

# Fiscal Briefing

## Overview of the Proposed FY 2015 Operating and Capital Budgets

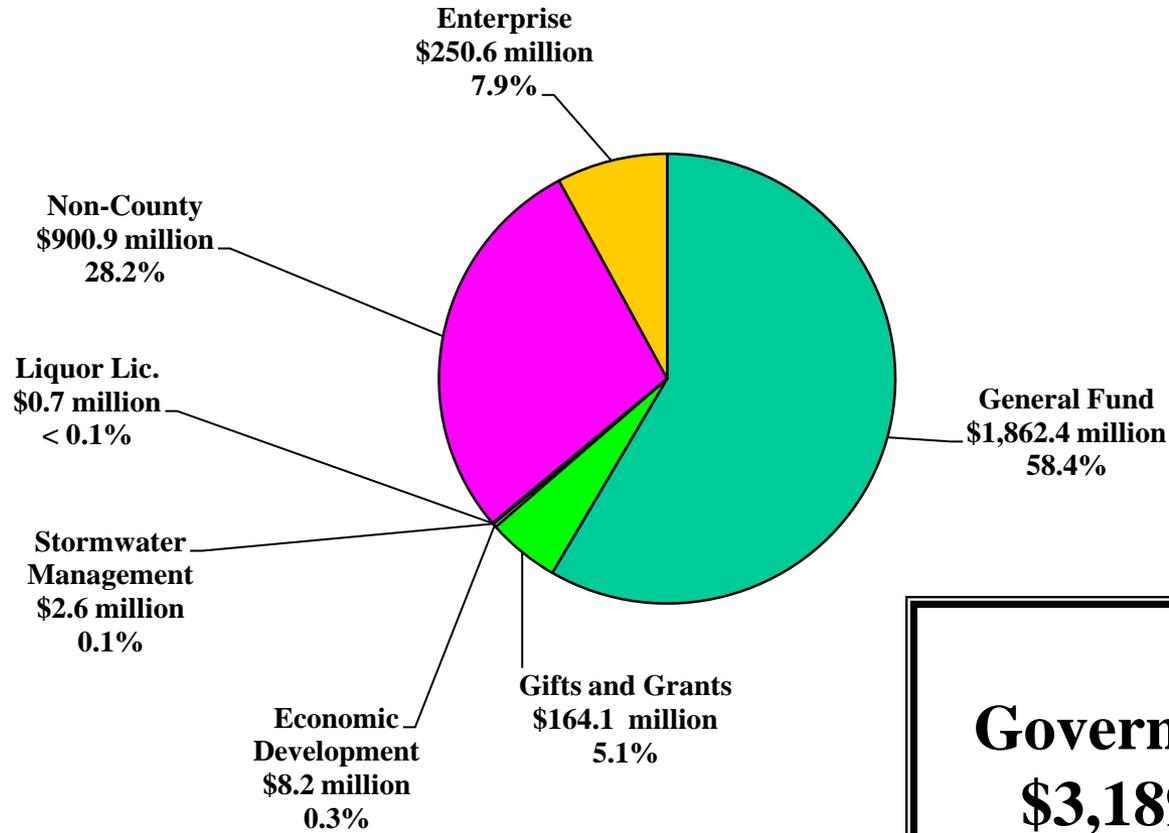


Office of the County Auditor

Baltimore County, Maryland

April 29, 2014

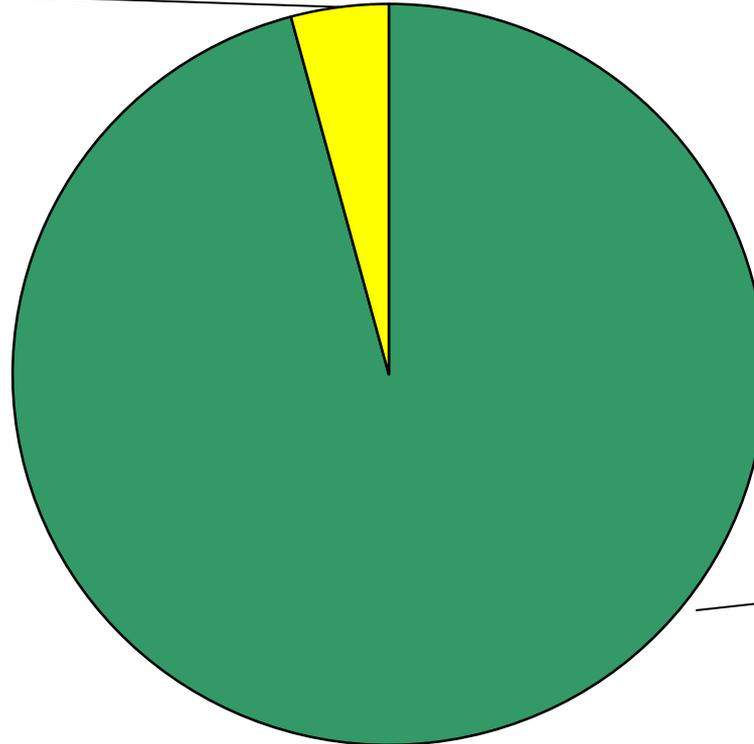
# FY 2015 Operating Budget



**Total  
Government-Wide:  
\$3,189.5 Million**

