



THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

6611 Kenilworth Avenue • Riverdale, Maryland 20737

**MCPB Agenda Item #5
October 15, 2015**

MEMORANDUM

TO: Montgomery County Planning Board
FROM: John Kroll, Corporate Budget Manager
DATE: October 9, 2015
SUBJECT: FY 2017 CAS Budget Requests

In the interest of distributing these requests to you in a timely manner, I have not summarized them in this transmittal.

Please find attached FY17 preliminary budget requests from the Department of Human Resources and Management (DHRM), CAS Support Services, the Merit System Board, the Finance Department, Office of Internal Audit, and the Legal Department.

Each attached memo details the base budget and additional requests for each department.

The staff recommendation is for Planning Board approval to prepare the FY17 operating budget at the base budget plus proposed changes level.

Attachments:

DHRM	pages 1-5
CAS Support Services	pages 6-7
Merit System Board	pages 8-9
Finance	pages 10-12
Internal Audit	pages 13-14
Legal	pages 15-16




THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION
6611 Kenilworth Avenue • Riverdale, Maryland 20737

October 5, 2015

PCB 15-32

To: Montgomery County Planning Board
Prince George's County Planning Board

From: Patricia C. Barney, Executive Director 

Subject: FY17 Budget – Administration Fund

- Department of Human Resources and Management
- Central Administrative Support Services
- Merit System Board

Requested Action

Provide direction to prepare the FY17 Proposed Budget for the Administration Fund covering the Department of Human Resources and Management (DHRM), Central Administrative Services Support Services (CAS SS), and the Merit System Board (MSB) at the base budget, plus a restoration of one HR position to address background checks and recruitment volume. The position would be funded 25% Montgomery (\$20,600) and 75% Prince George's (\$61,800) based on volume estimates.

Please note, the FY17 salary marker is budgeted in non-departmental and not reflected in the DHRM or the Merit System Board budget. As the Budget Office is still working on the salary and benefit projections, the figures are preliminary. The Internal Service Funds' proposed FY17 budgets for Risk Management, Group Insurance, Office of the CIO, and the Executive Office Building will be presented in November.

Budget Preparation and Background

I. Department of Human Resources and Management (DHRM) Budget

Under the leadership of the Executive Director, DHRM includes four divisions:

- Office of the Executive Director
- Corporate Budget
- Corporate Policy and Management Operations
- Corporate Human Resources

These areas collectively provide corporate governance and administer agency-wide initiatives to ensure fair and equitable practices/programs, competitive and cost-effective employment compensation and benefits, prudent fiscal planning, and sound workplace and liability protections. Programs administered by the Department are presented on the attached organization chart, along with the proposed positions/workyears (WYs).

Discussion of DHRM Proposed Budget

The Proposed Base Budget incorporates direction from the Corporate Budget Office, including compensation projections and updated county budget allocations for FY17 of 42.1% Montgomery and 57.9% Prince George's.

The FY17 total budget including the proposed restoration of one HR position to meet work program demands is \$4,678,987 and is allocated as follows:

- \$2,063,354 for Montgomery (adjusted from \$2,009,626 in FY16).
- \$2,615,633 for Prince George's (adjusted from \$2,468,422 in FY16).

FY17 Work Program Priorities

- Effectively operate and maintain the new Enterprise Resources Planning system (ERP) for Human Resources components including compensation, position, recruitment, benefits, and self-service modules for improved data consistency and to streamline processes.
- Comply with State regulations to accomplish timely background checks.
- Implement upgrade to ERP budgeting and planning software.
- Continue comprehensive review and update revision of outdated agency standards/policies.
- Update corporate records/archives program to ensure continued compliance with changes in public records laws and revised State of Maryland protocols.
- Implement agency-wide employee training and leadership development program to address critical success planning and lack of workforce training.
- Continue implementing management-supported recommendations from Classification and Compensation study, including job class series reviews prioritized by operating departments.

