



Steuart Pittman, County Executive

FY2024 Budget in Brief

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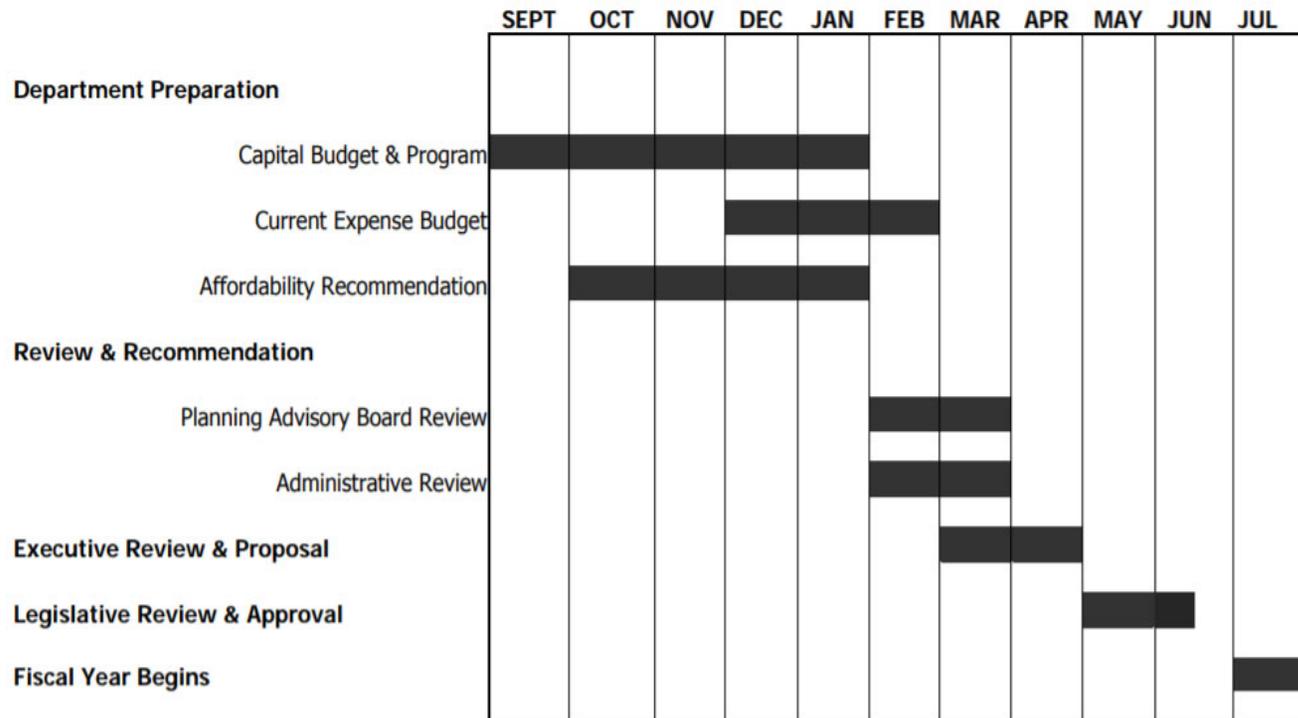
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May 1, 2023

FY2024 Budget Development Process



Year-to-Year Growth

(Millions, rounded to nearest tenth)

