



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

Marc Elrich
County Executive

MEMORANDUM

March 15, 2022

TO: Gabe Albornoz, President, Montgomery County Council

FROM: Marc Elrich, County Executive

SUBJECT: FY23 Recommended Operating Budget and Public Services Program FY23-FY28

I am pleased to submit my Fiscal Year 2023 Recommended Operating Budget. This budget is put forth as our community is emerging from the devastating impacts of the global COVID-19 pandemic. It makes record investments in our community - County residents and businesses - to ensure that our community's prosperity continues and that everyone, regardless of race, nationality, ethnicity, gender, or color, can better access it. Looking ahead, these critical investments in people and businesses position all of us to respond to future challenges, including climate change.

The dire economic predictions for our region because of the COVID-19 pandemic did not come to fruition due to the impact of State and Federal aid and the underlying strength of our local economy. Like our State, the County's revenue streams have outperformed our fiscally prudent revenue projections for FY21 and FY22. Moving forward, we have revised our revenue projections for FY23 to reflect a growing economy as well as favorable changes to the Maryland Tax Code following the enactment of the Federal Tax Cut and Jobs Act of 2017.

It is important to note that this budget is in stark contrast to the first days of my Administration. Within days of taking office in December 2018, I was presented with news that the final closeout of FY18 had turned up an unexpected gap of \$44 million due to underperformance of revenues and higher spending than was budgeted in County government. To address this gap, the County Council and I worked together to enact a \$45.7 million savings plan in January 2019. My FY20 budget included enhancements that were limited by the modest revenue forecasts. The FY21 and FY22 budgets were predominantly driven by our response to the COVID-19 public health crisis. In fact, my FY21 budget was released ten days after the Governor declared a state of emergency, on the day he shut down most retail businesses in the State.

Because of the vibrancy of our local economy, I am pleased that my FY23 recommended budget can make significant community investments while also meeting our 10 percent of adjusted governmental revenues reserve target for the first time. In addition, I am pleased that decisions made regarding my Recommended Budget were done considering the impacts on

climate change and addressing racial equity and social justice.

FY23 Recommended Budget by Agency

| Agency | Total Budget | Tax Supported |
|----------------------------------|-----------------|-----------------|
| Montgomery County Government | \$2,366,162,275 | \$1,805,125,498 |
| Montgomery County Public Schools | \$2,929,710,667 | \$2,739,660,177 |
| Montgomery College | \$321,250,749 | \$274,759,984 |
| M-NCPPC (including Debt Service) | \$176,822,073 | \$156,745,520 |
| Retiree Health Insurance | \$62,967,250 | \$62,812,885 |
| Debt Service (MCG) | \$459,907,765 | \$435,195,165 |
| TOTAL | \$6,316,820,779 | \$5,474,299,229 |

OVERVIEW

Since the first cases of COVID-19 were reported in Montgomery County over two years ago, nearly 2,000 County residents have lost their lives and more than 165,000 cases have been reported. Currently, however, I am very pleased to report that the incidence of COVID-19 in our community continues to dwindle. This has been, in large part, because we have achieved record vaccination levels in the County - higher than any other large jurisdiction in the country. To date, over 95 percent of County residents have received their first vaccination dose, more than 85 percent have received both doses, and more than 56 percent of those eligible have received their boosters. Many of these vaccinations were delivered to our residents by the County's Department of Health and Human Services (DHHS) and our community partners.

I want to thank our extremely dedicated County workforce for what we have been able to accomplish over the first term of my Administration, especially during these last two years. Our outstanding workforce has administered COVID-19 tests and vaccines; provided food to those who were hungry; implemented new assistance programs to aid our businesses, nonprofits, and childcare providers; and quickly created emergency assistance programs to provide urgently needed help to residents who suddenly found themselves in a precarious economic situation. Many times, these services were delivered by individuals who were putting themselves in harm's way when personal protective equipment was scarce and before vaccines and boosters were widely available.

I also want to thank the incredible work of our community partners. County government alone could not reach everyone in our community who needed assistance. Through our partnership with nonprofit organizations and faith communities, we were able to connect more deeply with communities to make sure that vaccines, life-saving treatments, and economic and nutritional assistance reached residents most impacted by the pandemic.

None of this would have been possible without the assistance from our Federal and State partners. The work of our Federal and State delegations to secure vital funding for County services during these past two years has been crucial to ensure that we could make these investments. Maybe most importantly, we were able to make necessary Covid-related investments in our health and safety without making cuts in the services we rely on.

Our community still faces many challenges. While the incidence of COVID-19 continues to decline in our community, the impacts of the pandemic will be felt for years to come. The pandemic laid bare many of the inequities in the delivery of healthcare and other support services that we are making strides to address. Furthermore, many individuals and families are still coping with the economic distress caused by the pandemic, as we rebuild we must create a more inclusive prosperity.

