



**OFFICE OF THE COUNTY EXECUTIVE
ROCKVILLE, MARYLAND 20850**

Marc Elrich
County Executive

MEMORANDUM

March 15, 2021

TO: Tom Hucker, President, Montgomery County Council

FROM: Marc Elrich, County Executive

SUBJECT: FY22 Recommended Operating Budget and Public Services Program FY22-FY27

I am pleased to submit my Fiscal Year 2022 Recommended Operating Budget. This budget is put forth at a critical time for our community and is focused on our response to and recovery from the COVID-19 pandemic, while also remaining focused on our long-term goals of social justice, equity, and community resiliency. We must position ourselves to respond successfully to challenges in the future, including climate change.

FY22 Recommended Budget by Agency

Agency	Total Budget	Tax Supported
Montgomery County Government	\$2,167,555,652	\$1,665,868,937
Montgomery County Public Schools	2,780,512,190	2,534,935,412
Montgomery College	312,582,500	265,454,984
M-NCPPC (including Debt Service)	165,806,522	146,092,288
Retiree Health Insurance	93,940,501	92,154,058
Debt Service (MCG)	448,687,490	420,725,740
TOTAL	5,969,084,855	5,125,231,419

OVERVIEW

A little over one year ago the first cases of COVID-19 were reported in Montgomery County and in the State of

Maryland. On March 5, 2020, the Governor declared a state of emergency that continues to this day. In the last twelve months, nearly 1,400 County residents have lost their lives and more than 64,000 County residents have contracted COVID-19. Sadly, these numbers continue to rise every day. For many who do get sick, the effects continue to linger even after they have recovered from the virus. Our seniors and communities of color have been disproportionately impacted at an alarming rate. The collective pain we have suffered as a County will remain in our hearts and minds for years to come, but we have been resilient and found ways to overcome the challenges that COVID-19 has created.

Our dedicated County workforce has done an incredible job of assisting the people who live and work here by administering COVID-19 tests and vaccines; providing food to those who are hungry; implementing new assistance programs to aid our businesses, nonprofits, and childcare providers; and quickly assembling emergency assistance programs to provide urgently needed help to residents who suddenly found themselves in a precarious economic situation.

I am proud of the work we have accomplished over the past year. County employees have learned to work differently and found innovative ways to deliver services throughout the pandemic. Many of our employees have been on the front lines - from the beginning putting themselves at risk to provide necessary services to our community. I am grateful for their tireless efforts to serve the people of Montgomery County.

Over the past year, we have made many difficult financial decisions to adjust to these unprecedented times. And while the County has a Fiscal Policy to achieve and maintain a funding reserve level of ten percent of adjusted governmental revenues, certain expenditures during this pandemic were essential to protecting and supporting our residents and organizations. In many cases, we needed to pay up-front for costs that we are confident will be fully reimbursed by the Federal Emergency Management Agency (FEMA). In other instances, tapping our reserves to alleviate economic pressures on our community was simply the right thing to do. We ended FY20 with reserves at 8.9 percent of adjusted governmental revenue. This budget presents a plan to restore the reserves to our policy level within three fiscal years, and the actions taken in my budget will bring our expected FY22 reserve level up to 9.6 percent.

Thankfully, our Federal and State partners have provided some much-needed assistance, and our revenue forecasts have greatly improved. The Coronavirus Aid, Relief, and Economic Security (CARES) Act provided the County with \$183.3 million in flexible aid to help address many of our most pressing expenditure challenges. In addition, we also received funds to help maintain our transit system that experienced record lows in ridership due to stay at home orders, business shutdowns, physical distancing requirements, and other societal shifts brought on by the virus. The State provided us with funds to help our restaurants when the pandemic was in its most extreme phase.

Most recently, the enactment of President Biden's American Rescue Plan Act will provide the County government with \$204 million in Federal aid that will be used over the coming months and years to provide economic assistance to our residents and businesses. In addition, this funding will ensure that the County government recovers from the pandemic stronger and more resilient.

I want to thank our Congressional Delegation for their work in providing much needed fiscal relief to the County and economic relief to our residents and businesses. Without this critical Federal aid, we would not be able to support the revitalization of our community with this budget.

The toll that this disease has taken on us has been in the forefront of our minds as we have worked to minimize the impact the virus takes in our community. We have put public health first and it is been hard on all of us. Our businesses, non-profits, educators, children and their parents have had to adjust to a new normal that have extremely challenging. The County has worked diligently to help our struggling employers keep their doors open because we understand that they are essential to our economy and our quality of life. We continue to provide financial support through multiple relief programs designed to assist restaurants, retailers, service providers, and arts organizations during these difficult times.

The County has also provided rental relief assistance for families and individuals who are not working or have lost income due to COVID-19. We have expanded Wi-Fi into more public spaces and created more outdoor spaces for residents.

We continue to do as much as possible to stabilize working families, many who were already in need of assistance. We anticipate that many of these programs will continue into the next fiscal year.

The FY22 Recommended Operating Budget focuses on three main goals: Response, Recovery, and Resilience, so that our residents and businesses can continue to pull through this crisis and that we continue to move towards our critical community goals. I feel confident that better days are ahead.

SUPPORT FOR FAMILIES AND VULNERABLE RESIDENTS

This pandemic has been especially difficult for our low-income residents. My Recommended Budget sets aside an additional \$15 million to enhance the Working Families Income Supplement program and an additional \$5 million to expand the program for those residents who have a taxpayer identification number. These programs provide financial assistance to low-income working families in the County and will help them overcome the challenges that many have faced during this past year.

The pandemic has not only taken a toll on the financial health of families, but it has also taken a significant toll on the mental health and well-being of our residents. In the Department of Health and Human Services, I am recommending continuing funding for the Family Strengthening Program to address the complex needs of families, improve family stability, and reduce risky behaviors. In addition, I am recommending continuing funding for the Family Strengthening and Intervention Program that will provide holistic one-on-one coaching for families that are struggling with instability and violence at home.

One of the most important programs that the County has implemented during the pandemic has been the creation of eight service consolidation hubs. These hubs were established to coordinate a cluster of organizations that provide comprehensive services to residents. Each hub is hosted by a community-based organization that is supported by the County and assisted by multiple nonprofit partners, and each one develops a unique approach to the challenges of their particular community. The eight hubs provide a single location for multiple services, including groceries and prepared meals, telemedicine, diapers, and access to other social services. They are a critical resource providing comprehensive wrap-around services to those facing food insecurity. The hubs have also provided us with the opportunity to go deeper into communities where the County government alone could not have provided services in a culturally appropriate manner. Recognizing the continued need for these sites and services, I am recommending \$3.6 million be provided to the Department of Health and Human Services to continue working with our community providers to strengthen the hubs and to provide one full-time position to support the continued work.

One important goal of my Administration is to help all individuals and families obtain one of the most basic human needs: adequate shelter. The FY22 Recommended Budget includes almost \$500,000 to expand our Rapid Rehousing Program. Rapid Rehousing is an effective strategy that helps individuals and families quickly exit homelessness, return to housing in the community, and avoid becoming homeless again in the near term. The funds provided in my Recommended Budget will fund an additional 26 Rapid Rehousing slots plus 5 additional slots for victims of Domestic Violence.

In addition to expanding Rapid Rehousing, I am also recommending an additional \$1 million for the Rental Assistance Program. The program provides subsidies to individuals and families of up to 25 percent of the monthly rental cost of a unit. The average two-bedroom unit in Montgomery County rents for over \$1,600 per month, yet the current monthly benefit has been capped at \$200 for decades. The cap must be raised in order to provide an appropriate subsidy to households to ensure housing stability. This enhancement will allow the Department of Health and Human Services to provide this meaningful benefit to hundreds of families.

In May 2019, the location of our primary men's shelter at 600 E. Gude Drive was compromised due to environmental issues. Loss of this shelter plus the need to provide adequate space for physical distancing for sleeping, eating, and common program areas in existing shelters has created a great need. To address this need and to implement a policy that provides housing for the homeless year round, I am recommending changes to the County's capital budget to fill

the gap by constructing a new facility that will shelter 200 people. As a result, my Recommended Budget includes \$3.1 million in additional funds for the new shelter and year-round sheltering.

One of the signature initiatives of my Administration is the Early Care and Education Initiative. In March 2019, I, along with then-Council President Nancy Navarro, jointly announced this initiative in partnership with Montgomery County Public Schools and Montgomery College. This Initiative is a four-year action plan to significantly expand quality early care and education options for infants, toddlers, and preschoolers - providing greater access to more families. My FY22 Recommended Budget includes \$5 million in additional funding for this program's sustainability, access, affordability, and expansion. Quality childcare is especially important as more parents and caretakers reenter the job market as our local economy recovers. There will be \$12.5 million available for this program in FY22.

AFFORDABLE HOUSING

One of the key steps to achieving a more equitable and just society and helping all of our residents thrive is ensuring access to housing that is affordable and safe. To expand the preservation and production of housing that is affordable to our most economically burdened residents, the FY22 budget for the Montgomery Housing Initiative (MHI) provides the highest level of funding in County history by allocating \$89.1 million for affordable housing. This includes \$61.1 million in the Montgomery Housing Initiative (MHI) Fund, \$22.0 million for the Affordable Housing Acquisition and Preservation CIP project, and \$6.0 million for the new Affordable Housing Opportunity Fund requested through a special supplemental sent to the Council in December 2020 that still awaits action.

This budget recommendation increases dedicated funding to provide financing loans for the acquisition and preservation of affordable housing units, renovation of distressed housing, and creation of mixed-income housing as well as housing units for special needs residents and seniors. It also continues funding to support the "Building Neighborhoods to Call Home" and "Housing First" programs and provides committed rental assistance to help the County's most vulnerable residents.

In addition, the FY22 Recommended Budget supports a \$50 million Housing Production fund within the Housing Opportunities Commission (HOC). The committed County funding over a 20-year period will allow HOC to provide construction bridge-financing for their affordable housing development projects. Loan repayments from the fund can be used to support additional affordable housing projects.

PUBLIC SAFETY

My administration takes very seriously the community's call to reimagine public safety so that members of all communities truly feel protected. For this reason, I am reorganizing the Montgomery County Police Department to address community concerns, create service efficiencies, and realize financial savings.

The reorganization contained in my Recommended Budget eliminates 29 positions across MCPD, of which 25 are for sworn officers. While many of these eliminated positions are currently vacant, the officers and staff that were assigned to a position that will be eliminated will be reassigned in the department. Reductions were taken from a wide cross-section of positions including, but not limited to, School Resource Officers and police officers in Patrol, Collision Reconstruction, Traffic Complaints, SWAT, K9, and Emergency Services. Savings created by the reorganization also resulted from replacing sworn officer positions with civilian positions within the Evidence Unit and the Personnel Division.

For far too long, the County, like most jurisdictions across this country, has allowed major social problems to become problems that have been left to the police to address, such as incidents involving residents presenting mental health issues. To better address these issues, we will be enhancing and strengthening much needed social services and emotional

supports. At the same time, we will reduce the reliance on police, thereby reducing negative interactions and outcomes with police officers.

To that end, my Recommended Budget adds six additional support personnel to the Mobile Crisis and Outreach Team in the Department of Health and Human Services, to create three new crisis outreach teams. This service boosts the County's behavioral health crisis response to residents with a mental and/or substance use disorder, and crisis response to schools. The Department is also pursuing additional grant funding to further bolster this effort.

In addition, I am including funds to create a community-based Homeless Court program to connect persons who are homeless or have been homeless to services while simultaneously resolving open misdemeanor criminal, traffic, and transit matters. Furthermore, this budget includes over \$550,000 to expand mental health services at Linkages to Learning sites in schools with a high concentration of poverty, plus \$250,000 for mental health services for MCPS students and their families.

