

OFFICE OF MANAGEMENT AND BUDGET - 19

MISSION AND SERVICES

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

Core Services -

- Financial planning, including the formulation, implementation and monitoring of the County's operating and capital budgets as well as the six-year Capital Improvement Program; grant coordination; fiscal and economic analysis; administration of the County's tax differential program and Economic Development Incentive Fund
- Performance management including policy and management analysis and the County's performance management program

Strategic Focus in FY 2014 -

The agency's top priorities in FY 2014 are:

- Maintain the County's General Fund's fund balance at or above 7% of the General Fund budget by providing regular reporting to the County Executive's Office in order to red flag potential revenue shortfall or agency overspending and take actions where needed
- Increase the percent of agency objectives that improve from the previous year by utilizing CountyStat sessions to provide decision makers the necessary information to make data-driven decisions on critical or emergency issues
- Reduce the variance between grant awards projected and actual grant awards received by updating uniform grant procedures to facilitate proper monitoring and coordination of Federal and State programs implemented by County departments and agencies

FY 2014 BUDGET SUMMARY

The FY 2014 approved budget for the Office of Management and Budget is \$2,554,100, an increase of \$55,800 or 2.2% over the FY 2013 approved budget.

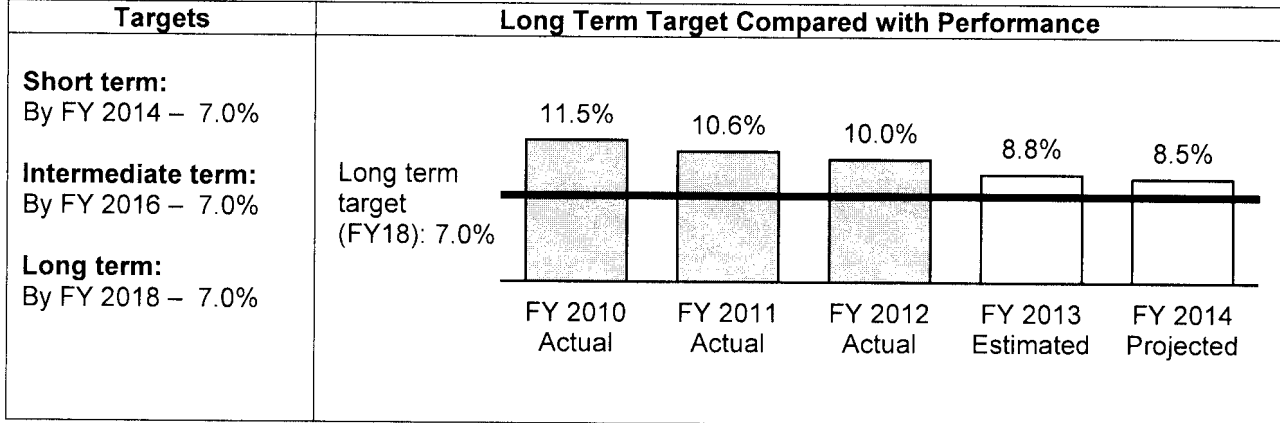
Budgetary Changes -

FY 2013 APPROVED BUDGET	\$2,498,300
Increase in compensation and fringe benefits	\$112,100
Reduction in office automation charges and various operating cost reductions	(\$16,500)
Increase in recoveries	(\$39,800)
FY 2014 APPROVED BUDGET	\$2,554,100

SERVICE DELIVERY PLAN AND PERFORMANCE

GOAL 1 - To provide sound financial planning and monitoring to County agencies in order to ensure the fiscal well-being of the County.

