

County Executive's

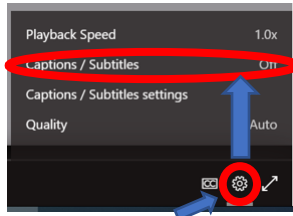
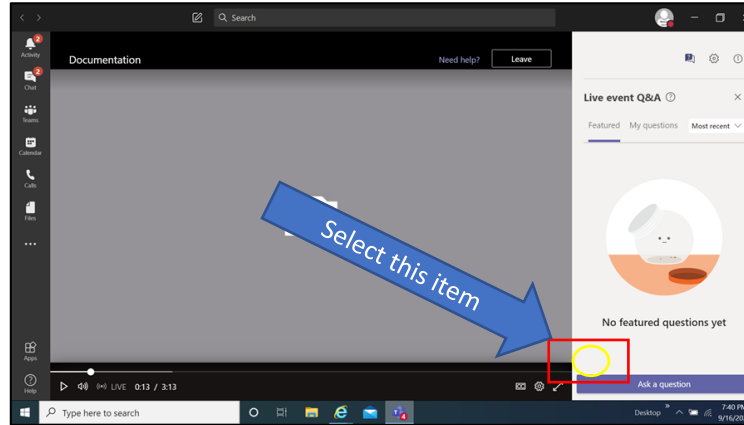
FY22 Operating Budget Forum Briefing

September 2020

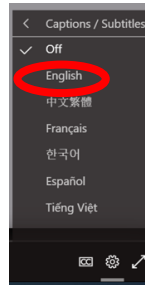


Prepared by Montgomery County Office of Management & Budget and Department of Finance

How you can view the multi-lingual close captions



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choose **captions/subtitles**



You then select
the language of choice



It will then display the language chosen

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Agenda



- **Welcome & Introduction – Regional Services Director**
- **Welcome Remarks – Chair, Citizens Advisory Board**
- **Presentation – Office of Management and Budget**
- **Remarks - County Executive Marc Elrich**
- **Community Questions & Comments**
- **Closing Remarks - County Executive Marc Elrich**

OMB Presentation



- **Purpose of Budget Forums**
- **Understanding Our Budget**
- **Building the Operating Budget & Process Timeline**
- **Online Resources - Open Budget**
- **Fiscal Outlook**
- **County Executive's Operating Budget Priorities**

Purpose of Budget Forums



- 1. Inform residents about the County's Operating Budget**
- 2. Provide residents with an opportunity to express their priorities and views on the County's Operating Budget**

Thank You!!



The **County Executive** and the **Citizens Advisory Board** thank you for taking this **opportunity** to learn about the County's operating budget, to **express** your views on the County's Operating Budget priorities and **get answers** to your questions.

