



Mission Statement



Isiah Leggett
ISIAH LEGGETT

MONTGOMERY COUNTY GOVERNMENT

WE pursue the common good by working for and with Montgomery County's diverse community members to provide:

- A Responsive and Accountable County Government
- Affordable Housing in an Inclusive Community
- An Effective and Efficient Transportation Network
- Children Prepared to Live and Learn
- Healthy and Sustainable Communities
- Safe Streets and Secure Neighborhoods
- A Strong and Vibrant Economy
- Vital Living for All of Our Residents

AS dedicated public servants, the employees of the Montgomery County government strive to embody in our work these essential values:

- Collaboration
- Inclusiveness
- Knowledge
- Competence
- Innovation
- Respect for the Individual
- Fiscal Prudence
- Integrity
- Transparency

www.montgomerycountymd.gov

About Montgomery County

Montgomery County was established by the State Convention in 1776, and from its establishment until 1948, the Montgomery County government functioned under the County Commission system. In 1948, the voters adopted a charter giving the County home rule and a council-manager form of government. In 1968, the voters approved a new charter providing for separate legislative and executive branches of government, with legislative power vested in an elected County Council and executive power in an elected County Executive. The new charter became effective with the election of the County Executive and Council in November 1970. The Montgomery County Council is composed of nine members, four of whom are elected by all voters in the County. The remaining five Councilmembers are each elected from one of five Councilmanic districts.

Montgomery County contains 497 square miles (or 316,000 acres) of land area. The County population was 1,004,709 in 2012, consisting of 47.8 percent White (non-Hispanic) and 52.2 percent cultural minorities. About 39.1 percent of Maryland's foreign-born population resides in Montgomery County.

The 2012 median household income was \$94,965. The County's estimated labor force for September 2013 is 538,848 with an unemployment rate of 4.9 percent. Montgomery County is an employment center with 59.6 percent of the workforce residing and working in the County. For the 2013 Fall enrollment, 151,607 pupils were registered in the County's schools.





GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

**Montgomery County
Maryland**

For the Fiscal Year Beginning

July 1, 2013

Executive Director

The Government Finance Officers Association of the United States and Canada (GFOA) presented an award of Distinguished Presentation to Montgomery County Government, Maryland for its annual budget for the fiscal year beginning July 1, 2013.

In order to receive this award a governmental unit must publish a document that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communication device.

The award is valid for the period of one year only. We believe our current budget continues to conform to program requirements, and we are submitting it to GFOA to determine its eligibility for another award.

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OFFICE OF THE COUNTY EXECUTIVE
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Isiah Leggett
County Executive

MEMORANDUM

March 17, 2014

TO: Craig Rice, President, County Council

FROM: Isiah Leggett, County Executive 

SUBJECT: FY15 Recommended Operating Budget and FY15-20 Public Services Program

In accordance with the County Charter, I am pleased to transmit to the County Council my FY15 Recommended Operating Budget and FY15-20 Public Services Program.

This budget reflects the concerns and policy issues that I heard County residents express during the many Town Hall Meetings, Budget Forums, On-Line Chats, and other community meetings I held over the past year to better understand the hopes, expectations, and needs of the people of our County. I am also grateful to the County's advisory boards and commissions for their helpful input during my deliberations.

The budget responds to what I believe are our most important shared priorities:

- A Responsive and Accountable County Government
- Affordable Housing in an Inclusive Community
- An Effective and Efficient Transportation Network
- Children Prepared to Live and Learn
- Healthy and Sustainable Communities
- Safe Streets and Secure Neighborhoods
- A Strong and Vibrant Economy
- Vital Living for All of Our Residents

I am recommending a total FY15 Operating Budget of \$4,970,806,004 for Montgomery County Public Schools, Montgomery College, County Government, and Maryland-National Capital Park and Planning Commission (M-NCPPC). Of that total, the recommended tax supported expenditures are \$4,335,880,302.

The County government tax supported budget is \$1,477,914,980, which includes full funding of the County's Retiree Health Benefits - Other Post-Employment Benefits (OPEB). My recommended budget assumes a drop in the property tax rate from \$1.01 per \$100 of assessed value to 99.6 cents.

Effective government must begin with fiscal responsibility, with getting back to basics, and with a County government that pays its bills, lives within its means, and tells the truth about its finances; I believe this budget and my administration have done just that.

Together, we made the difficult decisions. Over an eight-year period, we have closed nearly \$3 billion in budget shortfalls.

First, the County had to stop spending beyond its means. Under the prior administration, tax supported County government spending increased by 36 percent in the three years immediately before I assumed office. That rate of growth was simply unsustainable.

From 1997 to 2007, the number of County employees increased by 2,200. This was a 28 percent increase – nearly twice as fast as the rise in County population. At the same time, the Montgomery County government tax supported budget increased from \$518.8 million in FY97 to \$1,181.3 million in FY07 – an increase of \$662.5 million or 128 percent in 11 years. From 1997 to 2007, the entire County budget increased by over 112 percent while the population increased by only 15 percent.

Just after I assumed office and started the arduous task of crafting a more sustainable budget, the Great Recession hit, and hit hard.

During my first five years, I crafted budget recommendations that did not increase our tax supported budgets. We had no increases, zero, in County government spending despite an eight percent growth in population and a 12 percent increase in inflation during that period. Even with the start of a national recovery in the last years, County government tax supported spending has only increased an average of less than two percent per year during my eight years in office.

Many difficult decisions had to be made – and I made them. Our already financially strapped residents had to pay a little more in taxes, while receiving somewhat less in some services. I recommended and implemented a plan that eliminated 10 percent of the County government's entire workforce. Dedicated County employees experienced layoffs and furloughs; they did not receive negotiated pay raises or cost-of-living increases and paid a larger share of their own health care and retirement costs – saving the County \$469 million from FY10-13, with on-going savings of tens of millions of dollars every year. These were the right and necessary decisions for Montgomery County.

As a result of these difficult decisions, we are in a much better financial position today and as we move forward into the future:

- We maintained our coveted Triple-A bond rating throughout the Great Recession, overcoming Federal government shutdowns, sequestrations, and layoffs. This success is saving taxpayers millions of dollars in borrowing costs every year.
- We have worked aggressively to increase the County's financial reserves to their highest level in our history in order to better protect the taxpayer if faced with budget shortfalls in the future. And we have, for the first time, allocated far more resources in advance to meet weather-related emergencies.
- I also developed a prudent plan to establish a trust fund that sets aside tens of millions of dollars to meet the anticipated health care obligations for retired employees, thereby averting a potentially huge financial crisis for the County in years to come.

- We have brought down the rate of growth in County government from the unsustainable levels prior to my taking office and reassured the bond rating agencies that we can manage effectively through a devastating national economic crisis.

All the while, I sought to protect critically-needed funding for education, public safety, and help for the most vulnerable in our midst. I also made critical investments in our economic infrastructure to lay the foundation for strong job growth and a larger tax base once the recession ended. This effort must be balanced with the equally important goal of preserving Montgomery County's unique environmental quality.

Our balanced approach to addressing these challenges has helped bring the County out of the worst of this economic crisis.

Overview

This budget continues my commitment to prudent fiscal policies that we have mutually agreed are critical to maintaining the County's sound fiscal management. I have increased our reserve levels to the highest in the history of the County to cushion the taxpayer against any additional unanticipated economic setbacks. I have also included in the recommended budget increased funds for retiree health benefits, bringing our total contribution level to the required level – a true accomplishment for all of us in the midst of the current fiscal conditions and placing us far ahead of most jurisdictions. The funding level for retiree health benefits that I am recommending is the minimum funding level that we need to contribute in order to maintain our commitment that we mutually made to the bond rating agencies.

At the same time, as detailed in the following pages, I have focused any available increased revenue on our mutual priorities – priorities that address the critical needs of our growing community. I have increased funding for public education at all levels beyond what is required by State Maintenance of Effort laws, put more police on the beat and in our schools, expanded our Positive Youth Development programs, increased funding for programs critical to our growing senior population, and further boosted funding for life sciences and cybersecurity business growth and high quality job creation.

Recognizing that government works best in partnership with the community, I have increased funding for the many worthy community organizations that provide services to our residents in ways government cannot. For the first time, I have also identified funding for the Council community grants that you and your colleagues have supported in the past.

Economic Context and Fiscal Consequences

Responsible fiscal practices are not only essential but are the foundation for ensuring that government is able to serve our one million residents, our businesses, and our employees, both in the short term and in the long run. I established cost containment strategies and productivity improvements that have dramatically slowed the rate of growth in the operating budget from the prior administration and have therefore saved County taxpayers millions of dollars. In partnership with the Council, I have also reestablished responsible reserve and other fiscal policies that will carry this County into the future with improved, sustainable fiscal health.

As the economy continues to improve, I am committed to maintaining the prudent and fiscally responsible approach we established in the midst of the economic crisis, while finding the balance that will meet the expanding needs of our growing population.

A Sustainable Budget that Meets our Residents' Needs

My FY15 Recommended Operating Budget:

- Funds Montgomery County Public Schools above the required Maintenance of Effort level – which meets 99.3 percent of the Board of Education's request;
- Funds Montgomery College above the required Maintenance of Effort level;
- Provides a 5.2 percent increase in tax supported funding for the Maryland-National Capital Park and Planning Commission;
- Continues my emphasis on public safety by adding 23 new officers including additional School Resource Officers, a Wheaton patrol unit, and a Germantown Central Business District unit, as well as two forensic scientists to assist our officers;
- Boosts services in two of my major initiatives serving potentially at-risk populations – Positive Youth Development and Vital Living for Seniors – and continues to fund programs that protect the most vulnerable among us;
- Increases funding for the creation of affordable housing units, bringing the total spending for new or preserved affordable housing during my administration to \$320 million and increasing this year's total funds available for the Montgomery County Housing Initiative Fund by 10 percent over last year;
- Provides resources to continue County efforts supporting the Great Seneca Science Corridor, the White Oak Science Gateway, and the White Flint Plan, as well as the transition to transit-oriented development around the Shady Grove Metro. These efforts will help create at least 100,000 new, quality jobs in Montgomery County and thousands of additional housing units;
- Fully funds County reserves at the policy level of \$379.9 million – 8.4 percent of total revenues – the highest in the County's history;
- Funds PAYGO in the Capital Improvements Program at 10 percent of current revenue to match bond funding in our capital budget, consistent with our fiscal policy;
- Funds \$105.1 million to meet retiree health benefit obligations – meeting the timeline we set when I took office in 2006;
- Maintains property taxes at the County Charter limit – last year's amount plus inflation; and
- Retains the energy tax at the level approved by the Council in 2013, preserving a broad-based revenue source that includes federal institutions based in the County who otherwise pay no taxes in exchange for County services.

As we continue on the prudent course that has been set, I believe Montgomery County is emerging from this recession with a sustainable budget that maintains my commitment to quality services, while increasing efficiency and maintaining sensible fiscal policies that will serve us well into the future. Given the continued budget uncertainty at the Federal level, and the potential impact this turmoil can have on the local economy, we must remain cautious in our spending. We cannot return to the unsustainable spending of the past. This budget also keeps faith with the people who pay the bills – our County taxpayers – by matching our critical needs with the revenues available or necessary.

The spending that I have proposed in FY15 is strategically focused on our highest priorities – education, public safety, economic development, our youth and seniors:

- I recommend a total County budget for all agencies (which includes debt service, grants, and enterprise funds) for FY15 of \$4,970,806,004, an increase of \$159.6 million from the FY14 Approved Budget – a 3.3 percent increase.
- The overall FY15 tax supported budget of \$4,335,880,302 (including debt service) will increase by \$141,082,328 from the FY14 budget. This represents a 3.4 percent increase.
- I recommend to the County Council that tax supported funding for Montgomery County government increase by \$17.1 million or 1.2 percent.
- Funding for the Montgomery County Public Schools will increase by \$79.8 million – a 3.8 percent increase from FY14 and an increase of \$54.6 million in County funding over last year. The budget funds 99.3 percent of the Board of Education’s tax supported request.
- I am recommending an increase to the County contribution for Montgomery College of \$11 million, or an 11% increase. The budget funds 97 percent of the College’s tax supported request. Total funds for the College are \$290 million.
- Funding for the M-NCPPC increases by \$5.8 million, a 5.2 percent increase and 97 percent of Park and Planning’s tax supported request.

Priorities in the FY15 Recommended Budget

Education

As a teacher, a grandfather with children in our public schools, and as someone who would not be where I am today without the power of education, I know that nothing is more important than investing in quality schools.

I have increased the County’s contribution to Montgomery County Public Schools (MCPS) school construction by 36 percent over eight years. I have proposed an historic high -- **\$1.1** billion in County money – in the capital budget now before you.

To effectively address the future overcrowding in our schools requires the State to significantly increase resources for school construction – over and above what we now receive. Since I became County Executive, we have received \$262 million in State school construction monies – \$60 million more than the County received in the seven years before I took office. This achievement is despite the difficult fiscal challenges of the last seven years. However, more funding is required. That is what all of us in Montgomery County are fighting for in Annapolis right now, along with our allies in Prince George’s and Baltimore counties. We will continue this fight to provide the necessary classrooms for our children to learn.

As important as school construction dollars are, most critical is what goes on inside our schools. That is where we light the lamp of learning for the doctors and lawyers, entrepreneurs and musicians, doers and dreamers, and teachers that will put their mark on this County long after we have passed from the scene.

My FY15 Recommended Operating Budget includes a record-high of \$2.164 billion for the Montgomery County Public Schools, an increase of \$79.8 million – or 3.8 percent. Within this total, I am recommending an unprecedented County contribution of \$1.502 billion, \$26 million over the Maintenance of Effort requirement

of the State of Maryland and 99.3 percent of the Board of Education's request – a 3.8 percent increase in County funding. I have included a minimum of \$11 million from the MCPS fund balance to help fund the Board's request.

I am also recommending a significantly larger investment in Montgomery College – an educational institution serving thousands of County residents searching for a quality and affordable higher education.

For Montgomery College, my FY15 Recommended Operating Budget totals \$237.3 million, a \$8.9 million increase – or 3.9 percent. The County contribution is \$110.6 million – \$11 million over Maintenance of Effort and an 11 percent increase over last year.

Public Safety

When I first assumed office, one of my highest priorities was creating “safe streets.” And, right now the streets are safer, in large part because we have provided the resources needed to reduce crime. Between 2007 and 2014, while our tax supported County government budget went up 12 percent – our Police Department spending was more than double that amount – increasing nearly 28 percent. Despite our trying economic times, I increased full-time positions in the Police department – sworn and civilian – by more than 100.

The result is that in 2013, serious crime was down seven percent and all crime was down nine percent. Over the first seven years of my administration, serious crime was down 33 percent – more than twice the decrease in crime nationally over roughly the same time period. All crimes in the County were down 26 percent over the past seven years – almost three times lower than the national rate of nine percent, and the largest reduction in crime over the past twelve years.

All the men and women who work for the Montgomery County Police Department deserve our appreciation and respect. They have worked harder and smarter and more creatively to protect the lives and property of the residents of Montgomery County – and these numbers are proof of their dedication and success.

I have also made other improvements in public safety, such as opening our Family Justice Center to establish a one-stop shop to better serve families who are victims of domestic violence. My Positive Youth Development Initiative – a joint initiative of the Departments of Police, Recreation, and Health and Human Services – has established award-winning after-school programs aimed at at-risk youth, provided resources for intervention to pull kids out of gangs, and resources to suppress gang activity.

My recommended budget recognizes that there is always room for improvement. I am including a five percent, \$13 million increase for our Police Department, which includes funding for 23 additional officers and two forensic scientists. This increase is part of my multi-year plan to add 120 new sworn officers and 14 Police civilian employees – for a total of 134 additional staff. The proposal includes increasing the number of School Resource Officers, adding a Wheaton patrol unit, and also a Germantown Central Business District unit.

Under my administration, the Montgomery County Fire and Rescue Service (MCFRS), career and volunteer, have made substantial improvements in protecting the lives and property of County residents. Over the past seven years, Fire and Rescue response times have improved dramatically. For example, from the 911 call to arrival, advanced life support ambulance calls in urban areas of the County took about 16 minutes in 2007. That time has been reduced to 11.5 minutes – about a 27 percent reduction. Suburban response times were reduced by 20 percent and in rural areas by 21 percent. All of these improvements have been made despite significant population growth and a major recession.

In 2007, the time it took for fire dispatches to arrive at suburban areas of the County was 13.5 minutes. By 2013, this response time dropped to less than nine minutes, nearly a 33 percent reduction. And the response time was nearly 40 percent faster in urban areas of the County.

Montgomery County civilian fire deaths dropped from 13 in 2009 to two in 2012 and to four in 2013. Most of those fatalities were older residents. To address this troubling fact, I am including \$100,000 in the MCFRS' budget to strengthen our on-going outreach to seniors in the County who are most at risk for fire deaths. In total, I am recommending \$224.3 million for the Fire and Rescue Service, an increase of 3.4%.

Libraries

Due to the recession, the Department of Public Libraries saw some of the deepest reductions in County government, 26 percent between FY07 and FY12. Over the past two budgets, I started the process of rebuilding the most essential library services – hours, materials, and staffing. Just this spring, we have reopened renovated libraries in Gaithersburg and Olney.

My recommended budget continues to restore funds and services to the Department of Public Libraries. I have included nearly \$37.2 million for Libraries, a 6.7% increase from FY14. My recommended budget represents a 30 percent increase in Library funding since FY12.

This fall we will celebrate the opening of the new Silver Spring Library – and this budget includes the funding to fully staff that long-awaited facility. In addition, I am continuing my effort to increase services to library patrons around the County by increasing hours at 11 library branches: Davis, Marilyn Praisner, Potomac, Aspen Hill, Chevy Chase, Damascus, White Oak, Kensington Park, Little Falls, Long Branch, and Twinbrook. Altogether, library public service hours will increase by over five percent.

Positive Youth Development

The County's Police, Recreation, and Health and Human Services departments are working closely with community groups in my Positive Youth Development Initiative. This program ensures a coordinated, comprehensive approach to provide positive after-school opportunities for at-risk youth, interventions to keep them out of gangs, and resources to prevent and stop gang activity.

I am proud to say that these efforts have resulted in an almost 50 percent reduction in gang-related crimes from 2007 to 2012.

Last year, I added a sixth middle school site for our award-winning "Excel Beyond the Bell" Middle School program and added the summer component to all existing "Excel" middle schools. This year, I propose expanding "Excel" to an additional site in the Watkins Mill Cluster and adding a High School Sports Academy as well. I am also adding a new Linkages to Learning site at South Lake Elementary School. The successful multi-faceted program that brings together County government and MCPS' resources in the Kennedy Cluster will be expanded to the Watkins Mill Cluster. This program significantly expands services and targets the comprehensive needs of at-risk students and their families.

Senior Initiatives

My recommended budget expands our efforts to make Montgomery County a “community for a lifetime.”

My FY14 budget included a variety of enhancements to services for our senior population. For example, I improved senior transportation options through a public/private partnership with the Jewish Commission on Aging, which transports residents to and from our five senior centers – and to points in-between. We also expanded senior housing options through a \$6 million commitment to help develop 140 units of senior housing in Silver Spring.

My FY15 budget continues that focus. In addition to more resources dedicated to senior fire safety, I am proposing to restore operating hours at the County’s three senior centers that were reduced during the Great Recession. I am increasing County resources for adult protective services, adult foster and day care, for a senior ombudsman, and for caregiving services. I am increasing the income eligibility guidelines for the County’s Call ‘N’ Ride program to make sure more seniors can use the program. This change will increase services for over 900 residents of Montgomery County. We are also increasing funding for Ride On’s Kids and Seniors Ride Free programs.

Economic Development

Creating the jobs of the future in Montgomery County has been one of my top priorities.

In December 2013, the County’s unemployment rate fell to 4.1 percent – the lowest since 2008 and a nearly 30 percent decrease since its high during the Great Recession. Over the past two years of recovery, Montgomery County jobs are up three percent – a higher rate of job growth than in Fairfax County. Construction of new residential units in the County has more than tripled in the last three years. Non-residential construction has gone up more than 140 percent during that period – and its value has more than doubled.

Understanding their importance to our economic future, I provided leadership on critically-important County master and sector plans. In my first year, I successfully negotiated the purchase of Site Two in the East County from Washington Suburban Sanitary Commission. This parcel is crucial to ensuring the success of our White Oak Science Gateway. Working with businesses, the community, the Planning Board, and the Council, we will create 100,000 new jobs in the County through the Smart Growth Initiative, the Great Seneca Science Corridor, the White Flint sector plan, and the White Oak Science Gateway. That will be the biggest single growth in jobs in County history – more jobs than were added over the last 20 years combined. These projects will grow life sciences, stimulate quality jobs and commerce, and foster walkable communities, connected by transit, where residents can live and work.

My FY15 Recommended Operating Budget includes funding to repurpose the William Hanna Innovation Center to become the National Cybersecurity Center of Excellence. It increases Life Sciences and Incubator support by \$400,000. I am also recommending \$500,000 in County funding for BioHealth Innovation, the public-private partnership designed to take our County’s biotech excellence to the next level by enhancing the commercialization of critical research done in the County. This budget also provides continued County support for our successful Local Small Business Reserve Program and for the American Film Institute.

Under my administration, Montgomery County was the first local jurisdiction in the nation to establish a local Biotech Tax Credit, to give incentives for investment in local biotech firms. This year the County provided \$500,000 to eligible firms. Thanks to Council approval this spring, we also have a local Cybersecurity Tax Credit to similarly stimulate investments in County-based firms. My budget includes \$500,000 in available cybersecurity incentives in FY15.

Affordable Housing

Providing affordable housing opportunities for Montgomery County residents has been a priority of mine since I assumed office. This budget brings the County's total investment in affordable housing, during the last eight years, to nearly \$320 million, increasing the total resources available to spend in the Housing Initiative Fund by 10 percent over last year's level. This funding has enabled us to add housing units to the inventory of affordable housing and continue affordability for units which otherwise would have become unaffordable to our low and moderate income residents. These efforts have made housing available and affordable to 9,000 families in the County. Another benefit to the County has been the \$1 billion investment in housing development and rehabilitation leveraged with these funds during this recent period of economic uncertainty.

While many of the units produced and preserved were rental, we have also used some of these resources to provide direct rental assistance to 1,925 households in FY14, increasing to 2,069 in FY15 – an increase of 7.5 percent.

Funding in this budget continues our efforts to reduce the incidences of foreclosure in the County. In partnership with the State of Maryland Department of Housing and Community Development and local housing counseling agencies, we have held nearly 400 workshops and counseled over 13,000 residents facing foreclosure. These efforts have directly contributed to the decline of foreclosures in the County outpacing most in the region. We will continue our efforts to keep families in their homes. Preventing homelessness is the most effective means of addressing the homeless issue.

Health and Human Services

I have long believed that how we care for our most vulnerable residents is the best indicator of the quality of our community. I have included in my recommended budget significant additional resources for a variety of public health, behavioral health, and other critical safety net services.

These additional resources provided to HHS will include among other initiatives:

- Replace the federal Community Services Block Grant shortfall to continue service provision for low-income persons to achieve greater self-sufficiency;
- Replace the federal Emergency Solutions Grant shortfall to continue providing housing services to individuals and families experiencing a housing crisis or homelessness;
- Add funds for the Developmental Disability Supplement to support program growth due to increased enrollment and expanding service requirements among current clients;
- Provide nurse monitoring services to more than 2,000 senior and disabled clients receiving services through the State's new Medicaid waiver program, Community First Choice;
- Raise the Adult Foster Care reimbursement rate to reduce the gap between the County and State subsidy for senior assisted living group homes;
- Add funds for a Social Worker position in the Adult Protective Services/Social Services to Adults Program to address an increase in investigations of financial exploitation resulting from new bank mandatory reporting requirements;
- Add funds for Adult Day Care subsidies to increase the number of clients able to attend an Adult Day Care program two days per week for socialization and medical supervision;

- Add funds for a Caregiver Support Senior Fellow and operating costs to coordinate outreach to seniors and persons with disabilities regarding the available services to ease the burden on caregivers;
- Add funds for a Program Manager in the Long Term Care Ombudsman Program, allowing the program to add volunteers and provide more long-term care facility residents with protection and advocacy;
- Add a therapist in Trauma Services to expand clinical service capacity in the Abused Persons Program and address waitlists for victims of domestic violence;
- Increase contract psychiatric service rates to improve the County's ability to attract skilled psychiatrists to provide qualified services for Behavioral Health programs;
- Expand the Kennedy Cluster Project, a multi-agency collaborative service model, to enhance early childhood services, add one Linkages to Learning site at South Lake Elementary School, and increase staff support to reduce institutional barriers for students and families in the high-need areas to engage school activities and improve academic achievement;
- Create a Children's Trust to direct resources to county inter-agency and across-system collaborations among County agencies, MCPS, businesses, and communities in order to aggressively close the academic achievement gaps in Montgomery County and impact the social determinants that affect outcomes for children and their families;
- Enhance Saturday School Program through the George B. Thomas Learning Academy to serve the County's most at-risk students;
- Enhance the County's Welcome Centers to provide a wide array of support services, including financial literacy, legal counseling, and job placement and training, to meet the needs of low-wage and contingent workers;
- Provide a two percent adjustment for the developmental disability supplement and other tax supported contracts with non-profit organizations and residential treatment providers; and
- Add funds to support the Financial Reporting and Management Institute for Nonprofit Montgomery and to improve the capacity of nonprofit organizations and strengthen collaborations among all stakeholders.

