
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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ADDITIONAL CREDITS

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 FY27 Recommended Operating Budget, released on March 13, 2026, is a continuing services budget with strategic reductions and targeted investments. While revenues are growing year over year, the revenue forecast assumes a slightly slower rate of growth due to uncertainty at the Federal level. Also, the Maryland General Assembly is working to solve a budget gap that could impact the County's budget. Due to those uncertainties and economic pressures, the County must be fiscally prudent as expected budget demands will challenge available resources. This is evident in the current fiscal plan, which projects a decrease of 0.9 percent in resources available to fund agency spending in FY28.

In total, FY27 spending increases 5.1 percent, and tax-supported spending across all agencies increases 5.7 percent, including debt service. This includes funding for all the County's collective bargaining agreements, as well as retiree health benefits at the latest actuarial funding schedule. The County Executive recommends an average weighted property tax rate of \$1.0885 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 \$0.1100 tax rate (a \$0.063 increase) to be used exclusively by Montgomery County Public Schools (MCPS) as authorized by Maryland Code, Education Article § 5-104 (d)(1). Also, the County Executive recommends an increase to the County Income Tax rate from 3.2 percent to 3.3 percent on an individual's Maryland taxable income for the tax year beginning after December 31, 2026.

The recommended budget fully funds the Board of Education's request and represents a local school funding amount that is \$202.8 million above the State minimum funding requirement. Furthermore, demands on other County services such as health care, transportation, emergency response, libraries, and recreation also increase.

This budget funds total reserves of the County at 10.6 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 the Council 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 FY28. 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 FY27-32 Fiscal Plans for the tax-supported and non-tax supported funds of the agencies of County government are provided for your information. Many of these fiscal plans were initially published in the FY27 Recommended Operating Budget and FY27-32 Public Services Program (March 13, 2026), 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 Council considers the County Executive's recommended operating budget during its 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 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 a 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 FY27-32 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 \$1.0885 per \$100 of assessed value and assumes a \$692 credit to each owner-occupied household. The average weighted property tax includes a \$0.1100 tax rate (a \$0.063 increase) 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 FY28-32 in the fiscal plan using the income tax offset credit;
- the income tax includes an increase in the income tax rate from 3.2 percent to 3.3 percent on an individual's Maryland taxable income for the tax year beginning after December 31, 2026;
- 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 FY27-32;
- 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 FY27-32 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 FY27-32 Fiscal Plans reflect these challenges in their assumptions and projections.

I welcome comments on the fiscal plans that follow.



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 FY27-32 Public Services Program Tax Supported Fiscal Plan Summary

		(\$ in Millions)												
	App. FY26 5-22-25	Est. FY26 3-13-26	% Chg. FY26-27 App/Rec	Rec. FY27 3-13-26	% Chg. FY27-28	Projected FY28	% Chg. FY28-29	Projected FY29	% Chg. FY29-30	Projected FY30	% Chg. FY30-31	Projected FY31	% Chg. FY31-32	Projected FY32
Total Revenues														
1	2,434.0	2,398.5	9.6%	2,672.0	3.5%	2,765.6	2.5%	2,833.6	2.1%	2,893.3	1.9%	2,948.1	1.9%	2,948.1
2	2,274.2	2,342.0	1.9%	2,317.3	6.0%	2,456.8	3.4%	2,541.1	3.4%	2,627.5	3.5%	2,720.6	3.5%	2,819.4
3	154.2	158.1	14.5%	176.5	7.9%	190.4	7.9%	205.5	6.1%	218.0	6.2%	231.6	4.7%	242.6
4	265.3	273.2	3.7%	275.2	0.0%	275.3	0.3%	276.1	0.2%	276.6	0.3%	277.3	-0.5%	276.0
5	1,487.4	1,501.5	1.8%	1,514.9	0.0%	1,515.6	0.7%	1,526.4	0.9%	1,534.5	0.9%	1,548.4	0.5%	1,556.1
6	6,615.2	6,673.3	5.1%	6,955.8	3.6%	7,203.8	2.6%	7,382.7	2.3%	7,549.8	2.3%	7,725.9	2.4%	7,908.1
7														
8	-16.8	-16.6	-1.1%	-17.0	-2.2%	-17.4	-1.8%	-17.7	-1.7%	-18.0	-1.7%	-18.3	-1.7%	-18.6
9	6,598.4	6,656.7	5.2%	6,938.8	3.6%	7,186.4	2.6%	7,365.0	2.3%	7,531.8	2.3%	7,707.6	2.4%	7,889.5
Non-Operating Budget Use of Revenues														
11	446.5	441.7	5.6%	471.4	2.5%	483.3	4.9%	507.2	2.5%	519.9	3.9%	540.0	2.3%	552.1
12	29.2	25.7	16.4%	34.0	2.9%	35.0	2.9%	36.0	2.8%	37.0	2.7%	38.0	2.6%	39.0
13		64.3	-14.0%	55.3	251.9%	194.4	-4.2%	186.3	-25.3%	139.1	14.4%	159.2	-5.9%	149.9
14	-12.5	-75.3	204.3%	13.1	-97.8%	0.3	-26.5%	0.2	-13.2%	0.2	-47.0%	0.1	103.4%	0.2
15	-140.3	-145.0	-36.2%	-191.1	89.3%	-20.5	193.8%	19.2	-30.7%	13.3	21.0%	16.1	13.6%	18.3
16	30.0	28.2	-26.8%	22.0	-100.0%	0.0	n/a	0.0	n/a	0.0	0.0%	0.0	n/a	0.0
17	-2.7	-2.5	100.0%	0.0	n/a	20.0	0.0%	20.0	0.0%	20.0	0.0%	20.0	0.0%	20.0
18														
19	414.4	337.1	-2.4%	404.6	76.1%	712.6	7.9%	768.9	-5.1%	728.5	6.0%	773.4	0.8%	779.5
20	6,183.9	6,319.7	5.7%	6,534.2	-0.9%	6,473.8	1.9%	6,596.1	3.1%	6,802.3	1.9%	6,934.2	2.5%	7,110.0
Available to Allocate to Agencies (Total Revenues+Net Transfers-Total Other Uses)														
Agency Uses														
23	3,354.6	3,376.1	5.7%	3,546.9										
24	295.7	295.1	4.2%	308.1										
25	185.4	185.4	4.0%	192.7										
26	2,348.3	2,463.0	5.9%	2,486.5										
27														
28	6,183.9	6,319.7	5.7%	6,534.2	-0.9%	6,473.8	1.9%	6,596.1	3.1%	6,802.3	1.9%	6,934.2	2.5%	7,110.0
29	6,598.4	6,656.7	5.2%	6,938.8	3.6%	7,186.4	2.6%	7,365.0	2.3%	7,531.8	2.3%	7,707.6	2.4%	7,889.5
30	0.0	0.0		0.0		0.0		0.0		0.0		0.0		0.0

Assumptions:

- Property taxes are at the Charter limit with a \$692 credit. Property tax revenues include a 11.0 cent tax that is authorized by Maryland Code, Education § 5-104 (d)(1) to be used exclusively for MCPS. Income Taxes include an increased rate from 3.2 percent to 3.3 percent on all income beginning January 1, 2027. Other taxes are at current rates.
- Reserve contributions are consistent with legal requirements and the minimum policy target, which is 10 percent of Adjusted Governmental Revenues (AGR). Any reduction in out-year reserves in this version of the Fiscal Plan is to meet the County's minimum policy target for reserves and not a specific plan to reduce reserves to the policy level. Each annual budget recommendation will include specifics on budgeted reserves for that fiscal year.
- PAYGO, Debt Service, and Current Revenue reflect the Recommended FY27-32 Capital Improvements Program.
- State Aid, including MCPS and Montgomery College, is not projected to increase from FY27-32.

**County Executive's Recommended FY27-32 Public Services Program
Tax Supported Fiscal Plan Summary**

(\$ in Millions)

	App. FY26	Est. FY26	% Chg. FY26-27	Rec. FY27	% Chg. FY27-28	Projected FY28	% Chg. FY28-29	Projected FY29	% Chg. FY29-30	Projected FY30	% Chg. FY30-31	Projected FY31	% Chg. FY31-32	Projected FY32
Beginning Reserves														
31 Unrestricted General Fund	210.5	381.9	12.5%	236.9	-80.7%	45.8	-44.7%	25.3	75.9%	44.5	29.9%	57.8	27.9%	73.9
32 Revenue Stabilization Fund	694.9	686.0	4.3%	714.2	3.1%	736.1	0.0%	736.1	0.0%	736.1	0.0%	736.1	0.0%	736.1
33 Total Reserves	895.4	1,067.9	6.2%	951.1	-17.8%	781.9	-2.6%	761.4	2.5%	780.6	1.7%	793.9	2.0%	810.0
Additions to Reserves														
36 Unrestricted General Fund	-140.3	-145.0	-36.2%	-191.1	89.3%	-20.5	193.8%	19.2	-30.7%	13.3	21.0%	16.1	13.6%	18.3
37 Revenue Stabilization Fund	3.0	28.2	-26.8%	22.0	-100.0%	0.0	n/a	0.0	n/a	0.0	n/a	0.0	n/a	0.0
38 Total Change in Reserves	-110.3	-116.8	-53.3%	-169.2	87.9%	-20.5	193.8%	19.2	-30.7%	13.3	21.0%	16.1	13.6%	18.3
Ending Reserves														
41 Unrestricted General Fund	70.2	236.9	-34.8%	45.8	-44.7%	25.3	75.9%	44.5	29.9%	57.8	27.9%	73.9	24.8%	92.2
42 Revenue Stabilization Fund	714.9	714.2	3.0%	736.1	0.0%	736.1	0.0%	736.1	0.0%	736.1	0.0%	736.1	0.0%	736.1
43 Total Reserves	785.0	951.1	-0.4%	781.9	-2.6%	781.4	2.5%	780.6	1.7%	793.9	2.0%	810.0	2.3%	828.3
45 Reserves as a % of Adjusted Governmental Revenues	11.2%	13.3%		10.6%		10.0%		10.0%		10.0%		10.0%		10.0%
Other Reserves														
46 Montgomery College	16.1	18.1	-45.6%	8.8	0.0%	8.8	0.0%	8.8	0.0%	8.8	0.0%	8.8	0.0%	8.8
47 M-NCPPC	7.4	6.0	-0.1%	7.4	3.5%	7.6	2.4%	7.8	2.1%	8.0	1.0%	8.0	2.2%	8.2
48 MCPS	0.0	0.0	n/a	0.0	n/a	0.0	n/a	0.0	n/a	0.0	0.0	0.0	n/a	0.0
49 MCG Special Funds	0.6	-20.5	-0.2%	0.6	5.0%	0.6	4.5%	0.6	2.9%	0.7	2.7%	0.7	2.7%	0.7
50 MCG + Agency Reserves as a % of Adjusted Govt Revenues	11.5%	13.4%		10.8%		10.2%		10.3%		10.3%		10.2%		10.2%
Retiree Health Insurance Pre-Funding														
52 Montgomery County Public Schools (MCPS)	58.0	58.0		61.2		61.2		61.2		61.2		61.2		61.2
53 Montgomery College (MC)	0.0	0.0		0.0		0.0		0.0		0.0		0.0		0.0
54 MNCPPC	2.8	2.8		2.0		2.1		2.2		2.3		2.4		2.5
55 MCG	0.0	0.0		0.0		0.0		0.0		0.0		0.0		0.0
56 Subtotal Retiree Health Insurance Pre-Funding	60.8	60.8		63.2		63.3		63.4		63.5		63.6		63.7
Adjusted Governmental Revenues														
58 Total Tax Supported Revenues	6,615.2	6,673.3	5.1%	6,955.8	3.6%	7,203.8	2.5%	7,382.7	2.3%	7,549.8	2.3%	7,725.9	2.4%	7,906.1
59 Capital Projects Fund	232.6	294.0	12.2%	261.0	-10.6%	233.2	0.4%	234.0	-15.6%	197.4	-8.9%	179.9	-0.2%	179.6
60 Grants	168.6	168.6	-7.2%	156.5	2.2%	160.0	1.8%	162.9	1.7%	165.6	1.7%	168.4	1.7%	171.3
61 Total Adjusted Governmental Revenues	7,016.5	7,136.0	5.1%	7,373.3	3.0%	7,596.9	2.4%	7,779.5	1.7%	7,912.8	2.0%	8,074.2	2.3%	8,259.0

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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

FY27-32 CAPITAL IMPROVEMENTS PROGRAM

January 15, 2026

COUNTY EXECUTIVE RECOMMENDED

GO BOND 6 YR TOTAL = 2,190.0 MILLION

GO BOND FY27 TOTAL = 340.0.0 MILLION

GO BOND FY28 TOTAL = 350.0 MILLION

	FY26	FY27	FY28	FY29	FY30	FY31	FY32
1 GO Bond Guidelines (\$000)	280,000	340,000	350,000	360,000	370,000	380,000	390,000
2 GO Debt/Assessed Value	1.42%	1.35%	1.33%	1.33%	1.34%	1.35%	1.35%
3 Debt Service + LTL + Short-Term Leases/Revenues (GF)	9.78%	10.26%	10.28%	10.44%	10.42%	10.38%	10.34%
4 \$ Debt/Capita	3,223	3,183	3,205	3,239	3,276	3,319	3,365
5 \$ Real Debt/Capita (FY24=100%)	3,223	3,089	3,042	3,017	2,998	2,985	2,973
6 Capita Debt/Capita Income	2.98%	3.22%	3.18%	3.14%	3.10%	3.07%	3.04%
7 Payout Ratio	74.73%	74.65%	74.38%	73.83%	73.36%	72.89%	72.42%
8 Total Debt Outstanding (\$000s)	3,461,460	3,503,330	3,550,505	3,610,640	3,675,520	3,746,740	3,822,495
9 Real Debt Outstanding (FY24=100%)	3,461,460	3,399,813	3,369,618	3,363,177	3,363,614	3,369,407	3,377,751
10 Note: OP/PSP Growth Assumption (2)	7.3%	2.0%	2.6%	1.7%	1.7%	1.9%	2.3%

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 FY26 approved budget to FY27 budget for FY27 and budget to budget for FY28-32.

GENERAL OBLIGATION BOND ADJUSTMENT CHART

FY27-32 Capital Improvements Program

COUNTY EXECUTIVE RECOMMENDED

March 13, 2026

(\$ millions)	6 YEARS	FY27	FY28	FY29	FY30	FY31	FY32
BONDS PLANNED FOR ISSUE	2,190.000	340.000	350.000	360.000	370.000	380.000	390.000
Plus PAYGO Funded	219.000	34.000	35.000	36.000	37.000	38.000	39.000
Adjust for Implementation **	289.087	46.364	47.727	48.134	48.580	48.969	49.313
Adjust for Future Inflation *	(70.032)	-	-	(7.017)	(13.750)	(20.895)	(28.369)
SUBTOTAL FUNDS AVAILABLE FOR							
DEBT ELIGIBLE PROJECTS (after adjustments)	2,628.055	420.364	432.727	437.117	441.830	446.074	449.944
Less Set Aside: Future Projects	185.374	15.684	19.986	27.923	33.924	42.292	45.566
	7.05%						
TOTAL FUNDS AVAILABLE FOR PROGRAMMING	2,442.681	404.680	412.741	409.194	407.906	403.782	404.378
MCPS	(856.144)	(127.503)	(108.763)	(81.536)	(200.738)	(180.509)	(157.095)
MONTGOMERY COLLEGE	(178.921)	(27.700)	(34.754)	(62.523)	(13.831)	(26.387)	(13.726)
M-NCPPC PARKS	(94.033)	(15.439)	(15.888)	(15.889)	(15.039)	(15.889)	(15.889)
TRANSPORTATION	(703.107)	(140.139)	(123.178)	(98.780)	(91.705)	(123.004)	(126.301)
MCG - OTHER	(610.476)	(93.899)	(130.158)	(150.466)	(86.593)	(57.993)	(91.367)
Programming Adjustment - Unspent Prior Years	-						
	-						
SUBTOTAL PROGRAMMED EXPENDITURES	(2,442.681)	(404.680)	(412.741)	(409.194)	(407.906)	(403.782)	(404.378)
AVAILABLE OR (GAP) TO BE SOLVED	-	-	-	-	-	-	-
NOTES:							
Inflation =		2.87%	2.23%	1.80%	1.66%	1.71%	1.73%
Implementation Rate =		88.00%	88.00%	88.00%	88.00%	88.00%	88.00%

CURRENT REVENUE REQUIREMENTS FOR THE CAPITAL IMPROVEMENTS PROGRAM

March 13, 2026

TAX SUPPORTED APPROPRIATIONS (\$000s)	ACTUAL FY25 EXP	ESTIMATE FY26 APPROP	RECOMMENDED 6 YR	REC FY27 APPROP	REC FY28	REC FY29	REC FY30	REC FY31	REC FY32
GENERAL REVENUE SUPPORTED									
MCG	92,440	23,867	196,521	22,442	24,647	33,651	44,793	41,193	29,795
M-NCPPC PARKS	4,299	6,150	36,900	6,150	6,150	6,150	6,150	6,150	6,150
PUBLIC SCHOOLS (MCPS)	38,014	20,792	136,202	9,569	37,545	26,188	26,264	19,619	17,017
MONTGOMERY COLLEGE	12,972	15,084	93,479	10,059	16,684	16,684	16,684	16,684	16,684
HOC	2,613	1,500	9,850	2,450	2,400	1,250	1,250	1,250	1,250
CIP PAYGO - REGULAR	28,000	25,700	219,000	34,000	35,000	36,000	37,000	38,000	39,000
CIP PAYGO - RSF CONTRIBUTION	-	-	-	-	-	-	-	-	-
TOTAL CIP PAYGO	28,000	25,700	219,000	34,000	35,000	36,000	37,000	38,000	39,000
SUBTOTAL	178,338	93,093	691,952	84,670	122,426	119,923	132,141	122,896	109,896
OTHER TAX SUPPORTED									
MASS TRANSIT	44,499	(5,118)	314,665	2,407	95,238	84,852	25,707	53,080	53,381
FIRE CONSOLIDATED	2,084	1,541	68,043	1,729	11,331	13,797	13,136	12,823	15,227
M-NCPPC PARKS	450	450	2,700	450	450	450	450	450	450
SUBTOTAL	47,034	(3,127)	385,408	4,586	107,019	99,099	39,293	66,353	69,058
SUBTOTAL TAX SUPPORTED CURRENT REVENUE APPROPRIATION:	225,372	89,966	1,077,360	89,256	229,445	219,022	171,434	189,249	178,954
INFLATION	-	-	25,871	-	-	3,302	4,700	7,958	9,910
SUBTOTAL ALLOCATION:	-	-	25,871	-	-	3,302	4,700	7,958	9,910
TOTAL TAX SUPPORTED CURRENT REVENUE REQUIREMENT:	225,372	89,966	1,103,231	89,256	229,445	222,324	176,134	197,207	188,864
NON-TAX SUPPORTED APPROPRIATIONS (\$000s)	ACTUAL FY25 EXP	ESTIMATE FY26 APPROP	RECOMMENDED 6 YR	REC FY27 APPROP	REC FY28	REC FY29	REC FY30	REC FY31	REC FY32
NON-TAX SUPPORTED									
PARKING DISTRICTS	5,072	9,483	63,447	11,552	11,260	11,260	12,025	8,675	8,675
SOLID WASTE DISPOSAL	-	5,700	12,050	3,990	2,560	2,000	1,500	1,000	1,000
M-NCPPC ENTERPRISE FUND	-	1,250	8,300	0	4,200	3,600	500	-	-
CABLE TV FUND	6,281	3,020	13,678	2,773	2,526	2,280	2,033	2,033	2,033
WATER QUALITY PROTECTION CHARGE	9,172	6,652	69,983	10,643	12,608	11,638	11,719	11,646	11,729
LIQUOR CONTROL	3,770	1,470	3,995	0	1,084	811	1,207	893	-
MOTOR POOL	-	3,861	2,500	2,500	-	-	-	-	-
SUBTOTAL EXPENDITURES:	24,295	31,436	173,953	31,458	34,238	31,589	28,984	24,247	23,437
TOTAL CURRENT REVENUE REQUIREMENTS	249,667	121,402	1,277,184	120,714	263,683	253,913	205,118	221,454	212,301

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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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Montgomery County Government

FY27-32 PUBLIC SERVICES PROGRAM: FISCAL PLAN		Bethesda Urban District					
FISCAL PROJECTIONS	FY26 ESTIMATE	FY27 RECOMMENDED	FY28 PROJECTION	FY29 PROJECTION	FY30 PROJECTION	FY31 PROJECTION	FY32 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)	6,742,944	7,046,889	7,289,066	7,467,637	7,622,491	7,765,344	7,937,914
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)	238,286	235,761	237,189	236,405	237,336	237,853	237,771
Property Tax Collection Factor: Personal Property	99.8%	99.8%	99.8%	99.8%	99.8%	99.8%	99.8%
Indirect Cost Rate	19.98%	13.01%	13.01%	13.01%	13.01%	13.01%	13.01%
CPI (Fiscal Year)	2.2%	2.5%	2.2%	1.8%	1.7%	1.7%	1.7%
Investment Income Yield	4.0%	3.3%	3.0%	3.0%	3.0%	3.0%	3.0%
BEGINNING FUND BALANCE	(218,666)	(164,862)	102,169	103,095	106,636	108,266	110,184
REVENUES							
Taxes	875,641	911,140	940,454	961,520	980,269	997,463	1,018,023
Charges For Services	224,000	222,350	227,308	231,400	235,241	239,264	243,403
Subtotal Revenues	1,099,641	1,133,490	1,167,762	1,192,920	1,215,510	1,236,727	1,261,426
INTERFUND TRANSFERS (Net Non-CIP)							
Transfers To The General Fund	(25,961)	(17,981)	(18,144)	(18,144)	(18,144)	(18,144)	(18,144)
Indirect Costs	(25,961)	(17,981)	(18,144)	(18,144)	(18,144)	(18,144)	(18,144)
Transfers From The General Fund	1,406,720	3,133,812	2,926,415	2,980,086	3,027,468	3,081,829	3,134,794
From General Fund	1,406,720	3,133,812	2,926,415	2,980,086	3,027,468	3,081,829	3,134,794
TOTAL RESOURCES	3,842,856	4,084,459	4,178,202	4,257,957	4,331,470	4,408,679	4,488,260
PSP OPER. BUDGET APPROX/ EXP'S.							
Operating Budget	(4,007,718)	(3,982,290)	(4,073,856)	(4,150,070)	(4,221,953)	(4,297,244)	(4,374,800)
Labor Agreement	n/a	0	(1,251)	(1,251)	(1,251)	(1,251)	(1,251)
Subtotal PSP Oper Budget Approx / Exp's	(4,007,718)	(3,982,290)	(4,075,107)	(4,151,321)	(4,223,204)	(4,298,495)	(4,376,051)
TOTAL USE OF RESOURCES	(4,007,718)	(3,982,290)	(4,075,107)	(4,151,321)	(4,223,204)	(4,298,495)	(4,376,051)
YEAR END FUND BALANCE	(164,862)	102,169	103,095	106,636	108,266	110,184	112,209
END-OF-YEAR RESERVES AS A PERCENT OF RESOURCES	-4.3%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%

Assumptions:

- Transfers from the General Fund are adjusted annually to fund the approved service program and to maintain an ending fund balance of approximately 2.5 percent of resources.
- Property tax revenue is assumed to increase during the six years based on an improved assessable base.
- These projections are based on the County Executive's FY27 Recommended Budget and include the revenue and resource assumptions of that budget. FY28-32 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.
- 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.

FY27-32 PUBLIC SERVICES PROGRAM: FISCAL PLAN

Silver Spring Urban District

FISCAL PROJECTIONS	FY26 ESTIMATE	FY27 RECOMMENDED	FY28 PROJECTION	FY29 PROJECTION	FY30 PROJECTION	FY31 PROJECTION	FY32 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)	4,133,623	4,319,950	4,468,412	4,577,881	4,672,811	4,760,384	4,866,174
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)	85,889	84,979	85,494	85,211	85,546	85,732	85,702
Property Tax Collection Factor: Personal Property	99.8%	99.8%	99.8%	99.8%	99.8%	99.8%	99.8%
Indirect Cost Rate	19.98%	13.01%	13.01%	13.01%	13.01%	13.01%	13.01%
CPI (Fiscal Year)	2.2%	2.9%	2.2%	1.8%	1.7%	1.7%	1.7%
Investment Income Yield	4.0%	3.3%	3.0%	3.0%	3.0%	3.0%	3.0%
BEGINNING FUND BALANCE	(105,974)	61,899	135,902	141,737	146,163	150,648	155,361
REVENUES							
Taxes	1,037,547	1,081,452	1,117,178	1,143,123	1,165,971	1,186,973	1,212,192
Charges For Services	224,648	120,000	122,676	124,884	126,957	129,128	131,362
Subtotal Revenues	1,262,195	1,201,452	1,239,854	1,268,007	1,292,928	1,316,101	1,343,554
INTERFUND TRANSFERS (Net Non-CIP)							
Transfers To The General Fund	(679,922)	(503,373)	(507,307)	(507,307)	(507,307)	(507,307)	(507,307)
Indirect Costs	(679,922)	(503,373)	(507,307)	(507,307)	(507,307)	(507,307)	(507,307)
Transfers From The General Fund	4,442,896	4,673,819	4,796,950	4,946,926	5,099,951	5,263,844	5,431,044
From General Fund Baseline Services	4,442,896	4,673,819	4,796,950	4,946,926	5,099,951	5,263,844	5,431,044
Transfers From Special Fds: Non-Tax + ISF	150,000	0	0	0	0	0	0
From Silver Spring PLD	150,000	0	0	0	0	0	0
TOTAL RESOURCES	5,069,195	5,433,797	5,665,400	5,849,362	6,031,736	6,223,285	6,422,653
PSP OPER. BUDGET APPROP/ EXP'S.							
Operating Budget	(5,007,296)	(5,297,895)	(5,493,419)	(5,672,955)	(5,850,844)	(6,037,680)	(6,232,138)
Labor Agreement	n/a	0	(30,244)	(30,244)	(30,244)	(30,244)	(30,244)
Subtotal PSP Oper Budget Approp / Exp's	(5,007,296)	(5,297,895)	(5,523,663)	(5,703,199)	(5,881,088)	(6,067,924)	(6,262,382)
TOTAL USE OF RESOURCES	(5,007,296)	(5,297,895)	(5,523,663)	(5,703,199)	(5,881,088)	(6,067,924)	(6,262,382)
YEAR END FUND BALANCE	61,899	135,902	141,737	146,163	150,648	155,361	160,271
END-OF-YEAR RESERVES AS A							
PERCENT OF RESOURCES	1.2%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%

Assumptions:

1. Transfers from the Silver Spring 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. Large assessable base increases are due to economic growth and new projects coming online.
4. These projections are based on the County Executive's FY27 Recommended Budget and include the revenue and resource assumptions of that budget. FY28-32 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.

FY27-32 PUBLIC SERVICES PROGRAM: FISCAL PLAN

Wheaton Urban District

FISCAL PROJECTIONS	FY26 ESTIMATE	FY27 RECOMMENDED	FY28 PROJECTION	FY29 PROJECTION	FY30 PROJECTION	FY31 PROJECTION	FY32 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)	891,292	931,468	963,479	987,083	1,007,552	1,026,435	1,049,246
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)	27,499	27,208	27,373	27,283	27,390	27,450	27,441
Property Tax Collection Factor: Personal Property	99.8%	99.8%	99.8%	99.8%	99.8%	99.8%	99.8%
Indirect Cost Rate	19.98%	13.01%	13.01%	13.01%	13.01%	13.01%	13.01%
CPI (Fiscal Year)	2.2%	2.9%	2.2%	1.8%	1.7%	1.7%	1.7%
Investment Income Yield	4.0%	3.3%	3.0%	3.0%	3.0%	3.0%	3.0%
BEGINNING FUND BALANCE	388,672	169,917	96,507	101,775	104,882	108,003	111,078
REVENUES							
Taxes	286,366	298,129	307,798	314,769	320,953	326,629	333,425
Subtotal Revenues	296,377	298,129	307,798	314,769	320,953	326,629	333,425
INTERFUND TRANSFERS (Net Non-CIP)							
Transfers To The General Fund	3,065,222	3,392,247	3,669,019	3,781,489	3,895,446	4,015,863	4,140,601
(465,636)	(465,636)	(321,152)	(322,345)	(322,345)	(322,345)	(322,345)	(322,345)
Indirect Costs	(465,636)	(321,152)	(322,345)	(322,345)	(322,345)	(322,345)	(322,345)
Transfers From The General Fund	3,305,858	3,713,399	3,991,364	4,103,834	4,217,791	4,338,208	4,462,946
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	3,229,768	3,637,309	3,915,274	4,027,744	4,141,701	4,262,118	4,386,856
Transfers From Special Fds: Non-Tax + ISF	225,000	0	0	0	0	0	0
From Wheaton PLD	225,000	0	0	0	0	0	0
TOTAL RESOURCES	3,750,271	3,860,293	4,073,325	4,198,033	4,321,281	4,450,495	4,585,104
PSP OPER. BUDGET APPROP/ EXP'S.							
Operating Budget	(3,580,354)	(3,763,786)	(3,897,084)	(4,018,685)	(4,138,812)	(4,264,951)	(4,396,155)
Labor Agreement	n/a	0	(9,173)	(9,173)	(9,173)	(9,173)	(9,173)
Annualizations and One-Time	n/a	n/a	(65,293)	(65,293)	(65,293)	(65,293)	(65,293)
Subtotal PSP Oper Budget Approp / Exp's	(3,580,354)	(3,763,786)	(3,971,550)	(4,093,151)	(4,213,278)	(4,339,417)	(4,470,621)
TOTAL USE OF RESOURCES	(3,580,354)	(3,763,786)	(3,971,550)	(4,093,151)	(4,213,278)	(4,339,417)	(4,470,621)
YEAR END FUND BALANCE	169,917	96,507	101,775	104,882	108,003	111,078	114,483
END-OF-YEAR RESERVES AS A							
PERCENT OF RESOURCES	4.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%

Assumptions:

1. Transfers from the General Fund 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. Large 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 County Executive's FY27 Recommended Budget and include the revenue and resource assumptions of that budget. FY28-32 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.

FY27-32 PUBLIC SERVICES PROGRAM: FISCAL PLAN		Consolidated Fire District					
FISCAL PROJECTIONS	FY26 ESTIMATE	FY27 RECOMMENDED	FY28 PROJECTION	FY29 PROJECTION	FY30 PROJECTION	FY31 PROJECTION	FY32 PROJECTION
ASSUMPTIONS							
Property Tax Rate: Real Property	0.1218	0.1194	0.1158	0.1172	0.1170	0.1170	0.1166
Assessable Base: Real Property (000)	241,035,811	251,900,750	260,557,702	266,940,971	272,476,434	277,582,908	283,751,647
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	0.3045	0.2985	0.2895	0.2930	0.2925	0.2925	0.2915
Assessable Base: Personal Property (000)	4,409,454	4,362,737	4,389,161	4,374,653	4,391,877	4,401,439	4,399,917
Property Tax Collection Factor: Personal Property	99.8%	99.8%	99.8%	99.8%	99.8%	99.8%	99.8%
Indirect Cost Rate	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
CPI (Fiscal Year)	2.2%	2.9%	2.2%	1.8%	1.7%	1.7%	1.7%
Investment Income Yield	4.0%	3.3%	3.0%	3.0%	3.0%	3.0%	3.0%
BEGINNING FUND BALANCE	(24,141,288)	(20,422,413)	580,982	207,883	433,178	247,536	226,404
REVENUES							
Taxes	305,220,062	311,961,603	312,596,672	323,769,787	329,705,191	335,671,831	341,669,401
Charges For Services	25,030,000	25,030,000	25,588,169	26,048,756	26,481,165	26,933,993	27,399,951
Intergovernmental	17,121,756	13,700,000	14,005,510	14,257,609	14,494,285	14,742,137	14,997,176
Miscellaneous	180,000	0	0	0	0	0	0
Subtotal Revenues	347,551,818	350,691,603	352,190,351	364,076,152	370,680,641	377,347,961	384,066,528
INTERFUND TRANSFERS (Net Non-CIP)							
Transfers To Debt Service Fund	(13,870,359)	(16,258,820)	(20,767,330)	(22,447,020)	(22,720,455)	(22,413,775)	(19,274,650)
GO Bonds	(13,999,609)	(16,388,070)	(20,896,580)	(22,576,270)	(22,849,705)	(22,543,025)	(19,403,900)
Long Term Leases	(8,429,909)	(9,009,870)	(10,449,730)	(12,114,820)	(12,321,580)	(12,016,900)	(11,311,900)
Transfers To The General Fund	(5,569,700)	(7,378,200)	(10,446,850)	(10,461,450)	(10,528,125)	(10,526,125)	(8,092,000)
Other	(120,750)	(120,750)	(120,750)	(120,750)	(120,750)	(120,750)	(120,750)
Transfers From The General Fund	(120,750)	(120,750)	(120,750)	(120,750)	(120,750)	(120,750)	(120,750)
EMST Fee Payments	250,000	250,000	250,000	250,000	250,000	250,000	250,000
TOTAL RESOURCES	309,540,171	314,010,370	332,004,003	341,837,015	348,393,364	355,181,722	365,018,282
CIP CURRENT REVENUE APPROP.							
Operating Budget	(1,541,000)	(1,729,000)	(11,331,000)	(13,797,000)	(13,136,000)	(12,823,000)	(15,227,000)
Labor Agreement	(328,421,584)	(311,700,388)	(319,458,776)	(326,600,493)	(334,003,484)	(341,125,974)	(348,331,031)
Subtotal PSP Oper Budget Approp / Exp's	n/a	0	(1,006,344)	(1,006,344)	(1,006,344)	(1,006,344)	(1,006,344)
TOTAL USE OF RESOURCES	(328,421,584)	(311,700,388)	(320,465,120)	(327,606,837)	(335,009,828)	(342,132,318)	(349,337,375)
YEAR END FUND BALANCE	(20,422,413)	580,982	207,883	433,178	247,536	226,404	453,908
END-OF-YEAR RESERVES AS A PERCENT OF RESOURCES	-6.6%	0.2%	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 County Executive's FY27 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.

FY27-32 PUBLIC SERVICES PROGRAM: FISCAL PLAN		Mass Transit					
FISCAL PROJECTIONS	FY26 ESTIMATE	FY27 RECOMMENDED	FY28 PROJECTION	FY29 PROJECTION	FY30 PROJECTION	FY31 PROJECTION	FY32 PROJECTION
ASSUMPTIONS							
Property Tax Rate: Real Property	0.0828	0.0828	0.1178	0.1128	0.0908	0.1008	0.1062
Assessable Base: Real Property (000)	241,035,811	251,900,750	260,557,702	266,940,971	272,476,434	277,582,908	283,751,647
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	0.2070	0.2070	0.2945	0.2820	0.2270	0.2520	0.2655
Assessable Base: Personal Property (000)	4,409,454	4,362,737	4,389,161	4,374,653	4,391,877	4,401,439	4,399,917
Property Tax Collection Factor: Personal Property	99.8%	99.8%	99.8%	99.8%	99.8%	99.8%	99.8%
Indirect Cost Rate	19.98%	13.01%	13.01%	13.01%	13.01%	13.01%	13.01%
CPI (Fiscal Year)	2.2%	2.9%	2.2%	1.8%	1.7%	1.7%	1.7%
Investment Income Yield	4.0%	3.3%	3.0%	3.0%	3.0%	3.0%	3.0%
BEGINNING FUND BALANCE	(5,801,686)	517,121	330,482	389,700	301,638	388,272	384,404
REVENUES							
Taxes	207,489,501	216,335,182	317,995,578	311,614,607	255,873,772	289,194,193	311,194,600
Licenses & Permits	40,000	40,000	40,892	41,628	42,319	43,043	43,788
Charges For Services	6,089,251	4,175,477	4,268,591	4,345,425	4,417,559	4,493,099	4,570,829
Fines & Forfeitures	1,127,200	1,460,000	1,492,558	1,519,424	1,544,647	1,571,060	1,598,240
Intergovernmental	41,361,412	42,451,555	43,398,225	44,179,393	44,912,771	45,680,780	46,471,057
Miscellaneous	38,280	0	0	0	0	0	0
Subtotal Revenues	256,145,644	264,462,214	367,195,844	361,700,477	306,791,068	340,982,175	363,878,514
INTERFUND TRANSFERS (Net Non-CIP)							
Transfers To Debt Service Fund	(52,608,065)	(49,444,570)	(50,029,224)	(48,402,464)	(48,100,994)	(50,968,694)	(54,137,764)
GO Bonds	(22,263,971)	(26,667,570)	(28,127,890)	(28,260,580)	(28,438,710)	(28,222,810)	(31,391,880)
Long Term Leases	(6,007,325)	(6,694,700)	(5,750,050)	(3,990,600)	(3,511,000)	(6,594,600)	(6,594,600)
Transfers To The General Fund	(24,868,079)	(16,603,610)	(16,672,594)	(16,672,594)	(16,672,594)	(16,672,594)	(16,672,594)
Indirect Costs	(24,618,079)	(16,603,610)	(16,672,594)	(16,672,594)	(16,672,594)	(16,672,594)	(16,672,594)
Fund Balance	(250,000)	0	0	0	0	0	0
Transfers To Special Fds: Tax Supported	0	(10,000)	(10,000)	(10,000)	(10,000)	(10,000)	(10,000)
To Recreation Fund	0	(10,000)	(10,000)	(10,000)	(10,000)	(10,000)	(10,000)
Transfers From The General Fund	531,310	531,310	531,310	531,310	531,310	531,310	531,310
Parking Fines	531,310	531,310	531,310	531,310	531,310	531,310	531,310
TOTAL RESOURCES	197,735,893	215,534,765	317,497,102	313,687,713	258,991,712	290,401,753	310,125,154
CIP CURRENT REVENUE APPROP. PSP OPER. BUDGET APPROP/ EXP'S.							
Operating Budget	(202,336,772)	(212,797,283)	(217,395,897)	(221,281,569)	(225,643,934)	(229,684,843)	(233,775,309)
Labor Agreement	n/a	0	(530,240)	(530,240)	(530,240)	(530,240)	(530,240)
Annualizations and One-Time	n/a	n/a	(1,164,266)	(1,164,266)	(1,164,266)	(1,164,266)	(1,164,266)
Veirs Mill Road Bus Rapid Transit	n/a	n/a	(2,779,000)	(5,558,000)	(5,558,000)	(5,558,000)	(5,558,000)
MD 355 Bus Rapid Transit	n/a	n/a	0	0	0	0	(15,491,000)
Subtotal PSP Oper Budget Approp / Exp's	(202,336,772)	(212,797,283)	(221,869,403)	(228,534,075)	(232,896,440)	(236,937,349)	(256,518,815)
TOTAL USE OF RESOURCES	(197,218,772)	(215,204,283)	(317,107,403)	(313,386,075)	(258,603,440)	(290,017,349)	(309,899,815)
YEAR END FUND BALANCE	517,121	330,482	389,700	301,638	388,272	384,404	225,339
END-OF-YEAR RESERVES AS A PERCENT OF RESOURCES	0.3%	0.2%	0.1%	0.1%	0.1%	0.1%	0.1%
Assumptions:							
1. These projections are based on the County Executive's FY27 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. 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 revenues. Reserves in the property tax special funds have been minimized as much as possible consistent with this reserve policy.							

