Montgomery County's Priorities for the 2012 Session

Briefing for the Montgomery County State Delegation
November 16, 2011

Like the State of Maryland, Montgomery County has been hit hard by the economic crisis that took hold in 2008.

➢ **Local tax revenues declined dramatically and have not yet recovered**

  ➢ local income tax revenue projections for FY 12 are still 14% lower than they were in FY 09, or nearly $200 million less, dropping from $1.3 billion down to $1.1 billion
  ➢ local property tax revenues remain flat
  ➢ transfer tax collection increases are not sufficient to offset significant losses in recordation tax collections

➢ **State aid for general government purposes was reduced substantially with dim prospects for restoration**

  ➢ State revenue sharing to help Montgomery County underwrite the costs of transportation, public health, public safety, and libraries was reduced from $63 million in FY 09 down to $18 million in FY 12
  ➢ This $45 million reduction equates to almost half of the State's increase in State aid for Montgomery County's K-12 public school system during the same time frame

➢ **Demand for services rose, with no reversal of this trend in sight**

  ➢ Enrollment in the Montgomery County K-12 public schools increased from 137,745 to 146,582, or by 6%
  ➢ The number of residents on food stamps increased 126% since FY 07
  ➢ The number of families receiving temporary cash assistance increased by 53% since FY 07
  ➢ The number of households receiving home energy assistance increased by 37% since FY 08
  ➢ Enrollment at Montgomery College increased by 2,571 to 26,996, or 11%, since FY 09

Montgomery County has acted responsibly to stabilize its finances.

The County cut spending

➢ Personnel …

 ➢ workforce is 10% less, down from 10,000 to 9,000 work years
 ➢ no cost of living adjustments since FY 09
 ➢ no step increases since FY 10
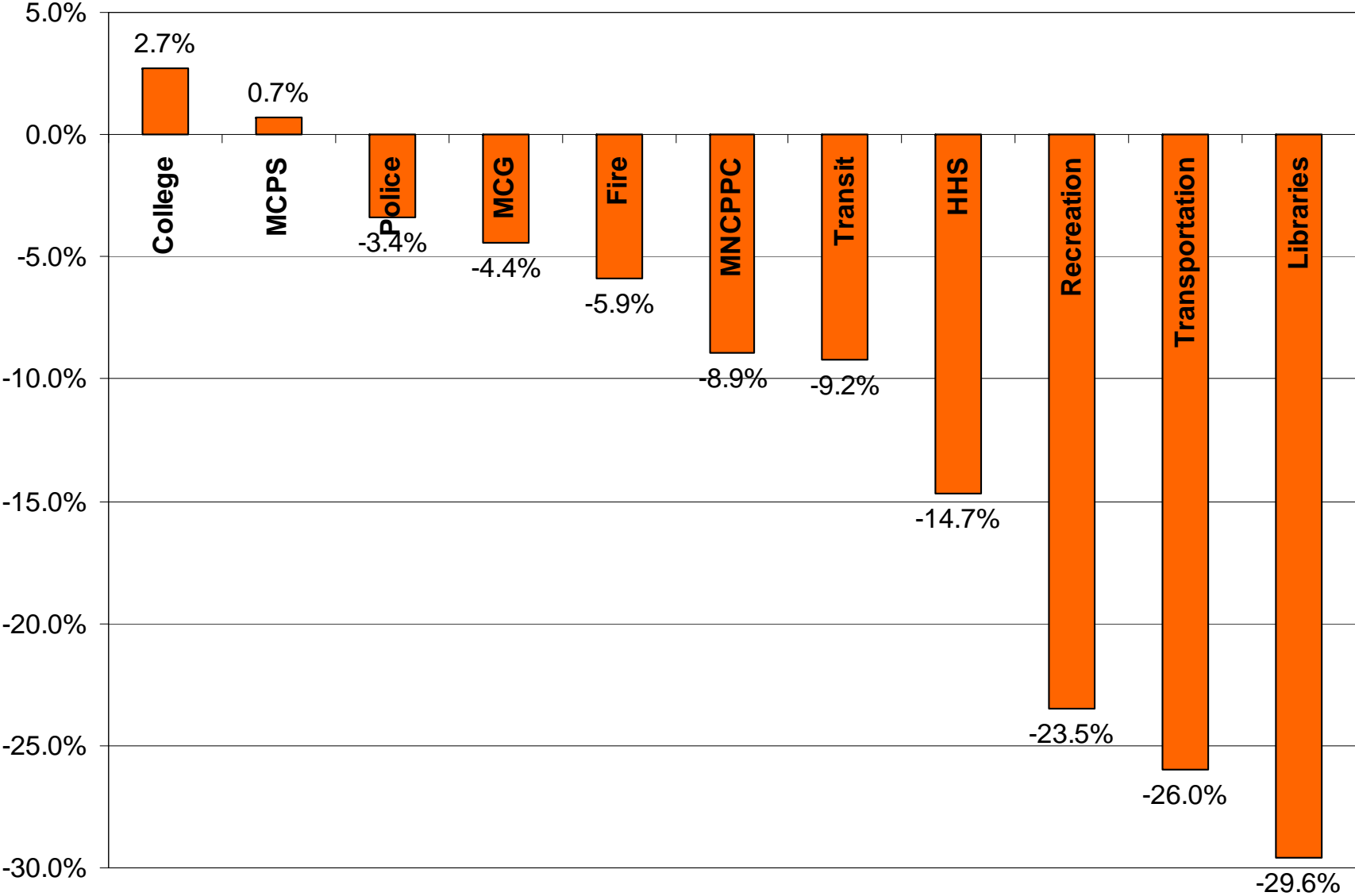 ➢ furloughs of up to 10 days in FY 11

