

Citizen's Guide to the Budget



FY 2026

This document is intended to be a brief overview of the upcoming fiscal year proposed budget. Historical budget information can be located by scanning the QR code below. Final FY26 budget documents will also be available after 7/1/25.



Organizational Overview

The County is a corporate body which performs all local government functions in Washington County, except those that are performed by the nine incorporated municipalities. Functions are performed by the elected five-member Board of County Commissioners who serve four-year terms.

The Vision of Washington County Government is to become the regional leader in providing and coordinating efficient and effective public service in an open and cooperative manner.



President
John F. Barr



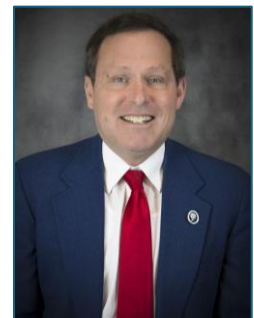
Vice – President
Jeffrey A. Cline



Commissioner
Randall E. Wagner



Commissioner
Derek Harvey



Commissioner
Randal Leatherman

Citizens of Washington County, Maryland

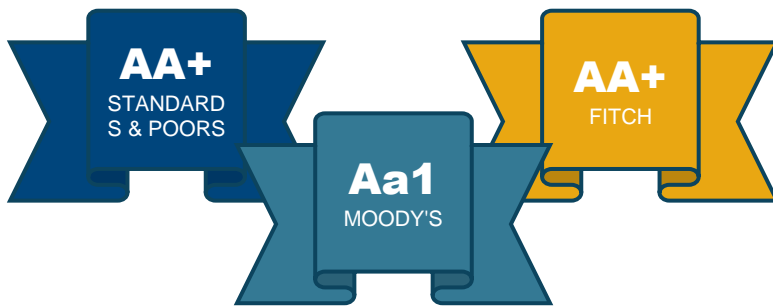


County at-a-Glance

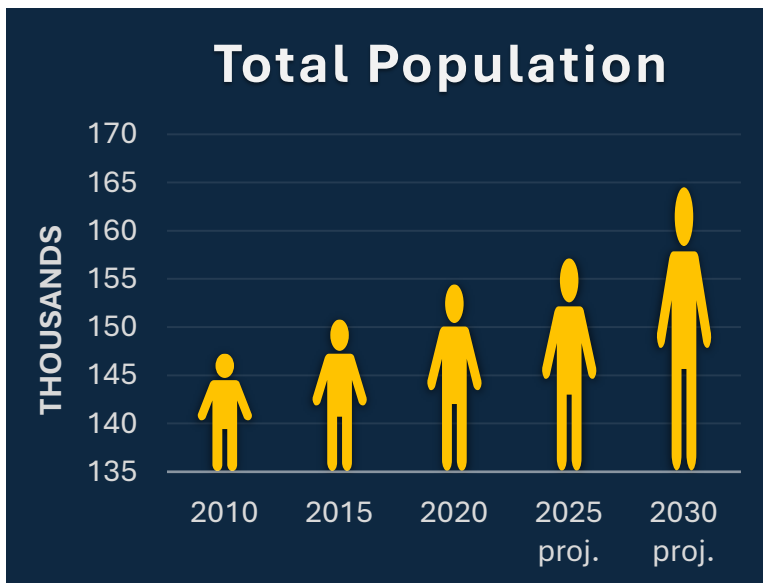
County Priorities:

- Support & Strengthen Community
- Promote
 - Education
 - Economic Opportunities
 - Public Health, Safety, and Welfare
- Protect the Environment & Cultural Resources
- Planning for Future Urbanization & a Culturally Diverse Population

