



# THE PRINCE GEORGE'S COUNTY GOVERNMENT


## Office of Audits and Investigations

September 29, 2022

### FISCAL AND POLICY NOTE

TO: Robert J. Williams, Jr.  
Council Administrator

William M. Hunt  
Deputy Council Administrator

FROM: Josh Hamlin   
Director of Budget and Policy Analysis

RE: Policy Analysis and Fiscal Impact Statement  
CR-115-2022, Local Impact Grant Funds

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**CR-115-2022** (*Proposed by:* The Chair by request of the County Executive; *Introduced by:* Council Members Hawkins, Glaros, Streeter, Turner, Dernoga, Ivey and Medlock)

Assigned to the Health, Human Services, and Public Safety (HHSPS) Committee

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**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.

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### Fiscal Summary

#### Direct Impact:

*Expenditures:* N/A.

*Revenues:* N/A.

#### Indirect Impact:

N/A.

**Legislative Summary:**

CR-115-2022, proposed by the Chair of the Council by request of the County Executive and introduced by Council Chair Hawkins and Council Members Glaros, Streeter, Turner, Dernoga, Ivey and Medlock was introduced on September 20, 2022 and referred to the Health, Human Services, and Public Safety (HHSPS) Committee. CR-115-2022 would approve the multiyear spending plan for local impact grant funds for Fiscal Years (FY) 2023-2025, as required under State law.

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**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 law<sup>1</sup> requires that the County develop, in consultation with the Local Development Council,<sup>2</sup> a multiyear plan for the expenditure of the local impact grant funds for services and improvements. County law 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.<sup>3</sup> 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-115-2022 is the resolution approving the multiyear plan, and requires a public hearing prior to adoption.<sup>4</sup>

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<sup>1</sup>Annotated Code of Maryland, State Government (SG) Article, Section 9-1A-31

<sup>2</sup>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>

<sup>3</sup> Prince George’s County Code, §10-309.02(a)

<sup>4</sup> Prince George’s County Code, §10-309.02(b)

The County Executive first submitted the multiyear plan for Fiscal Years 2023 – 2025 to the Council on June 3, 2022,<sup>5</sup> the Council, sitting as the Committee of the Whole considered the plan on June 28, 2022<sup>6</sup> and the Council provided its comments on the plan by letter from Chair Hawkins on July 5, 2022.<sup>7</sup> The Local Development Council reviewed at its August 17, 2022 meeting, and its recommendations on the multiyear plan are dated August 21, 2022.<sup>8</sup>

**Resource Personnel:**

- Amber Hendricks, Office of Management and Budget

**Discussion/Policy Analysis:**

The FY 2023-2025 multiyear plan reflects the County’s projection of casino-related revenues over the next three fiscal years. The spending plan dedicates 100% of VLT revenues to Economic and Community Development initiatives. This category of funding provides resources for workforce development training, health and human service programs, the County’s youth employment program, student scholarships and community impact grants. In addition to providing significant funding for the Crossland HS Career Academy, other local schools, and public safety in the area, the FY 2023-2025 spending plan allots funding for Employ Prince George’s,<sup>9</sup> the MGM Positive Impact Scholarship program administered by the Excellence in Education Foundation for PGCPS, grants to community organizations distributed through the Local Development Council’s local impact grant program, and the Youth Employment Program. The details of the FY2023-2025 multiyear plan are outlined in Attachment A to CR-115-2022, and are summarized below:

<b>Expenditure Category</b>	<b>FY 2023</b>	<b>FY 2024</b>	<b>FY 2025</b>
CB-33-2015 <sup>10</sup> Requirement:			
Crossland HS Career Academy	\$2,432,000	\$2,595,000	\$2,662,400
and other Education Expenses <sup>11</sup>	\$3,400,600	\$3,509,000	\$3,720,900
<b>Total:</b>	<b>\$5,832,600</b>	<b>\$6,104,000</b>	<b>\$6,383,300</b>

<sup>5</sup> See “FY 23 Local Impact Grant Spending Plan Memo to Council” at: <https://princegeorgescountymd.legistar.com/LegislationDetail.aspx?ID=5709328&GUID=5A668D0C-C8BD-440C-BAF9-63E578774A39&Options=&Search=>

