

Overview of the FY27 Budget and FY27-32 Operating Plan

March 5, 2026

Core Messages

- A number of changes have led to a better bottom line in the Op Plan.
- Even though the picture is better, we remain overcommitted.
- Blueprint remains a concern.

Board Goals

- The Recommended Budget and Op Plan will be built on the existing Adopted Plan and Board direction.
- Even now, additional Board direction will help us to prepare for the Recommended Budget.

Goals For Today

- We are here to set the stage for your budget discussions and decisions to come.
- We won't be looking for any decisions today, but...
- This is a good time to discuss ideas about the process and budgets.

State Budget

FY27

FY27 State Budget

- As always, there is uncertainty.
- The State's plan is not balanced.
- We should know more by the Proposed Sessions, but important decisions could be made by the State after your deliberations start.

What Does it Mean at Home?

State Budget Impact in Carroll County

Impact In Carroll County

- Aid to Local Government
 - CCPS – \$8.9M or 4.6%
 - CCC – \$0.4M or 3.0%
 - CCPL – \$2,000 or 0.2%
 - Health Department – (\$0.2M) or (4.7%)

Impact In Carroll County

- Towns
 - HUR
 - \$4.0M, flat funded
 - POS
 - \$0.3M or a 49% increase

Impact In Carroll County

- Commissioners
 - HUR – \$4.2M, or a 2% decrease
 - Police Aid – \$1.4M, or a 16% increase
 - POS – \$1.3M, or a 49% increase

Where Are We?

FY26 Projected Year-End

FY26 YE Revenue Projection

FY26 Budget	\$580.7M
FY26 Projection	624.9M
Change	\$44.2M

FY26 Year-End Projection

Revenues	\$44.2M
Reserve for Contingency	4.5M
Unexpended	2.1M
Year-End Balance	\$50.8M
Unassigned Fund Balance 6/30/25	\$36.7M
Operational Stability/Stabilization	(3.1M)
Planned Carryover to FY28	(5.4M)
Total Projected Unassigned Fund Balance 6/30/26	\$79.0M

FY27-32 Revenue Projections

The Top Revenues

	FY26 Budget	FY26 Forecast	FY27 Forecast
Total Real Property	\$257.7M	\$260.7M	\$275.4M
Income Tax	211.8	241.7	230.2
Recordation	19.0	21.5	21.0
Investment Income	10.8	14.8	12.3
Railroad & Utilities	11.0	12.0	11.5
Business Property	8.1	8.1	8.3
911 Service Fee	4.0	4.0	4.0
Total	\$530.6M	\$562.8M	\$562.7M

Revenue Changes From Adopted Plan

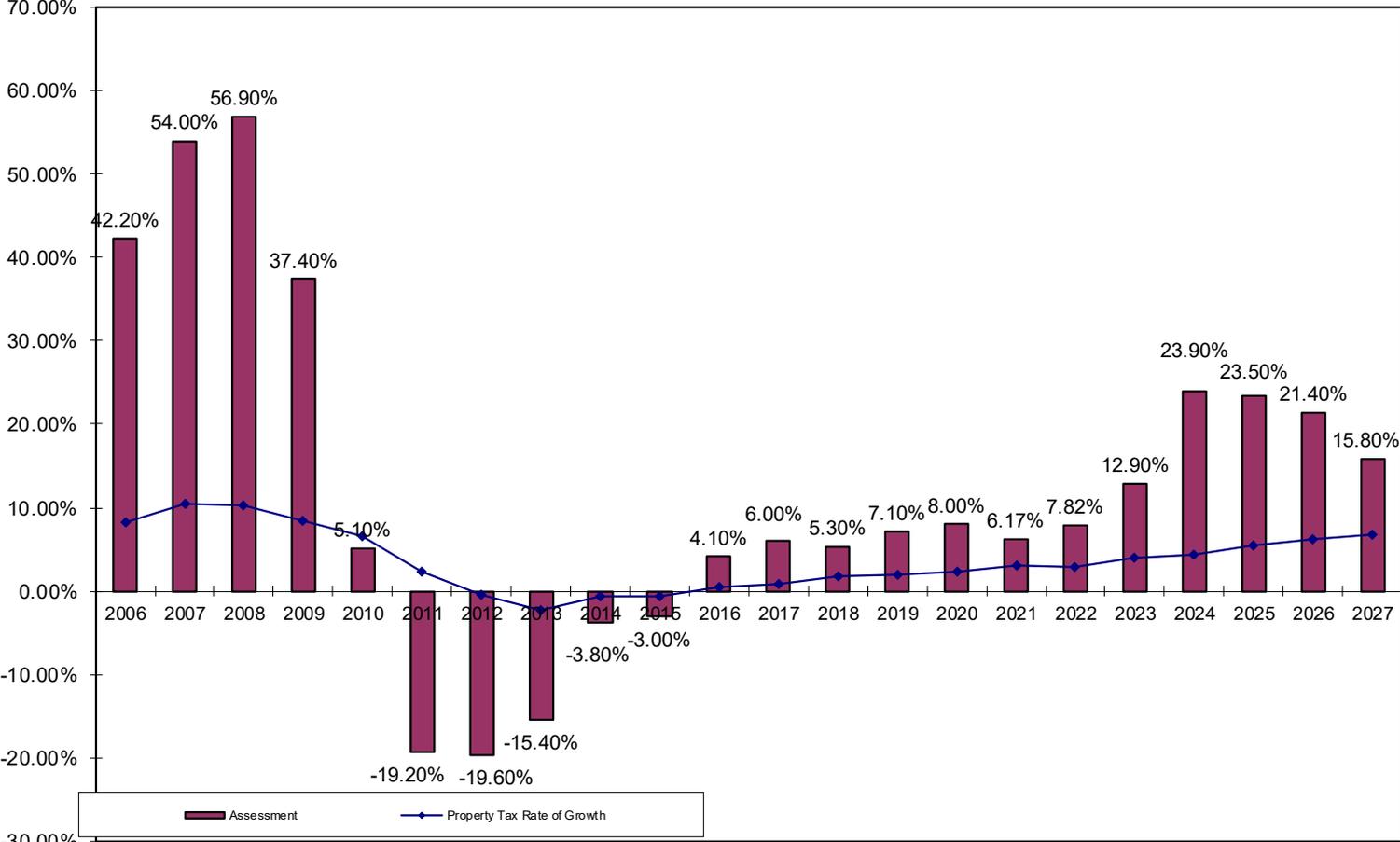
	FY27	FY28	FY29	FY30	FY31
Total Real Property	\$5.8M	\$5.9M	\$7.1M	\$8.5M	\$10.7M
RR&PU	0.4	0.4	0.4	0.4	0.4
Business	0.1	0.1	0.1	0.1	0.1
Total Property Tax	\$6.3M	\$6.4M	\$7.6M	\$9.0M	\$11.2M

