

**MONTGOMERY COUNTY**

**COMMUNITY CONVERSATIONS**

**FY25 OPERATING  
BUDGET AND SERVICES**

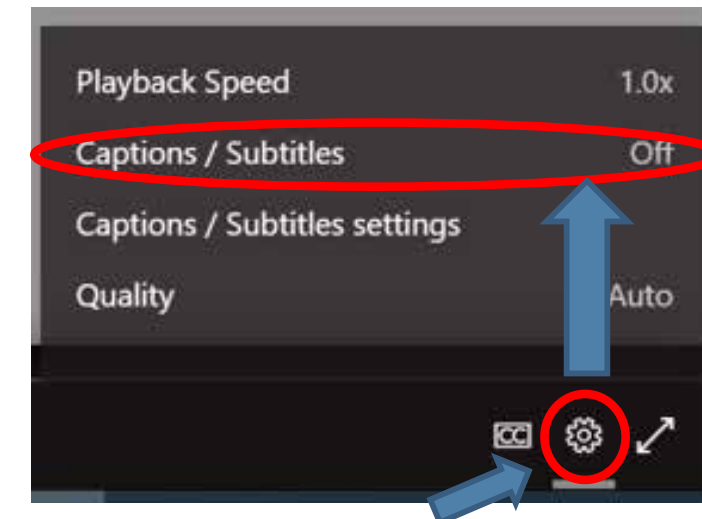
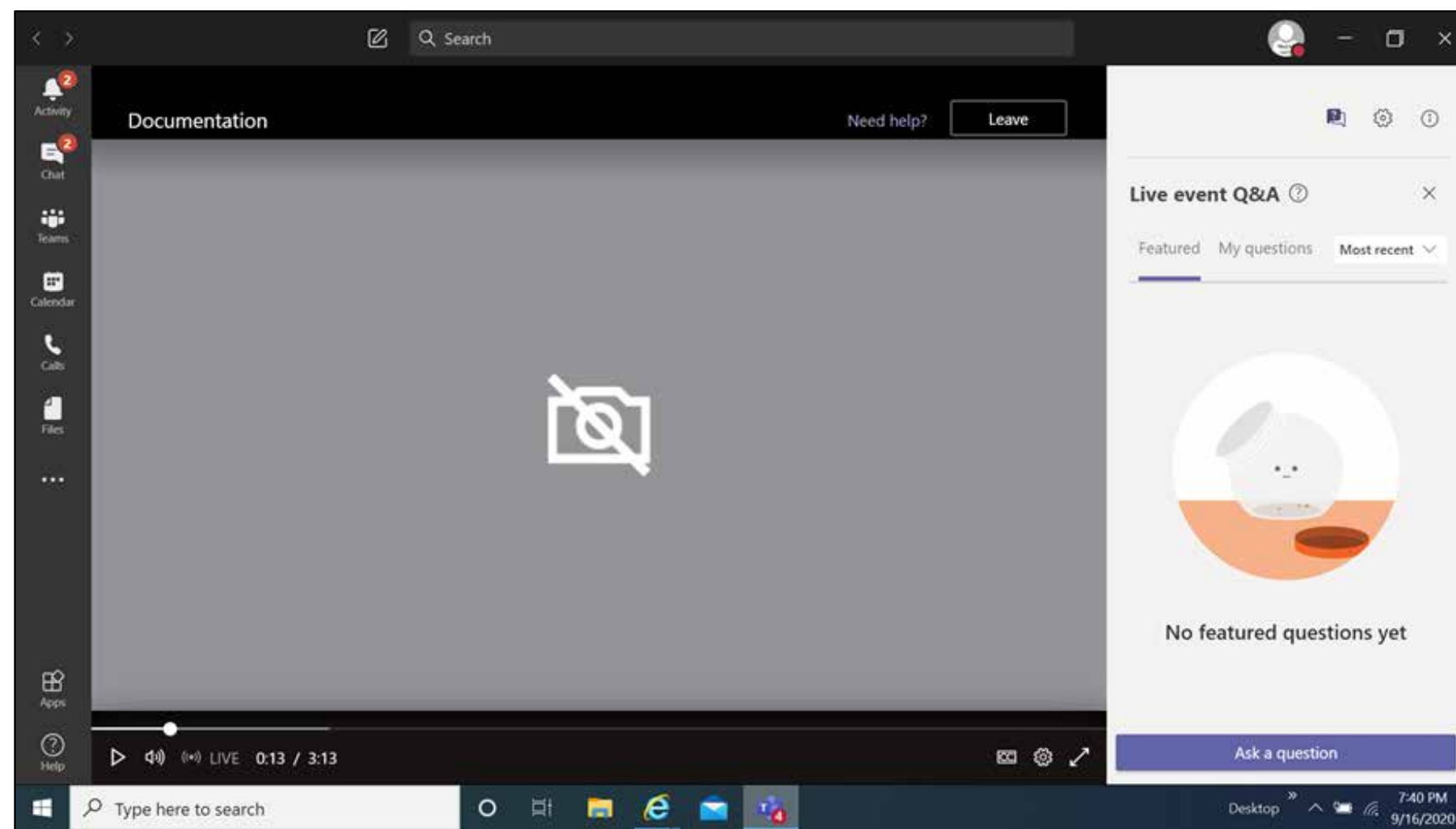
Montgomery County Government,  
Rockville, Maryland



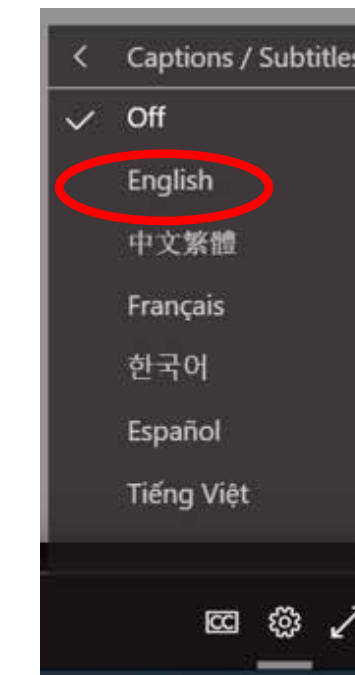
Prepared by the Office of Management & Budget and Department of Finance



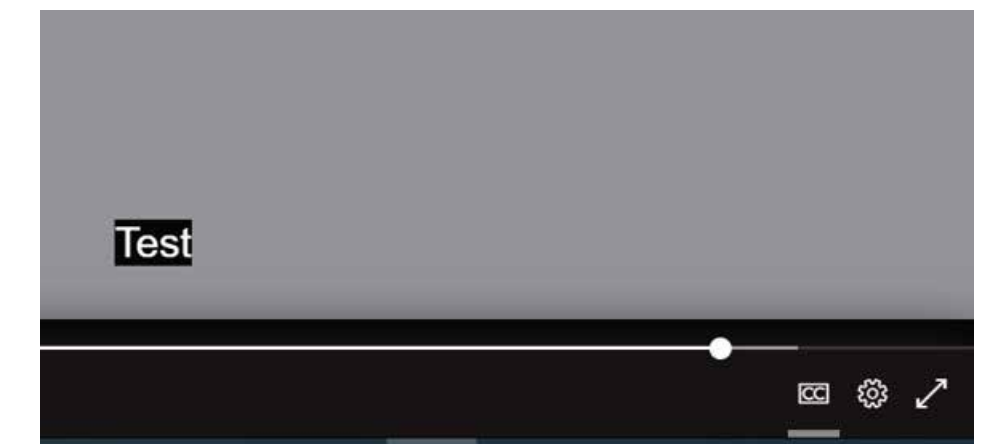
# How you can view the multi-lingual closed captions



When you select it a menu appears, choose **captions/subtitles**



You then select the language of choice



It will then display the language chosen

Disclaimer: The translations provided in this application use what is referred to as mechanical translation technology. Although this method of translation is very effective and provides a high rate of word for word accuracy it is NOT 100% contextually accurate. Things that may affect it are the quality of the microphone used and potentially a person's speech pattern.