➢ Benefits…

 ➢ Increased employee cost share for health benefits
 ➢ Increased employee cost share by 2%, phased in over 2 years, for County employees in defined benefit retirement plans
 ➢ Reduced the employer cost share by 2% for the 40% of County employees now in the defined contribution retirement plan -- which in 1994 replaced the more expensive defined benefit plan similar to that currently provided to State employees
 ➢ Tightened eligibility for retiree health benefits

➢ Programs…

 ➢ Library and recreation hours were reduced
 ➢ Maintenance standards for facilities and roads were lowered
 ➢ Ride-On bus routes were eliminated altogether or modified
 ➢ The County's matching earned income tax credit program was reduced
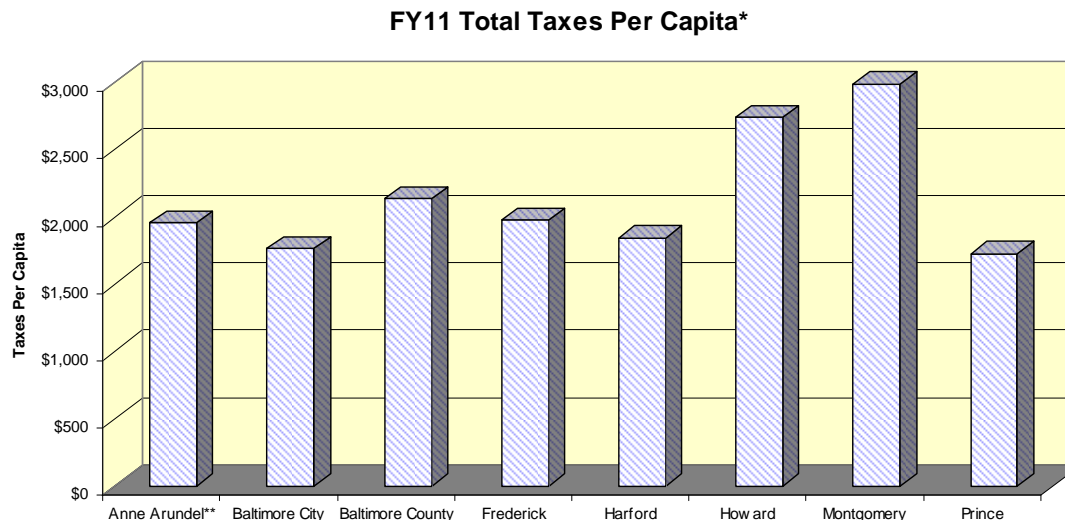 ➢ Community policing, traffic patrol, and forensic programs were reduced