Current Bond Ratings



Total Population



Fast Facts*



170 – Total Department Budgets Managed



101,645 – Total 911 Calls Answered



38,000 – Total Airport Take-Offs/Landings



28,299 – Total Rounds of Golf Played



99,740 – Total Number of Registered Voters



18 – Total Number of County Parks Maintained



357,790 – Total Transit Ridership



\$13,487,871 – Total Business Financial Assistance

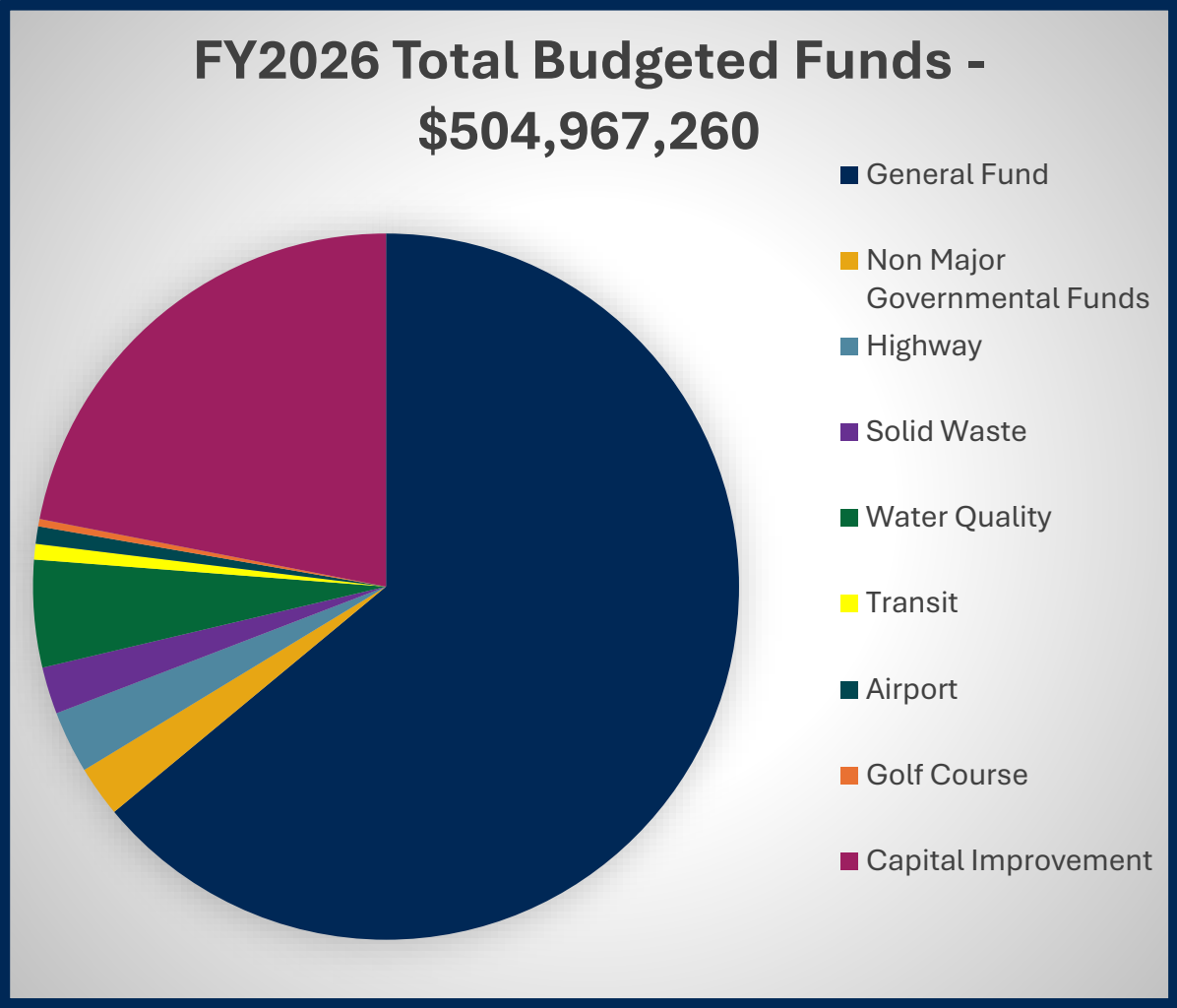


217 – Total Number of Programs Hosted at the Public Safety Training Center

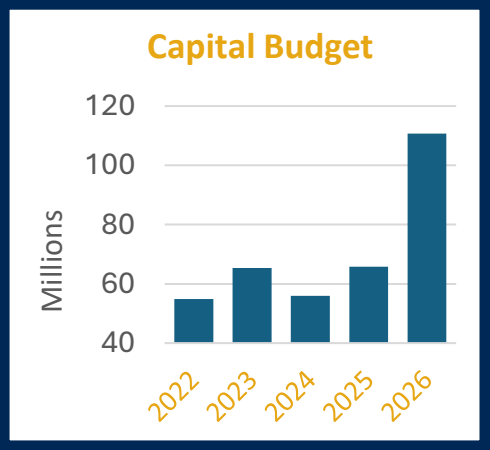
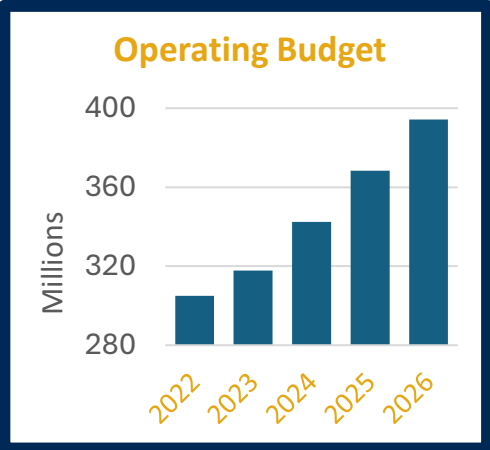
* Fiscal Year 2023 Service Indicators

FY26 Budget at-a-Glance

The County’s fiscal year begins July 1st and ends on June 30th. The total budget increase over FY25 was \$70,869,820, or 16.33%. Of that, \$25,923,820, or 7.04%, was the increase in Operating Budgets and \$44,946,000, or 68.32%, was the increase in Capital Budgets. The General Fund makes up the largest sub-section of the Operating Budget. The General Fund provides funding for education, public safety, parks and recreation programs, and many other services. Revenue for the General Fund is generated primarily from property and income taxes. Other fund budgets, such as the Airport, generate revenue through charges for services and only spend the revenue they earn. Finally, some fund budgets, including Golf Course and Solid Waste, do receive revenue from charges for services, but expenditures are greater than revenue collected so they do require some support from the General Fund.



Operating budget:
The portion of the budget that supports general County Operations.



