Resolution No.: 20-1155
Introduced: June 9, 2026
Adopted: June 16, 2026

COUNTY COUNCIL
FOR MONTGOMERY COUNTY, MARYLAND

Lead Sponsor: Government Operations and Fiscal Policy Committee

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SUBJECT: Approval of the County's Tax Supported Fiscal Plan Summary for the FY27 FY32 Public Services Program

Background

1. Section 302 of the County Charter states in part: *The County Executive shall submit to the Council, not later than March 15 of each year, comprehensive six-year programs for public services and fiscal policy. The six-year programs shall require a vote of at least five Councilmembers for approval or modification. Final Council approval of the six-year programs shall occur at or about the date of budget approval.*

2. Starting in 1992, the Council's Government Operations and Fiscal Policy Committee (known until December 2010 as the Management and Fiscal Policy Committee) has collaborated with the Office of Management and Budget and the Department of Finance to develop and refine County fiscal projections. The result has been continuous improvement in how best to display such factors as economic and demographic assumptions, individual agency funds, major known commitments, illustrative expenditure pressures, gaps between projected revenues and expenditures and productivity improvements. This work has also increased the County's ability to harmonize the fiscal planning methodologies of the four tax supported agencies. Each version of the fiscal projections, or six-year fiscal plan, is a snapshot in time that reflects the best estimate of future revenues and expenditures as of that moment, as well as a specific set of fiscal policy assumptions.

3. On June 29, 2010 the Council approved policies on reserve and other fiscal matters in Resolution 16-1415. Action clause 5 stated: *The County should adopt a fiscal plan that is structurally balanced, and that limits expenditures and other uses of resources to annually available revenues. The fiscal plan should also separately display reserves at policy levels, including additions to reserves to reach policy level goals*.

4. The Council adopted Resolution 17-312 on November 29, 2011, replacing Resolution 16-1415, to strengthen the County's fiscal policies while still retaining the fiscal plan language. The Council adopted Resolution 19-753 on March 2, 2021, replacing Resolution

17-312, to strengthen the County's reserve policy while still retaining the fiscal plan language.

5. Pursuant to these policies, the Council approved a balanced fiscal plan summary in June 2010 and has approved a balance fiscal plan summary every June thereafter.

6. The Government Operations and Fiscal Policy Committee reviewed the Tax Supported Fiscal Plan Summary for the FY27-FY32 Public Services Program on June 11, 2026.

Action

The County Council for Montgomery County, Maryland approves the Tax Supported Fiscal Plan Summary for the FY27-FY32 Public Services Program, as outlined on the attached pages. This summary reflects:

(1) current information on projected revenues and non-agency expenditures for the six-year period, which must be updated as conditions change. To keep abreast of changed conditions the Council regularly reviews reports on economic indicators, revenue estimates and other fiscal data.

(2) the policy on County reserves as described in Resolution 19-753, adopted on March 2, 2021, and the amendments to the Revenue Stabilization Fund law in Bill 36-10, approved by the Council on June 29, 2010.

(3) other specific fiscal assumptions listed in the summary.

This is a correct copy of Council action.

Sara R. Tenenbaum
Clerk of the Council

County Council Approved FY27-32 Public Services Program

Tax Supported Fiscal Plan Summary

($ in Millions)

