



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.

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 for a State project, the State will advance fund construction with State money to avoid delays.

The County has identified the following priorities for the Capital Program in the forthcoming session of the General Assembly: increased capital investment from the State for our public schools and a reconsideration of the funding formula in light of Statewide enrollment declines; transit and other transportation projects; Montgomery College facilities; affordable housing initiatives; facade improvements for businesses impacted by the Purple Line; 4th District police station and Park Police headquarters; Clarksburg Library; playground improvements for child care facilities; and Strathmore roof replacement.

County Priorities

The County has identified the following priorities for capital funding in the forthcoming session of the General Assembly: increased capital investment from the State for our public schools and a reconsideration of the funding formula in light of Statewide enrollment declines; transit and other transportation projects; Montgomery College facilities; affordable housing initiatives; facade improvements for businesses impacted by the Purple Line; 4th District Police Station and Park Police Headquarters; Clarksburg Library; playground improvements for child care facilities; and Strathmore roof replacement.

NEW AND ONGOING STATE AND COUNTY PROJECTS

Montgomery County Public Schools

The State allocated \$392.2 million for school construction projects in its FY26 budget. Of this amount, \$48.2 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 \$48.2 million in FY26 State aid, MCPS received \$37.6 million in traditional State aid and \$10.6 million in State aid for local schools with significant enrollment growth or relocatable classrooms.

The County Executive recommends assuming a total of \$378.0 million in State support for MCPS for the FY27-32 CIP. As part of the \$378.0 million in State aid, the recommended CIP assumes \$326.1 million in traditional State aid and State aid for local schools with significant enrollment growth or relocatable classrooms, \$50.4 million in funding from the Built to Learn Act program, and \$1.5 million in other State funding. As the Built to Learn Act program concludes, State support for school construction is expected to return to historic annual funding levels of between \$42.0 million and \$45.0 million. In light of Statewide enrollment declines, increased capital investment from the State and a reconsideration of the funding formula is necessary. The MCPS FY27 State funding request is \$48.8 million. 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 County Executive will vigorously pursue all forms of State aid and will work with the County's State Delegation, the County Council, the Board of Education, the Superintendent, and the community to request that the State fully fund the FY27 MCPS 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 Montgomery College includes State aid of \$162.7 million for FY27-32, or approximately 36.5 percent of total program costs. This includes \$45.6 million in State aid for the Rockville Theatre Arts Center, which is recommended for deferral beyond the six-year period for affordability. If this project is deferred by the Council as proposed by the Executive, State aid funding will be adjusted. 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 the establishment of a fourth campus in East County, construction of the Germantown Student Affairs Building renovation and addition, construction of the Germantown Student Services Center, and the renovation of the Rockville library. The State's FY26-FY30 Capital Improvement Program has programmed the Community College Facilities Grant program at \$80 million for FY27. 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 \$27.45 million in POS funding.

Revenue Authority

The County Executive's FY27-32 Recommended CIP includes \$283,000 in State aid for the Montgomery County Airpark land acquisition and the Montgomery County Airpark North End Hangar projects.

State Road Program

In addition to the County roads, transit, bridges, sidewalks, traffic improvements, and other transportation 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 CTP is developed by the Maryland Department of Transportation (MDOT) and released each October. Following a period of public review and outreach, the CTP is finalized by MDOT and submitted to the Maryland General Assembly in January, with final approval by the General Assembly occurring in the spring.

The draft FY26-31 CTP emphasizes Vision Zero and Complete Streets initiatives, through investment in the Pedestrian Safety Action Plan projects on University Boulevard, New Hampshire Avenue, and 16th Street, as well as funding construction of Montgomery Hills multimodal improvements. These efforts will complement the County's sidewalk and safety investments on county roads.

Transit

The County Executive's Recommended CIP assumes \$85.2 million in Op Lanes Maryland Transit funding, of which \$32 million is programmed in FY27-32 to support the MD 355 South/North Bus Rapid Transit (BRT) project. The Op Lanes Maryland transit funding is the portion of the State's planned American Legion Bridge + 270 project which MDOT has pledged to fund high priority public transit projects in Montgomery County.

The State Bus Rapid Transit Fund uses revenues from State lottery proceeds and the Transportation Trust Fund to fund eligible BRT projects in Maryland jurisdictions. By law, Montgomery County is guaranteed at least \$25 million per year, pending project eligibility and availability of funds. In addition to \$37.8 million directly from this funding source, the Recommended FY27-32 CIP includes \$191 million in long-term financing backed by State Bus Rapid Transit Fund grants.

The County continues to work with the State and its concessionaire under a public private partnership for the 16-mile Purple Line light rail project. In addition to completing construction of the project in the winter of 2027, the concessionaire will operate and maintain the light rail corridor for a period of 30 years.