

Non-Departmental Fiscal Year 2022 Budget Review Summary

Proposed FY 2022 Operating Budget

Expenditures by Category Type						
Category	FY 2020 Actual	FY 2021 Budget	FY 2021 Estimate	FY 2022 Proposed	\$ Change	% Change
Debt Service	\$132,948,253	\$156,777,600	\$150,809,900	\$170,862,700	\$14,085,100	9.0%
Grants and Transfers	63,146,185	31,425,900	33,293,800	\$36,439,100	\$5,013,200	16.0%
Operational Exp.	130,583,112	122,267,700	120,839,600	\$125,474,400	\$3,206,700	2.6%
Contingency	-	-	-	13,800,000	\$13,800,000	100.0%
Total	\$326,677,550	\$310,471,200	\$304,943,300	\$346,576,200	\$36,105,000	11.6%

FY 2022 Proposed Budget – Key Highlights

Debt Service

- In FY 2022, the County plans to issue new General Obligation (GO) Bonds of approximately \$267.5 million. The main factor behind the debt issuance continues to be the construction of public schools, followed by road repair and roadway enhancements. The County is planning to issue bonds (not to exceed \$473.9 million in May/June 2021 to support various school construction and other County building projects.
- Despite all efforts to stay below the County's 8% debt ceiling ratio policy, the Office of Management and Budget (OMB) projects that the debt service ratio will increase to 8.1% in FY 2022. To help control future debt the Office has delayed CIP projects where construction had not already commenced and has push future CIP projects out to later years. Refer to chart on pg. 4 of the FY 2022 Non-Departmental report for more details.

Grants and Transfers

- FY 2022 Grants to Community Organizations is proposed at approximately \$6.7 million, which is approximately \$2.1 million, or 23.6%, below the FY 2021 Approved Budget. The decrease is mainly due to a reduction in County Council and Stadium Impact grant amounts.
- FY 2022 Transfers to CIP is proposed at approximately \$8.5 million and includes funding for the following projects; Glenarden Apartment Redevelopment (\$2 million), Video Lottery Terminal (VLT)-MD 210 Improvement (approximately \$4 million) and Board of Education CIP projects (approximately \$2.5 million).

Operational Expenditures

- OMB reports that Certificate of Participation (COP) purchases are scheduled for FY 2022 in the amount of \$25 million. However, the specific equipment items to be purchased is still being finalized with County agencies. In FY 2021, the County committed \$25 million for COP purchases.

Contingency

- The Proposed FY 2022 budget includes \$13.8 million in contingencies related to potential cost-of-living and merit adjustments for employees. The specific type of adjustments will be determined based on the final union contract agreements, which are currently under negotiation.

COVID-19 Grant Funds

- In FY 2021 the County is estimated to receive a total of approximately 159 million in grant funding from Federal and State sources to address COVID-19 related costs. Refer to pages 13-16 of the full Non-Departmental report for a breakdown of how these funds were allocated to and spent by specific County agencies.

Economic Development Fund

- The FY 2022 Budget proposes the use of \$9 million from the EDI Fund and remains unchanged from the FY 2021 approved budgeted amount. The ending fund balance is estimated at approximately \$26.8 million in FY 2021, and approximately \$23.1 million in FY 2022.

Fund Balance

- Before any end of the year assignments and current year usage of fund balance, the FY 2021 unassigned fund balance is expected to be at approximately \$125.1 million, which is a reduction of approximately \$51 million from FY 2020 balance of approximately \$176.2 million. The use of fund balance in FY 2021 will be determined during the closeout process, however it is estimated that \$47.9 will be utilized in FY 2021, and \$49 million in FY 2022 with most of the use of fund balance related to spending exceeding estimated revenues. Refer to chart on pg. 5 of the FY 2022 Non-Departmental report and OMB FY 2022 First round Responses to Questions#16-17 for more details and calculations.



THE PRINCE GEORGE'S COUNTY GOVERNMENT

Office of Audits and Investigations

May 10, 2021

MEMORANDUM

TO: Calvin S. Hawkins, II, Chair
Committee of the Whole (COW) *D.H.*

THRU: David H. Van Dyke, County Auditor

FROM: Larry Whitehurst Jr., Audit Manager *L.W.*

RE: Non-Departmental
Fiscal Year 2022 Budget Review

Budget Overview

The FY 2022 Proposed Budget for the Non-Departmental section is approximately \$346.6 million. This is an increase of approximately \$36.1 million, or 11.6%, over the FY 2021 Approved Budget. This increase is primarily related to increases in Debt Service, Grants and Transfers, Operational Expenditures and Contingency categories. The Non-Departmental section of the proposed budget provides funding to manage resources and indirect costs for activities that cannot be appropriately assigned to a specific department or agency and is funded entirely by the General Fund.

