



**Committee:** GO  
**Committee Review:** At a future date  
**Staff:** Gene Smith, Legislative Analyst  
**Purpose:** To introduce agenda item – no vote expected  
**Keywords:** Fiscal Plan

AGENDA ITEM #4A  
June 14, 2022  
**Introduction**

## SUBJECT

Resolution to approve the Tax Supported Fiscal Plan Summary for FY23-28 Public Services Program

## EXPECTED ATTENDEES

None

## COUNCIL DECISION POINTS & COMMITTEE RECOMMENDATION

- N/A

## DESCRIPTION/ISSUE

The subject resolution and attachment finalize the Tax Supported Fiscal Plan Summary for the FY23-28 Public Services Program. Per the County's fiscal policy in [Resolution No. 19-753](#), the Council approves a balanced six-year fiscal plan summary each year after approving the budget in May. This fiscal plan reflects the decisions by the Council when it approved the FY23 Operating Budget on May 26, 2022.

## SUMMARY OF KEY DISCUSSION POINTS

- The Government Operations and Fiscal Policy Committee is tentatively scheduled to review this item on June 16, 2022.
- Action on this item is tentatively scheduled for June 21, 2022.

### This report contains:

Proposed resolution  
Fiscal Plan Summary FY23-28

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© #3-4

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Resolution No.: \_\_\_\_\_  
Introduced: \_\_\_\_\_  
Adopted: \_\_\_\_\_

**COUNTY COUNCIL  
FOR MONTGOMERY COUNTY, MARYLAND**

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Lead Sponsor: Government Operations and Fiscal Policy Committee

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**SUBJECT:** Approval of the County's Tax Supported Fiscal Plan Summary for the FY23-FY28 Public Services Program

**Background**

1. Section 302 of the County Charter states in part: *The County Executive shall submit to the Council, not later than March 15 of each year, comprehensive six-year programs for public services and fiscal policy. The six-year programs shall require a vote of at least five Councilmembers for approval or modification. Final Council approval of the six-year programs shall occur at or about the date of budget approval.*
2. Starting in 1992, the Council's Government Operations and Fiscal Policy Committee (known until December 2010 as the Management and Fiscal Policy Committee) has collaborated with the Office of Management and Budget and the Department of Finance to develop and refine County fiscal projections. The result has been continuous improvement in how best to display such factors as economic and demographic assumptions, individual agency funds, major known commitments, illustrative expenditure pressures, gaps between projected revenues and expenditures, and productivity improvements. This work has also increased the County's ability to harmonize the fiscal planning methodologies of the four tax supported agencies. Each version of the fiscal projections, or six-year fiscal plan, is a snapshot in time that reflects the best estimate of future revenues and expenditures as of that moment, as well as a specific set of fiscal policy assumptions.
3. On June 29, 2010 the Council approved policies on reserve and other fiscal matters in Resolution No. 16-1415. Action clause 5 stated: *The County should adopt a fiscal plan that is structurally balanced, and that limits expenditures and other uses of resources to annually available revenues. The fiscal plan should also separately display reserves at policy levels, including additions to reserves to reach policy level goals.*
4. The Council adopted Resolution No. 17-312 on November 29, 2011, replacing Resolution No. 16-1415, to strengthen the County's fiscal policies while still retaining the fiscal plan language. The Council adopted Resolution No. 19-753 on March 2, 2021, replacing

Resolution No. 17-312, to strengthen the County's reserve policy while still retaining the fiscal plan language.

5. Pursuant to these policies, the Council approved a balanced fiscal plan summary in June 2010 and has approved a balance fiscal plan summary every June thereafter.
6. The Government Operations and Fiscal Policy Committee reviewed the Tax Supported Fiscal Plan Summary for the FY23-FY28 Public Services Program on June 16, 2022.

### **Action**

The County Council for Montgomery County, Maryland approves the Tax Supported Fiscal Plan Summary for the FY23-FY28 Public Services Program, as outlined on the attached pages. This summary reflects:

- (1) current information on projected revenues and non-agency expenditures for the six-year period, which must be updated as conditions change. To keep abreast of changed conditions the Council regularly reviews reports on economic indicators, revenue estimates, and other fiscal data.
- (2) the policy on County reserves as described in Resolution No. 19-753 adopted on March 2, 2021, and the amendments to the Revenue Stabilization Fund law in Bill 36-10 approved by the Council on June 29, 2010.
- (3) other specific fiscal assumptions listed in the summary.

This is a correct copy of Council action.