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



Trend and Analysis – The agency is responsible for developing and executing an operating budget for the County. Fund balance percentage is a critical indicator of the County’s fiscal well-being and sustainability and one of the significant factors in maintaining the County’s AAA bond ratings. It is also important protection against financial risks due to the County’s limited revenue flexibility based on the various Charter-mandated or 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 11.5% in FY 2010 to 10.0% in FY 2012 due to various one-time investments in recent years (such as allocating \$50 million to Economic Development Incentive Fund to attract and retain businesses). 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 2014, the agency plans to strengthen periodical reports to the County Executive’s Office to red flag potential overspending and help make needed adjustment to ensure expenditures remain aligned with revenues received. (In some cases, historical data reflects revised information)

Performance Measures –

Measure Name	FY 2010 Actual	FY 2011 Actual	FY 2012 Actual	FY 2013 Estimated	FY 2014 Projected
Resources (input)					
Number of operating budget analysts	11.75	9	7	7	7
Workload, Demand and Production (output)					
Amount of General Fund expenditures (in billions)	\$2.597	\$2.584	\$2.627	\$2.699	\$2.706
Number of position requests processed for all funds	815	1,154	975	1,023	500
Number of contracts processed for all funds	991	1,046	1,012	1,187	1,220
Number of travel requests received for all funds	258	331	390	435	200
Number of reports on revenue expenditures submitted to County Executive's Office				3	4
Quality					
Percent of position requests processed by OMB within 14 days	78.0%	64.4%	57.0%	50.0%	50.0%
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)	0.1%	1.3%	0.9%	-0.8%	0.0%
Percentage variance between actual and budgeted General Fund revenues	-2.2%	0.5%	1.5%	0.6%	0.5%
Impact (outcome)					
Percent of the General Fund budget that is in fund balance	11.5%	10.6%	10.0%	8.8%	8.5%

Strategies to Accomplish the Objective –

- **Strategy 1.1.1** – Provide regular reporting to the County Executive's Office in order to red flag potential revenue shortfall or agency overspending actions where needed
- **Strategy 1.1.2** – Provide staff with training/cross-training in order to ensure a consistent knowledge base
- **Strategy 1.1.3** – Partner with the Office of Finance and OHRM in regular meetings to ensure proper mechanisms are in place to manage countywide funds and personnel

Objective 1.2 - Reduce the variance between grant awards projected and actual grant awards received.

Trend and Analysis – The objective is relatively new. An array of performance measures and/or tracking mechanisms is currently under construction. To enhance the grant's unit, the agency fully designated three existing analysts to perform the functions of this unit beginning in FY 2012.

