



Revenues

INTRODUCTION

This chapter provides demographic and economic assumptions, including detailed discussions of the national, State, and local economies. Revenue sources, both tax supported and non-tax supported, used to fund the County Executive's Recommended FY21 Operating Budget incorporate policy recommendations.

ESTIMATING SIX-YEAR COSTS

Demographic Assumptions

The revenue projections of the Public Services Program (PSP) incorporate demographic assumptions based on data from Moody's Analytics and Woods & Poole Economics and are based on fiscal and economic data and analyses used or prepared by the Department of Finance. A Demographic and Economic Assumptions chart located at the end of this chapter provides several demographic and planning indicators.

- County population will continue to increase from 1,070,928 in 2020 to 1,124,587 by 2026. This reflects an average annual growth rate of 0.8 percent.
- Current projections estimate the number of households to increase from 388,409 in 2020 to 419,475 by 2026. Household growth over that period is projected to grow at an average annual rate of 1.3 percent.
- County births, which are one indicator of future elementary school populations and child day care demand, are projected to gradually increase from an estimated 12,460 in 2019 to 13,100 by 2026.
- The County expects Montgomery County Public School student enrollment to increase by 7,074 between FY20 and FY26.
- Montgomery College full-time equivalent student enrollments are projected to increase from 18,200 in FY20 to 18,747 in FY25.

Using moderate economic and demographic assumptions to develop fiscal projections does not mean that all possible factors have been considered. It is likely that entirely unanticipated events will affect long-term projections of revenue or expenditure pressures. Although they cannot be quantified, such potential factors should not be ignored in considering possible future developments. These potential factors include the following:

- Changes in the level of local economic activity;
- Federal economic and workforce changes;
- State tax and expenditure policies;
- Federal and State mandates requiring local expenditures;
- Devolution of Federal responsibilities to states and localities;
- Local, state and federal tax policy changes;
- Changes in financial markets;
- Major demographic changes;

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- Military conflicts and acts of terrorism;
 - Domestic or global health incidences; and
 - Major international economic and political changes.

Note that the effect of the COVID-19 virus on the County's revenues (and expenditures) is unknown at this early date. This public health event is being monitored and further information will be provided to the County Executive and the County Council as that information becomes available.

Policy Assumptions

Revenue and resource estimates presented are the result of the recommended policies of the County Executive for the FY21 budget. Even though it is assumed that these policies will be effective throughout the six-year period, subsequent Council actions, State law and budgetary changes, actual economic conditions, and revised revenue projections may result in policy changes in later years.

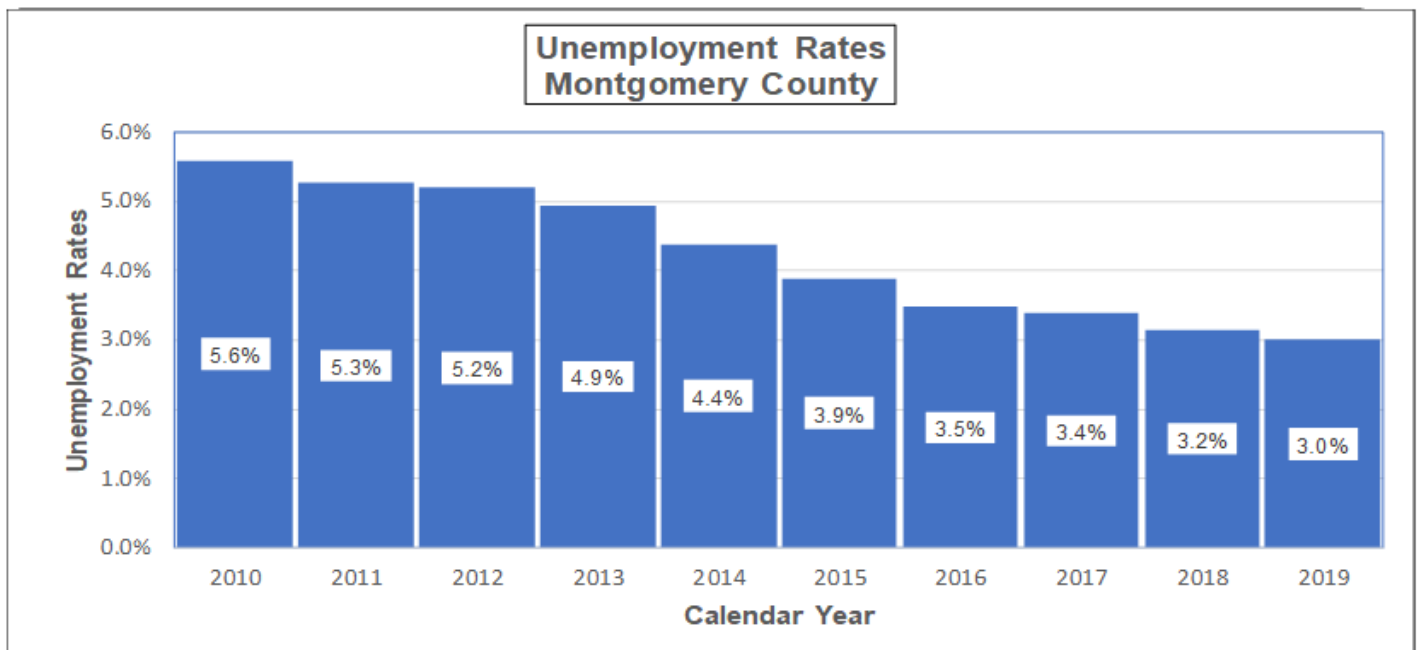
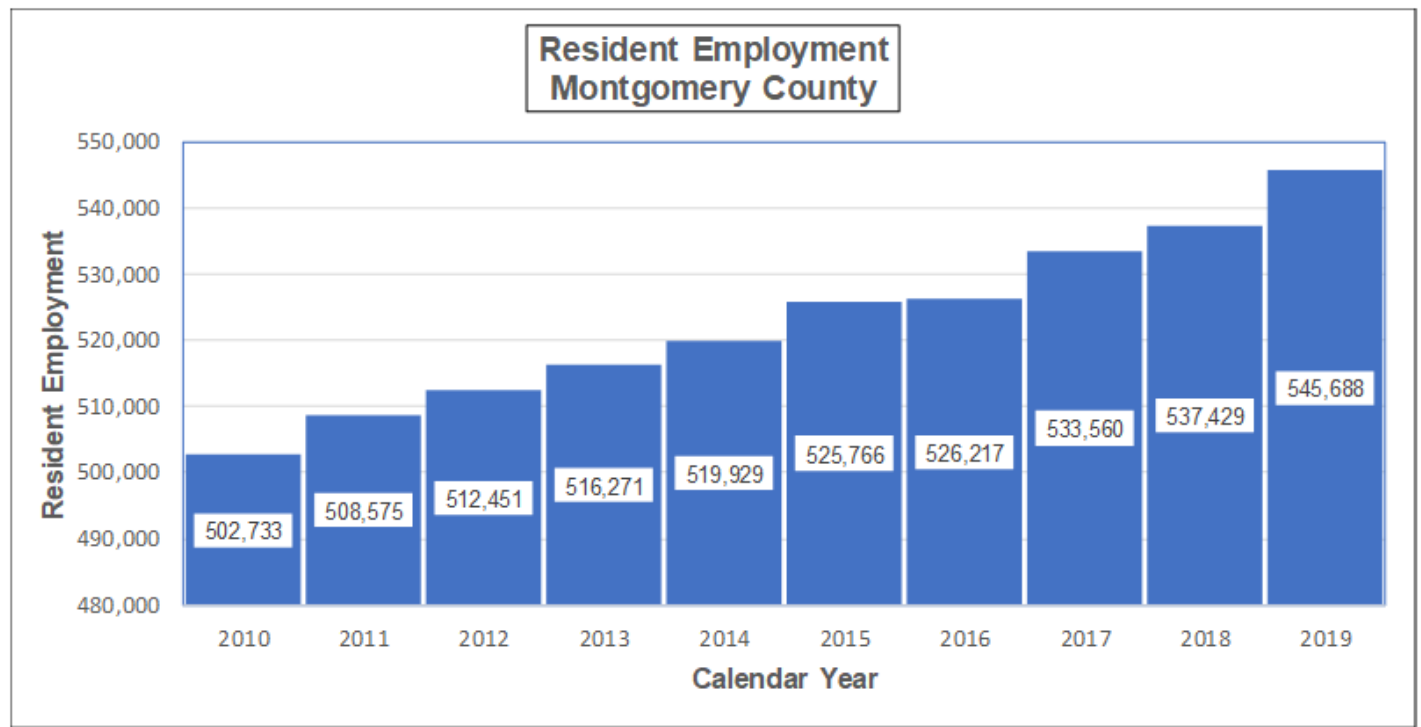
Economic Assumptions

Revenue projections depend on the current and projected indicators of the national, regional, and local economy. National indicators include short-term interest rates, mortgage interest rates, and the stock market. Local economic indicators include residential (labor force survey) and payroll (establishment survey) employment, residential and nonresidential construction, housing sales, retail sales, and inflation. The assumptions for each of those indicators will affect the revenue projections over the six-year horizon. Such projections are dependent on a number of factors - fiscal and monetary policy, real estate, employment, consumer and business confidence, the stock market, mortgage interest rates, and geopolitical risks.

Montgomery County's economy experienced positive economic performance during 2019. The areas of strength included an increase in resident employment, a low unemployment rate, an increase in the sales of existing homes and in the median sales price for an existing home, an increase in the construction of residential housing, an increase in the added values of new construction for residential and non-residential properties, and a modest increase in retail sales through October.

