



Cable Television Communications Plan

RECOMMENDED FY26 BUDGET	FULL TIME EQUIVALENTS
\$5,645,170	0.00

 GAIL M. ROPER, CHIEF INFORMATION OFFICER/DIRECTOR

MISSION STATEMENT

The Cable Television Communication Plan is a special revenue fund. Revenue is provided by cable franchise agreements and fees from the Transmission Facility Coordinating Group. Funding is passed through for: the operation of the Office of Broadband Program's (OBP); FiberNet programs; Community Technology; Community Engagement; Digital Equity; Public, Educational, and Government (PEG) programming by the Office of Public Information (PIO); the Montgomery County Council; the Maryland-National Capital Park and Planning Commission (M-NCPPC); Montgomery College; Montgomery County Public Schools (MCPS); Montgomery Community Media; PEG equipment; and municipal franchises administered by the County.

The mission of the Cable Television Communications Plan is to provide effective management of the Fund; the County's cable franchise agreement; quality PEG programming; broadband governance; planning, execution, and operation of FiberNet; the County's communications network; and effective management of the deployment of wireless facilities throughout Montgomery County. Additional funding for OBP is provided and described in the Department of Technology and Enterprise Business Solutions' (TEBS) budget.

BUDGET OVERVIEW

The total recommended FY26 Operating Budget for the Office of Broadband Programs is \$5,645,170, a decrease of \$911,800 or 13.91 percent from the FY25 Approved Budget of \$6,556,970. Personnel Costs comprise 0.00 percent of the budget for no full-time position(s) and no part-time position(s), and a total of 0.00 FTEs. Total FTEs may include seasonal or temporary positions and may also reflect workforce charged to or from other departments or funds. Operating Expenses account for the remaining 100.00 percent of the FY26 budget.

In FY26, franchise fee and PEG revenue is projected to fall \$1,467,353 or 7.8 percent relative to FY25 approved levels. Current projections predict revenue to continue to decline by 7.5 to 10.7 percent annually for the next 6 fiscal years.

In FY25, the County Executive decided to move critical programs out of the Cable Fund and into the Department of Technology Services and Enterprise Business Solutions (TEBS), Montgomery County Council, Office of Public Information (PIO), Department of Transportation (DOT), and Office of the County Attorney. These shifts will refocus the core mission of the Cable Fund on Public, Educational, and Governmental (PEG) services.

In addition, this department's Capital Improvements Program (CIP) requires Current Revenue funding.

COUNTY PRIORITY OUTCOMES

While this program area supports all seven of the County Executive's Priority Outcomes, the following are emphasized:

- ◆ **Thriving Youth and Families**
- ◆ **A Growing Economy**
- ◆ **A Greener County**
- ◆ **Easier Commutes**
- ◆ **Effective, Sustainable Government**

INITIATIVES

- ★ Host strategic meetings with key stakeholders for member stations with the goal of gaining direction and support for the reorganization of the Connect Montgomery Alliance.
- ★ Work with TEBS to plan support for the dissolution of the existing Connect Montgomery Alliance organization and creation of a new, centralized approach to managing the County's cable access stations and audio/video production efforts.

INNOVATIONS AND PRODUCTIVITY IMPROVEMENTS

- ★ Developed Over the Top (OTT) applications for sharing select Connect Montgomery Alliance (CoMo) programming. Led by the CoMo Engineering Committee, CoMo Programming Committee and the TEBS' Community Engagement Team, CoMo has made significant strides in developing a technical approach that will bring select CoMo Network programming to Apple TV, Amazon Fire, RokuTV, and other digital platforms. This effort is among several outlined in the FY25 strategic plan that call for progress in combining efforts to create a unified outcome from one entity, the Connect Montgomery Network. The County Cable Montgomery and Community Engagement Teams are leading the way in demonstrating this technology and have successfully launched apps on both Apple TV and RokuTV.

PROGRAM CONTACTS

Contact Leny Bautista of the Department of Technology and Enterprise Business Solutions at 240-777-2865 or Seamus McNamara of the Office of Management and Budget at 240-777-2755 for more information regarding this department's operating budget.

PROGRAM PERFORMANCE MEASURES

Performance measures for this department are included below (where applicable), with multi-program measures displayed at the front of this section and program-specific measures shown with the relevant program. The FY25 estimates reflect funding based on the FY25 Approved Budget. The FY26 and FY27 figures are performance targets based on the FY26 Recommended Budget and funding for comparable service levels in FY27.

