

Steuart Pittman, County Executive

FY2024 Budget Overview

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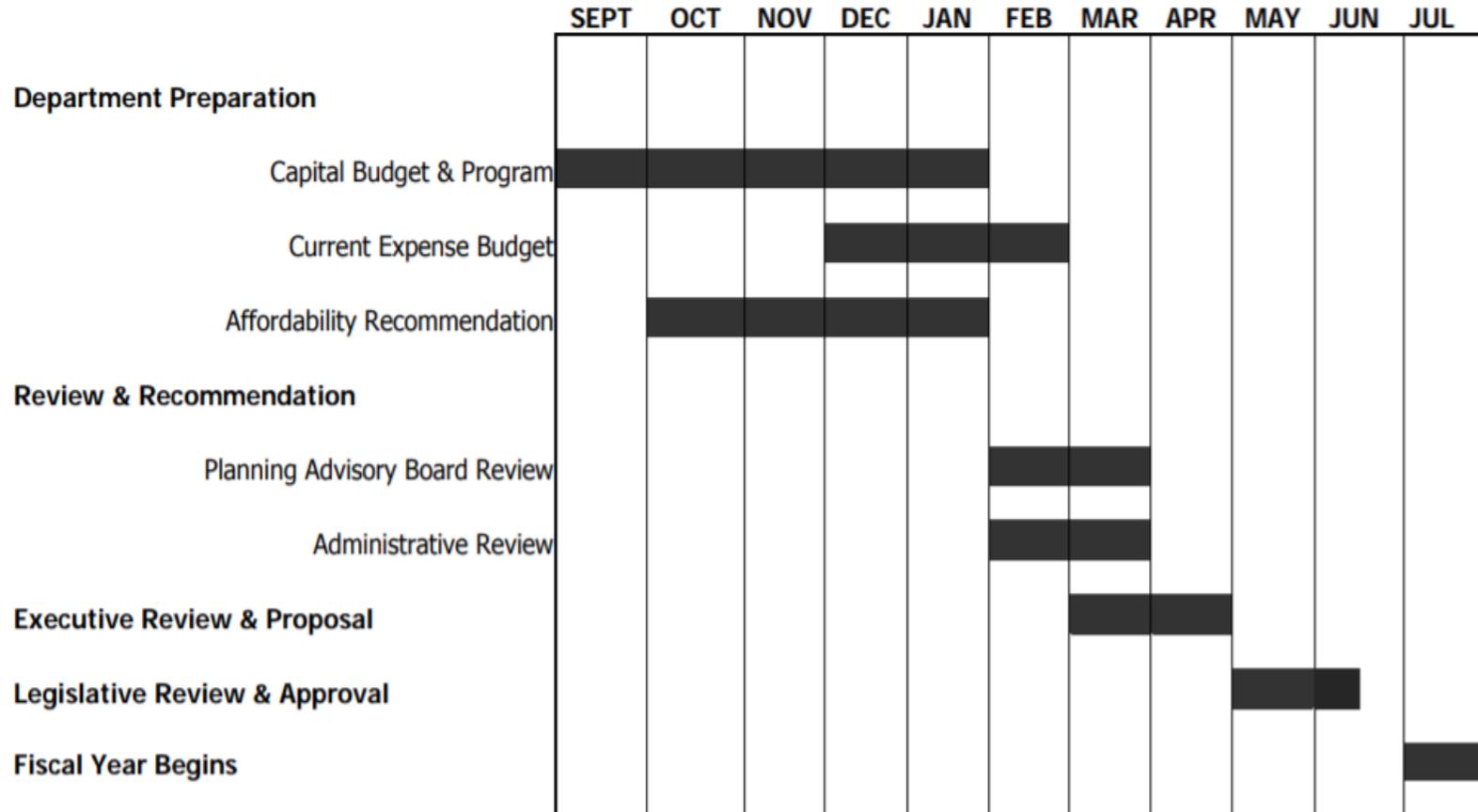
May 1, 2023

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FY2024

Budget Development Process



FY2023 Estimated Results

*Note: Throughout this presentation, rounding may result in differences
in totals*

FY2023 Estimated Revenue

(Millions, rounded to the nearest tenth)

	FY2023 Budget	FY2023 Revised	
	<u>Approved</u>	<u>Estimate</u>	<u>Change</u>
Property Tax	812.6	821.3	8.6
Income Tax	714.7	737.4	22.7
State Shared Revenue	25.1	25.2	0.1
Recordation & Transfer	131.0	108.0	-23.0
Local Sales Tax	28.5	28.4	-0.1
Licenses & Permits	17.7	17.3	-0.4
Investment Income	0.8	3.9	3.0
Other	86.8	92.7	5.9
Interfund Reimb.	<u>77.8</u>	<u>75.5</u>	<u>-2.3</u>
Operating Revenue	1,895.1	1,909.7	14.6
Fund Balance	<u>262.4</u>	<u>247.8</u>	<u>-14.6</u>
Total	2,157.5	2,157.5	0.0

FY2023 Budget Projected Results

(Millions, rounded to nearest tenth)

\$262.4 Planned Use of Fund Balance

(\$2,157.5 – 1,895.1)

Revenue

Approved Budget	\$1,895.1
Projected Realizations	<u>1,909.7</u>
More than Anticipated	\$14.6

Expenditures

Approved Budget	\$2,157.5
Projected Expenditures	<u>2,133.5</u>
(Over) / Under Expenditure	<u>\$24.0</u>
FY2023 Fund Bal. Under (Over) Utilization	\$38.6

Actual Fund Balance Utilization (**262.4** – **38.6**) = **\$223.8**

Fund Balance

(Millions, rounded to nearest tenth)

End of FY22 (June 30, 2022)	\$ 370.6
Designated for Use in FY2023	<u>262.4</u>
Available July 1, 2023	\$108.2
FY2023 Under Utilization of Fund Bal.	<u>38.6</u>
Available June 30, 2023	\$146.8
(Available to Support FY2024 Budget)	

$$\mathbf{\$370.6 - \$223.8 = \$146.8}$$

FY22 Year End - FY23 Utilized = Available for FY24

Special Grant Funds

American Rescue Plan Act (ARPA)

- County has received a total of \$112.5M
- Spending deadline is 12/31/2024
- Total of \$92.5M approved to date
- US Treasury reports have all been filed on time
- Approximately \$11.2M is deployed in FY24 budget
 - \$7.6 million in Operating Budget (special grant fund)
 - \$3.6 million in Capital Budget

Opioid Restitution Fund (ORF)

- County received ~\$1.5M in FY23 as a result of case settlement
- County expecting ~\$2.3M in FY24
- Non-lapsing special fund

FY2024 ARP Budget	
Partnership for Children, Youth and Families	402,300
Childcare Navigator	58,500
Immigrant Legal and Wraparound Services	343,800
Mental Health Agency	767,700
Crisis Response	603,100
Child and Adolescent Crisis Services	164,600
ACDS	2,080,000
Eviction Prevention	1,000,000
Food Bank	1,080,000
Health	3,009,500
Healthy Communities	1,334,000
Bay Meadow	470,100
Community Health Ambassadors	494,000
Violence Interruption Program	711,400
Social Services	586,500
Summer Snap	301,800
Sarah's House	284,700
Fire	704,200
Paramedic Training Program	704,200
Capital Budget	3,610,000
Recreation and Parks -- Park Renovation	3,000,000
OIT - Broadband	610,000
Total	11,160,200

ARP Funding Proposals included in the FY24 Budget

All ARP funding requests have been determined to be eligible by the County's ARP consultant and approved by the Fiscal Recovery Funds Oversight Committee

Opioid Restitution Fund

Health Department	\$ 1,706,100.00
Travel for Overdose Outreach Team	\$ 15,000.00
SADD Coordinator (Contractual)	\$ 56,900.00
Harm Reduction Coordinator (Contractual)	\$ 63,600.00
Opioid Intervention Team Coordinator (Contractual)	\$ 52,600.00
Overdose Outreach Team (Contractual)	\$ 175,500.00
Community Health Nurse (State Merit)	\$ 92,500.00
Grant funds to the Opioid Intervention Team	\$ 500,000.00
Crisis Response - MHA	\$ 750,000.00
Detention Center	\$ 575,200.00
Detention Position - Mental Health Intake Clinician	\$ 95,200.00
Detention medication assisted treatment services (MAT)	\$ 480,000.00
Total Expense	\$ 2,281,300.00

ORF included in the FY24 Budget

- *ORF funds are result of settlement of county legal action.*
- *Annual revenue expected to be approximately \$2-2.3 million annually*

FY2024
General Fund
Overview

General Fund

\$2,137,334,300

(\$146,822,900 is Fund Balance)

Year-to-Year Growth

(Millions, rounded to nearest tenth)

	<u>Budget</u>	
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)	

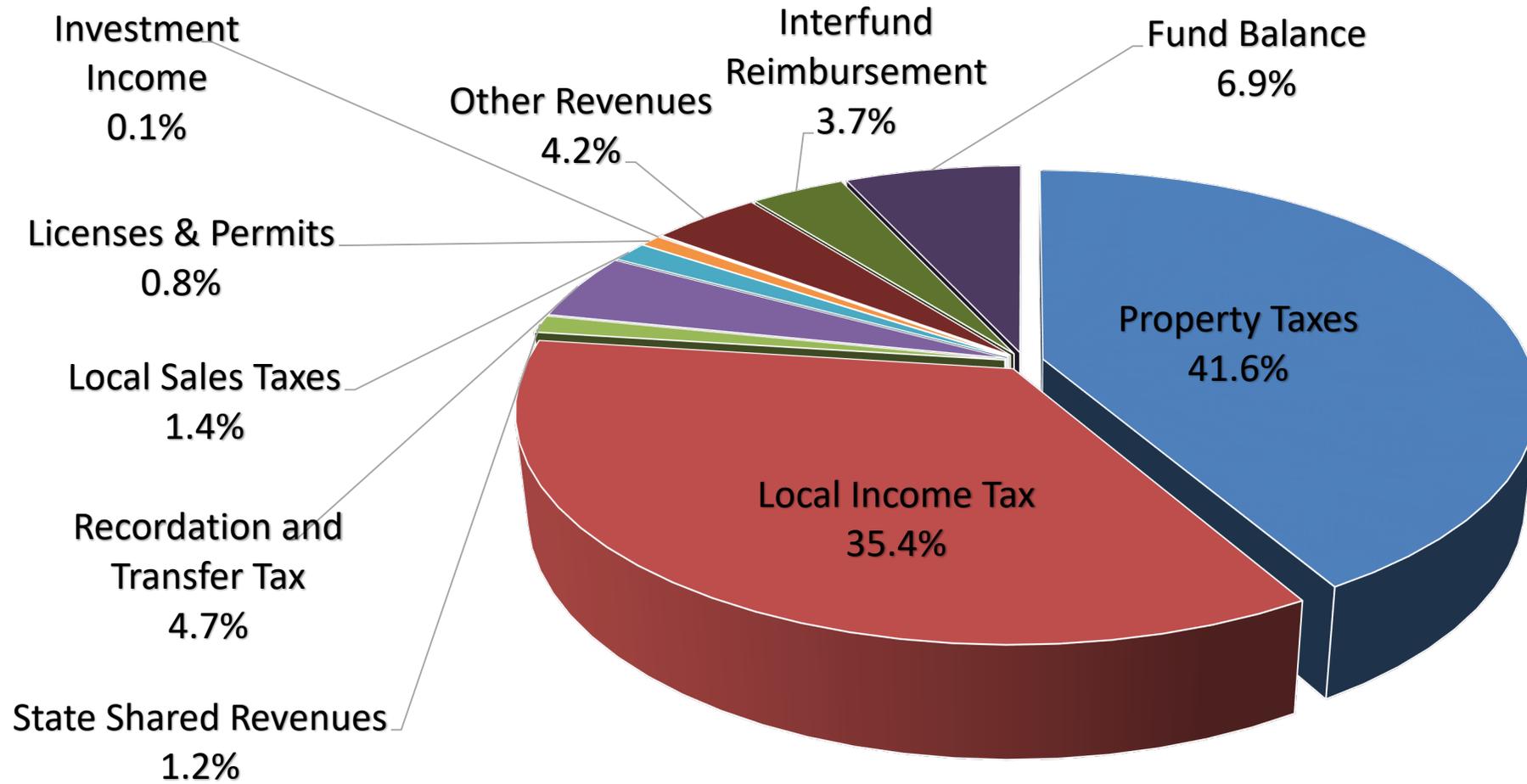
Highlights

- 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

FY2024 Revenue Detail

General Fund Revenue

\$2,137,334,300



FY24 Revenue

	FY24 Amt. <u>(Millions \$)</u>	% Change <u>FY23 Bud</u>	% Change <u>FY23 Rev</u>
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%

