

County Executive's

FY21 Operating Budget Forum Briefing

October 2019



*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

Understanding Our Budget



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

Fiscally Responsible Government



Montgomery County is Focused on Financial Sustainability

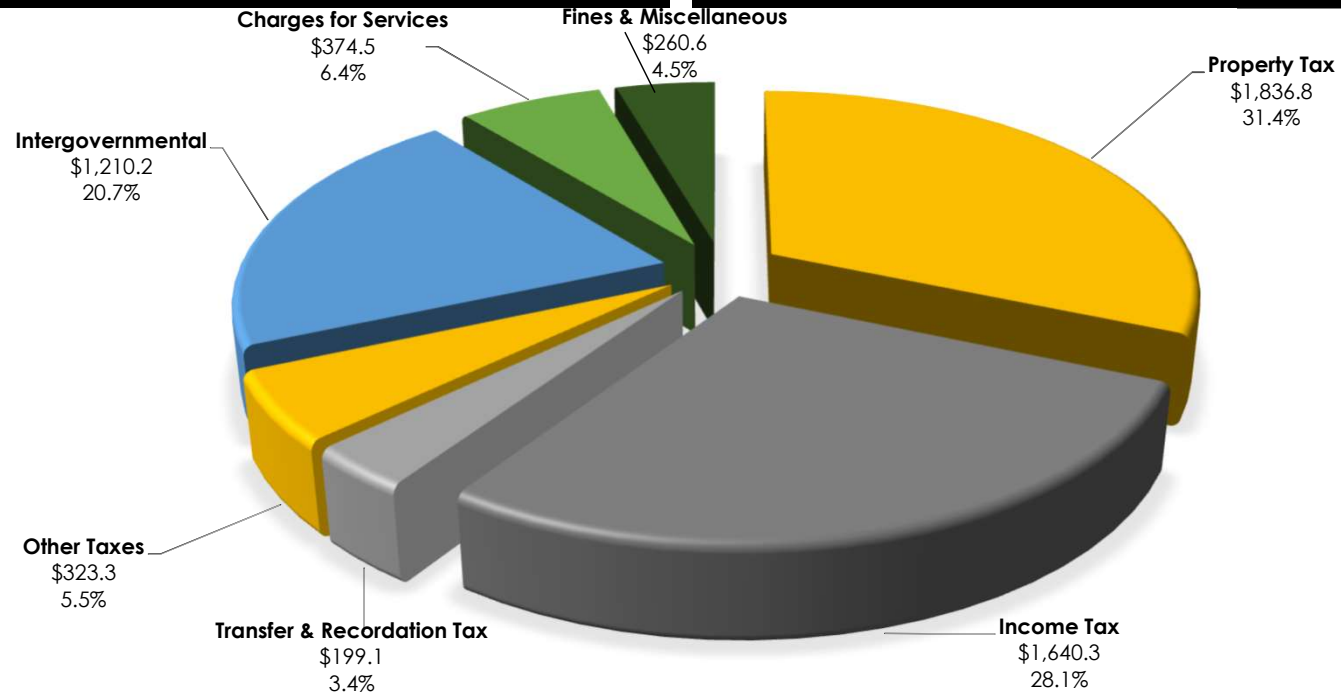
- **Balanced Budget Required By Law**
- **Aggressive Reserve Target Policy**
- **Well-Managed Retirement Obligations**
- **Initiating a 10-Year Strategic Fiscal Plan**
- **Instituting New Outcome – Based Budget System**

FY20 Approved Revenues (\$millions)