		App. FY26	Est. FY26	% Chg. FY26-27	App. FY27	% Chg. FY27-28	Projected FY28	% Chg. FY28-29	Projected FY29	% Chg. FY29-30	Projected FY30	% Chg. FY30-31	Projected FY31	% Chg. FY31-32	Projected FY32
		5-22-25		App/App	5-21-26										
	Total Revenues														
1	Property Tax	2,434.0	2,398.5	8.8%	2,647.1	3.4%	2,736.0	2.4%	2,800.7	2.0%	2,857.5	1.8%	2,909.8	2.2%	2,972.7
2	Income Tax	2,274.2	2,342.0	-0.8%	2,255.4	2.3%	2,306.6	2.6%	2,366.3	3.1%	2,440.8	3.5%	2,527.3	3.6%	2,619.1
3	Transfer/Recordation Tax	154.2	158.1	14.5%	176.5	7.9%	190.4	7.9%	205.5	6.1%	218.0	6.2%	231.6	4.7%	242.6
4	Other Taxes	265.3	273.2	3.7%	275.2	0.0%	275.3	0.3%	276.1	0.2%	276.6	0.3%	277.3	-0.5%	276.0
5	Other Revenues	1,487.4	1,503.2	1.9%	1,516.3	0.0%	1,517.0	0.2%	1,520.4	0.2%	1,523.6	0.2%	1,527.0	0.2%	1,530.4
6	**Total Revenues**	**6,615.2**	**6,675.0**	**3.9%**	**6,870.4**	**2.3%**	**7,025.3**	**2.0%**	**7,169.0**	**2.1%**	**7,316.6**	**2.1%**	**7,473.0**	**2.2%**	**7,640.7**
7															
8	**Net Transfers In (Out)**	**-16.8**	**-16.6**	**2.1%**	**-16.5**	**-2.2%**	**-16.8**	**-1.8%**	**-17.1**	**-1.7%**	**-17.4**	**-1.7%**	**-17.7**	**-1.7%**	**-18.0**
9	**Total Revenues and Transfers Available**	**6,598.4**	**6,658.4**	**3.9%**	**6,853.9**	**2.3%**	**7,008.5**	**2.0%**	**7,151.9**	**2.1%**	**7,299.1**	**2.1%**	**7,455.3**	**2.2%**	**7,622.6**
10															
11	**Non-Operating Budget Use of Revenues**														
12	Debt Service	446.5	441.7	5.4%	470.4	1.9%	479.4	3.5%	496.0	1.6%	503.9	1.9%	513.6	1.5%	521.4
13	PAYGO	29.2	25.7	2.7%	30.0	0.0%	30.0	0.0%	30.0	0.0%	30.0	0.0%	30.0	0.0%	30.0
14	CIP Current Revenue	64.3	64.3	-1.8%	63.1	211.1%	196.2	-2.8%	190.7	-23.7%	145.6	20.3%	175.1	-10.0%	157.6
15	Change in Other Reserves	-12.5	-77.0	214.2%	14.3	-98.2%	0.3	-28.6%	0.2	-10.0%	0.2	-35.9%	0.1	70.0%	0.2
16	Contribution to General Fund Undesignated Reserves	-140.3	-147.1	-38.4%	-194.2	83.9%	-31.3	146.8%	14.6	-23.5%	11.2	23.4%	13.8	29.3%	17.9
17	Contribution to Revenue Stabilization Reserves	30.0	28.2	-26.8%	22.0	-100.0%	0.0	n/a	0.0	n/a	0.0	n/a	0.0	n/a	0.0
18	Set Aside for other uses (supplemental appropriations)	-2.7	-2.5	100.0%	0.0	n/a	20.0	0.0%	20.0	0.0%	20.0	0.0%	20.0	0.0%	20.0
19	**Total Other Uses of Resources**	**414.4**	**333.2**	**-2.1%**	**405.6**	**71.3%**	**694.6**	**8.2%**	**751.5**	**-5.4%**	**710.9**	**5.9%**	**752.6**	**-0.7%**	**747.1**
20	**Available to Allocate to Agencies (Total Revenues+Net Transfers-Total Other Uses)**	**6,183.9**	**6,325.2**	**4.3%**	**6,448.3**	**-2.1%**	**6,313.9**	**1.4%**	**6,400.4**	**2.9%**	**6,588.3**	**1.7%**	**6,702.7**	**2.6%**	**6,875.5**
21															
22	**Agency Uses**														
23															
24	Montgomery County Public Schools (MCPS)	3,354.6	3,376.1	3.9%	3,486.0										
25	Montgomery College (MC)	295.7	295.1	2.6%	303.5										
26	M-NCPPC (w/o Debt Service)	185.4	185.4	4.5%	193.7										
27	MCG	2,348.3	2,468.6	5.0%	2,465.2										
28	**Agency Uses**	**6,183.9**	**6,325.2**	**4.3%**	**6,448.3**	**-2.1%**	**6,313.9**	**1.4%**	**6,400.4**	**2.9%**	**6,588.3**	**1.7%**	**6,702.7**	**2.6%**	**6,875.5**
29	**Total Uses**	**6,598.4**	**6,658.4**	**3.9%**	**6,853.9**	**2.3%**	**7,008.5**	**2.0%**	**7,151.9**	**2.1%**	**7,299.1**	**2.1%**	**7,455.3**	**2.2%**	**7,622.6**
30	**(Gap)/Available**	**0.0**	**0.0**		**0.0**		**0.0**		**0.0**		**0.0**		**0.0**		**0.0**

