SPENDING AFFORDABILITY ADVISORY COMMITTEE REPORT

HOWARD COUNTY
MARYLAND

Fiscal Year 2019

Spending Affordability
Advisory Committee

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Larry Twele, Howard County Economic Development Authority

Howard County Maryland
Spending Affordability
Advisory Committee
Report for Fiscal Year 2019

March 2018

Purpose

County Executive Allan Kittleman renewed the Spending Affordability Advisory Committee (the "Committee") through Executive Order in December 2017. The County's Executive's charge to the committee was to:

1. Review in detail the status and projections of revenues and expenditures for the County, not only for fiscal year 2019, but also for fiscal years 2020-2024.

2. Evaluate future County revenue levels and consider the impact of economic indicators such as changes in personal income, assessable base growth, and other data that the Committee considers applicable.

3. Evaluate expenditure levels with consideration of the long-term obligations facing the County, and the best way to pay for them.

The Committee shall present to the County Executive on or before March 1, 2018, a report including:

a. Projections of revenue for the upcoming fiscal year;
b. A recommended level of new County debt authorization;
c. The anticipated effect of the Committee's budget recommendation on future budgets;
d. Other findings and/or recommendations that the Committee deems appropriate.

- These challenges will remain and grow more severe in the next decade, as demographic trends (featuring an aging population and a continued growth in school-age population) and residential construction (showing a shift to multi-family housing drawing lower income residents and generating higher service demands, on average);
- Further, new and potential federal, state and local legislation (e.g., tax law, federal spending, local new housing development regulation [APFO], etc.) add to the County's economic growth and revenue uncertainties.

These challenges have significant implications on the County's service delivery capacities for its residents and businesses. Recognizing these issues, the Committee believes the County must consider a combination of the following options to meet the ongoing service needs:

- **Revenue growth options:** property and transfer tax increases and reallocation opportunity; ambulance fees; and continued promotion of commercial tax base development;
- **Expenditure discipline and prioritization**: balance the needs between education and all other services of the County; manage and address long-term liabilities such as debt service payments and retiree health benefits; tighten fund balance policies;
- **Process change and innovative approach to maintain and enhance services and results**: use of technology; school class size reconsideration to free up funding for school CIP and operating needs;
- **Commitment to long-term planning**: work in collaboration with education entities and develop long-term projections and plans, which connect operating and CIP budgets and reflect long-term differences between revenue growth and expenditure needs;
- **Collaboration and communications with other partners and the public:** work in collaboration with other government entities and key stakeholders to develop realistic budget and realistic long-term CIP plans; engage/educate the public and seek input on service prioritization and funding options.

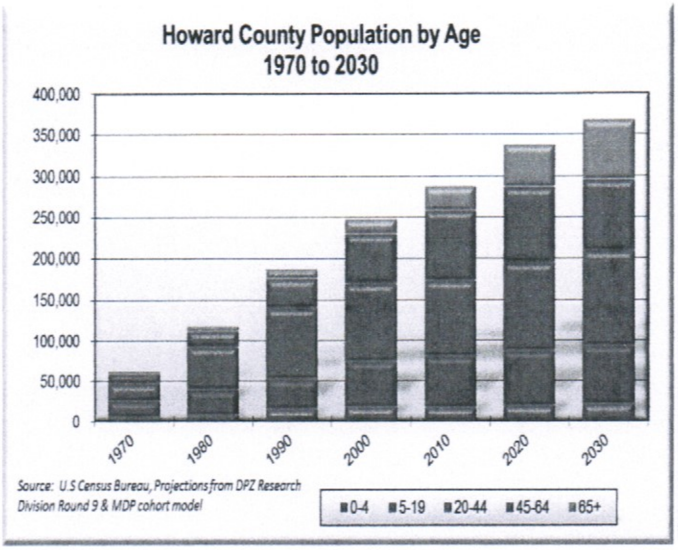
This report summarizes all major findings and recommendations and provides detailed background information on the economic and revenue outlook, debt indicators, and the County's multi-year projection.

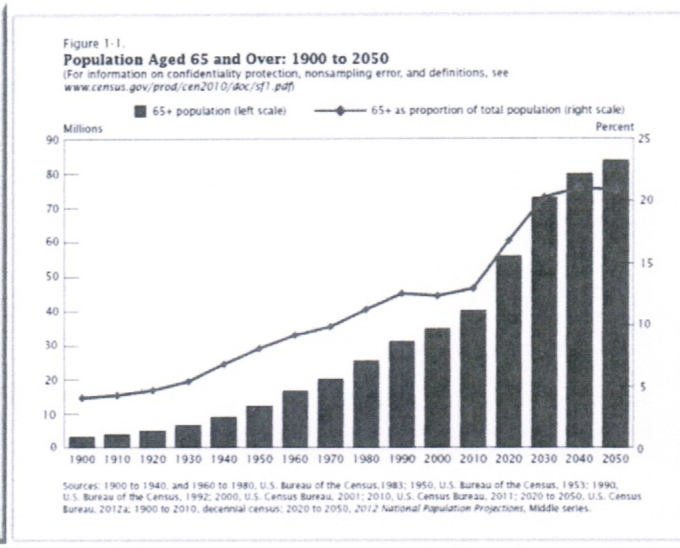
I. DEMOGRAPHIC AND ECONOMIC TRENDS AND LONG-TERM SUSTAINABILITY

The Department of Planning and Zoning's presentation on key demographic and economic trends continues to emphasize the concerns that this Committee has had over the last few years. These trends will have significant impact on the County's near and long-term fiscal condition and should be a basis for the development of the operating and capital budget.

