



OFFICE OF MANAGEMENT AND BUDGET

Marc Elrich
County Executive

Jennifer R. Bryant
Director

MEMORANDUM

May 9, 2025

TO: Kate Stewart, President
Montgomery County Council

FROM: Jennifer R. Bryant, Director
Office of Management and Budget

Michael J. Coveyou, Director
Department of Finance

SUBJECT: FY25 Third Quarterly Analysis

Attached please find the Third Quarterly Analysis for Montgomery County Government. Approved or pending supplemental appropriations are assumed in this analysis. Significant expenditure variances are described below.

Third Quarter Expenditure Results

The Department of General Services' projected overspending is due to unbudgeted overtime costs, contractual increases, and after-hours and weekend emergencies at County facilities.

The Office of Labor Relations projected overspending is due to staff costs that are higher than the budgeted lapse rate.

The State's Attorney's projected overspending is due to increased translation service costs.

The Incubator NDA projected overspending is due to staff costs that are higher than budgeted.

The Utilities NDA projected overspending is due to greater consumption due to new facilities or services, increased use of facilities after pandemic closures, and increased rates from utility companies.

The Working Families Income Supplement NDA projected overspending is due to an increase in the number of eligible filers.

Office of the Director

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The Silver Spring Urban District projected overspending is due to unbudgeted overtime costs and staff costs that are higher than the budgeted lapse rate.

The Recreation Non-Tax Supported overspending is due to increased contract costs.

Alcohol Beverage Services projected overspending is due to staff costs that are higher than budgeted.

The Community Use of Public Facilities projected overspending is due to higher than anticipated Montgomery County Public Schools (MCPS) reimbursements.

Fleet Management Services projected overspending is due to the high costs of repair parts and increased costs for fleet replacement.

Print and Mail's projected overspending is due to additional printings, printing supplies, and postage costs.

Revenue Update

A revenue update will be included in the Revenue Estimating Group report that will be submitted to the County Executive and County Council on May 15.

Reserves

The County's FY25 total ending reserves are estimated to be at \$897.7 million or 13.4% of adjusted governmental revenues (AGR). Of the \$897.7 million in FY25 total ending reserves, \$212.8 million is General Fund Undesignated Reserves. This is approximately \$8.9 million less than reported at second quarter analysis. This is due to General Fund estimated year-end expenditures being approximately \$3.9 million more than estimated at second quarter analysis. Also, the MCPS relocatable supplemental for \$5.0 million using General Fund Undesignated Reserves was not assumed at the time second quarter analysis was conducted. While this supplemental appropriation effects FY25 total ending reserves, there is no effect on FY26 total ending reserves since it accelerates the appropriation from FY26 to FY25.

JRB/MC:cm

Enclosure: Third Quarterly Analysis of Expenditures

cc: Marc Elrich, County Executive
Cecily Thorne, Chief of Staff to the Council President, Montgomery County Council
Craig Howard, Executive Director, Montgomery County Council
Richard S. Madaleno, Chief Administrative Officer, Office of the County Executive
Fariba Kassiri, Deputy Chief Administrative Officer, Office of the County Executive
Tricia Swanson, Director of Strategic Partnerships, Office of the County Executive
All County Government Department and Office Directors