In addition to these challenges, we are faced with addressing the existential threat posed by ongoing climate change. Over the past year, our community has directly felt the impact of climate change with an increase in the incidence and severity of flooding events. We are also faced with addressing challenges related to the shortage of affordable housing so that County residents will not be overly burdened by increasing housing costs. This budget makes significant investments in addressing each of these issues.

Because of the investments we have made in our community, the County's fiscal picture has drastically improved from even six months ago. This budget focuses on maintaining these investments, expanding services, and providing additional investments in residents, businesses, and community partners so that our post pandemic resurgence continues.

K-12 EDUCATION AND SERVICES FOR CHILDREN

My FY23 Recommended Budget provides record funding for Montgomery County Public Schools, a total budget of \$2.9 billion - an increase of \$147.6 million over the FY22 budget. The County's contribution is also at a record level, totaling \$1.8 billion, increasing by \$84.8 million over FY22 funding, while State and Federal funds increase by \$41.5 million and \$4.4 million, respectively.

Per pupil funding grows by \$718 and far exceeds the State's Maintenance of Effort requirement by over \$117.4 million.

In addition, the County Executive's budget provides enough resources for 100 percent of student needs by re-appropriating an additional \$20.0 million from MCPS's rapidly growing fund balance, or if MCPS prefers, utilizing unspent Federal Covid relief funds, and recognizing that \$30.0 million of the Board of Education request was not for students but instead to deposit in the MCPS health insurance fund to increase its fund balance. By redirecting that funding to students, MCPS can fully fund teachers, activities, and services for its students. The County's fund balance policy assumes that the school system will rely on the County for emergency needs, and this budget aligns with that goal.

In addition to funding provided directly to MCPS, this budget contains significant funding for supporting the mission of our school system and ensuring that children have access to healthcare and mental healthcare services in our schools. In the DHHS budget, I am recommending over \$920,000 to open the new Kennedy High School Wellness Center and provide two new health room positions at the new Gaithersburg Elementary School. In addition, this budget funds six full-time school health nurse positions. These positions will fulfill the County's policy requirements to ensure that each high school, middle school, and large elementary school have a school health nurse and that there is one nurse per three smaller elementary schools. I am also recommending \$830,000 in funds to support converting 10-month school health staff to year-round employees to support students in summer school programs, and I'm providing funds to support a two-person school health staff training team. My Administration is exploring options to expand high school wellness centers to those high schools that do not currently offer this service. I am recommending, as an interim step, \$3.7 million to fund enhanced mental health support services at 10 of our high schools with the highest need high schools that do not have a high school wellness center and it provides additional mental health services at six high schools with existing high school wellness centers.

As well as providing additional funding to support the health and mental health needs for our children, I am recommending over \$630,000 to provide for the new Linkages to Learning program sites at Gaithersburg Elementary School #8 and Odessa Shannon Middle School. In the Department of Recreation's budget, I am also providing enhanced funding to support out-of-school time for our children. This includes over \$330,000 in funds for the Kids Day Out Program; nearly \$104,000 for the Extended Summer Camp Program to provide experiences to children in the period leading up to the beginning of the school year; \$668,000 to open two additional Excel Beyond the Bell program sites; and nearly \$350,000 in enhancements for the RecZone High School Program. I am also recommending funds to ensure that the out of school time programs we added in FY22 continue into FY23.

All children deserve to grow up in a healthy and safe environment. All too frequently, however, children are subject to abuse. To help address this, my budget contains over \$300,000 to bolster the County's child welfare efforts. This includes additional funding for translation services as well as funds for a new position to perform child protective service clearances, a position to meet growing child welfare program demands, and a position in the County Attorney's Office to help administer child welfare cases.

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 FY23 Recommended Budget includes nearly \$11 million in funding to continue to make strides in this important policy area, particularly as we begin implementation of the State's Blueprint for Maryland's Future Prekindergarten program. When combined with the estimated \$9.2 million remaining balance from FY22, there will be over \$20 million available for this program in FY23. Furthermore, I am recommending a position be created to administer the contract and coordinate activities with the Early Care and Education Coordinating Entity created by Council.

I've also included \$1.6 million for the KID Museum, an increase of \$372,000 over FY22. This institution provides experiential, hands-on learning for students and helps foster interest and excitement in science and discovery.

SUPPORT FOR INDIVIDUALS AND FAMILIES

This pandemic has been especially difficult for our low-income residents. My Recommended Budget continues to fund the additional \$25 million to enhance the Working Families Income Supplement program at the FY22 level using funds from the Federal American Rescue Plan Act (ARPA).

