



Steuart Pittman, County Executive

FY2026 Budget Overview

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Budget Officer

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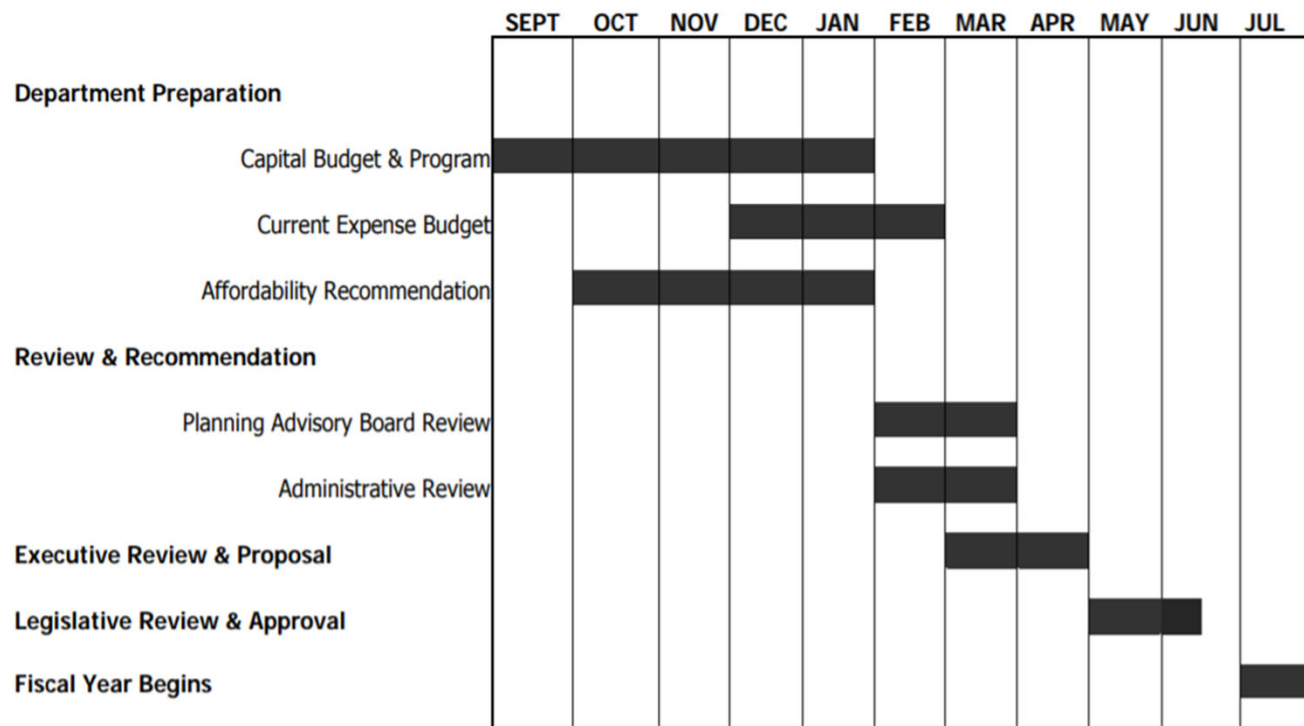
Janae Moulden

Budget Management Assistant II

May 1, 2025

FY2026

Budget Development Process



Year-to-Year Growth

(Millions, rounded to nearest tenth)

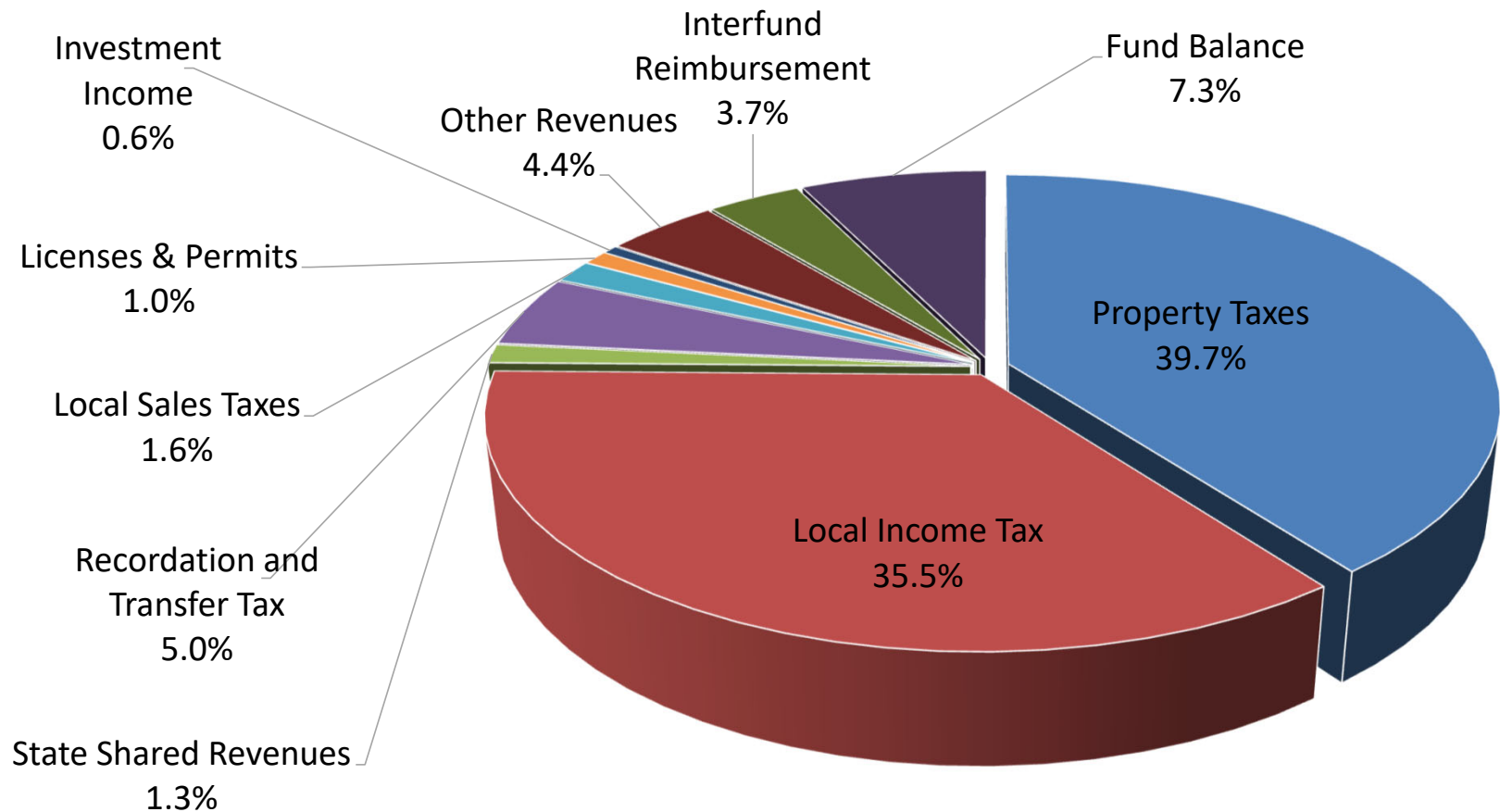
	<u>Budget</u>
FY2026	\$2,401.4
FY2025	<u>\$2,312.4</u>
Increase (Decrease)	\$ 89.0 + 3.8%
	\$ 16.1 (adjusting for decrease in fund balance)
	\$ 6.4 (adjusting for decrease in one-time revenue in FY26)
	<hr/>
	\$ 111.5 + 5.3%
	(recurring revenue)