PROGRAM DESCRIPTIONS

☀ Connect Montgomery Alliance

The Montgomery County Public, Education, and Government (PEG) Governance Board facilitates collaboration among the local PEG stations to promote meaningful and relevant PEG programming and media services to the Montgomery County community using current and emerging technologies. The PEG Governance Board (PGB) collaboratively works to expand community engagement, Spanish language programming, and access to digital media content featuring County residents, organizations, and institutions. The budget for PEG includes funds for the purchase of equipment, promotion, and outreach support to increase channel awareness and viewership, and strategic planning.

FY26 Recommended Changes	Expenditures	FTEs
FY25 Approved	667,349	0.00
Re-align: Connect Montgomery Alliance Adjustment	151,030	0.00
FY26 Recommended	818,379	0.00

☀ Media - Montgomery College

Montgomery College Television creates videos for Montgomery College educational cable channels, website, and social media. Funds are used for staff, equipment, operating expenses, and training student interns using hands on, real-life production techniques and facilities. Videos educate, inform, and support student success (e.g., closing the achievement gap, dual enrollment, retention, completion, transfer, and academic excellence). MCTV produces videos in Spanish, Amharic, Vietnamese, French, and Korean, and provides outreach to targeted underserved populations, engaging first-generation college students, non-native English speakers, immigrants, veterans, single parents, and those who are food insecure. Videos explore careers, economic development, and workforce preparedness. Additional funds are provided through the Montgomery College operating budget.

Program Performance Measures	Actual FY23	Actual FY24	Estimated FY25	Target FY26	Target FY27
Hours of first-run locally produced and acquired Montgomery College MC-ITV programming	317	290	299	308	309
Hours of Montgomery College student-assisted original programming	106	141	145	150	154

FY26 Recommended Changes	Expenditures	FTEs
FY25 Approved	0	0.00
FY26 Recommended	0	0.00

Note(s): Funding for MCPS-TV and Montgomery College Television is provided as a fund transfer to the MCPS and Montgomery College budgets reflected in Schedule A5.

☀ Media - Montgomery County Public Schools

Montgomery County Public Schools Television (MCPS-TV) is a full-service television and multimedia facility that produces TV programs for students, staff, parents, and the general community produced in multiple languages to reach the district's growing multicultural community. MCPS-TV regular programming includes live Board of Education meetings, live webstreaming events from schools, new curriculum training and staff development, live call-in and interactive programs on topical issues, student-produced in class programs, technology training, and televised instruction in a variety of academic content areas.

Program Performance Measures	Actual FY23	Actual FY24	Estimated FY25	Target FY26	Target FY27
Hours of first run locally produced, block, and acquired Montgomery County Public Schools (MCPS) ITV programming	203	302	320	335	350

FY26 Recommended Changes	Expenditures	FTEs
FY25 Approved	0	0.00
FY26 Recommended	0	0.00

Note(s): Funding for MCPS-TV and Montgomery College Television is provided as a fund transfer to the MCPS and Montgomery College budgets reflected in Schedule A5.

☀️ Montgomery Community Media

Montgomery County supports community media and digital equity training through a contract with Montgomery Community Television, doing business as Montgomery Community Media (MCM). MCM operates two community media cable television channels, provides media technology training to County residents and community organizations, and produces independent, diverse, and informative cable programming for County residents. MCM's mission is to provide media, television production, and technology training that empowers residents and organizations and provides them with the opportunity to interact, engage, and influence the County government and the community by using the powerful media of television and the Internet.

Program Performance Measures	Actual FY23	Actual FY24	Estimated FY25	Target FY26	Target FY27
Hours of Montgomery Community Media (MCM) volunteer effort in creating public access programming	884	8,525	8,951	9,377	9,803

FY26 Recommended Changes	Expenditures	FTEs
FY25 Approved	2,857,084	0.00
Reduce: Montgomery Community Media Adjustment Due to a Decline in Revenue	(376,662)	0.00
FY26 Recommended	2,480,422	0.00

☀️ Municipal Support

Cable operator franchise fees and PEG support obligations to participating municipalities within Montgomery County are paid by cable operators to the County for administrative efficiency and auditing effectiveness and then redistributed by the County to the City of Rockville, the City of Takoma Park, and the Montgomery County Chapter of the Maryland Municipal League (MML). The County has a contractual obligation to pass through fees owed to municipalities and no discretion to alter these payments. Municipalities may use franchise fees for any purpose. Under the terms of the franchise agreements, participating municipalities must use PEG Access Operating Support funding to support PEG programming operations, and PEG capital support must be used for PEG and institutional network equipment, facilities, and related capital expenditures.

