



May 1, 2025

**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 *[Signature]*  
Director of Budget and Policy Analysis

FROM: Sylvia S. Singleton *[Signature]*  
Legislative Budget and Policy Analyst

RE: Non-Departmental  
Fiscal Year 2026 Budget Review

**BUDGET OVERVIEW**

The FY 2026 proposed General Fund budget for Non-Departmental is \$455,843,600, an increase of \$15,078,200, or 3.4%, over the FY 2025 approved budget. This increase is primarily attributable to increases in Debt Service (\$13.4M) and Operational Expenditures (\$17.7M), offset primarily by decreases in funding for Contingency (-\$17.2M), and Grants and Transfers, some of which are to:

- Community Organizations category for the County Council and County Executive designated community grants (\$4.95M).
- The Dimensions Health Corporation category for County debt service payment to the University of Maryland Medical System to align with anticipated costs (\$3.76M).
- County grant for Prince George's Community Television (\$693,400).
- County grant for Economic Development Corporation (EDC) (\$213,600).

***Use of Reserves -***

The Proposed FY 2026 use of fund reserves is \$10.426 million, and FY 2025 is estimated at \$45,022,400.

**NON-DEPARTMENTAL OVERVIEW**

Category	FY 2024	FY 2025	FY 2025	FY 2026	Change FY25-FY26	
	Actual	Budget	Estimate	Proposed	Amount (\$)	Percent (%)
Debt Service	\$170,622,812	\$184,296,200	\$187,700,100	\$197,682,200	\$13,386,000	7.3%
Grants and Transfers	44,829,920	44,991,800	81,584,600	46,157,900	1,166,100	2.6%
Operational Expenditures	178,257,612	151,670,200	161,072,700	169,403,500	17,733,300	11.7%
Alternative Construction Financing Payment	-	42,600,000	42,000,000	42,600,000	-	0.0%
Contingency	-	17,207,200	-	-	(17,207,200)	-100.0%
<b>Total</b>	<b>\$393,710,344</b>	<b>\$440,765,400</b>	<b>\$472,357,400</b>	<b>\$455,843,600</b>	<b>\$15,078,200</b>	<b>3.4%</b>

## FY 2026 Fiscal Overview

The following is a list of the major fiscal overview changes in FY 2026:

- \$46.1 million to address resource levels for retiree life and health benefits.
- \$42.6 million for Alternative Construction Financing for the school projects on behalf of the Board of Education.
- \$12.5 million for transfers to the Capital Improvement Program (CIP).
- \$10.0 million provided to the County's economic development and tourism agencies.
- \$6.8 million for operating costs associated with the speed camera program and other fine programs.
- \$3.1 million allocated for grants to community organizations.
- \$1.0 million for Youth Employment Program to support jobs for County youth.

- *Operational Expenditures* increased by approximately \$17.7 million. These increases are primarily due to newly added Retirement State Payments for the Board of Education and Community College retirement, and Equipment Leases for principal and interest costs of lease purchase payments dating back to 2017, and resources for voting machine rentals.
- *Grants and Transfer Payments* increase by approximately \$1.2 million, with the largest increase due to Other Payments – Video Lottery Terminal (VLT) funds (+\$6.7M), and the largest decrease due to reductions in Grants to Community Organizations (-\$4.95M).
- *Alternative Construction Financing*: Payment expenditure levels will stay consistent with the FY 2025 Approved Budget.
- *Contingency* will decrease by approximately \$17.2 million, or 100%, under the FY 2025 budgeted level, due to the reallocation of FY 2025 salary adjustments to various agencies/departments.
- *The Economic Development Incentive (EDI) Fund* expenditure levels will stay consistent with the FY 2025 Approved Budget.

Category	Economic Development Incentive Fund Expenditure Summary					
	FY 2024 Actual	FY 2025 Budget	FY 2025 Estimate	FY 2026 Proposed	Change Amount (\$)	Change Percent (%)
Compensation	\$ -	\$ -	\$ -	\$ -	\$ -	0.0%
Fringe Benefits	-	-	-	-	-	0.0%
Operating	3,450,330	9,000,000	4,255,000	9,000,000	-	0.0%
Capital Outlay	-	-	-	-	-	0.0%
Total	\$ 3,450,330	\$9,000,000	\$4,255,000	\$9,000,000	\$ -	0.0%

- The FY 2026 Proposed *Grant* budget remains at \$0, unchanged from FY2025 approved levels.

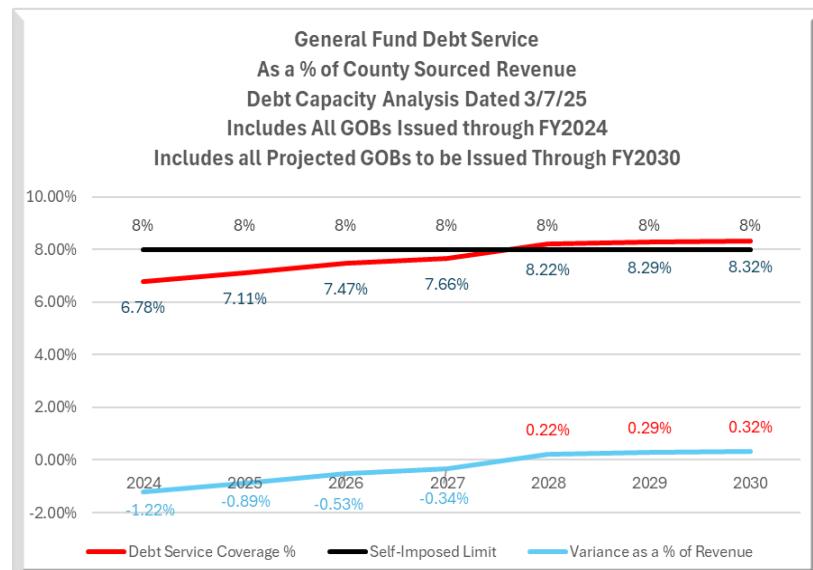
## Debt Service

- *Debt Service* is proposed at approximately \$197.7 million for FY 2026, an increase of \$13.4 million, or 7.3%, over the approved FY 2025 budget. This increase is driven by principal and interest payments for current outstanding debt and anticipated costs related to the FY 2025 bond sale.
- The County has retained a AAA rating by all three (3) major bond rating agencies.

- The County plans to issue new general obligation bonds totaling approximately \$269.1 million in FY 2026. The main factor behind the debt issuance continues to be the construction of public schools, followed by road repair and roadway enhancements.
- The FY 2025 tentative bond sale is scheduled for June 4, 2025. The County expects to issue a projected bond size of approximately \$250 million and is subject to be increased or decreased based on market conditions. 5% is the current projected interest rate for all years, 2026 through 2045 inclusive, all subject to market conditions.
- OMB does not anticipate refinancing of outstanding debt in FY 2025.
- The County's Net Direct Debt has grown due to the rising need for capital projects, particularly school construction.
- 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 County continues to adjust to remain in compliance with its financial policies, including maintaining fund balance reserves at charter-mandated and self-imposed levels and keeping the debt service coverage ratio below 8%.
- Current projections show that the County's debt service coverage ratio is projected to remain below 8% through 2027 and on a trajectory to exceed the self-imposed debt service ratio limit of 8% between FY 2028 and FY 2030.

General Fund Debt Service  
 as a Percentage of  
 County Sourced Revenue  
 Includes All GOBs Issued through FY2024  
 Includes all Projected GOBs to be Issued Through FY2030  
**Source: Debt Capacity Analysis Dated 3/7/25**  
 3/24/2025

FY	Net Debt Service	Projected County Sourced Revenue	Debt Service Coverage %	Variance - Net Debt Service Less	
				Debt Service at 8% Ceiling	Variance as % of Revenue
2024	169,576,559	2,501,340,500	6.78%	(30,530,680.55)	-1.22%
2025	184,961,352	2,600,297,400	7.11%	(23,062,439.75)	-0.89%
2026	196,446,791	2,628,442,900	7.47%	(13,828,640.70)	-0.53%
2027	207,892,111	2,712,890,000	7.66%	(9,139,089.12)	-0.34%
2028	230,419,281	2,802,266,800	8.22%	6,237,937.44	0.22%
2029	238,973,788	2,884,022,500	8.29%	8,251,988.17	0.29%
2030	247,066,567	2,969,195,500	8.32%	9,530,926.82	0.32%



- If this debt ceiling is exceeded, there will be no remaining debt service capacity that could be leveraged to fund additional Capital Improvement Program (CIP) projects.
  - For many years, projections of the general fund debt service as a percentage of general fund county-sourced revenues have shown that the policy limitation of 8.0% has been exceeded in the outer years.
  - OMB and the Office of Finance (OOF) have been successfully working together over the years to manage the County's debt portfolio to stay within the policy limit.
  - Various methods have been utilized in these management efforts, such as forecasting the County's debt capacity, refinancing existing debt to lower debt service costs, setting annual bond funding targets as part of the budget formulation process, utilizing public safety and school surcharge revenues to reduce the need for bond funding, making strategic reductions and deferrals to the capital program, and better utilizing existing resources.
  - Last year (2024), the projections showed that the policy limit would be exceeded in FYs 2027 (8.21%), 2028 (8.70%), and 2029 (8.73%).
  - While forecasts based on the proposed budget still show the policy limit being exceeded in FY 2028 (8.22%), recent efforts have lowered the projected peak down to 8.32% in FY 2030.
  - OMB and OOF will continue to manage the County's debt portfolio prudently.
  - Additionally, they will evaluate if/when it might be appropriate to consider changing the policy limit.
  - If it is determined in the future that the policy needs to be adjusted, it will be important that the County adjust it (i) prior to any exceedance of the current policy, (ii) that they adjust it only once, and that (iii) they then maintain long-term compliance with the new policy.
  - Under those conditions, OMB does not expect any adverse ratings actions from the bond rating agencies related to this metric, given that the County maintains adequate reserves, provided this is a sustained long-term change, and adequate reserves are maintained.
- OMB indicated that the more important issue, beyond the debt ratio, is maintaining sufficient financial reserves, which holds greater importance for the County's bond rating.
- *Maintain a General Fund Contingency Reserve (Committed Reserve)* - A Charter amendment adopted by the voters in November 2002 requires that the County maintain a contingency reserve for the General Fund. These funds are to be used as a possible source of funding in the event the County Council enacts emergency appropriations in response to unforeseen events.
  - The reserve requirement is 5% of the General Fund budget.
  - The contingency reserve was \$228.0 million at the end of FY 2024 and is projected to be \$237.1 million in FY 2025, and \$239.1 million in FY 2026.