Revenue Changes from Adopted Plan

	FY27	FY28	FY29	FY30	FY31
Total Property Tax	\$6.3M	\$6.4M	\$7.6M	\$9.0M	\$11.2M
Income Tax	12.0	12.5	12.9	13.4	13.1
Investment Income	2.6	2.6	2.5	2.4	2.4
Recordation	2.0	2.0	2.0	2.0	2.0
Other	0.2	0.2	0.2	0.2	0.2
Total Annual Revenues	\$23.1M	\$23.7M	\$25.2M	\$27.0M	\$28.9M

Property Tax

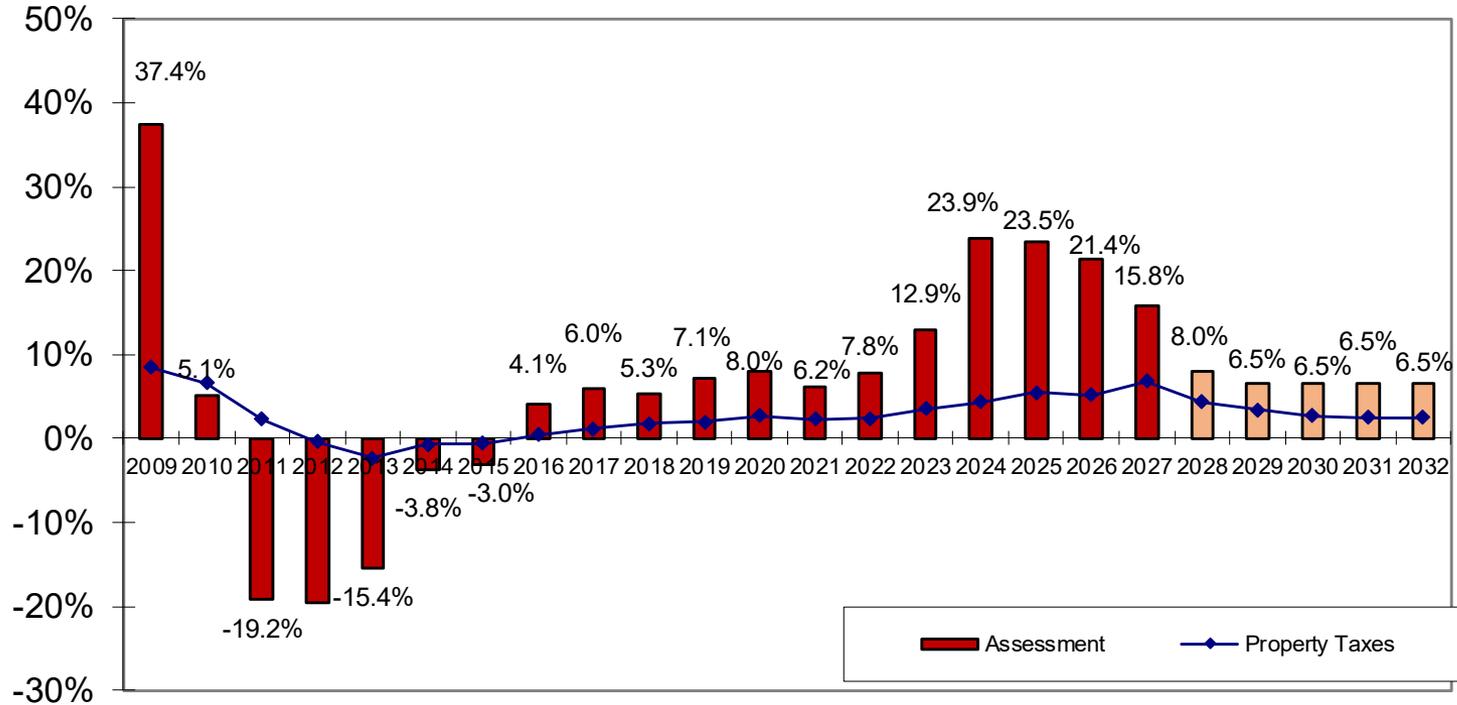
Reassessment History



Reassessments

	FY27	FY28	FY29	FY30	FY31	FY32
Group 1 – South Carroll	5.00%	5.00%	2.17%	2.17%	2.17%	2.17%
Group 2 – North Carroll	5.00%	5.00%	5.00%	2.17%	2.17%	2.17%
Group 3 – Westminster Taneytown	5.00%	2.17%	2.17%	2.17%	2.17%	2.17%