Budget

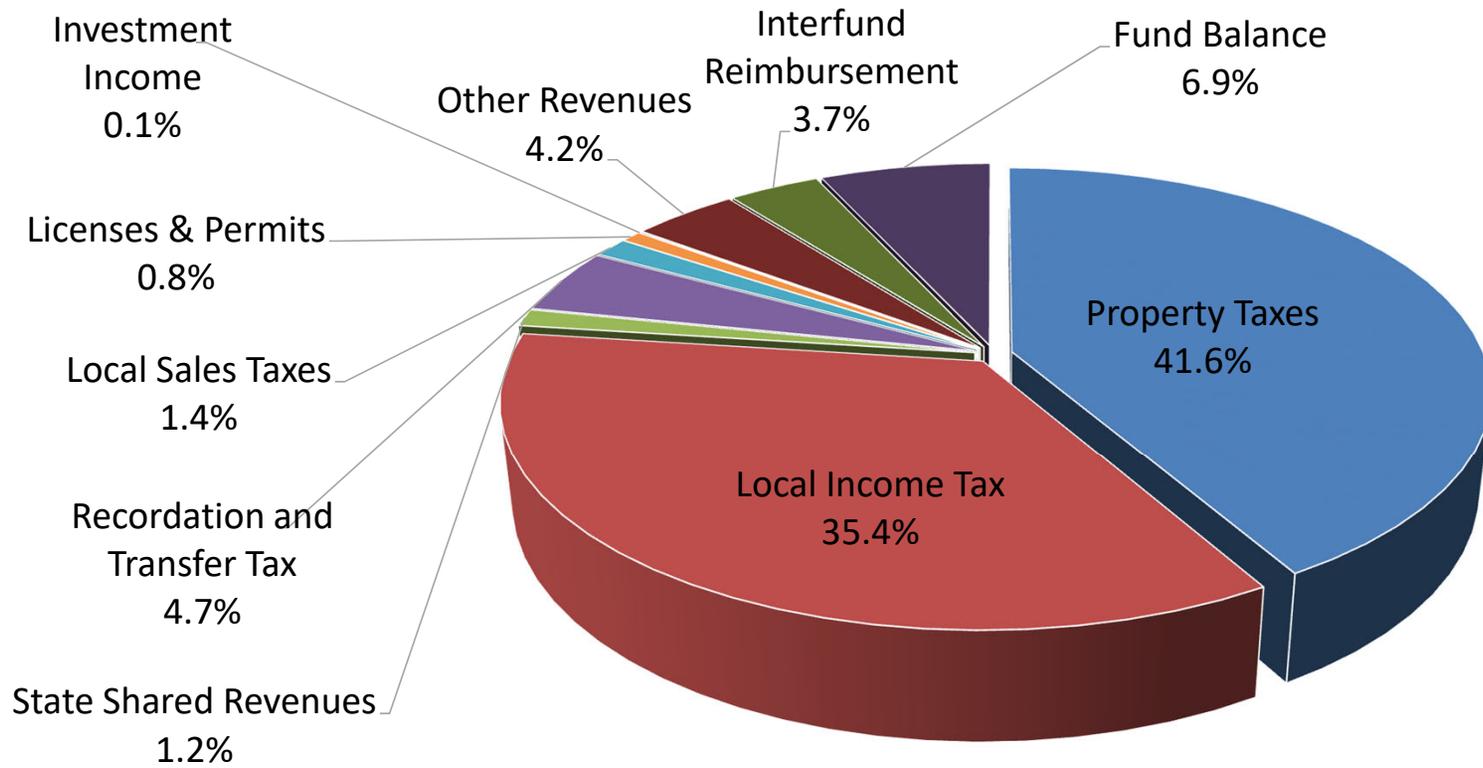
FY2024	\$2,137.3	
FY2023	<u>\$2,157.5</u>	
Increase (Decrease)	\$ (20.2)	- 0.94%
(subtracting incremental fund balance)	\$ (115.6)	
	\$ 95.4	+ 5.0%
	(recurring revenue)	

Highlights

- Balanced Budget – no structural deficit
- Raising Revenue Reserve Fund to 8% of operating revenue and fully funding (\$159.2 million Projected Balance at the end of FY2024)
- \$45 million new county BOE funding
- Adding 12 new police officer positions and 18 new firefighter positions
- Increased funding for eviction prevention, food programs, crisis response
- \$19.2 million contribution to start Retiree Healthcare fund for Board of Ed
- Local Income Tax Rate staying the same (or lower) for 98% of filers.
 - Increasing to 3.2% for taxable income >\$400k (single filers) and >\$480k (joint filers)
- Property Tax Rate: \$0.980 (Annapolis \$0.586, Highland Beach \$0.950)
- New revenue stream for Affordable Housing Trust Fund
 - Transfer tax increased to 1.5% for transactions greater than \$1 million
- New revenue from \$0.25 rideshare surcharge and 1% increase to Hotel Tax
- 72 net new positions in the General Fund
- 8.8% Increase Water/Sewer User Rate; 11.4% increase in Solid Waste Fee

