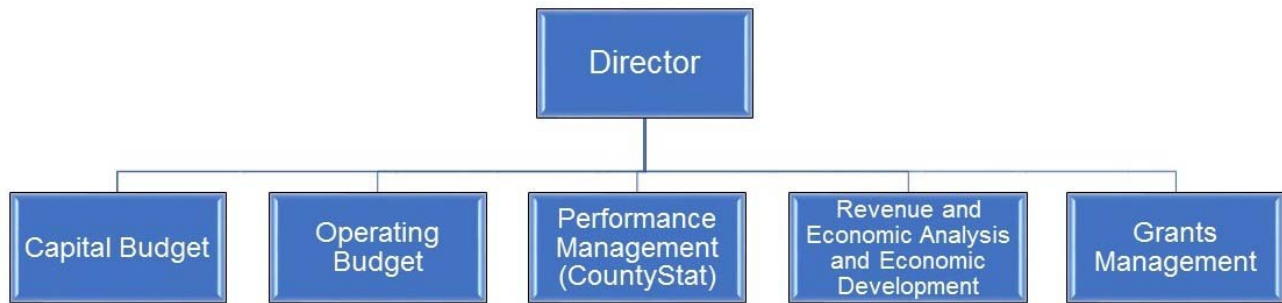


Office of Management and Budget



MISSION AND SERVICES

The Office of Management and Budget (OMB) 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

FY 2023 KEY ACCOMPLISHMENTS

- Completed the submission of required federal reports related to the Coronavirus State and Local Fiscal Recovery Funds program.
- Provided a grant workshop to community organizations regarding the FY 2023 Local Development Council Local Impact Grant program.

STRATEGIC FOCUS AND INITIATIVES FOR FY 2024

The office's top priorities in FY 2024 are:

- Maintain the County's General Fund balance at or above 8% 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.
- Support the implementation of the Open Budget dashboards that will display and track department operating budgets to the County Executive's priority outcomes and respective performance measures.

FY 2024 BUDGET SUMMARY

The FY 2024 approved budget for the Office of Management and Budget is \$4,204,900, an increase of \$490,900 or 13.2% over the FY 2023 approved budget.

Expenditures by Fund Type

| Fund Types | FY 2022 Actual | | FY 2023 Budget | | FY 2023 Estimate | | FY 2024 Approved | |
|--------------|--------------------|---------------|--------------------|---------------|--------------------|---------------|--------------------|---------------|
| | Amount | % Total | Amount | % Total | Amount | % Total | Amount | % Total |
| General Fund | \$3,116,050 | 100.0% | \$3,714,000 | 100.0% | \$3,260,500 | 100.0% | \$4,204,900 | 100.0% |
| Total | \$3,116,050 | 100.0% | \$3,714,000 | 100.0% | \$3,260,500 | 100.0% | \$4,204,900 | 100.0% |

Reconciliation from Prior Year

| | Expenditures |
|--|--------------------|
| FY 2023 Approved Budget | \$3,714,000 |
| Increase Cost: Compensation - Mandated Salary Requirements — Annualization of FY 2023 and planned FY 2024 salary adjustments | \$166,200 |
| Increase Cost: Operating - Technology Cost Allocation — Increase in OIT charges based on anticipated countywide costs for technology | 129,400 |
| Add: Compensation - New Position — Funding for a new Budget Management Analyst 4G position to serve as a Performance Improvement Analyst | 112,400 |
| Increase Cost: Fringe Benefits — Increase due to the addition of a new Budget Management Analyst 4G position as well as to align with projected costs; the fringe benefit rate remains unchanged at 37.1% | 87,900 |
| Decrease Cost: Recovery Increase — Increase in recoveries to align with projected costs | (5,000) |
| FY 2024 Approved Budget | \$4,204,900 |

STAFF AND BUDGET RESOURCES

| Authorized Positions | FY 2022 Budget | FY 2023 Approved | FY 2024 Approved | Change FY23-FY24 |
|----------------------|----------------|------------------|------------------|------------------|
| General Fund | | | | |
| Full Time - Civilian | 28 | 28 | 29 | 1 |
| Full Time - Sworn | 0 | 0 | 0 | 0 |
| Subtotal - FT | 28 | 28 | 29 | 1 |
| Part Time | 0 | 0 | 0 | 0 |
| Limited Term | 0 | 0 | 0 | 0 |
| Grants | | | | |
| Full Time - Civilian | 0 | 0 | 0 | 0 |
| Full Time - Sworn | 0 | 0 | 0 | 0 |
| Subtotal - FT | 0 | 0 | 0 | 0 |
| Part Time | 0 | 0 | 0 | 0 |
| Limited Term | 0 | 2 | 2 | 0 |
| TOTAL | | | | |
| Full Time - Civilian | 28 | 28 | 29 | 1 |
| Full Time - Sworn | 0 | 0 | 0 | 0 |
| Subtotal - FT | 28 | 28 | 29 | 1 |
| Part Time | 0 | 0 | 0 | 0 |
| Limited Term | 0 | 2 | 2 | 0 |

