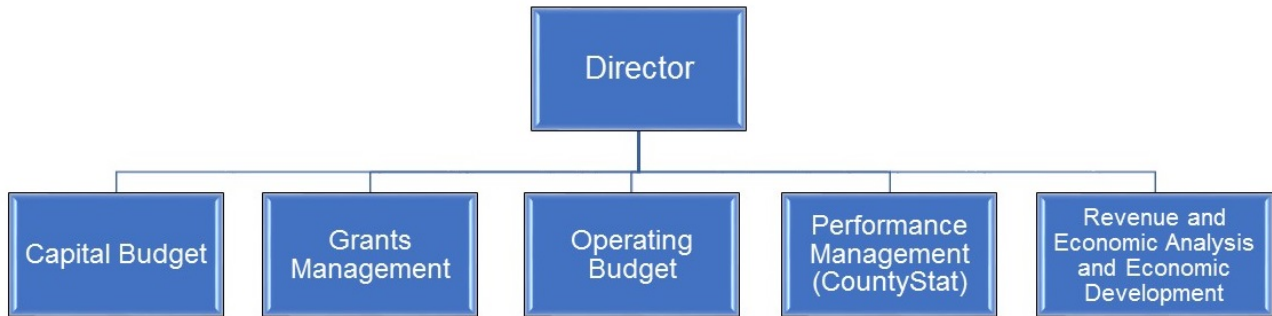


Office of Management and Budget



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 2025 KEY ACCOMPLISHMENTS

- Awarded the Distinguished Budget Presentation Award from the Government Finance Officers Association.
- Completed the submission of required federal reports related to the Coronavirus State and Local Fiscal Recovery Funds program.
- Expanded the Time to Fill priority initiative to begin including public safety agencies in the effort to reduce the amount of time it takes to fill a position.

STRATEGIC FOCUS AND INITIATIVES FOR FY 2026

The office's top priorities in FY 2026 are:

- Maintain the County's General Fund balance at or above 10% of the General Fund budget.
- 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.
- Monitor capital spending and the use of bond proceeds to ensure the long-term affordability of the County's capital improvement program.

FY 2026 BUDGET SUMMARY

The FY 2026 approved budget for the Office of Management and Budget is \$4,649,900, an increase of \$546,100 or 13.3% over the FY 2025 approved budget.

Expenditures by Fund Type

Fund Types	FY 2024 Actual		FY 2025 Budget		FY 2025 Estimate		FY 2026 Approved	
	Amount	% Total	Amount	% Total	Amount	% Total	Amount	% Total
General Fund	\$4,085,181	100.0%	\$4,102,900	100.0%	\$4,402,900	100.0%	\$4,649,000	100.0%
Total	\$4,085,181	100.0%	\$4,102,900	100.0%	\$4,402,900	100.0%	\$4,649,000	100.0%

Reconciliation from Prior Year

	Expenditures
FY 2025 Approved Budget	\$4,102,900
Increase Cost: Recovery Decrease — Decrease primarily to reflect the removal of recoveries from the American Rescue Plan Act (ARPA) grant program	\$157,900
Add: Compensation - New Position — Funding for a new Budget Management Analyst 3G position to assist in the implementation of the indirect cost rate pilot project in coordination with the Office of Finance	98,500
Increase Cost: Compensation — Funding for a previously unfunded Budget Management Analyst 4G position to implement the legislative requirement of CB-18-2024 requiring the Office to submit a fiscal impact statement for legislation before the County Council	89,400
Increase Cost: Fringe Benefits — Increase in fringe benefit expenses primarily due to the addition of one new Budget Management Analyst 3G position and funding for a previously unfunded Budget Management Analyst 4G position; the fringe benefit rate decreases from 32.0% to 31.9% to align with projected costs	79,300
Increase Cost: Compensation - Mandated Salary Requirements	69,900
Increase Cost: Technology Cost Allocation — Increase in OIT charges based on anticipated countywide costs for technology	56,200
Increase Cost: Operating — Increase in funding for telephone costs to align with projected spending	700
Decrease Cost: Operating — Reduction in the budget for travel, training, printing and advertising to align with anticipated costs	(5,800)
FY 2026 Approved Budget	\$4,649,000

STAFF AND BUDGET RESOURCES

Authorized Positions	FY 2024 Budget	FY 2025 Budget	FY 2026 Approved	Change FY25-FY26
General Fund				
Full Time - Civilian	29	29	30	1
Full Time - Sworn	0	0	0	0
Subtotal - FT	29	29	30	1
Part Time	0	0	0	0
Limited Term	0	0	0	0
Grant Program Funds				
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	2	2	0	(2)
TOTAL				
Full Time - Civilian	29	29	30	1
Full Time - Sworn	0	0	0	0
Subtotal - FT	29	29	30	1
Part Time	0	0	0	0
Limited Term	2	2	0	(2)