Property Tax Revenue

- FY2023
 - More than anticipated Personal Property Tax receipts
- FY2024
 - Assessable Base (Incl. new construction) +3.1%
 - Jan. CPI = 6.41% (therefore 4.5% for Tax Revenue Cap Calculation)
 - The Calculated “tax cap rate” = \$0.952
(\$0.5769 Annapolis, \$0.922 in Highland Beach)
 - Proposed Property Tax Rate: **\$0.980**, which results in \$26 M additional contribution to Board of Education
(\$0.586 Annapolis, \$0.950 in Highland Beach)

\$889,872,700 FY24 Property Tax Revenue

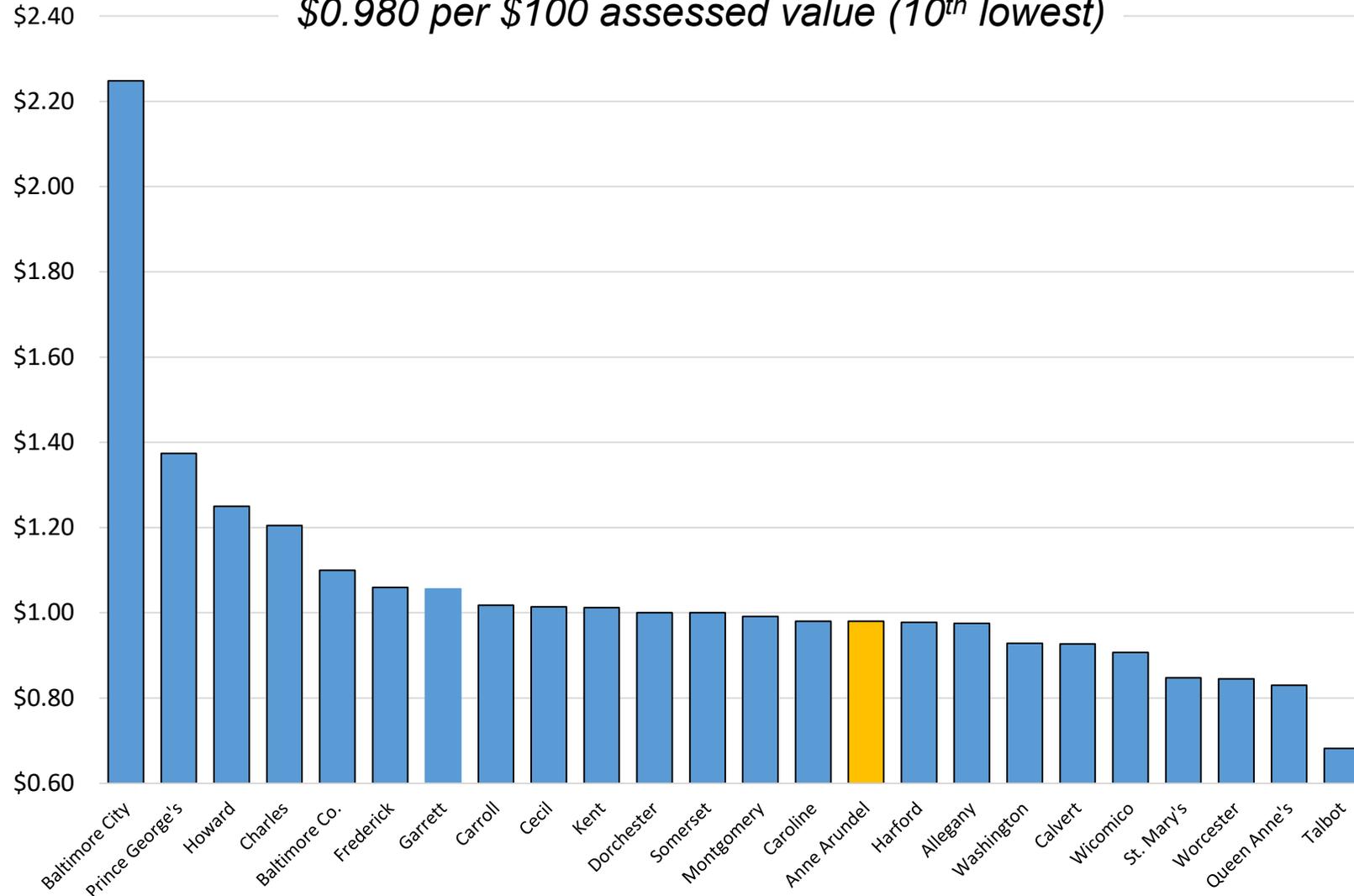
Compares to \$812,632,900 in FY2023 Original (+9.5%)

Compares to \$821,282,800 in FY2023 Revised (+8.4%)

Property Tax Revenue

FY24 Proposed vs. FY23 Approved

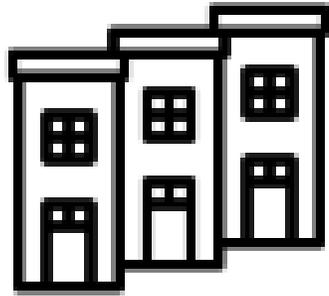
\$0.980 per \$100 assessed value (10th lowest)



Property Tax Revenue

Fiscal impact of FY24 rate (0.980) on three scenarios:

Townhouse



Single Family



Luxury Home

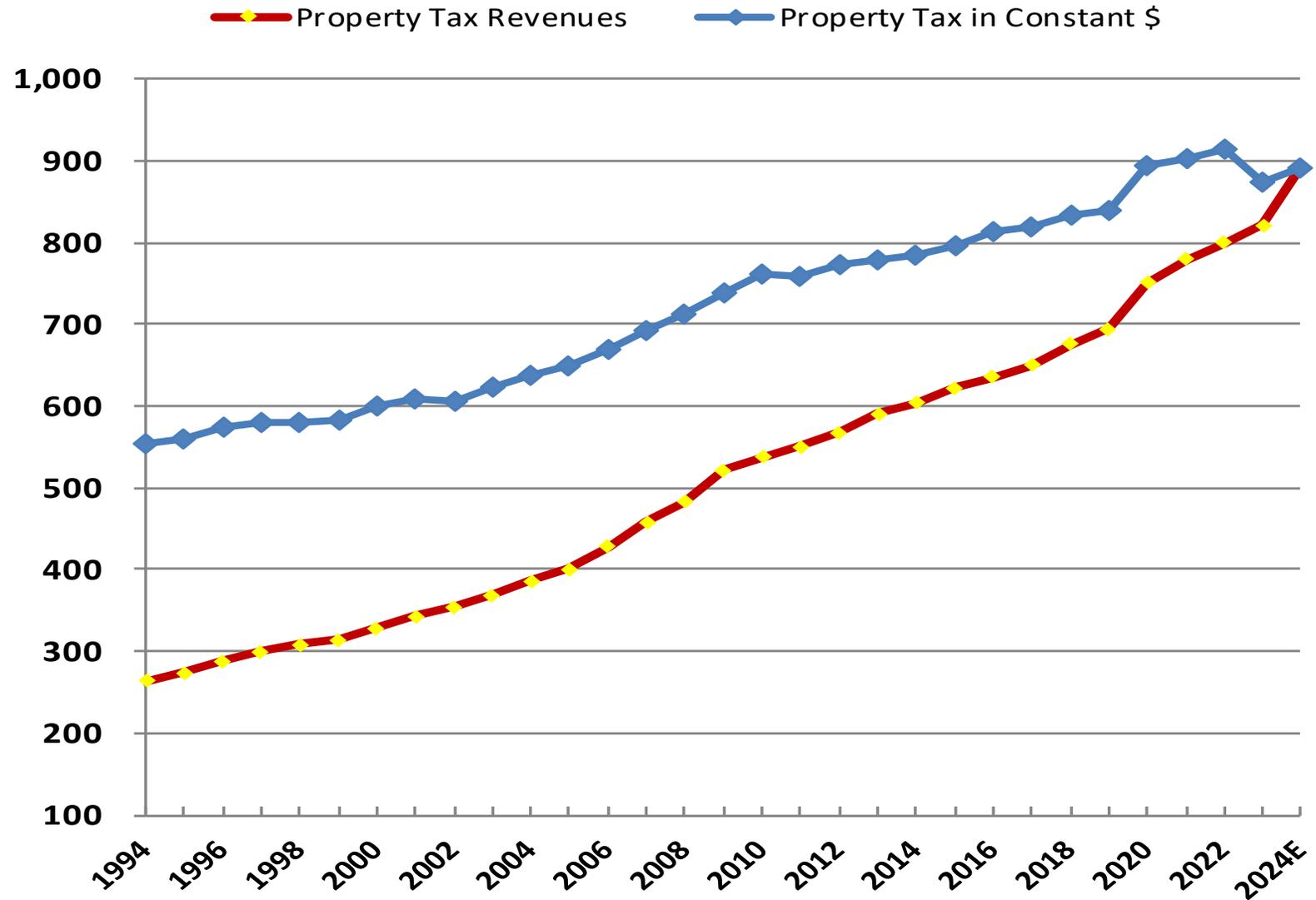


Assessed value: \$250,000.00
FY23 prop tax: \$2,332.50
FY24 prop tax: \$2,450.00
Change: \$ 117.50

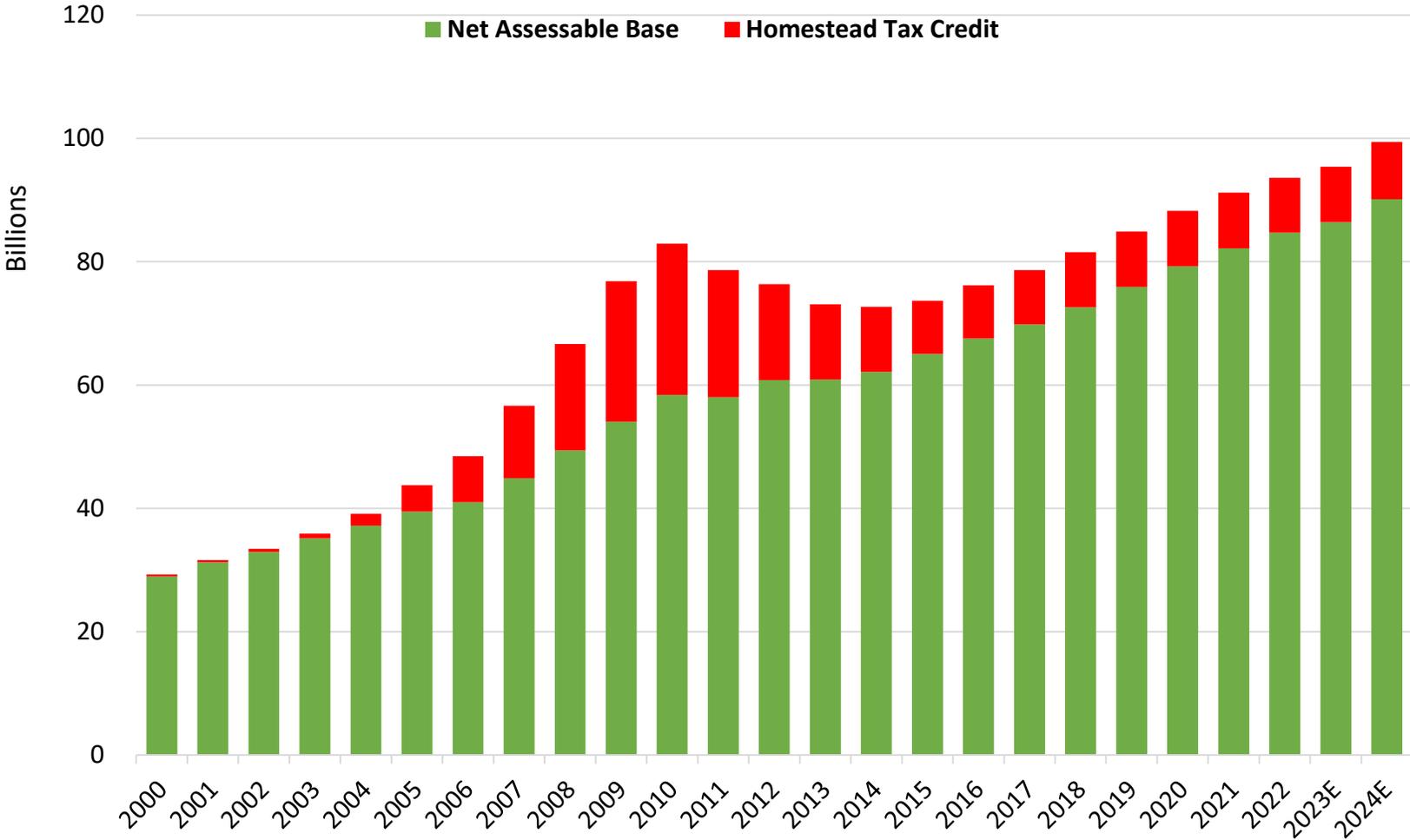
\$425,000.00
\$4,165.00
\$3,965.25
\$ 199.75

