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# **Measuring Local Fiscal Conditions in Maryland Demographic and Fiscal Trends**

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# Measuring Local Fiscal Conditions in Maryland

## Demographic and Fiscal Trends

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### Summary of Findings

As the national and State economies awaken from the recent recession, revenues at the county government level are slowly improving. This reflects improvements in the county assessable base, employment growth, and net taxable income. Another beneficial outcome of an improving economy has been the strengthening in the operating position of county governments. General fund balances continue to increase at the county level. In addition, county governments continue to make inroads on their unfunded Other Post Employment Benefit (OPEB) liabilities. Furthermore, few counties failed to meet the standard fiscal benchmarks established by national financial and credit rating agencies, as evident by the relatively high credit scores received by most county governments. A detailed summary of the key findings for the 14 demographic and fiscal indicators analyzed in this report is provided below.

### Demographic Trends

In recent decades, the State's population center has shifted toward the National Capital and Southern Maryland regions and away from the Baltimore region. Today, the National Capital region, which includes Frederick, Montgomery, and Prince George's counties, accounts for 36.5% of the State's population compared to 18.0% in 1950. The Southern Maryland region's share of the State's population increased from 2.8% in 1950 to 6.0% in 2014. Conversely, the Baltimore region's share of the State's population has declined from 62.2% in 1950 to only 45.8% in 2014. This illustrates that population growth has not been uniform throughout Maryland in recent years.

Employment growth is a key concern for policymakers, especially as the State continues to recover from the recent national recession. Total employment in Maryland from 2009 to 2014 increased by 3.7% with the addition of 92,200 jobs. While employment growth is improving throughout much of the State, six counties experienced job losses from 2009 to 2014, with the highest job losses on a percentage basis occurring on the Eastern Shore.

Maryland continues to be one of the most affluent and best educated states in the nation, with a high median household income, high educational attainment rate, and low poverty rate. However, many areas of Maryland continue to be impacted by high poverty levels due to income disparities across the State and among racial/ethnic groups.

### County Assessable Base

Property values in Maryland fluctuated considerably during the past 15 years, with strong annual assessment growth occurring between calendar 2001 and 2008, followed by a sharp downturn in assessments due to the national credit crisis and deteriorating economic conditions. Between fiscal 2009 and 2014, the average annual decrease in the county assessable base totaled -1.8% statewide, with 18 counties experiencing decreases. Beginning in calendar 2014, property assessments began to increase slightly, with sustained increases continuing into 2016.

## **Net Taxable Income**

In an effort to reduce reliance on the local property tax, legislation was enacted in 1967 authorizing local governments to impose a local personal income tax. Today, the local income tax is the third largest revenue source for county governments, accounting for 17.2% of total revenue in fiscal 2014. Maryland is one of the few states in the nation that allow local governments to impose a local income tax. Due to the considerable reliance on local income tax revenues, the overall change in net taxable income directly impacts local revenues. Statewide, net taxable income had an average annual increase of 5.1% between tax year 2009 and 2014, with all jurisdictions experiencing growth in net taxable income during this period.

## **Local Wealth Measure**

With nearly 70% of State aid to local governments allocated using a local wealth measure, any change in the relative wealth of a jurisdiction may have a corresponding effect on the amount of State aid provided to the jurisdiction in subsequent years. Statewide, the local wealth measure increased at an average annual rate of 0.9% from fiscal 2009 to 2014.

## **Tax Capacity and Effort**

Tax capacity measures the potential tax base of a local government using State average tax rates. Tax effort measures the extent to which the local tax base is actually taxed. Jurisdictions with high property valuations and income wealth tend to have a higher tax capacity. In fiscal 2014, Worcester County had the highest tax capacity, whereas Allegany and Somerset counties had the lowest tax capacity. Unlike tax capacity, the tax effort index is affected by multiple factors, including the jurisdiction's wealth base, available revenue sources, demand for local services, tax limitation measures,

fees, and the acceptance of higher taxes. The tax effort index is also affected by the fact that jurisdictions with high capacity can raise higher revenues with lower rates. In fiscal 2014, Baltimore City had the highest tax effort, while Talbot County had the lowest effort.

## **County Revenues**

Net operating revenues at the county level totaled \$15.1 billion in fiscal 2014, representing a \$1.3 billion or 9.5% increase from fiscal 2009. On a per capita basis, net operating revenues averaged \$2,536 statewide, ranging from \$1,262 in Allegany County to \$3,581 in Montgomery County. Net operating revenues, when measured on a per capita basis, increased at an average annual rate of 1.0% statewide during this five-year period. Statewide, nearly half of all counties reported average annual increases of at least 1%, with the largest increase reaching 2.8%. Six counties reported declines in net operating revenues on a per capita basis since fiscal 2009, with the largest decrease reaching -2.8%. Jurisdictions on the Eastern Shore realized the largest declines in net operating revenues on a per capita basis. Revenue decreases in many jurisdictions corresponded to similar negative trends affecting the county assessable base and employment growth. For example, all six of the counties with declines in net operating revenues on a per capita basis experienced declines in county assessable base. In addition, three of the six counties experienced declines in employment, and two counties experienced employment growth of less than 1%.

## **County Expenditures**

Net operating expenditures at the county level totaled \$15.1 billion in fiscal 2014, representing a 6.9% increase since fiscal 2009. On a per capita basis, net operating expenditures

averaged \$2,541 statewide, ranging from \$1,183 in Allegany County to \$3,597 in Howard County. Statewide, average annual growth of net operating expenditures on a per capita basis has slowed to just 0.5% over the last five years. Eight jurisdictions reported average annual increases in excess of 1%, with the largest increase reaching 2.0%. Ten jurisdictions reported declines in net operating expenditures, with the largest decrease reaching -4.8%. The three counties with the largest expenditure decreases were all located on the Eastern Shore.

### **County Debt**

Maryland counties and Baltimore City had \$19.8 billion in outstanding debt as of June 30, 2014. Between fiscal 2009 and 2014, county debt increased by \$4.5 billion or 29.2%. This represents a 5.3% average annual increase over the five-year period. Five counties realized average annual increases in per capita county debt in excess of 5%, with the largest increase reaching 12.5%. Seven counties reported a decrease in per capita county debt over the five-year period, with the largest decrease reaching -6.0%. On a per capita basis, county debt averaged \$3,334 statewide, ranging from \$687 in Allegany County to \$5,172 in Baltimore City.

Statewide, county debt to assessable base has increased over the past five years from 2.1% in fiscal 2009 to 3.0% in fiscal 2014. This ratio ranges from 0.5% in Talbot County to 9.3% in Baltimore City. Jurisdictions in Western Maryland and the Eastern Shore tend to have lower debt to assessable base ratios than counties in the Baltimore-National Capital regions. The higher debt levels tend to occur in the more urban and populated regions of the State, where county governments assume a more expanded role in providing public services, particularly utility services. In rural and less populated counties, utility services are typically provided by municipal governments,

thus reducing the overall debt loads for county governments in these jurisdictions.

### **County Operating Position**

County governments ended fiscal 2014 with total general fund balances of \$2.6 billion, a 38.8% increase over fiscal 2011. Two jurisdictions realized increases in excess of 100%, while seven jurisdictions realized decreases in their general fund balances over the four-year period. Per capita general fund balances averaged \$436 statewide, ranging from \$188 in Caroline County to \$963 in Worcester County.

An approach to measure a jurisdiction's fund balance is to compare the unrestricted general fund balance to general fund revenue. Approximately \$2.4 billion of the total county general fund balance in fiscal 2014 can be classified within one of three unrestricted fund categories: committed, assigned, and unassigned. Unrestricted general fund balance as a percent of general fund revenues averaged 17.9% across county governments. The ratio ranged from 8.1% in Anne Arundel County to 37.8% in Somerset County. Jurisdictions on the Eastern Shore, Southern Maryland, and Western Maryland had the highest general fund balance ratios.

Another approach to measure a jurisdiction's operating position is to compare the annual net operating surplus and deficit. In fiscal 2014, 12 counties experienced net operating deficits, with annual operating deficits occurring in each region of the State. Two jurisdictions had per capita operating deficits in excess of \$100, while three additional counties had per capita net operating deficits of less than \$50. Two counties, Kent and Queen Anne's, had per capita net operating surpluses in excess of \$100.

## County Liabilities

In fiscal 2014, county unfunded defined benefit pension liabilities totaled nearly \$5.7 billion, which represents a 54% increase from the amount in fiscal 2009. On a per capita basis, the unfunded county pension liability averaged \$924 in fiscal 2014. Three jurisdictions had per capita unfunded pension liabilities in excess of \$1,000, while three additional counties had per capita unfunded liabilities in excess of \$500. Three counties administered defined benefit plans that were actuarially determined to be over 100% funded in the aggregate. In addition, five other counties administered plans that were between 80% and 100% funded. However, three counties had defined benefit plans with funded ratios of less than 70% of total pension liabilities. In comparison, the entire Maryland State Retirement and Pension System (MSRPS) defined benefit pension system was actuarially determined to be 71.9% funded at the end of fiscal 2014.

In addition to pension plan benefits, counties also provide OPEB, which provides health care and life insurance benefits to retired employees. Statewide, the total unfunded OPEB liabilities at the county level is estimated at \$7.6 billion in fiscal 2014. On a per capita basis, this amount totals \$1,274 statewide, ranging from \$1 in Caroline County to \$2,353 in Howard County. Four jurisdictions had OPEB funded ratios in excess of 50% in fiscal 2014, while nine counties had funded ratios of less than 10%. Statewide, local unfunded OPEB liabilities on a per capita basis have improved slightly since fiscal 2009, decreasing by an average annual rate of 3.5% from \$1,526 in fiscal 2009 to \$1,274 in fiscal 2014. Fourteen counties realized a decrease in their unfunded OPEB liabilities during the five-year period, while five counties experienced a significant increase in their unfunded liabilities.

# Demographic Trends: Population

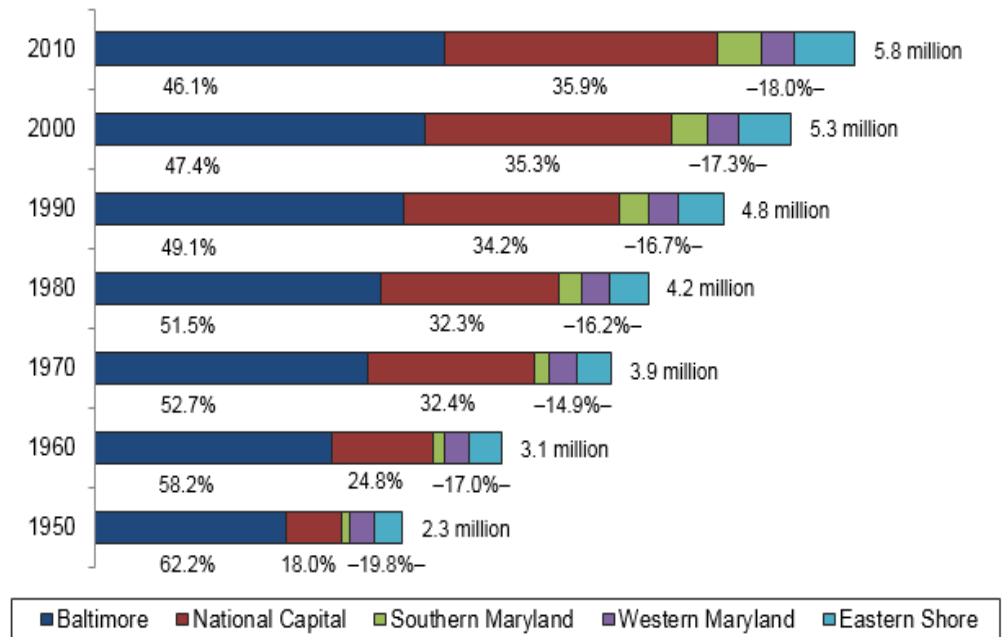
## Share of State Population

Approximately 6.0 million people live in Maryland, with over 80% of State residents living within the Baltimore-National Capital regions. The remaining three regions of the State (Western Maryland, Southern Maryland, and the Eastern Shore) account for 17.7% of State residents.

Since 1950, the State's population center has shifted toward the National Capital and Southern Maryland regions and away from the Baltimore region. In 1950, the Baltimore region comprised 62.2% of the State's population compared to 45.8% in 2014. In contrast, the National Capital region's share of the State's population increased from 18.0% in 1950 to 36.5% in 2014. In addition, the Southern Maryland region's share of the State's population increased from 2.8% in 1950 to 6.0% in 2014.

Within the past 14 years, however, there has been little change in the distribution of the population by region, although the population has grown by over 650,000 people. In 2000, the Baltimore region comprised 47.4% of the State's population compared to 45.8% in 2014, and the National Capital region's share of the State's population only increased by approximately 1% during that time.

Maryland Population by Region (1950-2010)



## Population by County

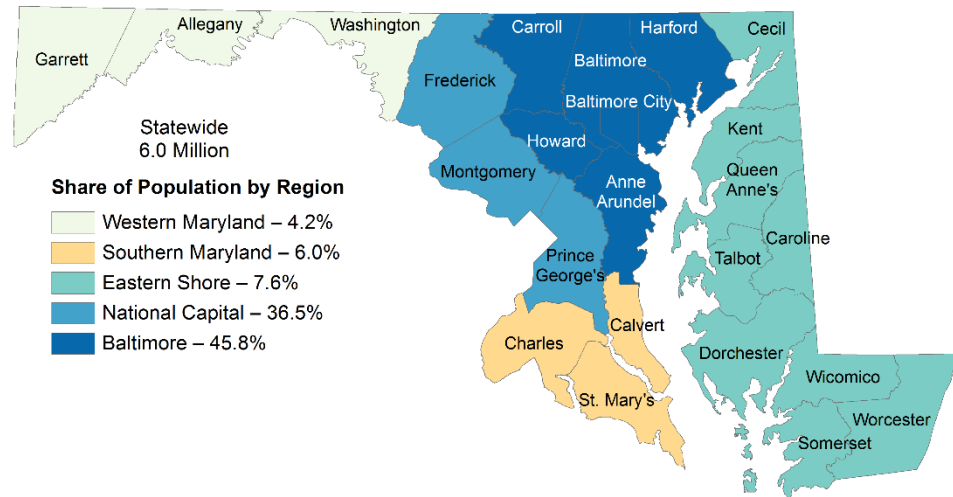
Up until the 1990 census, Baltimore City was the largest jurisdiction in Maryland. Baltimore City reached its peak population in 1950 when the city's population reached 950,000. Since that time, Baltimore City's population has declined by over one-third, representing a net loss of approximately 325,000 residents.

Today, Montgomery County is the State's largest jurisdiction with over 1 million residents, and Kent County is the smallest with less than 20,000 residents. Baltimore City, although now fourth in total population, has the highest population density in the State with a population density of 7,710 residents per square mile. Montgomery County is second in terms of population density, while Garrett County has the lowest population density with only 46 residents per square mile. The average population density in Maryland is 616 residents per square mile.

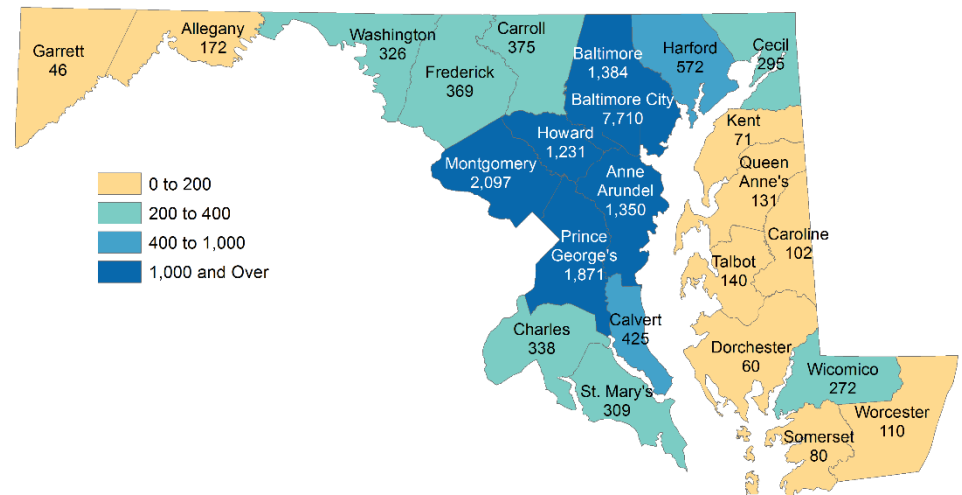
## Population Growth

Changes in population can affect tax collections and the cost of services. An increase in population is considered positive because normally the additional revenue from tax collections rises more than the demand for services. While a stable or increased population is viewed favorably, an increase in population may create demand for new capital projects and higher levels of service.

## Share of State Population by Region 2014



## Population Density Fiscal 2014



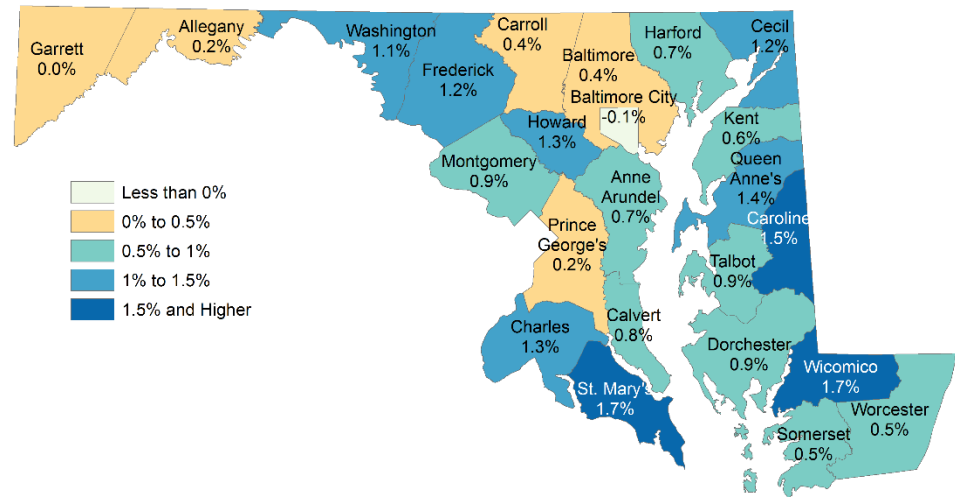


A decline in population is viewed negatively because it seldom permits the jurisdiction to reduce expenditures in proportion to the population loss due to a high percentage of fixed costs. Additionally, a population decline has a negative impact on revenue; the larger the decline, the more adverse the effects on employment, income, housing, and business activity. A loss of population may be a result of a weakening local economy or a loss of a major employer.

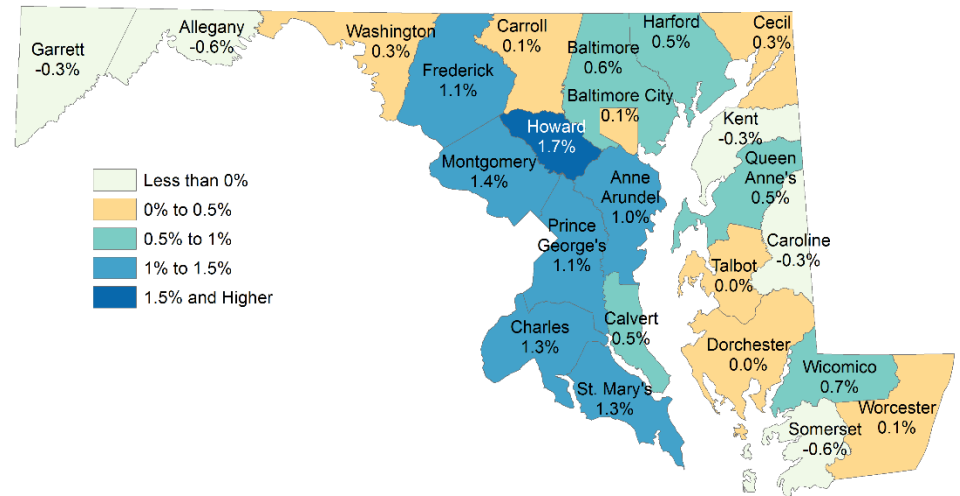
Population growth throughout Maryland has not been uniform. The largest growth occurred in Southern Maryland, the Eastern Shore, and the north-central region of the State. Baltimore City and many economically distressed rural counties realized either marginal growth or continued reductions in population. From 2004 to 2009, only Baltimore City had a decrease in population, and Garrett County's population remained relatively unchanged. However, from 2009 to 2014, Allegany, Caroline, Garrett, Kent, and Somerset counties experienced decreases in population.

Howard and Montgomery counties experienced the highest growth rates between 2009 and 2014, with above-average growth also occurring in Southern Maryland and Anne Arundel, Prince George's, and Frederick counties. For comparison purposes, the statewide average annual population change was 0.7% between 2004 and 2009 and 0.8% between 2009 and 2014.

**Average Annual Population Change  
2004-2009**



**Average Annual Population Change  
2009-2014**



# Demographic Trends: Employment

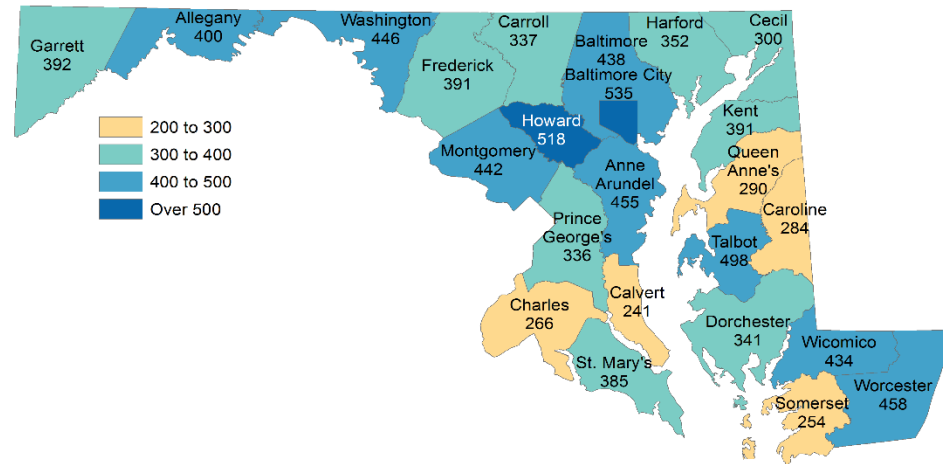
## Employment Growth by County

Job growth in the State is a key concern as the State slowly recovers from the recent recession. Employment growth is one indicator of an economy's overall health because it is directly related to business activity and personal income. A reduction in the percentage of employed residents may signal an economic downturn, resulting in the loss of government revenues.

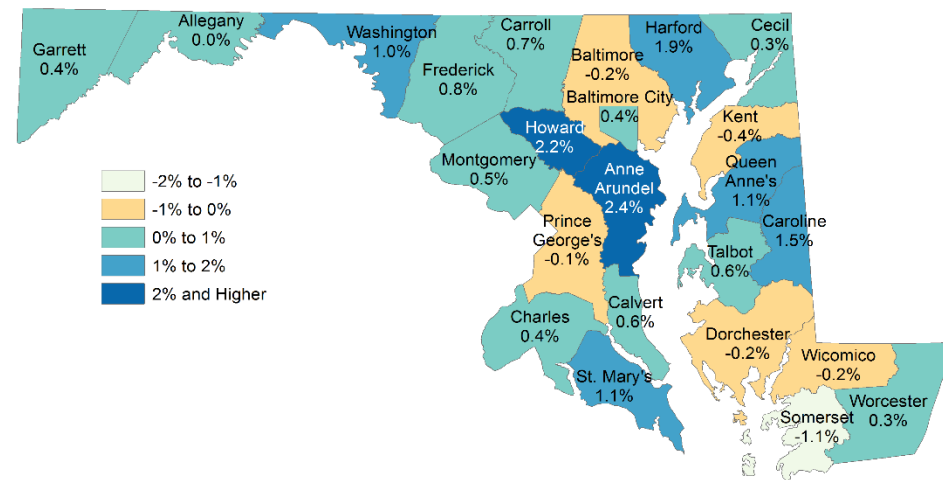
The total number of new jobs and the percent change in new jobs are widely used performance measures. Maryland averages 427 jobs per 1,000 residents. Baltimore City and Howard County have the highest number of jobs per 1,000 residents, at 535 and 518, respectively, while Calvert and Somerset counties have the lowest number of jobs per 1,000 residents.

Total employment in Maryland from 2009 to 2014 increased by 3.7% with the addition of 92,200 jobs statewide. The highest job increases, on a percentage basis, occurred in Anne Arundel, Harford, and Howard counties. Six counties, however, experienced decreases in employment during this period, including Baltimore, Dorchester, Kent, Prince George's, Somerset, and Wicomico counties. As economic conditions continue to improve in Maryland, more jurisdictions are beginning to realize employment growth. Compared to 2013, total employment in 2014 is higher in all but six counties (Allegany, Caroline, Garrett, Somerset, Washington, and Worcester).

