

OFFICE OF MANAGEMENT AND BUDGET - 119

MISSION AND SERVICES

Mission - 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

Strategic Focus in FY 2017 -

The agency's top priorities in FY 2017 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 2017 BUDGET SUMMARY

The FY 2017 approved budget for the Office of Management and Budget is \$2,420,500, an increase of \$31,500 or 1.3% over the FY 2016 approved budget.

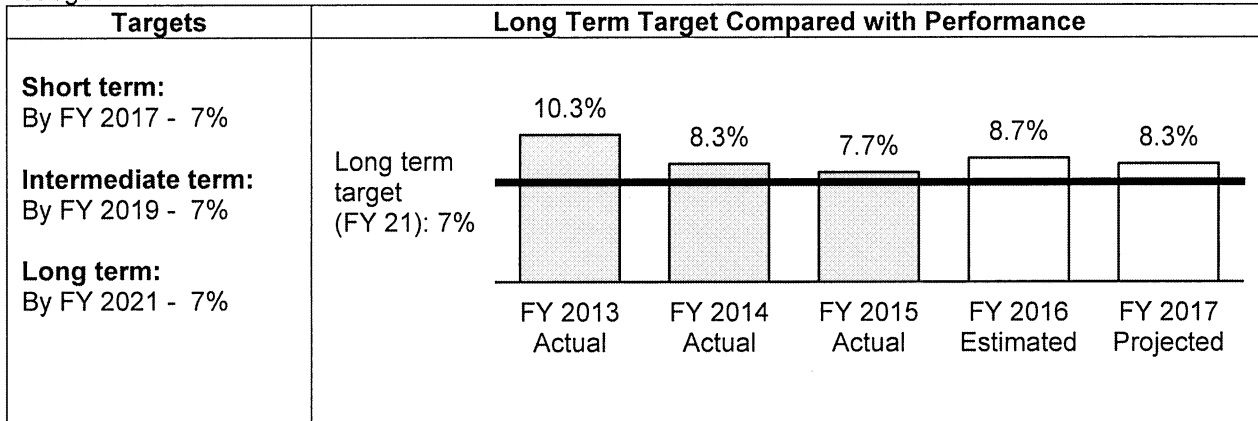
Budgetary Changes –

| | |
|--|--------------------|
| FY 2016 APPROVED BUDGET | \$2,389,000 |
| Increase in compensation due to FY 2017 salary requirements and funding for five vacancies, including one new position in FY 2017. | \$161,600 |
| Increase in fringe benefits due to changes in the staffing complement. | \$26,700 |
| Increase in office automation charges and other operating line adjustments to align with historical usage. | \$10,300 |
| Increase in staff recoveries associated with Wave 3 of the Enterprise Resource Planning (ERP) program; additional resources will be dedicated toward the implementation of the public budgeting formulation (PBF) module which will significantly improve the efficiency and effectiveness of the County's budgeting processes for the FY 2018 budget cycle. | (\$167,100) |
| FY 2017 APPROVED BUDGET | \$2,420,500 |

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.



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 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 10.3% in FY 2013 to 7.7% in FY 2015 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 increase from 7.7% in FY 2015 to 8.7% in FY 2016 due to modest revenue increases in the collection of transfer and recordation taxes. However, it is important to note that the collection of these taxes is volatile as both are closely tied to the real estate market. Therefore, continued gains in these taxes in the future are uncertain. In FY 2017, the reserve level is projected to decrease to 8.3% due to the growth in the overall budget. 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. In FY 2017, the agency continues to focus on the implementation and maintenance of master data within the County's new enterprise resource planning (ERP) system. The ERP system 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.

