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*County Executive*  
"Prince George's Proud"

# FY 2024 State Budget Overview

Office of Management and Budget

February 7, 2023

# Agenda

- State Aid Overview
- Other Legislation

# **State Aid Overview**

# FY 2024 County Aid Summary

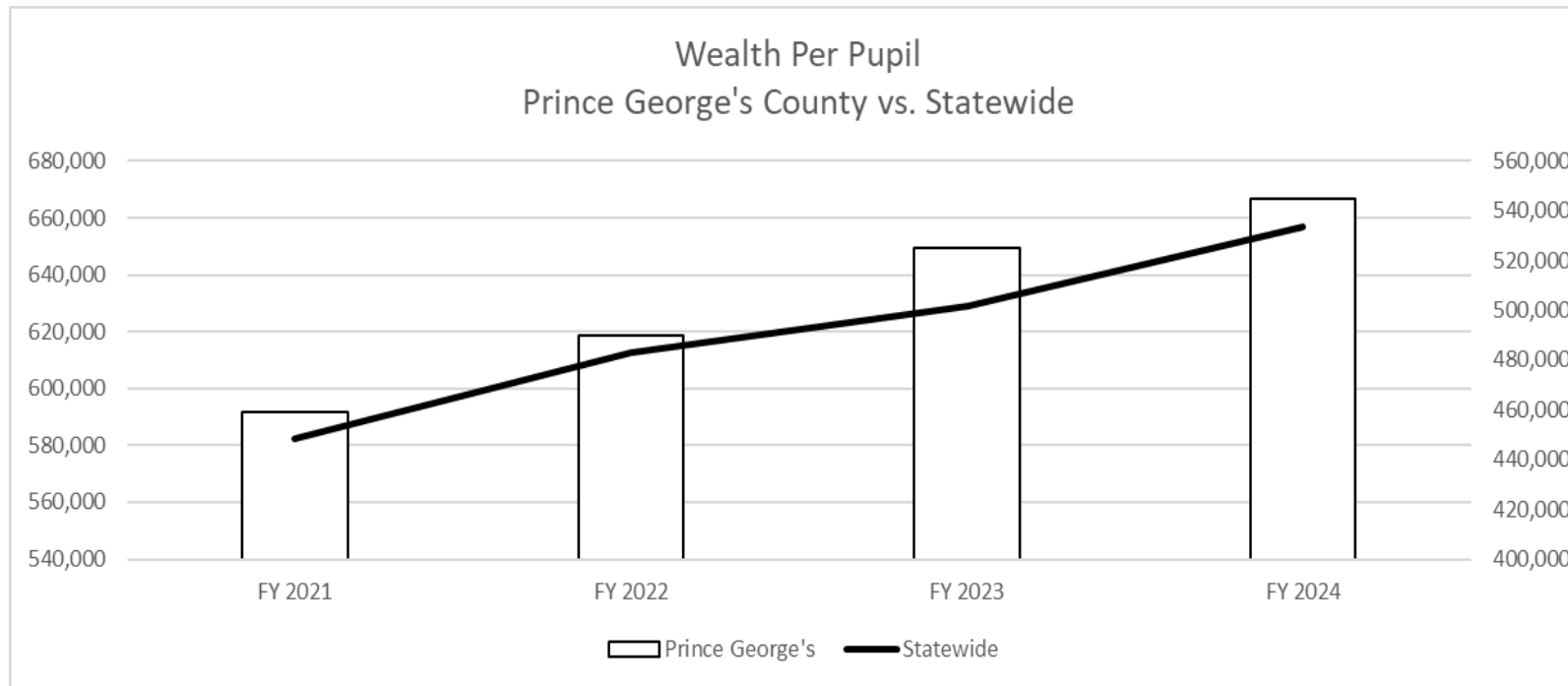
- State aid to/on behalf of Prince George's County totals \$1.92 billion in FY 2024.
- Direct Aid increases by \$250.7 million, or 16.2%.
  - K-12 education aid increases \$190.4 million, or 14.1%.
  - Library aid grows \$23,520, or 0.3%.
  - Community College aid increases by \$2.4 million, or 5.3%.
  - County aid increases by \$57.9 million, or 14.3%.

