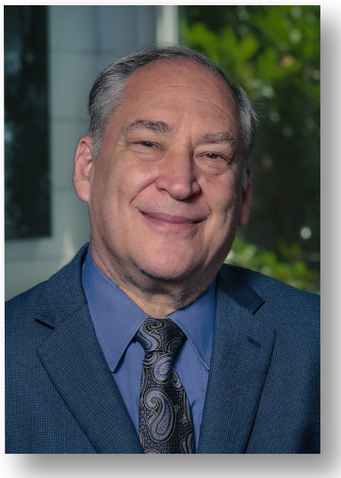
County Executive Marc Elrich's Signature Initiatives



- **Preserving & Increasing Affordable Housing** – focus on eviction and homelessness --prevention, tenant education, limitations on rental increases, and rental assistance.
- **Building Bus Rapid Transit System** – a high quality, frequent, reliable transit plan for the 21st Century.
- **Fighting Climate Change** – goal to reduce greenhouse gas emissions Countywide 80% by 2027 and achieve zero greenhouse gas emissions by 2035 – while prioritizing racial equity, social justice, and public health.
- **Expanding Early Care and Education** – develop a comprehensive system of high-quality, accessible, and affordable early childhood education.
- **Improving Economic & Community Development** – focus on economic growth and workforce development.
  - University of Maryland Institute for Health Computing
  - Montgomery County Green Bank
  - Montgomery County Economic Development Corporation
  - WorkSource Montgomery
- **Reimagining Public Safety** – improve interaction with public safety system through greater understanding of how mental and behavioral health, addiction, poverty, and other conditions are affecting our residents.
- **Advancing Racial Equity & Social Justice** – through legislation, budget appropriations, supplemental appropriations, training for employees.

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Message from the County Executive

I am pleased to submit my Fiscal Year 2027 (FY27) Recommended Operating Budget. As my final budget proposal as County Executive, this submission represents a capstone to the legacy we have built together over the past seven years - rooted in resilience, equity, and forward - thinking investments. From navigating the unprecedented challenges of the global pandemic to advancing racial equity and social justice, combating climate change, and fostering economic growth, we have always prioritized the needs of our diverse residents. Central to this mission has been our unwavering commitment to education, not just through infrastructure, but through historic investments in the success of our students, the professional dignity of our teachers, and the vital work of the support staff who keep our schools running every day. By championing these pillars of our future, we have strengthened our communities and ensured that opportunity remains within reach for every Montgomery County resident.

The FY27 Recommended Operating Budget is presented at a challenging moment for Montgomery County: a time of continued economic uncertainty, revenue volatility, and rising costs that affect families, businesses, and governments alike. Inflation remains elevated in key areas such as housing, health care, and insurance. At the same time, actions at the State and Federal levels continue to challenge our fiscal outlook and policy aims. Against this backdrop, my Administration has remained disciplined in its forecasting, steadfast in maintaining strong reserves, and focused on protecting the core services that residents rely upon each day.

Budgets reflect priorities, and this one maintains my commitment to fiscal responsibility and structural stability while making targeted investments guided by my longstanding principles to achieve a more equitable and inclusive Montgomery County. As in prior years, this budget reflects difficult choices. I cannot fund every worthy request, but I will always do everything in my power to prioritize the investments that will strengthen Montgomery County over the long term: supporting our students and educators, stabilizing families, expanding housing opportunity, protecting public safety, addressing the climate emergency, and sustaining a government that delivers results efficiently and equitably. I am proud to say this budget does exactly that.

Key achievements under my administration include:

- Restoring the per pupil funding level for the Montgomery County Public Schools (MCPS) to that which, when adjusted for inflation, exceeds the amount budgeted in FY10. An entire generation of students were under-resourced as a result of this decline, and this budget finally closes the gap.
- Establishing the landmark Office of Racial Equity and Social Justice, the first of its kind in Maryland, to embed equity into the core of government operations.
- Innovating the early childhood landscape through the Early Care and Education Initiative. This landmark partnership with MCPS and Montgomery College created over 1,260 new child care seats, built a pipeline of over 450 educators, and established a national model for stabilizing the child care sector and recognizing it as essential to economic infrastructure.
- Creating the Office of Food Systems Resilience to address food security, reduce waste through expanded food recovery networks, and build a more sustainable local food system.
- Ushering in rent stabilization to provide stable, predictable rent increases, promote sustainable affordability for renters, and leverage public dollars to preserve and produce thousands of affordable housing units, including over 9,000 affordable units created or preserved through targeted investments.

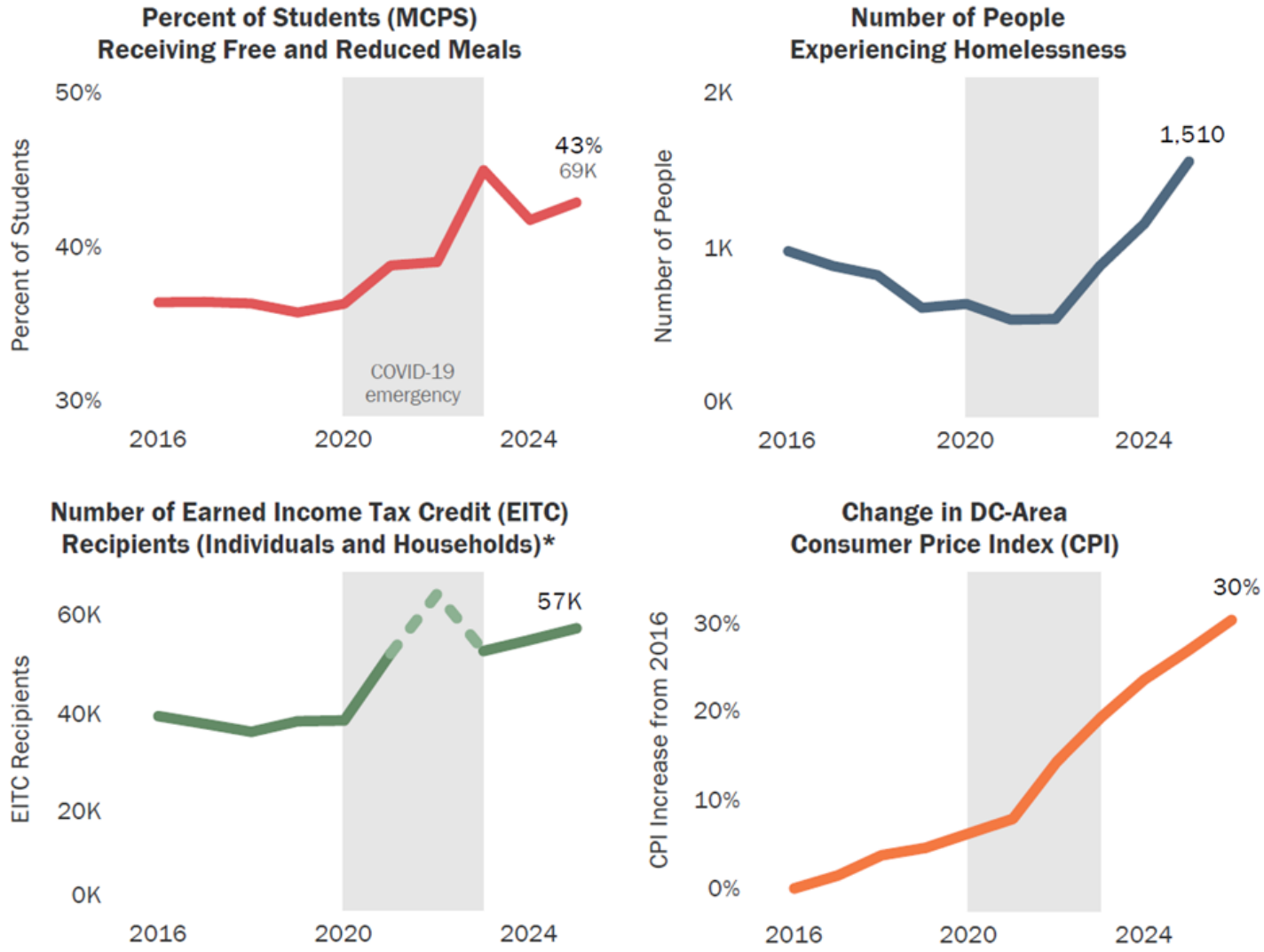
- Bolstering health and human services through expanded programs in behavioral health, crisis response, communicable disease support, and initiatives for the unhoused that have earned national recognition and strengthened our safety net for vulnerable populations.
- Attracting transformative economic anchors including the University of Maryland Institute for Health Computing in North Bethesda, which is positioning Montgomery County as a hub for life sciences innovation, AI-driven health advancements, and transit-oriented development.
- Establishing new partnerships in innovation including the opening of the Henry M. Jackson Foundation Innovation Labs, and the launch of the BioHub Maryland training center.
- Supporting displaced Federal workers with the opening of the WorkSource Montgomery Federal Workers Career Center.
- Advancing equitable progress by launching the Business Center to support small and minority-owned businesses, as well as awarding $7.5 million in growth funding to 55 local companies through the Innovation and Founders grant programs.
- Driving major transformative projects such as the VIVA White Oak Development District, the White Oak Town Center, and our partnership with the Washington Metropolitan Area Transit Authority to develop the North Bethesda Metro station property.
- Championing our Climate Action Plan and Building Energy Performance Standards to reduce emissions and build resilience.
- Driving biohealth growth with investments from global leaders.

Our local economy continues to demonstrate strength, with revenues outperforming conservative projections in recent years. However, economic indicators point to continued volatility and broader national uncertainties. These challenges are exacerbated by reductions in Federal funding under the Trump Administration, creating significant gaps for County programs and our vital nonprofit partners who deliver frontline services in areas such as emergency management, health equity, and homelessness prevention. Without these grants, we face difficult shortfalls in supporting our most vulnerable residents.

My recommended budgets have consistently advanced my vision of a more equitable and inclusive Montgomery County, prioritizing the evolving needs of our community amid demographic and economic shifts.

Our Community's Evolving and Growing Needs

As these charts illustrate, economic hardship and household inflationary pressures among our residents, including students, families, and individuals, have risen significantly in recent years. This reflects our evolving demographics, increasing economic pressures, and growing vulnerability across our community.



*Number of Earned Income Tax Credit (EITC) filers (individuals and households) in 2022 reflects a temporary expansion of eligibility. The Federal COVID-19 public health emergency declaration lasted from January 31, 2020 to May 11, 2023.

