



Citizen Advisory Board Capital Budget Forums

Spring 2023

Agenda

- Welcome & Introduction – Regional Services Director
- Welcome Remarks – Chair, Citizens Advisory Board
- Capital Budget Basics/ How YOU Can Have an Impact – OMB Representative
- Fiscal Tradeoffs - County Executive Marc Elrich
- Question and Answer with the County Executive
- Breakout Sessions and Report Outs
- Closing Remarks

Citizen Advisory Board Capital Budget Forums

In Person (7:00 pm – 8:30 pm)

- April 12th ,White Oak Community Recreation Center
- April 17th, Silver Spring Civic Center
- April 19th, Bethesda-Chevy Chase Regional Servies
- April 24th, UpCounty Regional Services
- April 26th, Wheaton Community Recreation Center

Virtual

- May 1st, 7 – 8:30

Thank you!! Your Voice Matters

The County Executive and the Citizens Advisory Board thanks you for taking this opportunity to learn about the County's Capital Budget and to provide your feedback on projects that are important to your community.



Capital Budget Basics

Two Budgets - One County

Operating Budget: Services

- K-12 Education
- Early Childhood Education and Care
- Community College Education
- Public Safety: Police, Fire, Courts, Corrections and Sheriff
- Transportation: Roads Maintenance, Traffic and Bus Service
- Social Services: Health, Income Maintenance and Other
- Parks, Recreation and Libraries
- Debt Service

Two Budgets - One County

Capital Budget: Facilities

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

Capital Improvements Program (CIP)

Capital Budget: Facilities

- Capital Improvements have long-term useful life
- Six-year capital budget plan
- Biennial capital budget
- Full CIP considers changes to all projects
- Biennial CIP changes must adhere to amendment criteria
- Your feedback informs the next full CIP (FY25-30)



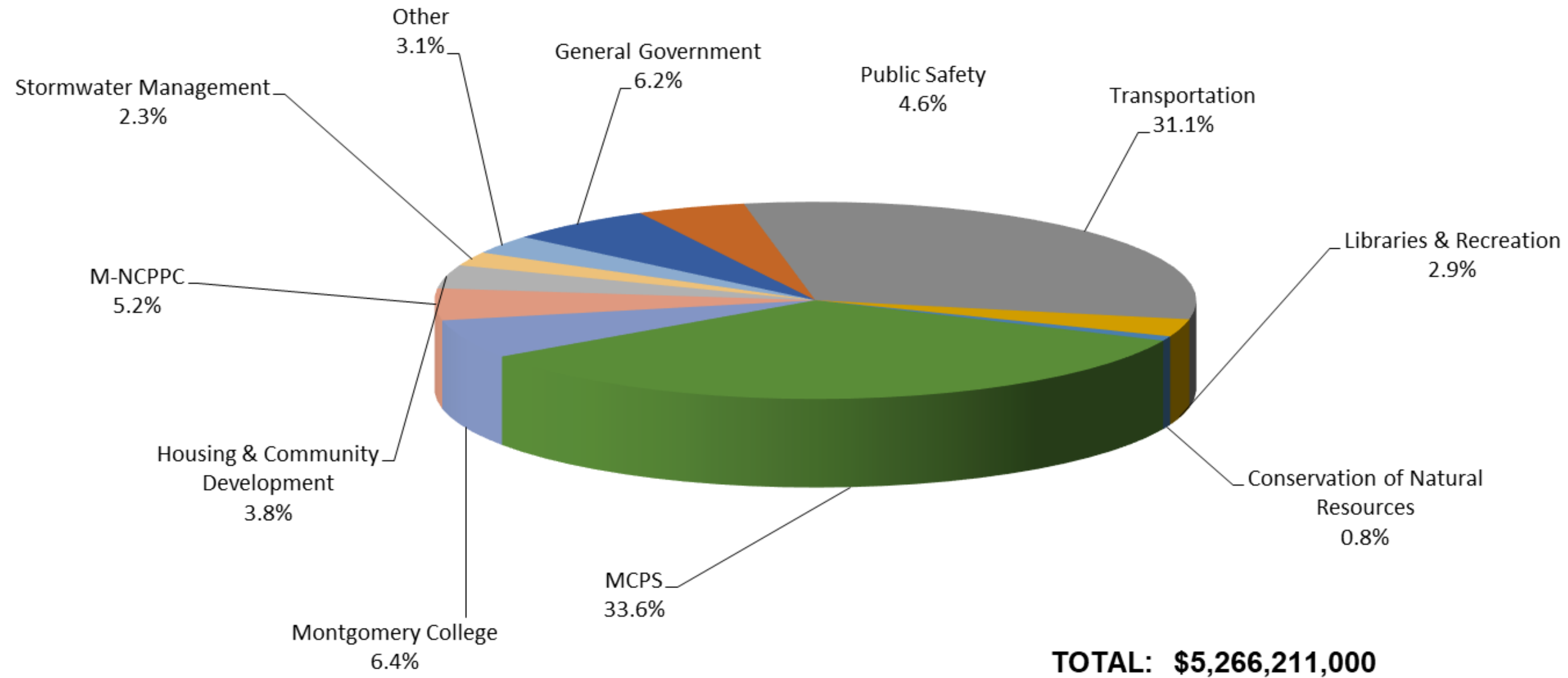
Project Types

- Stand Alone Projects (New Improvements)
 - Examples: New Library, Recreation Center, Fire Station, Roadway