# FY 2015 Budget

**Assigned Surplus**  
**\$78.1 million**  
**4.2%**

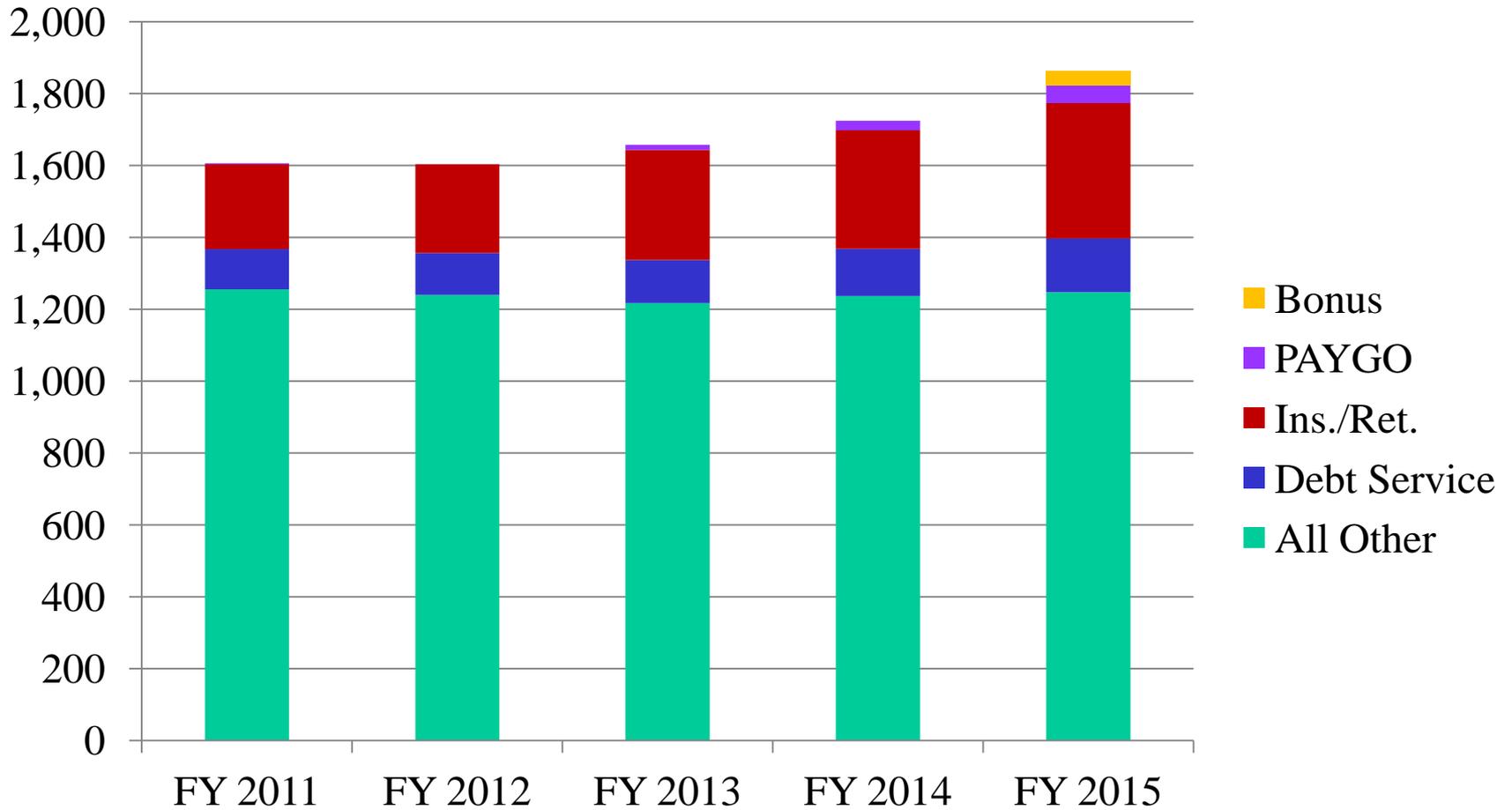


**General Fund:**  
**\$1,862.4 Million**

**Budgeted Revenue**  
**\$1,784.3 million**  
**95.8%**

# General Fund Budget History

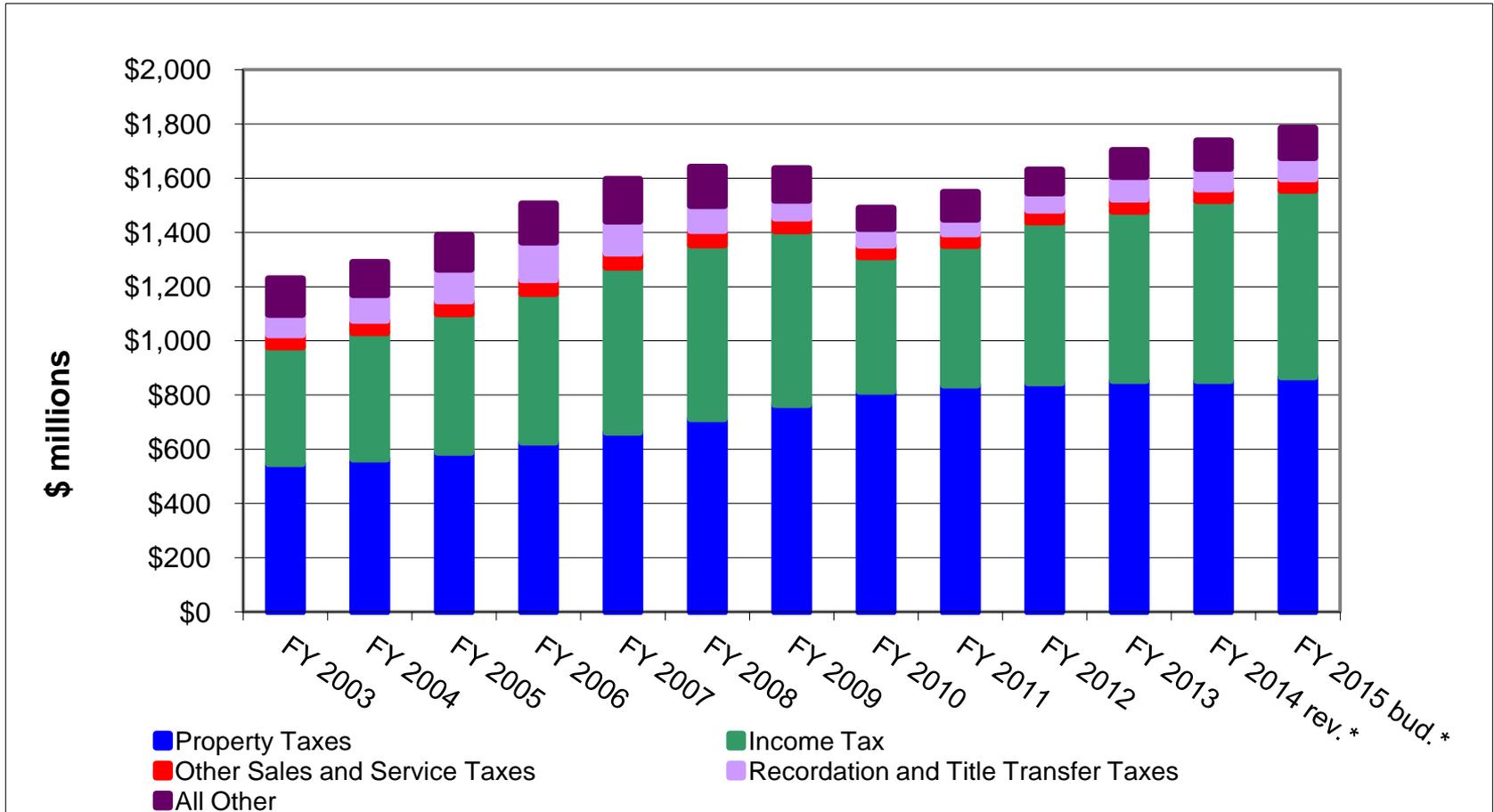
(\$ in millions)



