



**Office of the County Executive
Steuart Pittman**

Prepared remarks for the Budget Address to the County Council, April 29, 2022

Good morning, Chairperson Rodvien, Vice Chairperson Pruski, and Councilpeople Lacey, Pickard, Volke, Fiedler, and Haire.

I want to recognize the people that are in the room, because this budget really is the people in county departments' solutions that are brought to them by residents. They are creative solutions, they are important solutions, and that's what we're going to be asking the Council to fund with this budget. People ask me what surprised me most in this job since I came in, and what I tell them often is that it is the extraordinary dedication of the people who run the departments, the institutions we're funding today in county government, so thank you all.

I also want to recognize my leadership team in our office on the 4th floor, thank you all for being here. I also want to note that we have all of our budget team here. They are the ones who created this document that you all will be studying very thoroughly in the coming weeks, and our residents will be commenting on. And of course we could not do a budget like this without the support of our state and federal partners who work with us on our priorities. Thank you all for being here.

This is a good morning - a good morning for taxpayers, a good morning for education, a good morning for public safety and public health, and I believe a good morning for all of Anne Arundel County.

This is the morning that I and my battle-tested, talented, and extraordinarily dedicated team of public servants present to you - our equally battle-tested, talented, and dedicated County Council - a proposal for your consideration to do what our county

charter requires. To identify the needs of our residents and meet them as best we can, and to establish a revenue plan to cover the costs of those investments.

The Charter requires that we introduce to you a balanced budget by May 2 and that you then hold two public hearings, make whatever amendments that you as a body approve, and then, no later than June 15, vote to approve a balanced budget.

Historically, County Council members went into this process with the charter in mind, knowing that compromise would be necessary to deliver for the district they represent. This council has been different. Only four members of this body have ever voted to approve a budget. That may change, I hope it does.

I understand that we had to make some tough choices in our first three budgets. Everyone knew in year one that investments in our schools, our public safety agencies, and our infrastructure had failed to keep up with our county's growth. Like any organization with an ambitious mission, we had to invest in ourselves, and we did.

In year two we tightened our belts. The pandemic drove revenue projections down, and we responded like any well-run business would, with conservative budgeting.

Last year we got back on track, and you saw the result in our bond ratings. Our county's fifty-year failure to convince Moody's that we are among the best-managed governments in the country finally ended. We got that Triple A rating because we invested wisely - in ourselves.

The budget before you is a result of those three budgets. Thanks to your decisions and our efforts, we are able this year to remove our structural deficit, reduce borrowing, increase reserves, lower taxes, and provide record investments - in education, public safety, parks, health, and smart infrastructure.

I often say that we are working together to make Anne Arundel County the Best Place - For All. Today, I am saying that after eight Budget Town Halls - in fact a total of 29 Budget Town Halls together since we all were sworn in - we have worked together to create the Best Budget - For All.

I pre-recorded a 30 minute budget presentation that you can watch online if you have not already, and you will have lots of opportunity to dig into the details.

But I'd like to very briefly share a few highlights.

First, let's talk taxes. Remember the Tax Relief for Working Families Act that was my number one state legislative priority for two years? Well, it passed and we're using it.

Our county has the lowest income tax rate in the region, at 2.81%. Our neighbors are at the state maximum of 3.2%. This budget lowers that rate to 2.7% on the first \$50,000 of taxable income for every county taxpayer. If you're a bus driver or a janitor, that's a lower rate on all your income, but all taxpayers benefit.

On the property tax side this county has set its rate for homeowners at the charter-mandated tax cap for 24 of the 28 years that it has existed. This year that rate would be 96.2 cents per \$100 of value.

This budget sets the property tax rate 3 cents below that cap - farther below the cap than ever in our history - at 93.3 cents. Again, that is the lowest in our region.

Usually, when politicians cut taxes, they pass on the burden to future taxpayers. With this budget we do the opposite. We are protecting our future taxpayers. Here's how.

This is the first budget in county history that reduces, rather than increases, county borrowing. That's possible because we are doing what fiscally responsible families do in a good year. We are using our surplus from last year's conservative budgeting to pay up-front far more than previous administrations did for capital expenditures. Our \$205 million paygo protects future taxpayers.

