



FY2026 Public Hearing

Presenters

Deborah Hall, Acting County Administrator

Jacob Dyer, Acting Director of Fiscal & Administrative Services

Samantha Chiriaco, Chief of Budget

May 7, 2025

Public Hearing Agenda:

May 7, 2025

- Reading of the Public Notice
- Budget Process
- General Fund
- Community Reinvestment and Repair Fund
- Enterprise Funds
- Capital Improvement Program (CIP)
- Fees & Charges
- Public Comments
- Adjournment

Our Budget Approach

- Building a fiscally responsible budget
- Discussions with departments and agencies to set priorities
- Community engagement
- Embedding equity into the budget process
- No property and income tax rate increases
- Planning for a sustainable budget to meet future needs

Budget Priorities

- Support Public Education & Blueprint impacts
- Public Safety
- Crime Prevention
- Diversity, Equity & Inclusion
- County Infrastructure & Resilience Improvements
- Employee Compensation
- State Mandated Cost Shifts

Individual Verification of Fiscal Reputation

- Bond Ratings
 - Fitch: AAA
 - Standard and Poor's: AAA
 - Moody's: Aaa

General Fund

Budget Considerations

- Exceed Maintenance of Effort funding for Charles County Public schools; operating costs for new Elementary School
- Support Public Safety
- Commissioner Goals & Objectives
- Employee compensation
- Feedback from engaging the community & budget equity tool
- No property or income tax rate increases
- Utilize cash reserves to minimize budget impacts and support one-time costs

State Cost Shifts of \$3.6 million:

- Teacher Pension Cost Shift: \$2,658,500
 - *Funding included in County Government budget*
- CSM Pension Cost Shift: \$128,000
 - *Funding included in County Government budget*
- State Department of Assessment & Taxation:
\$612,800
 - County share increasing from 50% to 90%
- Nonpublic Placement: \$238,900
 - *Included in BOE budget*

FY2026 BUDGET ENGAGEMENT SURVEY



Who participated?

1,035 completed online surveys (1,347 submissions with at least one response)

General public, partner agencies, Charles County Government employees



How were people reached?

- Social media
- E-newsletters
- Public meetings
- Let's Get Fiscal podcast
- Outreach to key stakeholder groups
- Community events
- News media

Budget Priorities

Participants were asked to select the top 3 areas that should be improved through increased funding of services.



Top 3 Priorities Spotlight



Education



Crime Prevention



Transportation and Roads

Crime prevention and education consistently emerge as top priorities across most age groups, highlighting widespread public concern for safety and investment in schools. Strong support for transportation improvements was reflected among older residents.

Budget Feedback: Supporting Additional Costs due to State of Maryland Deficit

Participants were asked to rank their preferences for how Charles County Government could support additional costs from the deficit at the state level.

Responses reveal a **strong preference for increasing taxes for specialized groups**, especially over general tax increases or reallocating existing funds, indicating residents prioritize fairness in tax burdens. **Increasing taxes for all residents was the least favored option.**

Participants were asked to rank their preferences for how to increase funding to support opening of the Margaret Jamieson Thornton Elementary School in Waldorf.

Residents overwhelmingly **prefer increasing taxes for specialized groups, such as buyers of new properties**, over other funding options to support new school construction costs.

Utilizing existing revenue sources was secondary, while **increasing taxes for all residents was the least favored option.**

Fiscal Year 2026 Requested

	FY2025 Adopted	FY2026 Requested	\$ Change from FY2025	% Change
Revenues	\$535,632,600	\$568,884,700	\$33,252,100	6.2%
Other Sources	25,706,000	21,068,600	(4,637,400)	-18.0%
Total	\$561,338,600	\$589,953,300	\$28,614,700	5.1%
<u>Expenditures:</u>				
Board of Ed.	\$231,403,500	\$256,743,880	\$25,340,380	11.0%
Sheriff	130,585,500	148,661,317	18,075,817	13.8%
Dept/Agencies	155,563,200	179,111,606	23,548,406	15.1%
Debt Service	32,644,400	32,913,100	268,700	0.8%
Miscellaneous	11,142,000	9,468,900	(1,673,100)	-15.0%
Total	\$561,338,600	\$626,898,803	\$65,560,203	11.7%
Deficit	\$0	(\$36,945,503)		

County Operating Revenues vs. Budget Requests

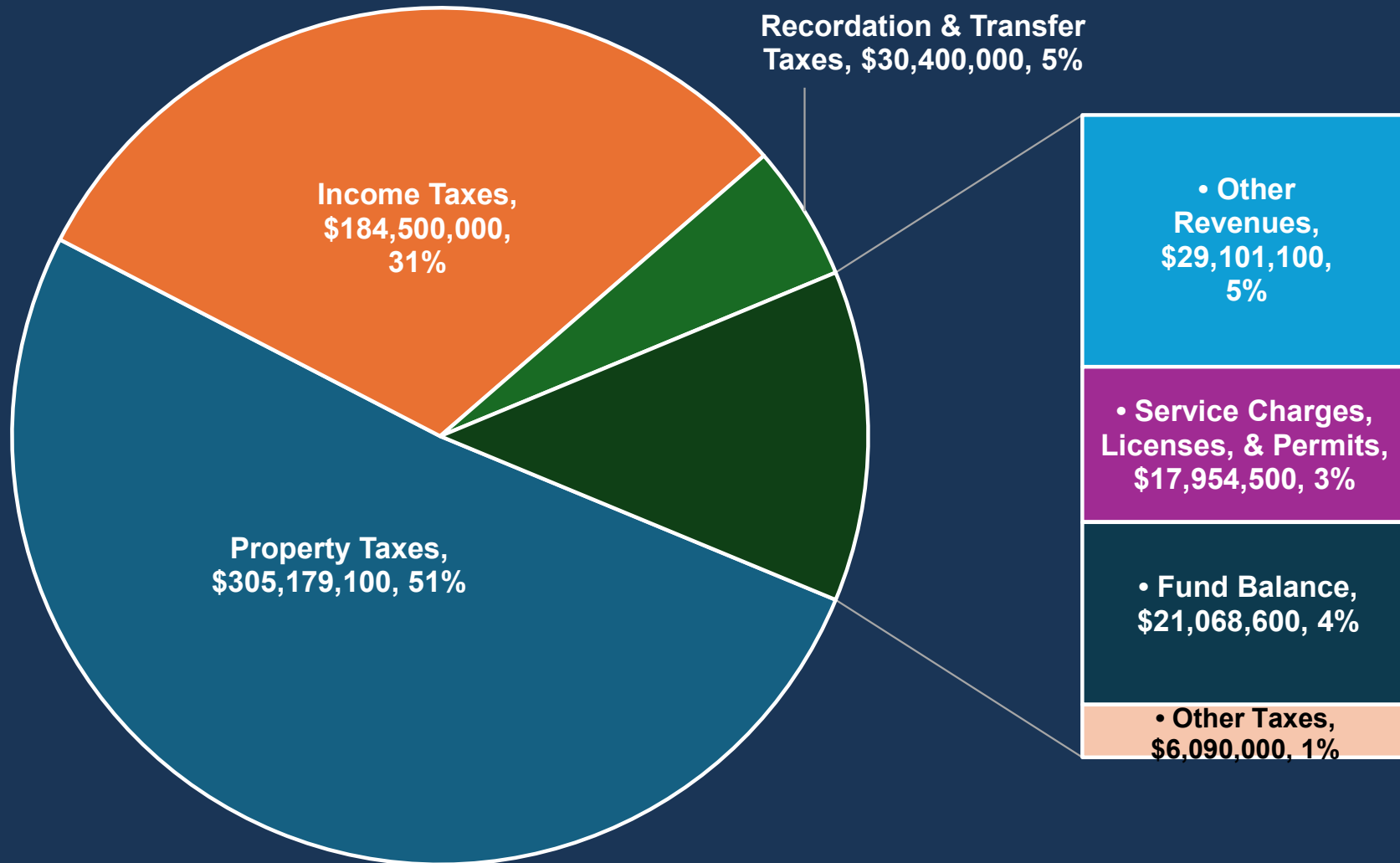
- \$33.3 million increase in operating revenues.
 - Growth in property assessments at current property rate
 - Recordation tax rate increase
 - Adjustment in other revenues to current trends
- \$65.6 million increase in requested expenses.
 - \$25.3 million request from Board of Education
 - \$23.6 million request from Departments/Agencies
 - \$18.1 million request from CCSO
- Requests are outpacing Revenues