Community Grants

As our County grows larger and more diverse, it becomes more challenging to meet the needs of that growing population. County government cannot and should not do it alone. We depend on the incredibly rich array of community organizations to supplement and augment County services. Very often, these groups are able to accomplish our mutual goals in a more cost-effective and culturally appropriate manner that best serves the community. They are also able to leverage other resources that are simply unavailable to County government.

These organizations provide services that include public health, behavioral health, safety net services, housing, the arts, early childhood, positive youth, seniors, veterans' services, and many other community building services. Montgomery County would not be the community we are without their existence.

I have made partnerships with these organizations an important hallmark of my administration and my recommended budget reflects the importance of these relationships. I am increasing the funds for community grants by nearly \$975,000 for a total of nearly \$5.9 million. Also, I have included approximately \$1.08

million within my CIP amendments for capital improvement grants to our community partners. In addition, I am including \$1.6 million for the separately determined Council community grants. This amount represents the total request by organizations that have historically received funding through the Council. However, as is true in the past, the Council determines the amount and distribution of community grant funding for their grant program.

In keeping with my belief that our County's diversity contributes to its strength, my Recommended Budget increases County funding for English adult literacy programs by 10 percent. In addition, this budget increases County funding for the Arts and Humanities by \$440,000 – or more than 11 percent.

Funding the Budget

My budget holds the line on property taxes for County homeowners at the Charter limit. In fact, the average County homeowner will see a \$17 reduction in property taxes over the next year. I am recommending a reduction in the property tax rate from \$1.01 per \$100 of assessed value to 99.6 cents. Because of the many difficult decisions we have made, along with prudent fiscal management, for the last three years, property taxes have been well below the rate of inflation. The property tax for each owner-occupied residence will include a credit of \$692 to limit the burden on homeowners and maintain a progressive property tax structure in the County.

During my administration, all County taxes, as a share of personal income, have gone down from an average of 4.41 percent in FY07 to a projected 4.0 percent in FY15 – a ten percent reduction.

My FY15 recommended budget assumes no increase in the Water Quality Protection Charge or the solid waste charges for County residents.

I am recommending a Washington Suburban Sanitary Commission (WSSC) budget that would result in an increase in water and sewer rates of six percent in FY15 in accordance with the budget recently approved by the WSSC.

Focusing on Productivity, Performance, and Accountability

We should continue to make every effort to make our operations more efficient, productive, and effective.

My CountyStat initiative continues its significant progress in tracking the County's performance in addressing challenges using real-time data and holding departments and agencies accountable for the results in a number of operational and policy areas. The CountyStat program provides a forum for on-going monitoring and measurement of the effectiveness and efficiency of County government services. This program has been a major success in improving the responsiveness and efficiency of the County government.

Our CountyStat meetings are open to the public and all CountyStat reports can be found at <https://www.montgomerycountymd.gov/countystat/>. The availability of information from this impartial source offers our residents and taxpayers an opportunity to fully examine some of the more critical resource issues in County government.

Montgomery County's nationally recognized new one-stop, non-emergency 311 phone and online system represents a significant step forward in responsiveness and accountability. We have expanded MC 311's hours in order to better serve working families and commuters and opened up the Call Center 24/7 during emergencies to complement County emergency efforts. In order to provide residents with the 24-hour ability

to request service, the 311 web portal was created. So far, the 311 system has fielded more than two million calls since inception – and we're well prepared to accommodate millions more. Additionally, more than 40,000 service requests annually are made through the County's 311 web portal.

I launched the County's Open Data program in December 2012, a good example of a program that is bearing positive results, increasing the transparency of County government and saving resources. The program is looked upon as a model among local governments. I met with agency heads and the heads of our municipalities in January 2014 to launch a Cross-agency Open Government Partnership in Montgomery County. These steps are in line with my belief that having already achieved much success with accountability systems such as MC311 and CountyStat, a responsive and accountable County government can continue to facilitate sustainability and resilience in the profit and not-for-profit sectors in our community.

In the future, we must continue to expand the Open Data program to unlock the power of government data to spur innovation, economic development, and improve the quality of services and life for our community. I have asked that the Open Data program be extended within County government to additional internal uses. Several departments are using it to collaborate internally and with external entities to develop programs in food recovery, right-of-way projects, and inspections of County managed assets. We are also working on extending Open Data uses to publishing an Open Checkbook and On-line Budgets.

Final Thoughts

Working together, we have accomplished a great deal under difficult economic circumstances. Thanks in part to the tough decisions we have made in these past, challenging years, Montgomery County is strong – and growing stronger. We are fortunate to live in one of the nation's best places to raise a family, obtain an education, earn a living, and build a business.

We have put our financial house in order and our budgetary foundation is much stronger. As a result, we are able to move forward to better provide the services and programs for our communities. Our job market is expanding. Our streets are safer. Our public school system is excelling. Our County is emerging ever-stronger from the recession, but much remains to be done.

I believe that the future begins here – in Montgomery County. And I think this budget continues the work we have already begun to build a future where there is opportunity for all.

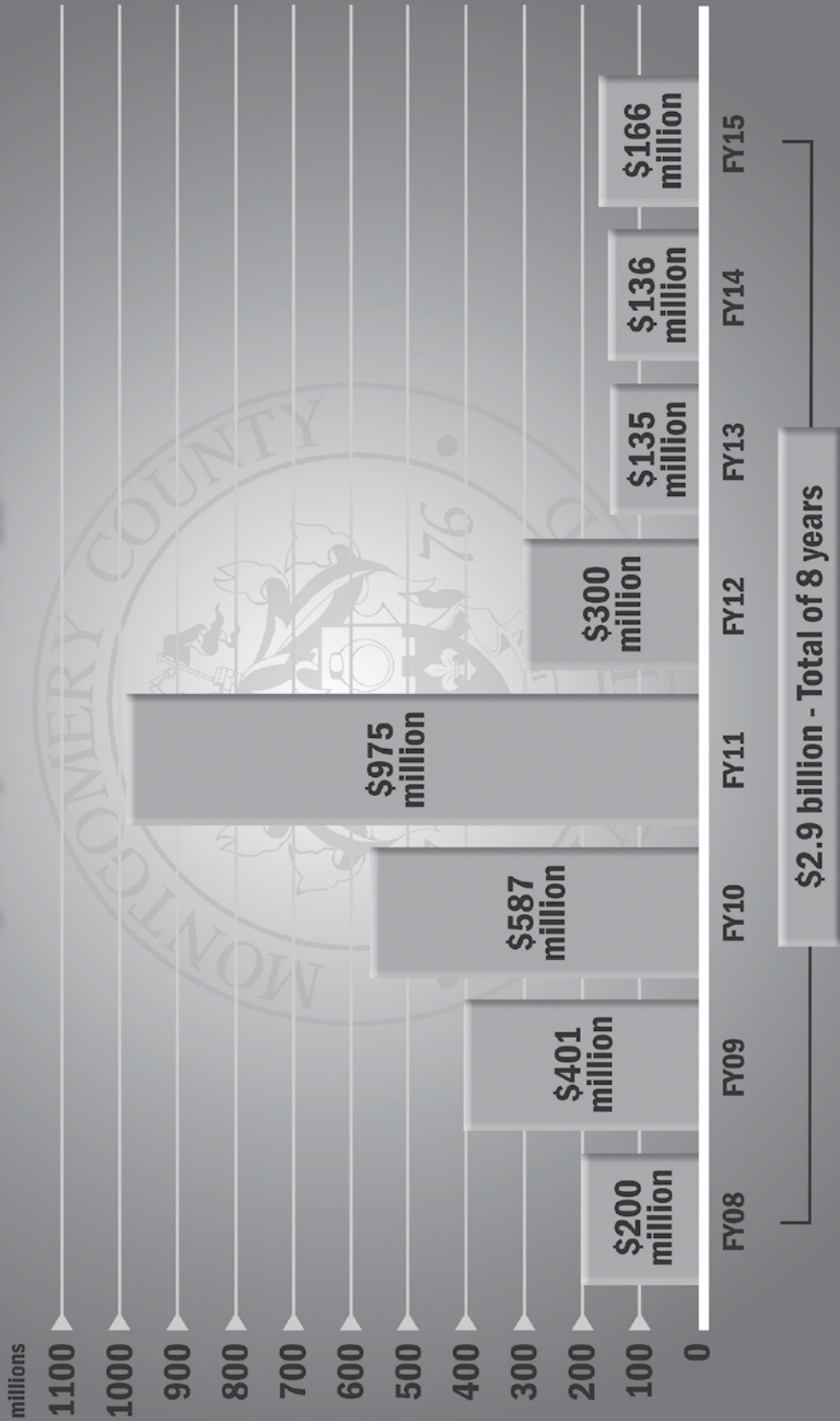
Finally, I want to thank those who contributed to the development of this spending plan including the Board of Education and the Superintendent at Montgomery County Public Schools; the Trustees and President of Montgomery College; the Chair of the Maryland-National Capital Park and Planning Commission and the Planning Board; the Commissioners and General Manager of the Washington Suburban Sanitary Commission; individual residents, as well as members of boards, commissions, and committees; community-based organizations; and directors, employees, and employee representatives of departments in all agencies.

Highlights of my recommendations are set forth on the following pages and details can be found in the departmental sections. The full budget can be viewed on the County's website at <http://www.montgomerycountymd.gov/omb/>. Details of the budget requests for MCPS, the College, M NCPPC, and WSSC can be seen in the separate budget documents produced by those agencies.

I look forward to working with the Council over the next two months on spending priorities and policy issues that arise. As always, Executive Branch staff is ready to assist you in your review and deliberations.

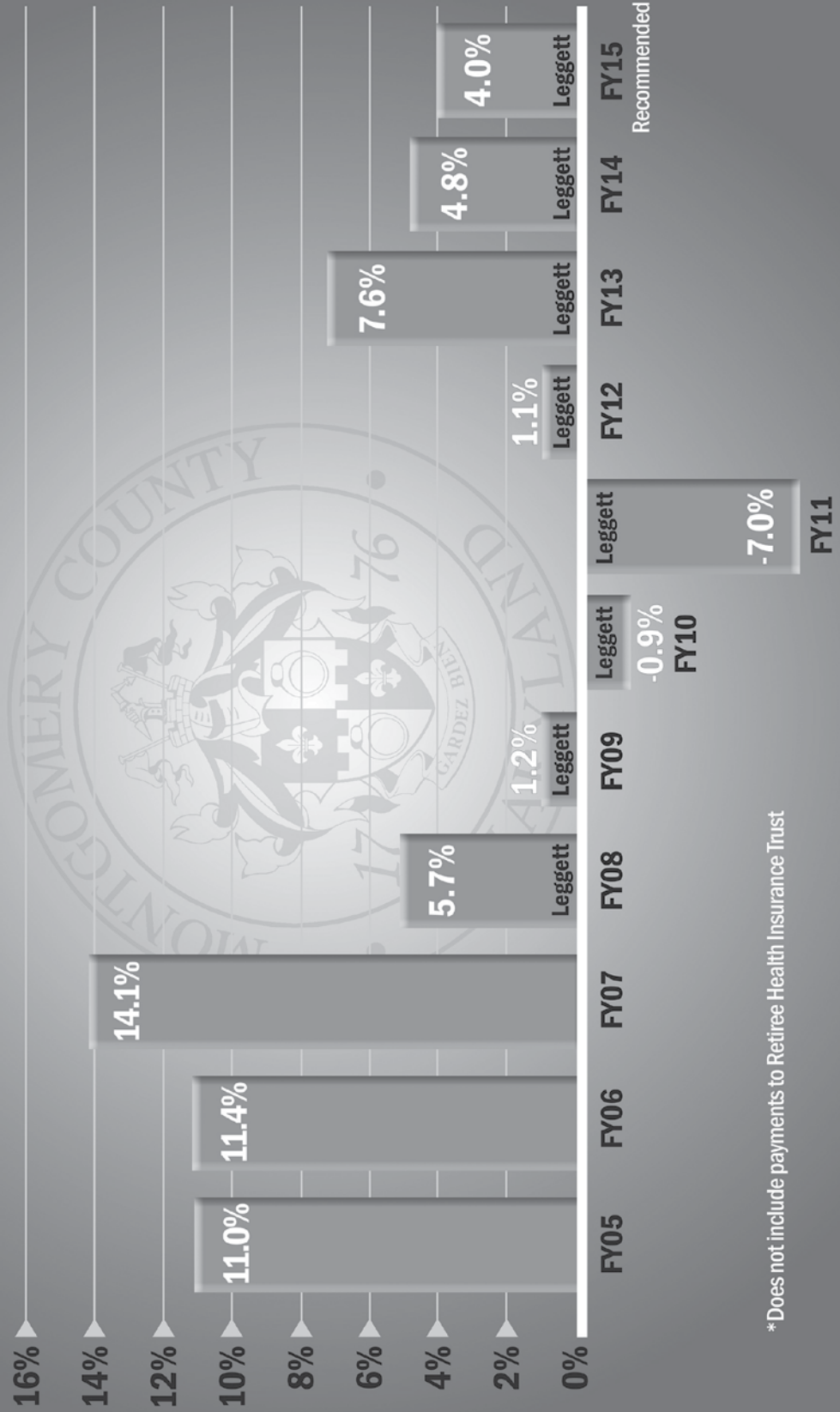
Budget Shortfalls Closed

by County Executive Leggett



County Government Spending

(Tax Supported)



* Does not include payments to Retiree Health Insurance Trust

Reducing Property Taxes

	FY14	FY15
Average Assessment	\$443,591	\$448,118
Property Tax Rate	\$1.010	\$0.996
Tax Credit	\$692	\$692
Estimated Tax Bill	\$3,788	\$3,771
Percent Increase/Decrease	2.06%	-0.45%
Inflation	2.24%	1.50%

The average Montgomery County homeowner will pay \$17 less in FY 2015, well below the rate of inflation.

Results by the Numbers:

Good News in the Midst of the Great Recession

Job Growth
2011-2013
Up 3%

Higher than Fairfax

County Reserves
FY10-FY15
Up 390%

New Residential
Construction
2010-2013
Up 300%

Increase in
Residential Road Repair
2007-2015 vs 1999-2006
Up 676%

All Crime Over 7 Years
Down 26%

Serious Crime Over 7 Years
Down 33%

Unemployment Rate
Since 2010
Down 30%

All County Taxes as
% of Personal Income
2007-2015
Down 10%

Fire and Rescue
Response Times
Down 11-38%

What's Down

What's Up



A Responsive and Accountable County Government...

- Montgomery County received the following awards in 2013:
 - Named the top digital county government in the United States by the Center for Digital Government, the National Association of Counties (NACo), and through the 2013 Digital Counties Survey;
 - NACo Achievement awards for ASK the CIO (Chief Information Officer), the Bike Share Research Tool, and the openMontgomery program;
 - National Technology Award for the County's openMontgomery Program; and
 - A finalist in the 2012 Information Security Executive North America Award.
- Continue implementation of the openMontgomery Initiative and deploy the GovStat module to measure and publish departmental performance data and publish an interactive, electronic budget book.
- CountyStat received a Certificate of Excellence Award from the International City/County Management Association Center for Performance Measurement; Montgomery County was one of only 28 jurisdictions in the United States to receive this highest level of recognition.
- Implementing a comprehensive modernization of the Tax Assessment System and an upgrade for the property tax billing system (including moving the system to a Cloud environment). These systems are used in the collection of over \$2 billion in revenues annually.
- Expanded the Enterprise Identity Management system to support employees, retirees, volunteers, partners, and citizens for greater application access and improved security.
- Developed, deployed, and improved Enterprise Resource Planning (ERP) Business Intelligence (BI) tools, such as adding reporting modules for grant/capital projects and positions.
- Implementing the ERP Oracle Warehouse Management and Tax Assessment Management modules.

- *County Report This Week* was named by the Alliance for Community Media the best Public, Education, and Government (PEG) News Program in America. The weekly half hour program is produced collaboratively by members of PEG Governance Board.
- Provide direct communication with residents through social media sites, YouTube, Facebook, and Twitter; and through electronic publications such as “The Paperless Airplane.”
- Improve service and convenience for residents by implementing an enhancement that supports the scheduling of next trash collection day’s pickup by the Department of Environmental Protection Solid Waste. Requests are accepted until midnight on the prior day.
- Expanded Executive Branch communications through a new half hour radio show broadcast on WOL 1450 AM, “Montgomery Mosaic,” and new cable television shows such as “My Green Montgomery,” “Mosaic: An African American Perspective,” and “Montgomery Al Dia.”
- Started projects through the new Innovation Program, including projects dealing with autism technology, open data, food access, interactive touchscreen kiosks, 21st century libraries, and text-to-give. Launched a website for the Innovation Program to solicit ideas from residents and provide updates on projects.
- Organized three new technology/data-driven County events: a Hackathon in association with the National Day of Civic Hacking, a Montgomery County Data Science Meet-up, and an Open Data Town Hall.
- Opened the County’s first Innovation Lab at Wheaton High School and assisted with the planning of a project based curriculum, in collaboration with Montgomery County Public Schools.
- Reduced fuel consumption through increased utilization of alternative fuel and advanced technology vehicles.
- Integrated the installation of radio and video equipment into the initial prepping of new vehicles; reducing the amount of time needed to prep the new vehicles.
- The Division of Building Design and Construction (DBDC) works to ensure that all new County buildings meet LEED Silver Certification. DBDC continues to work on the Energy Savings Performance Contracting Pilot Project to save over \$200,000/year in energy costs.
- Implemented a demand response program where small operational adjustments are made during periods of high electricity consumption. The County receives rebates while contributing to regional electricity grid reliability by reducing strain during periods of high demand. Environmental benefits also accrue as power plants need to run less, especially during hot days, improving air quality.

Affordable Housing in an Inclusive Community...

- Invest over \$26.9 million for Affordable Housing including the Montgomery Housing Initiative (MHI) fund and utilize \$15.9 million from the Affordable Housing Acquisition and Preservation Capital Improvements Program (CIP) project. This increases dedicated funding by more than 10% over FY14 and provides for renovation of distressed housing, the acquisition and preservation of affordable housing units, creation of housing units for special needs residents, services to the “Building Neighborhoods to Call Home” and “Housing First” and creation of mixed-income housing. This brings the total investment in affordable housing since FY08 to \$320 million.
- Use resources from the MHI fund to support rental assistance programs to the Department of Housing and Community Affairs (DHCA), Health and Human Services (HHS), and the Housing Opportunities Commission (HOC). A total of 1,925 households were assisted in FY14 and 2,069 households in FY15 – an increase of 7.5 percent.
- Funding from Federal Grants (Community Development Block Grant (CDBG), the HOME Partnership Grant (HOME), and the Emergency Solutions Grant (ESG)) continues, which provides funding for affordable housing, housing rehabilitation, commercial revitalization, focused neighborhood assistance, public services, and preventing homelessness.
- Broke ground on a new public/private partnership redevelopment project on the current site of Public Parking 3 in the Fenton Street Village area of Silver Spring. Phase I of the project, now in construction, involves a mix of market rate and affordable housing and street front retail above a two-level County owned public parking garage. The project also involves a significantly sized area of green space as a public amenity.
- Administer the State funded Weatherization Assistance Program which provides energy saving housing renovations for income eligible County residents.
- Special Needs Housing expanded the Housing Initiative Program (HIP) by 45 households in FY14, which includes a new initiative for 25 medically vulnerable adults identified using a medical vulnerability assessment that is based on the vulnerability index utilized by the 100,000 Homes Campaign.

- Replace the federal Emergency Solutions Grant shortfall to continue providing housing services to individuals and families experiencing a housing crisis or homelessness.

An Effective and Efficient Transportation Network...

- Administer the first bikeshare transit system in the State of Maryland, extending Capital Bikeshare into the Bethesda/Friendship Heights, Silver Spring/Takoma Park, and Rockville/Shady Grove/Life Sciences Center areas. County residents can join Capital Bikeshare and bike ride in the County as well as partner with the jurisdictions of the District of Columbia, Arlington, and Alexandria.
- Enhance Call ‘N’ Ride eligibility requirements to increase subsidies of the monthly payments for 500 current participants, and add 431 new participants to the program.
- Implemented new bus service in Germantown, Gaithersburg, Potomac, and White Flint; and implemented new “Meet the MARC” bus service from Clarksburg to Germantown.
- Extend the hours by one hour for the Kids Ride Free Program Monday through Friday from 2pm until 8pm.
- Oversee an expanded resurfacing program, which went from 24 lane miles in FY14 to 129 lane miles in FY15.
- Initiated the County’s first Light Emitting Diode (LED) street lighting project in an effort to reduce energy and maintenance costs. Approximately 100 new LED street lights are being installed along New Hampshire Avenue, and approximately 180 existing street lights in Damascus are being converted to LED lights.
- Completed Pedestrian Safety measures for Reddie Drive; Randolph and Selfridge Roads’ measures are under construction; and initiated the Fenton Street Pedestrian Road Safety Audit.
- Replace the on-street parking meters and meters in public parking lots in Silver Spring with a combination of new, more customer friendly “Smart” parking meters and Pay By Space systems.

- Open the Capital Crescent Garage (Public Parking Garage 31) in Bethesda at Woodmont and Bethesda Avenues in FY15. This new, state-of-the-art, 950 space public parking facility will include 60 foot clear spans and raised ceilings, a security system with video cameras and call stations, electric vehicle charging stations, and enhanced bicycle parking for easy access to the adjacent Capital Crescent Trail.
- Select a vendor for a Power Purchase Agreement (PPA) based on the solar generation of electricity. The PPA vendor will own, install, and maintain solar panels located on the rooftops of selected County owned garages and will provide the generated power to the County at negotiated below market rates under a 20 to 30 year agreement.
- Received 40 new buses and accelerated bus replacement plan with the retirement of Champion buses.
- Developed and implemented customer service strategic plan to

Children Prepared to Live and Learn...

- Provide resources to accommodate the enrollment of 154,178 students in the school system.
- Make a County contribution to MCPS of \$1,541.1 million, including \$38.2 million in carryover and \$37.8 million of local contribution for State retirement. The County contribution exceeds the State Maintenance of Effort Law requirements by \$26.0 million.
- Support MCPS programs through expenditures in other County departments, such as HHS, Public Libraries, Recreation, Community Use of Public Facilities (CUPF), Environmental Protection, and Police, totaling \$68.5 million in FY15, an increase of \$16.8 million from FY14.
- Expand the Kennedy Cluster Project to the Watkins Mill Cluster, a multi-agency collaborative service model, to enhance early childhood services, add one Linkages to Learning site at South Lake Elementary School, and increase staff support to reduce institutional barriers for students and families in the high-need areas to engage school activities and improve academic achievement.
- Create the Children's Trust, which will support services to improve educational outcomes for children (from birth to age 18) and families by addressing social determinants that impact the educational achievement gap. The Executive is launching this multi-disciplinary partnership approach to support student and family success. The approach is a collaboration led by a Governing Board made up of County leaders and supported by Department Directors

through an Operations Committee with financial management and private sector fund leveraged through the Community Foundation.

- Enhance the Excel Beyond the Bell program to add Excel Beyond the Bell at Montgomery Village Middle School.
- Add an additional high school Sports Academy program in January 2015 to Watkins Mill High School in the effort to address needs in the upper County area.
- Enhance Saturday School program through the George B. Thomas Learning Academy to serve the County's most at-risk students.
- The new Montgomery County Early Childhood Advisory Council (ECAC) was formed in 2013 to advise the County on issues related to the well-being of children and families and to assist in the development of initiatives that help children enter school ready to learn.
- Create a new Positive Youth Development initiative to provide a Summer Teen Mobile Recreation Program to six Montgomery County Public Schools' summer nutrition sites (summer lunch). This program will pair physical activity and healthy eating, enhance connections to Recreation departmental resources, and reduce the overall idleness of young people.

Healthy and Sustainable Communities...

- Replace the federal Community Services Block Grant shortfall to continue service provision for low-income persons to achieve greater self-sufficiency through technical assistance and case management so they can access public and community resources.
- Add funds to the Developmental Disability Supplement to support program growth due to increased enrollment and expanding service requirements among current clients.
- Increase the number of clients able to attend an Adult Day Care program two days per week for socialization and medical supervision.
- Add funds for a Caregiver Support Senior Fellow and operating costs to coordinate outreach to seniors and persons with disabilities regarding the available services to ease the burden on caregivers.
- Raise the Adult Foster Care reimbursement rate to reduce the gap between the County and State subsidy for senior assisted living group homes.

- Provide nurse monitoring services to more than 2,000 senior and disabled clients receiving services through the State's new Medicaid waiver program, Community First Choice.
- Add funds for a Social Worker position in the Adult Protective Services/Social Services to Adults Program to address an increase in investigations of financial exploitation resulting from new bank mandatory reporting requirements.
- Linkages to Learning (LTL) implemented the Massachusetts Family Self Sufficiency Scales and Ladders Assessment to measure the progress and outcomes for families in areas including housing, employment, health, and youth and family development.
- Add funding to support a 2% inflationary adjustment for the developmental disability supplement and tax supported contracts with non profit organizations and residential treatment providers.
- Enhance the County's Welcome Centers to provide a wide array of support services, including financial literacy, legal counseling, and job placement and training, to meet the needs of low wage and contingent workers.
- Extend Senior Nutrition Program's congregate meals to the newly opened White Oak Community Center three days per week, serving 25-30 meals per day.
- Continue to work with multiple non-profit organizations to provide computers, bicycles, building supplies, books, and other items to people recommended through social service agencies and educational institutions.
- The Commission on Veterans Affairs (CVA) obtained 65 vouchers in housing subsidies for the County's homeless veterans through the Federal Veterans Affairs Supported Housing program from the U.S. Department of Housing and Urban Development.
- Served approximately 2,000 customers per day delivering waste and recyclable materials to our facilities for proper recycling or disposal.
- Worked with Transfer Station and Recycling staff to launch an anti-litter campaign, identifying and assisting customers who transport refuse without a tarping cover.
- Continue to address the increase in Stormwater Management projects throughout the County by adding additional staff and project support proportionally to the number of projects in the current implementation schedule.

- Continue the multimedia program begun in FY14 to increase awareness of the County's recycling program and the updated County goal of recycling 70% of materials in the waste stream.
- Designed, began construction, or completed construction on 3,200 acres of impervious area of the 4,300 acre goal associated with the County's current MS4 permit.
- Restored over 6,588 linear feet of degraded stream channels in Cabin John Creek and Northwest Branch watersheds.
- Completed the implementation of 30 stormwater management practices in Rock Creek, Great Seneca Creek, and Sligo Creek watersheds.
- Accepted over 1,800 new Environmental Site Design practices and 1,050 stormwater management facilities (600 underground, and 450 aboveground) for inspection into the Stormwater Management Facility Inspection Program.
- Launched the Green Landscape Business Certification Program to help address the County's water quality and other environmental goals; nine landscape businesses have been certified to date.
- Partnered with the Montgomery County Chamber of Commerce to launch the Green Business Forum, a quarterly discussion on issues related to greening business operations and the green economy.
- Launched a pilot project in the Rock Creek Watershed to provide outreach and pet waste management stations; and to evaluate effectiveness in reducing bacteria and nutrients from three privately owned community common areas.
- Initiated the Credit and Hardship programs and grants to Homeowner Associations (HOAs) on July 1 in accordance with the new Water Quality Protection Charge (WQPC) legislation.
- Led efforts to pass legislation to protect and increase the amount of tree canopy through planting following development. As a result of this legislation, add one Senior Permitting Specialist for the technical review of building, sediment control, and right-of-way plans and one Senior Permitting Services Inspector for sediment control and right-of-way inspections.



Safe Street and Secure Neighborhoods...

- In 2013, overall crime decreased in Montgomery County by nine percent from 2012.
- In the past seven years, “serious” crime dropped by 33 percent in the County, twice the decrease nationally during the same period.
- In the past seven years, “all crime” has dropped by 26 percent in the County, three times the decrease in all crime nationally during the same period.
- Opened the new state-of-the-art Animal Services and Adoption Center in Derwood, which replaced the outdated and undersized Animal Shelter in Rockville.
- Continue implementation of the Police Department’s Staffing Plan, based on analysis of crime statistics, workload analysis, and deployment software.
- Recruited, hired, and trained over 240 law enforcement personnel to address an unprecedented number of retirements.
- Promote public safety with enhanced patrol staffing in Wheaton (4D) and Montgomery Village (6D) and the addition of two School Resource Officers, approaching the goal to provide a police officer in every public high school in the County.
- Enhanced staffing in investigative and specialized units to address emerging needs including the following: Missing Persons Unit, Sex Offender Registry, 6th District Investigative Section, and Crisis Intervention Team.
- Established a Managed Search Operations Team (MSOT) to become the County’s primary search, rescue, and recovery unit. This unit received a Certificate of Special Congressional Recognition for distinguished work in endangered missing persons incidents.
- Opened the relocated 3rd District Police Station in White Oak, which replaced an outdated and undersized 50 year-old facility in downtown Silver Spring. This is the first newly constructed District police station in over 30 years.
- The Circuit Court increased the number of staff attorneys at its Family Law Self Help Center in FY14, hiring an attorney who is bilingual to serve the increasing number of Spanish-speaking residents who seek assistance with their family law matters.

- Continue Montgomery County Fire and Rescue Service multi-year initiative of civilianizing select positions. FY15 initiatives include:
 - Complete the civilianization of uniformed inspectors to non-uniformed inspectors in the Fire Code Compliance Section for an anticipated savings of \$1.0 million annually;
 - Civilianize one uniformed position in the Fleet Section and one uniformed position in the Self Contained Breathing Apparatus Section for a savings of approximately \$80,000 per year; and
 - Begin a multi-year initiative to civilianize uniformed dispatch positions in the Emergency Communications Center (ECC). Once completed the annual savings is projected to be approximately \$2.0 million.
- Opened the new Travilah Fire Station in the Darnestown-Fallsgrove area, increasing basic life support capabilities and significantly reducing response times to fire, rescue, and Emergency Medical Services (EMS) emergencies; the station opened with a four-person Advanced Life Support (ALS) paramedic engine and a basic life support EMS transport unit.
- The Office of Consumer Protection (OCP) assumed its new role as Patient Advocate regarding the EMS Insurance Reimbursement program. OCP developed and implemented a program of high level customer service to both County and non-County residents and will continue to serve as a liaison with Fire and Rescue Service's third party vendor to ensure that any billing issues are promptly resolved.
- Continue to prosecute cases of financial elder abuse, physical abuse, and neglect of the elderly through the State's Attorney's Special Prosecutions Division and the Family Violence Division. The units collaborate with the Elder and Vulnerable Adult Abuse and Neglect Task Force of Montgomery County to combat elder physical and sexual abuse, neglect, and elder financial exploitation.
- Replace expired federal funds through the ARREST grant with County funding, continuing the services provided at the Montgomery County Family Justice Center (FJC) by funding three bilingual Client Assistance Specialists.
- The "Choose Respect – Teen Dating Conference," sponsored by the Domestic Violence Coordinating Council and the Family Justice Center, successfully completed its fifth annual event.
- The new space expansion at the Family Justice Center has made it possible for the community grants partners - The Muslim Community Center, Asian/Pacific Islander Program, Jewish Coalition Against Domestic Abuse, and Family Justice Center Foundation – to bring their clients to the Center to coordinate services through enhancing service delivery.

A Strong and Vibrant Economy...

- Support funding for the Green Technology Investor Incentive Program and the Cybersecurity Investment Tax Credit Supplement Program; and introduced two programs in FY14 to promote strategic industry growth by providing incentives for private investments in green technology and Cybersecurity companies.
- The County's job retention, attraction, and creation efforts led to 47 out of 54 interested companies to start up, expand, or relocate to the County. The 47 companies are projected to retain and create 2,254 jobs, lease 232,000 square feet of office space, and generate \$56 million in capital investment over the next 3-5 years.
- Expand the Life Sciences Incubator Programming and Support.
- Partnered with the State of Maryland and the National Institute of Standards and Technology (NIST) to become the new home to the National Cybersecurity Center of Excellence, positioning the County to be the epicenter of this emerging and fast growing industry.
- Support funding of the Montgomery Moving Forward initiative to assist unemployed and underemployed County residents in gaining employment in the health and wellness industry.
- Convert the William Hanna Innovation Center to become the National Cybersecurity Center of Excellence.
- Through business assistance efforts, staff worked with over 300 businesses, organizations, and federal agencies in Montgomery County, resolving over 600 issues, retaining over 1,400 jobs, and creating approximately 850 new jobs.
- Through the Economic Development Fund, facilitated the retention and expansion of businesses in the County, including the addition of 242 new jobs to the 818 employee base for Sodexo, Emergent Biosolutions, Inc., and Precision for Medicine, Inc.
- Executed a general development agreement with a private partner for the redevelopment of Wheaton. This project will include an office building to house the headquarters of the Maryland National Park and Planning Commission (M-NCPPC), as well as, the County Departments of Permitting Services and Environmental Protection. It also includes a 400 space public parking garage and a large Town Square as a public meeting and event space. In conjunction with the project, the private partner will be building a mixed use retail/residential building on the Wheaton site and a second retail/residential complex on the site of the former M-NCPPC headquarters in Silver Spring.

- Created the New Farmer Pilot Project to encourage agricultural entrepreneurs to choose Montgomery County as a home for their start up businesses, resulting in four new farm enterprises in Montgomery County.

Vital Living for All of Our Residents...

- Open the new Silver Spring Library in fall of 2014. Silver Spring Library will open with 69 Public Service Hours (PSH), an increase of 18 PSH over the current Silver Spring Library; Library PSH will increase overall by 62 per week to a total of 1,189, a 5.5% increase.
- Expand Public Service Hours by up to four per week at the following eleven library branches: Davis, Marilyn Praisner, Potomac, Aspen Hill, Chevy Chase, Damascus, White Oak, Kensington Park, Little Falls, Long Branch, and Twinbrook.
- Continue to support individuals seeking the opportunity to learn English by increasing the Montgomery Coalition for Adult English Literacy's (MCAEL) budget by \$100,000; these additional funds will be used for capacity building grants that directly support English language programs.
- Provide for the staffing and operating costs associated with the re-opening of the Scotland Neighborhood Recreation Center in the fall of 2014.
- Restore hours at three Senior Centers that were cut during the financial crisis. This includes restoration of Friday hours (8) at the Margaret Schweinhaut Senior Center, the afternoon hours (8) at the Damascus Senior Center, and the Saturday hours (7) at the Holiday Park Senior Center. By increasing these hours, we will be able to offer 15-25% more programs, services, classes, etc. each week to help meet the growing needs of our seniors.
- Create a one-stop service solution through ActiveNet software, in which constituents will now go to one online place for services such as registration, memberships, and payments for M-NCPPC, CUPF, the Charles W. Gilchrist Center for Cultural Diversity, and the Department of Recreation. Recreation is leading this effort, which is currently in the transitional phase. The Technology Modernization CIP project will be amended to include funding to implement ActiveNet in FY15. As the system is deployed, ongoing ActiveNet system costs will be reflected in the operating budget.

- The Montgomery County Commission on People with Disabilities worked to have a special hiring authority to promote the hiring of qualified people with disabilities similar to the federal government, which was overwhelmingly supported by County voters during the 2012 election. Since July 2013, nine persons with severe disabilities have been hired using the special hiring non-competitive process. An additional four persons have been hired under contract.
- The Montgomery County Commission on People with Disabilities and Commission on Veterans Affairs worked with the County to pass legislation to create a hiring preference for initial appointment to a County Merit System position for veterans with a disability, veterans without a disability, and for persons with a disability.
- Continue to help fund the operation of the Piney Branch Elementary School Pool in Takoma Park by providing \$73,000 in contractor costs.
- Provide a contract professional to operate and support the new management/theater company of the Silver Spring Black Box Theater for one year.
- Provide financial support to victims through the Partnership Fund for victims of hate violence incidents.
- Coordinated the First Annual Friendship Picnic with the Committee on Hate Violence, advocating community unity and non-violence.
- Held a One Stop Fair Housing Workshop, a one Stop Shop Fair Employment Compliance Workshop for Small Employers, and a Lesbian, Gay, Bisexual, and Transgendered (LGBT) Forum on Civil Rights Issues and Public Safety.
- Using staff, volunteers, contract support, and private funding raised through the Fund for Montgomery, the Community Engagement Cluster sponsored or played a major role in 27 community events, with a combined participation of more than 200,300 residents of Montgomery County.

Funding The Budget...

- Recommend a total County budget from all sources of \$4,970,806,004, which is \$159.6 million, or 3.3 percent, more than the FY14 budget.
- Recommend tax-supported funding for Montgomery County Government of \$1,477.9 million, an increase of 1.2 percent.
- Funding for Montgomery College's tax-supported programs increases by \$8.9 million, a 3.9 percent increase compared to FY14. County funding for Montgomery College is recommended to increase by \$11 million or 11 percent.
- Funding for MCPS will increase by \$79.8 million, a 3.8 percent increase from FY14 and an increase of \$54.6 million in County funding over last year. The budget funds 99.3 percent of the Board of Education's tax-supported request.
- Tax-supported funding for M-NCPPC increases by \$5.8 million or 5.2 percent from FY14.
- Recommend property taxes at the Charter limit with a \$692 homeowner's property tax credit to support a progressive property tax structure.
- Fund WSSC's FY15 operating and capital budgets in conjunction with a 6.0 percent rate increase consistent with the spending control limits adopted by the Montgomery County Council.
- 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 70 years of age. This credit is calculated as 25 percent of the combined State Homeowners' Tax Credit and County Supplement.
- Retains the energy tax at the level approved by the Council in 2013, preserving a broad-based revenue source that includes federal institutions located in the County.

FY15 Budget

The County Executive's Initiatives to Build Accountability for Results

The Montgomery County Results

"However beautiful the strategy, you should occasionally look at the results."
Winston Churchill

Following his election, County Executive Isiah Leggett asked a group of 150 residents representing diverse interests and cultures to identify the qualities of life in Montgomery County that matter most. They identified what are now called the Montgomery County Results, also known as Montgomery County priority objectives:

- A Responsive and Accountable County Government
- Affordable Housing in an Inclusive Community
- An Effective and Efficient Transportation Network
- Children Prepared to Live and Learn
- Healthy and Sustainable Communities
- Safe Streets and Secure Neighborhoods
- A Strong and Vibrant Economy
- Vital Living for All of Our Residents

Building a Culture of Accountability for Results

The County Executive believes that local government can – and must – continually strive to do a better job in its use of finite public resources to help achieve and sustain the Montgomery County Results. However, to achieve this goal the County Executive realized that a culture change was required. To establish and maintain a results-based culture, the County Executive, therefore implemented the following initiatives. These initiatives work together in a coordinated fashion to use data and objective measures to improve performance and the use of all County resources.

▪ Results-Based Budgeting

At the direction of the County Executive, the Office of Management and Budget, CountyStat, and County operating departments, realigned the County's budget process to focus on results rather than annual, incremental changes. Results-Based Budgeting ensures resource allocation based on County priority objectives to make government more responsive, programs and initiatives are operating effectively and efficiently, and tax dollars are spent wisely through the use of performance data as a primary basis for review and analysis of budgetary requests. The fiscal year (FY) 2009 Operating Budget, as a first step, introduced Department Headline Performance Measures, which are described below. Beginning in the FY10 budget, the Headline Measures were supplemented by the inclusion of program level measures. Beginning in FY11, operating budgets were systematically

reviewed in multi-departmental groups. Group reviews were designed to ensure the interrelationship and risk of proposals for reductions or increments in each department were fully evaluated and collaboratively presented to the County Executive. When fully implemented, Results-Based Budgeting will:

- Rely on historical and projected performance data and other reliable and relevant evidentiary data to justify budgetary allocations through the demonstration of performance results;
- Document the “return on investment” expected from budget expenditures by assessing the impact of those expenditures on the customers of County services (“customer results”), the quality of life in Montgomery County, and the Montgomery County Results;
- Enhance opportunities for cross departmental/agency coordination and resource allocation decisions, since the corresponding impact of resource changes on performance can be evaluated in a timely and objective manner;
- Use data systematically and transparently to drive the decision-making processes by which finite resources are allocated to achieve both customer results and the Montgomery County Results;
- Provide a better basis for decision making and administration of annual budgets, including additional investments or budgetary reductions, since these decisions would be based on alignment with priority objectives and performance data. This includes changes of the use of base funding if such changes will improve results, as opposed to limiting such decisions to only new or incremental funding;
- Routinely seek improvements to productivity and no-cost or low-cost solutions to problems; and
- Be used for the annual budget development and review process, as well as any mid-year decisions.

Moving to a results-based accountability system is a work in progress requiring a continual evolution in the County’s corporate culture and internal systems and processes to focus management and staff efforts on improving performance and achieving the County’s priority objectivess.

■ **CountyStat**

CountyStat is a component of the County’s results-based accountability system, and a mechanism for performance management in Montgomery County government. Its goal is to improve government performance through greater accountability and better transparency into County challenges and successes, thereby, moving the County forward towards a culture of “managing for results” and a more effective and efficient County government. CountyStat is guided by four simple principles: require data-driven performance; promote strategic governance; increase government transparency; and foster a culture of accountability. CountyStat meetings, led by the Chief Administrative Officer, are held on a routine basis as a tool to examine the results of departments’ activities and make continual adjustments in the direction of programs in order to achieve the objectives.

CountyStat provides an array of facilitation and analytic support services not always realized through a formal CountyStat meeting. These services allow the County government to make informed decisions based on rigorous analysis. CountyStat staff focuses on strategic-level decision-making processes that lead to systemic change. This work includes, but is not limited to, consultation on departmental strategic planning, cost benefit analysis, program evaluation, quantitative and qualitative investigative studies and extensive survey development, implementation and analysis.

CountyStat manages the following results-based accountability tools:

□ **Department Headline Performance Measures & Departmental Performance Plans**

The County Executive directed department directors to focus their management on the achievement of “customer results.” As a first step, each department identified, not just their customers and the services they deliver to those customers but, most importantly, the outcomes they hope to achieve for those customers.

Departments then identified “Department Headline Performance Measures,” data to gauge: (1) the extent to which the desired results are being achieved, and (2) the efficiency of each department in achieving its results. Headline measures do not attempt to measure all the work performed by the Departments do; instead they focus on the core missions of departments and, with a small set of outcome measures, are used to monitor department performance.

In addition to the Headline Measures, all County departments developed Department Performance Plans. Each Plan begins with the Department Headline Performance Measures, gauging how well customer results are being achieved, as well as the department’s operational efficiency. Then the Performance Plan provides a succinct analysis and an action plan, including a budget, for improving performance – as measured by the trend lines of the Department Headline Performance Measures. These documents are used by Departments as strategic planning devices and by the County Executive to hold Department Directors accountable for outcome results.

□ **Montgomery County Performance Measurement Dashboard**

CountyStat created an online-accessible performance reporting dashboard, which includes all departments’ Headline Performance Measures. This dashboard, located on the County’s website at www.montgomerycountymd.gov/countystat, serves as a valuable tool for policymakers and residents enabling them to monitor County performance over time to ensure the needs and priorities of residents are consistently met by County policies. It is a key component of the County Executive’s goal of increasing governmental transparency.

■ **openMontgomery**

In 2012, the County launched the openMontgomery program - the latest phase in the County’s open government program to promote even greater transparency and accessibility than previously achieved with CountyStat, MC311, and the County’s improved, mobile-enabled web portal. The openMontgomery program, including the accompanying Montgomery County Digital Government Strategy document, is acclaimed as the first of its kind among local governments. openMontgomery (<http://montgomerycountymd.gov/open>) is comprised of four pillar platforms:

- **dataMontgomery** (<http://data.montgomerycountymd.gov>) provides a centralized portal for users to access County government data in consumable formats. dataMontgomery provides the public with an opportunity to review and analyze

raw data and use it for a variety of purposes, including building custom and mobile applications and connecting them to County government services. These offerings benefit County residents, and facilitate economic activity and vibrant communities. Datasets published include: the FY14 Operating Budget, Food Inspection Results, Employee Salaries, MC311 Service Requests, Residential and Commercial Building Permits, Spending Disclosure, Contracts, Real Employee Tuition Assistance, Reported Sanitary Sewer Overflows, Cable Complaints and Inspections, Election Polling Places Maps (including Early Voting), and maps for all public Schools, libraries and Health and Human Services facilities. dataMontgomery is expected to reduce the need for the number of Freedom of Information Act requests, which can be expensive for both the County government and the requesting entity.

- **engageMontgomery** (<http://engage.montgomerycountymd.gov>) provides the public another way to participate in open government. It provides on-line channels and forums where the public can offer ideas and feedback, voice concerns, and participate in online discussions with County government on any number of concurrent subjects. The Executive Branch utilized engageMontgomery to consult with the public on the FY14 and FY15 budget formulation. Other topics included transportation and the environment.
- **mobileMontgomery** (<http://montgomerycountymd.gov/open/mobile.html>) presents the County's web sites and applications (apps) on mobile devices (e.g., tablets, Smartphones) for use anytime and anywhere. Using these services, the public can access information (some in real time) about the budget, emergencies, services (e.g., bus arrivals, snow/debris removal, etc.) and through the mobile MC311 system can make non-emergency service requests, receiving status and notifications.
- **accessMontgomery** (<http://montgomerycountymd.gov/open/access.html>) provides direct on-line access to critical county information and publications related to the budget, County government performance, including MC311, CountyStat, internal audits, Inspector General audits, and spending disclosures. Also, accessMontgomery contains information about the County's contracts, open solicitations, and locations where the County offers free Wi-Fi. The County implemented on-line tools to measure customer satisfaction and web-portal activity. The adjustments resulting from these measurements have improved customer satisfaction with constituents by over 15 percent.

The four platforms work together to open the County's data sets in consumable formats; consult the public on topics of importance to them; serve County services on Smartphones and other mobile devices in 72 languages; and provide access to County documents and reports not previously available. The FY15 budget funds further expansion of the openMontgomery program to improve customer services.

■ **Montgomery County Indicators Project**

CountyStat worked with Departmental, Agency, and community stakeholders to develop a set of indicators that represent a high-level barometer of County performance and reflect the quality-of-life in Montgomery County, benchmarked against a regional and national grouping of comparable jurisdictions. This is an additional data tool for the County, as it assesses its progress towards achieving its priority objectives.

To connect all of these various performance management and data driven decision-making tools, CountyStat mapped the interrelationships between the priority objectives, County indicators and related benchmarking, departmental headline performance measures, and results-based budgeting. All of these tools work together to assist County government in its effort to create an environment of transparency and accountability.

- **Focusing on Customer Results**

The County Executive has launched several initiatives, in addition to Results-Based Budgeting, focused on improving “customer results,” including:

- **MC311/Constituent Relationships Management System**

The deployment of **the County’s nationally-recognized 311 one-stop, non-emergency phone and online system** has represented a significant leap in responsiveness to our residents. In the three and a half years since the June 2010 launch of MC311, over two million requests have been handled. In 2012, the County expanded MC311’s hours by two hours to 7 PM Monday through Friday, in order to better serve working families and commuters.

The MC311 web portal (www.MC311.com) is available 24/7 to obtain information and to create service requests for County Government programs. On average, over 41,000 customers visit the web portal each month.

The CRM system offers residents a single point of contact for telephone and online inquiries and complaints and is an important tool to assist the County in making resource allocation decisions and tracking department responsiveness

- **Enterprise Resources Planning System**

The County is modernizing its Core Business Systems to improve efficiency, effectiveness, and responsiveness. The Enterprise Resource Planning system (ERP) provides a significant upgrade to the County’s financial, procurement, human resources, and budgeting systems, streamline business processes, and produce enhanced reports for data-driven decision making – all key to improving customer results. In FY11, the County successfully implemented the financial, procurement, and human resource systems on-time and within budget. In FY12, the County effectively implemented PeopleSoft Retiree Pension, Oracle Compensation Workbench, Inventory, Work Orders, iExpense, iSupplier, iReceivable, and Advanced Collection. In FY13, the County successfully implemented Hyperion Operating and Capital Budgeting, Performance Management, Learning Management, Identity Management, Enterprise Reporting, and ZyImage. During FY14, the County is implementing Warehouse Order Management and Tax Assessment.

