



**FY22 COUNTY EXECUTIVE
RECOMMENDED
OPERATING BUDGET**

Monday, March 15, 2021



Challenges

- COVID-19
- State of Emergency
- 1,400 Lives Lost
- 65,000 County Residents Contracted
- Dire Fiscal Projections

FY22 Recommended Operating Budget Goals & Focus

Response



Recovery



Resilience



Response

- Immediate Hiring & Procurement Freeze
- Invested \$50 million in PPE & cleaning supplies
- Administered 1.4 million tests
- \$13 million to prepare hospitals & buy ventilators

Response

- \$150 million for residents in rental assistance & income support
- 17 million meals prepared & delivered by MCPS & our community partners
- 8.2 million pounds of food distributed with our non-profit partners
- 8 Service Hubs throughout the County
- \$70 million to businesses and non-profits
- Announced start of business relief on March 20, 2020

Recovery

- 228,000 residents vaccinated with at least one dose
- 25% of adult population with one shot
- More than 60% of 65+ residents with one shot
- American Rescue Plan - \$203 million
- \$82 million for County Govt is unallocated
- \$400 million in additional Federal funds for MCPS and Montgomery College unprogrammed
- “K-shaped” recovery forecasted – there are vulnerable people who still need our help

Resilience

FY22 Budget Highlights

- Fully funds MCPS and Montgomery College budget requests
- Supports families and vulnerable residents
- Enhances funding for early care and education
- Provides record-level of funding for affordable housing
- Reimagines Public Safety by beginning to restructure Police and enhance mental health services and crisis response

Resilience

FY22 Budget Highlights

- Equity Lens
- Makes strides in addressing climate change and promoting mass transit
- Sets up businesses for sustained economic recovery
- Boosts County reserves to 9.6%
- No new taxes and OPEB fully funded



Funding for Education

- Fully Funds the Board of Education's \$2.8 Billion Request
- Fully Funds the Montgomery College \$312.5 million Request
 - Expands Montgomery Can Code Program and Innovation Hub
- Supports KidMuseum efforts for hands-on STEM learning



Tackling Climate Change

- Additional staff for climate change programs in Department of Environmental Protection for energy policy management, vehicle electrification, and community outreach
- Enhancements to Tree Montgomery Program, RainScapes Program, and Watershed Grants
- Funds Study to revision Ride On Transit Network
- Includes funds for Brookeville Bus Depot electrification project and two portable solar-powered electric vehicle charging stations



Improving Economic Development

- Entrepreneurship Development
- Entrepreneurs-in-Residence Fellowship Program
- Proposed White Flint Research and Innovation Center Project
- Inclusive Economy Initiative
- Talent Pipeline and Workforce Development Partnership



Improving Economic Development

- \$1 million Funding Increase for Montgomery County Economic Development Corporation
- \$804,200 to Conference and Visitors Bureau to Offset Projected Hotel/Motel Tax Shortfall

A More Equitable County

- Additional Resources and Personnel for the Office of Racial Equity and Social Justice
- Funds for a Mobile Health Clinic to Address Health Disparities
- Creation of a Multilingual and Multicultural Communications Unit
- Funds to Close the Digital Divide

Affordable Housing

Record Funding for Affordable Housing

- \$61.1 million in the MHI Fund
- \$22.0 million for Affordable Housing Acquisition and Preservation CIP Project
- \$6.0 million for a New Affordable Housing Opportunity Fund

Support for Families and Vulnerable Residents

- Increases Working Families Income Supplement Program by \$20 million, Including \$5 million for Residents with a Taxpayer Identification Number
- Enhances Funding for Hubs by \$3.6 million
- Expansion of Rapid Rehousing and Rental Assistance Programs
- Includes \$5 million more for Early Care and Education Initiative – Total Funds Available in FY22 for this Program Climb to \$12.5 million



Reimagining Public Safety

- Eliminates 29 Positions from the Police Department
- Creates 3 New Mobile Crisis Outreach Teams
- Maintains and Expands Funding for Mental Health Programs for Youth
- Establish Homeless Court

Community Partners

- Inflationary Adjustments for:
 - Non-Profit Provider Contracts in HHS
 - Medical Adult Day Care Providers
 - Developmental Disability Services Providers
 - Grant Funds to Arts and Humanities Organizations Through the Arts and Humanities Council
- Maintains Funding for FY21 Community Grants Recipients
- Moves 23 Community Grants into the Base Budgets of Departments

