



# FY25 Budget Town Hall

District #5

County Executive Steuart Pittman  
Councilmember Amanda Fiedler

January 25, 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

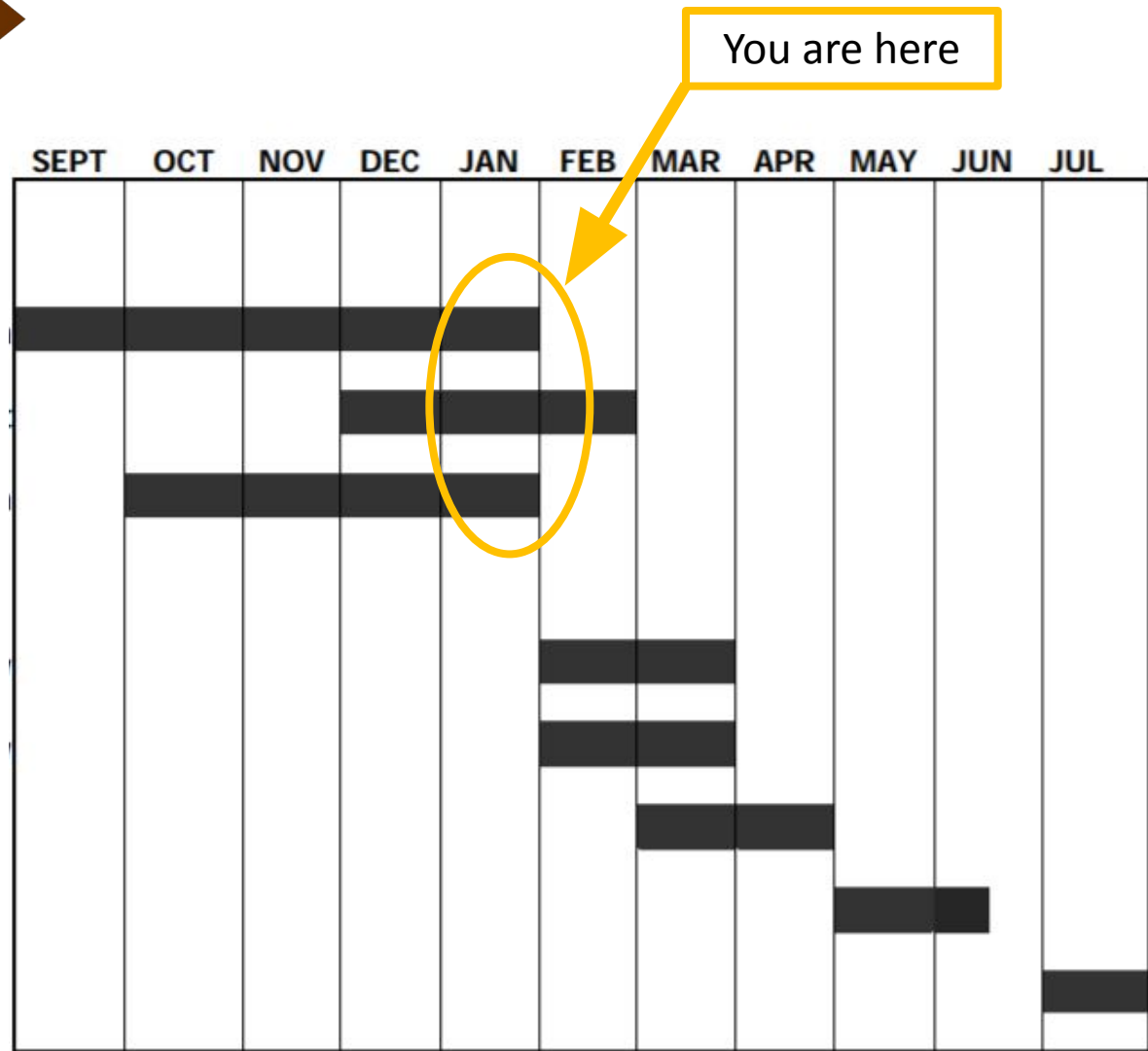
Planning Advisory Board

Administrative Review

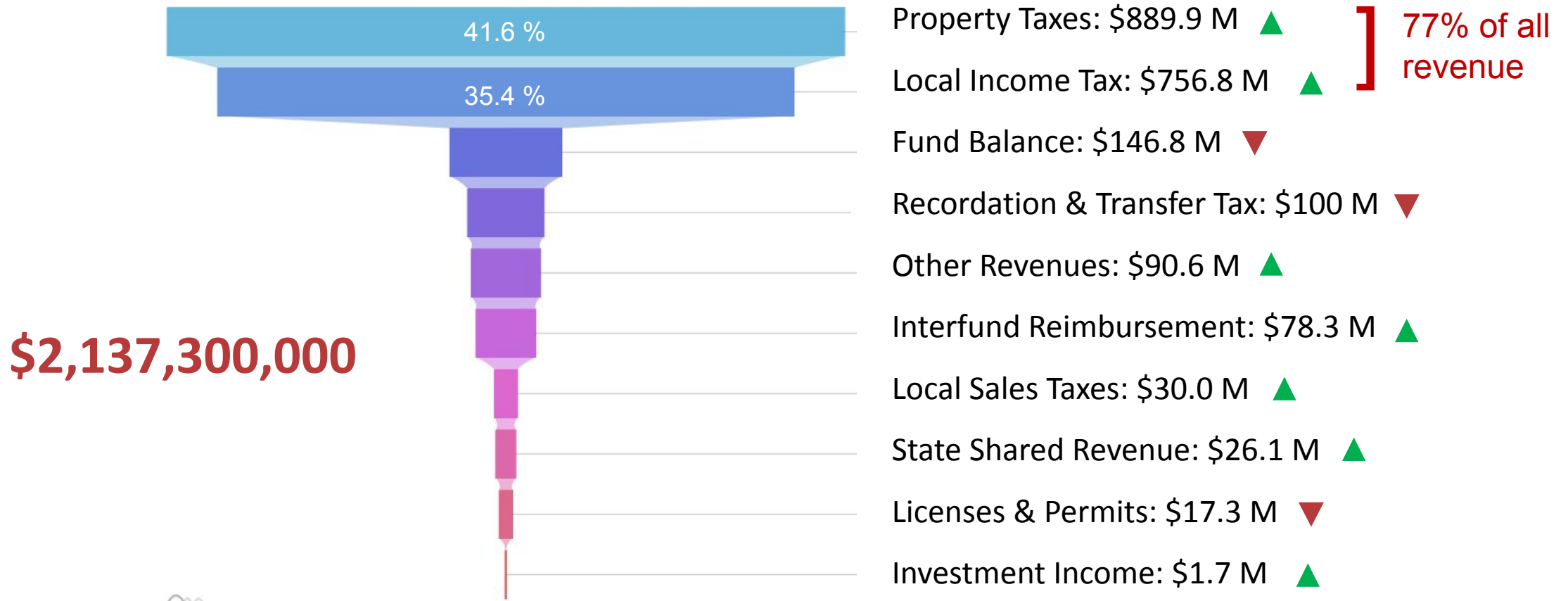
