

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 2018 -

The agency's top priorities in FY 2018 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 2018 BUDGET SUMMARY

The FY 2018 approved budget for the Office of Management and Budget is \$2,819,100, an increase of \$398,600 or 16.5% over the FY 2017 approved budget.

Budgetary Changes –

FY 2017 APPROVED BUDGET	\$2,420,500
Increase Cost: Recovery Reduction – Staff recoveries associated with Wave 3 of the Enterprise Resource Planning (ERP) program are decreasing to align with the implementation timeline of the SAP public budgeting formulation module; implementation of this module will be complete in the first quarter of FY 2018 and will improve the efficiency and effectiveness of the County's budgeting processes for the FY 2019 budget cycle	\$141,900
Increase Cost: Compensation – Mandated Salary Requirements	\$132,200
Increase Cost: Fringe Benefits – Increase in costs due to salary adjustments and changes in the staffing complement offset by a decrease in the fringe benefit rate from 30.4% to 30.0%	\$52,700
Increase Cost: Compensation – Salary Adjustments – Net change to reflect full year funding for all filled positions and other compensation adjustments	\$40,500
Add: Compensation – New Position – Funding for one position to support increased responsibilities related to the Local Development Council	\$31,400
Decrease Cost: Operating - Net change due to the reallocation of costs	(\$100)
FY 2018 APPROVED BUDGET	\$2,819,100

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.

Targets	Long Term Target Compared with Performance																		
Short term: By FY 2018 - 7%	<table border="1" style="margin-left: auto; margin-right: auto;"> <caption>Long Term Target Compared with Performance</caption> <thead> <tr> <th>Fiscal Year</th> <th>Percentage</th> <th>Status</th> </tr> </thead> <tbody> <tr> <td>FY 2014</td> <td>8.3%</td> <td>Actual</td> </tr> <tr> <td>FY 2015</td> <td>7.7%</td> <td>Actual</td> </tr> <tr> <td>FY 2016</td> <td>11.0%</td> <td>Actual</td> </tr> <tr> <td>FY 2017</td> <td>11.2%</td> <td>Estimated</td> </tr> <tr> <td>FY 2018</td> <td>10.4%</td> <td>Projected</td> </tr> </tbody> </table>	Fiscal Year	Percentage	Status	FY 2014	8.3%	Actual	FY 2015	7.7%	Actual	FY 2016	11.0%	Actual	FY 2017	11.2%	Estimated	FY 2018	10.4%	Projected
Fiscal Year		Percentage	Status																
FY 2014		8.3%	Actual																
FY 2015	7.7%	Actual																	
FY 2016	11.0%	Actual																	
FY 2017	11.2%	Estimated																	
FY 2018	10.4%	Projected																	
Intermediate term: By FY 2020 - 7%																			
Long term: By FY 2022 - 7%																			

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 an increase from 8.3% in FY 2014 to 11.0% in FY 2016 due to improving revenues, effective monitoring of expenditures and sound fiscal decisions. The reserve level is expected to slightly increase from 11.0% in FY 2016 to 11.2% in FY 2017 due to the growth in the overall budget primarily from increases in the collection of real property taxes and building permits. 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 2018, the reserve level is projected to decrease to 10.4% 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 2018, the agency continues to focus on the implementation and maintenance of master data within the County's 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 2014 Actual	FY 2015 Actual	FY 2016 Actual	FY 2017 Estimated	FY 2018 Projected
Resources (input)					
Number of operating budget analysts	5.5	5	8	11	12
Workload, Demand and Production (output)					
Amount of General Fund expenditures (in billions)	\$2.721	\$2.848	\$2.939	\$3.125	\$3.251
Number of position requests processed for all funds	1,544	1,097	1,074	1,200	1,300
Number of contracts processed for all funds	1,154	1,181	1,296	1,272	1,300
Number of travel requests received for all funds	517	510	530	540	600
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)	-0.3%	-0.3%	0.4%	-0.2%	0.0%
Percentage variance between actual and budgeted General Fund revenues (negative numbers indicate lower revenue collections)	-0.8%	0.1%	2.4%	1.4%	0.0%
Impact (outcome)					
Percent of the General Fund budget that is in fund balance	8.3%	7.7%	11.0%	11.2%	10.4%

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.

