
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, including a new Rapid Transit System, 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 and support for Health and Human Services project, 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.

Montgomery County has proposed a new \$750 million initiative to address school overcrowding. State support for this initiative will be critical to our success.

NEW AND ONGOING STATE AND COUNTY PROJECTS

Public Schools

The State provided \$149.3 million for school construction projects in its FY15 budget, of which approximately \$35.1 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 traditional State support for Montgomery County Public Schools (MCPS) for the FY15-20 CIP. The recommended CIP also assumes a \$230.7 million initial installment of a \$600-700 million initiative to jump start construction for school additions and new schools to address overcrowding. The Executive launched this initiative jointly with the County Council, the Board of Education, and members of the state

delegation to enlist needed state support for this effort. As MCPS completes additional feasibility studies and more additions and new school projects are developed, additional school financing bond funds will be programmed.

The Executive will vigorously pursue State aid and the enabling legislation for the additional state-supported bonds and urges the Board, the Council, the County Delegation, and the community to request that the State fully fund the County's State aid request.

Montgomery College

The County Executive recommends assuming a total of \$89.6 million of State support for Montgomery College in the FY15-20 CIP. Program highlights include the construction of the Science West Building Renovation, the design and construction of the Rockville Student Services Center, the FY14 completion of the Science East Building Renovation, and the Bioscience Education Center, the design of the Germantown Student Services Center, the design and construction of the Germantown Science & Applied Studies Phase 1 Renovation, and the design and partial construction of the Takoma Park/Silver Spring Math & Science Center. 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.

After several years of drastic reductions in the State's POS program that halted the County's POS work program, funding is once more becoming available and is being re-introduced into the CIP. The County Executive is recommending POS funding at the level of \$24.7 million.

Other sources of State funding that the County Executive is recommending are: State ICC Funding (M-NCPPC only) at the level of \$2 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 Maryland Department of Transportation.

The County Executive's FY15-18 budget includes \$2.0 million in State funding for the State Transportation Participation project and \$4.0 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 construction of 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 FY15-20. The Rapid Transit System project assumes \$10 million in State Aid to begin facility planning on the Route 355 and US 29 corridors.

The County continues to work with the State as it concludes environmental and preliminary design work on the Purple Line in anticipation of entering into a Public Private Partnership to finance, design, build, maintain, and operate the 16-mile light rail project. Simultaneously, the County is assisting the State as it progresses with Phase I of the Corridor Cities Transitway, a 9-mile Bus Rapid Transit project serving activity centers between Metropolitan Grove to Shady Grove.

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 FY14. Most of these projects did not require County funds, although some County support was appropriated in the Montgomery County FY14 Operating and Capital budgets. Additional projects are being evaluated for a series of State Bond Bills for the next legislative session.