General Fund Revenue

\$2,137,334,300



FY24 Revenue

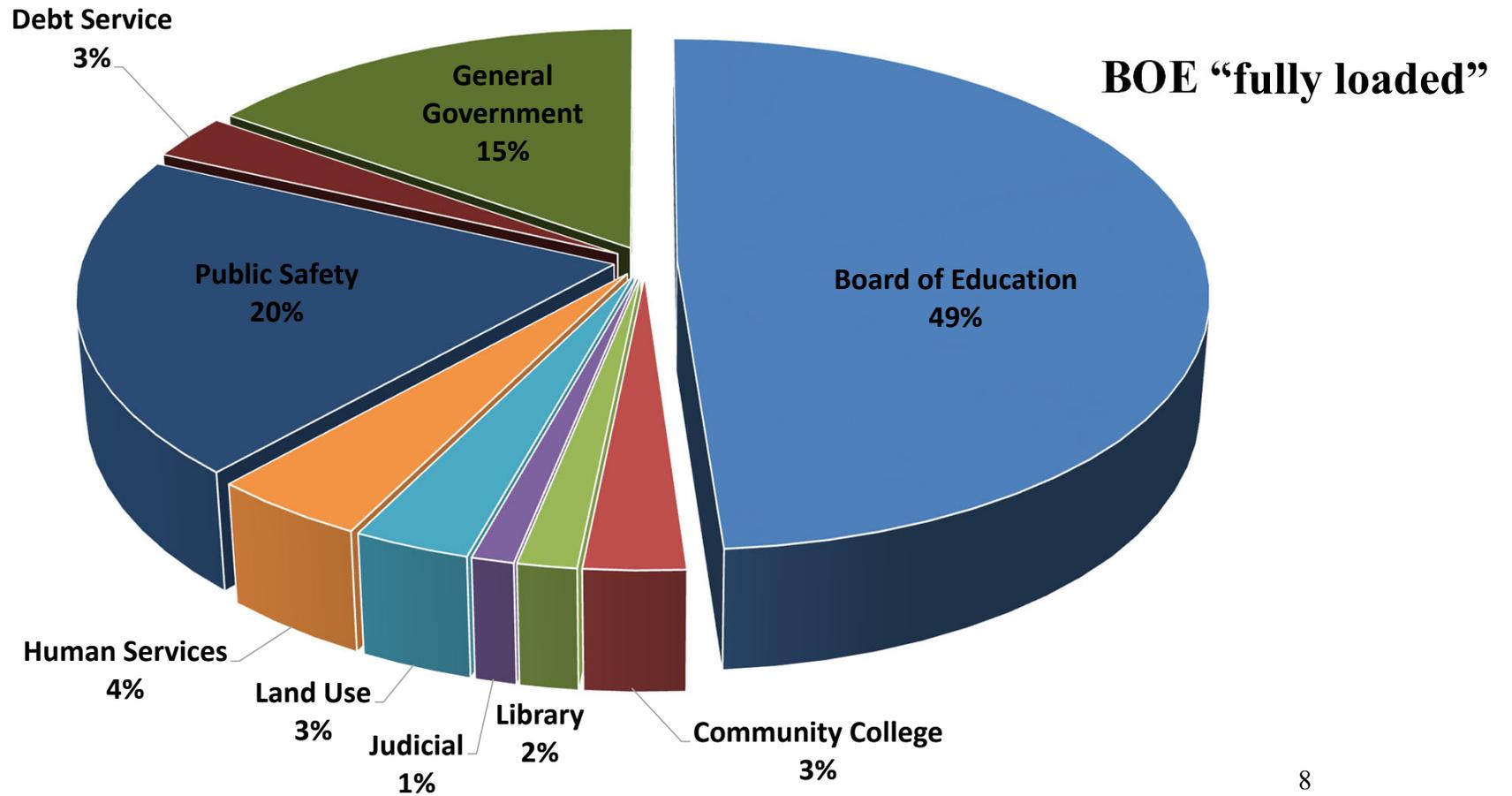
	FY24 Amt. (Millions \$)	% Change FY23 Bud	% Change FY23 Rev
Property Tax	889.9	9.5%	8.4%
Income Tax	756.8	5.9%	2.6%
State Shared Revenue	26.1	3.8%	3.3%
Recordation & Transfer	100.0	-23.7%	-7.4%
Local Sales Tax	30.0	5.4%	5.6%
Licenses & Permits	17.3	-2.4%	-0.4%
Investment Income	1.7	98.8%	-57.1%
Fees for Services and Other	87.6	0.9%	-5.5%
Interfund Reimbursements	<u>78.3</u>	<u>0.6%</u>	<u>3.7%</u>
Total Recurring Revenue	1,987.5	4.9%	4.1%
One-time revenue	3.0		
Fund Balance	<u>146.8</u>		
Total	2,137.3	-0.9%	0.2%