# FY 2015 General Fund Revenues

	<u>Budget</u>	<u>Legislative</u>
Property Taxes	\$ 866.9	\$ 869.0
Income Tax	687.8	643.0
Recordation & Transfer Taxes	78.0	84.0
Sales and Service Taxes	43.6	44.5
State, Federal Aid	42.9	43.0
Other	<u>65.1</u>	<u>65.1</u>
<b>Total</b>	<b>\$ 1,784.3</b>	<b>\$ 1,748.6</b>

# General Fund Revenues History



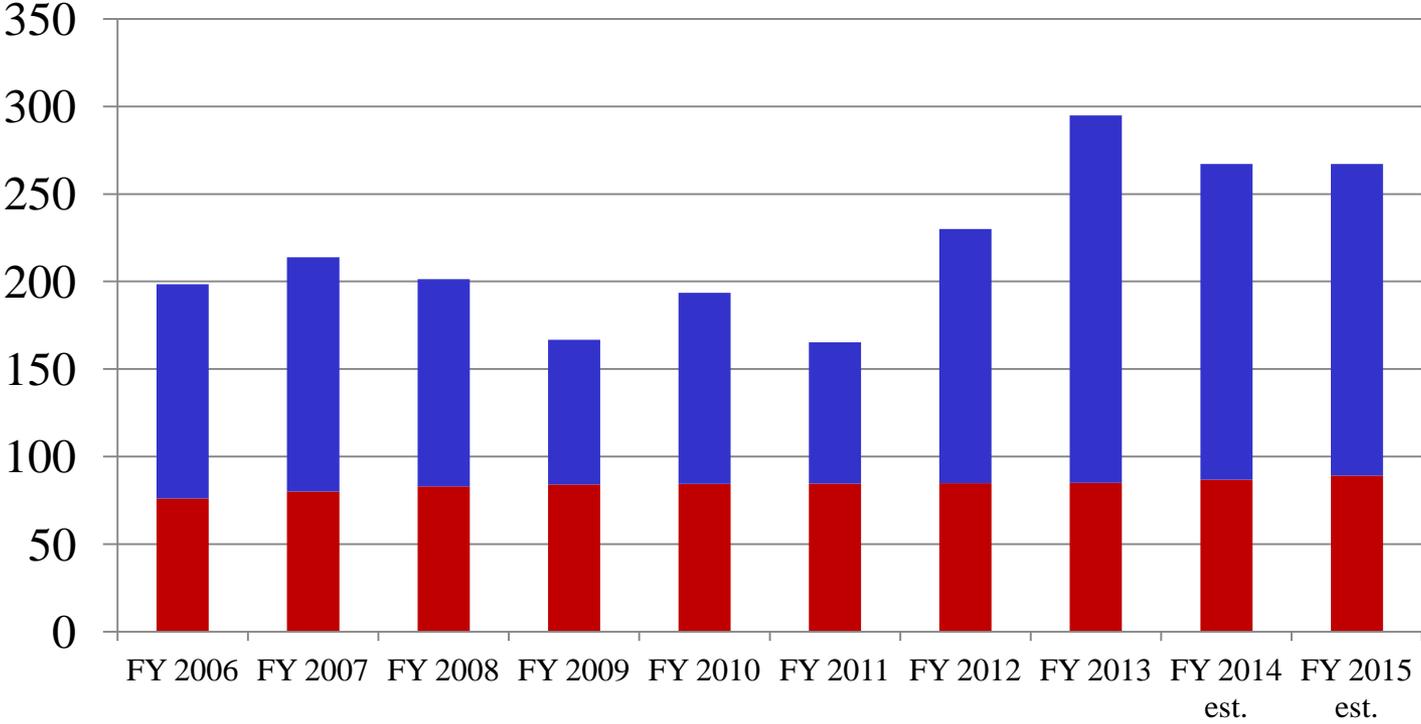
\*Estimates from the Executive's FY 2015 Budget Message.

# General Fund Surplus

- Budget projects healthy surplus levels
  - Healthy operating surplus for FY 14
    - \$52 million revenue surplus
    - \$2 million net increase in spending
      - \$12 million supplemental for snow
      - \$10 million in reversions (unexpended)
  - Starting FY 15 with \$258 million available balance, plus \$87 million in RSRA
  - Using \$78 million for primarily one-time purposes
  - Ending FY 15 with \$178 million available balance, plus \$89 million in RSRA