FY25 3rd QUARTERLY ANALYSIS

Department	Orig Budget (A)	Latest Budget (B)	Est.(3rd QA) (C)	Variance to Bud. (B-C)	% Change to Bud (B-C)/B
Tax Supported					
<u>General Fund</u>					
Agriculture	1,455,952	1,466,381	1,439,919	26,462	1.8%
Animal Services	10,500,840	10,506,326	10,276,779	229,547	2.2%
Board of Appeals	588,642	595,630	584,392	11,238	1.9%
Board of Elections	17,141,137	17,148,715	16,978,848	169,867	1.0%
Circuit Court	15,221,599	15,221,599	15,073,943	147,656	1.0%
Community Engagement Cluster	9,997,919	10,006,954	9,819,441	187,513	1.9%
Consumer Protection	2,839,549	2,851,614	2,632,798	218,816	7.7%
Correction and Rehabilitation	83,520,400	89,804,772	89,784,472	20,300	0.0%
County Attorney	10,489,686	10,537,987	10,286,647	251,340	2.4%
County Council	19,226,192	19,303,914	19,303,914	0	0.0%
County Executive	6,960,110	6,980,716	6,669,230	311,486	4.5%
Emergency Management and Homeland Security	3,566,282	3,949,746	3,884,579	65,167	1.6%
Environmental Protection	9,682,921	9,701,675	9,575,392	126,283	1.3%
Ethics Commission	416,473	416,473	320,893	95,580	22.9%
Finance	19,369,018	21,636,354	21,420,767	215,587	1.0%
Food Systems Resilience	14,200,511	14,207,106	14,215,754	-8,648	-0.1%
General Services	41,414,591	46,553,216	50,334,398	-3,781,182	-8.1%
Grants Management	1,044,508	1,050,967	912,900	138,067	13.1%
Health and Human Services	390,781,758	397,752,178	396,507,430	1,244,748	0.3%
Housing and Community Affairs	13,468,173	13,498,050	13,135,156	362,894	2.7%
Human Resources	12,831,821	12,849,386	12,086,765	762,621	5.9%
Human Rights	2,117,953	2,124,135	1,810,572	313,563	14.8%
Inspector General	3,612,200	3,631,597	3,546,029	85,568	2.4%
Intergovernmental Relations	1,010,462	1,018,299	846,196	172,103	16.9%
Labor Relations	2,213,839	2,226,541	2,258,151	-31,610	-1.4%
Legislative Oversight	2,645,735	2,683,026	2,683,026	0	0.0%
Management and Budget	7,693,959	7,729,730	7,592,034	137,696	1.8%
Merit System Protection Board	307,445	307,445	269,805	37,640	12.2%
Non-Departmental Accounts	358,278,716	367,478,210	360,788,135	6,690,075	1.8%
Police	330,106,567	330,627,350	327,274,931	3,352,419	1.0%
Procurement	5,641,088	5,671,098	5,639,446	31,652	0.6%
Public Information	2,957,149	2,976,093	2,920,566	55,527	1.9%
Public Libraries	52,451,701	52,523,796	50,761,796	1,762,000	3.4%
Racial Equity and Social Justice	1,567,682	1,567,682	1,482,216	85,466	5.5%
Sheriff	29,556,443	29,561,614	29,194,279	367,335	1.2%
State's Attorney	24,557,231	24,557,231	24,760,906	-203,675	-0.8%
Technology and Enterprise Business Solutions	73,468,256	73,667,087	72,423,173	1,243,914	1.7%
Transportation	55,968,948	77,721,053	76,418,171	1,302,882	1.7%
Zoning and Administrative Hearings	819,477	819,477	725,122	94,355	11.5%
General Fund Total:	1,639,692,933	1,692,931,223	1,676,638,971	16,292,252	0.96%

Special Funds

Fire

FY25 3rd QUARTERLY ANALYSIS

Department	Orig Budget (A)	Latest Budget (B)	Est.(3rd QA) (C)	Variance to Bud. (B-C)	% Change to Bud (B-C)/B
Fire and Rescue Service	292,436,391	309,759,108	309,547,282	211,826	0.1%
<u>Recreation</u>					
Recreation	59,634,144	59,679,683	58,565,253	1,114,430	1.9%
<u>Bethesda Urban District</u>					
Urban Districts	3,800,017	3,800,017	3,719,141	80,876	2.1%
<u>Silver Spring Urban District</u>					
Urban Districts	4,607,137	4,607,158	4,953,206	-346,048	-7.5%
<u>Wheaton Urban District</u>					
Urban Districts	3,757,371	3,757,371	3,557,760	199,611	5.3%
<u>Mass Transit</u>					
Transit Services	188,541,034	197,799,794	197,695,835	103,959	0.1%
<u>Economic Development Fund</u>					
Economic Development Fund	4,169,168	24,800,866	25,092,947	-292,081	-1.2%
<u>Friendship Heights Urban District</u>					
Urban Districts	617,518	617,518	617,518	0	0.0%
Special Funds Total:	557,562,780	604,821,515	603,748,942	1,072,573	0.18%
Tax Supported Total:	2,197,255,713	2,297,752,738	2,280,387,913	17,364,825	0.8%

