

OFFICE OF MANAGEMENT AND BUDGET - 119

MISSION AND SERVICES

Mission - The Office of Management and Budget provides financial planning and performance management to County agencies in order to ensure fiscal accountability and cost-effective use of service delivery resources.

Core Services -

- Financial planning, including the formulation, implementation and monitoring of the County's operating budget as well as the capital budget and the six-year Capital Improvement Program (CIP); grant and Economic Development Incentive Fund coordination; fiscal and economic analysis; and administration of the County's tax differential program
- Performance management, in conjunction with CountyStat, including analysis of agency operational data, business processes, policy, regional benchmarks, and national best practices

Strategic Focus in FY 2016 -

The agency's top priorities in FY 2016 are:

- Maintain the County's General Fund fund balance at or above 7% of the General Fund budget by providing regular reporting to the Office of the County Executive in order to identify potential revenue shortfalls or agency overspending and take corrective action where appropriate
- Increase the percentage of programs in County Government's service delivery inventory with primary source data that is reported to a centralized warehouse

FY 2016 BUDGET SUMMARY

The FY 2016 approved budget for the Office of Management and Budget is \$2,389,000, a decrease of \$102,700 or 4.1% under the FY 2015 budget.

Budgetary Changes –

FY 2015 BUDGET	\$2,491,700
Fringe benefit rate adjustment from 28.1% to 31.5% to align with actuals	\$50,800
Net Increase in staff recoveries associated with Enterprise Resource Planning (ERP) and the County Capital Improvement Program and County Council imposed spending control measures	(\$12,500)
Decrease in fringe benefits to align with County Council imposed spending control measures	(\$12,700)
Reduction in office automation charges and other operating line item adjustments to align with historical usage; also reflects alignment with County Council imposed spending control measures	(\$19,500)
Decrease in compensation due to changes in staffing complement and County Council imposed spending plan control measures	(\$108,800)
FY 2016 APPROVED BUDGET	\$2,389,000

SERVICE DELIVERY PLAN AND PERFORMANCE

GOAL 1 - To provide sound financial planning and monitoring of agency operations and expenditures in order to improve the fiscal health of County Government.

Objective 1.1 - Maintain the County's General Fund fund balance at or above 7% of the General Fund budget.

Targets	Long Term Target Compared with Performance																		
<p>Short term: By FY 2016 - %</p> <p>Intermediate term: By FY 2018 - %</p> <p>Long term: By FY 2020 - %</p>	<p>Long term target (FY19): 7.0%</p> <table border="1"> <thead> <tr> <th>Fiscal Year</th> <th>Percentage</th> <th>Status</th> </tr> </thead> <tbody> <tr> <td>FY 2012</td> <td>10.0%</td> <td>Actual</td> </tr> <tr> <td>FY 2013</td> <td>10.3%</td> <td>Actual</td> </tr> <tr> <td>FY 2014</td> <td>8.3%</td> <td>Actual</td> </tr> <tr> <td>FY 2015</td> <td>7.8%</td> <td>Estimated</td> </tr> <tr> <td>FY 2016</td> <td>7.3%</td> <td>Projected</td> </tr> </tbody> </table>	Fiscal Year	Percentage	Status	FY 2012	10.0%	Actual	FY 2013	10.3%	Actual	FY 2014	8.3%	Actual	FY 2015	7.8%	Estimated	FY 2016	7.3%	Projected
Fiscal Year	Percentage	Status																	
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Trend and Analysis -

