

# COUNTY EXECUTIVE'S

FY21 Operating Budget Forum Briefing

October 2019

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*Prepared by Montgomery County Office of Management & Budget and Department of Finance*



# Purpose of BUDGET FORUMS

**1**

**Inform residents about the Operating Budget**

**2**

**Provide residents with an opportunity to express their views and priorities on the County Operating Budget**

# County Executive's PRIORITY OUTCOMES/KEY INDICATORS



## 1 Thriving Youth and Families

- Percent of children ready for kindergarten
- Academic achievement gap
- Life expectancy gap

## 2 A Growing Economy

- Local Business, Small Business, and Large Business
- Number of family sustaining jobs
- Employment gap

## 3 A Greener County

- Greenhouse gas emissions
- Recycling rate
- Resident satisfaction with code enforcement

## 4 A More Affordable and Welcoming County

- Percent of households that are housing burdened
- Access to affordable childcare
- Food insecurity rate

## 5 Easier Commutes

- Average commuting time
- Percent using alternative transportation for work, school, or shopping
- Percent of roads rated in "good" condition

## 6 Safe Neighborhoods

- Number of gang-related violent crimes
- Property crime rate
- Number of pedestrian-involved traffic accidents

## 7 Effective, Sustainable Government

- Employee Turnover
- Resident satisfaction with value for tax dollars
- Bond Rating

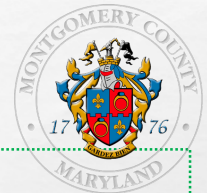


# OUR Budget

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# Two Budgets ➡ One County



## Operating Budget: Services

- K-12 Education
- Community College Education
- Public Safety: Police, Fire, Courts, Corrections, and Sheriff
- Transportation: Roads, Traffic, and Bus
- Social Services: Health, Income Maintenance, and Other
- Environmental Protection
- Parks, Recreation, and Libraries
- Land-Use Planning and Regulation
- Trash Collection and Disposal
- Economic Development
- Debt Service

## Capital Budget: Facilities

- Schools and College Facilities
- Roads and Bridges
- Water and Sewer Facilities
- Information Technology Infrastructure
- Library Buildings
- Police and Fire Stations
- General Government Facilities
- Funded Primarily Through the Issuance of Bonds

# FY20 County BUDGET



**1**

**Early Childhood Initiative**

1

**2**

**Affordable Housing**

**3**

**Rapid Transit Initiative**

**4**

**Climate Change**

**5**

**New Focus on Growing Economy**

**6**

**10-Year Strategic Plan**

**7**

**Fully Funded ALL Reserve Requirements**

# Outcome Based Budgeting

## Getting Our Best Thinking



# Traditional Budgeting vs. Outcome Based Budgeting



## Traditional Budgeting

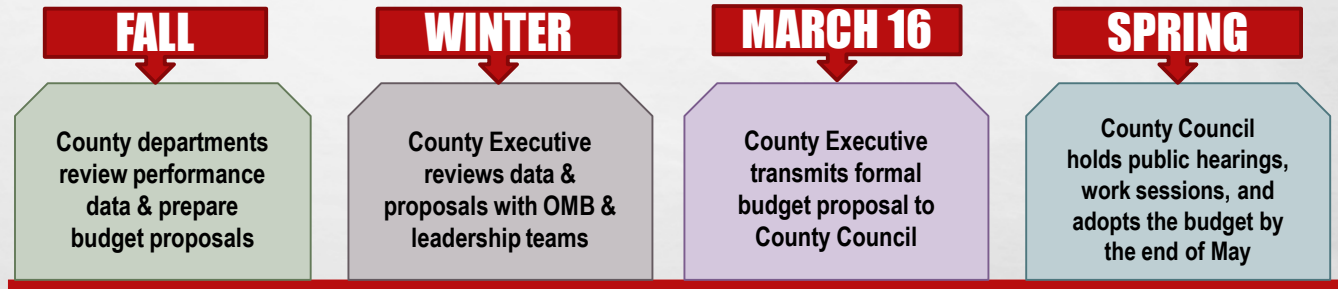
- ✓ Incremental allocation of funds
- ✓ Last year's budget is the starting point
- ✓ Department budget submission
- ✓ Evaluate department submission
- ✓ Based on Prior Spending