Highlights

- Balanced Budget – no structural deficit
- Property Tax Rate Cut by \$0.06: \$0.977 (Annapolis \$0.583, Highland Beach \$0.947)
- Income Tax Rates remain unchanged
- Fully funds Revenue Reserve (\$178.8 million Projected Balance at the end of FY26)
- \$52.0 million new county BOE funding, including 3% COLA for all units
- Extends several critical HHS programs formerly funded with ARP
- Funds new shift for Police RTIC; 5 new positions for Fire Training Academy; 2 civilian comms operators for Sheriff; new Deputy Director for 911 Ops (in OEM)
- Fully funds pension and retiree healthcare annual contributions
- Adds \$1.5M one-time funding for Public Campaign Financing Fund, as recommended by Public Financing Committee
- Adds park ranger and maintenance positions to staff new Rec&Park trails & facilities
- Increased Parking Tax Rate from \$0.6 to \$1.0 – (Flat fee last changed in 1999)
- Utility Rates:
 - 6.0% Increase Water/Sewer User Rate
 - 10% increase in Capital Facility Connection Charge
 - 5.4% increase in Solid Waste Fee
 - No increase in WPRF fee

General Fund Revenue

\$2,411,417,800

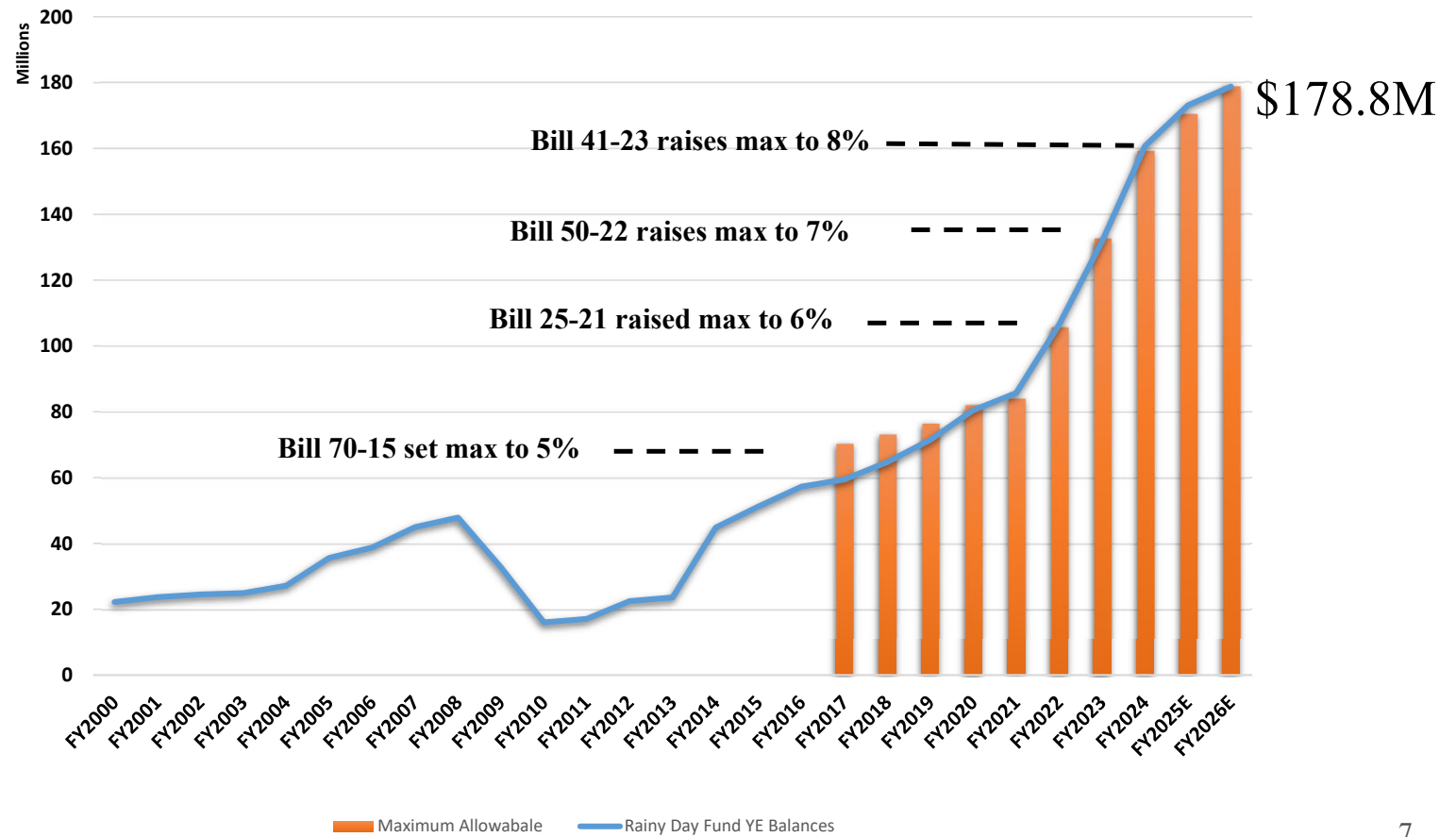


FY26 Revenue

	FY26 Amt <u>(Millions \$)</u>	FY25 Bud <u>% Change</u>	FY25 Revised <u>% Change</u>
Property Tax	957.6	4.0%	3.1%
Income Tax	857.2	4.5%	2.2%
State Shared Revenue	31.1	6.2%	4.3%
Recordation & Transfer	120.0	17.6%	2.6%
Local Sales Tax	37.9	15.9%	10.8%
Licenses & Permits	23.7	2.1%	-0.4%
Investment Income	7.5	25.0%	-79.3%
Fees for Services and Other	105.6	3.7%	-2.7%
