

MEMORANDUM

May 5, 2010

TO: County Council

FROM: *CHS*
Charles H. Sherer, Legislative Analyst

SUBJECT: Recommendations from the Management and Fiscal Policy Committee regarding the FY11 NDA for the Takoma Park police rebate (section 68 in the budget)

Committee recommendation The Committee met on April 14 and recommends **approval** of the amount the Executive recommended: \$717,850. The amount of the rebate is determined by a formula. In accordance with the County Code, the County pays the City 4.8 cents per \$100 of the assessable base in the City. As the base increases or decreases, the rebate increases or decreases.

FY10 approved	\$854,920
Reduce based on the estimated 16.1% decrease in the assessable base in Takoma Park	-137,340
FY11 Executive recommended	717,580

The following may attend from OMB: Beryl Feinberg, Alex Espinosa, Blaise DeFazio, Bryan Hunt
Representatives from Takoma Park

	Expenditures	WYs
Decrease Cost: Based on the estimated decline in Takoma Park's real property growth.	-20,050	0.0
FY11 CE Recommended	112,780	0.0

→ **Takoma Park Police Rebate**

The County provides financial support to the City of Takoma Park for police protection services in accordance with provisions of the County Code. This provision was enacted in 1949 and provides a payment to the City for protective services for the County residents of the City of Takoma Park. The payment is based on a formula, which uses \$0.048 per \$100 of assessable base tax rate with "full value assessment" levied on real property.

<i>FY11 Recommended Changes</i>	Expenditures	WYs
FY10 Approved	854,920	0.0
Decrease Cost: Based on the estimated decline in Takoma Park's real property growth.	-137,340	0.0
FY11 CE Recommended	717,580	0.0

Working Families Income Supplement

This NDA provides funds to match the State's Refundable Earned Income Tax Credit (EITC). The intent of the Working Families Income Supplement is to provide financial assistance to low-income working families in Montgomery County. The County, through the NDA, reimburses the State for the cost of the refund and related administrative expenses.

<i>FY11 Recommended Changes</i>	Expenditures	WYs
FY10 Approved	15,008,200	0.0
Increase Cost: Working Families Income Supplement	1,648,200	0.0
FY11 CE Recommended	16,656,400	0.0

Notes: Cost increase reflects the weaker economy and reduced earnings for many residents, a change in the State's Earned Income Tax Credit formula, and a resulting increase in the number of recipients of approximately 10,000.

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