

Legislative Budget Analysis
Proposed FY 2017 Operating and Capital Budgets
Office of the County Auditor
Baltimore County, Maryland
May 3, 2016



Department of Economic and Workforce Development

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Questions to Department Sent	Thursday, April 14
Responses Requested By	Wednesday, April 20
Responses Received	None Provided as of Analysis Completion Date *
Analysis Due for Review	Wednesday, April 27
Analysis Completed	Tuesday, May 3
* Unanswered questions are attached, following analysis.	

BALTIMORE COUNTY
FISCAL YEAR 2017 BUDGET ANALYSIS
**DEPARTMENT OF ECONOMIC AND WORKFORCE DEVELOPMENT (052)
AND WORKFORCE DEVELOPMENT GRANTS (087)**

BUDGET SUMMARY				
\$ in Thousands				
	GENERAL	SPECIAL*	TOTAL	% Change Prior Year
PROPOSED CHANGE				
FY 2016 - 2017 Change	\$ 88.7	\$ (253.4)	\$ (164.7)	
BUDGET TRENDS				
FY 2015 Actual	\$ 1,015.4	\$ 15,616.2 ⁽¹⁾	\$ 16,631.6	
FY 2016 Approp.	1,195.8	12,626.7	13,822.5	-16.9%
FY 2017 Proposed	1,284.5	12,373.3	13,657.8	-1.2%
FY 2017 Budget Analysis	1,231.8	12,373.3	13,605.1	-1.6%
POTENTIAL REDUCTIONS	\$ (52.7)	\$ -	\$ (52.7)	

⁽¹⁾ Reflects audited expenditures \$877,499 greater than the amount reflected in the Executive's budget documents.

*** Includes Economic Development Revolving Financing Fund:**

	Estimated Unappropriated Balance at July 1	Funding from Capital Budget (PAYGO)	Other Revenues ⁽²⁾	Actual/Est. Expenditures and Encumbrances	Transfers to General Fund	Actual/Est. Unappropriated Balance at June 30
FY 2016	\$ 14,669.7	\$ 3,000.0	\$ 1,285.4	\$ (5,550.0)	-	\$ 13,405.1
FY 2017	\$ 13,405.1	\$ 3,300.0	\$ 1,295.0	\$ (6,000.0)	-	\$ 12,000.1
FY 2017 Budget Analysis	\$ 13,405.1	\$ -	\$ 1,295.0	\$ (6,000.0)	-	\$ 8,700.1

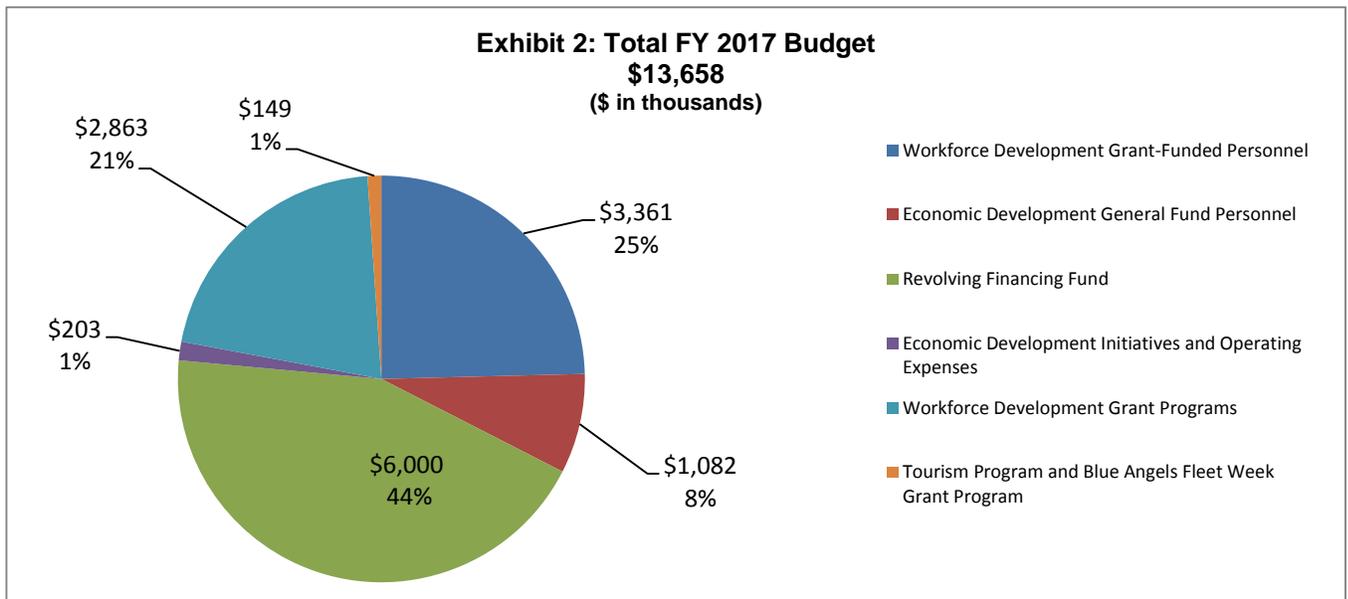
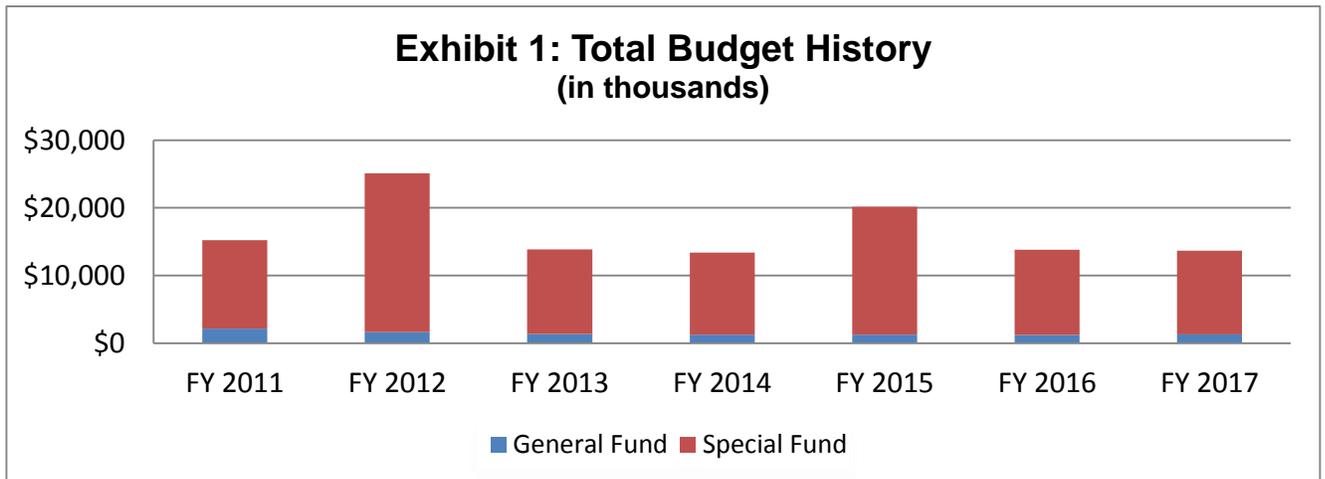
⁽²⁾ Includes loan repayments, interest, fees, and other program income.