Interfund Reimbursements	<u>88.3</u>	<u>28.7%</u>	<u>1.3%</u>
Total Recurring Revenue	2,228.8	5.9%	1.1%
One-time revenue	6.5	-49.9%	-49.9%
Fund Balance	<u>176.1</u>	<u>-3.3%</u>	<u>79.9%</u>
Total	2,411.4	4.9%	4.2%

Revenue Reserve Fund

\$ in Millions



Tax Rate / Fee Rate Changes Proposed

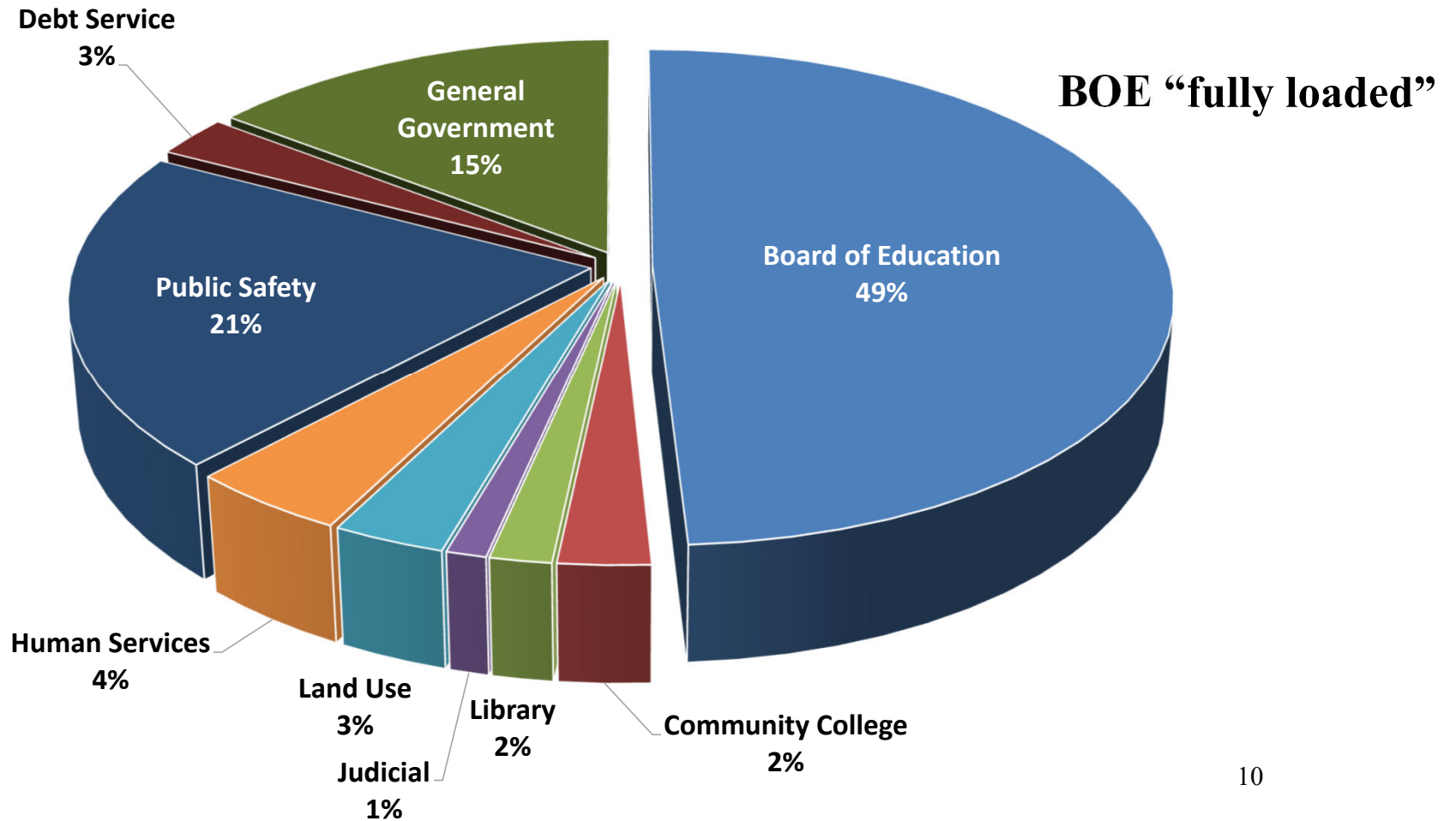
General Fund			
	Approved in FY2025	Proposed in FY2026	% Change
Property Tax Rates (Per \$100 Assessment)			
Real Property Tax Rate			
Outside Annapolis and Highland Beach	\$0.983	\$0.977	-0.6%
Within City of Annapolis	\$0.587	\$0.583	-0.7%
Within Town of Highland Beach	\$0.953	\$0.947	-0.6%
Personal Property Tax Rate			
Outside Annapolis and Highland Beach	\$2.457	\$2.442	-0.6%
Within City of Annapolis	\$1.467	\$1.457	-0.7%
Within Town of Highland Beach	\$2.382	\$2.367	-0.6%
Semi-annual Charge on Real Property Tax	\$1.080	\$1.100	1.9%
Parking Tax	\$0.60	\$1.00	66.7%
Waste Collection Fund			
Residential Trash Collection Fee (Per Household)	\$404.00	\$426.00	5.4%
Tipping Fee (Per Ton)	\$100	\$100	0.0%
Water Wastewater Operating Fund			
Water Usage Rates (\$ Per 1,000 Gallon)	\$3.45	\$3.65	6.0%
Sewer Usage Rates (\$ Per 1,000 Gallon)	\$6.06	\$6.42	6.0%
Utility Debt Service Fund			
Capital Facility Recoupment Charge	\$4.00	\$4.40	10.0%
Water System Capital Facility Connection Charges (for each equivalent dwelling unit)	\$10,800	\$11,880	10.0%
Wastewater System Capital Facility Connection Charges (for each equivalent dwelling unit)	\$10,800	\$11,880	10.0%