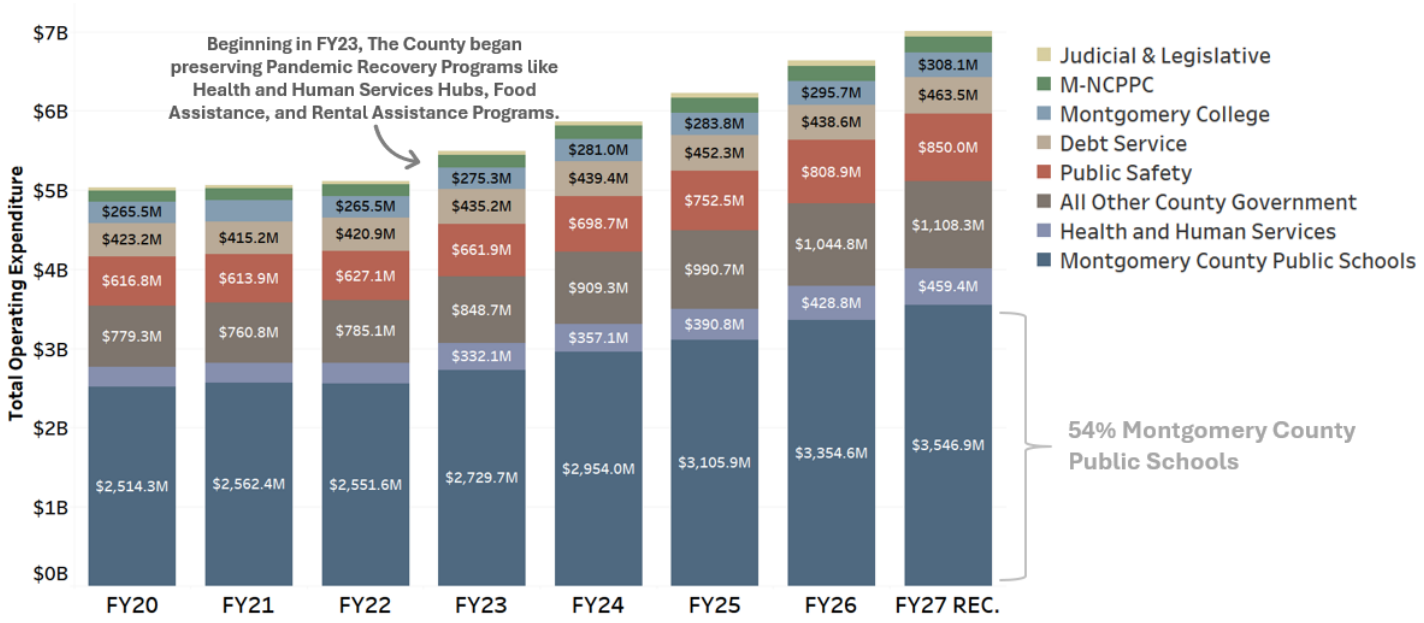
While high-income earners continue to see unprecedented growth, many in our middle-class community, particularly the Federal employees and contractors who have long been the backbone of our local economy, are facing unprecedented instability due to large-scale Federal workforce reductions. More people now face substantial barriers to stability and success-whether in education, housing security, health, or daily well-being-such as hardworking families navigating job displacement, who now require a robust safety net to avoid falling into poverty.

These broader trends reinforce why our community has consistently prioritized investments in education, health and human services, and housing assistance. Our goal is to meet residents where they are, address their intersecting needs, and ensure every person, from our displaced workers to our most vulnerable neighbors, has a strong foundation to succeed and contribute.

Throughout my tenure, my Administration has stayed true to these principles even as we have navigated historic inflation, evolving community needs, and shifting fiscal realities. Starting in FY23, as pandemic-related Federal funding began to phase out, we took deliberate steps to preserve key pandemic recovery programs including place-based service hubs for coordinated health and human services, expanded food assistance, and critical rental assistance initiatives. These efforts have helped safeguard vulnerable residents and sustained the core services fundamental to our shared community identity.

Addressing The Needs in Our Community: Approved/Recommended Budgets by Function

This chart traces the trajectory of operating budgets over recent years: FY20-FY26 Approved and FY27 Recommended (tax-supported). It shows investment beginning in FY23 to address inflationary pressures on core services, sustain pandemic recovery efforts, and respond to our community's growing and changing demands.



My Administration has continuously made difficult but necessary decisions to responsibly manage our County's finances while remaining true to our core principles. Strong growth in income and capital gains revenues during the pandemic allowed us, for the first time, to significantly bolster reserves. This enabled the County to approve budgets where planned expenditures exceeded forecasted revenues, drawing on surplus reserves to bridge the gap. This was a deliberate step to sustain pandemic recovery programs, counter high inflation levels, and offset the local economic impact of Federal workforce reductions and funding gaps, while continuing to meet our community's growing needs without compromising essential services. The planned reserve usage from FY23 through FY25 was fully covered by higher-than-expected revenues and spending below budgeted levels.

Projected revenues for FY27 are insufficient to meet anticipated expenditures, necessitating careful consideration and difficult decisions. Past County Council decisions-such as reducing a proposed 10-cent property tax increase to 4.7 cents in FY24 and not approving a 3.5-cent increase in FY26-limited our fiscal flexibility during these critical periods, making it more challenging to fully fund vital programs. These proposals were intended to address the growing structural imbalance between forecasted revenues and committed ongoing expenditures, even as reserve levels remained at historically high levels. Once again, I am introducing a progressive revenue generating proposal that will allow us to continue protecting these shared commitments while limiting the financial burden on hardworking families.

Even with these proposed revenue adjustments, this FY27 budget prioritizes efficiency, taking a critical look at departmental expenditures to ensure that we are using appropriated dollars in the most effective way possible while avoiding

broad service cuts. In total, my recommended tax-supported budget includes $18.96 million in expenditure reductions.

Investing in our Youth: Reliable Funding for Education and Progressive Tax Reforms

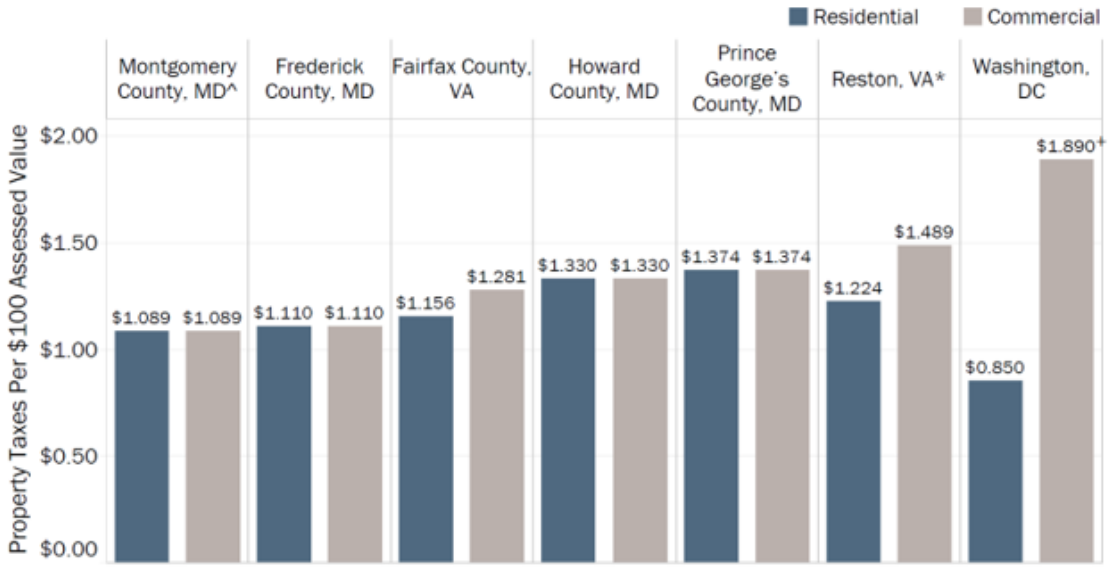
My recommended budget fully funds the resource needs of Montgomery County Public Schools through a 6.3-cent supplemental property tax increase dedicated exclusively to our schools.

These targeted revenues will help address key student needs, such as:

- expanded special education services,
- enhanced mental health support, and
- full compliance with the Blueprint for Maryland's Future.

With this change, we will exceed the State's Maintenance of Effort requirement by approximately $202.8 million - a clear demonstration of our strong local commitment to education - while preserving one of the lowest residential property tax rates in the region. This is a crucial step forward in safeguarding our schools, supporting every student, and investing in our future.

Residential and Commercial Property Tax Rates for Selected MD/DC/VA Jurisdictions



^Includes proposed FY27 tax increase of $0.063. All other jurisdictions reflect FY26 rates.
*Represents tax districts for Hunter Mill District #5 for the Reston Service Area/Dulles Rail Phase 2 (105R0, 1T5RW).
+For assessed value greater than $10 million. Commercial tax rates: $1.65 for assessed value ≤$5M; $1.77 for >$5M but ≤$10M; $1.89 for >$10M.

Progressive Tax Reform: A Rising Tide for Working Families

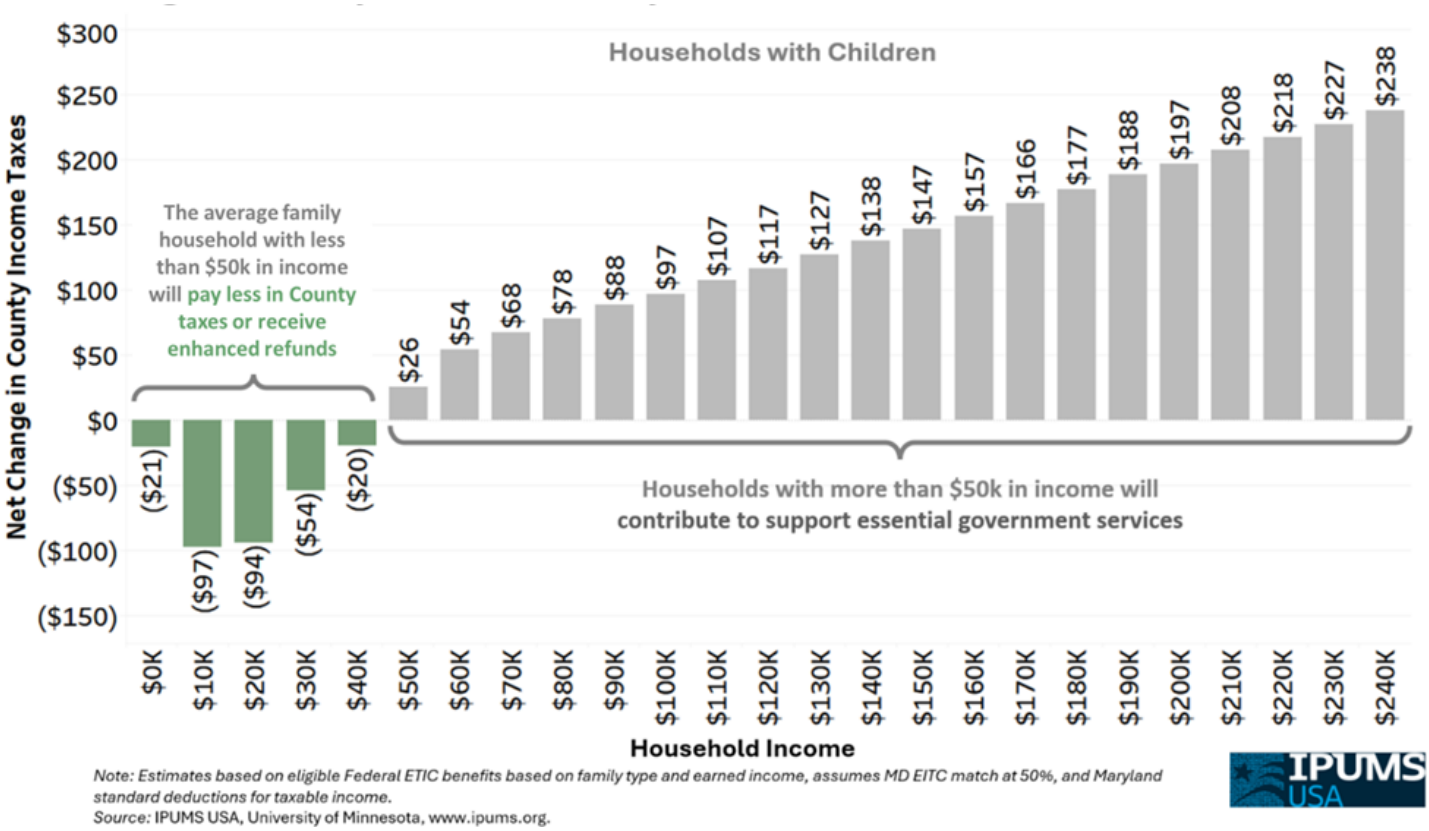
To maintain service levels amid revenue shortfalls, this budget includes a modest and progressive proposal to increase the income tax from 3.2 percent to 3.3 percent - a 0.1 percentage point adjustment which is equivalent to roughly $100 annually for a household earning $100,000 in taxable income. This provides the resources needed to cover rising costs for essential programs, contracts, and personnel amid persistent inflation and growing demands on our social safety net.