# Surplus History, FY 2006 – FY 2015

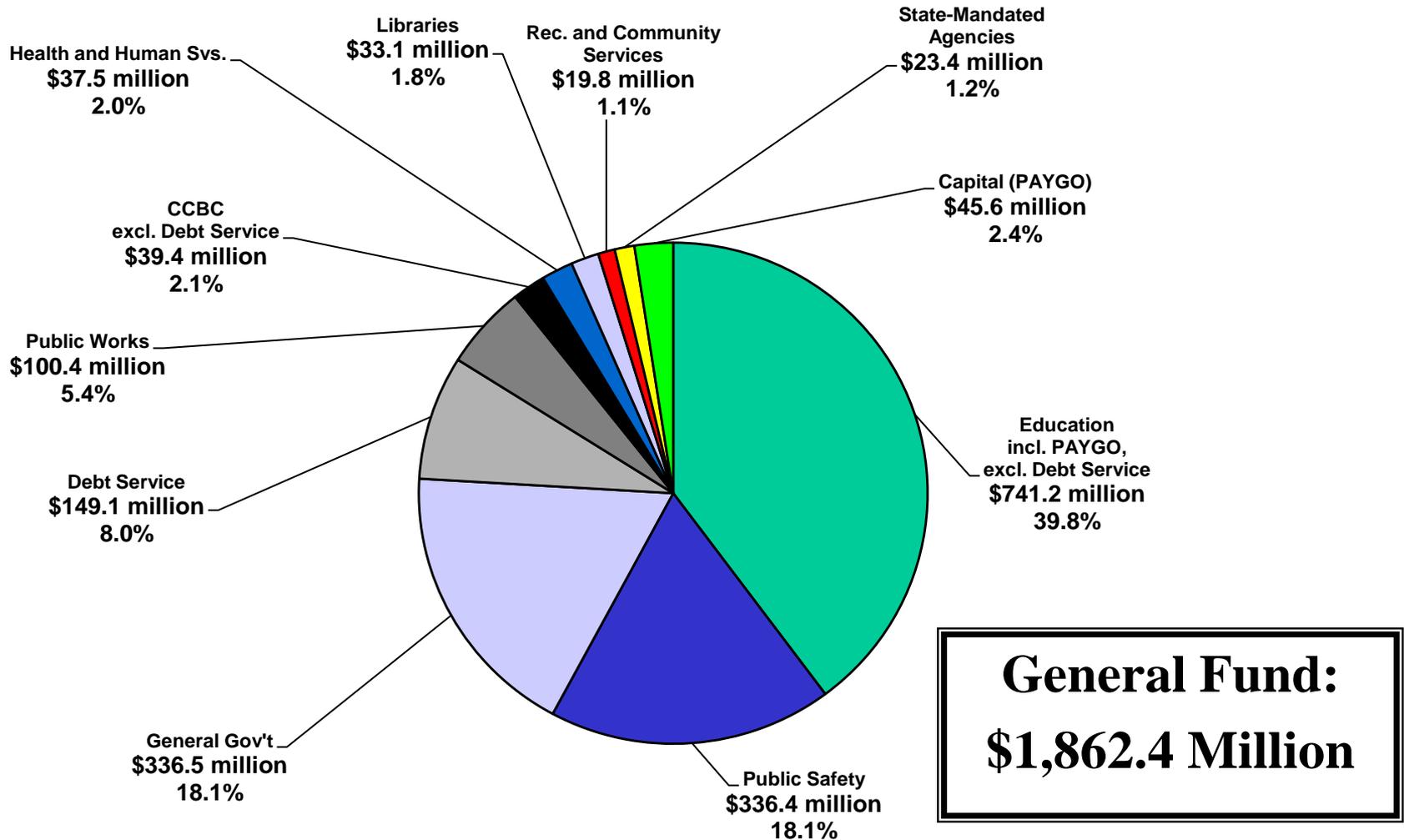
(\$ in millions)



■ RSRA    ■ Other Unassigned Surplus

# FY 2015 Budget

## Use of Funds



# FY 2014 to FY 2015 Agency Changes

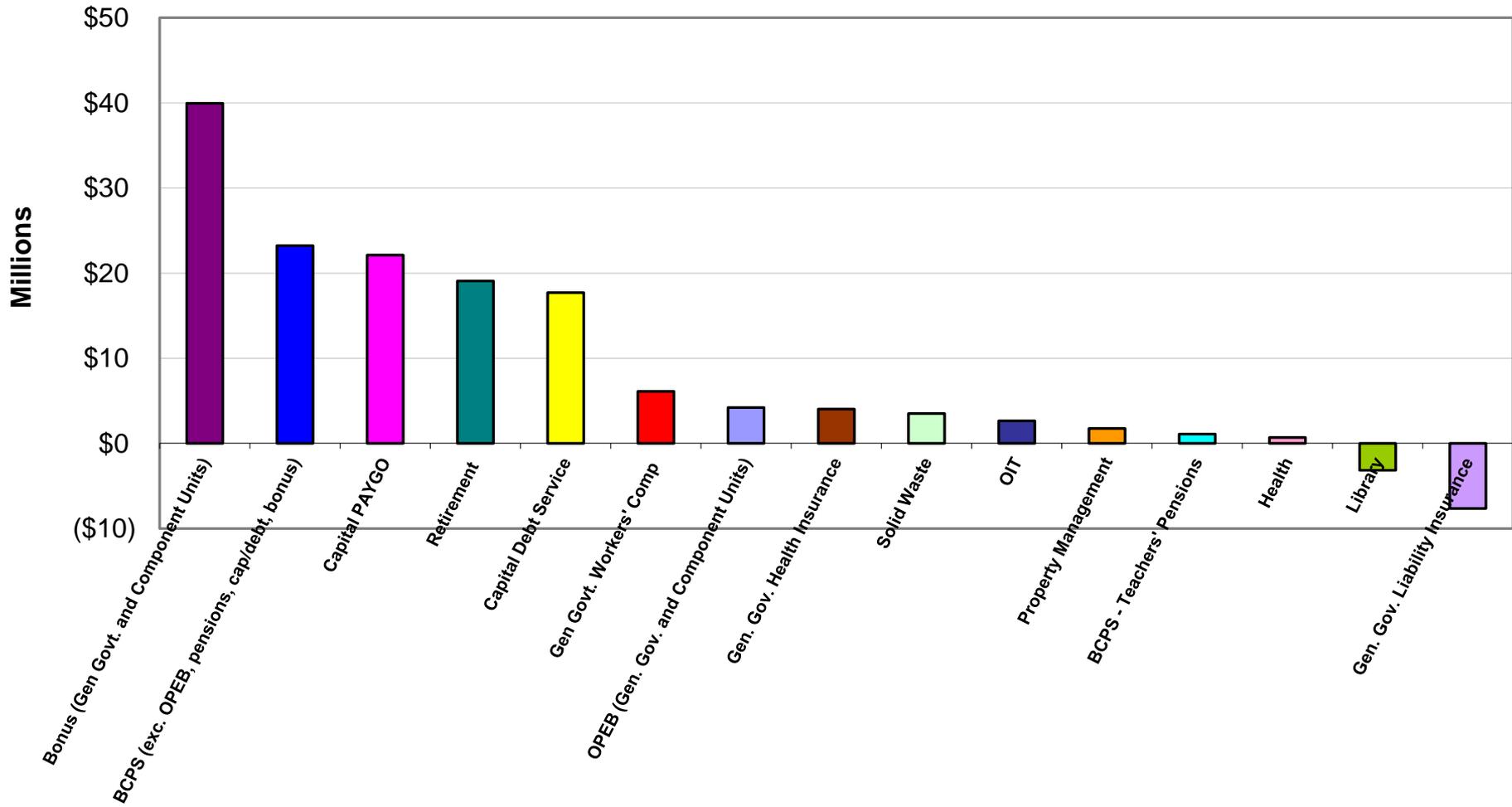
## FY 2015 GENERAL FUND BUDGET BREAKDOWN

