How to Read the Budget

INTRODUCTION

The County Executive's Recommended Capital Budget and Capital Improvements Program (CIP) contains a comprehensive picture of the Executive's recommendations for the budget year beginning July 1, including new and existing capital projects. This document is published biennially and transmitted to the County Council by January 15 as required by the County Charter, and is available on the County's web site: www.montgomerycountymd.gov.

CONTENTS OF THE CAPITAL BUDGET/CIP DOCUMENT

Message and Highlights

The County Executive's budget message conveys policy issues, major highlights of the budget, and the Executive's recommended expenditure priorities for the upcoming year and six-year period. The highlights provide an overview of new initiatives and major changes to existing projects, summarize expenditures and funding, and compare figures from the previous capital budgets and CIP.

Capital Budget Process

This section provides a brief introduction to the County government, the budget process, and the structure and contents of the budget document.

CIP Planning

This section provides a description of the components of CIP planning and other related activities and concepts which contribute to CIP planning, and explains how these elements relate to the CIP as a budget and fiscal plan for capital improvements.

Public Input

This section summarizes recognized community needs and discusses those projects identified as priority items by the Citizens' Advisory Boards and Maryland-National Capital Park and Planning Commission (M-NCPPC).

Fiscal Policy

This section provides a description of the tenets of the County Executive's recommended fiscal policy, including the various types of funding used to support CIP projects, along with a discussion of debt capacity. This section also contains a discussion of those elements or aspects of capital projects which have an effect on annual operating budgets, including a definition of the components and their impacts.

Multi-Agency Projects

This section displays a compilation of projects, grouped by category of improvement, which are common to two or more agencies of County government. It provides an analytical basis for reviewing similar projects, enhancing coordination among agencies, and promoting consistency in funding arrangements and resource allocation priorities.

Department/Agency Budgets

Sections 8–36 and 39-44 contain Executive program and agency budget summaries for all projects within the recommended six-year program, including a Project Description Form (PDF) for each project. The contents of these sections are described in the Department/Agency Budget Presentations section below.

Municipalities

This section provides information on other local municipal governments within Montgomery County, including information on budgeting by the City of Gaithersburg, City of Rockville, City of Takoma Park, and Town of Poolesville.

State of Maryland

This section provides a discussion of how the State supports the County's CIP, including new and on-going projects in the areas of education, roads, economic development, culture and recreation, and public safety.

Budget Summary Schedules

The Countywide Interagency Summary provides data which integrate expenditures and funding for County government program categories with those of all other agencies.

Glossary

A glossary of budget and other technical terms and acronyms commonly used in the CIP is provided for the reader.

Index

Indices sorted by project name; project number; and geographical planning area are provided.

DEPARTMENT/AGENCY BUDGET PRESENTATIONS

The following pertains to sections 8–36 and 39-44. These sections contain Budget Summary Schedules, Program Narratives, and a Project Description Form (PDF) for each project by program category and subcategory. Some sections may contain additional tables, charts, and maps.

Program Narrative

The narrative preceding the individual PDFs for each program or agency is organized into the following sections: Description and Objectives; Highlights; Program Contacts; Capital Program Review; and Statutory Authority (non-County government agencies). Other relevant topics to the program or agency as well as charts may be included as appropriate.

If the narrative describes the program of a County agency not managed by the County Executive, the discussion highlights both the Agency's request and the Executive's recommendations with regard to that request, and issues affecting the program as a whole. The narrative is, in all cases, the product of the Executive Branch.

Program Description and Objectives provides information useful in understanding what types of facilities are provided and how these relate to the delivery of programs and services. Overall departmental or agency objectives which are relevant to the capital program are also presented.

Highlights provides a list of major initiative changes, including new projects.

Program Contacts provides names and numbers of department contacts related to the program.

Capital Program Review provides a statement of the overall cost of the six-year program and its relationship to the currently adopted six-year program; a discussion of the sources of funding for the program, including significant changes in funding from the currently adopted program; and a list of projects with changes in program direction and funding since the adoption of the current CIP. Discussion of major changes in scope, timing, direction, or cost of existing (ongoing) projects is contained on the individual Project Description Form (PDF).

Statutory Authority is provided in agency sections and contains information on the principal local, State, and Federal statutes, regulations, and other guidelines by which an agency is established and under which it operates.

Project Description Form (PDF)

For Executive programs, HOC, and Revenue Authority, Project Description Forms (PDFs) for every proposed capital project with expenditures in the six-year period follow the Program Narratives. For MCPS, M-NCPPC, Montgomery College, and WSSC, PDFs are only included when the Executive recommendation differs from the agency request. Each of these PDFs is preceded by an Executive Recommendation brief summarizing the changes, as the Executive does not change the actual agency-submitted PDFs without agency concurrence.

