

Montgomery Council Approves \$4.6 Billion Total Operating Budget for FY 2013; All-Agencies Budget Has 5.6 Percent Increase

- Release ID: 12-108
- Release Date: 5/24/2012
- Contact: Neil Greenberger 240-777-7939 or Delphine Harriston 240-777-7931
- From: Council Office

ROCKVILLE, Md., May 24, 2012—The Montgomery County Council today unanimously approved a \$4.6 billion total County operating budget for Fiscal Year 2013. The budget, which reflects a 5.6 percent increase over the approved budget for FY 2012, “makes strategic restorations to County services that have recently sustained deep cuts and reflects the tenor of the times: Guarded optimism for our County’s fiscal outlook,” said Council President Roger Berliner.

The Council today formally adopted the FY 2013 operating budget, and the Fiscal Years 2013-18 six-year Capital Improvements Program. The budget will go into effect on July 1.

The total FY 2013 budget of \$4.6 billion includes \$27.2 million from the shift in teacher pension costs from the State to the County. The FY 2013 tax-supported budget is \$4.0 billion (including debt service).

Since March 15, when County Executive Isiah Leggett presented his recommended budget, the Council has worked to balance the County’s limited funds as it deals for the fourth consecutive year with the impact of the deep recession that has affected jurisdictions nationwide.

In a budget year that continues to be complicated by the national and regional economic downturn, the Council’s budget protects core services and “safety net” programs.

“The County Executive submitted a prudent framework that reflected our shared commitment to being careful stewards of our County’s resources,” said Council President Berliner. “Our priorities have been, and will continue to be, our world-class school system, public safety, safety net service and growing our economy. This budget reflects that.”

The Council appropriated \$2.0 billion in tax-supported funds for Montgomery County Public Schools, funding 100 percent of the Board of Education’s request and meeting the County’s Maintenance of Effort obligation. That is an increase of \$50.7 million, or 2.6 percent, over FY 2012, and does not include the \$27.2 million for the pension cost shift. The tax-supported budget for Montgomery College grows by \$0.4 million to \$218.4 million, a 0.2 percent increase, and funds 100 percent of the College’s request.

Over the last three years, the County Government workforce has been reduced by 998 positions—approximately 10 percent. The FY 2013 budget restores 92 positions, including 58 in the Police Department through increased staffing and the consolidation of 911 call-takers, and 15 in libraries.

The budget shows reductions totaling \$14 million in current County Government spending. The County is expected to save \$6.4 million in electricity costs as a result of newly negotiated electricity supply rates for County Government accounts.

Funding for the Maryland-National Capital Park and Planning Commission will increase by \$5.4 million to \$102.2 million, a 5.3 percent increase and 100 percent of the agency's request.

The Council approved the County Executive's recommendation to implement an Emergency Medical Services Transport reimbursement program, which is expected to generate \$18 million in annual revenue in future years. The Council created a dedicated account for this reimbursement revenue so that the funds will be used solely for needed improvements to the Fire and Rescue Service. This funding could be used to:

- Purchase replacement apparatus
- Restore Fire and Rescue services
- Purchase portable Fire and Rescue equipment for career and volunteer personnel
- Improve and maintain Fire and Rescue facilities

The Council added or restored a number of significant items related to Health and Human Services, including funds for health care for the uninsured, an increase in child care subsidies, an increase in energy assistance rebates and an increase in dental care for low-income patients. The Council also restored funding to restart the Conservation Corps job training program.

Economic development remained a priority for the Council. It appropriated funds to partner with the Montgomery Business Development Corporation to market Montgomery County as a compelling place to conduct business and to attract and retain businesses. The Council created the position of Chief Innovation Officer to assist in transforming the County's service delivery and government operations. The Council also added two positions to the Department of Economic Development to implement Bill 5-12 that created a Small Business Navigator to help small business owners start and maintain their businesses.

To aid both residents and businesses, the Council took a significant first step in rolling back the energy tax increase, approved as an emergency measure two years ago, by reducing revenue from the 2010 tax increase by 10 percent for FY 2013.

The budget also maintains property tax revenue at the current level, which is \$32.7 million below the Charter limit, and includes a \$692 property tax credit for owner-occupants of principal residences. Because of declining property assessments, the

weighted property tax rate will increase by 4.5 cents to 99.1 cents.