Fiscal Year 2026 Proposed

	FY2025 Adopted	FY2026 Proposed	\$ Change from FY2025	% Change
Revenues	\$535,632,600	\$573,224,700	\$37,592,100	7.0%
Other Sources	25,706,000	21,068,600	(4,637,400)	-18.0%
Total	\$561,338,600	\$594,293,300	\$32,954,700	5.9%
Expenditures:				
Board of Ed.	\$231,403,500	\$242,644,900	\$11,241,400	4.9%
Sheriff	130,585,500	138,974,247	8,388,747	6.4%
Dept/Agencies	155,563,200	167,355,053	11,791,853	7.6%
Debt Service	32,644,400	33,063,700	419,300	1.3%
Pension Cost Shift	0	2,786,500	2,786,500	NEW
Miscellaneous	11,142,000	9,468,900	(1,673,100)	-15.0%
Total	\$561,338,600	\$594,293,300	\$32,954,700	5.9%

FY2026 Proposed Revenue

Total = \$594,293,300



Revenue Highlights

- No property tax or income tax rate increases
 - 12th year in a row these tax rates have remained the same
- Income tax budget growth – 9.2%, \$15.5 million
- Property tax budget growth – 6.1%, \$17.5 million
- Adjusting tax differential for towns at calculated rate
- No changes to transfer tax rate
- Other Taxes includes increase in Highway User Tax Revenues due to State forecast
- Interest Income decrease due to earning lower interest rates on its investments

Revenue Highlights

- Recordation Tax increase to \$7 per \$500
 - Will be used to support Charles County Public Schools (\$4.3 million) & affordable housing initiatives (\$700K)
 - The \$2 per \$500 increase will not impact a large portion of County residents. This tax is only applied to real estate transactions when a purchase or sale of property occurs and when a property title is recorded.
 - In the resident budget survey, residents overwhelmingly preferred increasing taxes on specialized groups over a general tax increase or reallocating existing funds
 - 40.32% participants supports tax increase to support Charles County Public Schools
 - 3% of year end recordation tax revenues will be dedicated to support affordable housing initiatives
 - Requires amendment to County Code – Chapter 281, Article 1

FY2026 Proposed Expenditure Overview



Education

\$263,584,300 • 44.3%

Board of Education Total: \$242,644,900



Sheriff's Office

\$138,974,247 • 23.4%



County Government

\$106,258,812 • 17.9%



Miscellaneous

\$29,811,880 • 5.0%

Retiree Fringe, Central Services, Contingency, Capital Project Transfer



Debt Service

\$33,063,700 • 5.6%



Other Agencies

\$22,600,361 • 3.8%

State's Attorney, Health Department, Circuit Court, Election Board, Other

What's in the Proposed Budget?

- Board of Education budget provides an increase of \$11,241,400
 - Supports operating costs associated with the new elementary school (*supported by recordation tax increase*),
 - Provides salary increases for collective bargaining,
 - Charter school, bus contracts, increased healthcare costs and extended learning opportunities,
 - Includes State cost shifts of \$238,900 for non-public placement:
- Exceeds Maintenance of Effort by \$8.9 million

What's in the Proposed Budget?

- Salary increases for County employees
- Fully funding pension contributions
- Supports future retiree healthcare

What's in the Proposed Budget?

- Sheriff's Office
 - (1) Digital Evidence Custodian
 - Conversion of (7) part time positions and (1) full time reduced hour position to full time
 - New funding for holiday pay and tech pay
 - Replacement of capital equipment

What's in the Proposed Budget?

- Emergency Services
 - (10) EMT's to support Waldorf area
 - Part time funding to support billing operations
 - (2) New Ambulances
 - Continued funding for Mobile Integrated Health Program, paid Paramedic program & Cadet Academy

What's in the Proposed Budget?

- State's Attorney's Office:
 - Full year impact of (6) new positions from FY2025
 - Increasing operating costs to meet demands
 - Continued funding to support Body Worn Camera program
- Circuit Court
 - Funding for replacement furniture and workstation
 - Increase in contract services for kiosk machines

What's in the Proposed Budget?

- Recreation, Parks, and Tourism:
 - Full year impact of (8) new positions in FY2025
 - Funding for security cameras at various parks
 - Funding to reopen McDonough pool and skimmer resealing at Thomas Stone
 - Youth/Teen Development Program
 - Advertising & special events for Tourism

What's in the Proposed Budget?

- Fiscal and Administrative Services:
 - (3) New Positions that are offset by dedicated revenue sources:
 - Payroll Analyst
 - Senior Procurement Specialist
 - Accounting Technician
 - Funding for various equipment and software needs
 - Support of County Departments
 - Asset Management Software for EMS & RPT
 - Cell phone reimbursements for RPT

What's in the Proposed Budget?

- Planning and Growth Management:
 - Two new positions to support Rental Registry Implementation that will be supported by fund balance until program begins:
 - Assistant Chief of Codes, Permits and Inspections
 - Rental Licensing Program Administrator
 - Property acquisition, updating transportation ordinances and new project management software
 - Increase in local match to support Transit programs and continues the no fare promotion

What's in the Proposed Budget?

- Public Works:
 - Funding for mid year FY25 approved position:
Building Service Technician
 - Additional road maintenance funding
 - Replacement equipment/vehicles including (2) new
vehicles for the Building & Trades Division

What's in the Proposed Budget?

- Community Services:
 - Full year impact of the FY25 approved positions:
 - Funds for the Summer Youth Program that was moved from the Commissioners budget
- Human Resources:
 - New HR Apprenticeship Program

What's in the Proposed Budget?

- Economic Development Department
 - Additional funding for strategic plan and marketing service for new website design
 - Partnership with Small Business Development Center
- County Attorney
 - New Associate County Attorney to support Rental Registry Program (*supported by fund balance*)

What's in the Proposed Budget?