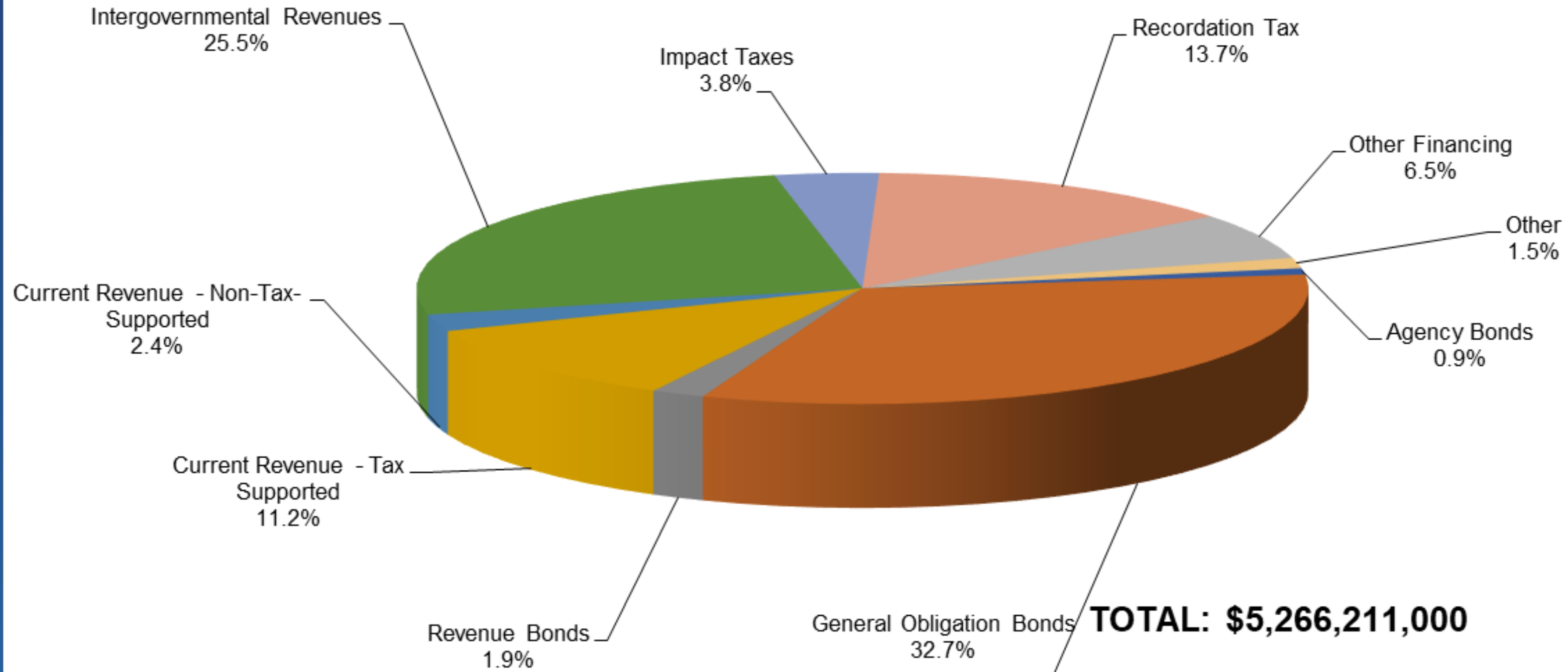


- Level of Effort Projects
 - Repair Existing Infrastructure
 - Add New Modest Infrastructure

FY23-28 Approved Capital Improvements Program Six-Year Expenditures Excludes WSSC



FY23-28 Approved Capital Improvements Program Six-Year Funding Excludes WSSC



County Executive Capital Priorities

- Affordable Housing
- Climate Change
- Economic Development
- Health/Life Safety Issues
- Maintenance of Core Infrastructure
- MCPS Capital Needs
- Projects Leveraging Outside Funding
- Racial Equity and Social Justice
- Transportation



Ways to Help Shape the Capital Budget

- Citizen Advisory Board Capital Budget Forums
- Council public hearings on the Capital Budget
- Boards, Committees, and Commissions
- Emails/letters to the County Executive, County Council, School Board members
- Public meetings and charettes on community projects
- MC311 to report needed infrastructure repairs

County and MCPS' CIPs:

Separate but Connected

- Board of Education adopts and transmits a recommended capital budget
- County Executive recommends a funding allocation rather than specific MCPS projects
- Executive Branch partners with MCPS & Council to advocate for additional State Aid
- Similar process with Montgomery College, M-NCPPC, and WSSC Water
- Residents should contact these agencies directly with requests

Outside Agency Contacts

- **Montgomery County Public Schools**

Adrienne Karamihas

Adrienne_L_Karamihas@mcpsmd.org

- **Montgomery College**

Kristina Schramm

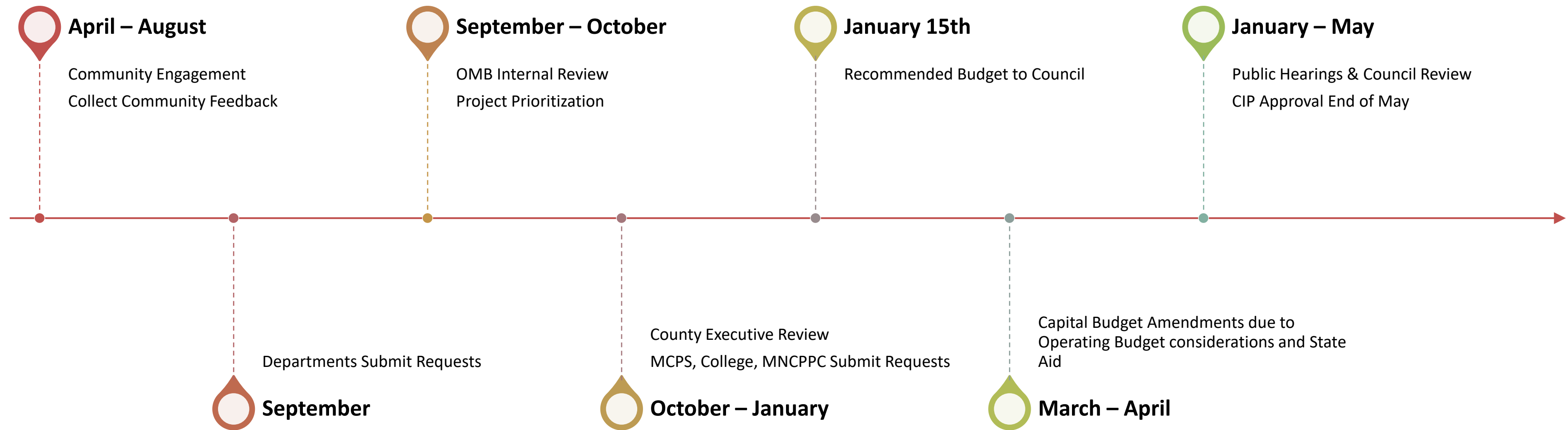
Kristina.Schramm@montgomerycollege.edu

- **Maryland-National Capital Park and Planning Commission**

Ronald Peele

Ronald.Peele@montgomeryparks.org

Capital Budget Process & Timeline



Racial Equity in Budget Development and Analysis

- CIP Budget Equity Tool first implemented in FY23
- Encourages departments and decision makers to consider racial equity and social justice impacts
- Working to solicit input from community members that have not participated in the past

