



Garrett County Government

FY 2027 Budget Overview

A comprehensive look at revenues, expenditures, outside agency funding, and long-term fiscal projections for Garrett County.

FY 2027 Budget Development Timeline

From initial department requests to final adoption — a six-month collaborative process.



January 2, 2026

Budget Process Begins:

Commissioners initiate the FY 2027 budget development process.



February 20, 2026

Department Request Deadline:

All county departments & outside agencies submit their funding requests for finance review.



March 17, 2026

Chamber & Ruth Enlow Library Presentations:

Outside agencies present their funding needs and priorities.



April 6, 2026

State's Attorney, Sheriff & Community Action Presentations:

Public safety and community service agencies present budget requests.



April 13, 2026

General Assembly Legislative Session Adjourns:

State budget and mandate decisions finalized — critical input for county planning.



April 21, 2026

Board of Education, Garrett College & Health Department Presentations:

Major education and health agency presentations to the Commissioners.



May 4, 2026

Roads Department & Public Utilities Presentations:

Infrastructure and utilities departments present capital and operational needs.



May 19, 2026

Public Budget Hearing:

Community members have the opportunity to provide input on the proposed budget.



June 1, 2026

Commissioners' Adoption of Approved Budget:

Garrett County Commissioners formally adopt the FY 2027 budget & Tax Rates.

Garrett County:

A Low-Tax Leader in Maryland

Among Maryland's 24 jurisdictions, Garrett County ranks near the top in taxpayer value across all three major tax measures.

2%

Homestead Credit Cap

Rank: #2 Lowest in Maryland

FY 2027: Lowering further - already among the most protective caps in the state. Only Talbot County (0%) is lower.

2.65%

Income Tax Rate

Rank: #3 Lowest in Maryland

Only Worcester County (2.25%) and Talbot County (2.40%) are lower among all 24 Maryland jurisdictions.

\$1.00

Real Property Tax Rate per \$100

Rank: #14 out of 24 (middle of pack)

Note: Rate has been cut two consecutive years from \$1.056 to \$1.02 to \$1.00.

Formerly 5th Highest Rate.

i When combining a low income tax rate (#3), a near-lowest homestead credit cap (#2), and two consecutive property tax rate cuts, Garrett County delivers strong overall tax value for full-time residents — while continuing to fund essential services and mandated education obligations.

Homestead Tax Credit: More Protection for Homeowners

Garrett County Commissioners are lowering the annual Homestead Credit cap from 3% to 2% — providing greater stability for full-time residents.

What is the Homestead Tax Credit?

The Homestead Tax Credit limits how much a full-time resident's property assessments can increase each year.

- Applies to owner-occupied primary residences only
- Caps the taxable assessment increase to a fixed percentage per year
- Protects long-term homeowners from sudden tax spikes due to rising property values



Example: \$200,000 Home

Without Homestead Credit

Taxable value: \$220,000

Tax bill at \$1.00/\$100: \$2,200

Tax Increase \$200

With 3% Cap (prior year)

Taxable value capped at: \$206,000

Tax bill: \$2,060

Tax Increase: \$60

With NEW 2% Cap (FY 2027)

Taxable value capped at: \$204,000

Tax bill: \$2,040

Tax Increase: \$40

i The lower 2% cap means full-time Garrett County homeowners are shielded from rapid assessment increases — keeping tax bills predictable and affordable year over year.

General Fund Revenue - \$123.1M

Additional Revenue - \$6.3M



\$3,261,957

Real Property Revenue Increase despite rate decrease from \$1.02 to \$1.00 per \$100



\$1,150,000

PILOT agreement with Competitive Power Ventures for solar energy projects.



