



May 1, 2025

MEMORANDUM

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

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

FROM: Sylvia S. Singleton *Ss*
Senior Legislative Budget Officer

RE: Office of Management and Budget (OMB)
Fiscal Year 2026 Budget Review

Budget Overview

The FY 2026 proposed budget for the Office of Management and Budget is approximately \$4.7 million, an increase of \$577,000, or 14.1% over the FY 2025 approved budget. The increase is primarily due to increases in compensation and related fringe for two (2) new positions, mandated salary requirements, and a decrease in the removal of recoveries from the American Rescue Plan Act (ARPA). Increased compensation will fund:

- A new Budget Management Analyst 3G position to assist in the implementation of the indirect cost rate pilot project in coordination with the Office of Finance.
- A previously unfunded Budget Management Analyst 4G position to implement the legislative requirement of CB-18-2024 requiring the Office to submit a fiscal impact statement for legislation before the County Council.

Supplemental Budget Request

- OMB expects that a supplemental \$300,000 budget request may be necessary for FY2025 to cover FY 2025 COLAs and merit adjustments that were not budgeted at the agency level because they were included in Non-Departmental in FY 2025.

Expenditures by Category - General Fund

Category	FY 2024 Actual	FY 2025 Budget	FY 2025 Estimate	FY 2026 Proposed	Change FY25-FY26 Amount (\$)	Change FY25-FY26 Percent (%)
Compensation	\$2,949,061	\$2,945,000	\$3,052,300	\$3,226,200	\$281,200	9.5%
Fringe Benefits	882,020	942,400	967,700	1,029,200	86,800	9.2%
Operating	565,612	584,400	584,200	635,500	51,100	8.7%
Capital Outlay	—	—	—	—	—	—
SubTotal	\$4,396,693	\$4,471,800	\$4,604,200	\$4,890,900	\$419,100	9.4%
Recoveries	(311,512)	(368,900)	(201,300)	(211,000)	157,900	-42.8%
Total	\$4,085,181	\$4,102,900	\$4,402,900	\$4,679,900	\$577,000	14.1%

- Additionally, actual recoveries are anticipated below the budgeted level as a result of not being able to fully recover funds from the American Rescue Plan Act (ARPA) grants because funds were being reallocated to the General Fund.

Staffing Changes and Compensation

Authorized Staffing Count - General Fund

	FY 2025 Approved	FY 2026 Proposed	Change Amount	Percentage Change
Full-Time	29	30	1	3.4%
Limited Term	2	0	-2	-100.0%
Total	29	30	1	3.4%

- FY 2026 compensation is proposed at \$3.2 million, a \$281,200, or 9.5%, increase from the FY 2025 Approved Budget level. This increase is primarily due to the addition of one (1) new Budget Management Analyst position to assist with the indirect cost rate pilot program and funding for a previously unfunded position to perform fiscal impact statements, in addition to the annualization of FY 2025 and planned FY 2026 salary adjustments.
- The FY 2026 Proposed Budget includes authorization to fund all 30 full-time General Fund positions. Two (2) positions are funded at 75%, and one (1) position is funded at 80%.
- As of March 2025, the Office reported that it had six (6) general fund vacancies, one (1) of which is the Deputy Director for OMB, which is pending the new Administration to fill. The other two (2) vacancies are for the two (2) limited-term ARPA grant-funded positions and were removed from the FY 2026 proposed budget.
- As of March 2025, three (3) staff members had left the Office, leaving the attrition rate at 10.3% due to retirement and resignation for a new job opportunity.
- In FY 2025, three (3) Budget Management Analyst staff members were assigned to the Office of the County Executive for Performance Management and CountyStat duties, and their assignments are proposed to continue in FY 2026.

Fringe Benefits

Fringe Benefits Historical Trend - General Fund

	FY 2022 Actual	FY 2023 Actual	FY 2024 Actual	FY 2025 Approved	FY 2026 Proposed
Compensation	\$ 2,164,428	\$ 2,321,219	\$ 2,949,061	\$ 2,945,000	\$ 3,226,200
Fringe Benefits Expenditures	\$608,816	\$644,458	\$882,020	\$942,400	\$1,029,200
As a % of Compensation	28.1%	27.8%	29.9%	32.0%	31.9%
% Change		5.9%	36.9%	6.8%	9.2%

- Fringe Benefit expenditures for FY 2026 are proposed at \$1,029,200, which is an increase of \$86,800, or 9.2%, above the FY 2025 Approved Budget to align with projected costs due to changes in the staffing complement.