For the Montgomery County Fire and Rescue Service, my Recommended Budget adds firefighter/rescuer positions to reduce the need for overtime while firefighter/rescuers are engaged in full-time training to become paramedics. In addition, I am recommending additional funding to continue the deployment of cell phone technology on all apparatus to support new alternative destination and telemedicine programs, and to provide backup communication contingency. An additional daywork ambulance will provide enhanced EMS transport capacity. Furthermore, I am recommending that we add a paramedic chase car to improve advanced life support (ALS) emergency medical service delivery in the County. By separating the paramedic from the transport unit, the advanced medical resource can be redeployed back into the community more quickly, improving ALS availability. Finally, I am recommending that the County replace 27 aging heart monitor/defibrillators assigned to advanced life support transport units, paramedic chase cars, and engines to ensure the operability of critical life-saving equipment. Funds are allocated in the debt service budget for this purchase.

Funds are also provided to support an audit of MCFRS operations and administration with a focus on optimizing resource deployment to address Racial Equity and Social Justice while identifying resource efficiencies. This effort, in partnership with the Department's ongoing work with the Office of Racial Equity and Social Justice, will create an Equity-focused framework for decision-making in resource allocation, operations, and administration.

EQUITY

One of the central tenets of my Administration is the creation of a more equitable and inclusive community. The Office of Racial Equity and Social Justice was created to reduce and eliminate racial disparities and inequities in Montgomery County. These inequities were made all too clear this past year with communities of color and low-income families disproportionately impacted by the pandemic. To change this, we must continue to build capacity within County Government to implement policies and programs throughout County government that advance these principles. Therefore, I am recommending that the Office of Racial Equity and Social Justice be provided with two additional program manager positions to increase its capacity to carry out its charge.

As we have seen all too clearly, the pandemic has laid bare the health disparities that existed in our society before its arrival. Whether someone lives in a city or in a rural area, whether they are wealthy or are just scraping by, and regardless of their race, ethnicity, or the language they speak - everyone should have access to adequate medical care. For this purpose, my budget includes nearly \$900,000 to fund a Mobile Health Clinic in order to increase health care access and alleviate disparities throughout the County. The program will seek to improve health outcomes in vulnerable populations and communities.

Montgomery County's diversity is one of its greatest strengths. Our community is home to residents from around the world, many of whom speak languages other than English at home. During the response to COVID-19, a communications gap became apparent between services that the County offers and the people who call the County home. Language should never be a barrier between a family needing vital services and those who provide the services. As a result, working with

members of the County Council, the need for a multilingual and multicultural communications unit was identified.

My FY22 Recommended Budget includes nearly \$1.7 million for the creation of a Multilingual and Multicultural Communications Unit within the Community Engagement Cluster. This unit, staffed with an additional 15 positions, will help connect the County's limited English proficient residents to the services that they and their families need. Furthermore, the FY22 Recommended Budget includes approximately \$640,000 to hire bilingual contractual staff in HHS to help field the more complex "Tier 2" calls to MC311 from individuals seeking assistance with multiple health or social service needs and address longer than normal wait times at MC311. In addition to this unit, my Recommended Budget also provides a \$100,000 enhancement to the Montgomery Coalition of Adult English Literacy (MCAEL) to help scale up services to meet the increased needs of limited English proficient individuals.

This past year we have become increasingly reliant on internet technology as many of us were working or learning remotely. Too often, however, our lower-income neighbors were left behind because of lack of access to high-speed broadband internet service. As we move forward to becoming a more equitable and resilient community, this issue must be addressed. My budget includes \$100,000 to continue a program to bring broadband to Housing Opportunities Commission properties and affordable housing properties through the Digital Equity Initiative. Closing this digital divide will make the internet accessible to everyone regardless of income.

Part of creating a more equitable and inclusive community is making sure that everyone is treated fairly in housing, employment, and public accommodation and that they live free of intimidation. To this end, my proposed budget includes funding for two additional Investigator positions in the Office of Human Rights. These positions will work to resolve complaints of discrimination either through a formal complaint process or through mediation.