The Council continued its commitment to restore recent reductions to the County Libraries budget. The approved budget of \$31.4 million is an increase of \$2.9 million (10.3 percent from the approved FY 2012 level). The Council added \$200,000 to the Executive's recommendation to increase purchases of library materials.

The budget includes funding for all the economic provisions in the negotiated collective bargaining agreements with County employees represented by the Fraternal Order of Police, the International Association of Fire Fighters, and the Municipal and County Government Employees Organization. The budget includes funding for most County employees to receive a \$2,000 one-time lump sum payment that will not increase the employee's base salary. The budget also includes funds to reinstate longevity raises for eligible long-time County employees and to reinstate limited tuition assistance for all County employees.

The Maryland-National Capital Park and Planning Commission (M-NCPPC) is taking the same one-time lump sum approach. Montgomery College provided a one-time lump sum payment to its employees in FY 2012 and will not be making a payment in FY 2013. Montgomery County Public Schools (MCPS) plans to provide increases to base pay.

The budget maintains the County's commitment to prudent fiscal policies that the Council and Executive mutually agreed are critical to maintaining sound fiscal management. The budget increases County reserve levels to \$302 million to cushion the County against any additional unanticipated economic setbacks. It also more than doubles the pre-funding of retiree health benefits.

The County's Capital Improvements Program (CIP) that is the focus of major review every two years was updated for Fiscal Years 2013-18. The plan includes funding of \$4.3 billion. The six-year CIP for all agencies (excluding the Washington Suburban Sanitary Commission) addresses major projects.

Among the notable items funded in the CIP is approval for the Wheaton Redevelopment Program that will guide revitalization of Wheaton's downtown area. The Council also restored funding for the Bethesda South Metro entrance to demonstrate its commitment to the Purple Line, and included funds for the Capital Crescent Trail. Traffic projects that continue the implementation of the White Flint Sector Plan also remain funded and on schedule. Planning for a proposed County-wide rapid transit system continues.

The CIP also includes funding for sciences and student services buildings and a new parking garage at Montgomery College; a long-awaited North Potomac Recreation Center; and critical pieces of bike infrastructure, such as the Metropolitan Branch Trail.

The CIP for Montgomery Public Schools includes funding for 20 new schools and/or additions, including nine projects new to the CIP.

Councilmember statements on the approved budget:

Council President Roger Berliner: “The budget we have just adopted accurately reflects the tenor of our time – a time where there is both guarded optimism about our economic future and the lingering effects from one of the worst recessions in our nation’s history. In an almost unprecedented decision, we are maintaining property taxes approximately \$32 million below the Charter limit. At the same time, we have made a good faith effort to reduce energy taxes by an additional \$11.4 million. These taxpayer-sensitive decisions on our part are even more important in light of the increased income tax burden our residents will feel as a result of decisions made yesterday by the State Legislature.

“While still lean, this budget protects core government services and the Council’s long-standing priorities – education, public safety, and ‘safety net’ services for our most vulnerable residents. It is a prudent budget that includes strategic restorations in certain areas and set asides additional reserves and set asides for future retirement obligations that will keep us on a sound fiscal path. These efforts underscore this Council’s commitment to ensuring a bright economic future for all of our residents.”

Council Vice President Nancy Navarro: “This week, the Maryland General Assembly passed an income tax increase that will disproportionately hit Montgomery County residents. At the same time, our County Council approved a budget that will keep property tax revenue level and cut the energy tax.

“While the State is passing off its obligations to local government and tying our hands with mandates, we are investing in our children, our community and our future.

“This budget is an important step toward restoring many of the services that have been cut since the Great Recession. The FY13 Operating Budget was our first opportunity since the economic downturn to strengthen our social safety net by supporting programs that help our most vulnerable residents. We restored the Working Families Income Supplement and added an energy assistance program for low income residents.

“We kept our promise to enhance positive youth development programming by funding the Families and Youth Enhancement Initiative, a key step towards strengthening our communities. We are increasing staff levels for our gang prevention specialists in the Street Outreach Network and expanding the successful East County Teen Escape Club model to four more sites Countywide. We are also providing job opportunities and indispensable learning experiences to youth this summer through the Student/Teen Employment Program (STEP).