Positions By Classification	FY 2026		
	Full Time	Part Time	Limited Term
Administrative Aide	1	0	0
Administrative Assistant	1	0	0
Budget Aide	1	0	0
Budget Management Analyst	23	0	0
Deputy Director	1	0	0
Director	1	0	0
General Clerk	1	0	0
Programmer/Systems Analyst	1	0	0
TOTAL	30	0	0

Expenditures by Category - General Fund

Category	FY 2024 Actual	FY 2025 Budget	FY 2025 Estimate	FY 2026 Approved	Change FY25-FY26	
					Amount (\$)	Percent (%)
Compensation	\$2,949,061	\$2,945,000	\$3,052,300	\$3,202,800	\$257,800	8.8%
Fringe Benefits	882,020	942,400	967,700	1,021,700	79,300	8.4%
Operating	565,612	584,400	584,200	635,500	51,100	8.7%
Capital Outlay	—	—	—	—	—	
SubTotal	\$4,396,693	\$4,471,800	\$4,604,200	\$4,860,000	\$388,200	8.7%
Recoveries	(311,512)	(368,900)	(201,300)	(211,000)	157,900	-42.8%
Total	\$4,085,181	\$4,102,900	\$4,402,900	\$4,649,000	\$546,100	13.3%

In FY 2026, compensation expenditures increase 8.8% over the FY 2025 budget primarily due to a new Budget Management Analyst 3G position to assist with the implementation of the new indirect cost rate pilot program and funding for a previously unfunded Budget Management 4G position to implement the legislative requirements of CB-18-2024 requiring the Office to submit a fiscal impact statement for legislation before the County Council. Resources are also provided for the annualization of FY 2025 and planned FY 2026 salary adjustments. Compensation costs include funding for 30 out of 30 full time positions. Fringe benefit expenditures increase 8.4% over the FY 2025 budget due to changes in the staffing complement.

Operating expenditures increase 8.7% over the FY 2025 budget due to an increase in the OIT technology allocation charge. Funding is also provided allocated for training, printing, general office supplies, interpretation services, advertising, membership costs and office equipment.

Recoveries decrease -42.8% under the budget due to the removal of the ARPA grant program recovery. Staff dedicated to the capital improvement program (CIP) will continue to be recovered from the CIP in FY 2026.

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 2030 Target	FY 2023 Actual	FY 2024 Actual	FY 2025 Estimated	FY 2026 Projected	Trend
10%	17%	16%	14%	14%	↑

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 operation 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. In FY 2024, the policy reserve was increased to 3%, 4% in FY 2025 and finally to 5% for FY 2026. 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.

Performance Measures

Measure Name	FY 2022 Actual	FY 2023 Actual	FY 2024 Actual	FY 2025 Estimated	FY 2026 Projected
Resources (Input)					
Operating budget analysts	12	12	20	20	20
Workload, Demand and Production (Output)					
Position requests processed for all funds	1,877	1,877	1,977	2,000	2,000
Travel requests received for all funds	532	532	998	800	700
Quality					
Recipient of Government Financial Officers Association Distinguished Budget Presentation Award	0	0	0	1	1

Performance Measures *(continued)*

Measure Name	FY 2022 Actual	FY 2023 Actual	FY 2024 Actual	FY 2025 Estimated	FY 2026 Projected
Variance of the General Fund budget and actual expenditures (negative numbers indicate overspending)	0%	2%	2%	-3%	0%
Variance between actual and budgeted General Fund revenues (negative numbers indicate lower revenue collections)	4%	-1%	0%	3%	0%
Impact (Outcome)					
General Fund budget that is in fund balance	17%	17%	16%	14%	14%

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

FY 2030 Target	FY 2023 Actual	FY 2024 Actual	FY 2025 Estimated	FY 2026 Projected	Trend
10	6	10	10	10	↔

Trend and Analysis

The Office 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 (NGA) to OMB and the subsequent loading of grant funds into the County's financial system. Due to recent process improvements suggested and implemented on behalf of grant receiving agencies, the agency is currently re-evaluating County policy and procedures and its methodology used to certify this metric. Data and additional analysis will be published once this review and analysis is complete.