Operating Expenses

- Operating expenditures for FY 2026 are proposed at \$635,500, an increase of \$51,100, or 8.7%, above the FY 2025 Approved Budget. This increase is primarily due to an increase in the OIT technology allocation charge.

Operating Objects	FY 2025 Approved	FY 2026 Proposed	\$ Change FY25-FY26	Explain reason for budgetary change for each object
Office Automation	\$517,200	\$573,400	\$56,200	Countywide OIT charge
General & Administrative Contracts	-	9,000	9,000	Cost for editor
Telephone	4,900	5,600	700	
Membership Fees	1,200	1,200	-	
Mileage Reimbursement	500	500	-	
General Office Supplies	10,900	10,900	-	
Office and Operating Equipment Non-Capital	500	500	-	
Miscellaneous	3,000	3,000	-	Interpretor Fees - incorrectly charged to advertising in FY 2024 (\$2,702)
Advertising	500	400	(100)	FY 2024 - Actual advertising costs totaled \$284. Actuals include costs for CART and other interpreter costs for the budget listening session. This was error. This should be charged to Misc. See note above.
Printing	18,000	17,000	(1,000)	
Travel: Non-Training	6,000	4,000	(2,000)	Achieve budget savings
Training	12,700	10,000	(2,700)	Achieve budget savings
Operating Contracts	9,000	-	(9,000)	Reallocated to G&A contracts
TOTAL	\$584,400	\$635,500	\$51,100	

- The following line items are proposed to be increased in FY 2026:
 - Office Automation \$573,400
 - General & Administrative Contracts \$9,000
 - Telephone \$5,600
- Operating Contracts expenditures are proposed to decrease in FY 2026 by \$9,000 due to the reallocation to the General and Administrative Contract line item which is increasing by the same amount.

Recoveries

- In FY 2026, the Office is estimated to receive a total of \$211,000 in recoveries, a decrease of \$157,900 from the previous year.
- Recoveries decrease -42.8% under the budget due to the removal of the ARPA grant program recovery. Staff dedicated to the Capital Improvement Program (CIP) will continue to be recovered from the CIP in FY 2026.

Workload and Program Performance

- **General Fund Balance:**

- The FY 2026 Proposed Budget is supported by the use of \$4.4 million out of the \$198.3 million projected to be in the unassigned fund balance.
- The entire amount is being applied to one-time purposes such as capital projects, which includes \$1.2 million for the Redevelopment Authority, \$3.0 million for the strategic information technology initiatives in the Office of Information Technology (OIT) CIP project, and \$160,000 for a Washington Suburban Sanitary Commission CIP septic project.
- The FY 2026 budget also includes using \$6.0 million of the assigned fund balance from Public Safety & Behavioral Health surcharge revenue to purchase a self-contained breathing apparatus (SCBA) for the Fire Department.

General Fund - Fund Balance					
Fund Balance Designation	FY 2022 Actual	FY 2023 Actual	FY 2024 Actual	FY 2025 Estimated	FY 2026 Projected
Restricted					
Economic Stabilization- 5%	\$ 214,897,250	\$ 214,905,285	\$ 228,029,595	\$ 237,062,395	\$ 239,085,530
Equipment Purchases	\$ 49,915,132	\$ 48,469,434	\$ 39,458,845	TBD	TBD
Real Estate Purchases	\$ -	\$ -	\$ -	\$ -	\$ -
Total Restricted	\$ 264,812,382	\$ 263,374,719	\$ 267,488,440	\$ 237,062,395	\$ 239,085,530
Committed - Operating Reserve (2%/3%/4%/5%)	85,958,900	85,962,114	136,817,757	189,649,916	239,085,530
Assigned					
Economic Development	28,544,346	29,732,270	31,639,576	31,164,576	23,814,576
Local Impact Grant	4,603,234	5,121,462	3,791,544	TBD	TBD
Summer Youth Enrichment Program	316,390	-	-	TBD	TBD
Property Sales and Acquisition and Housing	5,524,450	20,544,039	27,844,809	25,743,336	15,747,536
Investment Trust Fund	50,400,681	30,309,506	53,813,336	TBD	TBD
Total Assigned	\$ 89,389,101	\$ 85,707,277	\$ 117,089,265	\$ 56,907,912	\$ 39,562,112
Unassigned	235,411,143	407,625,803	358,509,668	256,724,609	198,265,860
Total Fund Balance	\$ 675,571,526	\$ 842,669,913	\$ 879,905,130	\$ 740,344,832	\$ 715,999,032
Annual Change Amount	167,098,387		37,235,217	(139,560,298)	(24,345,800)
Annual Percentage Change	24.7%		4.4%	-15.9%	-3.3%
Fund Balance as a % of General Fund Budget	26.0%	32.2%	32.9%	27.6%	26.6%