The percentage of total expenditures that reside in the County's fund balance is a critical indicator of the County's fiscal well-being and sustainability as well as a significant factor in maintaining the County's AAA bond ratings. It also provides critical protection against financial risks due to the County's limited ability to generate revenue as a result of charter-mandated and state-imposed tax caps or restrictions. The County's 5% charter-mandated restricted reserve and 2% policy-required committed operation reserve were established to control the County's exposure to financial risks and provide reserves in the event of emergencies. The County has successfully kept its General Fund balance above 7% of its annual budget. However, the percentage has shown a decrease from 10.0% in FY 2012 to 8.3% in FY 2014 due to various one-time investments in recent years (such as allocating \$50 million to the Economic Development Incentive Fund to attract and retain businesses). The reserve level is expected to decrease further in FY 2015 and FY 2016 due to a structural imbalance arising from the mismatch between limited revenue growth and significant service delivery cost increases, largely driven by an expansion in base budget costs such as personnel compensation and fringe benefits based on collective bargaining agreements. Fund balances are achieved through prudent revenue forecasting, effective expenditure monitoring, and the application of sound fiscal policies (such as limiting use of fund balance to one-time nonrecurring expenditures). Expenditure monitoring includes the review of positions, contracts and travel requests. In FY 2016, the agency will focus on the continued implementation and maintenance of master data within the County's new enterprise resource planning (ERP) system, which is expected to help facilitate priority-focused and program-based budgeting. In addition, multi-year fiscal planning - including projections for operating budget levels in future fiscal years - will be restored and expanded in order to execute a multi-year plan to reconcile the structural balance between revenues and expenditures.

Performance Measures -

Measure Name	FY 2012 Actual	FY 2013 Actual	FY 2014 Actual	FY 2015 Estimated	FY 2016 Projected
Resources (input)					
Number of operating budget analysts	7	6	5.5	5.5	6.5
Workload, Demand and Production (output)					
Amount of General Fund expenditures (in billions)	\$2.627	\$2.677	\$2.721	\$2.862	\$3.040
Number of position requests processed for all funds	1,832	1,685	1,544	1,000	1,000
Number of contracts processed for all funds	1,012	1,160	1,154	1,150	1,100
Number of travel requests received for all funds	390	433	517	450	500
Quality					
Recipient of Government Financial Officers Association Distinguished Budget Presentation Award	Yes	Yes	Yes	Yes	Yes
Percent variance of the General Fund budget and actual expenditures (negative numbers indicate overspending)	0.9%	0.0%	-0.3%	-0.2%	0.0%
Percentage variance between actual and budgeted General Fund revenues (negative numbers indicate lower revenue collections)	1.5%	1.1%	-0.8%	-0.1%	0.0%
Impact (outcome)					
Percent of the General Fund budget that is in fund balance	10.0%	10.3%	8.3%	7.8%	7.3%

Strategies to Accomplish the Objective -

- **Strategy 1.1.1** - Provide regular reporting to the Office of the County Executive in order to identify potential revenue shortfalls or agency overspending and take corrective action where appropriate
- **Strategy 1.1.2** - Develop and execute multi-year fiscal planning to achieve a restoration of structural balance between revenues and expenditures
- **Strategy 1.1.3** - Implement the new ERP system to improve fiscal and strategic planning, monitoring, analysis and decision- making

Objective 1.2 – Increase the percent of grant budgets available for use within 10 business days of submission to OMB.

Trend and Analysis -

This is a new Objective for FY 2016. In FY 2015, OMB assumed responsibility for grant master data creation, maintenance and budget loads and modifications within SAP. In order to access funding, budgets must be loaded and established in SAP in a timely manner. Agencies share in this responsibility in the following ways: ensuring they have communicated their appropriation needs, submitting the required documentation to OMB once grant awards have been received.

