



THE PRINCE GEORGE'S COUNTY GOVERNMENT

OFFICE OF THE COUNTY EXECUTIVE

June 9, 2023

The Honorable Thomas Dernoga
Chair, Prince George's County Council
1301 McCormick Drive, 2nd Floor
Largo, MD 20774

Dear Chairman Dernoga:

I am writing to inform you that I will be vetoing the amendment to CB-63-2023 that was approved by the Council prior to the passage of the legislation that approved our FY2024 budget. I am doing so for several reasons. As I have said since I transmitted my proposed budget, the FY 2024 budget was tight due to several factors, including new funding obligations mandated by the funding formula under the Blueprint for Maryland's Future (Kirwan). The Kirwan funding formula legally mandated that the County spend an additional \$88.4 million on education this year, which represented nearly half of all new spending in the County's budget.

In addition, as you know, in early May we became aware that income tax revenue projections were \$60 million lower than initial projections which threatened to create a potential revenue shortfall, requiring us to make adjustments to the proposed budget to close the gap, using additional reserve funds for FY 2024 while also closely reviewing the budget for ways to optimize spending. This process allowed us to ensure that we maintained critical government services and made investments in key areas, including crime prevention, while not raising taxes or cutting services to our residents.

Working collaboratively with the Council, I believe that we ultimately provided a budget that ensures we are still making people-centered investments that meet the immediate needs of residents while positioning the County for long-term success. This amendment does not do that.

The decision to move \$250,000 from Other Post Employment Benefits (OPEB) to expand the Emerging Adults program, housed in the Office of the State's Attorney, creates a potential problem. The \$44,048,400 that was in this line item represents our best estimate of FY 2024 OPEB costs. These are employment related costs that are constantly accruing. Ideally, we would fund these costs on an actuarial basis like a pension fund. However, to do so would cost hundreds of millions more over the next several years.

So, like many other local governments, we have instead chosen to fund this liability on a current cost basis. It is therefore critical that at a minimum we provide the full amount we expect to spend in FY 2024. Otherwise, it appears that the County is not planning to fully pay the estimated current costs for its retired employees. Therefore, in addition to vetoing the amendment, I am returning these funds to the OPEB fund to maintain a balanced budget.

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Furthermore, CB-63-2023 (prior to amendment) provided funding for several public safety agencies, including the State's Attorney's Office that received a 13.6% increase in their FY24 budget. While programming is beneficial, the focus at this time must be protecting our residents and holding responsible those who would choose to victimize them. In this year's budget we have funded several programs aimed at crime prevention through meaningful engagement with our youth and returning citizens.

For all these reasons, I am vetoing the amendment. The attached Executive Order shows the modifications I am making through my Executive veto authority. I look forward to continuing to work with the County Council.

Sincerely,



Angela Alsobrooks
County Executive