommended Revised Spending Plan

The purpose of this memorandum is to transmit my initial Recommended Fiscal Year 2021 Revised Spending Plan for Montgomery County Government departments and other tax-supported agencies. The attached plan identifies savings of approximately \$33.5 million from the County Government's Operating Budget. When the outside agencies are included, the savings total increases to \$38.3 million. In addition, \$27.7 million in savings from the County's Capital Budget have also been identified. Given the ongoing and unpredictable impacts of COVID-19 on the public health and economic vitality of our community, it is likely that we will need to enact additional spending revisions throughout the fiscal year in response to these challenges.

As you will notice, there are proposed savings for both Montgomery College and the Housing Opportunities Commission. However, there are no reductions included for the Montgomery County Public Schools or the Maryland-National Park and Planning Commission (MNCPPC) at this time. Working with the school system's leadership, I have determined that it would be premature to identify savings from our public schools. Once MCPS has determined the plan for the next school year, we will work with them to determine what savings might be possible given the operational changes they are making. The MNCPPC will be forwarding possible reductions later this week upon the Commission's review of their staff's recommendations.

In addition to these reductions, I will be transmitting to the Council under a separate memorandum a supplemental appropriation to support our joint efforts to reimagine public safety and advance racial justice in Montgomery County. These new expenditures will allow us to facilitate community engagement in this critical work.

As we move forward, we must recognize there are still several unknown variables that will impact County government finances, including the lasting impact of COVID-19 on the County's economy and our tax revenues, the need to maintain funds in reserve to address another potential wave of COVID-19, and whether there will be additional relief from the Federal government. This fiscal uncertainty has been exacerbated by the failure of President Trump and his Republican allies in the U.S. Senate to pass additional relief for state and local governments or extending unemployment benefits for those most impacted by this crisis.

Across the country, states and local governments are struggling to deliver vital services to residents and help communities recover, while adjusting to a significant decline in revenues. Unlike other recessions, however, it is unlikely we will be able to climb our way out of this fiscal crisis without additional Federal aid, unless we decimate the services that are so desperately needed by County residents. Do not get me wrong, we are grateful for the aid that the Federal government has already provided to Maryland and Montgomery County to help us navigate these uncertain times, and I am greatly appreciative of our State's Congressional delegation for their continued assistance and leadership. Simply put, however, without additional aid from the Federal government, deep and draconian spending reductions may well be needed in order for us to balance our budget. These reductions will have lasting and significant impacts on County residents, businesses, and employees.

At the July 1st Board of Public Works (BPW) meeting, the Governor proposed \$672 million in FY21 reductions to the State budget – of these, the BPW approved \$413 million in reductions. The Governor also presented an additional \$844.9 million in reductions for future spending, including \$724.6 million that will require the approval of the General Assembly. Many of these reductions carry significant service impacts and impact aid to local governments, community colleges, and school systems. In response to the proposed reductions, Senators Ben Cardin and Chris Van Hollen wrote to the Governor, Comptroller, and Treasurer to urge caution in adopting the cuts as the Senators are hopeful additional aid will pass the U.S. Senate. Additionally, the further cuts proposed by Gov. Hogan should not be considered absent a broader financial plan that includes consideration of how the State's reserves/rainy day funds can be used to offset cuts that would seriously impact services. Reserves have been set aside for exactly this kind of fiscal crisis, and they need to be part of a solution – preservation of reserve levels while cutting important services would be counter-productive.

As I informed the Council in mid-June, I directed all County departments to identify savings of six percent against their approved FY21 tax-supported operating budget, and we have examined capital projects to determine if any savings can be realized. I also requested that outside agencies identify tax-supported savings that could be used to help us navigate these fiscally uncertain times.

While many of the items put forward by the departments would result in significant service impacts, I am heeding the caution voiced by our U.S. Senators. This initial revised spending plan that I am recommending recognizes savings in the operating and capital

budgets that will not drastically impact services at this time and focus on cuts that are justified by changes in the scope of our operations due to COVID, as well as opportunities to achieve more efficient use of resources. The County will also use Federal coronavirus aid as much as permissible to offset the fiscal impact of this recession to continue to deliver vital services to our County's residents and help our economy recover.

At this time, I am recommending only minor reductions to the Department of Health and Human Services. This Department is on the front lines in responding to the health crisis, and it will need as much flexibility as possible to respond to this public health emergency. Again, our residents should be advised that unless more aid comes from the Federal government in the near future, deep and draconian reductions may become necessary for many County government functions, including health and human services.

Capital budget amendments were developed to reduce the need for PAYGO and Current Revenue funding in the CIP. The attached amendments acknowledge County project savings of \$3,061,000, delays in Purple Line related projects yielding a \$19,723,000 net reduction of FY20 and FY21 funding requirements, and a deferral of replacement bus purchases totaling \$4,770,000. The Housing Opportunities Commission has approved a \$125,000 reduction in their Supplemental Funds for Deeply Subsidized HOC Owned Units project. The Maryland National Capital Park and Planning Commission appears to be ready to contribute \$628,000 to these efforts. Commission staff recommended recognizing a \$100,000 implementation delay in the Ovid Hazen Wells project and recommended \$528,000 in reductions in a number of level of effort projects that were increased in the May approved CIP with Board action scheduled for July 9th. If the level of effort reductions are taken, the FY21 budgets will still be significantly above prior approved levels. Montgomery County Public Schools and Montgomery College will evaluate potential contributions for later consideration.

The hiring freeze and procurement freeze exemption process that I instituted on March 18th will continue for the duration of this crisis and will provide us with additional fiscal oversight. I will provide the Council with additional revised spending plans in the future, as our fiscal situation necessitates.

In addition, the Chief Administrative Officer has begun work on a cost efficiency study to broadly evaluate the service delivery model of each department. Among the several goals of the study is to identify a minimum of 100 vacant positions across the Executive Branch that can be eliminated during the first quarter of the fiscal year. We are finalizing the selection of a consultant to work with a study group of six county government leaders. More details about the study will be shared with the Council later this month.

Sidney Katz, President, County Council
July 6, 2020
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In the meantime, I urge the Council to work with the Executive Branch to ensure that our spending remains equitable, prudent, and socially responsible. I look forward to working with you and your colleagues as we navigate this unparalleled and turbulent period in our County's history.

ME:rsm

Attachments

c: County Council Members
Marlene Michaelson, Executive Director, Montgomery County Council
Andrew Kleine, Chief Administrative Officer
Richard S. Madaleno, Director, Office of Management and Budget
Michael Coveyou, Director, Department of Finance

FY21 Savings Plan

Ref. No	Title	CE Rec.	Committee Rec.
<u>Tax-Supported</u>			
General Fund			
Agriculture			
1	Maryland Ag Education Foundation Contract	-34,200	-34,200
Agriculture Total:		-34,200	-34,200
Animal Services			
2	Lapse Adoptions Supervisor Position	-90,354	-90,354
3	Reduce Overtime	-30,000	-30,000
4	Reduce Operating Expenses Across All Programs	-85,000	-85,000
Animal Services Total:		-205,354	-205,354
Circuit Court			
5	Reduce Operating Expenses- Child Care Services	-13,616	-13,616
6	Reduce Operating Expenses- Books/Reference Materials	-29,803	-29,803
7	Reduce Operating Expenses- Imaging	-13,630	-13,630
8	Reduce Operating Expenses Central Duplicating Services - Printing	-12,000	-12,000
9	Reduce Operating Expenses- Other Outside Printing/Copying	-4,655	-4,655
10	Reduce Operating Expenses- Metropolitan Area Travel	-3,000	-3,000
11	Reduce Operating Expenses Non-Metropolitan Area Travel	-14,400	-14,400
12	Reduce Operating Expenses- Meetings: Meals/Snacks/Refreshments	-2,200	-2,200
13	Reduce Operating Expenses- Juror Stipends	-91,135	-91,135
14	Lapse Sr Information Technology Specialist	-176,812	-176,812
15	Lapse Business Analyst/IT Project Manager	-140,684	-140,684
Circuit Court Total:		-501,935	-501,935
Community Engagement Cluster			
16	Additional Lapse - 3 positions	-127,113	-127,113
Community Engagement Cluster Total:		-127,113	-127,113
Consumer Protection			
17	6 Month Lapse Vacant Investigator III (Automotive Expert) Position	-67,729	-67,729
Consumer Protection Total:		-67,729	-67,729

Correction and Rehabilitation

18	Increase Lapse	-393,821	-393,821
19	Temporary Office Clerical	-18,000	-18,000
20	Re-assign Security Officer Post at Pre-Trial Services	-114,360	-114,360
21	Reduce Office Supplies, Film, Books, Taxi and Travel	-120,000	-120,000
22	Lapse Alternative Community Services Work Crew for Half Year	-53,000	-53,000
23	Reduce Electronic Monitoring Services Due to Reduced Pre-Release Center Population	-75,000	-75,000
24	Reduce Drug Screen and Lab Due to Reduced Pre-Release Center	-85,000	-85,000
25	Temporarily Suspend Pre-Release Center Internship Program	-67,000	-67,000
Correction and Rehabilitation Total:		-926,181	-926,181

County Attorney

26	Lapse Vacant Paralegal Specialist Position	-97,906	-97,906
27	Lapse Vacant Administrative Specialist II Position	-90,389	-90,389
28	Reduce Operating Expenses – Office Supplies	-5,100	-5,100
County Attorney Total:		-193,395	-193,395

County Council

29	Lapse Positions due to Delayed Hiring	-43,870	-43,870
30	Lapse Positions for Full-Year	-322,106	-322,106
County Council Total:		-365,976	-365,976

County Executive

31	Reduce Operating Expenses - Internal Audit Program: Accounting/Auditing	-33,646	-33,646
32	Reduce Operating Expenses - CAO: Other Professional Services	-46,500	-46,500
33	Reduce Operating Expenses - Business Advancement Team	-10,890	-10,890
34	Reduce Operating Expenses - CAO: Management Leadership Training	-2,000	-2,000
35	Turnover Savings	-58,306	-58,306
36	Turnover Savings	-20,143	-20,143
37	Lapse Vacant Performance Management and Data Analyst Position	-57,253	-57,253
38	Lapse Vacant Public Administration Associate Position	-74,069	-74,069
39	Lapse Vacant Program Manager II Position	-38,355	-38,355
County Executive Total:		-341,162	-341,162

Environmental Protection

40	Lapse Vacant Information Technology Specialist I Position for 6 Months	-10,861	-10,861
41	Lapse Vacant Program Manager II Position for 3 Months	-10,619	-10,619
42	Lapse Vacant Planning Specialist III Position for 6 Months	-19,582	-19,582
43	Lapse Vacant Information Technology Specialist III Position Lapse for 8	-18,443	-18,443
44	Lapse Vacant Program Manager I Position for 6 Months	-12,239	-12,239
45	Lapse Vacant Program Manager II Position for 9 Months	-79,640	-79,640
46	Lapse Vacant Senior Financial Specialist Position for 6 Months	-22,169	-22,169
	Environmental Protection Total:	-173,553	-173,553

Ethics Commission

47	Reduce Operating Expenses - IT Systems	-21,916	-21,916
	Ethics Commission Total:	-21,916	-21,916

Finance

48	Lapse Savings from Vacant Positions - Treasury Program	-148,270	-148,270
49	Lapse Savings from Vacant Positions - Controller Program	-511,482	-511,482
50	Lapse Saving from Vacant Position - Information Technology Program	-140,684	-140,684
51	Lapse Savings from Vacant Positions - Fiscal Management Program	-117,899	-117,899
	Finance Total:	-918,335	-918,335

General Services

52	Utilities Savings due to Continued Telework	-1,911,617	-1,911,617
	General Services Total:	-1,911,617	-1,911,617

Health and Human Services

53	House Bill 699 Savings due to County Compensation Changes	-589,058	-589,058
54	Decrease Cost without service impact to Respite	-123,937	-123,937
55	Decrease cost to Adult Evaluation and Review Service	-20,000	-20,000
56	Decrease Cost to Escorted Transportation	-43,286	-43,286
57	OCA--Latino Health Initiative, Miscellaneous Operating	-44,659	DEFERRED
58	OCA--AAHP, Data Services	-93,000	DEFERRED
59	OCA--AAHP, Services to Improve Health	-9,000	DEFERRED
60	OCA-AAHP Miscellaneous Operating	-19,949	DEFERRED
61	OCA--Latino Health Initiative "Ama tu Vida" campaign	-10,000	DEFERRED

62	OCA--Latino Health Initiative, Environmental Intervention	-15,000	DEFERRED
63	OCA--Asian American Health Initiative, Health Events	-1,615	DEFERRED
64	Reduction of Operating Funds	-2,955	DEFERRED
65	OCA--In Person Translation Services	-40,000	DEFERRED
66	Reduce Professional Education and Training	-27,715	-27715
67	OCA--Miscellaneous Operating	-7,600	-7600
68	OCCO--Operating Costs	-386,225	-386225
69	OCCO--IT	-450,000	-450000
70	Reduce Local Behavioral Health Authority - Halfway House Contracts	-302,000	-302000
71	Reduction of Operating Funds	-18,000	-18000
72	DO - Miscellaneous Operating	-33,660	-33660
73	Decrease Cost of Shared Psychiatrists	-220,000	-220000
74	Reduce Accreditation Costs	-20,000	-20000
75	Reduce ACCESS Broker Contract	-32,000	-32000
76	CYF--ECS - Child Care in Public Space	-27,033	-27033
77	CYF--Early Childhood Services Community Events	-10,343	-10343
78	CYF--Early Childhood Services- MCCCRRRC conferences	-20,000	-20000
79	CYF--Child/Adolescent School and Community Based Services, Don Bosco	-55,000	-55000
80	Decrease Cost for Home Care Services	-120,000	-120000
81	Decrease Cost to Assisted Living Services	-159,000	-159000