\$900,000.00
\$8,820.00
\$8,397.00
\$ 423.00

Property Tax Revenue Since 1994



Assessment Safety Valve



Income Tax Revenue

- FY2023
 - Receipts are currently projected to be \$22.7 million above what was estimated, mainly due to better than expected Calendar Year 2021 receipts.
- FY2024
 - Project that taxable personal income will be +4.0% in CY 2022, +2.0% in CY 2023 and +3.0% in CY 2024.
 - Progressive Income Tax (effective January 1, 2024)
 - New joint filer brackets extend lower 2.70% rate to first \$75,000 of taxable income
 - The Tax Year 2024 income tax rate increases from 2.81% to 3.2% for taxable income above: \$400,000 for single filers; \$480,000 for joint filers.
 - This results in a net fiscal impact of \$6.1 million in FY24; \$14.8 million annualized)

\$756,800,000 FY24 Income Tax Revenue

Compares to \$714,700,000 in FY 2023 Original (+5.9%)

Compares to \$737,400,000 in FY 2023 Revised (+2.6%)

Income Tax Revenue

Progressive Tax Rates

Single Tax Return Filers

Combined Impact	
Total Impact	\$14,883,500
Total FY24 Impact	\$6,102,235

Net Taxable Income Bracket	Tax Rate Marginal	Tax Revenue	Change from Status Quo	Percent of Single Revenue	Percent of Total Revenue	Number of Returns	Percent of Single Returns	Percent of Total Returns
\$0 - \$49,999	2.70%	\$45,861,700	\$0	24.1%	6.3%	82,466	64.0%	33.2%
\$50,000 - \$400,000	2.81%	\$121,009,200	\$0	63.6%	16.7%	45,693	35.4%	18.4%
\$400,001 -	3.20%	\$23,320,400	\$1,836,300	12.3%	3.2%	738	0.6%	0.3%
		\$190,191,300	\$1,836,300	100.0%	26.3%	128,897	100.0%	51.9%
		FY24 Impact	\$752,883					

Joint Tax Return Filers

Net Taxable Income Bracket	Tax Rate Marginal	Tax Revenue	Change from Status Quo	Percent of Joint Revenue	Percent of Total Revenue	Number of Returns	Percent of Joint Returns	Percent of Total Returns
\$0 - \$74,999	2.70%	\$47,489,000	(192,600)	8.9%	6.6%	50,092	42.0%	20.2%
\$75,000 - \$480,000	2.81%	\$310,282,000	(1,798,600)	58.2%	42.9%	65,408	54.8%	26.3%
\$480,001 -	3.20%	\$175,708,500	15,038,400	32.9%	24.3%	3,838	3.2%	1.5%
		\$533,479,500	\$13,047,200	100.0%	73.7%	119,338	100.0%	48.1%
		FY24 Impact	\$5,349,352					

Income Tax Revenue

- More than 98% of county filers will pay the same or a lesser tax rate than last year
- Less than 2% of county filers will pay the 3.2% rate on taxable income > \$400k/480k

# of Filers	\$ Change	% of Total	Impact
115,500	-1,991,200	46.5%	Tax Break
128,159	0	51.6%	Tax Neutral
4,576	16,874,700	1.8%	Tax increase
248,235	14,883,500	100.0%	Total

Teacher \$60k/yr

Joint Income \$150k/yr

	Single				Joint			
	TY2022	TY2023	TY2024	3.2 County	TY2022	TY2023	TY2024	3.2 County
Total Income	60,000	60,000	60,000	60,000	150,000	150,000	150,000	150,000
Tax @2.70%		1,350	1,350			1,350	2,025	
Tax @2.81%	1,686	281	281		4,215	2,810	2,108	
Tax @3.20%			-	1,920			-	4,800
Total Tax	\$ 1,686	\$ 1,631	\$ 1,631	\$ 1,920	\$ 4,215	\$ 4,160	\$ 4,133	\$ 4,800
Change YOY	n/a	\$ (55)	\$ -	\$ 289	n/a	\$ (55)	\$ (28)	\$ 668
Effective rate	2.81%	2.72%	2.72%	3.20%	2.81%	2.77%	2.76%	3.20%

Savings from progressive rate

FY24 Effective tax rate

Income Tax Revenue

Senior Engineer \$150k/yr

Joint Income \$450k/yr

	TY2022	TY2023	TY2024	3.2 County		TY2022	TY2023	TY2024	3.2 County
Total Income	150,000	150,000	150,000	150,000	Total Income	450,000	450,000	450,000	450,000
Tax @2.70%		1,350	1,350		Tax @2.70%		1,350	2,025	
Tax @2.81%	4,215	2,810	2,810		Tax @2.81%	12,645	11,240	10,538	
Tax @3.20%			-	4,800	Tax @3.20%			-	14,400
Total Tax	\$ 4,215	\$ 4,160	\$ 4,160	\$ 4,800	Total Tax	\$ 12,645	\$ 12,590	\$ 12,563	\$ 14,400
Change YOY	n/a	\$ (55)	\$ -	\$ 4,800	Change YOY	n/a	\$ (55)	\$ (28)	\$ 14,400
Effective rate	2.81%	2.77%	2.77%	3.20%	Effective rate	2.81%	2.80%	2.79%	3.20%

Corporate Exec \$600k/yr

Joint Income \$1 million/yr

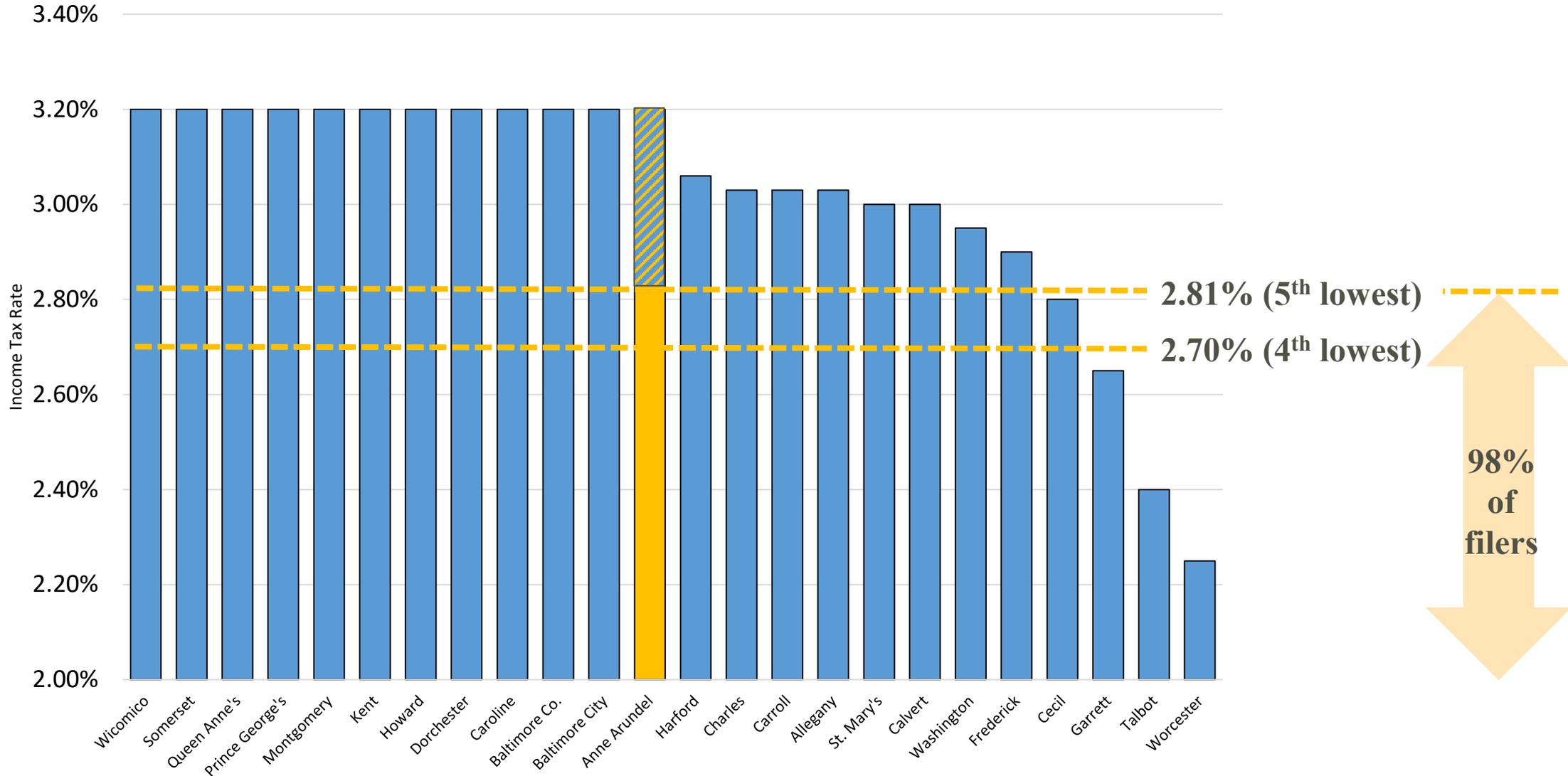
	TY2022	TY2023	TY2024	3.2 County		TY2022	TY2023	TY2024	3.2 County
Total Income	600,000	600,000	600,000	600,000	Total Income	1,000,000	1,000,000	1,000,000	1,000,000
Tax @2.70%		1,350	1,350		Tax @2.70%		1,350	2,025	
Tax @2.81%	16,860	15,455	9,835		Tax @2.81%	28,100	26,695	11,381	
Tax @3.20%			6400	19,200	Tax @3.20%			16,640	32,000
Total Tax	\$ 16,860	\$ 16,805	\$ 17,585	\$ 19,200	Total Tax	\$ 28,100	\$ 28,045	\$ 30,046	\$ 32,000
Change YOY	n/a	\$ (55)	\$ 780	\$ 1,615	Change YOY	n/a	\$ (55)	\$ 2,001	\$ 1,955
Effective rate	2.81%	2.80%	2.93%	3.20%	Effective rate	2.81%	2.80%	3.00%	3.20%

Tax increase from 3.2% rate

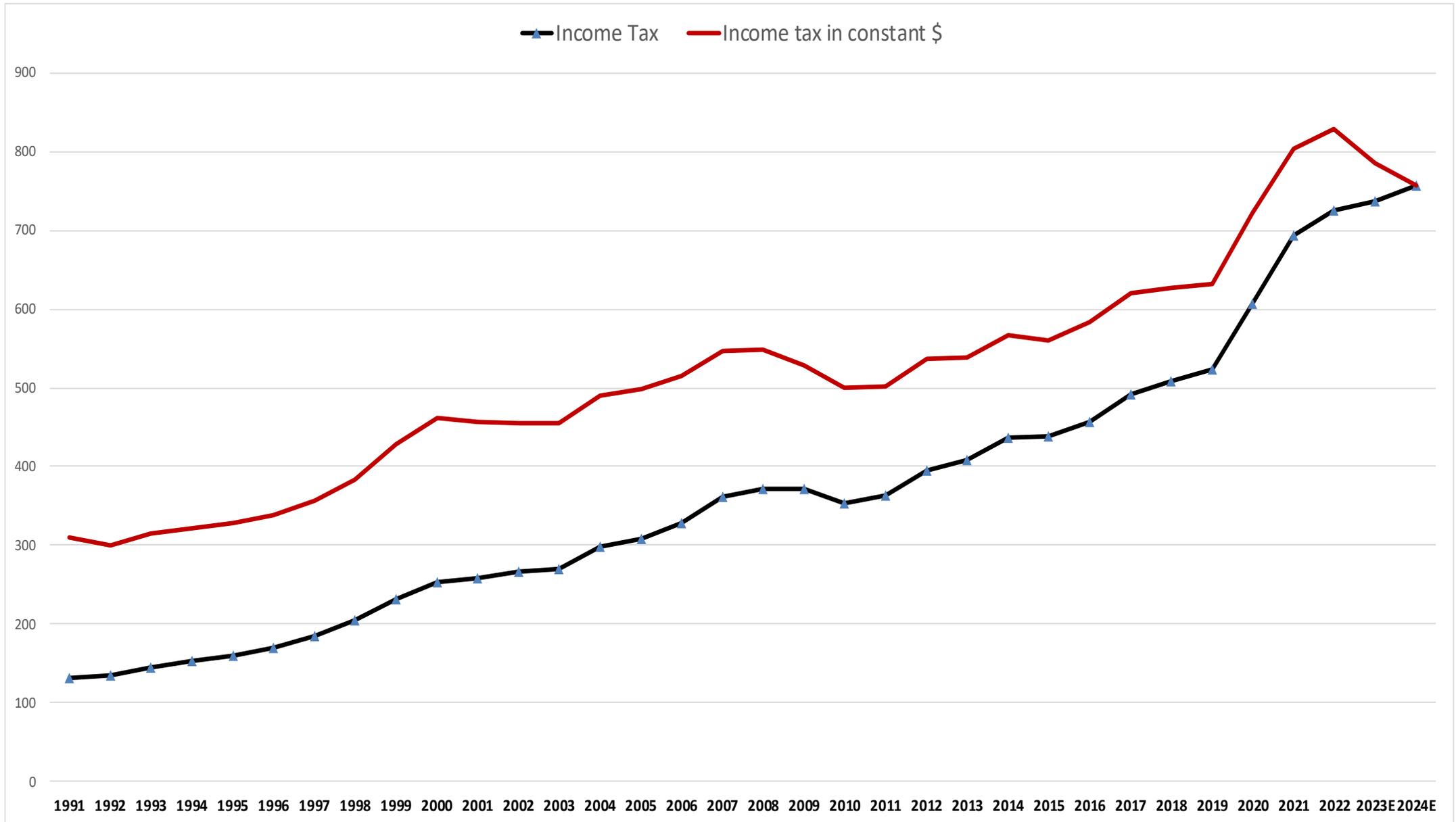
FY24 Effective tax rate

Income Tax Revenue

FY24 Proposed vs. FY23 Approved



Income Tax Revenue Since 1991



Recordation & Transfer Tax

- FY2023
 - Transactions are down, prices are flat
 - Mortgage rates are high
 - Year to date revenues show 43% decrease compared to last year
 - Demand for housing is high; inventory is low
- FY2024
 - Continued negative growth in transactions expected due to low inventory
 - Mortgage rates remains high – will affect sales and refinancings

