



# Revenues

## INTRODUCTION

This chapter provides demographic and economic assumptions, including detailed discussions of the national, State, and local economies. Revenue sources, both tax supported and non-tax supported, used to fund the County Executive's Recommended FY22 Operating Budget incorporate policy recommendations.

## ESTIMATING SIX-YEAR COSTS

### Demographic Assumptions

The revenue projections of the Public Services Program (PSP) incorporate demographic assumptions based on data from Moody's Analytics and Metropolitan Washington Council of Governments (COG) and are based on fiscal and economic data and analyses used or prepared by the Department of Finance. A Demographic and Economic Assumptions chart located at the end of this chapter provides several demographic and planning indicators.

- County population will continue to increase from 1,074,693 in 2021 to 1,154,171 by 2031. This reflects an average annual growth rate of 0.72 percent.
- Current projections estimate the number of households to increase from 389,107 in 2021 to 420,430 by 2031. Household growth over that period is projected to grow at an average annual rate of 0.78 percent.
- County births, which are one indicator of future elementary school populations and child day care demand, are projected to gradually increase from an estimated 11,900 in 2020 to 13,100 by 2027.
- The County expects Montgomery County Public School student enrollment to increase by 9,1789 between FY21 and FY27.
- Montgomery College full-time equivalent student enrollments are projected to decrease from 13,093 in FY21 to 12,402 by FY25.

Using moderate economic and demographic assumptions to develop fiscal projections does not mean that all possible factors have been considered. It is likely that entirely unanticipated events will affect long-term projections of revenue or expenditure pressures. Although they cannot be quantified, such potential factors should not be ignored in considering possible future developments. These potential factors include the following:

- Changes in the level of local economic activity; Federal economic and workforce changes;
- State tax and expenditure policies;
- Federal and State mandates requiring local expenditures or devolution of Federal responsibilities to states and localities;
- Local, state and federal tax policy changes;
- Changes in financial markets; Major demographic changes;
- Military conflicts and acts of terrorism as well as domestic or global health incidences
- Major international economic and political changes.

Note that the total effect of the COVID-19 virus on the County's revenues (and expenditures) is unknown at this date. This

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public health event is being monitored and further information will be provided to the Executive and the County Council as that information becomes available.

## Policy Assumptions

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Revenue and resource estimates presented are the result of the recommended policies of the County Executive for the FY22 budget. Even though it is assumed that these policies will be effective throughout the six-year period, subsequent Council actions, State law and budgetary changes, actual economic conditions, and revised revenue projections may result in policy changes in later years.

## Economic Assumptions

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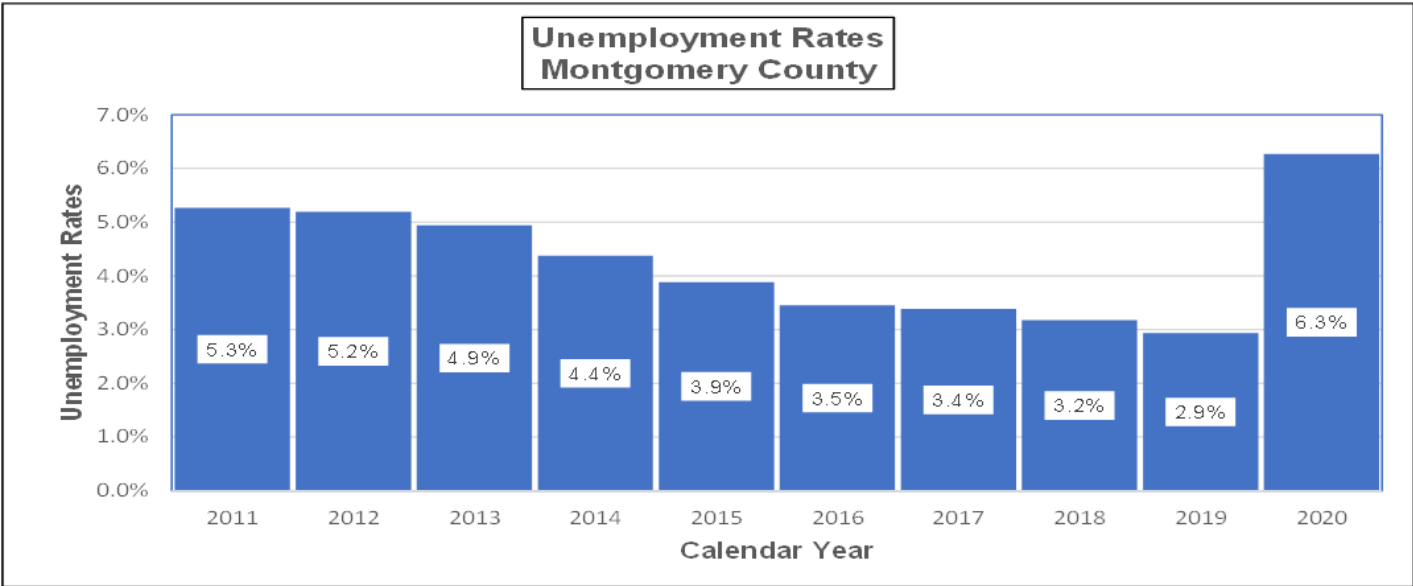
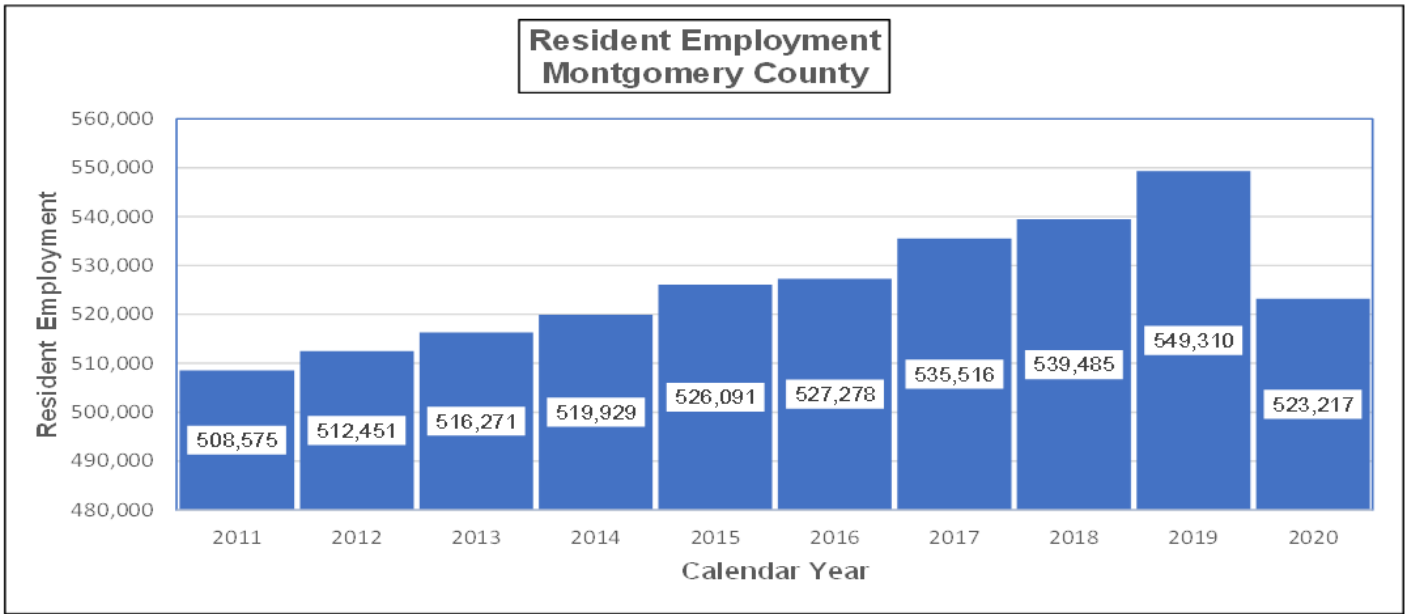
Revenue projections depend on the current and projected indicators of the national, regional, and local economy. National indicators include short-term interest rates, mortgage interest rates, and the stock market. Local economic indicators include residential (labor force survey) and payroll (establishment survey) employment, residential and nonresidential construction, housing sales, retail sales, and inflation. The assumptions for each of those indicators will affect the revenue projections over the six-year horizon. Such projections are dependent on a number of factors - fiscal and monetary policy, real estate, employment, consumer and business confidence, the stock market, mortgage interest rates, and geopolitical risks.

Montgomery County's economy experienced mixed economic performance during calendar (CY) 2020 attributed to COVID-19. The areas of weakness included a decrease in resident employment, a significant increase in the unemployment rate, a decrease in the construction of residential housing and non-residential projects, and decreases in the added values of new construction for residential and non-residential properties. The areas of strength in the County's economy were an increase in the sales of existing homes and an increase in the median sales price for an existing home.

## Employment Situation

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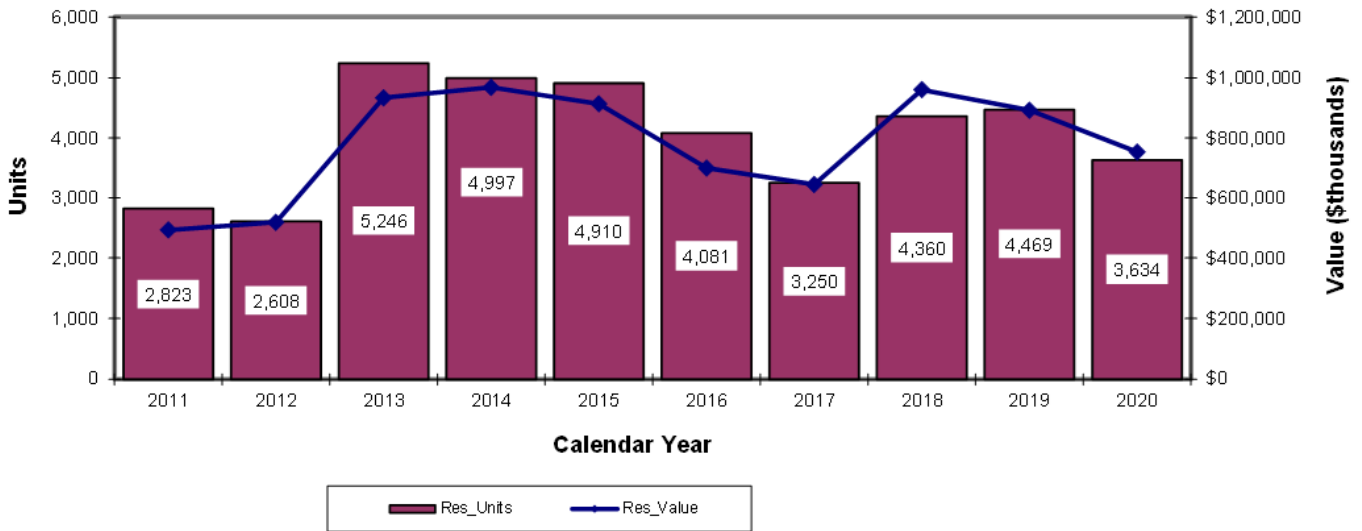
Based on data from the Maryland Department of Labor, Licensing and Regulation (DLLR) and the Bureau of Labor Statistics, U.S. Department of Labor, resident employment (labor force series and not seasonally adjusted) in CY2020 decreased by 26,000 from CY2019 (down 4.8%). The County's unemployment rate at 6.3 percent was more than twice the rate in CY2019.