Tax Rate / Fee Rate Changes Proposed

General Fund			
	Approved in FY2023	Proposed in FY2024	% Change
Property Tax Rates (Per \$100 Assessment)			
Real Property Tax Rate			
Outside Annapolis and Highland Beach	\$0.933	\$0.980	5.0%
Within City of Annapolis	\$0.559	\$0.586	4.8%
Within Town of Highland Beach	\$0.903	\$0.950	5.2%
Personal Property Tax Rate			
Outside Annapolis and Highland Beach	\$2.332	\$2.450	5.1%
Within City of Annapolis	\$1.397	\$1.465	4.9%
Within Town of Highland Beach	\$2.257	\$2.375	5.2%
Income Tax Rate (% of Maryland Adjusted Gross Income)			
All Filers - Maryland Income Under \$50,000	2.70%	2.70%	0.0%
Single Filers - Maryland Income between \$50,000 - 400,000	2.81%	2.81%	0.0%
Single Filers - Maryland Income Over \$400,000	2.81%	3.20%	13.9%
Joint Filers - Maryland Income between \$75,000 - 480,000	2.81%	2.81%	0.0%
Joint Filers - Maryland Income Over \$480,000	2.81%	3.20%	13.9%
Hotel Motel Tax	7.00%	8.00%	14.3%
Ride Share Surcharge (Per Ride)	-	\$0.25	
Watershed Protection and Restoration Fund (WPRF)			
Stormwater Remediation Fee (one equivalent residential unit)	\$89.25	\$93.71	5.0%
Waste Collection Fund			
Residential Trash Collection Fee (Per Household)	\$341.00	\$380.00	11.4%
Tipping Fee (Per Ton)	\$85	\$85	0.0%
Water Wastewater Operating Fund			
Water Usage Rates (\$ Per 1,000 Gallon)	\$2.97	\$3.23	8.8%
Sewer Usage Rates (\$ Per 1,000 Gallon)	\$5.21	\$5.67	8.8%

Appropriations

\$2,137,334,300



Appropriations

(Millions, rounded to nearest tenth)

Board of Ed (fully loaded)	\$1,045.3
Community College	\$57.9
Library	\$33.8
Judicial	\$24.2
Land Use	\$66.6
Human Services	\$89.3
Public Safety	\$433.6
Debt Service	\$60.8
General Government (incl fund bal)	<u>\$325.9</u>
Total	\$2,137.3

New Positions

72 - General Fund Positions

- Police Department +19
- Fire Department +19
- Chief Administrative Officer +6
- Legislative Branch +5
- Public Works +4
- Recreation and Parks +4
- Finance +3
- Planning and Zoning +3
- County Executive +2
- Aging and Disabilities +2
- State's Attorney +2
- Detention Facilities +1
- Social Services +1
- Personnel +1
- Inspections and Permit +1
- Circuit Court +1

Transfer and Eliminations

- Administrative Hearings -1
- Central Services -1

** 4 existing positions will be abolished upon vacancy*

FY24 Pay Package

- All 11 bargaining units have ratified their FY24 agreements
- Generally, terms are consistent among units and include at least:
 - 5.0% Cost of Living Adjustment (COLA)
 - Merit/Step for all County Employees
- Same package for non-represented county employees
- Budget includes 5% COLA for all contractual workers (upon contract renewal date)
- Estimated incremental cost of all agreements is \$25.2M

Board of Education

County Funding

(Millions, rounded to nearest tenth)

County Direct	\$879.7
Other County Funding:	
Debt Service	78.7
OPEB	19.2
PAYGO	41.0
School Health	17.3
School Safety (SROs and Xing guards)	<u>9.2</u>
Total	\$1,045.2

Amounts to 48.9% of County Budget

50.5% of County Recurring Budget

Board of Education Funding

All Funding sources

(Millions, rounded to nearest tenth)

	<u>Amount</u>	<u>% Total</u>
County	\$ 879.7	53.3%
State	531.5	32.2%
Federal	134.1	8.1%
Food Services	13.6	0.8%
BOE Revenue	<u>90.2</u>	<u>5.5%</u>
Total	\$1,649.2	100.0%

Year-over-Year Increase of \$118.9 million

County contribution increase of \$45.0 million

Board of Education Funding

Unrestricted Funds

(Millions, rounded to nearest tenth)