# K-12 Education Aid by Program

Category	Program	FY 2023	FY 2024	\$ Change	% Change
Education	Foundation Aid	627,697,885	646,569,120	18,871,235	3.0%
	Geographic Cost of Education Index	48,807,990	0	-48,807,990	-100.0%
	Comparable Wage Index	0	40,869,634	40,869,634	100.0%
	Compensatory Aid	254,469,286	347,700,409	93,231,123	36.6%
	Student Transportation - Regular	44,783,310	48,474,663	3,691,353	8.2%
	Student Transportation - Special Education	5,506,000	4,394,000	-1,112,000	-20.2%
	Special Education - Formula	56,217,745	64,634,345	8,416,600	15.0%
	Special Education - Nonpublic Placements	23,927,156	25,578,035	1,650,879	6.9%
	Special Education - Infants and Toddlers	868,339	868,339	0	0.0%
	English Language Learners Grant	143,638,899	159,381,748	15,742,849	11.0%
	Teacher Development Grants	4,000	4,000	0	0.0%
	Food Service	2,344,826	2,345,527	701	0.0%
	Innovative Programs	251,267	251,267	0	0.0%
	Out-of-County Foster Placements	98,276	96,395	-1,881	-1.9%
	Judy Hoyer Centers	417,967	417,967	0	0.0%
	Prekindergarten Expansion Program	1,464,000	1,464,000	0	0.0%
	Blueprint - Concentration of Poverty	54,717,361	75,670,667	20,953,306	38.3%
	Blueprint - Transitional Supplemental Instruction	10,110,645	10,175,927	65,282	0.6%
	Blueprint - Transition Grants	20,505,652	20,505,652	0	0.0%
	Blueprint - Full Day PreKindergarten	22,680,915	22,480,561	-200,354	-0.9%
	Blueprint - College and Career Readiness	1,401,972	1,523,522	121,550	8.7%
	Blueprint - Education Effort Index	26,521,153	63,405,507	36,884,354	139.1%
	Blueprint - Career Ladder	1,699,590	1,690,835	-8,755	-0.5%
<b>Subtotal Education</b>		<b>1,348,134,234</b>	<b>1,538,502,120</b>	<b>190,367,886</b>	<b>14.1%</b>

