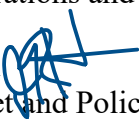




April 29, 2024

MEMORANDUM

TO: Ingrid S. Watson, Chair
Government Operations and Fiscal Policy (GOFP) Committee

THRU: Joseph R. Hamlin 
Director of Budget and Policy Analysis

FROM: Andrew Stover 
Legislative Budget and Policy Analyst

RE: Office of Management and Budget
Fiscal Year 2025 Budget Review

Budget Overview

The FY 2025 Proposed Budget for the Office of Management and Budget is \$4,102,900, a decrease of \$102,000, or -2.4%, from the FY 2024 Approved Budget. This decrease is primarily due to increases in recoveries from the American Rescue Plan Act (ARPA) grant program for three employees as well as the annualization of FY 2024 salary adjustments for capital budget staff, which are offset by increases in compensation.

Expenditures Overview

Fund	FY 2023 Actual	FY 2024 Approved	FY 2024 Estimated	% Change - Est vs App	FY 2025 Proposed	\$ Change, Prop vs App	% Change
General Fund	\$3,405,748	\$4,202,900	\$4,109,200	-2.23%	\$4,102,900	(\$100,000)	-2.4%
Total	\$3,405,748	\$4,202,900	\$4,109,200	-2.23%	\$4,102,900	(\$100,000)	-2.4%

Expenditures by Category

Actual Fiscal Year 2023 to Proposed Fiscal Year 2025

Category	FY 2023 Actual	FY 2024 Approved	FY 2024 Estimated	% Change - Est vs App	FY 2025 Proposed	\$ Change	% Change
Compensation	\$2,321,219	\$2,897,400	\$2,933,000	1.2%	\$2,945,000	\$ 47,600	1.6%
Fringe Benefits	644,458	918,500	915,300	-0.3%	942,400	23,900	2.6%
Operating Expenses	515,071	595,900	577,300	-3.1%	584,400	(11,500)	-1.9%
SubTotal	\$3,480,748	\$4,411,800	\$4,425,600	0.3%	\$4,471,800	\$ 60,000	1.4%
Recoveries	(75,000)	(206,900)	(316,400)	52.9%	(368,900)	(162,000)	78.3%
Total	\$3,405,748	\$4,204,900	\$4,109,200	-2.3%	\$4,102,900	\$ (102,000)	-2.4%

Staffing Changes and Compensation

Authorized Staffing Count - General Fund				
	FY 2024 Approved	FY 2025 Proposed	Change Amount	% Change
Full-Time	29	29	0	0.0%
Limited-Term	2	2	0	0.0%
Total	31	31	0	0.0%

- FY 2025 compensation is proposed at \$2,945,000, a \$47,600, or 1.6%, increase from the FY 2024 Approved Budget level. This increase is primarily due to the annualization of FY 2024 salary adjustments offset by the defunding of one position.
- The FY 2025 Proposed Budget includes authorization for 29 full-time General Fund positions, with no increases from the previous fiscal year. The compensation for only 28 staff members is being proposed, however, as one (1) position is being unfunded. Two (2) other positions are being funded for only 50% of the fiscal year.
- As of March 2024, the Office reported that it had five (5) vacancies. Three (3) of these vacancies are for full-time positions- specifically, the Administrative Aide and Budget Analyst positions. The hiring process for all three (3) of these positions is on hold. The other two (2) vacancies are for the two (2) limited term grant funded positions, and hiring is underway.
- As of March 2024, one (1) staff member had left the Office, leaving the attrition rate at 4%.
- Three (3) Budget Management Analyst staff members have been transferred to the Office of the County Executive in FY 2024 and their assignments are proposed to continue in FY 2025.

Fringe Benefits

Fringe Benefits Historical Trend - General Fund					
	FY 2021 Actual	FY 2022 Actual	FY 2023 Actual	FY 2024 Budgeted	FY 2025 Proposed
Compensation	\$ 2,170,010	\$ 2,164,428	\$ 2,321,219	\$ 2,897,400	\$ 2,945,000
Fringe Benefits Expenditures	\$633,761	\$608,816	\$644,458	\$918,500	\$942,400
As a % of Compensation	29.2%	28.1%	27.8%	31.7%	32.0%
% Change	13.5%	-3.9%	5.9%	42.5%	2.6%

Fringe Benefit expenditures for FY 2025 are proposed at \$942,400 which is an increase of \$23,900, or 2.6%, above the FY 2024 Approved Budget to align with projected costs.

Operating Expenses

Operating Objects	FY 2024 Budget	FY 2025 Proposed	FY 2024 - FY 2025	
			\$ Change	% Change
Telephone	\$ 5,200	\$ 4,900	\$ (300)	-5.8%
Printing	12,000	18,000	6,000	50.0%
Office Automation	527,100	517,200	(9,900)	-1.9%
Training	12,700	12,700	-	0.0%
Advertising	800	500	(300)	-37.5%
Travel: Non-training	6,000	6,000	-	0.0%
Membership Fees	1,000	1,200	200	20.0%
Mileage Reimbursement	1,000	500	(500)	-50.0%
Operating Contracts	14,600	9,000	(5,600)	-38.4%
General Office Supplies	12,000	10,900	(1,100)	-9.2%
Office and Operating Equipment Non-Capital	500	500	-	0.0%
Miscellaneous	3,000	3,000	-	0.0%
TOTAL	\$ 595,900	\$ 584,400	\$ (11,500)	-1.9%

- Proposed FY 2025 operating expenses are \$584,000, a decrease of \$11,500, or -1.9%, below the FY 2024 Approved level. This decrease is primarily due to a decrease in line items for Office Automation, Operating Contracts, and Office Supplies.
- Some of the major line items in the operating budget include:
 - Office Automation- \$517,200
 - Printing- \$18,000
 - Training- \$12,700
 - General Office Supplies- \$10,900
 - Operating Contracts- \$9,000

- Operating expenses exceed FY 2024 amounts in only two (2) line items, while decreases are shown in six (6) line items. The increases are \$6,000 in printing due to increase use and a \$200 increase in membership fees to align with expected costs.

Recoveries

- In FY 2025, the Office is estimated to receive a total of \$368,900 in recoveries, a \$162,000 increase from the previous year, or 78.3%. This increase is due to new recoveries from the American Rescue Plan Act (ARPA) to support three (3) employees as well as the anticipated cost of staff dedicated to the capital budget program.

Workload and Program Key Points

- General Fund Balance: The FY 2025 budget uses \$27.8 million out of the \$206 million projected to be in unassigned fund balance funds. \$20 million of this funding will be used for operating expenses, while the other \$7.8 million will be used for one-time spending. This one-time spending includes a \$3 million capital project in the Office of Information Technology (OIT), \$3.9 million in debt service payments to support the University of Maryland Medical System, \$1 million for a local business bond fund, and a \$50,000 reimbursement to the Arts & Humanities Council.
- CountyStat continues to be used to track progress on a number of County priorities. Among the top issues that CountyStat is being used for are beautification, performance data related to ARPA funding, time it takes to fill vacant roles, prompt payments to vendors, and 311 service requests.