FY26 RECOMMENDED OPERATING BUDGET HIGHLIGHTS

Climate Change...

✪ Accelerate funding for vehicle replacements to achieve Montgomery County's Climate Action Plan goals and modernize the fleet. Zero emission vehicles will be prioritized wherever there are feasible replacements for fossil fuel vehicles.

✪ Transition to a zero-emission bus fleet to achieve the County's goal of zero greenhouse gas emissions by 2035, as outlined in the Climate Action Plan. The Montgomery County Department of Transportation has developed a transition plan to develop concrete strategies for emission reduction, evaluate facility needs, determine appropriate fleet composition, and engage the community. By integrating innovative technologies and planning for necessary infrastructure, the County is not only addressing current environmental challenges but also setting a standard for future transit initiatives.

✪ Increase funding for Clean Water Montgomery Grants, administered by the Department of Environmental Protection, to help property owners manage stormwater runoff on their properties and earn credit toward the County's MS4 Permit. Demand for the program continues to exceed available funding.

✪ Procure recent model, lightly-used electric vehicles at significantly lower cost than new electric vehicles due to changes in the rental car industry which caused companies to downsize their electric vehicle inventories. This has enabled a leap forward in converting the fleet to zero emissions in support of the County's Climate Action Plan goals.

Highlights

Racial Equity & Social Justice...

⭐ Continue to invest in efforts to normalize, organize, and operationalize racial equity and social justice. The Office of Racial Equity and Social Justice is transitioning all training programs to a self-guided format so that they can be accessed by all staff at any time. The Office is also creating Countywide guidance on equitable community engagement for departments to use in developing community engagement plans.

⭐ Augment funding by $2.9 million for eviction prevention and the Rental Assistance Program (RAP) by offering financial assistance and short-term case management to connect households to needed resources, which may include landlord-tenant affairs, legal services, financial literacy, vocational support, and behavioral healthcare.

⭐ Include $6.9 million in funding for the continuation of the Short-Term Housing and Resolution Program (SHARP) which provides up to 12 months of rental assistance and navigation services to those experiencing homelessness, targeting families currently staying in motels used for overflow shelter and those staying in County family emergency shelters to move them to permanent housing.

⭐ Recommend funding of $2.0 million to maintain Rapid Rehousing (RRH) program due to increased rents and the end of COVID-era funding. Replace American Rescue Plan Act (ARPA) funds with general funds of $1.2 million to continue providing Housing Initiative Program permanent supportive housing services to 39 households where at least one household member has a documented disability.

⭐ Continue funding for the Lighthouse Initiative (formerly Newcomers Initiative) for a total of $7.1 million.

⭐ Enhance supplemental funding for reimbursements to critical providers, including $717,000 for a 3 percent increase to the Developmental Disability Provider Supplement and the Adult Medical Day Care Provider Supplement, while adding $112,000 to the base to annualize funding for the respite care provider reimbursement rate that was approved in FY24.

Thriving Youth and Families...

⭐ Recommend $4.0 million in funding for the Early Care and Education Non-Departmental Account to continue ongoing services and programs that provide childcare subsidies for families with incomes up to 450 percent of the federal poverty level.

✪ Lead the final transition from federally supported pandemic-era funding approaches to a long-term framework for strategic investment in food security programs. This transition includes reinforcing the solid foundation of existing food security resources developed during the pandemic, while strategically implementing new initiatives to close service gaps, align investments with values of equity and resilience, and better leverage Federal and State funds.

✪ Enhance and expand school health services with $1.7 million in funding. Provide $1.5 million for Blueprint for Maryland's Future-required community health nurse staffing in 11 new community schools, which is expected to be offset by approximately $1.2 million in revenue. Add three nurse managers to support sustainable management staffing ratios and improve the delivery and operations of the School Health Services ($225,400).

✪ Expand Elementary Excel Beyond the Bell (EBB) Programs to Waters Landing and East Silver Spring Elementary Schools.

✪ Expand and enhance the implementation of the County's Strategic Plan to End Childhood Hunger recommendations: retail food access strategies including the MC Groceries program, the Food as Medicine and School-Based Food Assistance grant programs, and community partnerships to maximize enrollment in Federal nutrition programs.