“As chair of the Government Operations and Fiscal Policy Committee, I have worked side-by-side with my colleagues to maintain our County’s pristine credit rating by making fiscally responsible decisions. This budget continues to adhere to the most rigorous fiscal policies and responsible Spending Affordability Guidelines that our County has ever adopted. We were able to fully fund all negotiated agreements by our public employee unions and give our hard-working County Employees a one-time lump

sum payment after years of cuts and furloughs.

“In the Capital Budget, I was proud that my colleagues came together to invest more than \$66 million in Wheaton’s downtown over the next six years. We accelerated the construction of Wheaton Library and Recreation Center and kept on track the renovation of Wheaton High School and Thomas Edison Technical High School. We continued essential funding for the Olney Library, which is scheduled to be completed on time. This Council has always been fully committed to our transportation priorities, which is why we added funding for key Purple Line and infrastructure projects.

“I want to thank our County Executive for sending a responsible budget, Council President Berliner for his leadership, and my colleagues for their diligent work in enhancing our priorities. Finally and most importantly, I want to thank our constituents for their feedback and contributions to our great County.”

Councilmember Phil Andrews: “The FY13 budget approved by the County Council provides funding to increase police presence throughout the County, as proposed by County Executive Leggett, to further improve public safety by targeting crime hot spots. It improves the budget recommended by the Executive by restoring funding for the Conservation Corps, a highly successful job skills program that helps high school dropouts become productive citizens, and by providing the funds in the capital budget needed to build the long-delayed North Potomac Community Recreation Center. Although I strongly opposed the Executive’s proposals and the Council’s decisions to charge some people ambulance fees of \$300-\$800 and to increase the County property tax rate by 4.75 percent, I am pleased that the Council has made a start in scaling back the very large increase in the energy tax approved in 2010.”

Councilmember Marc Elrich: “Our budgets over the past few years have closely mirrored the state of the economy and we have been forced to make very difficult cuts across virtually all of County government. This year's budget allows modest improvements that also reflect the slight improvement in economic conditions—allowing us to make a downpayment on restoring critical services. We have focused on public safety, libraries, youth services and public health. We have been able to fund the Maintenance of Effort school budget that the school system requested, and we are making critical investments in infrastructure. And we have largely maintained our commitment to fiscal prudence by continuing to set aside funds for future obligations. Having limited resources has limited our choices, and in that context, I believe we have made the right choices.”

Councilmember Valerie Ervin: “At a time when working families are stretched to their limit, this Council made decisions that would not add to the overwhelming burdens our residents are experiencing with stagnant wages, rising health care costs and increasing prices at the gas pump, the supermarket and retail stores. I spearheaded an effort to add money to the budget for the Working Parents Assistance Program to fund childcare subsidies for working families. The Council also funded the Working Families Income Supplement and energy assistance for low income residents. We secured funding for the Truancy Court program and neighborhood treasures like the Sligo Creek Golf Course.

We also funded reduced rates for community groups who use the Silver Spring Civic Building and provided operating support for the American Film Institute. I believe this budget strikes the right balance between protecting our taxpayers from significant tax increases while protecting our most vulnerable residents.”

Councilmember Nancy Floreen: “We prioritized job creation by jump starting the Montgomery Business Development Corporation and by increasing our investment in economic development. While it is true we are operating under constrained circumstances, I’m pleased with our decision to invest in our future. Only through job creation will our residents and our county as a whole be able to achieve the future we envision.”

Councilmember George Leventhal: “As the chair of the Council’s Committee on Health and Human Services, I am gratified that, after several years of budget cuts, we are finally able to increase funding modestly for services that will benefit our most vulnerable residents, such as the Montgomery Cares program for primary health care, as well as for our library department and for the arts and humanities.”

Councilmember Craig Rice: “This year’s budget was incredibly difficult as we had to deal with a pension shift of \$27 million from the State and still declining revenue projections in property tax and income tax revenue. But out of this adversity, we were able to accomplish a great deal, staying under the property tax cap, restoring reduced Library hours and materials, supporting our teachers and our students at the School Board’s requested level, reinstating our energy assistance program for our neediest residents, funding additional visits for Montgomery Cares, supporting the best community college in the nation and giving our County employees, who have been giving more while getting less, a lump sum pay increase.”