Employment Situation

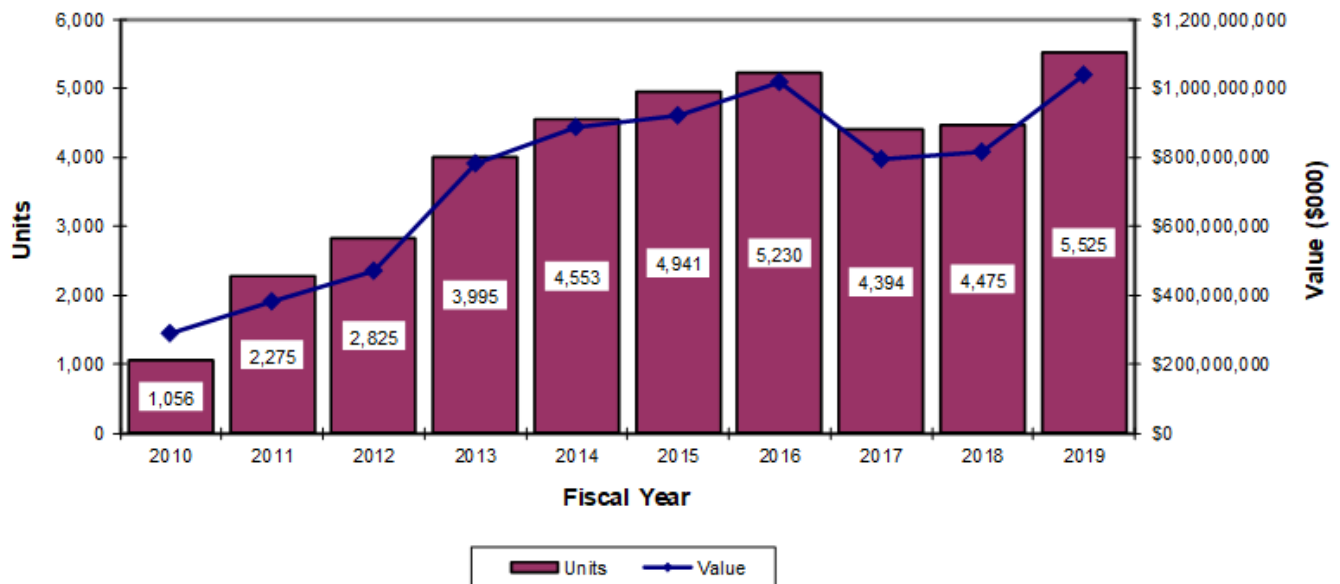
Based on data from the Maryland Department of Labor, Licensing and Regulation (DLLR) and the Bureau of Labor Statistics, U.S. Department of Labor, resident employment (labor force series and not seasonally adjusted) in 2019 increased by nearly 8,300 from 2018 (↑ 1.5%). The County's unemployment rate at 3.0 percent was the lowest rate and remained at its lowest level in the past ten years.



Construction Activity

The construction of new residential units increased nearly 24 percent in FY19 and total value added increased from \$816.7 million in 2018 to \$1,039.8 million in 2019 (↑ 27.3%). The total value added from non-residential projects increased from \$1,137.9 million in FY18 to \$1,523.1 million (↑ 33.9%) in FY19.

New Residential Construction Starts: Units and Value (Montgomery County)

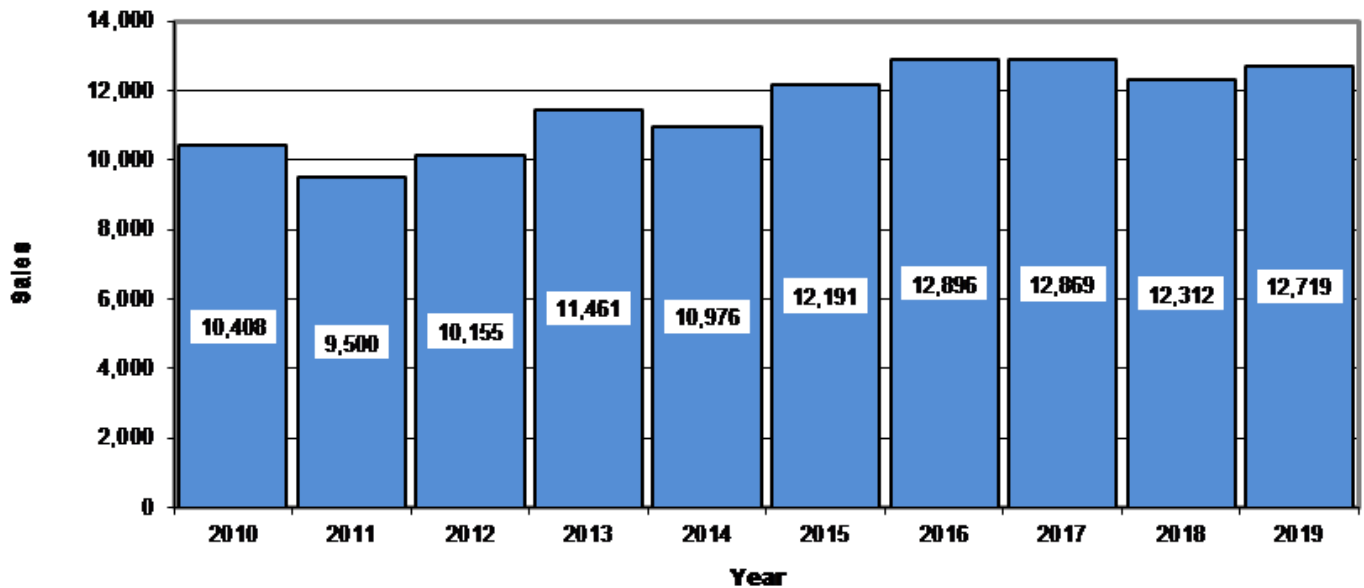


SOURCES: McGraw-Hill Construction
Montgomery County Department of Finance

Residential Real Estate

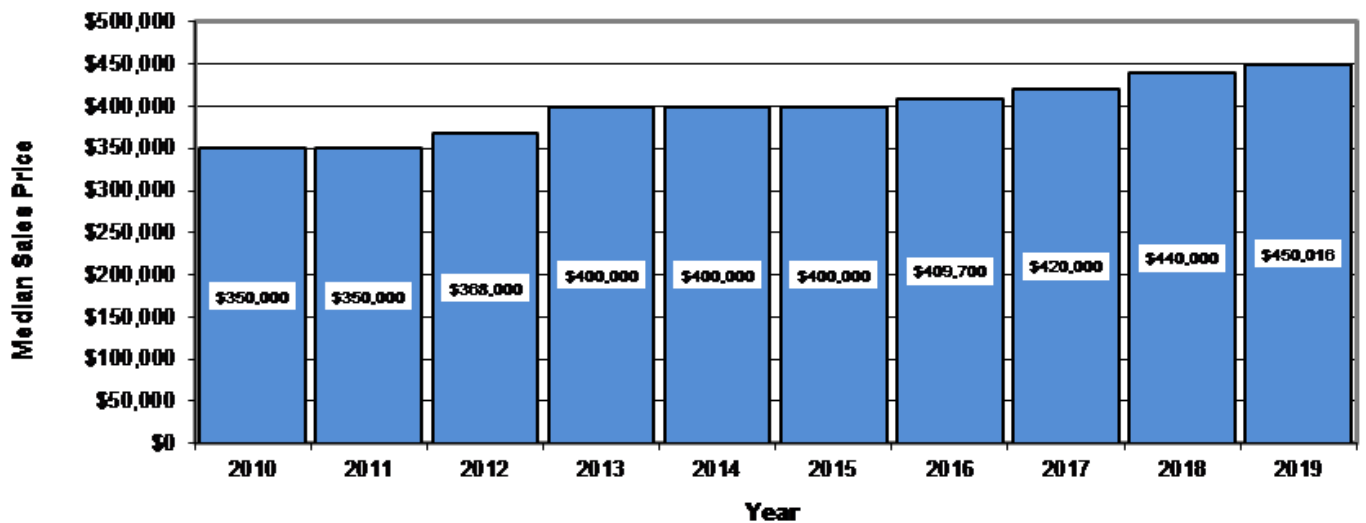
During calendar year 2019, existing home sales increased 3.3 percent which followed a decrease of 4.3 percent in 2018. The median sales price for existing homes increased 2.3 percent in 2019 following an increase of 4.8 percent in 2018.

Sales of Existing Homes (Montgomery County)



SOURCE: Metropolitan Regional Information System, Inc.

Median Sales Price for an Existing Home (Montgomery County)



SOURCE: Metropolitan Regional Information System, Inc.

Retail Sales

Using sales tax receipts as a measure of retail sales activity in the County, retail sales, including assessment collections, increased 0.9 percent through October compared to the same period in 2018. Purchases of nondurable goods, which include food and beverage, apparel, general merchandise, and utilities and transportation, decreased 1.2 percent during this period but sales of durable goods were up 2.8 percent. The decrease in nondurable goods purchases was largely attributed to the

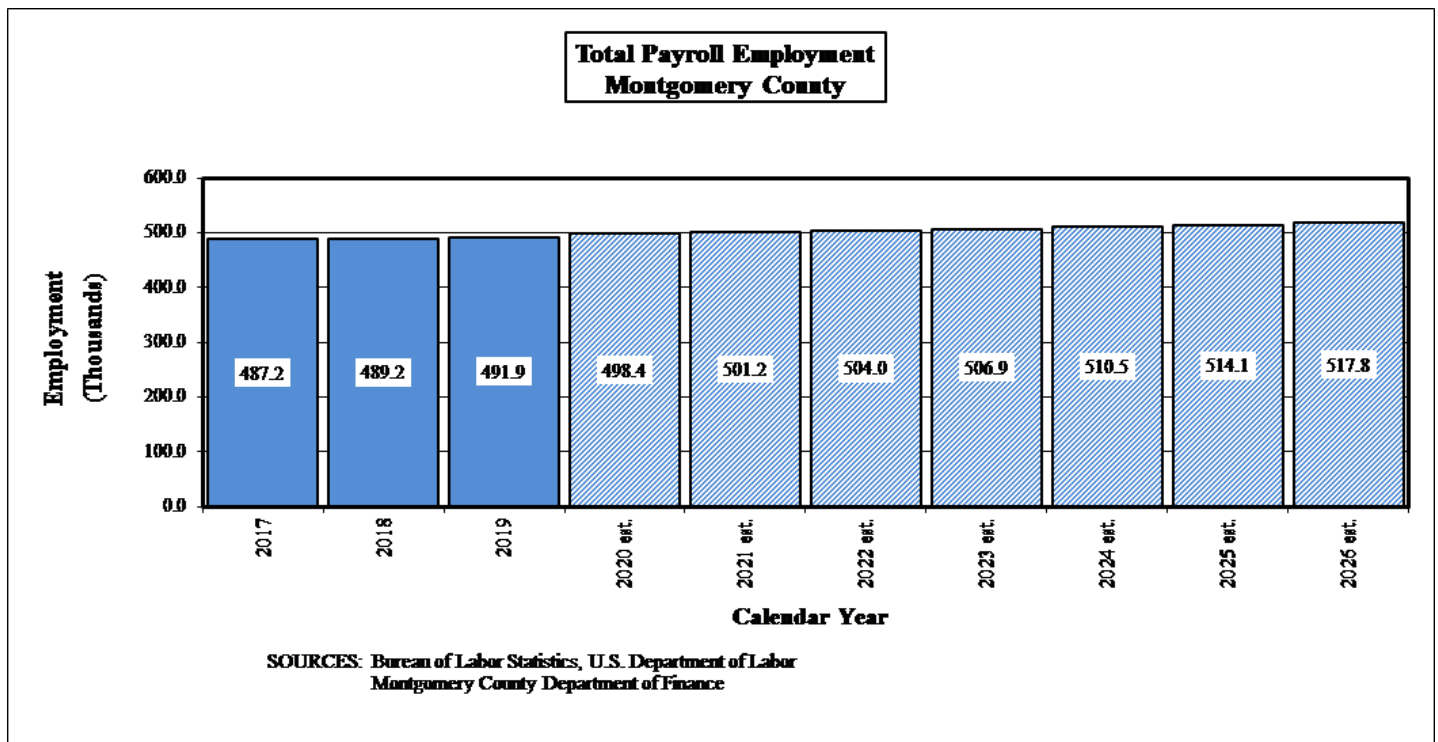
decrease in general merchandise (?7.3%), while the increase in purchases of durable goods was largely attributed to an increase in automobile sales and products (?4.1%) and building and industrial supplies (?3.9%).