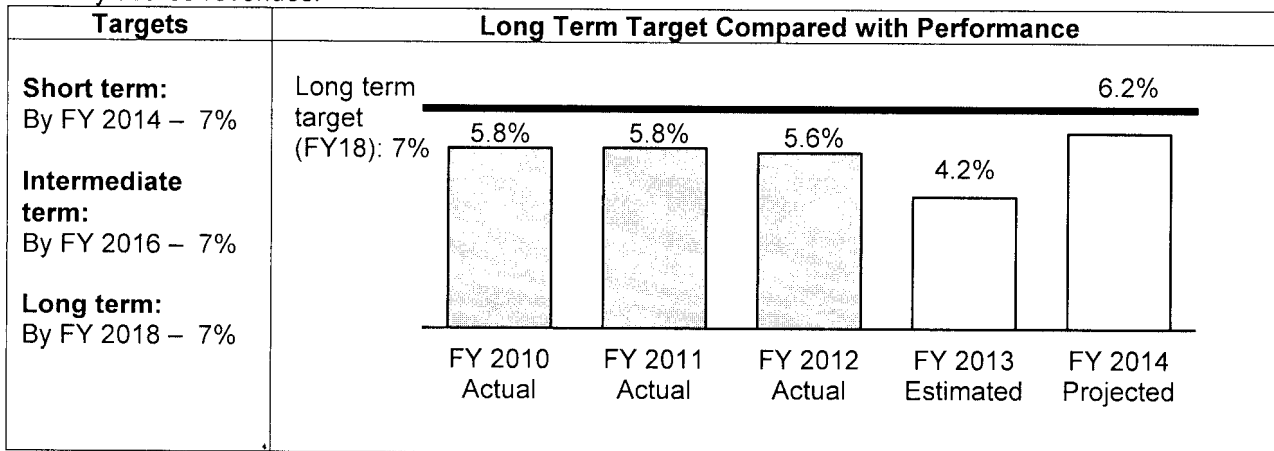
Performance Measures –

Measure Name	FY 2010 Actual	FY 2011 Actual	FY 2012 Actual	FY 2013 Estimated	FY 2014 Projected
Resources (input)					
Number of grant analysts	1.5	1.75	3	3	3
Workload, Demand and Production (output)					
Number of discretionary grants monitored			47	50	50
Number of agency trainings completed			0	2	2
Number of discretionary grants applications received	82	130	139	173	150
Number of grant review committee meetings			15	5	5
Number of grant supplementals completed	4	3	3	3	3
Total amount of grant funds appropriated (Outside Sources)	\$220,967,700	\$209,728,997	\$190,399,162	\$202,556,800	\$204,539,100
Amount of general funds used as a match for grant funds (cash)	\$2,149,196	\$2,126,134	\$3,493,096	\$2,059,400	\$1,977,200
Efficiency					
Number of discretionary grants managed per analyst			15.7	16.7	16.7
Quality					
Average number of days to complete an interim appropriation (from agency request to availability of funds) [NEW]			31.4	35	30
Impact (outcome)					
Percentage variance between grant award funds and actual grant expenditures [NEW]					

Strategies to Accomplish the Objective –

- **Strategy 1.2.1** – Provide orientation training to management and agencies in order to ensure a common direction is effectively communicated
- **Strategy 1.2.2** – Perform reviews of grant audit findings in order to ensure the proper monitoring and training opportunities are developed
- **Strategy 1.2.3** – Provide regular reports to executive management in order to illustrate the status of grant utilization within the County

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 Office is responsible for developing and executing a Capital Improvement Program (CIP) for the County. The County’s fiscal policy requires keeping the annual debt service payment below 8% of total General Fund County source revenues. The percentage has shown a trend of increase due to rising needs to fund CIP projects. FY 2013 percentage is low due to one-time use of bond premiums to offset cost; without the one-time offset, the percentage would have been 5.6%.

Performance Measures –

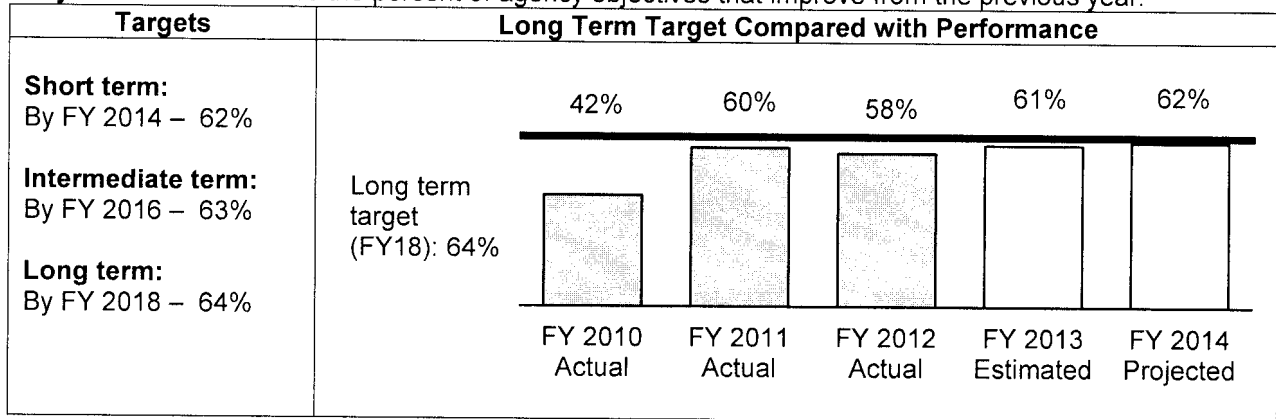
Measure Name	FY 2010 Actual	FY 2011 Actual	FY 2012 Actual	FY 2013 Estimated	FY 2014 Projected
Resources (input)					
Number of capital budget analysts	1.25	2	2	2	2
Workload, Demand and Production (output)					
Number of capital projects authorized	219	190	192	201	174
Number of new capital projects	16	10	17	26	23
Number of projects supported by GO Bonds in budget year	34	52	64	63	77
Number of general obligation bond sales	2	1	1	2	1
Value of general obligation bond sales (\$ in millions)	\$92.9	\$119.5	\$98.6	\$354.3	\$210.0
Impact (outcome)					
Annual debt service as a percentage of General Fund County Source revenues	5.8%	5.8%	5.6%	4.2%	6.2%

Strategies to Accomplish the Objective –

- **Strategy 1.3.1** – Enhance current spending reports to reflect linkage between CIP and debt in order to enhance communication and red flag agency expenditures, if necessary
- **Strategy 1.3.2** – Develop internal database to illustrate linkage between CIP projects and debt
- **Strategy 1.3.3** – Conduct staff development sessions in order to ensure staff are up-to-date on policies and budgetary procedures

GOAL 2 - To provide performance management (strategic planning, program evaluation, and management analysis) in order to improve effectiveness and efficiency of service delivery.