Examination of the County's demographics clearly indicates that our population is aging. While this is a national trend and not specific to Howard County, the County's population is aging much faster. Reports by the Maryland Department of Planning and the U.S. Census Bureau both project that the population over the age of 65 will nearly double by 2050, growing nationally from 43 million in 2012 to 84 million in 2050. The County's Department of Community Resources and Services conducted a similar study and projected that the population over the age of 65 will double within the County by 2025.

While the County encourages aging in place, an increase of residents over the age of 65 presents new fiscal challenges. As residents retire and age in place, retiree contributions to County revenues collected from the personal income tax decrease as retirees tend to generate less taxable income. Also, as this demographic continues to grow, the County needs to increase core services that specifically target and support this group of residents.

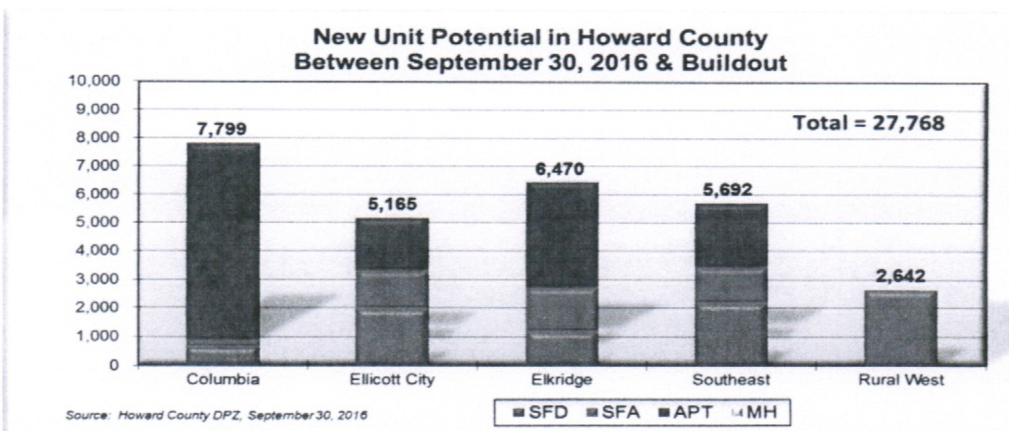




The aging population of the County is only one of our demographic challenges. Another is the increase in the number of school-aged children. Based on data provided by the Howard County Public School System ("HCPSS"), the growth rate in student enrollmentfrom 2010 to 2019 (projected) averages 1.6% per year. This enrollment growth ratecoupled with the current fiscal climate of the County, places the HCPSS under increased pressure to effectively meet student needs. Consequently the County's budgets are pressured from both ends of the demographic spectrum: increasing operating and infrastructure needs for the HCPSS, and rising service demands for aging adults.

Moreover, the County's overall population also has been growing at 1.6% on average in the past several years, demanding an increase in the full spectrum of County services ranging from public safety, public works, and health and human services to recreation and parks. How to address and balance these competing community needs with limited resources will remain a critical fiscal challenge for the County.

The next economic trend the Committee observed is the shift of planned development activity from single-family to multi-family housing. Two factors contributing to this shift are limited zoned acreage for single-family detached residential development and changing demographics in the continued influx of residents migrating to the County. Since 2010, residents moving into the County, on average have lower incomes than residents leaving the County, thus creating more demand for multi-family over single-family detached dwellings. With the increasing population and decreasing income levels, the County and the HCPSS are experiencing greater strain on financial resources to meet the needs.



(SFD – Single Family Detached; SFA – Single Family Attached; APT- Apartment; MH – Mobile Homes)

Finally, the Committee considered the County's resident employment growth. The County had experienced more growth than the rest of the state until recent years, when growth in employed County residents has slowed and lagged behind the state and national average during the economic recovery. Current data indicates that for the first time since 2014, employment growth has surpassed the national and state average. While new employment growth is projected to be slower in the foreseeable future partly due to full employment, wage growth is expected to improve. Personal income growth in the County is projected to show a moderate recovery of approximately 4% in the next few years.

II. SUMMARY OF RECOMMENDATIONS

1. Projections of Revenue for the Upcoming Fiscal Year

The Committee recommends development of the FY 2019 budget based on projected revenue of $1.1 billion, an increase of 1.75% ($19.05 million) over the approved FY 2018 budget (excluding use of fund balance).

The County is required by law to adopt a balanced budget. In FY 2018, the County is expecting to collect less than originally anticipated revenues, specifically revenues generated by the personal income tax. The Office of Budget presentation on the County's fiscal outlook laid out various reasons as to why revenues are lower than anticipated, specifically tax planning and uncertainty from the new federal tax plan. Due to the uncertainty around the federal tax plan as well as any pending action by the General Assembly, the Committee recommends basing the FY 2019 budget on a 1.75% increase over FY 2018 revenues. This is lower than the 2.2% most recently projected by the Office of Budget and less than half of the Committee's prior-year revenue growth recommendation. The Committee believes that the County and all its stakeholders must come to terms with the current fiscal climate and take actions to manage and control spending.