## Executive Review & Proposal

## Legislative Review & Approval

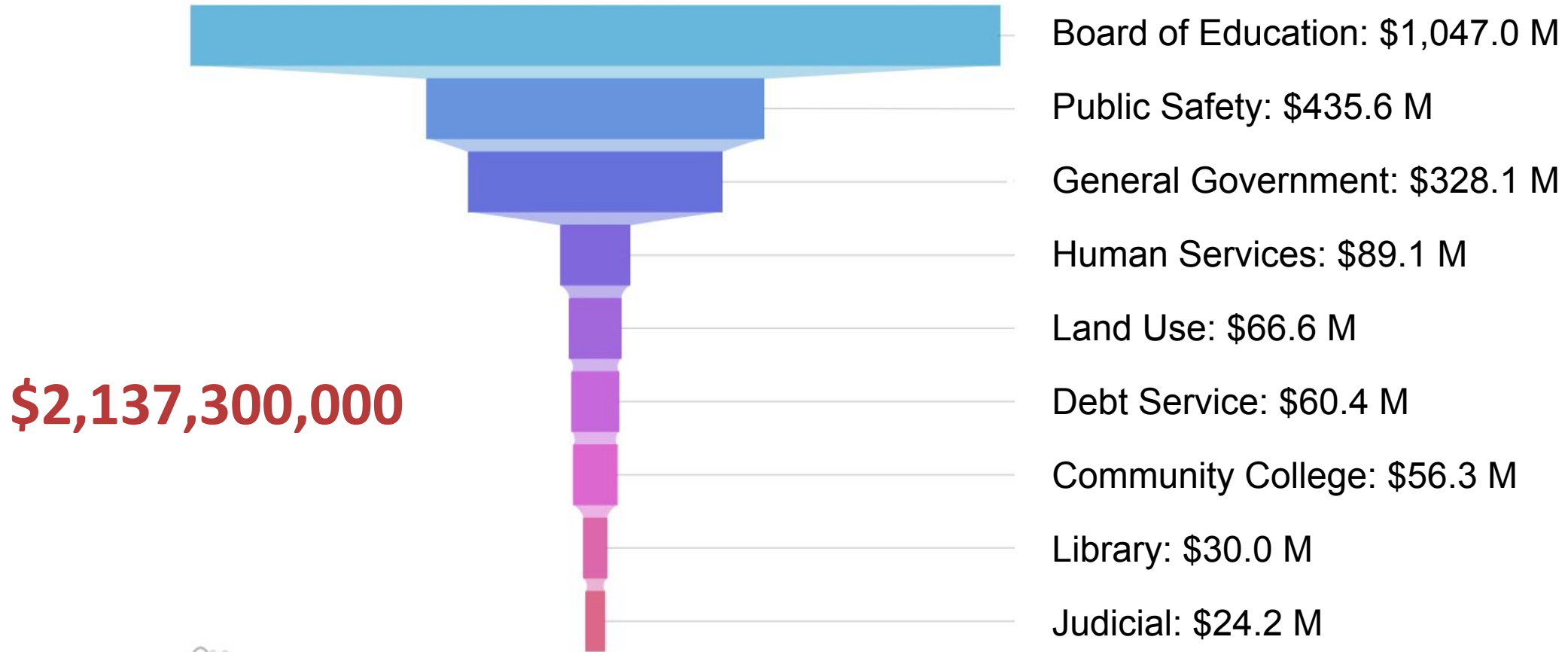
## Fiscal Year Begins



# 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.

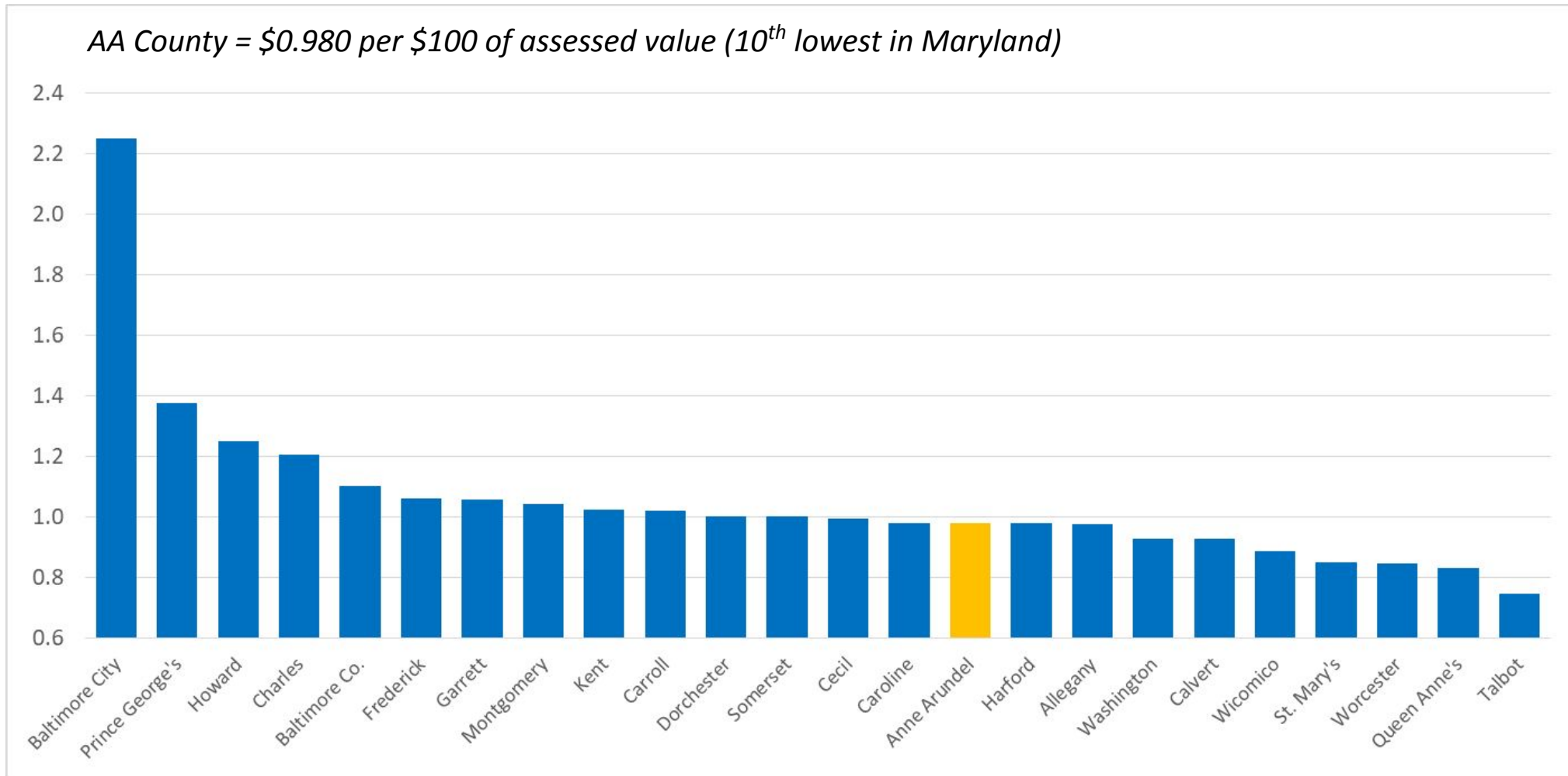
**Increased starting teacher salaries** by \$8,000, dramatically reducing vacancies