Objective 2.1 – Increase the percent of agency objectives that improve from the previous year.



Trend and Analysis – The percent of agency objectives that improves from prior year has stayed relatively stable at around 60%, indicating that close to two thirds of all agency objectives showed an improvement or moved in the desired direction each year. One of the agency’s key responsibilities per County code (Section 1106) is to: “study...the efficiency of organization, methods, and procedures and prepare reports thereon” and “assist County departments in increasing productivity and operational effectiveness.” The agency utilizes an integrated performance management system to analyze, monitor, and improve the process and results of departments’ service delivery. The system (“CountyStat”) includes executive reviews sessions, strategic planning, performance-informed budgeting, monthly reporting, special studies, and on-going trainings to government agencies. To enhance performance management and support the County Executive’s new initiative, the agency fully designated three existing analysts to Performance Management in FY 2012 and worked in collaboration with the County Executive’s Office in launching a series of CountyStat sessions in FY 2012 and FY 2013 featuring in-depth analysis on priority issues and cross-agency collaboration to improve results. A consolidated team with a streamlined process is planned to be in place in FY 2014 and will focus on program inventory development, performance budgeting and utilization of data to inform decision making at different levels of the government. (In some cases, historical data is not available or reflects updated information.)

Performance Measures –

Measure Name	FY 2010 Actual	FY 2011 Actual	FY 2012 Actual	FY 2013 Estimated	FY 2014 Projected
Resources (input)					
Number of performance management analysts	1.5	1.5	3	2.25	2
Workload, Demand and Production (output)					
Number of agencies participating in performance management	25	26	27	31	31
Number of CountyStat sessions (FY 2009, FY 2010 referred to as EMAP)	6	0	21	20	36
Number of agency objectives	73	78	82	108	113
Frequency of performance measures reporting by departments	bi-monthly	quarterly	monthly	monthly	monthly
Frequency of departmental performance management reviews submitted to the County Executive's Office	0	0	0	annually	quarterly
Efficiency					
Average number of participating agencies per performance management analyst	16.7	17.3	9.0	13.8	15.5
Impact (outcome)					
Percentage of all objectives that improved from previous year	42%	60%	58%	61%	62%

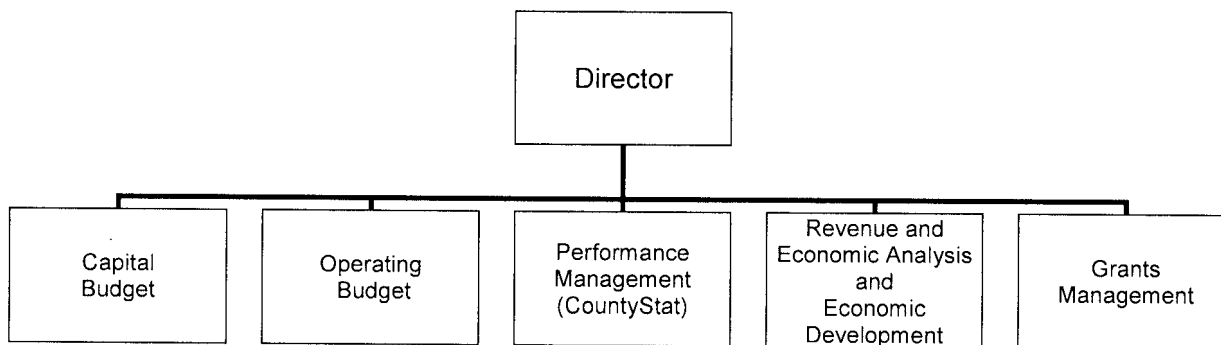
Strategies to Accomplish the Objective –