CONCLUSION

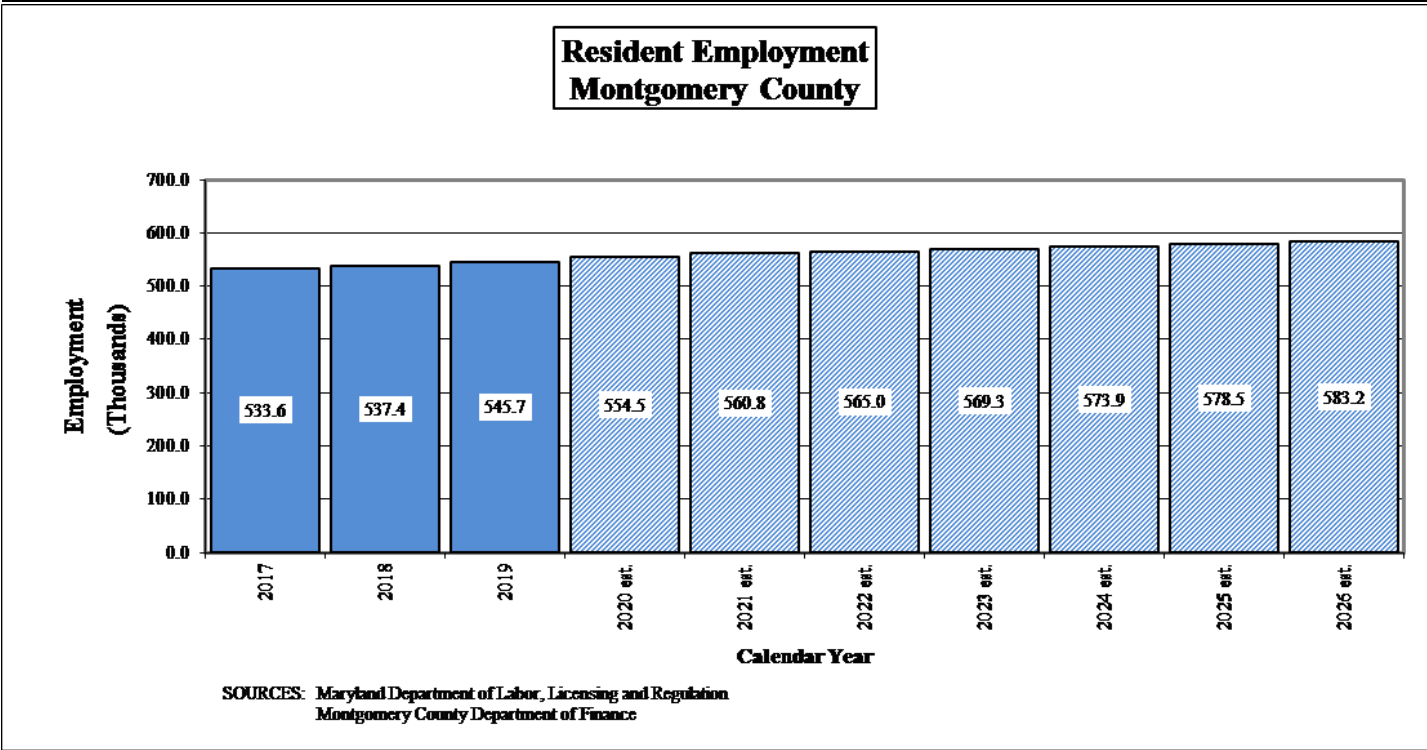
The major economic indicators confirm that the County's economy experienced positive performance during 2019. That performance included an increase in residential employment, a low unemployment rate, an increase in home sales and the median sales price for an existing home, and increases in added value of new residential and non-residential construction

ECONOMIC OUTLOOK The Department of Finance (Finance) forecasts that the Montgomery County's economy will continue to improve through the next six years.

Employment. Finance assumes payroll employment will continue to increase from CY2019 to CY2026 and grow at an average annual rate of 0.7 percent over that period. This is the same average annual rate growth rate experienced between CY2012 and CY2019.



Finance assumes that resident employment will increase at an average annual rate of 1.0 percent from CY2019 to CY2026. That rate is slightly above the average annual rate of 0.9 percent between CY2012 and CY2019.

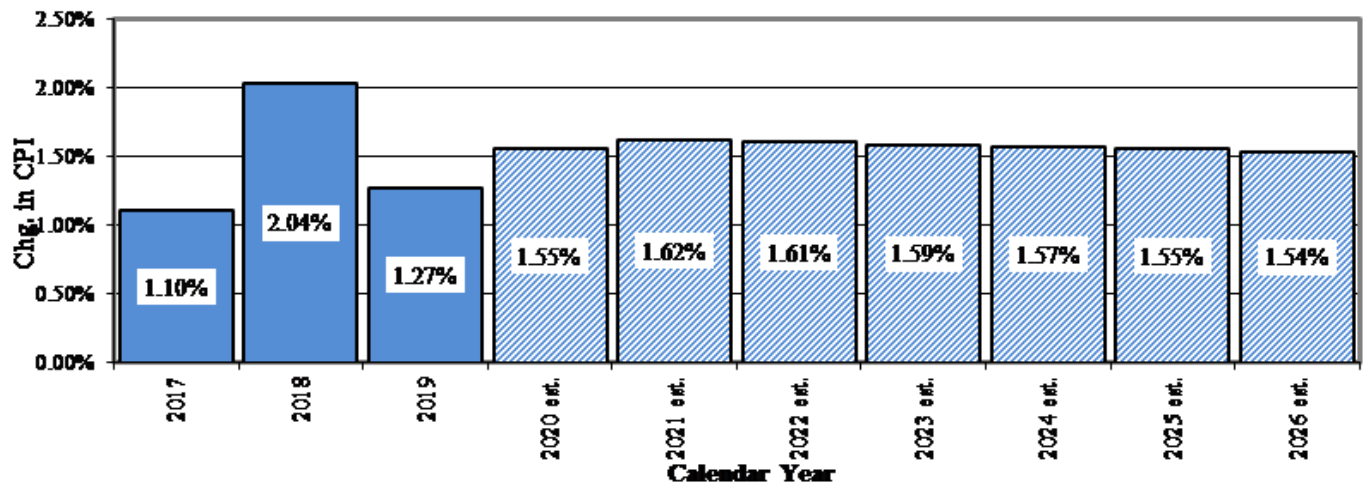


Finance assumes wage and salary income to grow at an average annual rate of 4.0 percent between CY2018, the latest date for which actual data are available from the Bureau of Economic Analysis, U.S. Department of Commerce, and CY2026. Total wage and salary income are estimated to reach \$54.6 billion by CY2026.

Personal Income. Finance assumes that total personal income in Montgomery County will grow at an average annual rate of 4.2 percent from CY2018 to CY2026. By CY2026, total personal income will reach \$131.2 billion

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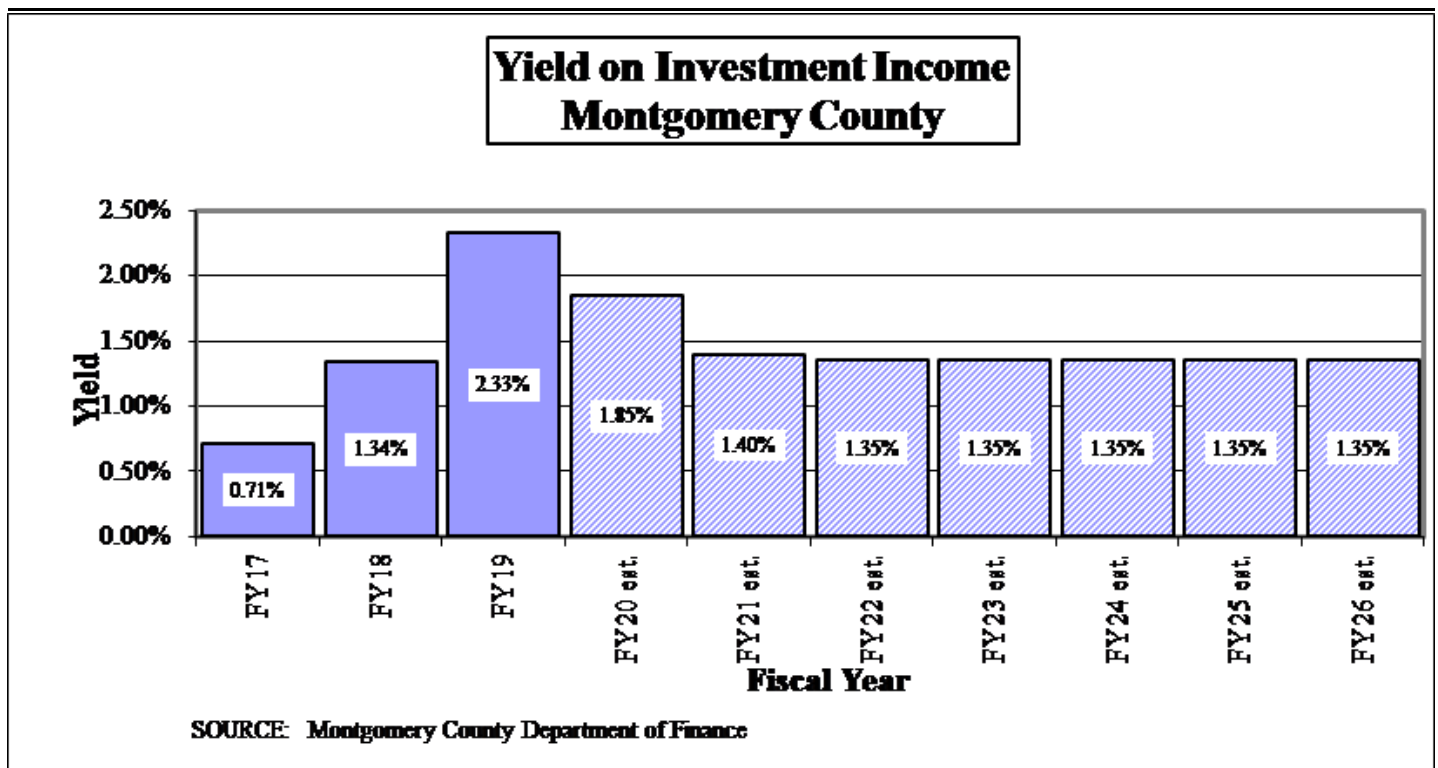
Change in Consumer Price Index Washington Metropolitan Statistical Area