- **Decision Making that is Transparent and Driven by Data**

In addition to focusing on customer results, the County Executive is committed to decision making that is both transparent and data-driven. Results-Based Budgeting fundamentally embodies the County Executive’s commitment to these values. Other initiatives that embody these values include:

- **Town Hall Meetings and Budget Forums**

Starting in January 2007, the County Executive has held “Town Hall” Meetings across the County and online. The Town Hall Meetings provide a forum for free and candid dialogue. The County Executive also hosted a series of Budget Forums to seek input from residents on operating and capital budget priorities for the FY08-FY15 budgets. The total number of Town Hall and Budget Forums held by County Executive Leggett

to date is over 40. In addition, online chats have provided monthly opportunities for direct input to the County Executive. As a further commitment to free and candid dialogue, a virtual Town Hall environment is provided by the engageMontgomery program discussed above.

□ **Results-Based Accountability Successes**

The Departmental performance plans, Headline Performance Measures, Program Performance measures, and high-level indicators of County performance and quality of life mentioned above, as well as internal training and budgeting process changes, serve as a base to further develop a results-oriented culture. CountyStat and the Office of Management and Budget (OMB) work together to ensure that the data mined by CountyStat is used in making budget decisions. Additionally, CountyStat responds to OMB's need for data and information. New data available from the MC311 customer service system has opened up new avenues for data-driven customer responsiveness, including:

■ **Multi-Department Review of Budget Proposals**

After the departments submitted their budgets, the County's Chief Administrative Officer and the OMB Director established five high-level working groups known as "clusters" that consisted of the directors of departments (or their designee) with related functions. The five clusters were organized based on current cross-cutting issues affecting multiple departments, including:

- Collective Bargaining
- Maintenance of the County's Buildings
- Positive Youth Development
- Seniors
- Worker's Compensation

The goal of these clusters – which represented a more collaborative approach to budgeting in the County – was to review existing programs and policies within the County and determine if there were enhancements or efficiencies which could be made across the County to strengthen services provided to constituents. The conclusions and recommendations of the clusters were presented to the County Executive and Chief Administrative Officer and used by them in making their final decisions on the budget.

■ **Rewarding Excellence Program**

The Rewarding Excellence Bonus Incentive Award Program is designed to encourage and promote new, innovative ideas, concepts, and strategies for cost effective delivery of County services and products. The program rewards bargaining unit employees, general salary schedule employees, and first-line supervisors for sustainable implemented recommendations that improve efficiency, increase productivity, reduce costs, streamline operations, and enhance customer satisfaction. When cost savings are realized, employees receive a portion of the cost savings in the form of a bonus on a 50/50 basis for the first year. Thereafter, the County retains the savings. This program helps achieve one of the County's key goals – to make County government more responsive and accountable. During FY13, the Rewarding Excellence teams demonstrated savings of \$570,000 through two initiatives:

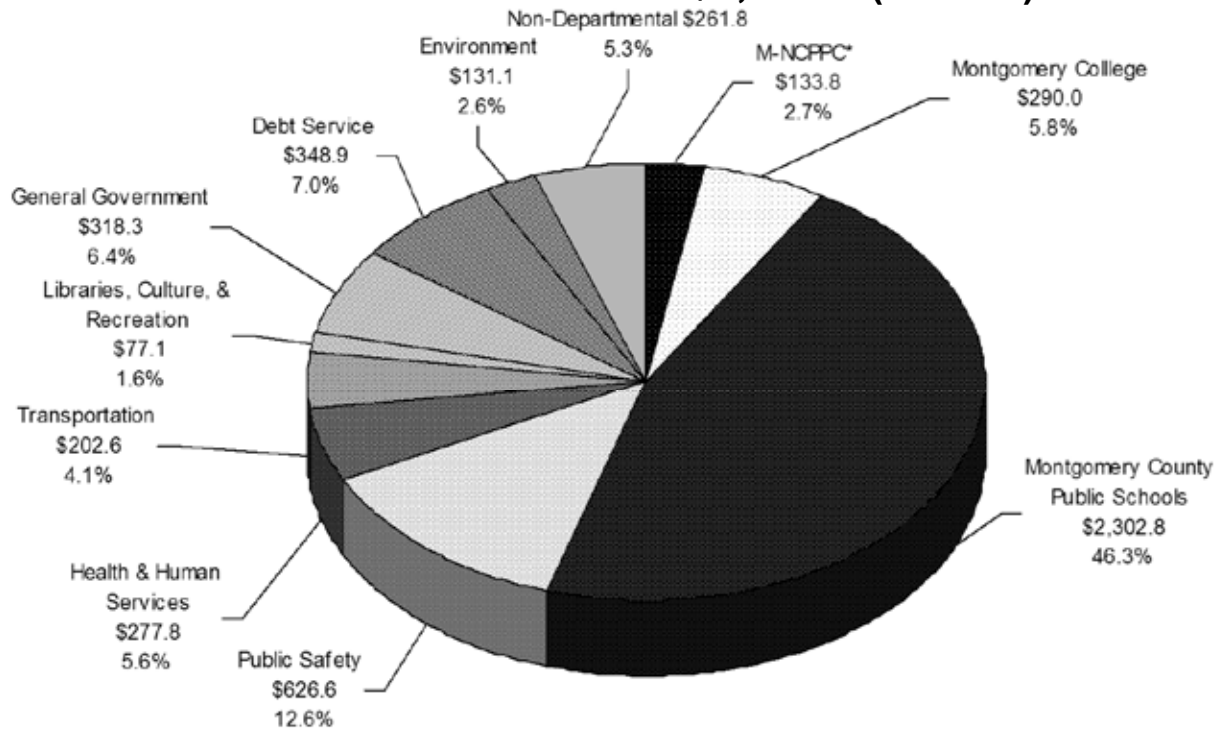
- *The Smarter Buying Plan* team of the Division of Fleet Management in the Department of General Services demonstrated approximately \$41,000 in cost savings by implementing a smarter buying plan for use at their Fleet Management shops.

- *The Underground Storm Water Facility Maintenance Program Savings* team of the Division of Storm water Management in the Department of Environmental Protection proposed savings of approximately \$529,000 in savings, by recommending that underground storm-water facilities be maintained every three years, instead of every year to match State standards.

In June 2013, the National Association of Counties (NACo) recognized the Rewarding Excellence program with its Achievement Award. This Award recognizes innovative County Government programs that provide an example of “best practices” from counties across the nation.

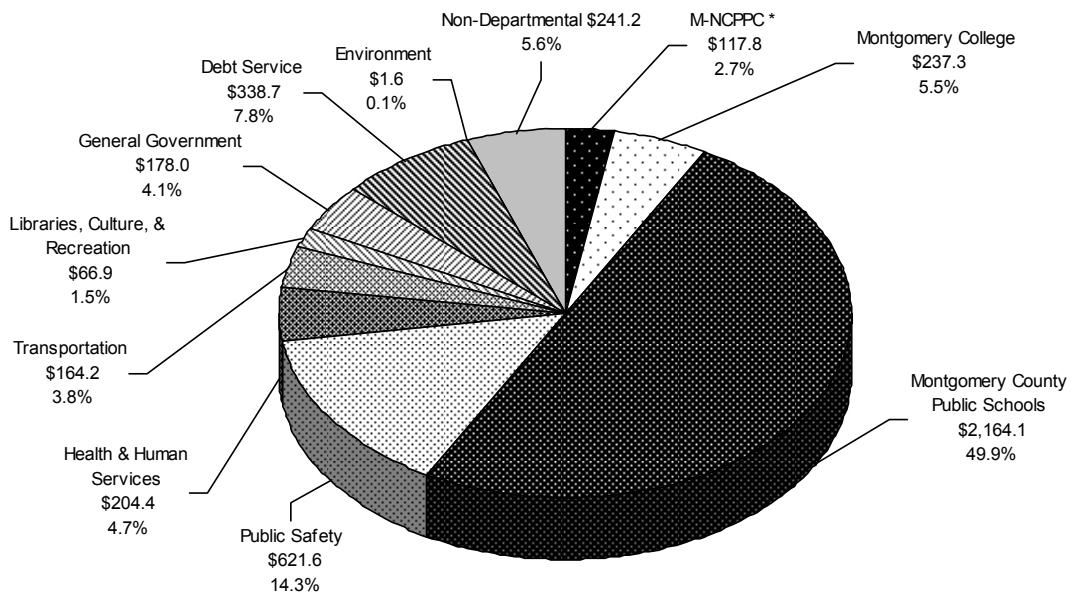
FY15 EXPENDITURES BY FUNCTION

TOTAL EXPENDITURES - \$4,970.8 (million)



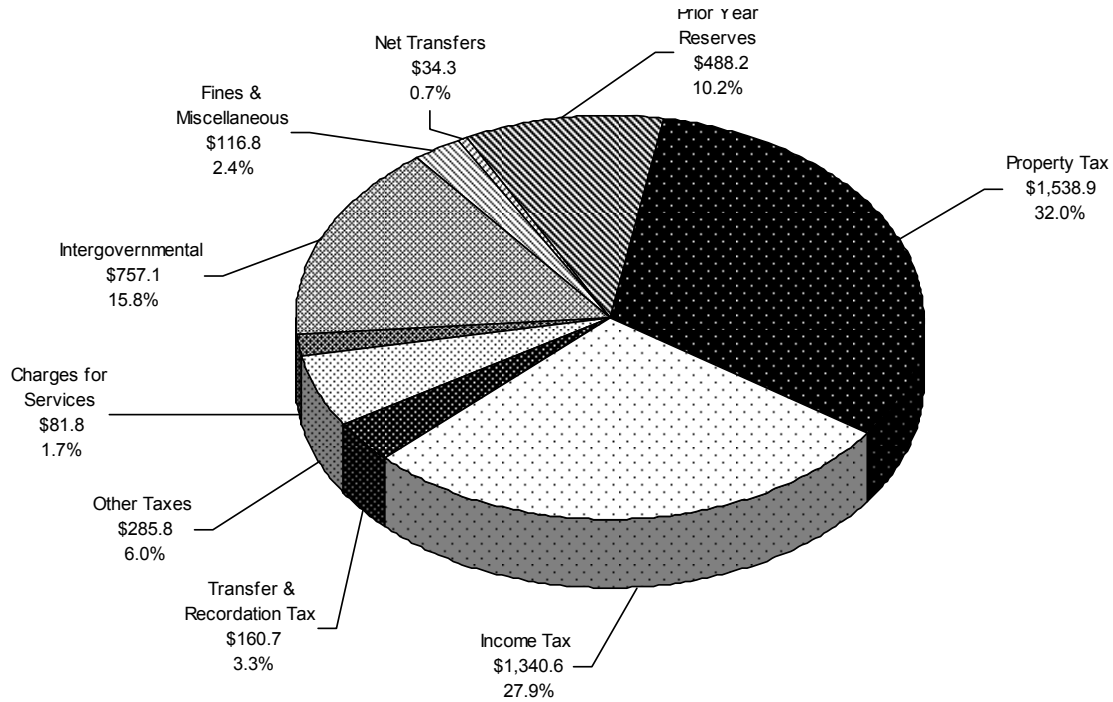
*Total M-NCPPC includes \$5.4 million debt service.

TAX SUPPORTED EXPENDITURES - \$4,335.9 (million)

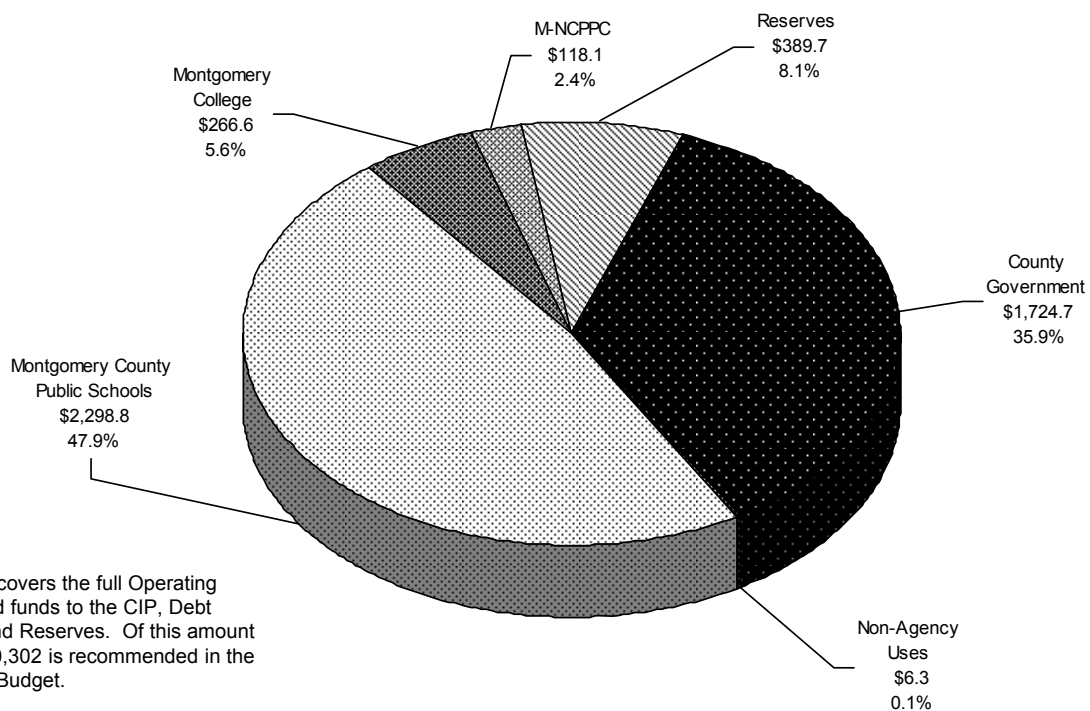


FY15 TAX SUPPORTED AGENCIES AND FUNDS

WHERE THE MONEY COMES FROM TOTAL APPROVED RESOURCES - \$4,804.2 (million)



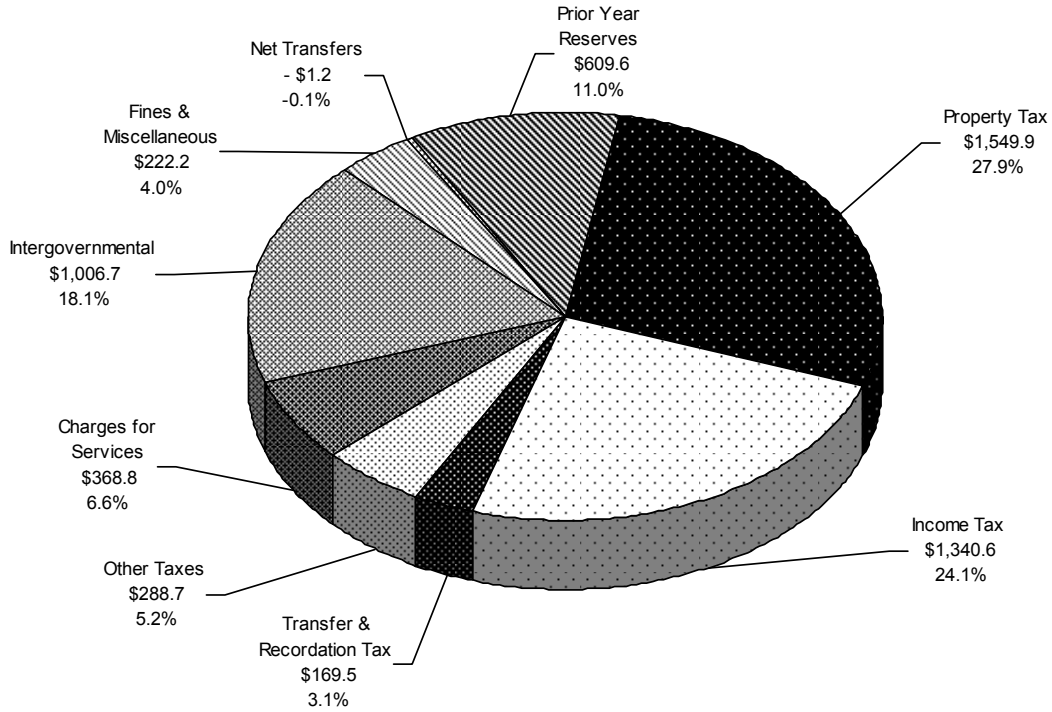
WHERE THE MONEY GOES * TOTAL APPROVED USES OF FUNDS - \$4,804.2 (million)



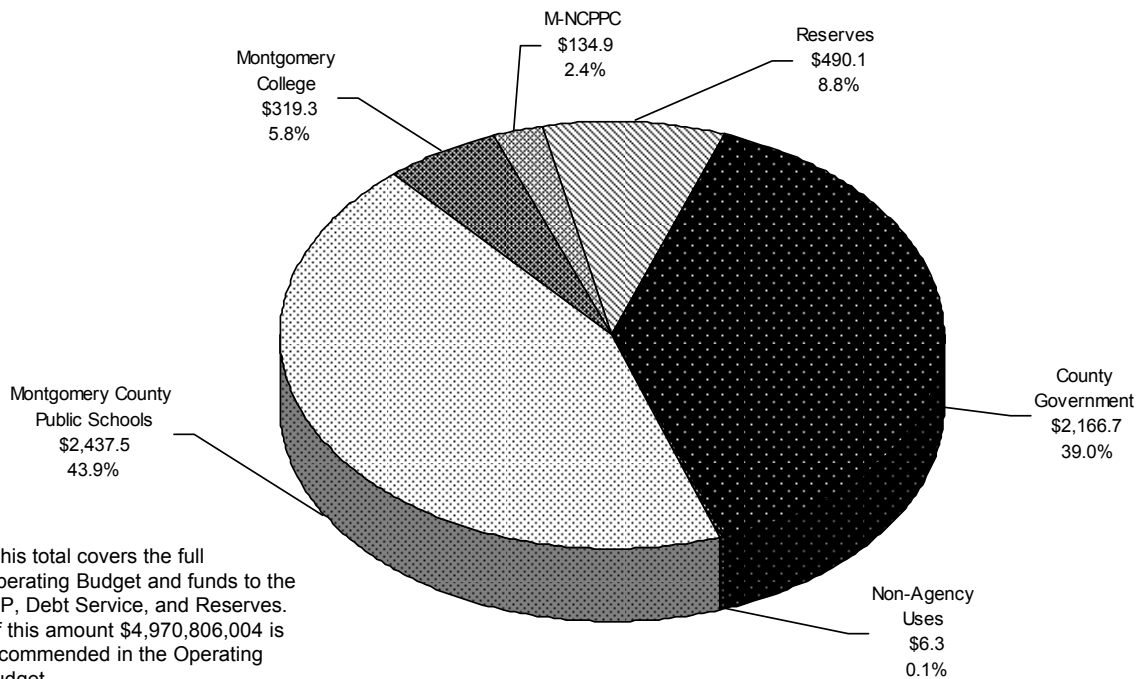
*This total covers the full Operating Budget and funds to the CIP, Debt Service, and Reserves. Of this amount \$4,335,880,302 is recommended in the Operating Budget.

FY15 ALL AGENCIES / ALL FUNDS

WHERE THE MONEY COMES FROM TOTAL APPROVED RESOURCES - \$5,554.8 (million)



WHERE THE MONEY GOES * TOTAL APPROVED USES OF FUNDS - \$5,554.8 (million)



*This total covers the full Operating Budget and funds to the CIP, Debt Service, and Reserves. Of this amount \$4,970,806,004 is recommended in the Operating Budget.

How to Read the Budget

INTRODUCTION

The County Executive's Recommended Operating Budget and Public Services Program contains a comprehensive picture of the Executive's recommendations for the budget year beginning July 1, including changes from the previous fiscal year, department accomplishments and initiatives, and performance measures.

This book is published annually and transmitted to the County Council by March 15 as required by the County Charter. The final budget is approved by the County Council in late May and published by mid-July. All publications are available on the County's website: www.montgomerycountymd.gov.

CONTENTS OF THE OPERATING BUDGET DOCUMENT

The major components of the Recommended Operating Budget and Public Services Program are described below in order of appearance in this document.

County Executive's Budget Message and Highlights

The County Executive's message summarizes the financial status of the County, major recommended expenditure priorities for the upcoming fiscal year, and how the budget is funded. The highlights provide a listing of major program initiatives and changes recommended in the Executive's budget.

Operating Budget Process

This chapter provides a brief introduction and refers to the legal requirements for the annual budget process, and includes descriptions of government structure and government accounting methods and funds.

Fiscal Policy

This chapter describes the policies of Montgomery County government with respect to taxes, spending, and debt management, including short-term policies and initiatives. The purpose of fiscal policy is to provide guidance for sound public practice in the planning and financing of public expenditures, including the policy assumptions under which budget and tax decisions are made.

Revenues

This chapter provides assumptions used to project revenues for funding the budget, including:

- demographic, economic, and fiscal trends that identify potential impacts on the County's overall expenditure requirements and revenues over the next six years, and
- detailed information and estimates on revenue categories and major sources of funds.

Capital Improvements Program (CIP)

This chapter describes the impacts of the annual Capital Budget and biennial Capital Improvements Program (CIP) on the Operating Budget and six-year Public Services Program (PSP), including a list of major CIP projects and funding sources for all agencies. The six-year CIP implies on-going commitment of resources in the PSP for: long- and short-term debt service; cash for non-debt eligible expenditures and debt avoidance; and costs to equip, open, staff, and maintain newly constructed facilities.

Debt Service

Debt service is the amount the County must pay each year for the principal and interest on the County's bonded and other indebtedness. Debt service is presented both in terms of the specific bond allocations by category and fund and by sources of revenue, including six-year projections of debt service requirements.

Workforce/Compensation

This chapter includes detailed information about negotiated settlements with certified employee bargaining units and unrepresented employees. General data related to group insurance, disability protection, and employee retirement plans are also presented.

Agency Summaries

The County Executive is required by the Charter to include recommendations on agency budgets for which the County Council sets tax rates or approves budgets. The Executive recommends expenditure levels and funding support, where applicable, for the budgets of the Public Schools, Montgomery College, the Montgomery County and bi-county (administration) portions of the Maryland-National Capital Park and Planning Commission (M-NCPPC), and the Montgomery County and bi-county portions of the Washington Suburban Sanitary Commission. A summary of the Housing Opportunities Commission budget is also included, containing the Executive's recommended operating budget appropriation. In addition, a section describing the Montgomery County Revenue Authority is provided, as copies of the Revenue Authority budget are not available until after May 1 of each calendar year, as required by County Code.

County Government Recommended Department Budgets

The recommended budgets for departments and offices of the County Government are provided for the following:

- Legislative Branch (the County Council and legislative offices and boards);
- Judicial Branch (Circuit Court and State's Attorney), and
- Executive Branch (departments with functions related to General Government; Public Safety; Transportation; Health and Human Services; Libraries, Culture, and Recreation; Community Development and Housing; Environment; and Other County Functions).

The presentations include: the department's mission statement; linkage to County result areas; accomplishments and initiatives; performance measures; description and cost of programs; recommended expenditure, revenue, and workforce allocations for the department; recommended changes for next fiscal year's budget; charges to other departments, and information about future fiscal impacts. For more detailed information about department displays, see the section on "Department Budget Presentations" below.

Non-Departmental Accounts (NDAs)

The Non-Departmental Accounts section contains expenses essential to the operation of the County government which either do not fall within the functional assignment of any department or agency or provide for expenditures related to more than one department or agency. Examples include various grants to municipal governments, contributions to other funds, County government memberships (e.g., Maryland Association of Counties), and certain legally-mandated programs. Responsibility for administration of NDAs is assigned by the Chief Administrative Officer to specific departments. Although classified as an NDA, all utilities expenditures of the County government are displayed in a separate section to provide combined data on costs by energy type and user departments.

Budget Summary Schedules

The Summary Schedules section contains aggregate fiscal data for all agencies for which the County Council sets tax rates, makes levies, or approves programs and/or budgets. The schedules include expenditure and funding totals by agency, department, government function, and source of funding, with both dollar amounts and staffing (i.e. full-time equivalents (FTEs) and positions). Revenues are described and detailed by agency, fund, and type. Ten-year historical trends are also included for major expenditure categories, revenue sources, the government workforce, and tax rates.