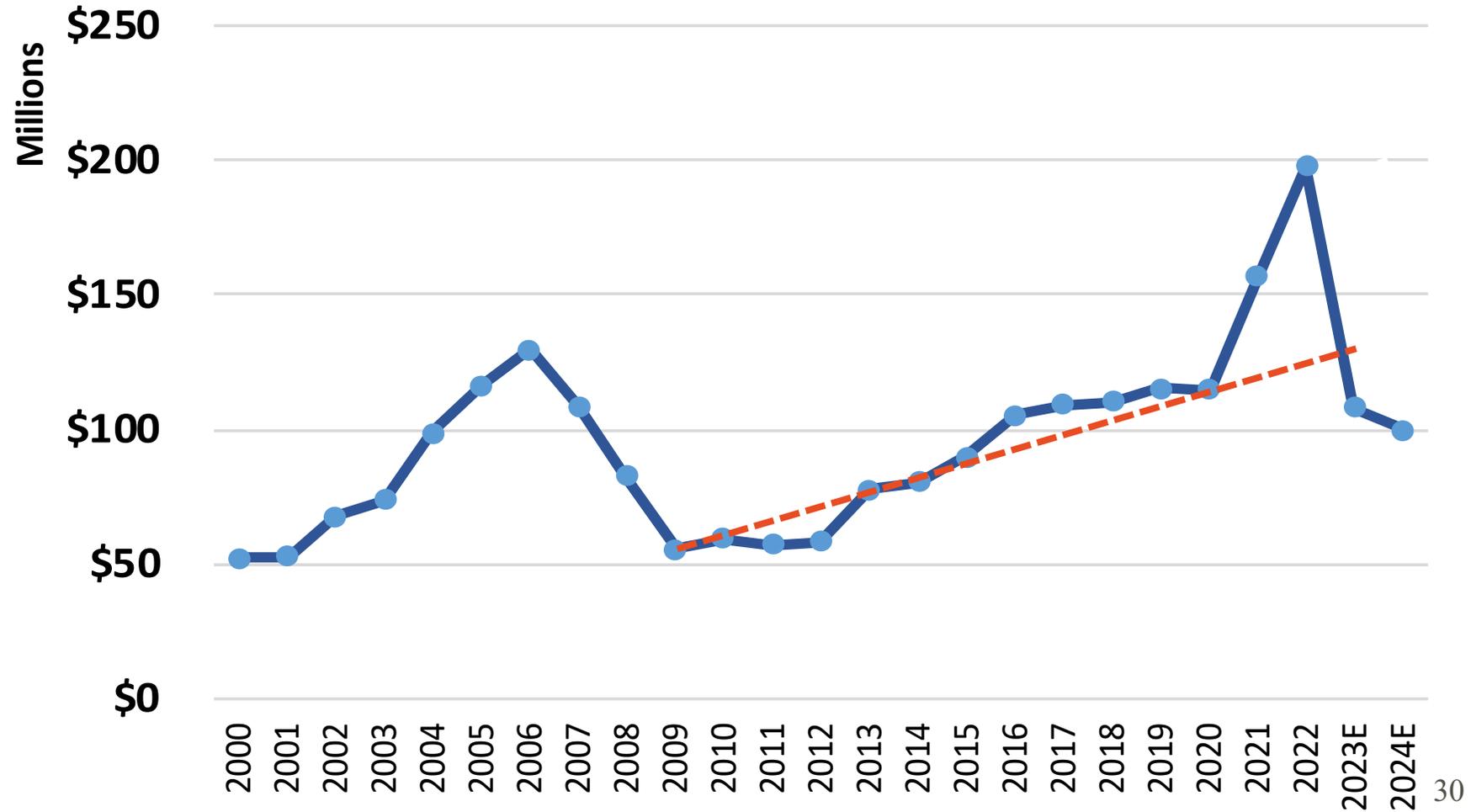
\$100,000,000 FY24 Recordation & Transfer Taxes

Compares to \$131,000,000 in FY2023 Original (-23.7%)

Compares to \$108,000,000 in FY2023 Revised (-7.4%)

Recordation & Transfer Tax Revenue

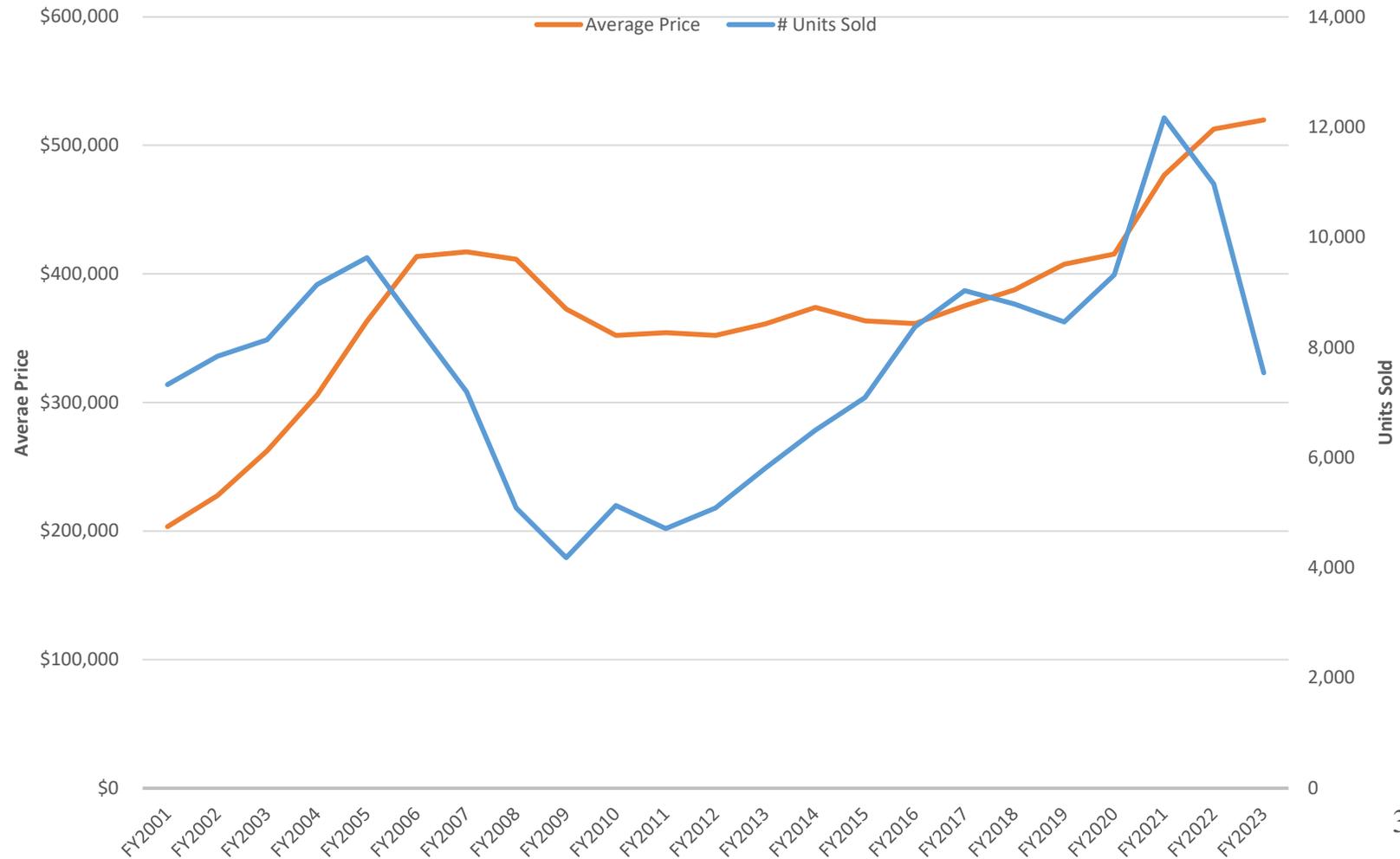
Fiscal Year



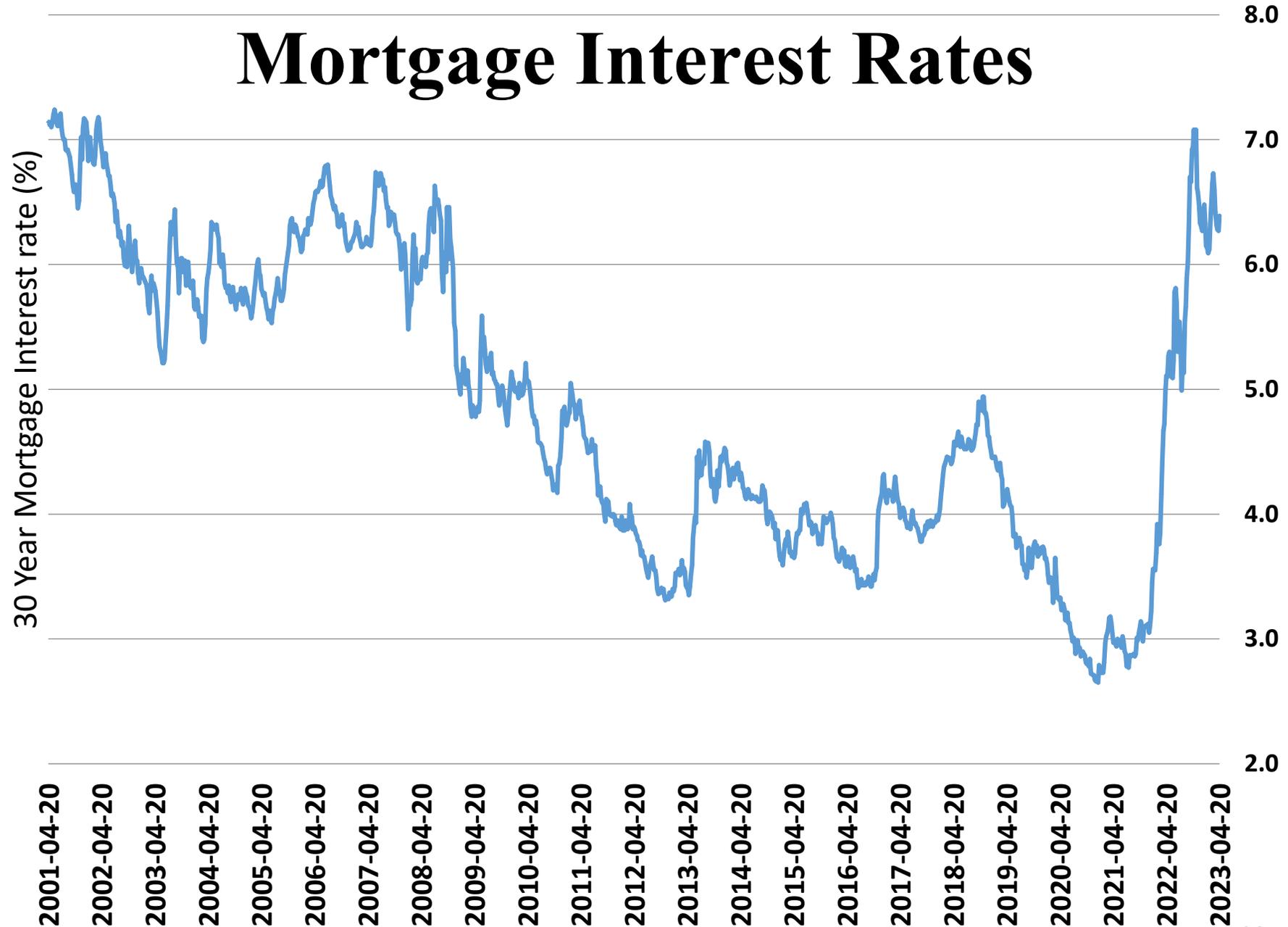
Anne Arundel Housing Transactions

Fiscal Year (based on March 31 2023 data)

