

# DEPARTMENT OF HEALTH AND HUMAN SERVICES





# Agenda

**Welcome & Introduction**  
**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





# Age-Friendly Montgomery

Age-Friendly Montgomery County is an initiative designed to enhance the County as a wonderfully diverse Community for a Lifetime-- a place where all residents can thrive to their full potential, and contribute to making our County a better, stronger and more inclusive community for everyone





MONTGOMERY COUNTY

# COMMUNITY CONVERSATIONS





FY27 Operating Budget Forums

## County Executive Marc Elrich








# Two Budgets – One County

## Operating Budget: Everyday Services

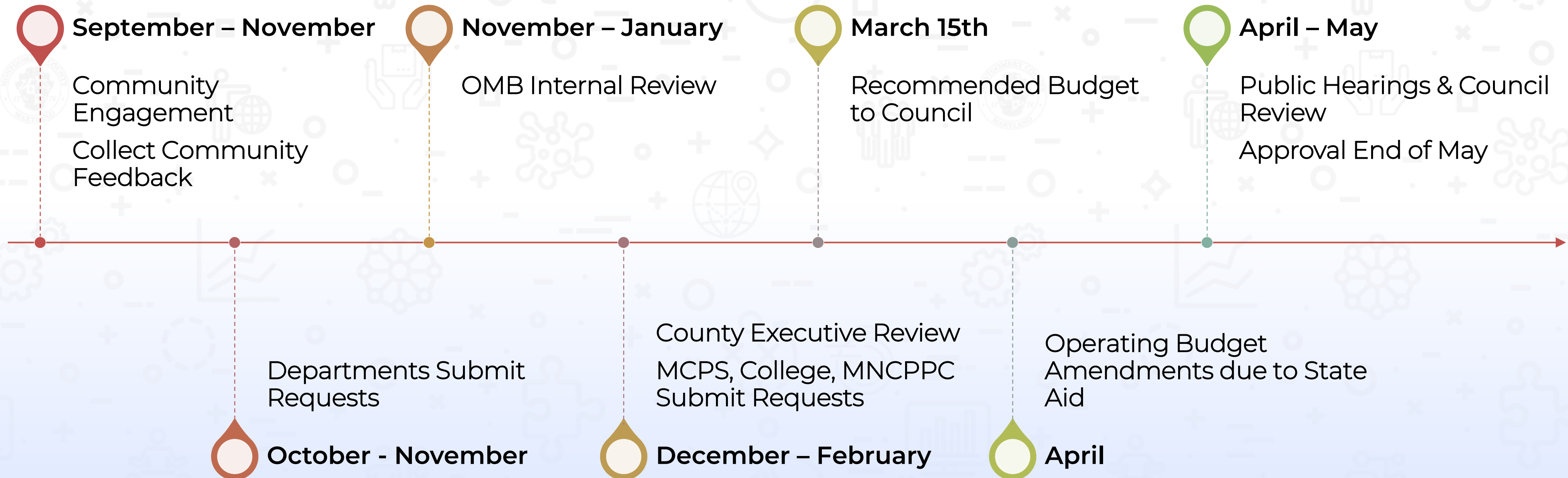
-  Schools
-  Police/fire
-  Health & services
-  Bus service
-  Trash Collection
-  Libraries & parks

## Capital Budget: Big Project and Buildings

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



# Operating Budget Process & Timeline



# County Executive Priorities: Older Adult Population

## FY26 Enhancements

- Expanded Senior Nutrition services at the new Silver Spring Recreation and Aquatic Center.
- Increased funding to maintain countywide Senior Nutrition service levels amidst rising food costs.
- Supported affordable senior housing projects including the Seabury in Silver Spring and the Sanctuary at Takoma Park.