	<u>FY23</u>	<u>FY24</u>	<u>Δ</u>	<u>% Total</u>
County	\$ 834.7	\$ 879.7	45.0	61.1%
State	\$ 467.7	\$ 527.9	60.2	36.7%
Federal	\$ 3.3	\$ 3.3	-	0.2%
BOE Revenue	<u>\$ 24.1</u>	<u>\$ 27.9</u>	<u>3.8</u>	<u>1.9%</u>
Total	\$1,329.8	\$1,438.8	108.9	100.0%

*Year-over-Year Increase of \$108.9 million
County contribution increase is \$45.0 million*

Board of Education Funding

\$45 M incremental funding for Board of Ed

- Fully funds compensation request
 - 6% COLA/2% Step – could be converted to 8% COLA
 - \$2,000 recruitment bonus for special ed
 - \$5/day increase for substitute teachers
 - 10% COLA for contract bus drivers
- Meets all Blueprint mandates/requirements
- Fully funds Virtual Academy
- Adds 45 new preK positions, 14 new English language positions, and 15 social/emotional learning positions
- Adds first year of staffing for new Old Mill HS
- Fully staffs Alternative Transportation program
- Funds 79% of overall BOE request; 7.18% increase year over year

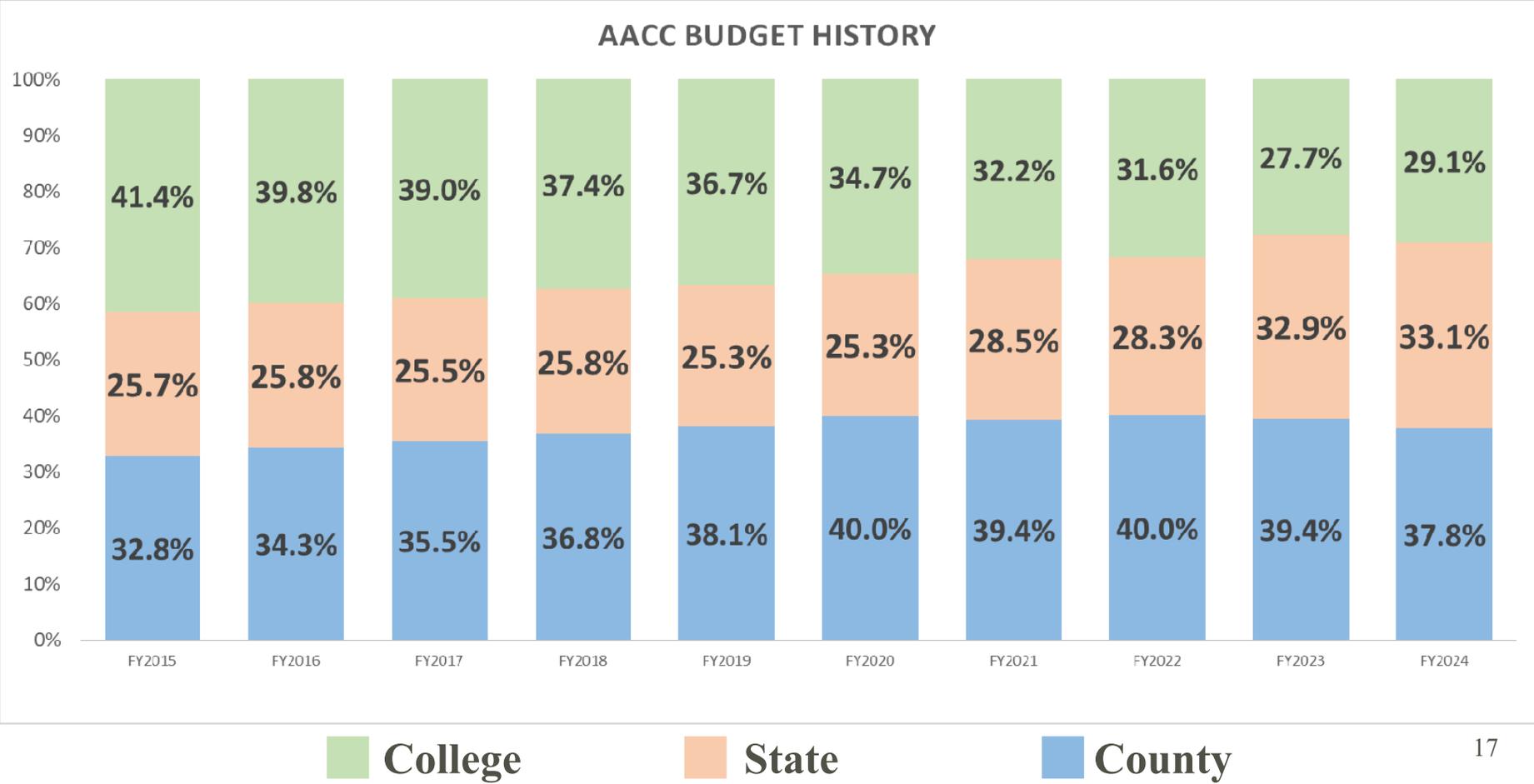
Community College Funding

(Millions, rounded to nearest tenth)

	<u>FY23</u>	<u>FY24</u>	<u>Δ</u>	<u>% Total</u>
County	\$49.1	\$50.1	\$1.0	37.8%
State	\$40.1	\$44.0	\$3.0	33.1%
Tuition	\$31.7	\$33.9	\$2.2	25.5%
Other	<u>\$ 2.8</u>	<u>\$ 4.8</u>	<u>\$2.0</u>	<u>3.6%</u>
Total	\$124.6	\$132.7	\$8.1	100.0%

*Year-over-Year Increase of \$8.1 million
County contribution increase is \$1 million*