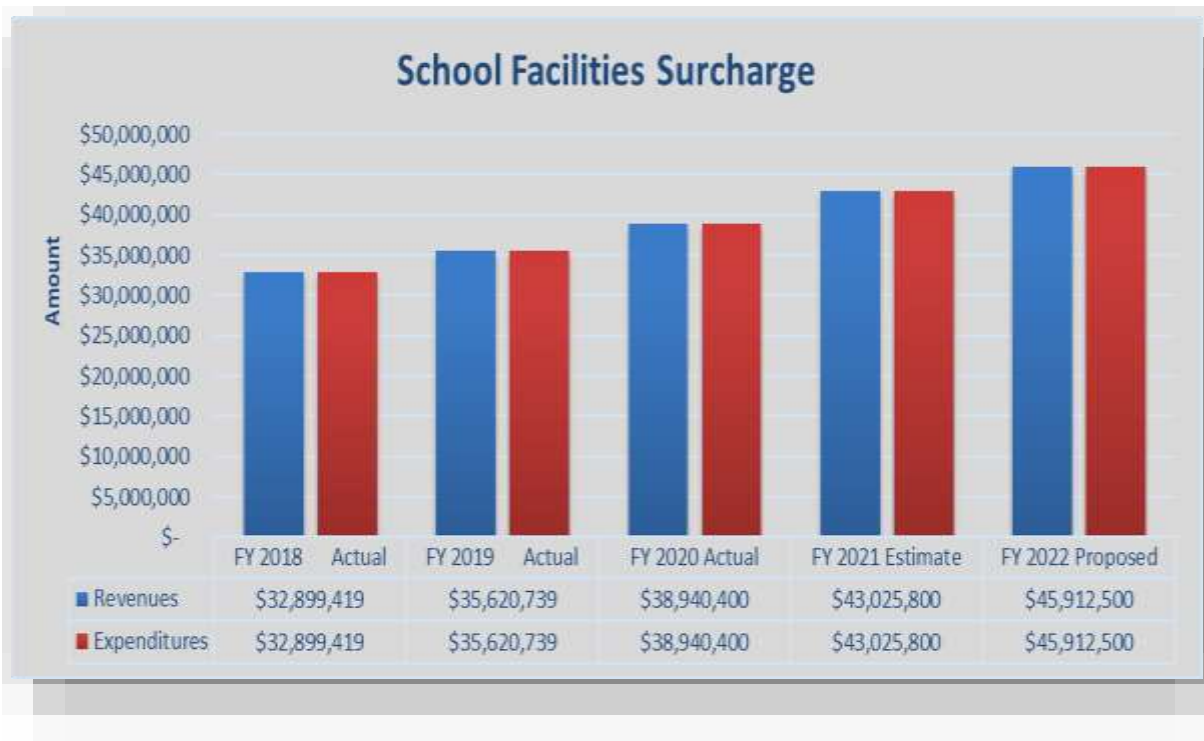
Budget Comparison - General Fund

Approved Fiscal Year 2021 to Proposed Fiscal Year 2022

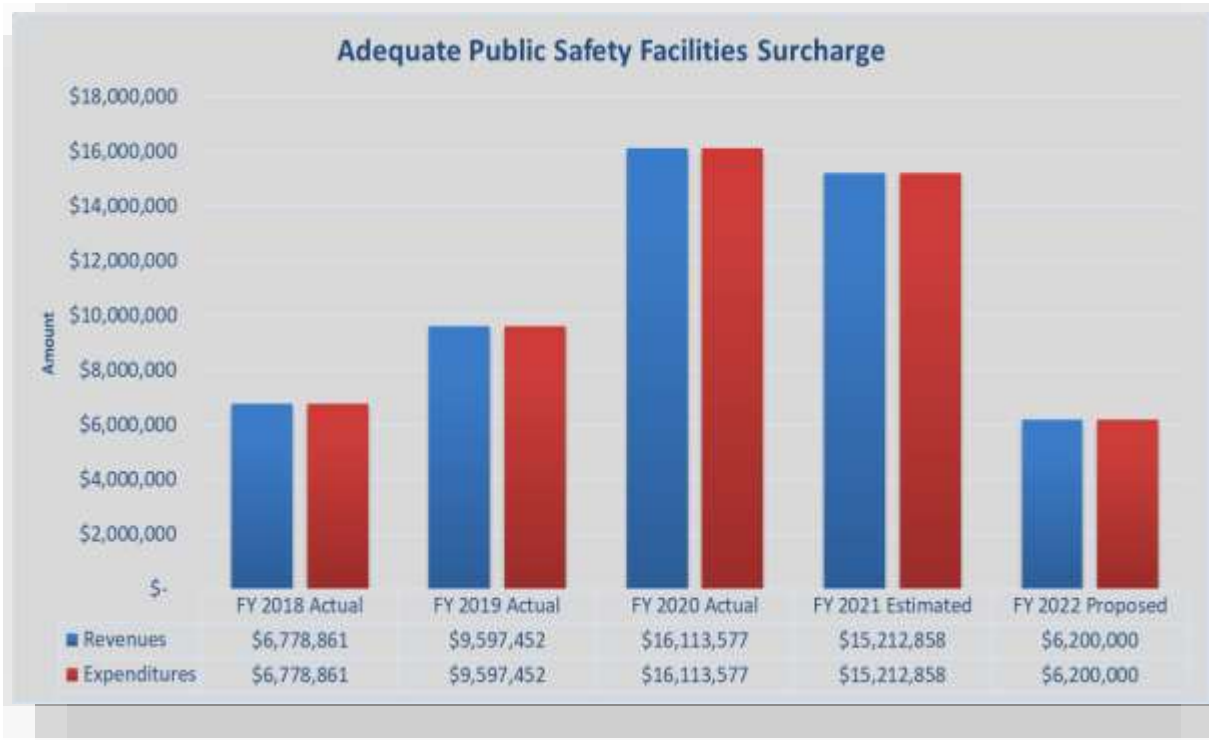
Category	FY 2020 Actual	FY 2021 Approved	FY 2021 Estimated	FY 2022 Proposed	\$ Change	% Change
Debt Service	\$ 132,948,253	\$ 156,777,600	\$ 150,809,900	\$ 170,862,700	\$ 14,085,100	9.0%
Grants and Transfers	63,146,185	31,425,900	33,293,800	36,439,100	5,013,200	16.0%
Operational Expenditures	130,583,112	122,267,700	120,839,600	125,474,400	3,206,700	2.6%
Contingency	-	-	-	13,800,000	13,800,000	100.0%
Total	\$ 326,677,550	\$ 310,471,200	\$ 304,943,300	\$ 346,576,200	\$ 36,105,000	11.6%

