

**Steuart Pittman, County Executive**

# **FY2025 Budget Overview**

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*Budget Officer*

**Hujia Hasim**

Budget Administrator

**Steven Theroux**

Assistant Budget Officer

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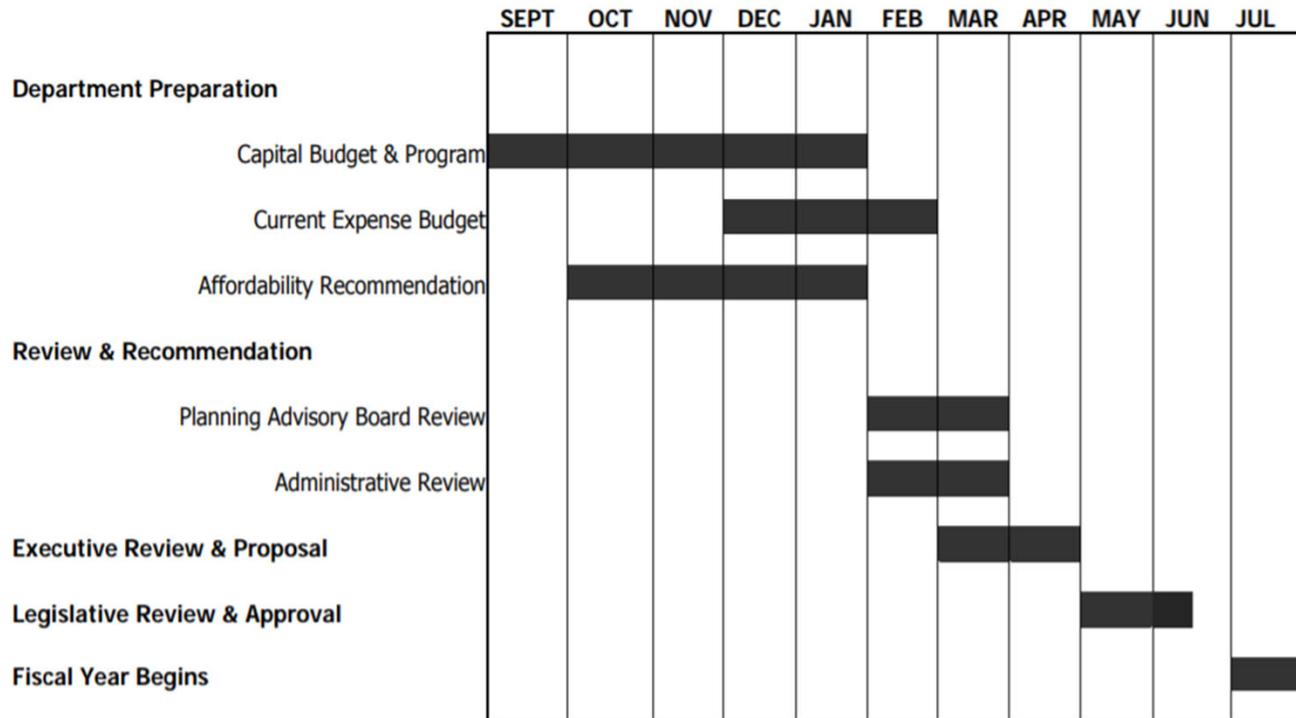
**Janae Moulden**

Budget Management Assistant II

*May 1, 2024*

# FY2025

## Budget Development Process



# Year-to-Year Growth

(Millions, rounded to nearest tenth)

