

Fiscal Year 2020 Adopted Budget Summary

A difficult budget process following a difficult decade

It seems as if the recession would be old news by now, but we are still feeling its impact through what seems to be a fundamentally changed fiscal situation. Thoughts of returning to “normal” have long since been abandoned. Property Tax, the County’s largest revenue, is growing, but modestly. Based on FY 18 - 20 reassessments and projected new construction, Property Tax revenue is projected at 3.0% annual growth. Income Tax distributions have been volatile in recent years, in part due to taxpayer behavior associated with anticipated and actual Federal tax changes, adding uncertainty to near-term growth levels. Unemployment is low, but wage growth has been modest. Carroll’s Operating Budget has averaged just 1.6% annual growth since FY 10, though it has been 2.4% over the last 3 years.

The Total Budget

The General Fund, or what people often think of as the Operating Budget, gets most of the attention, but the County Budget includes thirteen funds. The All Funds budget is \$548.1M, a decrease of \$20.9M, or 3.7%, from FY 19. There are changes to every fund, but the decrease is driven primarily by one-time FY 19 capital projects of \$22.6M for an expansion and modernization of Carroll County Public School’s Career and Technology facility, and a new building for the State’s Attorney’s Office.

The Operating Budget

The FY 20 Operating Budget is \$418.8M, a \$7.5M, or 1.8%, increase over FY 19. The increase in ongoing revenue is driven by growth in the County’s two largest revenues, Property Tax and Income Tax. The County lowered revenue growth projections from the FY 19 - 24 Plan, which resulted in an unbalanced FY 20 - 25 Plan. Numerous decisions were made by the County Commissioners to bring the operating plan back into balance.

The primary drivers for the \$7.5M increase in the Operating Budget expenditures from FY 19 to FY 20 include:

- \$4.9M to the Board of Education
- \$1.0M to the Sheriff’s Office
- \$0.5M to the Carroll Community College
- \$0.3M to the Carroll County Public Library
- \$0.3M for a Fire Chief and Administrative Assistant

Commissioner actions during Proposed and Adopted Budget deliberations include:

- No tax rate increases.
- Provided an additional \$1.0M for Board of Education funding in FY 20 by smoothing future school funding and the use of prior year unassigned fund balance.

- Property Tax to the Agricultural Land Preservation Community Investment Plan (CIP) program capped at \$3.0M in FY 23 – 25, and ongoing.
- Increased the vehicle maintenance rate charged to outside agencies from \$45/hour to \$75/hour by FY 25.
- Used a total of \$3.0M of unassigned fund balance in FY 22 - 25.
- Reduced the planned addition of 10 School Resource Officers in FY 20 to 4 School Resource Officers and 1 Unit Coordinator.
- Reduced Economic Development Infrastructure and Grants to \$1.25M per year in FY 20-25.
- Eliminated the reserve for positions in FY 22 - 25.
- Reduced the Pavement Management CIP project by a total of \$4.8M in FY 21 - 23.
- Reduced the State/Transportation CIP project annually by \$0.1M in FY 20 - 22.
- Eliminated \$50,000 annually from the Trail Development CIP project.
- Eliminated funding to the Environmental Compliance CIP project in FY 20 - 25.
- Eliminated \$2.9M of funding for NCHS Roof or Demolition CIP project.
- Eliminated \$30,000 annually in FY 20 - 25 for the Infrastructure Studies CIP project.
- Eliminated the \$0.6M Additional Waste Drop-Off Area capital project at Northern Landfill.
- Reduced the Technology infrastructure and County Systemic replacements CIP projects by 5% annually in FY 20 - 25.
- Held Not In Carroll funding flat throughout the plan.
- Added \$0.42M for Charles Carroll Community Center CIP project to expand the gymnasium to accommodate bleachers.
- \$0.4M one-time for a 1% bonus for County employees.
- \$0.2M one-time to the Community College for a 1% employee bonus.
- \$0.3M of ongoing funds to increase disability plan benefits for Sheriff Deputies and Correctional Deputies.
- Funded three new County positions from the reserve for positions, including an Employment Compliance Coordinator, a Resource Management Technician, and a Network Client Analyst.
- \$0.2M one-time of Hotel Rental Tax funding for installation of a playground at the Farm Museum.
- \$0.16M of FY 19 Economic Development Infrastructure and Grants funding to reimburse for work performed on a NPDES project.
- Provided ongoing funding for project management software and a non-emergency request and work management program.
- Increased assumed funding growth to ARC, Target, Change, and Mosaic from 1% annually to 2% annually.
- Increased ongoing funding to Rape Crisis to replace lost grant funding.
- Changed the status of 12 Citizen Services positions from Contingent to Regular.
- Provided one-time funding to VESA for Self-Contained Breathing Apparatus for Lineboro Volunteer Fire Company.
- \$25,000 of additional ongoing funding for Veteran's Transit.
- \$25,000 additional ongoing for the State's Board of Elections salary plan.
- \$3,000 additional ongoing stipend for Board of Elections.

- \$5,000 one-time funding to Union Mills for a Tannery Interpretation.
- \$2,500 one-time funding to Historical Society for a printer replacement.

Balancing the Plan

One-time and short-term funding was used to balance FY 22 - 25. Few jurisdictions build multi-year budget plans that are balanced for all years. Carroll County uses a six-year operating plan to capture future year impacts and the sustainability of current year actions. The Board of County Commissioners made the decisions necessary to balance all years in the FY 20 - 25 Plan. Below are the bottom lines of the FY 20 - 25 Operating Plan.

Millions	FY 20	FY 21	FY 22	FY 23	FY 24	FY 25
Revenues	\$418.8	\$431.6	\$445.2	\$460.5	\$476.5	\$493.8
Expenditures	418.8	431.2	445.1	460.5	476.5	493.8
Balance	\$0.0	\$0.4	\$0.1	\$0.0	\$0.0	\$0.0
Balance as a % of Budget	0.0%	0.1%	0.0%	0.0%	0.0%	0.0%

County Highlights

Even after numerous years of troubled economic conditions and modest revenue growth, the County has many good things to talk about:

- Carroll County Public Schools continues to be among the most highly ranked systems in the highly ranked State of Maryland.
- Carroll County Public Library continues to have one of the highest circulation rates per capita in the State.
- Significant business and employment developments are progressing, creating the potential for high-quality job opportunities.
- More than 73,000 acres are under permanent easement in our Agricultural Land Preservation programs, supporting agribusiness and maintaining our rural heritage while avoiding the costs of services and infrastructure to serve residential development.
- Carroll continues to be highly rated by the credit rating agencies with three AAA. We continue to see strong demand for our bonds.

Stay Informed

The Commissioners continue to make their actions available for review and participation by the public. You can follow the budget, and other actions and discussions, through:

- Cable Channel 24 broadcasts
- Carroll County's YouTube channel
- The County website with links to live and on demand video
- Carroll Connect, the County's email subscription service
- Facebook, Twitter, and Instagram
- A video archive of public meetings on the website

- A Commissioner radio report broadcast live on WTTR on Sunday mornings and available on the County website

All of the FY 20 budget sessions, from the first Budget Overview to the adoption of the Budget, were open to the public and appeared on the local government channel. These videos remain available on the County website. Thank you for your interest in the Commissioners' budget.

Ted Zaleski, Director
Management and Budget