



October 20, 2023

FISCAL AND POLICY NOTE

TO: Jennifer A. Jenkins
Council Administrator

William M. Hunt
Deputy Council Administrator

THRU: Josh Hamlin
Director of Budget and Policy Analysis

FROM: Arian Albear
Legislative Budget and Policy Analyst

RE: Policy Analysis and Fiscal Impact Statement
CR-085-2023, Local Impact Grant Funds

CR-085-2023 (*Proposed by:* The Chair by request of the County Executive; *Introduced by:* Council Members Harrison, Watson, Ivey, Burroughs, Hawkins, Demoga, Franklin, Fisher, and Oriadha)

Assigned to the Committee of the Whole (COW)

A RESOLUTION CONCERNING LOCAL IMPACT GRANT FUNDS MULTIYEAR PLAN for the purpose of transmitting the Local Impact Grant Funds Multiyear Plan to the County Council for review and approval.

Fiscal Summary

Direct Impact:

Expenditures: N/A.

Revenues: N/A.

Indirect Impact:

N/A.

Legislative Summary:

CR-085-2023¹, proposed by the Chair of the Council by request of the County Executive and introduced by Council Members Harrison, Watson, Ivey, Burroughs, Hawkins, Dernoga, Franklin, Fisher, and Oriadha was introduced on September 26, 2023, and referred to the Committee of the Whole (COW). CR-085-2023 would approve the multiyear spending plan for local impact grant funds for Fiscal Years (FY) 2024 – 2026, as required under State law.

Current Law/Background:

Title 9, Subtitle 1A of the State Government Article governs the operation of Video Lottery Terminals (VLTs) in the State, including the distribution of revenue from VLT facilities. The law requires that revenues from VLT facilities be used for improvements primarily in the communities in immediate proximity to the video lottery facilities. It further specifies that the funds may be used for the following purposes:

- (1) infrastructure improvements;
- (2) facilities;
- (3) public safety;
- (4) sanitation;
- (5) economic and community development, including housing; and
- (6) other public services and improvements.

State law² requires that the County develop, in consultation with the Local Development Council,³ a multiyear plan for the expenditure of the local impact grant funds for services and improvements.

¹ [CR-085-2023](#).

² Annotated Code of Maryland, State Government (SG) Article, Section 9-1A-31

³ SG §9-1A-31(c) requires that a “local development council” be established in each geographic area where a video lottery facility is located. The Prince George’s County Local Development Council consists of 15 members appointed by the County Executive in consultation with the Senators and Delegates who represent the communities surrounding the facility and the County Council. The Local Development Council includes: (1) one Senator who represents the district where the facility is located or the Senator's designees; (2) two Delegates who represent the districts where the communities surrounding the facility are located or the Delegates' designees; (3) one representative of the video lottery operation licensee; (4) seven residents of the communities in immediate proximity to the facility; and (5) four representatives of businesses or institutions located in immediate proximity to the facility. Additional information may be accessed at: <https://www.princegeorgescountymd.gov/1125/Local-Development-Council>

County law under CB-088-2015⁴ requires that, prior to submitting the multiyear plan to the Local Development Council for review and comment, the County Executive must provide the County Council with thirty (30) days to review, comment, and make recommendations on the multiyear plan.⁵ The County Executive is then required to make “best efforts” to accommodate the recommendations of the County Council prior to submitting the multiyear plan to the Local Development Council. After the Local Development Council's review, comment, and recommendations on the multiyear plan, the Executive must transmit the multiyear plan to the County Council for review and approval by resolution. CR-085-2023 is the resolution approving the multiyear plan and requires a public hearing prior to adoption.⁶

The County Executive first submitted the multiyear plan for Fiscal Years 2024 – 2026 to the Council on May 31, 2023.⁷ The Council, sitting as the COW, considered the plan on June 20, 2023,⁸ and the Council provided its comments on the plan by a letter from Chair Dernoga on June 20, 2023.⁹ The Local Development Council transmitted their comments and recommendations regarding the plan on August 30, 2023.¹⁰

Prince George’s County legislation, beginning with CR-033-2015, requires that 50% of Annual Local Gaming Revenue, up to a maximum of \$25 million, be allocated for public education purposes.¹¹ CB-099-2022¹² further expanded this requirement by removing the “public” caveat for education and allowing the grant funds to be allocated to “non-profit organizations that provide educational services.” Beginning in fiscal year 2018, CB-022-2017¹³ requires that the County:

“[A]llocate at least 25% of the Local Impact Grant, excluding funds reserved by state law for Maryland Highway 210, up to an amount not to exceed \$2,200,000 (adjusted annually for inflation), for vocational, technical, and skilled trades programs at Crossland High School...”

Resource Personnel:

- Amber Hendricks, Office of Management and Budget
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⁴ [CB-088-2015](#).

⁵ [Prince George’s County Code, §10-309.02\(a\)](#).

⁶ [Prince George’s County Code, §10-309.02\(b\)](#).

⁷ See “[FY 24-26 LIG Transmittal Letter and Proposed VLT Spending Plan](#).”

⁸ The discussion of the plan in COW can be viewed [here](#).

⁹ [Local Impact Grant Letter 2023](#).

¹⁰ [CR-085-2023 Transmittal](#).