Debt Issuance and Service

- Debt Service is proposed at approximately \$170.8 million for FY 2022, which represents an increase of approximately \$14.1 million, or 9.0%, over the FY 2021 Approved Budget. The increase is attributed to anticipated costs associated with scheduled bond principal and interest payments.
- The County is planning to issue bonds with a projected interest rate of 5% (not to exceed \$473.9 million) in May/June 2021 to support various school construction and other County building projects. In FY 2022, the County plans to issue new General Obligation (GO) Bonds of approximately \$267.5 million. The main factor behind the debt issuance continues to be the construction of public schools, followed by road repair and roadway enhancements.
- Beginning in FY 2001, school surcharge revenues have been used to offset part of the cost of new school construction projects. Beginning in FY 2007, part of the telecommunication tax revenue was set aside each year in a separate capital project fund and has been used to support school construction bonds. These revenues are applied to debt service costs and are accounted for in this section as a reduction or recovery to debt service expenses. In FY 2022, school surcharge expenditures are proposed at approximately \$45.9 million, an increase of approximately \$2.9 million, or 6.7%, above the FY 2021 estimated expenses, with a projected fund balance in FY 2022 of approximately \$63.2 million (please see chart below).



- Since 2005, the County has been authorized to use the Adequate Public Safety Facilities Surcharge (Public Safety Surcharge) revenues to support debt service costs for improvements to public safety facilities. In FY 2019 and 2020, the actual amount of public safety surcharge revenues totaled approximately \$9.6 million and \$16.1 million, respectively (please see chart below). Historically, due to the volatility of public safety surcharge collections, typically what is collected in one fiscal year is appropriated in the following year. In FY 2022, Public Safety Surcharge expenditures are proposed at \$6.2 million, a decrease of approximately \$9 million, or 59.2%, below the FY 2021 estimated expenses (please see chart below).



- The existing fund balance is estimated to remain constant at approximately \$30.7 million for FY 2021 and FY 2022. FY 2020 Public Safety Surcharge collections were used to support the debt service costs for the following projects:
 - Fire Department Self-Contained Breathing Apparatus equipment (approx. \$3 million);
 - Hyattsville Fire/EMS Station #801 (approx. \$3.7 million);
 - Oxon Hill Fire/EMS Station (approx. \$5.1 million);
 - Shady Glen Fire/EMS Station (approx. \$3 million);
 - Driver Training Facility and Gun Range (approx. \$1.3 million).

- County policy requires that the ratio of debt service to County source revenues not exceed 8% to ensure debt payments do not overburden operating resources. As the chart below indicates, the actual ratio from FY 2017 through FY 2020 has averaged 5.6%. The use of school surcharge collections and bond premiums can continue to help mitigate the overall growth of debt service and help reduce debt service costs in future years.

Time Period	Debt Service	Debt Ceiling @ 8%	Remaining Debt Service Capacity	Debt * Service %	County Source Revenue
Actual FY 2017	\$103,567,755	\$149,571,664	\$46,003,909	5.5%	\$1,869,645,798
Actual FY 2018	\$100,853,322	\$157,004,732	\$56,151,410	5.1%	\$1,962,559,153
Actual FY 2019	\$110,208,610	\$165,112,600	\$54,903,990	5.3%	\$2,063,907,300
Actual FY 2020	\$132,948,253	\$169,334,709	\$36,386,456	6.3%	\$2,116,683,860
Proj. FY 2021	\$150,809,900	\$171,599,178	\$20,789,278	7.0%	\$2,144,989,723
Proj. FY 2022	\$170,862,700	\$168,553,352	(\$2,309,348)	8.1%	\$2,106,916,903
Proj. FY 2023	\$186,089,094	\$167,583,124	(\$18,505,970)	8.9%	\$2,094,789,055
Proj. FY 2024	\$199,876,756	\$170,646,814	(\$29,229,942)	9.4%	\$2,133,085,177
Proj. FY 2025	\$215,541,869	\$174,892,957	(\$40,648,912)	9.9%	\$2,186,161,966
Proj. FY 2026	\$222,796,027	\$180,215,558	(\$42,580,469)	9.9%	\$2,252,694,473

* Debt service percentage rounded to the nearest 1/10

In FY 2022, the Office of Management and Budget (OMB) projects that the debt service ratio will increase to 8.1%. Based on this projection, the County will exceed the 8% policy imposed debt ceiling and there wouldn't be any remaining debt service capacity that could be leveraged to fund additional Capital Improvement Program (CIP) projects. OMB has previously reported that several factors, such as increased revenues, higher or lower interest rates, refinancing options, the issuance and retirement of debt, and the costs of current and future CIP projects, could potentially affect the debt ceiling in the future. Possible strategies to curve the rising debt service are:

- Reducing the size of the overall CIP until revenues can support the growth;
- Use of more Pay As You Go (PAYGO) to finance projects; and,
- Postponing projects.

