



April 29, 2024

M E M O R A N D U M

TO: Ingrid S. Watson, Chair
Government Operations and Fiscal Policy (GOFP) Committee

THRU: Joseph R. Hamlin 
Director of Budget and Policy Analysis

FROM: Andrew Stover 
Legislative Budget and Policy Analyst

RE: Non-Departmental
Fiscal Year 2025 Budget Review

Budget Overview

- The FY 2025 Proposed Budget for Non-Departmental funding is \$399,651,200. This is an increase of \$13,618,700 or 3.5% of the FY 2024 Approved Budget. This increase is attributable to increases in Debt Service, Contingency, and Operational Expenditures offset by a decrease in funding for Grants and Transfers.
- Debt Service for FY 2025 is proposed to increase by \$9.8 million. The County continues to remain in compliance with its financial policies, including maintaining fund balance reserves at charter-mandated and policy-required levels as well as keeping the debt service coverage ratio below 8%. While the Office of Management and Budget (OMB) continues to adjust stay in compliance with policies, current projections show that the County is expected to exceed the debt service ratio limit of 8% between FY 2027 and FY 2029.
- Grants and Transfer Payments see an overall decrease, with the biggest decrease of \$5.1 million in Grants to Community Organizations.
- Operational Expenditures increase by approximately \$2 million. These increases are primarily due to Leases and Utilities costs.
- Contingencies see an overall increase of \$7.6 million.

- The Economic Development Incentive Fund expenditure levels will stay consistent with the FY 2024 Approved Budget.
- The proposed grant budget remains unchanged from FY2024 approved levels.

Expenditures by Category- General Fund

Actual Fiscal Year 2023 to Proposed Fiscal Year 2025

Category	FY 2023 Actual	FY 2024 Approved	FY 2024 Estimated	FY 2025 Proposed	\$ Change	% Change
Debt Service	\$ 172,741,700	\$ 174,502,400	\$ 172,304,500	\$ 184,296,200	\$ 9,793,800	5.6%
Grants and Transfers	44,679,804	48,409,000	53,388,100	42,462,600	(5,946,400)	-12.3%
Operational Expenditures	156,956,770	160,021,100	154,375,300	162,185,200	2,164,100	1.4%
Contingency	-	3,100,000	3,100,000	10,707,200	7,607,200	245.4%
Total	\$ 374,378,274	\$ 386,032,500	\$ 383,167,900	\$ 399,651,200	\$ 13,618,700	3.5%

Debt Service

- The County has retained a AAA rating by all three major bond rating agencies.
- Debt service is proposed at \$184,296,200 for FY 2025, an increase of \$9,793,800, or 5.6%, from the approved FY 2024 budget. This increase is driven by principal and interest payments for current outstanding debt.
- The County is planning to issue new general obligation bonds of approximately \$230 million in FY 2025 primarily to help fund the construction of public schools, road repairs, and roadway enhancements.
- The FY 2024 bond sale is scheduled for May 2024. The County expects to issue bonds with a total not exceeding \$195,871,000 to support various school construction and other County building projects. The interest rate is projected to be 5%.
- School Facilities Surcharge
 - School facilities surcharge revenues are charges that are collected from the issuance of building permits and are used to offset part of the cost of new school construction projects. These revenues are applied to debt service costs and are accounted for as a reduction or recovery to debt service expenses. Collection and expenditure data for FY 2023- FY 2025 can be found in the table below:

School Surcharge Revenues, Expenditures, and Fund Balance (\$ in millions)					
School Surcharge Description	FY 2023 Actual	FY 2024 YTD	FY 2024 Estimate	FY 2025 Projected	
Revenue	\$ 47.0	\$ 15.0	\$ 26.2	\$ 49.2	
Expenditure	\$ 49.7	\$ 46.1	\$ 46.1	\$ 44.2	
Accum. Fund Balance	\$ 63.8	\$ 35.3	\$ 46.6	\$ 51.6	