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

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

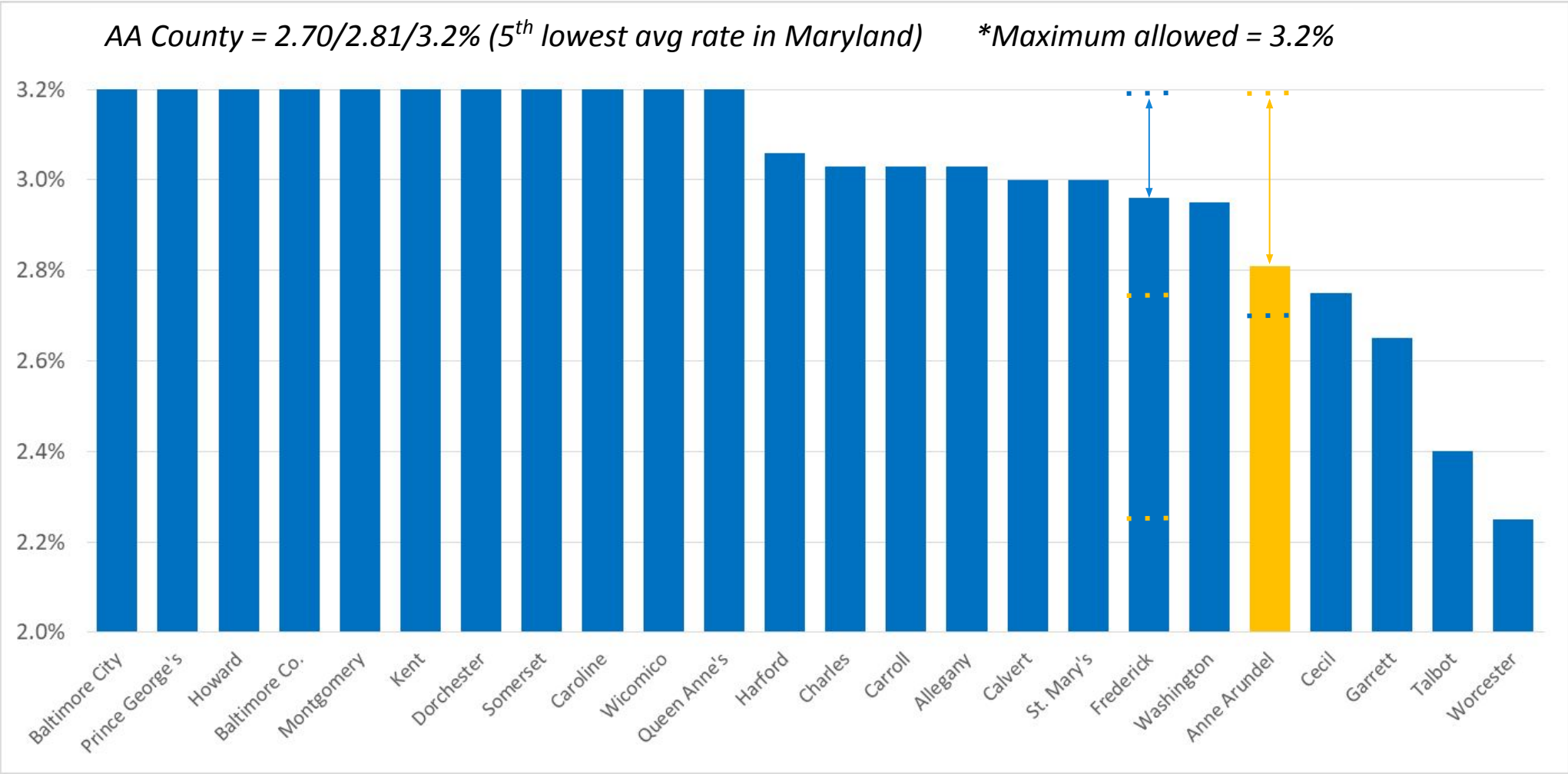
Achieved **AAA grade** from all three bond rating agencies, for the first time in county history.