Health and Human Services Total: -2,901,035 -2,664,857

Housing and Community Affairs

82	Lapse Vacant Senior Planning Specialist Position	-98,531	-98,531
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Housing and Community Affairs Total: -98,531 -98,531

Human Resources

83	Reduce Operating Expenses - Occupational Classification Studies	-85,568	-85,568
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Human Resources Total: -85,568 -85,568

Human Rights

84	Lapse Vacant Investigator II Position	-25,000	0
85	Reduce Operating Expenses	-10,000	-35,000

Human Rights Total: -35,000 -35,000

Inspector General

86	Reduce Operating Expenses - Consulting Services	-10,000	-10,000
87	Reduce Operating Expenses - Other Consulting Services	-10,000	-10,000
88	Reduce Operating Expenses - General Office Supplies	-10,000	-10,000
89	Reduce Operating Expenses - Books	-200	-200
90	Lapse Savings due to Reclassifications and Hiring	-57,455	-57,455

Inspector General Total: -87,655 -87,655

Intergovernmental Relations

91	Reduce Operating Expenses - Professional Services	-68,186	-28,186
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Intergovernmental Relations Total: -68,186 -28,186

Legislative Oversight

92	Lapse Vacant Positions	-139,505	-139,505
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Legislative Oversight Total: -139,505 -139,505

Management and Budget

93	Reduce Operating Expenses	-65,000	-65,000
94	Increase lapse	-317,846	-317,846

Management and Budget Total: -382,846 -382,846

NDA - Housing Opportunities Commission

95	Personnel Lapse Savings	-409,482	-205,000
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NDA - Housing Opportunities Commission Total: -409,482 -205,000

Police

96	Abolish 5 school resource officers (SROs) at MCPS middle schools	-626,408	0
97	Abolish 1 police officer (traffic complaint officer) from all 6 Districts	-751,689	0
98	Abolish 1 police officer from the patrol investigations unit (PIU) in 5 Districts	-626,408	0
99	Abolish 1 police officer from the Collision Reconstruction Unit (CRU) in the Traffic Division (TD)	-125,282	0
100	Abolish 1 abandoned vehicle code enforcement specialist from the Vehicle Recovery Section	-65,881	0
101	Reduce funding for Next Gen 911 in anticipation of State Aid	-2,906,367	-2,906,367
102	Reduce operating expenses department-wide	-1,750,000	-1,750,000
103	Civilianize 1 sergeant from the Evidence Unit	-47,092	-47,092
104	Civilianize 1 sergeant (background section supervisor) from the Personnel	-47,092	-47,092
105	Reduce the number of PT background specialists in the Personnel Division	-189,178	-189,178

106	Abolish 1 crime analyst from the Information Management and Technology Division (IMTD)	-86,886	0
107	Lapse 1 IT Supervisor from the Information Management and Technology Division (IMTD) for Half of FY21	-70,000	-70,000
108	Abolish/reallocate the Central Auto Theft Section (CATS) in the Criminal Investigations Division (CID)	-514,885	0
109	Abolish 1 Office Services Coordinator from the Major Crimes Division (MCD)	-74,641	0
110	Lapse 1 Information Technology Technician III from the Information Management and Technology Division (IMTD) for Half of FY21	-39,000	-39,000
111	Abolish 1 police officer from the K9 unit in the Special Operations Division	-125,282	0
112	Abolish 1 police officer from the Emergency Services Unit (ESU) in the Special Operations Division (SOD)	-125,282	0
113	Abolish 1 police officer from the SWAT Unit in the Special Operations	-125,282	0
114	Abolish 2 police officers from the Centralized Traffic Section in the Traffic	-250,563	0
	Lapse 5 school resource officers (SROs) at MCPS middle schools	0	-626,408
	Lapse 1 police officer (traffic complaint officer) from all 6 Districts	0	-751,689
	Lapse 1 police officer from the patrol investigations unit (PIU) in 5 Districts	0	-626,408
	Lapse 1 police officer from the Collision Reconstruction Unit (CRU) in the Traffic Division (TD)	0	-125,282
	Lapse 1 abandoned vehicle code enforcement specialist from the Vehicle Recovery Section	0	-65,881
	Lapse 1 crime analyst from the Information Management and Technology Division (IMTD)	0	-86,886
	Lapse/reallocate the Central Auto Theft Section (CATS) in the Criminal Investigations Division (CID)	0	-514,885
	Lapse 1 Office Services Coordinator from the Major Crimes Division (MCD)	0	-74,641
	Lapse 1 police officer from the K9 unit in the Special Operations Division (SOD)	0	-125,282
	Lapse 1 police officer from the Emergency Services Unit (ESU) in the Special Operations Division (SOD)	0	-125,282
	Lapse 1 police officer from the SWAT Unit in the Special Operations Division (SOD)	0	-125,282
	Lapse 2 police officers from the Centralized Traffic Section in the Traffic Division (TD)	0	-250,563

Police Total: -8,547,218 -8,547,218

Procurement

115	Lapse Vacant Office Services Coordinator Position	-25,378	-25,378
116	Lapse Vacant Principal Administration Aide Position	-22,944	-22,944
117	Lapse/Underfill Four Procurement Specialist IV Positions	-104,924	-104,924
118	Lapse Three Vacant Program Manager positions	-78,477	-78,477
119	Lapse Vacant Part-Time Procurement Specialist II Position	-27,728	-27,728
120	Lapse Vacant Part-Time Program Specialist II Position	-28,649	-28,649

Procurement Total: -288,100 -288,100

Public Information

121	Lapse Administrative Specialist Position	-93,272	-93,272
122	Lapse Manager II Position for Three Months	-53,350	-53,350
123	Lapse Anticipated Program Manager II Position for Nine Months	-78,200	-78,200
124	Reduce Operating Expenses - Professional Services Contract	-10,000	-10,000
Public Information Total:		-234,822	-234,822

Public Libraries

125	Increase PC Lapse to the Level of Experience	-105,098	-105,098
126	Reduce Sunday Substitutes budget	-417,380	-417,380
127	Reduce Weekday & Saturday Substitutes budget	-466,401	-466,401
128	Transfer Personnel Costs for Acting Deaf Culture Digital Library Program Manager to State Grant	-156,919	-156,919
129	Decrease operating costs	-173,057	-173,057
130	Decrease staff training costs	-15,000	-15,000
131	Decrease Book Sorting contract	-100,800	-100,800
132	Transfer Division of Facilities Maintenance chargebacks for facility modifications due to COVID-19 to CARES grant	-25,000	-25,000
133	Reduce Library Pages budget	-500,000	-500,000
Public Libraries Total:		-1,959,655	-1,959,655

Sheriff

134	Lapse Client Assistance Specialist Position for FY21	-94,716	-94,716
135	Reduce Recruit Class Budget - January 2021	-88,608	-88,608
136	Reduce Operating Expenses- Contract Security Officers	-91,970	-91,970
Sheriff Total:		-275,294	-275,294

State's Attorney

137	Lapse Asst State's Attorney III and Program Manager II Positions in FY21	-218,339	-218,339
138	Lapse Office Services Coordinator Position in FY21	-24,539	-24,539
139	Turnover Savings in FY21	-301,066	-301,066
140	Printer Project Savings	-25,000	-25,000
State's Attorney Total:		-568,944	-568,944

Technology Services

141	Non-Local Travel and Miscellaneous Expenses (CIO)	-20,000	-20,000
142	Motorola SmartZone System Maintenance Credit (ETSD)	-241,755	-241,755
143	Motorola CAD Dispatch 9-1-1 (ESOD)	-281,387	-281,387

144	Contractor Support (ESOD)	-110,515	-110,515
145	Non-Local Travel (OBP-ultraMontgomery)	-2,000	-2,000
146	Non-Local Conference (ERP)	-25,000	-25,000
147	Lapse Sr IT Specialist Position - ESOD	-89,921	-89,921
148	Reduce Operating Expenses - Temporary Clerical Support	-20,955	-20,955
149	Reduce Operating Expenses - Miscellaneous Expenditures	-5,000	-5,000
150	Lapse Sr IT Specialist Position	-162,011	-162,011
151	Lapse Sr IT Specialist Position - COO	-119,894	-119,894
152	Lapse Sr IT Specialist Position - COO	-119,894	-119,894
153	Lapse Sr IT Specialist Position	-119,894	-119,894
154	Lapse Sr IT Specialist Position	-89,921	-89,921
155	New Position 03 - Lapse Sr IT Specialist, Grade 28 (ESOD)	-89,921	-89,921
156	PTI Membership (NDA-PTI)	-15,000	-15,000
157	Lapse Sr IT Specialist Position - ESOD	-119,894	-119,894
158	Lapse Sr IT Specialist Position - ESOD	-119,894	-119,894
159	Lapse Sr IT Specialist Position - ESOD	-119,894	-119,894
160	Lapse Sr IT Specialist Position - ESOD	-119,894	-119,894
161	New Position 01 - Lapse Manager III (ESOD)	-93,404	-93,404

Technology Services Total: -2,086,048 -2,086,048

Transportation

162	Personnel Lapse Savings - No Service Impact	-707,347	-707,347
163	Suspend Bridge Load Bearing Testing for One Year - Safety Inspections Will	-150,000	-150,000
164	Tree Maintenance Reduction - Represents Just 8% of DOT Program	-643,087	0
165	Patching Reduction - Represents Just 2% of Budget	-232,093	-232,093
166	Sign Materials Budget Reduction - Public Safety Signs Not Affected	-80,000	-80,000
167	Review Fewer Traffic Signals for Timing Optimization (70) - Increase Cycle from Every 8-10 Years to Every 12-14 Years	-70,000	-70,000
168	Suspend Aesthetic Streetlight Maintenance (Painting Poles, Replacing Handhole Covers)	-115,000	-115,000
169	Parking Outside the PLDs - Administrative Cost Reduction Due to Fewer Tickets Issued	-49,952	-49,952

Transportation Total: -2,047,479 -1,404,392

General Fund Total: -26,003,834 -24,780,038

Fire

Fire and Rescue Service

170	Defer FY21 Recruit Class Start and Reduce Class to 37 Recruits	-1,951,338	-751,338
171	Officer Training Courses	-140,000	-140,000
172	Company Officer Leadership Academy	-80,000	-80,000
173	Restructure IT section	-120,000	-120,000
Fire and Rescue Service Total:		-2,291,338	-1,091,338
Fire Total:		-2,291,338	-1,091,338

Recreation

Recreation

174	PLAR Savings Reduction Due to COVID Delayed Openings and Reduced	-253,741	-253,741
175	Utilities Savings Due to Delayed Re-opening of Facilities	-355,000	-355,000
176	Administration Savings Reductions	-17,973	-17,973
177	Community Centers Savings Reductions Due to Delayed Opening of	-411,713	-411,713
178	Countywide Programs Reduction Savings - Eliminates the Annual Independence Day Celebration Event	-135,198	-135,198
179	Youth Development Reductions Savings	-660,000	-660,000
Recreation Total:		-1,833,625	-1,833,625
Recreation Total:		-1,833,625	-1,833,625

Mass Transit

Transit Services

180	FLASH Service Deferred to September 2020	-119,245	-119,245
181	Kids Ride Free Program - Lower Payment to WMATA Due to No Fare	-780,673	-780,673
182	Motorpool Reduction Due to Less Service in Operation	-1,938,400	-1,938,400
183	Call n Ride Program Reduction Due to Decreased Demand	-750,000	-750,000
184	Fare Share Program Reduction Due to Decreased Demand	-250,000	-250,000
185	Personnel Savings Due to Less Service in Operation	-353,575	-353,575
Transit Services Total:		-4,191,893	-4,191,893
Mass Transit Total:		-4,191,893	-4,191,893
Tax-Supported Total:		-34,320,690	-31,896,894
MCG Total:		-34,320,690	-31,896,894

Tax-Supported

Montgomery College

186 Identified Reversion to Fund Balance	4,354,491	4,354,491
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Montgomery College Total:	4,354,491	4,354,491
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Current Fund MC Total:	4,354,491	4,354,491
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M-NCPPC

Administration Fund	0	1,850,950
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Park Fund	0	5,630,264
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M-NCPPC Total:	0	7,481,214
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M-NCPPC Total:	0	7,481,214
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MCG & Outside Agency Total:	-38,675,181	-43,732,599
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MEMORANDUM

July 8, 2020

TO: Government Operations and Fiscal Policy (GO) Committee
 FROM: Gene Smith, Legislative Analyst, and relevant analyst per section
 SUBJECT: FY21 Savings Plan
 PURPOSE: Review and make recommendations to the Council

See the Executive’s recommended FY21 Savings Plan on ©1-14. The GO Committee will consider the items listed below. All values in the tables of this memorandum are represented as dollars (\$) unless otherwise noted.

