



Cable Television Communications Plan

RECOMMENDED FY27 BUDGET	FULL TIME EQUIVALENTS
\$7,824,171	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; Montgomery Connects; 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 FY27 Operating Budget for the Office of Broadband Programs is \$7,824,171, an increase of \$2,189,001 or 38.85 percent from the FY26 Approved Budget of \$5,635,170. 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 FY27 budget.

In FY25, the County Executive shifted critical programs out of the Cable Fund and into the Department of Technology 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 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**

PROGRAM CONTACTS

Contact Leny Bautista of the Department of Technology and Enterprise Business Solutions at 240-777-2865 or Alicia Singh of the Office of Management and Budget at 240-777-2780 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 FY26 estimates reflect funding based on the FY26 Approved Budget. The FY27 and FY28 figures are performance targets based on the FY27 Recommended Budget and funding for comparable service levels in FY28.

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.

FY27 Recommended Changes	Expenditures	FTEs
FY26 Approved	808,379	0.00
Decrease Cost: Montgomery Connect Adjustment Due to a Decline in Revenue	(180,772)	0.00
FY27 Recommended	627,607	0.00

☀ 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 FY24	Actual FY25	Estimated FY26	Target FY27	Target FY28
Hours of Montgomery Community Media (MCM) volunteer effort in creating public access programming	8,525	7,217	7,270	7,335	7,482

FY27 Recommended Changes	Expenditures	FTEs
FY26 Approved	2,480,422	0.00
Re-align: Increase Appropriation Offset by Reduction in General Fund Transfer for MCPS and College Cable TV Fund	2,558,122	0.00
FY27 Recommended	5,038,544	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 with 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.

FY27 Recommended Changes	Expenditures	FTEs
FY26 Approved	2,346,369	0.00
Re-align: Municipal Transfer Adjustment Due to a Decline in Revenue	(188,349)	0.00
FY27 Recommended	2,158,020	0.00

BUDGET SUMMARY

	Actual FY25	Budget FY26	Estimated FY26	Recommended FY27	%Chg Bud/Rec
CABLE TELEVISION					
EXPENDITURES					
Salaries and Wages	0	0	0	0	—
Employee Benefits	0	0	0	0	—
Cable Television Personnel Costs	0	0	0	0	—
Operating Expenses	6,442,517	5,635,170	5,635,170	7,824,171	38.9 %
Cable Television Expenditures	6,442,517	5,635,170	5,635,170	7,824,171	38.8 %
PERSONNEL					
Full-Time	0	0	0	0	—
Part-Time	0	0	0	0	—
FTEs	0.00	0.00	0.00	0.00	—

BUDGET SUMMARY

	Actual FY25	Budget FY26	Estimated FY26	Recommended FY27	%Chg Bud/Rec
REVENUES					
Franchise Fees	11,467,348	10,636,116	10,862,834	9,920,093	-6.7 %
PEG Capital Revenue	4,335,901	4,085,626	4,152,308	3,838,999	-6.0 %
PEG Operating Revenue	2,556,323	2,296,044	2,365,392	2,113,057	-8.0 %
Tower Application Fees	108,500	89,032	250,000	250,000	180.8 %
Miscellaneous Revenues	1,000,000	0	0	0	—
Investment Income	275,275	92,860	207,990	164,420	77.1 %
Cable Television Revenues	19,743,347	17,199,678	17,838,524	16,286,569	-5.3 %

FY27 RECOMMENDED CHANGES

				Expenditures	FTEs
CABLE TELEVISION					
FY26 ORIGINAL APPROPRIATION				5,635,170	0.00
<u>Other Adjustments (with no service impacts)</u>					
Re-align: Increase Appropriation Offset by Reduction in General Fund Transfer for MCPS and College Cable TV Fund [Montgomery Community Media]				2,558,122	0.00
Decrease Cost: Montgomery Connect Adjustment Due to a Decline in Revenue [Connect Montgomery Alliance]				(180,772)	0.00
Re-align: Municipal Transfer Adjustment Due to a Decline in Revenue [Municipal Support]				(188,349)	0.00
FY27 RECOMMENDED				7,824,171	0.00

PROGRAM SUMMARY

Program Name	FY26 APPR Expenditures	FY26 APPR FTEs	FY27 REC Expenditures	FY27 REC FTEs
Connect Montgomery Alliance	808,379	0.00	627,607	0.00
Montgomery Community Media	2,480,422	0.00	5,038,544	0.00
Municipal Support	2,346,369	0.00	2,158,020	0.00
Total	5,635,170	0.00	7,824,171	0.00

FUNDING PARAMETER ITEMS

CE RECOMMENDED (\$000S)

Title	FY27	FY28	FY29	FY30	FY31	FY32
CABLE TELEVISION						
EXPENDITURES						
FY27 Recommended	7,824	7,824	7,824	7,824	7,824	7,824
No inflation or compensation change is included in outyear projections.						

