



HARFORD COUNTY

BUDGET IN BRIEF



APPROVED
FISCAL YEAR 2026

ROBERT G. CASSILLY, COUNTY EXECUTIVE

HARFORD COUNTY, MARYLAND

**APPROVED BUDGET IN BRIEF
FISCAL YEAR 2025-2026**

ROBERT G. CASSILLY, COUNTY EXECUTIVE

**Director of Administration
Robert McCord**

**Office of Budget and Management
Benjamin Lloyd, Chief
Christen Sullivan, Deputy Chief
Jennifer Davis, Budget Analyst
Susan McCracken, Budget Analyst
Beth McGraw, Senior Budget Analyst**

**Treasurer
Robert Sandlass**

HARFORD COUNTY COUNCIL

**Council President
Patrick S. Vincenti**

**District A - Nolanda Robert
District B - Alison Imhoff
District C - Tony "G" Giangiordano
District D - James Reilly
District E - Jessica Boyle-Tsottles
District F - Jacob Bennett**

**Harford County Government
Office of Budget and Management
220 South Main Street
Bel Air, MD 21014
410-638-3129**

July, 2025



ROBERT G. CASSILLY

Harford County Executive

June 15, 2025

When I came into office two years ago, my administration was among the first statewide to recognize the serious financial challenges facing Maryland and its counties. We understood the folly of increasing government spending faster than the growth in revenue paid by our taxpayers.

Instead of raising taxes, we took the tough but prudent step of dialing back government spending across the board. Doing so brought harsh criticism from those who would have us dole out taxpayer dollars regardless of the consequences. Despite the pushback, we held firmly to our principles of responsible fiscal management.

Two years later the state is in a fiscal crisis and raising your taxes because the governor and a majority of legislators have refused to rein in spending. The state has also shifted some of its costs to the counties and is pretending that is a spending reduction. For Harford, this means that we have to fund an additional \$6.2M next year for other costs that have historically been state responsibilities. Despite these challenges we have been able to achieve a balanced budget without raising taxes, while increasing funding for essential services like public safety and education.

Public safety remains my top priority. For the third year in a row my budget provides for increased pay for sheriff's deputies in line with the sheriff's salary study. We are also supporting deputies with first-rate equipment including new cars and encrypted radios. Our new county ambulance service now operates 17 units deployed countywide; response times are reduced, and we are saving lives every day.

Educating our children and our future workforce remains a priority and continues to receive the largest portion, by far, of the county's general revenue. By working closely with the board of education and school superintendent, we are able to fully fund the school board's operating budget request for next year. We are also funding a combined new elementary school and a new Harford Academy for students with disabilities, major repairs to existing schools, and a larger share of teachers' pensions that the state imposed on the county. We are also continuing our collaborations with HCPS to identify opportunities for cost sharing and cost savings.

Other priorities in my FY 2026 budget include funding for important safety improvements for our court system, a new firehouse in Whiteford, improvements to our parks and recreation facilities, and expanding agricultural preservation and open spaces.

Moving forward, my administration has assembled an expert team in economic development focused on attracting high-tech manufacturing and other businesses to expand our revenue base and bring well-paying jobs for our homegrown talent. We are also working closely with our

largest employer, Aberdeen Proving Ground, and with federal authorities on public and private sector opportunities to maintain and grow APG's mission and workforce.

I would like to thank my budget team and all county employees for their good stewardship of taxpayer dollars. Harford County is a special place. With strong fiscal management and with everyone's help, I know we can keep it that way.

Very truly yours,



Robert G. Cassilly

Budget highlights are listed below:

- Total operating budget (all funds) of \$1,035,401,000; Total capital budget of \$252,787,729
- Total general fund operating budget of \$816,565,000, an increase of \$36.5 million (4.7%)
- No increases in tax rates
- Highest funding in county history for HCPS, Sheriff's Office, State's Attorney
- Largest funding increases by department/agency:
 - o Harford County Public Schools (\$29.7 million)
 - o Sheriff's Office (\$7.0 million)
 - o Emergency Services (\$3.8 million)
 - o State's Attorney (\$1.1 million)
 - o County Council (\$836,000)
 - o Public Libraries (\$627,000)
- COLA of 3% plus a merit increase of \$1,000 for employees of County Government, as well as civilian employees of the Sheriff's Office, Circuit Court, and State's Attorney's Office.
- Appropriated fund balance decreases from \$58.5 million to \$50.6 million, demonstrating the steady reduction in our structural deficit.
- The state of Maryland has burdened county taxpayers with \$6.2 million in new costs
- AAA Bond Rating retained, lowering our cost of borrowing for capital projects

Harford County Public Schools

- Full funding of the Board of Education's operating budget request of \$347,602,277 (\$26.2 million increase over the current year)
- Additional funds of \$3.4 million for the state-mandated shift of teacher pensions to county government, for an overall funding increase of \$29.7 million (9% increase over the current year)
- Capital project funding of \$87.3 million, including \$26 million for the Harford Academy and new elementary school project; \$16 million for the renovation of Harford Technical HS

Sheriff's Office

- Overall operating budget of \$133.5 million, an increase of \$7.0 million (6%)
- Full funding of the sheriff's non-personnel operating budget request
- Wage increases of 6% for eligible law enforcement deputies and corrections officers, including one merit step plus a 3% COLA, in keeping with the recommendations of the Sheriff's Office pay study
- Average salary is now \$106,000 for a law enforcement deputy and \$82,000 for a corrections officer (not including overtime)
- Continued funding for three (3) school resource officers previously assigned to Aberdeen schools, to allow for increased coverage of elementary schools.
(Aberdeen Police are resuming responsibility for SROs in city schools)
- Over \$10 million in capital funding, including funds to upgrade the radio system

State's Attorney's Office

- Overall operating increase of \$1.1 million (11%)
- Includes \$525,000 in additional personnel funding (in addition to the wage package)
- This is sufficient funding to provide \$10,000 salary increases for all 30 prosecutors to keep salaries competitive, and to also hire two (2) new body worn camera technicians.
- Dispersal of these funds is at the discretion of the state's attorney to allow for flexibility in managing the agency.

Harford County Public Library: Funding increase of \$627,000 (3%) to allow for a 3% COLA for library system employees, as well as for corresponding benefit rate increases.

Harford Community College

- County capital funding of \$8 million for a regional workforce training center
- \$300,000 in new funding for state-mandated shift of employee pensions to county

Humane Society: \$1.3 million funding contribution (13% increase)

Health Department: Full funding of the \$5.2 million requested (3% increase)

Volunteer Fire Companies

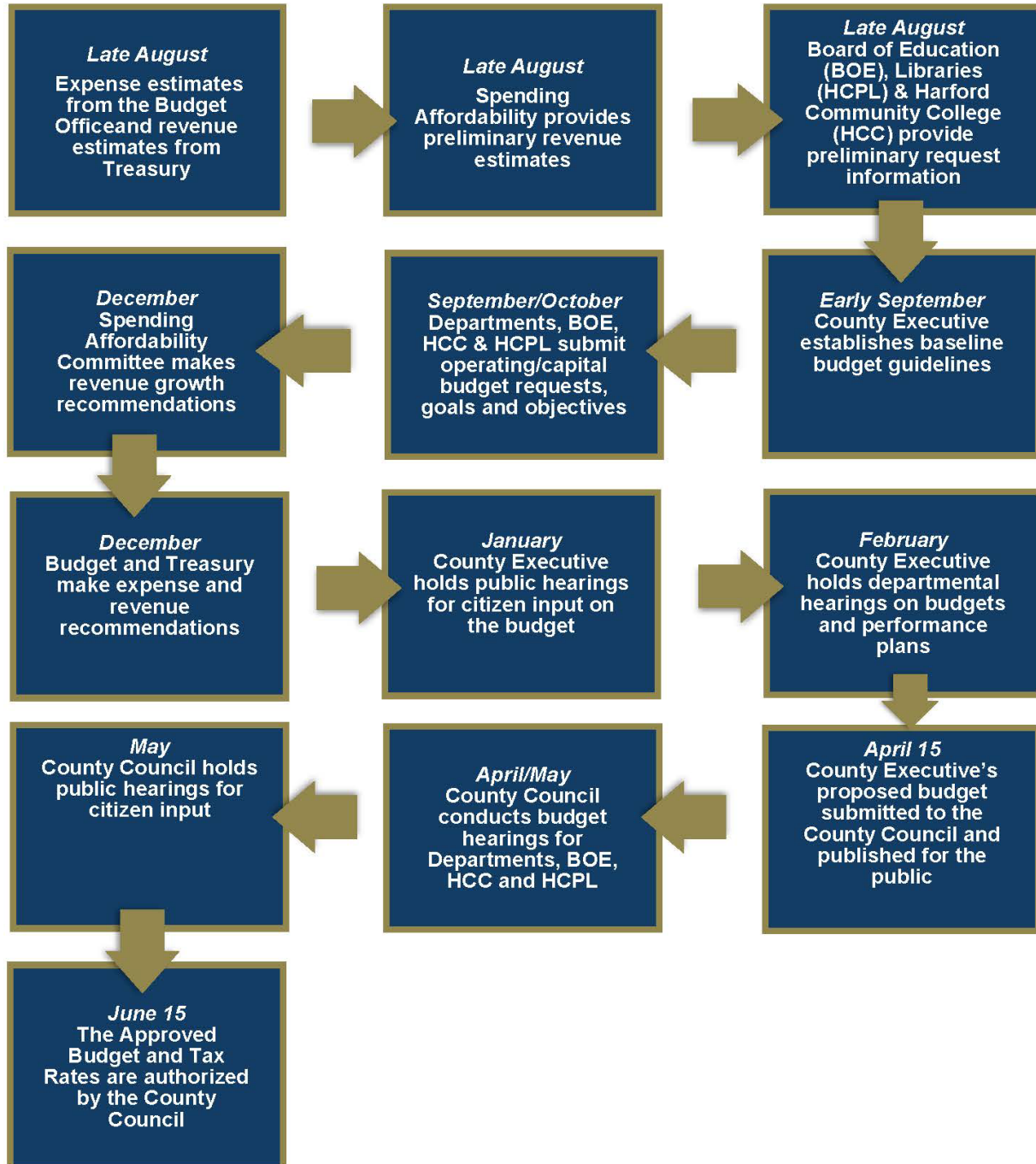
- Full funding of the Volunteer Fire Association's annual allotment request of \$7.8 million (\$224,000 increase)
- Additional increases totaling \$500,000 for other operating expenses such as workers' compensation insurance and a staffing incentive program
- \$7 million in capital funding for a new Whiteford Volunteer firehouse
- \$500,000 in capital funding for volunteer fire company facility repairs

Parks & Recreation: \$13.8 million in capital projects, including \$4.5 million for the Joppatowne Community Center

Ag Preservation: \$12.3 million for the permanent preservation of additional farmland and forests

BUDGET PROCESS

With advice from a Spending Affordability Committee (comprised of local citizen volunteers) and departmental staff; after meetings with all County departments, the Board of Education, the County Libraries and Harford Community College; and after conducting a public hearing to secure citizen input; the County Executive proposes an annual budget which by law, must be presented to the County Council by April 15th. The Council then holds its own hearings. By June 15th, the Council is required by law to adopt an Operating and Capital Budget and set tax rates.



HARFORD COUNTY FISCAL POLICY

Harford County's Fiscal Policies and Budget Process were framed by the County Charter, Article V, Budget and Finance and the County Code; expanded by our Business Plan; enhanced by recommendations of the Government Finance Officers Association; and conform to Federal, State and local regulations as well as requirements of the Governmental Accounting Standards Board. At the core of these policies is the County's determination to remain fiscally conservative, yet recognize fluctuations in the economy, changing trends, the adoption of new laws, and the concerns of our citizens. The County constantly reviews and adapts where necessary, our ways of conducting business. Harford County's Five Year Business Plan assures our citizens that funding for public services, programs and facilities is sufficient to assure effectiveness, appropriate as to source; and fair and equitable throughout the County. The cornerstones of the Plan are:

A Six Point Financial Plan

- Expenditures will be based on a real versus a perceived need;
- Expenses, functions, services and projects will be affordable;
- An affordable ten year capital program will be planned and implemented in accordance with the County's debt policies;
- Conservative operating budgets will be planned and prepared;
- New sources of revenue will be identified and advanced;
- A fund balance equal to 5% of the General Fund Operating Budget will be preserved to maintain our credit rating & provide for emergencies.