Table 1: Summary Table of GO Committee Items

Budget	FY21 Appropriation	CE Recommended Reduction	Percent Reduction	Council Staff Recommendation
<i>Deputy Director Howard</i>				
Intergovernmental Relations	1,136,428	- 68,186	6.0%	See analysis
County Council	12,612,090	- 365,976	2.9%	- 365,976
County Executive	5,683,707	- 341,162	6.0%	- 341,162
Ethics Commission	365,266	- 21,916	6.0%	- 21,916
Human Resources	7,842,794	- 85,568	1.1%	- 85,568
<i>Analyst Smith</i>				
Inspector General	1,835,612	- 87,655	4.8%	- 87,655
<i>Attorney Drummer</i>				
County Attorney	6,361,363	- 193,395	3.0%	- 193,395
<i>Analyst Chen</i>				
Community Engagement Cluster	4,237,109	- 127,113	3.0%	- 127,113
<i>Analyst DeFazio</i>				
Finance	15,305,580	- 918,335	6.0%	- 918,335
Legislative Oversight	2,032,256	- 139,505	6.9%	- 139,505
Management and Budget	6,380,762	- 382,846	6.0%	- 382,846
<i>Analyst Rodriguez-Hernandez</i>				
General Services	31,862,836	- 1,911,617	6.0%	- 1,911,617
<i>Analyst Toregas</i>				
Procurement	4,801,074	- 288,100	6.0%	- 288,100
Public Information	5,464,768	- 234,822	4.3%	- 234,822
Technology Services	43,328,778	- 2,086,048	4.8%	- 2,086,048
Total	149,250,423	- 7,252,244	4.9%	- 7,184,058

Summary of Recommended Reductions

The Executive recommends a reduction of \$7,252,244 for all the items reviewed by the GO Committee, or approximately 4.9% of the FY21 approved appropriation. Approximately 41.5% of the recommended savings is from operating expenses. **Most of the recommended reductions for operating expenses are accrued through the County’s remote work policy.** The remaining 58.5% in recommended reductions is to personnel costs. **Most of the recommended reductions for personnel costs are accrued through lapse by holding positions vacant longer in FY21 than originally anticipated.**

A. Intergovernmental Relations (Deputy Director Howard)

Expected Attendee:

Melanie Wenger, Director, Office of Intergovernmental Relations (OIR)

The Executive recommends a reduction of \$68,186 for OIR, a 6.0% reduction compared to the Council’s FY21 appropriation. Below is a summary of the reductions recommended by the Executive.

Table 2: Recommended Reductions for the OIR (see ©8)

Item	Expenditure Type	FY21 Approved Budget	CE Recommended Reduction
Professional Services	Operating	68,186	- 68,186
Total		68,186	- 68,186

This reduction would require OIR to eliminate a professional services contract with a firm to ensure the County retains existing Federal leases and to identify opportunities to attract additional federal leases/additional federal jobs within the County. For the last several years, OIR has contracted for these services with firms that have expertise in the specific real estate procurement and leasing procedures used by the Federal government.

As OIR’s budget primarily consists of staffing costs, and they do not have any vacancies that could provide lapse savings, Council staff understands the rationale for including contractual funding for the department’s contribution to the savings plan. However, given the current economic uncertainties and the potential for Federal agencies to consider different real estate/leasing options, staff has concerns with eliminating this contract in FY21. Specifically, the impact of losing a Federal tenant in the County during an economic downturn could be significant.

Based on these concerns, Council staff recommends that the Committee consider two options in addition to the Executive’s recommendation:

- 1) **Reject the Executive’s recommendation** to reduce contractual services in the OIR budget based on the County’s need to maintain services related to retaining and attracting Federal leasing opportunities. The Council could revisit this potential reduction if an additional FY21 savings plan is required later during the year; OR
- 2) **Reduce OIR’s contractual services budget by \$28,186** but leave \$40,000 for OIR to potentially procure these services as needed on an hourly basis. Currently, the contract is structured as a

retainer payment, but OIR is scheduled to re-bid the contract in FY21. The OIR Director believes that re-bidding the contract in a different structure may allow the County to maintain this service at a lower funding level.

B. County Council (Deputy Director Howard)

The Executive recommends a reduction of \$365,976 for the County Council, a 2.9% reduction compared to the Council’s FY21 appropriation. Below is a summary of the reductions recommended by the Executive.

Table 3: Recommended Reductions for the County Council (see ©6)

Item	Expenditure Type	FY21 Approved Budget	CE Recommended Reduction
Lapse Vacant Positions	Personnel	555,326	- 365,976
Total		555,326	- 365,976

The Council will achieve savings through lapsing four vacant Central Staff positions. A Manager II position and an Administrative Specialist position will be lapsed for two months, while a second Manager II position and a Senior Information Technology Specialist position will be frozen for the entire year. Although these reductions will not be without impact, Staff believes the Council will be able to absorb them.

Council staff concurs with the Executive’s recommended reductions.

C. County Executive (Deputy Director Howard)

Expected Attendee:

Nicole Gyapong, Office of the County Executive (CEX)

The Executive recommends a reduction of \$341,162 for the CEX, a 6.0% reduction compared to the Council’s FY21 appropriation. Below is a summary of the reductions recommended by the Executive.

Table 4: Recommended Reductions for the CEX (see ©6)

Item	Expenditure Type	FY21 Approved Budget	CE Recommended Reduction
Internal Audit Program: Accounting/Auditing	Operating	819,689 <i>(all CEX Operating)</i>	- 33,646
CAO: Professional Services and Management Leadership Training	Operating		- 48,500
Business Advancement Team	Operating		- 10,890
Turnover Savings	Personnel	4,864,018 <i>(all CEX Personnel)</i>	- 78,449
Lapse Vacant Positions	Personnel		- 169,677
Total		5,683,707	- 341,162

The Office of the County Executive anticipates that the recommended operating or personnel reductions would not substantially impact operations in FY21. The total operating reductions of \$93,036 represents 11% of the total CEX operating expenditures and the personal reductions of \$248,126 represent 5% of total personnel expenditures.

CEX staff note that the reduction of \$33,646 within the Internal Audit Programs would not substantially impact audit services. Internal Audit staff believe that work within the accounting and auditing review area could be postponed until FY22 without any substantial impacts to the FY21 audit plan and services. The personnel reductions include lapsing three vacant positions: 1) Performance Management and Data Analyst position for 6 months; 2) Public Administration Associate position for a full-year; and 3) Program Manager II position for 6 months.

Council staff concurs with the Executive’s recommended reductions.

D. Ethics Commission (Deputy Director Howard)

Expected Attendee:

Robert Cobb, Ethics Commission

The Executive recommends a reduction of \$21,916 for the Ethics Commission, a 6.0% reduction compared to the Council’s FY21 appropriation. Below is a summary of the reductions recommended by the Executive.

Table 5: Recommended Reductions for the Ethics Commission (see ©6)

Item	Expenditure Type	FY21 Approved Budget	CE Recommended Reduction
IT Systems	Operating	38,907 <i>(Total for Ethics Commission Operating Expenses)</i>	- 21,916
Total		38,907	- 21,916

Recommended reductions for IT systems operating expenses total 56.3% of the Ethics Commission’s total FY21 budget for operating expenditures. The Staff Director for the Ethics Commission notes that previous IT investments have allowed the Commission to function remotely during the COVID-19 crisis, and that the Commission is well-positioned to absorb this reduction without significantly impacting operations.

Council staff concurs with the Executive’s recommended reductions.

E. Office of Human Resources (Deputy Director Howard)

Attendee Expected:

Berke Attila, Office of Human Resources (OHR)
 Kimberly Williams, OHR
 Jennifer Shovlin, OHR

The Executive recommends a reduction of \$85,568 for the OHR, a 1.1% reduction compared to the Council's FY21 appropriation. Below is a summary of the reductions recommended by the Executive.

Table 6: Recommended Reductions for the OHR (see ©8)

Item	Expenditure Type	FY21 Approved Budget	CE Recommended Reduction
Occupational Classification Studies	Operating		- 85,568
Total			- 85,568

OHR staff indicate that this reduction would have minimal impact on operations. The reduction will limit the number of occupational studies conducted in FY21. OHR will continue to work with MCGEO to determine which occupations studies will be conducted during FY21.

Council staff concurs with the Executive's recommended reductions.

F. Inspector General (Analyst Smith)

Expected Attendees:

Megan Limarzi, Inspector General
Philip Weeda, Office of Management and Budget (OMB)

The Executive recommends a reduction of \$87,655 for the Office of the Inspector General (OIG), a 4.8% reduction compared to the Council's FY21 appropriation. Below is a summary of the reductions recommended by the Executive.

Table 7: Recommended Reductions for the OIG (see ©8)

Item	Expenditure Type	FY21 Approved Budget	CE Recommended Reduction
Consulting services	Operating	36,076	- 10,000
Other consulting services	Operating	23,924	- 10,000
General office supplies	Operating	17,110	- 10,000
Books	Operating	200	- 200
Lapse to personnel	Personnel	261,260	- 57,455
Total		338,570	- 87,655

Recommended reductions for operating expenses total \$30,200, or 34.4%, of the total recommended reductions. The OIG notes that the operating expenses are one-time reductions that will not impact FY21 operations and are accrued due to the County's remote working procedures.

Recommended reductions for personnel costs total \$57,455, or 65.6%, of the total recommended reductions. The OIG notes that this lapse is accrued through two positions. One position is a pooled position with one employee working part-time. One position is from a management position that will be unfilled until October. The OIG notes that the lapse savings will not impact operations in FY21.

Council staff concurs with the Executive's recommended reductions.

G. County Attorney (Attorney Drummer)

Expected Attendee:

Marc Hansen, County Attorney

The Executive recommends a reduction of \$193,395 for the Office of the County Attorney (OCA), a 3.0% reduction compared to the Council’s FY21 appropriation. Below is a summary of the reductions recommended by the Executive.

Table 8: Recommended Reductions for the OCA (see ©6)

Item	Expenditure Type	FY21 Approved Budget	CE Recommended Reduction
General Office Supplies	Operating	63,692	- 5,100
Lapse to Personnel	Personnel	188,295	- 188,295
Total		251,987	- 193,395

Recommended reductions for office supplies total \$5,100, or 8%, of the total FY21 approved budget of \$63,692 for office supplies. OCA notes that the operating expenses are one-time reductions that will not impact FY21 operations and are accrued due to the County’s remote working procedures.

The reduction in personnel expenses is due to keeping a vacant Paralegal Specialist position and a vacant Administrative Specialist II position unfilled for the entire year.

Council staff concurs with the Executive’s recommended reductions.

H. Community Engagement Cluster (Analyst Chen)

Expected Attendee:

Fariba Kassiri, Office of the County Executive

The Executive recommends a reduction of \$127,113 for the Community Engagement Cluster (CEC), a 3.0% reduction compared to the Council’s FY21 appropriation. Below is a summary of the reductions recommended by the Executive.

Table 9: Recommended Reductions for the CEC (see ©5)

Item	Expenditure Type	FY21 Approved Budget	CE Recommended Reduction
Lapse to personnel	Personnel	254,226	- 127,113
Total		254,226	- 127,113

Recommended reductions for personnel costs, totaling \$127,113, is accrued through three positions that have been identified as vacant and will not impact Community Engagement Cluster operations. The three positions are: 1) Administrative Specialist II; 2) Program Specialist II; and 3) Program Manager I.

Each of these positions will be held vacant for six months, not eliminated, maintaining departmental flexibility in the event of further adjustments to departmental priorities are needed.

Council staff concurs with the Executive’s recommended reductions.

I. Finance (Analyst DeFazio)

Expected Attendees:

Michael Coveyou, Department of Finance (Finance)
 Jedediah Millard, Finance
 Estella Gomes, OMB

The Executive recommends a reduction of \$918,335 for Finance, a 6.0% reduction compared to the Council’s FY21 appropriation. Below is a summary of the reductions recommended by the Executive.

Table 10: Recommended Reductions for Finance (see ©6-7)

Item	Expenditure Type	FY21 Approved Budget	CE Recommended Reduction
Fiscal Mgmt. Program Lapse	Personnel	117,899	- 117,899
IT Program Lapse	Personnel	140,684	- 140,684
Treasury Program Lapse	Personnel	422,211	- 148,270
Controller Program Lapse	Personnel	920,084	- 511,482
Total		1,600,873	- 918,335

Finance indicated that the recommended reductions for personnel costs will be realized by delaying recruitments across its four program areas. Finance stated that this may put a strain on other employees taking on extra work, but it does not foresee any service impacts other than minimal delays. The specific positions impacted are in the table below.

Table 11: Finance Positions Impacted by the FY21 Savings Plan

Program	Lapsed Positions
Treasury	Manger II, Program Manager II, Office Services Coordinator
Controller	Manager II, Manager III, Account/Auditor Supervisor (2), Accountant Auditor Lead/Senior, Fiscal Assistant, IT Specialist III
Information Technology	Technology Expert
Fiscal Management	Fiscal and Policy Analyst III

Council staff concurs with the Executive’s recommended reductions.

J. Legislative Oversight (Analyst DeFazio)

Expected Attendees:

Chris Cihlar, Office of Legislative Oversight (OLO)
 Naeem Mia, OMB

The Executive recommends a reduction of \$139,505 for the OLO, a 6.9% reduction compared to the Council’s FY21 appropriation. Below is a summary of the reductions recommended by the Executive.

Table 12: Recommended Reductions for the OLO (see ©8)

Item	Expenditure Type	FY21 Approved Budget	CE Recommended Reduction
Lapse to personnel	Personnel	239,010	- 139,505
Total		239,010	- 139,505

The recommended reduction for personnel costs includes lapsing the administrative specialist position until OLO staff is back working full-time from the office and the projected savings for filling the new performance management and data analyst position. The position is currently in the recruitment process and it is estimated that the new employee will start in September. This new position was created to primarily perform racial equity and social justice impact statements for each Bill, addressing Bill 27-19, “Administration – Human Rights – Office of Racial Equity and Social Justice – Racial Equity and Social Justice Advisory Committee - Established.”

Council staff concurs with the Executive’s recommended reductions.

K. Management and Budget (Analyst DeFazio)

Expected Attendees:

- Richard Madaleno, OMB
- Chris Mullin, OMB

The Executive recommends a reduction of \$382,846 for the Office of Management and Budget, a 6.0% reduction compared to the Council’s FY21 appropriation. Below is a summary of the reductions recommended by the Executive.

Table 13: Recommended Reductions for the OMB (see ©8)

Item	Expenditure Type	FY21 Approved Budget	CE Recommended Reduction
Reduce Office Supplies, Training, and Contract Services	Operating	238,370	-65,000
Lapse to personnel	Personnel	786,624	-317,846
Total		1,024,994	-382,846

Recommended reductions for operating expenses total \$65,000 or 17% of the total recommended reductions. OMB states that the \$15,000 reduction in office supplies and training is due to teleworking and fewer outside training opportunities. The \$50,000 reduction in contract services is due to an employee’s health aide not needed while the employee is on administrative leave and putting a hold on renovating OMB’s office space to accommodate County Stat and the shared services initiative.