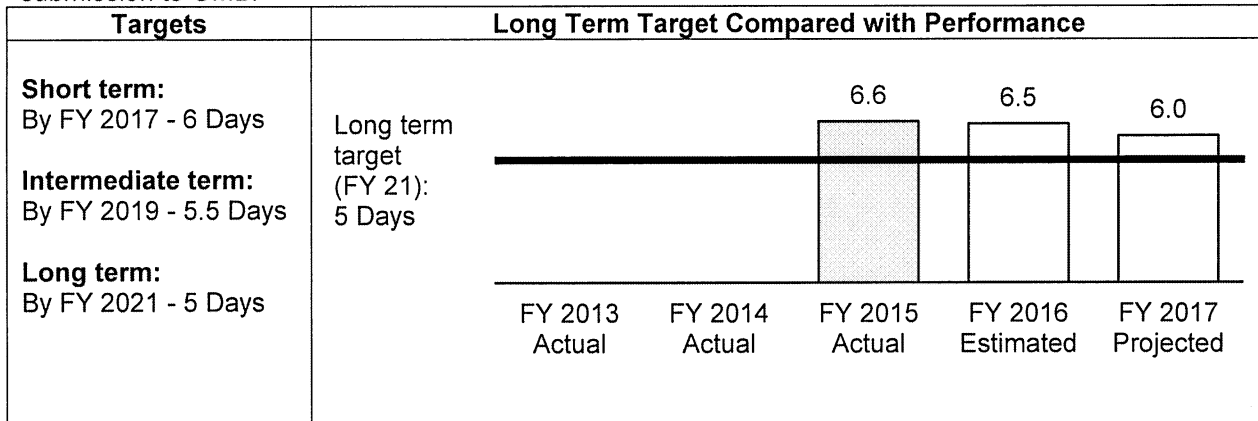
Performance Measures -

| Measure Name | FY 2013 Actual | FY 2014 Actual | FY 2015 Actual | FY 2016 Estimated | FY 2017 Projected |
|---|-------------------|-------------------|-------------------|----------------------|----------------------|
| Resources (input) | | | | | |
| Number of operating budget analysts | 6 | 5.5 | 5 | 7 | 11 |
| Workload, Demand and Production (output) | | | | | |
| Amount of General Fund expenditures (in billions) | \$2.677 | \$2.721 | \$2.847 | \$2.958 | \$3.117 |
| Number of position requests processed for all funds | 1,685 | 1,544 | 1,097 | 1,100 | 1,200 |
| Number of contracts processed for all funds | 1,160 | 1,154 | 1,181 | 1,200 | 1,285 |
| Number of travel requests received for all funds | 433 | 517 | 510 | 520 | 550 |
| 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) | 0.0% | -0.3% | -0.3% | 0.3% | 0.0% |
| Percentage variance between actual and budgeted General Fund revenues (negative numbers indicate lower revenue collections) | 1.1% | -0.8% | 0.1% | 1.7% | 0.0% |
| Impact (outcome) | | | | | |
| Percent of the General Fund budget that is in fund balance | 10.3% | 8.3% | 7.7% | 8.7% | 8.3% |

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 -

OMB is responsible for ensuring grant awards are available for agencies to process contracts, hire and retain staff and make timely payments to vendors for services rendered. Upon receipt of a grant award, agencies submit to OMB a grant master data request form and a SAP budget load, which is reviewed by OMB for accuracy and appropriateness. Once approved, the grants funds are then made available for use in SAP. In FY 2016, OMB reorganized the grants administrative section, increasing the number of analysts reviewing and loading grant awards.