This proposal is built with equity by pairing the small rate increase with an enhancement to the County's Working Families Income Supplement (WFIS) program. The WFIS is a refundable tax credit that supplements the State of Maryland's Earned Income Tax Credit (EITC), which itself matches 50 percent of the Federal EITC. By increasing the local match from 56 percent to 60 percent of the State's EITC amount, we balance-or even reduce-the tax burden for many families earning less than $50,000, while making the overall approach more progressive.

By acting now, we preserve hard-won gains in climate resilience, public health, human services, housing, childcare, and other essential services. Without this adjustment, we risk weakening these vital lifelines as Federal cuts and economic pressures bear down on working parents, seniors, and families who power our diverse economy. This fair, measured action ensures Montgomery County remains a place where hardworking families at every income level can thrive.

Net Changes in County Income Taxes by Household Income

This chart displays the estimated net change in local tax burden from increasing the income tax rate to 3.3 percent while raising the local Earned Income Tax Credit (EITC) supplement match from 56 percent to 60 percent. Lower-income households (with children) see net gains from enhanced refunds while higher earners contribute modestly more.



Note: Estimates based on eligible Federal ETIC benefits based on family type and earned income, assumes MD EITC match at 50%, and Maryland standard deductions for taxable income.
Source: IPUMS USA, University of Minnesota, www.ipums.org.

This budget positions Montgomery County to meet both today's demands and tomorrow's uncertainties. By making these measured choices now, we protect core services, safeguard our most vulnerable residents, and ensure Montgomery County remains resilient.

Fiscal Overview

The County's economy is currently stable; however, there continues to be tremendous uncertainty in the region and the nation as the Federal government implements the current Administration's agenda. We are carefully monitoring those actions, which will inevitably impact the economy, residents and their jobs, County revenues, and County services.

The economic forecast for FY27 assumes stable macro-economic conditions, consistent with the December forecast presented to the County Council. The FY26 Approved Budget similarly assumed stable macroeconomic conditions and tax revenues. Following the protracted Federal government shutdown in October-November 2025, the delayed release of limited economic data and indications of a slowing regional economy result in the FY27 forecast assuming a positive but slightly slower growth rate of several economic indicators.

Resident employment, a key component in forecasting income tax revenue, is assumed to decline 1.3 percent in calendar year 2026 and then return to a modest growth trajectory beginning with +0.1 percent in 2027 and gradually increasing over the six-year period. Total personal income is expected to remain positive in all years of the forecast but with slightly slower growth than the prior forecast.

Sales of existing single-family homes and the median sales price of single-family homes inform the forecasts for property tax, transfer tax, and recordation tax revenues. Our housing market has shown remarkable resilience; while we previously anticipated a downturn, home sales defied expectations. We now forecast a robust 8.6 percent growth for 2026, followed by a return to a more stabilized growth rate of 1.4 percent in 2027. The rapid decrease in interest rates that had previously been expected to spur home sales still has not occurred despite the Federal Reserve decreasing the Federal funds rate three times in 2025.

Our updated forecast for FY26 shows an increase of approximately 5 percent in all tax revenues compared with FY25 total tax revenues. Prior to considering the proposed increases to the County's income tax rate and supplemental education property tax for MCPS, total tax revenues for FY27 were forecast to grow at a rate of 1.6 percent from estimated FY26 revenues.

In FY23, income tax revenue was at a record high and was driven by Federal pandemic stimulus payments and extremely strong capital gains income. Coming off that record amount, income tax revenue declined by 5.4 percent in FY24 due to reduced capital gains income and the end of stimulus payments from tax year 2022. In FY25, income tax revenues grew by 9.4 percent due to a stronger-than-forecast economy in 2024 and 2025. Prior to considering the recommended income tax increase, FY27 income tax revenues were forecast to decline by 1.9 percent from FY26 revenues.

Forecasted FY27 property tax assessments show growth in taxable assessed value of property in Montgomery County pursuant to the triennial reassessment conducted by the Maryland Department of Assessments and Taxation, plus new construction and personal property. Assessed valuations are forecast to increase by 4.5 percent in FY27, with growth slowing in each of the subsequent fiscal years.

Transfer and recordation tax revenues increased in FY26 due to some growth in real estate transaction activity reflecting stronger home sales activity, spurred by a small decrease in mortgage interest rates, and modest growth in median housing prices. These revenues are forecast to experience growth of 11.6 percent in FY27 and then experience a moderate growth trend of 7.9 percent in FY28 before trending down towards 4.7 percent in FY32. The lack of interest rate cuts by the Federal Reserve in the first half of 2025 slowed further acceleration in real estate market activity.

To adequately fund public services in FY27, the recommended operating budget proposes an increase to the County's income tax rate from 3.2 percent to 3.3 percent, which will be completely or partially offset for most lower-income residents by increasing the County's Working Families Income Supplement from 56 percent of the State's supplement to 60 percent. The budget also includes an increase to the supplemental education property tax, from 4.7 percent to 11 percent, to fund MCPS. These proposed increases are forecast to increase FY27 total tax revenues by 5.2 percent over the estimated FY26 revenues.

Racial Equity and Social Justice

The Racial Equity and Social Justice (RESJ) Act (Bill 27-19), enacted on December 1, 2020, recognizes that government policies, practices, and procedures can create or worsen the marginalization of communities. In accordance with Bill 27-19, the Office of Racial Equity and Social Justice (ORESJ) developed tools and processes to help County departments apply a racial equity lens into the budget development process. The Operating Budget Equity Tool (OBET) is one such resource, designed to help departments and decision-makers consider how budget decisions may affect racial disparities and inequities.

During the development of the FY27 Operating Budget, the County continued its efforts to normalize, organize, and

operationalize racial equity and social justice. Learning from previous budget cycles, the Office of Racial Equity and Social Justice refined its budget equity tool, training, and guidance manual to support the use of a racial equity lens throughout the budget process. These resources advance the implementation of the RESJ Act and help clarify how budget decisions influence racial disparities in the County.

This budget is the sixth operating budget developed with the aid of the OBET. The tool is incorporated into the Office of Management and Budget's oversight of the budget process. Departments' responses to the tool, along with ORESJ's analysis, provided decision makers with new insights and opportunities to allocate resources in ways that help reduce and ultimately eliminate racial disparities.

ORESJ's analysis highlighted each department's strengths and offered recommendations for further incorporating racial equity into budget decisions, as well as in program and process development. This analysis gives departments insights they can use on an ongoing basis. As a government and community, more work remains to reduce the impacts of systemic inequalities that negatively impact our community. The work of the Office of Racial Equity and Social Justice represents a meaningful step toward building a community where equity and justice for all are truly realized.

Agency	Total Budget	Tax Supported
Montgomery County Government	3,069,710,777	2,425,319,625
Montgomery County Public Schools	3,785,335,259	3,546,897,732
Montgomery College	351,512,455	308,063,096
M-NCPPC (including debt service)	224,667,614	198,713,997
Retiree Health Insurance	63,195,145	63,195,145
Debt Service (MCG)	525,401,750	463,466,950
Total	**8,019,823,000**	**7,005,656,545**

Montgomery County Public Schools

Over the past seven years, Montgomery County Public Schools (MCPS) has evolved through moments of extraordinary challenge and tremendous progress. MCPS is central to our identity as a community, and as I reflect on MCPS's progress in the last seven years, I see a system that has grown stronger, more equitable, and more resilient, even in the face of unprecedented circumstances.

Since my first recommended budget in FY20, our focus was clear: invest in the essentials - strong instruction, safe and modern learning environments, and early childhood education. Through the COVID-19 pandemic, we shifted our focus to supporting our youth during the uncertainty of the pandemic - we funded an increase in school health staffing and partnered across County departments to sustain food distribution, mental health supports, and family services. Protecting education during the most disruptive years in our history was one of our earliest and most essential commitments. Since that time, we have continued historic investments in supporting our schools to ensure our youth have a world-class education.

My FY27 Recommended Budget makes a defining statement about our values: we are committing over half of the County's entire tax-supported budget, $3.8 billion, directly to our schools. This $189.9 million increase isn't just a line item; it is a full-scale investment in our vision for our children's future. By funding this request, we are ensuring that Montgomery County remains a premier destination for families and a powerhouse for economic growth. We aren't just funding a system; we are fueling the long-term well-being and competitive edge of our next generation.

To meet these needs, the County's contribution increases by $179.6 million. This investment exceeds the State's required Maintenance of Effort (MOE) level by more than $202.8 million. Due to declining enrollment, MOE allows Counties to reduce funding in FY27, but instead, we are maintaining and strengthening the foundation our students and

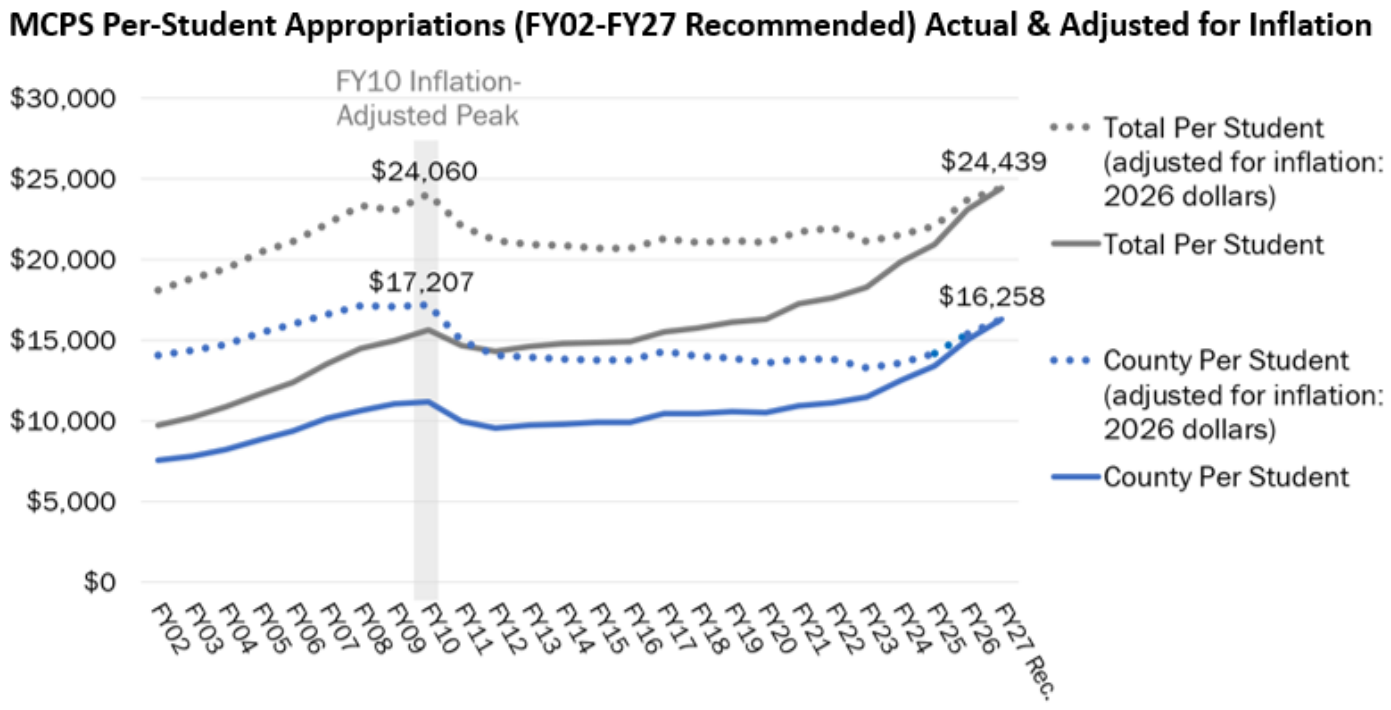
educators rely on every day.

