



THE PRINCE GEORGE'S COUNTY GOVERNMENT

Office of Audits and Investigations

June 22, 2022

FISCAL AND POLICY NOTE

TO: Robert J. Williams, Jr.
Council Administrator

William M. Hunt
Deputy Council Administrator

THRU: Josh Hamlin 
Director of Budget and Policy Analysis

FROM: Isabel Williams 
Senior Legislative Budget and Policy Analyst

RE: Policy Analysis and Fiscal Impact Statement
CB-030-2022 Supplementary Appropriations

CB-030-2022 (*Proposed and presented by:* The Chair of the Council at the request of the County Executive)

Assigned to the Government Operations and Fiscal Policy Committee

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:

- Increases appropriation authority by \$489,572,700.

Revenues:

- Increases revenue estimates for the income tax receipts by \$25,628,300

Indirect Impact:

None likely.

Legislative Summary

CB-030-2022, presented by Chair Hawkins at the request of the County Executive, was presented on May 3, 2022, and referred to the Government Operations and Fiscal Policy Committee. CB-030-2022 would increase the General Fund budget as expressed in CB-35-2021 and amended by CB-110-2021 and CB-004-2022. The legislation includes an adjustment in revenue estimates for the income tax receipts (increase of \$25,628,300), use of fund balance (increase of \$32.0 million) and Board of Education outside sources (\$431.9 million).

Current Law/Background

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, Director, Office of Management and Budget
 - Brent E. Johnson, Budget Management Analyst, Office of Management and Budget
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Discussion/Policy Analysis

CB-030-2022 provides supplementary appropriations in the General Fund to incorporate the FY 2022 budget reconciliation transfer request from the Board of Education (previously approved by the County Council in October 2021¹) and cover unanticipated and vital costs needed to meet year

¹ [LTR 10122021a](#): Proposed Correspondence to the Honorable Juanita Miller, Ph.D., Chair, Board of Education, regarding reconciliation of Board of Education FY 2022 Approved Annual Operating Budget (October 12, 2001)

end operational requirements. For the Board of Education reconciliation, the increase in outside sources revenue comes from federal Elementary and Secondary School Emergency Relief grants under the CARES Act as well American Rescue Plan State Supplemental grants (\$447,864,700) which was offset by final State aid changes (-\$15,920,300).

As illustrated in Attachment 1 to the Board of Education’s Reconciliation Transfer Request, the additional funding supports various programming across BOE expenditure categories.

Prince George's County Board of Education			
FY 2022 Budget Reconciliation Transfer Request			
Revenue Category	FY 2022 County Council APPROVED Category Totals	FY 2022 County Council REVISED APPROVED Category Totals (pending approval)	FY 2022 BOE Budget Reconciliation Transfer Request
Federal Sources	\$ 126,413,400	\$ 574,278,154	\$ 447,864,754
Board Sources	18,231,500	18,231,442	(58)
Fund Balance	83,935,700	83,935,736	36
State Sources	1,297,704,500	1,281,784,203	(15,920,297)
County Sources	\$ 816,947,300	\$ 816,947,300	\$ -
Revenue Totals	\$ 2,343,232,400	\$ 2,775,176,835	\$ 431,944,435
Expenditure Category	FY 2022 County Council APPROVED Category Totals	FY 2022 County Council REVISED APPROVED Category Totals (pending approval)	FY 2022 BOE Budget Reconciliation Transfer Request
Administration	\$ 67,309,000	\$ 81,780,532	\$ 14,471,532
Mid-Level Administration	149,580,900	155,172,224	5,591,324
Instructional Salaries	806,240,500	908,416,096	102,175,596
Textbooks and Instructional Materials	21,716,800	145,021,406	123,304,606
Other Instructional Costs	88,813,900	174,317,900	85,504,000
Special Education	325,333,300	350,987,225	25,653,925
Student Personnel Services	38,589,400	63,073,534	24,484,134
Health Services	22,604,800	24,482,580	1,877,780
Student Transportation Services	107,102,100	112,382,053	5,279,953
Operation of Plant	133,915,000	160,733,464	26,818,464
Maintenance of Plant	53,100,500	56,674,527	3,574,027
Fixed Charges	499,325,300	512,884,031	13,558,731
Food Services Subsidy	8,686,000	8,553,304	(132,696)
Community Services	5,664,900	5,447,959	(216,941)
Capital Outlay	250,000	250,000	-
Public Private Partnerships	\$ 15,000,000	\$ 15,000,000	\$ -
Expenditure Totals	\$ 2,343,232,400	\$ 2,775,176,835	\$ 431,944,435

Additionally, this legislation appropriates additional resources to several County agencies to cover unanticipated costs needed to meet year end operational requirements including impact of the merit adjustments which were originally appropriated under Non-Departmental – Contingency, but not in department budgets in FY 2022. This legislation reallocates \$13,800,000 from non-Departmental to various agencies to cover the net impact of the approved merit adjustments. The adjustments and purposes are listed below.

Agency	Amount	Purpose
Office of the County Executive	\$300,000	anticipated fringe benefits and operating expenses
Office of Ethics and Accountability	\$23,400	anticipated fringe benefits and merit pay
Citizen Complaint Oversight Panel	\$12,200	projected legal expenses, anticipated fringe benefits and merit pay
Board of License Commissioners	\$35,300	merit pay and payment of a prior year contract
Board of Elections	\$4,163,800	expenditures related to changes to the Maryland Election Law Code and the District 8 special election
Office of Central Services	\$2,855,200	merit pay, anticipated overtime, temporary positions and utility costs at the former Cheverly Health Center site
Circuit Court	\$1,309,600	merit pay and anticipated fringe benefits costs
Office of the State’s Attorney	\$355,400	anticipated fringe benefit costs and merit pay
Fire/EMS Department	\$11,975	anticipated overtime expenditures, merit pay and anticipated fringe benefits costs
Office of the Sheriff	\$3,334,200	merit pay and anticipated fringe benefits costs
Department of Corrections	\$1,032,400	projected additional expenses in the food and medical contracts
Health Department	\$11,515,700	support continued COVID-19 mitigation activities including the purchase of COVID test kits and cleaning services in various County government sites
Department of Public Works and Transportation	\$1,616,100	costs associated with snow events and additional support for onboarding various trades helper/laborer positions
Department of Permitting, Inspections and Enforcement	\$900,000	additional costs related to the online permitting system
Non-Departmental	\$18,200,000	reflects the transfer of \$16 million each to the Risk Management and Other post-employment benefits (OPEB) funds which is partially offset by reallocating \$13.8 million from Contingency to various County budgets to cover the cost of the merit pay

CB-030-2022 also provides for the remaining \$844,800 in additional appropriated fund balance from within the Information Technology Internal Service Fund to cover the remaining costs of the COVID Scheduling Software project. The Fiscal Year 2022 Internal Service Fund Budget as expressed by CB-35-2021 and amended by CB-110-2021 increases from \$65,544,400 to \$66,389,200.

Fiscal Impact

- *Direct Impact:*

The legislation will increase the Fiscal Year 2022 General Fund Budget from \$3,805,950,800 to \$4,295,523,500. The legislation includes an adjustment in revenue estimates for the income tax receipts (increase of \$25,628,300), use of fund balance (increase of \$32.0 million) and Board of Education outside sources (\$431.9 million).

- *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.