Open Budget — there is something for **everyone!**

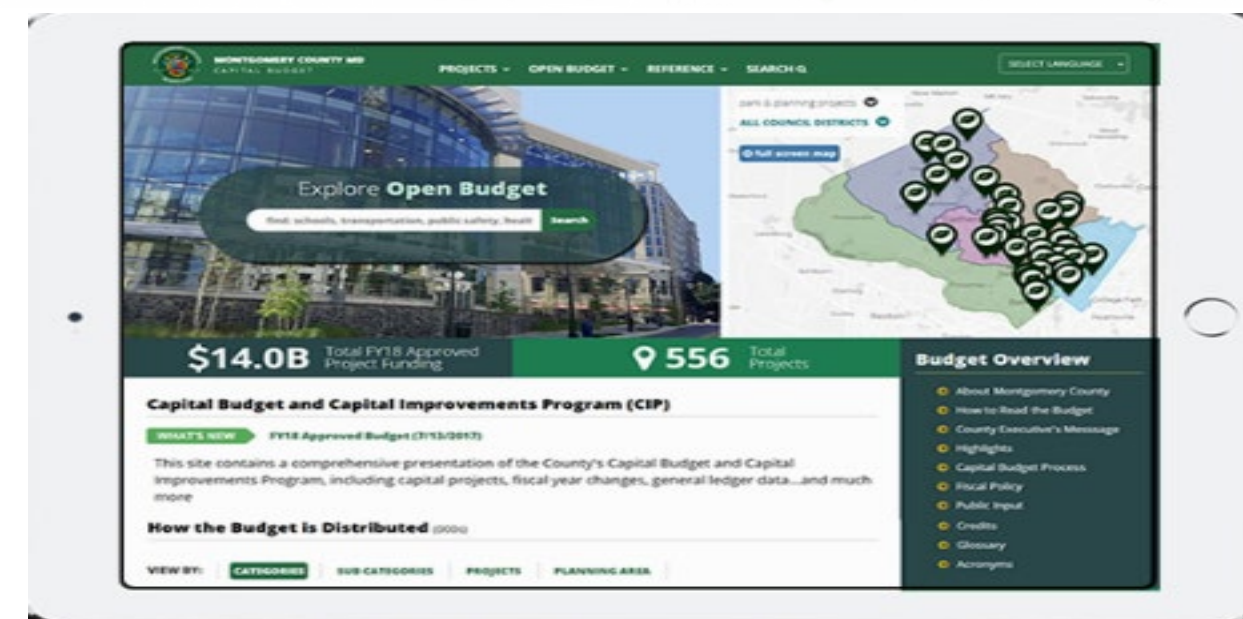
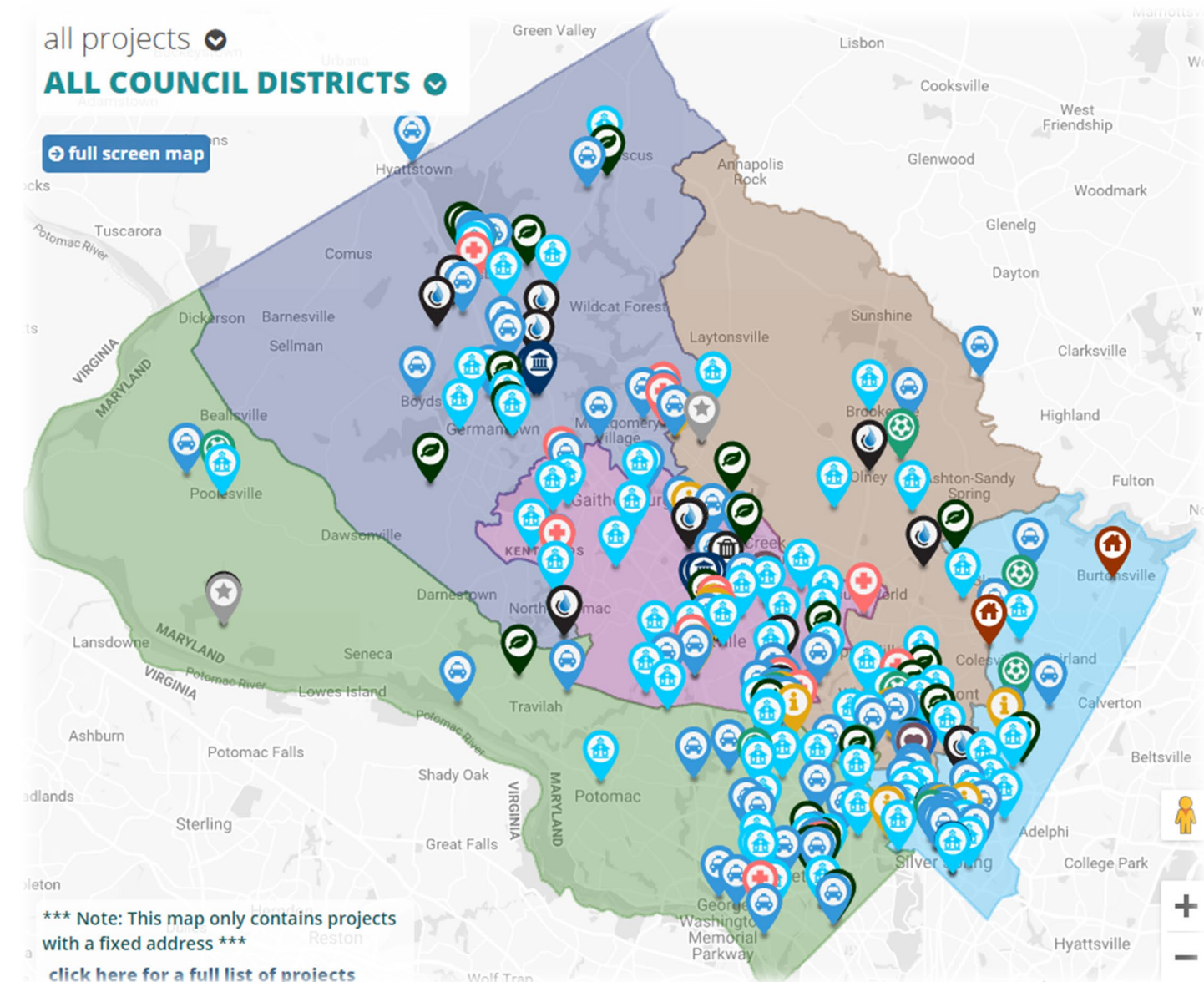
montgomerycountymd.gov/openbudget