General Fund - Fund Balance						
Fund Balance Designation	FY 2022 Actual	FY 2023 Actual	FY 2024 Actual	FY 2025 Estimated	FY 2026 Projected	
<b>Restricted</b>						
Economic Stabilization- 5%	\$ 214,897,250	\$ 214,905,285	\$ 228,029,595	\$ 237,062,395	\$ 239,085,530	
Equipment Purchases	\$ 49,915,132	\$ 48,469,434	\$ 39,458,845	TBD	TBD	
Real Estate Purchases	\$ -	\$ -	\$ -	\$ -	\$ -	
<b>Total Restricted</b>	<b>\$ 264,812,382</b>	<b>\$ 263,374,719</b>	<b>\$ 267,488,440</b>	<b>\$ 237,062,395</b>	<b>\$ 239,085,530</b>	
Committed - Operating Reserve (2%/3%/4%/5%)	85,958,900	85,962,114	136,817,757	189,649,916	239,085,530	
<b>Assigned</b>						
Economic Development	28,544,346	29,732,270	31,639,576	31,164,576	23,814,576	
Local Impact Grant	4,603,234	5,121,462	3,791,544	TBD	TBD	
Summer Youth Enrichment Program	316,390	-	-	TBD	TBD	
Property Sales and Acquisition and Housing	5,524,450	20,544,039	27,844,809	25,743,336	15,747,536	
Investment Trust Fund	Other	50,400,681	30,309,506	53,813,336	TBD	TBD
<b>Total Assigned</b>	<b>\$ 89,389,101</b>	<b>\$ 85,707,277</b>	<b>\$ 117,089,265</b>	<b>\$ 56,907,912</b>	<b>\$ 39,562,112</b>	
Unassigned	235,411,143	407,625,803	358,509,668	256,724,609	198,265,860	
<b>Total Fund Balance</b>	<b>\$ 675,571,526</b>	<b>\$ 842,669,913</b>	<b>\$ 879,905,130</b>	<b>\$ 740,344,832</b>	<b>\$ 715,999,032</b>	
Annual Change Amount	167,098,387	37,235,217	(139,560,298)	(24,345,800)		
Annual Percentage Change	24.7%	4.4%	-15.9%	-3.3%		
Fund Balance as a % of General Fund Budget	26.0%	32.2%	32.9%	27.6%	26.6%	

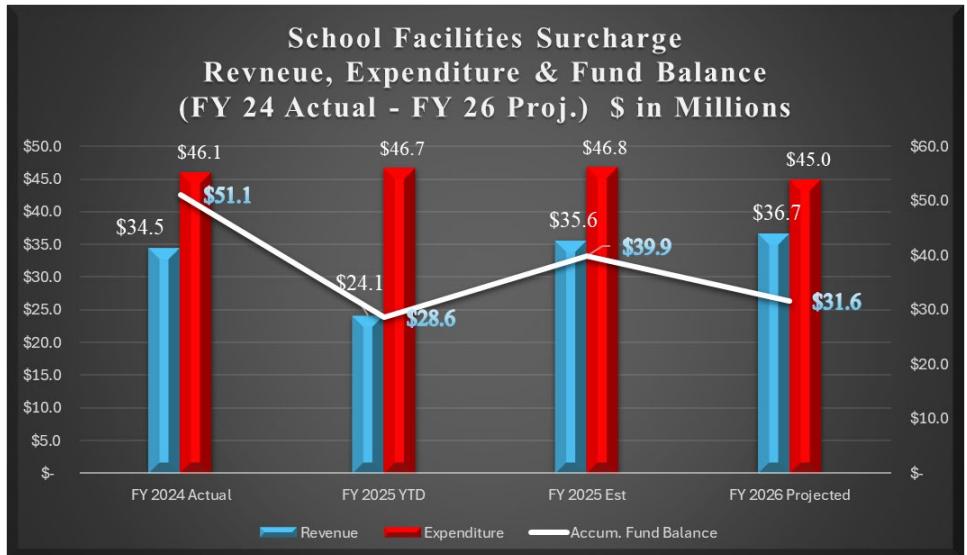
Source: FY 2022 – FY 2024 ACFRs and FY 2026 Proposed Budget Book

- *Maintain a General Fund Operating Reserve* - To ensure a reasonable degree of stability in its programs over the long term, the County must have the budgetary flexibility to deal with events that can create instability such as emergency situations, severe economic fluctuations, or State and federal policy changes.
  - Through FY 2023, the County policy was to retain an operating reserve equal to at least 2% of the general fund budget in addition to the contingency reserve.
  - This percentage was increased to 3% in FY 2024 and 4% in FY 2025 with the final increase to 5% in FY 2026.
  - This reserve is a continuing and non-lapsing source of unappropriated funds that can be used to offset the impact of one-time budget emergencies if a plan exists to replenish the reserves.
  - The operating reserve was \$136.8 million at the end of FY 2024 (2%) and is projected to be \$189.6 million in FY 2025 (4%) and \$239.1 million in FY 2026 (5%).
  - The fund balance as a percentage of the general fund budget rose between FY 2022 and FY 2024, going from 26.0% to 32.9% during that time.
  - The FY 2025 fund balance is expected to be 27.6% of the general fund budget and projected at 26.6% in FY 2026.
  - Assigned fund balance totals will be determined based on agency spending during the FY 2025 close-out process.

### **School Facilities Surcharge**

*School facilities surcharge revenues are charges collected from the issuance of building permits and 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 of debt service expenses.*

- Revenues in FY 2024 were \$34.5 million but are estimated to increase by \$1.07 million for FY 2025 to \$35.6 million.
- There is a projected revenue increase to \$36.7 million over the FY 2025 estimated level.
- Expenditures in FY 2024 were \$46.1 million and are estimated to increase in FY 2025 to \$46.8 million, an increase of \$0.72 million. They are expected to decrease again by \$1.8 million to \$45 million in FY 2026.
- OMB is reporting that a large, documented drop in building permits for multi-family housing began in FY 2024 and has continued in FY 2025 to date.
  - Mortgage rates have not dropped despite three (3) rate cuts by the Federal Reserve Board in 2024.
  - Inflation expectations have risen recently due to concerns regarding tariffs.
  - No new debt issuances will be backed by school surcharge revenues until it can be determined that the annual revenue will support the new debt.
- At the end of FY 2024, the balance in the school surcharge account was \$51.1 million.
  - Debt service on previously issued bonds exceeded revenues in FY 2024 and the same is expected to occur in FY 2025 (by \$11.3 million) and FY 2026 (by \$8.3 million) based on projections.
  - This will reduce the fund balance to \$31.6 million.



Adequate Public Safety Facilities Description	Actual FY 2024 (\$ in million)	FY 2025 (YTD) (\$ in million)	Estimated FY 2025 (\$ in million)	Projected FY 2026 (\$ in million)
Shady Glen Fire/EMS Station	\$ 0.6			
<b>FY 2025 YTD Expenditure Details</b>		<b>\$ Amount</b>		
Special Operations Division Facility			\$ 0.6	
Behavioral Health Certificate of Participation			5.1	

- Current projections estimate that \$30.0 million of school surcharge-supported debt could be issued annually beginning in FY 2027 while maintaining the fund balance at approximately the \$31.6 million level.
- \$45.7 million went towards Board of Education (BOE) debt service in FY 2024, while \$400,000 went to Series 2009A QSCB Bond Debt Service.
- Estimated expenditures for FY 2025 included \$46.4 million for BOE debt service and \$400,000 for Series 2009A QSCB Bond Debt Service. The Fund balance is being used to cover the deficit created by the dip in revenue from the surcharge in FY 2025.