FY2026

Expenditure Detail

Appropriations

\$2,401,417,800



Appropriations

(Millions, rounded to nearest hundredth)

Board of Education	\$1,180.6
Community College	\$60.8
Library	\$40.7
Judicial	\$26.6
Land Use	\$74.2
Human Services	\$105.3
Public Safety	\$497.7
Debt Service	\$64.2
General Government	<u>\$351.3</u>
Total	\$2,401.4

New Positions

Additions

• Animal Control	+6
• Police	+6
• Recreation and Parks	+5
• Fire	+5
• Sheriff	+2
• Office of Finance	+2
• Chief Administrative Officer	+2
• Planning and Zoning	+1
• Information Technology	+1
• Circuit Court	+1
• Emergency Management	+1
• Office of Budget	+1
• Partnership	+1

TOTAL +34

33 - General Fund Positions

Transfer and Eliminations

• Chief Administrative Officer	-2
• Recreation and Parks (from Child Care Fund)	+1

Transfer to Animal Services

• Police	-34
• Inspections and Permits	-1

FY26 Pay Package

- Reached Tentative Agreements with all bargaining units
- Four units have two-year deals (Three will currently be on year two of two-year deal in FY26)
- Agreements are generally consistent among units and include a Merit/Step and competitive COLA for all County Employees
- Equivalent package with 3% COLA for Non-represented employees; 3% COLA for contractual workforce
- Estimated incremental cost of county employee pay package is \$18M
- Enhanced starting salary (7% increase) for school health assistants

Board of Education Funding

Total County (millions)

County Direct	\$981.3
<u>Other County Funding:</u>	
Debt Service	70.4
OPEB	25.7
PAYGO	61.2* (one time)
School Health	22.5
State Cost Shifts (AACPS pension costs)	9.3
School Safety (SROs and Xing guards)	<u>10.2</u>
Total	\$1,180.6

Amounts to 49.2% of County Budget
50.2% of County Recurring Budget

Board of Education Funding

All Funding sources (Millions)

	<u>Amount</u>	<u>% Total</u>
County	\$ 981.3	55.1%
State	598.1	33.6%
Federal	84.7	4.8%
Food Services	25.6	1.4%
BOE Revenue	<u>90.6</u>	<u>5.1%</u>
Total	\$1,780.3	100%

Note: These figures do not include \$9.2M of State Cost Shift

Year-over-Year Increase of \$92.9 Million

County Contribution Increase of \$52.0 Million

(56.0% of total increase)

Board of Education Funding

Unrestricted Funds (Millions)

	<u>Amount</u>	<u>% Total</u>
County	\$ 981.3	60.8%
State	593.9	36.8%
Federal	3.3	0.2%
BOE Revenue	<u>35.5</u>	<u>2.2%</u>
Total	\$1,614.0	100%

Note: These figures do not include \$9.2M of State Cost Shift

Year-over-Year Increase of \$99.8 Million

County Contribution Increase of \$52.0 Million (52.1% of total increase)

Board of Education Funding

- \$52.0 M county incremental funding for Board of Ed – largest ever incremental
- Fully funds Superintendent's compensation and benefits request (\$59.4M)
 - 3% Cost of Living + step movement
 - Other pay adjustments
- Funds 63 new positions, including
 - 28 Special Education
 - 14 Community School Program Managers
 - 12 English Language Development/Bilingual Facilitators
 - 11 Social/Emotional Learning Positions
- Meets all Blueprint mandates/requirements (\$10.6M)
- Funds laptop transition for two full high school grade levels (\$3.0M)
- Expands Middle School Athletics Program (\$1.5M)
- Pilot Program for Noninvasive Weapons Detection (\$333k)
- Funds 67.1% of overall BOE request