## Construction Activity

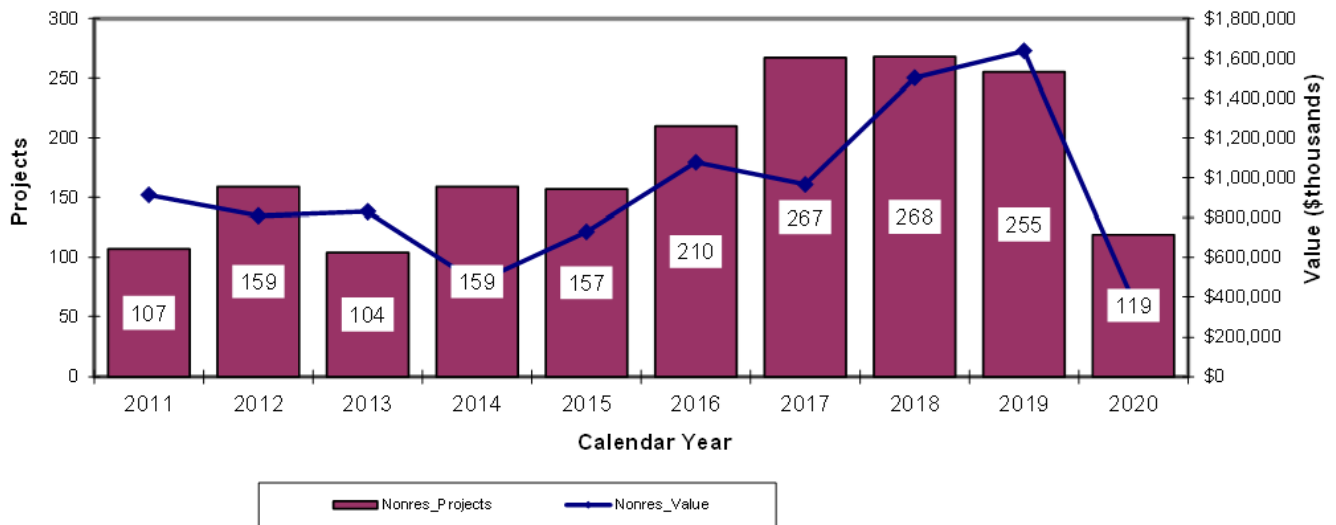
The construction of new residential units decreased 18.7 percent in CY2020, and total value added decreased from \$892.1 million in CY2019 to \$752.7 million in CY2020 (down 15.6%). The total value added from non-residential projects decreased from \$1,636.0 million in CY2019 to \$377.3 million (down 77.0%) in CY2020.

**Number of New Residential Starts (Units) and Value (Montgomery County)**



SOURCES: McGraw-Hill Construction and Montgomery County Department of Finance

**Number of New Non-Residential Starts (Projects) and Value (Montgomery County)**

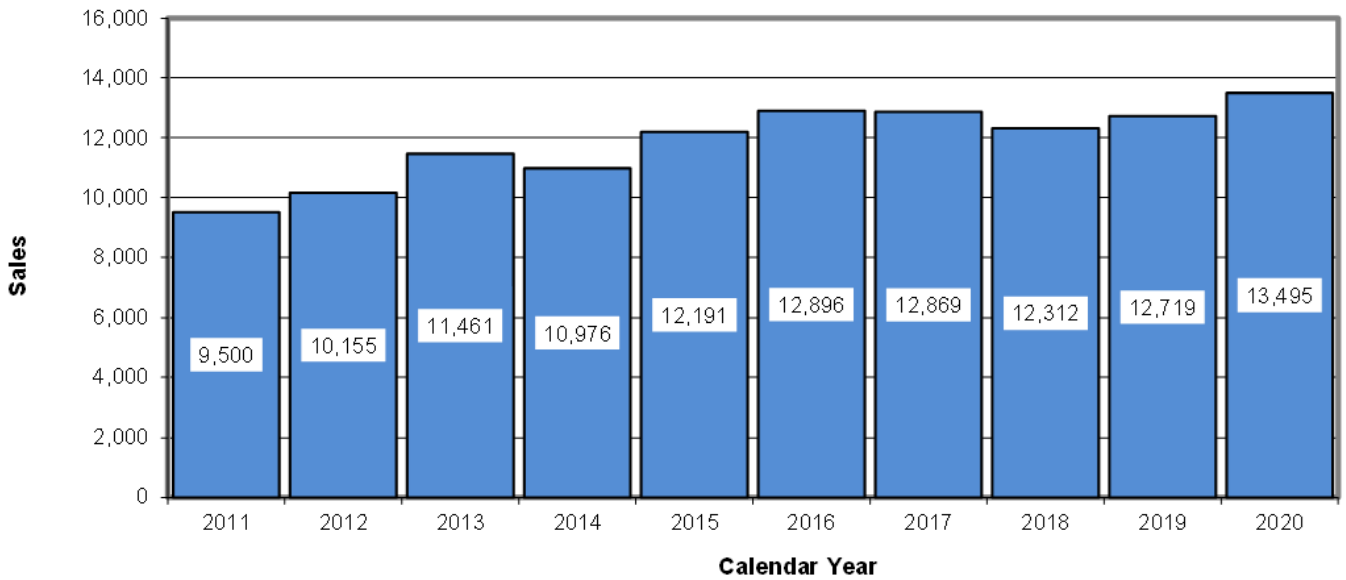


SOURCES: McGraw-Hill Construction and Montgomery County Department of Finance

## Residential Real Estate

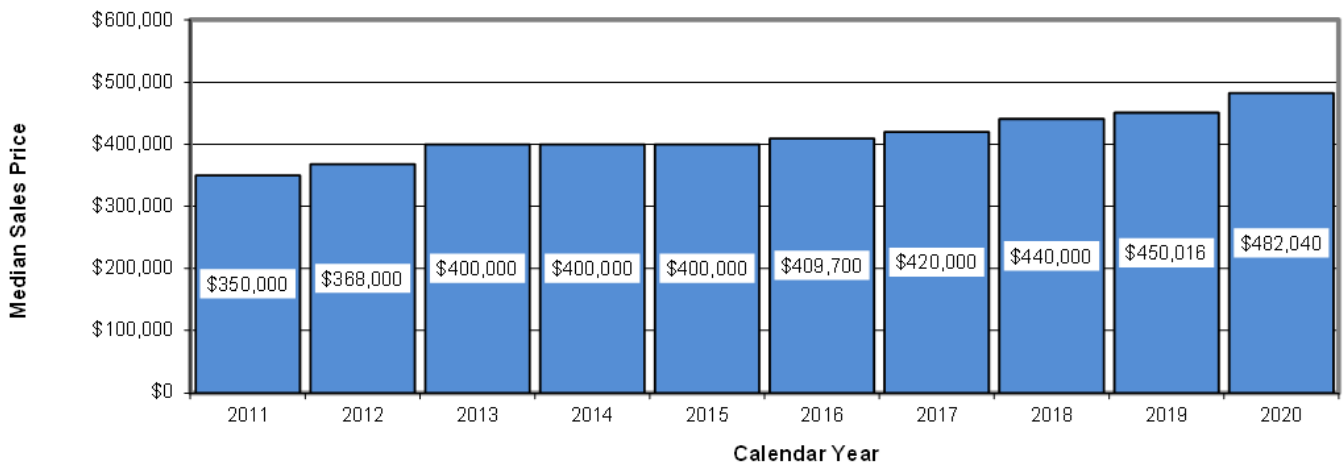
During calendar year 2020, existing home sales increased 6.1 percent which followed an increase of 3.3 percent in CY2019. The median sales price for existing homes increased 7.1 percent in CY2020 following an increase of 2.3 percent in 2019.

### Sales of Existing Homes (Montgomery County)



SOURCE: Metropolitan Regional Information System, Inc.

### Median Sales Price for an Existing Home (Montgomery County)



SOURCE: Metropolitan Regional Information System, Inc.

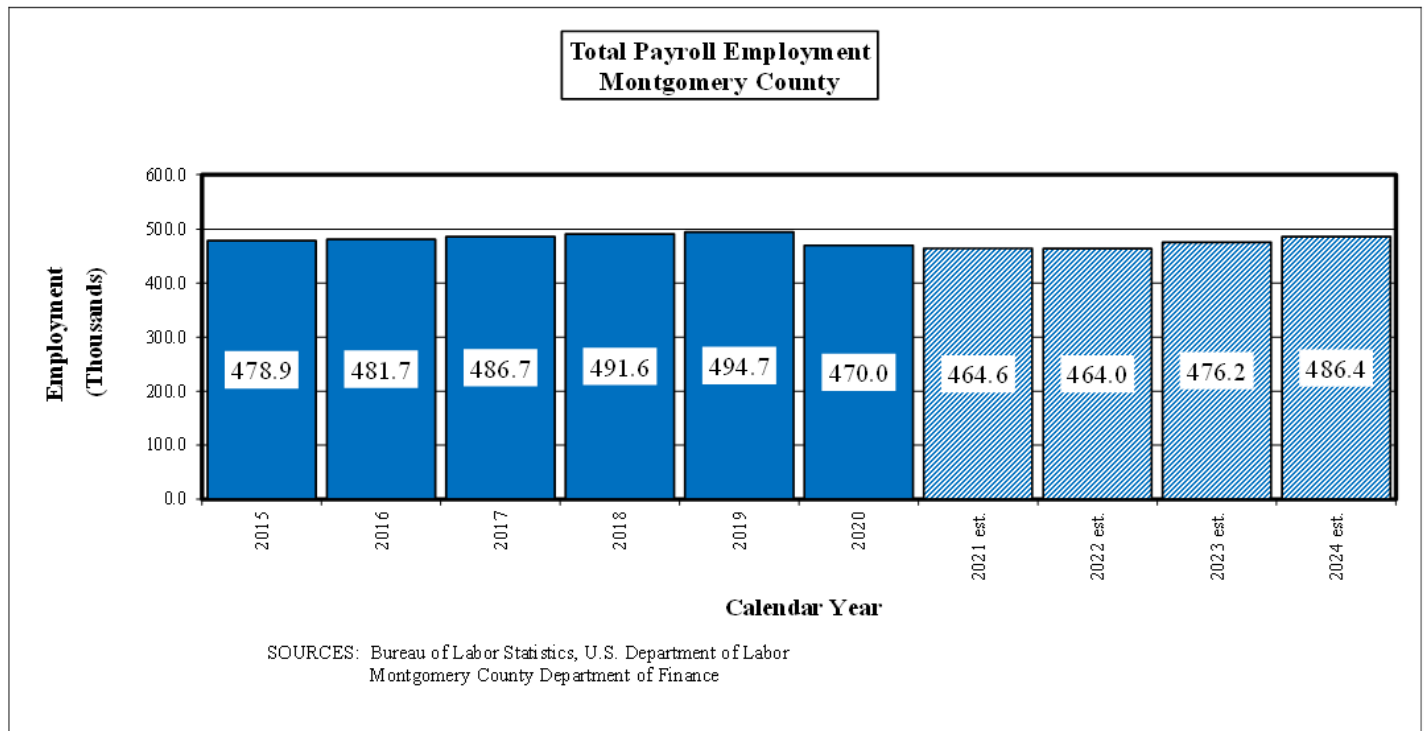
## CONCLUSION

The two economic indicators, employment and construction, confirm that the County's economy experienced weak economic performance attributed to the impact of COVID-19 during CY2020. That performance included a decrease in residential employment, an elevated unemployment rate, and a decrease in residential and non-residential construction. However, the residential real estate market experienced positive performance during COVID-19.

