



MONTGOMERY COUNTY

COMMUNITY CONVERSATIONS

FY27 Operating Budget Forums



Agenda

Welcome & Introduction
Regional Services Director

Welcome Remarks
Chair Citizens Advisory Board

Operating Budget Basics

**Feedback and Questions
with the County Executive**

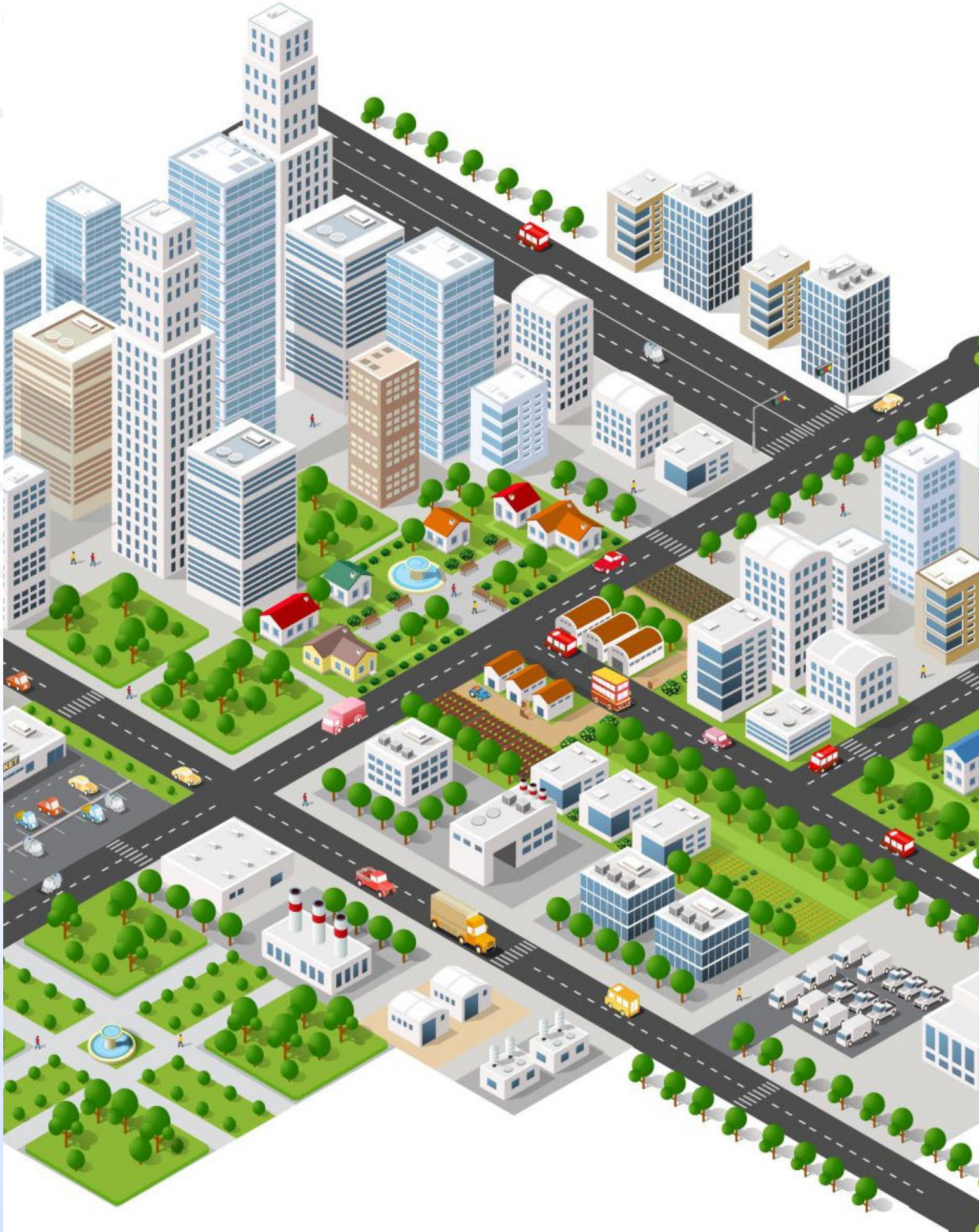
Closing Remarks



Thank you!

