

Overview of the FY26 Budget and FY26-31 Operating Plan

March 4, 2025

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 very dark cloud hanging over our Plan.

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

FY26

FY26 State Budget

- As always, there is uncertainty.
- The Governor's budget is dependent on almost \$2B of legislative changes.
- 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 – \$7.0M or 3.8%
 - CCC – \$1.1M or 8.0%
 - CCPL – \$39,000 or 3.0%
 - Health Department – \$0.3M or 4.1%

Impact In Carroll County

- Towns
 - HUR
 - \$4.0M or a 14% increase
 - POS
 - \$0.1M or a 9% decrease

Impact In Carroll County

- Commissioners
 - HUR
 - \$4.3M or a 13% increase
 - Police Aid – \$33,740 increase
 - POS – \$0.6M, or a 14% decrease

Where Are We?

FY25 Projected Year-End

FY25 YE Revenue Projection

FY25 Budget	\$545.0M
FY25 Projection	571.1M
Change	\$26.1M

FY25 Year-End Projection

Revenues	\$26.1M
Reserve for Contingency	4.2M
Unexpended	10.0M
Year-End Balance	\$40.3M
Unassigned Fund Balance 6/30/24	\$34.2M
Planned Carryover to FY27	(5.0M)
Total Projected Unassigned Fund Balance 6/30/25	\$69.5M

FY26-31 Revenue Projections

The Top Revenues

	FY25 Budget	FY25 Projected	FY26 Projection
Real Property	\$246.2M	\$249.2M	\$261.5M
Income Tax	200.4	214.2	211.1
Recordation	18.0	18.0	19.0
Railroad & Utilities	9.5	11.0	11.0
Business Property	8.1	8.1	8.1
Investment Income	6.6	12.1	10.8
911 Service Fee	3.9	3.9	4.0
Total	\$492.7M	\$516.5M	\$525.5M

Revenue Changes From Adopted Plan

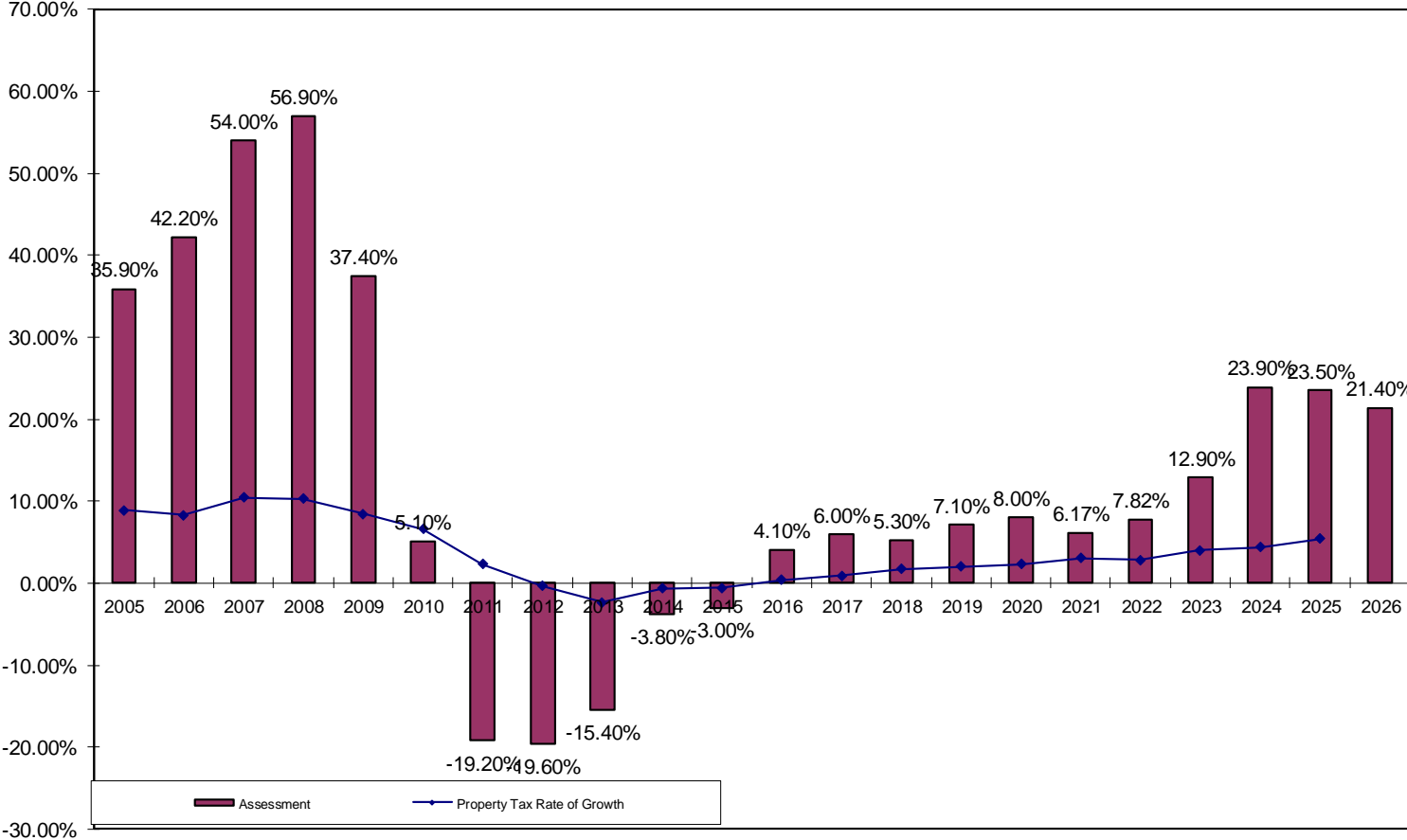
	FY26	FY27	FY28	FY29	FY30
Net Real Property	\$2.9M	\$4.5M	\$7.9M	\$11.7M	\$12.9M
RR&PU	1.5	1.6	1.7	1.8	1.9
Business	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)
Total Property Tax	\$4.3M	\$6.0M	\$9.5M	\$13.4M	\$14.7M