Capital budget:
Supports new facilities, roads, and parks, as well as maintenance of existing infrastructure.

Budget Highlights

The budget is broken into several categories of funding:



The **General Fund** is the County's largest fund. It includes revenue from all local taxes paid by residents and businesses. This is the fund that the Board of County Commissioners have the most management flexibility over how dollars are spent.

The **Capital Fund** supports projects that are included in the Ten-Year Capital Improvement Plan.

Enterprise Funds include Solid Waste, Water Quality, Transit, Airport, and Golf Course. These funds operate mainly through charges for services rather than through tax dollars.

Restricted Funds include Hotel Rental Tax, Cascade Town Centre, Ag Education Center, Grant Management, Inmate Welfare, Gaming, Land Preservation, HEPMPO, Emergency Services Billing, Contraband, and Foreign Trade Zone. The revenues for these funds are restricted to being used only by these funds and cannot be used for general operations.

2%

Did You Know?

The County did not increase the real estate or income tax rates in FY26.

Did You Know?

In FY26, the County will contribute \$120,606,760 to the Board of Education's Operating Budget and additional \$2,232,760 will be paid to the State for teacher pension costs. This combined budget of \$122,839,520 is the largest allocation of the budget at 38% of the General Fund.

Did You Know?

The County's operating budget includes \$88,704,040 to fund Public Safety, including police, fire, and rescue agencies. This makes up 27% of the General Fund budget.

Did You Know?