# County Executive Priorities: Older Adult Population

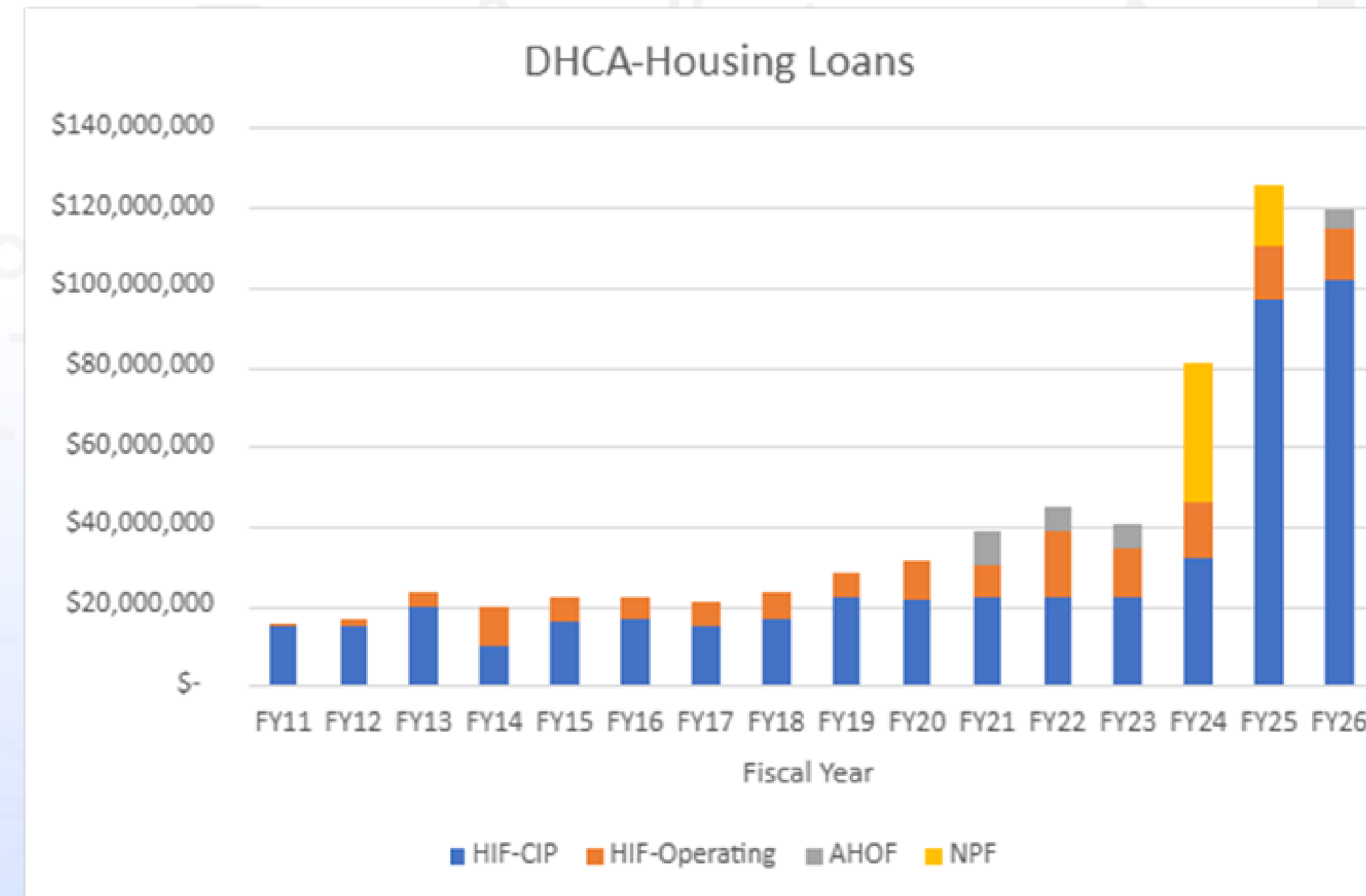
## Total Countywide Investments - \$89M serving older adults:

- \$40.9M for Health and Human Services (Medicaid programs, Senior Nutrition, and more)
- \$29.6M for Housing and Community Affairs (including affordable senior housing developments)
- \$10.3M for Transportation (including Call N Ride, Medicaid Transportation, and more)
- \$4.6M for Recreation (including senior centers)
- \$2.1M for services in other departments (Fire Safety, State's Attorney, Senior Planet, and more)
- \$1.5M for Community Grants

# County Executive Priorities:

## Affordable Housing

- From FY23 through FY25, Montgomery County has invested **\$293 million** from our development finance budget to support affordable housing
- These investments have supported the **production and preservation of more than 4,000 affordable housing units**, affordable for families earning up to 70 percent of Area Median Income (AMI)
- Production and preservation:
  - FY23: 975 affordable units in 13 projects
  - FY24: 1,133 affordable units in 17 projects
  - FY25: 1,948 affordable units in 26 projects





# County Executive Priorities:

## Health and Human Services

- Enhanced and expanded Montgomery Cares and Care for Kids to ensure long-term program sustainability
- Increased support for developmental disability and adult medical day care providers
- Expanded School Health Services through Community Schools, Bridges to Wellness, and other in-school clinics
- Expanded support for people at risk of or experiencing homelessness by \$39.2 million from FY19 to FY26 including:
  - Launch of the Short-term Housing and Resolution Program (SHaRP) (\$6.9 million) that provides up to 12 months of rental assistance and navigation services to help families quickly resolve their housing crisis; and
  - Eviction Prevention Services (\$16.6 million) that provide housing stabilization services for residents at risk of homelessness

# County Executive Priorities:

## Public Safety

- **Increased EMS resources** – Added new duty officers, chase cars, and 2 ambulances to meet community demand and improve emergency response times and meet growing demand
- **Invested in Police Recruitment and Retention**, including increasing cadet program enrollment from 12 to 25 and adding support staff to improve hiring efforts
- Provided support to the **Real Time Intelligence Center** to provide **real-time tactical intelligence** to officers and command staff
- Enhanced Community Safety Infrastructure, including funding for two additional **mobile crisis teams**, funding for hundreds of **dashboard video cameras**, and adding **school crossing guards**