2. A Recommended Level of New County Debt Authorization

The Committee recommends limiting authorized new General Obligation bonds in FY 2019 to $75 million.

As stated above, County revenues are already lower than anticipated and increasing uncertainty regarding the federal tax plan, federal budget, and state legislation that all have an enormous financial impact to the County, call for moderation. Due to these factors, the Committee is recommending that for FY 2019, the County authorize $75 million for General Obligation ("GO") bonds. This new debt ceiling represents a significant decrease from the $85-$90 million recommended by the Committee in the past three years. The Committee, as it does with all recommendations in the report, took a vote after a long discussion on past, current, and future debt levels. Decreasing the debt authorization level, especially in this time of fiscal uncertainty, limits capital spending and keeps the overall debt burden at a reasonable level without impacting the capacity to support priorities identified in the operating budget. It also preserves the County's AAA bond rating and protects the ability to borrow at most favorable terms, allowing allocation of relatively more funding to other County needs.

3. The Anticipated Effect of The Committee's Budget Recommendations on Future Budgets

A preliminary multi-year revenue and expenditure model developed by the Budget Office suggests that County General Fund revenues will grow 3.4% ~3.6% in the out years through FY 2024. The Committee suggests that the County develop a multi-year fiscal plan that strategically balances service needs and resources to build a sound fiscal structure that supports the County's priorities. Although the County's projections present a cautiously optimistic outlook in the future years, the Committee recommends that the County be more conservative and count on lower rates of revenue growth in the out years to reflect the uncertainty in the national, state, and local economic landscapes that are discussed in this report.

4. Other Recommendations that the Committee Deems Appropriate

Adequate Public Facilities Ordinance (APFO)

The recently passed APFO legislation has potentially wide-ranging impacts on the economic and fiscal health of the County. The current APFO legislation was passed without a comprehensive and detailed assessment ("study") of its potential economic and fiscal implications, including: fiscal benefits and costs; impact on economic development; and impact on housing affordability. By curtailing development, the net effect of the legislation could limit the generation of County revenues required to meet the current and future operating expenditures, capital investments, and existing debt of the County. The study should also consider the impact changes mandated by the recently passed legislation would have on future student enrollment. According to County Department of Planning and Zoning, only 38% of student growth is attributable to new residential development; 62% is from resale of existing homes, which are not subject to APFO considerations.

The Committee recommends that the County conduct a comprehensive and detailed assessment of the economic and fiscal implications warranted by legislation. This non-partisan committee, representing the diverse communities and stakeholders impacted by APFO, is uniquely qualified to advise in the development of a request for proposal ("RFP") of the impartial and comprehensive study required to inform the County of the impact and implications of this legislation. We, therefore, seek County authorization to take on an advisory role in this critical study as part of our ongoing mission to assess and advise on the fiscal and economic health of the County.

Revenue

Core services and capital needs will outpace the projected revenue growth, unless there are changes to the current revenue structure. Options for additional revenues include:

- **Transfer Tax**: The Committee once again had an in-depth discussion regarding the transfer tax and by consensus recommends that the County increase the current transfer tax from 1.0% to 1.25% on property transactions. The tax is imposed on all residential and commercial transactions and an increase in the tax will benefit the County's CIP since it is primarily designated to fund capital projects. The recommended increase will generate approximately $6.5 million in annual revenue that over the next 20 years can leverage approximately $80 million in capital over 20 years if using bond financing or fund $130 million of capital projects using cash funding.

  The Committee also recommends the convening of a County taskforce every four years to review the current transfer tax structure, revenues and distribution, and recommend any changes to the formula going forward, as needed. The Committee recommends that this task force be comprised of representatives of all appropriate stakeholders including County and state officials, private citizens, and individuals from business groups and services providers that are directly impacted by the transfer tax formula. Currently, the transfer tax allocation formula set by the state is allocated as follows: 25% to school capital projects, 25% to parks construction, 25% to agricultural land preservation, 12.5% to housing, and 12.5% to fire and rescue services; any adjustment to the current transfer tax structure must be made at the state level by the General Assembly. The Committee strongly recommends that the County Executive in collaboration with the County Council, submit legislation to the state Delegation to assign the management of the tax to the County. The Committee believes that the County should have local control of the rate and allocation of the transfer tax revenue. Furthermore, the Committee is concerned that the County has not acted upon a similar recommendation in past reports.