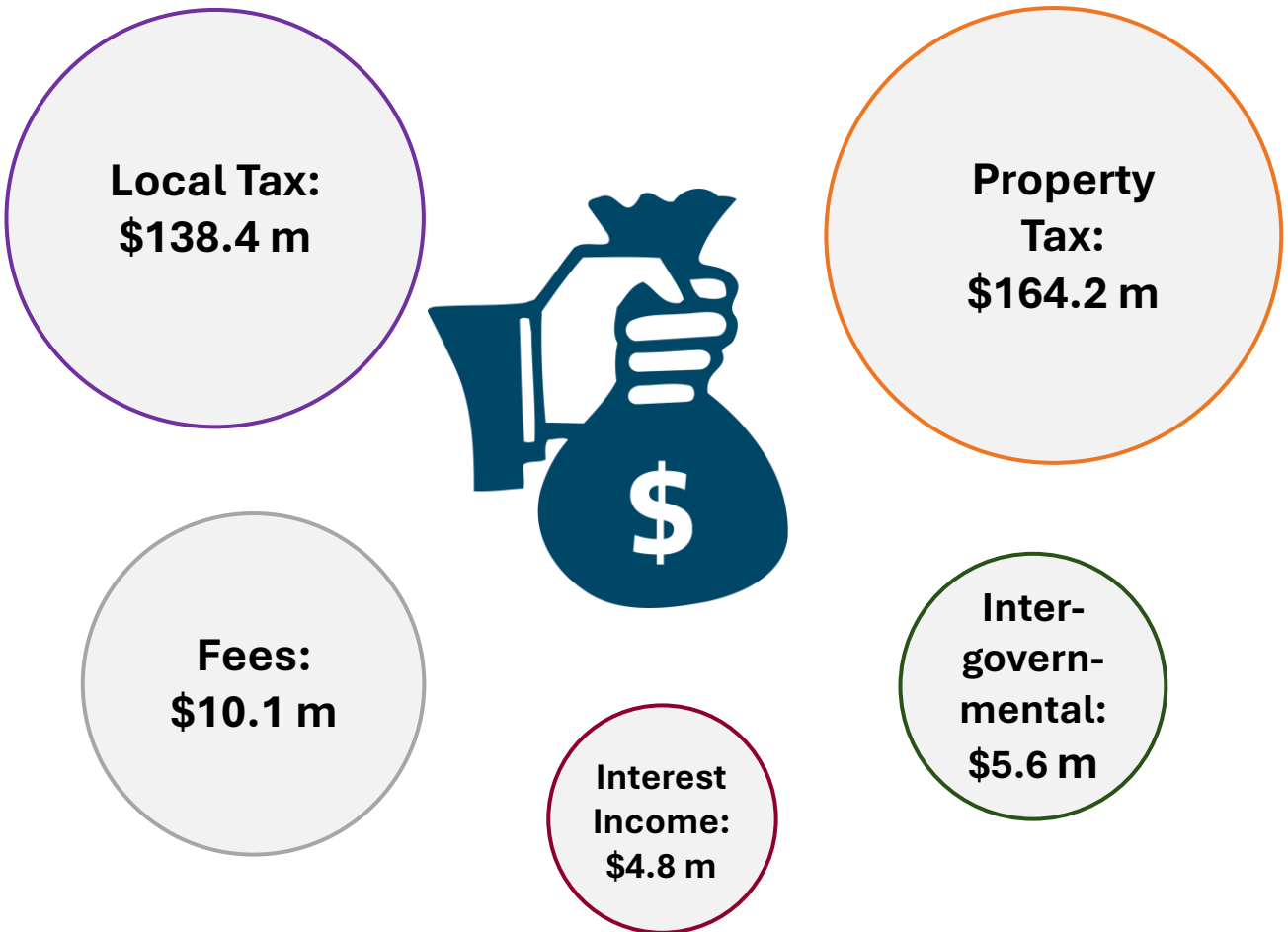
The County uses only 35% of the remaining General Fund budget to pay for all other services that fall under the General Fund.

Did You Know?

The County provides funding to several agencies that provide benefits to our citizens. This includes the Washington County Volunteer Fire & Rescue Association, Commission on Aging, Fine Arts Museum, the Humane Society, and the Department of Social Services to name a few.

How is the Budget Funded?

The County's General Fund revenues reflect an increase of \$22,466,700, or 7.47%, over fiscal year 2025. The source of the General Fund revenues are detailed below:



Property Tax Revenue is the largest source of revenue and represents taxes assessed on real and personal property. Real estate tax is determined by multiplying the assessed value of the property by the tax rate of \$.928 for every \$100 of assessed value.

Local Tax Revenue consists of Income Tax, Admissions and Amusement Tax, Recordation, and Trailer Tax. Income tax is the second largest source of revenue and is derived from income sources, such as salaries at a rate of 2.95%. Admission and Amusement Tax is assessed on entertainment related activities. Recordation tax is based on title transfers and Trailer tax is a monthly charge per unit.

Interest Income is based on how County investments perform.

Fees are revenues from various County departments that include charges for permits, Recreation's programs, building rental income, and other service charges.

Intergovernmental revenue is from grants the County receives from other governmental entities, as well as 911 fees, fees charged for marriage and traders' licenses, State Park fees, and other miscellaneous revenues.

How is the Operating Budget Spent?

