

**PRINCE GEORGE'S COUNTY COUNCIL
AGENDA ITEM SUMMARY**

Meeting Date: 7/28/98

Reference No.: CB-96-1998

Proposer: County Executive

Draft No.: 2

Sponsors: Russell, Scott

Item Title: Supplementary Appropriation and Interdepartmental
Transfer of Appropriations

Drafter: Darlene Horton
OMB

Resource Personnel: Darlene Horton
OMB

LEGISLATIVE HISTORY:

Date Presented: 6/23/98

Executive Action: 8/17/98 S

Committee Referral: 6/23/98 PSFM

Effective Date: 10/2/98

Committee Action: 6/25/98 FAV(A)

Date Introduced: 7/7/98

Pub. Hearing Date: 7/28/98 10:45 A.M.

Council Action: 7/28/98 ENACTED

Council Votes: RVR:A, DB:A, SD:A, JE:A, IG:A, TH:A, WM:A, AS:A, MW:A

Pass/Fail: P

Remarks: (Retroactive Provisions)

PUBLIC SAFETY AND FISCAL MANAGEMENT COMMITTEE REPORT Date: 6/25/98

Committee Vote: Favorable as amended, 5-0, (In favor: Council Members Esteppe, Bailey, Hendershot, Scott and Wilson).

This bill provides for supplementary appropriations for a number of County agencies by reducing appropriations for agencies which are projected to underspend their current year budgets. (pp 2-3). The unspent funds are not sufficient to provide the needed additions to other agencies' budgets, therefore a declaration of additional revenue is required. This legislation authorizes appropriation of additional income tax revenue of \$10,003,600 in addition to the agency savings of \$700,000 to fund supplementary appropriations totaling \$10,703,600. The bill also transfers costs among various agencies and the Non-Departmental section of the budget.

The budget adjustments consist of three major factors: wage enhancements in the adopted budget; budgetary treatment of fringe benefits; and unanticipated costs in the adopted budget. (pp 3-5).

The costs of bonuses, merit increases and negotiated cost of living increases are being moved to each agency from Non-Departmental. The remaining Non-Departmental contingency appropriation will fund leave payouts incurred or anticipated during the fiscal year. The total transferred from Non-Departmental to agencies is \$4.6 million.

The FY98 adopted budget included all employer costs of health insurance for employees as well as an apportioned cost for retirees. After reviewing this issue, it was concluded that retiree health insurance costs - about \$5 million - are more appropriately budgeted centrally. Consequently, this legislation shows a savings in agency budgets and reflects the cost in the Other Non-Departmental section of the budget. This bill also reflects savings in other fringe benefit areas, particularly health insurance.

A number of major agencies, primarily in the public safety and criminal justice areas, have incurred significant unbudgeted costs for overtime. The Police, Fire and Corrections Departments have compensated for significant numbers of vacancies in authorized positions with overtime. Since the Court of Appeals has not yet ruled on the issue of responsibility for District Court functions, the Office of the Sheriff will require a second supplementary appropriation.

In a memorandum dated June 24, 1998, the County Executive formally declared an additional \$4,639,770 of FY98 revenue. This additional amount is a restricted grant revenue received by the Board of Education for a number of special functions. These restricted funds are appropriated as a part of the County's General Fund and incorporated as amendments to CB-96-1998.

The Director of Finance has certified, in writing, the availability of \$10,003,600 revenue from income taxes and the Office of Law has certified the legal sufficiency of the legislation.

There should not be any negative fiscal impact on the County as a result of enacting CB-96-1998.

BACKGROUND INFORMATION/FISCAL IMPACT

This legislation provides for supplementary appropriations for a number of County agencies by reducing appropriations for agencies which are projected to underspend their current year budgets. Since the unspent funds are not sufficient to provide the needed additions to other agencies' budgets a declaration of additional revenue is required. The bill also transfers costs among various agencies and the Non-Departmental section of the budget.

CODE INDEX TOPICS: