

OFFICE OF MANAGEMENT AND BUDGET - 19

MISSION

The Office of Management and Budget provides financial planning, budget and management services to ensure fiscal accountability and cost-effective resource allocation to facilitate county services.

CORE SERVICES:

- Prepare the annual operating budget and the annual six-year Capital Improvement Program (CIP) and budget.
- Perform fiscal and management analysis of County revenues, economic trends, expenditures, and various County programs, services and operations.
- Co-ordinate the County's Performance Management Program entitled *Charter for Change*.
- Conduct fiscal impact analysis of related State and local legislation.
- Co-ordinate and assist County agencies in monitoring the submission and receipt of grants, as well as the expenditure of grant funding.
- Co-ordinate annual presentations to bond rating agencies for County general obligation bond sales.
- Review and formulate recommendations to the County Council on the budget submissions of bi-County agencies such as the Washington Suburban Sanitary Commission, the Maryland-National Capital Park and Planning Commission and Washington Suburban Transit Commission.
- Provide staff support to the County's Spending Affordability Committee and serve as a voting member on the Maryland-National Capital Park and Planning Commission's Spending Affordability Committee.

FY 2008 KEY ACCOMPLISHMENTS:

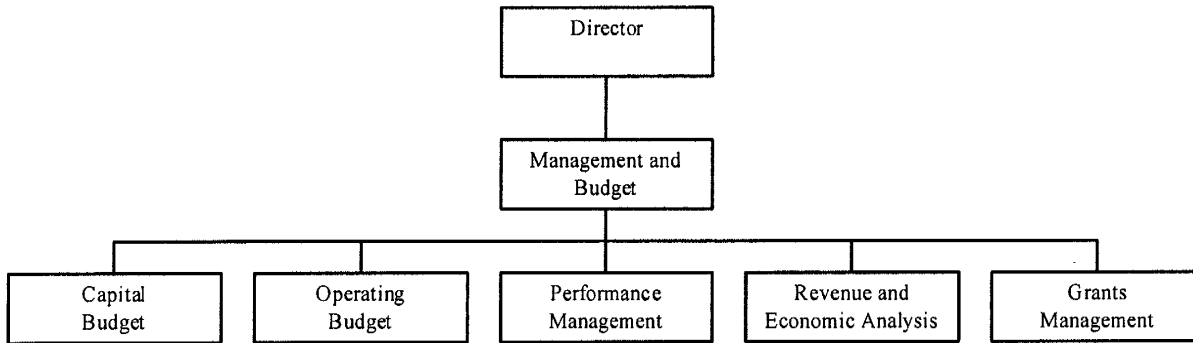
- Received the Distinguished Budget Presentation Award from the Government Financial Officers Association for the fiscal year beginning July 1, 2007.
- Developed a budget plan for FY 2009 in accordance with sound fiscal practices and projected revenue.
- Continued and improved *Charter-for-Change* – a multi-year performance management system linking agency goals, objectives and performance measures to organizational missions and priorities and aligning strategic priorities with funding allocations.
- Provided support to the Spending Affordability Committee.
- Conducted operating, capital and performance management training for agencies concerning the FY 2009 budget process.
- Co-ordinated the annual presentation to the bond rating agencies and helped achieve a rating upgrade from AA+ to AAA by Standard and Poor's for County General obligation bonds.

FY 2009 FISCAL & STAFFING OVERVIEW:

The FY 2009 approved budget for the Office of Management and Budget is \$2.4 million, a decrease of \$47,900 or 1.9% decrease from the FY 2008 approved budget of \$2,496,500. Major changes in the FY 2009 approved budget include:

- Cost of living adjustments and merit increases for eligible employees.

ORGANIZATIONAL CHART:



PERFORMANCE MANAGEMENT:

GOAL 1 – To provide a budget that ensures the fiscal well-being of the County.

Objective 1.1 – Maintain the County’s General fund balance at or above 7% of General Fund expenditure in accordance with County charter (5%) and policy (additional 2%).

MEASURES

Measure Name	Measure Category	FY 2004 Actual	FY 2005 Actual	FY 2006 Actual	FY 2007 Actual	FY 2008 Estimated	FY 2009 Projected
General Fund contingency reserve (5% of General Fund expenditures)	Output	\$91,513,259	\$99,288,880	\$115,037,055	\$122,534,815	\$131,299,960	\$133,672,700
General Fund operating reserve (2% of General Fund expenditures)	Output	\$36,605,303	\$39,715,552	\$46,014,822	\$49,013,927	\$52,519,984	\$53,469,080
General Fund undesignated fund balance	Output	\$40,420,266	\$84,547,606	\$128,658,837	\$103,869,922	\$17,143,920	\$13,822,084
Total General Fund balance	Output	\$168,538,828	\$223,552,038	\$289,710,714	\$275,418,664	\$200,963,864	\$200,963,864
General Fund expenditures	Output	\$1,778,181,555	\$1,930,012,619	\$2,206,690,398	\$2,401,590,441	\$2,625,999,200	\$2,673,454,000
Percent of designated fund balance as percent of General Fund expenditures	Outcome	7.2%	7.2%	7.3%	7.1%	7.0%	7.0%
Percent General Fund balance/General Fund expenditures	Outcome	FALSE	11.6%	#NAME?	11.5%	7.7%	7.5%

Performance Measures Explanation – Fund balance is an indication of the County’s fiscal well being. The County has maintained a designated fund balance at or above 7%. This target is the result of the County charter’s requirement of 5% fund balance and a County fiscal policy requiring an additional 2% (7% total) fund balance. The additional 2% is to ensure the County has fiscal reserves available in the case of a fiscal emergency.

Objective 1.2 – By FY 2010, maintain or improve the current bond ratings with the three major rating agencies for the County’s General Obligations Bonds.

MEASURES

Measure Name	Measure Category	FY 2004 Actual	FY 2005 Actual	FY 2006 Actual	FY 2007 Actual	FY 2008 Estimated	FY 2009 Projected
County general obligation bond ratings (Standard & Poor’s/Moody’s/Fitch)	Outcome	AA/Aa2/AA	AA/Aa2/AA+	AA+/Aa2/AA+	AA+/Aa1/AA+	AAA/Aa1/AA+	AAA/Aa1/AA+

Performance Measures Explanation – Bond ratings are an indication of the County’s economic strength and fiscal and financial management. The rating is a measure of the County’s credit to borrow money; the better the rating, the lower the cost to borrow money. The County is rated by three rating agencies (Standard and Poor’s, Moody’s and Fitch) on a scale of low quality to highest quality. An “A” rating indicates high credit quality with AAA being the highest. At the end of fiscal year 2008 the County has the highest possible rating from Standard and Poor’s and the second- highest ratings from Moody’s and Fitch. Bond ratings for the County have improved each fiscal year since FY 2004.

GOAL 2 – To provide management analysis and services to improve the efficiency and effectiveness of county operations.

Objective 2.1 – Allocate budget and management resources to improve agency performance by 2% per year.

MEASURES

Measure Name	Measure Category	FY 2004 Actual	FY 2005 Actual	FY 2006 Actual	FY 2007 Actual	FY 2008 Estimated	FY 2009 Projected
Number of agencies OMB serves	Output	32	32	32	32	32	32
Number of participating agencies in Charter for Change (CFC)	Output				24	24	24
Number of CFC training sessions	Output				1	12	13
Number of performance measures reported in the approved budget document	Output					295	468
Number of outcome performance measures reported in the approved budget document	Output					74	83
Percent of performance measures that are outcomes	Quality					25%	18%
Percent of agencies meeting or exceeding CFC rating criteria	Quality					71%	58%
Percent of agencies meeting or exceeding CFC criteria for mission statements						83%	79%
Percent of agencies meeting or exceeding CFC criteria for goals						67%	71%
Percent of agencies meeting or exceeding CFC criteria for objectives	Quality					48%	63%
Percent of agencies meeting or exceeding CFC criteria for the family of performance measures	Quality					42%	54%
Percent of agencies meeting or exceeding CFC criteria for performance based budgeting	Quality						17%

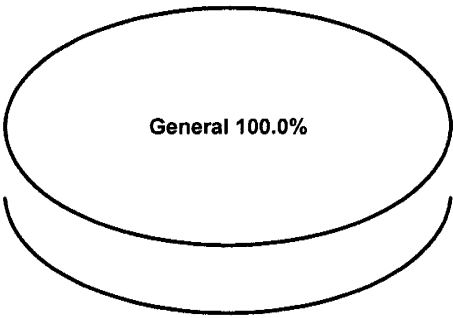
Performance Measures Explanation – Charter for Change (CFC) is the County’s performance management system. The county has focused on developing a comprehensive set of performance measures focused on outcomes. In the FY 2009 budget document this focus has resulted in 173 new performance measures and 9 new outcome measures.

The CFC rating is an indication of how well agency CFC elements (e.g. Mission) are written. The reason why the overall percent of agencies meeting or exceeding the criteria fell is because performance based budgeting was a new initiative for FY 2009, resulting in higher rating criteria.

	FY2007 ACTUAL	FY2008 BUDGET	FY2008 ESTIMATED	FY2009 APPROVED	CHANGE FY08-FY09
TOTAL EXPENDITURES	\$ 2,272,213	\$ 2,496,500	\$ 2,428,700	\$ 2,448,600	-1.9%
EXPENDITURE DETAIL					
Budget & Management Analysis	2,272,213	2,180,000	2,428,700	2,639,500	21.1%
Grants Management	0	316,500	0	0	-100%
Recoveries	0	0	0	(190,900)	0%
TOTAL	\$ 2,272,213	\$ 2,496,500	\$ 2,428,700	\$ 2,448,600	-1.9%
SOURCES OF FUNDS					
General Fund	\$ 2,272,213	\$ 2,496,500	\$ 2,428,700	\$ 2,448,600	-1.9%
Other County Operating Funds:					
TOTAL	\$ 2,272,213	\$ 2,496,500	\$ 2,428,700	\$ 2,448,600	-1.9%

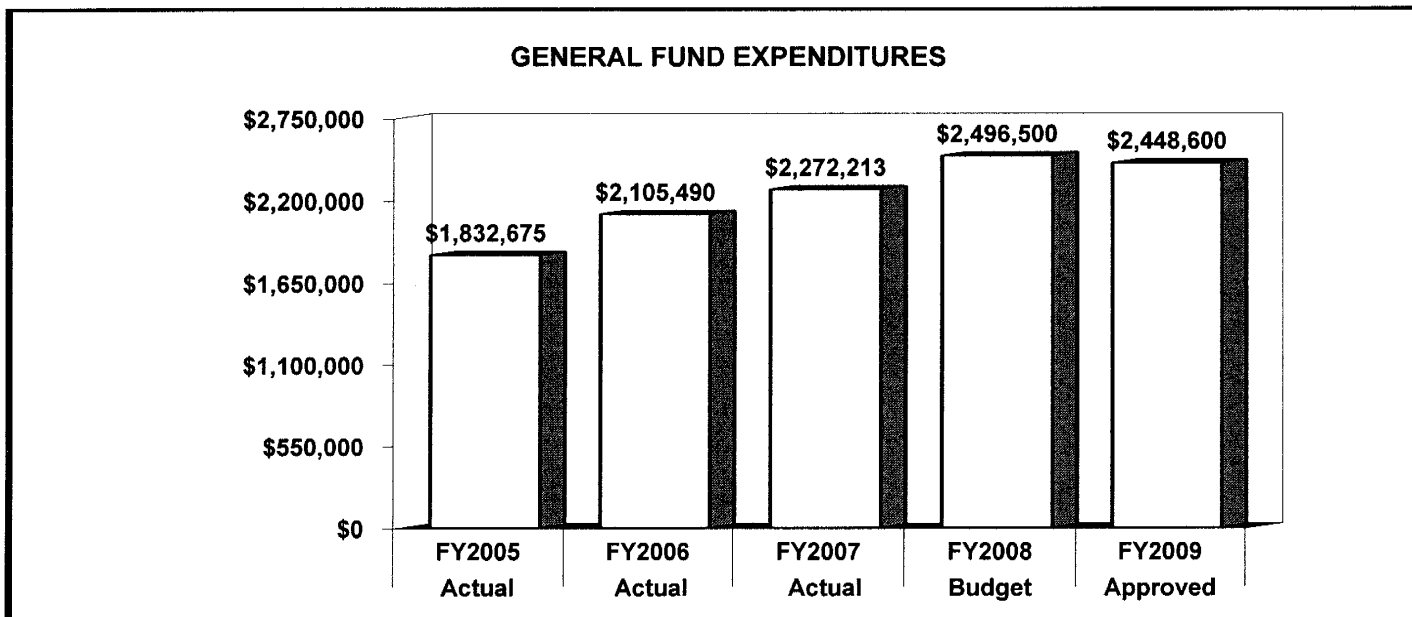
FY2009 SOURCES OF FUNDS

This agency's funding is supported primarily by the County's General Fund, but also includes a small portion of costs allocated to other sources through recoveries.

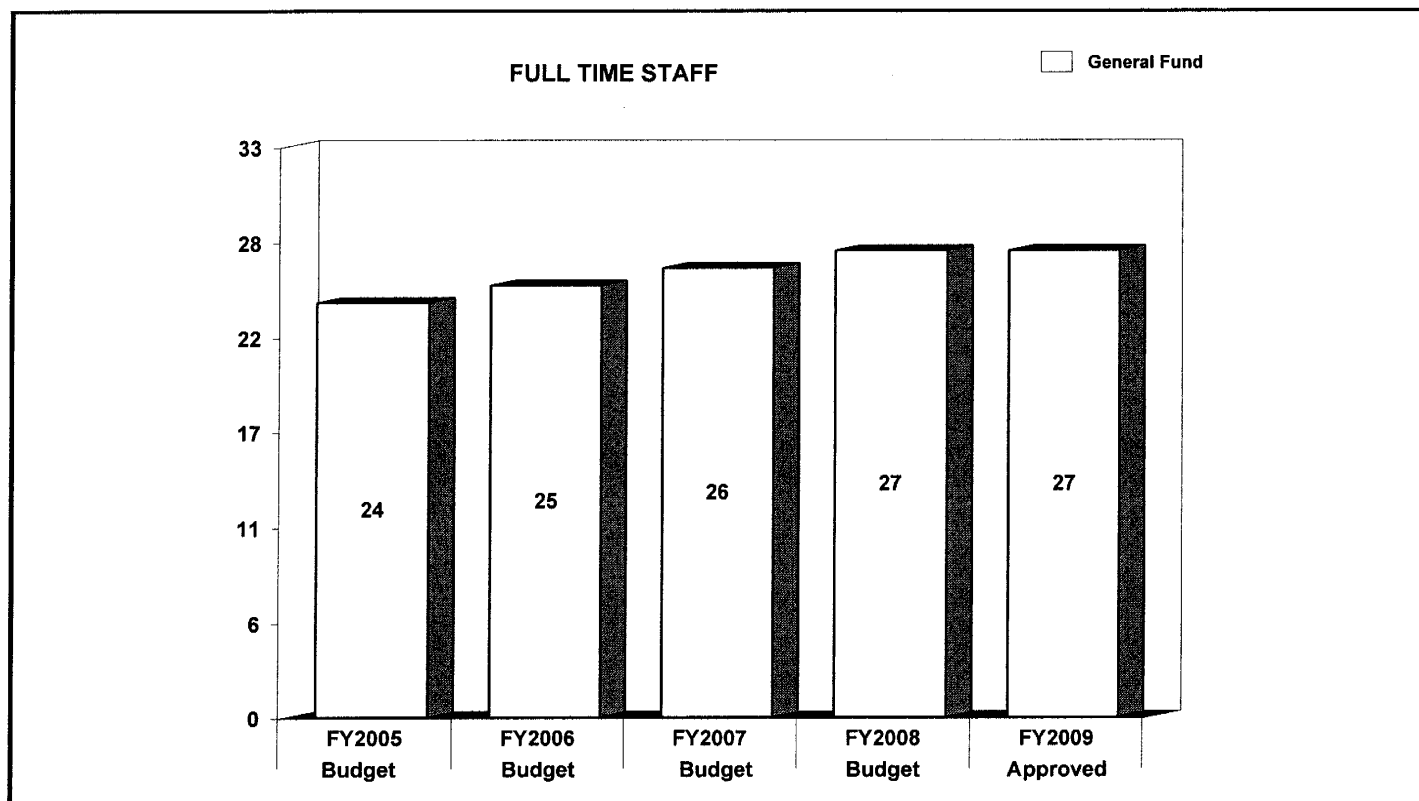


	FY2007 BUDGET	FY2008 BUDGET	FY2009 APPROVED	CHANGE FY08-FY09
GENERAL FUND STAFF				
Full Time - Civilian	26	27	27	0
Full Time - Sworn	0	0	0	0
Part Time	0	0	0	0
Limited Term	0	0	0	0
OTHER STAFF				
Full Time - Civilian				
Full Time - Sworn				
Part Time				
Limited Term Grant Funded				
TOTAL				
Full Time - Civilian	26	27	27	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/Associate Directors	2	0	0
Administrative Specialists	3	0	0
Budget/Management Analysts	18	0	0
Administrative Aides	2	0	0
Budget Aides	1	0	0
Administrative Assistants	1	0	0
TOTAL	27	0	0



The agency's actual expenditures increased 24.0% from FY 2005 to FY 2007. This increase is primarily driven by compensation and fringe benefits. The FY 2009 approved budget is 1.9% less than the FY 2008 approved budget.



The agency's authorized staffing has increased by three positions from FY 2005 to FY 2009. The FY 2009 staffing total remains the same as the FY 2008 level.

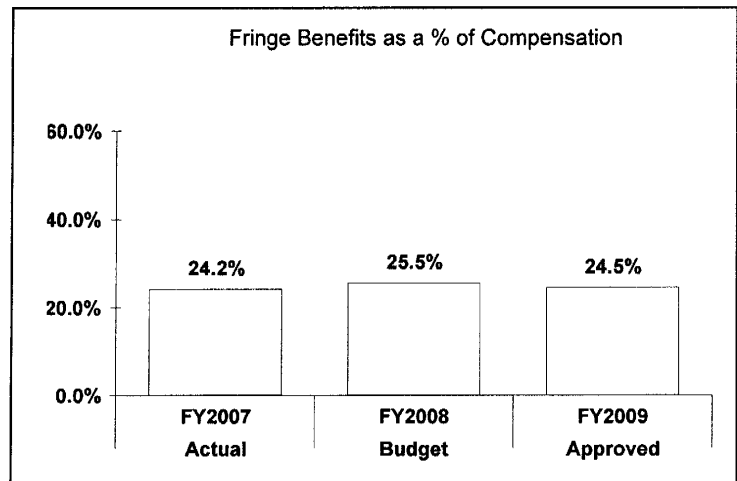
	FY2007 ACTUAL	FY2008 BUDGET	FY2008 ESTIMATED	FY2009 APPROVED	CHANGE FY08-FY09
EXPENDITURE SUMMARY					
Compensation	\$ 1,637,130	\$ 1,743,400	\$ 1,690,000	\$ 1,917,000	10%
Fringe Benefits	395,761	445,100	431,500	469,700	5.5%
Operating Expenses	239,322	308,000	307,200	252,800	-17.9%
Capital Outlay	0	0	0	0	0%
	\$ 2,272,213	\$ 2,496,500	\$ 2,428,700	\$ 2,639,500	5.7%
Recoveries	0	0	0	(190,900)	0%
TOTAL	\$ 2,272,213	\$ 2,496,500	\$ 2,428,700	\$ 2,448,600	-1.9%
STAFF					
Full Time - Civilian	-	27	-	27	0%
Full Time - Sworn	-	0	-	0	0%
Part Time	-	0	-	0	0%
Limited Term	-	0	-	0	0%

In FY 2009, compensation expenditures increase 10.0% from the FY 2008 budget due to salary and position upgrades, cost of living adjustments, and merit increases. Compensation costs include funding for 27 full time employees and five summer youth. Fringe benefit expenditures increase 5.5% due to increased costs for health benefits and retirement.

In FY 2009, operating expenditures decrease by 17.9% primarily due to reduced contract costs.