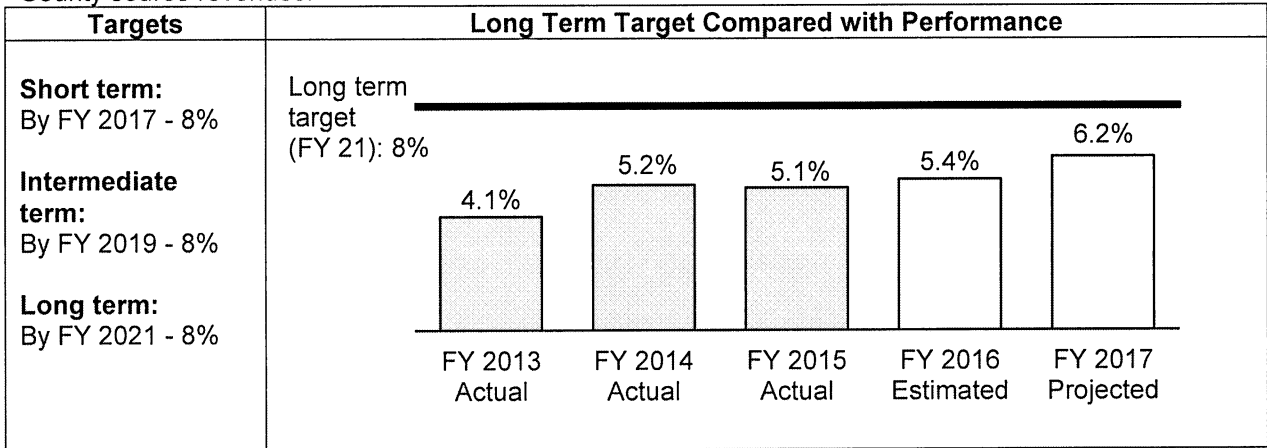
Performance Measures -

| Measure Name | FY 2013 Actual | FY 2014 Actual | FY 2015 Actual | FY 2016 Estimated | FY 2017 Projected |
|--|----------------|----------------|----------------|-------------------|-------------------|
| Resources (input) | | | | | |
| Number of grant analysts | | | 2 | 7 | 7 |
| Workload, Demand and Production (output) | | | | | |
| Number of agency trainings completed | | | 6 | 4 | 4 |
| Number of grant supplementals completed | | | 3 | 3 | 3 |
| Number of grant awards created | | | 237 | 261 | 203 |
| Total amount of grant funds appropriated from external sources (in millions) | | | \$225.28 | \$206.59 | \$206.52 |
| Amount of general funds used as a match for grant funds (in millions) | | | \$2.16 | \$2.15 | \$3.14 |
| Efficiency | | | | | |
| Number of grants monitored per analyst | | | 118.5 | 37.3 | 29.0 |
| Quality | | | | | |
| Average number of days for grant budget to be available upon submission to OMB | | | 6.6 | 6.5 | 6.0 |

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 that the ratio of debt service costs to General Fund County source revenues does not exceed 8%. Currently, debt service payments are below 8%. However, the trend is growing due to the rising need to fund CIP projects. Debt service payments in recent years have benefitted from one-time bond premiums, therefore lowering overall debt cost. 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 including the Board of Education and County agencies.

Performance Measures -

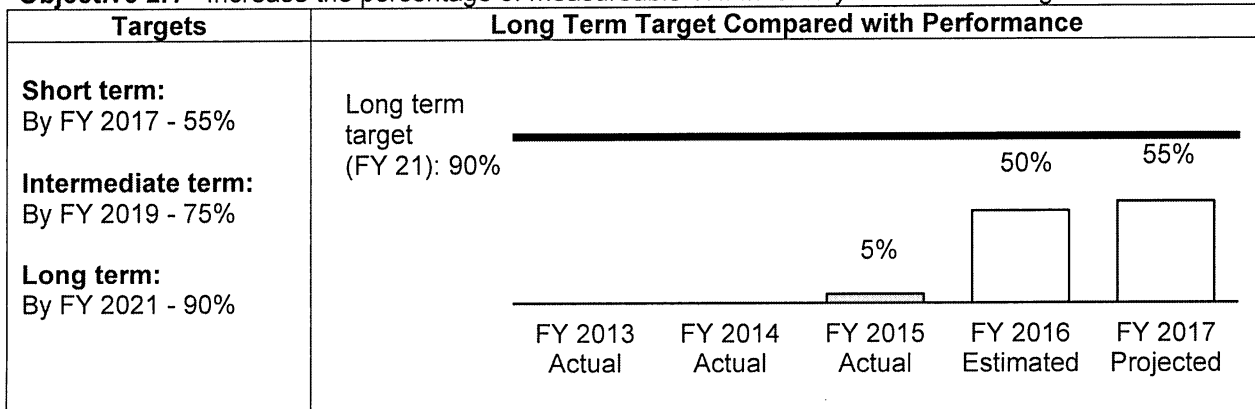
| Measure Name | FY 2013 Actual | FY 2014 Actual | FY 2015 Actual | FY 2016 Estimated | FY 2017 Projected |
|--|----------------|----------------|----------------|-------------------|-------------------|
| Resources (input) | | | | | |
| Number of capital budget analysts | 1 | 1.5 | 1.5 | 5 | 5 |
| Amount of General Fund County Source revenues (in billions) | 1.611 | 1.565 | 1.644 | 1.749 | 1.810 |
| Workload, Demand and Production (output) | | | | | |
| Number of new capital projects | 19 | 20 | 44 | 20 | 34 |
| Number of projects supported by GO Bonds in budget year | 63 | 65 | 112 | 82 | 65 |
| Number of general obligation bond sales | 1 | 0 | 0 | 1 | 2 |
| Value of general obligation bond sales (\$ in millions) | \$354.2 | \$0.0 | \$0.0 | \$85.9 | \$315.0 |
| Impact (outcome) | | | | | |
| Debt service expenditures (in millions) | \$65.6 | \$82.1 | \$84.5 | \$94.3 | \$110.8 |
| Annual debt service as a percentage of General Fund County Source revenues | 4.1% | 5.2% | 5.1% | 5.4% | 6.2% |