| Positions By Classification | FY 2024 | | |
|-----------------------------|-----------|-----------|--------------|
| | Full Time | Part Time | Limited Term |
| Administrative Aide | 1 | 0 | 0 |
| Administrative Assistant | 1 | 0 | 0 |
| Budget Aide | 1 | 0 | 0 |
| Budget Management Analyst | 22 | 0 | 2 |
| Deputy Director | 1 | 0 | 0 |
| Director | 1 | 0 | 0 |
| General Clerk | 1 | 0 | 0 |
| Programmer/Systems Analyst | 1 | 0 | 0 |
| TOTAL | 29 | 0 | 2 |

Expenditures by Category - General Fund

| Category | FY 2022 Actual | FY 2023 Budget | FY 2023 Estimate | FY 2024 Approved | Change FY23-FY24 | |
|-----------------|--------------------|--------------------|---------------------|---------------------|------------------|--------------|
| | | | | | Amount (\$) | Percent (%) |
| Compensation | \$2,164,428 | \$2,618,800 | \$2,117,600 | \$2,897,400 | \$278,600 | 10.6% |
| Fringe Benefits | 608,816 | 830,600 | 704,000 | 918,500 | 87,900 | 10.6% |
| Operating | 414,383 | 466,500 | 509,800 | 595,900 | 129,400 | 27.7% |
| Capital Outlay | — | — | — | — | — | |
| SubTotal | \$3,187,628 | \$3,915,900 | \$3,331,400 | \$4,411,800 | \$495,900 | 12.7% |
| Recoveries | (71,578) | (201,900) | (70,900) | (206,900) | (5,000) | 2.5% |
| Total | \$3,116,050 | \$3,714,000 | \$3,260,500 | \$4,204,900 | \$490,900 | 13.2% |

In FY 2024, compensation expenditures increase 10.6% over the FY 2023 budget primarily due to the annualization of FY 2023 and planned FY 2024 salary adjustments as well as funding for a new Budget Management Analyst 4G position. The new position will serve as a Performance Improvement Analyst. Compensation costs include funding for 29 out of 29 full time positions. In addition, two limited term grant funded positions are funded by the American Rescue Plan Act grant program. Fringe benefit expenditures increase 10.6% over the FY 2023 budget to align with projected costs.

Operating expenditures increase 27.7% over the FY 2023 budget primarily due to an increase in the technology allocation charge. Funding is also allocated for training, printing, general office supplies, interpretation services, membership costs and office equipment.

Recoveries increase 2.5% to align with anticipated costs.

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 balance at or above 7% of the General Fund budget.

| FY 2028 Target | FY 2021 Actual | FY 2022 Actual | FY 2023 Estimated | FY 2024 Projected | Trend |
|----------------|----------------|----------------|-------------------|-------------------|-------|
| 10% | 14% | 17% | 13% | 11% | ↔ |

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, sustainability and a significant factor in maintaining the County's AAA bond ratings. It also provides critical protection against financial risk 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 committed reserve and policy required committed operating reserve were established to control the County's exposure to financial risks and provide reserves in the event of emergencies. The policy reserve had been set at 2% for many years but is in the process of being increased to 5% over a three-year period based on the recommendation of the County's Spending Affordability Committee. The Committee was concerned that revenue levels needed to be increased based on a review of revenue volatility following economic downturns as well as a comparison of reserve levels maintained by other AAA-rated counties in Maryland.

For FY 2024, the policy reserve was increased to 3%. The County has successfully kept its General Fund balance above 8% of its annual budget; however, this is at risk due to growing expenditure pressures. 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). The County continues to have a structural imbalance arising from the mismatch between limited revenue growth and significant service delivery cost increases. This is largely driven by an expansion in base budget costs such as personnel compensation and fringe benefits based on collective bargaining agreements. However, spending pressure has also come from the State-mandated spending on K-12 education through the Blueprint for Maryland's Future legislation. Multi-year fiscal planning including projections for operating budget levels in future fiscal years will be restored and expanded in order to execute a plan to reconcile the structural balance between revenues and expenditures.

