

Montgomery County's Priorities for the 2012 Session



Briefing for the Montgomery County State Delegation
November 16, 2011



Like the State of Maryland, Montgomery County has been hit hard by the economic crisis that took hold in 2008.

- **Local tax revenues declined dramatically and have not yet recovered**
 - local income tax revenue projections for FY 12 are still 14% lower than they were in FY 09, or nearly \$200 million less, dropping from \$1.3 billion down to \$1.1 billion
 - local property tax revenues remain flat
 - transfer tax collection increases are not sufficient to offset significant losses in recordation tax collections

- **State aid for general government purposes was reduced substantially with dim prospects for restoration**
 - State revenue sharing to help Montgomery County underwrite the costs of transportation, public health, public safety, and libraries was reduced from \$63 million in FY 09 down to \$18 million in FY 12
 - This \$45 million reduction equates to almost half of the State's increase in State aid for Montgomery County's K-12 public school system during the same time frame

- **Demand for services rose, with no reversal of this trend in sight**
 - Enrollment in the Montgomery County K-12 public schools increased from 137,745 to 146,582, or by 6%
 - The number of residents on food stamps increased 126% since FY 07
 - The number of families receiving temporary cash assistance increased by 53% since FY 07
 - The number of households receiving home energy assistance increased by 37% since FY 08
 - Enrollment at Montgomery College increased by 2,571 to 26,996, or 11%, since FY 09



Montgomery County has acted responsibly to stabilize its finances.

The County cut spending

➤ Personnel ...

- workforce is 10% less, down from 10,000 to 9,000 work years
- no cost of living adjustments since FY 09
- no step increases since FY 10
- furloughs of up to 10 days in FY 11

➤ Benefits...

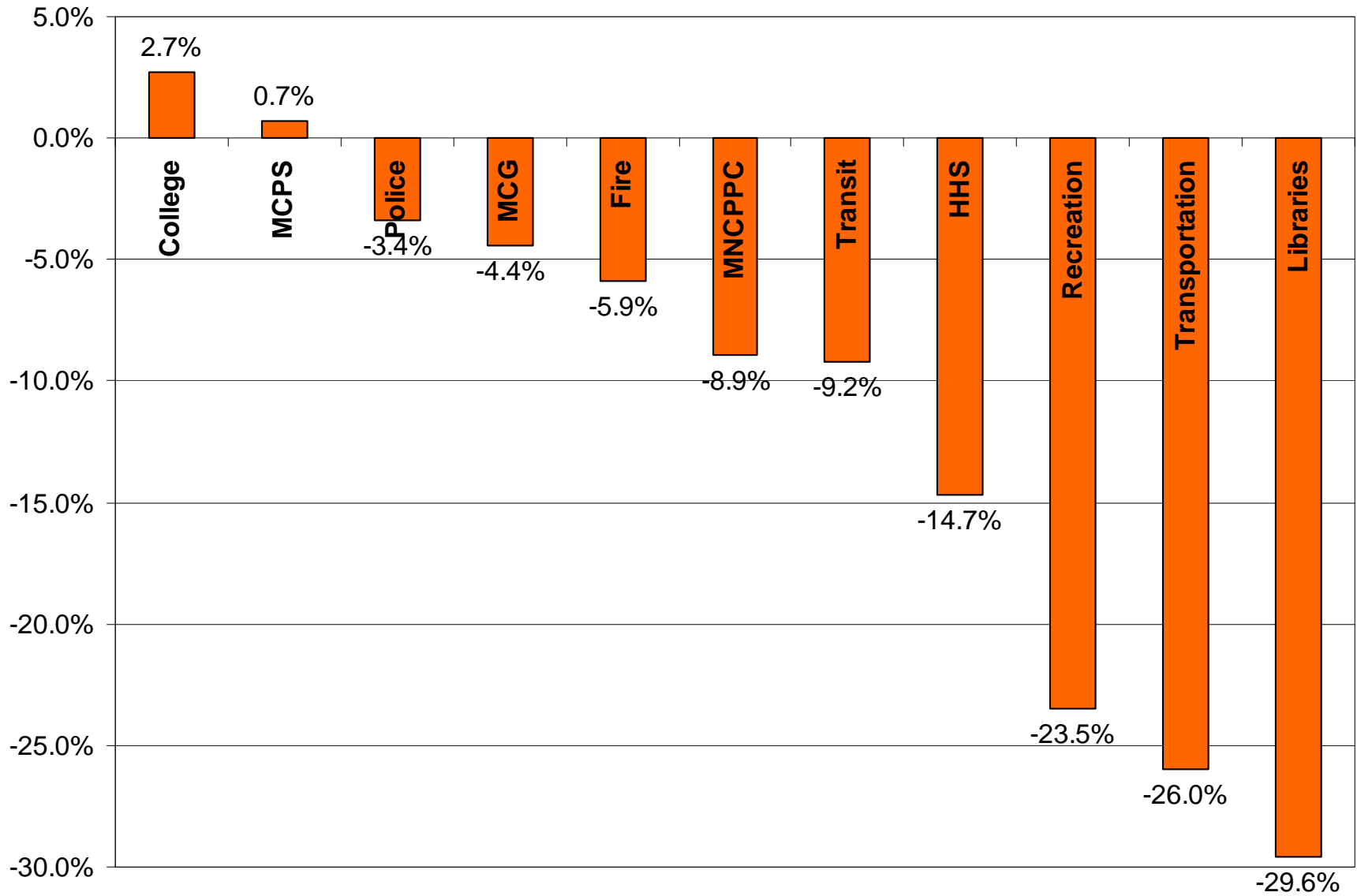
- Increased employee cost share for health benefits
- Increased employee cost share by 2%, phased in over 2 years, for County employees in defined benefit retirement plans
- Reduced the employer cost share by 2% for the 40% of County employees now in the defined contribution retirement plan -- which in 1994 replaced the more expensive defined benefit plan similar to that currently provided to State employees
- Tightened eligibility for retiree health benefits