**Total Available Jobs Per 1,000 Residents  
2014**



**Total Employment Average Annual Percent Change  
2009-2014**



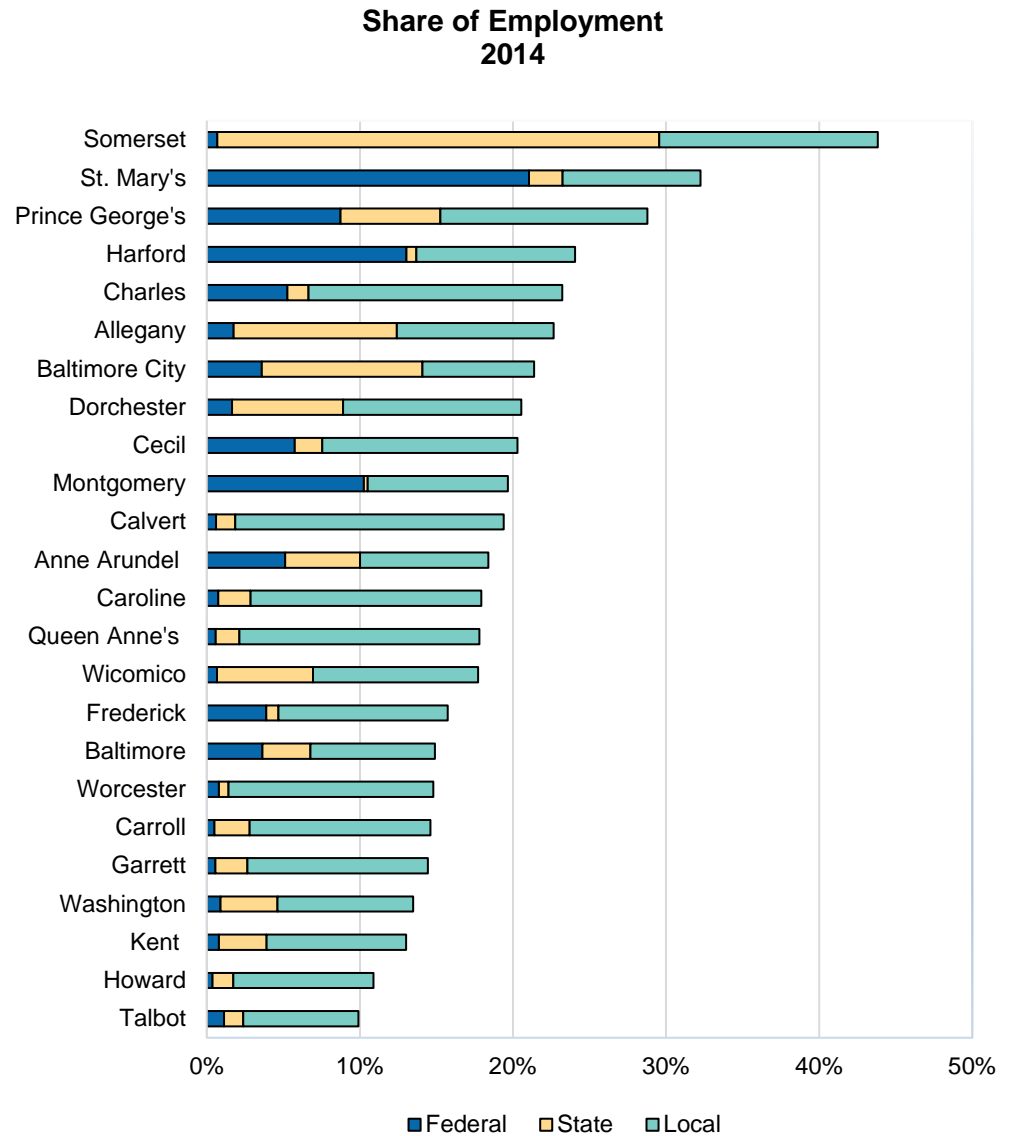
Employment growth statistics represent the available jobs within a jurisdiction but not the employment status for residents of the jurisdiction. The employment status of residents within a jurisdiction is indicated by the unemployment rate.

### Maryland Employment by Sector

The private sector accounts for 81.0% of employment in Maryland, and the government sector accounts for 19.0%. Reliance on government employment ranges from 9.9% in Talbot County to 43.8% in Somerset County. The high reliance on government employment in Somerset County is due primarily to correctional facilities and a major State higher education institution in the county.

Local governments account for 9.5% of total employment in Maryland, and State government accounts for 3.9%. Reliance on local government employment ranges from 7.3% in Baltimore City to 17.5% in Calvert County. Over a third of State positions are located in Baltimore City, with an additional 19.8% located in Prince George’s County. Of the State’s jurisdictions, Somerset County (28.9%), Allegany County (10.7%), and Baltimore City (10.5%) have the highest reliance on State employment.

Due to the State’s proximity to the nation’s capital, Maryland has a high concentration of federal employment, which accounts for 5.6% of total employment in the State. Nearly one-third of federal positions are located in Montgomery County, with an additional 18.5% located in Prince George’s County. Of the State’s jurisdictions, St. Mary’s (21.0%) and Harford (13.0%) counties have the highest reliance on federal employment, due to federal military installations.

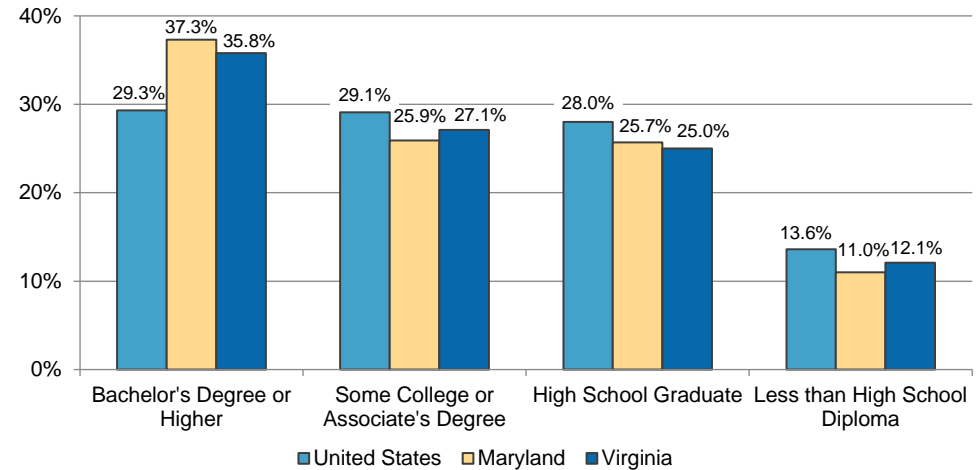


# Demographic Trends: Educational Attainment

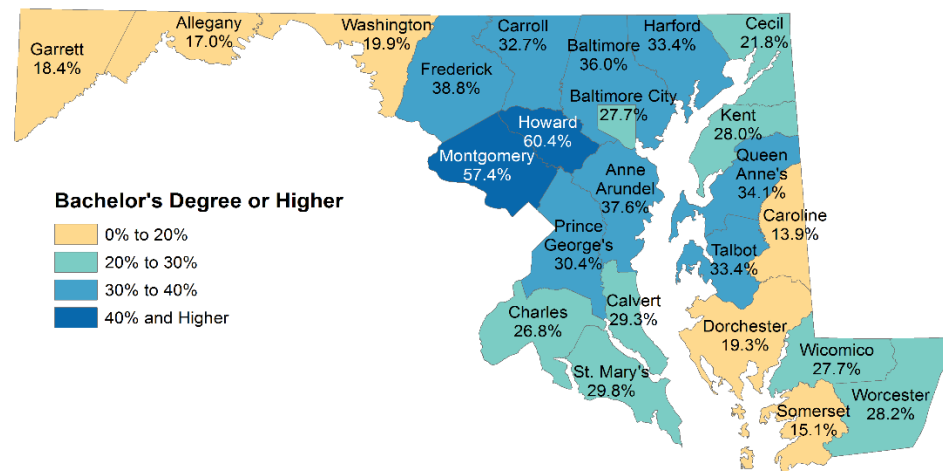
The educational attainment of residents in a jurisdiction can be an indicator of that jurisdiction's financial condition. Low educational attainment is correlated with criminal justice service demand, as well as demand for transportation, health, and human services. A lack of education is often a barrier to stable employment, and there is a strong correlation between education, employment, and poverty.

With a high concentration of college-educated residents, Maryland remains an attractive location for economic growth. Over 37% of State residents have at least a bachelor's degree, compared to 29.3% at the national level and 35.8% in neighboring Virginia. However, the educational attainment of Maryland residents varies greatly by county. Western Maryland and the Eastern Shore have the lowest percentage of residents with at least a bachelor's degree, while the Baltimore-National Capital regions experience the highest educational attainment levels. In Caroline County, only 13.9% of residents have a bachelor's degree or higher. Meanwhile, over 60% of residents in Howard County have a bachelor's degree or higher.

**Educational Attainment Levels  
2010-2014 Average**



**Maryland Educational Attainment by County  
2010-2014 Average**

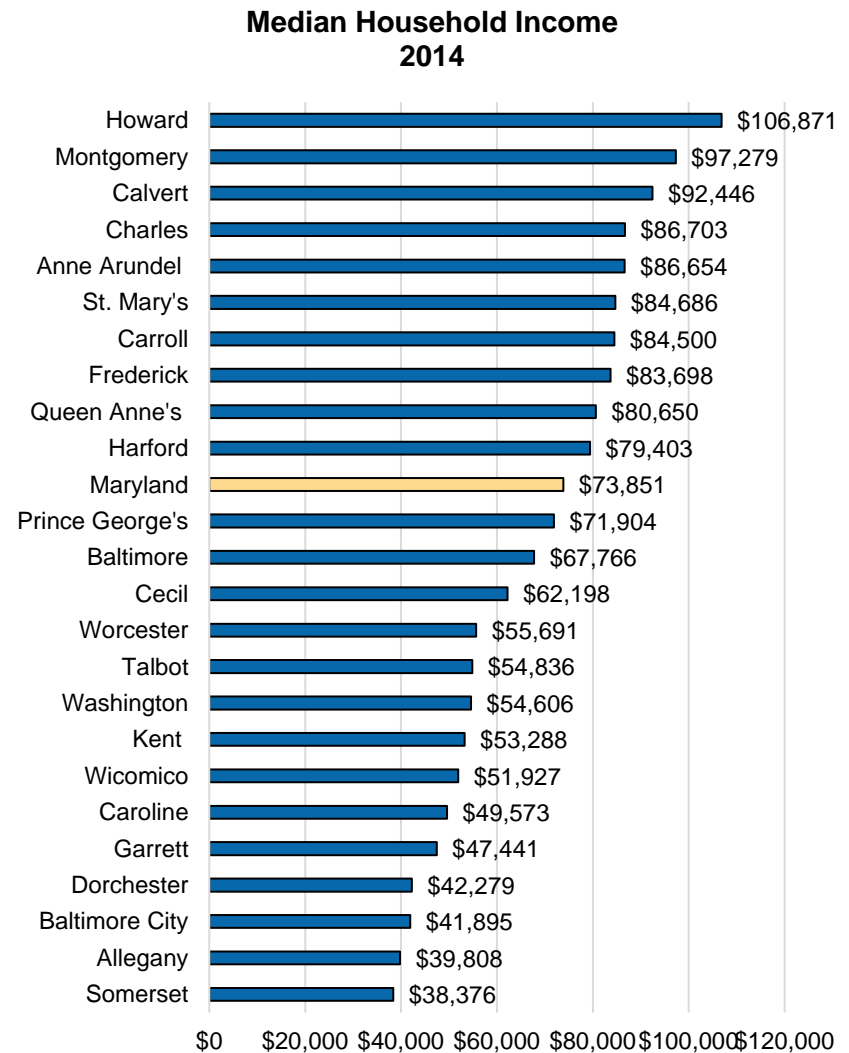


## Demographic Trends: Median Household Income

The well-being of taxpayers factors into service demands and the ability to generate revenue for local jurisdictions. Median household income is an indicator of an individual's ability to pay taxes. The higher the median household income, the more taxes the jurisdiction is expected to be able to generate. Median household income, rather than average personal income, is used in the analysis because it provides a more representative picture of income levels in the jurisdiction. Credit rating agencies compare income per capita to expenditures per capita to determine if growth in income is keeping pace with growth in expenditures. A decline in the level or growth rate of median household income is considered a warning trend.

Maryland continues to be one of the most affluent states in the nation. Maryland had the highest median household income in the nation based on a five-year average for 2010 through 2014. Like Maryland, a majority of the high-income states are located in the Northeast and Mid-Atlantic regions. In contrast, states with the lowest income levels continue to be concentrated in the Southeastern region of the country.

For 2014, the median household income for Maryland jurisdictions ranged from \$38,376 in Somerset County to \$106,871 in Howard County. Montgomery County had the second highest median income at \$97,279, and Calvert County had the third highest at \$92,446. Five counties (Allegany, Caroline, Dorchester, Garrett, and Somerset) and Baltimore City had income levels below 70% of the statewide average. Two counties (Dorchester and Talbot) have seen median household income decrease over the five-year period (2009-2014).

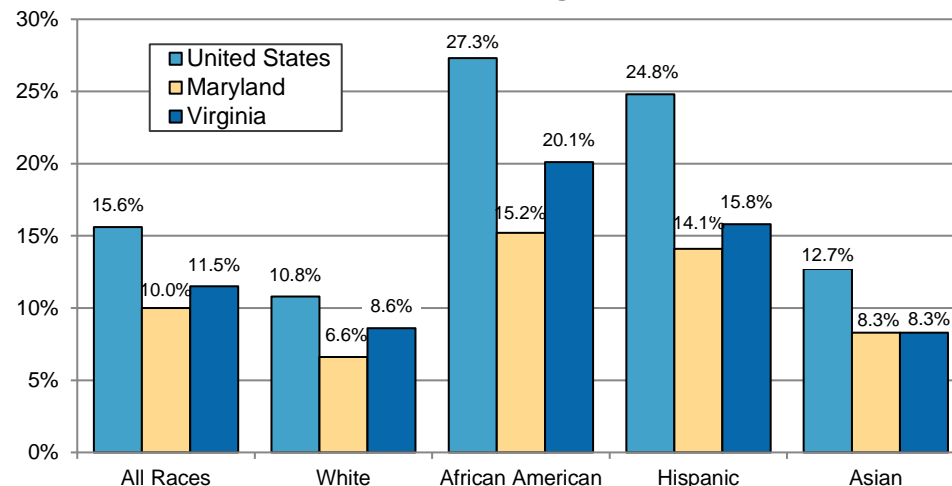


## Demographic Trends: Poverty Rate

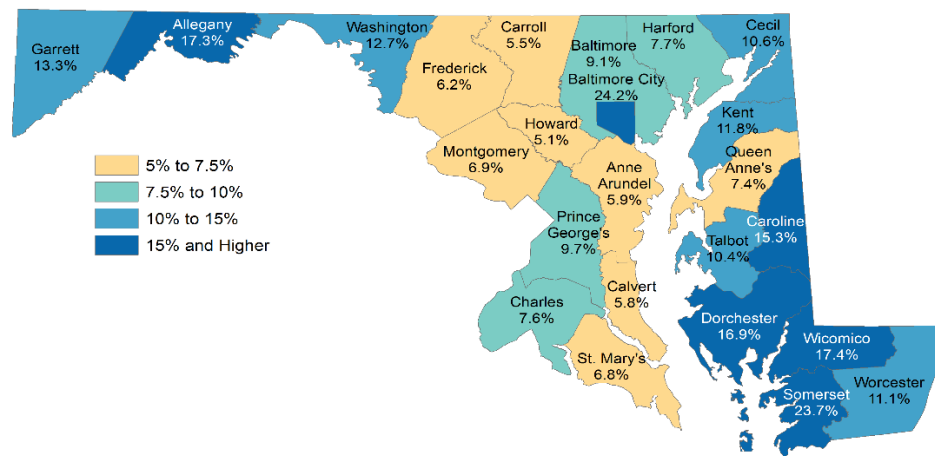
The extent of poverty within a community is an important measure of the fiscal condition of a jurisdiction. A high or increasing poverty rate may signal a need for increased expenditures as people in poverty are anticipated to have relatively higher service needs. Research indicates that living in poverty, especially in areas of concentrated poverty, has serious long-term consequences for the people affected and for society at large. For example, low-income children suffer from higher incidences of adverse health, behavioral, academic, and economic outcomes than nonpoor children. Areas of concentrated poverty also tend to suffer from higher levels of crime, lack of jobs, poor schools, dilapidated housing, and public health issues.

Maryland continues to be one of the most affluent states in the nation, with a high median household income and low poverty rate. Maryland's poverty rate is 10.0%, compared to 15.6% nationally and 11.5% in Virginia. However, many areas of Maryland continue to be impacted by high poverty levels due to income disparities across the State and among racial/ethnic groups. A significant number of people in Baltimore City and economically distressed rural counties continue to live in areas of concentrated poverty. African Americans had the highest overall poverty rates in Maryland and the nation (15.2% in Maryland compared to 27.3% nationally and 20.1% in Virginia). White residents had the lowest poverty rates (6.6% in Maryland compared to 10.8% nationally and 8.6% in Virginia). Comparing poverty rates across the State on average from 2010 to 2014, Baltimore City and Somerset County had the highest poverty rates, which exceeded 20%, while Howard County had the lowest poverty rate at 5.1%.

**Poverty Rates by Race/Ethnicity  
2010-2014 Average**



**Maryland Poverty Rates by County  
2010-2014 Average**



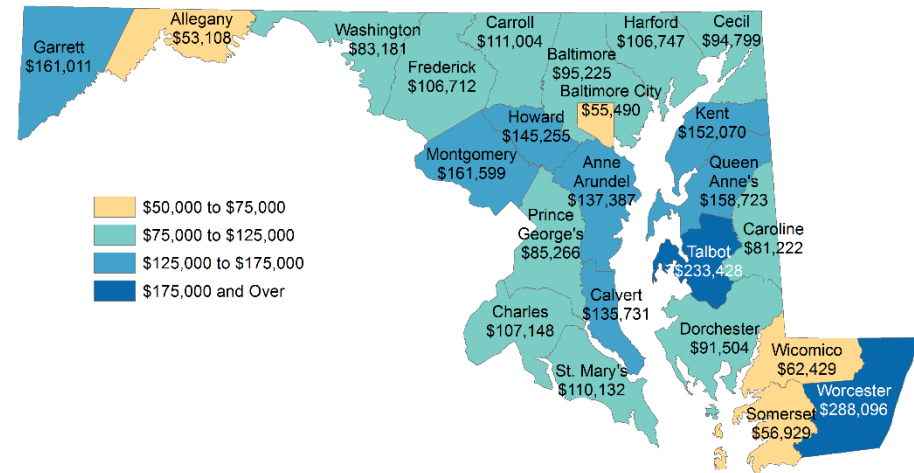
# Fiscal Trends: County Assessable Base

## Assessable Base Per Capita

Maintaining a strong property tax base is vital for the overall fiscal health of a jurisdiction, since the property tax is a major revenue source for county governments. Statewide, the property tax accounts for 26.2% of total revenues in fiscal 2014, excluding debt proceeds. The reliance on property tax revenues ranges from 16.5% in Wicomico County to 48.5% in Worcester County. Property tax collections are affected by each county's property tax base and tax rate. Counties with a larger assessable base can collect relatively more tax revenues than jurisdictions with a smaller tax base. For example, Worcester County, with its ocean resort property, had the highest per capita assessable base in fiscal 2014 at \$288,096, which is over two and one-half times the statewide average. Somerset County had the third lowest per capita assessable base at \$56,929, or roughly half the statewide average. Due to its larger tax base, Worcester County is able to collect about four times more revenue per capita than neighboring Somerset County, even though Somerset County has a higher property tax rate.

Several factors affect the relative size of a county's assessable base: residential property values, commercial and business activities, extent of vacation and retirement homes within the jurisdiction, and overall economic climate. Several of the jurisdictions with an above-average per capita assessable base are located within the Baltimore-National Capital regions. However, five of the nine counties with an above-average per capita assessable base are located in Western Maryland or on the Eastern Shore.

County Assessable Base Per Capita  
Fiscal 2014



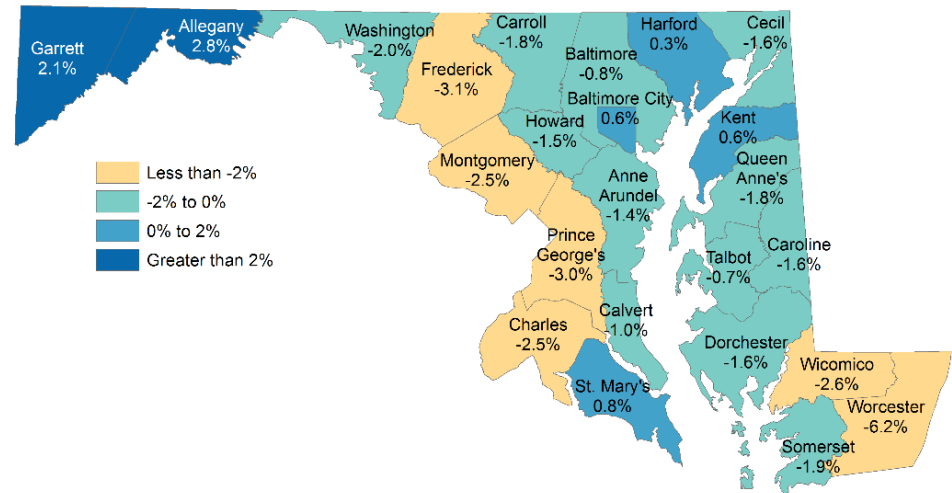
For Garrett County, with the fourth highest per capita ranking, the relatively high property wealth is due largely to vacation homes along Deep Creek Lake. For Kent, Talbot, and Worcester counties, the high ranking is due to significant numbers of waterfront and tourist properties. Jurisdictions with the lowest per capita assessable base include Baltimore City and several economically depressed counties in Western Maryland and the Eastern Shore. Allegany County has the lowest per capita assessable base, followed by Baltimore City and Somerset, Wicomico, Caroline, and Washington counties.

### Assessable Base Growth

Property values in Maryland fluctuated considerably during the past 15 years, with strong annual assessment growth occurring between calendar 2000 and 2008, followed by a sharp downturn in assessments due to the national credit crisis and deteriorating economic conditions. Beginning in calendar 2014, property assessments began to increase slightly, with sustained increases continuing into 2016.

Between fiscal 2009 and 2014, counties experienced an average annual decrease in assessable base totaling -1.8% statewide. Only five counties (Allegany, Garrett, Harford, Kent, and St. Mary's) and Baltimore City experienced increases in assessable base over the five-year period. Most counties experienced a peak in the county assessable base per capita in fiscal 2010, followed by a decline. However, recent improvements in the housing market should result in more counties experiencing average annual increases in assessable base in the near future.

**Average Annual Change in County Assessable Base  
Fiscal 2009-2014**





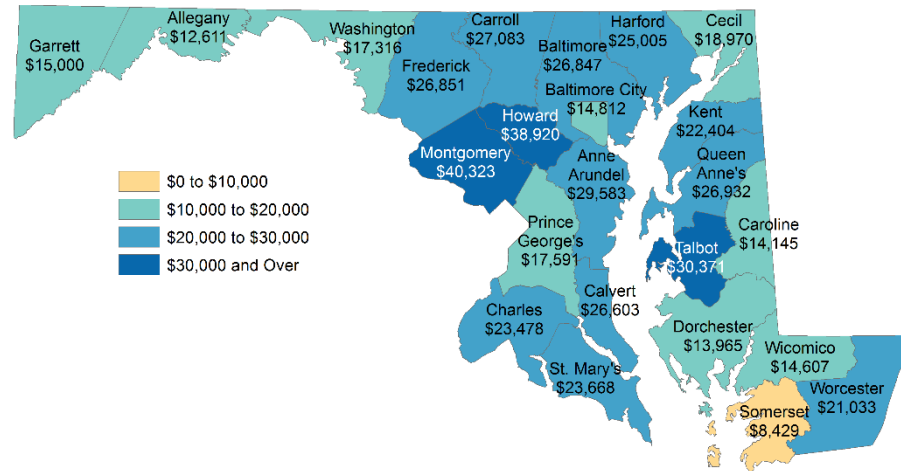
# Fiscal Trends: Net Taxable Income

In an effort to reduce reliance on the local property tax, legislation was enacted in 1967 authorizing local governments to impose a local personal income tax. Today, the local income tax is the third largest revenue source for county governments, accounting for 17.2% of total revenue in fiscal 2014. Maryland is one of the few states in the nation that allow local governments to impose a local income tax.

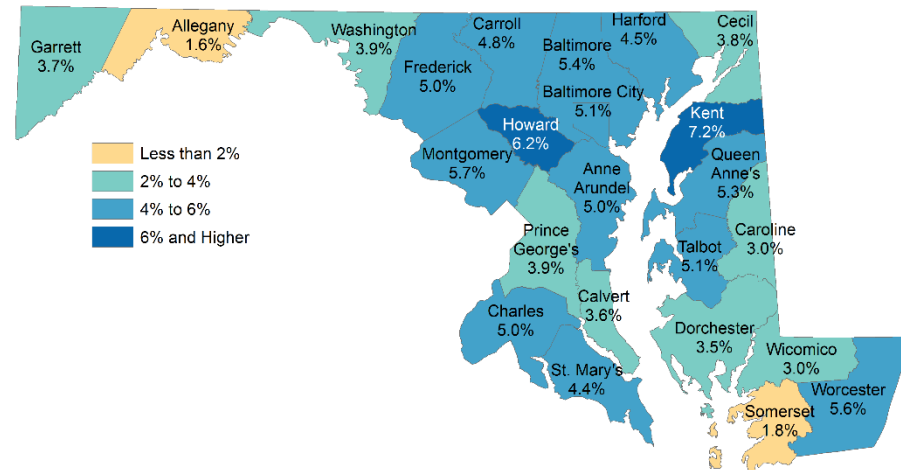
The reliance on income tax revenue ranges from 5.7% of total revenues in Worcester County to 23.4% in Howard County. Montgomery and Howard counties lead the State in per capita net taxable income followed by Talbot and Anne Arundel counties. Somerset County has the lowest per capita net taxable income, followed by Allegany and Dorchester counties.

Statewide, net taxable income had an average annual increase of 5.1% between tax years 2009 and 2014. Kent and Howard counties experienced the highest increases in net taxable income. Allegany and Somerset counties experienced the lowest growth in net taxable income during the same period.