Strategic Planning Incorporating Ten Principles of Sound Financial Management

- The County's Land Use Plan shall not become static and will be synchronized with the Operating & Capital Budgets and the Capital Improvement Program;
- The retention and expansion of local businesses will be encouraged, while attracting new companies to the County in order to expand our assessable base, diversify our economy, and increase employment opportunities for our citizens;
- Budgets will be conservative; a surplus in the General Fund at the end of each fiscal year shall be imperative; and a 5% Reserve of the General Fund will be maintained;
- Net Bonded Debt will be maintained at a level of no more than 2.3% of the full cash value of assessable property in the County. As we hold conservative, yet fluid and responsive debt management to be fiscally prudent, bonded debt and its resulting Debt Service is to be kept to as small a portion of the General Fund Budget as is realistically possible, while not tied to a set ratio;
- Debt will be issued only after a careful analysis ensures that revenue to pay that debt will be available;
- If a deficit is forthcoming, the County Executive will impose a freeze on hiring and spending;
- Accounting practices will conform to Generally Accepted Accounting Principles;
- All efforts will be made to improve program and employee productivity;
- Duplicative functions within government will be reduced;
- County Agencies will fully support the cost management system.

Debt Management

- Pay-As-You-Go (Paygo) will be used for minor renovation and repair projects with an asset life of less than ten years; new buildings, major renovations and repairs to existing facilities, which contribute to the asset's life can be financed with General Obligation bonds.

Cash Management

- 100% of idle cash will be pooled for investment based on an analysis used to determine the best possible return while ensuring maximum cash availability.

Revenue Policies

- An annual review of revenue projections for the next three fiscal years; setting user charges and fees at a level related to the cost of providing the service; assuring that property appraisal and assessment procedures (through a State function) are fair and accurate, checking that property classifications ensure land zoned carries the proper appraisal; and following an aggressive policy of collecting property taxes.

Operating Budget Policies

- Assure that all current expenses will be paid for with current revenues; capital plant and equipment will be maintained & scheduled for orderly replacement; three year expenditure projections will be updated annually; enacted budgets will be adhered to; monthly reports will be prepared comparing actual revenues to expenses; fiscal impact statements will be prepared for all legislative proposals, new administrative policies, procedures/programs, & will be used to determine the revenue & expense impact of subdivision approvals.

Capital Improvement Budget Policies

- Require the County to use the least costly method of financing all new projects, & to coordinate the capital budget with the operating budget; projected debt service must follow the County's debt policies & be included in the operating budget.

HARFORD COUNTY BUDGET ORGANIZATION

Harford County's comprehensive financial and operating plan for the fiscal year is comprised of the Annual Operating and Capital Budgets and our Six Year Capital Improvement Program.

The Operating Budget

The Annual Operating Budget details fiscal information for all County departments and agencies along with information on services, programs, goals, objectives, performance measures, and staffing requirements. Also defined are the County's contributions to independent sectors such as the Board of Education, Harford Community College & the County's Libraries. The budget consists of the following separate established funds to record the receipt and application of resources which by law or generally accepted accounting principles, must be kept distinct:

The General Fund

- The General Fund is the principal operating fund for Harford County Government and is used to account for all financial resources except those required by law, County policy, and/or generally accepted accounting principles to be accounted for in another fund.

The Highways Fund

- The Highways Fund is used to account for dedicated revenues derived from specific taxes and other earmarked revenue sources restricted to expenditures for the operation and support of the Department of Public Works - Divisions of Highways and Construction Management, County fleet maintenance, traffic safety and transportation services.

The Water and Sewer Debt Service Fund

- The Water and Sewer Debt Service Fund accounts for principal and interest payments on water and sewer bonds and loans, financed by dedicated revenues derived from user fees and surtaxes.

Watershed Management Fund

- The Watershed Management Fund is a special account for deposit of a certain portion of the recordation tax, \$0.55 for each \$500 of the sale price for each property deed recorded. To be used for watershed protection and restoration.

The Water and Sewer Fund

- The Water and Sewer fund is an enterprise fund, accounting for operations financed and conducted similar to private enterprise. It is the County Government's intent to finance these services primarily through charges to water and sewer service customers.

Special Revenue Funds

- The Special Revenue Funds were established to comply with the Governmental Accounting Standards Board's (GASB) Statement No. 34, which requires maintaining individual accounts for programs of a self supporting nature (Parks and Recreation Special Revenue Fund) or which do not provide basic governmental services (County and State Agricultural Preservation Funds).

The Tax Increment Financing Fund

- The Tax Increment Financing Fund is a special fund for the deposit of a certain portion of the real property tax collected in a development district and used to finance or reimburse the cost of special obligation bonds for certain public improvements relating to the district without constituting a general obligation of the County.

The Capital Budget and Capital Improvement Program

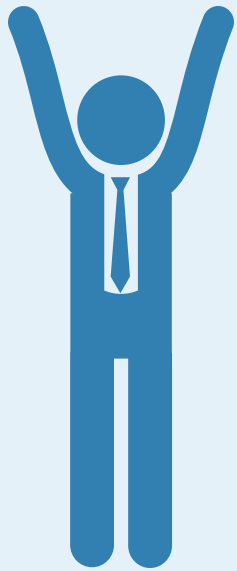
Harford County Government officials, with input from all departments and agencies, identify the long-range need to construct new or improve existing public facilities, and formulate a capital plan, consisting of a one year Capital Budget and a six year Capital Improvement Program. Such a program provides appropriation authority and planning for projects of long-term usefulness, size and cost, and/or which require large expenditures of funds usually programmed over more than one year and which result in a durable capital asset.



HARFORD COUNTY Economic Statistics Report

Compiled by the Department of Economic Development

Labor Statistics



2.9% HARFORD COUNTY
Unemployment Rate 03/25

Source: MD DLLR

3.2% MARYLAND
Unemployment Rate 03/25

Source: MD DLLR

4.2% UNITED STATES
Unemployment Rate 03/25

Source: US BLS

68.9% In-Commute Jobs

31.1% Out-Commute Jobs

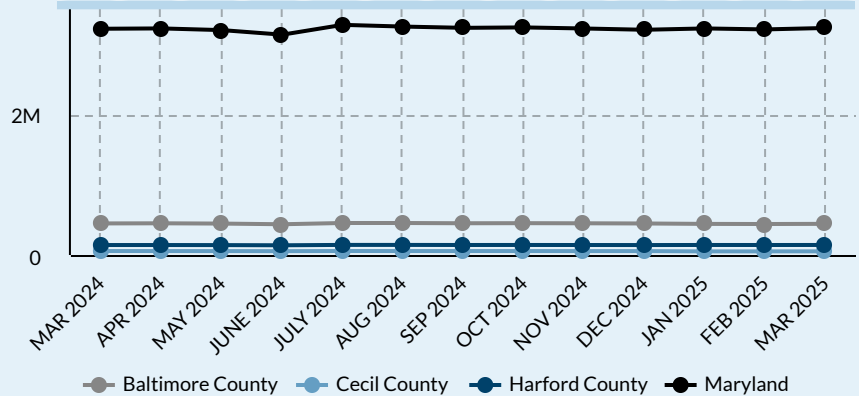
Source: ACS 2022 (Table S0801)

\$1,113

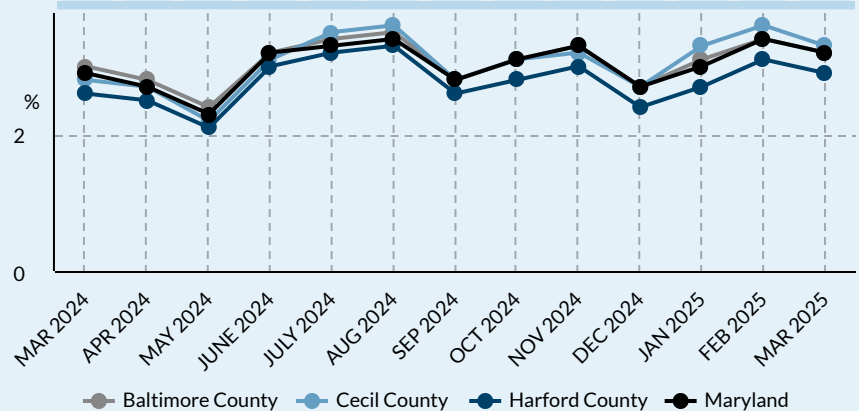
Harford County
Annual Average
Wage/Week - Q3 2024

Source: U.S. BLS

LABOR FORCE



UNEMPLOYMENT RATE



Harford County Demographic Profile

Source: American Community Survey 2023

Total
Population
264,644



\$111,317
2023 median
household income
32% higher than the
national level

Per
Capita
Income
\$51K

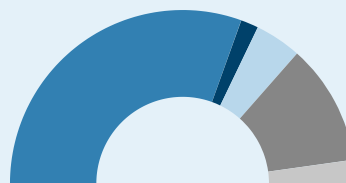
Median
Age
41

Population by Age Range

- Under 5: 5.3%
- 5 - 17: 22.1%
- 18 - 64: 54.6%
- Over 65: 18%

Class of Worker

- Employee of private company: 61.1%
- Self-employed in own business: 3.3%
- Private not-for-profit wage: 8.7%
- Local/State/Federal government: 22.6%
- Self-employed not in own business: 4.4%



INDUSTRY FOR CIVILIAN LABOR FORCE



Permitting Data

2024 Data Estimates

CAPITAL INVESTMENT
\$319M

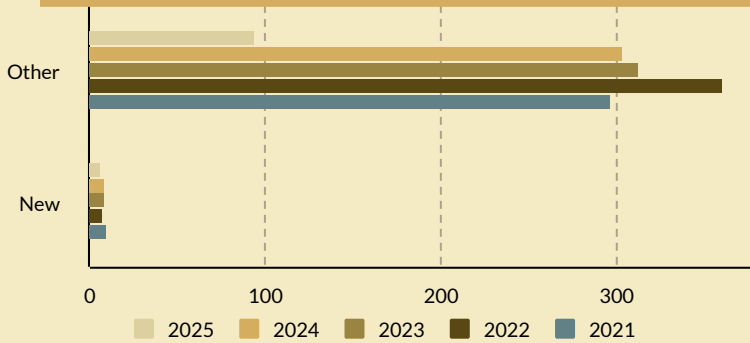
SQUARE FOOTAGE
400K

NEW JOBS
450

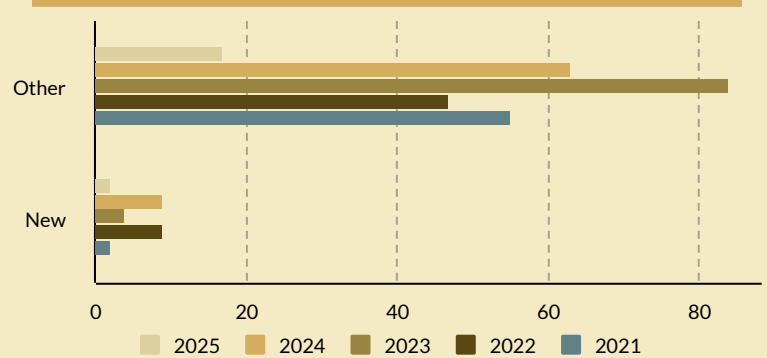
Please note: the Economic Development Office is dedicating time and resources to accuracy of this data set.