HOUSING TRANSACTIONS (EXISTING HOME SALES) FISCAL YEAR



Mortgage Interest Rates



Transfer Tax

- Transfer Tax rate increasing from 1% to 1.5% only for transactions greater than \$1 million
- This revenue will go into a special fund – Affordable Housing Trust Fund (created in FY2023)
- FY24 projected revenue is \$7.5 million
 - \$6.8 million is in ACDS Budget
 - \$700k is in Partnership for Children Youth & Families Budget

State Shared Revenue

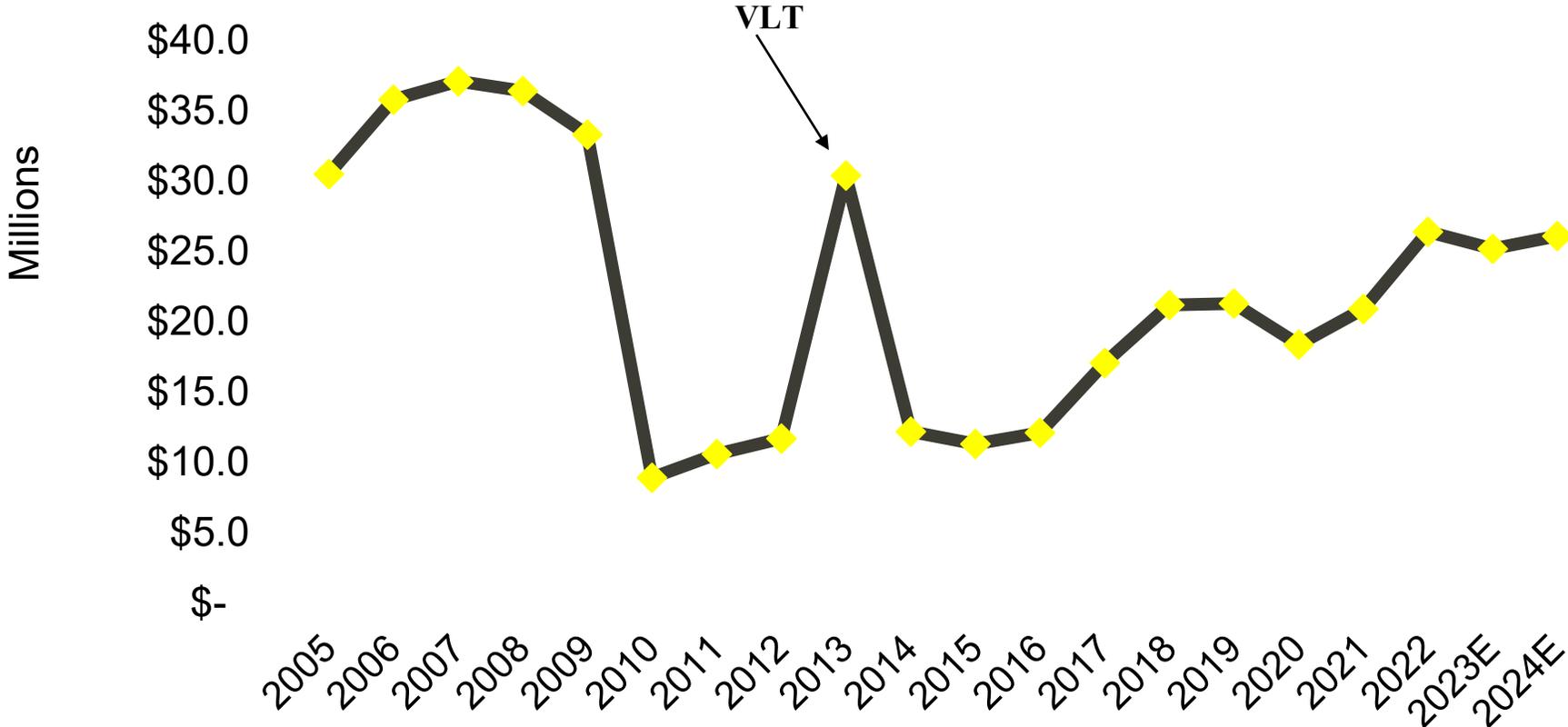
- FY2023
 - Highway User Revenue (HUR) projected at \$6.8 million, revised down by State by \$0.26 million.
 - Table Game Revenue revised estimate are down \$0.25 million.
 - Admissions and Amusement tax revenues revised estimate shows a 0.63 million increase from original budget.
- FY2024
 - HUR is projected at \$8.2 million (+\$16.8% from FY23 Original Budget)
 - \$9.5 million projected from Table Game revenue (-7.3%)
 - Admission & Amusement Tax at \$8.3 million (+6.7%)

\$26,053,800 FY24 State Shared Revenue

Compares to \$25,092,900 in FY2023 Original (+3.8%)

Compares to \$25,231,200 in FY2023 Revised (+3.3%)

State Shared Revenue



Local Sales Taxes

- FY2023
 - Revised up the Hotel Motel Tax by \$0.5 million to \$13.5 million.
 - Parking Revenue projected to be \$5.0 (\$0.2 million less than original estimates)
- FY2024
 - Hotel Motel Tax is estimated at \$15.3 million (about \$1.8 million impact from increasing the rate to 8% from current 7%)
 - Telephone Tax revenue estimate is \$3.75 million, which is about \$0.75 million lower than FY2022 actual.
 - All other categories are estimated to be flat at FY2023 level.

\$29,993,000 FY24 Local Sales Taxes

Compares to \$28,468,000 in FY2023 Original (+5.4%)

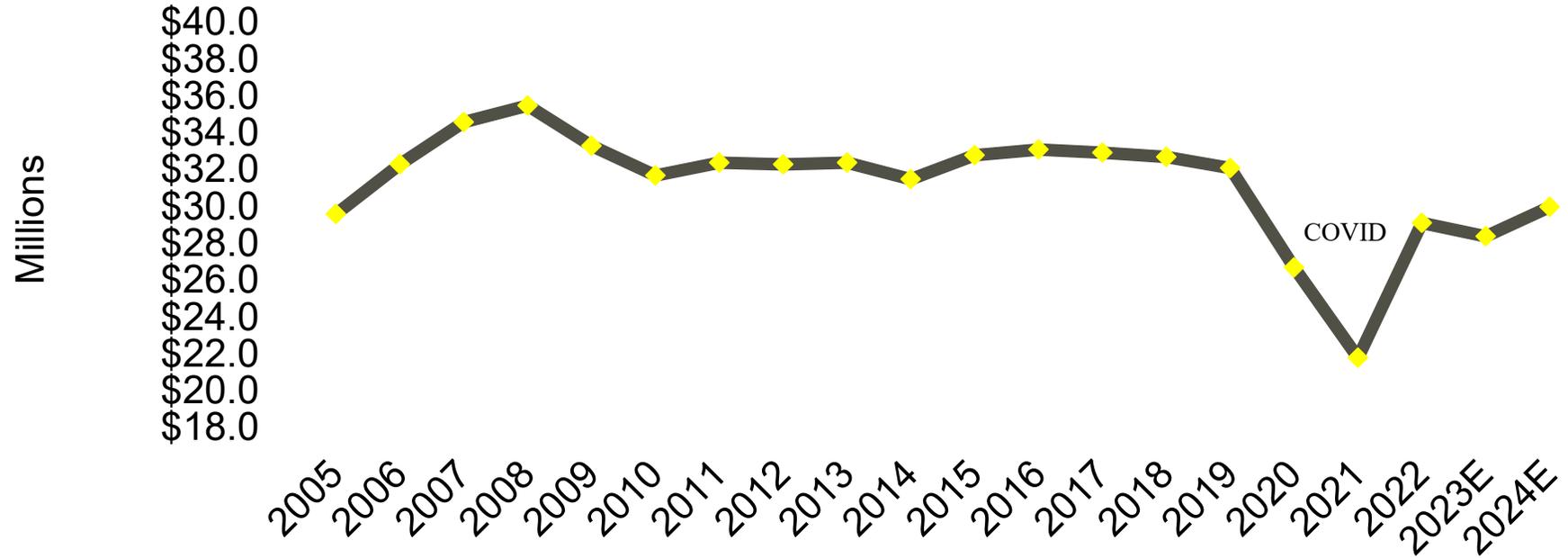
Compares to \$28,393,000 in FY2023 Revised (+5.6%)

Local Sales Taxes

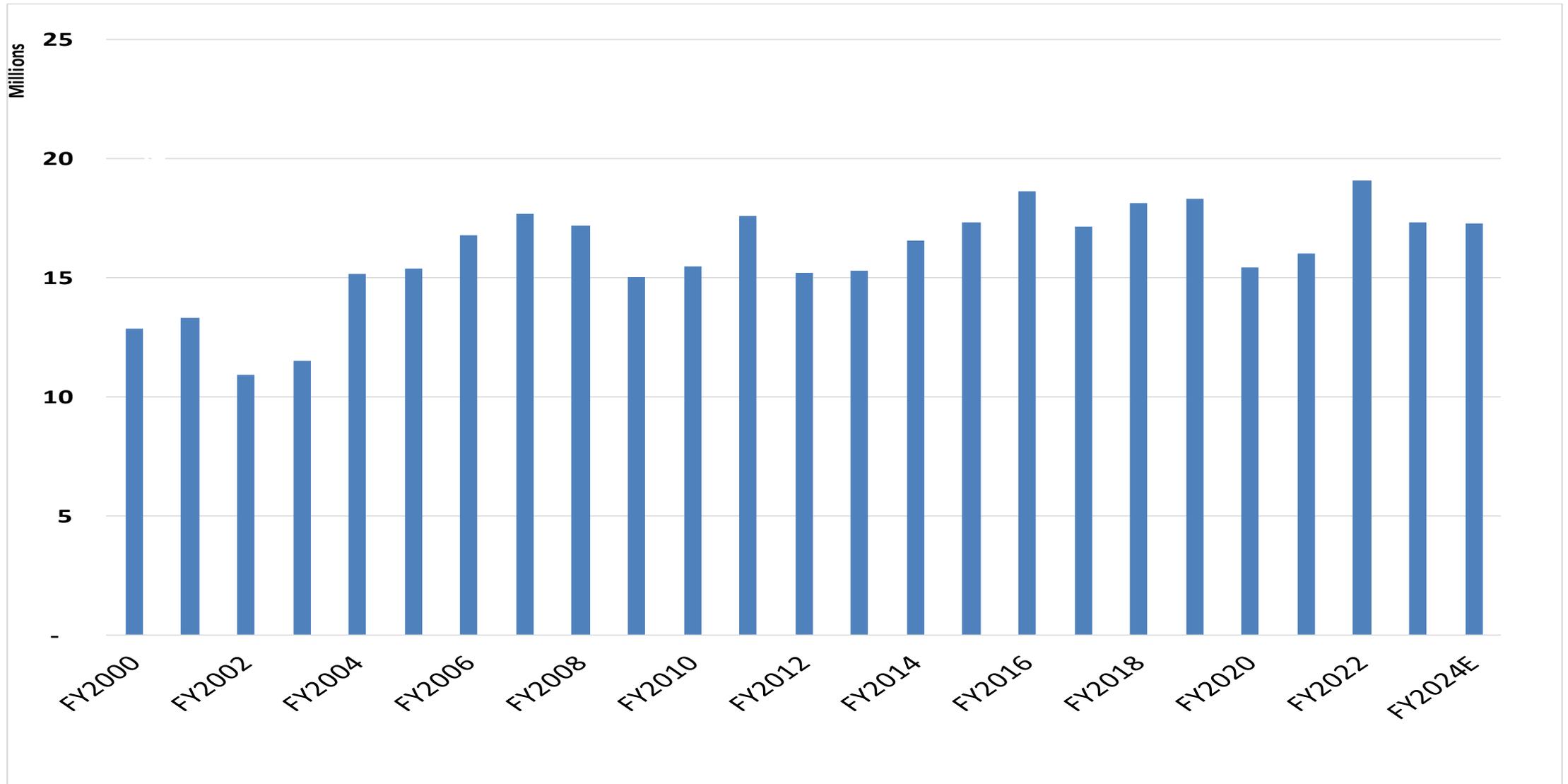
Hotel Tax details

- Increasing from 7% to 8%
- Projected to generate \$1.8M of additional general fund revenue
- Arts Council revenue projected to increase by \$67.5k
- Visitors Bureau projected to increase by \$382.5k
- Surrounding Jurisdictions Rates (FY23):
 - Baltimore City 9.5%; Baltimore County 9.5%;
Howard County 7%; Prince Georges 7%