Many individuals and families are having to choose between adequate housing, food, medicine, and other basic needs. To help address this, my FY23 budget sets aside \$2 million to provide an additional 120 rapid rehousing slots to address homelessness. In addition, we are also providing \$3 million in new funding for our Rental Assistance Program to increase the maximum subsidy available for families by up to \$400 per month for more families, a more meaningful amount as housing costs rise. This budget also provides additional funding (\$700,000) for a homelessness diversion hotline and centralized shelter intake for households without children and provides \$180,000 to increase street outreach resources in Silver Spring and Wheaton.

In addition to these enhancements, my FY23 budget includes \$2.6 million in funds for the second year of our three-year pilot Guaranteed Income pilot program that will provide direct, recurring cash payments to alleviate poverty and provide a form of financial stability to eligible families. This innovative program is being implemented with support from the Meyer Foundation and will be rigorously evaluated at the end of the term to determine its success.

With the opening of our new year-round shelter on Nebel Street, it is imperative that we continue to treat the physical and behavioral health needs of our residents who are unhoused. To that end, my budget includes \$600,000 to provide year-round comprehensive health services to these individuals. Finally, my budget also includes funds that provide for a new homeless entry coordinator position that will be responsible for assessment and compliance with U.S. Department of Housing and Urban Development requirements for coordinated entry across the continuum of care for the homeless population.

This budget makes great strides in continuing a coordinated and effective multi-agency response to support newcomers to Montgomery County that include newly arriving migrant and asylum-seeking children, adolescents, and families. I am recommending that \$4.4 million be provided to the Department of Health and Human Services (DHHS) to enhance family and community-based support and strengthen interagency coordination and the creation of a navigation network and provide for case management. In addition to the funding in the DHHS budget, I am also recommending \$250,000

to continue legal service efforts for this population, and that all such legal services programs be consolidated under the Community Engagement Cluster to ensure coordination of all County efforts (\$551,000). Finally, I am recommending that the \$300,000 in FY22 funding provided to the Department of Recreation to support these efforts continue into FY23. In total, my FY23 budget provides \$5.5 million for newcomer supports.

The ability to put nourishing food on the table is a struggle for many of our neighbors. To help us address this issue in a wholistic manner, my FY23 Recommended Budget creates an Office of Food System Resilience in the Community Engagement Cluster. In FY23, this office will be staffed by a director, a policy analyst, and a food system partner specialist to coordinate food resilience efforts with community partners, government agencies, and regional partners. In addition, I am including funds to support the farm to food bank program (\$350,000), the Montgomery County Food Council (\$200,000), market money grants that allow farmers markets to match Federal Supplemental Nutrition Assistance Program funding for individuals (\$125,000), and community gardening and local resilience grants (\$50,000). I am also including \$4 million in the budget to allow the County to continue to provide food directly to those most in need. We will continue to evaluate the continuing need to provide food directly throughout FY23 and will recommend additional funding to support this program, if necessary.

One of the most valuable actions we took during the pandemic was partnering with local organizations throughout the County to serve as service consolidation hubs to make sure we reach as many people as possible with vital services. My FY23 budget provides \$5.6 million in General Funds and ARPA funds to continue our support for these Hubs, and it provides \$250,000 to support another non-profit food provider - Nourishing Bethesda.

One of the central priorities of my Administration has been to continue to create an affordable and welcoming community for a lifetime. This budget contains several enhancements for programs serving the vulnerable adult community in the County. I am recommending an additional position to support our Long-Term Ombudsman program in DHHS to ensure that our residents in long-term care facilities are getting the services they deserve. Furthermore, I am adding nearly \$1 million to support the addition of an adult protective services team. The number of cases related to abuse of older residents and vulnerable residents has climbed significantly in recent years and is likely to continue to grow because of the County's aging population. This new team will investigate allegations of abuse, neglect, and exploitation of adults and will provide health and welfare services to those individuals. Finally, my budget provides a \$1.1 million increase to support the developmental disabilities supplement program for a total program budget of \$20.3 million, and a \$1.4 million increase for the Medical Adult Day Care Supplement program for a total program budget of \$2.1 million.

In 2020, Congress designated 9-8-8 as the three-digit dialing code to connect distressed residents with suicide prevention and mental health crisis services. My FY23 Recommended Budget provides \$1 million to DHHS to support the transition to 9-8-8 in our community. Furthermore, I am including almost \$800,000 to address increased call volume at EveryMind, the County's mental health hotline.

ENVIRONMENTAL SUSTAINABILITY, CLIMATE CHANGE, AND TRANSPORTATION

As I have stated before, the climate emergency is an imminent and existential threat to our way of life as a species. My FY23 Recommended Budget includes record funding to help address the impacts of climate change while also implementing programs to reduce greenhouse gas emissions. County government must lead by example.

My FY23 Recommended Budget provides a record \$18.6 million for the Montgomery County Green Bank. These funds will be used to promote investment in energy efficiency, renewable energy, and other projects that will lower our community's carbon footprint and make us more resilient to the effects of climate change.