WHERE THE MONEY COMES FROM

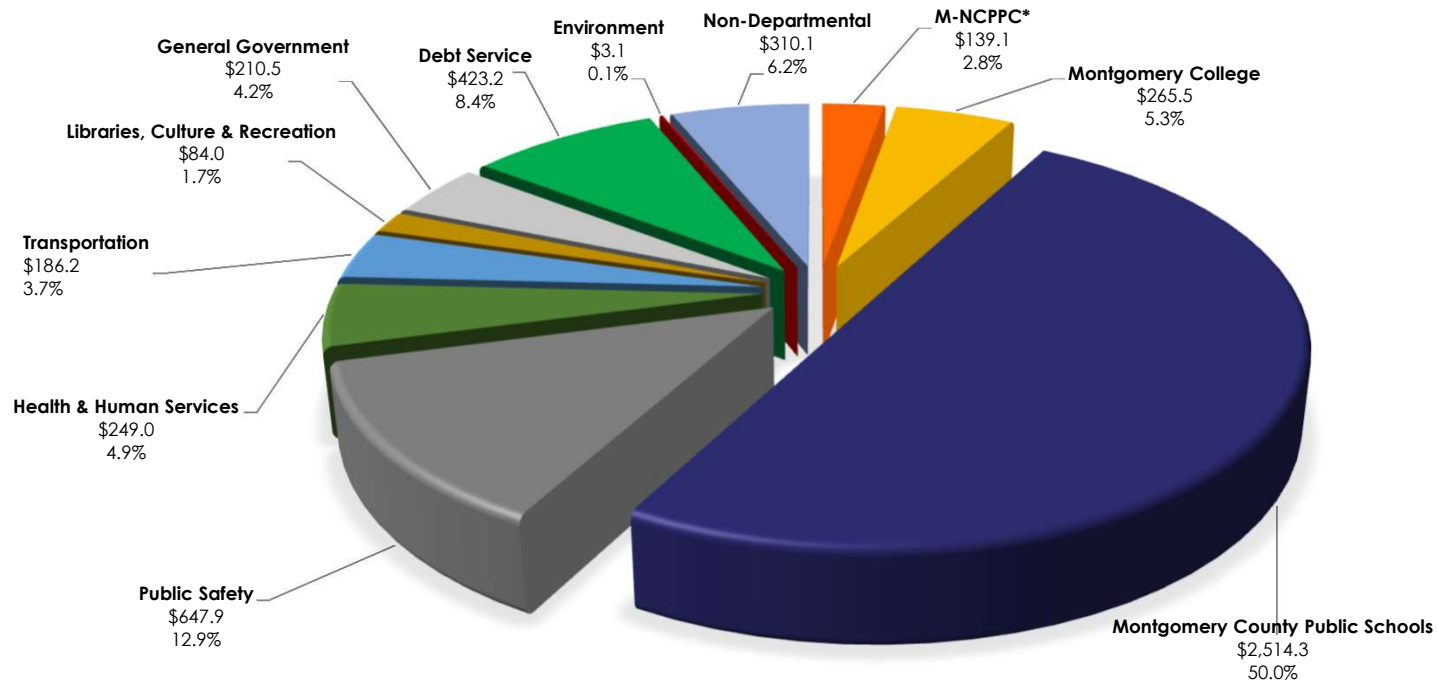
TOTAL Revenues - \$5,844.8



FY20 Expenditures by Operating Function (\$millions)



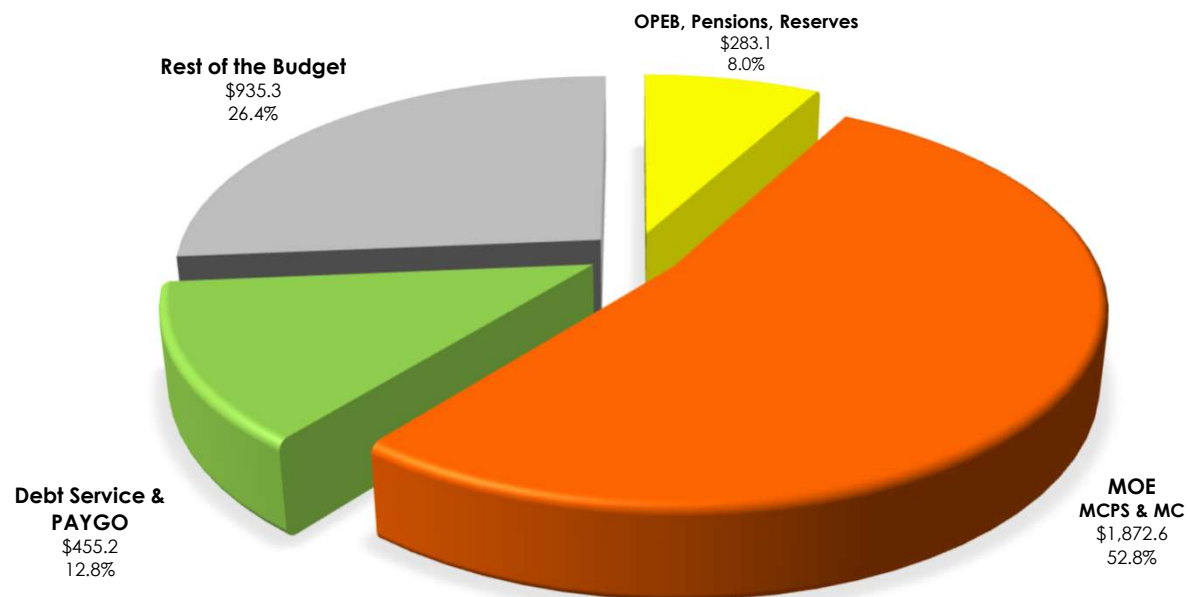
TAX SUPPORTED EXPENDITURES - \$5,032.9





FY20 Fixed and Other Commitments as a % of General Fund revenue (\$millions)

