

State Aid to Frederick County

Fiscal 2025

State Aid Overview

- Frederick County will receive \$476.0 million in State aid in fiscal 2025. Of this amount, \$427.2 million is direct aid, and \$48.9 million is for retirement payments.
- Frederick County will receive a 6.6% increase in State funding in fiscal 2025, with total State aid increasing by \$29.3 million over the prior year. Direct aid increases by \$17.6 million, while retirement payments increase by \$11.8 million.
- The vast majority of this funding is targeted to the public school system, which receives around 90% of the total State aid provided to Frederick County. The community college system receives around 5.0%, and only around 3.5% is targeted to the county and municipal governments.

County-Municipal Aid

- Frederick County will receive \$16.6 million in county-municipal aid, which represents a \$2.1 million, or 14.6%, increase from the prior year.
- State funding includes \$11.8 million for highway user revenues, \$4.0 million for police aid, and \$0.6 million for fire and rescue aid.

Public Safety Grants

- Frederick County will receive \$2.7 million in funding under the existing police aid formula and \$1.3 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 Frederick County share of these costs will total around \$231,000 in fiscal 2025. The local reimbursement is deducted from each jurisdiction's police aid amount.

- Frederick County will receive \$607,200 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

- Frederick County will receive \$11.8 million in local highway user revenues in fiscal 2025, which represents a \$1.7 million, or 17.0% increase over the prior year. The county and municipal share is based on road mileage and vehicle registration. In fiscal 2025, the Frederick County government will receive \$4.9 million, and the municipalities will receive \$6.9 million in local highway user revenues.
- 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 \$2.9 million reduction in State funding for jurisdictions in Frederick 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

- Frederick County will receive \$5.5 million in local health grants in fiscal 2025, which represents an 8.0% 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. Frederick County will receive a higher increase in funding this year than the statewide average.

Local Library and Community College Aid

- Frederick County will receive \$2.0 million in local library aid and \$21.4 million in State support for the local community college. State funding for Frederick Community College will increase by \$1.8 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 Frederick County, the projected reduction totals around \$70,000.

Education Aid

- The vast majority of State funding is targeted to the public school system. Direct State aid to the Frederick County Public School System accounts for approximately 80% of total State aid provided to the county; and funding for teacher retirement accounts for around 10% of total State aid.
- In fiscal 2025, the Frederick County Public School System will receive \$381.7 million in direct aid, which represents a \$13.1 million, or 3.6%, increase from the prior year. In addition, the State will provide \$45.3 million in funding for teacher retirement payments.
- On a per pupil basis, Frederick County will receive \$9,277 in State funding: \$8,294 per pupil in direct aid; and \$983 per pupil for teacher retirement payments.
- Frederick County will receive a 1.8% increase in per pupil direct aid in fiscal 2025. This is below the statewide average increase of 3.2%.

Blueprint and Targeted Funding

- Frederick County will receive \$13.8 million in State funding under the Blueprint Initiatives in fiscal 2025. This includes \$1.4 million for supplemental instruction, \$4.0 million in concentration of poverty grants, \$6.9 million for full-day prekindergarten, and \$1.2 million for college and career programs.

- A considerable amount of State education funding is based on targeted student populations, with Frederick County receiving \$104.8 million in targeted grants under the compensatory aid, English Language Learners (ELL), and special education programs. Of these three programs, Frederick County receives \$59.0 million in compensatory aid funding, \$27.6 million in special education funding and \$18.2 million in ELL grant.

Student Enrollment

- The full-time equivalent student (FTES) enrollment count increases by 1.8% in Frederick County, which exceeds the statewide average increase (0.1%). Currently, the county school system has around 46,000 public school students, which accounts for approximately 5.4% of students statewide.
- The number of students approved for free and reduced-price meals (FRPM) increases by 3.0% in Frederick County, which exceeds the statewide average increase of 1.3%. This increase is the eleventh highest in the State. Frederick County currently has the fourth lowest percentage of students approved for FRPM at 33.4% 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.
- Frederick County has the ninth highest percentage of students identified as ELL at 8.1% of total student enrollment. In fiscal 2025, the number of ELL students increases by 7.9%, resulting in 272 additional students requiring language services. This represents an above average percent increase in the number of ELL students, with the statewide annual increase averaging 6.1%.
- Frederick County has a below average share of students receiving special education services and is ranked thirteenth in the share of students receiving special education in the State. In fiscal 2025, the number of students receiving special education services accounts for 12.8% of total enrollment, compared to the statewide average of 13.9%.
- Frederick County has the fifth lowest targeted student index in the State at 54.3%. This index adds together the percent share of FTES who are approved for FRPM, ELL, and special education services. 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 Frederick County, public school enrollment represents 16.0% of the overall county population (the second highest share in the State). 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 -- FREDERICK COUNTY