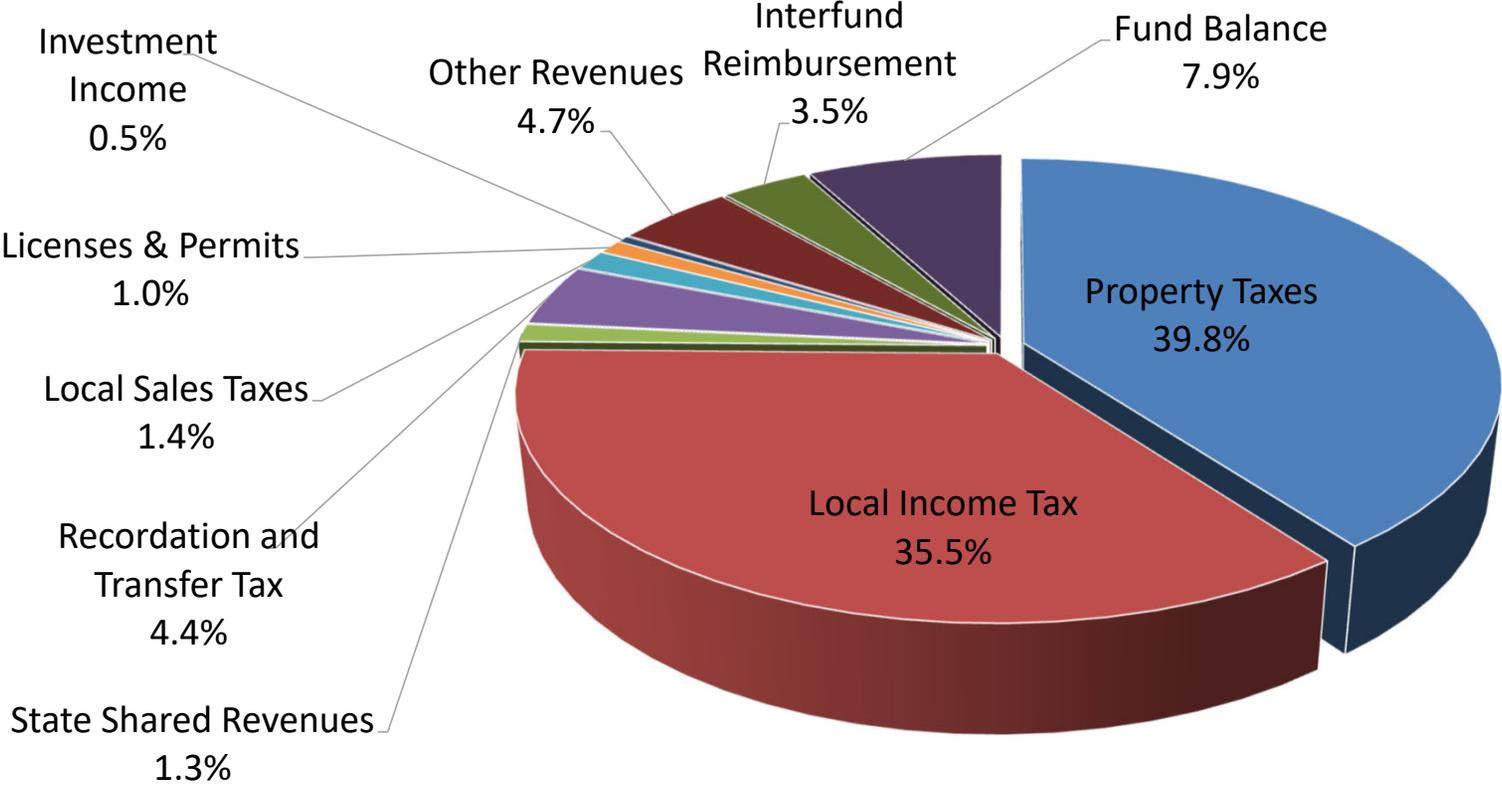
	<u>Budget</u>	
FY2025	\$2,312.4	
FY2024	<u>\$2,137.3</u>	
Increase (Decrease)	\$ 175.1	+ 8.2%
	(\$ 35.4)	(subtracting incremental fund balance)
	(\$ 10.0)	(subtracting incremental one-time revenue in FY25)
	<hr/>	
	\$ 129.7	+ 6.5%
	(recurring revenue)	

# Highlights

- Balanced Budget – no structural deficit
- Increases Police Starting Salary to \$70,000; Increases operating support to Police and Fire Departments
- Fully funds Revenue Reserve (\$170.7 million Projected Balance at the end of FY2025)
- \$47.8 million new county BOE funding, including 3% COLA for all units
- Extends several critical HHS programs formerly funded with ARP
- Fully funds pension and retiree healthcare annual contributions
- Adds \$1M one-time funding for Public Campaign Financing Fund
- Increases “middle tier” income tax rate from 2.81% to 2.94%
  - Affects only taxable income between \$50k-\$400k (single filers); \$75k-\$480k (joint filers)
  - Revenue impact of \$6M for FY25 and \$15M annualized; Approx 53% of total filers
- Property Tax at “Cap Rate”: \$0.983 (Annapolis \$0.587, Highland Beach \$0.953)
- Updates Inspections and Permits fee schedule
- Increases monthly 911 fee on mobile phone bills from \$0.75 to \$1.00
- Adds 11 net new positions and 1 in Legislative Branch in the General Fund
- Utility Rates:
  - 6.9% Increase Water/Sewer User Rate                      6.3% increase in Solid Waste Fee
  - 17% increase in tipping fee                                      5% increase in WPRF fee