Revenue Changes from Adopted Plan

	FY26	FY27	FY28	FY29	FY30
Total Property Tax	\$4.3M	\$6.0M	\$9.5M	\$13.4M	\$14.7M
Income Tax	3.3	1.8	(0.2)	(2.3)	(4.6)
Investment Income	6.6	5.5	4.3	3.3	2.5
Recordation	0.5	0.2	0.2	0.2	0.2
Other	0.9	0.7	0.8	0.8	0.8
Total Annual Revenues	\$15.7M	\$14.2M	\$14.6M	\$15.4M	\$13.6M

Property Tax

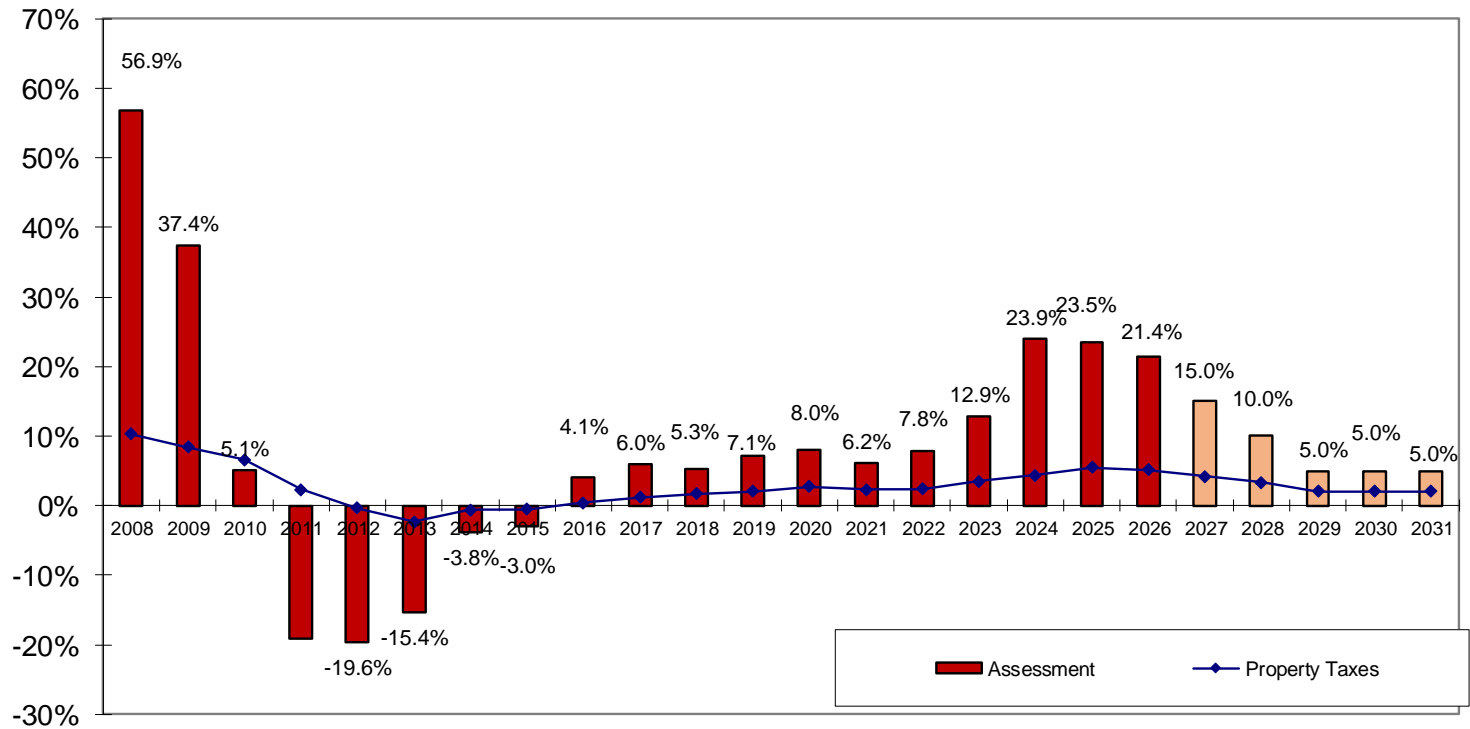
Reassessment History



Reassessments

	FY26	FY27	FY28	FY29	FY30	FY31
Group 1 – South Carroll	5.00%	5.00%	5.00%	1.67%	1.67%	1.67%
Group 2 – North Carroll	5.00%	5.00%	5.00%	5.00%	1.67%	1.67%
Group 3 – Westminster Taneytown	5.00%	5.00%	3.33%	3.33%	3.33%	1.67%
Annual Growth due to reassessments	4.52%	4.49%	4.01%	2.77%	1.93%	1.53%

Reassessment History And Projections



Total Real Property Growth

	FY25	FY26	FY27	FY28	FY29	FY30
Annual growth from reassessments	4.43%	4.52%	4.49%	4.01%	2.77%	1.93%
Total Growth in Real Property	5.44%	6.24%	4.80%	4.54%	3.31%	2.42%

