

## Office of Management and Budget - Fiscal Year 2021 Budget Review Summary

### Proposed FY 2021 Operating Budget

#### Expenditures by Fund Type

Fund	FY 2020 Approved	FY 2020 Estimated	FY 2021 Proposed	4/20/2020 CEX Adjustment	FY 2021 Revised Proposed	\$ Change	% Change
General Fund	\$ 3,383,500	\$ 2,817,200	\$ 3,716,800	\$ (689,200)	\$ 3,027,600	\$ (355,900)	-10.5%

#### Authorized Staffing - All Classifications

Fund	FY 2020 Approved	FY 2021 Proposed	4/20/2020 CEX Adjustment	FY 2021 Revised Proposed	Change	% Change
General Fund	27	32	(5)	27	0	0.0%

#### FY 2021 Proposed Budget – Key Highlights

- Net Changes in Compensation: Increases due to Public Policy Fellows program (\$185,400) and new positions (\$145,000), Decreases due to Other staffing related adjustments (\$139,900)
- Increased Fringe Benefits: Based on Compensation changes (\$57,500)
- Increased Operating Costs: Technology/Office Automation (\$86,800), Travel (\$6,700), and Training (\$4,100)
- Increased Recoveries (\$12,300) due to anticipated increases in compensation and fringe for staff related to budgeting and management functions of the Capital Improvement Program (CIP).
- Authorized general fund positions increase by five (5) positions; two (2) Budget Analyst positions and three (3) limited-term positions for the Public Policy Fellows program
- Vacancies (As of 5/4/20): 10 FT General Fund positions.
- To date, as of May 2020, the Office has lost 7 employees with most driven by new job opportunities (internal and external) and retirements.
- The SAP Budget and Planning module implementation is complete, and the Office continues to work with the SAP consultants and other user groups to improve the functionality of the system. The Office looks forward to fully utilizing the Personnel Expenditure Projection (PEP) tool in the FY 2022 budget cycle. This tool will allow the Office to update economic factors and apply systemwide adjustments, such as assumed wage scale adjustments per collective bargaining units as well as automatically calculate compensation and fringe benefit costs based on actual employee data in the Human Capital Management (HCM) module.
- Currently, there are two (2) analysts assigned to CountyStat. See *First Round Budget Response Q.21* for a complete listing of projects that the CountyStat team has worked on FY 2020

#### County Executive's Recommended Adjustments

- Reduce Compensation: Remove proposed funding for Merits/COLAs, two new positions, the Public Policy Fellows program (3 limited term positions), and vacant positions that were originally included in the FY21 Proposed Budget; Increased attrition (net change \$535,100)
- Reduce Fringe Benefits: As a result of the above adjustment to compensation (\$154,100)

Category	FY 2020 Approved	FY 2020 Estimated	FY 2021 Proposed	4/20/2020 CEX Adjustment	FY 2021 Revised Proposed	Change Amount	% Change
Compensation	\$ 2,644,000	\$ 2,177,000	\$ 2,834,500	\$ (535,100)	\$ 2,299,400	\$ (344,600)	-13.0%
Fringe Benefits	758,800	611,700	816,300	(154,100)	662,200	(96,600)	-12.7%
Operating Expenses	165,300	151,300	262,900	-	262,900	97,600	59.0%
Recoveries	(184,600)	(122,800)	(196,900)	-	(196,900)	(12,300)	6.7%
<b>Total</b>	<b>\$ 3,383,500</b>	<b>\$ 2,817,200</b>	<b>\$ 3,716,800</b>	<b>\$ (689,200)</b>	<b>\$ 3,027,600</b>	<b>\$ (355,900)</b>	<b>-10.5%</b>



**THE PRINCE GEORGE'S COUNTY GOVERNMENT**  
**Office of Audits and Investigations**

May 13, 2020

M E M O R A N D U M

TO: Todd M. Turner, Chair  
 Committee of the Whole (COW)

THRU: David H. Van Dyke, County Auditor *DHV*

FROM: Larry Whitehurst Jr., Audit Manager *LW*

RE: Office of Management and Budget  
 Fiscal Year 2021 Budget Review

**Budget Overview**

The FY 2021 Proposed Budget for the Office of Management and Budget is approximately \$3.7 million, an increase of \$333,300, or 9.9%, above the FY 2020 approved budget. The increase is primarily due to cost-of-living adjustments, merit increases, a contractual position, funding for two new Budget Management Analyst positions, and reinstatement of the County's Public Policy Fellows program. The Office of Management and Budget is funded entirely by the General Fund.