- Revenues in FY 2023 were \$47 million but are estimated to drop significantly for FY 2024 to \$26.2 million, a 44.3% decline. This decrease is a result of higher mortgage rates which have led to a significant decline in the number of building permits. OMB believes that permit activity should return to normal levels (\$49.2 million) in FY 2025 on the expectation that the Federal Reserve Board will begin reducing interest rates.
- Expenditures in FY 2023 were \$49.7 million and have slightly decreased in FY 2024 to \$46.1 million, a decrease of 7.2%. They are expected to decrease again by 4.1% to \$44.2 million in FY 2025. No new school surcharge-backed bonds were issued in FY 2023 or FY 2024, and none are planned for FY 2025 until it can be determined that the annual revenue from the surcharge can support debt issuance.
- \$49.3 million dollars went towards Board of Education (BOE) debt service in FY 2023, while \$400,000 went to Series 2009A QSCB Bond Debt Service. Expenditures for FY 2024 included \$45.7 towards BOE debt service and \$400,000 towards Series 2009A QSCB Bond Debt Service. Fund balance is being used to cover the deficit created by the dip in revenue from the surcharge in FY 2024.

▪ Adequate Public Safety Facilities Surcharge

- The Adequate Public Safety Surcharge is an authorized surcharge collected from the issuance of building permits and used to support debt service costs for improvement to public safety facilities. Collection and expenditure data for FY 2023- FY 2025 is in the table below:

Adequate Public Safety Surcharge Revenues, Expenditures, and Fund Balance (\$ in millions)					
Public Safety Surcharge Description	FY 2023 Actual	FY 2024 YTD	FY 2024 Estimate	FY 2025 Projected	
Revenue	\$ 15.3	\$ 11.5	\$ 17.7	\$ 12.0	
Expenditure	\$ 9.0	\$ 5.6	\$ 5.6	\$ 5.7	
Accum. Fund Balance	\$ 6.3	\$ -	\$ -	\$ -	

- Revenues in FY 2023 were \$15.3 million and are expected to slightly increase to \$17.7 million, or 15.7%, in FY 2024. OMB expects revenues to go back down in FY 2025 to \$12 million, a decrease of 32.2%.
- Expenditures in FY 2023 equaled \$9 million and are expected to decrease by 37.8% to \$5.6 million in FY 2024. They are expected to slightly increase by 1.9% in FY 2025 to \$5.7 million.
- In FY 2023, \$4 million of Public Safety Surcharge went towards a special operations division facility, \$2.5 million to detention center improvements, \$2 million towards the Laurel Fire Station, and \$500,000 to the National Harbor Public Safety Building. In FY 2024, \$5 million was used for detention center improvements while \$600,000 went towards the Shady Glen Fire/EMS Station.
- In FY 2023, \$5.1 million of the fund balance for the Public Safety Surcharge Revenue was used to pay debt service on a behavioral health project.
- To ensure debt payments do not overburden operating resources, County policy requires that the ratio of debt service to County sourced revenue does not exceed 8.0%. The table below shows the net debt service as a percentage of projected County sourced revenue for FY 2023-FY 2029:

Fiscal Year	Net Debt Service	Projected County Sourced Revenue	Debt Service Coverage %	Variance- Net Debt Service Less Debt Service at 8% Ceiling	Variance as % of Revenue
2023	\$ 170,699,573	\$ 2,397,434,729	7.12%	\$ (21,095,205)	-0.88%
2024	\$ 169,576,559	\$ 2,501,340,500	6.78%	\$ (30,530,681)	-1.22%
2025	\$ 185,519,234	\$ 2,555,495,300	7.26%	\$ (18,920,390)	-0.74%
2026	\$ 201,207,560	\$ 2,579,585,200	7.80%	\$ (5,159,256)	-0.20%
2027	\$ 216,890,973	\$ 2,642,351,800	8.21%	\$ 5,502,829	0.21%
2028	\$ 235,707,634	\$ 2,709,643,500	8.70%	\$ 18,936,154	0.70%
2029	\$ 242,756,211	\$ 2,781,695,100	8.73%	\$ 20,220,603	0.73%