FY25 3rd QUARTERLY ANALYSIS

Department	Orig Budget (A)	Latest Budget (B)	Est.(3rd QA) (C)	Variance to Bud. (B-C)	% Change to Bud (B-C)/B
NDAs: Tax Supported - County General Fund					
General Fund					
NDA - Arts and Humanities Council	6,848,500	6,848,500	6,848,500	0	0.0%
NDA - BioHub Maryland at Montgomery County	562,436	562,436	562,436	0	0.0%
NDA - Boards, Committees and Commissions	49,665	49,665	20,000	29,665	59.7%
NDA - Charter Review Commission	150	150	150	0	0.0%
NDA - Children's Opportunity Alliance (COA)	1,984,079	1,984,079	1,984,079	0	0.0%
NDA - Climate Change Planning	718,344	718,344	718,344	0	0.0%
NDA - Community Grants	10,920,201	12,062,460	12,062,460	0	0.0%
NDA - Compensation and Employee Benefit Adjustments	3,336,137	2,031,098	1,178,590	852,508	42.0%
NDA - Conference and Visitors Bureau	2,262,724	2,262,724	2,262,724	0	0.0%
NDA - Conference Center	566,972	566,972	566,972	0	0.0%
NDA - Consolidated Retiree Health Benefit Trust - MCPS	59,106,261	59,106,261	59,106,261	0	0.0%
NDA - County Associations	76,533	76,533	76,533	0	0.0%
NDA - COVID-19 Response: Community Assistance	0	5,423,120	15,170	5,407,950	99.7%
NDA - Device Client Management	16,181,677	16,181,677	16,181,677	0	0.0%
NDA - Early Care and Education	10,260,344	15,090,754	14,920,703	170,051	1.1%
NDA - Grants To Municipalities in Lieu Of Shares Tax	28,020	28,020	28,012	8	0.0%
NDA - Group Insurance Retirees	44,393,473	44,393,473	44,393,473	0	0.0%
NDA - Guaranteed Income	1,229,850	2,137,189	820,094	1,317,095	61.6%
NDA - Historical Activities	221,866	221,866	221,866	0	0.0%
NDA - Homeowners' Association Road Maintenance Reimb.	62,089	62,089	62,089	0	0.0%
NDA - Housing Opportunities Commission	8,295,315	8,295,315	8,295,315	0	0.0%
NDA - Incubator Programs	2,437,584	2,437,584	2,543,893	-106,309	-4.4%
NDA - Independent Audit	432,242	433,254	433,254	0	0.0%
NDA - Interagency Technology, Policy, and Coordination Commission	3,000	3,000	3,000	0	0.0%
NDA - KID Museum	1,916,622	1,916,622	1,916,622	0	0.0%
NDA - Labor Management Relations Committee	0	188,638	188,638	0	0.0%
NDA - Leases	18,619,006	18,619,006	18,520,745	98,261	0.5%
NDA - Legislative Branch Communications Outreach	2,605,536	2,605,536	2,605,536	0	0.0%
NDA - Metro Washington Council of Governments	1,957,533	1,957,533	1,886,663	70,870	3.6%
NDA - Montgomery Coalition for Adult English Literacy	2,512,032	2,512,032	2,512,032	0	0.0%
NDA - Montgomery County Economic Development Corporation	4,670,948	4,670,948	4,670,948	0	0.0%
NDA - Montgomery County Green Bank	19,126,186	19,126,186	19,126,186	0	0.0%
NDA - Motor Pool Fund Contribution	1,524,609	1,524,609	1,524,609	0	0.0%
NDA - Payments to Municipalities	21,700,055	21,700,055	21,610,343	89,712	0.4%
NDA - Police Accountability Board	788,743	788,743	603,343	185,400	23.5%
NDA - Prisoner Medical Services	20,000	20,000	0	20,000	100.0%
NDA - Public Elections Fund	333,000	333,000	333,000	0	0.0%
NDA - Public Technology, Inc.	5,000	5,000	5,000	0	0.0%
NDA - Risk Management (General Fund)	24,651,871	24,651,871	24,651,871	0	0.0%
NDA - Rockville Parking District	426,900	426,900	424,560	2,340	0.5%
NDA - Skills for the Future	293,317	490,062	490,062	0	0.0%
NDA - Small Business Support Services	2,281,233	2,281,233	2,277,927	3,306	0.1%
NDA - State Positions Supplement	60,756	60,756	0	60,756	100.0%