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 the 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 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 life of the initiative. Last year, 5% of the catalogue items were measureable at the Census Block Level. It is anticipated that close to 50% will be measureable at the Census Block Level due to the deployment of the new Motorola PremireOne CSR system, increased point-level service delivery recordation by departments, and new database integration currently underway government wide.

Performance Measures

| Measure Name | FY 2013 Actual | FY 2014 Actual | FY 2015 Actual | FY 2016 Estimated | FY 2017 Projected |
|--|----------------|----------------|----------------|-------------------|-------------------|
| Resources (input) | | | | | |
| Number of performance management analysts | 2 | 2 | 3 | 3 | 3 |
| Workload, Demand and Production (outout) | | | | | |
| Number of agencies participating in performance management | 27 | 27 | 27 | 27 | 27 |
| Number of CountyStat sessions | 6 | 5 | 7 | 4 | 5 |
| Number of TNI Toolbox Services | | | 215 | 215 | 215 |
| Number of TNI Toolbox Services Measured | | | 11 | 107 | 118 |
| Frequency of performance measures reporting by departments | Monthly | Monthly | Monthly | Monthly | Monthly |
| Frequency of TNI Toolbox measures submitted to the County Executive's Office | Monthly | Monthly | Annually | Annually | Monthly |
| Efficiency | | | | | |
| Average number of participating agencies per performance management analyst | 13.5 | 13.5 | 9.0 | 9.0 | 9.0 |
| Impact (outcome) | | | | | |
| Percentage of TNI Toolbox Services measured | | | 5% | 50% | 55% |

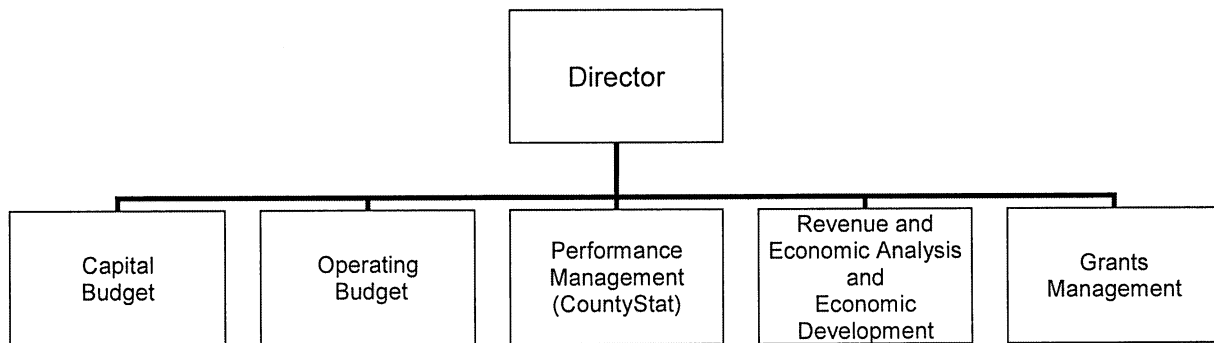
Strategies to Accomplish the Objective -