- The debt service coverage ratio is projected to remain below 8% through 2026. However, OMB expects this ratio to exceed 8% from FY 2027 to FY 2029. If this debt ceiling is exceeded there will not be any remaining debt service capacity that could be leveraged to fund additional Capital Improvement Program (CIP) projects. Still, OMB believes there is potential for higher revenue growth than currently projected, and interest rates could change favorably from the current assumptions, which could benefit the County. Additionally, OMB plans to issue less debt, aiming to lower the debt service coverage ratio. These three strategies/considerations are expected to help keep the debt service coverage ratios lower than currently projected. Even with the current projections of exceeding the debt ratio limit, OMB states that they do not anticipate a significant impact on the County's

bond rating, as the County has consistently adhered to other financial policies and continues to maintain adequate reserves.

General Fund - Fund Balance						
Fund Balance Designation	FY 2021 Actual	FY 2022 Actual	FY 2023 Actual	FY 2024 Estimated	FY 2025 Projected	
Restricted						
Equipment Purchases	56,017,874	49,915,132	48,469,434	TBD	TBD	
Total Restricted	\$ 56,017,874	\$ 49,915,132	\$ 48,469,434	\$ -	\$ -	
Committed						
Economic Stabilization- 5%	\$ 188,595,465	\$ 214,897,250	\$ 214,905,285	\$ 226,294,265	\$ 228,734,500	
Operating Reserve (2%,3%,4%)	75,438,186	85,958,900	85,962,114	135,776,559	182,987,600	
Total Committed	\$ 264,033,651	\$ 300,856,150	\$ 300,867,399	\$ 362,070,824	\$ 411,722,100	
Assigned						
Economic Development	\$ 26,868,493	\$ 28,544,346	\$ 29,732,270	\$ 24,882,270	\$ 17,532,270	
Local Impact Grant	3,242,990	4,603,234	5,121,462	TBD	TBD	
Summer Youth Enrichment Program	1,043,551	316,390	-	TBD	TBD	
Property Sales and Acquisition & HIT	5,551,807	5,524,450	20,544,039	27,830,167	9,817,067	
Other	45,269,765	50,400,681	30,309,506	TBD	TBD	
Total Assigned	\$ 81,976,606	\$ 89,389,101	\$ 85,707,277	\$ 52,712,437	\$ 27,349,337	
Unassigned	<u>235,411,143</u>	<u>235,411,143</u>	<u>407,625,803</u>	<u>283,703,578</u>	<u>206,248,602</u>	
Total	\$ 637,439,274	\$ 675,571,526	\$ 842,669,913	\$ 698,486,839	\$ 645,320,039	
Annual Change Amount		\$ 38,132,252	\$ 167,098,387	\$ (144,183,074)	\$ (53,166,800)	
Annual Percentage Change		6.0%	24.7%	-17.1%	-7.6%	
Fund Balance* as a % of General Fund Budget	13.9%	14.0%	17.2%	14.3%	13.5%	

* The operating policy reserve was 2% from FY 2021 to FY 2023, increased to 3% in FY 2024, and 4% in FY 2025 as recommended by the Spending Affordability Committee.

- OMB indicated that, the more important issue, beyond the debt ratio, is maintaining sufficient financial reserves, which they believe holds greater importance for the County's bond rating.
- The County continues to maintain a designated fund balance above the charter-mandated economic stabilization reserve (5% of budget), as well as the policy-required 3% committed operating reserve. This requirement will increase to 4% for FY 2025, as recommended by the Spending Affordability Committee. The fund balance as a percentage of the general fund budget rose between FY 2021 and FY 2023, going from 13.9% to 17.2% in that time. The FY 2024 fund balance is expected to be 14.3% of the general fund budget and 13.5% in FY 2025. Assigned fund balance totals will be determined during the FY 2024 close out process based on agency spending.

Grants and Transfer Payments

- The FY 2025 proposed Grants and Transfer Payments category totals \$42,462,600, representing a decrease of \$5,946,400 or 12.3% below the FY 2024 Approved Budget. This reduction is primarily attributable to a reduction in grants to community organizations, as well as reductions in strategic goals initiatives, and transfers to capital improvement.