Assumptions:

1. Property taxes are at the Charter limit with a $0 income tax offset credit. Property tax revenues include a 4.7 cent tax that is authorized by Maryland Code, Education § 5-104 (d)(1) to be used exclusively for MCPS. Beginning January 1, 2027, income tax rates are set at: 2.7 percent of Maryland (MD) taxable income from $1 to $50,000; 3.0 percent of MD taxable income from $50,001 to $150,000; and 3.3 percent for MD taxable income greater than $150,000. Other taxes are at current rates.
2. Reserve contributions are consistent with legal requirements and the minimum policy target, which is 10 percent of Adjusted Governmental Revenues (AGR). In FY26, the mandatory contribution to the Revenue Stabilization Fund (RSF) in the amount of 50 percent of excess revenues will not be made. Any excess reserves will be designated as General Fund unrestricted reserves. This action is for FY26 only.
3. Any reduction in out-year reserves in this version of the Fiscal Plan is to meet the County's minimum policy target for reserves and not a specific plan to reduce reserves to the policy level. Each annual budget recommendation will include specifics on budgeted reserves for that fiscal year.
4. PAYGO, Debt Service, and Current Revenue reflect the Approved FY27-32 Capital Improvements Program.
5. State Aid, including MCPS and Montgomery College, is not projected to increase from FY27-32.

County Council Approved FY27-32 Public Services Program

Tax Supported Fiscal Plan Summary

($ in Millions)