# General Fund Revenue

**\$2,312,436,300**



## FY25 Revenue

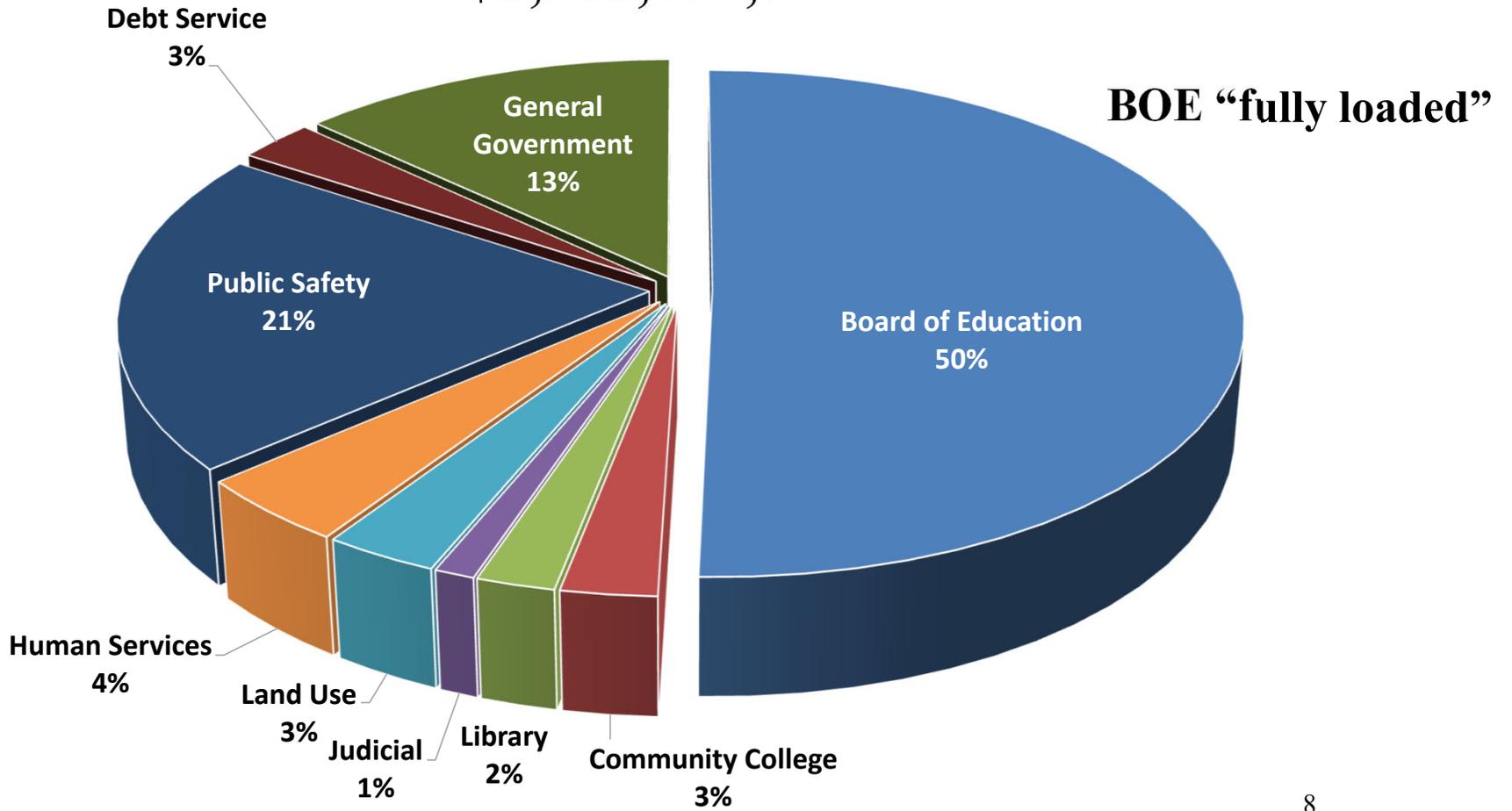
	FY25 Amt <u>(Millions \$)</u>	% Change <u>FY24 Bud</u>	% Change <u>FY24 Rev</u>
<b>Property Tax</b>	920.4	3.4%	3.5%
<b>Income Tax</b>	820.3	8.4%	1.9%
<b>State Shared Revenue</b>	29.2	12.3%	5.8%
<b>Recordation &amp; Transfer</b>	102.0	2.0%	6.3%
<b>Local Sales Tax</b>	32.7	9.0%	-0.1%
<b>Licenses &amp; Permits</b>	23.2	34.3%	31.7%
<b>Investment Income</b>	11.0	566.7%	-56.6%
<b>Fees for Services and Other</b>	96.8	6.9%	2.8%
<b>Interfund Reimbursements</b>	<u>81.6</u>	<u>8.4%</u>	<u>-0.1%</u>
<b>    Total Recurring Revenue</b>	2,117.3	6.5%	2.3%
<b>One-time revenue</b>	13.0	332.5%	332.5%
<b>Fund Balance</b>	<u>182.2</u>	<u>24.1%</u>	<u>159.5%</u>
<b>Total</b>	2,312.4	8.2%	7.9%