Glossary

The Glossary contains definitions of terms and acronyms commonly used throughout both the PSP and CIP budget documents.

DEPARTMENT BUDGET PRESENTATIONS

For each department within Montgomery County government and for most agency summaries, the budget presentation includes:

Mission Statement: the overall purpose of the department (or major division), including the goals or results it expects to achieve for the community or its function in the County government.

Budget Overview: recommended appropriations for the department, with changes from the prior fiscal year, in dollars, full time equivalents, and percentage change.

Linkages to County Result Areas: denotes which of the County Executive's eight result areas relate to the department.

Performance Measures: provides key measures that apply to the department as a whole or to multiple programs. Each measure gives actual data for the past two completed fiscal years, an estimate for the current fiscal year, and targets for the next two fiscal years. These targets represent the department's principal performance goals. Program performance measures that relate to only one program are listed with the relevant program as noted below.

Accomplishments and Initiatives: provides a summary of major department accomplishments completed in the last year and the anticipated results of the recommended funding for next fiscal year. In addition, productivity improvements within the department are described.

Program Contacts: department and Office of Management and Budget (OMB) contacts for the budget, including phone numbers.

Program Descriptions: provides a descriptive narrative of the program, including, as applicable:

- Nature, functions, and features of program activity;
- The public need to which the program responds;
- Who or what benefits from the program activity; and
- What the resources allocated will provide to the community.

Program Performance Measures: lists performance measures that apply to only one of the department's programs. Actual performance data are shown for the previous two fiscal years, as well as estimates for the current fiscal year and targets for the next two fiscal years. The FY15 and FY16 figures represent performance goals for the relevant program.

Program Recommended Changes: a table displays the recommended program expenditures and FTEs for next fiscal year compared to the current year's approved budget, including an itemization of key changes within individual programs based on recommended budget actions. Budget changes that relate to a unique program are listed individually within each program recommended changes chart. Budget changes that affect more than one program, such as compensation changes, are summarized in a multi-program adjustment item for each affected program.

Budget Summary: summary data for the department, including actual expenditures for the prior fiscal year, the approved budget and estimated expenditures for the current fiscal year, and the County Executive's recommended budget for the coming fiscal year. The presentation includes, by fund, expenditures within appropriation category (Personnel Costs, Operating Expenses, Capital Outlay, and Debt Service); personnel requirements (full-time and part-time positions and FTEs); and related revenue sources. Appropriation categories and related components within the Budget Summary include:

- **Salaries and Wages:** the cost of all salary expenses for both full-time and part-time positions, including other personnel cost adjustments (e.g., overtime, shift differential, multilingual pay, etc.).
- **Employee Benefits:** social security, group insurance, and retirement. Additional information regarding employee benefits may be found in the Workforce/Compensation chapter of this document.
- **Operating Expenses:** those costs required to support the operations of the agency, including such items as contracted services, printing, motor pool, and office supplies.
- **Debt Service (for M-NCPPC, Parking Lot Districts, Solid Waste Disposal, Liquor Control, and Montgomery Housing Initiative funds only):** the annual payment of principal and interest on bonded indebtedness (for both general obligation and other debt) incurred by departments/agencies funded by a Special or Enterprise fund.
- **Capital Outlay:** funding for the acquisition of fixed assets that have a value of \$5,000 or more and a useful life of more than one year.

Personnel categories within the Budget Summary include full- and part-time positions as well as full-time equivalents (FTEs). FTEs reflect staff time charged to the department's operating budget. One FTE is the equivalent to 2,080 work hours or 260 workdays.

Related revenues listed in the Budget Summary are generated or received by the department as a direct result of its activities. These include user fees, permits and licenses, grants, intergovernmental aid and reimbursements, and other miscellaneous revenues.

Recommended Changes: describes department-wide expenditure and FTE changes from the current year's approved budget to next fiscal year's recommended budget. The crosswalk includes:

- Additional items funded in next year's recommended budget for new or expanded services.
- Decreases from last year's approved budget relating to reduction in service or elimination of one-time funding in the base for printers, servers, etc.

- Proposed compensation adjustments.
- Group insurance and retirement rate adjustments.
- Rate adjustments for other expenses such as motor pool, printing and mail, risk management, etc.
- Increases or reductions in charges to or from other departments (including charges to the CIP).
- Shifts in resources to another department.
- Other personnel cost adjustments, including changes related to annualization of current year increments; position or job class reclassifications; staff turnover; and lapse changes.
- Other operating expense changes, including inflation adjustments for contracts, rent, etc.

The presentation is organized under two categories: first by items with service impacts, then by other adjustments with no service impacts. Under each category, the items are organized by largest to smallest dollar value change. For items that affect a single program, the name of the relevant program is shown in parentheses. If no program is shown, the adjustment affects several programs.

A verb precedes each recommended crosswalk item. The following verbs describe service impact changes:

Verb and Definition
Add – New funding for services that presently do not exist.
Enhance – More of an existing service or improvement to the quality of an existing service.
Eliminate – Total elimination of an existing service, with no anticipation of the service being provided by another entity.
Reduce – Reduction but not elimination of an existing service.
Restore - To reverse a recommendation to Shift or Reduce a service.

The following verbs describe other adjustments with no service impact changes:

Verb and Definition
Increase Cost – Additional expenditures to provide the same quantity and scope of existing services (e.g., compensation or benefit increases).
Decrease Cost – Reduction in cost without service impact (e.g., elimination of one-time items approved in the current fiscal year).
Shift – The transfer of service delivery and attendant costs between County Government departments; or elimination or reduction of a service, with the anticipation that the service will be provided by another entity (e.g., State, private sector).
Replace – County assumption of responsibilities previously provided by a non-county entity or funded by a restricted grant (e.g. Federal/State/private).
Technical Adjustment – Used to indicate shifts between expenditure categories or changes in FTEs with no net budget impact.

Program Summary: listing of each program, including current fiscal year approved and next fiscal year’s recommended expenditures and FTEs.

Charges to Other Departments: provides listing of Personnel and Operating Expenses charged to other departments or to the capital budget. The amounts in the table are not reflected in the expenditure or FTE figures displayed in the Budget Summary.

Future Fiscal Impacts: provides potential future fiscal impacts of the department’s programs by fund over a six-year period when measured against the Executive’s recommended budget for the next fiscal year.

Annualization of Personnel Costs: identifies next fiscal year’s annualized cost for the lapsed portion of new recommended positions as most new positions are budgeted for only a portion of the fiscal year.

Six-Year Public Services Fiscal Plan: estimates of costs over the six-year planning period are included as overall projections of total resources and use of resources for many Montgomery County non-tax supported funds such as the Permitting Services Fund and Solid Waste Disposal and Collection Funds. These figures are based on major known commitments, and the projected assumptions are explained.

Service Maps and Other Exhibits: additional information (e.g., location of Police, Fire, Library, or Recreation facilities) relevant to the department is provided, as applicable.

Operating Budget Process

INTRODUCTION

The Montgomery County Charter, approved by the voters in 1968 and implemented in 1970, provides for a County Council/Executive form of government. Under this form of government, the Executive develops and recommends budget proposals; the Council then authorizes expenditures and sets property tax rates. The Charter also provides for an annual six-year Public Services Program, Operating Budget, and Capital Budget and a biennial six-year Capital Improvements Program (CIP). These budgets and related fiscal and programmatic plans provide the basis for understanding, coordinating, and controlling County government programs and expenditures.

This section provides a brief introduction and refers to the legal requirements for the annual budget process, and includes descriptions of government structure and government accounting methods and funds.

THE BUDGET PROCESS

Fiscal Year

The 12-month period used to account for revenues and expenditures in Montgomery County commences on July 1 of each year and ends on June 30 of the following year. A Budget Process Flow Chart timeline appears later in this section, which displays the relationships between the Capital Budget/Capital Improvements Program (CIP), Operating Budget/Public Services Program (PSP), and Growth Policy processes across the year.

Operating and Capital Budgets

The complete County Executive's Recommended Budget includes the CIP, published by January 15 in even-numbered calendar years; the Capital Budget, published annually by January 15; and this document, the Operating Budget and PSP, published annually by March 15.

Further information about the PSP can be found later in this section. For further information about the CIP/Capital Budget, please refer to the Capital Improvements Program (CIP) section of this document.

Spending Affordability Process

The Spending Affordability process for the Operating Budget is required by Section 305 of the County Charter and Chapter 20 of the Montgomery County Code.

The County Council must set Spending Affordability Guidelines (SAG) for the Operating Budget by the second Tuesday in February after a public hearing. The guidelines must specify a ceiling on funding from property tax revenues and a ceiling on the aggregate operating budget. In adopting SAG, the Council considers the condition of the economy, the level of economic activity in the County, personal income levels, and the impact of economic and population growth on projected revenues among other relevant factors.

Along with the guidelines, the Council also adopts recommended spending allocations for the tax supported budgets of County Government, the Board of Education, Montgomery College, the Maryland-National Capital Park and Planning Commission, debt service, and current revenue funding for the CIP.

By March 31, each agency and the Executive must also specify how, if necessary, they would reduce the budget request to reach the Council allocation.

The Charter requires the Council to approve the Operating and Capital Budgets by June 1. An aggregate operating budget that exceeds the aggregate operating budget for the preceding fiscal year by a percentage increase greater than the annual average increase of the Consumer Price Index for all urban consumers (CPI-U) in the Washington-Baltimore Metropolitan area (or any successor index) for the 12 months preceding December first of each year requires the affirmative vote of six Councilmembers. An aggregate operating budget which exceeds the SAG ceiling on the aggregate operating budget then in effect requires the affirmative vote of seven Councilmembers. The Council approved spending affordability guidelines and allocations are displayed in the Spending Affordability Comparison chart at the end of this chapter.

Limits on Revenues

Section 305 of the County Charter includes a limit on the annual increase in property tax revenues. An amendment approved in 2008 requires that real property tax revenues, with the exception of new construction and property whose zoning or use has

changed, may not increase by more than the prior year revenues plus the percentage increase in the Washington-Baltimore Metropolitan area CPI-U unless there is a unanimous vote of nine Councilmembers to exceed that limit.

Operating Budget Preparation and Executive Review

Requirements for submission of, and action on, County budgets are contained in Article 3 of the County Charter. Departments and agencies prepare budget requests within guidelines established by the Executive (for the departments) and by law (for other agencies of government). These are submitted on scheduled dates for analysis by the Office of Management and Budget (OMB) and are reviewed by the Executive during the period January-March. The Executive recommends a budget which balances all agency expenditures with projected revenues to the Council by March 15.

Public Hearings

Citizen participation is essential to a fair and effective budget process. Many citizens and advisory groups work with specific departments to ensure that their concerns are addressed in departmental requests. The County Charter requires the Council to hold a public hearing not earlier than 21 days after receipt of the budget from the Executive.

Public hearings are advertised in County newspapers. Speakers must register with the Council Office to testify at the public hearings. Persons wishing to testify should call the Council Office to register 240.777.7803. If it is not possible to testify in person at the hearings, written testimony is acceptable and encouraged. For further information and dates of the Council's public hearings on the County Executive's Recommended Operating Budget, contact the Legislative Information Office at 240.777.7910. Hearings are held in the Council Hearing Room of the Stella B. Werner Council Office Building, unless otherwise specified.

Council Budget Review

After receiving input from the public, the Council begins its review of the Executive's Recommended Operating Budget. Each agency budget is reviewed by a designated Council committee. Agency and Office of Management and Budget (OMB) representatives meet with these committees to provide information and clarification concerning the recommended budget and agency programs. In April and May, the full Council meets in regular sessions, reviews the recommendations of its committees, and takes final action on each agency budget.

Operating and Capital Budget Approval

The Charter requires that the Council approve and make appropriations annually for the operating and capital budgets by June 1. In even-numbered calendar years, the Council also approves a six-year Capital Improvements Program. Prior to June 30, the Council must set the property tax levies necessary to finance the budgets. Other sections of the Charter provide for Executive veto or reduction of items in the budget approved by the Council. The Charter prohibits expenditure of County funds in excess of available unencumbered appropriations.

Amending the Approved Operating and Capital Budgets

The Operating and Capital Budgets may be amended at any time after adoption by the Council.

Supplemental appropriations are recommended by the County Executive, specify the source of funds to finance the additional expenditures, and may occur any time after July 1 of the fiscal year. A supplemental appropriation that would comply with, avail the County of, or put into effect a grant or a Federal, State, or County law or regulation, or one that is approved after January 1 of any fiscal year, requires an affirmative vote of five Councilmembers. A supplemental appropriation for any other purpose that is approved before January 1 of any fiscal year requires an affirmative vote of six Councilmembers. The Executive may disapprove or reduce a supplemental appropriation, and the Council may re-approve the appropriation, as if it were an item in the annual budget.

Special appropriations are recommended by either the County Executive or County Council, specify the source of funds to finance the additional expenditures, and are used when it is necessary to meet an unforeseen disaster or other emergency or to act without delay in the public interest. The Council may approve a special appropriation after public notice by news release, and each special appropriation must be approved by six members of Council.

Transfers of appropriation which do not exceed ten percent of the original appropriation, may be accomplished by either: the County Executive, for transfers within or between divisions of the same department; or by the County Council, for transfers between departments or to new accounts.

PUBLIC SERVICES PROGRAM (PSP)

Projections of County revenues relative to anticipated expenditure requirements constrain the level of public services affordable. The Public Services Program (PSP) looks to balance the growth in revenues, based on the County Executive's

current revenue and fiscal policies, with the pressures affecting the future cost of services. The Charter (Section 302) requires the County Executive to submit an annual comprehensive six-year program for public services and fiscal policy. The PSP includes:

- a statement of program objectives;
- recommended levels of public service;
- an estimate of costs over the six-year period;
- a statement of revenue sources;
- estimated impact of the PSP on County revenues and the capital budget; and
- projected revenues and expenditures for all functions of the County government.

The Charter requires that the annual budget, submitted in conjunction with the PSP, be consistent with the six-year program. Recommended levels of public service can be seen in the six-year projections of expenditures for each special fund. Expenditures are projected based on major, known commitments. Actual costs, over time, are the result of several variables, including collective bargaining, government policy, and objectives of fairness between agencies and employee groups.

An estimate of the impact of the Public Services Program on County revenues is included, where applicable, in the program descriptions or in the fiscal data for the department or agency. Impact on the program of the Capital Budget is included, where applicable, in the program descriptions; Future Fiscal Impacts; or in facility plans, when the program or service delivery will require expanded, additional, or replacement facilities that are scheduled in the Capital Improvements Program (CIP).

RESULTS BASED BUDGETING

A responsive and accountable County government is one of the Executive's priorities. As a way to achieve that goal, he has adopted a results based approach to budgeting. This technique starts with the ends that are desired, in terms of program outcomes described using quantifiable results, and works backward to the means, or resources, that are required to achieve those results.

When allocating resources under this approach, increases or decreases in budgeted resources must be evaluated and justified by projected changes in measurable outcomes supported by research or other evidence and must be consistent with predefined objectives or results areas. The department chapters that follow in this recommended budget show the results areas and the performance measures that have been established for each department.

APPENDICES TO THIS SECTION

Government Structure

This section shows the organizational entities that compose Montgomery County.

Government Accounting Methods and Funds

This section describes the funds and accounting mechanisms used to manage County resources.

Spending Affordability Comparison

This section includes the Council approved spending affordability guidelines and allocations.

Montgomery County Functional Organization Chart

This chart displays the organizational structure of departments and agencies for the County government.

Montgomery County Government Public Documents

This table contains a list of all budget-related public documents, including the approximate dates of publication and how they may be obtained.

Budget Process Flow Chart

This chart follows the Capital/CIP and Operating/PSP budget process from the start of the process in August to the final approval of the budgets in June for all agencies.

Montgomery County Map

This map displays the major roads in the County, and the County's location in the State of Maryland.

GOVERNMENT STRUCTURE

County Government Organization

Montgomery County includes several organizational components and joint ventures, including:

Montgomery County Government (MCG), which includes Executive departments (such as Recreation, Environmental Protection, and Police) and offices (such as County Attorney), the County Council's legislative offices and boards, the Circuit Court, and judicial offices;

Montgomery County Public Schools (MCPS), under the authority of the Board of Education (BOE);

Montgomery College (MC), the County's two-year community college, under the authority of its Board of Trustees;

Maryland-National Capital Park and Planning Commission (M-NCPPC), a bi-county agency which manages public parkland and provides land use planning, with administration shared with Prince George's County;

Washington Suburban Sanitary Commission (WSSC), a bi-county agency which provides water and sewer service to Montgomery and Prince George's Counties;

Housing Opportunities Commission (HOC), the County's public housing authority; and

Montgomery County Revenue Authority, a public corporation for self-supporting enterprises of benefit to the County.

Bethesda Urban Partnership, a not-for-profit organization, executes service contracts for the benefit of one of the Primary Government's special taxing districts (Bethesda Urban District).

Along with M-NCPPC and WSSC, the following organizations are also considered joint ventures of the County: Washington Suburban Transit Commission (WSTC), Washington Metropolitan Area Transit Authority (WMATA), Metropolitan Washington Council of Governments (COG), and Northeast Maryland Waste Disposal Authority (NEMWDA).

An organization chart is included at the end of this section to assist the reader to understand the relationship between the Executive's Recommended Budget and the various agencies of government in Montgomery County.

GOVERNMENT ACCOUNTING METHODS AND FUNDS

The accounting records of Montgomery County government for tax supported funds are maintained on a modified accrual basis, with revenues being recorded only when available and measurable, and expenditures recorded when goods or services are received and liabilities incurred. Accounting records for proprietary and trust funds are maintained on the accrual basis, with all revenues recorded when earned and expenses recorded at the time liabilities are incurred, without regard to receipt or payment of cash. The principal funds of the County government are:

Tax Supported Funds:	Non-Tax Supported Funds:
MCPS: Current Fund	MCPS: Grant, Food Service, and other Enterprise Funds
Montgomery College: Current and Emergency Repair Funds	Montgomery College: Grant, Continuing Education, Cable Television, and Auxiliary Funds
M-NCPPC: Administration, Parks, and ALARF Funds	M-NCPPC: Grant, Enterprise, Property Management, and Special Revenue Funds
Montgomery County Government: General, Recreation, Urban Districts, Noise Abatement Districts, Mass Transit, Fire Tax District, and Economic Development Funds	Montgomery County Government: Grant, Solid Waste (Collection and Disposal), Vacuum Leaf Collection, Parking Districts, Cable Television, Liquor Control, Permitting Services, Community Use of Public Facilities, Water Quality Protection, and Montgomery Housing Initiative Funds
Debt Service associated with General and Special Tax Supported Funds	Debt Service associated with Non-Tax Supported Funds
Current Revenue to the CIP (including PAYGO)	HOC and Revenue Authority
Revenue Stabilization Fund contributions	WSSC

General Fund

The General Fund is the principal operating fund for the County government. It is used to account for all financial resources except those required by law, County policy, and generally accepted accounting principles to be accounted for in another fund.

Special Revenue Funds

Special revenue funds account for activities supported, in part, by special taxes on specific geographical areas, user charges or service fees from those benefiting from special services, or a combination of both. Special revenue funds have been established as follows:

Tax Supported Special Revenue Funds

Economic Development Fund: accounts for grant, loan, and loan repayment activity to assist in attracting and retaining business operations in Montgomery County.

Fire Tax District Fund: accounts for fiscal activity related to the receipt of dedicated property taxes for fire service and the provision of fire and rescue services throughout Montgomery County.

Mass Transit Facilities Fund: accounts for fiscal activity related to planning, developing, and operating County government transit programs.

Noise Abatement District Funds: account for the receipt and use of resources to pay debt service on bonds issued to finance construction of noise abatement barriers at specific locations along interstate highways.

Recreation Fund: accounts for the receipt and use of recreation taxes, program fees, and other resources for the County's Recreation District.

Revenue Stabilization Fund: accounts for the accumulation of resources during periods of economic growth and prosperity, when revenue collections exceed estimates. Funds may then be drawn upon during periods of economic slowdown, when collections fall short of revenue estimates.

Urban District Funds: account for the receipt and use of resources related to the maintenance and enhancement of the Bethesda, Silver Spring, and Wheaton business districts.

Non-Tax Supported Special Revenue Funds

Cable TV Fund: accounts for fiscal activity related to the receipt and use of grants from the County's cable television franchisees (Comcast, RCN, and Verizon) and receipts due to the County over several years as the result of the transfer of ownership of the cable system from the original franchisee to the current owner. Franchise fee payments from the cable company are deposited in this Fund and used to defray costs of cable-related activities of various departments and agencies of County government and to pay municipal co-franchisor expenses as required by County law. Income in excess of the Cable fund's operating requirements may be transferred to the General Fund and used to finance general government operations.

Grants Fund: accounts for the Federal and State grant-funded activities of the tax supported General Fund and Special Revenue Funds.

Montgomery Housing Initiative Fund: accounts for fiscal activity related to financing, supplementing, and constructing affordable residential facilities for eligible participants.

Water Quality Protection Fund: accounts for fiscal activity related to maintenance of certain stormwater management facilities, a related loan program to help property owners upgrade such facilities, and a water quality protection charge on certain properties.

Internal Service Funds

These funds are used for the financing of goods and services provided by one department or agency to other departments and agencies of the County government on a cost-reimbursement basis. The following are the Internal Service Funds used by Montgomery County government:

Central Duplicating Fund: accounts for fiscal activity related to printing and postage services provided to the user agencies, including assessments to departments for mail services and "chargeback" transfers from departments using printing and photocopy services.

Employee Health Benefits Self Insurance Fund: accounts for fiscal activity related to health, life, vision, dental, and long-term disability insurance needs of the participating governmental agencies.

Motor Pool Fund: accounts for operating revenues and expenses related to the automotive and other motorized equipment needs of the user departments of Montgomery County.

Liability and Property Coverage Self-Insurance Fund: accounts for fiscal activity related to liability, property, and workers' compensation needs of participating governmental agencies.

Debt Service Fund

The Debt Service Fund accounts for fiscal activity related to the payment of principal, interest, and related costs of general obligation debt, long-term leases, and short-term financing.

Capital Projects Fund

The Capital Projects Fund accounts for fiscal activity related to the acquisition or construction of major capital facilities.

Permanent Funds

Permanent funds are used to account for resources that are legally restricted to the extent that only earnings, and not principal, may be used for purposes that support the reporting government's programs -- that is, for the benefit of the government or its citizenry.

Enterprise Funds

Enterprise funds account for activities: 1) that are financed with debt secured solely by a pledge of the net revenues from the fees and charges of the activity; 2) where the pricing policies of the activity establish fees and charges designed to recover its costs, including capital costs such as depreciation or debt service; or 3) in certain situations, where a fee is charged to users for goods and services. The following are the Enterprise Funds used by Montgomery County government:

Community Use of Public Facilities Fund: accounts for fiscal activity related to making public space, such as schools, available to community organizations, commercial users, and others during non-school hours.

Liquor Fund: the Montgomery County Department of Liquor Control has a monopoly on all wholesale sales of alcoholic beverages and retail sales of distilled spirits in the County. This fund accounts for the operations of the County government's liquor retail stores, the liquor warehouse, and the administration of the Department of Liquor Control. Income in excess of the Department's operating requirements is transferred to the General Fund and used to finance general government operations.

Parking Lot District Funds: account for fiscal activity related to serving parking needs of those who work and shop in four central business/parking lot districts (Silver Spring, Bethesda, Wheaton, and Montgomery Hills).

Permitting Services Fund: accounts for all fiscal activity related to the collection and use of building permit fees and other charges related to the development process.

Solid Waste Fund: accounts for fiscal activity of all solid waste disposal operations, including recycling, for the County; County contracted refuse collection within the Solid Waste Collection District.

Vacuum Leaf Collection Fund: provides two vacuum leaf collections to residents in the downcounty during the late fall/winter months.

Fiduciary Funds

Fiduciary funds account for assets held by the County in a trustee capacity or as an agent for individual private organizations, other governmental units, and/or other funds. The following are the Fiduciary Funds used by Montgomery County government:

Agency Funds: account for the administration of assets that are received by the County incidentally in connection with the discharge of its responsibilities. The County uses these funds for special assessment development districts and holding property tax payment.

Private-Purpose Trust Funds: include trust arrangements under which principal and income benefit individuals, private organizations, or other governments. Also included in these funds is the endowment fund for the Strathmore Hall Foundation, to which the County has contributed and which provides funds for operation of the facility.