This budget provides additional funds to address flooding issues - including a flooding program manager and GIS

specialist as well as funds for flooding coordination consulting in the Department of Environmental Protection (DEP), a climate adaptation program manager in the Office of Emergency Management and Homeland Security, plus additional funding to develop flood management plans in the capital budget.

I am also recommending that we implement greenhouse gas reduction and adaptation measures in low- and moderate-income housing (\$675,000) and provide \$1 million in incentive funding for residential, multifamily, and commercial buildings to replace fossil fuel equipment and appliances with electric ones. I am recommending over \$900,000 to accelerate nature-based carbon sequestration initiatives - including \$810,000 in additional funding to improve urban forest health. I have also set aside \$100,000 to provide incentives to individuals and businesses to electrify lawn care equipment.

My budget also includes \$300,000 for the Community Justice Academy; this funding will be used for community engagement approaches to prioritize historically marginalized communities in the creation of policies. We will also continue the work begun in FY22 to explore opportunities to create new jobs associated with the implementation of the Climate Action Plan (CAP), provide pathways for the conversion of small businesses to worker-owned entities, and identify ways to "green" our procurement activities.

I am including over \$1 million in funds to support the implementation of a building energy performance standards (BEPS) program to reduce energy consumption and greenhouse gas emissions in public and private multifamily and commercial buildings. In the Department of Permitting Services, I am recommending the creation of two positions to develop energy and green building codes and interface with the public about green building compliance and building electrification and energy efficiency, as well as funding in DEP for consulting support to recommend changes to the County's Zoning and Code to conform to the County's climate action goals. Finally, this budget provides funding for broadscale climate communication campaigns, agrivoltaic technical assistance for agricultural land, and an agriculture business development specialist to help with zero waste goals, farm composting, and farm to foodbank efforts.

A well-functioning multi-modal mass transit system is critical to achieve our County's CAP Goals. This budget restores Ride On service and Call-N-Ride to pre-pandemic levels. It also includes funds to maintain Bikeshare and transportation demand management and to initiate the TravelSmart Ambassador Program to educate audiences on transportation options for all types of trips. I am also recommending that we address the affordability of transit service in the County by reducing fares on all Ride On routes by one half, bringing the cost of most Ride On trips to \$1.00. Following the suspension of fare collection during the COVID-19 pandemic, a fare equity study was conducted to identify fare policy options that would produce the greatest and most equitable benefit for County residents. It was found that a \$1.00 fare would provide the best balance of benefits and costs, while being simple to communicate and implement, and flexible for future changes to the larger regional fare system. In addition, I am recommending \$1 million to add capital and operating grant programs for Transportation Services Nonprofit Organizations and \$550,000 for Transportation Accessibility initiatives.

This budget also furthers my goal to have a zero-emissions fleet. To that end, I am providing a \$1.8 million increase in operating funds to replace fossil fueled vehicles with zero emission vehicles. This amount is in addition to funding provided in the capital budget for zero-emissions transit buses. My budget also includes enhanced funding for the installation and support for electric vehicle charging infrastructure. Finally, I am also providing funding to create a zero-emission transition plan for our non-transit fleet.

In my recommended budget for the Water Quality Protection Fund, I am recommending enhancements totaling \$1.3 million. Among these enhancements are increased funding for the Rainscapes Program, stream restoration maintenance and inspections, a Senior Engineer position for the Office of Agriculture, and maintenance of Glenmont Forest Green Streets.

For Recycling and Resource Management, I am recommending over \$400,000 to start a Save-as-you-Throw Pilot Program to encourage residents to recycle more and generate less waste. If this pilot program is a success, we will work to expand it elsewhere in the County in the future.

AFFORDABLE HOUSING

To achieve a more equitable and just society and to help all our residents thrive we must ensure access to safe and affordable housing. Coupled with FY22 supplementals, my FY23 budget provides the highest level of funding in County history by allocating nearly \$140 million to expand the preservation and production of housing that is affordable to our most economically burdened residents. This is comprised of \$57 million in the Montgomery Housing Initiative (MHI) operating budget, \$42.7 million in funding for existing capital projects, and one-time funding of \$40 million for a new Preservation of Naturally Occurring Affordable Housing (NOAH) Fund capital project.

With a \$14.7 million supplemental pending before the County Council, the Affordable Housing Acquisition and Preservation CIP project includes \$36.7 million which will be available for projects that need funding commitments in the near term. In addition to the annual \$22 million in base funding for the project, my Recommended CIP amendments will add \$25 million in Recordation Tax Premium (CIP) funding so that annual funding will increase to \$32 million in FY24 and FY25 and \$27 million in FY26 with total FY24 to FY28 funding of \$135 million. In FY23, my Recommended CIP provided \$6 million in FY23 funding for the Affordable Housing Opportunity Fund - bringing the total fund to \$20 million.