\$1,000,000

Projected increase in Taxable Income



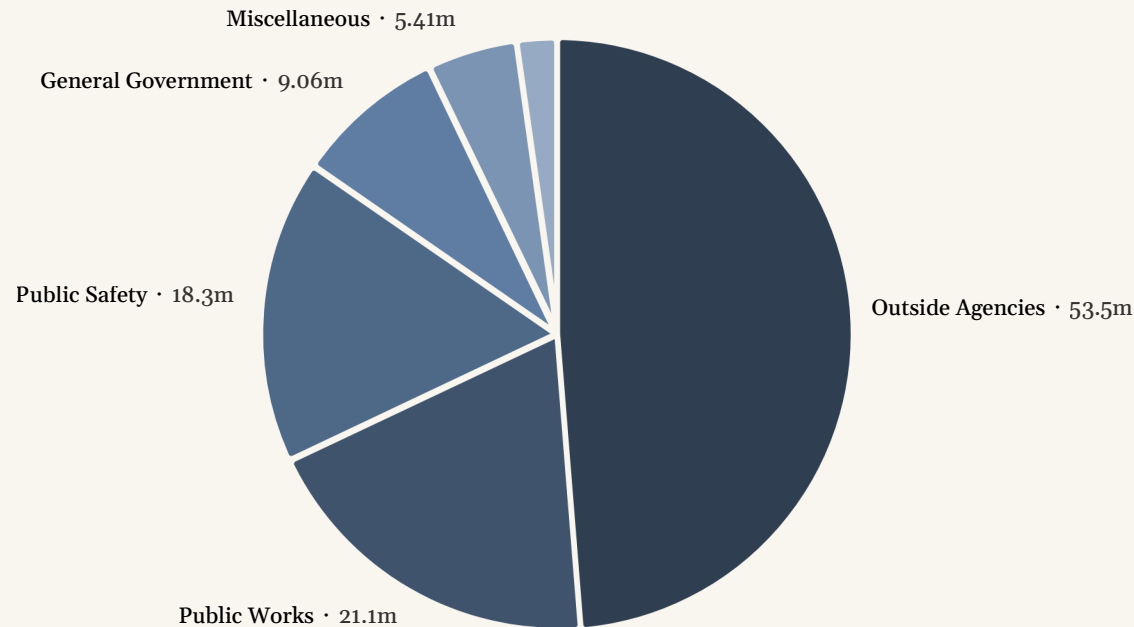
\$421,836

Federal and State Grants (Mass Transit, ENSB...)



General Fund Operating & Capital Expenditures: \$123.1M

Total Operating Budget - \$110.7M



Nearly half of General Fund expenditures are assigned to **Outside Agencies** or encumbered by **State Mandates**.

Changes in County Expenditures:

- **General Government**
 - +**377K** — Cost of Living & Fringe Adjustments
- **Public Safety**
 - +**\$392K** — Salary and Fringe Increases
 - +**301K** - Volunteer Fire & Rescue
- **Public Works**
 - +**\$546K** — New Union Contract, Paving, Line Striping, and Snow Plowing



Outside Agency Funding

Total outside agency funding rises from **\$48.7M (FY 2026)** to **\$53.5M (FY 2027)** — an increase of **\$4.8M**. Three agencies drive the majority of growth.

Board of Education

+\$3,856,133

\$38.6M

State Mandate (Blueprint)

Garrett College

+\$385,091

\$6.27M

Increased Employment Cost

Area Agency on Aging

+\$104,969

\$706K

Meals on Wheels Expansion

Health Department

+\$357,681

\$2.87M

Supplant State Funding Cuts

Board of Elections

+\$82,042

\$856K

State Mandate for new Voting System

Pathway to Home Ownership

+\$34,375

\$344K

Program Expansion

State Mandates:

State Pension System — A On-Going Cost Shift

**FY 2026 — Disparity Grant Cut:
-\$203,200**

The State eliminated \$203,200 from the Disparity Grant that had been earmarked for teacher pension contributions.

**FY 2027 — Disparity Grant Cut
Again: -\$203,200**

A second consecutive \$203,200 reduction in Disparity Grant funding for pensions.

**FY 2027 — Direct Pension
Expenses Total: +\$428,265**

On top of the grant cuts, the County is now directly responsible for \$428,265 in State pension expenses for BOE teachers, Garrett College employees, and Ruth Enlow Library employees.

Total State Pension Budget Impact: \$834,665

Combined two-year impact: \$203,200 (FY2026 revenue loss) + \$203,200 (FY2027 revenue loss) + \$428,265 (FY2027 direct expenses) = **\$834,665** in cumulative pension cost shift to the County.



