Fiscal Plan

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Credits

Significant contributions have been made by many individuals to the evolution of this Fiscal Plan over recent years through leadership, conceptual development, technical refinement, and persistent questioning. Their support has been essential and is appreciated.

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Much of the work on the Fiscal Plan components, especially regarding Special Funds, has been led by specific OMB staff, working with the leadership and staff of other departments and agencies whose contributions have been crucial to both the technical development of the tools and to the substance of recommendations for consideration by the Executive and Council. The names of the respective OMB staff are listed below as points of contact for further information and can be reached at 240.777.2800.

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Executive Summary:

The County Executive's Recommended Operating Budget, released on March 14, 2024, is a balanced approach that makes strategic investments in our community – people, businesses, and infrastructure - within the parameters of our current economic forecast and the increasing cost of doing business. Our FY23 and FY24 (to date) revenue streams have outperformed our fiscally prudent projections; however, looking forward, our economic indicators are signaling that a mild recession could occur later this year. Due to economic pressures, we will need to be fiscally prudent as expected budget demands will challenge our available resources. This is evident in the current fiscal plan, which projects an increase of 1.7 percent in resources available to fund agency spending in FY26.

In total, FY25 spending increases 4.9 percent, and tax-supported spending across all agencies increases 5.5 percent, including debt service. This includes funding for all the County's collective bargaining agreements and funds retiree health benefits at the latest actuarial funding schedule. The County Executive recommends an average weighted property tax rate of $1.0255 per $100 of assessed value (which is within the Charter Limit) and a $692 credit for each owner-occupied residence to support a progressive property tax structure in the County. The average weighted property tax includes a $0.047 tax rate to be used exclusively by Montgomery County Public Schools (MCPS) as authorized by Maryland Code, Education Article § 5-104 (d)(1).

The recommended budget funds 98.2 percent of the Board of Education's request and represents a local school funding amount that is $132.8 million above the State minimum funding requirement. The enrollment in the County's public schools increased this year and is expected to increase between FY26-FY30. Furthermore, demands on other County services such as health care, transportation, emergency response, libraries, and recreation also increase.

This budget funds the budgeted total reserves of the County at 11.6 percent, which exceeds the County's policy to maintain the budgeted total reserves of the General Fund unrestricted balance and the Revenue Stabilization Fund at 10 percent of Adjusted Governmental Revenues (AGR).

As the County Council considers and acts on the operating budget, the County Executive believes it is essential that it adhere to the general parameters of his recommended budget. Additional spending beyond the recommended level or reducing ongoing revenues, without corresponding expenditure reductions, would further increase the budget pressures in FY26. Any new revenues to support additional ongoing spending are likely to be constrained. Continued adherence to prudent fiscal policies that protect residents and taxpayers will allow the County to maintain current service levels and address important priorities.

Background:

The recommended FY25-30 Fiscal Plans for the tax supported and non-tax supported funds of County government agencies are provided for your information. Many of these fiscal plans were initially published in the FY25 Recommended Operating Budget and FY25-30 Public Services Program (March 14, 2024), available at http://montgomerycountymd.gov/operatingbudget.

As in past years, this information is intended to assist the County Council and other interested parties as the County Executive's Recommended Operating Budget is considered during the Council's budget work sessions this spring.

Interested readers should note that the fiscal plans included in this publication are not intended to be prescriptive but are instead intended to present one possible outcome of policy choices regarding taxes, user fees, and spending decisions.

Other important assumptions are explained in footnotes at the bottom of each fiscal plan display. One significant benefit of presenting multi-year projections is that the potential future year impacts of current policies can be considered by policy makers when making fiscal decisions in the near term. The County's fiscal policies support:

- prudent and sustainable fiscal management: constraining expenditure growth to expected resources;
- identifying and implementing productivity improvements;

- avoiding the programming of one-time revenues to on-going expenditures;
- growing the local economy and tax base;
- obtaining a fair share of State and Federal aid;
- maintaining prudent reserve level;
- minimizing the tax burden on residents; and
- managing indebtedness and debt service very carefully.

This budget maintains reserves over the required policy goal of 10 percent of AGR, fully funds PAYGO, and funds retiree health pre-funding values at the latest actuarial funding schedule.

Fiscal Plan for the Tax Supported Funds:

The recommended fiscal planning objectives for FY25-30 for the tax supported funds are:

- Adhere to sound fiscal policies;
- Tax supported reserves (operating margin and the Revenue Stabilization Fund) are at the policy level;
- The average weighted property tax rate is $1.0255 per $100 of assessed value and assumes a $692 credit to each owner-occupied household. The average weighted property tax includes a $0.047 tax rate to be used exclusively by MCPS and is authorized by Maryland Code, Education Article § 5-104 (d)(1);
- Assume property tax revenues at the Charter Limit during FY26-30 in the fiscal plan using the income tax offset credit;
- Does not assume any projections on future FEMA reimbursements for COVID-19 eligible expenditures;
- Manage fund balances in the non-tax supported funds to established policy levels where applicable;
- Assume current State aid formulas but continue vigorous efforts to increase State (and Federal) operating and capital funding;
- Maintain priority to economic development and tax base growth:
    - seize opportunities to recruit and retain significant employers compatible with the County's priorities;
    - give priority to capital investment that supports economic development/tax base growth.
- Maintain essential services;
- Limit exposure in future years to rising costs by controlling baseline costs and allocating one-time revenues to one-time expenditures, whenever possible;
- Manage all debt service commitments carefully, consistent with standards used by the County to maintain high credit ratings and future budget flexibility. Recognize the fixed commitment inherent in all forms of multi-year financing (long-term bonds, shorter-term borrowing, and lease-backed revenue bonds) that must be accommodated within limited debt capacity;
- Program PAYGO to be at least 10 percent of anticipated General Obligation Bond levels to contain future borrowing costs in FY25-30;
- For capital investment, allocate debt, current revenue, and other resources made available by the fiscal objectives above according to priorities established by policy and program agendas; and
- For services, allocate resources consistent with policy and program agendas.

The major challenges for FY25-30 will be to aggressively manage on-going costs; strengthen essential services; and continue making targeted improvements to critical service areas including, education, economic development, public safety, the social safety net, affordable housing, and transportation infrastructure within projected available resources.

Fiscal Plan for the Non-Tax Supported Funds:

By definition, each of the non-tax supported (fee-supported) funds is independent, covering all operating and capital investment expenses from its designated revenue sources. The fiscal health of each fund is satisfactory; though looking ahead, some funds will need to meet expected challenges by increasing fees and/or reducing expenditures.

Conclusion:

Montgomery County's long-term fiscal health is strong due to its underlying economy and the financial management policies endorsed by its elected officials. As with many local jurisdictions, the County continues to face challenges related to labor market pressures, the impacts of inflation, managing ongoing costs, and the rising demand for public services. The FY25-30 Fiscal Plans reflect these challenges in their assumptions and projections.

Comments on the Fiscal Plans that follow are encouraged.

Jennifer R. Bryant
Director, Office of Management and Budget

Tax Supported Funds

Public Service Program

- Fiscal Plan Summary

Capital Improvements Program

- General Information: CIP
- Debt Capacity Analysis
- General Obligation Bond Adjustment Chart
- Current Revenue Requirements for the CIP

County Executive's Recommended FY25-30 Public Services Program

Tax Supported Fiscal Plan Summary

($ in Millions)

		App. FY24	Est. FY24	% Chg. FY24-25	Rec. 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	3-14-24	App/Rec	3-14-24										
	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	1,414.2	5.2%	1,412.4	-0.6%	1,403.5	0.0%	1,404.0	0.2%	1,407.5	0.3%	1,411.0	0.3%	1,414.7
6	**Total Revenues**	**5,825.6**	**6,029.5**	**5.8%**	**6,164.1**	**2.8%**	**6,335.8**	**2.7%**	**6,504.8**	**2.4%**	**6,658.6**	**2.2%**	**6,802.9**	**2.8%**	**6,991.3**
7															
8	**Net Transfers In (Out)**	**5.6**	**-3.1**	**222.8%**	**18.1**	**2.3%**	**18.5**	**2.3%**	**19.0**	**2.2%**	**19.4**	**2.3%**	**19.8**	**2.3%**	**20.3**
9	**Total Revenues and Transfers Available**	**5,831.2**	**6,026.4**	**6.0%**	**6,182.2**	**2.8%**	**6,354.3**	**2.7%**	**6,523.7**	**2.4%**	**6,678.0**	**2.2%**	**6,822.7**	**2.8%**	**7,011.5**
10															
11	**Non-Operating Budget Use of Revenues**														
12	Debt Service	446.7	439.9	3.2%	460.9	1.7%	468.6	1.2%	474.3	1.4%	481.2	1.8%	489.8	-0.5%	487.3
13	PAYGO	32.8	58.7	-5.0%	31.2	-6.3%	29.2	-0.7%	29.0	0.0%	29.0	-3.4%	28.0	0.0%	28.0
14	CIP Current Revenue	101.4	148.7	71.5%	173.8	-46.6%	92.8	40.6%	130.4	-11.5%	115.4	-3.1%	111.8	9.9%	122.9
15	Change in Other Reserves	-32.3	-6.6	69.6%	-9.8	102.9%	0.3	-15.7%	0.2	-13.5%	0.2	-44.6%	0.1	164.3%	0.3
16	Contribution to General Fund Undesignated Reserves	-160.2	-111.0	-43.1%	-229.2	64.9%	-80.5	131.6%	25.4	-62.9%	9.4	17.0%	11.0	8.6%	12.0
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	-0.9	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**	**565.8**	**10.3%**	**455.6**	**16.4%**	**530.4**	**28.1%**	**679.4**	**-3.6%**	**655.3**	**0.8%**	**660.7**	**1.5%**	**670.5**
20	**Available to Allocate to Agencies (Total Revenues+Net Transfers-Total Other Uses)**	**5,418.3**	**5,460.5**	**5.7%**	**5,726.6**	**1.7%**	**5,823.9**	**0.4%**	**5,844.3**	**3.1%**	**6,022.7**	**2.3%**	**6,162.0**	**2.9%**	**6,341.0**
21															
22	**Agency Uses**														
23															
24	Montgomery County Public Schools (MCPS)	2,954.0	2,937.2	4.1%	3,076.4										
25	Montgomery College (MC)	281.0	262.9	1.0%	283.8										
26	MNCPPC (w/o Debt Service)	163.4	162.5	6.1%	173.4										
27	MCG	2,020.0	2,097.9	8.6%	2,193.1										
28	**Agency Uses**	**5,418.3**	**5,460.5**	**5.7%**	**5,726.6**	**1.7%**	**5,823.9**	**0.4%**	**5,844.3**	**3.1%**	**6,022.7**	**2.3%**	**6,162.0**	**2.9%**	**6,341.0**
29	**Total Uses**	**5,831.2**	**6,026.4**	**6.0%**	**6,182.2**	**2.8%**	**6,354.3**	**2.7%**	**6,523.7**	**2.4%**	**6,678.0**	**2.2%**	**6,822.7**	**2.8%**	**7,011.5**
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). Any reduction in reserves in this version of the Fiscal Pl 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.
3. PAYGO, debt service, and current revenue reflect the Recommended FY25-30 Capital Improvements Program.
4. State Aid, including MCPS and Montgomery College, is not projected to increase from FY25-30.

County Executive's Recommended FY25-30 Public Services Program

Tax Supported Fiscal Plan Summary

($ in Millions)

		App. FY24	Est. FY24	% Chg. FY24-25	Rec. 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	27.6%	312.3	-73.4%	83.1	-96.8%	2.6	960.7%	28.1	33.6%	37.5	29.4%	48.5
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	13.0%	959.3	-20.8%	759.3	-10.6%	678.8	3.7%	704.3	1.3%	713.7	1.5%	724.7
35															
36	**Additions to Reserves**														
37	**Unrestricted General Fund**	-160.2	-111.0	-43.1%	-229.2	64.9%	-80.5	131.6%	25.4	-62.9%	9.4	17.0%	11.0	8.6%	12.0
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	-74.0	-49.3%	-200.0	59.8%	-80.5	131.6%	25.4	-62.9%	9.4	17.0%	11.0	8.6%	12.0
40															
41	**Ending Reserves**														
42	**Unrestricted General Fund**	84.5	312.3	-1.7%	83.1	-96.8%	2.6	960.7%	28.1	33.6%	37.5	29.4%	48.5	24.7%	60.5
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	959.3	6.2%	759.3	-10.6%	678.8	3.7%	704.3	1.3%	713.7	1.5%	724.7	1.7%	736.7
45	**Reserves as a % of Adjusted Governmental Revenues**	**11.6%**	**15.0%**		**11.6%**		**10.0%**		**10.0%**		**10.0%**		**10.0%**		**10.0%**
46	**Other Reserves**														
47	**Montgomery College**	27.8	64.4	90.8%	53.0	0.0%	53.0	0.0%	53.0	0.0%	53.0	0.0%	53.0	0.0%	53.0
48	**M-NCPPC**	6.4	16.7	18.7%	7.6	3.5%	7.8	2.6%	8.0	2.1%	8.2	1.5%	8.3	3.4%	8.6
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	-9.5	37.0%	1.1	2.0%	1.2	3.6%	1.2	3.4%	1.3	-0.3%	1.2	2.4%	1.3
51	**MCG + Agency Reserves as a % of Adjusted Govt Revenues**	**12.1%**	**16.1%**		**12.5%**		**10.9%**		**10.9%**		**10.9%**		**10.9%**		**10.9%**
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**	**6,029.5**	**5.8%**	**6,164.1**	**2.8%**	**6,335.8**	**2.7%**	**6,504.8**	**2.4%**	**6,658.6**	**2.2%**	**6,802.9**	**2.8%**	**6,991.3**
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**	**-24.5%**	**194.8**
61	**Grants**	**159.5**	**159.5**	**0.6%**	**160.5**	**2.3%**	**164.1**	**2.3%**	**167.9**	**2.2%**	**171.6**	**2.3%**	**175.5**	**2.3%**	**179.4**
62	**Total Adjusted Governmental Revenues**	**6,181.7**	**6,385.5**	**6.0%**	**6,551.9**	**3.3%**	**6,765.4**	**4.0%**	**7,039.2**	**1.1%**	**7,113.9**	**1.7%**	**7,236.4**	**1.8%**	**7,365.5**

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Capital Improvements Program (CIP)

GENERAL INFORMATION

Investment in the construction of public buildings, roads, and other facilities planned by County public agencies is generally budgeted in the Capital Improvements Program (CIP). The six-year CIP is the County's plan for constructing the infrastructure to implement approved master plans and the facilities required to deliver government programs and services and to complement and support private development. The CIP is a multi-year spending plan, including capital expenditure estimates, funding requirements, and related program data for all County departments and agencies with capital projects. The capital budget includes required appropriation, expenditures, and funding for the upcoming fiscal year.

The CIP is by law (for the first year) and by policy (for the second through sixth years) a balanced plan, where planned expenditures do not exceed anticipated resources to fund them. The CIP is supported by a variety of funding sources.

The tax supported portion of the CIP is funded by General Obligation and other long- and short-term debt (for which debt service is paid from revenues from one of the County taxes), Current Revenues from a County tax source, or an inter-governmental source.

The non-tax supported portion of the CIP may be funded by current revenues from a non-tax source, or debt, with the debt service paid from the non-tax source.

IMPACT OF THE CIP ON THE PUBLIC SERVICES PROGRAM/OPERATING BUDGET

The CIP impacts the six-year Public Service Program and Operating Budget in several ways.

Debt Service is the annual payment of principal and interest on general obligation bonds and other long- and short-term debt used to finance roads, schools, and other major projects. Debt service is budgeted as a fixed cost or a required expenditure in the Public Services Program and Operating Budgets of the General Fund and various other funds which issue debt.

An additional amount of County current revenues may be included in the operating budget as a direct bond offset to reduce the amount of borrowing required for project financing. This is called Pay-As-You-Go (PAYGO) Financing.

Selected CIP projects are funded directly with County current revenues in order to avoid costs of borrowing. These cash amounts are included in the operating budget as specific transfers to individual projects within the capital projects fund. Planning for capital projects is generally funded with current revenues, as are furniture, equipment and books (as for libraries).

The construction of government buildings and facilities also results in new annual costs for maintenance, utilities, and additional staffing required for facility management and operation. Whenever a new or expanded facility involves program expansion, as with new school buildings, libraries, or fire stations, the required staffing and equipment (principals, librarians, and fire apparatus) represent additional operating budget expenditures. Operating Budget Impacts are calculated to measure the incremental changes in spending against spending that would occur whether or not the capital investment occurs. Hence, for new school facilities, building maintenance and administrative staff are considered to impact the operating budget. Teachers, who would be hired in any case, based on numbers of students, are not considered impacts of the capital improvements program.

The implied Operating Budget Impacts of the Recommended CIP are included among the projected expenditure changes described in the Public Services Program.

EXPLANATION OF CHARTS:

Debt Capacity Analysis

This chart displays the performance of the G.O. bond funded portion of the Capital Improvements Program and various long- and short-term leases, against a variety of economic and fiscal indicators. Taken together, these comparisons are considered, along with other factors, by credit rating agencies in determining the County's G.O. bond rating. Therefore, the County manages its debt-related decisions against these same criteria to ensure continuation of our AAA rating, the best available.

General Obligation Bond Adjustment Chart

This chart compares the General Obligation bonds available for programming, with recommended programmed bond funded expenditures for the Capital Improvements Program. The line labeled "Bonds Planned for Issue" generally follows Spending Affordability Guidelines set by the County Council for general obligation debt. Amounts in the line labeled "Less Set Aside: Future Projects" indicate the amount available for possible future expenditures not yet programmed in individual projects. The debt service implied by these planned bond issues is budgeted in both tax supported and non-tax supported operating budgets.

Schedule A-3, for the Capital Improvements Program Current Revenue Requirements

This chart displays the CIP current revenue requirements of County agencies, by fund, across the six years of the Capital Improvements Program. Generally, current revenue assumptions made for the January Recommended CIP are conservative, and, if resources allow, additional current revenue may be recommended at the time PSP decisions are made in March. Because of the non-recurring nature of capital projects, the CIP is a good place to invest "one time" funds. The Total Current Revenue Requirement also includes PAYGO contributions made as direct offsets to debt obligations. Inflation and set-asides for future projects are unallocated amounts to cover increased costs due to inflation and for future unprogrammed projects.

DEBT CAPACITY ANALYSIS

FY25-30 CAPITAL IMPROVEMENTS PROGRAM

March 14, 2024

COUNTY EXECUTIVE RECOMMENDED

GO BOND 6 YR TOTAL = 1,700.0 MILLION

GO BOND FY25 TOTAL = 300.0.0 MILLION

GO BOND FY26 TOTAL = 280.0 MILLION

	FY24	FY25	FY26	FY27	FY28	FY29	FY30
1 GO Bond Guidelines ($000)	280,000	300,000	280,000	280,000	280,000	280,000	280,000
2 GO Debt/Assessed Value	1.62%	1.50%	1.44%	1.39%	1.34%	1.31%	1.26%
3 Debt Service + LTL + Short-Term Leases/Revenues (GF)	11.12%	10.73%	10.74%	10.63%	10.54%	10.50%	10.21%
4 $ Debt/Capita	3,197	3,318	3,270	3,218	3,166	3,121	3,076
5 $ Real Debt/Capita (FY24=100%)	3,197	3,247	3,129	3,010	2,898	2,794	2,693
6 Capita Debt/Capita Income	3.20%	3.29%	3.12%	2.96%	2.82%	2.70%	2.59%
7 Payout Ratio	73.58%	74.31%	74.68%	75.00%	75.21%	75.13%	75.09%
8 Total Debt Outstanding ($000s)	3,486,750	3,534,910	3,506,060	3,472,665	3,438,300	3,411,225	3,383,820
9 Real Debt Outstanding (FY24=100%)	3,486,750	3,459,087	3,354,853	3,248,533	3,146,799	3,053,251	2,961,615
10 Note: OP/PSP Growth Assumption (2)	5.3%	5.8%	2.8%	2.7%	2.4%	2.2%	2.8%

Notes:

(1) This analysis is used to determine the capacity of Montgomery County to pay debt service on long-term GO Bond debt, long-term leases, and substantial short-term financing.

(2) OP/PSP Growth Assumption equals change in revenues from FY24 approved budget to FY25 budget for FY25 and budget to budget for FY26-30.

GENERAL OBLIGATION BOND ADJUSTMENT CHART

FY25-30 Capital Improvements Program

COUNTY EXECUTIVE RECOMMENDED

March 14, 2024

($ millions)	6 YEARS	FY25	FY26	FY27	FY28	FY29	FY30
BONDS PLANNED FOR ISSUE	1,700.000	300.000	280.000	280.000	280.000	280.000	280.000
Plus PAYGO Funded	174.359	31.159	29.200	29.000	29.000	28.000	28.000
Adjust for Future Inflation **	**(66.542)**	-	-	**(6.915)**	**(13.451)**	**(19.896)**	**(26.280)**
SUBTOTAL FUNDS AVAILABLE FOR DEBT ELIGIBLE PROJECTS (after adjustments)	1,807.817	331.159	309.200	302.085	295.549	288.104	281.720
Less Set Aside: Future Projects	**151.250** 8.37%	**16.157**	**15.446**	**22.799**	**26.338**	**37.720**	**32.790**
TOTAL FUNDS AVAILABLE FOR PROGRAMMING	1,656.567	315.002	293.754	279.286	269.211	250.384	248.930
MCPS	(502.670)	(146.407)	(112.005)	(87.948)	(23.859)	(36.271)	(96.180)
MONTGOMERY COLLEGE	(177.640)	(22.116)	(22.705)	(28.481)	(61.438)	(29.250)	(13.650)
M-NCPPC PARKS	(86.634)	(13.939)	(15.076)	(14.030)	(15.229)	(14.480)	(13.880)
TRANSPORTATION	(410.368)	(88.297)	(98.318)	(56.999)	(69.496)	(52.152)	(45.106)
MCG - OTHER	(596.540)	(116.233)	(90.945)	(91.828)	(99.189)	(118.231)	(80.114)
Programming Adjustment - Unspent Prior Years*	117.285 -	71.990	45.295				
SUBTOTAL PROGRAMMED EXPENDITURES	(1,656.567)	(315.002)	(293.754)	(279.286)	(269.211)	(250.384)	(248.930)
AVAILABLE OR (GAP) TO BE SOLVED	-	-	-	-	-	-	-
NOTES: * See additional information on the GO Bond Programming Adjustment for Unspent Prior Year Detail Chart ** Adjustments Include: Inflation =		2.19%	2.27%	2.29%	2.21%	2.25%	2.27%
Implementation Rate =		100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

CURRENT REVENUE REQUIREMENTS FOR THE CAPITAL IMPROVEMENTS PROGRAM

March 14, 2024

TAX SUPPORTED APPROPRIATIONS ($000s)	ACTUAL FY23 EXP	ESTIMATE FY24 APPROP	RECOMMENDED 6 YR	RECOMMENDED FY25 APPROP	RECOMMENDED FY26	RECOMMENDED FY27	RECOMMENDED FY28	RECOMMENDED FY29	RECOMMENDED FY30
GENERAL REVENUE SUPPORTED									
MCG	58,571	27,221	202,160	103,077	24,074	19,981	19,580	17,840	17,608
M-NCPPC PARKS	3,611	5,029	30,733	4,985	5,141	5,144	5,163	5,150	5,150
PUBLIC SCHOOLS (MCPS)	23,118	29,123	147,364	31,839	29,248	27,501	19,592	19,592	19,592
MONTGOMERY COLLEGE	15,205	17,034	91,004	15,584	15,084	15,084	15,084	15,084	15,084
HOC	-	1,250	7,270	1,020	1,250	1,250	1,250	1,250	1,250
CIP PAYGO - REGULAR	33,900	58,745	174,359	31,159	29,200	29,000	29,000	28,000	28,000
CIP PAYGO - RSF CONTRIBUTION	-	-		-	-	-	-	-	-
TOTAL CIP PAYGO	33,900	58,745	174,359	31,159	29,200	29,000	29,000	28,000	28,000
SUBTOTAL	134,404	138,402	652,890	187,664	103,997	97,960	89,669	86,916	86,684
OTHER TAX SUPPORTED									
MASS TRANSIT	12,757	62,239	195,613	9,218	28,012	48,432	38,807	32,492	38,652
FIRE CONSOLIDATED	1,527	6,380	64,210	7,620	9,203	9,617	10,458	12,728	14,584
M-NCPPC PARKS	450	450	2,700	450	450	450	450	450	450
SUBTOTAL	14,734	69,069	262,523	17,288	37,665	58,499	49,715	45,670	53,686
SUBTOTAL TAX SUPPORTED CURRENT REVENUE APPROPRIATION:	149,138	207,471	915,413	204,952	141,662	156,459	139,384	132,586	140,370
INFLATION	-	-	25,647	-	-	2,918	5,024	7,223	10,482
SUBTOTAL ALLOCATION:	-	-	25,647	-	-	2,918	5,024	7,223	10,482
TOTAL TAX SUPPORTED CURRENT REVENUE REQUIREMENT:	149,138	207,471	941,060	204,952	141,662	159,377	144,408	139,809	150,852
NON-TAX SUPPORTED APPROPRIATIONS ($000s)	ACTUAL FY23 EXP	LATEST FY24 APPROP	RECOMMENDED 6 YR	RECOMMENDED FY25 APPROP	RECOMMENDED FY26	RECOMMENDED FY27	RECOMMENDED FY28	RECOMMENDED FY29	RECOMMENDED FY30
NON-TAX SUPPORTED									
PARKING DISTRICTS	3,319	1,389	63,147	8,694	9,483	10,466	11,093	11,373	12,038
SOLID WASTE DISPOSAL	18,380	(177)	9,280	5,890	2,640	750	-	-	-
HOUSING INITIATIVE FUND	-	0	-	0	-	-	-	-	-
M-NCPPC ENTERPRISE FUND	137	0	3,750	2,500	1,250	-	-	-	-
CABLE TV FUND	4,404	1,868	16,126	3,494	3,020	2,773	2,526	2,280	2,033
WATER QUALITY PROTECTION CHARGI	2,630	6,941	50,726	18,090	9,907	6,000	5,483	6,109	5,137
LIQUOR CONTROL	1,893	2,720	10,680	1,767	3,161	1,734	2,421	1,597	-
CUPF	442	0	-	0	-	-	-	-	-
SUBTOTAL EXPENDITURES:	31,206	12,741	153,709	40,435	29,461	21,723	21,523	21,359	19,208
TOTAL CURRENT REVENUE REQUIREMENTS	180,343	220,212	1,094,769	245,387	171,123	181,100	165,931	161,168	170,060

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Tax Supported: Six Year Fiscal Plans

Montgomery County Government

- Bethesda Urban District Fund
- Silver Spring Urban District Fund
- Wheaton Urban District Fund
- Fire Tax District Fund
- Mass Transit Facilities Fund
- Recreation Fund
- Economic Development Fund

Montgomery College

- Montgomery College Current Fund

Maryland-National Capital Park and Planning Commission

- M-NCPPC Administration Fund
- M-NCPPC Park Fund

Debt Service

- Debt Service Fund

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FY25-30 PUBLIC SERVICES PROGRAM: FISCAL PLAN			Bethesda Urban District				
FISCAL PROJECTIONS	FY24 ESTIMATE	FY25 REC	FY26 PROJECTION	FY27 PROJECTION	FY28 PROJECTION	FY29 PROJECTION	FY30 PROJECTION
ASSUMPTIONS							
Property Tax Rate: Real Property	0.0120	**0.0120**	0.0120	0.0120	0.0120	0.0120	0.0120
Assessable Base: Real Property (000)	7,309,600	**7,731,400**	8,029,700	8,264,600	8,438,100	8,560,400	8,839,500
Property Tax Collection Factor: Real Property	99.4%	**99.4%**	99.4%	99.4%	99.4%	99.4%	99.4%
Property Tax Rate: Personal Property	0.0300	**0.0300**	0.0300	0.0300	0.0300	0.0300	0.0300
Assessable Base: Personal Property (000)	202,500	**198,400**	195,200	193,000	191,400	190,300	189,500
Property Tax Collection Factor: Personal Property	99.8%	**99.8%**	99.8%	99.8%	99.8%	99.8%	99.8%
Indirect Cost Rate	17.96%	**19.96%**	19.96%	19.96%	19.96%	19.96%	19.96%
CPI (Fiscal Year)	2.9%	**2.2%**	2.3%	2.3%	2.2%	2.3%	2.3%
Investment Income Yield	5.3%	**4.3%**	3.3%	3.0%	3.0%	3.0%	3.0%
BEGINNING FUND BALANCE	**278,328**	**290,606**	**97,351**	**99,628**	**100,762**	**104,384**	**106,798**
REVENUES							
Taxes	932,487	**981,572**	**1,016,197**	**1,043,556**	**1,063,773**	**1,078,032**	**1,111,084**
Charges For Services	183,975	**183,975**	188,151	192,460	196,713	201,139	205,705
Subtotal Revenues	**1,116,462**	**1,165,547**	**1,204,348**	**1,236,016**	**1,260,486**	**1,279,171**	**1,316,789**
INTERFUND TRANSFERS (Net Non-CIP)	**2,414,724**	**2,441,215**	**2,683,198**	**2,736,607**	**2,799,735**	**2,868,412**	**2,922,252**
Transfers To The General Fund	(22,033)	(23,660)	(23,996)	(23,996)	(23,996)	(23,996)	(23,996)
Indirect Costs	(22,033)	(23,660)	(23,996)	(23,996)	(23,996)	(23,996)	(23,996)
Transfers From The General Fund	432,923	883,753	1,144,849	1,219,671	1,263,523	1,332,200	1,529,408
From General Fund	432,923	883,753	1,144,849	1,219,671	1,263,523	1,332,200	1,529,408
Transfers From Special Fds: Non-Tax + ISF	2,003,834	1,581,122	1,562,345	1,540,932	1,560,208	1,560,208	1,416,840
From Bethesda PLD	2,003,834	1,581,122	1,562,345	1,540,932	1,560,208	1,560,208	1,416,840
TOTAL RESOURCES	**3,809,514**	**3,897,368**	**3,984,897**	**4,072,251**	**4,160,983**	**4,251,967**	**4,345,839**
PSP OPER. BUDGET APPROP/ EXP'S.							
Operating Budget	(3,518,908)	**(3,800,017)**	(3,883,587)	(3,969,807)	(4,054,917)	(4,143,487)	(4,234,857)
Labor Agreement	n/a	**0**	(1,682)	(1,682)	(1,682)	(1,682)	(1,682)
Subtotal PSP Oper Budget Approp / Exp's	**(3,518,908)**	**(3,800,017)**	**(3,885,269)**	**(3,971,489)**	**(4,056,599)**	**(4,145,169)**	**(4,236,539)**
TOTAL USE OF RESOURCES	**(3,518,908)**	**(3,800,017)**	**(3,885,269)**	**(3,971,489)**	**(4,056,599)**	**(4,145,169)**	**(4,236,539)**
YEAR END FUND BALANCE	**290,606**	**97,351**	**99,628**	**100,762**	**104,384**	**106,798**	**109,300**
END-OF-YEAR RESERVES AS A PERCENT OF RESOURCES	**7.6%**	**2.5%**	**2.5%**	**2.5%**	**2.5%**	**2.5%**	**2.5%**

Assumptions:

1.Transfers from the Bethesda Parking District are adjusted annually to fund the approved service program and to maintain an ending fund balance of approximately 2.5 percent of resources.
2. Property tax revenue is assumed to increase during the six years based on an improved assessable base.
3. Assessable base increases are due to economic growth and new projects coming online.
4. These projections are based on the Executive's Recommended Budget and include the revenue and resource assumptions of that budget. FY26-30 expenditures are based on the "major known commitments" of elected officials and include negotiated labor agreements, estimates of compensation and inflation cost increases, the operating costs of capital facilities, the fiscal impact of approved legislation or regulations, and other programmatic commitments. They do not include unapproved service improvements. The projected future expenditures, revenues, and fund balance may vary based on changes to fee or tax rates, usage inflation, future labor agreements, and other factors not assumed here.
5. Section 68A-4 of the County Code requires: a) that the proceeds from either the Urban District tax or parking fee transfer must not be greater than 90 percent of their combined total; and b) that the transfer from the Parking District not exceed the number of spaces in the Urban District times the number of enforcement hours per year times 20 cents.

FY25-30 PUBLIC SERVICES PROGRAM: FISCAL PLAN			Silver Spring Urban District				
FISCAL PROJECTIONS	FY24 ESTIMATE	FY25 REC	FY26 PROJECTION	FY27 PROJECTION	FY28 PROJECTION	FY29 PROJECTION	FY30 PROJECTION
ASSUMPTIONS							
Property Tax Rate: Real Property	0.0240	**0.0240**	0.0240	0.0240	0.0240	0.0240	0.0240
Assessable Base: Real Property (000)	4,113,500	**4,350,800**	4,518,700	4,650,900	4,748,500	4,817,300	4,974,400
Property Tax Collection Factor: Real Property	99.4%	**99.4%**	99.4%	99.4%	99.4%	99.4%	99.4%
Property Tax Rate: Personal Property	0.0600	**0.0600**	0.0600	0.0600	0.0600	0.0600	0.0600
Assessable Base: Personal Property (000)	127,100	**124,500**	122,500	121,100	120,100	119,500	119,000
Property Tax Collection Factor: Personal Property	99.8%	**99.8%**	99.8%	99.8%	99.8%	99.8%	99.8%
Indirect Cost Rate	17.96%	**19.96%**	19.96%	19.96%	19.96%	19.96%	19.96%
CPI (Fiscal Year)	2.9%	**2.2%**	2.3%	2.3%	2.2%	2.3%	2.3%
Investment Income Yield	5.3%	**4.3%**	3.3%	3.0%	3.0%	3.0%	3.0%
BEGINNING FUND BALANCE	**100,059**	**(75,917)**	**118,518**	**121,134**	**121,618**	**122,863**	**123,540**
REVENUES							
Taxes	1,057,386	**1,112,440**	**1,151,297**	**1,181,997**	**1,204,682**	**1,220,736**	**1,257,915**
Charges For Services	120,000	**120,000**	122,724	125,534	128,308	131,195	134,173
Subtotal Revenues	**1,177,386**	**1,232,440**	**1,274,021**	**1,307,531**	**1,332,990**	**1,351,931**	**1,392,088**
INTERFUND TRANSFERS (Net Non-CIP)	**3,027,578**	**3,569,132**	**3,445,480**	**3,443,718**	**3,452,470**	**3,467,771**	**3,463,767**
Transfers To The General Fund	(537,282)	(630,799)	(646,150)	(646,150)	(646,150)	(646,150)	(646,150)
Indirect Costs	(537,282)	(630,799)	(646,150)	(646,150)	(646,150)	(646,150)	(646,150)
Transfers From The General Fund	922,279	2,141,467	1,946,840	1,945,078	1,953,830	1,969,131	1,965,127
From General Fund: Baseline Services	922,279	2,141,467	1,946,840	1,945,078	1,953,830	1,969,131	1,965,127
Transfers From Special Fds: Non-Tax + ISF	2,642,581	2,058,464	2,144,790	2,144,790	2,144,790	2,144,790	2,144,790
From Silver Spring PLD	2,642,581	2,058,464	2,144,790	2,144,790	2,144,790	2,144,790	2,144,790
TOTAL RESOURCES	**4,305,023**	**4,725,655**	**4,838,019**	**4,872,383**	**4,907,078**	**4,942,565**	**4,979,395**
PSP OPER. BUDGET APPROP/ EXP'S.							
Operating Budget	(4,380,940)	**(4,607,137)**	(4,639,977)	(4,673,857)	(4,707,307)	(4,742,117)	(4,778,027)
Labor Agreement	n/a	**0**	(76,908)	(76,908)	(76,908)	(76,908)	(76,908)
Subtotal PSP Oper Budget Approp / Exp's	**(4,380,940)**	**(4,607,137)**	**(4,716,885)**	**(4,750,765)**	**(4,784,215)**	**(4,819,025)**	**(4,854,935)**
TOTAL USE OF RESOURCES	**(4,380,940)**	**(4,607,137)**	**(4,716,885)**	**(4,750,765)**	**(4,784,215)**	**(4,819,025)**	**(4,854,935)**
YEAR END FUND BALANCE	**(75,917)**	**118,518**	**121,134**	**121,618**	**122,863**	**123,540**	**124,460**
END-OF-YEAR RESERVES AS A PERCENT OF RESOURCES	**-1.8%**	**2.5%**	**2.5%**	**2.5%**	**2.5%**	**2.5%**	**2.5%**

Assumptions:

1.Transfers from the Silver Spring District are adjusted annually to fund the approved service program and to maintain an ending fund balance of approximately 2.5 percent of resources.
2. Property tax revenue is assumed to increase during the six years based on an improved assessable base.
3. Assessable base increases are due to economic growth and new projects coming online.
4. The Baseline Services transfer provides basic right-of-way maintenance comparable to services provided countywide.
5. The Non-Baseline Services transfer is necessary to maintain fund balance policy.
6. These projections are based on the Executive's Recommended Budget and include the revenue and resource assumptions of that budget. FY26-30 expenditures are based on the "major, known commitments" of elected officials and include negotiated labor agreements, estimates of compensation and inflation cost increases, the operating costs of capital facilities, the fiscal impact of approved legislation or regulations, and other programmatic commitments. They do not include unapproved service improvements. The projected future expenditures, revenues, and fund balance may vary based on changes to fee or tax rates, usage inflation, future labor agreements, and other factors not assumed here.
7. Section 68A-4 of the County Code requires: a) that the proceeds from either the Urban District tax or parking fee transfer must not be greater than 90 percent of their combined total; and b) that the transfer from the Parking District not exceed the number of spaces in the Urban District times the number of enforcement hours per year times 20 cents.

FY25-30 PUBLIC SERVICES PROGRAM: FISCAL PLAN	Wheaton Urban District						
FISCAL PROJECTIONS	FY24 ESTIMATE	FY25 REC	FY26 PROJECTION	FY27 PROJECTION	FY28 PROJECTION	FY29 PROJECTION	FY30 PROJECTION
ASSUMPTIONS							
Property Tax Rate: Real Property	0.0300	**0.0300**	0.0300	0.0300	0.0300	0.0300	0.0300
Assessable Base: Real Property (000)	1,038,300	**1,098,200**	1,140,600	1,173,900	1,198,600	1,216,000	1,255,600
Property Tax Collection Factor: Real Property	99.4%	**99.4%**	99.4%	99.4%	99.4%	99.4%	99.4%
Property Tax Rate: Personal Property	0.0750	**0.0750**	0.0750	0.0750	0.0750	0.0750	0.0750
Assessable Base: Personal Property (000)	28,100	**27,500**	27,100	26,800	26,600	26,400	26,300
Property Tax Collection Factor: Personal Property	99.8%	**99.8%**	99.8%	99.8%	99.8%	99.8%	99.8%
Indirect Cost Rate	17.96%	**19.96%**	19.96%	19.96%	19.96%	19.96%	19.96%
CPI (Fiscal Year)	2.9%	**2.2%**	2.3%	2.3%	2.2%	2.3%	2.3%
Investment Income Yield	5.3%	**4.3%**	3.3%	3.0%	3.0%	3.0%	3.0%
BEGINNING FUND BALANCE	**143,814**	**(1,703)**	**96,420**	**89,756**	**90,552**	**91,479**	**91,997**
REVENUES							
Taxes	330,643	**348,056**	**360,401**	**370,107**	**377,323**	**382,362**	**394,096**
Subtotal Revenues	**330,643**	**348,056**	**360,401**	**370,107**	**377,323**	**382,362**	**394,096**
INTERFUND TRANSFERS (Net Non-CIP)	**2,780,432**	**3,507,438**	**3,133,805**	**3,162,729**	**3,186,414**	**3,212,986**	**3,234,770**
Transfers To The General Fund	(343,889)	(484,348)	(493,276)	(493,276)	(493,276)	(493,276)	(493,276)
Indirect Costs	(343,889)	(484,348)	(493,276)	(493,276)	(493,276)	(493,276)	(493,276)
Transfers From The General Fund	2,624,321	3,766,786	3,402,081	3,431,005	3,454,690	3,481,262	3,503,046
From General Fund: Baseline Services	76,090	76,090	76,090	76,090	76,090	76,090	76,090
From General Fund: Non-Baseline Services	2,548,231	3,690,696	3,325,991	3,354,915	3,378,600	3,405,172	3,426,956
Transfers From Special Fds: Non-Tax + ISF	500,000	225,000	225,000	225,000	225,000	225,000	225,000
From Wheaton PLD	500,000	225,000	225,000	225,000	225,000	225,000	225,000
TOTAL RESOURCES	**3,254,889**	**3,853,791**	**3,590,626**	**3,622,592**	**3,654,289**	**3,686,827**	**3,720,863**
PSP OPER. BUDGET APPROP/ EXP'S.							
Operating Budget	(3,256,592)	**(3,757,371)**	(3,787,581)	(3,818,751)	(3,849,521)	(3,881,541)	(3,914,571)
Labor Agreement	n/a	**0**	(44,731)	(44,731)	(44,731)	(44,731)	(44,731)
Annualizations and One-Time	n/a	**n/a**	165,721	165,721	165,721	165,721	165,721
Subtotal PSP Oper Budget Approp / Exp's	**(3,256,592)**	**(3,757,371)**	**(3,500,870)**	**(3,532,040)**	**(3,562,810)**	**(3,594,830)**	**(3,627,860)**
TOTAL USE OF RESOURCES	**(3,256,592)**	**(3,757,371)**	**(3,500,870)**	**(3,532,040)**	**(3,562,810)**	**(3,594,830)**	**(3,627,860)**
YEAR END FUND BALANCE	**(1,703)**	**96,420**	**89,756**	**90,552**	**91,479**	**91,997**	**93,003**
END-OF-YEAR RESERVES AS A PERCENT OF RESOURCES	**-0.1%**	**2.5%**	**2.5%**	**2.5%**	**2.5%**	**2.5%**	**2.5%**

Assumptions:

1.Transfers from the Wheaton Parking District are adjusted annually to fund the approved service program and to maintain an ending fund balance of approximately 2.5 percent of resources.
2. Property tax revenue is assumed to increase during the the six years based on an improved assessable base.
3. Assessable base increases are due to economic growth and new projects coming online.
4. The Baseline Services transfer provides basic right-of-way maintenance comparable to services provided countywide.
5. The Non-Baseline Services transfer is necessary to maintain fund balance policy.
6. These projections are based on the Executive's Recommended Budget and include the revenue and resource assumptions of that budget. FY26-30 expenditures are based on the "major, known commitments" of elected officials and include negotiated labor agreements, estimates of compensation and inflation cost increases, the operating costs of capital facilities, the fiscal impact of approved legislation or regulations, and other programmatic commitments. They do not include unapproved service improvements. The projected future expenditures, revenues, and fund balance may vary based on changes to fee or tax rates, usage inflation, future labor agreements, and other factors not assumed here.
7. Section 68A-4 of the County Code requires: a) that the proceeds from either the Urban District tax or parking fee transfer must not be greater than 90 percent of their combined total; and b) that the transfer from the Parking District not exceed the number of spaces in the Urban District times the number of enforcement hours per year times 20 cents.

FY25-30 PUBLIC SERVICES PROGRAM: FISCAL PLAN			Consolidated Fire District				
FISCAL PROJECTIONS	FY24 ESTIMATE	FY25 REC	FY26 PROJECTION	FY27 PROJECTION	FY28 PROJECTION	FY29 PROJECTION	FY30 PROJECTION
ASSUMPTIONS							
Property Tax Rate: Real Property	0.1184	**0.1178**	0.1122	0.1098	0.1080	0.1076	0.1050
Assessable Base: Real Property (000)	218,097,500	**230,682,600**	239,581,200	246,589,700	251,767,200	255,415,600	263,743,100
Property Tax Collection Factor: Real Property	99.4%	**99.4%**	99.4%	99.4%	99.4%	99.4%	99.4%
Property Tax Rate: Personal Property	0.2960	**0.2945**	0.2805	0.2745	0.2700	0.2690	0.2625
Assessable Base: Personal Property (000)	4,329,672	**4,242,665**	4,174,094	4,126,141	4,092,607	4,069,157	4,052,757
Property Tax Collection Factor: Personal Property	99.8%	**99.8%**	99.8%	99.8%	99.8%	99.8%	99.8%
CPI (Fiscal Year)	2.9%	**2.2%**	2.3%	2.3%	2.2%	2.3%	2.3%
Investment Income Yield	5.3%	**4.3%**	3.3%	3.0%	3.0%	3.0%	3.0%
BEGINNING FUND BALANCE	**(2,360,290)**	**(3,103,715)**	**286,116**	**291,514**	**318,510**	**290,633**	**358,130**
REVENUES							
Taxes	269,461,865	**282,577,050**	278,876,309	280,428,899	281,299,539	284,096,889	285,880,564
Charges For Services	23,000,000	**23,000,000**	23,522,100	24,060,756	24,592,499	25,145,830	25,716,640
Intergovernmental	15,638,617	**13,700,000**	14,010,990	14,331,842	14,648,576	14,978,169	15,318,173
Miscellaneous	244,882	**244,882**	244,882	244,882	244,882	244,882	244,882
Subtotal Revenues	**308,345,364**	**319,521,932**	**316,654,281**	**319,066,379**	**320,785,496**	**324,465,770**	**327,160,259**
INTERFUND TRANSFERS (Net Non-CIP)	**(15,842,794)**	**(15,775,710)**	**(16,521,330)**	**(17,415,030)**	**(17,354,120)**	**(17,481,720)**	**(17,224,355)**
Transfers To Debt Service Fund	(15,572,044)	(15,904,960)	(16,650,580)	(17,544,280)	(17,483,370)	(17,610,970)	(17,353,605)
GO Bonds	(9,226,594)	(9,133,610)	(10,848,780)	(11,478,480)	(11,287,720)	(11,432,120)	(11,118,480)
Long Term Leases	(6,345,450)	(6,771,350)	(5,801,800)	(6,065,800)	(6,195,650)	(6,178,850)	(6,235,125)
Transfers To The General Fund	(520,750)	(120,750)	(120,750)	(120,750)	(120,750)	(120,750)	(120,750)
DCM	(120,750)	(120,750)	(120,750)	(120,750)	(120,750)	(120,750)	(120,750)
Fund Balance	(400,000)	0	0	0	0	0	0
Transfers From The General Fund	250,000	250,000	250,000	250,000	250,000	250,000	250,000
EMST Fee Payment for Unisured Residents	250,000	250,000	250,000	250,000	250,000	250,000	250,000
TOTAL RESOURCES	**290,142,280**	**300,642,507**	**300,419,067**	**301,942,863**	**303,749,886**	**307,274,683**	**310,294,034**
CIP CURRENT REVENUE APPROP.	**(6,380,000)**	**(7,620,000)**	**(9,203,000)**	**(9,617,000)**	**(10,458,000)**	**(12,728,000)**	**(14,584,000)**
PSP OPER. BUDGET APPROP/ EXP'S.							
Operating Budget	(286,865,995)	**(292,736,391)**	(293,860,911)	(294,943,711)	(295,937,611)	(297,124,911)	(298,322,351)
Labor Agreement	n/a	**0**	(1,517,057)	(1,517,057)	(1,517,057)	(1,517,057)	(1,517,057)
Annualizations and One-Time	n/a	**0**	4,453,415	4,453,415	4,453,415	4,453,415	4,453,415
Subtotal PSP Oper Budget Approp / Exp's	**(286,865,995)**	**(292,736,391)**	**(290,924,553)**	**(292,007,353)**	**(293,001,253)**	**(294,188,553)**	**(295,385,993)**
TOTAL USE OF RESOURCES	**(293,245,995)**	**(300,356,391)**	**(300,127,553)**	**(301,624,353)**	**(303,459,253)**	**(306,916,553)**	**(309,969,993)**
YEAR END FUND BALANCE	**(3,103,715)**	**286,116**	**291,514**	**318,510**	**290,633**	**358,130**	**324,041**
END-OF-YEAR RESERVES AS A PERCENT OF RESOURCES	**-1.1%**	**0.1%**	**0.1%**	**0.1%**	**0.1%**	**0.1%**	**0.1%**

Assumptions:
1. The tax rates for the Consolidated Fire Tax District are adjusted to fund the planned program of public services and maintain a positive fund balance. The County's policy is to maximize tax supported reserves in the General Fund, which results in minimizing reserves in the County's tax supported special revenue funds.
2. These projections are based on the Executive's Recommended Budget and include the revenue and resource assumptions of that budget. The projected future expenditures, revenues, and fund balances may vary based on changes not assumed here to fee or tax rates, usage, inflation, future labor agreements, and other factors not assumed here.

FY25-30 PUBLIC SERVICES PROGRAM: FISCAL PLAN	Mass Transit						
FISCAL PROJECTIONS	FY24 ESTIMATE	FY25 REC	FY26 PROJECTION	FY27 PROJECTION	FY28 PROJECTION	FY29 PROJECTION	FY30 PROJECTION
ASSUMPTIONS							
Property Tax Rate: Real Property	0.0852	**0.0868**	0.0802	0.0958	0.0924	0.1032	0.1028
Assessable Base: Real Property (000)	218,097,500	**230,682,600**	239,581,200	246,589,700	251,767,200	255,415,600	263,743,100
Property Tax Collection Factor: Real Property	99.4%	**99.4%**	99.4%	99.4%	99.4%	99.4%	99.4%
Property Tax Rate: Personal Property	0.2130	**0.2170**	0.2005	0.2395	0.2310	0.2580	0.2570
Assessable Base: Personal Property (000)	4,329,672	**4,242,665**	4,174,094	4,126,141	4,092,607	4,069,157	4,052,757
Property Tax Collection Factor: Personal Property	99.8%	**99.8%**	99.8%	99.8%	99.8%	99.8%	99.8%
Indirect Cost Rate	17.96%	**19.96%**	19.96%	19.96%	19.96%	19.96%	19.96%
CPI (Fiscal Year)	2.9%	**2.2%**	2.3%	2.3%	2.2%	2.3%	2.3%
Investment Income Yield	5.3%	**4.3%**	3.3%	3.0%	3.0%	3.0%	3.0%
BEGINNING FUND BALANCE	**(1,571,965)**	**(11,534,480)**	**344,639**	**271,622**	**444,015**	**322,205**	**371,374**
REVENUES							
Taxes	193,903,302	**208,214,669**	**199,339,394**	**244,672,937**	**240,667,382**	**272,479,545**	**279,890,686**
Licenses & Permits	58,500	**80,000**	81,816	83,690	85,540	87,465	89,450
Charges For Services	9,667,751	**10,518,408**	10,970,854	11,462,824	11,871,669	12,177,737	12,494,557
Fines & Forfeitures	800,900	**800,000**	818,160	836,896	855,391	874,637	894,491
Intergovernmental	41,271,840	**41,575,573**	41,575,573	41,575,573	41,575,573	41,575,573	41,575,573
Miscellaneous	36,126	**0**	0	0	0	0	0
Subtotal Revenues	**245,738,419**	**261,188,650**	**252,785,797**	**298,631,920**	**295,055,555**	**327,194,957**	**334,944,757**
INTERFUND TRANSFERS (Net Non-CIP)	**(4,505,144)**	**(52,029,178)**	**(51,679,193)**	**(51,324,588)**	**(55,628,008)**	**(52,355,928)**	**(50,615,078)**
Transfers To Debt Service Fund	(28,330,639)	(30,191,320)	(29,285,605)	(28,931,000)	(33,234,420)	(29,962,340)	(28,221,490)
GO Bonds	(22,300,739)	(21,959,820)	(22,143,880)	(22,041,100)	(23,291,270)	(21,757,140)	(20,643,190)
Long Term Leases	(6,029,900)	(8,231,500)	(7,141,725)	(6,889,900)	(9,943,150)	(8,205,200)	(7,578,300)
Transfers To The General Fund	(18,729,815)	(22,369,168)	(22,924,898)	(22,924,898)	(22,924,898)	(22,924,898)	(22,924,898)
Indirect Costs	(18,129,815)	(22,369,168)	(22,924,898)	(22,924,898)	(22,924,898)	(22,924,898)	(22,924,898)
Fund Balance Transfer	(600,000)	0	0	0	0	0	0
Transfers From The General Fund	42,555,310	531,310	531,310	531,310	531,310	531,310	531,310
From General Fund: Parking Fines	531,310	531,310	531,310	531,310	531,310	531,310	531,310
From General Fund for Bus Fleet Supplemental	42,024,000	0	0	0	0	0	0
TOTAL RESOURCES	**239,661,310**	**197,624,992**	**201,451,243**	**247,578,954**	**239,871,562**	**275,161,234**	**284,701,053**
CIP CURRENT REVENUE APPROP.	**(62,239,000)**	**(9,218,000)**	**(8,312,000)**	**(48,432,000)**	**(38,807,000)**	**(32,492,000)**	**(38,652,000)**
PSP OPER. BUDGET APPROP/ EXP'S.							
Operating Budget	(189,871,617)	**(188,541,034)**	(190,276,924)	(192,192,864)	(193,885,814)	(195,700,544)	(197,773,394)
Labor Agreement	n/a	**0**	(2,784,220)	(2,784,220)	(2,784,220)	(2,784,220)	(2,784,220)
OBI Veirs Mill Road BRT	n/a	**n/a**	0	(3,600,000)	(3,708,000)	(3,820,000)	(3,934,000)
OBI MD 355 Central BRT	n/a	**n/a**	0	0	0	(39,500,000)	(40,700,000)
FFI Transportation Services Improvement Fund	n/a	**n/a**	4,000	(137,000)	(282,500)	(422,550)	(422,550)
Subtotal PSP Oper Budget Approp / Exp's	**(189,871,617)**	**(188,541,034)**	**(193,057,144)**	**(198,714,084)**	**(200,660,534)**	**(242,227,314)**	**(245,614,164)**
OTHER CLAIMS ON FUND BALANCE	**914,827**	**478,681**	**189,523**	**11,145**	**(81,823)**	**(70,546)**	**(73,368)**
TOTAL USE OF RESOURCES	**(251,195,790)**	**(197,280,353)**	**(201,179,621)**	**(247,134,939)**	**(239,549,357)**	**(274,789,860)**	**(284,339,532)**
YEAR END FUND BALANCE	**(11,534,480)**	**344,639**	**271,622**	**444,015**	**322,205**	**371,374**	**361,521**
END-OF-YEAR RESERVES AS A PERCENT OF RESOURCES	**-4.8%**	**0.2%**	**0.1%**	**0.2%**	**0.1%**	**0.1%**	**0.1%**

Assumptions:

1. These projections are based on the Executive's Recommended Budget and include negotiated labor agreements, the operating costs of capital facilities, the fiscal impact of approved legislation or regulations, and other programmatic commitments. They do not include inflation or unapproved service improvements. The projected future expenditures, revenues, and fund balance may vary based on changes to fee or tax rates, usage, inflation, future labor agreements, and other factors not assumed here.
2. The County's policy is to maximize tax supported reserves in the General fund, which is limited by the County Charter to five percent of the prior year's General Fund reserves. Reserves in the property tax special funds have been minimized as much as possible consistent with this reserve policy.
3. Other claims on fund balance include net revenues/expenditures in the Transportation Services Improvement Fund (TSIF).

FY25-30 PUBLIC SERVICES PROGRAM: FISCAL PLAN			Recreation				
FISCAL PROJECTIONS	**FY24 ESTIMATE**	**FY25 REC**	**FY26 PROJECTION**	**FY27 PROJECTION**	**FY28 PROJECTION**	**FY29 PROJECTION**	**FY30 PROJECTION**
ASSUMPTIONS							
Property Tax Rate: Real Property	0.0330	**0.0324**	0.0348	0.0356	0.0364	0.0372	0.0376
Assessable Base: Real Property (000)	190,346,700	**201,330,500**	209,096,800	215,213,500	219,732,300	222,916,400	230,184,300
Property Tax Collection Factor: Real Property	99.4%	**99.4%**	99.4%	99.4%	99.4%	99.4%	99.4%
Property Tax Rate: Personal Property	0.0825	**0.0810**	0.0870	0.0890	0.0910	0.0930	0.0940
Assessable Base: Personal Property (000)	3,610,800	**3,538,200**	3,481,100	3,441,100	3,413,100	3,393,500	3,379,900
Property Tax Collection Factor: Personal Property	99.8%	**99.8%**	99.8%	99.8%	99.8%	99.8%	99.8%
Indirect Cost Rate	17.96%	**19.96%**	19.96%	19.96%	19.96%	19.96%	19.96%
CPI (Fiscal Year)	2.9%	**2.2%**	2.3%	2.3%	2.2%	2.3%	2.3%
Investment Income Yield	5.3%	**4.3%**	3.3%	3.0%	3.0%	3.0%	3.0%
BEGINNING FUND BALANCE	**5,273,609**	**4,888,378**	**204,050**	**91,116**	**97,682**	**122,924**	**52,646**
REVENUES							
Taxes	65,408,988	**67,698,473**	**75,350,078**	**79,211,233**	**82,600,818**	**85,575,416**	**89,199,164**
Charges For Services	3,820,000	**3,410,187**	3,487,598	3,567,463	3,646,304	3,728,346	3,812,980
Miscellaneous	120,232	**120,232**	120,232	120,232	120,232	120,232	120,232
Subtotal Revenues	**69,349,220**	**71,228,892**	**78,957,908**	**82,898,928**	**86,367,354**	**89,423,994**	**93,132,376**
INTERFUND TRANSFERS (Net Non-CIP)	**(14,791,149)**	**(16,134,615)**	**(18,672,650)**	**(22,002,850)**	**(24,967,580)**	**(27,640,030)**	**(30,749,510)**
Transfers To Debt Service Fund	(10,870,349)	(10,953,480)	(13,388,060)	(16,718,260)	(19,682,990)	(22,355,440)	(25,464,920)
GO Bonds	(10,870,349)	(10,953,480)	(13,388,060)	(16,718,260)	(19,682,990)	(22,355,440)	(25,464,920)
Transfers To The General Fund	(8,330,500)	(9,590,835)	(9,694,290)	(9,694,290)	(9,694,290)	(9,694,290)	(9,694,290)
Indirect Costs	(6,484,090)	(7,744,425)	(7,847,880)	(7,847,880)	(7,847,880)	(7,847,880)	(7,847,880)
Custodial Cleaning Costs	(611,360)	(611,360)	(611,360)	(611,360)	(611,360)	(611,360)	(611,360)
Facility Maintenance Costs	(1,151,850)	(1,151,850)	(1,151,850)	(1,151,850)	(1,151,850)	(1,151,850)	(1,151,850)
Other - DCM	(83,200)	(83,200)	(83,200)	(83,200)	(83,200)	(83,200)	(83,200)
Transfers From The General Fund	1,009,700	1,009,700	1,009,700	1,009,700	1,009,700	1,009,700	1,009,700
ASACs	120,990	120,990	120,990	120,990	120,990	120,990	120,990
Countywide Services	888,710	888,710	888,710	888,710	888,710	888,710	888,710
Transfers From Special Fds: Non-Tax + ISF	3,400,000	3,400,000	3,400,000	3,400,000	3,400,000	3,400,000	3,400,000
From Recreation Non-Tax Supported	3,400,000	3,400,000	3,400,000	3,400,000	3,400,000	3,400,000	3,400,000
TOTAL RESOURCES	**59,831,680**	**59,982,655**	**60,489,308**	**60,987,194**	**61,497,456**	**61,906,888**	**62,435,512**
PSP OPER. BUDGET APPROP/ EXP'S.							
Operating Budget	(54,943,302)	**(59,778,605)**	(60,254,825)	(60,746,145)	(61,231,165)	(61,710,875)	(62,231,525)
Labor Agreement	n/a	**0**	(518,308)	(518,308)	(518,308)	(518,308)	(518,308)
Elimination of One-Time Items	n/a	**n/a**	447,294	447,294	447,294	447,294	447,294
Annualizations	n/a	**n/a**	(26,638)	(26,638)	(26,638)	(26,638)	(26,638)
Restoration of One-Time Lapse Increase	n/a	**n/a**	(45,715)	(45,715)	(45,715)	(45,715)	(45,715)
Subtotal PSP Oper Budget Approp / Exp's	**(54,943,302)**	**(59,778,605)**	**(60,398,192)**	**(60,889,512)**	**(61,374,532)**	**(61,854,242)**	**(62,374,892)**
TOTAL USE OF RESOURCES	**(54,943,302)**	**(59,778,605)**	**(60,398,192)**	**(60,889,512)**	**(61,374,532)**	**(61,854,242)**	**(62,374,892)**
YEAR END FUND BALANCE	**4,888,378**	**204,050**	**91,116**	**97,682**	**122,924**	**52,646**	**60,620**
END-OF-YEAR RESERVES AS A PERCENT OF RESOURCES	**8.2%**	**0.3%**	**0.2%**	**0.2%**	**0.2%**	**0.1%**	**0.1%**

Assumptions:
1. The County's policy is to maximize tax supported reserves in the General Fund, which is limited by the County Charter to five percent of the prior year's General Fund revenues. Reserves in the property tax special funds have been minimized as much as possible consistent with this reserve policy.
2. These projections are based on the Executive's Recommended Budget and include the revenue and resource assumptions of that budget. The projected future expenditures, revenues, and fund balances may vary based on changes not assumed here to fee or tax rates, usage, inflation, future labor agreements, and other factors not assumed here.