## Outcome Based Budgeting

- ✓ Allocation of funds by programs and services
- ✓ Outcomes are the starting point
- ✓ Program budget proposals
- ✓ Evaluate program services based on performance and contribution to the County Executive's Priority Outcomes
- ✓ Foster collaboration with:
  - Internal partners
  - External partners



# Operating Budget PROCESS





# FISCAL Update

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# **Fiscally Responsible Government**



## **Montgomery County is Focused on Financial Sustainability**

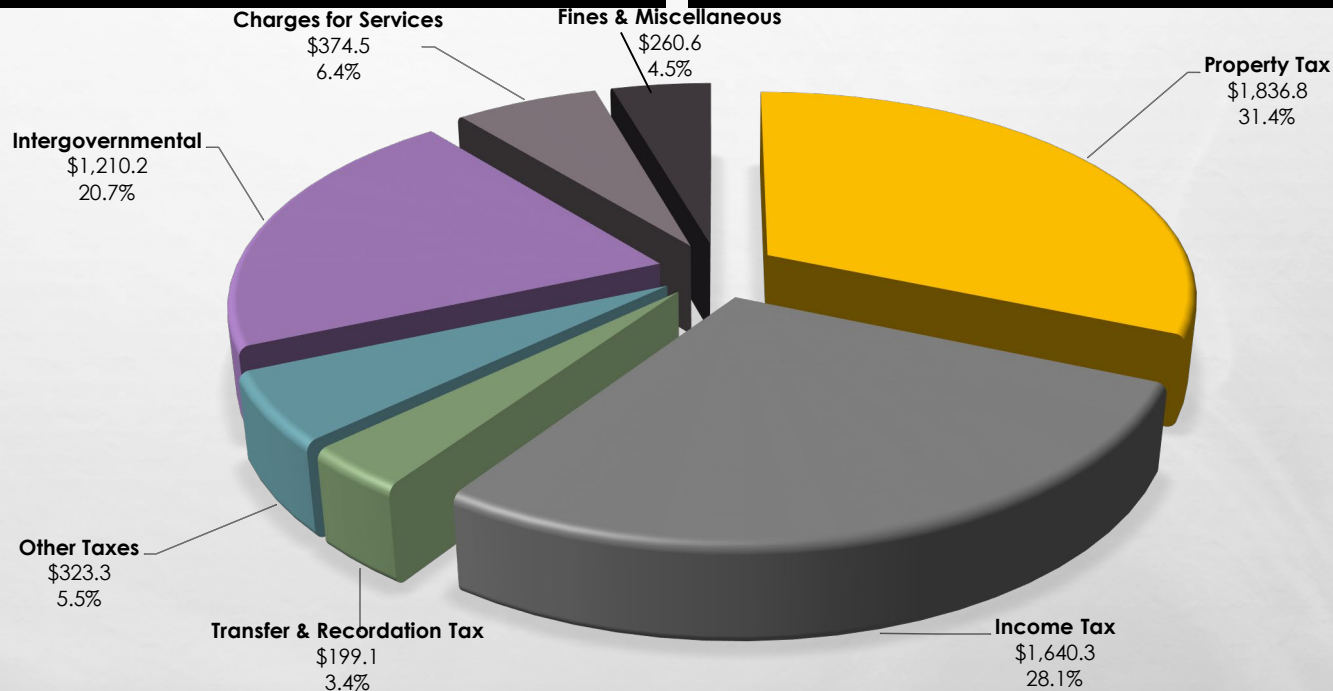
- ☐ **Balanced Budget Required By Law**
- ☐ **Aggressive Reserve Target Policy**
- ☐ **Well-Managed Retirement Obligations**
- ☐ **Initiating a 10-Year Strategic Fiscal Plan**
- ☐ **Instituting New Outcome – Based Budget System**