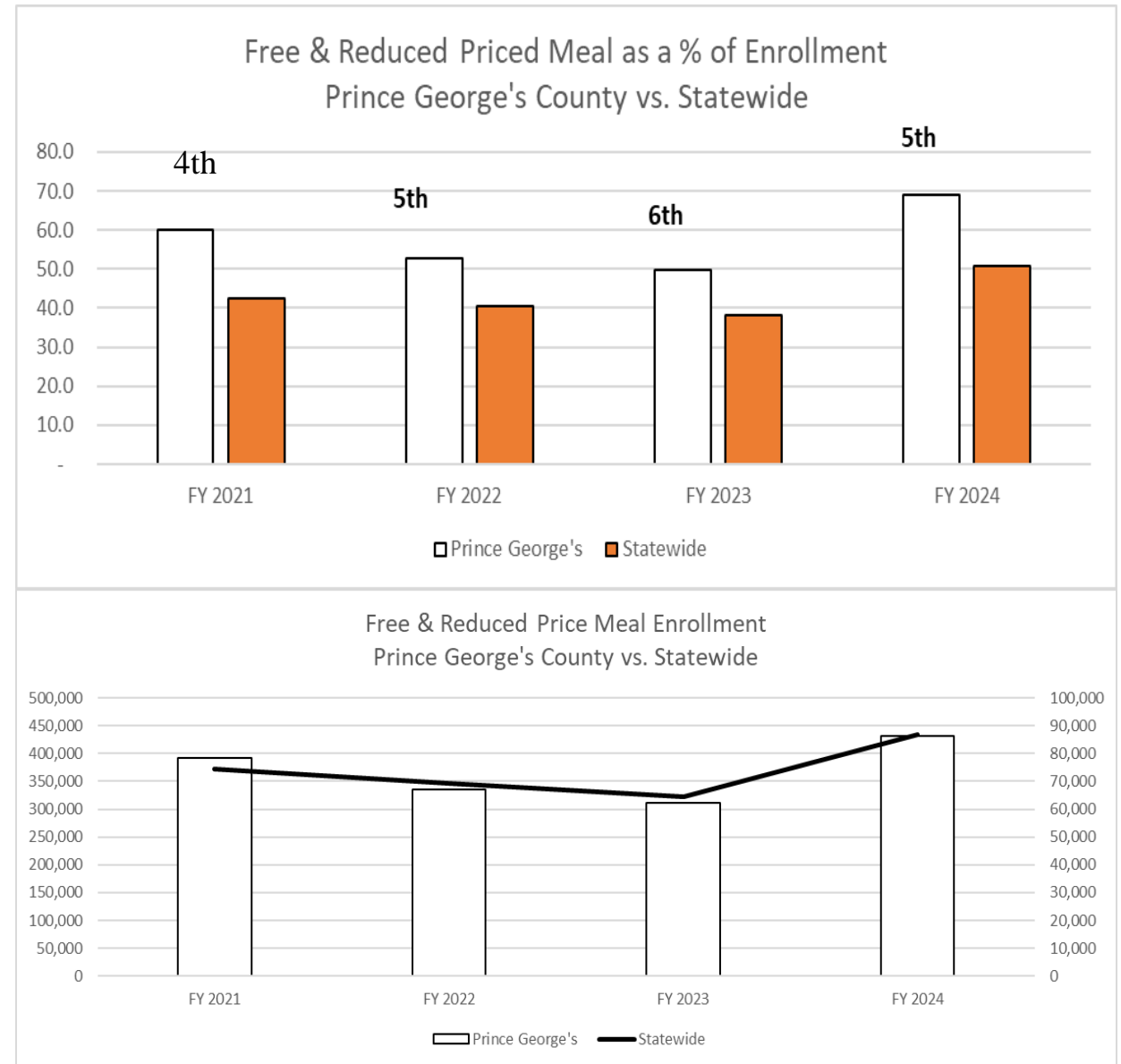
# Drivers of K-12 Education Funding: Wealth Per Student

- County wealth increases 3.8% in FY 2024 compared to the statewide average of 4.4%.
- The County ranks 15<sup>th</sup> on wealth per student, the same level as FY 2023.