Agency Budget Changes FY09-FY12

Agency	Change
College	2.7%
MCPS	0.7%
Police	-3.4%
MCG	-4.4%
Fire	-5.9%
MNCPPC	-8.9%
Transit	-9.2%
HHS	-14.7%
Recreation	-23.5%
Transportation	-26.0%
Libraries	-29.6%

The County raised new revenues

➢ Raised the property tax above the charter limit in FY 09

➢ Raised the energy tax on residential and commercial customers in FY 10 and FY 11

➢ Raised the telephone taxes for wireless customers in FY 11

FY11 Total Taxes Per Capita*

*Includes property, income, transfer, recordatiion, energy, phone, and admissions and amusements taxes as well as solid waste fees.
**FY11 data are not available for Ann Arundel and Prince George's counties. FY10 data are used.

Source: Maryland Association of Counties. *Budgets, Tax Rates, & Selected Statistics Fiscal Year 2010 and 2011*.

Like the State, Montgomery County still faces major challenges.

➢ The County's FY 13 budget will need to be significantly constrained to achieve balance

➢ Enrollment in our public schools and safety net programs continue to increase

➢ Revenues remain sluggish

➢ Economic growth will require significant infrastructure investment

Therefore, Montgomery County's Priorities for the 2012 Session are:

➢ 1. **Doing no harm, by asking you to…**

➢ ensure that any changes to the State K-12 education statute will not prevent the County from meeting its statutory local funding requirement for FY 13 and beyond

➢ protect funding for energy assistance programs that an increasing number of lower income families in the County are relying on

➢ 2. **Investing in the County's infrastructure needs, by asking you to…**

➢ support a gas tax increase and other new, sustainable revenue sources that will result in the ability for the State to make substantial new investments to improve transportation infrastructure and restore Highway User and Ride On operating subsidy funds (see Appendix A for a listing of projects)

➢ support the Montgomery County Public School's public school construction request of $185 million which represents the State share of eligible project costs (see Appendix B for a listing of projects)

➢ support a $1 million State grant to help underwrite the capital costs of the new Silver Spring Library

➢ support Montgomery College's request for State funds to help underwrite the capital costs of the Germantown Science and Applied Studies Building ($2.7 million) and the Rockville Student Services Center ($5.4 million)

➢ support funding for and strategic growth at the Universities at Shady Grove

➢ support an increase in the Bay Restoration fee but restrict the use of the revenues to existing obligations

Appendix A: Transportation Priorities

Transit projects of regional significance not in the State's construction program (listed alphabetically):

       Corridor Cities Transitway (CCT)
       Purple Line

Highway projects of regional significance not in the State's construction program:

       I-270 widening for high-occupancy-toll or high-occupancy-vehicle lanes north of Shady Grove
       I-495 widening for HOT or HOV lanes between the I-270 West Spur and Virginia

Locally significant *State projects that have been funded by the County* (amounts in millions):

       $14.5 – Grade-separated interchange at Montrose Parkway and Rockville Pike (construction)
       $22.4 – Glenmont Metro Station parking garage (construction)
       $67.0 – Rockville Pike through White Flint (redesign and reconstruction)
       $70.3 – Montrose Parkway from Rockville Pike to Parklawn Drive (design and construction)
       $14.4 – Grade-separated interchange at Georgia Avenue and Randolph Road (design & land acquisition)
       $6.4 – Intersection improvements on State highways (construction)
       $10.0 – Georgia Avenue bypass around Brookeville (design & land acquisition)
       $4.9 – I-270/Watkins Mill interchange (design)
       $6.0 – Veirs Mill BRT between Wheaton and Rockville (preliminary engineering)
       $2.0 – Pedestrian walkway under Georgia Avenue at Forest Glen (preliminary engineering)
       $5.0 – Georgia Avenue busway between Glenmont and Olney (preliminary engineering)
       $3.0 – Reconstruction of Georgia Avenue from 16th Street to Forest Glen Road (preliminary engineering)