- Other Agencies:
 - College of Southern Maryland: Funds the requested budget & provides additional funding to support Mediation Center
 - Health Department: Meets required CORE funding
 - Library: Budget increase in support of operations
 - Election Board: Funding to support upcoming election year
 - Operating funding to support the Criminal Justice Coordinating Council

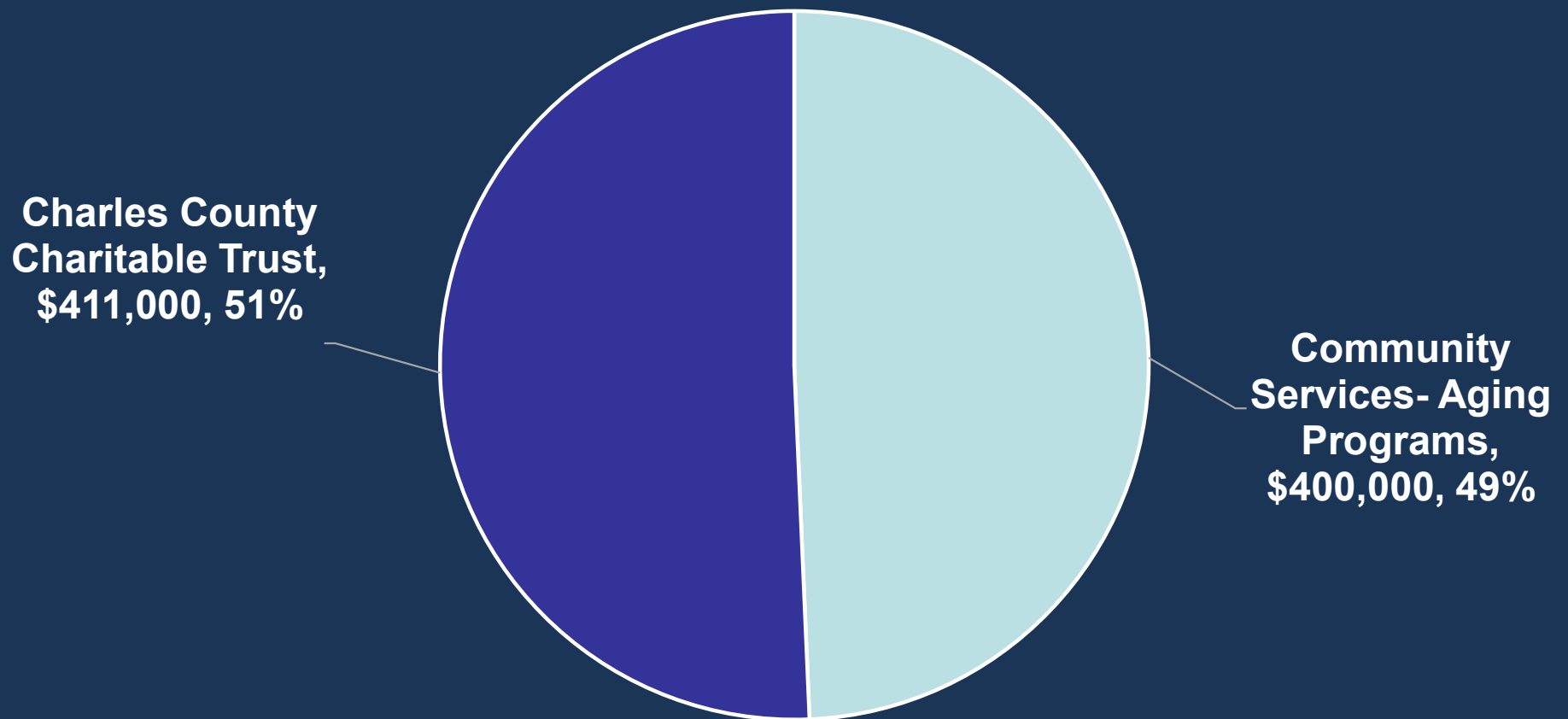
Community Reinvestment and Repair Fund (CRRF)

What is the CRRF?

- Maryland state initiative established following the legalization of adult-use recreational cannabis in 2022.
- Allocates a portion of the tax revenue from cannabis sales to local jurisdictions to support community-based initiatives aimed at benefiting low-income communities and those disproportionately affected by past cannabis prohibition enforcement.

CRRF Operating Budget

FY2026 Proposed Budget- \$811,000

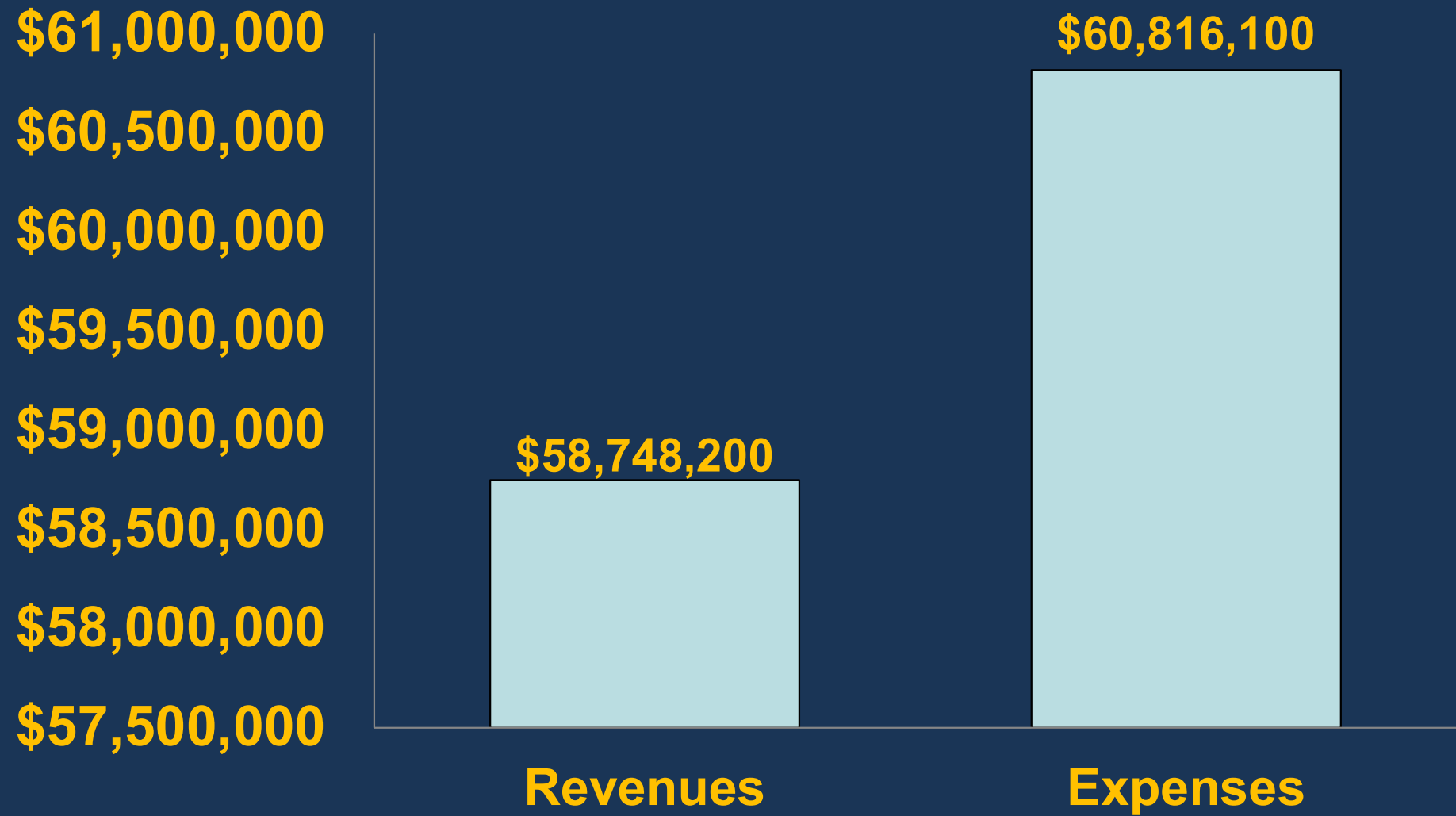


What's in the CRRF Proposed Budget?

