
State of Maryland

CAPITAL PROGRAM HIGHLIGHTS

The County Executive and the County Council are actively seeking to increase the State's support of County capital projects.

Currently, the State of Maryland participates in and supports the County's capital program in several ways. Funds to support the capital needs of agencies such as the public schools and community college are authorized in legislation. Funds to meet special needs are requested as they are needed and authorized by the State legislature. State funding for capital projects for County residents is organized into three primary categories:

- State aid provided to local jurisdictions for County-operated facilities;
- State aid provided to County nonprofit community entities; and
- Construction of and improvements to State-owned and operated assets within the County.

Once projects are approved, project totals are published, and they can be identified as follows:

- The County's Capital Improvements Program (CIP) lists each project for which State aid is expected. These funds are shown in the funding schedule of each Project Description Form (PDF).
- The State's contribution to roads and mass transit projects is discussed in the County CIP, Transportation section.
- The State School Construction program is discussed in the County CIP, Public Schools section.
- State support for Montgomery College is highlighted in the County CIP, Montgomery College section.
- State aid for construction to be provided to nonprofit community entities is displayed in one of two areas. If the County is also providing some financial support to the project, the State funds will appear on the PDF for that project in the CIP. Alternatively, the project will be listed in the County Operating Budget if other County support is provided. When there is no County financial participation, the project will only be listed in the State budget.
- Improvements to State-owned and operated assets within Montgomery County may be included in the County CIP if the County provides some support to the project. If the County does not contribute, even though a project may benefit the local taxpayer, it will only appear in State budget documents.

The State capital projects and County projects with State support (excluding transportation projects) are funded primarily through the issuance of general obligation bonds.

The State has maintained a AAA rating for many years. The AAA is the highest bond rating available and has the lowest cost to the taxpayer.

State transportation projects are funded through a combination of State and Federal funds. State sources such as Motor Vehicle Fuel Taxes, Motor Vehicle Titling Taxes, Motor Vehicle Registration, Corporate Income Tax, and bond proceeds account for most of the funds available for State-funded road projects. If Federal funds have been awarded, in order to avoid a project delay the State will advance fund construction with State money.

County Priorities

The County has identified the following priorities for the Capital Program in the forthcoming session of the General Assembly: increased levels of capital investment from the State for our public schools, Montgomery College, strategic growth at the Universities at Shady Grove, various transportation projects (bridges, sidewalks, transit, roads), stream restoration and stormwater management, and land acquisition for parks.

NEW AND ONGOING STATE AND COUNTY PROJECTS

Public Schools

The State provided \$311.6 million for school construction projects in its FY12 budget, of which approximately \$42.0 million was allocated to Montgomery County for school construction and renovation. The support given by the State has been critical to the County's efforts to meet the program and facility needs of its students and communities by providing new and modernized schools.

The Executive recommends assuming a total of \$240.0 million in State support for Montgomery County Public Schools (MCPS) for the FY13-18 CIP. This request will support the Board of Education's funding priorities for critical school capacity and capital maintenance.

The Executive recommends that the County continue to vigorously pursue State aid for all eligible projects.

Montgomery College

The County Executive recommends assuming a total of \$93.1 million of State support for Montgomery College in the FY13-18 CIP. Program highlights include the construction of the Bioscience Education Center, the design and construction of the Rockville Student Services Center, the FY13 completion of

the Science East Building Renovation, the construction of the Science West Building Renovation, and the design and construction of the Germantown Science & Applied Studies Phase 1 Renovation. For additional information on these programs, see the Montgomery College section of the CIP.

Maryland-National Capital Park and Planning Commission

State funds include State Program Open Space (POS) funds, State bonds, and other State aid. POS funds are for acquisition of parkland and development of new parks. POS funds can be used to cover 100 percent of acquisition costs, up to an amount set by the State. Further, a 75 percent State and 25 percent County match provides for the development of new parks or additional acquisition. This allows the County to leverage local funds.

State POS funding has been drastically reduced over the last few years and there is some uncertainty of the program's sustainability. M-NCPPC expects minimal annual POS allocations for the next few years. However, there are a few projects in the six-year CIP that have received POS funding and will move forward. The County Executive is recommending POS funding at the level of \$21.2 million.

Other sources of State funding that the County Executive is recommending are: State ICC Funding (M-NCPPC only) at the level of \$3.4 million; State Bonds at the level of \$0.1 million, and State Aid at the level of \$0.3 million.

Revenue Authority

The County Executive's FY13-18 includes \$2.0 million in State aid for the Montgomery County Airpark project to support the Airport Layout Plan (ALP).

State Road Program

In addition to the County roads, transit, bridges, sidewalks, traffic improvements, and public works programs included in the County CIP, the State's Consolidated Transportation Program (CTP) represents a significant investment in improving and maintaining the roadway network in Montgomery County. The State's Draft Consolidated Transportation Program is released each October. Final action on the Statewide CTP is taken by the State Department of Transportation.

The County Executive's FY13-18 budget includes \$2.0 million in State funding for the State Transportation Participation project and \$8 million in State aid for Traffic Signal Modernization.

The County Executive will seek additional State funding as part of his congestion relief initiative for intersection and interchange improvements and other State efforts to alleviate traffic congestion problems in the County, including the

Corridor Cities Transitway, the relocation of Walter Reed Hospital to the National Military Medical Center in Bethesda, and the Purple Line. For more information on State support for the County transportation program, see the Transportation section of the CIP or the Consolidated Transportation Program.

Transit

The Ride On Bus Fleet project is projected to receive \$1.6 million in Federal Aid and \$400K in State Aid for bus replacement annually from FY13-18.

Environment and Natural Resources

The County Executive will seek \$60.0 million in State funding for retrofits of stormwater management facilities, stormwater management facility major structure repairs, and for stream valley improvements.

Washington Suburban Sanitary Commission

The County Executive recommends assuming a total of \$129.0 million of State support in FY13-18 for Seneca WWTP Enhanced Nutrient Removal, Damascus WWTP Enhanced Nutrient Removal Blue Plans WWTP Enhanced Nutrient Removal, and Blue Plains WWTP Biological Nutrient Removal.

Other State-Funded Projects

Various State Bond Bills for non-Montgomery County Government groups, nonprofits, and "outside" agencies located within Montgomery County were funded in FY12. Most of these projects did not require County funds, although some County support was appropriated in the Montgomery County FY12 Operating and Capital budgets. Additional projects are being evaluated for a series of State Bond Bills for the next legislative session.