- The Office of Management and Budget (OMB) reports a projected Risk Management Fund balance deficit of \$158 million for FY 2021. The estimated accident/injury claims payments for FY 2021 is \$48.7 million. OMB is working to address the deficit but will continue to cover costs on a Pay As You Go (PAYGO) basis.
- The County’s current bond rating is AAA by all major bond rating agencies.

Grants and Transfer Payments

- The FY 2022 proposed Grants and Transfer Payments category totals approximately \$36.4 million, an increase of approximately \$5 million, or 16%, above the FY 2021 Approved Budget. The increase is primarily due to additional funding for transfers to capital improvement programs.
- The following chart details the various line items included in the Grants and Transfer Payments category proposed for FY 2022 compared to Approved FY 2021:

GRANTS & TRANSFER PAYMENTS

Grants and Transfers	FY 2020	FY 2021	FY 2021	FY 2022	Change FY21-FY22	
	Actual	Budget	Estimate	Proposed	Amount (\$)	Percent (%)
Grants to Community Organizations	\$9,111,810	\$8,807,000	\$8,591,700	\$6,732,000	(\$2,075,000)	-23.6%
Required Payments	359,180	403,400	427,500	447,500	44,100	10.9%
Economic Development Corporation	3,915,700	3,997,700	3,997,700	3,665,100	(332,600)	-8.3%
Employ Prince George's	1,738,100	1,851,700	1,851,700	1,833,100	(18,600)	-1.0%
Financial Services Corporation	1,122,500	1,203,100	1,203,100	1,094,800	(108,300)	-9.0%
Prince George's Community Television	992,100	1,016,000	1,016,000	924,600	(91,400)	-9.0%
Experience Prince George's	1,341,400	1,341,400	1,341,400	1,228,900	(112,500)	-8.4%
Memberships	696,988	695,600	732,700	772,100	76,500	11.0%
Strategic Goals Initiative	794,908	500,000	1,407,000	500,000	-	0.0%
Dimensions Health Corporation	8,073,387	5,000,000	5,000,000	4,329,800	(670,200)	-13.4%
Other Payments	4,776,766	5,672,700	5,672,700	5,922,700	250,000	4.4%
Transfers to Other Funds	-	-	-	500,000	500,000	0.0%
Transfers to Capital Improvement Program	30,223,345	937,300	2,052,300	8,488,500	7,551,200	805.6%
Total Expenditures	\$63,146,185	\$31,425,900	\$33,293,800	\$36,439,100	\$5,013,200	16.0%

Source: FY 2022 Proposed Operating Budget Book pg. 657

- FY 2021 Grants to Community Organizations is proposed at approximately \$6.7 million, which is approximately \$2.1 million, or 23.6%, below the FY 2021 Approved Budget. The proposed budget allocates grants to community-based organizations serving County residents and is depicted in the chart on the following page. A listing of Actual FY 2020 and FY 2021 YTD amounts for the County Executive grants is included in *Attachment 2 of the Non-Departmental First Round Budget Review Responses*.

Grants to Community Organizations						
Category	FY 2020 Actual	FY 2021 Approved	FY 2021 Estimated	FY 2022 Proposed	\$ Change	% Change
<u>County Executive</u>						
County Executive	\$2,238,000	\$2,457,000	\$2,432,000	\$2,282,000	(\$175,000)	-7.1%
<u>County Council</u>						
Special Appropriation Grants	\$1,074,000	\$1,100,000	\$1,100,000	\$1,100,000	\$ -	0.0%
Non-Dep. Grants						
Per Budget Ordinance	300,000	550,000	400,000	250,000	(300,000)	-54.5%
Grants-Other	4,851,610	4,600,000	4,600,000	3,100,000	(1,500,000)	-32.6%
Council Designated Stadium Impact	648,200	100,000	59,700	0	(100,000)	-100.0%
Sub-Total County Council	\$6,873,810	\$6,350,000	\$6,159,700	\$4,450,000	(\$1,900,000)	-29.9%
TOTAL	\$9,111,810	\$8,807,000	\$8,591,700	\$6,732,000	(\$2,075,000)	-23.6%

Source: FY 2022 First Round Budget Review Responses#7

- In FY 2022, the decrease of \$175,000 in the County Executive grant amounts is due to the decrease in funding for community organizations. The decrease of \$1.9 million in the County Council grant amounts is due to the reduction of Non-Departmental, and Stadium Impact grants.
- The Office of the County Executive is reporting that in FY 2021 YTD, 126 applications have been received for funding for the County Executive Grants portion of the “Community Partnership Grants,” and no decisions regarding the applications have been made to date.
- In FY 2022, the payment to the Dimensions Health Corporation is proposed at approximately \$4.3 million. The entire FY 2022 payment amount represents the required debt service designated to support the Dimensions Healthcare System in partnership with the State of Maryland.
- FY 2022 “Other Payments” is proposed at approximately \$5.9 million, which is \$250,000, or 4.4%, above the FY 2021 Approved Budget. Funding reflects Local Impact Grant funds allocated to the County for public safety projects within 5 miles of Rosecroft Raceway (\$850,000), along with Video Lottery Terminal funds allocated for Local Development Council Community Impact Grants (\$750,000), the Workforce Development and Training Program (\$337,700), Grants to the Excellence in Education Foundation (\$150,000), and a grant to support County developmental disability service providers (approx. \$3.5 million).
- FY 2022 “Strategic Goals Initiative” expenditures are proposed at \$500,000, which is consistent with the FY 2021 Approved Budget level. Historically, these funds have been used to support various outside charitable organizations and special events. See *Attachment 5* of the *FY 2022 Non-Departmental First Round Budget Review Responses* for FY 2021 estimated usage.