PERSONNEL				
	GENERAL		SPECIAL	
	FULL-TIME	PART-TIME	FULL-TIME	PART-TIME
PROPOSED CHANGE				
FY 2016 - 2017 Change	0	0	0	(3)
BUDGET TRENDS				
FY 2015 Actual	1	10	9	37
FY 2016 Approp.	1	10	4	46
FY 2017 Proposed	1	10	4	43
FY 2017 Budget Analysis	1	10	4	43
POTENTIAL REDUCTIONS	0	0	0	0
VACANCY DATA				
Positions Vacant as of April 22, 2016*	0	1	0	8

* Provided by the Office of Budget and Finance.

**DEPARTMENT OF ECONOMIC AND WORKFORCE DEVELOPMENT (052)
AND WORKFORCE DEVELOPMENT GRANTS (087)**

BUDGET SUMMARY: The proposed FY 2017 budgets for the Department of Economic and Workforce Development and Workforce Development grants total \$13.7 million, a decrease of approximately \$164 thousand, or 1.2%, from the FY 2016 budget. The General Fund portion of the budget increases by approximately \$89 thousand, or 7.4%, primarily due to increases in personnel costs. The Special Fund portion decreases by approximately \$253 thousand, or 2.0%, primarily due to a decrease in projected expenses within the Revolving Financing Fund. **See Exhibits 1-3 for additional detail.**



**DEPARTMENT OF ECONOMIC AND WORKFORCE DEVELOPMENT (052)
AND WORKFORCE DEVELOPMENT GRANTS (087)**

Exhibit 3			
FY 2017 Proposed Budget (\$ in 000's)			
How Much it Grows:	<u>General Fund</u>	<u>Special Fund</u>	<u>Total</u>
2016 Appropriation	\$ 1,196	\$ 12,627	\$ 13,823
2017 Request	1,285	12,374	13,659
\$ Increase/(Decrease)	\$ 89	\$ (253)	\$ (164)
% Increase/(Decrease)	7.4%	-2.0%	-1.2%
Where it Goes:			
General Fund:			
Personnel Expenses:.....			\$ 81
New 0.24 FTE PT Mgmt. Analyst, 0.48 FTE Policy Director.....		74	
2% COLA.....		21	
Increments and longevities.....		6	
Turnover increasing from 1.98% to 2.04% of salaries.....		(2)	
Other salary adjustments.....		(18)	
Operating Expenses:.....			8
Profess./Contractual Serv. (e.g., business growth/retention initiatives)....		5	
Advertising.....		5	
Other Changes.....		(2)	
Special Fund:			
Economic Development Revolving Financing Fund:			(200)
Loans to County Businesses:.....		50	
Grants to County Businesses:.....		(250)	
Gifts and Grants Fund:.....			(53)
Disconnected Youth Program.....		300	
Career Centers.....		226	
MD Summer Youth Connections.....		140	
DSS Youth.....		80	
DORS (Division of Rehabilitation Services) Youth.....		50	
Blue Angels - Fleet Week Grant.....		24	
Business Services.....		8	
Adult Program.....		(43)	
Central Office.....		(45)	
Tourism Program.....		(93)	
Accelerating Connections to Employment Program.....		(196)	
Dislocated Worker Program.....		(252)	
Youth Program.....		(252)	
Total:.....			\$ (164)

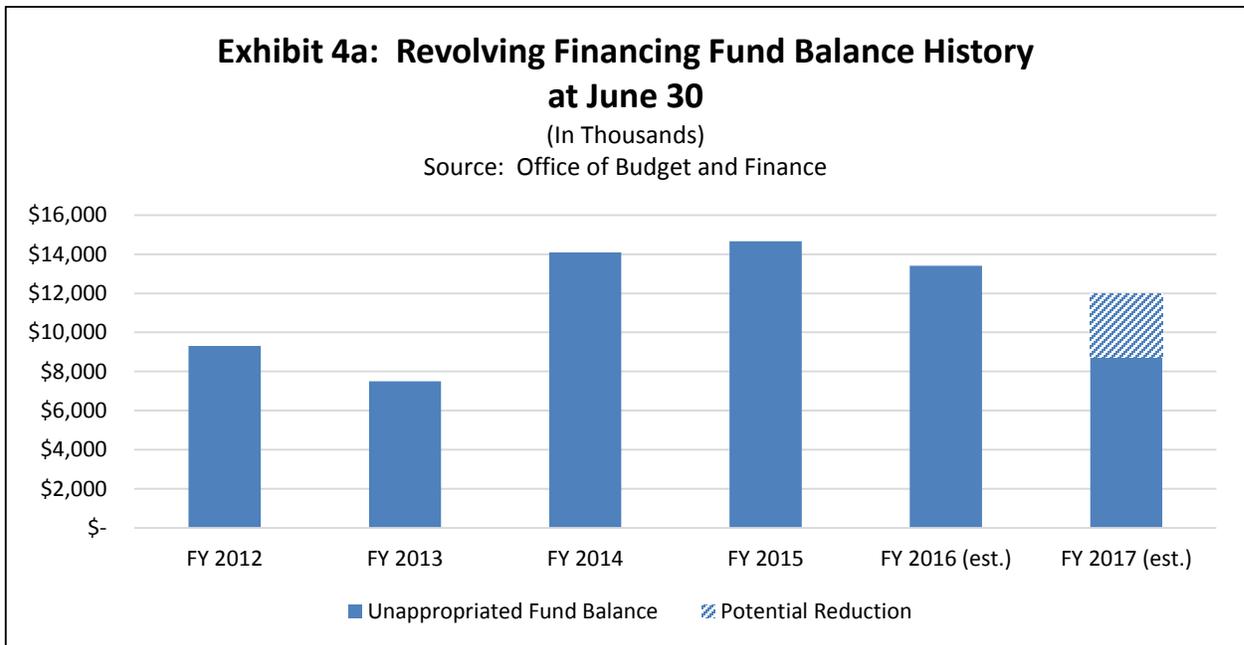
**DEPARTMENT OF ECONOMIC AND WORKFORCE DEVELOPMENT (052)
AND WORKFORCE DEVELOPMENT GRANTS (087)**