2021 - APRIL 2025

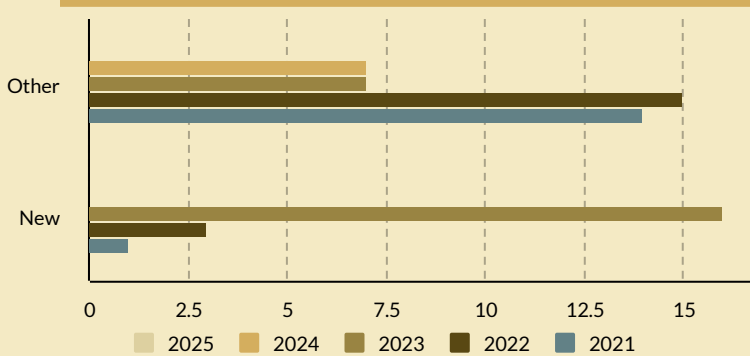
COMMERCIAL



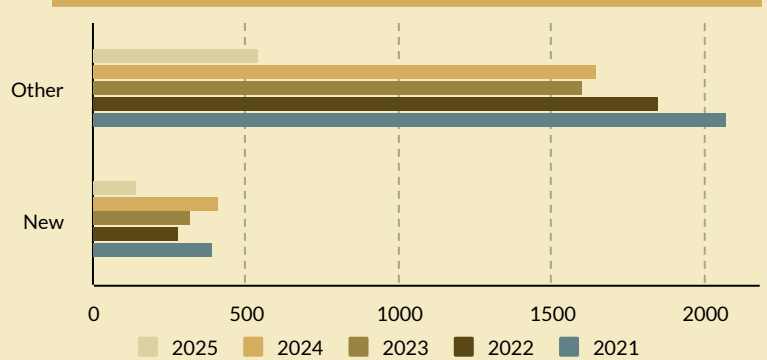
MANUFACTURED



MULTI-FAMILY



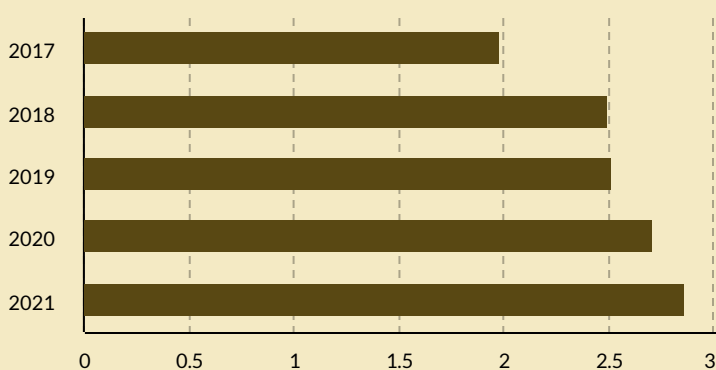
RESIDENTIAL



Ongoing Growth

RETAIL EXPENDITURES

IN BILLIONS OF DOLLARS



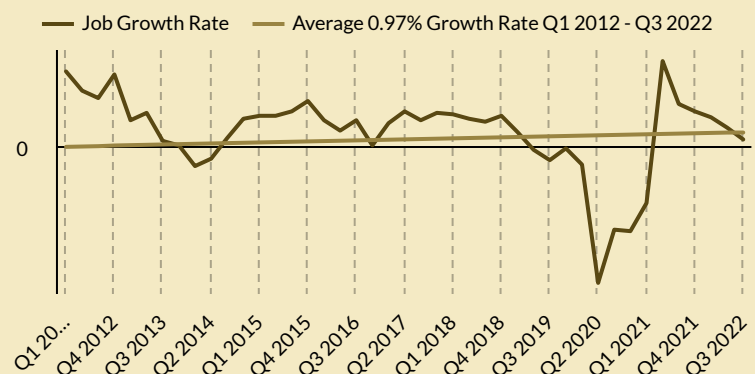
Harford County households spent an average of \$29,000 on retail goods in 2021, 23% above the national average.

Source: U.S. Bureau of Economic Analysis, ESRI DevLabs

Click or scan here to see our Fast Facts



JOB GROWTH RATE



Source: U.S. BLS QCEW, 2012 - 2022

Real Estate



RETAIL

Vacancy Rate **5.1%**

Rental Rate/Sq Ft **\$22.94**

Inventory Sq Ft **12.7M**



OFFICE

Vacancy Rate **12.9%**

Rental Rate/Sq Ft **\$23.82**

Inventory Sq Ft **5.9M**



INDUSTRIAL

Vacancy Rate **9.2%***

Rental Rate/Sq Ft **\$10.41**

Inventory Sq Ft **28.9M**

Source: CoStar Realty Information - as of May 2025

*Availability Rate: **11.2%**

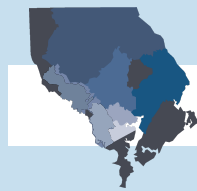
It's important to note that "vacant" industrial space does not mean "available for rent", thus the above addendum.

SPACE IN THE SPOTLIGHT

Battelle BEST Center

1204 Technology Drive
ABERDEEN, MD 21001

Premier two-story office and lab facility; 73,000 square feet; 29.2 acres



Harford County - Residential

Units Sold	221	-4%
Median Sale Price	\$400,000	▲4%



Aberdeen, Belcamp, Havre de Grace

Units Sold	52	-24%
Median Sale Price	\$392,500	▲16%



Abingdon

Units Sold	27	-13%
Median Sale Price	\$330,000	--%



Bel Air

Units Sold	67	▲29%
Median Sale Price	\$385,000	-7%



Edgewood

Units Sold	17	-11%
Median Sale Price	\$278,000	▲7%



Fallston

Units Sold	12	▲%
Median Sale Price	\$573,500	▲14%



Forest Hill, Jarrettsville, North

Units Sold	24	-11%
Median Sale Price	\$400,000	-7%



Joppa

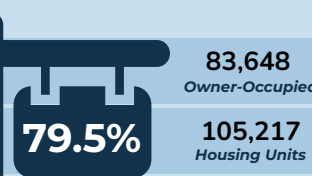
Units Sold	19	-%
Median Sale Price	\$410,000	▲21%



Median Gross Rent in Harford County

\$130 less than state median

Source: U.S. Census Bureau, 2022



Homeownership Rate
12.2% more than state rate

OTHER NEWS IN HARFORD COUNTY

Science & Tech

The Maryland Department of Commerce awarded \$500,000 to Early Charm Ventures for a biomanufacturing incubator at the CONVERGE Innovation Center.

Business Loans

The program provides funding up to \$200,000 to county businesses to support their overall growth through capital investment, job creation and retention.

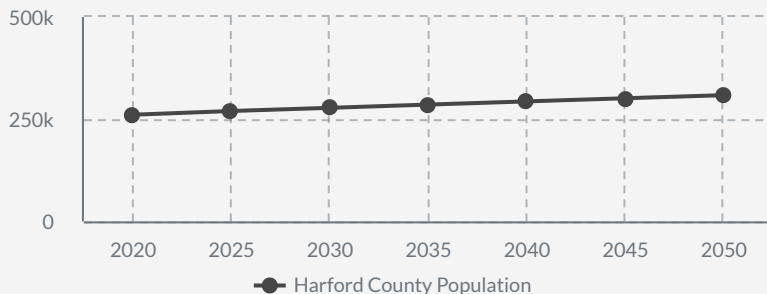
Business Navigation

HCG has a dedicated Business Navigator to liaise between agencies to resolve development issues for county projects.

Projected Growth

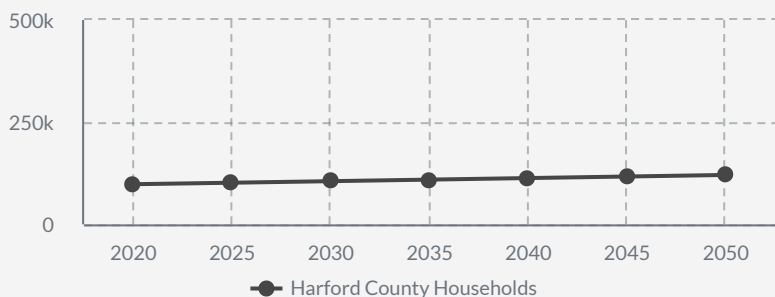
Source: Baltimore Metropolitan Council, 2022

PROJECTED POPULATION



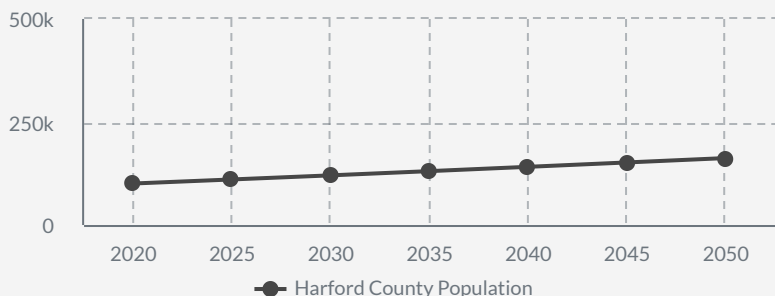
Source: Baltimore Metropolitan Council, 2022

PROJECTED HOUSEHOLDS



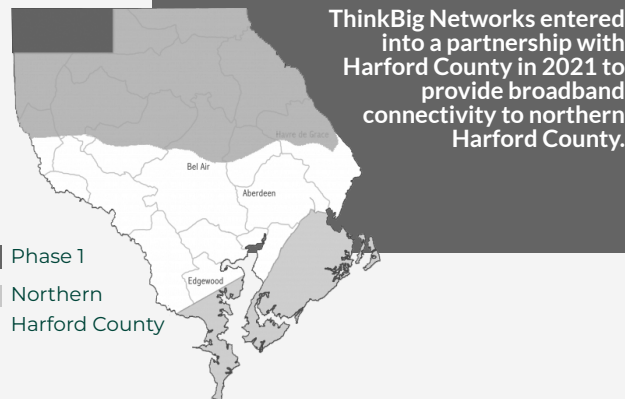
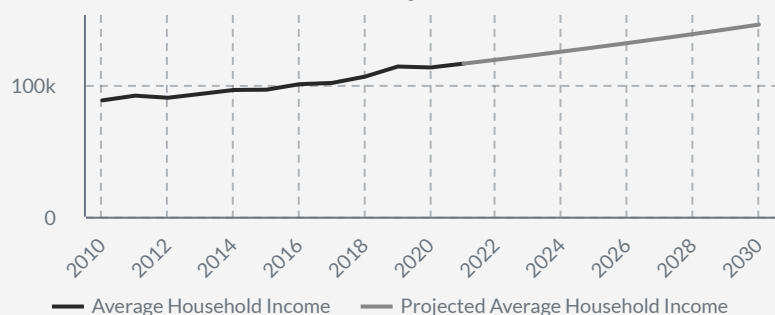
Source: Baltimore Metropolitan Council, 2022

PROJECTED EMPLOYMENT



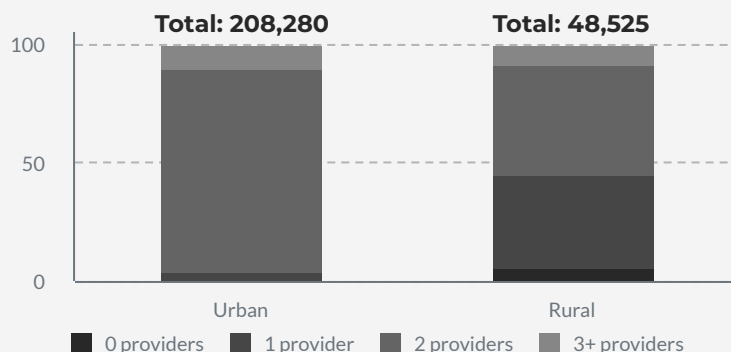
PROJECTED INCOME GROWTH

Source: U.S. Census Bureau
Assumes a 2.557% average increase based on data from 2010-2020



ThinkBig Networks entered into a partnership with Harford County in 2021 to provide broadband connectivity to northern Harford County.

RESIDENTIAL BROADBAND



Source: <https://broadbandmap.fcc.gov/>

PARAMETERS

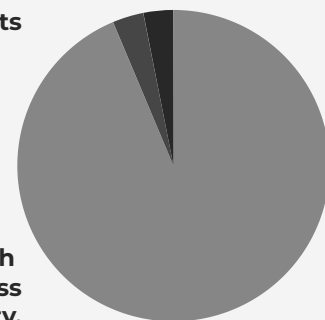
Technology: ADSL, Cable, Fiber, Fixed Wireless, Satellite, and Other
Speed: $\geq 100/10$ Mbps
Date: June 2021

More than 8,000 residents were without reliable internet in 2020.

With internet (93.68%)
Without internet (3.23%)
Without a computer (3.09%)



ThinkBig's work with the county will address that entire disparity.