Targets	Long Term Target Compared with Performance																						
<p>Short term: By FY 2018 - 6 Days</p> <p>Intermediate term: By FY 2020 - 5.5 Days</p> <p>Long term: By FY 2022 - 5 Days</p>	<p>Long term target (FY22): 5 Days</p>	<table border="1" style="display: none;"> <caption>Performance Data</caption> <thead> <tr> <th>Fiscal Year</th> <th>Performance (Days)</th> <th>Status</th> </tr> </thead> <tbody> <tr> <td>FY 2014</td> <td>-</td> <td>Actual</td> </tr> <tr> <td>FY 2015</td> <td>6.6</td> <td>Actual</td> </tr> <tr> <td>FY 2016</td> <td>6.4</td> <td>Actual</td> </tr> <tr> <td>FY 2017</td> <td>6.3</td> <td>Estimated</td> </tr> <tr> <td>FY 2018</td> <td>6.0</td> <td>Projected</td> </tr> </tbody> </table>				Fiscal Year	Performance (Days)	Status	FY 2014	-	Actual	FY 2015	6.6	Actual	FY 2016	6.4	Actual	FY 2017	6.3	Estimated	FY 2018	6.0	Projected
Fiscal Year	Performance (Days)	Status																					
FY 2014	-	Actual																					
FY 2015	6.6	Actual																					
FY 2016	6.4	Actual																					
FY 2017	6.3	Estimated																					
FY 2018	6.0	Projected																					

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. In FY 2016, OMB implemented a full-service team structure in an effort address our increasing workload which resulted in additional analysts receiving specialized grant training and orientation to their assigned agencies' grant portfolio and technical assistance needs. In FY 2017, the agency continues to improve its performance in this area. The agency will continue to evaluate this specific metric in an effort to determine if the target should be adjusted. Additionally, the agency will continue to investigate the need for additional indicators that track the full grant lifecycle as this metric currently reflects the measurement of time between the agency forwarding the Notice of Grant Award (NGA) to OMB and the subsequent loading of grant funds only.

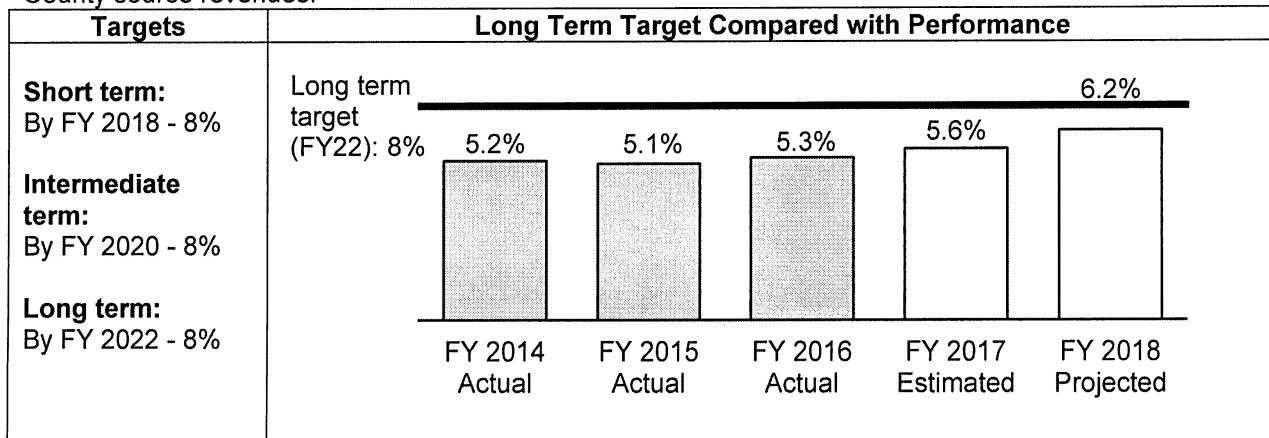
Performance Measures -

Measure Name	FY 2014 Actual	FY 2015 Actual	FY 2016 Actual	FY 2017 Estimated	FY 2018 Projected
Resources (input)					
Number of grant analysts		2	7	7	7
Workload, Demand and Production (output)					
Number of agency trainings completed		6	4	2	2
Number of grant supplementals completed		3	3	3	3
Number of grant awards created		284	207	177	204
Total amount of grant funds appropriated from external sources (in millions)		\$225.28	\$212.00	\$213.57	\$198.60
Amount of general funds used as a match for grant funds (in millions)		\$2.16	\$2.21	\$3.38	\$4.13
Efficiency					
Number of grants monitored per analyst		142.0	29.6	25.3	29.1
Quality					
Average number of days for grant budget to be available upon submission to OMB		6.6	6.4	6.3	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 extensive Board of Education modernization plan that is estimated to cost over \$8 billion over the span of 20 years. Also, the County has several expensive capital improvement projects that are underway such as the public safety driver training and gun range, a new Regional Health and Human Services Center and infrastructure improvements to many bridges in the County. Debt service payments in recent years have benefited from bond premiums, therefore lowering overall debt costs. 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 2014 Actual	FY 2015 Actual	FY 2016 Actual	FY 2017 Estimated	FY 2018 Projected
Resources (input)					
Number of capital budget analysts	1.5	1.5	5	9	9
Amount of General Fund County Source revenues (in billions)	\$1.565	\$1.644	\$1.777	\$1.847	\$1.932
Workload, Demand and Production (output)					
Number of capital projects authorized	150	182	230	165	194
Number of new capital projects	20	44	38	36	34
Number of projects supported by GO Bonds in budget year	65	112	82	65	88
Number of general obligation bond sales	0	0	1	1	1
Value of general obligation bond sales (\$ in millions)	\$0.0	\$0.0	\$115.8	\$293.3	\$325.0
Impact (outcome)					
Debt service expenditures (in millions)	\$82.1	\$84.5	\$94.3	\$103.6	\$120.1
Annual debt service as a percentage of General Fund County Source revenues	5.2%	5.1%	5.3%	5.6%	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 a 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 County's on-time service delivery rate.

Targets	Long Term Target Compared with Performance
Short term: By FY 2018 - %	
Intermediate term: By FY 2020 - %	New For FY 2018
Long term: By FY 2022 - %	

Trend and Analysis -

In August 2016, the County launched a new enterprise workflow management system, which provides accurate on-time closure rate information for agency service delivery. The CountyStat office is charged with improving the County's operations and service delivery efficiency through the monitoring and analysis of agency data and workflows. With the new enterprise workflow management system operational, CountyStat now has the ability to monitor service delivery data in real time and work with agencies to identify strengths, weaknesses, gaps and redundancies and continually refine and expand the system.

Performance Measures -

New For FY 2018

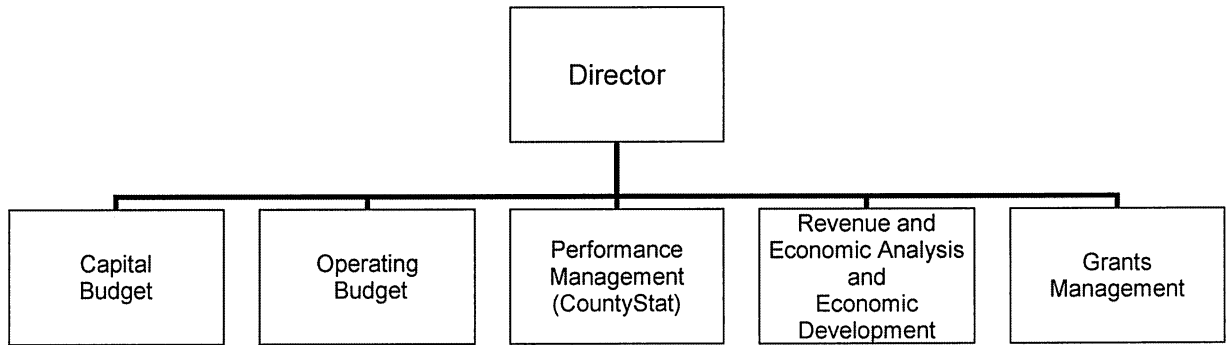
Strategies to Accomplish the Objective -