The PDF provides the following information: project number, title, and other identifiers (e.g., category, subcategory, administering agency, status, planning area, and relocation impact); estimated expenditure and funding schedules; annual operating budget impact; description, justification, and other explanatory text; appropriations, expenditure and capitalization data; coordination and planning information required with and by other agencies; and map. If a project has been identified by the Planning Board as a Required Adequate Public Facility to support planned and approved development in a particular area, a "YES" is shown in this area.

Most of the columns in the listing represent information on project expenditures or cash outlays for a project. The expenditure schedule is a reasonable approximation of the timing of work on the project.

The lower left-hand corner of the PDF provides data on past and proposed appropriations, which are authorizations for expenditures. An appropriation is the permission--not a requirement--to perform work and expend money. Therefore, if proposed expenditures are acceptable, then sufficient appropriation should be granted to permit contracts to be signed and work to be performed in the upcoming fiscal year.

Depending on the project, expenditure estimates beyond the first year can include inflation, other extraordinary adjustments such as an anticipated rise in price for energy or steel, and contingencies. An asterisk in the Beyond 6 Years box indicates that the project is likely to continue indefinitely at a similar annual amount in future years (e.g., sidewalk repair).

Budget Summary Schedules

Each program category or agency section ends with three budget summary reports:

- Expenditure Detail by Category, Sub-Category, and Project
- Funding Summary by Category, Sub-Category and Revenue Source
- Category Summary

For MCPS, Montgomery College, M-NCPPC, WSSC, HOC, and Revenue Authority, two sets of Expenditure Detail and Funding Summary reports are included, the first is the Executive recommendations followed by the agency request. In addition, for Montgomery College, M-NCPPC, and WSSC, a listing of each project is provided comparing the Agency Request amount against the amount recommended by the County Executive.

Expenditure Detail by Category, Sub-Category, and Project summarizes expenditures and appropriation for each project by categories/subcategories.

An explanation of each column in the summary listing follows:

Project Number: for projects implemented by County government departments, the first two digits indicate the implementing department. The third and fourth digits indicate the year the project first appeared in the CIP, and the final two digits are sequentially assigned.

Project Name: the title of the project.

Total (estimated total cost): this is the entire cost of the project. Unless otherwise noted, this includes design, land acquisition (except in certain proposed acquisitions funded

initially by the advance land acquisition revolving fund), site improvements, utilities, construction, and other, as appropriate. It includes past as well as proposed expenditures.

Through FY (last completed fiscal year): some projects were approved and received appropriations in previous years. Actual expenditures on a project from the date of authorization up to June 30 of the last completed fiscal year are shown here. In some cases, partial capitalization is used to expense or transfer costs from the CIP into another fund. In these cases, zeros will appear in this column for ongoing capital projects only.

Estimate FY (current fiscal year): this is an estimate of project expenditures during the current fiscal year, from July 1 last year to June 30 of this year.

6-Year Total: this is the sum of proposed project expenditures during the six-year capital program period which begins on July 1 of this year.

Expenditure Schedule, Six-Year Program Period: these columns show the proposed scheduling of work and expenditures and funding on each project, year by year, for the six-year period.

Beyond 6-Years: this column displays expenditures which are planned to occur after the sixth year of the program. Expenditures are programmed in the "Beyond 6 Years" column only when they are a direct carryover of expenditures which appear within the six-year period. Expenditures for additional project phases which are logically separable from previous project phases are programmed as new, separate projects (following or in conjunction with closeout of the previous project) when they can be afforded within a future six-year period. The "Beyond 6 Years" column is not used as a holding place for project expenditures which cannot be afforded in the foreseeable future. Such projects are, instead, considered for facility planning.

Appropriation Request: This is the proposed increase or decrease in appropriation for each project. If the Council supports the proposed expenditure schedule, it must appropriate sufficient funds to cover expenditures during the first year of the expenditure schedule, and total appropriations must be sufficient to encumber any contract planned for execution in the first year even if the work will take more than one year to complete.

Expenditure Detail by Category, Sub-Category, and Project summarizes funding sources for each program category and subcategory. The funding sources are listed in the first column followed by the funding amounts for the total project, already utilized, estimated for current fiscal year, and proposed for the six-year capital program period, and beyond this period (see Expenditure Detail report column explanations above).

Category Summary contains listing by subcategories for:

- new projects
- funding source comparisons between the current approved capital program and the recommended program for the next six years
- capital budget appropriation requirements for the first and second year of the six year period, cumulative appropriation to date, and total appropriation for the project
- closeout and partial closeout projects
- status of Special Capital Improvements legislation for projects that exceed a specific cost criteria (see the Capital Budget Process section for further information about this topic)

HOW TO FIND A SPECIFIC PROJECT

If you are interested in information about a specific project, locate the page number for the Project Description Form (PDF) in one of the three indices at the back of the publication. Indices are sorted alphabetically by project name, numerically by project number, and geographically by planning area. In addition, the latest approved project can be found in the Master List of Most Current CIP Projects on the County's web site at: http://montgomerycountymd.gov/ombtmpl.asp?url=/content/omb/index.asp.