Source: 2020 ACS 5-Year Estimates
Table B28008

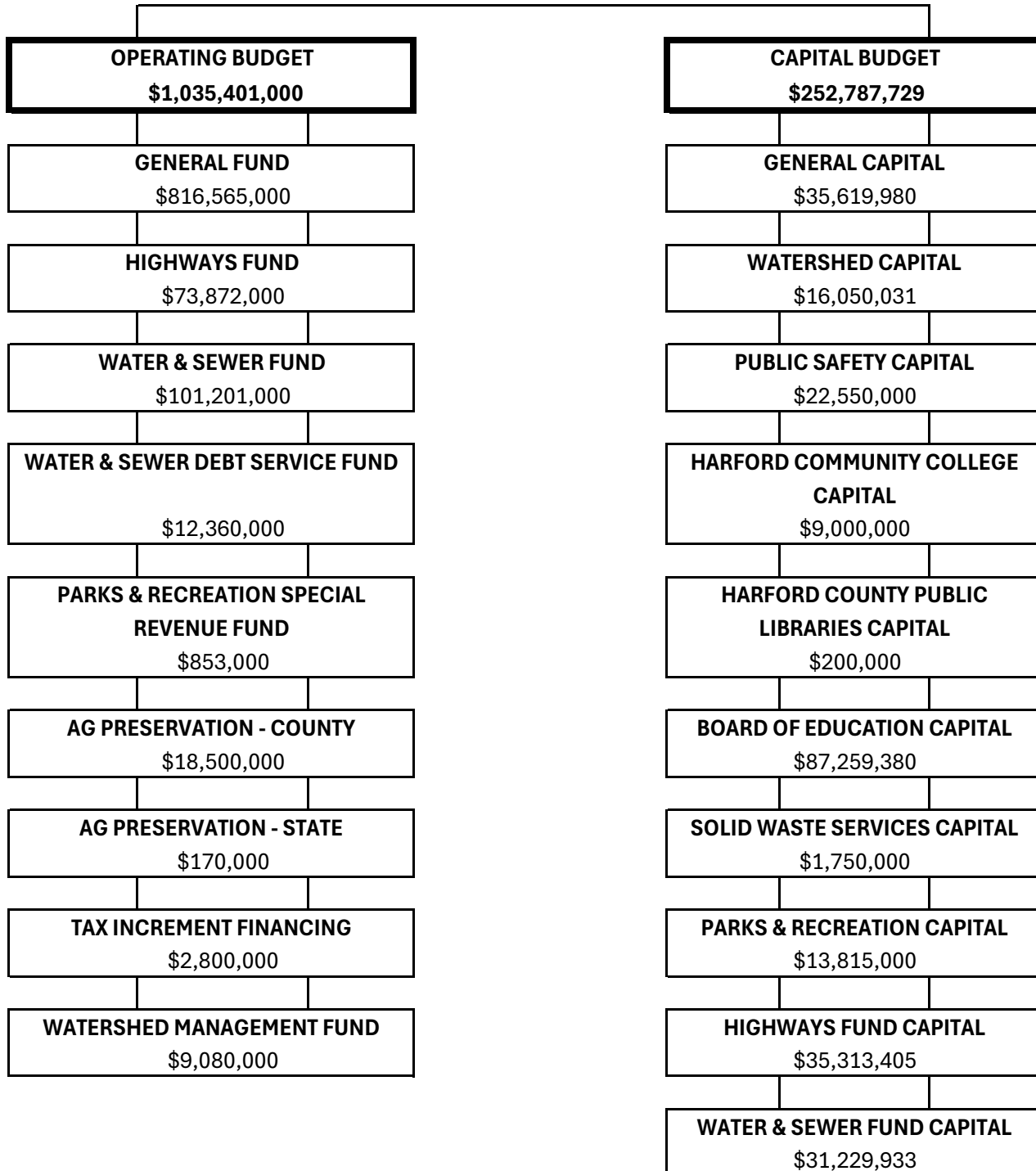
PROJECTED GDP GROWTH

Source: Bureau of Economic Analysis
Assumes a 2.5525% average increase based on data from 2001-2020



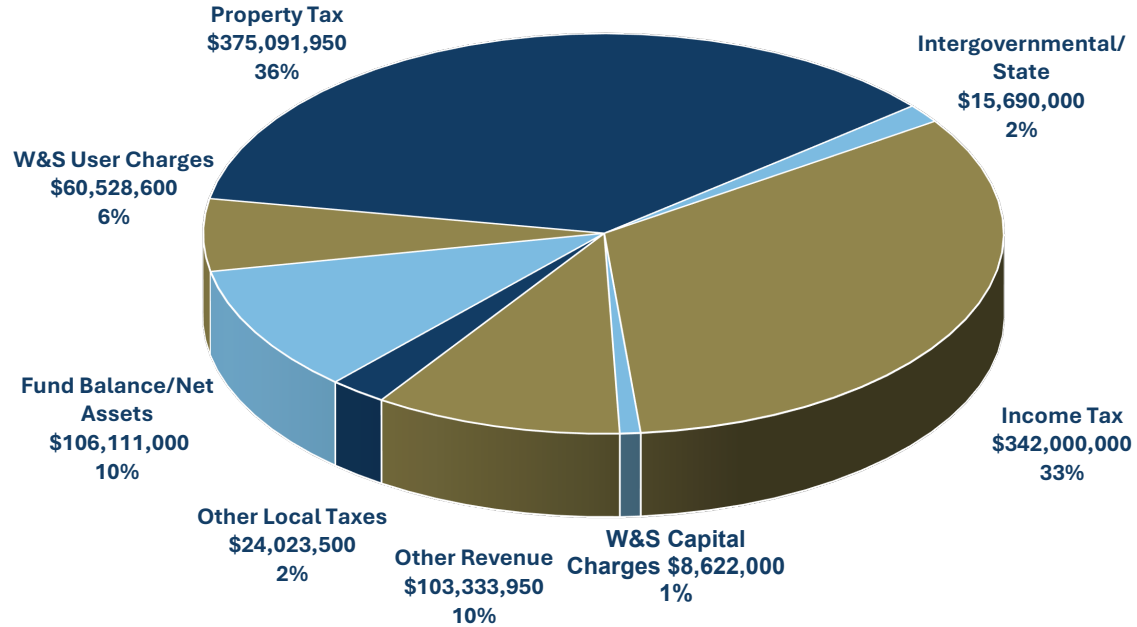
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Harford County
Total FY 26 Approved Budget All Funds
\$1,288,188,729

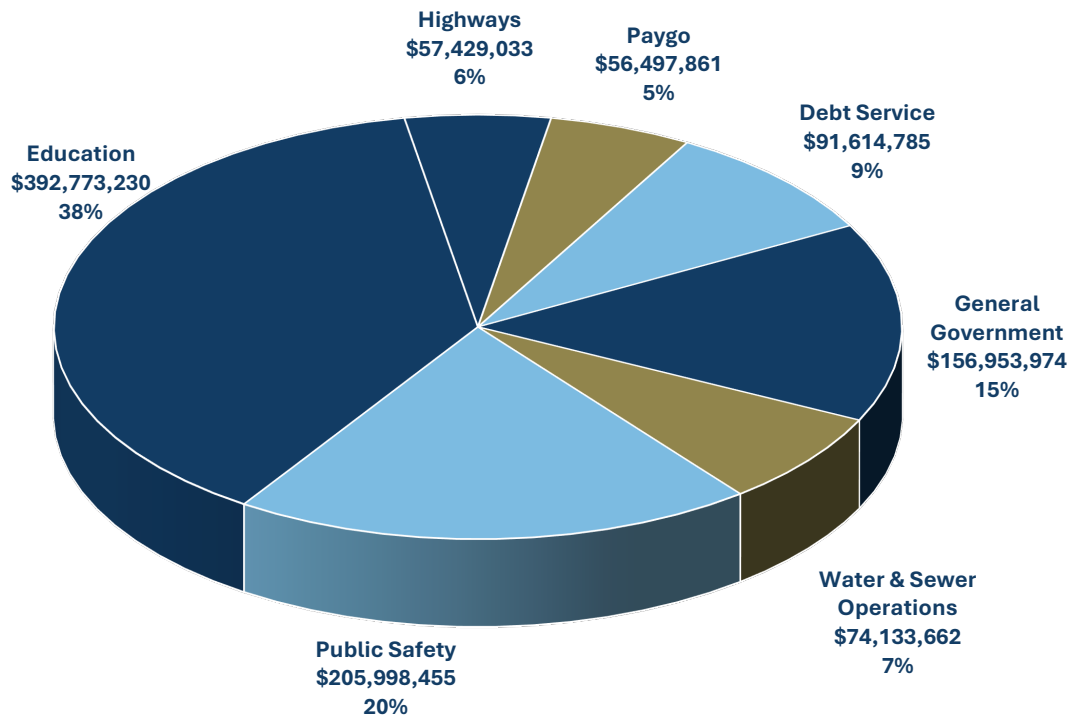


ALL FUNDS OPERATING BUDGETS
Fiscal Year 2025 - 2026
TOTAL APPROVED BUDGET \$1,035,401,000

REVENUES



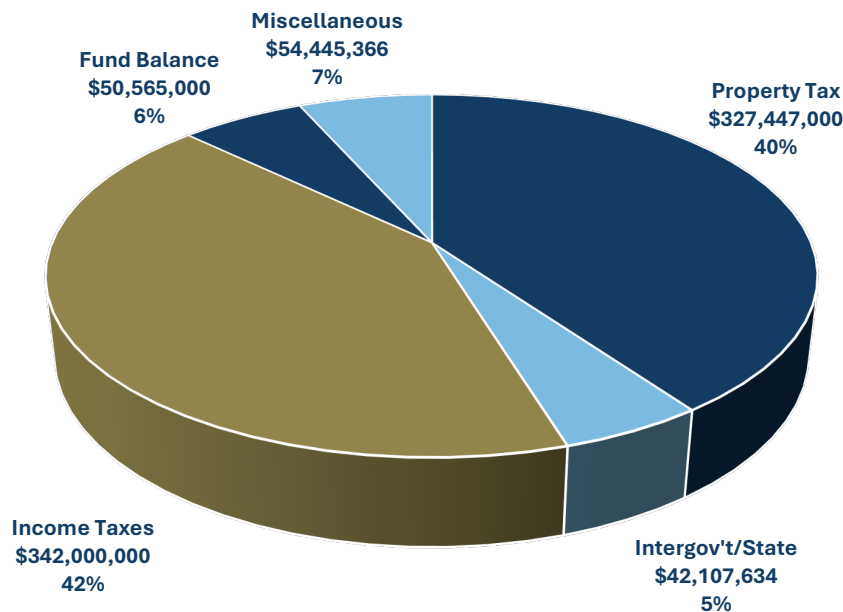
APPROPRIATIONS



GENERAL FUND REVENUES

Fiscal Year 2025 - 2026

TOTAL APPROVED BUDGET \$816,565,000



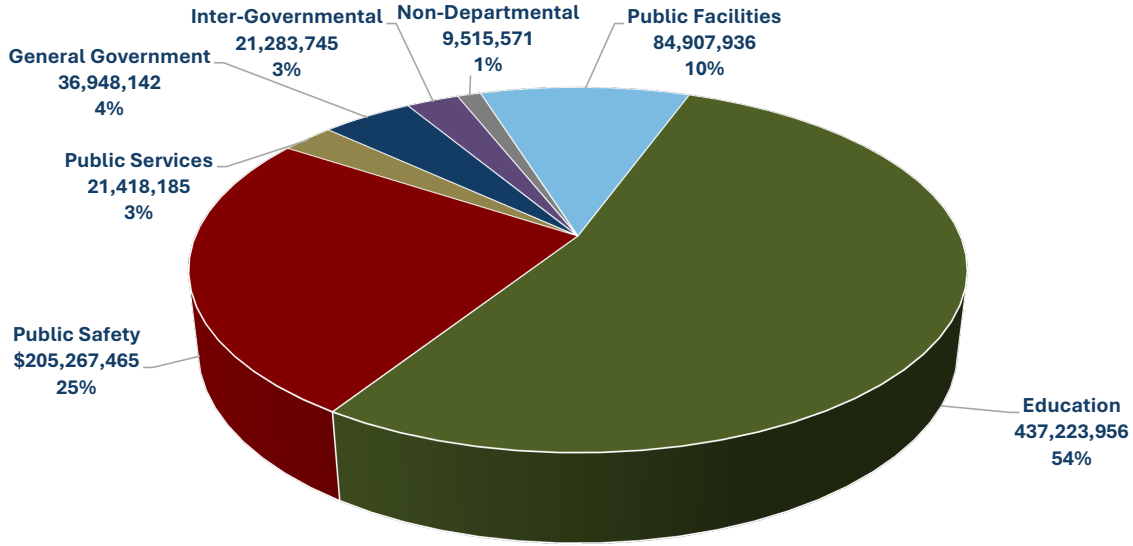
FY 2026 APPROVED GENERAL FUND REVENUE BREAKDOWN

PROPERTY TAXES:			40%	327,447,000	INCOME TAX	42%	342,000,000
Real & Personal			337,230,000				
Deductions			(9,783,000)				
MISCELLANEOUS:			7%	54,445,366	INTERGOV'T/STATE:	5%	42,107,634
Other Taxes			10,660,000		Intergovernmental		9,775,000
Service Charges			30,933,850		Intra-County		5,352,917
Fines & Forfeitures			613,000		Pro Rata		8,309,717
Miscellaneous Revenues			905,953		Recordation		10,670,000
Investment Income			4,937,913		Transfer		8,000,000
Licenses & Permits			6,394,650				
					FUND BALANCE	6%	50,565,000