Community College Funding

(Millions)

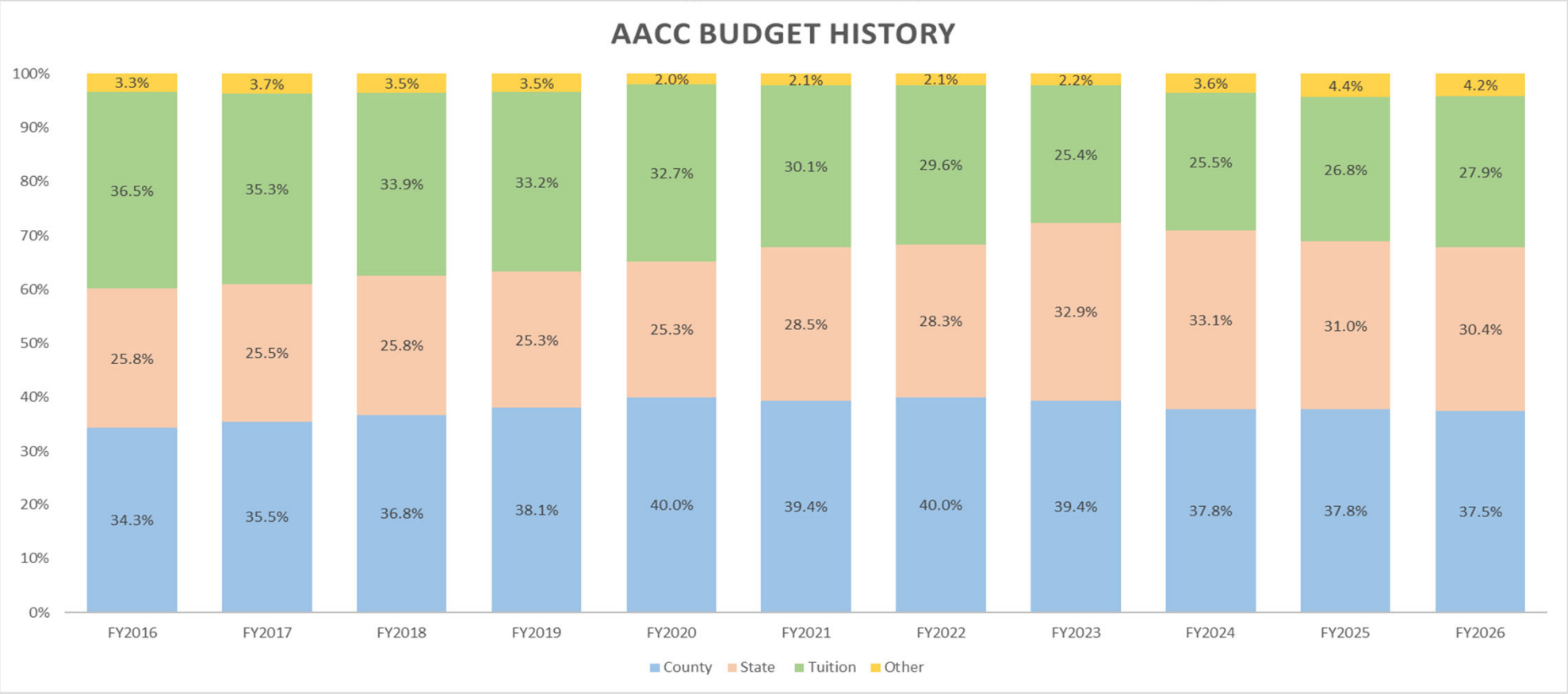
	<u>Amount</u>	<u>% Total</u>
County	\$53.7	37.5%
State	43.6	30.4%
Tuition	40.0	27.9%
Other	<u>6.1</u>	<u>4.2%</u>
Total	\$143.3	100%

Note: These figures do not include \$653.6k of State Cost Shift

Year-over-Year Increase of \$4.4 Million

County Contribution Increase of \$1.2 Million (26.6%)

Community College Funding



College

State

County

Library Funding

	<u>Amount</u>	<u>% Total</u>
County	\$34.8	91.1%
State	3.2	8.5%
Fees, Fines, Collections	<u>0.15</u>	<u>0.4%</u>
Total	\$38.2	100%

Year-over-Year Increase of \$2.7 Million
County Contribution Increase of \$2.5 Million
(92.0% of total increase)