	<u>FY 2024</u>	<u>FY 2025</u>	<u>\$ Difference</u>	<u>% Difference</u>
Direct Aid				
Foundation Aid	\$225,335,405	\$229,015,137	\$3,679,732	1.6
Comparable Wage Index	5,189,474	5,274,219	84,745	1.6
Compensatory Aid	58,439,179	58,976,380	537,201	0.9
Student Transportation - Regular	16,968,709	17,454,708	485,999	2.9
Student Transportation - Special Education	1,152,000	1,241,000	89,000	7.7
Special Education - Formula	24,043,094	27,553,872	3,510,778	14.6
Special Education - Nonpublic Placements	5,383,923	5,383,923	0	0.0
Special Education - Infants and Toddlers	461,213	494,520	33,307	7.2
English Language Learners Grant	16,706,844	18,227,627	1,520,783	9.1
Teacher Development Grants	4,000	4,000	0	0.0
Food Service	461,669	1,063,966	602,297	130.5
Innovative Programs	571,996	571,996	0	0.0
Out-of-County Placements	35,183	35,183	0	0.0
Judy Hoyer Centers	1,650,000	1,650,000	0	0.0
Prekindergarten Expansion Program	900,000	900,000	0	0.0
Blueprint - Concentration of Poverty	2,151,250	4,016,910	1,865,660	86.7
Blueprint - Transitional Supplemental Instructor	2,249,338	1,432,576	-816,762	-36.3
Blueprint - Full Day PreKindergarten	4,520,563	6,923,726	2,403,163	53.2
Blueprint - College and Career Readiness	1,873,620	1,159,232	-714,388	-38.1
Blueprint - Career Ladder	388,489	313,022	-75,467	-19.4
Blueprint - Coordinators	92,170	0	-92,170	-100.0
Education	\$368,578,119	\$381,691,997	\$13,113,878	3.6
Library Formula	1,905,586	1,990,769	85,183	4.5
Libraries	\$1,905,586	\$1,990,769	\$85,183	4.5
Community College Formula	18,548,628	20,209,612	1,660,984	9.0
Grants for ESOL Programs	153,888	204,608	50,720	33.0
Optional Retirement	836,162	958,126	121,964	14.6
Community Colleges	\$19,538,678	\$21,372,346	\$1,833,668	9.4
Local Health Formula	5,092,051	5,500,696	408,645	8.0
Health	\$5,092,051	\$5,500,696	\$408,645	8.0
Highway User Revenue	10,075,624	11,793,034	1,717,410	17.0
Elderly & Disabled Transportation Grants	159,159	164,157	4,998	3.1
Transportation	\$10,234,783	\$11,957,191	\$1,722,408	16.8
Police Aid	2,659,892	2,734,917	75,025	2.8
Fire and Rescue Aid	607,216	607,216	0	0.0

STATE AID TO LOCAL GOVERNMENTS -- FREDERICK COUNTY

	<u>FY 2024</u>	<u>FY 2025</u>	<u>\$ Difference</u>	<u>% Difference</u>
Direct Aid				
Police Aid Enhancement	980,637	1,301,276	320,639	32.7
Public Safety	\$4,247,745	\$4,643,409	\$395,664	9.3
Total Direct Aid	\$409,596,962	\$427,156,408	\$17,559,446	4.3
Payments in Behalf				
Retirement - Teachers	\$34,149,836	\$45,255,467	\$11,105,631	32.5
Retirement - Libraries	1,032,937	1,234,444	201,507	19.5
Retirement - Community College	1,957,608	2,402,706	445,098	22.7
Total Payments in Behalf	\$37,140,381	\$48,892,617	\$11,752,236	31.6
Total State Aid	\$446,737,343	\$476,049,025	\$29,311,682	6.6