




THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

6611 Kenilworth Avenue • Riverdale, Maryland 20737

February 11, 2021

TO: Montgomery County Planning Board  
FROM: John Kroll, Corporate Budget Director   
SUBJECT: FY22 Spending Affordability Guidelines for Montgomery County

As presented to the full Commission yesterday, the Montgomery County Council approved the Spending Affordability Guidelines (SAG) for the operating budget for FY22 on Tuesday, February 9, 2021.

These guidelines project a 9.1% reduction from the proposed budget, or approximately \$13.96M in Montgomery County (MC) funded departmental budgets, including the MC funded portion of the bi-county departments. By comparison, last year's SAG reduction was 7.5% (\$11.35M).

The amount of the required reduction may change with the release of the County Executive's budget on March 15<sup>th</sup>.

The Planning Board must respond by the end of this month to the Council to these guidelines. We, as well as other outside agencies, respond with a general letter stating that reductions necessary to meet the guidelines will result in substantive service reductions and are therefore not recommended. We do not provide detail at this time, as that is reserved to respond to the County Executive's proposed budget.

Although history suggests that the fiscal picture of Montgomery County may be shown to improve in the next month, given the magnitude of the proposed reduction it may be appropriate to begin the process of developing our options now.

A straight pro-ratio of proposed budget across all departments would result in the following allocation.

Fund	Department		FY22 Proposed	% of Total Budget	Share of SAG (\$)	Cuts as % of Budget
Admin			35,237,944	22.90%	3,195,812	9.07%
	Commissioners' Office		1,277,993	3.63%	115,904	9.07%
	Dept of Planning		22,191,798	62.98%	2,012,626	9.07%
	CAS - DHRM		2,572,736	7.30%	233,327	9.07%
	- Finance		2,387,159	6.77%	216,497	9.07%
	- Legal		1,586,615	4.50%	143,894	9.07%
	- Merit Board		83,426	0.24%	7,566	9.07%
	- Inspector General		367,346	1.04%	33,315	9.07%
	- Corporate IT		1,573,048	4.46%	142,663	9.07%
	- Support Svcs		693,073	1.97%	62,856	9.07%
	Non-Departmental		2,504,750	7.11%	227,162	9.07%
			35,237,944		3,195,812	
Park	Parks		118,636,122	77.10%	10,759,387	9.07%
<b>Total</b>			<b>153,874,066</b>		<b>13,955,199</b>	<b>9.07%</b>

To further show the magnitude of the reductions that the SAG would cause, consider that total proposed funding is \$2.6M for new initiatives, and \$2.9M for the compensation markers (salary and reclassification).

The County Executive will release his budget on March 15<sup>th</sup> and we can expect a substantial reduction from our proposed budget. Between now and then, the departments should begin to formulate possible reduction scenarios for discussion with the Planning Board, keeping in mind that reductions to the bi-county departments will also have to be discussed with the Prince George's County Planning Board.