Total Real Property Tax

- FY24 actual \$228.1M
- FY25 forecast \$249.2M
- FY26 forecast \$261.5M

Total Property Tax

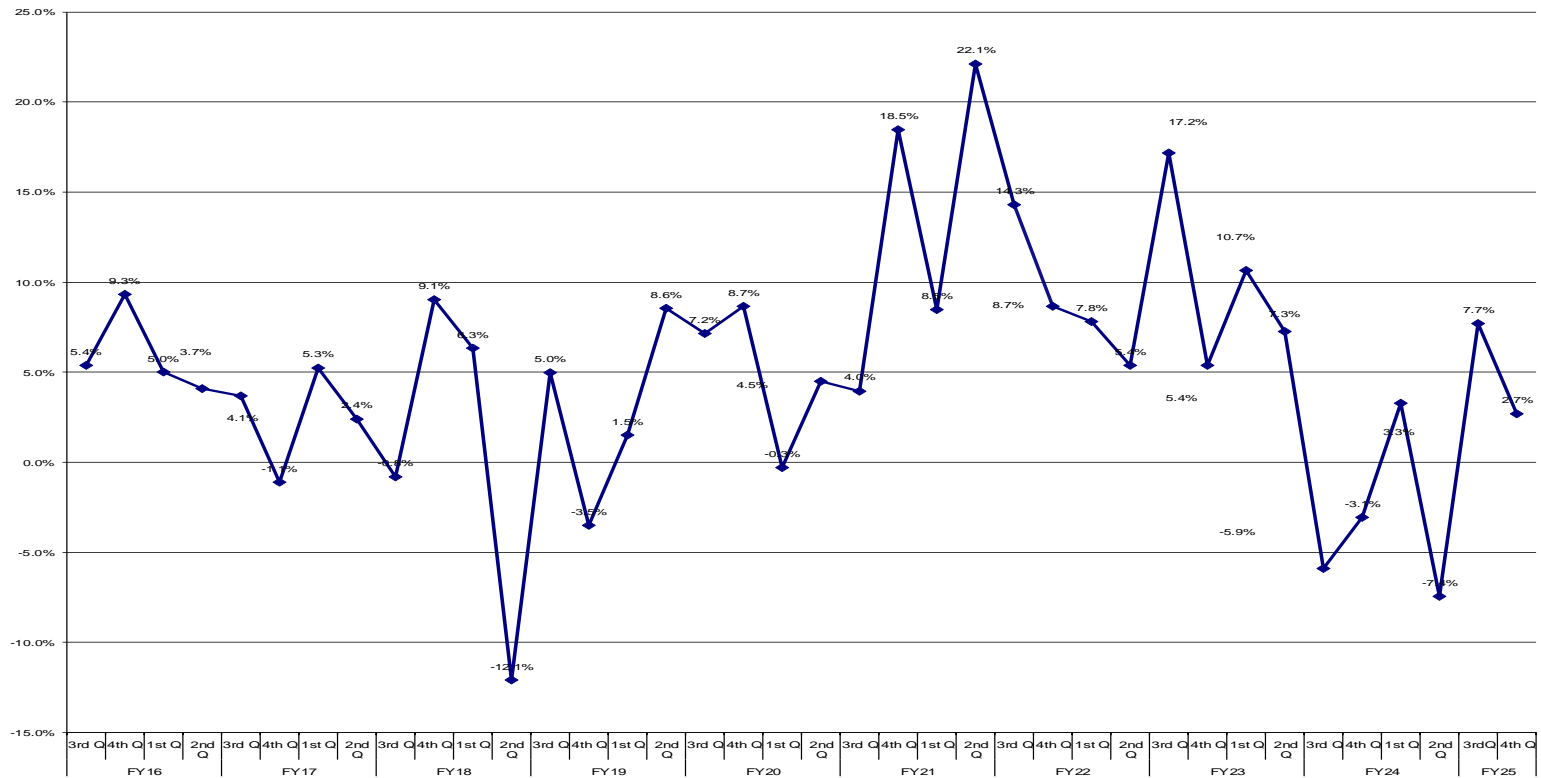
	FY26	FY27	FY28	FY29	FY30
FY26-31 Op Plan	\$276.8M	\$288.9M	\$300.6M	\$309.7M	\$316.5M
FY25-30 Op Plan	272.5M	282.9M	291.1M	296.3M	301.8M
Change	\$4.3M	\$7.0M	\$9.5M	\$13.4M	\$14.7M

Real Property Tax Detail

	FY26	FY27	FY28	FY29	FY30	FY31
Base	\$257.6M	\$270.5M	\$283.9M	\$296.5M	\$306.0M	\$313.2M
New Construction	1.3M	1.3M	1.3M	1.3M	1.3M	1.3M
Reassessment	11.6M	12.1M	11.4M	8.2M	5.9M	4.8M
Homestead Credit	(8.4M)	(9.3M)	(9.5M)	(9.5M)	(9.5M)	(9.5M)
Other Credits	(0.5M)	(0.5M)	(0.5M)	(0.5M)	(0.5M)	(0.5M)
Total	\$261.6M	\$274.1M	\$286.6M	\$296.0M	\$303.2M	\$309.3M

Income Tax

Income Tax Distributions



Income Tax

- FY24 Budget \$207.3M
- FY24 Actual \$197.3M
 - Reconciling items from prior tax years \$12.5M
- FY25 Budget \$200.4M
- FY25 Forecast \$214.2M
 - Reconciling items from prior tax years \$13.9M
(so far)
- FY26 projection \$211.1M