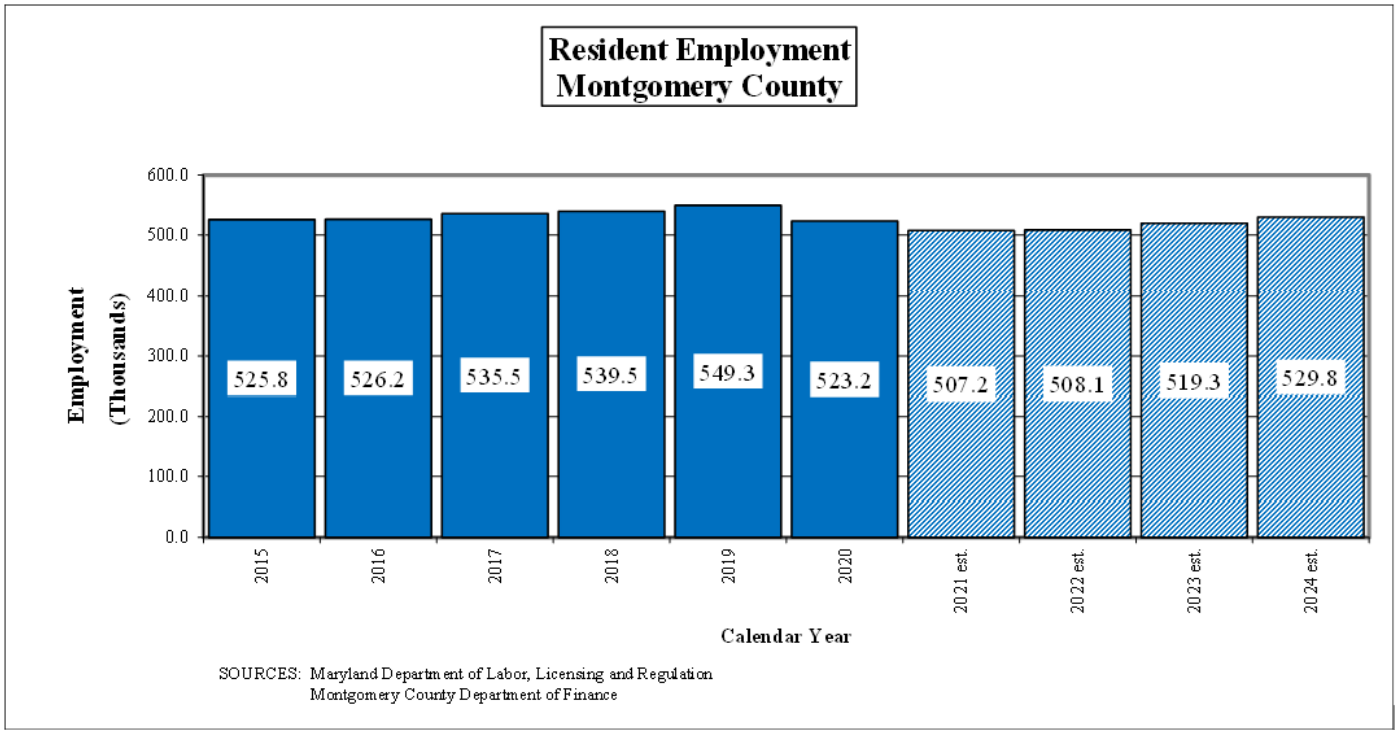
## ECONOMIC OUTLOOK

The Department of Finance (Finance) forecasts that Montgomery County's economy will continue to experience weak economic performance through CY2021 and CY2022.

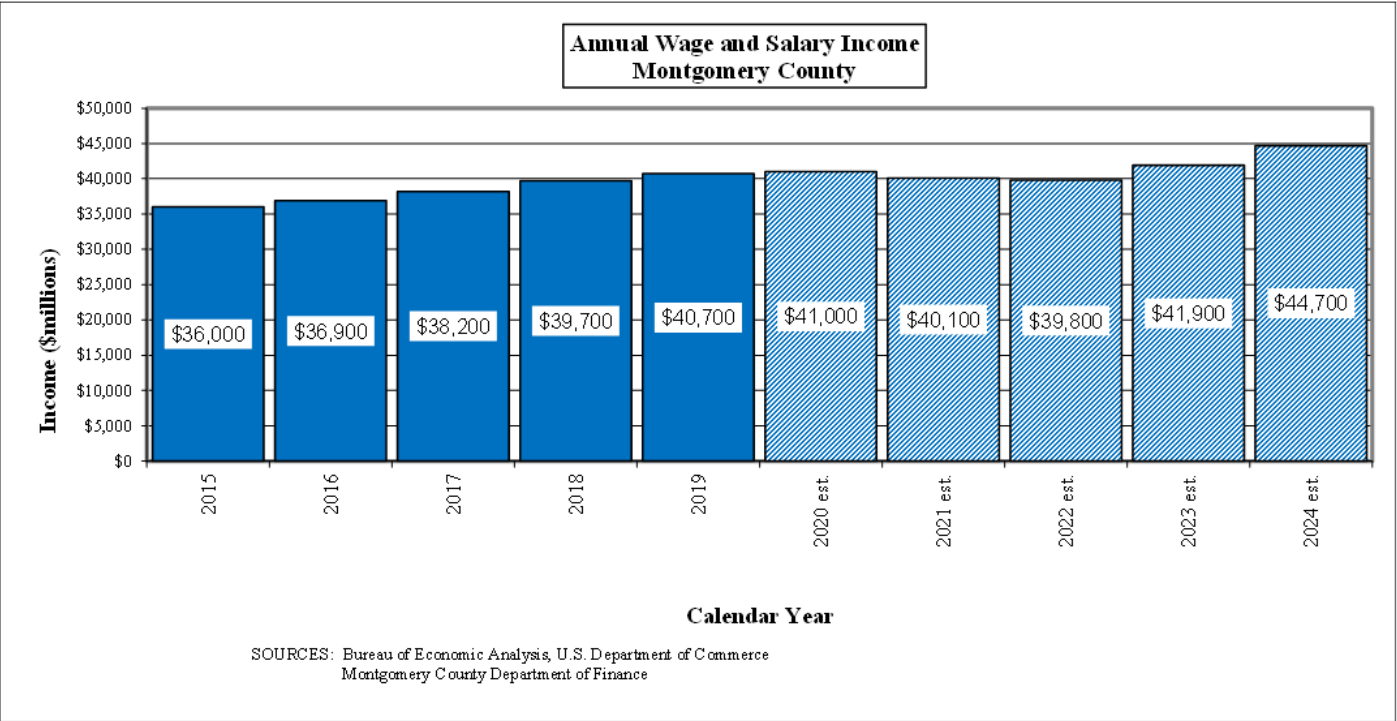
**Employment.** Finance assumes payroll employment will decrease from CY2019 to CY2022 at an average annual rate of 1.3 percent over that period. This is below the average annual growth rate of 0.8 percent experienced between CY2015 and CY2019. Finance assumes payroll employment will not reach its pre-pandemic level until CY2026.



Finance assumes that resident employment will decrease at an average annual rate of 1.5 percent from CY2019 to CY2022. That rate is below the average annual growth rate of 1.1 percent between CY2015 and CY2019. Finance estimates the resident employment will not reach its pre-pandemic level in CY2019 until CY2027-CY2028.



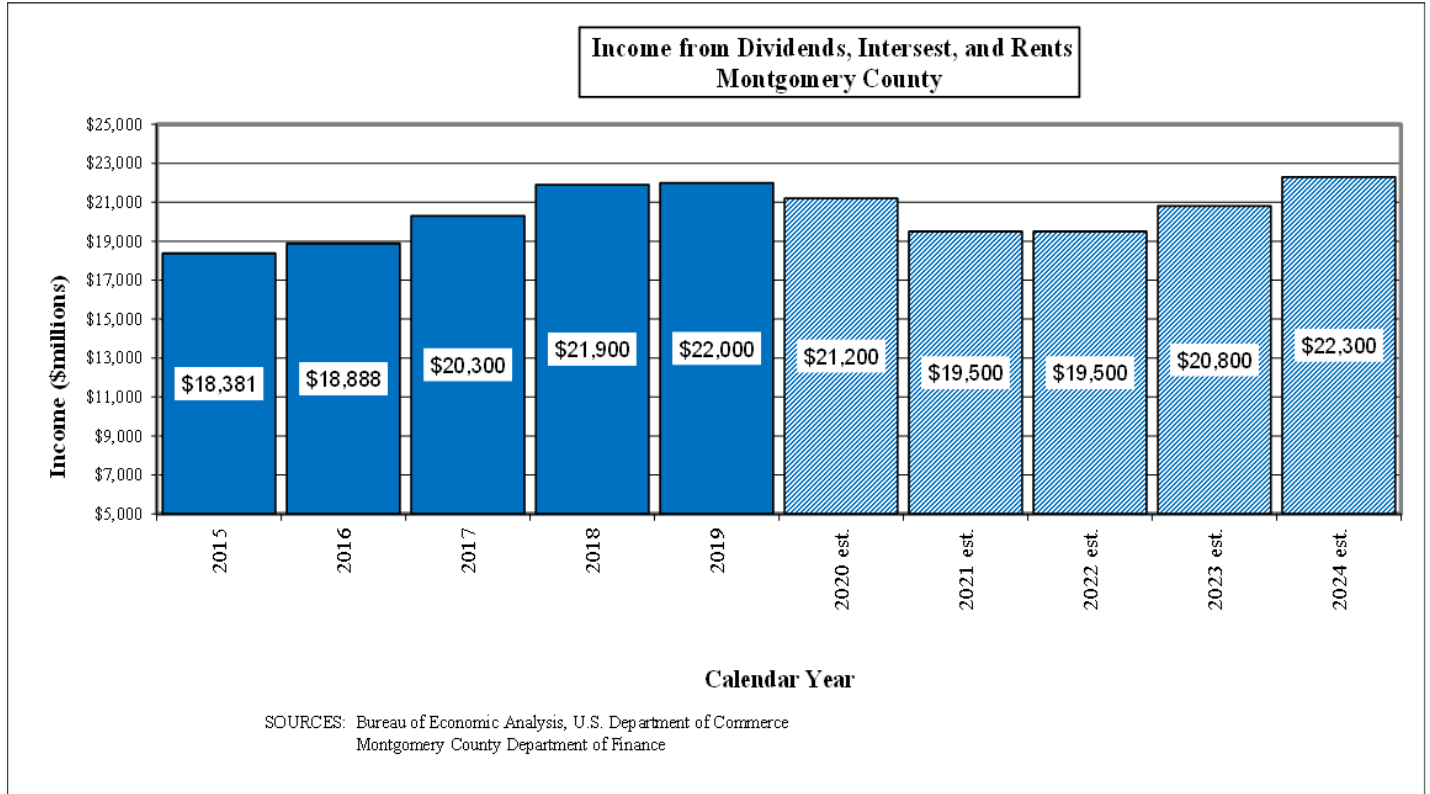
**Wage and Salary Income.** Finance assumes wage and salary income will decrease at an average annual rate of 1.5 percent from CY2020 to CY2022 compared to the average annual growth rate of 2.6 percent from CY2015 to CY2020. Finance estimates that total wage and salary income will not reach its pre-pandemic peak in CY2020 until CY2023.



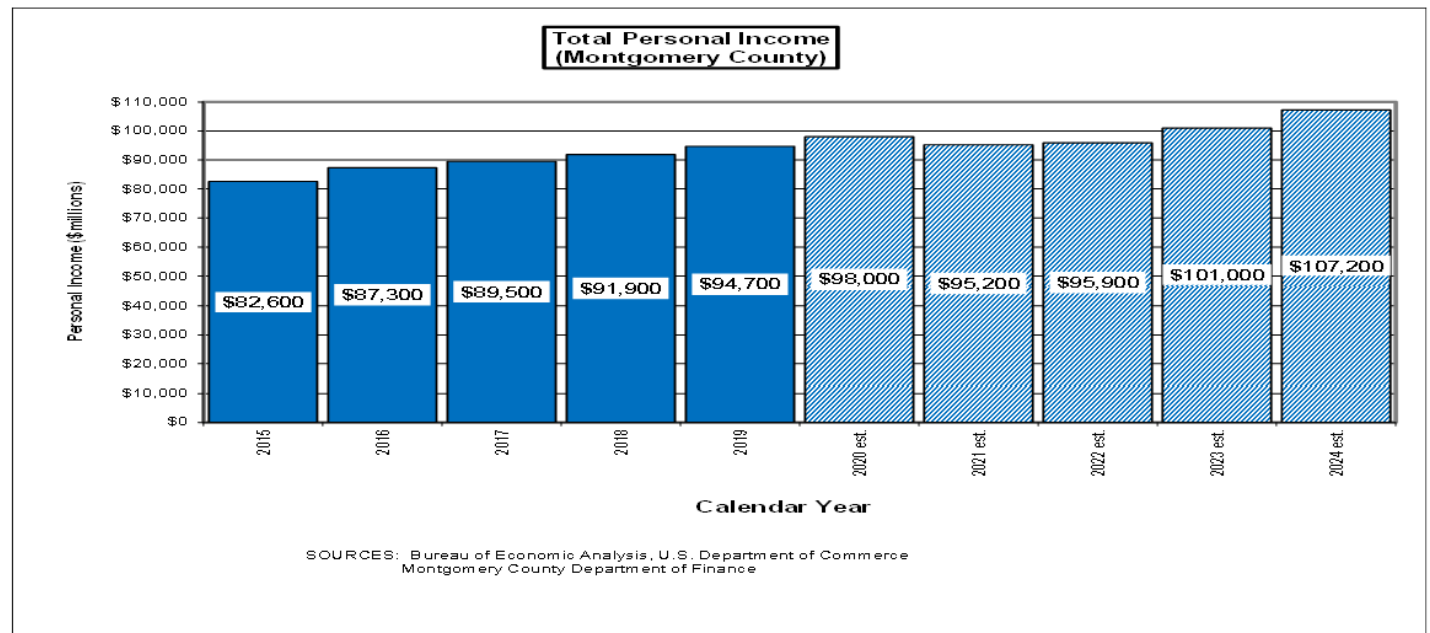
**Income from Dividends, Interest, and Rents.** Finance assumes income from dividends, interest and rents in Montgomery County will decrease at an average annual rate of 5.9 percent from CY2019 to CY2021 compared to the average annual growth rate of 4.6 percent from CY2015 to CY2019. Income from dividends, interest, and rents will not reach its



pre-pandemic peak until CY2024.