- Funding for The Charles County Charitable Trust to award grants to local non-profits through a grant program.
 - These grants will support low-impact and disproportionately impacted communities in the Waldorf region of Charles County.
- Funding for the Department of Community Services, Aging Division programs in the Waldorf region of Charles County.

Enterprise Funds

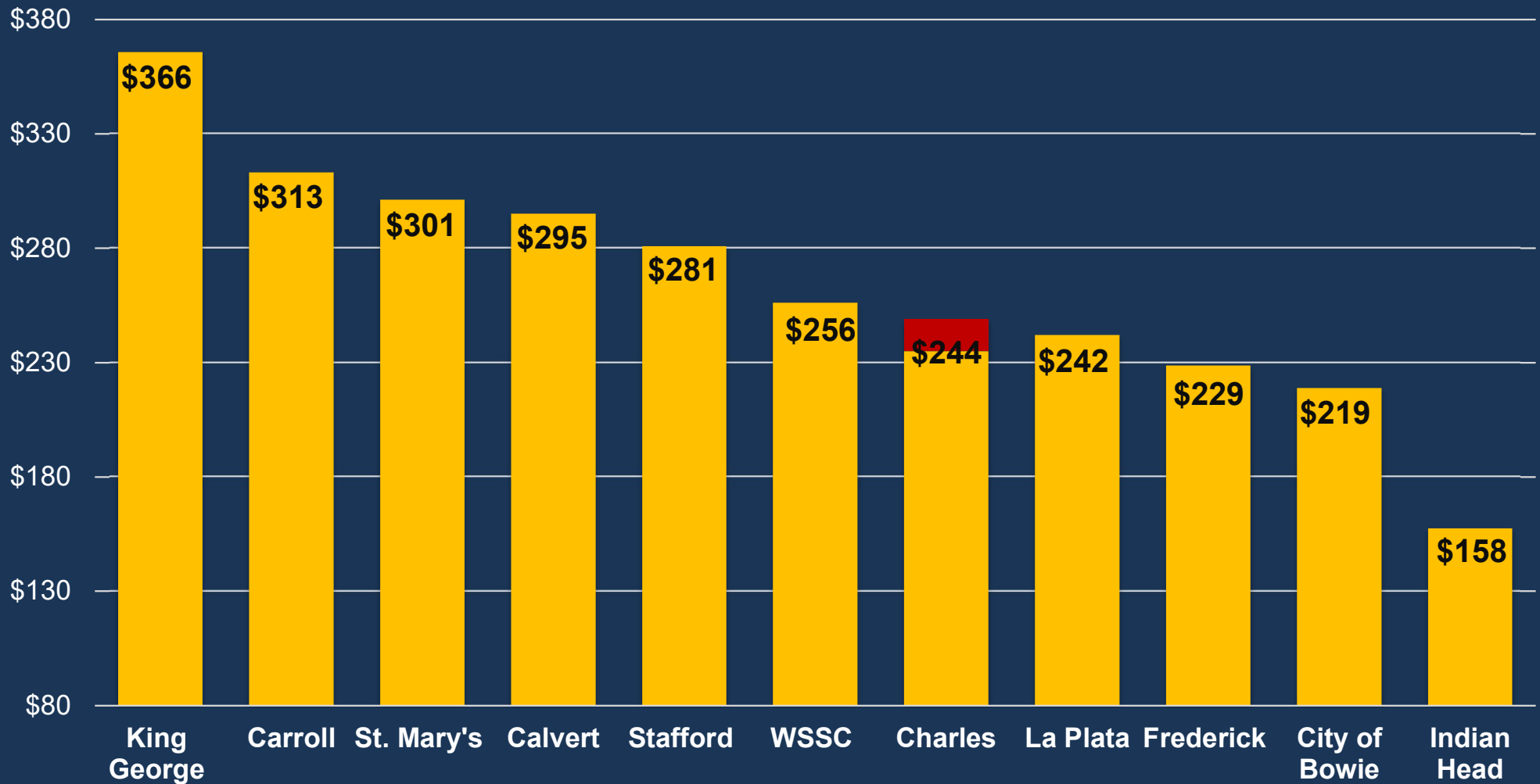
FY2026 Water & Sewer Operating Budget



Water & Sewer Fund

- A rate increase of approximately 4.1% on the average quarterly bill is recommended to balance the budget
- What is causing the rate increase?
 - Increase for anticipated equipment repairs & maintenance, as well as capital maintenance
 - Increase in debt service to support water & sewer capital projects
 - New DPW Positions: Environmental Superintendent, SCADA Instrumentation Technician, Building Services Technician
 - New FAS Position: Part-time help for W&S Billing Office

Average Residential Quarterly Bill (based on 11,790 gallons)