FY17 Base Budget and Major Known Operating Commitments

The preliminary base budget reflects a 2.6% increase (\$118,539). The increase is \$33,128 for Montgomery and \$85,411 for Prince George's. The total combined base budget includes the following:

- Salaries: \$80,826 increase in total based on current wage assumptions which include annualized impact of FY 16 staffing changes.
- Benefits: \$47,162 increase in health and pension costs.
- Other Operating Charges and Supplies: \$7,723 increase.
- Chargebacks are adjusted for wage and benefit allocation.

Proposed Critical Need

Restore One Frozen HR Position to Address Critical Workload for Employment Background Checks/Recruitment Activities: Human Resources Specialist Grade G (\$82,400) allocated 25% to Montgomery/75% to Prince George's. Critical State compliance requirements and recruitment activities necessitate this position.

Compliance with State Mandates for Background Checks

As a result of 2015 audit by the State of Maryland, the M-NCPPC is required to implement a number of corrective actions for the handling of backgrounds reviews. Some corrective actions include greater monitoring and compliance with training certification requirements which include but are not limited to, ensuring: all certified staff are re-trained on using the live scan equipment; requiring all staff (including IT employees) who handle or have access to background results to attend Security Awareness Training every two years; and establishing an internal policy and process to purge files, every 90 days for applicants who are not employed. The required corrective actions require considerably greater involvement in, and active tracking of background reviews. Equally significant, is the impact of regulatory changes which affect the frequency and volume of background checks which must be conducted. Background reviews are required for all new career employees, contract employees, and volunteers. Annual updates are required for seasonal/intermittent contract employees with significant breaks in service.

For each individual, Human Resources staff must analyze background reports issued separately by FBI and the State of Maryland's Criminal Justice Information System. Findings must be assessed with recommendations to operating departments on the suitability of the potential hire based on a review of the candidate's specific position duties. Effective April 2015, M-NCPPC must also comply with new State regulations for any individual who is hired to work with youth programs. As a result, Human Resources staff must coordinate additional reviews with County Child Protective Services. All of these reviews must be conducted in timely manner to ensure hiring is not delayed. The current program does not have a dedicated staff person. Reviews are handled by an understaffed recruitment office. Consequently, staff

cannot adequately meet the workload and this is having an adverse effect on timeliness of hires. The backlog of work also raises considerable risks in hiring decisions.

In FY14, 5,248 background reviews were performed for Merit and Seasonal/intermittent contract employees. These figures do not account for volunteers who required background reviews.

PGC 4,765 (92%) MC 483 (8%)

We estimate 24 hours per week for the background check program.

Support Critical Recruitment Activities

The remaining 16 hours a week is needed to assist the recruitment office with critical recruitment activities. Over the last four calendar years, there has been a steady and notable increase in hiring activities and required support to operating departments to ensure more consistent adherence and understanding of employment laws. Through 2014, the Office assessed over 55,447 applicants compared with 35,640 in 2011. Although we have provided some additional assistance to this team by reallocating work, the over 50% increase is impacting timely hiring of staff. The requested position also will assist with tracking of required employment statistics, compliance reporting, and audit reviews.

