



County Executive Recommended

# FY27 Capital Budget and FY27-32 Capital Improvements Program

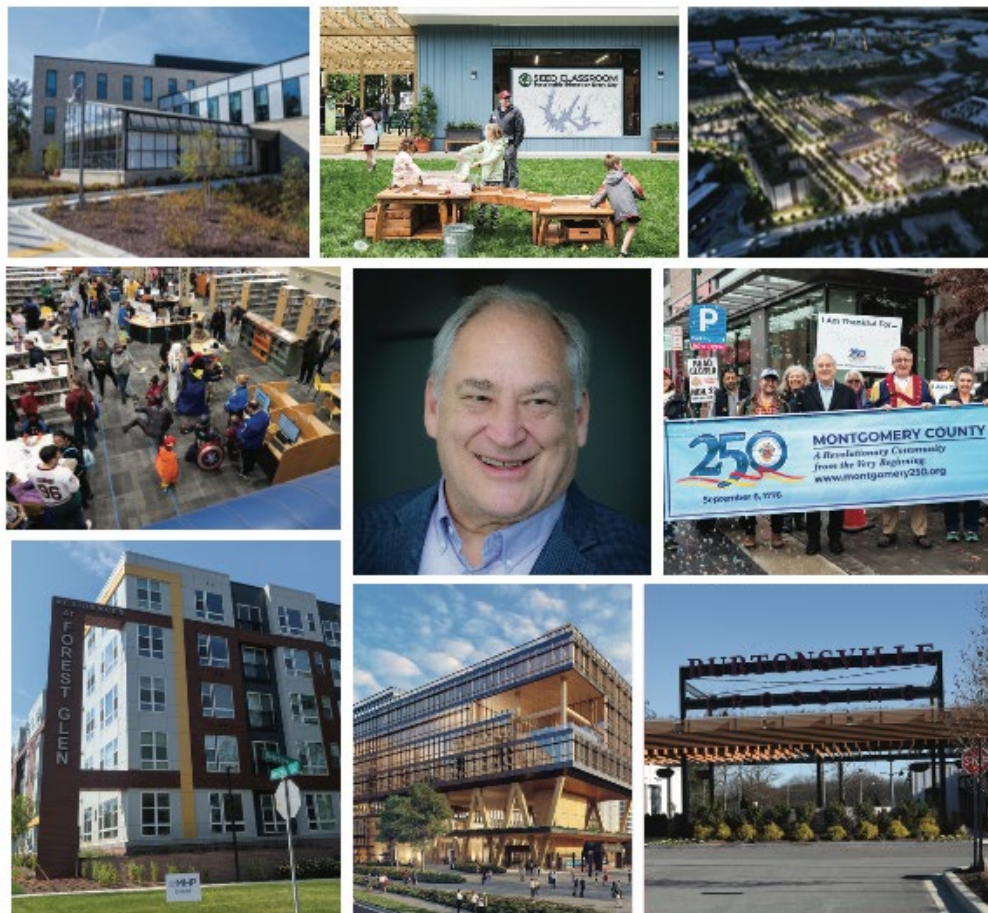
• January 15, 2026 •



# Agenda

- Welcome
- Leadership Through Unprecedented Times
- Challenges
- FY27 Capital Budget and FY27-32 Capital Improvements Program Overview
- Highlights
- Opportunities

Montgomery County, Maryland • Office of Management and Budget



County Executive's  
FY27 Recommended Capital Budget and  
FY27-32 Capital Improvements Program (CIP)



County Executive Marc Elrich  
January 2026



# Leadership Through Unprecedented Times



- **Delivered** eight capital budgets under challenging conditions.
- **Prudently managed** fiscal resources providing the ability to address chronic underinvestment in County infrastructure.
- **Funded** record-level school construction project for MCPS.
- **Expanded** affordable housing with more than 9,200 units created or preserved since FY19.
- **Advanced** Bus Rapid Transit (BRT).
  - **Constructing** Veirs Mill Rd BRT, with service launching in 2028.
  - **Designed** 355 Central BRT with construction beginning in 2026, service to launch in 2031.



# Leadership Through Unprecedented Times

- **Opened** the Clarksburg Fire Station, 6<sup>th</sup> District Police Station, Silver Spring Recreation and Aquatic Center, Emergency Homeless Shelter, 10 new or rebuilt schools including 3 high schools and 11 school additions.
- **Advanced** the Clarksburg Library, Shady Grove West Library, Western County Recreation Center, Wheaton Arts and Cultural Center, Diversion Center.



Clarksburg Fire Station



Clarksburg Library



Wheaton Arts and Cultural Center



DHHS Diversion Center



# Challenges



# Major Capital Needs

- School Construction
- Affordable Housing
- Maintaining aging infrastructure
- Transportation improvements and Bus Rapid Transit
- Economic Development
- Environment and Climate
- Building County government for the future





# Cost Pressures

- Historic MCPS request, more than \$1.0 billion over last approved budget.
- Cost increases across all County departments and agencies due to inflation and tariffs.
- Inadequate resources to support County's infrastructure.



Burnt Hill Road Bridge



# Constrained Revenues



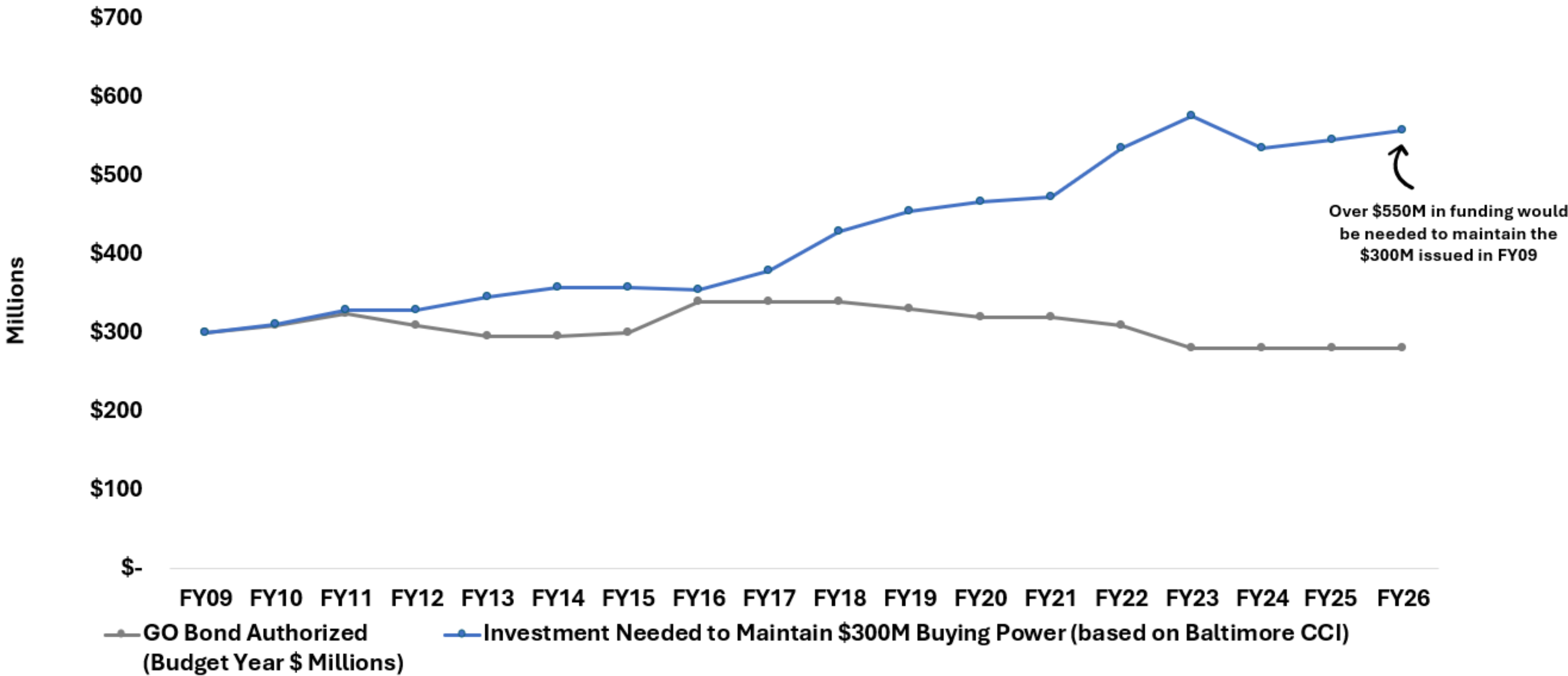
- Uncertainty in Federal aid for discretionary grants.
- Declining State aid for schools as BTL is allocated and formula challenges as enrollment declines.
- Impact Tax revenues decline due to policy decisions and economic changes.
  - \$61.5 million reduction in projected revenues compared to prior approved estimates.
  - FY25 collections decrease \$31.4 million due to policy decisions passed by the Council and market conditions.
  - Uncertainty as General Assembly considers changes to local impact taxes.
- Nominal increases in Recordation Taxes.