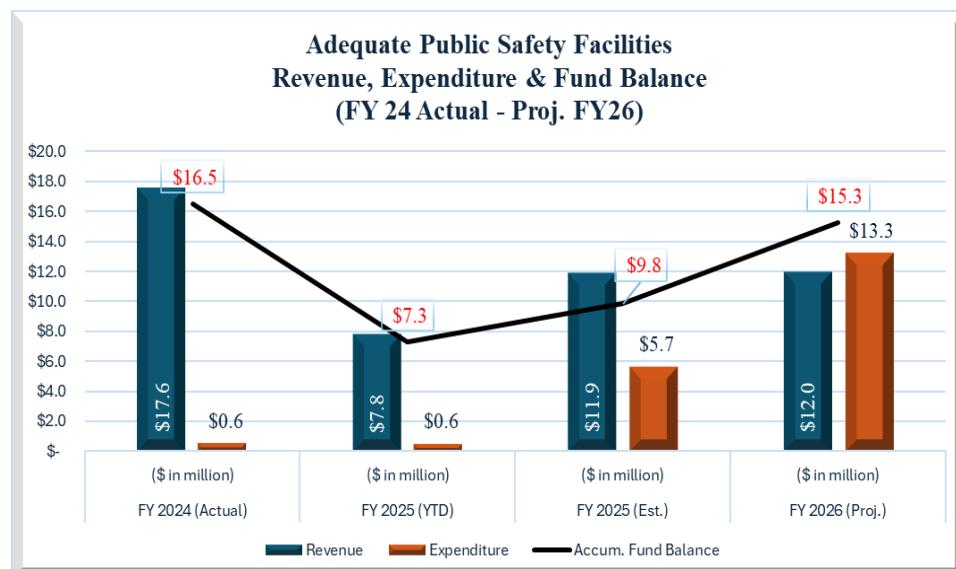
FY 2024 Expenditure Details	Actual FY 2024 (\$ in million)	FY 2025 (YTD) (\$ in million)	Estimated FY 2025 (\$ in million)	Projected FY 2026 (\$ in million)
Series 2009A QSCB Bond Debt Serv	\$ 0.4			
BOE Debt Service	\$ 45.7			
FY 2025 YTD Expenditure Details		\$ Amount		
Series 2009A QSCB Bond Debt Service	\$ 0.4	\$ 0.4		
BOE Debt Service		46.3	46.4	

### *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 improvements to public safety facilities.*

- Collection and expenditure data for FY 2024 - FY 2026

- Revenues in FY 2024 were \$17.6 million and are expected to decrease significantly by \$5.7 million in FY 2025 to \$11.9 million. OMB expects revenues to increase slightly in FY 2026 to \$12 million.



- Expenditures in FY 2024 were \$0.6 million and are expected to increase to \$5.7 million in FY 2025. They are projected to more than double in FY 2026 to \$13.3 million.
- In FY 2024, \$0.6 million of Public Safety Surcharge went towards the Shady Glen Fire/EMS Station.
- In FY 2025, \$5.1 million is estimated to be used for the Behavioral Health Certificate of Participation (COP), while \$600,000 is projected for the Special Operations Division (SOD) Facility.
- In FY 2025 the estimated fund balance will decrease by \$6.7 million to \$9.8 million from the FY 2024 level of \$16.5 million, and the projected FY 2026 fund balance will increase to \$15.3 million.

### ***Grants and Transfer Payments***

- The FY 2026 proposed Grants and Transfer Payments category totals \$46.158 million, representing an increase of \$1.2 million, or 2.6%, above the FY 2025 Approved Budget. This increase is primarily attributable to Other Payments – Video Lottery Terminal (VLT) (\$6.7M), Redevelopment Authority (\$2.0M), Transfers to Capital Improvement Program (CIP) – VLT (\$1.6M), and Transfers to CIP (\$1.1M).
- Grants and Transfer Payments category from Actual FY 2024 to Proposed 2026:

Grants and Transfers	FY 2024 Actual	FY 2025 Budget	FY 2025 Estimate	FY 2026 Proposed	Change Amount (\$)	Change Percent (%)
Other Payments - VLT	3,905,500	2,899,700	9,576,500	9,576,500	6,676,800	230.3%
Redevelopment Authority	-	-	-	2,017,300	2,017,300	100.0%
Transfer to Capital Improvement Program - VLT	6,707,763	6,491,000	7,691,000	8,116,200	1,625,200	25.0%
Transfers to Capital Improvement Program	1,000,000	3,250,000	25,563,500	4,396,000	1,146,000	35.3%
Memberships	860,764	930,600	930,600	986,200	55,600	6.0%
Required Payments	404,064	550,900	530,900	550,900	-	0.0%
Strategic Goals Initiative	91,997	500,000	500,000	475,000	(25,000)	-5.0%
Experience Prince George's	1,556,900	1,556,900	1,556,900	1,523,100	(33,800)	-2.2%
Financial Services Corporation	1,177,100	1,177,100	1,959,900	1,118,200	(58,900)	-5.0%
Prince George's Arts and Humanities Council	414,000	464,000	464,000	393,300	(70,700)	-15.2%
Transfers to Other Funds	-	1,000,000	1,400,000	900,000	(100,000)	100.0%
Employ Prince George's	2,989,600	2,994,300	2,994,300	2,859,600	(134,700)	-4.5%
Economic Development Corporation	4,772,200	4,272,200	5,272,200	4,058,600	(213,600)	-5.0%
Other Payments	5,029,000	6,175,000	6,085,000	5,855,800	(319,200)	-5.2%
Prince George's Community Television	924,600	924,600	924,600	231,200	(693,400)	-75.0%
University of Maryland Medical System	3,954,750	3,755,500	3,755,500	-	(3,755,500)	-100.0%
Grants to Community Organizations	\$11,041,682	\$8,050,000	\$12,379,700	\$3,100,000	(\$4,950,000)	-61.5%
<b>Total</b>	<b>\$44,829,920</b>	<b>\$44,991,800</b>	<b>\$81,584,600</b>	<b>\$46,157,900</b>	<b>\$1,166,100</b>	<b>2.6%</b>

- The most significant line-item decreases proposed for FY 2026 are for Grants to Community Organizations (**-\$4.95 million**), University of Maryland Medical System (**-\$3.76 million**), and Prince George's Community Television (**-\$693,400**), below the FY 2025 levels.

- These decreases are mainly made 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 were 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 would require budget reduction for other County services.

- The County Executive's Office received a total of 204 grant applications for FY 2025, and 154/75% of those were determined to be complete, and 500/25% incomplete. As of March 2025, the selection process had not occurred, but a list of the County Executive's FY 2024 grants can be found in *Attachment 1 of the Non-Departmental First-round Responses*.
- The table below provides the specific breakdown of Grants to Community Organizations.
  - Grants were reduced from Non-Departmental by \$4 million/73% and the County Executive by \$750K/60%.
  - The Arts and Humanities Council grant was eliminated.
  - There is no proposed FY 2026 funding for Special Appropriation Grants, which is estimated to incur \$1.3 million, which was not budgeted in FY 2025.
  - County Council grant appropriation proposed amount remains unchanged in FY 2026 from the FY 2025 level at \$1.1 million.

Grants to Community Organizations							
	FY 2024 Actual	FY 2025 Approved	FY 2025 YTD	FY 2025 Estimate	FY 2026 Proposed	\$ Change FY 25 - FY 26	% Change FY 25 - FY 26
Non-Departmental Designation Grants	\$ 5,041,682	\$ 5,500,000	\$ 1,379,000	\$ 5,500,000	\$ 1,500,000	\$ (4,000,000)	-73%
County Executive	2,500,000	1,250,000	-	4,250,000	500,000	(750,000)	-60%
Arts and Humanities Council	200,000	200,000	-	200,000	-	(200,000)	-100%
County Council	2,200,000	1,100,000	53,096	1,100,000	1,100,000	-	0%
Special Appropriation Grants	1,100,000	-	500,000	1,329,700	-	-	
<b>Total</b>	<b>\$11,041,682</b>	<b>\$ 8,050,000</b>	<b>\$ 1,932,096</b>	<b>\$12,379,700</b>	<b>\$ 3,100,000</b>	<b>(4,950,000)</b>	<b>-61%</b>

- *University of Maryland Medical System* (-\$3.76 million): The Dimensions Health Corporation category for County debt service payment to the University of Maryland Medical System decreased to align with anticipated costs, and is attributed to the final payment process made in October 2024.
- *Prince George's Community Television (PGCTV) - Funding supports Community Television of Prince George's County Channels 76 and 70, the non-profit cable access station.* (-\$693,400/-75%):
  - FY 2026 Proposed funding is \$231,200. (See *Attachment A* of this report)

- Funding requested will be used to enhance program and staffing, support high school, college, and youth programs throughout the fiscal year and summer youth program, and support special requests from county and non-departmental agencies. Special project requests from community service agencies and non-profits. Language interpreters.
- PGCTV anticipates winding down operations by the end of September 2025.
- PGCTV currently has 13 employees, which the County will attempt to transition to available vacant positions within other agencies.

▪ The FY 2024 PGCTV Audited Financial Statements were provided in response to the Non-D ***First Round Response Q.18i – Attachment #2b***. A review of the FY 2024 Audited Financial Statements for PGCTV indicated:

- The organization had \$1.025 million in net assets at the end of FY 2024.
- The organization had \$935,387 in cash and cash equivalents at the end of FY 2024.
- The FY 2024 County funding of \$924.6K is 55% of the organization's revenue source.
- The organization's largest expenses are Salaries and Wages at \$920.862K/55%.
- The organization has \$310,919 of contributed office space and equipment.