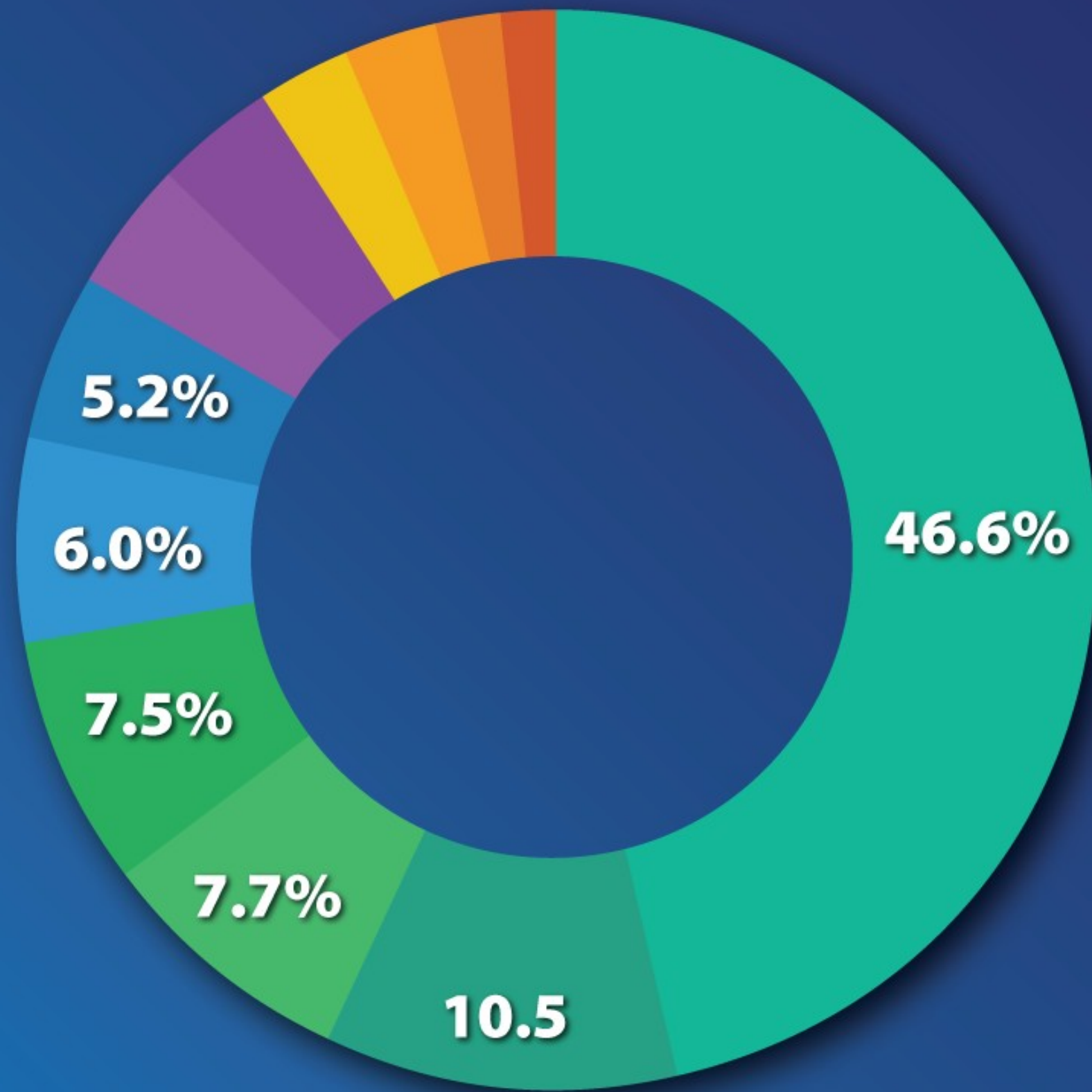
Effective and Sustainable Government

- Fully Funds County Committee's Recommended Funding for the Public Election Fund at \$3 million
- Additional Support for MC311 to Reduce Call Wait Times
- Revises Methodology for Municipal Tax Duplication Efforts to Help Meet the Needs of Our Municipal Partners
- Identifies Positions for Elimination as Part of Efforts to Improve Efficiency and Effectiveness of Programs