TOTAL GENERAL FUND REVENUES

816,565,000

GENERAL FUND APPROPRIATIONS
Fiscal Year 2025 - 2026
TOTAL APPROVED BUDGET \$816,565,000



**FY 2026 APPROVED GENERAL FUND
APPROPRIATION BREAKDOWN**

GENERAL GOVERNMENT: 4.5%		36,948,142	EDUCATION: 53.5%		437,223,956
County Executive		1,898,123	Public Schools:	48.0%	392,296,106
Administration		1,645,661	Board of Ed. Operating		347,602,277
Procurement		1,301,603	Board of Ed. Support		3,477,471
Treasury		4,709,219	Board of Ed. Debt Service		35,935,368
Law		3,225,282	HCSO School Safety Division		5,280,990
Human Resources		3,958,789			
Info. & Communications Tech.		16,016,674	Harford Community College:	2.8%	23,215,766
Planning & Zoning		4,192,791	HCC Operating		19,881,806
			HCC Support		299,592
PUBLIC FACILITIES: 10.4%		84,907,936	HCC Debt Service		3,034,368
Public Works		39,637,515			
Natural Resources		1,043,184	Harford County Public Library:	2.7%	21,712,084
Parks & Recreation		12,499,492	HCPL Operating		21,512,084
Solid Waste PAYGO		750,000	HCPL PAYGO		200,000
General PAYGO		1,930,077			
General Debt Service		29,047,668			
			PUBLIC SAFETY: 25.1%		205,267,465
PUBLIC SERVICES: 2.6%		21,418,185	Sheriff		128,185,900
Housing & Community Services		7,932,622	Emergency Services		43,655,686
Health		5,156,774	Volunteer Fire Companies		11,626,305
Handicapped Centers		3,038,408	State's Attorney		11,353,474
Economic Development		5,290,381	Inspections, Licenses & Permits		4,559,100
			Humane Society		1,337,000
INTER-GOVERNMENTAL: 2.6%		21,283,745	Public Safety PAYGO		4,550,000
County Council		5,444,678			
Judicial		5,390,869	NON-DEPARTMENTAL: 1.2%		9,515,571
Elections		3,939,816	Insurance		1,033,375
Appropriation to Towns		4,508,382	Benefits		1,798,350
Appropriation to Other Gov't		2,000,000	Grant Matches		5,583,846
			Intra-County		1,000,000
			Contingency Reserve		100,000

TOTAL GENERAL FUND APPROPRIATIONS

816,565,000

GENERAL FUND REVENUES

FY 25 APPROVED BUDGET	\$780,108,000	FY 26 APPROVED BUDGET	\$816,565,000	CHANGE	\$36,457,000
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The General Fund accounts for the largest portion of the total financial operations of Harford County Government. General Fund appropriations are used primarily to finance the administrative activities of County Government and to provide programs and services to our citizens. The major portion of the Board of Education's funding comes from County General Fund dollars. County support for Harford Community College, the Health Department, and the Libraries also come from the General Fund. Other funding sources are comprised of revenues earmarked for specific expenses. It is solely General Fund revenues that are used for basic operations and government services.

REVENUES

The majority (81%) of our projected General Fund Revenues come from Property Taxes and Income Taxes.

<u>PROPERTY TAXES</u>	FY 26 Proposed	\$327,447,000	40%	of the General Fund
	FY 25 Approved	\$308,977,300	40%	of the General Fund
	\$ growth	\$18,469,700		
	% growth	5.98%		

In FY 26, the County is adopting a tax rate of \$0.8413. The State reassesses all properties on a triennial basis. Statewide "Group 1" reassessments in FY 25 increased by 20.1% over the past three years according to State Department of Assessment and Taxation. In Harford County, assessments in Group 1, which mainly covers the northern portion of the County, grew by 19.8% with residential and commercial assessments increasing by 20.3% and 15.0% respectively.

<u>INCOME TAXES</u>	FY 26 Proposed	\$342,000,000	42%	of the General Fund
	FY 25 Approved	\$317,325,000	41%	of the General Fund
	\$ growth	\$24,675,000		
	% growth	7.78%		

Income tax is calculated in Maryland as a percentage of net taxable income. While the State sets a tax rate cap of 3.2% for local governments, the Harford County Council set our income tax rate at 3.06%. The State Comptroller's Office administers and collects the tax and distributes the receipts to the counties and municipalities. We receive approximately 90% of income tax in quarterly distributions of the withholdings and estimated payments.

The County is expecting very limited growth in income tax for FY 26 over our revised FY 25 estimate as the economy is expected to cool. FY 25 income tax is estimated at \$340,500,000, which is \$23,175,000 over our adopted budget. FY 26 is projected to grow by .4%, over the revised FY 25 estimated amount.

<u>OTHER REVENUES</u>	FY 26 Proposed	\$147,118,000	18%	of the General Fund
	FY 25 Approved	\$153,805,700	20%	of the General Fund
	\$ decrease	(\$6,687,700)		
	% decrease	-4.35%		

The elements mainly responsible for the change in "Other" revenues are:

	<u>FY 25 Funding</u>	<u>FY 26 Funding</u>	<u>Change</u>
<u>Recordation Tax</u>	\$10,670,000	\$10,670,000	\$0
In FY 26, we are anticipating \$10,670,000 million of recordation tax to the General Fund for school debt.			
<u>Transfer Tax</u>	\$8,000,000	\$8,000,000	\$0
In FY 26, we are anticipating \$8,000,000 million of transfer tax to the General Fund to pay school debt.			
<u>Fund Balance Appropriated</u>	\$58,476,370	\$50,565,000	(\$7,911,370)
Governmental funds report the difference between their assets and liabilities as fund balance. In FY 25, we appropriated \$58.4 million of unassigned fund balance. In FY 26 we have appropriated \$50.5 million of unassigned fund balance.			
<u>All "Other" Revenues combined</u>	\$76,659,330	\$77,883,000	\$1,223,670

These include: Other taxes, charges for current services, revenues from other agencies, fines and forfeitures, licenses and permits and investment income.

GENERAL FUND EXPENDITURES

	APPROVED BUDGET FY 25	EXECUTIVE APPROVED FY 26	CHANGE FY 26 VS. FY 25
<u>GENERAL FUND SUMMARY BY DEPARTMENT:</u>			
COUNTY EXECUTIVE	1,865,688	1,898,123	32,435
ADMINISTRATION	1,538,426	1,645,661	107,235
PROCUREMENT	1,258,395	1,301,603	43,208
TREASURY	4,332,450	4,709,219	376,769
LAW	3,291,779	3,225,282	(66,497)
PLANNING AND ZONING	4,141,960	4,192,791	50,831
HUMAN RESOURCES	5,787,738	3,958,789	(1,828,949)
HOUSING & COMMUNITY SERVICES	7,931,323	7,932,622	1,299
HANDICAPPED CARE CENTERS	2,970,921	3,038,408	67,487
HEALTH	5,006,577	5,156,774	150,197
INFORMATION & COMMUNICATION TECHNOLOGY	15,765,007	16,016,674	251,667
SHERIFF'S OFFICE	126,466,411	133,466,890	7,000,479
EMERGENCY SERVICES	51,466,373	55,281,991	3,815,618
INSPECTIONS, LICENSES AND PERMITS	4,150,006	4,559,100	409,094
PUBLIC WORKS	40,967,967	39,637,515	(1,330,452)
COUNTY COUNCIL	4,609,165	5,444,678	835,513
JUDICIAL	5,085,101	5,390,869	305,768
STATE'S ATTORNEY	10,273,657	11,353,474	1,079,817
ELECTIONS	3,849,819	3,939,816	89,997
BOARD OF EDUCATION	321,352,402	351,079,748	29,727,346
HARFORD COMMUNITY COLLEGE	19,881,806	20,181,398	299,592
LIBRARIES	20,885,407	21,512,084	626,677
PARKS AND RECREATION	12,169,021	12,499,492	330,471
CONSERVATION OF NATURAL RESOURCES	1,031,829	1,043,184	11,355
ECONOMIC DEVELOPMENT	4,943,422	5,290,381	346,959
DEBT SERVICE	66,890,885	68,017,404	1,126,519
INSURANCE	912,456	1,033,375	120,919
BENEFITS	3,166,850	1,798,350	(1,368,500)
MISCELLANEOUS	28,015,159	21,859,305	(6,155,854)
RESERVE FOR CONTINGENCIES	100,000	100,000	0
TOTALS:	780,108,000	816,565,000	36,457,000

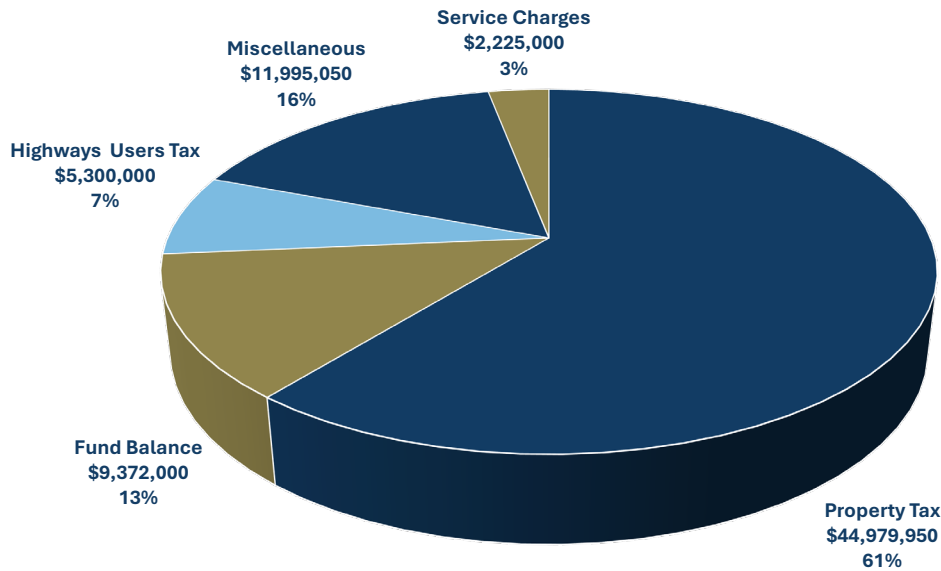
The General Fund realizes an increase of \$36,457,000 or 4.7% over FY 25.

SIGNIFICANT CHANGES:

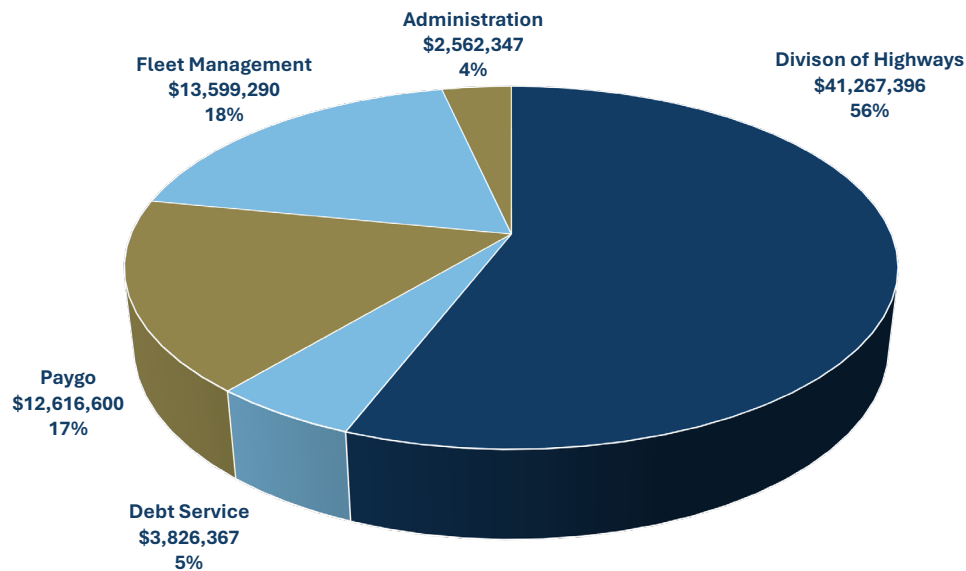
- o Full funding of the Board of Education's FY 26 county funding request, plus a state-mandated cost shift to County Government for teacher pensions
- o Law Enforcement Deputies and Corrections Officers with the Sheriff's Office receive a merit step plus a 3% COLA; eligible civilians receive merit increase and 3% COLA
- o An EMS Retention Incentive for eligible employees; full funding of Volunteer Fire Companies' annual allotment request and staffing incentive program
- o A merit increase and COLA of 3% for eligible county employees, as well as for employees of the State's Attorney and Circuit Court
- o An increase in personnel funding for the State's Attorney for prosecutor raises, additional body worn camera staff
- o A 3% increase for the Libraries to provide a COLA for eligible employees; and a state mandated cost shift to County Government for Harford Community College employee pensions