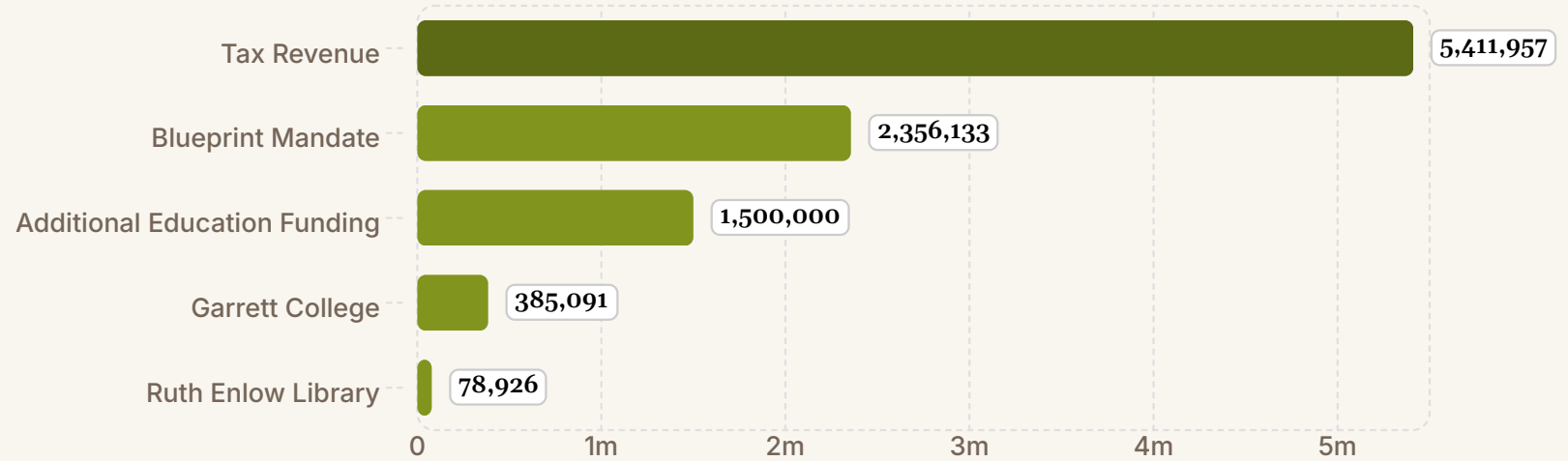
New Revenue Absorbed by Education

5,411,957

■ Total New Tax Revenue

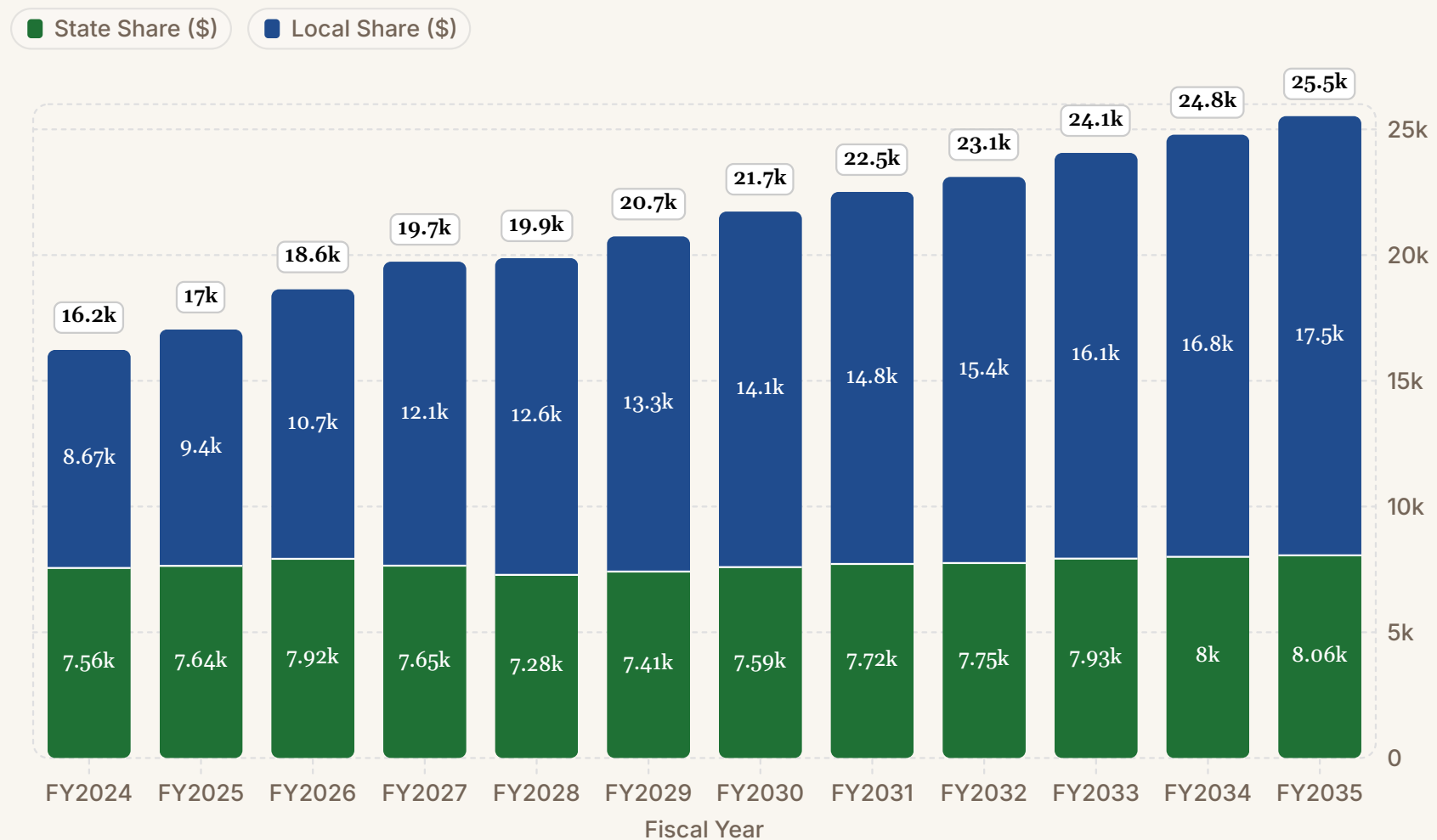
4,320,150

■ Total Additional Education Funding



State vs. Local Education Funding Per Pupil

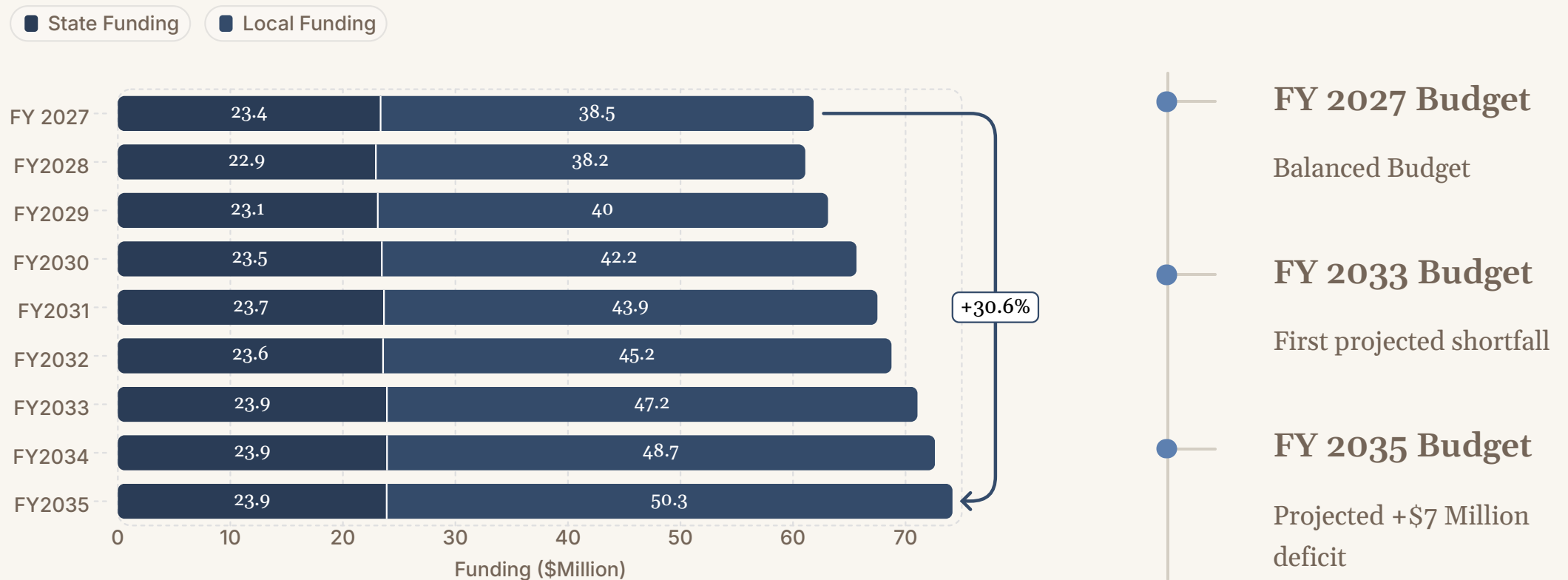
FY2027 marks a critical inflection point in education funding: the State's per-pupil share has declined to **\$7,260** while Garrett County's local share has risen to **\$12,100**. From this point forward, the local burden remains substantially larger than the State contribution and continues to widen through FY2035.