# FY20 APPROVED REVENUES (\$MILLIONS)



## WHERE THE MONEY COMES FROM

TOTAL Revenues - \$5,844.8

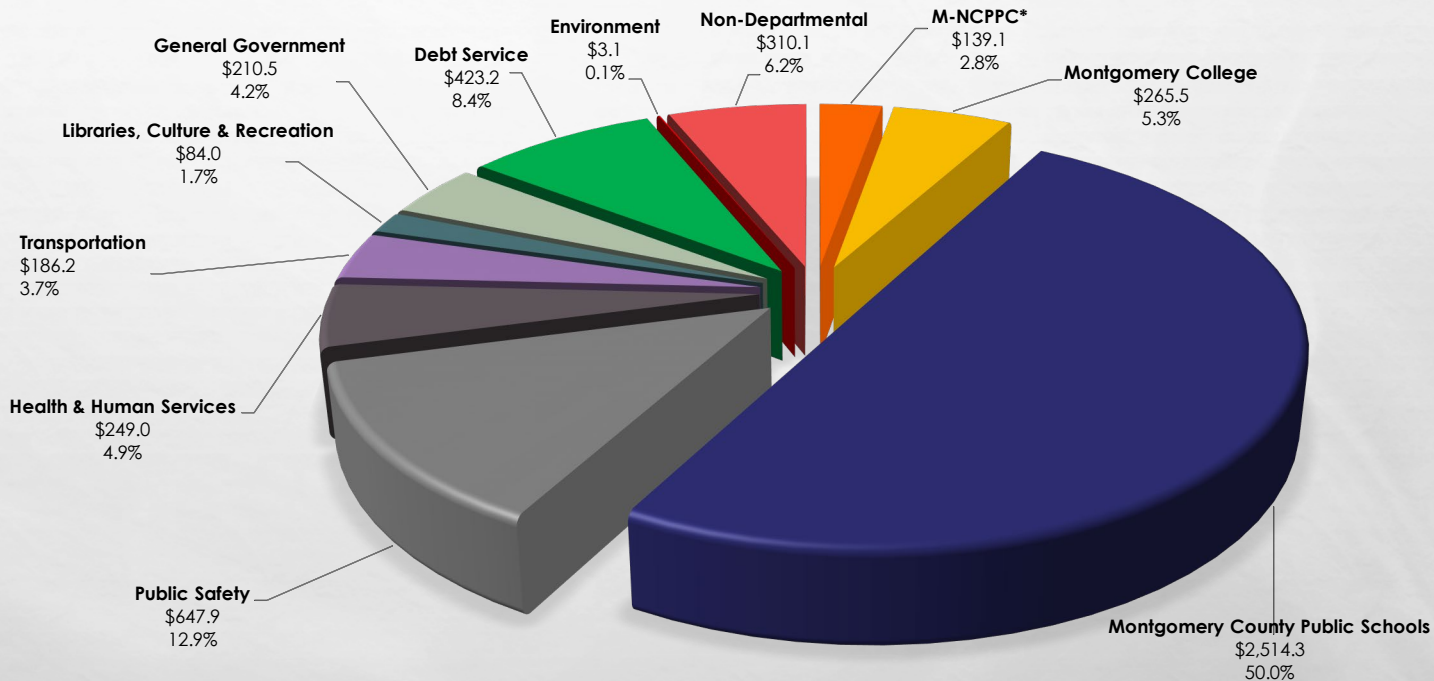


\*Total expenditures in the Operating Budget are \$5,761.7 million. Total revenues support the full Operating Budget, cash funding in the CIP, and contributions to reserves.

# FY20 EXPENDITURES BY OPERATING FUNCTION (\$MILLIONS)



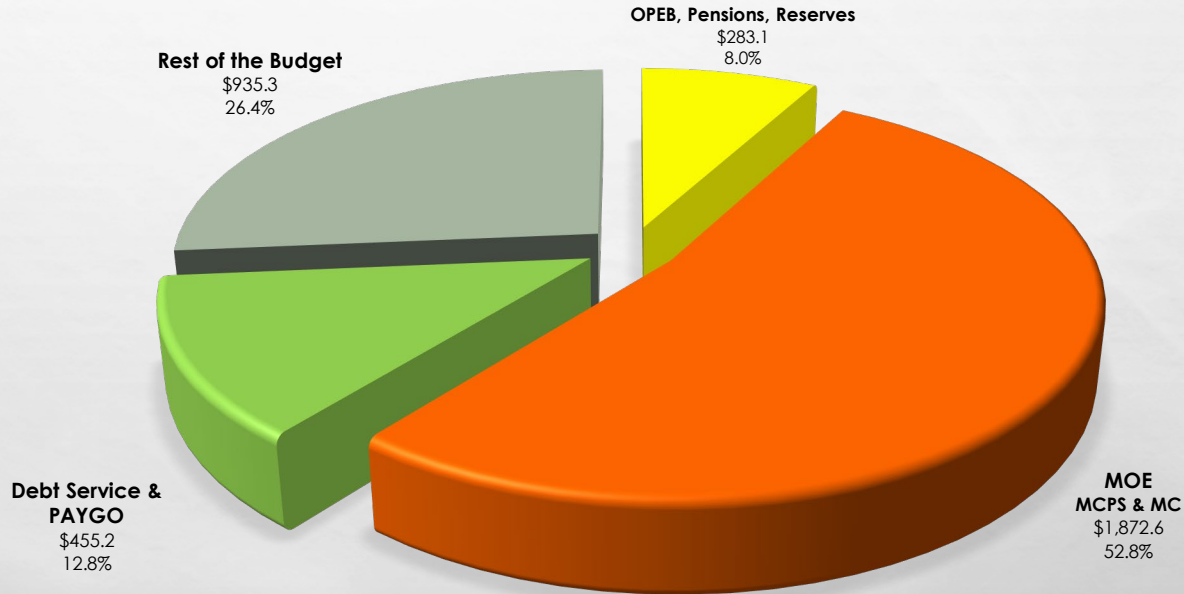
**TAX SUPPORTED EXPENDITURES - \$5,032.9**