- **Strategy 2.1.1** – Utilize CountyStat sessions to provide decision makers the necessary information to make data-driven decisions on critical or emergency issues
- **Strategy 2.1.2** – 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
- **Strategy 2.1.3** – Develop and implement IT applications to streamline and automate data collection to achieve efficiency, and publish various performance information on-line to improve transparency and accountability

FY 2013 KEY ACCOMPLISHMENTS

- Continued and improved the County's existing performance management system, including linking performance management more closely with budgetary and operational decision making, and conducting CountyStat sessions in collaboration with the County Executive's Office.
- Coordinated and participated in the annual presentation to the bond rating agencies, which helped maintain triple AAA ratings with all three rating agencies for County General Obligation bonds.
- Received Distinguished Budget Presentation Award from Government Finance Officers Association.
- Implemented discretionary grant processing procedures and the use of the common grant application form for the Community Partnership Grant Program for increased transparency and accountability with non-profit entities.
- Collaborated and participated with the Maryland Governor's Office and Maryland Association of Counties in updating Non-profit Survey "County Funds to Local Non-Profits" (Summer/Fall 2013)
- Developed budget proposal template to strengthen linkage between funding allocation and agency goals and outcomes and reinstated budget school for agency directors and budget staff.

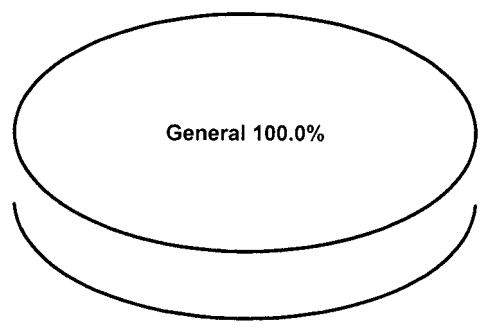
ORGANIZATIONAL CHART



	FY2012 ACTUAL	FY2013 BUDGET	FY2013 ESTIMATED	FY2014 APPROVED	CHANGE FY13-FY14
TOTAL EXPENDITURES	\$ 2,547,451	\$ 2,498,300	\$ 2,484,500	\$ 2,554,100	2.2%
EXPENDITURE DETAIL					
Budget & Management Analysis	2,700,217	2,737,300	2,723,500	2,832,900	3.5%
Recoveries	(152,766)	(239,000)	(239,000)	(278,800)	16.7%
TOTAL	\$ 2,547,451	\$ 2,498,300	\$ 2,484,500	\$ 2,554,100	2.2%
SOURCES OF FUNDS					
General Fund	\$ 2,547,451	\$ 2,498,300	\$ 2,484,500	\$ 2,554,100	2.2%
Other County Operating Funds:					
TOTAL	\$ 2,547,451	\$ 2,498,300	\$ 2,484,500	\$ 2,554,100	2.2%