- The following chart details the various line items included in the Grants and Transfer Payments category from Actual FY 2023 to Proposed 2025:

Grants and Transfers	FY 2023	FY 2024	FY 2024	FY 2025	Change FY24-FY25
	Actual	Budget	Estimate	Proposed	
Grants to Community Organizations	\$ 9,582,233	\$ 10,046,000	\$ 10,046,000	\$ 4,950,000	\$ (5,096,000) -50.7%
Required Payments	\$ 452,172	\$ 480,900	\$ 535,200	\$ 550,900	\$ 70,000 14.6%
Prince George's Arts and Humanities Council	\$ 400,000	\$ 414,000	\$ 414,000	\$ 464,000	\$ 50,000 12.1%
Economic Development Corporation	\$ 3,982,600	\$ 4,772,200	\$ 4,772,200	\$ 4,272,200	\$ (500,000) -10.5%
Employ Prince George's	\$ 2,922,300	\$ 1,989,600	\$ 2,989,600	\$ 2,694,300	\$ 704,700 35.4%
Financial Services Corporation	\$ 1,137,300	\$ 1,177,100	\$ 1,177,100	\$ 1,177,100	\$ - 0.0%
Prince George's Community Television	\$ 924,600	\$ 924,600	\$ 924,600	\$ 924,600	\$ - 0.0%
Experience Prince George's	\$ 2,228,900	\$ 1,556,900	\$ 1,556,900	\$ 1,556,900	\$ - 0.0%
Memberships	\$ 838,405	\$ 869,500	\$ 860,900	\$ 930,600	\$ 61,100 7.0%
Strategic Goals Initiative	\$ 150,638	\$ 1,500,000	\$ 1,500,000	\$ 500,000	\$ (1,000,000) -66.7%
University of Maryland Medical System	\$ 4,142,250	\$ 3,954,800	\$ 3,954,800	\$ 3,755,500	\$ (199,300) -5.0%
Other Payments	\$ 8,407,951	\$ 10,041,700	\$ 9,889,500	\$ 9,795,500	\$ (246,200) -2.5%
Transfers to Capital Improvement	\$ 9,206,955	\$ 10,681,700	\$ 10,511,300	\$ 9,491,000	\$ (1,190,700) -11.1%
Transfers to Other Funds	\$ 303,500	\$ -	\$ 3,400,000	\$ 1,400,000	\$ 1,400,000 100.0%
Total Expenditures	\$ 44,679,804	\$ 48,409,000	\$ 52,532,100	\$ 42,462,600	\$ (5,946,400) -12.3%

- The biggest line-item decrease in the Grants and Transfers section of the budget is in Grants to Community Organizations. The FY 2025 proposed amount for this item is \$4,950,000, which is \$5,096,000, or 50.7%, below the FY 2024 level.
 - This decrease was made largely in response to the fiscal pressures faced by the County for the upcoming fiscal year, and the need to pass a balanced budget. Grants to Community Organizations was determined as an area of the budget that could be cut to allow funding for other important County services. Representatives from OMB maintain that decreasing the budget reduction would require budget reduction for other County services.
 - The County Executive's Office received a total of 229 grant applications for FY 2024, and 188 of those were determined to be complete. As of March 2024, the selection process had not taken place, but a list of the County Executive's FY 2023 grants can be found in *Attachment 1 of the Non-Departmental first-round responses*.
 - The specific breakdown of Grants to Community Organizations can be found in the table below. Grants from the County Executive and the County Council were cut by 50%. Non-Departmental Designation Grants were also cut by 50%, or \$2.6 million, while Special Appropriation Grants were eliminated.

