



THE PRINCE GEORGE'S COUNTY GOVERNMENT

Office of Audits and Investigations

April 13, 2017

MEMORANDUM

TO: Dannielle M. Glaros, Chair
Public Safety and Fiscal Management Committee (PSFM)

THRU: David H. Van Dyke, County Auditor *DHVD*

FROM: Donna Cooper, Auditor *DC*

RE: Office of Law
Fiscal Year 2018 Budget Review

Budget Overview

The FY 2018 Proposed Budget for the Office of Law is \$3,933,900, an increase of \$105,000, or 2.7%, over the FY 2017 Approved Budget. This increase is largely due to funding a vacant Administrative Aid III position, anticipated merit increases and cost-of-living adjustments, offset by an increase in recoveries anticipated in FY 2018. The Office of Law expenditures are funded entirely by the General Fund.

Budget Comparison - General Fund

Approved Fiscal Year 2017 to Proposed Fiscal Year 2018

Category	FY 2016 Actual	FY 2017 Approved	FY 2017 Estimated	% Change - Est vs App	FY 2018 Proposed	\$ Change	% Change
Compensation	\$ 4,487,722	\$ 4,792,200	\$ 4,607,300	-3.9%	\$ 4,946,500	\$ 154,300	3.2%
Fringe Benefits	1,252,061	1,428,100	1,428,100	0.0%	1,533,400	105,300	7.4%
Operating Expenses	412,661	441,400	451,000	2.2%	448,800	7,400	1.7%
Sub-Total	\$ 6,152,444	\$ 6,661,700	\$ 6,486,400	-2.6%	\$ 6,928,700	\$ 267,000	4.0%
Recoveries	(2,701,609)	(2,832,800)	(2,794,500)	-1.4%	(2,994,800)	(162,000)	5.7%
Total	\$ 3,450,835	\$ 3,828,900	\$ 3,691,900	-3.6%	\$ 3,933,900	\$ 105,000	2.7%

Authorized Staffing Count - General Fund

	FY 2017 Approved	FY 2018 Proposed	Change Amount	Percentage Change
Full-Time	55	55	0	0.0%
Total	55	55	0	0.0%

Staffing Changes and Compensation

- The staffing level in the FY 2018 Proposed Budget is 55 full-time positions, which is the same level of staffing as the FY 2017 approved level.
- The proposed FY 2018 compensation is increasing by \$154,300, or 3.2%, over the FY 2017 Approved Budget due to anticipated merit increases and cost-of-living adjustments (\$94,300), as well as funding a vacant position that was not funded in FY 2017 (\$60,000).
- As of March 2017, the Office reported four (4) vacant full-time positions. The FY 2018 Proposed Budget includes funding for three (3) of these positions. An Investigator position will remain unfunded in the upcoming fiscal year.
- In FY 2017, the Office has one position, an Executive Administrative Aide, assigned to the Office of the County Executive. This assignment will continue in FY 2018.

Fringe Benefits

- Fringe benefit expenditures are proposed to increase by \$105,300, or 7.4%, above the FY 2017 Approved Budget due to the anticipated increase in compensation.
- A five-year trend analysis of fringe benefit expenditures is included below.

Fringe Benefits Historical Trend					
	FY 2014 Actual	FY 2015 Actual	FY 2016 Actual	FY 2017 Estimated	FY 2018 Proposed
Fringe Benefit Expenditures	\$ 1,290,938	\$ 1,344,609	\$ 1,252,061	\$ 1,428,100	\$ 1,533,400
As a % of Compensation	28.7%	28.5%	27.9%	31.0%	31.0%
Annual % Change	13.0%	4.2%	-6.9%	14.1%	7.4%

Operating Expenses

- FY 2018 operating expenses are proposed at \$448,800 and are comprised of the following major items:
 - Office Automation \$208,400
 - General and Administrative Contracts 95,900
 - Miscellaneous 31,500
 - Training 28,000
 - Operating and Office Supplies 20,000

- Overall, operating expenses are increasing by \$7,400, or 1.7%, over the FY 2017 Approved Budget. The accompanying table compares the FY 2018 Proposed Budget operating expenditures with the FY 2017 Approved Budget operating expenditures. FY 2018 Proposed Budget expenditures increase in four (4) categories compared to the FY 2017 Approved Budget. In two (2) of the categories, the FY 2018 Proposed Budget reduces planned spending from the FY 2017 Approved Budget. In six (6) of the categories, the FY 2018 proposed budget level remains unchanged.