HIGHWAYS FUND
Fiscal Year 2025 - 2026
TOTAL APPROVED BUDGET \$73,872,000

REVENUES



APPROPRIATIONS

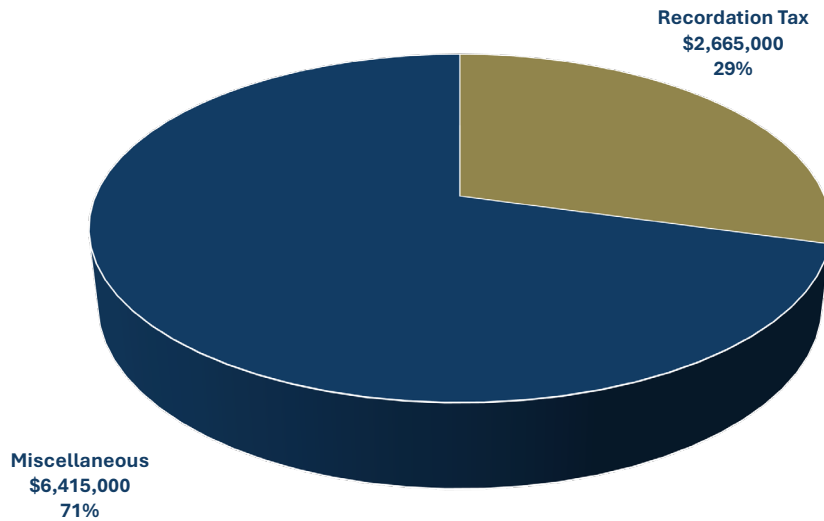


<u>FY 25 APPROVED</u>	<u>FY 26 APPROVED</u>	<u>CHANGE</u>
\$72,738,000	\$73,872,000	\$1,134,000

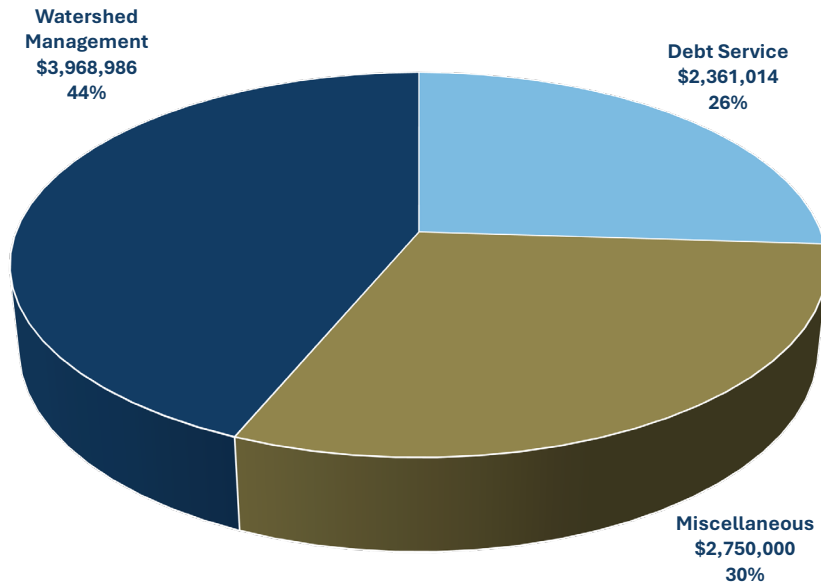
Highways maintenance and engineering operating budgets adjusted based on actual spending history, as well as an increase in funding for diesel fuel and gasoline based on projections and spending. Paygo funding is appropriated for capital projects such as resurfacing, fleet replacement, bridge inspection, guardrails and road safety improvements, and other various roadway improvement projects.

WATERSHED MANAGEMENT FUND
Fiscal Year 2025 - 2026
TOTAL APPROVED BUDGET \$9,080,000

REVENUES



APPROPRIATIONS

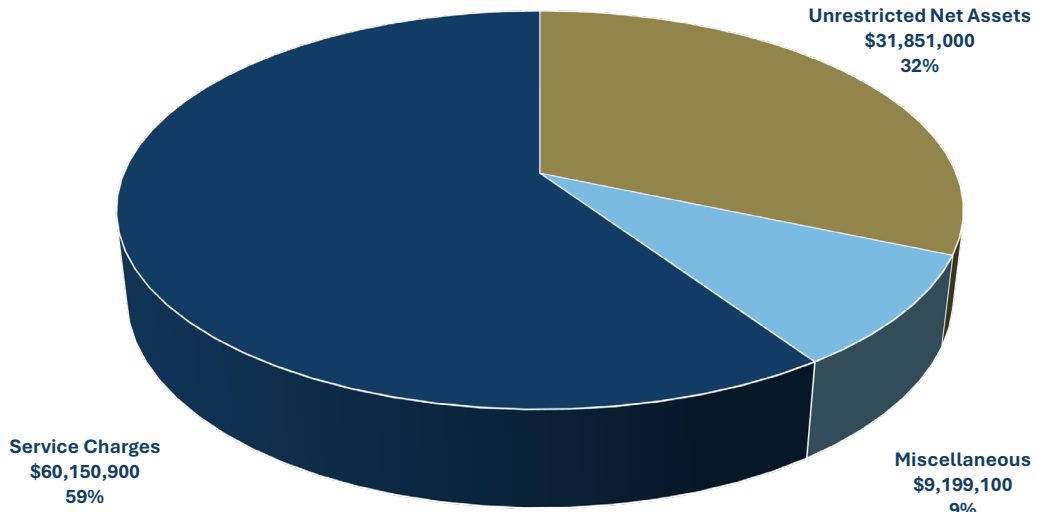


<u>FY 25 APPROVED</u>	<u>FY 26 APPROVED</u>	<u>CHANGE</u>
\$7,729,000	\$9,080,000	\$1,351,000

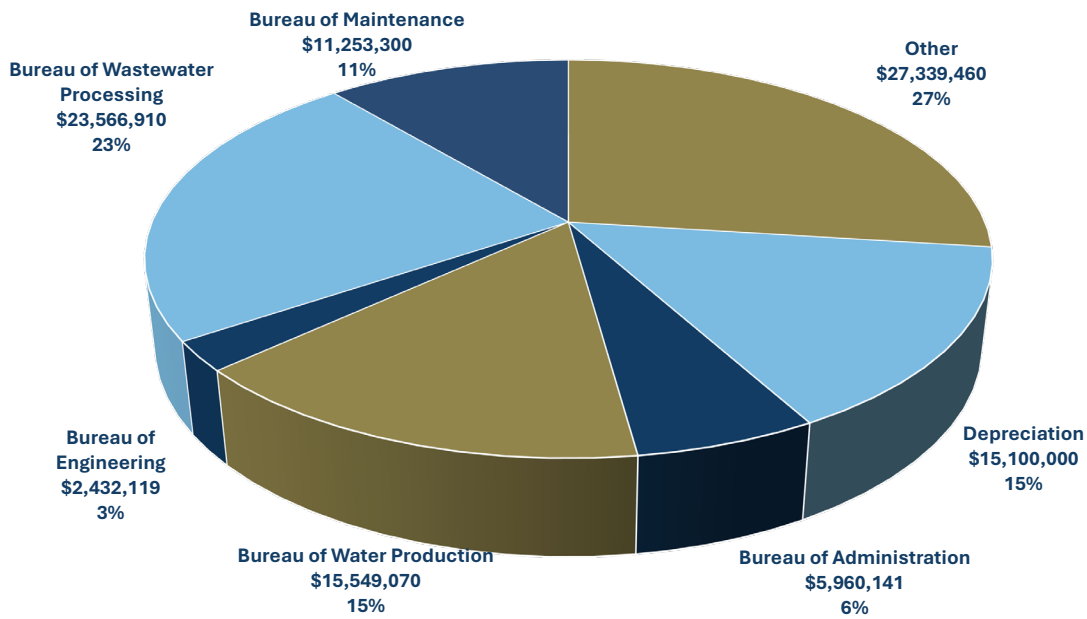
House Bill 987, which requires certain Maryland counties, including Harford County, must collect a Stormwater remediation fee from taxpayers to fund the implementation of local watershed protection and restoration programs. Harford County is required to adopt and implement local laws necessary to establish a watershed protection and restoration program, including a stormwater remediation fee and local watershed protection and restoration fund. Revenue resulting from this fee can only be used for Watershed Protection and Restoration Programs. This fund is a special account for deposit of a certain portion of the recordation tax, \$0.55 for each \$500 of the sale price (or lien amount) for each property deed recorded. The proceeds of this fund are used for the County's watershed protection and restoration program as mandated under State of Maryland law. The State requires a separate fund be established for this purpose.

WATER AND SEWER FUND
Fiscal Year 2025 - 2026
TOTAL APPROVED BUDGET \$101,201,000

REVENUES



APPROPRIATIONS



<u>FY 25 APPROVED</u>	<u>FY 26 APPROVED</u>	<u>CHANGE</u>
\$82,059,000	\$101,201,000	\$19,142,000

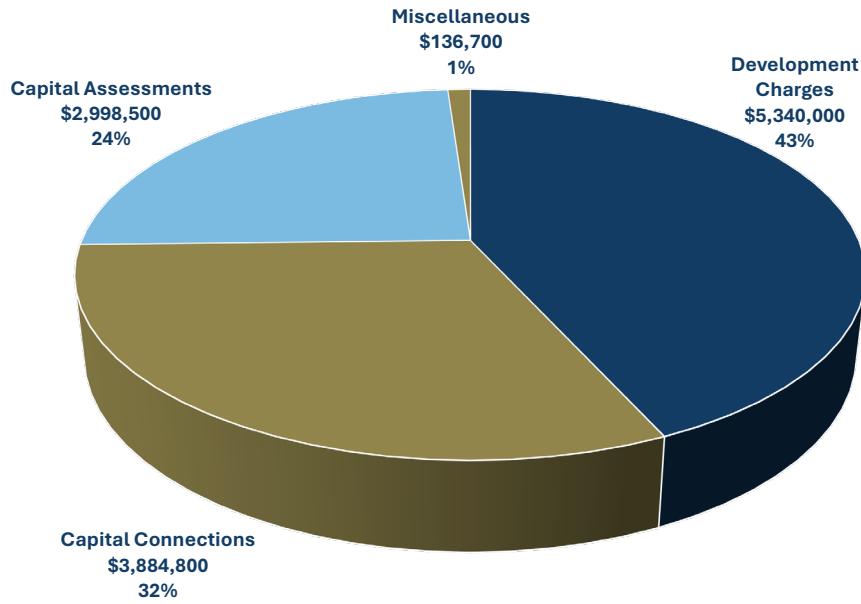
Water and Sewer operating expenses for maintenance, materials, inspections, etc are adjusted based on spending history and projections. An increase in Paygo funding is appropriated for water and sewer capital projects such as replacement of infrastructure, booster stations, infiltration and inflow, pump stations, water and sewer fleet replacement, and other various projects.