- The Economic Development Corporation (EDC) is proposed to receive a FY 2022 grant in the amount of approximately \$3.7 million, which is a decrease of \$332,600, or 8.3%, below the FY 2021 approved level. [Please note the EDC budget was reviewed before the COW earlier.]
- The Financial Services Corporation (FSC) is proposed to receive a FY 2022 grant in the amount of approximately \$1.1 million, which is a decrease of \$108,300, or 9% below the FY 2021 approved level. [Please note the FSC budget was reviewed before the COW earlier.]
- The Prince George's Community Television (PGCTV) is proposed to receive a FY 2022 grant in the amount of \$924,600, which is a decrease of \$91,400, or 9%, below the FY 2021 approved level.
- Experience Prince George's (ExPGC) is proposed to receive a FY 2022 grant in the amount of approximately \$1.2 million, which is a decrease of \$112,500, or 8.4%, below the FY 2021 approved level. ExPGC receives a County grant in addition to hotel tax proceeds, as a result of CB-077-2016. [Please note the ExPGC budget was reviewed before COW earlier.]
- Proposed FY 2022 membership costs are proposed at \$772,100, which is slightly higher than the FY 2021 funding level of \$695,600. Refer to *Question 15 in the First Round Budget Review Responses* for a detailed breakdown of the actual FY 2020, budgeted FY 2021, and proposed FY 2022 membership fee costs.
- In FY 2022, there is \$500,000 of funding allocated to the Transfers to Other Funds category for the Housing Investment Trust Fund to support the Workforce Housing Gap Financing Program and the Down Payment and Closing Cost Assistance Program.
- FY 2022 Transfers to the Capital Improvement Program (CIP) is proposed at approximately \$8.5 million, which is approximately \$7.6 million, or 805.6%, above the FY 2021 Approved Budget. In FY 2022, the proposed budget includes funding for the Redevelopment Authority (approx. \$2 million), MD Route 210 (approx. \$4 million), Video Lottery Terminal-Board of Education CIP (approx. \$2.5 million). Refer to *Attachment#6 in the First Round Budget Review Responses* for a detailed breakdown of the actual FY 2020, budgeted FY 2021, FY 2021 estimated and proposed FY 2022 Transfers to the CIP

Operational Expenditures

- The total FY 2022 Proposed budget for Operational Expenditures is approximately \$125.5 million, an increase of approximately \$3.2 million, or 2.6%, above the FY 2021 Approved level. The following chart on the following page details the various line-items included in the Operational Expenditures category proposed for FY 2022 compared to FY 2021:

OPERATIONAL EXPENDITURES

Operational Expenditures	FY 2020	FY 2021	FY 2021	FY 2022	Change FY21-FY22	
	Actual	Budget	Estimate	Proposed	Amount (\$)	Percent (%)
General Fund Insurance	\$ 10,000,000	\$ 10,400,000	\$ 10,400,000	\$ 10,400,000	\$ -	0.0%
Judgments and Losses	714	200,000	200,000	200,000	-	0.0%
Postage	2,445,308	1,200,000	1,200,000	1,400,000	200,000	16.7%
Equipment Leases	20,400,047	25,214,000	24,159,900	26,674,300	1,460,300	5.8%
Other Leases	23,998,530	23,583,500	23,810,800	24,507,000	923,500	3.9%
Utilities	15,214,553	15,633,500	15,694,400	15,694,500	61,000	0.4%
Streetlight Electricity	1,759,323	2,700,000	2,700,000	2,700,000	-	0.0%
Traffic Signal Electricity	100,147	150,000	150,000	150,000	-	0.0%
Miscellaneous Expenses	6,963,417	6,543,500	6,672,500	6,582,600	39,100	0.6%
Youth Employment Program	6,701,555	1,000,000	1,000,000	1,000,000	-	0.0%
Automated Programs - Speed Camera, Red Light, False Alarm	7,168,980	8,411,600	7,620,400	8,934,400	522,800	6.2%
Comp Absences	83,432	-	-	-	-	0.0%
Deferred Compensation in Lieu of State Retirement	(150,704)	200,000	200,000	200,000	-	0.0%
Unemployment Insurance	475,000	475,000	475,000	475,000	-	0.0%
Retiree Life Benefits/Annuities	1,319,572	1,870,000	1,870,000	1,870,000	-	0.0%
Retiree Health Benefits	38,048,400	28,048,400	28,048,400	28,048,400	-	0.0%
SubTotal	\$ 134,528,274	\$ 125,629,500	\$ 124,201,400	\$ 128,836,200	\$ 3,206,700	2.6%
Expenditure Recoveries						
Leases/Utilities	\$ (3,190,368)	\$ (2,751,800)	\$ (2,751,800)	\$ (2,751,800)	-	0.0%
Postage	0	(10,000)	(10,000)	(10,000)	-	0.0%
Other	(754,795)	(600,000)	(600,000)	(600,000)	-	0.0%
SubTotal	\$ (3,945,163)	\$ (3,361,800)	\$ (3,361,800)	\$ (3,361,800)	\$ -	0.0%
Total	\$130,583,112	\$122,267,700	\$120,839,600	\$125,474,400	\$3,206,700	2.6%

Source: FY 2022 Proposed Operating Budget Book – Operational Expenditures Table – page 659

- The overall increase of approximately \$1.5 million in Equipment Leases is primarily attributed to FY 2021 Certificate of Participation (COP) purchases. Equipment Lease costs include 2012-2022 lease principal and interest payments, in addition to resources for voting machine rentals and Doctor’s Hospital Behavioral Health. Please refer to the table below for FY 2020 actual, FY 2021 estimated, and FY 2022 proposed lease costs.