<u>Agency</u>	<u>FY 2014 Approp.</u>	<u>FY2015 Approp.</u>	<u>\$ Increase/ (Decrease)</u>	<u>% Of Total Change</u>
Insurance	101,080,474	131,847,638	30,767,164	22.31%
Capital Expenditures - PAYGO	16,592,835	45,561,048	28,968,213	21.01%
BCPS	757,609,856	780,108,619	22,498,763	16.32%
Retirement	88,172,467	108,155,577	19,983,110	14.49%
Debt Service	89,754,898	102,844,663	13,089,765	9.49%
Public Works	95,419,819	100,399,928	4,980,109	3.61%
Police	191,714,548	195,854,818	4,140,270	3.00%
OIT	20,737,023	23,791,813	3,054,790	2.22%
Other Agencies (Inc./Dec. < \$400K)	69,587,355	71,737,003	2,149,648	1.56%
Property Management	30,656,052	32,775,992	2,119,940	1.54%
College	44,615,557	46,734,048	2,118,491	1.53%
Fire	90,905,450	92,664,286	1,758,836	1.28%
Corrections	34,508,782	35,719,393	1,210,611	0.88%
Health	19,337,572	20,542,818	1,205,246	0.87%
HR	2,447,954	3,281,435	833,481	0.60%
911	11,417,005	12,175,052	758,047	0.55%
PAI	8,119,536	8,694,948	575,412	0.42%
Organizational Contributions	7,677,080	8,118,005	440,925	0.32%
OBF	8,873,655	8,300,065	(573,590)	-0.42%
Library	35,263,610	33,079,623	(2,183,987)	-1.58%
	<u>\$ 1,724,491,528</u>	<u>\$ 1,862,386,772</u>	<u>\$ 137,895,244</u>	

# FY 2015 Budget

## General Fund Expenditures

### Significant Changes: FY 14 – FY 15



# FY 2015 Authorized Positions

<u>Agency</u>	<u>Budg.</u>	<u>Adjust.</u>	<u>Current</u>	<u>Transf.</u>	<u>Add</u>	<u>Delete</u>	<u>Proposed</u>	<u>Change</u>
BCPS	14,472	0	14,472	0	154	0	14,626	154
Public Safety	4,242	4	4,246	(10)	0	(2)	4,234	(12)
CCBC	1,976	0	1,976	0	4	(44)	1,936	(40)
Health/Human Services	1,154	16	1,170	(2)	9	(10)	1,167	(3)
Public Works	867	0	867	(2)	0	0	865	(2)
General Government	1,021	4	1,025	50	1	(15)	1,061	36
BCPL	522	0	522	(36)	1	(9)	478	(44)
Recreation/Community	273	1	274	(2)	1	0	273	(1)
State-Mandated	<u>381</u>	<u>0</u>	<u>381</u>	<u>2</u>	<u>0</u>	<u>0</u>	<u>383</u>	<u>2</u>
Total	<u>24,907</u>	<u>25</u>	<u>24,932</u>	<u>0</u>	<u>170</u>	<u>(79)</u>	<u>25,023</u>	<u>90</u>

\*Totals may not add due to rounding.

# Four-Year Change in Positions

<u>Agency</u>	<u>FY 2011</u>	<u>FY 2015</u>	<u>Change</u>
BCPS	14,606	14,626	20
Public Safety	4,317	4,234	(83)
General Gov. / DPW / Recreation	2,496	2,199	(297)
CCBC	1,974	1,936	(38)
Health/Human Services	1,245	1,167	(78)
BCPL	458	478	20
State-Mandated	<u>408</u>	<u>383</u>	<u>(25)</u>
Total	<u><u>25,504</u></u>	<u><u>25,023</u></u>	<u><u>(481)</u></u>

# FY 2015: Spending Affordability

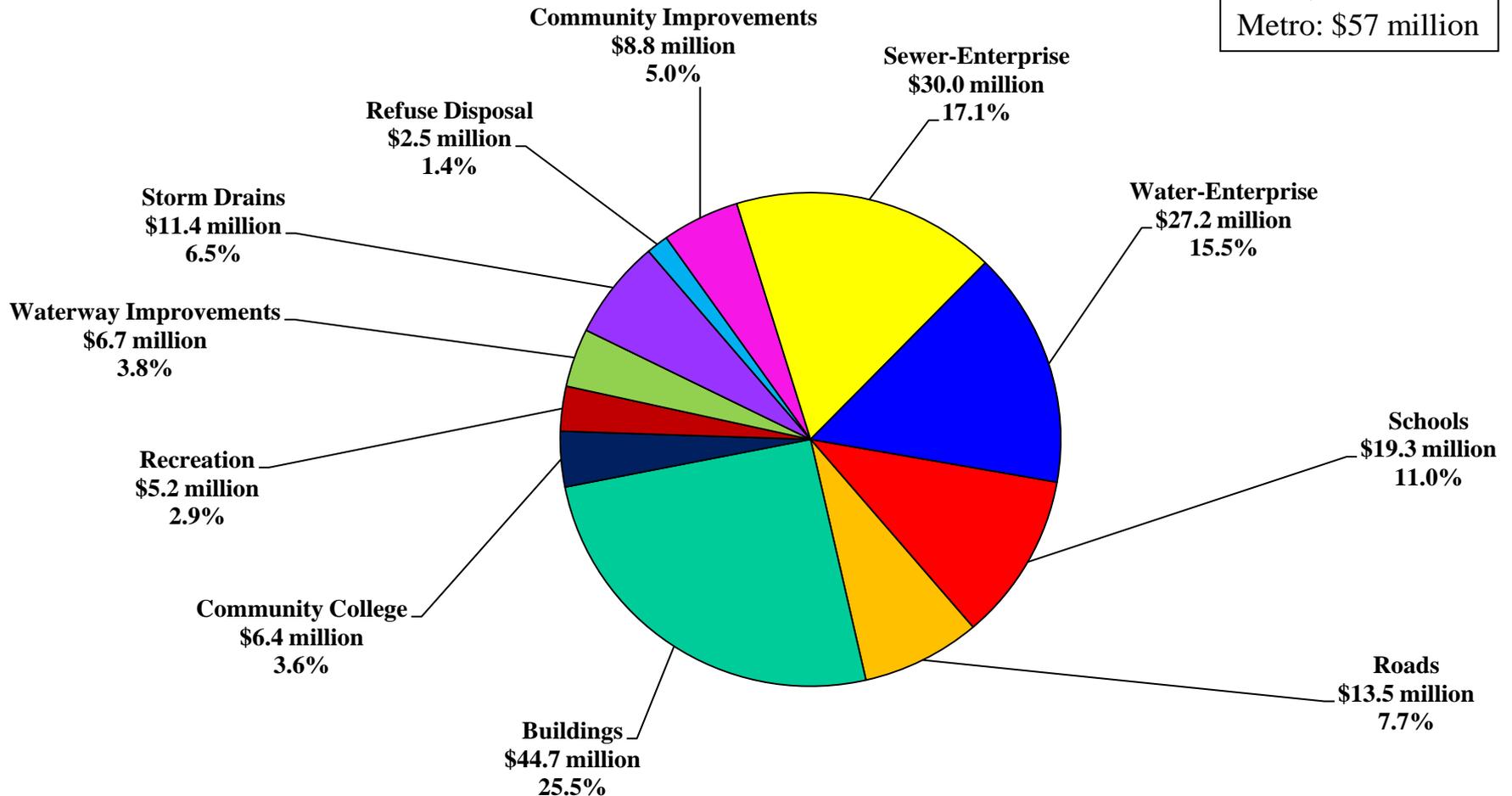
- After excluding one-time/non-recurring costs:

FY 15 SAC Guideline	\$1,749.4 million
<u>FY 15 Adjusted Budget</u>	<u>\$1,749.1 million</u>
Amount Under Guideline	\$ 0.3 million

# FY 2015 Capital Budget – Project Classifications

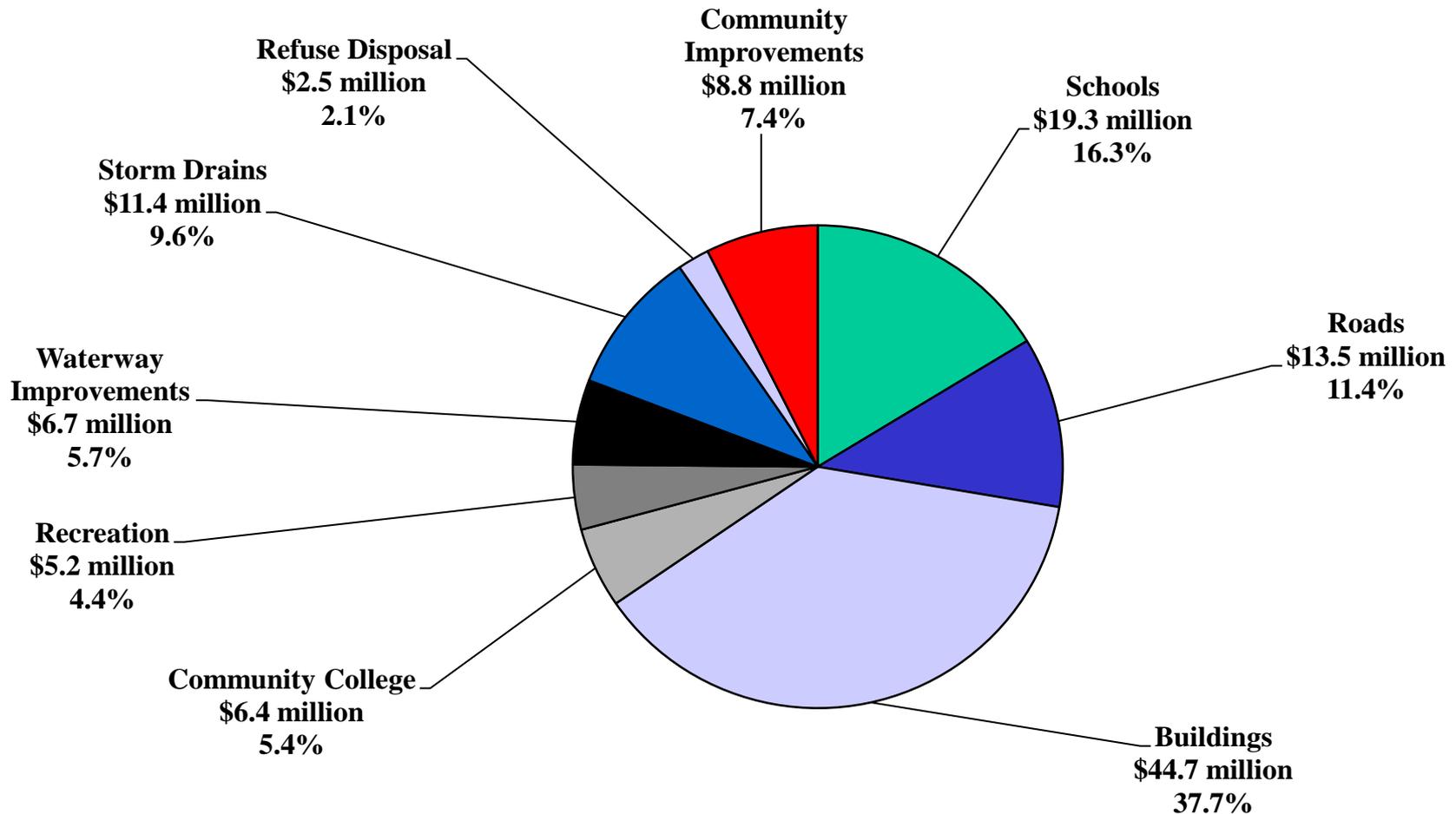
**Total Projects \$175.7 million**

CPI: \$119 million  