ENVIRONMENT AND TRANSPORTATION

The climate emergency is an imminent and existential threat to our way of life. I recognize that County government alone cannot meet our climate goals, therefore my recommended budget is designed to facilitate partnerships with residents and businesses of the County as well as our State and Federal partners. To advance the County's efforts to combat the threat of climate change, my budget adds three positions that will be funded by the Climate Change Planning NDA. An Energy Policy Manager will advocate with State-level policymakers and regulators for policies that align with our efforts to clean the electric grid. A new Program Manager position will accelerate the electrification of private and commercial vehicles, and an Outreach Specialist will engage the public in reducing greenhouse gas emissions.

I have also added a new position to the Tree Montgomery program to clear the backlog of requests for new trees and allow the program to focus proactively on areas with little tree cover. Trees are an effective way to reduce greenhouse gas emissions. In addition, I am recommending a new Capital Project to renovate our Material Recycling Facility so that the County can process 100 percent of the recyclable material we generate, with capacity to add new materials to our recycling capabilities. This is a project that has both environmental and financial benefits.

Furthermore, my Recommended Budget adds \$100,000 each for the RainScapes Program and Watershed Grants, two programs that help residents and businesses initiate environmentally friendly rainwater practices on their own property. The demand for both programs exceeds their current budgets, and the effort helps us meet stormwater management obligations under State law on land that is not owned by the County. I have also added \$100,000 for a comprehensive Countywide anti-litter campaign, and a new position to increase enforcement of laws that fall under the Department of Environmental Protection, such as the recently enacted bans on single-use plastic straws and un-recyclable polystyrene. Finally, I propose adding funding to expand a pilot program that provides the supplies for food scrap composting to interested residents. This program will reduce the amount of waste that enters the refuse stream.

Getting traffic and congestion under control is one of the most effective ways in curbing greenhouse gas emissions and at the same time contributing to our quality of life. An effective and reliable mass transit system is key to those efforts.

Amid this pandemic, we launched the Flash BRT on Route 29, which is an important step forward for the East County.

Now, we are moving forward with plans for BRT along Viers Mill Road and Route 355. For FY22, I am recommending a study to reimagine our Ride On transit network. The study will examine the system's route network and recommend changes for more efficient and effective service delivery, as well as consider Racial Equity concerns. A variety of route features will be examined including route structure and connectivity, route span, and frequency of service. The study's recommendations will assist the Department of Transportation in implementing strategies to improve in their performance measures and will be key to successfully incorporating electric vehicles into our fleet. Furthermore, I am recommending the purchase of an additional ten electric buses in FY22. This will bring the total electric fleet to 24 buses. There are currently four electric buses in service with another ten to be deployed within a year.

To accelerate the transition to a zero emissions fleet for Montgomery County Government, this budget includes funding for the Brookeville Bus Depot Electrification project, a Public Private Partnership (P3) intended to deliver the electrical infrastructure necessary to support the County's growing electric transit fleet. The project will involve building a large solar array system over the existing parking lot at the Brookeville Bus Depot in Silver Spring to provide green energy to charge the County's fleet of electric buses. This microgrid technology is part of the County's sustainability plan.

In addition, the Division of Fleet Management Services is purchasing two portable solar-powered electric vehicle charging stations with battery storage. The budget funds a pilot alternative approach to electric vehicle charging infrastructure. An off-grid, construction-free power solution that fits in a parking space, the system can be configured for any type of electric vehicle to provide sufficient electricity to drive approximately 245 miles per day. In the event of an emergency, the solar chargers can be used to provide emergency power.

ECONOMIC DEVELOPMENT

Since last March the County has provided more than \$70 million in assistance to the businesses that have been hardest hit by the economic downturn. Through the Public Health Emergency Grant (PHEG) program, funding for the streeteries, funds for the business continuity task force, assistance for child care providers, and restaurant relief and tourism assistance, the County has partnered with our businesses to ensure that they can weather this storm. Looking ahead, as we return to a degree of normalcy, my FY22 budget includes funding for several initiatives that will work to ensure that our business community is resilient and comes back stronger than ever.