WATER AND SEWER DEBT SERVICE FUND

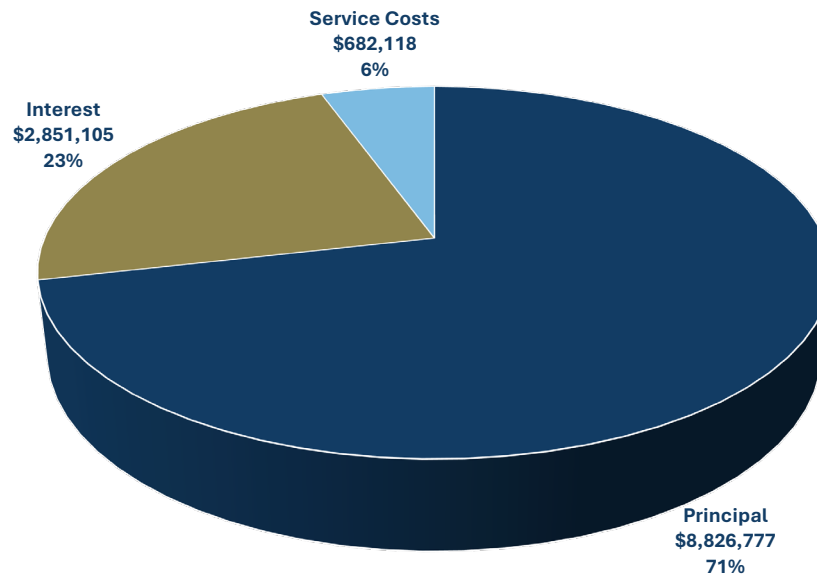
Fiscal Year 2025 - 2026

TOTAL APPROVED BUDGET \$12,360,000

REVENUES



APPROPRIATIONS



FY 25 APPROVED

\$13,881,500

FY 26 APPROVED

\$12,360,000

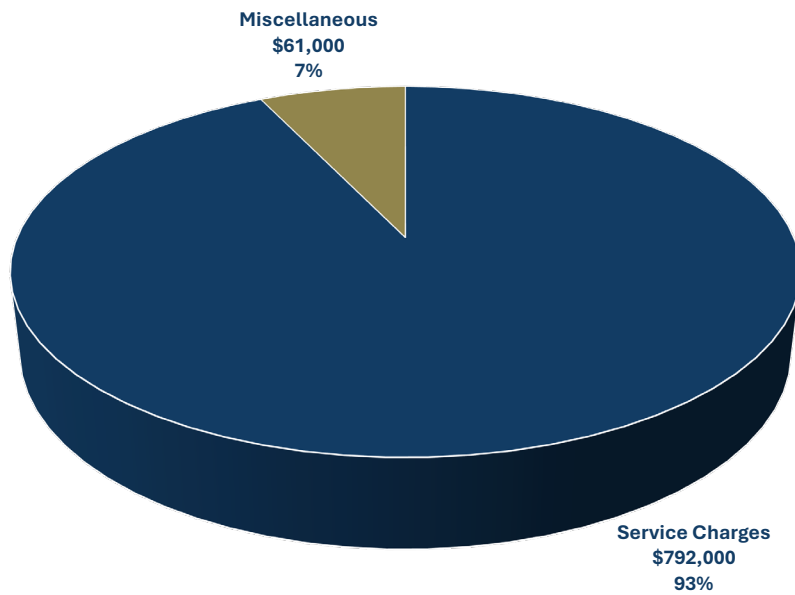
CHANGE

(\$1,521,500)

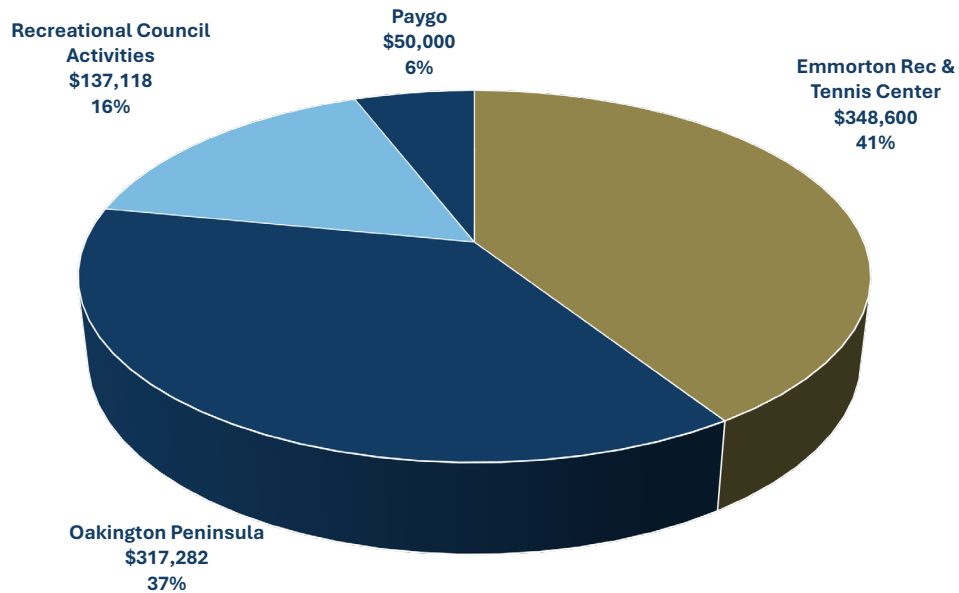
The Water & Sewer Debt Service Fund provides appropriation authority for the payment of principal and interest on long term water and sewer bonds and loans used to finance the capital projects of the County-owned water & sewer system.

PARKS AND RECREATION FUND
Fiscal Year 2025 - 2026
TOTAL APPROVED BUDGET \$853,000

REVENUES



APPROPRIATIONS



FY 25 APPROVED
\$1,039,000

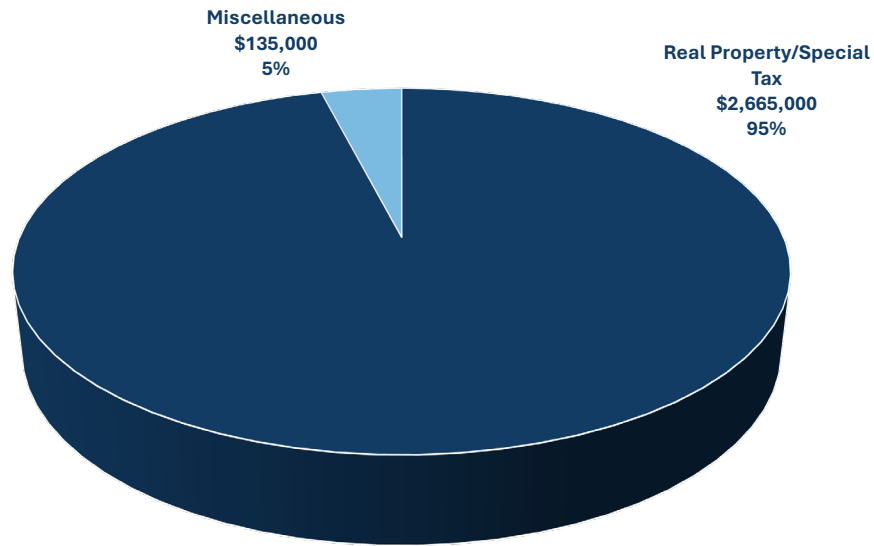
FY 26 APPROVED
\$853,000

CHANGE
(\$186,000)

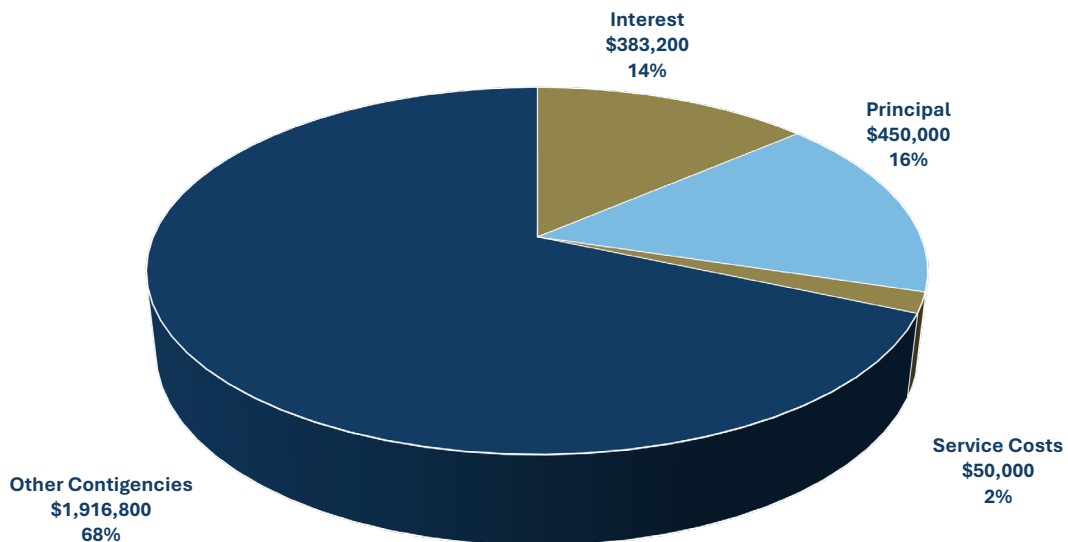
Funding adjusted in parks and recreation special revenue funds based on spending history and revenue projections. Funding in the amount of \$50,000 is also provided in the capital budget to provide improvements to the Emmorton Recreation and Tennis Center and Oakington Peninsula.

TAX INCREMENT FINANCING
Fiscal Year 2025 - 2026
TOTAL APPROVED BUDGET \$2,800,000

REVENUES



APPROPRIATIONS

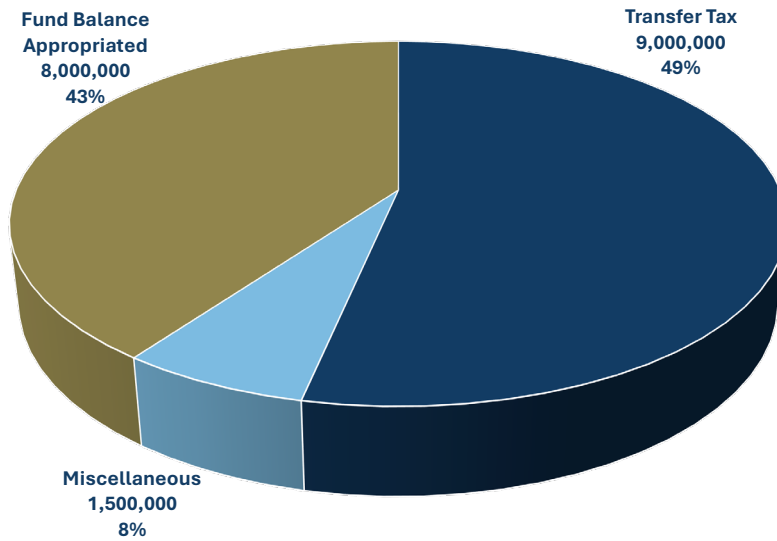


<u>FY 25 APPROVED</u>	<u>FY 26 APPROVED</u>	<u>CHANGE</u>
\$2,500,000	\$2,800,000	\$300,000

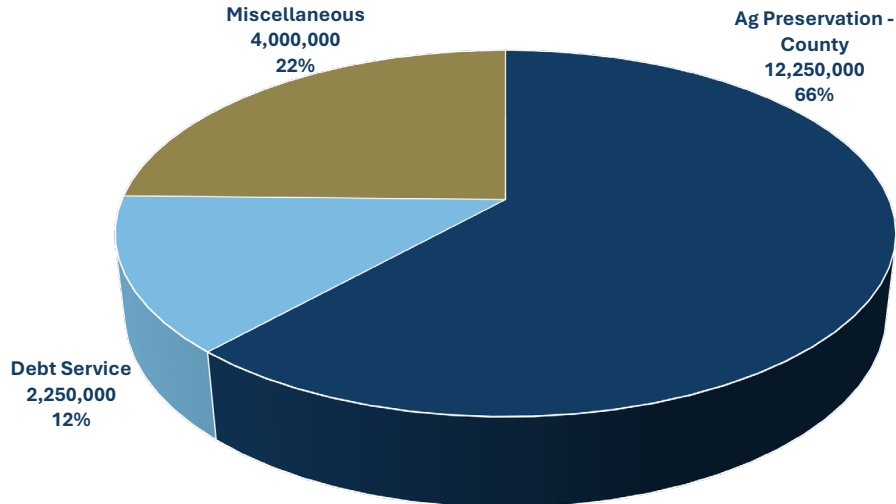
The Beechcreek Estates Tax Increment Fund is a special fund authorized by Bill 10-10. The Bill provides that the County could not issue more than \$14,000,000 for Beechcreek Estates in special obligation bonds to finance or reimburse the cost of public improvements benefitting the district. The Bill also pledged the real property taxes collected with respect to the tax increment of properties in the district to payment of the bonds to be issued and also authorizes the imposition of a special tax on properties in the district to the extent the tax increment received is insufficient to pay debt service on the bonds and other allowable costs and expenses. The bonds are not an indebtedness of the County for which the County is obligated to levy or pledge, or had levied or pledged, ad valorem taxes or special taxes of the County that than the real property taxes representing the levy of the tax increment on properties located in the Development district or the Special Taxes. The bonds shall be a special obligation of the County and will not constitute a general obligation debt of the County or a pledge of the County's full faith and credit or taxing power.