SOURCES: Bureau of Labor Statistics, U.S. Department of Labor
Montgomery County Department of Finance

Interest Rates

The target rate for federal funds were increased by the Federal Open Market Committee (FOMC) four times in 2018 by 25 basis points each to a range of 2.25-2.50 percent by December 2018 but cut three times in 2019 to reach a range of 1.50-1.75 percent by December 2019. Since the yield on the County's short-term investments are highly correlated with the federal funds rate, the County earned an average of 2.33 percent in investment income on its short-term portfolio for fiscal year 2019 (FY19) but will earn an estimated average of 1.85 percent in FY20 due to the rate cuts in 2019 by the FOMC.



REVENUE SOURCES

The major revenue sources for all County funds of the Operating Budget and the Public Services Program (PSP) are described below. Revenue sources which fund department and agency budgets are included in the respective budget presentations. Six-year projections of revenues and resources available for allocation are made for all County funds. This section displays projections of total revenues available for the tax supported portion of the program. Tax supported funds are those funds subject to the Spending Affordability Guideline (SAG) limitations. The SAG limitations are intended to ensure that the tax burden on residents is affordable. The County Council has based the guidelines on inflation and personal income of County residents.

The PSP also includes multi-year projections of non-tax supported funds. These funds represent another type of financial burden on households and businesses and, therefore, should be considered in determining the "affordability" of all services that affect most of the County's population. Projections for non-tax supported funds within County government are presented in the budget section for each of those funds.

IMPACT ON REVENUES AND THE CAPITAL BUDGET The use of resources

represented in this section includes appropriations to the operating funds of the various agencies of the County as well as other resource requirements, such as current revenue funding of the Capital Budget, debt service, and fund balance (operating margin). These other uses, commonly called "Non-Agency Uses of Resources," affect the total level of resources available for allocation to agency programs. Some of these factors are determined by County policy or law; others depend, in part, on actual revenue receipts and expenditure patterns.

The level of PSP-related spending indirectly impacts the local economy and, hence, the level of County revenues. However, the effect on revenues from expenditures of the Executive's Recommended Operating Budget and PSP are expected to be minimal. The PSP also impacts revenues available to fund the Capital Budget. The revenue projections included in this section

subtract projected uses of current revenues for both debt eligible and non-debt eligible capital investments. Therefore, the Executive's Recommended Operating Budget and PSP provides the allocations of annual resources to the Capital Budget as planned for in the County Executive's Recommended FY20-26 Capital Improvements Program (CIP) (as of January 15, 2020). Anticipated current revenue adjustments to the January 15, 2020 CIP have been made as part of the Executive's Recommended Operating Budget.

Prior Year Fund Balance

The prior year fund balance for the previous fiscal year is the audited FY19 closing fund balance for all tax supported funds. The current year fund balance results from an analysis of revenues and expenditures for the balance of the fiscal year. Prior year fund balance for future fiscal years is assumed to equal the target fund balance for the preceding year.

Net Transfers

Net transfers are the net of transfers between all tax supported and non-tax supported funds in all agencies. The largest single transfer to the General Fund is the earnings transfer from the Alcohol Beverage Services to the General Fund. The transfer from the General Fund to Montgomery Housing Initiative to support the Executive's housing policy is the largest transfer to a non-tax supported fund. The payment from the General Fund to the Solid Waste Disposal Fund for disposal of solid waste collected at County facilities is the next largest transfer to a non-tax supported fund. The level of transfers is an estimate based on individual estimates of component transfers.

Debt Service Obligations

Debt service estimates are those made to support the County Executive's Recommended FY20-26 Capital Improvements Program (as of January 15, 2020). Debt service obligations over the six years are based on servicing debt issued to fund planned capital projects, as well as amounts necessary for short-term and long-term leases. Debt service requirements have the single largest impact on the Operating Budget/Public Services Program by the CIP. The Charter-required CIP contains a plan or schedule of project expenditures for schools, transportation, and infrastructure modernization. Approximately 38.2 percent of the CIP is funded with General Obligation (G.O.) bonds. Each G.O. bond issue used to fund the CIP translates to a draw against the Operating Budget each year for 20 years. Debt requirements for past and future G.O. bond issues are calculated each fiscal year, and provision for the payment of Debt Service is included as part of the annual estimation of resources available for other Operating Budget requirements. As Debt Service grows over the years, increased pressures are placed on other PSP programs competing for scarce resources.

The State authorizes borrowing of funds and issuance of bonds up to a maximum of 6.0 percent of the assessed valuation of all real property and 15.0 percent of the assessed value of all personal property within the County. The County's outstanding G.O. debt plus short-term commercial paper as of June 30, 2019, is 1.82 percent of assessed value, well within the legal debt limit and safely within the County's financial capabilities.

Capital Improvements Program (CIP) Current Revenue and PAYGO

Estimates of transfers of current revenue and PAYGO to the CIP are based on the most recent County Executive recommendations for the Capital Budget and CIP. These estimates are based on programmed current revenue and PAYGO funding in the six years, as well as additional current revenue amounts allocated to the CIP for future projects and inflation.

Revenue Stabilization

On June 29, 2010, the Montgomery County Council enacted Bill 36-10 amending the Montgomery County Code (Chapter 20, Finance, Article XII) that repealed the limit on the size of the Revenue Stabilization Fund (Fund), modified the

requirement for mandatory County contributions to the Fund, and amended the law governing the Fund. Mandatory contributions to the Fund are the greater of 50 percent of any excess revenue, or an amount equal to the lesser of 0.5 percent of the Adjusted Governmental Revenues or the amount needed to obtain a total reserve of 10 percent of the Adjusted Governmental Revenues. Adjusted Governmental Revenues include tax supported County Governmental revenues plus revenues of the County Grants Fund and County Capital Projects Fund; tax supported revenues of the Montgomery County Public Schools, not including the County's local contribution; tax supported revenues of Montgomery College, not including the County's local contribution; and tax supported revenues of the Montgomery County portion of the Maryland-National Capital Park and Planning Commission. All interest earned on the Fund must be added to the Fund. The FY21 Recommended Budget estimates that the Revenue Stabilization fund balance will be \$382.2 million in FY20 and the balance is estimated to increase to \$390.8 million in FY21.

Other Uses

This category is used to set aside funds for such items as possible legal settlement payments and other special circumstances such as set-aside of revenues to fund future years.

Reserves

The County will maintain an unrestricted General Fund balance (or, an "operating margin reserve") of five percent of prior year's General Fund revenues and the Revenue Stabilization Fund (or "rainy day fund"). This budget satisfies the County's policy to increase and maintain the budgeted total reserve of the unrestricted General Fund and Revenue Stabilization Fund at 10 percent of Adjusted Governmental Revenues by FY20 and maintains this level in FY21.

REVENUE ASSUMPTIONS

Tax supported revenues come from a number of sources including but not limited to property and income taxes, real estate transfer and recordation taxes, excise taxes, intergovernmental revenues, service charges, fees and licenses, college tuition, and investment income. Of the total tax revenues (excluding non-tax revenues), the property tax and the income tax are the most important with 46.9 percent and 41.8 percent, respectively, of the estimated total tax revenues in FY21. The third category is the energy tax estimated for the General Fund with 4.7 percent share. In fact, these three revenue sources represent 93.5 percent of total tax revenues. Of the total tax-supported revenues, property tax and income tax are also the most important with 36.4 percent and

32.4 percent, respectively. The third category is intergovernmental revenues with a 18.0 percent share of the estimated total tax supported revenues in FY21. Income and transfer and recordation taxes are the most sensitive to economic and, increasingly, financial market conditions. By contrast, the property tax exhibits the least volatility because of the three-year re-assessment phase-in and the ten percent "homestead tax credit" that spreads out changes evenly over several years.

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Property Tax

Using proposed tax rates (levy year 2020) and a recommended \$800 credit, total estimated FY21 tax supported property tax revenues of \$1,903.3 million are 6.1 percent above the revised FY20 estimate. The general countywide rate for FY21 is \$0.7400 per \$100 of assessed real property, while a rate of \$1.8500 is levied on personal property. In addition to the general countywide tax rate, there are special district area tax rates. The weighted average real property tax rate for FY21 is \$1.0264 per \$100 of assessed real property which is \$0.0478 above the levy year 2019 (FY2020) weighted rate. Of the \$1.0264 recommended weighted rate, three cents are dedicated to school funding. As such, at the recommended weighted rate, and because dedicated school taxes are not subject to charter limits under Maryland law, property tax revenues are at the Charter Limit. Also, the proposed property tax revenues recommend an \$800 income tax offset credit. The 1990 Charter amendment (FIT) limits the growth in property tax revenues to the sum of the previous year's estimated revenue, increased by the rate of inflation, and an amount based on the value of new construction and other minor factors. As a result of a Charter amendment approved by the voters, this limit may not be overridden unless approved by an affirmative vote of all current Council members.