# Operating Budget Conversations

- September 14th, Mid-County Community Recreation Center - English
- September 21st, Mid-County Community Recreation Center - **Spanish**
- September 26th, BlackRock Center for the Arts (UpCounty Region)
- September 27th, Bethesda Chevy Chase Regional Services
- October 16th, Parent Teachers Associations – Executive Office Bldg., Rockville
- October 18th, Montgomery College – Takoma Park/Silver Spring Campus - **Amharic**
- November 13th, Silver Spring Regional Services
- November 15th, White Oak Community Rec. Center (Eastern County Region)
- November 27th, Chinese Culture and Community Center Service Center, Inc. - Gaithersburg - **Chinese**
- December 11th - Older Adult Population – Leisure World and Satellite Locations (to be determined)





# Agenda

- Budget Overview and Fiscal Outlook
- Presentation by the County Executive
- Questions and Answers with the County Executive







# Thank You! Your Voice Matters

**The County Executive and the Citizens Advisory Board thank you for taking this opportunity to express your priorities that are important to your community, express your views on the County's Operating Budget, and to learn about the County's Operating Budget.**

A handwritten signature in black ink, which appears to read "Marc Elrich", is positioned above the printed name.

**Marc Elrich**  
Montgomery County Executive





# Budget Overview and Fiscal Outlook

- Understanding the Operating Budget
- Building the Operating Budget
- Fiscal Outlook







# Two Budgets – One County

## Operating Budget: Services

- K-12 Education
- Community College Education
- 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







# Two Budgets – One County

## Capital Budget: Facilities

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







# How do you build your personal budget?

- Calculate your income
- Track your spending
  - Rent/Mortgage
  - Groceries
  - Automobile
  - Utilities
- Prioritize/Make a Plan
- Manage your Debt
  - Credit Cards, etc.
- Unexpected changes/ Adjust your spending







# Building the FY25 Operating Budget

- Revenue Estimates
- Enrollment Forecast
- Fixed Costs for:
  - Employee salaries & benefits
  - Current & future retiree benefits
- Debt service & capital contributions
- New State & Federal Laws





# Operating Budget Process Steps

## STEP 1

**July-September**  
County departments  
review performance  
data

## STEP 2

**September- October**  
County departments  
prepare budget  
proposals

## STEP 3

**September- December**  
Community  
Conversations about  
the Operating Budget

## STEP 4

**January-March**  
County Executive  
reviews data &  
proposals with OMB &  
leadership teams

Climate Change & Racial  
Equity and Social Justice  
included in the review

## STEP 5

**March 15**  
County Executive  
transmits formal  
budget proposal to  
County Council

## STEP 6

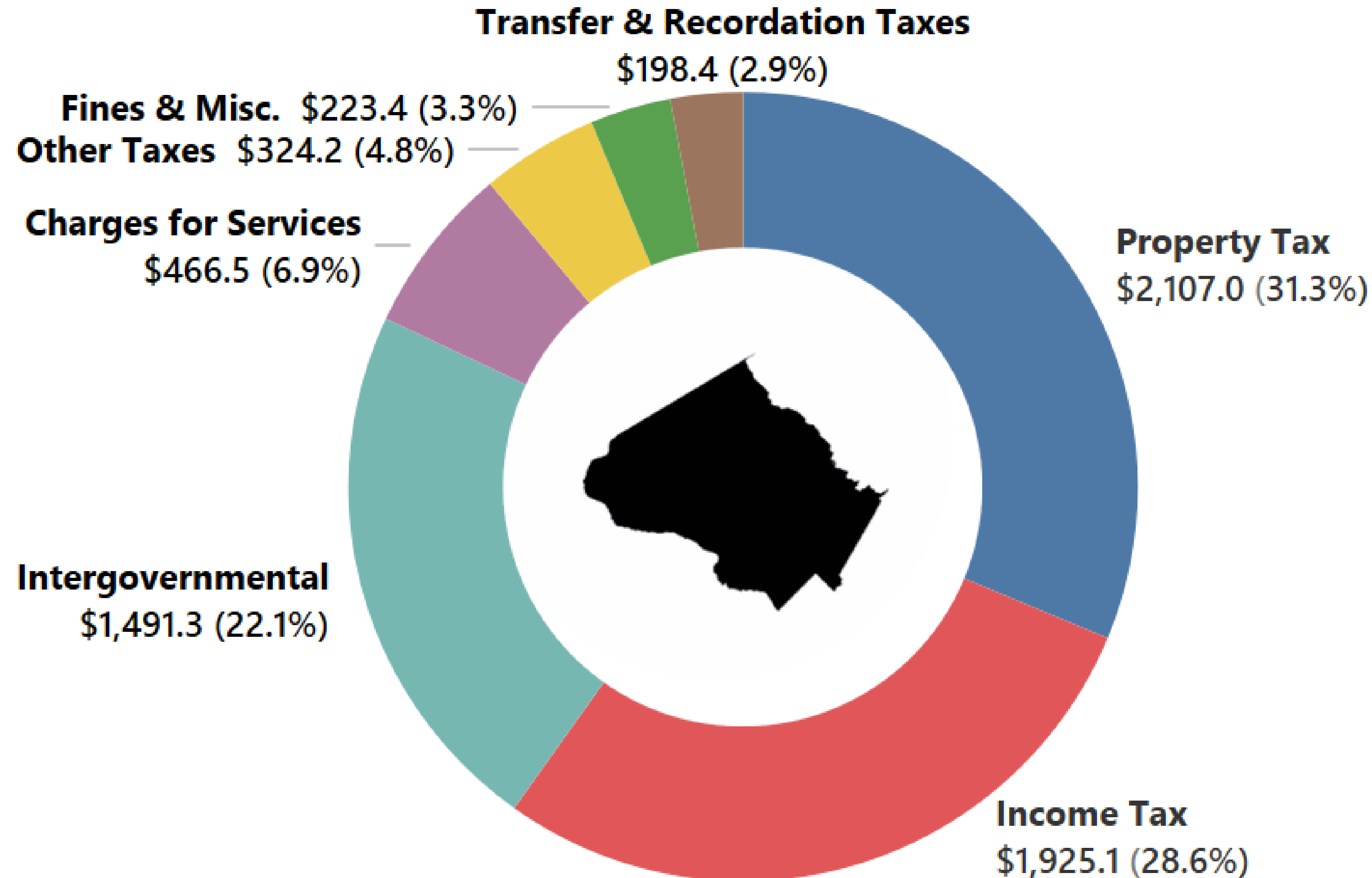
**April-May**  
County Council holds  
public hearings, work  
sessions, and adopts the  
budget by the end of  
May





