

Disparity Grant Reduction

-\$816,053

This represents a 9% reduction in a supplemental teachers pension shift grant (\$1,632,106) that was added to our disparity grant back in FY 2013.

- Per the Governor's budget, 50% will be reduced this year and then eliminated entirely in FY 27
- The regular disparity grant per the formula gives us \$7.2M annually – this has not been touched yet

New Payment for Teacher Pension Costs

-\$1,358,860

This is a new proposal for \$754,195 and would make county governments pick up more of the share for teacher pensions. It is part of an older discussion about teacher pension costs from years ago and is an 80% increase in costs. In addition, DLS has recommended we plan for another \$604,665 to be added to our teacher pension costs.

SDAT Cost Shift

-\$368,000

This represents a cost share shift from 50% to 90%.

- The County currently pays 50% of the budgeted cost for the local assessment office, managed by the State.
- We budgeted approximately \$360,000 for this in FY 25. This addition in cost will take us to a total of \$728,000

Highway User Revenue

Appears to be unchanged with small programmed increase included. Leaving us at approximately \$1.6M total.

Board of Education

So far, we are anticipating that our required Maintenance of Effort cost should be largely unchanged, potentially very slightly lowered. This totals approximately \$34 million annually.

Proposed Income Tax Changes

-\$3,200,000

Governor Moore has proposed doubling the standard deduction for some Marylanders. While this puts more money in the pockets of those family's, it will have an effect on the income tax we collect at the County level, which helps to fund the services we provide.

While the intention behind that tax change is helpful to our residents, it will have a devastating effect on our County Government's ability to provide the required services.

- The proposal would move the deduction to \$5,600/\$11,200 for single/married
- The comptrollers office estimates that we will lose approximately \$3.2M during FY26 from this change. **This is roughly a 10.6% reduction in our income tax estimates.**
- Approximately 98% of Allegany County residents would be receive this updated tax break



TOTAL PROJECTED LOSS

\$5.7 Million

This represents approximately 5% of our General Fund Budget and has the potential to cripple our County Government operations.