Local Sales Tax



Licenses & Permits



Investment Income

- FY2023
 - Revenue estimates revised to reflect increased interest rates and actual daily cash balances
- FY2024
 - Forecast short term interest rates to be lower as Federal Reserve starts to cut the policy rates

\$1,650,000 FY24 Investment Income

Compares to \$830,000 in FY2023 Original (+98.8%)

Compares to \$3,850,000 in FY2023 Revised (-57.1%)

Other Revenue

Rideshare surcharge

- \$0.25 fee on rides that originate in Anne Arundel County
- Effective Jan 1, 2024 (half a fiscal year)
- Projecting \$500k for FY24
- Other Maryland jurisdictions that have \$0.25 rideshare fee in our region are:
 - Baltimore City
 - Howard County
 - Prince Georges Co.
 - Montgomery Co.
 - City of Annapolis
 - City of Frederick

Interfund Reimbursement

Recurring

(\$ in Millions, rounded to nearest tenth)

Enterprise Funds	\$ 21.9
Internal Service Funds	1.8
Capital Projects Fund	9.4
Special Revenue Funds	2.6
Tax Increment Funds	41.9
Pension Fund	<u>0.7</u>
Total	\$ 78.3

New Revenue Summary

FY24 Projections

General Fund

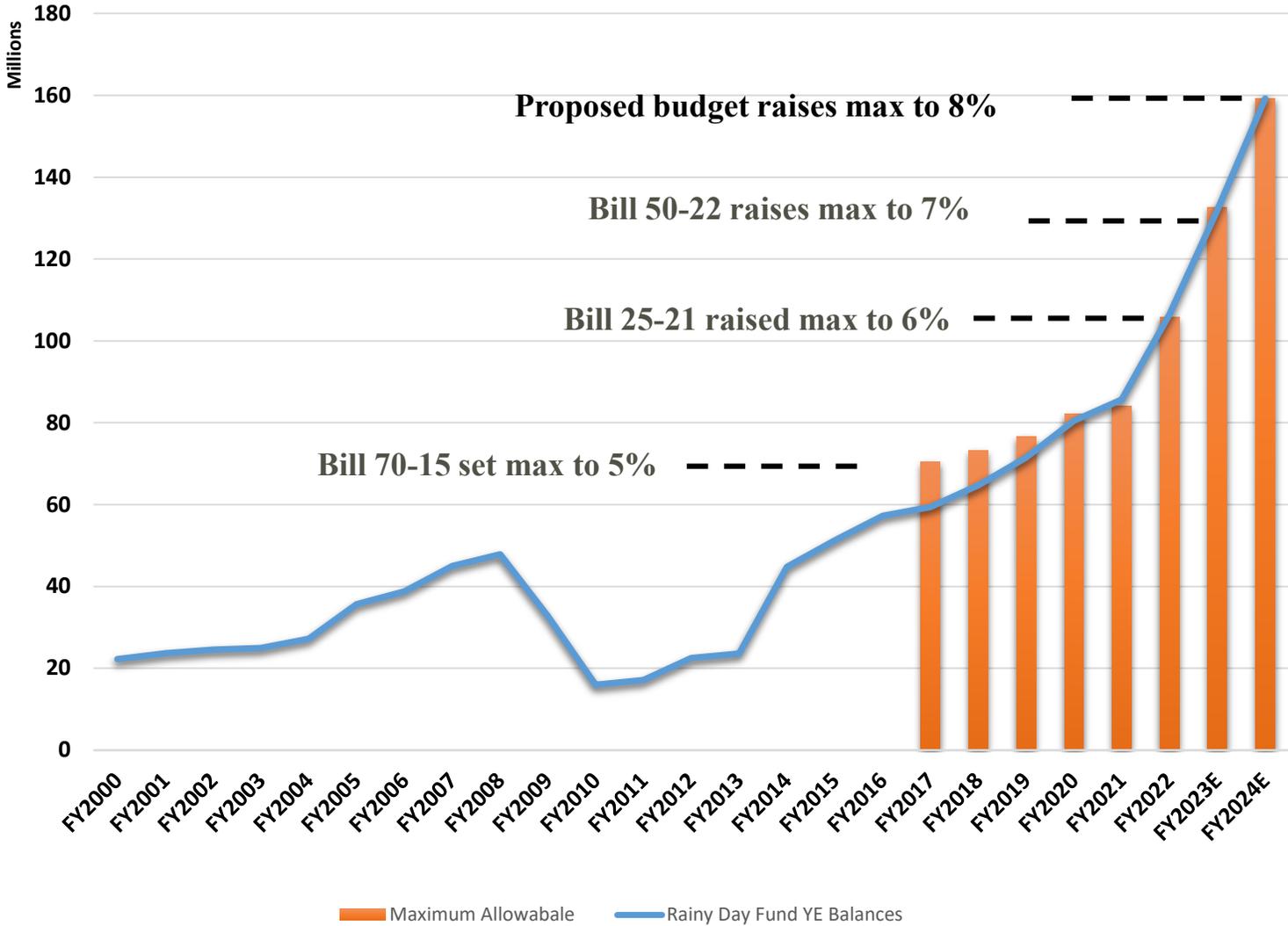
Progressive Income Tax:	\$ 6.1 M
Property Tax (“above the cap”):	\$26.0 M
Hotel Tax increase:	\$ 1.8 M
Rideshare surcharge:	<u>\$ 0.5 M</u>
TOTAL	\$34.4 M

Affordable Housing Trust

Transfer Tax on \$1M transactions	\$ 7.5 M
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Revenue Reserve Fund

\$ in Millions



Tax Rate / Fee Rate Changes Proposed

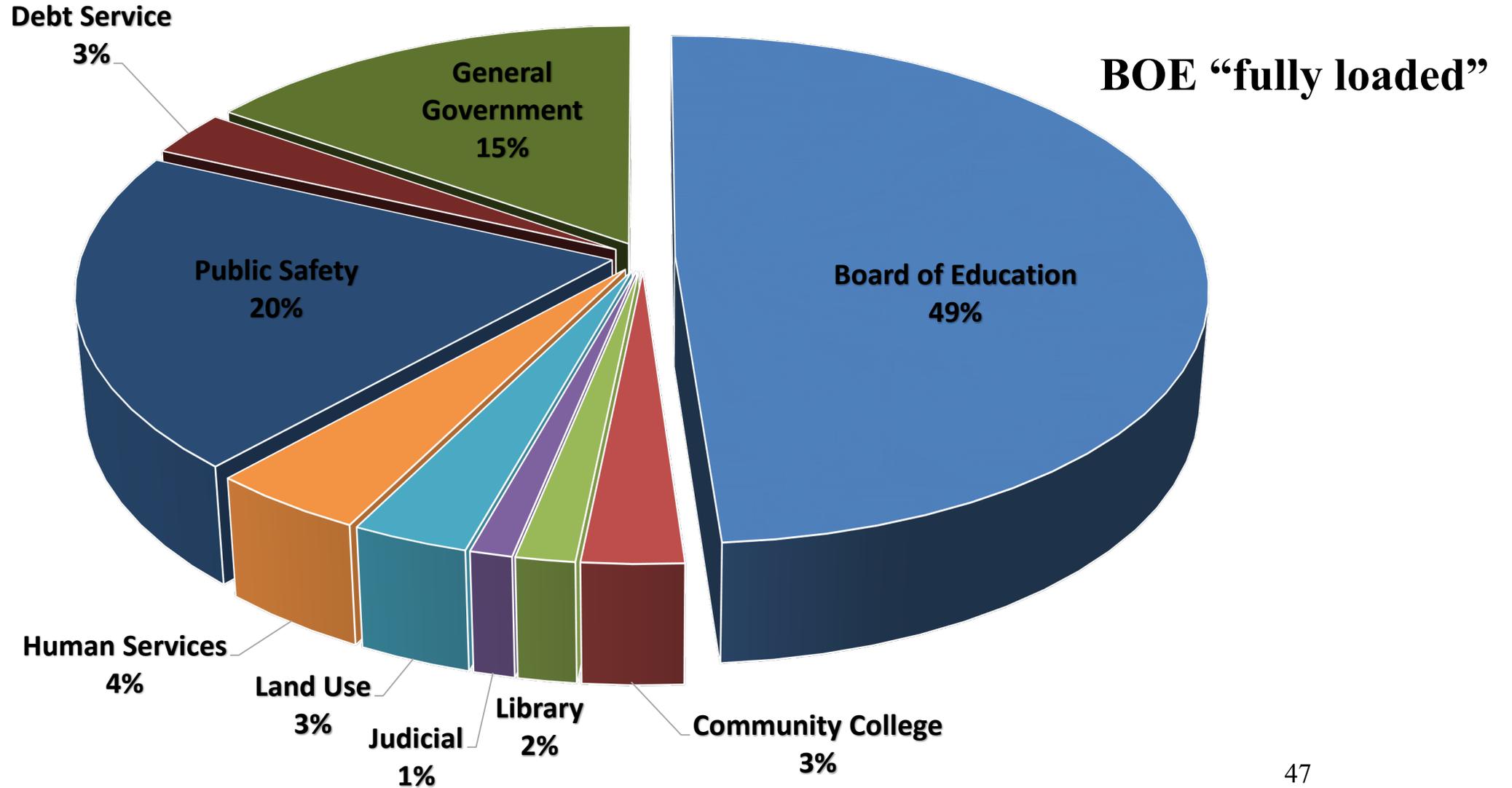
General Fund			
	Approved in FY2023	Proposed in FY2024	% Change
Property Tax Rates (Per \$100 Assessment)			
Real Property Tax Rate			
Outside Annapolis and Highland Beach	\$0.933	\$0.980	5.0%
Within City of Annapolis	\$0.559	\$0.586	4.8%
Within Town of Highland Beach	\$0.903	\$0.950	5.2%
Personal Property 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%

FY2024

Expenditure Detail

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

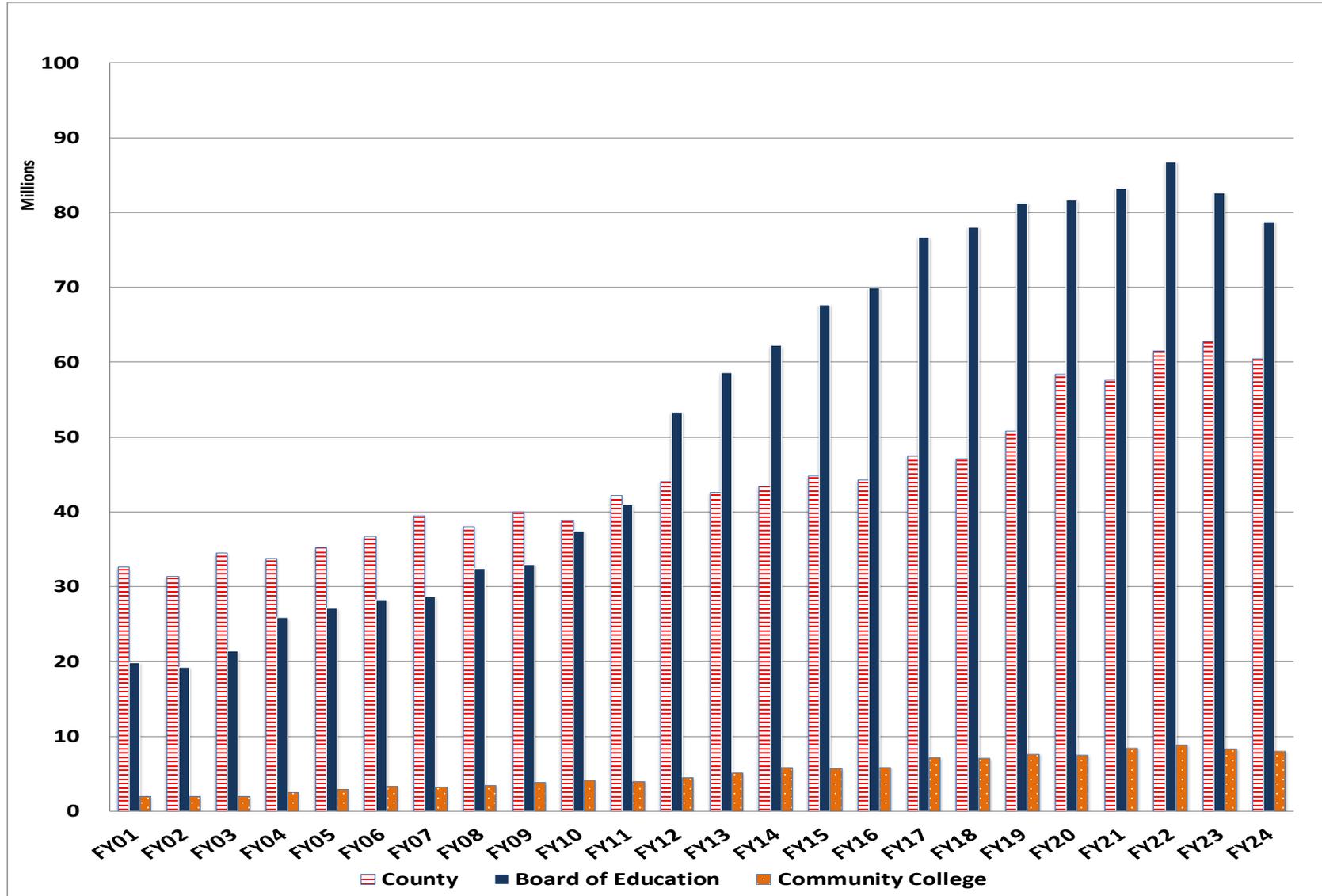
- All 11 bargaining units have ratified their FY24 agreements
- Generally, terms are consistent among units and include at least:
 - 5.0% Cost of Living Adjustment (COLA)
 - Merit/Step for all County Employees
- Same package for non-represented county employees
- Budget includes 5% COLA for all contractual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