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Judy Rupp  
Clerk of the Council

## County Council Approved FY23-28 Public Services Program

### Tax Supported Fiscal Plan Summary

(\$ in Millions)

	App. FY22	Est. FY22	% Chg. FY22-23	App. FY23	% Chg. FY23-24	Projected FY24	% Chg. FY24-25	Projected FY25	% Chg. FY25-26	Projected FY26	% Chg. FY26-27	Projected FY27	% Chg. FY27-28	Projected FY28
<b>Total Revenues</b>	5-27-21		App/App	5-26-22										
Property Tax	1,884.7	1,900.0	3.5%	1,951.4	2.8%	2,005.3	3.3%	2,072.0	3.0%	2,134.4	2.9%	2,195.6	2.9%	2,258.6
Income Tax	1,708.8	1,804.2	9.5%	1,870.5	4.5%	1,954.7	5.1%	2,054.8	4.1%	2,138.9	4.6%	2,236.2	4.9%	2,344.9
Transfer/Recordation Tax	169.8	221.1	34.8%	228.9	7.8%	246.9	5.6%	260.6	-1.8%	256.0	-3.0%	248.2	0.1%	248.5
Other Taxes	244.4	259.5	9.1%	266.6	0.2%	267.2	0.8%	269.4	0.3%	270.3	0.1%	270.5	0.1%	270.7
Other Revenues	1,208.4	1,160.3	0.5%	1,214.1	0.2%	1,216.5	0.1%	1,218.2	0.3%	1,221.6	0.3%	1,225.1	0.3%	1,228.4
<b>Total Revenues</b>	<b>5,216.1</b>	<b>5,345.1</b>	<b>6.0%</b>	<b>5,531.5</b>	<b>2.9%</b>	<b>5,690.5</b>	<b>3.2%</b>	<b>5,875.0</b>	<b>2.5%</b>	<b>6,021.2</b>	<b>2.6%</b>	<b>6,175.6</b>	<b>2.8%</b>	<b>6,351.2</b>
<b>Net Transfers In (Out)</b>	<b>10.6</b>	<b>16.1</b>	<b>77.7%</b>	<b>18.8</b>	<b>2.3%</b>	<b>19.3</b>	<b>2.4%</b>	<b>19.7</b>	<b>2.4%</b>	<b>20.2</b>	<b>2.3%</b>	<b>20.7</b>	<b>2.2%</b>	<b>21.1</b>
<b>Total Revenues and Transfers Available</b>	<b>5,226.7</b>	<b>5,361.2</b>	<b>6.2%</b>	<b>5,550.4</b>	<b>2.9%</b>	<b>5,709.8</b>	<b>3.2%</b>	<b>5,894.7</b>	<b>2.5%</b>	<b>6,041.4</b>	<b>2.6%</b>	<b>6,196.2</b>	<b>2.8%</b>	<b>6,372.3</b>
<b>Non-Operating Budget Use of Revenues</b>														
Debt Service	427.4	420.5	3.4%	441.9	1.0%	446.2	3.6%	462.1	1.8%	470.5	1.7%	478.4	0.6%	481.2
PAYGO	15.5	15.5	118.7%	33.9	-9.1%	30.8	-5.2%	29.2	0.0%	29.2	-0.7%	29.0	0.0%	29.0
CIP Current Revenue	78.4	137.2	17.8%	92.4	6.4%	98.3	-7.7%	90.7	-4.7%	86.4	12.3%	97.1	-4.1%	93.1
Change in Other Reserves	-24.0	-2.1	-139.6%	-57.4	100.3%	0.2	31.3%	0.3	-0.2%	0.3	-8.6%	0.2	5.1%	0.2
Contribution to General Fund Undesignated Reserves	13.3	-78.6	-217.8%	-15.6	87.1%	-2.0	1088.1%	19.9	-15.6%	16.8	-43.0%	9.6	-30.9%	6.6
Contribution to Revenue Stabilization Reserves	27.5	73.9	-89.2%	3.0	30.9%	3.9	3.8%	4.0	3.8%	4.2	3.8%	4.3	3.8%	4.5
Set Aside for other uses (supplemental appropriations)	0.0	0.4	n/a	-1.6	1333.3%	20.0	0.0%	20.0	0.0%	20.0	0.0%	20.0	0.0%	20.0
<b>Total Other Uses of Resources</b>	<b>538.2</b>	<b>566.9</b>	<b>-7.7%</b>	<b>496.5</b>	<b>20.3%</b>	<b>597.4</b>	<b>4.8%</b>	<b>626.3</b>	<b>0.2%</b>	<b>627.4</b>	<b>1.8%</b>	<b>638.6</b>	<b>-0.6%</b>	<b>634.6</b>
<b>Available to Allocate to Agencies (Total Revenues+Net Transfers-Total Other Uses)</b>	<b>4,688.6</b>	<b>4,794.3</b>	<b>7.8%</b>	<b>5,053.9</b>	<b>1.2%</b>	<b>5,112.4</b>	<b>3.1%</b>	<b>5,268.4</b>	<b>2.8%</b>	<b>5,414.0</b>	<b>2.7%</b>	<b>5,557.6</b>	<b>3.2%</b>	<b>5,737.7</b>
<b>Agency Uses</b>														
Montgomery County Public Schools (MCPS)	2,551.6	2,524.5	7.0%	2,729.7										
Montgomery College (MC)	265.5	245.6	3.7%	275.3										
MNCPPC (w/o Debt Service)	143.8	143.8	7.0%	153.9										
MCG	1,727.8	1,880.5	9.7%	1,895.1										
<b>Agency Uses</b>	<b>4,688.6</b>	<b>4,794.3</b>	<b>7.8%</b>	<b>5,053.9</b>	<b>1.2%</b>	<b>5,112.4</b>	<b>3.1%</b>	<b>5,268.4</b>	<b>2.8%</b>	<b>5,414.0</b>	<b>2.7%</b>	<b>5,557.6</b>	<b>3.2%</b>	<b>5,737.7</b>
<b>Total Uses</b>	<b>5,226.7</b>	<b>5,361.2</b>	<b>6.2%</b>	<b>5,550.4</b>	<b>2.9%</b>	<b>5,709.8</b>	<b>3.2%</b>	<b>5,894.7</b>	<b>2.5%</b>	<b>6,041.4</b>	<b>2.6%</b>	<b>6,196.2</b>	<b>2.8%</b>	<b>6,372.3</b>
<b>(Gap)/Available</b>	<b>0.0</b>	<b>0.0</b>		<b>0.0</b>		<b>0.0</b>		<b>0.0</b>		<b>0.0</b>		<b>0.0</b>		<b>0.0</b>