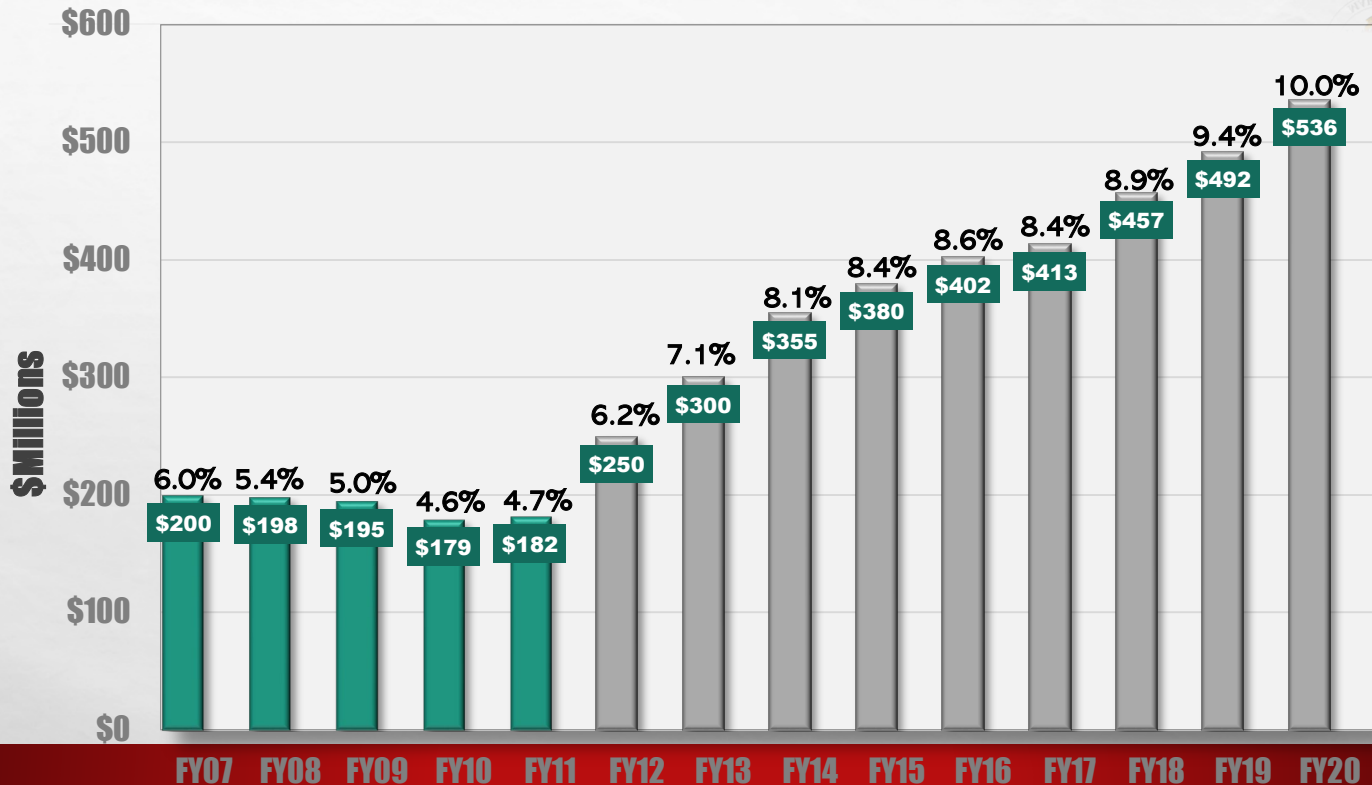


# FY20 FIXED AND OTHER COMMITMENTS AS A % OF GENERAL FUND REVENUE (\$MILLIONS)

TOTAL GENERAL FUND REVENUE - \$3,546.2



# Budgeted Reserves (By Year)

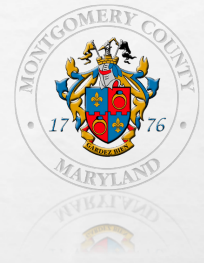


# Building the FY21 Budget



- 1. Revenue Estimates**
- 2. Enrollment Forecast**
- 3. Fixed Costs for:**
  - **Employee salaries & benefits**
  - **Current & future retiree benefits**
  - **Debt service & capital contributions**
- 4. New State & Federal Laws**
- 5. New Initiatives**