✪ Enhance the Health Care for the Uninsured programs with $2.4 million in funding, including $963,600 to bring the Montgomery Cares reimbursement rate to 45 percent of the cost of care and prevent potential clinic closures; $903,600 to annualize a recommended FY25 supplemental appropriation that recognizes the cost of enrollment growth and expansion to a new clinic at the Islamic Center of Maryland; $333,800 to annualize the cost of Care for Kids (CFK) enrollment growth; and an additional $180,000 to improve reproductive health care access for CFK youth clients.

✪ Launch the second round of the Community Food Assistance Grant Program, supporting local service providers with direct funding and specialized access to shelf-stable and fresh food for distribution to food insecure residents while further strengthening the capacity and stability of the County's robust network of organizations.

✪ The Office of Agriculture (OAG) is partnering with the Montgomery County Food Council (who obtained a grant to fund the purchase of the cold storage unit) on the MoCo Microhub. The unit which will be managed and maintained by the OAG will support small County farms with aggregation and storage of their products after harvesting before distribution to food programs for residents, including farm to school, farm to table, and farm to foodbanks.

✪ Bolster funding for several enhancements to the Linkages to Learning program for

contractual staffing for Linkages to Learning at Greencastle Elementary School and Silver Spring International Middle School ($214,100), a new Linkages to Learning program at Burnt Mills Elementary School ($200,000), and enhancing the Linkages to Learning bilingual therapist contractor salaries to improve recruitment and retention of bilingual therapists ($65,000).

✪ Allocate $454,200 to enhance the availability and delivery of dental services, including $300,000 to address the lack of affordable and accessible dental services in East County by partnering with community providers to serve 300 residents; and $154,200 to continue the FY24 transition of contractual dental services staff capacity to County permanent staff positions.

✪ Accommodate increased utilization of domestic violence shelter services ($425,000), and assume abuse intervention services that cannot be procured due to State requirements.

✪ Recommend $154,000 in funding to increase the World Languages collections, with purchases in Spanish, Chinese, Vietnamese, Korean, French, Amharic, Farsi, Russian, and Bengali, distributed to library branches where those languages are most spoken.

✪ Meet demand for digital materials through Hoopla platform by adding $121,464 in FY26 for ebooks, eaudiobooks, emagazines, emusic, and evideo.

A Growing Economy...

✪ Through the leadership of the Small Business Navigator, the Business Center implemented the Multicultural Accelerator in partnership with M&T Bank - hosting two cohorts of entrepreneurs in FY25.

✪ The Business Center Team assisted more than 1,200 businesses with direct queries and engaged more than 830 businesses with proactive outreach.

✪ The Business Center Team developed and implemented 29 events to support the County's innovation ecosystem at the Innovation Centers - an increase from three executed during FY24.

A Greener County...

✪ Build a Composting Education Hub at the Agricultural History Farm Park. This initiative was done in partnership with the Institute for Local Self Reliance and University of Maryland Extension Master Gardeners, with coordination by the Office of Agriculture. The project goals include increased on-farm composting within the County for the purpose of generating compost, increased access to compost for agricultural producers, reduction of reliance on and limiting the use of fertilizers, improvement of soil quality and health, promotion of waste management and permaculture business development, increased rainwater absorption, reduction of municipal food waste and diversion of food waste from landfills.

✪ Include funding to initiate outreach and communication to residents and affected businesses regarding the County's amended bag fee law. Under the revised law, plastic bags may no longer be offered at most retail establishments as of January 1, 2026, and the fee per non-plastic bag increases from $0.05 to $0.10.

✪ In support of the County's Climate Action Plan goals, the County has added 26 battery-powered electric buses as replacements for diesel-fueled buses in the Ride On bus fleet. An additional 86 electric buses are planned to be added to expand the fleet to 112 electric buses by the end of FY26.

✪ Purchase nine medium and heavy-duty electric vehicles and one zero-emission construction vehicle with funds received in a grant by the Department of General Services Division of Fleet Management Services from the Maryland Energy Administration.

✪ Continue the Single-Family Residential Curbside Food Scraps Recycling Pilot Program led by the Department of Environmental Protection Recycling and Resource Management Division. Through this program, over 1,126,000 pounds of food scraps have been recycled by 1,535 participant households in parts of Silver Spring, Potomac, Bethesda, and Rockville.