**Net Taxable Income Per Capita  
Calendar 2014**



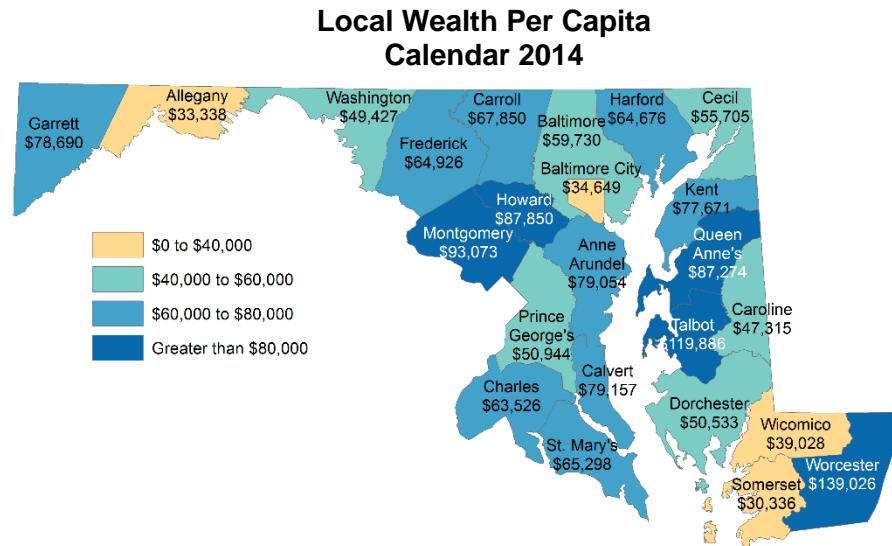
**Average Annual Change in Net Taxable Income  
2009-2014**



## Fiscal Trends: Local Wealth Measure

Local wealth is calculated by adding together a county's assessable base and net taxable income. For State education aid purposes, local wealth equals 40% of real property assessable base, 50% of personal property assessable base, and 100% of net taxable income. The property base is determined by using data from the previous fiscal year. The income base is determined by using net taxable income from the second preceding calendar year. Based on this calculation, property-based wealth accounts for an average of 65% of the local wealth measure, and income-based wealth accounts for 35%. These overall percentages closely mirror the breakdown in the actual share of county revenues generated from these two revenue sources.

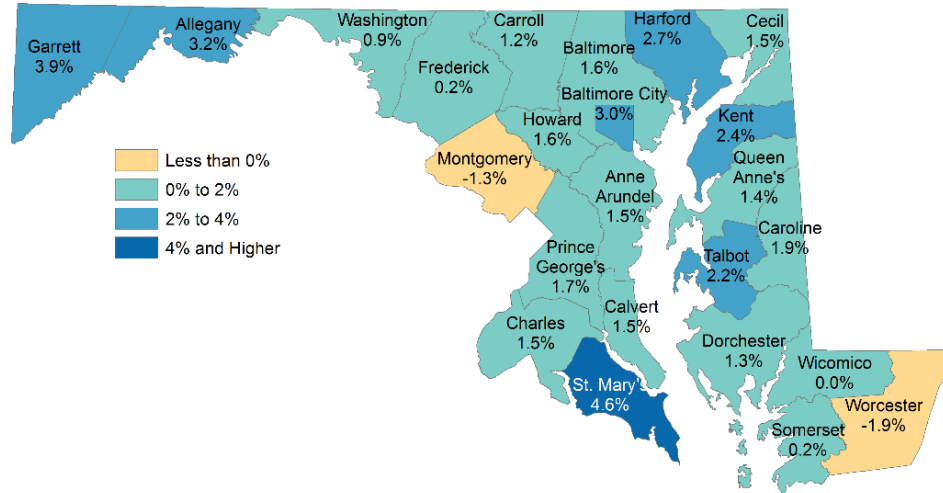
Local wealth varies considerably across the State. For example, Allegany County in Western Maryland and Somerset County on the Eastern Shore have the lowest per capita wealth amount. In comparison, Worcester County is the State's wealthiest jurisdiction on a per capita basis, followed by Talbot County; both are located on the Eastern Shore. Montgomery County, located adjacent to the nation's capital, and Howard County, located in the Baltimore region, have the third and fourth highest per capita wealth, respectively.



The high wealth ranking for Worcester County is due exclusively to the large amount of residential and commercial development in Ocean City. The county's per capita income tax base is below the statewide average. In Talbot County, the high local wealth ranking is due to a concentration of affluent residents, waterfront properties, and a relatively large commercial base that serves as a regional retail destination for surrounding jurisdictions on the Eastern Shore.

Statewide, the local wealth measure increased at an average annual rate of 0.9% from fiscal 2009 to 2014. St. Mary's County realized the highest average annual growth rate during this period (4.6%), followed by Garrett (3.9%) and Allegany (3.2%) counties. Montgomery and Worcester counties were the only counties to experience declines in their local wealth measures from fiscal 2009 to 2014. With nearly 70% of State aid to local governments allocated using a local wealth measure, any change in the relative wealth of a jurisdiction may have a corresponding effect on the amount of State aid provided to the jurisdiction in subsequent years. For example, Montgomery County had the largest increase in direct education aid during the five-year period, which corresponded to the below-average increase in local wealth.

**Average Annual Change in Local Wealth  
2009-2014**



# Fiscal Trends: Tax Capacity and Effort

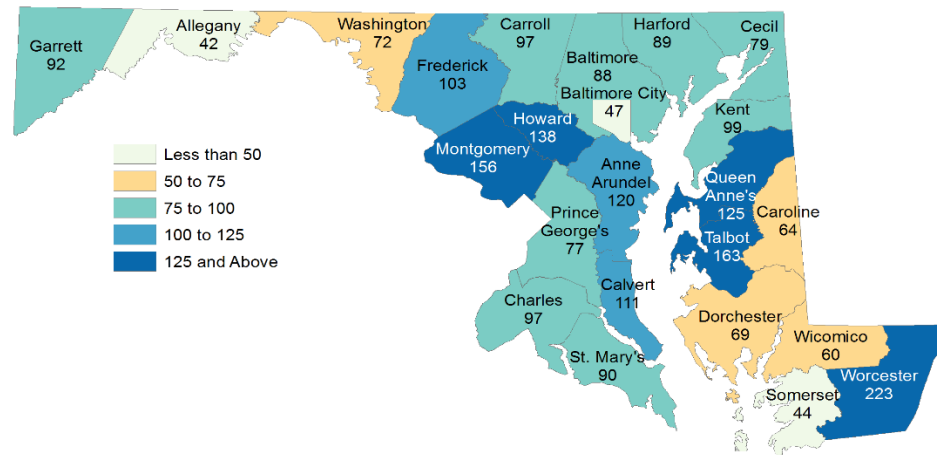
## Tax Capacity

Tax capacity index measures the potential tax base of a local government using State average tax rates. The tax capacity index is highly influenced by the property tax and income tax, the two largest taxes at the local level. Those jurisdictions with high property valuations and income wealth tend to be among those with the highest capacity.

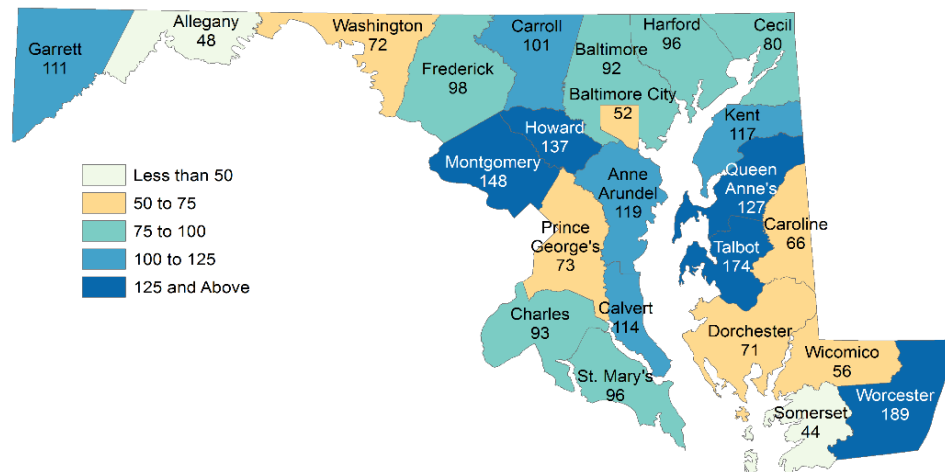
Worcester County had the highest tax capacity in both fiscal 2009 and 2014 due to the large property assessable base and hotel/motel room rentals in the resort town of Ocean City. Conversely, Allegany and Somerset counties had the lowest tax capacities due to their low income levels and property assessable base.

Over the past five years, the relative revenue raising capacity declined in 7 jurisdictions (Charles, Frederick, Howard, Montgomery, Prince George's, Wicomico, and Worcester) and increased in 13 jurisdictions (Allegany, Baltimore City, Baltimore, Calvert, Caroline, Carroll, Dorchester, Garrett, Harford, Kent, Queen Anne's, St. Mary's, and Talbot). The revenue capacity in Anne Arundel, Cecil, Somerset, and Washington counties remained stable over the five-year period.

**Tax Capacity Index  
Fiscal 2009**



**Tax Capacity Index  
Fiscal 2014**



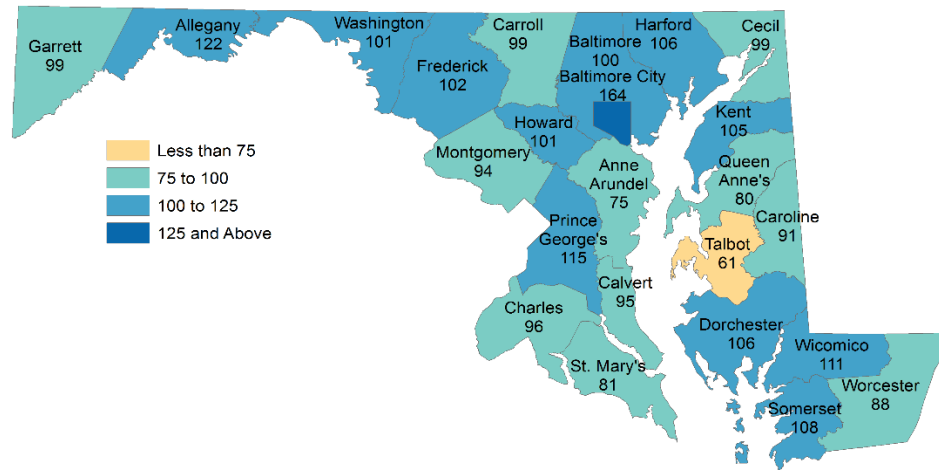
## Tax Effort

The tax effort index measures the extent to which the local tax base is actually taxed. Tax effort is not a measure of what the tax level should be, and it should not be used to judge whether local governments are taxing too little or too much. Tax effort is affected by a jurisdiction's wealth base, available revenue sources, demand for local services, tax limitation measures, acceptance of higher taxes, and fees.

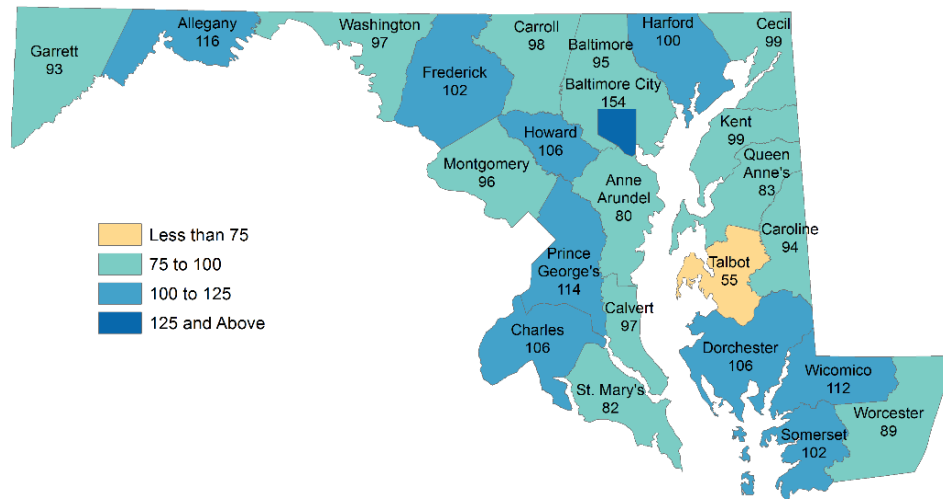
The tax effort index is skewed by the very high value for Baltimore City, which has both the State's highest property tax rate and highest tax effort. The tax effort index is also affected by the fact that jurisdictions with high capacity can raise higher revenues with lower rates. Thus, it is not surprising that some of the jurisdictions with high capacities have low effort (Anne Arundel, Queen Anne's, Talbot, and Worcester), while some of the State's less affluent jurisdictions have high effort (Allegany, Baltimore City, and Wicomico).

From fiscal 2009 to 2014, the relative tax effort of 11 jurisdictions declined, with Somerset and Talbot counties and Baltimore City realizing the largest declines in tax effort. Tax effort increased for 8 counties during this period, with the largest increases occurring in Anne Arundel and Charles counties. The tax effort measure in Carroll, Cecil, Dorchester, St. Mary's, and Worcester counties remained stable.

**Tax Effort Index  
Fiscal 2009**



**Tax Effort Index  
Fiscal 2014**



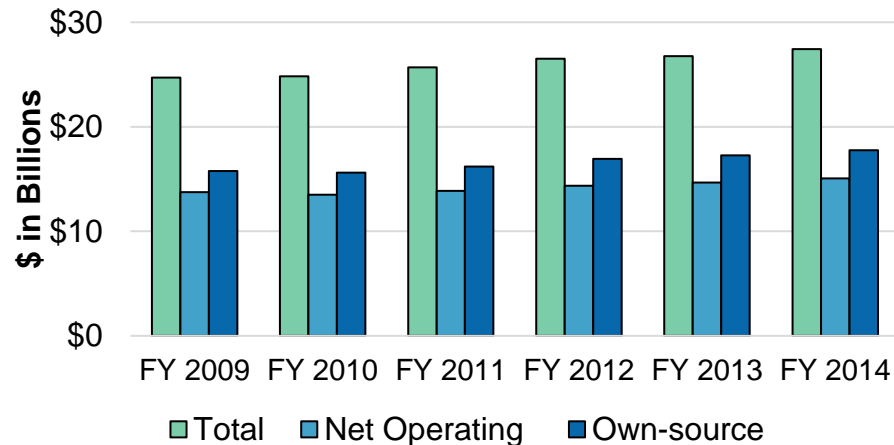
# Fiscal Trends: County Revenues

There is consensus among practitioners that revenues are an important factor in assessing a government's fiscal condition. Revenues indicate the availability of resources and the ability to provide resources and services. Analyzing revenues helps to identify problems, such as the deterioration of the revenue base, practices that adversely affect revenue yields, inefficiencies in collecting or administering revenues, overdependence on revenue sources, and changes in the tax burden on various segments of the population.

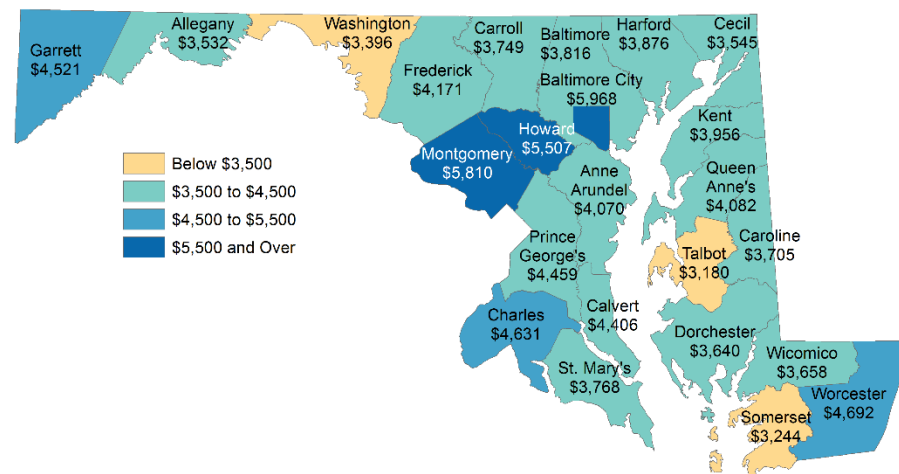
## Total Revenues

County governments and Baltimore City collected \$28.7 billion in total revenues in fiscal 2014. When excluding debt proceeds, revenue collections totaled \$27.4 billion. Revenue collections are higher in the more urbanized regions of the State; however, a few rural jurisdictions also realized a relatively high level of revenue collections. Statewide, total revenues on a per capita basis averaged \$4,620 in fiscal 2014, ranging from \$3,180 in Talbot County to \$5,968 in Baltimore City. Montgomery (\$5,810) and Howard (\$5,507) counties had the next highest per capita revenue amounts, followed by Worcester (\$4,692) and Charles (\$4,631) counties. Most counties in Maryland had a per capita revenue amount below the statewide average. This reflects the higher level of revenue collection in the more populated jurisdictions across the State.

**Total, Net Operating, and Own-source Revenues  
Fiscal 2009-2014**



**Per Capita Total Revenues  
Fiscal 2014**

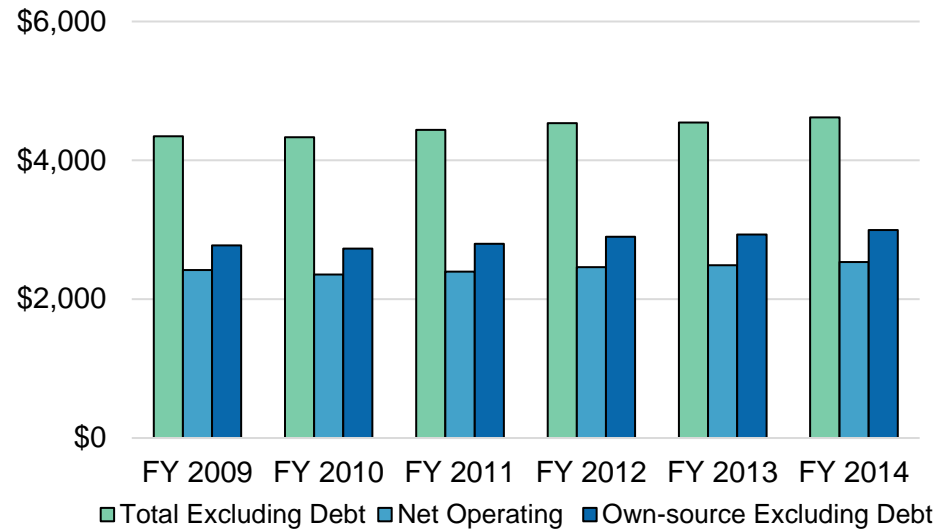


## Net Operating Revenues

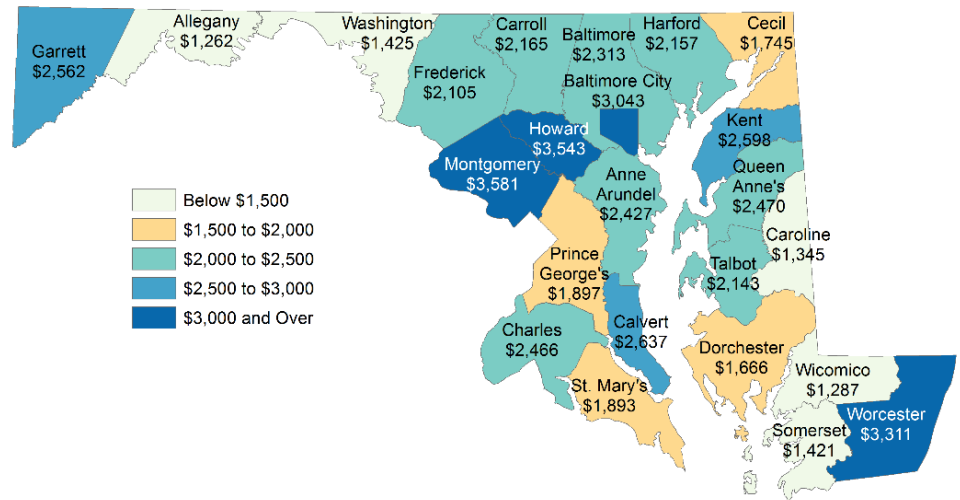
Net operating revenues are revenues available for general governmental operations. Net operating revenues include governmental fund revenues reported in the Statement of Revenues, Expenditures, and Changes in Fund Balance of each county's Comprehensive Annual Financial Report (CAFR). Capital project fund revenues are excluded to make year-to-year comparisons less volatile. In addition, debt proceeds and revenues received by county boards of education, boards of health, community colleges, libraries, and/or commissions (where applicable) are excluded from the net operating revenues total.

Net operating revenues at the county level totaled \$15.1 billion in fiscal 2014, representing a \$1.3 billion or 9.5% increase from fiscal 2009. On a per capita basis, net operating revenues averaged \$2,536 among all counties and Baltimore City in fiscal 2014. Montgomery County (\$3,581) had the highest net operating revenues on a per capita basis, followed by Howard (\$3,543) and Worcester (\$3,311) counties. Allegany (\$1,262), Wicomico (\$1,287), and Caroline (\$1,345) counties had the lowest per capita net operating revenues.

## Per Capita Total, Net Operating, and Own-source Revenues Fiscal 2009-2014



## Per Capita Net Operating Governmental Fund Revenues Fiscal 2014

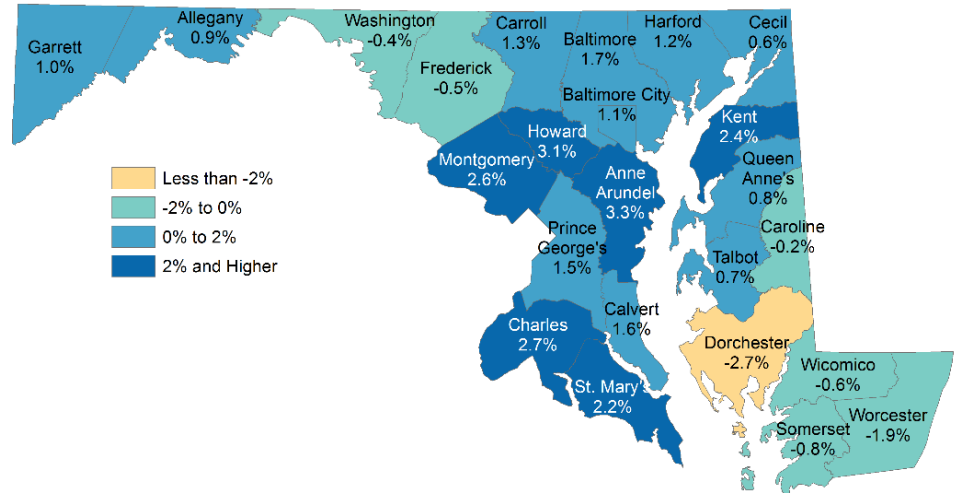


Assuming the cost of services is related to population size, a decline in per capita revenues over time suggests that a jurisdiction may not be able to maintain existing service levels unless it finds new revenue sources or ways to save money. A low ratio indicates a jurisdiction may face difficulties financing governmental services, retaining qualified employees, and maintaining public assets. A jurisdiction is considered to have a low ratio if the ratio is 50% below the State average. Decreasing net operating revenues per capita signify a potential warning trend.

The growth in local revenues has slowed considerably in recent years, with the average annual increase in net operating revenues totaling only 1.8% from fiscal 2009 to 2014. The slowdown has affected every jurisdiction in the State, with many counties experiencing sharp declines in revenue growth. For example, net operating revenues in seven counties (Caroline, Dorchester, Frederick, Somerset, Washington, Wicomico, and Worcester) have decreased since fiscal 2009, illustrating the continued difficulties several counties have encountered in raising revenues since the Great Recession. The counties experiencing the sharpest declines in net operating revenues over the last five years are Dorchester (-2.7%) and Worcester (-1.9%) counties.

The average annual increase in two counties exceeded 3%, with Anne Arundel County recording the highest growth rate at 3.3%, followed by Howard County at 3.1%.

### Average Annual Change in Net Operating Revenues Fiscal 2009-2014





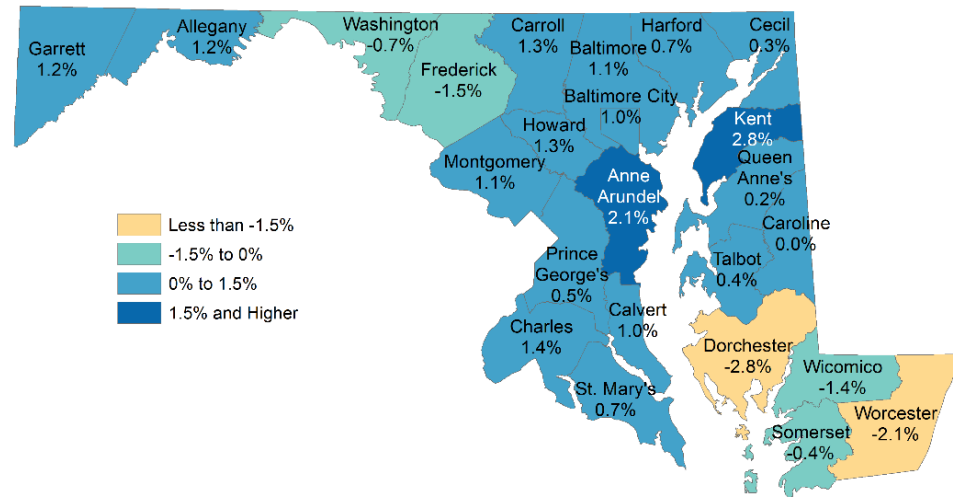
When measured on a per capita basis, the statewide average annual growth in net operating revenues from fiscal 2009 to 2014 totaled 1.0%. Kent County reported the largest average annual growth since fiscal 2009 (2.8%), followed by Anne Arundel (2.1%) and Charles (1.4%) counties. Six counties reported declines in net operating revenues on a per capita basis since fiscal 2009. Dorchester County experienced the largest average annual decrease (-2.8%), followed by Worcester (-2.1%) and Frederick (-1.5%) counties.

