



THE PRINCE GEORGE'S COUNTY GOVERNMENT

Office of Audits and Investigations

June 6, 2018

MEMORANDUM

TO: Robert J. Williams, Jr.
Council Administrator

William M. Hunt
Deputy Council Administrator

THRU: David H. Van Dyke *DHV*
County Auditor

FROM: Inez N. Claggett *INC*
Senior Legislative Auditor

RE: Fiscal Impact Statement
CB-021-2018 DR-1 Supplementary Appropriations, and Intradepartmental and Interdepartmental Transfer of Appropriations

Legislative Summary

CB-021-2018 appropriates \$19,365,900 in general fund revenue for FY 2018 providing supplemental funding to various County agencies. These supplemental appropriations will be used to cover unanticipated and vital costs to meet year end operational requirements. If enacted, the proposed Bill will increase the FY 2018 General Fund Budget from \$3,251,537,400 to \$3,270,903,300.

Background/Current Law

The County Council enacted CB-055-2017 appropriating \$3,251,537,400 for use within the County's General Fund budget for support of the County Government, Prince George's Community College, Prince George's County Board of Education, institutions, departments, offices, boards, commissions, and agencies of the County for fiscal year 2018, beginning July 1, 2017, and ending June 30, 2018.

Assumptions and Methodology

The proposed Bill will declare supplemental General Fund revenue as indicated in Exhibit A below.

EXHIBIT A	
PROPOSED REVENUE APPROPRIATION	
Revenue Source	Amount
Other Financing - Use of Fund Balance	8,225,000
Historic Preservation Non-Capital	357,100
Outside Sources - Board of Education	10,783,800
Total General Fund Revenue Adjustment	19,365,900

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The General Fund supplemental revenue is proposed to be allocated to cover unanticipated costs as shown in Exhibit B.

EXHIBIT B							
PROPOSED REVENUE APPROPRIATION BY AGENCY							
Agency	Expenditure Source						Total
	Compensation	Operating	Recoveries	Capital Outlay	Fringe Benefits	Other	
Fire/EMS Department	3,792,800	1,100,000	-	-	2,423,400	-	7,316,200
Non-Departmental*	-	-	-	-	-	5,199,600	5,199,600
Office of the Sheriff	1,518,800	-	-	-	893,000	-	2,411,800
Personnel Board	-	5,000	-	-	-	-	5,000
Department of Corrections	(500,000)	500,000	-	-	-	-	-
Health Department	(796,100)	918,600	-	-	(122,500)	-	-
Department of Public Works & Transportation	-	900,000	-	(900,000)	-	-	-
Police Department	(3,905,000)	-	-	-	(2,445,500)	-	(6,350,500)
Totals	110,500	3,423,600	-	(900,000)	748,400	5,199,600	8,582,100

Details of the actions occurring under the proposed Bill within the Non-Departmental agency are provided below in detail:

EXHIBIT C	
*NON-DEPARTMENTAL	
EXPENDITURE SOURCE BREAKDOWN	
Allocation	Amount
Debt Service Savings	(2,282,500)
Other Post-Employment Benefits	8,000,000
Study of historic preservation in the County	357,100
FY 17 Local Development Council Community Impact Grant Funds	225,000
Transfer of Contingency funds*	(1,100,000)
Total Non-Department Expenses	5,199,600

* - Contingency Funds are being used to fund cost of volunteer firefighter physicals (\$850,000) and a joint Professional/Volunteer Fire recruitment

CB-021-2018 also authorizes a supplemental appropriation of \$10,783,800 to Prince George's County Public Schools (PGCPS). The supplemental appropriation will be funded by \$10,233,800 from two unanticipated grant programs (Title IV and Teacher and School Leader Incentive Program), and a \$550,000 reallocation of unrestricted appropriation. The supplemental appropriation will increase the FY 2018 Board of Education Approved Budget from \$1,975,443,500 to \$1,986,227,300. A breakdown of the appropriation by expenditure is shown in Exhibit D.

EXHIBIT D	
BOARD OF EDUCATION	
EXPENDITURE CATEGORY ALLOCATION	
Administration	(145,749)
Instructional Salaries	(23,719,416)
Student Personnel Services	(907,202)
Student Transportation Services	(3,832,157)
Operation of Plant	(325,651)
Maintenance of Plant	8,064,719
Community Services	448,546
Fixed Charges	20,970,882
Health Services	350,195
Special Education	(62,088)
Mid-Level Administration	(2,854,734)
Textbooks and Supplies	1,587,820
Other Instructional Costs	15,935,147
Food Services	(4,726,512)
Capital Outlay	-
Total Expenditure Allocation	10,783,800

The Bill also authorizes a reallocation of \$4,000,000 from capital outlay to operating expenses within the Information Technology Internal Service Fund related to the on-going County employee laptop refresh.

Fiscal Impact

- Direct Impact

Enactment of CB-021-2018 will have a positive fiscal impact on the County related to the \$10,783,800 in additional revenue received from outside sources for the Board of Education. The appropriation of \$8,582,100 of the County's Fund Balance will have an adverse fiscal impact on the County, 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

Enactment of CB-027-2018 should not have an adverse indirect fiscal impact on the County.

Appropriated in the Current Fiscal Year Budget

Not applicable

Other/Additional Information

Not applicable

Effective Date

Forty-five (45) days after enactment, and retroactive to June 30, 2018.

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