POTENTIAL BUDGET REDUCTIONS:

This analysis identifies potential budget reductions totaling \$3,352,665.

1. Delete PAYGO (5801) for Economic Development Revolving Financing Fund \$3.3 million
(and associated Capital Budget Reduction)

The Economic Development Revolving Finance Fund (EDRFF) provides financial assistance to firms in various business and residential sectors County-wide. The fund targets, but is not limited to, activities which create employment opportunities, assist small businesses, market the County's revitalization districts, and improve housing opportunities for County residents. Since FY 2012, the Department has ended each fiscal year with a Revolving Financing Fund minimum unappropriated balance ranging from \$7.5 million to \$14.6 million.



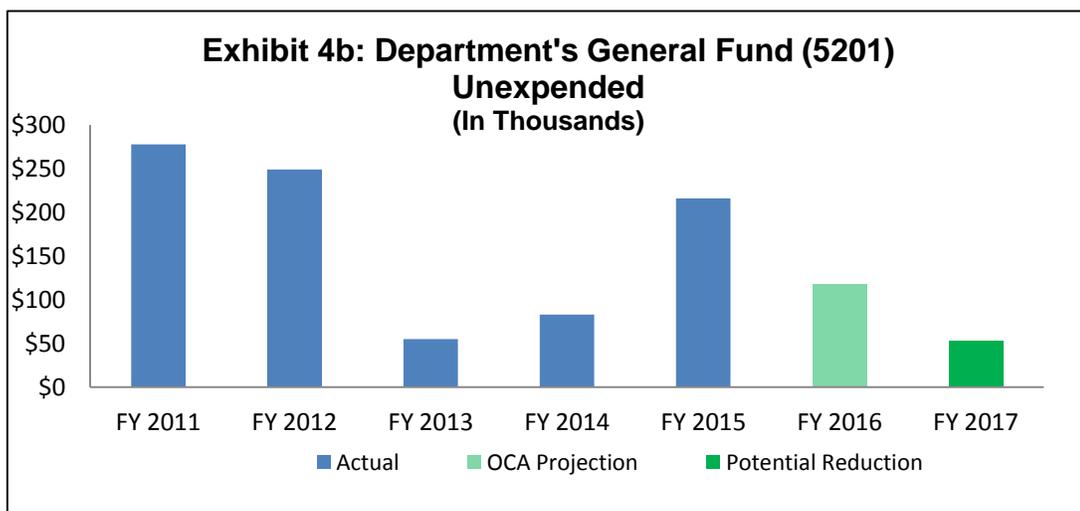
The EDRFF has an unappropriated fund balance because it receives payments from various sources, including the County's capital budget and loan recipients' principal and interest payments. Those amounts are appropriated for special fund expenditure via the Economic Development Financing operating program. **This analysis does not identify any reduction to the operating appropriation, so no planned loans or expenditures are affected by this potential reduction.**

**DEPARTMENT OF ECONOMIC AND WORKFORCE DEVELOPMENT (052)
AND WORKFORCE DEVELOPMENT GRANTS (087)**

According to the Administration, the Economic Development Revolving Financing Fund (EDRFF) will have an estimated unappropriated balance of \$13.4 million at the beginning of FY 2017. The proposed FY 2017 capital budget includes \$3.3 million in PAYGO funding for the EDRFF; the proposed 5-year capital program (FY 2018 through FY 2022) includes an additional \$16.5 million in PAYGO funding for the EDRFF. After accounting for projected income and expenditures, the Administration estimates the FY 2017 year-end unappropriated balance for the EDRFF to be \$12.0 million. This potential reduction would reduce the projected year-end balance as of June 30, 2017 to \$8.7 million, which provides a generous amount of fund balance for unanticipated projects that may be identified during the fiscal year.

2. Reduce General Fund Appropriation (5201) \$52,665

Since FY 2011, the Department has ended the fiscal year with a minimum of approximately \$55,000 in unexpended General Funds, ranging from 4.1%-17.6% of its General Fund budgets. The Office of Budget and Finance does not expect the Department to end FY 2016 with surplus General Funds; however, the Office of the County Auditor projects the Department will end FY 2016 with approximately \$118,000 in unexpended funds (approximately 9.9% of its FY 2016 budget).



**DEPARTMENT OF ECONOMIC AND WORKFORCE DEVELOPMENT (052)
AND WORKFORCE DEVELOPMENT GRANTS (087)**

This analysis annualizes the Department's expenditures as of April 2016 and utilizes 3-year average spending for the Professional Services line item (which had no FY 2016 expenditures as of April 2016). The analysis recognizes that the Department has \$155,000 in FY 2016 pre-encumbered and encumbered funds for professional services related to planned economic impact, financial feasibility, and market analysis consulting services as well as analysis of trends in occupational employment; however, the analysis excluded these funds from annualized expenditures because the Department currently employs a Research Manager (proposed FY 2017 pre-COLA salary of \$70,642), a Manager of Policy and Project Planning (proposed FY 2017 pre-COLA salary of \$75,460), and shares a Policy Director position with the Executive's Office (total proposed FY 2017 pre-COLA salary of \$123,290).

