




THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

6611 Kenilworth Avenue • Riverdale, Maryland 20737

February 13, 2020

TO: Montgomery County Planning Board
FROM: John Kroll, Corporate Budget Director 
SUBJECT: FY21 Spending Affordability Guidelines for Montgomery County

As presented to the full Commission yesterday, the Montgomery County Council approved the Spending Affordability Guidelines (SAG) for the operating budget for FY21 on Tuesday, February 11, 2020.

These guidelines project a 7.5% reduction from the proposed budget, or approximately \$11.3M in Montgomery County (MC) funded departmental budgets, including the MC funded portion of the bi-county departments. By comparison, last year's SAG reduction was 5% (\$6.5M).

The amount of the required reduction may change with the release of the County Executive's budget on March 15th.

The Planning Board must respond by the end of this month to the Council to these guidelines. We, as well as other outside agencies, respond with a general letter stating that reductions necessary to meet the guidelines will result in substantive service reductions and are therefore not recommended. We do not provide detail at this time, as that is reserved to respond to the County Executive's proposed budget.

Although recent history suggests that the fiscal picture of Montgomery County may be shown to improve in the next month, given the magnitude of the proposed reduction it may be appropriate to begin the process of developing our options now.

This process could start by determining the preferred method of allocating the reduction amount when it becomes known.

While there are other scenarios to consider, attached are three scenarios:

1. Pro-ration of proposed budget across all departments,
2. Pro-ration after removing OPEB and compensation markers, and
3. Pro-ration after eliminating all new requests.

1. Straight pro-ration of proposed budget across all departments

Fund	Department		FY21 Proposed	% of Total Budget	Share of SAG (\$)	Cuts as % of Budget
Admin			34,236,602	22.81%	2,588,486	7.56%
	Commissioners' Office		1,265,196	3.70%	95,656	7.56%
	Dept of Planning		21,280,031	62.16%	1,608,894	7.56%
	CAS - DHRM		2,459,657	7.18%	185,964	7.56%
	- Finance		2,254,622	6.59%	170,463	7.56%
	- Legal		1,639,427	4.79%	123,950	7.56%
	- Merit Board		87,200	0.25%	6,593	7.56%
	- Inspector General		391,353	1.14%	29,589	7.56%
	- Corporate IT		1,735,335	5.07%	131,201	7.56%
	- Support Svcs		653,092	1.91%	49,378	7.56%
	Non-Departmental		2,470,689	7.22%	186,798	7.56%
			34,236,602		2,588,486	
Park	Parks		115,870,143	77.19%	8,760,456	7.56%
Total (includes OPEB, comp marker, etc)			150,106,745		11,348,942	7.56%

2. Straight pro-ration after first removing OPEB and Compensation Markers

Fund	Department		FY21 Proposed	% of Total Budget	Share of SAG (\$)	Cuts as % of Budget
Admin			31,765,913	22.75%	2,582,261	8.13%
	Commissioners' Office		1,265,196	3.98%	102,848	8.13%
	Dept of Planning		21,280,031	66.99%	1,729,860	8.13%
	CAS - DHRM		2,459,657	7.74%	199,946	8.13%
	- Finance		2,254,622	7.10%	183,279	8.13%
	- Legal		1,639,427	5.16%	133,270	8.13%
	- Merit Board		87,200	0.27%	7,089	8.13%
	- Inspector General		391,353	1.23%	31,813	8.13%
	- Corporate IT		1,735,335	5.46%	141,066	8.13%
	- Support Svcs		653,092	2.06%	53,090	8.13%
	Non-Departmental			0.00%	-	
			31,765,913		2,582,261	
Park	Parks		107,844,098	77.25%	8,766,681	8.13%
Total (includes OPEB, comp marker, etc)			139,610,011		11,348,942	8.13%

3. Pro-ration after first eliminating all new initiatives/critical needs requests

Fund	Department	FY21 Proposed	New Initiatives / Critical Needs	Base Budget	% of Base Budget	Reduction to Base	Total Reduction
Admin		31,765,913	1,463,439	30,302,474	22.18%	1,849,912	3,313,351
	Commissioners' Office	1,265,196	30,000	1,235,196	0.90%	75,407	105,407
	Dept of Planning	21,280,031	1,156,220	20,123,811	14.73%	1,228,523	2,384,743
	CAS - DHRM	2,459,657	20,930	2,438,727	1.79%	148,880	169,810
	- Finance	2,254,622	78,764	2,175,858	1.59%	132,832	211,596
	- Legal	1,639,427	61,162	1,578,265	1.16%	96,350	157,512
	- Merit Board	87,200	-	87,200	0.06%	5,323	5,323
	- Inspector General	391,353	63,908	327,445	0.24%	19,990	83,898
	- Corporate IT	1,735,335	52,455	1,682,880	1.23%	102,737	155,192
	- Support Svcs	653,092		653,092	0.48%	39,870	39,870
	Non-Departmental			-	0.00%		
Park	Parks	107,844,098	1,546,299	106,297,799	77.82%	6,489,292	8,035,591
Total		139,610,011	3,009,738	136,600,273	100.00%	8,339,204	11,348,942