Income Tax

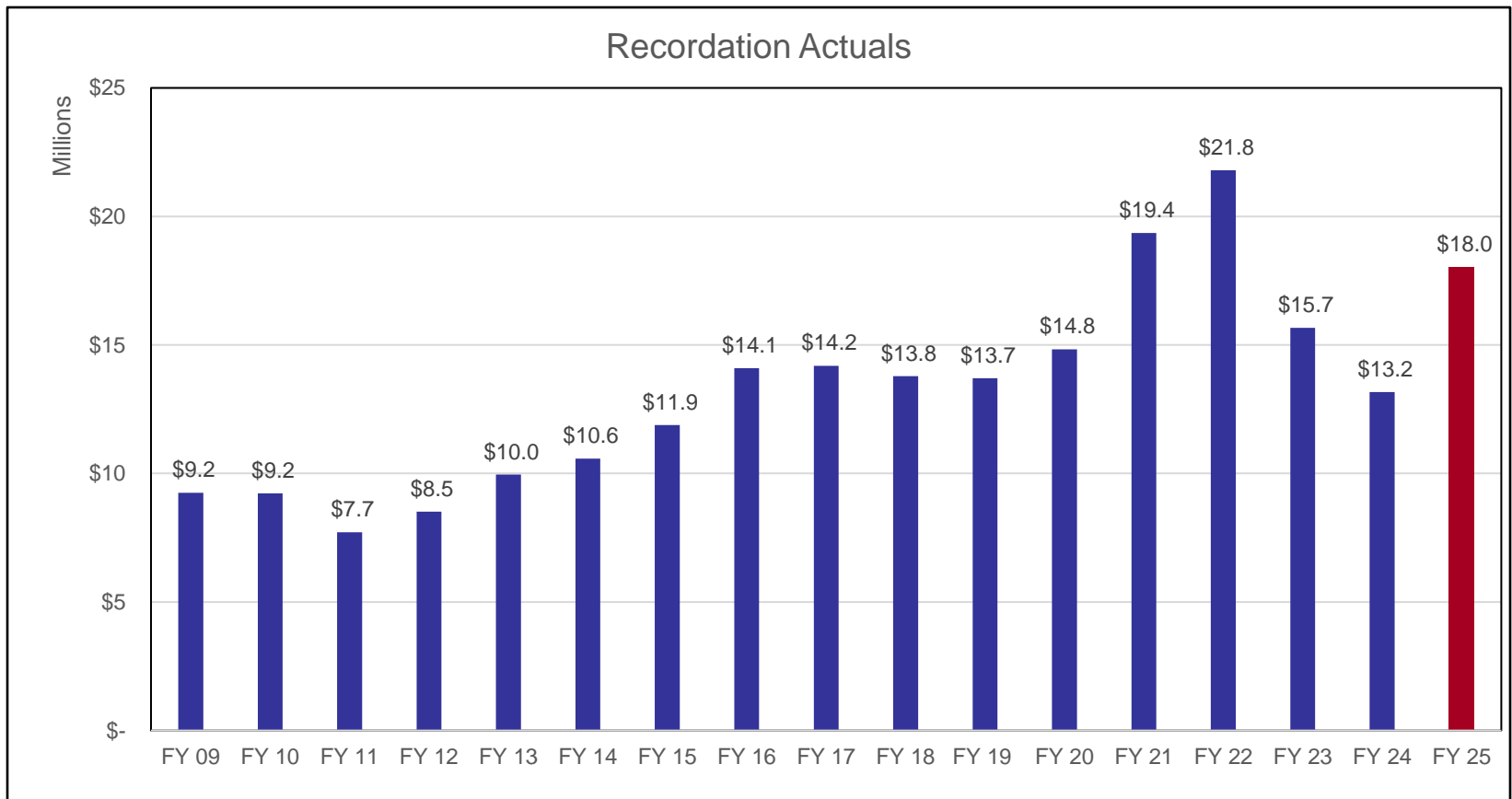
	FY26	FY27	FY28	FY29	FY30
FY26-31 Op Plan	\$211.1M	\$218.2M	\$225.3M	\$232.7M	\$240.3M
FY25-30 Op Plan	207.8M	216.5M	225.5M	235.0M	244.9M
Change	\$3.3M	\$1.8M	(\$0.2M)	(\$2.3M)	(\$4.6M)