FY25-30 PUBLIC SERVICES PROGRAM: FISCAL PLAN	Economic Development Fund						
FISCAL PROJECTIONS	FY24 ESTIMATE	FY25 REC	FY26 PROJECTION	FY27 PROJECTION	FY28 PROJECTION	FY29 PROJECTION	FY30 PROJECTION
ASSUMPTIONS							
CPI (Fiscal Year)	2.9%	2.2%	2.3%	2.3%	2.2%	2.3%	2.3%
Investment Income Yield	5.3%	4.3%	3.3%	3.0%	3.0%	3.0%	3.0%
BEGINNING FUND BALANCE	932,150	0	0	0	0	0	0
REVENUES							
Miscellaneous	430,000	430,000	430,000	430,000	430,000	430,000	430,000
Subtotal Revenues	430,000	430,000	430,000	430,000	430,000	430,000	430,000
INTERFUND TRANSFERS (Net Non-CIP)	2,603,735	3,039,168	3,116,198	3,192,838	3,268,498	3,347,228	3,428,448
Transfers From The General Fund	2,603,735	3,039,168	3,116,198	3,192,838	3,268,498	3,347,228	3,428,448
From General Fund	2,603,735	3,039,168	3,116,198	3,192,838	3,268,498	3,347,228	3,428,448
TOTAL RESOURCES	3,965,885	3,469,168	3,546,198	3,622,838	3,698,498	3,777,228	3,858,448
PSP OPER. BUDGET APPROP/ EXP'S.							
Operating Budget	(3,965,885)	(3,469,168)	(3,543,458)	(3,620,098)	(3,695,758)	(3,774,488)	(3,855,708)
Labor Agreement	n/a	0	(2,740)	(2,740)	(2,740)	(2,740)	(2,740)
Subtotal PSP Oper Budget Approp / Exp's	(3,965,885)	(3,469,168)	(3,546,198)	(3,622,838)	(3,698,498)	(3,777,228)	(3,858,448)
OTHER CLAIMS ON FUND BALANCE	0	0	0	0	0	0	0
TOTAL USE OF RESOURCES	(3,965,885)	(3,469,168)	(3,546,198)	(3,622,838)	(3,698,498)	(3,777,228)	(3,858,448)
YEAR END FUND BALANCE	0	0	0	0	0	0	0
END-OF-YEAR RESERVES AS A PERCENT OF RESOURCES	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

Assumptions:

1.These projections are based on the Executive's Recommended Budget and include the revenue and resource assumptions of that budget. The projected future expenditures, revenues and fund balances may vary based on changes not assumed here to fee or tax rates, usage, inflation, future labor agreements, and other factors not assumed here.

2. The transfer from the General Fund is adjusted to fund program costs, net of offsetting loan repayments, intergovernmental funding, and investment income.

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Montgomery College

MONTGOMERY COLLEGE CURRENT FUND COUNTY EXECUTIVE RECOMMENDED FISCAL PLAN FY25-30	FY24 Estimate	FY25 CE Rec.	FY26 Proj.	FY27 Proj.	FY28 Proj.	FY29 Proj.	FY30 Proj.
Beginning Fund Balance	**56,182,783**	**63,682,783**	**52,394,218**	**38,322,161**	**23,090,837**	**6,369,681**	**4,598,247**
Revenues							
General Fund Contribution	148,409,696	148,409,696	148,409,696	148,409,696	148,409,696	148,409,696	148,409,696
Tuition & Related Fees	62,309,730	61,053,605	62,426,672	63,145,138	63,948,755	63,948,755	63,948,755
Other Student Fees	2,849,605	2,872,459	2,937,059	2,970,861	3,008,670	3,008,670	3,008,670
State Aid	57,514,404	54,670,506	55,911,526	57,191,900	58,455,841	59,771,097	61,127,901
Fed, State & Priv. Gifts/Grants	400,000	400,000	409,080	418,448	427,696	437,319	447,246
Investment Income	1,826,554	1,700,000	1,759,500	1,812,285	1,857,592	1,904,032	1,951,633
Performing Arts Center	112,000	115,000	115,000	115,000	115,000	115,000	115,000
Other Revenues (asset sales, lib. fines, rentals)	4,720,618	3,258,949	3,332,927	3,409,251	3,484,595	3,562,998	3,643,878
Adjustments - Non Mandatory Transfer	(8,358,037)	(760,000)	-	-	-	-	-
Hypothetical Resource Increase	-	-	-	-	-	13,500,000	13,800,000
Total Revenues	**269,784,570**	**271,720,215**	**275,301,460**	**277,472,579**	**279,707,845**	**294,657,567**	**296,452,779**
CIP CR	17,034,000	15,584,000	15,084,000	15,084,000	15,084,000	15,084,000	15,084,000
Subtotal Revenues and Transfers	**286,818,570**	**287,304,215**	**290,385,460**	**292,556,579**	**294,791,845**	**309,741,567**	**311,536,779**
Total Resources Available	**343,001,353**	**350,986,998**	**342,779,678**	**330,878,740**	**317,882,682**	**316,111,248**	**316,135,026**
County Share	56.6%	52.4%	51.3%	50.7%	50.1%	50.1%	50.1%
State Aid Share	21.9%	19.3%	19.3%	19.5%	19.7%	20.2%	20.6%
Tuition, Fees, Other Share	21.5%	28.2%	29.4%	29.8%	30.2%	29.8%	29.3%
Total Expenditures	**(262,284,570)**	**(283,008,780)**	**(289,373,517)**	**(292,703,903)**	**(296,429,001)**	**(296,429,001)**	**(296,429,001)**
CIP CR	**(17,034,000)**	**(15,584,000)**	**(15,084,000)**	**(15,084,000)**	**(15,084,000)**	**(15,084,000)**	**(15,084,000)**
End of year Fund Balance	**55,729,246**	**43,044,553**	**32,943,581**	**18,069,286**	**1,738,011**	**19,720**	**42,785**
Reserve	**7,953,537**	**9,349,665**	**5,378,579**	**5,021,551**	**4,631,670**	**4,578,527**	**4,579,240**
Total End of Year Proj. Fund Bal (Includes Reserve)	**63,682,783**	**52,394,218**	**38,322,161**	**23,090,837**	**6,369,681**	**4,598,247**	**4,622,025**
Reserve Balance as % of Resources less Contribution	**5.0%**	**5.0%**	**3.0%**	**3.0%**	**3.0%**	**3.0%**	**3.0%**

Assumptions:

1. The table reflects the College's reserve policy, where the college will hold in reserve an amount equal to 3% to 5% of the Current Fund appropriation excluding the County contribution.
2. The table reflects, for analysis only, an out-year resource increase to maintain a positive combined reserve and fund balance level.
3. The County's local out-year contribution is held constant at the County Executive recommended FY25 level.
4. Tuition and related fees revenue change at the rate of full-time equivalent student changes.
5. Other revenues, State aid, and expenditures grow based on CPI.

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Maryland-National Capital Park and Planning Commission

FY25-30 PUBLIC SERVICES PROGRAM: FISCAL PLAN			M-NCPPC Administration Fund				
FISCAL PROJECTIONS	FY24 ESTIMATE	FY25 REC	FY26 PROJECTION	FY27 PROJECTION	FY28 PROJECTION	FY29 PROJECTION	FY30 PROJECTION
ASSUMPTIONS							
Property Tax Rate: Real Property	0.0206	0.0194	0.0204	0.0204	0.0204	0.0206	0.0204
Assessable Base: Real Property (000)	189,072,000	199,982,200	207,696,500	213,772,300	218,260,700	221,423,600	228,642,800
Property Tax Collection Factor: Real Property	99.4%	99.4%	99.4%	99.4%	99.4%	99.4%	99.4%
Property Tax Rate: Personal Property	0.0515	0.0485	0.0510	0.0510	0.0510	0.0515	0.0510
Assessable Base: Personal Property (000)	3,592,700	3,520,500	3,463,600	3,423,800	3,396,000	3,376,500	3,362,900
Property Tax Collection Factor: Personal Property	99.8%	99.8%	99.8%	99.8%	99.8%	99.8%	99.8%
CPI (Fiscal Year)	2.9%	2.2%	2.3%	2.3%	2.2%	2.3%	2.3%
Investment Income Yield	5.3%	4.3%	3.3%	3.0%	3.0%	3.0%	3.0%
BEGINNING FUND BALANCE	3,079,751	3,865,502	1,371,178	1,388,456	1,493,068	1,521,801	1,557,877
REVENUES							
Taxes	40,560,754	40,266,942	43,877,885	45,089,665	45,985,662	47,074,132	48,074,063
Charges For Services	212,200	221,200	226,221	231,401	236,515	241,837	247,327
Intergovernmental	449,505	480,970	491,888	503,152	514,272	525,843	537,780
Miscellaneous	10,000	10,000	10,000	10,000	10,000	10,000	10,000
Subtotal Revenues	41,232,459	40,979,112	44,605,994	45,834,218	46,746,449	47,851,812	48,869,170
INTERFUND TRANSFERS (Net Non-CIP)	(500,000)	(950,000)	(950,000)	(950,000)	(950,000)	(950,000)	(950,000)
Transfers To Special Fds: Non-Tax + ISF	(500,000)	(950,000)	(950,000)	(950,000)	(950,000)	(950,000)	(950,000)
To M-NCPPC Special Revenue Fund	(500,000)	(950,000)	(950,000)	(950,000)	(950,000)	(950,000)	(950,000)
TOTAL RESOURCES	43,812,210	43,894,614	45,027,172	46,272,674	47,289,517	48,423,613	49,477,047
PSP OPER. BUDGET APPROP/ EXP'S.							
Operating Budget	(39,946,708)	(42,523,436)	(43,638,716)	(44,779,606)	(45,767,716)	(46,865,736)	(47,946,076)
Subtotal PSP Oper Budget Approp / Exp's	(39,946,708)	(42,523,436)	(43,638,716)	(44,779,606)	(45,767,716)	(46,865,736)	(47,946,076)
TOTAL USE OF RESOURCES	(39,946,708)	(42,523,436)	(43,638,716)	(44,779,606)	(45,767,716)	(46,865,736)	(47,946,076)
YEAR END FUND BALANCE	3,865,502	1,371,178	1,388,456	1,493,068	1,521,801	1,557,877	1,530,971
END-OF-YEAR RESERVES AS A PERCENT OF RESOURCES	8.8%	3.1%	3.1%	3.2%	3.2%	3.2%	3.1%

Assumptions:
1. All labor and operating costs are shown as operating costs since M-NCPPC is not a component unit of Montgomery County Government.
2. Tax rates are adjusted to maintain a fund balance of approximately three percent.
3. These projections are based on the County Executive's Recommended Budget and include the assumptions of that budget. Future revenues, expenditures, or fund balance may change based on factors not assumed here.

FY25-30 PUBLIC SERVICES PROGRAM: FISCAL PLAN			M-NCPPC Park Fund				
FISCAL PROJECTIONS	**FY24 ESTIMATE**	**FY25 REC**	**FY26 PROJECTION**	**FY27 PROJECTION**	**FY28 PROJECTION**	**FY29 PROJECTION**	**FY30 PROJECTION**
ASSUMPTIONS							
Property Tax Rate: Real Property	0.0650	0.0600	0.0620	0.0620	0.0620	0.0626	0.0618
Assessable Base: Real Property (000)	189,072,000	199,982,200	207,696,500	213,772,300	218,260,700	221,423,600	228,642,800
Property Tax Collection Factor: Real Property	99.4%	99.4%	99.4%	99.4%	99.4%	99.4%	99.4%
Property Tax Rate: Personal Property	0.1625	0.1500	0.1550	0.1550	0.1550	0.1565	0.1545
Assessable Base: Personal Property (000)	3,592,700	3,520,500	3,463,600	3,423,800	3,396,000	3,376,500	3,362,900
Property Tax Collection Factor: Personal Property	99.8%	99.8%	99.8%	99.8%	99.8%	99.8%	99.8%
CPI (Fiscal Year)	2.9%	2.2%	2.3%	2.3%	2.2%	2.3%	2.3%
Investment Income Yield	5.3%	4.3%	3.3%	3.0%	3.0%	3.0%	3.0%
BEGINNING FUND BALANCE	7,219,805	12,808,343	6,182,671	5,582,016	5,783,263	5,863,662	6,174,789
REVENUES							
Taxes	127,982,961	124,536,932	133,354,358	137,037,216	139,760,345	143,050,519	145,636,134
Charges For Services	3,549,101	3,613,251	3,695,272	3,779,894	3,863,430	3,950,357	4,040,030
Intergovernmental	4,138,538	4,239,641	4,335,881	4,435,173	4,533,190	4,635,187	4,740,406
Miscellaneous	75,500	172,500	172,500	172,500	172,500	172,500	172,500
Subtotal Revenues	135,746,100	132,562,324	141,558,011	145,424,783	148,329,465	151,808,563	154,589,070
INTERFUND TRANSFERS (Net Non-CIP)	50,000	50,000	50,000	50,000	50,000	50,000	50,000
Transfers From The General Fund	50,000	50,000	50,000	50,000	50,000	50,000	50,000
From MCG General Fund	50,000	50,000	50,000	50,000	50,000	50,000	50,000
TOTAL RESOURCES	143,015,905	145,420,667	147,790,682	151,056,799	154,162,728	157,722,225	160,813,859
CIP CURRENT REVENUE APPROP.	(450,000)	(450,000)	(450,000)	(450,000)	(450,000)	(450,000)	(450,000)
PSP OPER. BUDGET APPROP/ EXP'S.							
Operating Budget	(122,592,500)	(130,866,306)	(133,836,976)	(136,901,846)	(139,927,376)	(143,175,746)	(146,323,566)
Debt Service: Other	(7,165,062)	(7,921,690)	(7,921,690)	(7,921,690)	(7,921,690)	(7,921,690)	(7,921,690)
Subtotal PSP Oper Budget Approp / Exp's	(129,757,562)	(138,787,996)	(141,758,666)	(144,823,536)	(147,849,066)	(151,097,436)	(154,245,256)
TOTAL USE OF RESOURCES	(130,207,562)	(139,237,996)	(142,208,666)	(145,273,536)	(148,299,066)	(151,547,436)	(154,695,256)
YEAR END FUND BALANCE	12,808,343	6,182,671	5,582,016	5,783,263	5,863,662	6,174,789	6,118,603
END-OF-YEAR RESERVES AS A PERCENT OF RESOURCES	9.0%	4.3%	3.8%	3.8%	3.8%	3.9%	3.8%

Assumptions:

1. All labor and operatings costs are shown as operating costs since M-NCPPC is not a component unit of Montgomery County Governmnet.
2. Tax rates are adjusted to maintain a fund balance of approximately three to four percent.
3. These projections are based on the County Executive's Recommended Budget and include the assumptions of that budget. Future revenues, expenditures, or fund balance may change based on factors not assumed here.

Debt Service

GO BOND DEBT SERVICE EXPENDITURES	Actual FY22	Actual FY23	Approved FY24	Estimated FY24	Recommended FY25	% Chg App/Rec	App % GO Bonds
General County	73,142,299	74,781,378	82,724,440	82,343,041	85,939,270		20.8%
Roads & Storm Drains	80,264,802	81,662,071	84,555,130	83,868,423	85,574,500		20.8%
Public Housing	52,050	50,055	46,640	46,641	18,070		0.0%
Parks	9,427,541	9,549,541	10,365,560	10,084,337	9,607,340		2.3%
Public Schools	152,822,199	156,353,376	149,963,800	149,549,206	158,815,430		38.5%
Montgomery College	27,606,896	28,834,000	30,214,960	29,897,637	30,217,030		7.3%
Bond Anticipation Notes/Commercial Paper	363,149	2,017,874	7,000,000	6,600,000	7,640,000		
Bond Anticipation Notes/Liquidity & Remarketing	2,707,628	2,391,338	2,900,000	2,000,000	2,118,000		
Cost of Issuance	657,702	746,732	920,000	820,000	840,000		
Line(s) of Credit	148,055	-	-	-	-		
Total General Fund	347,192,321	356,386,365	368,690,530	365,209,285	380,769,640	3.3%	89.8%
Fire Tax District Fund	7,461,899	8,186,303	9,311,730	9,226,594	9,133,610		2.2%
Mass Transit Fund	20,182,065	22,016,635	22,579,220	22,300,739	21,959,820		5.3%
Recreation Fund	10,013,908	10,551,998	11,350,400	10,870,349	10,953,480		2.7%
Total Tax Supported Other Funds	37,657,872	40,754,936	43,241,350	42,397,682	42,046,910	-2.8%	10.2%
TOTAL TAX SUPPORTED	384,850,193	397,141,301	411,931,880	407,606,967	422,816,550	2.6%	100.0%
TOTAL GO BOND DEBT SERVICE EXPENDITURES	384,850,193	397,141,301	411,931,880	407,606,967	422,816,550	2.6%	100.0%
LONG-TERM LEASE EXPENDITURES							
Revenue Authority - Conference Center	990,977	991,538	-	-	-		
Revenue Authority - Crossvines Project	-	860,113	860,200	860,200	859,200		
Fire and Rescue Equipment	35,996	35,996	1,831,300	1,797,200	2,098,900		
TOTAL LONG-TERM LEASE EXPENDITURES	1,026,973	1,887,647	2,691,500	2,657,400	2,958,100	9.9%	
SHORT-TERM LEASE EXPENDITURES							
Technology Modernization Project	3,646,948	3,646,948	1,823,500	1,823,500	-		
Libraries System Modernization	48,479	-	-	-	-		
Digital Evidence Data Storage	247,627	247,627	247,800	247,800	247,800		
Ride On Buses	1,738,182	712,394	712,400	712,400	919,200		
Public Safety System Modernization	17,200	26,691	968,700	26,700	468,100		
Transit System Radios	-	-	315,000	-	626,900		
Police Body Armor	-	-	240,000	241,500	241,500		
Intelligent Transit System	-	-	1,030,000	-	2,045,100		
Fire Defibrillators	-	-	290,000	158,500	283,800		
Radio Lifecycle Replacement	-	-	2,238,000	2,204,500	5,413,600		
Business Continuity Plan	-	-	-	-	491,700		
TOTAL SHORT-TERM LEASE EXPENDITURES	5,698,436	4,633,660	7,865,400	5,414,900	10,737,700	36.5%	
OTHER LONG-TERM DEBT							
Silver Spring Music Venue	72,476	215,700	214,900	214,900	293,200		
Incubators	936,714	4,244,498	-	-	-		
Site II Acquisition	-	-	-	-	-		
Rockville Core - Tax Supported	1,508,463	1,506,838	1,508,400	1,508,400	1,507,900		
Energy Performance Leases QECBs	646,537	646,702	823,700	701,140	695,550		
Energy Performance Leases Other	1,674,892	1,715,984	1,624,910	1,747,470	1,782,290		
Wheaton Redevelopment	2,143,545	2,146,048	2,358,100	2,358,100	2,354,800		
MHI-HUD Loan - Non-Tax supported	49,643	101,736	54,510	-	-		
Water Quality Protection Charge Bonds - Non-Tax supported	8,456,639	8,543,872	9,772,900	9,222,900	9,446,100		
MHI - Property Acquisition and Preservation Fund - Non-Tax supported	8,496,842	12,188,646	13,384,600	12,184,600	13,175,020		
MHI Production Fund - HOC - Non-Tax supported	3,071,042	3,073,122	5,771,000	3,071,000	5,119,500		
COP - Rockville Core - Tax supported	-	-	-	-	-		
COP - Wheaton Redevelopment - Non-Tax supported	211,999	212,246	-	-	-		
COPs - Fire SCBA and Apparatus	4,386,575	5,085,685	4,389,750	4,389,750	4,388,650		
COPs - Fleet Equipment	329,250	328,395	328,450	328,450	327,300		
COPs - Buses	6,033,150	6,022,550	5,317,500	5,317,500	4,640,300		
COPs - Fuel Management	188,800	187,400	185,800	185,800	189,000		
COPs - PSSM	2,504,800	2,495,580	-	-	-		
COPs - Corrections	151,350	151,350	151,150	151,150	155,750		
TOTAL OTHER LONG-TERM DEBT	40,862,717	48,866,352	45,885,670	41,381,160	44,075,360	-3.9%	
DEBT SERVICE EXPENDITURES							
Tax Supported	**415,223,196**	**431,482,460**	**439,391,440**	**432,581,927**	**452,847,090**	**3.1%**	
Non-Tax Supported - Other Long-term Debt	**17,215,123**	**21,046,500**	**28,983,010**	**24,478,500**	**27,740,620**		
TOTAL DEBT SERVICE EXPENDITURES	**432,438,319**	**452,528,960**	**468,374,450**	**457,060,427**	**480,587,710**	**2.6%**	
GO BOND DEBT SERVICE FUNDING SOURCES							
General Funds	343,525,028	352,828,020	366,978,345	363,497,100	380,769,640		
Premium on General Obligation Bonds	3,638,343	3,511,431	1,712,185	1,712,185	-		
Total General Fund Sources	347,163,371	356,339,451	368,690,530	365,209,285	380,769,640		
Fire Tax District Funds	7,476,684	8,233,217	9,311,730	9,226,594	9,133,610		
Mass Transit Fund	20,196,230	22,016,635	22,579,220	22,300,739	21,959,820		
Recreation Fund	10,013,908	10,551,998	11,350,400	10,870,349	10,953,480		
Total Other Funding Sources	37,686,822	40,801,850	43,241,350	42,397,682	42,046,910		
TOTAL GO BOND FUNDING SOURCES	384,850,193	397,141,301	411,931,880	407,606,967	422,816,550		
NON GO BOND FUNDING SOURCES							
General Funds	12,423,619	16,848,838	10,671,889	9,791,489	12,165,622		
MHI Fund - HUD Loan	49,643	101,736	54,510	-	-		
Water Quality Protection Fund	9,398,857	9,487,190	9,772,900	9,222,900	9,446,100		
MHI - Property Acquisition Fund	11,567,884	15,261,768	19,155,600	15,255,600	18,294,520		
Wheaton Redevelopment contributions	1,201,327	1,202,730	2,145,871	2,145,871	2,142,868		
Motor Pool Fund	518,050	515,795	514,250	514,250	516,300		
Mass Transit Fund	7,771,332	6,734,944	7,374,900	6,029,900	8,231,500		
Fire Tax District Fund	4,422,571	5,121,681	6,511,050	6,345,450	6,771,350		
Federal Subsidy - QECBs	234,843	112,977	241,600	148,000	202,900		
TOTAL NON GO BOND FUNDING SOURCES	47,588,126	55,387,659	56,442,570	49,453,460	57,771,160		
TOTAL FUNDING SOURCES	**432,438,319**	**452,528,960**	**468,374,450**	**457,060,427**	**480,587,710**		
TOTAL GENERAL OBLIGATION BOND SALES							
Actual and Estimated Bond Sales	310,000,000	280,000,000	280,000,000	280,000,000	300,000,000		
Council SAG Approved Bond Funded Expenditures	310,000,000	280,000,000	280,000,000	280,000,000	280,000,000		

DEBT SERVICE - GENERAL OBLIGATION BONDS, LONG & SHORT TERM LEASES AND OTHER DEBT						
	Recommended	Projected	Projected	Projected	Projected	Projected
GO BOND DEBT SERVICE EXPENDITURES	FY25	FY26	FY27	FY28	FY29	FY30
General County	85,939,270	84,825,520	84,377,270	89,867,380	96,449,890	100,481,220
Roads & Storm Drains	85,574,500	88,464,470	90,386,390	87,403,330	90,695,600	91,514,890
Public Housing	18,070	33,540	22,890	51,980	47,240	45,480
Parks	9,607,340	10,072,570	11,063,850	11,456,100	12,624,750	13,469,660
Public Schools	158,815,430	160,996,170	159,249,560	151,453,250	146,214,120	140,081,340
Montgomery College	30,217,030	29,965,710	30,530,100	33,822,590	38,548,650	39,557,360
Bond Anticipation Notes/Commercial Paper	7,640,000	6,100,000	6,000,000	6,300,000	6,400,000	6,400,000
Bond Anticipation Notes/Liquidity & Remarketing	2,118,000	2,100,000	2,100,000	2,100,000	2,100,000	2,100,000
Cost of Issuance	840,000	860,000	880,000	900,000	920,000	940,000
Total General Fund	380,769,640	383,417,980	384,610,060	383,354,630	394,000,250	394,589,950
Fire Tax District Fund	9,133,610	10,848,780	11,478,480	11,287,720	11,432,120	11,118,480
Mass Transit Fund	21,959,820	22,143,880	22,041,100	23,291,270	21,757,140	20,643,190
Recreation Fund	10,953,480	13,388,060	16,718,260	19,682,990	22,355,440	25,464,920
Total Tax Supported Other Funds	42,046,910	46,380,720	50,237,840	54,261,980	55,544,700	57,226,590
TOTAL TAX SUPPORTED	422,816,550	429,798,700	434,847,900	437,616,610	449,544,950	451,816,540
TOTAL GO BOND DEBT SERVICE EXPENDITURES	422,816,550	429,798,700	434,847,900	437,616,610	449,544,950	451,816,540
LONG-TERM LEASE EXPENDITURES						
Fire and Rescue Equipment	2,098,900	3,116,500	3,382,400	3,513,800	3,656,900	3,835,000
Revenue Authority - Crossvines Project	859,200	862,000	858,800	859,400	858,800	861,800
TOTAL LONG-TERM LEASE EXPENDITURES	2,958,100	3,978,500	4,241,200	4,373,200	4,515,700	4,696,800
SHORT-TERM LEASE EXPENDITURES / FINANCING						
Digital Evidence Data Storage	247,800	93,800	-	-	-	-
Ride On Buses	919,200	1,125,900	1,125,900	4,411,400	5,533,200	5,533,200
Intelligent Transit System	2,045,100	2,045,100	2,045,100	2,045,100	2,045,100	2,045,100
Public Safety System Modernization	468,100	468,100	468,100	441,400	441,400	-
Transit System Radios	626,900	626,900	626,900	626,900	626,900	-
Fire Defibrillators	283,800	283,800	283,800	283,800	125,300	-
Police Body Armor	241,500	241,500	241,500	241,500	-	-
Radio Lifecycle Replacement	5,413,600	8,626,300	9,423,800	10,326,400	8,930,700	5,721,600
Business Continuity Plan	491,700	491,700	491,700	491,700	491,700	-
TOTAL SHORT-TERM LEASE EXPENDITURES	10,737,700	14,003,100	14,706,800	18,868,200	18,194,300	13,299,900
OTHER LONG-TERM DEBT						
Silver Spring Music Venue	293,200	293,210	292,700	293,300	293,400	293,100
Rockville Core	1,507,900	1,505,400	1,505,750	1,508,750	1,509,250	1,509,250
Energy Performance Leases QECBs	695,550	695,030	694,220	694,020	692,920	801,300
Energy Performance Leases Other	1,782,290	1,818,100	1,832,950	1,879,280	1,911,915	1,805,200
Wheaton Redevelopment	2,354,800	2,358,300	2,358,300	2,354,800	2,357,600	2,356,300
Water Quality Protection Charge Bonds - Non-Tax supported	9,446,100	10,111,850	12,877,250	17,357,900	23,210,400	25,108,300
MHI - Property Acquisition and Preservation Fund - Non-Tax supported	13,175,020	17,117,690	19,721,100	21,548,500	22,549,100	24,555,000
MHI Production Fund - HOC - Non-Tax supported	5,119,500	7,172,100	7,170,300	7,168,800	7,172,900	7,172,300
COPs - Fire SCBA and Apparatus	4,388,650	2,401,500	2,399,600	2,398,050	2,396,650	2,400,125
COPs - Fleet Equipment	327,300	325,650	328,375	325,475	326,950	327,675
COPs - Buses	4,640,300	3,343,825	3,092,000	2,859,750	-	-
COPs - Fuel Management	189,000	-	-	-	-	-
COPs - Corrections	155,750	73,500	-	-	-	-
TOTAL OTHER LONG-TERM DEBT	44,075,360	47,216,155	52,272,545	58,388,625	62,421,085	66,328,550
DEBT SERVICE EXPENDITURES						
Tax Supported	**452,847,090**	**460,594,815**	**466,299,795**	**473,171,435**	**481,743,635**	**479,306,190**
Non-Tax Supported - Other Long-term Debt	**27,740,620**	**34,401,640**	**39,768,650**	**46,075,200**	**52,932,400**	**56,835,600**
TOTAL DEBT SERVICE EXPENDITURES	**480,587,710**	**494,996,455**	**506,068,445**	**519,246,635**	**534,676,035**	**536,141,790**
GO BOND DEBT SERVICE FUNDING SOURCES						
General Funds	380,769,640	383,417,980	384,610,060	383,354,630	394,000,250	394,589,950
Total General Fund Sources	380,769,640	383,417,980	384,610,060	383,354,630	394,000,250	394,589,950
Fire Tax District Fund	9,133,610	10,848,780	11,478,480	11,287,720	11,432,120	11,118,480
Mass Transit Fund	21,959,820	22,143,880	22,041,100	23,291,270	21,757,140	20,643,190
Recreation Fund	10,953,480	13,388,060	16,718,260	19,682,990	22,355,440	25,464,920
Total Other Funding Sources	42,046,910	46,380,720	50,237,840	54,261,980	55,544,700	57,226,590
TOTAL GO BOND FUNDING SOURCES	422,816,550	429,798,700	434,847,900	437,616,610	449,544,950	451,816,540
NON GO BOND FUNDING SOURCES						
General Funds	12,165,622	14,328,947	14,986,577	15,926,022	14,335,939	10,211,147
Water Quality Protection Fund	9,446,100	10,111,850	12,877,250	17,357,900	23,210,400	25,108,300
MHI - Property Acquisition Fund	18,294,520	24,289,790	26,891,400	28,717,300	29,722,000	31,727,300
Wheaton Redevelopment contributions	2,142,868	2,146,053	2,146,053	2,142,868	2,145,416	2,144,233
Motor Pool Fund	516,300	325,650	328,375	325,475	326,950	327,675
Mass Transit Fund	8,231,500	7,141,725	6,889,900	9,943,150	8,205,200	7,578,300
Fire Tax District Fund	6,771,350	5,801,800	6,065,800	6,195,650	6,178,850	6,235,125
Federal Subsidy - QECBs	202,900	189,940	176,390	162,260	147,530	131,370
Revenue Authority - Crossvines Project	-	862,000	858,800	859,400	858,800	861,800
TOTAL NON GO BOND FUNDING SOURCES	57,771,160	65,197,755	71,220,545	81,630,025	85,131,085	84,325,250
TOTAL FUNDING SOURCES	**480,587,710**	**494,996,455**	**506,068,445**	**519,246,635**	**534,676,035**	**536,141,790**
TOTAL GENERAL OBLIGATION BOND SALES						
Estimated Bond Sales	300,000,000	280,000,000	280,000,000	280,000,000	280,000,000	280,000,000
Council SAG Approved Bond Funded Expenditures	280,000,000	280,000,000	280,000,000	280,000,000	280,000,000	280,000,000
ESTIMATED INTEREST RATE	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%

Non-Tax Supported: Six Year Fiscal Plans

Montgomery County Government

- Cable Television Communications Plan
- Montgomery Housing Initiative Fund
- Water Quality Protection Fund
- Community Use of Public Facilities Fund
- Parking District Funds
- Solid Waste Collection and Disposal Funds
- Leaf Vacuuming Fund
- Permitting Services Fund
- Liquor Control Fund
- Risk Management Fund
- Central Duplicating, Mail and Records Mgmt. Fund
- Employee Health Benefits Self Insurance Fund
- Motor Pool Fund
- Recreation Non-Tax Supported
- Inmate Advisory Council Fund

Maryland-National Capital Park and Planning Commission

- Enterprise Fund

Washington Suburban Sanitary Commission

- Water and Sewer Operating Funds

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FY25-30 PUBLIC SERVICES PROGRAM: FISCAL PLAN			Cable Communications Plan				
FISCAL PROJECTIONS	FY24 ESTIMATE	FY25 REC	FY26 PROJECTION	FY27 PROJECTION	FY28 PROJECTION	FY29 PROJECTION	FY30 PROJECTION
ASSUMPTIONS							
Indirect Cost Rate	17.96%	19.96%	19.96%	19.96%	19.96%	19.96%	19.96%
CPI (Fiscal Year)	2.9%	2.2%	2.3%	2.3%	2.2%	2.3%	2.3%
Investment Income Yield	5.3%	4.3%	3.3%	3.0%	3.0%	3.0%	3.0%
BEGINNING FUND BALANCE	1,530,340	1,749,274	1,042,213	1,142,904	1,155,861	1,110,337	1,014,813
REVENUES							
Charges For Services	20,104,868	18,788,134	17,410,358	16,047,041	14,674,043	13,273,544	11,897,492
Miscellaneous	1,114,330	1,117,960	92,860	70,220	68,820	64,820	64,820
Subtotal Revenues	21,219,198	19,906,094	17,503,218	16,117,261	14,742,863	13,338,364	11,962,312
INTERFUND TRANSFERS (Net Non-CIP)	(4,137,111)	(10,562,185)	(9,029,469)	(8,288,343)	(7,543,790)	(6,777,230)	(6,029,177)
Transfers To The General Fund	(4,137,111)	(10,562,185)	(9,029,469)	(8,288,343)	(7,543,790)	(6,777,230)	(6,029,177)
Indirect Costs	(698,865)	0	0	0	0	0	0
Montgomery College Cable Fund	(1,706,960)	(1,604,850)	(1,388,098)	(1,272,385)	(1,157,885)	(1,040,285)	(925,742)
MCPS Instructional TV Fund	(1,681,286)	(1,581,200)	(1,388,098)	(1,272,385)	(1,157,885)	(1,040,285)	(925,742)
M-NCPPC	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)
General Fund	0	(7,326,135)	(6,203,273)	(5,693,572)	(5,178,020)	(4,646,660)	(4,127,692)
TOTAL RESOURCES	18,612,427	11,093,183	9,515,962	8,971,822	8,354,934	7,671,471	6,947,948
CIP CURRENT REVENUE APPROP.	(3,330,000)	(3,494,000)	(3,020,000)	(2,773,000)	(2,526,000)	(2,280,000)	(2,033,000)
PSP OPER. BUDGET APPROP/ EXP'S.							
Operating Budget	(13,533,153)	(6,556,970)	(5,353,058)	(5,042,961)	(4,718,597)	(4,376,658)	(4,038,027)
Subtotal PSP Oper Budget Approp / Exp's	(13,533,153)	(6,556,970)	(5,353,058)	(5,042,961)	(4,718,597)	(4,376,658)	(4,038,027)
TOTAL USE OF RESOURCES	(16,863,153)	(10,050,970)	(8,373,058)	(7,815,961)	(7,244,597)	(6,656,658)	(6,071,027)
YEAR END FUND BALANCE	1,749,274	1,042,213	1,142,904	1,155,861	1,110,337	1,014,813	876,921
END-OF-YEAR RESERVES AS A PERCENT OF RESOURCES	9.4%	9.4%	12.0%	12.9%	13.3%	13.2%	12.6%

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

Major Issues:
1. Cable Fund Revenue is declining at a rapid rate, by FY30 revenue will be down $10 million per year.

Notes:
1. The fund balance is projected to increase due to cuts to all Cable Programs in FY24 and FY25 and shifts of numerous programs to the General Fund.
2. These projections are based on the Executive's Recommended budget and include the revenue and resource assumptions of that budget. The projected future expenditures, revenues, and fund balances may vary based on changes not assumed here to fee or tax rates, usage, inflation, future labor agreements, and other factors not assumed here
3. These projections assume that future reductions in Cable Revenue will track outyear projections, however there is a strong possibility that Cable revenues will decline faster than projections predict.

FY25-30 PUBLIC SERVICES PROGRAM: FISCAL PLAN				Montgomery Housing Initiative				
FISCAL PROJECTIONS	**FY24 APPROVED**	**FY24 ESTIMATE**	**FY25 REC**	**FY26 PROJECTION**	**FY27 PROJECTION**	**FY28 PROJECTION**	**FY29 PROJECTION**	**FY30 PROJECTION**
ASSUMPTIONS								
Indirect Cost Rate	17.96%	17.96%	19.96%	19.96%	19.96%	19.96%	19.96%	19.96%
CPI (Fiscal Year)	2.1%	2.9%	2.1%	2.2%	2.2%	2.2%	2.3%	2.3%
Investment Income Yield	5.0%	5.3%	4.8%	4.0%	4.0%	4.0%	3.5%	3.3%
BEGINNING FUND BALANCE	15,555,321	10,965,827	14,249,457	2,359,800	1,373,700	357,900	30,900	31,900
REVENUES								
Taxes	23,979,590	20,330,037	22,986,826	25,090,587	26,213,429	27,154,193	28,990,239	30,330,879
Charges For Services	5,048,950	3,878,742	3,820,200	5,071,758	5,073,301	5,074,884	5,076,576	5,078,330
Miscellaneous	10,003,096	26,967,675	9,588,586	9,588,586	9,588,586	9,588,586	9,588,586	9,588,586
Subtotal Revenues	39,031,636	51,176,454	36,395,612	39,750,931	40,875,316	41,817,663	43,655,401	44,997,795
INTERFUND TRANSFERS (Net Non-CIP)	13,548,323	13,548,323	14,705,832	8,710,562	6,108,952	4,283,052	3,278,352	1,273,052
Transfers To Debt Service Fund	(19,155,600)	(19,155,600)	(18,294,520)	(24,289,790)	(26,891,400)	(28,717,300)	(29,722,000)	(31,727,300)
MHI HOC Housing Production Fund	(5,771,000)	(5,771,000)	(5,119,500)	(7,172,100)	(7,170,300)	(7,168,800)	(7,172,900)	(7,172,300)
MHI Property Acquisition	(13,384,600)	(13,384,600)	(13,175,020)	(17,117,690)	(19,721,100)	(21,548,500)	(22,549,100)	(24,555,000)
Transfers To The General Fund	(553,516)	(553,516)	(674,116)	(674,116)	(674,116)	(674,116)	(674,116)	(674,116)
Indirect Costs	(553,516)	(553,516)	(674,116)	(674,116)	(674,116)	(674,116)	(674,116)	(674,116)
Transfers From The General Fund	33,257,439	33,257,439	33,674,468	33,674,468	33,674,468	33,674,468	33,674,468	33,674,468
From General Fund	33,257,439	33,257,439	33,674,468	33,674,468	33,674,468	33,674,468	33,674,468	33,674,468
TOTAL RESOURCES	68,135,280	75,690,604	65,350,901	50,821,293	48,357,968	46,458,615	46,964,653	46,302,747
PSP OPER. BUDGET APPROP/ EXP'S.								
Operating Budget	(3,525,390)	(37,609,211)	(3,826,919)	(3,826,919)	(3,826,919)	(3,826,919)	(3,826,919)	(3,826,919)
Debt Service: Other (Non-Tax Funds only)	(54,510)	(54,510)	0	0	0	0	0	0
Rental Assistance Program (RAP)	(23,879,590)		(22,886,826)	(25,090,587)	(26,213,429)	(27,154,193)	(28,990,239)	(30,330,879)
Affordable Housing Loans	(13,946,104)	(23,392,490)	(13,534,323)	(4,429,552)	(1,703,231)	972,529	2,477,042	4,662,607
HHS Housing Programs	(9,706,200)		(9,706,200)	(9,706,200)	(9,706,200)	(9,706,200)	(9,706,200)	(9,706,200)
Neighborhoods to Call Home	(1,875,899)		(1,932,731)	(1,932,731)	(1,932,731)	(1,932,731)	(1,932,731)	(1,932,731)
HARP (Design for Life)	(300,000)		(309,100)	(309,100)	(309,100)	(309,100)	(309,100)	(309,100)
Homeownership Assistance Program	(4,000,000)	n/a	(4,000,000)	(4,000,000)	(4,000,000)	(4,000,000)	(4,000,000)	(4,000,000)
Subtotal PSP Oper Budget Approp / Exp's	(57,287,693)	(61,056,211)	(56,196,099)	(49,447,593)	(48,000,068)	(46,427,715)	(46,932,753)	(46,269,847)
OTHER CLAIMS ON FUND BALANCE	(7,937,288)	(384,936)	(6,795,002)	0	0	0	0	0
TOTAL USE OF RESOURCES	(65,224,981)	(61,441,147)	(62,991,101)	(49,447,593)	(48,000,068)	(46,427,715)	(46,932,753)	(46,269,847)
YEAR END FUND BALANCE	2,910,299	14,249,457	2,359,800	1,373,700	357,900	30,900	31,900	32,900
END-OF-YEAR RESERVES AS A PERCENT OF RESOURCES	4.3%	18.8%	3.6%	2.7%	0.7%	0.1%	0.1%	0.1%

Assumptions:

1. Approximately $63 million, including $56.2 million in new funding, will be allocated in this fund to support the acquisition and preservation of affordable housing units, renovation of distressed housing, creation of housing units for special needs residents and mixed-income housing, first-time homeowner downpayment assistance, rental assistance, and a variety of services for permanent supportive housing and community development.
2. A total of $113.2 million will be funded through the FY25-30 CIP Budget in support of affordable housing, including $97 million for the Affordable Housing Acquisition and Preservation CIP Project# 760100, $15 million for the Nonproift Preservation Fund CIP Project# 762301, and $1.23 million to create a new revolving loan program for the Revitalization of Troubled and Distressed Common Ownership Communities CIP Project# 762504.
3. A supplemental Request totaling $19.999 million in loan repayments for the Nonprofit Preservation Fund CIP Project#762301 was introduced by the Council on February 27, 2024.
4. Montgomery County Council Resolution #15-110 provides for an allocation from the General Fund to the Montgomery Housing Initiative fund (MHI) of the equivalent to 2.5% of actual General Fund property taxes from two years prior to the upcoming fiscal year for the purpose of maintaining and expanding the supply of affordable housing. However, the actual transfer from the General Fund will be determined each year based on the availability of resources.

Notes:

1. These projections are based on the Executive's Recommended budget and include the revenue and resource assumptions of that budget. The projected future expenditures, revenues, and fund balances may vary based on changes not assumed here to fee or tax rates, usage, inflation, future labor agreements, and other factors not assumed here.
2. Operating budget includes personnel costs, contracts for homeownership education, and miscellaneous expenses for consultants, technology upgrades and loan asset monitoring.

FY24-30 PUBLIC SERVICES PROGRAM: FISCAL PLAN	Water Quality Protection Fund						
FISCAL PROJECTIONS	FY24 Estimate	FY25 CE Rec	FY26 Projection	FY27 Projection	FY28 Projection	FY29 Projection	FY30 Projection
ASSUMPTIONS							
Indirect Cost Rate	17.96%	19.96%	19.96%	19.96%	19.96%	19.96%	19.96%
CPI (Fiscal Year)	2.94%	2.19%	2.27%	2.29%	2.21%	2.25%	2.27%
Investment Income Yield	5.32%	4.30%	3.25%	3.00%	3.00%	3.00%	3.00%
Number of Equivalent Residential Units (ERUs) Billed	368,000	368,000	368,000	368,000	368,000	368,000	368,000
Water Quality Protection Charge ($/ERU)	$126.00	$136.50	$147.00	$157.50	$168.00	$178.50	$189.00
Target Debt Service Coverage Ratio	1.25	1.25	1.25	1.25	1.25	1.25	1.25
BEGINNING FUND BALANCE	**20,104,923**	**16,655,431**	**4,057,150**	**2,637,388**	**4,993,337**	**7,007,956**	**6,146,651**
REVENUES							
Charges For Services	45,794,760	49,639,440	53,484,120	57,328,800	61,119,880	64,964,560	68,809,240
Bag Tax Receipts	2,500,000	2,700,000	2,700,000	2,700,000	2,500,000	2,500,000	2,500,000
Miscellaneous	2,288,760	2,034,500	1,706,520	1,698,120	1,697,030	1,490,840	1,387,740
Subtotal Revenues	**50,583,520**	**54,373,940**	**57,890,640**	**61,726,920**	**65,316,910**	**68,955,400**	**72,696,980**
INTERFUND TRANSFERS (Net Non-CIP)	**(12,262,031)**	**(12,871,980)**	**(13,638,980)**	**(16,407,160)**	**(20,884,400)**	**(26,740,300)**	**(28,638,310)**
Transfers To General Fund	(2,095,891)	(2,483,960)	(2,583,810)	(2,586,590)	(2,584,580)	(2,586,860)	(2,587,490)
Transfers to Debt Service Fund (Non-Tax)	(10,166,140)	(10,388,020)	(11,055,170)	(13,820,570)	(18,299,820)	(24,153,440)	(26,050,820)
WQPF Required Debt Service	(9,222,900)	(9,446,100)	(10,111,850)	(12,877,250)	(17,357,900)	(23,210,400)	(25,108,300)
TOTAL RESOURCES	**58,426,412**	**58,157,391**	**48,308,810**	**47,957,148**	**49,425,847**	**49,223,056**	**50,205,321**
CIP CURRENT REVENUE APPROPRIATION	**(8,542,000)**	**(18,090,000)**	**(8,736,000)**	**(6,000,000)**	**(5,483,000)**	**(6,109,000)**	**(5,137,000)**
PSP OPER. BUDGET APPROP/ EXP'S.							
Operating Budget	(33,228,981)	(36,010,241)	(36,935,422)	(36,963,811)	(36,934,890)	(36,967,405)	(36,976,432)
FFIs (Future Fiscal Impacts) Requested & Projected							
CPI - OE Adjustment			(534,938)	(549,382)	(530,509)	(551,623)	(557,485)
Elimination of one-time Items			110,000	110,000	110,000	110,000	110,000
CPI - PC Adjustment			(282,494)	(296,439)	(286,391)	(297,792)	(300,957)
Annualizations of New Positions			(40,533)	(40,533)	(40,533)	(40,533)	(40,533)
Labor Contracts			(177,216)	(177,216)	(177,216)	(177,216)	(177,216)
Subtotal PSP Oper Budget Approp / Exp's	**(33,228,981)**	**(36,010,241)**	**(36,935,422)**	**(36,963,811)**	**(36,934,890)**	**(36,967,405)**	**(36,976,432)**
TOTAL USE OF RESOURCES	**(41,770,981)**	**(54,100,241)**	**(45,671,422)**	**(42,963,811)**	**(42,417,890)**	**(43,076,405)**	**(42,113,432)**
ACFR YEAR END FUND BALANCE	**16,655,431**	**4,057,150**	**2,637,388**	**4,993,337**	**7,007,956**	**6,146,651**	**8,091,889**
END-OF-YEAR RESERVES AS A PERCENT OF RESOURCES	**28.5%**	**7.0%**	**5.5%**	**10.4%**	**14.2%**	**12.5%**	**16.1%**
NET REVENUE	**15,258,648**	**15,879,739**	**18,371,408**	**22,176,519**	**25,797,440**	**29,401,135**	**33,133,058**
DEBT SERVICE COVERAGE RATIO	**1.65**	**1.68**	**1.82**	**1.72**	**1.49**	**1.27**	**1.32**

Assumptions:

1. These projections are based on the County Executive's Recommended operating budget and include the revenue and resource assumptions of that budget. The projected future expenditures, revenues, and fund balances may vary based on changes to fee or tax rates, usage, inflation, future labor agreements, and other factors not assumed here.
2. Stormwater facilities transferred into the maintenance program will be maintained to permit standards as they are phased into the program.
3. Operating costs for new facilities to be completed or transferred and Operating Budget Impacts of Stormwater CIP projects between FY25 and FY30 have been incorporated in the future fiscal impact (FFI) rows.
4. The Operating Budget includes planning and implementation costs for compliance with the new Municipal Separate Storm Sewer System (MS-4) permit issued by the Maryland Department of the Environment in 2021. Debt service on bonds and loans that will be used to finance the CIP project costs of MS-4 compliance has been shown as a transfer to the Debt Service Fund. The Department of Finance issued $37.8 million in Water Quality Protection Charge Revenue Bonds dated July 18, 2012 (Series 2012A), $46.5 million dated April 6, 2016 (Series 2016A) and $28.6M Series 2023. In December 2019, the County closed on $50.7 million in Water Quality State Revolving Fund (WQSRF) Loans from the MD Department of the Environment (MDE). The actual debt service costs for the Series 2012A and 2016A bond issuances and the anticipated MDE Water Quality Revolving Loan debt service in years FY25-30 are included in the fiscal plan, as well as anticipated debt payments for loans issued to the Maryland-National Capital Park and Planning Commission issued in FY24. Actual debt service costs may vary depending on the size and timing of future loan and bond issues. Current revenue may be used to offset future borrowing requirements. Future WQPC rates are subject to change based on the timing and size of future debt issuance, State Aid, and legislation.
5. Charges are adjusted to fund the planned service program and maintain net revenues sufficient to cover 1.25 times debt service costs.
6. The Water Quality Protection fund balance minimum policy target is 5% of resources.

FY25-30 PUBLIC SERVICES PROGRAM: FISCAL PLAN			Community Use of Public Facilities				
FISCAL PROJECTIONS	**FY24 ESTIMATE**	**FY25 REC**	**FY26 PROJECTION**	**FY27 PROJECTION**	**FY28 PROJECTION**	**FY29 PROJECTION**	**FY30 PROJECTION**
ASSUMPTIONS							
Indirect Cost Rate	17.96%	19.96%	19.96%	19.96%	19.96%	19.96%	19.96%
CPI (Fiscal Year)	2.9%	2.2%	2.3%	2.3%	2.2%	2.3%	2.3%
Investment Income Yield	5.3%	4.3%	3.3%	3.0%	3.0%	3.0%	3.0%
BEGINNING FUND BALANCE	2,282,553	1,917,976	663,351	882,499	1,032,964	1,199,548	1,327,073
REVENUES							
Charges For Services	10,328,637	11,104,248	13,156,314	13,457,594	13,755,007	14,064,495	14,403,759
Miscellaneous	342,400	269,530	203,810	188,360	188,130	188,130	188,130
Subtotal Revenues	10,671,037	11,373,778	13,360,124	13,645,954	13,943,137	14,252,625	14,591,889
INTERFUND TRANSFERS (Net Non-CIP)	(1,054,128)	(1,187,830)	(1,206,737)	(1,206,737)	(1,206,247)	(1,206,639)	(1,206,457)
Transfers To Debt Service Fund	(330,134)	(329,672)	(330,162)	(330,162)	(329,672)	(330,064)	(329,882)
Wheaton Redevelopment	(330,134)	(329,672)	(330,162)	(330,162)	(329,672)	(330,064)	(329,882)
Transfers To The General Fund	(883,994)	(1,018,158)	(1,036,575)	(1,036,575)	(1,036,575)	(1,036,575)	(1,036,575)
Indirect Costs	(676,664)	(810,828)	(829,245)	(829,245)	(829,245)	(829,245)	(829,245)
CAAP	(200,000)	(200,000)	(200,000)	(200,000)	(200,000)	(200,000)	(200,000)
DCM	(7,330)	(7,330)	(7,330)	(7,330)	(7,330)	(7,330)	(7,330)
Transfers From The General Fund	160,000	160,000	160,000	160,000	160,000	160,000	160,000
After School	25,000	25,000	25,000	25,000	25,000	25,000	25,000
Elections	135,000	135,000	135,000	135,000	135,000	135,000	135,000
TOTAL RESOURCES	11,899,462	12,103,924	12,816,738	13,321,716	13,769,854	14,245,534	14,712,505
PSP OPER. BUDGET APPROP/ EXP'S.							
Operating Budget	(9,981,486)	(11,440,573)	(11,781,522)	(12,136,035)	(12,417,589)	(12,765,744)	(13,093,774)
Labor Agreement	n/a	0	(92,268)	(92,268)	(92,268)	(92,268)	(92,268)
Annualizations	n/a	n/a	(24,824)	(24,824)	(24,824)	(24,824)	(24,824)
Restore One-Time Lapse Increase	n/a	n/a	(35,625)	(35,625)	(35,625)	(35,625)	(35,625)
Subtotal PSP Oper Budget Approp / Exp's	(9,981,486)	(11,440,573)	(11,934,239)	(12,288,752)	(12,570,306)	(12,918,461)	(13,246,491)
TOTAL USE OF RESOURCES	(9,981,486)	(11,440,573)	(11,934,239)	(12,288,752)	(12,570,306)	(12,918,461)	(13,246,491)
YEAR END FUND BALANCE	1,917,976	663,351	882,499	1,032,964	1,199,548	1,327,073	1,466,014
END-OF-YEAR RESERVES AS A PERCENT OF RESOURCES	16.1%	5.5%	6.9%	7.8%	8.7%	9.3%	10.0%

Notes:

1. These projections are based on the Executive's Recommended Budget and include the revenue and resources assumptions of that budget. The projected future expenditures, revenues, and fund balances may vary based on changes not assumed here to fees, usage, inflation, future labor agreements, and other factors not assumed here.
2. The fund balance is calculated on a net assets basis and the fund balance policy target is 10 percent of resources.