Source: FY 2022 – FY 2024 ACFRs and FY 2026 Proposed Budget Book

- **CountyStat:**

CountyStat continues the following initiatives:

- A focus on elevated priorities-beautification, flooding, permitting, procurement, time to fill, and reducing violent crime, via the convening of CountyStat sessions and ongoing monitoring/recommendation building with appropriate agencies.
- **Beautification** – The CountyStat team organized numerous in-person and remote CountyStat sessions to discuss challenges experienced by agencies and customers to develop solutions to improve service delivery for litter and illegal dumping throughout the County.
 - ⊕ CountyStat's proposed agency alignment to pursue civil and criminal enforcement of illegal dumping continued in FY 2025, and increased fines and restitution have been levied against offending parties.
 - ⊕ CountyStat will continue to conduct re-occurring CountyStat sessions in FY 2026 to address policy challenges and operational deficiencies.
- The CountyStat team **monitors 311** processes from service request to delivery to ensure agency service level agreements are appropriate and adequately set and meet public expectations.
- **Time to Fill** – In FY 2025, CountyStat implemented and monitored changes to County government agencies' time-to-fill policies.
 - ⊕ The County's non-public safety agencies had an initial goal average of 87 days to hire, which was exceeded quarter-to-quarter.
 - ⊕ In FY 2025, CountyStat lowered the goal to match the averages at 70 days.
 - ⊕ CountyStat also established process workflows and goals for the government's public safety agencies, excluding PGPD and PGFD.
- Continue to monitor **payments made to County vendors** and help develop policies to ensure payment processes are efficient and timely.
 - ⊕ Prompt Payment Dashboards – The CountyStat team monitors payments made to third-party vendors by County government agencies to ensure such payments are made in a timely manner.
 - ⊕ 16 of the 19 monitored agencies now report making payments in under 30 days.
 - ⊕ When dips in performance or invoice backlogs are detected, CountyStat works with the agency to determine the cause and correct the issue.
- Will develop and present to the Chief Administrative Officer a platform on which to publish monthly priority metrics on the County government website.
- Identified interagency hiring processes, time, and potential impediments.

Agency Affected	Data Set	Issues Revealed	Improvements Made
All non-public safety agencies	NEOGOV time to fill data	Identification of interagency hiring processes, time, and potential impediments.	Increased interagency communication and breaking down of barriers to increase efficiencies and decrease time to hire.

Grants Management

- OMB partnered with the Office of Finance, Office of Procurement, Office of Law, and the Office of Information Technology under the direction of the County Executive Office to further streamline the grants management processes and strengthen efforts toward continuous improvement.

See Attachment #1 – Question 21 of the Department’s FY 2026 First Round Response for details.

- Under the SLFRF (State and Local Fiscal Recovery Fund) grant program, the County was required to obligate 100% of the ARPA funds by December 31, 2024, and expend 100% of the funds by December 31, 2026. To meet the obligation deadline, the County moved \$44.8 million in Police Department sworn salary expenditures from the General Fund to the ARPA grant.
 - Based on this action, CB-22-2025 (currently in front of the County Council, 3rd Reading 4/29/25) reallocates approximately \$44.8 million in appropriation from the Police Department to various agency operating budget appropriations to allow the agencies to spend their remaining SLFRF projects within the General Fund.
 - OMB is currently trying to finalize the 2nd operating supplemental, which covers the FY 2025 COLAs and merits for the other agencies.

For details on specific projects, see Attachment #2 - SLFRF PE Report-Quarter 4 2024 (October 1-December 2024) of the Department’s FY 2026 First Round Response.