Your Voice Matters

- Citizen Advisory Board Operating Budget Forums
- Council public hearings on the Operating Budget
- Boards, Committees and Commissions
- Emails/letters to the County Executive, County Council and School Board members
- Public meetings





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Operating Budget Basics



Two Budgets – One County

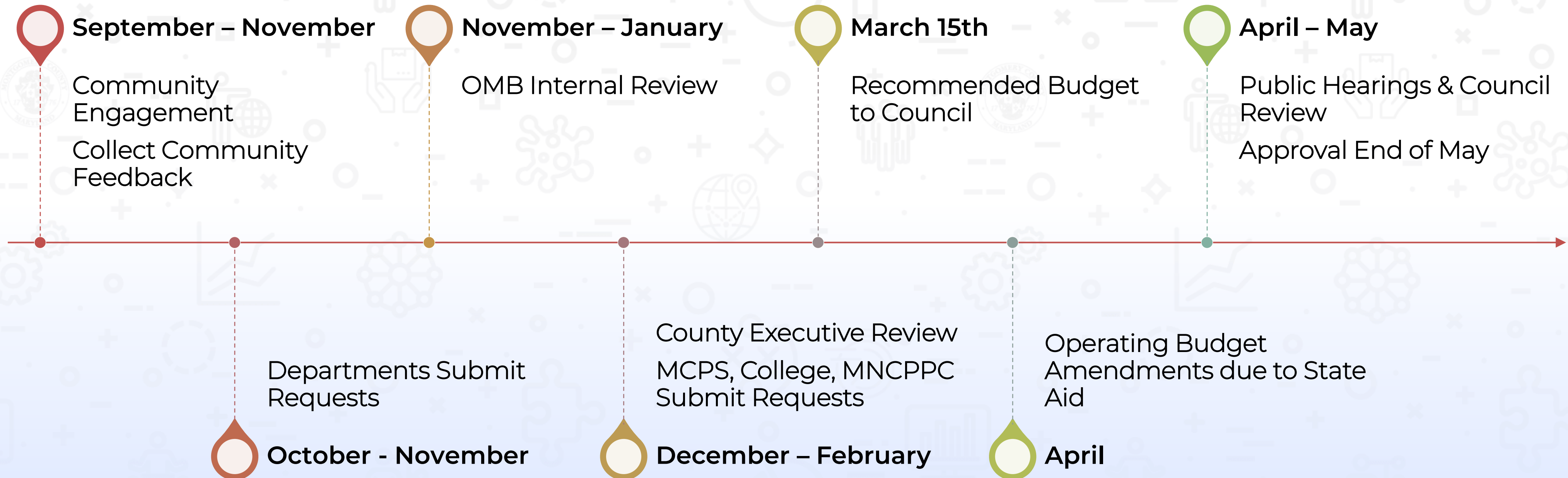
Operating Budget: Everyday Services

-  Schools
-  Police/fire
-  Health & services
-  Bus service
-  Trash Collection
-  Libraries & parks

Capital Budget: Big Project and Buildings

-  New school buildings
-  Roads/bridges
-  Transit centers/Metro
-  Government buildings
-  Parks & pools