- **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 2016 KEY ACCOMPLISHMENTS

- Received Distinguished Budget Presentation Award from the Government Finance Officers Association.
- Commenced ERP system development for the Public Budgeting Formulation Module.
- Monitored and reported public safety overtime on a bi-weekly basis.
- Presented and provided support for the Blue Ribbon Commission on Addressing Prince George's County's Structural Deficit.

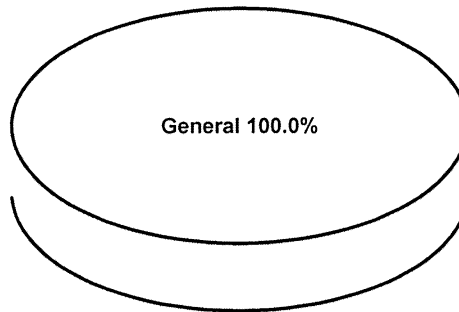
ORGANIZATIONAL CHART



| | FY2015 ACTUAL | FY2016 BUDGET | FY2016 ESTIMATED | FY2017 APPROVED | CHANGE FY16-FY17 |
|-------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| TOTAL EXPENDITURES | \$ 2,461,867 | \$ 2,389,000 | \$ 2,367,900 | \$ 2,420,500 | 1.3% |
| EXPENDITURE DETAIL | | | | | |
| Budget & Management Analysis | 2,629,626 | 2,730,300 | 2,565,200 | 2,928,900 | 7.3% |
| Recoveries | (167,759) | (341,300) | (197,300) | (508,400) | 49% |
| TOTAL | \$ 2,461,867 | \$ 2,389,000 | \$ 2,367,900 | \$ 2,420,500 | 1.3% |
| SOURCES OF FUNDS | | | | | |
| General Fund | \$ 2,461,867 | \$ 2,389,000 | \$ 2,367,900 | \$ 2,420,500 | 1.3% |
| Other County Operating Funds: | | | | | |
| TOTAL | \$ 2,461,867 | \$ 2,389,000 | \$ 2,367,900 | \$ 2,420,500 | 1.3% |