**Budget Comparison - General Fund**

Approved Fiscal Year 2020 to Proposed Fiscal Year 2021

Category	FY 2019 Actual	FY 2020 Approved	FY 2020 Estimated	% Change - Est vs App	FY 2021 Proposed	\$ Change	% Change
Compensation	\$ 2,114,331	\$ 2,644,000	\$ 2,177,000	-17.7%	\$ 2,834,500	\$ 190,500	7.2%
Fringe Benefits	600,193	758,800	611,700	-19.4%	816,300	57,500	7.6%
Operating Expenses	129,335	165,300	151,300	-8.5%	262,900	97,600	59.0%
SubTotal	\$ 2,843,859	\$ 3,568,100	\$ 2,940,000	-17.6%	\$ 3,913,700	\$ 345,600	9.7%
Recoveries	(43,195)	(184,600)	(122,800)	-33.5%	(196,900)	(12,300)	6.7%
<b>Total</b>	<b>\$ 2,800,664</b>	<b>\$ 3,383,500</b>	<b>\$ 2,817,200</b>	<b>-16.7%</b>	<b>\$ 3,716,800</b>	<b>\$ 333,300</b>	<b>9.9%</b>

Authorized Staffing Count - General Fund

	<b>FY 2020 Approved</b>	<b>FY 2021 Proposed</b>	<b>Change Amount</b>	<b>% Change</b>
Full-Time	27	29	2	7.4%
Limited-Term	0	3	3	100.0%
<b>Total</b>	<b>27</b>	<b>32</b>	<b>5</b>	<b>18.5%</b>

**Staffing Changes and Compensation**

- In FY 2021, compensation will increase by \$190,500, or 7.2%, above the FY 2020 approved budget level due to cost-of-living adjustments, merit increases, and funding for two new budget management analyst positions, and reinstatement of the County’s Public Policy Fellows program.
- The General Fund provides for 29 full-time and three (3) limited-term positions in FY 2021, which is an overall increase of five (5) positions over the FY 2020 approved level.
- As of May 4, 2020, the Office has ten (10) vacant Budget Management Analyst positions.
- The Office currently has two (2) positions assigned to the County Executive’s Office on a full-time basis. The two filled positions, which are CountyStat staff members, are expected to continue in FY 2021.
- The Office’s current rate of attrition is 41.2%. The Office cites the key factors contributing to the current attrition level is new job opportunities and retirements. The following table provides the Office’s rate of attrition for the last five fiscal years:

<b>Attrition Rate - Historical Trend</b>					
	<b>FY 2016</b>	<b>FY 2017</b>	<b>FY 2018</b>	<b>FY 2019*</b>	<b>FY 2020 (YTD)+</b>
# of Separations	2	1	5	2	7
# of Filled Positions	20	23	21	23	17
Rate of Attrition	10.0%	4.3%	23.8%	8.7%	41.2%

\* Through May 1, 2019

+ As of May 4, 2020

**Fringe Benefits**

- Fringe benefit expenditures for FY 2021 are proposed at \$816,300. This is an increase of \$57,500, or 7.6%, over the FY 2020 approved level due to anticipated compensation adjustments and funding for new positions.

<b>Fringe Benefits Historical Trend - General Fund</b>					
	<b>FY 2017 Actual</b>	<b>FY 2018 Actual</b>	<b>FY 2019 Actual</b>	<b>FY 2020 Estimated</b>	<b>FY 2021 Proposed</b>
Compensation	\$ 1,977,004	\$ 2,102,734	\$ 2,114,331	\$ 2,177,000	\$ 2,834,500
Fringe Benefits Expenditures	\$558,286	\$573,394	\$600,193	\$611,700	\$816,300
As a % of Compensation	28.2%	27.3%	28.4%	28.1%	28.8%
% Change		2.7%	4.7%	1.9%	33.4%

**Operating Expenses**

- Proposed FY 2021 operating expenses increase by \$97,600, which is 59.0% over the FY 2020 approved level. The increase is driven by an increase in office automation charges. Additionally, resources are allocated for an increase in training and travel costs to meet operational needs.
- The following table compares the FY 2021 proposed operating expenditures with the FY 2020 approved operating expenditures. In seven (7) of the categories, the FY 2021 proposed budget level remains unchanged compared to the FY 2020 budget level. In three (3) of the categories, there is an increase in planned spending in FY 2021.