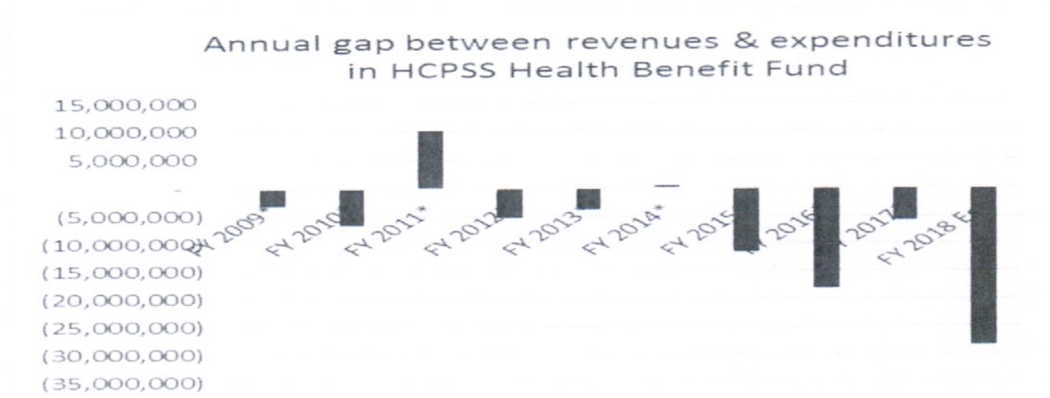
- **Ambulance/EMS Fee:** The Committee has consistently recommended that the County implement an ambulance/EMS transport fee. The fee would not be a tax on the use of emergency medical services, nor should it result in rationing of emergency medical care. Rather, it would primarily be paid by insurance companies and other providers as a reimbursement of costs incurred. Currently, Howard County is the only jurisdiction in Maryland that does not have such a fee in place. We are pleased to see that the County has moved forward in consideration of similar action by hiring a consultant to work on a fee study and directing an internal review by the Office of Budget and the Department of Fire and Rescue Services. Initial estimates suggest that the County can expect \$3-\$5 million in annual revenues once the fee is fully implemented. The Committee is encouraged to hear that the County has taken these preliminary steps and along with assurances that if and when it implements the fee, services to County residents will remain unchanged and a commitment to efficient and effective medical care will remain the Department's highest priority.

- **Recovery of Public Safety Overtime Costs:** While we appreciate the fact that the County Executive is taking steps to address permit fees, the Committee has expressed growing concern regarding the County's need to recover costs by the Police Department and Department of Fire and Rescue Services for overtime associated with special events. As the County looks to expand these cultural amenities, such events will increasingly strain available police, fire, and EMS services. The committee does not believe it is the intent of the admissions and amusement tax to offset overtime costs associated with events and recommends the collection of an event fee or direct charge to provide relief to the already strained General Fund, and to allow for more capacity to address County needs.

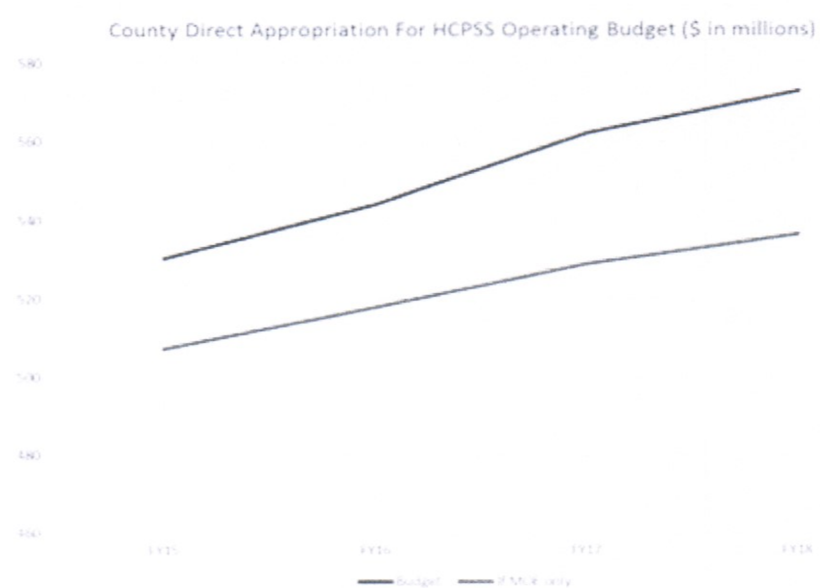
Expenditure Control

- **Howard County Public School System (HCPSS):** Education remains the County's top budget and policy priority. County funding to HCPSS is approximately 58% of the total General Fund, including debt service and retiree health benefits for HCPSS employees. Total County funding spent on education (including the Howard County Library System and Howard County Community College) is almost two-thirds of the County's General Fund, more than five times the funding allocated for public safety. County spending per pupil reached \$10,321 according to the latest available data, third highest in Maryland (after Worcester and Montgomery). The school superintendent's FY 2019 request for County funding is \$594.5 million, \$21.6 million (3.8%) higher than FY 2018. The amount includes \$10.2 million in state-mandated Maintenance of Effort ("MOE") and an additional \$11.4 million above MOE. The HCPSS-requested funding growth alone exceeds the County's entire projected General Fund revenue growth of \$19.1 million in FY 2019. Meeting the full request from HCPSS will require compromising other core services in the County. While the Committee applauds HCPSS' new administration for improved transparency in sharing financial information, the Committee would like to encourage the HCPSS to understand and accept the financial reality of limited resource availability and explore internal prioritization, process changes, and innovative approaches to living within the overall means of the County's fiscal restraints while still delivering quality services.