**Assumptions:**

- Property taxes are at the Charter Limit with a \$692 credit. Other taxes are at current rates.
- Reserve contributions are consistent with legal requirements and the minimum policy target. The calculation for Adjusted Governmental Revenues in FY22 and FY23 excludes the County's allocation of Federal Emergency Grants received through the Coronavirus Relief Fund and the American Rescue Plan Act.
- PAYGO, debt service, and current revenue reflect the Approved FY23-28 Capital Improvements Program.
- State Aid, including MCPS and Montgomery College, is not projected to increase from FY23-28.

## County Council Approved FY23-28 Public Services Program

### Tax Supported Fiscal Plan Summary

(\$ in Millions)

	App. FY22	Est. FY22	% Chg. FY22-23	App. FY23	% Chg. FY23-24	Projected FY24	% Chg. FY24-25	Projected FY25	% Chg. FY25-26	Projected FY26	% Chg. FY26-27	Projected FY27	% Chg. FY27-28	Projected FY28
<b>Beginning Reserves</b>														
Unrestricted General Fund	82.1	169.4	10.7%	90.9	-17.2%	75.2	-2.7%	73.2	27.2%	93.2	18.1%	110.0	8.7%	119.6
Revenue Stabilization Fund	403.8	444.6	28.4%	518.5	0.6%	521.5	0.7%	525.4	0.8%	529.4	0.8%	533.6	0.8%	537.9
<b>Total Reserves</b>	<b>485.9</b>	<b>614.0</b>	<b>25.4%</b>	<b>609.4</b>	<b>-2.1%</b>	<b>596.7</b>	<b>0.3%</b>	<b>598.6</b>	<b>4.0%</b>	<b>622.6</b>	<b>3.4%</b>	<b>643.6</b>	<b>2.2%</b>	<b>657.5</b>
<b>Additions to Reserves</b>														
Unrestricted General Fund	13.3	-78.6	-217.8%	-15.6	87.1%	-2.0	1088.1%	19.9	-15.6%	16.8	-43.0%	9.6	-30.9%	6.6
Revenue Stabilization Fund	27.5	73.9	-89.2%	3.0	30.9%	3.9	3.8%	4.0	3.8%	4.2	3.8%	4.3	3.8%	4.5
<b>Total Change in Reserves</b>	<b>40.8</b>	<b>-4.6</b>	<b>-131.0%</b>	<b>-12.7</b>	<b>114.7%</b>	<b>1.9</b>	<b>1188.6%</b>	<b>24.0</b>	<b>-12.3%</b>	<b>21.0</b>	<b>-33.7%</b>	<b>13.9</b>	<b>-20.1%</b>	<b>11.1</b>
<b>Ending Reserves</b>														
Unrestricted General Fund	95.3	90.9	-21.1%	75.2	-2.7%	73.2	27.2%	93.2	18.1%	110.0	8.7%	119.6	5.5%	126.2
Revenue Stabilization Fund	431.3	518.5	20.9%	521.5	0.7%	525.4	0.8%	529.4	0.8%	533.6	0.8%	537.9	0.8%	542.4
