

FY26 PRELIMINARY BUDGET REVIEW

July 1, 2025 - June 30, 2026

Presented by:

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County Administrator

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May 1, 2025



BUDGET TIMELINE

Work Sessions and events leading up to this point.



State Budget First Look

The Governor's initial budget publication projected a \$5.7 million loss for Allegany County, due to newly mandated expenses, reduced revenue from the State tax plan, and the reduction of the Disparity Grant.

Commissioner Brainstorm Session

Commissioners were presented with a series of options to generate income and reduce expenses within County government. They discussed severe departmental cuts, focusing on which services are required and what savings options remained available.

State Budget Updates

County Attorney Beeman and Administrator Bennett traveled to Annapolis to testify about the Governor's budget and its impact on Allegany County. They provided the Commissioners with an update and shared their expectations for the final budget.

Guidance for Draft Budget Creation

The final implications of the State budget were discussed. Commissioners considered the potential for a future Disparity Grant amount, assuming the County adopts the maximum property tax rate. They proposed increases to property and income tax rates, along with a few expense cuts, for the Finance Department to use in building the draft budget.

PRELIMINARY BUDGET

Total PREDICTED Revenues: \$113,696,028

Based on anticipated collections from taxes, fees, grants, and other income for the upcoming fiscal year.

<u>Highlights</u>	<u>Changes</u>	<u>Reasoning</u>
Property Taxes	\$4,250,000	Property taxes are projected to grow by 9.6% – due to rising property assessments and a two-cent increase in the real estate tax rate.
Income Taxes	\$1,590,000	The tax rate will increase to 3.20%, with a slight improvement in FY 2025 performance expected to carry into FY 2026. However, a \$400,000 decrease is anticipated due to changes in Maryland's income tax laws.
Disparity Grant	(\$816,053)	Decreased by the State of Maryland.
Unreserved Fund Balance	\$1,828,000	Use of unreserved fund balance in order to reduce the burden on County taxpayers.

PRELIMINARY BUDGET

Total REQUESTED Expenditures: **\$113,696,028**

The total cumulative amount of all departmental budget requests for the upcoming fiscal year, including both internal and external requests.

<u>Highlights</u>	<u>Changes</u>	<u>Reasoning</u>
Emergency Management	\$1,800,000	Continued expansion has brought expenditures to a total of \$7 million, making it the County's third-largest operating department.
Employee Cost	\$1,750,000	Union-contracted COLAs, along with a 16% increase in health insurance costs and an 11% increase in pension costs, are contributing factors.
State's Attorney	\$816,000	Continued expansion has brought expenditures to a total of \$3.4 million, including grant-funded expenditures.
Mandated State Assessment Office & Teacher Pension	\$1,122,195	The County will absorb State of Maryland funding cuts and the transfer of certain expenditures from the State to the County.
Debt Service Transfer	\$746,000	An increase in Public Improvement Bond (PIB) debt service payments is scheduled for FY 2026.



FY26 PROPOSED TAX RATES

- **Income Tax Rate: 3.20%**

Based on a taxable income amount of \$100,000, the annual tax amount would be \$3,200. This is \$170 more than the current scenario.

- **Real Property Tax Rate: \$0.9950**

Based on an assessed property value of \$100,000, the annual tax amount would be \$995. This is \$20 more than the current scenario.