PRINCE GEORGE'S COMMUNITY TELEVISION, INC.  
 STATEMENT OF ACTIVITIES  
 FOR THE YEAR ENDED JUNE 30, 2024

	Without donor restrictions	With donor restrictions	Total
<b>Revenue</b>			
Prince George's County	\$ 924,600	\$ -	\$ 924,600
Cable Franchise Revenue	105,000	-	105,000
Sales	324,446	-	324,446
Contributed Office Space and Equipment	310,919	-	310,919
Interest Income	1,019	-	1,019
<b>Total Revenue and Other Support</b>	<b>1,665,984</b>	<b>-</b>	<b>1,665,984</b>

FUNCTIONAL EXPENSES	Program Services	Support Services	Total	%
Salaries & Wages	\$ 580,143	\$ 340,719	\$920,862	55%
Employee benefits		\$ 29,699	\$29,699	2%
Contractors	\$ 31,902	\$ 40,301	\$72,203	4%
Payroll fees	\$ 13,513		\$13,513	1%
			\$1,036,277	62%
Rent on facility	\$ 279,827	\$ 31,092	\$310,919	19%
Rent	\$ 4,202	\$ 12,434	\$16,636	1%
			\$327,555	20%
Supplies	\$ 81,832	\$ 10,114	\$91,946	5%

- See the organization's Statement of Financial Position at ***Appendix B*** of this report.
- See the organization's Statement of Activities at ***Appendix B*** of this report.
- See the organization's Statement of Functional Expenses at ***Appendix B*** of this report.

▪ ***Transfers to Capital Improvement Program - \$4,396,000*** reflects General Funds allocated to capital improvement projects including the Suitland Manor project (\$1,236,000) for Redevelopment Authority; Health Department for WSSC Septic (\$160,000); and the Office of Information Technology

CIP project (\$3,000,000). Proposed FY 2026 funding increases by \$1.1 million, or 35.3%, over the FY 2025 Approved Budget level.

- FY 2024 Actual, FY 2025 Approved and Estimated and FY 2026 Proposed transfers to CIP are reflected in the chart.

- Additional transfers in FY 2025 are being made above the approved level to fund DOE (\$15.3 million) and DPW&T (\$6.5 million) Capital Project PAYGO, and to the Health Department for the Cheverly Building Replacement (\$471.5K).

Transfers to CIP					
Transfers to CIP	Expense	FY 2024 Actual	FY 2025 Approved	FY 2025 Estimate	FY 2026 Proposed
CIP	Transfers to CIP/Redevelopment	\$ 1,000,000	\$ 250,000	\$ 250,000	\$ 1,236,000
CIP	Transfer to OIT CIP	\$ -	\$ 3,000,000	\$ 3,000,000	\$ 3,000,000
CIP	Transfer to WSSC CIP - Septic	\$ -	\$ -	\$ -	\$ 160,000
CIP	Transfer to Health Dept. Cheverly Bldg Replacement	\$ -	\$ -	\$ 471,500	\$ -
CIP	Transfer to DOE for capital project PAYGO	\$ -	\$ -	\$ 15,342,000	\$ -
CIP	Transfer to DPW&T for capital project PAYGO	\$ -	\$ -	\$ 6,500,000	\$ -
Total		\$ 1,000,000	\$ 3,250,000	\$ 25,583,500	\$ 4,396,000
Transfers to CIP - VLT					
CIP	VLT- 210 Funds/VLT Local and State	\$ 6,707,763	\$ 6,491,000	\$ 7,691,000	\$ 8,116,200

- Transfers to Capital Improvement Program – VLT - \$8,116,200* reflects General Funds allocated to capital improvement projects including the VLT - MD 210 Improvement. Proposed FY 2026 funding increases by \$1.6 million, or 25%, over the FY 2025 approved levels.
- Other Payments – VLT -- \$9,576,500 - Funding reflects a portion of the Video Lottery Terminal (VLT) funds allocated for the following projects* - Local Development Council Community Impact Grants – Designated Grantees (\$4,206,500); the Workforce Development and Training Program (\$200,000); a grant to the Excellence in Education Foundation (\$215,000) for student scholarships; a grant for Senior Services with Second District CDC (\$4,250,000); a grant for the Town of Forest Heights for police athletics league (\$45,000); a grant for Education Programs, designated grantees (\$580,000) and grants to communities within 2.5 miles northeast of the MGM facility (\$80,000). Proposed FY 2026 funding increases by \$6.7 million, or 230.3%, over the FY 2025 approved levels.
- Other Payments - \$5,855,800 - 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 (\$500,000), discretionary expense for council (\$90,000), as well as a grant to support County developmental disability service providers (\$4,355,800).

*Table of Other Payments – VLT & Rosecroft Raceway on the following page.*

Other Payments					
Other Payments - VLT	Expense	FY 2024 Actual	FY 2025 Approved	FY 2025 Estimate	FY 2026 Proposed
Other	Senior Services with Second District CDC	\$ -		\$ 4,250,000	\$ 4,250,000
Other	Community Impact Grants - Designated Grantees	\$ -	\$ -	\$ 3,596,500	\$ 3,596,500
Other	Community Impact Grants - Education Programs - Designated Grantees	\$ -		\$ 580,000	\$ 580,000
Other	VLT - Other Public Services	\$ -	\$ -	\$ 275,000	\$ 275,000
Other	VLT- Grant to the Excellence in Education Foundation	\$ 200,000	\$ 200,000	\$ 215,000	\$ 215,000
Other	VLT- Local Development Council - Employ Prince Georges	\$ -	\$ 637,700	\$ 200,000	\$ 200,000
Other	VLT - Town of Forest Heights Sanitation & Beautification	\$ 201,850	\$ -	\$ 120,000	\$ 120,000
Other	VLT - Grant to support community 2.5 miles NE of the VLT facility	\$ -	\$ 125,000	\$ 5,000	\$ 5,000
Other	VLT - Town of Forest Heights - Police Athletics League	\$ -	\$ -	\$ 45,000	\$ 45,000
Other	VLT- Local Development Council - Community Impact Grants	\$ -	\$ 850,000	\$ -	\$ -
Other	VLT- Revenue Authority - Automated Speed Enforcement Cameras (3)	\$ 144,000	\$ -	\$ -	\$ -
Other	VLT-various nonprofit grants	\$ -	\$ 1,087,000	\$ -	\$ -
Other	VLT-Non-Profits - Education Programs	\$ 3,359,650	\$ -	\$ -	\$ -
TOTAL		\$ 3,905,500	\$ 2,899,700	\$ 9,286,500	\$ 9,286,500
Other Payments					
Other	Grant Support to County DDA Service providers - implementing a strategy and plan - Developmental Disability Administration grant	\$ 4,585,000	\$ 4,585,000	\$ 4,585,000	\$ 4,355,800
Other	Rosecroft - Local Impact Grants	\$ 144,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000
Other	PGC Re-entry Program - wrap around services (seed money)	\$ 300,000	\$ 500,000	\$ 500,000	\$ 500,000
Other	Discretionary expense	\$ -	\$ 90,000	\$ -	\$ -
TOTAL		\$ 5,029,000	\$ 6,175,000	\$ 6,085,000	\$ 5,855,800
TOTAL ALL Other Payments		\$ 8,934,500	\$ 9,074,700	\$ 15,661,500	\$ 15,432,300

- **Strategic Goals Initiative** - funding supports various initiatives in the County Executive's Office. Funding for FY 2026 is proposed at \$475,000, a \$25,000, or -5%, decrease from FY 2025. *Attachment 3 of the Non-Departmental First-round Responses #20* breaks down specific expenditures.
- **Economic Development Corporation** - is proposed to receive a FY 2026 grant in the amount of \$4,058,600, which is a decrease of \$213,600, or -5.0%, below the FY 2025 approved level.
- **Memberships** is proposed at \$986,200, a \$55,600 increase, or 6.0% above the FY 2025 level. This increase is driven primarily by increased payments to the Council of Governments (COG). *Non-Departmental First-round Responses #19* breaks down specific organizations and their costs.
- **Employ Prince George's** is proposed to receive a FY 2026 grant of \$2,859,600, which is a decrease of \$134,700, or -4.5%, from the FY 2025 level.
- **Transfers to Other Funds** is proposed at \$900,000. This funding will be utilized as a transfer to the Local Business Bond Fund (\$500,000) and Fair Election Fund (\$400,000).

- The *Required Payments* line item is proposed at \$550,900 and remains unchanged from the FY 2025 Approved Budget.