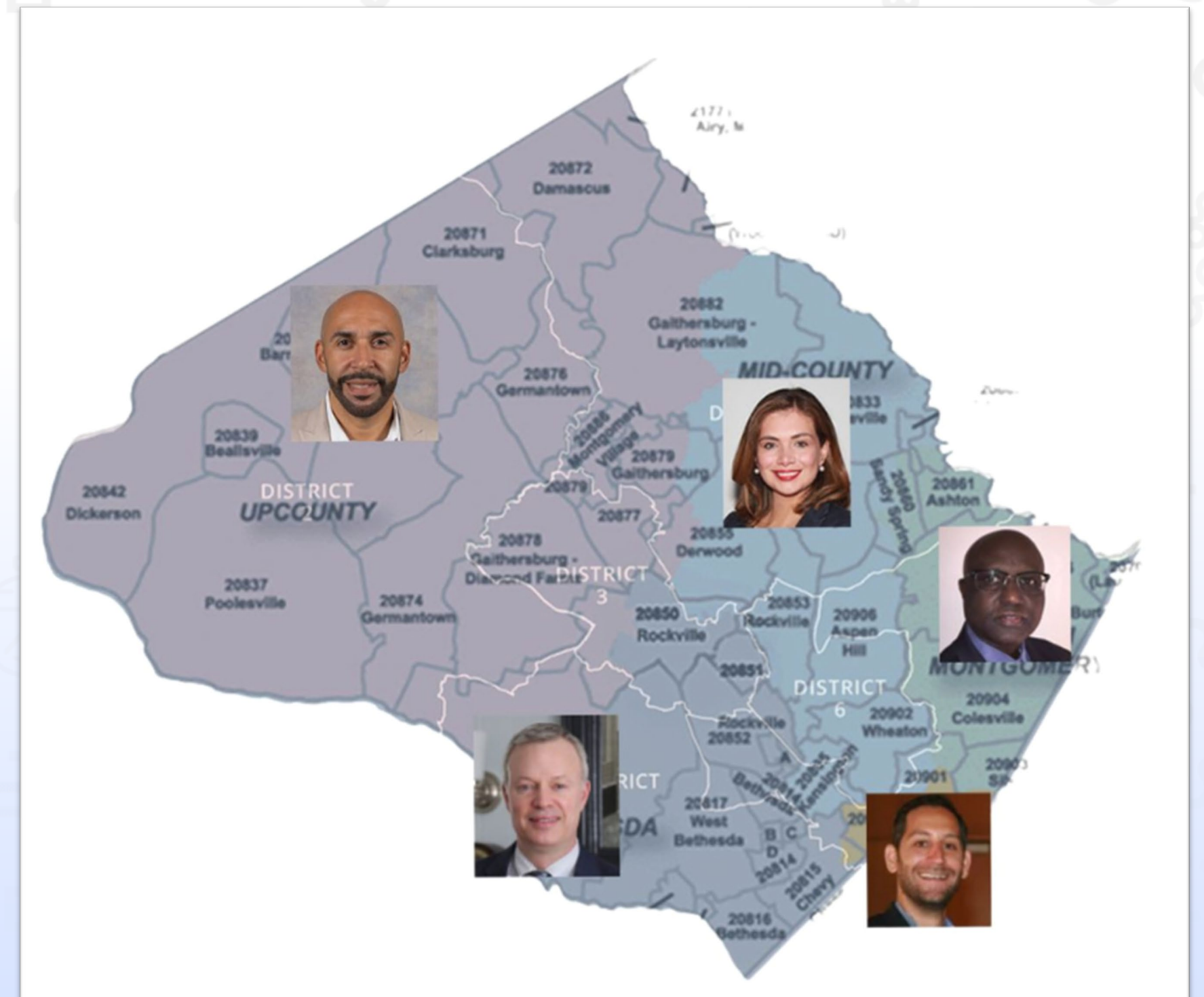
Operating Budget Process & Timeline



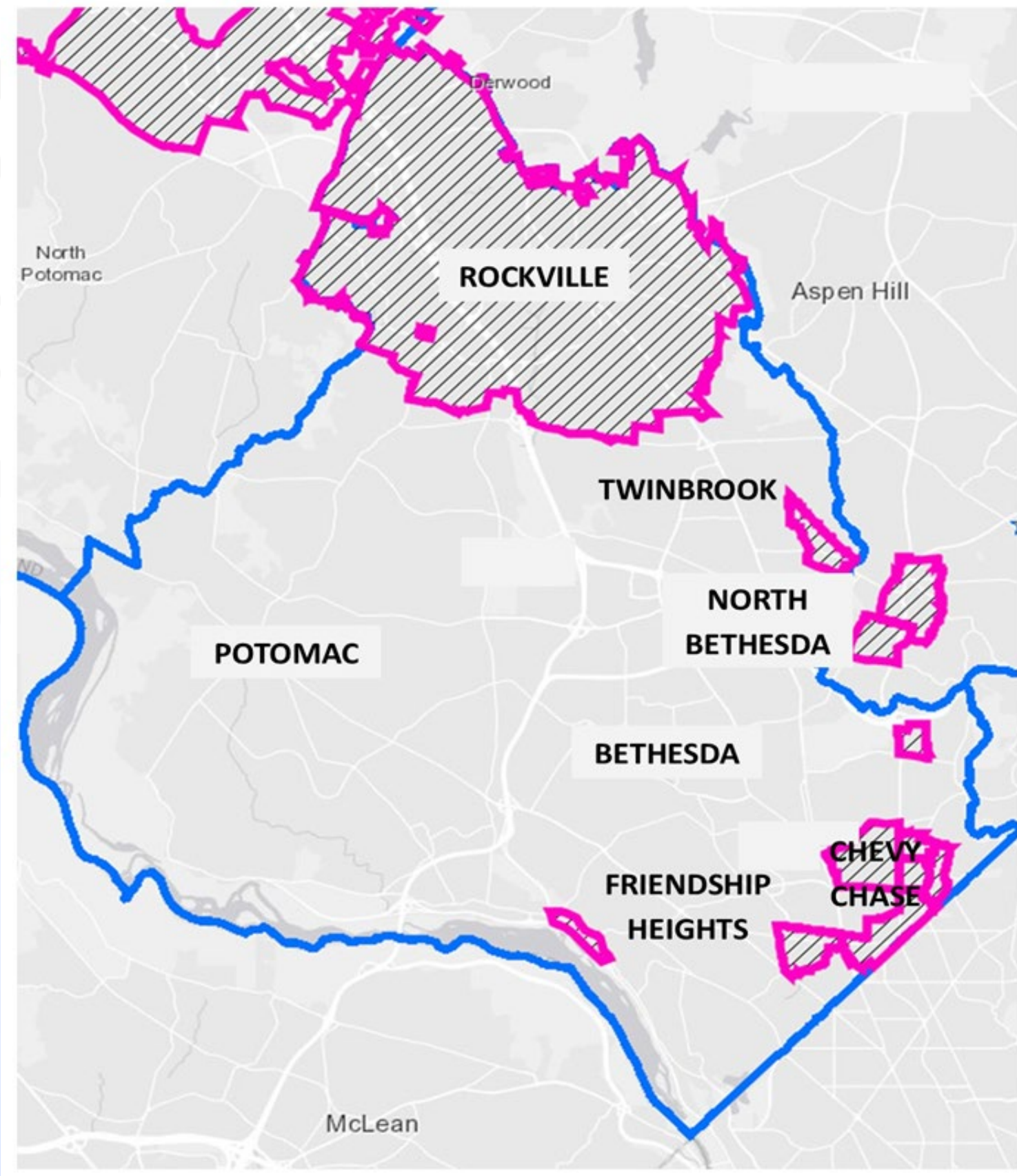
Montgomery County Regional Services

What We Do and What's Happening

- DownCounty B-CC
- East County
- MidCounty
- Silver Spring
- UpCounty



DownCounty Bethesda-Chevy Chase



- **Special Districts**
 - Bethesda
 - Friendship Heights
 - Pike District
 - Rock East
- **Thirteen (13) Municipalities**
- **Notable Corporate Headquarters**
 - Choice Hotels
 - Marriott Hotels
 - Geico
 - Regenxbio
 - ESAB Corp
- **Federal Home**
 - National Institute of Health
 - Consumer Product Safety Commission
 - Nuclear Regulatory Commission