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

Building The Operating Budget



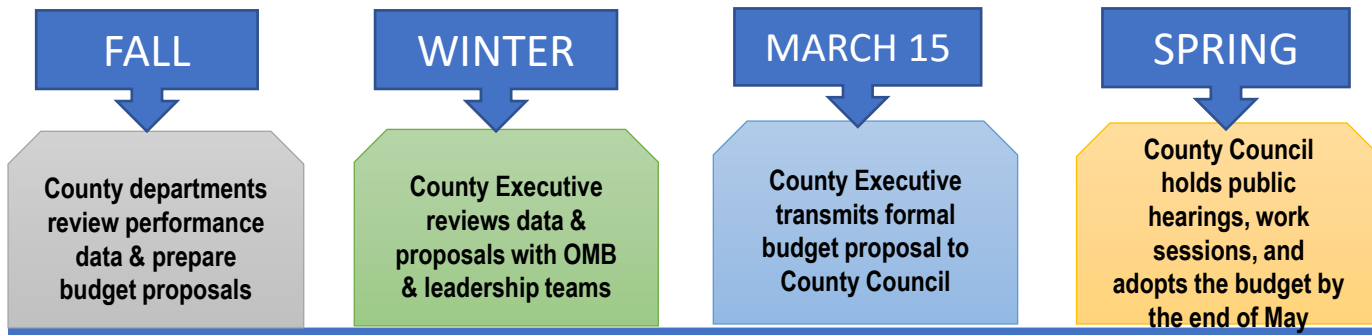
Building the FY22 Operating Budget

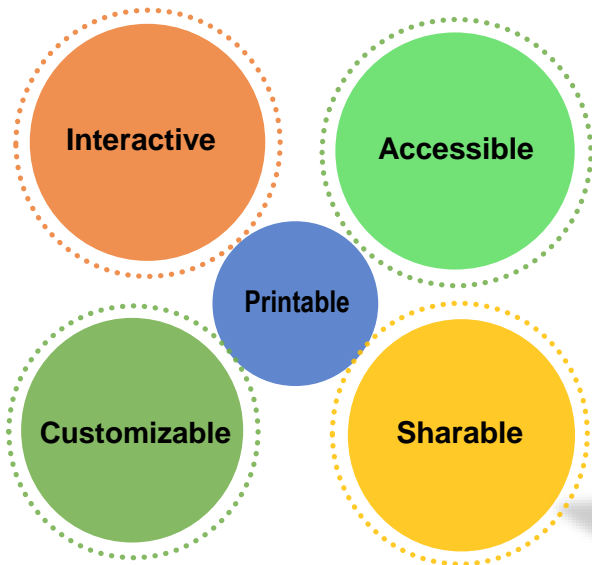


1. Revenue Estimates
2. Enrollment Forecast
3. Fixed Costs for:
 - Employee salaries & benefits
 - Current & future retiree benefits
 - Debt service & capital contributions
4. New State & Federal Laws
5. COVID-19 Crisis



Operating Budget Process





Open Budget - Capital

Including Projects & MAPS



Planning
Areas

Projects

Schedules

Council
Districts

Maps



Clarksburg Library

(P710500)

Category	Culture and Recreation	Date Last Modified	5/17/18
SubCategory	Libraries	Administering Agency	General Services
Planning Area	Clarksburg	Status	Planning Stage

EXPENDITURE SCHEDULE (\$000s)

Cost Element	Total	FY17	FY18	Total	FY18	FY19	FY20	FY21	FY22	FY23	Revised
Planning, Design and Supervision	2,134	-	2,134	-	1,064	1,070	-	-	-	-	2 Years
TOTAL EXPENDITURES	2,134	-	2,134	-	1,064	1,070	-	-	-	-	

FUNDING SCHEDULE (\$000s)

Funding Source	Total	FY17	FY18	Total	FY18	FY19	FY20	FY21	FY22	FY23	Revised
US Bonds	2,134	-	2,134	-	1,064	1,070	-	-	-	-	2 Years
TOTAL FUNDING SOURCES	2,134	-	2,134	-	1,064	1,070	-	-	-	-	



Community Participation



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

Community Participation



Regional Citizen Advisory Boards

The five regional Community Advisory Boards are a way to keep up to date on issues affecting your communities and to have a voice. Take an active role by participating & engaging in your local Advisory Boards. Currently these meetings are being held online and are open to the public. Join with your computer, laptop, tablet, phone or call in with your phone.

If you have any questions, please contact the respective Regional Service Directors of the five regions.

For more information, go to the following websites for each of the five regions:

UpCounty - <https://www.montgomerycountymd.gov/upcounty/>

Mid-County - <https://www.montgomerycountymd.gov/midcounty/>

East County - <https://www.montgomerycountymd.gov/eastcounty/>

Bethesda-Chevy Chase - <https://www.montgomerycountymd.gov/bcc/>

Silver Spring - <https://www.montgomerycountymd.gov/silverspring/>

Fiscal Outlook



Fiscally Responsible Government

Montgomery County is Focused on Financial Sustainability



- Balanced Budget Required By Law Despite Revenue Volatility
- Aggressive Reserve Target Policy
- Manage the Rate in Growth of Debt Expenditures
- Well-Managed Retirement Obligations – Pre-funding for pensions and retiree health insurance (OPEB)



Approved FY21 Operating Budget Fiscal Snapshot

- **The approved FY21 operating budget was a ‘continuity of services’ budget and assumed revenues as of March 2020.**
- **A large portion of the General Fund expenditures are mandatory.** MCPS and College budgets are subject to future Maintenance of Effort requirements, Revenue Stabilization Fund, and debt service payments constituted 64.2% of the FY21 approved general fund revenues.
- **FY21 fees, bus fares, licenses, permits, fines and other revenue are likely to be significantly impacted in the General, Mass Transit, and Recreation Funds.** A 25 percent decline in these revenue sources would equal approximately \$35.9 million in reduced revenues compared to the FY21 approved budget.