Maintaining Reserves

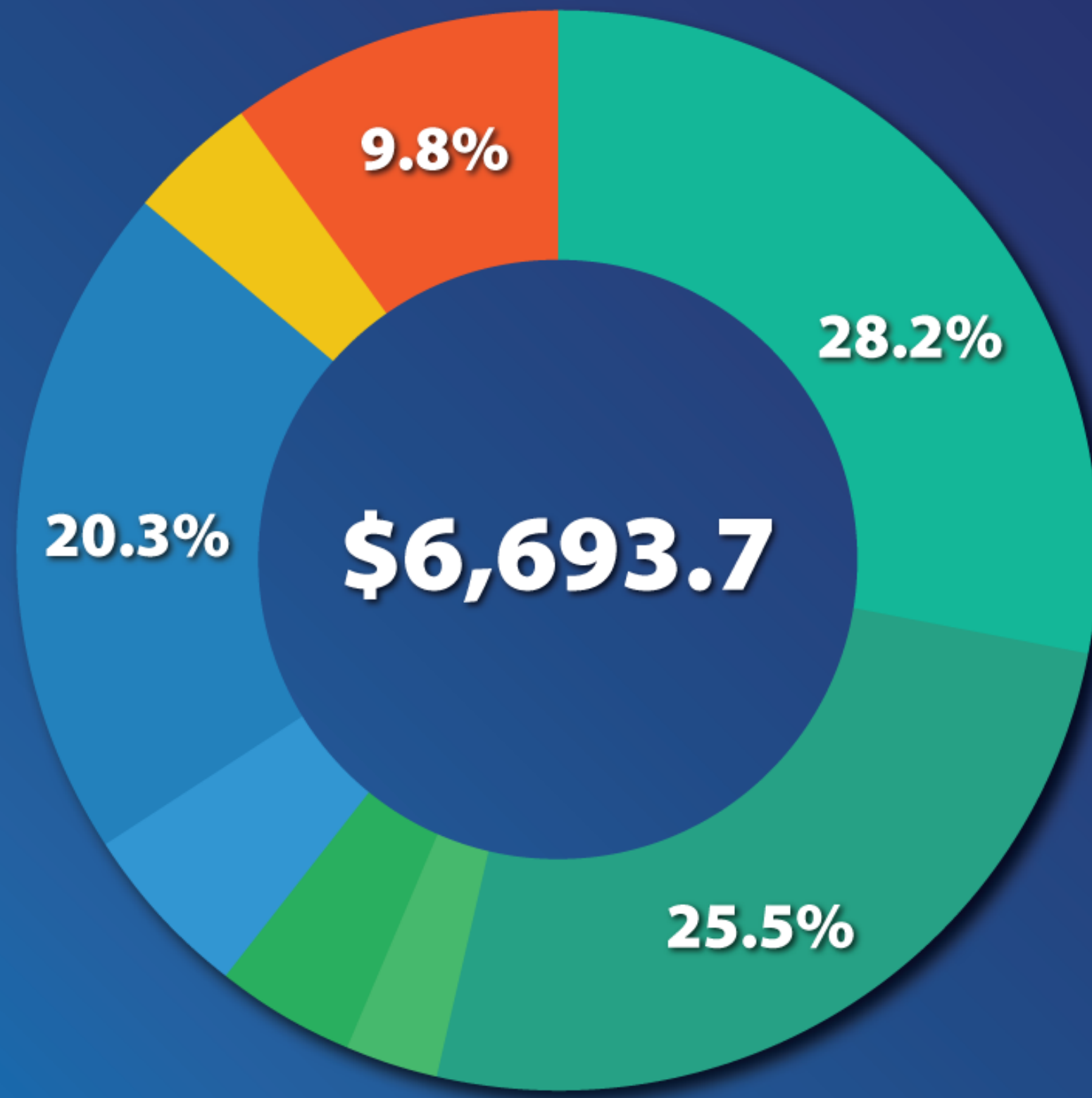
- Reserves Fell Below 10% policy level because of County COVID-19 response
- Important to maintain the County's AAA Bond Rating
- By the end of FY22, reserves are projected to be at 9.6%
- Three-year plan to reach 10% by end of FY24

% TOTAL EXPENDITURES BY SERVICE AREA



Public Schools	46.6%
Public Safety	10.5%
Other County Government Functions.....	7.7%
Debt Service.....	7.5%
Health and Human Services.....	6.0%
Montgomery College	5.2%
Transportation	3.8%
General Government.....	3.6%
Park & Planning.....	2.8%
Environment	2.8%
Housing	1.8%
Libraries & Recreation.....	1.6%