Income Tax by Tax Year

	TY20	TY21	TY22	TY23
Majors	\$141.8M	\$160.2M	\$171.2M	\$174.0M
Reconciling	19.2M	21.8M	11.4M	21.2M
Total	\$161.0M	\$182.0M	\$182.6M	\$195.2M
Change	3.2%	13.1%	0.3%	6.9%

Recordation Tax

Recordation



Recordation

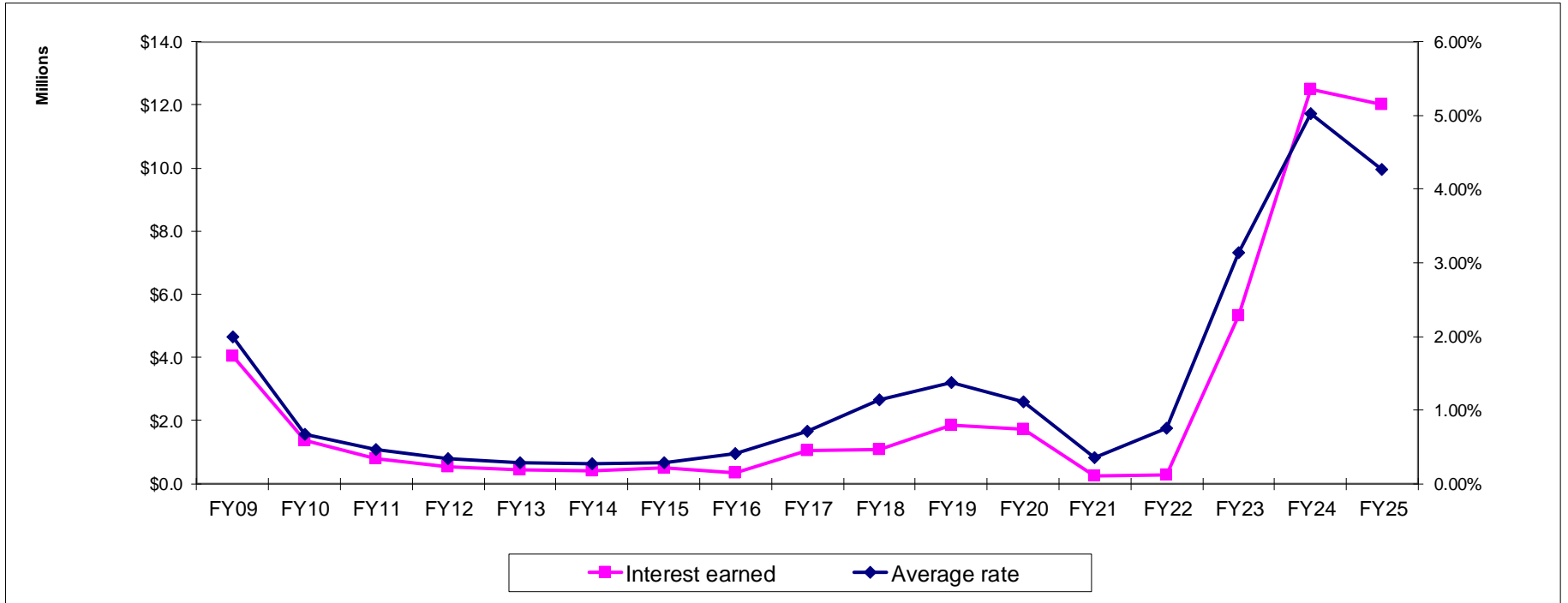
- FY24 actual \$13.2M
- FY25 budget \$18.0M
- FY25 forecast \$18.0M
- FY26 forecast \$19.0M

Recordation Tax

	FY26	FY27	FY28	FY29	FY30
FY26-31 Op Plan	\$19.0M	\$19.0M	\$19.0M	\$19.0M	\$19.0M
FY25-30 Op Plan	18.5M	18.9M	18.9M	18.9M	\$18.9M
Change	\$0.5M	\$0.1M	\$0.1M	\$0.1M	\$0.1M