Equipment Lease	FY 2020 Actual	FY 2021 Estimated	FY 2022 Proposed
FY 2012 COP (\$33.8M @ 11 years)	\$ 1,128,308	\$ 1,159,900	\$ 1,088,200
FY 2015 Capital Lease (\$19.6M)	2,917,344	2,038,800	-
FY 2016 Capital Lease (\$10.1M)	1,530,495	3,014,200	21,600
FY 2017 Capital Lease (\$8.5M)	1,551,045	1,551,100	1,551,100
FY 2017 COP (Phase II \$24.1M)	3,651,074	3,651,000	3,651,000
FY 2018 COP (Phase I \$8.5M)	1,485,792	1,420,500	1,420,500
FY 2018 COP (Phase II \$16M)	2,587,156	2,587,200	2,587,200
FY 2019 COP (Phase I \$8.5M)	2,067,818	1,560,300	1,357,600
FY 2019 COP (Phase II \$16M)	1,232,945	2,465,900	2,465,900
FY 2020 COP (Phase I \$8.5M)	-	1,107,400	1,107,400
FY 2020 COP (Phase II \$16.5M)	-	1,223,600	2,447,200
FY 2021 COP (Phase I \$8.5M)	-	-	1,268,000
FY 2021 COP (Phase II \$16.5M)	-	-	2,631,000
FY 2022 COP (Phase I \$8.5M)	-	-	677,700
Certifications of Participation-Doctor's Hospital	-	-	1,500,000
Voter Machine Rental/Lease	2,248,070	2,380,000	2,900,000
Total	\$ 20,400,047	\$ 24,159,900	\$ 26,674,400

- OMB reports that Certificate of Participation (COP) purchases are scheduled for FY 2022 in the amount of \$25 million. However, the specific equipment items to be purchased has not been developed. In FY 2021, the County committed \$25 million for COP purchases. These purchases will be conducted in two (2) separate transactions, an \$8.5 million purchase, and a \$16.5 million purchase. The listing of items to be included in the FY 2021 COP purchases is currently under development.
- In FY 2022, Other Leases are proposed at approximately \$24.5 million, which represents an increase of \$923,500, or 3.9%. The increase is attributed to the increased cost of leases for various properties. This category also includes \$11.4 million of funding to support debt service costs for public finance transactions for the Regional Medical Center. *See FY 2022 Non-Departmental First Round Budget Review Responses Attachment#8 for a detailed schedule of Other Lease costs for FY 2020 (actual), FY 2021 (estimated), and FY 2022 (proposed).*
- The combined FY 2022 Proposed budget for Utilities, Streetlight Electricity, and Traffic Signal Electricity is approximately \$18.5 million, which is a slight increase (\$61,000) when compared to FY 2021 Approved level. OMB has provided additional details to support this budget line item in their response to *Questions 26-28 from their FY 2022 Non-Departmental First Round Budget Review Responses.*
- FY 2022 funding for Miscellaneous Expenses is proposed at approximately \$6.6 million, which is a slight increase (\$39,100) when compared to FY 2021 Approved level. This category of expenses is for general and administrative services related to the implementation of the County's strategic plan, collection of emergency transportation fees, and payments to the State Department of Assessments and Taxation for administrative fees related to conducting County tax assessments (\$2.8 million in FY 2021). *See FY 2022 Non-Departmental First Round Budget Review Responses Attachment#10 for a detailed schedule of Miscellaneous costs for FY 2020 (actual), FY 2021 (estimated), and FY 2022 (proposed).*

- The Youth Employment Program is proposed at \$1.0 million in FY 2022. *For more information on this program refer to the Office of Human Resources Management FY 2022 First Round response to Question#18.*
- Proposed FY 2022 Judgments and Losses (\$200,000) and Deferred Compensation in Lieu of State Retirement (\$200,000) will remain unchanged from FY 2021 approved levels.
- In FY 2022, the proposed budget for expenses related to the Automated Programs (Speed Camera, Red Light, and False Alarm) is approximately \$8.9 million, which is an increase of \$522,800 when compared with the FY 2021 approved level. These costs are offset by revenue generated from the programs.
- In FY 2022, the proposed budget for Postage is \$1.4 million, which is an increase of \$200,000, or 16.7% above, the FY 2021 budgeted level.
- In FY 2022, the proposed budget for General Fund Insurance is \$10.4 million, which is consistent with the Approved FY 2021 budgeted level. This insurance is allocated to the various components of the County's Self-Insurance Fund and covers general liability, auto liability and property lease. Contribution levels are based on the results of an annual actuarial study.
- Proposed Expenditure Recoveries for FY 2022 total approximately \$3.4 million, which is consistent with the FY 2021 approved level. These recoveries are from non-general funds for charges for utilities, maintenance and equipment usage payments, retiree health insurance, and postage from various funds.