Councilmember Hans Riemer: “This budget eases the energy tax burden for residents and local businesses while making critical investments in education, health, libraries, parks and public safety. The new Purple Line funding represents real progress on transportation. I am also grateful for Council support for my proposal to increase our low income worker tax credit.”

Key Council Actions Regarding FY 2013 Montgomery County Operating Budget:

Montgomery County Public Schools

- Approved \$2.0 billion in tax-supported funds for Montgomery County Public Schools, not including the \$27.2 million for the pension cost shift. That is an increase of \$50.7 million, or 2.6 percent, and funds 100 percent of the Board of Education’s request.
- The overall MCPS budget will be \$2.16 billion (this figure includes the pension shifts, grants and enterprise funds).

Montgomery College

- Approved the College's full request \$218.4 million in tax-supported funds. This is an increase of \$0.4 million (0.2 percent) and funds 100 percent of the College's request.

Fire and Rescue Service

Total approved budget is \$196.6 million, an increase of \$16.6 million over FY 2012.

Funded two expanded recruit classes.

Provided increased funding to address structural and budgetary gaps in staffing and overtime.

Restored funding for 29 positions that were lapsed in FY11-12 to meet budget reductions.

Approved County Executive's recommendation to implement an Emergency Medical Services Transport reimbursement program, which is expected to generate \$18 million in annual revenue in future years. The Council created a dedicated account for this reimbursement revenue so that the funds will be used solely for needed improvements to the fire and rescue service.

Police

Total budget increased by 6.9 percent over FY 2012 approved budget.

58 positions added, including 43 police officers. Thirty-four police officers will be used to form a District Community Action Team (DCAT) in each of the six police districts.

Seven police officers will be assigned as detectives – two in the 1st District, two in the 2nd District, and three in the 6th District – to help solve outstanding cases like violent assaults, robberies, burglaries and missing persons cases.

Added \$299,628 for overnight front desk service at the 2nd District and 6th District police stations.

21 positions will be added to help consolidate call-taking functions in the Emergency Communications Center (ECC) to implement the Universal Call Taking System. The new system is expected to be more efficient, reduce call backlogs and reduce response times.

Correction and Rehabilitation

- Total budget of \$61 million, an increase of 6.4 percent over the FY 2012 approved budget.

- Added \$184,449 for three correctional officers to restore visiting hours at Montgomery County Correction Facility (MCCF) in Boyds. MCCF has had several security incidents over the past year where visitors have fought with others, vandalized property in the parking lot, and assaulted correctional officers. Restoring visiting hours should help mitigate frustrations caused by delays and lack of access to inmates.

State's Attorney's Office

Added \$80,000 for assistant state's attorney position. The State's Attorney has advised that this position will be used in the Special Prosecutions Division to address incidences

of fraud against seniors. The CE Recommended FY13 budget already contains one additional Assistant State's Attorney position to do this. If approved by the Council, there will be two total.

Added \$52,000 for Truancy Court program.

Health and Human Services

- Approved \$500,000 to increase funding for Working Parents Assistance child care subsidies, which was \$200,000 beyond the Executive's request.
- Added \$750,000 to fund 7,500 Montgomery Cares primary visits.
- Added \$100,000 to partially restore cut to Community Pharmacy.
- Added \$250,000 to increase funding for Specialty Care.
- Added \$72,000 to add care manager for Montgomery Cares Behavioral Health Program.
- Added \$100,000 for County Dental Care programs.
- Added \$500,000 to restore Conservation Corps program.
- Added \$213,700 for two additional Street Outreach Network staff members providing service County-wide. Funding also includes a van.
- Added \$76,000 to restore funding for SHARP Street Suspension Program
- Added \$50,000 to increase funding for drug prevention and intervention services at Crossroads and upcounty Youth Opportunity Centers.
- Added \$34,680 to support services for CASA de Maryland Wheaton and Shady Grove/Crabbs Branch workers centers.
- Added \$500,000 for Local Energy Assistance Rebate.

Libraries

Approved \$31.4 million for the Montgomery County Public Libraries, an increase of \$2.9 million (10.3 percent increased from the approved FY 2012 level).