I am particularly pleased to send you an FY22 capital budget supplemental to dedicate \$40 million in one-time cash to the new Preservation of Naturally Occurring Affordable Housing (NOAH) Fund project to preserve those NOAH properties in areas at risk of rent escalation to higher market rents, including the Purple Line Corridor and other County transit corridors. For example, the Purple Line Corridor Coalition analysis identified 6,500 affordable housing units within one mile of a Purple Line station where rents are expected to increase due to transit proximity. The dedication of County resources into this NOAH fund will support a focused effort to preserve these at-risk properties and will provide much needed additional capital to preserve and create affordable housing units.

The cash contribution to the NOAH Fund will increase the County's capacity to assist affordable housing developers in acquisition and preservation of naturally occurring affordable housing as a complement to the County's existing funds for affordable housing without increasing debt - making it possible to support more housing projects in the future. The new Fund also increases the Department of Housing and Community Affairs' ability to quickly respond to requests from more housing providers.

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.

I am also allocating \$2 million from existing resources to explore, subject to the County's collective bargaining laws, a pilot program for down payment assistance to full-time career employees of Montgomery County and Montgomery County Public Schools to help make first time homebuying more affordable in the County. My administration will be working with our labor partners on the details of this initiative.

ECONOMIC DEVELOPMENT, WORKFORCE TRAINING, AND MONTGOMERY COLLEGE

The pandemic has had an enormous impact on the businesses in our community. Over the past two years, millions of dollars in direct financial assistance have been provided to the County's business community. Moving forward, we must make certain that Montgomery County is the place in the region for businesses to grow and thrive.

The Montgomery County Economic Development Corporation serves as the County's lead economic development organization. My FY23 Recommended Budget includes \$1.2 million to increase activities and outcomes of this organization as it helps businesses succeed in the County. This 24 percent increase makes certain that we can further market the County as the top location for specialized industries such as biohealth and hospitality, as well as recruit and retain new and growing businesses throughout the year. Furthermore, my budget provides funding to increase staffing capacity to support the development of the County Entrepreneurial Ecosystem in the County's Innovation and Acceleration Centers.

The hospitality and restaurant industries were hit especially hard by the pandemic and its lingering economic effects. My budget includes funding to support the operations of the Conference and Visitors Bureau at its pre-pandemic level, to compensate for the lagging hotel tax revenue. Moreover, my budget adds \$500,000 to support destination management to encourage and attract visitors to the County. This new funding will be used for the Rural Montgomery and Agricultural Reserve Branding Initiative, the Social Economy Initiative Launch and Oversight, leisure travel marketing, and restaurant and retail sector marketing promotions.

In addition, my budget provides \$877,000 to better address disparities in the black business community and to provide increased training and resources. This allocation will include a \$750,000 grant to the Black Chamber of Commerce, and a \$127,000 grant to the Black Business Council. Funding to the Black Chamber of Commerce will allow increased outreach and engagement between the County and our business community, allow the development of a Small Business Lending Program, and provide funding for technical assistance, training, capacity building, and resources to businesses throughout the County. The funding to the Black Business Council will allow for the growth of a database and information sharing initiative for the County's Minority, Female, and Disabled-owned Businesses Program.

Making sure that County residents have the skills needed to succeed in the 21st Century economy is crucial to our community's growth. I am recommending an additional \$350,000 for WorkSource Montgomery to support refugee and immigrant adults to assist them with professional development, vocational training, support services, barrier remediation, and entrepreneurial and occupational skills. In addition, I am recommending \$317,000 to fund a training component with the Department of Correction and Rehabilitation Job Center program to provide job skills to those exiting the correctional system. Finally, I am providing an additional \$60,000 to add slots to the Summer RISE 2023 program that provides MCPS juniors and seniors an opportunity to participate in a career-based learning opportunity over the summer.

Montgomery College is one of the most important components of our County's economic development infrastructure. My budget fully funds the request of the Montgomery College Board of Trustees. As part of the College's budget, I am recommending \$3.3 million in funding to establish the College's East County Education Center. For too long, residents in the eastern portion of the County had not had easy access to local higher education opportunities. By locating an education center in this region, we will help East County residents access these opportunities and have a better chance to succeed.

PUBLIC SAFETY

Like other jurisdictions nationwide, our police department is struggling to recruit and retain officers. Recruitment and retention of the best officers is critical for a safe and thriving community; one in which all community members feel truly protected. In addition to strengthening the competitiveness of police compensation in relation to neighboring jurisdictions, I am adding a police officer and a civilian administrative support position to the recruitment team to boost our recruitment efforts to attract top talent to the police force.

My administration takes seriously the community's call to reimagine public safety so that members of all communities feel safe and secure. Recent State and County legislation has done much to increase transparency and oversight of police activities.