**FY2025**

**Expenditure Detail**

# Appropriations

\$2,312,436,300





# Appropriations

(Millions, rounded to nearest hundredth)

<b>Board of Education</b>	<b>\$1,167.52</b>
<b>Community College</b>	<b>\$59.66</b>
<b>Library</b>	<b>\$49.00</b>
<b>Judicial</b>	<b>\$25.33</b>
<b>Land Use</b>	<b>\$71.21</b>
<b>Human Services</b>	<b>\$99.24</b>
<b>Public Safety</b>	<b>\$475.85</b>
<b>Debt Service</b>	<b>\$61.69</b>
<b>General Government</b>	<b><u>\$302.94</u></b>
<b>Total</b>	<b>\$2,312.44</b>

# New Positions

## 12 - General Fund Positions

### Additions

• Police Department	+6
• Recreation and Parks	+3
• Legislative Branch	+1
• Aging	+1
• Chief Administrative Officer	<u>+1</u>
TOTAL	+12

### Transfer and Eliminations

• County Executive	-1
• Recreation and Parks (Child care)	+1

# FY25 Pay Package

- Reached Tentative Agreements with all bargaining units
- Three units have two-year deals
- Agreements are generally consistent among units and include at least:
  - 3.0% COLA
  - Merit/Step for all County Employees
- Equivalent package for Non-represented employees
- Estimated incremental cost of county employee pay package is \$17.1M
- 3% COLA for contractual workforce
- Enhanced package for school health nurses

# Board of Education

## County Funding

(Millions)

<b>County Direct</b>	<b>\$929.3</b>
<u>Other County Funding:</u>	
Debt Service	77.6
OPEB	25.0
PAYGO	103.6* (one time)
School Health	22.9
School Safety (SROs and Xing guards)	<u>9.2</u>
<b>Total</b>	<b>\$1,167.5</b>

*Amounts to 50.5% of County Budget*

*50.3% of County Recurring Budget*

# Board of Education Funding

## All Funding sources

(Millions)

	<u>Amount</u>	<u>% Total</u>
County	\$ 929.3	55.1%
State	552.2	32.7%
Federal	93.7	5.6%
Food Services	13.6	0.8%
BOE Revenue	<u>98.5</u>	<u>5.8%</u>
Total	\$1,687.3	100%

*Year-over-Year Increase of \$36.4 Million*

*County Contribution Increase of \$47.8 Million (131.5%)* 13

# Board of Education Funding

## Unrestricted Funds

(Millions)

	<u>Amount</u>	<u>% Total</u>
County	\$ 929.3	61.4%
State	548.2	36.2%
Federal	3.3	0.2%
BOE Revenue	<u>33.3</u>	<u>2.2%</u>
Total	\$1,514.1	100%