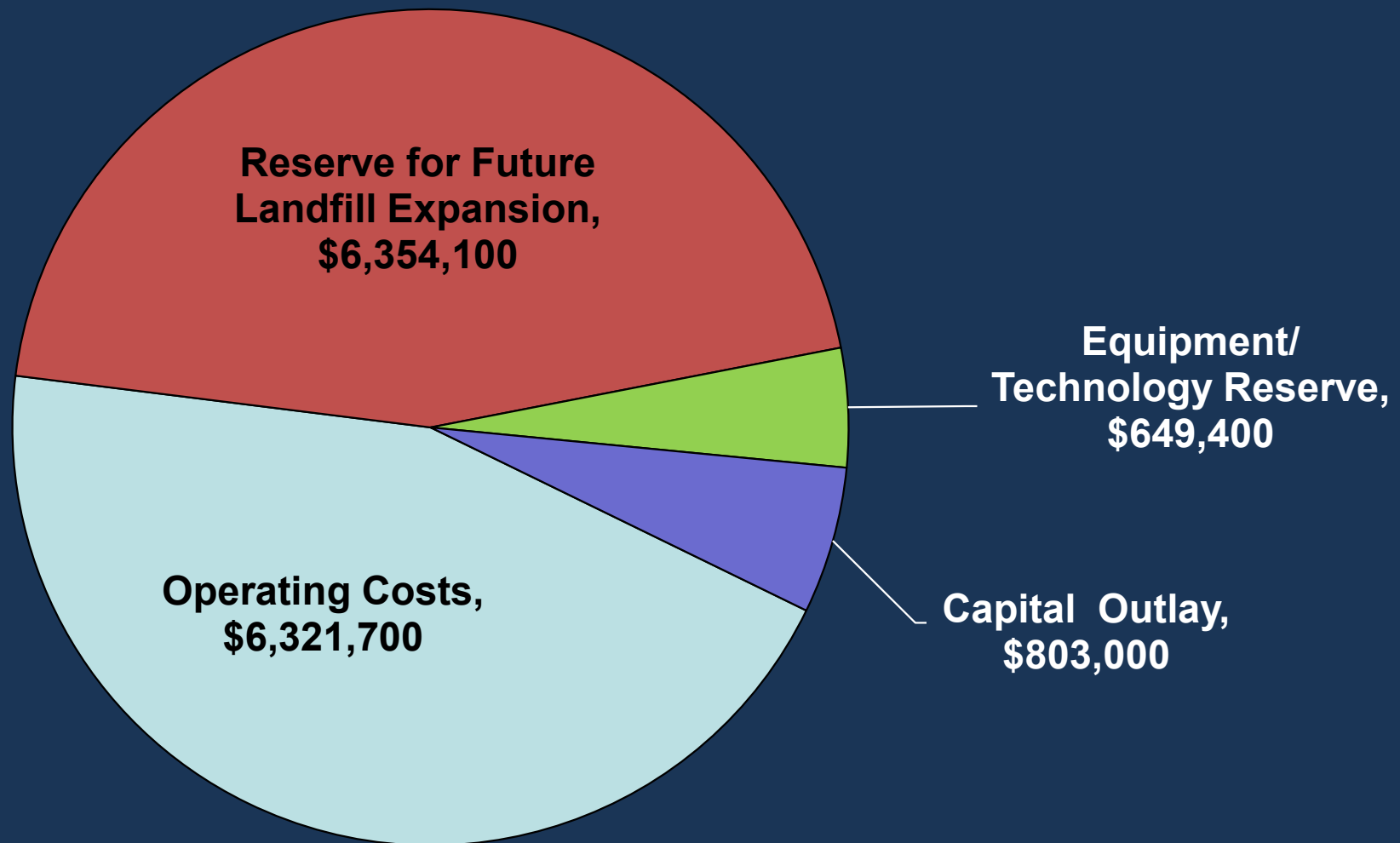


The Average Residential User Utility Bill is currently \$234.67 a quarter.

Current rates as of January 2025. Excludes Bay Restoration fees.

FY2026 Landfill Operating Budget

Total Budget: \$14,128,200

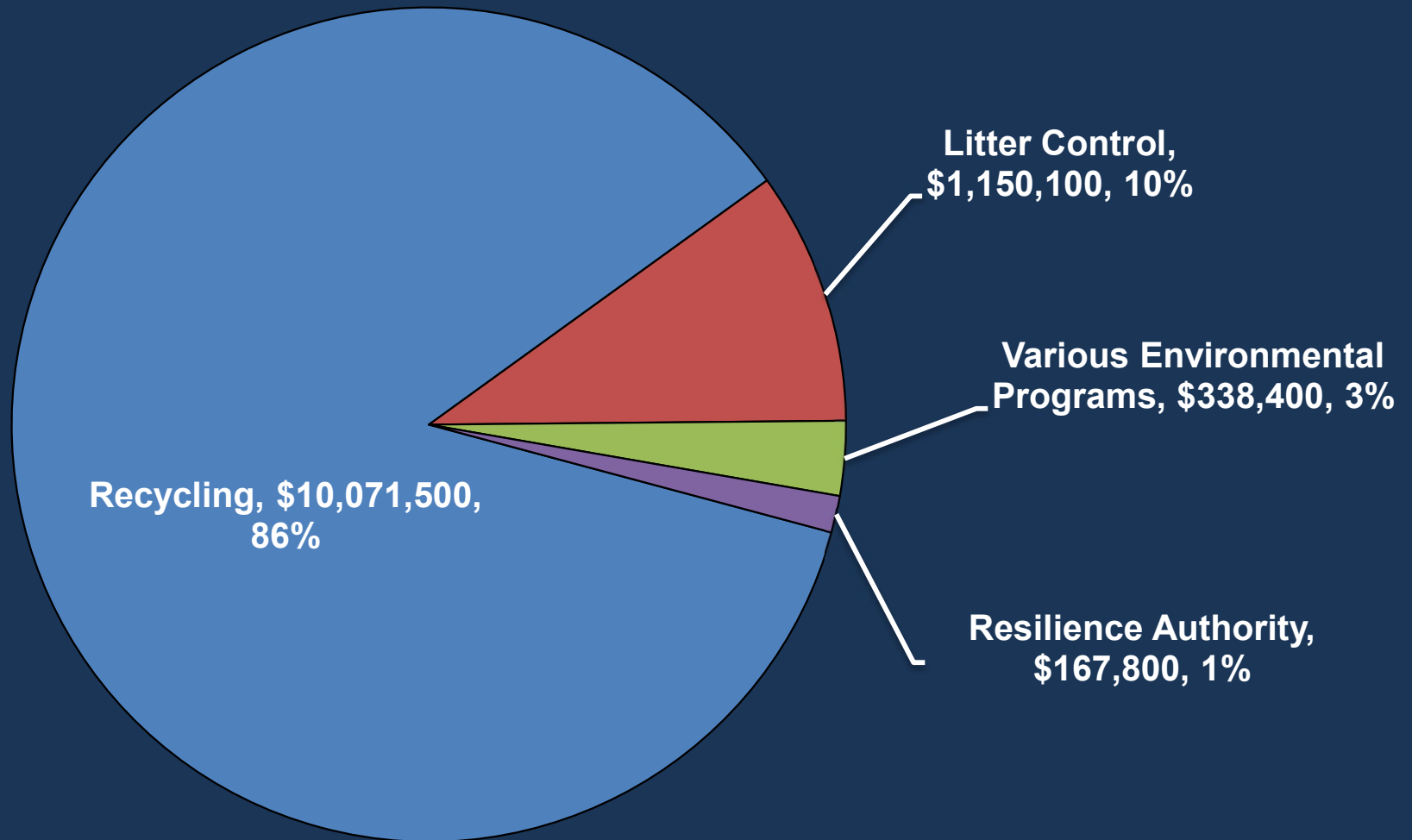


Landfill Fund

- Recommending a \$7 increase to the current \$101 per ton to \$108 per ton.
 - Proposed Budget includes:
 - New and replacement equipment to maintain a safe and productive Landfill
 - Landfill Expansion/Closure Cost increase for future development of the remaining space at the Landfill
 - Three new positions
 - Increase in operation & maintenance costs.