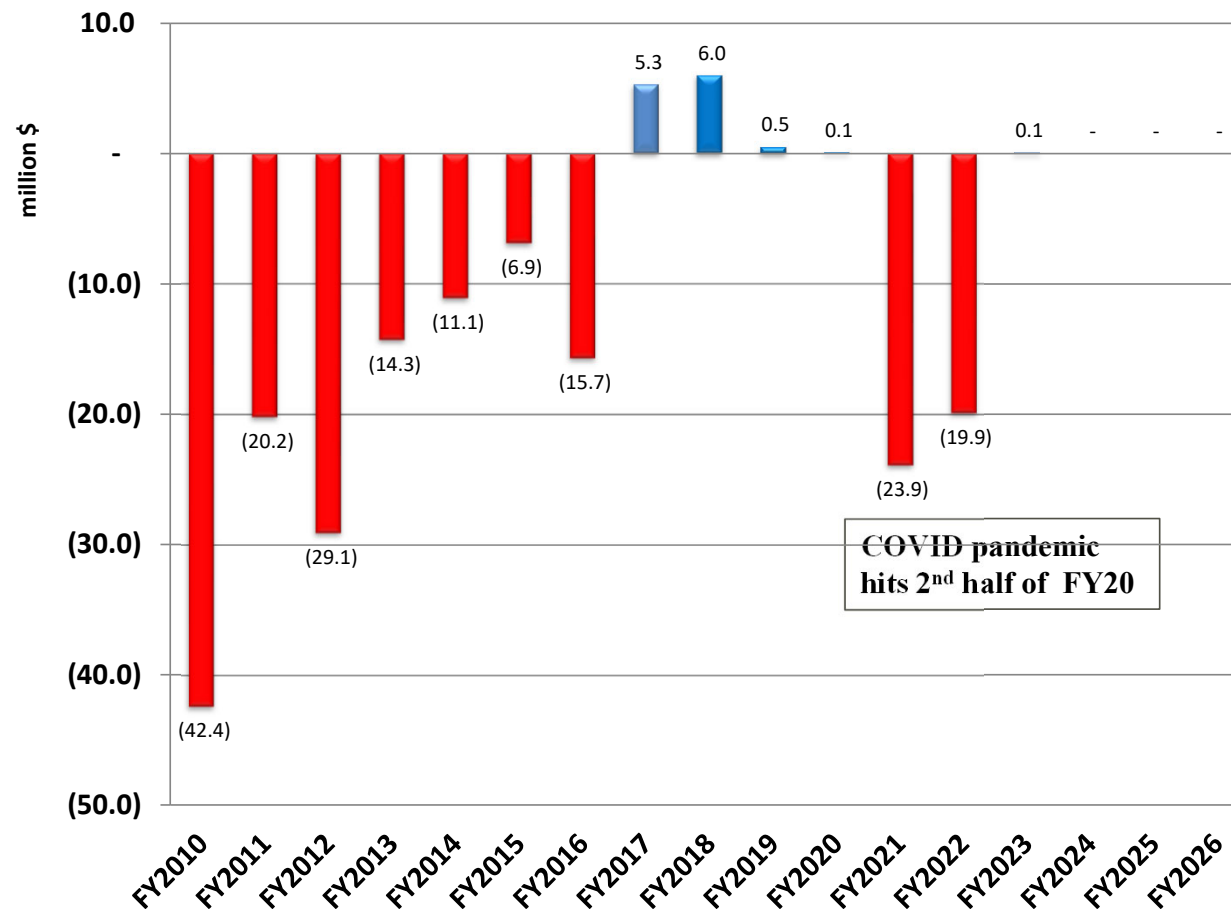
FY2026

Operating Summary

FY2026 Budget is Balanced

Recurring Revenue	\$2,228.7
One-Time revenue	\$ 6.5
Fund Balance Utilization	<u>\$ 176.2</u>
Total Revenue	\$2,411.4
Total Appropriations	<u>\$2,401.4</u>
Balance	\$ 10.0 (for Federal Grant Contingency)

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



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>FY2026</u>	<u>FY2027</u>	<u>FY2028</u>	<u>FY2029</u>	<u>FY2030</u>	<u>FY2031</u>
New Authority, Normal	\$160,000,000	\$160,000,000	\$160,000,000	\$165,000,000	\$170,000,000	\$170,000,000
Not used (over used) in prior year	504,820					
New Authority, IPA's	\$0	\$0	\$0	\$0	\$0	\$0
Total New Authority Affordable	\$160,504,820	\$160,000,000	\$160,000,000	\$165,000,000	\$170,000,000	\$170,000,000

Affordability Ratios and Guidelines

Debt Service as % of Revenue	11.5%	7.1%	8.1%	8.5%	8.2%	8.3%	8.1%
Debt as % of Full Value	2.0%	1.49%	1.50%	1.50%	1.50%	1.50%	1.51%
Debt as % of Personal Income	4.0%	3.1%	3.1%	3.0%	3.0%	2.9%	2.9%
Debt per Capita	\$3,943	\$2,905	\$2,994	\$3,064	\$3,143	\$3,226	\$3,319



Debt Service	\$159,227,897	\$185,149,390	\$200,061,200	\$196,484,349	\$203,157,307	\$205,465,156
Debt at end of fiscal year	\$1,748,120,187	\$1,812,515,053	\$1,865,491,734	\$1,925,484,069	\$1,987,742,510	\$2,057,405,944
General Fund Revenues	\$2,232,735,400	\$2,282,974,100	\$2,340,575,400	\$2,399,697,000	\$2,460,380,200	\$2,522,667,200
Estimated Full Value (000)	\$117,426,652	\$120,949,000	\$124,577,000	\$128,314,000	\$132,163,000	\$136,128,000
Total Personal Income (000)	\$56,487,000	\$59,148,000	\$61,930,000	\$64,913,000	\$68,050,000	\$71,265,000
Population	601,718	605,318	608,940	612,583	616,249	619,936