Interactive

Accessible

Customizable

Sharable



Resources

What is in the County Executive’s recommended budget?

ombopen budgetpublicationscapitaloperatingcontact

budget

publications

FY24

budget documents

03/15/2023

FY24 Recommended Operating Budget in Brief

03/15/2023

FY24 Recommended Operating Budget and Public Services Program (PSP) FY24-29

03/15/2023

FY24 Recommended Operating Budget Presentation

03/15/2023

Amendments to the Recommended FY24 Capital Budget and FY23-28 Capital Improvements Program (CIP)

01/17/2023

Recommended FY24 Capital Budget and Amendments to the FY23-28 Capital Improvements Program (CIP)

01/17/2023

Washington Suburban Sanitary Commission (WSSC) FY24-29 Capital Improvements Program (CIP) and FY24 Expenditures

For Questions on the Capital Budget

- **Mary Beck, Capital Budget Manager, Office of Management and Budget**
Mary.Beck@montgomerycountymd.gov
- **Rachel Silberman, Manager, Office of Management and Budget**
Rachel.Silberman@montgomerycountymd.gov



Fiscal Context

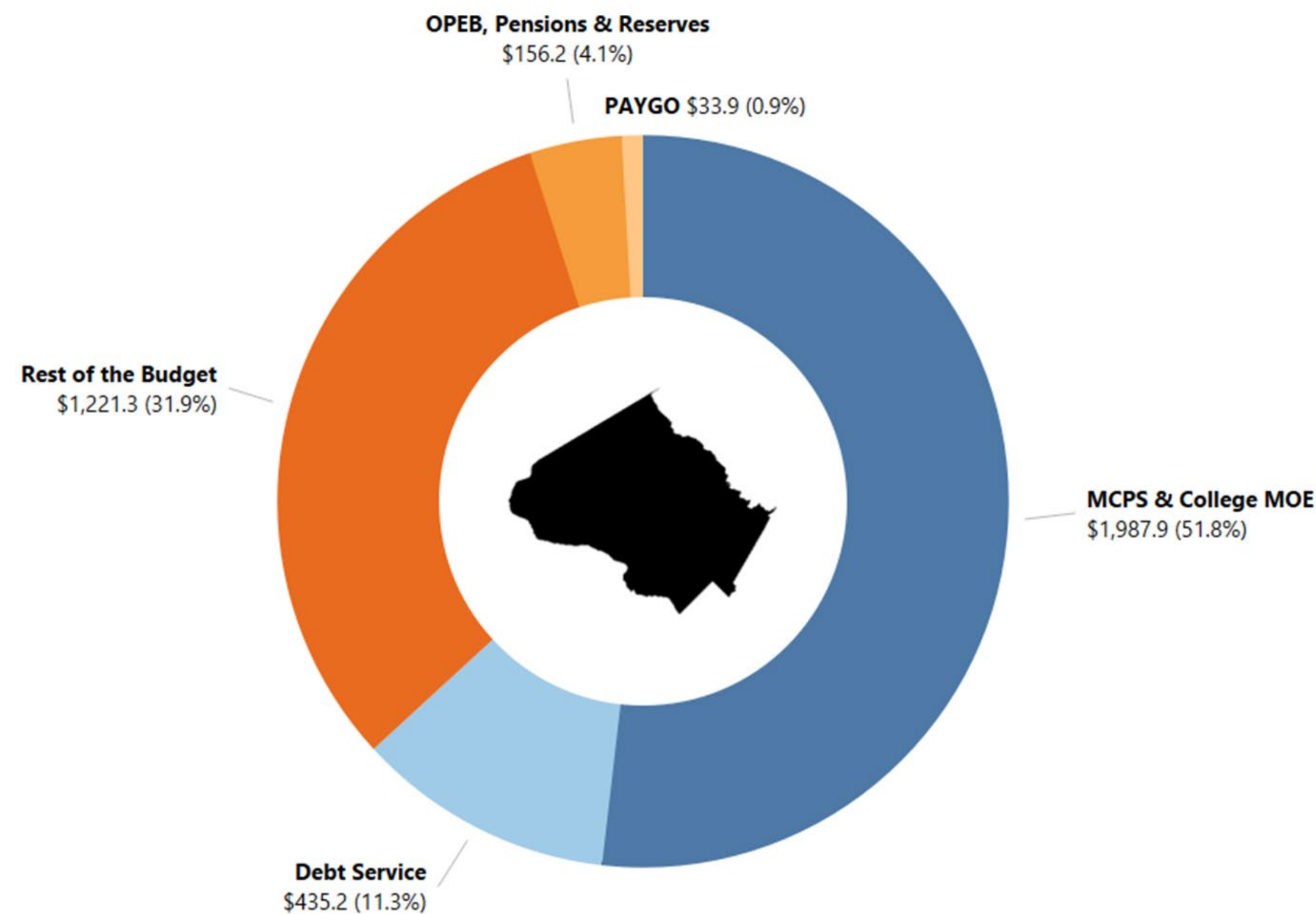
County Executive
Marc Elrich

How the Capital and Operating Budgets are Related

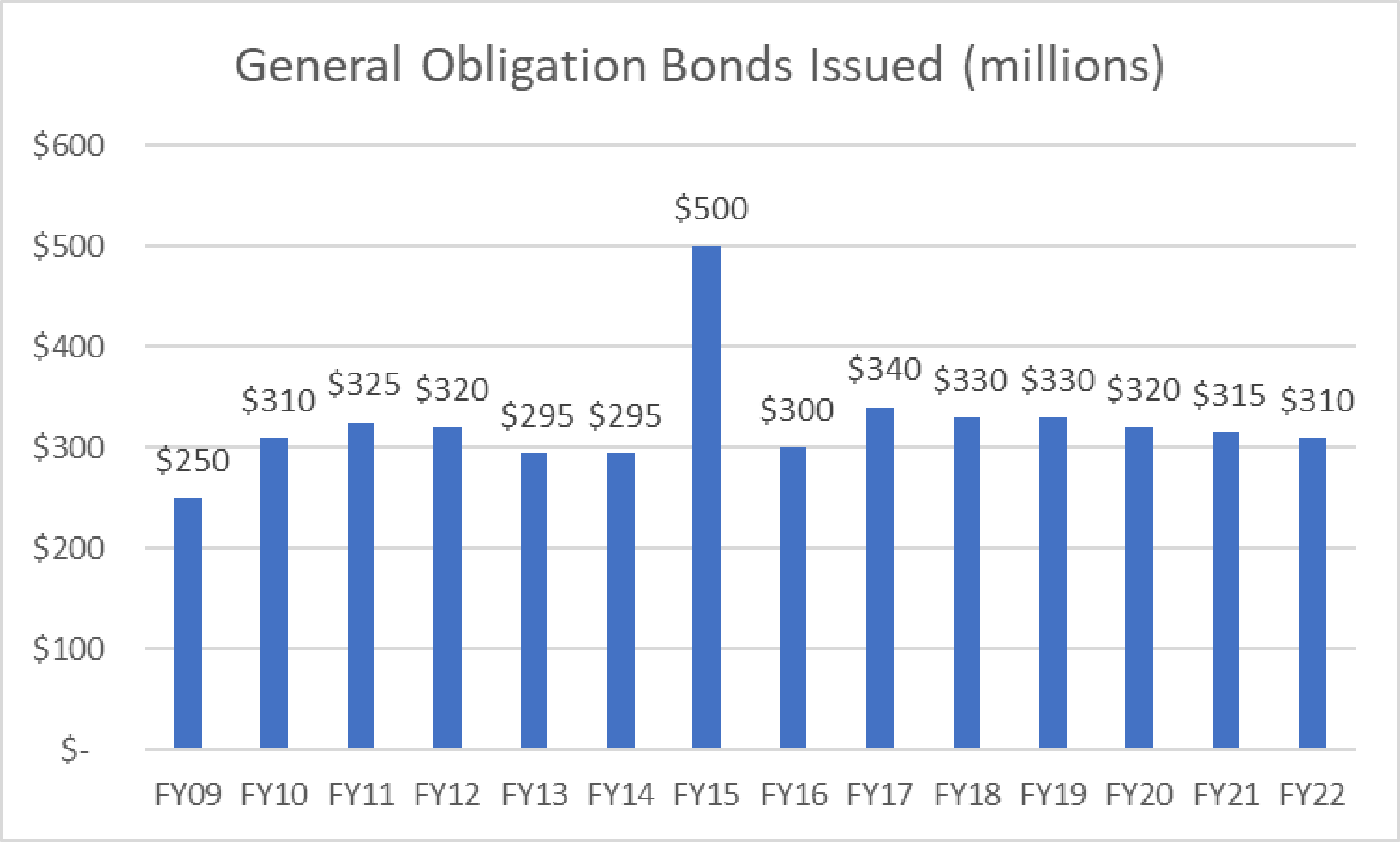
- In FY23, more than \$126 million in cash from the operating budget supports the capital budget
- Cost to Operate New/Expanded Facilities
- Debt Service