### Own-source Revenues

Own-source revenues consist of total revenues minus intergovernmental revenues. Own-source revenues as a percentage of total revenue shows how dependent a jurisdiction is on its own-source revenues compared to intergovernmental revenues. A high ratio indicates that the local government has control over its revenues and is relatively fiscally self-reliant. While there is not a set percentage of intergovernmental revenue reliance to indicate a problem, counties with higher bond ratings tend to average about 50% of their revenue from their own sources.

In Maryland, locally generated revenues account for the majority of revenues in most counties. Local own-source revenues include property, income, and other local taxes; service charges; license and permit fees; fines and forfeitures; and miscellaneous revenues.

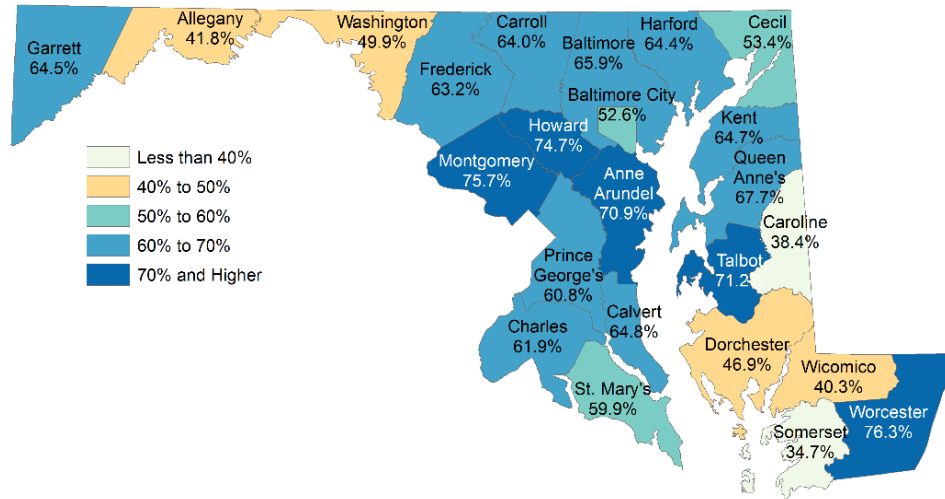
**Average Annual Change in Per Capita Net Operating Revenues  
Fiscal 2009-2014**



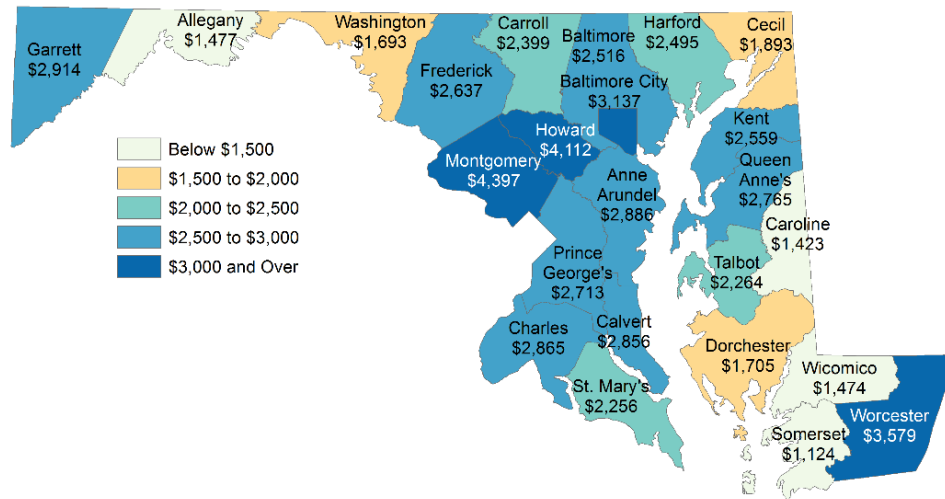
Reliance on local own-source revenues varies among jurisdictions, reflecting the differences in the revenue-raising abilities of local governments. To compensate for the lower tax bases in certain jurisdictions, nearly 70% of State aid incorporates a local wealth measure to distribute State funding in which less affluent jurisdictions receive relatively more funding. Accordingly, many of the State's less affluent jurisdictions receive a lower percentage of their funding from local sources and a higher percentage from the State.

Local own-source revenues for county governments totaled \$19.0 billion in fiscal 2014. When debt proceeds are excluded, own-source revenues totaled \$17.8 billion, which represents a \$2.0 billion or 12.7% increase from fiscal 2009. The reliance on local own-source revenues (in percentage terms) has slightly increased in the last five years for county governments. Statewide, local own-source revenues accounted for 63.8% of county revenues in fiscal 2009 and 64.8% in fiscal 2014. The five counties (Anne Arundel, Howard, Montgomery, Talbot, and Worcester) that most heavily relied on local own-source revenues in fiscal 2014 all had local own-source revenues greater than 70% of county revenues. Two counties (Caroline and Somerset) had own-source revenues less than 40% of county revenues, which were the lowest in the State.

### Own-source Revenues as Percent of County Revenues Fiscal 2014



### Per Capita Own-source Revenues Fiscal 2014

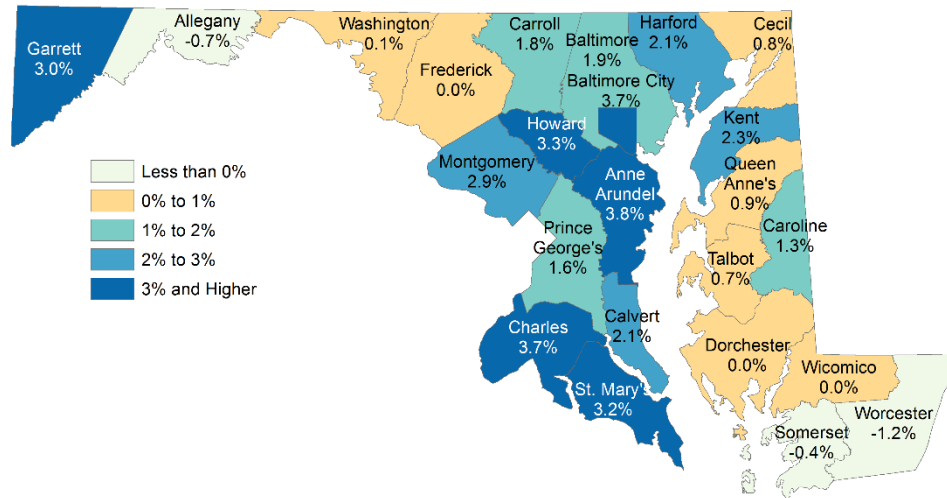


Per capita own-source revenues averaged \$2,994 among the counties and Baltimore City in fiscal 2014; however, only three counties (Howard, Montgomery, and Worcester) and Baltimore City have per capita own-source revenues greater than the statewide average. The remaining counties all have per capita own-source revenues that fall below the statewide average, with seven counties (Allegany, Caroline, Cecil, Dorchester, Somerset, Washington, and Wicomico) having per capita own-source revenues of less than \$2,000.

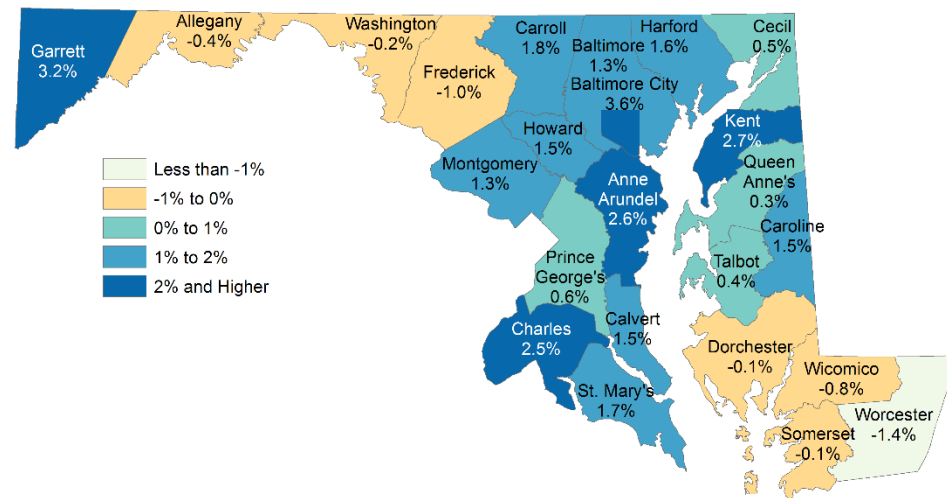
As with total revenues, growth in own-source revenues has slowed since the Great Recession, with average annual growth of just 2.4% since fiscal 2009. Anne Arundel County recorded the largest annual increase over the last five years (3.8%), followed by Baltimore City (3.7%) and Charles County (3.7%). Own-source revenues in three counties (Allegany, Somerset, and Worcester) have decreased since fiscal 2009.

The average annual growth in own-source revenues on a per capita basis from fiscal 2009 to 2014 was 1.5%. Baltimore City reported the largest average annual growth since fiscal 2009 (3.6%), followed by Garrett (3.2%) and Kent (2.7%) counties. A total of seven counties reported decreases in own-source revenues on a per capita basis over the last five years, with Worcester County experiencing the largest decrease (-1.4%), followed by Frederick (-1.0%) and Wicomico (-0.8%) counties.

### Average Annual Change in Own-source Revenues Fiscal 2009-2014



### Average Annual Change in Per Capita Own-source Revenues Fiscal 2009-2014



# Fiscal Trends: County Expenditures

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County expenditures measure the extent of public services provided by a local government. A continual increase in county expenditures over time that exceeds the growth in the locality's tax base may result in fiscal distress. Analyzing expenditures helps to identify problems such as excessive growth of expenditures, excessive growth in programs that create future expenditure liabilities, and ineffective budgetary controls.

## Total Expenditures

County and municipal governments in Maryland spend approximately \$29.9 billion annually on public services. Counties are the principal unit of local government responsible for most basic services, such as police, fire, local corrections, sanitation, local highways, health, and parks and recreation. Counties also are responsible for funding public schools, libraries, local community colleges, and the circuit courts. In fiscal 2014, expenditures at the county government level totaled \$28.5 billion, which accounted for 95.3% of total local government expenditures.

Local boards of education accounted for 50.3% of county expenditures, with \$13.7 billion going to the public school systems. County government agencies accounted for 41.9% of expenditures or \$11.4 billion. Libraries, community colleges, and local health departments accounted for the remaining 7.8% of county expenditures. In addition, approximately \$1.3 billion was spent on debt service for the various units of county government.

## Demands for Public Services

Local expenditure levels vary considerably across the State, reflecting the diverse characteristics of local governments in Maryland. On a per capita basis, total expenditures averaged \$4,805 among the counties and Baltimore City in fiscal 2014. Three jurisdictions had per capita expenditures exceeding the \$5,000 mark: Montgomery County (\$6,119), Howard County (\$5,986), and Baltimore City (\$5,886). Talbot County had the lowest level of per capita total expenditures in the State (\$3,206), followed by Allegany (\$3,440), Somerset (\$3,479), and Washington (\$3,604) counties.

Higher expenditure levels tend to occur in the more urban and populated regions of the State, where county governments assume a more expanded role in providing public services. For example, in Baltimore, Howard, and Montgomery counties, municipal governments either do not exist or play a lesser role in providing public services.

The lowest level of expenditures occurs in smaller, rural counties or jurisdictions where municipal governments assume a greater role in providing public services. For example, in Talbot and Washington counties, large numbers of county residents reside within municipalities. In addition, the county governments in these jurisdictions are not responsible for providing the same mix of public services to county residents as compared to the more urbanized regions of the State. For example, the larger municipalities of Easton and Hagerstown assume a greater role in providing public safety, public works, and recreational services within their respective counties.

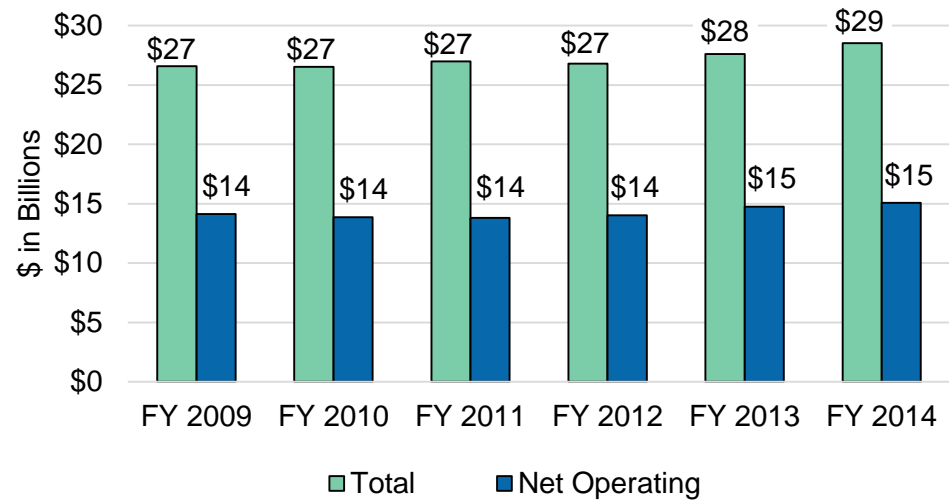
## Expenditure Growth

As with total revenues, growth in total expenditures has slowed considerably across the State, with average annual growth of just 1.4% over the last five years (fiscal 2009 to 2014), compared to an average annual growth of 7.2% from fiscal 2004 to 2009. Howard County recorded the highest average annual growth since fiscal 2009 (3.8%), followed by Baltimore (2.2%) and Prince George's (2.2%) counties. The slowdown in revenues and related expenditures was most pronounced in eight counties that all experienced decreases in total expenditures since fiscal 2009. Worcester County (-3.7%) experienced the largest average annual decline in total expenditures over the last five years, followed by Dorchester (-3.4%), Harford (-2.5%), and Garrett (-1.9%) counties.

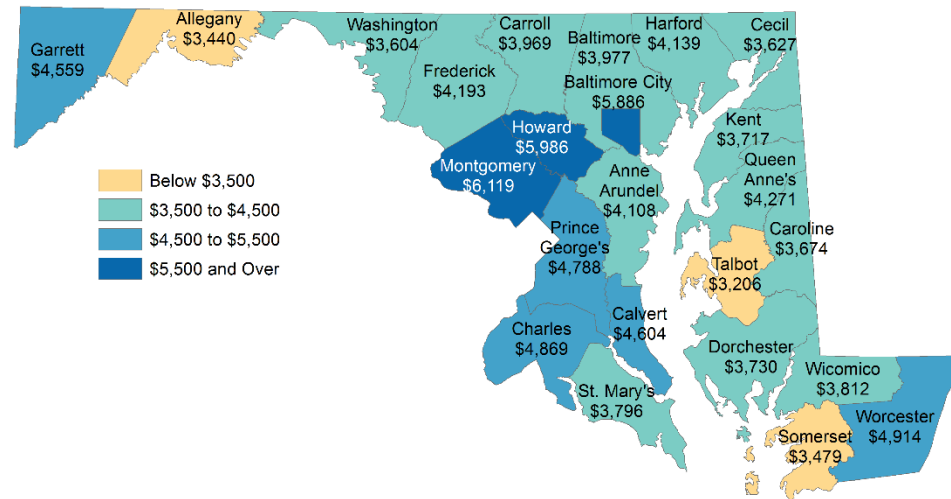
As with total expenditures, the growth in county expenditures on a per capita basis has slowed considerably over the last five years. The statewide average annual growth was just 0.5% since fiscal 2009, with Howard County leading the State with average annual growth of 1.9%, followed by Washington (1.6%) and Baltimore (1.6%) counties.

Further illustrating the statewide slowdown since the Great Recession is the fact that total expenditures on a per capita basis have decreased in 13 counties since fiscal 2009. The 3 counties experiencing the sharpest declines were Worcester (-3.8%), Dorchester (-3.5%), and Harford (-3.0%) counties.

### Total and Net Operating Expenditures 2009-2014



### Per Capita Total Expenditures 2014

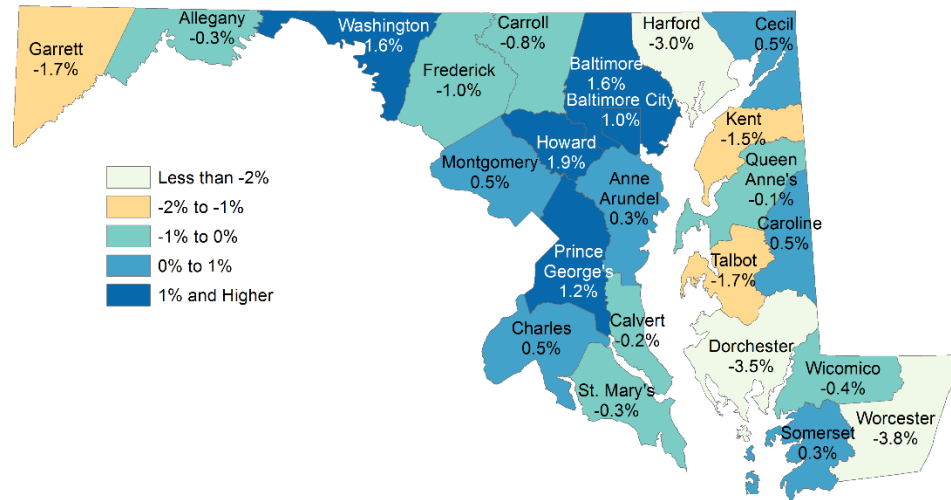


## Net Operating Expenditures

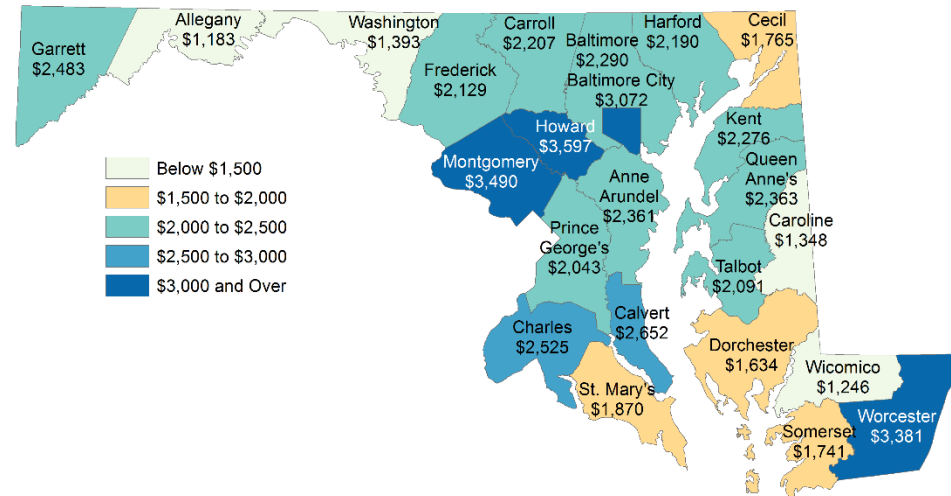
County net operating expenditures totaled \$15.1 billion in fiscal 2014, representing a 6.9% increase since fiscal 2009. Only governmental fund expenditures (not including the capital project fund) reported in the Statement of Revenues, Expenditures, and Changes in Fund Balance of a county's fiscal 2014 CAFR are included in this total. Expenditures directly incurred by county boards of education, boards of health, community colleges, libraries, and/or commissions (where applicable) are excluded from this net operating expenditure total.

On a per capita basis, net operating expenditures averaged \$2,541 among all counties and Baltimore City in fiscal 2014. Howard County (\$3,597) had the highest net operating expenditures on a per capita basis, followed by Montgomery County (\$3,490), Worcester County (\$3,381), and Baltimore City (\$3,072). Jurisdictions in Western Maryland and the Eastern Shore tend to have the lowest per capita expenditure levels. For example, Allegany (\$1,183), Wicomico (\$1,246), Caroline (\$1,348), and Washington (\$1,393) counties had the lowest per capita net operating expenditures in the State in fiscal 2014.

## Average Annual Change in Per Capita Total Expenditures 2009-2014



## Per Capita Net Operating Expenditures 2014



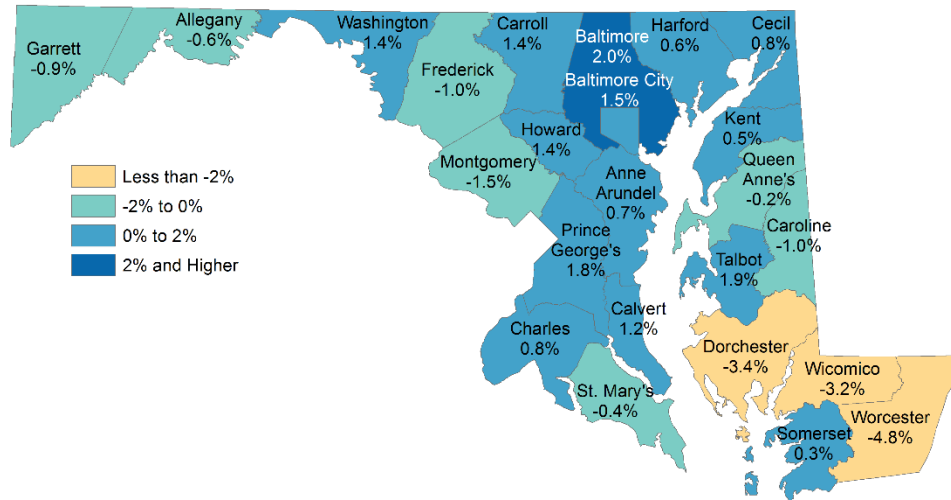
As with revenue growth since the Great Recession, growth in net operating expenditures has also slowed considerably, with the statewide annual growth rate averaging just 1.3% over the last five years. Howard County recorded an average annual growth rate of 3.2% since fiscal 2009, which led the State, followed by Prince George's (2.8%) and Baltimore (2.6%) counties.

Net operating expenditures in six counties, all located in Western Maryland or on the Eastern Shore, have decreased since fiscal 2009, illustrating a county response that was necessitated by a corresponding decrease in county revenues since the Great Recession. Worcester County experienced the largest average annual decrease in net operating expenditures over the last five years (-4.7%), followed by Dorchester (-3.4%), Wicomico (-2.4%), and Caroline (-1.2%) counties. In Western Maryland, Allegany County realized a 0.9% decrease in net operating expenditures, and Garrett County realized a 1.1% decrease.

As with total expenditures, the statewide average annual growth in net operating expenditures on a per capita basis has slowed to just 0.5% over the last five years. Baltimore County reported the largest average annual growth since fiscal 2009 (2.0%), followed by Talbot County (1.9%), Prince George's County (1.8%), and Baltimore City (1.5%).

Ten counties reported declines in net operating expenditures on a per capita basis since fiscal 2009. Worcester County experienced a -4.8% average annual decrease, the largest in the State, followed by Dorchester (-3.4%) and Wicomico (-3.2%) counties.

**Average Annual Change in Per Capita Net Operating Expenditures  
2009-2014**



## Fiscal Trends: County Debt

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Debt is necessary to finance capital improvements, but misusing debt may lead to financial difficulties. A government's inability to repay debt can hurt a government's credit rating, making it more costly to borrow in the future. Ideally, a local government's debt should (1) be proportional in size and rate of growth to its tax base; (2) not exceed the useful life of what it is financing; (3) not be used to balance the operating budget; (4) not put excessive burden on operating expenditures; and (5) not be excessive enough to jeopardize the government's credit rating.

Since fiscal 2009, Baltimore (13.2%) and Queen Anne's (8.1%) counties had the highest average annual growth in total debt in the State, while total debt in seven counties (Allegany, Caroline, Charles, Kent, St. Mary's, Talbot, and Washington) decreased.

### Total County Debt

As of June 30, 2014, Maryland counties and Baltimore City had \$19.8 billion in outstanding debt, including general obligation bonds, revenue and enterprise debt, federal loans, State loans, capital leases, and short-term debt. Long-term debt generally serves as a funding source for capital projects, such as highways, school facilities, sewer and water facilities, parking facilities, parks and recreation facilities, housing and urban development projects, and county buildings. Short-term debt usually serves as a cash management tool.

Between fiscal 2009 and 2014, local debt for counties and Baltimore City increased by \$4.5 billion or 29.2%. This represents a 5.3% average annual increase over the five-year period. The Washington Suburban Sanitary Commission (WSSC) accounted for 10.0% of the total debt in fiscal 2014, which is apportioned equally between Montgomery and Prince George's counties. Montgomery County had \$5.0 billion in total outstanding debt, followed by Baltimore City (\$3.2 billion), Baltimore County (\$3.0 billion), and Prince George's County (\$2.6 billion). In comparison, Dorchester and Kent counties were the lowest borrowers. Dorchester County had \$26.8 million in outstanding debt, while Kent County had \$30.5 million in debt.