This recommendation reduces the Department's FY 2017 General Fund budget by the lowest historical unexpended percentage amount of 4.1%, or \$52,665. The recommended reduction allows for the Department's General Fund budget to increase by 3.0% from FY 2016.

**DEPARTMENT OF ECONOMIC AND WORKFORCE DEVELOPMENT (052)
AND WORKFORCE DEVELOPMENT GRANTS (087)**

Schedule of Historical Spending - General Fund (5201)				
Fiscal Year	Budget/ Request	Actual/Estimated/ Recommended Amount	% of Budg/Req.	Over/(Under) Appropriation/ Reduction
2011	\$2,152,346	\$1,874,131	87.1%	(\$278,215)
2012	\$1,641,919	\$1,392,845	84.8%	(\$249,074)
2013	\$1,345,282	\$1,289,936	95.9%	(\$55,346)
2014	\$1,249,260	\$1,166,190	93.4%	(\$83,070)
2015	\$1,229,836	\$1,013,589	82.4%	(\$216,247)
2016	\$1,195,797	\$1,077,410 ¹	90.1%	(\$118,387)
Average	\$1,469,073	\$1,302,350	88.7%	(\$166,723)
2017	\$1,284,508	\$1,231,843 ²	95.9%	(\$52,665)
Notes: ¹ OCA's projection. ² Based on the highest expended percentage amount of 95.9% (i.e., lowest unexpended percentage amount of 4.1%).				

SIGNIFICANT PROGRAM/POLICY INITIATIVES AND/OR CHANGES

3. Revolving Financing Fund \$6,000,000

The proposed FY 2017 budget authorizes new expenditures of \$6.0 million from the Economic Development Revolving Financing Fund. Sources of funding consist of a \$3.3 million contribution from the capital budget, principal prepayments, program income (e.g., interest income), and an appropriation from fund balance. The entire \$6.0 million budget is earmarked for loans to local businesses, an increase of \$50,000 over the FY 2016 appropriation; no funding is earmarked for grants, which reflects a decrease of \$250,000 from FY 2016. The Department has previously

**DEPARTMENT OF ECONOMIC AND WORKFORCE DEVELOPMENT (052)
AND WORKFORCE DEVELOPMENT GRANTS (087)**

advised that providing loans is preferable to grants because the County is able to recycle the money.

The Department should be prepared to discuss:

- ***Specific projects the County plans to assist through the Financing Fund in FY 2017;***
- ***The level of interest in Financing Fund assistance from the business community in FY 2016 and the Department's outreach efforts;***
- ***The number and dollar value of loan defaults, if any, in FY 2015 and FY 2016 to date;***
- ***How the plan to discontinue grant funding and increase loan financing will impact the Department's approach toward offering Financing Fund assistance; and***
- ***Strategies in place to recruit new businesses to the County and to retain existing businesses as well as related statistics.***

4. New Youth-Oriented Workforce Development Grants \$570,000

The proposed FY 2017 budget includes \$570,000 for four new Workforce Development grant programs aimed at improving employment outcomes for Baltimore County youth, as follows:

Program	Purpose	Funding
Disconnected Youth Program	Supports job readiness training, GED and alternative education classes, job referrals, and work experiences for youth ages 17-24 who are not in school or working.	\$300,000
MD Summer Youth Connections	Offers job readiness training, summer employment, alternative education classes, advanced credit attainment, and counseling to disadvantaged youth ages 14-21 years.	\$140,000
DSS Youth	Supports work readiness preparation, guidance, and structured employment activities for foster care youth ages 16-21 years.	\$80,000
DORS (Division of Rehabilitation Services) Youth	Provides job coaching and training services for disabled youth ages 16-22 years.	\$50,000

The proposed FY 2017 budget also includes \$1,599,725 for the Youth Program, a decrease of approximately \$252,000 from the FY 2016 budget. The purpose of this program is to provide

**DEPARTMENT OF ECONOMIC AND WORKFORCE DEVELOPMENT (052)
AND WORKFORCE DEVELOPMENT GRANTS (087)**

alternate education, employment readiness, and job training services to County youth ages 14-21.

The Department should be prepared to discuss:

- ***How adding four new, smaller youth-oriented programs in addition to the existing Youth Program will better serve the County's youth;***
- ***The estimated number of youth each program will serve;***
- ***How the Department will identify youth eligible to participate in these programs, including coordination with other County agencies;***
- ***How the Department's outreach efforts may change to promote the new youth programming; and***
- ***Performance standards and metrics it will use to gauge the success of the new programs.***

5. Tourism Program \$124,975

The proposed FY 2017 budget includes \$124,975 for the Tourism Program, a reduction of \$93,000 from the FY 2016 appropriation. The Tourism Program is managed by the County's Office of Tourism and Promotion within the Office of Communications (a division of the Administrative Office). The Office of Communications advised that the majority of the Office of Tourism and Promotion's budget is provided by the Maryland Office of Tourism Development's County Cooperative Grant Program. The Office further advised that in January 2016, the State changed the method for calculating grant awards; previously, the award was based on the County's percentage of the state's total tourism-related sales tax as well as the growth of that figure, but for FY 2017, the award is based on the growth in lodging taxes and the amount of funding that the County receives from sources other than the state grant. The Office advised that the state grant funds must be spent on advertising purchases; the decreased funding proposed for FY 2017 will reduce the size and number of advertisements purchased for County events such as the biannual Restaurant Week.

The proposed FY 2017 General Fund budget for the Administrative Office includes two Communications Specialist positions (a Tourism Director and a Tourism Assistant) to manage the County's tourism efforts.

**DEPARTMENT OF ECONOMIC AND WORKFORCE DEVELOPMENT (052)
AND WORKFORCE DEVELOPMENT GRANTS (087)**

The Department's proposed FY 2017 budget also includes \$24,100 for the new Blue Angels Fleet Week Grant program.