The countywide total property taxable assessment is estimated to increase approximately 1.9 percent from a revised \$198.0 billion in FY20 to \$201.7 billion in FY21. The base is comprised of real property and personal property. For FY21, the Department of Finance estimates a real property taxable assessment of approximately \$197.5 billion, an increase of 1.9 percent from FY20, with the remaining \$4.2 billion in personal property. This is the eighth consecutive increase in total property taxable assessments after two consecutive decreases in FY12 and FY13.

The real property base is divided into three groups based on their geographic location in the County. Each group is reassessed triennially by the State Department of Assessments and Taxation (SDAT), which has the responsibility for assessing properties in Maryland. The amount of the change in the established market value (full cash value) of one-third of the properties reassessed each year is phased in over a three-year period. Declines in assessed values, however, are effective in the first year. The real property reassessment for Group 2 increased 4.8 percent for residential and 17.8 percent for commercial in FY18. The real property taxable assessment for Group 3 increased 3.9 percent for residential property and 17.4 percent for commercial property in FY19, and the real property taxable assessment for Group 1 increased 5.0 percent and commercial property increased 16.5 percent in FY20. Based on data from SDAT the reassessment for real property is estimated to increase 4.8 percent for residential properties in Group 2 and is estimated to increase 16.5 percent for commercial property in FY21.

Income Tax

Estimated FY21 income tax revenues of \$1,695.4 million are 1.5 percent below the revised FY20 estimate. Previously, future income tax estimates starting in FY19 incorporated the impact of the *Wynne vs. Comptroller* decision by the U.S. Supreme Court on May 18, 2015. However, with the recent introduction of legislation by the Maryland General Assembly, reimbursements to the Comptroller of Maryland from the County's quarterly income tax distributions starting in FY21 will be eighty equal installments rather than the original twenty. For FY21, the impact of the proposed legislation reduces the amount of the reimbursements from \$14.6 million to \$3.5 million. The revised FY20 income tax revenues include the impact of the Tax Cut and Jobs Act (TCJA, or H.R.1). Because of the proposed legislation by the Maryland General Assembly, actions by State of Maryland officials and regulations issued by the Internal Revenue Service, U.S. Treasury Department, as well as the effect of the federal tax law on business income that may have a fiscal impact on the County, the final "net" impact of the federal tax bill on the County's income tax revenues is uncertain at this time. In lieu of such uncertainty, Finance estimates FY21 income tax revenues based in part on the cautionary statement by the Maryland Comptroller regarding the County's November 2019 reconciliation distribution. That statement cautioned the County not to assume the growth rate in the November reconciliation distribution in 2020 for FY21 rather to adjust that growth rate based on the average of the previous three fiscal years: FY18 - FY20.

A number of economic indicators impact the County's quarterly distribution from withholdings and estimated payments. Those indicators include growth in resident employment, average annual wages, and capital gains. Based on the economic forecasts by the Bureau of Revenue Estimates, Comptroller of Maryland, Finance assumes County resident employment will grow 1.6 percent in calendar year (CY) 2020 and 1.1 percent in CY2021. Over the same two calendar years, average annual wages for the County will increase 3.1 and 3.1 percent, respectively, and capital gains will increase 3.7 percent in 2020 but decline 1.8 percent in 2021.

During any one fiscal year, the County receives income tax distributions pertaining to at least three different tax years. With the stock market crash of 2008 and subsequent severe recession, withholdings, estimated payments, and extended filings declined 11.9 percent in tax year (TY) 2008, and decreased 4.9 percent in TY2009, but increased 7.2 percent in TY2010, 6.2 percent in TY2011, and 10.0 percent in TY2012, before declining 3.8 percent in TY2013 attributed to the decline in capital gains.

Following the decline in TY2013, income tax revenues increased 6.6 percent in 2014, increased 2.9 percent in TY2015, but declined 0.4 percent in TY2016 attributed in large part to a 50 percent decline in capital gains for the top 100 County taxpayers. The elections of November 2016 raised expectations that tax relief for individuals, especially those individuals with high incomes, would occur in tax year 2018. As such, those individuals would delay recognizing capital gains until a later tax year. The income tax reduction of 50 percent of the top 100 County taxpayers suggests that that is what occurred as noted below in our receipts from October 15th filers in 2016. In fact, the delay until subsequent tax years resulted in a dramatic increase in the November 2019 reconciling distribution of 20.6 percent pertaining to tax year 2018. As noted previously, the Maryland Comptroller cautioned against assuming a similarly strong final reconciliation in November 2020. Therefore, income tax revenues are estimated to decrease 2.1 percent in FY21 over FY20.

Transfer and Recordation Taxes

Estimated FY21 revenues for the General Fund of \$181.6 million, which exclude the School Capital Improvement Program (CIP) portion, condominium conversions, and the tax premium, are 5.2 percent above the revised FY20 estimate. This reflects an FY21 estimate of \$122.4 million in the transfer tax and \$59.2 million in the recordation tax. Effective September 1, 2016, the recordation tax for the General Fund decreased from 0.440 percent to 0.416 percent and the exemption was increased from

\$50,000 to \$100,000 of the consideration payable on the conveyance of any owner-occupied residential property.

Residential transfer tax revenues follow the trends in real estate sales for existing and new homes. Real estate sales, in turn, are highly correlated with specific economic indicators such as growth in employment and wage and salary income, formation of households, mortgage lending conditions, and mortgage interest rates. The same holds true for the commercial sector, which is equally affected by business activity and investment, office vacancy rates, property values, and financing costs.

Finance estimates the sales of existing homes in the County will increase 3.8 percent in CY20 and 1.5 percent in CY21. Over the same two years, median sales prices will increase 2.3 percent in CY20 and 2.7 percent in CY21.

Energy Tax

Estimated FY21 revenues of \$191.3 million are 0.4 percent below the revised FY20 estimate. The estimated revenues for

FY21 are based on the County Executive's recommendation to continue the FY21 rates at the FY20 level. The fuel-energy tax is imposed on persons or entities transmitting, distributing, manufacturing, producing, or supplying electricity, gas, steam, coal, fuel oil, or liquefied petroleum gas. Different rates apply to residential and nonresidential consumption and to the various types of energy. Since the rates per unit of energy consumed are fixed, collections change only with shifts in energy consumption and not with changes in the price of the energy product. The FY19 energy tax totals declined by 1.29% year-over-year for the first time since FY16. FY20 and out-year forecasts reflect mild declines in growth accounting for consistently milder winters including one of the mildest on record this past season and assumed reduced energy usage by residential and commercial properties from energy efficiency enhancements.

Telephone Tax

Estimated FY21 revenues of \$53.8 million are 0.7 percent above the revised FY20 estimate. The telephone tax is levied as a fixed amount per landline, wireless communications, and other communication devices. The tax on a traditional landline is \$2.00 per month, while multiple business lines (Centrex) are taxed at \$0.20 per month. The tax rate on wireless communications is

\$3.50 per month. Revenues from this tax are driven primarily by modest growth in wireless communications such as cell phone usage and by voice-over internet protocol. Over the past decade, approximately 80% of the gross telephone tax is attributed to the cellular wireless component which has seen flattening growth that is reflected in future estimates.

Hotel/Motel Tax

Estimated FY21 revenues of \$23.3 million are the same as the revised FY20 estimate. The hotel/motel tax is levied as a percentage of the hotel bill including online room rental organizations such as AirBnB. The current tax rate of 7.0 percent in FY20 is also assumed for FY21. Collections grow with the costs of hotel rooms and the combined effect of room supply and hotel occupancy rate in the County. Occupancy rates in the County are generally the highest in the spring (April and May) and autumn (September and October) as tourists and schools visit the nation's capital for such events as the Presidential inauguration and related activities, Cherry Blossom Festival and school trips, while organizations often schedule conferences and events during such periods, and during the week prior and the week during the Presidential inauguration. During peak periods, many visitors to Washington, D.C. use hotels in the County, especially those in the lower county. Recent actuals display mild upward growth in demand, occupancy, and rates however the impact of the recent coronavirus at the time of publication has the potential to substantively alter the trajectory of growth for the tax in FY20 and beyond.

Admissions Tax

Estimated FY21 revenues of \$3.4 million are 2.8 percent above the revised FY20 estimate. Admissions and amusement taxes are State-administered local taxes on the gross receipts of various categories of amusement, recreation, and sports activities. Taxpayers are required to file a return and pay the tax monthly while the County receives quarterly distributions of the receipts from the State. Montgomery County levies a 7 percent tax, except for categories subject to State sales and use tax, where the County rate would be lower. Such categories include rentals of athletic equipment, boats, golf carts, skates, skis, horses, and sales related to entertainment. Gross receipts are exempt from the County tax when a Municipal admissions and amusement tax is in effect. The estimated increase in revenues is attributed to growth in the attendance, which is a function of the estimated growth in the County's population in CY2021, and an increase in ticket prices reflected by the increase in inflation.

E-Cigarettes Tax

Estimated FY21 revenues from the E-Cigarettes tax of \$2.1 million are 20.5 percent above the revised FY20 estimate. The increase in estimated revenues is attributed to an increase in sales and no change in price.

NON-TAX REVENUES

Non-tax revenues throughout all tax supported funds (excluding Enterprise Funds, such as Permitting Services, Parking Districts, Solid Waste Disposal, and Solid Waste Collection Funds) are estimated at \$1.174 billion in FY21. This is a \$18.8 million increase, or 2.2 percent, from the revised FY20 estimate. Non-tax revenues include: intergovernmental aid, investment income, licenses and permits, user fees, fines, and forfeitures, and miscellaneous revenues.

General Intergovernmental Revenues

Intergovernmental revenues are received from the State or Federal governments as general aid for certain purposes, not tied, like grants, to particular expenditures. The majority of this money comes from the State based on particular formulas set in law. Total aid is specified in the Governor's annual budget. Since the final results are not known until the General Assembly session is completed and the State budget is adopted, estimates in the March 15 County Executive's Recommended Public Services Program are generally based on the Governor's budget estimates for FY21. If additional information on the State budget is available to the County Executive, this information will be incorporated into the budgeted projection of State aid. The County Executive's Recommended Budget for FY21 assumes a \$16.6 million, or 1.8 percent, increase in intergovernmental revenues from the revised FY20 estimate, of which 82.9 percent is allocated to the Montgomery County Public Schools, 4.2 percent to Montgomery Community College, and 4.4 percent to Mass Transit. Total intergovernmental revenue represents an estimated 80.3 percent of the total non-tax revenues for FY21.