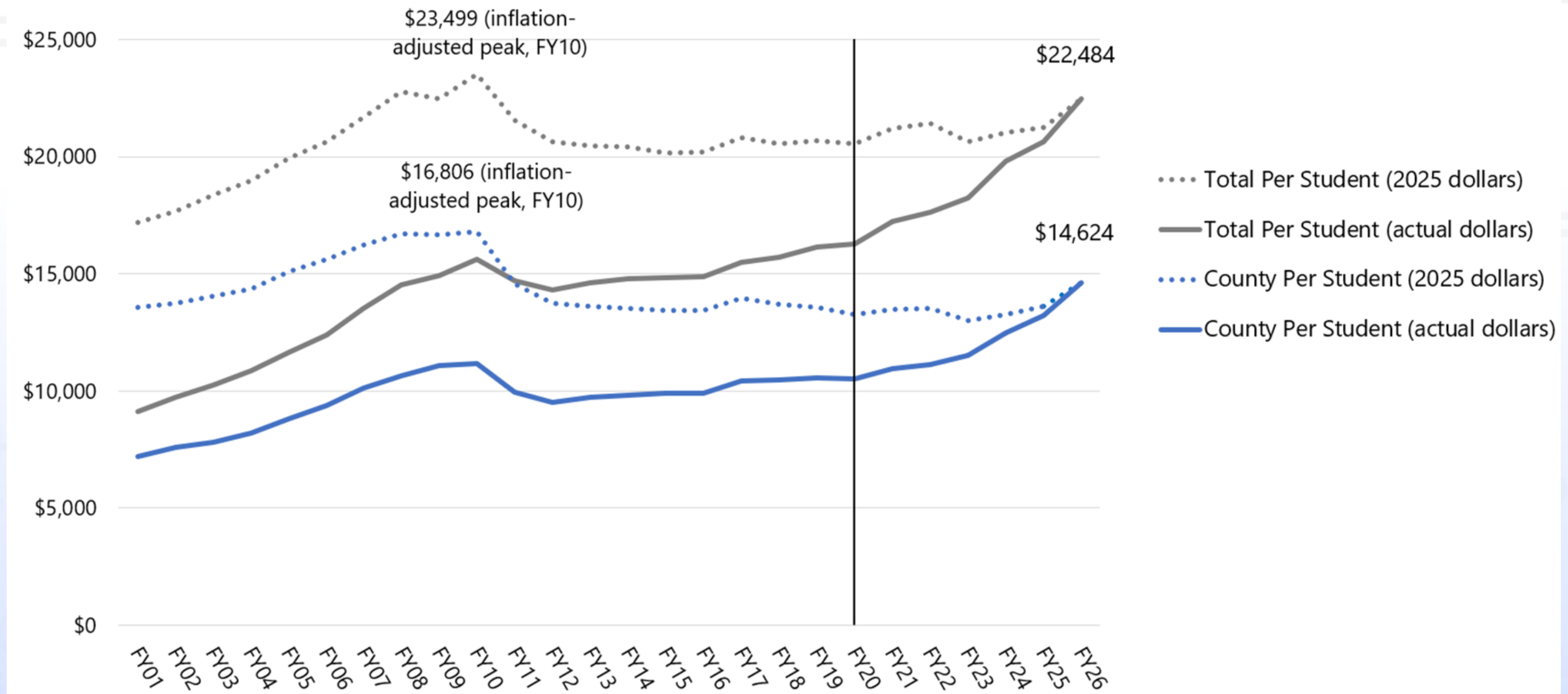
# County Executive Priorities: Transportation

- Implemented a zero-fare policy, that went into effect on Sunday, June 29 for all Ride On, Ride On extra, Ride On Flex and Flash buses: zero bus fare reduces barriers to public transportation increasing access for many residents
- Advanced the County's Flash Bus Rapid Transit network by launching Flash service on US-29 and obtaining grants to fund design and construction of planned services for Veirs Mill Road and MD 355
- Developed the Ride On Reimagined Plan to improve and expand transit services

# County Executive Priorities: Montgomery County Public Schools

- Increasing school funding to catch up with previous per student funding levels when adjusted for inflation
- Historic funding increases in the last three years, adding \$210 million in FY26 alone
- \$1.8 billion for MCPS facilities invested in the FY25-30 Capital Budget

MCPS Per-Pupil FY01-FY26 Appropriation:  
Actual & Adjusted for Inflation







MONTGOMERY COUNTY

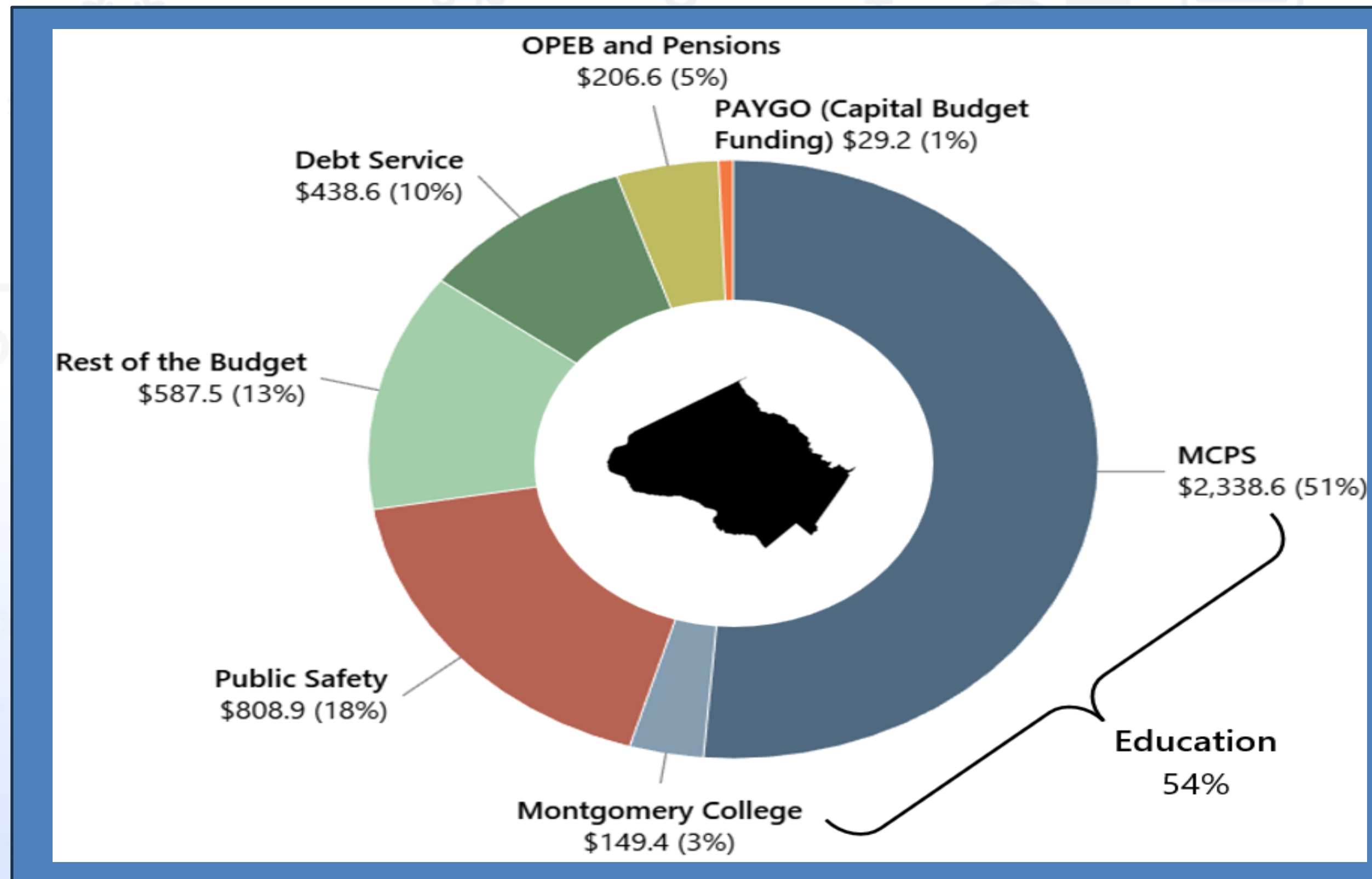
# COMMUNITY CONVERSATIONS

FY27 Operating Budget Forums

## Fiscal Context



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



**Total GF 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**

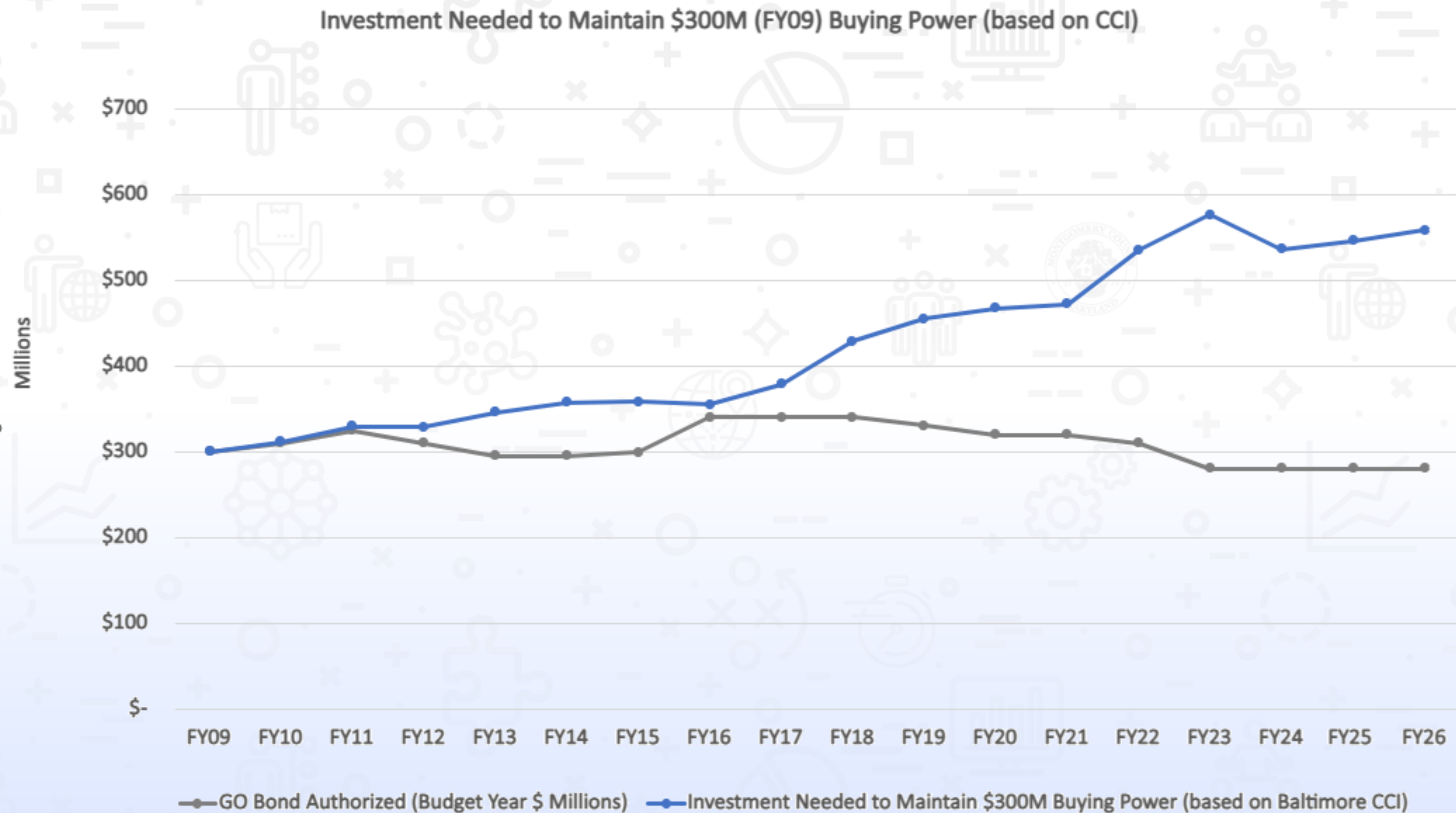
- Employment in Montgomery County fell by **9,600** from July 2024 – July 2025.
- **56,000** County residents employed by the Federal Government.
- Over **13,000** Maryland federal jobs lost since January 2025 alone.
- **October 1, 2025**, we expect to see impact of Federal government job separations

- **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



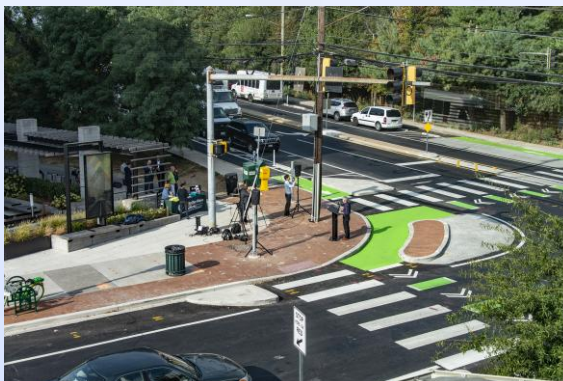
RideOn Bus:	FY16	\$467,000
	FY26	\$1,200,000 (electric)