  The Committee also recognizes that this budget request does not deal with the projected \$50 million cumulative deficit for FY 2018 that HCPSS has created in its own health benefit fund. The issue is attributable to the HCPSS consistently underfunding its health fund (in eight out of past 10 years) as shown in the graph below, and repeatedly using its fund balance as one-time resources to support on-going needs. Such practices have gradually resulted in a significant and growing structural imbalance in that fund. The Committee urges HCPSS to take ownership of the issue and develop a feasible multi-year plan with permanent solutions to address the matter before coming to County government or County taxpayers for assistance.



- **Maintenance of Effort (MOE) Contribution to HCPSS:** In FY 2019, HCPSS' MOE increase is $10.2 million. As indicated in last year's Committee report, while the County has been able to fund in excess of the MOE amount in certain years, it has no requirement to fund over that amount. In fact, each year that the County increases the MOE beyond the required contribution, it increases the baseline for subsequent years. Given the uncertainty of the County's fiscal situation, already limited revenue growth from FY 2018, and its modest revenue forecast moving forward, funding HCPSS beyond MOE will reduce the ability to allocate funding to address other County needs. As the County population continues to increase and demographics continue to change, a growing need for non-education priorities in the County also must be addressed. The chart below demonstrates what the County annually provided to HCPSS versus what would have been appropriated based on MOE only in the past four years. The Committee's recommendation in regards with MOE is aligned with the recommendations made above in the HCPSS section.



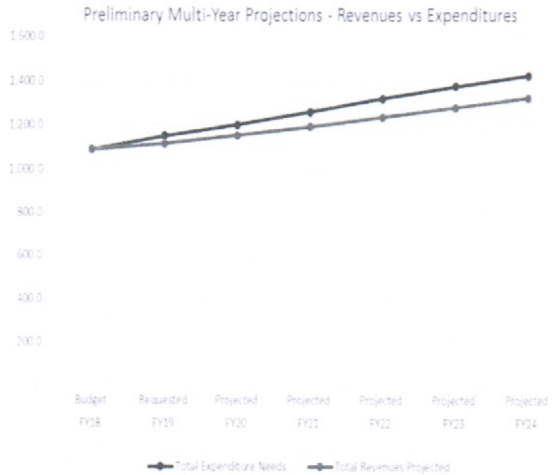
- **Other Post Employment Benefit (OPEB) Contribution beyond PAYGO***:* The Committee applauds the County for continuing its multi-year phase-in plan towards fully funding OPEB liabilities and resisting the temptation to reallocate funding towards other operating needs. Steering away from the incremental funding plan could significantly impact the current discount bond rate and increase the overall cost of covering the OPEB liabilities. Also, it would negatively impact the teachers of the HCPSS because 66% of OPEB funding is obligated for retiree health benefits of Howard County teachers.

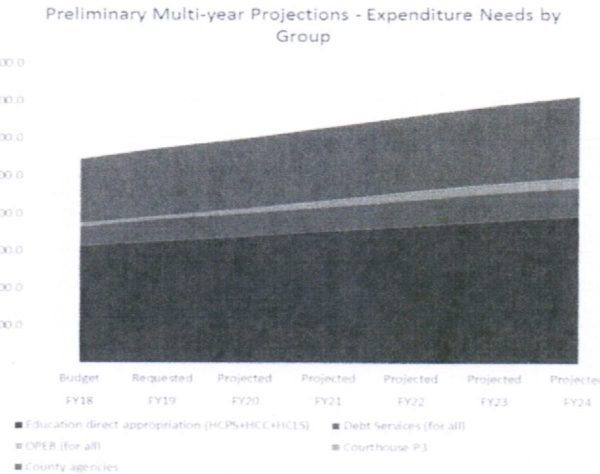
- **Use of Fund Balance**: The Committee recommends that the County Executive continue to exercise restrictive policies on use of prior year fund balance. The Committee recommends once again that the County not use more than 50% of the prior year unassigned fund balance in the upcoming fiscal year. As presented by the Department of Finance, maintaining a healthy fund balance that allows the County to weather fiscal, economic, and emergency situations is critical to maintaining the County's AAA rating. Per advice of its financial advisor, the County is developing policies to increase the available portion of the fund balance to provide for increased budget flexibility. The Committee agrees that the County should grow and protect its fund balance against risks especially in a time of uncertainty.

Multi-Year Planning

- **General Obligation Bond Study:** Two years ago, the Committee charged the County to correct the historical practice of overestimating capital funding in CIP plans and use a more practical and methodical approach to planning capital projects. The Committee also charged the County to conduct a thorough review of existing authorized GO bonds in order to determine whether some could be closed to free debt capacity. The Committee is pleased to see that the County embraced both of the Committee's recommendation and implemented them in the current budget process. Long-term CIP planning funding and expenditures have been dramatically reduced and portray a realistic long-term plan. Authorized but unissued bonds have also decreased from $381 million to $255 million in FY 2018. The Committee recommends that the County continue this fiscal discipline in order to decrease the amount of authorized but not issued bonds.