FUNDING PARAMETER ITEMS

CE RECOMMENDED (\$000S)

Title	FY27	FY28	FY29	FY30	FY31	FY32
Subtotal Expenditures	7,824	7,824	7,824	7,824	7,824	7,824

FY27-32 PUBLIC SERVICES PROGRAM: FISCAL PLAN

Cable Communications Plan

FISCAL PROJECTIONS	FY26 APPROVED	FY26 ESTIMATE	FY27 RECOMMENDED	FY28 PROJECTION	FY29 PROJECTION	FY30 PROJECTION	FY31 PROJECTION	FY32 PROJECTION
ASSUMPTIONS								
CPI (Fiscal Year)	2.2%	2.6%	2.7%	2.7%	2.4%	2.2%	2.2%	2.3%
Investment Income Yield	4.3%	4.8%	4.1%	3.8%	3.3%	3.0%	3.0%	3.0%
BEGINNING FUND BALANCE	(1,771,232)	700,905	658,270	897,668	727,398	552,211	373,119	190,316
REVENUES								
Charges For Services	17,106,818	17,630,534	16,122,149	14,767,502	13,414,085	12,061,761	10,710,405	9,359,891
Franchise Fees	10,636,116	10,862,834	9,920,093	9,073,439	8,227,553	7,382,351	6,537,753	5,693,694
PEG Capital Grants	4,085,626	4,152,308	3,838,999	3,583,707	3,328,416	3,073,124	2,817,833	2,562,541
PEG Operating Grants	2,296,044	2,365,392	2,113,057	1,860,356	1,608,116	1,356,286	1,104,819	853,656
Tower Application Fees	89,032	250,000	250,000	250,000	250,000	250,000	250,000	250,000
Miscellaneous	92,860	0	164,420	151,770	151,770	151,770	151,770	151,770
Subtotal Revenues	17,199,678	17,630,534	16,286,569	14,919,272	13,565,855	12,213,531	10,862,175	9,511,661
INTERFUND TRANSFERS (Net Non-CIP)	(9,225,989)	(9,225,989)	(5,450,000)	(6,578,693)	(5,726,514)	(4,875,488)	(4,144,294)	(3,633,999)
Transfer to General Fund	(6,469,433)	(6,469,433)	(5,450,000)	(6,578,693)	(5,726,514)	(4,875,488)	(4,144,294)	(3,633,999)
Transfer to Montgomery College for MC Cable Fund	(1,378,278)	(50,000)	0	0	0	0	0	0
MC Cable Fund Restricted PEG Operating	(421,565)	(421,565)	0	0	0	0	0	0
MC Cable Fund Unrestricted	(956,713)	(956,713)	0	0	0	0	0	0
Transfer to MCPS for MCPS Instructional TV Fund	(1,378,278)	(1,378,278)	0	0	0	0	0	0
MCPS Instructional TV Fund Restricted PEG Operating	(421,564)	(421,564)	0	0	0	0	0	0
MCPS Instructional TV Fund Unrestricted	(956,714)	(956,714)	0	0	0	0	0	0
TOTAL RESOURCES	6,202,457	9,105,450	11,494,839	9,238,247	8,566,739	7,890,254	7,091,001	6,067,978
CIP CURRENT REVENUE APPROP.	(3,020,000)	(3,020,000)	(2,773,000)	(1,846,000)	(1,600,000)	(1,353,000)	(1,353,000)	(1,353,000)
PSP OPER. BUDGET APPROP/ EXP'S.								
Operating Budget	(5,635,170)	(5,635,170)	(7,824,171)	(6,942,597)	(6,282,448)	(5,620,665)	(4,961,161)	(4,292,301)
Transfer to City of Rockville	(1,235,952)	(1,235,952)	(1,127,229)	(1,036,739)	(946,309)	(855,936)	(765,613)	(675,334)
City of Rockville Franchise Fees	(483,867)	(483,867)	(443,765)	(405,893)	(368,053)	(330,244)	(292,461)	(254,703)
City of Rockville PEG Capital Grants	(610,399)	(610,399)	(548,428)	(511,958)	(475,488)	(439,018)	(402,548)	(366,077)
City of Rockville PEG Operating Grants	(141,686)	(141,686)	(135,036)	(118,888)	(102,768)	(86,675)	(70,605)	(54,554)
Transfer to City of Takoma Park	(542,261)	(542,261)	(503,523)	(454,919)	(406,379)	(357,894)	(309,459)	(261,064)
City of Takoma Park Franchise Fees	(153,490)	(153,490)	(140,772)	(128,756)	(116,752)	(104,759)	(92,773)	(80,796)
City of Takoma Park PEG Capital Grants	(142,426)	(142,426)	(127,967)	(119,457)	(110,947)	(102,437)	(93,928)	(85,418)
City of Takoma Park PEG Operating Grants	(246,345)	(246,345)	(234,784)	(206,706)	(178,680)	(150,698)	(122,758)	(94,851)
Transfer to Other Municipalities	(568,156)	(568,156)	(527,268)	(476,641)	(426,076)	(375,568)	(325,110)	(274,695)
Other Municipalities Franchise Fees	(179,385)	(179,385)	(164,517)	(150,478)	(136,449)	(122,432)	(108,425)	(94,426)
Other Municipalities PEG Capital Grants	(142,426)	(142,426)	(127,967)	(119,457)	(110,947)	(102,437)	(93,928)	(85,418)
Other Municipalities PEG Operating Grants	(246,345)	(246,345)	(234,784)	(206,706)	(178,680)	(150,698)	(122,758)	(94,851)
Transfer to Montgomery Community Media	(2,480,422)	(2,480,422)	(5,038,544)	(4,404,578)	(3,987,076)	(3,567,728)	(3,150,473)	(2,723,700)
Montgomery Community Media PEG Operating Grants	(1,661,883)	(1,661,883)	(1,528,932)	(1,391,328)	(1,266,108)	(1,139,498)	(1,014,153)	(882,313)
Montgomery Community Media Franchise Fees	(818,539)	(818,539)	(753,056)	(685,281)	(623,606)	(561,245)	(499,508)	(434,572)
MC Cable Fund Restricted PEG Capital	0	0	0	(215,874)	(133,961)	(51,765)	0	0
MC Cable Fund Restricted PEG Operating	0	0	(412,372)	(321,388)	(262,192)	(203,485)	(144,596)	(87,414)
MC Cable Fund Unrestricted	0	0	(965,905)	(626,722)	(652,528)	(678,243)	(673,810)	(615,993)
MCPS Instructional TV Fund Restricted PEG Capital	0	0	0	(215,874)	(133,960)	(51,765)	0	0
MCPS Instructional TV Fund Restricted PEG Operating	0	0	(412,372)	(321,386)	(262,191)	(203,484)	(144,595)	(87,414)
MCPS Instructional TV Fund Unrestricted	0	0	(965,906)	(626,724)	(652,530)	(678,244)	(673,811)	(615,993)
Transfer to PEG (Formerly Connect Montgomery Alliance)	(808,379)	(808,379)	(627,607)	(569,721)	(516,608)	(463,538)	(410,506)	(357,507)
Connect Montgomery Alliance Franchise Fees	(170,043)	(170,043)	(365,970)	(168,634)	(153,495)	(137,836)	(122,600)	(92,408)
Connect Montgomery Alliance PEG Capital	(638,336)	(638,336)	(261,637)	(401,087)	(363,113)	(325,702)	(287,906)	(265,099)
Adjustment for PY Encumbrances	0	0	0	0	0	0	0	0
Subtotal Unrestricted Approp/Exp	(5,635,170)	(5,635,170)	(7,824,171)	(6,510,849)	(6,014,527)	5,517,135	(4,961,161)	(4,292,301)
OTHER CLAIMS ON FUND BALANCE	0	0	0	(154,000)	(400,000)	(647,000)	(586,524)	(418,973)
TOTAL USE OF RESOURCES	(8,655,170)	(8,655,170)	(10,597,171)	(8,510,849)	(8,014,527)	(7,517,135)	(6,900,685)	(6,064,274)
RESTRICTED PEG CAPITAL FUND BALANCE	0	0	0	154,000	554,000	1,201,000	1,787,524	2,206,497
RESTRICTED PEG OPERATING FUND BALANCE	0	69,348	(0)	0	0	0	0	0
UNRESTRICTED YEAR END FUND BALANCE	(2,452,713)	658,270	897,668	727,398	552,211	373,119	190,316	3,704
END-OF-YEAR RESERVES AS A								
PERCENT OF RESOURCES	-39.5%	7.2%	7.8%	7.9%	6.4%	4.7%	2.7%	0.1%

Assumptions:

- "Cord cutting" will continue to drive revenue shortfalls for the Cable Fund at an accelerating rate.
- PEG Capital Fund Balance retains availability of funds for potential CIP funding switch in FY28 and beyond.

Major Issues:

- Cable Fund revenue continues to decline at a rapid rate, and there are no new sources of revenue to offset this trend.

Notes:

- The projections are based on the Executive's FY27 Recommended Budget and reflect the revenue and resource assumptions included in the recommendation. Future revenues, expenditures, and fund balances may change due to adjustments in fees, tax rates, usage, inflation, future labor agreements, and other factors not assumed in this analysis.
- The projections assume that future declines in Cable Revenue will be the outyear estimates; however there is a possibility that Cable revenues will decrease more rapidly than the Office of Management and Budgets current projections.
- The "Transfers to the General Fund" referenced under Interfund Transfers will support programs including FiberNet, Community Technology, Community Engagement, Montgomery Connects, County Council Communications, Public Information, and Maryland-National Capital Park and Planning Commission Wi-Fi in the Parks. All expenditures will comply with the requirements of the County Code, and these programs will also receive additional support from the General Fund.
- In FY27, Montgomery Community Television will receive the full funding allocation for operating the Community and Educatbn access channels (MCM, MCPSTV and MCTV)