Annual Growth due to reassessments	4.46%	3.89%	2.90%	2.17%	2.04%	2.04%

Reassessment History And Projections



Total Real Property Growth

	FY27	FY28	FY29	FY30	FY31	FY32
Annual growth from reassessments	4.46%	3.89%	2.90%	2.17%	2.04%	2.04%
Total Growth in Real Property	6.77%	4.45%	3.43%	2.65%	2.50%	2.49%

Total Real Property Tax

- FY25 actual \$245.1M
- FY26 forecast \$260.7M
- FY27 forecast \$275.4M

Total Property Tax

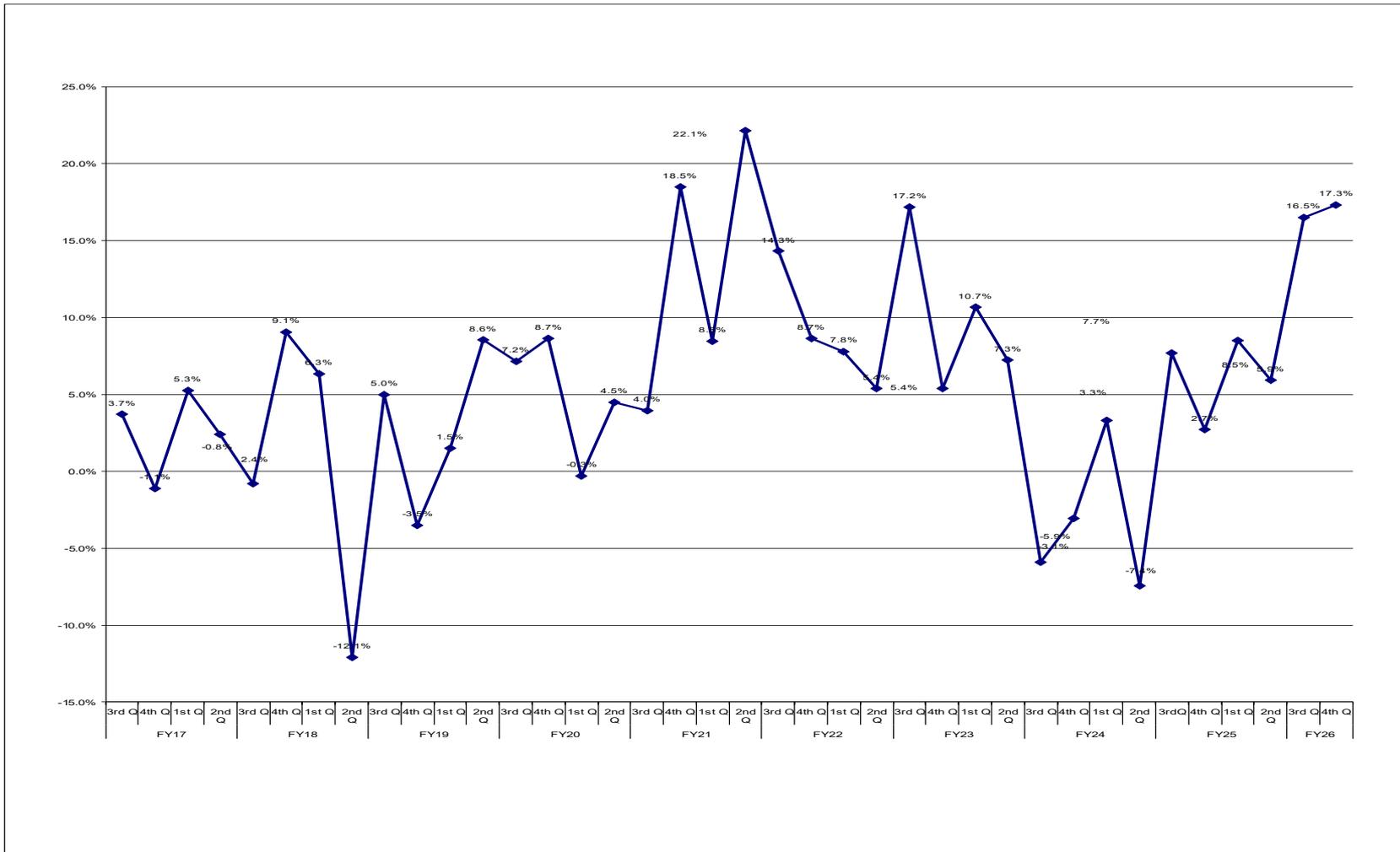
	FY27	FY28	FY29	FY30	FY31
FY27-32 Op Plan	\$295.1M	\$307.0M	\$317.2M	\$325.4M	\$333.4M
FY26-31 Op Plan	288.8M	300.6M	309.7M	316.4M	322.2M
Change	\$6.3M	\$6.4M	\$7.6M	\$9.0M	\$11.2M