FY27-32 PUBLIC SERVICES PROGRAM: FISCAL PLAN		Recreation					
FISCAL PROJECTIONS	FY26 ESTIMATE	FY27 RECOMMENDED	FY28 PROJECTION	FY29 PROJECTION	FY30 PROJECTION	FY31 PROJECTION	FY32 PROJECTION
ASSUMPTIONS							
Property Tax Rate: Real Property	0.0320	0.0334	0.0332	0.0338	0.0348	0.0352	0.0352
Assessable Base: Real Property (000)	210,713,162	220,211,276	227,779,171	233,359,416	238,198,510	242,662,582	248,055,285
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	0.0800	0.0835	0.0830	0.0845	0.0870	0.0880	0.0880
Assessable Base: Personal Property (000)	3,685,209	3,646,165	3,668,249	3,656,124	3,670,519	3,678,510	3,677,238
Property Tax Collection Factor: Personal Property	99.8%	99.8%	99.8%	99.8%	99.8%	99.8%	99.8%
Indirect Cost Rate	19.98%	13.01%	13.01%	13.01%	13.01%	13.01%	13.01%
CPI (Fiscal Year)	2.2%	2.9%	2.2%	1.8%	1.7%	1.7%	1.7%
Investment Income Yield	4.0%	3.3%	3.0%	3.0%	3.0%	3.0%	3.0%
BEGINNING FUND BALANCE	4,855,065	142,425	98,814	112,776	128,243	168,020	170,854
REVENUES							
Taxes	66,965,914	76,147,722	78,207,506	81,485,476	85,582,688	88,135,340	90,021,066
Charges For Services	3,606,196	3,606,196	3,686,814	3,752,973	3,815,272	3,880,513	3,947,646
Miscellaneous	165,464	165,464	165,464	165,464	165,464	165,464	165,464
Subtotal Revenues	73,737,574	79,919,382	82,059,584	85,403,913	89,563,424	92,181,317	94,134,176
INTERFUND TRANSFERS (Net Non-CIP)							
Transfers To Debt Service Fund	(10,248,235)	(12,063,190)	(12,355,880)	(14,282,410)	(16,905,090)	(17,871,880)	(18,154,940)
GO Bonds	(10,248,235)	(12,063,190)	(12,355,880)	(14,282,410)	(16,905,090)	(17,871,880)	(18,154,940)
Transfers To The General Fund	(10,103,465)	(7,491,140)	(7,511,193)	(7,511,193)	(7,511,193)	(7,511,193)	(7,511,193)
Indirect Costs	(8,257,055)	(5,634,730)	(5,664,783)	(5,664,783)	(5,664,783)	(5,664,783)	(5,664,783)
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)
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: Tax Supported	0	10,000	10,000	10,000	10,000	10,000	10,000
From Mass Transit	0	10,000	10,000	10,000	10,000	10,000	10,000
Transfers From Special Fds: Non-Tax + ISF	3,700,000	3,700,000	3,700,000	3,700,000	3,700,000	3,700,000	3,700,000
Recreation Non-Tax Supported	3,700,000	3,700,000	3,700,000	3,700,000	3,700,000	3,700,000	3,700,000
TOTAL RESOURCES	62,950,639	65,237,177	67,011,225	68,442,786	69,995,084	71,685,984	73,358,597
PSP OPER. BUDGET APPROP/ EXP'S.							
Operating Budget	(62,808,214)	(65,138,363)	(66,632,748)	(68,048,842)	(69,561,363)	(71,249,430)	(72,911,087)
Labor Agreement	n/a	0	(231,002)	(231,002)	(231,002)	(231,002)	(231,002)
Annualizations and One-Time	n/a	n/a	(34,699)	(34,699)	(34,699)	(34,699)	(34,699)
Subtotal PSP Oper Budget Approp / Exp's	(62,808,214)	(65,138,363)	(66,898,449)	(68,314,543)	(69,827,064)	(71,515,131)	(73,176,788)
TOTAL USE OF RESOURCES	(62,808,214)	(65,138,363)	(66,898,449)	(68,314,543)	(69,827,064)	(71,515,131)	(73,176,788)
YEAR END FUND BALANCE	142,425	98,814	112,776	128,243	168,020	170,854	181,809
END-OF-YEAR RESERVES AS A PERCENT OF RESOURCES	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%

Assumptions:

1. These projections are based on the County Executive's FY27 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. 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 revenues. Reserves in the property tax special funds have been minimized as much as possible consistent with this reserve policy.

FY27-32 PUBLIC SERVICES PROGRAM: FISCAL PLAN

Economic Development Fund

FISCAL PROJECTIONS	FY26 ESTIMATE	FY27 RECOMMENDED	FY28 PROJECTION	FY29 PROJECTION	FY30 PROJECTION	FY31 PROJECTION	FY32 PROJECTION
ASSUMPTIONS							
CPI (Fiscal Year)	2.2%	2.9%	2.2%	1.8%	1.7%	1.7%	1.7%
Investment Income Yield	4.0%	3.3%	3.0%	3.0%	3.0%	3.0%	3.0%
BEGINNING FUND BALANCE	21,305,874	0	0	0	0	0	0
REVENUES							
Miscellaneous	790,533	430,000	430,000	430,000	430,000	430,000	430,000
Subtotal Revenues	790,533	430,000	430,000	430,000	430,000	430,000	430,000
INTERFUND TRANSFERS (Net Non-CIP)							
Transfers From The General Fund	3,868,909	3,743,420	3,832,010	3,905,110	3,973,740	4,045,610	4,119,560
From General Fund	3,868,909	3,743,420	3,832,010	3,905,110	3,973,740	4,045,610	4,119,560
TOTAL RESOURCES	25,965,316	4,173,420	4,262,010	4,335,110	4,403,740	4,475,610	4,549,560
PSP OPER. BUDGET APPROP/ EXP'S.							
Operating Budget	(25,965,316)	(4,173,420)	(4,262,010)	(4,335,110)	(4,403,740)	(4,475,610)	(4,549,560)
Subtotal PSP Oper Budget Approp / Exp's	(25,965,316)	(4,173,420)	(4,262,010)	(4,335,110)	(4,403,740)	(4,475,610)	(4,549,560)
TOTAL USE OF RESOURCES	(25,965,316)	(4,173,420)	(4,262,010)	(4,335,110)	(4,403,740)	(4,475,610)	(4,549,560)
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 County Executive's FY27 Recommended Budget and include the revenue and resource assumptions of that budget. The projected future expenditures, revenues and fund balance may vary based on charges 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, and investment income.

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Montgomery College

MONTGOMERY COLLEGE CURRENT FUND COUNTY EXECUTIVE RECOMMENDED FISCAL PLAN FY27-32

	FY26 Estimate	FY27 Recommended	FY28 Projection	FY29 Projection	FY30 Projection	FY31 Projection	FY32 Projection
Beginning Fund Balance	45,029,641	17,542,955	8,249,229	9,623,735	5,157,936	5,242,470	5,252,197
Revenues							
General Fund Contribution	148,759,696	155,059,696	155,059,696	155,059,696	155,059,696	155,059,696	155,059,696
Tuition & Related Fees	69,062,555	73,027,606	74,265,643	74,989,674	76,078,483	76,078,483	76,078,483
Other Student Fees	4,300,000	4,847,461	4,929,640	4,977,700	5,049,974	5,049,974	5,049,974
State Aid	58,022,994	61,434,607	62,804,599	63,935,082	64,996,404	66,107,843	67,251,509
Fed, State & Priv. Gifts/Grants	350,000	200,000	204,460	208,140	211,595	215,213	218,936
Investment Income	2,100,000	2,300,000	2,374,750	2,445,993	2,519,373	2,594,954	2,672,803
Other Revenues (asset sales, lib. fines, rentals)	1,450,000	1,910,000	1,952,593	1,987,740	2,020,736	2,055,291	2,090,848
Adjustments - Non Mandatory Transfer	(600,000)	(760,000)	-	-	-	-	-
- Non Mandatory Transfer Capital	(16,525,000)	-	-	-	-	-	-
<i>Hypothetical Resource Increase</i>			12,306,100	7,500,000	14,300,000	13,000,000	11,700,000
Total Revenues	266,920,245	298,019,370	313,897,481	311,104,025	320,236,261	320,161,454	320,122,249
CIP CR	15,084,000	10,059,000	16,684,000	16,684,000	16,684,000	16,684,000	16,684,000
Subtotal Revenues and Transfers	282,004,245	308,078,370	330,581,481	327,788,025	336,920,261	336,845,454	336,806,249
Total Resources Available	327,033,886	325,621,325	338,830,710	337,411,760	342,078,197	342,087,924	342,058,446
County Share	50.5%	50.5%	49.6%	49.1%	48.4%	48.4%	48.4%
State Aid Share	19.7%	20.0%	20.1%	20.3%	20.3%	20.6%	21.0%
Tuition, Fees, Other Share	29.8%	29.6%	30.3%	30.6%	31.3%	30.9%	30.6%
Total Expenditures	(294,406,931)	(307,313,096)	(312,522,975)	(315,569,824)	(320,151,727)	(320,151,727)	(320,151,727)
CIP CR	(15,084,000)	(10,059,000)	(16,684,000)	(16,684,000)	(16,684,000)	(16,684,000)	(16,684,000)
End of year Fund Balance	9,517,824	224,098	4,611,124	187,894	132,435	141,870	113,277
Reserve	8,025,131	8,025,131	5,012,610	4,970,042	5,110,035	5,110,327	5,109,443
Total End of Year Proj. Fund Bal (Includes Reserve)	17,542,955	8,249,229	9,623,735	5,157,936	5,242,470	5,252,197	5,222,719
Fund Balance & Reserve as % of Resources less Contribution	4.9%	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 percent to 5 percent 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's FY27 recommended level.
4. Tuition and related fees revenue change at the rate of full-time equivalent student changes.
5. Other revenues and State Aid grow based on CPI.

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Maryland-National Capital Park and Planning Commission

FY27-32 PUBLIC SERVICES PROGRAM: FISCAL PLAN		M-NCPPC Administration Fund					
FISCAL PROJECTIONS	FY26 ESTIMATE	FY27 RECOMMENDED	FY28 PROJECTION	FY29 PROJECTION	FY30 PROJECTION	FY31 PROJECTION	FY32 PROJECTION
ASSUMPTIONS							
Property Tax Rate: Real Property	0.0190	0.0208	0.0210	0.0210	0.0210	0.0210	0.0210
Assessable Base: Real Property (000)	209,318,052	218,753,280	226,271,069	231,814,367	236,621,422	241,055,938	246,412,936
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	0.0475	0.0520	0.0525	0.0525	0.0525	0.0525	0.0525
Assessable Base: Personal Property (000)	3,667,474	3,628,618	3,650,596	3,638,529	3,652,855	3,660,808	3,659,542
Property Tax Collection Factor: Personal Property	99.8%	99.8%	99.8%	99.8%	99.8%	99.8%	99.8%
CPI (Fiscal Year)	2.2%	2.9%	2.2%	1.8%	1.7%	1.7%	1.7%
Investment Income Yield	4.0%	3.3%	3.0%	3.0%	3.0%	3.0%	3.0%
BEGINNING FUND BALANCE	6,972,653	2,262,003	1,612,093	1,660,438	1,710,090	1,743,469	1,791,592
REVENUES							
Taxes	41,270,373	47,110,786	49,144,553	50,295,338	51,306,269	52,236,096	53,353,653
Charges For Services	276,200	287,000	293,400	298,681	303,639	308,831	314,174
Intergovernmental	505,019	535,320	547,258	557,109	566,357	576,042	586,008
Miscellaneous	300,000	175,000	175,000	175,000	175,000	175,000	175,000
Subtotal Revenues	42,351,592	48,108,106	50,160,211	51,326,128	52,351,265	53,295,969	54,428,835
INTERFUND TRANSFERS (Net Non-CIP)							
Transfers To Special Fds: Tax Supported	(50,000)	0	0	0	0	0	0
To M-NCPPC Park Fund	(50,000)	0	0	0	0	0	0
Transfers To Special Fds: Non-Tax + ISF	(1,500,000)	(1,500,000)	(1,500,000)	(1,500,000)	(1,500,000)	(1,500,000)	(1,500,000)
To M-NCPPC Special Revenue Fund	(1,500,000)	(1,500,000)	(1,500,000)	(1,500,000)	(1,500,000)	(1,500,000)	(1,500,000)
TOTAL RESOURCES	47,774,245	48,870,109	50,272,304	51,486,566	52,561,355	53,539,438	54,720,427
PSP OPER. BUDGET APPROP/ EXP'S.							
Operating Budget	(45,512,242)	(47,258,016)	(48,611,866)	(49,776,476)	(50,817,886)	(51,747,846)	(52,932,596)
Subtotal PSP Oper Budget Approp / Exp's	(45,512,242)	(47,258,016)	(48,611,866)	(49,776,476)	(50,817,886)	(51,747,846)	(52,932,596)
TOTAL USE OF RESOURCES	(45,512,242)	(47,258,016)	(48,611,866)	(49,776,476)	(50,817,886)	(51,747,846)	(52,932,596)
YEAR END FUND BALANCE	2,262,003	1,612,093	1,660,438	1,710,090	1,743,469	1,791,592	1,787,831
END-OF-YEAR RESERVES AS A							
PERCENT OF RESOURCES	4.7%	3.3%	3.3%	3.3%	3.3%	3.3%	3.3%

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 FY27 Recommended Budget and include assumptions of that budget. Future revenues, expenditures, or fund balance may change based on factors not assumed here.

FY27-32 PUBLIC SERVICES PROGRAM: FISCAL PLAN

M-NCPPC Park Fund

FISCAL PROJECTIONS	FY26 ESTIMATE	FY27 RECOMMENDED	FY28 PROJECTION	FY29 PROJECTION	FY30 PROJECTION	FY31 PROJECTION	FY32 PROJECTION
ASSUMPTIONS							
Property Tax Rate: Real Property	0.0614	0.0646	0.0630	0.0628	0.0630	0.0630	0.0630
Assessable Base: Real Property (000)	209,318,052	218,753,280	226,271,069	231,814,367	236,621,422	241,055,938	246,412,936
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	0.1535	0.1615	0.1575	0.1570	0.1575	0.1575	0.1575
Assessable Base: Personal Property (000)	3,667,474	3,628,618	3,650,596	3,638,529	3,652,855	3,660,808	3,659,542
Property Tax Collection Factor: Personal Property	99.8%	99.8%	99.8%	99.8%	99.8%	99.8%	99.8%
CPI (Fiscal Year)	2.2%	2.9%	2.2%	1.8%	1.7%	1.7%	1.7%
Investment Income Yield	4.0%	3.3%	3.0%	3.0%	3.0%	3.0%	3.0%
BEGINNING FUND BALANCE	9,306,965	3,708,959	5,751,888	5,859,209	5,919,766	6,226,176	6,344,406
REVENUES							
Taxes	133,368,469	146,315,229	147,433,658	150,407,012	153,918,807	156,708,290	160,060,960
Charges For Services	3,653,576	3,615,438	3,696,062	3,762,591	3,825,050	3,890,458	3,957,763
Intergovernmental	4,637,840	4,916,110	5,025,739	5,116,202	5,201,131	5,290,070	5,381,588
Miscellaneous	871,000	1,043,500	1,043,500	1,043,500	1,043,500	1,043,500	1,043,500
Subtotal Revenues	142,530,885	155,890,277	157,198,959	160,329,305	163,988,488	166,932,318	170,443,811
INTERFUND TRANSFERS (Net Non-CIP)							
Transfers From The General Fund	100,000	50,000	50,000	50,000	50,000	50,000	50,000
From General Fund	50,000	50,000	50,000	50,000	50,000	50,000	50,000
Transfers From Special Fds: Tax Supported	50,000	0	0	0	0	0	0
From M-NCPPC Administration Fund	50,000	0	0	0	0	0	0
TOTAL RESOURCES	151,937,850	159,649,236	163,000,847	166,238,514	169,958,254	173,208,494	176,838,217
CIP CURRENT REVENUE APPROP.							
PSP OPER. BUDGET APPROP/ EXP'S.	(450,000)	(450,000)	(450,000)	(450,000)	(450,000)	(450,000)	(450,000)
Operating Budget	(139,842,834)	(145,483,913)	(148,728,203)	(151,905,313)	(155,318,643)	(158,450,653)	(161,838,983)
Debt Service: Other (Non-Tax Funds only)	(7,936,057)	(7,963,435)	(7,963,435)	(7,963,435)	(7,963,435)	(7,963,435)	(7,963,435)
Subtotal PSP Oper Budget Approp / Exp's	(147,778,891)	(153,447,348)	(156,691,638)	(159,868,748)	(163,282,078)	(166,414,088)	(169,802,418)
TOTAL USE OF RESOURCES	(148,228,891)	(153,897,348)	(157,141,638)	(160,318,748)	(163,732,078)	(166,864,088)	(170,252,418)
YEAR END FUND BALANCE	3,708,959	5,751,888	5,859,209	5,919,766	6,226,176	6,344,406	6,585,799
END-OF-YEAR RESERVES AS A							
PERCENT OF RESOURCES	2.4%	3.6%	3.6%	3.6%	3.7%	3.7%	3.7%

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 to four percent.
3. These projections are based on the County Executive's FY27 Recommended Budget and include assumptions of that budget. Future revenues, expenditures, or fund balance may change based on factors not assumed here.



Debt Service

DEBT SERVICE - GENERAL OBLIGATION BONDS, LONG & SHORT TERM LEASES AND OTHER DEBT							
	Act FY	Actual FY25	Approved FY26	Estimate FY26	Recommended FY27	% Chg App/App	App % GO Bonds
GO BOND DEBT SERVICE EXPENDITURES							
General County		82,153,438	86,609,600	85,214,991	89,378,650		21.1%
Roads & Storm Drains		81,577,773	80,654,120	79,263,747	83,577,330		19.8%
Public Housing		18,076	33,540	33,534	22,890		0.0%
Parks		9,440,387	9,225,190	9,040,664	10,044,430		2.4%
Public Schools		153,995,560	154,369,080	154,268,257	162,786,265		38.5%
Montgomery College		29,061,740	29,203,790	28,774,178	29,353,810		6.9%
Recovery Zone Economic Development		-	-	-	-		0.0%
Bond Anticipation Notes/Commercial Paper		4,770,286	5,000,000	4,500,000	5,200,000		1.2%
Bond Anticipation Notes/Liquidity & Remarketing		1,588,722	2,000,000	2,000,000	2,000,000		0.5%
Cost of Issuance		485,153	750,000	750,000	900,000		0.2%
Total General Fund		363,091,136	367,845,320	363,845,370	383,263,375	4.2%	88.7%
Fire Tax District Fund		8,534,855	8,400,060	8,429,909	9,009,870		2.1%
Mass Transit Fund		20,984,717	21,563,940	22,263,971	26,667,570		6.3%
Recreation Fund		9,640,699	10,480,870	10,248,235	12,063,190		2.9%
Total Tax Supported Other Funds		39,160,271	40,444,870	40,942,115	47,740,630	18.0%	11.3%
TOTAL TAX SUPPORTED		402,251,407	408,290,190	404,787,485	431,004,005	5.6%	100.0%
TOTAL GO BOND DEBT SERVICE EXPENDITURES		402,251,407	408,290,190	404,787,485	431,004,005	5.6%	100.0%
LONG-TERM LEASE EXPENDITURES							
Revenue Authority - Crossvines Project		859,113	862,000	862,000	858,800		
Fire and Rescue Equipment		1,092,835	3,113,100	2,886,000	4,696,400		
Alcohol Beverage Services - Conveyor System Upgrade (LT Lease)		-	-	-	-		
TOTAL LONG-TERM LEASE EXPENDITURES		1,951,948	3,975,100	3,748,000	5,555,200	39.7%	
SHORT-TERM LEASE EXPENDITURES							
Technology Modernization Project		-	-	-	-		
Digital Evidence Data Storage		247,627	93,800	93,800	-		
Ride On Buses		712,394	918,570	712,400	1,117,900		
Public Safety System Modernization		26,691	337,900	196,100	491,600		
Transit System Radios		-	479,600	479,600	479,600		
Police Body Armor		241,426	241,500	241,500	241,500		
Intelligent Transit System		-	2,123,800	1,471,500	2,005,200		
Fire Defibrillators		282,087	282,200	282,200	282,200		
Radio Lifecycle Replacement		5,344,236	8,543,900	8,474,600	9,296,800		
Business Continuity Plan		-	489,600	487,600	487,600		
TOTAL SHORT-TERM LEASE EXPENDITURES		6,854,460	13,510,870	12,439,300	14,402,400	6.6%	
OTHER LONG-TERM DEBT							
Silver Spring Music Venue Incubators		293,154	293,210	293,210	292,700		
Rockville Core		1,507,838	1,505,400	1,505,400	1,505,750		
Energy Performance Leases QECBs		681,456	681,020	681,020	680,220		
Energy Performance Leases Other		1,782,080	1,818,100	1,818,100	1,848,400		
Wheaton Redevelopment		2,142,863	2,358,300	2,358,300	2,358,300		
MHI-HUD Loan - Non-Tax supported		-	-	-	-		
Water Quality Protection Charge Bonds - Non-Tax supported		9,143,911	9,921,900	9,511,900	11,127,300		
MHI - Property Acquisition and Preservation Fund - Non-Tax supported		14,786,224	17,265,690	13,240,790	23,741,300		
MHI Production Fund - HOC - Non-Tax supported		3,612,054	7,072,100	7,071,500	7,066,200		
COP - Wheaton Redevelopment - Non-Tax supported		211,931	-	-	-		
COPs - Fire SCBA and Apparatus		5,092,932	2,401,500	2,401,500	2,399,600		
COPs - Fleet Equipment		327,300	325,650	325,650	328,375		
COPs - Buses		5,119,635	3,343,825	3,343,825	3,092,000		
COPs - Fuel Management		189,000	-	-	-		
COPs - PSM		-	-	-	-		
COPs - Corrections		155,750	73,500	73,500	-		
Transportation Special Taxing District - Non-Tax supported		-	-	-	-		
Bus Rapid Transit Grant Revenue Bonds		-	-	-	20,000,000		
TOTAL OTHER LONG-TERM DEBT		45,046,128	47,060,195	42,624,695	74,440,145	58.2%	
DEBT SERVICE EXPENDITURES							
Tax Supported		428,561,753	438,576,665	433,775,290	463,466,950	5.7%	
Non-Tax Supported - Other Long-term Debt		27,542,190	34,259,630	29,824,190	61,934,800	80.8%	
TOTAL DEBT SERVICE EXPENDITURES		456,103,942	472,836,355	463,599,480	525,401,750	11.1%	
GO BOND DEBT SERVICE FUNDING SOURCES							
General Funds		362,913,725	367,845,320	363,845,370	383,263,375		
Premium on General Obligation Bonds		-	-	-	-		
Total General Fund Sources		362,913,725	367,845,320	363,845,370	383,263,375		
Fire Tax District Funds		8,604,276	8,400,060	8,429,909	9,009,870		
Mass Transit Fund		21,092,706	21,563,940	22,263,971	26,667,570		
Recreation Fund		9,640,699	10,480,870	10,248,235	12,063,190		
Total Other Funding Sources		39,337,681	40,444,870	40,942,115	47,740,630		
TOTAL GO BOND FUNDING SOURCES		402,251,406	408,290,190	404,787,485	431,004,005		
NON GO BOND FUNDING SOURCES							
General Funds		11,146,580	14,962,237	14,749,177	15,735,317		
MHI Fund - HUD Loan		-	-	-	-		
Water Quality Protection Fund		9,143,910	9,921,900	9,511,900	11,127,300		
MHI - Property Acquisition Fund		15,687,054	24,337,790	19,369,778	30,807,500		
MHI Fund - Interest Income		2,711,225	-	922,512	-		
Wheaton Redevelopment Contributions		2,142,864	2,146,053	2,146,053	2,146,053		
Motor Pool Fund		516,300	325,650	325,650	328,375		
Mass Transit Fund		5,832,029	6,865,795	6,007,325	6,694,700		
Fire Tax District Fund		6,467,854	5,796,800	5,569,700	7,378,200		
Federal Subsidy - QECBs		204,720	189,940	189,900	180,300		
Transportation Special Taxing District		-	-	-	-		
Bus Rapid Transit Grant Revenue Bonds		-	-	-	20,000,000		
TOTAL NON GO BOND FUNDING SOURCES		53,852,536	64,546,165	58,811,995	94,397,745		
TOTAL FUNDING SOURCES		456,103,942	472,836,355	463,599,480	525,401,750		
TOTAL GENERAL OBLIGATION BOND SALES							
Actual and Estimated Bond Sales		280,000,000	280,000,000	280,000,000	340,000,000		
Council SAG Approved Bond Funded Expenditures		280,000,000	280,000,000	280,000,000	300,000,000		

DEBT SERVICE - GENERAL OBLIGATION BONDS, LONG & SHORT TERM LEASES AND OTHER DEBT

	Recommended FY27	Projected FY28	Projected FY29	Projected FY30	Projected FY31	Projected FY32
GO BOND DEBT SERVICE EXPENDITURES						
General County	89,378,650	89,873,790	95,997,350	97,333,050	98,199,290	85,161,370
Roads & Storm Drains	83,577,330	86,274,960	91,134,010	92,814,020	95,297,120	97,995,990
Public Housing	22,890	51,980	47,240	45,480	43,840	42,310
Parks	10,044,430	10,605,010	11,578,310	12,409,350	13,164,810	14,018,820
Public Schools	162,786,265	162,386,320	163,243,320	164,176,170	169,465,370	177,715,440
Montgomery College	29,353,810	31,151,030	33,934,000	36,700,740	38,020,450	35,854,550
Bond Anticipation Notes/Commercial Paper	5,200,000	5,500,000	6,000,000	6,000,000	6,000,000	7,000,000
Bond Anticipation Notes/Liquidity & Remarketing	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000
Cost of Issuance	900,000	930,000	950,000	970,000	980,000	1,000,000
Total General Fund	383,263,375	388,773,090	404,884,230	412,748,810	421,770,880	430,788,480
Fire Tax District Fund	9,009,870	10,449,730	12,114,820	12,321,580	12,016,900	11,311,990
Mass Transit Fund	26,667,570	28,127,890	28,260,580	28,438,710	28,222,810	31,391,880
Recreation Fund	12,063,190	12,355,680	14,282,410	16,905,090	17,871,860	18,154,940
Total Tax Supported Other Funds	47,740,630	50,933,300	54,657,810	57,665,380	58,111,570	60,858,810
TOTAL TAX SUPPORTED	431,004,005	439,706,390	459,542,040	470,414,190	479,882,450	491,647,290
TOTAL GO BOND DEBT SERVICE EXPENDITURES	431,004,005	439,706,390	459,542,040	470,414,190	479,882,450	491,647,290
LONG-TERM LEASE EXPENDITURES						
Fire and Rescue Equipment	4,696,400	7,766,600	7,941,100	8,128,000	8,128,000	8,092,000
Revenue Authority - Crossvines Project	858,800	859,400	858,800	861,800	858,400	858,700
TOTAL LONG-TERM LEASE EXPENDITURES	5,555,200	8,626,000	8,799,900	8,989,800	8,986,400	8,950,700
SHORT-TERM LEASE EXPENDITURES / FINANCING						
Digital Evidence Data Storage	-	-	-	-	-	-
Ride On Buses	1,117,900	405,500	1,505,800	1,505,800	4,589,400	4,589,400
Intelligent Transit System	2,005,200	2,005,200	2,005,200	2,005,200	2,005,200	2,005,200
Public Safety System Modernization	491,600	484,900	464,900	464,900	295,500	-
Transit System Radios	479,600	479,600	479,600	-	-	-
Fire Defibrillators	282,200	282,200	123,700	-	-	-
Police Body Armor	241,500	423,700	359,800	494,800	836,300	971,900
Radio Lifecycle Replacement	9,296,800	10,185,200	8,630,300	5,866,300	3,177,100	2,354,900
Business Continuity Plan	487,600	487,600	487,600	487,600	-	-
TOTAL SHORT-TERM LEASE EXPENDITURES	14,402,400	14,733,900	14,056,900	10,824,600	10,903,500	9,921,400
OTHER LONG-TERM DEBT						
Silver Spring Music Venue	292,700	293,300	293,400	293,100	293,100	-
Rockville Core	1,505,750	1,508,750	1,509,250	1,509,250	1,507,800	1,510,100
Energy Performance Leases QECBs	680,220	679,320	678,220	801,300	913,100	913,900
Energy Performance Leases Other	1,848,400	1,879,280	1,911,915	1,805,200	1,721,000	1,730,700
Wheaton Redevelopment	2,358,300	2,354,800	2,357,600	2,356,300	2,356,000	2,356,200
Water Quality Protection Charge Bonds - Non-Tax supported	11,127,300	16,526,900	19,422,400	21,620,300	30,120,200	31,928,600
MHI - Property Acquisition and Preservation Fund - Non-Tax supported	23,741,300	29,611,400	34,389,100	32,012,400	35,857,100	33,958,100
MHI Production Fund - HOC - Non-Tax supported	7,066,200	7,067,300	7,069,900	7,068,750	7,065,200	7,069,000
COPs - Fire SCBA and Apparatus	2,399,600	2,398,050	2,396,650	2,400,125	2,398,125	-
COPs - Fleet Equipment	328,375	325,475	326,950	327,675	322,775	-
COPs - Buses	3,092,000	2,859,750	-	-	-	-
Transportation Special Taxing District	-	-	7,340,000	12,200,000	22,720,000	27,130,000
Bus Rapid Transit Grant Revenue Bonds - Non-Tax supported	20,000,000	20,000,000	20,000,000	12,345,000	12,345,750	12,348,000
TOTAL OTHER LONG-TERM DEBT	74,440,145	85,504,325	97,695,385	94,739,400	117,619,950	118,942,600
DEBT SERVICE EXPENDITURES						
Tax Supported	463,466,950	475,365,015	499,212,825	511,921,540	532,004,050	544,160,290
Non-Tax Supported - Other Long-term Debt	61,934,800	73,205,600	80,881,400	73,046,450	85,388,250	85,301,700
TOTAL DEBT SERVICE EXPENDITURES	525,401,750	548,570,615	580,094,225	584,967,990	617,392,300	629,461,990
GO BOND DEBT SERVICE FUNDING SOURCES						
General Funds	383,263,375	388,773,090	404,884,230	412,748,810	421,770,880	430,788,480
Premium on General Obligation Bonds	-	-	-	-	-	-
Total General Fund Sources	383,263,375	388,773,090	404,884,230	412,748,810	421,770,880	430,788,480
Fire Tax District Fund	9,009,870	10,449,730	12,114,820	12,321,580	12,016,900	11,311,990
Mass Transit Fund	26,667,570	28,127,890	28,260,580	28,438,710	28,222,810	31,391,880
Recreation Fund	12,063,190	12,355,680	14,282,410	16,905,090	17,871,860	18,154,940
Total Other Funding Sources	47,740,630	50,933,300	54,657,810	57,665,380	58,111,570	60,858,810
TOTAL GO BOND FUNDING SOURCES	431,004,005	439,706,390	459,542,040	470,414,190	479,882,450	491,647,290
NON GO BOND FUNDING SOURCES						
General Funds	15,735,317	16,831,122	15,258,839	12,664,947	9,700,570	8,452,588
Water Quality Protection Fund	11,127,300	16,526,900	19,422,400	21,620,300	30,120,200	31,928,600
MHI - Property Acquisition Fund	30,807,500	36,678,700	41,459,000	39,081,150	42,922,300	41,027,100
Wheaton Redevelopment Contributions	2,146,053	2,142,868	2,145,416	2,144,233	2,143,960	2,144,142
Motor Pool Fund	328,375	325,475	326,950	327,675	322,775	-
Mass Transit Fund	6,694,700	5,750,050	3,990,600	3,511,000	6,594,600	6,594,600
Fire Tax District Fund	7,378,200	10,446,850	10,461,450	10,528,125	10,526,125	8,092,000
Federal Subsidy - QECBs	180,300	162,260	147,530	131,370	113,570	99,670
Transportation Special Taxing District	-	-	7,340,000	12,200,000	22,720,000	27,130,000
Bus Rapid Transit Grant Revenue Bonds	20,000,000	20,000,000	20,000,000	12,345,000	12,345,750	12,348,000
TOTAL NON GO BOND FUNDING SOURCES	94,397,745	108,864,225	120,552,185	114,553,800	137,509,850	137,814,700
TOTAL FUNDING SOURCES	525,401,750	548,570,615	580,094,225	584,967,990	617,392,300	629,461,990
TOTAL GENERAL OBLIGATION BOND SALES						
Estimated Bond Sales	340,000,000	350,000,000	360,000,000	370,000,000	380,000,000	390,000,000
Council SAG Approved Bond Funded Expenditures	300,000,000	300,000,000	300,000,000	300,000,000	300,000,000	300,000,000
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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Montgomery County Government

FY27-32 PUBLIC SERVICES PROGRAM FISCAL PLAN							
Cable Communications Plan							
FISCAL PROJECTIONS	FY28 ESTIMATE	FY27 RECOMMENDED	FY28 PROJECTION	FY29 PROJECTION	FY30 PROJECTION	FY31 PROJECTION	FY32 PROJECTION
ASSUMPTIONS							
CPI (Fiscal Year)	2.2%	2.9%	2.2%	1.8%	1.7%	1.7%	1.7%
Investment Income Yield	4.0%	3.3%	3.0%	3.0%	3.0%	3.0%	3.0%
BEGINNING FUND BALANCE	700,905	868,270	887,888	727,388	552,211	373,119	190,318
REVENUES							
Charges For Services	17,530,534	18,122,148	14,757,502	13,414,085	12,061,761	10,710,405	9,359,891
Franchise Fees	10,862,834	9,920,093	9,073,439	8,227,553	7,382,351	6,537,753	5,693,694
PEG Capital Grants	4,152,308	3,888,898	3,583,707	3,328,416	3,073,124	2,817,833	2,562,541
PEG Operating Grants	2,365,392	2,118,067	1,860,356	1,608,116	1,356,286	1,104,819	853,656
Tower Application Fees	250,000	260,000	250,000	250,000	250,000	250,000	250,000
Miscellaneous	207,990	184,420	151,770	151,770	151,770	151,770	151,770
Subtotal Revenues	17,838,624	18,286,698	14,919,272	13,686,865	12,213,631	10,882,175	8,611,881
INTERFUND TRANSFERS (Net Non-CIP)							
Transfer to General Fund	(8,226,888)	(6,469,000)	(8,678,893)	(5,728,614)	(4,875,488)	(4,144,294)	(3,853,988)
Transfer to Montgomery College for MC Cable Fund	(6,469,433)	(5,450,000)	(6,578,693)	(5,725,514)	(4,875,488)	(4,144,294)	(3,633,999)
Transfer to Montgomery College for MC Cable Fund	(1,378,278)	0	0	0	0	0	0
MC Cable Fund Restricted PEG Operating	(421,565)	0	0	0	0	0	0
MC Cable Fund Unrestricted	(956,713)	0	0	0	0	0	0
Transfer to MCPS for MCPS Instructional TV Fund	(1,378,278)	0	0	0	0	0	0
MCPS Instructional TV Fund Restricted PEG Operating	(421,564)	0	0	0	0	0	0
MCPS Instructional TV Fund Unrestricted	(956,714)	0	0	0	0	0	0
TOTAL RESOURCES	8,319,440	11,484,838	8,238,247	8,668,738	7,880,254	7,081,001	8,067,878
CIP CURRENT REVENUE APPROP.							
	(3,020,000)	(2,773,000)	(1,848,000)	(1,800,000)	(1,363,000)	(1,363,000)	(1,363,000)
P&P OPER. BUDGET APPROP/ EXP'S.							
Operating Budget	(6,836,170)	(7,824,171)	(8,842,687)	(8,282,448)	(6,820,886)	(4,981,181)	(4,282,301)
Transfer to City of Rockville	(1,236,862)	(1,127,229)	(1,038,738)	(848,308)	(866,838)	(786,813)	(876,334)
City of Rockville Franchise Fees	(483,867)	(443,765)	(405,893)	(368,053)	(330,244)	(292,451)	(254,703)
City of Rockville PEG Capital Grants	(510,399)	(548,428)	(511,958)	(475,488)	(439,018)	(402,548)	(366,077)
City of Rockville PEG Operating Grants	(141,686)	(135,036)	(118,888)	(102,768)	(86,675)	(70,605)	(54,554)
Transfer to City of Takoma Park	(642,281)	(603,628)	(464,818)	(408,378)	(367,884)	(308,468)	(281,884)
City of Takoma Park Franchise Fees	(153,490)	(140,772)	(128,756)	(116,752)	(104,759)	(92,773)	(80,796)
City of Takoma Park PEG Capital Grants	(142,426)	(127,967)	(119,457)	(110,947)	(102,437)	(93,928)	(85,418)
City of Takoma Park PEG Operating Grants	(246,345)	(234,784)	(206,706)	(178,680)	(150,698)	(122,758)	(94,851)
Transfer to Other Municipalities	(688,168)	(627,288)	(478,841)	(428,078)	(375,688)	(325,110)	(274,886)
Other Municipalities Franchise Fees	(179,385)	(164,517)	(150,478)	(136,449)	(122,432)	(108,425)	(94,426)
Other Municipalities PEG Capital Grants	(142,426)	(127,967)	(119,457)	(110,947)	(102,437)	(93,928)	(85,418)
Other Municipalities PEG Operating Grants	(246,345)	(234,784)	(206,706)	(178,680)	(150,698)	(122,758)	(94,851)
Transfer to Montgomery Community Media	(2,480,422)	(6,088,644)	(4,404,678)	(3,887,078)	(3,687,728)	(3,160,473)	(2,728,700)
Montgomery Community Media PEG Operating Grants	(1,661,883)	(1,528,932)	(1,391,328)	(1,266,108)	(1,139,498)	(1,014,153)	(882,313)
Montgomery Community Media Franchise Fees	(818,539)	(753,056)	(685,281)	(623,606)	(561,245)	(499,808)	(434,572)
MC Cable Fund Restricted PEG Capital	0	0	(215,874)	(133,961)	(51,765)	0	0
MC Cable Fund Restricted PEG Operating	(412,373)	(412,373)	(321,388)	(262,192)	(203,485)	(144,595)	(87,414)
MC Cable Fund Unrestricted	(965,905)	(965,905)	(626,722)	(652,528)	(678,243)	(673,810)	(615,993)
MCPS Instructional TV Fund Restricted PEG Capital	0	0	(215,874)	(133,960)	(51,765)	0	0
MCPS Instructional TV Fund Restricted PEG Operating	(412,372)	(412,372)	(321,386)	(262,191)	(203,484)	(144,595)	(87,414)
MCPS Instructional TV Fund Unrestricted	(965,906)	(965,906)	(626,724)	(652,530)	(678,244)	(673,811)	(615,993)
Transfer to PEG (Formerly Connect Montgomery Alliance)	(808,378)	(827,607)	(688,721)	(618,808)	(488,638)	(410,608)	(367,607)
Connect Montgomery Alliance Franchise Fees	(170,043)	(365,970)	(168,634)	(153,495)	(137,835)	(122,600)	(92,408)
Connect Montgomery Alliance PEG Capital	(638,335)	(261,637)	(401,087)	(365,313)	(325,702)	(287,906)	(265,099)
Subtotal Unrestricted Approp/Exp	(6,836,170)	(7,824,171)	(8,610,848)	(8,014,627)	6,617,136	(4,981,181)	(4,282,301)
OTHER CLAIMS ON FUND BALANCE	0	0	(164,000)	(400,000)	(847,000)	(688,624)	(418,873)
TOTAL USE OF RESOURCES	(8,866,170)	(10,687,171)	(8,610,848)	(8,014,627)	(7,617,136)	(6,900,885)	(8,084,274)
RESTRICTED PEG CAPITAL FUND BALANCE	0	0	164,000	564,000	1,201,000	1,787,624	2,208,487
RESTRICTED PEG OPERATING FUND BALANCE	88,348	(0)	0	0	0	0	0
UNRESTRICTED YEAR END FUND BALANCE	868,270	887,888	727,388	662,211	373,119	180,318	3,704
END-OF-YEAR RESERVES AS A PERCENT OF RESOURCES	7.1%	7.8%	7.8%	8.4%	4.7%	2.7%	0.1%
Assumptions:							
1. "Cord cutting" will continue to drive revenue shortfalls for the Cable Fund at an accelerating rate.							
2. PEG Capital Fund Balance retains availability of funds for potential CIP funding switch in FY28 and beyond.							
Major Issues:							
1. Cable Fund revenue continues to decline at a rapid rate, and there are no new sources of revenue to offset this trend.							
Notes:							
1. The projections are based on the County Executive's FY27 Recommended Budget and reflect the revenue and resource assumptions included in the recommendation. Future revenues, expenditures, and fund balances may change due to adjustments in fees, tax rates, usage, inflation, future labor agreements, and other factors not assumed in this analysis.							
2. The projections assume that future declines in Cable Revenue will be offset by other revenue sources; however, there is a possibility that Cable revenues will decrease more rapidly than current projections.							
3. The "Transfers to the General Fund" referenced under Interfund Transfers will support programs including FiberNet, Community Technology, Community Engagement, Montgomery Connects, County Council Communications, Public Information, and Maryland-National Capital Park and Planning Commission Wi-Fi in the Parks. All expenditures will comply with the requirements of the County Code, and these programs will also receive additional support from the General Fund.							
4. In FY27, Montgomery Community Television will receive the full funding allocation for operating the Community and Education access channels (MCM, MCPSTV and MCTV) through a new contract. As a result, MCPSTV and MCTV will no longer receive direct transfers from the Cable Fund.							