Locally significant State projects, ready for construction funds:

I-270/Watkins Mill Road Extended, bridge over I-270
Woodfield Rd: widen to 6 lanes, Midcounty Hwy to Snouffer School Rd
Georgia Avenue: built 2-lane bypass around Brookeville
Georgia Avenue/Norbeck Road, build grade-separated interchange
Clopper Road; improve intersections from I-270 to Seneca Creek Park
I-270/Watkins Mill Road Extended: grade-separated interchange
Spencerville Road: widen to 4 lanes from Old Columbia Pike to US 29
Norbeck Road: widen from Georgia Avenue to Layhill Road
I-270/Newcut Road: build grade separated interchange
Woodfield Rd: widen to six lanes from Snouffer Sch Rd to Airpark Rd
Woodfield Rd: widen to six lanes from Fieldcrest Rd to Warfield RD
US 29/Fairland Rd/Musgrove Rd: build grade separated interchange
MD 28/198, widen from Layhill Road to Old Columbia Pike

Potential bus rapid transit (BRT) corridors not in the State's design and engineering program:

US 29, MD 355, MD 650, North Bethesda Transitway, MD 193

Highway and bike projects not in the State's design and engineering program:

Grade-separated interchange at Frederick Road and Gude Drive
Mid-County Highway from the Intercounty Connector to Shady Grove Road
Intercounty Connector hiker-biker trail from Shady Grove to Prince George's County line
Grade-separated interchanges on Sam Eig Hwy from I-270 to Great Seneca Hwy and Muddy Branch Rd
Widening Frederick Road from Brink Road to future Clarksburg bypass
Grade-separated interchange at Rockville Pike and Cedar Lane and improvements to Woodmont Avenue
Grade-separated interchange at Veirs Mill Road and Randolph Road
Widen Veirs Mill Road from Twinbrook Parkway to Randolph Road
Reconstruct Frederick Road north of Old Town Gaithersburg
Grade-separated interchange at I-270 and Gude Drive
MD 108 bypass around Laytonsville

Appendix B:
Public School Construction Priorities

Balance of Funding (Forward-Funded):
  Fox Chapel Elementary School
  Garrett Park Elementary School

Construction Request (Forward-Funded):
  Jackson Road Elementary School Addition

  Redland Middle School Upgrades/Limited Renovation

Systemic Projects:
  Piney Branch Elementary School
  Col. Zadok Magruder High School
  Bannockburn Elementary School
  Waters Landing Elementary School
  Rosemary Hills Elementary School
  Rachel Carson Elementary School
  Judith A. Resnick Elementary School
  Neelsville Middle School
  East Silver Spring Elementary School
  Westbrook Elementary School
  Sequoyah Elementary School
  Whetstone Elementary School
  Stedwick Elementary School
  Damascus Elementary School
  South Lake Elementary School
  Dr. Charles R. Drew Elementary School
  Pine Crest Elementary School
  Summit Hall Elementary School

Planning and Construction (Forward Funded):
  Rock View Elementary School
  Brookhaven Elementary School
  Harmony Hills Elementary School
  Montgomery Knolls Elementary School
  Fairland Elementary School
  Ridgeview Middle School
  Whetstone Elementary School

Planning and Construction Request:
  Downcounty Consortium Elementary School
  Seven Locks Elementary School
  Paint Branch High School
  Herbert Hoover Middle School
  Glenallan Elementary School
  Beverly Farms Elementary School
  Weller Road Elementary School
  Bradley Hills Elementary School
  Westbrook Elementary School
  Wyngate Elementary School
  Veirs Mills Elementary School
  Georgian Forest Elementary School
  Darnestown Elementary School
  Gaithersburg High School

Planning Approval Request:
  Bel Pre Elementary School
  Candlewood Elementary School
  Clarksburg Cluster Elementary School
  Rock Creek Forest Elementary School
  Waters Landing Elementary School
  Farquhar Middle School
  Wheaton High School