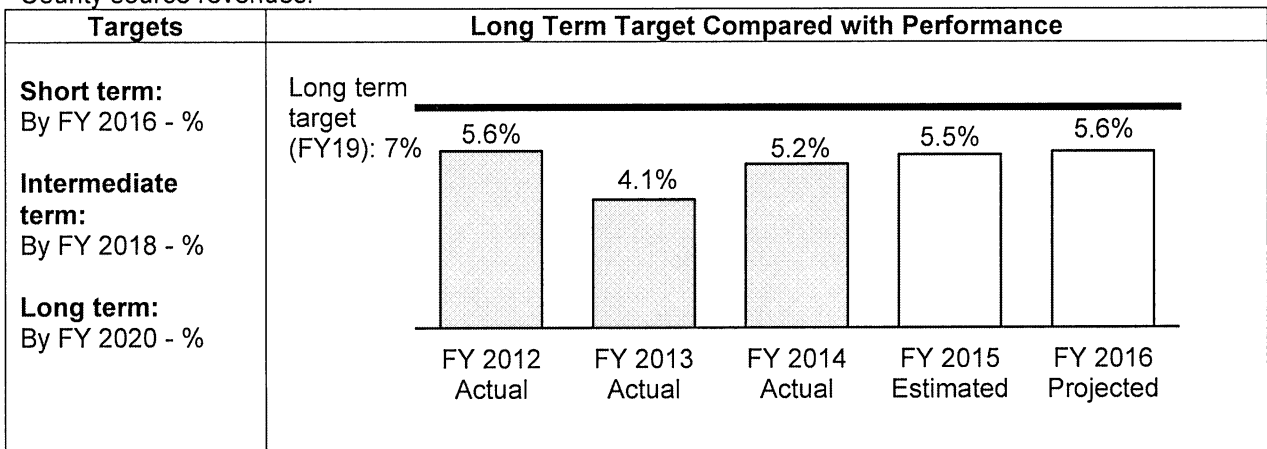
Performance Measures –

New for FY 2016

Strategies to Accomplish the Objective -

- **Strategy 1.2.1** – Re-establish designated point of contact within each agency
- **Strategy 1.2.2** - Work with agencies to improve communication with regard to grant opportunities they intend to pursue to identify appropriation needs early and reduce the need for supplemental appropriation where possible.
- **Strategy 1.2.3** - Enhance communications and reports with Directors, fiscal coordinators, and key program staff on regular basis to identify and solve grant management issues promptly.

Objective 1.3 - Maintain the County's annual debt service payment at or below 8% of the General Fund County source revenues.



Trend and Analysis - The County's fiscal policy requires keeping the annual debt service payment below 8% of total General Fund County source revenues. This indicator currently stays below 8%, but has shown a trend of growing due to increasing general obligation bonds to finance CIP projects. Moreover, debt service payments in FY 2014, FY 2015 and FY 2016 benefit from one-time bond premiums; otherwise, the amount would have been higher. The office will continue to use its internal 30-year debt model to monitor the County's debt affordability and prioritize CIP projects within a long-term strategic framework in collaboration with the Board of Education and County Government agencies.

Performance Measures -

Measure Name	FY 2012 Actual	FY 2013 Actual	FY 2014 Actual	FY 2015 Estimated	FY 2016 Projected
Resources (input)					
Number of capital budget analysts	2	1	1.5	1.5	1.5
Amount of General Fund County Source revenues (in billions)	1.602	1.611	1.565	1.615	1.790
Workload, Demand and Production (output)					
Number of capital projects authorized	143	155	150	159	180
Number of new capital projects	18	19	20	21	18
Number of projects supported by GO Bonds in budget year	64	63	65	66	73
Number of general obligation bond sales	1	1	0	2	1
Value of general obligation bond sales (\$ in millions)	\$98.6	\$354.2	\$0.0	\$400.0	\$175.0
Impact (outcome)					
Debt service expenditures (in millions)	\$89.9	\$65.6	\$82.1	\$88.9	\$101.0
Annual debt service as a percentage of General Fund County Source revenues	5.6%	4.1%	5.2%	5.5%	5.6%

Strategies to Accomplish the Objective -

- **Strategy 1.3.1** - Enhance communications and reports with key stakeholders including the Board of Education, County Government agencies, and the Office of the County Executive on regular basis to identify and solve CIP issues promptly
- **Strategy 1.3.2** - Update and expand 30-year debt affordability models and share results with key stakeholders to establish long-term funding ceilings
- **Strategy 1.3.3** - Work with agencies to improve early planning and forecasting for different stages of CIP projects and reduce the need for supplemental appropriations

GOAL 2 - To provide analysis of agency operations and services in order to improve the effectiveness and efficiency of service delivery.