REQUIRED PAYMENTS	FY 2025 (YTD)	Estimated FY 2025	Proposed FY 2026
RENTER'S CREDIT	\$ 123,267	\$ 206,900	\$ 206,900
Mosquito Control	\$ -	\$ 237,100	\$ 237,100
Refunds to Towns (Various)	\$ -	\$ 86,900	\$ 86,900
Crime Solvers	\$ -	\$ -	\$ 20,000
<b>TOTAL</b>	<b>\$ 123,267</b>	<b>\$ 530,900</b>	<b>\$ 550,900</b>

### Operational Expenditures

- The total FY 2026 Proposed budget for Operational Expenditures is \$169,403,500, an increase of \$17,733,300, or 11.7%, above the FY 2025 Approved level. The increase is primarily due to increases in Retirement State Payments and Equipment Leases, which are offset by decreases in Utilities and Youth Employment Program. The table below details the various line items included in the Operational Expenditures category proposed for FY 2026 as compared to FY 2025:

Operational Expenditures	FY 2024 Actual	FY 2025 Budget	FY 2025 Estimate	FY 2026 Proposed	Change Amount (\$)	FY25-FY26 Percent (%)
Retirement State Payments	\$ -	\$ -	\$ -	\$ 13,000,100	\$ 13,000,100	100.0%
Equipment Leases	22,583,067	20,652,700	29,884,100	27,716,500	7,063,800	34.2%
Other Leases	34,214,260	30,959,200	31,983,900	32,143,100	1,183,900	3.8%
Miscellaneous Expenses	18,916,351	10,670,200	12,296,400	11,735,700	1,065,500	10.0%
Streetlight Electricity	2,226,433	2,099,200	2,300,000	2,400,000	300,800	14.3%
Traffic Signal Electricity	901,358	192,800	190,000	200,000	7,200	3.7%
Retiree Health Benefits	49,953,983	44,048,400	44,048,400	44,048,400	-	0.0%
General Fund Insurance	10,400,000	10,400,000	10,400,000	10,400,000	-	0.0%
Retiree Life Benefits/Annuities	20,221,464	2,027,000	2,027,000	2,027,000	-	0.0%
Unemployment Insurance	511,141	475,000	475,000	475,000	-	0.0%
Deferred Compensation in Lieu of State Retirement	224,839	226,400	226,400	226,400	-	0.0%
Judgments and Losses	-	100,000	20,000	100,000	-	0.0%
Compensated Absences	(832,461)	-	-	-	-	0.0%
Postage	1,348,546	2,700,000	3,000,000	2,500,000	(200,000)	-7.4%
Automated Programs-Speed Camera, Red-Light, False Alarm	5,452,438	7,500,000	7,500,000	6,800,000	(700,000)	-9.3%
Youth Employment Program	1,486,255	2,498,600	2,498,600	1,000,000	(1,498,600)	-60.0%
Utilities	15,330,743	21,000,000	18,903,800	19,312,200	(1,687,800)	-8.0%
<b>SubTotal</b>	<b>\$ 182,938,417</b>	<b>\$ 155,549,500</b>	<b>\$ 165,753,600</b>	<b>\$ 174,084,400</b>	<b>\$ 18,534,900</b>	<b>11.9%</b>
<b>Expenditure Recoveries</b>						
Leases/Utilities	(\$ 3,441,554)	(\$ 3,441,600)	(\$ 3,441,600)	(\$ 3,441,600)	-	0.0%
Other	(1,239,251)	(437,700)	(1,239,300)	(1,239,300)	(801,600)	183.1%
<b>SubTotal</b>	<b>(\$ 4,680,805)</b>	<b>(\$ 3,879,300)</b>	<b>(\$ 4,680,900)</b>	<b>(\$ 4,680,900)</b>	<b>(\$ 801,600)</b>	<b>20.7%</b>
<b>Total</b>	<b>\$178,257,612</b>	<b>\$151,670,200</b>	<b>\$161,072,700</b>	<b>\$169,403,500</b>	<b>\$17,733,300</b>	<b>11.7%</b>

- Retiree Health, Life Benefits/Annuities Insurance -- \$46.1 million** - both the Retiree Life Benefits/Annuities, the County portion of retired employees' health and life insurance costs are funded in this category.
  - \$44,048,400 for retiree health benefits, or Other Post Employment Benefits (OPEB), \$1,950,000 for retiree life insurance, and \$77,000 for retiree annuities.

- **Other Leases - \$32.1 Million** - The Office of Central Services is responsible for maintaining the County's lease agreements for various locations. Increased funding of \$1.2 million over the FY 2025 approved level is included to support:
  - Ten (10) County leases.
  - Debt service payments due on lease revenue bonds issued to support expansions of the Hyattsville and Upper Marlboro Justice Centers.
  - Debt service costs for various public finance transactions, including the Regional Medical Center.
  - A breakdown of Other Leases for FY 2024 to FY 2026 Proposed can be found in *Attachment #7 of the Non-Departmental First-round Responses to Q.28.*
- **Equipment Leases - \$27.7 million.** The FY 2026 expenditures include the principal and interest costs of 2017-2025 lease purchase payments and resources for voting machine rentals, and represent a \$7.1 million increase over the FY 2025 level.
  - The County plans to replace \$25 million in vehicles and equipment in FY 2025.
  - In FY 2025, OMB anticipates spending \$5.4 million in FY 2025, and \$3.3 million in FY 2026 for voting machine rentals.
  - The largest costs are for three (3) fire engines (\$4 million), six (6) ambulances (\$3 million), and one (1) tower truck (\$2.4 million).
  - A breakdown of Equipment Leases for FY 2024 to FY 2026 Proposed can be found in *Attachment #5 of the Non-Departmental First-round Responses to Q.25.*
- **Certificate of Participation (COP) purchases for FY 2025:**
  - The FY 2026 equipment list has not yet been determined.
  - \$27 Million from Proceeds and Investment Income as of 2/11/25
  - Fire Department (\$11.5 million)
  - Police Department (\$7.6 million)
  - Sheriff's Department (\$4.1 million)
  - OCS (\$808.9K)
  - DPW&T Storm (\$800K)
  - Dpie (\$507K)
  - A more detailed breakdown of COP equipment list for FY 2025 can be found in *Attachment #6 of the Non-Departmental First-round Responses to Q.26.*

SCHEDULE I LIST OF EQUIPMENT			
\$26,288,000.00			
Prince George's County, Maryland			
Vehicle/Equipment	Quantity	Estimated Cost Per Unit	Total Cost
Fire Engine	3	\$1,324,260.00	\$3,972,780.00
Ambulances	6	\$488,281.00	\$2,929,686.00
Tower Truck	1	\$2,435,594.00	\$2,435,594.00
Mid Size SUV PPV-Marked	20	\$111,000.00	\$2,220,000.00
Ladder Truck	1	\$2,008,603.00	\$2,008,603.00
Mid Size SUV PPV-NPC-Unmarked	15	\$102,000.00	\$1,530,000.00
Mid Size Sedan-Hybrid	12	\$69,000.00	\$828,000.00
Mid Size SUV PPV-PC-	5	\$152,000.00	\$760,000.00
Mid Size SUV PPV-	8	\$92,000.00	\$736,000.00
Compact SUV-Admin	10	\$64,000.00	\$640,000.00
Medium Roof Cargo Van	6	\$91,600.00	\$549,600.00
Full Size Pick Up Truck-	5	\$100,000.00	\$500,000.00

COP	
\$26,288,000	
2025 Equipment Lease Purchase Financing Equipment List	
Funding \$27,000,000 from Proceeds and Investment Income	
2/11/2025	
\$27,000,000	
Agency	Total Cost
Fire Department- AMD: Heavy	\$ 11,534,122
County Police Department	7,645,558
Sheriff's Office	4,132,000
Office of Central Services	808,920
Department of Public Works: Storm	800,000
DPIE	507,400
DOE	498,000
State's Attorney	337,000
DPW&T	330,000
Fire Department-AMD: Light	200,000
Social Services	100,000
311: Community Services	83,000
Office of Procurement	36,000
<b>Grand Total</b>	<b>\$ 26,999,999.84</b>

- **General Fund Insurance (Self-Insurance Fund) - \$10.4 million:** General Fund Insurance is managed by the Risk Management Unit in the Office of Finance. It insures fire, casualty, automobile, and public losses. The Self-insurance Fund is composed of the following governmental entities: the County, the Community College, the Memorial Library System, and the Board of Education. Contribution levels remain unchanged from FY 2025 levels.

Details	FY 2026 Proposed
Insurance Premiums - General Liability	6,000,000
Insurance Premiums - Auto Liability	4,000,000
Insurance Premiums - Property Loss	400,000
<b>Total</b>	<b>\$ 10,400,000</b>

- **Automated Programs - \$6.8 million:** The County incurs costs to run the speed camera program (\$2.4 million), including payment to the vendor, which are offset by the revenue generated. The amount listed also includes costs associated with the red-light camera (\$3.2 million) and false alarm programs (\$1.2 million) managed by the Revenue Authority. Funding in FY 2026 is proposed to increase for Speed Camera (\$+400K) and decrease for RLC and False Alarm by (-\$1.1 million).

Program	FY 2024 Actual	FY 2025 Budget	FY 2025 Estimated	FY 2026 Proposed	\$ Change FY25-26
Red Light Camera	\$ 2,055,756	\$ 4,000,000	\$ 4,000,000	\$ 3,200,000	\$ (800,000)
Speed Camera	\$ 2,767,765	\$ 2,000,000	\$ 2,000,000	\$ 2,400,000	\$ 400,000
False Alarm	\$ 628,917	\$ 1,500,000	\$ 1,500,000	\$ 1,200,000	\$ (300,000)
<b>Subtotal</b>	<b>\$ 5,452,438</b>	<b>\$ 7,500,000</b>	<b>\$ 7,500,000</b>	<b>\$ 6,800,000</b>	<b>\$ (700,000)</b>

- **Utilities - \$19.3 million:** Reflects projected expenditure levels for electricity, gas, oil, and propane used by the County, and represents a decrease of \$1.7 million, or -8.0%, under the FY 2025 Budget to align with projected costs.