➤ Programs...

- Library and recreation hours were reduced
- Maintenance standards for facilities and roads were lowered
- Ride-On bus routes were eliminated altogether or modified
- The County's matching earned income tax credit program was reduced
- Community policing, traffic patrol, and forensic programs were reduced

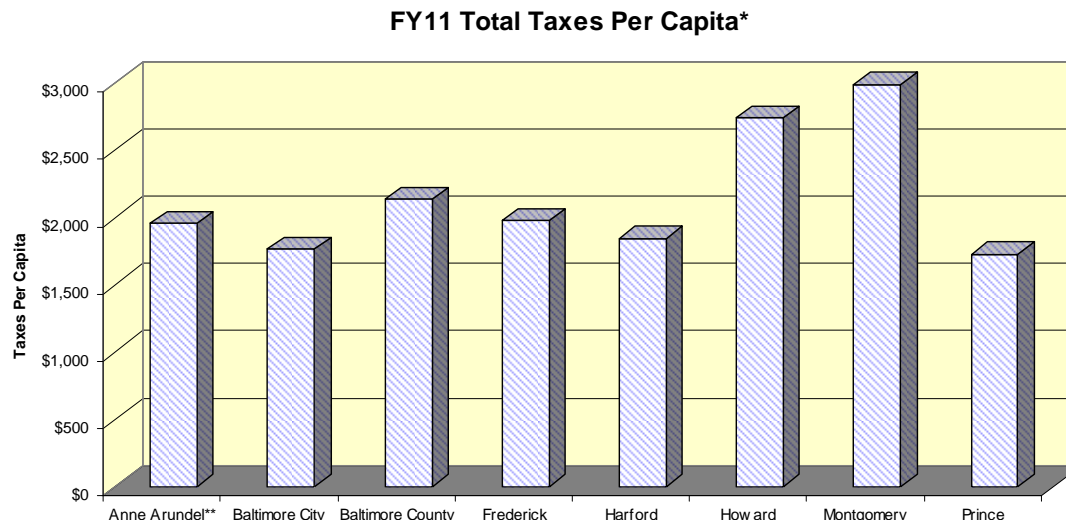


Agency Budget Changes FY09-FY12



The County raised new revenues

- Raised the property tax above the charter limit in FY 09
- Raised the energy tax on residential and commercial customers in FY 10 and FY 11
- Raised the telephone taxes for wireless customers in FY 11



*Includes property, income, transfer, recordation, energy, phone, and admissions and amusements taxes as well as solid waste fees.

**FY11 data are not available for Anne Arundel and Prince George's counties. FY10 data are used.

Source: Maryland Association of Counties. *Budgets, Tax Rates, & Selected Statistics Fiscal Year 2010 and 2011.*



Like the State, Montgomery County still faces major challenges.

