Review of the FY27 Proposed Budget

May 27, 2026

Methodology

Operating Budget

OCA performed a fluctuation analysis to identify budget variances from fiscal year (FY) FY26 to proposed FY27 that exceeded our established threshold (one percent of each department's total budget and a five percent variance for subitems from FY26 to FY27) and then inquired with County personnel to ascertain the justification for those variances.

Furthermore, we used our professional judgment, based on risk and historical experience, to assess subitems exceeding five percent but less than one percent of the total budget.

Capital Budget

OCA comprehensively reviewed all departmental capital projects to identify budget variances. Additionally, we conducted inquiries of Administration personnel for any project that requested a budget of $50,000 or more to ascertain the justification of the request.

Significant Variances

Expenditure Category	FY26 Original	FY27 Proposed	$ Change	% Change
Personal Services	$954,095,300	$1,007,165,400	$53,070,100	5.6%
Contractual Services	$303,198,700	$325,302,400	$22,103,700	7.3%
Supplies & Materials	$50,264,900	$53,000,700	$2,735,800	5.4%
Business & Travel	$4,003,800	$3,579,400	($424,400)	-10.6%
Capital Outlay	$34,467,200	$37,681,600	$3,214,400	9.3%
Debt Service	$270,977,300	$283,601,500	$12,624,200	4.7%
Grants, Contributions & Other	$1,632,403,700	$1,761,359,800	$128,956,100	7.9%
Component Units	$2,004,576,700	$2,106,326,500	$101,749,800	5.1%
Total	$5,253,987,600	$5,578,017,300	$324,029,700	6.2%

Sources: Proposed FY27 Budget

Methodology

Projected Personal Services Computation

OCA comprehensively reviewed all proposed changes to the personnel classification and pay plan for FY27, tentative bargaining agreements, and documentation provided by the Administration underlying the personnel calculations in the FY27 Proposed Operating Budget.

OCA independently recalculated salary and benefits costs for individual employees and manually verified all individuals whose projected FY27 costs were not within five percent of the Administration's projections, noting no consequential exceptions.

New and Vacant Positions

OCA verified new positions identified in the Budget Office projected personnel calculations against the FY27 Proposed Operating Budget book, noting no consequential exceptions.

OCA utilized annual personnel data from April 2023, April 2024, March 2025, and March 2026 to identify positions that have been vacant across multiple years and to identify resources that are appropriated annually and not utilized for their intended purpose.

We ascertained that 26 positions, budgeted at $2.3 million, remain vacant for two or more years. Consequently, these 26 positions should be reviewed for retention.

Proposed Compensation Increases

Bargaining Unit	Plan	Pay Scale Adjustment or COLA
AFSCME Local 2563	Office Support	2.48% - 2.53%
AFSCME Local 582	Labor and Maintenance	2.48% - 2.52%
AFSCME Local 582	Flexible Worker	4.28% - 4.30%
FODCOP	Detention	2.25% - 8.65%*
FOP Lodge #106	Sheriffs	2.00% - 2.25%
FOP Lodge #70	Police	2.25% - 4.80%
IAFF Local 1563	Fire	2.25% - 4.19%
IUPA Local 141	Detention	2.25% - 8.65%*
Non-Represented	Non-Represented	2.25%
Non-Represented	Corrections	2.25% - 2.50%
Non-Represented	Fire	2.25% - 4.19%
Non-Represented	Detention	2.25% - 8.65%*
Non-Represented	Police	2.45% - 4.80%
Teamsters Union Local 355	Police Communications Operators	2.25%
Teamsters Union Local 355	Park Rangers	2.25%
Teamsters Union Local 355	Corrections	2.25% - 2.50%
Teamsters Union Local 355	Fire	2.25% - 4.19%

The majority of classified employees are also budgeted to receive a 3 percent merit increase following their work anniversary and annual performance review.

*8.65% represents a scale expansion of two steps only; no employee will reach or move into these two steps in the next year.

Sources: Tentative Bargaining Agreements, FY27 Projected Personnel Services Computation Files

New Positions in the General Fund

- 63 new positions
- Total FY27 budgeted cost is $6,553,864

Department	Job Title	# Positions	Total Cost
Animal Services	Management Aide	1	$75,386
Board of License Commissioners	Commissioner, Bd of Licnse Com	2	$38,086
Central Services	Buyer IV	1	$105,812
	Claims Adjustor	1	$92,270
Circuit Court	Court Social Worker	1	$92,270
Fire Department	Fire Fighter II	11	$972,045
	Fire Fighter III	5	$495,613
	Fire Lieutenant	5	$625,613
Information Technology	Chief,Project Mgmt & Planning	1	$238,606
	Programmer-Analyst II	1	$165,973
	Systems Analyst	4	$769,536
	Systems Programmer II	1	$113,376
Legislative Branch	Fraud Investigator	1	$113,376
	Legislative Audit Manager	1	$148,752
Office of Emergency Management	Deputy Director, Emergency Management	1	$7,500
Planning and Zoning	Program Specialist I	1	$86,224
	Program Specialist II	1	$98,789
Police Department	Firearms Examiner	1	$98,788
	Police Officer	3	$326,984
	Police Sergeant	1	$143,296
	Program Specialist I	1	$86,223
	Public Safety Analyst I	3	$235,126
Public Works	Automotive Mechanic II	1	$71,768
	Engineer Manager	2	$260,555
	Management Assistant I	1	$86,223
	Program Manager	3	$340,121
	Systems Analyst	1	$121,516
Recreation and Parks	Administrative Specialist III	1	$62,791
	Maintenance Worker II	1	$60,367
	Park Ranger	2	$157,235
	Rec&Parks Facility Superintend	1	$98,789
	Sports Complex Supervisor	1	$82,428
Social Services	Special Program Manager I	1	$82,428
Total		**63**	**$6,553,864**

Sources: Proposed FY27 Budget, FY27 Projected Personnel Services Computation Files

New Positions in Other Funds

- 5 new positions
- Total FY27 budgeted cost is $529,205

Department	Job Title	Fund	# Positions	Total Cost
Central Services	Claims Adjustor	Self-Insurance Fund	1	$92,270
Public Works	Automotive Mechanic II	Water & Wastewater Operating Fund	1	$71,768
	Engineer Manager	Water & Wastewater Operating Fund	1	$130,277
	Program Manager	Water & Wastewater Operating Fund	1	$113,374
	Systems Analyst	Water & Wastewater Operating Fund	1	$121,516
Total			**5**	**$529,205**

Sources: Proposed FY27 Budget, FY27 Projected Personnel Services Computation Files

Extended Vacancies

Department	Years Vacant	
	2+ Years (2024, 2025, & 2026)	3+ Years (2023, 2024, 2025, & 2026)
Detention	2	2
Health		4
Inspections & Permits		1
Legislative Branch	1	1
OIT	1	2
Planning & Zoning	1	
Personnel		1
Police	4	
Public Works	3	2
Recreation & Parks	1	
Total Count	**13**	**13**
Total Cost (FY27)	**$1,147,583**	**$1,186,305**

Department	Position Title	Vacancy Duration	Total Cost FY27
DET	Booking Officer	2+ Years	$71,491
DET	Correctional Records Clerk I	3+ Years	$71,491
DET	Detention Officer	3+ Years	$86,313
DET	Program Specialist II	2+ Years	$98,789
HLH	Addictions Specialist	3+ Years	$82,426
HLH	Addictions Specialist	3+ Years	$82,426
HLH	Crisis Intervention Counselor	3+ Years	$82,426
HLH	Human Services Specialist	3+ Years	$86,224
IAP	Construction Code Inspector	3+ Years	$81,928
LEG	Legis Administrative Lead	2+ Years	$75,386
LEG	Legislative IT Technician	3+ Years	$92,270
OIT	Info System Support Specialist	3+ Years	$82,426
OIT	Manager Computer Operations	3+ Years	$113,376
OIT	Programmer-Analyst II	2+ Years	$105,812
PAZ	Office Support Assistant II	2+ Years	$113,374
PER	Personnel Analyst III	3+ Years	$113,376
POL	Firearms Examiner	2+ Years	$98,789
POL	Police Communicat Operator II	2+ Years	$78,375
POL	Police Communicat Operator II	2+ Years	$78,375
POL	Police Officer	2+ Years	$108,995
PUB	Engineer III	3+ Years	$105,812
PUB	Engineer III	3+ Years	$105,812
PUB	Equipment Operator II	2+ Years	$65,793
PUB	Maintenance Worker II	2+ Years	$60,367
PUB	Program Specialist I	2+ Years	$86,224
RCP	Recreation & Parks Project Mgr	2+ Years	$105,812

Sources: Personnel Services Computation Files (April 2023, April 2024, March 2025, March 2026, and Projected FY27 PSC)

Observations for Potential Operating Cost Savings

Vacant Positions

OCA identified 13 positions vacant for 3 or more years, totaling **$1,186,305** in budgeted personnel costs for FY27.

An additional 13 positions have been vacant for 2 or more years, totaling **$1,147,583** in budgeted personnel costs for FY27.

Observations for Potential Capital Cost Savings

Project Class	Amounts for Consideration
General County C501100: Failed Sewage & Private Well Fund $80,000 C562400: Add'l Salt Storage Capacity $214,000 C571700: Parking Garages Repair/ Renov $1,975,000 C571900: Fire Equip Maint Facility $72,000 C577900: Ralph Bunche Comm. Ctr. $70,000 C585700: Circuit Courthouse Major Reno $250,000 C589200: Transport. Oper Facility $212,000	$2,873,000
Roads & Bridges H371200: Town Cntr To Reece Rd $563,000 H561000: O'Connor Rd/Deep Run $85,000 H589700: Marley Neck Blvd Rd Improv $142,000 H589800: Ridge Rd Improv $423,000 H590400: Riva Rd Shared Use Path $57,000 H592100: Forest Drive Safety Improv $476,000	$1,746,000
Traffic Control H569300: Auto Flood Warning-Brdgs/Rds $300,000	$300,000
Water Quality Improvements Q543000: Shipley's Choice Dam Rehab $325,000	$325,000
Total	**$5,244,000**

Appendix
Fiscal Analysis of Budget Legislation

Fiscal Review Methodology

OCA comprehensively reviewed all legislation and support materials to validate the estimated fiscal impact as presented in the FY27 Proposed Budget. OCA submitted inquiries to County personnel to receive justification for the proposed budget estimates.

Summary of Auditor's Fiscal Review for Budget Legislation

OCA agrees with the fiscal impact as presented in the FY27 Proposed Operating budget for the following budget legislation:

- *CB 33-26 - Tax Levies – Special Community Benefit Districts, Shore Erosion Control Districts, and Waterways Improvement Districts*
- *CB 34-26 - Tax Levies – Arundel Gateway Special Taxing District*
- *CB 35-26 - Tax Levies – Arundel Mills Special Taxing District*
- *CB 36-26 - Tax Levies – Dorchester Special Taxing District*
- *CB 37-26 - Tax Levies – National Business Park Special Taxing District*
- *CB 38-26 - Tax Levies – National Business Park-North Special Taxing District*
- *CB 39-26 - Tax Levies – Two Rivers Special Taxing District*
- *CB 40-26 - Tax Levies – Village South at Waugh Chapel Special Taxing District*
- *CB 41-26 - Public Works – Utilities – Fire Flow Test Charge*
- *CB 42-26 - Public Works – Utilities – Infrastructure Maintenance Fee - Utility Investment Fee*
- *CB 43-26 - Public Works – Solid Waste Collection – Solid Waste Service Charge*
- *CB 44-26 - Public Works – Utilities – Metered Water and Wastewater Charges*
- *CB 45-26 - Property Tax and Semiannual Payment Service Charge*

OCA identified unbudgeted revenue in *Council Bill 41-26* of approximately $72,000 caused by the proposed increase in the Fire Flow Test Charge.

CB 41-26 Public Works – Utilities – Fire Flow Test Charge

Summary of Legislation

This bill amends §13-5-906 of the Anne Arundel County Code to increase the fee for each fire flow test conducted by the Department of Public Works from $232 to $612.

Assessment of Fiscal Impact

The FY27 Proposed Operating Budget estimates $85,000 in revenues to the Water/Sewer Inspections account. The Administration confirmed this estimate does not account for the proposed fee increase of $380 for Fire Flow Test Charge.

OCA estimates the increased fee will result in approximately $72,000 in additional revenue per year, based on the average annual paid test volume.

CB 33-26 Tax Levies – Special Community Benefit Districts, Shore Erosion Control Districts, and Waterways Improvement Districts

Summary of Legislation

This bill implements the tax levy for 77 Special Community Benefit Districts, 14 Shore Erosion Control Districts, and 4 Waterway Improvement Districts consistent with the FY27 Proposed Operating Budget.

Assessment of Fiscal Impact

OCA agrees with the fiscal impact as presented in the FY27 Proposed Operating budget. This legislation generates revenues of $12.2 million for FY27.

Total district appropriations for FY27 total $24.4 million. The remaining $12.2 million is funded from accumulated fund balances carried forward from prior fiscal years and available County funds.

CB 34-26 through CB 40-26 Tax Levies – Special Taxing Districts

Summary of Legislation

These bills collectively establish the annual special tax levies for all seven of the County's active special taxing districts for FY27.

Assessment of Fiscal Impact

OCA agrees with the fiscal impact as presented in the FY27 Proposed Operating budget. Three districts levy a special tax rate of $0 because tax revenues are projected to be sufficient to meet all debt service and administrative obligations without the additional special tax.

The remaining four districts levy special taxes totaling approximately $3.6 million across all district funds.

CB 42-26 Public Works – Utilities – Infrastructure Maintenance Fee - Utility Investment Fee

Summary of Legislation

This legislation creates a new fee for residents connected to water and wastewater services in Anne Arundel County. The new "Utility Investment Fee" is charged based on service and meter size, and is in addition to the "Infrastructure Maintenance Fee" with a rate that remains at 35% of all usage charges for both water and wastewater service. The Utility Investment Fee will also be dedicated to the debt service of the water and wastewater utility fund for capital improvement projects.

Assessment of Fiscal Impact

OCA agrees with the fiscal impact as presented in the FY27 Proposed Operating budget, which estimates $11,250,000 in revenue from the Utility Investment Fee.

Based on the Administration's meter-by-meter revenue table, the full-year annualized revenue from the fee is projected at $14,963,211. The FY27 revenue represents 75% of the annual collection consistent with the October 1, 2026 effective date of the fee.

CB 43-26 Public Works – Solid Waste Collection – Solid Waste Service Charge

Summary of Legislation

This bill seeks to increase the charge for solid waste curbside collection services by $43 (10.09%) from $426 to $469 annually for FY27.

Assessment of Fiscal Impact

OCA agrees with the fiscal impact as presented in the FY27 Proposed Operating budget. OCA estimates that the direct fiscal impact of this bill is $7,460,586 in additional revenues to the Waste Collection Fund in FY27.

CB 44-26 Public Works – Utilities – Metered Water and Wastewater Charges

Summary of Legislation

This bill seeks to increase the charge for each 1,000 gallons of water usage by 9.04% to $3.98 for water and by 9.03% to $7.00 for wastewater in FY27.

Assessment of Fiscal Impact

OCA agrees with the fiscal impact as presented in the FY27 Proposed Operating budget. OCA estimates that this bill will generate approximately $9.7 million in additional FY27 revenue to the Water and Wastewater Operating Fund.

OCA notes that even with the proposed rate increases, the projected FY27 ending fund balance falls approximately $3.5 million below the County's two-month operating reserve target.

CB 45-26 Property Tax and Semiannual Payment Service Charge

Summary of Legislation

This bill establishes County property tax rates for FY27 at $0.968 per $100 of assessed value, $0.577 per $100 for properties within the City of Annapolis, and $0.938 per $100 for properties within the Town of Highland Beach. Personal property tax rates are set at $2.420, $1,442, and $2.345 per $100 respectively. These rates represent decreases from all FY26 rates established by CB 46-25.

Additionally, the bill establishes a semiannual payment service charge of 0.87% on the second installment of real property taxes and all other charges billed on the real property tax bill, for property owners who elect to pay under the semiannual schedule. This rate represents a decrease of 0.23 percentage points from the 1.1% rate in effect for FY26.

Assessment of Fiscal Impact

OCA agrees with the fiscal impact as presented in the FY27 Proposed Operating budget. The FY27 Proposed Budget estimates total real and personal property tax revenue of $995,689,600, which represents an increase over FY26 revenues, largely attributable to growth in the assessable tax base.

The proposed rates, while lower than FY26, are set above the County's Property Tax Revenue Limit would otherwise allow. This is authorized by a State law which allows a county to set property tax rates above its local revenue cap limit specifically to fund the Board of Education's budget request.

The FY27 Proposed Budget estimates revenue from the semiannual payment service charge at $2,626,100, representing a decrease of $597,600 from the FY26 estimate of $3,223,700.