State aid increases by $16.0 million, reflecting targeted Blueprint-driven support, while Federal funding decreases by roughly $8.6 million, as one-time Federal pandemic relief continues to phase out. To protect classrooms from the impact of this shift, the County's recommended budget sustains core services and long-standing commitments to students and staff.

A critical piece of this year's recommended budget is the full funding of year two of the two-year negotiated compensation agreements for teachers and other MCPS employees. Our ability to recruit and retain outstanding educators, support professionals, and essential school staff has never been more important. These investments honor the dedication of our workforce and help ensure that our students benefit from high-quality teaching and support services.

FY27 also stands as part of a remarkable multi-year pattern. The three largest increases ever provided to MCPS occurred between FY24 and FY26. If the Council approves this year's recommendation, the four largest increases in County funding to MCPS will have occurred over the last four fiscal years. This level of sustained support reflects our enduring commitment to public education, even as we navigate economic volatility and shifting student needs.

Finally, the FY27 Recommended Budget fulfills our aim of restoring real per-pupil funding to its previous inflation-adjusted peak in FY10. This has been a long-term commitment, and we have successfully closed the gap. Our goal is straightforward: to ensure that every student in Montgomery County receives the high-quality education they deserve, supported by a school system with the resources and staffing necessary to succeed.



Early Care and Education: Building Essential Economic Infrastructure

Montgomery County has built one of the most comprehensive early childhood systems in Maryland through the Early Care and Education Initiative (ECEI). Since its launch in 2019, we have moved beyond incremental program expansion toward a structural, systems-based strategy that recognizes high-quality child care not merely as a family support, but as essential economic infrastructure. From FY20 to FY26, total appropriations to the initiative totaled over $71 million.

Over the past six years, our strategic framework has focused on four core tenets: sustainability, access, alignment, and expansion. This data-driven approach allowed us to shift from reactive funding to evidence-based investment. Key

achievements of my Administration include:

- Expanding Capacity: Supporting the creation of more than 1,265 new childcare seats, specifically targeting high-need areas and the persistent supply gap in infant and toddler care.
- Strengthening the Workforce: Investing in a credentialing pipeline at Montgomery College that has supported over 450 current and future early childhood educators, ensuring instructional quality and career stability.
- Enhancing Affordability: Modernizing the Working Parents Assistance (WPA) program by increasing reimbursement rates to 80 percent of the market rate and launching EquiCare, an innovative grant program for the most expensive care brackets.
- Sector Resilience: Utilizing the Child Care in Public Space program and a dedicated facilities fund to lower operating costs for providers while expanding high-quality environments for families.
- Crisis Response and Future Investment: During the COVID-19 pandemic, the County's rapid pivot to crisis stabilization-providing protective equipment, vaccination coordination, and emergency grants-resulted in a lower child care closure rate in Montgomery County than in surrounding jurisdictions. We protected the infrastructure of care when it was most vulnerable, ensuring our local economy could recover more quickly.
- Community Connect: Families now access services more efficiently through GovDelivery and the Community Connect Portal, an online platform that reduces paperwork and redundancy. This innovation has proven so effective at creating enterprise-wide efficiency for both the community and County employees that we are now expanding its use throughout the Department of Health and Human Services and exploring a Countywide rollout. These improvements reflect ECEI's emphasis on alignment and accessibility, automating routine tasks so staff can prioritize direct support over manual processing.

In FY27, my recommended budget continues this momentum with a 4 percent increase to the Early Care and Education Non-Departmental Account. This includes $500,000 specifically designated to transition children from the State child care scholarship waitlist into the County's Working Parents Assistance Program, ensuring that no family is left waiting for the essential support they need to thrive.

Department of Health and Human Services

After one year as County Executive, my Administration had to grapple with the tragedy of the COVID-19 pandemic. The pandemic highlighted the value of public health services to our community. Substantial investments we made to stop the spread of COVID-19 and provide social services that assisted vulnerable residents who were impacted by consequences such as job loss, food insecurity, housing instability, and mental health struggles.

In addition to activities directly related to COVID-19, my Administration's pandemic response prioritized investments that address the root causes of health disparities that exacerbate social determinants of health. My Administration did not walk away from these important investments when the Federal government did. With the infrastructure created during the pandemic, my Administration has continued to fund, strategize, and innovate new ways to serve our most vulnerable County residents, meet critical health needs, and lift people out of poverty.

My FY27 Recommended Budget invests in the critical services that support the health and well-being of our residents. The recommended budget includes:

- $18.6 million for our Minority Health Initiatives to provide culturally competent healthcare, education, mental health supports and services, targeted food assistance, senior care, social support services, and other wrap-around care.
- Eight Mobile Crisis and Outreach Teams to provide behavioral health care for nonviolent individuals in crisis and reduce unnecessary criminal justice involvement. This will be the largest-scale deployment of behavioral health practitioner mobile crisis response in County history.
- An increase of $142,000 to the DHHS Senior Nutrition Services to serve additional clients and keep pace with rising

food costs.

- $2 million to fund the Short-term Housing and Resolution Program to keep families out of motels and emergency shelters.
- An increase of $438,000 for outreach workers to help unsheltered residents seek support and become stably housed.

The current Federal health and human services policies threaten negative impacts for the County's most vulnerable residents. Recent policy shifts have gutted safety net services and abandoned common sense public health policy, without regard for the global health emergency from which we just recovered. To prevent service interruptions and reduce exacerbated health disparities, my FY27 Recommended Budget backfills grant reductions for maternal and child health services, tuberculosis treatment and prevention, HIV and other STI services, and emergency preparedness response.

Additionally, in our capital program, the County is making significant progress to develop the Diversion Center Program, including expansion of a Behavioral Health Crisis Stabilization Center (BHCSC) that will open in FY27 after significant capital improvements. The BHCSC will leverage external funding to provide crisis stabilization services, reduce strain on emergency rooms and the criminal justice system, and provide services across the lifespan of clients, including minors.

Food, shelter, and health care are human rights. This should not be a question of politics or up for debate. I am deeply concerned that our Federal government refuses to enact policies that adequately address hunger, homelessness, and inequitable health care access. This Federal inaction leaves Counties incapable of adequately funding lifesaving services, while children, families, and older adults fall through the large holes in our public safety net. Although County resources are unable to fully address these service gaps, I am proud of the progress we have made to implement strategic programs that respect these basic human needs.

Economic Growth

Montgomery County continues to strengthen its position as a premier destination for business growth, innovation, and talent development. Over the past several years, the County has advanced a comprehensive economic strategy focused on supporting local businesses, attracting new investment, and expanding workforce development pathways for residents.

To meet the need for business support, my Administration established the Business Center as a centralized resource for existing businesses and those that want to start in or relocate to Montgomery County. This office coordinates small-business navigation, incubator support, grant programs, and outreach efforts, ensuring that entrepreneurs can easily access the tools they need to succeed. The Business Center has strengthened support for local businesses through counseling, financial assistance, incubators, and partner networks. In 2024, the Business Center directly assisted 2,100 businesses, distributed $1.2 million in grants and loans, supported 74 businesses through County incubators, and helped 5,600 businesses through resource partners, building on strong engagement and investment in 2023.

The County also advanced transformational projects that spur economic activity and create high-quality jobs. The County's first Tax Increment Financing district-the VIVA White Oak Development District-continues to anchor revitalization efforts in East County. Additionally, Montgomery College's East County Education Center, which opened in April 2024, provides both credit and non-credit workforce training. This facility directly supports the County's long-term commitment to expanding educational access and career preparation in East County.

For the first time, the County has incorporated direct budget support for key economic and innovation partners, including:

- BioHub Maryland, a state-of-the-art training center serving incumbent life sciences workers, veterans, and individuals without four-year degrees.
- The University of Maryland Institute for Health Computing, a collaboration between the County, the University of Maryland College Park, the University of Maryland Baltimore, and the University of Maryland Medical System,

advancing research and talent development in artificial intelligence, machine learning, and immersive technologies.

- HJF Innovation Labs, launched in partnership with the Henry M. Jackson Foundation to create a new biotech incubator in North Bethesda.

While operating budget adjustments for FY27 are limited, the County is moving forward with one of its most significant innovation and workforce investments to date: a $50 million commitment in capital funds to support a new mixed-use development for the University of Maryland Institute for Health Computing at the North Bethesda Metro station. This project will advance Montgomery County's leadership in computational health, support high-demand STEM workforce development, and anchor a new innovation hub at a major transit center.

Together, these initiatives reinforce Montgomery County's commitment to a dynamic, inclusive economy-one that creates opportunity for residents, attracts global investment, and fuels the next generation of talent and innovation.

Department of Environmental Protection

During my two terms in office, the County has taken major steps toward improving our environment and addressing the climate crisis. Over the past eight years, the Department of Environmental Protection (DEP) planted thousands of trees on public and private property and significantly increased funding for the Clean Water Montgomery and RainScapes grants. In addition, the County added thousands of stormwater management best management practice (BMP) structures to its inspection and maintenance inventory, limiting untreated runoff into our waterways.

In the last eight years, we have achieved a number of successes in combating climate change and protecting the environment such as implementing building energy performance standards, which will reduce greenhouse gas emissions as well as heating and energy costs for businesses and residents; passed climate-friendly laws and regulations, like ending the sale and use of gas-powered leaf blowers, banning plastic bags in most retail transactions, and banning the use of especially harmful pesticides; and adding significant resources for climate efforts like home electrification and resiliency for low- and moderate-income households.

In addition, we have provided significant resources to the Montgomery County Green Bank to help businesses implement climate-friendly improvements, including in green energy generation and electrification of utilities. My budget provides $19.4 million for the Montgomery County Green Bank, in line with the County's goal of appropriating 10 percent of the energy tax to the Green Bank.