Real Property Tax Detail

	FY27	FY28	FY29	FY30	FY31	FY32
Base	\$276.9M	\$290.7M	\$303.3M	\$313.3M	\$321.3M	\$329.0M
New Construction	1.3M	1.3M	1.3M	1.3M	1.3M	1.3M
Reassessment	12.4M	11.3M	8.7M	6.7M	6.5M	6.6M
Homestead Credit	(10.9M)	(11.1M)	(11.1M)	(11.1M)	(11.1M)	(11.1M)
Other Credits	(0.5M)	(0.5M)	(0.5M)	(0.5M)	(0.5M)	(0.5M)
Total	\$279.2M	\$291.7M	\$301.7M	\$309.7M	\$317.5M	\$325.3M

Income Tax

Income Tax Distributions



Income Tax

- FY25 actual \$224.5M
- FY26 forecast \$241.7M
- FY27 forecast \$230.2M

Income Tax

- FY25 Budget \$200.4M
- FY25 Actual \$224.5M
 - Reconciling items from prior tax years \$26.4M
- FY26 Budget \$211.7M
- FY26 Forecast \$241.7M
 - Reconciling items from prior tax years \$20.5M
(so far)
- FY27 Forecast \$230.2M

Income Tax

- Budget change since COVID – \$78.4M or 51.6%
- Budget change last five years - \$47.1M or 25.7%