Fiscal Outlook & Revenues



Revenues – Mixed Signals

- **July revenue updates projected a \$190 million reduction in revenues in FY21.** This will have long-term financial consequences due to the charter limit.
- **In July, revenues for FY21 and FY22 were estimated to be LESS than FY20, not recovering until FY23.**
- **In September, the State of Maryland reported ending FY20 with a surplus.**
- **The County's August income tax distribution was above revised estimates.**
- **Critical information needed to refine revenue estimates will not be known until late September (property taxes) and November (income taxes).**

Fiscal Outlook & Revenues



Revenues – Mixed Signals

- Due to COVID-19, homes sales have decreased 2.2% through July 2020 compared to January - July 2019.
- Because of the COVID-19 crisis, the County's unemployment rate was 7.4% in July 2020 compared to 3.2% in July 2019.
- **Additional federal support for individuals, businesses, and local governments is uncertain.** Federal related unemployment and business assistance programs were critical in mitigating County and State revenues.

Fiscal Outlook & FY21 Revised Spending Plans



- In late July, the County Executive and County Council agreed to a FY21 revised spending plan for tax supported operating budgets equaling \$43.7 million
- At the same time, the County Executive and County Council agreed to a FY21 CIP Savings Plan of \$27.7 million between PAYGO and CIP Cash

Fiscal Outlook & COVID-19



Federal assistance – The County has already received \$222.6 million in Coronavirus Aid, Relief, and Economic Security (CARES) Act and other funding from the federal government; we will seek to maximize FEMA reimbursements.

Fiscal Outlook & COVID-19



- **New Spending in response to COVID-19 – the County is providing several grants and assistance programs to the local community.** A few examples are:
 - Assistance to Small Businesses: \$25 million
 - Rental Assistance & Homelessness Prevention: \$22 million
 - Re-Open Montgomery Initiative: \$14 million
 - Food Security Programs: \$10.3 million
 - Assistance to Childcare Providers: \$10 million
- **Differential pay for County employees** for work in direct response to the COVID-19 emergency such as: Nurses, Social Workers, Fire fighters, Correction Officers, and Police Officers



County Executive

Marc Elrich

County Executive Marc Elrich's Signature Initiatives



- ❖ **Expanding** Early Care and Education
- ❖ **Increasing** Affordable Housing
- ❖ **Building** Bus Rapid Transit
- ❖ **Fighting** Climate Change
- ❖ **Improving** Economic and Community Development
- ❖ **Reimagining** Public Safety
- ❖ **Advancing** Racial Equity & Social Justice

Marc Elrich's Initiatives

Expanding Early Care and Education

To develop a comprehensive system of high-quality, accessible and affordable early childhood education.

- **Launched March 2019.** Interagency and stakeholder group formed committees to address Year One goals and develop recommendations for a Four-Year Action Plan.
- **Four-Year Action Plan.** Focused on five areas: sustainability, access and affordability, alignment, expansion, and financing.
- **Year One Accomplishments.** Invested \$7M in first year. Expanded seats by 1,265 in multiple settings. 98% of families transitioned from Working Parent Assistance (WPA) to State Child Care Scholarships. Created 5 new cohorts to recruit and retain new family childcare providers.
- **Families and Child Care Providers Support during COVID-19.** Expanded Working Parent Assistance grants. Provided recovery and reopening grants to 392 childcare providers.
- **Year Two Priorities.** Invested \$10M. Including WPA expansion; scholarships at Montgomery College; analysis of supply and demand for child care to guide expansion of services; develop marketing study for the use of commercial; schools and County facilities; assess and determine potential revenue sources to fund child care expansion and continue to strengthen the infrastructure and governance of child care services in the County.