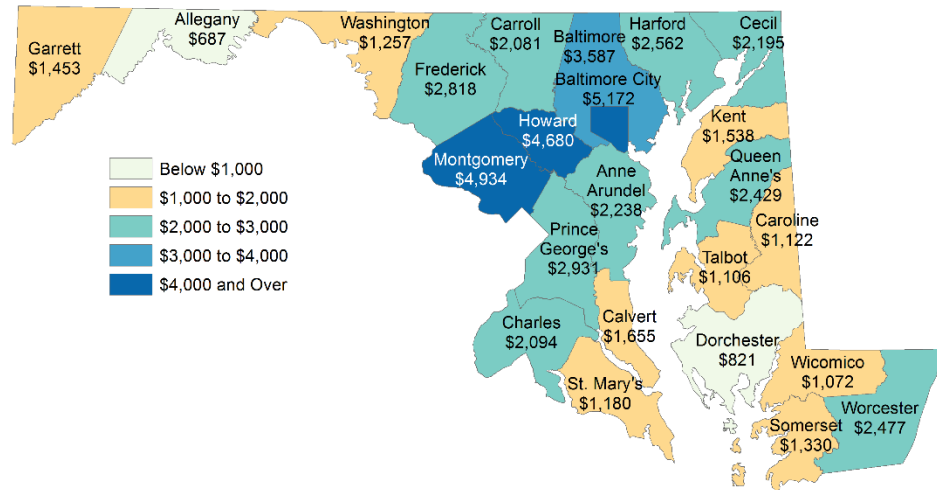
## Local Debt Per Capita

Local debt per capita increased from \$2,695 in fiscal 2009 to \$3,334 in fiscal 2014, a 23.7% increase over the five-year period. Since fiscal 2009, Baltimore County (12.5%) has experienced the largest average annual increase in per capita debt, followed by Dorchester (7.8%) and Queen Anne's (7.4%) counties. Seven counties (Allegany, Caroline, Charles, St. Mary's, Talbot, Washington, and Wicomico) have reduced their per capita debt over the last five years.

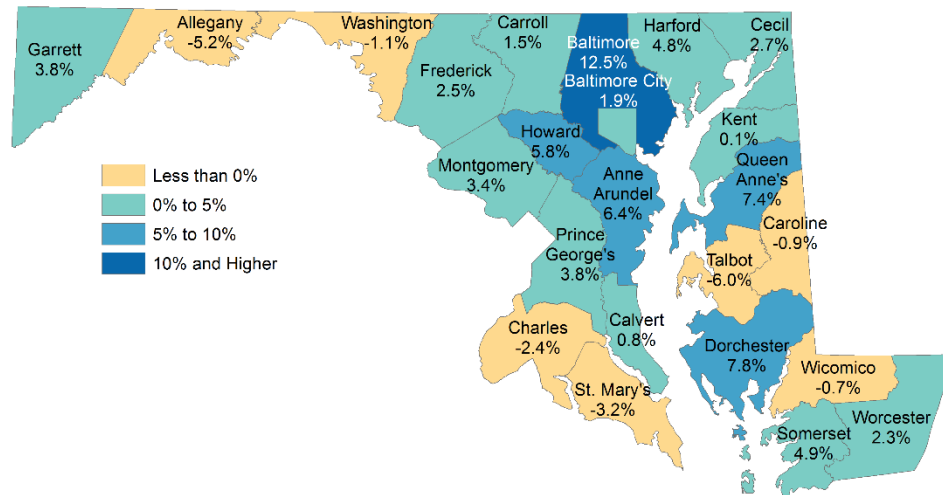
In fiscal 2014, Baltimore City (\$5,172) had the highest debt per capita, followed by Montgomery (\$4,934) and Howard (\$4,680) counties. The high ratio in Montgomery County was attributed to the inclusion of WSSC's debt. Howard County's high ratio resulted from debt for financing general county improvement projects, storm drain projects, housing projects, community renewal projects, and parks and recreation projects.

Allegany County (\$687) had the lowest debt per capita in fiscal 2014, followed by Dorchester (\$821) and Wicomico (\$1,072) counties. For comparative purposes, the State's debt in fiscal 2014 amounted to \$3,121 per capita, a 16.8% increase from the \$2,673 per capita amount in 2009. The municipalities/special taxing districts had a ratio of \$1,359 per capita in 2014.

## Per Capita County Debt 2014



## Average Annual Change in Per Capita County Debt 2009-2014



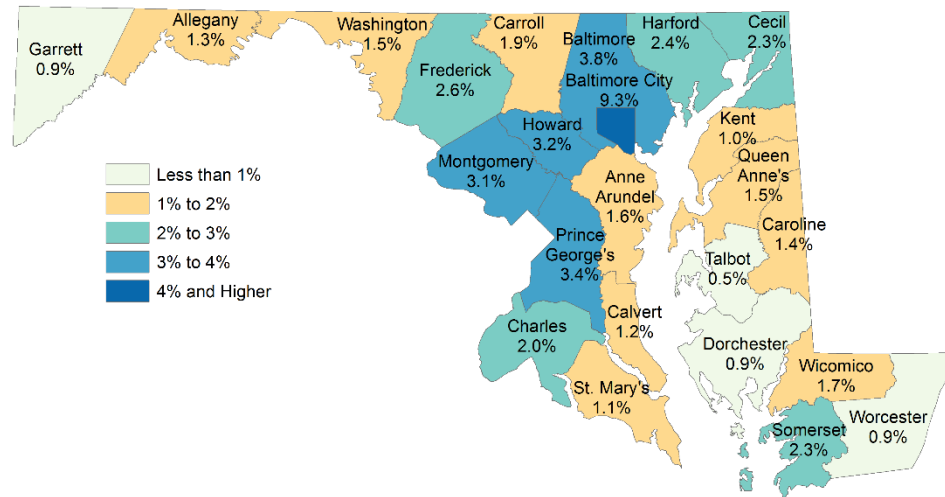
## Local Debt as Percent of Assessable Base

Statewide, county debt to assessable base has increased over the past five years from 2.1% in fiscal 2009 to 3.0% in fiscal 2014. Baltimore City (9.3%) had the highest debt to assessable base in fiscal 2014, followed by Baltimore (3.8%), Prince George's (3.4%), Howard (3.2%), and Montgomery (3.1%) counties. The high ratio in Baltimore City can be attributed to financing urban renewal and development projects, transportation projects, water projects, and wastewater facilities.

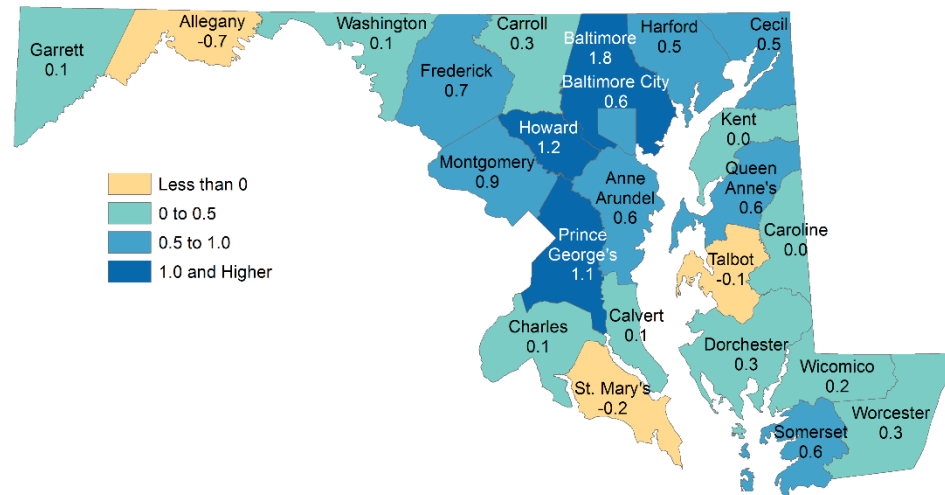
Talbot County (0.5%) had the lowest debt to assessable base in fiscal 2014, followed by Dorchester (0.9%), Garrett (0.9%), and Worcester (0.9%) counties.

Over the five-year period, Baltimore County's total local debt to accessible base increased by 1.8 percentage points, the highest increase in the State, followed by Howard (1.2 point increase), Prince George's (1.1 point increase), and Montgomery (0.9 point increase) counties. For comparative purposes, in fiscal 2014, the State had a debt to assessable base ratio of 2.9%, which increased from 2.1% in 2009. The municipalities/special taxing districts had a ratio of 1.2% in 2014.

## Local Debt as Percent of Assessable Base 2014



## Local Debt as Percent of Assessable Base – Point Change 2009-2014

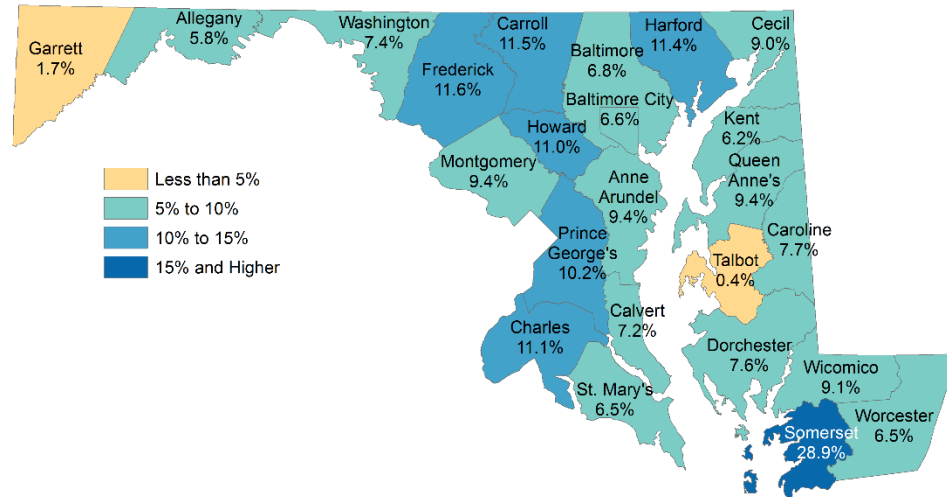


## Debt Service Payments as Percent of Net Operating Revenues

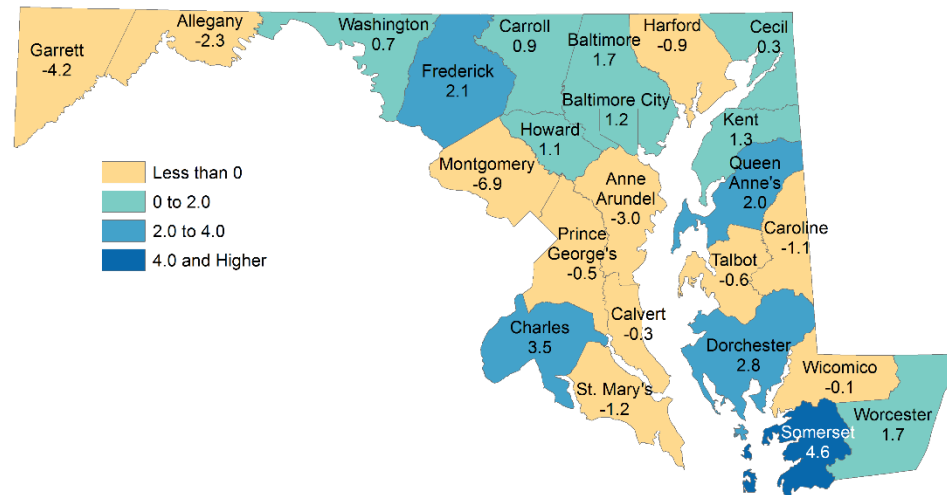
Debt service payments as a percent of net operating revenues measure the extent to which county resources are being applied toward the payment of debt. Over time, if a county's debt service payments require too large a percentage of net operating revenues, the availability of funds used to provide services to county residents will become more limited.

Statewide, debt service payments averaged 8.9% of county net operating revenues, which was a decrease from 10.2% in fiscal 2009. In fiscal 2014, Somerset County (28.9%) had the highest debt service payments as a percent of net operating revenues, followed by Frederick (11.6%), Carroll (11.5%), and Harford (11.4%) counties. Somerset County's high ratio of debt service payments to net operating revenues in fiscal 2014 was a function of the way in which the county recorded its debt refinancing that year. The method in which Somerset County refinanced its debt saw it record a one-time debt service expenditure on its financial statements that was considerably higher than in preceding years. For example, in fiscal 2013, Somerset County's debt service payments were just 7.5%, which was below the State average at that time. Somerset County periodically refinances its debt, which results in large increases in debt service expenditures in fiscal years in which the refinancing occurs. Prior to fiscal 2014, Somerset County underwent a large debt refinancing in fiscal 2009, which resulted in debt service payments being 24.3% of net operating revenues that year.

### Net Operating Debt Service to Net Operating Revenues 2014



### Net Operating Debt Service to Net Operating Revenues – Point Change 2009-2014



Talbot (0.4%) had the lowest percentage of debt service payments to net operating revenues in the State in fiscal 2014, followed by Garrett County (1.7%).

From fiscal 2009 to 2014, Somerset County's total debt service payments as a percent of net operating revenues increased 4.6 percentage points, the highest in the State, followed by Charles (3.5 point increase), Dorchester (2.8 point increase), and Frederick (2.1 point increase) counties. Over the same five-year period, Montgomery County had the largest percentage point decrease in its ratio of debt service payments to net operating revenues, with a 6.9 point decrease, followed by Garrett (4.2 point decrease) and Anne Arundel (3.0 point decrease) counties.

# Fiscal Trends: County Operating Position

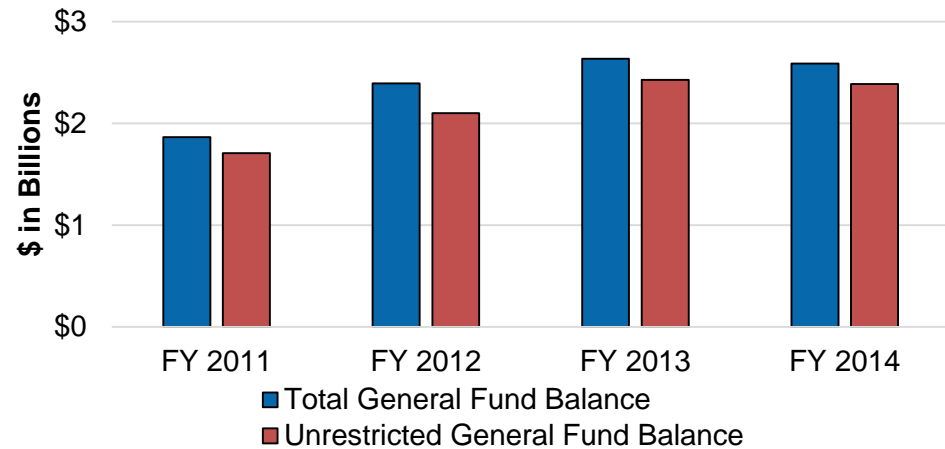
Operating position indicates a local government's ability to balance its budget on a current basis, maintain emergency reserves, and have sufficient liquidity to timely pay bills. Two measures commonly used to gauge a jurisdiction's performance in this area include the magnitude of a county's unrestricted general fund balance and the net operating surplus.

## Total General Fund Balance

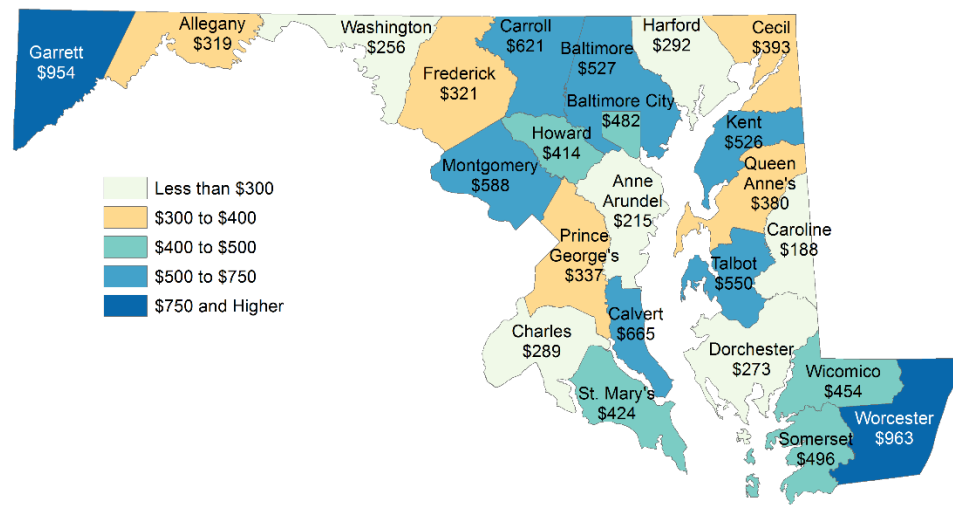
The CAFR prepared by the counties show their general fund balances for a given fiscal year. Fiscal 2011 was the first year counties began reporting their annual fund balances within five new classifications required by the Governmental Accounting Standards Board. These new classifications serve to distinguish the extent to which the county government is bound to honor the constraints on the specific purposes for which amounts can be spent.

County governments ended fiscal 2014 with total general fund balances of \$2.6 billion, a 38.8% increase over fiscal 2011. Over 60% of the total county general fund balance in fiscal 2014 can be attributed to Baltimore City and Baltimore, Montgomery, and Prince George's counties. Montgomery County had the highest total general fund balance in fiscal 2014 (\$600.0 million), followed by Baltimore (\$434.0 million) and Prince George's (\$301.1 million) counties. In contrast, Caroline County had the lowest total general fund balance in fiscal 2014 (\$6.1 million), followed by Dorchester (\$8.9 million) and Kent (\$10.4 million) counties.

**Change in General Fund Balances  
2011-2014**



**Per Capita Total General Fund Balance  
2014**



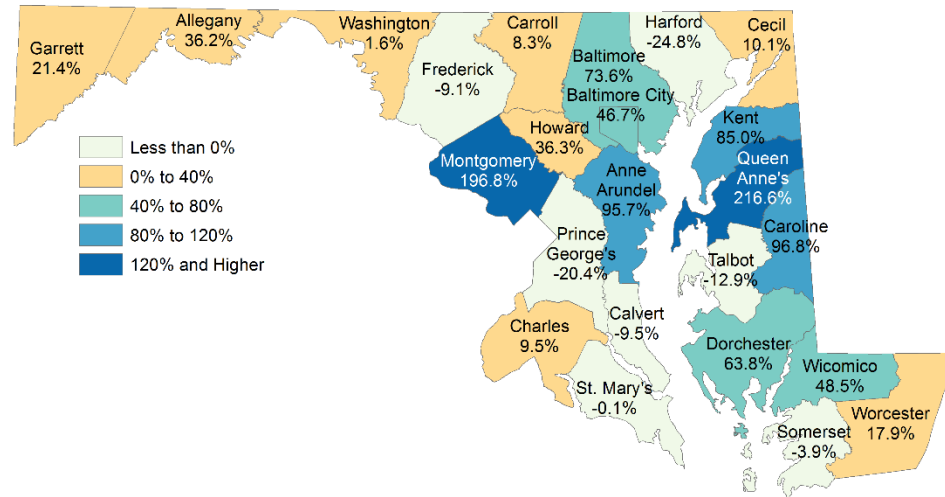
On a per capita basis, Worcester County had the highest fund balance amount (\$963), followed by Garrett County (\$954) and Calvert County (\$665). Caroline (\$188) and Anne Arundel (\$215) counties had the lowest per capita general fund balances.

The largest increase in total general fund balances from fiscal 2011 to 2014 occurred in Queen Anne's County (216.6%), followed by Montgomery (196.8%), Caroline (96.8%), and Anne Arundel (95.7%) counties. Seven jurisdictions (Calvert, Frederick, Harford, Prince George's, St. Mary's, Somerset, and Talbot counties) realized a decrease in their total general fund balance during this four-year period.

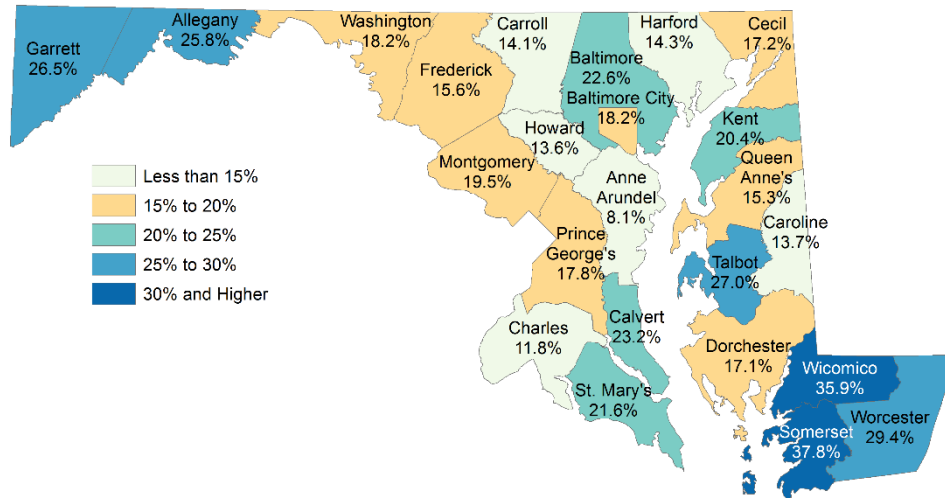
### Unrestricted General Fund Balance

An approach to measure a jurisdiction's fund balance is to compare the unrestricted general fund balance to general fund revenue. The fund balance may affect a government's ability to withstand financial emergencies. Declining unrestricted fund balances as a percentage of general fund revenues are considered a warning signal because they could indicate that the government may not be able to meet a future need. The Government Finance Officers Association of the United States and Canada recommends that, at a minimum, local governments should maintain an unrestricted fund balance in their general fund of no less than two months of regular general fund operating revenues. If revenue sources are subject to unpredictable fluctuations or if operating expenditures are highly volatile, then a higher fund balance may be necessary. However, too large of a fund balance could also be a red flag, indicating that revenues are not being used to provide services to taxpayers.

**Change in Total General Fund Balance  
2011-2014**



**Unrestricted General Fund Balance as Percent  
of General Fund Revenues  
2014**



Approximately \$2.4 billion of the total \$2.6 billion county general fund balance in fiscal 2014 can be classified within one of three unrestricted fund categories: committed, assigned, and unassigned. Unrestricted fund balances include only those resources without a constraint on spending or for which the constraint on spending is imposed by the government itself. Many counties also have requirements to maintain a “rainy day” fund for use in the event of an economic downturn, and these funds are also included within the unrestricted general fund balance total.

As stated earlier, a county’s unrestricted general fund balance as a percent of general fund revenues is one indicator of a county’s fiscal health and a county’s ability to withstand an economic downturn. In fiscal 2014, unrestricted general fund balance as a percent of general fund revenues averaged 17.9% across county governments. Somerset County (37.8%) had the highest unrestricted fund balance ratio in the State, followed by its Eastern Shore neighbors Wicomico (35.9%), Worcester (29.4%), and Talbot (27.0%) counties. Anne Arundel County (8.1%) had the lowest ratio, followed by Charles (11.8%) and Howard (13.6%) counties. In fiscal 2014, 21 counties reported “rainy day” funds totaling approximately \$840.3 million or 6.3% of total general fund revenues.

## **Net Operating Surpluses and Deficits**

An operating deficit or surplus ratio equals the net operating deficit or surplus divided by net operating revenues. An operating surplus occurs when current revenues are greater than current expenditures, and an operating deficit is the reverse. An operating surplus helps to build reserves, which can provide a safeguard against any decrease in revenue or unanticipated expenditure.

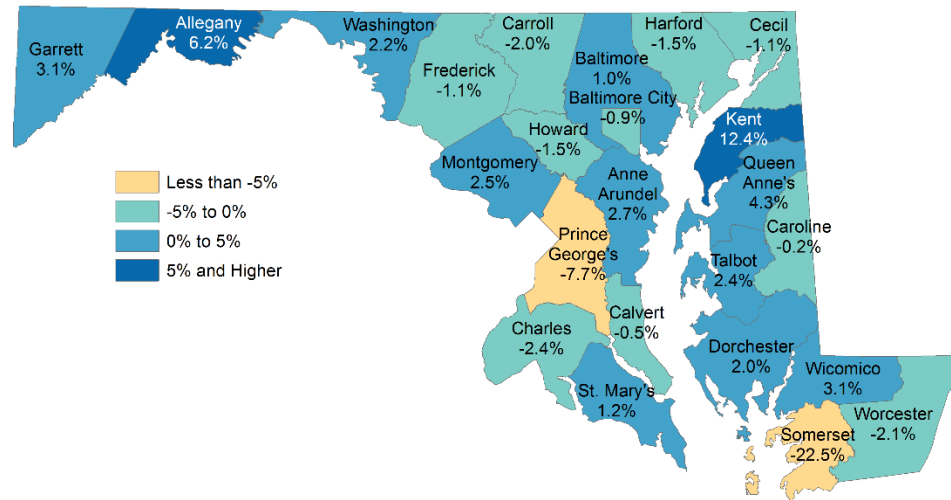
A trend of operating deficits may be one of the first signs of an imbalance between revenue structure and expenditures. Credit rating agencies consider a current-year operating deficit as only a minor warning signal, while the following are considered more negative factors: (1) two consecutive years of operating fund deficits; (2) a current operating fund deficit greater than that of the prior year; (3) an operating fund deficit in two or more of the last five years; or (4) an abnormally large deficit of more than 5% to 10% in one year.

In fiscal 2014, 12 counties experienced net operating deficits. Prince George’s County experienced a \$130.5 million net operating deficit (7.7% of net operating revenues), which was the largest in the State. Prince George’s County’s net operating deficit was due to multiple contributing factors. On the revenue side, Prince George’s County’s income tax revenues decreased \$16.4 million (3.1%) in fiscal 2014. In addition, the county incurred a \$44.6 million expenditure to redeem Dimension Health Corporation revenue bonds. Other factors contributing to the county’s net operating deficit include rising interest payments from three large debt issuances made in fiscal 2013 and rising public safety salary and fringe benefits costs. Baltimore City (-\$17.8 million, 0.9% of net operating revenues) had the next largest operating deficit in fiscal 2014, followed by Howard (-\$16.3 million, 1.5% of net operating revenues) and Charles (-\$9.0 million, 2.4% of net operating revenues) counties.