<sup>6</sup> The discussion of the plan in Committee of the Whole can be viewed at: [https://princegeorgescountymd.granicus.com/MediaPlayer.php?view\\_id=2&clip\\_id=2521&meta\\_id=369589](https://princegeorgescountymd.granicus.com/MediaPlayer.php?view_id=2&clip_id=2521&meta_id=369589)

<sup>7</sup> <https://www.princegeorgescountymd.gov/DocumentCenter/View/42871/FY-2023-2025-Proposed-Multiyear-Spending-Plan---County-Council-Comment>

<sup>8</sup> <https://www.princegeorgescountymd.gov/DocumentCenter/View/42872/FY-2023-2025-Proposed-Multiyear-Spending-Plan---LDC-Response>

<sup>9</sup> Employ Prince George’s Funding increases by \$200,000 per year over the FY 2022-2024 plan, from \$437,700 to \$637,700 per year.

<sup>10</sup> CB-33-2015, codified at County Code §10-309.01, provides that “fifty percent (50%) of Annual Local Gaming Revenue, up to a maximum of \$25 million, shall be allocated for public education purposes by the County in its regular or supplemental budget processes.

<sup>11</sup>These other expenditures *for FY 2023* are detailed in Attachment A to the Resolution.

<b>Expenditure Category (cont.)</b>	<b>FY 2023</b>	<b>FY 2024</b>	<b>FY 2025</b>
Police – Current Staffing D.7	\$969,000	\$969,000	\$969,000
Fire – Current Staffing	\$767,700	\$767,700	\$767,700
Workforce Development – Employ Prince George’s	\$637,700	\$637,700	\$637,700
Scholarships- HS Students Excellence in Education Fdn.	\$200,000	\$150,000	\$150,000
Youth Employment Program	\$400,000	\$400,000	\$400,000
Community Impact Grants	\$975,000	\$975,000	\$975,000
<b>Total Spending Plan</b>	<b>\$9,782,000</b>	<b>\$10,053,400</b>	<b>\$10,332,700</b>

Because it is based on projections of VLT revenues, the spending plan is subject to change. All expenditures reflected in the plan for FY 2023 are appropriated in the current approved Operating Budget.

- *CB-099-2022:*

CB-099-2022<sup>12</sup> is currently pending before the Council. CB-099-2022 was presented on September 13, 2022 and referred to the Government Operations and Fiscal Policy (GOFP) Committee. The Bill was considered and voted out of the GOFP Committee with a favorable recommendation (3-0-1) on September 14, 2022 and introduced on September 27, 2022. If enacted, CB-099-2022 would amend the County Code §10-309.01<sup>13</sup> definition of "public education services" to include grants to non-profits that provide education services. The current definition limits the spending of these funds to only Prince George's County Public Schools, Prince George's County Memorial Library System, and Prince George's Community College.

**Fiscal Impact:**

*Direct Impact*

Adoption of CR-115-2022 should not have a direct fiscal impact on the County. Its adoption will merely approve a spending plan for State local impact grant funds. Fiscal Year 2023 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-115-2022 should not have an indirect fiscal impact on the County.

<sup>12</sup> <https://princegeorgescountymd.legistar.com/LegislationDetail.aspx?ID=5821946&GUID=60BD8CB0-A1D7-40BB-8A0B-8AC00C97BA5D>

<sup>13</sup> [https://library.municode.com/md/prince\\_george's\\_county/codes/code\\_of\\_ordinances?nodeId=PTIITI17PULOLAPRGECOMA\\_SUBTITLE\\_10FITA\\_DIV22VILOFALOBUIHIFURE\\_S10-309.01VILOFAFU](https://library.municode.com/md/prince_george's_county/codes/code_of_ordinances?nodeId=PTIITI17PULOLAPRGECOMA_SUBTITLE_10FITA_DIV22VILOFALOBUIHIFURE_S10-309.01VILOFAFU)

*Appropriated in the Current Fiscal Year Budget*

Yes.

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**Effective Date of Proposed Legislation:**

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

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