- **Revenue/Expenditure Multi-Year Projections:** Following the Committee's recommendations last year, the County developed a multi-year projection of both revenues and expenditures incorporating input from all stakeholders of County revenues such as County agencies, the Howard County Public School System, the Howard County Community College, and the Howard County Library System. The models as shown below indicate a potential gap of $40 million between projected revenues and expenditure requests in FY 2019, which could grow into an annual gap of $100 million by FY 2024 if no corrective actions are in place. In addition, uncertainties in future federal, state, and local economic conditions and other economic events, will constrain the revenue growth projections, causing the gap to be more pronounced. The projections reveal fundamental challenges to balancing limited resources (growth) and rising needs of the County. The Committee recommends that the County work in collaboration with all key stakeholders to develop long-term strategies to address and close those potential gaps in the future, as well as provide for contingencies if revenue growth is less than projected.





Other / Innovative Approaches

- **Partnership / Commercial Base Development**: The Committee recommends that the County, in cooperation with the Economic Development Authority, continue to aggressively pursue new businesses to open or relocate to the County, especially around technology. As further discussed below, while the County's commercial base continues to grow above the state average. The County should continue to seek opportunities to leverage resources to attract and retain businesses, and increase support for entrepreneurship, innovation, and small business programs to diversify the employment base. Given the lead-time for development and the limited opportunity for growth in the County's tax base, the Committee recommends expediting the redevelopment of Gateway and approval of an associated masterplan.

- **Investment for Efficiency & Productivity**: Last year the Committee recommended that the County pursue the integration of the SAP business suite technology across County operations as well as other technological improvements. The Committee has been informed by the Office of Budget that the County is currently engaged in efforts to enhance its current SAP module to better enhance productivity throughout the County. It is also investing in workforce management software in order to automate payroll operations. Finally, the Department of Technology and Communication Services is looking to improve current labor-intensive processes such as procurement with technology, which will allow for better workflow and management. The committee affirms these improvements and recommends continued efforts to streamline and effect county efficiency.

Communications and Engagement

- **Collaboration, Communications and Engagement:** It is important that the County engage and educate the public about the challenges the County faces, and seek their input regarding potential options, and solutions. The Committee additionally recommends that the County strengthen its partnership with all key stakeholders including education entities in discussing the long-term challenges and collaborate develop strategic plans jointly.

We would like to thank all the Committee members for their time and effort providing insight and thoughtful ideas that will help continue to move this County forward. We also want to thank all of the presenters who shared valuable information and analysis with the Committee.

III. DETAILS / BACKGROUND

1. Economic Outlook

The Howard County Budget Office retained Richard Clinch, PhD, Director of the Jacob France Institute at University of Baltimore to prepare a County personal income projection through Fiscal Year 2021 and a report on overall national, state and regional economic trends and their expected impact on the County's economy and government finances. This report was prepared to provide personal income and economic data to inform the County's Spending Affordability Committee and process. The key findings of this analysis are as follows:

National Economy

- The national economic recovery strengthened in 2017, real gross domestic product increased 2.3 percent in 2017, up from 1.5 percent in 2016, and the national unemployment rate fell to 4.4 percent in 2017, down from 4.9 percent in 2016. With the nation at full employment, wage growth can be expected to accelerate in 2018.
- According to Moody's Economy.com, U.S. real GDP is projected to grow by 2.2 percent in 2017, by 2.9 percent in 2018 and 2.1 percent in 2019, with the Maryland Board of Revenue Estimates ("BRE") projecting growth in U.S. real GDP of 2.3 percent in 2017, 2.6 percent in 2018, and 2.3 percent in 2019.
- According to Moody's Economy.com, U.S. employment is projected to grow by 1.5 percent in 2017, by 1.5 percent in 2018 and by 1.0 percent in 2019, with the BRE projecting non-agricultural employment growth of 1.5 percent, 1.5 percent and 1.3 percent respectively.

State Economy

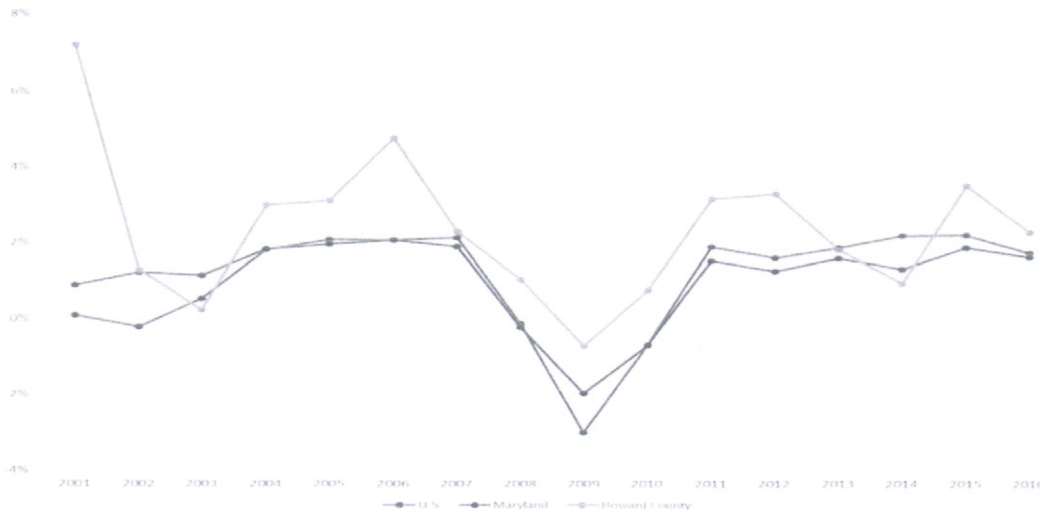
- The BRE forecasts state employment growth of 1.3 percent in 2017, 0.8 percent in 2018, and 0.5 percent in 2019. The Board of Revenue Estimates forecast is for Maryland personal income to increase by 3.6 percent in 2017, 3.7 percent in 2018, and 3.8 percent in 2019.
- Moody's Economy.com predicts stronger growth in Maryland and forecasts that employment will increase by 1.7 percent in 2017, by 1.3 percent in 2018 and by 0.9 percent in 2019 with personal income growth of 3.8 percent, 4.5 percent, and 4.8 percent respectively.
- Both Moody's and the BRE expect national and state employment growth to slow over the next few years with the nation at full employment and, for Maryland slower federal spending growth, however; wage growth and resulting personal income growth can be expected to accelerate.