✪ Construct a solar microgrid to support zero emission bus fueling at the Gaithersburg bus depot. The Division of Fleet Management Services is collaborating with the Department of General Services Office of Energy and Sustainability to plan the project, which will provide a clean and resilient energy source to charge electric buses and produce green hydrogen for fuel cell buses by using electricity to extract hydrogen from water.

✪ Install up to 17 electric vehicle (EV) charging stations with proceeds from a $2.7 million grant from the Maryland Department of Transportation through the Carbon Reduction Program, administered by the Department of Environmental Protection. Funding will support the installation of EV charging stations at 17 County-owned locations, including parking garages, Park-N-Ride lots, libraries, and community centers.

✪ Initiate the "Em-POWER-Maryland" program funded Pepco and Potomac Edison

Highlights

Virtual Commissioning (VCx) to ensure future Building Energy Performance Standards (BEPS) compliance and reduction of energy use and improvement of efficiency, by the Department of General Services.

Easier Commutes...

✪ Prioritize transit in the County by making Ride On bus service a fare-free transit system. By eliminating the cost of travel for passengers, this initiative aims to encourage the use of buses, reduce traffic congestion, and lower carbon emissions by promoting more eco-friendly commuting options. Fare-free transportation increases accessibility, especially for those with limited financial resources, while also supporting environmental and social goals.

✪ Create a more sustainable and equitable transit system for the County through the Ride On Reimagined Service and Implementation Plan. The first year of the plan focuses on foundational improvements, such as upgrading infrastructure, enhancing existing routes, and introducing new services where there is the highest demand. In later years, the plan will expand service to increase accessibility and accommodate future growth.

✪ Expand Ride On service through the Great Seneca Transit Network. This will serve vital job sectors, particularly in healthcare, biotech, and education. The network includes the Shady Grove corridor and the Life Sciences Center along I-370. Key features of the network include new and upgraded transit stations, dedicated bus and bike lanes, transit signal priority for efficiency, enhancements to transit centers, and improvements for pedestrians and cyclists.

An Affordable, Welcoming County for a Lifetime...

✪ Produce and preserve affordable housing units in Montgomery County with $121.3 million in funding administered by the Department of Housing and Community Affairs. This funding commitment includes allocating $12.4 million to the Montgomery Housing Initiative (MHI) Fund, $102.0 million to the Affordable Housing Acquisition and Preservation CIP projects, $5.0 million to the Affordable Housing Opportunity Fund, and $1.9 million to the Revitalization for Troubled and Distressed Common Ownership Communities CIP projects.

✪ Allocate $59.8 million in the Montgomery Housing Initiative Fund (HIF), administered by the Department of Housing and Community Affairs, to continue

various programs and projects dedicated to creating and preserving affordable housing and related services. The funding will provide for the renovation of distressed housing, creation of housing units for special needs residents, rental assistance and rapid rehousing, homeless prevention and relocation assistance, homeowner down payment assistance, home accessibility rehabilitation, services to Building Neighborhoods to Call Home, services to the Housing First programs, and the creation of mixed-income housing.

✪ Replace a number of FY25 grant reductions with general funds in FY26: HIV, AIDS, and STI Services Grant Reductions ($721,900); Maryland Family Network Grant Reduction ($175,300); Senior Nutrition Services at the Silver Spring Recreation and Aquatic Center ($147,900); and Infant and Early Childhood Mental Health Grant Reduction ($130,900). The Department of Health and Human Services will ensure continuity of Hepatitis B and Immunization Services ($126,800) and Countywide food costs in Senior Nutrition Services ($101,200).

✪ Implement a new system of rent stabilization in line with Executive Regulation 2-24 on rent stabilization laws. The Department of Technology Enterprise and Business Solutions, in partnership with the Department of Housing and Community Affairs Rent Stabilization Team, has completed the first two out of three stages to ensure compliance with the new regulations and improvement of the user experience.

✪ Successfully closed 17 residential real estate loan transactions, administered by the Department of Housing and Community Affairs Multifamily Housing Development Team, thereby providing more than $84.5 million towards these developments to preserve, rehabilitate, or produce 1,133 affordable housing units at an average cost of $74,632 per unit.

✪ Generate 398 new Moderately Priced Dwelling Units (MPDUs) offered for sale (70 units) or rent (328 units) as new, affordable dwelling units throughout the County, by the Department of Housing and Community Affairs Moderately Priced Dwelling Unit Program.