Operating Objects	FY 2017 Budget	FY 2018 Proposed	FY 2017 - FY 2018	
			\$ Change	% Change
Printing	\$ 12,500	\$ 18,000	\$ 5,500	44.0%
Telephone	8,000	9,500	1,500	18.8%
General & Administrative Contracts	94,700	95,900	1,200	1.3%
Office Automation	207,400	208,400	1,000	0.5%
Training	28,000	28,000	-	0.0%
Periodicals	10,000	10,000	-	0.0%
Membership Fees	10,000	10,000	-	0.0%
Travel: Non-Training	800	800	-	0.0%
Mileage Reimbursement	15,200	15,200	-	0.0%
General Office Supplies	20,000	20,000	-	0.0%
Office and Operating Equipment Non-Capital	1,800	1,500	(300)	-16.7%
Miscellaneous	33,000	31,500	(1,500)	-4.5%
TOTAL	\$ 441,400	\$ 448,800	\$ 7,400	1.7%

- The most significant increase between the FY 2018 Proposed Budget and the FY 2017 Approved Budget is in Printing (\$5,500 increase) to align with actual expenditures.
- The most significant dollar reduction between the FY 2018 Proposed Budget and the FY 2017 Approved Budget is in Miscellaneous expenditures (\$1,500 reduction) associated with a decrease in court filing fees.

Recoveries

- FY 2018 proposed recoveries are \$2,994,800, an increase of \$162,000, or 5.7%, over the FY 2017 approved budget level. The following recoveries are for legal services provided by the Office to various agencies:

Recoveries for FY 2017 and FY 2018				
Description	FY 2017 Estimated	FY 2018 Proposed	Difference	Fund*
Department of Social Services	\$ 218,900	\$ 218,900	\$ -	STATE
Health Department	32,450	32,950	500	GF
Office of Central Services	172,200	181,800	9,600	CP
Fire Department	32,450	32,950	500	GF
Housing Authority	39,900	39,500	(400)	GF
Department of the Environment	70,000	70,000	-	EF
Risk Management	2,228,600	2,418,700	190,100	IS
TOTALS	\$ 2,794,500	\$ 2,994,800	\$ 200,300	

*Type of Fund: General Fund (GF) and Internal Service (IS), Enterprise Fund (EF), and Capital Improvement Program (CP)

Highlights

- During FY 2017, the Office of Law negotiated multiple public and private partnership agreements related to healthcare being provided to the poor and Howard University nursing students acquiring clinical training.
- The Office of Law successfully defended CB-46-2010 and CB-56-2011 before the U.S. District Court for the District of Maryland in law suits challenging the constitutionality of these statutes. The case has currently reached the U.S. Court of Appeals for the Fourth Circuit.
- In serving the County’s legal needs, the Office of Law manages and utilizes several legal services contracts in various areas of specialty. The Office reports that in FY 2017, approximately 24 legal services contracts are in place totaling \$922,976. These contracts support a variety of County agencies and are budgeted within the respective agencies where services are provided. Several vendors have multiple contracts with the County. Please see **Attachment 1**.
- Several legislative bills were being considered in the Maryland General Assembly 2017 Session that would have an impact on the Board’s operations and finances. Please see Response #21, Page 9 of the FY 2018 Budget Review, First Round Questions.
- The following bill, which passed the Maryland General Assembly 2017 Session, was identified as having a potential operational or fiscal impact on the Office of Law’s programs and operations:
 - HB 642 creates a cause of action for damages against sexual perpetrators, but also allows the victim to file suit against a governmental entity if the government entity was aware of the abuse and failed to protect the victim. This bill, which was signed by the Governor on April 4, 2017, may create additional liability for the Department of Social Services.
- The following table represents the category, number of active cases, and the estimated potential exposure from lawsuits not including projected attorney fees:

Category	March 2015		March 2016		March 2017	
	Number of Active Cases	Possible Loss Contingencies	Number of Active Cases	Possible Loss Contingencies	Number of Active Cases	Possible Loss Contingencies
Professional Liability	67	\$ 3,580,000	68	\$ 4,828,740	72	\$ 16,091,234
General Liability	20	41,172	23	55,000	17	205,000
Vehicle Liability	14	216,704	19	197,931	19	280,708
Employment	7	815,000	3	300,000	6	180,000
Miscellaneous	5	90,000	4	-	8	-
TOTAL	113	\$ 4,742,876	117	\$ 5,381,671	122	\$ 16,756,942