*Year-over-Year Increase of \$73.6 Million*

*County Contribution Increase of \$47.8 Million (64.9%)*

# Board of Education Funding (unrestricted)

- Incremental state unrestricted funding decreased dramatically in FY25
- County funding needed to make up that gap

	<u>FY23</u>	<u>FY24</u>	<u>FY25</u>
State funding:	\$467,731,452	\$527,871,800	\$548,237,456
Incremental:	\$ 62,916.152	\$ 60,140,348	\$ 20,365,656

# Board of Education Funding

- \$47.8 M county incremental funding for Board of Ed
- Fully funds Superintendent's compensation request (\$43.5M)
  - 3% Cost of Living + step movement
- Meets all Blueprint mandates/requirements
- Adds staffing for three new schools (~\$14 million)
  - Severn Run High School
  - Two Rivers Elementary
  - New Village Academy
- Reestablishes Middle School Athletics Program
- Funds 69.4% of overall BOE request



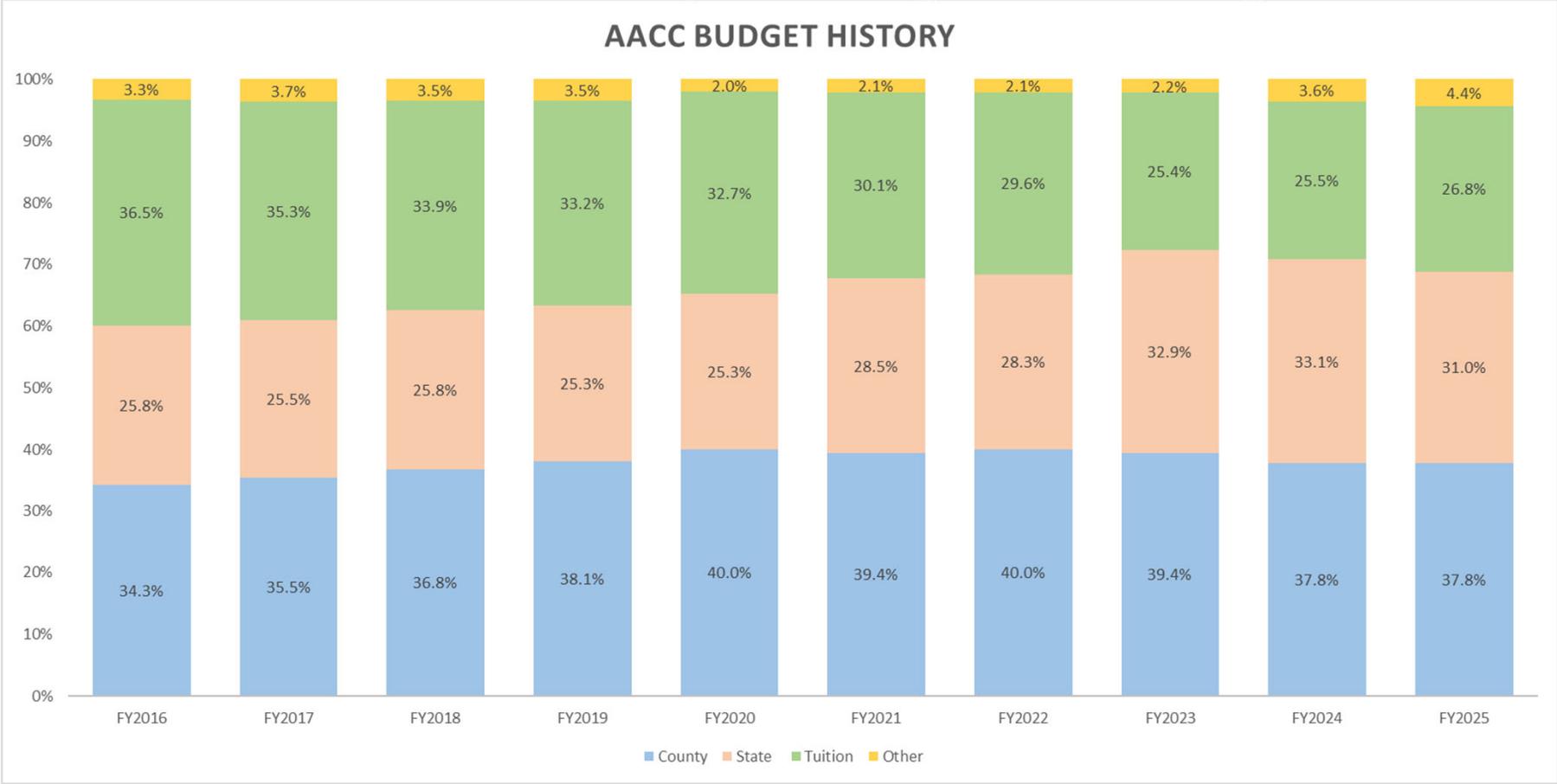
# Community College Funding

(Millions)