Metro: \$57 million



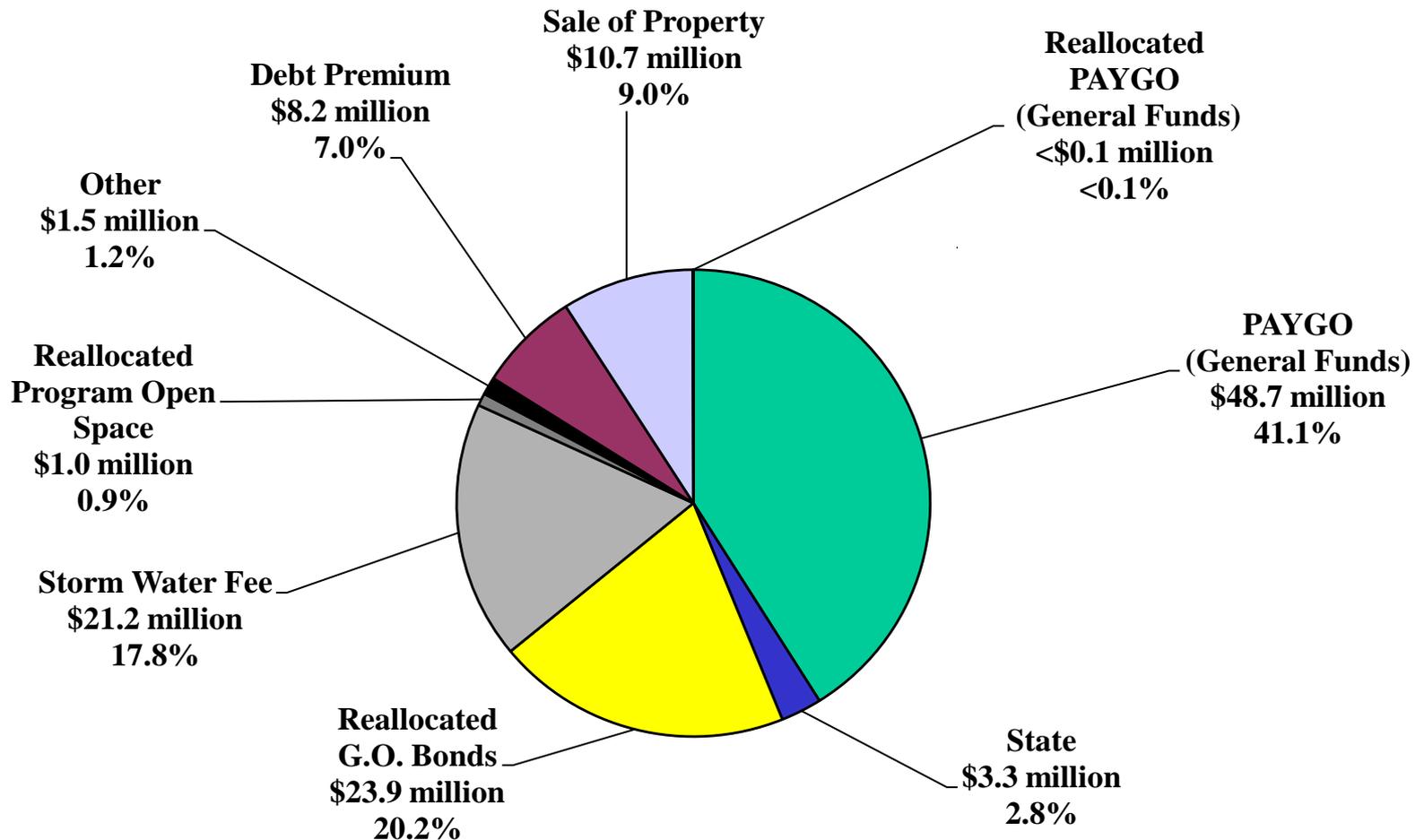
# FY 2015 Capital Budget – Project Classifications

**Total CPI Projects \$118.5 million**



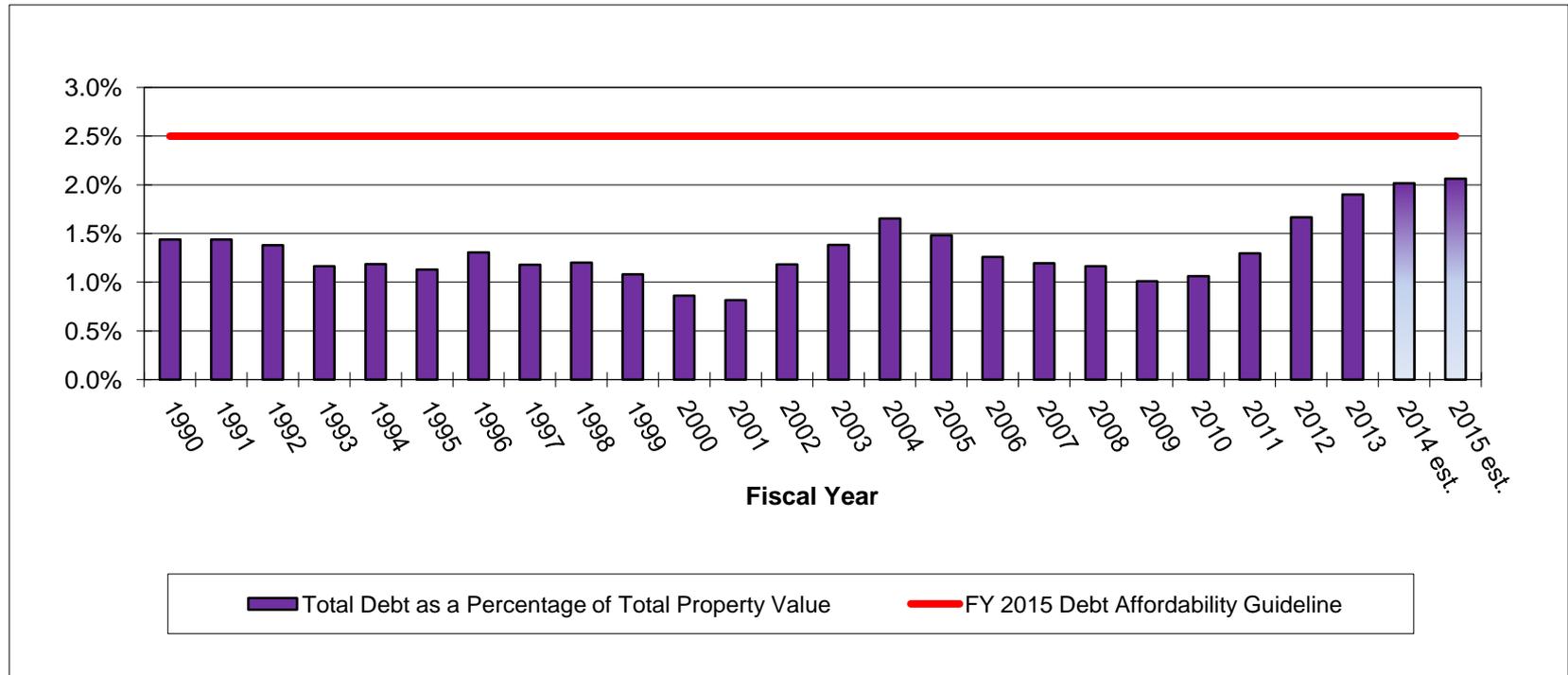
# FY 2015 Capital Budget - Funding Sources

