

Resolution No.:	<u>20-1140</u>
Introduced:	<u>May 21, 2026</u>
Adopted:	<u>May 21, 2026</u>

**COUNTY COUNCIL
FOR MONTGOMERY COUNTY, MARYLAND**

Lead Sponsor: County Council

SUBJECT: Approval of the FY 2027 Cable Communications Plan

Background

1. Section 8A-27(a) of the County Code provides: “All access grants, franchise fees, and other moneys received by the County from any franchisee may be spent only under a budget approved by the Council and in accordance with the County Cable Communications Plan.”
2. Section 8A-27(b) of the County Code provides: “The Cable Communications Plan must be proposed by the County Executive to the Council annually and may be amended at any time.”
3. Section 6.2.2 of the 2016 Cable Franchise Agreement with Comcast of Potomac, LLC provides that Comcast must pay a grant to the County of 3 percent of Gross Revenues each quarter to be used for public, educational, or governmental (PEG) and institutional network capital expenses. Paragraph 8 of Exhibit D of the Franchise Agreement provides that this grant may be used for capital and non-capital support for PEG purposes, including expenditures on PEG and FiberNet.
4. Section 8(b)(1) of the 2016 Franchise Agreement with Starpower Communications, LLC (doing business as Astound) provides that Starpower must pay a grant to the County of 3 percent of Gross Revenues to the County to be used for PEG and Institutional Network. Paragraph 3 of Exhibit F of the Franchise Agreement provides that this grant may be used for capital or non-capital support for PEG purposes.
5. Sections 6.2.1 and 6.2.2 of the 2006 Franchise Agreement with Verizon provides that Verizon must pay a grant to the County of 3 percent of Gross Revenues each quarter to be used for PEG and institutional network purposes.
6. Section 8 of the Franchise Agreement with Starpower (doing business as Astound) and Section 7 of the Franchise Agreements with Verizon and Comcast provides that each franchisee must pay, for the life of the franchise, a franchise fee of 5 percent of annual gross revenues.

General Provisions

1. Purpose and Effect: This Cable Communications Plan constitutes the County's formal direction for the use of resources required to be provided under Sections 7 and 8 of the Franchise Agreements with Comcast and Starpower (doing business as Astound); and Sections 3, 6 and 7 of the Franchise Agreement with Verizon.

In FY 2027, these resources must be deposited by the County in its Cable TV Special Revenue Fund, and this Cable Communications Plan directs the use of the revenues in this Fund.

2. Spending Authority under the Time Period Governed by This Plan: This Cable Communications Plan provides spending authority for FY 2027. Resources appropriated in FY 2027 that are not encumbered by the County on or before June 30, 2027 must remain in the Cable TV Special Revenue Fund and be available for spending in future years. All expenditures will comply with the requirements of the County Code.
3. Carryover: Resources provided to the County as a result of the requirements of the Franchise Agreements with Comcast, Starpower (doing business as Astound), and Verizon, but not specifically allocated in the Cable Communications Plan to the General Fund, must remain in the Cable TV Special Revenue Fund and be available to be allocated in future years.
4. Future Fiscal Years: No estimate shown for any fiscal year after FY 2027 reflects any commitment or decision by the Council, and any such estimate should not be taken as prejudging any decision regarding activities or allocations, either in absolute or relative amounts, of expenditures for future years.
5. Management of Funds: All equipment, personnel and other resources approved in the Cable Communications Plan for funding from the Cable TV Special Revenue Fund must be managed so that the resources are reasonably available to all users of the cable system and provide benefits to the subscribing public and the franchisee.
6. Affirmative Action and MFD Procurement Procedures: The Board of Directors of Montgomery Community Television, Inc. (MCT), doing business as Montgomery Community Media (MCM), must adopt and follow an Affirmative Action Plan and procedures for procurements from minority, female and disabled-owned businesses (MFD) that take into account both the requirements of the Franchise Agreements with Comcast, Starpower (doing business as Astound), and Verizon and relevant provisions of the County Code.
7. Financial Disclosure: The County must not spend any FY 2027 funds allocated to MCT until all members of the Board of Directors and the Executive Director of MCT have filed a financial disclosure statement with the Ethics Commission for the 2025 calendar year.
8. Future Cable Plan strategy: The Executive must submit to the County Council's Government Operations and Fiscal Policy Committee a Strategic Plan that will frame FY 2028 budget allocations from the Cable Fund no later than January 15, 2027.