This budget adds important resources to ensure our Police Department has the tools its needs to respond to this

legislation and to community requests for increased transparency. I am adding three civilian staff to support the collection and compilation of data for Public Information Act requests so that residents have timely access to information. To comply with recent County legislation, my recommended budget adds two sworn positions to support the random review of police footage and 300 body worn cameras to ensure that all uniform officers are provided with a body worn camera.

Too often, police encounters turn deadly when officers do not have adequate, non-lethal tools. This budget adds funds to support the purchase of pepper-ball guns which can be used to subdue a suspect without the use of deadly force.

In addition, my Recommended Budget adds funding to support the creation of the Police Accountability Board and the Administrative Charging Committee which will review police data, investigate officer disciplinary infractions, and provide administrative rulings on findings of police misconduct in accordance with recent State legislation.

It is critically important that we take care of those that take care of the community and ensuring that our first responders have access to adequate mental health resources is essential. To that end, this budget adds a therapist and administrative specialist to expand mental health services to fire and rescue personnel and adds a psychologist in the Office of Human Resources to provide biennial mental health assessments to sworn staff in the Police Department and the Sheriff's Office.

Montgomery County is a community of diversity, inclusion, and compassion - but we are not immune from hate and vitriol. In this budget I am providing \$800,000 to provide nonprofit organizations at a high risk of experiencing hate crimes with additional resources to enhance the security of their facilities and the safety of our residents.

In the State's Attorney's Office, I am adding funds to support two Assistant State's Attorney positions for the Circuit Court Prosecution Unit and providing funds to replace a legacy case management system with a new cloud-based system to allow better data analysis and a faster transfer of information from the Courts.

For the Montgomery County Fire and Rescue Service, my Recommended Budget leverages new funding from the State's Emergency Services Transporter Supplemental Payment Program to enhance EMS services. To that end, I am increasing the capacity of the Mobile Integrated Health program by adding two paramedics to assist on home visits and better address the needs of frequent 911 callers. Furthermore, I am recommending that we add a paramedic chase car to improve advanced life support (ALS) service in Silver Spring. By separating the paramedic from the transport unit, this new advanced medical resource can be redeployed back into the community more quickly, improving ALS availability. This budget also adds night and weekend career staffing at Sandy Spring Fire Station 40 to bolster volunteer staffing and address failures to respond in that area.

To strengthen the infrastructure supporting EMS service, I am adding an Emergency Medical Service Duty Officer to enhance medical supervision in the field. This budget also adds a permanent EMS System Capacity Officer to coordinate patient transport to hospitals and balance emergency department loads. This enhancement is expected to assist in reducing hospital drop times and increase EMS transport availability. In addition, my budget adds an EMS Quality Management Battalion Chief to evaluate EMS system performance and assist in optimizing service deployment so that our resources are leveraged as effectively and efficiently as possible.

Finally, the budget includes funds to address long-standing structural budget deficiencies in fire and rescue fleet and facilities maintenance, wireless communications and medical supplies, and adds civilian positions to the EMS logistics and small tools functions to return uniform positions to the field.

In the Department of Correction and Rehabilitation, I am relaunching the Bakery Program to support workforce development and provide inmates with an opportunity to earn a food service certificate and gain practical food preparation skills. This recommended budget also adds correctional officers to provide enhanced contraband security screening and additional medical unit security.

In August of 2020, I created the Reimagining Public Safety Task Force consisting of community members and other

stakeholders who volunteered their time to develop comprehensive and forward-thinking recommendations to improve how public safety is experienced in our community. This budget implements an important recommendation of this group by eliminating the administrative fees charged to participants for the Intervention Program for Substance Abusers and the Alternative Community Service Program to reduce barriers to these and other court related diversion programs.

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 (ORESJ) was created to reduce and eliminate racial disparities and inequities in Montgomery County. These inequities were made all too clear during the pandemic with communities of color and low-income families disproportionately impacted. To change this, we must continue to build capacity within County government to implement policies and programs throughout County government that address these inequities head on. For the first time ever, the Director of the Office of Racial Equity and Social Justice was involved throughout this budget process. The County continues to refine its budget equity tool and other racial equity tools to support the implementation of a racial equity lens in resource decisions, and many of the decisions described in this memo will positively impact communities most burdened by structural inequities.

For FY23, I am recommending that ORESJ be provided with an additional program manager position and that we adjust the compensation of two existing program manager positions to better attract and retain qualified staff to carry out the Office's charge. I am also adding funds for consulting services to assist with community planning for a memorial to Black residents who were tortured and killed by lynching.

As we have seen all too clearly, the pandemic has laid bare the health disparities that existed in our society before its arrival. My FY23 budget includes significant funding increases for the African American Health Program (\$2.9 million) Latino Health Initiative (\$2.2 million), and Asian American Health Initiative (\$1.2 million) in DHHS. These programs were essential to delivering life-saving resources, especially during the pandemic. It is important that we continue to make progress in addressing health disparities in the future.

LIBRARIES AND RECREATION

A robust library system is critical to a community's health. My FY23 Recommended Budget includes an additional \$1.5 million in funding so that the Montgomery County Public Library system can fill additional librarian positions to support additional hours and improve customer service. The pandemic has created a sea change in the way residents access books from print to electronic materials. As a result of this transformation, I am recommending an additional \$900,000 in funds for eBooks to reduce wait times for residents seeking information.

In addition to out of school time programming previously discussed, my FY23 Recommended Budget includes programmatic and administrative enhancements for the Department of Recreation. This budget includes \$2.3 million to open the South County Regional Recreation and Aquatic Center. I am also recommending that we add funds to support Independence Day celebrations in Germantown and Wheaton. My FY23 budget includes \$250,000 for programs, classes, and events to help older adults overcome the long-term impacts of COVID as well as a supervisor position to increase support for senior programs.

In addition, my budget includes funding to convert part-time recreation coordinator positions to full-time positions to support operations in Recreational facilities. I am also including funds to pilot four community liaison positions to enhance community outreach and collaboration between the department and underserved communities. As we add programs to departments, it is important that we also bolster departmental administrative staff to ensure that these programs are well staffed and that all funds are spent in the most effective way possible. I am recommending three new administrative staff for

COMMUNITY PARTNERS

One of the County's major strengths is its collaborations with 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 persons with disabilities receive quality services. These partnerships help our neighbors who are most in need access the services they require to thrive in a cost-effective manner. I am recommending a six percent inflationary adjustment for nonprofit contracts across County government.

This budget also creates the Office of Grants Management and staffs it with three individuals - a Director and two program managers who will focus on grant seeking and grant distribution. This Office will help implement best practices in grants management throughout County government and will develop policies that implement my directive to make County grants truly grants instead of noncompetitive contracts. The Office staff will also work with departments to seek outside funding to support County programming.

This budget has moved 46 programs previously funded through Community Grants Non-Departmental Account into the base budgets of departments (\$2.3 million). I also recommend including \$8.2 for community grants in the Community Grants Non-Departmental Account budget. With the creation of the Office of Grants Management, I am recommending three buckets of funding be created in the Community Grants Non-Departmental Account budget - \$750,000 for grants to provide nonprofit technical assistance and management support; \$750,000 to provide grants for nonprofit partners who serve underserved communities children, youth, and families programs; and \$500,000 for business district development grants. The Office of Grants Management will manage the application and award process for these grant programs in FY23, with the appropriate department managing the implementation of the grant agreements. This is an important step in reforming our grants process to be fairer and more equitable. Finally, while funded in the Capital Budget, I am recommending that an additional \$3 million be provided for capital cost sharing community grants so that organizations in our community can continue to have the physical space to grow and provide services to residents.

EFFECTIVE AND SUSTAINABLE GOVERNMENT

My Recommended Budget includes enhancements that will instill further confidence into our electoral system, and provide enhancements for our Public Information Office, MC311, the Office of Human Resources, and the Department of General Services.

My FY23 Recommended Budget provides an additional \$2.3 million for the Board of Elections. This funding will be used to increase the stipends available for election judges to encourage citizens to volunteer to provide this service, it also provides additional funding for ballot sorting and imaging equipment and improved technology staffing to support our electoral process. Finally, this budget includes funding to address the chronic underbudgeting for election charges from the State.

My budget also includes \$2.5 million for the Public Elections Fund to fully fund the recommendation of the Committee to Recommend Funding for the Public Election Fund.

The COVID-19 pandemic drove home the fact that we need to be able to provide clear and timely information to our residents about County services and to respond to resident questions. I am recommending an additional six, three-year term positions for MC311, and I have directed the Public Information Office (PIO) to continue working with the Department of Technology and Enterprise Business Solutions (TEBS) to develop electronic tools that can quickly answer resident's questions to improve customer service and efficiency. In addition, I am providing for additional communications staff in PIO

to make sure that the public is aware of County services.

The County has not been immune from the impacts of what some economists are calling the Great Resignation and other issues of the post-pandemic labor market. I have directed the Office of Human Resources (OHR) to also examine and revise our outdated classification and compensation system. To ensure that County government remains robust and able to provide the vital services that our residents demand, I am recommending several enhancements to OHR. Specifically, my budget contains funds to replace the job applicant tracking system. In addition, I am providing funds for additional recruitment staff and staff for the classification and compensation team to expedite review of our outdated position classifications. With many of the County's management employees eligible for retirement in the coming years, I am providing additional funds and a trainer for the MCG Leads program to help bolster training efforts for tomorrow's County government leaders.

In FY23, I am proposing that we provide funds, through the capital budget, to implement a capital asset management system to track, monitor, and provide long-range planning for the maintenance and/or replacement of the County's capital assets. This promotes more effective and efficient preventative maintenance and more timely replacement of building systems that have reached the end of useful life.