Recommended reductions for personnel costs total \$317,846, or 83% of the total recommended reductions. To achieve the lapse savings, OMB will implement the following:

- Delay hiring vacant shared services and CountyStat positions by six months (Program Specialist, Management and Budget Specialist III, and a Performance Management and Data Analyst); and
- Hold positions vacant for the entire fiscal year (Manager II and a Fiscal Policy Analyst).

OMB may fill positions earlier than anticipated and still achieve 6.0% in savings if staff continues to telework, creating additional operating savings.

Council staff concurs with the Executive’s recommended reductions.

L. General Services (Analyst Rodriguez-Hernandez)

Expected Attendees:

David Dise, Department of General Services (DGS)
 Naeem Mia, OMB

The Executive recommends a reduction of \$1,911,617 for the DGS, a 6.0% reduction compared to the Council’s FY21 appropriation. Below is a summary of the reductions recommended by the Executive.

Table 14: Recommended Reductions for the DGS (see ©8)

Item	Expenditure Type	FY21 Approved Budget	CE Recommended Reduction
Utilities savings	Operating	25,245,719	-1,911,617
Total		25,245,719	-1,911,617

Executive staff notes that the projected operating savings are based on 1) actual utilities usage data from March through June (when most of County government was under telework status) and 2) an assumption of continued teleworking through the fall.

Council staff concurs with the Executive’s recommended reductions.

M. Procurement (Analyst Toregas)

Expected Attendees:

Ash Shetty, Office of Procurement (PRO)
 Jane Mukira, OMB

The Executive recommends a reduction of \$288,100 for the PRO, a 6.0% reduction compared to the Council’s FY21 appropriation. Below is a summary of the reductions recommended by the Executive.

Table 15: Recommended Reductions for the PRO (see ©9)

Item	Expenditure Type	FY21 Approved Budget	CE Recommended Reduction
Lapse vacant part-time 2 Program Specialist II positions	Personnel	4,458,994 <i>(total of PRO personnel costs)</i>	-56,377
Lapse/underfill 4 Specialist IV positions	Personnel		-104,924
Lapse, 5 vacant positions (Office Service Coordinator, Principal Administration Aide, 3 Program Managers)	Personnel		-126,799
Total		4,458,994	- 288,100

All reductions are due to lapses of 11 positions (both full and part time).

Council staff concurs with the Executives recommended reductions.

N. Public Information (Analyst Toregas)

Expected Attendees:

Barry Hudson, Public Information Office (PIO)
Jane Mukira, OMB

The Executive recommends a reduction of \$234,822 for the PIO, a 4.3% reduction compared to the Council’s FY21 appropriation. Below is a summary of the reductions recommended by the Executive.

Table 16: Recommended Reductions for the PIO (see ©9)

Item	Expenditure Type	FY21 Approved Budget	CE Recommended Reduction
Professional services contract	Operating	193,551 <i>(total of PIO operating)</i>	-10,000
Lapse, Manager II (3 months)	Personnel	5,271,217 <i>(total of PIO personnel costs)</i>	-53,350
Lapse, Anticipated Program Manager II (9 months)	Personnel		-78,200
Lapse, Administrative specialist	Personnel		-93,272
Total		5,464,768	- 234,822

The recommended reductions correspond to lapsing a specialist position, partial lapsing of two Manager II positions, and a reduction of \$10,000 in a professional services contract. All lapsed positions are from the MC311 staff complement of the PIO office.

Council staff concurs with the Executives recommended reductions.

O. Technology Services (Analyst Toregas)

Expected Attendees:

Gail Roper, Department of Technology Services (DTS)
 Alison Dollar, OMB

The Executive recommends a reduction of \$2,086,048 for the DTS, a 4.8% reduction compared to the Council’s FY21 appropriation. Below is a summary of the reductions recommended by the Executive.

Table 17: Recommended Reductions for the DTS (see ©10)

Item	Expenditure Type	FY21 Approved Budget	CE Recommended Reduction
Misc. Expenses	Operating	10,001	- 5,000
Public Technology membership	Operating	20,000	- 15,000
Temp. support	Operating	20,955	- 20,955
Travel & Conferences	Operating	55,000	- 47,000
Contractor Support	Operating	3,387,326	- 110,515
Motorola Smart Zone credit	Operating	1,346,619	- 241,755
Motorola CAD Dispatch	Operating	1,638,995	- 281,387
Lapse, Manager III	Personnel	93,404	- 93,404
Lapse 11 Senior IT Specialist positions	Personnel	1,271,032	- 1,271,032
Total		7,843,332	- 2,086,048

The recommended reductions are in the following areas:

- Lapses in 12 positions
- Reduction in conference attendance and other travel expenses
- Specific reductions of \$633, 657 in contractor expenses
- Membership in Public Technology Inc (\$15,000)

Council staff concurs with the Executives recommended reductions.

This packet contains:

	<u>Circle #</u>
Executive memorandum	1
FY21 Savings Plan – recommended reductions	5
FY21 Savings Plan – OMB analysis	14

MEMORANDUM

July 8, 2020

TO: Education and Culture Committee

FROM: Craig Howard, Deputy Director
Nicole Rodriguez-Hernandez, Legislative Analyst

SUBJECT: **FY21 Savings Plan**

PURPOSE: Make Committee recommendations for Council Consideration

On July 6, the County Executive transmitted an FY21 Recommended Revised Spending Plan (attached at ©3-16) that includes operating budget savings for the Education and Culture Committee agencies and departments as detailed in the table below.

Agency/Department	FY21 Appropriation	CE Recommended Savings	Savings as % of Budget	Council Staff Recommendation
College (County Funding only)	\$265,549,723	\$4,354,491	3.0%	\$4,354,491
MCG: Libraries	42,104,692	\$1,959,655	4.7%	\$1,959,655

The Executive’s transmittal notes that there are no recommended savings for Montgomery County Public Schools (MCPS) at this time, stating:

Working with the school system’s leadership, I have determined that it would be premature to identify savings from our public schools. Once MCPS has determined the plan for the next school year, we will work with them to determine what savings might be possible given the operations changes they are making.

For Montgomery College, unlike County Government departments, any operating budget savings does not fall to the County’s General Fund but remains in reserve within the College as a possible resource for reappropriation in FY22.

Council staff recommends approval of the County Executive’s savings plan target amount for Montgomery College, and recommends approval of the savings plan reduction for the Montgomery County Government Department of Public Libraries.

1. Montgomery College

Attendees:

Dr. DeRionne Pollard, President, Montgomery College
Rafael Murphy, Office of Management and Budget

The Executive recommends a savings plan target of \$4,354,491 for Montgomery College. This amount represents 3.0% of the College's FY21 county contribution, and 1.6% of the total tax-supported budget. As noted above, any FY21 savings for the College would accrue to its year-end fund balance, a portion of which is typically re-appropriated by the Council as part of the next fiscal year's budget.

The College has always participated in countywide savings plans and has achieved significant savings through hiring freezes and expenditure restrictions. In FY18, the College contributed \$4.4 million to the savings plan. In FY19, the College contributed \$2.8 million.

On July 6, the President of Montgomery College wrote to the County Executive indicating that, after consultation with the Board of Trustees, the College is prepared to save \$4.4 million of the County's contribution to the College in FY21 to be available in FY22 (©1). As noted in the President's letter, the College still faces many revenue uncertainties in FY21 related to enrollment and State Aid.

Savings Plan Impact. Depending on what happens with revenues throughout the fiscal year, achieving this level of savings may have an impact on College operations via expenditure restrictions, hiring freezes, etc. As with past savings plans, some of these impacts may not be readily apparent outside of the College while others may be visible to the broader community.

Council staff recommends that the Committee support the \$4,354,491 million savings target for the Montgomery College FY21 operating budget as agreed to by the College and the Executive.

2. Montgomery County Government: Department of Public Libraries

Attendees:

Anita Vassallo, Director, Montgomery County Public Libraries (MCPL)
Deborah Lambert, Office of Management and Budget

The Executive recommends a reduction of \$1,959,655 for Montgomery County Public Libraries, a 4.65% reduction compared to the Council's FY21 appropriation of \$42,104,692. The table on the next page lists the proposed reductions.

Recommended Reductions for MCPL

Expenditure Items	Expenditure Type	FY21 Approved Budget	CE Recommended Reduction
Reduce Other Professional Services	Operating	\$390,172	-\$31,907
Reduce Furniture Budget	Operating	\$50,000	-\$45,000
Reduce Moving Services Budget	Operating	\$50,000	-\$30,000
Reduce Supplies & Materials and Equipment Costs	Operating	\$178,906	-\$44,900
Reduce Computer Software & Licensing Costs	Operating	\$221,060	-\$21,250
Decrease Staff Training Costs	Operating	\$25,000	-\$15,000
Transfer Division of Facilities Maintenance chargebacks for facility modifications to CARES grant	Operating	\$30,000	-\$25,000
Decrease Book Sorting Contract	Personnel	\$100,800	-\$100,800
Increase Personnel Cost Lapse to the Level of Experience	Personnel	\$3,618,756 <i>(Assumed lapse in approved FY21 budget)</i>	-\$105,098 <i>(Increase in assumed lapse amount)</i>
Reduce Sunday Substitutes Budget	Personnel	\$417,380	-\$417,380
Reduce Weekday and Saturday Substitutes Budget	Personnel	\$506,401	-\$466,401
Transfer Personnel Costs for Acting Deaf Culture Digital Library Program Manager to State Grant	Personnel	\$156,919 <i>(Shift to State Grant from General Fund dollars)</i>	-\$156,919
Reduce Library Pages budget	Personnel	\$1,066,627	-\$500,000
Total		\$6,812,021	-\$1,959,655

Operating Expenditures. The Executive’s recommended FY21 Savings Plan for MCPL reflects a reduction of several operating cost line items predominantly due to the physical closures of library branches and remote telework policies as a result of the COVID-19 health pandemic. Many services have turned virtual where physical products are not necessary and/or MCPL has decided to delay/postpone the purchase of materials or trainings.

In addition, MCPL has received \$34,825 from the Maryland State Library’s disbursements of their Coronavirus Aid, Relief, and Economic Security (CARES) Act funding to be used for COVID-19 related facility modifications (e.g. plexiglass shields, self-checkout machines, WiFi hotspots, etc.). The CARES Act funding significantly reduces the need for general fund dollars towards facility modifications as originally appropriated in the FY21 approved budget.

Council staff concurs with the Executive’s recommended operating expenditure reductions.

Personnel Expenditures. The Executive’s recommended FY21 Savings Plan for MCPL significantly affects several personnel expenditure line items including the book sorting contract with Community Services for Autistic Adults and Children (CSAAC); the Library Pages budget; substitutes budgets; and personnel lapses. The Executive also recommends a shift in the funding source within the Deaf Culture Digital Library (DCDL) program state grant.

Book Sorting Contract (-\$100,800): The book sorting contract with CSAAC is recommended for a complete reduction in FY21. Executive staff notes that they do not plan to renew the contract with CSAAC for the remainder of the fiscal year. The six employees, each partnered with a job coach (12 people total), have not worked at the MCPL warehouse since the mid-March stay-at-home order and closure of nonessential businesses. In addition, the total number of workers/job coaches and the size of the warehouse does not allow for the recommended physical distance between persons. MCPL notes that there will be no service impacts as two merit staff members (separate shifts) have been assigned to perform the duties of the CSAAC workers for the fiscal year.

As the COVID-19 health pandemic is ongoing and the warehouse does not allow for appropriate physical distancing, **Council staff concurs with the Executive’s recommended reduction.** Council staff recommends the Committee request a written follow-up from MCPL on future opportunities to continue the partnership with CSAAC, when appropriate.

Library Pages (-\$500,000): The library pages budget funds non-merit seasonal part-time positions that provide routine manual and clerical library work. Similar to the CSAAC workers, the pages have been on “Leave-Without-Pay” status since mid-March. Executive staff notes that several pre-existing merit staff positions include the duties of a page within their job description. These positions will continue to fulfill the role of the pages until appropriate (this reduction does not completely eliminate FY21 funding for these positions at this time).

Lapses (-\$105,098): The Council approved \$3,618,756 in assumed position lapses for FY21. The Executive is recommending an additional \$105,098 in increased lapses. According to Executive staff, there are 62 vacant positions (as of June 2) that will not be filled for the remainder of the fiscal year.

Substitute Budgets (-\$883,781): Executive staff notes there is no longer a need for the majority of the substitutes budget due to modified service hours and the modified service model. The Sunday substitutes budget has been completely reduced. The remaining \$40,000 in their weekday and Saturday substitutes budget will be used for Collection Management drivers to deliver materials between branches.

DCDL (-\$156,919): The Deaf Culture Digital Library state grant includes personnel funding for two positions: a filled program specialist position and a vacant coordinator position. The salary for the existing staffer for this program, currently funded by general fund dollars, will now be funded through the state grant and fill the vacant position.

Council staff concurs with the Executive’s recommended personnel expenditure reductions.

MEMORANDUM

July 9, 2020

TO: Public Safety Committee

FROM: Susan J. Farag, Legislative Analyst

SUBJECT: FY21 Savings Plan – Public Safety

PURPOSE: To review and make recommendations on the FY21 Savings Plan

The Committee is to review elements of the Executive's recommended FY 21 Savings Plan that are under its jurisdiction. See ©1-14 for the Executive's July 6 transmittal memo and relevant background information.