Finally, I am proud to say that my FY27 Recommended Budget plans to end operations at the Resource Recovery Facility (RRF), the incinerator in Dickerson. As we transition to better waste reduction and management, we will transport our waste to a landfill. This provides the financial capacity and incentive to implement improved waste reduction strategies both before waste goes into the trash and after, eventually incorporating advanced waste processing to pull recyclables out of the trash.

To that end, my FY27 Recommended Capital Budget funds construction of a food scraps composting facility so that we can finally implement a real Countywide food scraps collection program and remove a major contributor to our waste stream. DEP is also working to implement advanced waste processing to further minimize what is landfilled by identifying and removing recyclable or compostable material from the waste stream.

Fleet Management

Over the past seven years, we have transformed the County's fleet into a modern, low-emission, and highly reliable operation. We deployed our first generation of battery-electric buses, built solar-powered microgrids at Ride On depots, and advanced plans for a green-hydrogen fueling facility to support longer-distance routes. By the end of FY27, more than 100 zero-emission Ride On buses and 200 other electric vehicles will be in service-advancing our climate goals while improving

the performance of transit, public safety, and general-service fleets.

A cornerstone of this work is our investment in people. The County's new apprenticeship program - now expanding with State registration and dedicated funding - is building a pipeline of technicians trained specifically for zero-emission technologies. This program preserves institutional knowledge, strengthens recruitment in a competitive field, and creates high-skill, high-demand career pathways for young residents. It is central to ensuring that our transition to electric and hydrogen-based fleets is sustainable for decades to come.

To maintain fleet reliability amid rising parts and maintenance costs, the FY27 budget includes targeted increases for Fleet Management Services and continued upgrades to diagnostic tools, maintenance equipment, recall tracking, and electric-bus monitoring platforms. It also funds the fueling infrastructure needed for upcoming hydrogen fuel cell buses on Flash Bus Rapid Transit lines as well as a five-megawatt solar microgrid at the Gaithersburg depot that will improve resilience during outages and provide clean power for future hydrogen production. Together, these investments maintain essential services today while preparing our fleet - and our workforce - for the future.

Department of Transportation

Between FY20 and FY26, we made investments which strengthened the County's transportation infrastructure by increasing funding for highway operations, supporting essential roadway resurfacing to defer major capital repairs, expanding school safety studies, improving traffic signal optimization to reduce congestion, and enhancing roadway visibility through improved traffic markings.

Transportation investments also supported County initiatives such as Vision Zero and the Climate Change Action Plan. We advanced pedestrian and bicycle safety by increasing funding for Vision Zero, which seeks to eliminate pedestrian and bicycle fatalities by 2030. The County expanded tree removal and planting efforts to address climate-related needs - including the planting of 1,200 trees using a Chesapeake Bay Fund grant.

Collectively, these targeted enhancements demonstrate a deliberate and strategic approach to preserving transportation infrastructure, improving multimodal safety, and ensuring efficient operations throughout our transportation network.

The Department of Transportation's (MCDOT) FY27 Recommended Operating Budget includes increased funding to cover contractual and material cost growth, ensuring service levels remain consistent with the prior year. My recommended budget also proposes shifting certain parking enforcement duties - currently handled by the Montgomery County Police Department (MCPD) - to civilian staff in residential permit areas and Park and Ride lots, reducing MCPD's workload while improving service to residents and communities.

Transit

Through careful planning and community engagement, we have grown our transit system into a more reliable, equitable, and climate-focused network that connects residents to jobs, education, and opportunity. Improvements over the past several years have strengthened the rider experience and system performance through investments in real-time information displays, solar-powered shelters, upgraded dispatch and vehicle-location technology, and deployment of Ride On Flex, our innovative on-demand neighborhood service that expands mobility in areas where fixed-route transit is less effective.

A major focus of my Administration has been the launch and expansion of the Flash Bus Rapid Transit (BRT) program. Flash on U.S. 29 - our first BRT line - set a new standard for comfort, reliability, and high-frequency service along one of the County's busiest corridors. A new partnership with Howard County will extend this line northward, strengthening regional access from Columbia to Silver Spring. We will continue building on that success to expand BRT to additional corridors.

At the same time, we have undertaken a comprehensive review and modernization of our bus network through the Ride On Reimagined initiative. This multi-year planning effort is guiding ongoing adjustments to service levels, routing, and infrastructure to better reflect evolving travel patterns. The FY27 Recommended Budget continues to support phased implementation of these improvements.

My Administration has also advanced a strong commitment to transit equity. Zero-fare Ride On service - implemented in 2025 - removes a financial barrier for thousands of riders, especially lower-income residents and youth. Upgrades to accessible taxi programs, expanded eligibility for older adults and individuals with disabilities, and focused improvements in underserved communities further reinforce our commitment to equitable transit access.

In FY27, the recommended budget sustains this momentum with investments designed to expand service and improve reliability. This includes funding to significantly grow Ride On Flex, adding new service zones in Poolesville and Damascus, and to expand Flash service to Burtonsville Park and Ride, serving that location all day rather than only during commuter hours.

The recommended budget also supports the County's ongoing work to reduce emissions and modernize fleet infrastructure. As part of the Climate Action Plan, MCDOT will continue implementing a balanced, long-term transition strategy that aligns fleet composition, fueling and charging needs, and facility upgrades with evolving technology and service requirements. These efforts ensure that environmental sustainability remains a guiding priority as our system continues to grow.

GROWTH Districts to Fund Bus Rapid Transit and Other Strategic Investments

The County's most ambitious transit investment - the MD 355 BRT corridor from Clarksburg to Bethesda - is currently in design. The first phase, from Germantown to Rockville, is in final design, with future northern and southern extensions planned. To fund these expansions, along with other critical transportation and infrastructure needs, I am proposing the Growing Opportunity, Workforce, Transportation, and Housing (GROWTH) District. This initiative will enable us to expand BRT service along that entire MD 355 corridor. New revenues from this district will also provide funding to implement BRT on New Hampshire Avenue, improve pedestrian access at Forest Glen Metro station, and construct needed roadways in Clarksburg and Kensington, all of which will support long-term development that aligns with our economic, housing, and mobility goals.

Department of Housing and Community Affairs

The County continues to expand and preserve affordable housing, strengthen tenant protections, improve housing quality, and support community revitalization across Montgomery County. Since FY19, we have financed 9,200 affordable rental units across 114 projects, delivered 2,205 new Moderately Priced Dwelling Units (MPDU), and invested in homeownership, accessibility, and neighborhood stability to serve residents across the income spectrum.

Throughout my tenure as County Executive, I have maintained a firm commitment to ensuring that County residents remain stable in their housing. Since FY20, the Office of Landlord-Tenant Affairs responded to over 50,000 service requests, investigated over 6,000 complaints, prevented homelessness for over 1,850 households, and provided tenant education and legal services. In support of the 2023 rent stabilization law, the County established a new Office of Rent Stabilization which has handled 1,390 cases and negotiated an average 56 percent reduction in proposed rent increases on annual leases to date.

My FY27 Recommended Budget invests an additional $152.8 million to expand the preservation and production of affordable housing and to strengthen programs that promote housing stability, homeownership, and neighborhood revitalization. The Housing Initiative Fund provides $52.3 million to support the County's ongoing pipeline of affordable housing development and preservation projects. My recommendation also includes $28.4 million for rental assistance to help low-income households maintain stable housing, as well as $1.6 million for the Multi-Family Housing Program - Housing Production and Preservation.

To advance the County's commitment to ending homelessness, the budget provides $9.7 million for Housing First and continues to expand homeownership opportunities through $5 million in down payment assistance for first-time buyers. It also includes $2 million for Neighborhood Revitalization - Neighborhoods to Call Home, supporting targeted investments that stabilize aging or at-risk communities.

In addition to operating budget investments, the FY27 CIP provides $100.5 million in capital funding to preserve, produce, and protect affordable housing and strengthen community infrastructure, including $64.0 million in new funding and $10.1 million in FY26 loan repayments in the Affordable Housing Acquisition and Preservation project, enabling the County to acquire and preserve at-risk affordable rental properties. Over the next six years, my recommended CIP programs nearly $240 million to advance this essential work.

Together, these investments reinforce the County's long-standing commitment to expanding affordable housing, preventing displacement, supporting first-time homebuyers, addressing homelessness, and revitalizing neighborhoods across Montgomery County.

Public Libraries

Montgomery County Public Libraries (MCPL) is an agile organization that regularly considers new and innovative ways to engage the public and ensure equitable access to its programs and resources. During the COVID-19 pandemic, MCPL launched a "holds to go" service to facilitate contactless physical materials circulation. MCPL partnered with the Department of Technology and Enterprise Business Solutions to install enhanced outdoor wireless internet access at 10 library locations and supported the distribution of 20,000 laptop computers to Montgomery County residents who lacked access to an internet connected device. In FY22, we eliminated fines for overdue materials, and we removed printing and copying charges in January 2026. In the FY26 Operating Budget, I added almost $154,000 in funding to revitalize MCPL's World Languages collections, purchasing materials in Spanish, Chinese, Vietnamese, Korean, French, Amharic, Farsi, Russian, and Bengali for distribution to library branches where those languages are most spoken.

MCPL engages youth of all ages through programs such as the Hatchlings Program for expectant parents and parents of newborns, its annual Summer and Winter Reading Challenges, and the Teen Gaming Initiative to encourage teens to learn more about workforce opportunities in Science, Technology, Engineering, Arts, and Mathematics (STEAM).

My FY27 Recommended Operating Budget recommends over $200,000 to expand security services to the five branches with existing security services: Brigadier General Charles E. McGee Library (Silver Spring), Quince Orchard Library, Rockville Memorial Library, Germantown Library, and Gaithersburg Library.

Recreation

The budget investments in the Department of Recreation have played a vital role in helping our community thrive by providing free public access to recreation, strengthening social connections, and supporting the physical and mental well being of our residents. Initiatives such as Excel Beyond the Bell, free fitness passes for residents, partnerships with arts organizations, and programs at our Senior Centers ensure that opportunities for enrichment are available to residents of all ages. As participation continues to grow, my recommended budget sustains these investments and strengthens the programs, partnerships, and modernized systems that ensure the Department of Recreation continues to meet the evolving needs of our diverse community.

My FY27 Recommended Budget includes funding for innovations such as the ePACT Network, a software solution that modernizes the collection and storage of sensitive medical and camp registration data, replacing paper forms with a streamlined digital experience for families.

Department of Police

Over the past seven years, Montgomery County has made sustained investments in the Department of Police (MCPD) to ensure that our community remains one of the safest large jurisdictions in the nation. Through careful stewardship of public resources, the County has strengthened MCPD's ability to prevent crime, respond rapidly to emergencies, and build trust with the diverse communities it serves. These investments reflect a balanced approach to public safety-combining modern policing tools, strong community partnerships, and a commitment to transparency and accountability.

Budget investments have supported expanded digital forensics capabilities, enhanced crime analysis, intelligence systems and communications infrastructure that allow officers to respond more effectively to evolving public safety challenges. Montgomery County launched an innovative Drone as First Responder program, allowing drones to be deployed to emergency calls. By providing real-time aerial information to responding officers and dispatchers before officers arrive on scene, the program improves situational awareness, decreases response times, and enhances safety for both officers and residents. And while MCPD has faced recruitment challenges like other departments nationwide, I have expanded our recruiting staff, funded signing bonuses, and enhanced nationwide recruitment efforts that are starting to bear fruit.

