

State Aid to Anne Arundel County

Fiscal 2025

State Aid Overview

- Anne Arundel County will receive \$755.5 million in State aid in fiscal 2025. Of this amount, \$666.5 million is direct aid, and \$89.0 million is for retirement payments.
- Anne Arundel County will receive a 5.4% increase in State funding in fiscal 2025, with total State aid increasing by \$38.4 million over the prior year. Direct aid increases by \$21.1 million, while retirement payments increase by \$17.3 million.
- The vast majority of this funding is targeted to the public school system, which receives around 84% of the total State aid provided to Anne Arundel County. The community college system receives around 6.6%, and only around 7.5% is targeted to the county and municipal governments.

County-Municipal Aid

- Anne Arundel County will receive \$57.0 million in county-municipal aid, which represents a \$3.0 million, or 5.6%, increase from the prior year.
- State funding includes \$29.2 million in gaming impact aid, \$13.3 million for highway user revenues, \$12.8 million for police aid, and \$1.2 million for fire and rescue aid.

Public Safety Grants

- Anne Arundel County will receive \$9.1 million in funding under the existing police aid formula and \$3.7 million in enhanced funding based on the number of violent crime offenses occurring within the county.
- The majority of State funding under the police aid formula is based on population density. More urbanized jurisdictions with a higher population density receive a higher per capita grant amount. A small component of the formula (representing 4.2% of overall funding) targets funding to municipalities based on the number of sworn officers. Funding in fiscal 2025 is based on \$1,950 per sworn officer.
- Since fiscal 2004, local governments must reimburse the State for 30% of the State Police crime lab costs, which will total \$5.9 million in fiscal 2025. The reimbursements are based on local crime rates (one-third) and local wealth (two-thirds). The Anne Arundel County share of these costs will total around \$629,400 in fiscal 2025. The local reimbursement is deducted from each jurisdiction's police aid amount.

- Anne Arundel County will receive \$1.2 million in fire and rescue aid in fiscal 2025. Each county’s funding is based on their share of property tax accounts relative to the statewide total. Each county is guaranteed a minimum 2% share of total funds (\$300,000).

Transportation Aid

- Anne Arundel County will receive \$13.3 million in local highway user revenues in fiscal 2025, which represents a \$2.1 million, or 18.3% increase over the prior year. The county and municipal share is based on road mileage and vehicle registration. In fiscal 2025, the Anne Arundel County government will receive \$9.9 million in local highway user revenues, the City of Annapolis will receive \$3.3 million, and the Town of Highland Beach will receive \$20,000.
- State funding for local highway user revenues is based on the amount of revenue allocated to the Gasoline and Motor Vehicle Revenue Account (GMVRA). In fiscal 2025, State funding to local governments is based on 18% of total GMVRA revenues. Of this amount:
 - 61.1% goes to Baltimore City (11.0% of GMVRA);
 - 23.9% goes to county governments (4.3% of GMVRA); and
 - 15.0% goes to municipalities (2.7% of GMVRA).
- Under current law, these distributions increase for fiscal 2026 and 2027. Beginning in fiscal 2028, the allocations revert to the fiscal 2024 distribution, as shown in the following table.
- However, the Budget Reconciliation and Financing Act (BRFA) includes a provision that will revert the distribution back to the fiscal 2024 levels beginning in fiscal 2026. This legislative action will result in a \$3.4 million reduction in State funding for jurisdictions in Anne Arundel County in both fiscal 2026 and 2027. Statewide, the funding reduction totals approximately \$100 million in both fiscal years.

Local Share of Highway User Revenues

	<u>FY 23</u>	<u>FY 24</u>	<u>FY 25</u>	<u>FY 26</u>	<u>FY 27</u>
MDOT	86.5%	84.4%	82.0%	80.0%	80.0%
Baltimore City	8.3%	9.5%	11.0%	12.2%	12.2%
Counties	3.2%	3.7%	4.3%	4.8%	4.8%
Municipalities	2.0%	2.4%	2.7%	3.0%	3.0%

MDOT: Maryland Department of Transportation

Source: Department of Legislative Services

Local Health Grants

- Anne Arundel County will receive \$10.2 million in local health grants in fiscal 2025, which represents a 7.8% increase over the prior year. Statewide, local health departments will receive \$123.2 million, which represents a \$7.4 million, or 6.4%, increase from the prior year. Anne Arundel County will receive a higher increase in funding this year than the statewide average.