✪ Increase funding by $1.5 million, administered by the Department of Housing and Community Affairs, for the homeownership assistance programs, which provide additional resources for first-time homebuyers with down payment assistance and needed counseling services.

✪ Underwrite affordable housing loans to preserve and produce affordable housing, executed by the Department of Housing and Community Affairs. Fifteen multi-family developments have already been identified for potential funding in FY26. These developments would maintain or create 2,353 units, including 2,018 affordable units.

✪ Deployed MoCoNet, the County's 300/300 Mbps residential broadband network, to six affordable housing developments and continued efforts to expand MoCoNet to

Highlights

seven additional Housing Opportunity Commission locations. This program helps close the digital divide and ensures that all residents can participate in the digital world.

✪ Demonstrate commitment to expand affordable housing with ongoing and future developments in Burtonsville, Clarksburg, Derwood, Rockville, Wheaton, and White Flint.

Safe Neighborhoods...

✪ Replace uniformed staff with two civilian educators to expand Montgomery County Fire and Rescue Service (MCFRS) recruitment efforts at the Public Safety Training Academy (PSTA), overseeing the High School Cadet training program. This program, which attracts a diverse pool of participants, is undergoing enhancements to serve as a direct hiring pathway for recruit candidates.

✪ Enhance safety and security at Progress Place by adding County Security Guards to provide a more appropriate level of response to calls for service and increase Police availability in the Silver Spring area by reducing the need for uniform response to service requests at this location.

✪ Expand the Drone as First Responder pilot program to increase the effectiveness of police response to incidents by improving their decision-making process with data from an aerial perspective. Additionally, by converting contracted positions into merit positions to support this initiative and by adding a new site in Germantown, the number of locations served will increase to five.

✪ Implement the Speed-on-Green Traffic Camera pilot program to reduce collisions, aggressive driving, and speeding at the intersections of Colesville Road and Georgia Avenue and Colesville Road and University Boulevard.

✪ Continue to provide a total of $1.2 million for the Non-Profit Security Grants Program in the Office of Emergency Management and Homeland Security.

✪ Invest in digital forensic software to expedite police investigations, reduce over-time and backlog, and collect critical evidence to resolve crime in our community after a search warrant is granted.

✪ Enhance real-time coordination across agencies through a Public Safety Joint Operations Center developed by the Office of Emergency Management and Homeland Security (OEMHS). It will house the Fire Operations Center, OEMHS Watch Desk, Montgomery County Police Department (MCPD) Real-Time Intelligence Center, and Drone as a First Responder Program, improving

emergency response and efficiency.

Effective, Sustainable Government...

⭐ Montgomery County received the following National Association of Counties (NACo) Achievement Awards in 2024:

- 55+ BBQ Bonanza
- After-School Professional Development Program
- Augmented Reality at Oakley Cabin
- Automated Physical Inventory
- Buckets & Beats
- Centenarian Celebration
- Cloud-Based Electronic Hearing Records Application
- Countywide Facade Improvement Program
- Dedicated Bus Lanes Project
- Department of Permitting Services Geographic Information Systems Program
- Department of Permitting Services Podcast
- Device Client Management (DCM) - IT Procurement Management Solution
- Drone as First Responder Program
- Fostering Accountability and Trust: Maximizing Transparency and Efficiency of the Contract Review Process
- Innovation Accelerator
- Local Products
- Loss Prevention
- Maximizing Underutilized Public Parking by Partnering with Long-Term Lease
- Montgomery County MD's Single-Family Residential Food Scraps Recycling Pilot Program
- Monty 2.0 Generative Artificial Intelligence Chatbot
- NFL Flag Football with Referee Academy
- Problem Solving Committees
- Officer Mental Health and Resiliency
- Quarterly Procurement Compliance Forum
- RecFit
- Rec N Resources
- Rec Your Way

- Senior Outdoor Adventures in Recreation
- Silver Spring Recreation and Aquatic Center Teen Visioning Event
- Streamlining Emergency Procurement Process in County Government for Improved Goods and Services Acquisition
- Teen Camps
- Teen Mental Health First Aid - VIBE Checkup Program
- Vias de la Salud" Community Health Worker Certification Training Program
- Winter Wellness Campaign

⭐ Conduct investigations, reviews, and inspections to detect and deter fraud, waste, abuse, misconduct, and mismanagement of school resources. The Education Oversight Division (EOD) of Montgomery County Public Schools (MCPS) has addresses over 180 complaints and identified over $200,000 in questionable expenditures inconsistent with MCPS policy.