Investment Trust Fund: accounts for the external portion of the County's external investment pool that belongs to legally separate entities and non-component units.

Pension and Other Employee Benefit Trust Funds: account for resources that are required to be held in trust for the members and beneficiaries of such pension and employee benefit plans.

Other Special Revenue Funds

Other special revenue funds do not have appropriations within the Operating Budget; however, their fund balances are re-appropriated as part of the miscellaneous provisions of the appropriation resolution.

Drug Enforcement Forfeitures Fund: accounts for the receipt of cash and other property forfeited to the County during drug enforcement operations. Fund resources are used for law enforcement and drug education programs.

New Home Warranty Security Fund: accounts for the collection of warranty fees from builders and the payment of homeowner claims against builders.

Rehabilitation Loan Fund: a revolving loan fund, established with General Fund money, to help income-eligible homeowners finance rehabilitation required to make their homes conform to applicable Montgomery County Code requirements.

Restricted Donations Fund: accounts for donations and contributions received by the County that are restricted for use in specific County programs.

SPENDING AFFORDABILITY COMPARISON

(Dollars in Millions)

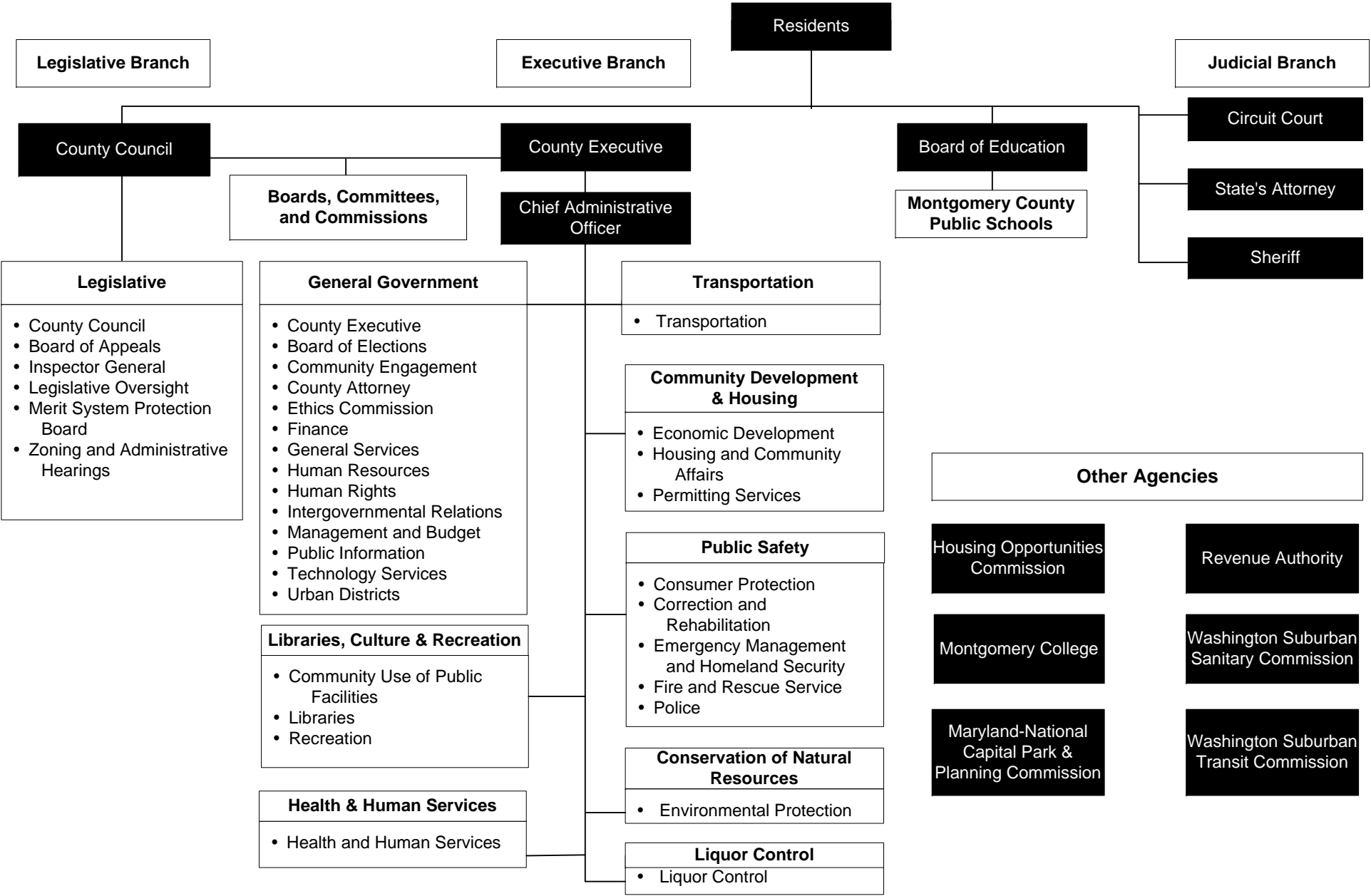
A CATEGORY	B FY14 CC Approved 5-24-12	C FY14 Estimate	D FY15 CC SAG 2-11-14	E FY15 CE Recommended 3-17-14	F FY15 % Chg App / Rec	G FY15 \$ Chg App / Rec
Property Tax	1,504.9	1,506.9		1,538.9	2.3%	34.0
Income Tax	1,299.2	1,365.9		1,340.6	3.2%	41.5
Transfer/Recordation Tax	142.3	151.4		160.7	12.9%	18.4
Other Tax	276.6	288.4		285.8	3.3%	9.1
General State/Fed/Other Aid	732.1	737.7		757.1	3.4%	25.0
All Other Revenue	200.1	196.9		198.6	-0.7%	(1.5)
Revenues	4,155.3	4,247.3		4,281.7	3.0%	126.4
Net Transfers In (Out)	38.4	37.7		34.3	-10.6%	(4.1)
Set Aside: Potential Supplementals	-	(10.0)		-	n/a	-
Set Aside: Other Claims	(0.1)	(12.1)		-	-100.0%	0.1
Beginning Reserve: Total	465.3	519.6		488.2	4.9%	22.9
Revenue Stabilization Fund	189.0	184.9		207.2	9.6%	18.2
Reserve: Undesignated	276.3	334.7		281.0	1.7%	4.7
TOTAL RESOURCES	4,658.9	4,782.5		4,804.2	3.1%	145.3
APPROPRIATIONS						
Capital Budget:						
CIP Current Revenue	(54.2)	(56.2)	(61.1)	(46.2)	-14.8%	8.1
CIP PAYGO	(29.5)	(29.5)	(40.5)	(32.5)	10.0%	(3.0)
Operating Budget:						
MCPS	(2,084.3)	(2,069.8)	(2,127.2)	(2,164.1)	3.8%	(79.8)
College, Total	(228.5)	(221.0)		(237.3)	3.9%	(8.9)
Less College Tuition	85.6	82.1		82.2	-3.9%	(3.3)
College, Net	(142.9)	(138.9)	(141.9)	(155.1)	8.5%	(12.2)
County Government	(1,325.9)	(1,369.6)	(1,311.1)	(1,379.1)	4.0%	(53.2)
M-NCPPC	(104.7)	(104.7)	(103.7)	(110.6)	5.6%	(5.8)
Retiree Health Insurance Prefunding	(138.0)	(138.0)	(134.3)	(100.6)	-27.1%	37.4
Other: (Unallocated) / GAP	-	-		0.0	n/a	0.0
Total Operating Budget:	(3,881.5)	(3,903.1)		(3,991.8)	2.8%	(110.3)
Debt Service:						
All County Debt Service	(283.7)	(279.9)	(348.6)	(311.1)	9.7%	(27.5)
M-NCPPC Debt Service	(4.2)	(4.2)	-	(5.4)	29.7%	(1.2)
MCG Long Term Leases (b)	(25.5)	(21.5)	-	(27.6)	8.2%	(2.1)
TOTAL APPROPRIATIONS (incl. Capital, Operating & Debt Service)	(4,278.5)	(4,294.3)	(4,268.4)	(4,414.5)	3.2%	(136.0)
Aggregate Operating Budget (excludes College tuition)	(4,193.0)	(4,212.2)	(4,268.4)	(4,332.3)	3.3%	(139.3)
Revenue Stabilization Fund (new \$s)	(21.8)	(22.3)		(22.7)	3.9%	(0.8)
Ending Reserve: Total	380.4	488.2		389.7	2.5%	9.3
Revenue Stabilization Fund	210.8	207.2		229.9	9.0%	19.0
Ending Reserve: Designated	-	-		-	n/a	-
Ending Reserve: Undesignated	169.5	281.0		159.8	-5.7%	(9.7)

a) Based on latest revenue and expenditure estimates as prepared by Department of Finance and OMB.

b) Long term leases of Montgomery County Government are considered equivalent to debt service.

Montgomery County, Maryland Functional Organization Chart

Operating Budget Process



Operating Budget Process

**MONTGOMERY COUNTY PUBLIC DOCUMENTS:
ANNUAL BUDGETS, GROWTH POLICY, AND OTHER SOURCES OF INFORMATION**

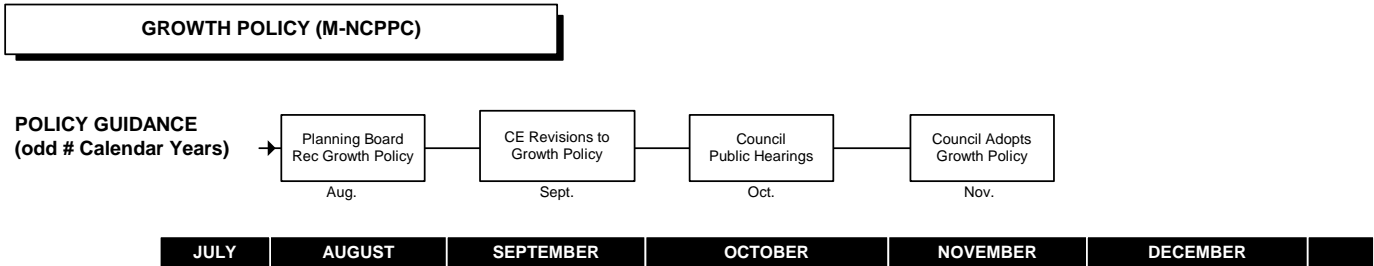
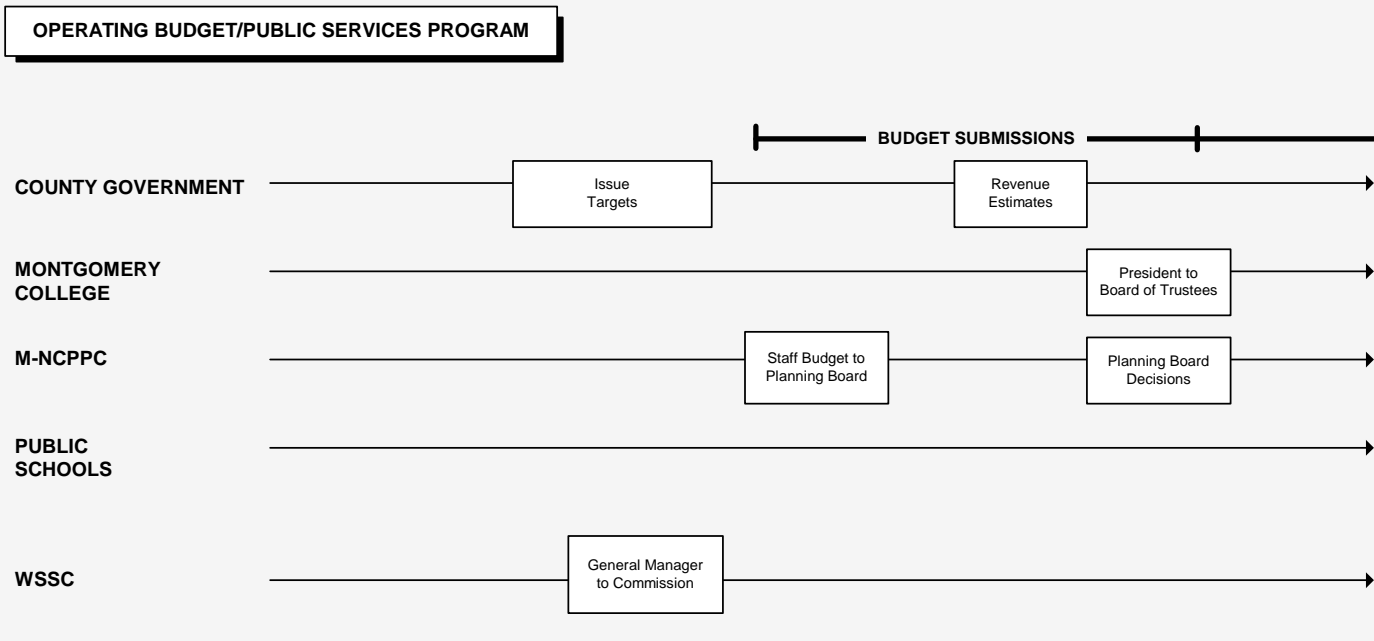
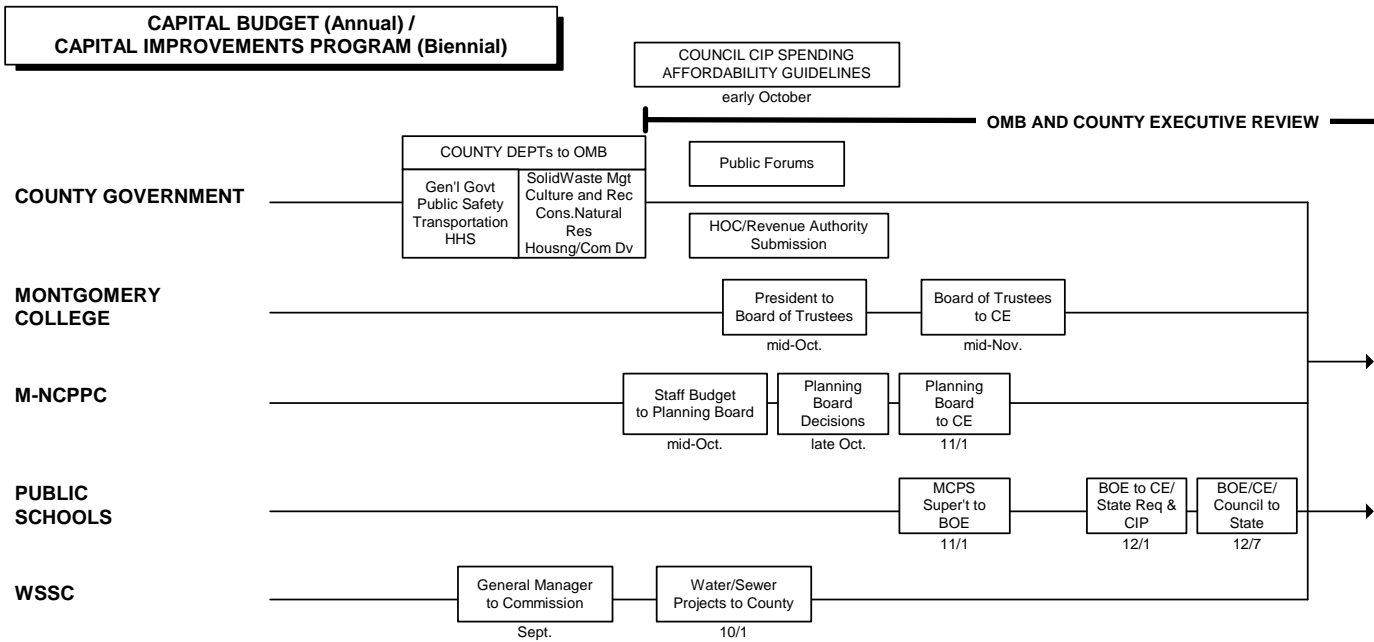
<u>DATE</u>	<u>ITEM</u>	<u>AVAILABILITY</u>
January 15 (even calendar years)	COUNTY EXECUTIVE’S RECOMMENDED CAPITAL BUDGET AND CAPITAL IMPROVEMENTS PROGRAM (CIP) County Executive’s Transmittal; Introductory Sections; County Government Departments; HOC; Revenue Authority; MCPS; Montgomery College; M-NCPPC; WSSC	www.montgomerycountymd.gov/omb Reference copies at public libraries Office of Management and Budget (240.777.2800) (for purchase on limited basis)
January 15 (odd calendar years)	COUNTY EXECUTIVE’S RECOMMENDED CAPITAL BUDGET AND AMENDMENTS TO (PRIOR YEAR) CAPITAL IMPROVEMENTS PROGRAM County Executive’s Transmittal; Capital Budget; Amendments	www.montgomerycountymd.gov/omb
March 15	COUNTY EXECUTIVE’S RECOMMENDED OPERATING BUDGET AND PUBLIC SERVICES PROGRAM County Executive’s Transmittal; Financial Summaries; Legislative, Judicial, Executive Branch Departments; MCPS; Montgomery College; M-NCPPC; WSSC	www.montgomerycountymd.gov/omb Reference copies at public libraries Office of Management and Budget (240.777.2800) (for purchase on limited basis)
March 31	FISCAL PLAN Contains estimates of costs and revenues over the six-year planning period for all Montgomery County special and enterprise funds and many Agency funds.	www.montgomerycountymd.gov/omb Office of Management and Budget (240.777.2800)
June 15 (odd calendar years)	PLANNING BOARD RECOMMENDED GROWTH POLICY - STAFF DRAFT	Reference copies from M-NCPPC (301.495.4610)
mid-July (even calendar years)	APPROVED OPERATING AND CAPITAL BUDGETS, AND APPROVED CAPITAL IMPROVEMENTS PROGRAM PSP and CIP Appropriation and Approval Resolutions; Operating Budget, CIP and Capital Budget Summaries; Project Description Forms for County Government Programs, HOC, Revenue Authority, MCPS, Montgomery College, M-NCPPC, and WSSC	www.montgomerycountymd.gov/omb Reference copies at public libraries Office of Management and Budget (240.777.2800) (for purchase on limited basis)
mid-July (odd calendar years)	APPROVED OPERATING AND CAPITAL BUDGETS, AND APPROVED AMENDMENTS TO THE CAPITAL IMPROVEMENTS PROGRAM PSP and CIP Appropriation and Approval Resolutions; Operating and Capital Budget Summaries; and selected Project Description Forms for County Government Programs, HOC, Revenue Authority, MCPS, Montgomery College, M-NCPPC, and WSSC	www.montgomerycountymd.gov/omb Reference copies at public libraries Office of Management and Budget (240.777.2800) (for purchase on limited basis)
August 1 (odd calendar years)	PLANNING BOARD RECOMMENDED GROWTH POLICY – FINAL DRAFT	Reference copies from M-NCPPC (301.495.4610)

**MONTGOMERY COUNTY PUBLIC DOCUMENTS:
ANNUAL BUDGETS, GROWTH POLICY, AND OTHER SOURCES OF INFORMATION**

<u>DATE</u>	<u>ITEM</u>	<u>AVAILABILITY</u>
Late December	COMPREHENSIVE ANNUAL FINANCIAL REPORT	www.montgomerycountymd.gov/finance Reference copies at public libraries Department of Finance (240.777.8822) (on limited basis)
Quarterly	ECONOMIC INDICATORS	www.montgomerycountymd.gov/finance Department of Finance (240.777.8866)
Monthly (To update the Economic Indicators Report)	ECONOMIC UPDATE	www.montgomerycountymd.gov/finance Department of Finance (240.777.8866)
Annually	ANNUAL INFORMATION STATEMENT	Reference copies from the Department of Finance (240.777.8866) (on limited basis)
Available throughout the year	MONTGOMERY COUNTY HISTORICAL SOCIETY INFORMATION	Montgomery County Historical Society (301.340.2825) www.montgomeryhistory.org
Available throughout the year	MONTGOMERY COUNTY DEMOGRAPHIC INFORMATION	Maryland-National Capital Park and Planning Commission: Montgomery County Planning Board (301.495.4600) www.montgomeryplanning.org/research

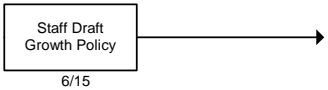
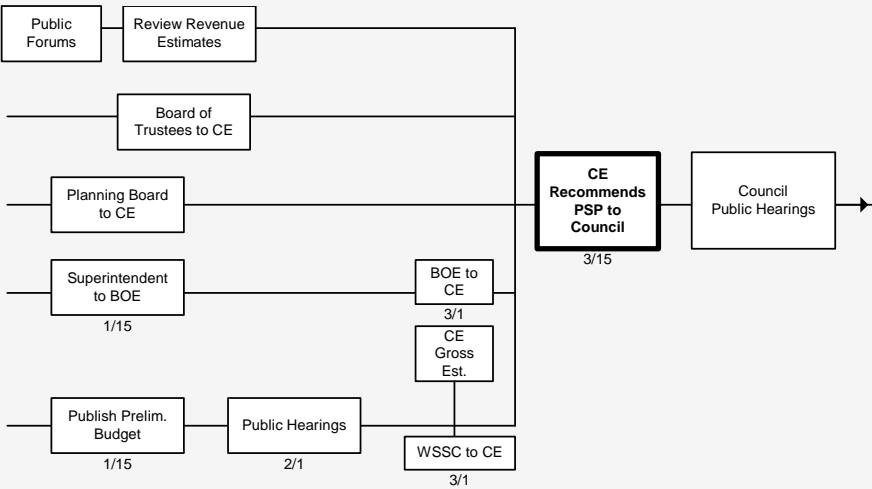
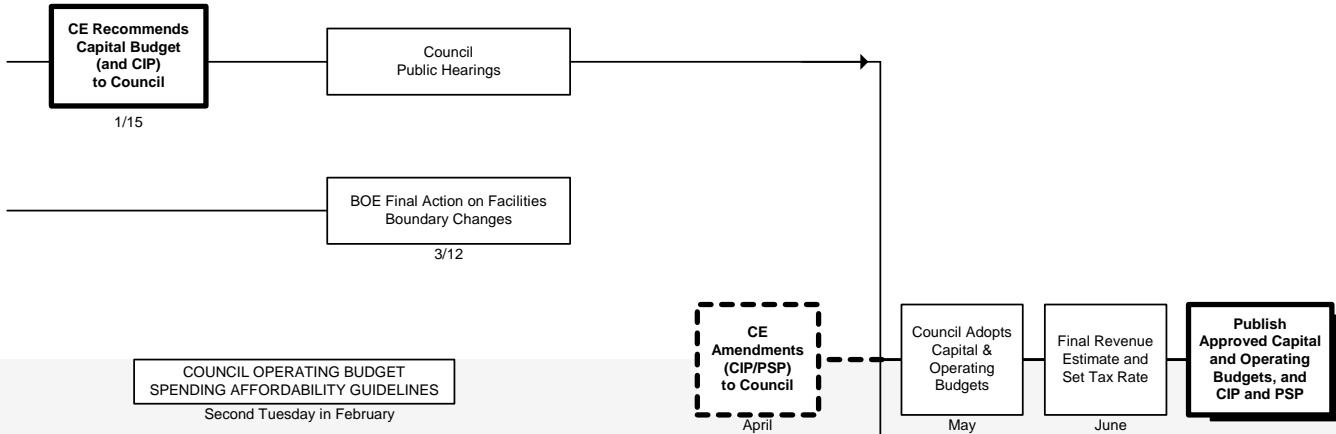
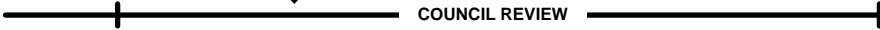
BUDGET PROCESS FLOW CHART

JULY AUGUST SEPTEMBER OCTOBER NOVEMBER DECEMBER



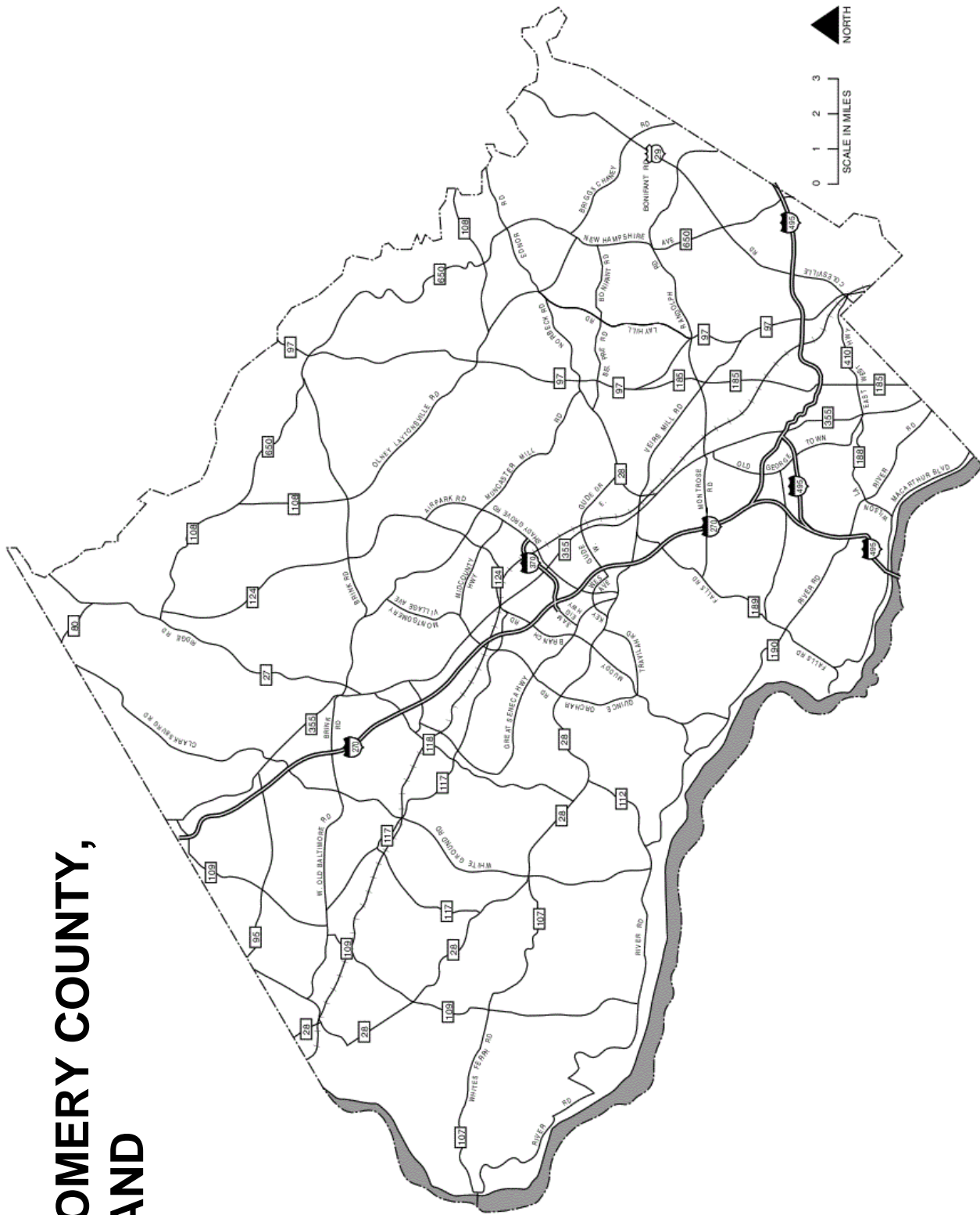
JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY
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Council Revisits
CIP SAG



JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY
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MONTGOMERY COUNTY, MARYLAND



County Government

MISSION STATEMENT

The mission of the Montgomery County Government is to provide for the peace, good government, health, safety, and welfare of the County in accordance with, and under authority of, the Constitution and laws of Maryland, and the Montgomery County Charter. To accomplish this mission, the Montgomery County Government provides: public laws and oversight through the County Council and the offices and boards of the Legislative Branch; the administration of judicial offices; and public programs, services, and infrastructure through the County Executive and departments, offices, boards, and commissions within the Executive Branch.

