



State of Maryland

Capital Program Highlights

The County Executive and the County Council are actively seeking to increase the State's support of County capital projects.

Currently, the State of Maryland participates in and supports the County's capital program in several ways. Funds to support the capital needs of agencies such as the public schools and community college are authorized in legislation. Funds to meet special needs are requested as they are needed and authorized by the State legislature. State funding for capital projects for County residents is organized into three primary categories:

- State Aid provided to local jurisdictions for County-operated facilities;
- State Aid provided to County nonprofit community entities; and
- Construction of and improvements to State-owned and operated assets within the County.

Once projects are approved, project totals are published, and they can be identified as follows:

- The County's Capital Improvements Program (CIP) lists each project for which State Aid is expected. These funds are shown in the funding schedule of each Project Description Form (PDF).
- The State's contribution to roads and mass transit projects, including a new Rapid Transit System, is discussed in the County CIP, Transportation section.
- The State School Construction program is discussed in the County CIP, Public Schools section.
- State support for Montgomery College is highlighted in the County CIP, Montgomery College section.
- State Aid for construction to be provided to nonprofit community entities is displayed in one of two areas. If the County is also providing some financial support to the project, the State funds will appear on the PDF for that project in the CIP. Alternatively, the project will be listed in the County Operating Budget if other County support is provided. When there is no County financial participation, the project will only be listed in the State budget.
- Improvements to State-owned and operated assets within Montgomery County may be included in the

County CIP if the County provides some support to the project. If the County does not contribute, even though a project may benefit the local taxpayer, it will only appear in State budget documents.

The State capital projects and County projects with State support (excluding transportation projects) are funded primarily through the issuance of general obligation bonds. The State has maintained a AAA rating for many years. The AAA is the highest bond rating available and has the lowest cost to the taxpayer.

State transportation projects are funded through a combination of State and Federal funds. State sources such as Motor Vehicle Fuel Taxes, Motor Vehicle Titling Taxes, Motor Vehicle Registration, Corporate Income Tax, and bond proceeds account for most of the funds available for State-funded road projects. If Federal funds have been awarded, in order to avoid a project delay, the State will advance fund construction with State money.

County Priorities

The County has identified the following priorities for the Capital Program in the forthcoming session of the General Assembly: increased levels of capital investment from the State for our public schools and support for a Health and Human Services project, a Department of Correction and Rehabilitation project, Montgomery College facilities, strategic growth at the Universities at Shady

Grove, various transportation projects (bridges, sidewalks, transit, roads), stream restoration and stormwater management, and land acquisition for parks.

NEW AND ONGOING STATE AND COUNTY PROJECTS

Public Schools

The State provided \$280.0 million for school construction projects in its FY18 budget, of which approximately \$59.194 million was allocated to Montgomery County for school construction and renovation. The support given by the State has been critical to the County's efforts to meet the program and facility needs of its students and communities by providing new and modernized schools. As part of the \$59.194 million in State Aid, the County received \$11.8 million in State Aid for local school systems with significant enrollment growth or relocatable classrooms in FY18 due to passage in April 2015 by the Maryland General Assembly of the Capital Grant Program for Local School Systems with Significant Enrollment Growth or Relocatable Classrooms.

The Executive recommends assuming a total of \$355.2 million in State support for Montgomery County Public Schools (MCPS) for the FY19-24 CIP. As part of the \$355.2 million in State Aid, the recommended CIP assumes \$70.8 million in State grant funds for local school systems with significant enrollment growth or relocatable classrooms.

The Executive will vigorously pursue all forms of State Aid and urges the Board, the Council, the County Delegation, and the community to request that the State fully fund the County's State Aid request.

Montgomery College

The State of Maryland provides funding for the construction and renovation of State community colleges. The Executive's recommended CIP for the College includes State Aid of \$68.7 million for FY19-24, or approximately 24.4 percent of total program costs. The College's plan for County and State funds includes constructing new buildings, renovating existing facilities, improving physical infrastructure, and maintaining the information technology network. Program highlights include a new project to renovate the libraries on each campus, the Takoma Park/Silver Spring Math & Science Center, Rockville and Germantown Student Centers, and the Germantown Science & Applied Studies Phase 1 Renovation. For additional information on these programs, see the Montgomery College section of the CIP.

Maryland-National Capital Park and Planning Commission

State funds include State Program Open Space (POS) funds, State bonds, and other State Aid. POS funds are for acquisition of parkland and development of new parks. POS funds can be used to cover 100 percent of acquisition costs and 75 percent of development costs. Development projects require matching local funds. The County Executive is recommending \$49.773 million in POS funding, a significant increase over the Amended FY17-22 CIP to reflect statutory changes restricting the State's use of this funding source for other purposes and the State's updated revenue forecasts. The FY19-24 Recommended CIP also includes \$175,000 in State Aid.

Revenue Authority

The County Executive's FY19-24 Recommended CIP includes \$250,000 in State Aid for two new Montgomery County Airpark land acquisitions projects to support the Airport Layout Plan (ALP).

State Road Program

In addition to the County roads, transit, bridges, sidewalks, traffic improvements, and public works programs included in the County CIP, the State's Consolidated Transportation Program (CTP) represents a significant investment in improving and maintaining the roadway network in Montgomery County. The State's Draft Consolidated Transportation Program is released each October. Final action on the Statewide CTP is taken by the Maryland Department of Transportation.

The County Executive will seek additional State funding as part of his congestion relief initiative for intersection and interchange

improvements and other State efforts to alleviate traffic congestion problems in the County, including the Corridor Cities Transitway, the relocation of Walter Reed Hospital to the National Military Medical Center in Bethesda and the construction of the Purple Line. For more information on State support for the County transportation program, see the Transportation section of the CIP or the Consolidated Transportation Program.

Transit

The Ride On Bus Fleet project is projected to receive \$1.6 million in Federal Aid and \$400K in State Aid for bus replacement annually from FY19-24.

The County continues to work with the State and the Concessionaire under a Public Private Partnership to finance, design, build, maintain, and operate the 16-mile light rail Purple Line project. The State CTP includes funding for continued design of the Corridor Cities Transitway Project, a State-led Bus Rapid Transit Project in Montgomery County. The County continues to encourage MDOT to continue with design and construction of the project.

Environment and Natural Resources

The County Executive will seek \$18 million in State grant funding for retrofits of stormwater management facilities, stormwater management facility major structure repairs, and for stream valley improvements. The County Executive also will pursue the award of State Water Quality Revolving Loan funds, which would replace Water Quality Protection Bonds as the primary source of funding for the Stormwater Management program.

Other State-Funded Projects

Various State Bond Bills for non-Montgomery County Government groups, nonprofits, and "outside" agencies located within Montgomery County were funded in FY18. Most of these projects did not require County funds, although some County support was appropriated in the Montgomery County FY18 Operating and Capital budgets. Additional projects are being evaluated for a series of State Bond Bills for the next legislative session.