- A detailed breakdown of Utilities costs for FY 2024 to FY 2026 Proposed Budget can be found in *Attachment #8 of the Non-Departmental First-round Responses to Q.29*.

- **Miscellaneous Expenses - \$11.7 million:** includes resources for general and administrative services related to the implementation of the County's strategic plan and collection of emergency transportation fees, and increases by \$1.1 million, or 10%, over the FY 2025 budgeted level.

Misc. Expenses	Expense	FY 2025 Approved	FY 2025 Estimate	FY 2026 Proposed	\$ Change FY25-26
Miscellaneous	State Dept. of Assessments and Taxation	\$2,819,100.00	\$2,819,100.00	\$4,874,400.00	\$2,055,300
Miscellaneous	Professional Service Contracts	2,717,000	2,661,700	1,839,900	(877,100)
Miscellaneous	Ambulance fee collection services (Career Fire)	1,544,900	1,544,900	1,317,600	(227,300)
Miscellaneous	Local Business assistance program	1,000,000	1,000,000	1,000,000	-
Miscellaneous	Interest Expense	462,000	462,000	600,000	138,000
Miscellaneous	Legal Services Contracts	340,000	1,015,000	510,000	170,000
Miscellaneous	Contract Services	731,200	1,765,400	483,600	(247,600)
Miscellaneous	Homestead	150,000	366,900	366,900	216,900
Miscellaneous	Camera Incentive Program	250,000	250,000	250,000	-
Miscellaneous	Advertising	180,000	180,000	160,000	(20,000)
Miscellaneous	Temporary Staffing	250,000	\$ -	100,000	(150,000)
Miscellaneous	Charge-Backs-Operating FY 2015	100,000	100,000	100,000	-
Miscellaneous	Catering Services- WFI Stadium - Washington	37,500	46,500	46,500	9,000
Miscellaneous	Annapolis Office Telephone	40,800	37,200	39,100	(1,700)
Miscellaneous	E-CIVIS	36,500	36,500	36,500	-
Miscellaneous	Fiscal Agent Fees. Issuance Fees-Public	8,500	8,500	8,500	-
Miscellaneous	Annapolis Parking	2,700	2,700	2,700	-
<b>Total</b>		<b>\$ 10,670,200</b>	<b>\$ 12,296,400</b>	<b>\$ 11,735,700</b>	<b>\$ 1,065,500</b>

- This budget also includes costs for:
  - Payments to the State for the State Department of Assessments and Taxation (\$4.9 million)
  - Professional Service Contracts (\$1.8 million)
  - Ambulance Fee Collection Services (\$1.3 million)
  - Local Business Assistance Program (\$1.0 million)
  - Camera incentive program (\$250,000)
  - A more detailed breakdown of Miscellaneous Expenses for FY 2024 to FY 2026 Proposed can be found in *Attachment C* of this report and *Attachment #9 of the Non-Departmental First-round Responses to Q.29*.
- **Streetlights (\$2.4 million) & Traffic Signal Electricity (\$200K)**: The projected energy costs for streetlights and traffic signals maintained by the County are increasing by \$308K in FY 2026 compared to FY 2025.
  - The County currently has approximately 63,780 streetlights in operation. The number is expected to increase in FY 2026.
  - With the current funding level, the number of lights is expected to increase in FY2026 if Utility companies have the capacity to design and install additional lights.
  - DPW&T anticipates installing approximately 200 new lights and converting about 500 existing lights to LED in FY 2026.
  - More than 50k lights will require upgrading to LED in the future, so an increase in our budget will allow us to expedite the conversion process, which will ultimately save the County's energy and maintenance costs.
  - Currently, there are 220 Traffic signals in operation, and an increase of two (2) 2 traffic signals is anticipated in FY 2026.
- **Youth Employment Program - \$1 million**: The amount allotted for the Youth Employment Program managed by the Office of Human Resources Management (OHRM) decreased by \$1.5 million in FY 2026 compared to FY 2025.
  - Funding for the Youth Employment Program is proposed to remain the same as FY 2025 at \$2,498,600.
- **Expenditure Recoveries (Project Charges) - (\$4,680,900)** - Expenditure Recoveries are from non-general funds for charges for utilities, maintenance, and equipment usage payments, retiree health insurance recoveries, and postage recoveries from various funds, increases by \$801,600, or 20.7%, above the FY 2025 approved level.
  - Other recoveries in FY 2026 include \$864.8K for salaries and \$375.5K for projects.

		FY2025 Estimate	FY 2026 Proposed
Other	Total	(1,239,300)	(1,239,300)
Other	Salary Recoveries	(864,800)	(864,800)
Other	Project Recoveries	(374,500)	(374,500)

### Alternative Construction Financing Payment

Alternative Construction Financing Payment	FY 2024	FY 2025	FY 2025	FY 2026	Change	FY25-FY26
	Actual	Budget	Estimate	Proposed	Amount (\$)	Percent (%)
Compensation	\$ -	\$ -	\$ -	\$ -	\$ -	0.0%
Fringe Benefits	-	-	-	-	-	0.0%
Operating	-	42,600,000	42,000,000	42,600,000	-	0.0%
Capital Outlay	-	-	-	-	-	0.0%
<b>Total</b>	<b>\$ -</b>	<b>\$42,600,000</b>	<b>\$42,000,000</b>	<b>\$42,600,000</b>	<b>\$0</b>	<b>0.0%</b>

- In FY 2026, expenditures total \$42.6 million and remain unchanged from the FY 2025 approved budget. This category reflects the County's required payments toward this programmatic cost.

### Contingency

Contingency funding supports potential countywide salary improvements for employees.

Contingency	FY 2024	FY 2025	FY 2025	FY 2026	Change	FY 25-FY26
	Actual	Budget	Estimate	Proposed	Amount (\$)	Percent (%)
Compensation	\$ -	\$ 12,207,200	\$ -	\$ -	\$ (12,207,200)	-100%
Fringe Benefits	\$ -	\$ 5,000,000	\$ -	\$ -	\$ (5,000,000)	-100%
<b>Total</b>	<b>\$ -</b>	<b>\$ 17,207,200</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (17,207,200)</b>	<b>-100%</b>

- In FY 2026, contingency expenditures decrease \$17,207,200, or -100.0%, under the FY 2025 approved budget due to the reallocation of FY 2025 salary adjustments to various agencies/departments.

### 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.

#### **Economic Development Incentive Fund Expenditure Summary**

Category	FY 2024	FY 2025	FY 2025	FY 2026	Change	FY25-FY26
	Actual	Budget	Estimate	Proposed	Amount (\$)	Percent (%)
Compensation	\$ -	\$ -	\$ -	\$ -	\$ -	0.0%
Fringe Benefits	-	-	-	-	-	0.0%
Operating	3,450,330	9,000,000	4,255,000	9,000,000	-	0.0%
Capital Outlay	-	-	-	-	-	0.0%
<b>Total</b>	<b>\$ 3,450,330</b>	<b>\$9,000,000</b>	<b>\$4,255,000</b>	<b>\$9,000,000</b>	<b>\$ -</b>	<b>0.0%</b>

- Expenditures from the Fund are proposed for \$9 million, which is consistent with the FY 2025 Approved Budget for Small Business Loans and Grants.

### Economic Development Incentive Fund Summary

Category	FY 2024	FY 2025	FY 2025	FY 2026	Change	FY25-FY26
	Actual	Budget	Estimate	Proposed	Amount (\$)	Percent (%)
<b>BEGINNING FUND BALANCE</b>	<b>\$29,732,270</b>	<b>\$24,882,270</b>	<b>\$31,639,576</b>	<b>\$31,164,576</b>	<b>\$6,282,306</b>	<b>25.2%</b>
<b>REVENUES</b>						
Interest Income	\$ 2,905,280	\$ 350,000	\$ -	\$ 350,000	\$ -	0.0%
Loan Repayments (Principal and Interest)	2,452,357	1,300,000	3,780,000	1,300,000	-	0.0%
Appropriated Fund Balance	-	7,350,000	475,000	7,350,000	-	0.0%
<b>Total Revenues</b>	<b>\$ 5,357,637</b>	<b>\$ 9,000,000</b>	<b>\$ 4,255,000</b>	<b>\$ 9,000,000</b>	<b>\$ -</b>	<b>0.0%</b>
<b>EXPENDITURES</b>						
Small Business Loans and Grants	\$ 3,450,330	\$ 9,000,000	\$ 4,255,000	\$ 9,000,000	\$ -	0.0%
<b>Total Expenditures</b>	<b>\$ 3,450,330</b>	<b>\$ 9,000,000</b>	<b>\$ 4,255,000</b>	<b>\$ 9,000,000</b>	<b>\$ -</b>	<b>0.0%</b>
EXCESS OF REVENUES OVER EXPENDITURES	\$1,907,307	-	-	-	-	0.0%
OTHER ADJUSTMENTS	\$ -	(\$ 7,350,000)	(\$ 475,000)	(\$ 7,350,000)	\$ -	0.0%
<b>ENDING FUND BALANCE</b>	<b>\$ 31,639,576</b>	<b>\$ 17,532,270</b>	<b>\$ 31,164,576</b>	<b>\$ 23,814,576</b>	<b>\$ 6,282,306</b>	<b>35.8%</b>

- Revenue sources in FY 2026 are proposed to originate from \$7.35 million of appropriated fund balance, loan repayment of \$1.3 million, and interest income of \$350K, all of which remain unchanged from the FY 2025 approved level.
- In FY 2025, estimated Loan Repayments are anticipated to be \$3.78 million, or \$2.48 million over the budgeted level.
- Interest income of \$2.9 million was actualized in FY 2024.
- Revenues in FY 2024 outpaced expenditures by \$1.9 million and did not necessitate the use of fund balance that year. Fund balance at the end of FY 2025 is estimated at \$31.2 million and projected to decrease to \$23.8 million in FY 2026.