Grants to Community Organizations						
Category	FY 2023	FY 2024	FY 2024	FY 2025	\$	%
	Actual	Approved	Estimated	Proposed	Change	Change
County Executive	\$ 2,497,735	\$ 2,500,000	\$ 2,500,000	\$ 1,250,000	\$ (1,250,000)	-50.0%
County Council	\$ 1,038,198	\$ 2,200,000	\$ 2,200,000	\$ 1,100,000	\$ (1,100,000)	-50.0%
Special Appropriation Grants	\$ 950,000	\$ 146,000	\$ 146,000	\$ -	\$ (146,000)	-100.0%
Non-Departmental Designation Grants	\$ 5,096,300	\$ 5,200,000	\$ 5,200,000	\$ 2,600,000	\$ (2,600,000)	-50.0%
Total	\$ 9,582,233	\$ 10,046,000	\$ 10,046,000	\$ 4,950,000	\$ (5,096,000)	-50.7%

- Transfers to Capital Improvement Program reflects General Funds that are allocated to capital improvement projects and is proposed at \$9,491,000 a decrease of \$1,190,700, or 11.1%, from FY 2024. A breakdown of the specific projects that money is being distributed to can be found in the table below:

Agency	Project Name	FY 2023 Actual	FY 2024 Budgeted	FY 2024 Estimated	FY 2025 Proposed
OIT	CIP Project	\$ -	\$ 3,000,000	\$ 3,000,000	\$ 3,000,000
DPWT	MD 210 Project	\$ 6,706,955	\$ 6,681,700	\$ 6,511,300	\$ 6,491,000
Redevelopment Authority	Glenarden Apartments	\$ 810,000	\$ 686,000	\$ 686,000	\$ -
Redevelopment Authority	Suitland Manor Project	\$ 1,690,000	\$ 314,000	\$ 314,000	\$ -
Total		\$ 9,206,955	\$ 10,681,700	\$ 10,511,300	\$ 9,491,000

- Strategic Goals Initiative funding supports various initiatives in the County Executive's Office. Funding for FY 2025 is proposed at \$500,000, a \$1 million, or 66%, decrease from FY 2024. A breakdown of specific expenditures can be found in *Attachment 3 of the Non-Departmental first-round responses*.
- The Economic Development Corporation (EDC) is proposed to receive a FY 2025 grant in the amount of \$4,272,200, which is a decrease of \$500,000, or 10.5%, below the FY 2024 approved level.
- FY 2025 Other Payments are proposed at \$9795,500, a decrease of \$246,200, or 2.5%, from the FY 2024 Approved Budget. Funding reflects local impact grant funds allocated to the County for public safety projects within five miles of Rosecroft Raceway (\$1,000,000), PGC Re-entry-wrap around services (\$300,000), as well as a grant to support County developmental disability service providers (\$4,585,000). Additionally, the total includes a portion of the video lottery terminal (VLT) funds allocated for the following projects - Local Development Council Community Impact Grants (\$400,000), the Workforce Development and Training Program (\$637,700), grants to nonprofits (\$2,547,800), a grant to the Excellence in Education Foundation (\$200,000) for student scholarships and grants to communities within 2.5 miles northeast of the MGM facility (\$125,000).

- Prince George's Community Television (PGCTV) proposed funding remains at \$924,600, the same amount funded for FY 2024. The funding is used to enhance program and staffing at PGCTV.
- Memberships is proposed at \$930,600, a \$61,100 increase, or 7% above the FY 2024 level. This increase is driven primarily by an increase in payments to the Council of Governments (COG).
- The Required Payments line-item is proposed at \$550,900, an increase of \$70,000, or 14.6%, from the FY 2024 Approved Budget. The breakdown of Required Payments can be found in the table below:

Required Payments	FY 2024 (YTD)	Estimated FY 2024	Proposed FY 2025
Renter's Credit	\$ 107,980	\$ 198,400	\$ 206,900
Mosquito Control	\$ (91,331)	\$ 246,800	\$ 237,100
Refunds to Towns (Various)	\$ -	\$ 90,000	\$ 86,900
Crime Solvers	\$ -	\$ -	\$ 20,000
Total	\$ 16,649	\$ 535,200	\$ 550,900

- Employ Prince George's is proposed to receive a FY 2025 grant of \$2,694,300, which is an increase of \$704,700, or 35.4%, from the FY 2024 level.
- Transfers to Other Funds is proposed at \$1,400,000. \$400,000 of this amount is expected to go towards the Fair Election Fund, while \$1,000,000 will be transferred to the Local Business Bond Fund.