- **Recordation Tax: \$3.50 – UNCHANGED**

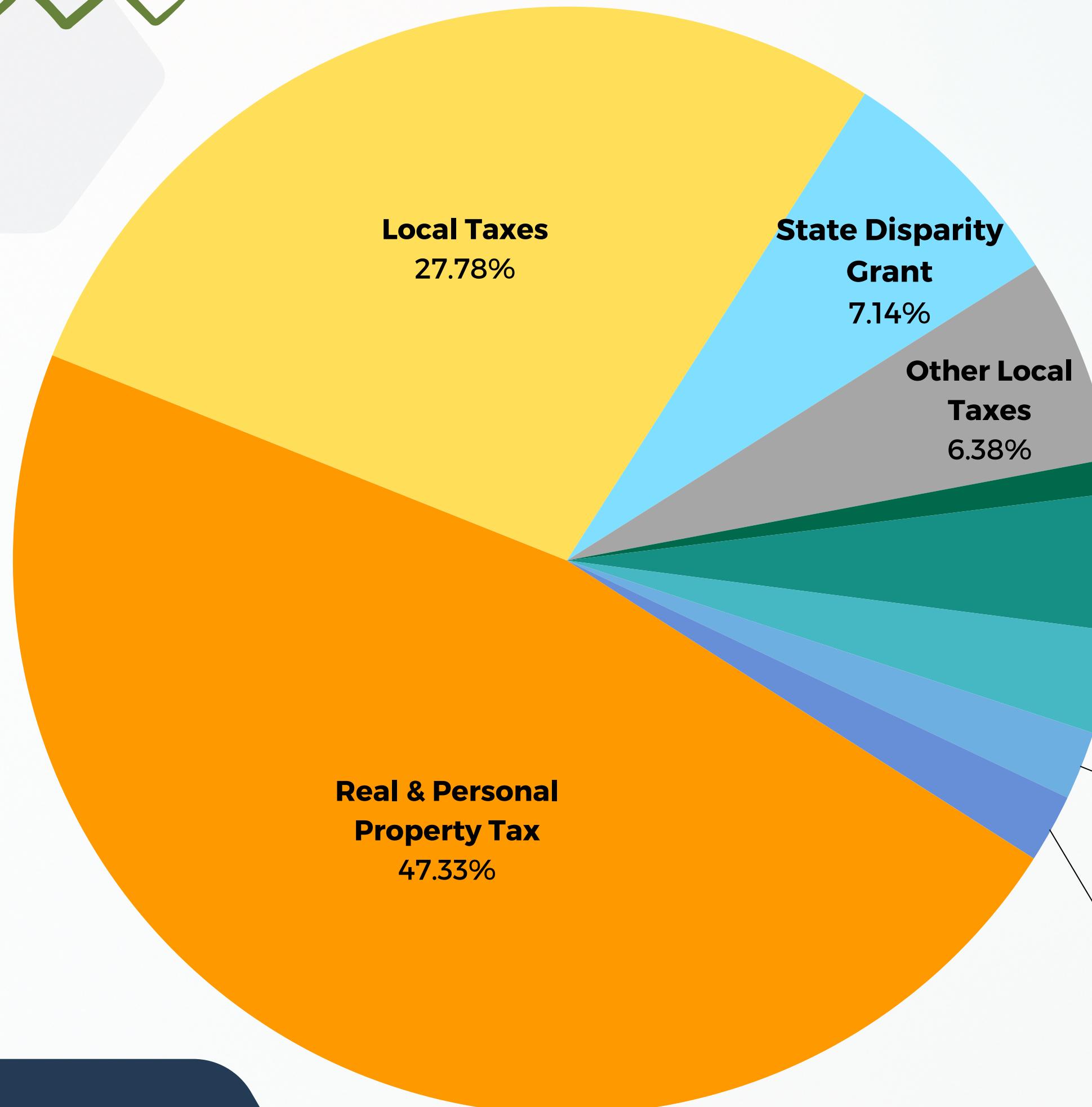
A recordation tax is a fee collected when property documents, such as deeds or mortgages, are officially recorded.

- **Homestead Credit: 4.00% – UNCHANGED**

Property tax credit that limits how much a homeowner's taxable property value can increase each year, helping to protect against large increases in property tax bills.

TOTAL PREDICTED BUDGET REVENUES

\$113,696,028



PRELIMINARY BUDGET SUMMARY OF ALL FUNDS

This is the total of all funds that fall under Allegany County Government, including the General Fund.

General Fund	\$ 113,696,028
Coal Haul Roads Fund	\$45,000
Rocky Gap Slots Revenue Fund	\$2,495,939
Transit Fund	\$2,277,361
Narcotics Task Force Fund	\$225,282
Gaming Fund	\$435,324
Revolving Building Fund	\$3,556,125
State Fire, Rescue & Inmate Commissary Fund	\$488,000
Debt Service Fund	\$3,184,410
Water Fund	
Sanitary Fund	
Allconet II	\$116,500
County Loan Fund	\$55,000
TOTAL	\$ 126,574,969



Note: This preliminary budget does not include the Capital Projects Fund or Water/Sewer Funds