Contingencies

- The Proposed FY 2022 budget includes \$13.8 million in contingencies related to both potential cost-of-living and merit adjustments for employees. The specific type of adjustments will be determined based on the final union contract agreements, which are currently under negotiation.

Economic Development Incentive Fund

- The Economic Development Incentive (EDI) Fund was established in FY 2012 with an initial appropriation of \$50 million. The ending fund balance is estimated at approximately \$30.5 million in FY 2021, and approximately \$23.1 million in FY 2022. The FY 2022 Budget proposes the use of \$9 million from the EDI Fund and remains unchanged from the FY 2021 approved budgeted amount. This funding will be used to provide financial assistance in the form of loans, guarantees, and grants to benefit existing and potential industrial and commercial businesses in the County. The EDI Fund budget was reviewed in detail during the FSC and EDC budget reviews before the COW meeting earlier today. Please see the chart below for a summary of the EDI Fund.

Economic Development Incentive Fund Expenditure Summary

Category	FY 2020	FY 2021	FY 2021	FY 2022	Change FY21-FY22	
	Actual	Budget	Estimate	Proposed	Amount (\$)	Percent (%)
Compensation	-	-	-	-	-	0.0%
Fringe Benefits	-	-	-	-	-	0.0%
Operating	3,258,366	9,000,000	2,223,100	9,000,000	-	0.0%
Capital Outlay	-	-	-	-	-	0.0%
Total Expenditures	\$3,258,366	\$9,000,000	\$2,223,100	\$9,000,000	-	0.0%

Economic Development Incentive Fund Summary

Category	FY 2020	FY 2021	FY 2021	FY 2022	Change FY21-FY22		
	Actual	Budget	Estimate	Proposed	Amount (\$)	Percent (%)	
BEGINNING FUND BALANCE		\$33,503,806	\$32,446,040	\$32,432,547	\$30,453,547	(\$1,992,493)	-6.1%
REVENUES							
Interest Income		\$ 648,174	\$ 350,000	\$ 244,100	\$ 350,000	\$ -	0.0%
Loan Repayments (Principal and Interest)		1,348,432	3,000,000	-	1,300,000	(1,700,000)	-56.7%
Equity Investment Returns		-	-	-	-	-	0.0%
Federal Aid		-	-	-	-	-	0.0%
State Aid		-	-	-	-	-	0.0%
Miscellaneous Revenues		190,500	-	-	-	-	0.0%
Appropriated Fund Balance		-	5,650,000	1,979,000	7,350,000	1,700,000	30.1%
Total Revenues		\$ 2,187,106	\$ 9,000,000	\$ 2,223,100	\$ 9,000,000	\$ -	0.0%
EXPENDITURES							
Small Business Loans and Grants		\$ 3,258,366	\$ 9,000,000	\$ 2,223,100	\$ 9,000,000	\$ -	0.0%
Total Expenditures		\$ 3,258,366	\$ 9,000,000	\$ 2,223,100	\$ 9,000,000	\$ -	0.0%
EXCESS OF REVENUES OVER EXPENDITURES		(\$1,071,259)	-	-	-	-	0.0%
OTHER ADJUSTMENTS		\$ -	\$ (5,650,000)	\$ (1,979,000)	\$ (7,350,000)	\$ 1,700,000	30.1%
ENDING FUND BALANCE		\$32,432,547	\$ 26,796,040	\$30,453,547	\$23,103,547	\$ (3,692,493)	-13.8%

Grants

- FY 2021 budget includes a total of approximately \$159 million in grant funding received from the State and Federal governments to address the COVID-19 pandemic. This grant funding includes the CARES Act Coronavirus Relief Funding, the Restaurant Assistance and Hotel Relief grant programs. Below are charts that breakdown the COVID related grant funding by category and agency/category.

COVID-19 GRANT FUNDING BY CATEGORY			
Expense Category	Budget Amount		Spent as of 4/14/21
Business Assistance	\$	18,700,000	\$ 18,675,962
Capital Outlay		3,405,836	1,416,964
Child Care		2,118,000	2,118,000
Compensation/Fringe		2,866,989	24,943,143
Contact Tracing		5,647,813	5,140,332
Deep Cleaning		3,321,410	2,941,098
Hazard Pay		18,917,066	16,114,178
Housing Assistance		10,250,000	10,289,509
Information Technology		12,202,465	11,579,956
Municipal Administration		98,375	68,995
Municipal Grants		14,996,000	12,938,049
Office Configuration		455,555	281,338
Other (Non-Funded Program)		-	778,711
Other Operating		21,499,611	18,565,918
Overtime		4,828,149	4,605,230
PPE		10,619,567	10,770,105
Quarantine Hotels		6,750,000	3,648,816
Testing		17,321,382	15,694,189
Zoom		208,883	108,613
Grand Total	\$	154,207,101	\$ 160,679,106