The FY22 Recommended Budget includes an additional \$1 million in funds to continue our critical partnership with the Montgomery County Economic Development Corporation (MCEDC) - the organization that leads the County's efforts to showcase the County as an ideal location to start and grow a business. Of these funds, \$300,000 will be used to support entrepreneurship development and \$250,000 will be used to establish an Entrepreneurs-in-Residence Fellowship Fund. Furthermore, the FY22 budget includes \$250,000 to fund MCEDC's efforts to support the proposed White Flint Research and Innovation Center collaborative project with the Washington Metropolitan Area Transit Authority (WMATA) in White Flint and \$100,000 to support an Inclusive Economy Initiative that will work with minority-owned businesses and ethnically focused chambers of commerce to build a more equitable and inclusive economy in the County.

Finally, as we continue to recover from the pandemic, it will be critical to match potential employees and employers for our local economy to thrive. To support this need, my FY22 budget provides \$100,000 to expand the talent pipeline and workforce development partnership to strategically promote targeted industries and connect the local business network to top talent.

Alongside our partnership with MCEDC, my Recommended Budget provides over \$320,000 to support the development of an entrepreneurship ecosystem in the Incubator Programs - Economic Development Partnership non-departmental account. Additionally, as a result of the pandemic, my Recommended Budget includes \$804,200 to the Conference and Visitors Bureau to offset the projected hotel/motel tax shortfall to help facilitate the resiliency of the

hospitality industry in the County.

My Recommended Budget provides \$1.4 million to WorkSource Montgomery to implement the County's workforce development policies, including an additional \$180,000 to provide growth opportunities to youth through the Summer RISE program. This successful program will be led again by WorkSource Montgomery in partnership with Montgomery County Public Schools to provide rising juniors and seniors with career development experiences in the public and private sectors.

EDUCATION

The return to in-person learning will be a critical component of our rebound from the pandemic. This budget fully funds the Board of Education's Request for \$2.8 billion in FY22, including \$1.8 billion from the County. This funding level exceeds the State's Maintenance of Effort requirement by over \$40.2 million, a result of declining enrollment numbers, and qualifies our public schools for \$29.7 million in additional State incentive funding.

We must provide the resources needed for safe in-person education to help students return to grade level after an unprecedented 2020-2021 school year. We are actively working with our partners in the General Assembly to ensure that any future Maintenance of Effort requirements will not be based on the artificially high per pupil allocation for FY22.

This budget also includes \$312.5 million in funding for Montgomery College. This amount fully funds their budget request including a \$500,000 increase for an expanded Montgomery Can Code program and an Innovation Hub on the Rockville Campus. The Montgomery Can Code program is a unique learning opportunity for youth who would like to pursue STEM education fields. The goals of the Innovation Hub, working with an equity lens, are to expand access to education and careers in STEM fields, and to spur community-based problem solving, entrepreneurship, innovation and collaboration for students, educators, emerging businesses, nonprofits, County residents, and community leaders.

Efforts to date to acquire a suitable site for the KID Museum have not been successful, so the Museum has opted to rent an expanded facility on an interim basis. This will allow KID to immediately expand its partnership programs with Montgomery County Public Schools to address COVID-related learning losses, serve at-risk children, and provide hands on learning programs for more children and their families. As a result, the County's support for KID Museum will shift to the operating budget, and a previously approved capital budget project will be phased out.

COMMUNITY PARTNERS

One of the County's major strengths is its collaborations with our community partners. The services offered by our partners help us to address poverty and social inequity, provide emergency services, serve disconnected youth in our community, and ensure that seniors and the differently-abled receive quality services. These partnerships help our most vulnerable neighbors access the services they need to thrive in a cost-effective manner. I am recommending a 1.5 percent inflationary adjustment for nonprofit contracts in the Department of Health and Human Services, medical adult day care supplement payments, developmental disabilities supplement payments, and grant funds to arts and humanities organizations through the Montgomery County Arts and Humanities Council. In addition, this budget moves 23 programs previously funded through the Community Grants budget into the base budgets of departments (\$711,500). I also recommend including \$9.6 million to renew previously awarded community grants.