FY27-32 PUBLIC SERVICES PROGRAM: FISCAL PLAN		Montgomery Housing Initiative							
FISCAL PROJECTIONS	FY26 APPROVED	FY26 ESTIMATE	FY27 RECOMMENDED	FY28 PROJECTION	FY29 PROJECTION	FY30 PROJECTION	FY31 PROJECTION	FY32 PROJECTION	
ASSUMPTIONS									
Indirect Cost Rate	19.98%	19.98%	13.01%	13.01%	13.01%	13.01%	13.01%	13.01%	
CPI (Fiscal Year)	2.7%	2.2%	2.9%	2.2%	1.8%	1.7%	1.7%	1.7%	
Investment Income Yield	4.1%	4.0%	3.3%	3.0%	3.0%	3.0%	3.0%	3.0%	
BEGINNING FUND BALANCE	12,018,738	12,484,490	3,255,291	0	0	0	0	0	
REVENUES									
Taxes	25,407,109	24,744,515	28,361,876	31,335,427	32,737,240	34,194,191	35,309,918	36,319,611	
Charges For Services	4,696,758	4,696,758	4,724,100	4,829,448	4,918,378	4,967,990	5,083,456	5,171,400	
Miscellaneous	10,104,080	8,170,050	8,290,704	7,395,240	7,395,240	7,395,240	7,395,240	7,395,240	
Subtotal Revenues	40,207,947	37,611,323	41,376,680	43,560,115	45,048,858	46,587,421	47,788,614	48,886,251	
INTERFUND TRANSFERS (Net Non-CIP)									
Transfers To Debt Service Fund	(24,337,790)	(20,312,290)	(30,807,500)	(36,678,700)	(41,459,000)	(39,081,150)	(42,922,300)	(41,027,100)	
MHI HOC Housing Production Fund	(7,072,100)	(7,071,500)	(7,066,200)	(7,067,300)	(7,069,900)	(7,068,750)	(7,065,200)	(7,069,000)	
MHI Property Acquisition	(17,265,690)	(13,240,790)	(23,741,300)	(29,611,400)	(34,389,100)	(32,012,400)	(35,857,100)	(33,958,100)	
Transfers To The General Fund	(806,644)	(806,644)	(553,675)	(553,675)	(553,675)	(553,675)	(553,675)	(553,675)	
Indirect Costs	(806,644)	(806,644)	(553,675)	(553,675)	(553,675)	(553,675)	(553,675)	(553,675)	
Transfers From The General Fund	37,924,281	37,924,281	39,002,781	39,002,781	39,002,781	39,002,781	39,002,781	39,002,781	
General Fund	37,924,281	37,924,281	39,002,781	39,002,781	39,002,781	39,002,781	39,002,781	39,002,781	
TOTAL RESOURCES	65,006,532	66,901,160	52,273,577	45,330,521	42,038,964	45,955,377	43,315,420	46,308,257	
PSP OPER. BUDGET APPROP/ EXP'S.									
Operating Budget	(59,822,428)	(61,408,773)	(4,706,011)	(4,706,011)	(4,706,011)	(4,706,011)	(4,706,011)	(4,706,011)	
CPI-Fiscal Year for OE (= OE w/o FC x CPI)			0	(10,040)	(18,330)	(26,110)	(34,260)	(42,640)	
Compensation Adjustment			0	(180,019)	(348,579)	(517,098)	(694,171)	(878,804)	
Rental Assistance Program (RAP)			(28,357,276)	(31,335,427)	(32,737,240)	(34,194,191)	(35,309,918)	(36,319,611)	
Affordable Housing Loans			(1,620,000)	8,491,266	13,361,486	11,078,323	15,019,230	13,229,099	
HHS Housing Programs			(9,706,200)	(9,706,200)	(9,706,200)	(9,706,200)	(9,706,200)	(9,706,200)	
Neighborhoods to Call Home			(2,036,033)	(2,036,033)	(2,036,033)	(2,036,033)	(2,036,033)	(2,036,033)	
HARP (Design for Life)			(326,332)	(326,332)	(326,332)	(326,332)	(326,332)	(326,332)	
Homeownership Assistance Program			(5,000,000)	(5,000,000)	(5,000,000)	(5,000,000)	(5,000,000)	(5,000,000)	
Homebuyer Counseling Services			(521,725)	(521,725)	(521,725)	(521,725)	(521,725)	(521,725)	
Subtotal PSP Oper Budget Approp / Exp's	(59,822,428)	(61,408,773)	(52,273,577)	(45,330,521)	(42,038,964)	(45,955,377)	(43,315,420)	(46,308,257)	
OTHER CLAIMS ON FUND BALANCE	(4,085,404)	(2,237,096)	0	0	0	0	0	0	
TOTAL USE OF RESOURCES	(63,907,832)	(63,645,869)	(52,273,577)	(45,330,521)	(42,038,964)	(45,955,377)	(43,315,420)	(46,308,257)	
YEAR END FUND BALANCE	1,098,700	3,255,291	0	0	0	0	0	0	
END-OF-YEAR RESERVES AS A PERCENT OF RESOURCES									
	1.7%	4.9%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	

Assumptions:

- \$52.3 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 performance supportive housing and community development.
- A total of \$100.4 million will be funded through the FY27 CIP Budget in support of affordable housing, including \$96.1 million for the Affordable Housing Acquisition and Preservation CIP Project #760100, \$2 million for the Affordable Housing Opportunity Fund CIP Project #762101, \$2.3 million to continue funding the Revitalization of Troubled and Distressed Common Ownership Communities CIP Project #762504 and \$128,000 for Nonprofit Preservation Fund CIP.
- Montgomery County Council Resolution #15-110 provides for an allocation from the General Fund to the Montgomery Housing Initiative fund (MHI) equivalent to 2.5 percent of actual General Fund property taxes from two years prior to the upcoming fiscal year to maintain and expand the supply of affordable housing. However, the actual transfer from the General Fund will be determined each year based on the availability of resources.

FY27-32 PUBLIC SERVICES PROGRAM: WATER QUALITY PROTECTION FUND FISCAL PLAN

FISCAL PROJECTIONS	FY26 ESTIMATE	FY27 RECOMMENDED	FY28 PROJECTION	FY29 PROJECTION	FY30 PROJECTION	FY31 PROJECTION	FY32 PROJECTION
ASSUMPTIONS							
Indirect Cost Rate	19.98%	13.01%	13.01%	13.01%	13.01%	13.01%	13.01%
CPI (Fiscal Year)	2.18%	2.87%	2.23%	1.80%	1.86%	1.71%	1.73%
Investment Income Yield	4.00%	3.25%	3.00%	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)	\$147.00	\$157.50	\$168.00	\$178.50	\$189.00	\$199.50	\$210.00
Target Debt Service Coverage Ratio	1.25	1.25	1.25	1.25	1.25	1.25	1.25
BEGINNING FUND BALANCE	13,764,940	9,534,769	10,620,541	7,052,880	5,682,702	5,924,309	3,435,868
REVENUES							
Charges For Services	53,481,687	57,323,950	61,166,188	65,008,418	68,850,659	72,692,887	76,535,117
Bag Tax Receipts	2,568,000	2,568,000	2,368,000	2,368,000	2,368,000	2,368,000	2,368,000
Miscellaneous	1,816,350	1,517,020	1,403,980	1,403,980	1,403,980	1,403,980	1,403,980
Subtotal Revenues	57,866,037	61,408,970	64,938,168	68,780,398	72,622,639	76,464,867	80,307,097
INTERFUND TRANSFERS (Net Non-CIP)							
Transfers To General Fund	(2,840,300)	(1,804,030)	(1,849,100)	(1,843,880)	(1,841,710)	(1,843,020)	(1,843,900)
Transfers to Debt Service Fund (Non-Tax)	(10,455,220)	(12,070,820)	(17,488,820)	(20,385,440)	(22,582,820)	(29,177,800)	(30,894,200)
WQPF Required Debt Service	(9,511,800)	(11,127,300)	(16,526,900)	(19,422,400)	(21,620,300)	(30,120,200)	(31,926,600)
TOTAL RESOURCES	58,335,456	57,269,090	56,440,790	53,824,179	54,100,811	51,568,357	51,114,865
CIP CURRENT REVENUE APPROPRIATION							
PSP OPER. BUDGET APPROP/ EXP'S.							
Operating Budget	(39,348,751)	(36,005,549)	(36,779,909)	(36,503,477)	(36,457,502)	(36,486,489)	(36,506,113)
FFIs (Future Fiscal Impacts) Requested & Projected							
CPI - OE Adjustment	0	0	(527,982)	(443,381)	(412,361)	(431,303)	(444,137)
Outreach for Amended Bag Fee law	0	0	100,000	250,000	250,000	250,000	250,000
CPI - PC Adjustment	0	0	(274,942)	(233,110)	(218,155)	(228,200)	(234,991)
Labor Contracts	0	0	(69,000)	(69,000)	(69,000)	(69,000)	(69,000)
Subtotal PSP Oper Budget Approp / Exp's	(39,348,751)	(36,005,549)	(36,779,909)	(36,503,477)	(36,457,502)	(36,486,489)	(36,506,113)
TOTAL USE OF RESOURCES	(48,800,687)	(46,648,549)	(49,387,909)	(48,141,477)	(48,176,502)	(48,132,489)	(48,235,113)
ACFR YEAR END FUND BALANCE	9,534,769	10,620,541	7,052,880	5,682,702	5,924,309	3,435,868	2,879,752
END-OF-YEAR RESERVES AS A PERCENT OF RESOURCES	16.3%	18.5%	12.5%	10.6%	11.0%	6.7%	5.6%
NET REVENUE	15,676,986	23,799,392	26,509,159	30,633,262	34,523,427	38,335,359	42,157,084
DEBT SERVICE COVERAGE RATIO	1.65	2.14	1.60	1.58	1.60	1.27	1.32

Assumptions:

1. These projections are based on the County Executive's FY27 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.
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 FY28 and FY32 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. 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.
5. Future WQPC rates are subject to change based on future operating budget spending, the timing and size of future debt issuance, State Aid, and legislation.
6. Charges are adjusted to fund the planned service program and maintain net revenues sufficient to cover 1.25 times debt service costs.
7. The Water Quality Protection fund balance minimum policy target is 5% of resources.

FY27-32 PUBLIC SERVICES PROGRAM: FISCAL PLAN

Community Use of Public Facilities

FISCAL PROJECTIONS	FY26 ESTIMATE	FY27 RECOMMENDED	FY28 PROJECTION	FY29 PROJECTION	FY30 PROJECTION	FY31 PROJECTION	FY32 PROJECTION
ASSUMPTIONS							
Indirect Cost Rate	19.98%	13.01%	13.01%	13.01%	13.01%	13.01%	13.01%
CPI (Fiscal Year)	2.2%	2.9%	2.2%	1.8%	1.7%	1.7%	1.7%
Investment Income Yield	4.0%	3.3%	3.0%	3.0%	3.0%	3.0%	3.0%
BEGINNING FUND BALANCE	(424,198)	(68,392)	933,604	1,632,178	2,051,423	2,166,846	1,956,033
REVENUES							
Charges For Services	13,067,947	14,311,053	14,830,189	14,893,532	15,140,765	15,399,672	15,866,088
Miscellaneous	145,540	115,060	108,210	108,210	108,210	108,210	108,210
Subtotal Revenues	13,213,487	14,426,113	14,736,399	14,999,742	15,246,975	15,505,882	15,772,296
INTERFUND TRANSFERS (Net Non-CIP)							
Transfers To Debt Service Fund	(330,162)	(330,162)	(329,872)	(330,084)	(329,882)	(329,840)	(329,868)
Wheaton Redevelopment	(330,162)	(330,162)	(329,872)	(330,084)	(329,882)	(329,840)	(329,868)
Transfers To The General Fund	(1,085,796)	(785,503)	(790,279)	(790,279)	(790,279)	(790,279)	(790,279)
Indirect Costs	(878,486)	(578,173)	(582,949)	(582,949)	(582,949)	(582,949)	(582,949)
CAPP	(200,000)	(200,000)	(200,000)	(200,000)	(200,000)	(200,000)	(200,000)
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	11,533,331	13,402,056	14,710,052	15,671,577	16,338,237	16,712,609	16,768,182
PSP OPER. BUDGET APPROP/ EXP'S.							
Operating Budget	(11,601,723)	(12,468,452)	(12,835,376)	(13,159,054)	(13,473,659)	(13,803,737)	(14,145,919)
Labor Agreement	n/a	0	(36,713)	(36,713)	(36,713)	(36,713)	(36,713)
MCPS Reimbursable Utility Cost Escalation	n/a	n/a	(204,021)	(423,344)	(659,117)	(912,572)	(1,185,036)
Building Space Expenses	n/a	n/a	(1,764)	(1,043)	(1,902)	(3,554)	(3,967)
Subtotal PSP Oper Budget Approp / Exp's	(11,601,723)	(12,468,452)	(13,077,874)	(13,620,154)	(14,171,391)	(14,756,576)	(15,371,635)
TOTAL USE OF RESOURCES	(11,601,723)	(12,468,452)	(13,077,874)	(13,620,154)	(14,171,391)	(14,756,576)	(15,371,635)
YEAR END FUND BALANCE	(68,392)	933,604	1,632,178	2,051,423	2,166,846	1,956,033	1,396,547
END-OF-YEAR RESERVES AS A							
PERCENT OF RESOURCES	-0.6%	7.0%	11.1%	13.1%	13.3%	11.7%	8.3%

Assumptions:

1. These projections are based on the County Executive's FY27 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.
3. The FY26 fund balance is estimated below policy level due to negative fund balance in FY25, resulting in a lower base in FY27.

Bethesda PLD							
FY27-32 Public Services Program: Fiscal Plan							
Bethesda Parking Lot District	Estimated 2026	Recommended 2027	Projection 2028	Projection 2029	Projection 2030	Projection 2031	Projection 2032
Assumptions							
Indirect Cost Rate	19.98%	13.01%	13.01%	13.01%	13.01%	13.01%	13.01%
CPI (Fiscal Year)	2.18%	2.87%	2.23%	1.80%	1.66%	1.71%	1.73%
Investment Income Yield	4.00%	3.25%	3.00%	3.00%	3.00%	3.00%	3.00%
Beginning Fund Balance	14,335,468	6,782,295	5,348,938	5,210,788	5,544,947	5,160,675	5,937,141
Revenues							
Charges for Services	14,201,671	15,000,000	15,750,000	16,500,000	16,500,000	16,500,000	16,500,000
Parking Fees Base	14,201,671	15,000,000	15,750,000	16,500,000	16,500,000	16,500,000	16,500,000
Fines & Forfeits	3,310,236	3,339,000	3,339,000	3,339,000	3,339,000	3,339,000	3,339,000
Parking Fines	3,310,236	3,339,000	3,339,000	3,339,000	3,339,000	3,339,000	3,339,000
Miscellaneous	3,164,320	2,995,660	2,946,700	2,946,700	2,946,700	2,946,700	2,946,700
Investment Income	805,200	636,540	587,580	587,580	587,580	587,580	587,580
Property Rentals	2,075,000	2,075,000	2,075,000	2,075,000	2,075,000	2,075,000	2,075,000
G-49 Air Rights	284,120	284,120	284,120	284,120	284,120	284,120	284,120
Subtotal Revenues	20,676,227	21,334,660	22,035,700	22,785,700	22,785,700	22,785,700	22,785,700
Transfers							
Transfers to/from General Fund	(606,675)	(440,826)	(450,765)	(459,278)	(467,470)	(475,709)	(484,128)
Indirect Costs	(606,675)	(440,826)	(450,765)	(459,278)	(467,470)	(475,709)	(484,128)
Transfers to/from Special Funds : Tax Supported	(1,581,122)	-	-	-	-	-	-
Bethesda Urban District	(1,581,122)	-	-	-	-	-	-
Subtotal Transfers	(2,187,797)	(440,826)	(450,765)	(459,278)	(467,470)	(475,709)	(484,128)
Total Resources	32,823,898	27,676,129	26,933,873	27,537,210	27,863,177	27,470,666	28,238,713
CIP Current Revenue Appropriation Expenditure							
Facilities Planning Parking: Bethesda PLD	(332,357)	(90,000)	(90,000)	(90,000)	(90,000)	(90,000)	(90,000)
Parking Bethesda Facilities Renovations	(9,154,951)	(4,995,000)	(4,100,000)	(4,100,000)	(4,100,000)	(4,100,000)	(4,100,000)
Bethesda Parking Security Camera Surveillance System	(978,000)	(978,000)	(978,000)	(978,000)	(1,430,000)	-	-
Subtotal CIP Current Revenue Appropriation Expenditure	(10,465,308)	(6,063,000)	(5,168,000)	(5,168,000)	(5,620,000)	(4,190,000)	(4,190,000)
Appropriations/Expenditures							
Operating Budget	(13,274,695)	(13,962,491)	(14,253,685)	(14,522,863)	(14,781,902)	(15,042,425)	(15,308,653)
Personnel Costs	(3,116,583)	(3,388,361)	(3,464,760)	(3,530,191)	(3,593,158)	(3,656,485)	(3,721,199)
Operating Expenses	(10,158,112)	(10,574,129)	(10,788,925)	(10,992,672)	(11,188,745)	(11,385,940)	(11,587,454)
Existing Debt Service	(2,301,600)	(2,301,700)	(2,301,400)	(2,301,400)	(2,300,600)	(2,301,100)	(2,301,000)
Subtotal PSP Operating Budget Appropriation	(15,576,295)	(16,264,191)	(16,555,085)	(16,824,263)	(17,082,502)	(17,343,525)	(17,609,653)
Total Use of Resources	(26,041,603)	(22,327,191)	(21,723,085)	(21,992,263)	(22,702,502)	(21,533,525)	(21,799,653)
Year End Fund Balance	6,782,295	5,348,938	5,210,788	5,544,947	5,160,675	5,937,141	6,439,060
Bond Restricted Reserve	(3,447,690)	(3,524,610)	(3,573,192)	(3,618,049)	(3,661,158)	(3,704,623)	(3,748,979)
Year End Available Fund Balance	3,334,605	1,824,329	1,637,596	1,926,899	1,499,518	2,232,518	2,690,081
Available Fund Balance as a % of Next Year's PSP Expenses	21%	11%	10%	11%	9%	13%	17%
Target Balance	4,066,048	4,138,771	4,206,066	4,270,626	4,335,881	4,402,413	3,894,898
Other Assumptions:							
1. These projections are based on the County Executive's FY27 Recommended Budget and include the revenue and resource assumptions for that budget. FY28-32 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. All Urban District Transfers will be eliminated starting in FY27.							
3. Rate increase assumed beginning in FY28.							

Silver Spring PLD							
FY27-32 Public Services Program: Fiscal Plan							
	Estimated	Recommended	Projection	Projection	Projection	Projection	Projection
Silver Spring Parking Lot District	2026	2027	2028	2029	2030	2031	2032
Assumptions							
Indirect Cost Rate	19.98%	13.01%	13.01%	13.01%	13.01%	13.01%	13.01%
CPI (Fiscal Year)	2.18%	2.87%	2.23%	1.80%	1.66%	1.71%	1.73%
Investment Income Yield	4.00%	3.25%	3.00%	3.00%	3.00%	3.00%	3.00%
Beginning Fund Balance	7,574,181	2,935,422	42,560	(2,988,637)	(5,525,566)	(8,830,595)	(10,643,133)
Revenues							
Charges for Services	9,903,466	10,152,000	10,797,000	11,547,000	11,547,000	11,547,000	11,547,000
Parking Fees Base	9,903,466	10,152,000	10,797,000	11,547,000	11,547,000	11,547,000	11,547,000
Fines & Forfeits	4,640,796	4,824,000	4,824,000	4,824,000	4,824,000	4,824,000	4,824,000
Parking Fines	4,640,796	4,824,000	4,824,000	4,824,000	4,824,000	4,824,000	4,824,000
Miscellaneous	770,416	326,030	302,490	302,490	302,490	302,490	302,490
Investment Income	387,120	306,030	282,490	282,490	282,490	282,490	282,490
Miscellaneous Revenues	383,296	20,000	20,000	20,000	20,000	20,000	20,000
Subtotal Revenues	15,314,678	15,302,030	15,923,490	16,673,490	16,673,490	16,673,490	16,673,490
Transfers							
Transfers to/from General Fund	(621,052)	(446,027)	(455,971)	(464,487)	(472,683)	(480,926)	(489,349)
Indirect Costs	(616,052)	(441,027)	(450,971)	(459,487)	(467,683)	(475,926)	(484,349)
General Fund - Other	(5,000)	(5,000)	(5,000)	(5,000)	(5,000)	(5,000)	(5,000)
Transfers to/from Special Funds : Tax Supported	(150,000)	-	-	-	-	-	-
Silver Spring Urban District	(150,000)	-	-	-	-	-	-
Subtotal Transfers	(771,052)	(446,027)	(455,971)	(464,487)	(472,683)	(480,926)	(489,349)
Total Resources	22,117,807	17,791,425	15,510,079	13,220,365	10,675,240	7,361,969	5,541,008
CIP Current Revenue Appropriation Expenditure							
Facilities Planning Parking: Silver Spring PLD	(465,000)	-	(90,000)	(90,000)	(90,000)	(90,000)	(90,000)
Parking Silver Spring Facilities Renovations	(5,174,000)	(3,500,000)	(4,100,000)	(4,100,000)	(4,100,000)	(4,100,000)	(4,100,000)
Silver Spring Parking Security Camera Surveillance System	(1,218,000)	(1,218,000)	(1,218,000)	(1,218,000)	(1,740,000)	-	-
Parking Silver Spring: Public EV Charging Infrastructure	-	(212,000)	-	-	-	-	-
Subtotal CIP Current Revenue Appropriation Expenditure	(6,857,000)	(4,930,000)	(5,408,000)	(5,408,000)	(5,930,000)	(4,190,000)	(4,190,000)
Appropriations/Expenditures							
Operating Budget	(12,325,385)	(12,818,865)	(13,090,716)	(13,337,932)	(13,575,836)	(13,815,102)	(14,059,609)
Personnel Costs	(3,418,204)	(3,389,907)	(3,466,340)	(3,531,801)	(3,594,797)	(3,658,153)	(3,722,897)
Operating Expenses	(8,907,181)	(9,428,958)	(9,624,376)	(9,806,131)	(9,981,039)	(10,156,949)	(10,336,712)
Subtotal PSP Operating Budget Appropriation	(12,325,385)	(12,818,865)	(13,090,716)	(13,337,932)	(13,575,836)	(13,815,102)	(14,059,609)
Total Use of Resources	(19,182,385)	(17,748,865)	(18,498,716)	(18,745,932)	(19,505,836)	(18,005,102)	(18,249,609)
Year End Available Fund Balance	2,935,422	42,560	(2,988,637)	(5,525,566)	(8,830,595)	(10,643,133)	(12,708,601)
Available Fund Balance as a % of Next Year's PSP Expenses	23%	0.3%	-22%	-41%	-64%	-76%	-89%
Target Balance	3,204,716	3,272,679	3,334,483	3,393,959	3,453,776	3,514,902	3,577,111
Other Assumptions:							
1. These projections are based on the County Executive's FY27 Recommended Budget and include the revenue and resource assumptions for that budget. FY28-32 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. Applying the existing parking rate structure, the Parking Lot Districts' projected revenue will fall short of the current projected CIP and Operating Expenses beginning in FY28.							
2. All Urban District Transfers will be eliminated starting in FY27 (including the 3 positions the PLD used to fund).							
3. Rate increase assumed beginning in FY28.							

FY27-32 Public Services Program: Fiscal Plan Wheaton Parking Lot District	Estimate 2026	Recommended 2027	Projection 2028	Projection 2029	Projection 2030	Projection 2031	Projection 2032
Assumptions							
Indirect Cost Rate	19.98%	13.01%	13.01%	13.01%	13.01%	13.01%	13.01%
CPI (Fiscal Year)	2.18%	2.87%	2.23%	1.80%	1.66%	1.71%	1.73%
Investment Income Yield	4.00%	3.25%	3.00%	3.00%	3.00%	3.00%	3.00%
Beginning Fund Balance	3,449,598	3,067,499	3,023,974	2,697,908	2,324,528	2,114,617	2,038,913
Revenues							
Charges for Services	2,134,163	1,987,600	1,987,600	1,987,600	1,987,600	1,987,600	1,987,600
Parking Fees Base	2,134,163	1,987,600	1,987,600	1,987,600	1,987,600	1,987,600	1,987,600
Fines & Forfeits	758,535	751,000	751,000	751,000	751,000	751,000	751,000
Parking Fines	758,535	751,000	751,000	751,000	751,000	751,000	751,000
Miscellaneous	170,910	135,110	124,720	124,720	124,720	124,720	124,720
Investment Income	170,910	135,110	124,720	124,720	124,720	124,720	124,720
Subtotal Revenues	3,063,608	2,873,710	2,863,320	2,863,320	2,863,320	2,863,320	2,863,320
Transfers							
Transfers to/from General Fund	(94,813)	(69,542)	(71,770)	(73,126)	(74,430)	(75,742)	(77,082)
Indirect Costs	(94,813)	(69,542)	(71,770)	(73,126)	(74,430)	(75,742)	(77,082)
Transfers to/from Special Funds : Tax Supported	(225,000)	-	-	-	-	-	-
Wheaton Urban District	(225,000)	-	-	-	-	-	-
Subtotal Transfers	(319,813)	(69,542)	(71,770)	(73,126)	(74,430)	(75,742)	(77,082)
Total Resources	6,193,393	5,871,667	5,815,524	5,488,102	5,113,418	4,902,195	4,825,151
CIP Current Revenue Appropriation Expenditure							
Facilities Planning Parking: Wheaton PLD	(305,000)	(45,000)	(45,000)	(45,000)	(45,000)	(45,000)	(45,000)
Parking Wheaton Facilities Renovations	(499,000)	(325,000)	(450,000)	(450,000)	(250,000)	(250,000)	(250,000)
Wheaton Parking Security Camera Surveillance System	(189,000)	(189,000)	(189,000)	(189,000)	(180,000)	-	-
Subtotal CIP Current Revenue Appropriation Expenditure	(993,000)	(559,000)	(684,000)	(684,000)	(475,000)	(295,000)	(295,000)
Appropriations/Expenditures							
Operating Budget	(2,132,894)	(2,288,693)	(2,433,616)	(2,479,574)	(2,523,801)	(2,568,282)	(2,613,736)
Personnel Costs	(495,879)	(534,524)	(551,656)	(562,074)	(572,099)	(582,182)	(592,486)
Operating Expenses	(1,637,015)	(1,754,170)	(1,881,960)	(1,917,500)	(1,951,702)	(1,986,100)	(2,021,251)
Subtotal PSP Operating Budget Appropriation	(2,132,894)	(2,288,693)	(2,433,616)	(2,479,574)	(2,523,801)	(2,568,282)	(2,613,736)
Total Use of Resources	(3,125,894)	(2,847,693)	(3,117,616)	(3,163,574)	(2,998,801)	(2,863,282)	(2,908,736)
Year End Available Fund Balance	3,067,499	3,023,974	2,697,908	2,324,528	2,114,617	2,038,913	1,916,415
Available Fund Balance as a % of Next Year's PSP Expenses	134%	124%	109%	92%	82%	78%	72%
Target Balance	572,173	608,404	619,893	630,950	642,070	653,434	664,999
Other Assumptions:							
1. These projections are based on the County Executive's FY27 Recommended Budget and include the revenue and resource assumptions for that budget. FY28-32 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. All Urban District Transfers will be eliminated starting in FY27.							
3. A rate increase beginning in FY27 reflects the Wheaton Urban District Advisory Committee's recommendation to reduce paid operational hours by offering free parking after 6 p.m. and on Saturdays. This adjustment is structured to be revenue neutral, offsetting the loss from reduced paid hours.							

FY27- FY32 Solid Waste Refuse Collection: Net Asset Balance and Collection Charge Calculation

	FY26 Estimate	FY27 Recommended	FY28 Projection	FY29 Projection	FY30 Projection	FY31 Projection	FY32 Projection
ASSUMPTIONS							
Indirect Cost Rate	19.98%	13.01%	13.01%	13.01%	13.01%	13.01%	13.01%
CPI (Fiscal Year)	2.18%	2.87%	2.23%	1.80%	1.66%	1.71%	1.73%
Number of Households (mid-FY)	93,819	94,110	94,383	94,656	94,948	95,203	95,440
Charge Per Household	\$ 160.00	\$ 160.00	\$ 160.00	\$ 160.00	\$ 160.00	\$ 160.00	\$ 160.00
Percent Rate Increase (Decrease)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Beginning Cash	4,910,956	6,128,797	6,945,521	8,095,576	8,393,531	8,144,093	7,529,928
Revenues	15,299,690	15,294,520	15,319,980	15,363,660	15,410,380	15,451,180	15,489,100
Loans							
Expenses	(12,945,882)	(13,449,576)	(13,932,263)	(14,819,202)	(15,404,476)	(15,800,715)	(16,206,917)
Transfers	(335,967)	(228,220)	(237,662)	(246,503)	(255,342)	(264,630)	(274,314)
Loan Payoff	(800,000)	(800,000)					
Ending Cash Balance	6,128,797	6,945,521	8,095,576	8,393,531	8,144,093	7,529,928	6,537,797
BEGINNING NET ASSETS	2,054,226	4,072,067	5,688,791	6,838,846	7,136,801	6,887,363	6,273,198
REVENUES							
Charges for Services	15,000,000	15,057,600	15,101,280	15,144,960	15,191,680	15,232,480	15,270,400
Investment Income (per Dept. of Finance)	299,690	236,920	218,700	218,700	218,700	218,700	218,700
Subtotal Revenues	15,299,690	15,294,520	15,319,980	15,363,660	15,410,380	15,451,180	15,489,100
INTERFUND TRANSFERS (Net Non-CIP)	(335,967)	(228,220)	(237,662)	(246,503)	(255,342)	(264,630)	(274,314)
OMB Transfer Change	-	-	-	-	-	-	-
TOTAL RESOURCES	17,017,949	19,138,367	20,771,109	21,956,003	22,291,839	22,073,913	21,487,984
OPERATING BUDGET APPROP/EXPENSES							
Personnel Costs	(1,636,492)	(1,715,757)	(1,788,334)	(1,856,290)	(1,924,230)	(1,995,619)	(2,070,056)
OMB Adjustments - Labor Contract Adjustments			(7,000)	(7,000)	(7,000)	(7,000)	(7,000)
Refuse Collection Contracts	(10,934,753)	(11,331,225)	(11,725,932)	(12,537,980)	(13,048,803)	(13,366,835)	(13,691,584)
Other Operating Costs	(374,637)	(402,594)	(410,998)	(417,932)	(424,443)	(431,262)	(438,278)
Subtotal PSP Oper. Budget Approp / Exp.	(12,945,882)	(13,449,576)	(13,932,263)	(14,819,202)	(15,404,476)	(15,800,715)	(16,206,917)
TOTAL USE OF RESOURCES	(12,945,882)	(13,449,576)	(13,932,263)	(14,819,202)	(15,404,476)	(15,800,715)	(16,206,917)
YEAR END - NET ASSETS*	4,072,067	5,688,791	6,838,846	7,136,801	6,887,363	6,273,198	5,281,067
End-of-Year Net Assets as a % of Resources	23.9%	29.7%	32.9%	32.5%	30.9%	28.4%	24.6%

Notes:

- The refuse collection charge is adjusted annually to fund the approved service program and to maintain an ending net asset balance between 25 percent and 30 percent of resources. Year-end fund balances in FY28-32 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.
- These projections are based on the County Executive's FY27 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.

FY27-32 DIVISION OF RECYCLING AND RESOURCE MANAGEMENT							
FISCAL PROJECTIONS	ESTIMATED FY26	RECOMMENDED FY27	PROJECTION FY28	PROJECTION FY29	PROJECTION FY30	PROJECTION FY31	PROJECTION FY32
Single-Family Charges (\$/Household)	387.72	402.05	429.96	461.68	484.53	502.78	525.38
% change in rate from previous year	24.7%	3.7%	6.9%	7.4%	4.9%	3.8%	4.5%
Multi-Family Charges (\$/Dwelling Unit)	29.76	32.70	46.31	53.25	60.22	68.45	78.48
% change in rate from previous year	55.6%	9.9%	41.6%	15.0%	13.1%	13.7%	14.7%
Nonresidential Charges (medium "category" charge)	1,090.30	1,196.35	1,585.24	1,711.20	1,748.26	1,774.14	1,806.92
% change in rate from previous year	72.7%	9.7%	32.5%	7.9%	2.2%	1.5%	1.8%
OPERATIONS CALCULATION							
REVENUES							
Disposal Fees	36,802,523	37,886,464	37,887,535	37,803,645	37,718,330	37,631,441	37,542,958
Charges for Services/SBC	117,509,517	121,392,416	143,593,709	157,440,005	165,961,468	173,410,598	182,421,028
Miscellaneous	16,050,108	14,951,452	15,067,007	15,178,558	15,290,855	15,404,460	15,519,965
Investment Income	2,803,670	2,216,420	2,045,930	2,045,930	2,045,930	2,045,930	2,045,930
Subtotal Revenues	173,165,818	176,446,752	198,594,182	212,468,138	221,016,582	228,492,429	237,529,881
INTERFUND TRANSFERS	(466,895)	959,291	795,533	705,717	747,180	1,455,215	1,410,558
EXPENDITURES							
Personnel Costs	(15,207,495)	(16,226,629)	(16,913,015)	(17,555,710)	(18,198,249)	(18,873,404)	(19,577,382)
Operating Expenses	(161,382,447)	(165,899,221)	(186,654,368)	(199,049,792)	(204,510,536)	(209,481,591)	(214,505,820)
Capital Outlay	(2,064,295)	(2,531,885)	(1,232,000)	(2,137,383)	(1,414,662)	(2,740,204)	(2,740,205)
Subtotal Expenditures	(178,654,237)	(184,657,735)	(204,799,383)	(218,742,885)	(224,123,446)	(231,095,199)	(236,823,407)
CURRENT RECEIPTS TO CIP	(10,695,595)	(3,990,000)	(2,560,000)	(2,000,000)	(1,500,000)	(1,000,000)	(1,000,000)
POTENTIAL FUTURE EXP. - LABOR CONTRACTS FFI	-	-	(74,000)	(74,000)	(74,000)	(74,000)	(74,000)
PAYOUT OF GUDE REMEDIATION	4,733,485	748,000	-	-	-	-	-
PAYOUT OF CLOSURE COSTS (Non-CIP)	2,506,950	2,638,238	2,710,273	2,763,968	2,815,716	2,869,655	2,913,569
CY ACCRUED CLOSURE COSTS	(64,443)	(73,864)	(61,808)	(52,504)	(49,956)	(52,293)	(53,910)
NET CHANGE	(9,474,916)	(7,929,319)	(5,395,204)	(4,931,566)	(1,167,924)	595,808	3,902,690
CASH POSITION							
ENDING CASH & INVESTMENTS							
Unrestricted Cash	79,455,097	70,402,180	67,435,738	64,292,091	66,004,004	69,457,571	76,111,028
Restricted Cash	45,481,784	50,191,459	53,205,801	56,416,667	57,854,211	59,436,356	61,027,868
Subtotal Cash & Investments	124,936,881	120,593,639	120,641,539	120,708,758	123,858,215	128,893,927	137,138,896
RESERVE & LIABILITY REQUIREMENTS							
Management Reserve	(38,446,986)	(41,280,171)	(44,184,992)	(47,305,483)	(48,658,181)	(50,151,475)	(51,651,558)
Debt Service Reserve	-	-	-	-	-	-	-
Renewal & Replacement Reserve	(4,774,266)	(4,911,288)	(5,020,809)	(5,111,184)	(5,196,030)	(5,284,882)	(5,376,310)
Stability Reserve	(2,260,532)	(4,000,000)	(4,000,000)	(4,000,000)	(4,000,000)	(4,000,000)	(4,000,000)
Subtotal Reserve Requirements	(45,481,784)	(50,191,459)	(53,205,801)	(56,416,667)	(57,854,211)	(59,436,357)	(61,027,868)
Closure/Postclosure Liability	(20,339,814)	(17,775,440)	(15,126,975)	(12,415,511)	(9,649,751)	(6,832,389)	(3,972,730)
Gude Remediation Liability	(748,000)	-	-	-	-	-	-
Subtotal Reserve & Liability Requirements	(66,569,598)	(67,966,899)	(68,332,776)	(68,832,178)	(67,503,962)	(66,268,746)	(65,000,598)
CASH & INVESTMENTS OVER/(UNDER) RESERVE & LIABILITY REQUIREMENTS	58,367,283	52,626,740	52,308,763	51,876,580	56,354,253	62,625,181	72,138,298
Net Assets							
ENDING NET ASSETS	83,769,087	78,392,138	75,646,317	73,898,211	74,687,741	78,728,211	86,101,435
Less: Reserve Requirements	(45,481,784)	(50,191,459)	(53,205,801)	(56,416,667)	(57,854,211)	(59,436,357)	(61,027,868)
NET ASSETS OVER/(UNDER) RESERVE REQUIREMENTS	38,287,303	28,200,679	22,440,516	17,481,544	16,833,530	19,291,854	25,073,567

FY27-32 PUBLIC SERVICES PROGRAM: FISCAL PLAN

Leaf Vacuuming Fund

FISCAL PROJECTIONS	FY26 ESTIMATE	FY27 RECOMMENDED	FY28 PROJECTION	FY29 PROJECTION	FY30 PROJECTION	FY31 PROJECTION	FY32 PROJECTION
ASSUMPTIONS							
Indirect Cost Rate	19.98%	13.01%	13.01%	13.01%	13.01%	13.01%	13.01%
CPI (Fiscal Year)	2.2%	2.9%	2.2%	1.8%	1.7%	1.7%	1.7%
Investment Income Yield	4.0%	3.3%	3.0%	3.0%	3.0%	3.0%	3.0%
Charge per Single-Family Households	\$ 123.67	\$ 123.67	\$ 128.48	\$ 133.43	\$ 138.80	\$ 143.97	\$ 149.54
Charge per Multi-Family Households	\$ 4.61	\$ 4.61	\$ 4.79	\$ 4.97	\$ 5.17	\$ 5.37	\$ 5.57
BEGINNING FUND BALANCE	2,124,880	1,823,273	1,052,177	485,858	496,808	480,128	490,295
REVENUES							
Charges For Services	9,135,078	9,131,619	9,485,254	10,230,989	10,500,823	11,505,387	11,729,430
Miscellaneous	195,030	154,180	142,320	142,320	142,320	142,320	142,320
Subtotal Revenues	9,330,106	9,285,799	9,627,574	10,373,309	10,643,143	11,647,707	11,871,750
INTERFUND TRANSFERS (Net Non-CIP)							
Transfers To The General Fund	(737,421)	(492,412)	(498,095)	(498,095)	(498,095)	(498,095)	(498,095)
Indirect Costs	(737,421)	(492,412)	(498,095)	(498,095)	(498,095)	(498,095)	(498,095)
Transfers To Special Fds: Non-Tax + ISF	(1,985,192)	(1,916,782)	(1,800,603)	(1,751,452)	(1,832,289)	(2,582,572)	(2,582,572)
To Solid Waste Disposal Fund	(1,985,192)	(1,916,782)	(1,800,603)	(1,751,452)	(1,832,289)	(2,582,572)	(2,582,572)
TOTAL RESOURCES	8,732,373	8,699,898	8,383,053	8,611,620	8,811,587	9,049,168	9,283,378
PSP OPER. BUDGET APPROP/ EXP'S.							
Operating Budget	(6,909,100)	(7,647,721)	(7,868,885)	(8,086,502)	(8,303,149)	(8,530,563)	(8,766,729)
Labor Agreement	n/a	0	(28,310)	(28,310)	(28,310)	(28,310)	(28,310)
Subtotal PSP Oper Budget Approp / Exp's	(6,909,100)	(7,647,721)	(7,897,195)	(8,114,812)	(8,331,459)	(8,558,873)	(8,795,039)
TOTAL USE OF RESOURCES	(6,909,100)	(7,647,721)	(7,897,195)	(8,114,812)	(8,331,459)	(8,558,873)	(8,795,039)
YEAR END FUND BALANCE	1,823,273	1,052,177	485,858	496,808	480,128	490,295	488,339
END-OF-YEAR RESERVES AS A							
PERCENT OF RESOURCES	20.9%	12.1%	5.8%	5.8%	5.4%	5.4%	5.3%

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.