# FY24 Approved Revenues (\$millions)

Where the money comes from ■ Total revenues: \$6,735.9

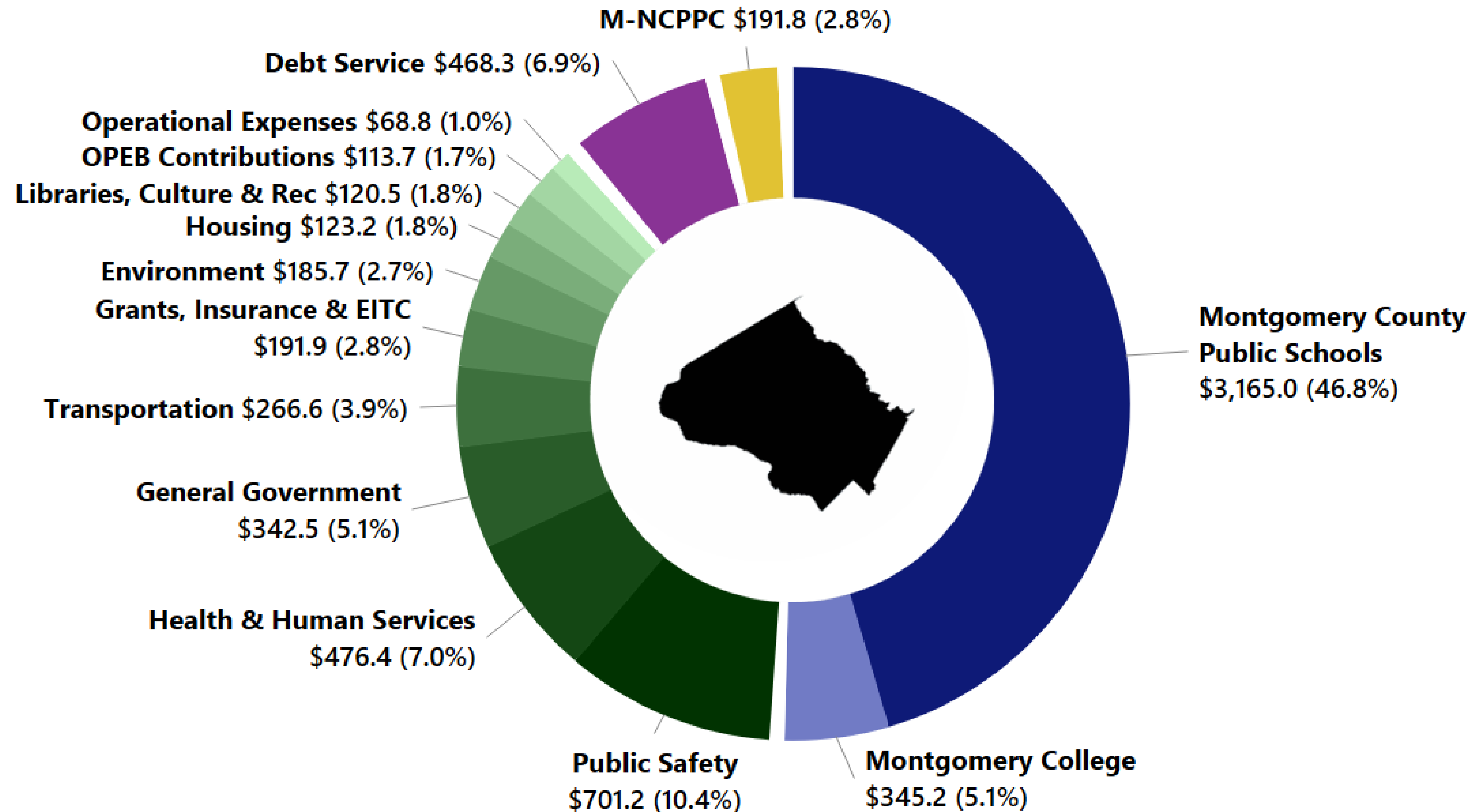






# FY24 Approved Expenditures by Operating Function (\$millions)

Total expenditures: \$6,760.8

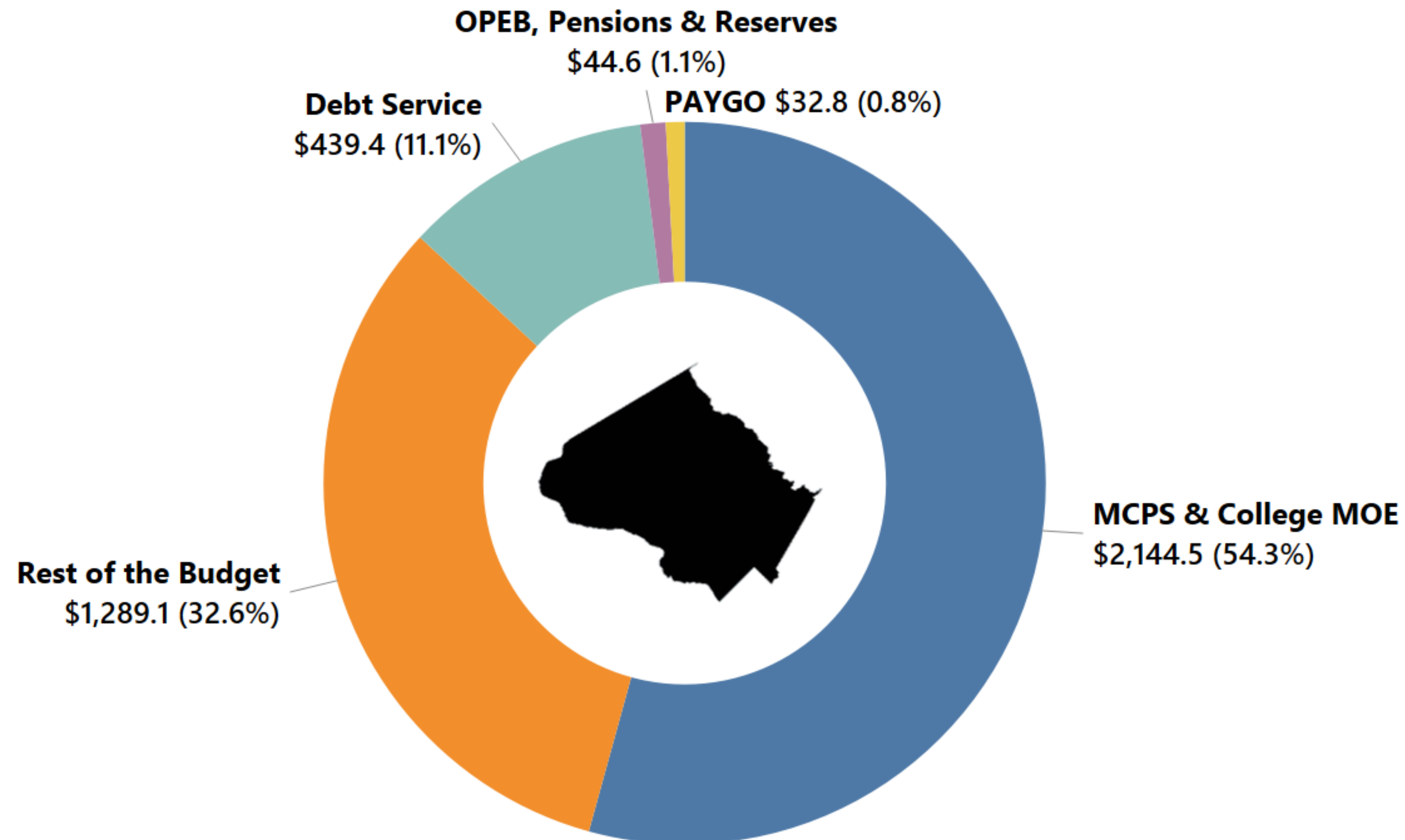






# FY24 Fixed & Other Commitments as a % of General Fund Revenue

Total General Fund revenue: \$3,950.