**Total CPI Sources \$118.5 million**



# FY 15: Debt Affordability

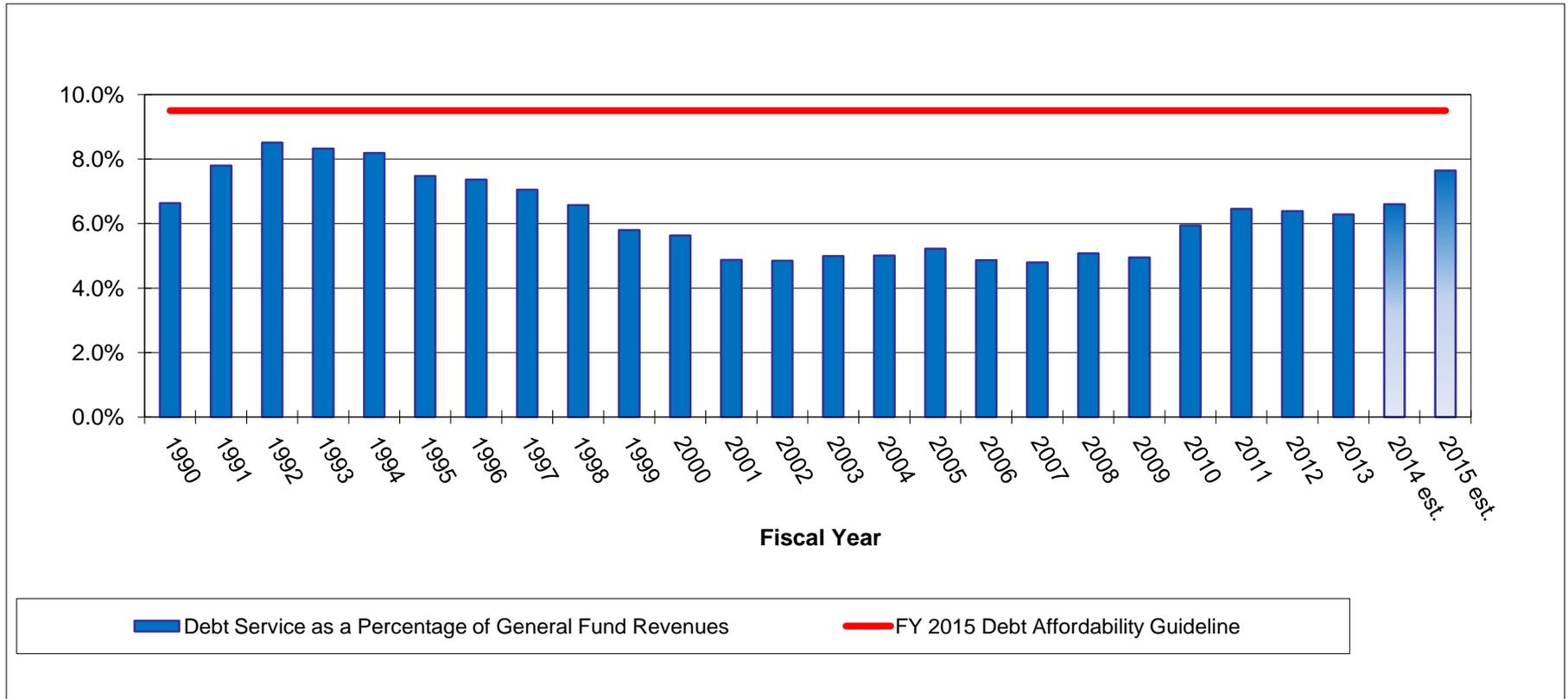
## Debt Outstanding Guideline



Notes: Excludes debt related to pension funding, metropolitan district bonds, and component unit capital leases not budgeted under Primary Government. FY 2014 and 2015 debt outstanding is estimated. FY 2015 guideline based on estimated total property value of \$78,303,651,000. All prior year figures are actual.

# FY 15: Debt Affordability

## Debt Service Guideline



Note: Excludes debt service related to pension funding, metropolitan district bonds, and component unit capital leases not budgeted under Primary Government. FY 2014 and FY 2015 revenues are estimated; FY 2014 debt service represents adjusted appropriation, and FY 2015 debt service represents budgeted amount. All prior-year figures are actual.

# Annapolis 2014

- Modest increase in State Aid of 2.6% or \$17 million
  - Largely driven by existing formulas with some tweaks to funding for Health and Community Colleges
  - Nearly all of the increase goes to schools
- Small changes to the tax code
  - New enterprise zone designation for areas around universities
  - Phases in the estate tax threshold to match the federal government by 2019
  - Establishes the use of the prime rate for interest charges related to possible Wynne case refunds
- New minimum wage: four year phase-in from \$7.25 to \$10.10 per hour
- Pension savings reinvested reduced by \$200 million to \$100 million for the next two years

# FY 2015 State Aid

Area	FY 2015 Approp.	\$ Change	% Change
<b>Total Direct</b>	<b>\$668.5 M</b>	<b>\$17.0 M</b>	<b>2.6%</b>
Schools	\$593.7 M	\$15.2 M	2.6%
College	\$42.2 M	\$ 2.2 M	5.6%
Public Safety (Primarily Police Aid)	\$11.3 M	\$ 0.2 M	2.2%
Health	\$5.4 M	\$ 0.6 M	12.5%
Library	\$5.3 M	\$ 0.1 M	1.4%
Highway User Revenue	\$4.0 M	\$ 0.1 M	3.5%
Program Open Space	\$3.1 M	\$ (0.4 M)	(10.6%)
Teacher Retirement Grant	\$3.0 M	Flat	Flat
Pothole Repair Grant	\$0.0 M	\$ (1.2 M)	(100.0%)

# State Cost Sharing

- Teachers' Pensions Cost
  - FY 13, \$15.8 million
  - FY 14, \$20.0 million
  - FY 15, \$21.1 million
  - FY 16, \$24.8 million
- SDAT Cost (Property Assessments)
  - FY 13, \$4.5 million
  - FY 14, \$2.6 million
  - FY 15, \$2.9 million
- Public Defenders
  - FY 15, TBD

# Federal Budget

- Sequestration is over
- Shutdown is over
- A budget deal was struck last year that cut both domestic and military spending. What exactly that means is not clear
- New partisan plans emerging that will likely derail the budget deal
- Expectation is that gridlock will continue

# What's Next

- Public Hearing Tonight
- Agency Hearings from May 1 to May 15
- Budget Adoption May 22