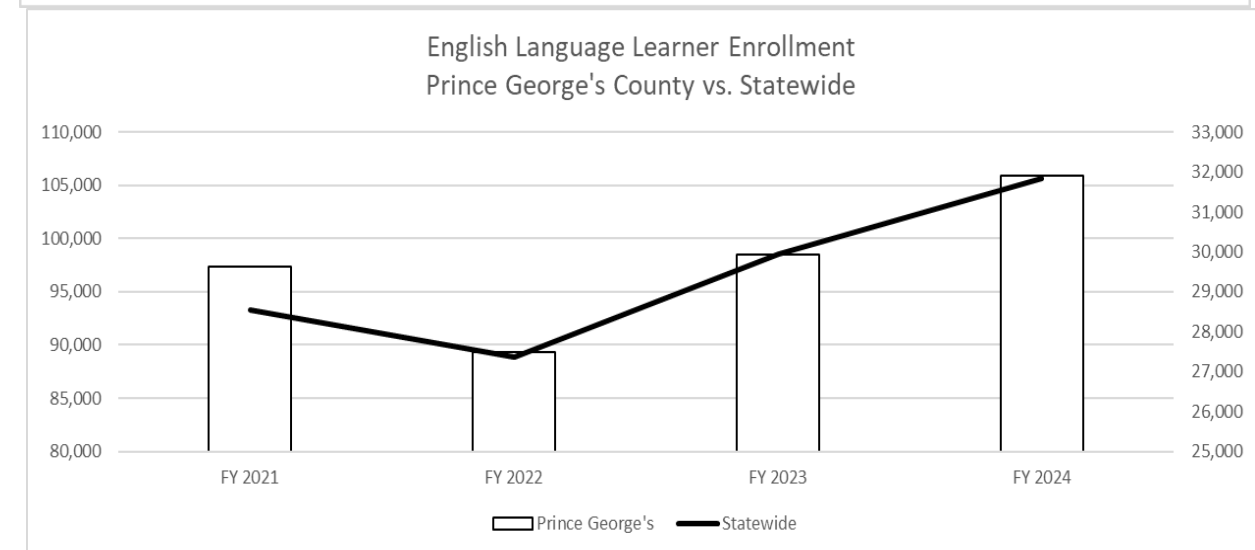
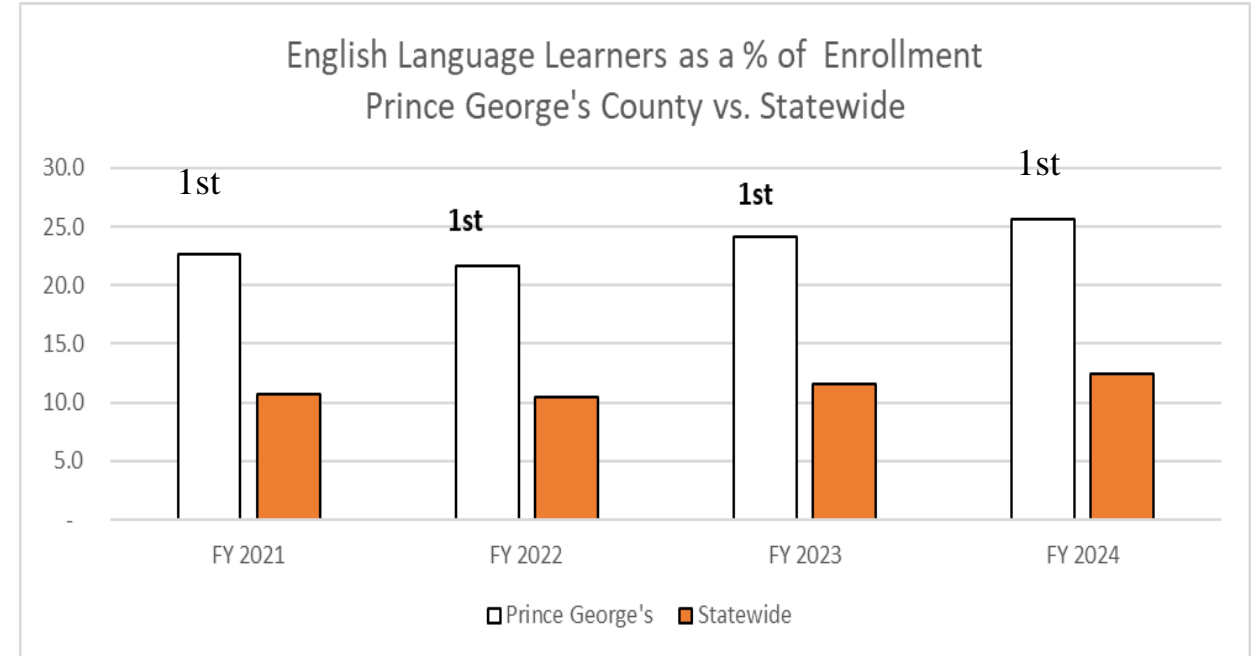
# Drivers of K-12 Education Funding: Free and Reduced-Price Meals

- The County ranks 5<sup>th</sup> in the number of students who qualify for free and reduced-price meals as a percent of enrollment.
- FRPM student counts have increased sharply following a period of federal funding for meals for all students during the pandemic, when FRPM students were not counted.