FY23 Fixed & Other Commitments as a % of General Fund Operating Revenue (\$millions)

Total General Fund revenue: \$3,834.5



General Obligation Bond Issuance, FY09-22



*FY15 General Obligation Bond issuance includes retirement of interim financing for the Smart Growth initiative.

Debt Service Opportunity Costs

Every \$1 million used for debt service could also be used for:

- Hire **8** fire fighters
- Staff **1** mid-sized library for a year
- Operate **3** Recreation Community centers
- Rental assistance for **416** families for a year
- Emergency shelter for **160** clients for a year
- Child care subsidies for **143** children for a year
- Assist **1,274** County-funded Maternity Partnership program clients
- Pruning **2,150** trees
- Renovations for **91** bus stops

Debt Service Tradeoffs

\$20 million in additional debt will:

- Construct **1** elementary school addition
- Build **4** High School Wellness Centers
- Refresh **4** libraries
- Replace **14** fire station Heating, Ventilation and Air Conditioning Systems
- Build **7** new long span bridges
- Resurface **95** lane miles of residential roadway
- Improve **491,000** feet of curb, gutter and sidewalk

Capital Budget Challenges

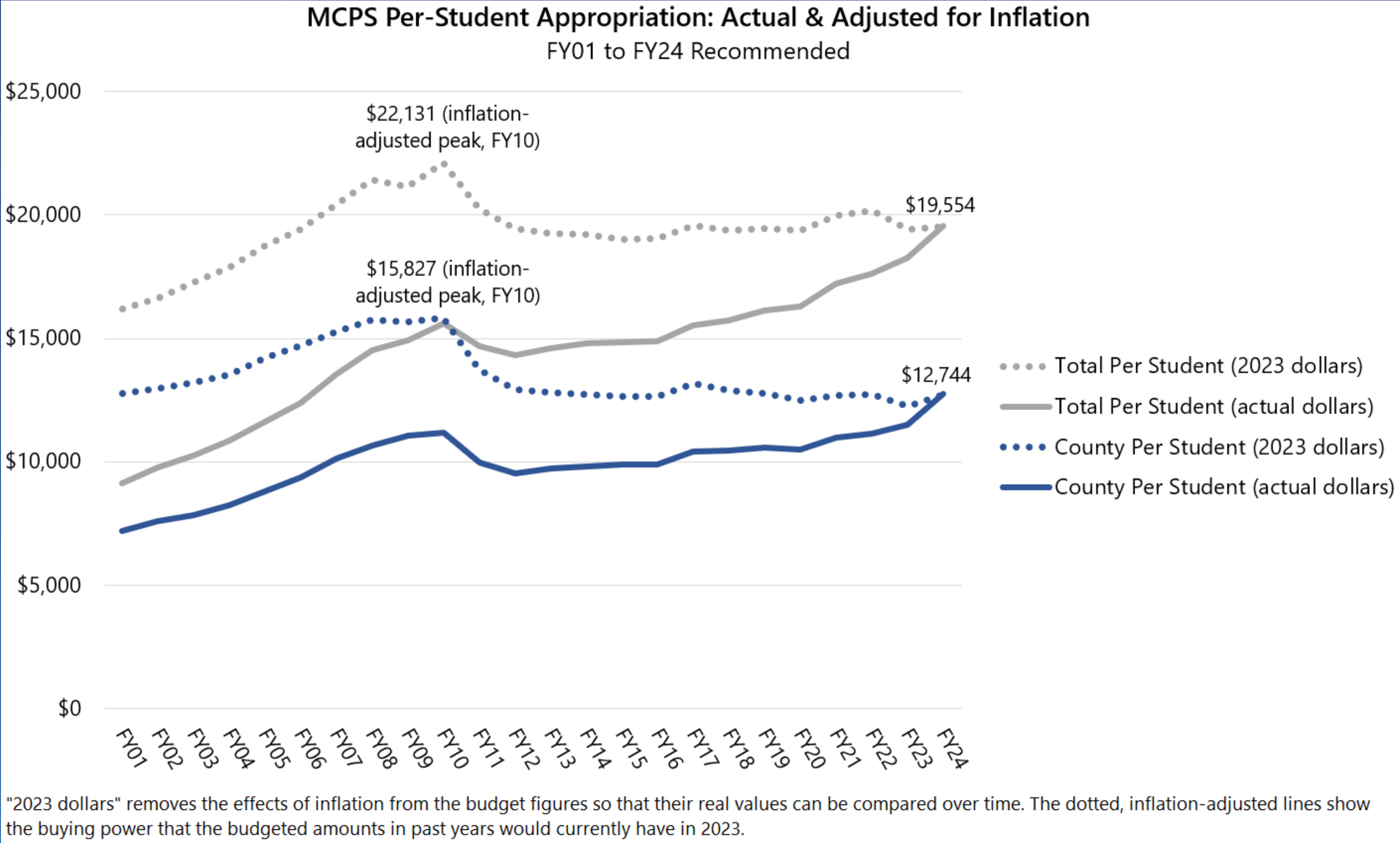
- Great Needs
- Inflation
- Volatile revenues for CIP funding sources such as Impact and Recordation Taxes
- Limited Resources