FY17 LEGAL SERVICES CONTRACTS CHART Ending June 30, 2017			
VENDOR	CONTRACT SERVICE/CASE	RESPONSIBLE AGENCY	FY17 CONTRACT AMOUNT
Alexander & Cleaver 11414 Livingston Road Ft Washington, MD 20744	Representation for MD Public Service Commission	NON-D	\$65,000
Augustine, Malcolm 3103 Belleview Avenue Cheverly, MD 20785	WMATA/WSTC	DPW&T	\$75,000
Best Best & Krieger LLP 2000 Pennsylvania Avenue, N.W., Suite 4300 Washington, D.C. 20006	Comcast Cable Franchise & Transfer Services	OIT	\$84,000
Camp, Marva Jo 1301 Sea Pines Terrace Mitchellville, MD 20721	Citizen Complaint Oversight Panel/CCOP	CCOP	\$20,000
Carl A. Harris & Assoc. PO Box 1168 Upper Marlboro, MD 20773-1168	County Transfer & State Recordation Taxes	NON-D	\$60,000
Carl A. Harris & Assoc. PO Box 1168 Upper Marlboro, MD 20773-1168	Tax Sale Foreclosure & Treasury Matters	NON-D	\$10,000
Carl A. Harris & Assoc. PO Box 1168 Upper Marlboro, MD 20773-1168	Property Tax Collection	NON-D	% of Collections
Emerson Davis, Sr. 1710 Albert Terrace Mitchellville, MD 20721- 2202	Board of Appeals	COUNTY COUNCIL	\$19,200
Isaac H. Marks, Sr. (Law Office of) 11785 Beltsville Drive, Suite 150 Calverton, MD 20705	Towing Hearing Officer	DOE	\$46,500
Isaac H. Marks, Sr. (Law Office of) 11785 Beltsville Drive, Suite 150 Calverton, MD 20705	Redevelopment Authority	REDEVELOPMENT AUTHORITY	\$56,250
Karpinski, Colaresi & Karp 120 East Baltimore St Suite 1850 Baltimore, MD 21202-1605	<i>Espina-Jacome v. Jackson, Freeman & PGC</i>	LAW	\$30,000
Karpinski, Colaresi & Karp 120 East Baltimore St Suite 1850 Baltimore, MD 21202-1605	<i>Jacobs v. PGC, BOE</i>	LAW	\$30,000
Karpinski, Colaresi & Karp 120 East Baltimore St	<i>Morales v. Richardson</i>	LAW	\$20,000

Suite 1850 Baltimore, MD 21202-1605			
Karpinski, Colaresi & Karp 120 East Baltimore St Suite 1850 Baltimore, MD 21202-1605	<i>Ulloa v. PGC (rep. Ofc. Tanya Brooks)</i>	LAW	\$30,000
Kelsey Law Firm 3034 Mitchellville Road Bowie, MD 20716	Dept. of Social Services/OAH	LAW	\$62,700
Leftwich & Ludaway 1400 K Street, N.W. Suite 1000 Washington, D.C. 20005-2403	Human Relations Commission	HRC	\$20,000
McGuire Woods 7 St. Paul Street, Suite 1000 Baltimore, MD 21202	Representing County Mgmt of County's Waste	DOE	\$50,000
Meyers, Rodbell & Rosenbaum 6800 Kenilworth Avenue, Suite 400 Riverdale, MD 20737-1385	Bankruptcy	N/A	% of Collections
Meyers, Rodbell & Rosenbaum 6800 Kenilworth Avenue, Suite 400 Riverdale, MD 20737-1385	<i>F.G.Development Corp. Case No. 15-18210TJC</i>	NON-D	\$10,000
Robinson & Geraldo 1316 Pennsylvania Avenue, S.E. Washington, D.C. 20003	Personnel Board Counsel	PERSONNEL BOARD	\$27,400
Shiple & Horne (Bradley Farrar) 1101 Mercantile Lane, Suite 240 Largo, MD 20774	Historic Preservation Comm.	NON-D	\$25,000
Venable LLP 575 7 th Street, N.W. Washington, D.C. 20004	Labor Interest & Arbitration	OHRM	\$150,000
LexisNexis PO Box 9584 New York, NY 10087-4584	Publishing	LAW	\$25,272
West Publishing Corp. 610 Opperman Drive Eagan, MN 55123	Publishing	LAW	\$6,654
Total			\$922,976