Howard County Economy

- Howard County is well positioned for economic and income growth in 2018. The County population is growing, employment is expanding, and the County real estate market has recovered and is growing. However, there are reasons for continued caution in forecasting County spending affordability conditions. The County has lagged the nation and state in personal income growth for much of the recovery and the County's base of employed residents has lagged the state for the past two years. More importantly, given the considerable uncertainty over the trajectory of federal spending in the coming year and the County's reliance on federal employment and procurement, near term income growth and economic activity could be negatively impacted by changes in federal spending.

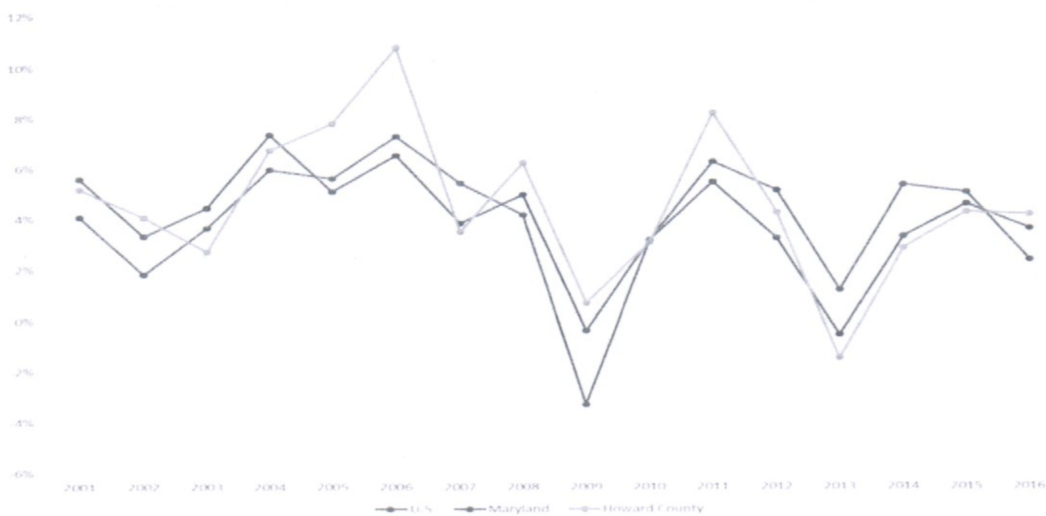
- County personal income is projected to grow by 3.9 percent in FY 2017, 3.9 percent in FY 2018, 4.1 percent in FY 2019, 4.0 percent in FY 2020 and by 3.7 percent in FY2021. On an annual basis, County personal income is projected to grow by 3.8 percent in 2017, 4.1 percent in 2018, 4.2 percent in 2019, 3.8 percent in 2020 and by 3.5 percent in 2021.

Chart: Total Employment Growth – U.S., Maryland, and Howard County



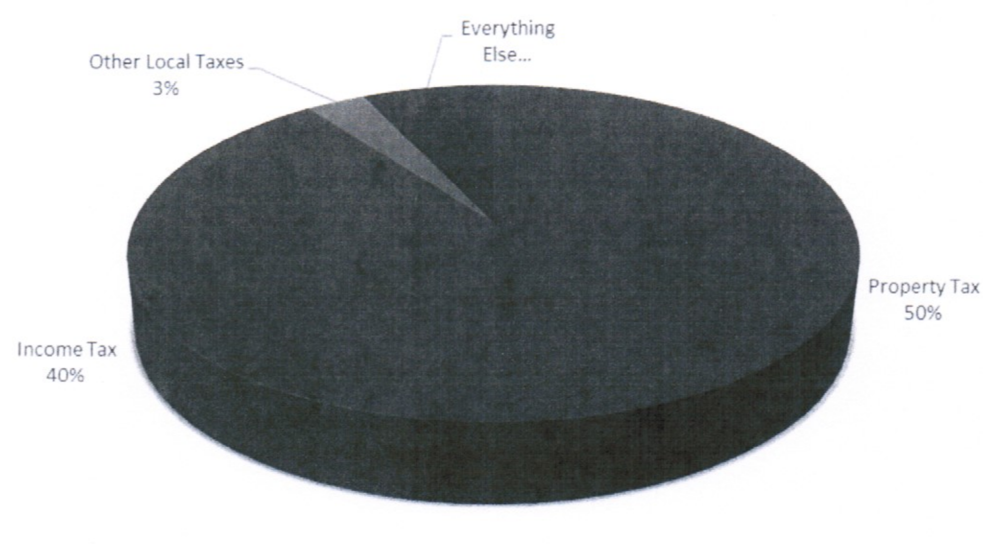
- Maryland and Howard County unemployment rates have been below the national average nearly continuously since 2001; however, in the recovery from the Great Recession, the gap narrowed and Maryland's November 2017 unemployment rate was actually higher than the national average.
- Howard County's unemployment rate at 3.1 percent remains well below the national (3.9 percent) and Maryland (4 percent) rates.
- Maryland lost fewer jobs than the nation in the Great Recession, but its employment growth has consistently lagged the nation throughout the recovery, and after lagging the nation in 2013 and 2014, employment growth rates in Howard County returned to levels above national and state level in both 2015 and 2016. However, while unemployment remains below both state and national averages and recent employment growth has returned to rates above the national average, personal income growth in Howard County lagged the nation for most of the recent recovery.