9. Reporting Requirements: The Executive must submit a separate quarterly fiscal report to the Council detailing revenues received by source for the Cable Plan and the levels of the Cable Fund Balance no later than 60 days after the end of each quarter.

FY 2027 Cable Communications Plan Description

The FY 2027 Cable Communications Plan provides funding, either directly or through transfers to the General Fund, to Community Technology for the Transmission Facility Coordinating Group and to Cable Franchise Administration (Department of Technology and Enterprise Business Solutions), to the County Attorney's Office and outside professional service providers; for municipal equipment and operating support; for public, educational and government access programming (Office of Community Engagement, Office of Public Information, County Council, Montgomery College, Montgomery County Public Schools and Montgomery Community Television, Inc.); for Montgomery Connects; for FiberNet; to the Interagency Technology Fund (ITF); and for other miscellaneous cable, broadband, technology and digital equity-related activities that fall within the affordability of the FY 2027 appropriation.

Any funds transferred from the Cable TV Special Revenue Fund to the General Fund must be used in accordance with this Cable Communications Plan for FY 2027 and applicable law.

The attached table represents a summarized six-year fund display which presents the approved direct expenditures and interfund transfers from the Cable TV Special Revenue Fund for the following purposes in FY 2027:

Community Technology

- A. Funds are allocated to the Department of Technology and Enterprise Business Solutions to administer the Franchise Agreements with Comcast, Starpower (doing business as Astound), and Verizon, including inspecting construction, testing signal quality, responding to residents' complaints, budgeting franchise fee and grant funds received from the cable operator, managing the contract to provide public access services, supporting an advisory committee, administering Federal Communications Commission rules and regulations, preparing for and negotiating franchise agreements and advising elected officials on related policy matters.
- B. Funds are allocated to the County Attorney's Office to support the in-house staff costs associated with advising the Department of Technology and Enterprise Business Solutions and elected officials on related matters.
- C. Funds are allocated to hire outside professional services, in areas of specialized telecommunications needs, to (1) advise or represent the County and (2) file grant applications on behalf of the County and consumers. Any appointment of special counsel requires the approval of the Council under Charter Section 213.

Municipal Support

- D. Funds are allocated for sharing franchise fee revenue with the municipal co-franchisors in accordance with the formula in Section 8A-29 of the County Code.
- E. Funds are allocated to support the four PEG channels allocated to (1) the City of Rockville; (2) the City of Takoma Park; and (3) the Montgomery County Chapter of the Maryland Municipal League. Funds are allocated from the Capital Equipment Support Grants, according to the requirements of Section 8(b)(1) of the Franchise Agreement with Starpower (doing business as Astound), the requirements of Section 6.2 and Exhibit D Section 8 of the Franchise Agreement with Comcast, the requirements of 6.2 of the Franchise Agreement with Verizon and from the Municipal Operating Support portion of the Cable Fund. Funds are allocated from the Cable Fund to the extent that the Participating Municipalities meet all applicable matching-fund requirements in the Comcast Settlement Agreement (Exhibit D of the Franchise Agreement).

County Government Access Programming

- F. Funds are allocated to the Office of Community Engagement for managing the Community Cable Montgomery (CCM), maintaining CCM video equipment, closed captioning of PEG programming and for the operation of the Technical Operations Center to monitor and support technical quality and distribution of PEG Programming.

Funds are allocated to the Montgomery County portion of the Maryland-National Capital Park and Planning Commission for contractors to provide cable-related services, including webcasting and services needed to produce programming for the Planning Board and the Parks Department.

Educational Access Programming

- G. Funds are allocated to Montgomery College to produce educational programs and operate a cable channel with in-house staff.
- H. Funds are allocated to Montgomery County Public Schools to produce educational programs for children, parents, and teachers; carry Board of Education meetings; and run other educational programming of interest to County residents.