FY2026 Environmental Service Fund Operating Budget

Total Budget: \$11,727,800

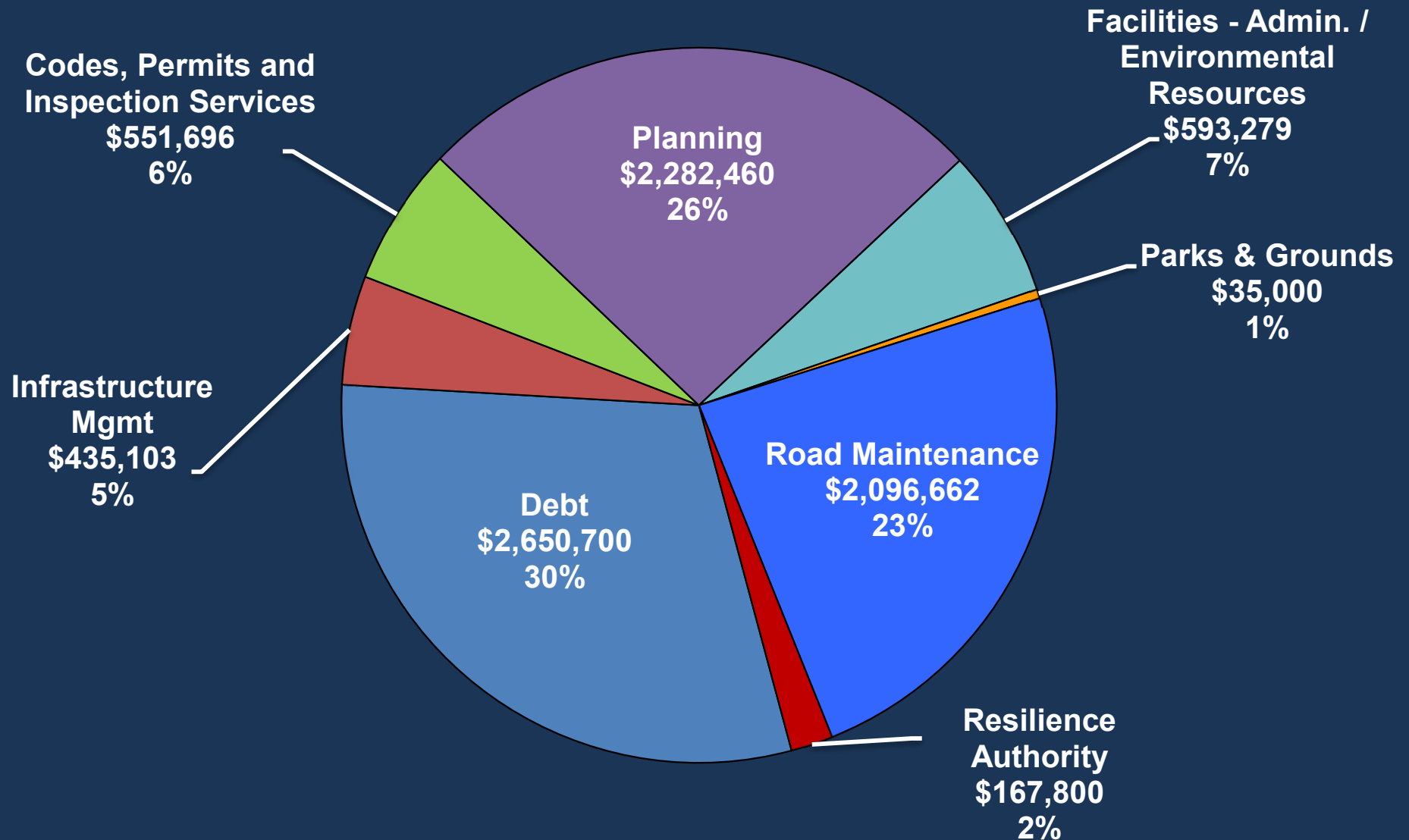


Environmental Service Fund

- Recommending a \$27 increase to the current annual fee of \$166 to \$193
 - Proposed Budget includes:
 - Weekly recycling curbside collection
 - Mattress Recycling Program
 - New and replacement equipment to support operations at various recycling centers and facilities.

FY2026 Watershed Protection and Restoration Fund Budget

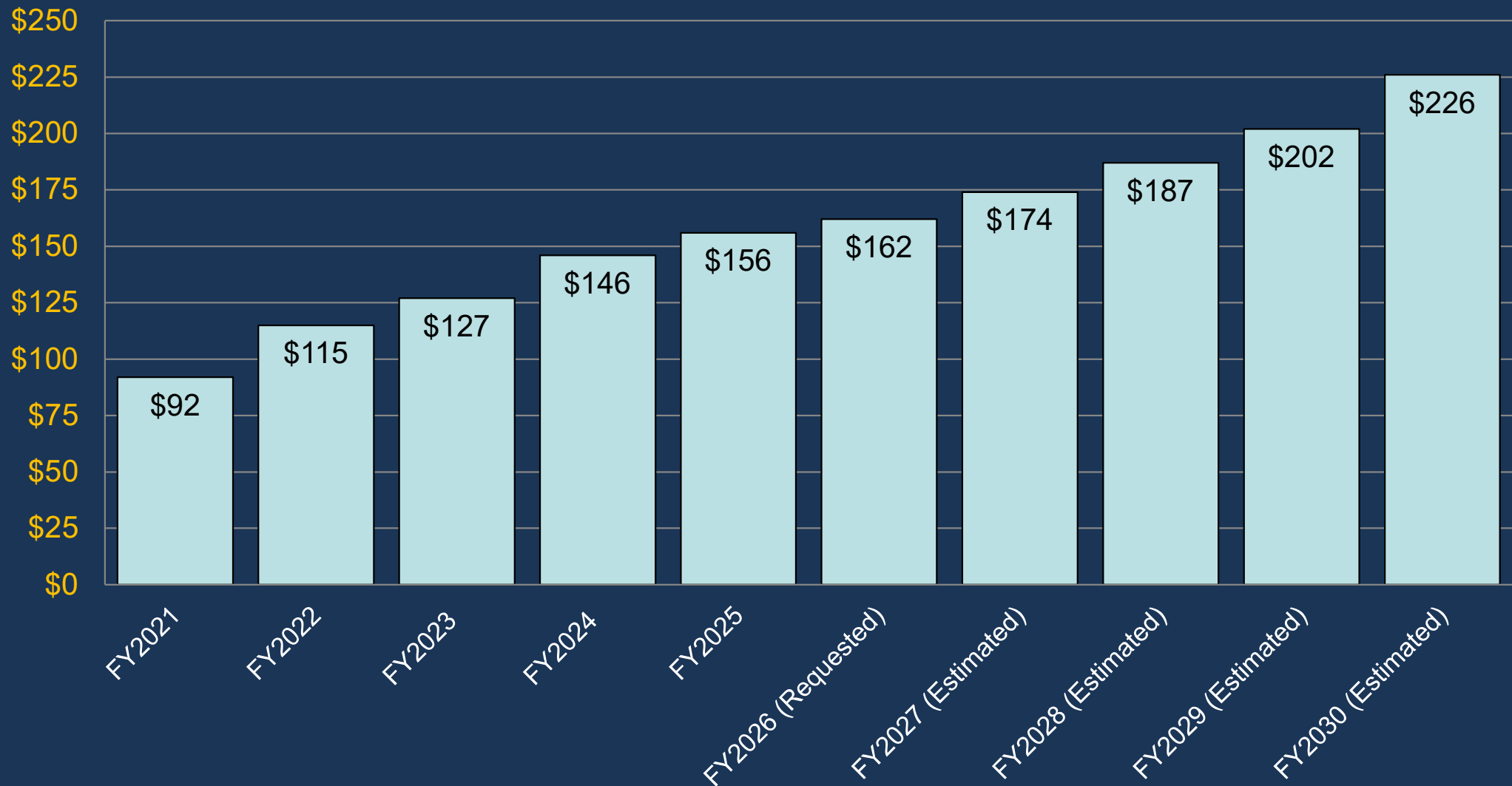
Total Operating Budget: \$8,812,700



Watershed Protection & Restoration Fund

- Recommending a \$6 increase to the current annual fee of \$156 to \$162
 - Proposed Budget includes:
 - Additional funding to support maintenance and repair of aging stormwater systems, ponds, and facilities
 - Marsh Maintenance Monitoring to remain compliant with established permits
 - Increase to contract services for Urban Tree Canopy assessment and plan
 - Education for Chesapeake Bay Landscape Certification

