



THE PRINCE GEORGE'S COUNTY GOVERNMENT

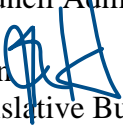
Office of Audits and Investigations

October 11, 2021

FISCAL AND POLICY NOTE

TO: Robert J. Williams, Jr.
Council Administrator

William M. Hunt
Deputy Council Administrator

FROM: Josh Hamlin 
Senior Legislative Budget and Policy Analyst

RE: Policy Analysis and Fiscal Impact Statement
CB-110-2021 Supplemental Appropriations

CB-110-2021 (*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 SUPPLEMENTARY APPROPRIATIONS for the purpose of declaring additional revenue and appropriating to the General Fund and Internal Service Fund to provide for costs that were not anticipated and included in the Approved Fiscal Year 2022 Budget.

Fiscal Summary

Direct Impact:

Expenditures: Positive related to the increase in appropriation available for expenditure.

Revenues: Adverse related to the appropriation of Fund Balance for use.

Indirect Impact:

None.

14741 Governor Oden Bowie Drive, Upper Marlboro, Maryland 20772
VOICE (301) 952-3431; FAX (301) 780-2097; TDD (301) 925-5167

Legislative Summary:

CB-110-2021, presented by Chair Hawkins at the request of the County Executive, was presented on October 5, 2021 and referred to the Committee of the Whole (COW). CB-110-2021 would make two technical revenue corrections to CB-35-2021: (1) correction to properly reflect the proposed revenue adjustment in the “other financing sources” revenue category to correct all calculations in the budget ordinance; and (2) correctly align total current expense revenues to total expenditures. The Bill would also provide additional appropriation authority totaling \$9,115,000 in the General Fund, due to adjustments in revenue estimates for personal property – incorporated businesses (increase of \$5,000,000) and use of fund balance (increase of \$4,115,000)

Current Law/Background:

The County Council enacted CB-035-2021, the County budget, known as the Annual Budget and Appropriation Ordinance of Prince George’s County for FY 2022, which set forth appropriations to each County agency to be used for annual operations, and identified revenue estimates for the County. 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.

Resource Personnel:

- Stanley A. Earley, Office of Management and Budget
 - Brent E. Johnson, Office of Management and Budget
-

Discussion/Policy Analysis:

As noted above, CB-110-2021 makes two technical corrections to the approved budget (CB-35-2021). The first (page 2, lines 11-12), corrects the “Other Revenue Sources” revenue item in the “Proposed” column from 48,978,300 to \$48,978,700. The second correction (page 2, line 20) aligns the total revenues to the total expenditures of Fiscal Year 2022 for the current expense budget, as expressed in Section 8 of CB-035-2021 by adjusting \$4,553,308,000 to be \$4,554,220,500.

CB-110-2021 then makes two adjustments to general fund revenues totaling **\$9,115,000** by: (1) adding **\$5,000,000** to “Personal Property - Incorporated Businesses,” increasing this revenue item from \$32,392,900 to \$37,392,900; and (2) increasing use of fund balance by **\$4,115,000** from \$43,300,400 to \$47,415,400 (see page 3, lines 3-4).

Next, CB-110-2021 makes additional appropriations of the additional \$9,115,000 in revenue to several County agencies to cover unanticipated costs needed to meet year end operational requirements (see pages 3-4). The additional appropriations support the following operating expenses: (1) Police Department – Adjustments totaling **\$8,115,000** (including \$6.1 million for the Hispanic National Law Enforcement Association (HNLEA) settlement payment in the Police Department (with the remaining \$2 million due in FY 2023) and \$2 million for promotional testing); (2) Office of Homeland Security - **\$956,800** to support maintenance costs at the Public Safety Campus/Gun Range site; and (3) Office of Finance - **\$43,200** for critical accounts payable document review software to help efficiently audit payables for compliance and completeness in the Office of Finance.

Finally, CB-110-2021 provides is an additional **\$1,200,000** in appropriation authority within the Information Technology (IT) Internal Service Fund to support the COVID Scheduling Software project (see pages 4-5). The source of revenue is fund balance from the IT Internal Service Fund. The County received \$1.2 million from a FEMA grant to finalize this project in FY 2021. This request will fund the completion of this critical project in the current fiscal year.

Fiscal Impact:

Direct Impact:

Enactment of CB-110-2021 will have an adverse fiscal impact on the County in the amount of \$4,115,000 related to the use of County’s General Fund balance. However, the appropriation of those funds under the Bill is a necessary occurrence to remain in compliance with State Law, which requires a balanced budget.

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.

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