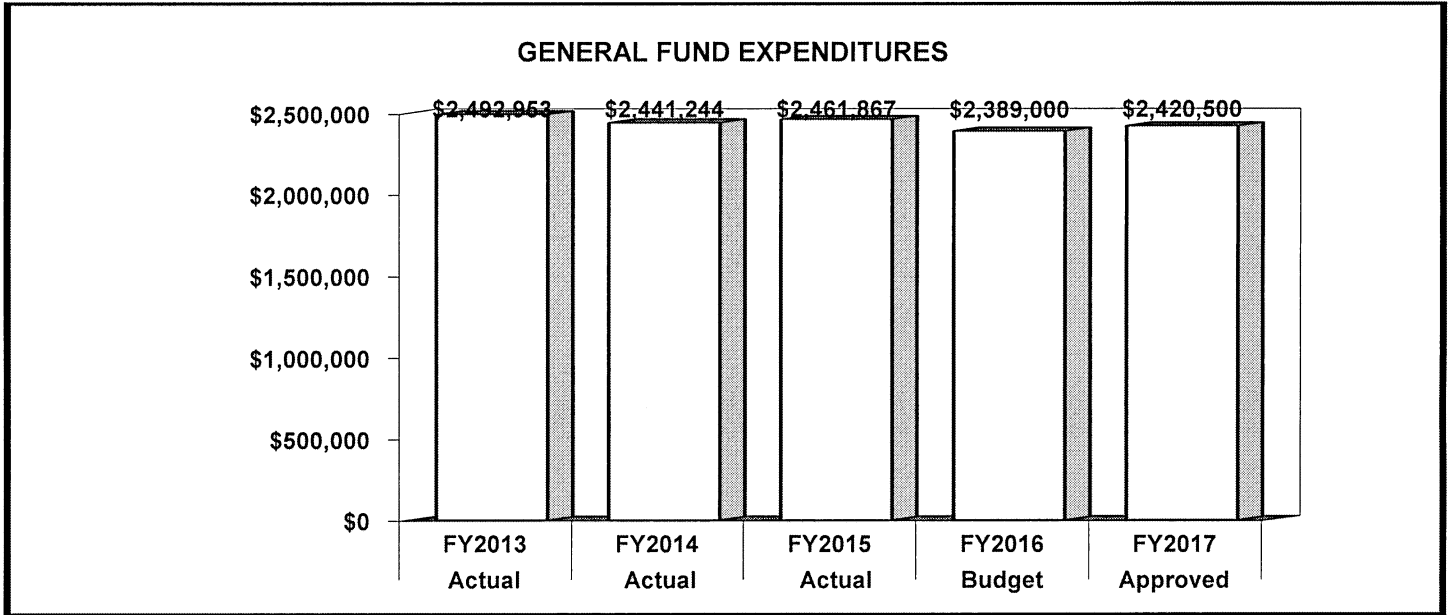
FY2017 SOURCES OF FUNDS

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.