**“We hold these  
community  
conversations to  
give people a  
chance to be  
heard because  
their voice  
matters.”**

County Executive  
**Marc Elrich**







# Applying Multiple Lenses

## FY25 Operating Budget Development Process

- **Racial Equity Lens – Use the expanded Operating Budget Equity Tool**
- **Climate Change Lens - Reduce greenhouse gas emissions Countywide 80% by 2027 and achieve zero greenhouse gas emissions by 2035 (Climate Action Plan released June 2021)**
- **Community Participation – Listen to ideas from the community**







# Applying Multiple Lenses

## FY25 Operating Budget Development Process Racial Equity Momentum



- Office of Racial Equity and Social Justice (ORESJ) provides training, data sources, manual and rubric for County department users to develop their budget proposals
- ORESJ revamped the Operating Budget Equity Tool
- ORESJ's Tool encourages departments and decision makers to consider racial equity and social justice impacts
- ORESJ will score department responses to the questions in the Tool
- ORESJ will provide scores to departments, OMB, and County Executive for consideration during the decision-making process

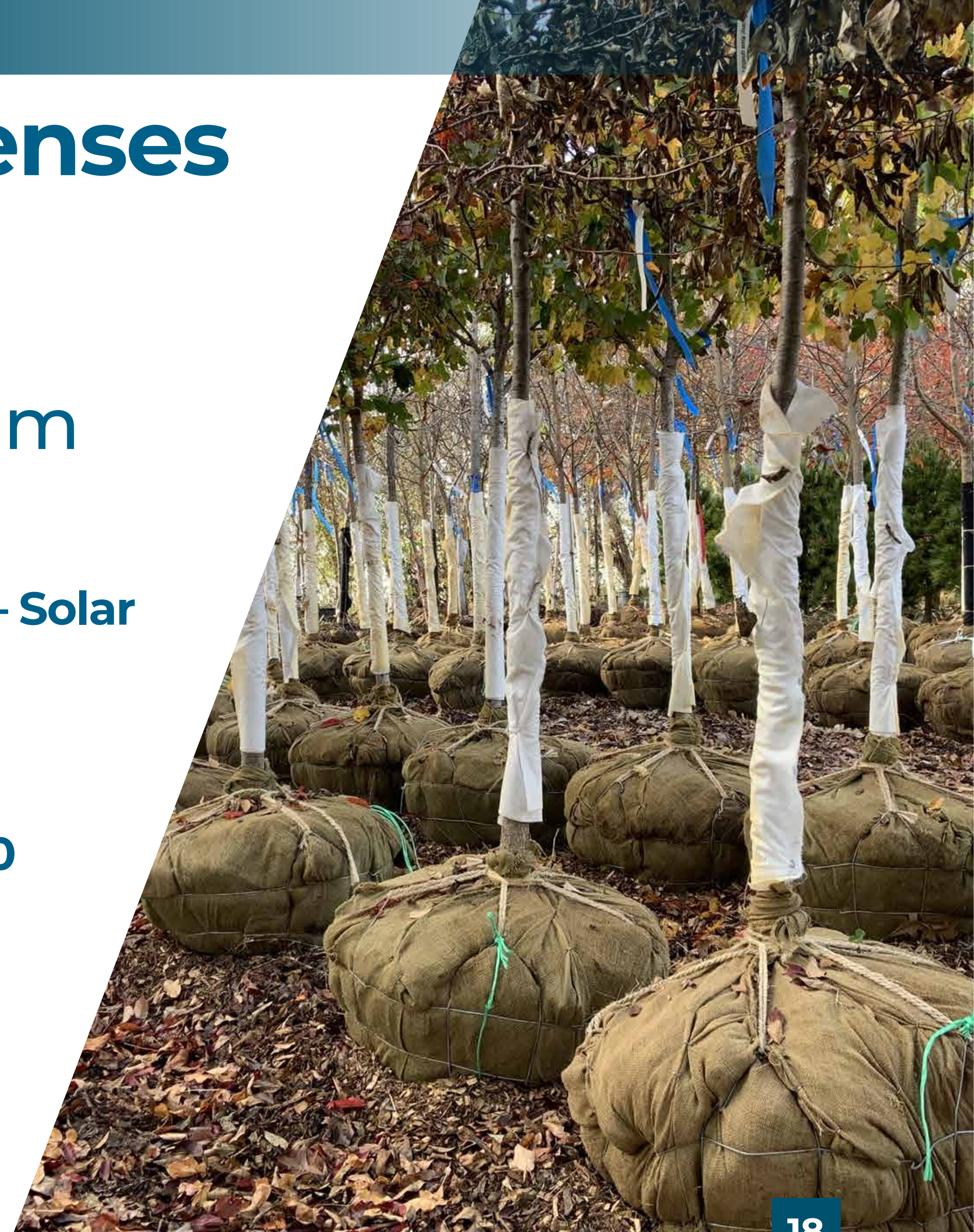




# Applying Multiple Lenses

## FY24 Operating Budget Development Process Climate Change Momentum

- **Environmental Sustainability**
- **Clean and renewable energy sources – Solar microgrids and clean hydrogen fuel generation**
- **Zero Emissions Ride On buses 14–in service in 2023 with approximately 220 zero emissions buses expected in service by 2029**
- **Goal – 100% Zero Emissions by 2035**







# Factors That Will Create Pressure On Our Budget for Multiple Years

- Blueprint funding requirements
- Real estate tax volatility
- Infrastructure demands
- Recruitment and retention challenges





