



FY27 Budget Town Hall

District 5

County Executive Steuart Pittman
Councilmember Amanda Fiedler

January 7, 2026



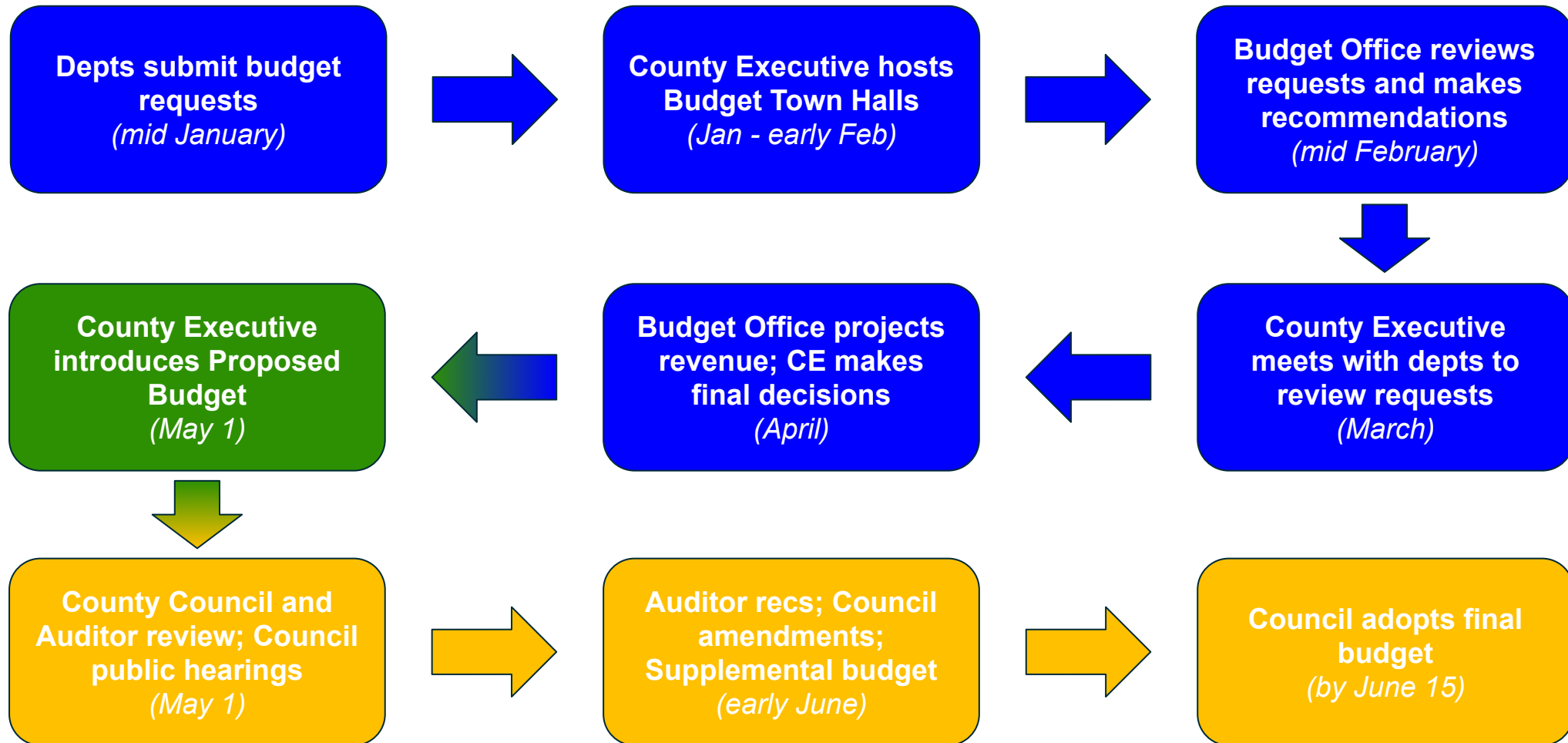
“Budgets are a statement of values and strategy. The seven that came before this one demonstrate a belief that government matters. Our schools, our public safety, our environment, our health, and the people who live here all benefit when we invest in effective government.

This is the last budget that I will present as County Executive, and my commitment is to remain fiscally disciplined, to continue seeking the wisdom of our residents, and to prioritize opportunities for those among us who have too often been left behind.