i This widening gap means the county will carry a much larger long-term education obligation through FY2034, increasing pressure on local revenues and reducing flexibility for other priorities, unless local taxes or other funding sources increase.

Looming Fiscal Shortfall: The Education Mandate Squeeze

Garrett County faces a structural budget imbalance driven primarily by state-mandated education funding requirements under the Blueprint for Maryland's Future. While the County can manage booming expenditures in FY 2027, the trajectory is unsustainable without intervention.



⚠ Unless the State reverses the Blueprint funding shift or provides additional aid, Garrett County will face difficult choices: raising taxes, cutting services, or drawing down reserves — likely before FY 2033. The County has few tools to close a structurally growing gap driven by state mandates it cannot control.

Total Capital Budget: \$12,432,676



Bridge Refurbishment — \$4,799,000

Systematic repair and refurbishment across 26 bridges and culverts throughout Garrett County.



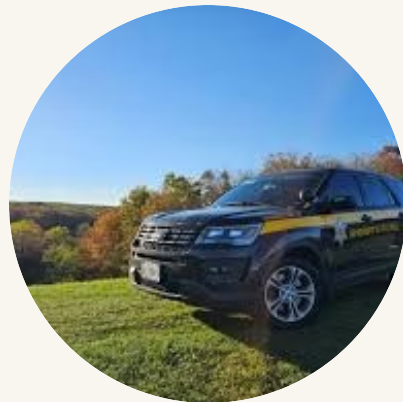
Roads Dept. Trucks & Equipment — \$1,942,089

New trucks and heavy equipment to support road maintenance, paving, and snow removal operations.



Repairs & Maintenance — \$1,104,500

Ongoing upkeep and repairs to existing County-owned facilities and infrastructure.



Sheriff Dept. Vehicles — \$252,000

Three new patrol vehicles to maintain a safe and reliable fleet for public safety operations.



Board of Education - \$4,045,780

Year 4 of 4 Southern grade band realignment. Southern High and Broadford Elementary

Key Takeaways

Balanced Budget with Strategic Tax Relief

FY 2027 General Fund Operating & Capital budget of \$123.1M

Education Mandates Drive the Budget

Over \$4.32M in new education funding consumes virtually all new property and income tax revenue.

State Cost Shifts Total \$835K in Pension Alone

Disparity Grant cuts plus \$428,265 in direct pension expenses represent an \$834,665 cumulative burden.

Structural Deficit Projected by FY 2033

Without new revenue, Garrett County faces a structural deficit in FY 2033, requiring difficult choices on taxes, services, or reserves.



Key Takeaways

Real Property Tax Rate - Reduced

Rate per \$100 reduced \$1.02 to \$1.00, building on the prior year cut from \$1.056, totaling a .056 reduction in two years.