Operational Expenditures

- The total FY 2025 Proposed budget for Operational Expenditures is \$162,185,200, an increase of \$2,164,100, or 1.4%, above the FY 2024 Approved level. The increase is primarily due to increases in Other Leases and Utilities which is offset by decreases in Equipment Leases and Miscellaneous Expenses. The following table below details the various line-items included in the Operational Expenditures category proposed for FY 2025 as compared to FY 2024:

Operational Expenditures	FY 2023		FY 2024		FY 2024		FY 2025		Change FY24-FY25
	Actual		Budget		Estimate		Proposed		
General Fund Insurance	\$ 10,400,000		\$ 10,400,000		\$ 6,100,000		\$ 10,400,000		- 0.0%
Judgements and Losses	-		\$ 200,000		-		\$ 200,000		- 0.0%
Postage	\$ 2,012,935		\$ 2,700,000		\$ 1,600,000		\$ 2,700,000		- 0.0%
Equipment Leases	\$ 24,173,580		\$ 26,723,000		\$ 26,396,000		\$ 22,952,700	\$ (3,770,300)	-14.1%
Other leases	\$ 30,339,841		\$ 30,607,800		\$ 30,579,600		\$ 39,234,200	\$ 8,626,400	28.2%
Utilities	\$ 20,394,510		\$ 17,114,000		\$ 21,249,500		\$ 21,000,000	\$ 3,886,000	22.7%
Streetlight Electricity	\$ 1,999,252		\$ 1,800,000		\$ 1,800,000		\$ 2,099,200	\$ 299,200	16.6%
Traffic Signal Electricity	\$ 183,589		\$ 100,000		\$ 100,000		\$ 192,800	\$ 92,800	92.8%
Miscellaneous Expenses	\$ 14,951,111		\$ 17,080,100		\$ 13,911,300		\$ 10,510,200	\$ (6,569,900)	-38.5%
Youth Employment Program	\$ 2,890,937		\$ 2,498,600		\$ 2,498,400		\$ 2,498,600		- 0.0%
Automated Programs-Speed Camera, Red Light, False Alarm	\$ 6,742,069		\$ 8,162,000		\$ 7,424,100		\$ 7,500,000	\$ (662,000)	-8.1%
Compensated Absences	\$ (24,194)		-		\$ (24,200)		-		0.0%
Deferred Compensation in Lieu of State Retirement	\$ 226,437		\$ 200,000		\$ 226,400		\$ 226,400	\$ 26,400	13.2%
Unemployment Insurance	\$ 475,000		\$ 475,000		\$ 475,000		\$ 475,000		0.0%
Retiree Life Benefits/Annuities	\$ 2,014,898		\$ 1,870,000		\$ 1,870,000		\$ 2,027,000	\$ 157,000	8.4%
Retiree Health Benefits	\$ 44,048,400		\$ 44,048,400		\$ 44,048,400		\$ 44,048,400		- 0.0%
Subtotal	\$ 160,828,365		\$ 163,978,900		\$ 158,254,500		\$ 166,064,500	\$ 2,085,600	1.3%
Expenditure Recoveries									
Leases/Utilities	\$ (3,441,554)		\$ (2,751,800)		\$ (3,441,600)		\$ (3,441,600)	\$ (689,800)	25.1%
Postage	-		\$ (10,000)		-		-	\$ 10,000	-100.0%
Other	\$ (430,041)		\$ (1,196,000)		\$ (437,600)		\$ (437,700)	\$ 758,300	-63.4%
Subtotal	\$ (3,871,595)		\$ (3,957,800)		\$ (3,879,200)		\$ (3,879,300)	\$ 78,500	-2.0%
Total	\$ 156,956,770		\$ 160,021,100		\$ 154,375,300		\$ 162,185,200	\$ 2,164,100	1.4%