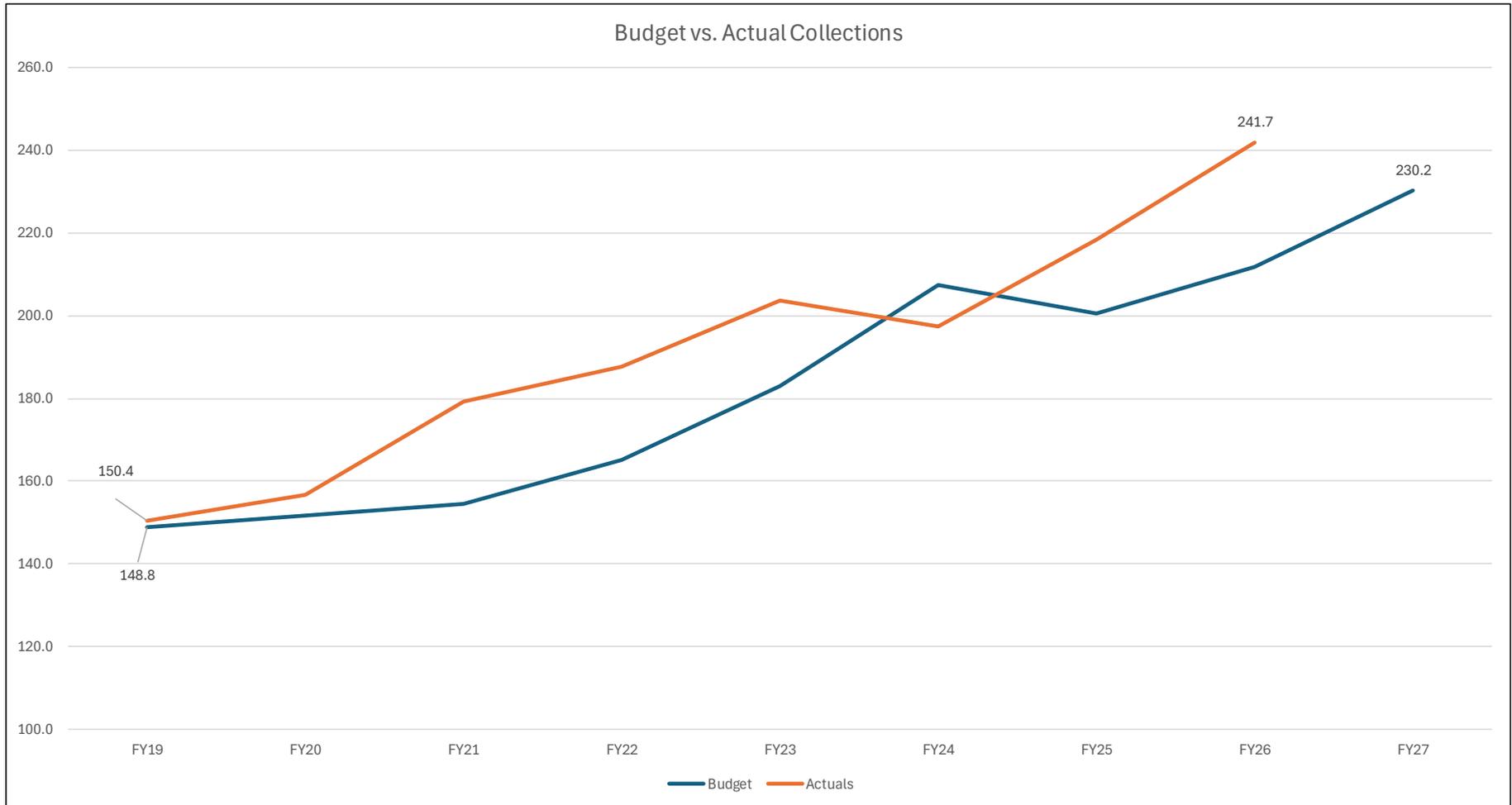
Income Tax

	FY27	FY28	FY29	FY30	FY31
FY27-32 Op Plan	\$230.2M	\$237.8M	\$245.6M	\$253.7M	\$262.1M
FY26-31 Op Plan	218.2M	225.3M	232.7M	240.3M	249.0M
Change	\$12.0M	\$12.5M	\$12.9M	\$13.4M	\$13.1M

Income Tax by Tax Year

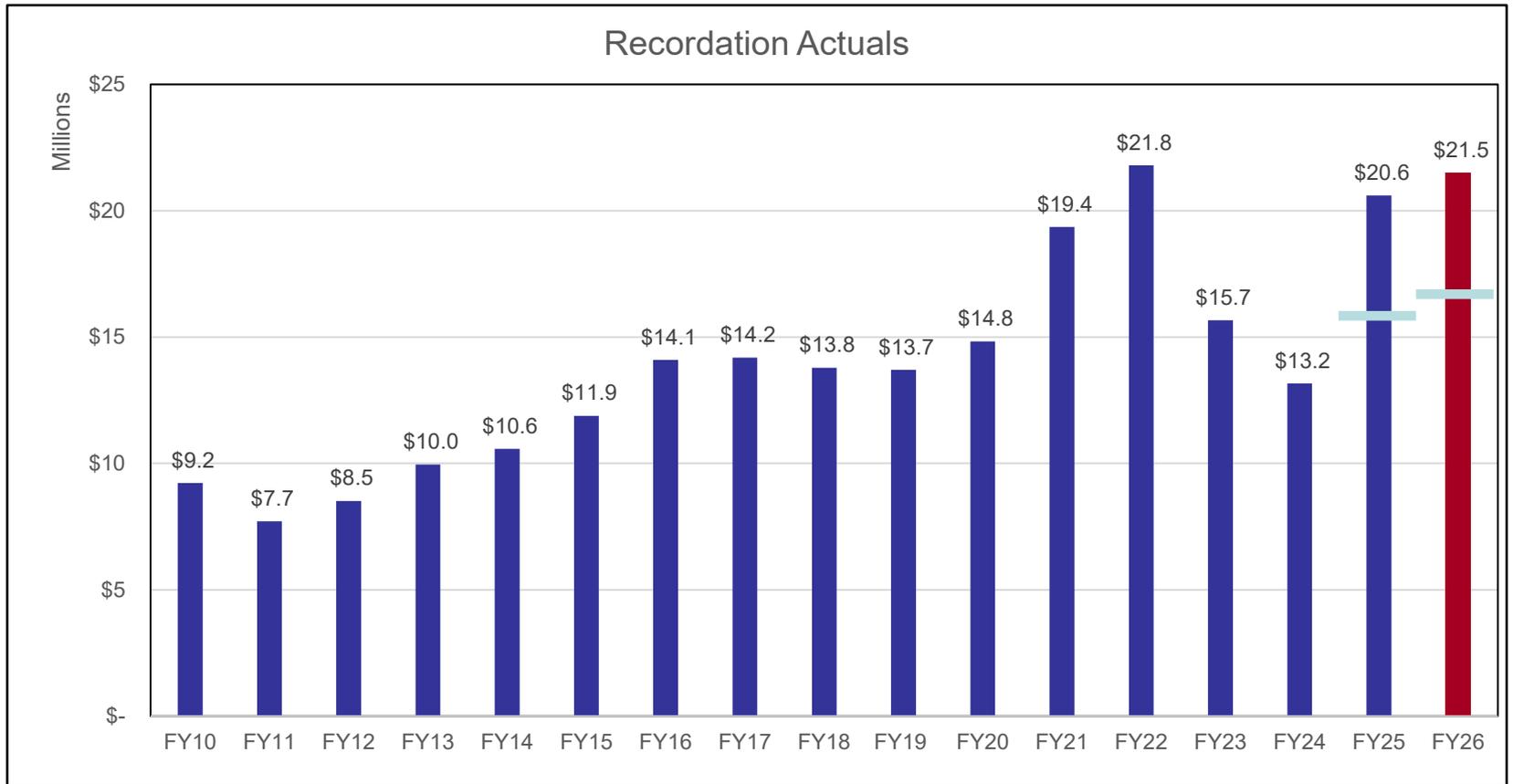
	TY21	TY22	TY23	TY24
Majors	\$160.2M	\$171.2M	\$174.0M	\$180.9M
Reconciling	21.8M	11.4M	21.2M	33.0M
Total	\$182.0M	\$182.6M	\$195.2M	\$213.9M
Change	13.1%	0.3%	6.9%	9.6%