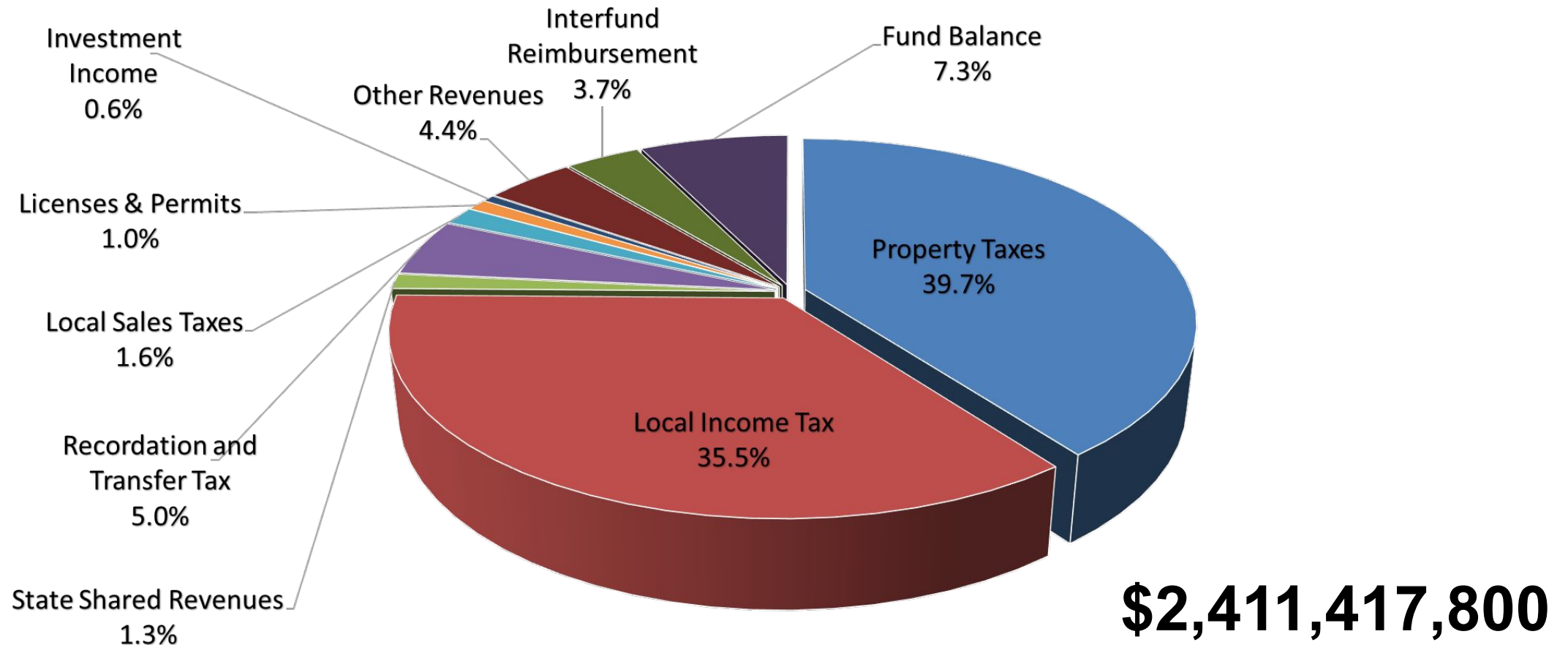
We enter this process with the highest bond ratings, the highest reserves, the greatest infrastructure investments, and the strongest workforce this county has ever had. This final budget must leave for the next administration a house in good order.”