Marc Elrich's Initiatives

Preserving & Increasing Affordable Housing



Affordable Housing & Tenant Support

- Created Recovery Workgroups on Eviction and Homelessness Prevention and Multifamily Property Distress, which have made final recommendations
 - Representatives included: landlords, legal services, tenant support, homeless support, County agencies
 - Recommendations included: Delinquency Survey, Rental Assistance, Tenant Information, Policy Positions
- Committed funds to Rental Assistance programs
- Tenant and Landlord Information Campaign to support understanding rights, responsibilities and protections
- Expanded Tenant Education and Legal Aid services
- Deferred payments from Affordable Housing loans through December 2020
- Limitation on rent increases to 2.6%; Recommended changes to Governor's Executive Order

Marc Elrich's Initiatives

Building Bus Rapid Transit

- The FLASH Bus Rapid Transit system will be a new high quality, frequent, reliable transit option for Montgomery County
- Our vision is for a network of FLASH lines throughout the County
- The first line on US29 will be open in October and runs from Burtonsville to Silver Spring
- Design work is progressing on the Veirs Mill and MD355 lines, as well as additional dedicated lanes on US29
- Planning will begin for New Hampshire Avenue and the North Bethesda Transitway in the 6-year CIP



Marc Elrich's Initiatives

Fighting Climate Change



Climate change is already impacting our County. We are experiencing warmer temperatures and more extreme rain events.

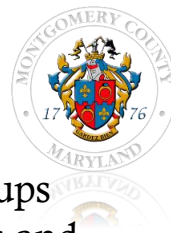
We have a **goal to reduce greenhouse gas emissions** Countywide 80% by 2027 and achieve zero greenhouse gas emissions by 2035 – while prioritizing racial equity, social justice, and public health.

Our strategies include:

- ✓ Increasing renewables in the electricity mix
- ✓ Shifting passenger vehicle use to transit/non-vehicular options
- ✓ Electrifying and increasing efficiency of new and existing buildings
- ✓ Electrifying passenger vehicles
- ✓ Diverting organic waste

MORE DETAILS COMING IN NOVEMBER, WITH THE RELEASE OF THE COUNTY'S DRAFT CLIMATE PLAN FOR PUBLIC REVIEW

Marc Elrich's Initiatives



Improving Economic and Community Development

- **Recovery Efforts** – Economic Revitalization Task Force – includes 5 Workgroups (Small Business, Restaurant and Retail, Workforce Development, Life Sciences and Advanced Technologies, and Hospitality, Culture, Entertainment & Recreation).
- **Workforce Development** – In Action - Workgroup has produced a summary document with recommendations including retooling and retraining the displaced professional community to prepare for available jobs to retain employees in the County. For the sectors hit hardest by the COVID-19 closures - hospitality, culture, entertainment and recreation – develop an initiative that will help the workforce transition their skills to other viable occupations. Explore an initiative that will provide technology (at no cost or at limited cost) and training to vulnerable populations that will enable them to work remotely within their selected occupations.
- **Incubator Development** -- Consultant will complete analysis by end of October; discussed progress with CEX in late September. Guidance on how County can meet its goals of: fostering the creation and success of emerging technology businesses, develop economic clusters in target industries, leverage key regional research and business assets, and increase investment in local start ups. Food Incubators exploration are still underway as well.

Marc Elrich's Initiatives

Reimagining Public Safety



Identify and address implicit bias and institutional racism in all aspects of the public safety system

- **Launched a community task force.** Develop recommendations that reimagines the MCPD and all public safety programs by January 18, 2021.
- **Conduct an independent audit of the MCPD.** Review policies, procedures, and programs to uncover any aspects of implicit bias, as well as systemic racial bias. Provide recommendations for addressing findings.
- **Initiate a reorganization of the MC Police Department.** Appoint a new assistant civilian Police Chief to lead new community engagement division.
- **Reimagine County response to community needs for health and social services where Police is filling the void.** Develop robust crisis response mechanism: mental health, homelessness, child welfare, youth diversion, domestic violence, etc.
- **Rebalance County investments in safe communities.** Prioritize investments to align with community needs, including additional resources for: education, housing, employment, health care, social-emotional supports, and other public benefits.

