



THE PRINCE GEORGE'S COUNTY GOVERNMENT

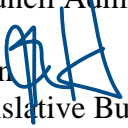
Office of Audits and Investigations


June 9, 2021

FISCAL AND POLICY NOTE

TO: Robert J. Williams, Jr.
Council Administrator

William M. Hunt
Deputy Council Administrator

THRU: Josh Hamlin 
Senior Legislative Budget and Policy Analyst

FROM: Isabel Williams 
Senior Legislative Budget and Policy Analyst

RE: Policy Analysis and Fiscal Impact Statement
CB-037-2021 Supplemental Appropriations (Draft 2)

CB-037-2021 (*Proposed and presented by:* The Chair of the Council at the request of the County Executive)

Assigned to the Committee of the Whole

AN ACT CONCERNING SUPPLEMENTAL APPROPRIATIONS, INTRADEPARTMENTAL TRANSFER OF APPROPRIATIONS AND INTERDEPARTMENTAL TRANSFER OF APPROPRIATIONS for the purpose of declaring additional revenue and appropriating to the General Fund to provide for costs that were not anticipated and included in the Approved Fiscal Year 2021 Budget and transferring surplus appropriation between various agencies and providing an appropriation adjustment to the Special Revenue Fund.

Fiscal Summary

Direct Impact:

Expenditures:

- Increases total General Fund expenditures by \$6,962,900 from \$3,771,909,300 to \$3,778,872,200

Revenues:

- Reflects an increase in revenue of \$6,962,900 from use fund balance over the approved FY 2021 General Fund budget, from \$79,723,200 to \$86,686,100.

Indirect Impact:

None.

Legislative Summary:

CB-037-2021, presented by Chair Hawkins at the request of the County Executive, was presented on June 2, 2021 and referred to the Committee of the Whole (COW). CB-037-2021 would provide additional appropriation authority totaling \$6,962,900 from the fund balance, increasing the Fiscal Year 2021 General Fund Budget from \$3,771,909,300 to \$3,778,872,200. The need for additional appropriation authority is primarily the result of continuing COVID-19 mitigation activities. A proposed Draft 2 of the Bill will be before the COW for discussion, and that Draft 2 is the subject of this Statement. Draft 1 for CB-37-2021 reflects increased revenue of \$5,474,900; proposed Draft 2 reflects increased revenue of \$6,962,900, which is an increase of \$1,488,000 over Draft 1. The increase between Draft 1 and Draft 2 is due to an increased appropriation to the Office of Central Services for operating expenses.

Current Law/Background:

Section 814 of the County Charter authorizes transfers of appropriations between general classifications of expenditures, in excess of \$250,000, upon recommendation of the County Executive. Section 815 of the County Charter allows the Council, upon the recommendation of the County executive, by legislative act, to make additional or supplemental appropriations from revenue received from anticipated sources. Prince George's County Code (the "Code") Section 10-110 governs budget appropriation adjustments. The County Code requires the approval for the Council for supplemental appropriations upon the recommendation of the County Executive.

Discussion/Policy Analysis:

CB-037-2021 provides supplementary appropriations and transfers surplus appropriations between various agencies and within various agencies in the General Fund to cover unanticipated costs needed to meet year-end operational requirements. The additional resources will support the following: (1) additional personnel expenses in the offices of the County Executive, Ethics and Accountability, Finance and Central Services along with the Board of License Commissioners; (2) overtime costs due to COVID-19 related activity in the Office of Homeland Security; (3) additional COVID-19 related invoices for the Office of Central Services; (4) COVID-19 hotel expenses to shelter the homeless in the Department of Social Services; (5) higher-than-anticipated expenses for contractual expenses in the Department of Permitting, Inspections and Enforcement; and (6) unanticipated operating expenses in the Department of Housing and Community Development. Additionally, the legislation includes a reallocation within the Office of Human Resources Management to reflect the transfer of contracted public safety investigators from compensation to operating expenses. Outside of the spending character reallocations, these costs are initially supported by the additional use of fund balance. The fiscal year 2021 General Fund budget as expressed by CB-24-2020 and amended by CB-24-2021 increases the budget from \$3,771,909,300 to \$3,778,872,200. The increase in revenue totals \$6,962,900 from \$79,723,200 to \$86,686,100.

Fiscal Impact:

Direct Impact:

A summary of the fiscal impact of CB-037-2021 is outlined below:

Agency	Approved Budget (Total)	Net Adjustments	Revised Budget
Office of County Executive	\$8,066,200	\$264,700	\$8,330,900
Office of Ethics and Accountability	\$904,500	\$32,700	\$937,200
Office of Finance	\$4,577,900	\$152,700	\$4,730,600
Board of License Commissioners	\$1,606,600	\$119,900	\$1,726,500
Office of Human Resource Management	\$9,396,000	\$0 ¹	\$9,396,000
Office of Central Services	\$23,183,600	\$3,160,900	\$26,344,500
Office of Homeland Security	\$38,181,600	\$300,000	\$38,481,600

¹ There is a transfer of \$650,000 of appropriation authority from Compensation Expenses to Operating Expenses within the Office of Human Resources Management.

Department of Social Services	\$5,920,900	\$2,586,700	\$8,507,600
Department of Permitting, Inspections, and Enforcement	\$11,171,900	\$300,000	\$11,471,900
Department of Housing and Community Development	\$4,808,300	\$45,300	\$4,853,600
Total, General Fund	\$3,771,909,300	\$6,962,900	\$3,778,872,200

Indirect Impact:

None.

Appropriated in the Current Fiscal Year Budget:

No.

Effective Date of Proposed Legislation

The proposed Act shall take effect forty-five (45) calendar days after it becomes law and be retroactive to June 30, 2021.

If you require additional information, or have questions about this fiscal impact statement, please call me.