BUDGET OVERVIEW

The total recommended FY15 operating budget for the County Government is \$1,895,268,283, an increase of \$37,761,191 or 2.0 percent from the FY14 approved budget of \$1,857,507,092 (excludes debt service). The total recommended FY15 tax supported operating budget for the County Government is \$1,477,914,980, an increase of \$17,056,701 or 1.2 percent from the FY14 approved tax supported budget of \$1,460,858,279.

The County Government is the agency responsible for providing general services to residents. To do this, the agency is organized functionally into departments, offices, boards, and commissions which undertake all activities and operations of the government. County Government accounting information is organized by fund; this includes both tax supported and non-tax supported special funds, which either encompass an entire department or portions thereof. Detailed budget presentations on each of these organizational units and funds are displayed, organized by function, in the following sections of this document.

Spending Affordability Guidelines

In February 2014, the Council approved FY15 Spending Affordability Guidelines (SAG) of \$1,442.9 million for Montgomery County Government tax supported funds, a 1.2 percent decrease from the original \$1,460.9 million FY14 budget. For FY15, the Executive recommends \$1,477.9 million in tax supported funds.

Government Functions

The County Government functions organize departments, offices, boards, and commissions by related activity. The functions of the Montgomery County Government are:

- General Government
- Public Safety
- Transportation
- Health and Human Services
- Libraries, Culture and Recreation
- Community Development and Housing
- Environment
- Other County Functions

Government Funds

County government funds are typically categorized by tax supported and non-tax supported funds. Tax supported funds are financed through Countywide taxes or special tax rates assessed on a geographic area encompassing the users of the respective services. In addition to taxes, these funds are also supported by inter-governmental aid, user fees, and other resources. Non-tax supported funds include enterprise funds and grants. Enterprise funds are operations that are financed and operated in a manner similar to private enterprise. The cost of providing these functions is primarily recovered through user charges.

PROGRAM CONTACTS

Contact Alex Espinosa of the Office of Management and Budget at 240.777.2767 for more information regarding this agency's operating budget.

Montgomery County Government

Residents

Legislative Branch

Executive Branch

Judicial Branch

County Council

County Executive

• Boards, Committees, and Commissions

Chief Administrative Officer

Circuit Court

State's Attorney

Sheriff

Legislative

- County Council
- Board of Appeals
- Inspector General
- Legislative Oversight
- Merit System Protection Board
- Zoning and Administrative Hearings

General Government

- County Executive
- Board of Elections
- Community Engagement
- County Attorney
- Ethics Commission
- Finance
- General Services
- Human Resources
- Human Rights
- Intergovernmental Relations
- Management and Budget
- Public Information
- Technology Services
- Urban Districts

Libraries, Culture & Recreation

- Community Use of Public Facilities
- Libraries
- Recreation

Health & Human Services

- Health and Human Services

Transportation

- Transportation

Community Development & Housing

- Economic Development
- Housing and Community Affairs
- Permitting Services

Public Safety

- Consumer Protection
- Correction and Rehabilitation
- Emergency Management and Homeland Security
- Fire and Rescue Service
- Police

Environment

- Environmental Protection

Liquor Control

- Liquor Control

Montgomery County Public Schools

MISSION STATEMENT

The Montgomery County Public Schools (MCPS) operates a countywide system of public schools for students from pre-kindergarten through high school. For the 2013-14 school year (FY14), 151,289 students in pre-kindergarten classes through grade 12 attend 202 separate public educational facilities. For the 2014-15 school year (FY15), enrollment is estimated at 154,178 students.

BUDGET OVERVIEW

The County Executive's role in the MCPS budget process is to present to the County Council a recommended total budget. The total recommended FY15 Operating Budget is \$2,302.8 million, an increase of \$77.4 million or 3.5 percent over the original FY14 approved budget of \$2,225.4 million and exceeds the State's Maintenance of Effort law by \$26.0 million. The County Executive recommends that MCPS' remaining fund balance be used to support the FY15 operating budget, providing an additional \$11.3 million in available funds. The Board of Education's (BOE) Operating Budget request for FY14 totaled \$2,317.3 million. The County Executive's recommendation would fund 99.4 percent of the Board of Education's (BOE) request.

The County also supports the operations of the school system through the expenditures of other departments. For example, school health services, childhood wellness, and Linkages to Learning programs are provided by the Department of Health and Human Services; research and internet resources are made available in the Montgomery County Public Libraries; crossing guards are provided by the Department of Police; sports academies for youth are sponsored by the Department of Recreation; reimbursements for classrooms and school sports fields rented by residents are made by Community Use of Public Facilities; and the Maryland-National Capital Park and Planning Commission provides maintenance at MCPS ballfields. In addition to the total recommended Operating Budget for the public schools, this agency's Capital Improvements Program (CIP) requires County funding. Approximately \$12.9 million in FY15 current revenue and \$27.8 million in recodation taxes are recommended in the recommended FY15-20 CIP. The debt service requirement for the MCPS capital program is estimated at \$133.2 million in FY15.

The table below summarizes the contributions to MCPS programs that are appropriated in other departments or agencies.

Additional County Support for MCPS FY15	
MCPS Budget (in millions)	\$2,164.1
Additional County funding (not included in MCPS budget)	
• Debt service on school construction bonds	\$133.2
• Pre-funding retiree health benefits	\$58.3
• Support services	\$55.0
• Technology modernization	\$22.8
Total additional County funding	\$269.3
Total expenditures for MCPS	\$2,433.4

Sources: Recommended FY15 Operating and Capital Budgets

The recommended budget includes the County's contribution of \$1,465.0 million plus \$38.2 million in carryover funds and \$37.8 million for State retirement (66.9 percent of all recommended funding), State aid and grants of \$618.8 million (26.9 percent), Federal grants and aid of \$69.9 million (3.0 percent), and tuition, fees, and private grants of \$12.3 million (0.5 percent). The recommended appropriation for the fee supported enterprise funds is \$59.2 million (2.6 percent) and for the special revenue fund is \$1.6 million (0.1 percent).

Tax Supported Funding for the Public Schools

For FY15, the total tax supported portion of the Executive's recommendation (excluding grants and enterprise funds) is \$2,164.1 million, an increase of \$79.8 million or 3.8 percent over the original FY14 approved Operating Budget.

The tax supported portion of the recommendation includes a FY15 local contribution of \$1,465.0 million, plus carryover of \$38.2 million and \$37.8 million for State retirement for a total local contribution of \$1,541.1 million. The Executive's recommendation for local funding exceeds the State Maintenance of Effort (MOE) requirement by \$26.0 million.

Fiscal Summary

The Executive's total budget recommendation from all funding sources is \$2,302.8 million and funds 99.4 percent of the BOE's request. The Executive relies on the BOE to determine the most appropriate manner to deliver educational services within its recommended budget allocation.

Spending Affordability

In February 2014, the Montgomery County Council approved FY15 Spending Affordability Guidelines (SAG) of \$2,127.2 million for the tax supported funds of MCPS. The BOE requested \$2,178.6 million in tax supported funds.

Additional Budget Details

The Executive affirms the authority of the BOE to establish educational policy and to determine the allocation of appropriated funds in support of the mission of the public school system. Complete information regarding the MCPS budget request is available in the FY15 Operating Budget adopted by the BOE on February 25, 2012. Copies of that budget are available at Montgomery County libraries, on the MCPS website and, upon request, from the school system.

LINKAGE TO COUNTY RESULT AREAS

While this program area supports all eight of the County Result Areas, the following are emphasized:

- ❖ ***Children Prepared to Live and Learn***

ACCOMPLISHMENTS AND INITIATIVES

- ❖ ***Support MCPS programs through expenditures in other County departments, such as Health and Human Services, Public Libraries, Recreation, Community Use of Public Facilities, and Police.***
- ❖ ***Make a County contribution to MCPS of \$1,541.1 million, including \$38.2 million in carryover and \$37.8 million of local contribution for State retirement.***
- ❖ ***Provide resources to accommodate the enrollment of 154,178 students.***
- ❖ ***Productivity Improvements***
 - ***Four MCPS high schools rank in the top 100 of The Washington Post's 2013 High School Challenge and all 25 MCPS high schools appear on this list, which only includes the top 9 percent of high schools in the country.***
 - ***Eight MCPS high schools made the U.S. News & World Report 2013 list of Best High Schools. MCPS had the top six high schools in the state of Maryland. U.S. News & World Report also ranked six MCPS high schools among the nation's best for Science, Technology, Engineering, and Mathematics (STEM) education.***
 - ***A historic high of 33,642 Advanced Placement (AP) exams were taken by MCPS students in 2013. Students earned a college-ready score (3 or higher) on 73 percent of those exams.***
 - ***MCPS has one of the highest graduation rates among the nation's largest school districts, according to an Education Week report. The Schott Foundation reports that MCPS has the highest graduation rate in the nation for African American males among the nation's largest districts.***

PROGRAM CONTACTS

Contact Thomas Klausing of the Montgomery County Public Schools at 301.279.3547 or Jedediah Millard of the Office of Management and Budget at 240.777.2769 for more information regarding this agency's operating budget.

BUDGET SUMMARY

	Actual FY13	Budget FY14	Estimated FY14	Recommended FY15	% Chg Bud/Rec
CURRENT FUND MCPS					
EXPENDITURES					
Salaries and Wages	0	0	0	0	—
Employee Benefits	0	0	0	0	—
Current Fund MCPS Personnel Costs	0	0	0	0	—
Operating Expenses	2,056,273,539	2,084,338,368	2,069,838,368	2,164,140,006	3.8%
Capital Outlay	0	0	0	0	—
Current Fund MCPS Expenditures	2,056,273,539	2,084,338,368	2,069,838,368	2,164,140,006	3.8%
PERSONNEL					
Full-Time	0	0	0	0	—
Part-Time	0	0	0	0	—
FTEs	582.95	20,032.00	20,032.00	20,391.94	1.8%
REVENUES					
Basic State Aid	302,187,876	305,782,989	305,782,989	310,456,913	1.5%
Federal Revenues	504,490	400,000	200,000	400,000	—
Foster Care/Miscellaneous	281,377	400,000	400,000	400,000	—
GCEI - Geographic Cost of Education Index	32,796,296	33,636,554	33,636,554	34,394,095	2.3%
Students With Disabilities	49,873,129	48,568,815	50,018,815	51,202,771	5.4%
Thornton Legislation	170,316,007	179,615,574	179,615,574	184,221,187	2.6%
Transportation	36,100,856	36,985,683	36,985,683	38,090,967	3.0%
Tuition-Other Sources	4,184,544	3,725,708	3,975,708	3,875,708	4.0%
Current Fund MCPS Revenues	596,244,575	609,115,323	610,615,323	623,041,641	2.3%
GRANT FUND MCPS					
EXPENDITURES					
Salaries and Wages	0	0	0	0	—
Employee Benefits	0	0	0	0	—
Grant Fund MCPS Personnel Costs	0	0	0	0	—
Operating Expenses	76,536,652	80,729,142	80,729,142	77,903,934	-3.5%
Capital Outlay	0	0	0	0	—
Grant Fund MCPS Expenditures	76,536,652	80,729,142	80,729,142	77,903,934	-3.5%
PERSONNEL					
Full-Time	0	0	0	0	—
Part-Time	0	0	0	0	—
FTEs	7.00	590.30	590.30	564.90	-4.3%
REVENUES					
Federal Grants	72,775,609	72,280,788	72,280,788	69,455,580	-3.9%
Private Grants	901,113	8,448,354	8,448,354	8,448,354	—
State Grants	2,859,930	0	0	0	—
Grant Fund MCPS Revenues	76,536,652	80,729,142	80,729,142	77,903,934	-3.5%
FOOD SERVICE FUND					
EXPENDITURES					
Salaries and Wages	0	0	0	0	—
Employee Benefits	0	0	0	0	—
Food Service Fund Personnel Costs	0	0	0	0	—
Operating Expenses	51,249,507	51,189,670	51,189,670	51,222,406	0.1%
Capital Outlay	0	0	0	0	—
Food Service Fund Expenditures	51,249,507	51,189,670	51,189,670	51,222,406	0.1%
PERSONNEL					
Full-Time	0	0	0	0	—
Part-Time	0	0	0	0	—
FTEs	12.00	582.95	582.95	585.45	0.4%
REVENUES					
Child Care Food Service	0	1,334,335	1,334,335	1,334,335	—
Federal Food	29,210,879	28,797,309	28,797,309	28,821,508	0.1%
Sale of Meals	20,479,164	18,821,419	18,821,419	18,829,956	0.0%
State Food	1,097,324	2,236,607	2,236,607	2,236,607	—
Food Service Fund Revenues	50,787,367	51,189,670	51,189,670	51,222,406	0.1%
REAL ESTATE FUND					
EXPENDITURES					
Salaries and Wages	0	0	0	0	—
Employee Benefits	0	0	0	0	—
Real Estate Fund Personnel Costs	0	0	0	0	—

	Actual FY13	Budget FY14	Estimated FY14	Recommended FY15	% Chg Bud/Rec
Operating Expenses	3,026,997	2,920,399	2,920,399	3,166,047	8.4%
Capital Outlay	0	0	0	0	—
Real Estate Fund Expenditures	3,026,997	2,920,399	2,920,399	3,166,047	8.4%
PERSONNEL					
Full-Time	0	0	0	0	—
Part-Time	0	0	0	0	—
FTEs	12.50	7.00	7.00	7.00	—
REVENUES					
Real Estate Fund	3,026,997	2,920,399	2,920,399	3,166,047	8.4%
Real Estate Fund Revenues	3,026,997	2,920,399	2,920,399	3,166,047	8.4%
FIELD TRIP FUND					
EXPENDITURES					
Salaries and Wages	0	0	0	0	—
Employee Benefits	0	0	0	0	—
Field Trip Fund Personnel Costs	0	0	0	0	—
Operating Expenses	1,664,949	1,917,672	1,917,672	1,895,960	-1.1%
Capital Outlay	0	0	0	0	—
Field Trip Fund Expenditures	1,664,949	1,917,672	1,917,672	1,895,960	-1.1%
PERSONNEL					
Full-Time	0	0	0	0	—
Part-Time	0	0	0	0	—
FTEs	472.14	4.50	4.50	4.50	—
REVENUES					
Field Trip Fees	1,735,962	1,917,672	1,917,672	1,895,960	-1.1%
Field Trip Fund Revenues	1,735,962	1,917,672	1,917,672	1,895,960	-1.1%
ENTREPRENEURIAL ACTIVITIES FUND					
EXPENDITURES					
Salaries and Wages	0	0	0	0	—
Employee Benefits	0	0	0	0	—
Entrepreneurial Activities Fund Personnel Costs	0	0	0	0	—
Operating Expenses	2,604,177	2,848,540	2,848,540	2,910,612	2.2%
Capital Outlay	0	0	0	0	—
Entrepreneurial Activities Fund Expenditures	2,604,177	2,848,540	2,848,540	2,910,612	2.2%
PERSONNEL					
Full-Time	0	0	0	0	—
Part-Time	0	0	0	0	—
FTEs	0.00	12.60	12.60	12.60	—
REVENUES					
Entrepreneurial Activities Fee	2,235,250	2,848,540	2,848,540	2,910,612	2.2%
Entrepreneurial Activities Fund Revenues	2,235,250	2,848,540	2,848,540	2,910,612	2.2%
INSTRUCTIONAL TELEVISION FUND					
EXPENDITURES					
Salaries and Wages	0	0	0	0	—
Employee Benefits	0	0	0	0	—
Instructional Television Fund Personnel Costs	0	0	0	0	—
Operating Expenses	1,379,731	1,477,261	1,477,261	1,595,624	8.0%
Capital Outlay	0	0	0	0	—
Instructional Television Fund Expenditures	1,379,731	1,477,261	1,477,261	1,595,624	8.0%
PERSONNEL					
Full-Time	0	0	0	0	—
Part-Time	0	0	0	0	—
FTEs	4.50	12.50	12.50	13.50	8.0%
DEPARTMENT TOTALS					
Total Expenditures	2,192,735,552	2,225,421,052	2,210,921,052	2,302,834,589	3.5%
Total Full-Time Positions	0	0	0	0	—
Total Part-Time Positions	0	0	0	0	—
Total FTEs	1,091.09	21,241.85	21,241.85	21,579.89	1.6%
Total Revenues	730,566,803	748,720,746	750,220,746	760,140,600	1.5%

MCPS EXPENDITURES FY80-FY15					
County Fiscal Year	Total Expenditures	Total Enrollment	Per Pupil	County Funding	As Percent of Total
80	\$283,964,983	102,519	\$2,770	\$217,458,068	76.6%
81	\$310,301,970	98,843	\$3,139	\$243,994,370	78.6%
82	\$331,546,219	95,587	\$3,469	\$267,891,955	80.8%
83	\$351,939,986	92,517	\$3,804	\$286,965,658	81.5%
84	\$371,322,717	91,030	\$4,079	\$303,726,901	81.8%
85	\$399,916,181	91,704	\$4,361	\$330,035,065	82.5%
86	\$436,875,791	92,871	\$4,704	\$361,788,973	82.8%
87	\$475,866,930	94,460	\$5,038	\$398,053,264	83.6%
88	\$519,622,140	96,271	\$5,397	\$434,582,576	83.6%
89	\$577,957,669	98,519	\$5,866	\$488,062,505	84.4%
90	\$642,553,932	100,259	\$6,409	\$545,768,528	84.9%
91	\$702,260,084	103,732	\$6,770	\$601,407,797	85.6%
92	\$712,896,646	107,140	\$6,654	\$603,939,300	84.7%
93	\$738,767,864	110,037	\$6,714	\$622,732,456	84.3%
94*	\$793,907,907	113,429	\$6,999	\$666,557,884	84.0%
95	\$830,010,147	117,082	\$7,089	\$695,512,609	83.8%
96	\$878,160,420	120,291	\$7,300	\$718,938,647	81.9%
97	\$915,141,097	122,505	\$7,470	\$740,984,871	81.0%
98	\$958,416,196	125,035	\$7,665	\$765,835,476	79.9%
99	\$1,034,768,530	127,852	\$8,093	\$820,833,423	79.3%
00	\$1,105,644,145	130,689	\$8,460	\$870,940,869	78.8%
01	\$1,216,096,599	134,180	\$9,063	\$959,754,838	78.9%
02	\$1,323,625,477	136,832	\$9,673	\$1,029,703,651	77.8%
03	\$1,412,161,822	138,891	\$10,167	\$1,079,188,698	76.4%
04	\$1,501,381,116	139,203	\$10,786	\$1,136,392,169	75.7%
05	\$1,609,382,533	139,337	\$11,550	\$1,217,214,553	75.6%
06	\$1,713,736,154	139,387	\$12,295	\$1,296,325,112	75.6%
07	\$1,851,496,287	137,798	\$13,436	\$1,384,725,787	74.8%
08	\$1,985,017,619	137,745	\$14,411	\$1,456,912,582	73.4%
09	\$2,066,683,294	137,763	\$15,002	\$1,531,482,602	74.1%
10	\$2,200,577,000	140,500	\$15,662	\$1,573,754,447	71.5%
11	\$2,104,188,040	143,309	\$14,683	\$1,425,385,344	67.7%
12	\$2,086,786,613	146,497	\$14,245	\$1,387,101,480	66.5%
13	\$2,160,029,595	149,018	\$14,495	\$1,436,513,701	66.5%
14	\$2,225,421,052	151,289	\$14,710	\$1,475,222,438	66.3%
15 CE Rec	\$2,302,834,589	154,178	\$14,936	\$1,541,098,365	66.9%

Sources: Approved Operating Budgets

Notes:

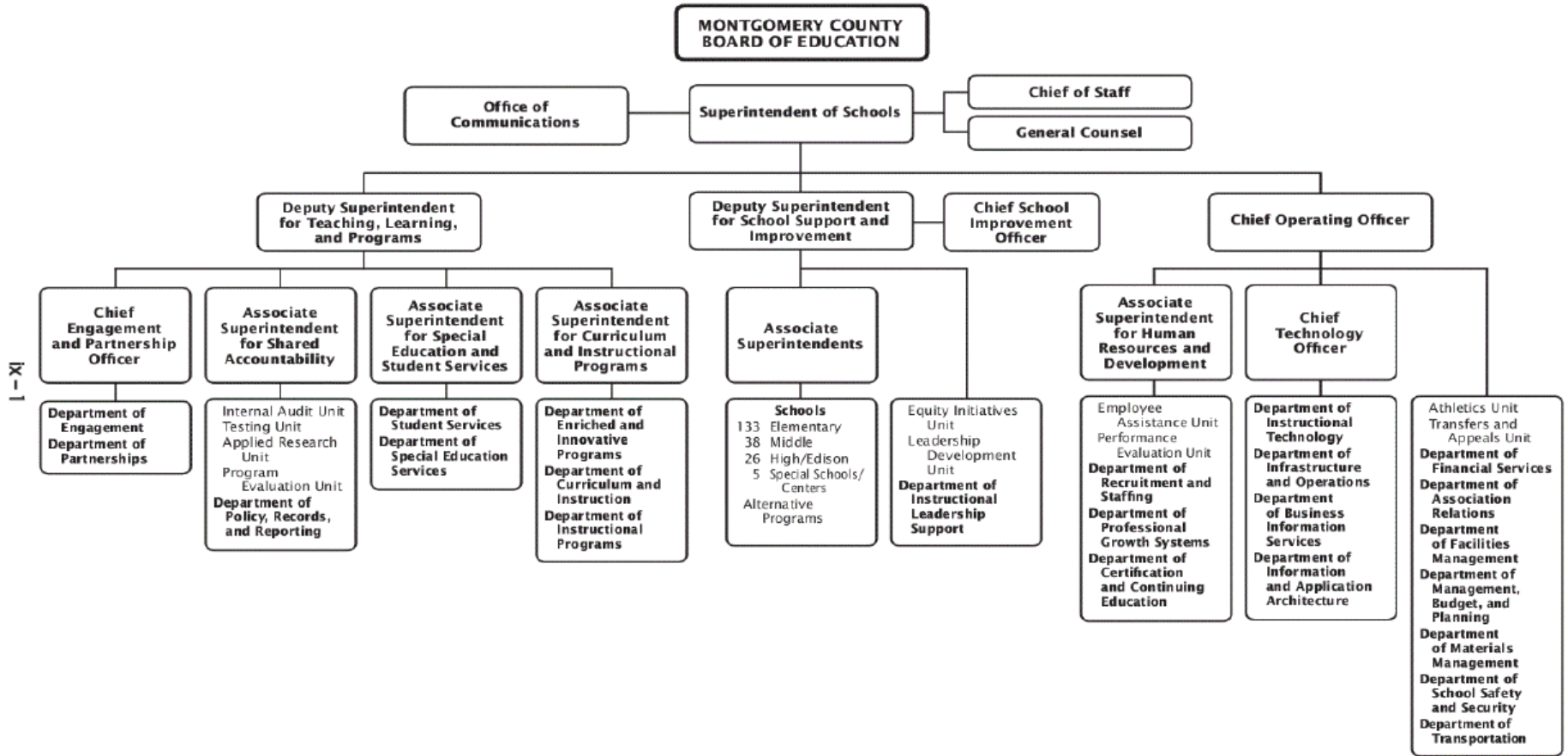
* State legislative action shifted responsibility for teacher Social Security payments to local jurisdictions in FY94.