⭐ Create, install, and implement a strategic plan over five years for the Department of Permitting Services for continuous improvement of high performance, improvement of technology and data handling, process streamlining, organizational alignment, customer service, and quality and timeliness of communication.

⭐ Create a streamlined and trackable end-to-end County hiring process with the launch of NEOGOV by the Office of Human Resources and its online platform GovernmentJobs.com. This significantly reduces the amount of time it takes for candidates to apply for jobs and has resulted in an average 250 percent increase in the number of applications per job posting.

⭐ Conduct educational events by the Office of Consumer Protection to educate the public on home improvement, prevention of theft, and identification of scams. There have been 22 in-person and virtual outreach events in FY25.

⭐ Expanded the reach of the Translation Unit in the Community Engagement Cluster by completing translation requests from 25 County agencies in Amharic, Chinese, French, Korean, Spanish, and Vietnamese, significantly increasing accessibility of government information and services for limited English proficient residents.

⭐ Organize and coordinate eleven operating budget forums by the Office of Management and Budget during the development of the FY26 County Executive's Recommended Operating Budget, providing residents an opportunity to share their input. Two of the forums were conducted in non-English languages (Spanish and Chinese).

⭐ Build on the early success of the Department of Technology and Enterprise Business Solutions with the nationally recognized Artificial Intelligence Center of Excellence (AICOE), leveraging advancements in AI across County government.

With a proactive approach, the AICOE actively collaborates with various County departments, effectively addressing their unique needs.

✪ Partner with the Domestic Violence Coordinating Council, community groups, and the Family Justice Center (FJC) to host RespectFest 2026 to educate 1,200 teens on dating violence, including implementation of a paperless record-keeping system, launch of a Spanish-language intake app, continuation of domestic violence workshops, and support of the Development Services Group to secure Federal funding for a Family Justice Center evaluation study.

✪ Train over 3,500 County employees on Americans with Disabilities (ADA) Act compliance, policies, disability etiquette, to ensure equal access to County programs and services. The Department of General Services ensures countywide ADA Title II compliance, fulfilling reasonable accommodation requests and achieving zero ADA complaints or related litigation.

✪ Launch the High Intensity Recruitment Experience, by the Office of Human Resources, featuring targeted promotions of "hard-to-fill" vacancies using online sourcing platforms and elevating the County's profile as a preferred employer. This results in increased connections with job seekers, as well as increased consultancy and hiring support to County departments.

✪ Launch a pilot program to deploy Microsoft CoPilot 365, by Technology Enterprise and Business Solutions, to help the County evolve and expand its digital capabilities, enhance productivity, streamline workflows, and empower our teams to achieve more.

✪ Expand the fleet maintenance apprenticeship program by obtaining Maryland State registration for the existing program and adding more apprentice positions. These enhancements enable the Department of General Services Division of Fleet Management Services to standardize the curriculum and apprentice experience and help reduce operating costs by reducing the amount of overflow work assigned to contractors. Further, the program ensures the preservation of internal knowledge and experience, thereby avoiding knowledge gaps when experienced technicians or tradespersons retire.

✪ Enhance County sourcing of employment prospects with an improved recruiting technical framework, paid advertising, and increase in community engagement. So far, this has resulted in a net gain of 294 permanent employees, the largest net gain in over five years,