DEPARTMENT OF HUMAN RESOURCES AND MANAGEMENT
PRELIMINARY FY17 OPERATING BUDGET REQUEST

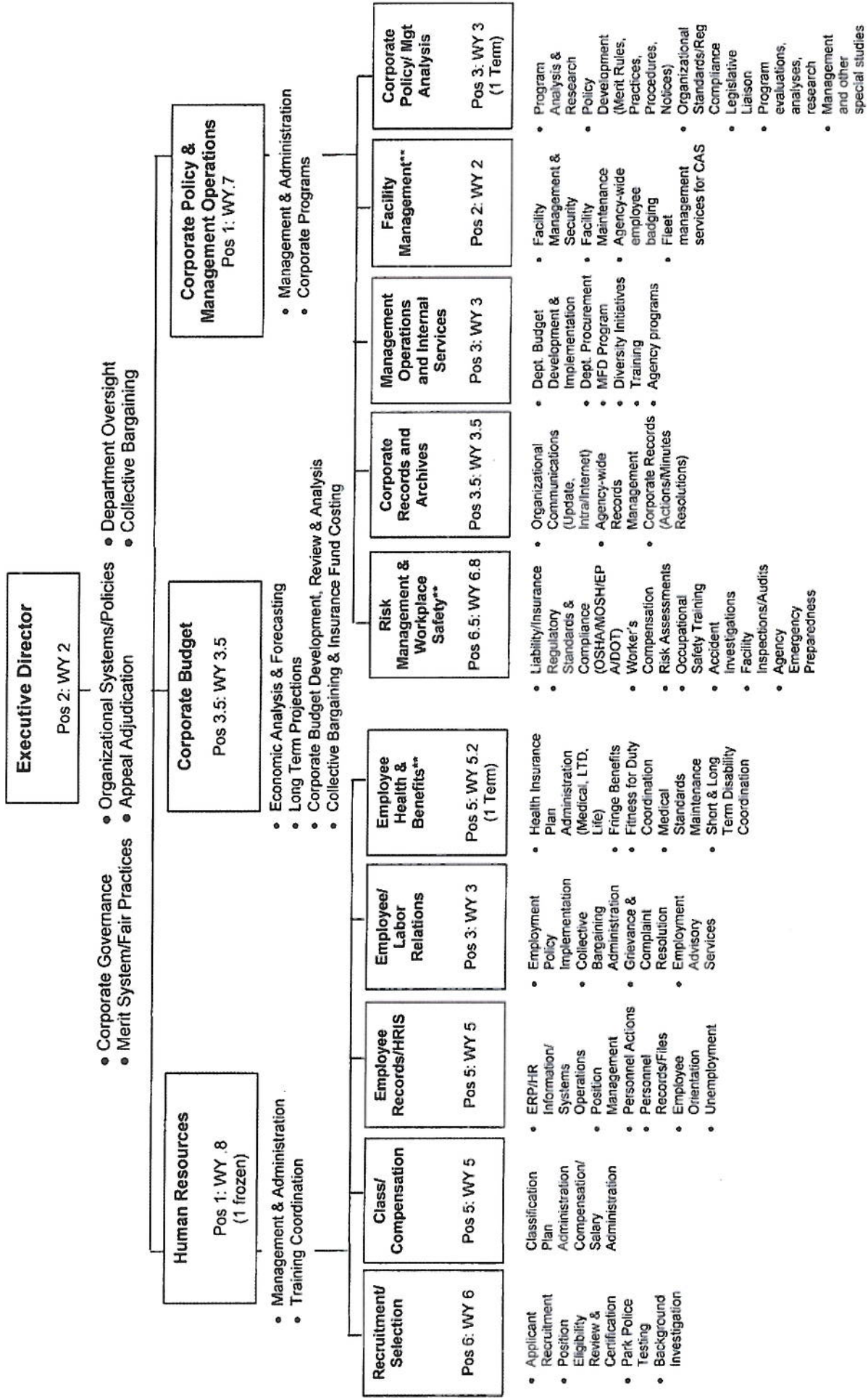
	MC Admin Fund	PGC Admin Fund	Department Total	% Change
FY16 Adopted Budget	\$ 2,009,626	\$ 2,468,422	\$ 4,478,048	
 FY17 BASE BUDGET INCREASES				
Salaries	13,838	66,988	80,826	
Benefits	23,087	24,075	47,162	
Other Operating Changes	(1,801)	9,524	7,723	
Chargebacks	(1,996)	(15,176)	(17,172)	
Subtotal Increase - Base Budget Request	\$ 33,128	\$ 85,411	\$ 118,539	2.6%
 FY17 PROPOSED CRITICAL NEED				
Restoration of Frozen HR Position	20,600	61,800	82,400	
Total Increase to Base Budget	\$ 53,728	\$ 147,211	\$ 200,939	
Total FY17 Proposed Budget Request	\$ 2,063,354	\$ 2,615,633	\$ 4,678,987	4.5%

Authorized Positions and Funded Workyears for DHRM

The following table presents the FY17 authorized Merit position count as proposed to remain at 37 with 1 additional work year funded for the restored human resources position. The Corporate Budget Office recommends the requested position be allocated .25WY to Montgomery and .75WY to Prince George's based on the associated work program. There are no changes to Term positions.