The County has also strengthened its commitment to transparency in policing and building partnerships with residents and institutions across the community to build trust in our institutions. I am proud to have completed the rollout of our body worn camera program - all officers deployed on the street wear a camera to protect both themselves and the public. The creation of the Police Accountability Board marked an important step toward strengthening trust between law enforcement and the communities they serve. By providing an independent forum for civilian oversight and public input, the board helps ensure that policing in Montgomery County is transparent, fair, and responsive to community concerns. Investments across multiple budgets support expanded training in de-escalation and crisis intervention, as well as improved systems for collecting and analyzing policing data. These efforts ensure that the department's work is guided by evidence, professionalism, and the public trust that is essential to effective policing.

At the same time, Montgomery County has continued to prioritize community-centered policing and partnerships. Officers work closely with neighborhoods, community organizations, and schools to address public safety concerns collaboratively. Partnerships with Montgomery County Public Schools and dedicated school safety initiatives have strengthened coordination between law enforcement and educators, helping ensure that students, teachers, and families feel safe and supported in learning environments across the County. Coordinated responses with behavioral health professionals have also improved their ability to assist residents experiencing mental health crises with care and compassion.

For FY27, I recommend building on these accomplishments and further enhancing the safety of Montgomery County residents by adding additional drones to the Drone as First Responder program and switching to a more efficient remote-operated drone system. In addition, I recommend investing in case management software to improve the efficiency and effectiveness of our investigators and detectives, implementing a revamped speed- and red-light camera program with a new vendor, and continuing the Speed on Green initiative that started in FY26.

Fire and Rescue Service

As demand for emergency medical services continues to grow, the County has expanded transport and advanced life support capacity, funding additional transport resources, adding paramedic chase cars so advanced life support resources can be redeployed quickly, and enhancing EMS duty officer coverage. I have bolstered support for Mobile Integrated Health Care by adding civilian staff and strengthening outreach to high EMS utilizers. The County also established dedicated system capacity to direct EMS resources based on emergency room capacity and keep ambulances available in the community. To strengthen performance and accountability, we added improved EMS quality management and civilian logistics capacity so more uniformed staff could remain focused in the field.

I have also prioritized the well-being of our first responders, expanding behavioral health support, strengthening critical incident stress management capacity, and enhancing occupational medical services, including early cancer detection

screening.

Since FY20, I have worked to address structural budget and staffing pressures, adding uniform staff and improving the way overtime needs are reflected, with a focus on strengthening coverage during shift transitions when volunteer availability cannot always match career hours. Readiness also depends on what happens behind the scenes. I have added funding to address long-standing needs in fleet and facilities maintenance, EMS logistics, communications support, and medical supplies.

In this final recommended budget, my proposal continues expanding access to first responder medical services by converting an existing daytime EMS transport unit into a 24-hour operation to increase availability without adding new positions.

Emergency Management and Homeland Security

The Office of Emergency Management and Homeland Security (OEMHS) is a critical team that plans for, responds to, and helps the County recover from threats or disasters. In addition, to build resilience and security in our community, OEMHS established and disbursed security grants for nonprofit organizations at risk of experiencing hate crimes. In response to the COVID-19 pandemic, OEMHS coordinated with the Federal Emergency Management Agency (FEMA), provided guidance for the County and its partners, and supported pandemic response such as food and personal protective equipment distribution, and provided logistical support for the County's COVID-19 vaccination clinics.

In the years since the pandemic, OEMHS has diligently pursued, won, and leveraged Federal funds to perform its essential mission. My FY27 Recommended Budget replaces reduced Federal support for these emergency response programs, like Alert Montgomery, which powers the County's emergency notification system. It also replaces expiring public access trauma care kits, which allow for essential lifesaving intervention before the arrival of first responders and have played a decisive role in recent critical incidents Countywide.

Correction and Rehabilitation

Over seven years, we have modernized the Department of Correction and Rehabilitation (DOCR) - strengthening safety, upgrading technology, and expanding reentry services so that our correctional system protects the public while preparing individuals for successful lives beyond incarceration.

We invested in the fundamentals of safety and professional operations. We funded phased retrofits to reduce self-harm risks in housing units and strengthened contraband controls through improved mail screening and facility security tools. We upgraded correctional health services by implementing electronic health records, expanding medication assisted treatment for opioid use disorders, and bolstering behavioral health support - recognizing that untreated mental health and substance use disorders undermine both individual outcomes and community safety. Even as inflation placed pressure on core services like food and pharmacy operations, we funded structural adjustments to ensure stability rather than allow hidden deficits to erode safety or care.

We recognize that reentry is one of the most powerful public safety tools we have. After pandemic-related disruptions, we reopened the Pre-Release and Reentry Services Center, restored workforce development programs - including the reentry bakery initiative, known as "Sweet Release" - and reinforced structured transition services that reduce recidivism and reconnect residents with work, treatment, and family support.

My FY27 Recommended Operating Budget makes structural enhancements to DOCR contracts, increases funding for Montgomery College instructors that provide training and educational programming for detainees, establishes a dedicated K9 unit to enhance contraband detection and facility security, and replaces obsolete taser units.

Office of the County Attorney

In the Office of the County Attorney, my FY27 Recommended Budget provides funding to launch AI-driven tools, enhance budgetary efficiency, and represent the County in complex employment negotiations to ensure fairness for employees and responsible stewardship of taxpayer resources. These accomplishments reflect this administration's long-standing commitment to innovation, accountability, and service - ensuring Montgomery County remains a place where government works effectively and transparently for every resident.

Office of Grants Management

This budget strengthens and improves the County's relationship with community partners which help us address poverty and social inequity, provide emergency services and health care, serve disconnected youth in our community, and ensure that seniors and individuals with disabilities receive quality services. I am recommending a 2.5 percent inflationary adjustment for nonprofit contracts across County government.

In FY23, the County established the Office of Grants Management (OGM) to strengthen Montgomery County's grants infrastructure and expand the County's capacity to pursue, manage, and administer grant funding. My FY27 Recommended Budget strengthens the County's capacity to pursue funding opportunities, ensure compliance, and improve grant administration across departments. To support this work, I have reallocated funds from the Department of Environmental Protection, the Department of Transportation, and Montgomery County Department of Police to the Office of Grants Management to support a grants application and management system. This system will benefit all County departments by giving all staff the ability to better search for and manage external grant opportunities.

The Community Grants Non-Departmental Account (NDA) ($13.7 million) includes $5.5 million for the third and final year of the current Community Grants awards and $4.4 million to continue the FY26 legacy grant award renewals. It also includes $1 million for Nonprofit Strategic Plan Implementation Grants (formerly Nonprofit Technical Assistance and Management Support Grants), $1 million for the Nonprofit Resiliency Centers (formerly Nonprofit Incubator program), $1.5 million for the Nonprofit Federal Resiliency Grants, and a 2.5 percent inflationary increase for all continuing grant awards.

Office of Procurement

My Administration has continually implemented initiatives in the Office of Procurement to make its work accurate, effective, and efficient. For example, we established multiple web-based tools to improve transparency, reduce manual errors, and increase efficiency in informal solicitations, emergency procurements, and contract review workflows. We created an audit program to ensure workflow compliance, regulatory adherence, and responsible financial management. We instituted a preference for local business and increased our monthly outreach to the business community through monthly open houses to enhance vendor accessibility and competition.

My FY27 Recommended Budget includes $816,170 to fund a new e-procurement system. The County's current procurement system is outdated and inefficient due to its reliance on multiple applications for vendor registration, sourcing, contract management, and compliance management. The e-procurement system will consolidate these functions into a single platform for complete lifecycle management of County contracts. It will centralize operations to improve vendor management, simplify reporting, and eliminate challenges linked to maintaining multiple outdated systems, resulting in a more efficient and cost-effective procurement environment.

Legislative Branch

As a result of annualizing costs and general wage adjustments, I am recommending increases of 3.5 percent for the County Council, 4.9 percent for the Office of Legislative Oversight, 2.9 percent for the Board of Appeals, 5.0 percent for the Merit System Protection Board, and 7.8 percent in the Office of Inspector General.

For the fifth year, I recommend restoring funding for the Office of the People's Counsel (OPC) to ensure that

residents have an advocate in land-use, zoning, and development-related matters. The OPC plays a vital role in supporting public participation, improving transparency, and ensuring that County planning and permitting processes remain fair, balanced, and rooted in community needs. The OPC provides professional legal and technical expertise to help residents navigate complex regulatory processes that would otherwise be inaccessible to most community members. The office helps ensure that as Montgomery County grows, development decisions reflect public values and provide all residents-not only those with the resources to hire private counsel - an opportunity to participate meaningfully in shaping their neighborhoods.

Outside Agencies and Municipal Partners

My budget fully funds Montgomery College's request, a 4.2 percent increase in County funding over FY26.

I am recommending a budget increase of 4 percent for the Maryland-National Capital Park and Planning Commission, which will cover the increase in compensation.

My FY27 Recommended Budget for WSSC Water provides for a 5 percent rate increase, consistent with the commission's request and equal to the spending affordability limit approved by the County Council.

My Administration expanded and refined the Municipal Revenue Program to ensure more accurate and comprehensive reimbursements to municipalities. The program provides support for local policing, crossing guards, transportation and infrastructure, and parks. In FY27, my budget increases these payments by $3.7 million.

Conclusion

This budget and its enhancements build on my Administration's legacy of targeted support, from bolstering emergency preparedness and public safety to expanding health equity, sustainable transportation, and workforce development. Through this budget, we ensure continuity in programs that address food insecurity, mental health crises, affordable housing, and more.

This budget prioritizes education to meet Blueprint obligations and strengthen classroom supports; preserves affordability by preventing evictions and providing rental assistance; improves emergency response with added EMS capacity and evidence-driven policing; protects the environment by improving climate resilience and modernizing our waste management system; and fuels inclusive growth with targeted support for entrepreneurs, life-sciences talent, and innovation.

This budget is shaped by resident voices and a clear equity lens. It balances today's needs with tomorrow's opportunities, helps neighbors through hardship, and keeps Montgomery County a place where people want to live, learn, work, and build a future. This budget invests in essentials, protects the vulnerable, and builds resilience.

As always, I want to thank our dedicated County workforce, whose tireless efforts have been the backbone of our successes. In a competitive labor market, this budget invests in fair compensation to sustain the high-caliber service our residents deserve. I also extend gratitude to our nonprofit and faith-based partners, whose collaborations have amplified our reach and impact, embodying the community spirit that defines Montgomery County.

As I conclude my service as your County Executive, I reflect on the legacy we have forged: a County that is more equitable, resilient, and prepared for the future. From historic investments in education and housing to pioneering climate and economic development strategies, we have laid a foundation for enduring progress. This budget carries that forward, ensuring Montgomery County remains a place where every resident can thrive. I look forward to working with the Council to refine and approve this proposal.

Marc Elrich
Montgomery County Executive

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FY27 Recommended Operating Budget Highlights

Climate Change...