We don't know what the economy will look like in the future, and I appreciate this council voting unanimously to increase what we are allowed to hold in our rainy day fund, from 5% to 6%. We are not only fully funding that 6%, but are budgeting for 7% - hoping that you will pass a bill allowing us to set those additional funds aside to protect future taxpayers.

And finally, there's that looming structural - or potential future - deficit that has so often haunted our county. Its relevance is debatable, since it has never resulted in an actual deficit, but if you don't like it, you should like this budget. It's gone.

This kind of fiscal discipline might worry some of you at a time when people are calling on their local government institutions to deliver so much. Fear not. My chain saw was not deployed and very little, if any, duct tape was needed to make this budget possible.

In fact, we are investing in exactly the priorities that our residents have asked for.

Funding to our schools in this budget is \$50 million higher than it was last year - a greater increase than ever in county history - and it's money well spent.

It fully funds the Board of Education's compensation request, including the very last of the restored step increases, a 4% COLA, and a step increase. It also meets or exceeds all of our state Blueprint for Education obligations. We are adding

- 119 new special education positions,
- 29 new social/emotional learning positions,
- 48 new pre-k positions to convert half-day programs to full-day pre-k classrooms,
- 20 new English language development positions,
- 3 new bilingual facilitators, and
- 140 new classroom teacher positions, including the final year of staffing required to fully open Crofton High School.

This budget also, for the first time in county history fully funds the Board of Education's capital budget request for new schools and facility upgrades.

For public safety, we are delivering not only for our police officers, firefighters, detention officers and other personnel with fair compensation packages that have been approved by all bargaining units, but we are delivering for their agencies.

Police will get the staff they need to implement Police Accountability Act mandates from the state, and also the long-awaited supply of new vehicles that allows us to promise new recruits a squad car with their badge.

Add in the new forensics facility, new special operations facility, and replacement of the dilapidated firing range, and there's no question that this is a good county to serve and protect.

Fire continues to train and hire new firefighters, to train and certify new EMTs, to build new stations and plan a new academy. Our firefighters are also looking forward to receiving nine much-needed new vehicles, including a tower ladder truck, plus two new fireboats.

Detention, Sheriffs, and State's Attorney are all getting new support in this budget, but I want to single out a group that is often forgotten - our first first responders working at our police and fire 911 call centers. Theirs are jobs where a few seconds delay can cost lives.

I want to thank the Council for voting unanimously to reclassify their positions, allowing us to increase pay and offer career advancement. And I want to note that the capital budget request before you funds the planning of a state-of-the-art joint 911 call center to be led by our Office of Emergency Management.

Emergency Management was an afterthought in this county for too long, but our team there has demonstrated its value in recent years. This new center and the outstanding public servants who work there will prepare us for whatever challenges the future brings.

We don't just protect people in this county. We also protect the natural environment that sustains us. Your support for the Green Infrastructure Master Plan tells me that you understand the role that our parks play in that work.

We are besting last year's record investment in our parks with \$99 million this year and \$298 million over the next six years. Major investments include Bacon Ridge at Forney, Odenton Library Park, Deale Park, the new Brooklyn Park Center, and two new parks for sports: Tanyard Springs and South Shore.

The biggest addition to our park system will be the 544 acres in the geographic center of our county to be called Crownsville Hospital Memorial Park. We expect the land to be granted to us by the state this summer, and want to thank Governor Hogan, Senate President Ferguson, Speaker Jones and our outstanding county delegation from both parties for helping us to secure \$30.5 million to get the work there started. I look forward to seeing many of you there tomorrow at noon for the Say My Name ceremony in honor of the 1,700 patients who died and were buried at the site.

We are also investing a record \$7.8 million in improvements to public water access, \$6 million in vehicle electrification, and are proud to announce that we have resuscitated the depleted Forest Conservation Fund that we inherited in 2018. Its \$3.6 million balance now allows us to plant and protect more forested land.

Economic opportunity and environmental stewardship are not only compatible, but are inseparable in our county. Plan2040 is our path forward to facilitate the kind of development that is community-supported, gets cars off our roads, and improves the quality of our residents' lives.

But sometimes regulations that have no public or environmental benefit get in the way of economic opportunity. I experienced that in my business career and I see it in our redevelopment and affordable housing initiatives.

But nevertheless, we are finding ways to move forward.

The parking garage at the Odenton MARC station will be under construction before the end of the year, Councilman Pruski would have it no other way and it will happen. Affordable housing is going in down the street, and sidewalks will connect the community. Glen Burnie revitalization is moving forward, Councilwoman Pickard would have it no other way, as are transit, trail development, and sidewalk projects all over our county.

Our economic recovery has far outpaced the state's thanks to resilient businesses and \$33 million in targeted grants to them. Our Economic Development Corporation's Inclusive Ventures Program that grows minority and women-owned businesses will expand this year with a \$1.3 million funding increase.

I literally cried during the budget process when we were able to find \$350,000 to support staffing and program enhancements at Sarah's House, our family shelter in west county, because the work they do is so effective at getting families with children back into permanent housing and stable employment. I almost cried again when I went there this week to tell them the news. You all should visit there, especially when the kids in the child care center are sleeping, and dreaming - about a better future.

Sarah's house and transitional housing for people who have experienced homelessness are one part of a long-overdue effort to face our county's looming crisis in housing affordability. The \$10 million in this budget to seed our new Affordable Housing Trust Fund, Councilwoman Lacey and Councilwoman Rodvien would have it no other way, will get us started, and every family for whom housing is made more affordable will be an asset to our local businesses.

The final piece of what this budget delivers is - at the end of each day - what matters the most to every one of us, regardless of political philosophy. That is health - physical health and mental health.

Whether it's education, land use, wages, or housing, ultimately our investments and our policies impact the health of ourselves and our neighbors.

COVID strengthened us and strengthened our health and human service agencies. We lost over 1,000 of our neighbors and we saved the lives of at least that many.

But even during the pandemic, our opioid intervention team at the Department of Health and all of our dedicated providers continued to push down our numbers, with a 17% drop in opioid deaths between '20 and '21, and an additional 41% drop this year to date.

To ensure that all of our public health efforts reach our most underserved neighbors, this budget funds the continuation of our health ambassadors program with a half million dollars.

Oh, and that Crownsville Hospital Memorial Park that I mentioned earlier will be more than a park. It will be a center for healing. As we bring that land and its historic buildings back to life, we will be nurturing the nonprofit organizations that undertake that work in a new Health and Wellness incubator at a building we already own on the Crownsville campus - 41 Community Place. Funds to restore that building are in this budget and work will begin this fiscal year.

When you drive around the county, you may notice some big blue signs from a guy wanting my job, reminding you that it is your money. He's right. It is your money. And that's why this process is so important - from the Budget Town Halls to the Planning Advisory Board Process, to this Budget proposal, to the Council deliberations.

It's why we listened carefully at those town halls. It's why this budget does include the vet at Animal Care and Control, the Kindergarten Readiness Program at our libraries, and the record investments in education, public safety, and infrastructure.

It's why we are presenting a budget that everyone can support, that removes our structural deficit, reduces borrowing, increases reserves, lowers taxes, and provides record investments in what we need to catch up with our growth.

It's why we have applied an equity lens to the investments and the programs, seeking to expand the opportunity that our good fortune allows, so that our budget benefits everyone.

And it's why I insisted that this budget protect us from future economic downturns.

I, my staff, and the dedicated department heads that have joined us today are asking you to fund the institutions that serve all of us, that protect all of us, and that improve the quality of our lives.

These are not institutions that should be defunded. These are institutions that should be defended.

So I am asking every member of this County Council to approach the work before you with respect for these institutions, and respect for the people in your districts that they serve.

If we can come together, put politics aside and do our jobs as required by the County Charter, I believe that you will each be able to go back to your districts and report that you brought our county a little bit closer to our shared goal of becoming The Best Place For All, and that you did it by unanimously passing - The Best Budget For All.