

Resolution No.: 16-146
Introduced: April 20, 2007
Adopted: May 17, 2007

**COUNTY COUNCIL
FOR MONTGOMERY COUNTY, MARYLAND**

By: Council President at the Request of the County Executive

SUBJECT: Supplemental Appropriation #07-193 to the FY07 Operating Budget
Montgomery County Government
Department of Finance
Working Families Income Supplement Non-Departmental Account, \$1,079,080

Background

1. Section 307 of the Montgomery County Charter provides that any supplemental appropriation shall be recommended by the County Executive who shall specify the source of funds to finance it. The Council shall hold a public hearing on each proposed supplemental appropriation after at least one week's notice. A supplemental appropriation that would comply with, avail the County of, or put into effect a grant or a Federal, State or County law or regulation, or one that is approved after January 1 of any fiscal year, requires an affirmative vote of five Councilmembers. A supplemental appropriation for any other purpose that is approved before January 1 of any fiscal year requires an affirmative vote of six Councilmembers. The Council may, in a single action, approve more than one supplemental appropriation. The Executive may disapprove or reduce a supplemental appropriation, and the Council may reapprove the appropriation, as if it were an item in the annual budget.
2. The County Executive has requested the following FY07 Operating Budget appropriation increases for the Working Families Income Supplement Non-Departmental Account:

<u>Personnel</u> <u>Services</u>	<u>Operating</u> <u>Expenses</u>	<u>Capital</u> <u>Outlay</u>	<u>Total</u>	<u>Source</u> <u>of Funds</u>
\$0	\$1,079,080	\$0	\$1,079,080	General Fund Undesignated Reserves

3. This increase is needed to match the State's Refundable Earned Income Tax Credit (EITC) because of an unanticipated jump in the number of eligible recipients. The program has grown steadily since its inception in 1998, primarily due to changes in the formula that increased the amount of the supplement and extended the program to more applicants. The last such change occurred in FY06. The original forecast provided for the FY07 Budget assumed 1% growth in eligible recipients based on population growth moderated by growth in income. However, the slower economic growth has impacted income growth resulting in more applicants eligible for the program. This resulted in a 10.5% growth in the number of recipients, even though the average supplement of \$464.00 is close to the original estimate of \$460.00.
4. The County Executive recommends a supplemental appropriation to the FY07 Operating Budget in the amount of \$1,079,080 for Working Families Income Supplement Non-Departmental Account and specifies that the source of funds will be General Fund Undesignated Reserves.
5. Notice of public hearing was given, and a public hearing was held.

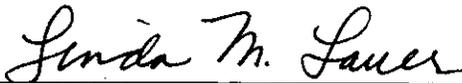
Action

The County Council for Montgomery County, Maryland, approves the following action:

A supplemental appropriation to the FY07 Operating Budget for the Working Families Income Supplement Non-Departmental Account is approved as follows:

<u>Personnel Services</u>	<u>Operating Expenses</u>	<u>Capital Outlay</u>	<u>Total</u>	<u>Source of Funds</u>
\$0	\$1,079,080	\$0	\$1,079,080	General Fund Undesignated Reserves

This is a correct copy of Council action.



 Linda M. Lauer, Clerk of the Council