	<u>Amount</u>	<u>% Total</u>
County	\$52.5	37.8%
State	43.1	31.0%
Tuition	37.2	26.8%
Other	<u>6.1</u>	<u>4.4%</u>
<b>Total</b>	<b>\$138.9</b>	<b>100%</b>

*Year-over-Year Increase of \$6.2 Million*  
*County Contribution Increase of \$2.4 Million (38.6%)*

# Community College Funding



■ College

■ State

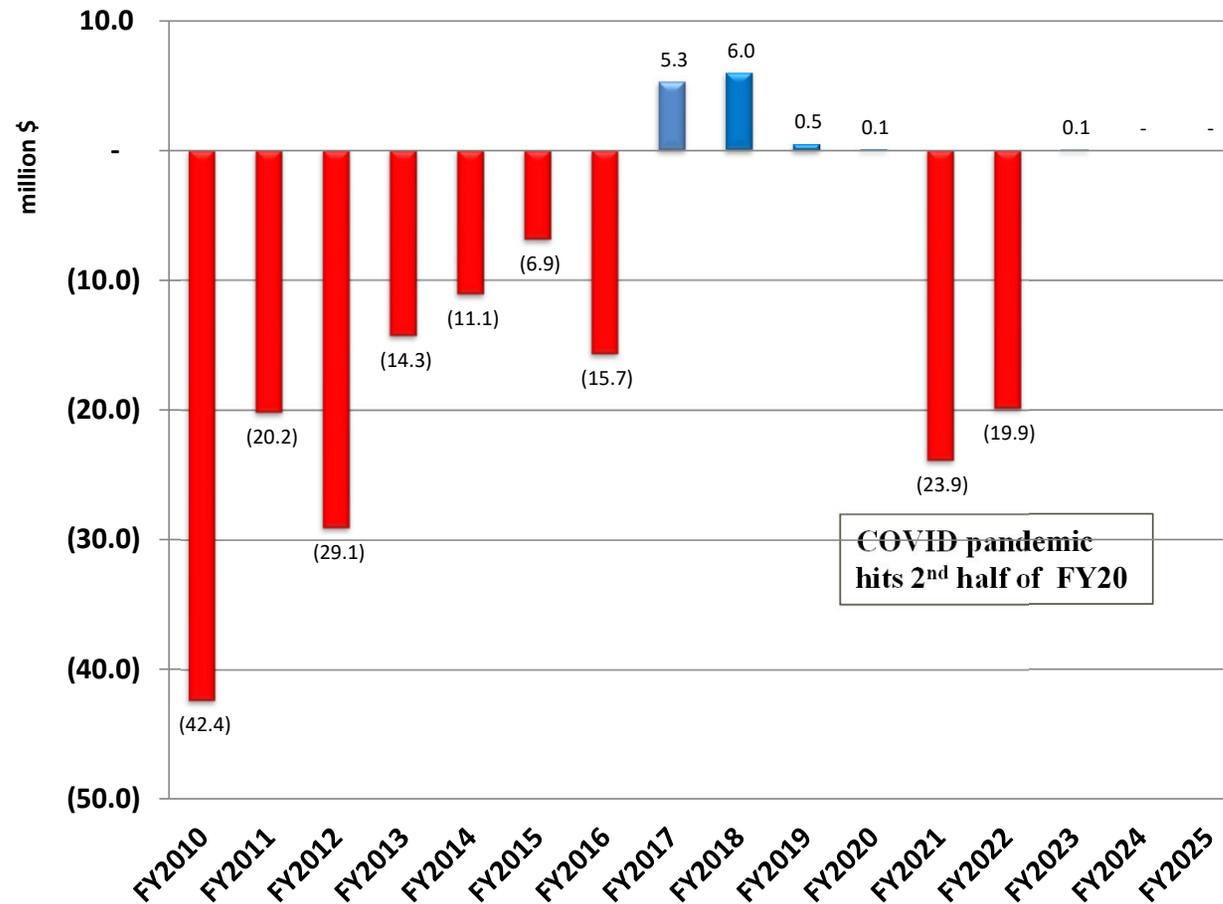
■ County

# Library Funding

	<u>Amount</u>	<u>% Total</u>
County	\$32.2	90.8%
State	3.1	8.8%
Fees, Fines, Collections	<u>0.15</u>	<u>0.4%</u>
<b>Total</b>	<b>\$35.4</b>	<b>100%</b>