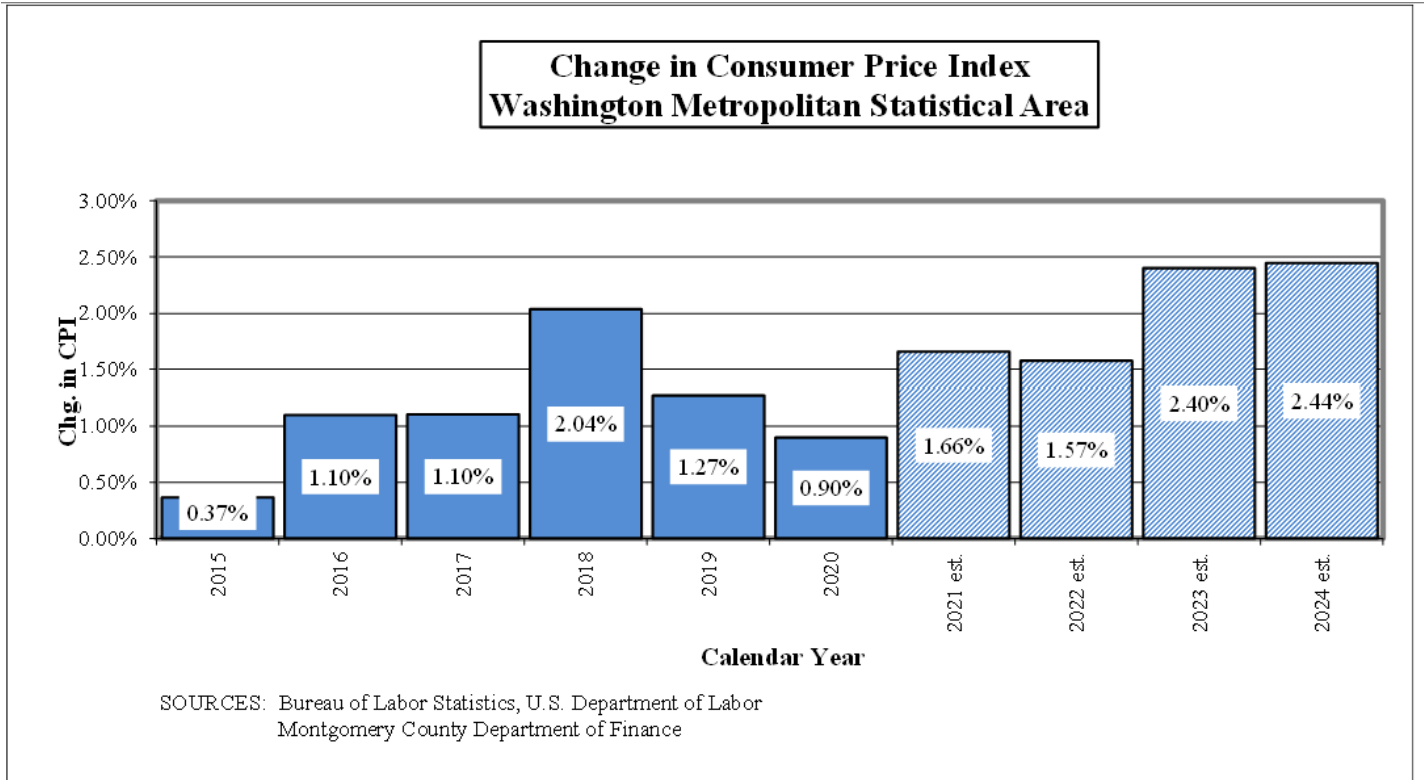


**Personal Income.** Finance assumes that total personal income in Montgomery County will decrease at an average annual rate of 1.1 percent from CY2020 to CY2022 compared to an average annual growth rate of 3.5 percent from CY2015 to CY2020. Total personal income will not reach its pre-pandemic peak until CY2023.

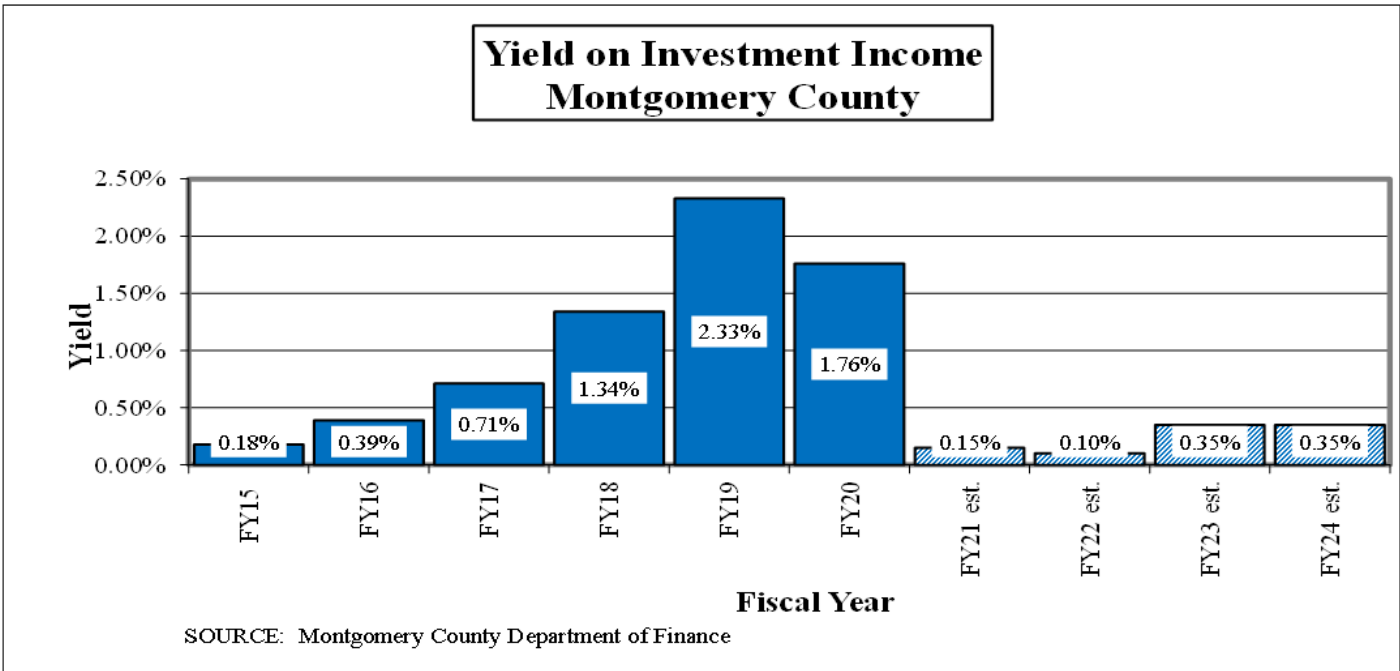




***Inflation (annual average).*** Finance assumes that the overall regional inflation index will increase from 0.90 percent in CY2020 to 1.66 percent in CY2021, decelerate to 1.57 percent in CY2022, then increase to 2.40% in CY2023, and 2.44% in CY2024.



***Interest Rates.*** Since the yield on the County's short-term investments are highly correlated with the federal funds rate, the County earned an average of 1.76 percent in investment income on its short-term portfolio for fiscal year (FY) 2020 but will only earn an estimated average of 0.15 percent in FY21 and 0.10 percent in FY22 and 0.35 percent in FY23 and FY24 due to the rate cuts to the targeted federal funds by the Federal Open Market Committee of the Board of Governors of the Federal Reserve System in response to COVID-19 and national recession.



## REVENUE SOURCES

The major revenue sources for all County funds of the Operating Budget and the Public Services Program (PSP) are described below. Revenue sources which fund department and agency budgets are included in the respective budget presentations. Six-year projections of revenues and resources available for allocation are made for all County funds. This section displays projections of total revenues available for the tax supported portion of the program. Tax supported funds are those funds subject to the Spending Affordability Guideline (SAG) limitations. The SAG limitations are intended to ensure that the tax burden on residents is affordable. The County Council has based the guidelines on inflation and personal income of County residents.

The PSP also includes multi-year projections of non-tax supported funds. These funds represent another type of financial burden on households and businesses and, therefore, should be considered in determining the "affordability" of all services that affect most of the County's population. Projections for non-tax supported funds within County government are presented in the budget section for each of those funds.

## IMPACT ON REVENUES AND THE CAPITAL BUDGET

The use of resources represented in this section includes appropriations to the operating funds of the various agencies of the County as well as other resource requirements, such as current revenue funding of the Capital Budget, debt service, and fund balance (operating margin). These other uses, commonly called "Non-Agency Uses of Resources," affect the total level of resources available for allocation to agency programs. Some of these factors are determined by County policy or law; others depend, in part, on actual revenue receipts and expenditure patterns.

The level of PSP-related spending indirectly impacts the local economy and, hence, the level of County revenues. However, the effect on revenues from expenditures of the Executive's Recommended Operating Budget and PSP are expected to be minimal. The PSP also impacts revenues available to fund the Capital Budget. The revenue projections included in this section subtract projected uses of current revenues for both debt eligible and non-debt eligible capital investments. Therefore, the Executive's Recommended Operating Budget and PSP provides the allocations of annual resources to the Capital Budget as planned for in the County Executive's Recommended Amended FY21-26 Capital Improvements Program (CIP) (as of January 15, 2021).

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Anticipated current revenue adjustments to the January 15, 2021 CIP have been made as part of the Executive's Recommended Operating Budget.

### Prior Year Fund Balance

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The prior year fund balance for the previous fiscal year is the audited FY20 closing fund balance for all tax supported funds. The current year fund balance results from an analysis of revenues and expenditures for the balance of the fiscal year. Prior year fund balance for future fiscal years is assumed to equal the target fund balance for the preceding year.

### Net Transfers

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Net transfers are the net of transfers between all tax supported and non-tax supported funds in all agencies. The largest single transfer to the General Fund is the earnings transfer from the Liquor Control Fund to the General Fund. The transfer from the General Fund to Montgomery Housing Initiative to support the Executive's housing policy is the largest transfer to a non-tax supported fund. The payment from the General Fund to the Solid Waste Disposal Fund for disposal of solid waste collected at County facilities is the next largest transfer to a non-tax supported fund. The level of transfers is an estimate based on individual estimates of component transfers.

### Debt Service Obligations

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Debt service estimates are those made to support the County Executive's Recommended Amended FY21-26 Capital Improvements Program (as of January 15, 2021). Debt service obligations over the six years are based on servicing debt issued to fund planned capital projects, as well as amounts necessary for short-term and long-term leases. Debt service requirements have the single largest impact on the Operating Budget/Public Services Program by the CIP. The Charter-required CIP contains a plan or schedule of project expenditures for schools, transportation, and infrastructure modernization. Approximately 41.6 percent of the CIP is funded with General Obligation (G.O.) bonds. Each G.O. bond issue used to fund the CIP translates to a draw against the Operating Budget each year for 20 years. Debt requirements for past and future G.O. bond issues are calculated each fiscal year, and provision for the payment of Debt Service is included as part of the annual estimation of resources available for other Operating Budget requirements. As Debt Service grows over the years, increased pressures are placed on other PSP programs competing for scarce resources.