Watershed Protection and Restoration Fee History



Annual Fee increase is needed to meet Clean Water Act requirements

Capital Improvement Program (CIP)

County Infrastructure

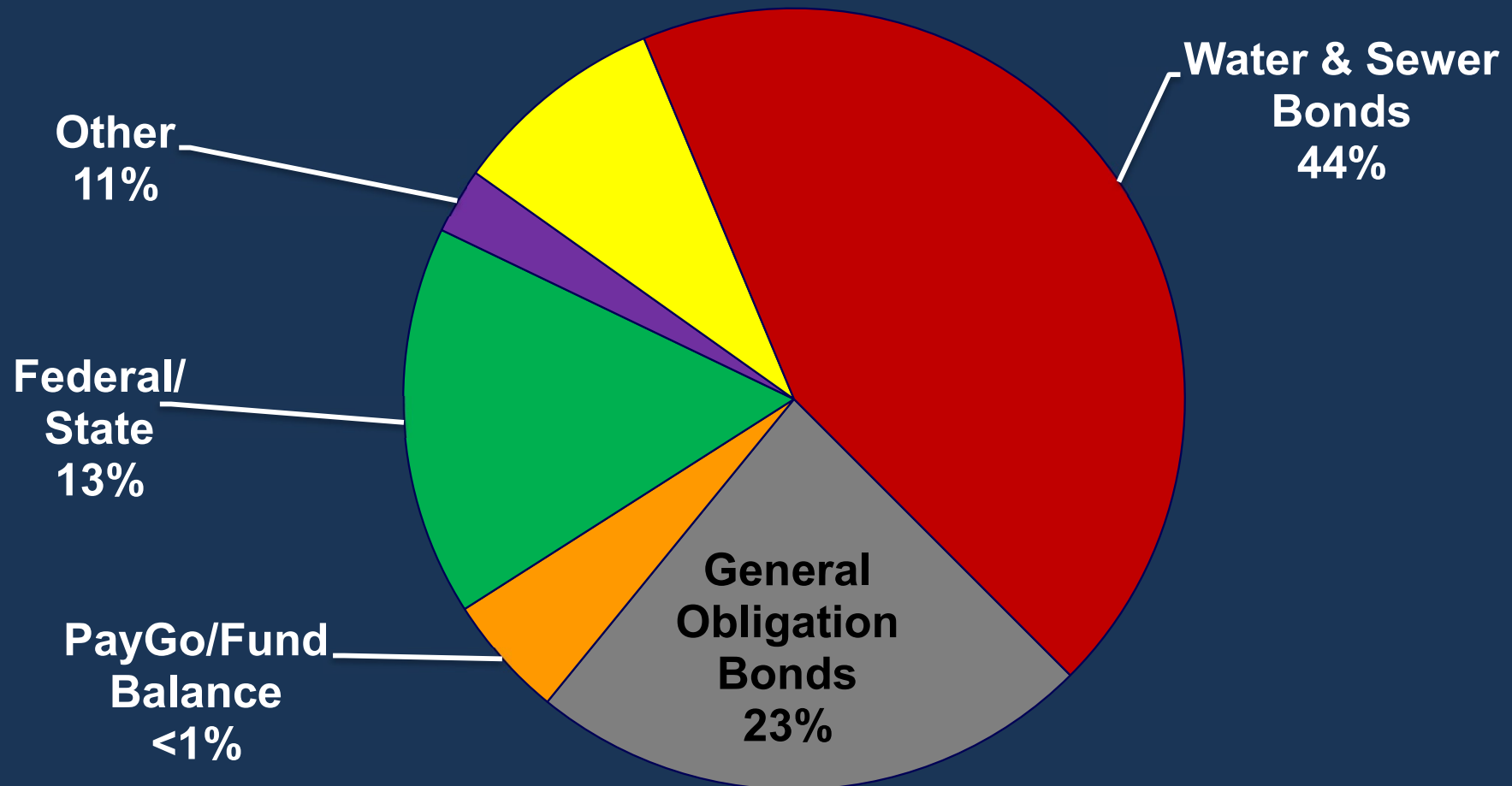
- Schools
 - Board of Education
 - College of Southern Maryland
- General Government
 - Buildings
 - Land Preservations
- Roads
- Parks
- Water and Sewer
- Landfill
- Stormwater Management
- Environmental Service

FY2026-FY2030 CIP Projects-All Funds

	Requested	Proposed
Board of Education	\$359,793,000	\$255,983,100
General Government	183,168,000	112,882,000
Transportation	108,327,000	85,933,000
Parks	55,326,000	22,641,000
College of Southern MD	64,689,000	46,476,000
TOTAL GOVERNMENTAL	\$771,303,000	\$523,915,100
Water & Sewer Facilities	\$468,981,000	\$468,981,000
Stormwater	19,742,000	19,742,000
Landfill	9,717,000	9,717,000
Environmental Service	826,000	826,000