Community College Funding



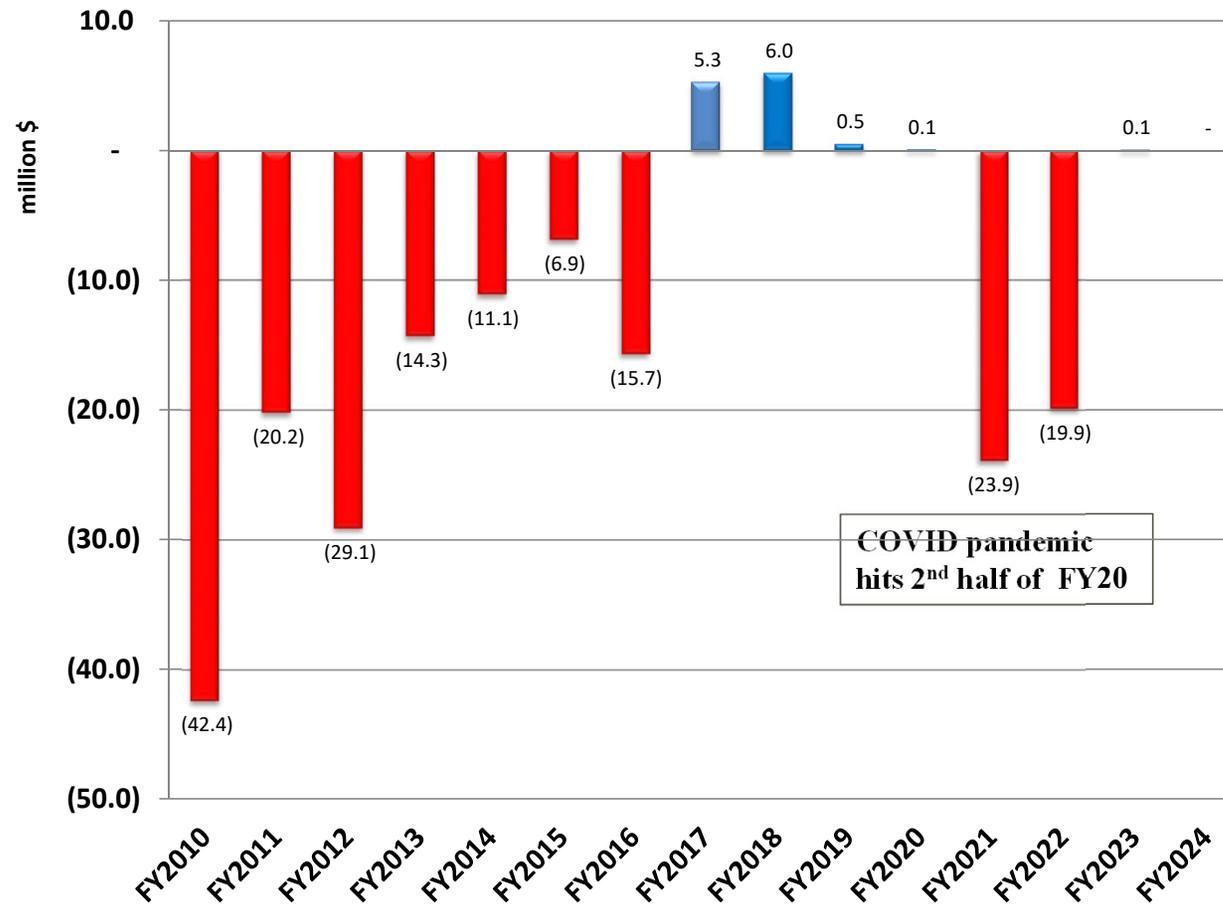
Library Funding

(Millions, rounded to nearest tenth)

	<u>FY23</u>	<u>FY24</u>	<u>Δ</u>	<u>% Total</u>
County	\$27.8	\$30.5	\$2.7	90.9%
State	\$ 2.7	\$ 2.9	\$0.2	8.7%
Fees, Fines, Collections	<u>\$ 0.88</u>	<u>\$ 0.16</u>	<u>(\$0.7)</u>	<u>0.5%</u>
Total	\$ 31.4	\$33.6	\$2.2	100.0%

*Year-over-Year Increase of \$2.2 million
County contribution increase is \$2.7 million*

Structural (Deficit) Surplus in the Proposed Budget (in millions)



Debt Affordability Model

	<u>FY2024</u>	<u>FY2025</u>	<u>FY2026</u>	<u>FY2027</u>	<u>FY2028</u>	<u>FY2029</u>
New Authority, Normal	\$160,000,000	\$160,000,000	\$160,000,000	\$160,000,000	\$160,000,000	\$160,000,000
Not used (over used) in prior year	175,985,118					
New Authority, IPA's	\$0	\$0	\$0	\$0	\$0	\$0
Total New Authority Affordable	\$335,985,118	\$160,000,000	\$160,000,000	\$160,000,000	\$160,000,000	\$160,000,000