# Purchasing Power Decreases as Resources Remain Flat

To maintain the buying power that \$300 million had in FY09, the County would need to issue more than \$550 million today.

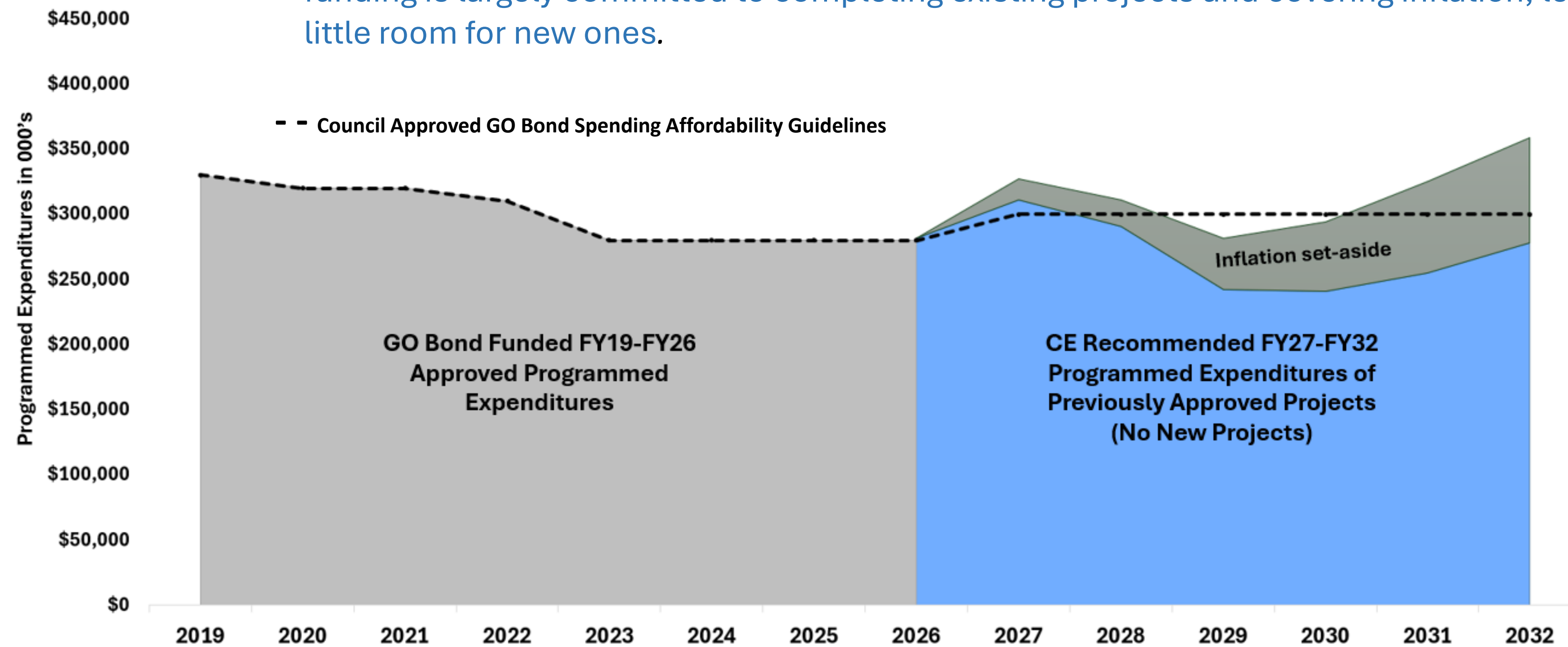
Investment Needed to maintain \$300M (FY09) Buying Power (based on CCI)





# Council Approved Spending Affordability Guidelines Committed to Existing Projects

This chart shows how past GO Bond funding supported new and existing projects while future funding is largely committed to completing existing projects and covering inflation, leaving little room for new ones.