EFFECTIVE AND SUSTAINABLE GOVERNMENT

My Recommended Budget includes a number of enhancements that will instill further confidence into our electoral system, provide enhancements for MC311 and the Public Information Office, and fund a negotiated solution to the ongoing

Municipal Tax Duplication issue. We are also beginning to realize the work of our cost efficiency study group.

Having publicly financed elections helps to level the playing field between candidates so that elections are not controlled by a handful of wealthy donors. Enacted in 2014, the County's Public Campaign Financing legislation established a Public Election Fund. The County's Committee to Recommend Funding for the Public Election Fund recommended that \$3 million be provided in FY22 to support the June 2022 primary election. My FY22 budget honors the recommendation of that committee and provides the new funding at the requested level.

Over the past year, many more residents have used our MC311 call center to find out vital information about County services and to stay connected to the resources that are imperative to their daily lives. As a result of the increased volume of calls, the wait times for someone to speak with a customer service representative have increased significantly. To handle the influx of calls, employees across County government were reassigned to assist the call center, but this practice is not sustainable. My FY22 Recommended Budget includes nearly \$350,000 for an additional customer service representative and for ten temporary staff for six months to handle the increased number of calls. We will continue to monitor and evaluate wait times for MC311 calls to determine if additional staff are needed as we enter a post-COVID world.

For several years, the County's municipalities and the County Government have not agreed to a methodology to compute the amount owed to municipalities as a result of property tax duplication. For the second year in a row, I have negotiated a new methodology that the municipalities and I agree is a realistic solution. Recognizing the County's fiscal situation, my FY22 budget includes funding to provide for a two-year phase-in of that new methodology. In addition, I am submitting to Council for consideration a resolution that would officially adopt the revised calculation of these annual payments.

The County Council and I have both made clear the significance, of and our commitment to, priorities in areas such as Reimagining Public Safety, Racial Equity and Social Justice, and climate change, as well as an efficient and sustainable government. This budget includes the resources necessary to make good on those commitments. This budget also recognizes the long overdue conversion of temporary and contractual support positions in HHS and CEC to full time, merit status permanent positions to comply with legal guidance. Each year, legislation passed by the County Council or the Maryland General Assembly requires an increase in capacity; in FY22, seven new positions have been created to address the requirements from these laws. Once those increases are factored in, the increase in positions in the FY22 budget is limited. These remaining increases serve to address growing workloads or changing dynamics in existing programs, and to reduce the impact of training requirements on MCFRS overtime spending, all of which I expect will pay dividends in the years ahead.

This budget also demonstrates my commitment to ensuring that our government funds are spent wisely and well. Growth is expected to accompany new initiatives, but it is important to have a continuous review of the resources necessary to keep our existing programs running smoothly. The net position change in this budget includes the elimination of 41 positions from departments, representing just the beginning of my efforts to improve the efficiency and effectiveness of existing programs and the resources we devote to them.

CONCLUSION

The year ahead presents us with enormous challenges, but also provides us with tremendous opportunities. We have the chance to reimagine public safety so that everyone feels protected in our community. We can work with our neighbors to ensure that all feel welcomed, they have a place to rest their heads at night, and they have enough food to eat. We can fully fund the budget requests of our school system and our community college to ensure that the youth and adults in our County can thrive as they head back to the classroom. We can seriously tackle the most pressing issue of our generation and our children's generation - climate change - and, in doing so, provide for a more robust transit network. We can embrace the diversity of our community, celebrate it, and ensure that all of us have an equitable chance at success. We can work with our business and nonprofit partners to help them come back from a year fraught with challenges so they can once again flourish.

All of this will require hard work and difficult choices, yet I am certain that when we are done, our County will be stronger and more resilient.

I look forward to working with the Council as it considers my FY22 Recommended Budget. The resources of the Executive Branch are at your disposal as you begin in the next phase in the budget process.