Marc Elrich's Initiatives

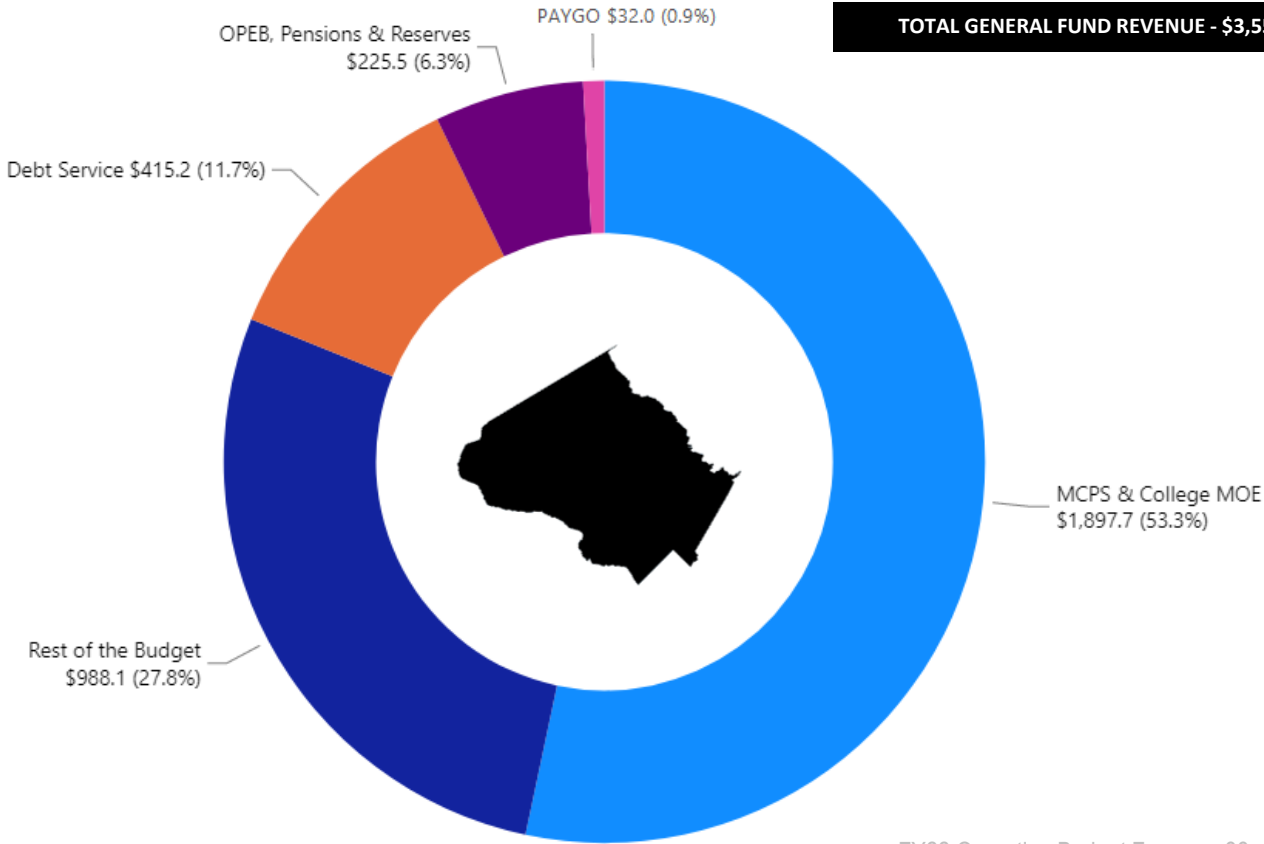
Advancing Racial Equity & Social Justice



- **Established** an Office of Racial Equity and Social Justice (RESJ)
- **Appointed** a Chief Equity Officer
- **Requires all employees** receive Racial Equity training
- **Requires each Department and Office** to establish a RESJ Action Plan
- **Requires the Office of Legislative Oversight (Council)** to submit a RESJ impact statement for each bill
- **Established** a Racial Equity and Social Justice Committee
- **Requires that each department appoint** a Racial Equity and Social Justice point person/lead



FY21 Fixed and Other Commitments as a % of General Fund Revenue (\$millions)