<b>Operating Objects</b>	<b>FY 2020 Budget</b>	<b>FY 2021 Proposed</b>	<b>FY 2020 - FY 2021</b>	
			<b>\$ Change</b>	<b>% Change</b>
Office Automation	113,500	200,300	86,800	76.5%
Travel: Non-Training	800	7,500	6,700	837.5%
Training	15,000	19,100	4,100	27.3%
Miscellaneous	3,000	3,000	-	0.0%
Telephone	5,300	5,300	-	0.0%
Membership Fees	1,000	1,000	-	0.0%
Mileage Reimbursement	3,000	3,000	-	0.0%
Office and Operating Equipment Non-Capital	1,500	1,500	-	0.0%
Printing	10,200	10,200	-	0.0%
General Office Supplies	12,000	12,000	-	0.0%
<b>TOTAL</b>	<b>\$ 165,300</b>	<b>\$ 262,900</b>	<b>\$ 97,600</b>	<b>59.0%</b>

**Recoveries**

- In FY 2020, the Office is estimated to receive a total of \$122,800 in recoveries for employee salaries and fringe benefit expenditures related to budgeting and management functions of the Capital Improvement Program (CIP). In FY 2021, the Office anticipates receiving \$196,900 in recoveries for the same purpose, which is 6.7% above the FY 2020 approved budgeted amount in recoveries.

### **Highlights and Other Issues**

- The SAP Budget and Planning module implementation is complete, and the Office continues to work with the SAP consultants to improve the functionality of the system. For the FY 2022 cycle, the Office looks forward to fully utilizing the Personnel Expenditure Projection (PEP) tool. This tool allows OMB to update economic factors and apply systemwide adjustments, such as assumed wage scale adjustments per collective bargaining units. Additionally, it has the ability to automatically calculate compensation and fringe benefit costs based on actual employee data in the Human Capital Management (HCM) module.
- Implementation of the SAP Budget and Planning (SBP) module for the FY 2021 budget cycle required significant work for the Office in FY 2020. The FY 2021 proposed budget will be the second year of using the new system and included the phasing in of new users such as the Maryland-National Capital Park and Planning Commission (MNCPPC), the Board of Education, the Memorial Library, and the Prince George's Community College. The Office will continue to partner with the Office of Human Resource Management (OHRM) and other county agencies to update critical fiscal and HR data in SAP as well as working with the SAP team to make critical system and reporting improvements.
- In FY 2020, the Office maintains a full-service team structure to address grant management workload demands. Thus, OMB continues to provide internal training sessions in order to equip analysts with knowledge and exposure to additional modules within SAP. This on-going training is anticipated to continue in FY 2021 to allow for greater customer service and support to the agencies.
- The CountyStat program was launched to deliver results through analysis, accountability, and innovation. Focusing on specific topics, CountyStat is able to ensure that the County is making measurable progress on important issues. Currently, there are two (2) analysts assigned to CountyStat. See *First Round Budget Response Q.21* for a complete listing of FY 2020 projects that the CountyStat team worked with County agencies on. Some of these projects include:
  - Collaborated with OHRM to set up online training for the new SAP performance management module (SBP03);
  - Aided the Department of Corrections to establish a series of performance indicators to better reflect agency outcomes and work product; and
  - Supported the Board of Elections to determine a modern ballot allocation methodology.
- Over the next three years, the Office anticipates the most critical issues to be the following:
  - Identifying ways to ensure the continued affordability of the Capital Improvement Program (CIP); and
  - Continuing to engage stakeholders in identifying ways to address the County's structural fiscal imbalance in order to prepare for future downturns in the economy.