

# **State Aid to Howard County**

## **Fiscal 2025**

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### **State Aid Overview**

- Howard County will receive \$498.7 million in State aid in fiscal 2025. Of this amount, \$421.9 million is direct aid, and \$76.8 million is for retirement payments.
- Howard County will receive a 5.7% increase in State funding in fiscal 2025, with total State aid increasing by \$27.0 million over the prior year. Direct aid increases by \$10.1 million, while retirement payments increase by \$16.8 million.
- The vast majority of this funding is targeted to the public school system, which receives 87.7% of the total State aid provided to Howard County. The community college system receives 7.6%, and the county government receives 2.6%.

### **County Government Aid**

- Howard County will receive \$12.9 million in county-municipal aid, which represents a \$1.1 million, or 9.7%, increase from the prior year.
- State funding includes \$6.2 million in transportation grants, \$6.0 million for police aid, and \$0.6 million for fire and rescue aid.

### **Public Safety Grants**

- Howard County will receive \$5.0 million in funding under the existing police aid formula and \$1.0 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.
- 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 Howard County share of these costs will total \$367,200 in fiscal 2025. The local reimbursement is deducted from each jurisdiction's police aid amount.

- Howard County will receive \$622,100 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**

- Howard County will receive \$5.6 million in local highway user revenues in fiscal 2025, which represents a \$0.9 million, or 19.3% increase over the prior year. The county and municipal share is based on road mileage and vehicle registration.
- 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 \$1.5 million reduction in State funding for Howard County in both fiscal 2026 and 2027. Statewide, the funding reduction totals approximately \$100 million in both fiscal years.

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**Local Share of Highway User Revenues**

	<u><b>FY 23</b></u>	<u><b>FY 24</b></u>	<u><b>FY 25</b></u>	<u><b>FY 26</b></u>	<u><b>FY 27</b></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

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## **Local Health Grants**

- Howard County will receive \$6.6 million in local health grants in fiscal 2025, representing a \$0.6 million, or 10.8% increase from 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.

## **Local Library and Community College Aid**

- Howard County will receive \$1.3 million in local library aid and \$34.1 million in State support for the local community college. State funding for Howard Community College will decrease by \$1.3 million, or 3.7% 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 Howard County, the projected reduction totals \$1.4 million.

## **Education Aid**

- The vast majority of State funding is targeted to the public school system. Direct State aid to the Howard County Public School System accounts for 73.6% of total State aid provided to the county; and funding for teacher retirement accounts for 14.0% of total State aid.
- In fiscal 2025, the Howard County Public School System will receive \$367.1 million in direct aid, which represents a \$9.6 million, or 2.7%, increase from the prior year. In addition, the State will provide \$70.0 million in funding for teacher retirement payments.
- On a per pupil basis, Howard County will receive \$7,819 in State funding: \$6,566 per pupil in direct aid; and \$1,253 per pupil for teacher retirement payments.
- Howard County will receive a 3.1% increase in per pupil direct aid in fiscal 2025. This is close to the statewide average increase of 3.2%.

## **Blueprint and Targeted Funding**

- Howard County will receive \$7.7 million in State funding under the Blueprint Initiatives in fiscal 2025. This includes \$1.3 million for supplemental instruction, \$1.6 million in concentration of poverty grants, \$2.4 million for full-day prekindergarten, and \$1.4 million for college and career programs.
- A considerable amount of State education funding is based on targeted student populations, with Howard County receiving \$91.6 million in targeted grants under the compensatory aid, English Language Learners (ELL), and special education programs. Of these three programs, Howard County receives \$49.5 million in compensatory aid funding, \$26.6 million in special education funding and \$15.5 million in ELL grant.

## Student Enrollment

- The full-time equivalent student (FTES) enrollment count decreases by 0.4% in Howard County. In comparison, the statewide average FTES enrollment count increases by 0.1%. Currently, the county school system has around 55,900 public school students, which accounts for 6.5% of students statewide.
- The number of students approved for free and reduced-price meals (FRPM) decreases by 1.5% in Howard County. Statewide, the FRPM count increases by 1.3% in fiscal 2025. Only five local school systems had a decrease in their FRPM count. Howard County currently has a below average percentage of students approved for FRPM at 29.3% of total student enrollment. This represents the second lowest share of FRPM students among the 24 local school systems. 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.
- Howard County has the tenth highest percentage of students identified as ELL at 7.2% of total student enrollment. In fiscal 2025, the number of ELL students decreases by 1.2%, the only local school system with a reported decrease in the number of ELL students. The annual percent increase in the number of ELL students ranges from 2.4% in Somerset County to 26.5% in Washington County, with the statewide average at 6.1%. Regionally, the percent increase in ELL students ranges from 3.8% in Prince George's County, 4.8% in Montgomery County, 6.7% in Anne Arundel County, 7.9% in Frederick County, and 10.2% in Baltimore County.
- Howard County has a below average share of students receiving special education services at 13.1% of total enrollment. This compares to the statewide average of 13.9%. However, the local school system had the second highest increase (12.1%) in the number of students receiving special education services. Statewide, the annual increase in the number of special education students averaged 4.6%.
- The targeted student index measures the percent share of a school system's student enrollment approved for FRPM, ELL, and special education services. While Howard County has a below average targeted student index of 49.6%, a sizeable 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 Howard County, public school enrollment represents 16.7% of the overall county population (the 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.