Investment Income

Investment Income



Investment Income

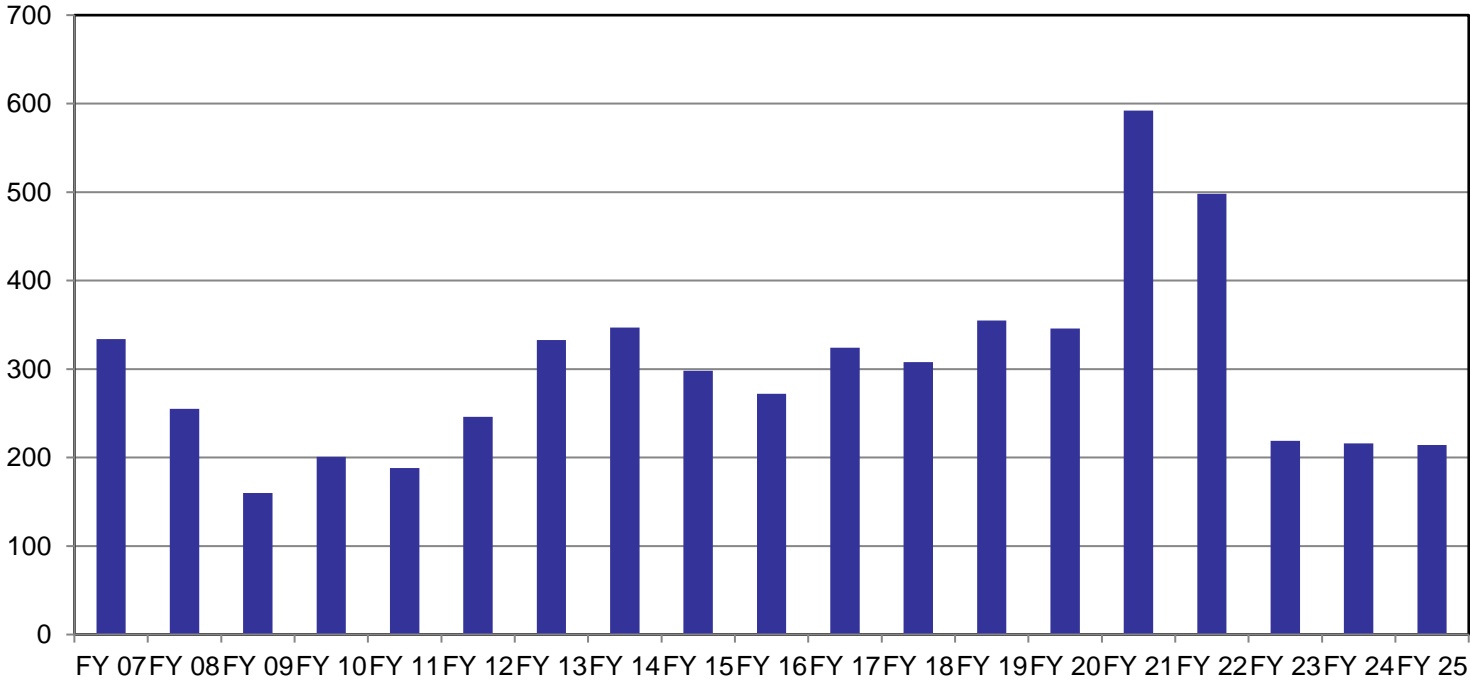
- FY24 actuals \$10.7M
- FY25 forecast \$12.1M
- FY26 forecast \$10.8M

Investment Income

	FY26	FY27	FY28	FY29	FY30
FY26-31 Op Plan	\$10.8M	\$9.7M	\$8.6M	\$7.7M	\$7.0M
FY25-30 Op Plan	4.2M	4.3M	4.3M	4.4M	4.5M
Change	\$6.6M	\$5.4M	\$4.3M	\$3.3M	\$2.5M

Building Permits

Residential Permits Issued



Building Permits

- FY24 actual \$0.5M
- FY25 budget \$0.5M
- FY25 forecast \$0.5M
- FY26 forecast \$0.5M

Building Permits

	FY26	FY27	FY28	FY29	FY30
FY26-30 Forecast	\$0.5M	\$0.5M	\$0.5M	\$0.5M	\$0.5M
FY26-30 Plan	\$0.5M	\$0.5M	\$0.5M	\$0.5M	\$0.5M
Change	\$0.0M	\$0.0M	\$0.0M	\$0.0M	\$0.0M