Bethesda PLD

FY25-30 Public Services Program: Fiscal Plan Bethesda Parking Lot District	Estimated 2024	Recommended 2025	Projected 2026	Projected 2027	Projected 2028	Projected 2029	Projected 2030
Assumptions							
Indirect Cost Rate	17.96%	19.96%	19.96%	19.96%	19.96%	19.96%	19.96%
CPI (Fiscal Year)	2.94%	2.19%	2.27%	2.29%	2.21%	2.25%	2.27%
Investment Income Yield	5.32%	4.30%	3.25%	3.00%	3.00%	3.00%	3.00%
Beginning Fund Balance	17,864,134	13,511,067	7,363,845	7,342,354	7,408,557	7,596,279	7,712,732
Revenues							
Charges for Services	13,959,656	15,006,851	15,306,851	16,106,851	16,856,851	17,606,851	17,606,851
Fines & Forfeits	3,290,415	3,379,000	3,379,000	3,379,000	3,379,000	3,379,000	3,379,000
Miscellaneous	3,302,312	2,912,730	3,977,740	3,545,540	3,245,540	2,745,540	3,445,540
Subtotal Revenues	20,552,932	21,298,581	22,663,591	23,031,391	23,481,391	23,731,391	24,431,391
Transfers							
Transfers to/from General Fund	(450,191)	(541,105)	(559,947)	(572,765)	(585,431)	(598,617)	(612,181)
Indirect Costs	(450,191)	(541,105)	(559,947)	(572,765)	(585,431)	(598,617)	(612,181)
Transfers to/from Special Funds : Tax Supported	(2,003,834)	(1,581,122)	(1,562,345)	(1,540,932)	(1,560,208)	(1,560,208)	(1,416,840)
Bethesda Urban District	(2,003,834)	(1,581,122)	(1,562,345)	(1,540,932)	(1,560,208)	(1,560,208)	(1,416,840)
Transfers to/from Other Funds	(1,800,000)	(380,000)	-	-	-	-	-
Wheaton PLD Transfers	-	220,000	-	-	-	-	-
Silver Spring PLD Transfers	(1,800,000)	(600,000)	-	-	-	-	-
Subtotal Transfers	(4,254,025)	(2,502,227)	(2,122,292)	(2,113,697)	(2,145,639)	(2,158,825)	(2,029,021)
Total Resources	34,163,041	32,307,421	27,905,145	28,260,048	28,744,309	29,168,845	30,115,103
CIP Current Revenue Appropriation Expenditure							
Facilities Planning Parking: Bethesda PLD	(345,000)	(130,000)	(100,000)	(90,000)	(90,000)	(90,000)	(90,000)
Parking Bethesda Facilities Renovations	(5,988,000)	(9,720,000)	(4,100,000)	(4,100,000)	(4,100,000)	(4,100,000)	(4,100,000)
Subtotal CIP Current Revenue Appropriation Expenditure	(6,333,000)	(9,850,000)	(5,178,000)	(5,168,000)	(5,168,000)	(5,168,000)	(5,620,000)
Appropriations/Expenditures							
Operating Budget	(12,017,974)	(12,791,875)	(13,083,191)	(13,382,691)	(13,678,630)	(13,986,713)	(14,303,637)
Personnel Costs	(2,504,330)	(2,743,199)	(2,805,345)	(2,869,565)	(2,933,021)	(2,999,082)	(3,067,038)
Operating Expenses	(9,513,644)	(10,048,676)	(10,277,846)	(10,513,126)	(10,745,609)	(10,987,631)	(11,236,600)
Existing Debt Service	(2,301,000)	(2,301,700)	(2,301,600)	(2,300,800)	(2,301,400)	(2,301,400)	(2,300,600)
Subtotal PSP Operating Budget Appropriation	(14,318,974)	(15,093,575)	(15,384,791)	(15,683,491)	(15,980,030)	(16,288,113)	(16,604,237)
Total Use of Resources	(20,651,974)	(24,943,575)	(20,562,791)	(20,851,491)	(21,148,030)	(21,456,113)	(22,224,237)
Year End Fund Balance	13,511,067	7,363,845	7,342,354	7,408,557	7,596,279	7,712,732	7,890,865
Bond Restricted Reserve	(3,329,524)	(3,378,129)	(3,428,038)	(3,477,299)	(3,528,697)	(3,581,511)	(3,636,119)
Year End Available Fund Balance	10,181,543	3,985,717	3,914,316	3,931,257	4,067,582	4,131,221	4,254,746
Available Fund Balance as a % of Next Year's PSP Expenses	67%	26%	25%	25%	25%	25%	25%
Target Balance	3,773,394	3,846,198	3,920,873	3,995,008	4,072,028	4,151,059	4,233,193

Assumptions:

1. These projections are based on the Executive's Recommended Budget and include the revenue and resource assumptions for that budget. FY26-30 are based on the "major known commitments" of elected officials and include negotiated labor agreements, estimates of compensation and inflation costs increase, the operating costs of capital facilities and other programmatic commitments. The projected future expenditures, revenues, and fund balance may vary based on changes to fee or tax rates, usage, inflation, future labor agreements, and other factors not assumed here. The policy target fund balance is 25% of the following fiscal year estimated expenses.
2. Rate increase assumed beginning in FY28

Silver Spring PLD

FY25-30 Public Services Program: Fiscal Plan Silver Spring Parking Lot District	Estimated 2024	Recommended 2025	Projected 2026	Projected 2027	Projected 2028	Projected 2029	Projected 2030
Assumptions							
Indirect Cost Rate	17.96%	19.96%	19.96%	19.96%	19.96%	19.96%	19.96%
CPI (Fiscal Year)	2.94%	2.19%	2.27%	2.29%	2.21%	2.25%	2.27%
Investment Income Yield	5.32%	4.30%	3.25%	3.00%	3.00%	3.00%	3.00%
Beginning Fund Balance	4,863,265	535,723	2,538,231	3,087,101	3,205,947	3,240,083	3,327,827
Revenues							
Charges for Services	10,312,516	12,243,153	13,143,153	14,393,153	15,143,153	15,893,153	15,893,153
Fines & Forfeits	3,961,093	3,626,689	3,626,689	3,626,689	3,626,689	3,626,689	3,626,689
Miscellaneous	1,005,623	207,190	2,461,550	1,950,660	1,900,660	1,900,660	2,400,660
Subtotal Revenues	15,281,637	16,077,032	19,231,392	19,970,502	20,670,502	21,420,502	21,920,502
Transfers							
Transfers to/from General Fund	(503,281)	(600,562)	(621,052)	(635,154)	(649,089)	(663,596)	(678,519)
Indirect Costs	(498,281)	(595,562)	(616,052)	(630,154)	(644,089)	(658,596)	(673,519)
General Fund - Other	(5,000)	(5,000)	(5,000)	(5,000)	(5,000)	(5,000)	(5,000)
Transfers to/from Special Funds : Tax Supported	(2,642,581)	(2,058,464)	(2,144,790)	(2,144,790)	(2,144,790)	(2,144,790)	(2,144,790)
Silver Spring Urban District	(2,642,581)	(2,058,464)	(2,144,790)	(2,144,790)	(2,144,790)	(2,144,790)	(2,144,790)
Transfers to/from Other Funds	1,800,000	600,000	-	-	-	-	-
Bethesda PLD Transfers	1,800,000	600,000	-	-	-	-	-
Subtotal Transfers	(1,345,862)	(2,059,026)	(2,765,842)	(2,779,944)	(2,793,879)	(2,808,386)	(2,823,309)
Total Resources	18,799,040	14,553,729	19,003,781	20,277,659	21,082,570	21,852,199	22,425,020
CIP Current Revenue Appropriation Expenditure							
Facilities Planning Parking: Silver Spring PLD	(238,000)	(204,000)	(155,000)	(90,000)	(90,000)	(90,000)	(90,000)
Parking Silver Spring Facilities Renovations	(6,817,000)	(106,000)	(2,573,000)	(3,519,000)	(4,019,000)	(4,419,000)	(4,119,000)
Subtotal CIP Current Revenue Appropriation Expenditure	(7,055,000)	(310,000)	(3,946,000)	(4,827,000)	(5,327,000)	(5,727,000)	(5,949,000)
Appropriations/Expenditures							
Operating Budget	(11,208,317)	(11,705,498)	(11,970,680)	(12,244,712)	(12,515,487)	(12,797,372)	(13,087,347)
Personnel Costs	(2,832,032)	(3,018,058)	(3,086,431)	(3,157,085)	(3,226,900)	(3,299,579)	(3,374,344)
Operating Expenses	(8,376,285)	(8,687,440)	(8,884,249)	(9,087,627)	(9,288,587)	(9,497,793)	(9,713,003)
Subtotal PSP Operating Budget Appropriation	(11,208,317)	(11,705,498)	(11,970,680)	(12,244,712)	(12,515,487)	(12,797,372)	(13,087,347)
Total Use of Resources	(18,263,317)	(12,015,498)	(15,916,680)	(17,071,712)	(17,842,487)	(18,524,372)	(19,036,347)
Year End Available Fund Balance	535,723	2,538,231	3,087,101	3,205,947	3,240,083	3,327,827	3,388,672
Available Fund Balance as a % of Next Year's PSP Expenses	5%	21%	25%	26%	25%	25%	25%
Target Balance	2,926,375	2,992,670	3,061,178	3,128,872	3,199,343	3,271,837	3,346,872

Assumptions:

1. These projections are based on the Executive's Recommended Budget and include the revenue and resource assumptions for that budget. FY26-30 are based on the "major known commitments" of elected officials and include negotiated labor agreements, estimates of compensation and inflation costs increase, the operating costs of capital facilities and other programmatic commitments. The projected future expenditures, revenues, and fund balance may vary based on changes to fee or tax rates, usage, inflation, future labor agreements, and other factors not assumed here. The policy target fund balance is 25% of the following fiscal year estimated expenses.
2. FY24 estimates include sale of land near Garage 7 for $747K.
3. Rate increase assumed beginning in FY28.

Wheaton PLD

FY25-30 Public Services Program: Fiscal Plan Wheaton Parking Lot District	Estimated 2024	Recommended 2025	Projected 2026	Projected 2027	Projected 2028	Projected 2029	Projected 2030
Assumptions							
Indirect Cost Rate	17.96%	19.96%	19.96%	19.96%	19.96%	19.96%	19.96%
CPI (Fiscal Year)	2.94%	2.19%	2.27%	2.29%	2.21%	2.25%	2.27%
Investment Income Yield	5.32%	4.30%	3.25%	3.00%	3.00%	3.00%	3.00%
Beginning Fund Balance	1,753,595	1,869,316	1,617,937	1,317,070	906,567	616,895	692,913
Revenues							
Charges for Services	2,078,272	1,887,597	1,917,597	1,977,597	2,277,597	2,577,597	2,577,597
Fines & Forfeits	877,608	526,000	526,000	526,000	526,000	526,000	526,000
Miscellaneous	105,650	83,170	62,890	58,050	58,050	58,050	58,050
Subtotal Revenues	3,061,615	2,496,767	2,506,487	2,561,647	2,861,647	3,161,647	3,161,647
Transfers							
Transfers to/from General Fund	(74,920)	(91,596)	(94,813)	(96,983)	(99,128)	(101,360)	(103,657)
Indirect Costs	(74,920)	(91,596)	(94,813)	(96,983)	(99,128)	(101,360)	(103,657)
Transfers to/from Special Funds : Tax Supported	(500,000)	(225,000)	(225,000)	(225,000)	(225,000)	(225,000)	(225,000)
Wheaton Urban District	(500,000)	(225,000)	(225,000)	(225,000)	(225,000)	(225,000)	(225,000)
Transfers to/from Other Funds	-	(220,000)	-	-	-	-	-
Bethesda PLD Transfers	-	(220,000)	-	-	-	-	-
Subtotal Transfers	(574,920)	(536,596)	(319,813)	(321,983)	(324,128)	(326,360)	(328,657)
Total Resources	4,240,290	3,829,487	3,804,611	3,556,734	3,444,086	3,452,182	3,525,903
CIP Current Revenue Appropriation Expenditure							
Facilities Planning Parking: Wheaton PLD	(244,000)	(20,000)	(58,000)	(45,000)	(165,000)	(45,000)	(45,000)
Parking Wheaton Facilities Renovations	(481,000)	(112,000)	(112,000)	(237,000)	(244,000)	(244,000)	(244,000)
Wheaton Parking Security Camera Surveillance System	-	-	(189,000)	(189,000)	(189,000)	(189,000)	(180,000)
Subtotal CIP Current Revenue Appropriation Expenditure	(725,000)	(132,000)	(359,000)	(471,000)	(598,000)	(478,000)	(469,000)
Appropriations/Expenditures							
Operating Budget	(1,645,974)	(2,079,550)	(2,128,541)	(2,179,167)	(2,229,191)	(2,281,268)	(2,334,840)
Personnel Costs	(432,011)	(464,491)	(475,013)	(485,887)	(496,632)	(507,818)	(519,324)
Operating Expenses	(1,213,963)	(1,615,059)	(1,653,527)	(1,693,280)	(1,732,559)	(1,773,451)	(1,815,516)
Subtotal PSP Operating Budget Appropriation	(1,645,974)	(2,079,550)	(2,128,541)	(2,179,167)	(2,229,191)	(2,281,268)	(2,334,840)
Total Use of Resources	(2,370,974)	(2,211,550)	(2,487,541)	(2,650,167)	(2,827,191)	(2,759,268)	(2,803,840)
Year End Available Fund Balance	1,869,316	1,617,937	1,317,070	906,567	616,895	692,913	722,063
Available Fund Balance as a % of Next Year's PSP Expenses	90%	76%	60%	41%	27%	30%	30%
Target Balance	519,887	532,135	544,792	557,298	570,317	583,710	597,572

Assumptions:

1. These projections are based on the Executive's Recommended Budget and include the revenue and resource assumptions for that budget. FY26-30 are based on the "major known commitments" of elected officials and include negotiated labor agreements, estimates of compensation and inflation costs increase, the operating costs of capital facilities and other programmatic commitments. The projected future expenditures, revenues, and fund balance may vary based on changes to fee or tax rates, usage, inflation, future labor agreements, and other factors not assumed here. The policy target fund balance is 25% of the following fiscal year estimated expenses.
2. Rate increase assumed beginning in FY28.

FY25 - FY30 Solid Waste Refuse Collection: Net Asset Balance and Collection Charge Calculation

	FY24 Estimated	FY25 Projection	FY26 Projection	FY27 Projection	FY28 Projection	FY29 Projection	FY30 Projection
ASSUMPTIONS							
Indirect Cost Rate	17.96%	19.96%	19.96%	19.96%	19.96%	19.96%	19.96%
CPI (Fiscal Year)	2.11%	2.18%	2.21%	2.23%	2.34%	2.33%	2.33%
Number of Households (mid-FY)	92,968	93,523	94,227	95,078	95,929	96,781	97,632
Charge Per Household	**$ 160.00**	**$ 160.00**	**$ 160.00**	**$ 160.00**	**$ 160.00**	**$ 160.00**	**$ 160.00**
Percent Rate Increase (Decrease)	25.98%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Beginning Cash	1,830,637	4,482,720	6,139,750	6,386,000	6,611,249	7,364,503	7,783,859
Revenues	15,034,250	15,144,260	15,227,090	15,362,490	15,498,550	15,616,130	15,742,920
Loans							
Expenses	(11,256,793)	(12,313,291)	(13,791,147)	(13,931,045)	(14,322,210)	(14,755,919)	(15,190,576)
Transfers	(325,374)	(373,939)	(389,693)	(406,196)	(423,086)	(440,855)	(459,466)
Change in Asset/Liability Accounts							
Loan Payoff	(800,000)	(800,000)	(800,000)	(800,000)			
Ending Cash Balance	4,482,720	6,139,750	6,386,000	6,611,249	7,364,503	7,783,859	7,876,737
BEGINNING NET ASSETS	(2,149,454)	1,312,629	3,769,659	4,815,909	5,841,158	6,594,412	7,013,768
REVENUES							
Charges for Services	14,830,560	14,963,680	15,076,320	15,212,480	15,348,640	15,484,960	15,621,120
Investment Income (per Dept. of Finance)	203,690	180,580	150,770	150,010	149,910	131,170	121,800
Miscellaneous	10,000						
Subtotal Revenues	**15,044,250**	**15,144,260**	**15,227,090**	**15,362,490**	**15,498,550**	**15,616,130**	**15,742,920**
INTERFUND TRANSFERS (Net Non-CIP)	**(325,374)**	**(373,939)**	**(389,693)**	**(406,196)**	**(423,086)**	**(440,855)**	**(459,466)**
TOTAL RESOURCES	**12,569,422**	**16,082,950**	**18,607,056**	**19,772,203**	**20,916,622**	**21,769,687**	**22,297,222**
OPERATING BUDGET APPROP/EXPENSES							
Personnel Costs	(1,673,817)	(1,848,391)	(1,927,317)	(2,009,999)	(2,094,620)	(2,183,642)	(2,276,883)
OMB Adjustments - Labor Contract Adjustments			(33,101)	(33,101)	(33,101)	(33,101)	(33,101)
Refuse Collection Contracts	(9,179,338)	(10,091,229)	(11,449,159)	(11,498,227)	(11,796,727)	(12,133,045)	(12,466,066)
Other Operating Costs	(403,638)	(373,671)	(381,569)	(389,717)	(397,761)	(406,131)	(414,524)
Subtotal PSP Oper. Budget Approp / Exp.	**(11,256,793)**	**(12,313,291)**	**(13,791,147)**	**(13,931,045)**	**(14,322,210)**	**(14,755,919)**	**(15,190,576)**
TOTAL USE OF RESOURCES	**(11,256,793)**	**(12,313,291)**	**(13,791,147)**	**(13,931,045)**	**(14,322,210)**	**(14,755,919)**	**(15,190,576)**
YEAR END - NET ASSETS*	**1,312,629**	**3,769,659**	**4,815,909**	**5,841,158**	**6,594,412**	**7,013,768**	**7,106,646**
End-of-Year Net Assets as a % of Resources	**10.4%**	**23.4%**	**25.9%**	**29.5%**	**31.5%**	**32.2%**	**31.9%**

Notes:

1. The refuse collection charge is adjusted annually to fund the approved service program and to maintain an ending net asset balance between 10 percent and 15 percent of resources at the end of the six-year planning period. Year-end fund balances in FY25-30 are projections only and will change with the change in the underlying assumptions (ie. growth in house counts, CPI, investment income yield) in future fiscal plans.
2. These projections are based on the Executive's Recommended Budget and include the revenue and resource assumptions of that budget. The projected future expenditures, revenues, and fund balances may vary based on changes to fee or tax rates, usage, inflation, future labor agreements, and other factors not assumed here.

FY25-30 DIVISION OF RECYCLING AND RESOURCE MANAGEMENT

FISCAL PROJECTIONS	ESTIMATED FY24	PROJECTED FY25	PROJECTED FY26	PROJECTED FY27	PROJECTED FY28	PROJECTED FY29	PROJECTED FY30
Single-Family Charges ($/Household)	293.26	310.92	330.86	348.43	366.14	383.34	401.25
% change in rate from previous year	1.8%	6.0%	6.4%	5.3%	5.1%	4.7%	4.7%
Multi-Family Charges ($/Dwelling Unit)	18.04	19.12	19.59	20.13	21.68	22.89	24.54
% change in rate from previous year	1.2%	6.0%	2.4%	2.8%	7.7%	5.6%	7.2%
Nonresidential Charges (medium "category" charge)	627.68	631.31	647.14	662.40	680.21	726.74	790.02
% change in rate from previous year	-5.6%	0.6%	2.5%	2.4%	2.7%	6.8%	8.7%

OPERATIONS CALCULATION

REVENUES							
Disposal Fees	33,531,187	35,069,408	34,949,707	34,812,019	34,670,172	34,454,443	34,234,380
Charges for Services/SBC	74,555,806	81,178,232	87,142,843	92,703,188	98,709,205	105,742,122	113,543,228
Miscellaneous	16,966,458	17,174,073	17,432,866	17,696,142	17,963,927	18,236,306	18,513,681
Investment Income	6,169,940	5,469,990	4,567,100	4,543,990	4,540,980	3,973,360	3,689,550
Subtotal Revenues	**131,223,391**	**138,891,703**	**144,092,516**	**149,755,340**	**155,884,284**	**162,406,232**	**169,980,838**
INTERFUND TRANSFERS	**(121,216)**	**(248,326)**	**(319,367)**	**(753,895)**	**(787,232)**	**(466,518)**	**(529,351)**
EXPENDITURES							
Personnel Costs	(12,442,557)	(14,225,743)	(14,833,182)	(15,469,526)	(16,120,793)	(16,805,926)	(17,523,542)
Operating Expenses	(115,628,349)	(125,602,286)	(132,653,555)	(136,105,641)	(141,900,265)	(148,094,926)	(154,198,174)
Capital Outlay	(2,685,199)	(2,718,863)	(3,174,043)	(1,466,932)	(1,276,795)	(2,415,183)	(1,915,184)
Subtotal Expenditures	**(130,756,105)**	**(142,546,892)**	**(150,660,780)**	**(153,042,099)**	**(159,297,853)**	**(167,316,038)**	**(173,636,899)**
CURRENT RECEIPTS TO CIP	**(729,599)**	**(4,000,000)**	**(2,640,000)**	**(750,000)**			
ANNUALIZATION OF POSITIONS			**(31,937)**	**(31,937)**	**(31,937)**	**(31,937)**	**(31,937)**
POTENTIAL FUTURE EXP. - LABOR CONTRACTS FFI			**(257,920)**	**(257,920)**	**(257,920)**	**(257,920)**	**(257,920)**
PAYOUT OF GUDE REMEDIATION	**26,761,403**	**10,687,000**	**5,858,000**	**748,000**			
PAYOUT OF CLOSURE COSTS (Non-CIP)	**2,334,284**	**2,388,417**	**2,445,229**	**2,503,929**	**2,562,087**	**2,622,674**	
CY ACCRUED CLOSURE COSTS	**(50,582)**	**(53,300)**	**(55,378)**	**(57,234)**	**(61,413)**	**(62,636)**	
NET CHANGE	**28,661,575**	**5,118,602**	**(1,569,638)**	**(1,885,815)**	**(1,989,984)**	**(3,106,143)**	**(4,475,268)**

CASH POSITION

ENDING CASH & INVESTMENTS							
Unrestricted Cash	39,103,514	29,976,975	17,673,350	12,736,691	8,351,682	5,549,838	3,952,424
Restricted Cash	39,658,231	43,178,178	47,733,895	49,230,979	50,312,796	48,830,933	47,249,210
Subtotal Cash & Investments	**78,761,745**	**73,155,153**	**65,407,245**	**61,967,670**	**58,664,478**	**54,380,771**	**51,201,634**
RESERVE & LIABILITY REQUIREMENTS							
Management Reserve	(29,318,102)	(30,195,371)	(30,691,687)	(31,995,178)	(33,665,841)	(34,982,687)	(34,982,687)
Debt Service Reserve		(1,820,000)	(5,723,000)	(5,722,000)	(5,721,000)	(5,720,000)	(5,720,000)
Renewal & Replacement Reserve	(4,847,655)	(4,953,335)	(5,062,803)	(5,175,703)	(5,296,814)	(5,420,231)	(5,546,522)
Stability Reserve	(5,492,473)	(6,209,472)	(6,256,405)	(6,338,097)	(5,629,140)	(2,708,015)	(1,000,000)
Subtotal Reserve Requirements	**(39,658,230)**	**(43,178,178)**	**(47,733,895)**	**(49,230,978)**	**(50,312,795)**	**(48,830,933)**	**(47,249,209)**
Closure/Postclosure Liability	(12,607,986)	(10,272,869)	(7,883,019)	(5,436,323)	(2,935,649)	(375,611)	
Gude Remediation Liability	(17,293,000)	(6,606,000)	(748,000)				
Subtotal Reserve & Liability Requirements	**(69,559,216)**	**(60,057,047)**	**(56,364,914)**	**(54,667,301)**	**(53,248,444)**	**(49,206,544)**	**(47,249,209)**
CASH & INVESTMENTS OVER/(UNDER) RESERVE & LIABILITY REQUIREMENTS	**9,202,529**	**13,098,106**	**9,042,331**	**7,300,369**	**5,416,034**	**5,174,227**	**3,952,425**

Net Assets

ENDING NET ASSETS	108,796,635	116,634,422	117,981,463	116,990,376	116,064,192	115,279,350	115,257,649
Less: Reserve Requirements	**(39,658,230)**	**(43,178,178)**	**(47,733,895)**	**(49,230,978)**	**(50,312,795)**	**(48,830,933)**	**(47,249,209)**
NET ASSETS OVER/(UNDER) RESERVE REQUIREMENTS	**69,138,405**	**73,456,244**	**70,247,568**	**67,759,398**	**65,751,397**	**66,448,417**	**68,008,440**

FY25-30 PUBLIC SERVICES PROGRAM: FISCAL PLAN			Leaf Vacuuming Fund				
FISCAL PROJECTIONS	FY24 ESTIMATE	FY25 REC	FY26 PROJECTION	FY27 PROJECTION	FY28 PROJECTION	FY29 PROJECTION	FY30 PROJECTION
ASSUMPTIONS							
Indirect Cost Rate	17.96%	**19.96%**	19.96%	19.96%	19.96%	19.96%	19.96%
CPI (Fiscal Year)	2.9%	**2.2%**	2.3%	2.3%	2.2%	2.3%	2.3%
Investment Income Yield	5.3%	**4.3%**	3.3%	3.0%	3.0%	3.0%	3.0%
Charge per Single-Family Households	123.67	**123.67**	127.17	132.67	140.17	148.17	151.92
Charge per Multi-Family Households	4.61	**4.61**	4.91	5.31	5.61	5.91	6.21
BEGINNING FUND BALANCE	**1,702,623**	**2,432,406**	**1,543,457**	**704,138**	**415,266**	**422,847**	**395,116**
REVENUES							
Charges For Services	9,118,500	**9,131,619**	9,399,335	9,816,121	10,371,028	10,961,835	11,247,500
Miscellaneous	192,320	**151,390**	114,470	105,660	105,660	105,660	105,660
Subtotal Revenues	**9,310,820**	**9,283,009**	**9,513,805**	**9,921,781**	**10,476,688**	**11,067,495**	**11,353,160**
INTERFUND TRANSFERS (Net Non-CIP)	**(2,355,426)**	**(2,707,937)**	**(2,744,357)**	**(2,410,853)**	**(2,480,729)**	**(2,910,616)**	**(2,962,609)**
Transfers To The General Fund	(646,546)	(721,768)	(733,224)	(733,224)	(733,224)	(733,224)	(733,224)
Indirect Costs	(646,546)	(721,768)	(733,224)	(733,224)	(733,224)	(733,224)	(733,224)
Transfers To Special Fds: Non-Tax + ISF	(1,708,880)	(1,986,169)	(2,011,133)	(1,677,629)	(1,747,505)	(2,177,392)	(2,229,385)
To Solid Waste Disposal	(1,708,880)	(1,986,169)	(2,011,133)	(1,677,629)	(1,747,505)	(2,177,392)	(2,229,385)
TOTAL RESOURCES	**8,658,017**	**9,007,478**	**8,312,905**	**8,215,066**	**8,411,225**	**8,579,726**	**8,785,667**
Operating Budget	(6,225,611)	**(7,464,021)**	(7,551,371)	(7,742,404)	(7,930,982)	(8,127,214)	(8,329,652)
Labor Agreement	n/a	**0**	(57,396)	(57,396)	(57,396)	(57,396)	(57,396)
Subtotal PSP Oper Budget Approp / Exp's	**(6,225,611)**	**(7,464,021)**	**(7,608,767)**	**(7,799,800)**	**(7,988,378)**	**(8,184,610)**	**(8,387,048)**
TOTAL USE OF RESOURCES	**(6,225,611)**	**(7,464,021)**	**(7,608,767)**	**(7,799,800)**	**(7,988,378)**	**(8,184,610)**	**(8,387,048)**
YEAR END FUND BALANCE	**2,432,406**	**1,543,457**	**704,138**	**415,266**	**422,847**	**395,116**	**398,619**
END-OF-YEAR RESERVES AS A PERCENT OF RESOURCES	**28.1%**	**17.1%**	**8.5%**	**5.1%**	**5.0%**	**4.6%**	**4.5%**

Assumptions:

1. The Leaf Vacuuming Rates are adjusted to achieve cost recovery.
2. The Vacuum Leaf Collection fund balance policy target is $250,000. The assumptions included in the fiscal plan maintain a fund balance closer to $500,000, which more effectively addresses operational costs when the leaf vacuuming process is impacted by weather events. In the future years, rates will be adjusted annually to fund the approved service program and to maintain the appropriate ending balance.

FY25-30 PUBLIC SERVICES PROGRAM: FISCAL PLAN			Permitting Services				
FISCAL PROJECTIONS	FY24 ESTIMATE	FY25 REC	FY26 PROJECTION	FY27 PROJECTION	FY28 PROJECTION	FY29 PROJECTION	FY30 PROJECTION
ASSUMPTIONS							
Indirect Cost Rate	17.96%	**19.96%**	19.96%	19.96%	19.96%	19.96%	19.96%
CPI (Fiscal Year)	2.9%	**2.2%**	2.3%	2.3%	2.2%	2.3%	2.3%
Investment Income Yield	5.3%	**4.3%**	3.3%	3.0%	3.0%	3.0%	3.0%
Enterprise Fund Stabilization Factor (EFSF)	1.05	**1.05**	0.63	1.02	1.09	1.10	1.10
BEGINNING FUND BALANCE	**43,443,228**	**41,808,123**	**38,481,980**	**16,186,587**	**11,899,147**	**11,247,702**	**11,345,869**
REVENUES							
Licenses & Permits	41,357,366	**45,773,853**	46,812,921	47,884,936	48,943,193	50,044,416	51,180,424
Charges For Services	1,626,032	**1,807,492**	1,848,522	1,890,854	1,932,642	1,976,126	2,020,984
Fines & Forfeitures	115,969	**86,275**	88,233	90,254	92,249	94,325	96,466
Miscellaneous	3,278,130	**2,580,520**	1,951,280	1,801,180	1,801,180	1,801,180	1,801,180
Subtotal Revenues	**46,377,497**	**50,248,140**	**50,700,956**	**51,667,224**	**52,769,264**	**53,916,047**	**55,099,054**
EFSF Fee Increaae			**(18,858,920)**	**(1,413,746)**	**1,724,665**	**2,144,761**	**2,193,447**
INTERFUND TRANSFERS (Net Non-CIP)	**(6,820,882)**	**(8,184,774)**	**(8,322,569)**	**(8,322,569)**	**(8,321,274)**	**(8,322,310)**	**(8,321,829)**
Transfers To Debt Service Fund	(872,497)	(871,276)	(872,571)	(872,571)	(871,276)	(872,312)	(871,831)
Wheaton Redevelopment	(872,497)	(871,276)	(872,571)	(872,571)	(871,276)	(872,312)	(871,831)
Transfers To The General Fund	(5,948,385)	(7,313,498)	(7,449,998)	(7,449,998)	(7,449,998)	(7,449,998)	(7,449,998)
Indirect Costs	(5,948,385)	(7,313,498)	(7,449,998)	(7,449,998)	(7,449,998)	(7,449,998)	(7,449,998)
TOTAL RESOURCES	**82,999,843**	**83,871,489**	**80,860,367**	**59,531,242**	**56,347,137**	**56,841,439**	**58,123,094**
PSP OPER. BUDGET APPROP/ EXP'S.							
Operating Budget	(41,191,720)	**(45,389,509)**	(45,588,109)	(45,991,599)	(46,597,349)	(47,413,579)	(48,446,929)
Labor Agreement	n/a	**0**	(683,870)	(683,870)	(683,870)	(683,870)	(683,870)
Annualizations and One-Time	n/a	**n/a**	457,119	457,119	457,119	457,119	457,119
Subtotal PSP Oper Budget Approp / Exp's	**(41,191,720)**	**(45,389,509)**	**(45,814,860)**	**(46,218,350)**	**(46,824,100)**	**(47,640,330)**	**(48,673,680)**
TOTAL USE OF RESOURCES	**(41,191,720)**	**(45,389,509)**	**(45,814,860)**	**(46,218,350)**	**(46,824,100)**	**(47,640,330)**	**(48,673,680)**
YEAR END FUND BALANCE	**41,808,123**	**38,481,980**	**16,186,587**	**11,899,147**	**11,247,702**	**11,345,869**	**11,642,861**
END-OF-YEAR RESERVES AS A PERCENT OF RESOURCES	**50.4%**	**45.9%**	**20.0%**	**20.0%**	**20.0%**	**20.0%**	**20.0%**

Assumptions:

1. The projections are based on the Executive's Recommended Budget and include CPI, revenue, and resource assumptions in that budget. The projected future year revenues and fund balance may vary based on changes to the Enterprise Fund Stabilization Factor (EFSF), future labor agreements, and other factors.
2. DPS contributed $21 million in current revenue in prior years to fund its proportional share of the Wheaton Redevelopment CIP# P361701. DPS will support $14.6 million in non-taxable debt for this project.
3. The fund balance policy is 15 to 20 percent of total resources.

FY25-30 PUBLIC SERVICES PROGRAM: FISCAL PLAN			Alcohol Beverage Services				
FISCAL PROJECTIONS	FY24 ESTIMATE	FY25 REC	FY26 PROJECTION	FY27 PROJECTION	FY28 PROJECTION	FY29 PROJECTION	FY30 PROJECTION
ASSUMPTIONS							
Indirect Cost Rate	10.00%	**10.00%**	10.00%	10.00%	10.00%	10.00%	10.00%
CPI (Fiscal Year)	2.9%	**2.2%**	2.3%	2.3%	2.2%	2.3%	2.3%
Investment Income Yield	5.3%	**4.3%**	3.3%	3.0%	3.0%	3.0%	3.0%
BEGINNING FUND BALANCE	**13,212,492**	**8,335,014**	**4,973,221**	**2,748,222**	**2,670,362**	**3,887,552**	**7,045,165**
REVENUES							
Licenses & Permits	1,324,555	**1,324,555**	1,354,623	1,385,644	1,416,267	1,448,133	1,481,006
Charges For Services	23,887	**23,887**	24,429	24,988	25,540	26,115	26,708
Fines & Forfeitures	63,383	**63,383**	64,822	66,306	67,771	69,296	70,869
Miscellaneous	101,766,696	**102,896,565**	105,897,764	109,049,399	112,314,329	115,677,206	119,140,970
Subtotal Revenues	**103,178,521**	**104,308,390**	**107,341,638**	**110,526,337**	**113,823,907**	**117,220,750**	**120,719,553**
INTERFUND TRANSFERS (Net Non-CIP)	**(34,629,492)**	**(31,298,530)**	**(30,292,223)**	**(30,292,223)**	**(30,292,223)**	**(30,792,223)**	**(34,792,223)**
Transfers To The General Fund	(34,629,492)	(31,298,530)	(30,292,223)	(30,292,223)	(30,292,223)	(30,792,223)	(34,792,223)
Indirect Costs	(4,329,492)	(4,698,530)	(4,792,223)	(4,792,223)	(4,792,223)	(4,792,223)	(4,792,223)
Earnings Transfer	(30,300,000)	(26,600,000)	(25,500,000)	(25,500,000)	(25,500,000)	(26,000,000)	(30,000,000)
TOTAL RESOURCES	**81,761,521**	**81,344,874**	**82,022,636**	**82,982,336**	**86,202,046**	**90,316,079**	**92,972,495**
CIP CURRENT REVENUE APPROP.	**(2,720,000)**	**(1,767,000)**	**(3,161,000)**	**(1,734,000)**	**(2,421,000)**	**(1,597,000)**	**0**
PSP OPER. BUDGET APPROP/ EXP'S.							
Operating Budget	(62,052,917)	**(66,013,163)**	(66,445,093)	(67,322,653)	(68,640,123)	(70,415,363)	(72,662,833)
Debt Service: Other (Non-Tax Funds only)	(8,653,590)	**(8,591,490)**	(8,933,390)	(10,520,390)	(10,518,440)	(10,523,620)	(6,865,480)
Labor Agreement	n/a	**0**	(936,931)	(936,931)	(936,931)	(936,931)	(936,931)
Annualizations and One-Time	n/a	**n/a**	202,000	202,000	202,000	202,000	202,000
Subtotal PSP Oper Budget Approp / Exp's	**(70,706,507)**	**(74,604,653)**	**(76,113,414)**	**(78,577,974)**	**(79,893,494)**	**(81,673,914)**	**(80,263,244)**
TOTAL USE OF RESOURCES	**(73,426,507)**	**(76,371,653)**	**(79,274,414)**	**(80,311,974)**	**(82,314,494)**	**(83,270,914)**	**(80,263,244)**
YEAR END FUND BALANCE	**8,335,014**	**4,973,221**	**2,748,222**	**2,670,362**	**3,887,552**	**7,045,165**	**12,709,251**
END-OF-YEAR RESERVES AS A PERCENT OF RESOURCES	**10.2%**	**6.1%**	**3.4%**	**3.2%**	**4.5%**	**7.8%**	**13.7%**

Assumptions:

1. The assumptions are based on the Executive's Recommended Budget. The projected future expenditures, revenues, and fund balances may vary based on the changes not assumed here from fee or tax related usage, inflation, labor contract agreements and other factors.
2. Fund balance policy equals one month's operating expenses, one payroll, and $1,500,000 for inventory cash balance.
3. Operating expenditures grow with CPI.
4. Net profit growth is estimated at 3.0% per year.

FY25-30 PUBLIC SERVICES PROGRAM: FISCAL PLAN			Risk Management				
FISCAL PROJECTIONS	FY24 ESTIMATE	FY25 REC	FY26 PROJECTION	FY27 PROJECTION	FY28 PROJECTION	FY29 PROJECTION	FY30 PROJECTION
ASSUMPTIONS							
CPI (Fiscal Year)	2.9%	**2.2%**	2.3%	2.3%	2.2%	2.3%	2.3%
Investment Income Yield	5.3%	**4.3%**	3.3%	3.0%	3.0%	3.0%	3.0%
BEGINNING FUND BALANCE	**14,144,757**	**30,791,250**	**18,356,585**	**16,390,113**	**14,490,841**	**13,535,611**	**13,532,232**
REVENUES							
Charges For Services	92,996,079	**92,796,252**	96,044,121	99,405,666	102,884,865	106,485,835	110,212,840
Miscellaneous	23,504,540	**14,098,640**	11,026,580	10,293,770	10,293,770	10,293,770	10,293,770
Subtotal Revenues	**116,500,619**	**106,894,892**	**107,070,701**	**109,699,436**	**113,178,635**	**116,779,605**	**120,506,610**
TOTAL RESOURCES	**130,645,376**	**137,686,142**	**125,427,286**	**126,089,549**	**127,669,476**	**130,315,216**	**134,038,842**
PSP OPER. BUDGET APPROP/ EXP'S.							
Operating Budget	(94,801,930)	**(112,829,557)**	(108,929,309)	(111,490,844)	(114,026,001)	(116,675,120)	(119,418,497)
Labor Agreement	n/a	**0**	(107,864)	(107,864)	(107,864)	(107,864)	(107,864)
Subtotal PSP Oper Budget Approp / Exp's	**(94,801,930)**	**(112,829,557)**	**(109,037,173)**	**(111,598,708)**	**(114,133,865)**	**(116,782,984)**	**(119,526,361)**
OTHER CLAIMS ON FUND BALANCE	**(5,052,196)**	**(6,500,000)**	**0**	**0**	**0**	**0**	**0**
TOTAL USE OF RESOURCES	**(99,854,126)**	**(119,329,557)**	**(109,037,173)**	**(111,598,708)**	**(114,133,865)**	**(116,782,984)**	**(119,526,361)**
YEAR END FUND BALANCE	**30,791,250**	**18,356,585**	**16,390,113**	**14,490,841**	**13,535,611**	**13,532,232**	**14,512,481**
END-OF-YEAR RESERVES AS A PERCENT OF RESOURCES	**23.6%**	**13.3%**	**13.1%**	**11.5%**	**10.6%**	**10.4%**	**10.8%**

Assumptions:

1. Risk Management contributions are adjusted as necessary to reflect the County's fiscal policy of maintaining an unrestricted net asset balance, in excess of claims reserves, sufficient to achieve a confidence level in the range of 80 to 85 percent that funding will be sufficient to cover all incurred liabilities. For FY25, the funding is at the 85 percent confidence level, which is within the Risk Management policy guidelines.
2. Risk Management contributions to the Self-Insurance Fund are made annually based on an actuarial analysis and evaluation of exposures and prior claims expenses.
3. The other claims on fund balance include a return of contribution dependent on the amount of actual investment income received.
4.These projections are based on the Executive's Recommended budget and include the revenue and resource assumptions of that budget. The projected future expenditures, revenues, and fund balances may vary based on changes not assumed here to fee or tax rates, usage, inflation, future labor agreements, and other factors not assumed here.

FY25-30 PUBLIC SERVICES PROGRAM: FISCAL PLAN			Print and Mail				
FISCAL PROJECTIONS	FY24 ESTIMATE	FY25 REC	FY26 PROJECTION	FY27 PROJECTION	FY28 PROJECTION	FY29 PROJECTION	FY30 PROJECTION
ASSUMPTIONS							
CPI (Fiscal Year)	2.9%	2.2%	2.3%	2.3%	2.2%	2.3%	2.3%
Investment Income Yield	5.3%	4.3%	3.3%	3.0%	3.0%	3.0%	3.0%
Rate Adjustment	0.0%	0.0%	0.0%	0.0%	3.0%	2.0%	1.3%
BEGINNING FUND BALANCE	429,028	645,287	688,937	585,089	362,081	299,558	301,829
REVENUES							
Charges For Services	10,057,153	9,181,141	9,181,141	9,181,141	9,456,576	9,640,980	9,766,312
Miscellaneous	59,450	46,800	35,390	32,670	32,670	32,670	32,670
Subtotal Revenues	10,116,603	9,227,941	9,216,531	9,213,811	9,489,246	9,673,650	9,798,982
TOTAL RESOURCES	10,545,631	9,873,228	9,905,468	9,798,900	9,851,327	9,973,208	10,100,811
PSP OPER. BUDGET APPROP/ EXP'S.							
Operating Budget	(9,900,344)	(9,184,291)	(9,297,151)	(9,413,591)	(9,528,541)	(9,648,151)	(9,771,541)
Labor Agreement	n/a	0	(73,228)	(73,228)	(73,228)	(73,228)	(73,228)
Annualizations and One-Time	n/a	0	50,000	50,000	50,000	50,000	50,000
Subtotal PSP Oper Budget Approp / Exp's	(9,900,344)	(9,184,291)	(9,320,379)	(9,436,819)	(9,551,769)	(9,671,379)	(9,794,769)
TOTAL USE OF RESOURCES	(9,900,344)	(9,184,291)	(9,320,379)	(9,436,819)	(9,551,769)	(9,671,379)	(9,794,769)
YEAR END FUND BALANCE	645,287	688,937	585,089	362,081	299,558	301,829	306,042
END-OF-YEAR RESERVES AS A PERCENT OF RESOURCES	6.1%	7.0%	5.9%	3.7%	3.0%	3.0%	3.0%

Assumptions:
1.The FY24 estimate is based on second quarter revenue and expenditure projections.
2.Printing, Mail, and Records Management/Imaging rates are adjusted to receive cost recovery and maintain the year-end fund balance between three and five percent.
3.These projections are based on the Executive's Recommended Budget. The projected future expenditures, revenues and fund balances may vary based on the changes not assumed here from free or tax related usage, inflation, labor contract agreements and other factors.

FY25-30 FISCAL PROJECTION	Estimate - FY24	Projected - FY25	Projected - FY26	Projected - FY27	Projected - FY28	Projected - FY29	Projected - FY30
BEGINNING BALANCE	(7,132,639)	1,693,782	16,377,870	20,055,639	21,579,349	23,235,668	25,037,382
REVENUES							
Premium Contributions	289,076,553	320,033,315	338,463,071	367,466,280	399,694,919	431,569,147	466,307,607
Premium Contributions: Retiree Insurance NDA	52,773,694	59,017,732	66,230,576	65,554,965	66,585,294	70,890,753	75,536,483
Investment Income	162,810	128,160	96,910	89,460	89,460	89,460	89,460
OPEB Trust Utilization		8,886,000					
TOTAL REVENUES	342,013,057	388,065,207	404,790,557	433,110,705	466,369,672	502,549,360	541,933,550
FUND TRANSFER FROM THE GENERAL FUND	10,000,000	-	-	-	-	-	-
TOTAL FUNDS AVAILABLE	344,880,418	389,758,988	421,168,427	453,166,344	487,949,022	525,785,028	566,970,932
EXPENDITURES							
Claims, Premiums, & Carrier Administration	336,931,366	366,984,463	394,396,300	424,534,683	457,308,426	492,972,471	531,808,383
Actives	209,692,066	229,806,840	246,133,474	265,573,233	286,799,035	309,995,430	335,367,544
Retirees	127,239,300	137,177,623	148,262,826	158,961,449	170,509,392	182,977,041	196,440,840
In-house expenses	6,255,270	6,396,655	6,716,488	7,052,312	7,404,928	7,775,174	8,163,933
TOTAL EXPENDITURES	343,186,636	373,381,118	401,112,788	431,586,995	464,713,354	500,747,646	539,972,316
ENDING BALANCE	1,693,782	16,377,870	20,055,639	21,579,349	23,235,668	25,037,382	26,998,616
TARGET FUND BALANCE (5% OF EXPENDITURES)	17,159,330	18,669,060	20,055,640	21,579,350	23,235,670	25,037,380	26,998,620
ENDING BALANCE AS % OF EXPENDITURES	0.5%	4.4%	5.0%	5.0%	5.0%	5.0%	5.0%

FY25-30 PUBLIC SERVICES PROGRAM: FISCAL PLAN			Motor Pool				
FISCAL PROJECTIONS	FY24 ESTIMATE	FY25 REC	FY26 PROJECTION	FY27 PROJECTION	FY28 PROJECTION	FY29 PROJECTION	FY30 PROJECTION
ASSUMPTIONS							
CPI (Fiscal Year)	2.9%	2.2%	2.3%	2.3%	2.2%	2.3%	2.3%
Investment Income Yield	5.3%	4.3%	3.3%	3.0%	3.0%	3.0%	3.0%
Rate Adjustment	0	0	9.5%	2.1%	1.3%	1.5%	6.2%
BEGINNING FUND BALANCE	32,508,647	36,932,493	29,110,831	25,743,663	20,056,189	12,376,588	4,874,407
REVENUES							
Charges For Services	95,568,056	93,204,136	102,058,529	104,201,758	105,556,381	107,139,726	113,782,389
Miscellaneous	2,166,682	1,812,260	1,419,860	1,326,250	1,326,250	1,326,250	1,326,250
Subtotal Revenues	97,734,738	95,016,396	103,478,389	105,528,008	106,882,631	108,465,976	115,108,639
INTERFUND TRANSFERS (Net Non-CIP)	(514,250)	(516,300)	(325,650)	(328,375)	(325,475)	(326,950)	(327,675)
Transfers To Debt Service Fund	(514,250)	(516,300)	(325,650)	(328,375)	(325,475)	(326,950)	(327,675)
Long Term Leases	(514,250)	(516,300)	(325,650)	(328,375)	(325,475)	(326,950)	(327,675)
TOTAL RESOURCES	129,729,135	131,432,589	132,263,570	130,943,296	126,613,345	120,515,614	119,655,371
PSP OPER. BUDGET APPROP/ EXP'S.							
Operating Budget	(92,796,642)	(102,321,758)	(106,646,938)	(111,014,138)	(114,363,788)	(115,768,238)	(116,217,048)
Labor Agreement	n/a	0	(480,401)	(480,401)	(480,401)	(480,401)	(480,401)
Annualizations and One-Time	n/a	n/a	1,056,432	1,056,432	1,056,432	1,056,432	1,056,432
Restore One-Time Lapse Increase	n/a	n/a	(449,000)	(449,000)	(449,000)	(449,000)	(449,000)
Subtotal PSP Oper Budget Approp / Exp's	(92,796,642)	(102,321,758)	(106,519,907)	(110,887,107)	(114,236,757)	(115,641,207)	(116,090,017)
TOTAL USE OF RESOURCES	(92,796,642)	(102,321,758)	(106,519,907)	(110,887,107)	(114,236,757)	(115,641,207)	(116,090,017)
YEAR END FUND BALANCE	36,932,493	29,110,831	25,743,663	20,056,189	12,376,588	4,874,407	3,565,354
END-OF-YEAR RESERVES AS A PERCENT OF RESOURCES	28.5%	22.1%	19.5%	15.3%	9.8%	4.0%	3.0%

Notes:
1. Motor Pool charges for services are adjusted to achieve cost recovery. This fund's policy targets break-even for operating expenditures plus sufficient fund balance to fund planned fleet replacements in the subsequent year(s).
2. The current fund balance will support the purchase of zero-emission vehicles to transition the County's fleet in accordance with the County's Climate Action Plan.
3. The projected future expenditures, revenues, and fund balance may vary based on changes not assumed here to fee or tax rates, usage, inflation, future labor agreements, and other factors.

FY25-30 PUBLIC SERVICES PROGRAM: FISCAL PLAN			Recreation Non-Tax Supported				
FISCAL PROJECTIONS	FY24 ESTIMATE	FY25 REC	FY26 PROJECTION	FY27 PROJECTION	FY28 PROJECTION	FY29 PROJECTION	FY30 PROJECTION
ASSUMPTIONS							
CPI (Fiscal Year)	2.9%	2.2%	2.3%	2.3%	2.2%	2.3%	2.3%
Investment Income Yield	5.3%	4.3%	3.3%	3.0%	3.0%	3.0%	3.0%
BEGINNING FUND BALANCE	47,843	25,592	28,692	108,972	268,883	507,400	827,716
REVENUES							
Charges For Services	8,100,000	8,100,000	8,283,870	8,473,571	8,660,837	8,855,706	9,056,731
Miscellaneous	3,100	3,100	3,100	3,100	3,100	3,100	3,100
Subtotal Revenues	8,103,100	8,103,100	8,286,970	8,476,671	8,663,937	8,858,806	9,059,831
INTERFUND TRANSFERS (Net Non-CIP)	(3,400,000)	(3,400,000)	(3,400,000)	(3,400,000)	(3,400,000)	(3,400,000)	(3,400,000)
Transfers To Special Fds: Tax Supported	(3,400,000)	(3,400,000)	(3,400,000)	(3,400,000)	(3,400,000)	(3,400,000)	(3,400,000)
Recreation Tax Supported Fund	(3,400,000)	(3,400,000)	(3,400,000)	(3,400,000)	(3,400,000)	(3,400,000)	(3,400,000)
TOTAL RESOURCES	4,750,943	4,728,692	4,915,662	5,185,643	5,532,820	5,966,206	6,487,547
PSP OPER. BUDGET APPROP/ EXP'S.							
Operating Budget	(4,725,351)	(4,700,000)	(4,806,690)	(4,916,760)	(5,025,420)	(5,138,490)	(5,255,130)
Subtotal PSP Oper Budget Approp / Exp's	(4,725,351)	(4,700,000)	(4,806,690)	(4,916,760)	(5,025,420)	(5,138,490)	(5,255,130)
TOTAL USE OF RESOURCES	(4,725,351)	(4,700,000)	(4,806,690)	(4,916,760)	(5,025,420)	(5,138,490)	(5,255,130)
YEAR END FUND BALANCE	25,592	28,692	108,972	268,883	507,400	827,716	1,232,417
END-OF-YEAR RESERVES AS A PERCENT OF RESOURCES	0.5%	0.6%	2.2%	5.2%	9.2%	13.9%	19.0%

Assumptions:
1. Prior to FY20, Montgomery County accounted for its non-employee instructor led courses, and related costs, in the Recreation Activities Agency Fund (RAAF). Due to requirements in Governmental Accounting Standards Board (GASB) Statement 84, "Fiduciary Activities", the RAAF was discontinued beginning in FY20. Because of Recreation's objective to flexibly respond to customer demands for Recreation activities formerly accounted for in the RAAF, this Non-Tax Supported Recreation Fund was established.
2. These projections are based on the Executive's Recommended Budget and include the revenue and resource assumptions of that budget. The projected future expenditures, revenues, and fund balances may vary based on changes not assumed here to fee or tax rates, usage, inflation, future labor agreements, and other factors not assumed here.

FY25-30 PUBLIC SERVICES PROGRAM: FISCAL PLAN	Inmate Advisory Council Fund						
FISCAL PROJECTIONS	FY24 ESTIMATE	FY25 REC	FY26 PROJECTION	FY27 PROJECTION	FY28 PROJECTION	FY29 PROJECTION	FY30 PROJECTION
ASSUMPTIONS							
CPI (Fiscal Year)	2.9%	2.2%	2.3%	2.3%	2.2%	2.3%	2.3%
Investment Income Yield	5.3%	4.3%	3.3%	3.0%	3.0%	3.0%	3.0%
BEGINNING FUND BALANCE	789,677	551,894	150,409	117,134	92,012	75,717	68,926
REVENUES							
Miscellaneous	281,515	281,515	297,055	312,769	329,064	346,340	364,592
Subtotal Revenues	281,515	281,515	297,055	312,769	329,064	346,340	364,592
TOTAL RESOURCES	1,071,192	833,409	447,464	429,902	421,077	422,056	433,519
PSP OPER. BUDGET APPROP/ EXP'S.							
Operating Budget	(519,298)	(683,000)	(330,330)	(337,890)	(345,360)	(353,130)	(361,150)
Subtotal PSP Oper Budget Approp / Exp's	(519,298)	(683,000)	(330,330)	(337,890)	(345,360)	(353,130)	(361,150)
TOTAL USE OF RESOURCES	(519,298)	(683,000)	(330,330)	(337,890)	(345,360)	(353,130)	(361,150)
YEAR END FUND BALANCE	551,894	150,409	117,134	92,012	75,717	68,926	72,369
END-OF-YEAR RESERVES AS A PERCENT OF RESOURCES	51.5%	18.0%	26.2%	21.4%	18.0%	16.3%	16.7%

Assumptions:
1. The Inmate Advisory Council Fund was established by supplemental appropriation in FY21.
2. These projections are based on the Executive's Recommended Budget and include the revenue and resource assumptions of that budget. The projected future expenditures, revenues, and fund balances may vary based on changes not assumed here to fee or tax rates, usage, inflation, future labor agreements, and other factors not assumed here.

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Maryland-National Capital Park and Planning Commission

FY25-30 PUBLIC SERVICES PROGRAM: FISCAL PLAN			M-NCPPC Enterprise Fund				
FISCAL PROJECTIONS	FY24 ESTIMATE	FY25 REC	FY26 PROJECTION	FY27 PROJECTION	FY28 PROJECTION	FY29 PROJECTION	FY30 PROJECTION
ASSUMPTIONS							
CPI (Fiscal Year)	2.9%	2.2%	2.3%	2.3%	2.2%	2.3%	2.3%
Investment Income Yield	5.3%	4.3%	3.3%	3.0%	3.0%	3.0%	3.0%
BEGINNING FUND BALANCE	15,711,150	17,991,966	17,127,266	17,527,331	19,192,632	20,872,971	22,568,961
REVENUES							
Charges For Services	11,728,171	11,934,163	12,205,068	12,484,564	12,760,472	13,047,583	13,343,763
Miscellaneous	1,122,542	984,747	984,747	984,747	984,747	984,747	984,747
Subtotal Revenues	12,850,713	12,918,910	13,189,815	13,469,311	13,745,219	14,032,330	14,328,510
TOTAL RESOURCES	28,561,863	30,910,876	30,317,081	30,996,642	32,937,851	34,905,301	36,897,471
CIP CURRENT REVENUE APPROP.	0	(2,500,000)	(1,250,000)	0	0	0	0
PSP OPER. BUDGET APPROP/ EXP'S.							
Operating Budget	(10,569,897)	(11,283,610)	(11,539,750)	(11,804,010)	(12,064,880)	(12,336,340)	(12,616,370)
Subtotal PSP Oper Budget Approp / Exp's	(10,569,897)	(11,283,610)	(11,539,750)	(11,804,010)	(12,064,880)	(12,336,340)	(12,616,370)
TOTAL USE OF RESOURCES	(10,569,897)	(13,783,610)	(12,789,750)	(11,804,010)	(12,064,880)	(12,336,340)	(12,616,370)
YEAR END FUND BALANCE	17,991,966	17,127,266	17,527,331	19,192,632	20,872,971	22,568,961	24,281,101
END-OF-YEAR RESERVES AS A PERCENT OF RESOURCES	63.0%	55.4%	57.8%	61.9%	63.4%	64.7%	65.8%

Assumptions:
1. All labor and operatings costs are shown as operating costs since M-NCPPC is not a component unit of Montgomery County Governmnet.
2. These projections are based on the County Executive's Recommended Budget and include the assumptions of that budget. Future revenues, expenditures, or fund balacne may change based on factors not assumed here.

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Washington Suburban Sanitary Commission

WSSC WATER PROPOSED BUDGET: SIX-YEAR FORECAST FOR WATER & SEWER OPERATING FUNDS

($ IN THOUSANDS)

FISCAL PROJECTIONS	FY24 APPROVED	FY25 CE REC	FY26 PROJECTION	FY27 PROJECTION	FY28 PROJECTION	FY29 PROJECTION	FY30 PROJECTION
SPENDING AFFORDABILITY RESULTS							
New Water and Sewer Debt	$379,960	$390,262	$424,741	$338,696	$364,232	$368,903	$364,597
Total Water and Sewer Operating Expenses	$924,352	$1,014,059	$1,104,020	$1,176,142	$1,231,237	$1,280,300	$1,331,966
Debt Service	$328,467	$361,968	$379,871	$394,235	$413,359	$430,851	$447,426
Average Water and Sewer Rate Increase	7.0%	8.5%	9.0%	7.0%	5.5%	4.2%	4.2%
BEGINNING FUND BALANCE	$314,748	$319,101	$319,101	$319,101	$319,101	$319,101	$319,101
REVENUES							
Water and Sewer Rate Revenue	$790,142	$809,105	$881,933	$943,487	$995,210	$1,036,899	$1,080,683
Interest Income	$8,000	$8,860	$8,000	$8,000	$8,000	$8,000	$8,000
Account Maintenance Fee	$36,259	$59,964	$65,361	$69,923	$73,757	$76,846	$80,091
Infrastructure Investment Fee	$44,180	$74,839	$81,575	$87,269	$92,053	$95,909	$99,958
Plumbing and Inspection Fees	$20,380	$21,356	$21,998	$22,657	$23,336	$24,037	$24,759
Rockville Sewer Use	$3,100	$3,300	$3,300	$3,300	$3,300	$3,300	$3,300
Grants Revenue	$1,761	$2,500	$2,500	$2,500	$2,500	$2,500	$2,500
Miscellaneous	$26,961	$27,251	$27,540	$27,833	$28,127	$28,426	$28,730
Uncollectable	-$7,901	-$7,901	-$8,819	-$9,435	-$9,952	-$10,369	-$10,807
Cost Sharing Reimbursement	$743	$7,013	$12,860	$12,860	$7,158	$7,004	$7,004
Miscellaneous	$45,044	$53,519	$59,379	$59,715	$54,469	$54,898	$55,486
Total Revenues	$923,625	$1,006,287	$1,096,248	$1,168,394	$1,223,489	$1,272,552	$1,324,218
SDC Debt Service Offset	$5,772	$5,772	$5,772	$5,748	$5,748	$5,748	$5,748
Underwriters Discount Transfer	$2,000	$2,000	$2,000	$2,000	$2,000	$2,000	$2,000
Miscellaneous Offset	$1,200						
TOTAL FUNDS AVAILABLE	$932,597	$1,014,059	$1,104,020	$1,176,142	$1,231,237	$1,280,300	$1,331,966
EXPENDITURES							
Salaries and Wages	$141,179	$158,146	$167,695	$175,241	$183,127	$191,367	$199,980
Reconstruction							
Heat, Light, and Power	$27,373	$27,278	$26,470	$27,267	$28,085	$28,928	$31,381
Regional Sewage Disposal	$64,201	$76,908	$78,446	$80,015	$81,615	$83,248	$84,913
Debt Service	$328,467	$361,968	$379,871	$394,235	$413,359	$430,851	$447,426
PAYGO	$44,000	$50,601	$116,524	$154,506	$169,952	$180,338	$191,803
All Other	$319,132	$339,158	$335,014	$344,878	$355,099	$365,568	$376,463
TOTAL USE OF RESOURCES	$924,352	$1,014,059	$1,104,020	$1,176,142	$1,231,237	$1,280,300	$1,331,966
REVENUE/EXPENDITURE SURPLUS/(GAP)	$8,245	$0	$0	$0	$0	$0	$0
YEAR END FUND BALANCE w/o additional reserve contribution	$314,748	$319,101	$319,101	$319,101	$319,101	$319,101	$319,101
Adjustments	-$3,892						
Additional Reserve Contribution	$8,245						
TOTAL YEAR END FUND BALANCE	$319,101	$319,101	$319,101	$319,101	$319,101	$319,101	$319,101
Debt Service as a Percent of Water and Sewer Operating Budget	35.5%	35.7%	34.4%	33.5%	33.6%	33.7%	33.6%
Total End of Fiscal Year Operating Reserve	$319,101	$319,101	$319,101	$319,101	$319,101	$319,101	$319,101
End of Fiscal Year Fund Balance as Percent of Operating Revenue	34.5%	31.7%	29.1%	27.3%	26.1%	25.1%	24.1%
Total Workyears (all funds)	1,836	1,963	1,963	1,963	1,963	1,963	1,963

Assumptions:

1. The CE Recommended operating budget is for FY25 only and incorporates the CE's revenue and expenditure assumptions for that budget.

2. The FY26-30 projections reflect WSSC Water's multi-year forecast and assumptions, which are not adjusted to conform to the CE's Recommended budget for WSSC Water. The projected expenditures, revenues, and fund balances for these years may be based on changes to rates, fees, usage, inflation, future labor agreements, and other factors not assumed in the CE's recommended FY25 water and sewer operating budget for WSSC Water.

3. The FY25 estimated spending affordability results are the values for the four spending affordability parameters implied by the FY25 budget approved by Montgomery and Prince George's counties, though Montgomery approved a 9.0% average rate increase and Prince George's County approved a 8.5% increase, which is what was ultimately used by WSSC Water. The FY25 Proposed spending affordability results are the values of the spending affordability parameters associated with WSSC Water's proposed FY25 budget. The FY25 recommended spending affordability results are the spending affordability parameters associated with the County Executive's recommended WSSC Water budget for FY25. The FY26-30 spending affordability figures correspond to the values of the various spending affordability parameters based on the revenue and expenditure forecasts shown for the given year and are provided by WSSC Water.

4. The total FY25 estimated workyears shown correspond to the actual workyears as of December 2023.

5. Estimates of revenue in FY26-30 assume the rate increases projected by WSSC Water in the Average Water and Sewer Rate Increase line.

6. Totals in this chart and WSSC Water's FY25 Proposed Long-Range Fiscal Plan for Water and Sewer Operating Funds may not match due to rounding.

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Department Highlights

Montgomery County strongly encourages its departments and agencies to identify and implement productivity improvements within their budgets. Such initiatives are essential, especially in difficult fiscal times when agencies and departments are called on to significantly reduce costs and preserve essential services. Below is an identification of the accomplishments, initiatives, innovations and productivity improvements implemented by departments. Some examples include:

- Process re-engineering initiatives
- Implementing a new IT application
- Public-private partnerships that maintain services at lower cost or achieve higher service levels
- Consolidating programs
- Reorganizations
- Contracting out services or, alternatively, bringing contracted services in-house, to reduce costs
- Increasing use of volunteers
- Re-negotiating maintenance/license agreements
- Re-configuring programs to generate increased revenues
- Reducing publication costs by placing more information on the web and producing fewer hard copies
- Introducing employee incentives (within personnel guidelines)

Initiatives

Alcohol Beverage Services

- A Zero-Carbon Emissions transition plan will calculate the impact of electrification, route analysis, and identify the most efficient strategy to simultaneously reduce the department's carbon footprint and purchase the most cost-effective vehicles.