**STATE AID TO LOCAL GOVERNMENTS -- HOWARD COUNTY**

	<u>FY 2024</u>	<u>FY 2025</u>	<u>\$ Difference</u>	<u>% Difference</u>
<b>Direct Aid</b>				
Foundation Aid	\$216,373,137	\$219,203,901	\$2,830,764	1.3
Comparable Wage Index	13,888,992	14,070,698	181,706	1.3
Compensatory Aid	50,013,380	49,517,497	-495,883	-1.0
Student Transportation - Regular	21,959,467	22,179,062	219,595	1.0
Student Transportation - Special Education	1,986,000	2,155,000	169,000	8.5
Special Education - Formula	21,482,341	26,645,477	5,163,136	24.0
Special Education - Nonpublic Placements	7,122,731	7,122,731	0	0.0
Special Education - Infants and Toddlers	719,096	771,028	51,932	7.2
English Language Learners Grant	14,975,429	15,464,623	489,194	3.3
Teacher Development Grants	4,000	4,000	0	0.0
Food Service	711,824	1,006,487	294,663	41.4
Innovative Programs	344,397	344,397	0	0.0
Out-of-County Placements	198,515	198,515	0	0.0
Judy Hoyer Centers	330,000	330,000	0	0.0
Prekindergarten Expansion Program	400,000	400,000	0	0.0
Blueprint - Concentration of Poverty	272,823	1,642,830	1,370,007	502.2
Blueprint - Transitional Supplemental Instructor	2,015,901	1,304,790	-711,111	-35.3
Blueprint - Transition Grants	41,743	35,482	-6,261	-15.0
Blueprint - Full Day PreKindergarten	1,810,959	2,416,683	605,724	33.4
Blueprint - College and Career Readiness	1,896,347	1,387,961	-508,386	-26.8
Blueprint - Career Ladder	860,798	916,149	55,351	6.4
Blueprint - Coordinators	70,894	0	-70,894	-100.0
<b>Education</b>	<b>\$357,478,774</b>	<b>\$367,117,311</b>	<b>\$9,638,537</b>	<b>2.7</b>
Library Formula	1,209,037	1,259,121	50,084	4.1
<b>Libraries</b>	<b>\$1,209,037</b>	<b>\$1,259,121</b>	<b>\$50,084</b>	<b>4.1</b>
Community College Formula	33,574,567	32,199,749	-1,374,818	-4.1
Grants for ESOL Programs	345,376	403,272	57,896	16.8
Optional Retirement	1,516,948	1,511,451	-5,497	-0.4
<b>Community Colleges</b>	<b>\$35,436,891</b>	<b>\$34,114,472</b>	<b>-\$1,322,419</b>	<b>-3.7</b>
Local Health Formula	5,931,241	6,574,209	642,968	10.8
<b>Health</b>	<b>\$5,931,241</b>	<b>\$6,574,209</b>	<b>\$642,968</b>	<b>10.8</b>
Highway User Revenue	4,679,799	5,583,980	904,181	19.3
Elderly & Disabled Transportation Grants	162,520	167,623	5,103	3.1
Paratransit Grants	430,000	430,000	0	0.0
<b>Transportation</b>	<b>\$5,272,319</b>	<b>\$6,181,603</b>	<b>\$909,284</b>	<b>17.2</b>
Police Aid	5,002,059	4,990,958	-11,101	-0.2
Fire and Rescue Aid	622,061	622,061	0	0.0

**STATE AID TO LOCAL GOVERNMENTS -- HOWARD COUNTY**

	<u>FY 2024</u>	<u>FY 2025</u>	<u>\$ Difference</u>	<u>% Difference</u>
<b>Direct Aid</b>				
Police Aid Enhancement	749,271	986,169	236,898	31.6
<b>Public Safety</b>	<b>\$6,373,391</b>	<b>\$6,599,188</b>	<b>\$225,797</b>	<b>3.5</b>
Gaming Impact Grants	89,286	89,286	0	0.0
<b>Shared Taxes</b>	<b>\$89,286</b>	<b>\$89,286</b>	<b>\$0</b>	<b>0.0</b>
<b>Total Direct Aid</b>	<b>\$411,790,939</b>	<b>\$421,935,190</b>	<b>\$10,144,251</b>	<b>2.5</b>
<b>Payments in Behalf</b>				
Retirement - Teachers	\$54,875,754	\$70,043,919	\$15,168,165	27.6
Retirement - Libraries	2,261,585	2,742,063	480,478	21.2
Retirement - Community College	2,813,792	3,973,325	1,159,533	41.2
<b>Total Payments in Behalf</b>	<b>\$59,951,131</b>	<b>\$76,759,307</b>	<b>\$16,808,176</b>	<b>28.0</b>
<b>Total State Aid</b>	<b>\$471,742,070</b>	<b>\$498,694,497</b>	<b>\$26,952,427</b>	<b>5.7</b>