FY24 Recommended

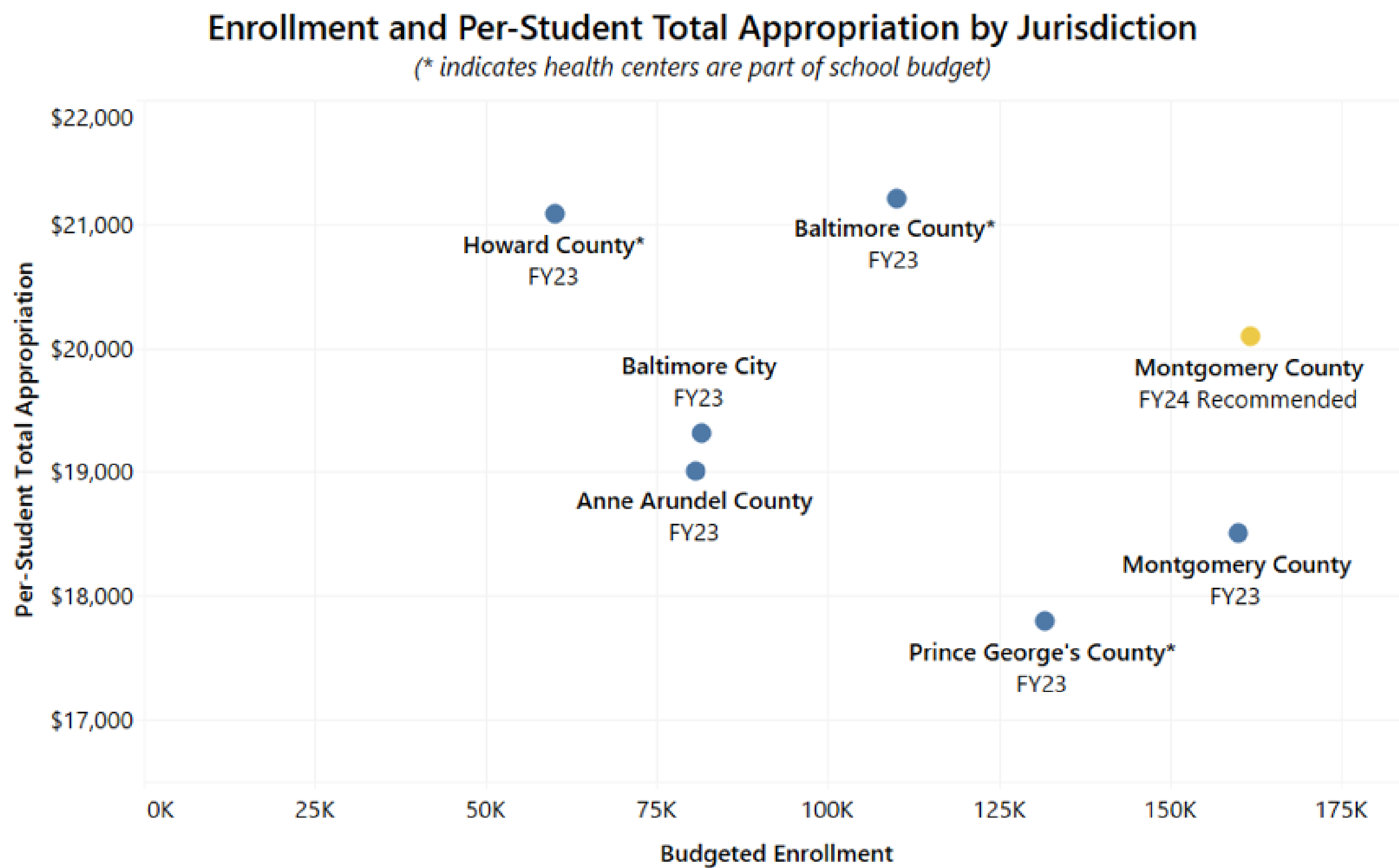
Montgomery County Public Schools Tax Increase

- COVID has had a tremendous impact on our students
 - enormous learning losses that are well documented
 - Staff challenges driven by burnout, non-competitive salaries, and staffing shortages – local and national issue
- School Board requested an increase of \$296 million in funding primarily focused on pay competitiveness that is essential to retaining and recruiting staff
- School Board request is not attainable without revenue enhancement (without forcing us to reverse the progress we've made in other areas important to county residents)
- Proposed \$0.10 property tax increase solely devoted to schools to fund school board request
- It is imperative that we make greater investments in public education and the following slides explain

Why We Need Greater Investment In Our Public Schools



Why We Need Greater Investment In Our Public Schools



Note: Montgomery County FY23 and FY24 Recommended appropriation figures include Enterprise Funds.

