

State Aid to Montgomery County

Fiscal 2023

State Aid Overview

- Montgomery County will receive \$1.2 billion in State aid in fiscal 2023. Of this amount, \$988.6 million is direct aid, and \$166.2 million is for retirement payments.
- Montgomery County will receive a 4.4% increase in State funding in fiscal 2023, with total State aid increasing by \$48.4 million over the prior year. Direct aid increases by \$57.3 million, while retirement payments decrease by \$8.9 million.
- On a per capita basis, Montgomery County ranks twenty-first with State aid totaling \$1,087 per resident. This compares to the statewide average of \$1,494 per resident.

Proposed Enhancements

- The proposed State budget includes \$45.9 million in additional funding for the police aid formula, of which \$7.0 million is targeted to law enforcement agencies in Montgomery County. The allocation is based on county population (\$6.46 per capita) and the number of municipal sworn officers (\$975 per officer). Baltimore City receives \$8 million under the formula enhancement.
- Regarding public school funding, the Administration provided an additional \$57.3 million in hold harmless grants under the compensatory aid program to offset declines in the free and reduced-price meal (FRPM) count. Montgomery County is scheduled to receive additional funding totaling \$18.2 million.
- The Administration also provided an additional \$68.1 million for full-day prekindergarten programs that exceeded the requirements under the Blueprint Plan. The Administration provided per student funding regardless of family income. Under the Blueprint Plan, full-day prekindergarten funding is targeted for the lowest income families at 300% of the federal poverty level. Montgomery County will receive \$6.5 million of this additional funding.
- However, the additional discretionary enhancements to education aid are offset by the Administration's underfunding of the Education Effort Index that provides additional funding to Baltimore City (\$99.0 million) and Prince George's County (\$26.5 million).

County-Municipal Aid

- Montgomery County will receive \$41.0 million in county-municipal aid, which represents a \$7.5 million, or 22.2%, increase from the prior year.

- State funding includes \$15.3 million for highway user revenues, \$23.3 million for police aid, and \$1.9 million for fire and rescue aid.

Public Safety Grants

- Montgomery County will receive \$16.3 million in funding under the existing police aid formula and \$7.0 million under the proposed enhancement.
- The majority of State funding under the police aid formula is based on population density. More urbanized jurisdictions with a higher population density receive a higher per capita grant amount. A small component of the formula (representing 4.3% of overall funding) targets funding to municipalities based on the number of sworn officers. Funding in fiscal 2023 is based on \$1,950 per sworn officer. The Administration's proposal would increase the per sworn officer grant to \$2,925 (representing a \$975 per officer increase).
- Since fiscal 2004, local governments must reimburse the State for 30% of the State Police crime lab costs, which will total \$5.1 million in fiscal 2023. The reimbursements are based on local crime rates (one-third) and local wealth (two-thirds). The Montgomery County share of these costs will total \$1.1 million in fiscal 2023. The local reimbursement is deducted from each jurisdiction's police aid amount.
- Montgomery County will receive \$1.9 million in fire and rescue aid in fiscal 2023. Each county's funding is based on their share of property tax accounts relative to the statewide total. Each county is guaranteed a minimum 2% share of total funds (\$300,000).

Local Health Grants

- Montgomery County will receive \$4.9 million in local health grants in fiscal 2023. Statewide, local health departments will receive \$74.9 million, which represents a \$1.0 million increase from the prior year.

Transportation Aid

- Legislation enacted in 2018 (Chapters 330 and 331) requires the State to provide capital transportation grants to local governments based on the amount of revenue allocated to the Gasoline and Motor Vehicle Revenue Account. The local share will total 13.5% in fiscal 2020 to 2024. Baltimore City receives 8.3%, county governments receive 3.2%, and municipal governments receive 2.0%.
- Montgomery County will receive \$15.3 million in local highway user revenues in fiscal 2023, which represents a \$0.5 million, or 3.4%, increase over the prior year.
- The county and municipal share is based on road mileage and vehicle registration. In fiscal 2023, the Montgomery County government will receive \$8.8 million, and its municipalities will receive \$6.5 million.

Local Library and Community College Aid

- Montgomery County will receive \$3.6 million in local library aid and \$70.7 million in State support for the local community college. State funding for Montgomery College will increase by \$13.5 million in fiscal 2023.

Education Aid

- Over 85% of State aid to Montgomery County will go to public schools. The Montgomery County Public School System will receive \$868.4 million in direct aid in fiscal 2023, which represents a \$36.3 million, or 4.4%, increase from the prior year. In addition, the State will provide \$153.2 million in funding for teacher retirement payments.
- On a per pupil basis, Montgomery County will receive \$6,616 in State funding: \$5,624 per pupil in direct aid; and \$992 per pupil for teacher retirement payments. Montgomery County ranks twenty-second in the amount of per pupil direct aid.
- Montgomery County will receive a 5.9% increase in per pupil direct aid in fiscal 2023. This compares to the statewide average increase of 5.4%.

Blueprint and Targeted Funding

- Montgomery County will also receive \$38.8 million in additional State funding under the Blueprint Initiatives in fiscal 2023. This includes \$5.0 million for supplemental instruction, \$8.7 million in concentration of poverty grants, and \$12.5 million for full-day prekindergarten.
- A considerable amount of State education funding is based on targeted student populations, with Montgomery County receiving \$286.9 million in targeted grants under the compensatory aid, English Language Learners (ELL), and special education programs. Montgomery County receives the fourteenth highest amount of funding on a per pupil basis (\$1,858).

Student Enrollment

- The full-time equivalent student (FTES) enrollment count decreases by 1.5% in Montgomery County compared to the statewide average decrease of 0.7%. This results in 2,329 fewer students for the Montgomery County Public School System. Currently, the county school system accounts for approximately 18.2% of students statewide.
- The number of students approved for FRPM decreases by 16.3% in Montgomery County compared to the statewide average decrease of 6.9%. Montgomery County currently has the eighteenth highest percentage of students approved for FRPM at 25.3% of total student enrollment.

- Montgomery County has the second highest percentage of students identified as ELL at 18.4% of total student enrollment. In fiscal 2023, the number of ELL students increases by 8.0%, resulting in 2,112 additional students requiring language services.
- Montgomery County has a relatively higher share of students receiving special education services. In fiscal 2023, the number of students receiving special education services accounts for 13.2% of total enrollment, compared to the statewide average of 12.8%.
- Montgomery County has the twelfth highest targeted student index in the State at 57.0%. This index adds together the percent share of FTES who are approved for FRPM, ELL, and special education services. The targeted student index ranges from 28.3% in Carroll County to 116.1% in Baltimore City, with the statewide average at 62.5%.
- Statewide, public school enrollment represents 13.7% of the total State population. In Montgomery County, public school enrollment represents 14.5% of the overall county population (the seventh highest in the State). Public school enrollment as a share of total county population ranges from 8.9% in Kent County to 16.8% in Howard County.

Per Capita State Aid to Local Governments – Fiscal 2023