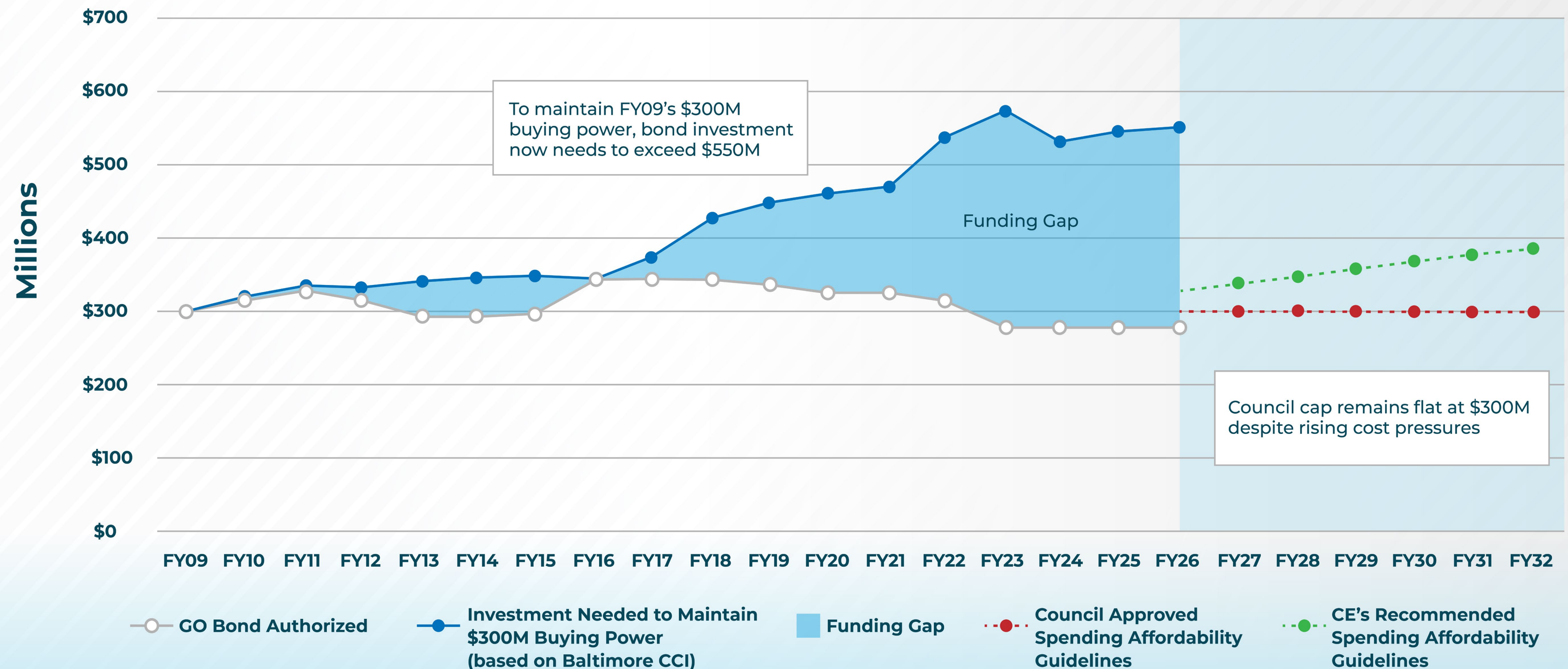




# Proposing \$340M in General Obligation Bond Capacity

The Growing Gap Between Infrastructure Costs and GO Bond Funding

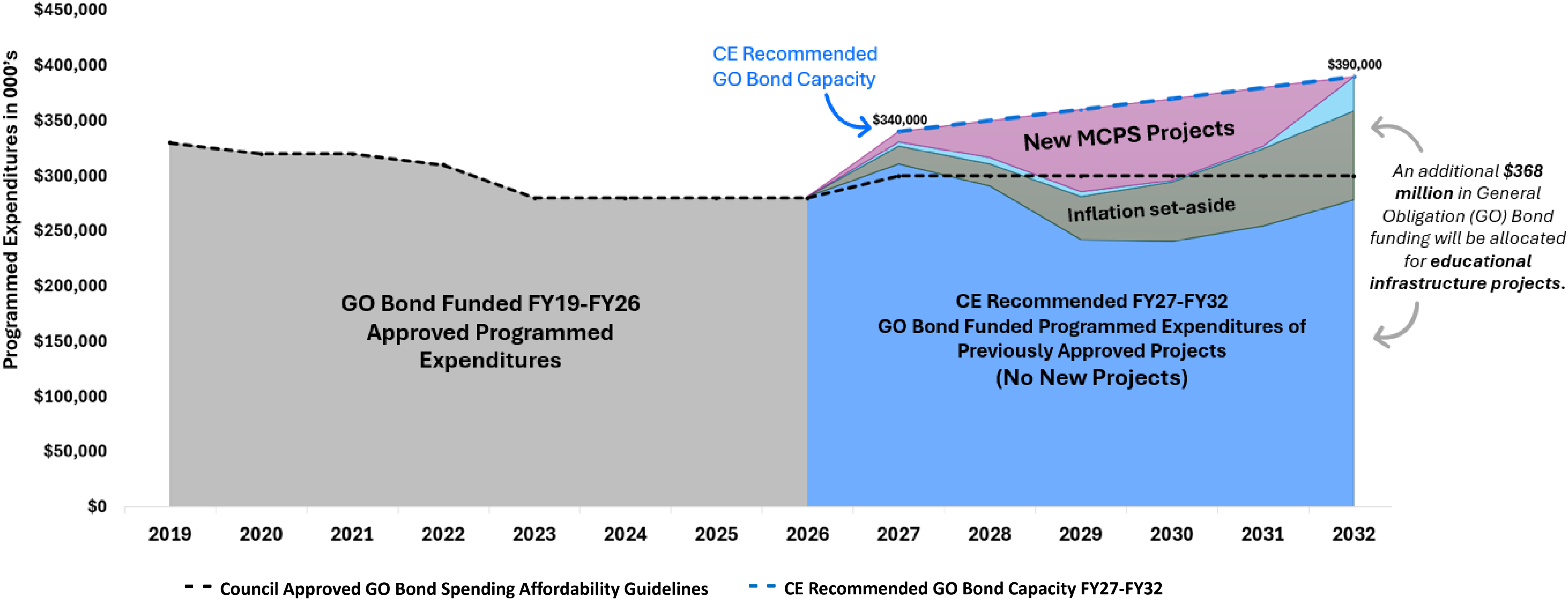
## GO Bond Funding Has Not Kept Pace With Construction Costs (FY09–FY26)





# Essential Capacity for Educational Infrastructure

To fund even a portion of MCPS’s further capital improvement requests, enhanced GO Bond capacity is proposed at \$340M with a \$10M escalation across the six-year period.