Operating Investments



Bethesda Urban Partnership



Nebel Street Homeless Shelter



Montgomery College



Public Safety

DownCounty Investments



North Bethesda Life Sciences @ WMATA



Twinbrook Quarter



Purple Line



Women's Cooperative Market



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County Executive Marc Elrich



County Executive Operating Budget Priorities



- Affordable Housing
- Climate Change
- Economic Development
- Health/Life Safety Issues
- Early Care and Education
- Montgomery County Public Schools
- Racial Equity and Social Justice
- Transportation

County and MCPS Budgets:

Separate but Connected

- The **School Board** makes its own budget and sends it to the County
- The **County Executive** recommends how much money the school system gets, but **not how** it is spent
- The **County Council** approves **recommended funding** for the schools
- The County works with the Board of Education to **ask the State for more funding**
- **Montgomery College, Park & Planning, and WSSC Water** follow a similar process
- If you have requests, please contact these agencies directly





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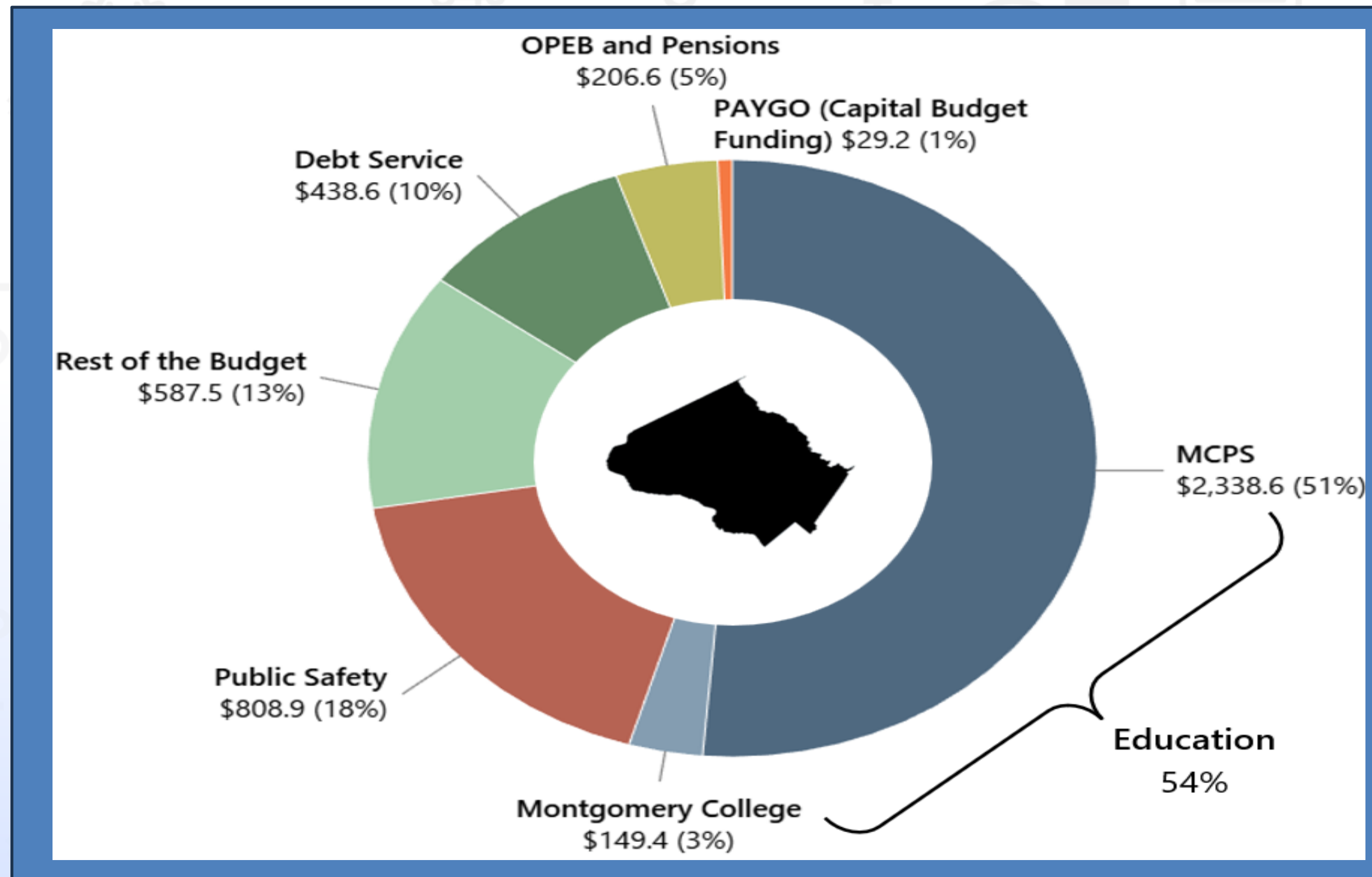
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Fiscal Context