*Note: In FY 2021, the County implemented a new contracting review system. In the new process, OMB is not a reviewer through the workflow process. Therefore, "Contracts processed for all funds" will no longer be an output measure tracked for the Office.

Performance Measures

| Measure Name | FY 2020 Actual | FY 2021 Actual | FY 2022 Actual | FY 2023 Estimated | FY 2024 Projected |
|---|----------------|----------------|----------------|-------------------|-------------------|
| Resources (Input) | | | | | |
| Operating budget analysts | 6 | 11 | 12 | 16 | 16 |
| Workload, Demand and Production (Output) | | | | | |
| Position requests processed for all funds | 1,560 | 1,296 | 1,877 | 2,200 | 2,000 |
| Contracts processed for all funds | 508 | n/a | n/a | n/a | n/a |
| Travel requests received for all funds | 604 | 269 | 532 | 800 | 800 |

Performance Measures *(continued)*

| Measure Name | FY 2020 Actual | FY 2021 Actual | FY 2022 Actual | FY 2023 Estimated | FY 2024 Projected |
|---|----------------|----------------|----------------|-------------------|-------------------|
| Quality | | | | | |
| Recipient of Government Financial Officers Association Distinguished Budget Presentation Award | 1 | 0 | 0 | 0 | 1 |
| Variance of the General Fund budget and actual expenditures (negative numbers indicate overspending) | 4% | 3% | 0% | -2% | 0% |
| Variance between actual and budgeted General Fund revenues (negative numbers indicate lower revenue collations) | -4% | 0% | 4% | 1% | 0% |
| Impact (Outcome) | | | | | |
| General Fund budget that is in fund balance | 12% | 14% | 17% | 13% | 11% |

Objective 1.2 — Maintain grant budgets availability at fewer than 10 business days after submission to OMB.

| FY 2028 Target | FY 2021 Actual | FY 2022 Actual | FY 2023 Estimated | FY 2024 Projected | Trend |
|----------------|----------------|----------------|-------------------|-------------------|-------|
| 5 | 6 | 6 | 5 | 5 | ↔ |

Trend and Analysis

The agency is responsible for financial planning and ensuring that financial resources are available for agencies to utilize for their business operations. This metric reflects the duration of time between an agency forwarding the Notice of Grant Award to OMB and the subsequent loading of grant funds into the SAP system. In past fiscal years, the agency experienced an increase in this measurement due to staffing changes as well as a substantial increase in funding received related to addressing the COVID-19 pandemic. While the overall performance remains at fewer than 10 business days, the Office is taking the necessary measures to fill vacant positions to address the overall workload for staff.

Performance Measures

| Measure Name | FY 2020 Actual | FY 2021 Actual | FY 2022 Actual | FY 2023 Estimated | FY 2024 Projected |
|---|----------------|----------------|----------------|-------------------|-------------------|
| Resources (Input) | | | | | |
| Grant analysts | 6 | 11 | 18 | 12 | 15 |
| Workload, Demand and Production (Output) | | | | | |
| Agency trainings completed | 1 | 0 | 2 | 2 | 2 |
| Grant supplementals completed | 2 | 6 | 3 | 4 | 4 |
| Grant awards created | 204 | 213 | 218 | 189 | 239 |
| Grant funds appropriated from external sources (millions) | \$215.0 | \$287.0 | \$324.7 | \$358.9 | \$276.3 |

Performance Measures *(continued)*

| Measure Name | FY 2020 Actual | FY 2021 Actual | FY 2022 Actual | FY 2023 Estimated | FY 2024 Projected |
|--|----------------|----------------|----------------|-------------------|-------------------|
| General funds used as a match for grant funds (millions) | \$2.0 | \$2.1 | \$1.4 | \$4.4 | \$10.6 |
| Efficiency | | | | | |
| Grants monitored per analyst | 34 | 8 | 8 | 8 | 8 |
| Impact (Outcome) | | | | | |
| Days for grant budget to be available upon submission to the Office of Management and Budget (OMB) | 6 | 6 | 6 | 5 | 5 |

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

| FY 2028 Target | FY 2021 Actual | FY 2022 Actual | FY 2023 Estimated | FY 2024 Projected | Trend |
|----------------|----------------|----------------|-------------------|-------------------|-------|
| 8% | 7% | 7% | 8% | 8% | ↑ |

Trend and Analysis

The County's fiscal policy requires that the ratio of debt service costs to General Fund County source revenues does not exceed 8%. It is anticipated that the County will exceed the target by the end of FY 2026 due to slower economic growth as the economy recovers from the COVID-19 pandemic and growing debt costs associated with the capital program. The trend is growing due to the extensive Board of Education modernization plan that is estimated to cost over eight billion dollars over the span of 20 years. The County has several expensive capital improvement projects that are underway such as the Police Department's Special Operations Division facility, significant building improvements at the Community College, a new Regional Health and Human Services Center and increased investments in the maintenance of County buildings, the correctional facility, roads and bridges.