FY27-32 PUBLIC SERVICES PROGRAM: FISCAL PLAN

Permitting Services

FISCAL PROJECTIONS	FY26 ESTIMATE	FY27 RECOMMENDED	FY28 PROJECTION	FY29 PROJECTION	FY30 PROJECTION	FY31 PROJECTION	FY32 PROJECTION
ASSUMPTIONS							
Indirect Cost Rate	19.98%	13.01%	13.01%	13.01%	13.01%	13.01%	13.01%
CPI (Fiscal Year)	2.2%	2.9%	2.2%	1.8%	1.7%	1.7%	1.7%
Investment Income Yield	4.0%	3.3%	3.0%	3.0%	3.0%	3.0%	3.0%
BEGINNING FUND BALANCE	36,871,930	22,235,329	12,015,442	22,485,864	23,184,942	23,975,247	24,803,045
REVENUES							
Licenses & Permits	35,926,457	42,429,026	43,375,192	44,155,945	44,888,934	45,666,536	46,446,395
Charges For Services	1,818,274	1,931,028	1,974,089	2,009,623	2,042,983	2,077,918	2,113,866
Fines & Forfeitures	56,510	104,378	106,706	108,627	110,430	112,318	114,261
Miscellaneous	2,207,140	1,744,830	1,610,610	1,610,610	1,610,610	1,610,610	1,610,610
Subtotal Revenues	40,008,381	46,209,262	47,066,597	47,884,805	48,652,957	49,457,382	50,285,132
ESFS Fee Increase			22,000,000	13,200,000	14,300,000	15,400,000	16,500,000
INTERFUND TRANSFERS (Net Non-CIP)							
Transfers To Debt Service Fund	(872,571)	(872,571)	(871,276)	(872,312)	(871,831)	(871,720)	(871,794)
Wheaton Redevelopment	(872,571)	(872,571)	(871,276)	(872,312)	(871,831)	(871,720)	(871,794)
Transfers To The General Fund	(7,815,205)	(5,298,897)	(5,323,235)	(5,323,235)	(5,323,235)	(5,323,235)	(5,323,235)
Indirect Costs	(7,815,205)	(5,298,897)	(5,323,235)	(5,323,235)	(5,323,235)	(5,323,235)	(5,323,235)
TOTAL RESOURCES	68,192,535	62,273,123	74,887,528	77,375,122	79,942,833	82,637,674	85,393,148
PSP OPER. BUDGET APPROP/ EXP'S.							
Operating Budget	(45,957,206)	(50,257,681)	(52,193,015)	(53,981,531)	(55,758,937)	(57,625,980)	(59,570,370)
Labor Agreement	n/a	0	(187,074)	(187,074)	(187,074)	(187,074)	(187,074)
Annualizations and One-Time	n/a	n/a	(21,575)	(21,575)	(21,575)	(21,575)	(21,575)
Subtotal PSP Oper Budget Approp / Exp's	(45,957,206)	(50,257,681)	(52,401,664)	(54,190,180)	(55,967,586)	(57,834,629)	(59,779,019)
TOTAL USE OF RESOURCES	(45,957,206)	(50,257,681)	(52,401,664)	(54,190,180)	(55,967,586)	(57,834,629)	(59,779,019)
YEAR END FUND BALANCE	22,235,329	12,015,442	22,485,864	23,184,942	23,975,247	24,803,045	25,614,129
END-OF-YEAR RESERVES AS A PERCENT OF RESOURCES	32.6%	19.3%	30.0%	30.0%	30.0%	30.0%	30.0%

Assumptions:

1. The projections are based on the County Executive's FY27 Recommended Budget and include CPI, revenue, and resource assumptions in that budget. The projected future revenues and fund balances may vary based on changes to the EFSF, future labor agreements, increases in County administrative expenses, lease and maintenance expenses, and other factors not assumed here.
2. The fund balance policy is 30 percent of total resources.

FY27-32 PUBLIC SERVICES PROGRAM: FISCAL PLAN		Alcohol Beverage Services					
FISCAL PROJECTIONS	FY26 ESTIMATE	FY27 RECOMMENDED	FY28 PROJECTION	FY29 PROJECTION	FY30 PROJECTION	FY31 PROJECTION	FY32 PROJECTION
ASSUMPTIONS							
Indirect Cost Rate	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%
CPI (Fiscal Year)	2.2%	2.9%	2.2%	1.8%	1.7%	1.7%	1.7%
Investment Income Yield	4.0%	3.3%	3.0%	3.0%	3.0%	3.0%	3.0%
BEGINNING FUND BALANCE	5,608,740	5,354,538	5,158,410	5,263,289	5,372,004	5,478,812	5,590,939
REVENUES							
Taxes	6,537	6,325	0	0	0	0	0
Licenses & Permits	1,863,390	1,802,867	1,843,071	1,876,247	1,907,393	1,940,009	1,973,571
Charges For Services	13,970	13,517	13,818	14,067	14,301	14,546	14,798
Fines & Forfeitures	74,470	120,684	123,375	125,596	127,681	129,864	132,111
Miscellaneous	97,359,954	94,205,602	98,870,875	101,042,644	101,042,644	102,396,613	103,736,613
Subtotal Revenues	99,318,321	96,148,995	100,851,139	103,058,554	103,092,019	104,481,032	105,857,093
INTERFUND TRANSFERS (Net Non-CIP)							
Transfers To The General Fund	(19,598,908)	(14,418,145)	(15,150,443)	(15,150,443)	(15,983,024)	(15,150,443)	(16,141,538)
Indirect Costs	(4,963,948)	(5,110,628)	(5,150,443)	(5,150,443)	(5,150,443)	(5,150,443)	(5,150,443)
Earnings Transfer	(14,634,960)	(9,307,517)	(10,000,000)	(10,000,000)	(10,832,581)	(10,000,000)	(10,991,095)
TOTAL RESOURCES	85,328,153	87,085,388	90,859,106	93,171,400	92,480,989	94,809,401	95,306,494
CIP CURRENT REVENUE APPROP. PSP OPER. BUDGET APPROP/ EXP'S.							
Operating Budget	(68,785,225)	(71,419,688)	(73,056,674)	(75,279,985)	(77,489,282)	(80,018,307)	(82,644,402)
Debt Service: Other (Non-Tax Funds only)	(8,666,390)	(10,507,290)	(10,816,040)	(10,821,120)	(7,162,980)	(7,164,230)	(4,471,730)
Labor Agreement	n/a	0	(398,144)	(398,144)	(398,144)	(398,144)	(398,144)
Retail Leases	n/a	n/a	(240,959)	(489,147)	(744,781)	(744,781)	(744,781)
Subtotal PSP Oper Budget Approp / Exp's	(77,451,615)	(81,926,978)	(84,511,817)	(86,988,356)	(85,795,187)	(88,325,462)	(88,259,057)
TOTAL USE OF RESOURCES	(79,973,615)	(81,926,978)	(85,595,817)	(87,799,396)	(87,002,187)	(89,218,462)	(89,599,057)
YEAR END FUND BALANCE	5,354,538	5,158,410	5,263,289	5,372,004	5,478,812	5,590,939	5,707,437
END-OF-YEAR RESERVES AS A PERCENT OF RESOURCES							
	6.3%	5.9%	5.8%	5.8%	5.9%	5.9%	6.0%

Assumptions:

1. These projections are based on the County Executive's FY27 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. Liquor revenue has been declining rapidly due to nationwide trends of lower alcohol consumption.
3. The liquor revenues for FY28-FY32 reflect the amount of revenue that would be required to maintain a \$10 million earnings transfer and the working capital reserve. Maintaining the earnings transfer above \$10 million can be achieved either through increased revenue or reduced expenditures.
4. Fund balance policy equals one month's operating expenses, one payroll, and \$1.5 million for inventory cash balance.

FY27-32 PUBLIC SERVICES PROGRAM: FISCAL PLAN		Risk Management					
FISCAL PROJECTIONS	FY26 ESTIMATE	FY27 RECOMMENDED	FY28 PROJECTION	FY29 PROJECTION	FY30 PROJECTION	FY31 PROJECTION	FY32 PROJECTION
ASSUMPTIONS							
CPI (Fiscal Year)	2.2%	2.9%	2.2%	1.8%	1.7%	1.7%	1.7%
Investment Income Yield	4.0%	3.3%	3.0%	3.0%	3.0%	3.0%	3.0%
BEGINNING FUND BALANCE	46,878,474	34,778,291	24,417,696	15,496,446	8,656,959	4,381,445	3,439,095
REVENUES							
Charges For Services	92,796,252	94,323,702	98,285,298	102,413,281	106,898,294	112,243,208	117,855,368
Miscellaneous	11,526,580	12,894,140	12,894,140	12,894,140	12,894,140	12,894,140	12,894,140
Subtotal Revenues	104,322,832	107,217,842	111,179,438	115,307,421	119,792,434	125,137,348	130,749,508
TOTAL RESOURCES	151,201,306	141,996,133	135,597,134	130,803,867	128,449,393	129,518,793	134,188,603
PSP OPER. BUDGET APPROP/ EXP'S.							
Operating Budget	(116,423,015)	(117,578,437)	(120,058,177)	(122,104,397)	(124,025,437)	(126,037,187)	(128,107,267)
Labor Agreement	n/a	0	(42,511)	(42,511)	(42,511)	(42,511)	(42,511)
Subtotal PSP Oper Budget Approp / Exp's	(116,423,015)	(117,578,437)	(120,100,688)	(122,146,908)	(124,067,948)	(126,079,698)	(128,149,778)
TOTAL USE OF RESOURCES	(116,423,015)	(117,578,437)	(120,100,688)	(122,146,908)	(124,067,948)	(126,079,698)	(128,149,778)
YEAR END FUND BALANCE	34,778,291	24,417,696	15,496,446	8,656,959	4,381,445	3,439,095	6,038,825
END-OF-YEAR RESERVES AS A PERCENT OF RESOURCES							
	23.0%	17.2%	11.4%	6.6%	3.4%	2.7%	4.5%

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 FY27, 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. These projections are based on the County Executive's FY27 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.

FY27-32 PUBLIC SERVICES PROGRAM: FISCAL PLAN		Print and Mail					
FISCAL PROJECTIONS	FY26 ESTIMATE	FY27 RECOMMENDED	FY28 PROJECTION	FY29 PROJECTION	FY30 PROJECTION	FY31 PROJECTION	FY32 PROJECTION
ASSUMPTIONS							
CPI (Fiscal Year)	2.2%	2.9%	2.2%	1.8%	1.7%	1.7%	1.7%
Investment Income Yield	4.0%	3.3%	3.0%	3.0%	3.0%	3.0%	3.0%
Rate Adjustment	0.0%	0.0%	-1.9%	-2.7%	1.9%	2.7%	2.8%
BEGINNING FUND BALANCE	(115,150)	(116,819)	(287,325)	417,121	437,532	404,849	390,191
REVENUES							
Charges For Services	10,926,450	11,814,817	11,590,336	11,277,397	11,491,668	11,801,943	12,132,398
Miscellaneous	(1,860)	(1,470)	(1,360)	(1,360)	(1,360)	(1,360)	(1,360)
Subtotal Revenues	10,924,590	11,813,347	11,588,976	11,276,037	11,490,308	11,800,583	12,131,038
TOTAL RESOURCES	10,809,440	11,696,528	11,301,651	11,693,158	11,927,840	12,205,432	12,521,229
PSP OPER. BUDGET APPROP/ EXP'S.							
Operating Budget	(10,926,259)	(11,983,853)	(12,336,519)	(12,707,615)	(12,974,980)	(13,267,230)	(13,596,106)
Labor Agreement	n/a	0	(12,646)	(12,646)	(12,646)	(12,646)	(12,646)
Annualizations and One-Time	n/a	n/a	1,464,635	1,464,635	1,464,635	1,464,635	1,464,635
Subtotal PSP Oper Budget Approp / Exp's	(10,926,259)	(11,983,853)	(10,884,530)	(11,255,626)	(11,522,991)	(11,815,241)	(12,144,117)
TOTAL USE OF RESOURCES	(10,926,259)	(11,983,853)	(10,884,530)	(11,255,626)	(11,522,991)	(11,815,241)	(12,144,117)
YEAR END FUND BALANCE	(116,819)	(287,325)	417,121	437,532	404,849	390,191	377,112
END-OF-YEAR RESERVES AS A PERCENT OF RESOURCES	-1.1%	-2.5%	3.7%	3.7%	3.4%	3.2%	3.0%

Assumptions:

- 1.The FY26 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 County Executive's FY27 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.

FY27-32 FISCAL PROJECTION		Employee Health Benefits Self Insurance Fund					
	Estimate - FY26	Recommended - FY27	Projection - FY28	Projection - FY29	Projection - FY30	Projection - FY31	Projection - FY32
BEGINNING BALANCE	(11,761,308)	10,802,021	30,500,406	24,084,540	25,995,957	28,075,655	30,339,733
REVENUES							
Premium Contributions	364,565,750	387,325,362	415,774,500	449,663,972	486,328,542	526,274,256	569,817,750
Premium Contributions: Retiree Insurance NDA	63,040,815	47,693,956	59,819,049	72,485,199	77,582,880	83,103,103	89,085,838
Investment Income	(436,620)	(345,170)	(318,620)	(318,620)	(318,620)	(318,620)	(318,620)
OPEB Trust Utilization	13,538,000	34,494,000	-	-	-	-	-
TOTAL REVENUES	440,707,945	469,168,148	475,274,929	521,830,551	563,592,802	609,058,740	658,584,969
FUND TRANSFER FROM THE GENERAL FUND							
TOTAL FUNDS AVAILABLE	428,946,637	479,970,169	505,775,335	545,915,090	589,588,758	637,134,395	688,924,702
EXPENDITURES							
Claims, Premiums, & Carrier Administration	411,696,602	442,429,107	474,298,106	512,156,810	553,362,664	598,236,701	647,132,904
Actives	264,334,845	283,018,720	302,379,654	327,460,526	354,861,954	384,819,337	417,593,656
Retirees	147,361,757	159,410,387	171,918,452	184,696,285	198,500,710	213,417,364	229,539,248
In-house expenses	6,448,015	7,040,656	7,392,689	7,762,323	8,150,439	8,557,961	8,985,859
TOTAL EXPENDITURES	418,144,617	449,469,763	481,690,795	519,919,133	561,513,103	606,794,662	656,118,764
ENDING BALANCE	10,802,021	30,500,406	24,084,540	25,995,957	28,075,655	30,339,733	32,805,938
TARGET FUND BALANCE (5% OF EXPENDITURES)	20,907,230	22,473,490	24,084,540	25,995,960	28,075,660	30,339,730	32,805,940
ENDING BALANCE AS % OF EXPENDITURES	2.6%	6.8%	5.0%	5.0%	5.0%	5.0%	5.0%

FY27-32 PUBLIC SERVICES PROGRAM: FISCAL PLAN		Motor Pool					
FISCAL PROJECTIONS	FY26 ESTIMATE	FY27 RECOMMENDED	FY28 PROJECTION	FY29 PROJECTION	FY30 PROJECTION	FY31 PROJECTION	FY32 PROJECTION
ASSUMPTIONS							
CPI (Fiscal Year)	2.2%	2.9%	2.2%	1.8%	1.7%	1.7%	1.7%
Investment Income Yield	4.0%	3.3%	3.0%	3.0%	3.0%	3.0%	3.0%
Rate Adjustment	0.0%	0.0%	5.3%	2.5%	0.5%	2.3%	1.3%
BEGINNING FUND BALANCE	8,532,365	7,967,133	659,336	347,784	758,693	676,962	693,102
REVENUES							
Charges For Services	102,718,817	109,245,060	115,035,048	117,910,924	118,500,479	121,225,990	122,801,928
Intergovernmental	1,797,000	0	0	0	0	0	0
Miscellaneous	2,696,923	746,930	0	0	0	0	0
Subtotal Revenues	107,212,540	109,991,990	115,035,048	117,910,924	118,500,479	121,225,990	122,801,928
INTERFUND TRANSFERS (Net Non-CIP)							
Transfers To Debt Service Fund	(325,650)	(328,375)	(325,475)	(326,950)	(327,675)	(322,775)	0
Long Term Leases	(325,650)	(328,375)	(325,475)	(326,950)	(327,675)	(322,775)	0
TOTAL RESOURCES	115,419,255	117,630,748	115,368,909	117,931,758	118,931,497	121,580,177	123,495,030
CIP CURRENT REVENUE APPROP. PSP OPER. BUDGET APPROP/ EXP'S.							
Operating Budget	(103,591,122)	(114,471,412)	(114,887,412)	(117,019,352)	(118,100,822)	(120,733,382)	(122,898,742)
Labor Agreement	n/a	0	(153,713)	(153,713)	(153,713)	(153,713)	(153,713)
Subtotal PSP Oper Budget Approp / Exp's	(103,591,122)	(114,471,412)	(115,021,125)	(117,173,065)	(118,254,535)	(120,887,075)	(122,852,455)
TOTAL USE OF RESOURCES	(107,452,122)	(116,971,412)	(115,021,125)	(117,173,065)	(118,254,535)	(120,887,075)	(122,852,455)
YEAR END FUND BALANCE	7,967,133	659,336	347,784	758,693	676,962	693,102	642,575
END-OF-YEAR RESERVES AS A PERCENT OF RESOURCES							
	6.9%	0.6%	0.3%	0.6%	0.6%	0.6%	0.5%

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.

FY27-32 PUBLIC SERVICES PROGRAM: FISCAL PLAN		Recreation Non-Tax Supported					
FISCAL PROJECTIONS	FY26 ESTIMATE	FY27 RECOMMENDED	FY28 PROJECTION	FY29 PROJECTION	FY30 PROJECTION	FY31 PROJECTION	FY32 PROJECTION
ASSUMPTIONS							
CPI (Fiscal Year)	2.2%	2.9%	2.2%	1.8%	1.7%	1.7%	1.7%
Investment Income Yield	4.0%	3.3%	3.0%	3.0%	3.0%	3.0%	3.0%
BEGINNING FUND BALANCE	1,040,432	549,240	232,893	55,027	18,123	52,879	198,631
REVENUES							
Charges For Services	8,947,131	8,947,131	9,146,652	9,311,292	9,465,859	9,627,725	9,794,285
Miscellaneous	75,870	59,980	55,370	55,370	55,370	55,370	55,370
Subtotal Revenues	9,023,001	9,007,111	9,202,022	9,366,662	9,521,229	9,683,095	9,849,655
INTERFUND TRANSFERS (Net Non-CIP)							
Transfers To Special Fds: Tax Supported	(3,700,000)	(3,700,000)	(3,700,000)	(3,700,000)	(3,700,000)	(3,700,000)	(3,700,000)
To Recreation Tax-Supported	(3,700,000)	(3,700,000)	(3,700,000)	(3,700,000)	(3,700,000)	(3,700,000)	(3,700,000)
TOTAL RESOURCES	6,363,433	5,856,351	5,734,915	5,721,689	5,839,352	6,035,974	6,348,286
PSP OPER. BUDGET APPROP/ EXP'S.							
Operating Budget	(5,814,193)	(5,623,458)	(5,679,888)	(5,703,566)	(5,786,473)	(5,837,343)	(5,996,180)
Subtotal PSP Oper Budget Approp / Exp's	(5,814,193)	(5,623,458)	(5,679,888)	(5,703,566)	(5,786,473)	(5,837,343)	(5,996,180)
TOTAL USE OF RESOURCES	(5,814,193)	(5,623,458)	(5,679,888)	(5,703,566)	(5,786,473)	(5,837,343)	(5,996,180)
YEAR END FUND BALANCE	549,240	232,893	55,027	18,123	52,879	198,631	352,106
END-OF-YEAR RESERVES AS A PERCENT OF RESOURCES							
	8.6%	4.0%	1.0%	0.3%	0.9%	3.3%	5.5%

Assumptions:

1. These projections are based on the County Executive's FY27 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.

FY27-32 PUBLIC SERVICES PROGRAM: FISCAL PLAN

Inmate Advisory Council Fund

FISCAL PROJECTIONS	FY26 ESTIMATE	FY27 RECOMMENDED	FY28 PROJECTION	FY29 PROJECTION	FY30 PROJECTION	FY31 PROJECTION	FY32 PROJECTION
ASSUMPTIONS							
CPI (Fiscal Year)	2.2%	2.9%	2.2%	1.8%	1.7%	1.7%	1.7%
Investment Income Yield	4.0%	3.3%	3.0%	3.0%	3.0%	3.0%	3.0%
BEGINNING FUND BALANCE	990,179	862,678	605,953	546,678	476,363	395,678	304,143
REVENUES							
Miscellaneous	297,195	557,275	554,105	554,105	554,105	554,105	554,105
Subtotal Revenues	297,195	557,275	554,105	554,105	554,105	554,105	554,105
TOTAL RESOURCES	1,287,374	1,419,953	1,160,058	1,100,783	1,030,468	949,783	858,248
PSP OPER. BUDGET APPROP/ EXP'S.							
Operating Budget	(424,696)	(814,000)	(613,380)	(624,420)	(634,790)	(645,640)	(656,810)
Subtotal PSP Oper Budget Approp / Exp's	(424,696)	(814,000)	(613,380)	(624,420)	(634,790)	(645,640)	(656,810)
TOTAL USE OF RESOURCES	(424,696)	(814,000)	(613,380)	(624,420)	(634,790)	(645,640)	(656,810)
YEAR END FUND BALANCE	862,678	605,953	546,678	476,363	395,678	304,143	201,438
END-OF-YEAR RESERVES AS A							
PERCENT OF RESOURCES	67.0%	42.7%	47.1%	43.3%	38.4%	32.0%	23.5%

Assumptions:

1. The Inmate Advisory Council Fund was established by supplemental appropriation in FY21.
2. These projections are based on the County Executive's FY27 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

FY27-32 PUBLIC SERVICES PROGRAM: FISCAL PLAN		M-NCPPC Enterprise Fund					
FISCAL PROJECTIONS	FY26 ESTIMATE	FY27 RECOMMENDED	FY28 PROJECTION	FY29 PROJECTION	FY30 PROJECTION	FY31 PROJECTION	FY32 PROJECTION
ASSUMPTIONS							
CPI (Fiscal Year)	2.2%	2.9%	2.2%	1.8%	1.7%	1.7%	1.7%
Investment Income Yield	4.0%	3.3%	3.0%	3.0%	3.0%	3.0%	3.0%
BEGINNING FUND BALANCE	18,559,214	19,427,464	20,533,013	17,311,352	14,684,422	15,152,547	16,115,498
REVENUES							
Charges For Services	12,953,175	12,823,536	13,109,500	13,345,471	13,567,006	13,799,002	14,037,724
Miscellaneous	1,394,686	1,391,784	1,270,960	1,270,960	1,270,960	1,270,960	1,270,960
Subtotal Revenues	14,347,861	14,215,320	14,380,460	14,616,431	14,837,966	15,069,962	15,308,684
TOTAL RESOURCES	32,907,075	33,642,784	34,913,473	31,927,783	29,522,388	30,222,509	31,424,182
CIP CURRENT REVENUE APPROP.	(1,250,000)	0	(4,200,000)	(3,600,000)	(500,000)	0	0
PSP OPER. BUDGET APPROP/ EXP'S.							
Operating Budget	(12,229,611)	(13,109,771)	(13,402,121)	(13,643,361)	(13,869,841)	(14,107,011)	(14,351,061)
Subtotal PSP Oper Budget Approp / Exp's	(12,229,611)	(13,109,771)	(13,402,121)	(13,643,361)	(13,869,841)	(14,107,011)	(14,351,061)
TOTAL USE OF RESOURCES	(13,479,611)	(13,109,771)	(17,602,121)	(17,243,361)	(14,369,841)	(14,107,011)	(14,351,061)
YEAR END FUND BALANCE	19,427,464	20,533,013	17,311,352	14,684,422	15,152,547	16,115,498	17,073,121
END-OF-YEAR RESERVES AS A PERCENT OF RESOURCES	59.0%	61.0%	49.6%	46.0%	51.3%	53.3%	54.3%
<p>Assumptions:</p> <p>1. All labor and operations costs are shown as operating costs since M-NCPPC is not a component unit of Montgomery County Government.</p> <p>2. These projections are based on the County Executive's FY27 Recommended Budget and include the assumptions of that budget. Future revenues, expenditures, or fund balance may change based on factors not assumed here.</p>							

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Washington Suburban Sanitary Commission

WSSC WATER PROPOSED BUDGET: SIX-YEAR FORECAST FOR WATER & SEWER OPERATING FUNDS (\$ IN THOUSANDS)

FISCAL PROJECTIONS	FY26 APPROVED	FY27 RECOMMENDED	FY28 PROJECTION	FY29 PROJECTION	FY30 PROJECTION	FY31 PROJECTION	FY32 PROJECTION
SPENDING AFFORDABILITY RESULTS							
New Water and Sewer Debt	\$494,441	\$491,102	\$610,388	\$647,047	\$604,514	\$556,242	\$527,538
Total Water and Sewer Operating Expenses	\$1,130,502	\$1,193,998	\$1,273,886	\$1,366,932	\$1,443,553	\$1,523,376	\$1,591,492
Debt Service	\$373,801	\$388,446	\$426,597	\$465,303	\$500,309	\$528,190	\$547,521
Average Water and Sewer Rate Increase	9.5%	5.0%	8.2%	7.5%	6.3%	5.8%	4.7%
BEGINNING FUND BALANCE	\$395,379	\$397,941	\$392,441	\$392,441	\$392,441	\$392,441	\$392,441
REVENUES							
Water and Sewer Rate Revenue	\$892,540	\$937,167	\$1,019,697	\$1,096,175	\$1,165,234	\$1,232,817	\$1,290,459
Interest Income	\$14,000	\$18,907	\$8,000	\$8,000	\$8,000	\$8,000	\$8,000
Account Maintenance Fee	\$69,493	\$72,124	\$78,039	\$83,892	\$89,178	\$94,349	\$98,760
Infrastructure Investment Fee	\$85,782	\$88,904	\$96,194	\$103,408	\$109,923	\$116,298	\$121,735
Miscellaneous	\$80,227	\$60,666	\$61,253	\$62,657	\$63,365	\$64,060	\$64,840
Plumbing and Inspection Fees	\$22,610	\$23,289	\$23,989	\$24,708	\$25,450	\$26,213	\$27,000
Rockville Sewer Use	\$4,500	\$4,650	\$4,700	\$4,750	\$4,800	\$4,800	\$4,800
Grants Revenue	\$3,171	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500
Miscellaneous	\$27,800	\$29,730	\$30,047	\$30,366	\$30,687	\$31,014	\$31,345
Uncollectable	-\$4,961	-\$5,491	-\$5,970	-\$6,417	-\$6,822	-\$7,217	-\$7,555
Renewable/Natural Gas Sales	\$7,107	\$5,988	\$5,987	\$6,750	\$6,750	\$6,750	\$6,750
Total Revenues	\$1,122,042	\$1,177,768	\$1,263,183	\$1,354,132	\$1,435,698	\$1,515,524	\$1,583,794
Cost Sharing Reimbursement			\$2,982	\$5,090	\$145	\$145	\$0
SDC Debt Service Offset	\$5,772	\$5,748	\$5,723	\$5,710	\$5,710	\$5,707	\$5,698
Use of/Transfer to Fund Balance		\$5,500					
Underwriters Discount Transfer	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000
TOTAL FUNDS AVAILABLE	\$1,130,502	\$1,193,998	\$1,273,886	\$1,366,932	\$1,443,553	\$1,523,376	\$1,591,492
EXPENDITURES							
Salaries and Wages	\$199,283	\$212,477	\$222,038	\$232,030	\$242,472	\$253,383	\$264,785
Heat, Light, and Power	\$29,200	\$31,866	\$32,826	\$33,815	\$36,682	\$37,966	\$39,294
Regional Sewage Disposal	\$83,861	\$89,667	\$93,253	\$96,984	\$100,863	\$104,898	\$109,094
Debt Service	\$373,801	\$388,446	\$426,597	\$465,303	\$500,309	\$528,190	\$547,521
PAYGO	\$93,000	\$100,000	\$114,336	\$136,205	\$151,944	\$158,014	\$170,745
All Other	\$351,557	\$371,542	\$384,836	\$402,595	\$411,283	\$442,825	\$460,053
TOTAL USE OF RESOURCES	\$1,130,502	\$1,193,998	\$1,273,886	\$1,366,932	\$1,443,553	\$1,523,376	\$1,591,492
REVENUE/EXPENDITURE SURPLUS/(GAP)	\$0	\$0	\$0	\$0	\$0	\$0	\$0
YEAR END FUND BALANCE w/o additional reserve contribution	\$395,379	\$392,441	\$392,441	\$392,441	\$392,441	\$392,441	\$392,441
Additional Reserve Contribution	\$2,562						
TOTAL YEAR END FUND BALANCE	\$397,941	\$392,441	\$392,441	\$392,441	\$392,441	\$392,441	\$392,441
Debt Service as a Percent of Water and Sewer Operating Budget	33.1%	32.5%	33.5%	34.0%	34.7%	34.7%	34.4%
Total End of Fiscal Year Operating Reserve	\$397,941	\$392,441	\$392,441	\$392,441	\$392,441	\$392,441	\$392,441
End of Fiscal Year Fund Balance as Percent of Operating Revenue	35.5%	33.3%	31.1%	29.0%	27.3%	25.9%	24.8%
Total Workyears (all funds)	2,040	2,040	2,040	2,040	2,040	2,040	2,040

Assumptions:

- The CE recommended operating budget is for FY27 only and incorporates the CE's revenue and expenditure assumptions for that budget.
- The FY28-32 projections reflect WSSC Water's multi-year forecast and assumptions. 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 FY27 Recommended water and sewer operating budget for WSSC Water.
- The FY27 estimated spending affordability results are the values for the four spending affordability parameters implied by the FY27 budget approved by Montgomery and Prince George's Counties. While Montgomery approved a 6.0% average rate increase and Prince George's County approved a 5.0% increase, ultimately WSSC Water proposed a 5.0% increase, in the middle of Montgomery and Prince George's Counties. The FY27 proposed spending affordability results are the values of the spending affordability parameters associated with WSSC Water's proposed FY27 budget. The FY27 recommended spending affordability results are the spending affordability parameters associated with the County Executive's recommended WSSC Water budget for FY27. The FY28-32 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.
- The total FY27 estimated workyears shown correspond to the actual workyears as of December 2025.
- Estimates of revenue in FY28-32 assume the rate increases projected by WSSC Water in the Average Water and Sewer Rate Increase line.
- Totals in this chart and WSSC Water's FY27 Proposed Long-Range Fiscal Plan for Water and Sewer Operating Funds may not match due to rounding.

Source: WSSC Water FY27 Proposed Budget Long-Range Financial Plan for Water and Sewer Operating Funds

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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

Aging and Disability Services

- ★ Strengthens aging and disability services, including enhancing supplement programs for developmental disability service providers (\$559,000) and Adult Medical Day Care providers (\$62,000), and addressing rising costs of Senior Nutrition Program meals (\$143,000).

Agriculture

- ★ Developing a comprehensive plan to establish a Farm Incubator program at the Agricultural History Farm Park. This initiative is designed to create meaningful opportunities for beginning farmers, including those from historically underserved communities. The Farm Incubator program will provide access to land, shared equipment, mentorship, hands-on training, and other essential resources to support the successful launch and growth of new farm enterprises.
- ★ Developing an outreach strategy to personally engage with farmers of color ahead of the next USDA Agricultural Census in 2027. The office will support and assist under served communities to ensure their representation in the upcoming census.

Alcohol Beverage Services

- ★ Create a customer service training program for retail store employees in collaboration with Montgomery College as a way to improve the retail customer service experience and increase customer satisfaction.
- ★ Recognize and award licensed establishments that pass compliance checks to prevent under-21 alcohol consumption.
- ★ Upgrade the current conveyor system to enhance operational efficiencies, including increased productivity and reduced product breakage. This upgrade will also contribute to lowering employee injuries and minimizing overtime, creating a safer and more efficient work environment.

Animal Services

- ★ Expand access to affordable veterinary care by establishing or strengthening partnerships with local veterinary clinics and nonprofit organizations.
- ★ Support pet retention and intake diversion by developing, promoting, and expanding pet food assistance programs and temporary housing solutions for families in crisis.
- ★ Deliver culturally responsive educational programs and workshops that meet the diverse needs of our community's pet owners.

Circuit Court

- ★ The Circuit Court is advancing its strategic initiatives by promoting accountability and public trust; improving access to justice; fostering a healthy, diverse, and productive workforce; encouraging a service-oriented approach to court operations; and using technology effectively and responsibly.

Community Engagement Cluster

- ★ The Office of Community Partnerships maintains communication with marginalized communities via community conversations, town halls, email blasts sharing resources, and community advisory groups. These efforts create trusted access to county resources and elevate community input, evidenced by the community's turnout at the FY26 African American Community Conversation. Building on this trust, the department connects residents to economic opportunities, civic resources, and culturally responsive programs through initiatives like small business workshops, voter events, historic preservation, and regional partnerships.
- ★ The Regional Services Offices support business clusters and corridors through the Place-Based Management program, enhancing commercial centers with marketing, maintenance, and community engagement events.
- ★ The Regional Services Offices aid development and business investment by researching commercial real estate and tenant data for the County Executive's Office and local businesses.
- ★ The Gilchrist Immigrant Resource Center will improve its referral system by cataloging more organizations and resources for better support services in Montgomery County.

Community Use of Public Facilities

- ★ Adjust FY27 fee structure to meet the rising operational costs and to ensure continued quality of services. The FY27 fee increase allows CUPF to achieve long-term solvency and make improvements that support more effective administration and operations.
- ★ Montgomery County Public Libraries, the Circuit Court, the Leggett Executive Office Building, and the Council Office Building are available for free facility use, ensuring that residents across the Montgomery County have equitable access to public spaces.

Correction and Rehabilitation

- ★ Create a Canine Unit to enhance institutional safety; deter the introduction of contraband; and support facility operations through targeted search, detection, and security functions.
- ★ Continue to increase custody and security related technology to reduce the introduction of drugs and contraband within all correctional facilities. DOCR will purchase and implement X-ray bag scanners at the Montgomery County Correctional Facility (MCCF) loading dock area and the visiting area at the Montgomery County Detention Center. Additionally, MCCF will redeploy an additional daytime Correctional Officer post in the warehouse area to improve the scanning of incoming jail deliveries.
- ★ Continue to incrementally install no-flush toilet systems that prevent inmates from flooding jail cells and disposing of trash and contraband down the toilet. This technology improves facility security by allowing facilities to control all plumbing fixtures which makes contraband searches and inmate extractions safer and easier.
- ★ Completed an audit by the National Commission on Correctional Health Care (NCCHC) and will seek full re-accreditation in 2026. NCCHC is the largest provider of correctional health care-specific services, resources, and education. Accreditation with NCCHC will

improve patient safety and outcomes and reduce liability for one of the most litigated areas of a correctional operation.