Income Tax Increase



Recordation Tax

Recordation



FY25 - rate increased from \$5.00/\$500 to \$6.50/\$500

Recordation

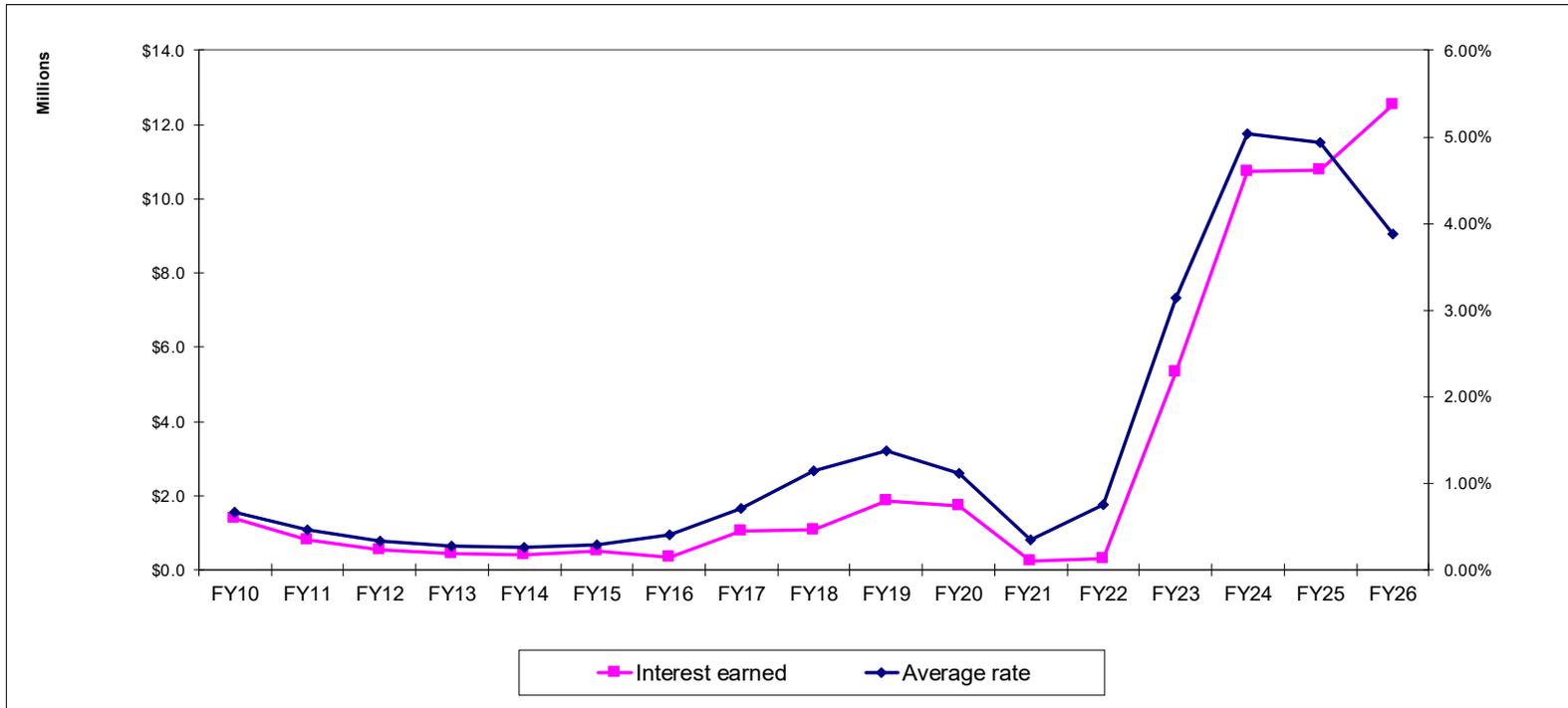
- FY25 actual \$20.6M
- FY26 forecast \$21.5M
- FY27 forecast \$21.0M

Recordation Tax

	FY27	FY28	FY29	FY30	FY31
FY27-32 Op Plan	\$21.0M	\$21.0M	\$21.0M	\$21.0M	\$21.0M
FY26-31 Op Plan	19.0M	19.0M	19.0M	19.0M	19.0M
Change	\$2.0M	\$2.0M	\$2.0M	\$2.0M	\$2.0M