Licenses and Permits

Licenses and permits include General Fund business licenses (primarily public health, traders, and liquor licenses) and non-business licenses (primarily marriage licenses and Clerk of the Court business licenses). Licenses and permits in the Permitting Services Enterprise Fund, which include building, electrical, and sediment control permits, are Enterprise Funds and thus not included in tax supported projections. The Recommended Budget for FY21 assumes a 3.8 percent increase over the revised estimates for FY20, resulting in \$13.9 million in available resources in FY21.

Charges for Services (User Fees)

Excluding intergovernmental revenues to Montgomery County Public Schools and Montgomery College, and College tuition, charges for services, or user fees, are revenues collected that come primarily from fees imposed on the recipients of certain County services including mass transit, human services, use of facilities, and recreation services and are included in the tax supported funds. The Recommended Budget for FY21 assumes an increase of 9.3 percent over the revised estimates for FY20, resulting in \$69.0 million in available resources in FY21.

Fines and Forfeitures

Revenues from fines and forfeitures relate primarily to photo red light and speed camera citations, and library and parking fines (excluding the County's four Parking Districts). The Recommended Budget for FY21 assumes that fines and forfeitures will decrease 0.9 percent from the revised estimates for FY20, resulting in \$45.7 million in available resources in FY21.

College Tuition

Although College tuition is not included in the County Council's Spending Affordability Guideline Limits (SAG), it remains in the tax supported College Current Fund. Calculation of the aggregate operating budget is under the SAG Limits. Tuition revenue depends on the number of registered students and the tuition rate. The Recommended Budget for FY21 assumes that College tuition will increase 1.9 percent over the revised estimates for FY20, resulting in \$76.8 million in available resources in FY21.

Investment Income

Investment income includes the County's pooled investment and non-pooled investment and interest income of other County agencies and funds. The County operates an investment pool directed by an investment manager who invests all County funds using an approved, prudent County Council adopted investment policy. The pool includes funds from tax supported funds as well as from Enterprise Funds, municipal taxing districts, and other governmental agencies. Two major factors determine pooled investment income: (1) the average daily investment balance which is affected by the level of revenues and expenditures, fund balances, and the timing of bond and commercial paper issues; and (2) the average yield percentage which reflects short-term interest rates and may vary considerably during the year.

The revised FY20 tax-supported investment income estimate of \$7.5 million assumes a yield on equity of 1.85 percent and an average daily balance of \$1.1 billion. The FY21 projected estimate of tax-supported investment income of \$5.8 million assumes a

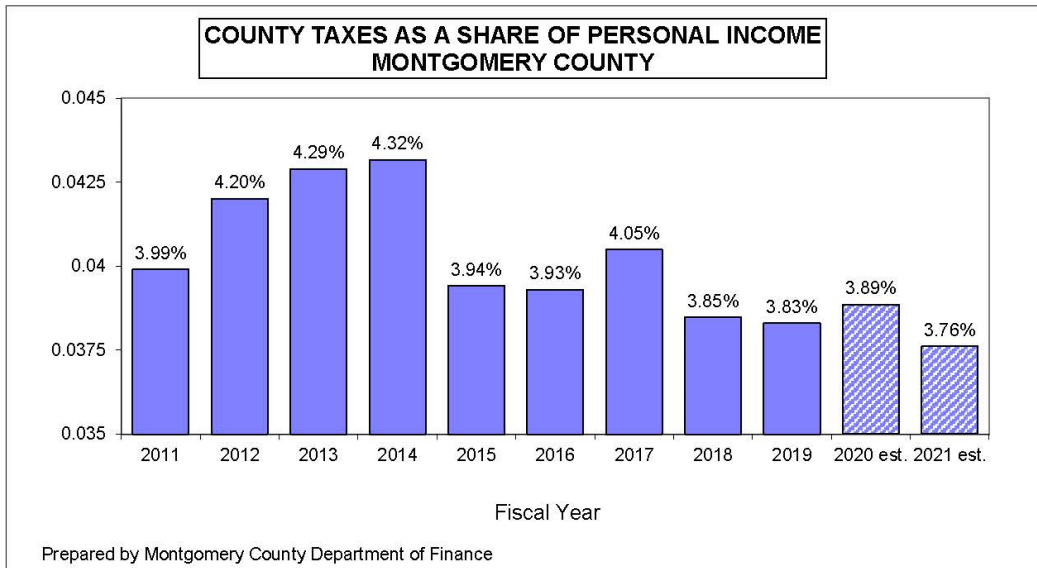
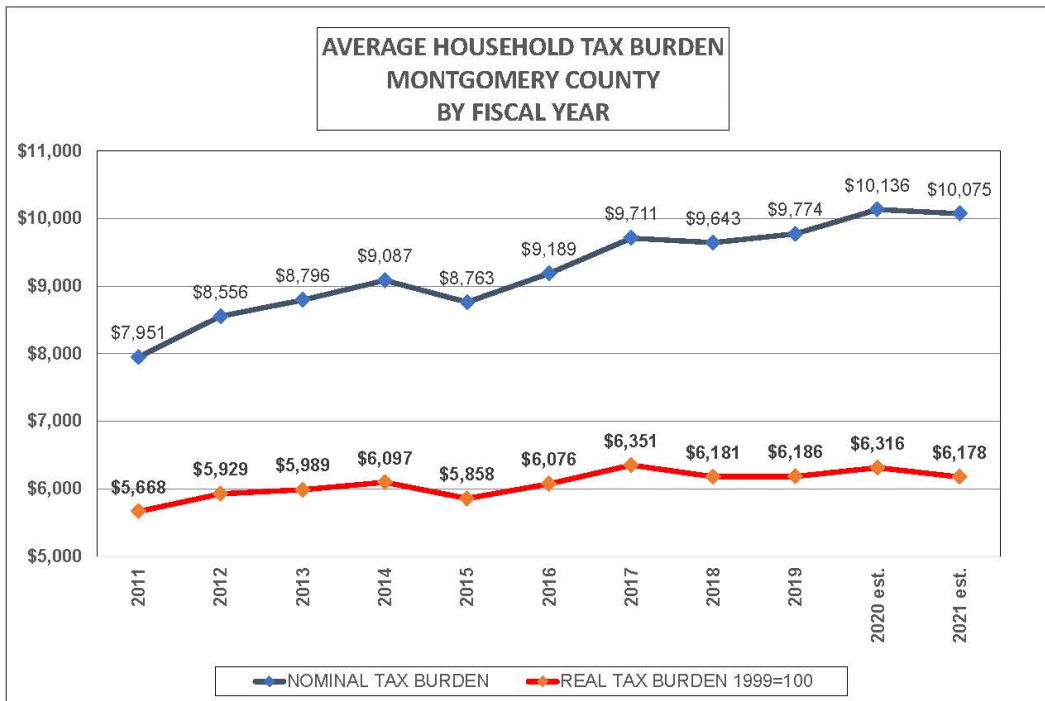
yield on equity of 1.40 percent and a daily balance of \$1.1 billion. Yields have fluctuated significantly over time due to changes in the targeted federal funds rate set by the Federal Open Market Committee (FOMC) of the Federal Reserve System. In calendar year 2020, the federal funds futures market as of March 2020, expects the FOMC will cut the rate for the current target range on federal funds by 75 basis points from the current range of 100 - 125 percent as of March 3, 2020 for the remainder of CY2020. The actions of the Federal Open Market Committee in March 2020 are in response to the risks from coronavirus outbreak and the dramatic decline in the stock market during this period, and as such, both the estimates for FY20 and for FY21 will likely be revised.

Other Miscellaneous

The County receives miscellaneous revenues from a variety of sources. For the Recommended Budget for FY21, miscellaneous revenues will decrease 14.6 percent from the revised estimates for FY20, resulting in \$20.4 million in available resources in FY21.

DEMOGRAPHIC AND PLANNING INDICATORS	TRENDS AND PROJECTIONS										
	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26			
POPULATION											
Annual Increase	1,061,880	1,070,928	1,079,939	1,088,955	1,097,899	1,106,793	1,115,663	1,124,587			
Population Growth Since 2011	9,313	9,048	9,012	9,016	8,944	8,894	8,870	8,924			
County Resident Births (Prior Calendar Year) (a)	8.3%	9.2%	10.1%	11.0%	12.0%	12.9%	13.8%	14.7%			
	12,460	12,635	12,730	12,820	12,915	13,010	13,100	13,100			
HOUSEHOLDS											
Household Annual Growth (%)	382,384	388,409	393,468	398,818	404,083	409,168	414,334	419,475			
Household Growth Since 2011	1.5%	1.6%	1.3%	1.4%	1.3%	1.3%	1.3%	1.2%			
Household Growth Since 1992	5.9%	7.6%	9.0%	10.5%	11.9%	13.4%	14.8%	16.2%			
Household Size	31.3%	33.4%	35.1%	37.0%	38.8%	40.5%	42.3%	44.1%			
	2.78	2.76	2.74	2.73	2.72	2.70	2.69	2.68			
RESIDENT EMPLOYMENT (Jan = Calendar Year)											
Resident Employment Annual Growth (%)	545,700	554,500	560,760	565,040	569,310	573,900	578,530	583,190			
Resident Employment Growth Since 2011	1.5%	1.6%	1.1%	0.8%	0.8%	0.8%	0.8%	0.8%			
Resident Employment Per Household	11.4%	13.2%	14.5%	15.4%	16.3%	17.2%	18.1%	19.1%			
Jobs in County	1.43	1.43	1.43	1.42	1.41	1.40	1.40	1.39			
	533,906	543,500	549,300	555,100	560,900	566,700	572,500	572,500			
PERSONAL INCOME (\$ Millions)											
Per Capita Personal Income	\$97,600	\$101,300	\$105,400	\$110,000	\$114,700	\$119,700	\$125,200	\$131,200			
Annual Growth (%)	\$91,910	\$94,590	\$97,600	\$101,010	\$104,470	\$108,150	\$112,220	\$116,670			
	2.3%	2.9%	3.2%	3.5%	3.4%	3.5%	3.8%	4.0%			
CONSUMER PRICE INDEX (CPI) - Fiscal Year											
Inflation Growth (Fiscal Year) Since 2011	1.59%	1.41%	1.59%	1.61%	1.60%	1.58%	1.56%	1.54%			
	-30.4%	-38.0%	-30.3%	-29.4%	-29.8%	-30.7%	-31.6%	-32.5%			
CONSUMER PRICE INDEX (CPI) - Calendar Year (%)											
ASSESSABLE TAX BASE (\$ Millions)	1.27%	1.55%	1.62%	1.61%	1.59%	1.57%	1.55%	1.54%			
Annual Growth (%)	\$193,106	\$197,950	\$201,676	\$206,664	\$211,727	\$216,927	\$222,387	\$228,016			
Growth of Base Since 1992 (%)	2.6%	2.5%	1.9%	2.5%	2.4%	2.5%	2.5%	2.5%			
Growth of Base Since 2011 (%)	222.8%	230.9%	237.1%	245.5%	253.9%	262.6%	271.8%	281.2%			
	12.5%	15.3%	17.5%	20.4%	23.4%	26.4%	29.6%	32.8%			
INVESTMENT INCOME YIELD (%)											
Annual Increase (Decrease)	2.33%	1.85%	1.40%	1.35%	1.35%	1.35%	1.35%	1.35%			
MICPS ENROLLMENT (Sept = Calendar Year)	162,660	164,245	167,041	168,629	170,278	171,029	171,492	171,319			
Annual Growth (%)	0.7%	1.0%	1.7%	1.0%	1.0%	0.4%	0.3%	-0.1%			
	1.134	1.565	2.796	1.588	1.649	751	463	-173			
MONTGOMERY COLLEGE ENROLLMENTS (b)											
Annual Growth (%)	21,260	21,007	20,904	20,926	21,310	21,481	21,481	21,481			
	-2.1%	-1.2%	-0.5%	0.1%	1.8%	0.8%	0.0%	0.0%			
Full Time Equivalents (Sept = Calendar Year) (c)											
Annual Growth in FTE's (%)	18,347	18,200	18,066	18,092	18,201	18,541	18,747	18,747			
	-3.7%	-0.8%	-0.7%	0.1%	0.6%	1.9%	1.1%	0.0%			