Montgomery County Tax Burden - Residential

County Property Tax Rates Fiscal 2022

- Seven counties decreased property tax rates in fiscal 2022: Anne Arundel, Calvert, Cecil, Harford, Kent, Montgomery, and Wicomico.
- Talbot County was the only jurisdiction to increase property tax rates.
- Real property tax rates range from \$0.6565 per \$100 of assessed value in Talbot County to \$2.248 in Baltimore City.

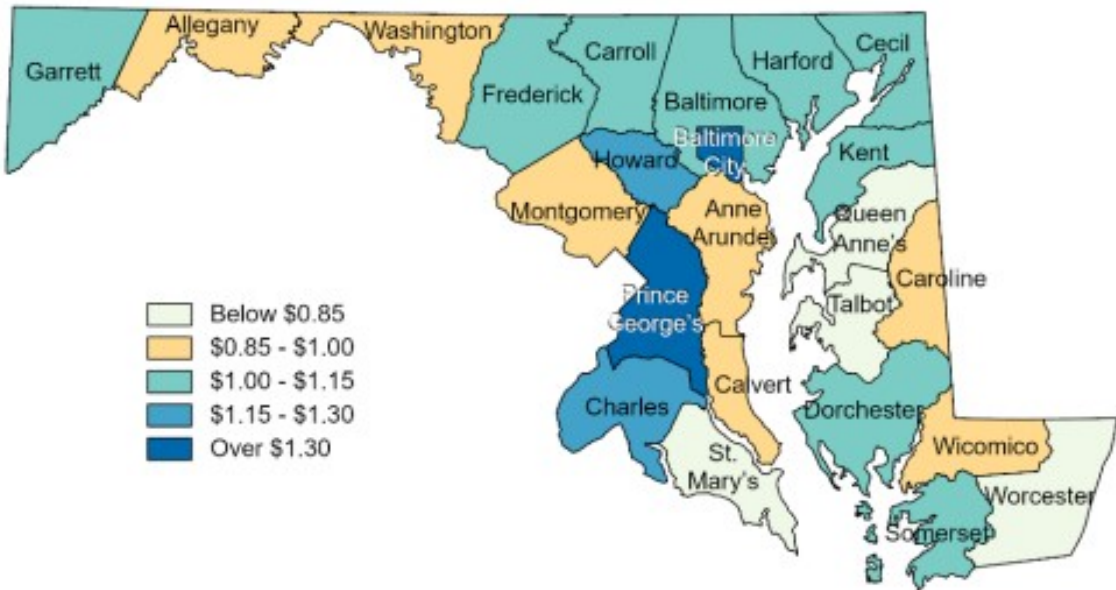


Chart 5: Estimated Tax Burdens for
Five Hypothetical Families, 2020

(Axis scaled to fit tax burden at highest income level)



Source: Maryland Department of Legislative Services; District of Columbia, Office of the Chief Financial Officer