- The County's FY 13 budget will need to be significantly constrained to achieve balance
- Enrollment in our public schools and safety net programs continue to increase
- Revenues remain sluggish
- Economic growth will require significant infrastructure investment

Therefore, Montgomery County's Priorities for the 2012 Session are:

➤ 1. Doing no harm, by asking you to...

- ensure that any changes to the State K-12 education statute will not prevent the County from meeting its statutory local funding requirement for FY 13 and beyond
- protect funding for energy assistance programs that an increasing number of lower income families in the County are relying on

➤ 2. Investing in the County's infrastructure needs, by asking you to...

- support a gas tax increase and other new, sustainable revenue sources that will result in the ability for the State to make substantial new investments to improve transportation infrastructure and restore Highway User and Ride On operating subsidy funds (see Appendix A for a listing of projects)
- support the Montgomery County Public School's public school construction request of \$185 million which represents the State share of eligible project costs (see Appendix B for a listing of projects)
- support a \$1 million State grant to help underwrite the capital costs of the new Silver Spring Library
- support Montgomery College's request for State funds to help underwrite the capital costs of the Germantown Science and Applied Studies Building (\$2.7 million) and the Rockville Student Services Center (\$5.4 million)
- support funding for and strategic growth at the Universities at Shady Grove
- support an increase in the Bay Restoration fee but restrict the use of the revenues to existing obligations



Appendix A: Transportation Priorities

The two major transitways, listed alphabetically:

Corridor Cities Transitway (CCT)
Purple Line

Other regionally significant projects:

I-270 widening for high-occupancy-toll or high-occupancy-vehicle lanes north of Shady Grove
I-495 widening for HOT or HOV lanes between the I-270 West Spur and Virginia

Other locally significant projects, ready for construction funds:

I-270/Watkins Mill Road Extended, bridge over I-270
Woodfield Rd: widen to 6 lanes, Midcounty Hwy to Snouffer School Rd
Georgia Avenue: built 2-lane bypass around Brookeville
Georgia Avenue/Norbeck Road, build grade-separated interchange
Clopper Road; improve intersections from I-270 to Seneca Creek Park
I-270/Watkins Mill Road Extended: grade-separated interchange
Spencerville Road: widen to 4 lanes from Old Columbia Pike to US 29
Norbeck Road: widen from Georgia Avenue to Layhill Road
I-270/Newcut Road: build grade separated interchange
Woodfield Rd: widen to six lanes from Snouffer Sch Rd to Airpark Rd
Woodfield Rd: widen to six lanes from Fieldcrest Rd to Warfield RD
US 29/Fairland Rd/Musgrove Rd: build grade separated interchange
MD 28/198, widen from Layhill Road to Old Columbia Pike



Appendix B: Public School Construction Priorities

Balance of Funding (Forward-Funded):

Fox Chapel Elementary School
Garrett Park Elementary School

Construction Request (Forward-Funded):

Jackson Road Elementary School Addition
Redland Middle School Upgrades/Limited Renovation

Systemic Projects:

Piney Branch Elementary School
Col. Zadok Magruder High School
Bannockburn Elementary School
Waters Landing Elementary School
Rosemary Hills Elementary School
Rachel Carson Elementary School
Judith A. Resnick Elementary School
Neelsville Middle School
East Silver Spring Elementary School
Westbrook Elementary School
Sequoyah Elementary School
Whetstone Elementary School
Stedwick Elementary School
Damascus Elementary School
South Lake Elementary School
Dr. Charles R. Drew Elementary School
Pine Crest Elementary School
Summit Hall Elementary School

Planning and Construction (Forward Funded):

Rock View Elementary School
Brookhaven Elementary School
Harmony Hills Elementary School
Montgomery Knolls Elementary School
Fairland Elementary School
Ridgeview Middle School
Whetstone Elementary School

Planning and Construction Request:

Downcounty Consortium Elementary School
Seven Locks Elementary School
Paint Branch High School
Herbert Hoover Middle School
Glenallan Elementary School
Beverly Farms Elementary School
Weller Road Elementary School
Bradley Hills Elementary School
Westbrook Elementary School
Wyngate Elementary School
Veirs Mills Elementary School
Georgian Forest Elementary School
Darnestown Elementary School
Gaithersburg High School

Planning Approval Request:

Bel Pre Elementary School
Candlewood Elementary School
Clarksburg Cluster Elementary School
Rock Creek Forest Elementary School
Waters Landing Elementary School
Farquhar Middle School
Wheaton High School