The State authorizes borrowing of funds and issuance of bonds up to a maximum of 6.0 percent of the assessed valuation of all real property and 15.0 percent of the assessed value of all personal property within the County. The County's outstanding G.O. debt plus short-term commercial paper as of June 30, 2020, is 1.49 percent of assessed value, well within the legal debt limit and safely within the County's financial capabilities.

### Capital Improvements Program (CIP) Current Revenue and PAYGO

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Estimates of transfers of current revenue and PAYGO to the CIP are based on the most recent County Executive recommendations for the Capital Budget and CIP. These estimates are based on programmed current revenue and PAYGO funding in the six years, as well as additional current revenue amounts allocated to the CIP for future projects and inflation.

### Revenue Stabilization

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On June 29, 2010, the Montgomery County Council enacted Bill 36-10 amending the Montgomery County Code (Chapter 20, Finance, Article XII) that repealed the limit on the size of the Revenue Stabilization Fund (Fund), modified the requirement for mandatory County contributions to the Fund, and amended the law governing the Fund. Mandatory contributions to the Fund are the greater of 50 percent of any excess revenue, or an amount equal to the lesser of 0.5 percent of the Adjusted Governmental Revenues or the amount needed to obtain a total reserve of 10 percent of the Adjusted Governmental Revenues. Adjusted Governmental Revenues include tax supported County Governmental revenues plus revenues of the County Grants Fund and County Capital Projects Fund; tax supported revenues of the Montgomery

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County Public Schools, not including the County's local contribution; tax supported revenues of Montgomery College, not including the County's local contribution; and tax supported revenues of the Montgomery County portion of the Maryland-National Capital Park and Planning Commission. All interest earned on the Fund must be added to the Fund. The FY22 Recommended Budget estimates that the Revenue Stabilization fund balance will be \$403.8 million in FY21 and the balance is estimated to increase to \$431.1 million in FY22.

## Other Uses

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This category is used to set aside funds for such items as possible legal settlement payments and other special circumstances such as set-aside of revenues to fund future years.

## Reserves

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The County will maintain an unrestricted General Fund balance (or, an "operating margin reserve") of five percent of prior year's General Fund revenues and the Revenue Stabilization Fund (or "rainy day fund"). The County had adopted a plan to increase total budgeted reserves of the unrestricted General Fund and Revenue Stabilization Fund to 10 percent of Adjusted Governmental Revenues (AGR) by FY20. Due to the financial impacts of the COVID-19 crisis, FY20 actual reserves were 8.9 percent of AGR, and FY21 estimated reserves are expected to remain at 8.9 percent of AGR. The County must replenish the County Government Reserves to its policy goal within three fiscal years following the decrease. This budget satisfies that policy by increasing the budgeted reserve to 9.6 percent with plans to increase FY23 and FY24 reserves, respectively, to 9.8 percent and 10 percent.

## REVENUE ASSUMPTIONS

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Projections for revenues are included in six-year schedules for County Government Special Funds and for Montgomery College, M-NCPPC, and WSSC in the relevant sections of this document. See the MCPS Budget Document for six-year projections of MCPS funds. Projections for revenues funding County government appropriations are provided to the Council and public as fiscal projections. Such projections are based on estimates of County income from its own sources such as taxes, user fees, charges, and fines, as well as expectations of other assistance from the State and Federal government. The most likely economic, demographic, and governmental policy assumptions that will cause a change in revenue projections are included in this section.

## TAX REVENUES

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Tax supported revenues come from a number of sources including but not limited to property and income taxes, real estate transfer and recordation taxes, excise taxes, intergovernmental revenues, service charges, fees and licenses, college tuition, and investment income. In order of magnitude, however, the property tax and the income tax are the most important with 47.0 percent and 42.6 percent, respectively, of the estimated total tax revenues in FY22. The third category is the energy tax estimated for the General Fund with 4.4 percent share. In fact, these three revenue sources represent 94.0 percent of total tax revenues. Of the total tax-supported revenues, property tax and income tax are also the most important with 36.2 percent and 32.8 percent, respectively. The third category is intergovernmental revenues with a 19.2 percent share of the estimated total tax supported revenues in FY22. Income and transfer and recordation taxes are the most sensitive to economic and, increasingly, financial market conditions. By contrast, the property tax exhibits the least volatility because of the three-year re-assessment phase-in and the ten percent "homestead tax credit" that spreads out changes evenly over several years.

## Property Tax

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Using proposed tax rates (levy year 2021) and a recommended \$692 credit, total estimated FY22 tax supported property tax revenues of \$1,884.7 million are 2.9 percent above the revised FY21 estimate. The general countywide rate for FY22 (Levy Year 2021) is \$0.7180 per \$100 of assessed real property, while a rate of \$1.7950 is levied on personal property. In addition to the general countywide tax rate, there are special district area tax rates. The weighted average real property tax rate for FY22 (Levy Year 2021) is \$0.9785 per \$100 of assessed real property which is the same weighted rate for FY21 (Levy Year 2020). In November 2020, County residents voted to amend Section 305 of the County Charter "to prohibit the County Council from adopting a tax rate on real property that exceeds the tax rate on real property approved the previous year, unless all current Councilmembers vote affirmatively for the increase." The amendment to Section 305 replaces the current Charter Limit that restricts the growth in property tax revenues to the sum of the previous year's estimated revenue, increased by the rate of inflation, and an amount based on the value of new construction and other minor factors.

The countywide total property taxable assessment is estimated to increase approximately 3.1 percent from a revised \$201.2 billion in FY21 to \$207.4 billion in FY22. The base is comprised of real property and personal property. For FY22, the Department of Finance estimates a real property taxable assessment of approximately \$203.1 billion, an increase of 3.1 percent from FY21, with the remaining \$4.3 billion in personal property. This is the ninth consecutive increase in total property taxable assessments after two consecutive decreases in FY12 and FY13.

The real property base is divided into three groups based on their geographic location in the County. Each group is reassessed triennially by the State Department of Assessments and Taxation (SDAT), which has the responsibility for assessing properties in Maryland. The amount of the change in the established market value (full cash value) of one-third of the properties reassessed each year is phased in over a three-year period. Declines in assessed values, however, are effective in the first year. The triennial residential property reassessment for Group 1 increased 5.0 percent and commercial property increased 16.5 percent in FY20 and the triennial residential property reassessment for Group 2 increased 4.8 percent and commercial property increased 16.5 percent in FY21. Based on data from SDAT the triennial reassessment for real property is estimated to increase 6.6 percent for residential properties in Group 3 and is estimated to increase 14.1 percent for commercial property in FY22.

## Income Tax

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Estimated FY22 income tax revenues of \$1,708.8 million are 0.07 percent above the revised FY21 estimate. With the 2020 amendment of HB621 by the Maryland General Assembly, reimbursements to the Comptroller of Maryland from the County's quarterly income tax distributions starting in May of FY21 will be eighty equal installments rather than the original twenty. For FY22, the impact of the legislation reduces the amount of the reimbursements from \$29.128 million to \$7.282 million.

A number of economic indicators impact the County's quarterly distribution from withholdings and estimated payments. Those indicators include growth in resident employment; wage and salary income; income from dividends, interest and rents; and capital gains. Based on the economic forecasts provided by Moody's Analytics, Finance assumes County resident employment will decrease at an average annual rate of 1.5 percent from CY2019 to CY2022. Finance estimates that resident employment will not reach its pre-pandemic level until CY2027-CY2028. Finance assumes wage and salary income will decrease at an average annual rate of 1.5 percent from CY2020 to CY2022 and will not reach its CY2020 pre-pandemic peak until CY2023. Finally, Finance assumes income from dividends, interest, and rents in Montgomery County will decrease at an average annual rate of 5.9 percent from CY2019 to CY2021 compared to the average annual growth rate of 24.6 percent from CY2015 to CY2019. Income from dividends, interest, and rents will not reach its pre-pandemic peak until CY2024.

Following the decline of 3.8 percent in Tax Year 2013 (TY2013), income tax revenues increased 6.6 percent in TY2014, increased 2.9 percent in TY2015, but declined 0.4 percent in TY2016 attributed in large part to a 50 percent decline in capital gains for the top 100 County taxpayers. The elections of November 2016 raised expectations that tax relief for individuals,

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especially those individuals with high incomes, would occur in TY2018. As such, those individuals would delay recognizing capital gains until a later tax year. The income tax reduction of 50 percent of the top 100 County taxpayers suggests that is what occurred in the receipts from October 15th filers in 2016 and the reconciling distribution for TY2016 declined 27.5 percent from TY2015. In fact, that delay resulted in a dramatic increase in the November and January FY2019 reconciling distribution of 77.5 percent pertaining to TY2018. The Maryland Comptroller cautioned against assuming a similarly strong reconciling distribution in TY2019 (FY20) and TY2020 (FY21). In fact, the reconciling distributions declined 15.6 percent for TY2019 (FY20) and 8.5 percent for TY2020 (FY21). Because of the impact of COVID-19 beginning in February of 2020, the Comptroller of Maryland allowed the deferral of TY2019 estimated and final payments to the state until July 15, 2020. As such, the deferral reduced both June and July 2020 income tax distributions to the County reducing fourth quarter FY20 income tax and negatively affecting final income tax revenues for FY20. However, the amount of the deferral in the fourth quarter of FY20 was distributed in August and applied to FY21.

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## Transfer and Recordation Taxes

Estimated FY22 revenues for the General Fund of \$169.9 million, which exclude the School Capital Improvement Program (CIP) portion, condominium conversions, and the tax premium, are 4.9 percent above the revised FY21 estimate. This reflects a FY22 estimate of \$117.2 million in the transfer tax and \$52.7 million in the recordation tax. Effective September 1, 2016, the recordation tax for the General Fund decreased from 0.440 percent to 0.416 percent and the exemption was increased from \$50,000 to \$100,000 of the consideration payable on the conveyance of any owner-occupied residential property.

Residential transfer tax revenues follow the trends in real estate sales for existing and new homes. Real estate sales, in turn, are highly correlated with specific economic indicators such as growth in employment and wage and salary income, formation of households, mortgage lending conditions, and mortgage interest rates. The same holds true for the commercial sector, which is equally affected by business activity and investment, office vacancy rates, property values, and financing costs. Finance estimates the sales of existing homes in the County will increase 3.0 percent in CY21 and 2.5 percent in CY22. Over the same two years, median sales prices will increase 3.2 percent in CY21 and 3.1 percent in CY22

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## Energy Tax

Estimated FY22 revenues of \$175.7 million are 1.8 percent below the revised FY21 estimate. The estimated revenues for FY22 are based on the County Executive's recommendation to continue the FY22 rates at the FY21 level. The fuel-energy tax is imposed on persons or entities transmitting, distributing, manufacturing, producing, or supplying electricity, gas, steam, coal, fuel oil, or liquefied petroleum gas. Different rates apply to residential and nonresidential consumption and to the various types of energy. Since the rates per unit of energy consumed are fixed, collections change only with shifts in energy consumption and not with changes in the price of the energy product. Because of the impacts of COVID-19, non-residential tax collections declined 41.9 percent through the first seven months (July-January) of FY21 compared to the same period in FY20 while residential tax collections increased 64.6 percent during the first seven months of FY21 compared to the same period in FY20.

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## Telephone Tax

Estimated FY22 revenues of \$55.1 million are 1.1 percent above the revised FY21 estimate. The telephone tax is levied as a fixed amount per landline, wireless communications, and other communication devices. The tax on a traditional landline is \$2.00 per month, while multiple business lines (Centrex) are taxed at \$0.20 per month. The tax rate on wireless



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communications is \$3.50 per month. Revenues from this tax are driven primarily by modest growth in wireless communications such as cell phone usage and by voice-over internet protocol. Over the past decade, approximately 80% of the gross telephone tax is attributed to the cellular wireless component.