- ★ Continue expanding Reentry Tablet Program for detention services. The tablet program improves racial equity by providing educational resources; reduces staff assaults and use of force; improves access to education resources/programming, tutoring, and test assessment; and increases family engagement.
- ★ Begin a no cost recidivism study with Maryland Statistical Analysis Center. This recidivism study will analyze the existing population to better understand recidivism crime trends with funding from the Governor's Office of Crime and Prevention.
- ★ Reinstate Quarterly Award Program to reinforce the department's commitment to a culture of excellence, innovation, and daily accountability. The program recognizes and values employees' contributions, boosts morale, and supports motivation, job satisfaction, and retention. In addition, DOCR is establishing an employee support unit focused on promoting wellness, stress management, and mental health well-being.

County Attorney

- ★ Upgrade OCA's online legal research tool with AI capabilities to expedite research while ensuring accuracy.
- ★ Complete migration of OCA's document bank to an AI-enabled work management system, Microsoft Azure AI, with the ability to track and monitor work assignments as well as to generate reports.

County Executive

- ★ The Internal Audit Program initiated two additional audits in FY26 (with report publication expected in early FY27): Capital Assets, and Information Technology Patch Management and Threat Detection.
- ★ Expanding executive and transformational coaching for high impact leaders within Montgomery County government.

Emergency Management and Homeland Security

- ★ Provide funding to maintain Alert Montgomery, the County's essential public alert system, ensuring residents receive timely and reliable emergency notifications while strengthening public safety and community resilience.

Ethics Commission

- ★ In partnership with TEBS, update the electronic systems associated with the County's ethics programs of financial disclosure, outside employment, and lobbying registration and reporting.

Finance

- ★ Transition point of sales and online payment systems from the current vendor to JPMorgan Chase Merchant Services and Digital Bill Pay.
- ★ Upgrade the property tax billing system to the vendor's new software as a service.
- ★ Launch an improved driver's license program to ensure compliance with County policies.

Fire and Rescue Service

- ★ Continue to assess MCFRS services through the lens of social vulnerability and resilience to determine service adjustments.

Fleet Management Services

- ★ Expand the County's electric vehicle charging infrastructure through continued collaboration between the Office of Energy and Sustainability and Fleet Management Services, supporting ongoing growth of the zero emission fleet. To date, 206 electric vehicles have

been added, with 24 new charging stations scheduled for installation in FY26 and another 33 stations in design to meet future charging needs across County facilities.

- ★ Strengthen the County's skilled trades pipeline by leveraging a grant to support mentor training, implement trainer programs, and develop enhanced curricula for the fleet mechanic apprenticeship program. DGS has sought funding through the Public Sector Apprenticeship Innovation Fund to expand its current two-year mechanic apprenticeship into a formal four-year Registered Apprenticeship Program, in partnership with the DGS Division of Facilities Management, to provide structured training, mentorship, and curriculum development across four trades: heavy-duty mechanics, electricians, HVAC/R, and plumbing.

Food Systems Resilience

- ★ Continue to build and refine the County's long-term framework for strategic investment in food security programs by reinforcing the solid foundation of existing food security resources, implementing new initiatives to close service gaps, aligning investments with values of equity and resilience, and better leveraging Federal and State funds.
- ★ Support the stability and efficiency of the local network of community food assistance providers through specialized access to shelf-stable and fresh food for distribution to food insecure residents in a grant-centered approach.
- ★ Strengthen the framework of programming that invests in diversified strategies to embed food assistance services throughout the community in partnership with nonprofit organizations and educational and healthcare institutions.
- ★ Expand investment in strategies that connect local farmers and food businesses with economic opportunities and institutional partnerships, such as the Local Food Aggregation Grant Program, which incentivize local food purchases through OFSR grant programs and contract partnerships.
- ★ Center food sovereignty through a variety of strategies that address persistent inequities and disparities in food access, including opportunities for residents to directly engage with our local food system. MCGroceries, Maryland Market Money, local grocer partnerships, and the Nutrition Benefits Outreach Grants maximize nutrition benefits and food retail access for Montgomery County families while reducing time and transportation barriers.
- ★ Sharpen data collection and evaluation strategies to monitor OFSR program reach to Montgomery County residents and to focus investment in communities identified through the equity priority index, including through geographical analysis and mapping, extensive and intentional reporting requirements for OFSR grantees and contractors, and resident feedback loops that engage community perspectives in OFSR program development.
- ★ Lead and engage with statewide, regional, and national partners to share best practices, maximize external resources, and implement collaborative strategies for policymaking. OFSR's quarterly Interagency Food System convenes local government partners to build resilience and establish strategic partnerships, leverage non-County funds and resources, and introduce innovative programs and policies to benefit the regional food system.

General Services

- ★ Develop and implement a skilled-trades apprenticeship program in electrical, plumbing, and heating, ventilation and air conditioning (HVAC) to address workforce shortages, strengthen in-house capabilities, and build a sustainable talent pipeline.
- ★ Implement countywide electric vehicle charging stations across fleet and public facilities, launch building-level energy awareness campaigns, expand Building Automation Systems (BAS) modernization, review the request for proposal for demand response participation and modernize energy procurement, continue utility bill auditing; secure \$1,200,000 in new incentives to perform energy savings projects, and support the Maryland Energy Administration Block Grant.
- ★ In support of delivering resilient and clean-energy facilities that strengthen community services, lower carbon emissions, and ensure critical community support remains available during major grid outages, the department will complete solar microgrid upgrades at the Public Safety Communications Center and Equipment Maintenance and Transit Operation Center Phase I, construct the zero-net-energy microgrid at Holiday Park Senior Center, and launch microgrid projects at over twenty designated Resiliency Hub facilities.

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- ★ Advance the design of the nation's largest renewable-powered, zero-emission fleet and transit depot, expand the County's zero-emission vehicle fleet, and achieve operational cost savings through innovative procurement strategies in support of zero-emission fleet expansion.

Health and Human Services

- ★ Expands support for the County's Services to End and Prevent Homelessness by providing almost \$1.17 million to address an adult shelter budget gap due to increased emergency shelter operational costs and one-time funding that was not sustained. Provides almost \$439,000 in funding to fill an outreach budget gap and to expand outreach services to help unhoused individuals successfully seek support and become stably housed. In addition, provides one-time funding of more than \$1.96 million for overflow emergency shelter support for families at a reduced level of motel room usage due to \$2 million in one-time funding added to the Short-term Housing and Resolution Program (SHARP).
- ★ Provides \$2.5 million in additional funding to continue development work on Phase IV of the Community Connect Portal.
- ★ Expands support for the County's Health Care for the Uninsured Program, including increasing the reimbursement rate to 52% of the cost of care (\$1.56 million), providing dental equipment and supplies in Montgomery County Public Schools (\$50,000), supporting Montgomery Cares endodontic services (\$19,000), expanding the East County dental services pilot (\$15,000), and expanding Care for Kids specialty dental services (\$9,000).
- ★ Provides more than \$2.56 million in ongoing funding to continue services in Children, Youth, and Family Services originally funded with Lighthouse. In addition, provides almost \$4.6 million in funding to continue the Lighthouse initiative as a three-year grant program.
- ★ Provides more than \$800,000 that will convert unfunded long-term contractors with merit staff in the Office of Eligibility and Support Services to support increased activities related to Medicaid eligibility.
- ★ Supports innovations in Behavioral Health and Crisis Services, including opening the Diversion Center Behavioral Health Crisis Stabilization Center (BHCSC) after capital renovations are completed (\$3.1 million with partial revenue offset) and deploying a new Mobile Crisis and Outreach Team with existing staff.
- ★ Ensures safe and responsibly managed clinical settings, including the anticipated delegation of authority for the County to perform nursing home inspections beginning in FY27 (\$399,000), improving nurse manager staffing ratios in school health settings (\$340,000), and bolstering the ability to recruit and retain skilled contractual dentists (\$197,000). Maintains compliance with State requirements, including enhancing tobacco retail enforcement capacity (\$78,000) and replacing dental program equipment (\$75,000).
- ★ Provides \$160,000 in funding for two contractors to provide Montgomery County Public School (MCPS) protective service clearances.
- ★ Adds funding for Aging and Disability Services, including enhancing supplement programs for developmental disability service providers (\$559,000) and adult medical day care providers (\$62,000) and addressing rising costs of Senior Nutrition Program meals (\$143,000).
- ★ Replaces funding for services previously funded by grants that have been reduced or eliminated, including funding for HIV services (\$362,000), maternal and child health services (\$202,000), emergency preparedness response staffing (\$186,000), and tuberculosis services (\$170,000).

Housing and Community Affairs

- ★ Provide \$102.0 million to support the production and preservation of affordable housing units in Montgomery County. This investment includes allocating \$86 million and incorporating \$10.1 million in FY26 loan repayments into the Affordable Housing Acquisition and Preservation CIP project, \$2.0 million for the Affordable Housing Opportunity Fund, an additional \$128,000 in loan repayments for the Nonprofit Preservation Fund, \$2.2 million to revitalize Common Ownership Communities through the CIP-supported Common Area Assistance Loan Fund, and \$1.62 million for the Montgomery Housing Initiative (MHI) Fund.
- ★ Allocate \$52.3 million to the Montgomery Housing Initiative Fund to sustain programs and projects dedicated to developing and

preserving affordable housing and related services. This funding will support renovation of distressed housing, development of units for residents with special needs, rental assistance and rapid rehousing initiatives, homelessness prevention and relocation assistance, homeowner downpayment assistance and counseling, home accessibility improvements, services under the Building Neighborhoods to Call Home and Housing First programs, and the development of mixed-income housing.

- ★ Add one position in the Office of Landlord and Tenant Affairs for implementation of legislative mandates required in Bill 31-25 to provide tenants with timely eviction notification.
- ★ Add one position to the Multifamily program to enhance capacity for evaluating project proposals and negotiating Payment in Lieu of Taxes (PILOT) agreements that implement affordability requirements for eligible housing development projects.
- ★ Increase funding for fair housing testing by leveraging Federal resources to identify and assess evidence of housing discrimination within Montgomery County.
- ★ Provide \$7.07 million in the Housing Initiative Fund for required debt service to support leveraging additional resources for the Housing Production Fund, which finances construction of mixed-income, mixed-use developments.
- ★ Continue funding to support implementation and enforcement of regulatory compliance related to housing, solid waste, and weeds/rubbish standards. This includes annual targeted inspections in areas requiring concentrated code enforcement for troubled properties, increased inspection frequency for at-risk properties, and triennial inspections for compliant properties.
- ★ Continue funding to support the Rental Housing Division in administering rent stabilization mandates, ensuring landlords receive a fair return on investment while strengthening tenant services through coordination between the Rent Stabilization Program and the Office of Landlord and Tenant Affairs.
- ★ Maintain current rental housing licensing fees at FY26 levels and utilize projected revenue to support operations required for mandated services. This includes enhanced collaboration and technological improvements across Licensing and Registration, Code Enforcement, Landlord and Tenant Mediation, and Rent Stabilization programs.
- ★ Maintain the \$6.50 per-unit registration fee for Common Ownership Communities to continue providing technical assistance and regulatory guidance to distressed COCs and to administer the Common Area Assistance Loan Fund.

Human Rights

- ★ Completed and dedicated the Remembrance and Reconciliation Gardens outside the County Council Office Building, and established a countywide program proclaiming November as Remembrance and Reconciliation Month in partnership with community organizations.

Inspector General

- ★ The OIG is currently engaged in a process improvement project that will examine the policies and procedures for conducting audits and reviews. These improvements are expected to increase efficiency and reduce redundancies while continuing to adhere to strict professional standards as required by County law.

Management and Budget

- ★ Organized and coordinated twelve operating budget forums during development of the FY27 County Executive's Recommended Operating Budget, giving residents an opportunity to share input on fiscal priorities and service needs. Ten forums were held in English, including sessions tailored for the African-Caribbean and Black/African American communities, educators and families, and older adults. Two forums provided multilingual support, including one in Spanish and another in English with simultaneous interpretation in Chinese, Korean, and Vietnamese to ensure broader accessibility and inclusivity.
- ★ Established a Workforce Validation Team to ensure accurate, high-quality workforce records and submissions. The team verifies that approved changes to compensation, benefits, and other workforce adjustments are correctly reflected in County resources. The team drives automation and process improvements to efficiently capture, calculate, and integrate workforce changes into the County's financial systems.

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- ★ Participated in Results for America's County Budgeting for What Works, a five-week learning initiative that strengthened OMB's ability to use evidence in budget development. The initiative enhanced staff capacity for data-driven decision-making and provided valuable opportunities to collaborate and exchange ideas and best practices with peer counties across the country.
 - ★ Established a Correspondence Committee to improve consistency and clarity across OMB's core written materials by coordinating style guidance, resolving recurring text and formatting issues, and supporting a more efficient, uniform approach to document preparation.
 - ★ Expanded Shared Services support to the Community Engagement Cluster, providing centralized administrative, contracts, and human resources support.

Parking District Services

- ★ Improve security systems and public safety elements to address high-incident/high-crime threat areas in off-street parking. Deploy additional cameras and network improvements to sustain the new cameras.
- ★ Expansion of the EV Charging Station program in existing and additional facilities. The number of charging stations available in facilities will continue to increase alongside increased adoption of EV cars, including the introduction of Level III Fast Charging infrastructure.
- ★ Add a transportation contract compliance inspector to expand field coverage, ensure contractor compliance, and enhance the safety and reliability of parking and transit facilities, with focused oversight during evening and weekend hours.
- ★ Expand Pay-By-Cell Only Zones in areas previously utilizing legacy single space meters. This service has been piloted successfully in Great Seneca, Bethesda (Woodmont), and Silver Spring.
- ★ Modernize and improve the Parking and Revenue Control System at Garage 31 by implementing digital permitting and integrating license plate recognition and pay-by-cell technology.
- ★ Explore opportunities to partner with the Montgomery County Greenbank and/or other stakeholders to install solar canopies on garages in the Parking Lot Districts (PLDs) that can provide community solar.
- ★ Initiate customer service surveys in all three PLDs.

Permitting Services

- ★ Drafted Executive Regulation 21-25, requiring all multi-family rental apartments to submit emergency safety plans for Fire Code Compliance (FCC) for review and approval, enhancing community safety and awareness.
- ★ Using call data from Montgomery Fire and Rescue Service (MCFRS) to identify high-risk buildings and work with building owners to reduce calls to 9-1-1.
- ★ Land Development will publish a guidance document to assist agrotourism businesses in understanding the requirements related to the development of their property. This document will be finalized in FY26.

Police

- ★ Invest in case management software for police investigators and detectives in order to centralize investigative information, reduce paperwork, and improve coordination across units, leading to quicker case resolution and improved overall public safety outcomes.
- ★ Invest in a new records management system for the Vehicle Recovery Section to streamline business processing and application integration and enhance the required security and infrastructure to support the program.
- ★ Purchase new automated external defibrillators (AEDs) to replace expiring units and models that will be technically unsupported in FY27.

Procurement

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- ★ Consolidating contract lifecycle applications into an e-Procurement solution to integrate sourcing, contract management, vendor management, and compliance management.

Public Health Services

- ★ Replaces funding for grants that have been reduced or eliminated, including: including funding for HIV services (\$362,000), maternal and child health services (\$202,000), and tuberculosis services (\$170,000).

Public Libraries

- ★ Increased participation for all age categories in the 2025 Summer Reading Challenge program by 24.7%.
- ★ Pivoted both the MCPL website workforce page and several programming offerings to focus on displaced federal workers during the start of the calendar year. The website drew over 4,000 visits during January 2025, and the programs were at capacity with large waitlists.
- ★ Planning programs and robust marketing to celebrate Montgomery County Public Libraries' 75th Anniversary. Includes reflecting on MCPL's past with a look forward to the next 75 years.
- ★ Increase security guard services at five branches: Brigadier General Charles E. Lee Library, Gaithersburg Library, Germantown Library, Rockville Memorial Library, and Quince Orchard Library.
- ★ Host first MCPL Innovation Day in Fall 2026 to foster creative thinking and collaboration across MCPL units to build a change readiness culture aligned with MCPL's values.
- ★ Launching the first Local Author Showcase to provide space for local talent, delight visitors by celebrating Montgomery County's homegrown authors, and create community around literature and writing.

Recreation

- ★ Children's Bill of Rights in Youth Sports: Project Play's State of Play 2025 report highlights Montgomery County, Maryland as a standout example of local leadership in youth sports. Montgomery County proudly formalized its support for the Children's Bill of Rights in Youth Sports, joining regional and national partners to champion equitable, developmentally appropriate, and inclusive sports. This endorsement reflects the County's commitment to creating safe and supportive sports environments and was strengthened through collaborations with the Montgomery County Sports Advisory Committee and Gaithersburg, Rockville, and Takoma Park. This initiative positions Montgomery County as a leader in advancing policies that elevate youth sports, expand participation pathways, and promote positive youth development.
- ★ Gender Equity in Sports initiative to expand opportunities for girls and address longstanding disparities in youth sports by intentionally creating welcoming, skill-building environments that rebuild confidence and re-engage girls in sports where they are historically underrepresented. The initiative also includes a dedicated officiating component that encourages girls to become officials and actively recruits more women to serve as coaches, helping build a stronger, more representative pipeline of female leaders in youth sports. This comprehensive approach supports confidence, inclusion, and access-advancing gender equity across the County's youth sports programs.
- ★ ePACT: Launching the ePACT Network, a HIPAA compliant digital health and emergency management system, to modernize camp operations, enhance risk management, and improve customer experience. The software modernizes how the department collects, stores, and accesses sensitive medical and personal data, replacing paper forms and adding time-saving digital convenience for families.
- ★ Inclusive Multilingual Programming for adults 55 years or older to foster greater accessibility and cultural connection. The department expanded its 55+ offerings to include programs taught fully or partially in multiple languages, including Mandarin, Spanish, Vietnamese, French, Korean, Japanese, and Sign Language. This multilingual approach broadens participation, strengthens inclusivity, and ensures that older adults can engage in programs that reflect their diverse backgrounds and communication needs

Recycling and Resource Management

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- ★ Plan to terminate the contract with the Resource Recovery Facility and end operations in January 2027.
 - ★ Implement long-haul of waste to a landfill starting January 2027 while pursuing advanced waste processing initiatives to divert as much waste as possible from landfilling.

Sheriff

- ★ Initiated a strategic recruitment campaign focused on the comprehensive management of hiring, training, and retention for both sworn and professional staff. This initiative aims to bolster community awareness through job fairs and targeted outreach, ensuring increased visibility and recognition for the diverse career opportunities available across the Sheriff's Office.

Technology and Enterprise Business Solutions

- ★ Continual rollout of MoCoNet, the County's 300/300 Mbps residential broadband service, to three additional Affordable Housing Corporation (AHC) communities and one additional Housing Opportunities Commission (HOC) site. This expansion advances efforts to close the digital divide and ensures all residents can fully participate in the digital world.
- ★ Leveraging grant opportunities, through Montgomery Connects, to provide technology training to older adults, especially those who received a free computer through the program. Montgomery Connects will provide more training in senior residential buildings as grant funding becomes available.
- ★ Develop a comprehensive strategy to classify County data, safeguard against data leaks, and prepare our information assets for integration with artificial intelligence. This effort enhances Montgomery County's data governance by introducing advanced auto-classification and sensitivity labeling aligned to risk levels. It establishes a critical foundation for any large organization responsible for managing diverse and complex data environments.
- ★ Continuing to upskill TEBS personnel through an on-demand, cloud-based learning and skills assessments platform which helps County technology employees build, measure, and apply technical expertise.

Transit Services

- ★ Advance the Ride On Reimagined Service and Implementation Plan, a long-range strategy shaped by extensive research and community input to create a more equitable and sustainable transit network. The plan's first year delivered foundational upgrades to infrastructure and existing routes, with continued expansion aimed at improving accessibility, increasing service availability, and supporting long-term mobility goals. In Fiscal Year 2027, implement all-day Flash Bus Rapid Transit service to the Burtonsville Park and Ride and expand Ride On Flex service to Poolesville, Damascus, and Olney as key elements of this systemwide transformation.
- ★ Expand Ride On Flex service to include new zones in Poolesville and Damascus, adding to existing service areas in Rockville, Wheaton, and Olney. This growth supports the Ride On Reimagined effort to modernize mobility by offering on-demand, curb-to-curb microtransit that improves first-mile/last-mile access, reduces wait times, and better serves communities that lack convenient fixed-route options.
- ★ Expand the County's zero-emission bus program by adding new zero-emission buses in FY27 and funding critical charging and facility infrastructure identified in the County's comprehensive transition plan. This plan outlines strategies for reducing fleet emissions, assessing infrastructure needs, determining optimal fleet composition, and engaging the community throughout the transition. By advancing cleaner technology and essential upgrades, the County supports the Climate Action Plan goal of zero greenhouse gas emissions by 2035 and strengthens a more sustainable, resilient transit system.
- ★ Enhance rider access and trip planning by expanding use of the Ride On Trip Planner, a real-time digital tool that provides step-by-step directions, route options, travel times, and service alerts across the network. Integrating GPS tracking and live data, the platform helps riders make informed decisions, reduce wait times, and navigate the system more efficiently. As part of the County's Intelligent Transit System strategy, the trip planner improves accessibility for all users-especially those less familiar with transit-by offering an intuitive experience on both desktop computers and mobile devices.

Transportation

★ **AI Integration and Workflow Automation**

The Property Acquisition Section will train staff and explore the use of artificial intelligence and digital automation tools to improve efficiency, accuracy, and transparency in the acquisition process. AI-assisted document review, data analysis, and correspondence generation will streamline operations, reduce processing time, and allow staff to focus on higher-value tasks such as stakeholder coordination and strategic acquisitions.

★ **Civilianized Parking Enforcement**

The initiative will utilize contracted personnel to provide flexible, adjustable parking enforcement coverage across Montgomery County, allowing hours and patrol locations to shift based on community needs. By enforcing non-moving violations in transportation corridors, Ride-On lots, and impacted residential neighborhoods, the program will reduce the enforcement burden on the Montgomery County Police Department (MCPD) and improve service responsiveness for residents and communities.

Urban Districts

- ★ The Silver Spring Urban District is nearing a complete transition to electric landscaping equipment, with almost all leaf blowers, trimmers, and mowers now electric - cutting greenhouse gas emissions, reducing noise, and improving air quality throughout downtown Silver Spring.
- ★ The Silver Spring Urban District is strengthening small business growth by partnering with Montgomery County's Business Center to connect local entrepreneurs with key resources and promote their brands on Instagram, boosting the district's overall economic vitality.
- ★ The Wheaton Urban District is upgrading street and pedestrian lighting to brighter, energy-efficient LED fixtures, enhancing visibility, safety, and sustainability throughout the district.
- ★ The Silver Spring Urban District continues to update the Silver Spring Streetscape Standards by aligning street trees, lighting, and stormwater design with the 2022 Downtown Plan and the County's Climate Action Plan.
- ★ The Bethesda Urban District successfully secured a grant from the Maryland Department of Housing and Community Development to support the expansion of Baby Cat Brewery into a second location in Downtown Bethesda. This initiative will create a new community gathering space, generate local employment opportunities, and contribute to increased tax revenue for the area.
- ★ The Bethesda Urban District launched the Invent the Future Expo new signature event to engage families of all backgrounds through hands-on STEM experiences to strengthen quality of life and an inclusive community while providing long-term investment in the area.
- ★ The Friendship Heights Urban District introduced the Sunday Commons, a weekly farmers market that brings together local artisans, chefs, and neighbors to foster connection, creativity, and a renewed sense of place. As it grows, this modern public initiative will continue to anchor Friendship Heights as a vibrant, inclusive destination for culture, commerce, and community.

Productivity Improvements

Agriculture

- ★ Transitioned to a more reliable broadband system in order to improve productivity and limit downtime.

Alcohol Beverage Services

- ★ Leveraged a dormant 2017 law to allow beer and wine stores to enter an agreement with the department to sell ready-to-drink distilled spirit beverages with less than 8 percent alcohol by volume, giving a needed boost to these businesses' bottom line.
- ★ Expanded the licensee education program to include a partnership with the non-profit organization Safe Bars to provide free bystander intervention and de-escalation training in preventing sexual violence.
- ★ Expanded the Under-21 Alcohol Prevention program by partnering with Excel Beyond the Bell, a public-private partnership offering programs designed to inspire youth to realize their full potential.

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- ✦ Opened the relocated and rebranded retail stores at Westbard, White Oak, and Wheaton with updated and enhanced shopping environments and tasting rooms for product education.
 - ✦ Modernized the internal and external facing web applications to align with the latest standards for enhanced scalability, performance, security, and user-centric design.

Board of Elections

- ✦ The Board of Elections will conduct on-site trainings for election judges and on-site canvassing of mail-in ballots.
- ✦ Improved audio and video livestreaming of the vote by mail canvass will further enhance the transparency of Board of Elections' operations.
- ✦ The Board of Elections will further increase its multilingual outreach efforts by publishing on its website the Voter Guide translated into multiple languages.
- ✦ Building on the initial efforts made in the 2024 elections, the Board of Elections will further leverage technological solutions to enhance the efficiency of election administration at polling places and streamline real-time communication.

Circuit Court

- ✦ Launched the Access to Justice Coordinator role to develop and execute strategies for outreach and marketing about court proceedings at local schools.

Community Engagement Cluster

- ✦ The Office of Community Partnerships strengthened multilingual engagement through in-language community forums, including Family Preparedness and Civic Protections Workshops for immigrant families, Refugee Resource Events, and FY27 Operating Budget forums conducted in Chinese, French, Haitian Creole, Korean, Vietnamese, and Spanish, with simultaneous interpretation.
- ✦ The Translation Unit expanded its services to support 30 County departments in Amharic, Chinese, French, Korean, Spanish, and Vietnamese, thereby significantly improving access to government information and services for residents with limited English proficiency. Since 2022, translation requests from County agencies have increased by 99% in word count and 96% in total projects completed.
- ✦ The African American Community Liaison convened 23 Community Exchange townhalls, creating consistent dialogue with residents, and generating more than 500 direct touchpoints with County residents. These forums attracted 33 attendees on average, demonstrating strong community trust and participation.
- ✦ The Commission for Women organized the 45th Annual Women's Legislative Briefing in January 2025, with over 500 participants.
- ✦ The Commission for Women provided leadership to the Montgomery County Human Trafficking Prevention Committee. During 2025, the Committee trained members of the community about human trafficking, including members of the Montgomery County Public School system, fellow government entities, and non-profit organizations, and advocated for local legislation that supports human trafficking victims.
- ✦ The Commission for Women provided 25 programs/seminars to several hundred residents in 2025 focused on enriching the lives of women and families by informing, educating, empowering, and supporting County residents.
- ✦ The Regional Services Offices provided guidance, marketing, resources, and support to various communities within each respective region to improve public safety trust and community relationships through multiple National Night Out events in collaboration with MCPD and MCFRS.
- ✦ The Regional Services Offices hosted numerous public meetings to increase community feedback on critical governmental initiatives including related to Planning Department sector plans in Upcounty and Fairland, MCDOT transportation plans, economic

development efforts in support of Business Improvement District operations and development, transportation challenges, and other ongoing initiatives.

- ✱ The Regional Services Offices continued providing support to the four Urban Districts by providing programs, maintenance, beautification, events, staffing for boards, and marketing. Long time events continued, and new events were created, public art was increased (murals, signal box coverings, sculptures), and new businesses welcomed.
- ✱ The Regional Services Offices began efforts to explore the establishment of an urban or business improvement district for Germantown with staff, community outreach, branding, and marketing.

Community Use of Public Facilities

- ✱ Partnered with TEBS to offer 360-degree virtual tours of rental facilities, allowing customers to remotely explore available spaces at Montgomery County Public Schools (MCPS) and the Silver Spring Civic Building, and better visualize the ideal setting for events.
- ✱ Reorganized the department to streamline processes and create a more efficient, sustainable business model.

Consumer Protection

- ✱ Established community forums to gather consumer feedback and inform the development of educational initiatives, public-facing campaigns, and future policy decisions.
- ✱ Reestablished the volunteer program to strengthen community involvement and expand support services for consumers.
- ✱ Revamped OCP's website to modernize, streamline, and improve access to educational and outreach materials.
- ✱ Developed a video production process for OCP's YouTube channel, delivering regular content through short-form videos and other educational formats.
- ✱ Expanded podcast production by increasing episode frequency to a monthly release schedule and introducing filmed video segments that are also published on YouTube.

Correction and Rehabilitation

- ✱ Awarded a Maryland Computer Labs Program grant from the Maryland Department of Housing and Community Development to facilitate the enhancement and creation of cutting-edge computer labs for both the Detention Services Division and the Community Corrections Division. These computer labs will reduce gaps in access to devices and the internet for Maryland's most underserved populations. They enable the reentry of key programs such as the American Job Center, the Model Learning Center, and the General Educational Development. A new kiosk/lab to conduct intake interviews for Pre-Trial Supervision and Alternative Community Services clients will also be created.
- ✱ Upgraded the network infrastructure for Community Corrections and installed new fiber cables, switches, and a new Wi-Fi network to improve efficiency and productivity for the staff, residents, and the offender population to enable better connectivity, communication, and data flow enhancing efficiency and productivity at all levels, including staff, residents, and the offender population.
- ✱ Realign diversion programs within Community Corrections Pre-Trial Services Unit to address changing offender populations. DOCR created new hybrid positions that allow the merger of Alternative Community Services and the Pre-Trial Supervision Unit.
- ✱ Migrate DOCR Telestaff schedular and timekeeping into one platform to consolidate timekeeping and scheduling into one application and move away from Telestaff and Mctime as stand-alone application systems.
- ✱ Built a custom application in-house using the Microsoft Power Platform, Power Apps, and Power BI to track Security Threat Groups (STG) within the department's custody. Power BI dashboards were created to give DOCR staff real-time visibility about STG-affiliated individuals across housing units and facilities. Users may also access arrest records, charges, and detailed criminal histories within one platform. The new system will improve efficiency, accuracy, and intelligence-sharing among public safety partners.

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- ✳️ Developed a customized in-housed application that automates random drug testing, tracks result over time, and supports seamless documentation and reporting. The DOCR drug testing process was entirely paper based, making it difficult to manage, track, and audit. Randomized testing was time-consuming, vulnerable to bias, and lacked the structure needed to identify patterns of substance use among incarcerated individuals.
 - ✳️ Implemented a centralized employee evaluation tracking application that uses the County's Microsoft Power Platform, Power Apps, and Power BI. This application streamlines the evaluation process and reduces costs. The system allows managers to submit and track evaluations for their employees and direct reports. DOCR Human Resources staff can also review, approve, or deny final submissions within the same platform.
 - ✳️ Implemented a digital request submission process for incarcerated individuals who are expected to request program and services. The incarcerated individuals are expected to submit their requests, questions, or concerns via tablet-based forms instead of paper. Digital request forms are now available for key services areas such as Case Management, Custody, Commissary, Food Services, Medical, Mental Health, and Reentry. Requests are routed to staff members for review and response through the Reentry Tablet platform. Paper forms are now reserved only for individuals without tablet access due to intake status or restrictions.
 - ✳️ Implemented data analytics dashboard tools to enhance the departmental business processes and improve outcomes through more effective decision-making.

County Attorney

- ✳️ Collaborate with the Department of Transportation's Property Acquisition Section (PAS) to develop an IT tool for the electronic generation of deeds of temporary construction easements to streamline OCA's review of deeds while assisting PAS in expediting their review process.

County Executive

- ✳️ Internal Audit completed and published six audit reports in FY25 and FY26, including the following audits: Information Technology Data Security and Governance; Purchasing Card Administration in the Community Engagement Cluster and the Department of Health and Human Services; Contract Management Audits in the Department of Recreation and the Department of Technology and Enterprise Business Solutions; and the Informal Solicitation Process.
- ✳️ The NaCo Achievement Award Winning Accelerator course enabled initiatives and improvements across Montgomery County government and helped them to spread. Using a blend of process improvement and human centered design, 75 new accelerators joined the community. Completed projects include both improvements for constituents like improving event process flow for public health events, as well as internal improvements like reducing errors in leave use. The course itself models the change with improvements to asynchronous learning and improved data collection.
- ✳️ Innovation@MCG launched a popular GenAI Explorers group to enhance knowledge sharing, develop new use cases, and co-hosted the State of Maryland's AI Community of Practice to promote exchange of ideas and enhance collaboration.
- ✳️ Innovation@MCG hosted two Bright Spots Showcases pulling together employees from across the County to lift up what's working and create spaces for it to be replicated.
- ✳️ Partnership successes include the launch of Montgomery County's no-cost GenAI for Public Servants training with InnovateUS, a job fair for federal workers and talent pipeline development with Work for America's Civic Match, and work to improve the processing of benefits applications with philanthropically supported partnerships with NavaLabs and US Digital Response.

Emergency Management and Homeland Security

- ✳️ Redesign the Emergency Management Group, to enable targeted training, streamlined communications, and strategic assignments, based on the County's Integrated Preparedness Plan (IPP), with implementation planned for Spring 2026.
- ✳️ Host community outreach events focused on emergency preparedness, including the second Ready Montgomery Public Safety and Preparedness Fair, providing residents with education on response skills and climate resilience. Expanded outreach to Spanish-speaking residents and increased engagement with older adults.

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- ✱ Respond to emergencies, including fires, floods, evacuations, hazardous materials incidents, and major regional events such as the January 2025 aircraft disaster.
 - ✱ Operate flood sensors and a network of weather stations, including University of Maryland (UMD) Mesonet stations (Layhill, Poolesville, and Potomac) and additional stations funded through a partnership with OEMHS, UMD, and the County Climate Officer (Germantown, Laytonsville, Gaithersburg, and Chevy Chase).
 - ✱ Serve subscribers of Alert Montgomery with notifications about traffic, weather, government/school, and other topics.
 - ✱ Continue to pursue Federal Emergency Management Agency (FEMA) reimbursement for County COVID-19 expenses.

Environmental Protection

- ✱ Issued electric leaf blower rebates and educated the public on the leaf blower electrification law. In 2025, DEP expanded dealer participation, offering flexible funding and streamlining rebates. The department conducted in-person outreach to landscapers in English and Spanish, and public messaging reached millions of impressions.
- ✱ Celebrated the 10th anniversary Tree Montgomery, which has planted thousands of shade trees across thousands of properties, including public schools, with a high survival rate. These trees will help remove air pollutants, manage stormwater, and save in energy costs. The program also secured its fourth Chesapeake Bay Trust Urban Trees grant, which provides funds to plant trees in under-served urban areas.
- ✱ Developed the inaugural Healthy, Efficient, Electrified, Climate-Adapted Pilot (HEECAP) low-and-moderate-income (LMI) Homes Grant Program. Now its second year, this program distributes grants in the current term to organizations that implement electrification, climate resilience, and pre-weatherization repair projects for low- and moderate-income residents. The goal is to holistically upgrade homes for better efficiency, lower bills, and less environmental and climate harm.
- ✱ Completed award agreements with the Maryland Energy Administration (MEA) and the Maryland Department of Transportation (MDOT) to build EV charging stations throughout the County. Funding from MEA and MDOT will support the installation of Level 2 and DC Fast Charging infrastructure at County-owned and non-County locations, including parking garages, park-and-ride lots, libraries, and community centers.

Ethics Commission

- ✱ Began working with leadership in individual departments to make ethics training more widely available beyond those employees currently mandated to receive ethics training. In the year ahead, Commission staff will continue seeking out partnerships with County leaders in an effort to bring ethics training to the full County workforce.

Finance

- ✱ Reorganized Retirement Member Services and Retirement Finance operations into FIN as the new Retirement Administration Division (RAD) to promote efficiency.
- ✱ Upgraded the County's enterprise timekeeping and scheduling systems to the vendor's newer software as a service platform prior to the end-of-life of the prior products.

Fire and Rescue Service

- ✱ Improved capacity for emergency medical response with structural changes among the EMS supervisors; converted two daywork positions into shiftwork positions to guarantee staffing of Ambulance 715, and added a new transport unit at Fire Station 25 (Aspen Hill) - Medic 75.
- ✱ Created and deployed census tract-based analysis for critical emergency medical incidents to guide community risk reduction efforts.
- ✱ Implemented a management process that allows the department to monitor system health and resilience (PULSE).

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- ✦ Created and filled two permanent civilian positions at the Public Safety Training Academy (PSTA).
 - ✦ Hosted inaugural Girls' Camp, "Wired for Fire," to educate and encourage young women who may be considering fire/EMS vocations.
 - ✦ Implemented a strategic plan for recruitment that improves the application and hiring process for MCFRS candidates and ensures MCFRS has access to a diverse and qualified pool of applicants.
 - ✦ Developed a Volunteer Safety Officer program.

Fleet Management Services

- ✦ The bus maintenance facility at the Brookville Road Ride On bus depot is essential to maintaining safe operations at the Ride On bus maintenance facility. Working in partnership with Montgomery County Green Bank, Fleet has secured funding for the replacement of the facility's aging HVAC system. The project is currently in the design phase, with installation scheduled to begin in July 2026.

Food Systems Resilience

- ✦ Strengthen the vital connections between our region's food producers and its consumers, businesses, and public institutions by leveraging existing food expenditures to directly support local economies and foster environmental stewardship.
- ✦ Identify and actively pursue external funding sources and partnerships to enhance the impact and sustainability of existing OFSR initiatives.
- ✦ Implement Common Impact Metrics in reporting requirements across grant programs to promote consistency and comparability of outcomes across OFSR initiatives. Metrics on service data, referrals, volunteers, local economic investment, and program financing are collected across all programs, affording a greater ability to identify the level of need and service trends in real time and evaluate program performance.
- ✦ Conduct geographic and demographic gap analyses of Montgomery County food system financial investments and assets. Implement strategies to visualize and communicate available food systems data collected both internally and externally to inform policy decisions and intersectional collaboration.
- ✦ Expand resident and program participant direct feedback and communication mechanisms across programs through year-round client satisfaction surveys, community surveys, resource referral distribution lists, and proactive engagement with community boards, committees, and organizations.
- ✦ Increase alignment and interconnectivity of OFSR's efforts with other local government agencies to amplify impact of investments, connect residents with assistance best suited to their unique needs, and streamline the resource referral process for increased efficiency and effectiveness.

General Services

- ✦ Completed capital repairs across multiple County facilities-including the Martin Luther King Jr. Outdoor Pool, Avery Road Treatment Center, Montgomery County Correctional Facility, 401 Hungerford Ave, 8818 Georgia Ave, and the Germantown Outdoor Pool-to ensure compliance with Americans with Disabilities Act (ADA) requirements and installed lactation rooms in all occupied County buildings to promote equity and inclusivity.
- ✦ Completed a utility-bill audit of over 23,000 accounts, recovering credits and water adjustments; achieved full compliance with the 2024 Energy Benchmark Law; and secured \$1.1 million in state and utility incentives, including Pepco's Monitoring-Based Commissioning "Big Check" award exceeding \$1 million.
- ✦ Digitized thousands of records to improve accessibility and reduce physical storage needs, and upgraded mail services with real-time tracking and secure processes, resulting in \$167,097 in mailing cost savings.