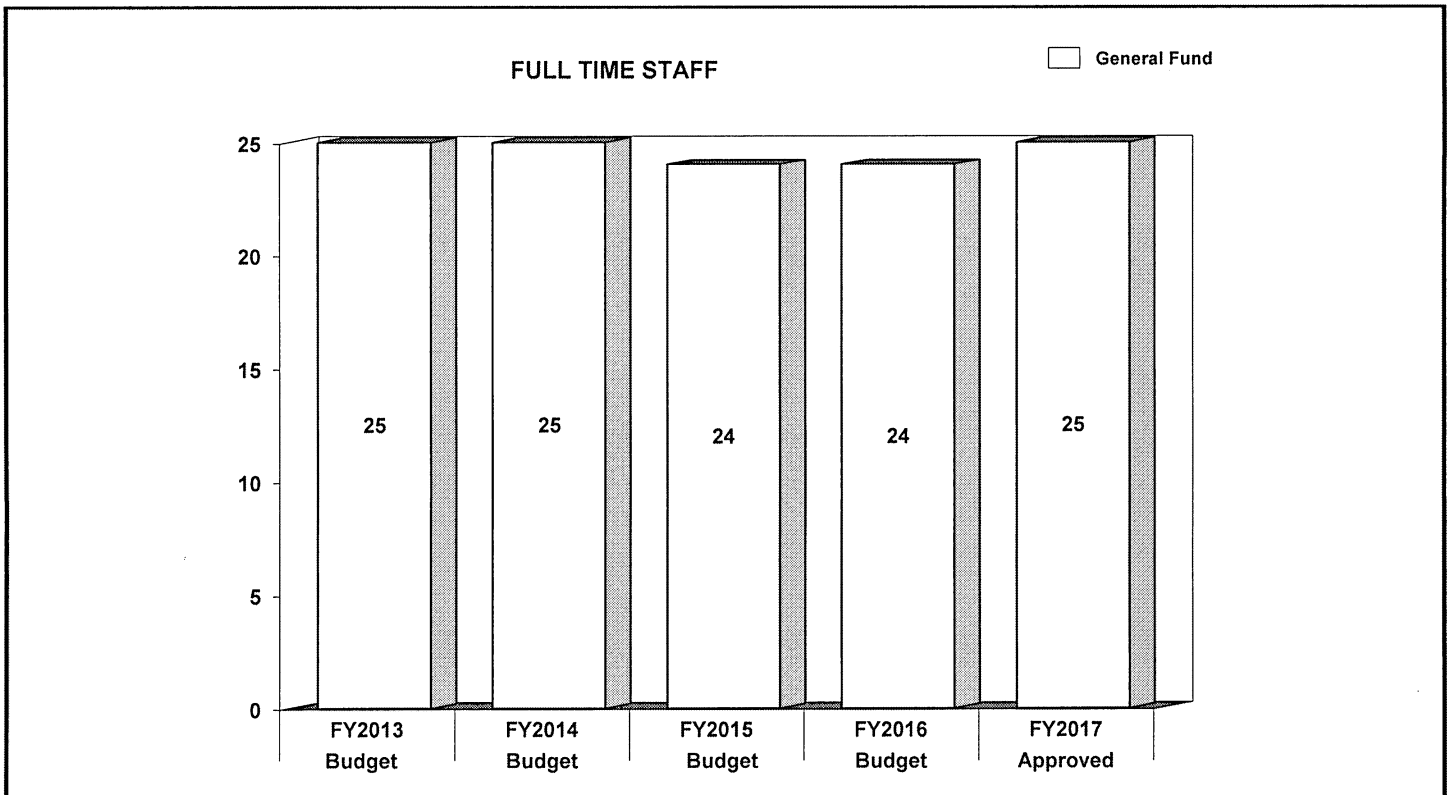


| | FY2015 BUDGET | FY2016 BUDGET | FY2017 APPROVED | CHANGE FY16-FY17 |
|---------------------------|------------------|------------------|--------------------|---------------------|
| GENERAL FUND STAFF | | | | |
| Full Time - Civilian | 24 | 24 | 25 | 1 |
| Full Time - Sworn | 0 | 0 | 0 | 0 |
| Part 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 | 24 | 24 | 25 | 1 |
| 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 | 16 | 0 | 0 |
| Budget Aides | 1 | 0 | 0 |
| Administrative | 3 | 0 | 0 |
| TOTAL | 25 | 0 | 0 |



The agency's expenditures decrease 1.2% from FY 2013 to FY 2015. This decrease was primarily driven by attrition and changes in the staffing complement. The FY 2017 approved budget is 1.3% more than the FY 2016 budget.



The agency's staffing complement decreased by one position from FY 2013 to FY 2016. The FY 2017 staffing totals increases by one position from the FY 2016 budget.

| | FY2015 ACTUAL | FY2016 BUDGET | FY2016 ESTIMATED | FY2017 APPROVED | CHANGE FY16-FY17 |
|----------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| EXPENDITURE SUMMARY | | | | | |
| Compensation | \$ 1,919,680 | \$ 1,972,300 | \$ 1,850,900 | \$ 2,133,900 | 8.2% |
| Fringe Benefits | 565,037 | 622,000 | 583,000 | 648,700 | 4.3% |
| Operating Expenses | 144,909 | 136,000 | 131,300 | 146,300 | 7.6% |
| Capital Outlay | 0 | 0 | 0 | 0 | 0% |
| | \$ 2,629,626 | \$ 2,730,300 | \$ 2,565,200 | \$ 2,928,900 | 7.3% |
| Recoveries | (167,759) | (341,300) | (197,300) | (508,400) | 49% |
| TOTAL | \$ 2,461,867 | \$ 2,389,000 | \$ 2,367,900 | \$ 2,420,500 | 1.3% |
| STAFF | | | | | |
| Full Time - Civilian | - | 24 | - | 25 | 4.2% |
| Full Time - Sworn | - | 0 | - | 0 | 0% |
| Part Time | - | 0 | - | 0 | 0% |
| Limited Term | - | 0 | - | 0 | 0% |

In FY 2017, compensation expenditures increase 8.2% over the FY 2016 budget due to changes in the staffing complement. Compensation costs include funding for 25 full-time employees. Fringe benefits increase 4.3% due to changes in the staffing complement.

Operating expenses increase 7.6% primarily due to an increase in office automation charges. Additional line item reductions were made to align with historical usage and projected office-wide needs.

Recoveries increase 49.0% to align with the additional staff resources required to support Wave 3 of the ERP project and the County's Capital Improvement Program (CIP).

| MAJOR OPERATING EXPENDITURES FY2017 | |
|--|------------|
| Office Automation | \$ 114,100 |
| Printing and Reproduction | \$ 16,000 |
| Operating and Office Supplies | \$ 7,500 |
| Telephones | \$ 4,000 |
| Training | \$ 2,000 |