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## Hotel/Motel Tax

Estimated FY22 revenues of \$11.8 million are 127.5 percent above the revised FY21 estimate attributed to a significant increase in the occupancy rate. The hotel/motel tax is levied as a percentage of the hotel bill including online room rental organizations such as AirBnB. The current tax rate of 7.0 percent in FY21 is also assumed for FY22. Collections grow with the costs of hotel rooms and the combined effect of room supply and hotel occupancy rate in the County. Occupancy rates in the County are generally the highest in the spring (April and May) and autumn (September and October) as tourists and schools visit the nation's capital for such events as the Presidential inauguration and related activities, Cherry Blossom Festival and school trips, while organizations often schedule conferences and events during such periods, and during the week prior and the week during the Presidential inauguration. During peak periods, many visitors to Washington, D.C. use hotels in the County, especially those in the lower county. However, because of the impact of COVID-19, tax collections from the hotel/motel tax are estimated to decline 65.0 percent in FY21 but rebound to its pre-pandemic level by FY24.

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## Admissions Tax

Estimated FY22 revenues of \$0.8 million are 2.6 percent above the revised FY21 estimate. Estimated revenues for FY21 are expected to decline 67.5 percent similar to the decline in the hotel/motel tax. Admissions and amusement taxes are State-administered local taxes on the gross receipts of various categories of amusement, recreation, and sports activities. Taxpayers are required to file a return and pay the tax monthly while the County receives quarterly distributions of the receipts from the State. Montgomery County levies a 7 percent tax, except for categories subject to State sales and use tax, where the County rate would be lower. Such categories include rentals of athletic equipment, boats, golf carts, skates, skis, horses, and sales related to entertainment. Gross receipts are exempt from the County tax when a Municipal admissions and amusement tax is in effect. The estimated increase in FY22 revenues is attributed to a rebound in the growth in the attendance, which is a function of the estimated growth in the County's population in CY2021, and by the COVID-19 vaccinations and federal and state fiscal stimulus.

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## E-Cigarettes Tax

Estimated FY22 revenues from the E-Cigarettes tax of \$1.0 million are 3.7 percent above the revised FY21 estimate. On March 31, 2020, the Montgomery County Council enacted legislation that prohibited an electronic devices manufacturer from distributing flavored electronic cigarettes to certain retail stores in the County. As such, FY21 revenues are estimated to decline 29.9 percent from FY20.

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## NON-TAX REVENUES

Non-tax revenues throughout all tax supported funds (excluding Enterprise Funds, such as Permitting Services, Parking Districts, Solid Waste Disposal, and Solid Waste Collection Funds) are estimated at \$1.195 billion in FY22. This is a \$104.9 million decrease, or 8.1 percent, from the revised FY21 estimate. Non-tax revenues include: intergovernmental aid, investment income, licenses and permits, user fees, fines, and forfeitures, and miscellaneous revenues.

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## General Intergovernmental Revenues



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Intergovernmental revenues are received from the State or Federal governments as general aid for certain purposes, not tied, like grants, to particular expenditures. The majority of this money comes from the State based on particular formulas set in law. Total aid is specified in the Governor's annual budget. Since the final results are not known until the General Assembly session is completed and the State budget is adopted, estimates in the March 15 County Executive's Recommended Public Services Program are generally based on the Governor's budget estimates for FY22. If additional information on the State budget is available to the County Executive, this information will be incorporated into the budgeted projection of State aid. The County Executive's Recommended Budget for FY22 assumes a \$135.8 million, or 12.0 percent, decrease in intergovernmental revenues from the revised FY21 estimate. Total intergovernmental revenue represents an estimated 83.69% percent of the total non-tax revenues for FY22.

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## Licenses and Permits

Licenses and permits include General Fund business licenses (primarily public health, traders, and liquor licenses) and non-business licenses (primarily marriage licenses and Clerk of the Court business licenses). Licenses and permits in the Permitting Services Enterprise Fund, which include building, electrical, and sediment control permits, are Enterprise Funds and thus not included in tax supported projections. The Recommended Budget for FY22 assumes a 19.6 percent increase over the revised estimates for FY21, resulting in \$13.5 million in available resources in FY22.

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## Charges for Services (User Fees)

Excluding intergovernmental revenues to Montgomery County Public Schools and Montgomery College, and College tuition, charges for services, or user fees, are revenues collected that come primarily from fees imposed on the recipients of certain County services including mass transit, human services, use of facilities, and recreation services and are included in the tax supported funds. The Recommended Budget for FY22 assumes an increase of 37.7 percent over the revised estimates for FY21, resulting in \$57.8 million in available resources in FY22.

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## Fines and Forfeitures

Revenues from fines and forfeitures relate primarily to photo red light and speed camera citations, and library and parking fines (excluding the County's four Parking Districts). The Recommended Budget for FY22 assumes that fines and forfeitures will increase 98.1 percent from the revised estimates for FY21, resulting in \$38.3 million in available resources in FY22. It should be noted that COVID-related reductions in overall driving resulted in estimated photo red light and speed camera revenues being significantly reduced in FY21.

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## College Tuition

Although College tuition is not included in the County Council's Spending Affordability Guideline Limits (SAG), it remains in the tax supported College Current Fund. Calculation of the aggregate operating budget is under the SAG Limits. Tuition revenue depends on the number of registered students, number of credit hour enrollments, and the tuition rate. The Recommended Budget for FY22 includes a 0.1 percent decrease in tuition revenue over the revised estimates for FY21, resulting in \$68.0 million in available resources in FY22.

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## Investment Income

Investment income includes the County's pooled investment and non-pooled investment and interest income of other County agencies and funds. The County operates an investment pool directed by an investment manager who invests all County funds using an approved, prudent County Council adopted investment policy. The pool includes funds from tax supported funds as well as from Enterprise Funds, municipal taxing districts, and other governmental agencies. Two major

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factors determine pooled investment income: (1) the average daily investment balance which is affected by the level of revenues and expenditures, fund balances, and the timing of bond and commercial paper issues; and (2) the average yield percentage which reflects short-term interest rates and may vary considerably during the year.

The revised FY21 tax-supported investment income estimates of \$337,460 assumes a yield of 0.15 percent and an average daily balance of \$750 million. The FY22 projected estimate of tax-supported investment income of \$522,190 assumes a yield of 0.10 percent and an average daily balance of \$650 million. With the action of the Federal Open Market Committee (FOMC) starting in March 2020 in response to the coronavirus pandemic and the dramatic decrease in the targeted federal funds rate, the estimate for FY22 will depend on future actions by the FOMC regarding the federal funds rate.

### Other Miscellaneous

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The County receives miscellaneous revenues from a variety of sources. For the Recommended Budget for FY22, miscellaneous revenues will decrease 25.4 percent from the revised estimates for FY21, resulting in \$15.6 million in available resources in FY22.

DEMOGRAPHIC AND PLANNING INDICATORS	FY20	FY21	FY22	FY23	FY24	FY25	FY26	FY27
<b>POPULATION</b>								
Annual Increase	1,067,624	1,074,693	1,081,809	1,088,972	1,096,182	1,103,440	1,111,738	1,120,098
Population Growth Since 2012	7,555	7,069	7,116	7,163	7,210	7,258	8,298	8,360
County Resident Births (Prior Calendar Year) (a)	7.7%	8.4%	9.1%	9.9%	10.6%	11.3%	12.2%	13.0%
	11,900	11,700	12,200	12,730	12,820	12,915	13,010	13,100
<b>HOUSEHOLDS</b>								
Household Annual Growth (%)	386,285	389,107	391,949	394,811	397,695	400,600	403,839	407,104
Household Growth Since 2012	0.9%	0.7%	0.7%	0.7%	0.7%	0.7%	0.8%	0.8%
Household Growth Since 1992	5.9%	6.7%	7.5%	8.2%	9.0%	9.8%	10.7%	11.6%
Household Growth Since 1992	32.7%	33.6%	34.6%	35.6%	36.6%	37.6%	38.7%	39.6%
Household Size	2.76	2.76	2.76	2.76	2.76	2.75	2.75	2.75
<b>RESIDENT EMPLOYMENT (Jan = Calendar Year)</b>								
Resident Employment Annual Growth (%)	523,217	507,200	508,090	519,270	529,830	537,190	543,220	547,510
Resident Employment Growth Since 2012	-4.8%	-3.1%	0.2%	2.2%	2.0%	1.4%	1.1%	0.8%
Resident Employment Growth Since 2012	3.7%	0.6%	0.7%	3.0%	5.0%	6.5%	7.7%	8.5%
Resident Employment Per Household	1.35	1.30	1.30	1.32	1.33	1.34	1.35	1.34
Jobs in County	543,500	549,300	555,100	560,900	566,700	572,500	578,900	585,300
<b>PERSONAL INCOME (\$ Millions)</b>								
Per Capita Personal Income	\$98,000	\$95,200	\$95,900	\$101,000	\$107,200	\$113,600	\$119,800	\$125,600
Annual Growth (%)	\$91,790	\$88,580	\$88,650	\$92,750	\$97,790	\$102,950	\$107,760	\$112,130
	2.8%	-3.5%	0.1%	4.6%	5.4%	5.3%	4.7%	4.1%
<b>CONSUMER PRICE INDEX (CPI) - Fiscal Year</b>								
Inflation Growth (Fiscal Year) Since 2012	0.95%	1.28%	1.62%	1.99%	2.42%	2.44%	2.44%	2.44%
	-6.6%	-5.4%	-4.7%	-30.8%	-15.6%	-14.9%	-14.9%	-14.9%
<b>CONSUMER PRICE INDEX (CPI) - Calendar Year (%)</b>								
ASSESSABLE TAX BASE (\$ Millions)	0.90%	1.66%	1.57%	2.40%	2.44%	2.44%	2.44%	2.44%
Annual Growth (%)	\$197,588	\$201,216	\$207,363	\$212,070	\$217,522	\$223,208	\$229,079	\$235,148
Growth of Base Since 1992 (%)	2.3%	1.8%	3.1%	2.3%	2.6%	2.6%	2.6%	2.6%
Growth of Base Since 2012 (%)	230.3%	236.4%	246.6%	254.5%	263.6%	273.1%	282.9%	293.1%
	19.1%	21.3%	25.0%	27.6%	31.1%	34.5%	38.1%	41.7%
<b>INVESTMENT INCOME YIELD (%)</b>								
Annual Increase (Decrease)	1.76%	0.15%	0.10%	0.35%	0.35%	0.35%	0.35%	0.35%
<b>WCPS ENROLLMENT (Sept = Calendar Year)</b>								
Annual Growth (%)	165,267	161,583	164,750	166,055	167,845	168,551	170,382	170,761
Annual Increase (Decrease)	1.6%	-2.2%	2.0%	0.8%	1.1%	0.4%	1.1%	0.2%
	2,587	-3,684	3,167	1,305	1,790	706	1,831	379
<b>MONTGOMERY COLLEGE ENROLLMENTS (b)</b>								
Annual Growth (%)	20,038	19,263	18,882	18,998	19,110	19,292	19,292	19,292
Full Time Equivalents (Sept = Calendar Year) (c)	-5.7%	-3.9%	-2.0%	0.6%	0.6%	1.0%	0.0%	0.0%
Annual Growth in FTE's (%)	13,495	13,093	12,431	12,214	12,311	12,402	12,538	12,538
	-26.4%	-3.0%	-5.1%	-1.7%	0.8%	0.7%	1.1%	0.0%

(a) Projections related to County Resident Births are provided by M-NCPPC.