Objective 2.1 - Increase the percentage of measurable TNI Inventory Services Catalogue items.

Trend and Analysis - To help track government's impact on the selected TNI communities, CountyStat worked with every County department and agency to develop a complete catalogue of services and programs. TNI team leaders have the ability to select services from this catalogue to deploy with in their TNI communities. Every TNI Inventory Service Catalogue item must have the ability to provide service delivery data at the Census Block Level, which is critical to tracking inputs, outputs and alignment with key indicator fluctuations over the duration of the initiative. Currently, 5% of the services in the TNI Inventory Services Catalogue are measurable at the Census Block Level.

Performance Measures -

New for FY 2016

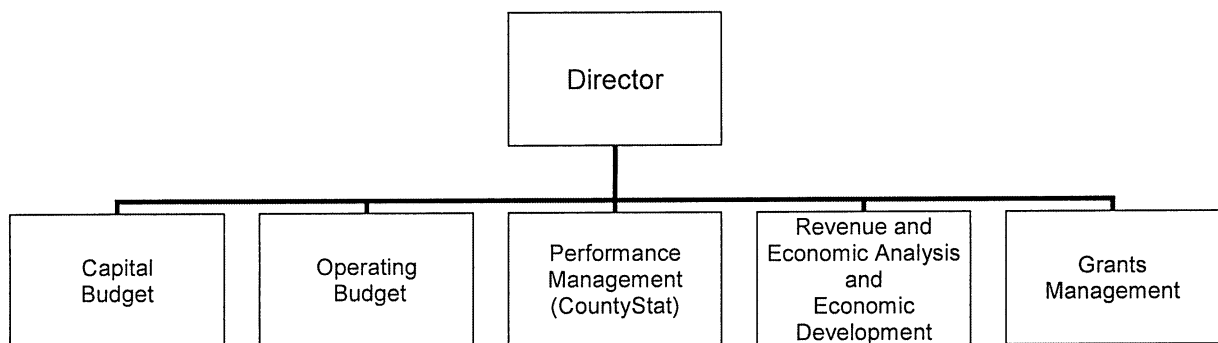
Strategies to Accomplish the Objective -

- **Strategy 2.1.1** - Develop and implement IT applications to streamline and automate data collection to achieve efficiency.
- **Strategy 2.1.2** - Publish various performance information on-line to improve transparency and accountability
- **Strategy 2.1.3** - Utilize CountyStat sessions and TNI meetings to provide decision makers the necessary information to make data-driven decisions on critical issues
- **Strategy 2.1.4** - Enhance organizational and departmental strategic planning and improve the integration between performance information and budget to help maximize the utility of limited funding for service effectiveness

FY 2015 KEY ACCOMPLISHMENTS

- Provided fiscal planning and management practices that contributed to the retention of County's AAA bond rating.
- Received the Distinguished Budget Presentation Award from the Government Finance Officers Association.
- Commenced ERP system implementation and training for the following modules: Funds Management, Grants Management and Project Systems which involved OMB personnel providing classroom based, one-on-one and/or focus group sessions to agencies and the Office of Audits and Investigations on behalf of the Legislative Branch.
- Assumed responsibility for the budget load of approximately 253 capital projects and we continue to monitor internal and countywide operating procedures to further refine project structure and SAP functionality to improve the overall management of capital projects.
- Assumed responsibility for grant master data creation, maintenance and budget loads for County grants; resulting in over 200 grants totaling \$110M being made available for County operations.
- Continued collaboration with Finance/OHRM/OCS to improve systemic business processes and the revision of County business processes.
- Developed and provided analysis on TNI community-based indicators.
- Monitored and reported public safety overtime spending on a biweekly basis.

