

Clerk's Note: Resolution 20-556 has been updated to include the Fiscal Plan Summary documents.

Resolution No.: 20-556
Introduced: June 11, 2024
Adopted: June 25, 2024

**COUNTY COUNCIL
FOR MONTGOMERY COUNTY, MARYLAND**

Lead Sponsor: Government Operations and Fiscal Policy Committee

SUBJECT: Approval of the County’s Tax Supported Fiscal Plan Summary for the FY25-FY30 Public Services Program

Background

1. Section 302 of the County Charter states in part: *The County Executive shall submit to the Council, not later than March 15 of each year, comprehensive six-year programs for public services and fiscal policy. The six-year programs shall require a vote of at least six Councilmembers for approval or modification. Final Council approval of the six-year programs shall occur at or about the date of budget approval.*
2. Starting in 1992, the Council’s Government Operations and Fiscal Policy Committee (known until December 2010 as the Management and Fiscal Policy Committee) has collaborated with the Office of Management and Budget and the Department of Finance to develop and refine County fiscal projections. The result has been continuous improvement in how best to display such factors as economic and demographic assumptions, individual agency funds, major known commitments, illustrative expenditure pressures, gaps between projected revenues and expenditures, and productivity improvements. This work has also increased the County’s ability to harmonize the fiscal planning methodologies of the four tax supported agencies. Each version of the fiscal projections, or six-year fiscal plan, is a snapshot in time that reflects the best estimate of future revenues and expenditures as of that moment, as well as a specific set of fiscal policy assumptions.
3. On June 29, 2010, the Council approved policies on reserve and other fiscal matters in Resolution No. 16-1415. Action clause 5 stated: *The County should adopt a fiscal plan that is structurally balanced, and that limits expenditures and other uses of resources to annually available revenues. The fiscal plan should also separately display reserves at policy levels, including additions to reserves to reach policy level goals.*
4. The Council adopted Resolution No. 17-312 on November 29, 2011, replacing Resolution No. 16-1415, to strengthen the County’s fiscal policies while still retaining the fiscal plan language. The Council adopted Resolution No. 19-753 on March 2, 2021, replacing Resolution No. 17-312, to strengthen the County’s reserve policy while still retaining the fiscal plan language.

5. Pursuant to these policies, the Council approved a balanced fiscal plan summary in June 2010 and has approved a balanced fiscal plan summary every June thereafter.
6. The Government Operations and Fiscal Policy Committee reviewed the Tax Supported Fiscal Plan Summary for the FY25-FY30 Public Services Program on June 13, 2024.

Action

The County Council for Montgomery County, Maryland approves the Tax Supported Fiscal Plan Summary for the FY25-FY30 Public Services Program, as outlined on the attached pages. This summary reflects:

1. current information on projected revenues and non-agency expenditures for the six-year period, which must be updated as conditions change. To keep abreast of changed conditions the Council regularly reviews reports on economic indicators, revenue estimates, and other fiscal data.
2. the policy on County reserves as described in Resolution No. 19-753 adopted on March 2, 2021, and the amendments to the Revenue Stabilization Fund law in Bill 36-10 approved by the Council on June 29, 2010.
3. other specific fiscal assumptions listed in the summary.

This is a correct copy of Council action.



Sara R. Tenenbaum
Clerk of the Council

County Council Approved FY25-30 Public Services Program Tax Supported Fiscal Plan Summary