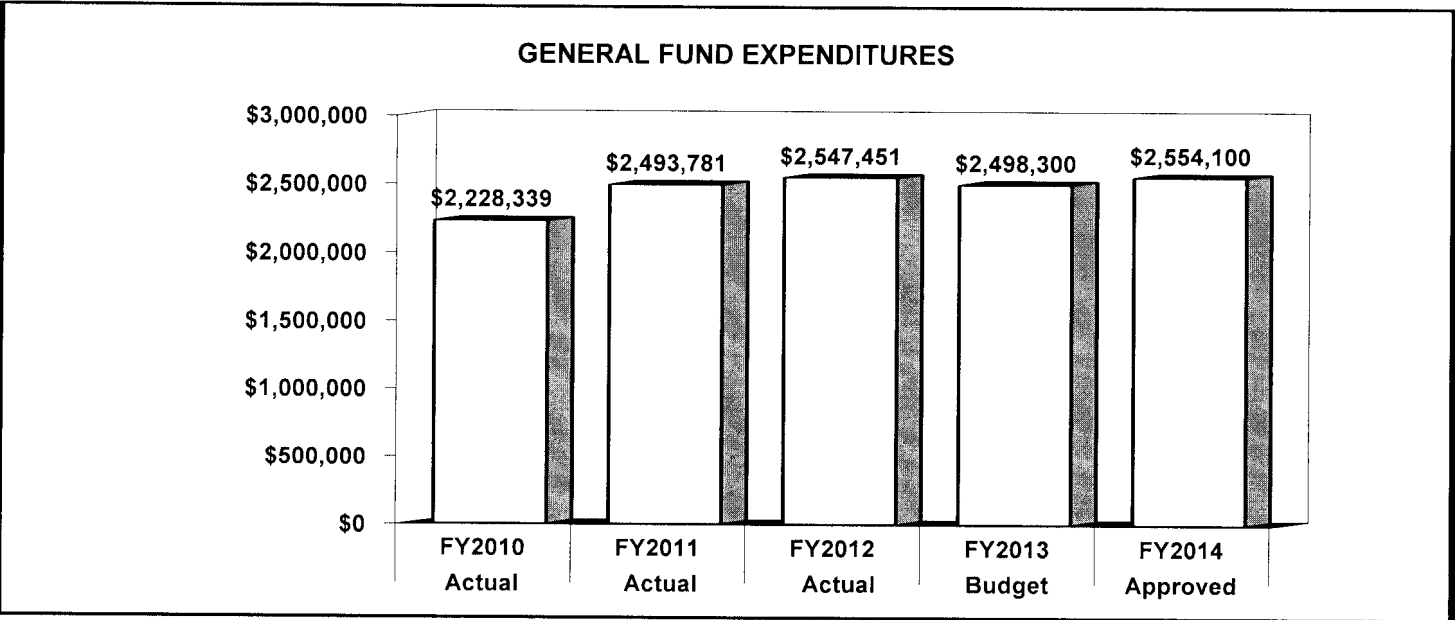
FY2014 SOURCES OF FUNDS

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.

