



FY27 Budget Town Hall

District 7

**County Executive Steuart Pittman
Councilmember Shannon Leadbetter**

January 6, 2026



Photo Credit: Mike Druckenbrod



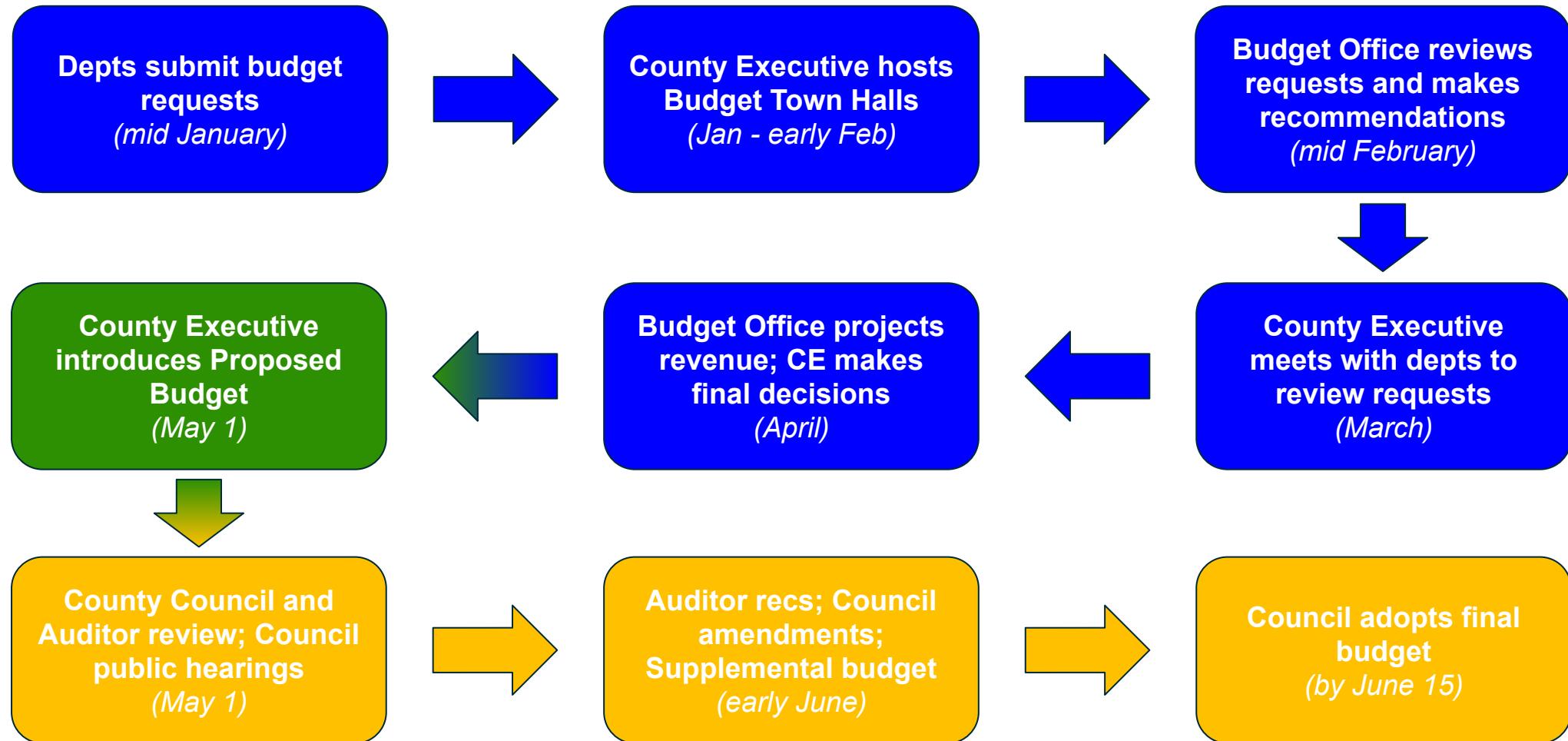
“Budgets are a statement of values and strategy. The seven that came before this one demonstrate a belief that government matters. Our schools, our public safety, our environment, our health, and the people who live here all benefit when we invest in effective government.

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.

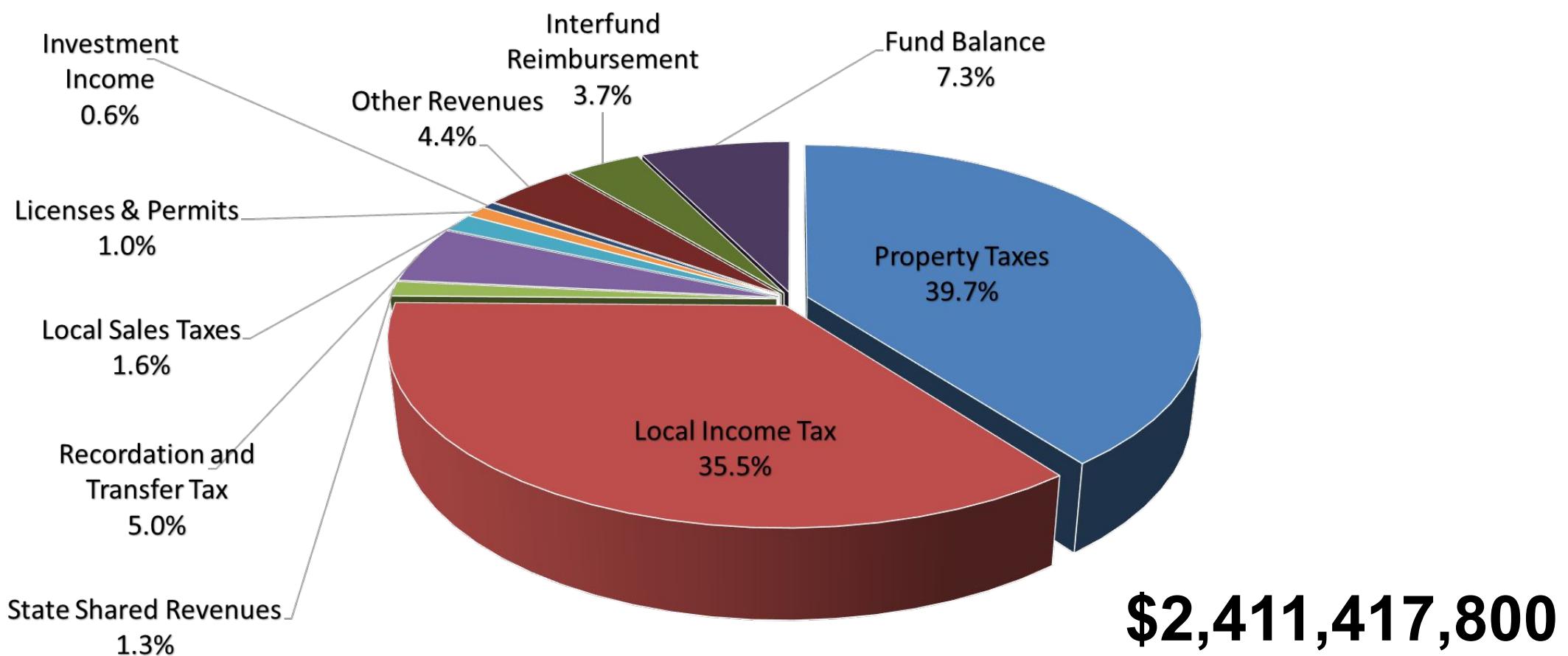
We enter this process with the highest bond ratings, the highest reserves, the greatest infrastructure investments, and the strongest workforce this county has ever had. This final budget must leave for the next administration a house in good order.”

*County Executive Steuart Pittman
Budget Message*

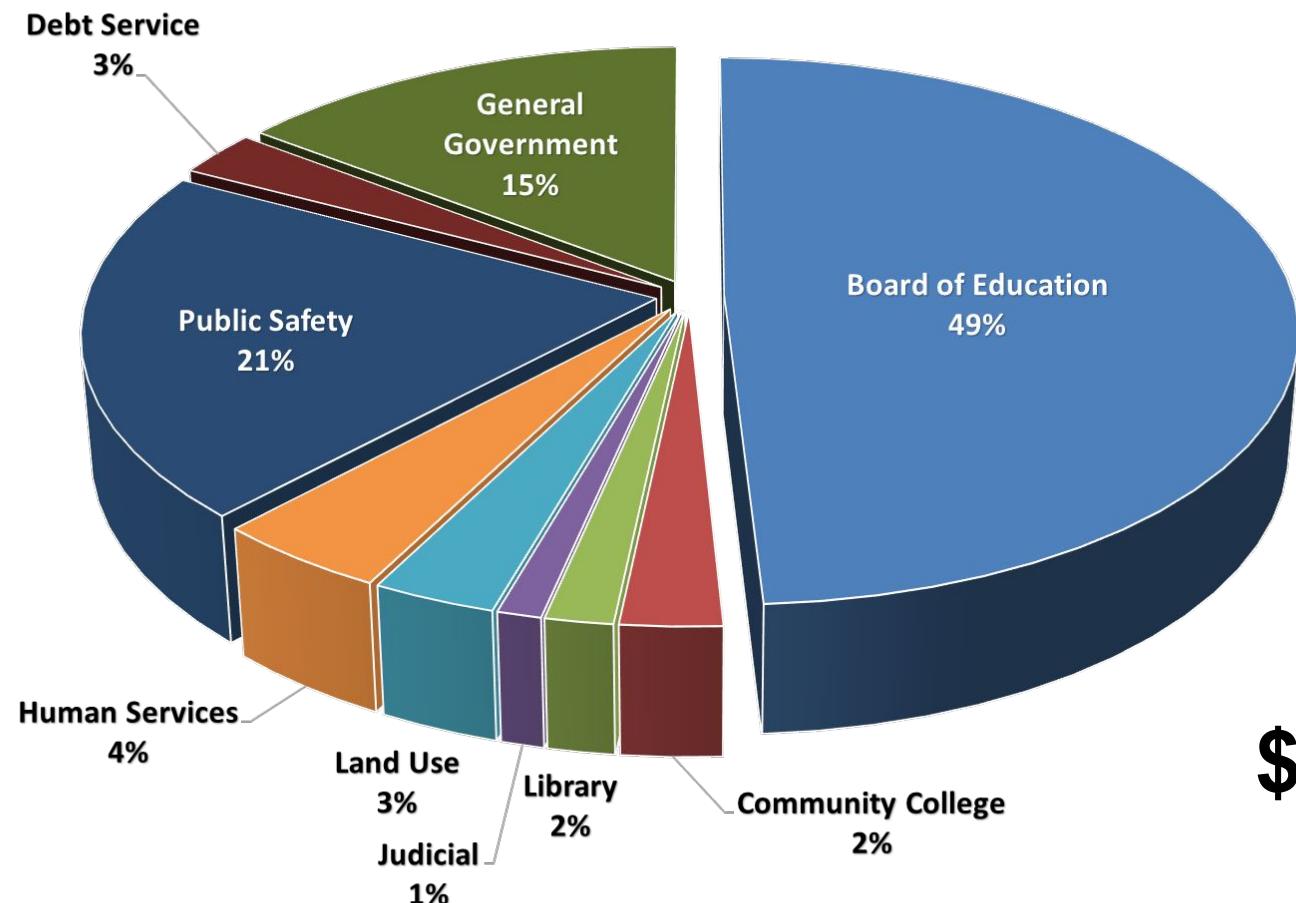
Budget Process



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)

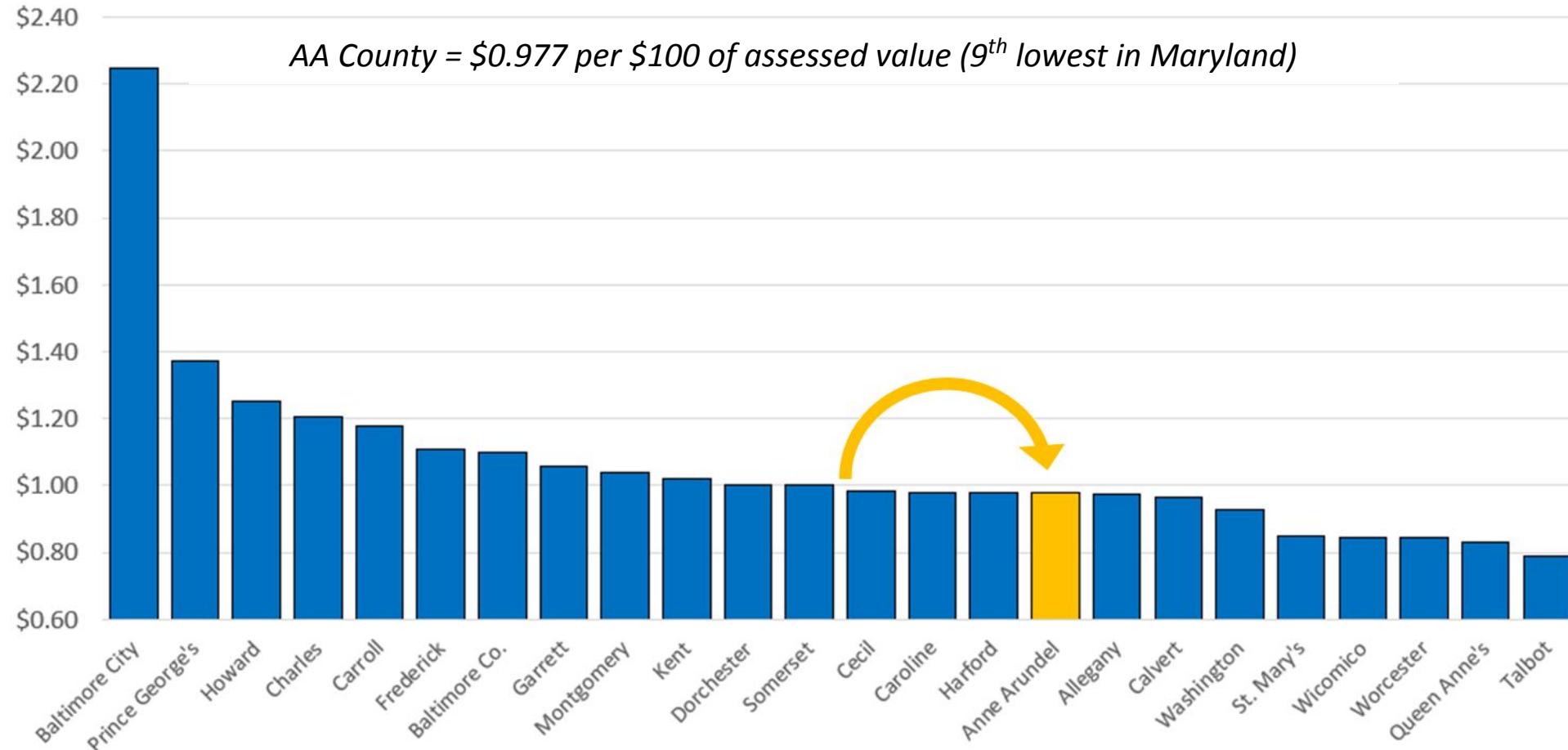
Invested a **record \$52 million** of new funding for the Board of Education

Created 14 **new public safety** positions

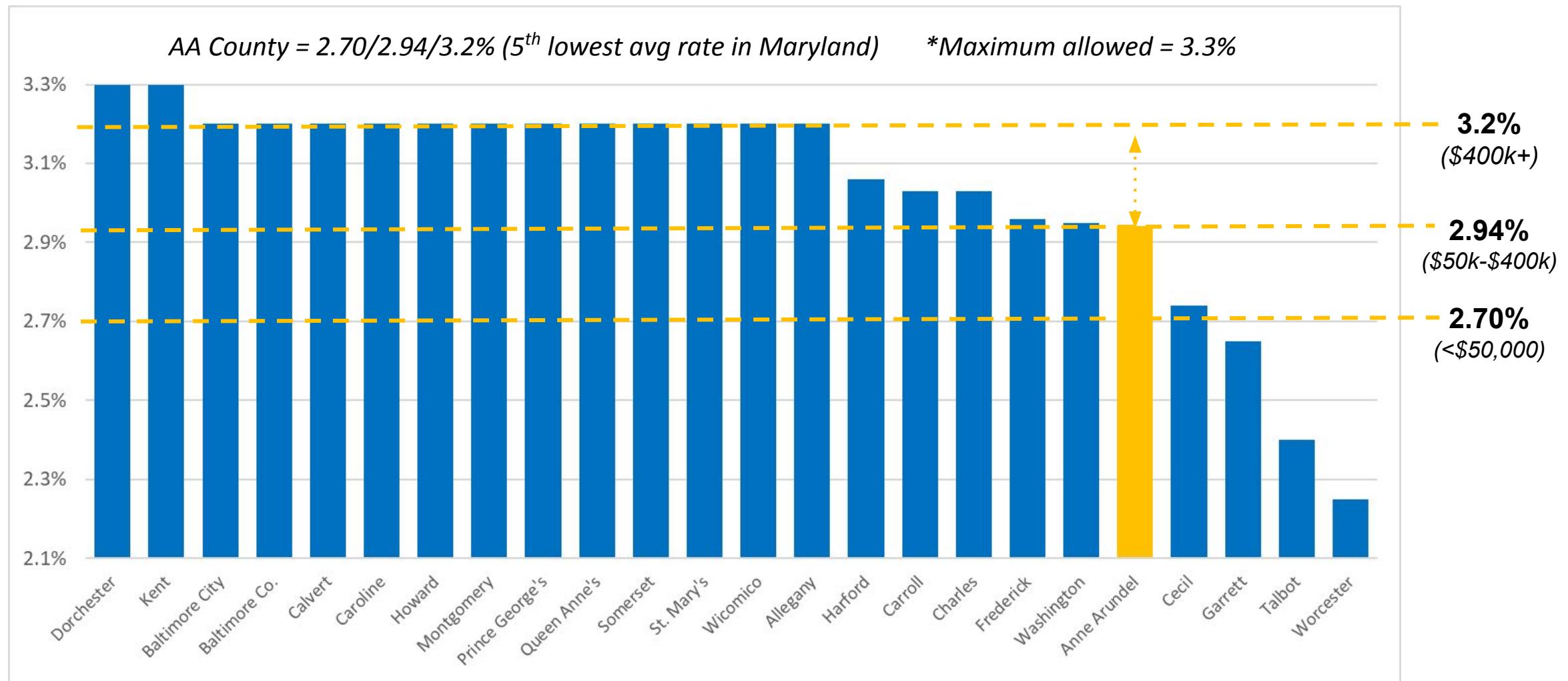
Maintained **AAA grade** from all three bond rating agencies

Property Tax Comparison

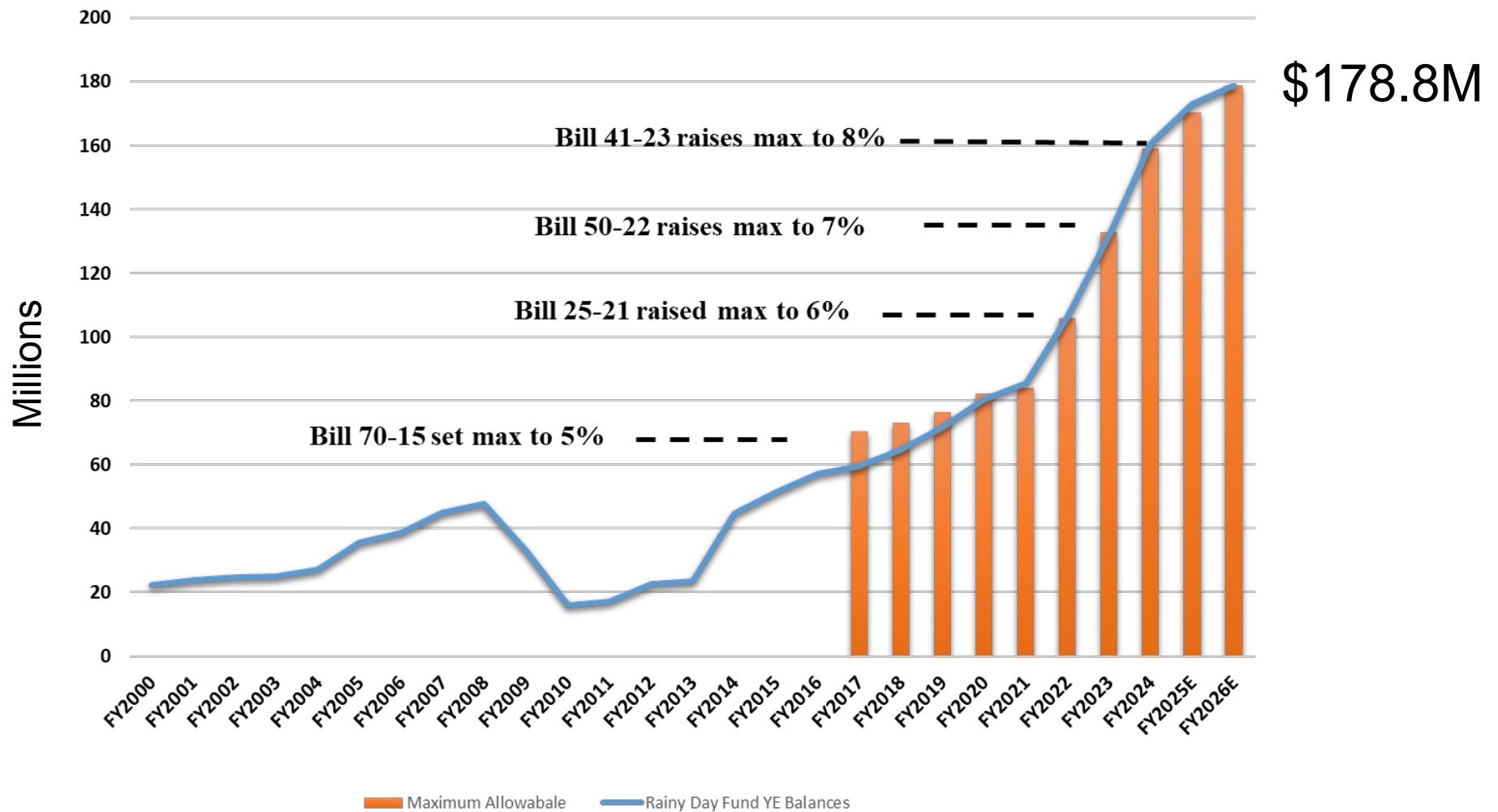
Property Tax Rate

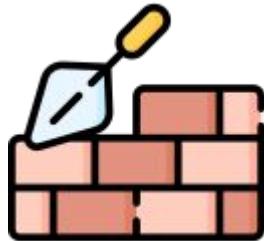


Income Tax Comparison



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

Investments

Public Safety Funding



POLICE



FIRE



SHERIFF

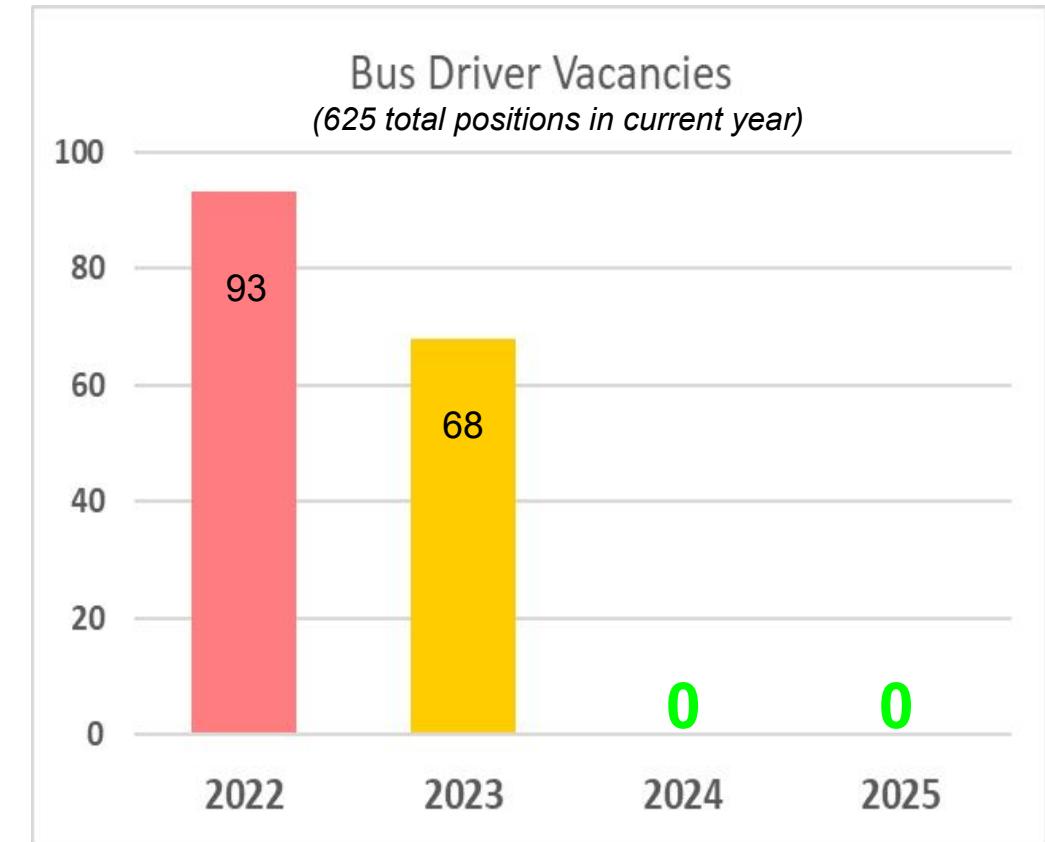
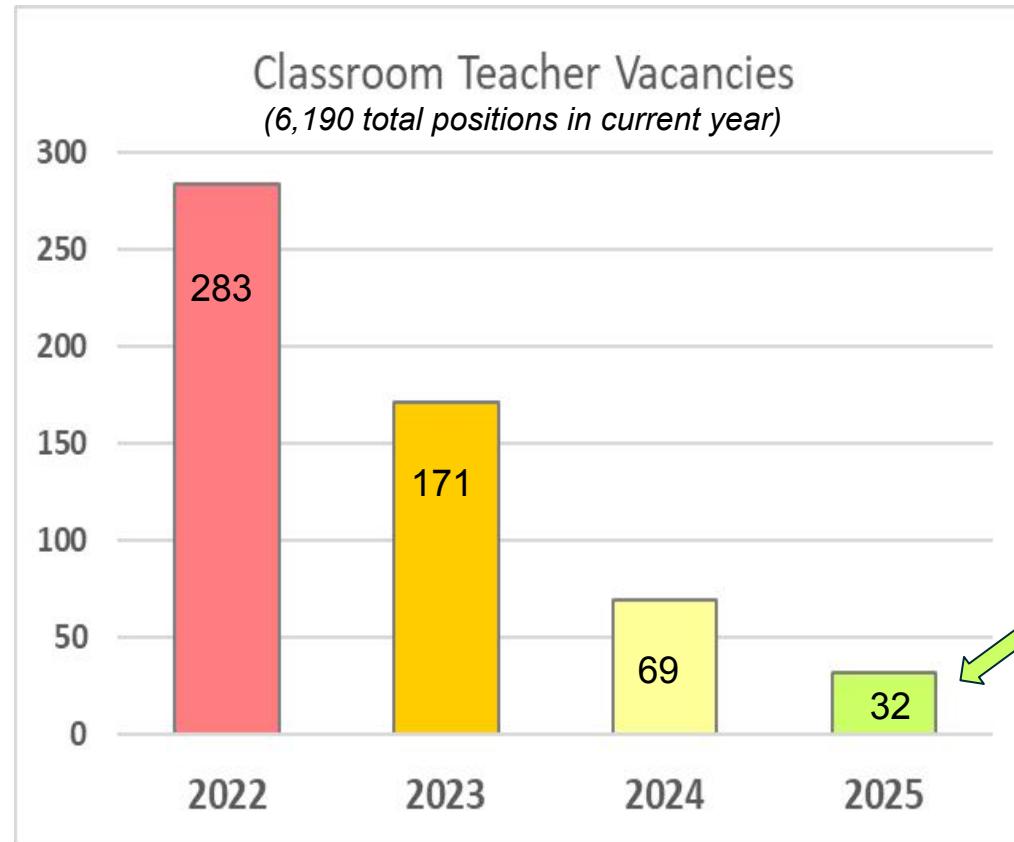
Public Safety Salaries have increased by an average of **43.6%** since 2018 and the County has added a total of **164** filled public safety positions during that time

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

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

Incremental Recurring Revenue FY27 Estimate: \$120 million*

FY2027 Built-in Increases

Non- Discretionary

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

Pay Packages

Pay Packages - Bargaining Units
Pay Packages - Non-Represented
Pay Package for Contractual and Temp

Pay Packages Subtotal

???

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

County Adjustments/Supplements

Library Incremental
Community College Incremental
BOE Add'l Funding including Pay Packages
Departmental Base Increases
Departmental Supplemental Requests

County Adjustments/Supplements Subtotal

???

Superintendent's
FY27 request =
\$100.0M

Total Increases

FY26 funding was
\$52.0M (most ever)

**Preliminary
estimate – subject
to change!*

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