The Committee will focus on the Executive's recommendations for the following budgets:

FY21 Recommended Savings Plan - Public Safety			
Budget	©#	Executive's Recommended Reduction	Percentage of Approved FY21 Appropriation
Animal Services	6	(\$205,354)	-2.65%
Circuit Court	6	(\$501,935)	-4.00%
Consumer Protection	6	(\$67,729)	-3.08%
Correction and Rehabilitation	6	(\$926,181)	-1.30%
Fire and Rescue	12	(\$2,291,338)	-1.02%
Police	9	(\$8,547,218)	-3.04%
Sheriff	11	(\$275,294)	-1.12%
State's Attorney	11	(\$568,944)	-3.07%
Total Public Safety:		(\$13,383,993)	

Manageable Items

In Council staff's view, the following items are manageable and are recommended for approval, and reflect savings of \$8,067,400 out of the CE's recommended \$13,383,993:

Manageable Items		
Budget Item	©#	CE Recommendation
Animal Services: Lapse Adoptions Supervisor Position	6	(\$90,354)
Animal Services: Reduce Overtime	6	(\$30,000)
Animal Services: Reduce Operating Expenses Across All Programs	6	(\$85,000)
Circuit Court: Reduce OE Child Care Services	6	(\$13,616)
Circuit Court: Reduce OE Books Reference Materials	6	(\$29,803)
Circuit Court: Reduce OE Imaging	6	(\$13,630)
Circuit Court: Reduce OE Central Duplicating Services - Printing	6	(\$12,000)
Circuit Court: Reduce OE Outside Printing/Copying	6	(\$4,665)
Circuit Court: Reduce OE Metropolitan Area Travel	6	(\$3,000)
Circuit Court: Reduce OE Non-Metro Area Travel	6	(\$14,400)
Circuit Court: Reduce OE Meetings: Meals/Snacks/Refreshments	6	(\$2,200)
Circuit Court: Reduce OE Juror Stipends	6	(\$91,135)
Circuit Court: Lapse Senior IT Specialist	6	(\$176,812)
Circuit Court: Lapse Business Analyst/IT Project Manager	6	(\$140,684)
Consumer Protection: Lapse Vacant Investigator III (Auto Expert)	6	(\$67,729)
Correction and Rehabilitation: Increase Lapse	6	(\$393,821)
Correction and Rehabilitation: Reassign Security Officer Post at Pre-Trial Services	6	(\$114,360)
Correction and Rehabilitation: Temporary Office Clerical	6	(\$18,000)
Correction and Rehabilitation: Reduce Office Supplies, Film Books, Taxi, Travel	6	(\$120,000)
Correction and Rehabilitation: Lapse ACS Work Crew for 6 Months	6	(\$53,000)
Correction and Rehabilitation: Reduce Elec. Monitoring (Reduced Pre-Release Ctr.)	6	(\$75,000)
Correction and Rehabilitation: Reduce Drug Screen/Lab (Reduced Pre-Release Ctr.)	6	(\$85,000)
Correction and Rehabilitation: Temp Suspension Pre-Release Ctr. Intern Program	7	(\$67,000)
Fire and Rescue: Officer Training Courses	12	(\$140,000)
Fire and Rescue: Company Officer Leadership Academy	12	(\$80,000)
Fire and Rescue: Restructure IT Section	12	(\$120,000)
Police: Abolish 1 Abandoned Vehicle Code Enforcement Specialist	9	(\$65,881)
Police: Reduce Funding for Next Gen 911 in Anticipation of State Aid	9	(\$2,906,367)
Police: Reduce 2.5 Background Specialists	10	(\$189,178)
Police: Reduce OE Department Wide	10	(\$1,750,000)
Police: Abolish 1 Crime Analyst for IMTD	10	(\$86,886)
Police: Lapse 1 IT Supervisor	10	(\$70,000)
Police: Abolish 1 OSC from Major Crimes	10	(\$74,641)
Police: Lapse 1 IT Technician III	10	(\$39,000)
Sheriff: Lapse Client Assistance Specialist Positio	11	(\$94,716)
Sheriff: Reduce Operating Exepnses - Contract Security Officers	11	(\$91,970)
Sheriff: Reduce Recruit Class Budget - January 2021 Class	11	(\$88,608)
State's Attorney: Lapse ASA III and Program Manager II Positions	11	(\$218,339)
State's Attorney: Lapse Office Services Coordinator	11	(\$24,539)
State's Attorney: Turnover Savings	11	(\$301,066)
State's Attorney: Printer Project Savings	11	(\$25,000)
Total Reduction:		(\$8,067,400)

Discussion Items

In Council Staff's view, the following items merit additional discussion by the Committee:

Fire and Rescue

Item 170 **Defer FY21 Recruit Class Start & Reduce Class to 37 Recruits (-\$1,951,338)**

This reduction would delay the recruit class from December to February and reduce the number of recruits from 57 to 37. The Committee is aware of the Department's ongoing structural unbudgeted overtime deficit, with cost overruns around \$8 million a year over the past several years. Projected overtime costs remain relatively stable, but far exceed what is appropriated. MCFRS operations, in large part, require minimum staffing to safely and timely respond to calls. A CountyStat report determined that MCFRS needed an additional 180 firefighter positions to meet minimum coverage requirements. Part of this shortage can be traced to recruit classes that were either reduced or abolished in prior recession budgets and savings plans.

According to OMB, delaying and reducing the class would have a net savings of approximately \$1.6 million in FY22, but result in \$1.7 million in additional overtime. Projected attrition for FY21 is 40 firefighter positions, so the reduced class size would not meet attrition needs. This savings item is the bulk of the savings recommended in the MCFRS budget. Yet it will likely lead to additional costs in FY22. **Council staff recommends that the Committee restore this cut in its entirety, or in the alternative, consider reducing the class size by 10 recruits rather than 20, for half the savings (\$976,669).**

Police

Personnel Issues: The recommended reductions for MCPD total \$8.54 million, or 3.04% of the department's approved FY21 operating budget. This reduction reflects the abolishment of 27 sworn police officers. Of these, two Sergeant positions would be civilianized. An additional 6.5 civilian positions would be abolished, and two civilian positions would be lapsed for six months. These personnel reductions will not result in Reductions in Force (RIF). It is Council staff's understanding that lapsed positions and the recommended abolishments of civilian positions are all vacant positions. Abolished sworn positions will be managed through attrition. The Department's current attrition rate is approximately two non-retirement-related officers per month. Retirement-related attrition is projected to be about 16 officers in FY21. Total personnel-related reductions account for \$3.89 million of the recommended total. If approved, the authorized sworn complement would decrease from 1,307 to 1,280.

FY21 Police Savings Plan Personnel Actions				
Budget Item	Change in Sworn Positions	Change in Civilian Positions	@#	CE Rec
Abolish 5 SROS at MCPS Middle Schools	-5		9	(\$626,408)
Abolish 1 Police Officer (Traffic Complaint Officer) from all 6 Districts	-6		9	(\$751,689)
Abolish 1 Police Officer from Patrol Investigations Unit in 5 Districts	-5		9	(\$626,408)
Abolish 1 Police Officer from the Collision Reconstruction Unit in Traffic	-1		9	(\$125,282)
Abolish 1 Abandoned Vehicle Code Enforcement Specialist		-1	9	(\$65,881)
Civilianize 1 Sergeant from the Evidence Unit	-1	1	10	(\$47,092)
Civilianize 1 Sergeant (Background Section Supervisor)	-1	1	10	(\$47,092)
Reduce the number of Part Time Background Specialists		-2.5	10	(\$189,178)
Lapse 1 IT Supervisor			10	(\$70,000)
Abolish 1 Crime Analyst from the IMTD		-1	10	(\$86,886)
Abolish/Reallocate the Central Auto Theft Section	-3	-1	10	(\$514,885)
Abolish 1 Offices Services Coordinator from Major Crimes		-1	10	(\$74,641)
Lapse 1 IT Technician			10	(\$39,000)
Abolish 1 Police Officer from the K9 Unit	-1		10	(\$125,282)
Abolish 1 Police Officer from the Emergency Services Unit	-1		10	(\$125,282)
Abolish 1 Police Officer from the SWAT Unit	-1		10	(\$125,282)
Abolish 2 Police Officers from the Centralized Traffic Section	-2		10	(\$250,563)
Total Personnel-Related Reductions:	-27	-4.5		(\$3,890,851)

County Law Enforcement Review Initiatives: Council staff notes that the County as a whole has planned several mechanisms to provide in-depth reviews that will evaluate law enforcement service delivery. This includes a \$550,000 supplemental appropriation to fund two racial equity-related audits of the Fire Department and the Police Department, and consulting funds for community engagement. The Montgomery County Public School (MCPS) system is also studying the use of School Resource Officers, and its report is expected no later than January. Further, the Council’s Policing Advisory Commission is scheduled to begin its work in September, when it will begin to review various aspects of police work and make recommendations for any changes to Council.

Abolished Positions vs. Lapsed Positions: Council staff advises that the Committee may wish to consider delaying permanent cuts to sworn positions until data and recommendations are provided by the multiple entities that plan to research, review, and make recommendations on how the Police Department should provide more equitable, safer, and community-engaged public safety services. While all other departments and agencies have provided additional lapse as savings in this Savings Plan, the Police Department has provided abolished positions. Council staff advises that the Department has 40 vacant sworn positions, but these were not recommended for savings. It is Council staff’s understanding that additional lapse was not offered since Recruit Class 70 is about to graduate 22 new police officers, and the Department is already obligated to holding a large amount of lapse in its FY21 operating budget. Lapse can be deleterious to departmental operations; however, abolishing positions permanently reduces the Department’s sworn officer capacity, which may be necessary to make changes based on any information provided by the reviewing entities. Hiring additional officer positions will take about two years after approval in future operating budgets.

Council staff recommends postponing the cuts to sworn positions until the County has additional information from stakeholders. If the Committee wants to cut sworn positions, Council staff recommends the following:

- 1) Five Middle School Resource Officers: These positions were added and approved by the Council in FY18 and FY19. They have not yet been deployed to schools, and the joint MCPS and Law Enforcement Memorandum of Understanding (MOU) does not reflect SRO assignments at middle schools. The associated savings is \$626,408.
- 2) Civilianizing two Sergeant positions, one in the Evidence Unit and one in the Background Section: The associated savings is \$94,184.

Council staff advises that the abolished and lapsed civilian positions are manageable and has recommended approval of those reductions. Council staff notes that one proposed cut, abolishing and reallocating the Central Auto Theft Section (CATS) in the Criminal Investigations Division, would abolish three police officer positions and one civilian position. If the Committee delays action on the sworn positions and accepts the savings on the civilian forensics specialist position, savings would be \$86,886. Council staff recommends taking the savings realized from abolishing the forensics specialist position.

- If the Committee accepts Council Staff's recommendation to not cut sworn positions, total savings from the Police Department would be **\$5,268,939** rather than the recommended \$8,547,218, or 1.8% of the Department's approved budget.
- If the Committee also approves reductions in SROs and the civilianization of two Sergeant positions, the total savings would be **\$5,989,431**, or 2.1% of the Department's approved budget.

Alternate Savings Considered: Council staff explored some alternative savings opportunities within the Department, including increasing lapse, as well as another option that the Department has in the past provided when Recession-related reductions were considered in operating budgets or savings plan. As mentioned earlier, there is very little additional lapse that can be taken in the Department to increase savings. The other option would reduce overnight front desk service at the 2nd and 6th District Stations (about a \$387,000 savings). However, this option would result in a Reduction in Force for the four filled positions and Council Staff does not recommend RIFs at this time.

This staff report contains the following

©

Executive's Memo

1-4

Savings Plan Analysis

5

Savings Plan

6-14

MEMORANDUM

July 10, 2020

TO: Transportation and Environment (T&E) Committee

FROM: Keith Levchenko, Senior Legislative Analyst
Glenn Orlin, Senior Analyst

SUBJECT: FY21 Budget Savings Plan¹

PURPOSE: To review and make recommendations to the Council

Participants

Transportation Issues

- Chris Conklin, Director, Department of Transportation (DOT)
- Emil Wolanin, Deputy Director, DOT
- Brady Goldsmith, Office of Management and Budget (OMB)

Environmental Protection

- Adam Ortiz, Director, Department of Environmental Protection (DEP)
- Patty Bubar, Deputy Director, DEP
- Rich Harris, OMB

Attachments

- | | |
|--|-------------|
| • July 6, 2020 Memorandum from County Executive Elrich to Council President Katz: “Recommended Revised FY21 Spending Plan” | Pages 1-4 |
| • FY21 Revised Spending Plan (Detail by Department) | Pages 5-13 |
| • CIP Amendment Project Description Forms (Transportation-projects) | Pages 14-24 |
| • FY20 and FY21 WSSC Savings Plan Summaries | Pages 25-28 |

On July 6, the County Executive transmitted an FY21 revised spending plan (or savings plan). This plan included \$38.7 million in reductions in the County Government, Montgomery College, and Housing Opportunities Commission FY21 Operating Budgets. In addition, the Executive is

¹ Key words: #FY21Budget and FY21 Savings Plan and Transportation and Environment

recommending ten amendments to the FY21-26 Capital Improvements Program (CIP) which result in another \$27.7 million in FY21 savings.²

The T&E Committee’s review will focus on:

- Six Transportation-related CIP amendments
- Savings plan reductions in DOT (including the Mass Transit Special Fund), and
- Savings plan reductions in the Department of Environmental Protection (DEP) General Fund

The Executive’s recommended Savings Plan totals for DEP, DOT, and Mass Transit are summarized below:

Department	Approved FY21 Budget	CE Savings Plan Reduction	Percent of Budget
Environmental Protection	3,358,531	(173,553)	-5.2%
Transportation	46,518,227	(2,047,479)	-4.4%
Mass Transit	149,364,876	(4,191,893)	-2.8%
Totals	199,241,634	(6,412,925)	-3.2%

The specific CIP amendments and recommended FY21 Operating Budget reductions by department are discussed in more detail later in this memorandum.