# Property Tax Comparison

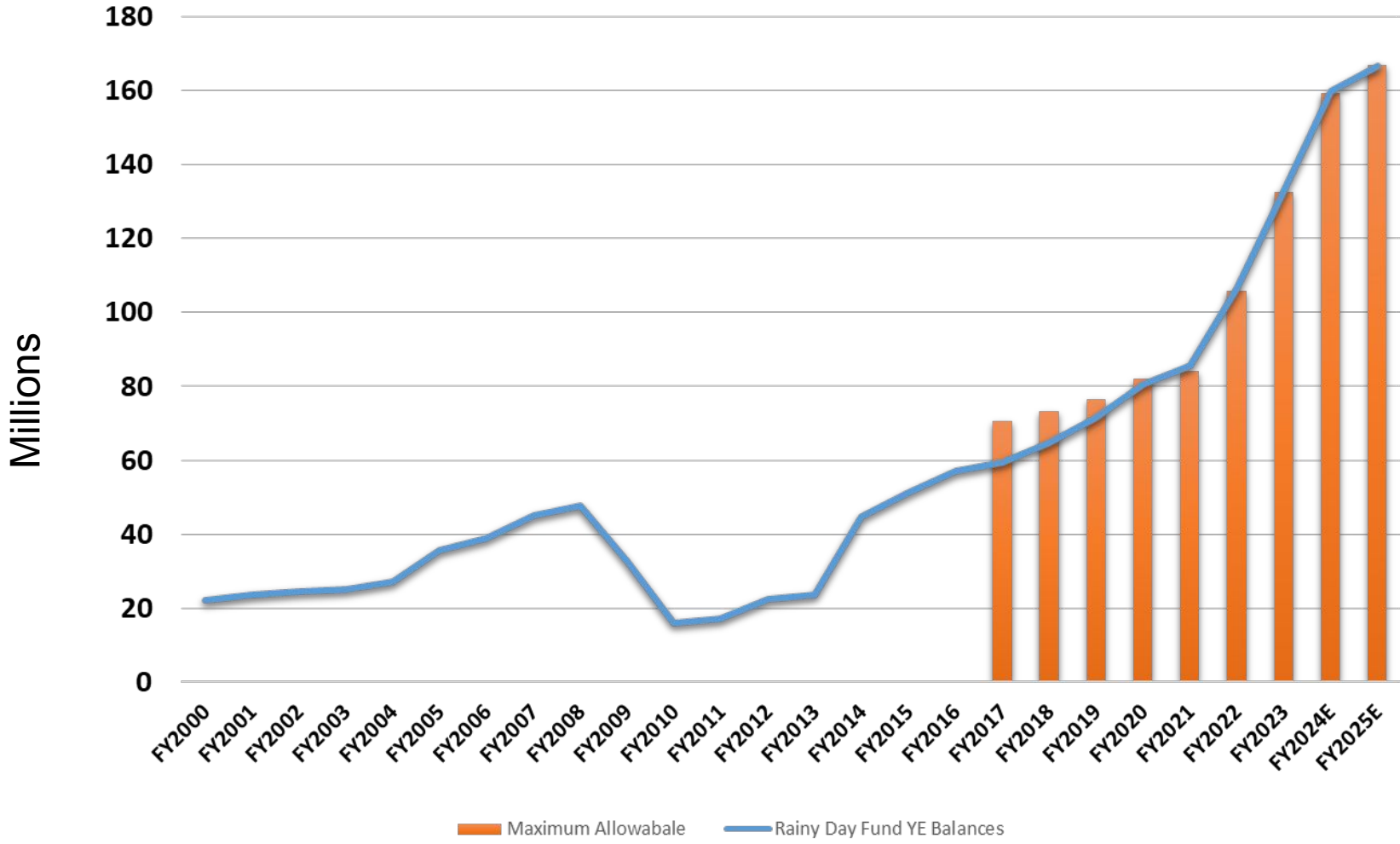




# Income Tax Comparison

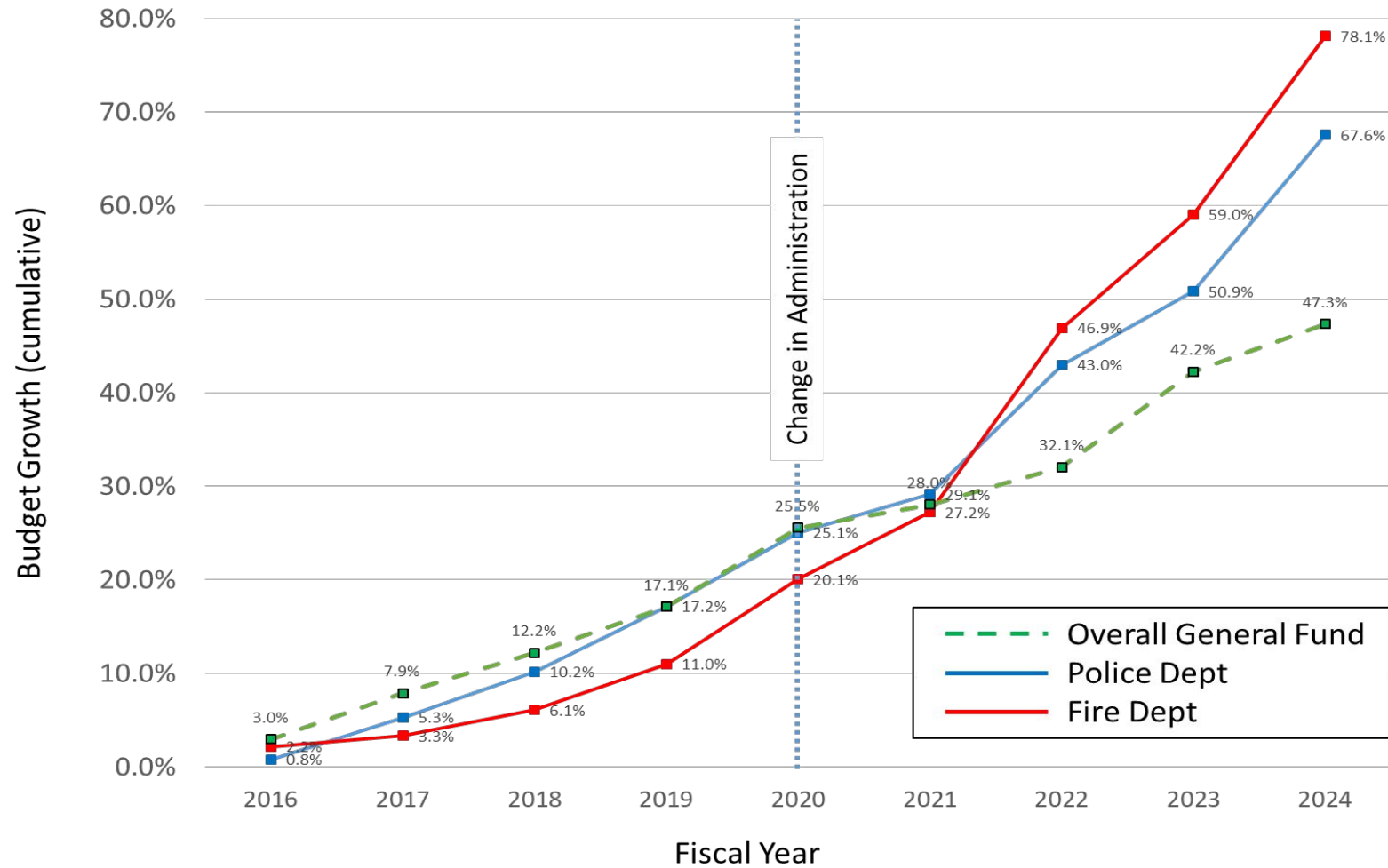