Animal Services

- Add one Foster Care Coordinator and a Registered Veterinary Technician to increase the productivity of animal shelter operations as recommended by Maddie's Million Pet Challenge Report.

- Add a pooled position to expedite hiring of critical animal care attendant personnel.

Cable Television Communications Plan

- Simplify and streamline the Cable Fund by shifting programs out of the Cable Fund to refocus on core Public, Education, and Government (PEG) functions to reduce complexity.

- Develop a strategic innovation plan in partnership with Connect Montgomery Alliance (CoMo) to create a new Connect Montgomery Network focused on serving the information needs of the County's diverse residents.

Community Engagement Cluster

- Implement a robust legal immigration service referral and data collection system maintained by the Gilchrist Immigrant Resource Center.

- All executive branch departments will develop and implement language access plans in order to provide high-quality services to the County's multicultural and multilingual communities. Department action plans will include development of materials in simplified language and training to front-line staff regarding interpretation and translation standards.

- Increase engagement with multilingual communities through community forums and meetings, and social media platforms in languages other than English.

Community Use of Public Facilities

- Complete a fee study analysis to determine whether a fee adjustment is necessary for permitting purposes and to perform the required level of service.

- Continue coordination efforts with Montgomery County agencies, Montgomery County Collaboration Council and local municipalities, to improve access and availability of programs and resources to support low-income at-risk children and youth during out of school time.

- Expand programming at the Silver Spring Civic Building with the addition of a Program Specialist position.

Correction and Rehabilitation

- Implement a new tablet program that will support improved access to educational resources, reduce staff assaults and use of force, increased family engagement, and additional programing opportunities for the confined population.

- Relaunch the Alternative Community Services Work Crew to assist with department and community related service projects.

- Provide increased community and social media presence with updated departmental information, and information on current activities and DOCR related business.

- Manage all outside mail coming into secure confinement settings, reducing the illegal introduction of contraband that comes through the mail each day.

- Partner with the Office of Innovation to review and optimize all aspects of the DOCR employment cycle to increase employee recruitment and retention.

County Attorney

- Shift tax-supported chargebacks of attorney's time from Departments of Finance, Police, Correction and Rehabilitation, Board of Appeals, Housing and Community Affairs, Health and Human Services, Risk Management, and the Compensation and Benefits Non-Departmental Account to simplify and streamline budgeting practices.

- Implement KnowledgeLake, a searchable online imaging system, which will contain hearings files to make OCA less reliant on paper files and more efficient. This new system will provide greater file security, increase productivity, streamline access, and reduce staff time needed to archive paper files.

- Coordinate with Technology and Enterprise Business Solution's (TEBS) Geographic Information System (GIS) Unit to enhance the GIS portal to allow the public to see the location of all citations issued in Montgomery County. Users will be able to click on a map to view the geographical location of issued citations.

- Provide continuity and knowledge preservation for their workforce through several preservation projects that will include memorializing and cataloguing legal resources on OCA's Intranet site for new attorneys on a variety of topics that arise with frequency, such as legislation review, Maryland Public Information Act, Open Meetings Act, and the County's ethics law. OCA will also create a readily accessible appellate brief bank to save time when preparing appellate briefs.

County Executive

- Proactive outreach - Business Liaisons in the Business Center spend about two days a week engaging businesses in the community to better assist and understand their challenges.

- Launched client management system that provides faster, more reliable customer service to businesses. The system also ensures the County is tracking required metrics for the Racial Equity and Social Justice Act.

Emergency Management and Homeland Security

- Integrate $900,000 into the base budget for the Non-Profit Security Grant Program, transitioning from one-time funding for non-profit and faith-based organizations to augment costs for security personnel or other security planning measures for nonprofit organizations located in Montgomery County.

- Allocate additional financial resources to support Regional Preparedness Program personnel, previously funded by a federal grant, to maintain stability and continue critical services provided.

- Transition a current Division Chief to Deputy Director to collaborate with the Director to implement the strategic vision for the Office of Emergency Management and Homeland Security and oversee the day-to-day operations.

- Continue to expand weather and flood monitoring equipment throughout the County to enhance real-time situational awareness and forecasting in preparation for and response to major weather events.

- Coordinate a Community Preparedness event for September 2024 to educate citizens on topics such as emergency preparedness; Alert Montgomery; Narcan education and training; Avoid, Deny, and Defend training; and Public Access Trauma Care for the residents and visitors of the County.

Environmental Protection

- Enhance efforts to combat climate change by adding funds to build out the County's electric vehicle charging infrastructure, assist under-resourced building owners comply with Building Energy Performance Standards (BEPS) with subsidized energy audits, and contractual support to help low-income residents access federal incentives and tax credits newly-available under the Inflation Reduction Act. A position and operating funds are added to develop a solar power strategic plan as well.

- Increase funding for Clean Water Montgomery grants (previously Watershed Grants), which earn credit toward the County's MS4 permit on private property.

- Create new positions for inspections and maintenance of stormwater management facilities throughout the County, including for environmental site designs, above ground structures, and tree plantings.

- Add funds to implement a ban on the sale and use of gas-powered leaf blowers, including outreach to affected retailers and lawn care companies, and to fund an electric leaf blower rebate program.

Ethics Commission

- Consistent with statutory requirements, the lobbying activity reporting system will be adjusted to require reporting of the specific matters on which lobbying has occurred. When activity reports are filed in July of 2024, lobbyists will be required to follow the direction to: *List each matter on which lobbying occurred during the reporting period: use bill numbers, formal designations or other specific references or detail in describing the matter*.

- Commission staff intends to implement a training video to support the mandatory one-hour online ethics training program for new employees. This video will be available for those unable to attend the live on-line training provided by Commission staff.

Finance

- Selected as an inaugural member of the Harvard Kennedy School Government Performance Lab's Green RFP Bootcamp to retool the upcoming Printing and Mailing Services for Tax Operations to include a sustainability-related component.

- Solicit Requests for Proposals (RFP) for third-party workers compensation claims services and insurance broker services.

- Transition to a new banking vendor that was selected from a competitive RFP process.
- Upgrade the County's enterprise timekeeping and all scheduling systems to the vendor's new software as a service platform before vendor's end-of-life date of these products.
- Upgrade the property tax billing system to the vendor's newer software as a service platform.
- Continue leveraging automation software, business process reengineering, and developing customized software applications to meet the unique requirements of the department.

Fire and Rescue Service

- Provision of enhanced cancer screenings options that include the early detection of multiple types of cancers via blood testing, and ultrasound diagnostic of cancer for career firefighters.
- Improve staffing within the Fire & Explosive Investigations Unit (FEI) in a manner that efficiently accounts for rigorous training requirements and promotes longterm savings.
- Increase support to the local fire rescue department (LFRD) with the addition of staffing at Station 40 to address failure to respond metrics.
- Fully deployed a High School Cadet Training Program in collaboration with MCPS. The cadet program now includes Emergency Medical Technician Trainining geared towards prepairing Cadets for successful performance on national licensure requirements, and preparation for professional Fire Fighter careers.
- Fire Camp for 20 girls to encourage women to enter the fire fighting and public safety profession. The training received for participants will count towards the overall requirements for successful completion of the Training Cadet program available as a partnership between MCFRS and MCPS.
- Maximize the impact of existing resources through adjustments to the Emergency Medical Services disposition unit and redeploying staff from an advanced life support chase car to establish a new EMS Duty Officer to improve health outcomes in diverse areas of the County.
- Provision of vaccine boosters for career firefighters against COVID-19.

Fleet Management Services

- Develop a solar microgrid project to support zero emission bus fueling at the Gaithersburg Bus Depot. The Division of Fleet Management Services is working with the DGS Office of Energy and Sustainability to plan the microgrid, which will provide a clean and resilient energy source to charge electric buses and produce green hydrogen for fuel cell buses by using electricity to extract hydrogen from water.
- Procure approximately 100 electric Ride On buses in FY24-27. The buses will operate at the Silver Spring and Gaithersburg Depots to fully utilize the solar microgrids at these locations.
- Build out additional electric vehicle charging infrastructure at County facilities and fueling sites to support the transition to zero emission fleet.
- Pilot a program with Montgomery County Fire and Rescue Service to use the fully-electric Ford F150 Lightning as a Battalion Chief Vehicle. DFMS will provide vehicles and on-site charging infrastructure and help to evaluate the suitability of electric vehicles for this role.

Food Systems Resilience

- Lead the transition from federally supported pandemic-era funding approaches to a long-term framework for strategic investment in food security programs. This transition includes reinforcing the solid foundation of existing food security resources developed during the pandemic, while strategically implementing new initiatives to close service gaps, align investments with values of equity and resilience, and better leverage Federal and State funds. In FY25, OFSR will partner with the Capital Area Food Bank and the Manna Food Center to facilitate the transition and provide community food assistance providers specialized access to shelf-stable and fresh food for distribution to food insecure residents in a grant-centered approach that strengthens the capacity of the County's robust network of organizations.

- Continue the phased implementation of long-term food security initiatives that began with Special Appropriation #24-37. OFSR will continue to implement the Strategic Plan to End Childhood Hunger through the Retail Food Access Program, the Food as Medicine Program, School-Based Food Security Partnership Grants, and grants that maximize enrollment in federal nutrition programs, as well as support community-based initiatives. In addition, OFSR will work to strengthen local food system infrastructure through investments in projects that aggregate, process, and/or distribute food from local producers to enhance immediate and long-term food security in the region.

- In coordination with the Office of Racial Equity and Social Justice, address the racial inequities and disparities present in all aspects of the food system.

- Engage with statewide, regional, and national partners to share best practices, maximize external resources, and implement collaborative strategies for policymaking that strengthen equity and food system resilience. Establish interagency coordination mechanisms within County government, including the Food Systems Leadership Committee and a food systems workgroup.

- Serve as a liaison between government and food system partners, including residents, businesses, and non-profit organizations. Establish communications, survey mechanisms, and feedback loops to ensure policy development and implementation is directly informed by the insight and expertise of the community.

- Conduct landscape assessments and gap analyses of County food system financial investments and assets, County food systems policy, and currently available food systems data collected both internally and externally, including communication and analysis of data. Develop comprehensive grantee service data collection and reporting processes that gather essential data to evaluate program performance and inform future funding decisions.

General Services

- Adding a Program Specialist II to support implementation and maintenance of the Capital Asset Management System providing technical assistance, i.e., quality assurance, data management, reporting, system configurations options, coordinate service and repair work, running reports for staff and decision makers, and measuring facility management metrics and facility health. This system is scheduled to come online in 2024.

Grants Management

- A second Incoming Grants Program Manager II position within the Office of Grants Management will coordinate cross-departmental efforts to apply for and win large-scale energy, environment, and infrastructure State and Federal grant opportunities. As awards come in, the position will provide departments grants management training, mentoring, and support with implementation, reporting, and other compliance requirements.

- The Office of Grants Management will manage a pool of flexible funding for grants pursuit and management tools that can be strategically allocated across departments to meet emerging, major opportunities and/or to be shared amongst smaller departments and offices who have infrequent grant opportunities. These specific grant training, search, pursuit, and leveraging tools are important resources for getting departments "Grants Ready" to attack grant opportunities as they arise or better manage awards received.

- The Office of Grants Management will organize an internal "Grants Ready" conference for MCG employees who have a grants role in their department. The conference events will include, but not be limited to, federal grant writing and grant management best-practices led by outside experts as well as internally led trainings on County procurement strategies for grants, how to hire staff with grants experience, and key internal grants related processes.

Health and Human Services

- ✪ Shifts the focus of the Services to End and Prevent Homelessness (SEPH) service area toward prevention services and away from distribution of Federal funding for emergency rental assistance, as prevention services are more cost effective than shelters or motels. The Federal Emergency Rental Assistance Program (eRAP), which began during the COVID-19 pandemic, ends in FY24. Funding of almost $842,000 is recommended in FY25 for a team within DHHS to work directly with households to help them stay housed.

- ✪ Adds funding of $1,900,000 to upgrade the existing enterprise Integrated Case Management system (eICM).

- ✪ Provides approximately $3.3 million to support various school health initiatives, including approximately $1.3 million to annualize new school health room staff in community schools, $908,000 for seven new community schools that are expected to be designated in FY25, $580,000 for the opening of a School Based Health Center at South Lake Elementary School, almost $385,000 to cover inflation in school based health center contracts, and $150,000 in additional funding to improve recruitment and retention of bilingual therapists in the Linkages to Learning program.

- ✪ Provides $1.5 million general funds to replace an ending Federal grant to continue Mobile Crisis Outreach Team (MCOT) services and expand capacity from five to seven teams. MCOTs are a crucial intervention for individuals with behavioral health issues and prevent unnecessary hospitalizations, interactions with law enforcement, and incarcerations.

- ✪ Expands capacity in the dental program to meet increased demand. There are over 750 youth and 450 adults waitlisted for DHHS' dental services. In a promising development for dental care access, Medicaid has recently expanded dental care eligibility to adults ages 19-59, a population that did not previously have access to Medicaid dental coverage. This $860,000 expansion provides essential dental care to the County's most vulnerable residents while offsetting costs with newly available Medicaid revenues. With additional staff, the dental program will be able to reduce its waitlists and improve access to dental services through the Mobile Health Clinic.

- ✪ Allocates $800,000 to reduce long-standing waitlists and increase capacity in programs serving vulnerable populations, older adults, and individuals with disabilities. The CE Recommended budget increases capacity for the following programs, each of which have over 150 waitlisted individuals: Adult Protective Services case management ($197,000); Home Care Services ($161,000); and Coordination of Community Services for individuals with intellectual and developmental disabilities ($63,000). The Medicaid Community First Choice Nurse Monitoring program budget increases by $180,000 and is fully offset by revenue. Almost $200,000 is allocated to continue services that were previously made possible with federal funds, including Senior Lunch site at the Silver Spring Recreation and Aquatic Center ($148,000) and prenatal engagement initiatives for vulnerable populations ($50,000).

- ✪ Enhances supplemental funding for reimbursements to critical providers, including $697,000 for a 3% increase to the Developmental Disability Provider Supplement and the Adult Medical Day Care Provider Supplement. This budget also includes $112,000 to increase respite care provider reimbursement rates by $2 per hour on average.

- ✪ Supports the Health Care for the Uninsured Programs with a $1.8 million (24%) increase for Montgomery Cares reimbursement rates, the second consecutive year of double-digit rate increases. Compared to FY23, the CE recommended FY25 rate increase reimburses providers with $50 more per encounter, an increase of over 66 percent in two years. In addition, the Care for Kids (CFK) programs are supported with an additional $180,000 to improve reproductive health care access, and $140,000 for administrative support to accommodate increased CFK enrollment and ensure clients' Medicaid or insurance providers are properly billed for services rendered.

- ✪ Provides additional funding of $300,000 for the Latino Health Initiative for an expanded Community Health Worker program, an expansion of the Welcome Back Center to transition internationally trained health professionals to obtain health care credentials in the County that will help address healthcare workforce shortages, and enhanced funding for communications with this community.

- ✪ Provides additional funding of $150,000 for the Asian American Health Initiative to expand the Asian American Center of Excellence Micro-grants program and to increase funds for a multi-lingual health navigation service and a medical interpretation program for Asian American residents.

Housing and Community Affairs

- ✪ Provide $160.5 million in funding to produce and preserve affordable housing units in Montgomery County. This funding commitment includes the allocation of $13.5 million in the Montgomery Housing Initiative (MHI) Fund, $97 million in the Affordable Housing Acquisition and Preservation CIP project, and a total of $50 million in FY24 and FY25 in the Nonprofit Preservation Fund CIP.

- ✪ Provide $56 million in new resources for the Montgomery Housing Initiative Fund to continue various programs and projects dedicated to creating and preserving affordable housing, and related services. The funding will provide for the renovation of distressed housing, creation of housing units for special needs residents, rental assistance and rapid rehousing, homeless prevention and relocation assistance, homeowner downpayment assistance, home accessibility rehabilitation, services to the "Building Neighborhoods to Call Home", "Housing First" programs, and the creation of mixed-income housing.

- ✪ Provide funds for the new Rent Stabilization Program to be fully operational in FY25. This program establishes maximum allowable rent increases to stabilize rents in the County while ensures landlords can earn a fair return on their investment.

- ✪ Provide annualized funding to support the implementation and enforcement of Bill 22-23 Short-term Residential Rental reassigned from the Department of Health and Human Services to the Department of Housing and Community Affairs (DHCA). The funding allows for improvement of the licensing application processes and enhancement of required housing inspections. The funding sources come from the adjusted licensing fees that allow the program to be self-supporting.

- ✪ Restructure DHCA's organizational functions by creating a new "Rental Housing" Division to support more synergy and collaboration between the Office of Landlord and Tenant Affairs (OLTA) and the Rent Stabilization Program, realigning some programs among different divisions for more effective operations, and adding needed staffing to close operational gaps and enhance service delivery.

- ✪ Create a Manager II position to manage the new Rental Housing Division to ensure rent stabilization mandates are fully implemented and integrated with other relevant services and functions across the department.

- ✪ Increase licensing fees on multifamily rental units and other housing types to align with the fees charged by surrounding jurisdictions and offset staffing needs. The revenue generated from the licensing fees will be utilized to directly support programmatic operations and improve service delivery in Licensing and Registration, Code Enforcement, Landlord-Tenant Mediation, Rent Stabilization, and the Short-term Residential Rental programs.

- ✪ Add one Program Manager II position in the Common Ownership Communities (COC) Program to manage and administer the Revitalization for Troubled and Distressed Common Ownership Communities CIP. This new loan program will help COC communities to address needed capital improvements and avoid loss or displacement of housing units, particularly for low-income homeowners.

- ✪ Add one Program Manager II position in the Asset Management unit to provide loan servicing and monitoring for the new COC loan program, as well as multifamily housing loan projects funded with additional resources in the Montgomery Housing Initiative Fund and the new Nonprofit Preservation Fund.

- ✪ Add one Manager III and a Program Specialist position in the Licensing and Regulation Program to resolve chronic service gaps, increase revenue collection, and enhance the department's capacity to ensure that all rental housing and common ownership communities comply with the County's licensing requirements.

- ✪ Add one Housing Code Inspector in the Code Enforcement unit to implement re-inspections for those troubled and at-risk properties as required in Executive Regulation 2-17.

- ✪ Add one Program Manager I position in the Office of Landlord-Tenant Affairs (OLTA) to administer and coordinate all service requests, reduce the backlog as required by County codes, and provide additional support and coordination for the new Rent Stabilization Program.

- ✪ Add one Program Manager I position in the Affordable Housing Program to review purchase applications for Moderately Priced Dwelling Units (MPDU), provide training and oversight to developers after the MPDU purchase, and collaborate with other agencies to support development of senior housing in the County.

- ✪ Continue to actively underwrite affordable housing loans to preserve and produce affordable housing. Three developments for multi-family projects have already been identified for potential funding in FY25. These developments would preserve or produce a total of 655 units, including 357 affordable units.

Human Resources

- Launched the Montgomery County Leadership Academy, a leadership development program for MLS employees, in partnership with Universities at Shady Grove.

- Executed Countywide Career Fairs, creating space in the community to engage with jobseekers and increase employer brand awareness.

- Initiated a monthly benefits newsletter for employees that contains important tips and information about their benefits.

- Implemented virtual office hours for employees to sign up and attend to get one-on-one attention to answer heath benefits questions.

- Launched a protocol to review and update outdated medical protocols to align with industry standards and best practices.

Human Rights

- Review and revise compliance process and regulations for more efficient resolution of complaints.

- Expand the compliance efforts to include five additional banks for the Community Reinvestment Act.

- Complete the final training series on the Intergenerational Workplace focusing on the impact of Artificial Intelligence (AI) and Algorithms in employment.

Inspector General

- OIG spearheaded multiple new outreach initiatives for County Employees. The OIG now sends new County employees an email that explains OIG's role and ways to contact OIG. In addition, OIG was featured on a banner highlighting the OIG hotline for all outgoing County email for the month of November 2023 to recognize Fraud Awareness month.

- OIG began outreach efforts to MCPS to help educate Montgomery County Public Schools employees on how they can help the OIG to fight fraud, waste, and abuse, and improve the effectiveness and efficiency of the programs and operations of MCPS and the Board of Education.

Intergovernmental Relations

- Continue to enhance collaboration with the County Executive, County Council, County departments, independent agencies (Montgomery County Public Schools, Washington Suburban Sanitary Commission, Montgomery County Revenue Authority, Montgomery College, Housing Opportunities Commission), and various Boards, Committees, and Commissions to enhance (1) the process for developing federal and State priorities to maximize opportunities; and (2) federal and State advocacy efforts regarding legal, legislative, fiscal, and regulatory matters.

- Continue to enhance the Office of Intergovernmental Relations' new Legislative Tracking System (Engagifii) that was implemented for the 2023 legislative session, to maximize its workflow management and public information capabilities.

Management and Budget

- Planned and executed ten operating budget forums during development of the FY25 County Executive's Recommended Operating Budget to provide residents an opportunity to have their voices heard. Three of the budget forums were conducted in a language other than English (Spanish, Chinese, and Amharic).

- Refined the Operating Budget Equity Tool, along with the Office of Racial Equity and Social Justice (ORESJ).

- Improved the management of capital project advances involving non-County funding in collaboration with the Department of Finance and departments that manage capital projects.

- Performed a survey of Executive Branch departments and offices to compile a comprehensive record of every resident and customer touchpoint, including incoming communication through digital platforms, paper documents and mail, calls, and walk-ins, as well as outgoing communication. This inventory will inform the work of the Customer Service Initiative in implementing organization-wide customer service standards.

- Introduced a Program Inventory Initiative, a strategic effort to enhance performance management and accountability throughout the organization. This initiative aims to standardize the process of documentation, data collection, and evaluation of government services, thus enabling data-driven decision-making and evidence-based allocation of resources.

Parking District Services

- Improve Security Systems and public safety elements to address high-incident/high-crime threat areas in off-street parking. Add some additional cameras, network improvements to sustain the new cameras, additional fencing, and wayfinding painting to improve pedestrian safety.

- Implement new security guard services contract to enhance PLD off-street parking security and incident reporting.

- Install canopy solar panels on a parking facility roof to provide energy for low-voltage systems. The department is looking at opportunities to partner with Greenbank and/or other stakeholders to install solar canopies on garages in the PLDs that can provide discounted electricity to Low to Moderate Income (LMI) customers and the County. Community solar project has gone through the request for proposal (RFP) and is currently at the award stage. The PLD is evaluating garage 4, 5, and 7 to determine the first installation.

- Convert single space meter lots in Wheaton PLD to master meter pay and display or pay by plate operations. Wheaton Lots are converting legacy coin-only single space meters with master meters which allows pay and display (coin, cash or credit card) or pay-by-cell.

- Convert end of life single space meters in Transportation Management Districts (TMD) and PLDs to new and more capable single space meter systems. TMD off street and PLD lots/on-street replace legacy smart meters with recently awarded single space smart meter contract.

Permitting Services

- Two new positions will be responsible for developing data analytics, customer and internal facing tools, and assisting with code development. This requires in-depth knowledge and understanding of how the energy code, green code, and general DPS functions interact with the Climate Action Plan.

- Plan review staff will absorb responsibility for reviewing plans related to Streetlights, Signs and Markings and Mobile Cranes, historically reviewed by MCDOT. This change is in line with the "One Stop Shop" model and will eliminate conflicts with review comments and result in faster permit issuance. One reviewer will be responsible for the entire public right-of-way construction plan set.

Police

- Enhance real time crime fighting by adding funds for the expansion of FUSUS software which tracks technologies related to cameras, license plate readers, and the Drone as First Responder (DFR) Program.

- Establish a grant program to aid affected late-night businesses operating in high call volume areas to develop and operate under a safety plan.

- Expand the innovative Drone as First Responder program allowing for quick and efficient police response to incidents in Bethesda, Germantown/Gaithersburg, Silver Spring, and Wheaton.

- Add funds to enable the department to better respond to community requests for increased transparency through digitization of critical historical records catalogs and installation of computer/printer kiosks at district stations to facilitate community access to police records.

Procurement

- Initiate the first stage of identifying an eProcurement solution to consolidate various applications used throughout the lifecycle of a contract from sourcing to execution. This solution will incorporate sourcing, contract management, vendor management, and compliance management.

- Develop a contract audit program to review and confirm all contract actions follow appropriate workflow approvals and County regulations. This program will aid in Procurement's mission to facilitate the use of public funds to efficiently procure goods and services in an inclusive, transparent, and equitable manner.

- Include the apprenticeship panels in the annual Procurement Fair to better position the County as it relates to infrastructure funding. The Office of Procurement hosts an annual fair with approximately 500 plus individuals in attendance. This year the office will be shining a spotlight on the value and importance of apprenticeship programs as it relates to County construction contracting opportunities.

- Develop, through the division of Business Relations and Compliance, an enforcement program of the existing Minority, Female, and Disabled-Owned Business law to be more proactive rather than reactive/complaints-based.

- Continue to provide funding for on-going training to staff to comply with Certified Professional Public Buyer certification per a job classification requirement.

Public Libraries

- Adds $360,000 in FY25 funding to begin the revitalization of World Languages collections, beginning with purchases in Spanish and Chinese, evenly distributed.

- Adds $315,240 in MCPL's FY25 collection acquisitions budget to meet demand for digital materials through the Hoopla platform for ebooks, eaudiobooks, emagazines, emusic, and evideo.

- Provides $125,000 in additional FY25 funding for the department's training budget to provide more robust training and professional development opportunities to employees within the department in support of the department's Strategic Plan.

- Complete and deploy a branded outreach van to create an outdoor pop-up library experience in any safe location, provide wireless internet access, and visit housing communities, childcare centers, recreation centers, senior centers, and group homes. In 2024, the Outreach Team will continue expanding its mission of public service beyond the library's physical walls with the launch of the first all-electric mobile library outreach info vehicle in Maryland. The need for the Outreach Team to bring the library to the people was not just about a new delivery model for library resources and services but also the agility and efficiency to target specific zip codes, housing communities, age groups, and ethnic backgrounds that were disproportionately impacted by the pandemic.

- Participate in the Maryland pilot cohort of the "Building Equity-Based Summers" project in partnership with the Maryland State Library Agency (MSLA) and Insitute for Museum and Library Services.

- Renovate and create Makerspaces/Digital Media Labs at multiple MCPL locations in support of digital equity and digital literacy. The Teen Studio at Rockville is a part of a connected library approach MCPL is taking toward Teen Services.

- Implement the MCPL Teen Gaming Initiative (MCPL TGI). This initiative encourages teens to learn more about potential workforce opportunities in STEAM (Science, Technology, Engineering, Arts, and Mathematics), focusing explicitly on the hard scientific, technological, engineering, or mathematical skills to drive progress, create new concepts, and solve complex problems.

- Develop partnerships with selected county non-profits in support of the 2024 Summer Reading Challenge. Past non-profits who have worked with MCPL include *Montgomery County Animal Services and Adoption Center*, *Friends of Montgomery County Animals*, *Manna Food Center*, *Montgomery Parks Foundation*, and others.

Recreation

- Increase Excel Beyond the Bell Elementary (EBB) services and expand existing out of school time programming with the addition of two new sites: Eastern and Benjamin Banneker Middle Schools.

- ✪ Aquatics division launched free youth water polo clinics to residents in the Long Branch and Upper County outdoor pool areas to provide an opportunity to increase engagement in water sports that are traditionally not available in the area. Aquatics offered water safety lessons at outdoor pools to engage patrons in safe practices around water.

- ✪ Increased financial assistance available to qualified residents from $200 to $400 per person per calendar year in an effort to make more Recreation programming available to County residents that receive social services from other County agencies.

- ✪ Funding for the Senior BBQ Bonanza Engagement Event and expansion of senior programming at various senior centers to include access to multi-lingual programs and culturally diverse celebrations and events. Continue to develop programming that will cater to the "working seniors or semi-retired seniors" with selected programs offered during various times in the evenings or weekends, during non-traditional senior center hours.

Recycling and Resource Management

- ✪ Add new funds and a position to implement zero waste initiatives that divert material from the traditional waste stream, like food scraps collection and processing and expanding the type of materials that can be recycled.

Sheriff

- ✪ Add one Human Resources Specialist to coordinate the Office's administrative and personnel functions, and to address vacancies.

State's Attorney

- ✪ Funding added to provide the Office's legacy case management, cloud-based system with greater storage capacity.

- ✪ Create a new Evidence Review Unit to enhance digital evidence processing to facilitate the redaction, upload, and review of digital evidence. In addition, funds are provided to renovate office space to house the newly formed unit.

Technology and Enterprise Business Solutions

- ✪ TEBS has a large year-over-year growth in budget primarily due to the transition of MC311 from the Office of Public Information (PIO) into TEBS. This transition will take advantage of efficiencies generated by technological advancements to allow MC311 to continue to provide excellent customer service for Montgomery County residents while leveraging TEBS's expertise with chatbots and artificial intelligence to help residents find answers to their questions faster.

- ✪ Develop a data management strategy and continue to establish guidelines that classify data Countywide according to data security thresholds and define how the data in each class needs to be collected, stored, archived, and disseminated in compliance with local, State, and Federal regulations. This data framework will strengthen our cybersecurity efforts by securing sensitive data across the County. In addition, data classification is the building block for other strategic initiatives such as artificial intelligence (AI) solutions.

- ✪ Montgomery Connects is expanding community partnerships to deploy an additional 69,000 free laptop computers to low-income, senior, African-American, and Latino residents and provide an educational awareness campaign to help 28,000 Montgomery County families find low-cost broadband alternatives to the discontinued Federal and State Affordable Connectivity Program which provided broadband subsidies for low-income households. TEBS continues to seek Maryland broadband grant funding to expand MoCoNet, the County's residential broadband network to affordable housing developments. Additionally, TEBS is expanding the Montgomery Connects Digital Equity Coalition to leverage an AmeriCorps staff planning grant in partnership with Digital Harbor in Baltimore.

- ✪ In accordance with the Enterprise Office of Project Management (EOPM) governance structure, TEBS is managing the successful implementation of a single Applicant Tracking System (ATS) within the Office of Human Resources (OHR) to make the hiring process more efficient, decrease time to hire, and increase communication with applicants throughout the experience. Technology enhancements such as automation, digitization, and dashboards will drive continuous improvement and maximize the experience for applicants, staff, and residents.

- ✪ In order to refocus the Cable Fund on Public, Educational, and Governmental (PEG) media efforts, all remaining TEBS programs have been moved out of the Cable Fund back into TEBS in the Office of Broadband Programs.

Transit Services

- The Ride On Reimagined study will guide the future direction of the County's transit system through data analysis and community engagement. Goals, outcomes, and performance measures have been established for three priority areas: Safety and Vision Zero; Environment and Climate Resiliency; and Economic Development and Equitable Access. County residents, transit passengers, advocacy groups, and other stakeholders have participated throughout the study's development. Service concepts are expected to be finalized in spring 2024, with service and implementation plans to be completed shortly thereafter. The implementation plans will include service changes to be phased in over several years.

- The Great Seneca Transit Network will provide frequent transit options and improve mobility and access to crucial jobs in the healthcare, biotech, and educational sectors. The network is being implemented in two phases. The first phase, which includes Ride On Extra service on the new Pink and Lime transit lines, will launch in fall 2024. The Pink route links the busy Shady Grove corridor with Life Sciences Center via Medical Center Drive. The Lime route uses 1-370 to provide an express route to RIO, Crown Farm, and the heart of the Life Science Center.

- A study to develop a zero-emission bus fleet transition plan will be completed in spring 2024 . The plan will contain concrete strategies to reach zero greenhouse gas emissions by 2035 in accordance with the goals outlined in the County's Climate Action Plan. The study includes an evaluation of current and future facilities necessary for the transition to a zero-emission bus fleet. The County continues to purchase zero-emission vehicles, including both battery electric and hydrogen fuel cell buses, to work toward the Climate Action Plan goals.

Transportation

- Enhance residential resurfacing slurry seal to provide additional lane miles of improvements.

- Provide for the maintenance of newly added subdivision roads to the County network.

- Enhance traffic safety by increasing funding for raised pavement markers, crosswalk markings, and sign maintenance.

- Enhance Vision Zero efforts by increasing funding for the Safe Routes to School Program.

- Provide more frequent inspection of short span bridges across the County.

- Enhance tree maintenance to reduce backlogs in tree removal, tree planting, and stump removal.

Urban Districts

- The Urban Districts created and convened the Urban District Equity Core team to drive forward and fully integrate equity principals into all Urban Districts services.

- Silver Spring Urban District and Wheaton Urban District will implement initiatives to address the increase of hazardous conditions in heavily damaged streetscape and roadside areas. The projects completed will improve walkability and make the areas safer for pedestrians.

- The Bethesda Arts & Entertainment District will provide a new public art element to downtown Bethesda by covering several signal boxes with a vinyl wrap based on original designs by local artists.

- The Bethesda Urban District converted 10 streetlights to energy-saving LED heads and painted the poles of 274 aging streetlights. This initiative continues the district's mission to reduce greenhouse emissions and will make downtown Bethesda a more vibrant and livable place.

- The Friendship Heights Urban District launched litter removal and street cleaning services along Wisconsin Avenue from Western to Oliver Streets, five days per week.

- The Friendship Heights Urban District continued to maintain its branded planter program and median planting and maintenance program along Wisconsin avenue, bringing color and vibrancy along the Wisconsin Avenue corridor.

Productivity Improvements

Agriculture

- The OAG is partnering with the County's Business Center to participate in the procurement of a customer relationship management (CRM) system in the hopes of having a more efficient way to track and report its work.

- The OAG is currently working with the Department of Technology and Enterprise Business Solutions to update/convert its forms and applications from PDF documents to seamless docs that can be completed and submitted online.

- The OAG is partnering with the Institute for Local Self-Reliance and the University of Maryland Extension Master Gardner Program on the installation of a Composting Education Hub that will be used to train gardeners and farmers on how to properly compost food scraps.

Alcohol Beverage Services

- ABS updated all store point of sale register systems to remove technology barriers and enable ABS to expand is potential by adding services such as curbside pickup, buy online, pick up in store, and queue line checkout.

- ABS leveraged its direct import capacity to become the exclusive Mid-Atlantic seller of the distinctive Domaine de Galuval wines from the RhIne Valley.

Animal Services

- OAS completed an operational review in partnership with Maddie's Million Pet Challenge in October 2023 to drive improvements based on nationally recognized guidelines.

- Expand and simplify access to pet licensing services for Montgomery County by working with a full-service animal licensing provider.

- Implement new processes to enhance volunteer retention.

Board of Elections

- A new Election Worker Management System is currently being built to leverage a modern framework and mitigate vulnerabilities in the existing application. The new system will streamline the communications, recruitment, training, and staffing of election workers and Future Vote students as well as the future administration of elections.

Community Use of Public Facilities

- Awarded $80,000 from the Safe Summer Initiative grant from the State of Maryland to create and support opportunities for at-risk youth. Funding supported the Fee Facility Assistance Program (FFAP), Community Access Program (CAP), and Out of School Time programs.

- Developed partnerships with Collaboration Council, WorkForce Montgomery, Latin American Youth Council, and local municipalities in support of increasing out of school activities for children and youths.

- Continue expansion of outreach efforts and marketing strategies to inform the public about the permitting process by incorporating media campaigns, workshops, CUPF newsletters, and website content.

Consumer Protection

- In FY25, the Office of Consumer Protection plans to improve its process for submitting consumer complaints by enhancing its customer relationship management (CRM) system. The current system, CALMS, developed in 2017, serves as the cornerstone for customer interactions, facilitating the submission of complaints and the processing of registration or licensing documents. Despite its benefits, users have encountered challenges due to its complex interface and stringent time constraints for form submissions, which detract from the overall user experience. Recognizing these issues, OCP conducted a thorough assessment and plans to refine the CRM and user interface by integrating solutions like SeamlessDocs and SharePoint to streamline and enrich the user experience.

Correction and Rehabilitation

- Implemented Jail Management System modules in collaboration with the Department of Technology and Enterprise Business Solutions to address diminution and restitution changes required by the Justice Reinvestment Act. Existing criminal justice applications systems will be transferred to low-code solution and CRIMS Management System to enhance security. The department application systems will have one user interface login to streamline the process of accessing multiple systems, which will improve staff productivity.

- Collaborated with the Department of Finance to consolidate multiple timekeeping and scheduling software platforms into one optimized application.

- Updated DOCR internet and intranet sites to provide transparent and relatable information about DOCR operations to the community, and important information to County employees.

- Completed the microgrid installation at the Montgomery County Correctional Facility (MCCF). The microgrid interfaces with the large solar installation previously completed to further increase energy independence, environmental protection, and cost savings. This project received State and National accolades.

County Attorney

- Provide funds to implement a Health Insurance Portability and Accountability Act (HIPAA) audit to ensure continued compliance with Federal law.

- Collaborate with the Office of Management and Budget's (OMB) Shared Services Team to implement an agreement intake and approval workflow encompassing all parties to allow departments and attorneys to collaboratively review, track, and approve non-procurement contracts and MOUs throughout their life cycles. This is an adjunct to the Non-Procurement Contract Portal OCA launched in FY22 (in accordance with Administrative Procedure 2-4) and the MOU Review Portal OCA launched last year.

- Continue providing and expanding ongoing training initiatives for County employees on a wide variety of topics, including the Open Meetings Act, the Maryland Public Information Act, and use of social media on behalf of the County.

County Executive

- Increased staffing and efficiencies allowed the Business Center to assist more than 1,000 businesses to start and grow in the County, an increase of 230 percent from 2022.

- Assigned Business Liaisons to regional offices to create greater synergies between the Regional Service Centers and County's service delivery. The Executive's support for more liaisons is to ensure all Regional Centers and Council Districts have at least one Business Liaison to personalize service delivery to more businesses.

- Internal Audit completed and expects to publish nine audit reports (FY23 and FY24), including the following audits: Cash Management Reviews in the Recreation Department, Department of Transportation, Police Department, and Alcohol Beverage Services; Marriott Conference Center Management Agreement Audit; Vendor Administration; Information Technology Governance; and Purchasing Card Administration in Department of General Services and the Community Engagement Cluster.

- With approval of the two new investigative analyst positions in FY25, we estimate that Internal Audit will be able to conduct 10-15 follow-up audits annually (once the positions are filled) to ensure timely resolution of audit findings through implementation of appropriate corrective actions that address root cause issues associated with internal control gaps and weaknesses.

Emergency Management and Homeland Security

- Coordinated with the Office of Grants Management (OGM) to launch the FY24 Nonprofit Security Grant Program. A total of

$900,000 was awarded to the 136 applicants. Expedited an additional $311,000 in security funding to Jewish, Muslim, Sikh, and Zoroastrian communities to invest in security measures to protect their facilities.

- On behalf of all County agencies, OEMHS pursued reimbursement for COVID-19 expenses incurred by the County through the Federal Emergency Management Agency's (FEMA) Public Assistance program. Over $218 million was submitted for consideration. Of that, $77 million has been reimbursed to the County, $33 million more has been approved, and the remaining $108 million is currently under review by FEMA.

- Applied for, received, and managed over $4.6 million in federal Homeland Security grants on behalf of public safety agencies, funding a number of key personnel, equipment enhancements, trainings, exercises, and plans.

- As of February, responded to 45 distinct emergency events at the request of public safety partners, including building fires, flooding, evacuations, emergency notifications, weather events, gas leaks, water disruptions, civil disturbance, hazardous material spills, air quality degradations, communications interruptions, and others.

- Hired a Climate Adaptation Program Manager and Hydrologist to support the OEMHS-led action items in the County's Climate Action Plan. OEHMS is currently supporting the County Comprehensive Flood Management Plan and watershed studies.

Environmental Protection

- The Energy, Climate, and Compliance Division developed and issued Executive Regulations to implement the BEPS Law, a cornerstone County climate policy. DEP also onboarded new BEPS staff and is expanding the software platform to manage benchmarking data to accommodate the expanded scope of the Law.

- Expand the Charge Montgomery program plan for the expansion of electric vehicle (EV) charging infrastructure across Montgomery County. This program helps the County educate and engage with the public on EV charging, including a survey and GIS map to visualize current and future charging station locations relative to points of interest and equity census tracts.

- Through its Montgomery Energy Connection program, DEP launched Electrify MC pilot program, a residential electrification help desk and direct incentives to encourage residents to switch from fossil fuels to efficient electric options in their home, in advance of the incentives that will be available through the Inflation Reduction Act.

- The DEP Communications and Public Engagement team led and participated in more than 80 community events to inform and educate the public about DEP practices and ways the public can help address climate change and reduce, reuse, and recycle more. In order to meet the needs of the entire County, the department held events in and with frontline communities that are traditionally underserved.

Ethics Commission

- Changes to the Public Ethics Law through Bill 17-22 became effective in February 2023. These changes resulted in Commission staff implementing new program requirements, including making changes to the financial disclosure system's reporting requirements.

Finance

- Updated the Payment in Lieu of Taxes (PILOT) system that is utilized for property tax billing for certain accounts by leveraging newer technologies.

- Implemented robotic process automation jobs to streamline tasks related to Accounts Receivables and Accounts Payable.

Fire and Rescue Service

- Added a Clinical Disposition Officer (EMS700) in FY24 to manage the flow of EMS transport units into crowded emergency departments and avoid overloading any one hospital with patients whenever possible. EMS700 also improves care navigation for patients with specialty needs such as strokes, traumatic injuries, heart attacks, palliative care, and pediatrics.

- Added an additional EMS Duty Officer (EMS702) to the Bethesda area in FY24, increasing the supervisory coverage in the field. This directly improves the geographic coverage of the entire county and reduces staffing stress for each of the three supervisors. This additional supervisor improves relationships with our field clinicians and hospital partners and increases supervisory attendance to high acuity patients, such as those suffering cardiac arrests or significant trauma.

- Placed a reserve ambulance at Station 33 and allowed the local fire-rescue departments to staff the unit in response to patient transportation demand surges.

- Redeployed several EMS resources in FY24 to improve EMS capacity/coverage, including an ambulance (A725C) from Station 25 to Station 18 (A718); the chase car (ALS741) from Rescue 1 to Station 1 (ALS701); and a daywork (Monday - Friday) medic unit (M732).

- Improved the quality of care to EMS patients by providing access to new equipment (IV pumps) and processes (norepinephrine administration) that could potentially improve outcomes following out-of-hospital cardiac arrest. These improvements reduce the cognitive workload of the clinician and eliminate error points in patient care.

- Early in 2023, MCFRS enhanced outreach and education efforts beginning with the Fire Chief's "call to action," a non-sprinklered high-rise safety campaign. Implemented additional enhancements through process changes, including more robust information and data-sharing between the Community Risk Reduction Section and Operations in support of After-the-Fire initiatives and the addition of the Community Action Lieutenant at the beginning of FY24. Applied a "whole-of-government" approach to a significant high-rise fire incident through the creation of a learning team, which brought together several County departments to analyze the community and explore methods to enhance public safety.

Fleet Management Services

- Initiated an apprentice program in response to hiring challenges and the need to develop a workforce capable of supporting zero-emission technologies. After completing a 2- year training program, successful apprentice technicians are capable of performing skilled maintenance work on the County's fleet of transit buses and heavy equipment. DFMS is also working with Montgomery College and the State of Maryland to develop a hiring pipeline and enhance the apprentice training experience.

- Procured a medium-duty electric truck, the first in the County fleet, to replace an older box truck currently operated by Montgomery County Public Libraries. The new electric truck purchase was assisted by a grant from the Maryland Energy Administration.

- Provided a Ford Mach-E electric vehicle for the Montgomery County Department of Police as a pilot to explore the suitability of electric vehicles for police patrol use. Wide-scale availability of zero emission patrol vehicles is expected by 2025.

- Replaced 24 vehicle lifts to provide a safe work environment while also reducing the County's carbon footprint. The new lifts, which replaced 20-year old equipment, use regenerative technology to recharge their batteries when a vehicle is lowered.

General Services

- Continuing the lighting and lighting control upgrades and monitoring-based commissioning of facilities to reduce energy use and improve efficiency.

- Initiating a Virtual Commissioning program for future Building Energy Performance Standards (BEPS) in buildings in conjunction with Pepco to reduce energy use and improve efficiency.

- Performing a feasibility study of the Oaks Landfill in conjunction with the Department of Environmental Protection to determine the viability of potential solar and hydrogen production on site.

- Initiating the construction of a large solar array and battery system at the Equipment, Maintenance, and Transit Operations Center (EMTOC) facility to produce solar energy and support green hydrogen production in support of the County initiative to move to a zero-emissions bus fleet.

- Continuing the affordable housing initiative, AHC Inc. was selected as a partner to redevelop the former Department of Recreation headquarters property with 195 for-sale and rental housing units affordable to households earning between 30% and 70% of the area median income (AMI). This project has come to completion and a groundbreaking ceremony was held January 2023. This project is the County's largest-ever affordable housing project.

- Building on the County Executive's commitment to expand affordable housing in the County, the Office of Planning and Development continue to refine a plan to redevelop the Burtonsville Park and Ride site. This will include a new County-owned parking garage and approximately 300 apartments, of which 30% will be affordable for households earning between 30% and 85% of the AMI. In FY23, the office received a State grant to support the project.

- Collaborating with the multifamily developer, Montgomery Housing Partnership, on development agreements and refining concept plans for locating the Wheaton Arts and Cultural Center (WACC) in a future affordable multifamily building within Wheaton Arts and Entertainment District. WACC will be a community-oriented arts incubator that will include performance spaces, classrooms, gallery space, and administrative space for local arts organizations.

Grants Management

- Expand the use of the Office of Grants Management's Outgoing Grants online application platform to more efficiently and expeditiously manage grant agreement approvals, documentation tracking, processes transparency, and overall accountability.

- Build upon successful FY24 Incoming Grant tool pilots to increase the use of grant application kick-off meetings, post-mortems, and other customized training practices that enhance the grant skills of existing MCG staff, expedite grant decision-making and maximize application development windows, and ensure lessons-learned are applied to future grant opportunities.

- Formalize an Outgoing Grants Learning Path that covers the full life-cycle a grant, from appropriation to close-out compliance, to help departments understand grants when grants may be an appropriate alternative funding tool to procurement contracts, how to design effective competitive grant programs, and oversee implementation of resulting grant awards.

Health and Human Services

- DHHS' enterprise Integrated Case Managment (eICM) Modernization system project updates the current DHHS eICM system for improved functionality, support, and cybersecurity. The contractor has been meeting with stakeholders to refine requirements and consolidate an inventory of all enterprise-wide reports applicable across DHHS service areas. In parallel, the contractor has started to design and prototype the new application to obtain early user feedback. The goal is to complete design and prototyping by mid-May 2024 and then start the build phase of the project.

- eICM includes an interface with the Maryland Department of Health CARES system. The CARES system was replaced by the MD THINK Eligibility and Enrollment (E&E) system at the end of 2021. The conversion from CARES to E&E was supposed to be an "as is" conversion but the eICM support team discovered numerous issues with the data sent by E&E. Over the course of the previous year, a significant collaborative effort between the E&E and eICM teams resolved all the data issues. This work involved numerous rounds of requesting data, testing, and then requesting changes in the E&E system to resolve the issues identified in testing.

- QLESS is a lobby management system that was implemented in DHHS' heavily trafficked locations in 2017. The initial implementation focused on serving some programs at some locations. Based on the success of this system in helping programs manage the lobbies, the Department has expanded to nine locations over the past year. Additional functionalities implemented or planned in FY24 include the ability to track service request volumes, virtually queue so clients no longer need to physically enter DHHS spaces, tracking clients by location, enabling individuals to view their place in a queue for services, working with MC311 to queue individuals requesting Office of Eligibility and Support Services (OESS) assistance, installing commercial displays that can easily change content to not only show QLESS information but other HHS priority information for customers, and replacing kiosks at all locations with larger screens for easier sign-in access for customers.

- Licensure and Regulatory (L&R) Services selected the commercial CivicGov software to process applications, receive payment, better communicate with businesses, and combine multiple databases. DHHS Information Technology (IT), L&R, and the vendor have been working with County stakeholders to implement the software and expect to "Go Live" by the end of March 2024. CivicGov will also make processing the applications and payments easier for the County and the almost 4,400 constituents or businesses that will use CivicGov.

- The DHHS Community Connect Application will improve the client experience and increase the efficiency of Case Workers in providing benefits and services to the community, such as reduced foot traffic, increased flexibility, improved document sharing, reduced application intake time, application tracking, screening for other needs, and easier reporting of changes. DHHS is currently in user acceptance and community testing and expects to "Go Live" with the first two phases of implementation in the fourth quarter of FY24. In FY25, the focus will be on development of the provider portal module of the platform which will be aimed at providing improved invoicing and transactions processing related to customer benefits approved by the County.

- DHHS Information Technology team completed the Hyper-Converged Infrastructure (HCI) system project. All HHS applications that were at their end of life for maintenance support were successfully transferred to this newer, more efficient, and secure hardware.

- The Services to End and Prevent Homelessness (SEPH) division worked with DHHS Information Technology to implement additional updates to the online application system for COVID Rent Relief and emergency Rental Assistance Program (CRR and eRAP). FY24 updates included creating duplicate applications to support households with additional funds, updating the reporting capability to more easily respond to data requests, and enhancing data validation and alerts for required fields to improve the accuracy of the applications.

Housing and Community Affairs

- DHCA's Moderately Priced Dwelling Unit (MPDU) program continues to generate new affordable units throughout the County. During FY23, the MPDU program generated 378 new MPDUs offered either for sale (43 units) or for rent (335 units).

- DHCA's Multifamily Housing Development team successfully closed thirteen residential real estate loan transactions in FY23. Montgomery County provided more than $96 million towards these developments. These transactions preserved, rehabilitated, or produced 975 units of affordable housing at an average cost of $98,847 per unit throughout the County.

- The Focused Neighborhood Assistance (FNA) program provides financial and technical assistance to improve the quality of life, safety, and welfare of their residents. Construction was substantially completed in FY23 for the Grover's Forge, Center Stage, Walker's Choice, and The Hamptons neighborhoods of Montgomery Village. All these communities will benefit from new LED lighting and site improvements. Additionally, the FNA program advanced a drainage and landscaping improvement project in the Wedgewood neighborhood and a lighting and common area improvement plan for the Montclair neighborhood.

- Historically, the Code Enforcement team completes an average of 28,000 site visits and responds to 10,000 service requests annually. In FY23, the team completed 40,970 site visits and responded to more than 9,600 service requests.

- DHCA's Code Enforcement unit continues to implement a contract established in 2003 with the City of Takoma Park to inspect the City's residential rental facilities. This agreement was established to ensure the protection of the health, safety and welfare of persons residing in over 500 residential rental facilities and 3,200 rental units within the City of Takoma Park.

Human Resources

- Modernized the careers site, work4mcg.com, to streamline the jobseeker user experience, resulting in a 33% increase in unique OHR webpage views per month in the first six months from implementation, from 47,300 to 63,050.

- Expanded social media outreach to jobseekers through LinkedIn and X, resulting in a 26% increase in followership on LinkedIn since March 2023, from 13,894 to 17,446 followers.

- Implemented a retirement estimator tool for employees to access and determine the future cost of retiree health insurance and to cut down on the manual calculations the Health Insurance team performs for employee inquiries.

- Removed barriers to recruitment and strengthened hiring options through collaborations with Hiring Leads to create a non-clinical job classification for Social Workers in the Department of Health and Human Services (HHS) - the Licensed Bachelor Social Worker (LBSW) - to build a pipeline of candidates from colleges and universities; expand use of the Licensed Practical Nurse (LPN) role created for use in the Department of Corrections and Rehabilitation to HHS; remove the recreation-specific degree requirement from the Department of Recreation position series; and revise minimum qualifications for Legislative Analysts I, II, III in County Council to remove legislative-specific experience that hindered recruitment efforts.

Human Rights

- Coordinated and assisted in the planning of the 2023 International Association of Official Human Rights Agencies Annual Human Rights Conference in Rockville, MD.
- Coordinated a special installation ceremony of historical markers at the County Council Office Building in recognition of three men lynched in Montgomery County in the late1800s: George Peck, John Diggs Dorsey, and Sidney Randolph.

Inspector General

- A mechanism to track savings and improvements identified $133,000 in improper payments, $23,661 funds that could have been put to better use, $160,000,000 in potentially underreported spending, $210,000 in revenue loss, and $1,600 in theft through OIG audits, investigations, and referrals.
- Bill 27-22 expanded protections against retaliation to all complainants to the OIG, extended the obligation to report fraud, waste, and abuse to County contractors, and enhanced the subpoena power to ensure OIG access to necessary records.

Intergovernmental Relations

- Narrowed the types of requests for information made by the Office of Intergovernmental Relations to Executive and Legislative staff to lessen the workload of legislation-related policy and fiscal informational requests.
- Continued to strengthen collaboration between the County and the Congressional Delegation to establish a more efficient process to secure federal earmarks.
- Continued to enhance outreach and training for Executive and Legislative staff liaisons, regarding the new Legislative Tracking System (Engagifii), to maximize opportunities for higher level collaboration and efficiency.

Labor Relations

- Created and began implementation of a centralization plan to reassign countywide labor and employee relations functions to OLR.
- Negotiated a new Collective Bargaining Agreement (CBA) with the International Association of Fire Fighters and a new Direct Bargaining Agreement (DBA) with the Montgomery County Volunteer Fire-Rescue Association.
- Modified the County's Collective Bargaining Issues Development and Strategy Process for Term Bargaining in order to streamline and expedite the process, and re-established a Collective Bargaining Policy Committee to set County priorities ahead of term bargaining.
- Launched a new website highlighting the services that OLR provides.
- Created and implemented multiple Standard Operating Procedures for ensuring that labor and employee relations issues are addressed timely and consistently, and developed training content on multiple labor and employee relations subjects that will ultimately become a comprehensive training library to guide and support departments.
- Established countywide Labor Management Relations Committee (LMRC) subcommittees on health and safety topics; department-level LMRCs in nearly every department in the County; and quarterly training for all LMRC members.
- Re-established the Conflict Facilitation Program - a program that affords employees and managers the opportunity to resolve workplace conflict informally.
- Modified and improved grievance processing through use of a new grievance tracker as well as software that allows OLR to track the status of all grievances in real time, and restarted the OLR scanning project effort to digitize and organize paper files.
- Modified and streamlined the Bargaining Unit determination process to ensure compliance with personnel regulations.
- Expanded and resourced the OLR Racial Equity and Social Justice Core Team with a second equity lead.

Management and Budget

- Made improvements to nine workflows used by departments to submit and track requests to OMB, increasing ease of use and providing better visibility of request progress.
- Added dashboards for OMB staff and managers to track all workflow requests to ensure timely processing of requests.
- Implemented a grievance intake and tracking workflow for the Office of Labor relations.
- Added a Position Cost Calculator to the BASIS Operating Budget System to simplify and standardize department budget preparations.

Parking District Services

- Pilot License Plate Reader (LPR) integration into select off-street Parking Pay by Plate facilities to better track payment records and offer automated payment reminder and/or enforcement.
- Completed parking ambassadors to off-street garages to patrol during peak hours providing payment support, service advertising, security enhancements and community assistance.
- Digital permits for garage specific parking in the Parking Lot Districts.
- Expand cloud-based security cameras with integrated notification system.

Permitting Services

- Adoption of 2021 IBC, IECC, IEBC, IgCC, 2020 NEC and 2021 NFPA Codes (Building, Energy, Existing Building, Green Building, Electrical & Fire Codes), 2021 International Residential Code (IRC) and the 2020 National Electric Code (NEC).
- Upgrade electronics plans submission system to improve system reliability, scalability, collaboration, security, and performance.
- Adopted and implemented the Compliance Engine application to better protect county residents and businesses with enhanced, proactive fire prevention related to maintenance and testing compliance of fire protection systems in buildings.
- Permitting Services' Podcast is an archive of topics featured on social media platforms that include news releases that raise awareness, feature subject-matter experts, and discuss a variety of topics that promote innovation and outreach within the community.
- Reinstituted the Residential Fast Track program with the goal of significantly shortening the issuance time (1 day) for small residential projects.

Police

- MCPD expanded the Drone as First Responder Pilot program, which is an end-to-end public safety drone program, to increase the effectiveness of police response and to reduce incidences of unnecessary use of force through improved surveillance and information on calls. Information on whether a suspect is armed can inform and improve officer decision-making.

Procurement

- Implemented a digital solution to address the inefficiencies of conventional, paper-based procurement practices to a more streamlined digitized approach, which resulted in the complete virtualization of County contracting. The County's contracts and all related documentation (including inter-departmental communications, contracting actions, meeting minutes, and sourcing records) were printed and stored in folders and numerous file cabinets within Procurement. This method of managing contracts faced many challenges that were further magnified with the onset of the pandemic in 2020.
- Implemented web-based tools to assist County Departments in managing informal solicitations by providing immediate access to County solicitation data which increased transparency, eliminated errors due to manual processes, and improved efficiency of the

overall process.

- Implemented a new workflow management tool used by County Departments to expedite the receipt and approval of emergency purchases for any dangerous conditions or unforeseen curtailments, diminution, or termination of an essential service that poses an immediate danger to health, life, or property.

- Implemented the first phase of the web-based Contract Review Committee application to improve the efficiency of the overall process, and to maintain compliance with updates to the Open Meetings Act. Additional phases will further improve the process and include reporting features.

Public Information

- To take advantage of efficiencies generated by technological advancements, MC311 is shifting from the Public Information Office (PIO) into Department of Technology and Enterprise Business Solutions (TEBS). This realignment will allow MC311 to continue to provide excellent customer service for Montgomery County residents while leveraging TEBS's expertise with chatbots and artificial intelligence to help residents find answers to their questions faster.

Public Libraries

- Expanded LaunchPad tablet collection to encourage early digital literacy and kindergarten readiness.

- Established Teen Advisory Boards at 17 branch libraries and one virtual board.

- Grew Summer Reading Challenge! program to highest participation level in eight years.

- Created a Facilities Master Plan in partnership with the Department of General Services and an architect and engineering firm which will guide decision making for maintenance, upgrades, renovation, and new construction of MCPL facilities throughout the County for the next three years.

- Refreshed and re-opened the Potomac Library on April 15, 2023.

- Installed security cameras and badge access readers at 21 locations to make MCPL a safer space for staff and the public.

- Automated Branch Newsletters: MCPL worked with our newsletter vendor to develop custom code that populates events from our calendar into individual branch newsletters on a rolling month cycle. This automation then sends a custom branch-specific newsletter highlighting MCPL programs and services to all MCPL cardholders based on their selected home branch location. This automation has increased MCPL's marketing reach by 21-fold, without adding any additional work to the Digital Strategies Unit.

- Implementation of CollectionHQ with a new tool to improve diversity, equity, and inclusion in MCPL's Library Collections.

Racial Equity and Social Justice

- Conducted a Racial Equity Impact Assessment (REIA) revamp process to improve its impact on decision-making.

- Conduct on-going focus groups with department users of the Office of Racial Equity and Social Justice (ORESJ) budget tools and services.

- Added training opportunities for County staff, including another facilitated Advancing Racial Equity Training, a self-guided version of the Advancing Racial Equity Training that can be accessed anytime by County staff, added inclusive language training every two months, and revamped the Groundwater training.

Recreation

- Youth Development Accomplishments/Innovations:
  - National Association of Counties (NACo) awards won across the department.
  - Launch of Teens Day Out - school year and summer programming for middle schoolers on days out of school.
  - Launch of Teen Summer Camp - full-day summer camp program for middle schoolers at two locations.
  - Teen Mental Health First Aid - partnered with local organization Global Sustainable Partnerships to offer the first in-state program/curriculum/certification for youth.