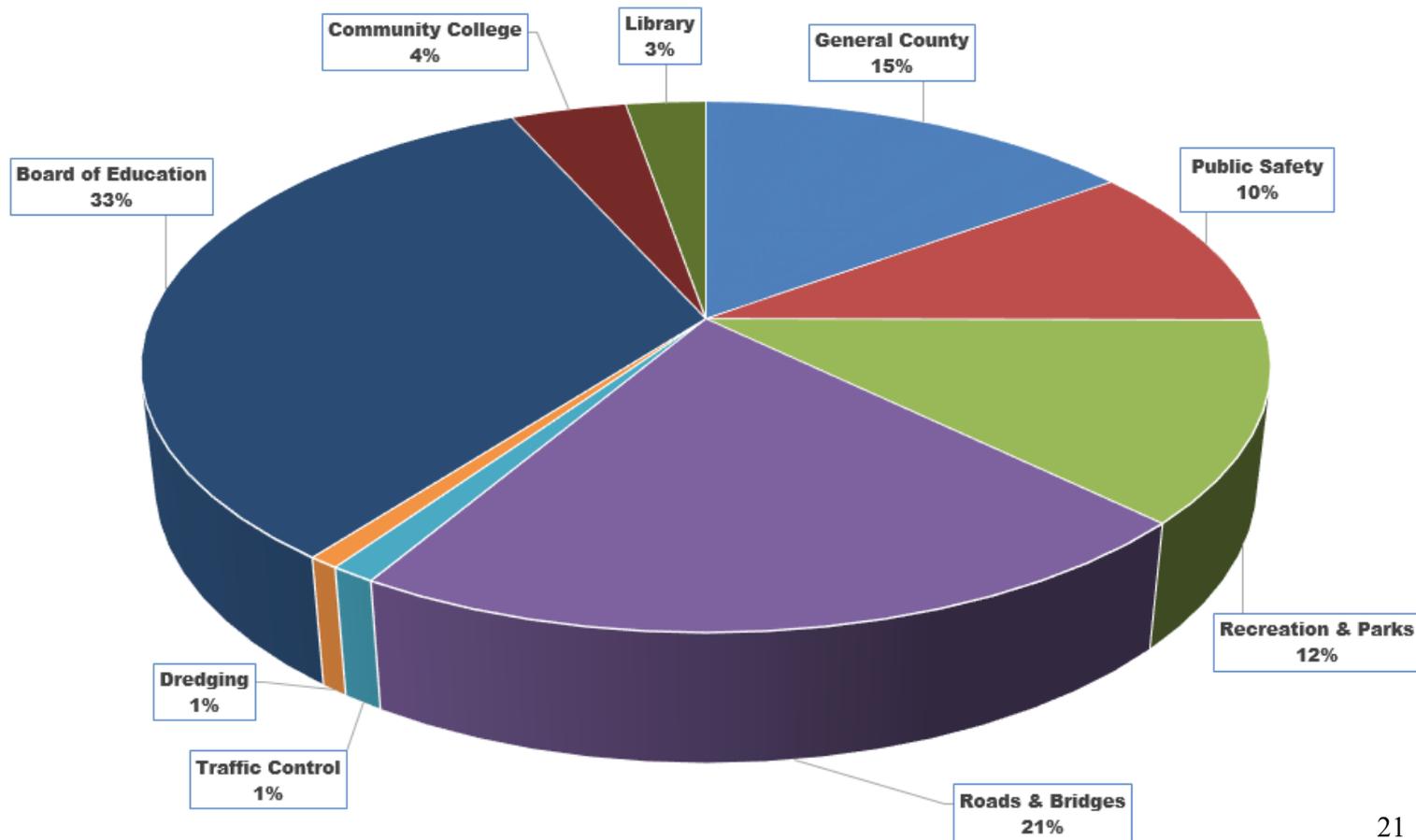
Affordability Ratios and Guidelines

Debt Service as % of Revenue	11.5%	8.1%	9.2%	9.5%	9.5%	9.9%	9.5%
Debt as % of Full Value	2.0%	1.53%	1.70%	1.70%	1.70%	1.69%	1.68%
Debt as % of Personal Income	4.0%	3.2%	3.5%	3.5%	3.4%	3.3%	3.2%
Debt per Capita	\$3,724	\$2,693	\$3,067	\$3,141	\$3,211	\$3,262	\$3,324



Debt Service	\$160,030,545	\$188,305,745	\$201,365,023	\$208,161,844	\$223,690,353	\$221,025,438
Debt at end of fiscal year	\$1,611,329,933	\$1,847,449,666	\$1,905,183,179	\$1,960,766,882	\$2,005,451,861	\$2,057,235,308
General Fund Revenues	\$1,987,948,000	\$2,051,252,500	\$2,116,675,600	\$2,184,289,700	\$2,254,169,800	\$2,326,393,600
Estimated Full Value (000)	\$105,454,538	\$108,618,000	\$111,877,000	\$115,233,000	\$118,690,000	\$122,251,000
Total Personal Income (000)	\$49,802,000	\$52,411,000	\$55,020,000	\$57,759,000	\$60,634,000	\$63,652,000
Population	598,384	602,449	606,542	610,663	614,811	618,988

Proposed Capital Budget & Program FY24-FY29 by Class



Proposed Capital Budget & Program FY24 by Class*

Class	FY24 Budget	%	Total FY24-FY29	Total %
General County	87,097,400	16.6%	292,547,900	15.0%
Public Safety	43,052,800	8.2%	197,465,060	10.1%