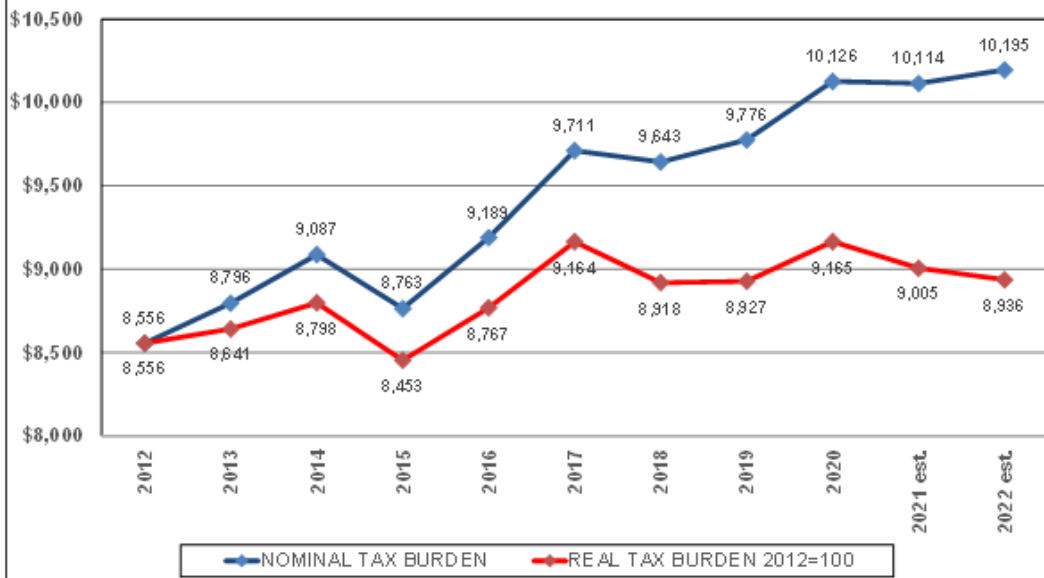
(b) Projections related to Montgomery College Enrollments are provided by Montgomery College and only include projections through FY25.

(c) Since no projections are provided for FY26 or FY27 the projections for FY25 were used. Projections are from March 2021.

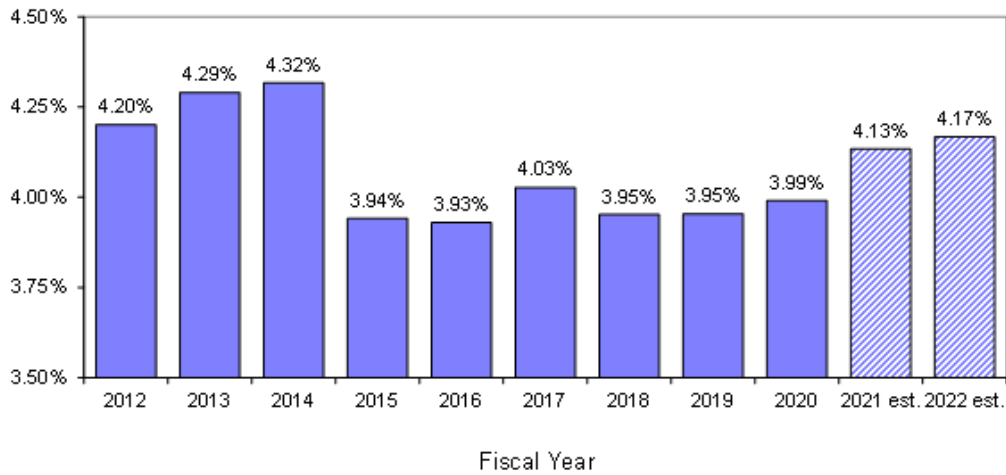
(c) Projections related to Montgomery College Full Time Equivalents are provided by Montgomery College and only include projections through FY26.

Since no projections are provided for FY27 the projections for FY26 were used. Projections are from March 2021.

**AVERAGE HOUSEHOLD TAX BURDEN  
MONTGOMERY COUNTY  
BY FISCAL YEAR**



**COUNTY TAXES AS A SHARE OF PERSONAL INCOME  
MONTGOMERY COUNTY**



Prepared by Montgomery County Department of Finance

**REVENUE SUMMARY  
TAX SUPPORTED BUDGETS  
(\$ Millions)**

KEY REVENUE CATEGORIES	App. FY21	Est. FY21	% Chg. FY21-22	Rec. FY22	% Chg. FY22-23	Projected FY23	% Chg. FY23-24	Projected FY24	% Chg. FY24-25	Projected FY25	% Chg. FY25-26	Projected FY26	% Chg. FY26-27	Projected FY27
	5-21-20	3-15-21	App/Rec	3-15-21										
<b>TAXES</b>														
1 Property Tax	1,830.8	1,830.9	2.9%	1,884.7	2.5%	1,931.0	2.8%	1,984.4	2.8%	2,040.5	2.8%	2,098.1	2.9%	2,157.9
2 Income Tax	1,686.4	1,707.7	0.8%	1,708.8	3.5%	1,789.1	5.4%	1,865.2	4.4%	1,947.8	5.2%	2,048.1	6.0%	2,171.1
3 Transfer Tax	122.4	111.7	-4.3%	117.2	4.8%	122.8	5.6%	128.7	5.2%	136.5	4.8%	143.2	4.7%	149.9
4 Recreation Tax	59.2	50.2	-11.0%	52.7	4.8%	55.2	5.6%	58.3	5.2%	61.4	4.9%	64.4	4.7%	67.4
5 Energy Tax	191.3	178.9	-8.2%	175.7	1.6%	178.5	0.2%	178.8	0.1%	179.0	0.1%	179.2	0.1%	179.3
6 Telephone Tax	53.8	54.5	2.5%	55.1	1.1%	55.7	1.1%	56.3	1.1%	56.9	1.1%	57.5	1.0%	58.1
7 Hotel/Motel Tax	23.3	5.2	-48.3%	11.8	22.8%	14.5	20.5%	17.5	1.5%	17.8	1.4%	18.0	12.7%	20.3
8 Admissions Tax	3.4	0.8	-75.6%	0.8	3.0%	0.9	3.4%	0.9	3.4%	0.9	3.5%	0.9	3.5%	1.0
9 E-Cigarette Tax	1.8	0.9	-44.5%	1.0	3.5%	1.0	3.4%	1.0	3.2%	1.1	3.1%	1.1	3.0%	1.1
<b>10 Total Local Taxes</b>	<b>3,981.3</b>	<b>3,940.7</b>	<b>0.7%</b>	<b>4,007.7</b>	<b>3.0%</b>	<b>4,128.8</b>	<b>4.0%</b>	<b>4,292.2</b>	<b>3.8%</b>	<b>4,441.9</b>	<b>3.8%</b>	<b>4,611.5</b>	<b>4.2%</b>	<b>4,806.1</b>
<b>INTERGOVERNMENTAL AID</b>														
11 Highway User	8.4	7.5	-5.9%	7.9	0.0%	7.9	0.0%	7.9	0.0%	7.9	0.0%	7.9	0.0%	7.9
12 Police Protection	14.3	14.3	0.0%	14.3	0.0%	14.3	0.0%	14.3	0.0%	14.3	0.0%	14.3	0.0%	14.3
13 Libraries	5.6	5.4	-0.9%	5.6	0.0%	5.6	0.0%	5.6	0.0%	5.6	0.0%	5.6	0.0%	5.6
14 Health Services Case Formula	4.8	4.8	-0.4%	4.8	0.0%	4.8	0.0%	4.8	0.0%	4.8	0.0%	4.8	0.0%	4.8
15 Mass Transit	41.3	64.2	55.8%	64.4	0.0%	64.4	0.0%	64.4	0.0%	64.4	0.0%	64.4	0.0%	64.4
16 Public Schools	781.5	784.6	-3.4%	754.9	0.0%	754.9	0.0%	754.9	0.0%	754.9	0.0%	754.9	0.0%	754.9
17 Community College	41.8	38.8	-7.2%	38.8	0.0%	38.8	0.0%	38.8	0.0%	38.8	0.0%	38.8	0.0%	38.8
18 Other	47.5	217.4	128.4%	108.4	-56.1%	47.6	-3.7%	45.8	-3.7%	44.1	0.0%	44.1	0.0%	44.1
<b>19 Total Intergovernmental Aid</b>	<b>946.3</b>	<b>1,136.0</b>	<b>5.7%</b>	<b>995.2</b>	<b>-6.1%</b>	<b>933.4</b>	<b>-0.2%</b>	<b>936.7</b>	<b>-0.2%</b>	<b>935.0</b>	<b>0.0%</b>	<b>935.0</b>	<b>0.0%</b>	<b>935.0</b>
<b>FEES AND FINES</b>														
20 Licenses & Permits	13.9	11.3	-2.8%	13.5	1.5%	13.7	1.5%	13.9	1.5%	14.1	1.5%	14.3	1.5%	14.5
21 Charges for Services	69.6	42.0	-16.9%	57.8	1.6%	58.8	1.9%	59.9	2.0%	61.1	2.0%	62.3	2.0%	63.5
22 Fines & Forfeitures	45.7	19.3	-16.2%	38.3	1.6%	38.9	1.6%	39.5	1.6%	40.2	1.6%	40.8	1.6%	41.4
23 Montgomery College Tuition	76.7	70.8	-9.0%	68.8	1.6%	70.9	1.9%	72.3	2.0%	73.7	2.0%	75.1	2.0%	76.5
<b>24 Total Fees and Fines</b>	<b>206.9</b>	<b>143.3</b>	<b>-12.9%</b>	<b>178.4</b>	<b>1.6%</b>	<b>182.2</b>	<b>1.8%</b>	<b>186.6</b>	<b>1.8%</b>	<b>189.0</b>	<b>1.8%</b>	<b>192.5</b>	<b>1.8%</b>	<b>196.0</b>
<b>MISCELLANEOUS</b>														
25 Investment Income	5.8	0.3	-90.9%	0.5	11.2%	0.6	66.8%	1.0	27.1%	1.2	0.5%	1.2	0.5%	1.2
26 Other Miscellaneous	20.4	20.9	-23.6%	15.6	2.0%	15.9	2.4%	16.3	2.4%	16.7	2.4%	17.1	2.4%	17.5
<b>27 Total Miscellaneous</b>	<b>26.2</b>	<b>21.3</b>	<b>-38.4%</b>	<b>16.1</b>	<b>2.3%</b>	<b>16.5</b>	<b>4.7%</b>	<b>17.3</b>	<b>3.8%</b>	<b>17.9</b>	<b>2.3%</b>	<b>18.4</b>	<b>2.3%</b>	<b>18.8</b>
<b>28 TOTAL REVENUES</b>	<b>5,188.7</b>	<b>5,240.4</b>	<b>0.8%</b>	<b>5,202.5</b>	<b>1.2%</b>	<b>5,266.0</b>	<b>3.1%</b>	<b>5,431.7</b>	<b>2.8%</b>	<b>5,583.8</b>	<b>3.1%</b>	<b>5,767.3</b>	<b>3.6%</b>	<b>5,955.9</b>
<b>Calculation for Adjusted Governmental Revenues</b>														
29 Total Tax Supported Revenues	5,158.7	5,240.4	0.8%	5,202.5	1.2%	5,266.0	3.1%	5,431.7	2.8%	5,583.8	3.1%	5,767.3	3.5%	5,955.9
30 Capital Projects Fund	129.4	129.4	1.8%	131.7	-7.8%	121.5	1.1%	122.8	6.6%	130.9	0.3%	131.3	0.0%	131.3
31 Grants	128.0	128.0	1.6%	130.1	2.0%	132.7	2.4%	135.9	2.4%	139.2	2.4%	142.6	2.4%	146.1
32 MCG Adjusted Revenues	5,416.1	5,413.4	0.2%	5,427.3	1.7%	5,520.1	3.1%	5,690.4	2.9%	5,853.9	3.0%	6,031.1	3.4%	6,233.2

