



Worcester County Administration

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PRESS RELEASE

TO: Local Media
FROM: Worcester County Commissioners
DATE: June 9, 2022
FOR RELEASE: Immediately
TOPIC: Worcester County Adopts FY 2023 Operating Budget
For Additional Comment: Chief Administrative Officer Weston S. Young at (410) 632-1194

WORCESTER COUNTY MAINTAINS REAL PROPERTY TAX RATE AT \$0.845 AND LOCAL INCOME TAX AT 2.25% TO BALANCE FY23 BUDGET

On June 7, 2022, the Worcester County Commissioners approved the FY 2023 (FY23) Operating Budget of \$226,916,778 in appropriations for the coming fiscal year. This reflects an increase of \$10,407,567 or 5% more than the FY22 budget while reducing the **requested** expenditures of \$229.6 million by \$2.7 million. Budget decisions were based upon current and projected trends along with anticipated fiscal year 2022 revenue surplus.

The FY23 budget maintains the real property tax rate of 84.5¢ per \$100 of assessed value and the County's local income tax rate of 2.25%. Worcester County residents will continue to benefit from the lowest income tax rate and the 2nd lowest real property tax rate as compared to all other counties in Maryland. This fiscally conservative budget maintains funding for valuable public services residents can count on, such as public safety, education and infrastructure.

Anticipated General Fund Revenues

- Based on the Real Property tax rate of \$0.845, **NET** property taxes increased by \$4,122,207.
 - The Homestead Credit cap remains unchanged at 3% and is estimated to be \$1,717,809 for the County's qualified principal resident homeowners effective July 1, 2022.
- Income Tax revenue increased by \$8,000,000 and is estimated at \$38,000,000 and remains the same at 2.25%. Revenues are based on the market conditions and estimates for the current year. The pass through to Municipalities is included for \$2.6 million.
- Revenue from Other Local Taxes increased by \$330,000 for the following: \$30,000 increase in Room Tax administration and \$300,000 in Room Tax collections for Unincorporated areas in the County, both estimates are based on the current trends.
- State Shared Revenues increased by \$103,288 due to an increase estimate for Highway User revenue.
- Licenses and Permits increased by \$70,855 overall. Significant changes include increases of \$10,000 for vending machine licenses, \$15,000 for building permits and \$52,455 for health permits. A decrease of \$26,000 is included for the occupational licenses which is a biannual license.

- Charges for Services decreased by \$1,411,340 with a decrease of \$1,500,000 in ICE housing revenue as the most significant change. Increases include \$20,000 in recreation fees, \$12,100 in recycling revenue and \$22,760 in park fees.
- Interest on investments decreased by \$100,000 based on current rates of return.
- Other Revenues increased by \$180,143 with an increase of \$150,000 in expected sales of assets and an increase of \$28,258 in rent revenue.
- Federal grants project a decrease of \$11,727 due to decreased estimates for Homeland Security Grant revenue.
- State grants increased overall by \$21,330. Increases include \$200,000 in State park receipts, \$55,000 in Waterway Improvement grants, \$16,895 in 911 grants, and \$23,387 in a Family Support grant. The significant decreases include \$327,500 in Program Open Space grants and \$10,000 in conservation easement reimbursements.
- Transfers in decreased by \$897,189.
 - Prior year surplus decreased by \$283,296 and Casino/Local Impact Grant Funds decreased by \$613,893.

Major Approved General Fund Expenditures County Departments and Agencies:

A summary of significant increases and decreases in approved expenditures include the following:

- State's Attorney Office increased by \$969,958.
 - Increased by \$863,639 in salaries and includes six additional Assistant State's Attorneys and six Legal Assistants.
 - Increased by \$135,489 in supplies and materials which includes dues, licenses, subscriptions, software maintenance and office furniture.
- Elections Office increased by \$110,275 and includes Gubernatorial early voting, Primary Election, and General Election.
 - Increased by \$41,211 in salaries which includes salary increases by the State Board of Elections of in FY23.
 - Increased by \$63,553 in supplies and materials mainly due to new poll books.
- Sheriff's Office increased by \$815,262.
 - Increased by \$606,854 in salaries and includes 2 new full-time Support Specialists and an additional 3,964 hours for existing part-time positions.
 - Increased by \$623,384 in supplies and materials for body cameras, software licensing and software maintenance.
- Fire Company Grant is included for \$2,520,000 based on the current funding of \$250,000 to each fire company and the supplement for \$20,000.
- Ambulance Grants is included for \$6,343,244, an increase of \$247,612 and includes supplemental funding for 10 EMS companies to assist with staffing.
- Public Works Department increased by \$203,678.
 - Increased by \$160,800 in maintenance and services due to increased consulting services and fleet repairs.
- Public Works Maintenance Division increased by \$142,268.
 - Increased by \$178,685 in salaries and includes a Project Manager position.
 - Increased by \$22,900 in maintenance and services for vehicle safety and warning lights.
- Public Works Roads Division increased by \$712,877.
 - Increased by \$74,530 in supplies and materials for sign materials, a salt brine unit, patching materials and pipe.
 - Increased by \$464,362 in capital equipment for a tractor with long reach attachment, skid steer, dump truck and 4x4 pick-up truck with snow plow.
- Natural Resources increased by \$102,235.
 - Increased by \$72,235 for Spongy Moth control and \$30,000 for beach maintenance.