Use of Bonds & PayGo

BONDS & PAYGO AFFORDABILITY Compared with USE OF BONDS AND PAYGO IN FY2026 PROPOSED BUDGET

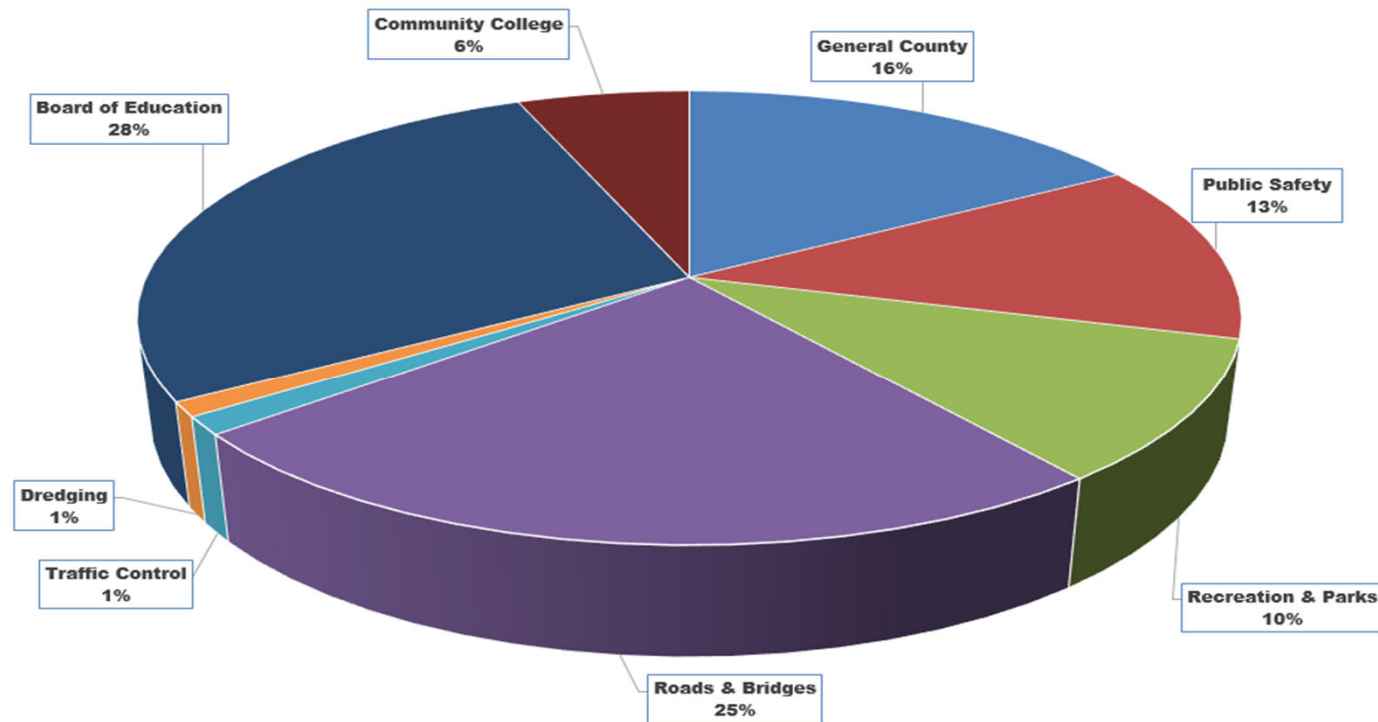
	Bonds Affordability					
	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>	<u>FY29</u>	<u>FY30</u>	<u>FY31</u>
New Authority, Normal	160,000,000	160,000,000	160,000,000	165,000,000	170,000,000	170,000,000
Prior Year Credit	504,820	-	-	-	-	-
Adjusted Affordability	160,504,820	160,000,000	160,000,000	165,000,000	170,000,000	170,000,000
Use of Bonds	154,576,434	394,939,015	83,483,800	96,134,800	123,831,100	122,990,000
	PayGo Affordability					
	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>	<u>FY29</u>	<u>FY30</u>	<u>FY31</u>
Fund Balance	137,500,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000
Adjusted Affordability	137,500,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000
Use of PayGo	137,500,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000
	Bonds & PayGo Affordability (Combined)					
	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>	<u>FY29</u>	<u>FY30</u>	<u>FY31</u>
Combined Availability	298,004,820	165,000,000	165,000,000	170,000,000	175,000,000	175,000,000
Use of Bonds & PayGo	292,076,434	399,939,015	88,483,800	101,134,800	128,831,100	127,990,000
Amount Over (Under) Affordability	(5,928,386)	234,939,015	(76,516,200)	(68,865,200)	(46,168,900)	(47,010,000)
Cumulative:	(5,928,386)	229,010,629	152,494,429	83,629,229	37,460,329	(9,549,671)

Permanent Public Improvements -

Funding Source Summary

Project Code and Title		Prior	6 Yr Total	FY26	FY27	FY28	FY29	FY30	FY31	Total
PPI Fund Bonds										
E550300	Old Mill MS North	500,000	3,000,000	3,000,000	0	0	0	0	0	3,500,000
E550400	Old Mill MS South	39,807,000	-1,000,000	-1,000,000	0	0	0	0	0	38,807,000
E569100	Severn Run HS	74,193,000	-2,000,000	-2,000,000	0	0	0	0	0	72,193,000
E572700	Rippling Woods ES	9,500,000	0	0	0	0	0	0	0	9,500,000
E809200	Two Rivers ES	1,000,000	0	0	0	0	0	0	0	1,000,000
F563100	Crownsville Fire Station	6,509,200	0	0	0	0	0	0	0	6,509,200
F575100	Evidence & Forensic Sci Unit	25,408,800	0	0	0	0	0	0	0	25,408,800
F580300	Cape St Claire FS Replacement	10,662,000	0	0	0	0	0	0	0	10,662,000
F580600	Police Special Ops Facility	7,420,000	0	0	0	0	0	0	0	7,420,000
F586400	Joint 911 Public Safety Ctr	10,843,000	9,527,000	0	9,527,000	0	0	0	0	20,370,000
H573100	Race Road - Jessup Village	9,577,000	0	0	0	0	0	0	0	9,577,000
H575700	MD 214 & Loch Haven Road	893,000	0	0	0	0	0	0	0	893,000
H578500	Transportation Placeholder	0	0	0	0	0	0	0	0	0
H581200	Parole Transportation Center	12,235,000	0	0	0	0	0	0	0	12,235,000
H581300	Waugh Chapel Road Improvem	15,041,000	0	0	0	0	0	0	0	15,041,000
H581400	Route 2 Improvements	2,411,000	0	0	0	0	0	0	0	2,411,000
H581600	Route 3 Improvements	2,335,000	0	0	0	0	0	0	0	2,335,000
H583500	Oakwood/Old Mill Blvd Rounda	370,000	0	0	0	0	0	0	0	370,000
H583700	Pleasant Plains Rd Safety Im	3,099,000	0	0	0	0	0	0	0	3,099,000
H586800	Conway Road Improvements	3,100,000	0	0	0	0	0	0	0	3,100,000
H587000	USNA Bridge Area Bike Imp	1,830,000	3,739,000	484,000	3,255,000	0	0	0	0	5,569,000
PPI Fund Bonds Total:		236,734,000	13,266,000	484,000	12,782,000	0	0	0	0	250,000,000
Grand Total		236,734,000	13,266,000	484,000	12,782,000	0	0	0	0	250,000,000