FY26 Recommended Changes	Expenditures	FTEs
FY25 Approved	3,032,537	0.00
Reduce: Municipal Transfer Adjustment Due to a Decline in Revenue	(686,168)	0.00
FY26 Recommended	2,346,369	0.00

BUDGET SUMMARY

	Actual FY24	Budget FY25	Estimate FY25	Recommended FY26	%Chg Bud/Rec
--	----------------	----------------	------------------	---------------------	-----------------

CABLE TELEVISION

BUDGET SUMMARY

	Actual FY24	Budget FY25	Estimate FY25	Recommended FY26	%Chg Bud/Rec
EXPENDITURES					
Salaries and Wages	2,531,544	0	0	0	—
Employee Benefits	656,908	0	0	0	—
Cable Television Personnel Costs	3,188,452	0	0	0	—
Operating Expenses	9,834,687	6,556,970	6,556,970	5,645,170	-13.9 %
Cable Television Expenditures	13,023,139	6,556,970	6,556,970	5,645,170	-13.9 %
PERSONNEL					
Full-Time	14	0	0	0	—
Part-Time	0	0	0	0	—
FTEs	24.34	0.00	0.00	0.00	—
REVENUES					
Franchise Fees	12,574,218	11,586,334	11,593,257	10,816,490	-6.6 %
PEG Capital Revenue	4,736,033	4,350,302	4,450,103	4,272,790	-1.8 %
PEG Operating Revenue	2,866,285	2,676,134	2,505,851	2,217,104	-17.2 %
Tower Application Fees	60,500	250,000	89,032	89,032	-64.4 %
Miscellaneous Revenues	0	1,000,000	1,000,000	0	-100.0 %
Investment Income	73,979	117,960	117,960	92,860	-21.3 %
Cable Television Revenues	20,311,015	19,980,730	19,756,203	17,488,276	-12.5 %

FY26 RECOMMENDED CHANGES

	Expenditures	FTEs
CABLE TELEVISION		
FY25 ORIGINAL APPROPRIATION	6,556,970	0.00
<u>Changes (with service impacts)</u>		
Reduce: Montgomery Community Media Adjustment Due to a Decline in Revenue [Montgomery Community Media]	(376,662)	0.00
Reduce: Municipal Transfer Adjustment Due to a Decline in Revenue [Municipal Support]	(686,168)	0.00
<u>Other Adjustments (with no service impacts)</u>		
Re-align: Connect Montgomery Alliance Adjustment [Connect Montgomery Alliance]	151,030	0.00
FY26 RECOMMENDED	5,645,170	0.00

PROGRAM SUMMARY

Program Name	FY25 APPR Expenditures	FY25 APPR FTEs	FY26 REC Expenditures	FY26 REC FTEs
Connect Montgomery Alliance	667,349	0.00	818,379	0.00
Media - Montgomery College	0	0.00	0	0.00
Media - Montgomery County Public Schools	0	0.00	0	0.00

PROGRAM SUMMARY

Program Name	FY25 APPR Expenditures	FY25 APPR FTEs	FY26 REC Expenditures	FY26 REC FTEs
Montgomery Community Media	2,857,084	0.00	2,480,422	0.00
Municipal Support	3,032,537	0.00	2,346,369	0.00
Total	6,556,970	0.00	5,645,170	0.00

FUNDING PARAMETER ITEMS

CE RECOMMENDED (\$000S)

Title	FY26	FY27	FY28	FY29	FY30	FY31
CABLE TELEVISION						
EXPENDITURES						
FY26 Recommended	5,645	5,645	5,645	5,645	5,645	5,645
No inflation or compensation change is included in outyear projections.						
Subtotal Expenditures	5,645	5,645	5,645	5,645	5,645	5,645