# 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.

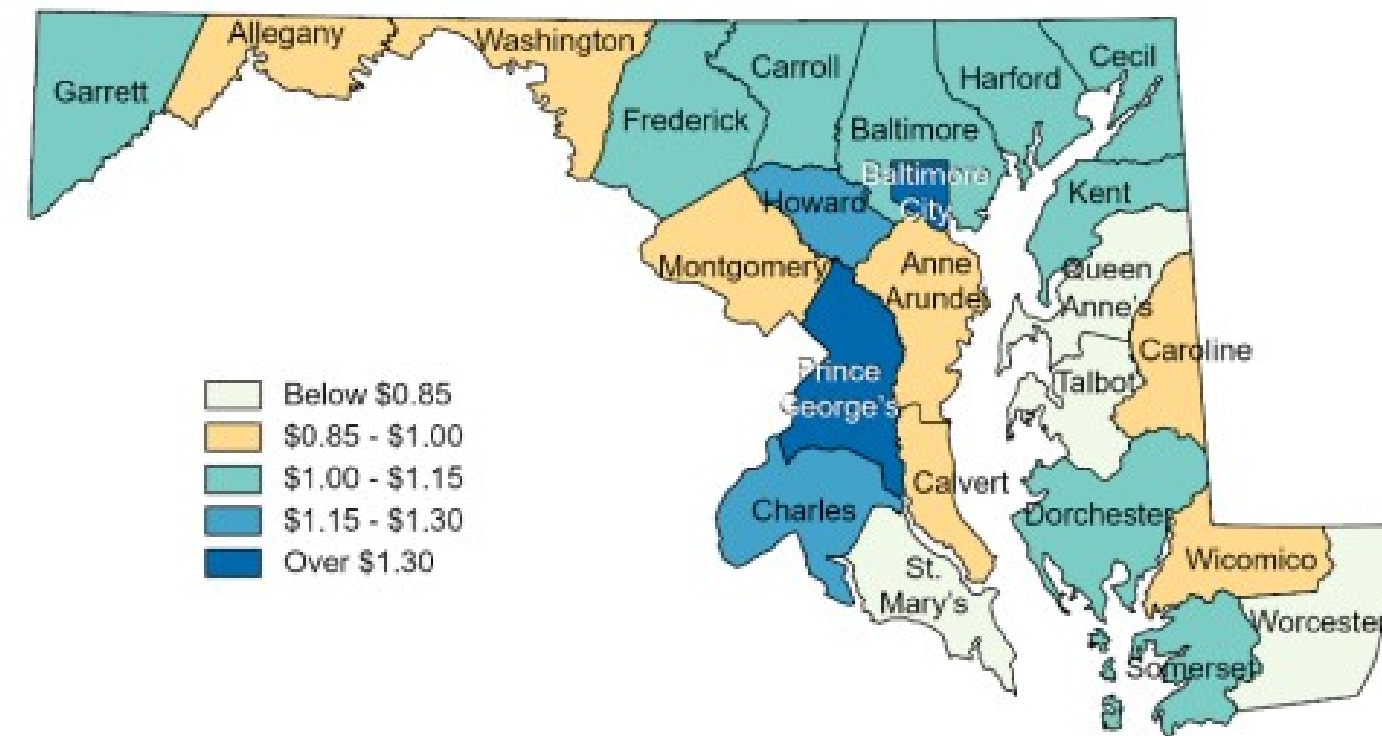
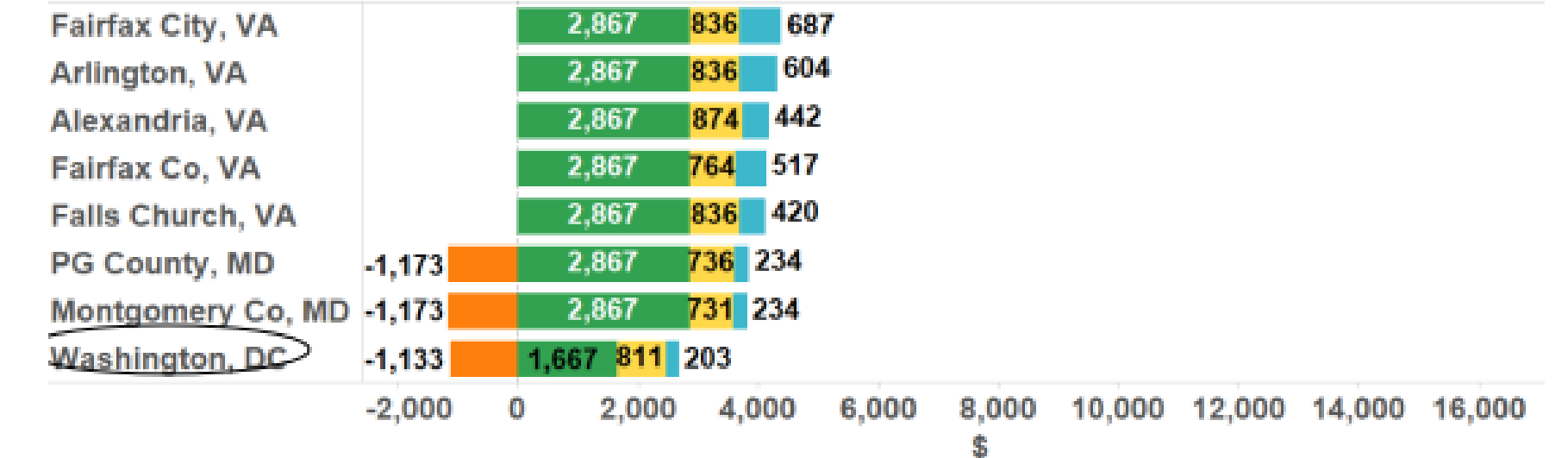


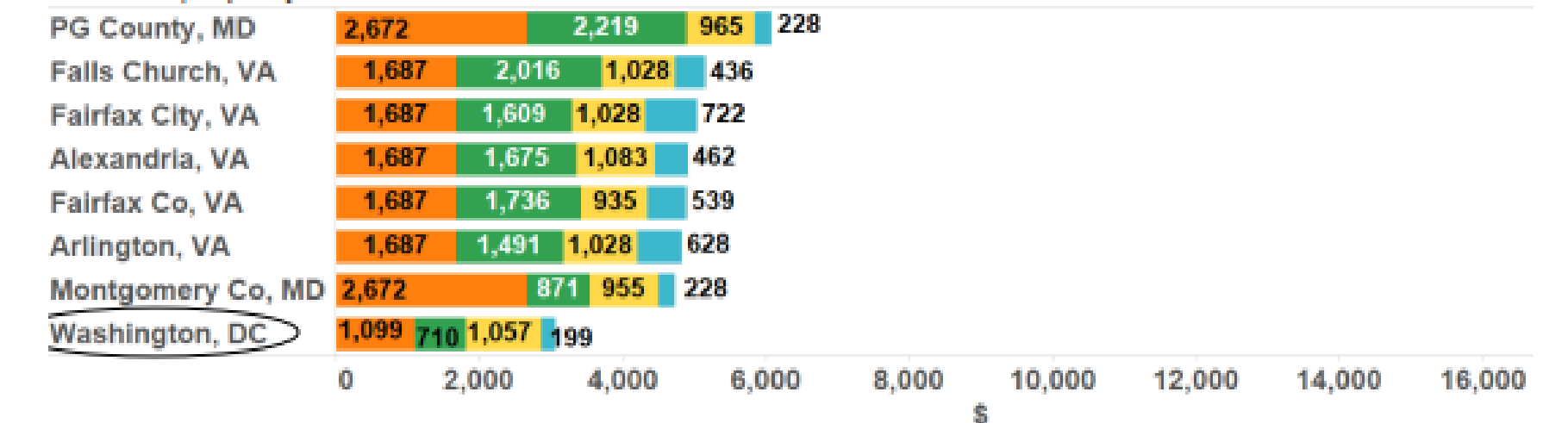
Chart 5: Estimated Tax Burdens for  
Five Hypothetical Families, 2020