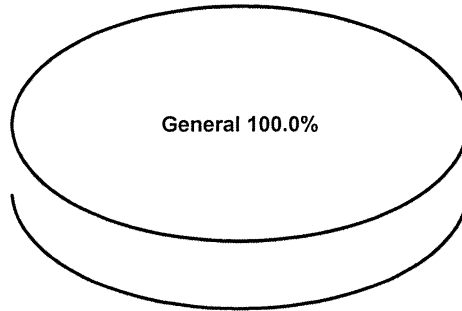
ORGANIZATIONAL CHART



	FY2014 ACTUAL	FY2015 BUDGET	FY2015 ESTIMATED	FY2016 APPROVED	CHANGE FY15-FY16
TOTAL EXPENDITURES	\$ 2,441,244	\$ 2,491,700	\$ 2,310,000	\$ 2,389,000	-4.1%
EXPENDITURE DETAIL					
Budget & Management Analysis	2,631,593	2,820,500	2,500,400	2,730,300	-3.2%
Recoveries	(190,349)	(328,800)	(190,400)	(341,300)	3.8%
TOTAL	\$ 2,441,244	\$ 2,491,700	\$ 2,310,000	\$ 2,389,000	-4.1%
SOURCES OF FUNDS					
General Fund	\$ 2,441,244	\$ 2,491,700	\$ 2,310,000	\$ 2,389,000	-4.1%
Other County Operating Funds:					
TOTAL	\$ 2,441,244	\$ 2,491,700	\$ 2,310,000	\$ 2,389,000	-4.1%