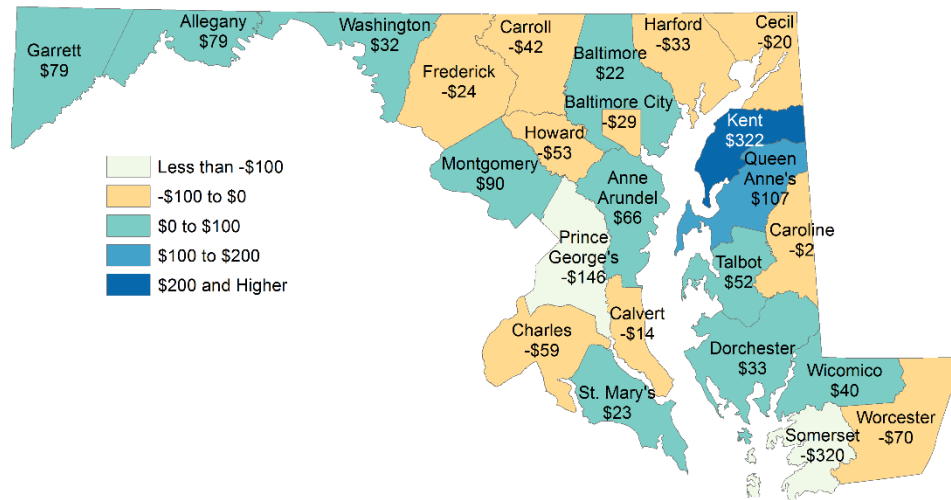
Montgomery County recorded a \$92.1 million net operating surplus (2.5% of net operating revenues) in fiscal 2014, which was the highest in the State, followed by Anne Arundel (\$36.7 million, 2.7% of net operating revenues), Baltimore (\$18.5 million, 1.0% of net operating revenues), and Kent (\$6.4 million, 12.4% of net operating revenues) counties. The net operating surpluses in these counties contributed to most of them also recording an increase in total general fund balances in fiscal 2014. Baltimore County transferred \$43.8 million from its general fund to its capital projects fund in fiscal 2014, which caused its general fund balance to decrease, even though it had a net operating surplus for the fiscal year.

Somerset County, due primarily to a one-year spike in its debt service expenditures, had the highest net operating deficit in fiscal 2014 on a per capita basis at -\$320, followed by Prince George's (-\$146), Worcester (-\$70), and Charles (-\$59) counties. Kent County had the highest net operating surplus (\$322), followed by Queen Anne's (\$107), Montgomery (\$90), Garrett (\$79), and Allegany (\$79) counties. The rise in Kent County's net operating surplus is primarily attributable to a 39% (\$4.0 million) increase in income tax revenue in fiscal 2014.

**Net Operating Surplus/(Deficit) Percent of Net Operating Revenues  
2014**



**Per Capita Net Operating Surplus (Deficit)  
2014**





# Fiscal Trends: County Liabilities

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## Defined Benefit Pension Plans

Defined benefit pension plans are an employer's promise to pay employees an annual amount that is determined by formula upon retirement. These plans are typically funded by a combination of employee and employer contributions, as well as the return on investment on these contributions. While defined benefit pension plans are becoming less common in recent years for private-sector employees, these plans are still commonly available to many public-sector employees throughout Maryland.

Many county employees throughout the State are eligible to participate in a defined benefit pension plan administered through MSRPS. In addition to MSRPS, several counties and bi-county agencies offer their own defined benefit pension plans that are administered by the local government. These separate defined benefit pension plans are often limited to certain classifications of county employees or employees hired before a certain date. Several counties also administer length of service awards programs (LOSAP) that provide pension benefits similar to defined benefit plans to qualifying volunteer fire and emergency service personnel. These LOSAP plans have been included within this analysis.

All county governments participate in MSRPS at some level, although many only participate through their boards of education. In addition, as of fiscal 2014, every county outside of Dorchester, Kent, Queen Anne's, Somerset, and Talbot provides at least some of their employees with the opportunity

to participate in a defined benefit pension plan or LOSAP administered outside of the MSRPS system. In addition, two bi-county agencies serving both Montgomery and Prince George's counties (the Maryland-National Capital Park and Planning Commission (M-NCPPC) and WSSC) also administer their own defined benefit pension plans to certain employees.

In fiscal 2014, county contributions to county and bi-county administered defined benefit plans totaled over \$871 million. Baltimore City (\$209.6 million) and Anne Arundel (\$65.3 million), Baltimore (\$80.5 million), Montgomery (\$226.5 million), and Prince George's (\$128.5 million) counties accounted for over 80% of the total fiscal 2014 local contributions to county administered defined benefit pension plans.

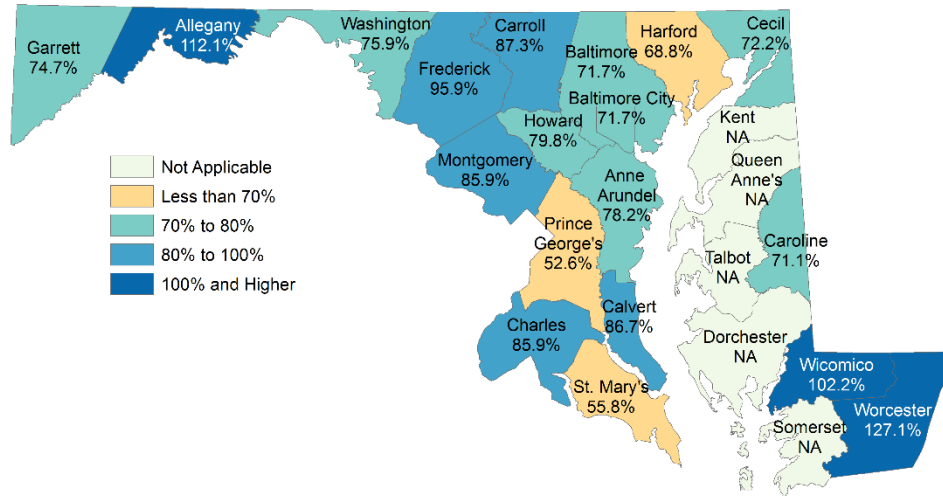
In recent years, there has been public concern nationally as to whether or not local governments can continue to afford the increasing liability of defined benefit pension plans. Additionally, local government employees themselves are concerned that the funding status of local defined benefit pension plans are sufficient to fulfill the promises local governments have made to the employees in the form of pension benefits. In light of these multiple concerns, this analysis focuses not simply on the size of unfunded liabilities for all defined benefit pension plans within a county, but whether or not a county has set aside sufficient assets to fund these pension liabilities in the aggregate. For the purposes of this analysis, all defined benefit plans within a county are consolidated into one total.

In fiscal 2014, county unfunded defined benefit pension liabilities (including M-NCPPC and WSSC) totaled nearly \$5.7 billion, which represents a 54% increase from the amount in fiscal 2009 (\$3.7 billion). Baltimore City (\$1.6 billion), and Anne Arundel (\$435.6 million), Baltimore (\$1.0 billion), Montgomery (\$822.5 million), and Prince George's (\$1.2 billion) counties held the highest unfunded defined benefit pension liabilities in fiscal 2014. These five counties accounted for nearly 90% of all county unfunded defined benefit pension liabilities within the State.

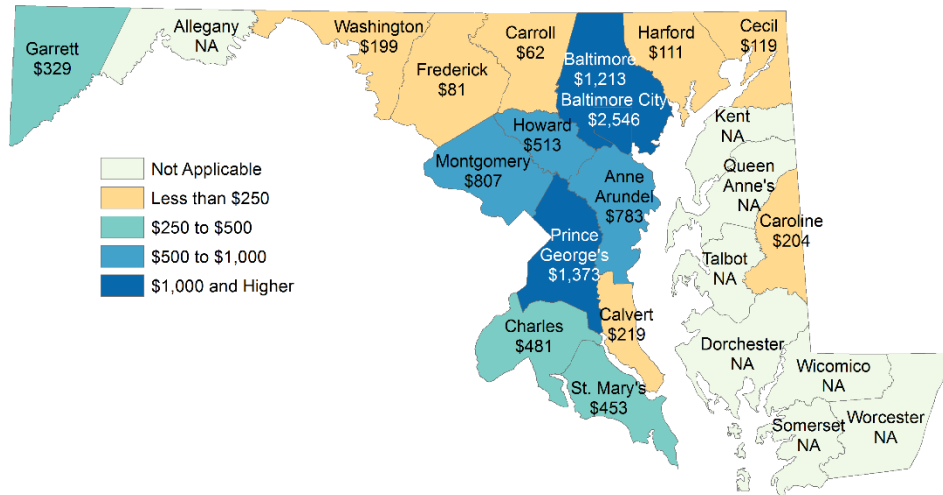
Since the size of unfunded pension liabilities can vary widely from county to county, it is important to determine whether or not each county has set aside sufficient assets to adequately fund its pension liabilities regardless of size. It is common for counties to periodically have actuaries determine the value of not only their pension liabilities, but also the assets a county has set aside to fund these liabilities. Ideally, a county would maintain pension assets that would fund 100% of the actuarially determined pension liability (*i.e.*, fully funded). In practice, a funded ratio of 80% or above is frequently considered to be a satisfactorily funded plan.

Factors that affect a county's actuarially determined defined pension liability include the number and age of plan participants, the projected salary increases of these participants, the rate of return of the plan's investment assets, and the amount a local jurisdiction contributes annually to the plan. Variations in any of these factors (*e.g.*, a future rate of return that is far less than what is actuarially projected) can potentially have a negative effect on a defined benefit pension plan's future funding ratio.

**County Defined Benefit Pension Plans Funded Ratio Fiscal 2014**



**County Unfunded Pension Liability Per Capita Fiscal 2014**



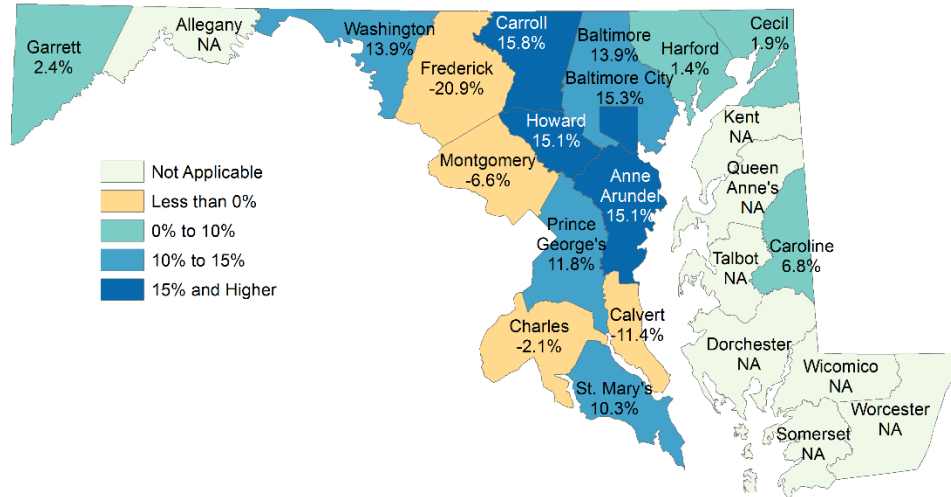
In fiscal 2014, three counties (Allegany, Wicomico, and Worcester) administered defined benefit pension and LOSAP plans that were actuarially determined to be over 100% funded in the aggregate. In addition, the Employees Retirement Plan administered by Frederick County was 95.9% funded in fiscal 2014, and four other counties (Calvert, Carroll, Charles, and Montgomery) administered defined benefit pension plans that were between 80% and 90% funded.

Three counties, Harford (68.8%), Prince George's (52.6%), and St. Mary's (55.8%), had defined benefit pension and LOSAP plans with funded ratios of less than 70% of total pension liabilities at the end of fiscal 2014. In comparison, the entire MSRPS defined benefit pension system was actuarially determined to be 71.9% funded at the end of fiscal 2014.

In fiscal 2014, Baltimore City held the highest unfunded pension liability on a per capita basis at \$2,546, followed by Prince George's (\$1,373), Baltimore (\$1,213), and Montgomery (\$807) counties. The lowest unfunded pension liabilities on a per capita basis were in Carroll (\$62), Frederick (\$81), Harford (\$111), and Cecil (\$119) counties.

It is also important to analyze the historic funding status of county defined benefit plans to determine whether or not a county's funded status within these plans is becoming financially stronger or weaker over time. Counties with defined benefit funding ratios that are decreasing over time could be a sign of fiscal concern and result in a future liability that becomes increasingly difficult for a county to properly fund.

### Average Annual Change in Unfunded Pension Liability Per Capita Fiscal 2009-2014



Among counties with defined benefit plans that are not fully funded in fiscal 2014, a few have seen their funding ratios decrease dramatically in recent years. For example, the defined benefit pension plans of Prince George's County were funded 63.9% in the aggregate at the end of fiscal 2009 but dropped to just 52.6% funded at the end of fiscal 2014 as the county's unfunded pension liability increased over \$536.7 million over that timeframe (12.2% average annual change). Carroll County's unfunded liability, the lowest in the State on a per capita basis, increased 15.8% on an average annual basis since fiscal 2009, the highest rate of increase over that timeframe. Baltimore City (15.3%) and Anne Arundel (15.1%) and Howard (15.1%) counties experienced the next highest average annual increases in per capita unfunded pension liabilities since fiscal 2009.

While the vast majority of county employees continue to participate in defined benefit plans, a handful of counties have begun enrolling at least some of their primary government employees into defined contribution plans. Defined contribution plans are retirement plans where the annual contribution, not the future benefit, is guaranteed. In the mid-1990s, Montgomery County began enrolling some of its employees into a multiple-employer defined contribution plan that was established for certain nonpublic safety, primary government employees of the county, as well as employees of other public entities within the county. According to Montgomery County's fiscal 2014 CAFR, the county and the other employers associated with this plan contributed \$17.1 million to this plan in fiscal 2014.

Calvert County is another notable example of a county establishing a defined contribution plan in recent years for a segment of its primary government employees. Calvert County established a single employer defined contribution plan on January 1, 1999. This plan covers all employees hired after June 30, 1998. Calvert County's contribution to this plan in fiscal 2014 was nearly \$1 million.

In Garrett County, the defined contribution plan is offered as an additional retirement benefit for county and Sanitary District employees. Garrett County's fiscal 2014 contribution to this plan was \$224,000.

On a per capita basis, county contributions for primary government employees to defined contribution plans are currently minimal. However, county contributions to these plans will likely increase in future years as more counties start moving away from traditional defined benefit plans for new employees.

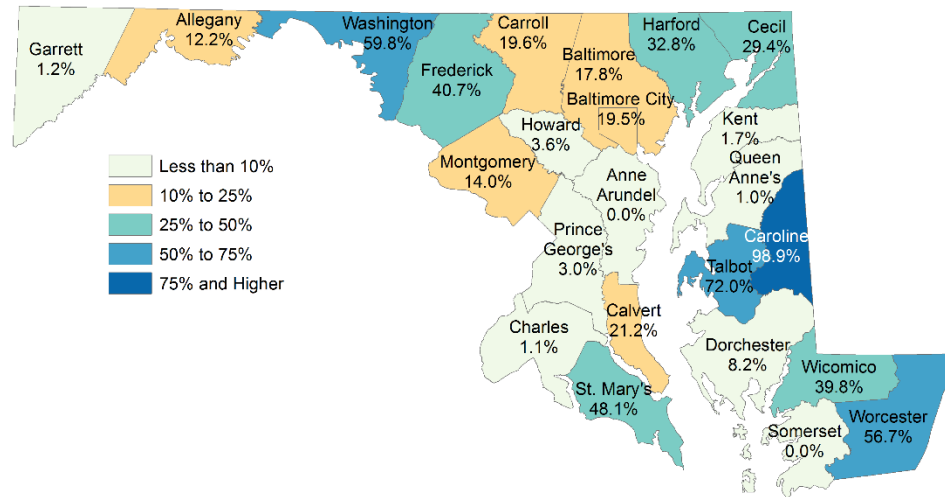
## **Other Post Employment Benefits**

In addition to pension plan benefits, counties also provide OPEB plans for health care and life insurance benefits to retired employees. Similar to defined benefit pension plans, OPEB plans are also funded by a combination of employee and employer contributions.

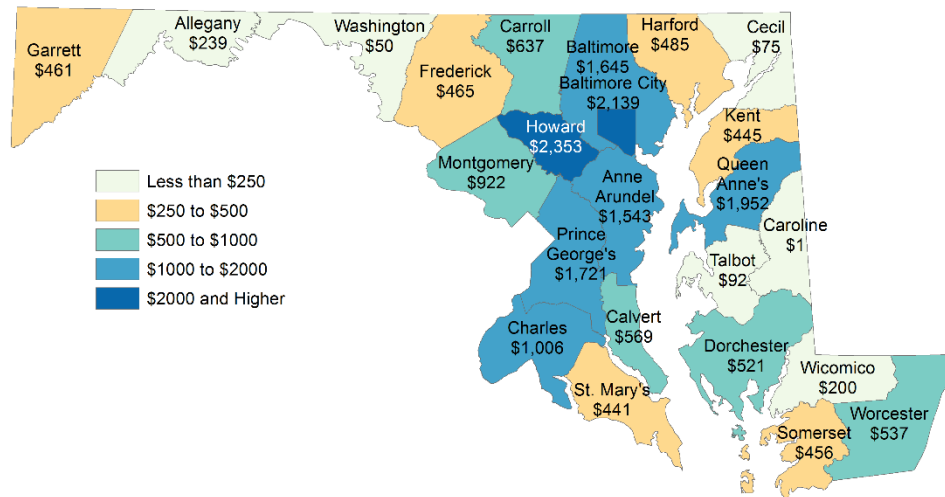
As with defined benefit pension plan liabilities, a local government's liability for OPEB can also be quite substantial. The magnitude of these liabilities became more apparent to the public in recent years after the Governmental Accounting Standards Board began requiring local governments to uniformly report OPEB liabilities within their audited financial statements. Local OPEB liabilities will likely grow in future years as health care costs continue to rise and the number of eligible retirees increases. As OPEB liabilities increase, so too will the importance of local governments maintaining sufficient assets in order to fund these increasing liabilities. Currently, local governments are generally lagging statewide in funding their primary government's OPEB liabilities with a statewide average OPEB funded ratio of just 13.2% in fiscal 2014. Only four local governments (Caroline, Talbot, Washington, and Worcester counties) had OPEB funded ratios greater than 50% of liabilities in fiscal 2014.

According to figures reported in county fiscal 2014 audit reports, the total unfunded OPEB actuarial liability across all county primary governments and Baltimore City is estimated at nearly \$7.6 billion. The audit reports for Baltimore City and Baltimore, Cecil, Frederick, Howard, and Montgomery counties also included OPEB liabilities for one or more component units, along with their primary government's reported OPEB liability.

**County OPEB Funded Ratio  
Fiscal 2014**



**County Unfunded OPEB Liability Per Capita  
Fiscal 2014**

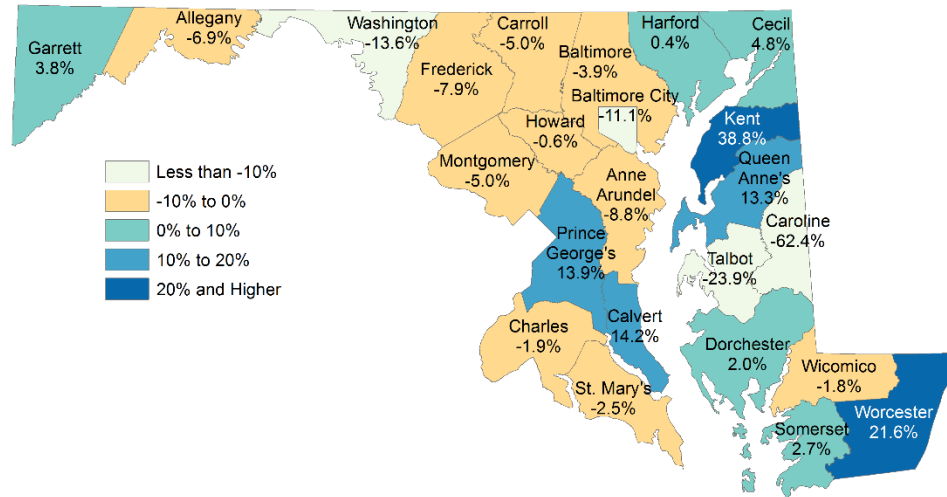


In fiscal 2014, Prince George's County had an unfunded OPEB liability of \$1.5 billion, the highest in the State, followed by Baltimore County (\$1.4 billion), Baltimore City (\$1.3 billion), and Montgomery County (\$940 million). The average statewide unfunded OPEB liability on a per capita basis was \$1,274. Howard County reported the highest unfunded OPEB liability on a per capita basis (\$2,353), followed by Baltimore City (\$2,139) and Queen Anne's (\$1,952), Prince George's (\$1,721), Baltimore (\$1,645), and Anne Arundel (\$1,543) counties.

Caroline County had a fiscal 2014 OPEB funded ratio of 98.9%, the highest in the State, and reported a total unfunded OPEB liability of just \$48,600, the lowest in the State. Talbot (72.0%), Washington (59.8%), and Worcester (56.7%) counties were the only other counties to report OPEB funded ratios greater than 50% in fiscal 2014. The remaining local jurisdictions all had OPEB funded ratios of less than 50% in fiscal 2014, with Anne Arundel, Charles, Dorchester, Garrett, Howard, Kent, Prince George's, Queen Anne's, and Somerset counties all having funded ratios of less than 10%.

Statewide, local unfunded OPEB liabilities on a per capita basis have improved slightly since fiscal 2009, decreasing by an average annual rate of 3.5% from \$1,526 in fiscal 2009 to \$1,274 in fiscal 2014. Over that period, Caroline County experienced the largest annual average decrease in unfunded OPEB liabilities (-62.4%), followed by Talbot (-23.9%) and Washington (-13.6%) counties. Kent County experienced the largest average annual increase on a per capita basis (38.8%), followed by Worcester (21.6%), Calvert (14.2%), and Prince George's (13.9%) counties.

**Average Annual Change in Unfunded OPEB Liability Per Capita  
Fiscal 2009-2014**



## Data Tables

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## Population Growth

County	July 2004	July 2009	July 2014	Average Annual Change		
				2004-2009	2009-2014	2004-2014
Allegany	74,408	75,101	73,008	0.2%	-0.6%	-0.2%
Anne Arundel	513,259	532,395	560,286	0.7%	1.0%	0.9%
Baltimore City	624,222	620,509	623,711	-0.1%	0.1%	0.0%
Baltimore	784,371	801,808	827,794	0.4%	0.6%	0.5%
Calvert	84,928	88,244	90,562	0.8%	0.5%	0.6%
Caroline	30,653	33,013	32,525	1.5%	-0.3%	0.6%
Carroll	163,915	167,028	167,682	0.4%	0.1%	0.2%
Cecil	94,809	100,816	102,135	1.2%	0.3%	0.7%
Charles	135,601	144,804	154,687	1.3%	1.3%	1.3%
Dorchester	31,086	32,470	32,527	0.9%	0.0%	0.5%
Frederick	217,776	230,942	243,475	1.2%	1.1%	1.1%
Garrett	30,147	30,145	29,652	0.0%	-0.3%	-0.2%
Harford	234,849	243,685	249,949	0.7%	0.5%	0.6%
Howard	265,919	283,061	308,705	1.3%	1.7%	1.5%
Kent	19,513	20,132	19,793	0.6%	-0.3%	0.1%
Montgomery	914,991	959,013	1,030,476	0.9%	1.4%	1.2%
Prince George's	845,950	856,161	903,357	0.2%	1.1%	0.7%
Queen Anne's	44,411	47,532	48,726	1.4%	0.5%	0.9%
St. Mary's	94,900	103,273	110,350	1.7%	1.3%	1.5%
Somerset	25,807	26,425	25,632	0.5%	-0.6%	-0.1%
Talbot	35,793	37,496	37,560	0.9%	0.0%	0.5%
Washington	139,423	146,953	149,423	1.1%	0.3%	0.7%
Wicomico	90,210	98,069	101,768	1.7%	0.7%	1.2%
Worcester	49,994	51,313	51,563	0.5%	0.1%	0.3%
<b>Total</b>	<b>5,546,935</b>	<b>5,730,388</b>	<b>5,975,346</b>	<b>0.7%</b>	<b>0.8%</b>	<b>0.7%</b>



## Total Employment

County	CY 2004	CY 2009	CY 2014	Average Annual Change		
				CY 2004-2009	CY 2009-2014	CY 2004-2014
Allegany	29,648	29,132	29,180	-0.4%	0.0%	-0.2%
Anne Arundel	214,635	226,186	254,774	1.1%	2.4%	1.7%
Baltimore City	353,580	326,607	333,965	-1.6%	0.4%	-0.6%
Baltimore	364,571	365,228	362,363	0.0%	-0.2%	-0.1%
Calvert	20,673	21,156	21,796	0.5%	0.6%	0.5%
Caroline	8,646	8,568	9,251	-0.2%	1.5%	0.7%
Carroll	52,269	54,597	56,539	0.9%	0.7%	0.8%
Cecil	28,283	30,204	30,634	1.3%	0.3%	0.8%
Charles	39,760	40,467	41,210	0.4%	0.4%	0.4%
Dorchester	12,128	11,188	11,092	-1.6%	-0.2%	-0.9%
Frederick	89,436	91,517	95,252	0.5%	0.8%	0.6%
Garrett	11,298	11,369	11,625	0.1%	0.4%	0.3%
Harford	77,338	80,159	88,068	0.7%	1.9%	1.3%
Howard	138,428	143,471	159,939	0.7%	2.2%	1.5%
Kent	8,025	7,908	7,737	-0.3%	-0.4%	-0.4%
Montgomery	448,683	443,185	455,343	-0.2%	0.5%	0.1%
Prince George's	313,083	303,996	303,189	-0.6%	-0.1%	-0.3%
Queen Anne's	12,799	13,379	14,138	0.9%	1.1%	1.0%
St. Mary's	37,567	40,335	42,538	1.4%	1.1%	1.3%
Somerset	6,940	6,855	6,501	-0.2%	-1.1%	-0.7%
Talbot	18,893	18,191	18,705	-0.8%	0.6%	-0.1%
Washington	63,947	63,587	66,684	-0.1%	1.0%	0.4%
Wicomico	43,706	44,621	44,162	0.4%	-0.2%	0.1%
Worcester	24,378	23,211	23,611	-1.0%	0.3%	-0.3%
Unallocated	40,649	55,989	65,037	6.6%	3.0%	4.8%
<b>Total</b>	<b>2,459,362</b>	<b>2,461,109</b>	<b>2,553,333</b>	<b>0.0%</b>	<b>0.7%</b>	<b>0.4%</b>

## County Assessable Base

County	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	Average Annual Change FY 2009-2014
Allegany	\$3,411,030,000	\$3,816,560,000	\$4,010,110,000	\$4,014,571,000	\$3,962,462,000	\$3,910,750,000	2.8%
Anne Arundel	81,956,148,000	86,849,623,000	84,987,819,000	79,589,954,000	76,293,860,000	76,405,438,000	-1.4%
Baltimore City	33,564,630,000	38,190,377,000	39,149,240,000	37,515,837,250	35,123,384,750	34,582,451,250	0.6%
Baltimore	81,732,183,000	88,989,970,000	89,397,035,000	84,302,272,750	80,753,432,500	78,477,913,000	-0.8%
Calvert	12,916,676,000	13,951,302,000	14,209,661,000	13,333,624,000	12,553,694,000	12,277,912,000	-1.0%
Caroline	2,869,869,000	3,199,323,000	3,182,687,026	2,949,842,000	2,810,316,000	2,651,005,000	-1.6%
Carroll	20,329,010,000	22,093,994,000	20,915,008,625	19,678,687,000	18,861,958,000	18,588,705,000	-1.8%
Cecil	10,469,664,000	11,184,512,000	11,067,074,275	10,558,891,000	9,967,470,000	9,657,230,000	-1.6%
Charles	18,586,394,000	19,882,783,000	18,794,703,970	17,521,348,000	16,693,575,000	16,383,332,000	-2.5%
Dorchester	3,234,812,000	3,527,710,000	3,544,325,536	3,229,486,000	3,119,674,000	2,981,840,000	-1.6%
Frederick	30,138,087,000	31,969,352,000	29,761,664,764	27,154,307,000	25,893,046,000	25,734,580,000	-3.1%
Garrett	4,356,322,000	4,689,794,000	4,975,948,701	4,978,214,000	4,834,792,500	4,822,283,000	2.1%
Harford	26,162,245,000	28,453,136,000	28,580,599,418	27,471,469,000	26,819,052,000	26,605,582,000	0.3%
Howard	47,667,750,000	50,049,686,000	48,043,284,131	44,986,078,750	44,000,081,000	44,280,927,750	-1.5%
Kent	2,917,378,000	3,219,073,000	3,282,266,469	3,154,782,500	3,058,279,000	3,013,117,000	0.6%
Montgomery	186,959,284,000	187,664,567,000	179,221,107,299	167,750,575,250	163,276,867,750	164,696,351,000	-2.5%
Prince George's	88,581,325,000	98,867,718,000	99,039,893,867	86,036,875,000	79,257,049,500	76,137,875,500	-3.0%
Queen Anne's	8,420,273,000	9,050,949,000	8,749,244,034	8,543,876,000	8,031,355,000	7,699,153,000	-1.8%
St. Mary's	11,602,222,000	12,875,262,000	13,182,755,807	12,567,335,000	12,191,008,000	12,060,567,000	0.8%
Somerset	1,632,417,000	1,757,563,000	1,769,205,417	1,686,855,000	1,483,073,000	1,483,405,000	-1.9%
Talbot	9,155,628,000	10,142,501,000	10,134,944,989	9,730,598,000	9,322,352,000	8,846,903,000	-0.7%
Washington	13,768,572,000	14,877,217,000	14,221,239,093	13,266,687,000	12,823,001,000	12,420,699,000	-2.0%
Wicomico	7,211,174,000	7,774,844,000	7,695,966,686	7,116,997,000	6,668,152,000	6,310,794,000	-2.6%
Worcester	20,416,919,000	19,292,626,000	18,180,328,193	17,531,447,000	15,773,058,000	14,838,405,000	-6.2%
<b>Total</b>	<b>\$728,060,012,000</b>	<b>\$772,370,442,000</b>	<b>\$756,096,113,300</b>	<b>\$704,670,609,500</b>	<b>\$673,570,993,000</b>	<b>\$664,867,218,500</b>	<b>-1.8%</b>

## Net Taxable Income

County	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	Average Annual Change FY 2009-2014
Allegany	\$855,751,473	\$853,305,437	\$857,812,508	\$876,505,845	\$891,109,512	\$928,616,390	1.6%
Anne Arundel	12,902,381,450	13,625,411,460	14,232,799,973	15,740,435,663	15,696,336,209	16,451,849,355	5.0%
Baltimore City	7,185,368,520	7,467,933,579	7,805,962,442	8,296,655,508	8,375,515,816	9,231,171,234	5.1%
Baltimore	17,021,144,273	17,881,894,299	18,766,745,469	21,125,266,456	21,372,787,672	22,125,142,395	5.4%
Calvert	2,015,317,894	2,058,133,830	2,143,482,881	2,288,416,921	2,307,497,701	2,406,425,478	3.6%
Caroline	399,084,718	407,328,571	419,287,309	438,993,378	446,333,721	461,687,442	3.0%
Carroll	3,581,894,274	3,699,705,615	3,941,789,478	4,237,465,943	4,293,658,378	4,535,399,339	4.8%
Cecil	1,603,420,273	1,652,071,679	1,712,130,208	1,807,773,925	1,833,823,071	1,932,542,476	3.8%
Charles	2,810,271,460	2,960,443,829	3,072,873,161	3,210,666,929	3,277,819,250	3,589,817,939	5.0%
Dorchester	382,454,135	397,945,007	403,332,432	432,224,951	450,789,391	455,064,594	3.5%
Frederick	5,076,094,597	5,379,266,522	5,577,033,442	5,974,849,768	6,176,435,177	6,475,311,953	5.0%
Garrett	373,758,487	384,686,741	411,162,452	413,844,923	433,474,733	449,244,467	3.7%
Harford	5,009,343,531	5,211,316,589	5,529,301,920	5,938,050,507	5,954,523,781	6,232,293,561	4.5%
Howard	8,767,276,060	9,442,191,637	10,050,688,156	11,134,155,005	11,015,274,943	11,864,668,375	6.2%
Kent	313,113,309	336,217,548	337,990,710	437,703,684	421,322,846	443,918,710	7.2%
Montgomery	31,148,293,840	34,040,992,827	35,956,418,354	39,729,557,135	38,213,261,147	41,095,504,921	5.7%
Prince George's	12,979,204,501	13,543,857,382	14,214,003,873	14,841,280,221	15,121,789,629	15,708,106,692	3.9%
Queen Anne's	1,006,842,399	1,069,568,975	1,119,545,841	1,208,010,438	1,223,462,564	1,306,380,667	5.3%
St. Mary's	2,087,314,006	2,207,425,070	2,336,158,485	2,458,269,122	2,488,155,058	2,591,883,765	4.4%
Somerset	201,071,081	199,285,818	198,285,964	204,216,654	209,408,778	219,632,957	1.8%
Talbot	895,821,324	966,801,287	1,017,356,687	1,128,275,661	1,133,210,002	1,151,073,582	5.1%
Washington	2,139,315,281	2,203,921,097	2,288,356,006	2,425,819,499	2,493,403,161	2,585,637,896	3.9%
Wicomico	1,274,113,379	1,296,763,909	1,309,400,322	1,371,238,083	1,411,553,179	1,476,530,845	3.0%
Worcester	826,289,705	902,488,197	921,398,110	1,001,765,477	997,677,273	1,083,279,962	5.6%
<b>Total</b>	<b>\$120,854,939,970</b>	<b>\$128,188,956,905</b>	<b>\$134,623,316,183</b>	<b>\$146,721,441,696</b>	<b>\$146,238,622,992</b>	<b>\$154,801,184,995</b>	<b>5.1%</b>

## Local Wealth Measure

County	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	Average Annual Change FY 2009-2014
Allegany	\$2,092,388,303	\$2,220,989,148	\$2,368,718,561	\$2,468,865,720	\$2,468,109,811	\$2,454,878,950	3.2%
Anne Arundel	40,903,057,854	45,797,993,145	47,283,394,662	46,243,270,853	44,586,734,277	43,964,488,130	1.5%
Baltimore City	18,667,985,733	21,179,186,415	22,597,543,501	22,879,264,268	22,413,396,594	21,593,551,438	3.0%
Baltimore	45,502,245,582	50,708,547,254	52,282,847,504	51,461,173,550	50,067,942,111	49,225,010,943	1.6%
Calvert	6,659,304,102	7,173,848,526	7,530,858,697	7,691,795,604	7,412,473,081	7,160,338,792	1.5%
Caroline	1,402,587,322	1,607,898,659	1,694,536,303	1,676,775,965	1,593,510,148	1,544,308,434	1.9%
Carroll	10,683,841,310	11,888,917,138	12,415,094,627	11,880,459,028	11,503,932,394	11,362,111,228	1.2%
Cecil	5,277,594,019	5,942,054,677	6,113,584,940	6,045,110,935	5,857,248,513	5,674,729,781	1.5%
Charles	9,002,273,556	10,188,275,518	10,714,794,139	10,310,587,146	9,938,349,276	9,713,327,352	1.5%
Dorchester	1,546,257,236	1,748,729,592	1,821,329,170	1,802,306,673	1,690,137,860	1,646,716,940	1.3%
Frederick	15,482,580,962	17,234,542,806	17,766,754,495	16,774,341,059	15,976,323,270	15,657,449,937	0.2%
Garrett	1,944,909,232	2,160,158,865	2,269,239,054	2,381,510,065	2,395,825,627	2,356,750,700	3.9%
Harford	14,102,746,621	15,668,792,562	16,413,946,864	16,334,154,866	16,121,707,766	16,119,882,717	2.7%
Howard	24,704,373,853	27,524,160,937	28,138,108,641	27,296,070,388	26,734,576,760	26,780,963,401	1.6%
Kent	1,368,810,679	1,542,759,904	1,614,202,463	1,599,765,279	1,560,937,336	1,538,982,125	2.4%
Montgomery	101,065,337,939	103,887,107,105	102,296,995,910	98,061,854,730	95,121,697,658	94,856,632,982	-1.3%
Prince George's	41,800,711,355	48,132,351,378	52,100,740,002	52,395,784,452	47,728,742,975	45,490,140,424	1.7%
Queen Anne's	3,947,545,444	4,418,443,744	4,618,968,485	4,443,309,878	4,403,419,697	4,233,391,862	1.4%
St. Mary's	5,723,627,496	6,604,861,997	7,085,213,781	7,318,577,254	7,185,754,222	7,150,781,698	4.6%
Somerset	783,268,513	885,521,249	917,190,718	911,153,300	876,768,388	790,469,697	0.2%
Talbot	4,067,622,391	4,648,015,080	4,879,778,885	4,776,428,667	4,644,800,975	4,543,697,090	2.2%
Washington	7,074,379,655	7,904,555,634	8,191,648,335	7,817,086,381	7,493,507,062	7,380,471,866	0.9%
Wicomico	3,941,396,385	4,325,142,980	4,416,144,536	4,319,315,727	4,101,088,530	3,945,200,647	0.0%
Worcester	7,889,763,241	9,155,938,137	8,590,185,343	8,060,330,962	7,868,202,252	7,160,517,312	-1.9%
<b>Total</b>	<b>\$375,634,608,783</b>	<b>\$412,548,792,450</b>	<b>\$424,121,819,616</b>	<b>\$414,949,292,750</b>	<b>\$399,745,186,583</b>	<b>\$392,344,794,446</b>	<b>0.9%</b>

Note: Local wealth equals the sum of 40% of the real property assessable base, 50% of the personal property assessable base, and 100% of net taxable income. The property base is determined as of July 1 of the previous fiscal year. Net taxable income is computed using data from September 1 of the second preceding calendar year. For example, the fiscal 2014 local wealth measure includes the property base from fiscal 2013 and the income tax base from tax year 2012.

## Tax Capacity Index

County	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	Percentage Point Change FY 2009-2014
Allegany	42.4	42.9	44.1	46.0	47.3	48.0	5.6
Anne Arundel	119.6	118.6	118.3	118.5	118.7	119.3	-0.3
Baltimore City	46.8	48.9	50.3	51.5	51.0	51.9	5.1
Baltimore	88.2	88.6	90.1	91.9	93.1	92.4	4.2
Calvert	111.3	113.8	116.1	116.1	115.0	114.1	2.8
Caroline	63.7	67.0	67.3	66.7	67.4	65.7	2.1
Carroll	96.6	99.5	97.4	98.9	100.0	101.0	4.4
Cecil	79.5	80.0	80.1	80.8	80.5	80.1	0.6
Charles	96.8	98.0	95.2	93.6	92.9	93.0	-3.8
Dorchester	69.5	72.3	73.1	71.2	72.7	71.3	1.8
Frederick	103.0	102.9	99.2	97.1	97.3	98.4	-4.6
Garrett	92.2	96.9	103.2	107.4	109.6	110.8	18.6
Harford	88.8	90.2	91.7	93.9	95.0	95.7	6.9
Howard	138.4	136.0	134.7	135.3	136.1	136.8	-1.6
Kent	98.8	104.1	106.9	110.7	115.1	116.8	17.9
Montgomery	155.7	148.1	146.5	146.9	147.3	147.8	-7.9
Prince George's	77.0	80.8	81.8	76.9	74.7	73.0	-4.1
Queen Anne's	125.4	127.8	126.5	129.1	127.9	126.6	1.2
St. Mary's	90.0	92.6	95.1	95.1	95.2	95.8	5.7
Somerset	43.5	44.7	44.9	45.1	42.7	43.6	0.1
Talbot	163.5	171.7	174.2	177.2	178.3	173.8	10.3
Washington	71.7	73.0	71.4	70.9	71.8	71.6	-0.2
Wicomico	59.5	59.3	59.1	57.8	57.1	56.1	-3.5
Worcester	223.0	212.4	204.6	206.7	195.7	188.6	-34.4
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>0.0</b>

## Tax Effort Index

County	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	Percentage Point Change FY 2009-2014
Allegany	121.6	128.1	128.8	119.7	112.7	116.1	-5.5
Anne Arundel	75.0	76.4	77.6	77.5	78.9	80.2	5.2
Baltimore City	164.1	164.2	164.3	155.3	155.6	154.0	-10.2
Baltimore	99.8	94.0	93.4	93.5	93.2	95.0	-4.8
Calvert	94.7	98.1	103.8	100.9	98.0	96.8	2.0
Caroline	91.0	91.0	92.5	91.2	90.4	93.8	2.8
Carroll	99.1	100.9	106.6	103.8	99.9	98.2	-0.9
Cecil	99.0	102.3	100.8	98.6	99.5	98.9	-0.1
Charles	96.4	100.2	104.6	104.4	105.2	106.3	9.8
Dorchester	106.2	101.2	102.2	106.4	104.9	106.3	0.2
Frederick	102.4	104.8	109.6	107.4	103.3	101.5	-1.0
Garrett	98.8	100.2	98.0	93.8	96.0	93.3	-5.5
Harford	105.8	108.3	107.9	105.4	101.9	100.3	-5.5
Howard	101.2	102.6	105.5	105.2	105.8	105.8	4.6
Kent	104.6	98.4	99.1	96.9	93.9	98.8	-5.8
Montgomery	94.0	91.8	90.0	93.6	94.9	95.8	1.7
Prince George's	115.5	119.0	115.7	118.4	118.0	114.0	-1.5
Queen Anne's	79.7	76.8	76.4	81.4	83.5	83.4	3.7
St. Mary's	81.2	83.8	85.5	83.7	82.4	82.0	0.8
Somerset	108.2	109.8	109.4	103.9	105.1	101.9	-6.2
Talbot	61.1	50.6	48.4	48.1	51.4	55.0	-6.2
Washington	100.6	102.3	101.8	98.7	97.3	97.2	-3.4
Wicomico	110.9	109.6	109.0	105.0	107.8	111.8	1.0
Worcester	88.1	88.4	87.0	84.2	87.6	88.5	0.4
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>0.0</b>

## Net Operating Revenues

County	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	Average Annual Change FY 2009-2014
Allegany	\$88,871,820	\$87,465,244	\$89,056,868	\$88,843,676	\$89,491,410	\$92,917,240	0.9%
Anne Arundel	1,147,724,488	1,141,913,204	1,174,738,588	1,216,882,774	1,296,334,826	1,349,622,361	3.3%
Baltimore City	1,794,241,000	1,790,001,000	1,862,942,000	1,892,286,000	1,851,162,000	1,896,376,000	1.1%
Baltimore	1,750,781,000	1,614,328,000	1,671,303,000	1,764,369,000	1,832,670,000	1,905,851,000	1.7%
Calvert	220,442,774	221,667,972	239,692,818	249,605,556	238,391,193	238,560,936	1.6%
Caroline	44,280,108	41,642,677	42,582,778	42,908,503	44,774,642	43,908,875	-0.2%
Carroll	339,203,665	340,930,570	351,168,907	357,592,659	355,606,720	362,469,222	1.3%
Cecil	172,507,314	169,825,893	173,214,554	175,200,780	178,329,008	177,725,239	0.6%
Charles	330,191,881	338,729,963	347,981,672	356,252,364	365,145,906	377,028,949	2.7%
Dorchester	62,192,629	53,708,441	54,883,150	54,883,877	55,250,032	54,298,632	-2.7%
Frederick	520,837,625	514,995,136	507,901,332	514,551,082	498,469,554	507,709,664	-0.5%
Garrett	72,963,926	70,870,905	76,685,744	78,799,058	79,917,795	76,733,840	1.0%
Harford	506,601,866	512,549,045	517,650,783	538,221,412	533,976,694	537,504,447	1.2%
Howard	925,043,948	916,840,984	951,314,833	1,008,311,346	1,043,464,196	1,080,195,065	3.1%
Kent	45,690,335	42,928,781	44,489,807	45,867,643	46,283,593	51,470,759	2.4%
Montgomery	3,202,920,662	3,062,826,649	3,167,340,112	3,375,298,056	3,513,431,299	3,649,242,675	2.6%
Prince George's	1,569,013,901	1,680,273,995	1,698,686,007	1,682,989,919	1,707,555,597	1,693,521,305	1.5%
Queen Anne's	115,195,670	107,764,208	103,040,675	116,603,929	121,085,955	119,798,931	0.8%
St. Mary's	186,080,822	187,861,422	198,668,617	205,389,253	203,718,901	207,254,558	2.2%
Somerset	38,447,616	33,779,921	35,549,213	32,926,967	33,279,412	37,025,153	-0.8%
Talbot	78,546,764	63,078,413	61,741,336	66,906,823	73,659,405	81,222,515	0.7%
Washington	216,686,051	208,576,874	207,633,942	208,605,750	212,209,039	212,755,895	-0.4%
Wicomico	134,046,031	123,775,556	125,092,915	122,952,486	123,697,016	130,067,322	-0.6%
Worcester	188,037,670	176,387,390	172,204,788	174,235,763	175,201,721	170,519,775	-1.9%
<b>Total</b>	<b>\$13,750,549,566</b>	<b>\$13,502,722,243</b>	<b>\$13,875,564,439</b>	<b>\$14,370,484,676</b>	<b>\$14,673,105,914</b>	<b>\$15,053,780,358</b>	<b>1.8%</b>

## Per Capita Net Operating Revenues

County	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	Average Annual Change FY 2009-2014
Allegany	\$1,191	\$1,165	\$1,187	\$1,191	\$1,210	\$1,262	1.2%
Anne Arundel	2,185	2,145	2,178	2,232	2,354	2,427	2.1%
Baltimore City	2,893	2,885	2,999	3,048	2,973	3,043	1.0%
Baltimore	2,192	2,013	2,073	2,170	2,239	2,313	1.1%
Calvert	2,511	2,512	2,695	2,796	2,659	2,637	1.0%
Caroline	1,343	1,261	1,288	1,303	1,372	1,345	0.0%
Carroll	2,026	2,041	2,100	2,138	2,127	2,165	1.3%
Cecil	1,721	1,685	1,712	1,724	1,752	1,745	0.3%
Charles	2,296	2,339	2,365	2,387	2,421	2,466	1.4%
Dorchester	1,916	1,654	1,681	1,679	1,701	1,666	-2.8%
Frederick	2,272	2,230	2,169	2,168	2,081	2,105	-1.5%
Garrett	2,414	2,351	2,549	2,617	2,673	2,562	1.2%
Harford	2,087	2,103	2,111	2,182	2,148	2,157	0.7%
Howard	3,323	3,239	3,296	3,431	3,482	3,543	1.3%
Kent	2,268	2,132	2,203	2,267	2,316	2,598	2.8%
Montgomery	3,397	3,194	3,245	3,399	3,491	3,581	1.1%
Prince George's	1,846	1,963	1,962	1,923	1,934	1,897	0.5%
Queen Anne's	2,448	2,267	2,155	2,413	2,495	2,470	0.2%
St. Mary's	1,826	1,819	1,879	1,906	1,869	1,893	0.7%
Somerset	1,452	1,278	1,343	1,251	1,274	1,421	-0.4%
Talbot	2,105	1,682	1,630	1,762	1,936	2,143	0.4%
Washington	1,477	1,419	1,405	1,402	1,422	1,425	-0.7%
Wicomico	1,380	1,262	1,264	1,228	1,230	1,287	-1.4%
Worcester	3,673	3,437	3,345	3,387	3,399	3,311	-2.1%
<b>Total</b>	<b>\$2,419</b>	<b>\$2,356</b>	<b>\$2,397</b>	<b>\$2,459</b>	<b>\$2,491</b>	<b>\$2,536</b>	<b>1.0%</b>



## Own Source Revenues – Excluding Debt Proceeds

County	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	Average Annual Change FY 2009-2014
Allegany	\$112,719,799	\$110,507,906	\$108,322,302	\$107,786,925	\$107,442,837	\$108,769,921	-0.7%
Anne Arundel	1,333,067,789	1,346,808,405	1,403,245,725	1,486,317,029	1,527,078,438	1,605,059,218	3.8%
Baltimore City	1,631,355,173	1,651,593,931	1,751,221,551	1,803,660,129	1,828,573,526	1,954,841,907	3.7%
Baltimore	1,882,558,187	1,777,630,379	1,857,577,769	1,939,078,216	2,004,631,802	2,073,254,256	1.9%
Calvert	232,825,326	238,186,387	256,594,470	266,741,060	256,648,978	258,315,521	2.1%
Caroline	43,536,843	44,887,384	45,443,344	45,905,995	46,401,157	46,457,457	1.3%
Carroll	368,082,185	374,987,353	400,501,475	403,301,148	390,687,526	401,730,724	1.8%
Cecil	184,909,854	184,976,107	183,134,042	187,701,400	193,995,111	192,864,204	0.8%
Charles	364,389,838	382,365,874	396,275,615	410,789,591	427,870,398	438,013,328	3.7%
Dorchester	55,521,782	52,505,354	53,251,359	55,471,697	55,036,400	55,575,865	0.0%
Frederick	636,291,359	613,983,800	633,578,050	628,525,450	635,425,347	635,949,941	0.0%
Garrett	75,329,595	77,076,207	81,860,976	83,522,650	88,332,470	87,279,052	3.0%
Harford	559,426,182	571,264,148	591,088,100	610,114,143	627,683,130	621,975,134	2.1%
Howard	1,064,305,596	1,058,528,602	1,107,967,652	1,186,777,029	1,204,110,063	1,253,668,149	3.3%
Kent	45,190,222	44,258,546	45,401,494	50,696,751	47,696,341	50,700,696	2.3%
Montgomery	3,882,310,216	3,723,995,658	3,875,611,987	4,199,599,444	4,331,954,239	4,481,345,090	2.9%
Prince George's	2,240,685,571	2,345,880,344	2,365,089,352	2,404,272,628	2,399,565,080	2,422,172,494	1.6%
Queen Anne's	128,489,572	117,385,715	116,884,481	132,173,750	132,993,033	134,129,625	0.9%
St. Mary's	211,092,580	223,514,262	233,171,212	241,508,072	243,964,641	247,100,180	3.2%
Somerset	29,916,409	29,956,414	30,516,048	30,098,256	29,061,717	29,293,306	-0.4%
Talbot	82,879,058	70,846,645	68,152,582	72,842,031	81,525,193	85,787,655	0.7%
Washington	251,245,156	256,256,421	254,504,053	254,638,024	256,877,013	252,840,530	0.1%
Wicomico	149,358,562	144,247,872	146,303,299	146,930,203	150,857,230	149,018,250	0.0%
Worcester	196,245,882	184,208,445	182,868,041	187,094,307	193,145,961	184,331,407	-1.2%
<b>Total</b>	<b>\$15,761,732,736</b>	<b>\$15,625,852,159</b>	<b>\$16,188,564,978</b>	<b>\$16,935,545,927</b>	<b>\$17,261,557,631</b>	<b>\$17,770,473,911</b>	<b>2.4%</b>