The Department and the Administration should be prepared to discuss:

- ***Efforts to promote tourism from an economic development standpoint;***
- ***Whether/how the Department coordinates tourism efforts with the Office of Communications;***
- ***The amount of General Funds included in the FY 2017 proposed budget for tourism-related purposes and whether General Funds will be used to offset the reduction in state grant funds;***
- ***The long-term impact of the change in the state's Tourism Grant award calculations on the County's tourism promotion strategy; and***
- ***Details on the Blue Angels Fleet Week Grant program, including information on the source of the funding and how it will be spent.***

OTHER ISSUES:

6. Workforce Development

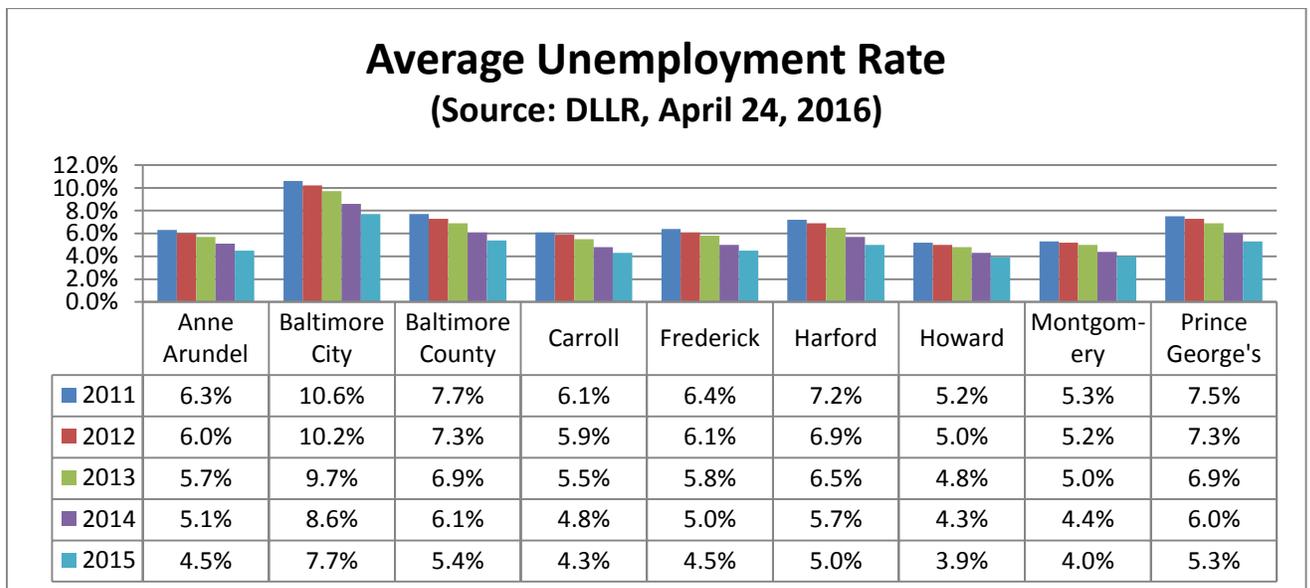
The proposed FY 2017 budget includes \$2,280,162 for the Career Centers Program, an increase of \$226,537 over the FY 2016 budget. The Department currently operates three fixed-location career centers (in Hunt Valley, Eastpoint, and Randallstown) along with a mobile center. Each center offers career consultation and training services along with introductory computer skills classes, resumé preparation and guidance, as well as work spaces and equipment such as computers and printers to facilitate job searches.

The Department began a new federally-funded program in FY 2013, the Accelerating Connections for Employment (ACE) Program, intended to provide training and job placement support to low-skilled job seekers, including individuals with limited English proficiency and individuals with low reading, writing, and math skills. Baltimore County's grant award totaled \$11.8 million, which was disbursed through FY 2016.

**DEPARTMENT OF ECONOMIC AND WORKFORCE DEVELOPMENT (052)
AND WORKFORCE DEVELOPMENT GRANTS (087)**

In April 2016, the Department entered into a \$174,680 grant agreement with the Anne Arundel Workforce Development Corporation (AAWDC) to provide administrative processing related to on-the-job training programs. The funding would support services for an estimated 2,200 active Baltimore County job seekers.

The following graph shows how the Baltimore County unemployment rate has declined since 2011 and how it compares to the unemployment rates of other local jurisdictions.



The Department should be prepared to discuss:

- ***Expected visitation rates at the career centers in FY 2017, and the impact of any changes to benefits eligibility requirements on the demand for services;***
- ***How the current economic climate in Baltimore County, including a declining unemployment rate, impacts services offered at the centers;***
- ***Performance metrics, including job placement rates, for career center clients;***
- ***Specific outcomes for former Sparrows Point employees;***
- ***Specific outcomes from the ACE program;***
- ***Departmental responsibilities under the agreement with AAWDC as well as the expected economic impact of the services it supports; and***

**DEPARTMENT OF ECONOMIC AND WORKFORCE DEVELOPMENT (052)
AND WORKFORCE DEVELOPMENT GRANTS (087)**

- ***Current and planned partnerships with CCBC and other educational entities.***

7. Sparrows Point Redevelopment and Chesapeake Enterprise Zone

In January 2016, the Sparrows Point steel mill property in Dundalk was renamed Tradepoint Atlantic as part of a rebranding by Sparrows Point Terminal, LLC, the current property owner (which also changed its name to Tradepoint Atlantic, LLC). In the same month, Tradepoint Atlantic announced that FedEx Corporation would open a new 50-acre FedEx Ground distribution facility by August 2017. FedEx currently operates two other facilities in the County (in White Marsh and Halethorpe) and indicated the new Tradepoint Atlantic plant will employ approximately 150 people at its opening.

In June 2015, the Maryland Department of Business and Economic Development approved the designation of the Chesapeake Enterprise Zone, which replaced and expanded the former North Point Enterprise Zone. The Chesapeake Enterprise Zone encompasses 6,988 acres of land, including the 3,100-acre Tradepoint Atlantic property. Baltimore County's two other Enterprise Zones are the Federal Center at Woodlawn and Southwest. Businesses located in an Enterprise Zone are eligible for real property tax credits on improvements made to property within the designated area, as well as income tax credits for hiring new employees.