- (a) Projections related to County Resident Births are provided by M-NCPPC.
 (b) Projections related to Montgomery College Enrollments are provided by Montgomery College and only include projections through FY24. Since no projections are provided for FY25 or FY26 the projections for FY24 were used. Projections are from March 2019.
 (c) Projections related to Montgomery College Full Time Equivalents are provided by Montgomery College and only include projections through FY25. Since no projections are provided for FY26 the projections for FY25 was used. Projections are from March 2019.



REVENUE SUMMARY
TAX SUPPORTED BUDGETS
(\$ Millions)

KEY REVENUE CATEGORIES	App. FY20	Est. FY20	% Chg. FY20-21	Rec. FY21	% Chg. FY21-22	Projected FY22	% Chg. FY22-23	Projected FY23	% Chg. FY23-24	Projected FY24	% Chg. FY24-25	Projected FY25	% Chg. FY25-26	Projected FY26
TAXES	5,233.19	3-16-20	App/Rec	3-16-20										
1 Property Tax	1,836.8	1,793.3	3.6%	1,903.3	3.0%	1,961.1	2.3%	2,005.8	2.3%	2,051.4	2.3%	2,098.7	2.3%	2,146.9
2 Income Tax	1,640.3	1,720.5	3.4%	1,695.4	4.0%	1,763.4	4.6%	1,844.3	5.1%	1,938.8	4.2%	2,020.6	3.8%	2,096.9
3 Transfer Tax	128.3	116.3	-3.1%	122.4	5.3%	128.9	5.8%	136.4	5.6%	144.1	5.9%	152.6	6.2%	162.1
4 Recreational Tax	56.5	58.3	4.8%	59.2	5.3%	62.3	5.8%	66.0	5.6%	69.7	5.9%	73.8	6.2%	78.4
5 Energy Tax	196.9	192.0	-3.8%	191.3	-0.3%	190.7	-0.4%	190.0	-0.4%	189.2	-0.4%	188.5	-0.4%	187.8
6 Telephone Tax	56.3	53.4	-4.6%	53.8	0.9%	54.2	0.8%	54.6	0.8%	55.1	0.7%	55.5	0.7%	55.9
7 Hotel/Motel Tax	22.6	23.3	3.1%	23.3	1.5%	23.7	1.5%	24.0	1.5%	24.4	1.5%	24.7	1.4%	25.1
8 Admissions Tax	3.9	3.3	-12.7%	3.4	2.8%	3.5	2.8%	3.6	2.7%	3.7	2.7%	3.8	2.7%	3.9
9 E-Cigarette Tax	1.4	1.7	22.4%	1.8	4.4%	1.8	4.2%	1.9	4.1%	2.0	3.9%	2.1	3.8%	2.1
Total Local Taxes	3,943.1	3,960.1	2.8%	4,053.8	3.4%	4,189.6	3.3%	4,326.7	3.5%	4,478.4	3.2%	4,620.2	3.0%	4,768.9
INTERGOVERNMENTAL AID														
11 Highway User	8.2	8.3	2.8%	8.4	0.0%	8.4	0.0%	8.4	0.0%	8.4	0.0%	8.4	0.0%	8.4
12 Police Protection	14.3	17.9	0.0%	14.3	0.0%	14.3	0.0%	14.3	0.0%	14.3	0.0%	14.3	0.0%	14.3
13 Libraries	6.7	7.2	-16.5%	5.6	0.0%	5.6	0.0%	5.6	0.0%	5.6	0.0%	5.6	0.0%	5.6
14 Health Services Case Formula	4.6	4.7	6.1%	4.8	0.0%	4.8	0.0%	4.8	0.0%	4.8	0.0%	4.8	0.0%	4.8
15 Mass Transit	41.3	41.3	0.0%	41.3	0.0%	41.3	0.0%	41.3	0.0%	41.3	0.0%	41.3	0.0%	41.3
16 Public Schools	750.0	745.1	3.0%	781.5	0.0%	781.5	0.0%	781.5	0.0%	781.5	0.0%	781.5	0.0%	781.5
17 Community College	37.2	37.2	5.6%	39.3	0.0%	39.3	0.0%	39.3	0.0%	39.3	0.0%	39.3	0.0%	39.3
18 Other	61.6	64.3	-23.5%	47.3	-0.2%	47.2	0.0%	47.2	0.0%	47.2	0.0%	47.2	0.0%	47.2
Total Intergovernmental Aid	933.2	926.0	1.0%	942.7	0.0%	942.6	0.0%	942.6	0.0%	942.6	0.0%	942.6	0.0%	942.6
FEES AND FINES														
20 Licenses & Permits	13.5	13.4	2.6%	13.9	1.5%	14.1	1.5%	14.3	1.5%	14.5	1.5%	14.7	1.5%	14.9
21 Charges for Services	67.0	63.1	2.9%	69.0	1.3%	69.8	1.3%	70.7	1.3%	71.6	1.2%	72.5	1.2%	73.4
22 Fines & Forfeitures	36.0	46.1	27.0%	45.7	1.6%	46.4	1.6%	47.2	1.6%	47.9	1.6%	48.7	1.6%	49.5
23 Montgomery College Tuition	75.9	75.3	1.2%	76.7	1.3%	77.7	1.3%	78.7	1.3%	79.7	1.2%	80.7	1.2%	81.7
Total Fees and Fines	192.4	197.8	6.7%	205.2	1.4%	208.1	1.4%	210.9	1.4%	213.8	1.3%	216.6	1.3%	219.5
MISCELLANEOUS														
25 Investment Income	8.6	7.5	-33.0%	5.8	-3.1%	5.6	0.1%	5.6	0.1%	5.6	0.2%	5.6	0.0%	5.6
26 Other Miscellaneous	18.7	23.9	9.3%	20.4	1.6%	20.8	1.6%	21.1	1.6%	21.4	1.6%	21.8	1.5%	22.1
Total Miscellaneous	27.3	31.4	-4.0%	26.2	0.6%	26.4	1.3%	26.7	1.3%	27.0	1.3%	27.4	1.2%	27.7
TOTAL REVENUES	5,095.9	5,115.4	2.6%	5,227.9	2.7%	5,366.6	2.6%	5,506.9	2.8%	5,661.8	2.6%	5,806.8	2.4%	5,948.7
Calculation for Adjusted Governmental Revenues														
29 Total Tax Supported Revenues	5,095.9	5,115.4	2.6%	5,227.9	2.7%	5,366.6	2.6%	5,506.9	2.8%	5,661.8	2.6%	5,806.8	2.4%	5,948.7
30 Capital Projects Fund	145.7	145.7	-11.2%	129.4	5.9%	137.0	-2.6%	133.4	1.2%	135.0	6.5%	143.7	6.1%	152.4
31 Grants	119.2	119.2	7.4%	128.0	1.6%	130.1	1.6%	132.1	1.6%	134.2	1.6%	136.3	1.5%	138.4
32 MCA Adjusted Revenues	5,360.9	5,380.4	2.3%	5,485.3	2.7%	5,633.7	2.5%	5,772.4	2.7%	5,931.0	2.6%	6,086.9	2.5%	6,239.6

County Executive's Recommended FY21-26 Public Services Program Tax Supported Fiscal Plan Summary