  Collaborations and Partnerships:

  - Buckets & Beats - Youth Block Party in partnership with County Councilmember Kate Stewart's office and other County departments/agencies and community partners (September 2023).
  - Investigative Team Program - afterschool partnership with Montogomery County Police Department (MCPD) within RecXtra programs (March 2023).

- Countywide Accomplishments:
  - NACo awards for HerTime2Shine Volleyball Leagues and Kids Day Out/Teens Day Out.
  - Expansion of youth sports opportunities to include:
    - Two locations (Wheaton and Damascus) for Youth Flag Football with 694 enrollments over six seasons.
    - Four locations (East County, Ross Boddy, Plum Gar, and White Oak) for HerTime2Shine Volleyball with 3,908 enrollments over nine seasons.
    - Enrichment program in summer camps for youth lacrosse with 1,992 enrollments over one summer.
    - Launched the Department of Recreation's first Cricket Program in the East County, serving 33 youth.
  - Established the County's first Sports Advisory Committee. Screened over 100 applications, and the committee met for the first time in June 2023.

- Modernized the Recreation Insider Newsletter and Rec Bulletin to streamline program information, services, events, and activities calendar. In addition, launched the first Department of Recreation's podcast which provides educational content and information to a wider audience.

Recycling and Resource Management

- Added a low-speed, high-torque shredder to reduce the size of yard trim material at the yard trim facility. While the average throughput per hour is lower than the high-speed, horizontal grinders, this unit has significantly more uptime and burns about 60% less fuel. The Material Management Section is focused on selecting capital equipment to increase operating efficiency and reduce operating and maintenance costs at both the grinding operation and the compost facility.

- Implemented the Tire Tracking Application that allows staff to quickly gather and store necessary customer information along with the number of tires dropped off so that when that customer returns, their license is scanned and their record quickly appears, reducing the process time significantly. Previously, contractors at the transfer station would manually write down customer vehicle registration numbers and the amount of tires they dropped off in a ledger. Residents can drop off up to five tires a year.

- Added unattended vehicle processing at the recycling scale house that does not require an employee to process. Custom built transaction kiosks were installed so that drivers can now process themselves in less than 20 seconds without a scale attendant being present. Lift gates were also installed that will raise automatically when the transaction is complete.

Sheriff

- The Office of the Sheriff partnered with other public safety agencies, local businesses, and higher education institutions to promote hiring opportunities including Planet Fitness, Montgomery College, Hood College, and Liberty University.

State's Attorney

- PROSECUTORbyKarpel (PbK) Prosecutor Case Management System (PCMS) was installed on June 12, 2023, and is the primary repository for all case-related information (reports, documents, statistics, body worn camera and surveillance videos, cell phone and computer data dumps) and eDiscovery material for the prosecution of cases within the Circuit and District Courts. The PbK system also contains an electronic eDiscovery portal which allows the Assistant State's Attorneys and discovery teams to electronically assemble and send discovery material to defense attorneys.

- During the 2023 calendar year, the State's Attorney's Office had law students, undergraduate students, and high school students who volunteered their time to the office. These students worked a total of 25,186 hours which equates to over 12 full-time positions.

- In partnership with Prosecutorial Performance Indicators and researchers at the University of Maryland, Towson University, and George Mason University, the State's Attorney's Office conducted a study on criminal prosecution in Montgomery County. The "Final Report on Racial Justice in Prosecution in Montgomery County" details key findings, study methodology, descriptive results, statistical analysis, and recommendations. The Office will maintain a data dashboard including key graphics and highlights.

Technology and Enterprise Business Solutions

- Established the Artificial Intelligence Center of Excellence (AICOE), a governing body to lead the responsible integration and optimization of AI within the County's public service systems. The AICOE leverages knowledge and experience from private industry, government partners, and academia to use and govern AI to improve service delivery, optimize resource utilization, and ensure a higher quality of experiences for stakeholders and residents.

- Implemented a new website chatbot powered by generative AI technology with close consultation from TEBS, MC311, Community Engagement Cluster (CEC), and public safety stakeholders; resident focus groups were also conducted with assistance from Innovation@MCG. The chatbot, Monty 2.0, replaces the existing website chatbot (Monty 1.0) previously deployed in April 2021. Implementing the Monty 2.0 chatbot improves the resident experience and exponentially expands the information available for public consumption, allowing residents to acquire County services-related information from over 3,000 topics.

- Launched XR Montgomery to offer extended reality (XR) pilots throughout Montgomery County including Augmented Reality (AR) at Oakley Cabin African American Museum and Park in seven languages, and Virtual Reality (VR) Seniors at senior centers. The County is leveraging technology to provide new ways to discover history and expand access to historical sites by providing the ability to see a 3D model of the inside of Oakley Cabin everyday online instead only visiting on one of the few days Oakley Cabin is open to the public. This technology is enabling us to find innovative ways to reduce social isolation for seniors and provide youth employment in partnership with TeenWorks Tech Connect.

- Continue our modernization efforts to improve the public-facing experiences for County residents.

Transportation

- Created an internal tracking system to organize review requests and submissions to the Office of the County Attorney.

- Hosted bi-monthly meetings with the Office of County Attorney to ensure legal counsel is kept informed on project development/negotiation status, and reviewed case studies/Right of Way scenarios and best practices.

- Added a Property Acquisition Section deadlines calendar to ensure important deadlines, dates, and reminders can be tracked in a central location.

- Initiated development of "Sorry We Missed You" door hangers for Property Acquisition Section (PAS) staff to leave on residential properties in the event contact could not be made via mail, email, or phone for upcoming projects that require land acquisition or easements to their property. This innovation will aid PAS in ensuring efforts to contact property owners regarding these necessary actions are documented prior to seeking alternative methods of settlement.

Urban Districts

- The Bethesda Urban District is creating an updated website which will feature downtown Bethesda's events, local businesses, information on the Bethesda Urban Partnership and more.

- The Bethesda Urban District purchased and will install 10 new recycling containers on the street in Woodmont Triangle. This improvement furthers the district's goal of becoming a greener county by increasing the total number of recycling containers downtown.

- The Wheaton Urban District increased civic engagement by opening up the Marian Fryar Plaza, Wheaton Maryland-National Capital Park and Planning Commission Plaza, and Conference Room for utilization by the Community members.

- The Wheaton Urban District completed the transition from gasoline-powered maintenance and snow equipment to electric-powered maintenance snow equipment in FY24.

- The Wheaton Urban District activated a Community Access Grant to allow non-profits and public community groups to rent/utilize County resources and spaces within the Wheaton Urban District at a reduced rate.

- The Friendship Heights Urban District supports marketing and communications for local businesses along the corridor, providing social media outreach, business listings, and promotional activities to drive customers to retailers and restaurants.

- The Friendship Heights Urban District supports a business public safety program, convening regular meetings for business and community members with Montgomery County Police Department, District of Columbia Metropolitan Police Department, and Metro Transit police.

- The Silver Spring Urban District developed a planting plan that incorporates the beauty and function of native plant material in tree beds on Georgia Avenue from Spring Street to East-West highway and flowerpots throughout many other areas of the district. Native species are important because they allow pollinators such as birds and bees to thrive and can naturally adapt to local growing conditions and quickly contribute to a successful ecosystem.

- The Silver Spring Urban District coordinated quarterly meetings of the 'marketing minds of Silver Spring' to discuss objectives for aligned and strategic marketing, offer networking opportunities, and provide training to participants. The Urban District will extend a social media, branding, and marketing series to local small businesses in partnership with the Business Center in the remainder of FY24.

Appendices

- Change in Ending Fund Balance
- Trends & Projections
- Changes in Assumptions: Economic, Demographic, and Revenues
- Revenue Summary
- Non Agency Uses of Resources
- Revenues
- PSP Fiscal Policy
- CIP Fiscal Policy
- Glossary
- Acronyms

Change in Ending Fund Balance

	FY24 Approved Ending Fund Balance	FY25 Recommended Ending Fund	Change in Fund Balance	% Change
TAX SUPPORTED				
Montgomery County Government				
County General Fund	84,547,141	85,133,132	585,991	0.7%
Bethesda Urban District	91,782	97,351	5,569	6.1%
Fire	109,333	286,116	176,783	161.7%
Mass Transit	348,239	344,639	-3,600	-1.0%
Recreation	99,585	204,050	104,465	104.9%
Revenue Stabilization Fund	630,156,187	676,177,529	46,021,342	7.3%
Silver Spring Urban District	109,315	118,518	9,203	8.4%
Wheaton Urban District	79,151	96,420	17,269	21.8%
Montgomery College				
Emergency Repair Fund	535,078	602,070	66,992	12.5%
Current Fund MC	27,245,383	52,394,218	25,148,835	92.3%
Maryland-National Capital Park and Planning Commission				
Administration Fund	1,265,253	1,371,178	105,925	8.4%
Park Fund	5,097,027	6,182,671	1,085,644	21.3%
NON-TAX SUPPORTED				
Montgomery County Government				
Cable Television	117,301	1,042,213	924,912	788.5%
Water Quality Protection Fund	6,915,069	4,057,150	-2,857,919	-41.3%
Bethesda Parking District	6,270,848	7,363,846	1,092,998	17.4%
Community Use of Public Facilities	1,558,526	663,351	-895,175	-57.4%
Liquor Control	4,124,591	4,973,221	848,630	20.6%
Permitting Services	39,751,476	38,481,980	-1,269,496	-3.2%
Silver Spring Parking District	1,570,734	2,538,231	967,497	61.6%
Solid Waste Collection	847,814	3,769,659	2,921,845	344.6%
Vacuum Leaf Collection	1,275,527	1,543,457	267,930	21.0%
Wheaton Parking District	1,277,674	1,617,937	340,263	26.6%

Explanation of Changes in Fund Balance Greater Than 10%:

Wheaton Urban District	The change in fund balance is to meet the policy level of 2.5% of resources.
Recreation	The County's policy is to maximize tax supported reserves in the General Fund, which is limited by the County Charter to five percent of prior year's General Fund revenues. Reserves in the property tax special funds have been minimized as much as possible consistent this reserve policy.
Bethesda Parking District	The Recommended FY25 ending fund is higher due to the sale of land (Lot 24) in FY23 and the extension of operational hours commencing in FY24 (mid-year), increasing FY25 revenue projections.
Liquor Control	The increase in fund balance maintains the fund at the policy level.
Current Fund MC	The FY25 fund balance increase is primarily due to FY24 cost savings, an increase in tuition revenues from slight higher enrollment, and a better return on investments.
Fire	The County's policy is to maximize tax supported reserves in the General Fund, which is limited by the County Charter to five percent of prior year's General Fund revenues. Reserves in the property tax special funds have been minimized as much as possible consistent this reserve policy.

Explanation of Changes in Fund Balance Greater Than 10% (Continued):

Emergency Repair Fund MC	The FY25 fund balance increase is primarily a result of reduced demand for emergency expenditures during FY24.
Park Fund	The projected ending fund balance is consistent with fund balance policy, which is approximately 4 percent of resources.
Water Quality Protection Fund	The change in fund balance is due to the fund using accumulated fund balance as current revenue in the capital budget to reduce the amount of debt needed to support the program.
Cable Television	The fund balance is returning to a level that is closer to the policy level by reductions to all programs within the Cable Fund and moving some programs to the General Fund.
Community Use of Public Facilities	The FY25 ending fund balance is estimated below the reserve policy level due to lower than anticipated revenue projections.
Silver Spring Parking District	The Recommended FY25 ending fund balance reflects the extension of operational hours and a reduced transfer to the Silver Spring Urban District.
Wheaton Parking District	The Recommended FY25 ending fund balance is higher due to improved revenue projections and a reduced transfer to the Wheaton Urban District.
Solid Waste Collection	Rates increased increased in FY24 to repay a loan from the Disposal Fund and satisfy the Fund's fiscal health measures, which were previously failing because of the loan.
Vacuum Leaf Collection	The change in fund balance is due to favorable weather conditions in FY24, resulting in lower costs.

TRENDS AND PROJECTIONS

Demographic and Planning Indicators	FY23	FY24	FY25	FY26	FY27	FY28	FY29	FY30
POPULATION	1,056,800	1,061,096	1,065,410	1,072,219	1,079,072	1,085,969	1,092,910	1,099,895
Annual Increase	4,279	4,296	4,314	6,809	6,853	6,897	6,941	6,985
Population Growth Since 2014	3.8%	4.2%	4.7%	5.3%	6.0%	6.7%	7.4%	8.0%
County Resident Births (Prior Calendar Year) (a)	12,160	12,310	12,440	12,550	12,660	12,780	12,900	13,020
HOUSEHOLDS	393,658	396,033	398,423	401,974	405,558	409,173	412,820	416,500
Household Annual Growth (%)	0.6%	0.6%	0.6%	0.9%	0.9%	0.9%	0.9%	0.9%
Household Growth Since 2014	7.9%	8.5%	9.2%	10.2%	11.2%	12.1%	13.1%	14.2%
Household Growth Since 1992	35.2%	36.0%	36.8%	38.0%	39.3%	40.5%	41.8%	43.0%
Household Size	2.68	2.68	2.67	2.67	2.66	2.65	2.65	2.64
RESIDENT EMPLOYMENT (Jan = Calendar Year)	541,360	528,623	529,408	535,761	538,975	541,873	544,607	546,800
Resident Employment Annual Growth (%)	2.0%	-2.4%	0.1%	1.2%	0.6%	0.5%	0.5%	0.4%
Resident Employment Growth Since 2014	4.0%	1.6%	1.8%	3.0%	3.6%	4.1%	4.7%	5.1%
Resident Employment Per Household	1.38	1.33	1.33	1.33	1.33	1.32	1.32	1.31
Jobs in County (a)	513,800	518,400	522,900	527,400	532,000	536,500	541,100	545,600
PERSONAL INCOME ($ Millions)	$101,640	$104,270	$107,450	$112,410	$117,310	$122,070	$126,450	$130,670
Per Capita Personal Income	$96,180	$98,270	$100,850	$104,840	$108,710	$112,410	$115,700	$118,800
Annual Growth (%)	3.0%	2.2%	2.6%	4.0%	3.7%	3.4%	2.9%	2.7%
CONSUMER PRICE INDEX (CPI) - Fiscal Year	5.06%	2.94%	2.19%	2.27%	2.29%	2.21%	2.25%	2.27%
CONSUMER PRICE INDEX (CPI) - Calendar Year (%)	3.11%	2.73%	2.11%	2.34%	2.23%	2.23%	2.26%	2.27%
ASSESSABLE TAX BASE ($ Millions)	$214,055	$222,427	$234,925	$243,755	$250,716	$255,860	$259,485	$267,796
Annual Growth (%)	3.5%	3.9%	5.6%	3.8%	2.9%	2.1%	1.4%	3.2%
INVESTMENT INCOME YIELD (%)	3.39%	5.32%	4.30%	3.25%	3.00%	3.00%	3.00%	3.00%
MCPS ENROLLMENT (Sept = Calendar Year)	160,554	160,223	161,580	163,382	164,106	165,461	166,554	167,543
Annual Growth (%)	-0.3%	-0.2%	0.8%	1.1%	0.4%	0.8%	0.7%	0.6%
Annual Increase (Decrease)	-548	-331	1,357	1,802	724	1,355	1,093	989
MONTGOMERY COLLEGE ENROLLMENTS (B)	17,780	17,980	18,214	18,436	18,583	18,848	18,848	18,848
Annual Growth (%)	3.8%	1.1%	1.3%	1.2%	0.8%	1.4%	0.0%	0.0%
Full Time Equivalents Students (Sept = Calendar Year) (C)	14,533	14,984	15,183	15,515	15,726	15,954	15,954	15,954
Annual Growth in FTES (%)	0.6%	3.1%	1.3%	2.2%	1.4%	1.4%	0.0%	0.0%

(a) Projections related to County Resident Births and Jobs in the County are provided by M-NCPPC and are as of March 2024.
(b) Projections related to Montgomery College Enrollments are provided by Montgomery College and include projections through FY28. Since no projections are provided for FY29 and FY30, the projections for FY28 were used.
(c) Projections related to Montgomery College Full Time Equivalents are provided by Montgomery College and include projections through FY28. Since no projections are provided for FY29 or FY30, the projections for FY28 were used.

Changes in Assumptions: Economic, Demographic, and Revenues
December 2017 through March 2024

A	N	M	N	M	N	M	N	M	N	M	N	M	N
	Projected FY24	% Chg. FY24-25	Projected 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
Population													
December 2017	1,097,060		n/a		n/a		n/a		n/a		n/a		n/a
March 2018	1,097,060		n/a		n/a		n/a		n/a		n/a		n/a
December 2018	1,130,167	0.9%	1,140,746		n/a		n/a		n/a		n/a		n/a
March 2019	1,130,167	0.9%	1,140,746		n/a		n/a		n/a		n/a		n/a
December 2019	1,106,793	0.8%	1,115,663	0.8%	1,124,587		n/a		n/a		n/a		n/a
March 2020	1,106,793	0.8%	1,115,663	0.8%	1,124,587		n/a		n/a		n/a		n/a
December 2020	1,096,182	0.7%	1,103,440	0.8%	1,111,738	0.8%	1,120,098		n/a		n/a		n/a
March 2021	1,096,182	0.7%	1,103,440	0.8%	1,111,738	0.8%	1,120,098		n/a		n/a		n/a
December 2021	1,093,570	0.7%	1,101,590	0.7%	1,109,670	0.7%	1,117,810	0.7%	1,126,010		n/a		n/a
March 2022	1,090,480	0.7%	1,097,702	0.8%	1,105,957	0.8%	1,114,273	0.8%	1,122,652		n/a		n/a
December 2022	1,090,480	0.7%	1,097,702	0.8%	1,105,957	0.8%	1,114,273	0.8%	1,122,652	0.8%	1,131,094		n/a
March 2023	1,075,926	0.7%	1,083,052	0.8%	1,091,196	0.8%	1,099,402	0.8%	1,107,669	0.8%	1,115,998		n/a
December 2023	1,061,096	0.4%	1,065,410	0.6%	1,072,219	0.6%	1,079,072	0.6%	1,085,969	0.6%	1,092,910	0.6%	1,099,895
March 2024	1,061,096	0.4%	1,065,410	0.6%	1,072,219	0.6%	1,079,072	0.6%	1,085,969	0.6%	1,092,910	0.6%	1,099,895
MOE Enrollment													
December 2017	169,012		n/a		n/a		n/a		n/a		n/a		n/a
March 2018	169,012		n/a		n/a		n/a		n/a		n/a		n/a
December 2018	172,303	1.2%	174,322		n/a		n/a		n/a		n/a		n/a
March 2019	172,303	1.2%	174,322		n/a		n/a		n/a		n/a		n/a
December 2019	171,029	0.3%	171,492	-0.1%	171,319		n/a		n/a		n/a		n/a
March 2020	171,029	0.3%	171,492	-0.1%	171,319		n/a		n/a		n/a		n/a
December 2020	167,845	0.4%	168,551	1.1%	170,382	0.2%	170,761		n/a		n/a		n/a
March 2021	167,845	0.4%	168,551	1.1%	170,382	0.2%	170,761		n/a		n/a		n/a
December 2021	163,529	0.8%	164,779	0.4%	165,358	0.4%	166,022	0.1%	166,160		n/a		n/a
March 2022	163,529	0.8%	164,779	0.4%	165,358	0.4%	166,022	0.1%	166,160		n/a		n/a
December 2022	164,904	0.4%	165,536	0.0%	165,520	0.4%	166,215	0.6%	167,238	0.0%	167,238		n/a
March 2023	164,904	0.4%	165,536	0.0%	165,520	0.4%	166,215	0.6%	167,238	0.0%	167,238		n/a
December 2023	161,565	1.1%	163,382	0.4%	164,106	0.8%	165,461	0.7%	166,554	0.6%	167,543	0.0%	167,543
March 2024	160,223	0.8%	161,580	1.1%	163,382	0.4%	164,106	0.8%	165,461	0.7%	166,554	0.6%	167,543
College Enrollment (FTE)													
December 2017	20,459		n/a		n/a		n/a		n/a		n/a		n/a
March 2018	20,459		n/a		n/a		n/a		n/a		n/a		n/a
December 2018	18,744	0.0%	18,744		n/a		n/a		n/a		n/a		n/a
March 2019	20,459	0.0%	20,459		n/a		n/a		n/a		n/a		n/a
December 2019	18,744	0.0%	18,744	0.0%	18,744		n/a		n/a		n/a		n/a
March 2020	18,541	1.1%	18,747	0.0%	18,747		n/a		n/a		n/a		n/a
December 2020	19,110	1.0%	19,292	0.0%	19,292	0.0%	19,292		n/a		n/a		n/a
March 2021	19,110	1.0%	19,292	0.0%	19,292	0.0%	19,292		n/a		n/a		n/a
December 2021	13,711	-1.2%	13,543	1.6%	13,762	0.0%	13,762	0.0%	13,762		n/a		n/a

Changes in Assumptions: Economic, Demographic, and Revenues
December 2017 through March 2024

A	N	M	N	M	N	M	N	M	N	M	N	M	N
	Projected FY24	% Chg. FY24-25	Projected 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
March 2022	13,711	-1.2%	13,543	1.6%	13,762	0.0%	13,762	0.0%	13,762		n/a		n/a
December 2022	13,711	-1.2%	13,543	1.6%	13,762	1.4%	13,956	0.0%	13,956	0.0%	13,956		n/a
March 2023	13,711	-1.2%	13,543	1.6%	13,762	1.4%	13,956	0.0%	13,956	0.0%	13,956		n/a
December 2023	14,984	1.3%	15,183	2.2%	15,515	1.4%	15,726	1.4%	15,954	1.6%	16,208	0.0%	16,208
March 2024	14,984	1.3%	15,183	2.2%	15,515	1.4%	15,726	1.4%	15,954	0.0%	15,954	0.0%	15,954
CPI (Fiscal Year)													
December 2017	2.4%		n/a		n/a		n/a		n/a		n/a		n/a
March 2018	2.4%		n/a		n/a		n/a		n/a		n/a		n/a
December 2018	2.9%	0.0%	2.9%		n/a		n/a		n/a		n/a		n/a
March 2019	2.7%	0.0%	2.7%		n/a		n/a		n/a		n/a		n/a
December 2019	1.6%	-1.1%	1.6%	-1.1%	1.5%		n/a		n/a		n/a		n/a
March 2020	1.6%	-1.1%	1.6%	-1.1%	1.5%		n/a		n/a		n/a		n/a
December 2020	2.4%	0.8%	2.4%	0.0%	2.4%	0.0%	2.4%		n/a		n/a		n/a
March 2021	2.4%	0.8%	2.4%	0.0%	2.4%	0.0%	2.4%		n/a		n/a		n/a
December 2021	2.5%	-3.2%	2.4%	-1.6%	2.4%	-3.3%	2.3%	-3.9%	2.2%		n/a		n/a
March 2022	2.3%	4.9%	2.4%	0.0%	2.4%	-3.8%	2.3%	-5.3%	2.2%		n/a		n/a
December 2022	2.1%	-16.1%	1.8%	23.7%	2.2%	6.4%	2.3%	1.3%	2.4%	3.8%	2.5%		n/a
March 2023	2.1%	3.3%	2.2%	1.4%	2.2%	0.9%	2.2%	4.9%	2.3%	-0.4%	2.3%		n/a
December 2023	2.9%	-28.7%	2.1%	7.8%	2.2%	-3.2%	2.2%	0.5%	2.2%	4.6%	2.3%	1.3%	2.3%
March 2024	2.9%	-25.5%	2.2%	3.7%	2.3%	0.9%	2.3%	-3.5%	2.2%	1.8%	2.3%	0.9%	2.3%
Growth Resident Employment (%)													
December 2017	0.9%		n/a		n/a		n/a		n/a		n/a		n/a
March 2018	0.8%		n/a		n/a		n/a		n/a		n/a		n/a
December 2018	0.7%	0.0%	0.7%		n/a		n/a		n/a		n/a		n/a
March 2019	0.8%	0.0%	0.8%		n/a		n/a		n/a		n/a		n/a
December 2019	0.8%	-0.8%	0.8%	-0.8%	0.8%		n/a		n/a		n/a		n/a
March 2020	0.8%	0.1%	0.8%	-0.2%	0.8%		n/a		n/a		n/a		n/a
December 2020	1.8%	-27.8%	1.3%	-23.1%	1.0%	-30.0%	0.7%		n/a		n/a		n/a
March 2021	2.0%	-30.0%	1.4%	-21.4%	1.1%	-27.3%	0.8%		n/a		n/a		n/a
December 2021	1.4%	-35.7%	0.9%	-11.1%	0.8%	-12.5%	0.7%	0.0%	0.7%		n/a		n/a
March 2022	1.5%	-33.3%	1.0%	-20.0%	0.8%	-12.5%	0.7%	0.0%	0.7%		n/a		n/a
December 2022	1.9%	-10.5%	1.7%	-58.8%	0.7%	0.0%	0.7%	0.0%	0.7%	-14.3%	0.6%		n/a
March 2023	1.6%	25.0%	2.0%	-55.0%	0.9%	-22.2%	0.7%	0.0%	0.7%	-14.3%	0.6%		n/a
December 2023	-1.6%	156.3%	0.9%	11.1%	1.0%	-40.0%	0.6%	-16.7%	0.5%	0.0%	0.5%	-20.0%	0.4%
March 2024	-2.4%	-104.2%	0.1%	1100.0%	1.2%	-50.0%	0.6%	-16.7%	0.5%	0.0%	0.5%	-20.0%	0.4%
Personal Income (CY)													
December 2017	117,080		n/a		n/a		n/a		n/a		n/a		n/a
March 2018	115,230		n/a		n/a		n/a		n/a		n/a		n/a
December 2018	115,310	4.7%	120,760		n/a		n/a		n/a		n/a		n/a
March 2019	120,200	4.3%	125,400		n/a		n/a		n/a		n/a		n/a

Changes in Assumptions: Economic, Demographic, and Revenues
December 2017 through March 2024

A	N	M	N	M	N	M	N	M	N	M	N	M	N
	Projected	% Chg.	Projected	% Chg.	Projected	% Chg.	Projected	% Chg.	Projected	% Chg.	Projected	% Chg.	Projected
	FY24	FY24-25	FY25	FY25-26	FY26	FY26-27	FY27	FY27-28	FY28	FY28-29	FY29	FY29-30	FY30
December 2019	120,100	4.7%	125,700	4.8%	131,700		n/a		n/a		n/a		n/a
March 2020	119,700	4.6%	125,200	4.8%	131,200		n/a		n/a		n/a		n/a
December 2020	111,300	4.7%	116,500	4.5%	121,800	4.4%	127,200		n/a		n/a		n/a
March 2021	107,200	6.0%	113,600	5.5%	119,800	4.8%	125,600		n/a		n/a		n/a
December 2021	117,400	4.9%	123,150	4.3%	128,400	4.2%	133,820	4.3%	139,540		n/a		n/a
March 2022	112,600	4.8%	118,000	4.7%	123,500	4.5%	129,000	4.5%	134,800		n/a		n/a
December 2022	109,120	5.5%	115,150	4.2%	120,040	3.8%	124,620	3.8%	129,360	3.7%	134,180		n/a
March 2023	105,330	4.6%	110,180	4.4%	115,030	3.9%	119,490	3.5%	123,700	3.2%	127,710		n/a
December 2023	103,990	3.3%	107,450	4.6%	112,360	4.3%	117,180	3.9%	121,700	3.4%	125,850	3.3%	129,960
March 2024	104,270	3.0%	107,450	4.6%	112,410	4.4%	117,310	4.1%	122,070	3.6%	126,450	3.3%	130,670
Property Tax Revenues													
December 2017	2,124.1		n/a		n/a		n/a		n/a		n/a		n/a
March 2018	2,099.6		n/a		n/a		n/a		n/a		n/a		n/a
December 2018	2,124.8	3.6%	2,202.3		n/a		n/a		n/a		n/a		n/a
March 2019	2,091.4	3.3%	2,160.7		n/a		n/a		n/a		n/a		n/a
December 2019	1,959.4	2.3%	2,004.7	2.3%	2,050.8		n/a		n/a		n/a		n/a
March 2020	2,051.4	2.3%	2,098.7	2.3%	2,146.9		n/a		n/a		n/a		n/a
December 2020	1,984.5	2.9%	2,042.0	2.9%	2,101.5	2.9%	2,163.1		n/a		n/a		n/a
March 2021	1,984.4	2.8%	2,040.5	2.8%	2,098.1	2.9%	2,157.9		n/a		n/a		n/a
December 2021	2,036.5	3.2%	2,102.1	3.0%	2,166.1	2.7%	2,224.3	2.4%	2,278.6		n/a		n/a
March 2022	2,005.3	3.3%	2,072.0	3.0%	2,134.4	2.9%	2,195.6	2.9%	2,258.6		n/a		n/a
December 2022	1,966.7	2.1%	2,007.5	1.7%	2,041.2	0.8%	2,056.9	0.8%	2,073.6	1.1%	2,096.9		n/a
March 2023	2,225.3	2.5%	2,281.9	2.7%	2,343.9	1.7%	2,384.7	0.8%	2,403.8	0.6%	2,417.7		n/a
December 2023	2,205.1	0.0%	2,204.6	2.5%	2,259.8	2.8%	2,322.9	3.0%	2,391.8	2.0%	2,439.4	2.1%	2,490.3
March 2024	2,205.4	3.6%	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
Income Tax Revenues													
December 2017	1,976.9		n/a		n/a		n/a		n/a		n/a		n/a
March 2018	1,959.3		n/a		n/a		n/a		n/a		n/a		n/a
December 2018	1,958.1	4.3%	2,043.0		n/a		n/a		n/a		n/a		n/a
March 2019	1,930.8	4.7%	2,021.1		n/a		n/a		n/a		n/a		n/a
December 2019	1,890.1	4.6%	1,977.8	5.3%	2,083.2		n/a		n/a		n/a		n/a
March 2020	1,938.8	4.2%	2,020.6	3.8%	2,096.9		n/a		n/a		n/a		n/a
December 2020	1,774.9	5.1%	1,865.0	5.3%	1,964.2	5.5%	2,072.7		n/a		n/a		n/a
March 2021	1,865.2	4.4%	1,947.8	5.2%	2,049.1	6.0%	2,171.1		n/a		n/a		n/a
December 2021	1,874.1	5.0%	1,967.2	4.3%	2,051.1	5.0%	2,154.6	5.3%	2,267.8		n/a		n/a
March 2022	1,954.7	5.1%	2,054.8	4.1%	2,138.9	4.5%	2,236.2	4.9%	2,344.9		n/a		n/a
December 2022	1,947.9	3.6%	2,018.9	3.3%	2,085.3	3.5%	2,157.7	4.3%	2,250.4	4.4%	2,350.4		n/a
March 2023	1,925.1	5.1%	2,023.6	5.2%	2,128.0	5.3%	2,241.2	7.1%	2,400.1	5.3%	2,526.2		n/a
December 2023	2,069.5	-2.2%	2,023.7	2.9%	2,082.7	3.4%	2,153.2	5.3%	2,267.9	4.1%	2,361.6	3.7%	2,448.5
March 2024	2,008.2	2.1%	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

REVENUE SUMMARY
TAX SUPPORTED BUDGETS
($ Millions)

	KEY REVENUE CATEGORIES	App. FY24	Est FY24	% Chg. FY24-25	Rec. 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
	TAXES	5-25-23	3-14-24	Rec/App	3-14-24										
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 Tax	118.1	90.5	-19.8%	94.7	8.1%	102.4	10.9%	113.5	6.7%	121.1	6.4%	128.8	4.6%	134.7
4	Recordation Tax	56.5	42.9	-20.6%	44.9	8.1%	48.5	10.9%	53.8	6.7%	57.4	6.4%	61.0	4.6%	63.8
5	Energy Tax	193.2	184.2	-1.0%	191.3	0.3%	191.8	0.2%	192.1	0.2%	192.5	0.2%	192.7	0.1%	193.0
6	Telephone Tax	55.6	55.9	0.3%	55.8	0.2%	55.9	0.2%	56.0	0.2%	56.1	0.2%	56.2	0.2%	56.3
7	Hotel/Motel Tax	22.1	23.1	4.7%	23.1	4.5%	24.1	0.0%	24.1	0.0%	24.1	0.0%	24.1	0.0%	24.1
8	Admissions Tax	3.9	4.2	12.7%	4.4	3.9%	4.6	3.8%	4.7	3.8%	4.9	3.8%	5.1	3.8%	5.3
9	E-Cigarette Tax	1.0	0.8	-21.3%	0.8	8.6%	0.9	7.9%	1.0	7.3%	1.0	6.8%	1.1	6.4%	1.2
10	**Total Local Taxes**	**4,482.5**	**4,615.2**	**6.0%**	**4,751.7**	**3.8%**	**4,932.3**	**3.4%**	**5,100.8**	**2.9%**	**5,251.1**	**2.7%**	**5,391.9**	**3.4%**	**5,576.6**
	INTERGOVERNMENTAL AID														
11	Highway User	10.6	10.7	20.3%	12.7	0.0%	12.7	0.0%	12.7	0.0%	12.7	0.0%	12.7	0.0%	12.7
12	Police Protection	17.2	16.4	-4.8%	16.4	0.0%	16.4	0.0%	16.4	0.0%	16.4	0.0%	16.4	0.0%	16.4
13	Libraries	5.1	5.1	1.5%	5.2	0.0%	5.2	0.0%	5.2	0.0%	5.2	0.0%	5.2	0.0%	5.2
14	Health Services Case Formula	5.2	5.6	8.1%	5.6	0.0%	5.6	0.0%	5.6	0.0%	5.6	0.0%	5.6	0.0%	5.6
15	Mass Transit	41.3	41.3	0.7%	41.6	0.0%	41.6	0.0%	41.6	0.0%	41.6	0.0%	41.6	0.0%	41.6
16	Public Schools	932.2	932.2	4.1%	970.3	0.0%	970.3	0.0%	970.3	0.0%	970.3	0.0%	970.3	0.0%	970.3
17	Community College	57.5	57.5	-4.9%	54.7	0.0%	54.7	0.0%	54.7	0.0%	54.7	0.0%	54.7	0.0%	54.7
18	Other	62.1	98.4	7.8%	67.0	0.0%	67.0	0.0%	67.0	0.0%	67.0	0.0%	67.0	0.0%	67.0
19	**Total Intergovernmental Aid**	**1,131.1**	**1,167.1**	**3.7%**	**1,173.4**	**0.0%**	**1,173.4**	**0.0%**	**1,173.4**	**0.0%**	**1,173.4**	**0.0%**	**1,173.4**	**0.0%**	**1,173.4**
	FEES AND FINES														
20	Licenses & Permits	12.7	12.7	34.6%	17.1	1.5%	17.4	1.5%	17.6	1.5%	17.9	1.5%	18.2	1.5%	18.4
21	Charges for Services	55.4	54.4	6.8%	59.2	1.8%	60.3	1.8%	61.4	1.8%	62.5	1.8%	63.6	1.8%	64.8
22	Fines & Forfeitures	30.2	27.7	-8.0%	27.8	1.6%	28.2	1.6%	28.7	1.6%	29.1	1.6%	29.6	1.6%	30.1
23	Montgomery College Tuition	61.7	65.2	3.6%	63.9	1.8%	65.1	1.8%	66.3	1.8%	67.5	1.8%	68.7	1.8%	69.9
24	**Total Fees and Fines**	**160.0**	**159.9**	**5.0%**	**168.0**	**1.7%**	**171.0**	**1.8%**	**174.0**	**1.7%**	**177.0**	**1.7%**	**180.0**	**1.7%**	**183.2**
	MISCELLANEOUS														
25	Investment Income	36.5	66.2	43.8%	52.5	-23.4%	40.2	-7.2%	37.3	0.1%	37.4	0.1%	37.4	0.1%	37.5
26	Other Miscellaneous	15.5	21.0	2.2%	18.5	2.3%	18.9	2.3%	19.3	2.2%	19.8	2.3%	20.2	2.3%	20.7
27	**Total Miscellaneous**	**52.0**	**87.2**	**36.5%**	**71.0**	**-16.7%**	**59.1**	**-4.2%**	**56.7**	**0.8%**	**57.1**	**0.9%**	**57.6**	**0.9%**	**58.1**
28	**TOTAL REVENUES**	**5,825.6**	**6,029.5**	**5.8%**	**6,164.1**	**2.8%**	**6,335.8**	**2.7%**	**6,504.8**	**2.4%**	**6,658.6**	**2.2%**	**6,802.9**	**2.8%**	**6,991.3**
29	**Total Tax Supported Revenues**	**5,825.6**	**6,029.5**	**5.8%**	**6,164.1**	**2.8%**	**6,335.8**	**2.7%**	**6,504.8**	**2.4%**	**6,658.6**	**2.2%**	**6,802.9**	**2.8%**	**6,991.3**
30	**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**	**-24.5%**	**194.8**
31	**Grants**	**159.5**	**159.5**	**0.6%**	**160.5**	**2.3%**	**164.1**	**2.3%**	**167.9**	**2.2%**	**171.6**	**2.3%**	**175.5**	**2.3%**	**179.4**
32	**MCG Adjusted Revenues**	**6,181.7**	**6,385.5**	**6.0%**	**6,551.9**	**3.3%**	**6,765.4**	**4.0%**	**7,039.2**	**1.1%**	**7,113.9**	**1.7%**	**7,236.4**	**1.8%**	**7,365.5**

Non Agency Uses of Resources

- Capital Investment (CIP Current Revenue and PAYGO) and Debt Service are based on the latest Executive Recommendation (current through March 14, 2024). Additional changes may be transmitted to the County Council in April 2024.
- FY25-30 Retiree Health Insurance Pre-Funding values are based on the latest actuarial funding schedule (the actuarial valuation as of July 1, 2023).
- Revenue Stabilization (Rainy Day) Fund balance is projected at $676.2 million at the end of FY25. The mandatory contribution is estimated to be $0 in FY25 and $29.2 million of investment income is estimated to be added to the fund in FY25. Additional mandatory contributions are projected consistent with the Revenue Stabilization Fund law (Sec. 20-65, Montgomery County Code).
- The FY25-30 reserves (Revenue Stabilization Fund plus the General Fund unrestricted balance) are consistent with legal requirements and the minimum policy target. The FY25 CE Recommended budget more than satisfies the County's policy to increase and maintain the budgeted total reserves of the General Fund unrestricted balance and the Revenue Stabilization Fund at 10 percent of Adjusted Governmental Revenues.

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Revenues

INTRODUCTION

This chapter provides demographic and economic assumptions, including detailed discussions of the national, State, and local economies. Revenue sources, both tax supported and non-tax supported, used to fund the County Executive's Recommended FY25 Operating Budget incorporate policy recommendations.

ESTIMATING SIX-YEAR COSTS

Demographic Assumptions

The revenue projections of the Public Services Program (PSP) incorporate demographic assumptions based on data from Moody's Analytics and Metropolitan Washington Council of Governments (COG) and are based on fiscal and economic data and analyses used or prepared by the Department of Finance (Finance). A Demographic and Economic Assumptions chart located at the end of this chapter provides several demographic and planning indicators.

- County population will continue to increase from 1,047,661in 2020 (Census) to 1,120,925 by 2033 . This reflects an average annual growth rate of 0.5 percent.
- Current projections estimate the number of households to increase from 372,825 (Census) in 2020 to 426,958 by 2033. Household growth over that period is projected to grow at an average annual rate of 1.05 percent.
- County births, which are one indicator of future elementary school populations and child day care demand, are projected to gradually increase from an estimated 12,160 in 2023 to 13,020 by 2030.
- The County expects Montgomery County Public School student enrollment to increase by 7,320 between FY24 and FY30.
- Montgomery College full-time equivalent student enrollments are projected to increase from 14,984 in FY24 to 15,954 in FY28.

The economic assumptions presume a mild recession occurs in calendar year 2024. Using mild recession economic and demographic assumptions to develop fiscal projections does not mean that all possible factors have been considered. It is likely that entirely unanticipated events will affect long-term projections of revenue or expenditures. Although they cannot be quantified, such potential factors should not be ignored in considering possible future developments. These potential factors include the following:

- Changes in the level of local economic activity;
- Federal economic and workforce changes;
- State tax and expenditure policies;
- Federal and State mandates requiring local government expenses;
- Devolution of Federal responsibilities to state and local governments;
- Changes in financial markets;
- Major demographic changes;
- Military conflicts and acts of terrorism;
- Domestic or global health incidences; and
- Major international economic and political changes;

While the effects of the COVID-19 virus on the County's revenues (and expenditures) have had both-one time and structural impacts, further diminution of the COVID-19 pandemic has contributed to improvement in labor force participation and broad-based wage gains.

Policy Assumptions

Revenue and resource estimates presented are the result of the recommended policies of the County Executive for the FY25 budget. Even though it is assumed that these policies will be effective throughout the six-year period, subsequent Council actions, State law and budgetary changes, actual economic conditions, and revised revenue projections may result in policy changes in later years.

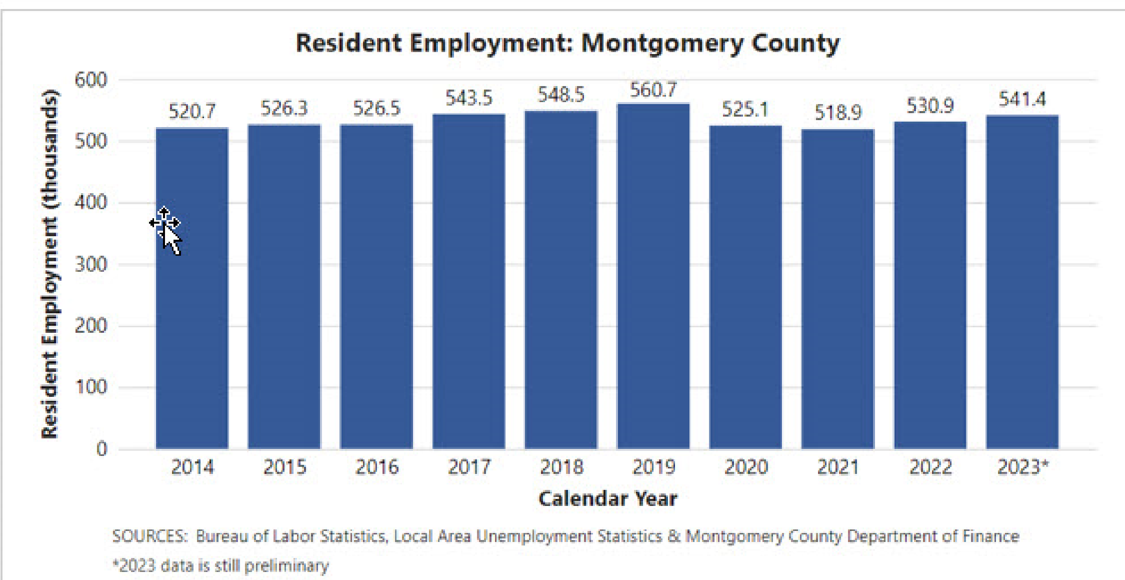
Economic Assumptions

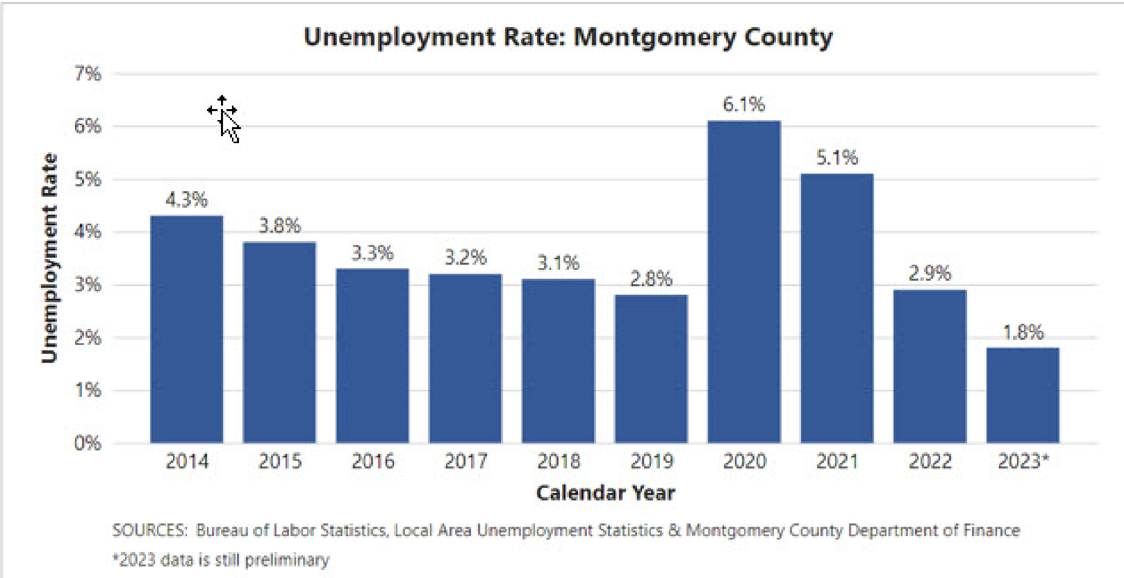
Revenue projections depend on the current and projected indicators of the national, regional, and local economy. National indicators include short-term interest rates, mortgage interest rates, and the stock market. Local economic indicators include residential (labor force survey) and payroll (establishment survey) employment, residential and nonresidential construction, housing sales, and inflation. The assumptions for each of those indicators will affect the revenue projections over the six-year horizon. Such projections are dependent on a number of factors - fiscal and monetary policy, real estate, employment, consumer and business confidence, the stock market, mortgage interest rates, and geopolitical risks.

Montgomery County's economy experienced improving economic performance during calendar (CY) 2023, with strong employment and income growth along with an increase in new residential construction, but depressed home sales and reduced non-residential construction. Home values continued to increase despite the sharp drop in sales volume, indicating continued demand to live in Montgomery County .

Resident Employment

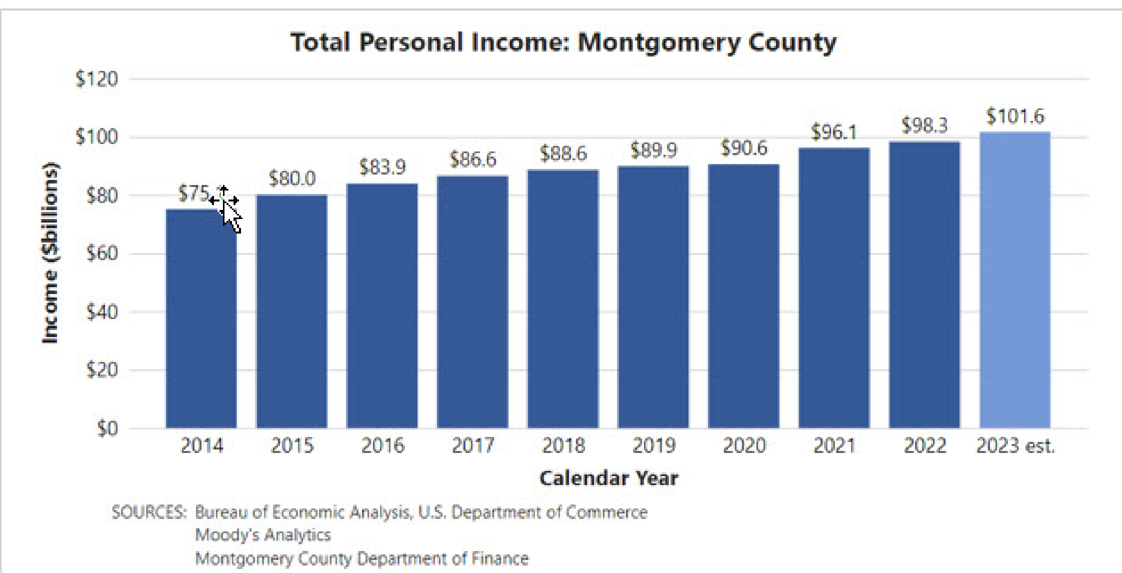
Based on data from the Maryland Department of Labor, Licensing and Regulation (DLLR) and the Bureau of Labor Statistics, U.S. Department of Labor, resident employment (labor force series and not seasonally adjusted) in CY2023 grew, increasing by 10,416 from CY2022 (?1.96%). This followed an increase of 12,043 from CY2021 to CY2022 (?2.32%). However, resident employment has not yet returned to its pre-pandemic level. The County's unemployment rate declined again from 2.9 percent to 1.8 percent despite an increase in the labor force by 4,699 people. The unemployment rate in CY2023 is now lower than the pre-pandemic rate in CY2019.





Personal Income

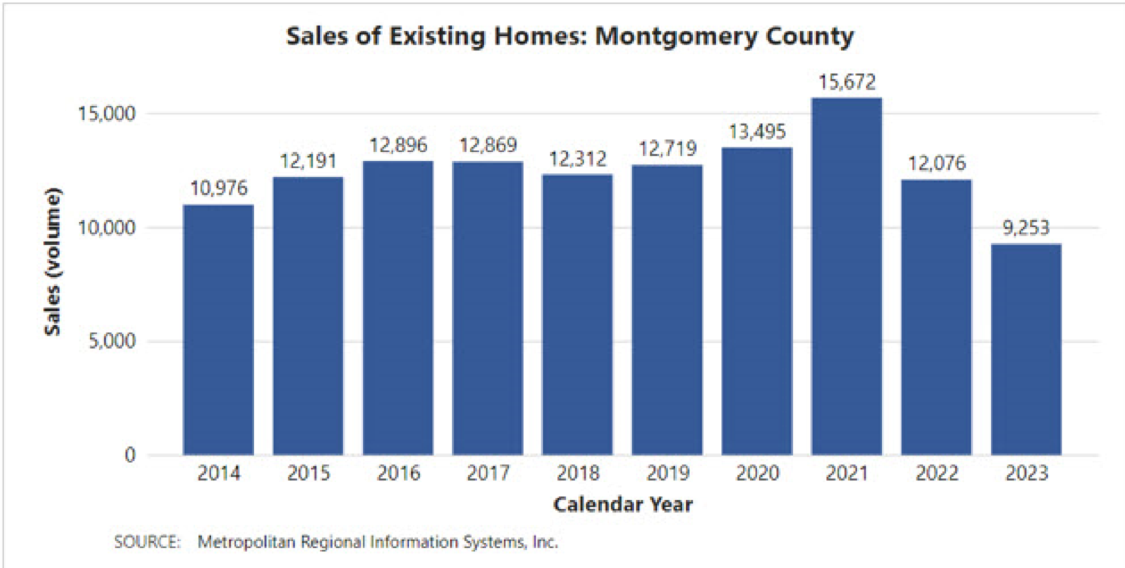
Based on data from the Bureau of Economic Analysis and Moody's Analytics, total personal income has grown steadily over the past 10 years, at an annualized 3.3% pace from 2013 to 2023. This includes an acceleration in growth during the pandemic when personal income increased by 6.2% between 2020 and 2021. The ability to sustain continued growth in income through the past decade points to the strengths that underpin the Montgomery County economy.

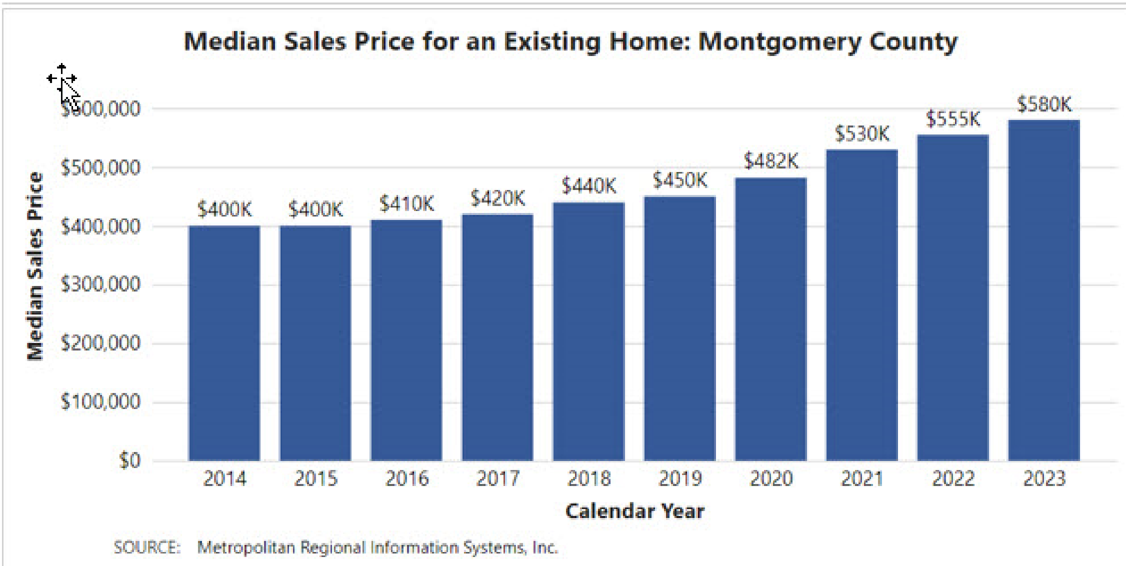


Residential Real Estate

The Federal Reserve raised the federal funds rate seven times in 2022 and four times in 2023 increasing the rate by 5.25 percentage points which caused a sharp increase in mortgage rates. Recent expectations for future federal funds rate cuts at some time in 2024 have resulted in some moderation of mortgage rates. This increase in mortgage rates continues to depress demand for existing homes, with total sales declining by 23.4 percent in CY2023 after declining 23.0 percent in CY2022. Despite reduced activity, the median sales price for existing homes climbed another 4.5 percent in CY 2023 after increasing by 4.7 percent in

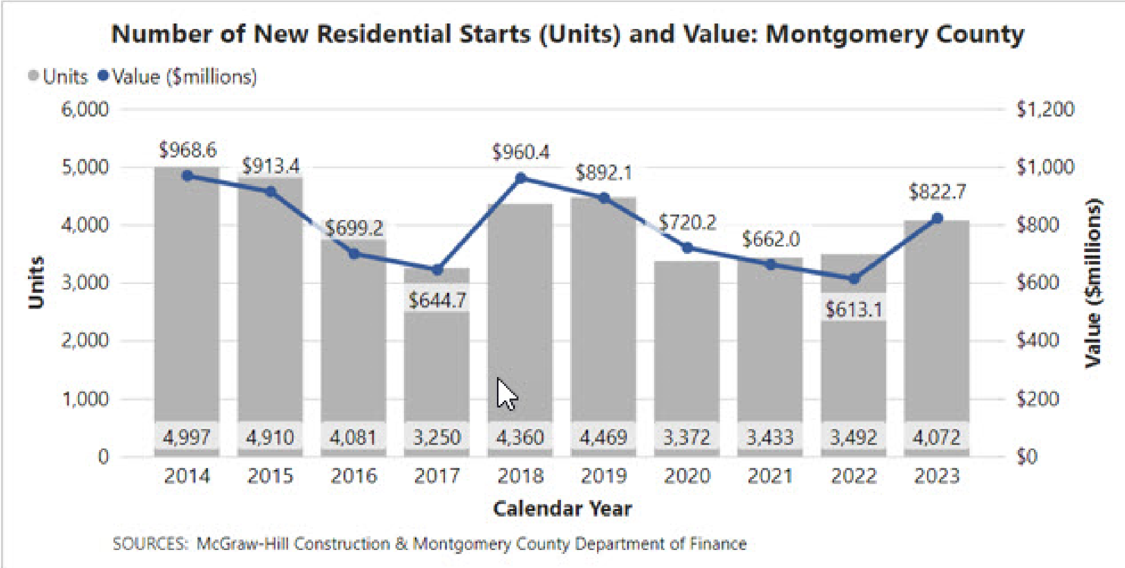
CY2022 and 10.0 percent in CY2021.

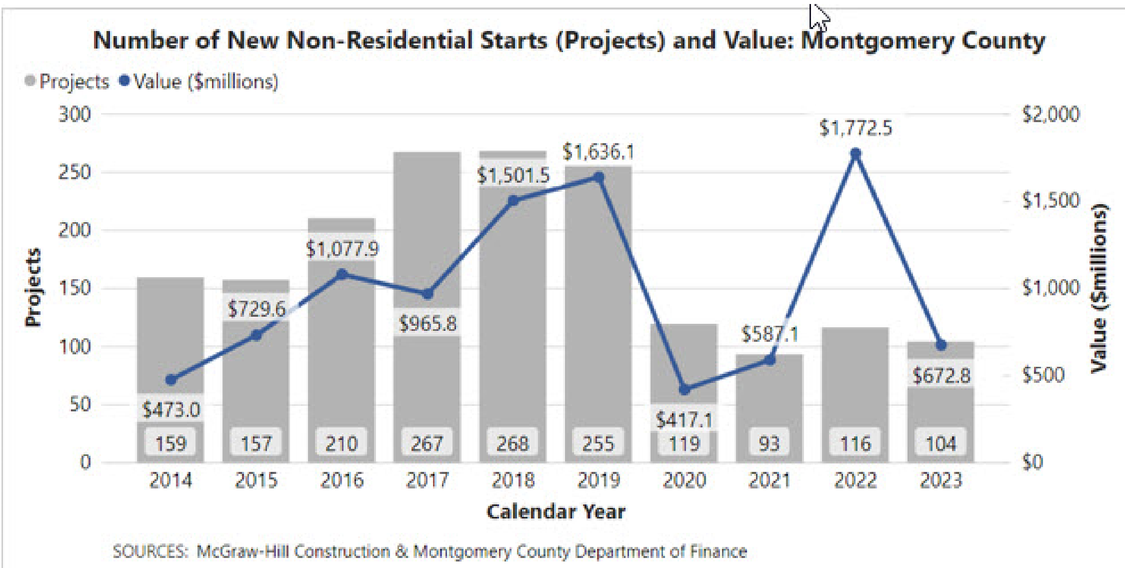




Construction Activity

Despite the increase in interest rates depressing housing demand, the construction of new residential units increased in CY2023 as compared to CY2022. Total value added from new residential units increased as well from $613.0 million in CY2022 to $822.6 million in CY2023 (?34.2 percent). Non-residential project value went from $1,772.5 million in CY2022, a peak exceeding all years since CY2013, back down to $672.8 million (?62.0%) in CY2023.

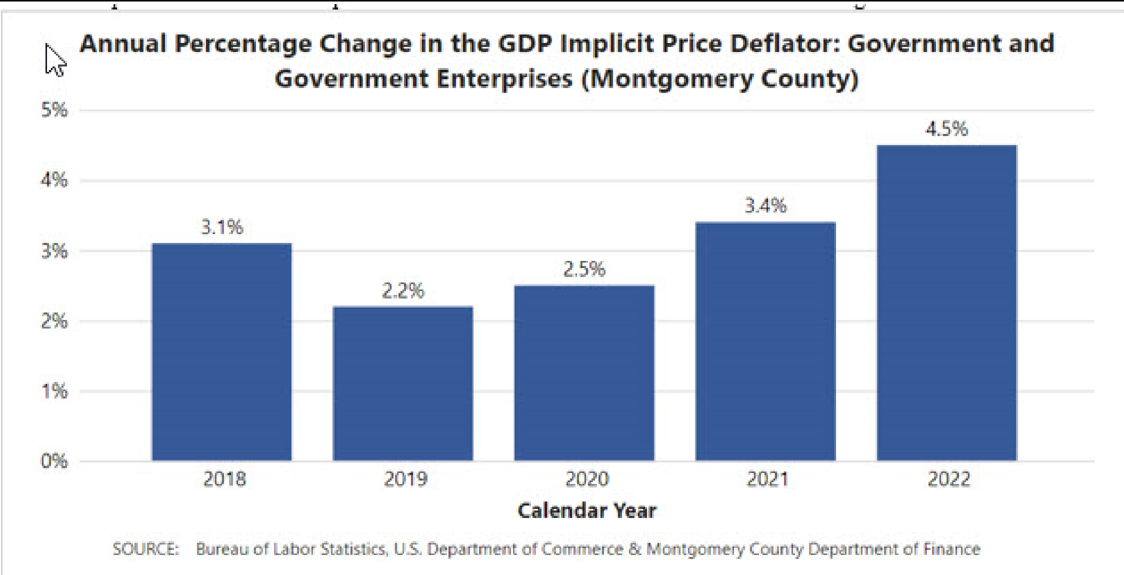




GDP Implicit Price Deflator - Government consumption expenditures and gross investment: State and local (implicit price deflator): Montgomery County

Government consumption expenditures and gross investment measures the portion of gross domestic product (GDP), or final expenditures, that is accounted for by the government sector. Government consumption expenditures consist of spending by government to produce services to the public such as public school expenditures. Gross investment consists of spending by government for fixed assets that directly benefit the public such as highway construction, or that assist government agencies in their production activities such as purchasing vehicles and equipment.