# Rainy Day Fund History



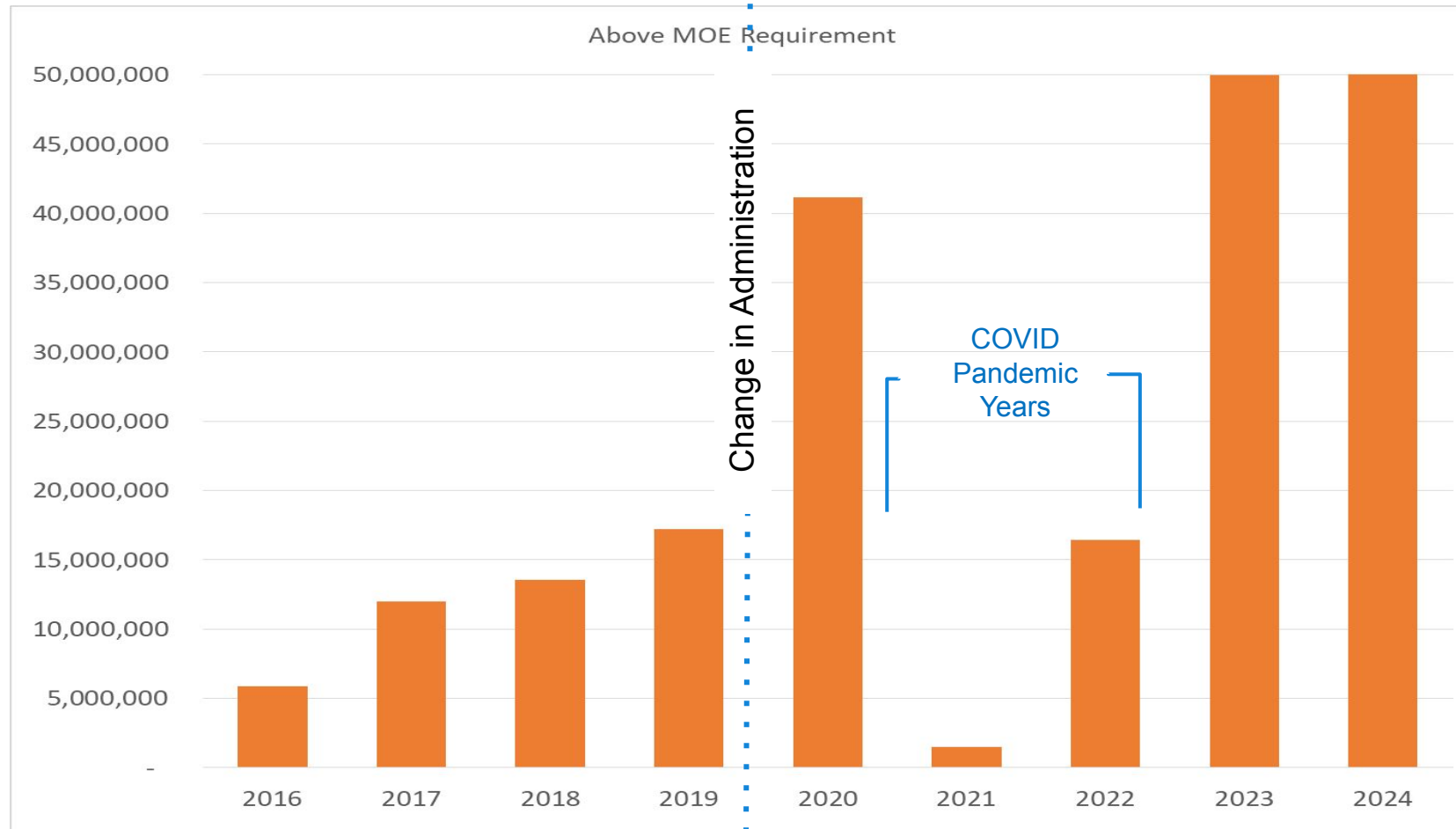
# Investments

## Police and Fire Funding Compared to overall General Fund



# Investments

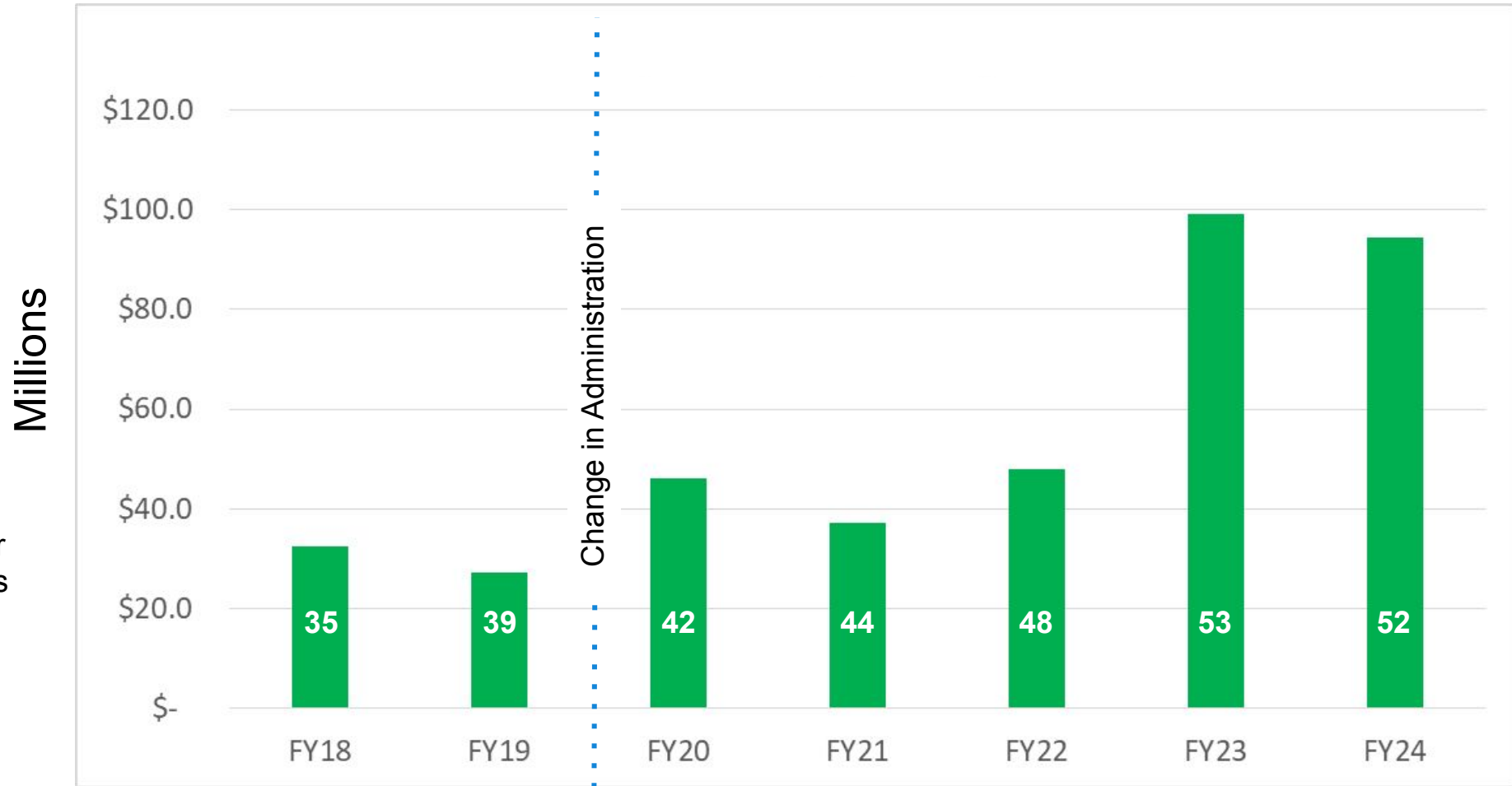
## Public Education Funding *Amount above minimum requirements*