County Executive Steuart Pittman
Budget Message

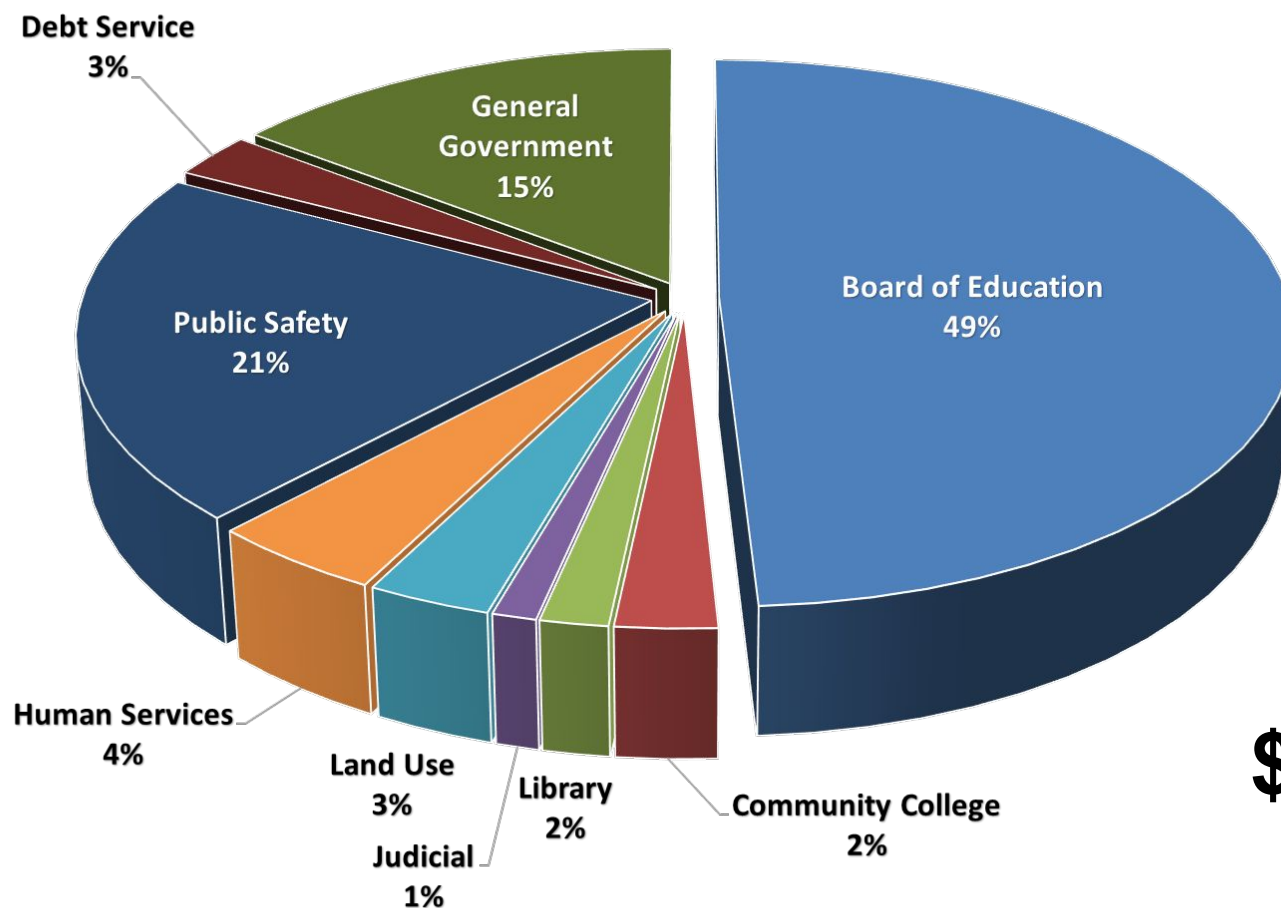
Budget Process



FY26 General Fund Revenue



FY26 General Fund Expenditures



\$2,401,417,800

\$10 million held in reserve for federal impacts

FY 26 Budget Highlights

Protecting Our People



Reduced Property Tax rate by 0.6 cents and kept income tax rate unchanged

Maxed out “Rainy Day Fund” at **\$178.8 million**

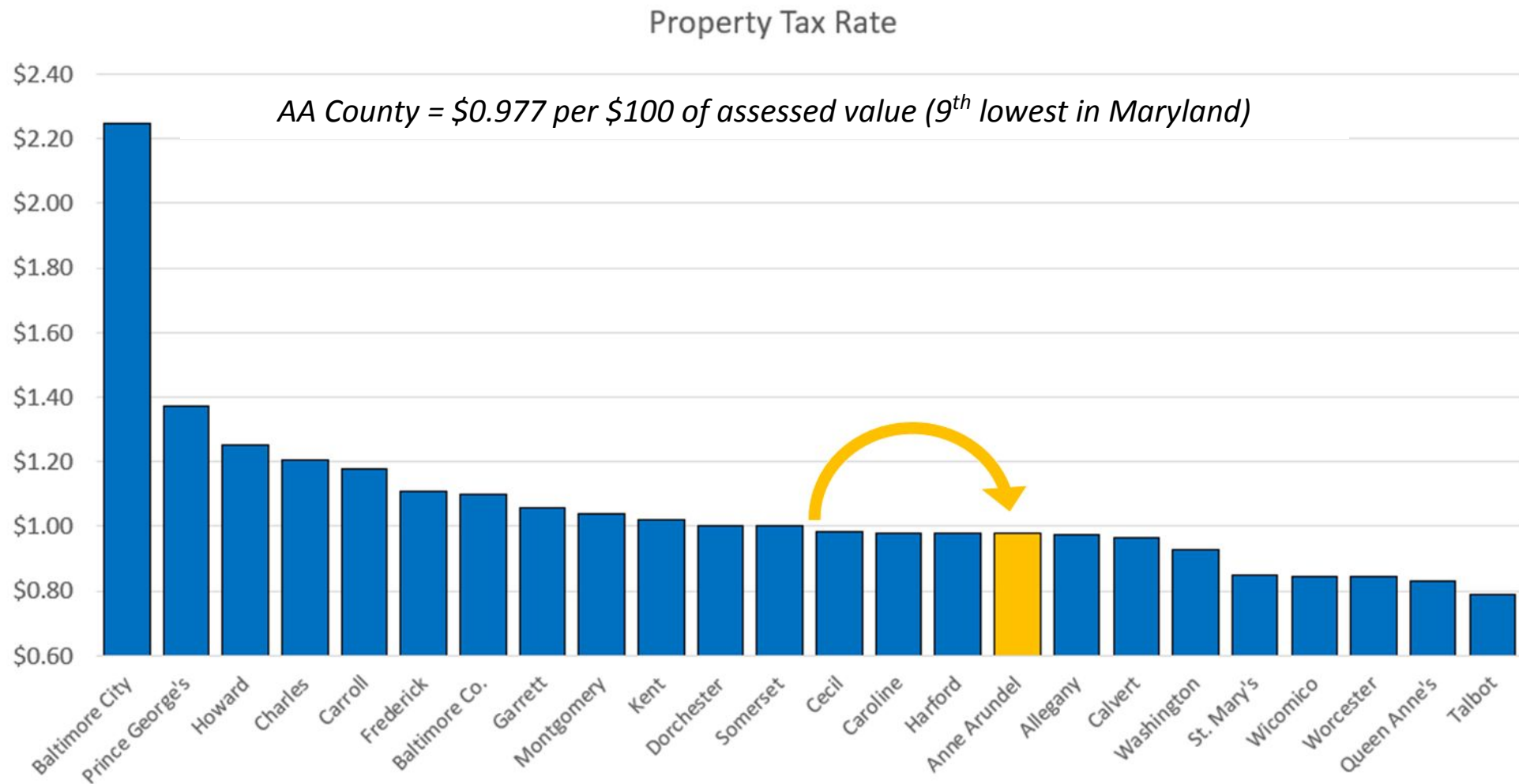
Extended critical Health and Human Services programs, formerly funded with federal recovery dollars (ARP)

Invested a **record \$52 million** of new funding for the Board of Education

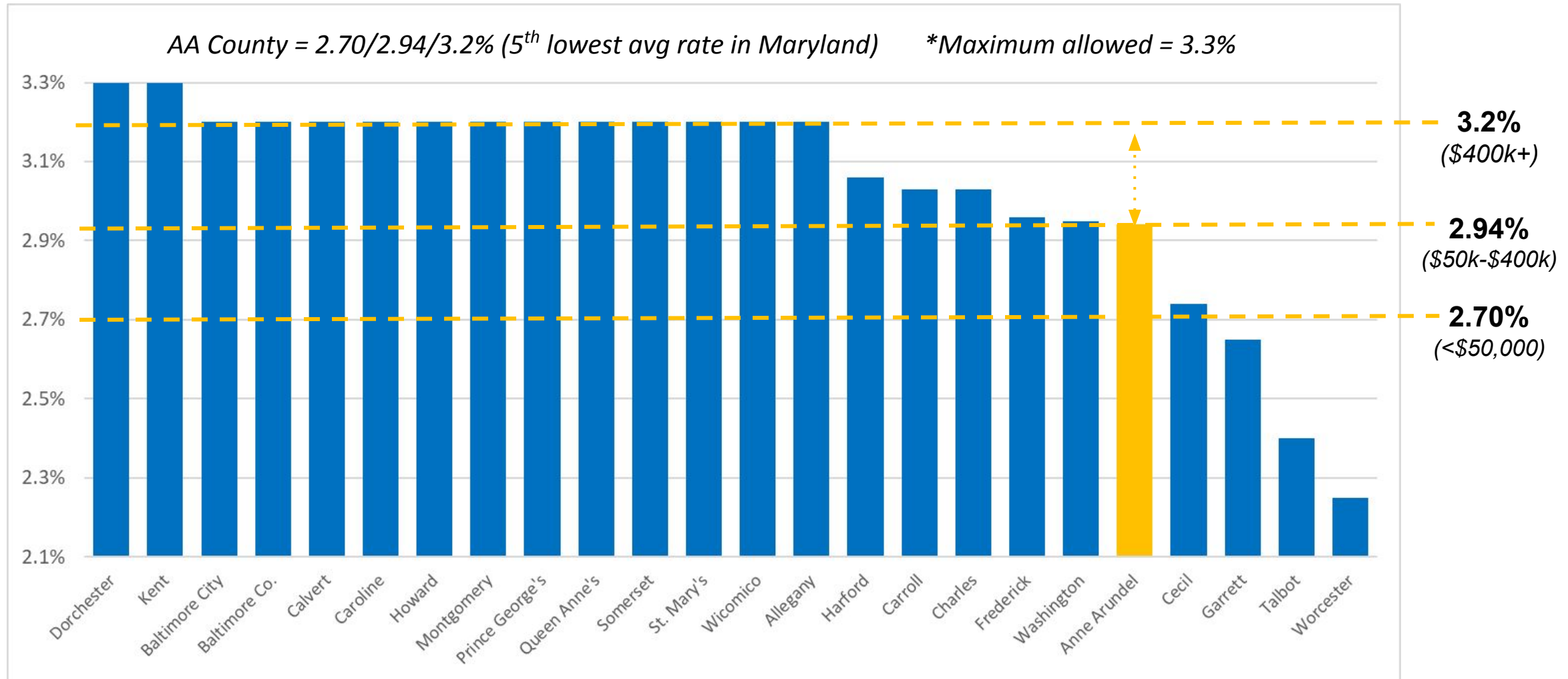
Created 14 **new public safety** positions

Maintained **AAA grade** from all three bond rating agencies

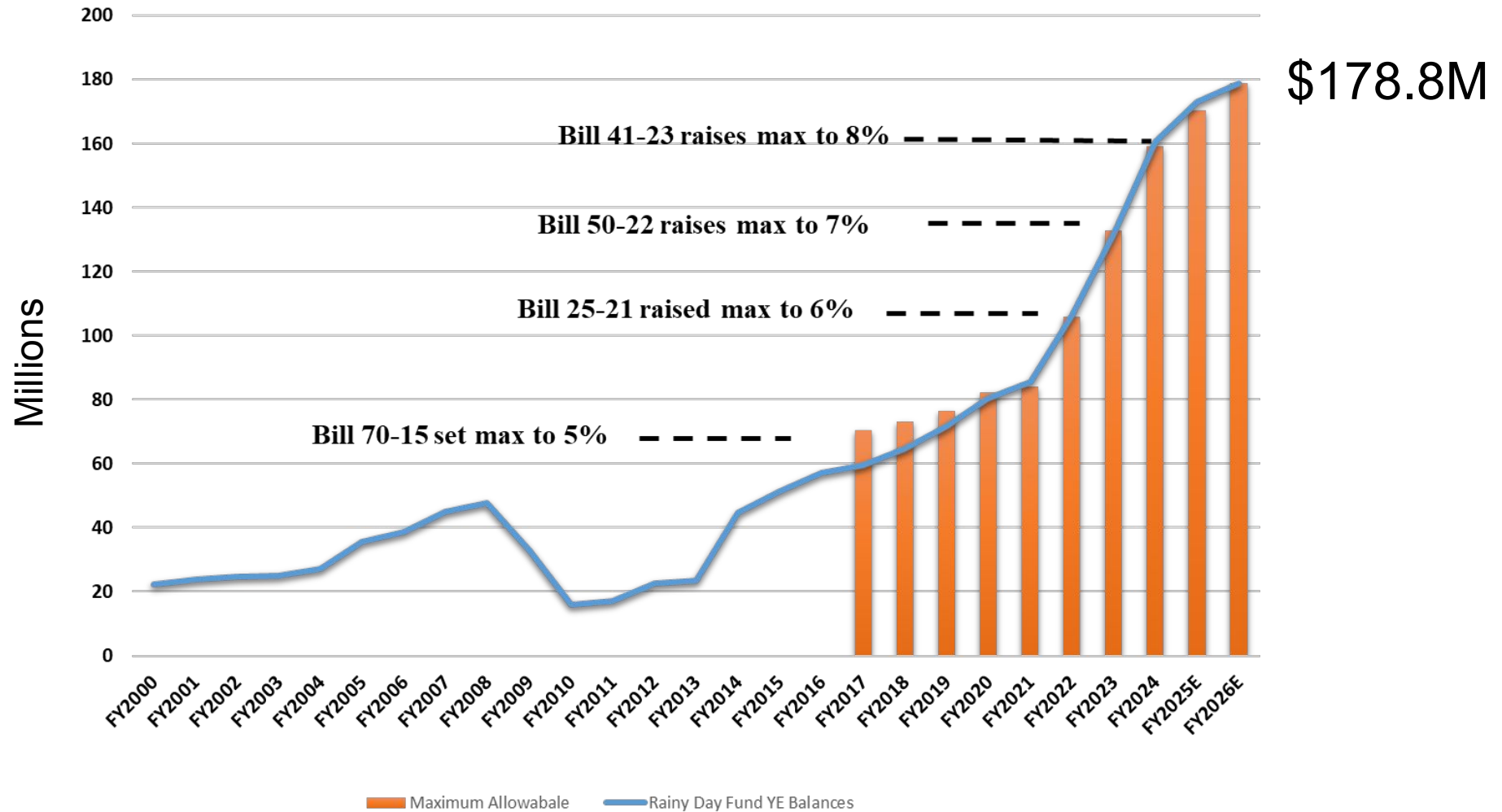
Property Tax Comparison

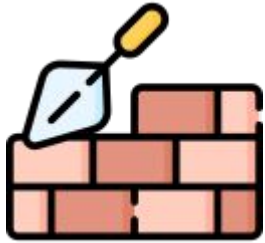


Income Tax Comparison



Revenue Reserve Fund





Leading into FY2027, Anne Arundel County has a strong fiscal foundation.

This is due to many factors, but we'd like to specifically thank:

- **County Councilmembers** for enhancing and approving the county budgets from FY20 - FY26
- Our **County workforce and bargaining units** for their continued strong partnership
- County **Department Heads** for their leadership
- **AACPS Superintendent and Board of Ed** for their collaboration and exceptional working relationship

Public Safety Funding



POLICE



FIRE



SHERIFF

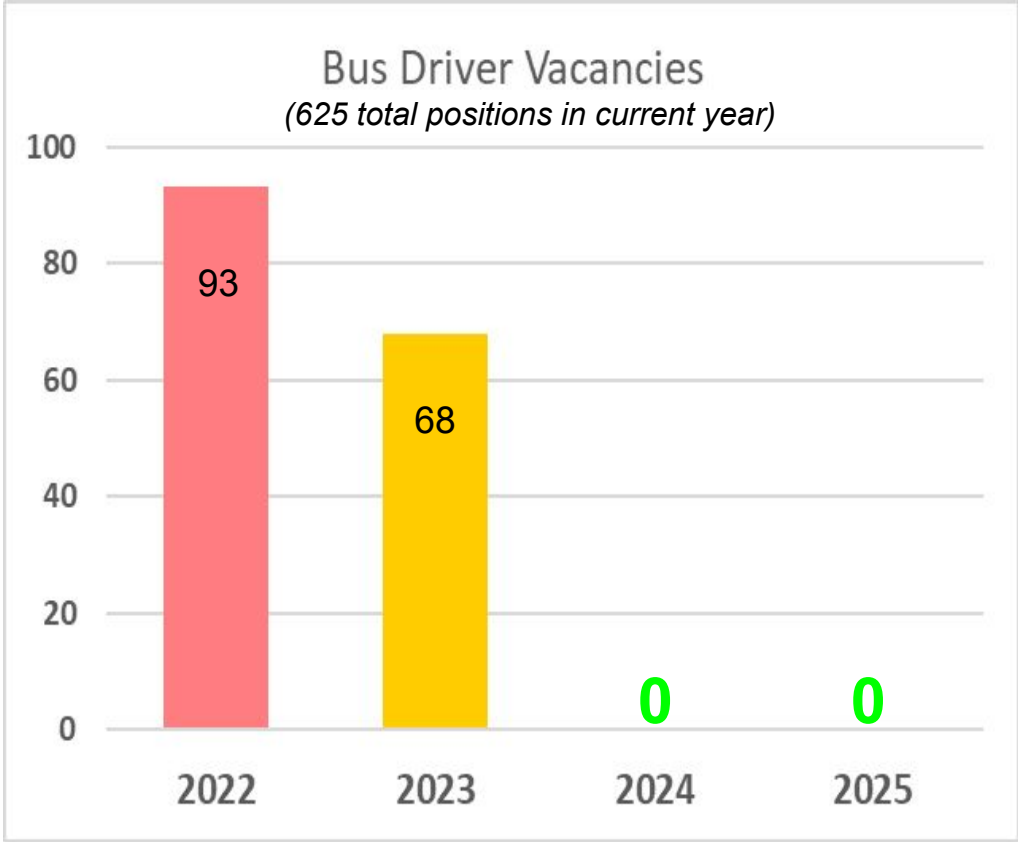
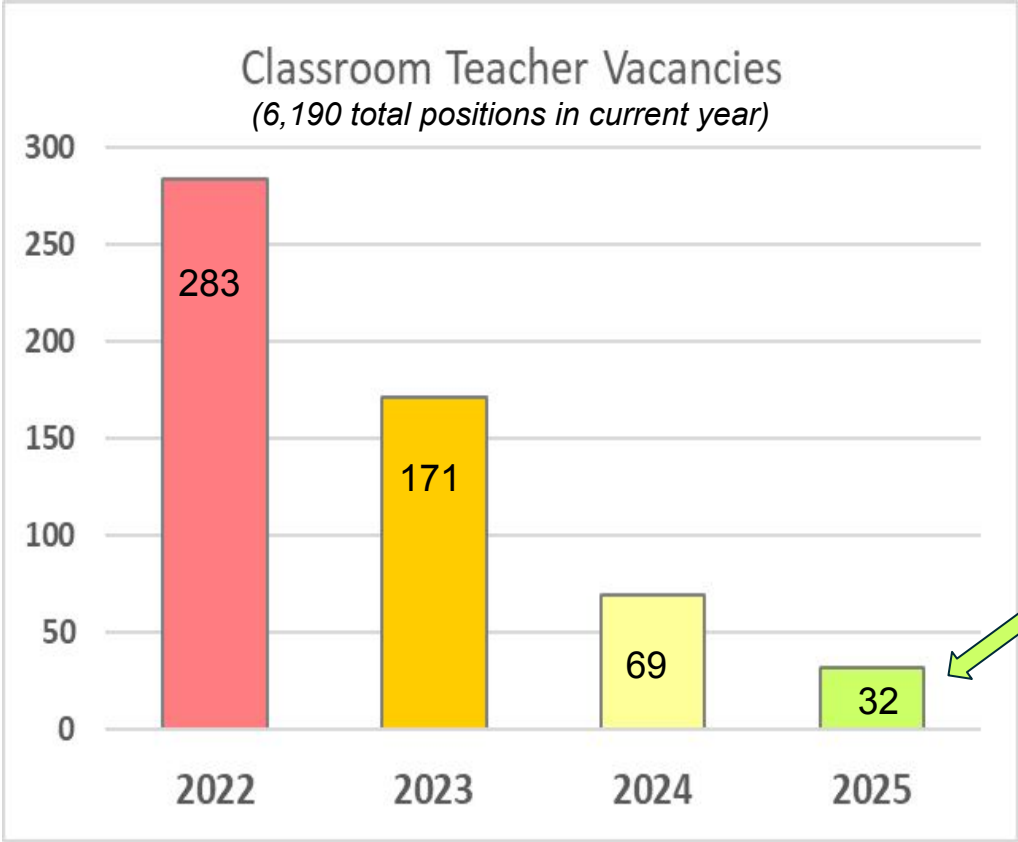
Public Safety Salaries have increased by an average of **43.6%** since 2018 and the County has added a total of **164** filled public safety positions during that time

Vacancy rates for sworn positions have dropped dramatically for all three departments:

- **Firefighter** vacancies have declined from a high of **9.4%** in 2019 to **3.5%** as of December 1.
- **Police Officer** vacancies have declined from a high of **9.3%** in 2019 to **4.7%** as of December 1.
- **Sheriff** vacancies have declined from a high of **21.6%** in 2024 to **6.8%** as of December 1.

Since 2018, the County has increased direct funding to AACPS from \$687.1M to \$981.6M - a **\$294.5M** increase (43%). And we've gotten a return on that investment:

- Chronic absenteeism has declined more than 5 points from the 2022-23 school year to the 2024-25 school year
- AACPS now has 15 5-star schools and 53% of our schools are 4 stars or higher
- In 2023-24 school year, improved starting teacher salary from 19th in Maryland to 4th
- Instructional staff retention rate is now 95.7% and vacancies have plummeted



Data from start of each school year

FY27 Fiscal Expectations



*Looking ahead to
Fiscal Year 2027*

Revenues:

- Property Tax revenue stable w/ modest growth
- Income Tax revenue growth slowing w/ weakening labor market
- Rec & Transfer revenue flat w/ mortgage rates > 6%

Expenditures:

- High wage growth raising pension costs
- Debt service payments increasing with Capital Budget growth
- Added operating costs from capital projects (e.g. new parks)

External Factors:

- Defunding of federal government services and investments
- School enrollment is down; decrease in incremental State aid
- State budget deficit could mean expenditures shifted to counties

FY27 Budget Outlook

Incremental Recurring Revenue FY27 Estimate: \$120 million*

Amounts represent incremental (year over year) increase from previous year

- ▶ Initial estimates for FY27 Incremental Recurring Revenue are approximately **\$120 million** (estimate subject to change)
- ▶ Non-Discretionary Costs are estimated at approximately **\$40 million**
- ▶ This leaves **~\$80 million** for pay packages and “Supplemental” spending... including the Board of Education

FY2027 Built-in Increases	
<i>Non- Discretionary</i>	
Debt Service	
Pension Contribution (include 401a)	
Incremental Cost of FY2026 Pay Package & Health Insurance	
Health Insurance	
Self Insurance Fund	
OPEB Funding - BOE, Library, AACC	
State Budget cost shifts	
Vehicle Rate Adjustment	
Non- Discretionary Subtotal (Preliminary Estimate)	40,000,000
<i>Pay Packages</i>	
Pay Packages - Bargaining Units	
Pay Packages - Non-Represented	
Pay Package for Contractual and Temp	
Pay Packages Subtotal	???
<i>County Adjustments/Supplementals</i>	
Library Incremental	
Community College Incremental	
BOE Add'l Funding including Pay Packages	
Departmental Base Increases	
Departmental Supplemental Requests	
County Adjustments/Supplementals Subtotal	???
Total Increases	

**Preliminary estimate – subject to change!*

FY26 pay package: Approx \$21M (3% COLA)

Superintendent's FY27 request = \$100.0M

FY26 funding was \$52.0M (most ever)

Additional Budget Resources

Open Arundel

Access Budget Data, Performance Data, and Information on Federal Recover Funds

www.aacounty.org/openarundel

Budget “BuDDE”

Budget Data and Development Explorer (BuDDE) - Explore the current year budget visually

www.aacounty.org/budget/budget-data-and-development-explorer

Budget Office page

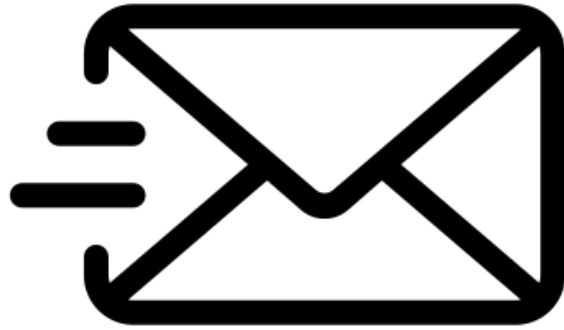
Access Budget Books for current and previous years’ budgets

<https://www.aacounty.org/budget>

Your Budget

Information on county budget process and how constituents can get involved

www.aacounty.org/yourbudget



We Want YOUR
Feedback!
Email

budget-comments@aacounty.org