✪ Deploy the Monty 2.0 chatbot, by Technology Enterprise Business Solutions, which facilitated over 22,000 conversations in its first year of operation, giving residents instant access to thousands of knowledge topics in over 100+ global languages. Monty facilitated a similar number of meaningful conversations per day (43-44) as an average MC311 customer service representative (36-55).
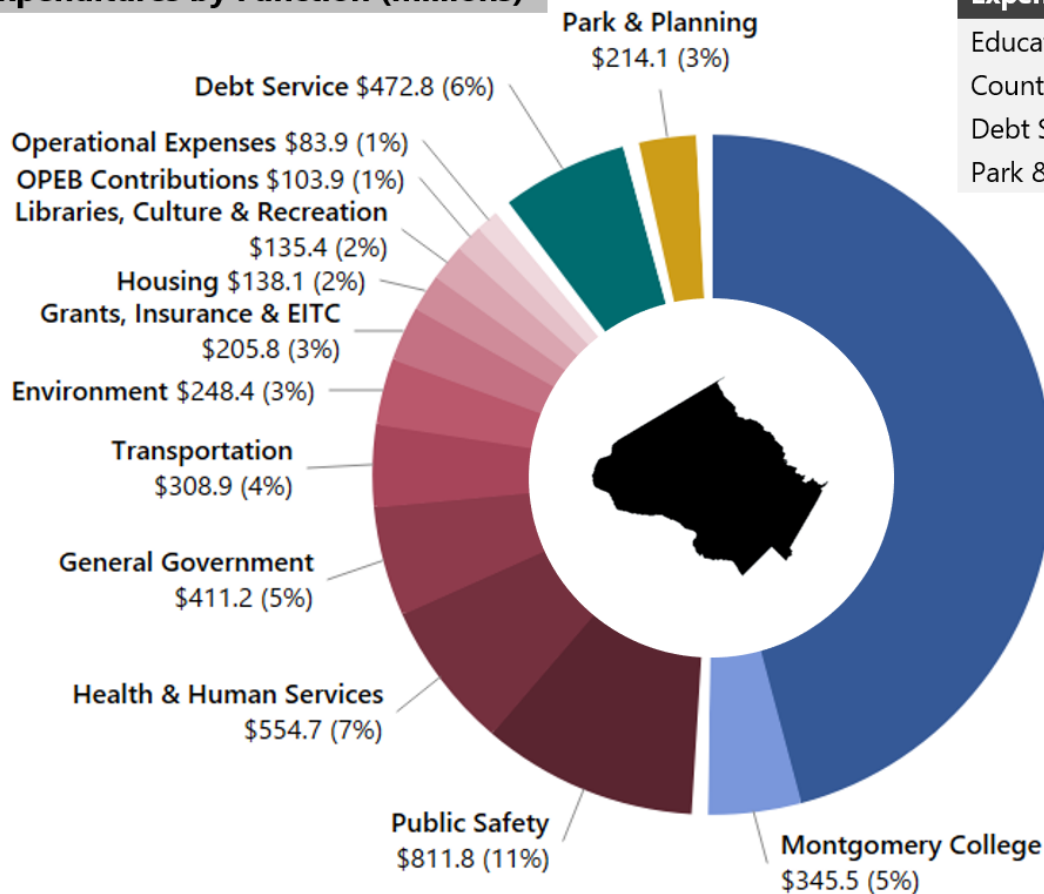
Highlights

✪ Recommend a total County budget from all sources for all County agencies of $7,655,711,530 which is $525.2 million or 7.4 percent more than the FY25 budget.

✪ Recommend tax-supported funding for the Montgomery County Government of $2,783,341,998 (including debt service and OPEB funding).

✪ Recommend tax-supported funding for the Montgomery County Government of $2,344,765,333 an increase of 6.7% percent (excluding debt service).

✪ Funding for Montgomery County Public Schools will increase $298.8 million or 9.0 percent. Within this total, the County contribution is $256.0 million over maintenance of effort.

✪ Funding for Montgomery College's FY26 Recommended Operating Budget totals $345.7 million.

✪ Recommend tax-supported funding for the Maryland-National Capital Park and Planning Commission (M-NCPPC) increases by $6,269,126 or 3.5 percent from FY25 (including debt service and OPEB funding).

✪ Fund the WSSC Water's FY26 operating and capital budgets with a 9.8 percent water and sewer rate increase in accordance with the Spending Affordability Guidelines adopted by Council.

✪ Recommended a property tax rate of $1.0605 per $100 of assessed value. This rate includes a 3.5 cent increase to the supplemental education property tax rate. This proposed increase is coupled with a recommended increase in the County's ITOC (Income Tax Offset Credit) Property Tax Credit to $860, which will completely offset the increase for homeowners whose principal residence is assessed at $495,000 and will represent a small rebate for those homeowners with properties at a lower value. Owners of higher-priced homes will also get the benefit.

