

FY19 Operating Budget

October 24, 2017



Prepared by Montgomery County Office of Management & Budget, CountyStat and Technology Services

FY18 Tax Supported Expenditures by Function

Tax Supported Expenditures Only	Appropriation	% of Total	% Sum	FTEs
1. MCPS	\$ 2,368,655,562	49.6%	49.6%	21,090.64
2. Public Safety	\$ 585,134,553	12.3%	61.8%	3,983.96
3. Debt Service	\$ 399,946,420	8.4%	70.2%	-
4. General Govt. & Other Functions	\$ 292,501,107	6.1%	76.3%	1,142.89
5. Health and Human Services	\$ 270,173,985	5.7%	82.0%	1,211.74
6. College	\$ 262,759,376	5.5%	87.5%	1,802.10
7. Transportation	\$ 185,395,118	3.9%	91.4%	1,110.25
8. Retiree Health Insurance	\$ 163,442,320	3.4%	94.8%	-
9. M-NCPPC (Park and Planning)	\$ 125,880,311	2.6%	97.4%	914.89
10. Libraries, Culture, & Recreation	\$ 87,552,931	1.8%	99.3%	853.73
11. Community Dev. and Housing	\$ 31,408,935	0.7%	99.9%	65.40
12. Environment	\$ 2,907,343	0.1%	100.0%	16.50
	\$ 4,775,757,961			32,192.10

FY19 Fiscal Projection

Revenue Challenges

FY17 preliminary actuals below FY17 estimates for the following major taxes:

- **Income Tax:** -\$19.8 million
- **Transfer and Recordation Taxes:** -\$1.4 million
- **Energy Tax:** -\$9.7 million
- **Property Tax:** -\$5.4 million

FY18 and FY19 Uncertainty

- **MD State Comptroller v. Wynne** - Projections assume losses of \$14.2 million in FY19 and \$28.2 million in FY20 and \$141.2 million between FY19-FY24
- **State of Maryland** – Estimates a FY18 revenue shortfall of \$53 million

Formal revenue updates from Finance in late November and late February

FY19 Fiscal Projection

High structural cost increases for:

- **Debt Service**, Reserves, Retiree Health Insurance
- **Maintenance-of-Effort** requirement for MCPS and College

Cost pressure is actually higher because other factors must be accounted for including:

- **Labor agreements** – upcoming negotiations with the FOP union
- **Cost increases** for group insurance, pensions, workers compensation, and general inflation
- **Operating cost** of new facilities and infrastructure

FY19 Fiscal Projection (as of May 2017)

Source	\$Millions
Additional Revenues	\$113.1
Debt Service	\$20.9
CIP Current Revenue / PAY GO	\$31.5
Reserves / Set Asides	\$79.2
Total Additional Fixed Costs	\$131.6
Available for Agency Operating Budget	-\$18.6
Available for MCG and MNCPPC	-\$13.6
% Reduction from FY18 Budget	-0.8%

OMB Resources

Internet

➔ <http://www.montgomerycountymd.gov/omb/>