CREATING AND MAINTAINING A 21ST CENTURY CYBER INFRASTRUCTURE

Investing in cybersecurity to maintain a secure presence is key to protecting County operations. My recommended budget provides funding to significantly expand cybersecurity capabilities to combat today's and tomorrow's increased information security threats. Areas of expansion include improved information security risk management assessments and procedures, deployment of next-generation endpoint (e.g., desktops, servers, laptops, and mobile devices) advanced threat prevention and response, and simulated cyber-attacks to help protect County data and systems.

FiberNet, the County's communications network, is critical County infrastructure, enabling and supporting voice, video, and data connectivity to and from 620 sites including all schools, community college campuses, libraries, public safety locations, and sites for the Housing Opportunities Commission, Maryland-National Capital Park and Planning Commission, and WSSC Water. To that end, FiberNet provides connectivity services to Montgomery County Public Schools worth an estimated \$6.5 million annually. The County has invested in a ten-fold increase in the FiberNet backbone capacity, along with increased reliability capabilities and connectivity to a world-class data center in Ashburn, Virginia, to enhance cost-effective access to cloud services, software-as-a-service, internet service providers, and cybersecurity and business continuity protections. Additional funding to support licensing and maintenance of FiberNet infrastructure and business continuity equipment that was funded in FY22 with ARPA funds is being added to the FiberNet base budget.

Cable Communications Fund revenue comes primarily from cable franchise agreement revenues. Declining cable subscriptions and changes in Federal law have resulted in declining revenue for the Cable Fund and declining future revenues. To address this and to simplify County budgeting, TEBS FiberNet operating expenditures funded by the Cable Fund have been moved and consolidated with other FiberNet operating expenditures in the TEBS Office of Broadband Programs and Infrastructure Modernization program (OBPIM) in the General Fund. ultraMontgomery Digital Equity expenditures funded by the General Fund within the TEBS OBPIM program have been moved and consolidated with other Digital Equity expenditures in the Cable Fund Digital Equity Program. In addition, \$100,000 of Digital Equity funding provided in FY22 with ARPA grant funds is being added to the Cable Fund Digital Equity program base budget. These changes will enable the Cable Fund to ensure continued operation of FiberNet and further expand Digital Equity programs for underserved and low-income residents, while also maintaining a positive fund balance.

LEGISLATIVE BRANCH

My FY23 Recommended Budget fully funds the request of the County Council and the legislative branch departments. For FY23, the County Council requested funds to support the two new council member positions the voters approved in the 2020 general election, ten new staff positions for the new council members offices, and nine positions for the central staff. Furthermore, Council requested \$615,000 to support communications outreach, including two new public information officer positions and two new information technology positions. My FY23 budget also fully funds the request of the Office of Inspector General to support additional staff in the audit division.

I am also recommending funding for the Legislative Branch, in addition to the Council's request. As the County Council conducts, deliberates, and votes on land-use hearings and zoning amendments, it is important that residents have direct input into these processes. For residents to have direct input, they need access to legal assistance and an advocate to understand the implications of complex land-use and zoning issues. The Office of People's Counsel was last funded in FY10. In my budget, I am recommending \$225,000 in funding that will allow the Council to fund the Office of People's Counsel with two staff members and provide it with additional operating expenses to contract with outside assistance as necessary. It is time again for the residents of Montgomery County to have a seat at the table and direct input into the complex land-use and zoning actions of the Council.

OUTSIDE AGENCIES AND MUNICIPAL PARTNERS

I am recommending a budget increase for the Maryland-National Capital Park and Planning Commission of 6.5 percent for the Administration and Parks funds. Furthermore, the FY23 Recommended Budget for WSSC Water provides for a 6.5 percent rate increase, keeping in line with the County Council's approved spending affordability limit for that agency.

Over the past year, my Chief Administrative Officer has been negotiating with our municipal partners to revise the outdated methodology to reimburse our municipal partners for duplicative services. After months of negotiation, the County and municipalities agreed to a revised methodology. My budget increases the Payments to Municipalities Budget by \$8.1 million (including the consolidation of the Takoma Park Police Payment into this budget), the amount required for FY23, to address this long-standing issue.

CONCLUSION

The past two years have been the most challenging years for County residents and businesses in generations. The next year presents us with a unique opportunity to build on what we have accomplished; invest in our residents, businesses, and community partners; invest in our schools; strengthen our community's social safety net; focus on our historical racial disparities; tackle climate change and its impacts; spur economic development; increase access to affordable housing; and invest in the County government's core functions and infrastructure. The budget I am sending to you does all of this. Working together, our County's recovery from the pandemic has no bounds.

I look forward to working with the Council as it considers my FY23 Recommended Budget, and the resources of the Executive Branch are at your disposal as you begin the next phase in the budget process.

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