*Year-over-Year Increase of \$1.9 Million  
County Contribution Increase of \$1.7 Million (89.2%)*

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



# Debt Affordability Model

	<u>FY2025</u>	<u>FY2026</u>	<u>FY2027</u>	<u>FY2028</u>	<u>FY2029</u>	<u>FY2030</u>
New Authority, Normal	\$160,000,000	\$160,000,000	\$160,000,000	\$160,000,000	\$165,000,000	\$170,000,000
Not used (over used) in prior year	139,464,978					
New Authority, IPA's	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total New Authority Affordable</b>	<b>\$299,464,978</b>	<b>\$160,000,000</b>	<b>\$160,000,000</b>	<b>\$160,000,000</b>	<b>\$165,000,000</b>	<b>\$170,000,000</b>

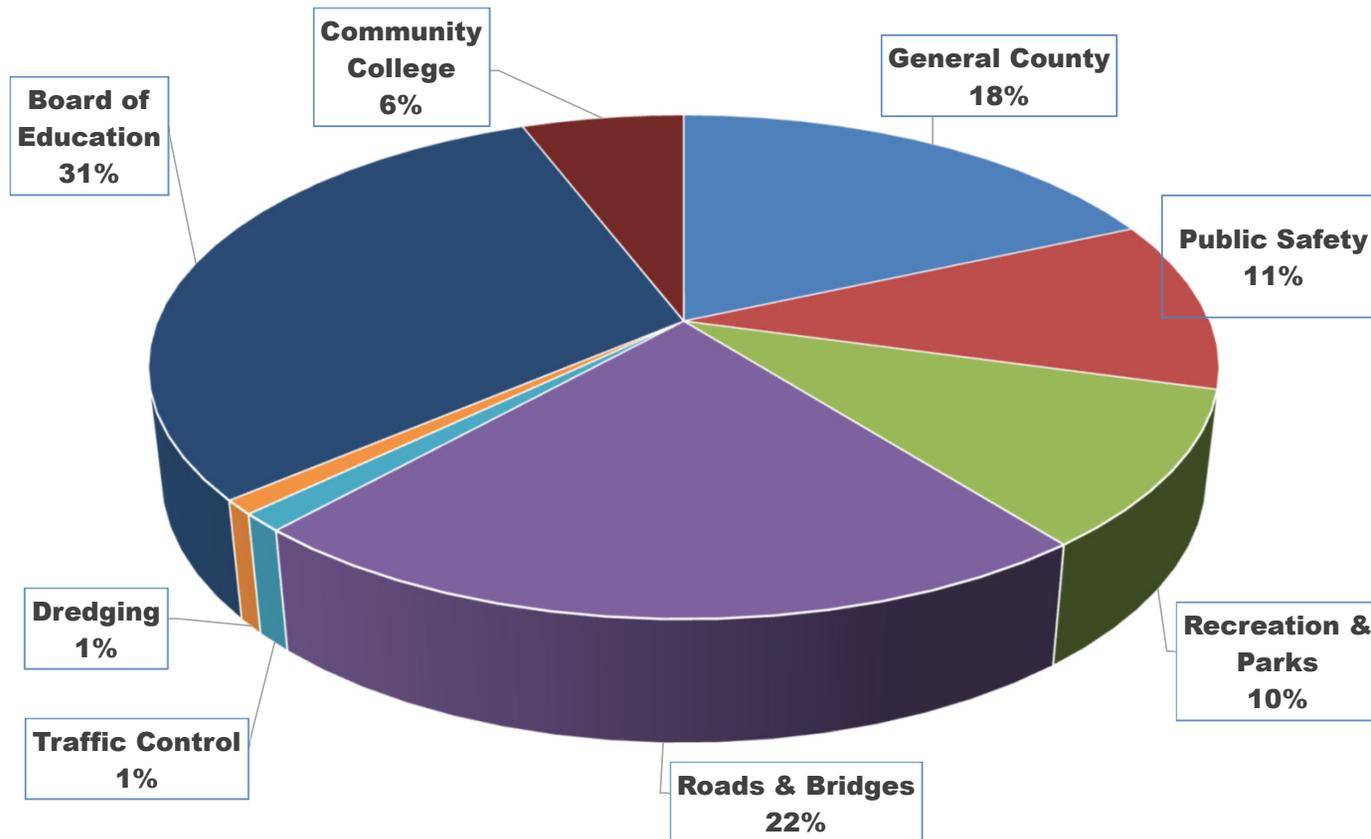
## Affordability Ratios and Guidelines

Debt Service as % of Revenue	11.5%	7.6%	8.1%	9.0%	8.6%	8.7%	8.7%
Debt as % of Full Value	2.0%	1.43%	1.57%	1.57%	1.57%	1.57%	1.57%
Debt as % of Personal Income	4.0%	3.1%	3.3%	3.3%	3.2%	3.2%	3.1%
Debt per Capita	\$3,839	\$2,633	\$2,956	\$3,020	\$3,094	\$3,162	\$3,238



Debt Service	\$161,282,603	\$175,919,698	\$199,825,300	\$196,811,620	\$203,466,520	\$207,712,872
Debt at end of fiscal year	\$1,582,255,897	\$1,787,995,347	\$1,838,661,177	\$1,896,223,283	\$1,950,459,857	\$2,010,064,456
General Fund Revenues	\$2,127,666,600	\$2,168,297,900	\$2,223,139,000	\$2,279,430,300	\$2,337,210,900	\$2,396,521,400
Estimated Full Value (000)	\$110,446,304	\$113,760,000	\$117,173,000	\$120,688,000	\$124,309,000	\$128,038,000
Total Personal Income (000)	\$51,779,000	\$54,117,000	\$56,566,000	\$59,153,000	\$61,864,000	\$64,659,000
Population	601,021	604,927	608,857	612,814	616,796	620,803