(\$ in Millions)														
	App. FY24	Est. FY24	% Chg. FY24-25	App. FY25	% Chg. FY25-26	Projected FY26	% Chg. FY26-27	Projected FY27	% Chg. FY27-28	Projected FY28	% Chg. FY28-29	Projected FY29	% Chg. FY29-30	Projected FY30
	5-25-23		App/App	5-23-24										
Total Revenues														
1 Property Tax	2,107.0	2,205.4	8.5%	2,285.6	3.6%	2,367.1	2.6%	2,429.4	2.1%	2,479.7	1.5%	2,516.1	3.4%	2,601.4
2 Income Tax	1,925.1	2,008.2	6.5%	2,051.1	4.2%	2,137.0	4.2%	2,226.1	4.0%	2,314.3	4.0%	2,406.6	3.7%	2,496.7
3 Transfer/Recordation Tax	174.6	133.4	-20.0%	139.6	8.1%	150.9	10.9%	167.3	6.7%	178.5	6.4%	189.9	4.6%	198.6
4 Other Taxes	275.8	268.2	-0.2%	275.4	0.7%	277.3	0.3%	278.0	0.2%	278.6	0.2%	279.3	0.2%	279.9
5 Other Revenues	1,343.1	1,447.7	5.2%	1,413.6	-0.6%	1,404.7	0.0%	1,405.3	0.2%	1,408.8	0.3%	1,412.4	0.3%	1,416.1
6 Total Revenues	5,825.6	6,063.0	5.8%	6,165.3	2.8%	6,337.0	2.7%	6,506.1	2.4%	6,659.9	2.2%	6,804.3	2.8%	6,992.7
7														
8 Net Transfers In (Out)	5.6	1.7	60.7%	9.0	108.3%	18.8	2.3%	19.2	2.2%	19.6	2.3%	20.1	2.3%	20.5
9 Total Revenues and Transfers Available	5,831.2	6,064.7	5.9%	6,174.3	2.9%	6,355.8	2.7%	6,525.3	2.4%	6,679.5	2.2%	6,824.3	2.8%	7,013.2
10														
11 Non-Operating Budget Use of Revenues														
12 Debt Service	446.7	439.9	3.1%	460.3	1.8%	468.6	1.2%	474.3	1.4%	481.2	1.8%	489.7	-0.5%	487.3
13 PAYGO	32.8	58.7	56.0%	51.2	-42.9%	29.2	-0.7%	29.0	0.0%	29.0	-3.4%	28.0	0.0%	28.0
14 CIP Current Revenue	101.4	153.7	72.2%	174.5	-45.5%	95.1	43.4%	136.4	-7.1%	126.7	-2.6%	123.4	9.2%	134.7
15 Change in Other Reserves	-32.3	-3.8	34.8%	-21.0	101.2%	0.3	-8.1%	0.2	-12.9%	0.2	-46.2%	0.1	164.5%	0.3
16 Contribution to General Fund Undesignated Reserves	-160.2	-110.7	-75.8%	-281.6	90.3%	-27.4	199.6%	27.3	-72.5%	7.5	57.6%	11.8	12.1%	13.3
17 Contribution to Revenue Stabilization Reserves	26.2	37.0	11.3%	29.2	-100.0%	0.0	n/a	0.0	n/a	0.0	n/a	0.0	n/a	0.0
18 Set Aside for other uses (supplemental appropriations)	-1.7	-4.9	72.3%	-0.5	4278.1%	20.0	0.0%	20.0	0.0%	20.0	0.0%	20.0	0.0%	20.0
19 Total Other Uses of Resources	412.9	570.0	-0.2%	412.0	42.2%	585.7	17.3%	687.2	-3.3%	664.6	1.3%	673.1	1.6%	683.6
20 Available to Allocate to Agencies (Total Revenues+Net Transfers-Total Other Uses)	5,418.3	5,494.7	6.3%	5,762.3	0.1%	5,770.1	1.2%	5,838.0	3.0%	6,014.9	2.3%	6,151.2	2.9%	6,329.6
21														
22 Agency Uses														
23														
24 Montgomery County Public Schools (MCPS)	2,954.0	2,947.2	5.1%	3,105.9										
25 Montgomery College (MC)	281.0	262.9	1.0%	283.8										
26 MNCPPC (w/o Debt Service)	163.4	162.5	7.4%	175.4										
27 MCG	2,020.0	2,122.0	8.8%	2,197.3										
28 Agency Uses	5,418.3	5,494.7	6.3%	5,762.3	0.1%	5,770.1	1.2%	5,838.0	3.0%	6,014.9	2.3%	6,151.2	2.9%	6,329.6
29 Total Uses	5,831.2	6,064.7	5.9%	6,174.3	2.9%	6,355.8	2.7%	6,525.3	2.4%	6,679.5	2.2%	6,824.3	2.8%	7,013.2
30 (Gap)/Available	0.0	0.0		0.0		0.0		0.0		0.0		0.0		0.0

Assumptions:

1. Property taxes are at the Charter Limit with a \$692 credit. Property tax revenues include a 4.7 cent tax that is authorized by Maryland Code, Education § 5-104 (d)(1) to be used exclusively for MCPS. Other taxes are at current rates.
2. Reserve contributions are consistent with legal requirements and the minimum policy target, which is 10% of Adjusted Governmental Revenues (AGR). In FY24, the mandatory contribution to the Revenue Stabilization Fund (RSF) in the amount of 50 percent of excess revenues will not be made. Any excess revenues will be designated as General Fund unrestricted reserves. This is a one-time action for FY24 only.
3. Any reduction in out-year reserves in this version of the Fiscal Plan is to meet the County's minimum policy target for reserves and not a specific plan to reduce reserves to the policy level. Each annual budget recommendation will include specifics on budgeted reserves for that fiscal year.
4. PAYGO, debt service, and current revenue reflect the Approved FY25-30 Capital Improvements Program.
5. State Aid, including MCPS and Montgomery College, is not projected to increase from FY25-30.