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- ✦ Trained more than 3,000 County employees on Americans with Disabilities Act (ADA) compliance, equal access, ensured Countywide ADA Title II compliance, fulfilled reasonable accommodations, and achieved zero ADA facility complaints or related litigation.
 - ✦ Completed a state-of-the-art fiber hub in support of the multi-phase United Therapeutics project in downtown Silver Spring and executed a long-term lease to relocate the Montgomery County Public Schools (MCPS) Shady Grove Bus Depot, enabling the redevelopment of Crabbs Branch Way into a new MCPS depot, mixed-use development, and park/school site.
 - ✦ Completed the Oaks Landfill Solar Photovoltaic Project, a 6-megawatt ballasted ground-mount system and the largest solar installation on County property. The project includes a community solar component serving low- and moderate-income residents and an advanced feasibility assessment for up to 60 megawatts of additional solar and hydrogen generation to support County climate goals.

Health and Human Services

- ✦ DHHS's enterprise Integrated Case Management (eICM) system currently uses outdated software which poses an unacceptable cybersecurity risk. A competitive contract was awarded in May 2023 to move the application to a new platform and build in updated enhancements. The contractor is now ending the build phase and will shortly begin staff training on eICM 2.0. This eICM Modernization project is expected to begin scattered go-live before the end of FY26 and be fully implemented by October 2026. Once implemented, customer service and continuity of care will improve. The DHHS Information Technology Applications team continues to support the current eICM application as the department looks to retire it in early FY27 following the release of eICM 2.0.
- ✦ In FY25 a new Request for Proposals was posted for a new Electronic Health Record contract. Proposals were reviewed at the beginning of FY26 and a new contract was signed in December 2025. Transition planning and system development is occurring and the application is expected to go live in FY27. Once implemented, residents receiving services in Behavioral Health and Public Health will have easier access to their patient records and the ability to pay their balance through the patient portal. Additionally, users will have fewer templates and spoken documentation options for timely, more comprehensive case notes and improved billing practices.
- ✦ The DHHS Community Connect Portal works to improve the client experience and increase Case Worker efficiency. It reduces the number of clients that need to physically enter DHHS offices by moving many client transactions to a digital portal. It also allows a client to access the portal 24/7, electronically update their records, track the status of their applications, and easily apply and screen for DHHS services they may be eligible for. With completion of Phase II of the project, residents can apply for major County programs, including Working Parents Assistance, County Health Programs such as Montgomery Cares, Care for Kids, Senior Dental, and the Rental Assistance Program. In FY26, Phase III focuses on the Provider Portal Module of the platform. This section of the system is aimed at providing a space for improved invoicing and transactional processes relating to customer benefits approved through the County. Both the customer and provider will be able to see the completed transactions from benefit approval to service payments. In Phase IV, the product will continue to evolve with a focus on customer needs enhancements as post-launch customer feedback is incorporated into the development of improvements to the complete customer service experience. The department is working with the Department of Technology and Enterprise Business Solutions (TEBS), who will conduct a needs assessment in FY27, to begin to move the platform from a department specific application to a County-wide system available to all County departments in a "one stop" model for the community.
- ✦ QLESS is a lobby management system that was implemented in heavily trafficked HHS locations in 2017. The initial implementation focused on only serving some programs at some locations. Based on the success of this system in helping programs manage the lobbies since 2017, the department has been expanding to different locations and programs. The State of Maryland has recently implemented a new version of QLESS for State programs which is now interfacing with the County system to provide enhanced monitoring and customer service across County run State and local programs.

Housing and Community Affairs

- ✦ The Moderately Priced Dwelling Unit (MPDU) program continues to generate new affordable units throughout the County. During FY25, the MPDU program generated 201 new MPDUs offered for sale (126 units) and rent (75 units).
- ✦ Launched an online application for the Focused Neighborhood Assistance program (FNA). Allowing the application to be easily accessed by the community affirms our commitment to open, accessible, and equitable neighborhood revitalization resources.

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- ✳ The department, in partnership with the Technology and Enterprise Business Solutions department, developed and launched an innovative Housing Portal that enables landlords to register the rents and fees they are charging to enforce provisions of the County's rent stabilization law. In FY26, DHCA will further improve efficiency and customer experience by expanding this portal to incorporate other publicly-facing DHCA programs and functions.
 - ✳ The Grants section executed and monitored twenty-five federal Community Development Block Grants (CDBG) totaling \$660,000 for community-based public services in FY25. Services provided support to low-income residents in areas such as education, healthcare, job readiness, and housing. In addition, the Section provided similar support through other federal grants and multiple County grants.
 - ✳ The Commission on Common Ownership Communities successfully closed 104 cases in FY25. Of those, 78 cases were closed before a hearing, representing an 82 percent success rate of all cases.

Human Resources

- ✳ At the end of FY25, 93% of merit positions were filled, the highest occupancy rate in over five years.
- ✳ In FY25, 68% of new hires identified as a racial minority, which is above the 59% threshold of the Montgomery County labor force.
- ✳ Expanded the Position Description Management system to centralize the intake of all individual classification studies.
- ✳ Expanded HR customer service with dedicated customer service agents.
- ✳ Increased supervisor training requirements by mandating Family Medical Leave Act (FMLA) and Leave Without Pay (LWOP) training for supervisors.
- ✳ Formally contracted with Universities at Shady Grove for the Montgomery County Leadership Academy and trained 53 MLS employees in FY25.
- ✳ Partnering with the County Executive's Innovation Team to develop a streamlined, user-friendly process for the request, approval, and provisioning of Oracle/Enterprise Business Intelligence/NEOGOV access. This process improvement will improve user experience by providing a How-To Guide for the new process, a roles glossary with definitions, a streamlined workflow, and a SeamlessDocs request document.

Human Rights

- ✳ Enhanced complaint tracking by developing a revised intake log tool and finalized updates to investigation process regulations to improve consistency and efficiency.

Inspector General

- ✳ Findings and recommendations of OIG reports have resulted in changes to County policies and laws, including revisions to the Short Term Rental registration process, updates to the Bag Tax law, revisions of the eTravel Policy, amendments to the P-Card Policy and changes related to nepotism in contracts.
- ✳ The Education Oversight Division initiated the OIG's first two proactive engagements at Montgomery County Public Schools (MCPS) and issued reports that detailed the review of MCPS funds.

Labor Relations

- ✳ Implemented a centralization plan reassigning Countywide labor and employee relations functions to the Office of Labor Relations (OLR).

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- ✱ Negotiated a new Collective Bargaining Agreement (CBA) with the Montgomery County Career Fire Fighters Association of the International Association of Fire Fighters, Local #1664 (IAFF) and the Municipal and County Government Employees Organization/United Food and Commercial Workers Local 1994 (MCGEO), and a new Direct Bargaining Agreement with Montgomery County Volunteer Fire Rescue Association (MCVFRA).
 - ✱ Modified the County's collective bargaining issues development and strategy process for term bargaining in order to streamline and expedite the process.
 - ✱ Continued to improve the Collective Bargaining Policy Committee to set County priorities ahead of term bargaining.
 - ✱ Continued to improve OLR's intranet site to provide templates and resources to departments.
 - ✱ Created and implemented multiple standard operating procedures to ensure that labor and employee relations issues are addressed timely and consistently.
 - ✱ Developed and implemented multiple Countywide trainings on labor and employee relations subjects.
 - ✱ Continued and completed 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.
 - ✱ Continued to improve grievance processing through the use of a new grievance tracker as well as software that allows OLR to track the status of all grievances in real time.
 - ✱ Led term bargaining with the MCVFRA for the first time, rather than relying on an outside contractor.
 - ✱ Conducted onsite visits to County worksites to better understand operational challenges and working conditions.

Management and Budget

- ✱ Enhanced workflows for departments to submit and track requests to OMB, improving ease of use and providing greater visibility into request progress.
- ✱ Facilitated the launch and public communications for the FY25 National Community Survey, a biennial independent assessment of resident perceptions on County livability and service priorities. Led outreach efforts to encourage broad participation and ensure representative feedback to inform data-driven budgeting, performance management, and policy decisions.
- ✱ Developed an Economic Monitoring tool to track regional and local economic trends, including impacts from Federal administration transitions. The tool strengthens OMB's ability to assess employment shifts and related effects on the County economy to support more informed budgeting and policy recommendations.
- ✱ Enhanced the internal Customer Satisfaction Survey to improve data quality, streamline the survey experience, and generate more actionable insights across 23 service areas.
- ✱ Analyzed Shared Services request data to identify demand trends and better align resources with the most frequently requested services.

Parking District Services

- ✱ Expand cloud-based security cameras with integrated notification system.
- ✱ Continue to expand EV Level II and Level III infrastructure across the PLDs.
- ✱ Pilot license plate recognition integration into select off-street parking Pay by Plate facilities to better track payment records and offer automated payment reminder and/or enforcement.

Permitting Services

- ✱ Developed and implemented a streamlined food licensing process for the Department of Health and Human Services, including the food licensing programs for the Cities of Rockville and Gaithersburg.
- ✱ Updated the Design for Life program by adding new accessibility features eligible for credit and streamlining the application process for those features.

✱ Accomplishments

- Completed the Recipe for Success initiative by aligning budget resources to stabilize restaurant permitting, enhance customer service consultations, and strengthen interagency coordination.
- Achieved a 98 percent completion rate for residential inspections on their scheduled dates.
- Led the adoption of the 2021 International Code Council codes and the Fire and Life Safety standards (NFPA 1 and NFPA 101).
- Secured a Department of Energy ten-million-dollar Net-Zero Energy for All grant to support a technical assistance program, public outreach and education, system upgrades for data collection, and a comprehensive third-party data evaluation.
- Earned the SolSmart Platinum designation, highlighting Montgomery County's commitment to advancing solar photovoltaic energy. Additionally, expanded the eSolar program to include residential projects integrating both solar PV and battery storage.
- Finalized a Memorandum of Understanding between DPS, the Office of Agriculture, and the Soil Conservation District to clarify responsibilities related to agritourism. Launched an online appointment system for prospective agritourism businesses, enabling joint consultations from all three agencies to provide coordinated guidance on processes and requirements.

✱ Collaborations and Partnerships

- The DPS Zoning and Compliance Division is an active participant in the Development Review Committee (DRC), a standing interagency working group that ensures development applications, including site plans, preliminary plans, record plats, and conditional use requests are reviewed collaboratively and consistently before Planning Board action. Participating partners include the Maryland-National Capital Park and Planning Commission (M-NCPPC), the Montgomery County Department of Transportation (DOT), the Montgomery County Department of Environmental Protection (DEP), the Montgomery County Fire and Rescue Service (MCFRS), WSSC Water, utility companies, developers, and their consultants.
- DPS Zoning actively contributes to the development of local and state legislation by providing technical support to legislative attorneys and professional staff working on zoning text amendments, subdivision regulation amendments, and county and state bills. Collaborative organizations include the M-NCPPC Planning staff, County Council staff, County Executive staff, and County departments including the Department of Housing and Community Affairs (DHCA), DEP, the Montgomery County Police Department (MCPD), and the Office of the County Attorney (OCA).
- Collaborated extensively with the OCA, DHCA, the Office of Consumer Protection, and the Regional Services Centers to assist communities in resolving life-safety property issues.
- The FCC section joined the Anti-Hoarding Task Force and meets monthly with the Office of Emergency Management and Homeland Security (OEMHS) to enhance DPS's preparedness for major emergency responses.
- The Sustainability, Energy, and Mechanical (SEM) section continues to provide technical assistance to DEP, and M-NCPPC. The SEM manager serves on the Technical Advisory Committee for DEP's Building Energy Performance Standards (BEPS) program, and the SEM team provides technical guidance to M-NCPPC to support the development of its elective measures program.

Police

- ✱ Continue to operate the County's red light and speed camera program. A new vendor was selected to improve the program's efficiency and to enhance public safety. The new vendor will utilize the most current level of software and hardware technology on the market.
- ✱ Transition the Drone as First Responder program to dock-based drones that will significantly enhance operational efficiency and response capabilities. Automated docking stations allow drones to launch, fly, and recharge with minimal staff intervention, enabling rapid deployment for calls for service to reduce response times, increase situational awareness, and improve officer safety. The system provides real-time aerial intelligence before units arrive on scene, and the increased availability and autonomous flight capabilities will

expand coverage to more areas of the county.

- ✳ Return the Emergency Communications Center to full staffing, restoring 25 positions reflecting success in hiring and retaining call takers.

Procurement

- ✳ Expanded outreach by increasing annual events and launching new large-scale initiatives to better connect businesses, especially federal contractors, with County opportunities. These engagements provide business owners with practical guidance and direct access to procurement resources.
- ✳ Developed several standardized tools and processes, including the Contract Pre-Cure Resource, Vendor Onboarding Guide, Bridge Contract Guidance, and Contract Closeout Playbook, to ensure consistent, fair, and transparent contract management across the lifecycle. These frameworks improve communication, documentation, and oversight while supporting equity and accountability.
- ✳ Streamlined internal operations by consolidating and rebranding procurement forms into new fillable PRO-Forms. This modernization improves usability for staff and enhances overall procurement efficiency.

Public Libraries

- ✳ Eliminated the Point-of-Sale (POS) systems to offer free printing in all branches to improve customer service.
- ✳ Implemented updated barcode scanners at all service points to allow scanning of drivers' licenses when creating new customer accounts, reducing time and typing errors when entering information into KOHA.
- ✳ Replaced the 15-year-old legacy public computer management software which resulted in a more consistent customer experience and easier workflows for staff and customers.
- ✳ Launched MCPL's first mobile app, providing more accessible and streamlined access to MCPL's catalog and digital resources.
- ✳ Upgraded all servers to eliminate service outages and improve the staff and customer experience using MCPL computers.
- ✳ Developed a fully digital Incident Reporting System, automating staff workflows, enhancing permission security, and auto-storing reports in an archived, searchable database.
- ✳ Implemented software development for KOHA (MCPL's Integrated Library System) so customers' preferred names appear in their library customer accounts.
- ✳ Developed an MCPL staff off boarding application, automating approval workflows between supervisors and MCPL units in order to ensure departing employees meet all requirements prior to leaving the County.
- ✳ Realigned the administrative structure to combine branch operations under one administrator to promote effective communication and standards and to tie central programming and outreach efforts closer to the branch libraries.
- ✳ Collaborated with TEBS to implement Mobile Device Management for MCPL issued cell phones, allowing all devices to be secured, identifiable, inventoried, and updated remotely in one location.
- ✳ Developed new SharePoint Page Templates for Supervisors and Information and Circulation staff to streamline access to resources.

Recreation

- ✳ Accomplishments/Innovation

- Received eight recognitions in the 2025 National Association of Counties (NACo) Achievement Awards: Aquatic Egg Hunt, 55+

Cardboard Boat Regatta, Fire Safety: One Cup of Cocoa at a Time, Hands-Only CPR, Girls Skateboarding, Rock-reaction: Therapeutic Indoor Rock-Climbing, Under the Lights, and Youth Cricket Academy.

- Expand Excel Beyond the Bell Elementary after-school program: Beginning January 2026, the program has expanded to include new sites at East Silver Spring and Waters Landing elementary schools, increasing access to high-quality out-of-school-time opportunities in these communities.
- Built two new playgrounds at Damascus Recreation Center and Marilyn J. Praisner Recreation Center, providing modern, safe, and inclusive play spaces that meet current industry standards. These projects align amenities with current community needs while ensuring families have a welcoming space close to home, promoting safe play and physical activity.
- Formalized Partnership Program: This Program establishes a clear, consistent process for collaborating with community organizations by ensuring every partnership aligns with the Recreation mission, is mutually beneficial, and operates through a formal written agreement. The program strengthens transparency and equity, streamlines how groups apply and are evaluated, and helps the department better manage resources while expanding high-quality programs and services for residents.
- Sensory Safe Spaces: Implemented across 22 recreation centers, this initiative equips each facility with flexible seating options and a Sensory Safe Kit containing calming tools such as noise-reducing headphones. Kits are supported by onsite staff training. The initiative aims to create sensory-friendly environments to reduce anxiety, support emotional regulation, improve focus and attention, and create inclusive spaces for individuals while promoting independence and ensuring all community members can participate comfortably in programs and activities.

✱ Collaborations & Partnerships:

- Rockville Montgomery Swim Club (RMSC), in collaboration with City of Rockville, allows over 1,000 swimmers to compete on a local and national level, and has one of the highest retention rates in the nation for girls between the ages of 11-15 at 83 percent.
- Expanding partnership with Montgomery County Public Schools to offer summer camp for middle school-aged youth attending the new IGNITE program at 4 locations. The MCPS IGNITE Middle School Academy is a summer program designed to provide middle school students with project-based learning in core subjects, helping them prepare for the upcoming school year. By pairing academic enrichment with engaging summer camp experiences for teens, the program offers a well-rounded summer that supports both learning and personal growth.
- Collaborated with Coach Beyond Maryland to provide specialized training to Youth Basketball coaches, strengthening coaching quality and creating more supportive, development-focused environments for young athletes.
- Partnered with the Housing Opportunities Commission to host the Fun, Food, Fitness summer program providing a vital, community-based opportunity for youth to stay active and healthy by bringing engaging activities and nutritious meals to where families live. The program reduced access barriers, created a safe and familiar environment, and helped fill a gap for kids with limited access to opportunities outside the apartment community during the summer months.
- RecZone program partnered with Montgomery County Fire & Rescue's Heroes In Training Program, a hands-on career exploration experience that introduces high school students to the real-world work of fire and rescue professionals. The program provides grades 9-12 with a behind-the-scenes look at firefighting and Emergency Medical Services (EMS) through station visits, live demonstrations, skills exposure, and guided mentoring by Montgomery County Fire and Rescue Service (MCFRS) personnel. By giving youth a "day-in-the-life" experience and direct access to career pathways like the Cadet Program, Heroes In Training builds early job readiness skills, promotes interest in public safety careers, and strengthens the pipeline of future first responders.
- Age Friendly Montgomery to host a series of community listening sessions that support the County's 55+ Needs Assessment, which evaluates how well the community currently meets the needs of older adults and ensures future planning reflects their lived experiences. By offering sessions at multiple Community Centers, Recreation provided accessible, trusted spaces for residents to share meaningful input that will guide programs and services for aging well in Montgomery County.

Recycling and Resource Management

- ✱ Continued Montgomery County's food scraps recycling programs:

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- **Public:** Offered four Food Scraps Recycling Drop-Off collection points at existing farmers markets. DEP's food scraps recycling program offers weekend drop-off sites in Silver Spring, Bethesda, Derwood, and Olney. Three sites operate year-round, one seasonally.
 - **Residential:** Phase I and Phase II of the Single-Family Residential Curbside Food Scraps Recycling Pilot Program continued, allowing households in Silver Spring, Potomac, and Bethesda/Rockville to recycle millions of pounds of food scraps.
 - **Commercial:** DEP supports businesses and government facilities with food scraps recycling through technical assistance, training, and program design.

- ✳ Upgraded scale house information technology, relocated the cashier and vehicle processing operations, and installed new network equipment. Enhancements included a new scale weight display system, license plate and overhead cameras for better load verification, and a fifth processing station to improve efficiency and backup support.
- ✳ Coordinated, hosted, and/or participated in recycling educational events across the community. Through these FY25 programs, DEP reached people directly and provided education and information on zero waste, waste reduction, reuse, recycling, buying recycled, grasscycling, composting, and food scraps diversion.

Sheriff

- ✳ The Sheriff's Office attended law enforcement roll calls throughout the County to increase knowledge and awareness about the Safe Card Program. It is a small durable card containing critical protective order details, which can be verified by law enforcement in the event of a violation.
- ✳ Launched the Family Justice Center Mini-Mart Program, which addresses food insecurity among victims of domestic violence receiving services. The victims are provided with their choice of a variety of non-perishable, shelf-stable food items. It serves as a stop-gap while victims access the currently limited longer-term resources.
- ✳ Installed E-ticket into a few Sheriff's Office vehicles, which increases deputy safety, increases efficiency and streamlines data transfer to the courts.

Technology and Enterprise Business Solutions

- ✳ The MC311 transition from the Office of Public Information to the Department of Technology and Enterprise Business Solutions has enabled a more integrated, collaborative approach to service delivery. MC311 has strengthened operational efficiency and user satisfaction through continuous improvements, including a new Learning Hub, enhanced knowledge management, and increased automation. It has also improved emergency preparedness by updating its Continuity of Operations plans and conducting activation drills.
- ✳ Partnered with the Department of Housing and Community Affairs' Rent Stabilization team to rapidly implement a new system aligned with Executive Regulation 2-24, Landlord-Tenant Relations - Rent Stabilization, in support of its work effectuating rent stabilization laws. TEBS has completed the first two of three implementation stages, ensuring compliance with the new regulations while enhancing the overall user experience.
- ✳ The Monty 2.0 chatbot has facilitated nearly 50,000 resident conversations in its first two years of operation. Residents continue to utilize this technology for instant access to information on thousands of County services 24 hours a day, 7 days a week. New features have also given residents timely access to address-specific information, such as voting and ballot drop box locations and neighborhood leaf collection schedules, with more to come. Planned enhancements will also soon allow residents to submit select service requests directly through the chatbot, further cementing Monty as a key customer service channel.
- ✳ The Web 2.0 redesign project is entering its final phase. This initiative will modernize the County's digital presence through the implementation of a new content management system and a cloud-based hosting solution. These upgrades are designed to improve the user experience and substantially strengthen Search Engine Optimization (SEO). The project supports the County's broader strategic goal of creating a more effective and sustainable government.

Transit Services

✱ E-paper transit display monitors installed through the Intelligent Transit System Capital Project provide an energy-efficient, modern way to deliver real-time arrival information, service alerts, and route updates across the Ride On network. Their clear, glare-free screens remain readable in all lighting conditions, enhancing the rider experience. With ultra-low power consumption and the ability to operate on solar energy, these displays reduce operating costs, support the County's climate goals, and offer flexible, low-maintenance installation options that strengthen smart transit infrastructure and improve system accessibility countywide.

✱ As part of its zero-emission fleet transition, the County has incorporated 82 battery-electric buses into the Ride On fleet and plans to add 22 more by the end of FY27 for a total of 104 electric buses. In addition, the County will receive its first 13 hydrogen fuel cell buses, introducing a complementary zero-emission technology designed to support longer-running routes where battery-electric buses are not yet practical. Hydrogen fuel cell buses offer faster refueling times and longer ranges, making them well-suited for service patterns that exceed current battery-electric capabilities and strengthening the County's ability to deliver reliable, zero-emission service across the full network.

Transportation

✱ **Form Modernization and Enhanced Property Owner Communication**

The Property Acquisition Section will undertake a comprehensive review and modernization of all standard forms, templates, and correspondence to ensure that they are written in plain language, and are clear and user-friendly for both staff and property owners. Automated form features and updated outreach materials-including visual aids and Frequently Asked Questions (FAQs), will enhance consistency, minimize errors, and enhance communication with residents affected by transportation projects.

Urban Districts

✱ The Silver Spring Urban District is modernizing the Jazz Festival with livestreams, artist spotlights, and digital content to build year-round engagement. On-site enhancements include layout, sound, lighting, as well as vendor coordination and safety planning in partnership with MCPD, County Security, and Redshirts are elevating the overall festival experience.

✱ The Silver Spring Urban District continues partnering with social service providers, public safety agencies, and businesses to address the evolving needs of unhoused individuals in downtown Silver Spring. It also participates in interagency workgroups and leverages platforms like Microsoft Teams to improve communication, case coordination, and response times, fostering a more inclusive, responsive, and community-centered approach to well-being.

✱ The Bethesda Urban District continues to modernize its operations by transitioning maintenance equipment to electric alternatives as technology evolves. This ongoing effort supports the County's commitment to sustainability, reduces gas emissions, and achieves overall climate goals for a cleaner, quieter downtown environment.

✱ The Bethesda Urban District, in partnership with Montgomery County Department of Transportation, the Maryland State Highway Administration, and the Bethesda Arts & Entertainment District, successfully wrapped fifteen traffic signal boxes with original artwork by local artists, including two high school students. This public art initiative enhances the streetscape and will expand next year with additional artist-design signal boxes to enrich the pedestrian experience.

✱ The Friendship Heights Urban District established a pollinator garden program that enhances public spaces while promoting environmental education and volunteerism. Through hands-on engagement with native plants, participants of all ages serve as community stewards, contributing to both ecological health and neighborhood beautification.

✱ The Friendship Heights Urban District launched a Youth Advisory Council composed of students from Bethesda-Chevy Chase High School to elevate youth voices in community development. Councilmembers contribute with the programming of youth-led and centered events and publications and explore local history-fostering civic engagement and intergenerational connection.

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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

	FY26 Approved Ending Fund Balance	FY27 Recommended Ending Fund	Change in Fund Balance	% Change
TAX SUPPORTED				
Montgomery County Government				
County General Fund	70,161,989	45,764,740	-24,397,249	-34.8%
Bethesda Urban District	185,400	102,169	-83,231	-44.9%
Fire	336,956	580,982	244,026	72.4%
Mass Transit	117,645	330,482	212,837	180.9%
Recreation	379,237	98,814	-280,423	-73.9%
Revenue Stabilization Fund	714,868,384	736,145,786	21,277,402	3.0%
Silver Spring Urban District	270,136	135,902	-134,234	-49.7%
Wheaton Urban District	61,150	96,507	35,357	57.8%
Montgomery College				
Emergency Repair Fund	789,738	503,556	-286,182	-36.2%
Current Fund MC	15,289,862	8,249,229	-7,040,633	-46.0%
Maryland-National Capital Park and Planning Commission				
Administration Fund	1,543,777	1,612,093	68,316	4.4%
Park Fund	5,830,639	5,751,888	-78,751	-1.4%
NON-TAX SUPPORTED				
Montgomery County Government				
Cable Television	-2,452,713	897,668	3,350,381	N/A
Water Quality Protection Fund	8,711,000	10,620,541	1,909,541	21.9%
Bethesda Parking District	5,615,428	5,348,939	-266,489	-4.7%
Community Use of Public Facilities	-263,606	933,604	1,197,210	N/A
Liquor Control	5,046,356	5,158,410	112,054	2.2%
Permitting Services	26,385,695	12,015,442	-14,370,253	-54.5%
Silver Spring Parking District	-595,504	42,560	638,064	N/A
Solid Waste Collection	4,473,902	5,688,791	1,214,889	27.2%
Vacuum Leaf Collection	1,689,902	1,052,177	-637,725	-37.7%
Wheaton Parking District	2,172,847	3,023,973	851,126	39.2%

Explanation of Changes in Fund Balance Greater Than 10%:

- County General Fund 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 with this reserve policy. The County met its ten percent reserve target in FY22, FY23, FY24, and FY25 and is projected to do so in FY26 and FY27.
- Bethesda Urban District The change in fund balance is to meet the policy level of 2.5 percent of resources.
- Silver Spring Urban District The change in fund balance is to meet the policy level of 2.5 percent of resources.
- Wheaton Urban District The change in fund balance is to meet the policy level of 2.5 percent of resources.
- Mass Transit 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.

TRENDS AND PROJECTIONS

Demographic and Planning Indicators	FY25	FY26	FY27	FY28	FY29	FY30	FY31	FY32
POPULATION	1,086,673	1,093,618	1,100,608	1,107,642	1,114,721	1,121,846	1,128,951	1,136,101
Annual Increase	4.40%	6.94%	6.99%	7.03%	7.07%	7.12%	7.10%	7.15%
Population Growth Since 2016	4.1%	4.8%	5.4%	6.1%	6.8%	7.5%	8.2%	8.8%
County Resident Births (Prior Calendar Year) (a)	12,000	12,040	12,100	12,300	12,510	12,720	12,930	13,140
HOUSEHOLDS	390,743	393,240	395,754	398,283	400,829	403,391	405,945	408,516
Household Annual Growth (%)	0.4%	0.6%	0.6%	0.6%	0.6%	0.6%	0.6%	0.6%
Household Growth Since 2016	4.7%	5.3%	6.0%	6.7%	7.4%	8.0%	8.7%	9.4%
Household Growth Since 1992	34.2%	35.0%	35.9%	36.8%	37.6%	38.5%	39.4%	40.3%
Household Size	2.78	2.78	2.78	2.78	2.78	2.78	2.78	2.78
RESIDENT EMPLOYMENT (Jan = Calendar Year)	545,490	538,204	538,953	542,981	547,892	552,162	556,148	559,714
Resident Employment Annual Growth (%)	-1.7%	-1.3%	0.1%	0.7%	0.9%	0.8%	0.7%	0.6%
Jobs in County (a)	522,900	527,400	532,000	536,500	541,100	545,600	550,200	554,700
PERSONAL INCOME (\$ Millions)	\$113,300	\$116,900	\$121,020	\$124,970	\$129,280	\$133,980	\$138,830	\$143,950
Per Capita Personal Income	\$104,260	\$106,890	\$109,960	\$112,830	\$115,980	\$119,430	\$122,970	\$126,710
Annual Growth (%)	2.0%	2.5%	2.9%	2.6%	2.8%	3.0%	3.0%	3.0%
CONSUMER PRICE INDEX (CPI) - Fiscal Year	2.58%	2.18%	2.87%	2.23%	1.80%	1.66%	1.71%	1.73%
CONSUMER PRICE INDEX (CPI) - Calendar Year (%)	2.16%	2.76%	2.48%	2.01%	1.69%	1.68%	1.73%	1.72%
ASSESSABLE TAX BASE (\$ Millions)	\$233,473	\$245,445	\$256,263	\$264,947	\$271,316	\$276,868	\$281,984	\$288,152
Annual Growth (%)	4.9%	5.1%	4.4%	3.4%	2.4%	2.0%	1.8%	2.2%
INVESTMENT INCOME YIELD (%)	4.78%	4.00%	3.25%	3.00%	3.00%	3.00%	3.00%	3.00%
MCPS ENROLLMENT (Sept = Calendar Year)	159,182	156,541	155,374	154,117	153,221	152,332	151,194	149,706
Annual Growth (%)	-0.6%	-1.7%	-0.7%	-0.8%	-0.6%	-0.6%	-0.7%	-1.0%
Annual Increase (Decrease)	-1,041	-2,641	-1,167	-1,257	-896	-889	-1,138	-1,488
MONTGOMERY COLLEGE ENROLLMENTS (B)	18,835	19,494	19,693	20,026	20,223	20,411	20,411	20,411
Annual Growth (%)	5.9%	3.5%	1.0%	1.7%	1.0%	0.9%	0.0%	0.0%
Full Time Equivalents Students (Sept = Calendar Year) (C)	17,147	15,515	15,726	15,954	16,208	18,737	18,737	18,737
Annual Growth in FTES (%)	6.1%	-9.5%	1.4%	1.4%	1.6%	15.6%	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 Jan 2026.
- (b) Projections related to Montgomery College Enrollments are provided by Montgomery College and include projections through FY30. Since no projections are provided for FY31-32, the projections for FY30 were used.
- (c) Projections related to Montgomery College Full Time Equivalents are provided by Montgomery College and include projections through FY30. Since no projections are provided for FY31-32, the projections for FY30 were used.

**Changes in Assumptions: Economic, Demographic, and Revenues
December 2019 through March 2026**

A	N	M	N	M	N	M	N	M	N	M	N	M	N
	Projected FY26	% Chg. FY26-27	Projected FY27	% Chg. FY27-28	Projected FY28	% Chg. FY28-29	Projected FY29	% Chg. FY29-30	Projected FY30	% Chg. FY30-31	Projected FY31	% Chg. FY31-32	Projected FY32
Population													
December 2019	1,124,587		n/a		n/a		n/a		n/a		n/a		n/a
March 2020	1,124,587		n/a		n/a		n/a		n/a		n/a		n/a
December 2020	1,111,738	0.8%	1,120,098		n/a		n/a		n/a		n/a		n/a
March 2021	1,111,738	0.8%	1,120,098		n/a		n/a		n/a		n/a		n/a
December 2021	1,109,670	0.7%	1,117,810	0.7%	1,126,010		n/a		n/a		n/a		n/a
March 2022	1,105,957	0.8%	1,114,273	0.8%	1,122,652		n/a		n/a		n/a		n/a
December 2022	1,105,957	0.8%	1,114,273	0.8%	1,122,652	0.8%	1,131,094		n/a		n/a		n/a
March 2023	1,091,196	0.8%	1,099,402	0.8%	1,107,669	0.8%	1,115,998		n/a		n/a		n/a
December 2023	1,072,219	0.6%	1,079,072	0.6%	1,085,969	0.6%	1,092,910	0.6%	1,099,895		n/a		n/a
March 2024	1,072,219	0.6%	1,079,072	0.6%	1,085,969	0.6%	1,092,910	0.6%	1,099,895		n/a		n/a
December 2024	1,073,918	0.6%	1,080,782	0.6%	1,087,689	0.6%	1,094,641	0.6%	1,101,637	0.6%	1,108,614		n/a
March 2025	1,073,918	0.6%	1,080,782	0.6%	1,087,689	0.6%	1,094,641	0.6%	1,101,637	0.6%	1,108,614		n/a
December 2025	1,093,618	0.6%	1,100,608	0.6%	1,107,642	0.6%	1,114,721	0.6%	1,121,846	0.6%	1,128,951	0.6%	1,136,101
March 2026	1,093,618	0.6%	1,100,608	0.6%	1,107,642	0.6%	1,114,721	0.6%	1,121,846	0.6%	1,128,951	0.6%	1,136,101
MOE Enrollment													
December 2019	171,319		n/a		n/a		n/a		n/a		n/a		n/a
March 2020	171,319		n/a		n/a		n/a		n/a		n/a		n/a
December 2020	170,382	0.2%	170,761		n/a		n/a		n/a		n/a		n/a
March 2021	170,382	0.2%	170,761		n/a		n/a		n/a		n/a		n/a
December 2021	165,358	0.4%	166,022	0.1%	166,160		n/a		n/a		n/a		n/a
March 2022	165,358	0.4%	166,022	0.1%	166,160		n/a		n/a		n/a		n/a
December 2022	165,520	0.4%	166,215	0.6%	167,238	0.0%	167,238		n/a		n/a		n/a
March 2023	165,520	0.4%	166,215	0.6%	167,238	0.0%	167,238		n/a		n/a		n/a
December 2023	164,106	0.8%	165,461	0.7%	166,554	0.6%	167,543	0.0%	167,543		n/a		n/a
March 2024	163,382	0.4%	164,106	0.8%	165,461	0.7%	166,554	0.6%	167,543		n/a		n/a
December 2024	160,576	-0.1%	160,470	0.4%	161,070	0.4%	161,643	0.2%	161,911	0.2%	162,178		n/a
March 2025	160,576	-0.1%	160,470	0.4%	161,070	0.4%	161,643	0.2%	161,911	0.2%	162,178		n/a
December 2025	156,541	-0.7%	155,374	-0.8%	154,117	-0.6%	153,221	-0.6%	152,332	-0.7%	151,194	-1.0%	149,706
March 2026	156,541	-0.7%	155,374	-0.8%	154,117	-0.6%	153,221	-0.6%	152,332	-0.7%	151,194	-1.0%	149,706

**Changes in Assumptions: Economic, Demographic, and Revenues
December 2019 through March 2026**

A	N	M	N	M	N	M	N	M	N	M	N	M	N
	Projected FY26	% Chg. FY26-27	Projected FY27	% Chg. FY27-28	Projected FY28	% Chg. FY28-29	Projected FY29	% Chg. FY29-30	Projected FY30	% Chg. FY30-31	Projected FY31	% Chg. FY31-32	Projected FY32
College Enrollment (FTE)													
December 2019	18,744		n/a		n/a		n/a		n/a		n/a		n/a
March 2020	18,747		n/a		n/a		n/a		n/a		n/a		n/a
December 2020	19,292	0.0%	19,292		n/a		n/a		n/a		n/a		n/a
March 2021	19,292	0.0%	19,292		n/a		n/a		n/a		n/a		n/a
December 2021	13,762	0.0%	13,762	0.0%	13,762		n/a		n/a		n/a		n/a
March 2022	13,762	0.0%	13,762	0.0%	13,762		n/a		n/a		n/a		n/a
December 2022	13,762	1.4%	13,956	0.0%	13,956	0.0%	13,956		n/a		n/a		n/a
March 2023	13,762	1.4%	13,956	0.0%	13,956	0.0%	13,956		n/a		n/a		n/a
December 2023	15,515	1.4%	15,726	1.4%	15,954	1.6%	16,208	0.0%	16,208		n/a		n/a
March 2024	15,515	1.4%	15,726	1.4%	15,954	0.0%	15,954	0.0%	15,954		n/a		n/a
December 2024	15,515	1.4%	15,726	1.4%	15,954	1.6%	16,208	15.6%	18,737	0.0%	18,737		n/a
March 2025	15,515	1.4%	15,726	1.4%	15,954	0.0%	15,954	17.4%	18,737	0.0%	18,737		n/a
December 2025	15,515	1.4%	15,726	1.4%	15,954	1.6%	16,208	15.6%	18,737	0.0%	18,737	0.0%	18,737
March 2026	15,515	1.4%	15,726	1.4%	15,954	1.6%	16,208	15.6%	18,737	0.0%	18,737	0.0%	18,737
CPI (Fiscal Year)													
December 2019	1.5%		n/a		n/a		n/a		n/a		n/a		n/a
March 2020	1.5%		n/a		n/a		n/a		n/a		n/a		n/a
December 2020	2.4%	0.0%	2.4%		n/a		n/a		n/a		n/a		n/a
March 2021	2.4%	0.0%	2.4%		n/a		n/a		n/a		n/a		n/a
December 2021	2.4%	-3.3%	2.3%	-3.9%	2.2%		n/a		n/a		n/a		n/a
March 2022	2.4%	-3.8%	2.3%	-5.3%	2.2%		n/a		n/a		n/a		n/a
December 2022	2.2%	6.4%	2.3%	1.3%	2.4%	3.8%	2.5%		n/a		n/a		n/a
March 2023	2.2%	0.9%	2.2%	4.9%	2.3%	-0.4%	2.3%		n/a		n/a		n/a
December 2023	2.2%	-3.2%	2.2%	0.5%	2.2%	4.6%	2.3%	1.3%	2.3%		n/a		n/a
March 2024	2.3%	0.9%	2.3%	-3.5%	2.2%	1.8%	2.3%	0.9%	2.3%		n/a		n/a
December 2024	2.5%	-4.8%	2.4%	-2.1%	2.3%	-0.9%	2.3%	-0.9%	2.3%	-0.9%	2.3%		n/a
March 2025	2.7%	1.1%	2.7%	-10.1%	2.4%	-9.1%	2.2%	0.0%	2.2%	3.2%	2.3%		n/a
December 2025	2.4%	26.7%	3.0%	-26.0%	2.3%	-16.0%	1.9%	-5.8%	1.8%	-1.1%	1.8%	0.6%	1.8%
March 2026	2.2%	31.7%	2.9%	-22.3%	2.2%	-19.3%	1.8%	-7.8%	1.7%	3.0%	1.7%	1.2%	1.7%

Changes in Assumptions: Economic, Demographic, and Revenues
December 2019 through March 2026