✪ The FY27 Recommended Operating Budget and the FY27 Recommended Capital Budget and FY27-32 Capital Improvements Program collectively dedicate $355.3 million to climate change efforts. Funding is included in the following budgets:

- Agriculture
- Community Use of Public Facilities
- Office of the County Executive
- Climate Change Planning - Non Departmental Account
- Department of Environmental Protection
- Department of General Services
- Office of Grants Management
- Department of Housing and Community Affairs
- Department of Permitting Services
- Department of Transportation

✪ Add new zero-emission buses in FY27 and fund critical charging and facility infrastructure identified in the County's comprehensive Zero-Emission Bus (ZEB) Transition Plan. This plan outlines strategies for reduction of fleet emissions, assessment of infrastructure needs, and determination of optimal fleet composition. 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.

✪ Expand the Electric Vehicle (EV) Charging Station Program in existing and additional Parking District facilities to meet increased adoption of electric vehicles, including the introduction of Level III Fast Charging infrastructure.

- Complete transition to electric landscaping equipment with most leaf blowers, trimmers, and mowers now electric, resulting in decreased greenhouse gas emissions, reduction of noise, and improvement of air quality throughout downtown Silver Spring.

- Explore opportunities to partner the Parking Lot Districts with the Montgomery County Green Bank and/or other stakeholders to install solar canopies on parking garages that can provide community solar.

Racial Equity & Social Justice...

- Continue to invest in the Office of Racial Equity and Social Justice's efforts to normalize, organize, and operationalize racial equity and social justice.

- Allocate more than $2.56 million in on-going funding to continue services in Children, Youth, and Family Services originally funded through the Lighthouse Initiative. In addition, include almost $4.6 million in funding to continue the Lighthouse Initiative as a three-year grant program.

- Enhance supplemental funding for the Developmental Disability Service Provider Supplement ($559,000), the Adult Medical Day Care Provider Supplement ($62,000), and address the rising costs of Senior Nutrition Program meals ($143,000).

- 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.

Thriving Youth and Families...

- Enhance funding for the Early Care and Education Non-Departmental Account (NDA) to continue ongoing services and programs that provide childcare subsidies for families with income up to 450 percent of the federal poverty level.

- Expand support for the County's Healthcare for the Uninsured Program. This includes an increase of the reimbursement rate from 45% to 52.5% of the cost of care ($1.56 million), provision of dental equipment and supplies in Montgomery

County Public Schools ($50,000), support of Montgomery Cares endodontic services ($19,000), expansion of the East County dental services pilot ($15,000), and expansion of Care for Kids specialty dental services ($9,000).

- ✪ Foster greater accessibility to programs for adults 55 years and older for whom English is not their first language. Expanded 55+ offerings to include programs taught fully or partially in multiple languages, including Mandarin Chinese, Spanish, Vietnamese, French, Korean, Japanese, and Sign Language. Inclusive Multilingual Programming broadens participation, strengthens inclusivity, and ensures that older adults can engage in programs that honor their diverse backgrounds and communication needs.

- ✪ The Community Engagement Cluster builds strong community trust and participation by convening 23 Community Exchange townhalls, creating consistent dialogue with residents, and generating more than 500 direct touchpoints with County residents.

- ✪ Use a variety of methods to ensure there is food access to address persistent inequities and disparities among residents and direct their engagement with our local food system. MC Groceries, 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.

- ✪ Ensure safe and responsible management of clinical settings including County performance of nursing home inspections beginning in FY27 ($399,000), expanding of nurse/manager staffing ratios in school health settings ($340,000), and bolstering the ability to recruit and retain skilled contractual dentists ($197,000). DHHS will maintain compliance with State requirements, including enhancement of tobacco retail enforcement capacity ($78,000) and replacement of dental program equipment ($75,000).

A Growing Economy...

- ✪ Support the County's Economic Development Initiative with funding for economic development organizations that augment County services. These services help businesses start and grow in the County; support business growth and economic growth through workforce development and training programs; provide a venue to host business and private events in the County; provide business, marketing, and technical assistance to County businesses; attract tourism to the County; attract strategic industries to relocate and launch in the County; and facilitate access to State

and County funding programs to support business growth. The FY27 recommended budget includes funding for the following:

- Business Center Team
- Economic Development Fund
- BioHub Maryland at Montgomery County NDA
- Conference and Visitors Bureau NDA
- Conference Center NDA
- Incubator Programs NDA
- Institute for Health Computing NDA
- Montgomery County Economic Development Corporation NDA
- Small Business Support Services NDA
- WorkSource Montgomery NDA

✪ Support workforce development and training with funding for the Upcounty American Job Center, expanding access to workforce services for residents in the Upcounty region.

✪ 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.

A Greener County...

✪ The Department of General Services (DGS) is the lead department in greening the County's buildings, fleet, and many of its operations. The department's initiatives include generating solar, combined heat and power and other low emissions energy on County facilities; reducing fuel consumption through green fleet operations; building high performance green buildings; continually improving energy efficiency of existing buildings; and clean energy purchasing. DGS leads the initiative to transition to a zero-emissions fleet of County vehicles and buses and to develop the charging infrastructure necessary to make this transition.

✪ 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.

- 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.

Easier Commutes...

- 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 FY27, implement all-day Flash Bus Rapid Transit service to the Burtonsville Park and Ride.

- 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.

- 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.

An Affordable, Welcoming County for a Lifetime...

- Provide 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).

- Expand 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. Provide 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.

- 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.

- Increase funding for fair housing testing by leveraging Federal resources to identify and assess evidence of housing discrimination within Montgomery County.

- Allocate $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 the Rent Stabilization Program, which implements legislative rent stabilization mandates and maximum allowable rent increases.

- Recommend funding for one position in the Multi-family 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.

Safe Neighborhoods...

- Continue funding 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.

- Establish a dedicated K9 Unit in the Department of Correction and Rehabilitation to enhance institutional safety; deter the introduction of contraband; and support facility operations through targeted search, detection, and security functions.

- Host community outreach events to focus on emergency preparedness, including the second Ready Montgomery Public Safety and Preparedness Fair, providing residents with education on response skills and climate resilience. Expand outreach to Spanish-speaking residents and increase engagement with older adults.

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

- Upgrade street and pedestrian lighting to brighter, energy-efficient LED fixtures, enhancing visibility, safety, and sustainability throughout the Wheaton Urban District.

- Expand the Alcohol Beverage Services 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.

- Restore 25 positions to the Emergency Communications Center, reflecting success by Police in hiring and retaining civilian call takers.

- Transition the Drone as First Responder Program to dock-based drones. This 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.

Effective, Sustainable Government...

✪ Montgomery County earned the following National Association of Counties (NACo) Achievement Awards in 2025:

- Aquatic Egg Hunt
- Alcohol Training in Six Languages
- Babies Born Healthy "Right From The Start"
- Breakage and Replacement Management
- Cardboard Boat Regatta
- Charlemos Con Zumba (Let's Chat and Zumba)
- Construction of the new NetZero Sixth District Police Station
- DHHS Mobile Health Clinic
- Dry January
- Electronic Health Records (CorEMR)
- ePaper Transit Real Time Bus Stop Information Signs Project
- Fire Safety: One Cup of Cocoa at a Time
- Great Seneca Transit Network
- Gude Landfill Remediation Project
- Hands Only CPR Campaign
- Healthy, Efficient, Electrified, Climate-Adapted Pilot Homes Grants Program
- Jail-Based Medication Assisted Treatment (MAT) Program
- Kegs Room Transformation
- Local Products Partnership with Tourism Bureau
- MCDOT Flash Friday Campaign
- MCDOT Sweep the Salt Pilot Program
- MCDOT Waze School Flasher Integration
- MC Groceries: Retail Food Access Program
- Montgomery County GIS-Enabled DOT Field Photo Management Application
- Montgomery County GIS Strategic Alignment and Activity Tracking Application
- Montgomery County Recreation Skateboarding
- Montgomery County Student Project Partnership
- Office of Landlord-Tenant Affairs Community Volunteer Program
- Recipe for Success
- Ride On Trip Planner App

- Rock-reation: Indoor Rock-Climbing Program
- RTD Connect
- Spirited Discussions Podcast
- Sweet Release Bakery Job Training Program
- The Rising Together: Inclusive Pathways to Child Care Employment for Refugee Women
- Under the Lights
- Using Data for Loss Prevention Success
- Veteran-Owned Business Preference Program
- Youth Cricket Academy

✪ Modernize the Department of Health and Human Services' enterprise Integrated Case Management (eICM) system by transitioning from outdated, high-risk software to the new eICM 2.0 platform, strengthening cybersecurity, and improving customer service and continuity of care.

✪ Consolidate the Office of Procurement's contract lifecycle applications into a unified e-Procurement solution to integrate sourcing, contract management, vendor management, and compliance functions for greater efficiency and transparency.

✪ Deliver nearly 50,000 resident conversations through Monty 2.0 in its first two years, providing 24/7 access to information on thousands of County services. Monty 2.0 expands address-specific tools such as voting locations and leaf collection schedules. Upcoming enhancements will allow residents to submit select service requests directly through the chatbot, strengthening Monty 2.0 as a key customer service channel.

✪ Recommend funding to update the electronic systems associated with the County's ethics programs of financial disclosure, outside employment, and lobbying registration and reporting.

✪ Develop a tool that electronically generates deeds of temporary construction easements by partnering with the Department of Transportation's Property Acquisition Section, enabling the Office of the County Attorney to streamline deed reviews and accelerate project timelines.

✪ Advance the Department of Transportation Property Acquisition Section's use of artificial intelligence (AI) and digital workflow automation by training staff and deploying AI-assisted document review, data analysis, and correspondence tools to improve efficiency, accuracy, and transparency in the acquisition process while enabling staff to focus on higher-value strategic tasks.

- Alcohol and Beverage Services, in partnership with Montgomery College, created a customer service training program for retail employees to strengthen the retail customer experience and increase customer satisfaction.

- Organize and coordinate twelve operating budget forums during development of the County Executive's FY27 Recommended Operating Budget, giving residents an opportunity to share their input. 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.

- Improve audio and video livestreaming of the vote by mail canvass to enhance the transparency of the Board of Elections' operations.

- Develop and launch a skilled-trades apprenticeship program in electrical, plumbing, and HVAC to address workforce shortages, strengthen in-house capabilities, and build a sustainable talent pipeline for the Department of General Services.

- Partner with the Department of Technology and Enterprise Business Solutions to offer 360-degree virtual tours of rental facilities, enabling Community Use of Public Facilities customers to remotely explore available spaces at Montgomery County Public Schools and the Silver Spring Civic Building and better visualize ideal event settings.

- Launch an innovative Housing Portal that enables landlords to register the rents and fees they charge to enforce provisions of the County's rent stabilization law. The Department of Housing and Community Affairs will continue to enhance the portal's efficiency, customer experience, and utility by incorporating other publicly-facing department programs and services.

- Improve the County's hiring process by attaining a 93 percent merit-position fill rate, marking the highest occupancy level in more than five years.

Funding the Budget...

- Recommend a total County budget from all sources for all County agencies of $8,019,823,000 which is $388.1 million or 5.1 percent more than the FY26 budget.

- Recommend tax-supported funding for the Montgomery County Government of $2,949,990,353 (including debt service and OPEB funding).

- Recommend tax-supported funding for the Montgomery County Government of $2,486,523,403 an increase of 5.9 percent (excluding debt service).