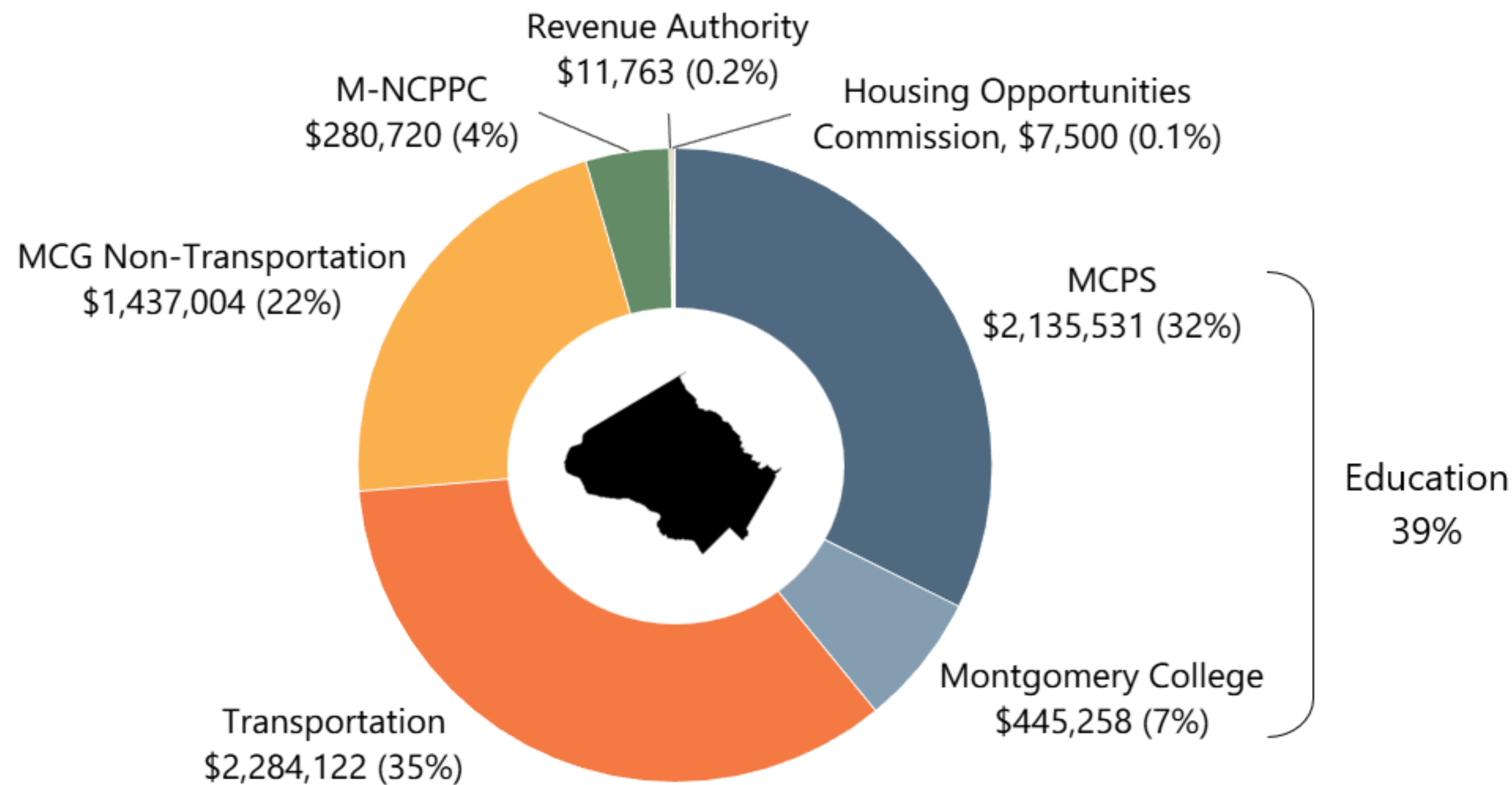




# FY27-32 Capital Improvements Program Overview



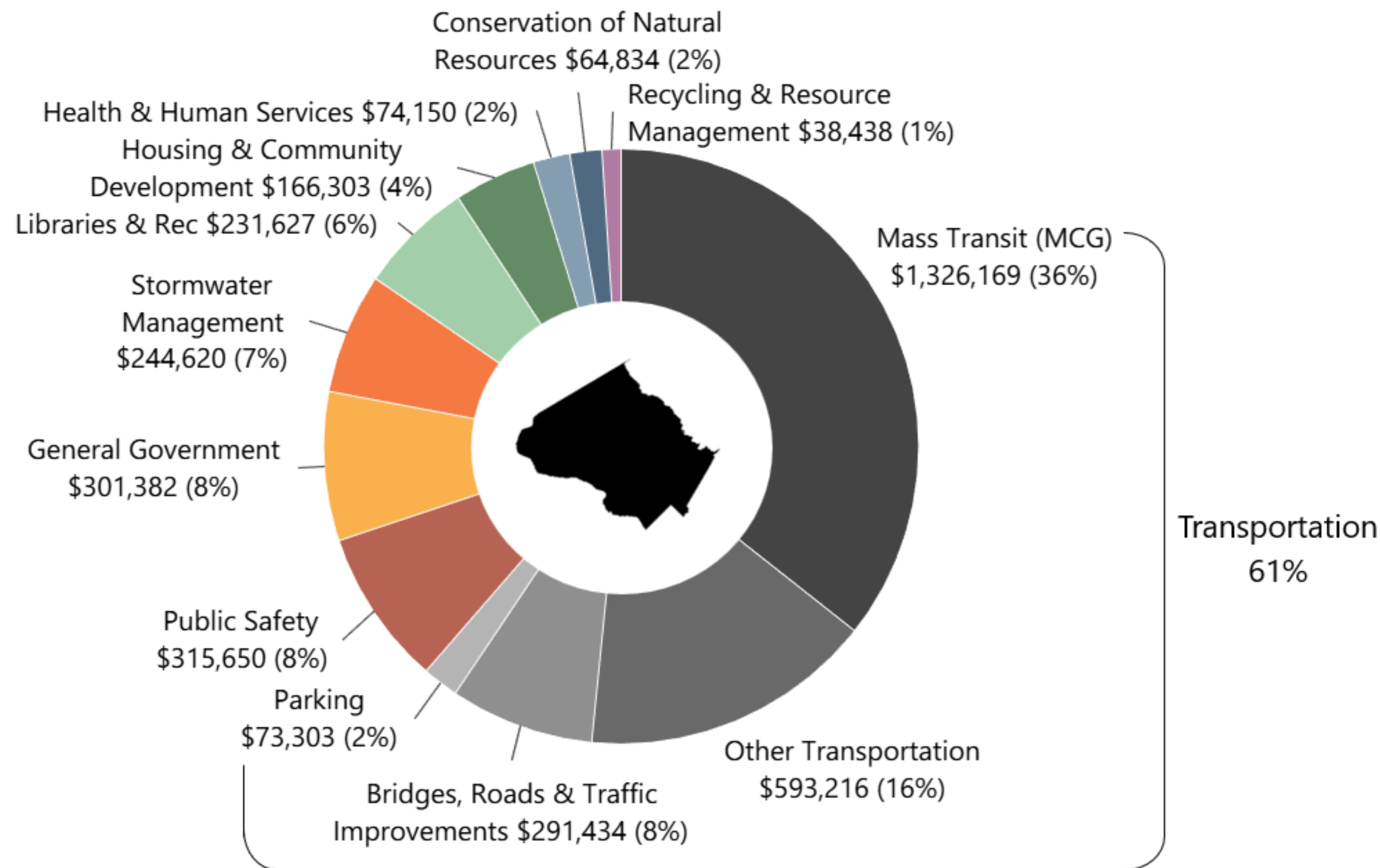
# County Executive Recommended FY27 Capital Budget and FY27-32 CIP (\$6.6B) (\$000s)