### Grants Funds

#### Grant Funds by Division

Grant Name	FY 2024 Actual	FY 2025 Budget	FY 2025 Estimate	FY 2026 Proposed	Change	FY25-FY26
					Amount (\$)	Percent (%)
<b>Grants and Transfers</b>						
American Rescue Plan Act (ARPA) - State and Local Fiscal Recovery Funds (SLFRF)	\$26,997,164	\$—	\$—	\$—	\$—	
<b>Total Grants and Transfers</b>	<b>\$26,997,164</b>	<b>\$—</b>	<b>\$—</b>	<b>\$—</b>	<b>\$—</b>	
<b>Subtotal</b>	<b>\$26,997,164</b>	<b>\$—</b>	<b>\$—</b>	<b>\$—</b>	<b>\$—</b>	
Total Transfer from General Fund - (County Contribution/Cash Match)	—	—	—	—	—	
<b>Total</b>	<b>\$26,997,164</b>	<b>\$—</b>	<b>\$—</b>	<b>\$—</b>	<b>\$—</b>	

- The FY 2026 proposed grant budget remains at \$0 and is unchanged from the FY 2025 approved budget.

- Non-Departmental administered various state and federal grant programs during and after the pandemic which have all since closed.
  - The County also administered the State and Local Fiscal Recovery Fund (SLFRF) also known as the American Rescue Plan Act or ARPA. This program was closed as of December 31, 2024 in accordance with US Treasury guidelines.
  - The actual data displayed is representative of the final activities funded through this program.
- Non-Departmental also maintains two lines of appropriation authority - Public/Private Partnerships and Unanticipated Grants/Interim Appropriation Authority.
  - Throughout the fiscal year, agencies may request a credit of appropriation authority based on two criteria: 1) an unanticipated grant award or 2) an expected award that is higher than previously estimated.
  - While priority is given unanticipated grant awards, no single interim appropriation request may exceed \$3 million.
  - This practice allows agencies to begin program/project implementation upon award while official legislative approval is requested and adopted via supplemental appropriation resolution.

### Other Expenditures – Fringe Benefit Costs

#### **FRINGE BENEFIT COSTS SUMMARY**

<b>COST</b>	<b>FY 2025 BUDGET</b>	<b>FY 2026 PROPOSED</b>	<b>\$ CHANGE</b>	<b>% CHANGE</b>
State of Maryland Employees' Retirement & Pension System	23,405,900	22,464,400	\$ (941,500)	-4.0%
Supplemental Retirement Plans	23,366,600	25,224,100	1,857,500	7.9%
Social Security	49,556,400	52,554,400	2,998,000	6.0%
Police Retirement Plan	90,907,600	98,214,600	7,307,000	8.0%
Fire Retirement Plan	58,357,100	68,204,600	9,847,500	16.9%
Corrections Retirement Plan	13,536,000	14,285,200	749,200	5.5%
Sheriff Retirement Plan	11,240,500	11,069,700	(170,800)	-1.5%
Volunteer Firefighters Length of Service Awards Program	5,100,000	5,219,100	119,100	2.3%
Health Insurance	80,893,800	82,087,800	1,194,000	1.5%
Life Insurance	7,743,100	8,025,000	281,900	3.6%
Workers' Compensation	30,491,700	31,282,400	790,700	2.6%
Unemployment Insurance	475,000	475,000	-	0.0%
<b>TOTAL FRINGE BENEFIT COSTS</b>	<b>\$ 395,073,700</b>	<b>419,106,300</b>	<b>\$ 24,032,600</b>	<b>6.1%</b>
County Contribution Towards Retirees' Health Benefit Costs	\$ 54,461,300	56,693,400	\$ 2,232,100	4.1%

- The FY 2026 proposed budget includes approximately \$419.1 million for fringe benefits and reflects anticipated expenditures for all funds.
  - The County's contributions to the five public safety and criminal justice retirement plans (Police, Fire, Corrections, Volunteer Fire and Sheriff) includes approximately \$197.0 million, which represents a \$17.9 million or 10.0% increase over the FY 2025 budget to align with the rising pension costs for public safety retirement plans.
  - Contributions to the State of Maryland Employees' Retirement and Pension System are calculated upon base payroll rates set by the Maryland Retirement System.

- The seven supplemental retirement plans - deputy sheriff, correctional officers, crossing guards, AFSCME, general schedule, fire, and police civilian employees - are projected to increase by 7.9%. The FY 2026 proposed budget is based on actual expenditures and anticipated changes in plan enrollment.
- Health insurance encompasses the County's contributions to health, dental, vision and prescription drug coverage for both active employees and retirees.
- The County's total contribution towards retirees' health benefits under the Governmental Accounting Standards Board Statement 45 concerning post-retirement health benefits include: General Fund \$44.0 million; Stormwater Management \$5.4 million; Solid Waste Enterprise \$3.6 million; Information Technology \$2.3 million; and Fleet Management \$1.4 million.
- Workers' Compensation is contributed to the Risk Management Fund, which is charged directly to County agencies.
- For FY 2026, there is \$31.3 million budgeted in County agencies to reflect actual and anticipated agency expenditures.

### Federal Capital Improvement Program (CIP)

Federal programs consist of various program activities undertaken with federal Community Development Block Grant (CDBG) funds in accordance with CB-46-1997. This bill established a Five-Year Consolidated Housing and Community Development Plan and the Annual Action Plan, which is adopted by the County Council and approved by the U.S. Department of Housing and Urban Development (HUD). The details of federal programs can be found in the identified plan documents adopted by Council resolution prior to the commencement of the program year. The annual entitlement amounts for program support are based on a multi-factor formula, and the plans are designed to achieve neighborhood revitalization, economic development, and job-creation objectives primarily within low and moderate-income areas of the County. Each of the capital construction projects included in the Annual Action Plan is incorporated into the CIP by inclusion of the federal programs section.

#### Community Development Program 8.97.0001

**Description:** This project consists of activities undertaken with federal CDBG funds and the Annual Action Plan adopted by the County Council and approved by HUD.

Program Summary										
Category/Description	Total Project Cost	Life to Date Actual	FY 2025 Estimate	Total 6 Years	Budget Year					
					FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
<b>EXPENDITURE</b>										
PLANS	\$—	\$—	\$—	\$—	\$—	\$—	\$—	\$—	\$—	\$—
LAND	—	—	—	—	—	—	—	—	—	—
CONSTR	—	—	—	—	—	—	—	—	—	—
EQUIP	—	—	—	—	—	—	—	—	—	—
OTHER	5,614	—	—	5,614	5,614	—	—	—	—	—
<b>TOTAL</b>	<b>\$5,614</b>	<b>\$—</b>	<b>\$—</b>	<b>\$5,614</b>	<b>\$5,614</b>	<b>\$—</b>	<b>\$—</b>	<b>\$—</b>	<b>\$—</b>	<b>\$—</b>
<b>FUNDING</b>										
FEDERAL	\$5,614	\$—	\$—	\$5,614	\$5,614	\$—	\$—	\$—	\$—	\$—
<b>TOTAL</b>	<b>\$5,614</b>	<b>\$—</b>	<b>\$—</b>	<b>\$5,614</b>	<b>\$5,614</b>	<b>\$—</b>	<b>\$—</b>	<b>\$—</b>	<b>\$—</b>	<b>\$—</b>

Project Listing						
CIP ID#	Project Name	Address	Planning Area	Council District	Project Class	Total Project Cost (000)
8.97.0001	Community Development Program	Countywide	Not Assigned	Countywide	Rehabilitation	\$5,614 Ongoing
<b>Program Total</b>						<b>\$5,614</b>
<b>NUMBER OF PROJECTS = 1</b>						

**Justification:** This program serves to achieve neighborhood revitalization and economic development in low—and moderate-income areas of the County. Each capital construction project included in the Annual Action Plan is incorporated into the CIP by being included in this project.

Ingrid S. Watson, Chair

GOFP Committee

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**Highlights:** Project details can be found above and are adopted by the Council resolution each year. Only a portion of the project total is dedicated to capital projects. Current legislation for the FY 2027 Annual Action Plan can be found in [CR-32-2025](#). Proposed FY 2026 funding is \$5.614 million.