Chart: Personal Income Growth – U.S., Maryland, and Howard County



2. Revenue Outlook

Howard County's General Fund revenues rely primarily on two sources, property tax (50%) and personal income tax (40%). These two revenue sources have made up approximately 90% of overall revenues over the last few years and the trend will continue going into FY 2019. The County forecast for General Fund growth in FY 2019 over FY 2018 budget is 2.2%. However, the Committee reduced the forecasted growth to 1.75% due to various uncertainties including risks in assumed personal income tax gains as stated below. (Everything else… pie chart)



<u>Property Tax</u> reassessment has continued to slow down and lagged the state average for a third straight year. The State Department of Assessments and Taxation reassessed Group 3 at 5.9% (State 7.7%) at full value, or less than 2.0% on average in the next three years. The residential reassessment continues the same overall trend and was reassessed at only 2.7%. In comparison, the commercial base reassessment continues to see double-digit growth, a trend that started with the reassessment in 2013. The commercial reassessment for 2018 is 15.5% and continues to be a significant driver of the overall annual assessment growth for the

while supporting critical services. It is time for the County, as a whole, to review core processes and services and find efficiencies in order to reduce costs instead of simply raising more revenues to meet service needs. At the same time, find ways to use the County's excellent resources to continue to attract high quality businesses, employees, and residents.

As in all models, the multi-year projection scenarios listed are based on a set of assumptions that could change when new information becomes available or the impact of changes in policy are considered. Nevertheless, this modelling provides a tool useful in identifying the affordable level of growth and understanding the implications of different scenarios.

Howard County Revenue/Expenditure Growth Projection Model

The County's Budget Office develops multi-year projections for its General Fund. The following model shows updated FY 2017 actuals and FY 2019 revenue projections as of February 2018. The model also includes preliminary projections for FY 2020 – FY 2024. In terms of expenditures, the County is required to pass a balanced budget annually with the expenditures staying within projected revenues. It is important to note that while these projections are based on logical assumptions today, the County still faces uncertainty in regard to revenues generated from the personal income tax, federal employment and spending, and other economic factors that the County is reliant on.

Details of the multi-year revenue projections and one of the many possible expenditure scenarios that match the projected revenue growth are shown below.

	FY 2019 Projected	FY 2020 Projected	FY 2021 Projected	FY 2022 Projected	FY 2023 Projected	FY 2024 Projected
Property Taxes	548,616	565,074	582,027	601,234	621,074	641,570
Income Tax	450,677	468,704	487,452	506,950	527,228	548,317
Other Local Taxes	33,403	34,405	35,437	36,500	37,595	38,723
State Shared Taxes	1,628	1,661	1,710	1,762	1,815	1,869
Charges for Svcs./Other	35,362	36,281	37,225	38,193	39,186	40,204
Investment/Transfers	43,196	44,492	45,827	47,201	48,617	50,076
Prior year Funds						
			-			
Total Revenues	**1,112,882**	**1,150,618**	**1,189,678**	**1,231,840**	**1,275,516**	**1,320,760**
Education	639,689	658,205	672,685	689,089	710,771	733,638
Public Safety	137,509	141,291	143,915	147,226	151,937	156,799
Public Facilities	70,865	72,814	81,770	91,151	94,068	97,078
Community Services	69,648	71,563	73,209	74,893	77,290	79,763
General Government	29,004	29,802	30,487	31,188	32,186	33,216
Legislative & Judicial	28,228	29,004	29,671	30,354	31,325	32,328
Debt Service	109,254	116,254	123,254	130,254	137,254	144,254
PAYGO/OPEB/Other	28,685	31,685	34,685	37,685	40,685	43,685
Total Expenditures	**1,112,882**	**1,150,618**	**1,189,678**	**1,231,840**	**1,275,516**	**1,320,760**
Surplus/(Deficit)	0	0	0	0	0	0

General Fund Multi-Year Projections ($000)

Note: expenditure projections are shown for illustration purpose and do not represent long-term fiscal plans.