



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

May 2, 2018

MEMORANDUM

TO: Derrick L. Davis, Chair
 Public Safety and Fiscal Management (PSFM) Committee

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

FROM: Larry Whitehurst, Audit Manager *LW*

RE: Office of Management and Budget
 Fiscal Year 2019 Budget Review

Budget Overview

The FY 2019 Proposed Budget for the Office of Management and Budget is \$3.1 million, an increase of \$299,600, or 10.6%, above the FY 2018 Approved Budget. The increase is primarily due to cost-of-living adjustments and merit increases, and a reduction in recoveries. The Office of Management and Budget is funded entirely by the General Fund.

Budget Comparison - General Fund

Approved Fiscal Year 2018 to Proposed Fiscal Year 2019

Category	FY 2017 Actual	FY 2018 Approved	FY 2018 Estimated	% Change - Est vs App	FY 2019 Proposed	\$ Change	% Change
Compensation	\$ 1,977,004	\$ 2,338,000	\$ 2,209,900	-5.5%	\$ 2,406,600	\$ 68,600	2.9%
Fringe Benefits	558,286	701,400	664,000	-5.3%	724,400	23,000	3.3%
Operating Expenses	151,873	146,200	146,200	0.0%	129,500	(16,700)	-11.4%
Sub-Total	\$ 2,687,163	\$ 3,185,600	\$ 3,020,100	-5.2%	\$ 3,260,500	\$ 74,900	2.4%
Recoveries	(272,293)	(366,500)	(201,000)	-45.2%	(141,800)	224,700	-61.3%
Total	\$2,414,870	\$2,819,100	\$2,819,100	0.0%	\$ 3,118,700	\$ 299,600	10.6%

Authorized Staffing Count - General Fund

	FY 2018 Approved	FY 2019 Proposed	Change Amount	% Change
Full-Time	26	26	0	0.0%
Total	26	26	0	0.0%

Staffing Changes and Compensation

- In FY 2019, compensation will increase by \$68,600, or 2.9%, above the FY 2018 approved budget level, due to cost-of-living adjustments and merit increases.
- General Funds are provided for 26 full-time positions in FY 2019, which is consistent with the FY 2018 approved level.
- As of April 11, 2018, the Office reported five (5) vacant General Fund positions.
- Currently, the Office 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 2019.

Fringe Benefits

- Fringe benefit expenditures for FY 2019 are proposed at \$724,400, an increase of \$23,000, or 3.3%, over the FY 2018 approved level to meet anticipated costs.

Fringe Benefits Historical Trend - General Fund					
	FY 2015 Actual	FY 2016 Actual	FY 2017 Actual	FY 2018 Estimated	FY 2019 Proposed
Compensation	\$ 1,919,680	\$ 1,835,129	\$ 1,977,004	\$ 2,209,900	\$ 2,406,600
Fringe Benefits Expenditures	\$565,036	\$543,240	\$558,286	\$664,000	\$724,400
As a % of Compensation	29.4%	29.6%	28.2%	30.0%	30.1%
% Change		-3.9%	2.8%	18.9%	9.1%

Operating Expenses

- The accompanying table below compares the FY 2019 Proposed Budget operating expenditures with the FY 2018 Approved Budget operating expenditures. In one (1) category, the FY 2019 Proposed Budget reduces planned spending from the FY 2018 budget. In four (4) of the categories, the FY 2019 Proposed Budget level remains unchanged compared to the FY 2018 budget level. In four (4) of the categories there is an increase in planned spending in FY 2019.

Operating Objects	FY 2018 Budget	FY 2019 Proposed	FY 2018 - FY 2019	
			\$ Change	% Change
Training	4,000	12,000	8,000	200.0%
General Office Supplies	9,000	15,000	6,000	66.7%
Mileage Reimbursement	1,000	3,000	2,000	200.0%
Office and Operating Equipment Non-Capital	900	1,500	600	66.7%
Travel: Non-Training	800	800	-	0.0%
Membership Fees	800	800	-	0.0%
Printing	11,200	11,200	-	0.0%
Telephone	4,400	4,400	-	0.0%
Office Automation	114,100	80,800	(33,300)	-29.2%
TOTAL	\$ 146,200	\$ 129,500	\$ (16,700)	-11.4%

- Overall, proposed FY 2019 operating expenses are decreasing by \$16,700, or 11.4%, below the FY 2018 approved level. The decrease is driven by a decrease in office automation charges, which is a result of a change in the methodology used to allocate these charges County-wide. Increases in other expenditure categories are to align these costs with the anticipated needs of the Office.

Recoveries

- In FY 2018, the Office is anticipated to receive \$201,000, in recoveries for employee salaries and fringe benefit expenditures related to the budgeting and management functions of the Capital Improvement Program (CIP).
- In FY 2019, the Office anticipates receiving \$141,800, or a decrease of 61.3%, below the FY 2018 approved budgeted amount in recoveries. This decrease is due to the completion of the implementation of the SAP public budgeting module.

HIGHLIGHTS and OTHER ISSUES

- The Office foresees continued service and supported demands with regard to ongoing Enterprise Resource Planning (ERP) implementation, and will need to continuously manage those demands and the office workload accordingly. Specifically, Wave Three will require staff participation with regard to testing and implementing the system.
- The SAP Budget and Planning Module was approved for go-live on December 6, 2017. Since that time, the project has transitioned to providing operational support. During the spring and summer, the Office will start work on a publishing solution as well as complete Countywide training of the module for full deployment of the solution in the FY 2020 budget cycle.
- In FY 2018, the Office will continue a full service analyst model to address Grant management workload demands. This implementation resulted in the need for internal training sessions to equip analysts with knowledge and exposure to additional modules within SAP. This on-going training will continue in FY 2019 which will allow for greater customer service and support to the agencies.

- The CountyStat program was launched by the County Executive to deliver results through analysis, accountability, and innovation focusing on specific topics to ensure that the County is making measurable progress. The four (4) member CountyStat staff is co-located in the Office of the County Executive. For most of CY 2017, CountyStat was operating with two analysts due to two (2) vacancies. A listing of projects and subjects that the CountyStat team has assisted County agencies with in FY 2018 is provided in the response to *First Round FY2019 Proposed Responses- Question #21*. Some of these projects/subjects include:
 - Updating the Citizens Complaint Oversight Panel's database;
 - Process Improvement for various agencies;
 - Census training for TNI staff.