# Investments

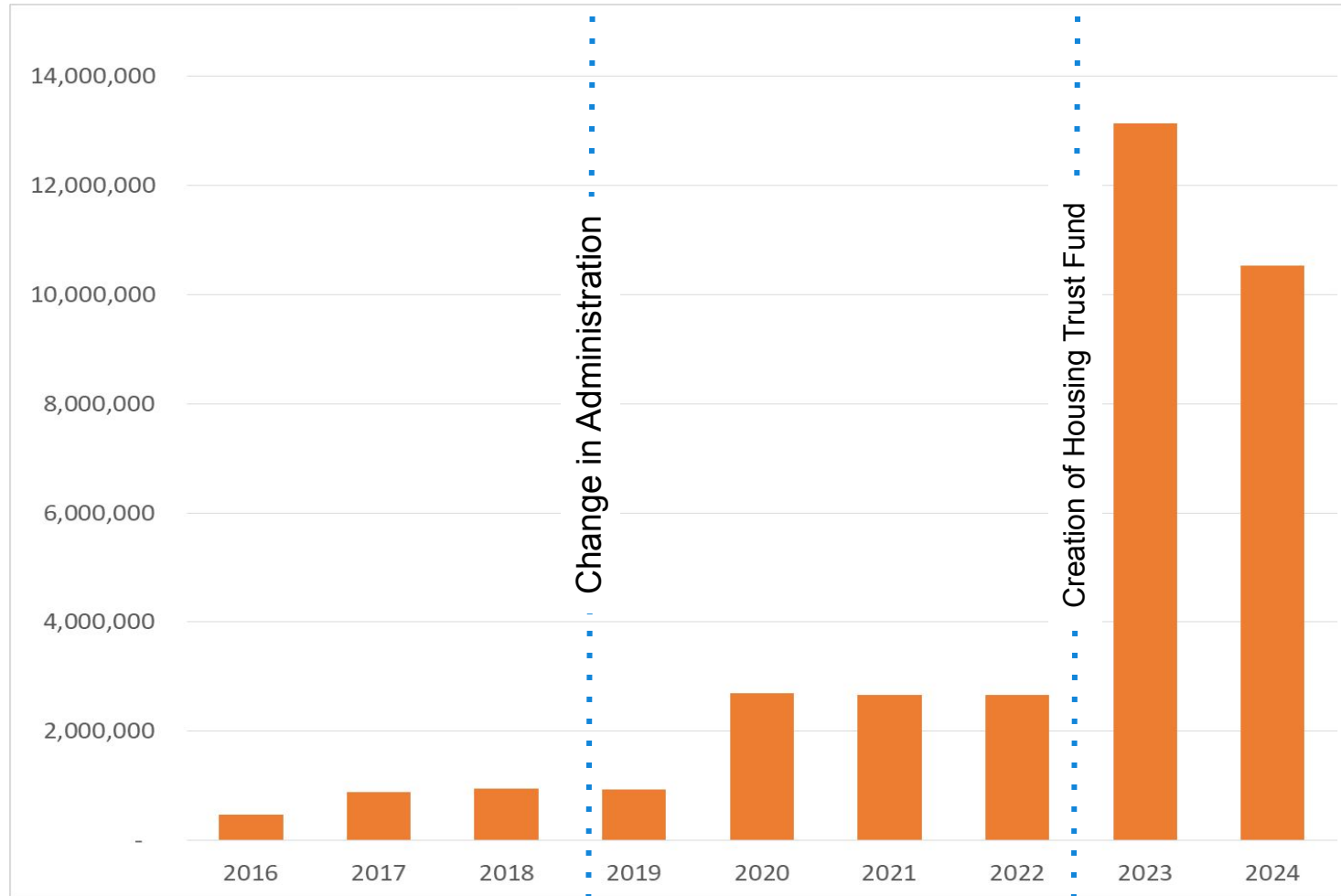
## Capital Funding for Rec & Parks *Annual Appropriation*

**35** Denotes number of active projects



# Investments

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



# Local Projects

## (District #5)

### Transportation

- Pleasant Plains Rd Safety Improvements
- Route 2 Improvements
- Jumpers Hole Rd Improvements
- New Transportation Operations Facility
- New Traffic Maintenance Facility