<b>Total Reserves</b>	<b>526.7</b>	<b>609.4</b>	<b>13.3%</b>	<b>596.7</b>	<b>0.3%</b>	<b>598.6</b>	<b>4.0%</b>	<b>622.6</b>	<b>3.4%</b>	<b>643.6</b>	<b>2.2%</b>	<b>657.5</b>	<b>1.7%</b>	<b>668.6</b>
<b>Reserves as a % of Adjusted Governmental Revenues</b>	<b>9.6%</b>	<b>10.9%</b>		<b>10.2%</b>		<b>10.0%</b>		<b>10.0%</b>		<b>10.0%</b>		<b>10.0%</b>		<b>10.0%</b>
<b>Other Reserves</b>														
Montgomery College	27.7	34.6	-13.7%	23.9	0.0%	23.9	0.0%	23.9	0.0%	23.9	0.0%	23.9	0.0%	23.9
M-NCPPC	4.9	7.3	20.7%	5.9	2.8%	6.1	3.3%	6.3	3.0%	6.4	2.8%	6.6	2.9%	6.8
MCPS	0.0	35.0	n/a	0.0	n/a	0.0	n/a	0.0	n/a	0.0	n/a	0.0	n/a	0.0
MCG Special Funds	0.9	11.7	68.6%	1.4	1.9%	1.5	3.7%	1.5	4.1%	1.6	3.0%	1.6	3.1%	1.7
<b>MCG + Agency Reserves as a % of Adjusted Govt Revenues</b>	<b>10.2%</b>	<b>12.5%</b>		<b>10.8%</b>		<b>10.5%</b>		<b>10.5%</b>		<b>10.5%</b>		<b>10.5%</b>		<b>10.5%</b>
<b>Retiree Health Insurance Pre-Funding</b>														
Montgomery County Public Schools (MCPS)	73.0	73.0		57.4		57.4		57.4		57.4		57.4		57.4
Montgomery College (MC)	5.6	5.6		1.7		1.7		1.7		1.7		1.7		1.7
MNCPPC	2.7	2.7		3.7		3.5		3.4		3.2		3.2		3.2
MCG	10.8	10.8		0.0		0.0		0.0		0.0		0.0		0.0
<b>Subtotal Retiree Health Insurance Pre-Funding</b>	<b>92.2</b>	<b>92.2</b>		<b>62.8</b>		<b>62.6</b>		<b>62.5</b>		<b>62.3</b>		<b>62.3</b>		<b>62.3</b>
<b>Adjusted Governmental Revenues</b>														
<b>Total Tax Supported Revenues</b>	<b>5,214.7</b>	<b>5,345.1</b>	<b>6.1%</b>	<b>5,531.5</b>	<b>2.9%</b>	<b>5,690.5</b>	<b>3.2%</b>	<b>5,875.0</b>	<b>2.5%</b>	<b>6,021.2</b>	<b>2.6%</b>	<b>6,175.6</b>	<b>2.8%</b>	<b>6,351.2</b>
<b>Capital Projects Fund</b>	<b>131.7</b>	<b>131.7</b>	<b>17.1%</b>	<b>154.3</b>	<b>0.4%</b>	<b>154.9</b>	<b>31.0%</b>	<b>202.9</b>	<b>29.3%</b>	<b>262.4</b>	<b>-5.9%</b>	<b>246.8</b>	<b>-27.5%</b>	<b>179.0</b>
<b>Grants</b>	<b>129.2</b>	<b>129.2</b>	<b>5.5%</b>	<b>136.3</b>	<b>2.3%</b>	<b>139.4</b>	<b>2.4%</b>	<b>142.7</b>	<b>2.4%</b>	<b>146.1</b>	<b>2.3%</b>	<b>149.4</b>	<b>2.2%</b>	<b>152.7</b>
<b>Total Adjusted Governmental Revenues</b>	<b>5,475.6</b>	<b>5,606.0</b>	<b>6.3%</b>	<b>5,822.1</b>	<b>2.8%</b>	<b>5,984.8</b>	<b>3.9%</b>	<b>6,220.6</b>	<b>3.4%</b>	<b>6,429.7</b>	<b>2.2%</b>	<b>6,571.8</b>	<b>1.7%</b>	<b>6,682.9</b>