¹¹ Note: This is *all* MGM Casino-related revenues, including Video Lottery Terminal (VLT) funds.

¹² [CB-099-2022](#).

¹³ [CB-022-2017](#).

Discussion/Policy Analysis:

The FY 2024 – 2026 multiyear plan reflects the County’s projection of casino-related revenues over the next three fiscal years, with Attachment A detailing the expenditure plan for Video Lottery Terminal (VLT) revenues. The VLT expenditure plan supports Education, Police, Fire, Workforce Development and Training, the Revenue Authority, the Department of the Environment, the Department of Public Works & Transportation, a Youth Employment Program through the Office of Human Resources Management, and Community Impact Grants.

Because it is based on projections of VLT revenues, the spending plan is subject to change. All expenditures reflected in the plan for FY 2024 are appropriated in the current approved Operating Budget.

The details of the FY 2024 – 2026 multiyear plan are outlined in Attachment A to CR-085-2023, and are summarized below:

VLT Revenues	FY 2024	FY 2025	FY 2026
	\$ 10,022,500	\$ 10,162,400	\$ 10,304,500
Grant Category	FY 2024	FY 2025	FY 2026
Education			
Crossland HS	2,665,300	2,805,200	2,947,300
PGCC	1,064,000	1,064,000	1,064,000
PGCMLS	800,000	800,000	800,000
Education Sub-Total	4,529,300	4,669,200	4,811,300
Police	1,219,000	1,219,000	1,219,000
Fire	767,700	767,700	767,700
Workforce Development and Training	637,700	637,700	637,700
Scholarships - High School Students	200,000	200,000	200,000
Revenue Authority	144,000	144,000	144,000
Department of the Environment	380,000	380,000	380,000
Department of Public Works & Transportation	519,800	519,800	519,800
Youth Employment Program	400,000	400,000	400,000
Community Impact Grants	1,225,000	1,225,000	1,225,000
TOTAL SPENDING	\$ 10,022,500	\$ 10,162,400	\$ 10,304,500

Education

As mentioned above, the 50% requirement for Education is for *all* MGM Casino revenues, including VLT revenues.

Prince George's County Public Schools (PGCPS)

- Crossland High School Career Academy (\$2,665,300)
 - o At least 25% of VLT tax revenue for vocational trades.

Prince George's County Community College (PGCC)

- Equity through Certification, Education, and Training Program (\$1,000,000)
 - o Provides free tuition for students living within the designated impact area.
- Financial Empowerment Center (\$64,000)
 - o Provides financial literacy and services to the community.

Prince George's County Memorial Library System (PGCMLS)

- Afterschool Tutoring Program (\$800,000)
 - o Provides afterschool tutoring support for elementary schools in the impact area.

Police Department

Office of Community First (\$250,000)

- Funds the Office of Community First

Police Officers – Current Staffing at District 7 (\$969,000)

- Provides staffing support for eight (8) full-time equivalent (FTE) positions.

Fire Department

- Fire Fighters (\$767,700)
 - o Provides staffing support for six (6) full-time equivalent (FTE) positions.

Workforce Development and Training

- Employ Prince George's – National Harbor Job Center (\$637,700)
 - o Provides funding for training at the area Job Center.

Scholarships – High School Students

- Excellence in Education Foundation for PGCPS, Inc. (whose fiscal agent is the Greater Washington Community Foundation) (\$200,000)

- Provides scholarships for students in Friendly, Oxon Hill, Potomac, and Crossland high schools.

Revenue Authority

- Automated Speed Enforcement Cameras (\$144,000)
 - Funds three (3) cameras.

Department of the Environment

- Big Belly Trash Receptacles (\$151,000)
- Cameras for Illegal Dumping Program (\$229,000)

Department of Public Works & Transportation

- Litter Control (\$185,800)
- Street Sweeping (\$243,800)
- Roadside Mowing (\$6,500)
- Landscaping (\$83,700)

Youth Employment Program

- Office of Human Resources Management – Summer Youth Employment Program (\$400,000)
 - Provides summer employment opportunities for students in Friendly, Oxon Hill, Potomac, and Crossland high schools.

Community Impact Grants

- Grants to Community Organizations – Local Development Council (\$850,000)
 - 17 grants to local community organizations.¹⁴
- Grants to Community Organizations – Designated Grantees (\$250,000)¹⁵
- Grants to Support the Community 2.5 miles northeast of the VLT facility (\$125,000)
 - Grant for the Town of Forest Heights.¹⁶

¹⁴ Per communication with the Office of Management and Budget, the name of the organizations and the amounts awarded was not known as of 04 October 2023.

¹⁵ Ibid.

¹⁶ Communication with the Office of Management and Budget, 04 October 2023.

Fiscal Impact:

- *Direct Impact*

Adoption of CR-085-2023 should not have a direct fiscal impact on the County. Its adoption will approve a spending plan for the State's local impact grant funds. Fiscal Year 2024 expenditures are appropriated in the current approved operating budget, and expenditures for future years will be subject to appropriation in the budget process.

- *Indirect Impact*

Adoption of CR-085-2023 should not have an indirect fiscal impact on the County.

- *Appropriated in the Current Fiscal Year Budget*

Yes.

Effective Date of Proposed Legislation:

The proposed Resolution shall be effective on the date of adoption.

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