Investment Income

Investment Income



Investment Income

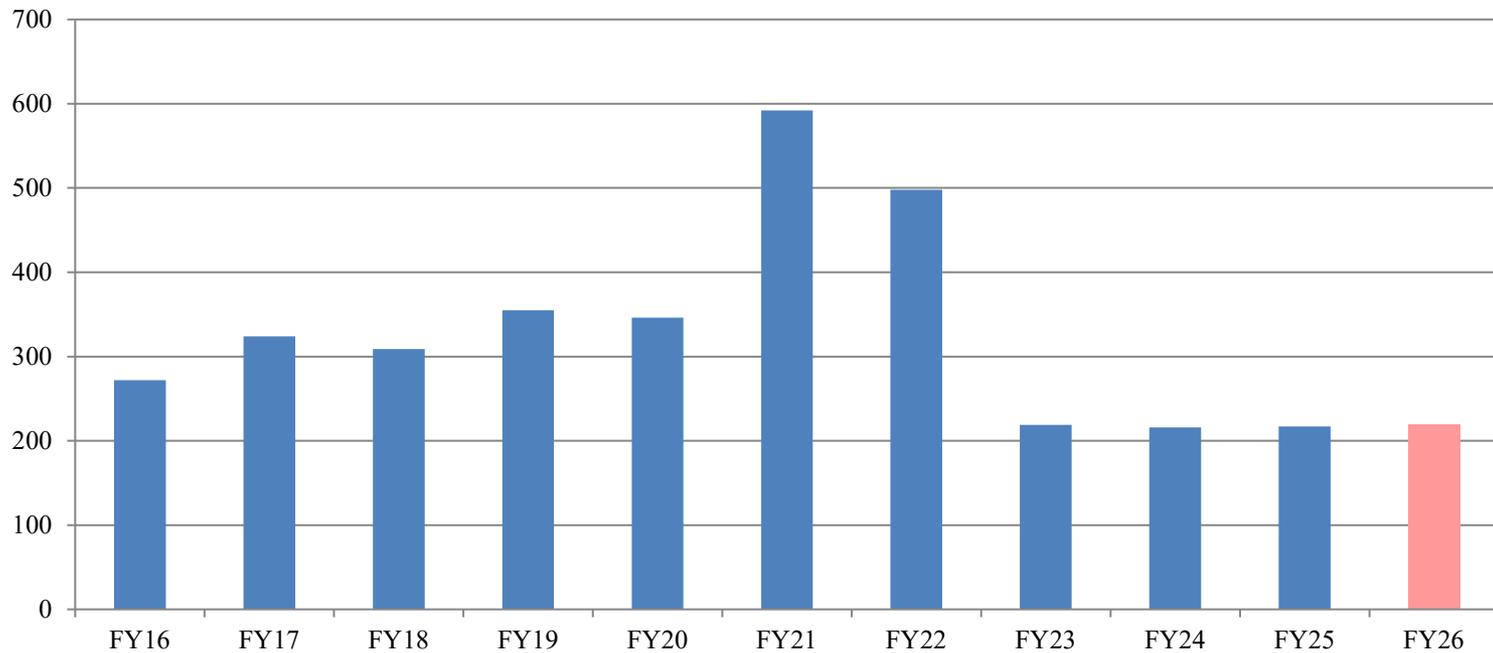
- FY25 actuals \$10.7M
- FY26 forecast \$14.8M
- FY27 forecast \$12.3M

Investment Income

	FY27	FY28	FY29	FY30	FY31
FY27-32 Op Plan	\$12.3M	\$11.2M	\$10.2M	\$9.4M	\$9.2M
FY26-31 Op Plan	9.7M	8.6M	7.7M	7.0M	6.8M
Change	\$2.6M	\$2.6M	\$2.5M	\$2.4M	\$2.4M

Building Permits

Residential Permits Issued



Building Permits

- FY25 actual \$0.5M
- FY26 forecast \$0.5M
- FY27 forecast \$0.5M

Building Permits

	FY27	FY28	FY29	FY30	FY31
FY27-32 Op Plan	\$0.5M	\$0.5M	\$0.5M	\$0.5M	\$0.5M
FY26-31 Op Plan	\$0.5M	\$0.5M	\$0.5M	\$0.5M	\$0.5M
Change	\$0.0M	\$0.0M	\$0.0M	\$0.0M	\$0.0M

FY27-32 Operating Plan

Op Plan Assumptions

- CCPS – 3.0%
- Salaries – 3.5% in FY27; 5.0% FY28 - 32
- General – 3.0%
- Library – 4.0%
- Corrections – 5.0%
- Risk Management – 5.0%

Op Plan Assumptions

- Board of Elections – 6%
- Debt Service – Tied to planned bonds in the CIP
- Assumed use of surplus of 1%
- Reserve for Contingencies – 2/3% of annual revenue