FY25 3rd QUARTERLY ANALYSIS

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NDA - State Property Tax Services	3,565,615	3,565,615	3,449,971	115,644	3.2%
NDA - Takoma Park Library Annual Payments	184,090	184,090	184,090	0	0.0%
NDA - Telecommunications	4,086,126	4,086,126	4,086,126	0	0.0%
NDA - UM 3 - Institute for Health Computing	6,300,000	6,300,000	6,300,000	0	0.0%
NDA - Universities at Shady Grove	0	0	0	0	0.0%
NDA - Vision Zero	213,882	213,882	212,755	1,127	0.5%
NDA - Weather Response	2,884,990	0	0	0	0.0%
NDA - Working Families Income Supplement	28,123,522	28,123,522	29,574,803	-1,451,281	-5.2%
NDA - WorkSource Montgomery, Inc.	2,274,032	2,974,032	2,974,032	0	0.0%
Utilities	37,175,650	37,175,650	37,352,678	-177,028	-0.5%
NDA's: Tax Supported - County General Fund Total:	358,278,716	367,478,210	360,788,135	6,690,075	1.8%

FY25 3rd QUARTERLY ANALYSIS

Department	Orig Budget (A)	Latest Budget (B)	Est.(3rd QA) (C)	Variance to Bud. (B-C)	% Change to Bud (B-C)/B
Non-Tax Supported					
<u>Special Funds</u>					
<u>Montgomery Housing Initiative</u>					
Housing and Community Affairs	56,196,099	79,469,756	74,904,236	4,565,520	5.7%
<u>Cable TV</u>					
Cable Television Communications Plan	6,556,970	6,556,970	6,556,970	0	0.0%
<u>Water Quality Protection</u>					
Environmental Protection	36,010,241	36,026,030	35,835,831	190,199	0.5%
<u>Recreation Non-Tax Supported</u>					
Recreation	4,700,000	4,700,000	5,200,000	-500,000	-10.6%
<u>Detention Center Non-Tax</u>					
Correction and Rehabilitation	683,000	683,000	587,088	95,912	14.0%
<u>Opioid Abatement</u>					
Health and Human Services	1,563,273	4,180,373	2,748,265	1,432,108	34.3%
Special Funds Total:	105,709,583	131,616,129	125,832,390	5,783,739	4.39%
<u>Enterprise Funds</u>					
<u>Liquor</u>					
Alcohol Beverage Services	74,604,653	74,604,653	75,056,102	-451,449	-0.6%
<u>Solid Waste Disposal</u>					
Recycling and Resource Management	142,546,892	142,581,804	140,016,617	2,565,187	1.8%
<u>Solid Waste Collection</u>					
Recycling and Resource Management	12,313,291	12,315,876	12,222,925	92,951	0.8%
<u>Leaf Vacuuming</u>					
Transportation	7,464,021	7,464,021	6,387,329	1,076,692	14.4%
<u>Community Use of Public Facilities</u>					
Community Use of Public Facilities	11,440,573	11,463,093	11,724,815	-261,722	-2.3%
<u>Bethesda Parking</u>					
Parking District Services	15,093,575	15,106,861	15,079,547	27,314	0.2%
<u>Silver Spring Parking</u>					
Parking District Services	11,705,498	11,718,302	11,693,671	24,631	0.2%
<u>Wheaton Parking</u>					
Parking District Services	2,079,550	2,082,299	2,078,520	3,779	0.2%
<u>Permitting Services</u>					
Permitting Services	45,659,555	45,790,696	44,458,430	1,332,266	2.9%
Enterprise Funds Total:	322,907,608	323,127,605	318,717,956	4,409,649	1.36%
<u>Internal Service Funds</u>					
<u>Motor Pool</u>					
Fleet Management Services	102,321,758	102,321,758	117,759,998	-15,438,240	-15.1%
<u>Central Duplicating (Printing & Mail)</u>					
General Services	9,184,291	9,184,291	11,059,536	-1,875,245	-20.4%
<u>Risk Management (Self Insurance - ISF)</u>					
Finance	112,829,557	112,829,557	112,558,437	271,120	0.2%
<u>Employee Health Self Insurance</u>					

FY25 3rd QUARTERLY ANALYSIS

Department	Orig Budget (A)	Latest Budget (B)	Est.(3rd QA) (C)	Variance to Bud. (B-C)	% Change to Bud (B-C)/B
Human Resources	373,381,118	373,381,118	372,702,731	678,387	0.2%
Internal Service Funds Total:	597,716,724	597,716,724	614,080,702	-16,363,978	-2.74%
Non-Tax Supported Total:	1,026,333,915	1,052,460,458	1,058,631,048	-6,170,590	-0.6%