**Appendix A**  
**PGCTV FY 2026 Budget Request**

PGCTV FY 2026 BUDGET REQUEST							Notes
	FY 2024 Actual	FY 2025 Budget	FY 2025 Agency Estimate	FY 2026 Proposed	FY25-FY26 \$ Change	FY25- FY26 % Change	
<b>REVENUES</b>							Target:
County Grant	\$ -	\$ 924,600	\$ -	\$ 231,200	\$ (693,400)	-75.0%	Enhance program and staffing. Supporting high school, college and youth programs throughout the fiscal year and summer youth programs; support special requests from County and non-departmental agencies. Special project requests from community service agencies and non-profits. Language interpreters.
Franchise Direct Revenue	\$ -	\$ 420,000	\$ -	\$ 420,000	\$ -	0.0%	Money received from Comcast
Training/Membership	\$ -	\$ 3,000	\$ -	\$ 3,000	\$ -	0.0%	Studio Production, Editing etc. run announcements on Bulletin Boards
	<b>\$ -</b>	<b>\$ 1,347,600</b>	<b>\$ -</b>	<b>\$ 654,200</b>	<b>\$ (693,400)</b>	<b>\$ (1)</b>	
<b>EXPENDITURES</b>							
Compensation	\$ -	\$ 938,600	\$ -	\$ 403,100	\$ (535,500)	-57.1%	Funded 13 positions, 1 unfunded plus attrition
Fringe Benefits & Payroll Taxes	\$ -	\$ 276,900	\$ -	\$ 119,000	\$ (157,900)	-57.0%	
<b>SUB-TOTAL</b>	<b>\$ -</b>	<b>\$ 1,215,500</b>	<b>\$ -</b>	<b>\$ 522,100</b>	<b>\$ (693,400)</b>	<b>-57.0%</b>	
Telephone	\$ -	\$ 18,500	\$ -	\$ 18,500	\$ -	0.0%	
Accounting & Audit	\$ -	\$ 51,000	\$ -	\$ 51,000	\$ -	0.0%	
Office Supplies	\$ -	\$ 8,400	\$ -	\$ 8,400	\$ -	0.0%	
Printing & Duplication	\$ -	\$ 500	\$ -	\$ 500	\$ -	0.0%	
Insurance	\$ -	\$ 25,000	\$ -	\$ 25,000	\$ -	0.0%	
Contracts & Copier Leases	\$ -	\$ 8,500	\$ -	\$ 8,500	\$ -	0.0%	
Memberships & Subscriptions	\$ -	\$ 2,000	\$ -	\$ 2,000	\$ -	0.0%	
Advertising & Promotion	\$ -	\$ 1,000	\$ -	\$ 1,000	\$ -	0.0%	
Scholarship Awards	\$ -	\$ 1,000	\$ -	\$ 1,000	\$ -	0.0%	
Bank Charges & Payroll Processing Fees	\$ -	\$ 8,000	\$ -	\$ 8,000	\$ -	0.0%	
Equipment Maintenance/Repair	\$ -	\$ 500	\$ -	\$ 500	\$ -	0.0%	
CTV Training	\$ -	\$ 500	\$ -	\$ 500	\$ -	0.0%	
Equipment Rental	\$ -	\$ 3,000	\$ -	\$ 3,000	\$ -	0.0%	
Employee Training	\$ -	\$ 1,000	\$ -	\$ 1,000	\$ -	0.0%	
Postage	\$ -	\$ 700	\$ -	\$ 700	\$ -	0.0%	
Travel & Local Transportation	\$ -	\$ 1,500	\$ -	\$ 1,500	\$ -	0.0%	
CAM Awards Expenses	\$ -	\$ 1,000	\$ -	\$ 1,000	\$ -	0.0%	
<b>TOTAL OPERATING</b>	<b>\$ -</b>	<b>\$ 132,100</b>	<b>\$ -</b>	<b>\$ 132,100</b>	<b>\$ -</b>	<b>0.0%</b>	
	<b>\$ -</b>	<b>\$ 1,347,600</b>	<b>\$ -</b>	<b>\$ 654,200</b>	<b>\$ (693,400)</b>	<b>-51.5%</b>	

## Appendix B

### PGCTV FY 2024 Audited Financial Statement Excerpts

**Statement of Financial Position**  
**Statement of Activities**  
**Statement of Functional Expenses**

PRINCE GEORGE'S COMMUNITY TELEVISION, INC.  
 STATEMENT OF FINANCIAL POSITION  
 JUNE 30, 2024

ASSETS

Current Assets				
Cash and cash equivalents	\$ 935,387			
Accounts receivable	105,000			
<b>Total Current Assets</b>	<b>\$ 1,040,387</b>			
Furniture & fixtures	23,691			
Leasehold improvements	15,781			
Machinery	107,069			
Vehicles	74,517			
Less: Accumulated depreciation	(209,984)			
Net fixed assets	11,074			
<b>Total Assets</b>	<b>\$ 1,051,461</b>			

LIABILITIES AND NET ASSETS

LIABILITIES

Current Liabilities				
Accounts payable	\$ -			
Credit cards	3,108			
Accrued expenses	23,672			
<b>Total Current Liabilities</b>	<b>\$ 26,780</b>			

NET ASSETS

Without donor restrictions	1,016,803			
With restrictions	7,878			
<b>Total Net Assets</b>	<b>1,024,681</b>			

Total Liabilities and Net Assets

PRINCE GEORGE'S COMMUNITY TELEVISION, INC.  
 STATEMENT OF FUNCTIONAL EXPENSES  
 FOR THE YEAR ENDED JUNE 30, 2024

	Program Services	Support Services	Total
Salaries & Wages	\$ 580,143	\$ 340,719	\$ 920,862
Employee benefits	-	29,699	29,699
Rent on facility	279,827	31,092	310,919
Company portion taxes	62,197	-	62,197
Insurance	45,004	19,287	64,291
Telephone	5,891	1,382	7,273
Advertising & marketing	1,216	2,210	3,426
Car & truck	122	221	343
Contractors	31,902	40,301	72,203
Interest paid	-	1,016	1,016
Rent	4,202	12,434	16,636
Taxes & licenses	9,224	14,962	24,186
Supplies	81,832	10,114	91,946
Utilities	300	303	603
Accounting & audit	18,118	4,250	22,368
Payroll fees	13,513	-	13,513
Security	666	-	666
Meals and entertainment	4,865	1,622	6,486
Travel	1,244	-	1,244
Bank fees	-	1,961	1,961
Depreciation	-	7,617	7,617
Repairs, maintenance and other	-	257	257
Dues & subscriptions	4,255	998	5,253
Postage & shipping	204	-	204
Vehicle expense	7,057	-	7,057
Legal & professional services	6,845	-	6,845
Total direct expenses	<b>\$ 1,158,626</b>	<b>\$ 520,445</b>	<b>\$ 1,679,071</b>

**Attachment C**

**Miscellaneous Expenses FY 2024 Actual – Proposed FY 2026**

Misc. Expenses	Expense	FY 2024 Actual	FY 2025 Approved	FY 2025 Estimate	FY 2026 Proposed	\$ Change FY25-26
Miscellaneous	State Dept. of Assessments and Taxation	\$2,762,006.00	\$2,819,100.00	\$2,819,100.00	\$4,874,400.00	\$2,055,300
Miscellaneous	Professional Service Contracts	1,796,665	2,717,000	2,661,700	1,839,900	(877,100)
Miscellaneous	Ambulance fee collection services (Career Fire)	849,775	1,544,900	1,544,900	1,317,600	(227,300)
Miscellaneous	Local Business assistance program	3,000,000	1,000,000	1,000,000	1,000,000	-
Miscellaneous	Interest Expense	832,324	462,000	462,000	600,000	138,000
Miscellaneous	Legal Services Contracts	1,051,215	340,000	1,015,000	510,000	170,000
Miscellaneous	Contract Services	1,369,548	731,200	1,765,400	483,600	(247,600)
Miscellaneous	Homestead	-	150,000	366,900	366,900	216,900
Miscellaneous	Camera Incentive Program	-	250,000	250,000	250,000	-
Miscellaneous	Advertising	-	180,000	180,000	160,000	(20,000)
Miscellaneous	Temporary Staffing	-	250,000	\$ -	100,000	(150,000)
Miscellaneous	Charge-Backs-Operating FY 2015 Project Charges for audit costs	1,761	100,000	100,000	100,000	-
Miscellaneous	Catering Services- WFI Stadium - Washington Games	37,500	37,500	46,500	46,500	9,000
Miscellaneous	Annapolis Office Telephone	35,467	40,800	37,200	39,100	(1,700)
Miscellaneous	E-CIVIS	36,500	36,500	36,500	36,500	-
Miscellaneous	Fiscal Agent Fees. Issuance Fees-Public	6,935	8,500	8,500	8,500	-
Miscellaneous	Annapolis Parking	-	2,700	2,700	2,700	-
Miscellaneous	GASB87 Open Balance Adjustment Fund	(3,244,331)	-	-	-	-
Miscellaneous	Printing & Binding	130	-	-	-	-
Miscellaneous	Workmens Comp Closeout	10,816,820	-	-	-	-
Miscellaneous	Banking Services	3,325	-	-	-	-
Miscellaneous	Other Operating Contracts	171,500	-	-	-	-
Miscellaneous	Misc- MD 210 Speed monitoring payment to State FY 20,21 & 22	274,891	-	-	-	-
Miscellaneous	Prior Year Costs	(1,778,698)	-	-	-	-
Miscellaneous	Compensation	904,534	-	-	-	-
Miscellaneous	Inventory Differences	(11,516)	-	-	-	-
<b>Total</b>		<b>\$ 18,916,351</b>	<b>\$ 10,670,200</b>	<b>\$ 12,296,400</b>	<b>\$ 11,735,700</b>	<b>1,065,500</b>