#		App. FY26	Est. FY26	% Chg. FY26-27	App. FY27	% Chg. FY27-28	Projected FY28	% Chg. FY28-29	Projected FY29	% Chg. FY29-30	Projected FY30	% Chg. FY30-31	Projected FY31	% Chg. FY31-32	Projected FY32
31	**Beginning Reserves**														
32	**Unrestricted General Fund**	210.5	381.9	11.5%	234.7	-82.7%	40.5	-77.2%	9.3	158.1%	23.9	46.9%	35.1	39.4%	48.9
33	**Revenue Stabilization Fund**	684.9	686.0	4.3%	714.2	3.1%	736.1	0.0%	736.1	0.0%	736.1	0.0%	736.1	0.0%	736.1
34	**Total Reserves**	895.4	1,067.9	6.0%	948.9	-18.2%	776.7	-4.0%	745.4	2.0%	760.0	1.5%	771.2	1.8%	785.1
35															
36	**Additions to Reserves**														
37	**Unrestricted General Fund**	-140.3	-147.1	-38.4%	-194.2	83.9%	-31.3	146.8%	14.6	-23.5%	11.2	23.4%	13.8	29.3%	17.9
38	**Revenue Stabilization Fund**	30.0	28.2	-26.8%	22.0	-100.0%	0.0	n/a	0.0	n/a	0.0	n/a	0.0	n/a	0.0
39	**Total Change in Reserves**	-110.3	-119.0	-56.1%	-172.2	81.8%	-31.3	146.8%	14.6	-23.5%	11.2	23.4%	13.8	29.3%	17.9
40															
41	**Ending Reserves**														
42	**Unrestricted General Fund**	70.2	234.7	-42.2%	40.5	-77.2%	9.3	158.1%	23.9	46.9%	35.1	39.4%	48.9	36.5%	66.8
43	**Revenue Stabilization Fund**	714.9	714.2	3.0%	736.1	0.0%	736.1	0.0%	736.1	0.0%	736.1	0.0%	736.1	0.0%	736.1
44	**Total Reserves**	785.0	948.9	-1.1%	776.7	-4.0%	745.4	2.0%	760.0	1.5%	771.2	1.8%	785.1	2.3%	802.9
45	**Reserves as a % of Adjusted Governmental Revenues**	**11.2%**	**13.3%**		**10.7%**		**10.0%**		**10.0%**		**10.0%**		**10.0%**		**10.0%**
46	**Other Reserves**														
47	**Montgomery College**	16.1	18.1	-45.6%	8.8	0.0%	8.8	0.0%	8.8	0.0%	8.8	0.0%	8.8	0.0%	8.8
48	**M-NCPPC**	7.4	6.0	1.0%	7.4	3.3%	7.7	2.3%	7.9	2.0%	8.0	1.3%	8.1	2.1%	8.3
49	**MCPS**	0.0	0.0	n/a	0.0	n/a	0.0	n/a	0.0	n/a	0.0	n/a	0.0	n/a	0.0
50	**MCG Special Funds**	0.6	-22.1	-88.3%	0.1	3.1%	0.1	2.7%	0.1	2.5%	0.1	2.6%	0.1	2.7%	0.1
51	**MCG + Agency Reserves as a % of Adjusted Govt Revenues**	**11.5%**	**13.3%**		**10.9%**		**10.3%**		**10.3%**		**10.3%**		**10.3%**		**10.3%**
52	**Retiree Health Insurance Pre-Funding**														
53	Montgomery County Public Schools (MCPS)	**58.0**	**58.0**		**61.2**		**61.2**		**61.2**		**61.2**		**61.2**		**61.2**
54	Montgomery College (MC)	**0.0**	**0.0**		**0.0**		**0.0**		**0.0**		**0.0**		**0.0**		**0.0**
55	MNCPPC	**2.8**	**2.8**		**2.0**		**2.1**		**2.2**		**2.3**		**2.4**		**2.5**
56	MCG	**0.0**	**0.0**		**0.0**		**0.0**		**0.0**		**0.0**		**0.0**		**0.0**
57	**Subtotal Retiree Health Insurance Pre-Funding**	**60.8**	**60.8**		**63.2**		**63.3**		**63.4**		**63.5**		**63.6**		**63.7**
58	**Adjusted Governmental Revenues**														
59	**Total Tax Supported Revenues**	**6,615.2**	**6,675.0**	**3.9%**	**6,870.4**	**2.3%**	**7,025.3**	**2.0%**	**7,169.0**	**2.1%**	**7,316.6**	**2.1%**	**7,473.0**	**2.2%**	**7,640.7**
60	**Capital Projects Fund**	**232.6**	**294.0**	**12.2%**	**261.0**	**-10.6%**	**233.2**	**0.4%**	**234.0**	**-15.6%**	**197.4**	**-8.9%**	**179.9**	**-0.2%**	**179.6**
61	**Grants**	**168.6**	**168.6**	**-6.3%**	**158.0**	**2.2%**	**161.5**	**1.8%**	**164.4**	**1.7%**	**167.2**	**1.7%**	**170.0**	**1.7%**	**173.0**
62	**Total Adjusted Governmental Revenues**	**7,016.5**	**7,137.7**	**3.9%**	**7,289.3**	**1.8%**	**7,420.0**	**2.0%**	**7,567.5**	**1.5%**	**7,681.1**	**1.8%**	**7,823.0**	**2.2%**	**7,993.2**