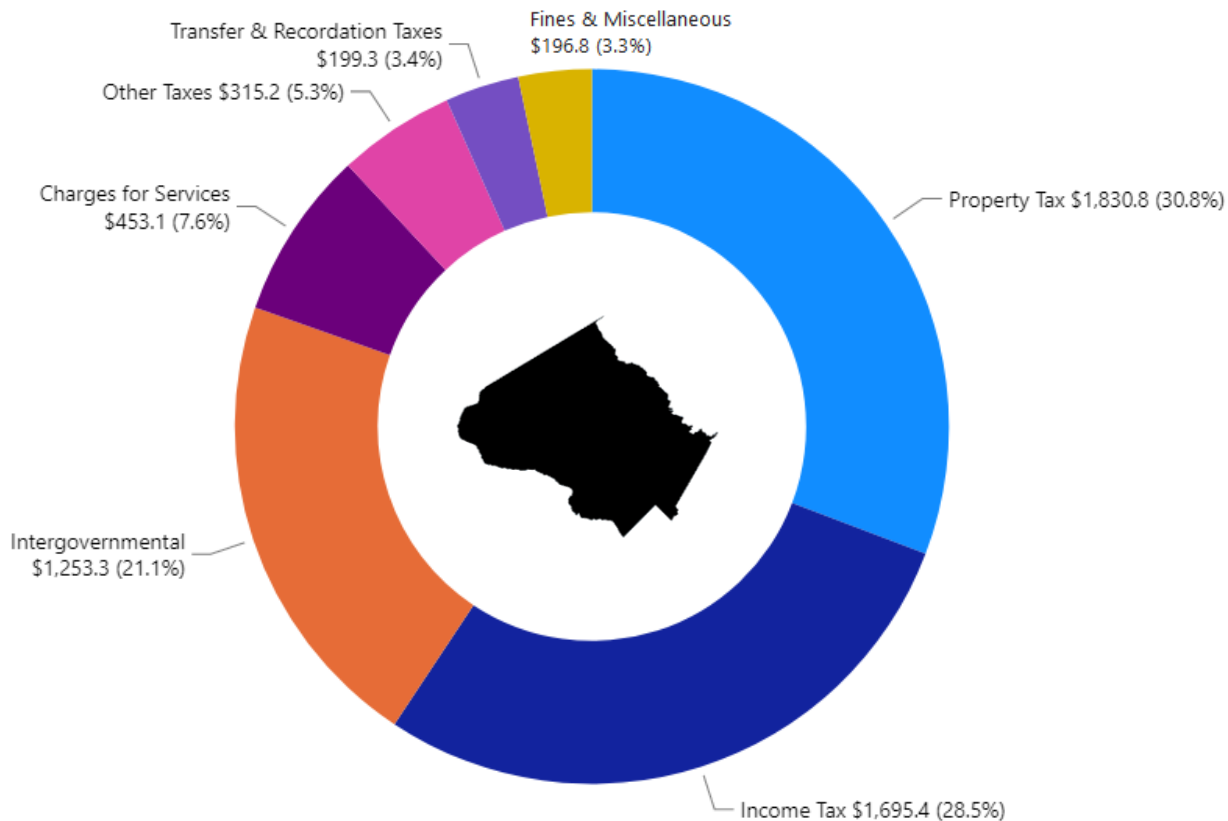


FY21 Approved Revenues (\$millions)