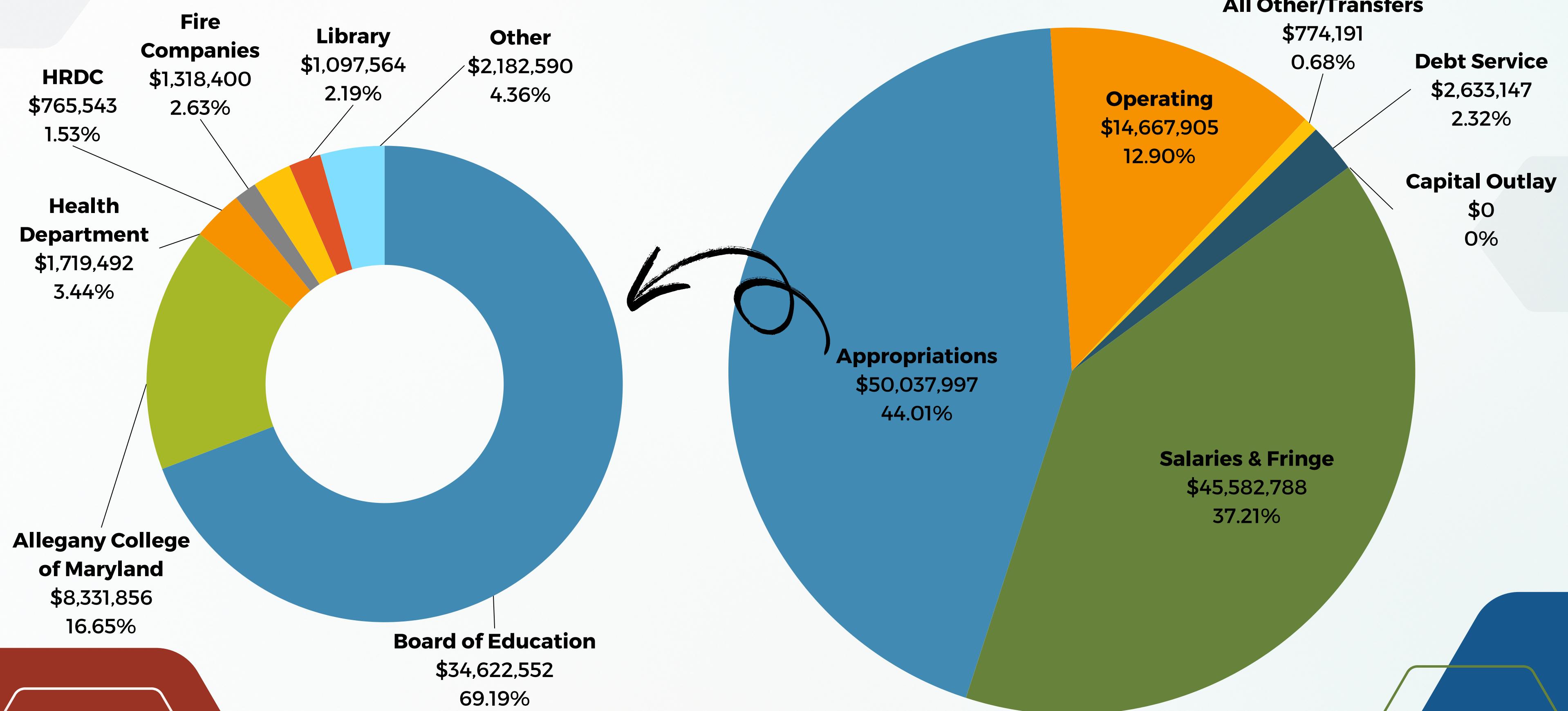
PRELIMINARY BUDGET WHERE IS YOUR TAX DOLLAR SPENT?

TOTAL GENERAL FUND BUDGET EXPENDITURES: \$113,696,028





TOTAL PREDICTED GENERAL FUND EXPENDITURES



Service	Dollars	Percentage
Board of Education	\$ 34,622,552	30.5%
Detention Center	10,647,529	9.4%
Allegany College	8,331,856	7.3%
Debt Service on Services	2,633,147	2.3%
911	3,810,655	3.4%
State's Attorney	3,415,102	3.0%
Health Department	1,547,543	1.4%
Allegany County Library	1,097,564	1.0%
Other Health Services Programs	671,500	0.6%
Election Office	1,274,422	1.1%
HRDC (Sr Citizen Centers)	765,543	0.7%
Tourism	1,089,966	1.0%
County Fair & Ag Expo	686,343	0.6%
Transit Operation	658,407	0.6%
Animal Control	563,740	0.5%
Circuit Court Master Program	793,132	0.7%
Alternative Sentencing Program	282,946	0.2%
Solid Waste Recycling	199,959	0.2%
Airport	230,000	0.2%
Emergency Management	308,461	0.3%
Soil Conservation	224,847	0.2%
Agricultural Extension Agent	213,727	0.2%
Home Detention	401,923	0.4%
Liquor Board	234,247	0.2%
Haz Mat	91,400	0.1%
Family Law Master	394,251	0.3%
26 Services for 66% of Budget	\$ 75,190,762	66.1%
Total General Budget	\$ 113,696,028	