Other Issues

Washington Suburban Sanitary Commission (WSSCWATER). For informational purposes, Council Staff has attached a summary of the WSSCWATER FY20 and FY21 savings plans (see Pages 25-28). WSSCWATER’s Savings Plan does not affect the County’s Tax-Supported Budget and therefore is not part of the County Executive’s FY21 Savings Plan transmittal. **No action by the Council on WSSCWATER’s savings plans is required. Future T&E discussion of WSSC’s FY21 current year budget and an updated Six-Year Fiscal Plan will occur as part of the WSSC FY22 Spending Control Limits process this fall.**

Like Montgomery County, WSSCWATER developed Savings Plans to address potential revenue shortfalls resulting from the COVID-19 pandemic. In March, WSSCWATER estimated an FY20 revenue shortfall of \$58.8 million and developed an FY20 Savings Plan to save \$59.9 million (about 7 percent of the WSSCWATER budget). The FY21 Savings Plan assumes \$71.2 million in reductions (about 8 percent of the WSSCWATER budget). WSSCWATER staff have noted that the reductions reflect one-time emergency actions and are not sustainable for the long-term. WSSCWATER Staff will be available at the Committee meeting to answers questions.

² The CIP amendments were [introduced](#) on July 7, 2020 and will go to public hearing (and potentially action) on July 28, 2020.

FY21 General Fund Utilities. The Executive's FY21 Savings Plan assumes \$1.9 million in General Fund utility-related savings presented within the Department of General Services (DGS) portion of the Operating Budget. This item is scheduled for discussion as part of the Government Operations Committee's FY21 Savings Plan review on July 10. The utility savings would accrue within the Utilities Non-Departmental Account. In past years, the Utilities budget has been reviewed by the T&E Committee. However, since this reduction is based on County Government operational changes related to the COVID-19 situation (and not environmental initiatives such as clean energy or energy conservation initiatives), the Government Operations Committee is best positioned to review this item.

Transportation-related CIP amendments

Elmhurst Parkway Bridge (Pages 14-15). This project is complete. In FY20 \$110,000 had been retained in the project to handle potentially subsequent claims and other expenses, but there were none, so the project's expenditures can be reduced by \$110,000.

Highway Noise Abatement (Page 16). DOT spent only \$23,000 of the \$74,000 that had been programmed in this project for FY20. This revised project description form reflects the \$51,000 reduction.

Bethesda Metro Station South Entrance (Pages 17-18), Capital Crescent Trail (Pages 19-21), and Silver Spring Green Trail (Pages 22-23). These are County-funded projects ancillary to the Purple Line that are being built by the Maryland Transit Administration's (MTA's) concessionaire. This past spring the County and MTA agreed to a revised reimbursement schedule that delays \$19,723,000 of payments from FYs20-21 to FY22 and beyond. These changes do not alter the overall scope or costs of these projects, nor do they reflect the schedule for delivering them.

Ride On Bus Fleet (Page 24). The Approved CIP calls for 10 electric buses and 15 small (30'-long) diesel buses to be acquired in FY21. The Executive recommends deferring purchase of 10 of the small diesel buses from FY21 to FY23; at \$477,000 per bus, this would shift \$4,770,000 of expenditure from FY21 to FY23. The funding for the small diesel buses also serves as placeholder for the County's match to a potential Federal grant it is soliciting to buy electric buses instead.

The 10 small buses would replace larger (40'-long) diesel buses that have been in service since 2009. Large diesel buses have an optimal useful life of 12 years, at which point they should be replaced. However, oftentimes DOT extends the life of a bus due to fiscal constraints in the CIP, although the maintenance cost of buses serving longer than 12 years is typically higher. The Executive's recommendation would require the 10 large diesel buses to be in service for 14 years instead of 12.

Council staff recommends concurring with the Executive's transportation-related CIP changes. However, should the County's fiscal situation improve over the next year, the Council should entertain a CIP amendment that would reaccelerate the Ride On Bus Fleet deferral by one year, acquiring the deferred buses in FY22 rather than in FY23.

Transportation-related Operating Budget savings

General Fund: Transportation. The Executive recommends reducing budgeted spending in the General Fund portion of DOT's budget by \$2,047,479 (4.40%), as follows:

- Personnel lapse: \$707,347. OMB is preparing a comprehensive response addressing all lapse changes in County Government.
- Suspend bridge load-bearing testing for one year: \$150,000 (100% reduction). Annual bridge safety inspections will be unaffected.
- Tree maintenance: \$643,087 (14% reduction). The operating budget portion of this program provides for emergency tree maintenance services in the public rights-of-way. The program provides priority area-wide emergency tree and stump removal and pruning to ensure the safety of pedestrians and cyclists, minimize damage to property, and provide adequate road clearance and sign, signal, and streetlight visibility for motorists. Starting in FY07, the street tree planting function was transferred to DOT as part of the overall Tree Maintenance program.
- Roadway patching: \$232,093 (2% reduction).
- Sign materials: \$80,000 (29% reduction). This will eliminate most proactive replacements of old/faded non-safety related signs (such as parking signs). Public safety-related signs are not affected.
- Review fewer traffic signals for timing optimization: \$70,000 (28% reduction). The number of signals reviewed would be reduced from about 90 to about 70.
- Suspend aesthetic streetlight maintenance: \$115,000 (27% reduction in overall streetlight maintenance). The reduction would be in tasks such as painting poles, replacing handhole covers, etc.
- Parking outside the Parking Lot Districts: \$49,952 (4.6% reduction). The administrative costs would be slightly reduced due to fewer tickets issued.

Mass Transit Fund. The Executive recommends reducing budgeted spending in the Mass Transit Fund portion of DOT’s budget by \$4,191,893 (2.8%), as follows:

- Defer start of US 29 FLASH service to September 2020: \$119,245 (2% reduction).
- Kids Ride Free Program: \$780,673 (50% reduction). WMATA has indicated it will not be collecting fares from Metrobus patrons until January, so the projected reimbursement to Metrobus for its foregone revenue would be reduced by half.
- Motor Pool Fund charges for Ride On: \$1,938,400 (4.2% reduction). With less Ride On service, motor pool charges for fuel and maintenance would be reduced commensurately.
- Call-n-Ride Program: \$750,000 (18% reduction). This is due to decreased demand for coupons since the start of the pandemic. The table below shows the number of Call-n-Ride trips from January through May.

<u>Month</u>	<u>2019</u>	<u>2020</u>
Jan	9,607	10,732
Feb	9,323	10,140
Mar	10,267	7,980
Apr	10,746	5,239
May	10,389	6,158

- Fare Share Program: \$250,000 (50% reduction). This is due to anticipated decreased demand, given higher unemployment and increased telecommuting.
- Personnel savings due to less Ride On service: \$353,575. OMB is preparing a comprehensive response addressing all lapse changes in County Government.

Council staff recommends concurring with the Executive’s transportation-related Operating Budget savings.

Department of Environmental Protection (DEP)

The Executive recommends a reduction of \$173,553 within the General Fund budget of the Department of Environmental Protection. This is a 5.2 percent reduction to its FY21 Approved Budget of \$3.4 million. As shown on Page 6 of the attached Revised Spending Plan, all the savings are assumed from the lapsing of seven currently vacant positions (all of which are at least partially General Fund supported).³ In some cases, the work associated with these vacant positions is being done by other DEP employees or with contract support. Some positions are being reclassified to serve new functions envisioned in DEP’s recent reorganization. Some of these positions have been vacant a relatively short period of time and others for several years.

The following chart provides more details regarding each of the positions recommended to be lapsed for FY21 General Fund savings.

FY21 Recommended Savings Plan - DEP General Fund Budget

Job Class	Description	Lapse (in months)	Percent Charged to the General Fund	General Fund Savings
INFO TECHNOLOGY SPEC I	Reclassified - Performance Management & Data Analyst II	6	25%	\$10,861
PROGRAM MANAGER II	Program Manager II (Policy & Legislation)	3	40%	\$10,619
PLANNING SPECIALIST III	Reclassified - Program Manager I (Outreach)	6	40%	\$19,582
INFO TECHNOLOGY SPEC III	To be reclassified	8	25%	\$18,443
PROGRAM MANAGER I	Program Manager I (Partnerships)	6	25%	\$12,239
PROGRAM MANAGER II	Program Manager II (Green Bldg Codes)	9	100%	\$79,640
SR FINANCIAL SPECIALIST	Accountant/Auditor Senior/Lead	6	28%	\$22,169

Grand Total FY21 Savings

\$173,553

As shown, the lapse months for each position range from 3 months to 9 months. Almost half of the overall savings is from the lapsing of the Program Manager II (Green Building Codes) position. This position, (which is charged 100 percent to the General Fund) was created at the direction of the Council as part of the FY16 budget but never filled because of subsequent County hiring freezes, mid-year savings plans, and DEP reorganizations.

³ There is a total of eight currently vacant positions with at least partial General Fund support. The one vacant General Fund-supported position not recommended to be lapsed is a Manager II position (Chief of the Strategic Services Division) created under the recent DEP reorganization. That position is currently filled with an acting appointment but is expected to be filled shortly.

The next largest savings involves the lapsing of the Senior Financial Specialist position. This position is charged 28 percent to the General Fund and 72 percent to the Water Quality Protection Fund and became vacant in February 2020. This position is currently filled in an acting capacity by another DEP employee.

Several other positions have been reclassified or will be reclassified based on DEP's recent reorganization.

Assuming the lapse occurs as presented above, all the positions would still be funded for at least part of FY21 and DEP has indicated its intent to ultimately fill each of these positions consistent with its new organizational structure. DEP Director Ortiz and Deputy Director Bubar will be available at the Committee meeting to provide further information regarding each of these positions.

DEP's General Fund workload is likely to increase as the County's climate change efforts accelerate in FY21 and beyond. In addition, most of these positions are also charged to the Water Quality Protection Fund where the County is already preparing to implement a new National Pollution Discharge Elimination System (NPDES) Municipal Separate Storm Sewer System (MS4) permit. A draft permit is expected to be promulgated by the Maryland Department of the Environment later this year. Given these initiatives, Council Staff believes these currently vacant positions will be needed going forward. However, even without the recommended savings plan, most are likely to experience some lapse during FY21 anyway, especially those requiring reclassification.

Council Staff concurs with the Executive's recommended reductions for DEP.

Attachments

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MEMORANDUM

July 13, 2020

TO: Planning, Housing, and Economic Development (PHED) Committee

FROM: Pamela Dunn, Senior Legislative Analyst, and relevant analyst per section

SUBJECT: FY21 Savings Plan

PURPOSE: Review and make recommendations to the Council

The Executive's recommended FY21 Savings Plan is attached on ©1-13. A summary of the proposed budget reductions for PHED Committee review are noted in the table below. Lead analyst and expected attendees for each office/department/agency are listed under the applicable section.

Table 1. Summary of PHED Committee Operating Budget Item for Review

Office/Department/Agency	CE Recommended Reduction	Savings as % of Original Budget
Office of Agriculture	\$34,200	3.45%
Housing and Community Affairs	\$98,531	1.14%
Housing Opportunities Commission - NDA	\$409,482	6.00%
Office of Zoning and Administrative Hearings	\$13,172	2.00%
Recreation	\$1,833,625	4.25%
Maryland-National Park and Planning Commission	\$7,776,938	6.00%

In addition to the Savings Plan review of operating budget impacts, the Committee will also review proposed amendments to the M-NCPPC FY21-26 Capital Improvements Program (CIP) of \$628,000.

Office of Agriculture

Gene Smith, Legislative Analyst

Expected Attendees: Jeremy Criss, Director, Office of Agriculture (OAG)

Jane Mukira, Office of Management and Budget

The Executive recommends a reduction of \$34,200 for OAG, a 3.5% reduction compared to the Council's FY21 appropriation. Below is a summary of the reduction recommended by the Executive.

Table 2. Recommended Reduction for OAG

Item	FY21 Approved Budget	CE Recommended Reduction	% Reduction from Approved
Maryland Ag Education Foundation	\$69,000	- \$34,200	49.6%

OAG staff notes that the recommended reduction impacts the Mobile Science Lab, which provides opportunities for Elementary students in the Montgomery County Public Schools (MCPS) to learn about agriculture. The cost of the lab is \$360 a day. OAG assumed that MCPS would be closed through December 2020. If this is true, there will be no impact to service. If MCPS opens and the lab would be allowed to operate before December 2020, there will be an impact because of the reduction in resources.

Council staff concurs with the Executive recommended reduction. This reduction is likely to have little to no impact based on the likelihood that MCPS operations will be altered for instruction in the fall.

Housing and Community Affairs (DHCA)

Linda McMillan, Senior Legislative Analyst

Expected Attendees: Tim Goetzing, Chief, Finance and Administration, DHCA
Pofen Salem, Office of Management and Budget

The Executive recommends a reduction of \$98,531 for DHCA, a 1.14% reduction compared to the Council's FY21 appropriation. Below is a summary of the reduction recommended by the Executive.

Table 3. Recommended Reduction for DHCA

Item	FY21 Approved Budget	CE Recommended Reduction	% Reduction from Approved
Senior Planning Specialist	\$8,640,221	\$98,531	1.14%

According to DHCA staff, the recommended savings is the result of holding vacant a Senior Planning Specialist position for the remainder of the fiscal year. The position became vacant during FY20 and is assigned to the Moderately Priced Dwelling Unit (MPDU) program.

Council staff concurs with the Executive recommended reduction. As the number of MPDUs is expected to increase based on expected development, the position may need to be filled in the future.