FY26-31 PUBLIC SERVICES PROGRAM: FISCAL PLAN

Cable Communications Plan

FISCAL PROJECTIONS	FY25 APPROVED	FY25 ESTIMATE	FY25 ESTIMATE	FY25 REC	FY27 PROJECTION	FY28 PROJECTION	FY29 PROJECTION	FY30 PROJECTION	FY31 PROJECTION
ASSUMPTIONS									
Indirect Cost Rate	19.96%	19.96%	19.96%	19.98%	19.98%	19.98%	19.98%	19.98%	19.98%
CPI (Fiscal Year)	2.2%	2.6%	2.6%	2.7%	2.7%	2.4%	2.2%	2.2%	2.3%
Investment Income Yield	4.3%	4.8%	4.8%	4.1%	3.8%	3.3%	3.0%	3.0%	3.0%
BEGINNING FUND BALANCE	2,056,583	2,958,139	2,958,139	1,851,188	1,499,689	2,371,798	3,326,323	4,361,430	5,479,474
REVENUES									
Charges For Services	18,862,770	18,638,243	0	17,395,416	16,091,062	14,788,550	13,486,337	12,184,256	10,882,304
Miscellaneous	1,117,960	1,117,960	0	92,860	70,220	68,820	64,820	64,820	64,820
Subtotal Revenues	19,980,730	19,756,203	0	17,488,276	16,161,282	14,857,370	13,551,157	12,249,076	10,947,124
INTERFUND TRANSFERS (Net Non-CIP)									
Transfer to General Fund	(10,812,185)	(10,812,185)	0	(9,225,989)	(8,200,117)	(7,439,549)	(6,677,406)	(5,918,019)	(5,158,639)
Transfer to General Fund	(7,626,135)	(7,626,135)	0	(6,469,433)	(5,683,169)	(5,157,482)	(4,630,707)	(4,105,837)	(3,580,971)
Transfer to Montgomery College for MC Cable Fund	(1,604,850)	(1,604,850)	0	(1,378,278)	(1,258,474)	(1,141,033)	(1,023,349)	(906,091)	(788,834)
Transfer to MCPS for MCPS Instructional TV Fund	(1,581,200)	(1,581,200)	0	(1,378,278)	(1,258,474)	(1,141,033)	(1,023,349)	(906,091)	(788,834)
Other	0	0	0	0	0	0	0	0	0
TOTAL RESOURCES	11,225,128	11,902,157	2,958,139	10,113,476	9,460,854	9,789,619	10,200,074	10,692,486	11,267,959
CIP CURRENT REVENUE APPROP.									
PSP OPER. BUDGET APPROP/ EXP'S.	(3,494,000)	(3,494,000)	0	(3,020,000)	(2,773,000)	(2,526,000)	(2,280,000)	(2,033,000)	(2,033,000)
Operating Budget	(6,556,970)	(6,556,970)	0	(5,645,170)	(4,316,056)	(3,937,297)	(3,558,644)	(3,180,012)	(2,625,229)
Transfer to City of Rockville	(1,304,156)	(1,304,156)	0	(1,235,952)	(830,759)	(763,014)	(695,292)	(627,574)	(559,858)
Transfer to City of Takoma Park	(600,324)	(600,324)	0	(490,877)	(439,536)	(388,205)	(336,876)	(285,547)	(234,062)
Transfer to Other Municipalities	(1,128,057)	(1,128,057)	0	(568,155)	(514,817)	(461,524)	(408,241)	(354,960)	(301,680)
Transfer to Montgomery Community Media	(2,857,084)	(2,857,084)	0	(2,480,422)	(1,903,058)	(1,747,870)	(1,592,736)	(1,437,612)	(1,282,490)
Transfer to Connect Montgomery Alliance	(667,349)	(667,349)	0	(818,379)	(627,886)	(576,684)	(525,500)	(474,319)	(423,139)
Subtotal PSP Oper Budget Approp / Exp's	(6,556,970)	(6,556,970)	0	(5,593,786)	(4,316,056)	(3,937,297)	(3,558,644)	(3,180,012)	(2,625,229)
OTHER CLAIMS ON FUND BALANCE	0	0	0	0	0	0	0	0	0
TOTAL USE OF RESOURCES	(10,050,970)	(10,050,970)	0	(8,613,786)	(7,089,056)	(6,463,297)	(5,838,644)	(5,213,012)	(4,658,229)
YEAR END FUND BALANCE	1,174,158	1,851,188	2,958,139	1,499,689	2,371,798	3,326,323	4,361,430	5,479,474	6,609,731
END-OF-YEAR RESERVES AS A PERCENT OF RESOURCES									
	10.5%	15.6%	100.0%	14.8%	25.1%	34.0%	42.8%	51.2%	58.7%

Assumptions:

1. "Cord cutting" will continue to drive revenue shortfalls for the Cable Fund at an accelerating rate.

Major Issues:

1. Cable Fund Revenue continues to decline at a rapid rate with no new revenue to offset these losses.

Notes:

- These projections are based on the Executive's Recommended budget and include the revenue and resource assumptions of that budget. The projected future expenditures, revenues, and fund balances may vary based on changes not assumed here to fee or tax rates, usage, inflation, future labor agreements, and other factors not assumed here.
- These projections assume that future reductions in Cable Revenue will track outyear projections, however there is a strong possibility that Cable revenues will decline faster than OMB's projections predict.
- The "Transfers to the General Fund" referenced in Interfund Transfers will be used for programs including FiberNet, Community Technology, Community Engagement, Digital Equity, County Council Communications, Public Information, Park and Planning Wi-Fi in the Parks, Montgomery College TV, and MCPS TV. All expenditures will comply with the requirements of the County Code. These programs will also be supported by additional General Fund dollars.
- Operating Budget line items do not display the full detail of all programs funded in the Cable Fund for FY24 as numerous programs previously funded by the Cable Fund were moved to the General Fund in FY25. In the FY24 Approved Budget these items totaled \$6,713,144 and as of FY24 3rd quarter those expenditures totaled \$6,037,601.

THIS PAGE INTENTIONALLY LEFT BLANK