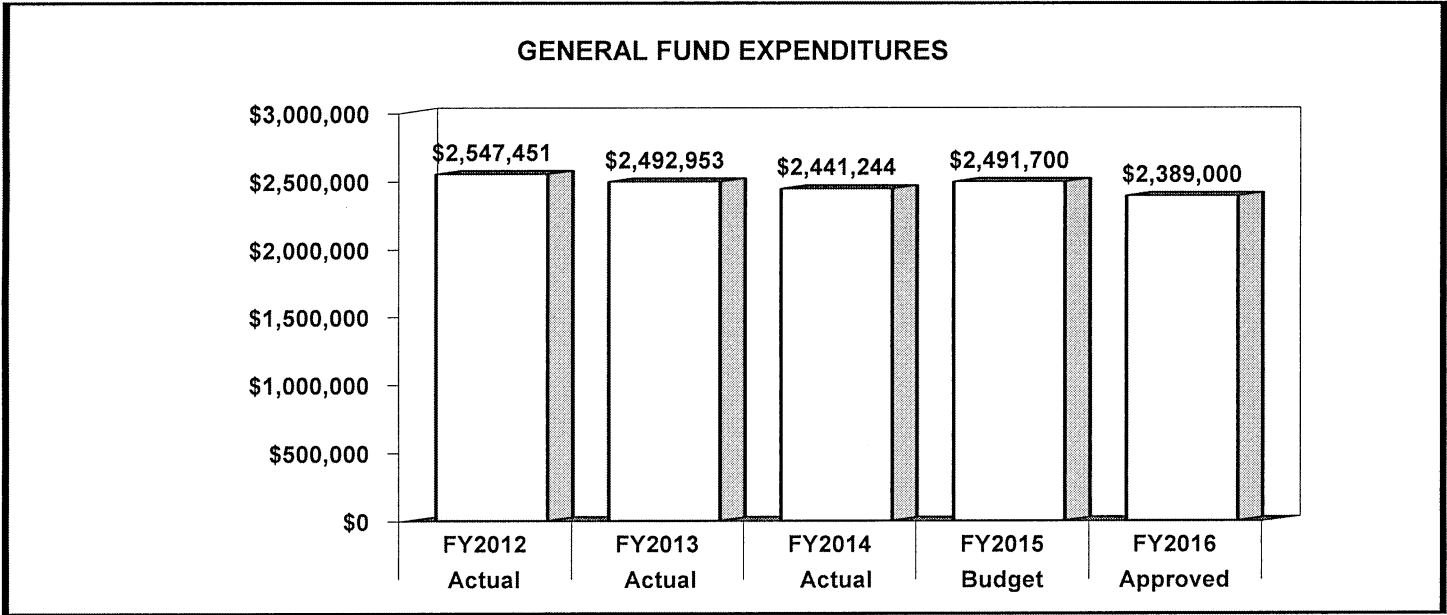
FY2016 SOURCES OF FUNDS

This agency's funding is derived solely from the County's General Fund. A small portion of costs are allocated to other sources through recoveries.