- **Strategy 2.1.1** - Monitor agency performance data
- **Strategy 2.1.2** - Work with the Office of Management and Budget to ensure appropriate staffing and funding for agency programs

FY 2017 KEY ACCOMPLISHMENTS

- Received Distinguished Budget Presentation Award from the Government Finance Officers Association.
- Completed testing of budget forms within the SAP Budgeting and Planning module of the ERP system.
- Monitored and reported public safety overtime on a bi-weekly basis.
- Provided budget presentations to the Prince George's County Local Development Council, South County Community Roundtable and the National Development and Reform Commission Delegation from the People's Republic of China.
- Established regular reporting analysis of the top CountyClick Customer Service Requests for use by County leadership.
- Created a website that displays individual agencies' family of performance measures in a dynamic, graphically rich environment.
- Established regular reporting analysis of the top CountyClick Customer Service Requests for use by the County leadership.

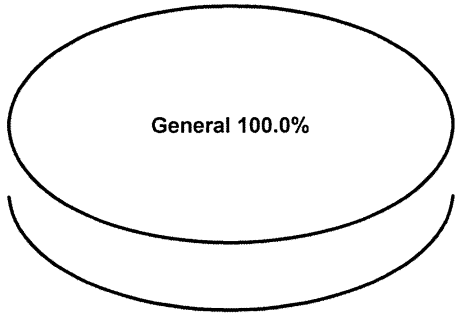
ORGANIZATIONAL CHART



	FY2016 ACTUAL	FY2017 BUDGET	FY2017 ESTIMATED	FY2018 APPROVED	CHANGE FY17-FY18
TOTAL EXPENDITURES	\$ 2,265,740	\$ 2,420,500	\$ 2,348,000	\$ 2,819,100	16.5%
EXPENDITURE DETAIL					
Budget & Management Analysis	2,497,974	2,928,900	2,807,000	3,185,600	8.8%
Recoveries	(232,234)	(508,400)	(459,000)	(366,500)	-27.9%
TOTAL	\$ 2,265,740	\$ 2,420,500	\$ 2,348,000	\$ 2,819,100	16.5%
SOURCES OF FUNDS					
General Fund	\$ 2,265,740	\$ 2,420,500	\$ 2,348,000	\$ 2,819,100	16.5%
Other County Operating Funds:					
TOTAL	\$ 2,265,740	\$ 2,420,500	\$ 2,348,000	\$ 2,819,100	16.5%

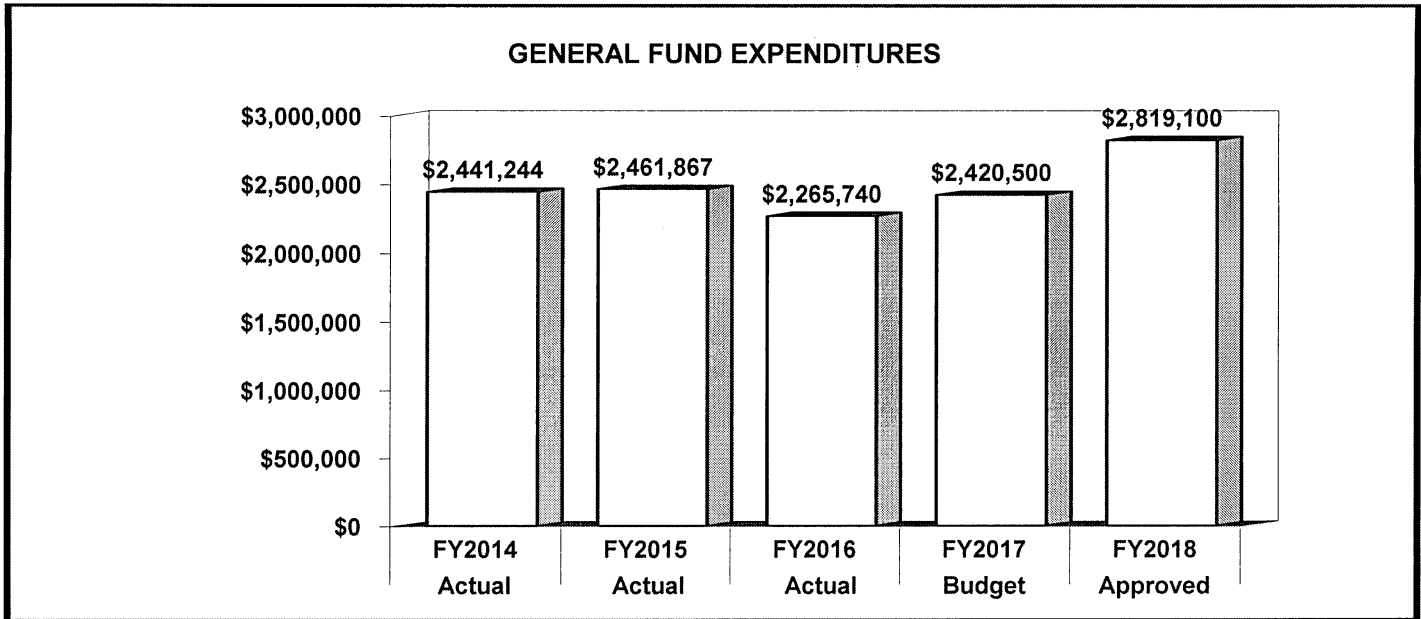
FY2018 SOURCES OF FUNDS

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.

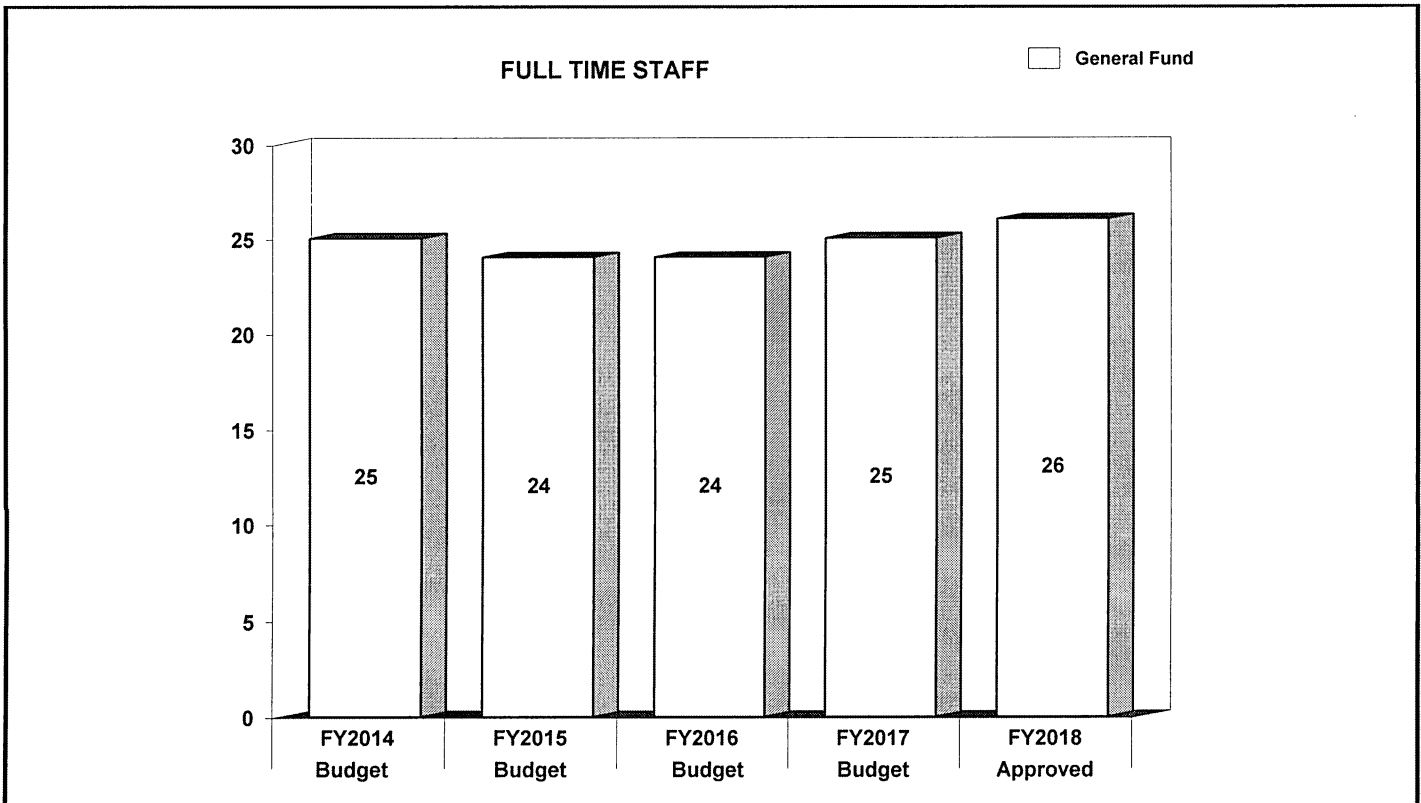


	FY2016 BUDGET	FY2017 BUDGET	FY2018 APPROVED	CHANGE FY17-FY18
GENERAL FUND STAFF				
Full Time - Civilian	24	25	26	1
Full Time - Sworn	0	0	0	0
Part Time	0	0	0	0
Limited Term	0	0	0	0
OTHER STAFF				
Full Time - Civilian				
Full Time - Sworn				
Part Time				
Limited Term Grant Funded				
TOTAL				
Full Time - Civilian	24	25	26	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	5	0	0
Budget/Management Analysts	16	0	0
Budget Aides	1	0	0
Administrative	2	0	0
TOTAL	26	0	0



The agency's expenditures decrease 7.2% from FY 2014 to FY 2016. This decrease was primarily driven by attrition and changes in the staffing complement. The FY 2018 approved budget is 16.5% more than the FY 2017 budget due to a reduction in recoverable expenditures.



The agency's staffing complement remained unchanged from FY 2014 to FY 2017. The FY 2018 staffing total increases by one position from the FY 2017 budget to support additional responsibilities related to the local development council.

	FY2016 ACTUAL	FY2017 BUDGET	FY2017 ESTIMATED	FY2018 APPROVED	CHANGE FY17-FY18
EXPENDITURE SUMMARY					
Compensation	\$ 1,835,129	\$ 2,133,900	\$ 2,051,400	\$ 2,338,000	9.6%
Fringe Benefits	543,240	648,700	609,300	701,400	8.1%
Operating Expenses	119,605	146,300	146,300	146,200	-0.1%
Capital Outlay	0	0	0	0	0%
	\$ 2,497,974	\$ 2,928,900	\$ 2,807,000	\$ 3,185,600	8.8%
Recoveries	(232,234)	(508,400)	(459,000)	(366,500)	-27.9%
TOTAL	\$ 2,265,740	\$ 2,420,500	\$ 2,348,000	\$ 2,819,100	16.5%
STAFF					
Full Time - Civilian	-	25	-	26	4%
Full Time - Sworn	-	0	-	0	0%
Part Time	-	0	-	0	0%
Limited Term	-	0	-	0	0%

In FY 2018, compensation expenditures increase 9.6% over the FY 2017 budget due to cost of living and merit adjustments for employee as well as an increase in the staffing complement by one position. Compensation costs include funding for 26 full-time employees. Fringe benefits increase 8.1% due to changes in the staffing complement.

Operating expenses decrease 0.1% due to the reallocation of costs.

Recoveries decrease 27.9% due to aligning with the current implementation timeline for the Wave 3 of the ERP project. The implementation of the public budgeting module of the ERP project will complete in early FY 2018.

MAJOR OPERATING EXPENDITURES FY2018	
Office Automation	\$ 114,100
Printing and Reproduction	\$ 11,200
Operating and Office Supplies	\$ 9,000
Telephones	\$ 4,400
Training	\$ 4,000