(\$ in Millions)															
	App. FY20	Est. FY20	% Chg. FY20-21	Rec. FY21	% Chg. FY21-22	Projected FY22	% Chg. FY22-23	Projected FY23	% Chg. FY23-24	Projected FY24	% Chg. FY24-25	Projected FY25	% Chg. FY25-26	Projected FY26	
Total Revenues															
1	Property Tax	1,836.8	1,793.3	3.6%	1,903.3	3.0%	1,961.1	2.3%	2,005.8	2.3%	2,051.4	2.3%	2,098.7	2.3%	2,146.9
2	Income Tax	1,640.3	1,720.5	3.4%	1,695.4	4.0%	1,763.4	4.6%	1,844.3	5.1%	1,938.8	4.2%	2,020.6	3.8%	2,096.9
3	Transfer/Recordation Tax	182.8	172.6	-0.6%	181.6	0.1%	191.2	5.8%	202.4	5.6%	213.8	5.9%	226.4	6.2%	240.4
4	Other Taxes	283.2	273.7	-3.4%	273.6	0.1%	275.9	0.1%	274.2	0.1%	274.4	0.1%	274.5	0.0%	274.6
5	Other Revenues	1,152.8	1,155.3	1.8%	1,174.1	0.2%	1,177.0	0.3%	1,180.2	0.3%	1,183.4	0.3%	1,186.6	0.3%	1,189.8
6	Total Revenues	5,095.9	5,115.4	2.6%	5,227.9	2.7%	5,366.6	2.6%	5,506.9	2.8%	5,661.8	2.6%	5,806.8	2.4%	5,948.7
7															
8	Net Transfers In (Out)	16.1	7.8	-21.7%	12.6	-28.3%	9.0	1.6%	9.2	1.6%	9.3	1.6%	9.5	1.5%	9.6
9	Total Revenues and Transfers Available	5,112.0	5,123.2	2.5%	5,240.5	2.6%	5,375.6	2.6%	5,516.1	2.8%	5,671.1	2.6%	5,816.3	2.4%	5,958.3
10	Non-Operating Budget Use of Revenues														
11	Debt Service	430.0	421.8	-1.7%	422.5	4.5%	441.5	3.4%	456.5	-0.2%	455.8	2.8%	468.4	1.0%	473.1
12	PAYGO	32.0	32.0	0.0%	32.0	-3.1%	31.0	-6.5%	29.0	0.0%	29.0	-3.4%	28.0	0.0%	28.0
13	CIP Current Revenue	33.5	35.5	98.8%	66.5	17.2%	78.0	22.3%	95.3	-3.4%	92.1	-20.7%	73.1	3.8%	75.8
14	Change in Other Reserves	-19.6	-24.4	-86.4%	-2.7	120.6%	0.6	-70.6%	0.2	-0.7%	0.2	2.9%	0.2	1.4%	0.2
15	Contribution to General Fund Undesignated Reserves	8.1	51.9	-63.4%	3.0	674.1%	23.0	-67.7%	7.4	-15.9%	6.3	11.4%	7.0	-7.4%	6.5
16	Contribution to Revenue Stabilization Reserves	23.1	40.6	-62.9%	8.6	-169.9%	-6.0	183.3%	5.0	70.0%	8.5	5.9%	9.0	14.4%	10.3
17	Set Aside for other uses (supplemental appropriations)	1.9	0.0	-100.0%	0.0	n/a	20.0	0.0%	20.0	0.0%	20.0	0.0%	20.0	0.0%	20.0
18															
19	Total Other Uses of Resources	509.0	561.5	4.1%	529.9	11.0%	588.1	4.3%	613.4	-0.3%	611.8	-1.0%	605.6	1.4%	613.9
20	Available to Allocate to Agencies (Total Revenues+Net Transfers-Total Other Uses)	4,603.0	4,561.8	2.3%	4,710.6	1.6%	4,787.6	2.4%	4,902.7	3.2%	5,059.3	3.0%	5,210.6	2.6%	5,344.6
21	Agency Uses														
22	Montgomery County Public Schools (MCPS)	2,514.3	2,480.8	3.6%	2,603.7										
23	Montgomery College (MC)	265.5	256.4	1.3%	268.9										
24	MNCPPC (w/o Debt Service)	132.4	132.7	1.1%	133.8										
25	MCG	1,690.8	1,691.9	0.8%	1,704.2										
26															
27	Agency Uses	4,603.0	4,561.8	2.3%	4,710.6	1.6%	4,787.6	2.4%	4,902.7	3.2%	5,059.3	3.0%	5,210.6	2.6%	5,344.6
28	Total Uses	5,112.0	5,123.2	2.5%	5,240.5	2.6%	5,375.6	2.6%	5,516.1	2.8%	5,671.1	2.6%	5,816.3	2.4%	5,958.3
29															
30	(Gap)/Available	0.0	0.0		0.0		0.0		0.0		0.0		0.0		0.0

Assumptions:

1. Property taxes are at the Charter Limit with a \$800 credit. Property tax revenue includes a 3.1 cent supplemental tax exclusively for MCPS. Other taxes are at current rates.
2. Reserve contributions are consistent with legal requirements and the minimum policy target.
3. PAYGO, debt service, and current revenue reflect the County Executive's Recommended 21-26 Capital Improvements Program.
4. State Aid, including MCPS and Montgomery College, is not projected to increase from FY21-26.

County Executive's Recommended FY21-26 Public Services Program

Tax Supported Fiscal Plan Summary

\$ in Millions														
	App. FY20	Est. FY20	% Chg. FY20-21	Rec. FY21	% Chg. FY21-22	Projected FY22	% Chg. FY22-23	Projected FY23	% Chg. FY23-24	Projected FY24	% Chg. FY24-25	Projected FY25	% Chg. FY25-26	Projected FY26
Beginning Reserves														
Unrestricted General Fund	164.2	103.3	-5.4%	155.3	1.9%	158.2	14.6%	181.3	4.1%	188.7	3.3%	195.0	3.6%	202.0
Revenue Stabilization Fund	340.8	341.5	12.1%	382.2	2.2%	390.8	-1.5%	384.8	1.3%	389.8	2.2%	407.3	2.3%	407.3
Total Reserves	505.0	444.9	6.4%	537.4	2.2%	549.0	3.1%	566.0	2.2%	578.5	2.6%	593.2	2.7%	609.2
Additions to Reserves														
Unrestricted General Fund	8.1	51.9	-63.4%	3.0	674.1%	23.0	-67.7%	7.4	-15.9%	6.3	11.4%	7.0	-7.4%	6.5
Revenue Stabilization Fund	23.1	40.6	-62.9%	8.8	-189.9%	-5.0	183.3%	8.5	70.0%	70.0%	5.9%	9.0	14.4%	10.3
Total Change in Reserves	31.3	92.6	-63.0%	11.6	47.4%	17.0	-26.9%	12.4	18.6%	14.8	8.2%	16.0	4.9%	16.8
Ending Reserves														
Unrestricted General Fund	172.3	155.3	-8.2%	158.2	14.6%	181.3	4.1%	188.7	3.3%	195.0	3.6%	202.0	3.2%	208.4
Revenue Stabilization Fund	363.9	382.2	7.4%	390.8	-1.5%	384.8	1.3%	389.8	2.2%	398.3	2.3%	407.3	2.5%	417.6
Total Reserves	536.2	537.4	2.4%	549.0	3.1%	566.0	2.2%	578.5	2.6%	593.2	2.7%	609.2	2.8%	626.0
Reserves as a % of Adjusted Governmental Revenues	10.0%	10.0%		10.0%		10.0%		10.0%		10.0%		10.0%		10.0%
Other Reserves														
Montgomery College	4.5	24.3	342.3%	20.0	0.0%	20.0	0.0%	20.0	0.0%	20.0	0.0%	20.0	0.0%	20.0
M-NCPCC	5.0	2.9	-1.7%	4.9	8.5%	5.3	2.2%	5.4	2.3%	5.5	2.2%	5.7	2.3%	5.8
MNCPS	0.0	25.0	n/a	0.0	n/a	0.0	n/a	0.0	n/a	0.0	n/a	0.0	n/a	0.0
MCG Special Funds	0.8	-23.8	21.7%	1.0	14.6%	1.1	4.1%	1.1	3.3%	1.2	3.6%	1.2	3.2%	1.3
MCG + Agency Reserves as a % of Adjusted Govt Revenues	10.2%	10.5%		10.5%		10.5%		10.5%		10.5%		10.4%		10.5%
Retiree Health Insurance Pre-Funding														
Montgomery County Public Schools (MCPS)	78.5	78.5		69.4		71.2		66.2		60.5		53.9		53.9
Montgomery College (MC)	5.4	5.4		5.5		5.6		5.4		5.3		5.2		5.2
MNCPCC	2.8	2.8		3.0		2.9		2.9		2.8		2.8		2.8
MCG	34.7	13.6		12.3		10.8		7.5		4.2		0.7		0.0
Subtotal Retiree Health Insurance Pre-Funding	121.4	100.3		90.1		90.5		82.0		72.9		62.6		61.8
Adjusted Governmental Revenues														
Total Tax Supported Revenues	5,095.9	5,115.4	2.6%	5,227.9	2.7%	5,366.6	2.6%	5,506.9	2.8%	5,661.8	2.6%	5,806.8	2.4%	5,948.7
Capital Projects Fund	146.7	146.7	-11.2%	129.4	5.9%	137.0	-2.6%	133.4	1.2%	135.0	6.5%	143.7	6.1%	152.4
Grants	119.2	119.2	7.4%	128.0	1.6%	130.1	1.6%	132.1	1.6%	134.2	1.6%	136.3	1.5%	138.4
Total Adjusted Governmental Revenues	5,360.9	5,380.4	2.3%	5,485.3	2.7%	5,633.7	2.5%	5,772.4	2.7%	5,931.0	2.6%	6,086.9	2.5%	6,239.6

FY21 FEE AND FINE CHANGES*			
DEPARTMENT/FEE AND FINE	FY21 REVENUE CHANGE	METHOD OF CHANGE	NOTE
DEPARTMENT OF ENVIRONMENTAL PROTECTION			
Solid Waste Disposal Charge	\$3,379,268	Council Resolution	Increase the single family per household from \$213.26 to \$223.26, multi-family per household from \$16.06 to \$16.45, and nonresidential properties from \$596.13 to \$611.48.
Water Quality Protection Charge	\$1,408,144	Council Resolution	Increase rate per Equivalent Residential Unit (ERU) from \$104.25 to \$108.10.
Refuse Collection Charge	\$1,148,992	Council Resolution	Increase charges from \$95.00 to \$107.00.
DEPARTMENT OF TRANSPORTATION			
Leaf Vacuuming Charge	\$603,124	Council Resolution	Increase leaf vacuum charge from \$108.16 to \$116.46 for a single-family household and from \$4.26 to \$4.54 for a multi-family unit.
Parking Fees- Silver Spring	\$2,300,000	Council Resolution	Increase Monthly Access Card from \$189 to \$195 per month, increase Parking Convenience Sticker from \$123 to \$132 per month, and increase maximum hourly rates in parking space with public street right-of-way from \$1.00 to \$2.25. Increase maximum hourly rates for surface parking lots from \$.80 to \$1.25, and increase maximum hourly rates in garages from \$.70 to \$1.25.
GRAND TOTAL	8,839,528		

* All changes are assumed to be effective July 1, 2020 except as noted.
Revenues above do not include implementation costs.