\*Excludes WSSC Water



# Allocation – County Government (\$3.7B) (\$000s)





# Education

## Montgomery County Public Schools



Burtonsville ES



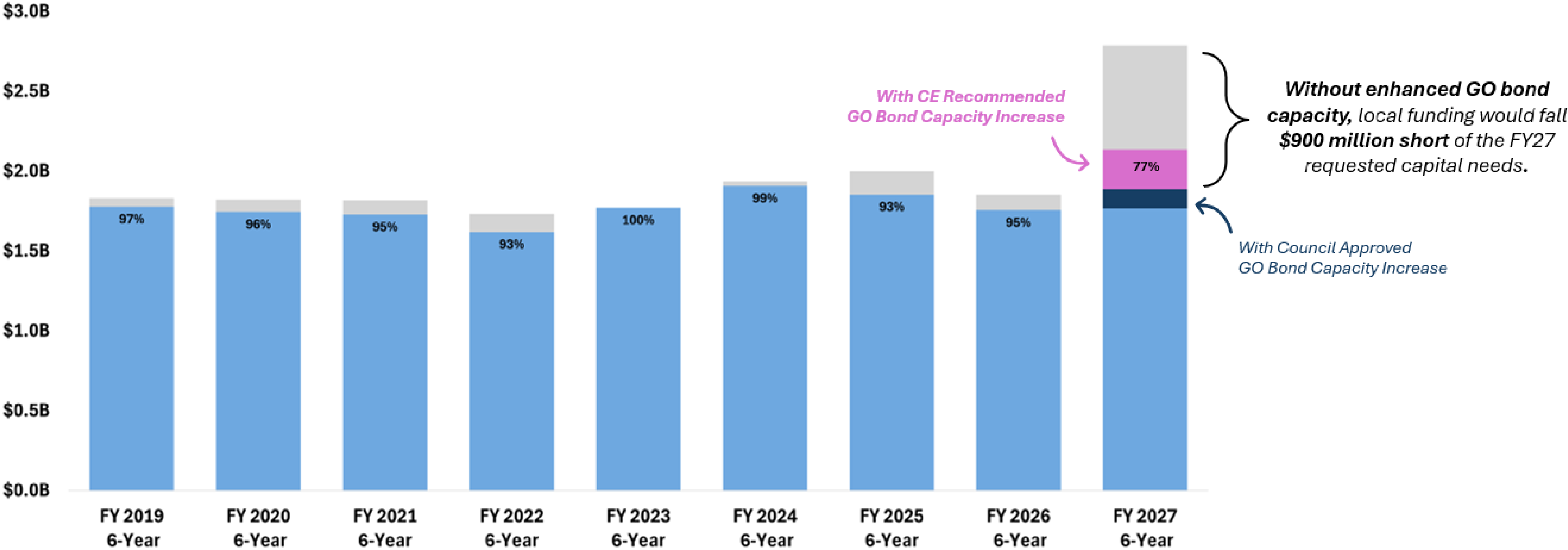
Seneca Valley HS

- **The largest funding level ever recommended.**
- Provides **\$2.1 billion** for academic support, or 87.2 percent of BOE's request for **academic facilities**.
- Increases local funding by \$420.8 million and adds \$282.5 million of that funding in the first four years when the needs are greatest.
- Includes replacements, major capital projects, new and reopening projects and significant investment in infrastructure projects such as HVAC, roofs, and others.



# Nearly \$1 Billion MCPS Funding Gap

MCPS Board of Education Six-Year Funding Request vs. Approved/Recommended Funding





# Education

## Montgomery County Public Schools

- Does not support:
  - Central Office Headquarters, Artificial Turf, projects related to closure of Silver Spring International Middle School, or inflation for level of effort projects.
  - Unallocated reduction (\$107.3 million).
  - Cash increases held for consideration with the operating budget.



Artificial turf at Paint Branch High School



# Education

## Montgomery College

- **Largest funding level ever recommended.**
- Provides \$445.3 million, an increase of \$34.9 million over the last approved capital budget.
- Advances the renovation of the Germantown Student Affairs Building (Phase II) .
- Planning work for a fourth campus continues.
- Support cost increases for several level of effort projects.
- Adds funds for escalation to match additional State aid.
- Supports a new Collegewide Road/Parking Lot project.
- \$41.4 million six-year reduction in GO Bonds.
- Requested cash increases for outside agencies held for consideration with the operating budget.





# Education

## Montgomery County Public Schools

- MCPS enrollment down by 2,641 students in the 2025-2026 school year leading to reduced State aid for school construction projects.
- Shift in focus from providing additional seats to addressing aging infrastructure.
- Significant funding increases in HVAC, roofs, PLAR, restroom renovations, and other systemic projects.
- Completing the construction Burtonsville Elementary School, Charles W. Woodward (Reopening), Crown High School (New), Northwood High School, and JoAnn Leleck Elementary School



Crown HS



# Transportation

Provides **\$2.3 billion** to support critical transportation infrastructure.

Transportation	6-Year Total (\$000s)
Mass Transit (MCG)	1,326,169
Highway Maintenance	432,320
Pedestrian Facilities/Bikeways	160,896
Traffic Improvements	119,686
Bridges	113,496
Parking	73,303
Roads	58,252
<b>Transportation Total</b>	<b>2,284,122</b>