The County Executive's State transportation priorities, as presented to the Secretary of the Maryland Department of Transportation in October 2015, requested that certain projects related to the redevelopment at Sparrows Point (e.g., construction of a full interchange at I-695 and Exit 44 (Broening Highway), various bridge improvements) be included in the FY 2016-FY 2021 Consolidated Transportation Program.

In December 2015, the Council passed Bill 86-15, which expanded the zoning at the former steel mill property to include light industrial and commercial uses in addition to heavy manufacturing. In April 2016, the Maryland General Assembly passed HB 1533, which exempts construction materials and warehousing equipment from State sales and use tax if the materials or equipment is purchased for use at the Tradepoint Atlantic property.

**DEPARTMENT OF ECONOMIC AND WORKFORCE DEVELOPMENT (052)
AND WORKFORCE DEVELOPMENT GRANTS (087)**

The Department should be prepared to discuss:

- *The County's financial investments (including workforce development efforts) in the Sparrows Point/Tradeport Atlantic redevelopment and the Department's strategy to attract businesses to the property;*
- *The expected economic impact of the Tradeport Atlantic redevelopment and Chesapeake Enterprise Zone designation, including the most recent estimates related to job creation;*
- *The County's advocacy efforts related to obtaining State assistance for the Tradeport Atlantic redevelopment;*
- *Other new developments in the broader Chesapeake Enterprise Zone since its designation;*
- *The Department's view on the economic impact that automation might have on distribution jobs within the County;*
- *The extent to which any manufacturing jobs may be provided on-site at Tradeport Atlantic;*
- *Results of Enterprise Zone incentives related to attracting and/or expanding businesses and hiring employees;*
- *Whether the Department has pursued or plans to pursue additional Enterprise Zone designations throughout the County or designations related to other State programs (e.g., RISE Zones surrounding higher education institutions); and*
- *State funding available for improvements at or near the Tradeport Atlantic property.*

8. Major Redevelopment Projects

Several redevelopment projects throughout the County are in various stages of completion. Major projects include Towson Row, Towson Commons, Foundry Row in Owings Mills, and Paragon Outlets in White Marsh.

The Department should be prepared to provide updates on the major redevelopment projects and to discuss:

- *Its role and the role of other County departments in pursuing redevelopment and revitalization prospects;*

**DEPARTMENT OF ECONOMIC AND WORKFORCE DEVELOPMENT (052)
AND WORKFORCE DEVELOPMENT GRANTS (087)**

- *The County’s financial investment in recent major revitalization projects, including completed projects;*
- *The expected economic impact of ongoing redevelopment, including anticipated job creation statistics; and*
- *Any other properties for which the County is pursuing prospects for revitalization.*

9. Organizational Grants

The proposed FY 2017 Organizational Contributions – General Grant Program (5902) budget includes \$377,500 for grants to six local organizations for economic development purposes. The proposed FY 2017 funding for these six organizations represents level funding from FY 2016. The proposed FY 2017 grants are as follows:

UMBC Tech Center (incubator)	\$110,000
Baltimore County Chamber of Commerce	100,000
Economic Alliance of Greater Baltimore	90,000
Towson Global Business Incubator	62,500
Regional Manufacturing Institute	10,000
Baltimore Collegetown Network	<u>5,000</u>
Total	<u>\$377,500</u>

The Department previously advised that it was implementing performance standards for its grantees.

The Department should be prepared to discuss:

- *The purpose, goals, and objectives for each grant for FY 2017;*
- *Specific performance metrics used to gauge whether grantees are meeting performance standards;*
- *Whether the proposed FY 2017 grantees have historically met the Department’s*

**DEPARTMENT OF ECONOMIC AND WORKFORCE DEVELOPMENT (052)
AND WORKFORCE DEVELOPMENT GRANTS (087)**

imposed performance standards; and

- *Factors considered in determining the annual award of funds to the two business incubators (techcenter@UMBC and Towson Global Business Incubator).*

10. Student Loan Refinancing

In April 2016, the Maryland General Assembly passed HB 1079, which authorizes Montgomery County to create the Montgomery County Student Loan Refinancing Authority. The legislation is pending the Governor's signature. The Authority would, if established by Montgomery County, provide refinancing opportunities and affordable grants and loans to County residents, graduates of the County school system, and local government employees to alleviate student debts. Proponents of HB 1079 indicated that the goal of enacting such legislation is to provide a financial incentive for educated workers to return to or remain in Montgomery County.

The Department should be prepared to discuss:

- ***Any plans to pursue a similar initiative in Baltimore County; and***
- ***Other initiatives the County may be considering to attract and retain an educated workforce.***