TOTAL GENERAL FUND REVENUE - \$3,546.2



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



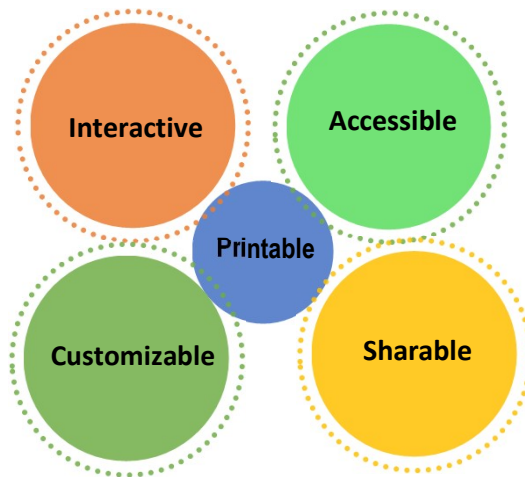
Community Participation



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

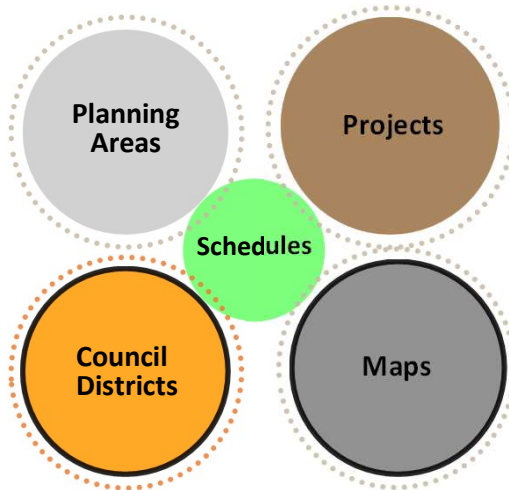
Open Operating Budget New & Improved

montgomerycountymd.gov/openbudget



Capital Budget

Including Projects & MAPS



FY20 County Budget



1

Early Childhood Initiative

5

New Focus on Growing Economy

2

Affordable Housing

6

10-Year Strategic Plan

3

Rapid Transit Initiative

7

Fully Funded ALL Reserve Requirements

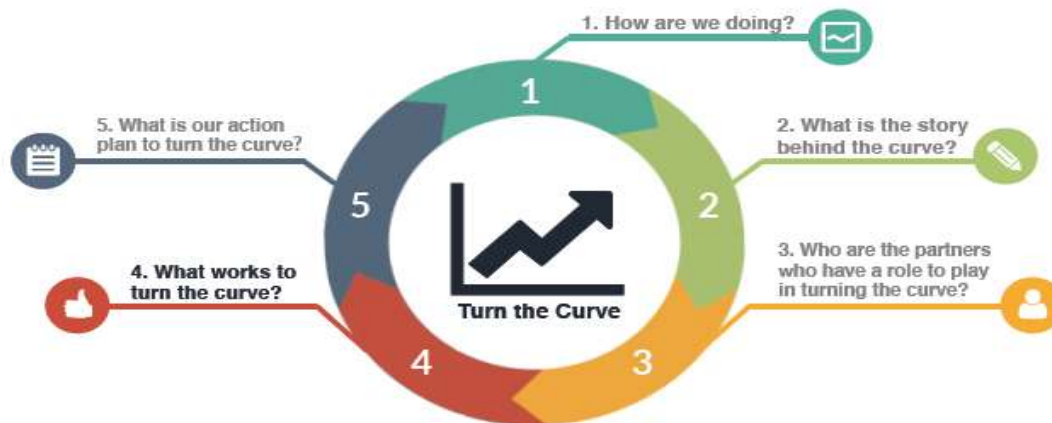
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Climate Change

Outcome Based Budgeting



Getting Our Best Thinking



Traditional Budgeting vs. Outcome Based Budgeting



Traditional Budgeting

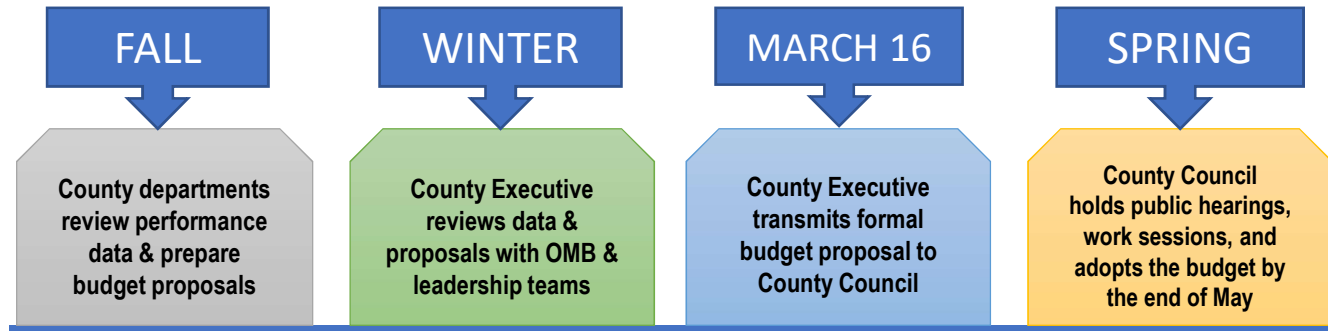
- Incremental allocation of funds
- Last year's budget is the starting point
- Department budget submission
- Evaluate department submission
- Based on Prior Spending

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



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

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