# Drivers of K-12 Education Funding: English Language Learners

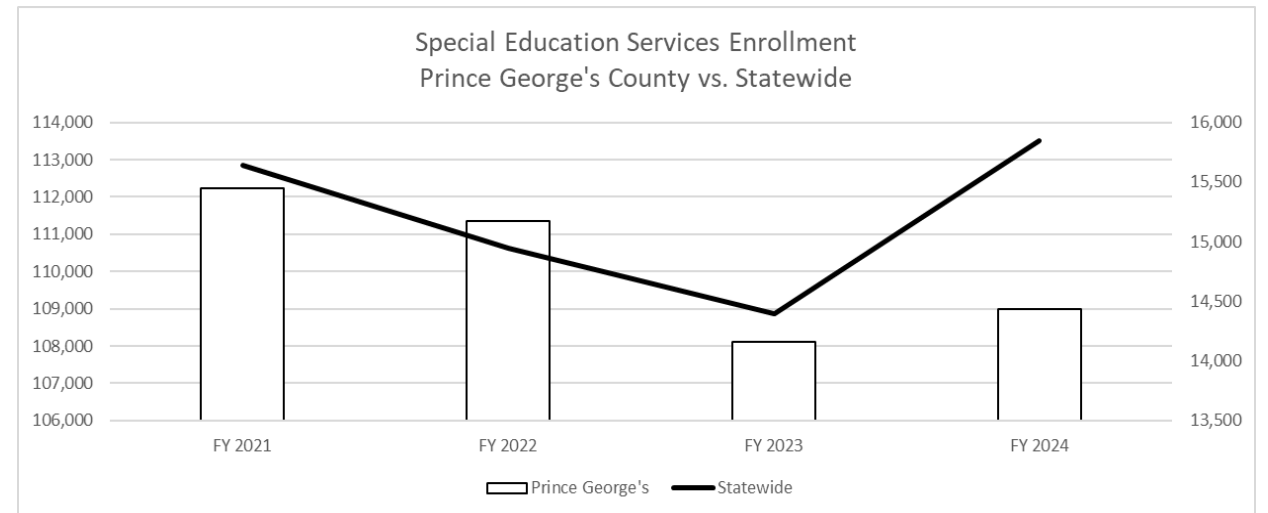
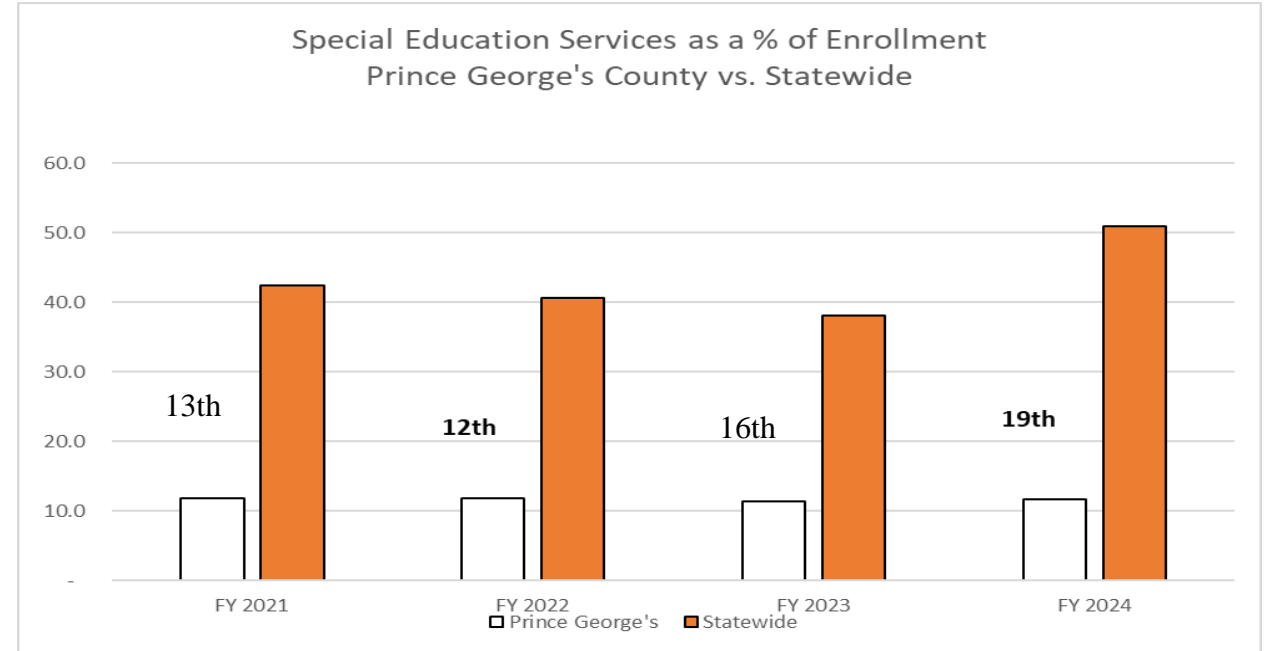
- The County ranks 1st in the number of students who are English Language Learners as a percent of enrollment.
- ELL student counts have also grown in the last two years.