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

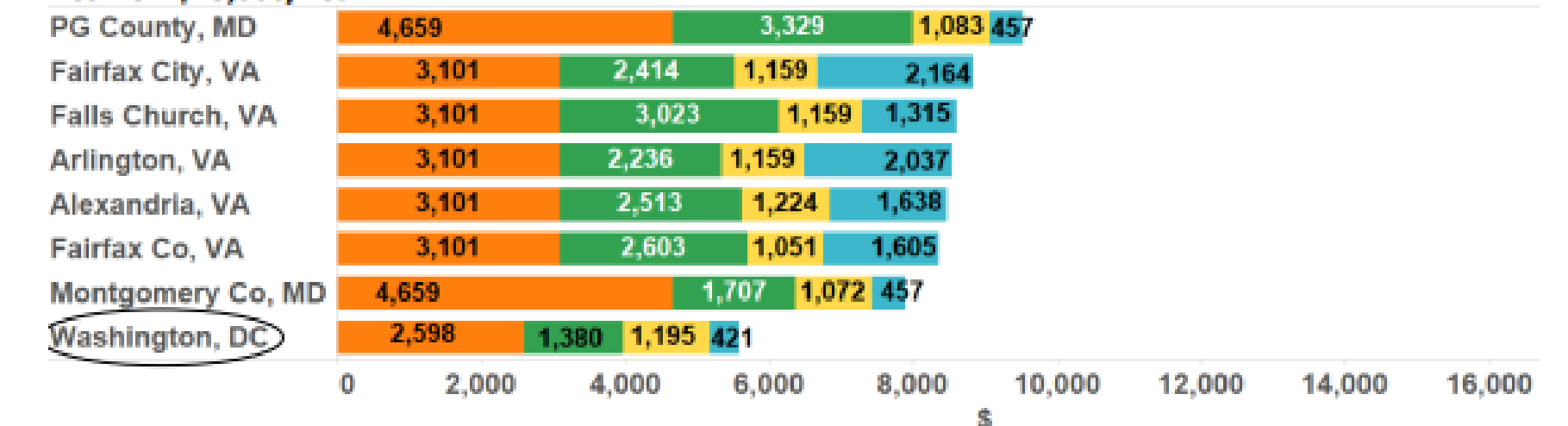
### Income = \$25,000/Year



### Income = \$50,000/Year



### Income = \$75,000/Year



Income Tax Burden  
Property Tax Burden  
Sales Tax Burden  
Auto Tax Burden

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

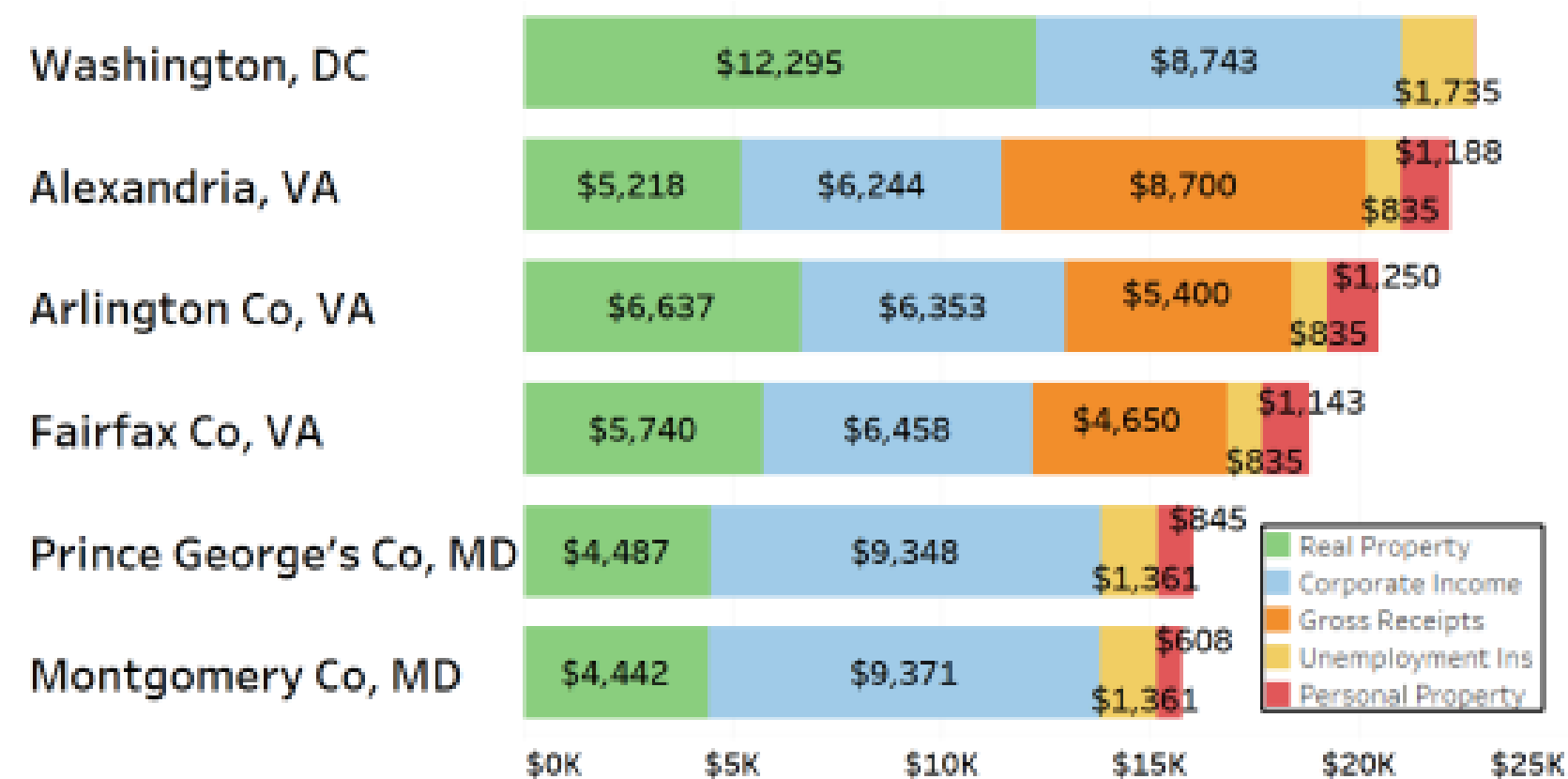
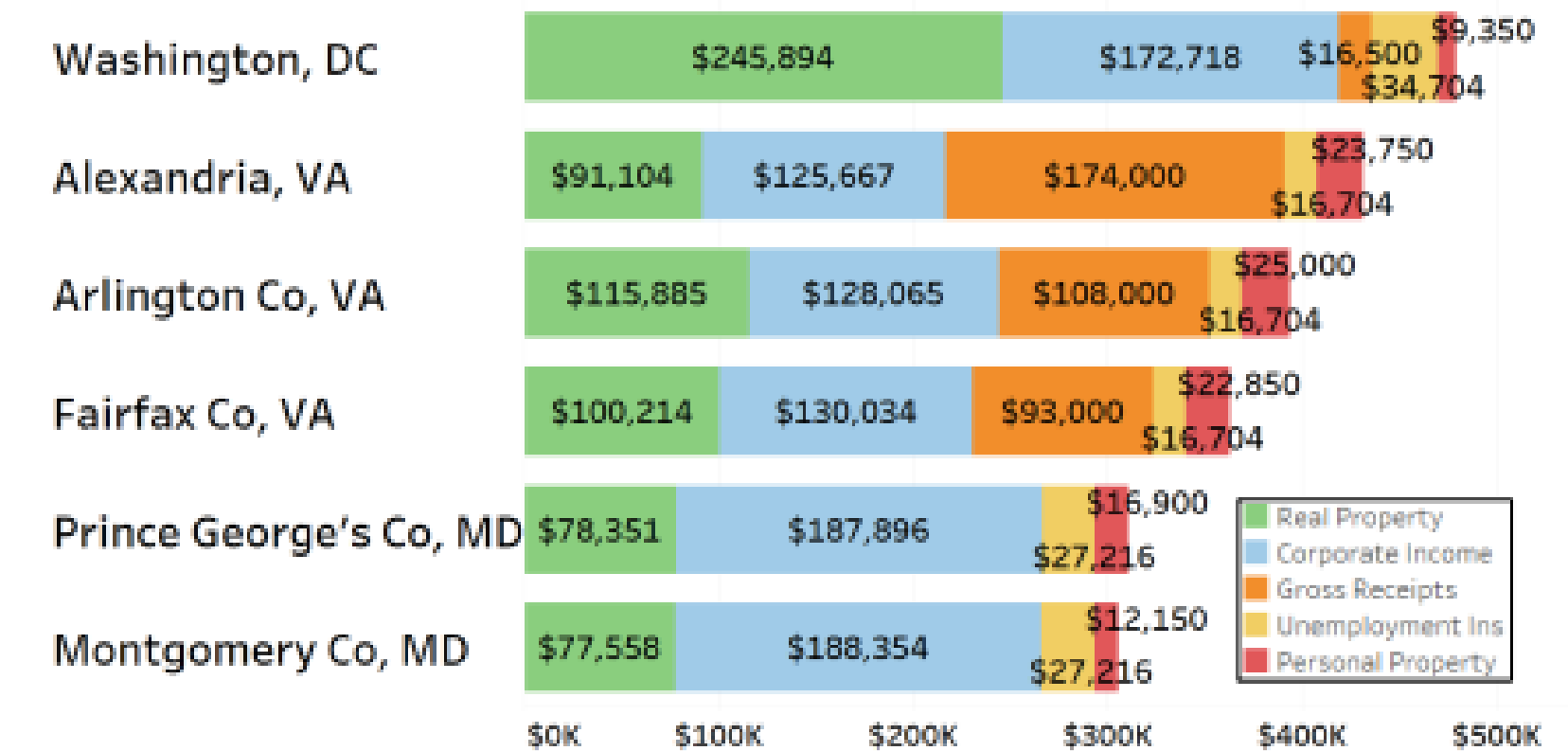
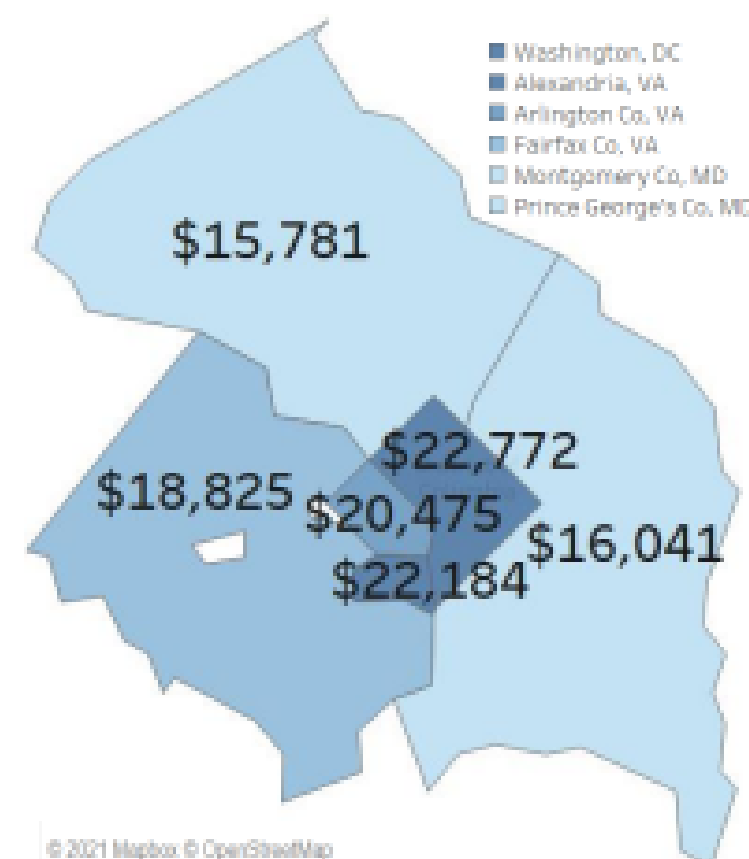