Montgomery County Tax Burden - Commercial

Chart 9: Composition of 2020 Tax Burden of Firm #1 - Small Corporation

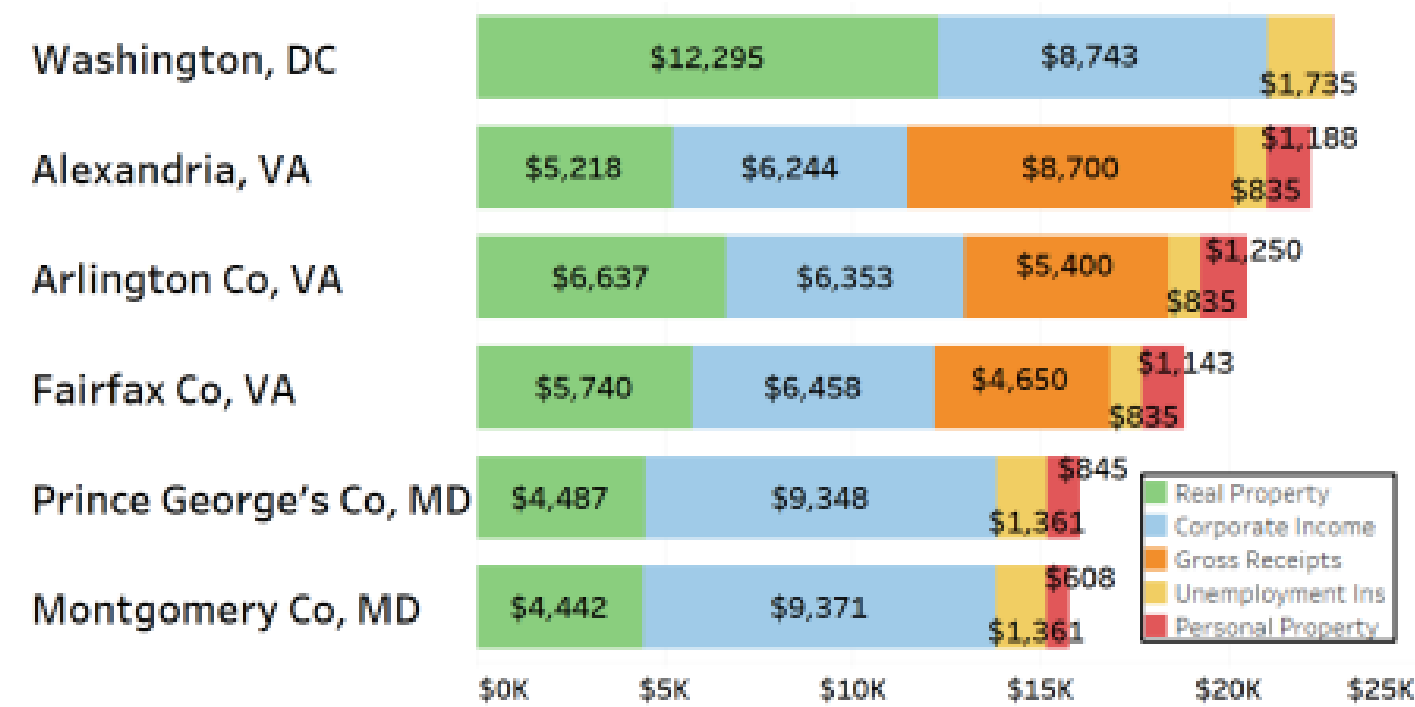
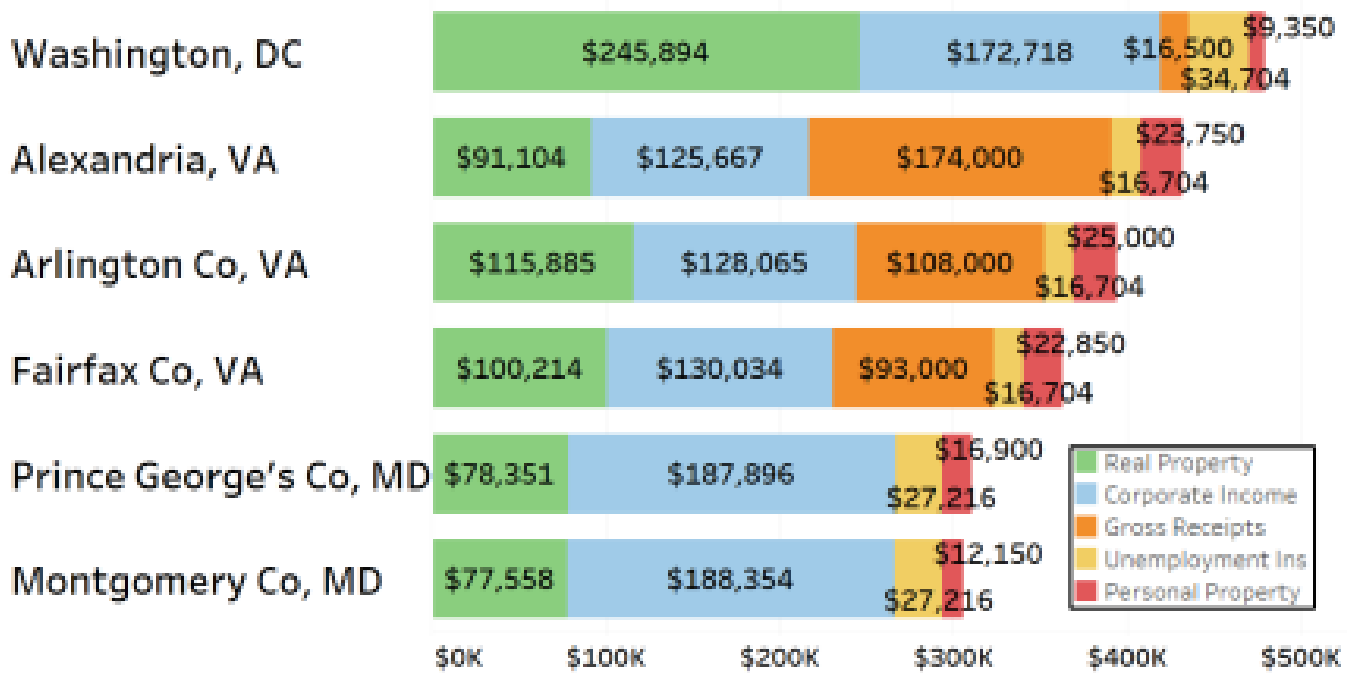
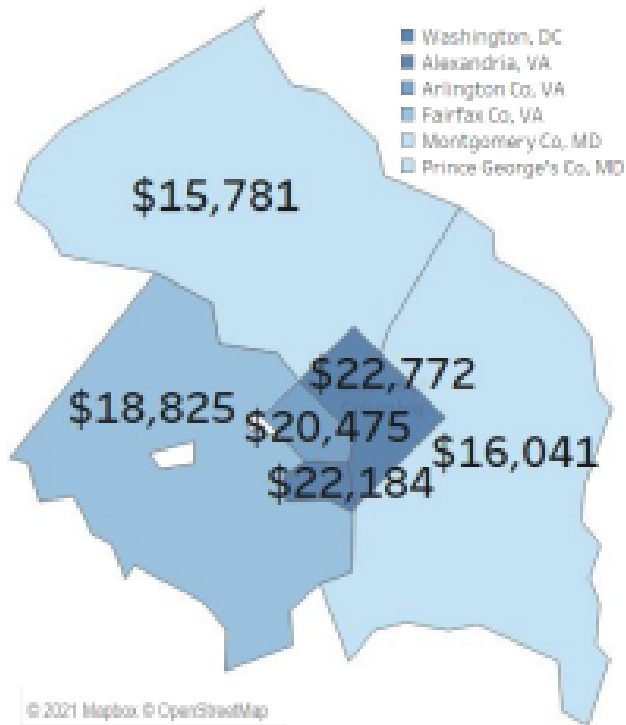


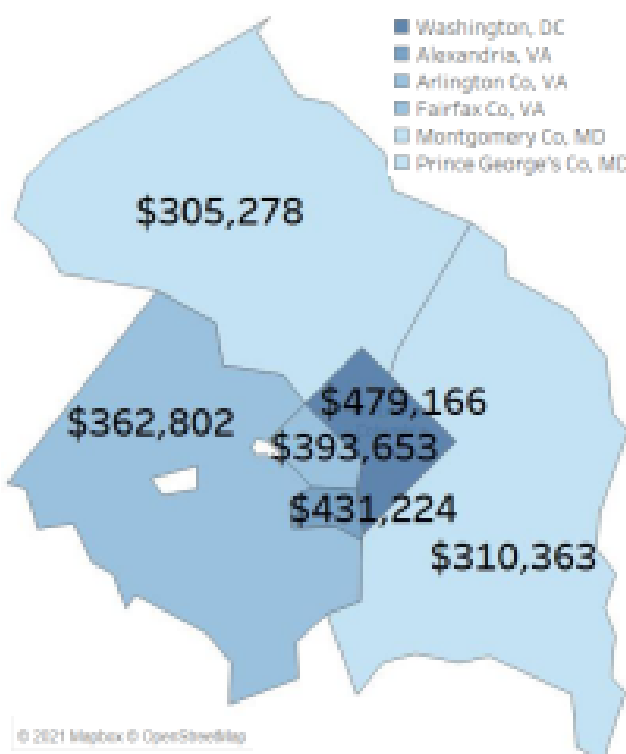
Chart 10: Composition of 2020 Tax Burden of Firm 2 - Large Corporation



Map 1: Firm #1 Total 2020 Tax Burden



Map 2: Firm #2 Total 2020 Tax Burden





Breakout Sessions

Education

Environment & Parks

Recreation, Libraries, General Government

Transportation

Reconvene to report out and adjourn



Report Out & Adjourn