The GDP implicit price deflator for state and local government consumption expenditures and gross investment was 4.5 percent for Montgomery County in CY2022 (the latest year of available data). This increase in inflation was consistent with the nationwide spike in inflation that inspired the Federal Reserve to increase interest rates throughout CY2022.



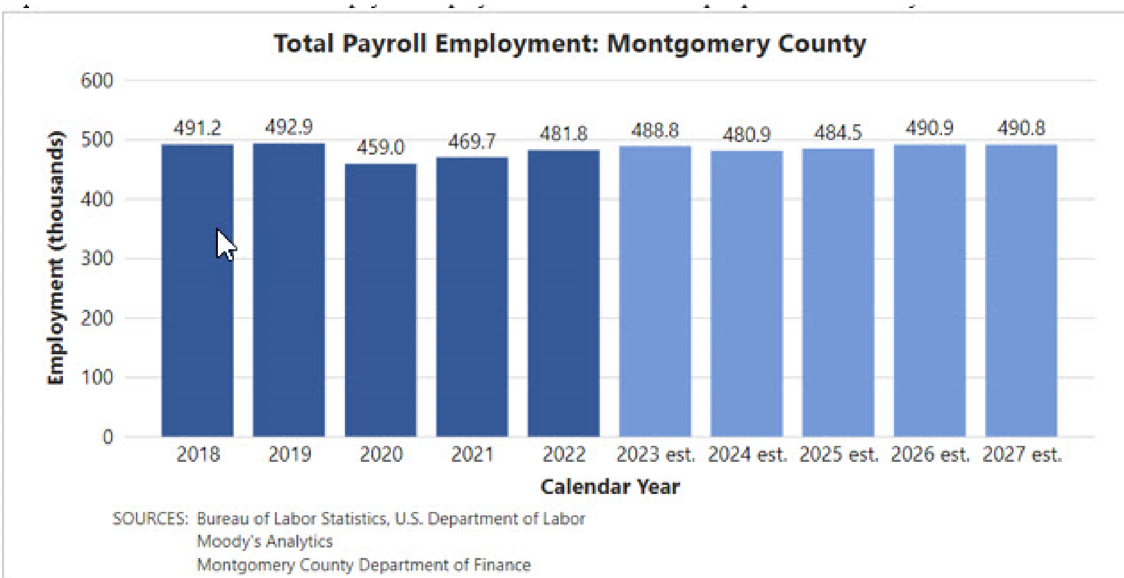
CONCLUSION

The national economy appears to have a healthier outlook compared to CY2023 and there has been improvement to many of Montgomery County employment, personal income, and government inflation economic indicators. However, there remains much uncertainty about whether the trajectory of the local economy can be sustained for CY2024 and CY2025, in particular continued strong job and wage growth in light of very low unemployment rates .

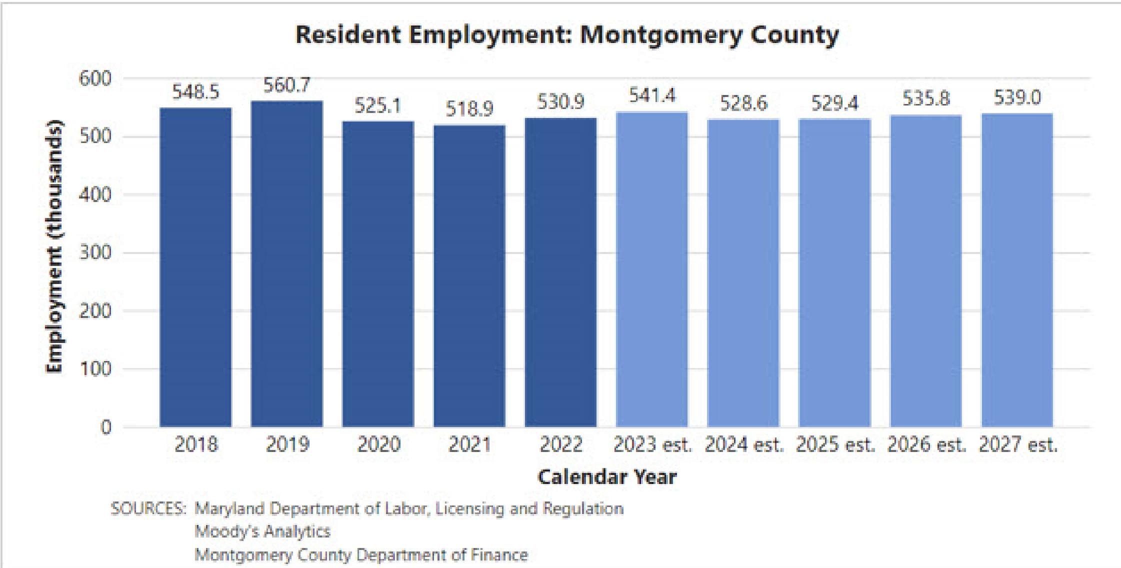
ECONOMIC OUTLOOK

The Department of Finance ('Finance') forecasts that Montgomery County will experience modest employment growth from CY2023 to CY2027 and will continue to see growth in total personal income. The sluggish labor market reflects the challenges the Washington DC region is facing regarding increasing employment levels due to the shortage of labor.

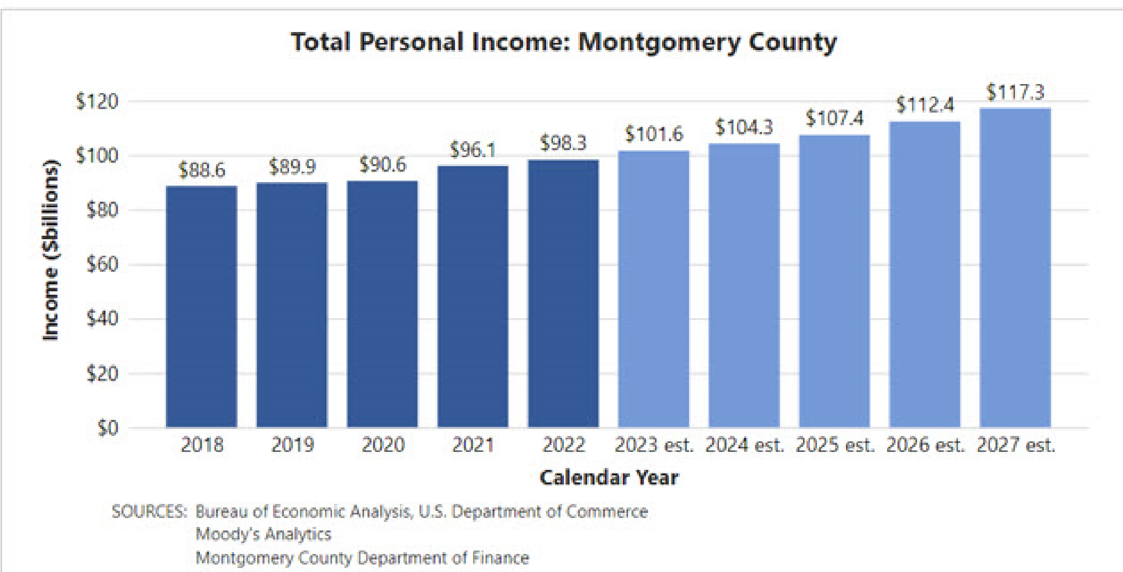
Employment. Based on payroll employment from Current Employment Statistics (CES) series from the Bureau of Labor Statistics (BLS) for the Silver Spring - Frederick - Rockville: MD metropolitan division and Moody's Analytics, Finance assumes that payroll employment will increase from CY2022 to CY2027 at an average annual rate of 0.4 percent. This is greater than the average annual rate of -0.5 percent experienced between CY2018 and CY2022 largely attributed to the impacts of COVID. Finance assumes payroll employment will not return to pre-pandemic levels by CY2027.



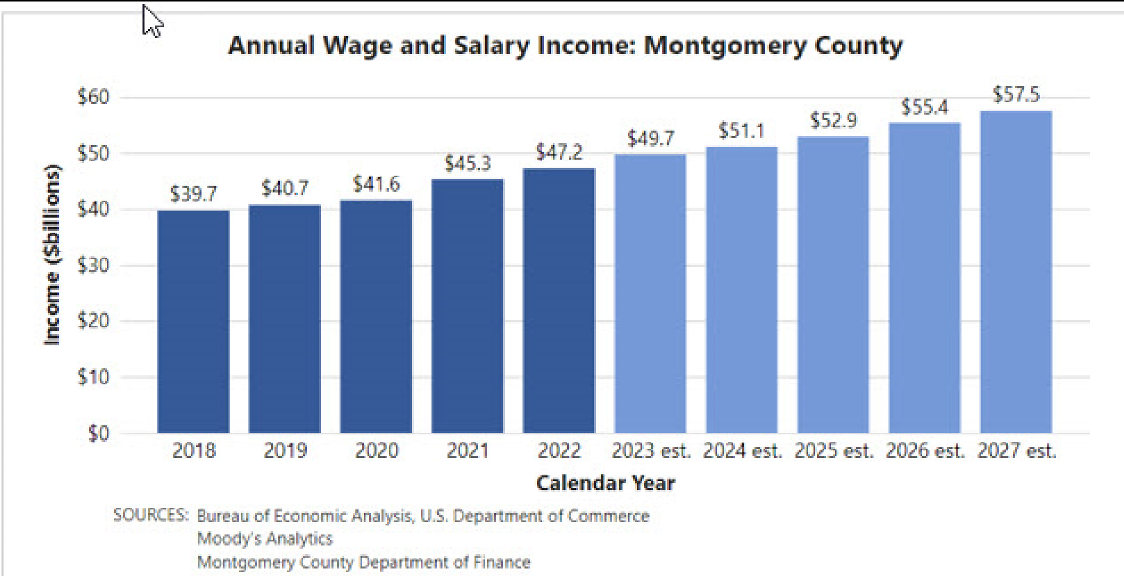
Finance assumes that resident employment will increase at an average annual rate of 0.3 percent from CY2022 to CY2027. That growth rate reverses the average annual rate of -0.8 percent between CY2018 and CY2022 which is primarily attributed to COVID-19 in CY2020 and CY2021. Finance estimates that resident employment will not attain its pre-pandemic levels by CY2027.



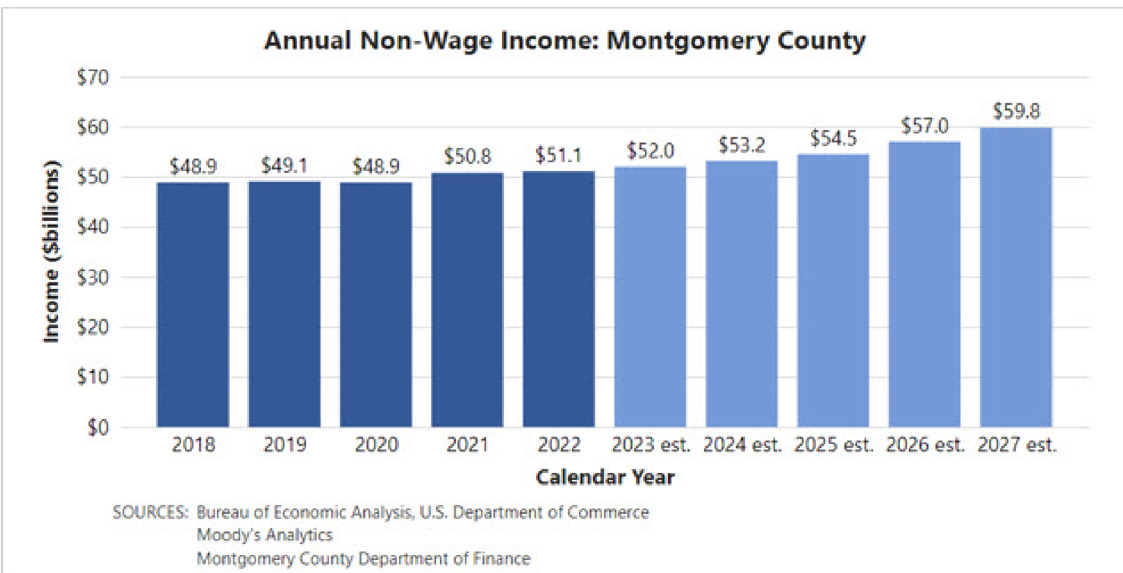
__Personal Income__. Finance assumes that total personal income in Montgomery County will increase at an average annual rate of 3.6 percent from CY2022 to CY2027 compared to an average annual growth rate of 2.7 percent from CY2018 to CY2022. The forecast indicates that personal income will continue growing despite a projected decrease in both payroll and resident employment from CY2023 to CY2024.



__Wage and Salary Income.__ Finance assumes wage and salary income will continue growing as it has in the recent past, increasing at an average annual rate of 4.0 percent from CY2022 to CY2027. This compares to the average annual growth rate of 4.4 percent from CY2018 to CY2022.

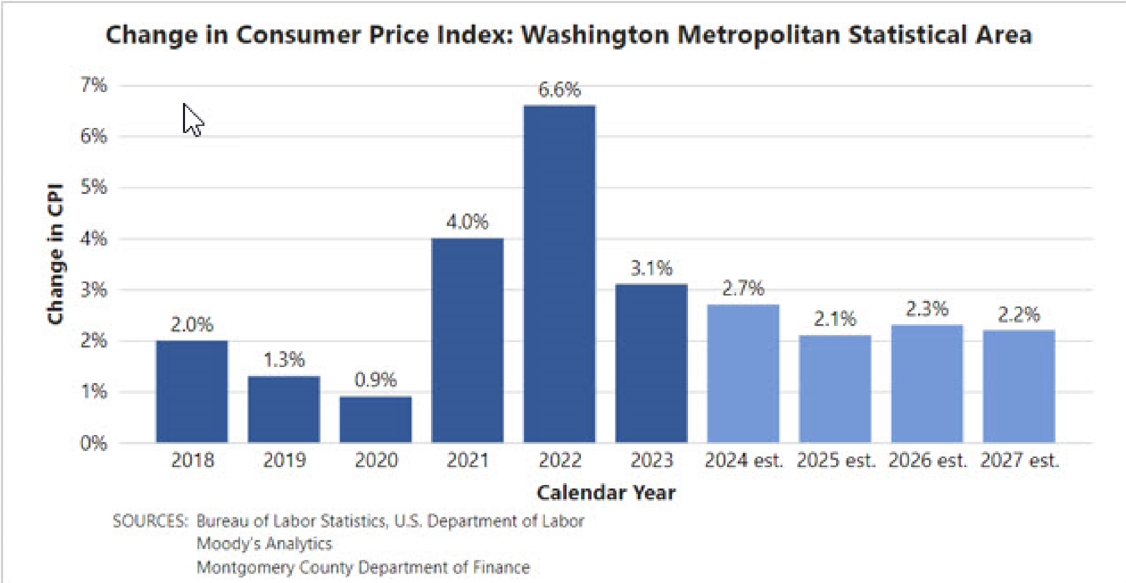


Non-Wage Income[1] Finance assumes that non-wage income in Montgomery County will increase at an average annual rate of 3.2 percent from CY2022 to CY2027. This compares to the average annual growth rate of 1.1 percent from CY2018 to CY2022.

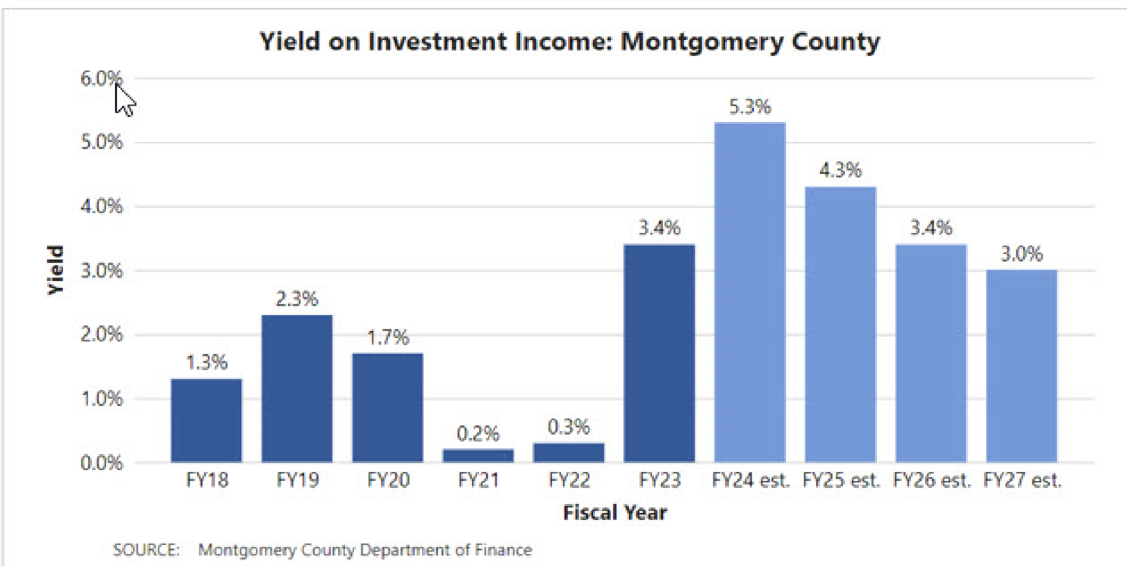


[1] Non-wage income is the sum of proprietor's income, supplements to wages and salaries, transfer receipts, dividends/interest /rents, adjustment for residence, less contributions for government social insurance.

Inflation (annual average). Finance assumes that the overall regional inflation index for the Washington-Arlington-Alexandria, DC-VA-MD-WV metropolitan statistical area will continue to moderate from the 3.1 percent inflation in CY2023 to an average annual inflation trend from CY2023 to CY2027 of 2.2 percent.



Interest Rates. Since the yield on the County's short-term investments is highly correlated with the federal funds rate, the County earned an average of 3.4 percent in investment income on its short-term portfolio for fiscal year (FY) 2023. The increases in the targeted federal funds rate by the Federal Open Market Committee of the Board of Governors of the Federal Reserve System in response to inflation pressures in FY22 and FY23 increased investment yields, which are anticipated to peak at 5.3 percent in FY24 before declining towards 3.0 percent as the targeted federal funds rate is forecast to gradually decline through FY24 to FY27.



REVENUE SOURCES

The major revenue sources for all County funds of the Operating Budget and the Public Services Program (PSP) are described below. Revenue sources which fund department and agency budgets are included in the respective budget presentations. Six-year projections of revenues and resources available for allocation are made for all County funds. This section displays projections of total revenues available for the tax supported portion of the program. Tax supported funds are those funds subject to the Spending Affordability Guideline (SAG) limitations. The SAG limitations are intended to ensure that the tax burden on residents is affordable. The County Council has based the guidelines on inflation and personal income of County residents.

The PSP also includes multi-year projections of non-tax supported funds. These funds represent another type of financial burden on households and businesses and, therefore, should be considered in determining the "affordability" of all services that affect most of the County's population. Projections for non-tax supported funds within County government are presented in the budget section for each of those funds.

IMPACT ON REVENUES AND THE CAPITAL BUDGET

The use of resources represented in this section includes appropriations to the operating funds of the various agencies of the County as well as other resource requirements, such as current revenue funding of the Capital Budget, debt service, and fund balance. These other uses, commonly called "Non-Agency Uses of Resources," affect the total level of resources available for allocation to agency programs. Some of these factors are determined by County policy or law; others depend, in part, on actual revenue receipts and expenditure patterns.

The level of PSP-related spending indirectly impacts the local economy and, hence, the level of County revenues. However, the effect on revenues from expenditures of the Executive's Recommended Operating Budget and PSP are expected to be minimal. The PSP also impacts revenues available to fund the Capital Budget. The revenue projections included in this section subtract projected uses of current revenues for both debt eligible and non-debt eligible capital investments. Therefore, the Executive's Recommended Operating Budget and PSP provide the allocations of annual resources to the Capital Budget as planned for in the County Executive's Recommended FY25-30 CIP . Anticipated current revenue adjustments to the County Executive's Recommended FY25-30 CIP have been made as part of the Executive's Recommended Operating Budget.

Prior Year Fund Balance

The prior year fund balance for the previous fiscal year is the audited FY23 closing fund balance for all tax supported funds. The current year fund balance results from an analysis of revenues and expenditures for the balance of the fiscal year. Prior year fund balance for future fiscal years is assumed to equal the fund balance for the preceding year.

Net Transfers

Net transfers are the net of transfers in and transfers out between all tax supported and non-tax supported funds in all agencies. The largest single transfer to the General Fund is the earnings transfer from the Liquor Control Fund to the General Fund. The transfer from the General Fund to Montgomery Housing Initiative to support the Executive's housing policy is the largest transfer to a non-tax supported fund. The payment from the General Fund to the Solid Waste Disposal Fund for disposal of solid waste collected at County facilities is the next largest transfer to a non-tax supported fund. The level of transfers is an estimate based on individual estimates of component transfers.

Debt Service Obligations

Debt service estimates are those made to support the County Executive's Recommended FY25-30 CIP. Debt service obligations over the six years are based on servicing debt issued to fund planned capital projects, as well as amounts necessary for short-term and long-term leases. Debt service requirements have the single largest impact on the Operating Budget/Public Services Program by the CIP. The Charter-required CIP contains a plan or schedule of project expenditures for schools, transportation, and infrastructure modernization. Approximately 26.9 percent of the CIP is funded with General Obligation (G.O.) bonds. Each G.O. bond issue used to fund the CIP translates to a draw against the Operating Budget each year for 20 years. Debt requirements for past and future G.O. bond issues are calculated each fiscal year, and provision for the payment of Debt Service is included as part of the annual estimation of resources available for other Operating Budget requirements. As Debt Service grows over the years, increased pressures are placed on other PSP programs competing for scarce resources.

The State authorizes borrowing of funds and issuance of bonds up to a maximum of 6.0 percent of the assessed valuation of all real property and 15.0 percent of the assessed value of all personal property within the County. The County's outstanding G.O. debt plus short-term commercial paper as of June 30, 2023, is 1.65 percent of assessed value, well within the legal debt limit and safely within the County's financial capabilities.

Capital Improvements Program (CIP) Current Revenue and PAYGO

Estimates of transfers of current revenue and PAYGO to the CIP are based on the most recent County Executive recommendations for the Capital Budget and CIP. These estimates are based on programmed current revenue and PAYGO funding in the six years, as well as additional current revenue amounts allocated to the CIP for future projects and inflation.

Revenue Stabilization

On June 29, 2010, the Montgomery County Council enacted Bill 36-10 amending the Montgomery County Code (Chapter 20, Finance, Article XII) that repealed the limit on the size of the Revenue Stabilization Fund (Fund), modified the requirement for mandatory County contributions to the Fund, and amended the law governing the Fund. Mandatory contributions to the Fund are the greater of 50 percent of any excess revenue, or an amount equal to the lesser of 0.5 percent of the Adjusted Governmental Revenues (AGR) or the amount needed to obtain a total reserve of 10 percent of the Adjusted Governmental Revenues. Adjusted Governmental Revenues include tax supported County Governmental revenues plus revenues of the County Grants Fund and County Capital Projects Fund; tax supported revenues of the Montgomery County Public Schools, not including the County's local contribution; tax supported revenues of Montgomery College, not including the County's local contribution; and tax supported revenues of the Montgomery County portion of the Maryland-National Capital Park and Planning Commission. All interest earned on the Fund must be added to the Fund. The FY25 Recommended Budget estimates that the Revenue Stabilization Fund balance will be $647.0 million in FY24 and the balance is estimated to increase to $676.2 million in FY25.

Other Uses

This category is used to set aside funds for such items as possible legal settlement payments and other special circumstances such as set-aside of revenues to fund future years.

Reserves

The County may maintain an unrestricted General Fund balance of up to five percent of prior year's General Fund revenues (pursuant to Charter § 310) and a combined unrestricted General Fund balance plus the Revenue Stabilization Fund balance of 10 percent of AGR. This budget more than satisfies the County's policy to maintain the budgeted total reserve of the unrestricted General Fund and Revenue Stabilization Fund at 10 percent of Adjusted Governmental Revenues after utilizing reserves in excess of the policy level to cover one-time housing and other capital costs in FY24 and FY25 and to maintain services while we bridge the FY25 forecasted mild recession.

REVENUE ASSUMPTIONS

Projections for revenues are included in six-year schedules for County Government Special Funds and for Montgomery College, M-NCPPC, and WSSC in the relevant sections of this document. See the MCPS Budget Document for six-year projections of MCPS funds. Projections for revenues funding County government appropriations are provided to the Council and public as fiscal projections. Such projections are based on estimates of County income from its own sources such as taxes, user fees, charges, and fines, as well as expectations of other assistance from the State and Federal government. The most likely economic, demographic, and governmental policy assumptions that will cause a change in revenue projections are included in this section.

TAX SUPPORTED REVENUES

Tax supported revenues come from a number of sources including but not limited to property and income taxes, real estate transfer and recordation taxes, excise taxes, intergovernmental revenues, service charges, fees and licenses, college tuition, and investment income. In order of magnitude, however, the property tax and the income tax are the most important with 48.1 percent and 43.2 percent, respectively, of the estimated total tax revenues in FY25. The third category is the energy tax estimated for the General Fund with 4.0 percent share. In fact, these three revenue sources represent 95.3 percent of total tax revenues. Of the total tax-supported revenues, property tax and income tax are also the most important with 37.1 percent and 33.3 percent, respectively. The third category is intergovernmental revenues with a 19.0 percent share of the estimated total tax supported revenues in F25. Income and transfer and recordation taxes are the most sensitive to economic and, increasingly, financial market conditions. By contrast, the property tax exhibits the least volatility because of the three-year re-assessment phase-in and the ten percent "homestead tax credit" that spreads out changes evenly over several years .

Property Tax

Using proposed tax rates (levy year 2024) and a recommended $692 Income Tax Offset Credit (ITOC), total estimated FY25 tax supported property tax revenues of $2,285.6 million are 3.6 percent above the revised FY24 estimate. The general countywide rate for FY25 (Levy Year 2024) is $0.7218 per $100 of assessed real property, while a rate of $1.8045 is levied on personal property. In addition to the general countywide tax rate, there are special district area tax rates. The weighted average real property tax rate for FY25 (Levy Year 2024) is $1.0255 per $100 of assessed real property. The weighted average tax rate for FY25 includes a $0.0470 general fund property tax for school purposes pursuant to Maryland Code, Education § 5-104 (d)(1). In November 2020, County residents voted to amend Section 305 of the County Charter "to prohibit the County Council from adopting a tax rate on real property that exceeds the tax rate on real property approved the previous year, unless all current Councilmembers vote affirmatively for the increase." The proposed $0.0470 property tax dedicated to school funding is not included in the charter limit pursuant to § 5-104 of the State Education Article, which allows a county to set a property tax rate greater than would otherwise be allowed under the county's charter limit and may be approved by a majority of the number of councilmembers.

The countywide total property taxable assessment is estimated to increase approximately 5.6 percent from a revised $222.4 billion in FY24 to $234.9 billion in FY25. The total property taxable assessment is comprised of i) real property and ii) personal property. For FY25, the Department of Finance estimates a real property taxable assessment of approximately $230.7 billion, an increase of 5.8 percent from FY24, with the remaining $4.3 billion from personal property - a decrease in personal property taxes of 3.1 percent from FY24.

The real property base is divided into three groups based on their geographic location in the County. Each group is reassessed triennially by the State Department of Assessments and Taxation (SDAT), which has the responsibility for assessing properties in Maryland. The amount of the change in the established market value (full cash value) of one-third of the properties reassessed each year is phased in over a three-year period. Declines in assessed values, however, are effective in the first year. The triennial residential property reassessment for Group 1 increased 11.3 percent and commercial property increased 10,1 percent for levy year 2022 (FY23) followed by the triennial residential property reassessment for Group 2 that increased 19.8 percent and commercial property increased 19.4 percent for levy year 2023 (FY24). Based on data from SDAT the triennial reassessment for real property is estimated to increase 21.7 percent for residential properties in Group 3 and is estimated to increase 19.6 percent for commercial property for levy year 2024 (FY25).

Income Tax

The base for Montgomery County's income tax is Maryland net taxable income (NTI). NTI is federal adjusted gross income, as determined by the Internal Revenue Code, with Maryland-specific adjustments, both positive and negative, and the subtraction of Maryland standard or itemized deductions and personal exemptions, all as determined by Maryland law. The Maryland Comptroller's Office administers the local income tax as part of the state income tax. Local income tax revenues are collected along with state income tax revenues through employer withholding on a periodic basis, estimated payments and final payments and refunds. The County receives its income tax revenues largely through quarterly distributions from the State of withholding and estimated payments (an average of approximately 80 percent of annual receipts) with additional distributions to reconcile the quarterly distributions for a tax year as tax returns are processed and for delinquent payments, interest and penalties and other unallocated collections.

Estimated FY25 income tax revenues of 2,051.1 million are 2.1 percent above the revised FY24 estimate. The FY25 estimate has been revised from $2,023.7 million in the December Fiscal Plan to $2,051.1 million reflecting current receipts and economic assumptions.

On May 8, 2020, the Maryland General Assembly enacted SB523 that amended Article II, Section 17(c), of the Maryland Constitution - Chapter 641. At that time, the State of Maryland was one of nine states that enacted a pass-through-entity tax. Specifically, the bill authorized a PTE to elect to be taxed at the entity level for the income tax. Also, "an individual or corporation may claim a tax credit against the State income tax equal to the tax paid by the PTE on the member's share of the PTE's taxable income." According to the Maryland Comptroller, PTEs are partnerships, limited liability companies, S-corporations, and business trusts. Because of this option to pay at the entity level and noted by the Maryland Comptroller's office, the impact of state law regarding PTEs could impact future patterns of estimated and final payments such as had occurred in FY22 and FY23.

Transfer and Recordation Taxes

Estimated FY25 revenues for the General Fund of $139.6 million, which excludes the School Capital Improvement Program (CIP) portion, condominium conversions, and the tax premium, are 4.6 percent above the revised FY24 estimate. This reflects a FY25 estimate of $94.7 million in the transfer tax and $44.9 million in the General Fund portion of the recordation tax.

Residential transfer tax revenues follow the trends in real estate sales for existing and new homes. Real estate sales, in turn, are highly correlated with specific economic indicators such as growth in employment and wage and salary income, formation of households, mortgage lending conditions, and mortgage interest rates. The same holds true for the commercial sector, which is equally affected by business activity and investment, office vacancy rates, property values, and financing costs. Based on the activity in the real estate markets described in the economic assumptions section above and the forecast from Moody's Analytics, Finance estimates the sales of existing homes in the County will decrease 15.1 percent in CY24 but increase 2.2 percent in CY25. Over the same two years, median sales prices will decrease 1.3 percent in CY24 and then increase 0.4 percent in CY25 .

Energy Tax

Estimated FY25 revenues of $191.3 million are 3.8 percent above the revised FY24 estimate. The fuel-energy tax is imposed on persons or entities transmitting, distributing, manufacturing, producing, or supplying electricity, gas, steam, coal, fuel oil, or liquefied petroleum gas. Different rates apply to residential and nonresidential consumption and to the various types of energy. Since the rates per unit of energy consumed are fixed, collections change only with shifts in energy consumption and not with changes in the price of the energy product.
As the effects of COVID have subsided through FY24 non-residential tax collections have returned to their historic share of roughly 65 percent of collections. Employees transitioning back to the office have stabilized energy tax estimates from their weaker than normal outlier values during the depths of the pandemic in FY20 and FY21.

Telephone Tax

Estimated FY25 revenues of $55.8 million are 0.1 percent below the revised FY24 estimate. The telephone tax is levied as a fixed amount per landline, wireless communications, and other communication devices. The tax on a traditional landline is $2.00 per month, while multiple business lines (Centrex) are taxed at $0.20 per month. The tax rate on wireless communications is $3.50 per month. Revenues from this tax are driven primarily by modest growth in wireless communications such as cell phones and by voice-over internet protocol. Over the past decade, approximately 80 percent of the gross telephone tax is attributed to growth in the cellular wireless component, which has moderated over the past couple of years .

Hotel/Motel Tax

Estimated FY25 revenues of $23.1 million are unchanged from the revised FY24 estimate , which incorporated a significant increase in the occupancy rate and increases in room rates in 2023. The hotel/motel tax is levied as a percentage of the hotel bill including online room rental organizations such as AirBnb; the current tax rate is 7.0 percent. Occupancy rates in the County are generally the highest in the spring (April and May) and autumn (September and October) as tourists and schools visit the nation's capital for such events as the Cherry Blossom Festival and school trips, while organizations often schedule conferences and events during such periods. During peak periods, many visitors to Washington, D.C. use hotels in the County, especially those in the lower county.

Admissions/Amusement Tax

Estimated FY25 revenues of $4.4 million are 4.4 percent above the revised FY24 estimate. Admissions and amusement taxes are State- administered local taxes on the gross receipts of various categories of amusement, recreation, and sports activities.Taxpayers are required to file a return and pay the tax monthly while the County receives quarterly distributions of the receipts from the State. Montgomery County levies a 7 percent tax, except for categories subject to State sales and use tax, where the County rate would be lower. Such categories include rentals of athletic equipment, boats, golf carts, skates, skis, horses, and sales related to entertainment. Gross receipts are exempt from the County tax when a Municipal admissions and amusement tax is in effect.

E-Cigarettes Tax

Estimated FY25 revenues from the E-Cigarettes tax of $0.8 million are 9.3 percent above the revised FY24 estimate. On March 31, 2020, the Montgomery County Council enacted legislation that prohibited an electronic devices manufacturer from distributing flavored electronic cigarettes to certain retail stores in the County. As such, FY25 revenues are estimated to be 43.0 percent lower than the peak of $1.4 million in FY20.

OTHER TAX SUPPORTED REVENUES

Non-tax revenues throughout all tax supported funds (excluding Enterprise Funds, such as Permitting Services, Parking Districts, Solid Waste Disposal, and Solid Waste Collection Funds) are estimated at $1.412 billion in FY25. This is a $1.8 million decrease, or .13 percent, from the revised FY24 estimate. Non-tax revenues include intergovernmental revenues, investment income, licenses and permits, charges for services, fines, and forfeitures, and miscellaneous revenues.

General Intergovernmental Revenues

Intergovernmental revenues are received from the State or Federal governments as general aid for certain purposes, not tied, like grants, to particular expenditures. The majority of this money comes from the State based on particular formulas set in law. Total aid is specified in the Governor's annual budget. Since the final results are not known until the General Assembly session is completed and the State budget is adopted, estimates in the March 15 County Executive's Recommended Public Services Program are generally based on the Governor's budget estimates for FY25. If additional information on the State budget is available to the County Executive, this information will be incorporated into the budgeted projection of State aid. The County Executive's Recommended Budget for FY25 assumes a $6.2 million, or 0.53 percent, increase in intergovernmental revenues from the revised FY24 estimate, of which 82.7 percent of the $1.173 billion in revenues would be allocated to the Montgomery County Public Schools, 5.7 percent to other intergovernmental, 4.7 percent to Montgomery Community College, and 3.5 percent to Mass Transit, and 3.4 percent to the remaining intergovernmental revenues.

Licenses and Permits

Licenses and permits include General Fund business licenses (primarily public health, traders, and liquor licenses) and non-business licenses (primarily marriage licenses and Clerk of the Court business licenses). Licenses and permits in the Permitting Services Enterprise Fund, which include building, electrical, and sediment control permits, are Enterprise Funds and thus not included in tax supported projections. The Recommended Budget for FY25 assumes a 35.2 percent increase over the revised estimates for FY24, resulting in $17.1 million in available resources in FY25.

Charges for Services

Excluding intergovernmental revenues to Montgomery County Public Schools and Montgomery College, and College tuition, charges for services, or user fees, are revenues collected that come primarily from fees imposed on the recipients of certain County services including mass transit, human services, use of facilities, and recreation services and are included in the tax supported funds. The Recommended Budget for FY25 assumes an increase of 8.9 percent over the revised estimates for FY24, resulting in $59.2 million in available resources in FY25.

Fines and Forfeitures

Revenues from fines and forfeitures relate primarily to photo red light and speed camera citations, and parking fines (excluding the County's four Parking Districts). The Recommended Budget for F25 assumes that fines and forfeitures will increase 0.3 percent from the revised estimates for FY24, resulting in $27.8 million in available resources in FY25.

College Tuition

Although College tuition is not included in the County Council's Spending Affordability Guideline Limits (SAG), it remains in the tax supported College Current Fund. Calculation of the aggregate operating budget is under the SAG Limits. Tuition revenue depends on the number of registered students and the tuition rate. The Recommended Budget for FY25 assumes a 1.9 percent decrease in tuition from an estimated 65.2 million in FY24 to $63.9 million in FY25 .

Investment Income

Investment income includes the County's pooled investment and non-pooled investment and interest income of other County agencies and funds. The County operates an investment pool directed by an investment manager who invests all County funds using an approved, prudent County Council adopted investment policy. The pool includes funds from tax supported funds as well as from Enterprise Funds, municipal taxing districts, and other governmental agencies. Two major factors determine pooled investment income: (1) the average daily investment balance which is affected by the level of revenues and expenditures, fund balances, and the timing of bond and commercial paper issues; and (2) the average yield percentage which reflects short-term interest rates and may vary considerably during the year.

The revised F24 tax-supported investment income estimate of $66.2 million assumes a yield of 5.32 percent and an average daily portfolio balance of $1.950 billion. The FY25 projected estimate of tax-supported investment income of $52.5 million assumes a yield of 4.30 percent and an average daily portfolio balance of $1.900 billion. The Federal Open Market Committee (FOMC) began increasing the targeted federal funds rate starting on March 17, 2022, in response to the rapid growth in the rate of inflation and increased the rate a total of eleven times reaching an effective rate of 5.33 percent by August, 2023 The estimated investment income for FY24 and FY25 will reflect the actions by the FOMC and the County's average daily portfolio balance. The forecast incorporates expectations that the FOMC will begin to reduce the targeted federal funds rate in 2024 and that the corresponding effective rate will reduce from 5.33 percent to 4.2 percent by the end of the year.

Other Miscellaneous

The County receives miscellaneous revenues from a variety of sources. For the Recommended Budget for FY25, miscellaneous revenues will decrease 11.9 percent from the revised estimates for FY24, resulting in $18.5 million in available resources in FY25.

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PSP Fiscal Policy

INTRODUCTION

Definition and Purpose of Fiscal Policy

Fiscal policy corresponds to the combined practices of government with respect to revenues, expenditures, and debt management. Fiscal planning, generally done within the context of the Public Services Program (PSP)/Operating Budget and the Capital Improvements Program (CIP)/Capital Budget, reflects and helps shape fiscal policy.

The budget process not only reflects those fiscal policies currently in force but is itself a major vehicle for determining and implementing such policies. The fiscal policy statements presented on the following pages are not static. They evolve as the economy and fiscal environment change and as the County's population and requirements for government programs and services change.

The purposes of the fiscal policy for the PSP/Operating Budget are:

- **Fiscal Planning for Public Expenditures and Revenues.** Fiscal policy provides guidance for good public practice in the planning of expenditures, revenues, and funding arrangements for public services. It provides a framework within which budget, tax, and fee decisions should be made. Fiscal policy provides guidance toward a balance between program expenditure requirements and available sources of revenue to fund them. Fiscal planning considers long-term trends and projections in addition to annual budget planning.
- **Setting Priorities Among Programs.** Clearly defined and quantified fiscal limits guide government managers and elected officials to set priorities, thus helping to ensure that the most important programs receive the appropriate level of funding.
- **Assuring Fiscal Controls.** Fiscal policies relating to County procurement of goods and services, payment of salaries and benefits, debt service, and other expenditures are all essential to maintaining control over government costs over time.

Organization of this Section

The major fiscal policies currently applied to the PSP/Operating Budget and financial management of Montgomery County are summarized below (see the Recommended CIP Budget for more detailed policies that relate more directly to the CIP). Numerous other fiscal policies that relate to particular programs or issues are not included here but are believed to be consistent with the guiding principles expressed below.

Presentation of fiscal policies is in the following order:

- Framework for fiscal policy
- Policies for fiscal control
- Policies for expenditures and allocation of costs
- Short-term fiscal and service policies
- Current CIP fiscal policies
- Policies for governmental management
- Policies for revenues and program funding
- Fiscal policies for user fees and charges

FRAMEWORK FOR FISCAL POLICY

Legal Framework

Fiscal policy is developed and amended, as necessary, according to:

- Federal law and regulations,
- Maryland law and regulations,
- Montgomery County Charter, and
- Montgomery County law and regulation.

Fiscal Planning Projections and Assumptions

Various trends and economic indicators are projected and analyzed for their impacts on County programs and services and for their impact on fiscal policy as applied to annual operating budgets. Among these are:

- Inflation, as measured by change in the Consumer Price Index (CPI) for the Washington-Arlington-Alexandria, DC-VA-MD-WV area, is an important indicator of future costs of government goods and services, including anticipated wage and salary adjustments.
- Growth of population and jobs, which are principal indicators of requirements for new or expanded programs and services.
- Demographic change in the numbers or location within the County of specific age groups or other special groups, which provides an indication of the requirements and costs of various government programs and services.
- The assessable property tax base of the County, which is the principal indicator of anticipated property tax collections, a major source of general revenues.
- Personal income earned by County residents, which is a principal basis for projecting income tax revenues as one of the County's major revenue sources, as well as being a basis for determining income eligibility status for certain government programs.
- Employment growth and unemployment rates within the County, as indicators of personal income growth as a revenue source, as well as being indicators of various service or program needs, such as day care or public welfare assistance.

Generally Accepted Accounting Principles (GAAP)

The application of fiscal policy in the financial management of annual operating expenditures must conform with GAAP standards. This involves the separate identification of, and accounting for, the various operating funds; adherence to required procedures such as transfers between funds and agencies; and regular audits of general County operations and special financial transactions such as the disbursement of Federal grants.

Credit Markets and Credit Reviews

The County's ability to borrow cost-effectively depends upon its credit standing as assessed by the three major credit rating agencies: Moody's, Standard and Poor's, and Fitch. While key aspects of maintaining the highest credit rating are related to the management of the County's CIP, others are directly applicable to the annual Operating Budget, such as:

- Maintenance of positive fund balances (reserves) to ensure continued County liquidity for debt repayment, and
- assurances through County law and practice of an absolute commitment to timely repayment of debt and other obligations.

Intergovernmental Agreements

Fiscal Policy for operating budgets must provide guidance for, and be applied within, the context of agreement made between the County and other jurisdictions or levels of government relative to program or service provision. Examples include agreements with:

- incorporated municipalities or special tax districts for reimbursement of the costs of various services provided by them for their residents which would otherwise have to be expended by the County,
- State agencies for shared costs of various social service programs and for participation in various grant and loan programs,
- Federal agencies to obtain support to meet mutual program objectives through programs such as the Community

Development Block Grant, and

- Prince George's County on the approval of the annual operating budgets of the Washington Suburban Sanitary Commission and the Maryland-National Capital Park and Planning Commission.

POLICIES FOR FISCAL CONTROL

Structurally Balanced Budget

The County has a goal of a structurally balanced budget. Budgeted expenditures should not exceed projected recurring revenues plus recurring net transfers minus the mandatory contribution to the required reserves for that fiscal year. Recurring revenues should fund recurring expenses. No deficit must be planned or incurred.

Reserves

The County has a goal of maintaining an unrestricted General Fund balance of five percent of the prior year's General Fund revenues (which is the maximum allowed per Section 310 of the Montgomery County Charter) and a total reserve of ten percent of revenues including the Revenue Stabilization Fund (RSF), as defined in the Revenue Stabilization Fund law (Section 20-65, Montgomery County Code). The County had originally planned to achieve the ten percent target by FY20, but due to the negative impact on revenues from the COVID pandemic, reserves targets were not achieved until FY21.

Reserves exceeded the County's 10 percent target in FY22 and FY23. Reserves for FY24 were budgeted at 11.6 percent but due to strong tax revenue growth they are projected to further increase in FY24 to 15.0 percent. Due to significantly increased costs for services caused by high inflation and a mild recession forecast to occur during 2024, this budget utilizes a portion of reserves to fund programs and one-time costs to bridge the forecasted recession. Reserves are forecast to remain over 11 percent at the end of FY25.

On March 2, 2021, the County Council approved a revised Reserve and Select Fiscal Policies Resolution (No. 19-753) to improve the County's long-term fiscal management. Regarding the use of budgeted reserves during economic recessions or national emergencies, the resolution states that the County Executive and County Council will work collaboratively to identify targeted budget reductions that will minimize the impact on the County's service delivery to reduce the need to use County Government Reserves. Resolution 19-753 does not address the current situation of a forecasted mild recession where resources are needed to support essential services and reserves exceed our policy target. Utilizing reserves in excess of policy levels will bridge a mild recession.

The Reserve and Select Fiscal Policies Resolution further states that following a decrease in County Government Reserves during an economic recession or national emergency, the County must replenish the County Government Reserves to its policy goal within the following three fiscal years as outlined in the County's six-year fiscal plan. The County's replenishment plan should not defer all replenishment until the third year of the plan.

Use of One-time Revenues

One-time revenues and revenues in excess of projections must be prioritized to meet the County's fiscal policy goals or budgeted as required by law. One-time revenues and revenues greater than projected that remain after any contribution required by law will be applied in the following order until the policy goal is met, or the resources are fully utilized: 1) Reserves to policy goal; 2) Retiree health benefits (OPEB) more than the annual actuarial pre-funding contribution and/or pension pre-funding more than the annual actuarial goal, if unfunded liabilities exist; and then 3) Other unfunded liabilities and/or other non-recurring expenditures and/or PAYGO for the CIP in excess of the County's targeted goal.

Pay-as-you-go (PAYGO)

The County should allocate to the CIP each year as PAYGO at least ten percent of the amount of the General Obligation Bonds planned for issuance that year. While a ten percent PAYGO cash allocation is the intended policy goal, during times of extreme financial duress such as that experienced during the COVID pandemic in FY21 and FY22, the PAYGO allocations were temporarily reduced or suspended. An additional issuance of General Obligation Bonds is recommended in the first year of the CIP and $35.1 million PAYGO (above the ten percent PAYGO policy) has been assumed in the current year (FY24) and for the

FY25-30 CIP.

COMPENSATION SUSTAINABILITY POLICY

As stipulated in Resolution 19-753, as a means to preserve long-term budget sustainability, the annual growth rate of total compensation costs (including all wage and benefit costs) should be similar to the annual growth rate of tax-supported revenues. In submitting a recommended annual operating budget, the Executive should indicate how recommended compensation cost increases compare with projected rates of revenue growth. Should recommended compensation cost increases exceed the projected one-year or six-year rate of revenue growth, then the Executive should provide a written explanation of: 1) how operating budget resources are re-allocated to pay for total compensation costs; and 2) how the recommended rate of compensation growth can be sustained over time.

Fiscal Plan

The County should adopt a fiscal plan that is structurally balanced and that limits expenditures and other uses of resources to annually available resources. The fiscal plan should also separately display reserves at both policy level and excess reserves, including additions to reserves to reach policy-level goals.

Budgetary Control

The County will exercise budgetary control (maximum spending authority) over Montgomery County Government through County Council approval of appropriation authority within each department and special fund in two categories: Personnel Costs and Operating Expenses; over the Montgomery County Public Schools (MCPS) and Montgomery College through appropriations in categories set forth by the State; over the County's portion of the Maryland-National Capital Park and Planning Commission (M-NCPPC) activities through approval of work programs and budgets; and over the Washington Suburban Transit Commission through appropriation of an operating contribution.

Budgetary control over WSSC Water (Washington Suburban Sanitary Commission) is exercised following joint review with Prince George's County through approval of Operating and Capital Budgets, with recommended changes in sewer usage charges and rates for water consumption.

Budgetary control over the Housing Opportunities Commission (HOC) and the Montgomery County Revenue Authority is limited to approval of their capital improvements programs and to appropriations of an operating contribution to the HOC.

Financial Management

The County will manage and account for its Operating and Capital Budgets in accordance with GAAP as set forth by the Governmental Accounting Standards Board (GASB).

Basis of Budgeting/Accounting Method

The County's basis of accounting used in the preparation and presentation of its Annual Comprehensive Financial Report is consistent with GAAP for governments.

The County maintains its accounting records for tax-supported budgets (the General Fund, special revenue funds, and Capital Projects Fund supported by general tax revenues) and permanent funds on a modified accrual basis, with revenues recorded when available and measurable, and expenditures recorded when the services or goods are received and the liabilities are incurred.

Accounting records for proprietary funds and fiduciary funds, including private-purpose 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. Custodial funds are also accounted for on the full accrual basis of accounting.

The County's basis of budgeting for tax-supported and proprietary and trust fund budgets is consistent with the existing accounting principles except as noted below:

- The County does not legally adopt budgets for trust funds.

- The County legally adopts budgets for all enterprise funds.
- For the Motor Pool and Central Duplicating Internal Service Funds, the appropriated budgets for those funds are reflected in the appropriated budgets of the operating funds (General Fund, Special Revenue Funds, etc.) that are charged back for such services, and in a reappropriation of the prior year's Internal Service Fund balance. For the Liability and Property Coverage Self-Insurance and Employee Health Benefits Self-Insurance Internal Service Funds, appropriation exists both in a separate legally adopted budget for each fund, and in the appropriated budgets of the operating departments that are charged back for such services.
- For the Urban Districts, Economic Development Fund, and RSF, which are included with the General Fund for financial reporting purposes, separate budgets are legally adopted.
- Outstanding encumbrances are charged to budgetary appropriations and considered budgetary expenditures of the current period. Any cancellations of such encumbrances in a subsequent year are classified with miscellaneous revenue for budgetary purposes.
- Debt service payments, lease payments, and capital outlay are included in the operating budgets of proprietary funds.
- Proprietary fund budgets do not include depreciation and amortization. Instead, capital outlay and construction costs, as applicable, are budgeted in the operating and capital funds, respectively, at the time of purchase and/or encumbrance.
- The County does not budget for the retirement of Commercial Paper Bond Anticipation Notes (BANs). The outstanding balance of any BANs issued are retired with the issuance of General Obligation Bonds.
- Certain proceeds and expenditures related to lease and subscription-based information technology arrangements (SBITA) activities are not budgeted.
- Certain amounts, such as those relating to the purchase of new fleet vehicles and certain inter-fund services such as permitting and solid waste services, are budgeted as fund expenditures but are reclassified to inter-fund transfers for accounting purposes.
- Mortgages and loans made and related repayments are generally budgeted as expenditures and revenues, respectively.
- Year-end GAAP incurred but not reported (IBNR) adjustment amounts in the self-insurance internal service funds are not budgeted. Any such adjustments to the IBNR claims reserve as of year-end are incorporated into the budget preparation process of the following fiscal year.
- Proprietary fund budgets include any annual required contribution to pre-fund retiree health insurance benefit costs. However, certain pre-funded retiree health insurance-related costs in the proprietary funds and General Fund may be reclassified for accounting purposes.
- Proceeds from debt issued specifically for Maryland Housing Initiative (MHI) affordable housing/property acquisition is classified as a resource of the MHI fund.
- The County does not budget for the annual change in fair market value of its investments, which is included in revenue for accounting purposes.
- The County does not budget for bad debt expenses.
- The County does not budget for the operating results of the Montgomery County Conference Center, owned by the County and administered by a third party. Instead, the budget includes cash distributions between the parties that represent the distribution of net operating revenues and reimbursements for net operating losses.

Internal Accounting Controls

The County will develop and manage its accounting systems to provide reasonable assurance regarding: (1) the safeguarding of assets against loss from unauthorized use or disposition; and (2) the reliability of financial records for preparing financial statements and maintaining accountability for assets. "Reasonable assurance" recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived, and (2) the evaluation of costs and benefits requires estimates and judgements by management.

Audits

The County will ensure the conduct of timely, effective, and periodic audit coverage of all financial records and actions of the County, its officials, and employees in compliance with local, State, and Federal law.

Vacant Positions and the Budget

The budget development process includes a review of vacant positions within Executive Branch departments and an analysis of whether they can be deleted or repurposed to another function within County government.

For the upcoming fiscal year, reasonable assumptions are made regarding the number of positions that will remain vacant due to turnover and labor market conditions and the budget is adjusted accordingly. This analysis includes a review of overtime usage and spending on contracts for services that would be delivered by County employees but cannot be because of vacant positions. The intention is for vacancies, overtime, and contractual spending to be regularly reviewed and adjusted.

POLICIES FOR EXPENDITURES AND ALLOCATION OF COSTS

Content of Budgets

The Operating Budget includes all programs and facilities which are not included in the CIP. There are three major impacts of the CIP on Operating Budgets: debt service, current revenues applied to the CIP for debt avoidance or for projects which are not debt-eligible, and presumed costs of operating newly opened facilities. Please refer to the CIP section in this document for more detail.

Expenditure Growth

The County Charter (Section 305) requires that the County Council annually adopt and review spending affordability guidelines for the Operating Budget, including guidelines for the aggregate Operating Budget. The aggregate Operating Budget excludes Operating Budgets for: enterprise funds, grants, tuition and tuition-related charges of Montgomery College, and WSSC Water. County law implementing the Charter requires that the Council set expenditure limits for each agency, as well as for the total, to provide more effective guidance to the agencies in the preparation of their budget requests.

Spending affordability guidelines for the Capital budget and CIP are adopted in odd-numbered calendar years. They have been interpreted in subsequent County law to be limits on the amount of General Obligation Debt and Park and Planning debt that may be approved for expenditure for the first and second years of the CIP and for the entire six years of the CIP.

Any aggregate budget that exceeds the guidelines then in effect requires the affirmative vote of eight of the eleven Council members for approval.

The Executive advises the Council on prudent spending affordability limits and makes budget recommendations for all agencies consistent with realistic prospects for the community's ability to pay, both in the upcoming fiscal year and in the ensuing years.

Consistent with the Charter (Section 302) requirement for a six-year Public Services Program, the Executive continues to improve long-range displays for operating programs.

Allocation of Costs

The County will balance the financial burden of programs and facilities as fairly as possible between the general taxpayers and those who benefit directly, recognizing the common good that flows from many public expenditures; the inability of some residents to pay the full costs of certain benefits; and the difficulty of measuring the relationship between public costs and public or private benefits of some services.

Tax Duplication Avoidance

In accordance with law, the County will reimburse those municipalities and special taxing districts which provide public services that would otherwise be provided by the County.

Expenditure Reduction

The County will seek expenditure reductions whenever possible through efficiencies; reorganization of services; and through the reduction or elimination of programs, policies, and practices which have outlived their usefulness. The County will seek interagency opportunities to improve productivity.

Shared Provision of Service

The County will encourage, through matching grants, subsidies, and other funding assistance, the participation of private organizations in the provision of desirable public services when public objectives can be more effectively met through private activity and expertise and where permitted by law.

Public Investment in Infrastructure

The County will, within available funds, plan and budget for the facilities and infrastructure necessary to support its economy and public programs determined to be necessary for the quality of life desired by its residents.

Cost Avoidance

The County will, within available funds, consider investment in equipment, land or facilities, and other expenditure actions, in the present, to reduce or avoid costs in the future.

Procurement

The County will make direct or indirect purchases through a competitive process, except when an alternative method of procurement is specifically authorized by law, is in the County's best interest, or is the most cost-effective means of procuring goods and services.

Use of Restricted Funds

In order to align costs with designated resources for specific programs or services, the County will generally first charge expenses against a restricted revenue source prior to using general funds. The County may defer the use of restricted funds based on a review of the specific transaction.

SHORT-TERM FISCAL AND SERVICE POLICIES

Short-term policies are specific to a budget year. They address key issues and concerns that frame the task of preparing a balanced budget that achieves the County Executive's priorities within the context of current and expected economic realities.

Due to the impact of State and Federal aid and the underlying strength of the local economy, dire predictions for our regional economy because of the COVID pandemic did not materialize. Like the State of Maryland, the County's revenue streams have outperformed our fiscally prudent revenue projections for both FY23 and FY24 based on year-to-date collections. As a result, we are projecting the County will end FY24 with reserves of $956.6 million, or $318.0 million more than needed to meet the County's policy of maintaining ten percent of adjusted governmental revenues in reserve.

For FY25, the County has assumed a mild recession in the revenue forecasts for 2024 with lower growth rates or decreases in several key tax revenues compared to previous forecasts. For example, income taxes are expected to experience declines in FY24 compared to FY23's record high amount due to weak capital gains income and the end of federal stimulus payments in tax year 2022. Due to positive growth in total personal income that in-turn supports growth in withholdings revenue, income tax revenues are projected to increase a modest 2.1 percent in FY25, despite the forecasted mild recession in 2024.

Transfer and recordation taxes experienced significant declines in FY24 due to reductions in real estate transaction activity caused by a dramatic decrease in home sales attributed to increased mortgage rates, housing prices, and low inventory. Revenues from these sources are forecast to return to growth in FY25, although at a relatively slow rate of 4.7 percent, and to continue to recover in FY26. Fortunately, assessable base property values plus new construction and personal property are increasing, resulting in a year-over-year increase in property tax revenues.

Expenditure pressures facing the County generally fall into three categories:

1. Inflationary cost increases
2. Increased school funding to maintain adequate staffing and core services while supporting State-mandated educational program improvements
3. Maintaining a number of COVID-era safety net programs

Inflationary pressures for utilities, fuel, contracts, and other operating costs are affecting all areas of the County's operations. Inflation-related increases in our labor contracts have added significantly to the County's costs, but with a tight labor market and high vacancies, these increases are essential to attracting a high-quality workforce. In some cases, such as police officers and transit operators, the County has had to offer signing bonuses and mid-year pay scale adjustments to effectively recruit and retain employees.

The MCPS budget faces similar cost pressures. The labor market, particularly for teachers, is very competitive. Salary increases will be needed to attract and retain top talent. Enrollment growth, student technology device needs, and cost increases for fuel, supplies, and contracts result in additional cost increases. MCPS' requested budget increase is anticipated to support the State-mandated Blueprint for Maryland Future services.

During the COVID pandemic, the County used Federal funds to enhance safety net services to protect our most vulnerable residents. These services included increased rental assistance, eviction prevention, food distribution, guaranteed housing for homeless persons, service coordination through the County's Service Hubs, and an increased local match for the Federal Earned Income Tax Credit. As we head into a possible recession, the County is now choosing to use its own funds to maintain the availability of these services.