Proposed Capital Budget & Program FY26-FY31 by Class



Proposed Capital Budget & Program FY26 by Class*

Class	FY26 Budget	%	Total FY26-FY31	Total %
General County	82,814,855	18.4%	269,543,855	16.3%
Public Safety	17,516,400	3.9%	208,859,800	12.7%
Recreation & Parks	46,980,369	10.4%	165,723,369	10.0%
Roads & Bridges	62,511,100	13.9%	401,020,100	24.3%
Traffic Control	3,500,000	0.8%	21,000,000	1.3%
Dredging	4,514,000	1.0%	17,121,000	1.0%
Board of Education	184,368,000	40.9%	451,490,500	27.4%
Community College	37,273,024	8.3%	97,914,024	5.9%
Library	11,763,000	2.6%	18,072,000	1.1%
Total	\$451,240,748	100.0%	\$1,650,744,648	100.0%

** General County Capital Projects Only*

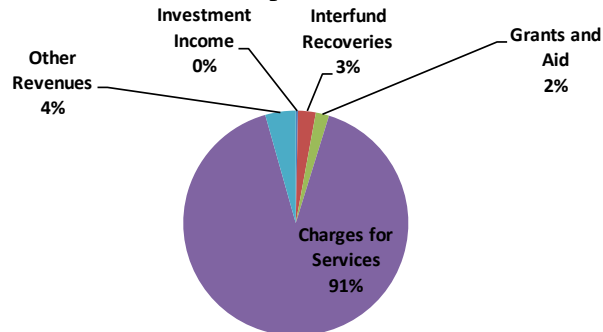
Capital Budget Highlights

- BOE FY26 Capital funding is \$184.4M
 - Fully funds remaining 3 projects in Old Mill master plan
 - Adds new Ruth Parker Eason project in outyears
- Fully funds AACC Board of Trustees capital request
- Libraries:
 - Fully funds new Glen Burnie Library and Brooklyn Park Library Renovation
 - New Millersville Library in partnership with YMCA (*funded in Operating Budget*)
- 13 new capital projects in the general fund
 - P-class: Severn Danza Expansion; South River Farm Park; Old Mill Area Parks
 - H-class: I-97 improvements; South Shore to Poplar Trail
 - C-class: AACPS E-rate (fiber) enhancements; Electric Ferry Program (grant funding)
- \$137.5M infusion of PAYGO to supplement bonds and other funding sources
- Total CIP is 9.5M under affordability guideline; FY26 is \$5.9M under

MAJOR ENTERPRISE FUNDS

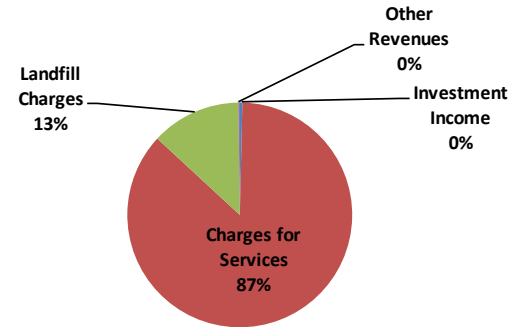
Enterprise Funds FY2026 Budget

Utility Fund

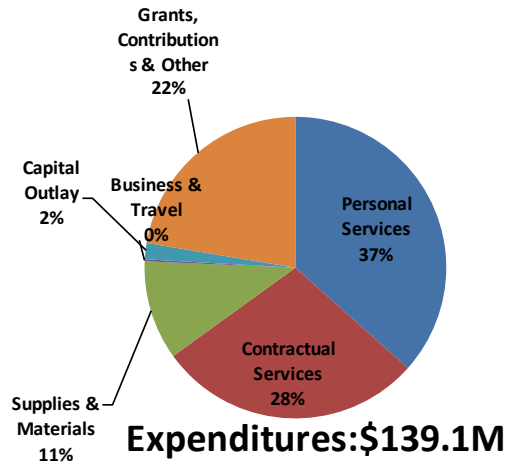


Revenues: \$131.3M

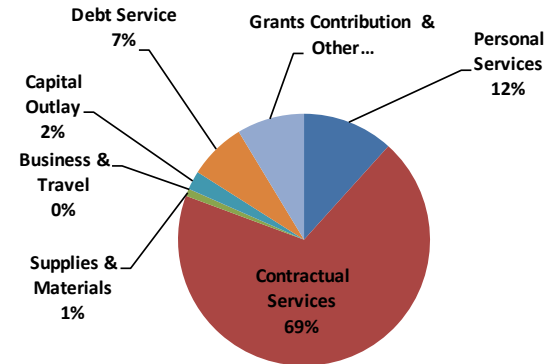
Solid Waste Fund



Revenues: \$85.1M



Expenditures: \$139.1M



Expenditures: \$87.2M

Complete Budget Documents

The entire Operating and Capital Budget, as well as the Budget Message is available as of May 1st, 2025 at:

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