FY26-31 Operating Plan

Op Plan Assumptions

- CCPS – 3.0%
- Salaries – 5.0%
- General – 3%
- Corrections – 5%
- Risk Management – 5%

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)
- Pension and OPEB – based on actuarial studies
- Various other specific assumptions

Op Plan Drivers

- Increases from current Adopted Plan:
 - State Pension cost shift
 - Board of Education
 - Community College
 - SDAT cost shift
 - Sheriff Salary growth assumption

Op Plan Drivers

- Decreases from current Adopted Plan:
 - Debt Service
 - BOE Debt Service
 - Public Works
 - OPEB
 - Matching EMS Billing expenditures to EMS Billing Revenue

Changes From Op Plan

(In millions)	FY26	FY27	FY28	FY29	FY30
County DS	(\$1.1)	(\$2.2)	(\$1.9)	(\$0.8)	\$0.1
BOE DS - offset by Rev	(0.1)	(1.4)	(3.4)	(3.7)	(3.5)
CCSO/ Detention	(0.6)	(0.3)	0.1	0.4	0.9
DPW	(0.7)	(0.2)	0.4	0.5	0.5
Fire/EMS	(0.8)	(1.7)	(1.9)	(2.0)	(2.3)
Medical	(1.3)	(1.4)	(1.5)	(1.6)	(1.8)
Technology	0.2	0.3	0.2	0.2	0.2

Changes From Op Plan

(In millions)	FY26	FY27	FY28	FY29	FY30
Transfer to Capital	(1.7)	0.1	0.0	0.0	0.0
OPEB	(4.0)	(4.3)	(4.5)	(4.9)	(5.2)
SDAT Cost Shift	0.5	0.5	0.6	0.6	0.6
State Pension Contribution Shift	5.2	5.4	5.5	5.7	5.9
Total	(\$4.4)	(\$5.2)	(\$6.4)	(\$5.6)	(\$4.6)

Topics to Discuss

State Budget

- Blueprint
- POS
- HUR
- SDAT
- Pensions
- What else?

Federal Funding

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

BOE Capital

- Board of Education Capital
 - Design and construction for 4 kindergarten/pre-k additions
 - Design and construction for future pre-k additions
 - Systemics
- Renewal of infrastructure
 - Liberty High School modernization not included in the recommendation

General Fund Transfer to Solid Waste Enterprise Fund

(in millions)	FY26	FY27	FY28	FY29	FY30
FY25-30	\$4.0	\$4.5	\$5.3	\$5.7	\$6.2
FY26-31	4.2	4.1	4.6	5.2	5.8
Difference	\$0.2	(\$0.4)	(\$0.6)	(\$0.5)	(\$0.4)

Other

- Piney Run Dam
- PFAs
- Enterprise Fund rates
- Northern Landfill
- Federal impact on non-profit service providers

So Where Does That Leave Us?

Op Plan Balances

FY25-30 Adopted	FY26	FY27	FY28	FY29	FY30
Adopted Balance	(\$5.2M)	(\$9.5M)	(\$14.5M)	(\$22.3M)	(\$29.6M)
%	(1.0%)	(1.7%)	(2.5%)	(3.7%)	(4.8%)

Current Forecast As of the Overview	FY26	FY27	FY28	FY29	FY30
Change in Revenues	\$15.5M	\$12.8M	\$11.4M	\$11.9M	\$10.2M
Change in Expenditures	(3.2)	(6.4)	(7.2)	(6.6)	(6.2)
Balance	\$13.6M	\$9.6M	\$4.1M	(\$3.8M)	(\$13.3M)
	2.4%	1.7%	0.7%	(0.6%)	(2.1%)

Where Do We Go From Here?

Budget Calendar

- March
 - Recommended Presentation on March 18th
 - Agency Sessions
 - Issues

Budget Calendar

- April
 - Sine Die 4/7
 - Proposed Sessions 3/27-4/15
 - Setup and structure
 - Scenarios
 - ‘What ifs’ on the fly
 - Release of Proposed Budget 4/22
 - Roadshows 4/22-4/30

Budget Calendar

- May
 - Public Hearing 5/6
 - Adopted Sessions 5/13 and 5/20
 - Budget Adoption 5/22
- 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.