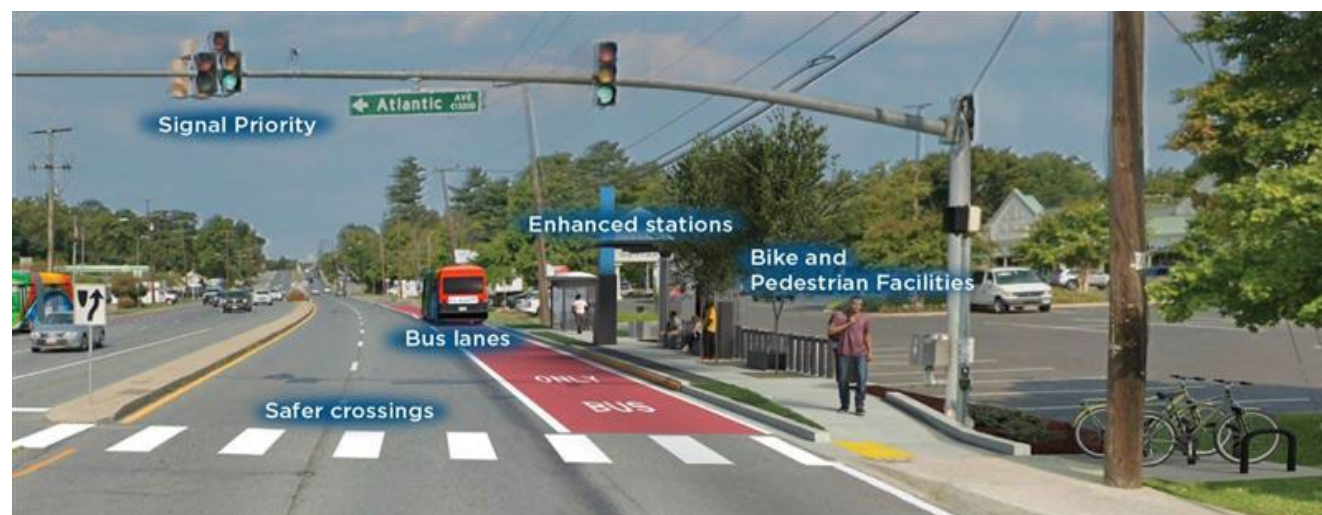
Pedestrian Bridge in Silver Spring



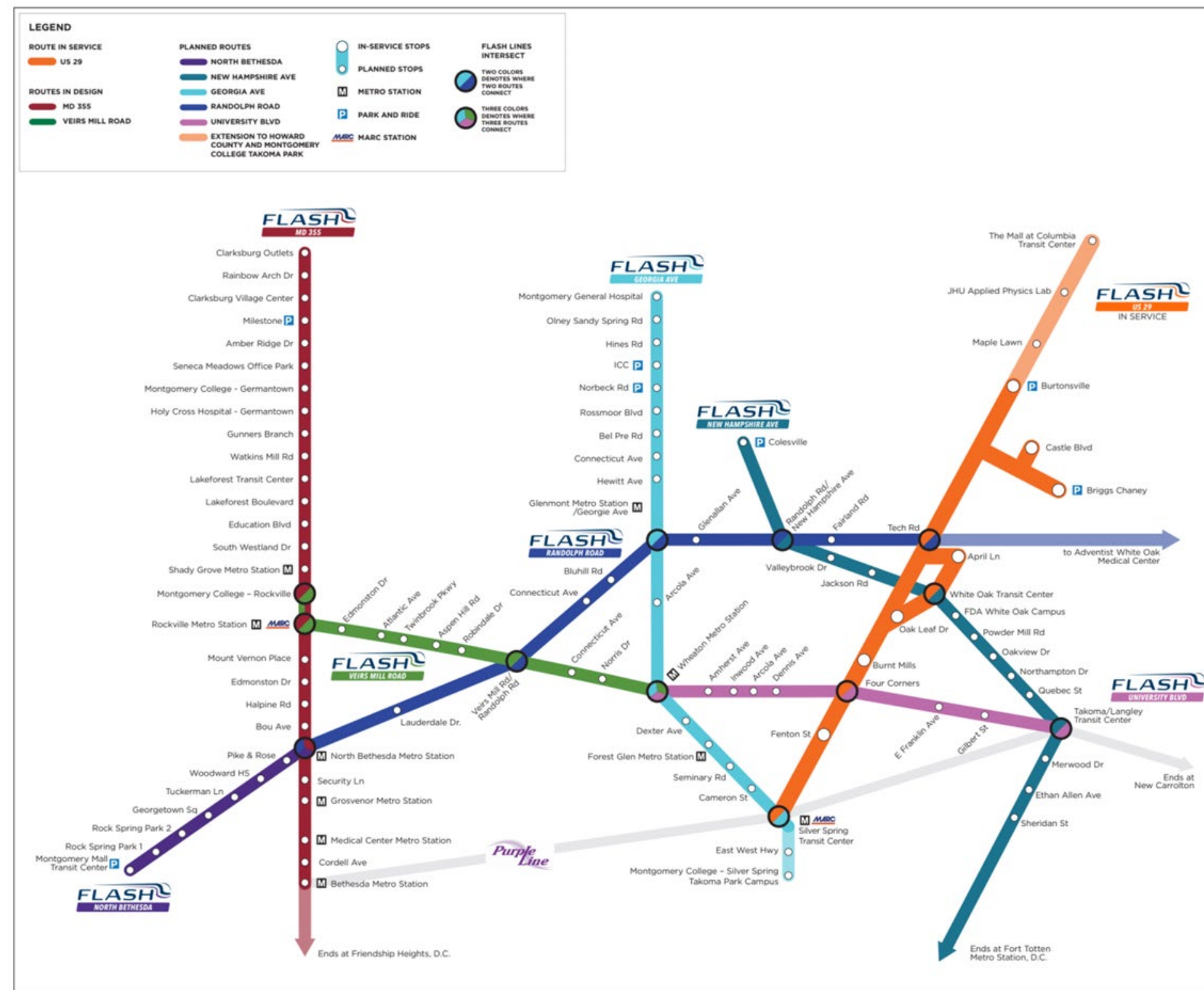
Fenton Street Cycletrack



# Transportation – Building Flash Bus Rapid Transit



Bus Rapid Transit – Veirs Mill Road



**MC3DOT**  
Montgomery County  
Department of Transportation



# Transportation

- Advancing three Flash BRT lines (\$262 million).
  - BRT MD 355 Central, BRT Veirs Mill Road, BRT US-29 Phase 2.
- New Lakeforest Transit Center including mixed-used development.
- Funding final design/construction of U.S. 29 BRT (Phase 2).
- Major investment in existing infrastructure adding \$240 million for maintenance and rehabilitation of County roads, \$16.5 million for bridges, and \$4.3 million for sidewalks.
- Leverages \$37.7 million in Federal aid for County bridges, including several new projects:
  - Burnt Hill Road
  - Greentree Road
  - Parklawn Entrance Bridge
  - Valleywood Drive
  - Zion Road



Lakeforest Transit Center



Burnt Hill Road Bridge



# Affordable Housing



Allium Place



Bracken Square

- Investing over \$160 million over six years.
- Builds on more than 9,200 affordable housing units the County has invested in creating or preserving since FY19.
- Since FY19, Montgomery County has invested \$577 million from our development finance budget to support affordable housing.
- Major decisions on additional funding to be considered in conjunction with the operating budget.



# Economic Development



University of Maryland Institute for Health Computing



Viva White Oak

- Fund the University of Maryland Institute for Health Computing (\$50 million) to transform life sciences research and create new jobs in Montgomery County at the North Bethesda Metro.
- Support the VIVA White Oak development (\$2.8 billion) through Tax Increment Financing to bring thousands of jobs, housing units, and new infrastructure to the East County.



# Environment & Climate



Flood Level Monitor



Hydrogen Fuel Cell Buses and Fueling Site

- Planned Net Zero facilities: White Flint Fire Station, 4<sup>th</sup> District Police Station, Western County Recreation Center, Clarksburg Library, and Justice Center.
- Invest \$36.9 million to enhance energy conservation in County owned facilities.
- New transit maintenance depot (\$40 million) to expand our Ride On bus fleet to support new BRT services.
- Funding the acquisition of electrical and hydrogen fuel cell buses (\$131 million) to replace fossil fuel vehicles.
- Expand hydrogen production and fueling facility (\$9.8 million) for clean energy for our bus fleet.
- Invest \$81 million to implement the Comprehensive Flood Management Plan to construct flood mitigation improvements in watersheds throughout the County.