### Water/Wastewater

- Cattail Creek Force Main Replacement

### Watershed Improvement Projects

- Shipley's Choice Stream Restoration
- Cattail Creek Wetland Restoration
- Mill Creek Stream Restoration

### Education

- AACCC Florestano Building Renovation
- AACCC Walkways, Roads, and Parking Lot Improvements

### Recreation & Parks

- South Shore Trail
- Broadneck Peninsula Trail
- Browns Woods Basketball Courts

### Public Safety

- Cape St. Claire Fire Station
- Police Special Ops
- Evidence and Forensics Unit

### General County

- Arnold Senior Center Renovations

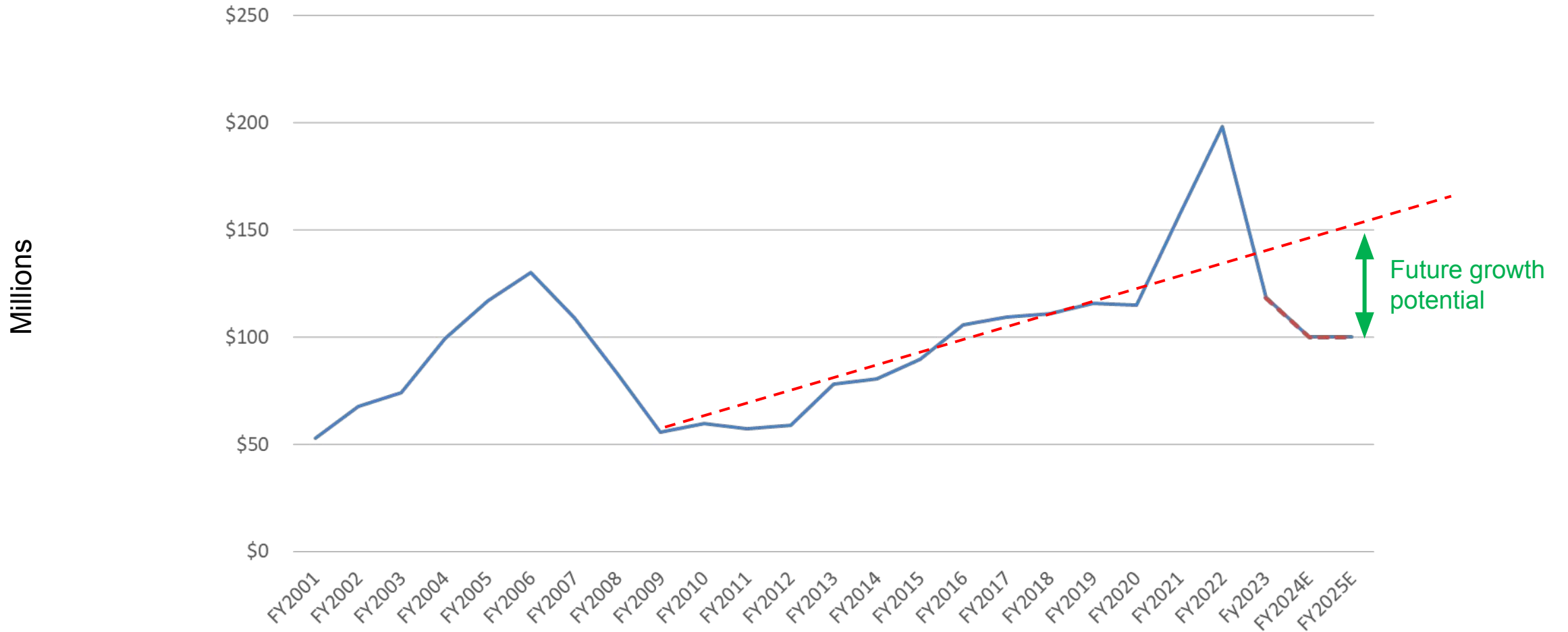
# FY 25 Fiscal Expectations

## 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

| <b>FY2025 Built-in Increases (Decreases)</b>              |                   |
|---|-------------------|
| <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                                   |                   |
| <b>Non- Discretionary Subtotal (Preliminary Estimate)</b> | <b>25,000,000</b> |
| <i>Pay Packages</i>                                       |                   |
| Pay Package - Bargaining Units                            |                   |
| Pay Package - Non-represented                             |                   |
| Pay Package - Contractual and Temp                        |                   |
| <b>Pay Packages Subtotal</b>                              | <b>???</b>        |
| <i>County Adjustments/Supplementals</i>                   |                   |
| Library (Incremental - including pay package)             |                   |
| BOE Incremental   |                   |
| Community College Incremental                             |                   |
| Departmental Base Increases                               |                   |
| Supplemental Requests                                     |                   |
| <b>County Adjustments/Supplementals Subtotal</b>          | <b>???</b>        |
| <b>Total Increases</b>                                    |                   |

*\*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

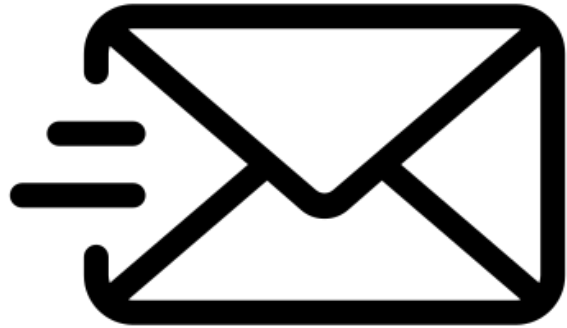


### **WE NEED YOUR INPUT!**

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](mailto:budget-comments@aacounty.org)**