Gaming Impact Aid

- Anne Arundel County will receive \$29.2 million in gaming impact aid in fiscal 2025.

Local Library and Community College Aid

- Anne Arundel County will receive \$3.1 million in local library aid and \$44.1 million in State support for the local community college. State funding for Anne Arundel Community College will decrease by \$1.9 million in fiscal 2025.
- The BRFA includes a provision that rebases the Cade funding formula and will reduce statewide funding for community colleges by \$22.6 million over current law funding amounts. In Anne Arundel County, the projected reduction totals around \$1.9 million.

Education Aid

- The vast majority of State funding is targeted to the public school system. Direct State aid to the Anne Arundel County Public School System accounts for approximately 73% of total State aid provided to the county; and funding for teacher retirement accounts for around 11% of total State aid.
- In fiscal 2025, the Anne Arundel County Public School System will receive \$552.2 million in direct aid, which represents a \$19.0 million, or 3.6%, increase from the prior year. In addition, the State will provide \$80.7 million in funding for teacher retirement payments.
- On a per pupil basis, Anne Arundel County will receive \$7,741 in State funding: \$6,755 per pupil in direct aid; and \$987 per pupil for teacher retirement payments.
- Anne Arundel County will receive a 3.8% increase in per pupil direct aid in fiscal 2025. This is above the statewide average increase of 3.2%.

Blueprint and Targeted Funding

- Anne Arundel County will receive \$26.1 million in State funding under the Blueprint Initiatives in fiscal 2025. This includes \$2.4 million for supplemental instruction, \$12.3 million in concentration of poverty grants, \$9.4 million for full-day prekindergarten, and \$0.9 million for college and career programs.
- A considerable amount of State education funding is based on targeted student populations, with Anne Arundel County receiving \$169.3 million in targeted grants under the compensatory aid, English Language Learners (ELL), and special education programs. Of these three programs, Anne Arundel County receives \$101.2 million in compensatory aid funding, \$37.5 million in special education funding and \$30.6 million in ELL grant.

Student Enrollment

- The full-time equivalent student (FTES) enrollment count decreases by 0.2% in Anne Arundel County. In comparison, the statewide average FTES enrollment count increases by 0.1%. Currently, the county school system has around 82,000 public school students, which accounts for approximately 10% of students statewide.
- The number of students approved for free and reduced-price meals (FRPM) decreases by 2.5% in Anne Arundel County. In comparison, the statewide average FRPM count increases by 1.3%. Anne Arundel County has a below average percentage of students approved for FRPM at 40.9% of total student enrollment. Statewide, over half of the students are approved for FRPM and this ranges from around 27% in Carroll County to almost 90% in Dorchester County and Baltimore City.
- Anne Arundel County has the seventh highest percentage of students identified as ELL at 10.4% of total student enrollment. In fiscal 2025, the number of ELL students increases by 6.7%, resulting in 539 additional students requiring language services.
- Anne Arundel County has a below average share of students receiving special education services at 13.2% of total enrollment. This compares to the statewide average of 13.9%.
- The targeted student index measures the percent share of a school system's student enrollment approved for FRPM, ELL, and special education services. While Anne Arundel County has a below average targeted student index of 64.5%, a significant portion of the county's public school students has been identified as needing additional educational services to meet academic performance standards. The targeted student index ranges from 42.3% in Carroll County to 117.4% in Baltimore City, with the statewide average at 78.3%.
- Statewide, public-school enrollment represents 13.9% of the total State population. In Anne Arundel County, public school enrollment represents 13.8% of the overall county population. In comparison, Kent County has the lowest share, with public school enrollment accounting for 8.4% of the total county population while Howard County has the highest share at 16.7%.