A	N	M	N	M	N	M	N	M	N	M	N	M	N
	Projected FY26	% Chg. FY26-27	Projected FY27	% Chg. FY27-28	Projected FY28	% Chg. FY28-29	Projected FY29	% Chg. FY29-30	Projected FY30	% Chg. FY30-31	Projected FY31	% Chg. FY31-32	Projected FY32
Growth Resident Employment (%)													
December 2019	0.8%		n/a		n/a		n/a		n/a		n/a		n/a
March 2020	0.8%		n/a		n/a		n/a		n/a		n/a		n/a
December 2020	1.0%	-30.0%	0.7%		n/a		n/a		n/a		n/a		n/a
March 2021	1.1%	-27.3%	0.8%		n/a		n/a		n/a		n/a		n/a
December 2021	0.8%	-12.5%	0.7%	0.0%	0.7%		n/a		n/a		n/a		n/a
March 2022	0.8%	-12.5%	0.7%	0.0%	0.7%		n/a		n/a		n/a		n/a
December 2022	0.7%	0.0%	0.7%	0.0%	0.7%	-14.3%	0.6%		n/a		n/a		n/a
March 2023	0.9%	-22.2%	0.7%	0.0%	0.7%	-14.3%	0.6%		n/a		n/a		n/a
December 2023	1.0%	-40.0%	0.6%	-16.7%	0.5%	0.0%	0.5%	-20.0%	0.4%		n/a		n/a
March 2024	1.2%	-50.0%	0.6%	-16.7%	0.5%	0.0%	0.5%	-20.0%	0.4%		n/a		n/a
December 2024	0.3%	66.7%	0.5%	0.0%	0.5%	-20.0%	0.4%	0.0%	0.4%	-50.0%	0.2%		n/a
March 2025	0.2%	100.0%	0.4%	25.0%	0.5%	-20.0%	0.4%	0.0%	0.4%	-25.0%	0.3%		n/a
December 2025	-1.2%	108.3%	0.1%	600.0%	0.7%	28.6%	0.9%	-11.1%	0.8%	-12.5%	0.7%	-14.3%	0.6%
March 2026	-1.3%	-107.7%	0.1%	600.0%	0.7%	28.6%	0.9%	-11.1%	0.8%	-12.5%	0.7%	-14.3%	0.6%
Personal Income (CY)													
December 2019	131,700		n/a		n/a		n/a		n/a		n/a		n/a
March 2020	131,200		n/a		n/a		n/a		n/a		n/a		n/a
December 2020	121,800	4.4%	127,200		n/a		n/a		n/a		n/a		n/a
March 2021	119,800	4.8%	125,600		n/a		n/a		n/a		n/a		n/a
December 2021	128,400	4.2%	133,820	4.3%	139,540		n/a		n/a		n/a		n/a
March 2022	123,500	4.5%	129,000	4.5%	134,800		n/a		n/a		n/a		n/a
December 2022	120,040	3.8%	124,620	3.8%	129,380	3.7%	134,180		n/a		n/a		n/a
March 2023	115,030	3.9%	119,490	3.5%	123,700	3.2%	127,710		n/a		n/a		n/a
December 2023	112,360	4.3%	117,180	3.9%	121,700	3.4%	125,850	3.3%	129,960		n/a		n/a
March 2024	112,410	4.4%	117,310	4.1%	122,070	3.6%	126,450	3.3%	130,670		n/a		n/a
December 2024	116,250	3.8%	120,650	3.7%	125,060	3.5%	129,480	3.4%	133,930	3.2%	138,280		n/a
March 2025	119,830	3.5%	124,050	3.2%	128,080	3.5%	132,560	3.6%	137,390	3.5%	142,160		n/a
December 2025	115,450	3.7%	119,750	3.4%	123,790	3.5%	128,180	3.7%	132,950	3.7%	137,820	3.7%	142,920
March 2026	116,900	3.5%	121,020	3.3%	124,970	3.4%	129,280	3.6%	133,980	3.6%	138,830	3.7%	143,950

Changes in Assumptions: Economic, Demographic, and Revenues
December 2019 through March 2026

A	N	M	N	M	N	M	N	M	N	M	N	M	N
	Projected FY26	% Chg. FY26-27	Projected FY27	% Chg. FY27-28	Projected FY28	% Chg. FY28-29	Projected FY29	% Chg. FY29-30	Projected FY30	% Chg. FY30-31	Projected FY31	% Chg. FY31-32	Projected FY32
Property Tax Revenues													
December 2019	2,050.8		n/a		n/a		n/a		n/a		n/a		n/a
March 2020	2,146.9		n/a		n/a		n/a		n/a		n/a		n/a
December 2020	2,101.5	2.9%	2,163.1		n/a		n/a		n/a		n/a		n/a
March 2021	2,098.1	2.9%	2,157.9		n/a		n/a		n/a		n/a		n/a
December 2021	2,166.1	2.7%	2,224.3	2.4%	2,278.6		n/a		n/a		n/a		n/a
March 2022	2,134.4	2.9%	2,195.6	2.9%	2,258.6		n/a		n/a		n/a		n/a
December 2022	2,041.2	0.8%	2,056.9	0.8%	2,073.6	1.1%	2,096.9		n/a		n/a		n/a
March 2023	2,343.9	1.7%	2,384.7	0.8%	2,403.8	0.6%	2,417.7		n/a		n/a		n/a
December 2023	2,259.8	2.8%	2,322.9	3.0%	2,391.8	2.0%	2,439.4	2.1%	2,490.3		n/a		n/a
March 2024	2,367.1	2.6%	2,429.4	2.1%	2,479.7	1.5%	2,516.1	3.4%	2,601.4		n/a		n/a
December 2024	2,423.6	4.8%	2,539.5	4.1%	2,643.3	3.6%	2,738.2	3.4%	2,831.4	3.2%	2,921.4		n/a
March 2025	2,490.3	5.2%	2,619.2	4.1%	2,725.6	3.0%	2,807.7	3.1%	2,895.8	3.4%	2,994.3		n/a
December 2025	2,409.7	5.0%	2,530.7	3.3%	2,615.4	1.5%	2,655.5	1.0%	2,682.0	1.3%	2,716.8	2.2%	2,777.7
March 2026	2,398.5	11.4%	2,672.0	3.5%	2,765.6	2.5%	2,833.6	2.1%	2,893.3	1.9%	2,948.1	2.2%	3,014.0
Income Tax Revenues													
December 2019	2,083.2		n/a		n/a		n/a		n/a		n/a		n/a
March 2020	2,096.9		n/a		n/a		n/a		n/a		n/a		n/a
December 2020	1,964.2	5.5%	2,072.7		n/a		n/a		n/a		n/a		n/a
March 2021	2,049.1	6.0%	2,171.1		n/a		n/a		n/a		n/a		n/a
December 2021	2,051.1	5.0%	2,154.6	5.3%	2,267.8		n/a		n/a		n/a		n/a
March 2022	2,138.9	4.5%	2,236.2	4.9%	2,344.9		n/a		n/a		n/a		n/a
December 2022	2,085.3	3.5%	2,157.7	4.3%	2,250.4	4.4%	2,350.4		n/a		n/a		n/a
March 2023	2,128.0	5.3%	2,241.2	7.1%	2,400.1	5.3%	2,526.2		n/a		n/a		n/a
December 2023	2,082.7	3.4%	2,153.2	5.3%	2,267.9	4.1%	2,361.6	3.7%	2,448.5		n/a		n/a
March 2024	2,137.0	4.2%	2,226.1	4.0%	2,314.3	4.0%	2,406.6	3.7%	2,496.7		n/a		n/a
December 2024	2,203.7	3.9%	2,290.7	3.1%	2,361.3	3.2%	2,436.7	3.2%	2,513.6	3.1%	2,592.1		n/a
March 2025	2,259.9	3.6%	2,341.2	2.5%	2,400.1	3.0%	2,472.2	3.2%	2,551.5	3.3%	2,636.3		n/a
December 2025	2,292.3	-0.4%	2,282.7	3.1%	2,354.6	2.8%	2,419.5	3.3%	2,498.9	3.6%	2,588.6	3.7%	2,684.3
March 2026	2,342.0	-1.1%	2,317.3	6.0%	2,456.8	3.4%	2,541.1	3.4%	2,627.5	3.5%	2,720.6	3.6%	2,819.4

**REVENUE SUMMARY
TAX SUPPORTED BUDGETS
(\$ Millions)**

KEY REVENUE CATEGORIES	App. FY26	Est. FY26	% Chg. FY26-27	Rec. FY27	% Chg. FY27-28	Projected FY28	% Chg. FY28-29	Projected FY29	% Chg. FY29-30	Projected FY30	% Chg. FY30-31	Projected FY31	% Chg. FY31-32	Projected FY32
	5-22-25	3-13-26	App/Rec	3-13-26										
TAXES														
1 Property Tax	2,434.0	2,398.5	9.8%	2,672.0	3.5%	2,765.6	2.5%	2,833.6	2.1%	2,893.3	1.9%	2,948.1	2.2%	3,014.0
2 Income Tax	2,274.2	2,342.0	1.9%	2,317.3	6.0%	2,456.8	3.4%	2,541.1	3.5%	2,627.5	3.5%	2,720.6	3.6%	2,819.4
3 Transfer Tax	104.7	107.3	14.4%	119.8	7.9%	129.2	7.9%	139.5	6.1%	147.9	6.2%	157.2	4.7%	164.8
4 Recreational Tax	49.5	50.8	14.6%	56.7	7.9%	61.2	7.9%	66.0	6.1%	70.0	6.2%	74.4	4.7%	77.9
5 Energy Tax	180.5	191.9	7.4%	193.9	0.0%	193.8	0.0%	193.9	0.0%	193.9	0.0%	194.0	0.0%	194.1
6 Telephone Tax	57.9	58.8	2.0%	56.7	0.3%	56.9	1.4%	57.7	0.8%	58.2	1.2%	58.9	0.7%	59.3
7 Hotel/Motel Tax	22.9	20.5	-10.4%	20.5	-0.2%	20.4	-0.2%	20.4	-0.2%	20.4	-0.2%	20.3	-0.1%	18.5
8 Admissions Tax	3.5	3.5	0.0%	3.5	0.0%	3.5	0.0%	3.5	0.0%	3.5	0.0%	3.5	0.0%	3.5
9 E-Cigarette Tax	0.6	0.6	0.0%	0.6	0.0%	0.6	0.0%	0.6	0.0%	0.6	0.0%	0.6	0.0%	0.6
10 Total Local Taxes	5,127.7	5,171.8	6.1%	5,440.9	4.8%	5,885.1	3.0%	5,896.3	2.7%	6,015.3	2.7%	6,177.5	2.8%	6,362.0
INTERGOVERNMENTAL AID														
11 Highway User	14.2	14.2	-0.2%	14.2	0.0%	14.2	0.0%	14.2	0.0%	14.2	0.0%	14.2	0.0%	14.2
12 Police Protection	16.5	16.5	-1.0%	16.3	0.0%	16.3	0.0%	16.3	0.0%	16.3	0.0%	16.3	0.0%	16.3
13 Libraries	5.8	6.3	6.9%	6.2	0.0%	6.2	0.0%	6.2	0.0%	6.2	0.0%	6.2	0.0%	6.2
14 Health Services Case Formula	5.3	5.3	19.5%	6.3	0.0%	6.3	0.0%	6.3	0.0%	6.3	0.0%	6.3	0.0%	6.3
15 Mass Transit	41.7	41.4	0.0%	41.7	0.0%	41.7	0.0%	41.7	0.0%	41.7	0.0%	41.7	0.0%	41.7
16 Public Schools	1,005.3	1,005.3	1.2%	1,017.4	0.0%	1,017.4	0.0%	1,017.4	0.0%	1,017.4	0.0%	1,017.4	0.0%	1,017.4
17 Community College	58.0	58.0	5.9%	61.4	0.0%	61.4	0.0%	61.4	0.0%	61.4	0.0%	61.4	0.0%	61.4
18 Other	81.5	104.1	13.8%	92.7	0.0%	92.7	7.9%	100.0	4.9%	104.9	10.0%	115.4	3.8%	119.8
19 Total Intergovernmental Aid	1,226.1	1,251.0	2.3%	1,256.1	0.0%	1,256.1	0.6%	1,263.4	0.4%	1,268.3	0.8%	1,278.8	0.5%	1,293.2
FEES AND FINES														
20 Licenses & Permits	16.7	17.1	1.5%	15.7	1.5%	15.9	1.5%	16.2	1.5%	16.4	1.5%	16.7	1.5%	16.9
21 Charges for Services	58.8	58.7	2.1%	57.0	1.8%	58.0	1.4%	58.8	1.3%	59.6	1.4%	60.4	1.4%	61.3
22 Fines & Forfeitures	30.6	20.4	1.6%	41.3	1.6%	41.9	1.6%	42.6	1.6%	43.3	1.6%	44.0	1.6%	44.7
23 Montgomery College Tuition	72.6	73.4	7.3%	77.9	1.8%	79.3	1.4%	80.4	1.3%	81.5	1.4%	82.6	1.4%	83.7
24 Total Fees and Fines	178.7	169.5	7.3%	191.8	1.7%	195.1	1.5%	198.0	1.4%	200.8	1.4%	203.7	1.4%	206.6
MISCELLANEOUS														
25 Investment Income	55.3	55.8	-20.5%	44.0	-7.0%	40.9	0.2%	41.0	0.2%	41.0	0.2%	41.1	0.0%	41.1
26 Other Miscellaneous	25.3	25.2	2.7%	23.0	2.2%	23.5	1.8%	24.0	1.7%	24.4	1.7%	24.8	1.7%	25.2
27 Total Miscellaneous	80.6	81.0	-16.8%	67.0	-3.8%	64.4	0.8%	64.9	0.7%	65.4	0.8%	65.9	0.7%	66.3
28 TOTAL REVENUES	6,515.2	6,673.3	5.1%	6,955.8	3.6%	7,203.8	2.5%	7,382.7	2.3%	7,549.8	2.3%	7,725.9	2.4%	7,908.1
Calculation for Adjusted Governmental Revenues														
29 Total Tax Supported Revenues	6,615.2	6,673.3	5.1%	6,955.8	3.6%	7,203.8	2.5%	7,382.7	2.3%	7,549.8	2.3%	7,725.9	2.4%	7,908.1
30 Capital Projects Fund	332.6	294.0	12.2%	261.0	-10.6%	233.2	0.4%	234.0	-15.6%	197.4	-6.9%	179.9	-0.2%	179.6
31 Grants	168.5	168.6	-7.2%	156.5	2.2%	160.0	1.8%	162.9	1.7%	165.6	1.7%	168.4	1.7%	171.3
32 Total Adjusted Governmental Revenues	7,016.5	7,136.0	5.1%	7,373.3	3.0%	7,596.9	2.4%	7,779.5	1.7%	7,912.8	2.0%	8,074.2	2.3%	8,259.0

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 13, 2026). Additional changes may be transmitted to the County Council in April 2026.
- FY27-32 Retiree Health Insurance Pre-Funding values are based on the latest actuarial funding schedule (the actuarial valuation as of July 1, 2025).
- Revenue Stabilization (Rainy Day) Fund balance is projected at \$714.2 million at the end of FY26. The mandatory contribution is estimated to be \$0 in FY26 and \$28.2 million of investment income is estimated to be added to the fund in FY26. Additional mandatory contributions are projected consistent with the Revenue Stabilization Fund law (Sec. 20-65, Montgomery County Code).
- The FY27-32 reserves (Revenue Stabilization Fund plus the General Fund unrestricted balance) are consistent with legal requirements and the minimum policy target. The FY27 County Executive's 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 describes the revenue sources, both tax supported and non-tax supported, used to fund the County Executive's Recommended FY27 Operating Budget, and the amount of revenue the County anticipates receiving from those sources. The chapter details the demographic and economic assumptions, including discussions of the national, State, and local economies, that were made in the development of the revenue forecast.

REVENUE FORECAST ASSUMPTIONS

Policy Assumptions

Revenue and resource estimates presented are the result of the recommended policies of the County Executive for the FY27 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.

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 1,082,273 in 2024 (Census) to 1,150,536 by 2034. This reflects an average annual growth rate of 0.6 percent.
- Current projections estimate the number of households to increase from 389,161 (Census) in 2024 to 413,707 by 2034. Household growth over that period is projected to grow at an average annual rate of 0.6 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 12,000 in 2025 to 13,140 by 2032.
- The County expects Montgomery County Public Schools student enrollment to decrease by 6,835 between FY26 and FY32.
- Montgomery College full-time equivalent student enrollments are projected to increase from 15,515 in FY26 to 18,737 in FY30.

Economic Assumptions

Despite increased national economic volatility in calendar year (CY) 2025, Montgomery County's economy experienced growth with higher resident income levels and median home prices. However, flat residential employment and little growth in home sales hint at the challenges to achieving the county's full economic potential. These mixed signals provide support for continued revenue growth in the short term but possibly warn that in the longer term this growth may not be sustainable.

The FY27 budget revenue forecast incorporates the assumption that the United States will not experience a recession in the coming year. There is considerable uncertainty regarding Federal policies and actions as well as concerns that economic growth rests upon limited industry sectors. However, local economic indicators remain consistent with continued economic growth, supporting the decision not to incorporate a recession and assume a reduced revenue growth rate in Montgomery County.

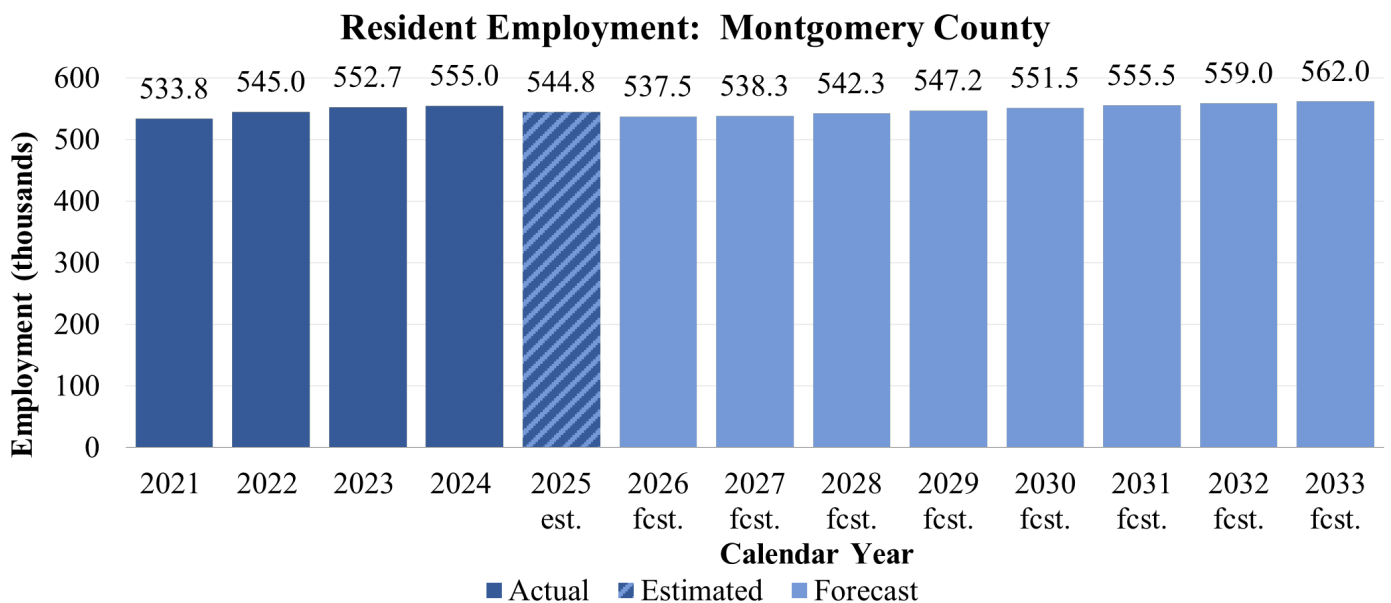
ECONOMIC OUTLOOK

The forecast for the local economy is also mixed. While resident income levels are anticipated to continue growing consistent with long-term trends, resident employment and jobs located in Montgomery County (payroll employment) are expected to stagnate throughout the forecast period. The slow growth in both resident employment and payroll employment could generate headwinds that limit local economic activity and ultimately result in disappointing revenue growth.

Employment

Resident employment refers to the number of residents employed, regardless of whether that job is located in Montgomery County or elsewhere. As Montgomery County's income tax is imposed on residents, regardless of where income is earned, resident employment is a key indicator for income tax revenues.

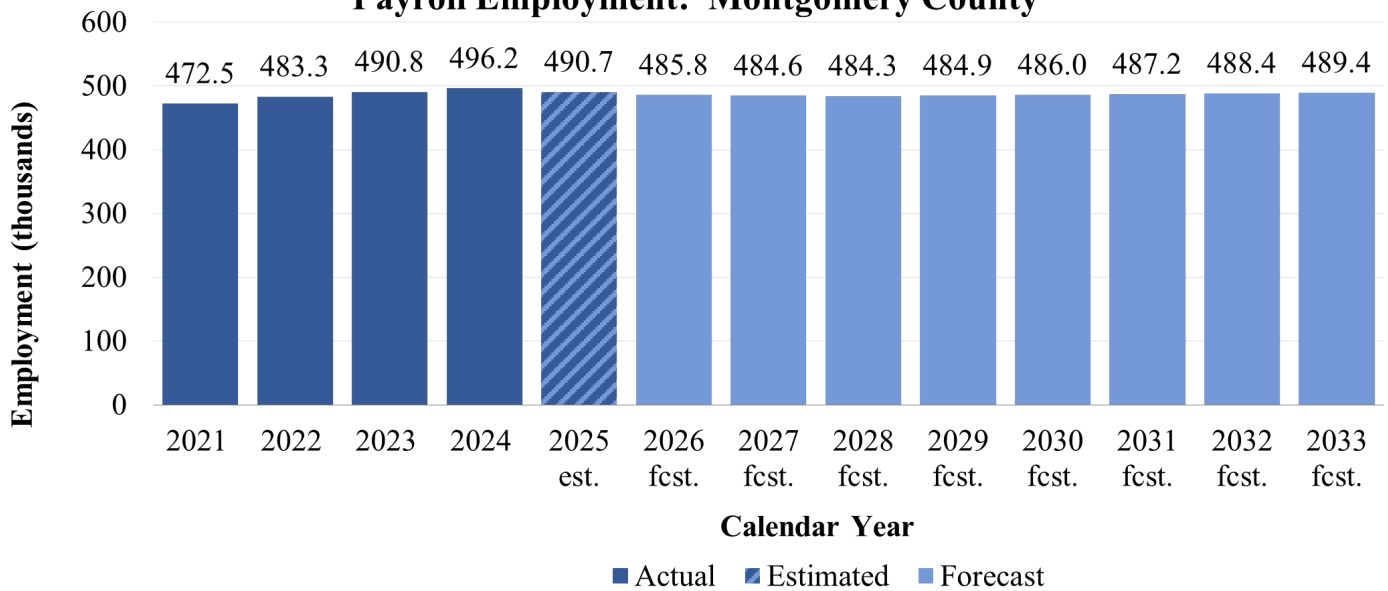
Based on data from the Maryland Department of Labor, Licensing and Regulation (DLLR) and the Bureau of Labor Statistics, U.S. Department of Labor, resident employment declined by 1.84 percent from CY2024 to CY2025, a second year in which resident employment growth has slowed. Finance forecasts that resident employment will again decline in CY2026 and will increase at an average annual rate of 0.4 percent from CY2025 to CY2033. Due to this slow growth rate resident employment is expected to next exceed its recent CY2024 high in CY2031.



SOURCES: Maryland Department of Labor, Licensing and Regulation; Moody's Analytics; Montgomery County Department of Finance

Payroll employment refers to the number of jobs located in Montgomery County and its growth is a result of business development and job creation locally, indicative of the strength of the local economy. Finance assumes that payroll employment will remain essentially unchanged from CY2025 to CY2032, with modest increases or decreases in each year.

Payroll Employment: Montgomery County



SOURCES: Bureau of Labor Statistics, U.S. Department of Labor; Moody's Analytics; Montgomery County Department of Finance

The unemployment rate is an indicator of general economic strength as a lower rate is usually associated with strong employment and with increasing wage income. In CY2025 the County's unemployment rate continued to climb, reaching 3.5 percent. This is the result of the labor force declining by 5,575 people but resident employment declining even more by 10,210. Finance assumes that unemployment will peak at 3.8% in CY2026 and that the economy will then approach near full employment with the unemployment rate declining to 3.1 percent by CY2030.

Unemployment Rate: Montgomery County



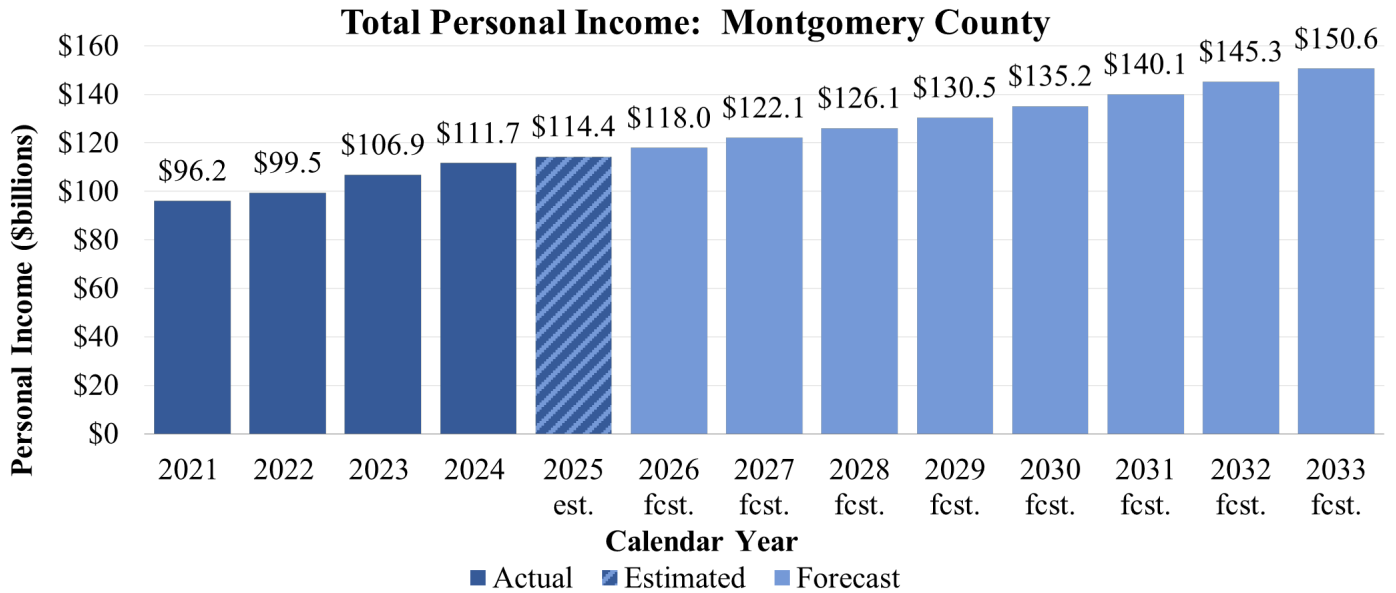
SOURCES: Bureau of Labor Statistics, Local Area Unemployment Statistics; Montgomery County Department of Finance

Resident Income

Total personal income refers to the sum of wage and salary income and non-wage income, which includes transfer payments, proprietor's income, dividends/interest/rental income, but excludes capital gains. Total personal income and its components are key factors for income tax revenues and the forecast growth in that revenue source.

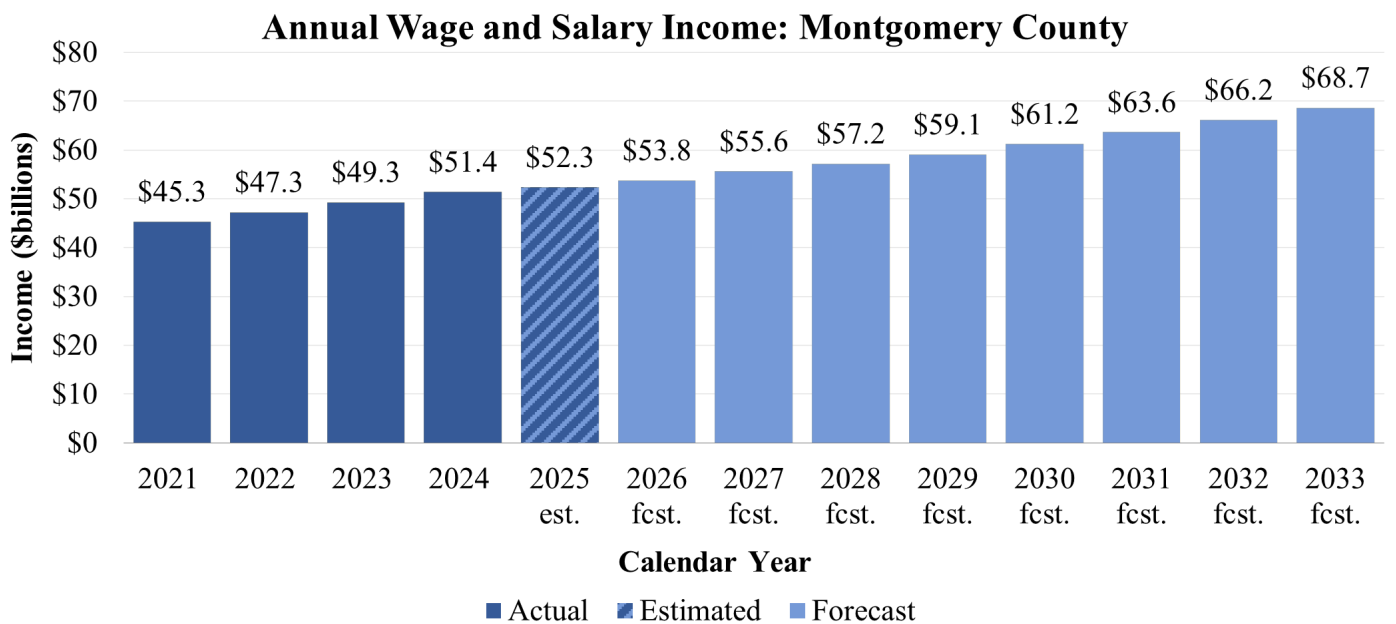
Total personal income grew steadily coming out of the pandemic, at an annualized 4.73 percent pace from CY2020 to CY2025, reflecting the strength in the regional labor market and growth in household finances during this period. Finance assumes that

total personal income in Montgomery County will continue to grow, increasing at an average annual rate of 3.50 percent from CY2025 to CY2033, an indication that income tax may continue increasing though at a somewhat reduced pace in nominal terms.



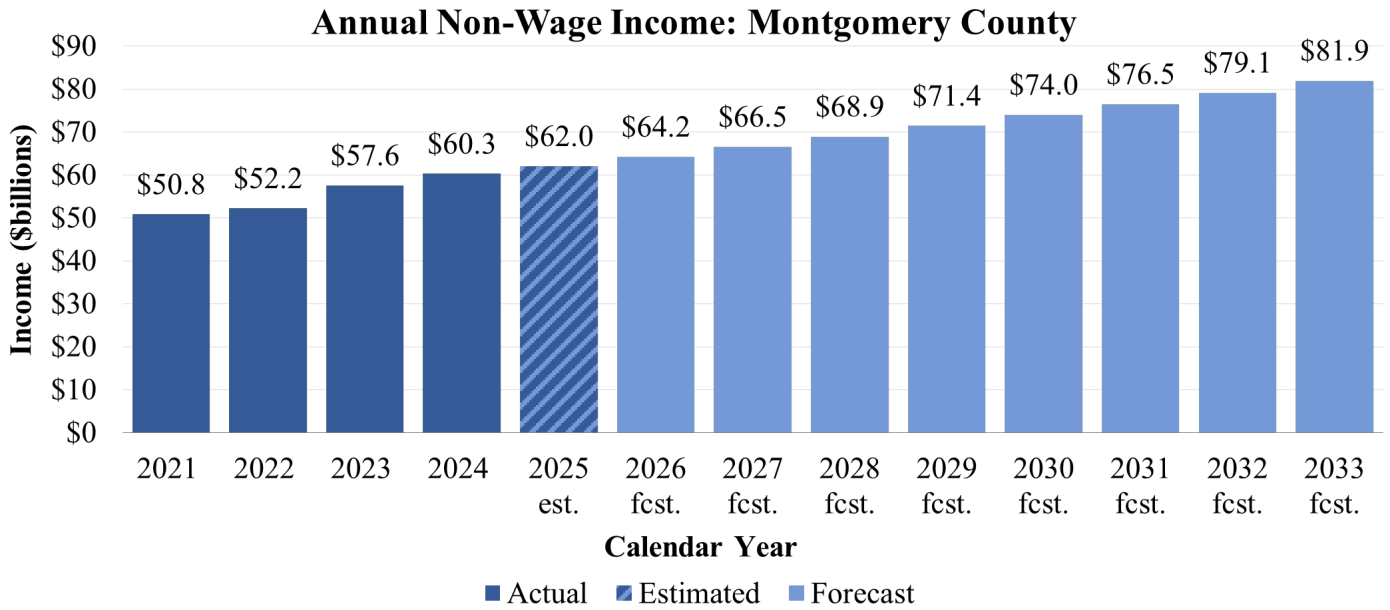
SOURCES: Bureau of Economic Analysis, U.S. Department of Commerce; Moody's Analytics; Montgomery County Department of Finance

Wage and salary income refers to employment income earned by salaried and waged employees and is impacted by labor market conditions, inflation patterns, and population growth/demographic changes in Montgomery County. Finance assumes wage and salary income will continue growing but at a slightly reduced pace from the recent past; wage and salary income grew at a 4.8 percent annualized pace from CY2020 to CY2025 and is expected to continue growing at a 3.6 percent annualized pace from CY2025 to CY2033. This growth rate is despite the fact that the number of employed residents is expected to experience little change and thus reflects an increase in nominal terms in the wage per hour of employee labor.



SOURCES: Bureau of Economic Analysis, U.S. Department of Commerce; Moody's Analytics; Montgomery County Department of Finance

Non-Wage Income¹ refers to various types of income not obtained through wages and salary, such as proprietor/s income, transfer receipts, and dividends (see note below for specific components). Finance forecasts that non-wage income in Montgomery County will increase at an average annual rate of 3.7 percent from CY2025 to CY2033, a slower pace than the 5.1 percent average annual growth from 2020 to 2025.



SOURCES: Bureau of Economic Analysis, U.S. Department of Commerce; Moody's Analytics; Montgomery County Department of Finance

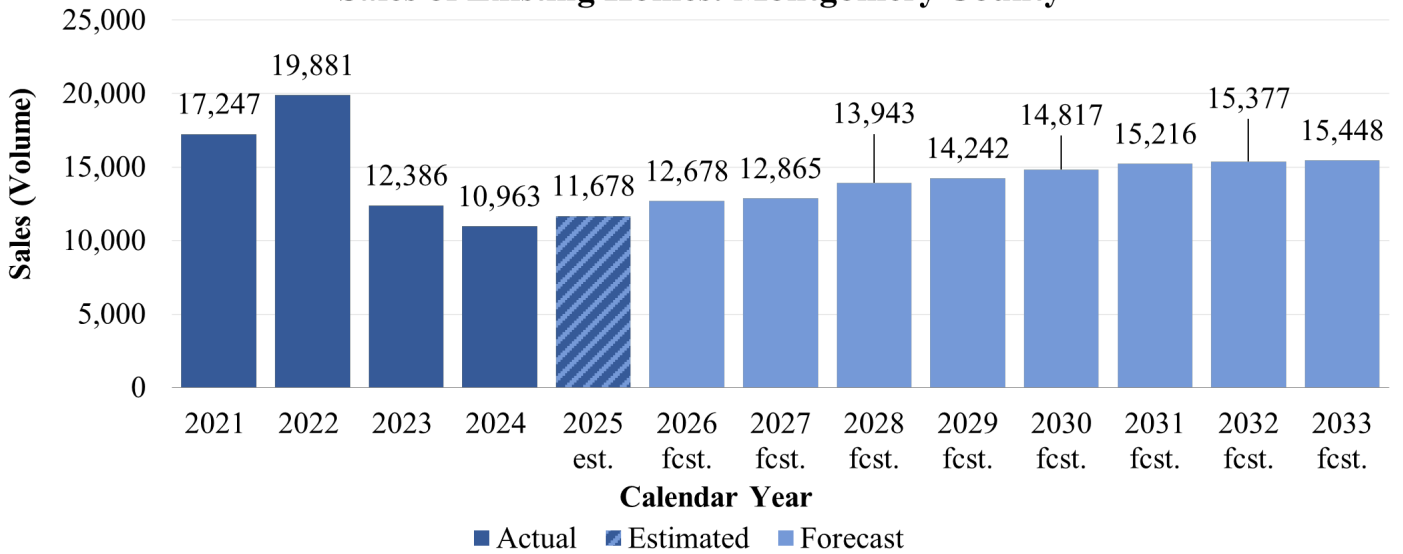
¹Non-wage income is the sum of proprietor's income, supplements to wages and salaries, transfer receipts, dividends/interest/rents, adjustment for residence, less contributions for government social insurance.

Residential Real Estate

The sales of existing homes in Montgomery County influences the amount of transfer and recordation tax revenue. The number of homes sold reflects dynamics in the real estate market, the demand and supply of homes for sale, and is highly influenced by the level of interest rates.

Finance anticipates that sales of existing homes will continue recovering from the reduced pace experienced since CY2023 when the Federal Reserve began raising interest rates. This forecast does depend upon the home sale market continuing to unlock as mortgage rates continue to moderate and more households experience a need to move despite the higher interest rate for a new mortgage. Finance anticipates home sales will eventually plateau around 15,000 sales annually, below the levels experienced during the COVID pandemic.