BALTIMORE COUNTY
FISCAL YEAR 2017 RECOMMENDED BUDGET

**DEPARTMENT OF ECONOMIC AND WORKFORCE DEVELOPMENT (052)
AND WORKFORCE DEVELOPMENT GRANTS (087)**

APPROPRIATION DETAIL						
		2015	2016	2017	NET CHANGE	
		<u>ACTUAL</u>	<u>APPROP</u>	<u>REQUEST</u>	<u>AMOUNT</u>	<u>%</u>
<u>General Fund</u>						
5201	Economic Development	\$ 1,015,447	\$ 1,195,797	\$ 1,284,508	\$ 88,711	7.4%
<u>Special Fund</u>						
<u>Economic Development</u>						
Grant 21	Economic Development Revolving Financing Fund	5,564,804	6,200,000	6,000,000	(200,000)	-3.2%
Grant 40	Tourism Program	170,258	217,975	124,975	(93,000)	-42.7%
Grant 41	War of 1812 Grant	19,921	-	-	-	-
Grant 42	Blue Angels Fleet Week Grant	-	-	24,100	24,100	100%
<u>Workforce Development</u>						
Grant 21	Adult Program	534,001	433,336	390,000	(43,336)	-10.0%
Grant 22	Youth Program	1,672,793	1,851,948	1,599,725	(252,223)	-13.6%
Grant 23	Dislocated Worker Program	633,669	664,375	412,460	(251,915)	-37.9%
Grant 24	Central Office	607,442	729,785	684,670	(45,115)	-6.2%
Grant 25	Career Centers	1,491,284	2,053,625	2,280,162	226,537	11.0%
Grant 27	Business Services	258,046	279,350	287,206	7,856	2.8%
Grant 29	Rapid Response Grant	426,454	-	-	-	-
Grant 30	Accelerating Connections to Employment	4,237,500	196,334	-	(196,334)	-100.0%
Grant 31	DSS Youth	-	-	80,000	80,000	100.0%
Grant 32	DORS Youth	-	-	50,000	50,000	100.0%
Grant 33	MD Summer Youth Connections	-	-	140,000	140,000	100.0%
Grant 34	Disconnected Youth Program	-	-	300,000	300,000	100.0%
	Special Fund Total	<u>\$15,616,172</u>	<u>\$12,626,728</u>	<u>\$ 12,373,298</u>	<u>\$ (253,430)</u>	<u>-2.0%</u>
	Total All Funds	<u>\$16,631,619</u>	<u>\$13,822,525</u>	<u>\$ 13,657,806</u>	<u>\$ (164,719)</u>	<u>-1.2%</u>

(a) Reflects audited expenditures \$877,499 greater than the amount reflected in the Executive's budget documents.

Note: Economic Development activities included in the Capital Budget as part of the Community Improvements
Classification are as follows:

Proj No	Capital Project	Prior and FY 2017 Amounts			FY 2018-2022
		Prior Amounts	FY 2017 Budget	Total	Five-Year Program
18.035	Economic Development Financing Fund	<u>\$60,395,689</u>	<u>\$ 3,300,000</u>	<u>\$ 63,695,689</u>	<u>\$16,500,000</u>

BALTIMORE COUNTY
FISCAL YEAR 2017 RECOMMENDED BUDGET

**DEPARTMENT OF ECONOMIC AND WORKFORCE DEVELOPMENT (052)
AND WORKFORCE DEVELOPMENT GRANTS (087)**

PERSONNEL DETAIL									
		FY 2015 ACTUAL		FY 2016 APPROP		FY 2017 REQUEST		NET CHANGE	
		FULL	PART	FULL	PART	FULL	PART	FULL	PART
<u>General Fund</u>									
5201	Economic Development	1	10	1	10	1	10	0	0
<u>Special Fund</u>									
<u>Economic Development</u>									
Grant 21	Economic Development Revolving Financing Fund	0	0	0	0	0	0	0	0
Grant 40	Tourism Program	0	0	0	0	0	0	0	0
Grant 41	War of 1812 Grant	0	0	0	0	0	0	0	0
Grant 42	Blue Angels Fleet Week Grant	0	0	0	0	0	0	0	0
<u>Workforce Development</u>									
Grant 21	Adult Program	0	0	0	0	0	0	0	0
Grant 22	Youth Program	2	2	1	3	1	3	0	0
Grant 23	Dislocated Worker Program	0	0	0	0	0	0	0	0
Grant 24	Central Office	4	3	0	8	0	7	0	(1)
Grant 25	Career Centers	3	25	3	28	3	30	0	2
Grant 27	Business Services	0	3	0	3	0	3	0	0
Grant 30	Accelerating Connections to Employment	0	4	0	4	0	0	0	(4)
Grant 31	DSS Youth	0	0	0	0	0	0	0	0
Grant 32	DORS Youth	0	0	0	0	0	0	0	0
Grant 33	MD Summer Youth Connections	0	0	0	0	0	0	0	0
Grant 34	Disconnected Youth Program	0	0	0	0	0	0	0	0
	Special Fund Total	<u>9</u>	<u>37</u>	<u>4</u>	<u>46</u>	<u>4</u>	<u>43</u>	<u>0</u>	<u>(3)</u>
	Total All Funds	<u><u>10</u></u>	<u><u>47</u></u>	<u><u>5</u></u>	<u><u>56</u></u>	<u><u>5</u></u>	<u><u>53</u></u>	<u><u>0</u></u>	<u><u>(3)</u></u>

Department of Economic and Workforce Development

FY 2017 Budget Analysis Questions

Economic Development Line Items and Personnel

1. Please provide a FY 2016 year-end (6/30/16) expenditure projection for 5201-0101, Salary.
2. In FY 2016 an additional \$10,000 was added to the advertising budget in order to support the Department's message in combination with efforts from a new Marketing Specialist. Please provide an update on how that additional funding has impacted the Department's advertising and marketing strategy. Have those efforts been successful? How is that success measured?
3. The Department's FY 2017 budget includes an 18% increase (\$5,400) for the advertising budget (0412). Please justify the additional funding, considering FY 2015 advertising expenditures were nearly \$8,000 below the advertising budget. Please also provide an FY 2016 year-end expenditure projection for Advertising.
4. The FY 2017 budget includes \$61,252 for a Policy Director (0.48 FTE). Please explain this position's role within the Department and in achieving the Department's goals. Why is this position necessary in addition to the Manager of Policy/Planning position? What is the hiring status for this position? Was this vacancy accounted for in the FY 2017 budgeted turnover? Where is the other portion of this position budgeted?
5. A 0.48 FTE Office Assistant is budgeted in 5201. Is the other portion of this position the 0.48 FTE budgeted in the Workforce Development Central Office grant program?
6. Please list any General Fund personnel vacancies by title, the approximate date at which the vacancy occurred, and the anticipated date the vacancy will be filled/where the hiring process stands. If the vacancies were included in the FY 2017 budgeted turnover, please indicate/explain.
7. Please provide a calculation for the \$21,642 in budgeted turnover.
8. Please provide a FY 2016 year-end expenditure projection for 5201-0301 (Professional Services) and 5201-0318 (Service Contracts).
9. In each of Fiscal Years 2013-2015 the Department significantly underspent its budget on 5201-03, Contractual Services. Please explain why actual expenditures have consistently fallen short of the budgeted amount and whether or not those patterns have been accounted for in the Department's FY 2017 appropriation for these line items. Please provide an FY 2016 year-end expenditure projection for Professional Services (0301), Service Contracts (0318), and Data Processing Equipment Maintenance (0362).
10. The FY 2017 budget includes \$70,642 for a Research Manager position (0.97 FTE). Please explain this position's role within the Department and why it is necessary in addition to the Manager of Policy & Project Planning and Policy Director positions.
11. Please describe the nature of the events that will be funded by EDGRANT42 – Blue Angels Fleet Week Grant and how they will contribute to the Department's goals & mission. Please indicate whether the Department administers this grant or whether the responsibility lies outside DEWD (see related question #12).
12. The Tourism Program (EDGRANT40) appears in the Department's FY 2017 budget. Please confirm that the responsibility for administration of this program remains outside of DEWD.