# Community Participation



- ❖ **County Executive Sponsored Budget Forums**
- ❖ **Boards, Committees, and Commissions**
- ❖ **Letters/Emails**
- ❖ **County Council Public Hearings**

# Open Budget

There is Something for Everyone

[montgomerycountymd.gov/openbudget](http://montgomerycountymd.gov/openbudget)

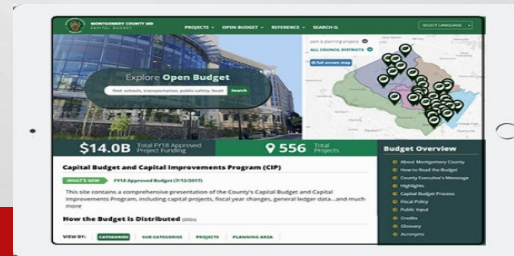
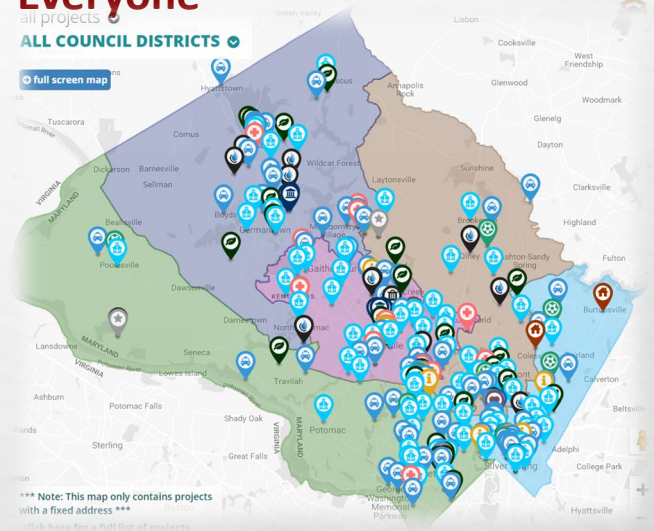
Interactive

Accessible

Printable

Customizable

Sharable

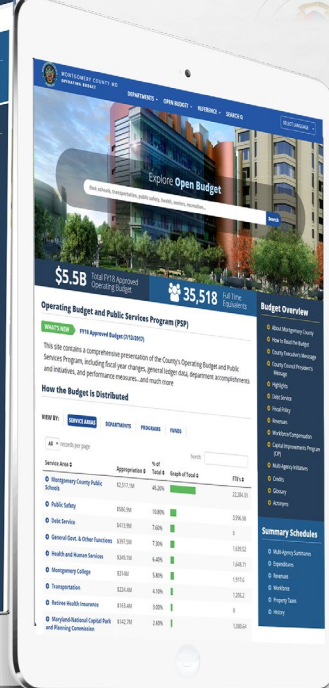
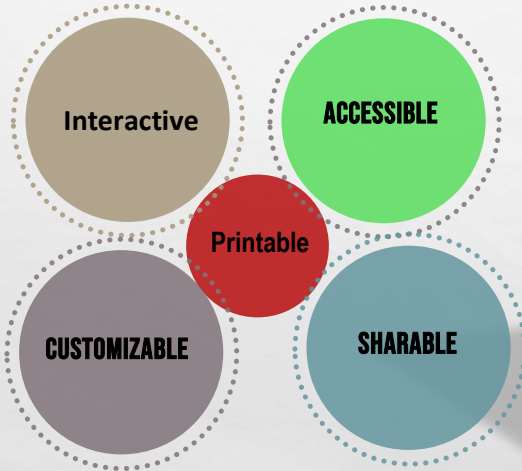


