



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, Montgomery County 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 the Public Safety Communication Center,

Montgomery College facilities, various transportation projects (bridges, sidewalks, transit, roads), stream restoration and stormwater management, and land acquisition for parks.

NEW AND ONGOING STATE AND COUNTY PROJECTS

Montgomery County Public Schools

The State allocated \$771.4 million for school construction projects in its FY22 budget, including \$333.3 million in Built to Learn funding. Of this amount, \$44.7 million was allocated to Montgomery County Public Schools (MCPS) 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. As part of the \$44.7 million in FY22 State Aid, MCPS received \$29.5 million in traditional State Aid and \$15.2 million in State Aid for local schools with significant enrollment growth or relocatable classrooms in FY22. Additional Built to Learn Act funding is expected to be awarded in FY22 for the Woodward High School project and five elementary school projects.

The County Executive recommends assuming a total of \$530.6 million in State support for MCPS for the FY23-28 CIP. As part of the \$530.6 million in State Aid, the recommended CIP assumes \$229.1 million in traditional State Aid and State Aid for local schools with significant enrollment growth or relocatable classrooms and \$301.5 million in funding from the Built to Learn Act program. State Aid estimates for school construction support were based on a detailed analysis of MCPS's proposed CIP, information from the State regarding state aid eligibility and the availability of County matching funds. Information regarding Built to Learn State Aid is evolving and therefore estimates may change during the budget development cycle.

The State Legislature is expected to pass legislation that will increase the level of State participation in school construction projects. The County Executive is working closely with the Office of Intergovernmental Relations to ensure that the legislation will benefit the county so that it is better positioned to leverage the traditional sources of State public school construction aid and the State funds that have been earmarked for county projects through the Built to Learn act, which was enacted in 2021. Because the legislation is not finalized, it is difficult to project state funding levels for FY23.

The County Executive will vigorously pursue all forms of State Aid and will work with the County's State Delegation, County Council, the Board of Education, the Superintendent, and the community to request that the State fully fund MCPS' FY23 State Aid request in a manner that enables the county to maximize access to State funds.

Montgomery College

The State of Maryland provides funding for the construction and renovation of State community colleges. The County Executive's recommended CIP for the College includes State Aid of \$80.2 million for FY23-28, or approximately 24.5 percent of total program costs. The College's plan for County and State funds includes constructing new buildings, renovating existing facilities, improving physical infrastructure, and maintaining the information technology network. Program highlights include completion of the Takoma Park/Silver Spring Math & Science Center, construction of the Germantown Student Services Center, and renovation of the Rockville and Takoma Park/Silver Spring libraries.

The State's Capital Improvement Program has programmed the Community College Facilities Grant Program at \$85.2 million for FY22. The County Executive urges the College to continue pursuing State funding for all projects that meet the guidelines for funding from the Maryland Higher Education Commission. 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 and 75 percent of development costs. Development projects require matching local funds. The County Executive is recommending \$52.5 million in POS funding.

Revenue Authority

The County Executive's FY23-28 Recommended CIP includes \$330,000 in State Aid for the new Montgomery County Airpark land acquisition 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 will seek additional State funding for rehabilitation or replacement of poorly rated bridges. 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 County Executive's Recommended CIP assumes \$169.7 million in Op Lanes Maryland Transit funding to support Bus Rapid Transit (BRT) projects on MD355 and Viers Mill/Randolph Road. The Op Lanes Maryland transit funding is the portion of the State's planned I-495 and I-270 Phase I toll land proceeds which the Maryland Department of Transportation pledged to fund high priority public transit projects in Montgomery County. 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 FY23-28.

The State is in the process of awarding a Public Private Partnership agreement to a new Concessionaire to finance, design, build, maintain, and operate the 16-mile light rail Purple Line project. The County will continue to work with the State and the new Concessionaire to complete the Purple Line and the three related County projects.

The draft State CTP once again does not include funding for the Corridor Cities Transitway as a State-led and funded project. The County Executive will continue to encourage the State to maintain this project in the CTP as a State-led project.

Environment and Natural Resources

The County Executive will seek \$12.2 million in State grant funding for retrofits of stormwater management facilities, stormwater management facility major structure repairs, and for stream valley improvements. The County Executive also will use State Water Quality Revolving Loan funds to replace Water Quality Protection Bonds as the primary source of funding for the Stormwater Management program.

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 FY22. Most of these projects did not require County funds, although some County support was appropriated in the Montgomery County FY22 Operating and Capital budgets. Additional projects are being evaluated for a series of State Bond Bills for the next legislative session.