Approved \$582,750 to restore service hours at five library branches: Bethesda, Wheaton, Germantown, Quince Orchard and Rockville Memorial.

Approved \$71,980 to increase Sunday services hours by one hour per week. 15 positions added.

Added \$200,000 to increase materials budget.

Added \$29,610 to increase funding for Literacy Council.

Recreation

Approved \$26.0 million for the Montgomery County Recreation Department, an increase of \$1.1 million (4.6 percent from the FY 2012 level).

Approved \$315,296 for a Summer Student/Teen Employment Program.

Approved \$213,680 for two additional Excel Beyond the Bell (EBB). comprehensive after school programs at Forest Oak and Neelsville Middle schools.

Approved \$128,000 for weekend and evening teen programs for middle and high school students County-wide including the following programs: Futsol, Basketball League, Black Top basketball, Friday Night Teen Scene, Flag Football League, Girls on the Run, and Girls of Excellence.

Approved \$61,570 to restore programming for youth who attend the Scotland Neighborhood Recreation Center including an afterschool program, a Club Friday program, a Summer Fun Center and a Scotland community day event.

Approved \$117,120 to provide dedicated senior programming at the White Oak Community Recreation Center.

Transportation

- Added \$56,195 to restore funds to re-time pedestrian signals.
- Added \$100,000 to re-start raised pavement marker program.
- Added \$152,300 to repair failed traffic detectors.
- Increased Ride On Monthly Pass from \$40 to \$45.
- Increased cash or token Ride On fare from \$1.70 to \$1.80.
- Increased regular SmarTrip Ride On fare from \$1.50 to \$1.60.
- Increased Senior/Disabled cash/token fare on local bus from \$0.85 to \$0.90.
- Increased Senior/Disabled SmarTrip fare on local bus from \$0.75 to \$0.80.
- In the Bethesda Parking Lot District (PLD): raised the fee for short-term parking from \$1.00/hour to \$1.25/hour, long-term parking from \$0.75/hour to \$0.80/hour, the monthly pass from \$140 to \$150, and the associated daily and carpool passes, effective July 1, 2012; it did not approve the Executive's proposal to extend enforcement hours to Saturdays.
- In the Silver Spring PLD: raised the fee for short-term parking from \$0.75/hour to \$1.00/hour, long-term parking from \$0.60/hour to \$0.65/hour, the monthly pass from \$113 to \$123, and the associated daily and carpool passes, effective Jan. 1, 2013. Did not approve the Executive's proposal to extend enforcement hours to Saturdays and to 7 p.m.

- Established a pilot program whereby residents of South Silver Spring can buy a monthly parking pass for the Kennett and King Street garages for the discounted price of \$95; the pilot will run from Oct. 1, 2012 until June 30, 2014.

- In the Wheaton PLD: raised the fee for short-term parking from \$0.50/hour to \$0.75/hour, long-term parking from \$0.50/hour to \$0.60/hour, the monthly pass from \$95 to \$113, and the associated daily and carpool passes, effective July 1, 2012. Did not approve the Executive's proposal to extend enforcement hours to 10 p.m.

Arts and Humanities

Provided \$3,035,367 for the Arts and Humanities Council to assist Montgomery County arts and humanities organizations.

Provided \$129,000 for the maintenance of public art.

Community Engagement

- Added \$70,000 to increase counseling services by 500 sessions and provide seminars for 500-1,000 participants for Commission for Women.

Community Grants

- Approved \$1,885,326 for 63 grants to nonprofit organizations to support a variety of programs and services, including food, eviction prevention, utility assistance and other safety net services to help low income families facing severe economic hardships.

- The funding also supports several youth development proposals from community nonprofit organizations that work to help low income first generation students get into and remain in college, and proposals that provide needed after school programs for County youth.

- Approved \$275,611 in grants to community primary care clinics associated with Montgomery Cares, the County's primary care program for uninsured low-income adults.

- Provided \$555,000 to assist with capital improvements proposed by the following nonprofit community organizations: Muslim Community Center, Potomac Community Resources, Sheppard Pratt Health System, Artpreneurs and the Menare Foundation. County funds will leverage private and State funding for a variety of projects benefiting County residents, including a health clinic, community center, housing for individuals with disabilities, renovations to a special education school for students with disabilities, lighting in a low income community, and renovations at a living history educational center.