AG COUNTY FUND
Fiscal Year 2025 - 2026
TOTAL APPROVED BUDGET \$18,500,000

REVENUES



APPROPRIATIONS

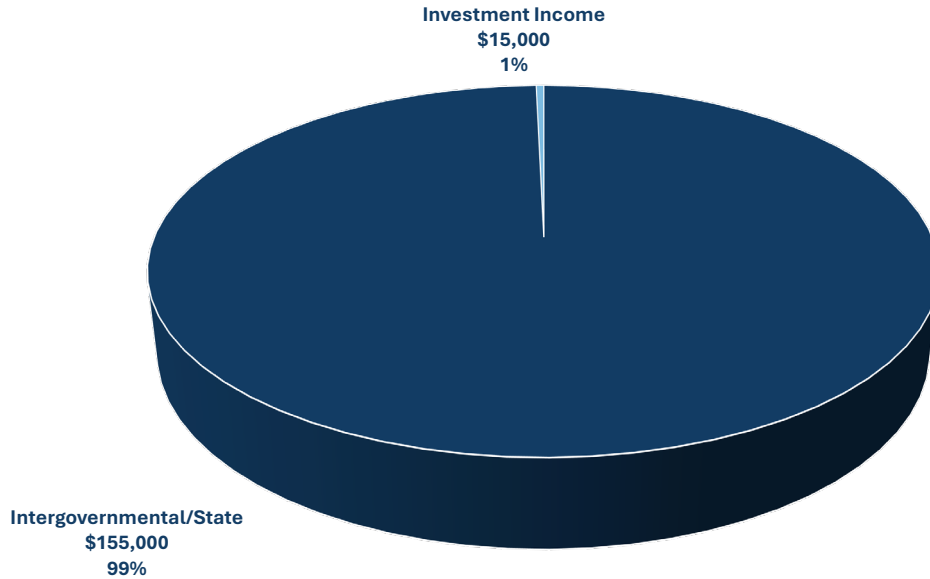


<u>FY 25 APPROVED</u>	<u>FY 26 APPROVED</u>	<u>CHANGE</u>
\$15,000,000	\$18,500,000	\$3,500,000

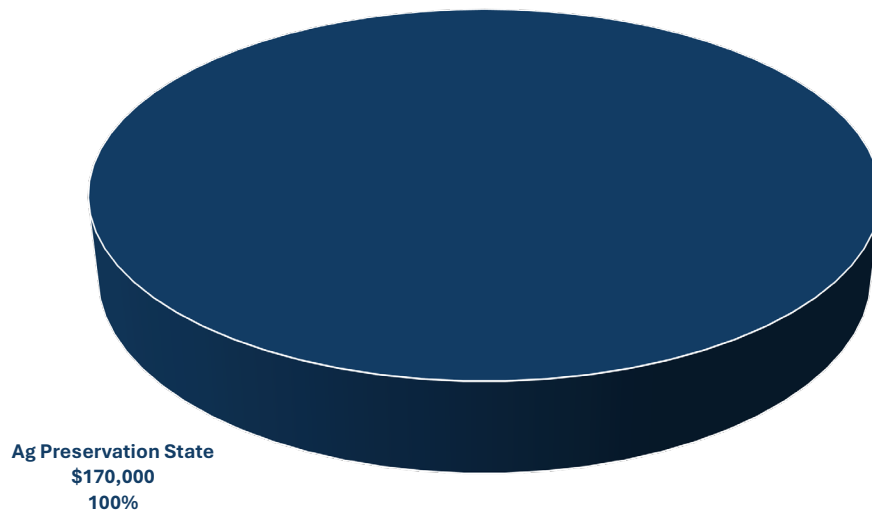
Harford County is committed to Agricultural Land Preservation. An allocation of \$12,250,000 is provided for the purchase of Ag Preservation easements.

AG STATE FUND
Fiscal Year 2025 - 2026
TOTAL APPROVED BUDGET \$170,000

REVENUES



APPROPRIATIONS

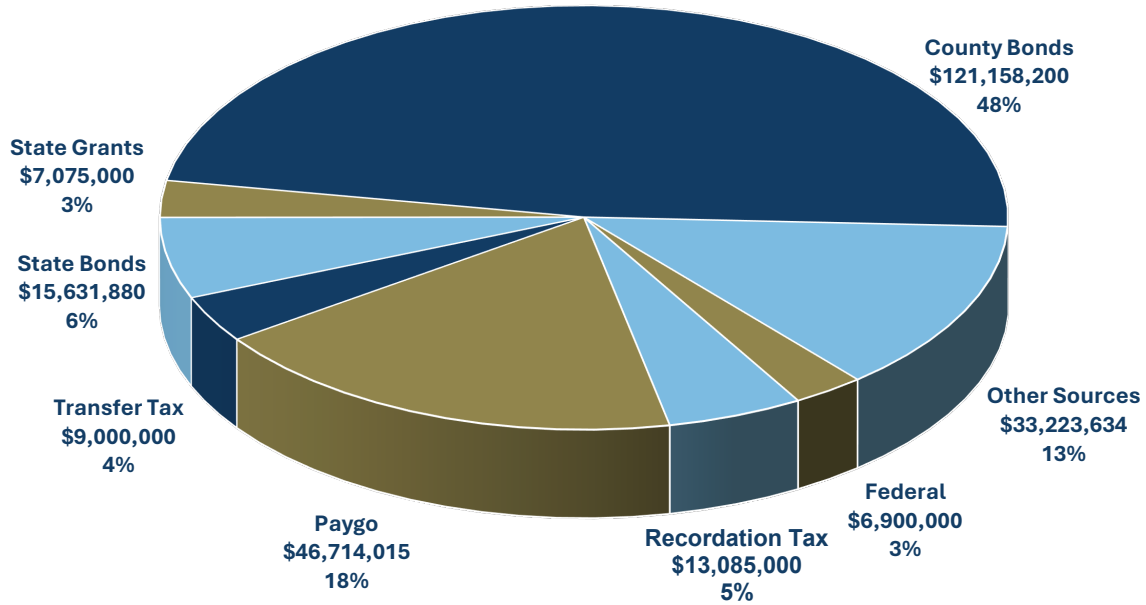


<u>FY 25 APPROVED</u>	<u>FY 26 APPROVED</u>	<u>CHANGE</u>
\$270,000	\$170,000	(\$100,000)

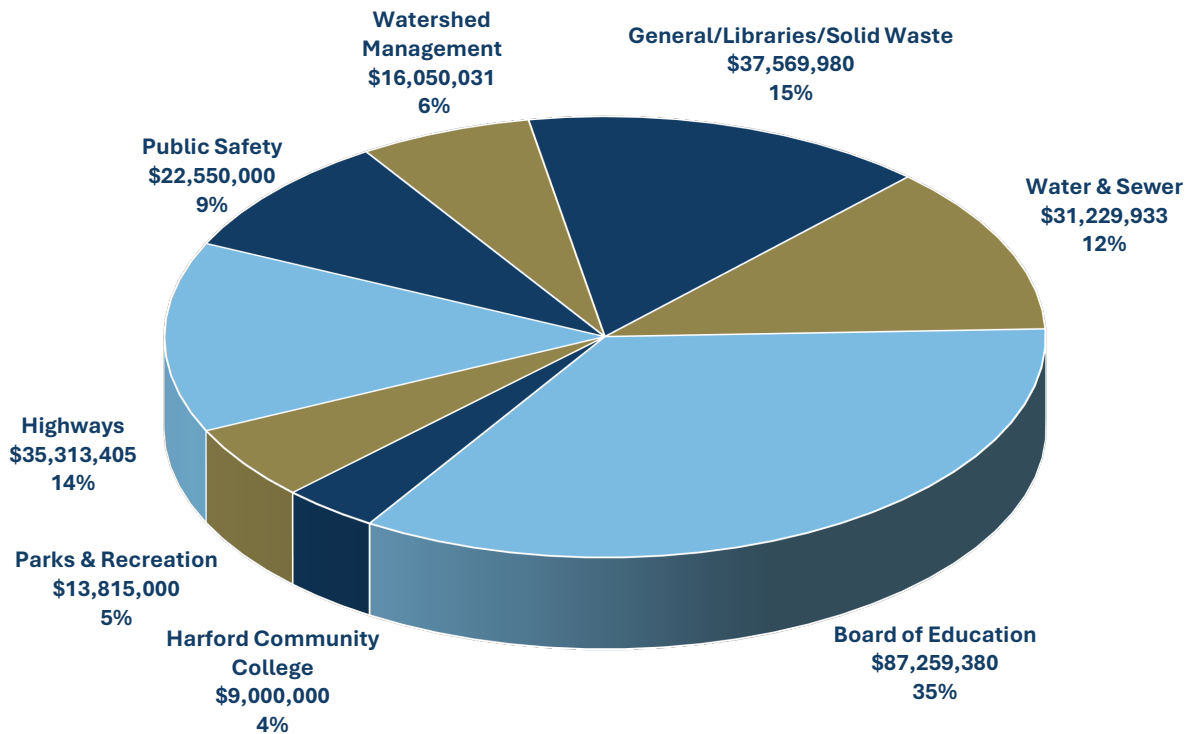
Harford County's Agricultural Program is certified, therefore, the Program can retain 75% of the Agricultural Transfer Tax collected. For FY 26, it is projected that the County's share of the State Agricultural Tax will be \$170,000. The County will use \$30,000 of this revenue to offset the salary and benefits of a Planner III, who serves as the Harford County Program Administrator. Harford County's match to MALPF for easement purchases the foundation makes on behalf of the County will be \$140,000.

APPROVED CAPITAL BUDGET
Fiscal Year 2025 - 2026
TOTAL BUDGET \$252,787,729

REVENUES



APPROPRIATIONS



FY 26 APPROVED CAPITAL BUDGET SUMMARY

	Total	Paygo	County Bonds	Lease Finance	Reappro	Transfer Tax	Record.	Tax	State	Federal	Other
GENERAL PROJECTS SUB-TOTAL	35,619,980	1,930,077	15,750,000	14,000,000	1,294,923	0	0	0	0	0	2,644,980
PUBLIC SAFETY SUB-TOTAL	22,550,000	4,550,000	15,000,000	0	0	0	0	0	2,000,000	0	1,000,000
HCC SUB-TOTAL	9,000,000	0	8,000,000	0	0	0	0	0	1,000,000	0	0
LIBRARIES SUB-TOTAL	200,000	200,000	0	0	0	0	0	0	0	0	0
BD OF EDUCATION SUB-TOTAL	87,259,380	0	50,957,500	0	2,000,000	9,000,000	10,670,000	14,631,880	0	0	0
SOLID WASTE SVCS SUB-TOTAL	1,750,000	750,000	1,000,000	0	0	0	0	0	0	0	0
TOTAL GENERAL FUND	156,379,360	7,430,077	90,707,500	14,000,000	3,294,923	9,000,000	10,670,000	17,631,880	0	0	3,644,980

TOTAL PARKS & RECREATION	13,815,000	50,000	6,200,000	0	1,000,000	0	2,415,000	3,000,000	0	0	1,150,000
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TOTAL WATERSHED MGMNT	16,050,031	2,750,000	11,200,700	0	0	0	0	2,000,000	0	0	99,331
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BRIDGES SUB-TOTAL	10,900,000	300,000	4,700,000	0	0	0	0	0	5,900,000	0	0
ROADWAYS SUB-TOTAL	11,485,000	1,585,000	7,750,000	0	0	0	0	0	1,000,000	1,150,000	0
RESURFACING SUB-TOTAL	5,006,805	5,000,000	0	0	6,805	0	0	0	0	0	0
MISCELLANEOUS SUB-TOTAL	7,921,600	5,731,600	600,000	1,500,000	0	0	0	25,000	0	0	65,000
TOTAL HIGHWAYS FUND	35,313,405	12,616,600	13,050,000	1,500,000	6,805	0	0	25,000	6,900,000	1,215,000	0

WATER SUB-TOTAL	14,073,783	8,261,188	0	0	5,812,595	0	0	0	0	0	0
SEWER SUB-TOTAL	13,800,000	13,800,000	0	0	0	0	0	0	0	0	0
W&S MISC SUB-TOTAL	3,356,150	1,806,150	0	1,500,000	0	0	0	50,000	0	0	0
TOTAL WATER & SEWER FUND	31,229,933	23,867,338	0	1,500,000	5,812,595	0	0	50,000	0	0	0

	Total	Paygo	County Bonds	Lease Finance	Reappro	Transfer Tax	Record.	Tax	State	Federal	Other
TOTAL APPROVED CAPITAL:	252,787,729	46,714,015	121,158,200	17,000,000	10,114,323	9,000,000	13,085,000	22,706,880	6,900,000	0	6,109,311

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**Harford County Government
Office of Budget and Management
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