- Funding for Montgomery County Public Schools will increase by $189.8 million or 5.3 percent. Within this total, the County contribution is $202.8 million over maintenance of effort.

- Funding for Montgomery College's FY27 Recommended Operating Budget totals $351.5 million.

- Recommend tax-supported funding for the Maryland-National Capital Park and Planning Commission (M-NCPPC) increases by $7,414,231or 3.8 percent from FY26 (including debt service and OPEB funding).

- Fund the WSSC Water's FY27 operating and capital budgets with a 5.0 percent water and sewer rate increase in accordance with the Spending Affordability Guidelines adopted by the County Council.

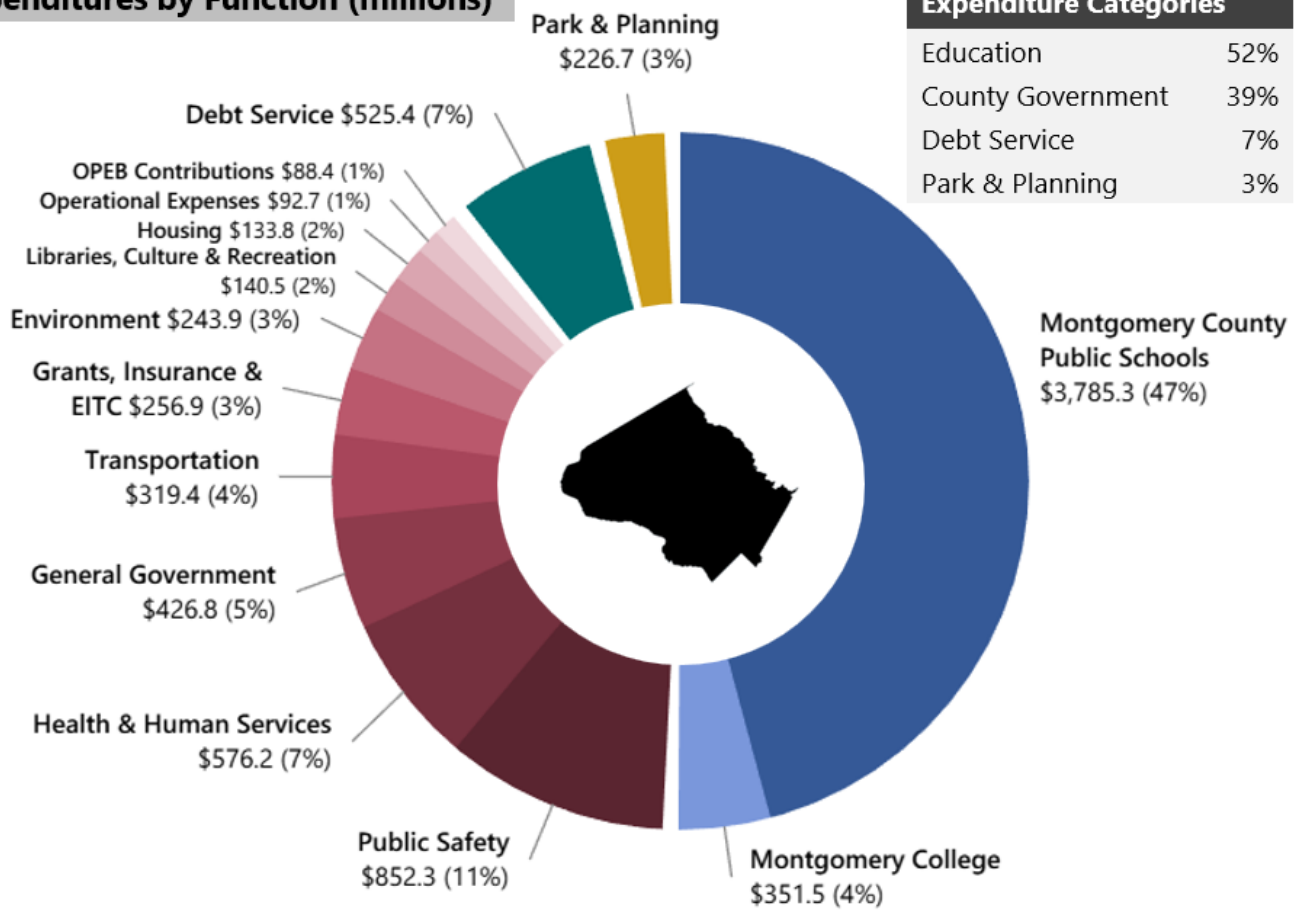
- Recommended a property tax rate of $1.0885 per $100 of assessed value and a $692 homeowners' property tax credit. This rate includes a 6.3 cent increase to the supplemental education property tax rate.

- Promote existing mechanisms for senior citizens and those on limited incomes to assist them as needed with property tax increases, such as the Senior Tax Credit program that benefits eligible residents who are at least 65 years of age. This credit is calculated as 50 percent of the combined State Homeowners' Tax Credit and County Supplement.

- Retains the energy tax rate at the level approved by the Council for FY26, preserving an important stable and broad-based revenue source that includes Federal institutions that otherwise pay no taxes in exchange for County services.

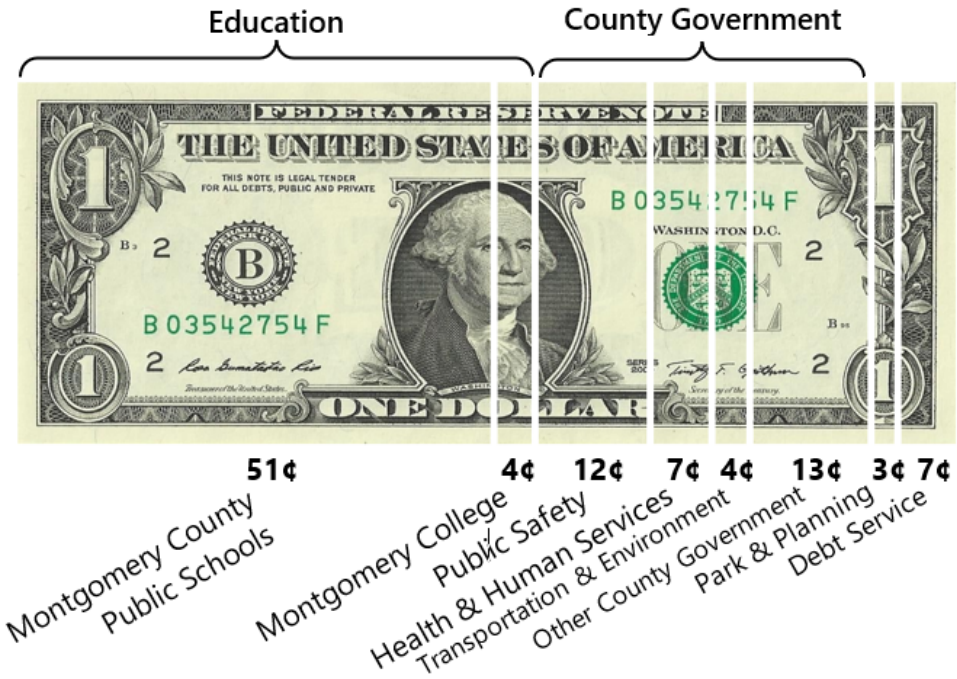
WHERE THE MONEY GOES

Expenditures by Function (millions)

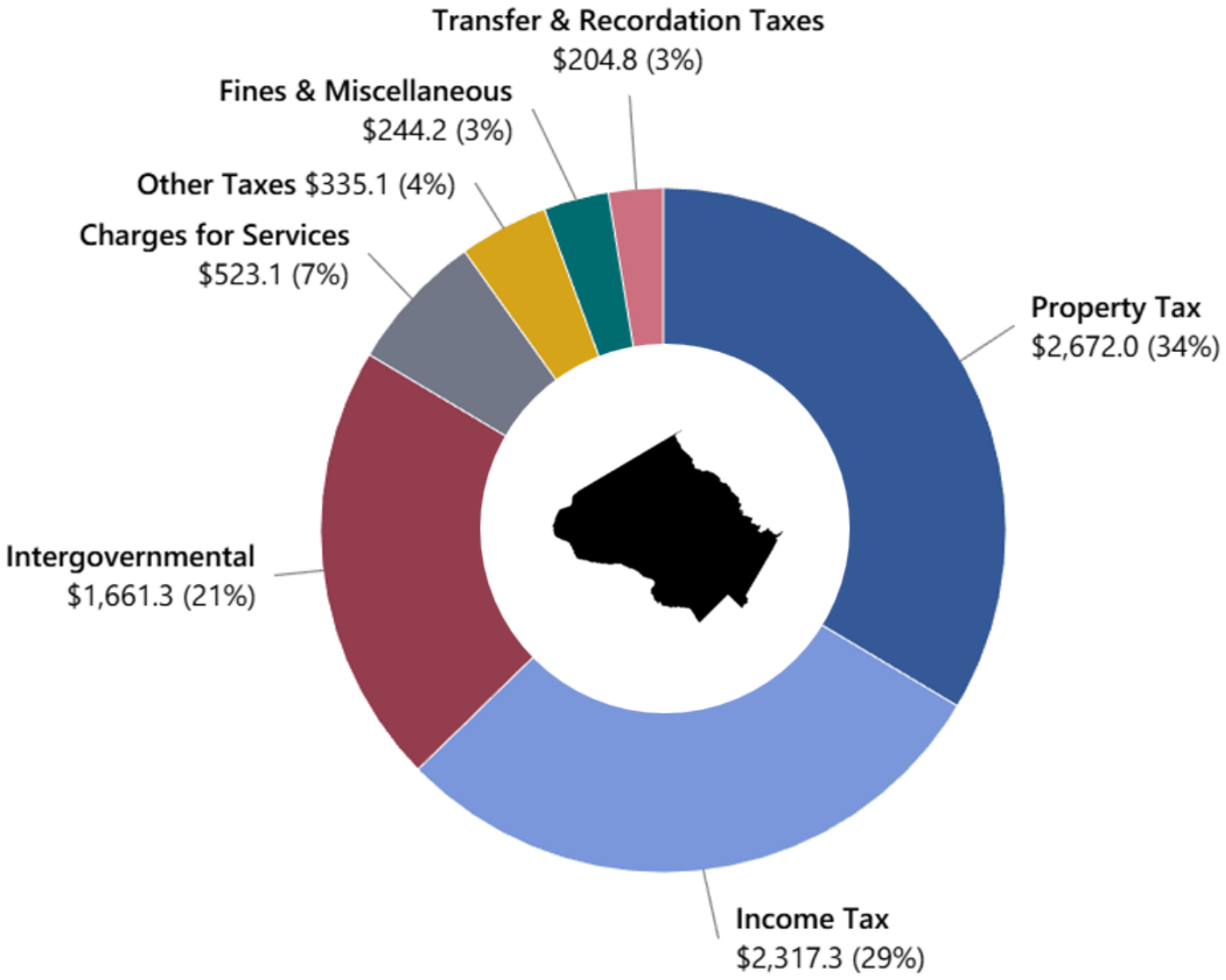


Expenditure Categories	
Education	52%
County Government	39%
Debt Service	7%
Park & Planning	3%

How a Dollar of Taxes is Spent



NOTE: Expenditures by Function chart includes funds from all sources; dollar bill chart includes only tax-supported funds.

WHERE THE MONEY COMES FROM

Revenues (millions)