5902 Grants

1. The Department's request notes that in FY 2012 the Department began implementing performance metrics for bwtech@UMBC and the business incubator at Towson University. Please provide the performance standards/metrics the Department uses to measure these incubators' performance and the actual performance data for the last 3 fiscal years as well as the current fiscal year. Please also explain any disparities in FY 2017 proposed County grant funding between the two incubators (i.e., if one incubator is budgeted to receive more County grant funding than the other incubator, please justify why the higher amount of funding should be provided instead of providing equal funding).
2. During the FY 2014 budget process, the Department indicated that support for the Baltimore Collegetown Network was being phased out, but the program has continued to receive funding in order to promote and place interns with technology-oriented companies. If the FY 2017 budget provides funding for the Collegetown Network, please provide an update on this program, including any data available regarding the number of successful job/internship placements achieved through the program due to the County's financial support.
3. Please provide the performance standards implemented for the other organizations budgeted to receive FY 2017 grant funding as well as whether the grantees have achieved their performance standards during the last three fiscal years (and current fiscal year).

Revolving Financing Fund

1. Please comment on the status of fund activity during FY 2016—does interest continue to be slow from the business community? What is the Department's outlook for FY 2017?
2. Please confirm that the balances show in Exhibit G (page 79) in the Executive's budget message are accurate.
3. Please provide specific plans (i.e., projected use of funds) for the Financing Fund in FY 2017.
4. Please provide the number of Financing Fund loan defaults and total dollar value of defaults for FY 2014, FY 2015, and to-date in FY 2016. Please indicate whether these figures do/do not include Department of Planning transactions.

Redevelopment and Statistics

1. Please provide an update regarding the County's financial contributions to the major redevelopment projects in Towson during the last 10 years.
2. Is there a marketing or advertising strategy in place that targets businesses outside of the County? If so, are there particular types or sizes of businesses that the Department looks to attract?
3. Please provide up-to-date statistics on the number of businesses that have left the county during the last 3 fiscal years.
4. Please provide statistics regarding the retention of existing employers during the last 3 fiscal years.
5. Please provide statistics regarding the number of new businesses within the County during the last 3 fiscal years, including the number recruited from outside the County.

Workforce Development

1. Career centers: Please provide data for the total number of visitors per fiscal year in FY 2015 and FY 2016, as well as information on the number of monthly visitors per center for FY 2015 and FY 2016 to date. Please also include information on the mobile career centers.
2. What types of job training programs and services are offered at each career center? Is there significant variation in the types of services offered at each location?
3. Last year the Department indicated that it added 4 Job Developer positions in response to new mandates under the Workforce Innovation and Opportunity Act, and to better assist career center visitors in obtaining employment after training. Please provide an update on how the Department has responded to the WIOA's new evaluation criteria. The Department indicated that there were major changes to the WIOA law effective July 1, 2015; please summarize these changes.
4. Please provide statistics regarding the number of people the job developers have helped find employment during the last 3 fiscal years (for example, number of persons placed in training by career counselors; percentage of persons completing training; percentage of persons job developers are successful in finding employment).
5. The Department requested \$570,000 in funding for 4 youth-oriented grant programs (WDGRANT31-34) which was partially offset by \$252,223 in fewer requested funds for WDGRANT22. Please explain the rationale behind this reorganization of youth worker programming.
6. The FY 2017 request would transfer two managers from the Central Office (WDGRANT24) to career centers (WDGRANT25). Please explain how this move will improve the Department's function.
7. Please explain the nature of the "Temporary Help" shown in the personnel detail for several Workforce Development grant programs and clarify why the COLA is applied to temporary positions.
8. Please provide an update on the status of the ACE program, as well as outcomes from the program in FY 2015 and 2016 (projected).
9. During the FY 2015 budget process the Department noted that it was working on a Strategic Plan for workforce development. Please provide an update on the status of this plan, and a digital copy if it is available.
10. What is the status of creating satellite workforce development locations in BCPL branches?
11. Does a declining unemployment rate impact the types of career services offered by the County?

Enterprise Zones/RISE

1. The Chesapeake Enterprise Zone replaced and expanded the North Point EZ last year. Please explain the anticipated economic benefits of that expansion to the County.
2. Please provide information regarding new developments and business investments in the Chesapeake EZ since its designation, as well as any expected developments in the near future.
3. During the FY 2015 budget process, the Department advised that it planned to support RISE Zone designation for the UMBC Research Park and btwch south incubator campuses. Please provide an update.

Tradeport Atlantic

1. In January, Fedex Ground announced plans to open a distribution facility on the 3100-acre Tradeport Atlantic property. Please provide information regarding the timeline of this project as well as the County's role in facilitating those plans going forward.
2. What is the status of the site's environmental cleanup?
3. Please elaborate on whether or not the Department anticipates distribution jobs being replaced by automated processes in the near future, as well as any steps it is taking to mitigate the negative economic impacts that could ensue from such a scenario.
4. Please provide updated statistics regarding re-employment of former steelworkers. Does the County continue to maintain a Steelworkers Re-Employment Unit within the Eastport Workforce Center?

Other

1. Please provide an update on the status of the Department's entrepreneurship program, including goals; achievements to date; expenditures by fiscal year; and plans for FY 2017.
2. What is the Department's view on procurement policies that give preference to local (County-based) companies when awarding contracts?
3. Please elaborate on how, in the Department's view, an increase in the state or federal minimum wage would impact employment and economic activity within the County.