STATE AID TO LOCAL GOVERNMENTS -- ANNE ARUNDEL COUNTY

	<u>FY 2024</u>	<u>FY 2025</u>	<u>\$ Difference</u>	<u>% Difference</u>
Direct Aid				
Foundation Aid	\$285,529,749	\$292,093,634	\$6,563,885	2.3
Comparable Wage Index	15,250,144	15,600,721	350,577	2.3
Compensatory Aid	103,235,870	101,190,821	-2,045,049	-2.0
Student Transportation - Regular	30,194,925	30,496,874	301,949	1.0
Student Transportation - Special Education	2,014,000	2,195,000	181,000	9.0
Special Education - Formula	32,637,265	37,473,467	4,836,202	14.8
Special Education - Nonpublic Placements	11,488,276	11,488,276	0	0.0
Special Education - Infants and Toddlers	1,391,834	1,492,349	100,515	7.2
English Language Learners Grant	27,630,202	30,595,752	2,965,550	10.7
Teacher Development Grants	4,000	4,000	0	0.0
Food Service	1,721,585	1,643,426	-78,159	-4.5
Innovative Programs	25,885	25,885	0	0.0
Out-of-County Placements	193,487	193,487	0	0.0
Judy Hoyer Centers	660,000	660,000	0	0.0
Prekindergarten Expansion Program	900,000	900,000	0	0.0
Blueprint - Concentration of Poverty	7,305,727	12,341,701	5,035,974	68.9
Blueprint - Transitional Supplemental Instructor	3,239,033	2,366,622	-872,411	-26.9
Blueprint - Full Day PreKindergarten	6,714,183	9,369,843	2,655,660	39.6
Blueprint - College and Career Readiness	1,737,630	944,397	-793,233	-45.7
Blueprint - Career Ladder	1,283,069	1,102,734	-180,335	-14.1
Blueprint - Coordinators	64,475	0	-64,475	-100.0
Education	\$533,221,339	\$552,178,989	\$18,957,650	3.6
Library Formula	2,906,824	3,117,038	210,214	7.2
Libraries	\$2,906,824	\$3,117,038	\$210,214	7.2
Community College Formula	43,819,073	41,821,380	-1,997,693	-4.6
Grants for ESOL Programs	183,296	291,640	108,344	59.1
Optional Retirement	1,911,522	1,939,421	27,899	1.5
Community Colleges	\$45,913,891	\$44,052,441	-\$1,861,450	-4.1
Local Health Formula	9,436,923	10,177,629	740,706	7.8
Health	\$9,436,923	\$10,177,629	\$740,706	7.8
Highway User Revenue	11,208,400	13,264,287	2,055,887	18.3
Elderly & Disabled Transportation Grants	245,966	253,689	7,723	3.1
Paratransit Grants	117,351	117,351	0	0.0
Transportation	\$11,571,717	\$13,635,327	\$2,063,610	17.8
Police Aid	9,031,486	9,053,108	21,622	0.2
Fire and Rescue Aid	1,248,294	1,248,294	0	0.0
Police Aid Enhancement	2,956,148	3,748,220	792,072	26.8
Public Safety	\$13,235,928	\$14,049,622	\$813,694	6.1

STATE AID TO LOCAL GOVERNMENTS -- ANNE ARUNDEL COUNTY

	<u>FY 2024</u>	<u>FY 2025</u>	<u>\$ Difference</u>	<u>% Difference</u>
Direct Aid				
Payment in Lieu of Taxes (PILOTS)	75,000	75,000	0	0.0
Gaming Impact Grants	29,038,609	29,192,282	153,673	0.5
Shared Taxes	\$29,113,609	\$29,267,282	\$153,673	0.5
Other Direct Aid	38,200	38,200	0	0.0
Other	\$38,200	\$38,200	\$0	0.0
Total Direct Aid	\$645,438,431	\$666,516,528	\$21,078,097	3.3
Payments in Behalf				
Retirement - Teachers	\$64,727,582	\$80,658,942	\$15,931,360	24.6
Retirement - Libraries	1,848,495	2,223,818	375,323	20.3
Retirement - Community College	5,076,891	6,102,147	1,025,256	20.2
Total Payments in Behalf	\$71,652,968	\$88,984,907	\$17,331,939	24.2
 Total State Aid	 \$717,091,399	 \$755,501,435	 \$38,410,036	 5.4