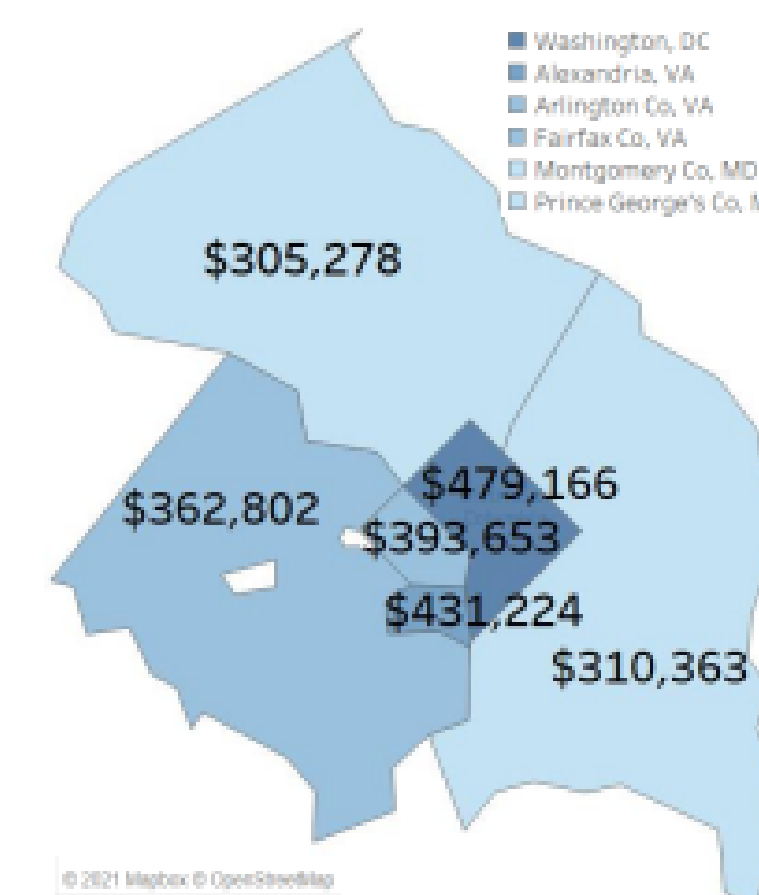
Chart 10: Composition of 2020 Tax Burden of Firm #2 - Large Corporation