Homestead Credit Limit - Reduced

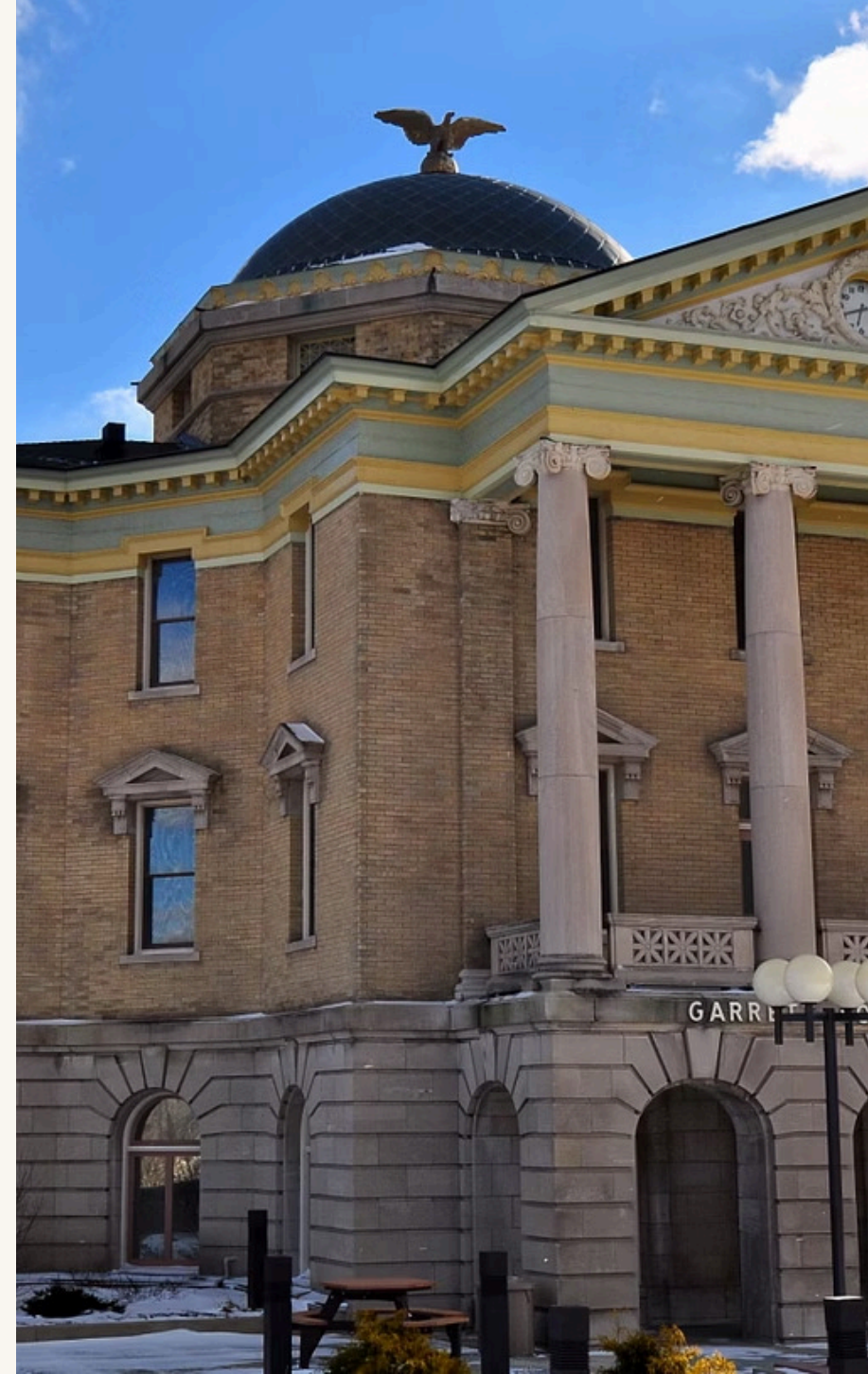
Regardless of assessment changes, full-time residential assessments are limited to a 2% increase

Income Tax Rate - Unchanged

Garrett County remains among the lowest income tax rates in the State.

Ad-valorem Rates - Reduced in Two Districts

No other increases to the Water & Sewer Ad Valorem Tax Rates





Budget Information

Document Review

This document and greater budget detail is available at garrettcountymd.gov

Questions

Please feel free to email questions and comments to comments@garrettcountymd.gov

Final Adoption

Budget Adoption is scheduled for 6/1/26 @ 4:00 P.M.