Budget Follow-up Issue: Landlord-Tenant Account

During budget worksessions, Council staff noted that the Governor's Executive Order No. 20-06-19-01 extends the expiration date of all applicable licenses and permits until 30 days after the ending of the public health emergency unless a unit of State or local government determines it is needed to protect the public health, welfare or safety or to comply with federal law or an agreement the party is bound to. Because of this, DHCA has not issued new rental licenses and so has not collected fees. These fees are used to cover the costs associated with the Landlord Tenant program and a significant portion of Code Enforcement. **Council staff has asked for confirmation on how the Executive is authorizing the payment of these costs (about \$7 million) until the fee revenues can be collected.**

Housing Opportunities Commission (HOC) – NDA

Linda McMillan, Senior Legislative Analyst

Expected Attendees: Stacy Spann, Executive Director, HOC
Cornelia Kent, Chief Financial Officer, HOC
Terri Fowler, Budget Officer, HOC
Pofen Salem, Office of Management and Budget

The Executive’s recommended reduction for the Housing Opportunities Commission is \$409,482 or 6% of the FY21 tax-supported appropriation. Below is a summary of the reduction recommended by the Executive.

Table 4. Recommended Reduction for HOC

Item	FY21 Approved Budget	CE Recommended Reduction	% Reduction from Approved
Personnel Lapse	\$6,824,693	\$409,482	6.00%

Council staff has consulted with HOC about the recommended savings from personnel lapse. HOC has shared that they are not proposing to lapse positions but rather to charge positions to CARES Act funding that can support the Housing Choice Voucher Program. As this funding is only available through December 31, 2020, only half the recommended savings can be achieved this way.

Council staff recommends that the Council accept a savings of \$205,000. HOC understands the fiscal situation and will continue to look for other sources of funding that may be able to reduce further the amount of funding needed from the Non-Departmental Account.

Not before the Committee at this time is a recommended savings of \$125,000 that will be achieved from reducing current revenue in the Supplemental Funds for Deeply Subsidized HOC Owned Units Improvements CIP project. HOC is in agreement with these savings in FY21.

Office of Zoning and Administrative Hearings (OZAH)

Jeffrey Zyontz, Senior Legislative Analyst

Expected Attendees: Lynn Robeson Hannan, Director/Hearing Examiner, OZAH
Philip Weeda, Office of Management and Budget

The Executive’s recommended reduction for the Office of Zoning and Administrative Hearings (OZAH) is \$13,172 or 2% of the FY21 tax-supported appropriation. Below is a summary of the reduction recommended by the Executive.

Table 5. Recommended Reduction for OZAH

Item	FY21 Approved Budget	CE Recommended Reduction	% Reduction from Approved
Lapse due to delayed hiring	\$658,601	- \$13,172	2.00%

The Council approved FY21 OZAH budget was previously reduced to reflect expected salary reductions. The new hearing examiner will be a County employee in late August. The budget assumed a full year salary for the position. The spending plan reduction reflects this increased lapse salary.

Council staff concurs with the Executive’s recommended reduction.

Recreation

Vivian Yao, Legislative Analyst

Expected Attendees: Robin Riley, Director, Recreation

Anita Aryeetey, Office of Management and Budget

The Executive’s recommended reduction for the Department of Recreation is \$1,833,625 or 4.25% of the FY21 tax-supported appropriation. Below is a summary of the reduction recommended by the Executive.

Table 6. Recommended Reduction for the Department of Recreation

Department	FY21 Approved Budget	CE Recommended Reduction	% Reduction from Approved
Recreation	\$43,116,097	\$1,833,625	4.25%

The table below details the expenditure items identified for reduction to meet the Executive’s recommended Savings Plan.

Table 7. Detailed Reductions for Recreation

Expenditure Item	Proposed Reduction
174 PLAR Savings Reduction Due to COVID Delayed Openings and Reduced Upkeep	\$253,741
175 Utilities Savings Due to Delayed Re-opening of Facilities	\$355,000
176 Administrative Savings Reductions	\$17,973
177 Community Centers Savings Reductions Due to Delayed Opening of Facilities	\$411,713
178 Elimination of Annual Independence Day Celebration Event	\$135,198
179 Youth development Reduction Savings	\$660,000
Total	\$1,833,625

COVID-Related Savings: Items 174, 175, and 177 are based on the Department’s best estimate for reopening services that have been delayed due to the community crisis and not to achieve a savings. Currently, the Department projects recreation centers opening after Labor Day with adjusted programs and events.

Item 178 accounts for the savings achieved by canceling the Annual Independence Day Celebration due to social distancing requirements.

Administrative Savings: Item 176 provides for a savings of \$17,973 from the Director’s office for support of professional memberships for staff, training, and other staff programming and will not directly impact services to the public.

Youth Development: Item 179 provides for a \$660,000 savings to the youth development program that would delay restoration of services at four new EBB sites and three new RecXtra sites that began in January 2020. The Department reports that the programs were launched as planned but were not fully implemented because of delays in the hiring process and subsequent hiring freeze. Because of this and

uncertainties associated with the MCPS school calendar and accessibility to MCPS facilities for out-of-school time programs, the Department is anticipating restoring programming mid-year. When the programs are implemented, they will likely serve fewer participants because of safety measures.

Council staff concurs with the Executive recommended reductions, assuming the savings for Youth Development at this time as disruptions to service seems likely due to space limitations resulting from COVID. However, the Council should monitor the need for youth development programming, particularly for vulnerable youth, and ways that the Department can target their resources to meet this need. If existing resources are not sufficient to address the need, then the Council should revisit the youth development budget for funding adequacy.

Maryland-National Capital Park and Planning Commission

Pamela Dunn, Senior Legislative Analyst

Expected Attendees: Casey Anderson, Planning Board Chair
 Gwen Wright, Planning Director
 Mike Riley, Parks Director
 Mary Beck, Office of Management and Budget
 Josh Watters, Office of Management and Budget
 Brett Magellan, Office of Management and Budget

Operating Budget

The Executive recommends that M-NCPPC reduce operating budget expenditures by 6%. This represents a \$7.8 million reduction from the M-NCPPC Adopted Annual Budget for FY21, excluding debt service and retiree health insurance. See the Planning Board’s detailed FY21 Savings Plan on ©15-26.

Table 8. Recommended Reduction for M-NCPPC

Agency	FY21 Approved Budget ¹	CE Recommended Reduction	% Reduction from Approved
M-NCPPC	\$129,615,028	- \$7,776,938	6.00%

The two primary components of the M-NCPPC operating budget are the Administration Fund, which covers both the Planning Department and Central Administrative Services, and the Park Fund. To meet the Executive’s \$7,776,938 savings target, M-NCPPC proposes a \$1,850,950 reduction in the Administration Fund, and a \$5,925,988 reduction in the Park Fund.

Administration Fund (Planning Department and Central Administrative Services)

1. Planning Department

Of the \$1,850,950 in savings from the Administration Fund, \$1,299,926 comes from a reduction in operating expenditures for the Planning Department. The table below details the expenditure items that Planning will reduce to meet the Executive’s recommended Savings Plan.

¹ Excluding debt service and OPEB.

Table 9. Proposed Reductions for the Planning Department

Expenditure Item	Proposed Reduction
Deferred hiring of anticipated vacancies and additional lapse savings	\$600,000
Reductions to placemaking events, on-call real estate and communications consulting, and Design Excellence Event ²	\$171,000
Reduced spending on computer equipment and support services	\$55,057
Reduced conference attendance, travel, staff training and employee recognition program	\$119,692
Savings on Wheaton HQ due to updated completion date; reduction in preventive maintenance	\$204,777
Savings on Historical Markers paid with FY20 funds	\$5,000
Savings on Debt Service Capital Equipment ISF paid with FY20 funds	\$144,400
Total	\$1,299,926

To achieve the Executive’s 6% target savings, the Planning Department would defer hiring of anticipated vacancies and take additional lapse savings, reducing personnel costs by \$600,000; however, Planning does not expect to hold any specific positions vacant for the remainder of the fiscal year.

Planning would also reduce consultant assistance with real estate analysis and communications. The Department recently created a new division devoted to communication and outreach, recognizing the talent and expertise of staff in this area, and recently added a real estate specialist to the Research and Special Projects team. These personnel/programmatic changes should lessen the impact of any reduction in consulting funding at this time.

The Planning Department will also reduce spending on placemaking activities and the Design Excellence Event, both activities potentially involve large-scale gatherings that may not be practicable in the coming fiscal year. In addition, spending on conferences, associated travel, and the employee recognition program has been cut; again, these activities are likely to experience reduced participation and/or cancellation during the pandemic recovery.

The remainder of the reductions to the Planning budget include a minor decrease in the Information Technology and Innovation budget, savings related to the Wheaton Headquarters project, and pre-funding two FY21 commitments with end-of-year FY20 funds.

The Commissioner’s office will reduce their budget by \$4,112, resulting in a smaller contribution to diversity events and decreased spending on professional services, including funds for a Board retreat.

2. Central Administrative Services (CAS)

To meet its share of targeted savings, CAS would reduce its operating budget by \$546,912. Most of this reduction would be achieved through salary lapse and prepayment of obligations using FY20 funds. The table below shows, by department, the CAS reductions proposed to meet the Executive’s recommended Savings Plan.

² Includes FY20 funding.

Table 10. Proposed Reductions for Central Administrative Services

CAS Department	Action	Proposed Reduction
Human Resources and Management	Delay hiring 2 positions, delay training, and use of FY20 funds for certain critical needs	\$147,436
Finance	Delay hiring 3-4 positions for up to 6 months, FY20 funds for consultant services	\$141,598
Legal	Delay hiring, reduce training and travel expenses, and use of FY20 funds/liquidation of encumbrances	\$94,719
Merit Board	Use of prior fiscal year funds to support legal and transcription services	\$5,232
Inspector General	Use of FY20 funds (salary lapse) to prepay administrative and software maintenance costs	\$3,582
Corporate IT	Delay hiring 2 positions	\$101,082
Support Services	Delay digitization project, shift postage cost, and reduce employee recognition program in-person ceremony	\$47,222
Non-Departmental	Reduction in reclassification marker project	\$6,041
Total		\$546,912

As a bi-county department, reductions to the Central Administrative Services budget impacts both Montgomery and Prince George’s counties. If Prince George’s County considers a savings plan in the coming months, recognition of the reductions being taken by both counties at this time should be noted.

Council staff concurs with the Board’s recommended reductions to the Administration Fund.

Park Fund

To meet the Executive’s target 6% savings, the Parks Department would reduce spending by approximately \$5.9 million. The table below details the expenditure items that Parks will reduce to meet the Executive’s recommended savings.

Table 11. Proposed Reductions for the Parks Department

Expenditure Item	Proposed Reduction
Deferred hiring of career positions and reduced spending for seasonal staff. These savings are in addition to the budgeted lapse of \$5,482,000 (59 position)	\$947,508
Reduced spending on office and maintenance supplies, small equipment, parts, and tools	\$1,203,153
Reduced spending on contractual services	\$479,417
Reduced spending on infrastructure maintenance	\$372,322
Reduced spending on staff training, conferences, and travel	\$219,280
Reduced spending on vehicle and equipment parts, fuel, and deferred replacement	\$389,798
Defer ParksConnect Program (formerly known as WiFi in the Parks)	\$100,000
Defer computer replacements and maintenance services	\$56,356
Increase chargebacks to CIP projects	\$100,000
Reduce spending for Wheaton Headquarters	\$204,777
Reduce spending on utilities and communications	\$76,505
Reduce Risk Management Transfer	\$131,600
Savings on reclassification marker	\$93,779
Savings on Debt Service for Capital Equipment ISF	\$654,743
Savings on Debt Service for CIP	\$896,750
Total	\$5,925,988

The largest savings would come from reduced spending on office and maintenance supplies, small equipment, parts, and tools (\$1,203,153). This reduction will defer maintenance and landscaping projects throughout the County, including ballfield maintenance, production and maintenance of native plants grown for various parks, reduction in the tulip display at Brookside Gardens, and reduction in the timely repair of park assets (see © 4 for more detail).

The second largest savings would come from lapsed salaries (\$947,508). There are currently 85 vacant positions covered by the Park Fund. To meet the proposed lapse savings, Parks has identified 54 positions to hold vacant for the entire fiscal year. The remaining 31 vacant positions would be lapsed for a portion of the fiscal year. In addition to vacant/lapsed positions, the proposed reduction also includes seasonal reductions.

With respect to Park Police, there are currently four vacant positions. The Department intends to defer hiring those four positions for the remainder of the fiscal year unless other savings can be identified. Park Police has also targeted reducing overtime by \$207,546 since it is unlikely that they will be able to meet the FY21 budgeted lapse savings of \$865,000. Council staff would note that while, according to Park Police, crime has generally been down due to COVID-related closures/restrictions, it's ticking up again. In addition, patrol responsibilities are up due to increased usage of the parks. **If the incidents of crime continue to rise and patrol of parks remains high, the Committee may want to ensure that the Department believes it has sufficient flexibility to target resources to meet this potential need.**

The third largest reduction to meet the Executive’s target savings would come from contractual services. Contractual services for hazardous tree removal would be reduced, substantially decreasing the number of hazardous trees removed from park property. Bio-retention services would be cut, straining the management of several bio-retention facilities, and shifting more than 1,000 career hours from other maintenance work to this need. Contractual services for Non-Native Invasive (NNI) plant management and nuisance wildlife trapping would also be cut, and other contractual services deferred. The reductions in contractual services for hazardous tree removal, bio-retention management, and NNI plant and nuisance wildlife management could have detrimental impacts to the safety and integrity of our park system. **Council staff recommends that the Council accept a savings of \$183,693 for contractual services, retaining funding for contractual services for hazardous tree removal, bio-retention management, and NNI plant and nuisance wildlife management.**

Parks would also reduce spending on infrastructure maintenance (including three court coating projects) and vehicle and equipment parts and fuel. The decrease in fuel is primarily a result of decreased fleet usage related to staff teleworking; however, the Department has a large backlog (nearly \$11 million) of equipment and vehicles deemed past their useful life which would remain in use.

Like both Planning and CAS, Parks would reduce planned spending on staff training, conferences, and travel. The Department would also defer expanding WiFi connectivity in the Parks (Dewey Local Park, in particular) and would defer computer replacements and maintenance services. The remaining reductions involve savings on the Wheaton Headquarters project, reduced utility and communications costs, and savings due to use of FY20 funds.