**County Executive's Recommended FY22-27 Public Services Program  
Tax Supported Fiscal Plan Summary**

		(\$ in Millions)												
	App. FY21-20	Est. FY21-21	% Chg. FY21-22 App/Rec	Rec. FY22-23	% Chg. FY22-23	Projected FY23	% Chg. FY23-24	Projected FY24	% Chg. FY24-25	Projected FY25	% Chg. FY25-26	Projected FY26	% Chg. FY26-27	Projected FY27
<b>Total Revenues</b>														
1 Property Tax	1,830.8	1,830.9	2.9%	1,894.7	2.5%	1,931.0	2.8%	1,994.4	2.8%	2,040.5	2.8%	2,088.1	2.8%	2,157.9
2 Income Tax	1,695.4	1,707.7	0.8%	1,708.8	3.5%	1,769.1	5.4%	1,865.2	4.4%	1,947.8	5.2%	2,049.1	6.0%	2,171.1
3 Transfer/Recordation Tax	181.6	161.9	-8.5%	169.8	4.8%	178.0	5.6%	188.1	5.2%	197.9	4.8%	207.5	4.7%	217.3
4 Other Taxes	273.6	240.3	-10.7%	244.4	2.6%	250.6	1.6%	254.6	0.4%	255.7	0.4%	256.8	1.2%	269.9
5 Other Revenues	1,177.4	1,298.6	1.5%	1,194.8	-4.8%	1,137.2	0.2%	1,136.5	0.2%	1,141.9	0.3%	1,145.8	0.3%	1,149.8
6 Total Revenues	5,158.7	5,240.4	0.8%	5,202.5	1.2%	5,266.0	3.1%	5,431.7	2.8%	5,593.8	3.1%	5,757.3	3.8%	5,965.9
7 Net Transfers in (Out)	24.9	22.1	-54.0%	11.5	2.0%	11.7	2.4%	12.0	2.4%	12.3	2.4%	12.6	2.4%	12.9
8 Total Revenues and Transfers Available	5,183.6	5,262.5	0.6%	5,213.9	1.2%	5,277.8	3.1%	5,443.7	2.8%	5,596.1	3.1%	5,769.8	3.4%	5,988.7
<b>Non-Operating Budget Use of Revenues</b>														
11 Debt Service	422.5	418.8	1.2%	427.7	0.5%	429.9	2.6%	441.0	2.9%	453.6	1.3%	469.3	0.9%	483.4
12 PAYGO	32.0	0.0	-51.6%	15.5	103.2%	31.5	-7.9%	29.0	-3.4%	28.0	-3.6%	27.0	0.0%	27.0
13 CIP Current Revenue	65.9	71.4	-18.2%	53.9	88.1%	101.4	-7.0%	94.3	-20.8%	74.6	4.8%	78.2	0.0%	78.2
14 Change in Other Reserves	0.2	18.1	-10393.2%	-23.3	96.8%	-0.7	124.6%	0.2	34.1%	0.2	-1.1%	0.2	6.5%	0.3
15 Contribution to General Fund Undesignated Reserves	7.2	-22.2	110.4%	15.3	-143.9%	-6.7	501.5%	26.9	0.0 n/a	17.4	-4.2%	16.7	23.8%	20.6
16 Contribution to Revenue Stabilization Reserves	8.6	27.5	217.7%	27.3	3.3%	28.2	-100.0%	0.0	0.0 n/a	0.0	0.0%	0.0	0.0%	0.0
17 Set Aside for other uses (supplemental appropriations)	6.8	-4.2	-100.0%	0.0 n/a		20.0	0.0%	20.0	0.0%	20.0	0.0%	20.0	0.0%	20.0
18 Total Other Uses of Resources	543.3	510.5	-5.0%	516.3	16.9%	603.5	1.3%	611.3	-2.9%	593.8	1.3%	601.4	1.3%	609.5
19 Available to Allocate to Agencies (Total Revenues+Net Transfers-Total Other Uses)	4,640.3	4,752.1	1.2%	4,697.6	-0.5%	4,674.1	3.4%	4,832.4	3.5%	5,002.2	3.3%	5,168.4	3.7%	5,369.3
<b>Agency Uses</b>														
20 Montgomery County Public Schools (MCPS)	2,562.4	2,544.2	-1.1%	2,534.9										
21 Montgomery College (MC)	268.9	249.2	-1.3%	266.5										
22 MNCPPC (w/o Debt Service)	137.2	130.6	3.4%	141.8										
23 MCG	1,671.9	1,828.0	5.0%	1,755.4										
24 Agency Uses	4,640.3	4,752.1	1.2%	4,697.6	-0.5%	4,674.1	3.4%	4,832.4	3.5%	5,002.2	3.3%	5,168.4	3.7%	5,369.3
25 Total Uses	5,183.6	5,262.5	0.6%	5,213.9	1.2%	5,277.8	3.1%	5,443.7	2.8%	5,596.1	3.1%	5,769.8	3.4%	5,988.7
26 (Gap)/Available	0.0	0.0		0.0		0.0		0.0		0.0		0.0		0.0

**Assumptions:**

- FY21 Property taxes are at the previous Charter Limit with a \$692 credit. FY22-FY27 property taxes reflect the passage of Ballot Question A with a \$692 credit. Other taxes are at current rates.
- Due to the County's response to the COVID-19 pandemic, reserves are estimated to be lower than the 10% policy target in FY21-FY23. When emergencies require reserves to dip below the 10 percent target, it is the County's policy to ensure reserves achieve the policy target within three fiscal years. The fiscal plan shows reserves increasing from 8.9% of Adjusted Governmental Revenue (AGR) in FY20 and FY21 to 9.6% in FY22, 9.8% in FY23, and 10.0% in FY24. The calculation for AGR in FY21 and FY22 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 Amended FY21-26 Capital Improvements Program.
- State Aid, including MCPS and Montgomery College, is not projected to increase from FY23-27.



**County Executive's Recommended FY22-27 Public Services Program  
Tax Supported Fiscal Plan Summary**

(\$ in Millions)

	App. FY21	Est. FY21	% Chg. FY21-22	Rec. FY22	% Chg. FY22-23	Projected FY23	% Chg. FY23-24	Projected FY24	% Chg. FY24-25	Projected FY25	% Chg. FY25-26	Projected FY26	% Chg. FY26-27	Projected FY27
<b>Beginning Reserves</b>														
31 Unrestricted General Fund	154.1	97.7	-51.0%	75.5	20.2%	90.8	-7.4%	84.1	32.0%	111.0	15.7%	128.3	13.0%	145.0
32 Revenue Stabilization Fund	382.2	376.3	-1.6%	403.8	6.8%	431.1	6.5%	459.3	0.0%	459.3	0.0%	459.3	0.0%	459.3
34 Total Reserves	536.3	474.0	-10.6%	479.3	8.9%	521.9	4.1%	543.3	4.9%	570.2	3.0%	597.6	2.8%	604.3
<b>Additions to Reserves</b>														
36 Unrestricted General Fund	7.2	-22.2	110.4%	15.3	-143.9%	-6.7	501.5%	26.9	-35.3%	17.4	-4.2%	16.7	23.8%	20.6
37 Revenue Stabilization Fund	8.6	27.5	217.7%	27.3	3.3%	28.2	-100.0%	0.0	n/a	0.0	n/a	0.0	0.0	0.0
39 Total Change in Reserves	15.8	5.4	168.6%	42.5	-49.5%	21.5	25.0%	26.9	-35.3%	17.4	-4.2%	16.7	23.8%	20.6
<b>Ending Reserves</b>														
41 Unrestricted General Fund	161.4	75.5	-43.8%	90.8	-7.4%	84.1	32.0%	111.0	15.7%	128.3	13.0%	145.0	14.2%	165.6
42 Revenue Stabilization Fund	390.8	403.8	10.3%	431.1	6.5%	459.3	0.0%	459.3	0.0%	459.3	0.0%	459.3	0.0%	459.3
44 Total Reserves	552.1	479.3	-5.5%	521.9	4.1%	543.3	4.9%	570.2	3.0%	597.6	2.8%	604.3	3.4%	624.9
45 Reserves as a % of Adjusted Governmental Revenues	10.2%	8.9%	9.8%	9.6%	9.8%	9.8%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%
<b>Other Revenues</b>														
46 Montgomery College	22.3	33.8	13.1%	25.3	0.0%	25.3	0.0%	25.3	0.0%	25.3	0.0%	25.3	0.0%	25.3
48 M-NCPPC	5.0	13.8	20.6%	6.0	-12.6%	5.2	2.8%	5.4	2.8%	5.5	2.8%	5.7	2.8%	5.8
49 MCPS	0.0	25.0	n/a	0.0	n/a	0.0	n/a	0.0	n/a	0.0	n/a	0.0	n/a	0.0
50 MCG Special Funds	1.5	-15.7	54.7%	2.4	0.4%	2.4	1.6%	2.4	4.0%	2.5	3.4%	2.6	3.8%	2.7
51 MCG + Agency Reserves as a % of Adjusted Govt Revenues	10.7%	9.9%	10.2%	10.2%	10.4%	10.4%	10.6%	10.6%	10.6%	10.6%	10.6%	10.6%	10.6%	10.6%
<b>Retiree Health Insurance Pre-Funding</b>														
52 Montgomery County Public Schools (MCPS)	69.4	69.4		73.0		66.2		60.5		63.9		63.9		63.9
54 Montgomery College (MC)	5.5	5.5		5.6		5.4		5.3		5.2		5.2		5.2
55 MNCPPC	3.0	3.0		2.7		2.7		2.7		2.8		2.8		2.7
56 MCG	12.3	12.3		10.8		7.5		4.2		0.7		0.0		0.0
57 Subtotal Retiree Health Insurance Pre-Funding	90.1	90.1		92.2		81.9		72.8		62.6		61.8		61.8
<b>Adjusted Governmental Revenues</b>														
58 Total Tax Supported Revenues	5,158.7	5,240.4	0.8%	5,202.5	1.2%	5,266.0	3.1%	5,431.7	2.8%	5,583.8	3.1%	5,757.3	3.6%	5,955.9
60 Capital Projects Fund	128.4	128.4	1.8%	131.7	-7.8%	121.5	1.1%	122.8	6.6%	130.9	0.3%	131.3	0.0%	131.3
61 Grants	128.0	128.0	1.6%	130.1	2.0%	132.7	2.4%	135.9	2.4%	139.2	2.4%	142.6	2.4%	146.1
62 Total Adjusted Governmental Revenues	5,415.1	5,413.4	0.2%	5,427.3	1.7%	5,520.1	3.1%	5,690.4	2.9%	5,853.9	3.0%	6,031.1	3.4%	6,233.2



**FY22 FEE AND FINE CHANGES\***

DEPARTMENT/FEE AND FINE	FY22 REVENUE CHANGE	METHOD OF CHANGE	NOTE
<b>DEPARTMENT OF ENVIRONMENTAL PROTECTION</b>			
Solid Waste Disposal Charge	\$2,912,859	Council Resolution	Increase the single family per household from \$222.86 to \$239.69, multi-family per household from \$16.25 to \$17.29, and nonresidential properties from \$608.79 to \$644.61.
Water Quality Protection Charge	\$2,144,220	Council Resolution	Increase rate per Equivalent Residential Unit (ERU) from \$107.60 to \$113.50 per ERU.
Refuse Collection Charge	\$998,762	Council Resolution	Increase charges from \$107.00 to \$117.00 per household.
<b>DEPARTMENT OF TRANSPORTATION</b>			
Parking Fees- Silver Spring	\$1,050,000	Council Resolution	Increase the hours of parking enforcement for On-street Parking from 9am - 6pm to 9am - 10pm, and increase the hours of parking enforcement for Lots and Garages from 7am to 7pm to 7am - 10pm.
Parking Fees- Wheaton	\$450,000	Council Resolution	Implement a maximum hourly rate of \$1.25 for On-street parking, \$1.00 for Lots, and \$1.00 for Garages. Increase the Parking Convenience Sticker from \$113 to \$132 per month. Increase the hours of parking enforcement for On-street to 9am - 10pm, for Lots to 7am - 10pm, and Monday through Saturday for Garages to 7am to 10pm.
Parking Fees - Bethesda	\$900,000	Council Resolution	Increase maximum hourly rates in Lots from \$1.50 to \$2.00, increase maximum hourly rates in Garage 40, Garage 47, and Garage 57 from \$1.25 to \$1.75, increase maximum hourly rates in other garages from \$1.00 to \$1.50, and increase the Parking Convenience Sticker from \$150 to \$195 per month.
<b>GRAND TOTAL</b>	<b>8,455,841</b>		

\* All changes are assumed to be effective July 1, 2022 except as noted.  
Revenues above do not include implementation costs.

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