✪ Promote existing mechanisms for senior citizens and those on limited incomes to assist them as needed with property tax increases, such as the Senior Tax Credit program that benefits eligible residents who are at least 65 years of age. This credit is calculated as 50 percent of the combined State Homeowners' Tax Credit and County Supplement.

✪ Retains the energy tax rate at the level approved by the Council for FY25, preserving an important stable and broad-based revenue source that includes Federal institutions that otherwise pay no taxes in exchange for County services.

Highlights
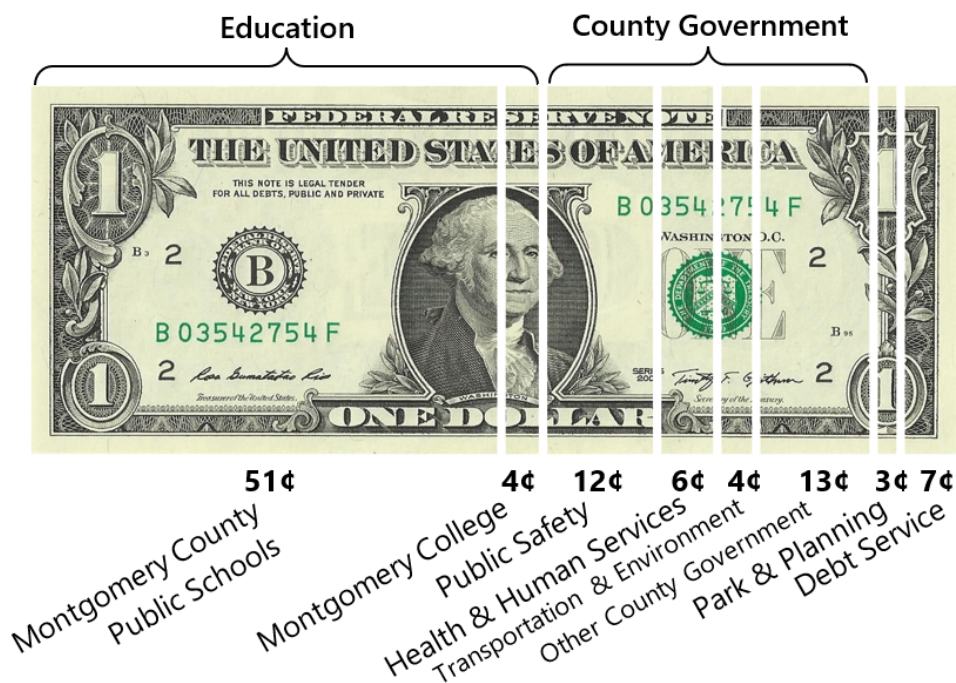
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WHERE THE MONEY GOES

Expenditures by Function (millions)

Park & Planning
$214.1 (3%)

Debt Service $472.8 (6%)

Operational Expenses $83.9 (1%)
OPEB Contributions $103.9 (1%)
Libraries, Culture & Recreation
$135.4 (2%)
Housing $138.1 (2%)
Grants, Insurance & EITC
$205.8 (3%)
Environment $248.4 (3%)

Transportation
$308.9 (4%)

General Government
$411.2 (5%)

Health & Human Services
$554.7 (7%)

Public Safety
$811.8 (11%)

Montgomery County
Public Schools
$3,621.1 (47%)

Montgomery College
$345.5 (5%)

Expenditure Categories

Education	52%
County Government	39%
Debt Service	6%
Park & Planning	3%

How a Dollar of Taxes is Spent

Education

County Government

| 51¢ | 4¢ | 12¢ | 6¢ | 4¢ | 13¢ | 3¢ | 7¢ |

Montgomery County Public Schools
Montgomery College
Public Safety
Health & Human Services
Transportation & Environment
Other County Government
Park & Planning
Debt Service

NOTE: Expenditures by Function chart includes funds from all sources; dollar bill chart includes only tax-supported funds.

WHERE THE MONEY COMES FROM

Revenues (millions)

Transfer & Recordation Taxes
$179.6 (2%)

Fines & Miscellaneous
$252.5 (3%)

Other Taxes $321.4 (4%)

Charges for Services
$536.8 (7%)

Property Tax
$2,490.3 (33%)

Intergovernmental
$1,607.6 (21%)

Income Tax
$2,259.9 (30%)