FY2026–FY2030 CIP Proposed Financing Sources – All Funds

Total CIP: \$1,023,181,100

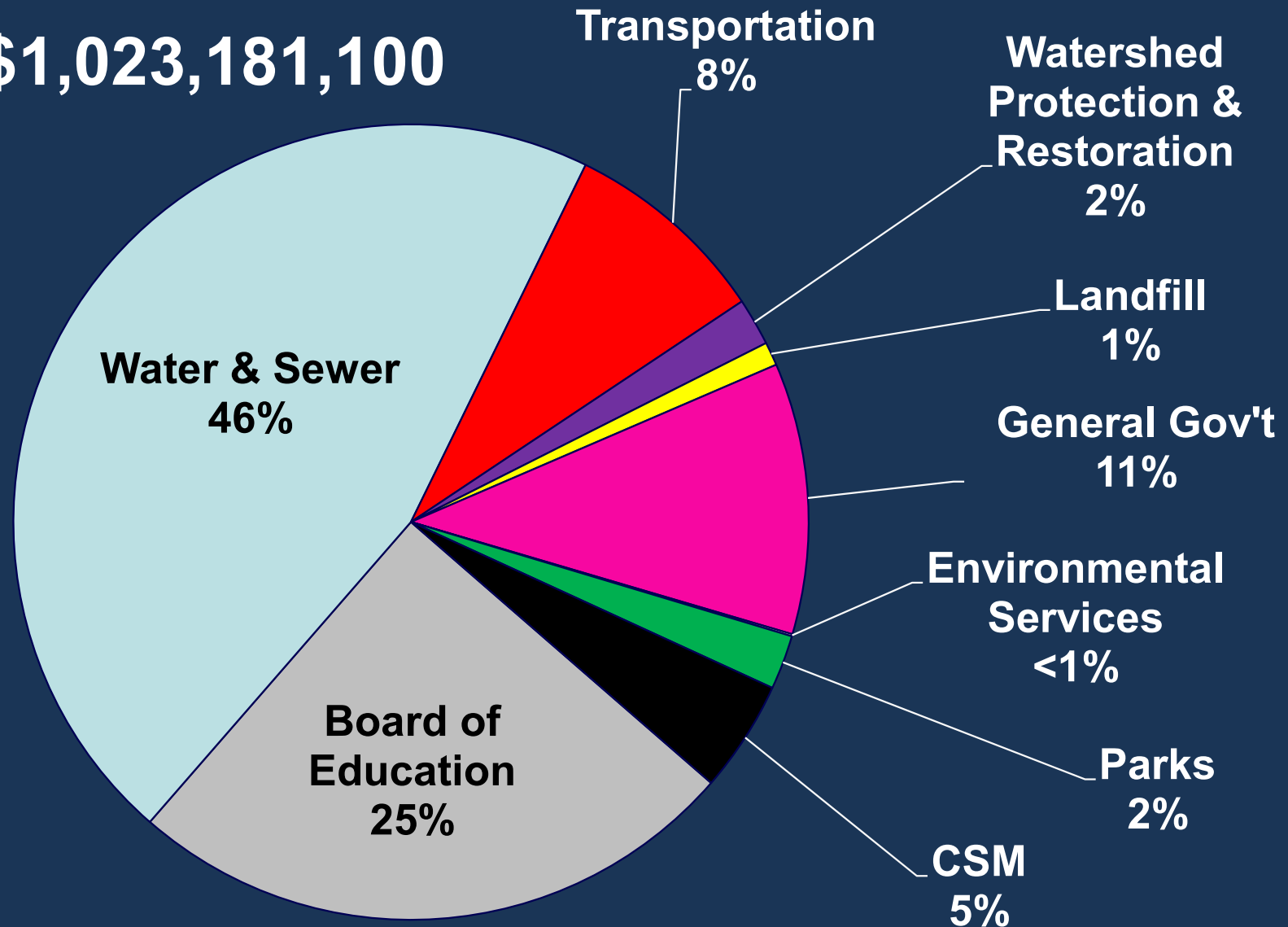


CIP Revenue Assumptions

- No tax rate increases to property or income tax rates
- Governmental CIP assumes a range of 3-5% operating revenue growth over a five-year period
 - Allows for \$220.8 million in new bond issues over five years
 - \$219.0 million is needed to support the proposed CIP
 - A funding surplus of \$1.8 million remains
- Assumes enterprise fund fees are adjusted yearly to support enterprise fund CIP impact

FY2026-FY2030 CIP Proposed Projects - All Funds

Total CIP: \$1,023,181,100



CIP Highlights

- Completion of new elementary school and planning for a new middle school
- Continues funding for Dr. James Craik E.S. open space enclosure
- Additional capacity for La Plata H.S.
- Full Day Kindergarten renovations at Higdon, Wade, Mitchell and J.C. Parks
- Systemic projects at Mattawoman M.S., Smallwood M.S., and Piccowaxen M.S.

CIP Highlights

- Future funding for Bookstore and Campus Center building repairs – CSM La Plata Campus
- Construction for the new Sports & Wellness Center
- Continued development of Waldorf Park
- New La Plata Library and renovation of existing
- Additional funding for existing projects:
 - Pinefield EMS Facility
 - Animal Care Center
 - Mill Hill Road Upgrade and Sidewalk
 - Western Parkway
 - Substation Road Improvements
 - Hamilton Road Sidewalk

CIP Highlights

- Continues to support land preservation projects
- Road overlay allocation and support of sidewalk improvements & expansion
- Safety improvements on County roads and bridge replacement projects
- Old Washington Road reconstruction
- Water & Sewer Infrastructure Improvements
- Gilbert Run Watershed Dam Repairs
- Landfill Cell Expansion
- Stormwater Infrastructure

CIP Highlights

- Governmental new projects for FY2026:
 - Indoor aquatic safety improvements at St. Charles High School and Lackey High School to allow indoor pools to be used during the school year when school is in session.
 - Planning funding to support a new Charles County Circuit Court Building
 - Planning funding for a future La Plata EMS and Hazmat Station
 - Study to assess the feasibility of retrofitting existing spaces to support future growth
 - Infrastructure improvements at White Plains Park

Fees & Charges

Fees & Charges

- The County has a fees & charges schedule to recover the County's cost to provide a specific service to a customer
- Rates are reviewed annually and adjusted to reflect the cost-of-service delivery

New Fees & Charges

DEPARTMENT OF PUBLIC WORKS - FACILITIES

Environmental Service Fees

- Yard waste Cart Deposit – \$50
 - Yard waste containers to program participants
 - Fee will be refunded (minus cleaning fee, damages) upon cart return
- Recycling/Yard Waste Cart Cleaning Service - \$15
 - Cleaning service for recycling and yard waste containers

New Fees & Charges

RECREATION, PARKS, AND TOURISM (RPT)

Concerts:

- General Admission - \$45-\$100
- VIP - \$100-\$200
- Picnic Area Ticket - \$65-\$100
- Suite (15 tickets) - \$400-\$600
- Large Suite (40 tickets) - \$60-\$1,500

New Fees & Charges

DEPARTMENT OF COMMUNITY SERVICES

Nanjemoy Community Center:

- Replacement Senior Center Registration Tag - \$5
 - Initial key tag is free, fee only applies to replacement

New Fees & Charges

EMERGENCY SERVICES

- Medical Records Processing and Copy Fee
 - USPS - \$22
 - Electronic - \$20

A list of all fees & charges is available on the Fiscal & Administrative Services' Budget Division website:

www.charlescountymd.gov/government/departments/fiscal-and-administrative-services/budget-division



Additional Information

General Fund Percentage of Overall Budget History

	FY2023 Adopted*	FY2024 Adopted*	FY2025 Adopted	FY2026 Proposed
Board of Education	43%	41%	41%	41%
Sheriff	22%	23%	23%	23%
Emergency Services	5%	5%	6%	6%
Other CCG Departments/Agencies	30%	31%	30%	30%

**BOCC fully funded the Board of Education budget requests in FY2023 & FY2024.*

Note: In FY2024, the BOE finished with a year end gain of \$13 million

Additional Information

Total FY2026 Proposed Funding to Support Board of Education

Funding in Excise Tax Fund to support new school growth capital projects	\$13,831,300
Funding in General Fund to support capital projects (Debt Service & General Transfer to CIP)	10,790,000
Funding in CCSO budget for support of schools (school resource officers & crossing guards)	5,219,500
Funding in General Fund in support of field maintenance (handled by Recreation, Parks & Tourism)	205,000
Subtotal Total Additional Funding	\$30,045,800
Direct funding to CCPS	242,644,900
Teacher Pension cost shift	2,658,500
<u>Total overall funding to support Board of Education</u>	<u>\$275,349,200</u>

Public Statements and Comments



Presented By:

Charles County Government

Fiscal & Administrative Services

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200 Baltimore Street, La Plata, MD 20646

MD Relay Service: 7-1-1

Equal Opportunity Employer

It is the policy of Charles County to provide equal employment opportunity to all persons regardless of race, color, sex, age, national origin, religious or political affiliation or opinion, disability, marital status, sexual orientation, genetic information, gender identity or expression, or any other status protected by law.

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