- The proposed level for General Fund Insurance remains unchanged from FY 2024 at \$10.4 million. The breakdown of how this amount is allocated to various components of the County's Self-Insurance Fund can be found below:

Details	FY 2025 Proposed
Insurance Premiums- General Liability	\$ 6,000,000.00
Insurance Premiums- Auto Liability	\$ 4,000,000.00
Insurance Premiums- Property Loss	\$ 400,000.00
Total	\$ 10,400,000.00

- Proposed expenditures for Equipment Leases are \$22,952,700, a decrease of \$3,770,300, or 14.1%, from the FY 2024 Approved Budget. This decrease is attributable to a decrease in funding for a variety of capital leases. A breakdown of Equipment Leases for FY 2023 to FY 2025 Proposed can be found in *Attachment 4 of the Non-Departmental first-round responses*.

- The FY 2025 proposed level of funding for Other Leases is \$39,234,200, an increase of \$8,626,400, or 28.2%, over the FY 2024 level. This increase is primarily due to funding of Public Private Partnerships for the school system. A breakdown of Other Leases for FY 2023 to FY 2025 Proposed can be found in *Attachment 6 of the Non-Departmental first-round responses*.
- Utilities expenses are proposed at \$21 million, an increase of \$3,886,000, or 22.7%, from the FY 2024 Budget. This increase reflects increases for projected expenditures levels for electricity, gas, oil, and propane used by the County. A detailed breakdown of Utilities costs for FY 2023 to FY 2025 Proposed can be found in *Attachment 7 of the Non-Departmental first-round responses*.
- Miscellaneous Expenses is proposed at \$10,510,200, a decrease of \$6,569,900, or 38.5%, from the FY 2024 Approved Budget. This category includes resources for general and administrative services related to the implementation of the County's strategic plan and collection of emergency transportation fees. This budget also includes costs for payments to the State for the State Department of Assessments and Taxation (\$2.8 million in FY 2025), funding for local business assistance program (\$1.0 million in FY 2025), and camera incentive program (\$250,000). A more detailed breakdown of Miscellaneous Expenses for FY 2023 to FY 2025 Proposed can be found in *Attachment 8 of the Non-Departmental first-round responses*.
- In FY 2025, the proposed budget for expenses related to the Automated Programs (Speed Camera, Red-Light, and False Alarm) is \$7.5 million, which is a decrease of \$662,000 when compared with the FY 2024 approved level. The breakdown for each of these programs can be found in the table below:

Program	FY 2023 Actual	FY 2024 Estimated	FY 2025 Proposed
Speed Camera	\$ 3,610,646	\$ 2,163,000	\$ 2,000,000
Red Light Camera	\$ 2,448,455	\$ 3,761,100	\$ 4,000,000
False Alarm	\$ 682,968	\$ 1,500,000	\$ 1,500,000
Total	\$ 6,742,069	\$ 7,424,100	\$ 7,500,000

- Funding for the Youth Employment Program is proposed to remain the same as FY 2024 at \$2,498,600.
- Proposed Expenditure Recoveries for FY 2025 totals approximately \$3,879,300, which is \$78,500 below the FY 2024 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

Contingencies	FY 2023 Actual	FY 2024 Budget	FY 2024 Estimate	FY 2025 Proposed	Change FY 24-FY25
Compensation	\$ -	\$ 1,600,000	\$ 1,600,000	\$ 5,707,200	\$ 4,107,200 257%
Fringe Benefits	\$ -	\$ 1,500,000	\$ 1,500,000	\$ 5,000,000	\$ 3,500,000 233%
Total	\$ -	\$ 3,100,000	\$ 3,100,000	\$ 10,707,200	\$ 7,607,200 245%

- The FY 2025 Proposed Budget includes \$10,707,200 in contingencies to support potential countywide salary adjustments for employees. This is an increase of \$7,607,200, or 245% over the FY 2024 Approved Budget.