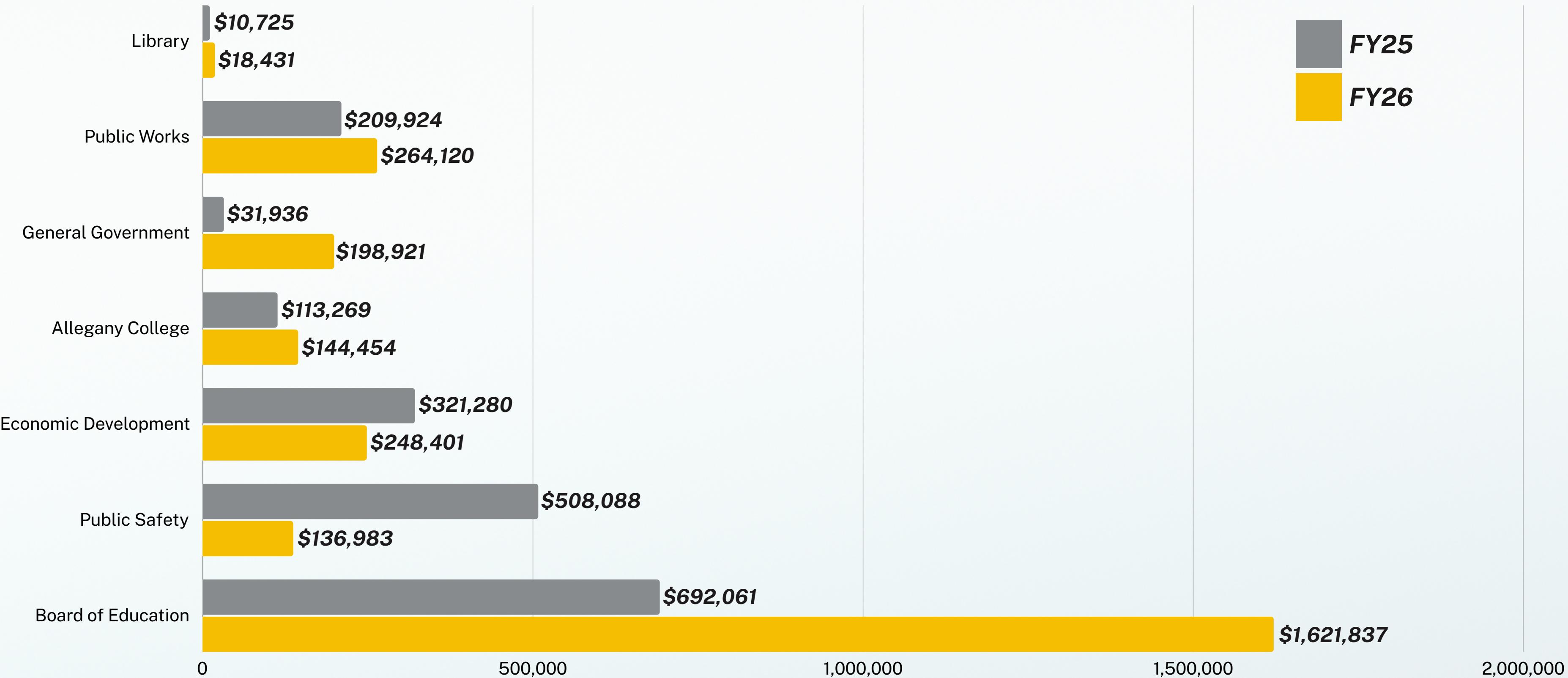
SERVICES NOT PROVIDED BY MUNICIPAL GOVERNMENT INCLUDED IN THE FY26 GENERAL FUND PRELIMINARY BUDGET



PRELIMINARY BUDGET

Debt Service Transfer: \$2,633,147

The total cumulative amount of all departmental budget requests for the upcoming fiscal year, including both internal and external requests.



BUDGET INFORMATION



● Hearings

There will be preliminary budget hearings for public input during all meetings in May. Meetings will also be live streamed on our website.

- Thursday, May 1st at 5:00 PM
- Thursday, May 15th at 5:00 PM
- Thursday, May 29th at 5:00 PM

● Document Review

This document will be available on our website under Departments>Finance>Budget & Financial Reports.

● Questions

Please feel free to email any questions about this document to finance@alleganygov.org

● Final Adoption

Budget adoption is scheduled for May 29, 2025