While many of the proposed reductions will unavoidably impact Parks’ work program delivery, **Council staff concurs with the Board’s recommended reductions to the Park Fund, with the exception of the reduction to contractual services noted above.**

FY21-26 Capital Improvements Program

In addition to his requested 6% operating budget reduction, the Executive has requested a \$628,000 reduction in the Capital Improvements Program for M-NCPPC. These reductions could come from either current revenue (County PAYGO) or County GO bonds.

The Parks Department focused on reductions to GO bond-funded projects rather than current revenue-funded projects for several reasons. Sizable reductions had already been made to the smaller pool of current revenue projects leading up to the Council’s approval of the budget in May and would have continued to impact renovation and maintenance projects disproportionately. While the group of projects funded by GO bonds also included some renovation and maintenance projects, this group is larger and could absorb several small reductions while still maintaining an emphasis on priority capital projects.

The table below lists GO bond-funded capital projects with their Council-approved FY21 funding levels in May. It also lists the proposed reduction amount by project to meet the requested reduction of \$628,000.

Table 12. Proposed Reductions for M-NCPPC Capital Budget (GO Bonds)

PDF#	Project	Council Approved FY21	Proposed Reduction	Revised Funding Level	Remaining Increase over prior CIP
P998711	Energy Conservation- NL ³ Parks	100,000	10,000	90,000	50,000
P998763	Minor New Construction – NL Parks	700,000	80,000	620,000	270,000
P871745	Ovid Hazen Wells Recreational Park ⁴	300,000	100,000	200,000	(delay)
P871903	PLAR ⁵ : NL–Park Building Renovations	400,000	81,000	319,000	175,000
P998709	PLAR: Play Equipment	500,000	55,000	445,000	255,000
P871554	PLAR: Resurfacing Lots and Paths	750,000	166,000	584,000	243,000
P998715	PLAR: Court Renovations	400,000	81,000	319,000	199,000
P888754	Trails: Hard Surface Renovation	700,000	55,000	645,000	195,000
Total		8,828,000	628,000	8,200,000	1,387,000

In response to the Executive’s savings request, M-NCPPC proposed a \$100,000 implementation delay in the Ovid Hazen Wells project and a reduction in FY21 expenditures for several level-of-effort projects, totaling \$528,000. These reductions achieve the requested target savings while still retaining an increase in appropriation over the prior CIP for each level-of-effort project impacted (see © 27-34 for PDFs).

Council staff concurs with the Board’s recommended delay and reductions to the FY21-26 CIP to achieve the target savings.

This packet contains:

Executive’s Memo and FY21 Spending Plan and Analysis	<u>Circle #</u> 1-14
Planning Board Transmittal Letter and Approved FY21 Savings Plan	15-26
Amendments to the M-NCPPC FY21-26 CIP – PDFs	27-34

³ NL= Non-Local.

⁴ The \$100,000 shown here is a delay of expenditure from FY21 into later years of the CIP rather than a budget reduction.

⁵ PLAR = Planned Life-Cycle Asset Replacement

MEMORANDUM

July 15, 2020

TO: Health and Human Services Committee

FROM: Linda McMillan, Senior Legislative Analyst
Vivian Yao, Legislative Analyst

SUBJECT: **FY21 Savings Plan**

PURPOSE: Review and recommendations; vote expected.

Department/Fund	FY21 General Fund Appropriation	CE Recommended Reduction	Savings as a % of Approved Budget	Council Staff Recommendation
Office of Human Rights	\$1,384,692	\$35,000	2.53%	\$35,000
Department of Health and Human Services	\$251,454,732	\$2,901,035	1.15%	\$2,901,035

Office of Human Rights

Expected:

James Stowe, Director, Office of Human Rights
Phil Weeda, Office of Management and Budget
Naeem Mia, Office of Management and Budget

Item:	CE Recommended	Council Staff Recommended
Lapse Vacant Investigator II Position	\$25,000	\$0*
Reduce Operating Expense	\$10,000	\$10,000
Reduce Operating Expense		\$25,000

Council staff recommendation: The Council added funding for a new Investigator II position for the Office of Human Rights in recognition of the additional duties that have been assigned to the Office

over the last few years. In addition, Bill 28-20, Human Rights and Civil Liberties – Discrimination in Public Accommodations – LGBTQ Bill of Rights, that is under consideration by the Council would be enforced by the Office of and Commission on Human Rights. The Executive’s recommendation would lapse the position for three months, so an estimated start of January.

After consultation with Director Stowe, Council staff recommends not lapsing this position and instead substituent an additional \$25,000 in reduction in operating expenses. Director Stowe expects to have savings from not having events. This would allow him to move forward with hiring the Investigator.

The Committee should confirm with OMB that this Investigator position will not be subject to any hiring freeze.

Department of Health and Human Services

Expected:

- Dr. Raymond Crowel, Director, Department of Health and Human Services (DHHS)
- Victoria Buckland, Chief Operating Officer, DHHS
- Jason Rundell, Management and Budget, DHHS
- Deborah Lambert, Office of Management and Budget
- Lindsay Lucas, Office of Management and Budget

On page 1 of this memo, the DHHS General Fund appropriation is noted as \$251 million. This is only the General Fund portion of the DHHS budget. An additional \$87.4 million of federal, State, and grant funding is also a part of the FY21 budget. In recognition of the work that DHHS is doing during this pandemic, the Executive has only recommended an amount equal to 1.15% reduction to the General Fund. There are also NO reductions to several critical areas that include the DD Supplement, Healthcare for the Uninsured (includes Care for Kids and Montgomery Cares), School Health, or homeless programs.

Council staff is concurring with the recommended reductions but has some additional information comments following this table.

Item:	CE Recommended	Council Staff Recommended
House Bill699 ¹ Savings due to County Compensation Changes	\$589,058	\$589,058
Decrease Cost for Respite without service impact	\$123,937	\$123,937
Decrease Cost for Adult Evaluation and Review Services	\$ 20,000	\$ 20,000
Decrease Cost for Escorted Transportation	\$ 43,286	\$ 43,286

¹ House Bill (HB)699 was the State legislation that authorized Montgomery County to have an integrated Department of Health and Human Services. The County received State funding for certain positions that would be State positions if the County were not integrated.

Item:	CE Recommended	Council Staff Recommended
Latino Health Initiative (LHI) – Miscellaneous Operating	\$ 44,659	\$44,659
African American Health Program (AAHP) – Services to improve health	\$ 9,000	\$ 9,000
AAHP – Data Services	\$ 93,000	\$ 93,000
LHI – “Ama tu Vida” campaign	\$ 10,000	\$ 10,000
LHI – Environmental Intervention	\$ 15,000	\$ 15,000
Asian American Health Initiative (AAHI) – Health Events	\$ 1,615	\$ 1,615
Reduction of Operating Funds	\$ 2,955	\$ 2,955
In Persons Translation Services – Office of Community Affairs	\$ 40,000	\$ 40,000
Reduce Professional Education and Training	\$ 27,715	\$27,715
Miscellaneous Operating – Office of Community Affairs	\$ 7,600	\$ 7,600
Office of the Chief Operating Officer – Operating Costs	\$386,225	\$386,225
Office of the Chief Operating Officer – Reduce IT costs (reduced use of contractors)	\$450,000	\$450,000
Reduce Halfway House Contracts (Local Behavioral Health Authority)	\$302,000	\$302,000
Reduce Operating Funds	\$ 33,600	\$33,600
Directors Office – Miscellaneous Operating	\$220,000	\$220,000
Decrease Cost for Shared Psychiatrists	\$220,000	\$220,000
Reduce Accreditation Costs	\$ 20,000	\$ 20,000
Reduce ACCESS Broker Contract	\$ 32,000	\$ 32,000
Children, Youth, and Family (CYF) Early Childhood Services (ECS) – Child Care in Public Spaces	\$ 27,033	\$ 27,033
CYF – ECS Community Events	\$ 10,343	\$ 10,343
CYF – ECS – MCCRRC conferences	\$ 20,000	\$ 20,000
CYF – Child/Adolescent and Community Based Services – Don Bosco Cristo Rey Contract	\$ 55,000	\$ 55,000
Decrease cost for Home Care Services	\$120,000	\$120,000
Decrease Costs for Assisted Living Services	\$159,000	\$159,000

Additional Information and Comments:

HB699 Compensation Changes (\$589,058) – The Department has provided the following explanation about the savings from these positions not accounted for in the original budget actions that removed compensation increases for FY21:

When Council made changes to the CE recommended compensation, because of the short turn-around to get the budget loaded and tied, compensation changes were handled by doing a general fund item for the value of the compensation changes in the general fund, and position costs were not changed. Many of the house-bill positions are split-funded by GF and HB699, with the percent split changing each year based on the amount of HB699 funding. Changing the position costs on the HB699 positions reduces the costs by \$589,058, which allows us to shift an equivalent amount of GF personnel costs into HB699.

Reductions in Aging and Disability Services: There are three reductions that Council staff was concerned about: Adult Evaluation and Review Services (\$20,000); Home Care Services (\$120,000); and Assisted Living Services (\$159,000). The Department has provided the following information:

Adult Evaluation and Review Services (\$20,000): Due to COVID-19, the MDH eased the requirement of in-person assessments for AERS. COVID-19 protocols have not reduced the demand for this service, but the shift to remote assessment methods has allowed the nurses to increase the number of evaluations and save significant travel time and expenses. For now, the COVID-19 protocols have allowed us to temporarily spare a part-time broker contract nurse.

Home Care Services (\$120,000): Home Care services are being provided with a 22% reduction in active clients (158 compared to 203) pre-Covid-19 due to clients being fearful of the service – "bringing Covid19" - into the home and fewer referrals for Home Care Services. At any point in time clients can request the resumption of Home Care Services if they no longer are fearful of the service.

Assisted Living Services (\$159,000): There were fewer ALF (both long-term and emergency) placements attributable to Covid19 issues outbreaks (4th quarter ALF placements were (4) compared (7) placements 3rd quarter), MDH restrictions and at least a temporary reduction in referrals.

Council staff is concurring with these reductions and as well as those for respite and escorted transport as it has not been possible to deliver services in the same way during the pandemic. Council Chair Albornoz is expecting to have a committee session in the fall on adult medical daycare and disability services and these other related services can be revisited at the same time to understand when they may be able to resume a more regular service model.

There are several reductions to minority health efforts in the Office of Community Affairs: There are several reductions to the minority health improvement programs, generally small in nature. Council staff is concurring with these General Fund reductions, but also asked whether CARES fund can be used if AAHP, AAHI, and LHI need to provide services in response to COVID-19, especially in light

of the disproportionate impacts to Black and Latino communities. DHHS has provided the following response:

The majority of the reductions are attributable to fewer community events and outreach activities, and the resultant decrease in spending on facilities costs, promotional materials, printing, giveaways, travel, etc. Additional expenditures that are COVID related are being identified and are not being charged to the MHIP budget and will be submitted for CARES or FEMA reimbursement as appropriate.

In-person translation services is recommended for a \$40,000 reduction. DHHS has provided the following response as to why this specific reduction is manageable in a climate of need for significant outreach to people who do not primarily speak English.

The reduction in in-person interpretation was proposed based on the new spending pattern, i.e., if schools are not opened, or opened to a lesser degree, and if in-home visits are restricted, then the need for in-person interpretation will be reduced accordingly. The need of interpretation has been switched to phone interpretation rather than in-person since telework and telehealth started. CARES funding will be used whenever appropriate and would be dependent on the services being directly related to COVID; DHHS will inquire about the viability of using CARES or FEMA funding for translation services.

Reduction to County funding for Halfway House contracts (\$302,000). Council staff concurs with this savings given the DHHS explanation.

Savings are related from projected expenditures as the programs recently transitioned to fee for service and the expenses for the majority of clients are directly reimbursed from the state. DHHS only pays for clients who are uninsured/ineligible for insurance or Medicaid.

Shared psychiatry contract "decrease" of \$220,000. This funding was approved several years ago in recognition of the need for additional psychiatric services. There has been discussion about different models but DHHS has not yet been able to find a way to move this forward given the scarcity and cost of psychiatrists. The \$220,000 reduction is the total savings for this item.

DHHS has provided the following descriptions for the recommended savings in Early Childhood Services and explains the extent to which the savings result from changes to planned activities due to COVID-related disruptions. **Council staff concurs with these savings based on this information.**

Reduction in funding for Child Care in Public Space deep cleaning (\$27,033). This reduction is because child-care locations are being deep cleaned and are planned to have more intense cleaning due to COVID, which is not funded from these funds. This reduces the need for an annual deep cleaning.

Reduction in two conferences for the Montgomery County Childcare Resource and Referral (R&R) Center (\$20,000). The fall conference has been cancelled due to COVID. The spring conference will either be held virtually or canceled. This reduction does limit the use of these funds for other R&R support for providers.

The ECS Champions for Children Event (\$10,343): This is a large community outreach event for both the childcare community and parents who may be looking for childcare or seeking info about Infants and Toddlers. Last time this event has childcare programs and organizations that support both childcare and support children with special needs. Infants and Toddlers Program screening are done, and workshops are provided for both childcare providers and parents and there is entertainment for kids. This event usually draws about 500 people and is held at Civic Center or Shady Grove. This event will not be held this year due to COVID. This event is generally held every two years and was last held in Spring of 2019.

DHHS has provided the following about the **Don Bosco Christo Rey contract (\$55,000).**

The purpose of the contract is to provide internship opportunities in County government for at-risk youth. This provides internships for 5 youth, who were in the following departments last year: Libraries, Recreation, HHS, Police, and the County Executive's Office. The reason for proposing this reduction is related to COVID and the fact that the internship program is not as effective or feasible with most employees teleworking during the COVID crisis.