



FY25 Budget Town Hall

District #6

County Executive Steuart Pittman
Councilmember Lisa Rodvien

January 17, 2024





“Over the past five years we made some tough fiscal decisions that allowed us to accelerate our investments in education, public safety, housing, recreation, land conservation, and health. We did all of that while demonstrating the fiscal discipline that earned us three Triple A bond ratings for the first time in county history. In this year's budget we must and we will continue that progress as federal and state support declines.”

County Executive Steuart Pittman
Budget Message

Budget Timeline

Budget Preparation

Capital Budget and Expense Program

Current Expense Budget

Affordability Recommendation

Review and Recommendation

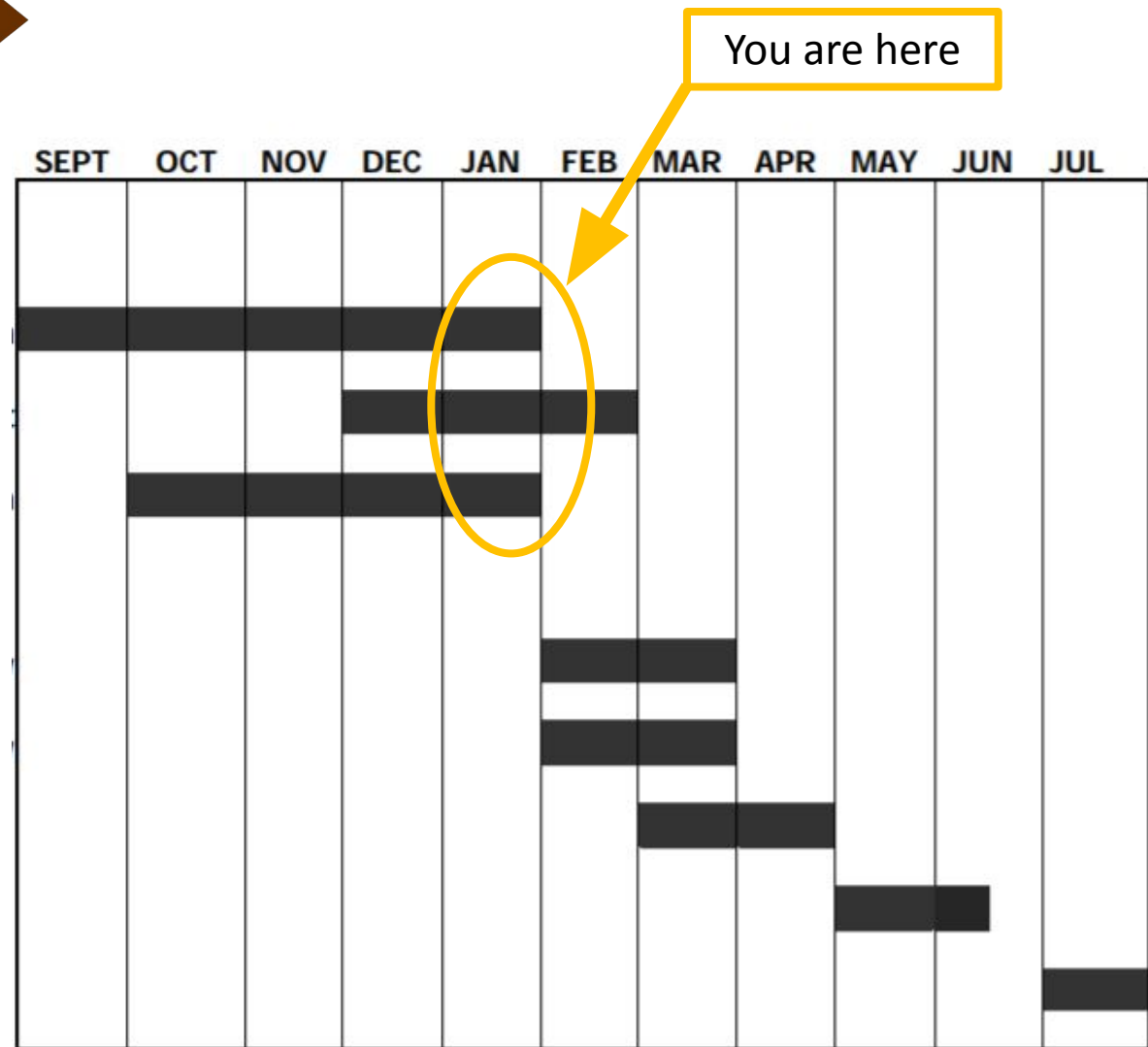
Planning Advisory Board

Administrative Review

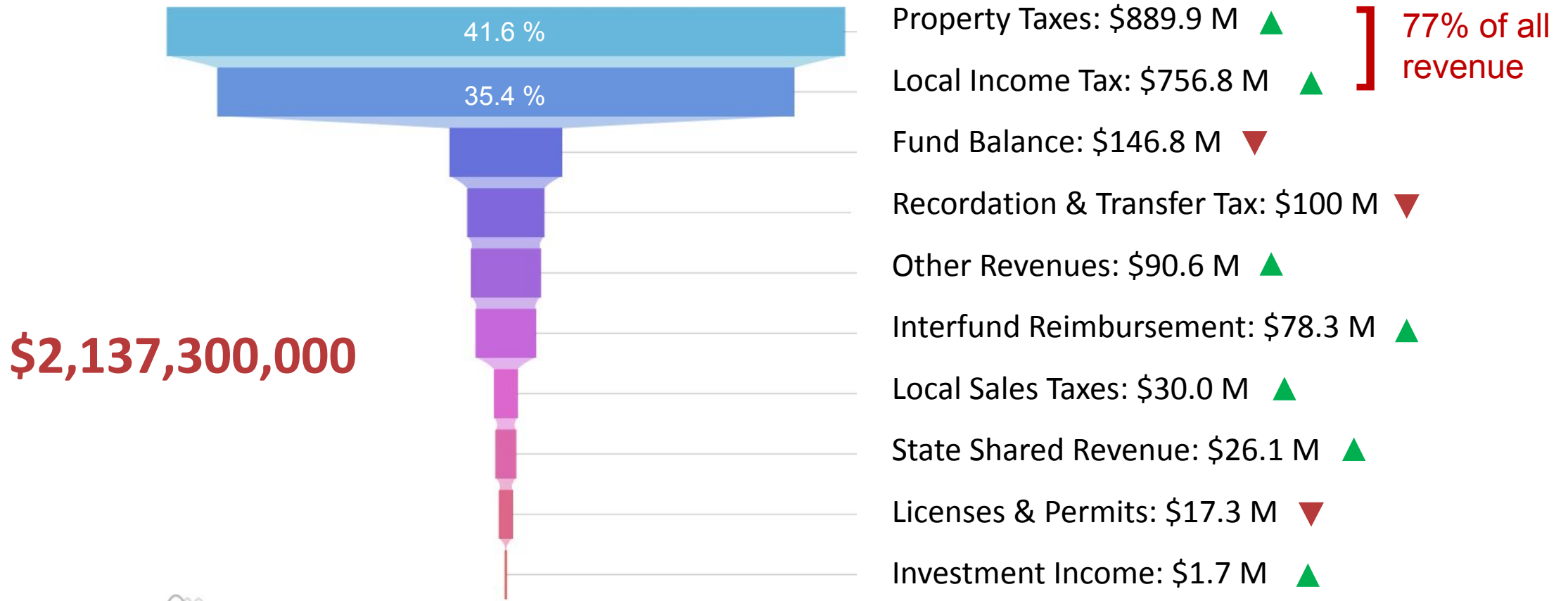
Executive Review & Proposal

Legislative Review & Approval

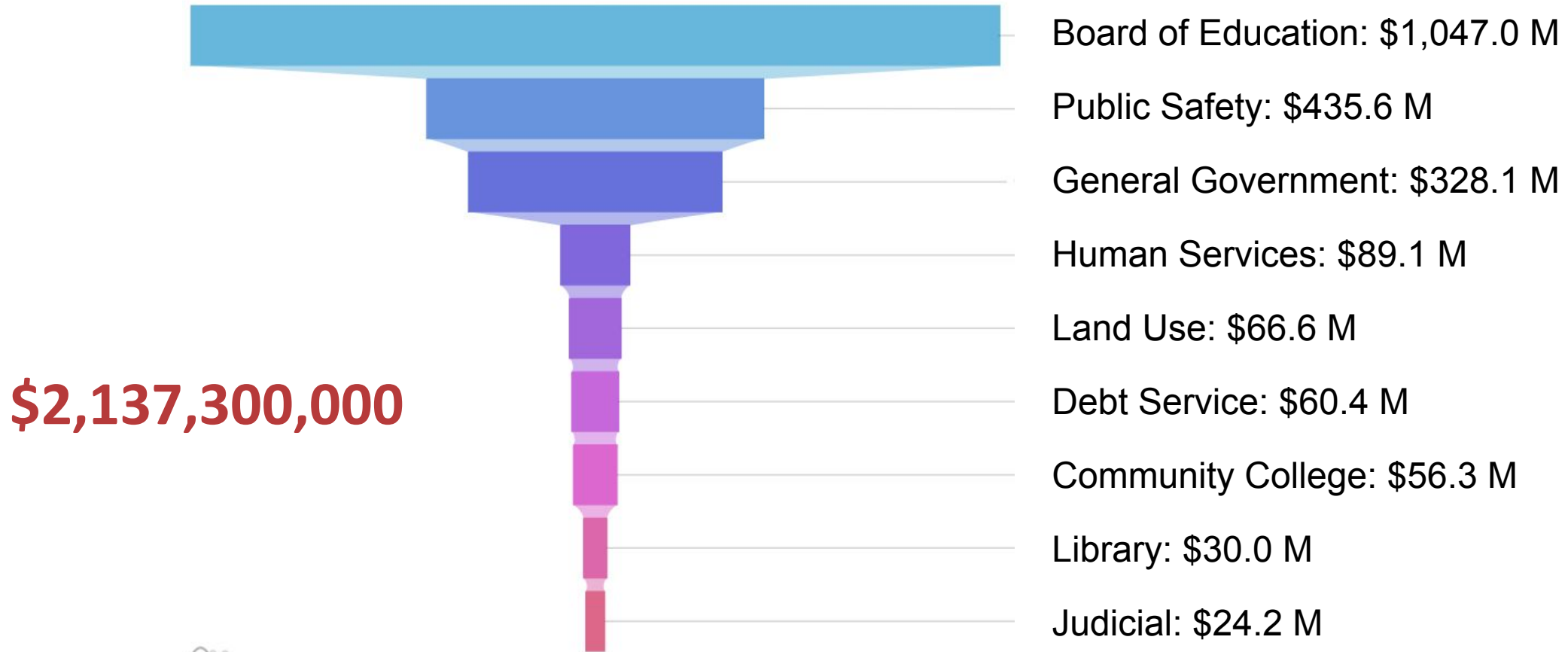
Fiscal Year Begins



FY24 General Fund Revenue



FY24 General Fund Expenditures



FY24 Board of Education County Funding (millions)

Direct County Funding

\$881.5

Other County Funding

\$78.7

Debt Service

\$17.3

School Health

\$9.2

School Safety (Police)

\$19.2

Retiree Healthcare (OPEB)

\$1,006

Total

Amount:
50.5%
of the
County
Budget
(Recurring Revenue)

FY 24 Budget Highlights

Fiscal Responsibility



Kept income tax rate the same (or lower) for 98% of filers.

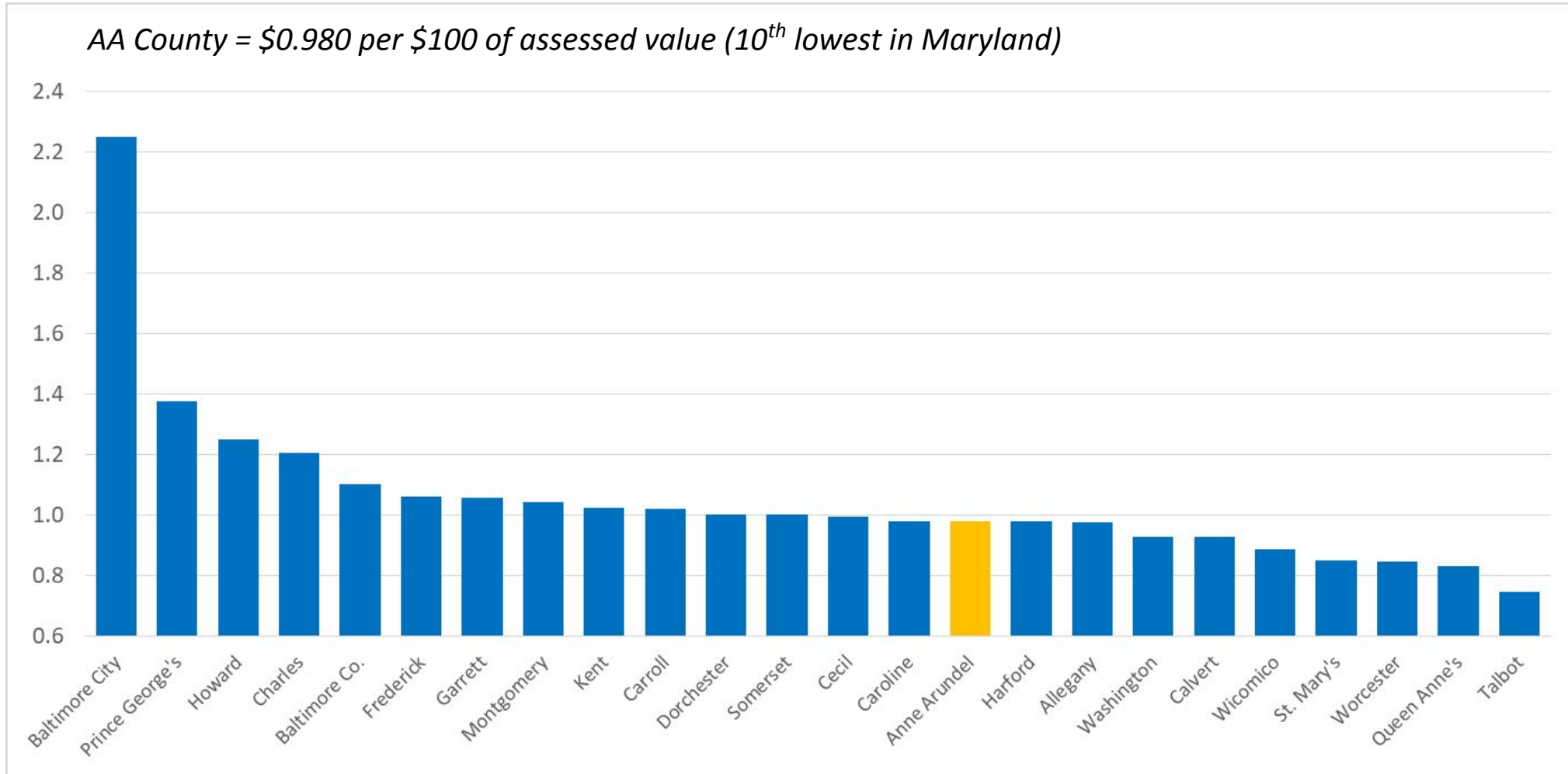
Increased starting teacher salaries by \$8,000, dramatically reducing vacancies

Maxed out “Rainy Day Fund” at **\$159.7 million**

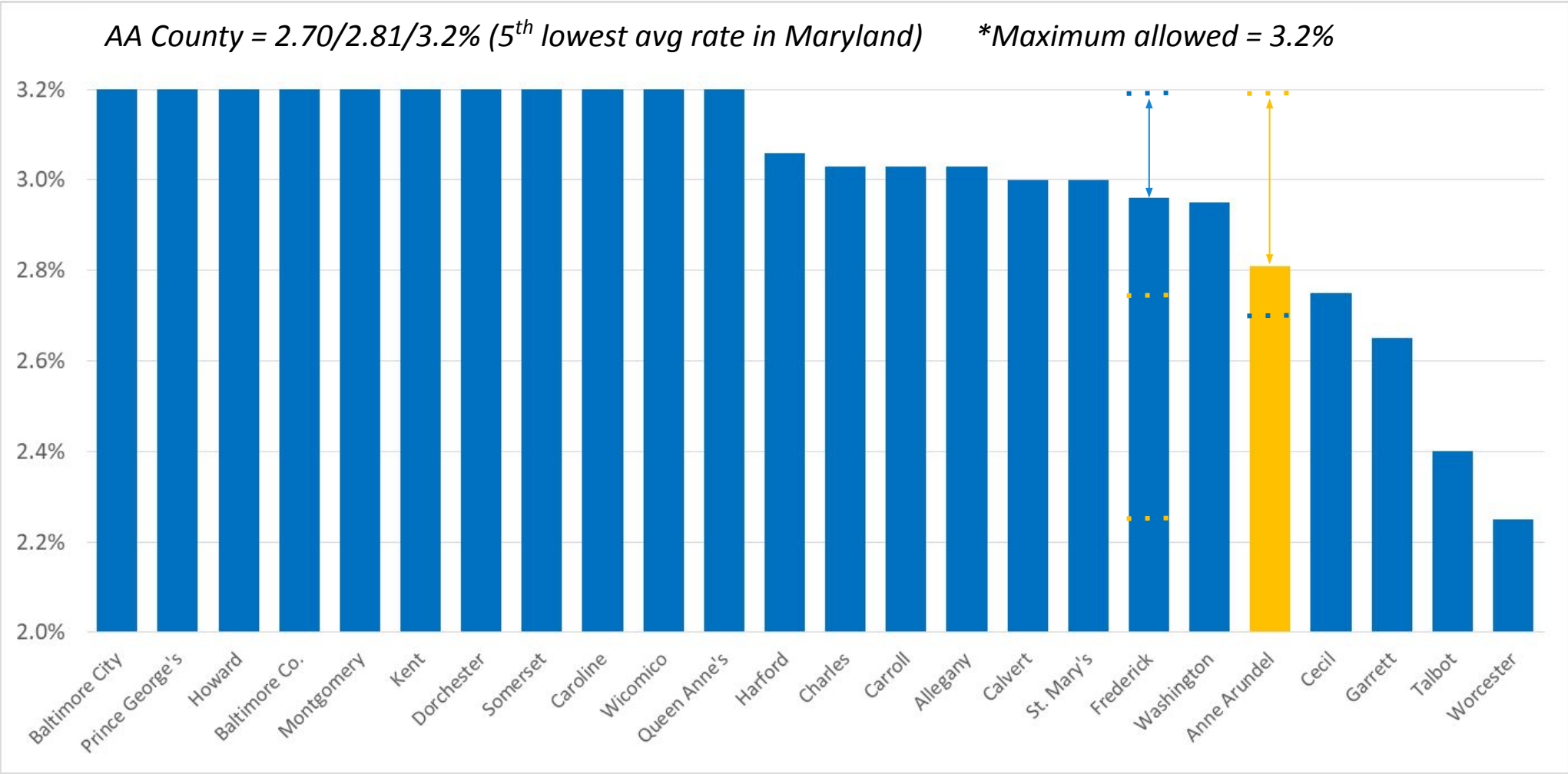
Established revenue stream for **Affordable Housing Trust Fund.**

Achieved **AAA grade** from all three bond rating agencies, for the first time in county history.

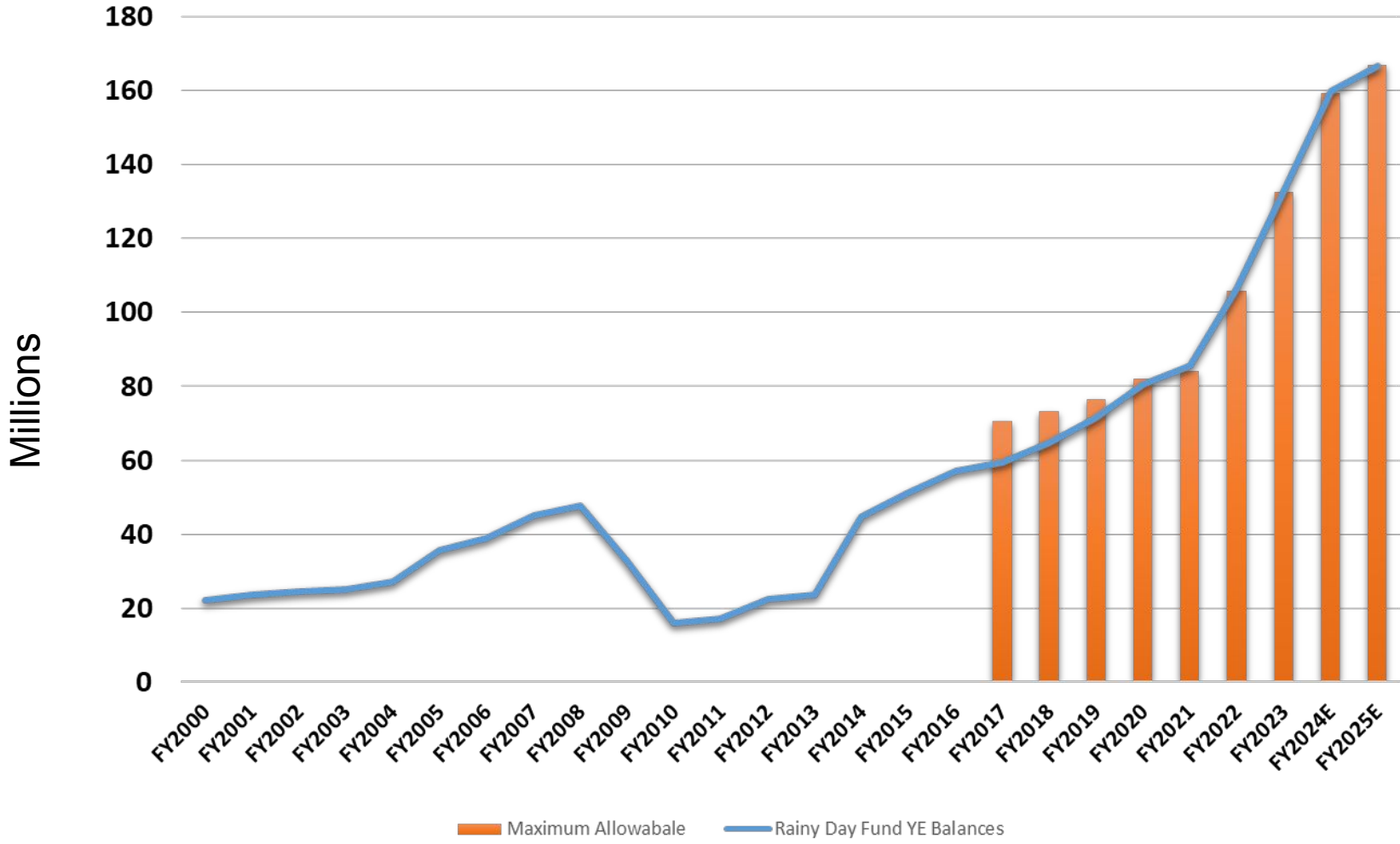
Property Tax Comparison



Income Tax Comparison

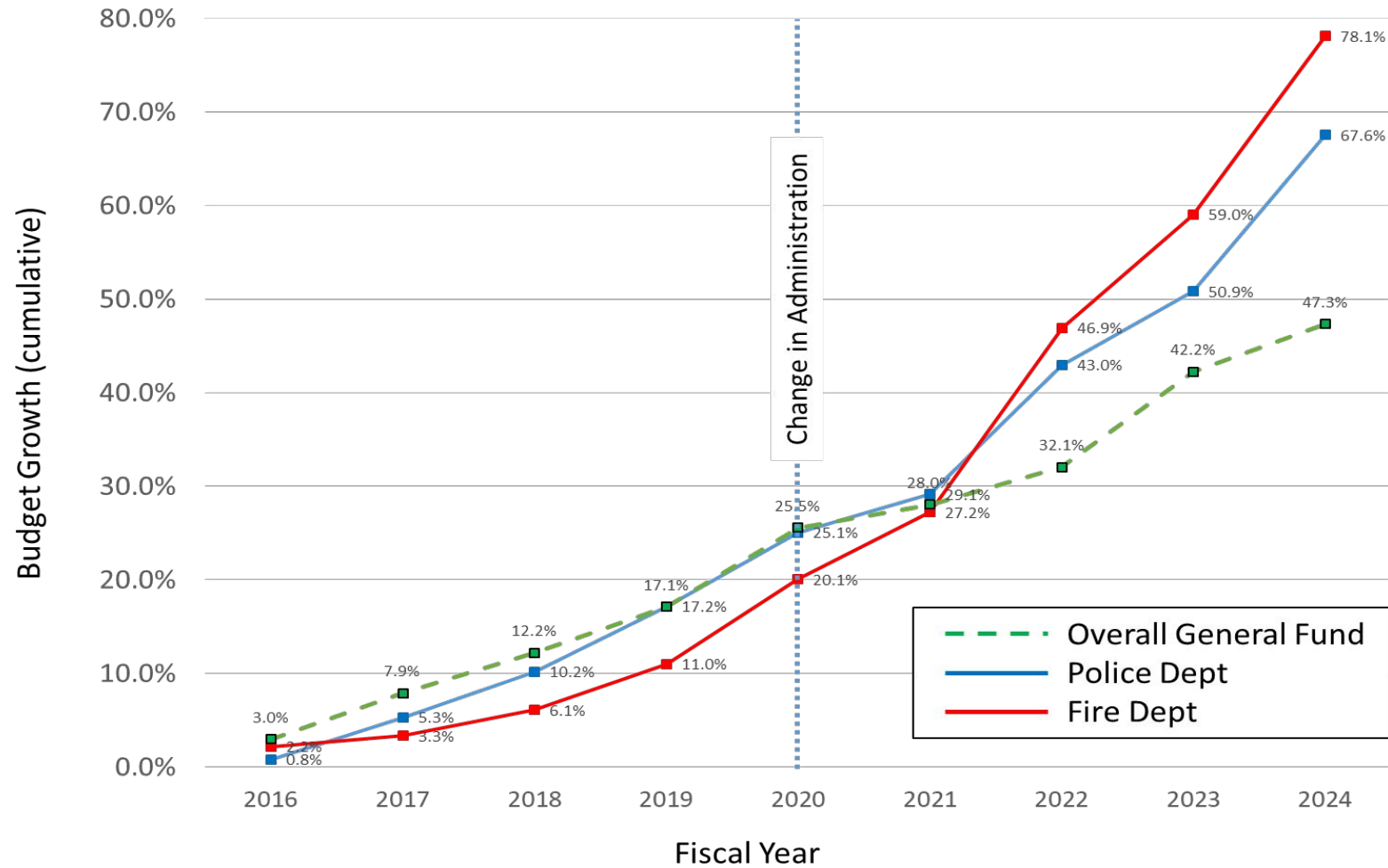


Rainy Day Fund History



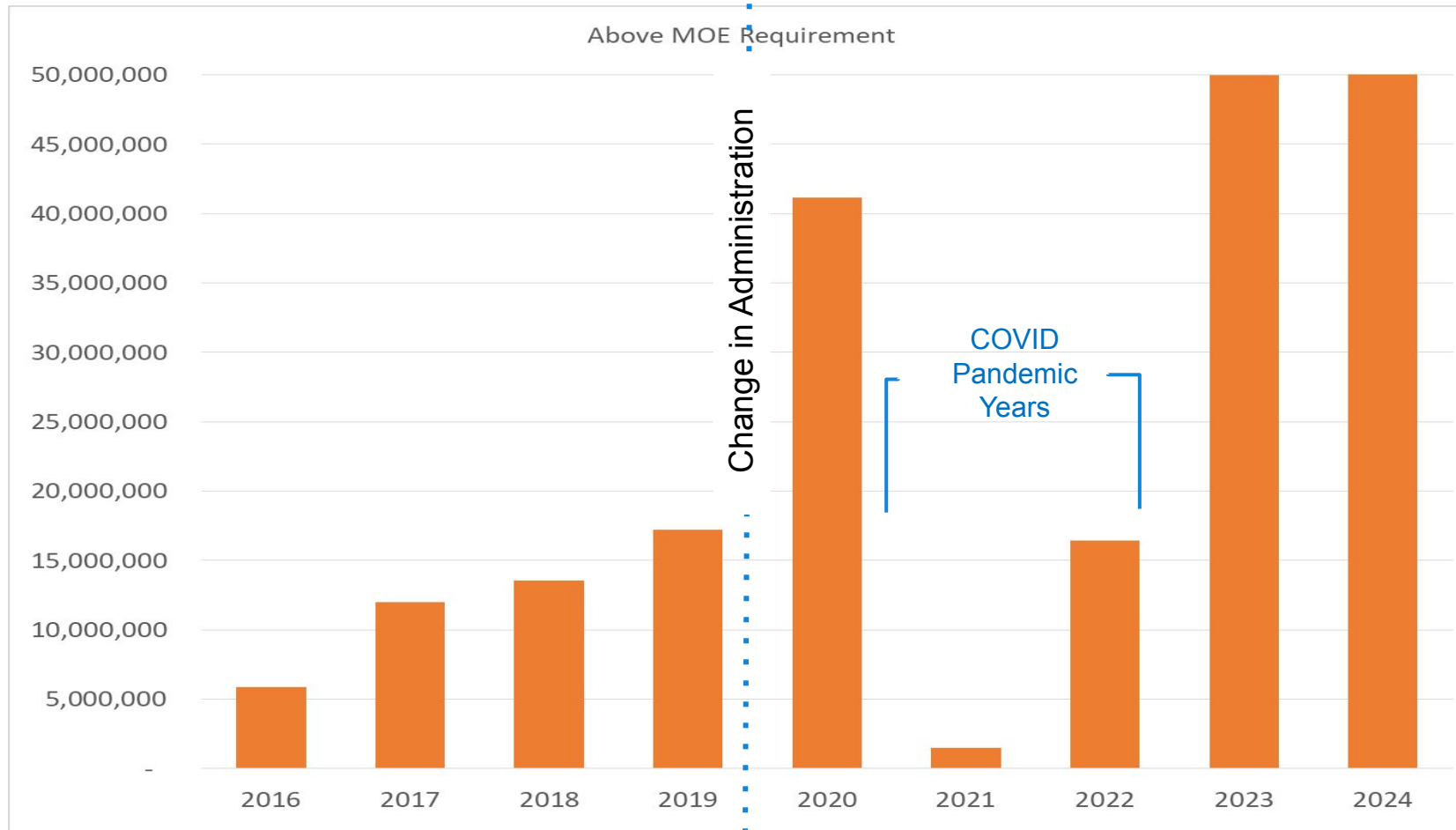
Investments

Police and Fire Funding Compared to overall General Fund



Investments

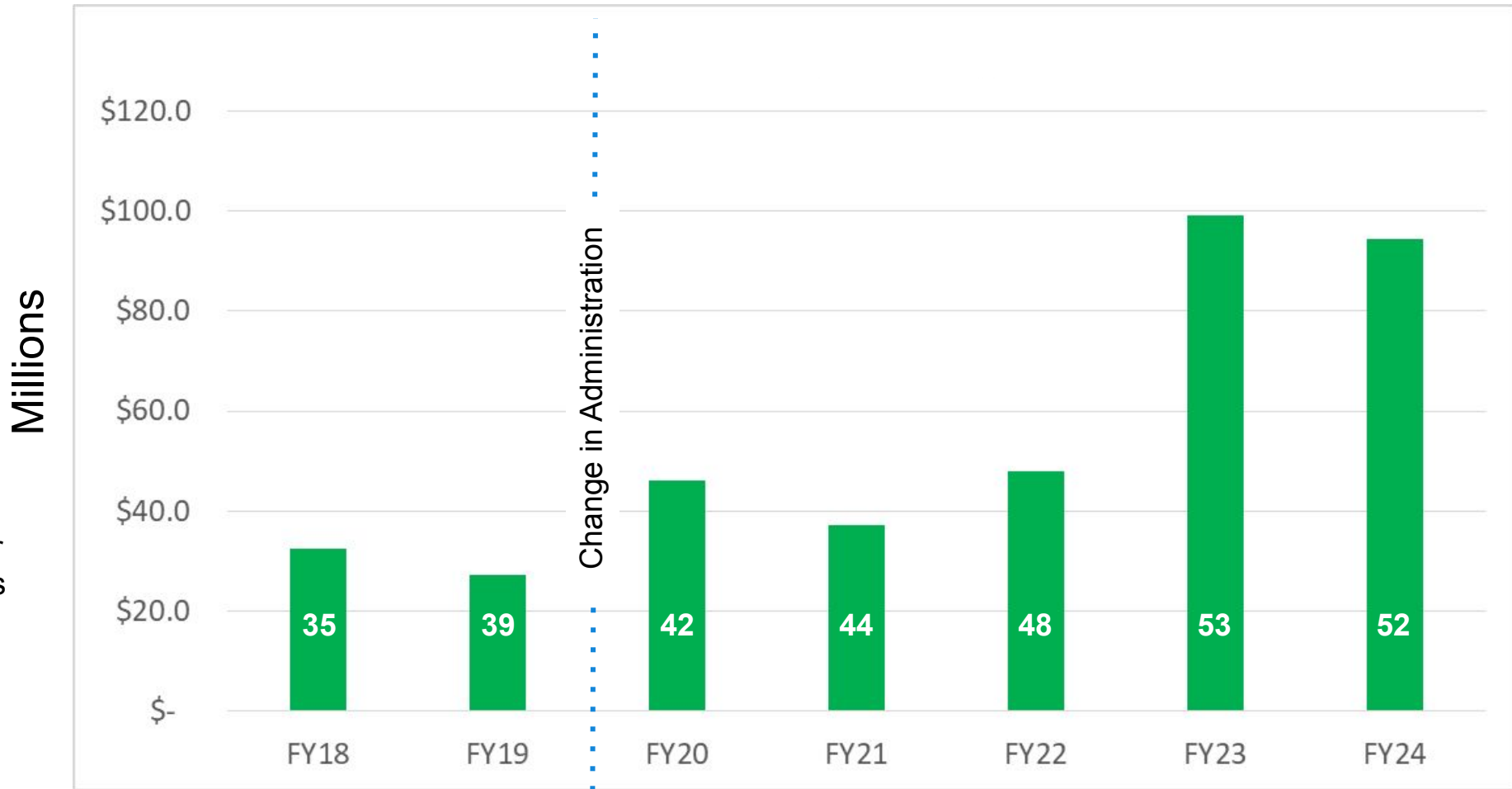
Public Education Funding *Amount above minimum requirements*



Investments

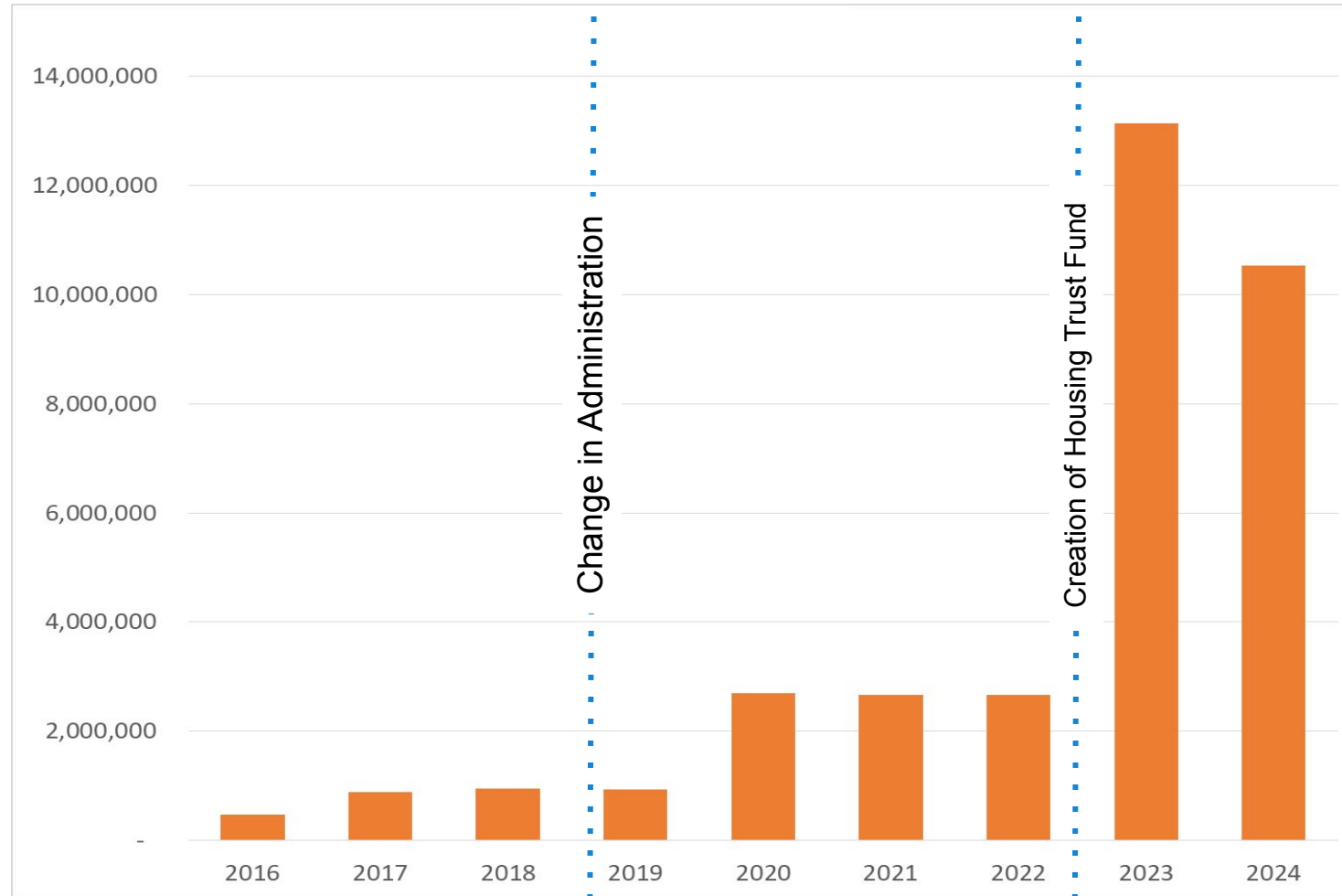
Capital Funding for Rec & Parks *Annual Appropriation*

35 Denotes number of active projects



Investments

Funding for Affordable Housing *via Arundel Community Development Services, Inc.*



Local Projects

(District #6)

Transportation

- Parole Transportation Center
- USNA Bridge Bike Connector
- Jennifer Rd Shared Use Path

Water/Wastewater

- Annapolis WRF Improvements

Watershed Improvement Projects

- South River Outfall Improvements
- Susan's Branch Restoration (South River)

Education

- Bates Middle School Roof and HVAC
- Annapolis Middle School Roof Replacement

Recreation & Parks

- South Shore Park
- South Shore Trail
- Crownsville Hosp Memorial Park
- Quiet Waters Park Repairs
- Eisenhower Clubhouse

Public Safety

- Joint 911 Center

General County

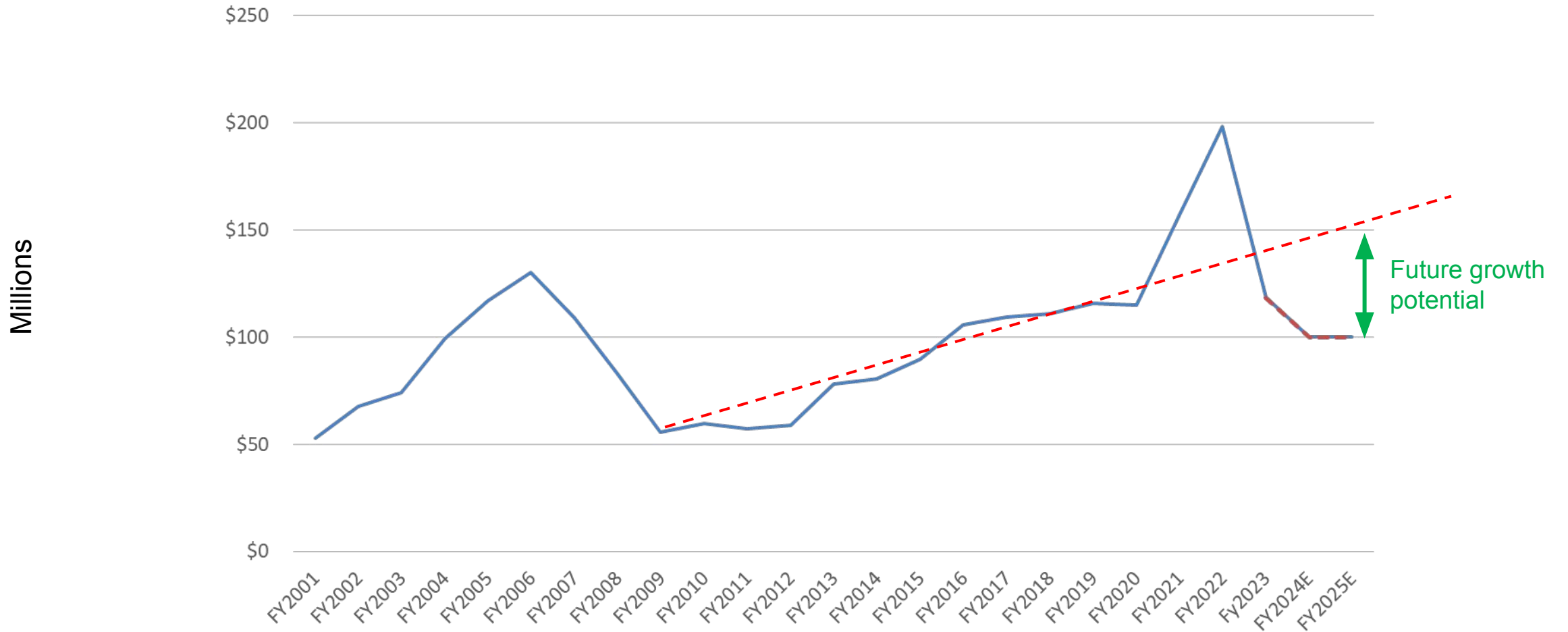
- Circuit Courthouse Renovations

FY 25 Fiscal Expectations

Revenues

- ▶ FY23/24 revenue receipts
 - Property tax revenue strong; Income tax growth slowing but may still exceed projections
 - Recordation & Transfer continues to be depressed (as expected)
- ▶ FY25 revenue projections
 - Reduced incremental revenue due to gap in R&T, but upside for growth
 - Income tax vulnerable to govt shutdown or economic downturn
- ▶ Fund balance
 - Good fiscal management of previous years should yield healthy fund balance; will help to keep Capital Budget on track

Recordation and Transfer Tax



FY25 Fiscal Expectations

Expenditures

- ▶ **Non-Discretionary** increases
 - Debt service increase
 - Benefits (health insurance/pension contribution)
 - FY25 negotiated employee pay
- ▶ **Operational** increases to consider
 - FY24 non-represented pay package
 - Transition from federal Recovery Funds to county General Fund
 - Incremental funding for Community College / Libraries
 - Departmental Supplemental budget requests
 - **Board of Education Funding**

FY25 Budget Outlook

Incremental Recurring Revenue FY25 Estimate: \$80-90 million*

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

- ▶ Initial estimates for FY24 Incremental Recurring Revenue are approximately **\$80 - 90 million** (estimate subject to change)
- ▶ Non-Discretionary Costs are estimated at approximately **\$25 million**
- ▶ This leaves only **~\$60 million** for pay packages and “Discretionary” spending... including the Board of Education

FY2025 Built-in Increases (Decreases)	
<i>Non- Discretionary</i>	
Debt Service	
Pension Contribution (include 401a) - Bolton	
Incremental Cost of FY2024 Pay Package and Health Ins	
Health Insurance	
Self Insurance Fund	
OPEB Funding Plan - Component Units	
OPEB County (Change in Both PayGo and Trust)	
FND -SDAT - Mandated Grant	
LDC Reduction - Fire	
Vehicle Rate Adjustment	
Non- Discretionary Subtotal (Preliminary Estimate)	25,000,000
<i>Pay Packages</i>	
Pay Package - Bargaining Units	
Pay Package - Non-represented	
Pay Package - Contractual and Temp	
Pay Packages Subtotal	???
<i>County Adjustments/Supplementals</i>	
Library (Incremental - including pay package)	
BOE Incremental	
Community College Incremental	
Departmental Base Increases	
Supplemental Requests	
County Adjustments/Supplementals Subtotal	???
Total Increases	

**Preliminary estimate – subject to change!*

FY24 pay package: Approx \$27M (5% COLA)

Superintendent's FY25 request = \$80.4M

FY 25 Budget Considerations

Anticipated Pressures on the FY25 Budget

- ▶ Continued higher than normal inflation
- ▶ Recurring incremental revenue is shrinking as recordation and transfer tax revenue remains depressed due to high interest rates
- ▶ State education funding mandates (Blueprint/Kirwan) are increasing; State education funding decreasing relative to last year
- ▶ Incremental debt service, health insurance, pension and OPEB costs
- ▶ Departmental base budget increases to fund expanded services and transition from federal recovery funds



COVID-19 Resources & Response

Access resources compiled by the county and its partners and view information about the county's response.

Explore

Budget Information

Explore our current budget and provide input into the FY21 budget process by building your own county budget.

Explore

OpenPerformance

See how county government works for you by viewing the department performance measurements and the impact on our communities.

Explore

Demographics

Explore our county's population and the makeup of our communities.

Maps & GIS Apps

Analyze county services and data with our interactive mapping applications.

OpenData

Explore, view, and download county data.



Budget Data and Development Explorer (BuDDE)

Anne Arundel County's General Fund Fiscal Year 2023 Budget

Operating Expenditures FY2023

**Expense Budget Total:
\$2,157,450,500**



Operating Revenue FY2023

**Revenue Budget Total:
\$2,157,450,500**

[Click to View Full Budget on Anne Arundel County Website](#)



The Fiscal Year 2025 Budget

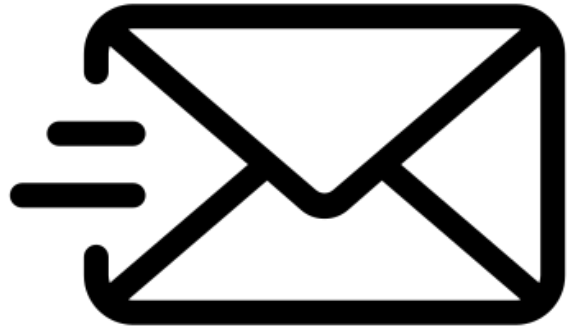


WE NEED YOUR INPUT!

As County Executive Pittman builds his FY25 budget proposal, he wants to hear from you! After hosting 8 budget town halls across the county and meeting with each county agency, the County Executive will introduce his proposed budget on May 1st, in accordance with the county charter. The County Council then has 45 days to deliberate and pass a final, balanced budget.

"The testimony we hear from residents at these meetings makes a real impact. I encourage you to use this opportunity to share your priorities with us and help shape the county budget."

-- Stuart Pittman



We Want YOUR

Feedback!

Email

budget-comments@aacounty.org