Debt Service

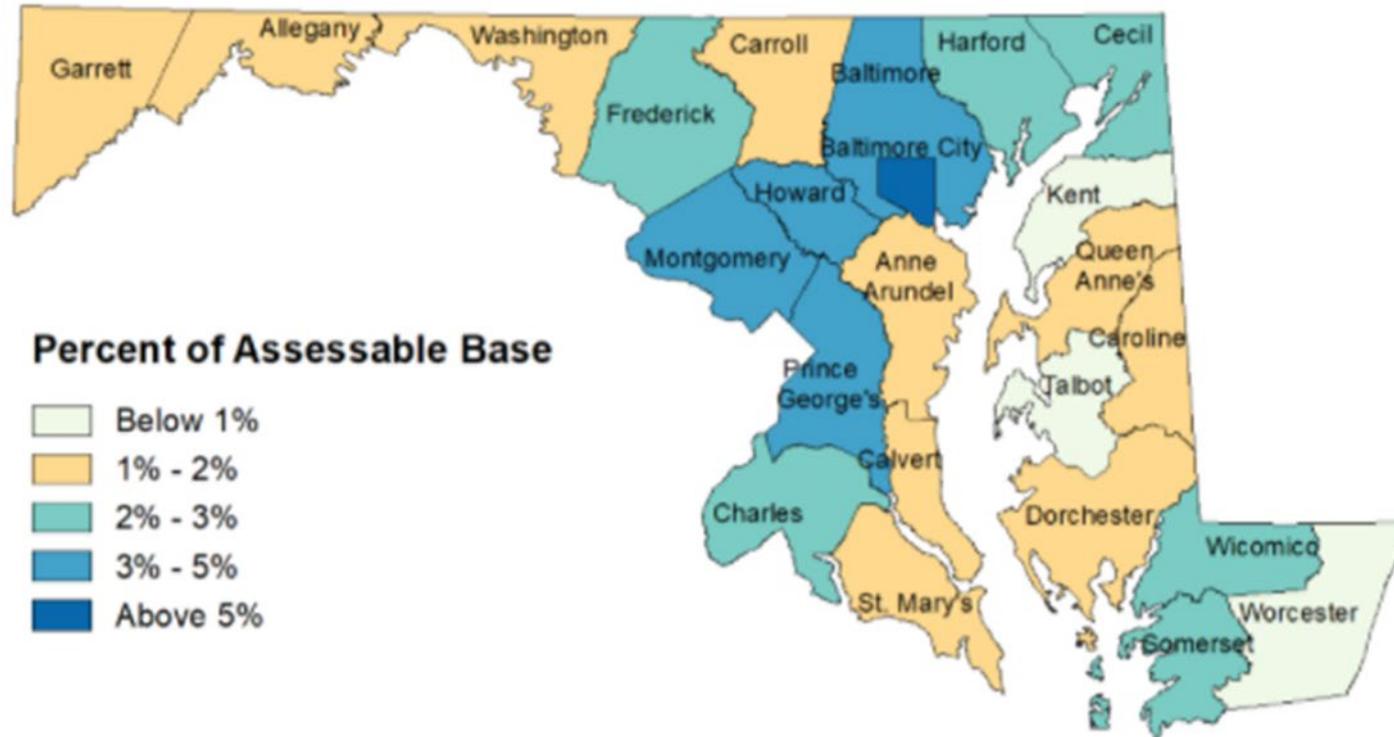
(Millions, rounded to nearest tenth)

General County	\$59.2
Compass Pointe	1.7
Community College	7.9
Board of Education	<u>78.6</u>
Total	\$147.5

Debt Service History



Maryland County Debt – Percent of Assessable Base Fiscal 2018



Prepared by: Maryland Department of Legislative Services
Source: Department of Legislative Services, County Government Budget Documents, Board of Revenue Estimates

Contact: Trevor Owen (410-946-5510)
Updated: November 2020

Debt Service to Operating Revenue

<u>FY11</u>	<u>FY12</u>	<u>FY13</u>	<u>FY14</u>	<u>FY15</u>	<u>FY16</u>	<u>FY17</u>
7.7%	8.8%	8.6%	8.9%	8.9%	8.9%	9.0%
<u>FY18</u>	<u>FY19</u>	<u>FY20</u>	<u>FY21</u>	<u>FY22</u>	<u>FY23</u>	<u>FY24</u>
8.8%	9.0%	8.7%	8.3%	7.9%	8.2%	8.1%

- Ratio is declining from ~9% levels in FY14-19
- With operating revenues at about **\$1.9 billion** per year, each additional 1% point in this ratio translates to approximately **\$19.0 million** in additional debt service cost per year

Other Post Employment Benefits (OPEB)

<u>From General Fund:</u>	Trust	PayGo	Total
County	4,289,100	28,340,100	32,629,200
BOE	19,230,000	-	19,230,000
College	1,086,400	-	1,086,400
Library	566,300	-	566,300
General Fund Recurring total:	25,171,800	28,340,100	53,511,900
General fund One Time Contribution			-
Total General Fund Contribution	25,171,800	28,340,100	53,511,900
<hr/>			
<u>From Health Insurance Fund:</u>			
County - Recurring	4,000,000		4,000,000
County- One Time			-
Total Health Insurance Fund	4,000,000		4,000,000
<hr/>			
Total OPEB Contribution	29,171,800	28,340,100	57,511,900

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

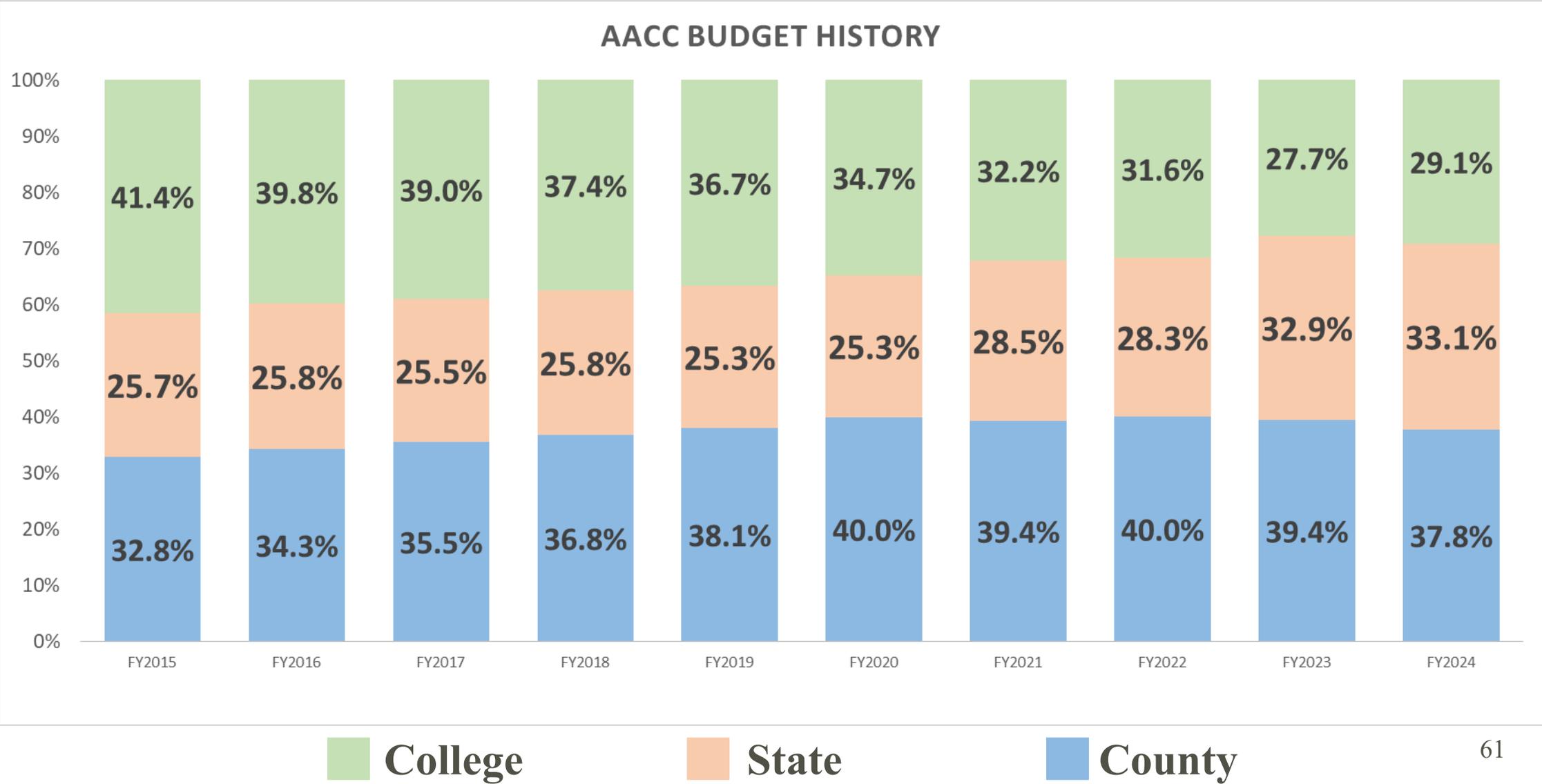
Community College Funding

(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*

FY2024
Operating Summary

FY2024 Budget is Balanced

Recurring Revenue	\$1,987.5
One-Time revenue	\$3.0
Fund Balance Utilization	<u>\$ 146.8</u>
Total Revenue	\$2,137.3
Total Appropriations	<u>\$2,137.3</u>
Balance	\$ 0.0

Fund Balance & One-Time Revenue Utilization

(Millions, rounded to nearest tenth)

One-Time Revenue:

Police State Aid \$ 3.0

Fund Balance 146.8

Total One-time Resource \$149.8

One-Time Expenditures:

PayGo to Capital Budget \$ 112.0

Garage Vehicle Replacement Fund One-time Transfer 0.9

Revenue Reserve Contribution 24.6

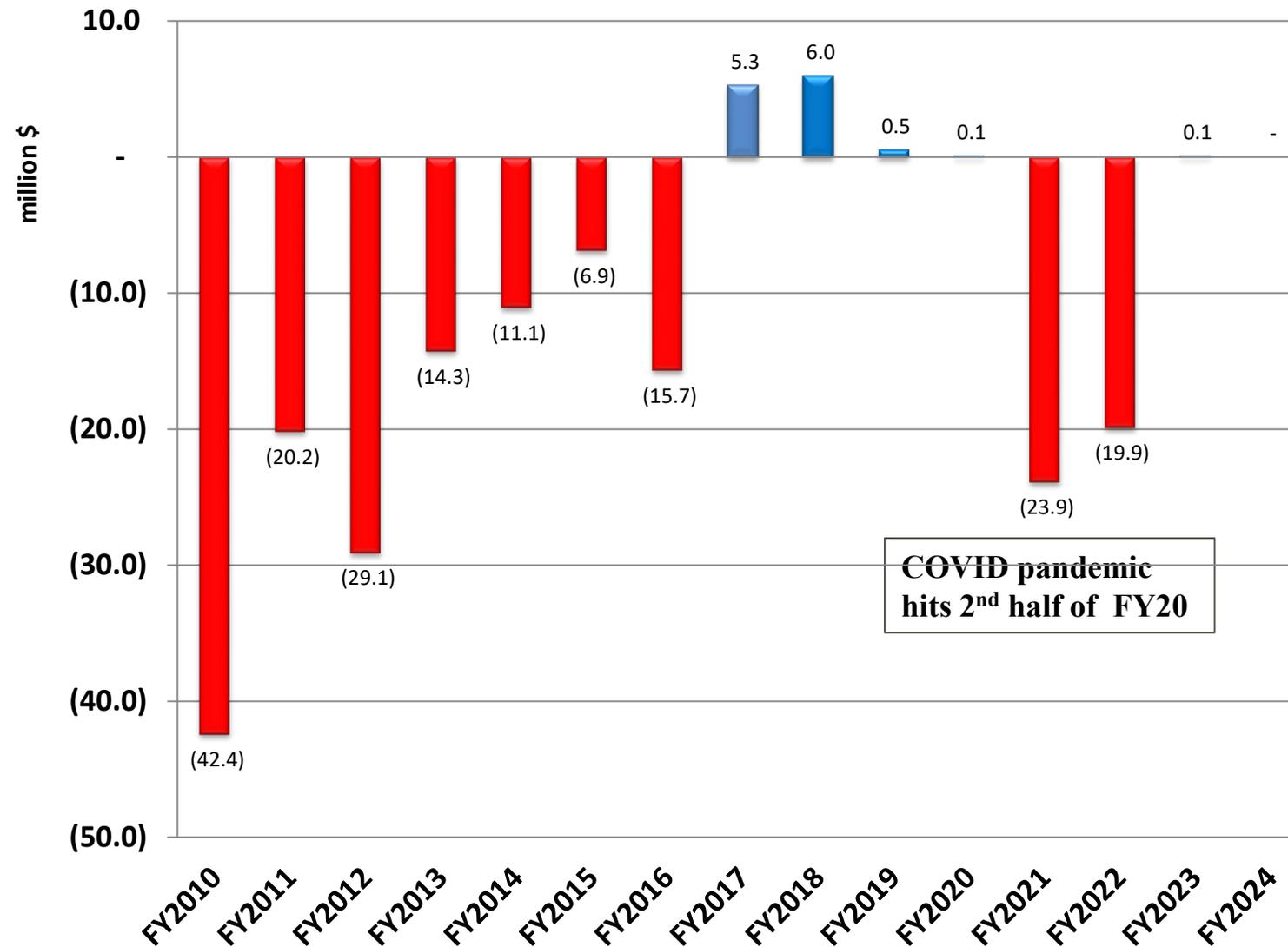
Housing Trust Fund One-time 0.6

Other Operating Budget One-Time Expenses 11.7

Total one-time expenditures \$149.8

Structural Surplus (Deficit) in FY2024 \$0.0

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



CAPITAL BUDGET

AAA

Standard & Poor's

Aaa

Moody's

AAA

Fitch Ratings



*Anne Arundel is one of 52 (out of 3,143) counties in the nation with a Triple Triple A
Top 1.65%*

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



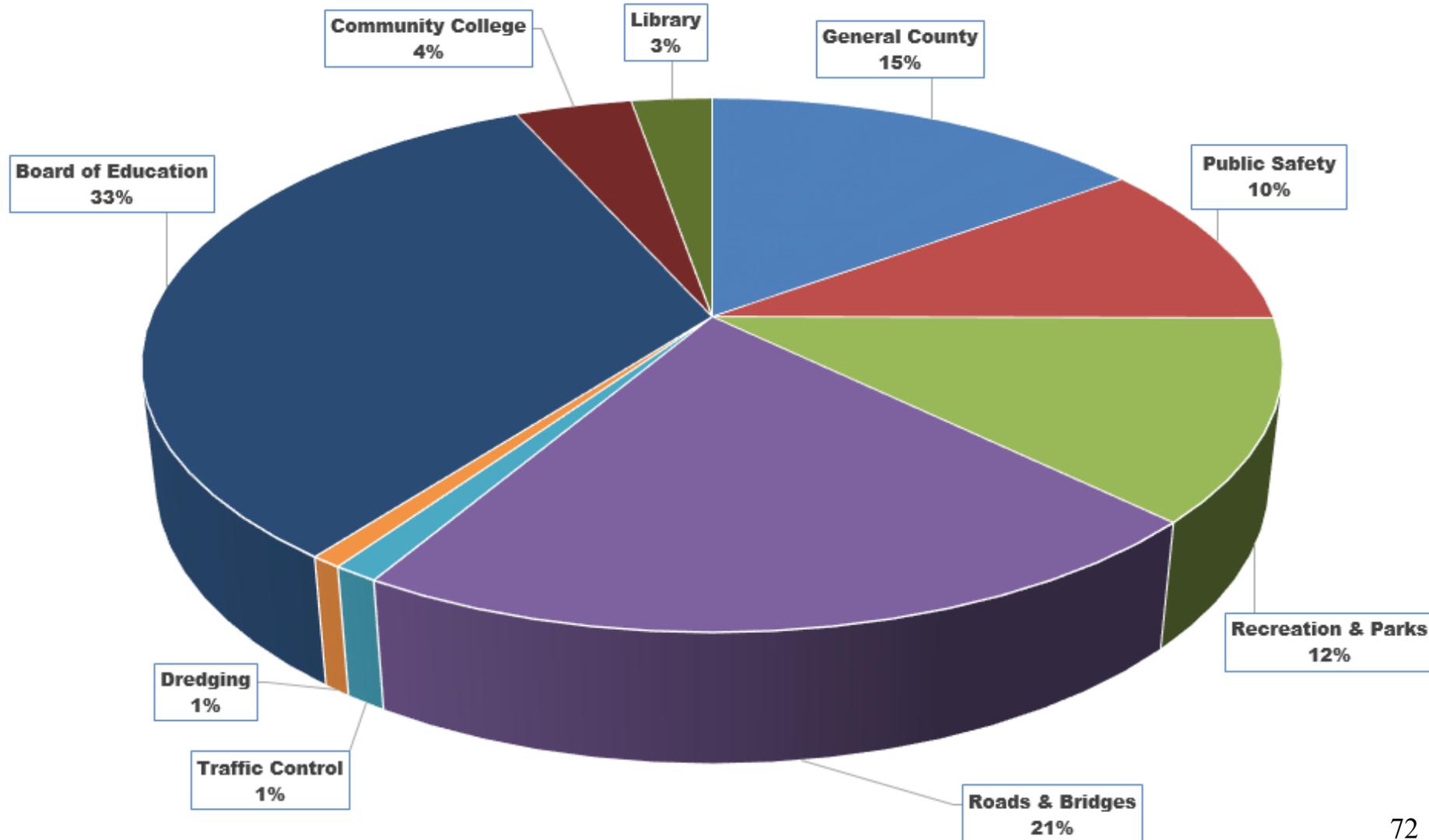
Debt Service	\$160,030,545	\$188,305,745	\$201,365,023	\$208,161,844	\$223,690,353	\$221,025,438
Debt at end of fiscal year	\$1,611,329,933	\$1,847,449,666	\$1,905,183,179	\$1,960,766,882	\$2,005,451,861	\$2,057,235,308
General Fund Revenues	\$1,987,948,000	\$2,051,252,500	\$2,116,675,600	\$2,184,289,700	\$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

Permanent Public Improvements (PPI)

Fully Deployed

Project Code and Title	Prior	FY24	FY25	FY26	FY27	FY28	FY29	Total
PPI Fund Bonds								
E550400	Old Mill MS South	39,807,000	0	0	0	0	0	39,807,000
E569100	Old Mill West HS	74,193,000	0	0	0	0	0	74,193,000
E572700	Rippling Woods ES	10,000,000	0	0	0	0	0	10,000,000
E809200	West County ES	1,000,000	0	0	0	0	0	1,000,000
F563100	Crownsville Fire Station	7,159,200	-650,000	0	0	0	0	6,509,200
F575100	Evidence & Forensic Sci Unit	25,408,800	0	0	0	0	0	25,408,800
F580300	Cape St Claire FS Replacement	0	10,662,000	0	0	0	0	10,662,000
F580600	Police Special Ops Facility	7,420,000	0	0	0	0	0	7,420,000
F586400	Joint 911 Public Safety Ctr	0	0	20,000,000	0	0	0	20,000,000
H573100	Race Road - Jessup Village	9,577,000	0	0	0	0	0	9,577,000
H575700	MD 214 & Loch Haven Road	893,000	0	0	0	0	0	893,000
H578500	Transportation Placeholder	0	0	0	0	0	0	0
H581200	Parole Transportation Center	14,839,000	-2,604,000	50,000	0	0	0	12,285,000
H581300	Waugh Chapel Road Improvements	2,309,000	12,732,000	0	0	0	0	15,041,000
H581400	Route 2 Improvements	413,000	1,998,000	0	0	0	0	2,411,000
H581600	Route 3 Improvements	448,000	1,887,000	0	0	0	0	2,335,000
H583500	Oakwood/Old Mill Blvd Roundabo	370,000	0	0	0	0	0	370,000
H583700	Pleasant Plains Rd Safety Im	1,104,000	1,995,000	0	0	0	0	3,099,000
H586800	Conway Road Improvements	0	1,950,000	1,150,000	0	0	0	3,100,000
H587000	USNA Bridge Area Bike Imp	182,000	978,000	4,729,000	0	0	0	5,889,000
PPI Fund Bonds Total:		195,123,000	28,948,000	25,929,000	0	0	0	250,000,000

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

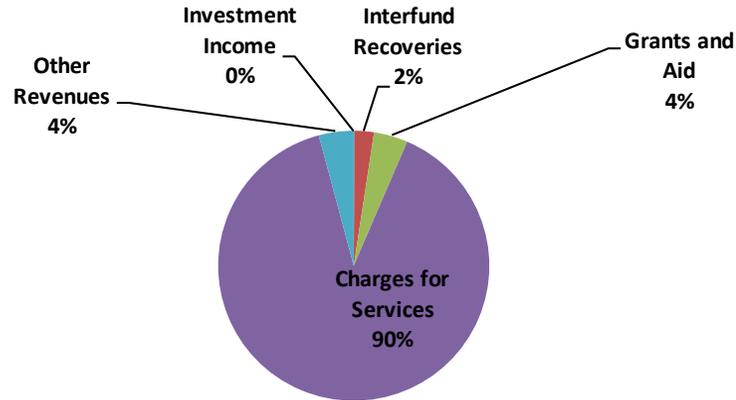
Capital Budget Highlights

- 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

MAJOR ENTERPRISE FUNDS

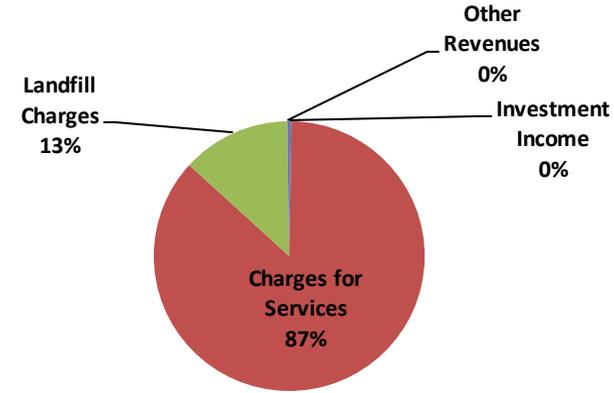
Enterprise Funds FY2024 Budget

Utility Fund

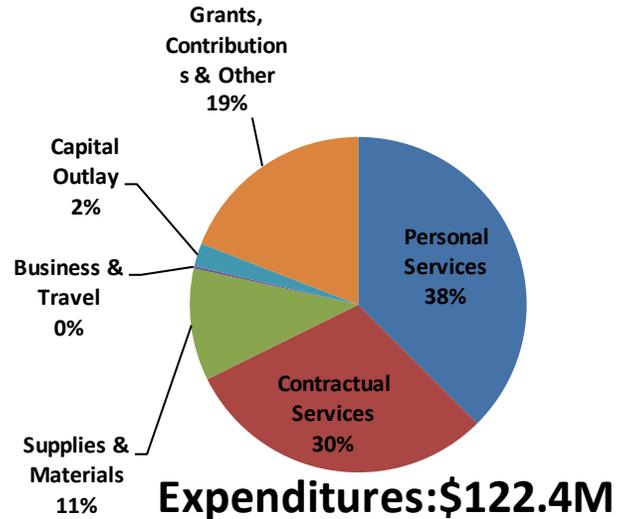


Revenues: \$111.2M

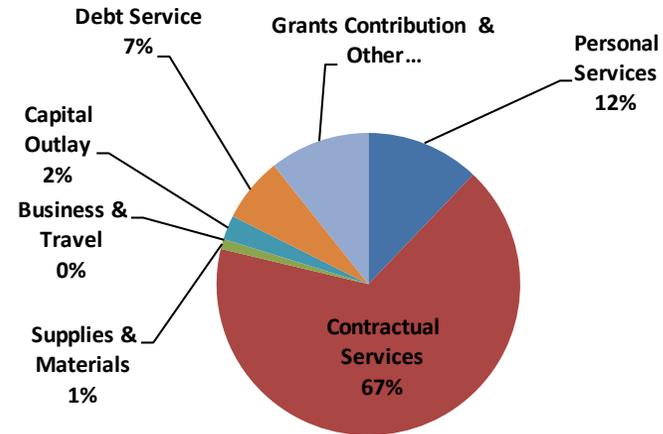
Solid Waste Fund



Revenues: 75.1M



Expenditures: \$122.4M



Expenditures: \$78.3M

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

**Office of the Budget
410-222-1222**