Sales of Existing Homes: Montgomery County

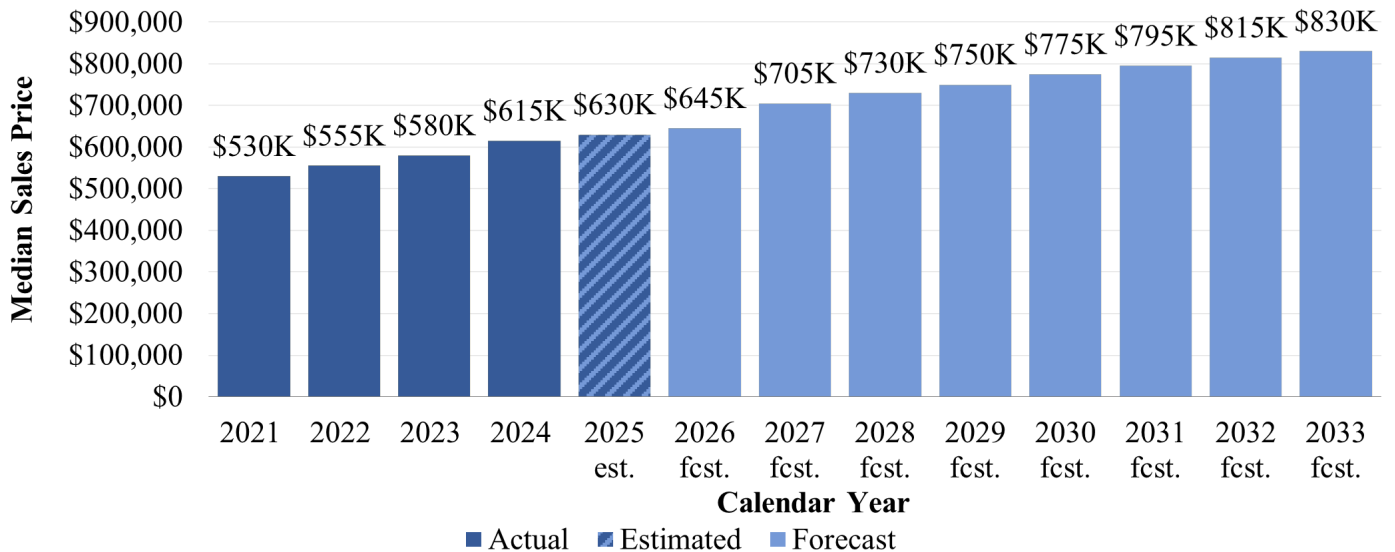


SOURCES: Metropolitan Regional Information Systems, Inc.; Moody's Analytics; Montgomery County Department of Finance

The median sales price for housing in Montgomery County reflects the value residents place on living within the County. The price of homes sold directly affects transfer and recordation tax revenues and influences the assessed value of property which in turn determines property tax revenues.

Home prices continue to reflect elevated desire to live in Montgomery County and the relative lack of supply of homes for sale, with prices increasing at a 5.6 percent average annualized pace from CY2019 to CY2025. Finance expects home price growth to moderate to a 3.5 percent average annualized pace of growth from CY2025 to CY2033.

Median Sales Price for an Existing Home: Montgomery County



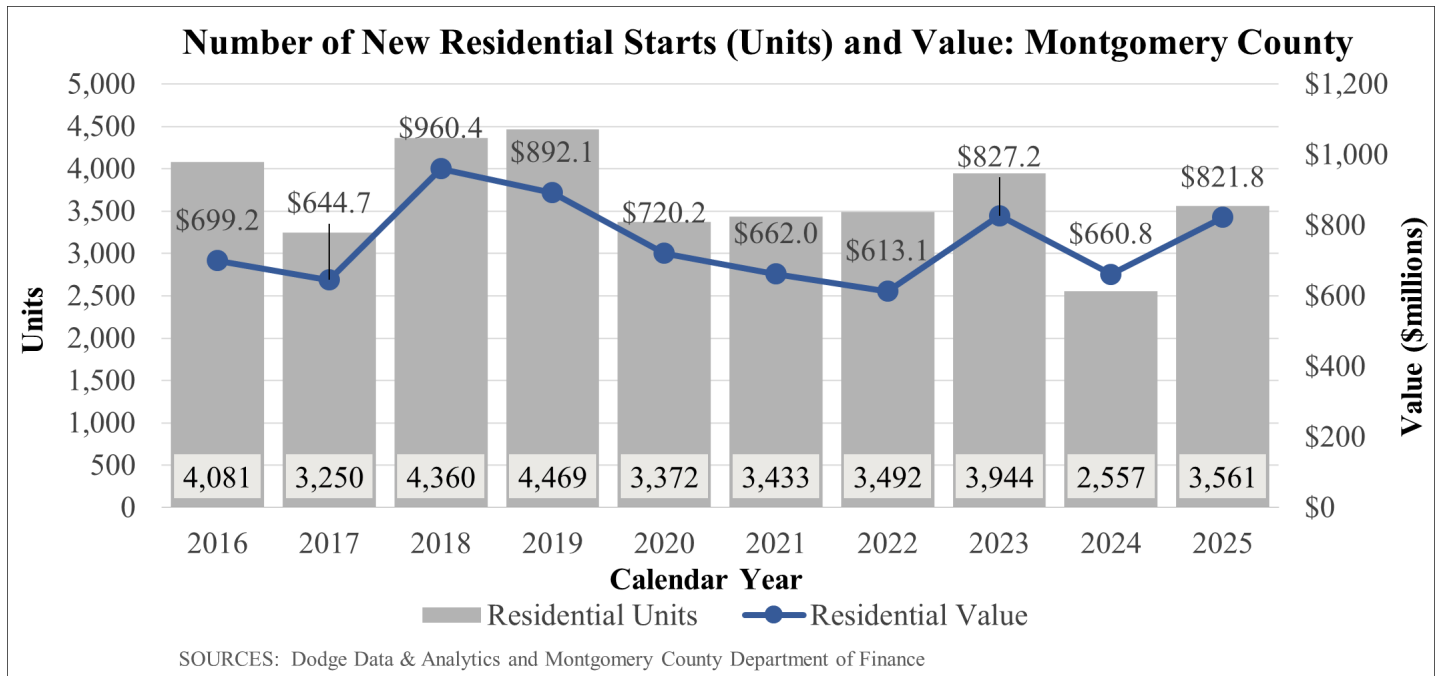
SOURCES: Metropolitan Regional Information Systems, Inc.; Moody's Analytics; Montgomery County Department of Finance

Construction Activity

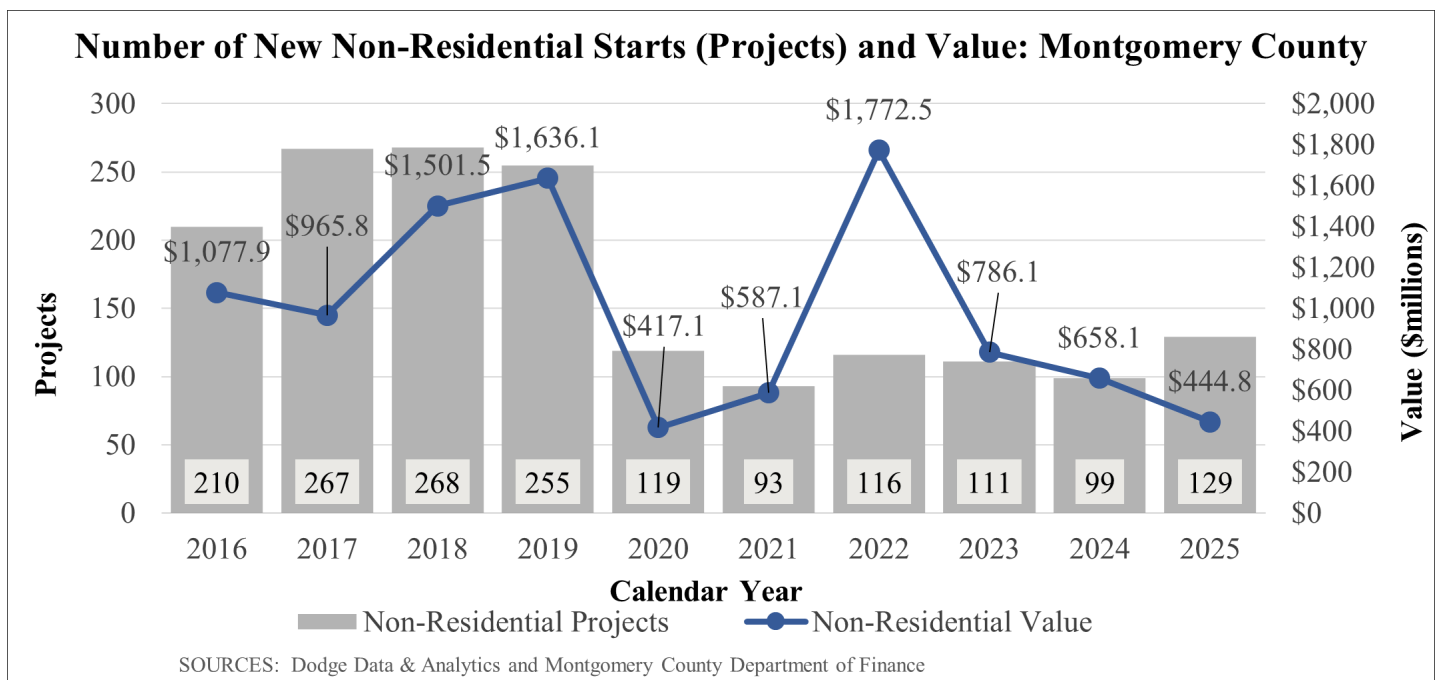
Construction is one of the driving forces of the economy and provides insight into the future trajectory of assessed values and by extension property tax revenues.

Some concern noted in the press that Montgomery County is attracting less residential construction investment is not apparent in the data on the number of residential units under construction. The number of new residential units and the total value of those

units increased in CY2025, up 39.3 percent and by 24.4 percent respectively. Montgomery County does not forecast future construction activity.



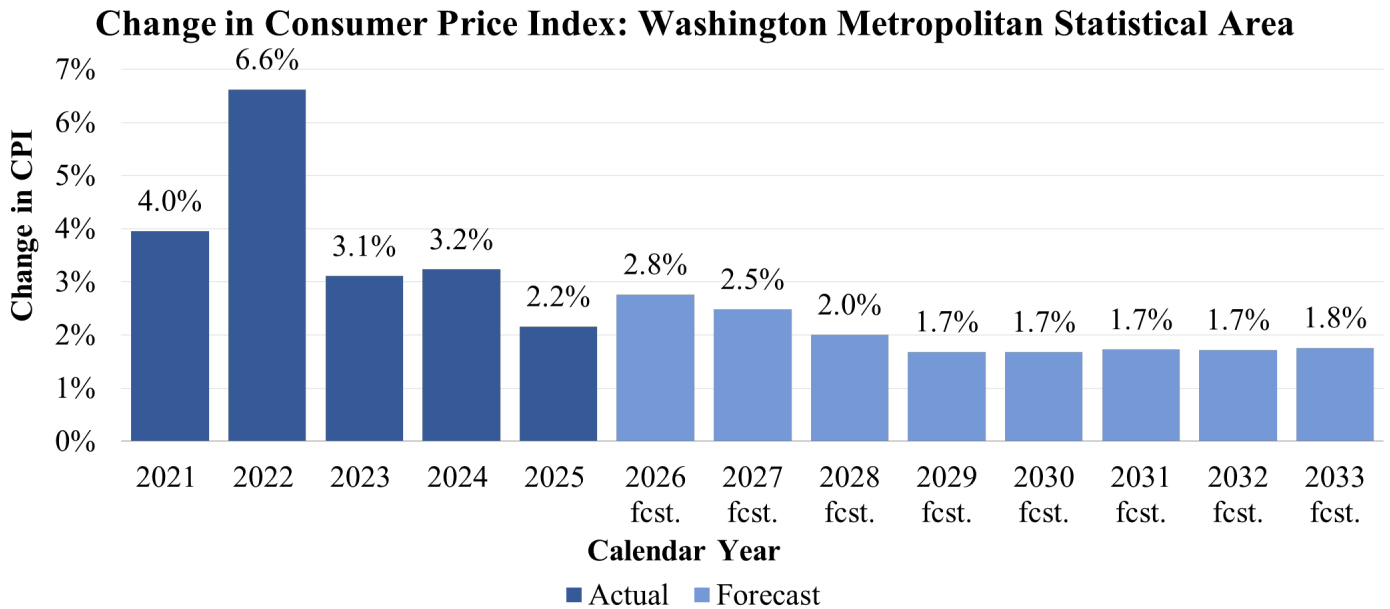
The number of projects and the value of new non-residential constructions projects in Montgomery County remains lower than its pre-CY2019 trend. Finance attributes this decline to the disruption COVID-19 caused to the use of space and by extension the non-residential real estate market. Non-residential projects continued at this lower rate in CY2025 with little change since CY2019 in number of projects and except for CY2022, in the value of those projects.



Inflation

The Consumer Price Index (CPI) is based on the prices of goods and services, both domestic and imported, that consumers purchase. Inflation is influenced by trends in labor costs and simultaneously influences future wage and salary demands, which in turn impacts the County's income tax revenues. The change in home values is also influenced by the pace of inflation, indirectly influencing the County's property tax revenues.

Finance assumes that inflation in the Washington-Arlington-Alexandria, DC-VA-MD-WV metropolitan statistical area will increase modestly in CY2026 but then moderate and remain at or below the Federal Reserve's stated target of 2 percent from CY2028 to CY2033.



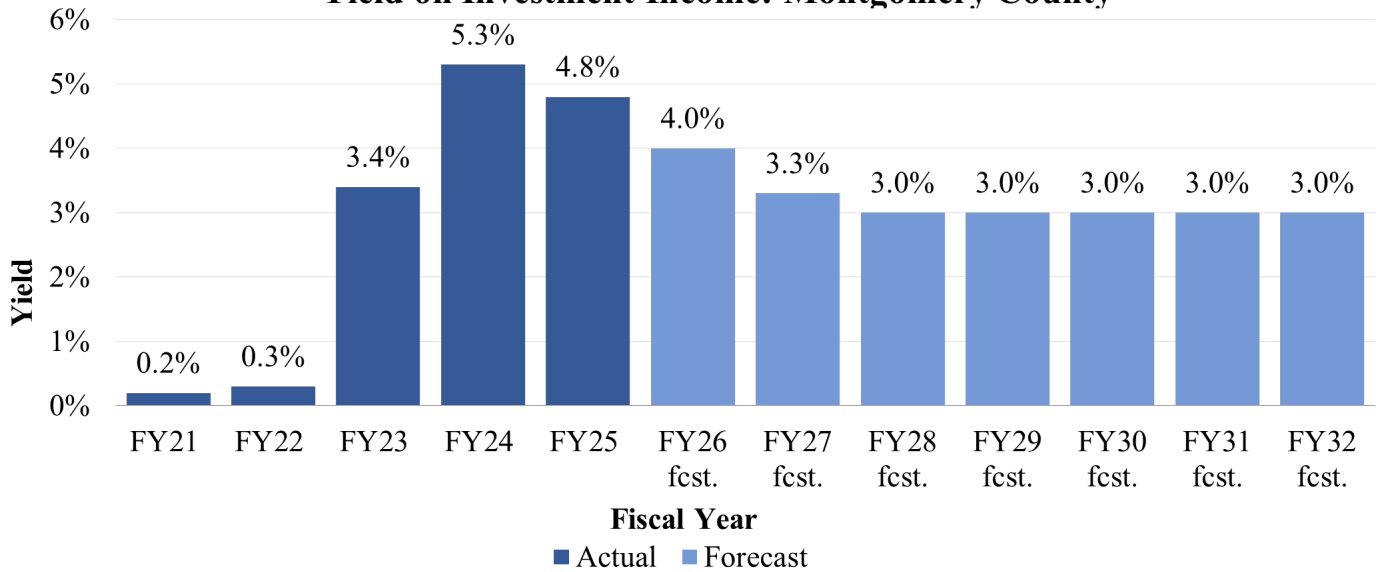
SOURCES: Bureau of Labor Statistics, U.S. Department of Labor; Moody's Analytics; Montgomery County Department of Finance

Interest Rates

Montgomery County invests public funds not needed for immediate expenditures in short-term investments whose return is highly correlated with the Federal Funds rate. The County's yield on investment income drives the amount of revenue produced from the investment of operating cash and is also conversely an indicator of the rates the county must pay to borrow money.

Increases in the targeted federal funds rate from fiscal year (FY) 2022 to FY24 increased investment yields, with the County earning 5.3 percent rate on its short-term portfolio for FY24 and 4.8% in FY25. The Federal Reserve began lowering interest rates during 2024 and Montgomery County's investment yield has commensurately begun to fall. Finance expects the yield on investment income to continue declining to 4.0 percent in FY26, and 3.3 percent in FY27 before reaching an assumed level of 3 percent at the end of the forecast period. This assumed level from FY27 on reflects a reasonable premium on the Federal Reserve's stated goal of 2 percent inflation.

Yield on Investment Income: Montgomery County



SOURCES: Montgomery County Department of Finance

TOTAL REVENUES IN TAX SUPPORTED FUNDS

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 for all county funds are based on estimates of County income from its own sources such as taxes, user fees, charges, and fines, and State and Federal government assistance. This section displays projections and descriptions of total revenues available for the "tax supported" portions of the program, which are subject to the Spending Affordability Guideline (SAG) limitations. Total tax-supported revenues consist of both tax revenues (i.e., property tax, income tax, etc.) and non-tax revenues (i.e., intergovernmental revenues, fees, licenses, etc.). Details on non-tax revenues in the tax-supported funds can be found in the "Other Tax-Supported Revenues" section of this chapter.

Non-tax supported funds represent another type of financial burden on households and businesses and, therefore, are 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.

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.

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. 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

This section discusses the tax-specific portion of revenues from the total tax-supported fund. Each tax includes relevant fiscal policy considerations that directly affect the FY27 estimates, while also discussing crucial economic indicators driving the forecasts.

Property Tax

Property taxes are the largest source of revenue for the county and exhibits the least volatility to market conditions due to the reassessment process. The State Department of Assessments and Taxation (SDAT) holds the responsibility of assessing the market taxable value of Maryland properties, which are divided into three groups. Each year, the state reassesses one group, resulting in a complete reassessment of the County triennially (every three years). Increases in value of the assessments are phased over the three-year period, while decreases are effective in the first year. The "levy year" refers to the specific year for which the assessments are analyzed to set the tax rates for the upcoming fiscal year.

In addition to the general countywide tax rate, there are special district tax rates, such as certain urban areas and recreation. 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 FY24 approved budget included a \$0.0470 general fund property tax for school purposes. This \$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.

Starting in FY27 the County Executive proposes an additional \$0.0630 property tax dedicated to school funding pursuant to § 5-104 of the State Education Article, for a total of \$0.1100 in general fund property tax dedicated for school purposes. This additional tax of \$0.0630 is estimated to generate an additional \$164.6M in revenue versus no change in the property tax rate.

FY27 Estimate	\$2,672.0 million	49.1% of the FY27 Total Tax-Supported Revenues
FY26 Revised Estimate	\$2,398.5 million	46.4% of the FY26 Total Tax-Supported Revenues
% change	↑11.04%	

Recommended General Fund Rate FY27 (LY26)

Assessed Real Property	\$0.7811 per \$100
Assessed Personal Property	\$1.9528 per \$100

Weighted Average Real Property Rate FY27 (LY26)

Charter Limit	\$0.9785 per \$100
School Purpose Funding	\$0.1100 per \$100
Total Weighted Average Real Property Tax Rate	\$1.0855 per \$100

SDAT Property Assessment Value Trends (triennial basis – 1/3 of total increase implemented each year)

Group # Year Assessed	Residential Property	Commercial Property
Group 3 FY25 (LY24)	↑22.0%	↑17.5%
Group 1 FY26 (LY25)	↑17.6%	↑10.3%
Group 2 FY27 (LY26) Estimate	↑11.8%	↑6.2%

Income Tax

Income tax revenues are affected by resident employment, as well as wage and salary income trends. 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, and the subtraction of Maryland standard or itemized deductions and personal exemptions. The Maryland Comptroller's Office administers the local income tax as part of the state income tax. The County receives its income tax revenues largely through quarterly distributions from withholding and estimated payments that are sent to the State. Additional distributions reconcile the quarterly distributions from the previous tax year and distribute delinquent payments, interest and penalties and other collections.

On May 8, 2020, the Maryland General Assembly enacted SB523 that amended Article II, Section 17(c), of the Maryland Constitution - Chapter 641. Specifically, the bill authorized a PTE (partnerships, limited liability companies, S- corporations, and

business trusts) 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. Because of this option to pay at the entity level, patterns of estimated and final payments may be impacted.

The County Executive proposes to increase the Montgomery County income tax rate from 3.2 percent to 3.3 percent, the maximum allowed by Maryland law, starting January 1, 2027. This income tax increase is estimated to generate \$21.9M in FY27 above the FY27 forecast, assuming no change in the income tax rate. By FY30 the increase in the income tax rate is forecast to generate an additional \$73.7M above the forecast assuming no increase in the income tax rate.

FY27 Estimate	\$2,317.3 million	42.6% of the FY27 Total Tax-Supported Revenues
FY26 Revised Estimate	\$2,342.0 million	45.3% of the FY26 Total Tax-Supported Revenues
% change	↓1.1%	

Transfer and Recordation Taxes

Transfer tax revenues are derived from the legal transfer of property; recordation tax is an excise tax imposed as compensation for registering the purchase or sale of property as public record. The revenues received strongly correlate with real estate trends, which are highly volatile. Economic indicators such as growth in personal income, formation of households, and mortgage interest rates can cause significant changes in the number of residential home sales. The volume and value of commercial property sales is affected by business activity and investment, office vacancy rates, property values, and financing costs.

FY27 Estimate	\$176.5 million total	3.2% of the FY27 Total Tax-Supported Revenues (General Fund)
Transfer Tax	\$119.8 million	
Recordation Tax	\$56.7 million	

FY26 Revised Estimate	\$158.1 million total	3.1% of the FY26 Total Tax-Supported Revenues (General Fund)
Transfer Tax	\$107.3 million	
Recordation Tax	\$50.8 million	
Total % change	↑11.6%	

Fuel-Energy Tax

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 fuel-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.

FY27 Estimate	\$193.9 million	3.6% of the FY27 Total Tax-Supported Revenues
FY26 Revised Estimate	\$191.9 million	3.7% of the FY26 Total Tax-Supported Revenues
% change	↑1.0%	

Telephone Tax

The telephone tax is levied as a fixed amount per landline, wireless communications, and other communication devices. 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, the growth of which has moderated over the past couple of years.

FY27 Estimate	\$56.7 million	1.0% of the FY27 Total Tax-Supported Revenues
FY26 Revised Estimate	\$56.8 million	1.1% of the FY26 Total Tax-Supported Revenues
% change	↓0.1%	

Traditional Landline	\$2.00 per month
Multi Business Lines (Centrex)	\$0.20 per month
Wireless Communication	\$3.50 per month

Hotel/Motel Tax

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, schools, and organizations visit the nation's capital for various events; many visitors to Washington, D.C. use hotels in the County, especially those in the southern portion of county.

FY27 Estimate	\$20.5 million	0.4% of the FY27 Total Tax-Supported Revenues
FY26 Revised Estimate	\$20.4 million	0.4% of the FY26 Total Tax-Supported Revenues
% change	↑0.1%	

Admissions/Amusement Tax

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.

FY27 Estimate	\$3.5 million	0.1% of the FY27 Total Tax-Supported Revenues
FY26 Revised Estimate	\$3.5 million	0.1% of the FY26 Total Tax-Supported Revenues
% change	0.0%	

E-Cigarettes Tax

The electronic cigarette tax is a tax on any product containing or delivering nicotine or any other substance intended for human consumption that can be used by a person to simulate smoking through inhalation of vapor or aerosol from the product. 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. This has resulted in e-cigarette tax revenues declining each year from the peak of \$1.4 million in FY20.

FY27 Estimate	\$0.6 million	<0.1% of the FY27 Total Tax-Supported Revenues
FY26 Revised Estimate	\$0.6 million	<0.1% of the FY26 Total Tax-Supported Revenues
% change	0.0%	

OTHER REVENUES IN TAX SUPPORTED FUNDS

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 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 FY27. 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 FY27 Recommended Budget assumes a \$5.1 million, or 0.41 percent, increase in intergovernmental revenues from the revised FY26 estimate, of which 81.0 percent of the \$1.256 billion in revenues would be allocated to the Montgomery County Public Schools, 7.4 percent to other intergovernmental, 4.9 percent to Montgomery College, and 3.3 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 FY27 Recommended Budget assumes a 7.9 percent decrease over the revised estimates for FY26, resulting in \$15.7 million in available resources in FY27.

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 FY27 Recommended Budget for assumes a decrease of 2.9 percent over the revised estimates for FY26, resulting in \$57.0 million in available resources in FY27.

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 FY27 Recommended Budget assumes that fines and forfeitures will increase 102.2 percent from the revised estimates for FY26, resulting in \$41.3 million in available resources in FY27.

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 FY27 Recommended Budget assumes a 6.2 percent increase in tuition (revenues) from an estimated \$73.4 million in FY26 to \$77.9 million in FY27.

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 operating 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 that determine pooled investment income are: (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.

Since achieving a peak effective rate of 5.33 percent in August 2023, The Federal Open Market Committee (FOMC) has reduced the targeted federal funds rate six times, with target rates ranging from 3.5 percent to 3.75 percent as of January 2026. The forecast anticipates that the FOMC will continue to reduce the target rate as inflation remains under control and weakness in the job market persists, but at a slower pace through 2026. The result is an expectation of a target rate of around 3.0 percent in 2027. The forecasts anticipates that the target rate will remain at 3.0 percent through the rest of the forecast period.

The revised FY26 tax-supported investment income estimate of \$55.8 million assumes a yield of 4.00 percent and an average daily portfolio balance of \$1.875 billion. The FY27 projected estimate of tax-supported investment income of \$44.0 million assumes a yield of 3.25 percent and an average daily portfolio balance of \$1.8 billion.

Other Miscellaneous

The County receives miscellaneous revenues from a variety of sources. For the FY27 Recommended Budget, miscellaneous revenues will decrease 8.7 percent from the revised estimates for FY26, resulting in \$23.0 million in available resources in FY27.

■ 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 FY27-32 CIP. Anticipated current revenue adjustments to the County Executive's Recommended FY27-32 CIP have been made as part of the recommended operating budget.

Prior Year Fund Balance

The prior year fund balance for the previous fiscal year is the audited FY25 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 FY27-32 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 36.9 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, 2025, is 1.46 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 FY27 Recommended Budget estimates that the Revenue Stabilization Fund balance will be \$714.2 million in FY26 and the balance is estimated to increase to \$736.1 million in FY27.

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 with a projected combined balance of 10.6%. This leaves sufficient capacity in FY27 to address budget issues that may arise from State and Federal budget actions.

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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 and capital expenditures must conform with GAAP standards. This involves the separate identification of, and accounting for, the various operating and capital 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, S&P Global, 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 WSSC Water 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 10.0 percent target in in FY21-25. Reserves for FY26 were budgeted at 11.2 percent but due to a combination of strong tax revenue growth and lower than budgeted expenditures, they are projected to further increase in FY26 to 13.3 percent. Reserves are forecast to be 10.6 percent at the end of FY27.

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.

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 10 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. Due to a shortfall in revenues, proposed amendments to the current year (FY26), would reduce PAYGO to \$2.3 million below the 10 percent policy level. The amendments would adjust PAYGO at 9.2 percent of bonds planned for issuance. In FY27, PAYGO is recommended at the policy level, and FY28-32 are as well.

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 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, debt service fund, 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 Montgomery 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.

The County is projected to end FY26 with reserves of \$951.1 million, \$237.5 million more than needed to meet the County's policy of maintaining ten percent of adjusted governmental revenues in reserve.

For FY27, the County faces continued uncertainties regarding Federal grants, federal fiscal policy, and employment. The budget assumes a cushion of reserves to reduce the impact of new Federal priorities and cover necessary costs. Income tax revenues are projected to increase by 1.9 percent in FY27, although changes at the Federal level may impact that number.

Transfer and recordation taxes were flat in FY26, but revenues from these sources are forecasted to grow 14.6 percent in FY27, with stronger growth expected in FY28. 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. Changes to federal employment and spending priorities

Inflationary pressures for utilities, fuel, contracts, and other operating costs are affecting all areas of the County's operations. Inflation-related increases in 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.

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 an 11.0 cent supplementary property tax that is dedicated solely to MCPS, an increase of 6.3 cents from FY26.

For FY27, it is estimated that the County will end the year with \$781.9 million in reserves, equal to a reserves percentage of 10.6 percent of adjusted gross revenue. This is 0.6 percentage points above the policy level and equates to \$44.6 million more than required to meet the County's fund balance 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 in combination with the RSF, together will represent ten 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 ten percent reserve target must be made to the RSF. If greater than ten percent total reserve, then 50 percent of certain excess revenues must be transferred to the Fund. RSF funds may not 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 the 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. After exceeding 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 worked with County Council and the County's financial advisors to update the reserve policy and the Revenue Stabilization Fund to better reflect current circumstances as the County strives to balance fiscal prudence with residents' needs and a desire to limit unnecessary taxation. The new reserve policy is with the County Council for consideration.

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 FY26, the actuarial analysis assumed an actuarial determined contribution (ADC) that was \$13.5 million less than the pay-as-you-go amount, and in accordance with the new policy, the FY26 budget assumed utilization of \$13.5 million to pay for a portion of retiree health care benefits costs. In FY27, the Actuarial analysis assumed an ADC that was \$34.5 million less than the pay-as-you-go amount, and the FY27 budget assumes utilization of \$34.5 million to pay for a portion of retiree health care expenses.

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 FY27-32 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. 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.

Budgeting PAYGO at the ten percent policy level and usage of set aside have helped the County mitigate the impact of construction cost increases and revenue shortfalls in the Impact Tax.

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 FY27 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 FY27-32 Recommended CIP, PAYGO is at 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. Transportation Impact Taxes fund capital improvements that expand transportation capacity in the county. 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). In November 2024, the County Council approved the 2024-2028 Growth and Infrastructure Policy. Impact tax rates and policies were set in December 2024 following recommendations in the Growth and Infrastructure Policy. The new policy continues existing impact tax rates but modifies geographic boundaries of transportation policy areas to align with planned transportation infrastructure improvements and County policy goals. The new policy adds a 50 percent discount for single-family residences under 1,800 square feet, exempts office to residential conversions, and adds the existing exemption for bioscience facilities to the County Code. Additionally, the new policy expands eligibility for impact tax credits to infrastructure improvements built on state roadways.

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 (UPP). In addition to the impact tax payment, an applicant for a new residential building permit must pay the Utilization Premium Payment fee as a condition of preliminary plan approval in areas served by schools that exceed adequacy levels of the utilization rate and seat deficit. The fee is calculated by applying the appropriated UPP factor for each school level to the undiscounted and unexempt impact tax rate applicable to the residential unit associated with the permit. The collection of the fee should be allocated to capital projects from MCPS that create capacity in the same school service area that generated the fee. In the Growth and Infrastructure Policy for 2024-2028 approved by the County Council, the allocation of the fee was extended to include capacity projects from MCPS in schools adjacent from where the funds were collected.

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.

The County Council may also create a development district pursuant to the same legislation whose real property tax increment can be used to repay bonds that are issued to finance the infrastructure improvements needed to allow the development to proceed. This tax increment is not an additional tax, but the incremental real property tax derived from the growth in the assessed value in the district that occurs because of the new development. Only the tax increment from the district is pledged to repayment of the bonds. The County's general tax revenues are not pledged.

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 FY27 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 FY27 budget adheres to the policy. With the 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 supplementary property tax, which continued in FY25 and FY26. In FY27, an additional 6.3 cent supplementary property tax is proposed, for a total supplementary property tax of 11.0 cents. 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's local personal income tax will increase from 3.2 percent to 3.3 percent in FY27, within the limits specified in the Maryland Annotated Code, Tax-General Article, Section 10-106. The increased rate, if adopted, will become effective January of 2027 and is estimated to generate \$21.9 million in FY27.

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.

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.

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 safely preserve principal, provide sufficient liquidity to meet cash flow requirements, and maximize financial return while conforming to all State of Maryland laws and County statutes governing the investment of public funds. 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 ten 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 FY26 were budgeted at 11.2 percent but due to strong tax revenue growth and lower than budgeted spending, they are now projected to be 13.3 percent in FY26. Reserves are forecast to be 10.6 percent at the end of FY27.

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 alternative 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 public 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 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 Water. 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 is 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:

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.

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 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 5 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 comply with the covenants in the Bonds to meet the debt service coverage ratios and conditions for issuing additional 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 the interest is subject to federal taxation as 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.

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. Maryland Transportation Article 2-802 codifies jurisdictions' use of Bus Rapid Transit Fund grants to finance costs related to the construction, acquisition, improvement, equipping, rehabilitation, and expansion of bus rapid transit system projects, and to support the payment of debt service on bonds issued to finance bus rapid transit system projects. When specifically authorized by State legislation, and aligned with the County's long-term fiscal interest, such revenues may support 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 at least ten percent of the amount of general obligation bonds planned for issue that year as PAYGO in the CIP.

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 Transportation Impact Taxes fund capital improvements that expand transportation capacity in the County. 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). In November 2024, the County Council approved the 2024-2028 Growth and Infrastructure Policy. Impact tax rates and policies were set in December 2024 following recommendations in the Growth and Infrastructure Policy. The new policy continues existing impact tax rates but modifies geographic boundaries of transportation policy areas to align with planned transportation infrastructure improvements and County policy goals. The new policy adds a 50 percent discount for single-family residences under 1,800

square feet, exempts office to residential conversions, and adds the existing exemption for bioscience facilities to the County Code. Additionally, the new policy expands eligibility for impact tax credits to infrastructure improvements built on State roadways.

Schools Impact Tax The 2020 Growth and Infrastructure Policy update 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.

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. The County no longer collects this funding source, and School Facility Payments will not provide additional future capital budget funding.

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 intended 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, lowering the General Fund tax rate and increasing the tax rate for the 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 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. In March of 2025, County law was amended to require payment prior to scheduling final building inspection rather than the earlier of final building inspection or six months for single-family residential buildings and twelve months after building permit issue for all other buildings.

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

Contributions are amounts provided to the County by interested parties such as real estate developers to support particular capital projects. Contributions are sometimes made as a way of solving a problem delaying development approval. A project such as a road widening or connecting road that supports a 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 as 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 finance projects through notes and mortgages with land and improvements serving as collateral. These are paid through revenues of the Authority's enterprises, which include golf courses, the Montgomery County Airpark, and the Crossvines 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 have been 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, bus rapid transit, 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 in 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.

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, bus rapid transit, 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 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 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 FY1972, is determined annually by the General Assembly on a Statewide basis. State aid for school construction mainly consists of traditional State aid, the Supplemental Capital Grant Program for Local School Systems with Significant Enrollment Growth or Relocatable Classrooms (EGRC), and the Built to Learn program administered by the Interagency for School Construction.

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 improvements 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. Tranches of funding are set to commence after award of MDOT's construction contract and when the project's managed lanes become operational. In 2022, the General Assembly established the Bus Rapid Transit Fund, supported by State lottery proceeds and the Transportation Trust Fund. As a result, Montgomery County will receive at least \$25 million

annually to support eligible Bus Rapid Transit projects. Maryland Transportation Article 2-802 codifies jurisdictions' use of Bus Rapid Transit Fund grants to finance costs related to the construction, acquisition, improvement, equipping, rehabilitation, and expansion of bus rapid transit system projects, and to support the payment of debt service on bonds issued to finance bus rapid transit system projects. The County plans to utilize this authority to issue debt backed by the Bus Rapid Transit Fund to support expansion of the Bus Rapid Transit program.

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 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 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, in which 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 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 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 due to 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.

County Law. 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 FY27, \$25,582,000) 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.
- 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.

Federal Law. 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 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

As part of the FY27 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 capital budget development 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 and 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; and
- considered what population demographics tend to be served by different types of facilities when that data exists.

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, and short-term and long-term goals.

CLIMATE CHANGE CONSIDERATIONS IN THE CAPITAL BUDGET

As part of the FY27 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 project's 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); and
- indicate if the project is pursuing or has earned a green building certification.

In addition, the Climate Change Officer and representatives from the Department of Environmental Protection, the Department of General Services, the Office of Emergency Management and Homeland Security, and the Department of Transportation, initiated a pilot committee review process for capital projects providing input to the County Executive and OMB on top priority projects for Climate Action Plan implementation based on a qualitative review of project impacts on climate resilience and climate mitigation.

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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 Montgomery 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, 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; Montgomery College; Maryland-National Capital Park and Planning Commission; WSSC Water; Housing Opportunities Commission; 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 expenses 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 County Council to determine taxes due. Assessed value is less than market value.

AUDIT - 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 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 a government asset 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.

CUSTOMER 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 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 deliver the services described in the program.

COUNCIL TRANSFER OF APPROPRIATION - A transfer of unencumbered appropriation balance by the County Council between agencies, departments, 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 core 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 - An individual 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 Expenses) 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 worked (or 2,496 hours worked for fire fighters) and .50 FTE equals 1,040 hours worked.

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 (GO) 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, the debt service fund, the 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 - Costs that cannot be directly attributed to the implementation of one single grant but are incurred when implementing grants across an organization. Indirect costs pay for a portion of the County's cost to provide support and administrative services to grants such as legal, procurement, fiscal, and labor relations. The County calculates its indirect cost rate via a cost allocation plan developed by an independent contractor per the Federal regulation 2 CFR part 200.

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 residents. 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 that 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 performed by the County government that are the means for achieving desired outcomes, that have 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 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
CBA	Collective Bargaining Agreement	DHCA	Department of Housing and Community Affairs
CBD	Central Business District	DOCR	Department of Correction and Rehabilitation
CCL	County Council	DOT	Department of Transportation
CCM	County Cable Montgomery	DPS	Department of Permitting Services
CDBG	Community Development Block Grant	ECC	Emergency Communications Center
CE	County Executive	EDAET	Expedited Development Approval Excise Tax
CEX	Office of the County Executive	EDF	Economic Development Fund
CIP	Capital Improvements Program	EEOC	Equal Employment Opportunity Commission
CEC	Community Engagement Cluster	EITC	Earned Income Tax Credit
CJCC	Criminal Justice Coordinating Commission	EMTOC	Equipment Maintenance and Transit Operations Center

Abbreviation	Description	Abbreviation	Description
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	IDC	Indirect Costs
FFI	Future Fiscal Impact	IJIS	Integrated Justice Information System
FIN	Department of Finance	IT	Information Technology
FLSA	Fair Labor Standards Act	ITPCC	Interagency Technology Policy and Coordination Committee
FOP	Fraternal Order of Police	LEP	Limited English Proficiency
FRC	Fire and Rescue Commission	LER	Labor and Employee Relations
FTE	Full-Time Equivalent	LFRD	Local Fire and Rescue Department
FY	Fiscal Year	LSBRP	Local Small Business Reserve Program
GAAP	Generally Accepted Accounting Principles	MACo	Maryland Association of Counties
GASB	Government Accounting Standards Board	MC	Montgomery College
GDA	General Development Agreement	MCAASP	Montgomery County Association of Administrative and Supervisory Personnel
GDP	Gross Domestic Product	MCCF	Montgomery County Correctional Facility
GFOA	Government Finance Officers Association	MCCSSE	Montgomery County Council of Supporting Service Employees
GIS	Geographic Information Systems	MCDC	Montgomery County Detention Center
GO Bond	General Obligation Bond	MCEA	Montgomery County Education Association
GRIP	Guaranteed Retirement Income Plan	MCEDC	Montgomery County Economic Development Corporation
GWA	General Wage Adjustment	MCERP	Montgomery County Employee Retirement Plans
HHS	Department of Health and Human Services	MCFRS	Montgomery County Fire and Rescue Service
HIPAA	Health Insurance Portability and Accountability Act	MCG	Montgomery County Government
HOC	Housing Opportunities Commission	MCGEO	Municipal and County Government Employees Organization
HRC	Office of Human Rights	MCPD	Montgomery County Department of Police

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 the 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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