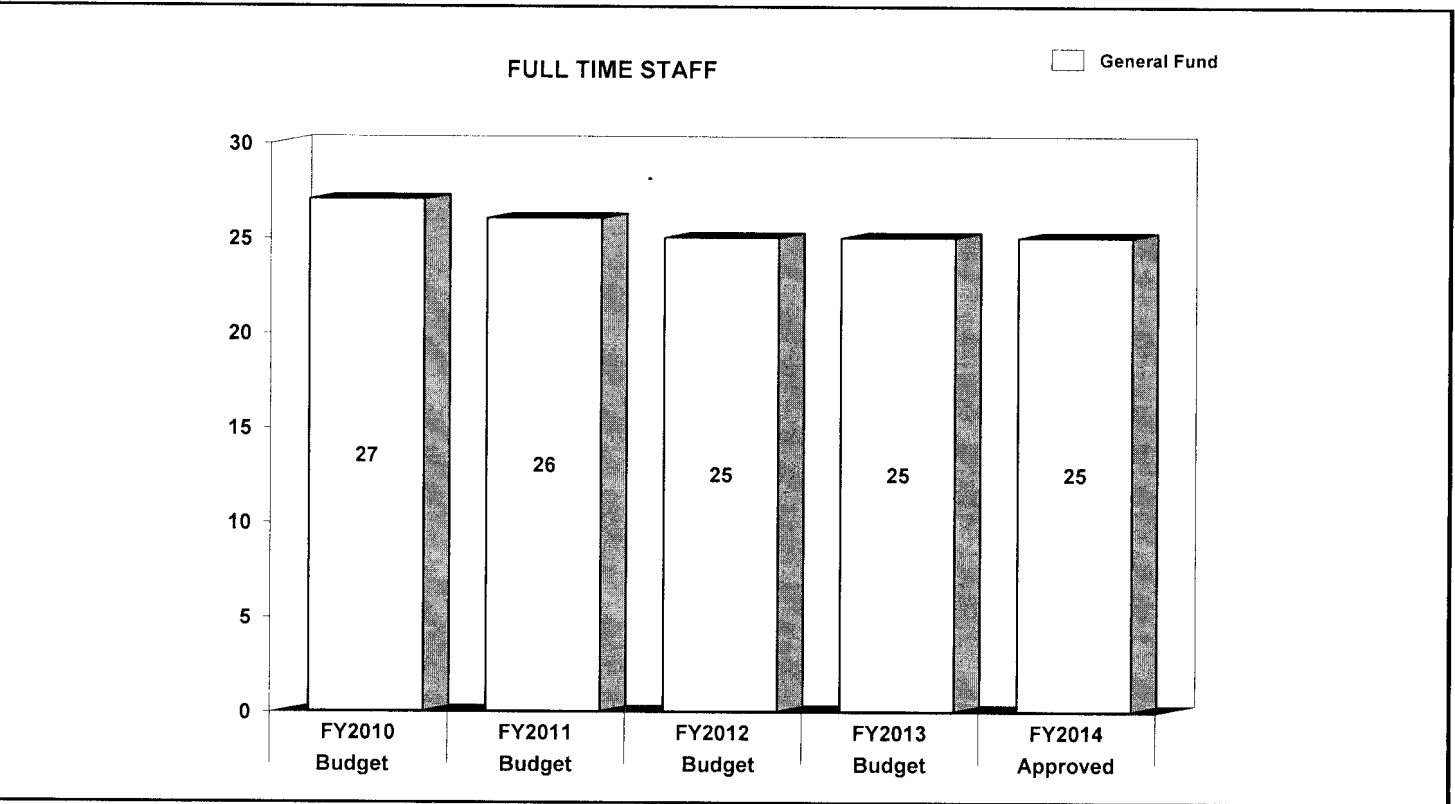


	FY2012 BUDGET	FY2013 BUDGET	FY2014 APPROVED	CHANGE FY13-FY14
GENERAL FUND STAFF				
Full Time - Civilian	25	25	25	0
Full Time - Sworn	0	0	0	0
Part Time	0	0	0	0
Limited Term	0	0	0	0
OTHER STAFF				
Full Time - Civilian				
Full Time - Sworn				
Part Time				
Limited Term Grant Funded				
TOTAL				
Full Time - Civilian	25	25	25	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	3	0	0
Managers	3	0	0
Budget/Management Analysts	15	0	0
Budget Aides	1	0	0
Administrative	3	0	0
TOTAL	25	0	0



The agency's expenditures increased 14.3% from FY 2010 to FY 2012. This increase was primarily driven by changes in the attrition rate. The FY 2014 approved budget is 2.2% over the FY 2013 approved budget.



The agency's staffing complement decreased by two positions from FY 2010 to FY 2013. The FY 2014 approved staffing totals include the same number of positions as the FY 2013 budget.

	FY2012 ACTUAL	FY2013 BUDGET	FY2013 ESTIMATED	FY2014 APPROVED	CHANGE FY13-FY14
EXPENDITURE SUMMARY					
Compensation	\$ 1,990,773	\$ 1,992,000	\$ 1,969,800	\$ 2,033,300	2.1%
Fringe Benefits	609,594	573,700	613,200	644,500	12.3%
Operating Expenses	99,850	171,600	140,500	155,100	-9.6%
Capital Outlay	0	0	0	0	0%
	\$ 2,700,217	\$ 2,737,300	\$ 2,723,500	\$ 2,832,900	3.5%
Recoveries	(152,766)	(239,000)	(239,000)	(278,800)	16.7%
TOTAL	\$ 2,547,451	\$ 2,498,300	\$ 2,484,500	\$ 2,554,100	2.2%
STAFF					
Full Time - Civilian	-	25	-	25	0%
Full Time - Sworn	-	0	-	0	0%
Part Time	-	0	-	0	0%
Limited Term	-	0	-	0	0%

In FY 2014, compensation expenditures increase 2.1% over the FY 2013 approved budget. Compensation includes salaries and benefits for 25 positions. Fringe benefits increase 12.3% over the FY 2013 budget to reflect actual costs. Recoveries increase 16.7% to reflect staff activity allocations in support of the Enterprise Resource Planning (ERP) efforts.

Operating costs decrease 9.6% due to a reduction in office automation charges and reductions made to training, operating and office supplies.

MAJOR OPERATING EXPENDITURES FY2014	
Office Automation	\$ 113,000
Printing and Reproduction	\$ 22,700
Operating and Office Supplies	\$ 9,500
Telephones	\$ 4,700
Training	\$ 2,000

