Budgeting In the Time of COVID-19

The FY 21 Proposed Budget and Plans

A Difficult Decade

- We have never fully recovered from the Great Recession.

- We stabilized but never returned to robust growth.

- We entered this budget process with concerns.

- Then came COVID-19.

COVID Uncertainty

- Shutdown phase
- Reopening phase
- Whatever follows

Shutdown Phase

- The shutdown has closed businesses and led to unprecedented unemployment claims.

- How long does it last?

- We've estimated a $4M per month loss of revenue.

Reopening Phase

- When does it start?
- How long does it take?
  - How long does it take for businesses to reopen?
  - How long does it take for people to find jobs?
- What does this mean for the FY 21 Budget?

What Comes After?

- What is the impact on FY 22 and beyond?
- Do we find a 'new normal' and what does that look like?
- Does uncertainty linger on?

Uncertainty

- We have uncertainty about:
  - Year-end FY 20
  - How this Proposed FY 21 Budget will fit actual events
  - Everything that follows
- We always have uncertainty, but…

Back to the Budget

An Open Budget Process

- Budget sessions are open to the public.
- Budget sessions are shown live and replayed on Comcast Channel 24.
- Budget sessions are streamed in HD on the County's YouTube channel.
- Budget sessions can also be found on the County's website at carrollcountymd.gov.

An Open Budget Process

- Budget sessions are included on the County website calendar with links to live and on demand video.

- News releases are available through Carroll Connect the County's email subscription service.

- Information is available on Facebook, Twitter, Instagram and YouTube

FY 21 Proposed Budget and FY 21-26 Plans

Commissioner Actions

From Conditional to Proposed

- No tax rate changes
- Requested a Proposed FY 21 Operating Budget that was flat from FY 20
  - Most budgets flat or reduced from the FY 20 Operating Budget
  - Some increases were necessary, notably CCPS MOE

General Fund – Changes from FY 21 Conditional Budget

- Revenue Reductions

In Millions	FY 21	FY 22	FY 23	FY 24	FY 25	FY 26
FY 21 Conditional	$430.0	$441.4	$454.9	$470.5	$487.9	$502.8
FY 21 Proposed	417.6	433.1	446.8	461.2	476.6	490.8
Change	($12.4)	($8.3)	($8.1)	($9.3)	($11.3)	($12.0)

General Fund Reductions from FY 21 Conditional Budget

- Expenditure Reductions

In Millions	FY 21	FY 22	FY 23	FY 24	FY 25	FY 26
FY 21 Conditional	$429.8	$441.3	$454.8	$470.4	$488.7	$507.3
FY 21 Proposed	417.6	431.5	444.7	460.0	478.0	495.5
Change	($12.2)	($9.8)	($10.1)	($10.4)	($10.7)	($11.8)

General Fund Revenue Increases

- Increased Permit Fees and Development Review Fees

In Millions	FY 21	FY 22	FY 23	FY 24	FY 25	FY 26
Review Fees	$0.3	$0.4	$0.4	$0.4	$0.4	$0.4
Permit Fees	0.2	0.2	0.2	0.2	0.2	0.2

- Reduced Property Tax to Ag Pres CIP

In Millions	FY 21	FY 22	FY 23	FY 24	FY 25	FY 26
General Fund Property Tax	$0.3	$0.5	$0.5	$0.5	$0.5	$0.5

General Fund Revenue Decreases

- Reduced/eliminated use of Fund Balance

In Millions	FY 21	FY 22	FY 23	FY 24	FY 25	FY 26
General Fund Revenue	($1.8)	($1.5)	($0.4)	$0.0	($0.8)	($0.0)

General Fund Expenditure Decreases

- Reduced Economic Development Infrastructure and Grants

In Millions	FY 21	FY 22	FY 23	FY 24	FY 25	FY 26
General Fund Revenue	($0.4)	($0.4)	($0.4)	($0.4)	($0.4)	($1.2)

- Reduced Transfer to Solid Waste

	FY 21	FY 22	FY 23	FY 24	FY 25	FY 26
Total Reduction	($0.48)	($0.75)	($0.75)	($0.75)	($0.75)	($0.75)

Proposed Op Plan

In Millions	FY 21	FY 22	FY 23	FY 24	FY 25	FY 26
Revenues	$417.6	$433.1	$446.8	$461.2	$476.5	$490.8
Expenditures	417.6	431.5	444.7	460.0	478.0	495.4
Balance	$0.0	$1.6	$2.1	$1.2	($1.5)	($4.6)
% of Budget	**0.0%**	**0.4%**	**0.5%**	**0.3%**	**(0.3%)**	**(0.9%)**

State Budget

Governmental Partners

- CCPS – $135.9M, an increase of $2.3M
- CCC – $9.7M, an increase of $1.1M
- CCPL – $1.1M, an increase of $37,791
- Health Department – $2.3M, an increase of $31,146

Carroll Commissioners

- HUR - $2.5M grant, flat
- Police Aid - $0.9M, an increase of $11,570
- POS - $1.1M, and increase of $0.1M

FY 21 Budget and
FY 21-26 Plans

FY 21 All Funds

- FY 21 – $565.5M
- FY 20 – $548.1M
- Change – $17.4M or 3.2%

FY 21 Operating Budget

- FY 21 – $417.6M
- FY 20 – $418.8M
- Change – ($1.2M) or (0.3%)

General Fund

Highlights

Education

- CCPS
  - Ongoing funding of $198.4M, an increase of $1.2M or 0.6%
    - MOE
    - $5.0M below FY 21 planned

Community Investment Plan (CIP)

Highlights

FY 21 Capital Budget

	FY 21 Proposed	FY 20 Budget	Change
Capital	$74.9M	$65.8M	$9.1M
Local	59.5	51.1	8.4
State	14.7	13.7	1.0
Federal	0.2	0.3	(0.1)
Other	0.5	0.7	(0.2)

FY 21-26 Schools

- Career and Technology - $74.7M

- East Middle School Replacement - $69.2M

- Does not include Systemics due to State funding
  - HVAC
  - Roof Replacements

FY 21-26 Ag Pres

- Agricultural Land Preservation - $26.9M
  - Local Program - $23.9M
    - Reduced $2.8M
  - State Matching Program - $3.0M

Enterprise Funds

Highlights

Fiber Network EF

- Revenue - $424,310
  - Dark Fiber Lease - $256,310, an increase of $4,110
  - General Fund Transfer - $168,000 - New
    - Begin Transfer from the General Fund to Fiber EF in FY 21 to address annual deficit
- Expenditures - $424,310, a decrease of $20,690
- Capital
  - FY 22 Equipment Replacement - $1.0M

Solid Waste Enterprise Fund

- $9.6M – a increase of $1.4M or 16.4%
- Revenues
  - Tipping Fee increases $1/ton beginning 1/1/2021
  - New Recycling Fee of $30/ton beginning 1/1/2021
  - Elimination of 2 Coupons
  - Reduction of Transfer from General Fund
- Expenditures
  - Recycling increases $0.5M
    - Proposed budget at $80/ton
    - Transfer costs increase due to tons transferred $1.0M
  - Debt Service decreases ($0.2M)

Enterprise Funds

- Utilities Water and Sewer rate increases
    - Water – 8.2% increase annually in FY 20-22
    - Sewer – 4.2% increase annually in FY 20-22

Wrapping Up

Still to Come – Live Streaming

- Community Meeting 7:00 pm May 5
- Public Hearing 7:00 pm May 12
- Budget Adoption 10:00 am May 26
- The Budget will be available at https://www.carrollcountymd.gov/

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