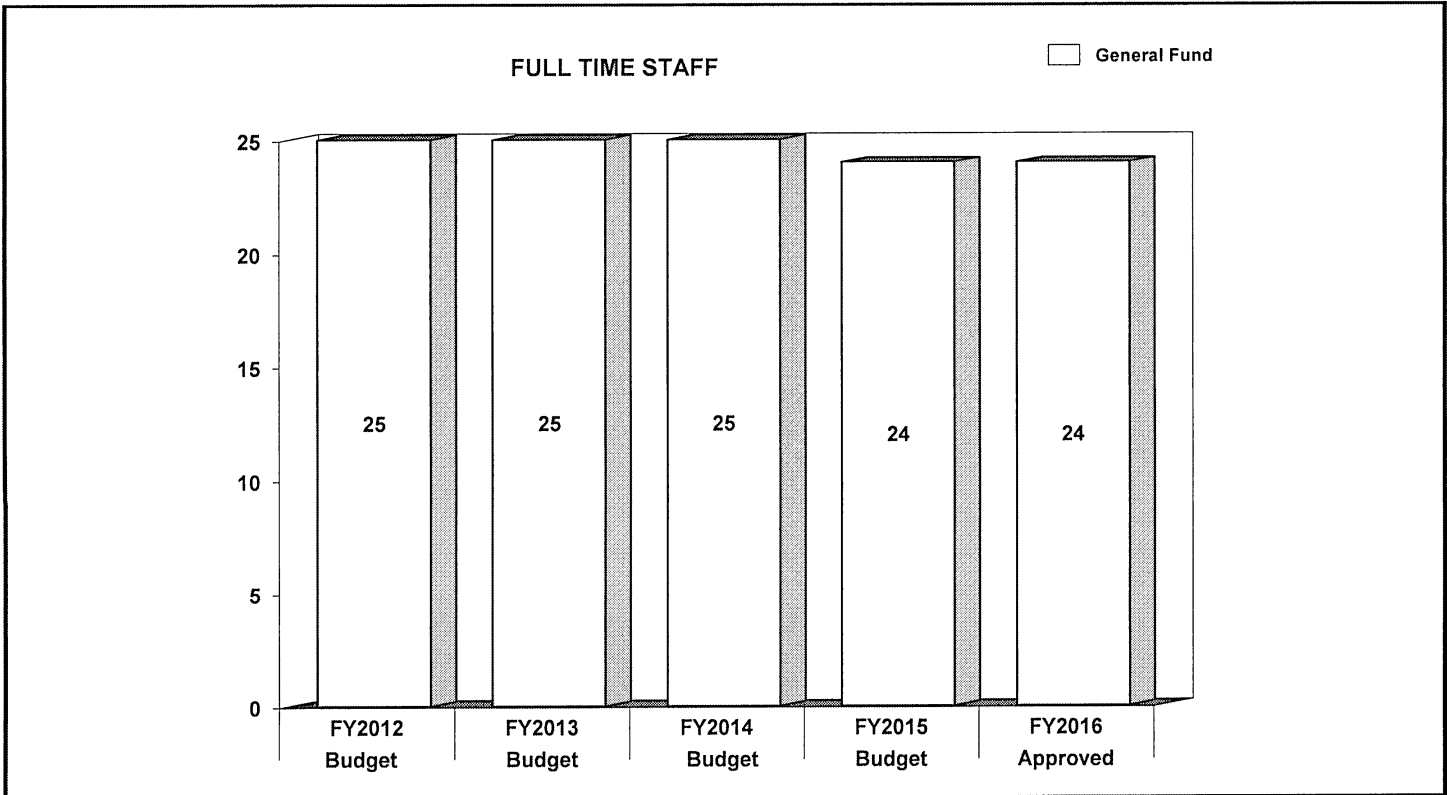


	FY2014 BUDGET	FY2015 BUDGET	FY2016 APPROVED	CHANGE FY15-FY16
GENERAL FUND STAFF				
Full Time - Civilian	25	24	24	0
Full Time - Sworn	0	0	0	0
Part Time	0	0	0	0
Limited Term	0	0	0	0
OTHER STAFF				
Full Time - Civilian				
Full Time - Sworn				
Part Time				
Limited Term Grant Funded				
TOTAL				
Full Time - Civilian	25	24	24	0
Full Time - Sworn	0	0	0	0
Part Time	0	0	0	0
Limited Term	0	0	0	0

POSITIONS BY CATEGORY	FULL TIME	PART TIME	LIMITED TERM
Director/Deputy	2	0	0
Managers	3	0	0
Budget/Management Analysts	15	0	0
Budget Aides	1	0	0
Administrative	3	0	0
TOTAL	24	0	0



The agency's expenditures decrease 4.2% from FY 2012 to FY 2014. This decrease was primarily driven by attrition and changes in the staffing complement. The FY 2016 approved budget is 4.1% less than the FY 2015 budget.



The agency's staffing complement decreased by one position from FY 2012 to FY 2015. The FY 2016 staffing totals remain unchanged from the FY 2015 budget.

	FY2014 ACTUAL	FY2015 BUDGET	FY2015 ESTIMATED	FY2016 APPROVED	CHANGE FY15-FY16
EXPENDITURE SUMMARY					
Compensation	\$ 1,900,220	\$ 2,081,100	\$ 1,815,000	\$ 1,972,300	-5.2%
Fringe Benefits	577,826	583,900	529,900	622,000	6.5%
Operating Expenses	153,547	155,500	155,500	136,000	-12.5%
Capital Outlay	0	0	0	0	0%
	\$ 2,631,593	\$ 2,820,500	\$ 2,500,400	\$ 2,730,300	-3.2%
Recoveries	(190,349)	(328,800)	(190,400)	(341,300)	3.8%
TOTAL	\$ 2,441,244	\$ 2,491,700	\$ 2,310,000	\$ 2,389,000	-4.1%
STAFF					
Full Time - Civilian	-	24	-	24	0%
Full Time - Sworn	-	0	-	0	0%
Part Time	-	0	-	0	0%
Limited Term	-	0	-	0	0%

In FY 2016, compensation expenditures decrease 5.2% under the FY 2015 budget due to changes in the staffing complement. Compensation costs include funding for 22 out of 24 full-time employees. Fringe benefits increase 6.5% to reflect an adjustment to the agency rate.

Operating expenses decrease 12.5% to reflect a reduction in office automation charges and additional line item reductions made to align with historical usage and projected office-wide needs.

Recoveries increase 3.8% to align with staff resources that continue to support the ERP project and the County's Capital Improvement Program (CIP).

MAJOR OPERATING EXPENDITURES FY2016	
Office Automation	\$ 101,500
Printing and Reproduction	\$ 16,900
Operating and Office Supplies	\$ 7,500
Telephones	\$ 4,700
Training	\$ 2,000