	Authorized Positions	Funded WYs	MC WYs	PGC WYs
Existing FY16 Term Contract Positions (No Change for FY17)	1	1	.5	.5
Existing FY16 Merit Position/WY Total	37	34	15	19
Requested FY17 Program Support: Restore one Human Resources position to address background clearance and other critical program needs	Already in FY16 count	1	.25	.75
FY17 Proposed Merit Position Count	37	35	15.25	19.75

FY2017 Proposed
 Department of Human Resources and Management
 Organizational Chart (Merit & Term Positions)



II. FY 17 CAS Support Services Budget

The Central Administrative Service (CAS) consists of the following departments and units that provide corporate administrative governance and support to the Commission as a whole:

- Department of Human Resources and Management
- Finance Department
- Legal Department
- Internal Audit Division
- Office of the Chief Information Officer
- Merit System Board

CAS Support Services accounts for non-discretionary shared operating expenses attributable to these bi-county operations. Operating costs for housing CAS operations (office space and building operations). This represents the largest portion of the CAS Support Services budget (68% or \$960,976).

Expenses covered by the CAS Support Services budget include:

- Personnel Services costs for reimbursement of unemployment insurance for the State of Maryland. There are no staff positions/work years assigned to this budget.
- Supplies and Materials category covers small office fixtures, communication equipment and other office supplies shared by departments/units in the building.
- Other Services and Charges (OS&C) category includes expenses for technology, utilities, postage, document production, lease of copiers, and equipment repair/maintenance. OS&C provides funds for CAS share of risk management and partial funds for the contract of equipment and services for the Document Production Services Center.

Discussion of Proposed CAS Budget

The total CAS Support Service budget for FY17 is \$1,403,056 which represents a small adjustment of a 0.5% (or \$7,404) from FY16 levels. No new initiatives are requested. All line items were reviewed for appropriate allocation and wherever possible, reductions were made to further contain costs.

The CAS Support Services budget is presented using the FY17 allocation of 44.2% Montgomery and 55.8% for Prince George's. The FY17 total budget of \$1,403,056 is allocated as follows:

- \$620,150 for Montgomery (adjusted from \$623,856 in FY16).
- \$782,906 for Prince George's (adjusted from \$771,796 in FY16).

The FY17 Proposed Budget adjustments are based on the following known commitments:

- Operating Costs for housing CAS operations were unchanged.
- Personnel Services costs for unemployment insurance were reduced 14.1% or (\$1,480)
- Supplies and Materials were reduced 11.9% (\$2,970) due to continued cost containment measures.
- Other Services and Charges increased .87% or (\$11,854) due to small adjustments in telephone/communication costs.

Additional Essential Needs/Requests

There are no requests for additional funding.

**CAS SUPPORT SERVICES
PRELIMINARY FY17 OPERATING BUDGET REQUEST**

	MC Admin Fund	PGC Admin Fund	Total	% Change
FY16 Adopted Budget	\$ 623,856	\$ 771,796	\$ 1,395,652	
FY17 BASE BUDGET INCREASES/DECREASES				
Personnel Costs	(707)	(773)	(1,480)	
Benefits	0	0	0	
Operating Charges*	(2,999)	11,883	8,884	
Chargebacks	0	0	0	
Subtotal Increase - Base Budget Request	\$ (3,706)	\$ 11,110	\$ 7,404	0.5%
New Initiatives	0	0	0	
Total Increase for FY17 (Changes in Base plus new initiatives)	\$ (3,706)	\$ 11,110	\$ 7,404	
			\$ -	
Total FY17 Proposed Budget Request	\$ 620,150	\$ 782,906	\$ 1,403,056	0.5%