Community Media Programming

- I. Funds are allocated for Montgomery Community Television, Inc., to perform services in FY 2027 as specified in its contract with the County or the Cable Communications Plan, including the following:

- (1) produce and schedule three public access channels, including disseminating information on the daily program schedule;
- (2) train community producers and technicians in program production and assist residents and community organizations in developing locally produced or locally sponsored programming;
- (3) provide and maintain a central access studio, field production equipment, and editing facilities for use by community producers in program production;
- (4) maintain all video equipment provided to MCT or purchased by MCT with cable company or County funds;
- (5) produce local interest and public affairs programming;
- (6) promote and encourage programming representing a diversity of community interests and needs; and
- (7) perform outreach and create programming in the down-county area.

PEG Operations

- J. For FY 2027, funds are allocated for PEG equipment replacement, for joint PEG programming/promotion, PEG network engineering and administration, closed captioning of select PEG programming and for PEG programming to provide access to cable by community organizations (collectively, the “PEG Operations”).

Connect Montgomery Alliance was dissolved in November 2025. Beginning in FY27, funding will be allocated for PEG Operations through the Community Engagement Team, a division within TEBS. The TEBS Community Engagement Team serves as the division responsible for providing oversight, procuring equipment and warranties, and coordinating and otherwise supporting PEG Operations for the County's cable and broadband infrastructure.

The Council seeks to promote the most cost-effective PEG Operations and encourages the municipal co-franchisors to develop equipment-purchasing plans that support resource sharing, in coordination with the Community Engagement Team. The TEBS Community Engagement Team should enhance the sharing of equipment, facilities, and personnel and support digital equity. Before spending any funds for PEG equipment replacement, the TEBS Community Engagement Team must report to the Council and the Executive on the plans for the purchase and allocation of replacement equipment. The Council intends that preference be given to purchases of equipment and facilities that can be shared by more than one entity.

Before funds are allocated for joint Programming/Promotion, the TEBS Community Engagement Team must coordinate needs and report a Cable Communications Work Plan for FY 2027 to the Council and the Executive.

Institutional Telecommunications

- K. The County continues to expand the FiberNet network to meet the telecommunications

needs of County agency facilities.

FiberNet and Montgomery Connects may be used to support internet connectivity initiatives under the Cable Communications Plan.

Support of the Interagency Technology Fund (ITF)

- L. In FY 2027, the Interagency Technology Fund will not receive any funding to support priority projects as approved by the ITPCC.

Action

The County Council for Montgomery County, Maryland approves the following resolution:

The Council approves the Cable Communications Plan for FY 2027, as described in this resolution and presented in the appended table. The Council appropriates funds from the Cable TV Special Revenue Fund as provided in the approved Cable Communications Plan for FY 2027.

This is a correct copy of Council action.