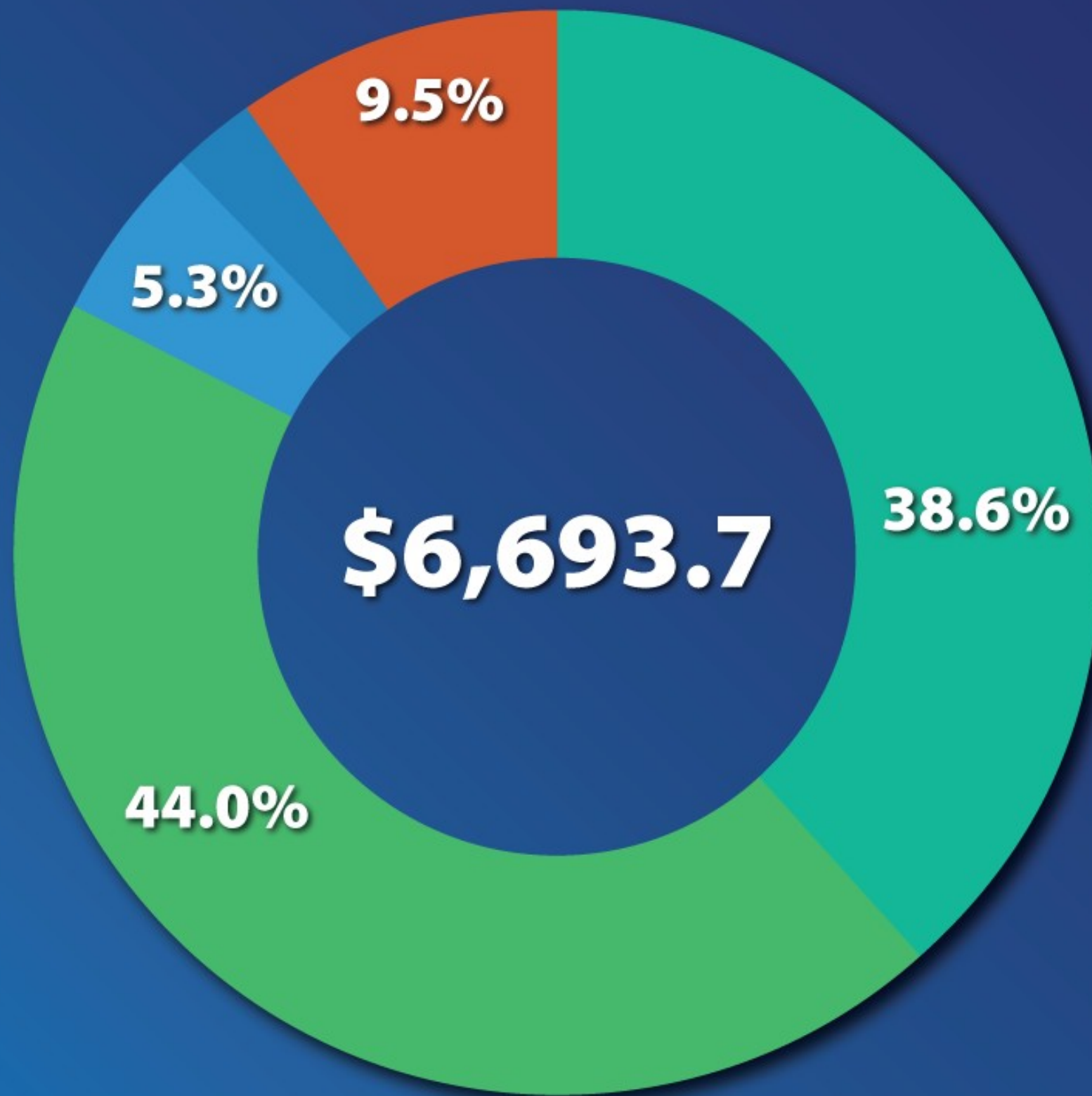
FY22 All Agencies/All Funds (millions)



Where the Money Comes From

■ Property Tax	\$1,884.7 (28.2%)
■ Income Tax.....	\$1,708.8 (25.5%)
■ Transfer & Recordation Tax	\$184.6 (2.8%)
■ Other Taxes.....	\$288.1 (4.3%)
■ Charges for Services.....	\$357.6 (5.3%)
■ Intergovernmental	\$1,359.1 (20.3%)
■ Fines & Miscellaneous	\$260.2 (3.9%)
■ Net Transfers	- \$3.0 (0.0%)
■ Prior Year Reserves.....	\$653.5 (9.8%)
Total Recommended Resources	

FY22 All Agencies/All Funds (millions)



Where the Money Goes*

County Government.....	\$2,583.6 (38.6%)
Montgomery County Public Schools.....	\$2,944.1 (44.0%)
Montgomery College	\$353.2 (5.3%)
M-NCPPC.....	\$169.4 (2.5%)
Non-Agency Uses.....	\$7.1 (0.1%) (not visible on chart)
Reserves	\$636.2 (9.5%)
Total Recommended Use of Funds.....	\$6,693.7

* This total covers the full Operating Budget and funds to the CIP, Debt Service, and Reserves. Of this amount \$5,969,084,855 is recommended in the Operating Budget.