Economic Development Incentive Fund

- The goal of the Economic Development Incentive (EDI) Fund is to create and retain jobs, broaden the local tax base, promote economic development opportunities, and assist in the retention of existing businesses and the attraction of new businesses. Funding will provide financial assistance in the form of loans, guarantees, and grants to benefit existing and potential industrial and commercial businesses in the County.
- Expenditures from the Fund are proposed for \$9 million, which is consistent with the FY 2024 Approved Budget.

Economic Development Incentive Fund Expenditure Summary

Category	FY 2023 Actual	FY 2024 Budget	FY 2024 Estimate	FY 2025 Proposed	Change FY24-FY25
Compensation	\$ -	\$ -	\$ -	\$ -	\$ - 0.0%
Fringe Benefits	\$ -	\$ -	\$ -	\$ -	\$ - 0.0%
Operating	\$ 1,164,180	\$ 9,000,000	\$ 7,580,000	\$ 9,000,000	\$ - 0.0%
Capital Outlay	\$ -	\$ -	\$ -	\$ -	\$ - 0.0%
Total Expenditures	\$ 1,164,180	\$ 9,000,000	\$ 7,580,000	\$ 9,000,000	\$ - 0.0%

Economic Development Incentive Fund Summary

(see next page)

Category	FY 2023	FY 2024	FY 2024	FY 2025		
	Actual	Budget	Estimate	Proposed	Change	FY24-FY25
Beginning Fund Balance	\$ 28,544,346	\$ 27,244,346	\$ 29,732,270	\$ 24,882,270	\$ (2,362,076)	-8.7%
Revenues						
Interest Income	\$ 1,795,517	\$ 350,000	\$ -	\$ 350,000	\$ -	0.0%
Loan Repayments (Principal and Interest)	\$ 556,588	\$ 1,300,000	\$ 2,730,000	\$ 1,300,000	\$ -	0.0%
Appropriated Fund Balance	\$ -	\$ 7,350,000	\$ 4,850,000	\$ 7,350,000	\$ -	0.0%
Total Revenues	\$ 2,352,105	\$ 9,000,000	\$ 7,580,000	\$ 9,000,000	\$ -	0.0%
Expenditures						
Small Business Loans and Grants	\$ 1,164,180	\$ 9,000,000	\$ 7,580,000	\$ 9,000,000	\$ -	0.0%
Total Expenditures	\$ 1,164,180	\$ 9,000,000	\$ 7,580,000	\$ 9,000,000	\$ -	0.0%
Excess of Revenues Over Expenditures	\$ 1,187,925	\$ -	\$ -	\$ -	\$ -	0.0%
Other adjustments	\$ -	\$ (7,350,000)	\$ (4,850,000)	\$ (7,350,000)	\$ -	0.0%
Ending Fund Balance	\$ 29,732,270	\$ 19,894,346	\$ 24,882,270	\$ 17,532,270	\$ (2,362,076)	-11.9%

Grants Funds

- The FY 2025 proposed grant budget remains unchanged from FY 2024 approved budget. The FY 2024 estimate reflects funding received from the State and federal governments to address the COVID-19 pandemic. The primary sponsor for most of these program initiatives is the U.S. Treasury Department. The American Rescue Plan Act (ARPA) also known as the State and Local Fiscal Recovery Fund (SLFRF program) is the remaining COVID-19 program funded and underway as the remaining COVID-19 Recovery Response programs begin to phase out.
- In FY 2024, the County is estimated to spend \$26,902,537 in grant funding received from various Federal and State programs. A breakdown of those expenditures can be found in the table below:

Category	FY 2023	FY 2024	FY 2024	FY 2025		
	Actual	Budget	Estimated	Proposed	Change	FY24-FY25
Compensation	\$ 644,148	\$ -	\$ 1,621,410	\$ -	\$ -	0%
Fringe Benefits	\$ 166,514	\$ -	\$ 308,475	\$ -	\$ -	0%
Operating	\$ 40,669,107	\$ -	\$ 14,461,039	\$ -	\$ -	0%
Capital Outlay	\$ 13,799,564	\$ -	\$ 10,511,613	\$ -	\$ -	0%
Total	\$ 55,279,333	\$ -	\$ 26,902,537	\$ -	\$ -	0%