Per pupil spending represents all sources of funds

In addition to MCPS appropriations, the following County departments also support MCPS programs:

- School Health Nurses and Health Room Technicians (Health and Human Services)
- Childhood Wellness (Health and Human Services)
- Linkages to Learning (Health and Human Services)
- Research and Internet Resources (Public Libraries)
- Sports Academies (Recreation)
- Crossing Guards (Police)
- Reimbursements for Rented Classrooms and Sports Fields (Community Use of Public Facilities)
- Stormwater Facility Maintenance (Environmental Protection)
- Capital Improvements Program (CIP) Current Revenue
- Debt Service on School Facilities

MONTGOMERY COUNTY PUBLIC SCHOOLS ORGANIZATION—FY 2015



IX-1

Montgomery College

MISSION STATEMENT

Montgomery Community College provides postsecondary educational programs from campuses located in Takoma Park/Silver Spring, Rockville, and Germantown. It serves four broad groups of students:

- Those who want the first two years of a university education, either for an associate's degree or preparatory to another program;
- Those who want to prepare for a career not requiring a bachelor's degree;
- Highly capable high school juniors and seniors who participate in special programs; and
- Adults who want to continue their education, either to improve job skills or for personal enrichment.

BUDGET OVERVIEW

The total recommended FY15 Operating Budget for Montgomery College is \$290.0 million, an increase of \$10.0 million or 3.6 percent from the FY14 approved budget of \$280.0 million. The County Executive recommendation funds over 97% of the College's request and provides an affordable and sustainable level of support.

The County Executive recommends a total County contribution of \$110.6 million, which represents an increase of \$11 million, or 11.0 percent, over the FY14 approved budget.

Related Current Fund revenues (excluding the County contribution) are \$119.2 million, which represents a decrease of \$1.4 million, or 1.2 percent, compared to the approved FY14 budget.

In addition to the total recommended Operating Budget for the College, the agency's Capital Improvement Program (CIP) requires current revenue funding. Approximately \$11.4 million in FY15 current revenues is assumed in the recommended FY15-20 CIP.

Montgomery College's budget request is not detailed in this document. The College budget request may be obtained by contacting the Office of Budget and Management Studies, Montgomery College, 900 Hungerford Drive, Room 345, Rockville, Maryland 20850, phone 240.567.7290, or may be found on the College's web site at www.montgomerycollege.edu/Departments/budget.

State law requires the Board of Trustees and the President to prepare and submit operating and capital budgets to the County Council. The operating budget request is normally submitted to the Council and County Executive in January each year. After final action by the Council in May, the Board adopts the approved budget in June. The College's approved budget is included in the Council Approved FY15 Operating and Capital Budgets and is prepared by the Office of Management and Budget in July.

The College prepared an FY15 budget requesting additional tax-supported county funds of \$16.7 million, an increase of 7.3 percent from the approved FY14 budget. The College's request assumes a \$3/\$6/\$9 per semester hour (in-county, in-state, out-of-state) tuition increase for students.

The Executive relies on the Board of Trustees to determine the most appropriate manner and use to deliver educational services within its recommended budget appropriations.

Spending Affordability Guidelines

In February 2014, the Council approved FY15 Spending Affordability Guidelines (SAG) of \$141.9 million (net of tuition) for the tax-supported funds of Montgomery College. The Board of Trustees requested \$163.0 million (net of tuition and fees), which is \$21.1 million, or 14.9 percent, above the guideline.

Enrollment

Enrollment is projected by the College to decrease in FY15 and is estimated by the College for FY15 at 17,153 full-time equivalent (FTE) students in credit programs. An FTE student for one year is calculated as the total number of credit hours divided by 30. The College projects a 0.5 percent decrease in FY15 in FTE student enrollment compared to its FY14 estimate. Compared to FY13, FY14 enrollment declined by 4.6%; the College projects enrollment to continue to decline further between FY15 and FY19. The College's projections assume approval of the proposed renovation and construction schedule in the Capital Improvements Program.

Tuition

For FY15, the College request is based on an increase to tuition fees of \$3 per semester hour, from \$112 to \$115, for County residents; a \$6 per semester hour increase for State residents to \$235; and a \$9 per semester hour increase for out-of-state residents to \$323. The consolidated fee for all students would remain at 20 percent of tuition. The Board of Trustees will make tuition decisions in April 2014.

Tuition and other student fees represent approximately 39 percent of the revenue proposed by the College to fund the FY15 budget, compared to 43 percent of revenues assumed in the FY14 approved budget.

State Funding

The total amount of State funding assumed in the Executive's Recommended FY15 budget is estimated to be \$40.4 million. It is comprised of \$33.9 million allocated to the Current Fund and \$6.5 million to the Workforce and Development Fund. The College allocates formula funds to the Current Fund and Continuing Education Fund based on the proportionate share of FTE students for most University System of Maryland institutions.

Tax-Supported Funds

The County Executive recommends a total appropriation of \$237.3 million in the three tax-supported funds (Current, Emergency Plant Maintenance and Repair, and Tax-Supported Grants). This amount is an increase of \$8.9 million or 3.9 percent more than the \$228.4 million approved in FY14.

Current Fund

In the Current Fund, the County Executive is recommending an appropriation of \$236.6 million, an increase of \$8.9 million or 3.9 percent over the \$227.7 million approved in FY14. This recommendation is based on the College's estimated tuition and fees, which includes the increases in tuition rates noted above. The Executive's recommendation increases local funding to the College by \$11.0 million, or 11.1 percent, in the Current Fund.

Emergency Plant Maintenance and Repair Fund

The Emergency Plant Maintenance and Repair Fund provides for unanticipated expenditures to make emergency repairs not funded elsewhere in the budget. The County Executive recommends the Board's request, an appropriation of \$350,000, the same level as the FY14 approved budget.

Tax-Supported Grant Fund

The Tax-Supported Grant Fund provides for community needs not met elsewhere. The County Executive recommends the Board's request, an appropriation of \$400,000, to support the College's adult literacy programs.

Other Funds

Cable Television

The County Executive recommends an appropriation of \$1.5 million for the Cable Television Fund, which provides for production and operation of the College's higher education channel on the County's cable system. The requested amount would provide instructional programs and public service offerings by the College to the community. Additional detail on the College's Cable budget can be found in the Cable Communications Plan in section 64-1.

Special Funds

The College's Workforce Development and Continuing Education Fund is supported by a combination of student tuition and fees and State reimbursements, which are based on the FTE student enrollment in the academic year that occurred two years prior to the current year. The County Executive recognizes the importance of higher education to the economic development of Montgomery County and recommends the Board's request, an appropriation of \$18.2 million for this Fund, a \$800,000 increase over the amount approved in FY14.

The Auxiliary Enterprises Fund includes the Bookstore, the Child Care Center, and Food Services, and is supported by revenue earned from these activities. The College requests and the County Executive recommends an appropriation of \$5.9 million for this fund.

The Grants and Contracts Fund includes grants and contracts received by the College from all sources. The College requests and the County Executive recommends an appropriation of \$19.8 million for this fund.

LINKAGE TO COUNTY RESULT AREAS

While this program area supports all eight of the County Result Areas, the following are emphasized:

- ❖ **Children Prepared to Live and Learn**
- ❖ **Strong and Vibrant Economy**
- ❖ **Vital Living for All of Our Residents**

PROGRAM CONTACTS

Contact Linda Hickey of the Montgomery College at 240.567.7292 or Jennifer Bryant of the Office of Management and Budget at 240.777.2761 for more information regarding this agency's operating budget.

BUDGET SUMMARY

	Actual FY13	Budget FY14	Estimated FY14	Recommended FY15	% Chg Bud/Rec
CURRENT FUND MC					
EXPENDITURES					
Salaries and Wages	0	0	0	0	—
Employee Benefits	0	0	0	0	—
Current Fund MC Personnel Costs	0	0	0	0	—
Operating Expenses	211,233,214	227,727,695	220,214,452	236,592,682	3.9%
Capital Outlay	0	0	0	0	—
Current Fund MC Expenditures	211,233,214	227,727,695	220,214,452	236,592,682	3.9%
PERSONNEL					
Full-Time	0	0	0	0	—
Part-Time	0	0	0	0	—
FTEs	0.00	1,715.10	1,715.10	1,789.60	4.3%
REVENUES					
Current Fund: Interest	59,980	55,000	55,000	55,000	—
Current Fund: Other Revenue	1,287,860	1,135,000	1,135,000	1,135,000	—
Current Fund: Performing Arts Center	53,155	135,000	135,000	135,000	—
Fed. State & Priv. Gifts & Grants	400,000	325,000	325,000	325,000	—
Other Student Fees: Current Fund	1,473,159	1,697,759	1,668,717	1,438,157	-15.3%
State Aid	30,268,786	31,688,491	31,688,491	33,860,896	6.9%
Tuition and Fees: Current Fund	84,222,987	85,555,492	82,094,404	82,221,884	-3.9%
Current Fund MC Revenues	117,765,927	120,591,742	117,101,612	119,170,937	-1.2%
EMERGENCY REPAIR FUND					
EXPENDITURES					
Salaries and Wages	0	0	0	0	—
Employee Benefits	0	0	0	0	—
Emergency Repair Fund Personnel Costs	0	0	0	0	—
Operating Expenses	349,973	350,000	350,000	350,000	—
Capital Outlay	0	0	0	0	—
Emergency Repair Fund Expenditures	349,973	350,000	350,000	350,000	—
PERSONNEL					
Full-Time	0	0	0	0	—
Part-Time	0	0	0	0	—
FTEs	1.00	0.00	0.00	0.00	—
REVENUES					
EPMRF: Investment Income Non-Pooled	444	0	400	0	—
Emergency Repair Fund Revenues	444	0	400	0	—
GRANT FUND MC					
EXPENDITURES					
Salaries and Wages	0	0	0	0	—
Employee Benefits	0	0	0	0	—
Grant Fund MC Personnel Costs	0	0	0	0	—
Operating Expenses	10,195,258	20,163,000	11,935,055	19,773,000	-1.9%
Capital Outlay	0	0	0	0	—
Grant Fund MC Expenditures	10,195,258	20,163,000	11,935,055	19,773,000	-1.9%

	Actual FY13	Budget FY14	Estimated FY14	Recommended FY15	% Chg Bud/Rec
PERSONNEL					
Full-Time	0	0	0	0	—
Part-Time	0	0	0	0	—
FTEs	0.00	0.00	0.00	0.00	—
REVENUES					
Federal/State/Private Grants	10,195,258	20,163,000	11,935,055	19,773,000	-1.9%
Grant Fund MC Revenues	10,195,258	20,163,000	11,935,055	19,773,000	-1.9%
AUXILIARY FUND					
EXPENDITURES					
Salaries and Wages	0	0	0	0	—
Employee Benefits	0	0	0	0	—
Auxiliary Fund Personnel Costs	0	0	0	0	—
Operating Expenses	4,639,630	5,771,815	4,871,501	5,918,157	2.5%
Capital Outlay	0	0	0	0	—
Auxiliary Fund Expenditures	4,639,630	5,771,815	4,871,501	5,918,157	2.5%
PERSONNEL					
Full-Time	0	0	0	0	—
Part-Time	0	0	0	0	—
FTEs	1,711.10	50.00	50.00	50.00	—
REVENUES					
Auxiliary Fund: Interest Income	5,853	10,000	10,000	12,000	20.0%
Other Revenues: Miscellaneous	932,053	1,321,715	862,596	1,849,000	39.9%
Other Revenues: Performing Arts Center	349,811	350,000	387,108	0	—
Sales	3,184,800	3,703,900	2,875,320	3,612,400	-2.5%
Auxiliary Fund Revenues	4,472,517	5,385,615	4,135,024	5,473,400	1.6%
WORKFORCE DEVELOPMENT & CONTINUING ED					
EXPENDITURES					
Salaries and Wages	0	0	0	0	—
Employee Benefits	0	0	0	0	—
Workforce Development & Continuing Ed Personnel Costs	0	0	0	0	—
Operating Expenses	12,630,438	17,411,500	13,590,000	18,200,205	4.5%
Capital Outlay	0	0	0	0	—
Workforce Development & Continuing Ed Expenditures	12,630,438	17,411,500	13,590,000	18,200,205	4.5%
PERSONNEL					
Full-Time	0	0	0	0	—
Part-Time	0	0	0	0	—
FTEs	0.00	85.00	85.00	93.50	10.0%
REVENUES					
Other Revenues: Interest	37,450	30,000	30,000	30,000	—
Other Revenues; Miscellaneous	28,521	380,000	20,000	380,000	—
State Aid	5,729,766	6,147,053	6,147,053	6,541,288	6.4%
Tuition and Fees: Continuing Education	6,737,764	9,450,000	6,840,000	9,650,000	2.1%
Workforce Development & Continuing Ed Revenues	12,533,501	16,007,053	13,037,053	16,601,288	3.7%
CABLE TELEVISION FUND					
EXPENDITURES					
Salaries and Wages	0	0	0	0	—
Employee Benefits	0	0	0	0	—
Cable Television Fund Personnel Costs	0	0	0	0	—
Operating Expenses	1,242,752	1,380,800	1,375,000	1,505,000	9.0%
Capital Outlay	0	0	0	0	—
Cable Television Fund Expenditures	1,242,752	1,380,800	1,375,000	1,505,000	9.0%
PERSONNEL					
Full-Time	0	0	0	0	—
Part-Time	0	0	0	0	—
FTEs	0.00	11.00	11.00	11.00	—
REVENUES					
Cable: Other Revenue	398	0	400	0	—
Cable Television Fund Revenues	398	0	400	0	—
ENDOWMENT FUND					
EXPENDITURES					
Salaries and Wages	0	0	0	0	—
Employee Benefits	0	0	0	0	—
Endowment Fund Personnel Costs	0	0	0	0	—

	Actual FY13	Budget FY14	Estimated FY14	Recommended FY15	% Chg Bud/Rec
Operating Expenses	0	263,000	65,000	263,000	—
Capital Outlay	0	0	0	0	—
Endowment Fund Expenditures	0	263,000	65,000	263,000	—
PERSONNEL					
Full-Time	0	0	0	0	—
Part-Time	0	0	0	0	—
FTEs	0.00	0.00	0.00	0.00	—
REVENUES					
Interest	1,205	1,000	1,000	1,000	—
Endowment Fund Revenues	1,205	1,000	1,000	1,000	—
MAJOR FACILITIES RESERVE FUND					
EXPENDITURES					
Salaries and Wages	0	0	0	0	—
Employee Benefits	0	0	0	0	—
Major Facilities Reserve Fund Personnel Costs	0	0	0	0	—
Operating Expenses	2,349,156	3,500,000	2,400,000	3,500,000	—
Capital Outlay	0	0	0	0	—
Major Facilities Reserve Fund Expenditures	2,349,156	3,500,000	2,400,000	3,500,000	—
PERSONNEL					
Full-Time	0	0	0	0	—
Part-Time	0	0	0	0	—
FTEs	0.00	0.00	0.00	0.00	—
REVENUES					
Interest Income	17,049	15,000	18,000	20,000	33.3%
Student Fees	3,213,930	3,300,000	3,100,000	3,075,000	-6.8%
Major Facilities Reserve Fund Revenues	3,230,979	3,315,000	3,118,000	3,095,000	-6.6%
MC GRANTS TAX SUPPORTED FUND					
EXPENDITURES					
Salaries and Wages	0	0	0	0	—
Employee Benefits	0	0	0	0	—
MC Grants Tax Supported Fund Personnel Costs	0	0	0	0	—
Operating Expenses	400,000	400,000	400,000	400,000	—
Capital Outlay	0	0	0	0	—
MC Grants Tax Supported Fund Expenditures	400,000	400,000	400,000	400,000	—
PERSONNEL					
Full-Time	0	0	0	0	—
Part-Time	0	0	0	0	—
FTEs	50.00	0.00	0.00	0.00	—
TRANSPORTATION FUND					
EXPENDITURES					
Salaries and Wages	0	0	0	0	—
Employee Benefits	0	0	0	0	—
Transportation Fund Personnel Costs	0	0	0	0	—
Operating Expenses	2,092,977	3,000,000	2,200,000	3,500,000	16.7%
Capital Outlay	0	0	0	0	—
Transportation Fund Expenditures	2,092,977	3,000,000	2,200,000	3,500,000	16.7%
PERSONNEL					
Full-Time	0	0	0	0	—
Part-Time	0	0	0	0	—
FTEs	85.00	1.00	1.00	1.00	—
REVENUES					
Miscellaneous Other	275,647	250,000	218,000	21,000	-91.6%
Student Fees	2,481,513	2,500,000	2,370,000	2,975,000	19.0%
Transportation Fund Revenues	2,757,160	2,750,000	2,588,000	2,996,000	8.9%
DEPARTMENT TOTALS					
Total Expenditures	245,133,398	279,967,810	257,401,008	290,002,044	3.6%
Total Full-Time Positions	0	0	0	0	—
Total Part-Time Positions	0	0	0	0	—
Total FTEs	1,847.10	1,862.10	1,862.10	1,945.10	4.5%
Total Revenues	150,957,389	168,213,410	151,916,544	167,110,625	-0.7%

PERFORMANCE MEASURES FOR MONTGOMERY COLLEGE

The Maryland Higher Education Commission (MHEC) requires an annual report ("Performance Accountability Report" [PAR]) from the state's community colleges that updates institutional progress on several broad goals that are part of the State Plan for Postsecondary Education. Those goals are accompanied by 35 Indicators on which community colleges set targets ("benchmarks") for the end of the five-year cycle, which will be the report issued in July, 2016 and will reflect data through FY 2015 or Fall 2015, as appropriate. A selection of some of those Indicators is provided here as Performance Measures for Montgomery College.

Accessibility and Affordability

	<u>FY 2008</u>	<u>FY 2009</u>	<u>FY 2010</u>	<u>FY 2011</u>	<u>FY 2012</u>	<u>Target FY 2015</u>
Annual unduplicated headcount						
Credit Students	34,248	35,604	37,510	37,391	38,197	41,636
Non-credit Students	26,035	25,636	24,881	23,624	25,050	25,435
	<u>Fall 2008</u>	<u>Fall 2009</u>	<u>Fall 2010</u>	<u>Fall 2011</u>	<u>Fall 2012</u>	<u>Target - Fall 2015</u>
MC Share of Montgomery County Residents in MD Colleges	42.9%	49.4%	49.2%	45.1%	46.0%	52.0%
	<u>FY 2008</u>	<u>FY 2009</u>	<u>FY 2010</u>	<u>FY 2011</u>	<u>FY 2012</u>	<u>Target FY 2015</u>
Enrollment in online courses	8,997	9,989	11,384	17,168	13,827	15,234
	<u>FY 2009</u>	<u>FY 2010</u>	<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013</u>	<u>Target FY 2015</u>
MC Tuition & Fees as pct. of MD public four-year colleges	55.9%	58.7%	56.7%	56.0%	55.1%	57.0%

Quality and Effectiveness

	<u>Grads of 2000</u>	<u>Grads of 2002</u>	<u>Grads of 2005</u>	<u>Grads of 2008</u>	<u>Grads of 2011</u>	<u>Grads of 2014</u>
Graduate satisfaction with educational goal achievement	99.0%	97.0%	93.0%	98.0%	97.0%	92.0%
Graduate satisfaction with preparation for transfer	79.0%	88.0%	91.0%	77.4%	n/a	90.0%
	<u>Spring 2003</u>	<u>Spring 2005</u>	<u>Spring 2007</u>	<u>Spring 2009</u>	<u>Spring 2011</u>	<u>Spring 2015</u>
Non-returning students' goal attainment	79.0%	82.0%	74.0%	81.0%	79.0%	82.0%

Diversity

	<u>Fall 2008</u>	<u>Fall 2009</u>	<u>Fall 2010</u>	<u>Fall 2011</u>	<u>Fall 2012</u>	<u>Fall 2015</u>
Minority student enrollment						
MC minority percent	56.4%	60.3%	64.2%	68.0%	70.1%	68.0%
Minority pct. of county adults	43.9%	45.6%	48.3%	48.6%	49.3%	
Minority percent of FT faculty	28.6%	28.2%	29.5%	29.4%	31.9%	32.0%
Minority percent of admin/prof.staff	38.0%	37.2%	38.4%	40.1%	42.5%	42.0%

PERFORMANCE MEASURES FOR MONTGOMERY COLLEGE

Economic Growth and Workforce Development

	Grads of 2000	Grads of 2002	Grads of 2005	Grads of 2008	Grads of 2011	Grads of 2014
Graduate satisfaction with job preparation	76.0%	79.0%	89.0%	83.0%	n/a	85.0%
	<u>FY 2008</u>	<u>FY 2009</u>	<u>FY 2010</u>	<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2015</u>
Licensure exam pass rates						
Radiologic Technology	100.0%	95.0%	94.0%	94.0%	100.0%	90.0%
Nursing	89.1%	91.3%	95.2%	84.8%	93.0%	90.0%
Physical Therapy Asst.	100.0%	64.0%	83.0%	93.0%	94.0%	80.0%
Contract Training Courses						
Annual unduplicated headcount	3,792	2,392	1,864	2,681	3,133	3,500
Annual enrollment in courses	5,907	4,993	4,202	3,861	6,544	6,000

Community Outreach and Impact

	<u>FY 2008</u>	<u>FY 2009</u>	<u>FY 2010</u>	<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2015</u>
Noncredit community service and lifelong learning						
Annual unduplicated headcount	13,282	11,113	9,508	11,903	9,409	12,000
Annual enrollment in courses	20,918	16,287	18,889	17,756	13,800	19,000
Noncredit basic skills and literacy						
Annual unduplicated headcount	6,449	6,252	6,619	6,634	7,683	6,400
Annual enrollment in courses	11,251	11,022	11,910	12,521	13,730	11,000

Effective Use of Public Funding

	<u>FY 2008</u>	<u>FY 2009</u>	<u>FY 2010</u>	<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2015</u>
Expenditures on Instruction as a percent of total expenditures	40.7%	41.2%	40.9%	41.4%	41.4%	41.0%
Expenditures on Instruction + Academic Support as percent of total	50.8%	54.4%	53.3%	53.7%	52.3%	54.0%

Montgomery College Organizational Chart