Map 1: Firm #1 Total 2020 Tax Burden



Map 2: Firm #2 Total 2020 Tax Burden

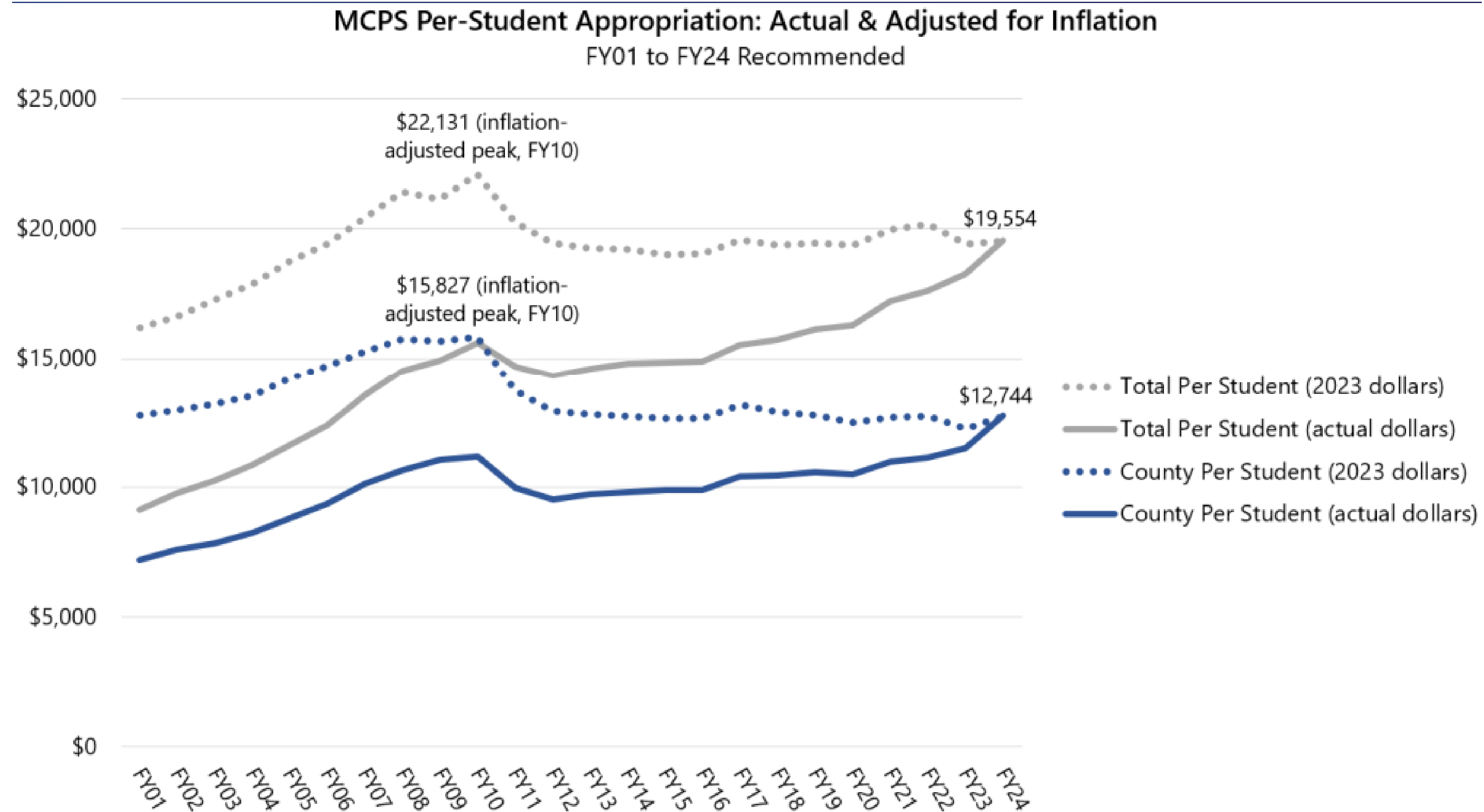


Source: District of Columbia, Office of the Chief Financial Officer





# Why We Need Greater Investment In Our Public Schools



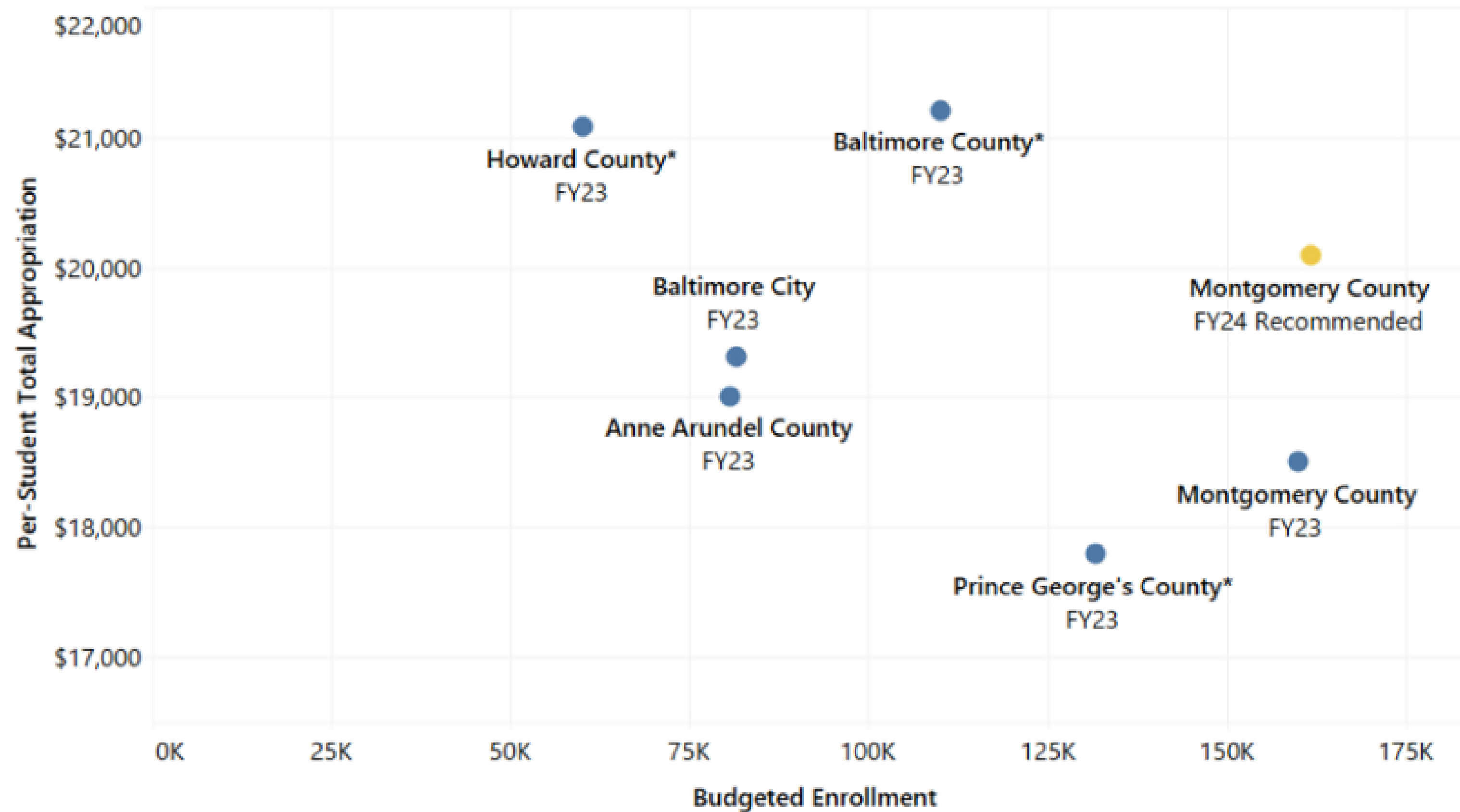
"2023 dollars" removes the effects of inflation from the budget figures so that their real values can be compared over time. The dotted, inflation-adjusted lines show the buying power that the budgeted amounts in past years would currently have in 2023.



# Why We Need Greater Investment In Our Public Schools

Enrollment and Per-Student Total Appropriation by Jurisdiction

(\* indicates health centers are part of school budget)



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





# Services Benefiting the Older Adult Population



**Over \$88 million in the FY24 Budget for Services for Seniors including:**

- **\$18 million for Senior Housing (Hillandale and Randolph Road)**
- **\$7.4 million for Adult Protective Services, Social Services to Adults, and Public Guardianship**
- **\$4.4 million for Transportation Services including the Call N Ride Program**
- **\$4.0 million for Senior Recreation Services and Senior Centers**
- **\$1.2 million for Senior Food Program**
- **\$2.5 million for the Home Care Services Program**





# Services for A More Equitable and Inclusive Montgomery County

- Early Care Initiative
- Office of Racial Equity and Social Justice WorkSource Montgomery, Inc.
- Racial Equity and Social Justice Impact Assessments
- Funding to promote access to primary health care resources/community-based services for uninsured/underinsured residents
- Funding to support the production and preservation of affordable housing







# What's on your mind?