Recoveries represent staffing time to be recovered from other funds.

MAJOR OPERATING EXPENDITURES FY2009	
Office Automation	\$ 86,100
General and Administrative	\$ 65,000
Contracts	
Printing and Reproduction	\$ 32,000
Operating and Office Supplies	\$ 27,500
Training	\$ 13,000



BUDGET & MANAGEMENT ANALYSIS - 01

The Budget and Management Analysis Division now represents the full function of this office. In FY 2008, the Grants Management Division was merged to this Division.

This Division reviews, prepares, and implements the County's Operating Budget, and the six-year Capital Improvement Program and Capital Budget. This division also reviews and analyzes the budgets of the Board of Education, Maryland-National Capital Park and Planning Commission, Redevelopment Authority, Revenue Authority, Washington Suburban Sanitary Commission, and Washington Suburban Transit Commission.

Staff forecast revenues and expenditures, estimate the cost of compensation proposals, analyze the fiscal impact of proposed legislation, administer the County's Tax Differential Program, analyze management policies and organizational structures, review and recommend improvements to County programs, co-ordinates the County's Performance Management Program, and conduct special studies for the County Executive or County agencies as requested.

In addition, the division coordinates the County's efforts to maximize grant revenues obtained and expended by the County. The Division works with agencies to seek additional grant funding necessary for the County to achieve its core responsibilities, provides assistance in drafting grant applications, serves as a central contact point for grantors with questions or concerns, monitors grants to assist agencies in meeting reporting deadlines and, in conjunction with the Office of Finance, ensures that grant expenditures are maximized, and consistent with the stated purposes of individual grants.

Division Summary:

In FY 2009, compensation increases primarily due to positions reallocated to this division. Also, it reflects cost of living adjustments, merit increases, and salary adjustments. Additional funding in fringe benefits reflects the increase in compensation costs.

Operating expenses show a decrease primarily due to reduced contract costs in FY 2009.

Recoveries represent staffing hours recovered from other funds.

	FY2007 ACTUAL	FY2008 BUDGET	FY2008 ESTIMATED	FY2009 APPROVED	CHANGE FY08-FY09
EXPENDITURE SUMMARY					
Compensation	\$ 1,637,130	\$ 1,525,400	\$ 1,690,000	\$ 1,917,000	25.7%
Fringe Benefits	395,761	389,400	431,500	469,700	20.6%
Operating Expenses	239,322	265,200	307,200	252,800	-4.7%
Capital Outlay	0	0	0	0	0%
Sub-Total	\$ 2,272,213	\$ 2,180,000	\$ 2,428,700	\$ 2,639,500	21.1%
Recoveries	0	0	0	(190,900)	0%
TOTAL	\$ 2,272,213	\$ 2,180,000	\$ 2,428,700	\$ 2,448,600	12.3%
STAFF					
Full Time - Civilian	-	23	-	27	17.4%
Full Time - Sworn	-	0	-	0	0%
Part Time	-	0	-	0	0%
Limited Term	-	0	-	0	0%

GRANTS MANAGEMENT - 02

The Grants Management Division has been merged into the Budget and Management Division and will no longer show up as a separate division.

Historical information listed here is for illustration purposes.

Division Summary:

In FY 2009, no budget or positions are included for this division, which has been merged into the Budget and Management Division.

	FY2007 ACTUAL	FY2008 BUDGET	FY2008 ESTIMATED	FY2009 APPROVED	CHANGE FY08-FY09
EXPENDITURE SUMMARY					
Compensation	\$ 0	\$ 218,000	\$ 0	0	-100%
Fringe Benefits	0	55,700	0	0	-100%
Operating Expenses	0	42,800	0	0	-100%
Capital Outlay	0	0	0	0	0%
Sub-Total	\$ 0	\$ 316,500	\$ 0	0	-100%
Recoveries	0	0	0	0	0%
TOTAL	\$ 0	\$ 316,500	\$ 0	0	-100%
STAFF					
Full Time - Civilian	-	4	-	0	-100%
Full Time - Sworn	-	0	-	0	0%
Part Time	-	0	-	0	0%
Limited Term	-	0	-	0	0%