# Culture and Recreation



Brigadier General Charles E. McGee Library renaming ceremony

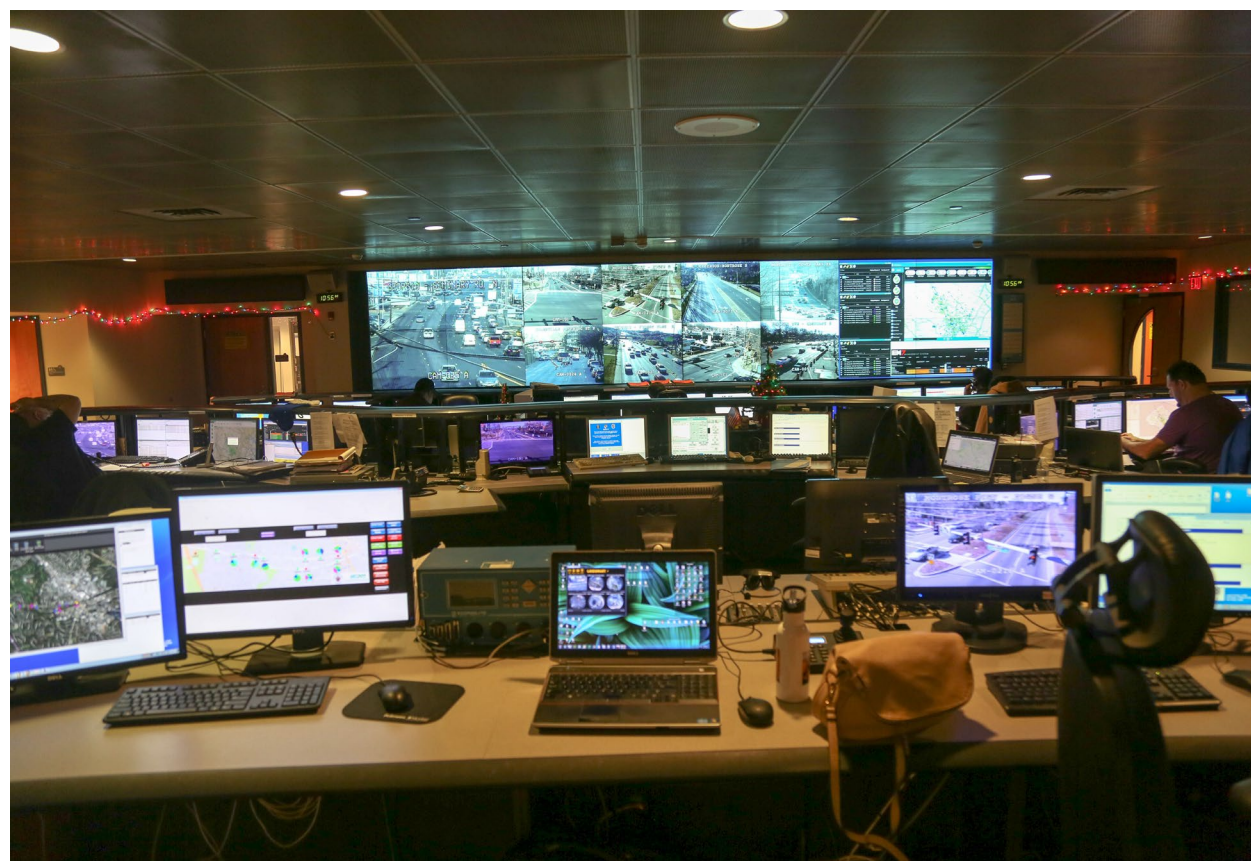
- New libraries in Shady Grove and Clarksburg.
- Library revitalization projects at Damascus (underway), Brigadier General Charles E. McGee (FY27), and Twinbrook (FY28).
- Recreation revitalization projects at Damascus Senior Center (underway), Bauer Drive Community Recreation Center (FY27) and Upper County Community Recreation Center (FY28).
- Construction of the Wheaton Arts and Cultural Center and the Western County Recreation Center.



# Public Safety



White Flint Fire Station

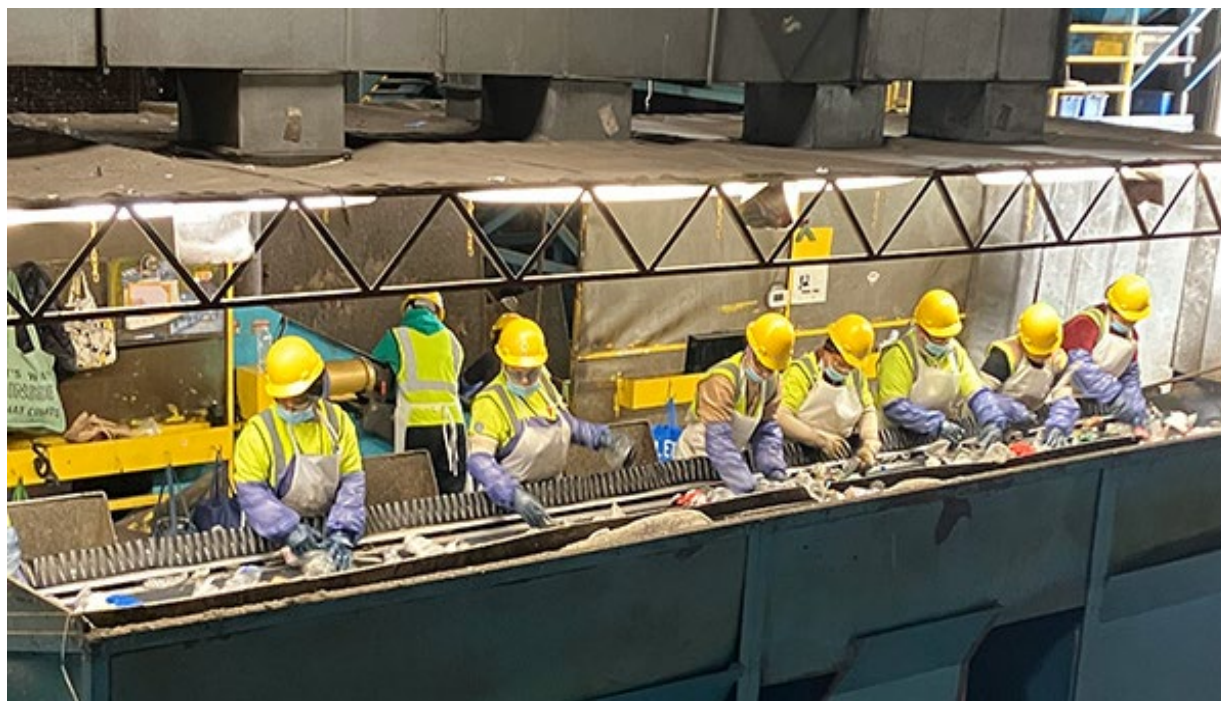


Public Safety Communications Center

- \$40 million to co-locate the 4<sup>th</sup> District Police Station and the M-NCPPC Park Police Headquarters in a new facility.
- \$44.2 million to build the White Flint Fire Station.
- Construction and design of new Justice Center to house multiple services.
- \$14.8 million to support the replacement of breathing equipment used by firefighters and \$4.4 million to replace expired police body armor.



# Maintaining Existing Buildings



Recycling Center Complex

- Increase funding for ADA Compliance, HVAC Replacement: MCG, Roof Replacement, HVAC Replacement: Fire Stations, and ABS Conveyor System Upgrade projects.
- \$5.8 million for elevator improvements in the Judicial Center North Tower in the outyears.
- Funding for a Shady Grove Processing Facility Improvement to support critical infrastructure at the Transfer Station.



# Other Outside Agencies

## Maryland-National Capital Park and Planning Commission

- Provides \$280.7 million for FY27-32.
- \$6.4 million in GO Bonds reduced.