In recent years, debt service payments have benefited from bond premiums, therefore lowering overall debt costs. Also, the County continue to use other revenue sources such as public safety surcharge revenues to support the cost of many public safety capital projects thereby reducing the need to pay for debt costs over a 20 year period. Additionally, the County has partnered with the school system to implement their alternative school construction financing program. This program will identify different methods to deliver and meet the extensive infrastructure needs of the school system while reducing overall costs. As the capital program expands, the Office will continue to monitor the County's debt affordability and prioritize CIP projects within a long-term strategic framework in collaboration with all stakeholders.

Performance Measures

| Measure Name | FY 2020 Actual | FY 2021 Actual | FY 2022 Actual | FY 2023 Estimated | FY 2024 Projected |
|---|----------------|----------------|----------------|-------------------|-------------------|
| Resources (Input) | | | | | |
| Capital budget analysts | 6 | 10 | 11 | 11 | 11 |
| Workload, Demand and Production (Output) | | | | | |
| Capital projects authorized | 366 | 371 | 418 | 420 | 406 |

Performance Measures *(continued)*

| Measure Name | FY 2020 Actual | FY 2021 Actual | FY 2022 Actual | FY 2023 Estimated | FY 2024 Projected |
|--|----------------|----------------|----------------|-------------------|-------------------|
| New capital projects | 47 | 7 | 11 | 9 | 11 |
| Projects supported by general obligation bonds in budget year | 81 | 74 | 109 | 63 | 61 |
| General obligation bond sales (#) | 1 | 1 | 1 | 1 | 1 |
| General obligation bond sales (\$) (millions) | \$251.8 | \$473.9 | \$347.0 | \$257.1 | \$247.1 |
| Impact (Outcome) | | | | | |
| Debt service expenditures (millions) | \$132.9 | \$150.1 | \$163.1 | \$172.3 | \$174.5 |
| Annual debt service as a percentage of General Fund County Source revenues | 6% | 7% | 7% | 8% | 8% |

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 County's on-time service delivery rate.

| FY 2028 Target | FY 2021 Actual | FY 2022 Actual | FY 2023 Estimated | FY 2024 Projected | Trend |
|----------------|----------------|----------------|-------------------|-------------------|-------|
| n/a | n/a | n/a | n/a | n/a | ↔ |

Trend and Analysis

In the past two years, CountyStat has undergone a business process adjustment to shift focus from microlevel data management to a more solution-oriented and data-driven approach in addressing the County's most intractable concerns. As a result, the focus of the CountyStat team has moved towards project managing the larger Executive Office Priorities, including Beautification, Time to Fill, Flooding, Procurement, Violent Crime and Permitting. CountyStat continues to work with all agencies involved to develop appropriate outcome measures for these priorities and expects to provide corresponding data in the next year.

Performance Measures

| Measure Name | FY 2020 Actual | FY 2021 Actual | FY 2022 Actual | FY 2023 Estimated | FY 2024 Projected |
|---|----------------|----------------|----------------|-------------------|-------------------|
| Resources (Input) | | | | | |
| Performance management analysts | 3 | 3 | 2 | 2 | 3 |
| Workload, Demand and Production (Output) | | | | | |
| Agencies participating in performance management | 35 | 35 | 35 | 35 | 35 |
| Public datasets | 30 | 31 | 31 | 31 | 31 |
| Client projects | 10 | 12 | 12 | 10 | 10 |
| Service request types analyzed | 225 | 40 | 40 | 40 | 40 |
| Key Performance Indicators analyzed | 27 | 27 | 30 | 30 | 30 |
| Efficiency | | | | | |
| Participating agencies per performance management analyst | 14 | 14 | 20 | 20 | 14 |

Performance Measures *(continued)*

| Measure Name | FY 2020 Actual | FY 2021 Actual | FY 2022 Actual | FY 2023 Estimated | FY 2024 Projected |
|--|-----------------------|-----------------------|-----------------------|--------------------------|--------------------------|
| Client reports submitted on-time | 90% | 89% | 95% | 99% | 100% |
| Impact (Outcome) | | | | | |
| Countywide customer service requests closed on-time (excludes bulky trash) | 83% | n/a | n/a | n/a | n/a |