## Per Capita Own Source Revenues – Excluding Debt Proceeds

County	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	Average Annual Change FY 2009-2014
Allegany	\$1,510	\$1,471	\$1,444	\$1,445	\$1,452	\$1,477	-0.4%
Anne Arundel	2,538	2,530	2,602	2,727	2,773	2,886	2.6%
Baltimore City	2,630	2,662	2,819	2,905	2,937	3,137	3.6%
Baltimore	2,357	2,217	2,304	2,384	2,449	2,516	1.3%
Calvert	2,652	2,699	2,885	2,987	2,862	2,856	1.5%
Caroline	1,320	1,360	1,374	1,394	1,422	1,423	1.5%
Carroll	2,198	2,245	2,395	2,411	2,337	2,399	1.8%
Cecil	1,845	1,835	1,810	1,847	1,906	1,893	0.5%
Charles	2,534	2,641	2,693	2,752	2,837	2,865	2.5%
Dorchester	1,710	1,617	1,631	1,697	1,695	1,705	-0.1%
Frederick	2,775	2,659	2,705	2,648	2,652	2,637	-1.0%
Garrett	2,493	2,557	2,721	2,774	2,954	2,914	3.2%
Harford	2,304	2,344	2,410	2,473	2,524	2,495	1.6%
Howard	3,823	3,740	3,839	4,038	4,018	4,112	1.5%
Kent	2,243	2,198	2,248	2,505	2,387	2,559	2.7%
Montgomery	4,118	3,883	3,970	4,229	4,304	4,397	1.3%
Prince George's	2,636	2,740	2,731	2,747	2,718	2,713	0.6%
Queen Anne's	2,730	2,470	2,444	2,735	2,740	2,765	0.3%
St. Mary's	2,071	2,164	2,205	2,241	2,238	2,256	1.7%
Somerset	1,130	1,134	1,152	1,143	1,113	1,124	-0.1%
Talbot	2,222	1,889	1,799	1,919	2,142	2,264	0.4%
Washington	1,713	1,744	1,723	1,711	1,722	1,693	-0.2%
Wicomico	1,538	1,471	1,479	1,468	1,500	1,474	-0.8%
Worcester	3,833	3,590	3,552	3,637	3,747	3,579	-1.4%
<b>Total</b>	<b>\$2,773</b>	<b>\$2,727</b>	<b>\$2,797</b>	<b>\$2,898</b>	<b>\$2,930</b>	<b>\$2,994</b>	<b>1.5%</b>

## Total Local Expenditures – Per Capita

County	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	Average Annual Change FY 2009-2014
Allegany	\$3,488	\$3,478	\$3,490	\$3,395	\$3,537	\$3,440	-0.3%
Anne Arundel	4,039	3,903	3,964	3,971	3,972	4,108	0.3%
Baltimore City	5,611	5,771	5,732	5,913	5,849	5,886	1.0%
Baltimore	3,682	3,818	3,892	3,864	4,160	3,977	1.6%
Calvert	4,658	4,584	4,659	4,792	4,470	4,604	-0.2%
Caroline	3,582	3,998	3,826	3,585	3,527	3,674	0.5%
Carroll	4,129	4,096	3,896	3,789	3,849	3,969	-0.8%
Cecil	3,534	3,538	3,713	3,595	3,493	3,627	0.5%
Charles	4,759	4,727	4,582	4,613	4,687	4,869	0.5%
Dorchester	4,458	4,283	3,994	3,577	3,607	3,730	-3.5%
Frederick	4,404	4,425	4,161	4,124	4,088	4,193	-1.0%
Garrett	4,965	4,635	4,557	4,692	4,600	4,559	-1.7%
Harford	4,819	4,551	4,214	4,116	4,133	4,139	-3.0%
Howard	5,447	5,347	5,576	5,679	5,743	5,986	1.9%
Kent	4,001	3,945	4,125	3,715	3,579	3,717	-1.5%
Montgomery	5,976	5,728	5,915	5,642	5,864	6,119	0.5%
Prince George's	4,520	4,550	4,606	4,434	4,579	4,788	1.2%
Queen Anne's	4,293	4,336	4,504	4,122	3,899	4,271	-0.1%
St. Mary's	3,862	3,626	3,534	3,490	3,703	3,796	-0.3%
Somerset	3,420	3,325	3,317	3,108	2,975	3,479	0.3%
Talbot	3,500	2,995	3,431	3,242	3,058	3,206	-1.7%
Washington	3,337	3,375	3,513	3,473	3,450	3,604	1.6%
Wicomico	3,882	3,638	3,386	3,268	3,373	3,812	-0.4%
Worcester	5,956	4,920	4,796	4,703	4,631	4,914	-3.8%
<b>Total</b>	<b>\$4,678</b>	<b>\$4,628</b>	<b>\$4,661</b>	<b>\$4,588</b>	<b>\$4,685</b>	<b>\$4,805</b>	<b>0.5%</b>

## Net Operating Expenditures – Per Capita

County	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	Average Annual Change FY 2009-2014
Allegany	\$1,220	\$1,171	\$1,206	\$1,177	\$1,337	\$1,183	-0.6%
Anne Arundel	2,282	2,263	2,227	2,208	2,278	2,361	0.7%
Baltimore City	2,847	2,962	2,970	3,052	3,033	3,072	1.5%
Baltimore	2,077	2,148	2,118	2,133	2,516	2,290	2.0%
Calvert	2,496	2,498	2,544	2,695	2,602	2,652	1.2%
Caroline	1,414	1,451	1,418	1,307	1,345	1,348	-1.0%
Carroll	2,058	2,130	2,098	2,085	2,112	2,207	1.4%
Cecil	1,697	1,660	1,654	1,647	1,675	1,765	0.8%
Charles	2,431	2,452	2,376	2,385	2,439	2,525	0.8%
Dorchester	1,945	1,638	1,712	1,591	1,647	1,634	-3.4%
Frederick	2,235	2,188	2,067	2,048	2,110	2,129	-1.0%
Garrett	2,605	2,368	2,388	2,723	2,434	2,483	-0.9%
Harford	2,129	2,078	2,071	2,172	2,184	2,190	0.6%
Howard	3,363	3,243	3,289	3,433	3,380	3,597	1.4%
Kent	2,224	2,218	2,634	2,043	2,216	2,276	0.5%
Montgomery	3,764	3,375	3,230	3,184	3,371	3,490	-1.5%
Prince George's	1,872	1,892	1,914	1,927	1,984	2,043	1.8%
Queen Anne's	2,387	2,427	2,411	2,221	2,220	2,363	-0.2%
St. Mary's	1,905	1,769	1,726	1,722	1,865	1,870	-0.4%
Somerset	1,712	1,405	1,401	1,289	1,308	1,741	0.3%
Talbot	1,906	1,825	1,843	1,956	1,874	2,091	1.9%
Washington	1,302	1,351	1,330	1,342	1,370	1,393	1.4%
Wicomico	1,467	1,305	1,203	1,128	1,159	1,246	-3.2%
Worcester	4,327	3,385	3,189	3,215	3,211	3,381	-4.8%
<b>Total</b>	<b>\$2,483</b>	<b>\$2,419</b>	<b>\$2,384</b>	<b>\$2,397</b>	<b>\$2,504</b>	<b>\$2,541</b>	<b>0.5%</b>

## Total County Debt – Per Capita

County	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	Average Annual Change FY 2009-2014
Allegany	\$895	\$846	\$784	\$741	\$747	\$687	-5.2%
Anne Arundel	1,644	1,816	2,016	2,014	2,094	2,238	6.4%
Baltimore City	4,700	4,729	4,999	4,832	4,846	5,172	1.9%
Baltimore	1,989	2,215	2,570	3,001	3,473	3,587	12.5%
Calvert	1,594	1,693	1,789	1,722	1,641	1,655	0.8%
Caroline	1,174	1,341	1,346	1,237	1,159	1,122	-0.9%
Carroll	1,935	2,159	2,206	2,129	2,085	2,081	1.5%
Cecil	1,925	2,108	1,995	1,990	1,856	2,195	2.7%
Charles	2,369	2,336	2,339	2,342	2,292	2,094	-2.4%
Dorchester	563	1,135	1,077	970	877	821	7.8%
Frederick	2,495	2,981	2,858	2,933	2,860	2,818	2.5%
Garrett	1,205	1,162	1,183	1,279	1,515	1,453	3.8%
Harford	2,023	2,661	2,546	2,603	2,579	2,562	4.8%
Howard	3,528	3,582	4,222	4,493	4,599	4,680	5.8%
Kent	1,528	2,081	2,049	1,965	1,655	1,538	0.1%
Montgomery	4,171	4,266	4,477	4,645	4,825	4,934	3.4%
Prince George's	2,430	2,279	2,396	2,459	2,935	2,931	3.8%
Queen Anne's	1,697	2,249	2,496	2,261	2,094	2,429	7.4%
St. Mary's	1,391	1,518	1,393	1,289	1,214	1,180	-3.2%
Somerset	1,048	1,216	1,237	1,377	1,356	1,330	4.9%
Talbot	1,509	1,428	1,295	1,212	1,120	1,106	-6.0%
Washington	1,327	1,364	1,351	1,284	1,269	1,257	-1.1%
Wicomico	1,109	1,164	1,074	999	1,010	1,072	-0.7%
Worcester	2,210	2,022	1,865	1,775	1,668	2,477	2.3%
<b>Total</b>	<b>\$2,695</b>	<b>\$2,813</b>	<b>\$2,982</b>	<b>\$3,070</b>	<b>\$3,240</b>	<b>\$3,334</b>	<b>4.3%</b>

## Local Debt to Assessable Base – Total County Debt

County	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	Percentage Point Change FY 2009-2014
Allegany	2.0%	1.7%	1.5%	1.4%	1.4%	1.3%	-0.7
Anne Arundel	1.1%	1.1%	1.3%	1.4%	1.5%	1.6%	0.6
Baltimore City	8.7%	7.7%	7.9%	8.0%	8.6%	9.3%	0.6
Baltimore	1.9%	2.0%	2.3%	2.9%	3.5%	3.8%	1.8
Calvert	1.1%	1.1%	1.1%	1.2%	1.2%	1.2%	0.1
Caroline	1.3%	1.4%	1.4%	1.4%	1.3%	1.4%	0.0
Carroll	1.6%	1.6%	1.8%	1.8%	1.8%	1.9%	0.3
Cecil	1.8%	1.9%	1.8%	1.9%	1.9%	2.3%	0.5
Charles	1.8%	1.7%	1.8%	2.0%	2.1%	2.0%	0.1
Dorchester	0.6%	1.0%	1.0%	1.0%	0.9%	0.9%	0.3
Frederick	1.9%	2.2%	2.2%	2.6%	2.6%	2.6%	0.7
Garrett	0.8%	0.7%	0.7%	0.8%	0.9%	0.9%	0.1
Harford	1.9%	2.3%	2.2%	2.3%	2.4%	2.4%	0.5
Howard	2.1%	2.0%	2.5%	2.9%	3.1%	3.2%	1.2
Kent	1.1%	1.3%	1.3%	1.3%	1.1%	1.0%	0.0
Montgomery	2.1%	2.2%	2.4%	2.7%	3.0%	3.1%	0.9
Prince George's	2.3%	2.0%	2.1%	2.5%	3.3%	3.4%	1.1
Queen Anne's	0.9%	1.2%	1.4%	1.3%	1.3%	1.5%	0.6
St. Mary's	1.2%	1.2%	1.1%	1.1%	1.1%	1.1%	-0.2
Somerset	1.7%	1.8%	1.9%	2.1%	2.4%	2.3%	0.6
Talbot	0.6%	0.5%	0.5%	0.5%	0.5%	0.5%	-0.1
Washington	1.4%	1.3%	1.4%	1.4%	1.5%	1.5%	0.1
Wicomico	1.5%	1.5%	1.4%	1.4%	1.5%	1.7%	0.2
Worcester	0.6%	0.5%	0.5%	0.5%	0.5%	0.9%	0.3
<b>Total</b>	<b>2.1%</b>	<b>2.1%</b>	<b>2.3%</b>	<b>2.5%</b>	<b>2.8%</b>	<b>3.0%</b>	<b>0.9</b>

## Debt Service Payments – Percent of Net Operating Revenues

County	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	Percentage Point Change FY 2009-2014
Allegany	8.1%	7.7%	8.1%	7.3%	20.5%	5.8%	-2.3
Anne Arundel	12.4%	8.6%	8.6%	9.6%	9.4%	9.4%	-3.0
Baltimore City	5.4%	5.8%	8.1%	7.8%	7.4%	6.6%	1.2
Baltimore	5.0%	5.6%	10.1%	5.9%	6.2%	6.8%	1.7
Calvert	7.5%	10.1%	6.8%	6.6%	7.2%	7.2%	-0.3
Caroline	8.8%	21.0%	18.1%	9.8%	8.1%	7.7%	-1.1
Carroll	10.6%	13.2%	11.1%	11.9%	11.4%	11.5%	0.9
Cecil	8.8%	10.1%	9.9%	9.7%	9.0%	9.0%	0.3
Charles	7.5%	10.8%	10.2%	12.1%	10.6%	11.1%	3.5
Dorchester	4.8%	6.2%	8.0%	8.1%	7.5%	7.6%	2.8
Frederick	9.5%	9.7%	11.0%	11.3%	11.7%	11.6%	2.1
Garrett	6.0%	3.0%	4.0%	1.7%	1.6%	1.7%	-4.2
Harford	12.3%	14.2%	9.9%	11.9%	11.5%	11.4%	-0.9
Howard	9.9%	10.2%	10.3%	10.8%	10.5%	11.0%	1.1
Kent	4.8%	7.1%	29.2%	7.7%	11.2%	6.2%	1.3
Montgomery	16.3%	9.0%	19.4%	9.4%	10.4%	9.4%	-6.9
Prince George's	10.8%	9.5%	10.1%	10.3%	10.1%	10.2%	-0.5
Queen Anne's	7.4%	8.2%	10.9%	10.2%	9.2%	9.4%	2.0
St. Mary's	7.6%	6.6%	7.3%	6.5%	6.2%	6.5%	-1.2
Somerset	24.3%	11.5%	7.1%	7.5%	7.5%	28.9%	4.6
Talbot	1.0%	1.3%	1.0%	0.5%	0.4%	0.4%	-0.6
Washington	6.7%	7.4%	7.5%	7.5%	7.6%	7.4%	0.7
Wicomico	9.2%	10.4%	11.3%	11.5%	10.7%	9.1%	-0.1
Worcester	4.8%	6.6%	6.8%	6.7%	6.1%	6.5%	1.7
<b>Total</b>	<b>10.2%</b>	<b>8.6%</b>	<b>11.7%</b>	<b>9.0%</b>	<b>9.2%</b>	<b>8.9%</b>	<b>-1.3</b>

## Total General Fund Balance

County	FY 2011	FY 2012	FY 2013	FY 2014	Percent Change FY 2011-2014
Allegany	\$17,225,132	\$17,891,065	\$19,699,784	\$23,458,135	36.2%
Anne Arundel	61,041,736	79,509,233	115,739,215	119,473,032	95.7%
Baltimore City	204,900,000	255,972,000	299,014,000	300,487,000	46.7%
Baltimore	250,054,000	402,232,000	462,133,668	433,982,000	73.6%
Calvert	66,543,067	66,515,686	67,028,204	60,191,628	-9.5%
Caroline	3,110,988	3,738,944	4,926,731	6,122,253	96.8%
Carroll	96,030,595	108,677,023	104,887,508	104,044,469	8.3%
Cecil	36,353,528	37,769,681	45,320,951	40,011,161	10.1%
Charles	40,384,301	45,506,927	48,387,384	44,207,777	9.5%
Dorchester	5,425,357	8,529,867	9,550,136	8,884,114	63.8%
Frederick	85,225,402	100,600,171	94,355,542	77,501,195	-9.1%
Garrett	23,522,978	19,553,273	26,501,224	28,563,802	21.4%
Harford	96,800,298	98,709,068	89,315,296	72,788,477	-24.8%
Howard	92,673,216	111,878,752	133,659,898	126,277,139	36.3%
Kent	5,637,023	6,649,994	6,149,146	10,429,608	85.0%
Montgomery	202,049,509	415,454,446	508,515,516	599,744,611	196.8%
Prince George's	378,160,398	383,687,784	359,361,974	301,086,446	-20.4%
Queen Anne's	5,818,522	12,799,094	15,987,396	18,421,507	216.6%
St. Mary's	46,509,314	60,048,247	54,178,018	46,440,576	-0.1%
Somerset	13,445,093	14,299,388	13,707,879	12,915,189	-3.9%
Talbot	23,923,304	16,887,413	19,523,270	20,846,863	-12.9%
Washington	37,572,914	38,632,885	38,840,220	38,190,469	1.6%
Wicomico	30,899,146	39,054,291	43,484,765	45,877,433	48.5%
Worcester	42,086,209	49,787,210	56,742,456	49,599,733	17.9%
<b>Total</b>	<b>\$1,865,392,030</b>	<b>\$2,394,384,442</b>	<b>\$2,637,010,181</b>	<b>\$2,589,544,617</b>	<b>38.8%</b>



## Total Unrestricted General Fund Balance – Percent of General Fund Revenues

County	FY 2011	FY 2012	FY 2013	FY 2014	Percentage Point Change FY 2011-2014
Allegany	19.5%	20.1%	22.2%	25.8%	6.3
Anne Arundel	5.4%	6.8%	9.3%	8.1%	2.7
Baltimore City	14.4%	15.6%	18.6%	18.2%	3.9
Baltimore	15.1%	18.2%	22.8%	22.6%	7.6
Calvert	25.0%	24.0%	26.3%	23.2%	-1.8
Caroline	7.1%	8.6%	11.1%	13.7%	6.5
Carroll	14.0%	16.3%	15.4%	14.1%	0.1
Cecil	21.2%	22.5%	22.9%	17.2%	-4.0
Charles	12.7%	12.7%	12.6%	11.8%	-0.9
Dorchester	11.4%	16.9%	18.5%	17.1%	5.7
Frederick	14.0%	17.4%	20.5%	15.6%	1.6
Garrett	29.6%	17.8%	26.5%	26.5%	-3.1
Harford	18.8%	20.4%	18.3%	14.3%	-4.4
Howard	11.4%	12.9%	14.9%	13.6%	2.3
Kent	11.6%	13.2%	11.8%	20.4%	8.7
Montgomery	7.4%	14.5%	17.3%	19.5%	12.0
Prince George's	23.5%	22.9%	21.5%	17.8%	-5.7
Queen Anne's	5.6%	10.6%	13.0%	15.3%	9.7
St. Mary's	23.2%	29.2%	25.9%	21.6%	-1.5
Somerset	40.0%	45.4%	44.1%	37.8%	-2.2
Talbot	39.0%	26.4%	27.6%	27.0%	-12.0
Washington	18.6%	18.6%	18.3%	18.2%	-0.4
Wicomico	24.4%	32.7%	35.6%	35.9%	11.5
Worcester	24.6%	28.8%	32.7%	29.4%	4.8
<b>Total</b>	<b>14.1%</b>	<b>16.8%</b>	<b>18.6%</b>	<b>17.9%</b>	<b>3.7</b>

## Per Capita Net Operating Surplus (Deficit)

County	FY 2011	FY 2012	FY 2013	FY 2014	Per Capita Change FY 2011-2014
Allegany	(\$19)	\$14	(\$128)	\$79	\$97
Anne Arundel	(48)	24	76	66	114
Baltimore City	29	(4)	(60)	(29)	(58)
Baltimore	(45)	37	(277)	22	67
Calvert	151	100	56	(14)	(165)
Caroline	(130)	(4)	27	(2)	128
Carroll	2	53	15	(42)	(44)
Cecil	58	76	78	(20)	(78)
Charles	(11)	2	(17)	(59)	(49)
Dorchester	(31)	88	54	33	64
Frederick	101	120	(29)	(24)	(126)
Garrett	161	(105)	238	79	(82)
Harford	40	9	(36)	(33)	(73)
Howard	6	(2)	102	(53)	(60)
Kent	(431)	224	100	322	753
Montgomery	14	215	120	90	76
Prince George's	48	(4)	(50)	(146)	(194)
Queen Anne's	(256)	192	275	107	363
St. Mary's	153	184	4	23	(130)
Somerset	(58)	(39)	(34)	(320)	(262)
Talbot	(213)	(194)	61	52	265
Washington	76	60	52	32	(44)
Wicomico	62	101	71	40	(21)
Worcester	156	172	187	(70)	(226)
<b>Total</b>	<b>\$13</b>	<b>\$62</b>	<b>(\$13)</b>	<b>(\$5)</b>	<b>(\$18)</b>

## Local Total Unfunded OPEB Liabilities (Assets)

County	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	Average Annual Change FY 2009-2014
Allegany	\$25,521,000	\$25,521,000	\$23,155,814	\$23,155,814	\$22,073,296	\$17,606,660	-7.2%
Anne Arundel	1,284,474,000	990,107,000	1,068,536,000	1,187,938,000	1,265,890,000	857,983,000	-7.8%
Baltimore City	2,387,100,000	2,415,200,000	2,022,700,000	2,073,700,000	1,493,300,000	1,333,100,000	-11.0%
Baltimore	1,602,221,000	1,602,221,000	1,782,352,000	3,020,261,000	1,475,840,000	1,355,380,000	-3.3%
Calvert	25,690,319	29,362,813	29,362,813	32,379,770	32,379,770	51,506,080	14.9%
Caroline	6,558,472	3,590,491	3,733,172	3,079,000	3,231,000	48,608	-62.5%
Carroll	137,907,942	137,907,942	119,913,950	119,913,950	106,709,700	106,709,700	-5.0%
Cecil	5,939,000	5,939,000	7,261,000	7,261,000	7,540,739	7,648,000	5.2%
Charles	159,294,000	123,610,337	133,871,241	143,119,803	154,462,185	153,860,360	-0.7%
Dorchester	15,302,442	15,302,442	22,606,612	22,890,978	16,750,393	16,993,413	2.1%
Frederick	160,640,108	174,113,600	186,786,522	157,828,305	119,873,047	112,116,612	-6.9%
Garrett	11,590,370	11,831,475	15,665,942	15,642,327	13,829,466	13,813,758	3.6%
Harford	115,615,141	111,534,367	113,124,000	122,328,000	124,102,000	120,950,000	0.9%
Howard	673,464,000	673,464,000	651,330,901	651,330,901	717,196,000	717,196,000	1.3%
Kent	1,739,000	3,821,995	5,709,269	6,994,269	8,345,670	8,811,439	38.3%
Montgomery	1,125,943,000	1,125,943,000	1,699,268,000	1,811,488,000	1,311,083,000	939,887,000	-3.5%
Prince George's	762,335,000	762,618,000	807,518,000	782,886,000	830,844,000	1,536,646,000	15.0%
Queen Anne's	49,107,000	63,435,000	70,070,000	76,872,000	93,833,000	94,699,210	14.0%
St. Mary's	51,103,000	48,885,000	49,452,000	47,857,000	48,174,000	48,343,442	-1.1%
Somerset	10,534,759	10,534,759	10,482,385	10,482,385	11,872,984	11,872,984	2.4%
Talbot	13,455,000	14,689,000	14,689,000	4,825,089	4,819,327	3,488,485	-23.7%
Washington	15,337,850	16,831,895	16,831,895	9,404,439	7,598,445	7,528,784	-13.3%
Wicomico	21,328,925	21,119,226	21,747,687	23,388,341	22,832,755	20,253,847	-1.0%
Worcester	10,353,040	10,353,040	20,067,610	20,067,610	27,672,009	27,672,009	21.7%
<b>Total</b>	<b>\$8,672,554,368</b>	<b>\$8,397,936,382</b>	<b>\$8,896,235,813</b>	<b>\$10,375,093,981</b>	<b>\$7,920,252,786</b>	<b>\$7,564,115,391</b>	<b>-2.7%</b>

## Local Unfunded OPEB Liabilities – Per Capita

County	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	Average Annual Change FY 2009-2014
Allegany	\$342	\$340	\$309	\$310	\$298	\$239	-6.9%
Anne Arundel	2,445	1,860	1,981	2,179	2,299	1,543	-8.8%
Baltimore City	3,849	3,892	3,256	3,340	2,398	2,139	-11.1%
Baltimore	2,006	1,998	2,211	3,714	1,803	1,645	-3.9%
Calvert	293	333	330	363	361	569	14.2%
Caroline	199	109	113	94	99	1	-62.4%
Carroll	824	826	717	717	638	637	-5.0%
Cecil	59	59	72	71	74	75	4.8%
Charles	1,108	854	910	959	1,024	1,006	-1.9%
Dorchester	471	471	692	700	516	521	2.0%
Frederick	701	754	798	665	500	465	-7.9%
Garrett	384	392	521	520	463	461	3.8%
Harford	476	458	461	496	499	485	0.4%
Howard	2,419	2,379	2,257	2,216	2,393	2,353	-0.6%
Kent	86	190	283	346	418	445	38.8%
Montgomery	1,194	1,174	1,741	1,824	1,303	922	-5.0%
Prince George's	897	891	933	894	941	1,721	13.9%
Queen Anne's	1,043	1,335	1,465	1,590	1,933	1,952	13.3%
St. Mary's	501	473	468	444	442	441	-2.5%
Somerset	398	399	396	398	455	456	2.7%
Talbot	361	392	388	127	127	92	-23.9%
Washington	105	115	114	63	51	50	-13.6%
Wicomico	220	215	220	234	227	200	-1.8%
Worcester	202	202	390	390	537	537	21.6%
<b>Total</b>	<b>\$1,526</b>	<b>\$1,466</b>	<b>\$1,537</b>	<b>\$1,775</b>	<b>\$1,345</b>	<b>\$1,274</b>	<b>-3.5%</b>