FY26 Fixed & Other Commitments as a % of General Fund Revenue (\$millions)



Total Budget: \$4,558.9

Rest of the Budget: \$587.5

- Bus Drivers
- Circuit Court
- Libraries
- Parks
- Recreation
- School Health Nurses
- And more

Operating Budget Challenges

- More people need help
- Schools cost more
- Diminishing budget flexibility
 - Inflation and constrained resources
 - Recommended tax increases not approved
- Uncertain job market
- Federal and State funding may change
- Big revenue swings from high-income earners and federal decisions in DC



Federal Government Impacts



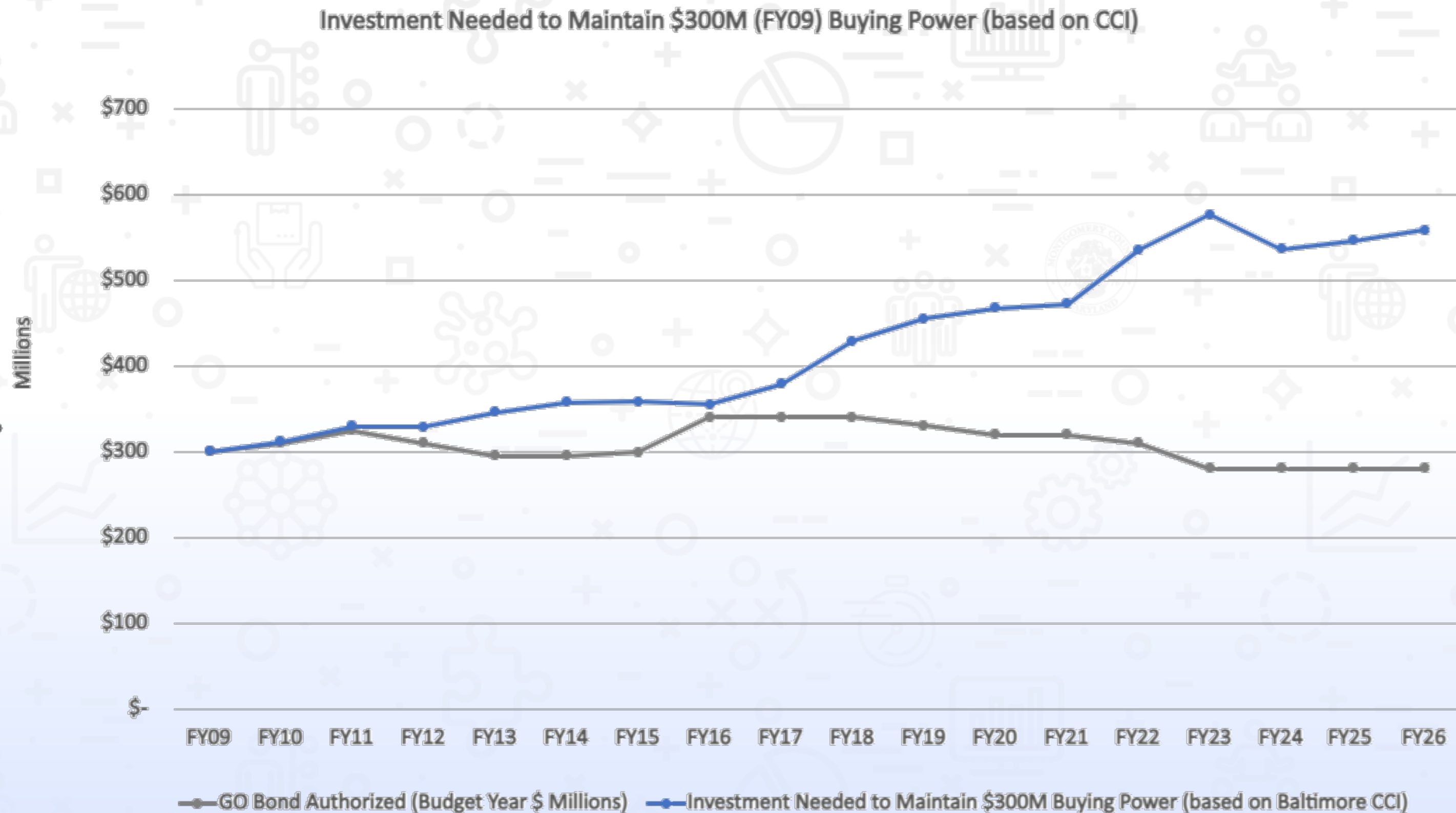
- **Resident Job Losses**

- Employment in Montgomery County fell by **9,600** from July 2024 – July 2025.
- **56,000** County residents employed by the Federal Government.
- Over **13,000** Maryland federal jobs lost since January 2025 alone.
- **October 1, 2025**, we expect to see impact of Federal government job separations

- **Federal spending reductions**

- **\$33 billion** in Federal spending at risk
- **Possible relocation of federal agencies**
- **More costs shifted to state & local government**
- **Deportations affecting communities & businesses**

Infrastructure – Big Needs, Limited Money



Rising Costs



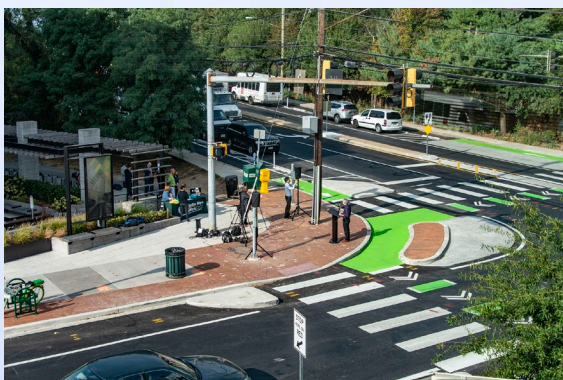
RideOn Bus:	FY16	\$467,000
	FY26	\$1,200,000 (electric)