# Proposed Capital Budget & Program FY25-FY30 by Class



# Proposed Capital Budget & Program FY25 by Class\*

<b>Class</b>	<b>FY25 Budget</b>	<b>%</b>	<b>Total FY25-FY30</b>	<b>Total %</b>
General County	140,132,500	22.8%	331,275,500	17.7%
Public Safety	52,179,760	8.5%	197,834,600	10.6%
Recreation & Parks	96,626,972	15.7%	182,198,972	9.7%
Roads & Bridges	92,919,000	15.1%	402,135,000	21.5%
Traffic Control	3,628,500	0.6%	21,128,500	1.1%
Dredging	4,197,500	0.7%	16,628,500	0.9%
Board of Education	177,824,000	29.0%	549,136,000	29.3%
Community College	15,645,000	2.5%	105,234,000	5.6%
Library	30,894,000	5.0%	65,866,500	3.5%
<b>Total</b>	<b>\$614,047,232</b>	<b>100.0%</b>	<b>\$1,871,437,572</b>	<b>100.0%</b>

\* General County Capital Projects Only

# Capital Budget Highlights

- BOE FY25 Capital funding is \$177.8M
  - Fully funds Old Mill master plan
  - Maximizes IAC and Built to Learn state funding
- AACC: Moves up HCAT Relocation and fully funds Dragun Reno
- New Glen Burnie Library
- 16 new capital projects in the general fund
  - P-class: Edgewater Rec Ctr; Marley Creek Regional Park; Davidsonville Rec Ctr
  - H-class: 4 new road safety projects
  - C-class: New Multicultural Center; Glen Burnie Plaza redevelopment
- Keeps existing projects on track with \$170M infusion of PAYGO
- Gradually increases new debt authority to \$170M starting in FY29
- Total CIP is more than \$10M under affordability guideline



# **Complete Budget Documents**

The entire Operating and Capital Budget, as well as the Budget Message is available as of May 1st, 2024 at:

**[www.aacounty.org/budget](http://www.aacounty.org/budget)**



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

*“You can only spend it once!”*

**Chris Trumbauer, Budget Officer**

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