**County Council Approved FY25-30 Public Services Program
Tax Supported Fiscal Plan Summary**

(\$ in Millions)

	App. FY24	Est. FY24	% Chg. FY24-25	App. FY25	% Chg. FY25-26	Projected FY26	% Chg. FY26-27	Projected FY27	% Chg. FY27-28	Projected FY28	% Chg. FY28-29	Projected FY29	% Chg. FY29-30	Projected FY30
31 Beginning Reserves														
32 Unrestricted General Fund	244.7	423.3	27.7%	312.6	-90.1%	30.9	-88.7%	3.5	781.3%	30.8	24.4%	38.3	30.9%	50.2
33 Revenue Stabilization Fund	604.0	610.0	7.1%	647.0	4.5%	676.2	0.0%	676.2	0.0%	676.2	0.0%	676.2	0.0%	676.2
34 Total Reserves	848.7	1033.3	13.1%	959.6	-26.3%	707.1	-3.9%	679.7	4.0%	707.0	1.1%	714.5	1.7%	726.3
35														
36 Additions to Reserves														
37 Unrestricted General Fund	-160.2	-110.7	-75.8%	-281.6	90.3%	-27.4	199.6%	27.3	-72.5%	7.5	57.6%	11.8	12.1%	13.3
38 Revenue Stabilization Fund	26.2	37.0	11.3%	29.2	-100.0%	0.0	n/a	0.0	n/a	0.0	n/a	0.0	n/a	0.0
39 Total Change in Reserves	-134.0	-73.7	-88.5%	-252.5	89.1%	-27.4	199.6%	27.3	-72.5%	7.5	57.6%	11.8	12.1%	13.3
40														
41 Ending Reserves														
42 Unrestricted General Fund	84.5	312.6	-63.4%	30.9	-88.7%	3.5	781.3%	30.8	24.4%	38.3	30.9%	50.2	26.5%	63.5
43 Revenue Stabilization Fund	630.2	647.0	7.3%	676.2	0.0%	676.2	0.0%	676.2	0.0%	676.2	0.0%	676.2	0.0%	676.2
44 Total Reserves	714.7	959.6	-1.1%	707.1	-3.9%	679.7	4.0%	707.0	1.1%	714.5	1.7%	726.3	1.8%	739.6
45 Reserves as a % of Adjusted Governmental Revenues	11.6%	14.9%		10.8%		10.0%		10.0%		10.0%		10.0%		10.0%
46 Other Reserves														
47 Montgomery College	27.8	64.4	62.3%	45.1	0.0%	45.1	0.0%	45.1	0.0%	45.1	0.0%	45.1	0.0%	45.1
48 M-NCPPC	6.4	16.7	8.2%	6.9	3.5%	7.1	2.6%	7.3	2.1%	7.5	1.5%	7.6	3.4%	7.8
49 MCPS	0.0	0.0	n/a	0.0	n/a	0.0	n/a	0.0	n/a	0.0	n/a	0.0	n/a	0.0
50 MCG Special Funds	0.8	-6.7	63.1%	1.4	0.9%	1.4	3.6%	1.4	3.4%	1.5	-0.1%	1.5	2.4%	1.5
51 MCG + Agency Reserves as a % of Adjusted Govt Revenues	12.1%	16.1%		11.6%		10.8%		10.8%		10.8%		10.8%		10.8%
52 Retiree Health Insurance Pre-Funding														
53 Montgomery County Public Schools (MCPS)	62.3	62.3		59.1		59.1		59.1		59.1		59.1		59.1
54 Montgomery College (MC)	0.0	0.0		0.0		0.0		0.0		0.0		0.0		0.0
55 MNCPPC	3.3	3.3		3.5		3.0		2.7		2.4		2.2		2.2
56 MCG	0.0	0.0		0.0		0.0		0.0		0.0		0.0		0.0
57 Subtotal Retiree Health Insurance Pre-Funding	65.6	65.6		62.6		62.1		61.8		61.5		61.3		61.3
58 Adjusted Governmental Revenues														
59 Total Tax Supported Revenues	5,825.6	6,063.0	5.8%	6,165.3	2.8%	6,337.0	2.7%	6,506.1	2.4%	6,659.9	2.2%	6,804.3	2.8%	6,992.7
60 Capital Projects Fund	196.6	196.6	15.7%	227.4	16.8%	265.5	38.0%	366.5	-22.6%	283.7	-9.0%	258.0	-25.3%	192.8
61 Grants	159.5	159.5	0.7%	160.6	2.3%	164.3	2.3%	168.0	2.2%	171.8	2.2%	175.6	2.3%	179.6
62 Total Adjusted Governmental Revenues	6,181.7	6,419.0	6.0%	6,553.3	3.3%	6,766.8	4.0%	7,040.6	1.1%	7,115.4	1.7%	7,237.9	1.8%	7,365.0