Recreation & Parks	90,480,000	17.2%	238,169,000	12.2%
Roads & Bridges	96,384,600	18.3%	414,708,600	21.2%
Traffic Control	3,750,000	0.7%	21,625,000	1.1%
Dredging	3,333,000	0.6%	14,778,000	0.8%
Board of Education	191,832,947	36.5%	644,478,947	33.0%
Community College	5,840,000	1.1%	76,992,000	3.9%
Library	4,117,000	0.8%	53,263,000	2.7%
Total	\$525,887,747	100.0%	\$1,954,027,507	100.0%

** General County Capital Projects Only*

Capital Budget Highlights

- Capital project pages are now on one page (Thanks Naomi!)
- BOE FY24 Capital funding is \$191.8M
 - Moved up funding for Old Mill HS by 1 year
 - Final year of funding for West County Elem
- 19 new capital projects in the general fund
- Keeps existing projects on track with \$112M infusion of PAYGO
- Maintains new debt authority at \$160M annually through 6-years
- Total CIP is more than \$12M under affordability guideline

Complete Budget Documents

The entire Operating and Capital Budget, as well as the Budget Message is available as of May 1st, 2023 at:

www.aacounty.org/budget



**Anne Arundel County, Maryland
Steuart Pittman, County Executive**

Chris Trumbauer, Budget Officer

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