In order to mitigate the short-term impact of the recession, the FY25 budget assumes the one-time use of $205.0 million in surplus tax-supported reserves, beyond the County's ten percent policy level, to provide needed services and to remain competitive in the local labor market. In addition, it is expected that transfer and recordation taxes will rebound, and inflationary pressures will ease as the economy rebounds from this mild recession so that this type of use of reserves will not be necessary in the future. Even with this use of surplus reserves, it is estimated that the County will end FY25 with $761.3 million in reserves, 1.6 percentage points or $106.1 million more than required to meet the County's fund balance policy.

To fund budget increases related to recruiting and retaining high quality teachers, and funding enrollment and system growth while supporting State-mandated Blueprint for Maryland's Future service requirements, the Recommended budget assumes a continued $0.047 property tax that is dedicated solely to MCPS.

It has become clear that the County's financial policies need to be updated to reflect the County's progress in strengthening its financial position. An inter-departmental group is working with the County's financial advisors to update the County's reserve policy, while the County Council passed Resolution No. 20-337 updating our OPEB policy.

The County's reserves policies require that the County's goal would be to budget for and maintain an unrestricted General Fund balance of five percent of the prior year's General Fund revenues and the RSF, which together will represent 10 percent of Adjusted Governmental Revenues, except during a period of economic recession or national emergency. Contributions of at least 0.5 percent of Adjusted Governmental Revenues up to the 10 percent reserve target must be made to the RSF. If greater than 10 percent total reserve, then 50 percent of certain excess revenues must be transferred to the Fund. RSF funds may not to be used unless appropriations become unfunded due to revenue shortfalls.

After establishing its reserves policy in 2010, the County committed to a multi-year plan to achieve the ten percent target. For a number of years, the County made progress toward achieving the ten percent reserves target and achieved it in FY21 . During the COVID pandemic, the County revised its policy to specify that if the total reserves fell below the ten percent goal, the County must replenish the reserves to its policy goal within three fiscal years.

While the County's reserve policy is successful in providing an adequate reserve to weather the financial implications of recessions, storms, and a pandemic, it did not adequately anticipate how the reserves should be managed once the ten percent goal was achieved. For instance, a sustainable fund balance policy has a mix of funding in both undesignated reserves, which may be used to pay for unanticipated expenditures throughout the fiscal year, and our RSF, which is used only in the case of revenue shortfalls. Under current fiscal conditions, if there is ten percent of adjusted governmental revenues in reserve, it would be locked away in the RSF and would not allow the Council to have the flexibility to provide mid-year budget amendments. Now that the County has exceeded the ten percent fund balance target for four years, the Department of Finance, the Office of Management and Budget, and the Office of the County Attorney are working with the County Council and the County's financial advisors to update the reserve policy and the Revenue Stabilization Fund law to better reflect our current circumstances as we strive to balance fiscal prudence with residents' needs and a desire to limit unnecessary taxation.

Regarding OPEB expenses, the County Council passed Resolution No. 20-337 in December 2023, establishing a new OPEB policy. Previously, the policy had been solely to build reserves. The new policy sets a clear funded ratio target with a defined timeframe, while allowing for utilization when actuarially determined.

In FY24 and FY25, the actuarial analysis assumed a utilization of Trust assets of $17.4 million and $8.9 million, respectively, to pay for a portion of retiree health care expenses based on the funded status of the plan. The County did not utilize any trust assets in FY24, resulting in total funding to the OPEB Trust that exceeded the ADC by $17.4 million. In FY25, the actuarial analysis assumed an ADC that was $8.9 million less than the pay-as-you-go amount, and in accordance with the new policy, the FY25 budget assumes utilization of $8.9 million to pay for a portion of retiree health care benefits costs.

The Office of Management and Budget coordinates with the Office of Racial Equity and Social Justice to incorporate racial equity considerations into the decision-making process for budgeting . Departments are asked to state how their programs consider racial/ethnic disparities and/or disproportionalities in their outcomes, how programs seek to address identified inequities, the potential for disproportionate effects on communities of color and low-income communities and how those effects could be mitigated, and how programs can build capacity to engage with marginalized communities. A chapter on racial equity later in this publication provides more details on the process and outcomes of this effort.

The Office of Management and Budget also incorporates climate change considerations into the decision-making process for budgeting . For example, departments are asked if their programs reduce greenhouse gas emissions, increase the resiliency of County infrastructure to withstand future impacts of climate change, sequester carbon, or provide other environmental benefits related to climate change. A chapter in Climate Change later in this publication provides more details on the process and outcomes of this effort.

To develop the Recommended FY25-30 CIP, the County prioritized investments in schools, affordable housing, facilities to address barriers to residents' well-being, transportation networks, and maintenance of core infrastructure. Priority was given to projects that advance racial equity, social justice, and efforts to combat the impact of climate change.

The County continues to limit issuance of General Obligation Debt to curb the impact of debt service on the operating budget. After the modest one-time increase of $20 million in FY25, the Recommended CIP anticipates a return to the lower debt issuance that had previously been assumed. The County is aggressively pursuing State and Federal funding to support school construction, economic development-oriented transportation projects, and public health and corrections facilities as a strategy to provide needed infrastructure without an undue tax burden.

Increases in PAYGO above the ten percent policy level and usage of set aside have helped the County mitigate the impact of construction cost increases and further revenue shortfalls in Recordation Tax due to challenges in the housing market because of low sales. It was also necessary to reduce and defer some previously approved projects for fiscal reasons.

Together with the long-term policies described elsewhere in this chapter, the short-term policies described here allow the County to construct a balanced, fiscally responsible FY25 budget consistent with current economic and fiscal realities while achieving the County Executive's key priority outcomes.

CURRENT CIP FISCAL POLICIES

Policy on Eligibility for Inclusion in the CIP

Capital expenditures included as projects in the CIP should:

- Have a reasonably long useful life, add to the physical infrastructure and capital assets of the County, or enhance the productive capacity of County services. Examples are roads, utilities, buildings, and parks. Such projects are normally eligible for debt financing.
- Have a defined beginning and end, as differentiated from ongoing programs in the PSP.
- Be related to current or potential infrastructure projects. Examples include facility planning or major studies. Generally, such projects are funded with current revenues.
- Be carefully planned to enable decision-makers to evaluate the project based on complete and accurate information. In

order to permit projects to proceed to enter the CIP once satisfactory planning is complete, a portion of "programmable expenditures" (as used in the Bond Adjustment Chart) is deliberately left available as a set-aside for future needs.

Policy on Funding the CIP with Debt

Much of the CIP should be funded with debt. Capital projects usually have a long useful life and will serve future taxpayers as well as current taxpayers. It would be inequitable and an unreasonable fiscal burden to make current taxpayers pay for many projects out of current tax revenues. Bond issues, retired over approximately 20 years, are both necessary and equitable.

A project deemed to be debt-eligible should:

- Have a useful life at least as long as the debt issue with which it is funded.
- Not be able to be funded entirely from other potential revenue sources, such as intergovernmental aid or private contributions.
- Special Note: With a trend toward more public/private partnerships, especially regarding projects aimed at revitalization or redevelopment of the County's central business districts, there are more instances when public monies leverage private funds. Generally, these instances bring with them the "private activity" or private benefit (to the County's partners) that make it necessary for the County to use current revenue or taxable debt as its funding source. Financing in partnership situations ensure that tax-exempt debt is issued only for those improvements that meet the IRS requirements for the use of tax-exempt bond proceeds.

Policy on General Obligation Debt Limits

General Obligation Debt usually takes the form of bond issues. General tax revenues for repayment are pledged for repayment. Payment of principal and interest on General Obligation Debt is the first claim on County revenues. By virtue of prudent financial management and the long-term strength of the local economy, Montgomery County has maintained the highest quality rating of its General Obligation Bonds, AAA. This top rating by Wall Street rating agencies assures Montgomery County of a ready market for its bonds and the lowest available interest rates on that debt.

Debt Capacity

To maintain the AAA rating, the County considers the following guidelines in deciding how much additional County General Obligation Debt may be issued in the six-year CIP period:

Overall Debt as a Percentage of Assessed Valuation. This ratio measures debt levels against the property tax base, which generates the tax revenues that are the main source of debt repayment. Total debt, both existing and proposed, should be kept at about 1.5 percent of full market value (substantially the same as assessed value) of taxable real property in the County.

Debt Service as a Percentage of the General Fund. This ratio reflects the County's budgetary flexibility to adapt spending levels and respond to economic condition changes. Required annual debt service expenditures should be kept at about ten percent of the County's total General Fund revenues. The General Fund excludes other special revenue tax-supported funds.

Overall Debt Per-capita. This ratio measures the burden of debt placed on the population supporting the debt and is widely used as a measure of an issuer's ability to repay debt. Total debt outstanding and annual amounts issued, when adjusted for inflation, should not cause real debt per-capita (i.e., after eliminating the effects of inflation) to rise significantly.

Ten-year Payout Ratio. This ratio reflects the amortization of the County's outstanding debt. A faster payout is considered a positive credit attribute. The rate of repayment of bond principal should be kept at existing high levels and in the 60-75 percent range during any ten-year period.

Per-capita Debt to Per-capita Income. This ratio reflects a community's economic strength as an indicator of income levels relative to debt. Total debt outstanding and annual amounts proposed should not cause the ratio of per-capita debt to per-capita income to rise significantly above approximately 3.5 percent.

These ratios are calculated and reported each year in conjunction with the capital budget process, the annual financial audit, and as needed for fiscal analysis.

Policy on Terms for General Obligation Bond Issues

Bonds are normally issued in a 20-year series, with five percent of the series retired each year. This practice produces equal annual payments of principal over the life of the bond issue. Also, declining annual payments of interest on the outstanding bonds, positively affects the pay-out ratio (see Debt Limits, above). Thus, annual debt service on each bond issue is higher at the beginning and lower at the end. When bond market conditions warrant, or when a specific project would have a shorter useful life, different repayment terms may be used. General Obligation Bonds are secured by the unlimited taxing authority pledge of the County.

Policy on Other Forms of General Obligation Debt

The County may issue other forms of debt as appropriate and authorized by law. From time to time, the County issues Commercial Paper/BANs for interim financing to take advantage of favorable interest rates within rules established by the IRS.

Policy on Use of Revenue Bonds

Revenue bonds are secured by the pledge of particular revenues to their repayment in contrast to General Obligation Debt, which pledges general tax revenues. The revenues pledged may be those of a Special Revenue fund, or they may have derived from the funds or revenues received from or in connection with a project. Amounts of revenue debt to be issued should be limited to ensure that debt service coverage ratios shall be sufficient to ensure ratings at least equal to or higher than ratings on outstanding parity debt. Such coverage ratios shall be maintained during the life of any bonds secured by that revenue stream.

Policy on Use of Appropriation-backed Debt

Various forms of appropriation-backed debt may be used to fund capital improvements, facilities, or equipment issued directly by the County or using the Montgomery County Revenue Authority or another entity as a conduit issuer. Under such an arrangement, the County enters into a long-term lease or funding agreement with the conduit issuer and the County lease or funding agreement payments pay the debt service on the bonds. Appropriation-backed debt is useful in situations where a separate revenue stream is available to partially offset the lease payments, thereby differentiating the project from those typically funded with General Obligation Debt. Because these long-term leases constitute an obligation of the County similar to general debt, the value of the leases is included in debt capacity calculations.

Policy on Issuance of Taxable Debt

Issuance of taxable debt may be useful in situations where private activity or other considerations make tax-exempt debt disadvantageous or ineligible due to tax code requirements or other considerations. The cost of taxable debt will generally be higher because investors may have to pay taxes on the interest. Taxable debt may be issued in instances where the additional cost of taxable debt, including legal, marketing, and other up-front costs and the interest cost over the life of the bonds is outweighed by the advantages in relation to the financing objectives to be achieved.

Policy on Use of Interim Financing

Interim Financing may be useful in situations where project expenditures are eligible for long-term debt, but permanent financing is delayed for specific reasons, other than affordability. Interim Financing should have an identified ultimate funding source and should be repaid within the short-term. An example for interim financing would be in a situation where an offsetting revenue, such as land sale proceeds, will be available in the future to pay off a portion of the amounts borrowed, but the exact amounts and timing of the repayment are uncertain.

Policy on the Use of Short-term Financing

Short-term financing (terms of ten years or less) may be appropriate for certain types of equipment or system financings, where the term of the financing correlates to the useful life of the asset acquired. It may also be appropriate in cases where the expected useful life is long, but due to the nature of the system, upgrades are frequent and long-term financing is not appropriate.

Policy on Use of Current Revenues

Use of Current Revenues to fund capital projects is desirable as it constitutes "pay-as-you-go" financing and, when applied to debt-eligible projects, reduces the debt burden of the County. Decisions to use current revenue funding within the CIP have immediate impacts on resources available to annual operating budgets and require recognition that certain costs of public facilities should be supported on a current basis rather than paid for over time.

Current revenues from the General Fund are used for designated projects which have broad public use and which fall outside of any of the specialized funds. Current revenues from the Special and Enterprise Funds are used if the project is associated with the particular function for which these funds have been established.

The County has the following policies on the use of current revenues in the CIP:

- Current revenues must be used for any CIP project not eligible for debt financing by virtue of its limited useful life.
- Current revenues should be used for CIP projects consisting of limited renovations of facilities, for renovations of facilities which are not owned by the County, and for planning and feasibility studies.
- Current revenues may be used when the requirements for capital expenditures press the limits of bonding capacity.
- Except for excess revenues which must go to the RSF, the County will, whenever possible after funding pension and OPEB contributions above the annual actuarial goal (if unfunded liabilities exist), use one-time revenues for the funding of PAYGO above the County's ten percent goal or other nonrecurring expenditures so as to not incur ongoing expenditure obligations for which revenues may not be adequate in future years.

Policy on Use of Federal and State Grants and Other Contributions

Grants and other contributions should be sought and used to fund capital projects whenever they are available on terms that are to the County's long-term fiscal advantage. Such revenues should be used as current revenues for debt avoidance and not for debt service.

Policy on Minimum Allocation of PAYGO

PAYGO is current revenue set aside in the operating budget, but not appropriated, and is used to replace bonds for debt-eligible expenditures. To reduce the impact of capital programs on future years, the County will fund a portion of its CIP on a pay-as-you-go basis. Pay-as-you-go funding will save money by eliminating interest expense on the funded projects. Pay-as-you-go capital appropriations improve financial flexibility in the event of sudden revenue shortfalls or emergency spending. It is the County's policy to allocate to the CIP each fiscal year as PAYGO at least ten percent of the amount of General Obligation Bonds planned for issue that year. For the FY25-30 recommended CIP, PAYGO remains above the ten percent policy minimum.

Policy on Operating Budget Impacts

In the development of capital projects, the County evaluates the impact of a project on the operating budget and displays such impacts on the project description form. The County shall not incur debt or otherwise construct or acquire a public facility if it is unable to adequately provide for the subsequent annual operating and maintenance costs of the facility.

Policy on Taxing New Private Sector Development

As part of a fair and balanced tax system, new development of housing, commercial, office, and other structures should contribute directly toward the cost of new and improved transportation and other infrastructure required to serve that development. To implement this policy, the County has established the following taxes:

Impact Tax - Transportation. In November 2020, the County Council approved the 2020-2024 Growth and Infrastructure Policy (formerly known as the Subdivision Staging Policy). The new policy continues existing rates but modifies geographic boundaries of the Red Policy Areas to include certain Metro stations. These taxes are levied at four zone rate schedules: transit-oriented and urban Red Policy Areas (former Metro Station Policy Areas), mixed urban/suburban Orange Policy Areas (formerly part of the general impact district), suburban Yellow Policy Areas (formerly part of the general impact district), and rural Green

Policy areas (e.g., agricultural reserve). The new policy requires that non-exempt dwelling units in a development with at least 25 percent affordable units must pay a discounted tax rate by housing type applicable in the Red Policy Area. Except for a development located in the City of Rockville, a discounted rate is also applied to development in a Desired Growth and Investment Area within an Orange or Yellow Policy Area. The impact tax exemption is expanded to include development located in a Qualified Opportunity Zone certified by the U.S. Treasury Department.

Impact Tax - Schools. Most residential development in Montgomery County is subject to an impact tax for certain school facilities. The Growth and Infrastructure Policy eliminated residential development moratoria and designated neighborhoods by two School Impact Areas - Infill and Turnover. The school impact taxes vary by housing, commensurate with the average student generation rate of that type of residential development. Non-exempt dwelling units in a development with at least 25 percent affordable units must pay a discounted rate by housing type applicable in the Infill School Impact Area. A discounted rate is applied to residential development with multi-family dwelling units or in a Desired Growth and Investment Area. Exemption of school impact tax is applied to development in a Qualified Opportunity Zone.

Utilization Premium Payments. The Growth and Infrastructure Policy also required developers of new housing to make Utilization Premium Payments (UPP) in areas with overcrowded schools, effective March 9, 2021. Three utilization thresholds for residential development at the individual school level were established. However, the UPP is exempt if any development plan was filed prior to February 26, 2021 that includes 25 percent affordable units, under a government regulation or binding agreement, or in a former Enterprise Zone that was filed and accepted before January 1, 2021.

School Facilities Payment. A school facilities payment is applied at subdivision review to residential development projects located in a school cluster where enrollment exceeds adopted standards. The school facilities payment is made on a per-student basis, based upon standard student generation rates of that type of residential development. As of March 1, 2017, the School Facilities Payment only applies to development projects that were included in a preliminary plan of subdivision prior to this date.

Development Districts. Legislation enacted in 1994 established a procedure by which the Council may create a development district. The creation of such a special taxing district allows the County to issue low-interest, tax-exempt bonds that are used to finance the infrastructure improvements needed to allow the development to proceed. Taxes or other assessments are levied on property within the district, the revenues from which are used to pay the debt service on the bonds. Development is, therefore, allowed to proceed, and improvements are built in a timely manner. Only the additional special tax revenues from the development district are pledged to repayment of the bonds. The County's general tax revenues are not pledged. The construction of improvements funded with development district bonds is required by law to follow the County's usual process for constructing capital improvements and, thus, must be included in the CIP.

Systems Development Charge (SDC). This charge, enacted by the 1993 Maryland General Assembly, authorizes WSSC Water to assess charges based on the number and type of plumbing fixtures in new construction, effective July 19, 1993. SDC revenues may only be spent on new water and sewage treatment, transmission, and collection facilities.

POLICIES FOR GOVERNMENTAL MANAGEMENT

Productivity

The County will seek continuous improvement in the productivity of County programs in terms of quantity of services relative to resources expended, through all possible strategies.

Employee Involvement

The County will actively encourage and make use of the experience and expertise of its workforce for optimum program effectiveness and cost-efficiency of public service delivery through training, teamwork, employee empowerment, and other precepts of quality management.

Intergovernmental Program Efforts

The County will seek program efficiencies and cost savings through cooperative agreements and joint program efforts with other County agencies, municipalities, regional organizations, and the State and Federal governments. The County will also actively seek funding from other governmental sources to further mutual policy goals.

Alternative Service Delivery

The County will consider obtaining public service delivery through private or non-profit sectors via contract or service agreement, rather than through governmental programs and employees, when permitted by law, is cost effective, and is consistent with other public objectives and policies.

Risk Management

The County will control its exposure to financial loss through a combination of commercial and self-insurance. The County will self-insure against all but the highest cost risks, and aggressively control its future exposure through a risk management program that allocates premium shares among agencies based on loss history.

Employee Compensation

The County will seek to provide total compensation (pay plus employee benefits) that is comparable to jobs in the private sector, comparable among similar jobs in County departments and agencies, and comparable between employees in collective bargaining units and those outside such units.

The government will act to contain the growth of compensation costs using various strategies to include: organizational efficiencies within its departments and agencies, management efficiencies within its operations and service delivery, and productivity improvements within its workforce.

Pension Funds

The County will, to assure the security of benefits for current and future retirees and the solvency of the Employee Retirement System of Montgomery County, provide for the judicious management and investment of the fund's assets through the Board of Investment Trustees (BIT), and strive to increase the funding ratio of assets to accrued liability. The BIT also selects the service providers and investment options available for employees participating in the Retirement Savings Plan and the Deferred Compensation Plan. The Montgomery County Union Employees Deferred Compensation Plan is administered by the three unions representing Montgomery County employees.

Retiree Health Benefits Trust

Over an eight-year period beginning with FY09, the County phased-in full pre-funding of its Actuarially Determined Contribution (ADC), from the previous pay-as-you-go approach, beginning with contributions to one or more trust funds established for that purpose. This approach allows the County to use a discount rate higher than its operating investment rate for accounting and budgeting purposes, which results in lower costs and liabilities than if the County did not have a Trust in place. In FY15, full pre-funding was reached, and the County applied a policy of contributing the full ADC in each budget. The full ADC is budgeted as two types of expenses - pay-as-you-go costs and pre-funding contributions. The actuarial valuation for FY24 and FY25 assumed a utilization of Trust assets due to the funded status of the plan, with an ADC lower than the projected pay-as-you-go costs. The FY24 budget included funding in excess of the County's policy of funding the ADC, and the FY25 budget adheres to the newly adopted policy. With the new OPEB policy, the County will focus on ensuring the assets are utilized in a fiscally responsible manner while protecting the long-term viability of the Trust.

Surplus Property

The County will maximize the residual value of land parcels or buildings declared excess to current public needs through public reuse, lease to appropriate private organizations, or sale, in order to return them to the tax base of the County. Disposition of goods which have become obsolete, unusable, or surplus to the needs of the County is accomplished through bid, auction, or other lawful method to the purchaser offering the highest price except under circumstances as specified by law.

Fiscal Impact Reviews

The County will review proposed local and State legislation, regulations, and master plans for specific findings and recommendations relative to financial and budgetary impacts and any continuing and potential long-term effects on the operations of government.

Economic Impact Statements

The County will review proposed local and State legislation, and regulations for specific findings and recommendations relative to economic impacts for any continuing and potential long-term effects on the economic well-being of the County.

Resource Management

The County will seek continued improvement in its budgetary and financial management capacity in order to reach the best possible decisions on resource allocation and the most effective use of budgeted resources.

POLICIES FOR REVENUES AND PROGRAM FUNDING

Diversification of Revenues

The County will establish the broadest possible base of revenues and seek alternative revenues to fund its programs and services, in order to:

- decrease reliance on general taxation for discretionary but desirable programs and services and rely more on user fees and charges,
- decrease the vulnerability of programs and services to reductions in tax revenues as a result of economic fluctuations, and
- increase the level of self-support for new program initiatives and enhancements.

Revenue Projections

The County will estimate revenues in a realistic and conservative manner in order to minimize the risk of a funding shortfall.

Property Tax

The County will, to the fullest extent possible, establish property tax rates in such a way as to:

- limit annual levies so that tax revenues are held at or below the rate of inflation, or justify exceeding those levels if extraordinary circumstances require higher rates,
- avoid wide annual fluctuations in property tax revenue as economic and fiscal conditions change, and
- fully and equitably obtain revenues from new construction and changes in land or property use.

A November 2020 amendment to the County Charter (Section 305) prohibits the County Council from adopting a tax rate on real property that exceeds the weighted average tax rate on real property approved for the previous year unless all current Councilmembers vote affirmatively for the increase.

In addition, Section 5-104 of the State Education Article allows a county to set a property tax rate greater than what would otherwise be allowed under that County's charter limit. Montgomery County exercised this option in FY24 by implementing a 4.7 cent schools tax, which continues in FY25. The revenue generated by this is dedicated to schools and is not subject to the County's property tax limit, pursuant to State law.

County Income Tax

The County will maintain the rate for the local personal income tax within the limits specified in the Maryland Annotated Code, Tax-General Article, Section 10-106.

Special Districts

The County has established special districts within which extra services, generally not performed Countywide, are provided and funded from revenues generated within these districts. Examples are Urban, Recreation, and Parking Lot Districts. The County will also abolish special districts when the conditions which led to their creation have changed. <.p>

Most special districts have a property tax to pay for all or part of the district expenses, although some of the existing special districts do not currently impose a tax. Such property taxes are included in the overall limit set on annual real property tax rate increases by Section 305 of the County Charter.

Special Funds

The revenues and expenditures of special districts are accounted for in special revenue funds or in the case of Parking Lot Districts, in enterprise funds. As a general principle, these special funds pay an overhead charge to the General Fund to cover the management and support services provided by General Fund departments to these special fund programs.

When the fund balances of special funds grow to exceed mandated or otherwise appropriate levels relative to the district's public purposes, the County may consider transferring part of the fund balance to support other programs, as allowed by law. For example, a portion of the parking lot districts' fee revenue is transferred to the Urban Districts.

Enterprise Funds

The County will, through pricing, inventory control, and other management practices, ensure appropriate fund balances for its enterprise funds while obtaining full cost recovery for direct and indirect government support, as well as optimal levels of revenue transfer for General Fund purposes.

One-time Revenues

One-time revenues and revenues in excess of projections must be prioritized first to restoring reserves to policy levels or as required by law. Existing policy has been that if the County determines that reserves have been fully funded, then one-time revenues should be applied to non-recurring expenditures which are one-time in nature in the following priority order: A) OPEB more than the annual actuarial pre-funding contribution and/or pension prefunding more than the annual actuarial goal, if unfunded liabilities exist, then B) for other unfunded liabilities, other non-recurring expenditures, and/or PAYGO for the CIP in excess of the County's targeted PAYGO goal. This assumes that excess revenues which must go to the RSF (see below) have already been allocated to the RSF.

Intergovernmental Revenues

The County will aggressively seek a fair share of available State and Federal financial support unless conditions attached to that assistance are contrary to the County's interest. Where possible, Federal or State funding for the full cost of a program will be requested, including any indirect costs of administering a grant-funded program. For reasons of fiscal prudence, the County may choose not to solicit grants that will require an undeclared fiscal commitment beyond the term of the grant.

User Fees and Charges

The County will charge users directly for certain services and use of facilities where there is immediate and direct benefit to those users, as well as a high element of personal choice or individual discretion involved, rather than fund them through general taxation. Such charges include licenses, permits, user fees, charges for services, rents, tuition, and sale of goods. This policy will also be applied to fines and forfeitures. See also: "Policies for User Fees and Charges," later in this Fiscal Policy section.

Cash Management and Investments

The objective of the County's cash management and investment program is to achieve maximum financial return on available funds while assuring a high level of safety. Cash will be pooled and invested on a daily basis reflecting the investment objective priorities of capital preservation, liquidity, and yield.

Reserves and Revenue Stabilization

The County's goal will be to budget for, and maintain, an unrestricted General Fund balance of five percent of the prior year's General Fund revenues, consistent with the County Charter Section 302 limitation, along with the RSF, which together will represent ten percent of Adjusted Governmental Revenues, except during periods of economic recession or national emergency. As defined in the Revenue Stabilization Fund law, Adjusted Governmental Revenues include the tax-supported revenues of the County government, MCPS (less the County's local contribution), Montgomery College (less the County's local contribution), and M-NCPPC, plus the revenues of the County Government's grant fund and capital projects fund.

The County's RSF was established to accumulate funds during periods of strong economic growth in order to provide budgetary flexibility during times of funding shortfalls. Contributions must equal the greater of A) 50 percent of any excess revenue or A) an amount equal to the lesser of 0.5 percent of Adjusted Governmental Revenues or the amount needed to obtain a total reserve of 10 percent of Adjusted Governmental Revenues. By an affirmative vote of seven Councilmembers the Council may transfer any amount from the Fund to the General Fund to support appropriations that have become unfunded.

The County's goal is to identify targeted budget reductions to reduce the use of reserves during an economic recession or national emergency. In the event that total reserves fall below ten percent of adjusted governmental revenue, the County must replenish the County Government Reserves to its policy goal within three fiscal years following the decrease, which must be included in the County's six-year fiscal plan. Reserves for FY24 were budgeted at 11.6 percent but due to strong tax revenue growth they are now projected to be 15.0 percent in FY24. Due to significantly increased costs for services caused by high inflation and a mild recession forecast to occur during 2024, this budget utilizes a portion of reserves to fund programs and one-time costs to bridge the forecasted recession. Reserves are forecast to remain over 11.0 percent at the end of FY25.

The budgeted reserve levels for non-tax supported funds are established by each governmental agency and vary based on the particular fiscal requirements and business functions of the fund, as well as any relevant laws, policies, and bond covenants.

The table at the end of this chapter displays the projected ending fund balance for each major fund in the County's operating budget and includes an explanation of changes greater than ten percent.

POLICIES FOR USER FEES AND CHARGES

To control the growth of property taxation as the County's principal revenue source, there is a need to closely allocate certain costs to those who most use or directly benefit from specific government programs and services. Fees and charges are those amounts received from consumers of government services or users of facilities on the basis of personal consumption or private benefit rather than individual income, wealth, or property values. Significant government revenues are and should be obtained from licenses, permits, user fees, charges for services, transit fares, rents, tuition, sales, and fines. The terms "fee" and "charge" are used here interchangeably to include each of these types of charges.

Purpose of User Fee Policy

Access to programs and services. The imposition of and level of fees and charges should be set generally to ensure economic and physical access by all residents to all programs and services provided by the government. Exceptions to this basic public policy are: the pricing of public goods (such as parking facilities) in order to attain other public policy objectives (such as public use and support of mass transit), and using a charge to enforce compliance with laws and regulations, such as fines for parking violations.

Fairness. User fees and charges are based on the principle of equity and in the distribution of costs for government programs and services, with the objective of sharing those costs with the individual user when there is individual choice in the kind of or amount of use, and of adjusting charges in accordance with the individual ability to pay when there is no choice.

Diversification of revenue sources. User fees and charges enhance the government's ability to equitably provide programs and services which serve specific individuals and groups and for which there is no alternative provider available. The policy objective is to decrease reliance on general revenues for those programs and services which produce direct private benefits and to fund such programs and services through revenues directly related to their costs and individual consumption.

Goals

Goals for the imposition of user fees and charges include:

- recovery of all, or part, of government costs for the provision of certain programs and services to the extent that they directly benefit private individuals or constituencies rather than the public at large;
- allocation of available public resources to those programs meeting the broadest public need or demand in the most efficient way possible;
- use of "market" information generated by user-demand for more effective planning and alternative choices for future programs, services, and facilities;
- collection of user fees from individual citizens who choose their level of use from among programs, services, and facilities where individual choice may be exercised, resulting in improved cost-effectiveness and accountability for the spending of public funds ; and
- coverage of costs of programs and services by those receiving direct benefit ensuring dedicated sources of funds for programs and services to designated special areas or user groups rather than the County as a whole.

Criteria

Within these goals, government officials must consider a variety of factors in deciding whether to employ fees and charges and what rates to charge. Each proposal for a new or increased fee is evaluated according to these criteria.

Public benefit. Many programs benefit the public as a whole as well as those who directly use the service. By definition, all programs offered by the government have some public benefit or they should not be undertaken. However, the rate set must balance the private benefit with the public good so that there is maximum overall benefit to the community. The costs must be fairly allocated.

This balance may be achieved either by specifying a percentage of cost recovery (from users) or by a tax subsidy for each service (from the general public) The greater the public benefit, the lower the percentage of cost recovery that is appropriate. On one end of the scale, public utilities such as water and sewer should be paid for almost entirely on the basis of individual consumption, with full cost recovery from consumer-users. On the other, public education and public safety (police and fire service) are required for the overall public good and so are almost entirely supported through general taxation.

In between are services such as public health inspections or clinic services, which protect the public at large but which are provided to specific businesses or individuals; facilities such as parks which are available to and used by everyone; and playing fields, golf courses, or tennis courts which serve only special recreational interests. Services that have private benefit for only a limited number of persons (such as public housing, or rent and fuel subsidies) should not be "free" unless they meet very stringent tests of public good, or some related criteria such as essential human needs.

Ability to pay. Meeting essential human needs is considered a basic function of government, and for this reason programs or services assisting the very poor are considered a "public good" even though the benefit may be entirely to individuals. Whether to assess fees and how much to charge depends on the ability to pay by those who need and make use of programs and services provided by the government.

Without adjustment, fees are "regressive" because rates do not relate to wealth or income. For this reason, services intended mainly for low-income persons may charge less than otherwise would be the case. Policies related to fee scales or waivers should be consistent within similar services or as applied to similar categories of users. Implementation of fee waivers or reductions requires a means for establishing eligibility that is fair and consistent among programs. The eligibility method also must preserve the privacy and dignity of the individual.

User discretion. Fees and charges are particularly appropriate if the user has a choice about whether or not to use a particular program or service. Individuals have choices as to: forming a business that requires a license, use of particular recreational facilities, obtaining post-secondary education, and mode of transportation and related facilities. When fines represent a penalty to enforce public law or regulation, citizens can avoid the charge by compliance. Fines should be set at a point sufficient to deter non-compliant behavior. The rates for fines and licenses may exceed the government cost of providing the related "service" when either deterrence or rationing the special "benefit" is desired as a matter of public policy.

Market demand. Services which are fee-supported often compete for customer demand with similar services offered by private firms or other public jurisdictions. Fees for publicly provided goods cannot be raised above a competitive level without loss of patronage and potential reduction in cost-effectiveness. Transit fares, as a user charge, will compete with the individual's real or perceived cost of alterative choices such as the use of a private automobile. In certain cases, it may be advisable to accept a loss of volume if net revenue increases, while in others it may be desirable to set the fee to encourage use of some other public alternative.

Specialized demand. Programs with narrow or specialized demand are particularly suitable for fees. The fee level or scale may be set to control the expansion of services or programs in which most of the pubic does not need or elect to participate. Services that have limitations on their availability may use fee structures as a means of rationing available capacity or distributing use over specific time periods. Examples include golf courses, parking fees, and transit fares, all of which have differentiated levels related to time of use. Even programs or services which benefit all or most residents may appropriately charge user fees if their benefits are measurable but unequal among individuals. Charges based on consumption, such as water and sewer provision, are examples. In addition, because they do not pay taxes, non-residents may be charged higher rates than residents (as with community college tuition), or they may be charged a fee even if a program is entirely tax-supported for County residents.

Legal constraints. State law may require, prohibit, regulate, or preempt certain existing or proposed user charges. In general, local government has no authority to tax unless specifically authorized by State law. Localities are generally able to charge for services if those charges are authorized by local ordinance and not prohibited, regulated, or preempted by State law. If a proposed fee is legally construed as a tax, then the fee may be invalidated until authorized as a tax by the State. Federal or State law may also prohibit or limit the use of charges for certain grant programs, and other Federal or State assistance may require the local authority to "match" certain amounts through the imposition of charges. It should be noted that law on such issues is frequently in dispute. As a result, particular fees, or the level of charge, may be subject to legal challenge.

Program cost. The cost of a program or service is an important factor in setting user charges. Costs may include not only the direct personnel and other costs of operating a program, but also indirect costs such as overhead for government support services. In addition, a fee may be set to recover all or part of facilities construction or debt service costs attributable to a program.

Recovery of any part of the costs of programs benefiting specific individuals should identify and consider the full cost of such programs or services to acknowledge the cost share which will be borne by the public at large.

Reimbursement. A decision on whether to use fees is influenced by the possibility of reimbursement or shifting of real costs that can lower the net cost to the resident. For example, some County taxes are partially deductible from Federal or State income tax, while fees and charges may not be deducted. Hence, the same revenue to the County may cost less to the resident if it is a tax rather than a fee. Charges may also be reimbursed to (shifted from) the paying individual from (or to) other sources, either governmental or private. For example, ambulance transport charges may be payable under health insurance. In general, the County will use fees to minimize the real cost to residents, within the context of equity and other criteria as noted.

Administrative cost. The government incurs administrative costs to measure, bill, and collect fee revenues. In general, it is less expensive to collect tax revenue. If a potential user fee revenue will cost more to collect than it will to produce, it may not be appropriate to assess a fee even if otherwise desirable and appropriate. It is important to develop ways to measure the use of services which do not cost more than the usefulness or fairness of doing the measurement. For example, "front footage" has been used as a measurement basis for assessing certain charges related to road improvements and supply of water and sewer, to avoid the administrative cost of precisely measuring benefit. Similarly, the cost of effective collection enforcement must be weighed against total benefits of the charge, including the value of deterrence if the charge is punitive.

Preserving the real value of the charge. During the period when a fee has been in effect, costs have usually risen, and inflation has cut the real value of revenue produced by the fee. In some instances, adjustments to user charges have either not been imposed or have lagged behind inflation. The rate of the charge should be increased regularly to restore the former value of the revenue involved. Most fees and charges should be indexed so that their per-unit revenues will keep up with inflation.

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CIP Fiscal Policy

DEFINITION AND PURPOSE OF FISCAL POLICY

Fiscal policy is the combined practices of government with respect to revenues, expenditures, and debt management. Fiscal policy for the Capital Improvements Program (CIP) focuses on the acquisition, construction, and renovation of public facilities and on the funding of such activities, with special attention to both long-term borrowing, and increasingly, short-term debt.

The purposes of the CIP fiscal policy are:

- to encourage careful and timely decisions on the relative priority of programs and projects;
- to encourage cost effectiveness in the type, design, and construction of capital improvements;
- to ensure that the County may borrow readily for essential public improvements; and
- to keep the cost of debt service and other impacts of capital projects at levels affordable in the operating budget.

The County Charter (Article 3, Sections 302 and 303) provides that the County Executive shall submit to the Council, not later than January 15 of each even-numbered calendar year, a comprehensive six-year program for capital improvements. This biennial Capital Improvements Program takes effect for the six-year period which begins in each odd-numbered fiscal year. The Charter provides that the County Executive shall submit a Capital Budget to the Council, not later than January 15 of each year.

The County Executive must also submit to the Council, not later than March 15 of each year, a proposed operating budget, along with comprehensive six-year programs for public services and fiscal policy. The Public Services Program (PSP)/Operating Budget and Capital Improvements Program (CIP)/Capital Budget constitute major elements in the County's fiscal planning for the next six years. Fiscal policies for the PSP and CIP are parts of a single consistent County fiscal policy.

In November 1990, the County's voters approved an amendment to Section 305 of the Charter to require that the Council annually adopt spending affordability guidelines for the capital and operating budgets. Spending affordability guidelines for the CIP are interpreted in subsequent County law to be limits on the amount of general obligation debt and Park and Planning debt that may be approved for expenditure for the first year and the second year of the CIP, and for the entire six years of the CIP. Spending affordability guidelines are adopted in odd-numbered calendar years. Since 1994, the Council, in conjunction with the Prince George's County Council, adopted one-year spending limits for WSSC. These spending control limits include guidelines for new debt and annual debt service.

In March 2021, pursuant to Bill 6-21, Section 20-84 was added to the County Code establishing a Revenue Estimating Group to review and forecast revenues. The Revenue Estimating Group develops revenue forecasts and any revisions to those forecasts, develops a methodology to forecast revenues, and provides quarterly reports on revenue projections to the Executive and Council each year on February 15, May 15, September 15, and December 15.

CURRENT CIP FISCAL POLICIES

The fiscal policies followed by the County Executive and County Council are relatively stable, but not static. They evolve in response to changes in the local economy, revenues and funding tools available, and requirements for public services. Also, policies are not absolute; policies may conflict and must be balanced in their application. Presented here are the CIP fiscal policies currently in use by the County Executive.

Policy on Eligibility for Inclusion in the CIP

Capital expenditures included as projects in the CIP should:

- Have a reasonably long useful life, or add to the physical infrastructure and capital assets of the County, or enhance the productive capacity of County services. Examples are roads, utilities, buildings, and parks. Such projects are normally eligible for debt financing.

- Generally have a defined beginning and end, as differentiated from ongoing programs in the PSP.
- Be related to current or potential infrastructure projects. Examples include facility planning or major studies. Generally, such projects are funded with current revenues.
- Be carefully planned to enable decision makers to evaluate the project based on complete and accurate information. In order to permit projects to proceed to enter the CIP once satisfactory planning is complete, a portion of "programmable expenditures" (as used in the Bond Adjustment Chart) is deliberately left available for future needs.

Policy on Funding CIP with Debt

Much of the CIP should be funded with debt. Capital projects usually have a long useful life and will serve future taxpayers as well as current taxpayers. It would be inequitable and an unreasonable fiscal burden to make current taxpayers pay for many projects out of current tax revenues. Bond issues, retired over approximately 20 years, are both necessary and equitable.

Projects deemed to be debt eligible should:

- Have an approximate useful life at least as long as the debt issue with which they are funded.
- Not be able to be funded entirely from other potential revenue sources, such as intergovernmental aid or private contributions.
- Special Note: With a trend towards more public/private partnerships, especially regarding projects aimed at the revitalization or redevelopment of the County's central business districts, there are more instances when public monies leverage private funds. These instances, however, generally bring with them the "private activity" or private benefit (to the County's partners) that make it necessary for the County to use current revenue or taxable debt as its funding source. It is County fiscal policy that when financing in public-private partnership situations, that tax-exempt debt will be issued only for those improvements that meet the IRS requirements for the use of tax-exempt bond proceeds.

Policy on General Obligation Debt Limits

General obligation debt usually takes the form of bond issues, and pledges general tax revenue for repayment. Paying principal and interest on general obligation debt is the first claim on County revenues. By virtue of prudent financial management and the long-term strength of the local economy, Montgomery County has maintained the highest quality rating of its general obligation bonds, AAA. This top rating by Wall Street rating agencies, assures Montgomery County of a ready market for its bonds and the lowest available interest rates on that debt.

Debt Capacity

To maintain the AAA rating, the County uses the following guidelines in deciding how much additional County general obligation debt may be issued in the six-year CIP period:

<u>Overall Debt as a Percentage of Assessed Valuation</u>- This ratio measures debt levels against the property tax base, which generates the tax revenues that are the main source of debt repayment. Total debt, both existing and proposed, should be kept at about 1.5 percent of full market value (substantially the same as assessed value) of taxable real property in the County.

<u>Debt Service as a Percentage of the General Fund</u> - This ratio reflects the County's budgetary flexibility to adapt spending levels and respond to economic condition changes. Required annual debt service expenditures should be kept at about ten percent of the County's total General Fund.

<u>Overall Debt per Capita</u> - This ratio measures the burden of debt placed on the population supporting the debt and is widely used as a measure of an issuers' ability to repay debt. Total debt outstanding and annual amounts issued, when adjusted for inflation, should not cause real debt per capita (i.e., after eliminating the effects of inflation) to rise significantly.

<u>Ten-year Payout Ratio</u> - This ratio reflects the amortization of the County's outstanding debt. A faster payout is considered a positive credit attribute. The rate of repayment of bond principal should be kept at existing high levels and in the 60-75 percent range during any ten-year period.

<u>Per Capita Debt to Per Capita Income</u> - This ratio reflects a community's economic strength as an indicator of income levels relative to debt. Total debt outstanding and annual amounts proposed should not cause the ratio of per capita debt to per capita income to rise significantly above about 3.5 percent.

These ratios will be calculated and reported each year in conjunction with the spending affordability and capital budget process, the annual financial audit, and as needed for fiscal analysis.

Policy on Terms for General Obligation Bond Issues

Bonds are normally issued in a 20-year series, with five percent of the series retired each year. This practice produces equal annual payments of principal over the life of the bond issue, which means declining annual payments of interest on the outstanding bonds, positively affecting the pay-out ratio. Thus annual debt service on each bond issue is higher at the beginning and lower at the end. When bond market conditions warrant, or when a specific project would have a shorter useful life, then different repayment terms may be used.

Policy on Other Forms of General Obligation Debt

The County may issue other forms of debt as appropriate and authorized by law. From time to time, the County issues Commercial Paper/Bond Anticipation Notes (BANs) for interim financing to take advantage of favorable interest rates within rules established by the Internal Revenue Service.

Policy on Use of Revenue Bonds

Revenue bonds are secured by the pledge of particular revenues to their repayment in contrast to general obligation debt, which pledges general tax revenues. The revenues pledged may be those of a Special Revenue or Enterprise funds, or they may be derived from the funds or revenues received from or in connection with a project. Amounts of revenue debt to be issued should be limited to ensure that debt service coverage ratios shall be sufficient to ensure ratings at least equal to or higher than ratings on outstanding parity debt. Such coverage ratios shall be maintained during the life of any bonds secured by that revenue stream.

Policy on Use of Appropriation-Backed Debt

Various forms of appropriation-backed debt may be used to fund capital improvements, facilities, or equipment issued directly by the County or using the Montgomery County Revenue Authority or another entity as a conduit issuer. Under such an arrangement, the County enters into a long-term lease with the conduit issuer and the County lease payments fund the debt service on the bonds. Appropriation-backed debt is useful in situations where a separate revenue stream is available to partially offset the lease payments, thereby differentiating the project from those typically funded with general obligation debt. Because these long-term leases constitute an obligation of the County similar to general debt, the value of the leases is included in debt capacity calculations.

Policy on Issuance of Taxable Debt

Issuance of taxable debt may be useful in situations where private activity or other considerations make tax-exempt debt disadvantageous or ineligible due to tax code requirements or other considerations. The cost of taxable debt will generally be higher because investors are not able to deduct interest earnings from taxable income. Taxable debt may be issued in instances where the additional cost of taxable debt, including legal, marketing, and other up-front costs and the interest cost over the life of the bonds, is outweighed by the advantages in relation to the financing objectives to be achieved.

Policy on Use of Interim Financing

Interim Financing may be used in exceptional circumstances where project expenditures are eligible for long term debt, but permanent financing is delayed for specific reasons, other than affordability. Interim Financing should have an identified and reliable ultimate funding source, and should be repaid within the short term. An example for interim financing would be in a situation where an offsetting revenue will be available in the future to pay off a portion of the amounts borrowed, but the exact amounts and timing of the repayment are uncertain.

Policy on Use of Short Term Financing

Short term financing (terms of ten years or less) may be appropriate for certain types of equipment or system financings, where the term of the financing correlates to the useful life of the asset acquired, or in other cases where the expected useful life is long, but due to the nature of the system, upgrades are frequent and long term financing is not appropriate.

Policy on Use of Current Revenues

Use of current revenues to fund capital projects is desirable as it constitutes "pay-as-you-go" (PAYGO) financing and, when applied to debt-eligible projects, reduces the debt burden of the County. Decisions to use current revenue funding within the CIP have immediate impacts on resources available to annual operating budgets and require recognition that certain costs of public facilities should be supported on a current basis rather than paid for over time.

Current revenues from the General Fund are used for designated projects which have broad public use and which fall outside any of the specialized funds. Current revenues from the Special Revenue and Enterprise Funds are used if the project is associated with the particular function for which these funds have been established.

The County has the following policies on the use of current revenues in the CIP:

- Current revenues must be used for any CIP projects not eligible for debt financing by virtue of limited useful life.
- Current revenues should be used for CIP projects consisting of limited renovations of facilities, for renovations of facilities which are not owned by the County, and for planning and feasibility studies.
- Current revenues may be used when the requirements for capital expenditures press the limits of bonding capacity.
- Except for excess revenues which must go to the Revenue Stabilization Fund, the County will, according to Resolution 19-753, use one-time revenues from any source in this order: reserves to the policy goal; OPEB/Pension Prefunding; and other unfunded liabilities and/or other non-recurring expenditures and/or PAYGO for the CIP more than the County's target goal.

Policy on Use of Federal and State Grants and Other Contributions

Grants and other contributions should be sought and used to fund capital projects whenever they are available on terms that are to the County's long-term fiscal advantage. Such revenues should be used as current revenues for debt avoidance and not for debt service.

Policy on Minimum Allocation of PAYGO

PAYGO is current revenue set aside in the operating budget, but not appropriated, and is used to replace bonds for debt eligible expenditures. To reduce the impact of capital programs on future years, the County will fund a portion of its CIP on a pay-as-you-go basis. Pay-as-you-go funding will save money by eliminating interest expense on the funded projects. Pay-as-you-go capital appropriations improve financial flexibility in the event of sudden revenue shortfalls or emergency spending. It is the County's policy to allocate to the CIP each fiscal year as PAYGO at least ten percent of the amount of general obligation bonds planned for issue that year.

Policy on Operating Budget Impacts

In the development of capital projects, the County evaluates the impact of a project on the operating budget and displays such impacts on the project description form. The County shall not incur debt or otherwise construct or acquire a public facility if it is unable to adequately provide for the subsequent annual operation and maintenance costs of the facility.

Policy on Taxing New Private Sector Development

As part of a fair and balanced tax system, new development of housing, commercial, office, and other structures should contribute directly toward the cost of the new and improved transportation and other facilities required to serve that development. To implement this policy, the County has established the following taxes:

Transportation Impact Tax The County Council established new rates and geographical boundaries for transportation impact taxes in November 2020 and enacted a White Flint impact tax district in 2010. These taxes are levied at rate schedules based on the classification of an area relative to transit service and accessibility . The "Red" policy areas replaced the prior Metro Station Policy Areas (MSPAs). "Orange" policy areas are corridor cities (but not MSPAs), town centers, and emerging transit-oriented development areas where transitways such as the Purple Line and Bus Rapid Transit lines are planned. "Yellow" policy areas are lower density residential neighborhoods with community-serving commercial areas; and "Green" policy areas are the Agricultural Reserve and other rural areas. In prior actions, the County Council also adjusted impact tax rates to replace lost revenue from eliminated transportation mitigation payments. In June 2023, the County Council established a 20 percent cap on the amount the transportation impact tax rates could increase and allowed for carryover of any rate increase exceeding the cap to the following biennial rate increase. Transportation Impact Taxes are also assessed for projects within the boundaries of Rockville and Gaithersburg. These impact taxes can only be used for projects listed in a Council-approved Memorandum of Understanding with the individual municipalities.

Schools Impact Tax Most residential development in Montgomery County is subject to an impact tax for certain school facilities. The rates are the same Countywide but vary by housing and community type, commensurate with the average student generation rates of that type of residential development. In November, 2020, the County Council identified two different types of communities that had very different student generation rates and incorporated that analysis into the impact tax rate structure. During their 2020 Subdivision Staging Policy (aka Growth and Infrastructure Policy) review, the County also expanded the number of impact tax waivers and added an additional Utilization Premium Payment (UPP). A UPP is calculated as a percent of the applicable impact tax rate and is necessary when school overcrowding in the impacted community is more severe. Previously, in November, 2016, the County Council increased school impact tax rates to replace revenues lost when they eliminated School Facilities Payments and to account for land costs which had previously not been considered when calculating impact tax rates. In June 2023, the County Council established a 20 percent cap on the amount the school impact tax rates could increase and allowed for carryover of any calculated rate increase exceeding the cap to the following biennial rate increase.

School Facilities Payment Prior to County Code changes approved in 2016, a school facilities payment was applied at subdivision review to residential development projects located in a school cluster where enrollment exceeds adopted standards. The school facilities payment was made on a per-student basis, based upon standard student generation rates of that type of residential development. While School Facility Payments will not provide additional future capital budget funding, payments collected prior to the change in the law are still programmed in several MCPS projects in the FY25-30 capital budget.

Development Districts Legislation enacted in 1994 established a procedure by which the Council may create a development district. The creation of such a special taxing district allows the County to issue low-interest, tax-exempt bonds that are used to finance the infrastructure improvements needed to allow the development to proceed. Taxes or other assessments are levied on property within the district, the revenues from which are used to pay the debt service on the bonds.

Development is, therefore, allowed to proceed, and improvements are built in a timely manner. Only the additional special tax revenues from the development district are pledged to repayment of the bonds. The County's general tax revenues are not pledged. The construction of improvements funded with development district bonds is required by law to follow the County's usual process for constructing capital improvements and, thus, must be included in the Capital Improvements Program.

Systems Development Charge (SDC) This charge, enacted by the 1993 Maryland General Assembly, authorized WSSC Water to assess charges based on the number and type of plumbing fixtures in new construction, effective July 19, 1993. SDC revenues may only be spent on new water and sewerage treatment, transmission, and collection facilities.

Utilization Premium Payment (UPP) As part of the County Council's November 2020 action on the Growth and Infrastructure policy, the County Council established Utilization Premium Payments as a means to charge higher fees to developers wanting to move forward with projects in communities where there was already significant school overcrowding. UPP rates are calculated as a percent of the relevant impact tax based on how many school levels (elementary, middle, and high school) meet overcrowding standards.

DETAILED DESCRIPTION OF CIP FUNDING SOURCES

Within each individual capital project, the funding sources for all expenditures are identified. There are three major types of funding for the Capital Improvements Program: current revenues (including PAYGO); proceeds from bonds and other debt instruments; and grants, contributions, reimbursements, or other funds from intergovernmental and other sources.

Current Revenues

Cash contributions used to support the CIP include: transfers from general revenues, special revenues, and enterprise funds; investment income on working capital or bond proceeds; recordation taxes; proceeds from the sale of surplus land; impact taxes, development approval payments, systems development charges, and the expedited development approval excise tax; and developer contributions. The source and application of each are discussed below.

Current Revenue Transfers. When this source is used for a capital project, cash is allocated to the capital project directly from the General, Special, or Enterprise Funds to finance direct payment of some or all of the costs of the project. The General Fund is the general operating fund of the County and is used to account for all financial resources except those required to be accounted for in another fund. The Special Revenue Funds are used to account for the proceeds of specific revenue sources that are restricted to expenditures for specified purposes. The Enterprise Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises, where the intent of the governing body is that the costs of providing goods or services to the general public on a continuing basis be financed primarily through user charges.

Use of current revenues is desirable as it constitutes "pay-as-you-go" financing and, when applied to debt-eligible projects, limits the increase in the debt burden of the County. Decisions to use current revenue funding within the CIP have immediate impacts on resources available to annual operating budgets, and require recognition that certain costs of public facilities should be supported on a current basis rather than paid for over time. Current revenues from the General Fund are used for designated projects which involve broad public use and which fall outside any of the specialized funds. Current revenues from the Special Revenue and Enterprise Funds are used if the project is associated with the particular function for which these funds have been established.

PAYGO is current revenue set aside in the operating budget, but not appropriated. PAYGO is used to replace bonds for debt-eligible expenditures. Generally, PAYGO is planned to be ten percent of general obligation bonds planned for issue.

Recordation Tax Starting in FY03, the County raised the recordation tax rate and earmarked revenues generated from the increase to the Montgomery County Public Schools (MCPS) capital budget and Montgomery College information technology projects. In 2008, the County enacted an additional rate premium with revenues generated from half of that premium allocated to Montgomery County Government capital projects. (The other half of the recordation tax premium was used for rental assistance in the operating budget.) Effective September 2016, the recordation tax was modified resulting in a lower tax rate for the General Fund, but a higher tax rate for MCPS CIP. At the same time, the Premium tax rate increased with 50 percent of the Premium revenues earmarked for the County Government CIP. Effective October 2023, the County raised recordation tax premium rates and adjusted the allocation of all proceeds to direct one-third to MCPS capital projects, one-third to County Government capital projects, and one-third to rental assistance programs in the Housing Initiative Fund.

Proceeds from the Sale of Public Property. When the County sells surplus land or other real property, proceeds from the sales are deposited into the Land Sale account, and are then used to fund projects in the CIP. By law, 25 percent of the revenue from land sales must be directed to the Montgomery Housing Initiative (MHI) Fund to promote a broad range of housing opportunities in the County. Properties may be excluded from the 25 percent requirement if they are within an area designated as urban renewal or by a waiver from the County Executive. Generally, land sale proceeds are not programmed in the capital budget until they are received; however, in some instances where signed land sale agreements have been executed, future land sale proceeds may be programmed. Land sale proceeds can also be used to repay interim financing if that was assumed in approved projects.

Impact Taxes are specific charges to developers to help fund improvements to transportation and public school infrastructure. School impact taxes are charged one rate Countywide for each type of housing. There are various rates for the transportation impact tax based on the classification of an area relative to transit service and accessibility as previously described.

All new development (residential or commercial) within the designated areas is subject to payment of applicable impact taxes as a condition to receiving building permits. The tax rates are set by law to be calculated at the time a developer pays the tax. This payment would occur by the earlier of two dates - either at the time of final inspection or within six or twelve months after the building permit was issued depending on the type of development.

Since revenues to be obtained from impact taxes may not be paid for a number of years, other funding is sometimes required for funding project construction, predicated on eventual repayment from impact taxes.

Contributions are amounts provided to the County by interested parties such as real estate developers in order to support particular capital projects. Contributions are sometimes made as a way of solving a problem which is delaying development approval. A project such as a road widening or connecting road that specifically supports a particular new development may be fully funded (and sometimes built) by the developer. Other projects may have agreed-upon cost-sharing arrangements predicated on the relationship between public and private benefit that will exist as a result of the project. For stormwater management projects, developer contributions are assessed in the form of fees in lieu of on-site construction of required facilities. These fees are applied to the construction of stormwater facilities within the County.

Bond Issues and Other Public Agency Debt

The County government and four of its Agencies are authorized by State law and/or County Charter to issue debt to finance CIP projects. This debt may be either general obligation or self-supporting debt. General obligation debt is characterized in credit analyses as being either "direct" or "overlapping." Direct debt is the sum of total bonded debt and any unfunded debt (such as short-term notes) of the government, and constitutes the direct obligations of the County government which impact its taxpayers. Overlapping debt includes all other borrowing of County agencies or incorporated municipalities within the County's geographic limits, which may impact those County taxpayers who are residents of those municipalities or those County taxpayers who are ratepayers or users of public utilities. More broadly, overlapping debt can help reveal the degree to which the total economy is being asked to support long-term fixed commitments for government facilities.

Direct General Obligation Debt is incurred by the issuance of bonds by the County government and the Maryland-National Capital Park and Planning Commission (M-NCPPC). Payment of some bonded debt issued by the WSSC Water and the Housing Opportunities Commission (HOC) is also guaranteed by the County government.

County government general obligation bonds are issued for a wide variety of functions such as transportation, public schools, community college, public safety, and other programs. These bonds are legally-binding general obligations of the County and constitute an irrevocable pledge of its full faith and credit and unlimited taxing power. The County Code provides for a maximum term of 30 years, with repayment in annual serial installments. Typically, County bond issues have been structured for repayment with level annual payments of principal. Bonds are commonly issued for 20 years. The money to repay general obligation debt comes primarily from general revenues, except that debt service on general obligation bonds, if any, issued for projects of Parking Districts, Liquor, or Solid Waste funds is supported from the revenues of those enterprises.

M-NCPPC is authorized to issue general obligation bonds, also known as Park and Planning bonds, for the acquisition and development of local and certain special parks and advance land acquisition, with debt limited to that supportable within mandatory tax rates established for the Commission. Issuance is infrequent, and because repayment is guaranteed by the County, it is considered a form of direct debt. Debt for regional, conservation, and special park facilities is included within County government general obligation bond issues, with debt service included within the County government's annual operating budget.

HOC bonds which support County housing initiatives such as the acquisition of low/moderate-income rental properties may be guaranteed by the County to an aggregate amount not to exceed $50 million, when individually authorized by the County and, as such, are considered direct debt of the County. The HOC itself has no taxing authority, and its projects are considered to be financed through self-supporting debt as noted below.

Overlapping debt is the debt of other governmental entities in the County that is payable in whole or in part by taxpayers of the County.

WSSC Water General Construction Bonds finance small diameter water distribution and sewage collection lines and required support facilities. They are considered general obligation bonds because they are payable from unlimited ad valorem taxes upon all the assessable property in the WSSC Water district. They are actually paid through assessments on properties being provided service and are considered to be overlapping debt rather than direct debt of the County government.

WSSC Water Supply and Sewage Disposal Bonds, which finance major system improvements, including large diameter water distribution and sewage collection lines, are paid from non-tax sources including user charges collected through water and sewer rates, which also cover all system operating costs. They are backed by unlimited ad valorem taxes upon all the assessable property within the WSSC Water district in addition to mandated rates, fees, and charges sufficient to cover debt service.