# Open Operating Budget

## New & Improved



[montgomerycountymd.gov/openbudget](http://montgomerycountymd.gov/openbudget)



# Capital Budget

## Including Projects & MAPS

montgomerycountymd.gov/openbudget



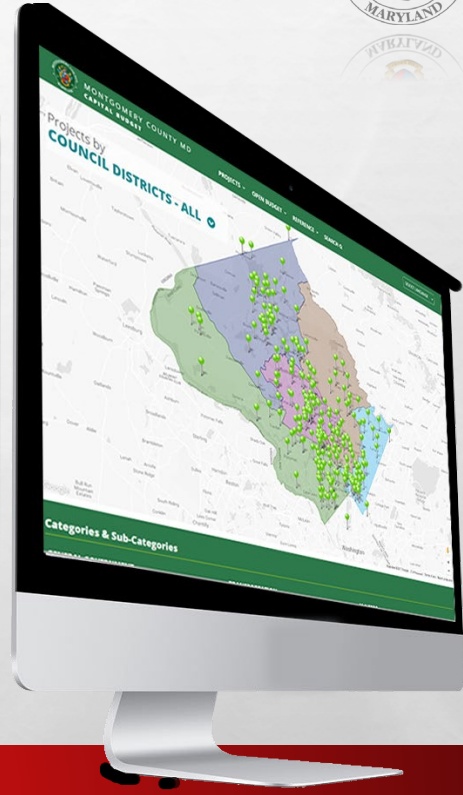
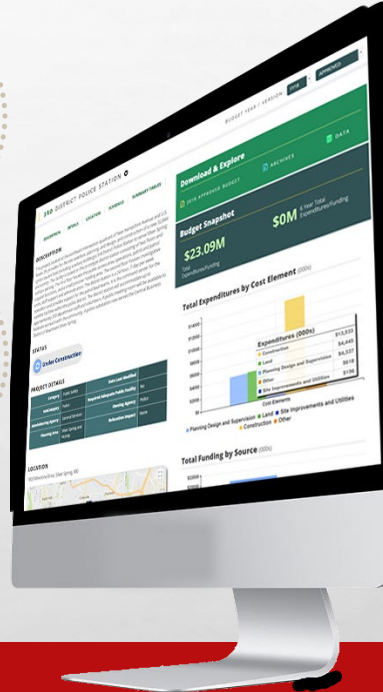
Planning  
Areas

Projects

Schedules

Council  
Districts

Maps



**Clarksburg Library**  
(P710500)

| Category                             | Culture and Recreation | Basic Local Modified  | 1111114          |
|--------------------------------------|------------------------|-----------------------|------------------|
| SubCategory                          | Libraries              | Administrative Agency | General Services |
| Planning Area                        | Clarksburg             | Branch                | Planning Stage   |
| <b>EXPENDITURE SCHEDULE (\$000s)</b> |                        |                       |                  |
| Grand Totals                         | Total: \$0.00          | Net: \$0.00           | Net: \$0.00      |
| Planning, Design and Supervision     | \$1,000                | \$1,000               | \$1,000          |
| <b>TOTAL EXPENDITURES</b>            | <b>\$1,000</b>         | <b>\$1,000</b>        | <b>\$1,000</b>   |
| <b>FUNDING SCHEDULE (\$000s)</b>     |                        |                       |                  |
| Grand Totals                         | Total: \$0.00          | Net: \$0.00           | Net: \$0.00      |
| Operating Revenue                    | \$1,000                | \$1,000               | \$1,000          |
| <b>TOTAL FUNDING SOURCES</b>         | <b>\$1,000</b>         | <b>\$1,000</b>        | <b>\$1,000</b>   |



# County Executive's **PRIORITY OUTCOMES**

**1** Thriving Youth and Families

**2** A Growing Economy

**3** A Greener County

**4** Easier Commutes

**5** A More Affordable and Welcoming County

**6** Safe Neighborhoods

**7** Effective, Sustainable Government

**[www.Montgomery CountyMD.gov](http://www.MontgomeryCountyMD.gov)**