Every year, the Board of County Commissioners approves the operating and capital budgets after a Public Hearing is held. Revenues received in the General Fund are spent on services listed below. Some of these services are fully paid for out of General Fund Revenue. Services listed with an asterisk (*) do receive some support from the General Fund but are budgeted in a separate fund:



Public Safety

- Sheriff
- Fire & EMS Operations
- Emergency Management and Communications
- Health Department
- Animal Control (Humane Society)



Transportation Services

- Public Bus Transportation (*)
- Road & Bridge Maintenance (*)



Education Services

- Board of Education
- Hagerstown Community College
- Network of Libraries
- Fine Arts Museum



Recreational Programs

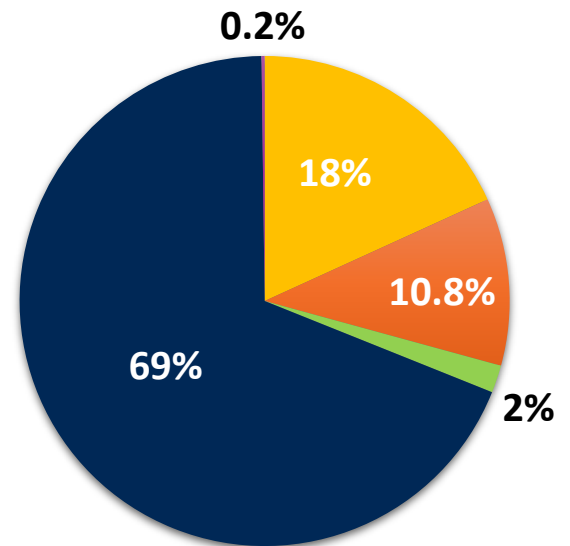
- Agricultural Education Center (*)
- Black Rock Golf Course (*)
- 18 Regional Parks
- Marty Snook Pool



Additional Services:

- Water and Sewer Operations (*)
- Election Board
- Court Systems
- Land Preservation (*)
- Planning and Permitting

General Fund Expenditures



- Wages
- Benefits
- Personnel Requests
- Operating Expenses
- Capital Outlay

Summary of All Funds

Washington County budgets are summarized and compared to the prior fiscal year approved budget in the table below:

Operating Funds	FY25 Approved	FY26 Proposed	FY25 vs. FY26 \$ Change	FY25 vs. FY26 % Change
Operating Funds:				
General Fund	\$300,648,730	\$323,115,430	\$22,466,700	7.47%
Highway Fund	13,914,110	14,377,720	463,610	3.33%
Solid Waste Fund	10,692,500	10,862,600	170,100	1.59%
Utility Administration Fund	6,283,910	6,739,520	455,610	7.25%
Water Fund	1,617,200	1,623,700	6,500	0.40%
Sewer Fund	14,511,550	16,086,050	1,574,500	10.85%
Pretreatment Fund	443,560	345,600	(97,960)	(22.08)%
Transit Fund	3,589,210	3,606,070	16,860	0.47%
Airport Fund	3,715,420	4,025,830	310,410	8.35%
Golf Course Fund	1,500,380	1,700,750	200,370	13.35%
	\$356,916,570	\$382,483,270	\$25,566,700	7.16%
Restricted Funds:				
Hotel Rental Tax Fund	2,000,000	2,000,000	0	0.00%
Cascade Town Center Fund	108,000	108,000	0	0.00%
Agricultural Education Center Fund	322,660	340,460	17,800	5.52%
Grant Management Fund	660,730	1,414,470	753,740	114.08%
Inmate Welfare Fund	630,310	738,650	108,340	17.19%
Gaming Fund	2,136,000	2,339,210	203,210	9.51%
Land Preservation Fund	3,869,530	2,848,670	(1,020,860)	(26.38)%
HEPMPO Fund	811,750	808,340	(3,410)	(0.42)%
Emergency Services Billing Fund	816,890	1,075,190	258,300	31.62%
Contraband Fund	0	30,000	30,000	100.00%
Foreign Trade Zone Fund	40,000	50,000	10,000	25.00%
	\$11,395,870	\$11,752,990	\$357,120	3.13%
Total Operating Funds	\$368,312,440	\$394,236,260	\$25,923,820	7.04%
Capital Improvement Plan	\$65,785,000	\$110,731,000	\$44,946,000	68.32%
Total Budgeted Funds	\$434,097,440	\$504,967,260	\$70,869,820	16.33%

Capital Improvement Budget



Halfway Boulevard project – bridge construction phase

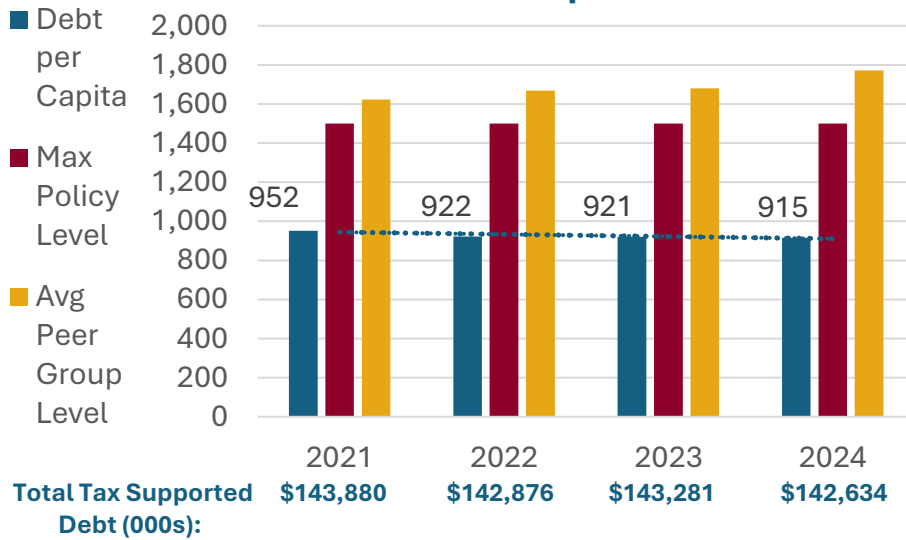
Credit: Joel Jordan,
C. William Hetzer

The Capital Improvement Plan (CIP) is a ten-year plan detailing the County’s current and forecasted large-scale projects, including maintenance for the Board of Education, new schools and libraries, bridges, roads, and parks, etc. The CIP is reviewed and revised every year. The total request for fiscal years 2026 through 2035 is \$881,048,000. The amount budgeted for projects we are investing in for FY 2026 is \$110,731,000 and include:

<u>Projects</u>	<u>2026 \$ Amount</u> <small>(in millions)</small>	<u>%</u>	<u>2026-2035 \$ Amount</u> <small>(in millions)</small>	<u>%</u>
Public Schools (K-12)	\$ 29.9	27.0%	\$ 204.0	23.2%
Bridges & Roads	15.1	13.7%	141.1	16.0%
Drainage (Watershed)	1.2	1.1%	13.1	1.5%
General Government	11.9	10.7%	226.7	25.7%
Water & Sewer	2.7	2.4%	33.3	3.8%
Airport	23.2	21.0%	55.5	6.3%
Parks & Recreation	4.5	4.1%	23.3	2.6%
Community College	10.2	9.2%	65.2	7.4%
Libraries	0.8	0.7%	17.9	2.0%
Solid Waste	7.0	6.3%	67.0	7.6%
Transit	4.2	3.8%	33.9	3.9%
Total	\$110.7	100.0%	\$881.0	100.0%