COVID-19 RELATED GRANT FUNDING BY AGENCY

Agency	Category	Budget Amount	Spent as of 4/14/21
Circuit Court	PPE	\$ 35,000	\$ 34,103
	Information Technology	2,475	2,475
	Office Configuration	106,313	106,313
TOTAL		\$ 143,788	\$ 142,891
Dept. of Corrections	Testing	\$ 553,025	\$ 619,367
	PPE	-	238
	Other Operating	102,500	56,217
	Hazard Pay	2,364,371	1,835,020
TOTAL		\$ 3,019,896	\$ 2,510,842
County Council	Information Technology	\$ 41,516	\$ 41,533
TOTAL		\$ 41,516	\$ 41,533
Dept. of Family Services	Other Operating	\$ 4,026,381	\$ 4,026,381
	Hazard Pay	36,386	32,585
TOTAL		\$ 4,062,767	\$ 4,058,966
Housing & Community Dev.	Information Technology	\$ 34,400	\$ 25,259
	Other Operating	7,600	-
	Overtime	96,134	111,483
	Compensation/Fringe	163,671	110,566
	Housing Assistance	10,250,000	10,289,509
TOTAL		\$ 10,551,805	\$ 10,536,817
DOE	Other Operating	\$ 51,164	\$ 51,164
	Overtime	664,804	518,781
TOTAL		\$ 715,968	\$ 569,945
DPIE	Information Technology	\$ 1,007,349	\$ 910,084
	Other Operating	99,268	65,101
	Capital Outlay	493,075	492,828
TOTAL		\$ 1,599,692	\$ 1,468,013
Dept. of Social Services	Other Operating	\$ 2,276,097	\$ 1,497,752
	Hazard Pay	60,876	19,619
	Compensation/Fringe	22,950	268,954
	Quarantine Hotels	6,750,000	3,648,816
	Other (Non-Funded Program)	-	918,656
TOTAL		\$ 9,109,923	\$ 6,353,797
Board of Elections	Information Technology	\$ 68,789	\$ 25,299
	Other Operating	804,631	856,027
	Overtime	1,001,145	1,064,521
	Deep Cleaning	13,750	183,668
	Compensation/Fringe	385,387	4,849
TOTAL		\$ 2,273,702	\$ 2,134,364
Office of Finance	Information Technology	\$ 20,342	\$ 23,184
	Other Operating	15,776	15,566
TOTAL		\$ 36,118	\$ 38,750

Agency	Category	Budget Amount	Spent as of 4/14/21
Fire/EMS Dept.	Other Operating	\$ 1,315,085	\$ 1,243,485
	Overtime	645,900	831,805
	Hazard Pay	4,549,612	4,015,434
	Compensation/Fringe	-	22,974,878
	Capital Outlay	116,666	114,492
TOTAL		\$ 6,627,263	\$ 29,180,094
Dept. of Health	Contact Testing	\$ 5,647,813	\$ 5,140,332
	Testing	16,768,357	15,074,822
	PPE	49,736	196,591
	Information Technology	3,255,314	2,952,542
	Other Operating	4,453,555	4,794,142
	Zoom	44,883	6,688
	Overtime	1,493,299	1,236,849
	Hazard Pay	706,722	507,706
	Deep Cleaning	178,123	142,127
	Compensation/Fringe	-	12,574
	Other (Non-Funded Program)	-	(215,795)
TOTAL		\$ 32,597,802	\$ 29,848,578
Non-Departmental	PPE	\$ 154,831	\$ 158,608
	Information Technology	470,240	476,376
	Other Operating	7,323,269	5,047,430
	Deep Cleaning	390,537	330,746
	Compensation/Fringe	1,304,654	1,419,530
	Business Assistance	18,700,000	18,675,962
	Office Configuration	37,242	33,267
	Capital Outlay	1,791,345	15,345
	Municipal Administration	98,375	68,995
	Municipal Grants	14,996,000	12,938,049
	Child Care	2,118,000	2,118,000
TOTAL		\$ 47,384,493	\$ 41,282,308
OCR	Information Technology	\$ 7,800	\$ -
	Overtime	186,235	199,873
	Compensation/Fringe	166,426	118,529
TOTAL		\$ 360,461	\$ 318,402
OCS	PPE	\$ 10,380,000	\$ 10,380,000
	Information Technology	6,200	-
	Other Operating	328,000	343,090
	Overtime	40,907	32,642
	Hazard Pay	525,493	451,387
	Deep Cleaning	2,739,000	2,284,557
	Office Configuration	312,000	141,758
TOTAL		\$ 14,331,600	\$ 13,633,434
OHRM	Information Technology	\$ 91,800	\$ 120,128
	Other Operating	42,145	36,640
TOTAL		\$ 133,945	\$ 156,768

Agency	Category	Budget Amount	Spent as of 4/14/21
OHS	Information Technology	\$ 210,562	\$ 100,389
	Other Operating	594,996	468,542
	Overtime	53,825	230,523
	Hazard Pay	848,067	667,613
	Compensation/Fringe	823,901	33,271
	Capital Outlay	986,000	775,549
	Other (Non-Funded Program)	-	75,850
TOTAL		\$ 3,517,351	\$ 2,351,737
OIT	Information Technology	\$ 6,973,780	\$ 6,891,005
	Zoom	164,000	101,925
TOTAL		\$ 7,137,780	\$ 6,992,930
Police Department	Other Operating	\$ 9,144	\$ -
	Overtime	645,900	378,753
	Hazard Pay	8,395,301	7,311,012
	Compensation/Fringe	-	(8)
	Capital Outlay	18,750	18,750
TOTAL		\$ 9,069,095	\$ 7,708,507
State's Attorney	PPE	\$ -	\$ 565
	Information Technology	11,898	11,682
	Other Operating	50,000	64,381
TOTAL		\$ 61,898	\$ 76,628
Sheriff Dept.	Hazard Pay	\$ 1,430,238	\$ 1,273,802
TOTAL		\$ 1,430,238	\$ 1,273,802
GRAND TOTAL		\$ 154,207,101	\$ 160,679,106