# Drivers of K-12 Education Funding: Special Education Services

- The County ranks 19th in the number of students who receive Special Education Services as a percent of enrollment.
- Statewide growth in students receiving Special Education services has growth faster than the County.
- The County had ranked 13<sup>th</sup> as a percent of enrollment in FY 2021.



# Library and Community College Aid by Program

Category	Program	FY 2022	FY 2023	\$ Change	% Change
Libraries					
	Library Formula	8,729,041	8,752,561	23,520	0.3%
<b>Subtotal Libraries</b>		<b>8,729,041</b>	<b>8,752,561</b>	<b>23,520</b>	<b>0.3%</b>

Category	Program	FY 2023	FY 2024	\$ Change	% Change
Community Colleges					
	Community College Formula	42,695,054	45,246,966	2,551,912	6.0%
	Grants for ESOL Programs	675,216	607,224	-67,992	-10.1%
	Optional Retirement	2,019,501	1,960,500	-59,001	-2.9%
<b>Subtotal Community Colleges</b>		<b>45,389,771</b>	<b>47,814,690</b>	<b>2,424,919</b>	<b>5.3%</b>

# County Aid by Program

Category	Program	FY 2023	FY 2024	\$ Change	% Change
Health	Local Health Formula	8,385,221	9,139,215	753,994	9.0%
Transportation	Highway User Revenue	15,411,367	19,012,596	3,601,229	23.4%
	Elderly & Disabled Transportation Grants	332,819	332,819	0	0.0%
	Paratransit Grants	450,000	450,000	0	0.0%
Public Safety	Police Aid	15,665,883	15,376,028	-289,855	-1.9%
	Police Aid Enhancement	5,865,114	5,865,114	0	0.0%
	Fire and Rescue Aid	1,724,978	1,724,978	0	0.0%
	Other Public Safety Aid	4,652,699	4,652,699	0	0.0%
Shared Taxes	Gaming Impact Grants	38,539,459	37,616,940	-922,519	-2.4%
Other	Disparity Grant *	43,703,912	98,482,132	54,778,220	125.3%
	Teachers Retirement Supplemental Grants	9,628,702	9,628,702	0	0.0%
<b>Subtotal County</b>		<b>144,360,154</b>	<b>202,281,223</b>	<b>57,921,069</b>	<b>40.1%</b>

\* The State budget is underfunded by \$37.3 million based on revised TY 2021 income tax data.

# Payments on Behalf of the County

## Payments in Behalf

Libraries	Retirement - Libraries	2,362,012	2,336,905	-25,107	-1.1%
Community Colleges	Retirement - Community College	5,691,737	5,671,995	-19,742	-0.3%
Education	Retirement - Teachers	108,932,240	112,927,564	3,995,324	3.7%
<b>Total Payments in Behalf</b>		<b>116,985,989</b>	<b>120,936,464</b>	<b>3,950,475</b>	<b>3.4%</b>

# Other Legislation

# **Military Retirement Tax Exemption**

## **HB 554**

- Governor Moore has proposed legislation to exempt military retirement income from the income tax. It would exempt \$25,000 of income in TY 2023 and \$40,000 in TY 2024 and beyond.
- The impact to the State General Fund is estimated at impact estimated at -\$33 million in FY 2024.
- County income tax revenue would be reduced depending on the number of resident retirees.

# Extension of the Refundable Earned Income Tax Credit HB 547

- The Governor plans to introduce legislation to maintain the Refundable Earned Income Tax Credit at 45% of the federal earned income tax credit.
  - Chapter 39 of 2021 had increased the Earned Income Tax Credit from 28% to 45% for Tax Years 2021 and 2022.
  - The cost to the State is estimated at -\$151 million annually.
  - A credit on State taxes should not affect County revenues.
  - The legislation would benefit low-income residents in every County.

# Child Care Tax Credit

## HB 547

- Governor Moore also announced plans to propose legislation to establish a more robust Child Care Tax Credit.
- The revenue loss to the State is -\$20.0 million annually.
- A credit on State income taxes should not affect County revenues.