Debt and Reserves

Debt Per Capita



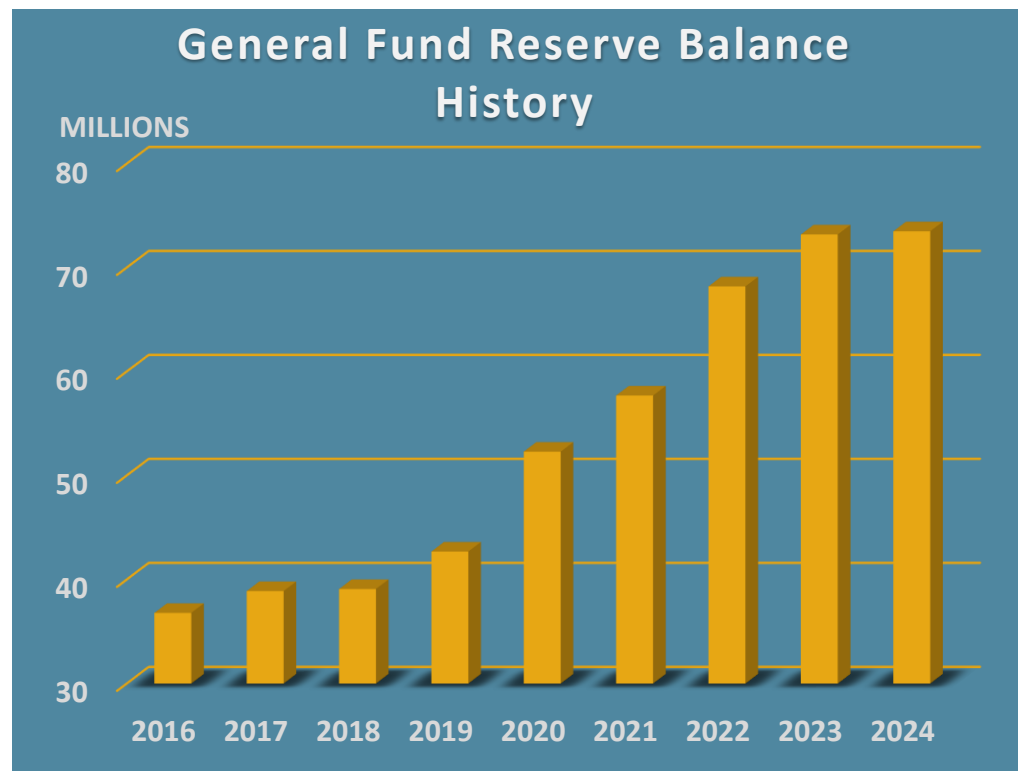
Debt

The County annually evaluates its debt capacity in conjunction with the budget process and the development of the Capital Improvement Plan. The County measures itself against other Maryland counties (peer group) and nationally accepted benchmark ratings for mid-size counties with the same rating and population.

Projected Debt Balances			
	Tax Supported	Self Supporting	Total
Balance June 30, 2024	\$142,634,217	\$41,845,705	\$184,479,922
2025 Borrowing	13,000,000	5,510,000	18,510,000
2025 Payments	(11,466,505)	(2,920,145)	(14,386,650)
Balance June 30, 2025	\$144,167,712	\$44,435,560	\$188,603,272

Reserves

Reserve balances, or savings, are maintained by the County for various financial reasons including reserves for catastrophic events, economic downturns, cash flow needs etc. The target balance for reserves varies from 17% to 25% of operating expenses depending on the fund and type of activity. The table to the right represents General Fund reserve balances.



Frequently Asked Questions

Q. *Why does the County require cash reserves?*

- A. Cash reserves are set aside to use in case of emergencies, cash flow, or for unexpected opportunities. These reserves can only be used according to the policy specifications. The County is a multi-million-dollar corporation and, like household finance, should have a savings account.

Q. *I do not have any children; how do I benefit from tax dollars that go to education?*

- A. The role of our primary and secondary schools is to provide our young citizens the essential knowledge, skills, and attitudes to be contributing citizens and productive workers in Washington County. Investing in education fosters a more skilled workforce which can enhance productivity and innovation. Additionally, education dollars include funding for public libraries and Hagerstown Community College, both of which serve all demographics.

Q. *What is the Constant Yield Tax Rate, and how does it differ from the actual tax rate of the County?*

- A. The Constant Yield Tax Rate is the rate the County could set if it wanted to collect the same amount in property tax revenue as it had the previous year, after changes in property values are considered. State law requires the County to calculate and publicize the Constant Yield Tax Rate if it is less than the actual current rate, to make clear the amount of a budget increase that is attributable to rising property values. In years when the assessed values of properties go up, the Constant Yield Tax Rate is lower than the rate the commissioners set. The proposed property tax rate for FY2026 is \$0.928, and the Constant Yield Tax Rate is \$0.8741.

Q. *Why does the County issue Debt?*

- A. Paying for needed infrastructure on a cash basis avoids interest costs associated with financing over several years. However, many large Capital Improvement budgets are too expensive to be paid from a single year's budget, making financing necessary. Additionally, a principle called "intergenerational equity" suggests having the costs of capital improvements benefiting the public over 15 or more years to be borne by future generations, and not entirely by the current taxpayer.

How to Become Involved

The Board of County Commissioners welcomes citizens' input on the budget. Sign up to participate at one of the board meetings or attend the Public Hearing on the budget. Follow Washington County on social media:



