
Message from the County Executive

These publications contain the approved Fiscal Year 2027 (FY27) Operating and Capital Budgets for Montgomery County. I appreciate that the County Council approved many of my recommendations, which allow us to make historic investments in education, climate change, transportation, public safety, and affordable housing. This funding is important to maintain the high quality of life in our County and keep us competitive in an ever-changing world.

As Maryland's economic engine, the County's economy is currently holding steady. However, there is considerable uncertainty raised by recent Federal budget and employment actions that could impact not only County services funded by Federal dollars but also County residents employed by the Federal government either directly or through Federal contracts. Despite the challenges we face, this budget makes significant investments to maintain and improve the quality of life in our community.

This year's operating and capital budgets reflect rising service demands, higher costs from inflation, our commitment to labor contracts and employee pay, continued investment in schools, and a stronger approach to economic development. Our County's current resources, while increasing, cannot fully support the growing needs of the community and demand for services.

Developing the capital budget was a challenge due to constrained debt levels, limited recordation tax revenues, and policy changes that reduce impact tax collections from real estate developers. In addition, the County's ability to invest in essential capital improvements such as roads, public facilities, and parks has diminished as our debt levels remain flat while the cost of construction continues to grow. In the face of these headwinds, the Board of Education presented a record capital request, totaling \$2.8 billion, a more than \$1.03 billion increase over the prior approved Capital Improvements Project (CIP).

Even with these constraints, the FY27 Capital Budget and the FY27-32 Capital Improvements Program makes investments to maintain and improve essential infrastructure in education, economic development, transportation, and general government while advancing critical new projects such as the University of Maryland Institute for Health Computing, a new 4th District Police Station, the new Shady Grove West Library, and Bus Rapid Transit along U.S.-29. These important capital investments will continue to help move our County forward.

It was important to me that my recommended budgets incorporated feedback from our ethnically, economically, and geographically diverse community. To do that, I undertook the County's largest budget-related outreach effort to date. Over four months, I conducted community conversations on the operating budget in all five regions of the County, as well as focused sessions with the Montgomery County Council of Parent Teacher Associations, older adults, the Black and African American communities, in addition to a session conducted in Spanish, and the first forum conducted simultaneously in Chinese, Korean, and Vietnamese. To inform development of the capital budget, I also held community meetings in all five regions, in addition to a sixth virtual forum to reach residents unable to attend in-person. I want to thank everyone who participated.

Highlights in the approved FY27 Operating and Capital Budget and the FY27-32 Capital Improvements Program include:

- **Record funding for education**

- Provides \$3.7 billion for Montgomery County Public Schools (MCPS), \$128.7 million above last year.
- Funds 98.4 percent of the MCPS Board of Education's budget request.
- Fully funds the negotiated compensation agreements for teachers and other MCPS employees to retain and recruit outstanding educators and other essential school staff.
- Includes \$346.8 million for Montgomery College.

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- Provides \$52.4 million in funding for school health services in the Department of Health and Human Services.
 - Provides over \$38.1 million for the Early Care and Education Initiative - including more than \$16.3 million in the Early Care and Education Non-Departmental Account and almost \$21.8 million in the Department of Health and Human Services (DHHS) Early Childhood Services Program.
 - **Sustained investment in school construction**
 - Includes \$1.85 billion for MCPS facilities, funding 66.5 percent of the Board of Education's request.
 - Adds funds to support Roof Replacement, Heating Ventilation and Air Conditioning, Emergency Replacement of Major Building Components, Planned Life Cycle Asset Replacement, Restroom Renovation, and School Security Systems.
 - Funds a critical elementary school boundary study to inform future capital budget decisions.
 - Reflects additional State aid secured by our General Assembly delegation.
 - Funds two new school projects and maintains design and construction for nine school projects, including four elementary schools, one middle school, and four high schools.
 - **Enhances public safety**
 - Improves the Drone as First Responder program by transitioning to rooftop launch platforms that reduce the reliance on personnel in the field.
 - Funds the replacement of expired automated external defibrillators (AEDs) deployed throughout the County.
 - Adds three crossing guards, one for Greenwood Elementary School and two for the new Burtonsville Elementary School.
 - Adds 25 call taker positions to fully staff the Emergency Communications Center.
 - Supports the continued delivery of fire, rescue, and emergency medical services across Montgomery County by maintaining current service levels for uniformed and civilian personnel.
 - Sustains critical EMS supply contracts, including the Boundtree medical supply agreement, to ensure frontline personnel have the equipment needed to respond effectively.
 - Maintains investments in operational technology, including robot software systems that support fire and rescue operations.
 - Funds an increase in the Length of Service Award Program (LOSAP) to continue to recognize and retain the volunteer firefighters and rescue personnel whose service is essential to the County's public safety network.
 - Adds \$45 million to construct a new 4th District Police Station to replace the existing building in Glenmont that is obsolete and does not meet the needs of modern policing.
 - Provides \$14.8 million to replace outdated, self-contained breathing equipment used by firefighters and \$4.4 million to replace obsolete police body armor.
 - Maintains funding for a new, five-bay North Bethesda Fire Station, including the purchase of associated apparatus. This project also supports land acquisition for the development of affordable housing immediately adjacent to the fire station.
 - **Invests in transportation to improve mobility and reduce congestion**
 - Adds funding for construction of dedicated bus lanes for Flash Bus Rapid Transit service on U.S. 29.
 - Adds state and federal funding to construct a new northern entrance at North Bethesda Metro Station.
 - Adds funding for a new Lakeforest Transit Center to support transit in the Gaithersburg area.
 - Funds a solar microgrid project and hydrogen fuel generation facility at the County's Gaithersburg bus depot, which will generate green hydrogen for fuel cell electric buses.
 - Maintains funding to implement Veirs Mill Road Bus Rapid Transit with service to launch in FY29.
 - Maintains funding to implement the MD 355 Bus Rapid Transit Central phase with service to launch in FY32.

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- Increases funding for Highway Maintenance projects to help maintain current road conditions.
 - Adds funding for level two and direct current fast chargers in Silver Spring's County garages to support parking and help residents without home charging.
 - **Provides record funding to combat climate change**
 - Provides \$351.7 million in total to fight climate change through transit, increased renewable energy, improved building efficiency, and nature-based solutions.
 - Provides \$16.4 million for the Montgomery County Green Bank to finance energy efficiency projects across the County.
 - Adds \$5.8 million in new spending to further the County's efforts to fight climate change.
 - Adds funds to support climate change solutions in clean energy and home appliance electrification.
 - Provides \$36.9 million in capital funding to enhance energy conservation in County-owned facilities and to support the implementation of the new Building Energy Performance Standards.
 - **Allocates record funding to produce, preserve, and protect the affordable housing supply**
 - Funds \$158.6 million to expand the preservation and production of affordable housing to our most economically burdened residents.
 - Provides \$52.3 million to the Housing Initiative Fund.
 - Appropriates \$106.3 million in the Capital Improvements Program budget (including \$69.9 million in new capital funding for the Affordable Housing Acquisition and Preservation project).
 - **Supports growing Montgomery County's economy**
 - Provides \$26.4 million to support growing the County's economy.
 - Includes \$3.1 million for WorkSource Montgomery, continuing support the Summer RISE youth program and programming at the Montgomery County Correctional Facility and the Federal Workforce Career Center.
 - Includes \$5.3 million to the Montgomery County Economic Development Corporation, a 3.5 percent increase over the prior fiscal year, to strengthen efforts to attract and launch strategic industries in Montgomery County.
 - Supports the County's broader economic ecosystem through targeted investments in tourism, conferencing, and visitor infrastructure, including a 3.5 percent increase for the Conference and Visitors Bureau to promote Montgomery County's cultural, entertainment, and recreation assets.
 - Invests \$50 million in County funding to support a new University of Maryland Institute for Health Computing anchor building to match an anticipated \$100 million capital commitment from the University System of Maryland and the State. This investment demonstrates our commitment to making Montgomery County a world leader in life sciences.
 - **Expands cultural, recreational, and community resources serving residents across Montgomery County**
 - Launches the ePACT Network, a HIPAA compliant digital health and emergency management system to modernize camp operations, enhance risk management, and improve resident experience.
 - Adds funds to build out a 7,000 gross square foot ground-floor library across from the Shady Grove Metro Station through a long-term lease with the Housing Opportunities Commission.
 - Continues funding for the design and construction of a new library in Clarksburg, and funding for construction of the Noyes Library for Young Children Rehabilitation and Renovation.
 - Maintains funds to design and construct a new Western County Recreation Center to serve the Town of Poolesville and neighboring communities in Western Montgomery County.
 - Maintains funds for the Recreation Facilities Refurbishment projects and Swimming Pools Slide Replacement project to ensure the County continues to provide safe and refurbished indoor pools, outdoor pools, and recreation centers to all residents.
 - Adds funds to accelerate the replacement of essential recreational equipment and fixtures.

- **Improves government services by investing in employees and programs**

- Fully funds the negotiated compensation agreements for all County employees to retain and recruit an outstanding County government workforce.
- Includes a reserve balance of 10.7 percent or \$776.7 million in FY27.
- Recognizes the work of nonprofit partners with a 3.5 percent inflationary adjustment to those organizations that receive funds from the County.

- **Provides resources and services more equitably**

- Every decision in the FY27 Recommended Budget was screened using the Budget Equity Tool, developed by the Office of Racial Equity and Social Justice to identify and address racial and other disparities in County spending. Provides over \$17.2 million to address food insecurity - including \$4.52 million in the Department of Health and Human Services and \$13.7 million in the Office of Food Systems Resilience.
- Expands homelessness prevention services with nearly \$1.17 million to close an adult shelter gap caused by rising emergency shelter operational costs and the loss of one-time funding.
- Provides almost \$439,000 in funding to close an outreach budget gap and to expand services to help unhoused individuals find and keep stable housed.
- Adds nearly \$4 million in one-time funding to supplement services to the unhoused aimed at addressing housing needs and transitioning people out of ongoing support programs, including \$1.96 million for overflow emergency shelter support for families and \$2 million in funding to support the transition of housing-ready residents out of the homeless service network through the Short-term Housing and Resolution Program (SHARP).

Developing our annual operating and capital budgets is a balancing act between community needs and fiscal realities. These budgets make significant investments in the services and programs that make our community a thriving place to live and work—great schools, our County's workforce, our well-established social safety net, public safety, affordable housing, climate change initiatives, and transportation infrastructure.

Additional information about these budgets can be obtained by visiting the Office of Management and Budget website. This website provides a searchable, user-friendly means of accessing detailed budget information regarding the approved operating and capital budgets. Please call the Office of Management and Budget at 240-777-2800 for further information.



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Montgomery County Executive