Performance Measures

Measure Name	FY 2022 Actual	FY 2023 Actual	FY 2024 Actual	FY 2025 Estimated	FY 2026 Projected
Resources (Input)					
Grant analysts	18	9	11	12	13
Workload, Demand and Production (Output)					
Agency trainings completed	2	2	1	2	2
Grant supplementals completed	3	2	3	2	3
Grant awards created	218	222	211	175	251
Grant funds appropriated from external sources (millions)	\$324.7	\$304.9	\$312.9	\$278.1	\$267.3
General funds used as a match for grant funds (millions)	\$1.4	\$2.1	\$10.9	\$5.2	\$3.9

Performance Measures *(continued)*

Measure Name	FY 2022 Actual	FY 2023 Actual	FY 2024 Actual	FY 2025 Estimated	FY 2026 Projected
Efficiency					
Grants monitored per analyst	8	25	19	15	19
Impact (Outcome)					
Days for grant budget to be available upon submission to the Office of Management and Budget (OMB)	6	6	0	0	0

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

FY 2030 Target	FY 2023 Actual	FY 2024 Actual	FY 2025 Estimated	FY 2026 Projected	Trend
8%	7%	7%	7%	7%	↔

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 this target by the end of FY 2028 as revenue growth is expected to moderate, and debt costs associated with the capital improvement program continue to grow. The debt service costs trend is growing due to the extensive Board of Education modernization plan. The County has several expensive capital improvement projects that are underway, such as: the County Administration Building Refresh to house the Sheriff's Office, State's Attorney's Office and the Clerk of the Court; significant building improvements at the Community College; a new Regional Health and Human Services Center; and increased investments in the maintenance of County buildings, public safety facilities (police, fire/EMS, corrections and courts) and transportation infrastructure (roads, bridges, sidewalks, etc.).

In recent years, debt service payments have benefited from bond premiums, which help lower overall debt costs. The County continues 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 and undertake a second phase of the program (which is being funded through the operating budget). This program identifies different methods to deliver and meet the extensive infrastructure needs of the school system while reducing overall costs. As the capital program expands, OMB will continue to monitor the County's debt affordability and prioritize CIP projects within a long-term strategic framework in collaboration with all stakeholders.

Note: The methodology for reporting the general obligation bond sales (\$ millions) measure has been updated to reflect only General Fund supported bonds, consistent with the methodology for other measures under this objective.

Performance Measures

Measure Name	FY 2022 Actual	FY 2023 Actual	FY 2024 Actual	FY 2025 Estimated	FY 2026 Projected
Resources (Input)					
Capital budget analysts	11	11	11	11	11
Workload, Demand and Production (Output)					
Capital projects authorized	418	419	400	406	384

Performance Measures *(continued)*

Measure Name	FY 2022 Actual	FY 2023 Actual	FY 2024 Actual	FY 2025 Estimated	FY 2026 Projected
New capital projects	11	16	11	29	9
Projects supported by general obligation bonds in budget year	109	66	61	54	50
General obligation bond sales (#)	1	1	1	1	1
General obligation bond sales (\$) (millions)	\$230.3	\$169.5	\$110.0	\$183.3	\$228.5
Impact (Outcome)					
Debt service expenditures (millions)	\$163.1	\$172.7	\$170.6	\$187.7	\$197.7
Annual debt service as a percentage of General Fund County Source revenues	7%	7%	7%	7%	7%

Goal 2 — Use data-driven decision-making to ensure the execution of administration priorities by developing, monitoring and evaluating calculable theories of change.

Objective 2.1 — Increase the percent of initiatives with active interventions demonstrating improved conditions.

FY 2030 Target	FY 2023 Actual	FY 2024 Actual	FY 2025 Estimated	FY 2026 Projected	Trend
100%	0%	100%	100%	100%	

Trend and Analysis

The CountyStat division employs a solution-oriented, data-driven approach to addressing the County's most intractable concerns. The CountyStat team project manages the larger Executive Office Priorities including Beautification, Time to Fill, Flooding, Procurement, Violent Crime and Permitting. The division continues to work with all agencies and quasi-governmental entities involved to develop appropriate outcome measures for these priorities and provide insights and recommendations to executive leadership.

Performance Measures

Measure Name	FY 2022 Actual	FY 2023 Actual	FY 2024 Actual	FY 2025 Estimated	FY 2026 Projected
Resources (Input)					
Performance management analysts	2	3	3	3	3
Workload, Demand and Production (Output)					
Agencies participating in performance management	35	35	40	40	40
Projects/programs actively being managed by CountyStat	12	10	6	6	7
Impact (Outcome)					
Tracked projects/programs with outcomes trending towards improvement	0%	0%	100%	100%	100%