III. **FY 17 Merit System Board Administration Budget**

The Merit System Board (MSB) is authorized by the Commission's enabling legislation (Division II of the Land Use Article of the Code of Maryland, Title 16, Subtitle 1, "Merit System", Sections 16-101—108). It is an impartial Board composed of three members: the Chair, appointed to a four-year term; the Vice Chair, appointed to a three-year term; and a Board Member, appointed to a two-year term. They are responsible for making recommendations and decisions regarding the Commission's Merit System. Board members are experienced in personnel and employment issues and committed to fair and impartial investigations and decisions on the application of Commission policy to non-represented Merit System employees.

The duties of the Merit System Board are to:

- Review, hear, and make decisions on appeals of adverse actions (e.g., termination, demotion, loss of pay, etc.).
- Review, hear, and make decisions on appeals of concerns that have not been resolved through the M-NCPPC administrative grievance process.
- Consider input from employees and management on issues pertaining to the Merit System.
- With support of the agency's Corporate Policy office and with input from employees and management, recommend changes to the Merit System Rules and Regulations Manual (which addresses employment rights and responsibilities, compensation and benefit policies). Recommendations are submitted to the Commission for adoption.
- With support of the Classification/Compensation office, review proposed changes to compensation and classification plans and submit recommendations to the Commission.
- Report periodically, or as requested, to the Commission on matters relating to the Merit System.

Discussion of Proposed Merit System Board Budget

Both counties fund the Merit System Board's budget equally. The Board is comprised of three members whose salaries are set by contract. The Commission has discretionary powers to set the rate of pay for each of the Merit System Board members. At the present time, no salary increase has been approved for the Board members. The FY17 proposed budget includes a correction in salary/benefits projections.

The Board is supported by one part-time Merit System position. For FY17, the part-time hours of the Merit System position are not expected to change.

FY17 Budget Priorities and Strategies

Continue to provide:

- Timely review of cases.
- Objective review of matters and policy recommendations before the Board.
- Quality services to the agency and employees.

Base Budget and Known Operating Commitments

The proposed FY17 budget level is \$170,427. This represents a 20% increase (or \$28,867) from FY16 levels. However, it should be noted that the FY17 increase is due primarily to a correction in FY16 salary and benefit projections. The FY16 levels were reevaluated and found to include too large of a reduction. Thus, when looking at a two year period, the FY17 budget reflects:

- 3.4% increase in compensation from FY15 levels.
- An overall budget adjustment of 2.9% from FY15 levels of \$165,620.

Additional Essential Needs/Requests

The Board has not proposed any new essential needs/initiatives for FY17.

**MERIT SYSTEM BOARD
FY17 OPERATING BUDGET REQUEST**

	MC	PGC	Department Total	%
				Change
FY16 Adopted Budget	<u>\$ 70,780</u>	<u>\$ 70,780</u>	<u>\$ 141,560</u>	
 FY17 BASE BUDGET INCREASES				
Salaries	9,894	9,894	19,788	
Benefits	4,540	4,540	9,079	
Chargebacks	-	-	-	
Other Operating Charges	-	-	-	
Subtotal Base Budget FY17	<u>\$ 85,214</u>	<u>\$ 85,214</u>	<u>\$ 170,427</u>	20.4%
 FY17 PROPOSED CHANGES/ESSENTIAL NEEDS				
Specific Request	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	
Subtotal Proposed Changes	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	
 Total FY17 Proposed Budget Request	 <u>\$ 85,214</u>	 <u>\$ 85,214</u>	 <u>\$ 170,427</u>	 20.4%

Notes: Merit Board allocation is 50% for each county.

Please note, that the FY17 budget includes a correction in compensation/benefit levels used in FY16. FY16 levels included too large of reductions in personnel projections. With the correction, the proposed FY17 levels reflect an overall increase of 2.9% (or \$4,807) from the FY15 budgeted level of \$165,620.



THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

6611 Kenilworth Avenue Riverdale, Maryland 20737

MEMORANDUM

DATE: October 8, 2015

TO: Montgomery County Planning Board
Prince George's County Planning Board

FROM: Joseph C. Zimmerman, Secretary-Treasurer

SUBJECT: Finance Department FY17 preliminary budget submission

The Planning Boards have provided general guidance for developing the FY 2017 budget. This guidance is to prepare a base budget for 2017 including major known commitments required to maintain services. Also to be included are requests for additional funding of items necessary to improve services going forward.

I am pleased to submit the attachment in response to your guidance. Comments on specific items are as follows:

- **Personal services:** Decrease of \$205,570 in salaries and \$61,284 in benefits. This amount does not include any anticipated amounts for merit or COLA increases, which are addressed separately by the Budget Office. These preliminary amounts are subject to final review and verification but are believed to be accurate at this time.
- **Other operating charges:** Various contracts for software and IT hardware support will increase in cost for fiscal 2017 by \$131,000.

Changes to chargebacks are not determined as of this writing. Based on the above amounts, the base budget would decrease by 3.0%, or \$136,854.

After careful consideration, I would propose the Finance Department's contribution to the Equipment Internal Service Fund be increased by \$95,000 in FY 17. This will allow us to procure needed equipment to support expansion of ERP functionality and build redundancy across the organization to ensure data integrity and recovery. Evaluation of specific strategies is ongoing, and will allow this budget request to be refined in the coming weeks and months.

The staffing needs of the Department have also been carefully considered. At this time, it is believed that the existing complement of positions will be adequate to support the service demands. We are in the process of moving to filling all positions, after considerable turnover in fiscal 2015 and early 2016.

Thank you for your consideration and review of this preliminary request. I look forward to discussing it with you.

PRELIMINARY FY17 OPERATING BUDGET REQUEST

	MC Admin Fund	PGC Admin Fund	DEPARTMENT TOTAL	% Change	Positions
FY16 Adopted Budget \$	3,176,734	\$ 3,750,789	\$ 6,927,523		

FY17 BASE BUDGET INCREASES

Salaries	(89,902)	(116,668)	(206,570)		
Benefits	(33,260)	(28,024)	(61,284)		
Other Operating Changes	60,000	71,000	131,000		
Chargebacks					
FY16 One-time Expenses					
Subtotal Increase - Base Budget Request \$	(63,162)	\$ (73,692)	\$ (136,854)	-2.0%	

Change to Base Between Counties from Labor Cost Allocation Change

PROPOSED CHANGES

Add'l Equip ISF	47,500	47,500	95,000		
Specific Request					
Specific Request					
Specific Request					
Specific Request					
Subtotal Proposed Changes \$	47,500	\$ 47,500	\$ 95,000	1.4%	
Total Increase FY17 Proposed Budget Request \$	(15,662)	\$ (26,192)	\$ (41,854)	-0.6%	



THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION
 6611 Kenilworth Avenue • Riverdale, Maryland 20737

October 15, 2015

To: Montgomery County Planning Board

From: Renee Kenney, Chief Internal Auditor

Renee M Kenney

Re: FY17 Budget Request/Justification

Staff Recommendation

Approval to prepare the FY17 Office of Internal Audit (OIA) operating budget at the base budget plus proposed changes.

Office of Internal Audit
 PRELIMINARY FY17 OPERATING BUDGET REQUEST

	MC Admin Fund	PGC Admin Fund	DEPARTMENT TOTAL	% Change
FY16 Adopted Budget	\$ 200,933	\$ 354,986	\$ 555,919	
FY17 BASE BUDGET INCREASES				
Salaries	24,182	(9,060)	15,122	
Benefits	1,550	(7,634)	(6,084)	
Other Operating Changes			-	
Chargebacks			-	
FY16 One-time Expenses				
Subtotal Increase - Base Budget Request	\$ 25,732	\$ (16,694)	\$ 9,038	1.6%
Change to Base Between Counties from Labor Cost Allocation Change				
PROPOSED CHANGES				
Specific Request				
Subtotal Proposed Changes	\$ -	\$ -	\$ -	0.0%
Total Increase FY17 Proposed Budget Request	\$ 25,732	\$ (16,694)	\$ 9,038	1.6%
FY17 OPERATING BUDGET REQUEST	\$ 226,665	\$ 338,292	\$ 564,957	

The OIA has a FY16 adopted budget of \$555,919, split between Montgomery County and Prince George's County, 36/64% respectively. The proposed FY17 operating budget of \$564,957 represents an overall increase of 1.6% or \$9,038¹ over FY16.

The \$9,038 increase in salaries and benefits is primarily due to salary equity and COLA adjustments. The split between Montgomery County and Prince George's County reflects the recently approved CAS Labor Allocation analysis which resulted in the increase to Montgomery County and the decrease to Prince George's County reflected here (40/60%).

The OIA does not have any special requests for FY17.

Thank you for your consideration.

¹ Salary amounts do not include any compensation markers for FY17. Salary and benefit adjustments to the base budget were obtained from the Budget Office and should be considered preliminary



**Office of the General Counsel
Maryland-National Capital Park and Planning Commission**

Reply To

October 15, 2015

Adrian R. Gardner
General Counsel
6611 Kenilworth Avenue, Suite 200
Riverdale, Maryland 20737
(301) 454-1670 • (301) 454-1674 fax

Memorandum

TO: Montgomery County Planning Board
Prince George's County Planning Board

FROM: Adrian R. Gardner
General Counsel

RE: Legal Department – FY 17 Administration Fund

This memorandum is to solicit Planning Board input in crafting the FY 2017 budget for the Commission's Office of General Counsel (OGC or Legal Department).

A. Recommendation

I recommend a maintenance-of-effort budget.

B. Budget Proposal

The Legal Department's FY 2017 proposed budget after chargebacks is \$2,433,055, allocated as follows:

- Montgomery County Administration Fund: \$1,374,793
- Prince George's County Administration Fund: \$1,058,262

This proposal represents a modest net decrease (2.2%) below our FY 2016 approval. That net decrease primarily represents a decrease in the pension rate. All non-personnel items are retained at levels that are flat. The proposal considers the most recent cost allocation split 51.9/48.1 MC/PGC.

C. Conclusion

I respectfully request Planning Board support this proposal.

c: Tonya Miles, Chief Departmental Administrator

Attachment

Memorandum re: Legal Department – FY 15 Administration Fund
 October 15, 2015
 Page 2

LEGAL DEPARTMENT
 PRELIMINARY FY17 OPERATING BUDGET REQUEST

	MC Admin Fund	PGC Admin Fund	DEPARTMENT TOTAL	% Change	Positions
FY16 Adopted Budget	\$ 1,467,883	\$ 1,019,042	\$ 2,486,925		24.0

FY17 BASE BUDGET INCREASES

Salaries	(59,454)	36,289	(23,165)		
Benefits	3,033	19,924	22,957		
Supplies and Materials	(566)	566	(0)		
Other Operating Changes	(6,389)	6,389	(0)		
Chargebacks	(29,714)	(23,948)	(53,662)		
FY16 One-time Expenses					
Subtotal Increase - Base Budget Request	\$ (93,090)	\$ 39,220	\$ (53,870)	-2.2%	24.0

Change to Base Between Counties from Labor Cost Allocation Change

PROPOSED CHANGES

Specific Request					
Specific Request					
Specific Request					
Specific Request					
Specific Request					
Subtotal Proposed Changes	\$ -	\$ -	\$ -	0.0%	
Total Increase FY17 Proposed Budget Request	\$ (93,090)	\$ 39,220	\$ (53,870)	-2.2%	0.0%
Total FY17 Proposed Budget Request	\$ 1,374,793	\$ 1,058,262	\$ 2,433,055		