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

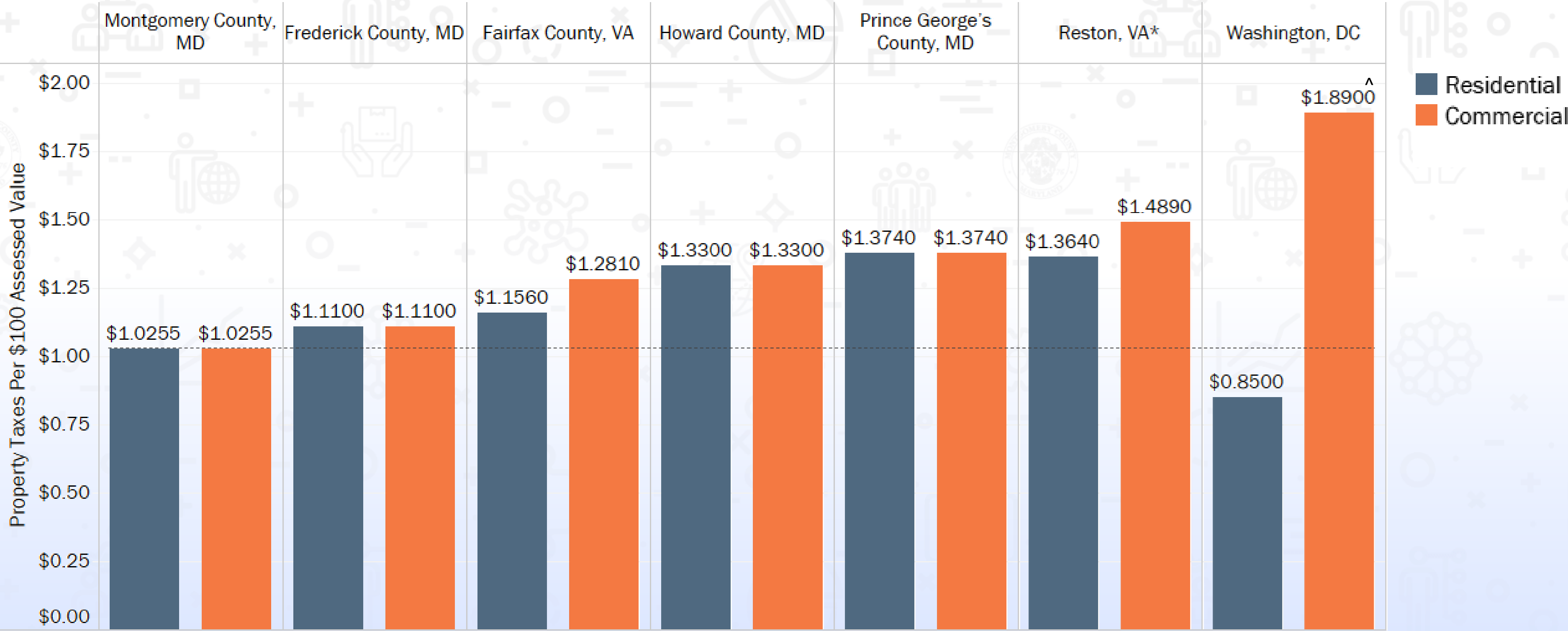
- Tax system was designed in the 1950s and 60s, when most revenue came from new homes. That helped us build great schools and roads.
- Today, the County is fully developed and **we need modern investments** in schools and transportation.
- To keep our community strong, **we must update how we raise revenue** – 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



<sup>^</sup>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).





MONTGOMERY COUNTY

# COMMUNITY CONVERSATIONS

FY27 Operating Budget Forums

## Questions?