Sara R. Tenenbaum
Clerk of the Council

FY27-32 PUBLIC SERVICES PROGRAM: FISCAL PLAN		Cable Communications Plan							
FISCAL PROJECTIONS	FY26 APPROVED	FY26 ESTIMATE	FY27 APPROVED	FY28 PROJECTION	FY29 PROJECTION	FY30 PROJECTION	FY31 PROJECTION	FY32 PROJECTION	
ASSUMPTIONS									
CPI (Fiscal Year)	2.2%	2.6%	2.7%	2.7%	2.4%	2.2%	2.2%	2.3%	
Investment Income Yield	4.3%	4.8%	4.1%	3.8%	3.3%	3.0%	3.0%	3.0%	
BEGINNING FUND BALANCE	(1,771,232)	700,905	658,270	1,165	(89,503)	(122,244)	(180,277)	(231,249)	
REVENUES									
Charges For Services	17,106,818	17,630,534	16,122,149	14,767,502	13,414,085	12,061,761	10,710,405	9,359,891	
Franchise Fees	10,636,116	10,862,834	9,920,093	9,073,439	8,227,553	7,382,351	6,537,753	5,693,694	
PEG Capital Grants	4,085,626	4,152,308	3,838,999	3,583,707	3,328,416	3,073,124	2,817,833	2,562,541	
PEG Operating Grants	2,296,044	2,365,392	2,113,057	1,860,356	1,608,116	1,356,286	1,104,819	853,656	
Tower Application Fees	89,032	250,000	250,000	250,000	250,000	250,000	250,000	250,000	
Miscellaneous	92,860	207,990	164,420	151,770	151,770	151,770	151,770	151,770	
Subtotal Revenues	17,199,678	17,838,524	16,286,569	14,919,272	13,565,855	12,213,531	10,862,175	9,511,661	
INTERFUND TRANSFERS (Net Non-CIP)									
Transfer to General Fund	(9,225,989)	(9,225,989)	(9,103,059)	(8,395,312)	(7,413,510)	(6,517,885)	(5,649,274)	(4,931,033)	
Transfer to Montgomery College for MC Cable Fund	(6,469,433)	(9,225,989)	(6,600,000)	(6,067,343)	(5,316,148)	(4,650,900)	(4,012,462)	(3,524,218)	
Transfer to Montgomery College for MC Cable Fund	(1,378,278)	(1,378,278)	(1,251,529)	(1,163,984)	(1,048,681)	(933,493)	(818,406)	(703,408)	
MC Cable Fund Restricted PEG Operating	(421,565)	(421,565)	(399,396)	(321,387)	(262,192)	(203,485)	(144,596)	(87,414)	
MC Cable Fund Unrestricted	(956,713)	(956,713)	(852,133)	(626,723)	(652,528)	(678,243)	(673,810)	(615,993)	
Transfer to MCPS for MCPS Instructional TV Fund	(1,378,278)	(1,378,278)	(1,251,530)	(1,163,984)	(1,048,681)	(933,493)	(818,406)	(703,408)	
MCPS Instructional TV Fund Restricted PEG Operating	(421,564)	(421,564)	(399,396)	(321,387)	(262,191)	(203,484)	(144,595)	(87,414)	
MCPS Instructional TV Fund Unrestricted	(956,714)	(956,714)	(852,134)	(626,723)	(652,530)	(678,244)	(673,811)	(615,993)	
TOTAL RESOURCES	6,202,457	9,313,440	7,841,780	6,525,125	6,062,842	5,573,401	5,032,624	4,349,379	
CIP CURRENT REVENUE APPROP.									
PSP OPER. BUDGET APPROP/ EXPS.	(3,020,000)	(3,020,000)	(2,773,000)	(1,846,000)	(1,600,000)	(1,353,000)	(1,353,000)	(1,353,000)	
Operating Budget	(5,635,170)	(5,635,170)	(5,067,615)	(4,614,629)	(4,185,086)	(3,753,679)	(3,324,349)	(2,885,486)	
Transfer to City of Rockville	(1,235,952)	(1,235,952)	(1,127,229)	(1,036,739)	(946,309)	(855,936)	(765,613)	(675,334)	
City of Rockville Franchise Fees	(483,867)	(483,867)	(443,765)	(405,893)	(368,053)	(330,244)	(292,461)	(254,703)	
City of Rockville PEG Capital Grants	(610,399)	(610,399)	(548,428)	(511,958)	(475,488)	(439,018)	(402,548)	(366,077)	
City of Rockville PEG Operating Grants	(141,686)	(141,686)	(135,036)	(118,888)	(102,768)	(86,675)	(70,605)	(54,554)	
Transfer to City of Takoma Park	(542,261)	(542,261)	(503,523)	(454,919)	(406,379)	(357,894)	(309,459)	(261,064)	
City of Takoma Park Franchise Fees	(153,490)	(153,490)	(140,722)	(128,756)	(116,752)	(104,759)	(92,773)	(80,796)	
City of Takoma Park PEG Capital Grants	(142,426)	(142,426)	(127,967)	(119,457)	(110,947)	(102,437)	(93,928)	(85,418)	
City of Takoma Park PEG Operating Grants	(246,345)	(246,345)	(234,784)	(206,706)	(178,680)	(150,698)	(122,758)	(94,851)	