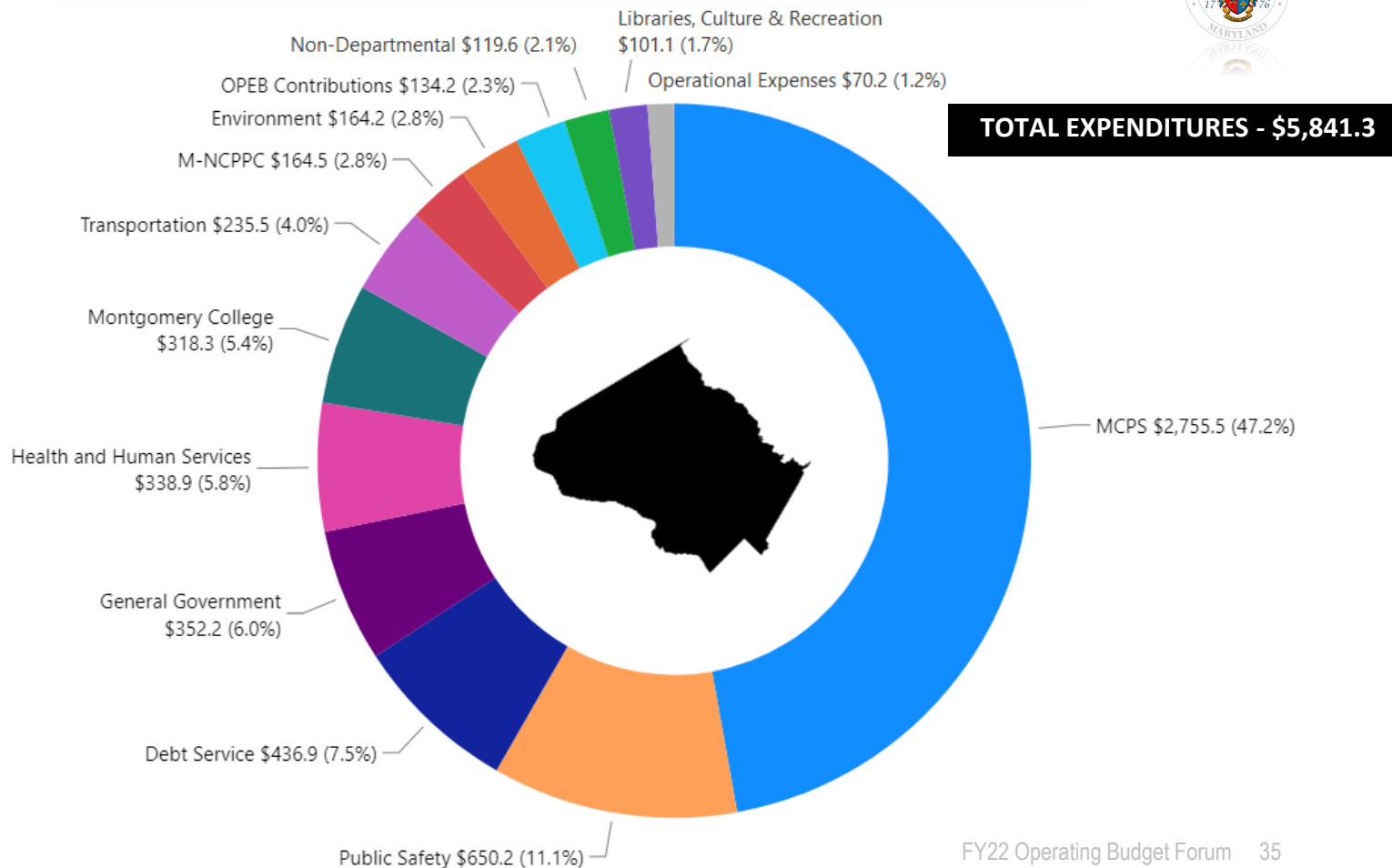


WHERE THE MONEY COMES FROM

TOTAL Revenues - \$5,943.9



FY21 Approved Expenditures by Operating Function (\$millions)



County Executive Remarks – Charter Limit



MONTGOMERY COUNTY BALLOT QUESTIONS
PROTECT OUR FUTURE



FOR

QUESTION A

Funds our essential and emergency services through the pandemic and future needs.



AGAINST

QUESTION B

Restricts funding for emergency and essential services, even during the ongoing public health emergency.



County Executive Remarks – Charter Limit



Limitations of Current Charter Limit

- New Construction value is not fully captured
- The County does not benefit from increased economic growth (increased assessments) but has to pay for the costs of that growth
- Inflationary limit bears no relationship to the growth in population or school enrollment

County Executive Remarks – Charter Limit



MONTGOMERY COUNTY BALLOT QUESTIONS
PROTECT OUR FUTURE



FOR

QUESTION A

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AGAINST

QUESTION B

Restricts funding for emergency and essential services, even during the ongoing public health emergency.



Get Tested!



FREE COVID-19 TESTING

- No Doctor's Order or Appointment Needed
- Locations Around Montgomery County



MoCoCOVIDTesting.org
240-777-1755



QUESTIONS



If you have any **additional** questions, please contact the respective Regional Service Director from the five regions.

- Catherine Matthews, **UpCounty Regional Services Center**
Catherine.matthews@montgomerycountymd.gov
- Luisa Montero, **Mid-County Regional Services Center**
luisa.montero@montgomerycountymd.gov
- Jewru Bandeh, **Eastern Regional Services Center**
Jewru.bandeh@montgomerycountymd.gov
- Ken Hartman, **Bethesda Chevy Chase Regional Services Center**
ken.hartman@montgomerycountymd.gov
- Reemberto Rodriguez, **Silver Spring Regional Services Center**
Reemberto.rodriguez@montgomerycountymd.gov

[**www.Montgomery CountyMD.gov**](http://www.MontgomeryCountyMD.gov)