Op Plan Assumptions

- Non-profit service providers – varying growth rates
- Ag Pres Debt Service
 - Known and projected debt service on Installment Purchase Agreements (IPAs)
- Pensions and OPEB – based on actuarial studies
- Various other specific assumptions

Op Plan Drivers

- Decreases from current Adopted Plan:
 - FY27 Salary growth included at 3.5%
 - Debt Service
 - BOE Debt Service
 - OPEB
 - Transfer to Transit
 - Transfer to Solid Waste
 - Recreation and Parks

Op Plan Drivers

- Increases from current Adopted Plan:
 - State cost shifts
 - CCPS Pension
 - CCC Pension
 - MSDE Payments for Private Pre-K - New
 - Library Pension - New
 - SDAT costs
 - Increases in several departments offset by decreases in DFEMS

Op Plan Drivers

- Emergency Management and Communications
- Technology Services
- Transfer to Capital
- Transfer to Utilities

Changes From Op Plan

(In millions)	FY27	FY28	FY29	FY30	FY31
OPEB	(\$3.4)	(\$3.2)	(\$3.0)	(\$2.7)	(\$2.3)
County DS	(0.4)	(1.4)	(1.6)	(1.1)	(0.9)
BOE DS - offset by Rev	(0.5)	(1.2)	(1.1)	(0.4)	0.3
Transfer to Solid Waste	(0.5)	(0.9)	(0.9)	(0.9)	(0.7)
Transfer to Grants	(0.5)	(0.5)	(0.5)	(0.6)	(0.3)
RSS	(0.4)	(0.4)	(0.4)	(0.5)	(0.5)
Recreation and Parks	(0.1)	(0.1)	(0.2)	(0.2)	(0.2)

Changes From Op Plan

(In millions)	FY27	FY28	FY29	FY30	FY31
Transfer to Capital	\$2.7	\$1.4	(\$0.1)	(\$0.2)	(\$0.2)
State Pension Cost Shifts	1.0	1.0	1.0	1.0	1.1
MSDE Private Pre-K Payments	0.7	0.7	0.8	0.8	0.8
Emergency Mgmt./Comm	0.6	0.5	0.4	0.5	0.5
Technology Services	0.3	0.1	0.0	0.2	0.1
SDAT Cost Shift	0.2	0.2	0.2	0.2	0.3
Transfer to Utilities	(0.1)	0.5	0.0	0.0	0.0
Total	(\$0.4)	(\$3.3)	(\$5.4)	(\$3.9)	(\$2.0)

So Where Does That Leave Us?

Op Plan Balances

FY26-31 Adopted	FY27	FY28	FY29	FY30	FY31
Adopted Balance	\$4.4M	(\$1.2M)	(\$9.8M)	(\$21.4M)	(\$30.9M)
%	0.8%	(0.2%)	(1.6%)	(3.4%)	(4.7%)

Current Forecast As of the Overview	FY27	FY28	FY29	FY30	FY31
Change in Revenues	\$22.5M	\$22.5M	\$24.4M	\$26.9M	\$29.3M
Change in Expenditures	(0.4M)	(3.3M)	(5.4M)	(3.9M)	(2.0M)
Balance	\$27.3M	\$24.6M	\$20.0M	\$9.4M	\$0.4M
	4.5%	4.0%	3.1%	1.4%	0.1%

Topics to Discuss

State Budget

- Blueprint
- POS
- HUR
- SDAT
- Pension shifts
- What else?

Federal Funding

- Federal Funding
 - Medicaid
 - Non-profits
 - Citizen Services
 - Schools
 - Bridges

BOE Capital

- Board of Education Capital
 - Design and construction for 6 pre-k additions
 - Design and construction for future pre-k additions
 - Systemics
 - Freedom ES/Sykesville MS additions
- Liberty Modernization not included

General Fund Transfer to Solid Waste Enterprise Fund

(in millions)	FY27	FY28	FY29	FY30	FY31
FY26-31	\$3.0	\$3.6	\$4.2	\$4.9	\$5.5
FY27-32	2.5	2.7	3.3	4.0	4.8
Difference	(\$0.5)	(\$0.9)	(\$0.9)	(\$0.9)	(\$0.7)

Other

- Northern Landfill
- Piney Run Dam
- PFAs
- Enterprise Fund rates
- Department of Fire/EMS

Where Do We Go From Here?

Possible Uses of Surplus

- Northern Landfill
- PFAS
- State Road Improvements
- Replacing planned debt

Budget Calendar

- March
 - Recommended Presentation on March 17th
 - Agency Sessions
 - Issues

Budget Calendar

- April
 - Sine Die 4/7
 - Proposed Sessions
 - Setup and structure
 - Scenarios
 - ‘What ifs’ on the fly
 - Release of Proposed Budget 4/21
 - Roadshows 4/22-4/30

Budget Calendar

- May
 - Public Hearing 5/6
 - Adopted Sessions 5/12 and 5/19
 - Budget Adoption 5/21
- There isn't a lot of flexibility in the schedule

Back To The Beginning

- We aren't making decisions today.
- We are trying give you some things to think about as we head into the budget process.
- Additional Board direction would be welcome.