## WSSC Water:

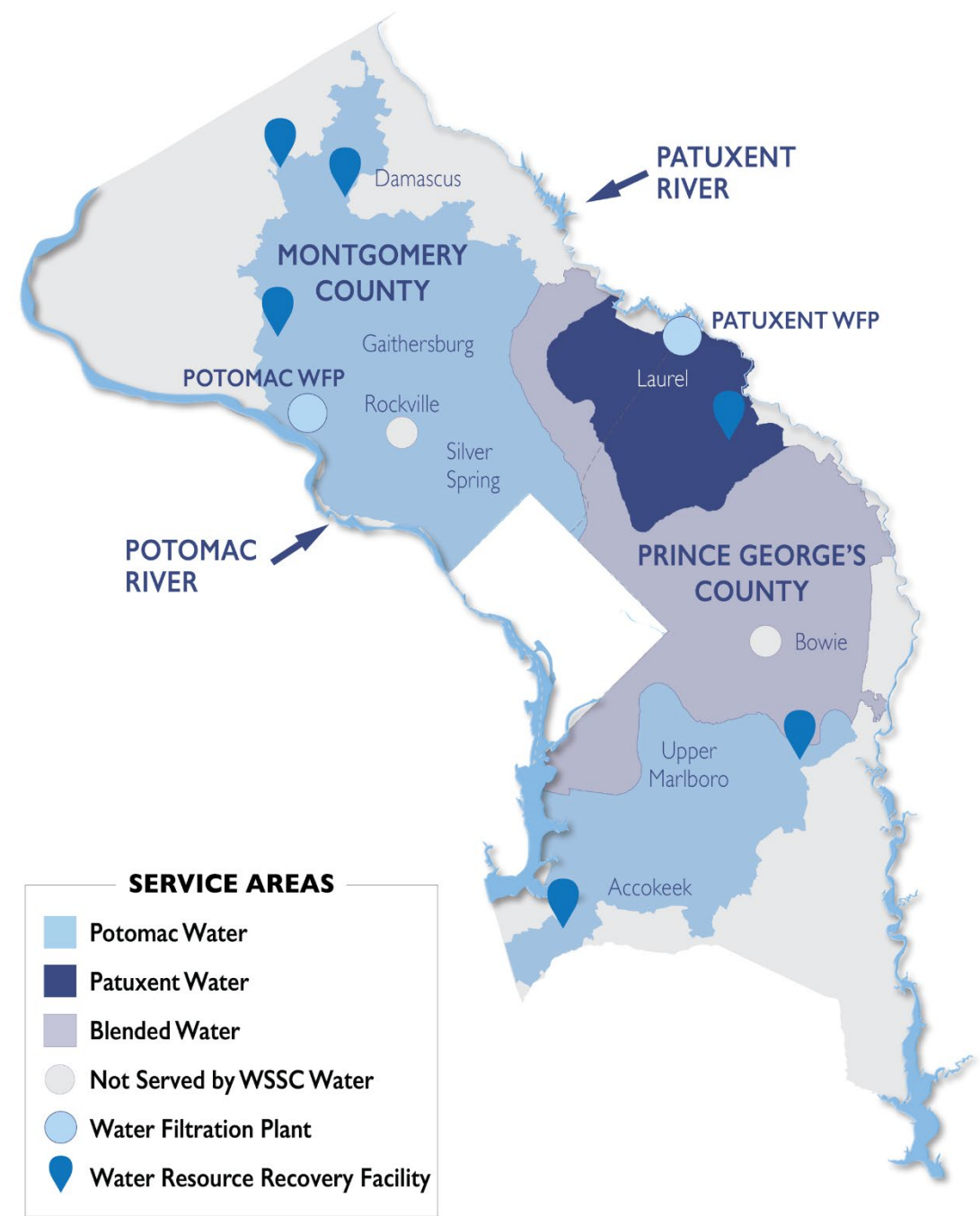
- Fully fund the \$1.77 billion request for FY27-32.

## Housing Opportunities Commission

- Provides \$7.5 million in Current Revenue request.

## Revenue Authority:

- New projects to install electric charging infrastructure for golf carts at Little Bennett Golf Course and for stormwater overflow in parking areas at Crossvines facility.





# Opportunities



# Not New Taxes, Tax Restructuring



Georgia Avenue, Silver Spring MD. December 1967.

Photo Credit: Steve Michaels

- Tax system was designed in the 1950s and 60s, when most revenue came from new homes. That helped us build great schools and roads.
- Today, the County is fully developed, and **we need modern investments** in schools and transportation.
- To keep our community strong, **we must update how we raise revenue**—not by adding new taxes, but by restructuring the system, as Northern Virginia has already done.



# Transportation Special Taxing District

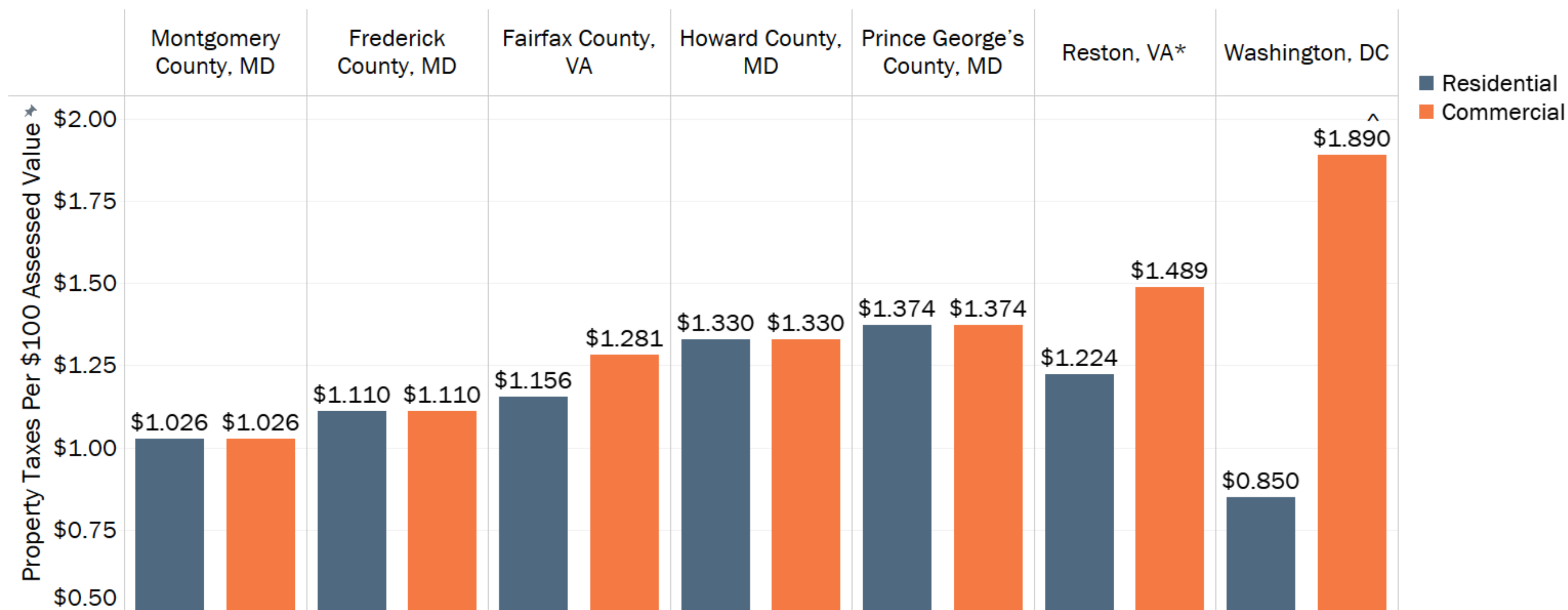
- **Proposal will be submitted in March** to address congestion, support economic and regional growth, improve safety, and increase accessibility as regional competitors.
- To raise revenues from **commercial properties** that will benefit from major transportation improvements.





# How Montgomery County Compares

## Residential & Commercial Property Tax Rates of Selected MD/DC/VA Jurisdictions



<sup>^</sup>For assessed value greater than \$10 million. Commercial tax rates: \$1.65 for assessed value ≤ \$5M; \$1.77 for > \$5M but ≤ \$10M; \$1.89 for > \$10M.

\*Represents tax districts for Hunter Mill District #5 for the Reston Service Area/Dulles Rail Phase 2 (105R0, 1T5RW).



# Capital Budget Contact

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