Community Use of Public Facilities

Added \$100,000 to decrease rates to community users of the Silver Spring Civic

Building.

Consumer Protection

- Added \$130,000 to add an Investigator III position.

County Executive's Office

- Added \$150,000 for new position of Chief Innovation Officer.

Economic Development

- Added \$149,284 for two new positions to implement the new Small Business Navigator program.
- Added \$400,000, in addition to \$100,000 recommended by the Executive, to fund a contract with the Montgomery Business Development Corporation.

Employee Health Benefit Self Insurance Fund

Approved \$110,000 for the new position of employee wellness coordinator.

Environment

Voted along with Prince George's County Council to increase water and sewer charges for the Washington Suburban Sanitary Commission by 7.5 percent to provide sufficient resources for WSSC to continue a number of important infrastructure recapitalization efforts, including an aggressive large diameter water main inspection, repair and acoustic fiber optic monitoring program and an increase in annual water main replacement from 41 to 46 miles for FY 2013.

Provided full funding for WSSC's FY 2013 operating budget.

Provided full funding for WSSC's FY 2013-18 Capital Improvements Program.

Approved solid waste charges with no increases for residential customers.

Approved an increase in the annual Water Quality Protection Charge (from \$70.50 to \$92.60 per equivalent residential unit) to continue the Department of Environmental Protection's major ramp up of work to meet the requirements of the County's National Pollution Discharge Elimination System (NPDES) permit.

The County government is expected to save \$6.4 million in electricity costs as a result of newly negotiated electricity supply rates for County Government accounts.

Housing and Community Affairs

Added \$100,000 to continue Neighborhood Focused Assistance contract with Montgomery Housing Partnership.

Added \$285,000 to add 14 slots for the Housing Initiative Program, which finds

permanent homes for the chronically homeless. It is part of the Council's commitment to Housing First.

Montgomery Coalition for Adult English Literacy

Added \$34,098 to add 5 percent increase to restore budget reduction in FY12.

Municipal Tax Duplication

Added payments to Takoma Park for police of \$653,000.

Working Families Income Supplement

Increased County match by \$1,237,500.

FY 2013-18 Capital Improvements Program (CIP)

- Approved the Wheaton Redevelopment Program that will guide revitalization of Wheaton's downtown area, with more than \$66.1 million committed to create a civic core in the heart of downtown Wheaton.

- Committed to build a 150,000-square-foot headquarters building for the Maryland-National Capital Park and Planning Commission (M-NCPPC) as part of the Wheaton Redevelopment Plan, including a large town square with ample green space.

Funded 20 new schools and additions, including the nine projects new to this CIP: Arcola ES Addition, Bethesda ES Addition, Bethesda-Chevy Chase MS #2, Highland View ES Addition, North Chevy Chase ES Addition, Northwest ES #8, Rosemary Hills ES Addition, Julius West MS Addition, and Wood Acres ES Addition.

Kept the Wheaton High School modernization project on the Board of Education's requested schedule.

Increased funding for roadway patching and resurfacing by \$16.25 million (95 percent) in FY 2013.

Increased funding for sidewalk and curb replacement by \$2.5 million (40 percent) in FY 2013.

Funded the construction of the North Potomac Recreation Center by FY 2015.

Funded the construction of a new Wheaton Library and Recreation Center by FY 2017.

Funded construction a new parking garage on the Rockville campus of Montgomery College by FY 2015.

Funded construct a new Rockville Student Service Center for Montgomery College by FY 2017.

Retained funding for the Bethesda Metro Station Southern Entrance, costing \$80.5 million.

Funded the design and construction of the Capital Crescent Trail, costing \$49.5 million.

Retained construction funding for the Metropolitan Branch Trail and the Silver Spring Green Trail.

Funded construction of new bike trails along Frederick Road in Clarksburg, Needwood Road in Derwood, and Gold Mine Road east of Brookeville.

Increased HVAC replacement funding over what had been planned in FY 2013 by \$15.5 million (236 percent).

Increased Planned Lifecycle Asset Replacement funding over what had been planned in FY13 by \$2.5 million (52 percent).

Increases ADA Compliance funding over what had been planned for FY 2013 by \$1.8 million (153 percent).

#