Self-Supporting Debt is authorized for the financing of CIP projects by the County government and its Agencies as follows:

County Revenue Bonds are bonds authorized by the County to finance specific projects such as parking garages and stormwater management and solid waste facilities, with debt service to be paid from pledged revenues received in connection with the projects. Proceeds from revenue bonds may be applied only to costs of projects for which they are authorized. They are considered separate from general obligation debt and do not constitute a pledge of the full faith and credit or unlimited taxing power of the County.

County revenue bonds have been used in the Bethesda and Silver Spring Parking Districts, supported by parking fees and fines together with parking district property taxes. County revenue bonds have also been issued for County Solid Waste Management facilities, supported with the revenues of the Solid Waste Disposal system.

HOC Mortgage Revenue Bonds are issued to support HOC project initiatives and are paid through mortgages and rents. HOC revenue bonds, including mortgage purchase bonds for single family housing, are considered fully self-supporting and do not add to either direct or overlapping debt of the County.

The Montgomery County Revenue Authority has authority to issue revenue bonds and to otherwise finance projects through notes and mortgages with land and improvements thereon serving as collateral. These are paid through revenues of the Authority's several enterprises, which include golf courses, the Montgomery County Airpark, and the Crossvines custom winery and vineyard.

The County has also used the Revenue Authority as a conduit for alternative CIP funding arrangements. For example, swim centers, a building to house County and State Health and Human Services functions, and the construction of the Montgomery County Conference Center are financed through revenue bonds issued by the Revenue Authority. The County has entered into long-term leases with the Revenue Authority, and the County lease payments fund the debt service on these Revenue Authority bonds. Because these long-term leases constitute an obligation of the County similar to general debt, the value of the leases is included in debt capacity calculations.

Intergovernmental Revenues

CIP projects may be funded in whole or in part through grants, matching funds, or cost sharing agreements with the Federal government, the State of Maryland, regional bodies such as Washington Metropolitan Area Transit Authority (WMATA), or the County's incorporated municipalities.

Federal Aid. Major projects that involve Federal aid include Metro, commuter rail, interstate highway interchanges and bridges (noted within the CIP Transportation program), and various environmental construction or planning grants under WSSC Water projects in the Sanitation program. Most Federal aid is provided directly to the State, for redistribution to local jurisdictions.

Community Development Block Grant (CDBG). CDBG funds are a particular category of Federal aid received through annual formula allocations from the U.S. Department of Housing and Urban Development in response to a County application and are identified as CIP revenues in the Housing and Community Development program. The County has programmed eligible projects for CDBG funding since 1976, with expenditures programmed within both capital and operating budgets. CDBG funds are used to assist in the costs of neighborhood improvements and facilities in areas where there is significant building deterioration, economic disadvantage, or other need for public intervention in the cycles of urban growth and change. In addition, CDBG funding is used as "seed money" for innovative project initiatives, including redevelopment and rehabilitation loans toward preserving and enhancing older residential and commercial areas and low/moderate-income housing stock. Beginning in FY15, CDBG funds were shifted from the capital budget to the operating budget for ease of administration. Once CDBG-funded projects are closed out, CDBG funding will be eliminated from the capital budget funding sources.

State Aid. This funding source includes grants, matching funds, and reimbursements for eligible County expenditures for local projects in public safety, environmental protection, courts and criminal justice, transportation, libraries, parkland acquisition and development, mental health, community college, and K-12 public education, notably in school construction.

State Aid consistently falls short of funding needs predicated on State mandates or commitments. Although the State of Maryland is specifically responsible for the construction and maintenance of its numbered highways and for the construction and renovation of approved school projects, the County has in fact advance-funded projects in both categories either through cost-sharing agreements or in anticipation of at least partial reimbursements from the State. Because large County fiscal liabilities are taken on when assuming any or all project costs of State-mandated or obligated facilities, State reimbursement policies and formulas for allocation of funds are important to CIP fiscal planning.

State Aid for School Construction. State funding for school construction, initiated in FY72, is determined annually by the General Assembly on a Statewide basis.

State Aid for Higher Education. State Aid is also a source of formula matching funds for community college facilities design, construction, and renovation. Funds are applied for through the Higher Education Commission for inclusion in the State Bond Bill. Approved projects may get up to 50 percent State funding for eligible costs. The total amount of aid available for all projects Statewide is determined based on yearly allocations of available bond proceeds to all Maryland jurisdictions.

State Aid for Transportation. Within the Transportation program, State contributions fund the County's local share of WMATA capital costs for Metrorail and Metrobus, as well as traffic signals and projects related to interconnecting State and local roads. Most State road construction is done under the State Consolidated Transportation Program and is not reflected in the CIP. Beginning in FY23, the CIP will include Op Lanes Maryland State transit funding. This funding is the portion of the State's planned I-495 and I-270 Phase I toll lane proceeds which the Maryland Department of Transportation pledged to fund high priority public transit projects in Montgomery County. Given the status of this toll lane project, the timing of receipt of Op Lanes funding is uncertain. In 2022, the General Assembly established the Bus Rapid Transit Fund, supported by State lottery proceeds. When funding is available, Montgomery County will receive at least $20 million annually to support eligible Bus Rapid Transit projects.

State Aid for Public Safety. Under Article 27, Sec. 705 of the Maryland Code, when the County makes improvements to detention and correctional centers resulting from the adoption of mandatory or approved standards, the State, through the Board of Public Works, pays for 50 percent of eligible costs of approved construction or improvements. In addition, financial assistance may be requested from the State for building or maintenance of regional detention centers, and, under 1986 legislation, the State will fund up to half the eligible costs to construct, expand, or equip local jails in need of additional capacity.

Municipal Financing. Some projects with specific benefits to an incorporated municipality within the County may include funding contributions or other financing assistance from that jurisdiction. These include road construction agreements such as with the City of Rockville, wherein the County and City share costs of interconnecting or overlapping road projects. Incorporated towns and municipalities within the County, specifically Rockville, Gaithersburg, and Poolesville, have their own capital improvements programs and may participate in County projects where there is shared benefit. The use of municipal funding in County CIP projects depends upon the following:

- execution of cost-sharing or other agreements between the County and the municipality, committing each jurisdiction to specific terms, including responsibilities, scheduling, and cost-shares for implementation and future operation or maintenance of the project;
- approval of appropriations for the project by the legislative body of each jurisdiction; and
- resolution of any planning or zoning issues affecting the project.

Other Revenue Sources

The use of other revenue sources to fund CIP projects are normally conditioned upon specific legislative authority or project approval, including approval of appropriations for the projects. Approval of a project may be contingent upon actual receipt of the revenues planned to fund it, as in the case of anticipated private contributions that are not subject to particular law or agreement. Other CIP funding sources and eligibility of projects for their use include:

Revolving funds including the revolving loan fund authorized to cover HOC construction loans until permanent financing is obtained. Funds are advanced from County current revenues and repaid at interest rates equivalent to those the County earns on its investments. The Advance Land Acquisition Revolving Fund (ALARF) is used to acquire land in advance of project implementation. Revolving fund appropriations are then normally repaid from the actual project after necessary appropriation is approved.

Agricultural land transfer tax receipts payable to the State but authorized to be retained by the County. These are used to cover local shares in the State purchase of agricultural land easements and for County purchase of or loan guarantees backed by transferable development rights (TDRs).

Private grants such as were provided under profit-sharing agreements with the County's Cable TV corporation, for use in developing public access facilities; and

Insurance or self-insurance proceeds for projects being renovated or replaced as a result of damage covered by the County's self-insurance system.

THE FRAMEWORK OF FISCAL POLICY

This section presents information on a variety of information sources and factors that are considered in developing and applying fiscal policy for the CIP.

Legal Mandates

State Law. The Annotated Code of Maryland provides the basis for fiscal policy related to debt, real property assessments, and other matters:

- The Local Government Article authorizes borrowing of funds and issuance of bonds up to a maximum of the sum of six percent of the assessed valuation of all real property and 15 percent of the assessed valuation of all personal property within the County and provides that obligations having a maturity not in excess of twelve months shall not be subject to, or be included in, computing the County's legal debt limitation. However, the County includes its BANs/Commercial Paper in the calculation because it intends to repay the notes with the proceeds of long-term debt to be issued in the near future.
- The Local Government Article requires that each local government adopt a debt policy and submit it to the State

Treasurer. In October 2009 the County Council for Montgomery County adopted resolution 16-1173 outlining the County's debt policy.

- Section 8-103 of the Tax - Property Article provides for updated assessments of property in three-year (triennial) cycles. The amount of the change in the established market value of the one-third of the properties reassessed each year is phased in over a three-year period (although a decrease in value is reflected in the first year of the triennial cycle). State law also created a maximum ten percent assessment limitation tax credit (homestead credit) for owner occupied residential properties. This program provides an automatic credit against property taxes equal to the applicable tax rate (including the State rate) times that portion of the current assessment which exceeds the previous year's assessment increased by ten percent. This benefit only applies to owner-occupied- residential property. The homestead credit is ten percent for property taxes levied for the State of Maryland, Montgomery County, and all municipalities in Montgomery County (with the exception of the Town of Kensington which is five percent). Taxpayers have the ability to appeal their assessment through SDAT and the MD Tax Court which could lower the total assessable base and property tax revenues.
- Other provisions of State law mandate requirements for environmental review, permits, stormwater management, and controls for public facilities, such as solid waste disposal sites, affecting both the cost and scheduling of these facilities.
- State law mandates specific facility standards such as requirements for school classroom space to be provided by the County for its population and may also address funding allocations to support such requirements.State law provides for specific kinds of funding assistance for various CIP projects. In the area of public safety, for example, Article 27, Section 705 of the Maryland Code, provides for matching funds up to 50 percent of the cost of detention or correctional facilities.
- The Maryland Economic Growth Resource Protection and Planning Act requires the County to certify that all construction projects financed with any type of State funding are in compliance with local land use plans, including specific State-mandated environmental priorities.

<u>County Law.</u> Article 3 of the County Charter provides for the issuance of public debt for other than annual operating expenditures and imposes general requirements for fiscal policy:

- The capital improvements program must provide an estimate of costs, anticipated revenue sources, and an estimate of the impact of the program on County revenues and the operating budget.
- Bond issues may not be for longer than 30 years.
- Capital improvement projects which are estimated to cost in excess of an annually-established amount (for FY 25, $24,314,000) or which have unusual characteristics or importance, must be individually authorized by law, and are subject to referendum.
- In November 1990, County voters approved an amendment to the Montgomery County Charter, Section 305, to require that the County Council annually adopt spending affordability guidelines for the capital and operating budgets. Spending affordability guidelines for the CIP have been interpreted in subsequent County law to be limits on the amount of County general obligation debt which may be approved for the first and second years of the CIP and for the entire six-year period of the CIP. Similar provisions apply to debt of the Maryland-National Capital Park and Planning Commission (M-NCPPC). These limits may be overridden by a vote of eight Councilmembers.
- In April 1994, the Council adopted Resolution No. 12-1558 establishing a spending affordability process for WSSC Water. The process limits WSSC Water new debt, debt service, water/sewer operating expenses, and rate increases.
- Section 305 of the County Charter includes a limit on the annual increase in property tax revenues. An amendment approved in November 2020 prohibits the County Council from adopting a tax rate on real property that exceeds the tax rate on real property approved for the previous year unless all current Councilmembers vote affirmatively for the increase. This amendment replaces the previous limit that required an affirmative vote of all current Councilmembers to levy a tax on real property that would produce total revenue that exceeds the total revenue produced by the tax rate on real property the preceding fiscal year plus any increase in the Consumer Price Index for the Washing Metropolitan Statistical Area and exempts real property tax revenue derived from specific properties.
- Chapter 20 of the Montgomery County Code sets various financial guidelines in law such as the deposit of funds, the borrowing of money generally, the activities of the Department of Finance, revenue bonds, and spending affordability.
- In March of 2021, the County's Reserve and Selected Fiscal Policies was updated in Resolution 19-753, to provide priority order for the use of one-time revenues. It also states that, if reserves fall below the policy level due to an economic recession or a national emergency, that reserves must be replenished to the policy level within three fiscal years.

<u>Federal Law.</u> Policies of the Federal Government affect County fiscal policies relative to debt issuance, revenue expectations, and expenditure controls. Examples of Federal policies that impact County fiscal policy include:

- Internal Revenue Service rules under the Tax Reform Act of 1986, as amended, provide limits on the tax-exempt issuance of public debt, and limit the amount of interest the County can earn from investment of the bond proceeds.
- County shares of costs for some major projects, such as those relating to mass transit and highway interchanges, are dependent upon Federal appropriations and allocations.
- Federal Office of Management and Budget circular A-87 prescribes the nature of expenditures that may be charged to Federal grants.
- Federal legislation will influence the planning and expenditures of specific projects, such as requirements for environmental impact statements for Federally- assisted road projects and the Davis-Bacon Act, which requires local prevailing wage scales in contracts for Federally-assisted construction projects.
- The American Recovery and Reinvestment Act (ARRA) created a number of additional tax-advantaged forms of governmental debt. These forms of debt resulted in lower costs and therefore savings to taxpayers. The County utilized beneficial provisions of the act and issued these new forms of debt where appropriate and advantageous to the County. One example is a qualified energy conservation bond (QECB) that the County issued from 2013 to 2017 to take advantage of a federal tax credit that lowered the cost of debt service for an energy savings project on a county facility.

Fiscal Planning Projections and Assumptions

Several different kinds of trends and economic indicators are reviewed, projected, and analyzed each year for their impacts on County programs and services and for their impact on fiscal policy as applied to the Capital Improvements Program. Among these are:

Inflation, which is important as an indicator of future project costs or the costs of delaying capital expenditures;

Population growth, which provides an indicator of the size or scale of required facilities and services, as well as the timing of population-driven project requirements;

Demographic change in the numbers or location within the County of specific age groups or other special groups, which provides an indication of requirements and costs of specific public facilities;

Annual Growth Policy thresholds and other land use indicators, which are a determinant of major public investment in the infrastructure required to enable implementation of land use plans and authorized development within the County;

The assessable property tax base of the County, which is a major indicator for projections of revenue growth to support funding for public facilities and infrastructure;

Residential construction activity and related indicators, which provide early alerts to the specific location and timing of future public facilities requirements. It is also the most important base for projecting growth in the County's assessable property tax base and estimating property tax levels;

Nonresidential construction activity, which is the indicator of jobs, commuters, and requirements for housing and transit-related public investment. It is also one of the bases for projecting the growth of the County's assessable tax base and property tax revenues;

Employment and job growth within the County, which provide indicators for work-related public facilities and infrastructure;

Personal income earned within the County, which is the principal basis for projecting income tax revenues as one of the County's major revenue sources; and

Montgomery County Public Schools and Montgomery College Enrollment projections, which provide an indication of the size and scale of required facilities and services.

Generally Accepted Accounting Principles (GAAP)

The application of fiscal policy in the financial management of the CIP must be in conformity with GAAP standards. This involves the separate identification and accounting of the various funds which cover CIP expenditures; adherence to required procedures, such as transfers between funds and agencies; and regular audits of CIP transactions, such as the disbursement of bond proceeds and other funds to appropriate projects.

Credit Markets and Credit Reviews

The County's ability to borrow at the lowest cost of funds depends upon its credit standing as assessed by major credit rating agencies such as Moody's Investors Service, Standard & Poor's, and Fitch. Key aspects of the County's continued AAA credit ratings include:

- adherence to sound fiscal policy relative to expenditures and funding of the CIP;
- maintain debt at prudent and sustainable levels;
- maintain adequate fund balance to mitigate current and future risks (e.g., revenue shortfalls and unanticipated expenditures) ;
- appropriate levels of public investment in the facilities and infrastructure required for steady economic growth;
- effective production of the necessary revenues to fund CIP projects and support debt service generated by public borrowing;
- facility planning, management practices, and controls for cost containment and effective implementation of the capital program ;
- planning and programming of capital projects to allow affordable levels of borrowing;
- appropriate use and levels of revenues other than general obligation bond proceeds to fund the capital program;
- appropriate levels of CIP funding from annual current tax revenues in order to reduce borrowing needs; and
- assurances through County law and practice of an absolute commitment to timely repayment of debt and other obligations related to public facilities and infrastructure.

Intergovernmental Agreements

Fiscal policy for the CIP must provide guidance for and be applied within the context of agreements made between the County and other jurisdictions or levels of government. Examples include:

- agreements with municipalities for cost shares in the construction of inter-jurisdictional roads and bridges;
- agreements with adjacent jurisdictions related to mass transit or water supply and sewerage;
- agreements with the State of Maryland for cost shares in the construction of transportation and other vital inter-jurisdictional infrastructure; and
- agreements with Federal agencies involving projects related to Federal facilities within the County.

Compatibility with Other County Objectives

Fiscal policy, to be effective, must be compatible with other policy goals and objectives of government. For example:

- Growth management within the County reflects a complex balance among the rights of property owners; the cost of providing infrastructure and services to support new development; and the jobs, tax revenues, and benefits that County growth brings to its residents. Fiscal policy provides guidance for the allocation of public facility costs between the developer and the taxpayer, as well as for limits on debt-supported costs of development relative to increasing County revenues from a growing assessable tax base.
- Government program and service delivery objectives range from conveniently located libraries, recreation centers, and other amenities throughout the County to comprehensive transportation management and advanced waste management systems. Each of these involves differing kinds and mixes of funding and financing arrangements that must be within the limits of County resources as well as acceptable in terms of debt management.
- Planning policies of the County affect land use, zoning and special exceptions, and economic development, as well as the provision of public services. All are interrelated, and all have implications both in their fiscal impacts (cost/revenue effects on government finances) and in economic impacts (effects on the economy of the County as a whole).
- Capital improvement projects have a direct impact on the future operating budgets in the form of debt service and ongoing operating costs. As such, capital needs must be balanced with the need to fund vital services in the operating budget.
- Capital budget decisions can positively or negatively affect the County's racial equity and climate change goals.

INCORPORATING RACIAL EQUITY INTO THE CAPITAL BUDGET

During the FY25 capital budget development season, racial equity was part of all budget meetings to ensure that racial equity was considered as recommendations were developed and before budget decisions were made. As part of the budget development season, the Office of Management and Budget and the Office of Racial Equity and Social Justice created a budget equity tool to assist departments in applying a racial equity and social justice lens to the process and bring conscious attention to racial inequities before decisions are made. Departments were asked to:

- explain the project's potential racial equity impacts;
- identify racial inequities in the County that were considered in the project request;
- explain how the racial inequities were considered, provide the data sources identified by the department (including quantitative and qualitative data);
- explain ways the project aims to address or reduce the identified inequities;
- identify community residents that will potentially benefit the most or potentially be burdened the most by the project; and
- describe the potential disproportionate effects on communities of color and low-income communities as a result of the project and how those effects would be mitigated.

During the budget development season, the Office of Management and Budget carried out the following activities:

- OMB and ORESJ developed criteria and selected projects that are either new or in a phase of development where the application of a racial equity analysis would be most impactful;
- worked to include projects likely to advance racial equity;
- sought to limit negative impacts of any fiscal delays or reductions on projects assessed to advance racial equity;
- considered what population demographics tend to be served by different types of facilities when that data exists; and
- used mapping tools to analyze some of the issues above.

The County's fiscal policies and practices will be influenced by the Office of Racial Equity and Social Justice as they:

- perform an equity assessment to identify policies that do not advance equity;
- train all Montgomery County employees on racial equity and social justice;
- guide County departments to examine policies, procedures, and practices to determine if they create or exacerbate racial disparities in the County; and
- develop metrics to measure the success of County government programs, short-term and long-term goals.

CLIMATE CHANGE CONSIDERATIONS IN THE CAPITAL BUDGET

During the FY25 capital budget development season, climate change was also part of County budget considerations. As part of the budget development season, the Office of Management and Budget, the County's Climate Change Officer, and the Department of Environmental Protection provided assistance to departments to bring conscious attention to climate change before budget decisions were made. Departments were asked to include the following in their budget submission:

- indicate the projects' impact on greenhouse gas emissions;
- identify how the project will increase the use or generation of renewable energy;
- identify aspects of the project that will help the County withstand future impacts of climate change (e.g., high heat days, severe storms, flooding, and high winds);
- indicate if the project is pursuing or has earned a green building certification; and
- identify their department Climate Change Ambassador who will mobilize staff to green their department's day-to-day operations, build resiliency among vulnerable community members, and work as a team with other department Ambassadors to facilitate deep emission reductions across all departments.

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Glossary

ACCRUAL - The accumulation or increase of something over time, especially payments or benefits.

ACTIVITY - A subdivision of a service. Some services require only one activity while other services require two or more activities.

ADEQUATE PUBLIC FACILITY (APF) - Any infrastructure improvement required by the Montgomery County Planning Board as a condition of approving a preliminary subdivision plan under the County's adequate public facilities ordinance.

ADJUSTED GOVERNMENTAL REVENUES (AGR) - Include the tax supported revenues of the County Government, Montgomery County Public Schools (less the County's local contribution), Montgomery College (less the County's local contribution), and the Montgomery County portion of the Maryland-National Capital Park and Planning Commission (M-NCPPC), plus the revenues of the County Government's grant fund and capital projects fund.

AGENCY - One of the major organizational components of government in Montgomery County; for example, Montgomery County Government (executive departments, legislative offices and boards, Circuit Court, and judicial offices); Montgomery County Public Schools (MCPS); Montgomery College (MC); Maryland-National Capital Park and Planning Commission (M-NCPPC); WSSC Water (WSSC); Housing Opportunities Commission (HOC); and Montgomery County Revenue Authority.

AGENCY FUND - A fiduciary fund which accounts for assets received and held by the County in a purely custodial capacity. The County uses this type of fund to account for property taxes, recreation activities, and other miscellaneous resources held temporarily for disbursement to individuals, private organizations, or other governments.

AGGREGATE OPERATING BUDGET - The total operating budget, exclusive of enterprise funds, the budget of WSSC Water, expenditures equal to tuition and tuition-related charges received by Montgomery College, and grants. As prescribed in the Charter of Montgomery County, Maryland (Section 305), "An aggregate operating budget which exceeds the aggregate operating budget for the preceding fiscal year by a percentage increase greater than that of the Consumer Price Index for all urban consumers of the Washington metropolitan area for the 12 months preceding December first of each year requires the affirmative vote of seven Councilmembers." See also, Spending Affordability Guideline or Net Budget.

AMENDMENTS TO THE CIP - Changes to project scope, schedule, or funding which require County Council action. Proposals must meet strict criteria to be considered for amendment. Six Councilmember votes are required to approve an amendment.

AMORTIZATION - The action or process of gradually writing off the initial cost of an asset.

APPROPRIATION - Authority to spend money within a specified dollar limit for an approved work program during the fiscal year. The County Council makes separate appropriations to each capital project and to Personnel Costs and Operating Expense for each County operating department.

APPROPRIATION CATEGORY - One of the expenditure groupings in the appropriation for a county department; that is, Personnel Costs or Operating Expenses.

ASSESSABLE BASE - The value of all real and personal property in the County, which is used as a basis for levying taxes. Tax-exempt property is excluded from the assessable base.

ASSESSED VALUATION - The value assigned to real estate or other property by the State through its Department of Assessment and Taxation. This value is multiplied by the tax rates set annually by the Council to determine taxes due. Assessed value is less than market value.

AUDIT - Conduct an official financial examination of an individual's or organization's accounts.

AUTHORIZED POSITIONS - The number of positions allowed by the budget in the approved personnel complement.

BALANCED BUDGET - It is the fiscal policy of Montgomery County to balance the budget. A balanced budget has its funding sources (revenues, undesignated carryover, and other resources) equal to its funding uses (expenditures, reserves, and other allocations). No deficit may be planned or incurred.

BENCHMARK - A standard or point of reference against which things may be compared or assessed.

BIENNIAL CIP - See Capital Improvements Program.

BOND ANTICIPATION NOTES (BAN) - Short-term, interim financing techniques, such as variable rate notes and commercial paper, issued with the expectation that the principal amount will be refunded with long-term bonds.

BOND RATING - An evaluation by investor advisory services indicating the probability of timely repayment of principal and interest on bonded indebtedness. These ratings significantly influence the interest rate that a borrowing government must pay on its bond issues. Montgomery County bonds are rated by three major advisory services: Moody's, Standard and Poor's, and Fitch. The County continues to have the highest possible rating from each of these services.

BUDGET - An estimate of income and expenditure for a set period of time.

CAPITAL ASSETS - Assets of a long-term character which are intended to continue to be held or used. Examples of capital assets include items such as infrastructure, land, buildings, machinery, furniture, and other equipment.

CAPITAL BUDGET - The annual request for capital project appropriations. Project appropriations are normally for only that amount necessary to enable the implementation of the next year of the capital program expenditure plan. However, if contracted work is scheduled so that will extend beyond the upcoming fiscal year, the entire contract appropriation is required, even if the work and expenditures will be spread over two or more fiscal years.

CAPITAL EXPENDITURE - Money spent by a business or organization on acquiring or maintaining fixed assets, such as land, buildings, and equipment.

CAPITAL IMPROVEMENTS PROGRAM (CIP) - The comprehensive presentation, submitted in even-numbered calendar years, of capital project expenditure estimates, funding requirements, capital budget requests, and program data for the construction of all public buildings, roads, and other facilities planned by County agencies over a six-year period. The CIP constitutes a fiscal plan for proposed project expenditures and funding, and includes the annual capital budget for appropriations to fund project activity during the next fiscal year of the plan.

CAPITAL LEASE - A long-term rental agreement which transfers substantial rights and obligations for the use of an asset to the lessee and, generally, ownership at the end of the lease. Similar to an installment purchase, a capital lease may also represent the purchase of a capital asset. A capital lease results in the incurrence of a long-term liability.

CAPITAL OUTLAY - An appropriation and expenditure category for government assessed with a value of $10,000 or more and a useful economic lifetime of more than one year.

CAPITAL PROJECT - A governmental effort involving expenditures and funding for the creation, expansion, renovation, or replacement of permanent facilities and other public assets having relatively long life. Expenditures within capital projects may include costs of planning, design, and construction management; land; site improvements; utilities; construction; and initial furnishings and equipment required to make a facility operational.

CARRYOVER - The process in which, at the end of one fiscal year, appropriation authority for previously-approved encumbrances and unexpended grant and capital funds are carried forward to the next fiscal year.

CHARGEBACKS / CHARGES TO OTHERS - Costs which are chargeable to another agency or fund.

CHARTER - The Charter of Montgomery County is the constitution of this jurisdiction and sets out its governmental structure and powers. It was approved by the voters in 1968 and went into effect in 1970. The Charter provides for a County Council and Executive form of government.

CHARTER LIMIT - Limitations on the operating budget and on tax levies prescribed in the Charter of Montgomery County Maryland (Section 305). The affirmative votes of eight Councilmembers are required to exceed spending limits, and the unanimous vote of all eleven members is needed to exceed the limit on tax levies. See also Spending Affordability Guideline (SAG).

COLLECTIVE BARGAINING AGREEMENT - A legal contract between the County Government or an agency as an employer and a certified representative of a recognized bargaining unit of a public employee organization for specific terms and conditions of employment; for example, hours, working conditions, salaries, or employee benefits.

COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) - Annual funding from the Federal government for use in capital projects or operating programs such as neighborhood or business area revitalization, housing rehabilitation, and activities on behalf of older- and lower-income areas of the County.

COMPENSATION - Payment made to employees in return for services performed. Total compensation includes salaries, wages, employee benefits (Social Security, employer-paid insurance premiums, disability coverage, and retirement contributions), and other forms of remuneration when these have a stated value.

CONSTANT YIELD TAX RATE - A rate which, when applied to the coming year's assessable base, exclusive of the estimated assessed value of property appearing on the tax rolls for the first time (new construction), will produce tax revenue equal to that produced in the current tax year. State law prohibits local taxing authorities from levying a tax rate in excess of the Constant Yield Tax Rate, unless they advertise and hold public hearings on their intent to levy a higher rate.

CONSTITUENT RELATIONSHIP MANAGEMENT (CRM) / MONTGOMERY COUNTY 311 (MC311) - An organizational philosophy that places emphasis on serving constituents by providing easy access to the information and service channels of the County Government. County residents are able to dial 311 for all non-emergency requests for information, service, or complaints.

CONSUMER PRICE INDEX-URBAN (CPI-U) - A commonly accepted indicator of inflation as it applies to consumer goods, including the supplies, materials, and services required by the County. When projecting costs in outyears, expenditures are estimated to grow at the rate of inflation as measured on a fiscal year basis using the CPI-U for the Washington-Baltimore Consolidated Metropolitan Statistical Area. For purposes of the Charter limitation on the property tax, the November to November CPI-U for the preceding year is used.

COSTS - Funding required to delivering the services described in the program.

COUNCIL TRANSFER OF APPROPRIATION - A transfer of unencumbered appropriation balance by the County Council between agencies or departments or to any new account, or between agency capital projects. The total cumulative transfer from any one appropriation may not exceed ten percent of the original appropriation.

COUNTYSTAT - An internal performance management and data analytics approach used to examine issues in detail by means of accurate and timely information. It seeks to improve performance by creating greater accountability, providing transparency into County operations, applying data analysis to decision making, and ensuring decisions are implemented.

CURRENT REVENUE - A funding source for the capital budget which is provided annually within the operating budget from general, special, or enterprise revenues. Current revenues are used for funding project appropriations that are not eligible for debt financing or to substitute for debt-eligible costs.

DEBT SERVICE - The annual payment of principal, interest, and issue costs for bonded indebtedness. Debt service is presented both in terms of specific bond allocations by category and fund and by sources of revenues used.

DEBT SERVICE FUND - A governmental fund used to account for the accumulation of resources for, and the payment of, general long-term debt, principal, and interest.

DEPARTMENT - A primary organizational unit within Montgomery County Government. For presentation purposes, "department" includes the principal offices, boards, and commissions.

DEPRECIATION - The decline in value of a capital asset over a predetermined period of time attributable to wear and tear, deterioration, action of the physical elements, inadequacy, and obsolescence. Also, the portion of the cost of a capital asset charged as an expense during a particular period.

DEVELOPMENT DISTRICT - A special taxing district created to finance the costs of infrastructure improvements necessary for the development of land in areas of the County having a high priority for new development or redevelopment, especially in areas for which approved master plans recommend significant development.

DIVISION - A primary organizational unit within a government department or agency. Divisions are usually responsible for administering basic functions or major programs of a department.

EFFECTIVENESS - A type of performance measure used to track the quality, timeliness, and accuracy of service delivery.

EFFICIENCY - Outputs per unit of input, inputs per unit of output, and similar measures of how well resources are being used to produce goods and services.

EMINENT DOMAIN - The power of a government to acquire real property when the owner of that property is unwilling to negotiate a sale. The Maryland State Constitution delegates authority to the County and the County Code allows for the taking of private property by the County. The taking must serve a public purpose and the government must provide the owner with just compensation for the property taken. Any dispute regarding whether the taking will serve a public purpose or the amount of compensation is resolved by the courts.

EMPLOYEE BENEFITS - For budgeting purposes, employee (fringe) benefits are payments by the employer for Social Security, retirement, and group insurance.

EMPLOYEE - MERIT SYSTEM - Any person employed by Montgomery County Government who is subject to the provisions of the Merit System.

EMPLOYEE - TEMPORARY - An individual occupying a position required for a specific task for a period not to exceed 12 months or a position that is used intermittently on an as-needed basis (seasonal, substitute, etc.).

EMPLOYEE - TERM - An individual occupying a position created for a special term, project, or program. Any person acting in a term position also receives County benefits.

ENCUMBRANCE - An accounting commitment that reserves appropriated funds related to unperformed contracts for goods or services. The total of all expenditures and encumbrances for a department or agency in a fiscal year, or for a capital project, may not exceed its total appropriation.

ENTERPRISE FUND - A fund used to record the fiscal transactions of government activities financed and operated in a manner similar to private enterprise, with the intent that the costs of providing goods and services, including financing, are wholly recovered through charges to consumers or users. Examples include Alcohol Beverage Services (ABS), parking facilities, and solid waste activities.

ENTERPRISE RESOURCE PLANNING (ERP) - An integrated suite of software modules that support the management of the County's financial, procurement, human resources, and budgeting systems, and which streamlines business operations by using recognized best practices in each of those areas.

EXECUTIVE TRANSFER OF APPROPRIATION - A transfer of unencumbered appropriation balance by the County Executive between appropriation categories (for example, from Personnel Costs to Operating Expense) within the same department and fund, or between capital projects in the same category. The total cumulative transfers from any one appropriation may not exceed ten percent of the original appropriation as prescribed in the Charter of Montgomery County Maryland (Section 309).

EXPEDITED DEVELOPMENT APPROVAL EXCISE TAX (EDAET) - A tax assessed on a development project based on the intended use of the building, the square footage of the building, and whether the building is in a moratorium policy area. The purpose of the EDAET is to act as a stimulus to residential and commercial construction within the County by making the development approval process more certain.

EXPENDITURE - A decrease in the net financial resources of the County generally due to the purchase of goods and services, the incurrence of salaries and benefits, and the payment of debt service.

FEE - A charge for service to the user or beneficiary of the service. According to State law, charges must be related to the cost of providing the service. See the Fiscal Policy section for the Executive policy on user fees.

FIDUCIARY FUNDS - Assets held by the County in a trustee capacity or as an agent for individuals, private organizations, or other governmental units, and/or other funds. In Montgomery County, these include Agency Funds, Pension and Other Employee Benefit Trust Funds, Investment Trust Fund, and Private Purpose Trust Funds.

FINES/PENALTIES - Charges levied for violation of laws, regulations, or codes. They are established through Executive

Regulation as provided for in County law.

FISCAL PLAN - Estimates of revenues, based on recommended tax policy and moderate economic assumptions, and projections of currently known and recommended commitments for future uses of resources.

FISCAL POLICY - The County Government's policies with respect to revenues, expenditures, and debt management as these relate to County services, programs, and capital investments. Fiscal policy provides a set of principles for the planning and programming of budgets, uses of revenues, and financial management.

FISCAL YEAR - The 12-month period to which the annual operating and capital budgets and their appropriations apply. The Montgomery County fiscal year starts on July 1 and ends on June 30.

FIXED ASSETS - See Capital Assets.

FULL-TIME EQUIVALENT (FTE) - MONTGOMERY COLLEGE - A standardized measurement of student enrollment at the community college to account for attendance on less than a full-time basis. An FTE is defined as a course load of 15 credit hours per semester.

FULL-TIME EQUIVALENT (FTE) - PERSONNEL - An employment indicator that translates the total number of hours worked in a year by all employees, including part-time workers, to an equivalent number of work years. For example, 1.0 FTE equals 2,080 hours (or 2,496 hours for fire fighters) and .50 FTE equals 1,040 hours.

FUND - Resources segregated for the purpose of implementing specific activities or achieving certain objectives in accordance with special regulations, restrictions, or limitations, and constituting an independent fiscal and accounting entity.

FUND BALANCE - Undesignated reserves in a fund, or the amount by which assets exceed the obligations of the fund. Fund balance may be measured as a percentage of resources or expenditures.

GENERAL FUND - 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 (GAAP) to be accounted for in another fund.

GENERAL OBLIGATION (G.O.) DEBT - Bonded debt backed by the full faith and credit of the County to pay the scheduled retirement of principal and interest.

GENERAL REVENUES - Money received which may be used to fund general County expenditures such as education, public safety, public welfare, debt service, etc. Funds received which are restricted as to use (such as recreation) are not general revenues and are accounted for in other funds.

GENERAL WAGE ADJUSTMENT (GWA) - An increase in salaries other than seniority-based merit increases (increments). GWA has been referred to as Cost-of-Living Adjustment (COLA) in the past.

GOVERNMENTAL FUNDS - Funds generally used to account for tax-supported activities. There are five different types of governmental funds: the general fund, special revenue funds, debt service fund, capital projects fund, and permanent funds.

GRANT - A payment from one level of government to another or from a private organization to a government. Grants are made for specified purposes and must be spent only for that purpose. See also Grants to Others.

GRANTS TO OTHERS - A payment by the County to a public or private nonprofit organization for a specific purpose; generally, to provide services in support of, or compatible with, government program objectives.

GROSS BUDGET - The total cost of a department's operation (not necessarily equal to the appropriation), including those expenditures that are charged to and paid by other funds, departments, agencies, or CIP projects. See also Net Budget.

GROUP POSITIONS - Jobs filled by multiple incumbents used to streamline administrative processes for hiring staff for training or for seasonal or temporary positions. Examples include Police, Fire, and Sheriff Department recruits, substitute library assistants, and seasonal recreation employees.

GROWTH POLICY - A planning tool used by the County to manage the location and pace of private development and identify the need for public facilities that support private development. The growth policy tests the adequacy of transportation, schools, water and sewerage facilities, police, fire, and health services to guide subdivision approvals. See also Adequate Public Facility.

IMPACT TAXES - A tax charged to developers that varies depending on land use. The revenues are used to pay for the transportation and school construction projects necessary to serve new development.

IMPLEMENTATION RATE - The estimated average annual percentage of capital projects completed that is used to calculate available bond funding. This rate reflects both the County's actual experience in meeting project schedules and anticipated events that may affect construction in the future.

INDIRECT COSTS - That component of the total cost for a service which is provided by and budgeted within another department (for example, legal support and personnel). In Montgomery County, indirect costs are calculated as a percentage of the personnel costs of the organization receiving the service, according to a formula approved by the Department of Housing and Urban Development for Federal grants. For special revenue and enterprise funds, indirect costs are transferred to the General Fund. Indirect costs are charged to grants to cover the costs of administrative, financial, human resource, and legal support.

INITIATIVES - Results to be achieved through additional resources for new services or service enhancements for the next fiscal year directed toward achieving progress in one of the County Executive's priority outcome areas.

INPUT - Resources used to produce an output or outcome, such as work years or expenditures.

INTERFUND TRANSFER - A transfer of resources from one fund to another as required by law or appropriation. The funds are initially considered revenues of the source fund, not the receiving fund.

INTERGOVERNMENTAL REVENUE - Funds received from Federal, State, and other local government sources in the form of grants, shared taxes, reimbursements, payments in lieu of taxes, and formula funding.

INTERNAL SERVICE FUNDS - Proprietary funds used to record activity (primarily goods and services) provided by one department to other departments of the County government on a cost-reimbursable basis. The County uses this type of fund to account for Motor Pool, Central Duplicating, and Liability and Property Coverage Self-Insurance.

INVESTMENT TRUST FUND - A fiduciary fund that accounts for the external portion of the County's investment pool that belongs to legally separate entities and non-component units.

KEY INDICATOR - A measure which helps to quantify the achievement of an outcome on a population wide level. It is a benchmark which helps to quantify the achievement of a result and is used to track the progress of the County Executive's Seven Priority Outcomes.

LAPSE - The reduction of budgeted gross personnel costs by an amount believed unnecessary because of turnover, vacancies, and normal delays in filling positions. The amount of lapse will differ among departments and from year to year.

LEASE-PURCHASE AGREEMENT - A contractual agreement which, although termed a "lease," is in effect a purchase contract with payments made over time.

LEVEL OF SERVICE - The current services, programs, and facilities provided by a government to its citizens. The level of service may increase, decrease, or remain the same depending upon needs, alternatives, and available resources.

LICENSES AND PERMITS - Documents issued in order to regulate various kinds of businesses and other activities within the community. Inspection may accompany the issuance of a license or permit, as in the case of food vending licenses or building permits. In most instances, a fee is charged in conjunction with the issuance of a license or permit, generally to cover all or part of the related cost.

LOCAL EARNED INCOME TAX CREDIT - Low-income workers who qualify for the Federal earned income tax credit may also be entitled to a similar tax credit for their State of Maryland and Montgomery County income tax liabilities. Montgomery County matches the State credit for eligible residents.

MASTER PLAN - Each community within Montgomery County falls within a master plan area. Master plans include a comprehensive view of land-use trends and future development as they relate to community concerns such as housing, transportation, stormwater management, historic preservation, pedestrian and trail systems, environmental factors like air, water and noise pollution, and the preservation of agricultural lands. Plans outline recommended land uses, zoning, transportation facilities, and recommended general locations for such public facilities as schools, parks, libraries, and fire and police stations.

MISSION STATEMENT - The desired end result of an activity. Missions are generally broad and long range in nature compared to goals which are more specific and immediate. An example of a mission is: "To provide safe, reliable, and cost-efficient public transportation to the residents of Montgomery County." See also Program Mission.

MONTGOMERY COUNTY GOVERNMENT - The departments and offices included in the County's executive, legislative, and judicial branches, including related boards and commissions. It excludes Montgomery County Public Schools (MCPS), Montgomery College (MC), Maryland-National Capital Park and Planning Commission (M-NCPPC), WSSC Water (WSSC), and other agencies. See also Agency.

NET ASSETS - See Fund Balance.

NET BUDGET - The legal appropriation requirement to finance a fund, department, account, agency, or CIP project. The net budget includes the funds required for charges from other funds, departments and agencies, or CIP projects for services rendered, but does not include charges made to other departments for services rendered. See also Gross Budget.

NON-DEPARTMENTAL ACCOUNT - A budget category used to account for resources used for County-funded activities that do not fall within the functional assignment of any department, or for expenditures related to more than one department.

NON-TAX SUPPORTED FUND - A fund supported by revenues other than taxes and not included in the Spending Affordability Guidelines. The exception is Parking Lot Districts that collect property taxes but, as Enterprise Funds, are not considered tax supported.

OPERATING AND CAPITAL EXPENSE - Those costs, other than expenditures for Personnel Costs, which are necessary to support the operation of the organization, such as charges for contractual services, telephones, printing, motor pool, office supplies, and government assets. See also Expenditure.

OPERATING BUDGET - A comprehensive plan by which the County's operating programs are funded for a single fiscal year. The operating budget includes descriptions of programs, appropriation authority, and estimated revenue sources, as well as related program data and information on the fiscal management of the County. See also Public Services Program (PSP).

OPERATING BUDGET IMPACT - The change in operating budget expenditures associated with the construction or improvement of government buildings or facilities. See the discussion of this subject in the CIP Planning chapter of the recommended CIP for more information.

OTHER POST-EMPLOYMENT BENEFITS (OPEB) - Employee benefits, such as health and life insurance, associated with current and future retirees and their beneficiaries. See also Retirees Health Benefits Trust Fund.

OUTCOME BASED BUDGETING - A method of preparing budgets that moves away from a traditional, incremental way of allocating funds to a department to allocating funds for programs and services that will achieve desired results. When allocating resources under this approach, outcome based budgeting maximizes the value of the dollars that are spent.

OUTCOMES - The results of a program or program element on clients, users, or some other target group; the degree to which the program mission is achieved.

OUTPUT - The amount of services provided, units produced, or work accomplished.

PARTIAL CAPITALIZATION - The process of either expensing or transferring to capital assets the prior fiscal year expenditures for ongoing capital projects.

PAYGO - "Pay as you go" funding; that is, current revenue substituted for debt in capital projects that are debt eligible, or used in projects that are not debt eligible or qualified for tax-exempt financing.

PENSION AND OTHER EMPLOYEE BENEFITS TRUST FUNDS - The fiduciary fund used to account for all activities of the Employees' Retirement System of Montgomery County, Employees' Retirement Savings Plan, and Deferred Compensation Plan, including the accumulation of resources for, and payment of, retirement annuities and/or other benefits and administrative costs.

PERFORMANCE MEASURES - The quantitative means to know how well a program is working at providing services and improving the lives of those served. It provides the ability to make changes and determine whether those changes improved the program's performance, essentially improving the customer's quality of life.

PERMANENT FUNDS - These 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 government programs.

PERSONAL PROPERTY - Furniture, fixtures, office and industrial equipment, machinery, tools, supplies, inventory, and any other property not classified as real property. See also Real Property.

PERSONNEL COMPLEMENT - The full- and part-time positions, work years or full-time equivalents, and costs related to employees of the departments and agencies of the County.

PERSONNEL COSTS - Expenditures for salaries, wages, and benefits payable to County employees.

POSITIONS - Identified jobs into which persons may be hired on either a part- or full-time basis.

PRIORITY OUTCOME - A condition of well being for a population or subpopulation in a geographic area. Within this discussion, a Priority Outcome refers to a condition of well being for Montgomery County residents.

PRIVATE PURPOSE TRUST FUNDS - A fiduciary fund that involves trust arrangements under which the principal and income benefit individuals, private organizations, or other governments.

PRODUCTIVITY IMPROVEMENT - Increased quantity or improved quality of goods or services using the same or fewer resources. Productivity improvement can be achieved through cost efficiencies, alternative means of delivering services, streamlining organizational structures, making use of automation and other time- or labor-saving innovations, and eliminating unnecessary procedures or requirements.

PROGRAM - A primary service, function, or set of activities which address a specific responsibility or goal within an agency's or department's mission. A program encompasses all associated activities (services) directed toward the attainment of established objectives; for example, the School Health Program. A program will have clearly defined, attainable objectives, which may be short- or long-term in nature, and will have measurable outputs and outcomes. A program should be discrete enough to be able to be summed up in five or fewer performance measures.

PROGRAM PROPOSAL - A request for funding a program in the County's Outcome Based Budgeting process. It includes a description of how a program aligns with the County Executive's Seven Priority Outcomes and Key Indicators, evidence to support the service impact, performance measures, and an explanation of performance and how it will be improved.

PROPRIETARY FUND - Funds or subfunds that show actual financial position and the results of operations, such as actual assets, liabilities, reserves, fund balances, revenues, and expenses.

PUBLIC HEARINGS - Opportunities for residents and constituent groups to voice opinions and concerns to public officials. During the annual budget process, the County Charter requires that public hearings be conducted by the County Council not earlier than 21 days after receipt of the County Executive's Recommended Budget.

PUBLIC SERVICES PROGRAM (PSP) - A forecast of public service requirements over the next six years, submitted annually by the Executive to the County Council. Its purpose is to provide guidance for the orderly planning of services with regard to population changes, socio-economic variables, potentially needed public facilities, and anticipated new or changing needs of County citizens. The PSP includes the County Executive's fiscal policy statements. The first year of the PSP is referred to as the operating budget.

REAL PROPERTY - Real estate, including land and improvements (buildings, fences, pavements, etc.), classified for purposes of assessment. See also Personal Property.

REALLOCATION OF APPROPRIATION - The transfer of unencumbered appropriations (expenditure authority) within the same appropriation category and within the same department and fund.

RECORDATION TAX - Tax levied when changes occur in deeds, mortgages, leases, and other contracts pertaining to the title of either real or personal property. The revenues are used to pay for school CIP projects, housing rental assistance for low to moderate income households, and other government activities.

RESERVE - An account used either to set aside legally budgeted resources, that are not required for expenditure in the current budget year, or to earmark resources for a specific future purpose. See also Fund Balance.

RESOURCES - Units of input such as work years, funds, material, equipment, facilities, or other elements supplied to produce and deliver services required to meet program objectives. From a fiscal point of view, resources include revenues, net transfers, and available fund balance. See also Inputs.

RESULTS - A term used to describe what you are trying to accomplish.

RETIREES HEALTH BENEFITS TRUST FUND - One or more funds used to support the expenses associated with retiree health benefits.

REVENUE - All funds that the County receives, including tax payments, fees for specific services, receipts from other governments, fines, forfeitures, shared revenues, and interest income.

REVENUE BONDS - An obligation issued to finance a revenue-producing enterprise, with principal and interest payable exclusively from the earnings and other revenues of the enterprise. See also Enterprise Fund.

REVENUE STABILIZATION FUND - A special revenue fund that accounts for the accumulation of resources during periods of economic growth and prosperity when revenue collections exceed estimates. These funds may then be drawn upon during periods of economic slowdown when collections fall short of revenue estimates. See also Special Revenue Fund.

RISK MANAGEMENT - A process used to identify and measure the risks of accidental loss, to develop and implement techniques for handling risk, and to monitor results. Techniques used can include self-insurance, commercial insurance, and loss control activities.

SALARIES AND WAGES - An expenditure category for monetary compensation to employees in the form of annual or hourly rates of pay for hours worked.

SALARY SCHEDULE - A listing of minimum and maximum salaries for each grade level in a classification plan for merit system positions.

SCHOOL FACILITIES PAYMENTS - A fee charged to developers of residential subdivisions if school enrollment five years in the future is estimated to exceed 105 percent, but is less than 120 percent, of cluster-wide program capacity at any school level. The fee level depends on both the school level involved and the type of housing unit to be constructed.

SELF-INSURANCE - The funding of liability, property, workers' compensation, unemployment, and life and health insurance needs through the County's financial resources, rather than commercial insurance plans.

SERVICE PROPOSAL - See Program Proposal.

SERVICES - An activity or set of activities that are the means for achieving desired outcomes, performed by County government, that has identifiable costs for budgeting purposes; a clear public purpose and measurable results; and clear lines of accountability for its performance and financial management. A service is discrete in that it is not overly dependent on other services to achieve its results and does not combine activities with substantially differing results, funding streams, and/or lines of accountability.

SET-ASIDE - See Unappropriated Reserves.

SOLID WASTE DISPOSAL FEE - See Tipping Fee.

SOLID WASTE (REFUSE) CHARGE - The annual charge, appearing on the County's Consolidated Tax Bill, applied to residences in the Solid Waste Collection District for the collection and disposal of solid waste for each household in the district. The charge includes a collection fee to cover hauling costs paid to collection contractors, a service charge which includes a charge based on the tipping fee, and a systems benefit charge.

SPECIAL APPROPRIATION - Additional spending authority approved by the County Council (Charter, Section 308). The appropriation must state "that it is necessary to meet an unforeseen disaster or other emergency, or to act without delay in the public interest." There must be approval by not less than six members of the Council. "The Council may make a special appropriation any time after public notice by news release." See also Supplemental Appropriation.

SPECIAL REVENUE FUNDS - A governmental fund used to record the receipt and use of resources which, by law, Generally Accepted Accounting Principles (GAAP), or County policy, must be kept distinct from the general revenues of the County.

Revenues for Special Revenue Funds are generally from a special tax on a specific geographical area.

SPECIAL TAXING DISTRICT - A geographic area that is established by legislation within which a special tax is levied to provide for specific services to the area.

SPENDING AFFORDABILITY GUIDELINE (SAG) - An approach to budgeting that assigns expenditure ceilings for the forthcoming budget year, based on expected revenues and other factors. Under the Charter of Montgomery County Maryland (Section 305), the County Council is required to establish spending affordability guidelines for both the capital and operating budgets. Spending affordability limits are also set for WSSC by the Councils of Montgomery and Prince George's Counties.

STRUCTURAL BUDGET DEFICIT - The excess of spending over revenue due to an underlying imbalance between the ongoing cost of government operations and predicted revenue collections.

SUPPLEMENTAL APPROPRIATION - An appropriation of funds above amounts originally appropriated which authorizes expenditures not anticipated in the adopted budget. A supplemental appropriation is required to enable expenditure of reserves or additional revenues received by the County through grants or other sources. See also Special Appropriation.

TAX SUPPORTED FUND - A fund, either the General Fund or a Special Revenue Fund, supported in part by tax revenues and included in Spending Affordability Guidelines (SAG).

TIPPING FEE - A fee charged for each ton of solid waste disposed of, or "tipped," at the Solid Waste Transfer Station. Each year the County Executive recommends, and the County Council approves, a tipping fee based on a projection of costs for solid waste disposal as well as the tonnage of solid waste generated.

TRANSFER OF APPROPRIATION - See Council Transfer of Appropriation and Executive Transfer of Appropriation.

TRANSFER OF FUNDS - See Interfund Transfer.

UNAPPROPRIATED RESERVES - The planned-for excess of revenues over budgeted expenditures, within any of the various government funds, that provides funding for unexpected and unbudgeted expenditures that may be required during the fiscal year following budget approval. Use of this reserve requires County Council appropriation prior to its expenditure. The Charter of Montgomery County Maryland (Section 310) requires that unappropriated surplus within the General Fund may not exceed five percent of General Fund revenue for the preceding fiscal year. Also referred to as the Set-Aside for future projects in the capital program.

VALUE - Results per dollar spent.

WATER QUALITY PROTECTION CHARGE - An excise tax imposed on each residential property and associated nonresidential property which is used for the construction, operation, and maintenance of stormwater management facilities and related expenses.

YEAR END BALANCE - See Fund Balance.

Readers not finding a term in this glossary are invited to call the Office of Management and Budget at 240.777.2800.

Acronyms

Abbreviation	Description	Abbreviation	Description
ABS	Alcohol Beverage Services	**CJIS**	Criminal Justice Information System
ACFR	Annual Comprehensive Financial Report	**CNG**	Compressed Natural Gas
ADA	Americans with Disabilities Act	**COB**	Council Office Building
AHCMC	Arts and Humanities Council of Montgomery County	**COBRA**	Consolidated Omnibus Budget Reconciliation Act
ALARF	Advance Land Acquisition Revolving Fund	**COC**	Common Ownership Communities
APFO	Adequate Public Facilities Ordinance	**COG**	Council of Governments
ARPA	Advanced Research Projects Agency	**COMAR**	Code of Maryland Annotated Regulations
ATMS	Advanced Transportation Management System	**CPI-U**	Consumer Price Index - Urban
BAN	Bond Anticipation Note	**CR**	Current Revenue
BEPS	Base Erosion and Profit Shifting	**CRIMS**	Correction and Rehabilitation Information Management System
BHI	BioHealth Innovation	**CUPF**	Community Use of Public Facilities
BIT	Board of Investment Trustees	**CVB**	Conference and Visitors Bureau
BOA	Board of Appeals	**DBM**	Maryland State Department of Budget and Management
BOE	Board of Education (MCPS)	**DCM**	Device Client Management
BOE	Board of Elections (MCG)	**DFMS**	Division of Fleet Management Services
CAO	Chief Administrative Officer	**DGS**	Department of General Services
CABLE TV	Cable Television	**DEP**	Department of Environmental Protection
CBD	Central Business District	**DHCA**	Department of Housing and Community Affairs
CC	County Council	**DOCR**	Department of Correction and Rehabilitation
CCM	County Cable Montgomery	**DOT**	Department of Transportation
CDBG	Community Development Block Grant	**DPS**	Department of Permitting Services
CE	County Executive	**ECC**	Emergency Communications Center
CEX	Office of the County Executive	**EDAET**	Expedited Development Approval Excise Tax
CIP	Capital Improvements Program	**EDF**	Economic Development Fund
CEC	Community Engagement Cluster	**EEOC**	Equal Employment Opportunity Commission
CJCC	Criminal Justice Coordinating Commission	**EITC**	Earned Income Tax Credit

Abbreviation Description Abbreviation Description

EMTOC	Equipment and Maintenance Operations Center	**HRC**	Office of Human Rights
EOB	Executive Office Building	**HUD**	U.S. Department of Housing and Urban Development
EOC	Emergency Operations Center	**HVAC**	Heating, Ventilation, and Air Conditioning
ERP	Enterprise Resource Planning	**IAFC**	International Association of Fire Chiefs
ERS	Employee Retirement System	**IAFF**	International Association of Fire Fighters
ESOL	English for Speakers of Other Languages	**ICEUM**	Interagency Committee on Energy and Utility Management
FEMA	Federal Emergency Management Agency	**IJIS**	Integrated Justice Information System
FFI	Future Fiscal Impact	**IT**	Information Technology
FIN	Department of Finance	**ITPCC**	Interagency Technology Policy and Coordination Committee
FLSA	Fair Labor Standards Act	**LEP**	Limited English Proficiency
FOP	Fraternal Order of Police	**LER**	Labor and Employee Relations
FRC	Fire and Rescue Commission	**LFRD**	Local Fire and Rescue Department
FTE	Full-Time Equivalent	**LSBRP**	Local Small Business Reserve Program
FY	Fiscal Year	**MACo**	Maryland Association of Counties
GAAP	Generally Accepted Accounting Principles	**MC**	Montgomery College
GASB	Government Accounting Standards Board	**MCAASP**	Montgomery County Association of Administrative and Supervisory Personnel
GDA	General Development Agreement	**MCCF**	Montgomery County Correctional Facility
GDP	Gross Domestic Product	**MCCSSE**	Montgomery County Council of Supporting Service Employees
GFOA	Government Finance Officers Association	**MCDC**	Montgomery County Detention Center
GIS	Geographic Information Systems	**MCEA**	Montgomery County Education Association
GO Bonds	General Obligation Bonds	**MCEDC**	Montgomery County Economic Development Corporation
GRIP	Guaranteed Retirement Income Plan	**MCERP**	Montgomery County Employee Retirement Plans
GWA	General Wage Adjustment	**MCFRS**	Montgomery County Fire and Rescue Service
HHS	Department of Health and Human Services	**MCG**	Montgomery County Government
HIPAA	Health Insurance Portability and Accountability Act	**MCGEO**	Municipal and County Government Employees Organization
HOC	Housing Opportunities Commission	**MCPD**	Montgomery County Police Department

Abbreviation	Description	Abbreviation	Description
MCPL	Montgomery County Public Libraries	**OZAH**	Office of Zoning and Administrative Hearings
MCPS	Montgomery County Public Schools	**PAYGO**	Pay-as-you-go financing
MCT	Montgomery Community Television	**PDF**	Project Description Form
MFD	Minority, Female, and Disabled	**PEG**	Public, Educational, and Governmental Cable Programming
MHI	Montgomery Housing Initiative	**PEPCO**	Potomac Electric Power Company
MLS	Management Leadership Service	**PILOT**	Payment in Lieu of Taxes
M-NCPPC	Maryland-National Capital Park and Planning Commission	**PIO**	Office of Public Information
MOU	Memorandum of Understanding	**PLAR**	Planned Lifecycle Asset Replacement
MPDU	Moderately Priced Dwelling Unit	**PLD**	Parking Lot District
MSPB	Merit System Protection Board	**POR**	Program of Requirements
MTA	Maryland Transit Administration	**PRO**	Office of Procurement
NACo	National Association of Counties	**PSCC**	Public Safety Communications Center
NDA	Non-Departmental Account	**PSP**	Public Services Program
NOAH	National Opportunities for Affordable Housing	**PSTA**	Public Safety Training Academy
NTS	Non-Tax Supported	**REC**	Department of Recreation
OAG	Office of Agriculture	**RMS**	Records Management System
OAS	Office of Animal Services	**RRF**	Resource Recovery Facility
OBI	Operating Budget Impact	**RSP**	Retirement Savings Plan
OCA	Office of County Attorney	**SAG**	Spending Affordability Guidelines
OCP	Office of Consumer Protection	**SBAP**	Small Business Assistance Program
OFSR	Office of Food Systems Resilience	**SHA**	State Highway Administration
OGM	Office of Grants Management	**SWM**	Stormwater Management
OHR	Office of Human Resources	**TEBS**	Department of Technology and Enterprise Business Solutions
OIG	Office of the Inspector General	**TMC**	Transportation Management Center
OIR	Office of Intergovernmental Relations	**TMD**	Transportation Management District
OEMHS	Office of Emergency Management and Homeland Security	**TS**	Tax Supported
OLO	Office of Legislative Oversight	**WMATA**	Washington Metropolitan Area Transit Authority
OLR	Office of Labor Relations	**WQPB**	Water Quality Protection Bond
OMB	Office of Management and Budget	**WQPC**	Water Quality Protection Charge
OPEB	Other Post Employment Benefits	**WSM**	WorkSource Montgomery
ORESJ	Office of Racial Equity and Social Justice	**WSSC**	WSSC Water
OSHA	Occupational Safety and Health Administration	**WSTC**	Washington Suburban Transit Commission
WY	Work Year		

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