Transfer to Other Municipalities	(568,156)	(568,156)	(527,268)	(476,641)	(426,076)	(375,568)	(325,110)	(274,695)	
Other Municipalities Franchise Fees	(179,385)	(179,385)	(164,517)	(150,478)	(136,449)	(122,432)	(108,425)	(94,426)	
Other Municipalities PEG Capital Grants	(142,426)	(142,426)	(127,967)	(119,457)	(110,947)	(102,437)	(93,928)	(85,418)	
Other Municipalities PEG Operating Grants	(246,345)	(246,345)	(234,784)	(206,706)	(178,680)	(150,698)	(122,758)	(94,851)	
Transfer to Montgomery Community Media	(2,480,422)	(2,480,422)	(2,281,988)	(2,076,609)	(1,889,714)	(1,700,743)	(1,513,661)	(1,316,885)	
Montgomery Community Media PEG Operating Grants	(1,661,883)	(1,661,883)	(1,528,932)	(1,391,328)	(1,266,108)	(1,139,498)	(1,014,153)	(882,313)	
Montgomery Community Media Franchise Fees	(818,539)	(818,539)	(753,056)	(685,281)	(623,606)	(561,245)	(499,508)	(434,572)	
Public Education Government (PEG)	(808,379)	(808,379)	(627,607)	(569,721)	(516,608)	(463,538)	(410,506)	(357,507)	
PEG Franchise Fees (Support Resources Grants)	(170,043)	(170,043)	(365,970)	(168,634)	(153,495)	(137,836)	(122,600)	(92,408)	
PEG Capital Grants (Equipment)	(638,336)	(638,336)	(261,637)	(401,087)	(363,113)	(325,702)	(287,906)	(265,099)	
Adjustment for PY Encumbrances	0	0	0	0	0	0	0	0	
Subtotal Unrestricted Approp/Exp	(5,635,170)	(5,635,170)	(5,067,615)	(4,614,629)	(4,185,086)	(3,753,679)	(3,324,349)	(2,885,486)	
OTHER CLAIMS ON FUND BALANCE	0	0	0	(154,000)	(400,000)	(646,999)	(586,524)	(407,529)	
TOTAL USE OF RESOURCES	(8,655,170)	(8,655,170)	(7,840,615)	(6,614,629)	(6,185,086)	(5,753,679)	(5,263,873)	(4,646,014)	
RESTRICTED PEG CAPITAL FUND BALANCE	0	0	0	154,000	554,000	1,200,999	1,787,523	2,195,052	
RESTRICTED PEG OPERATING FUND BALANCE	0	69,348	25,953	25,953	25,953	25,953	25,953	25,953	
UNRESTRICTED YEAR END FUND BALANCE	(2,452,713)	658,270	1,165	(89,503)	(122,244)	(180,277)	(231,249)	(296,636)	
END-OF-YEAR RESERVES AS A									
PERCENT OF RESOURCES	-39.5%	7.1%	0.0%	-1.4%	-2.0%	-3.2%	-4.6%	-6.8%	

Assumptions:

- "Cord-cutting will continue to contribute to revenue shortfalls for the Cable Fund, and the rate of decline is expected to accelerate
- PEG Capital Fund Balance retains availability of funds for potential CIP funding switch in FY28 and beyond.

Major Issues:

- Cable Fund Revenue continues to decline at a rapid rate with no new revenue to offset these losses.

Notes:

- These projections are based on the FY27 Approved Budget and include the revenue and resource assumptions of that budget. The projected future expenditures, revenues, and fund balances may vary based on changes not assumed here to fee or tax rates, usage, inflation, future labor agreements, and other factors not assumed here.
- These projections assume that future reductions in Cable Revenue will track outyear projections, however there is a strong possibility that Cable revenues will decline faster than OMB's projections predict.
- Connect Montgomery Alliance was dissolved in November 2025. Beginning in FY27, funding will be allocated to Public Education Government (PEG) through the Community Engagement Team, a division within the Department of Technology and Enterprise Business Solutions (TEBS). The TEBS Community Engagement Team serves as the division responsible for providing oversight, procuring equipment and warranties, coordinating and otherwise supporting public, education, and government access operations for the County's cable and broadband infrastructure.