New School: \$/SQFT	FY16	\$361
	FY26	\$834



Fire Engine:	FY16	\$685,000
	FY26	\$1,200,000



Road Paving: \$/Lane Mile	FY16	\$390,000
	FY26	\$519,000

Not New Taxes, Tax Restructuring

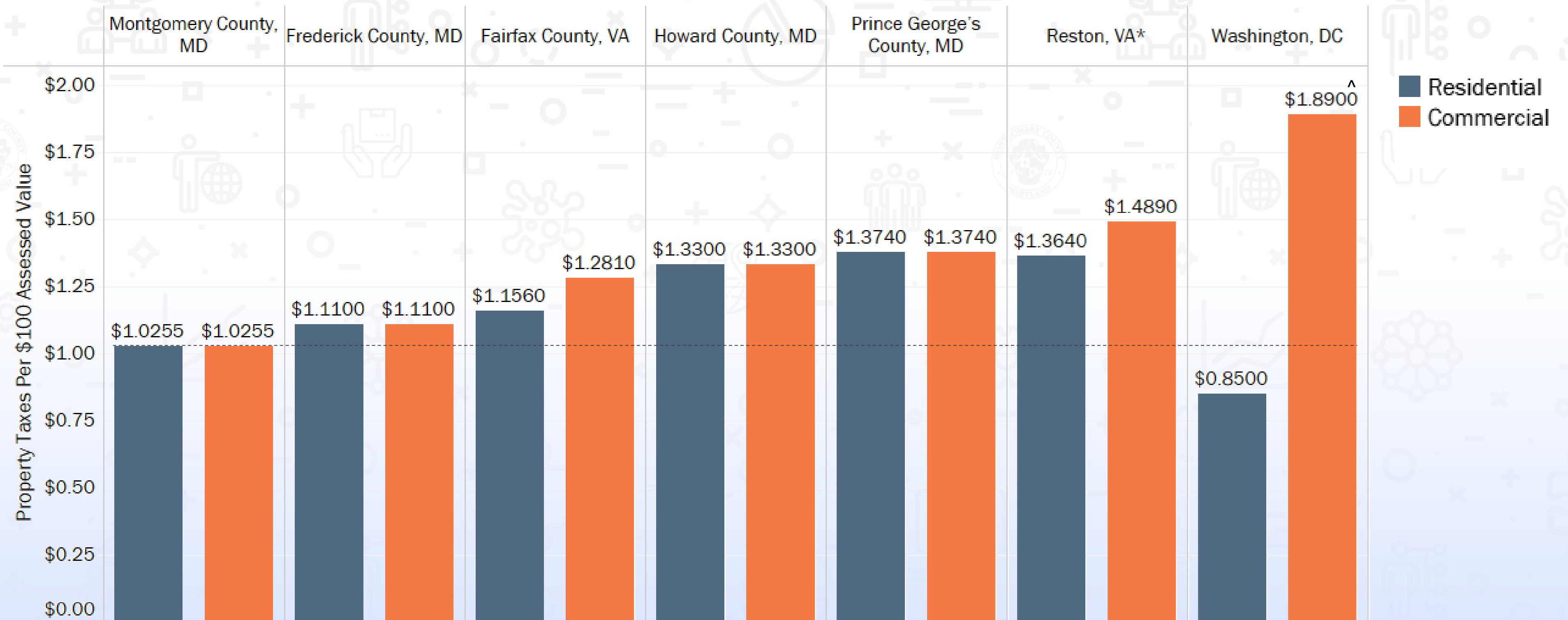
- Tax system was designed in the 1950s and 60s, when most revenue came from new homes. That helped us build great schools and roads.
- Today, the County is fully developed and **we need modern investments** in schools and transportation.
- To keep our community strong, **we must update how we raise revenue** – not by adding new taxes, but by restructuring the system, as Northern Virginia has already done.



Georgia Avenue, Silver Spring MD. December 1967. Photo Credit: Steve Michaels

How Montgomery County Compares

Residential & Commercial Property Tax Rates of Selected MD/DC/VA Jurisdictions



[^]For assessed value greater than \$10 million. DC commercial tax rates: \$1.65 for assessed value ≤ \$5M; \$1.77 for > \$5M but ≤ \$10M; \$1.89 for > \$10M.

*Represents tax districts for Hunter Mill District #5 for the Reston Service Area/Dulles Rail Phase 2 (105RW, 1T5RW).



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Questions?