- Taxes Shared with Towns increased by \$301,800.
 - Increased by \$300,000 for the pass through of the Income Tax distribution to the Towns.
- Grants to Towns increased by \$334,776.
 - Increased by \$258,776 in grants to Towns over the prior year.
 - Increased by \$76,000 for restricted fire grant to the Towns based on the current formula.
- Insurance & Benefits increased by \$1,954,163.
 - Increased by \$1,268,121 for Other Post-Employment Benefits (OPEB) for a total of \$9,500,000. Additional OPEB is provided to the Board of Education for total County OPEB funding of \$12,368,146 in FY23.
 - Increased by \$290,036 for the retirement plan based on State rates.
 - Increased by \$256,711 for social security taxes based on the estimated payroll.
 - Decreased by \$84,125 for Workers' Compensation insurance plan.
 - Increased by \$197,427 for Property & Liability insurance due to an increase in premium.
 - Increased by \$21,440 for Life Insurance.
- Salary accounts increased to include a 4% cost of living adjustment (COLA), a step increase and longevity pay for those County employees that are eligible.

Board of Education

- The County allocation for the Board of Education's (BOE) operating budget is \$100,983,605, an increase of \$3,981,384 over the **current** year adopted budget as shown below. School construction debt is paid by the County on behalf of the BOE. It is not reflected in the BOE's budget; however, it is included in the County's operating budget. The BOE's approved operating budget of \$100,983,605 plus debt service of \$12,455,856 totals \$113,439,461 or 50% of the County's total estimated revenue.

	FY2023 Approved Budget	FY2022 Approved Budget	Dollar Variance +/- FY2022
County Appropriation MOE*	\$96,817,331	\$96,041,968	+775,363
County Appropriation in addition to mandated MOE	3,168,616	0	+3,168,616
County Appropriation: Technology + Capital Outlay *	300,000	300,000	+0
County Appropriation: Retirement for Non-Teachers	697,658	660,253	+37,405
Sub-Total County Operating Allocation	<u>\$100,983,605</u>	<u>\$97,002,221</u>	<u>+3,981,384</u>
School Construction Projects	** 205,000	** 295,800	-90,800
Sub-Total County Appropriation	<u>\$101,188,605</u>	<u>\$97,298,021</u>	<u>+3,890,584</u>
State and Other Funding Sources	23,079,654	21,095,167	+1,984,487
Total Unrestricted Budget	<u>\$124,268,259</u>	<u>\$118,393,188</u>	<u>+5,875,071</u>
Restricted Programs: Pocomoke Middle **	50,000	50,000	+0
Restricted: Federal and State Programs	28,993,332	19,116,188	+9,877,144
Total	<u>\$153,311,591</u>	<u>\$137,559,376</u>	<u>+15,752,215</u>

*FY23 State mandated County Appropriation know as Maintenance of Effort (MOE) is \$97,117,331. The FY23 County Appropriation is \$100,285,947 which exceeds the State mandated MOE by \$3,168,616.

**FY23 and FY22 Construction projects for \$205,000 and \$295,800 respectively and restricted project for \$50,000 is funded through fund balance.

Board of Education Requested Employee Salary and Bus Contractor Increase:

The Board of Education (BOE) budget includes the following salary adjustments for FY23:

- The salary package for the BOE reflects a payroll increase of \$4,025,396, which includes a step, longevity step for those eligible, a 4% COLA for Teachers and 4.5% COLA for Support Staff employees.
- The bus contracts account increase over FY22 is \$247,876 and reflects an increase in the hourly rate from \$22.58 to \$25.00, increasing mileage from \$1.60 to \$1.62 and PVA from \$20,115 to \$20,920.
- Starting Teacher pay would increase 4.0% from \$47,795 to \$49,707.

The total FY23 Worcester County Education MOE funding per student based on the estimated student population of 6,402.25 equates to \$15,169.25 per student for \$97,117,331 as compared to total funding as shown below for the estimated total enrollment of 6,803.

County Funding	\$101,188,605	}	\$165,767,447 or \$24,366.82 per student which is a 12% increase from FY22
State & Other	23,079,654		
Restricted	29,043,332		
School Debt	12,455,856		